



GROWTH AND PROFITABILITY THROUGH SUPERIOR CUSTOMER UNDERSTANDING

PIERPAOLO BARBONE

President, Services & Executive Vice President



Wärtsilä Services Mission

We create lifecycle services with our customers, enhancing their business – whenever, wherever.

Wärtsilä Services Strategic Goal

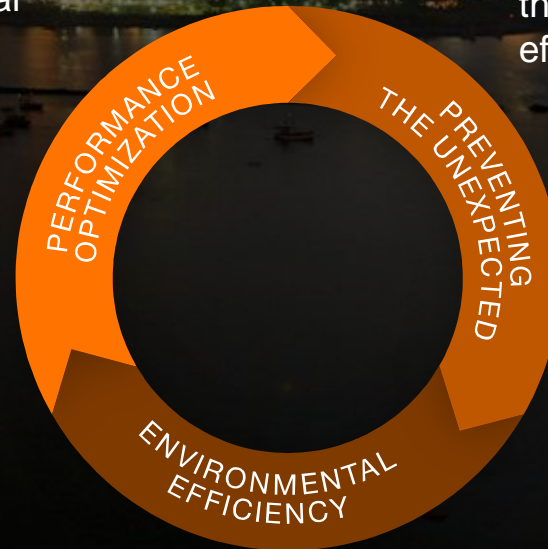
Our customers recognise Wärtsilä as their services partner; competitive, trusted and easy to deal with.

Performance optimization

Our customers are currently looking for longer-term efficiency increasing strategies to improve business efficiency and reduce operational expenses.

Preventing the unexpected

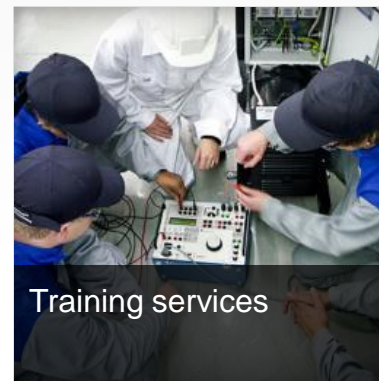
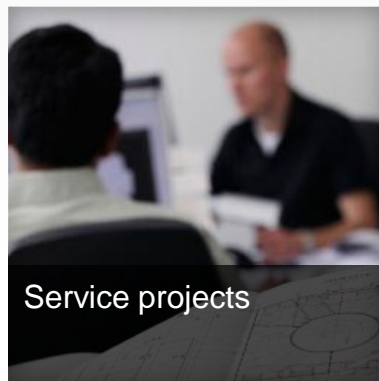
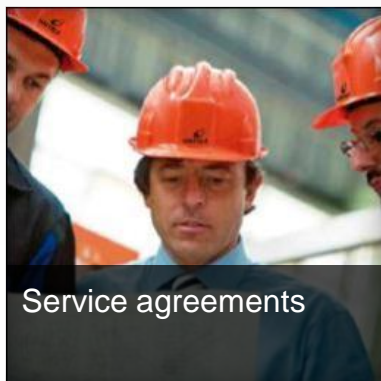
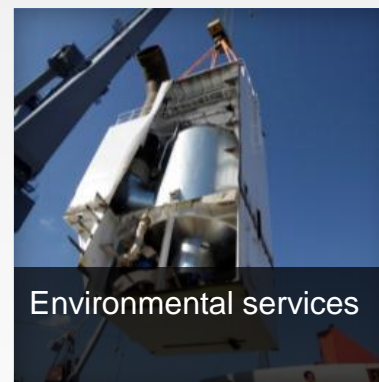
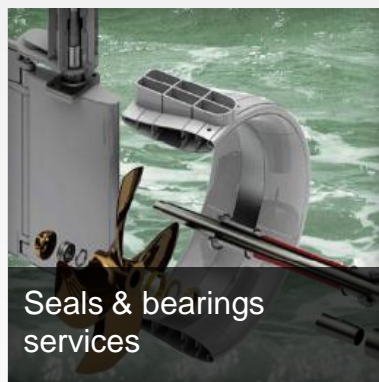
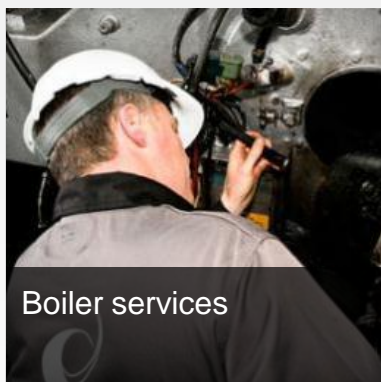
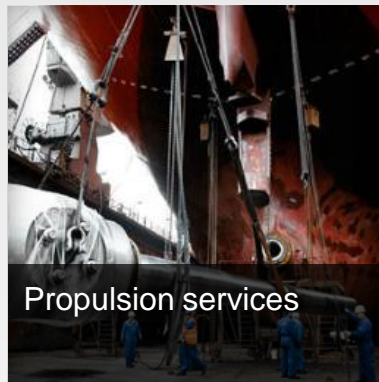
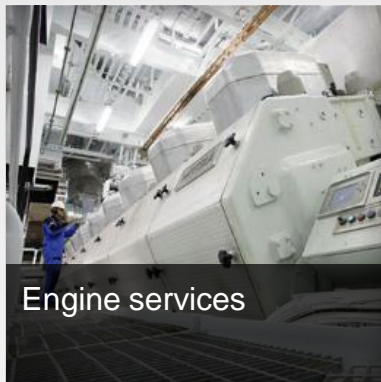
Reliable performance and risk management are identified as key needs of our customers. Preventing the unexpected is vital to ensure cost efficiency and smooth operations.



Environmental efficiency

Environmental legislation, reputation management and the need for energy efficiency are main drivers for our customers to optimize their environmental performance.

Wide range of expertise and services



70 countries, 160 locations,
11,000 service professionals

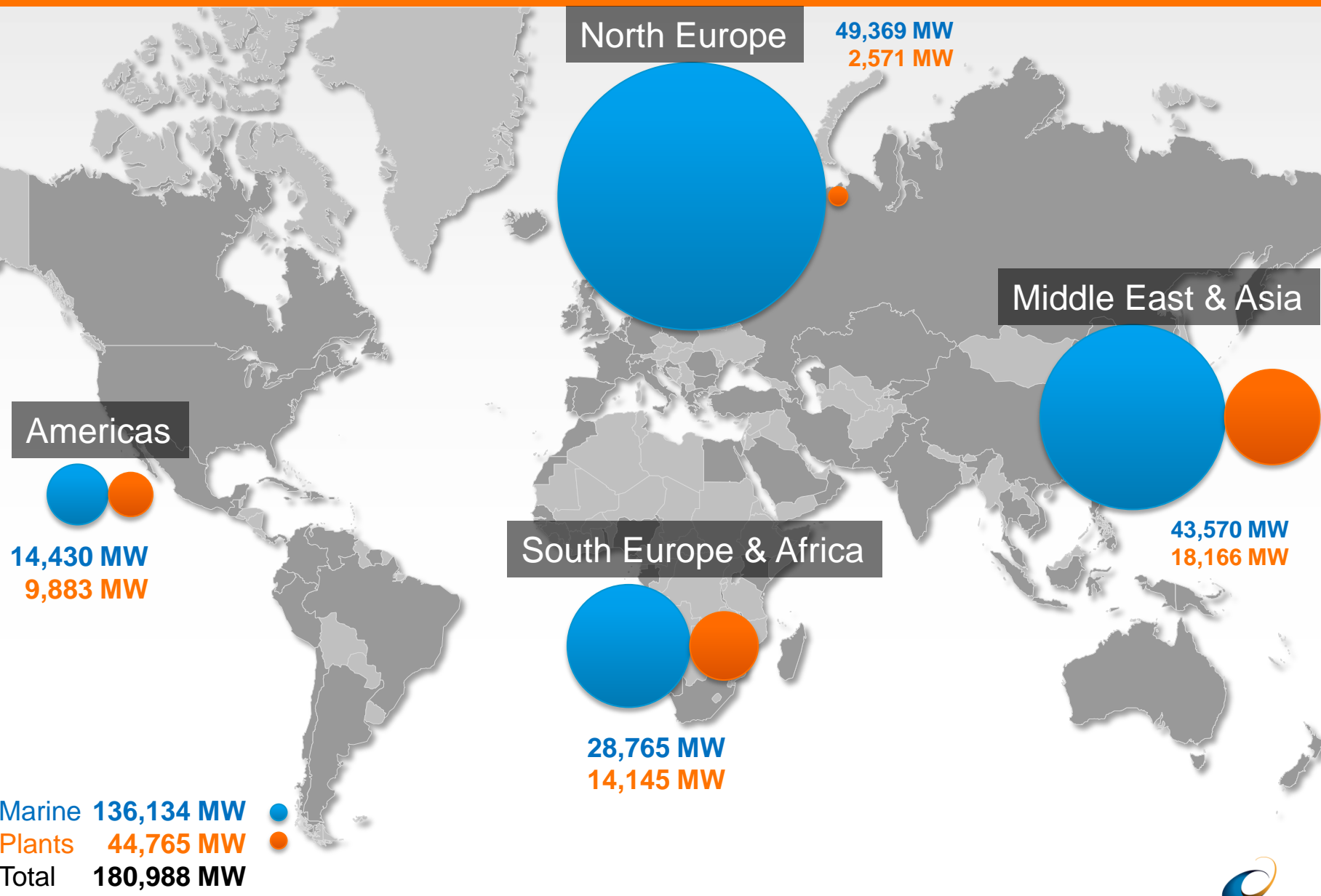
Installed base
181,000 MW

Wärtsilä Services global network
Widest range of offering and expertise

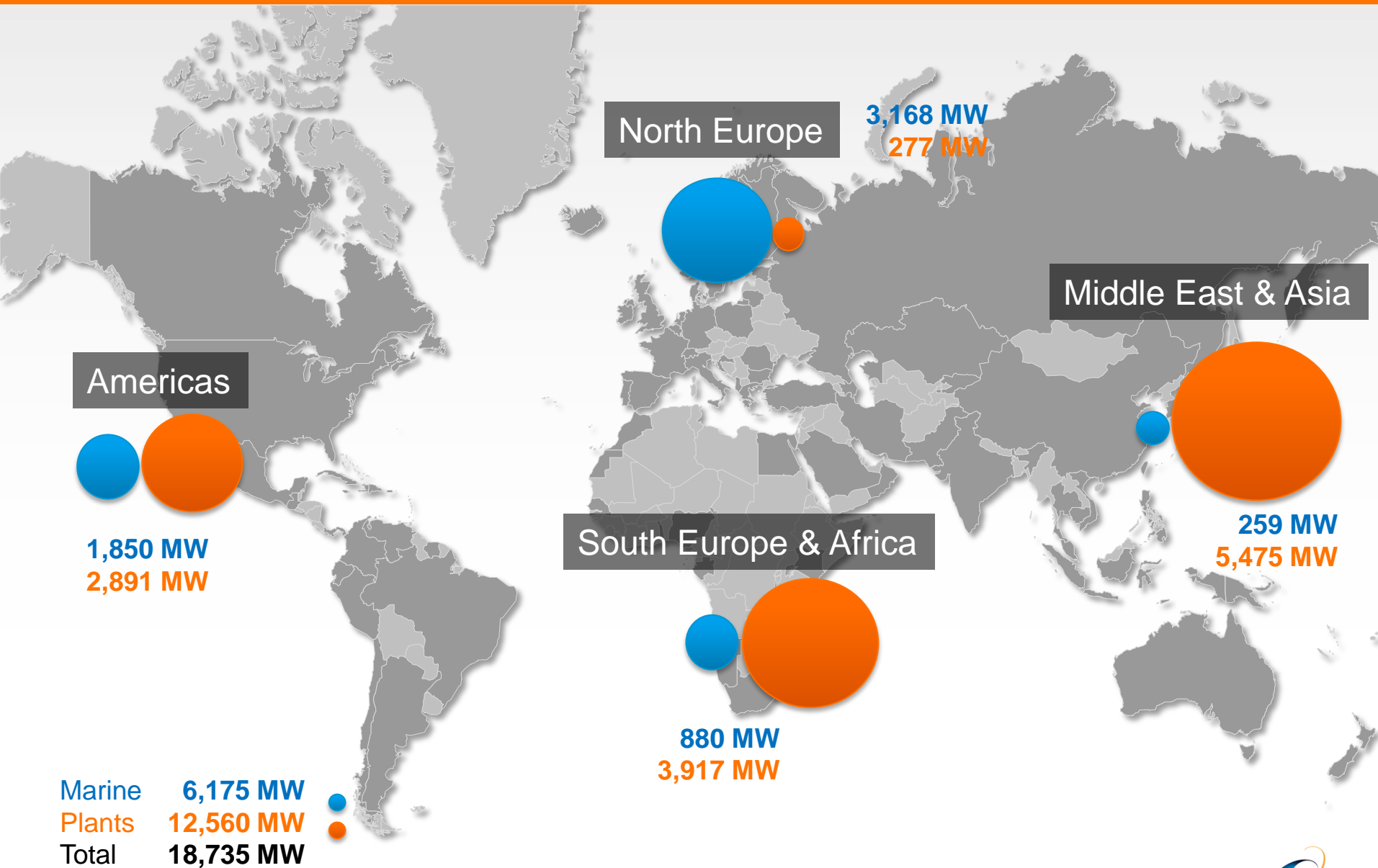


- Increased focus on total cost of ownership and lifecycle efficiency
- Changes in environmental regulations
- Growth of gas as a fuel in shipping and in power generation
- Outsourcing of operations and maintenance in service markets
- Accelerating technological development and cost pressure increases demand for expertise
- Development of installed base and fleet utilisation

Running installed base



Installed base under agreements



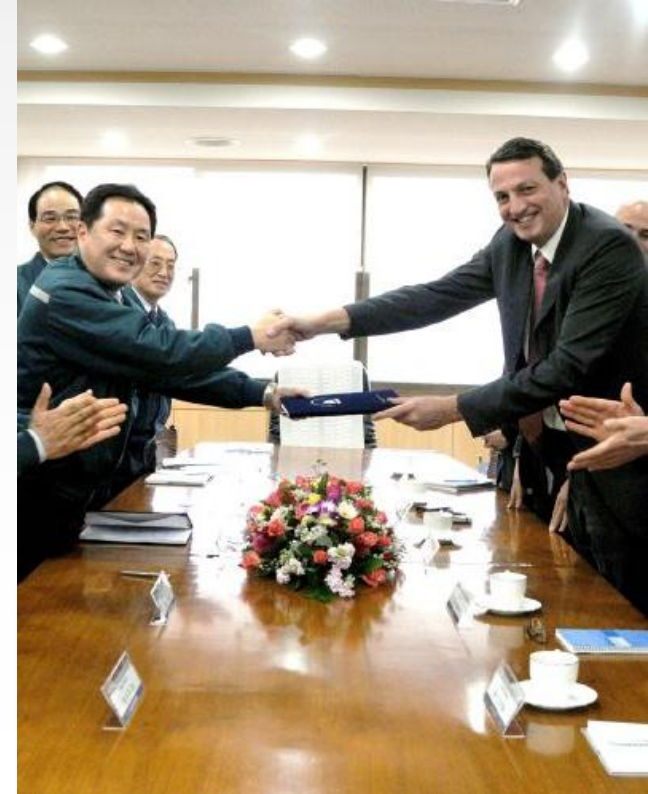


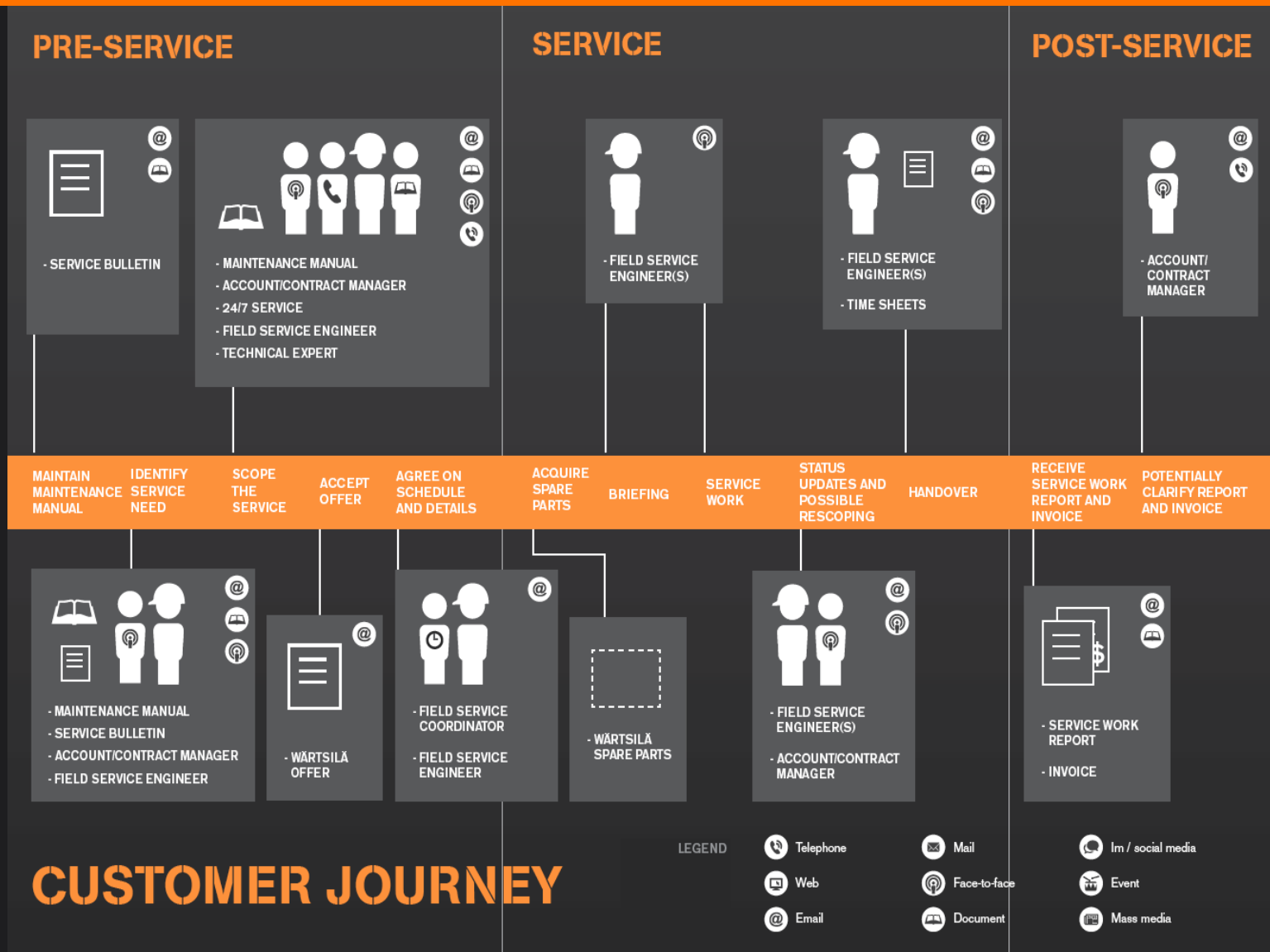
STRATEGIC FOCUS AREAS

13 Capital Markets Day
HELSINKI FINLAND

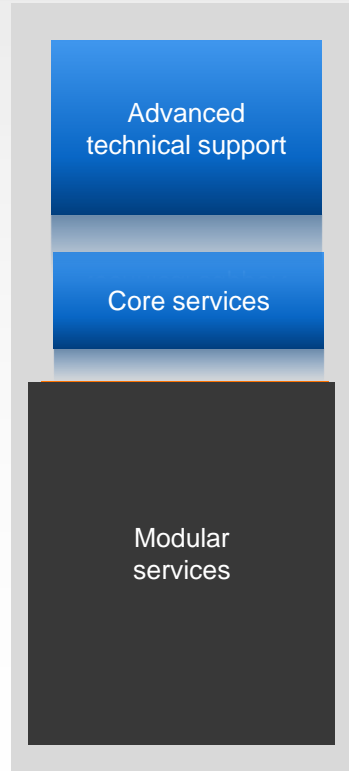
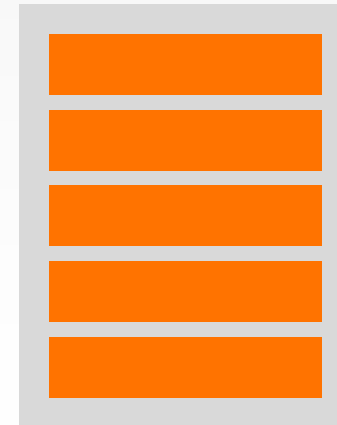
Strategic focus areas – responding to customer needs

- Develop offering and service based on customer understanding
- Wide range of preventive, responsive and optimizing services and solutions
- Comprehensive agreements and projects optimize customers' business and ensure availability throughout the lifecycle
- High-quality real-time information and analyses
- Supporting customers in minimizing their environmental footprint
- Expanding our global field services network
- Consolidated spare parts logistics from our central distribution center





- We help customers optimize their business throughout their lifecycle
- Our goal is to move our offering from 'one size fits all' to **servicing the customers according to their specific needs**
- Customers can select their service level from modular offering
- Strong online services platform to support service offering.



Fulfilling customers needs with current services solutions

Modular service offering providing more choice and additional value

Application	Mod name	Reference	Equipment number	Serial number	Warranty ends	Status	Running hours	Hours updated	Done
Main engine	Nik name	D802			31.12.2014	Operating	8000	7.8.2013	Buttons
Main engine	Nik name	D802			31.12.2014	Operating	8000	7.8.2013	Manuals
Auxiliary equipment	Nik name	Z_0			31.12.2014	Operating			Knowledge base
Automation	Nik name	Z_BN			31.12.2014	Operating			Parts
Automation	Nik name	Z_CTRL			31.12.2014	Operating			Warranty claim
Automation	Nik name	Z_LV			31.12.2014	Operating			TestRequest

Core services offering available 24/7

- Parts webshop
- Maintenance work
- Technical support
- Technical documentation
- Warranty claims
- Installation related dashboard KPI's



- Re-location of equipment & installations
- Plant extensions
- Fuel conversions
- Solutions for environmental compliance
- Upgrades and modernisations
- Survey and consultancy services

We provide our customers innovative solutions to enable them to improve their feasibility and extend the lifetime of their installations. Results may include e.g. reduced fuel consumption, lower emissions or increased efficiency.

AVR upgrade secures dynamic positioning for Global 1200 heavy lift and pipelaying vessel

- Our operators really do feel they now have a reliable and stable platform



When it comes to trustworthiness, some organisations treat the word simply as lip service. But I think that Wärtsilä's people gave it a whole new meaning by being honestly engaged in making good decisions. I trusted what they said and the performance we received at the end of the project is a reflection of that hard work, dedication and trust.

Michael Fibich
Capex MRC Manager
Technip's Subsea



The Challenge

- The vessel's AVR system did not meet its demanding response times needed during major load changes
- Improve the vessel's power plant performance, so that the staff feel that they can rely on it
- The new system had to meet the latest requirements for excitation control on a dynamic positioning vessel
- Vessel needed to be able to continuously maintain its dynamic positioning capabilities during operations

Solution

- Upgrade of the automatic voltage regulation (AVR) system including all AVR design
- Modification of the generators
- Getting approval from the American Bureau of Shipping (ABS)

Results

- Operators now have a reliable and stable platform for their ship systems
- Generators now react very quickly to load changes
- AVR system is now secure and compliant with the latest requirements
- Through a fully redundant power plant the vessel can continuously maintain its dynamic positioning capabilities

Wärtsilä operates and maintains power plants, marine and offshore installations, ensuring reliable performance from receiving fuel to supplying energy.



- Tailored agreements – clients can choose from different levels of partnership
- A sustainable partnership that extends the lifetime of an installation, improves efficiency and reduces expenses

Supply agreements



Technical management agreement



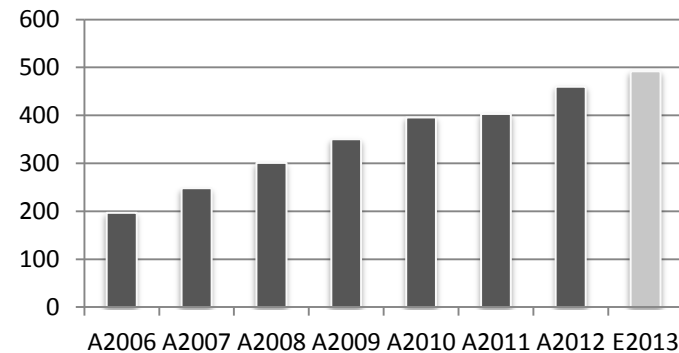
Maintenance agreements



Asset management agreement



Number of installations



- High engine efficiency means very favourable lifecycle costs for a Wärtsilä solution



Wärtsilä engine technology has proven to be very effective at meeting the challenges of a dynamic ERCOT (Electric Reliability Council of Texas) market. We see continued value in investments in flexible, efficient combustion engines to serve the needs of our member cooperatives, and we are very pleased to work with Wärtsilä on our Red Gate Power Project.

John Packard
Manager of Generation,
South Texas Electric Cooperative



Rendering of STEC's new Red Gate Power Plant: 12 x Wärtsilä 18V50SG, 225 MW

Overview

In December 2012 Wärtsilä signed the contract to engineer and supply a large 225 MW power plant to South Texas Electric Cooperative (STEC) in the USA. The power plant will be located in Hidalgo County, Texas and is scheduled to be in commercial operation by summer 2014.

The natural gas fuelled power plant will help STEC to meet the growing demand for electricity in South Texas. The power plant is designed to meet BACT (Best Available Control Technology) pollution standards as mandated by the United States Clean Air Act.

Maintenance agreement

The agreement provides a number of benefits:

- Optimised maintenance for long-term plant availability, reliability and efficiency
- Technical and operational assistance with maintenance planning, technical advisors, spare parts and an on-site inventory
- Technical, parts and risk sharing support

STEC Red Gate power plant

- Powered by 12 Wärtsilä 50SG engines running on natural gas ensuring a total output of 225 MW
- Flexibility, quick start-up capability, superior load following and favourable lifecycle costs
- High efficiency engines result in fewer emissions of CO₂ than simple cycle gas turbine solutions
- High simple cycle efficiency achieved with minimal water consumption



- Managing the entire logistics chain of Wärtsilä OEM parts, from order intake to customer delivery
- Annual spare parts sales volume around 1 billion euro – 180 000 deliveries
- Approx. 200 employees
- Fast response times and cost effective, on-time deliveries
- Close proximity to harbours and major airports

OEM quality of field services offers customers:

- Access to OEM engineering and knowledge
- Certified maintenance and repair methodologies
- Access to latest upgrades and technologies
- A single reliable OEM source for a wide range of equipment and systems
- Same quality standards all around the globe

Competent field services experts:

- Experts available for fuel oil or gas operated installations
- Professional skills management system for all field services employees

Health and safety in focus:

- Global “Zero Injury” vision and strategy
- Trained and certified field services professionals
- Safe business premises for employees and partners

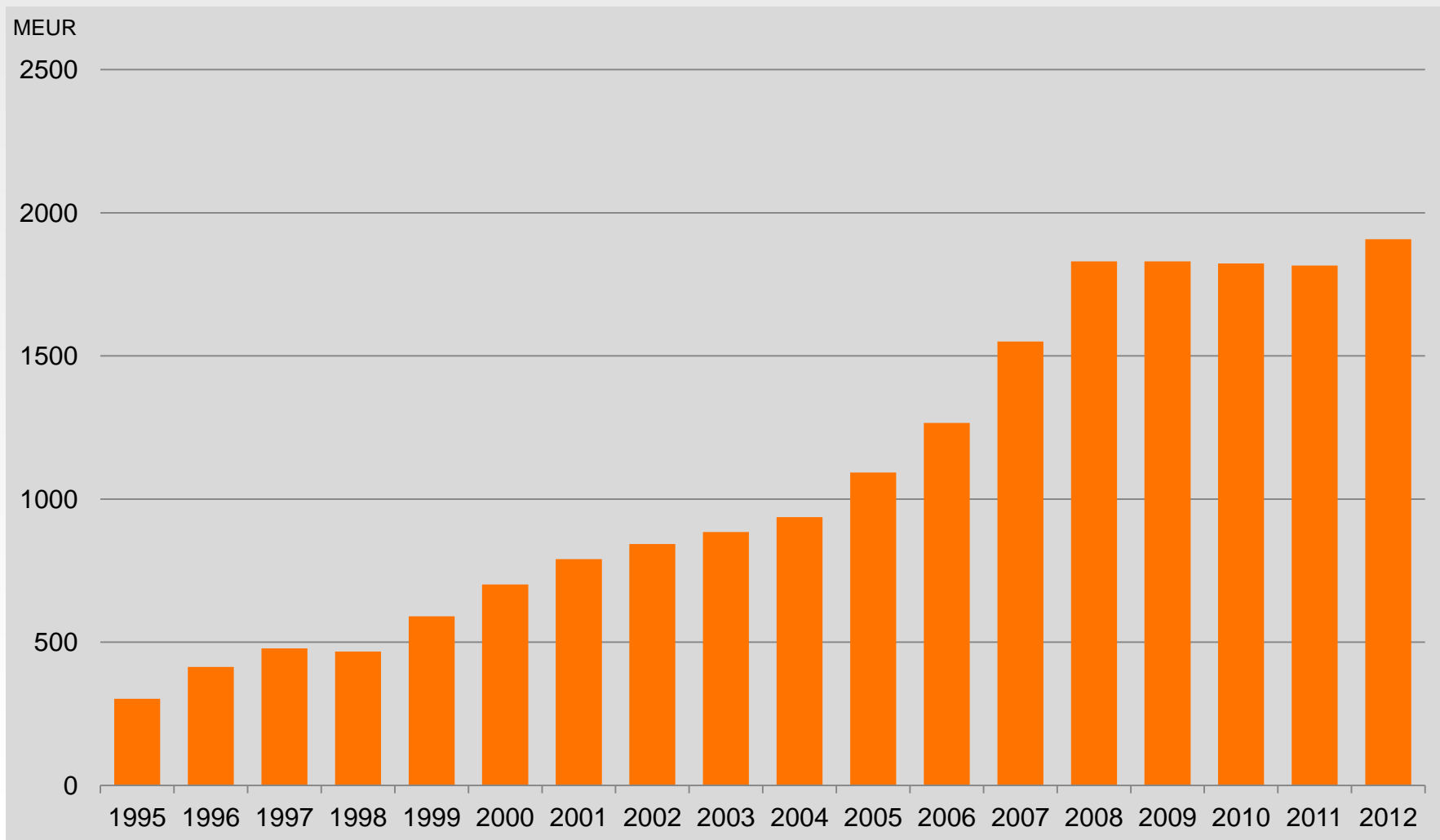




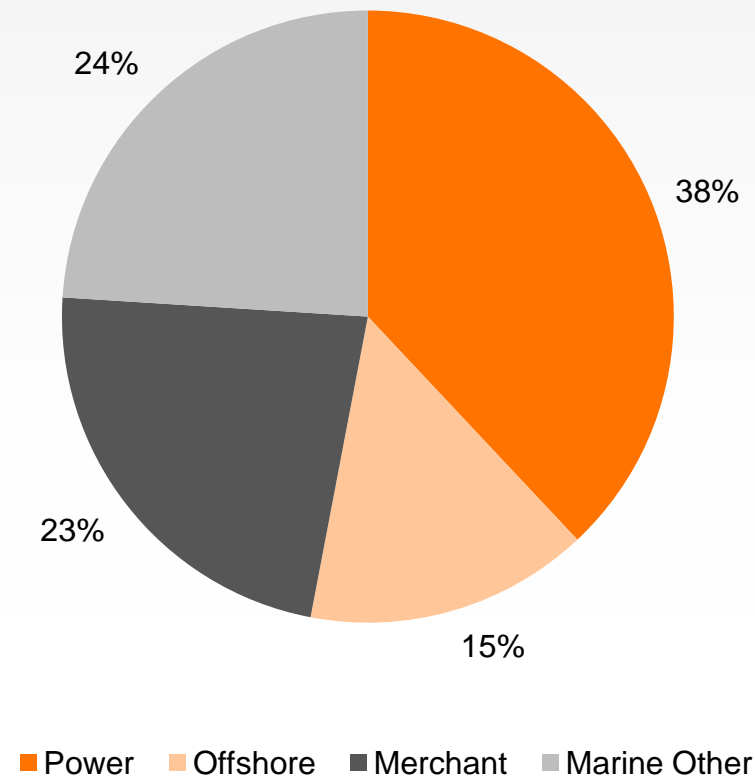
FINANCIAL SITUATION

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Markets
Day HELSINKI
FINLAND

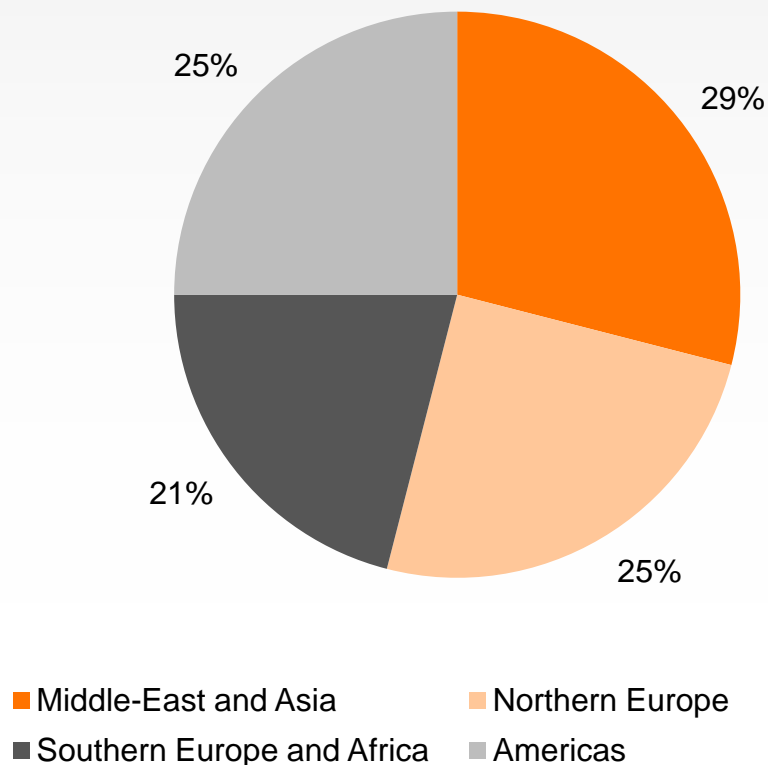
Net sales development



Q3/2013



Q3/2013



- Solid business, yet market continues to be challenging
- Continued focus on improving profitability
- Customer understanding in focus for extended offering and services

OPERATED BY

WÄRTSILÄ



WÄRTSILÄ