

WÄRTSILÄ CORPORATION

2012 RESULT PRESENTATION

BJÖRN ROSENGREN, PRESIDENT & CEO

25 JANUARY 2013



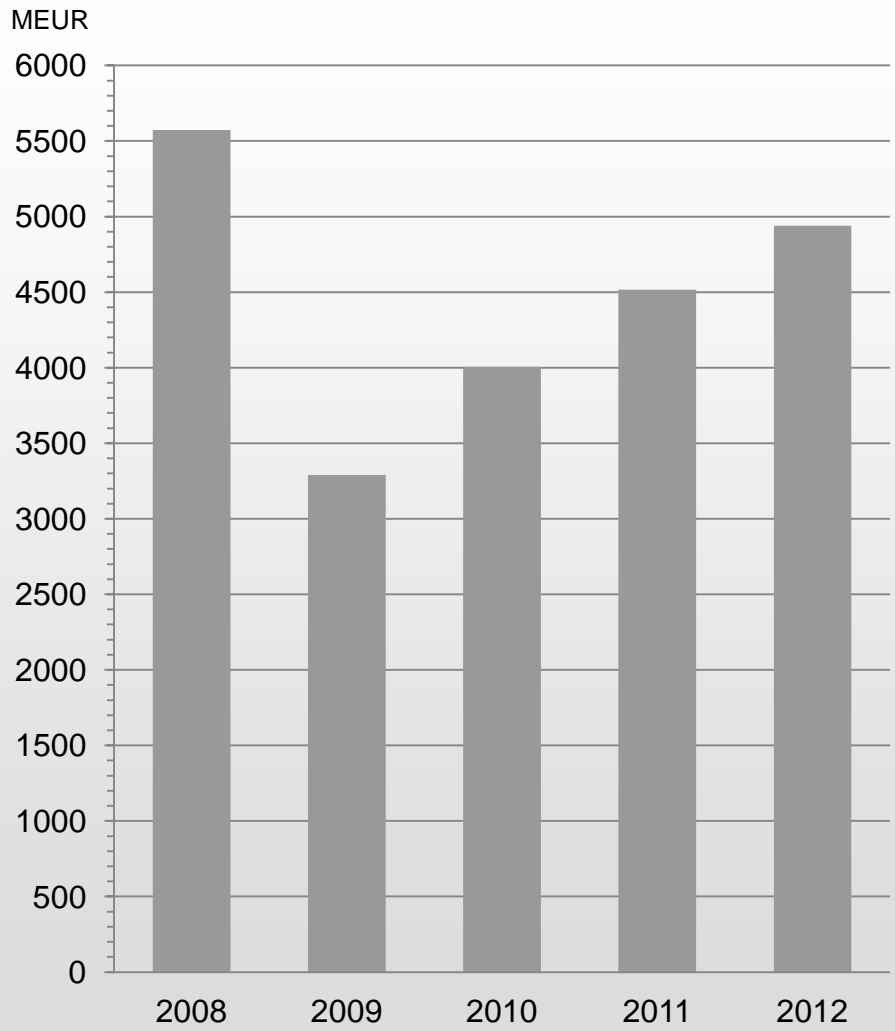


2012 development

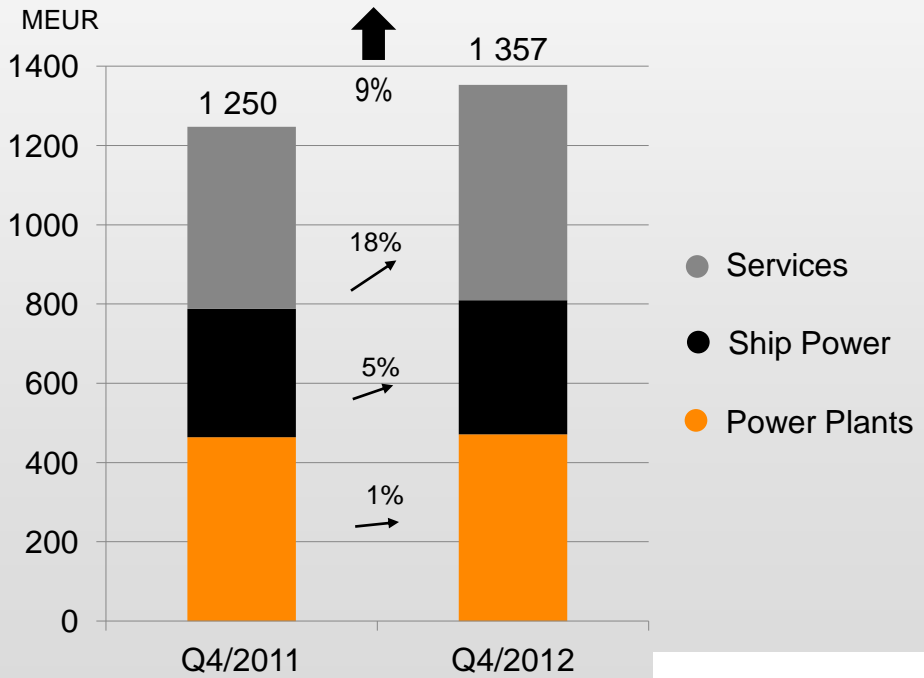
- Order intake EUR 4,940 million, +9%
- Net sales EUR 4,725 million, +12%
- Book-to-bill 1.05 (1.07)
- EBITA EUR 550 million, 11.6% of net sales
- EBIT EUR 515 million, 10.9% of net sales
- EPS EUR 1.72 (1.44), +19%
- Cash flow from operating activities EUR 153 million (232)
- Dividend proposal 1.00 euro per share (0.90)

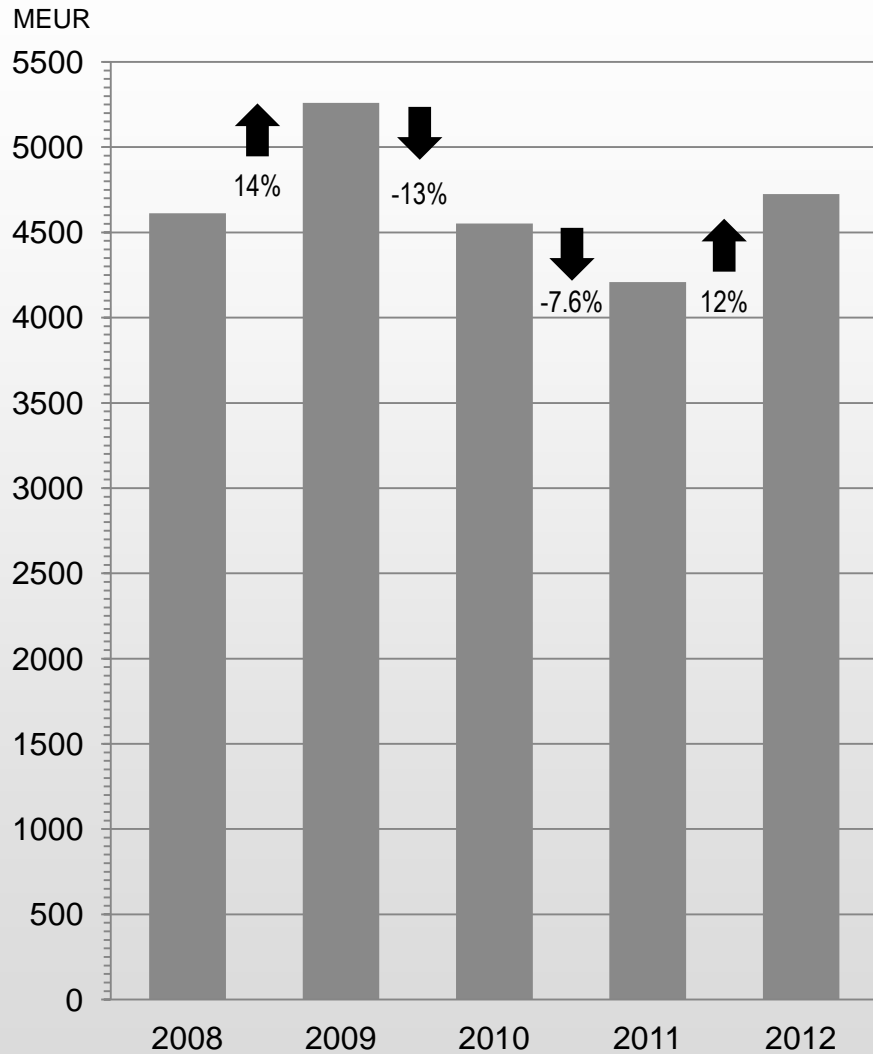
EBIT is shown excluding non-recurring items.

EBITA is shown excluding non-recurring items and intangible asset amortisation related to acquisitions.

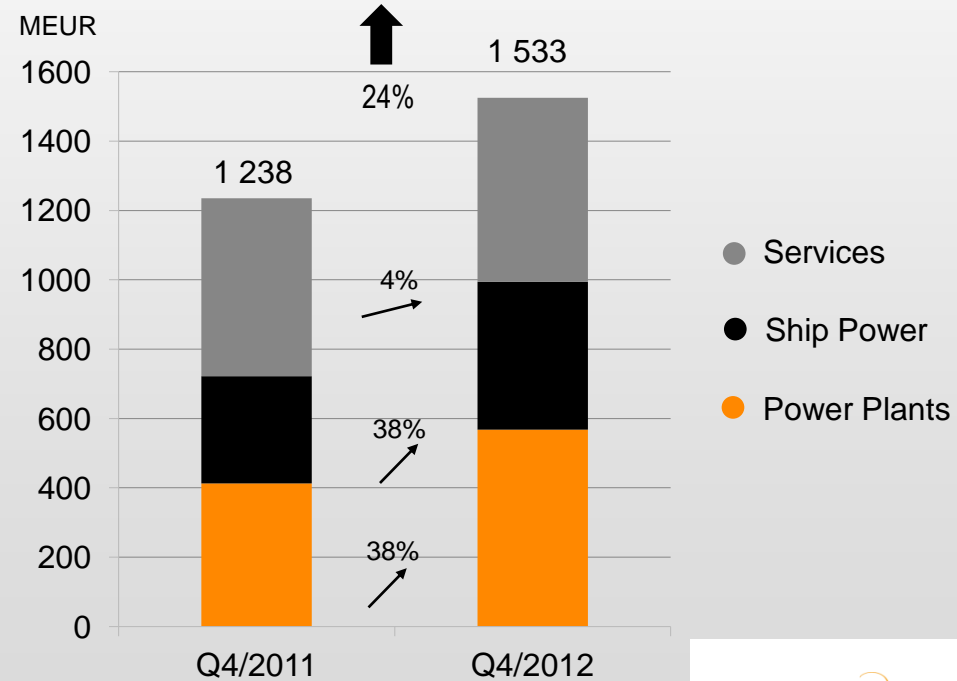


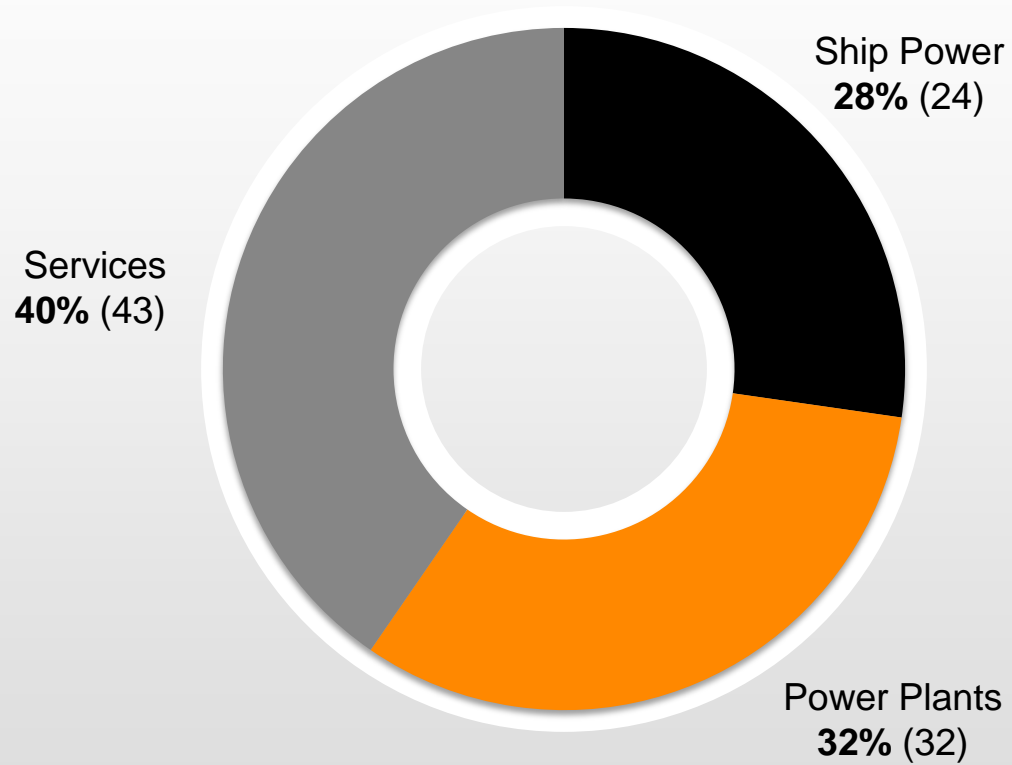
Fourth quarter development



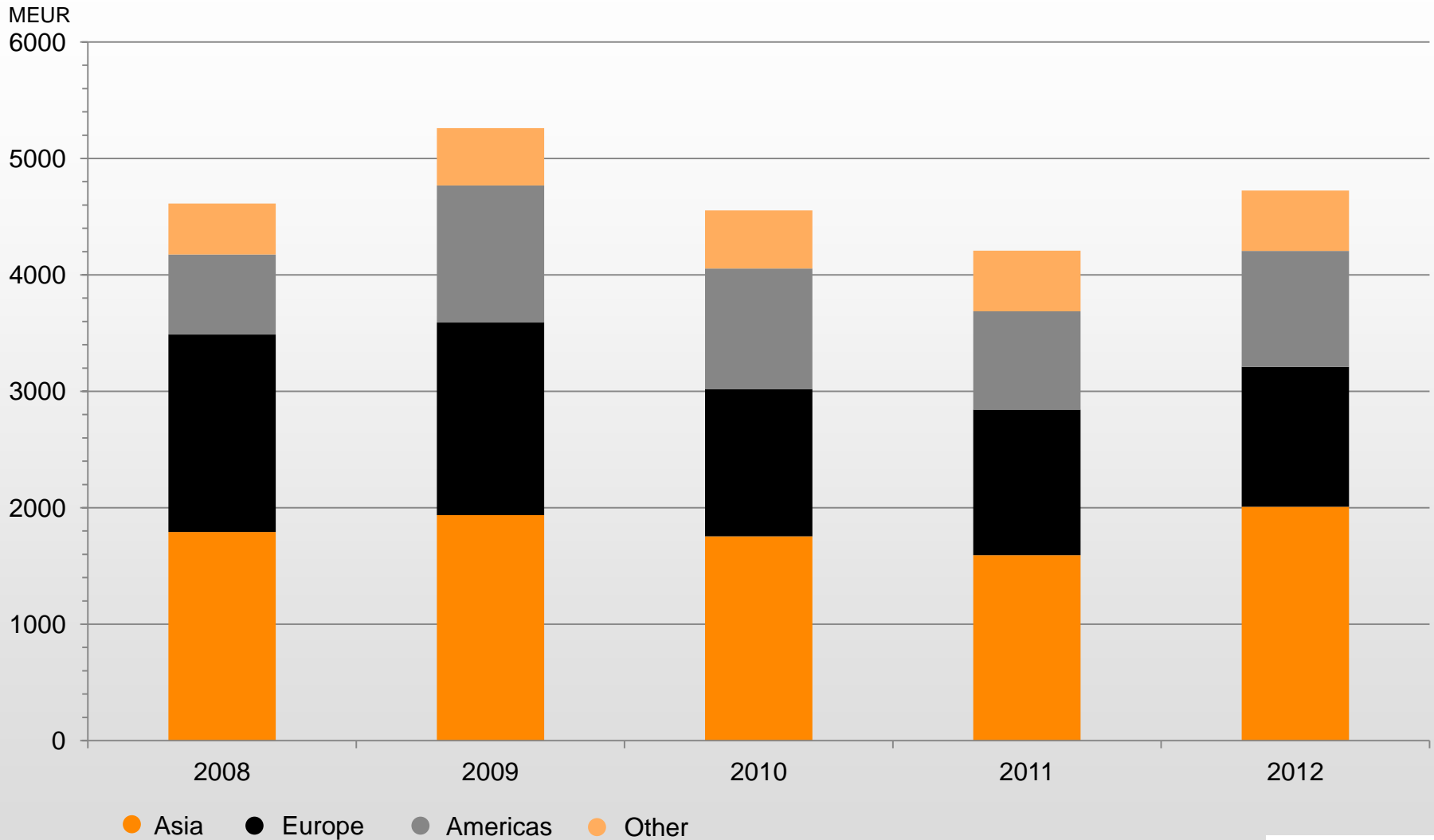


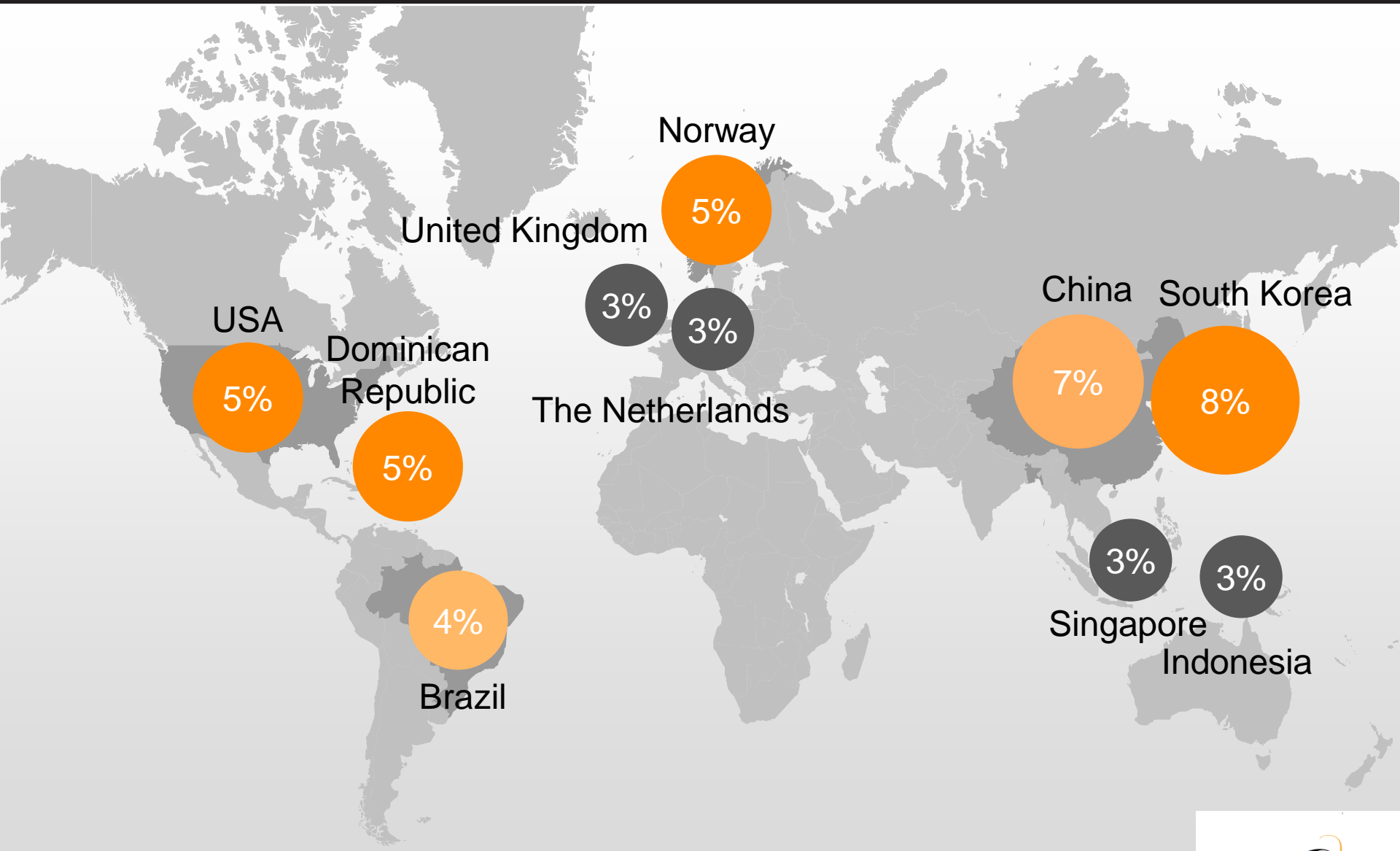
Fourth quarter development





Net sales by market area - Asia's share over 40%

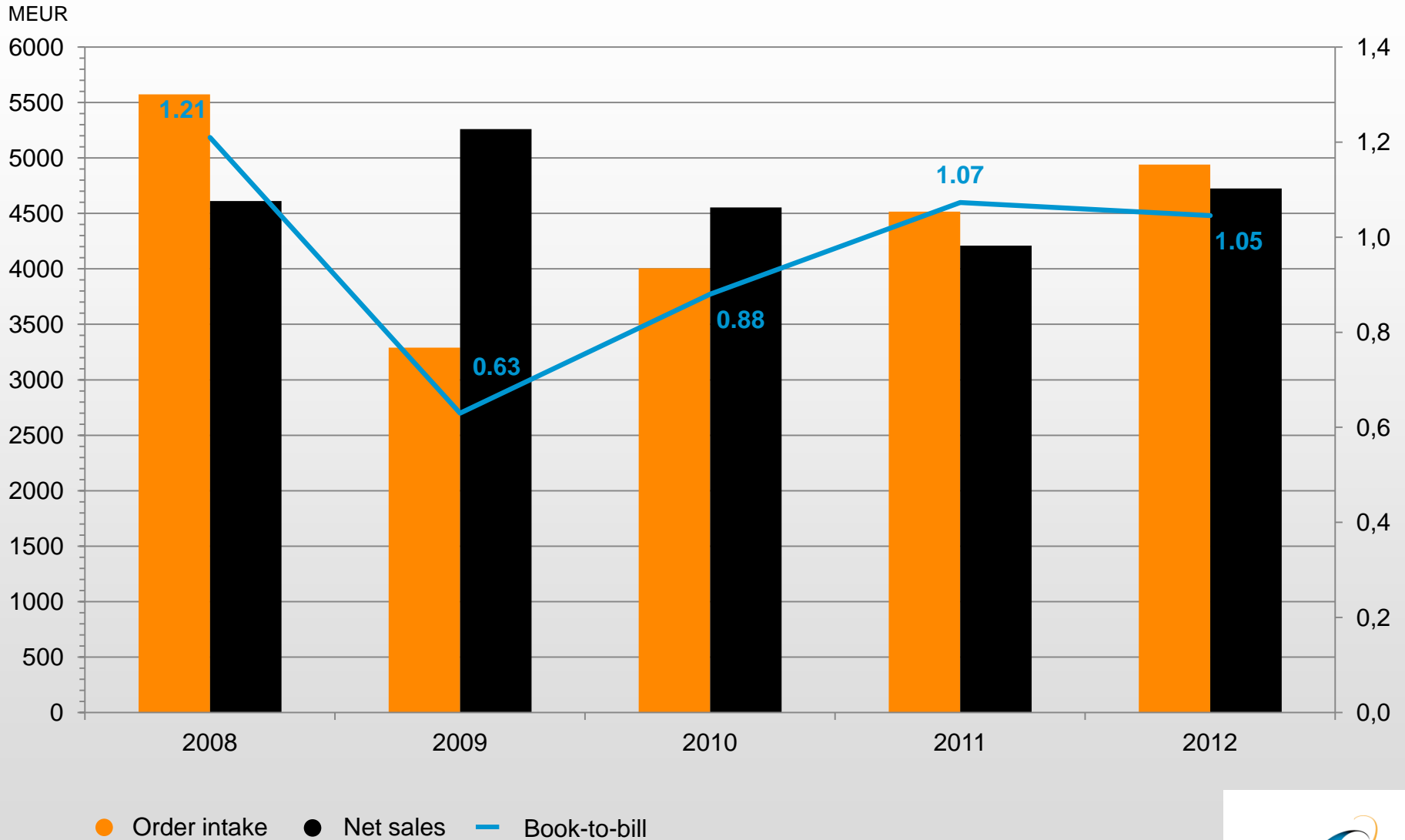


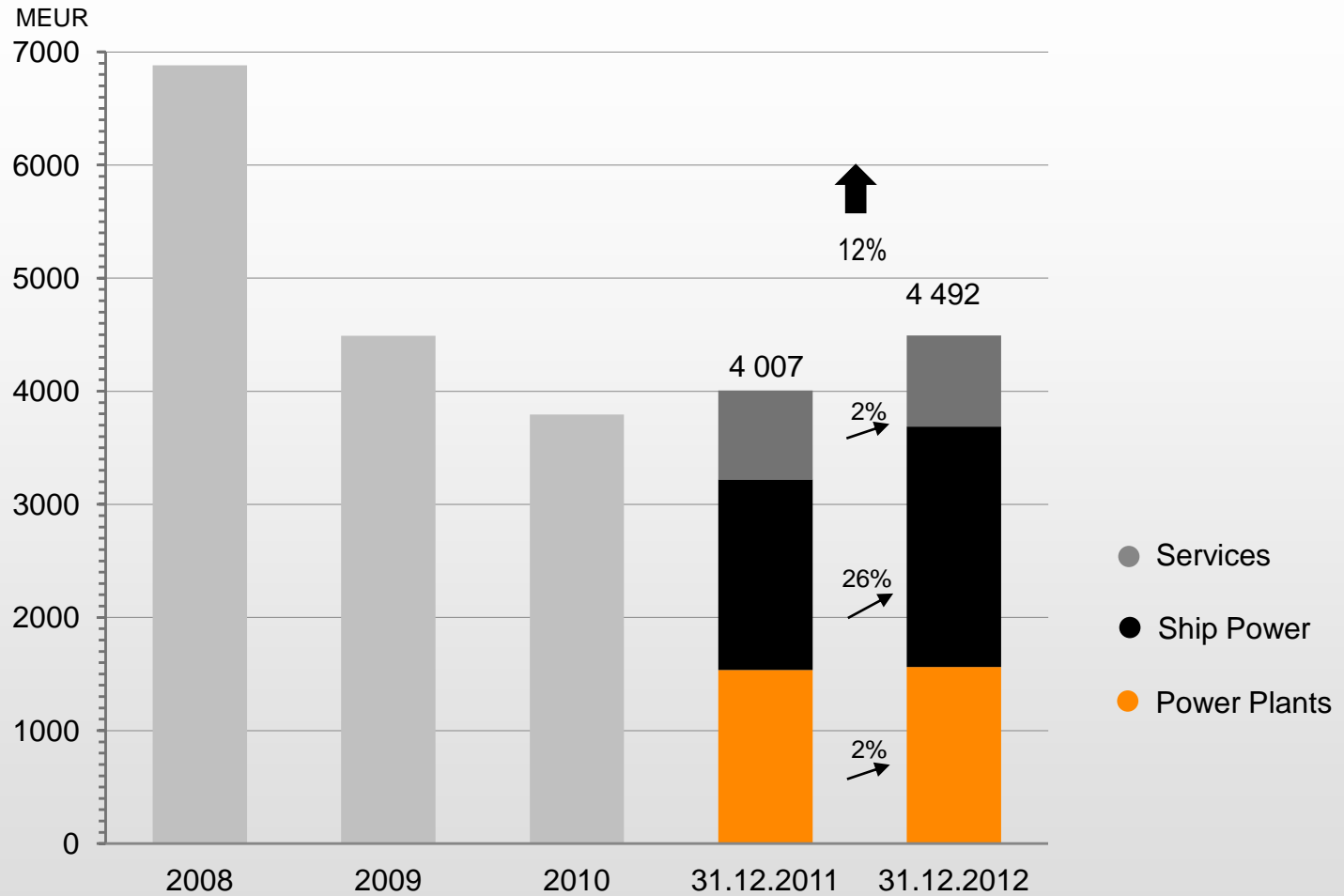


% of 2012 net sales

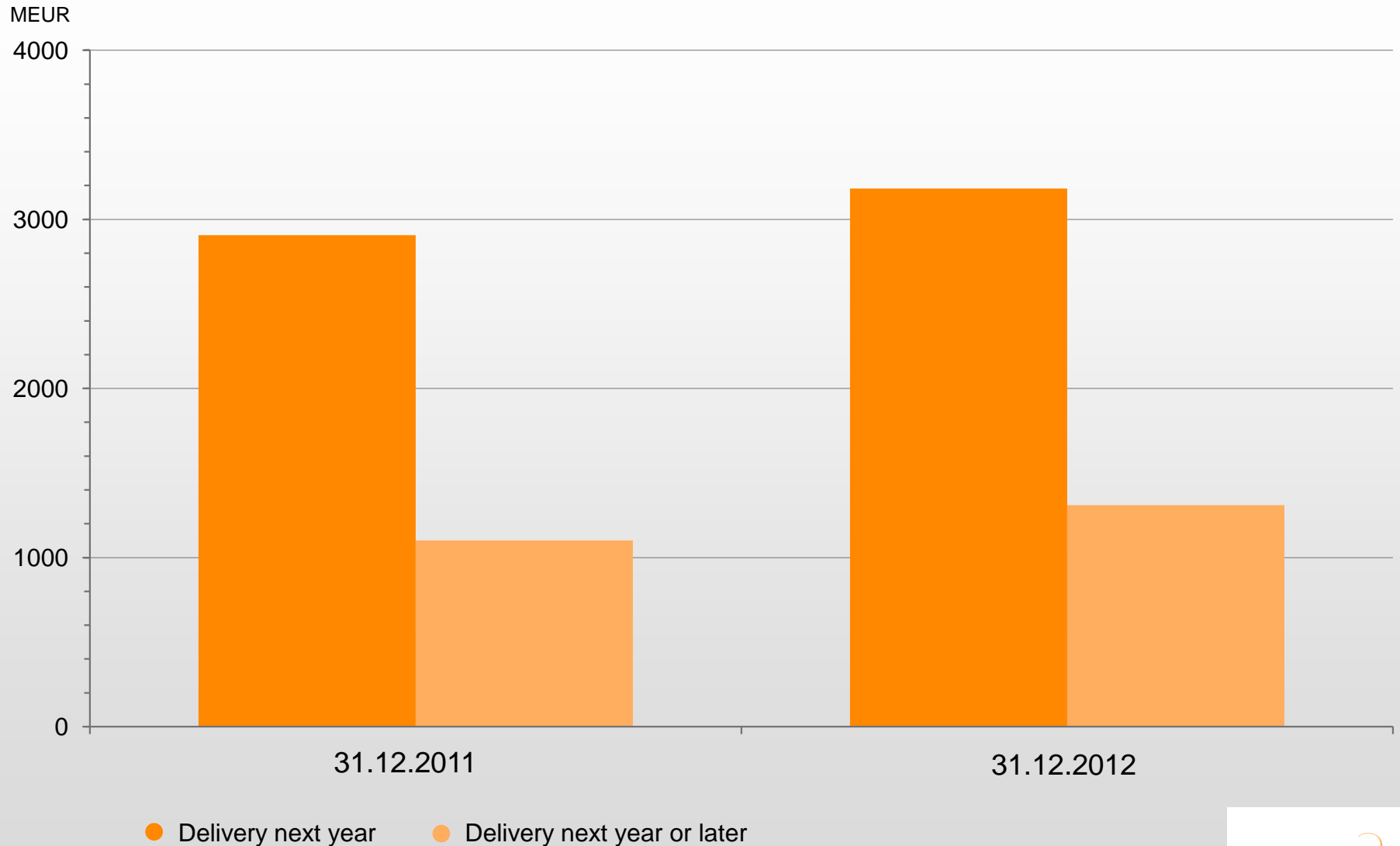


Book-to-bill ratio remains above one

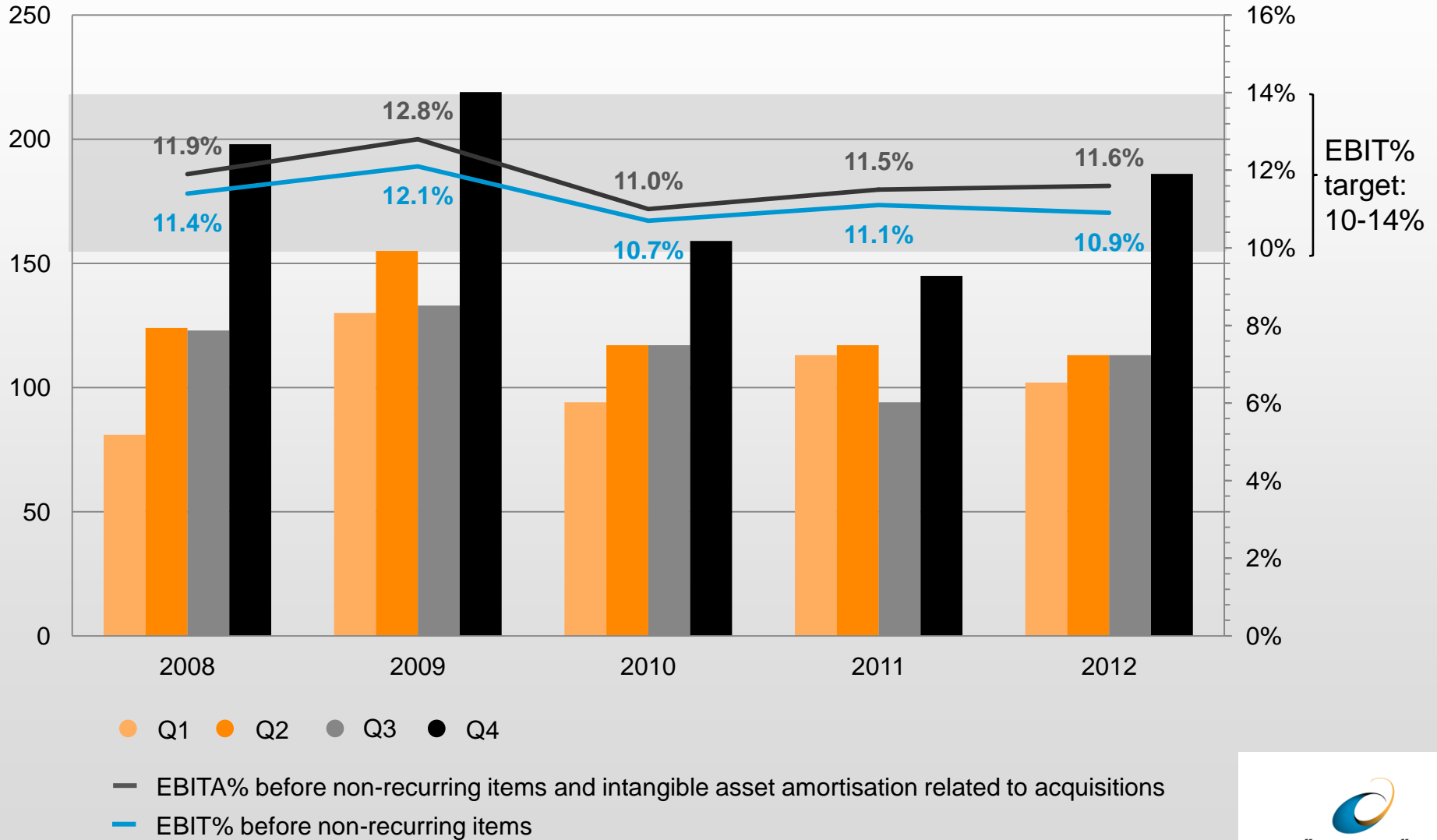




Order book provides good base for 2013



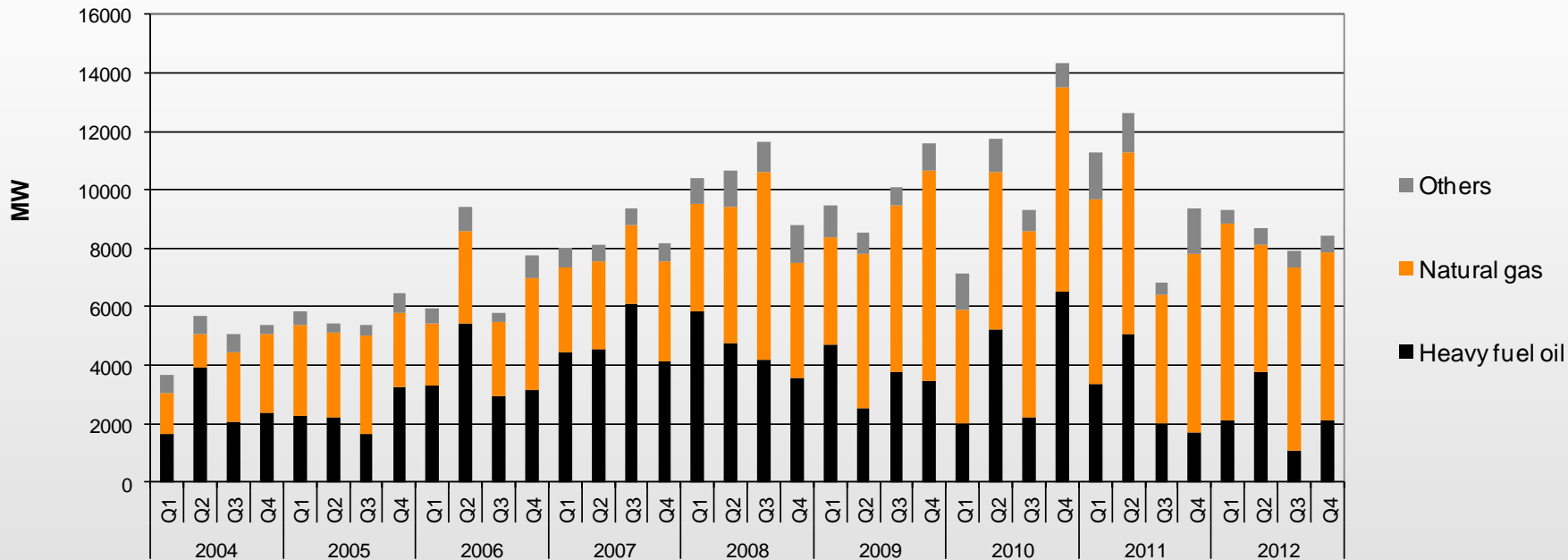
EBIT, MEUR





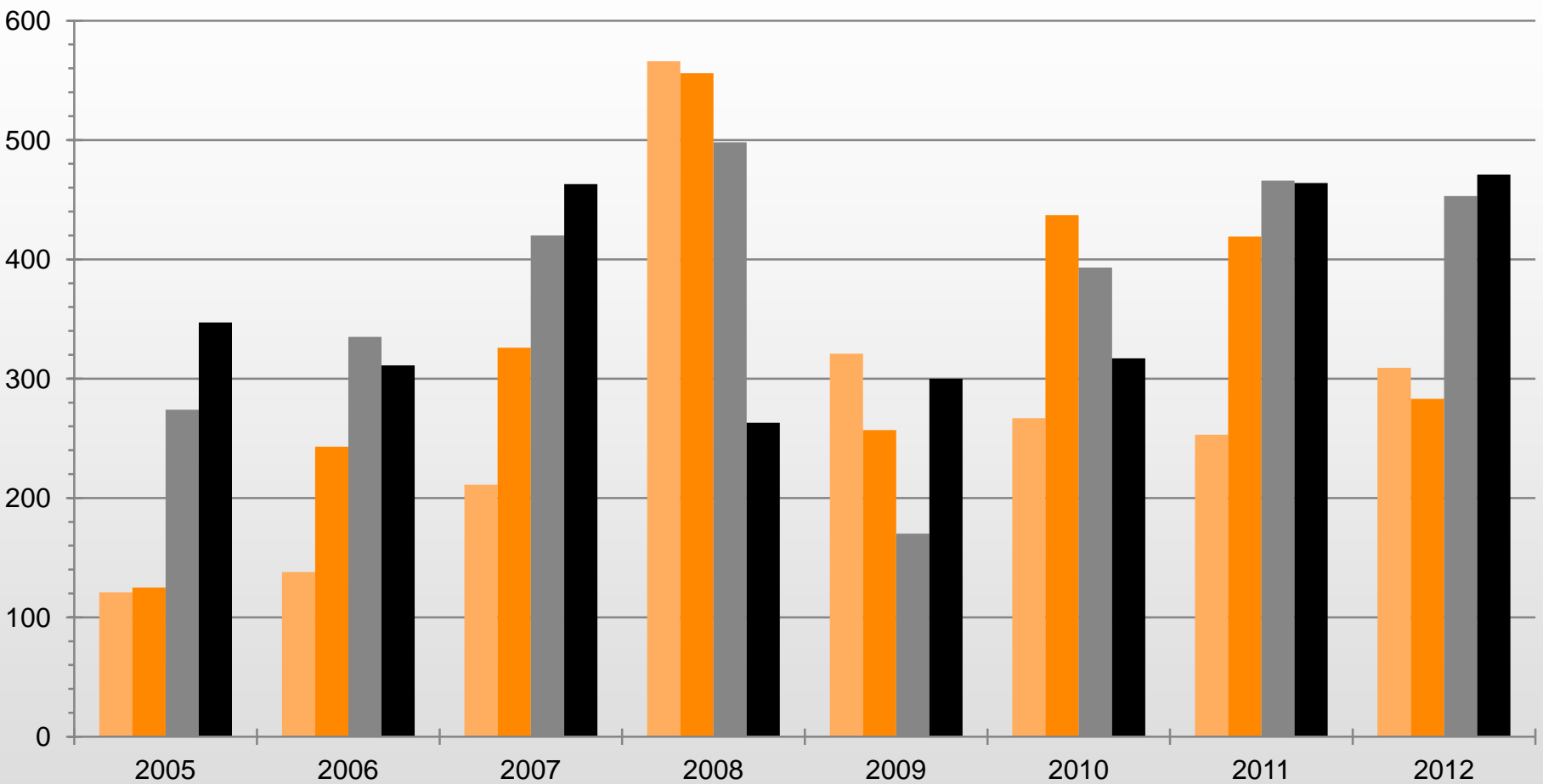
**Good activity in gas
based power
generation markets**

Quoted MW per Fuel Type



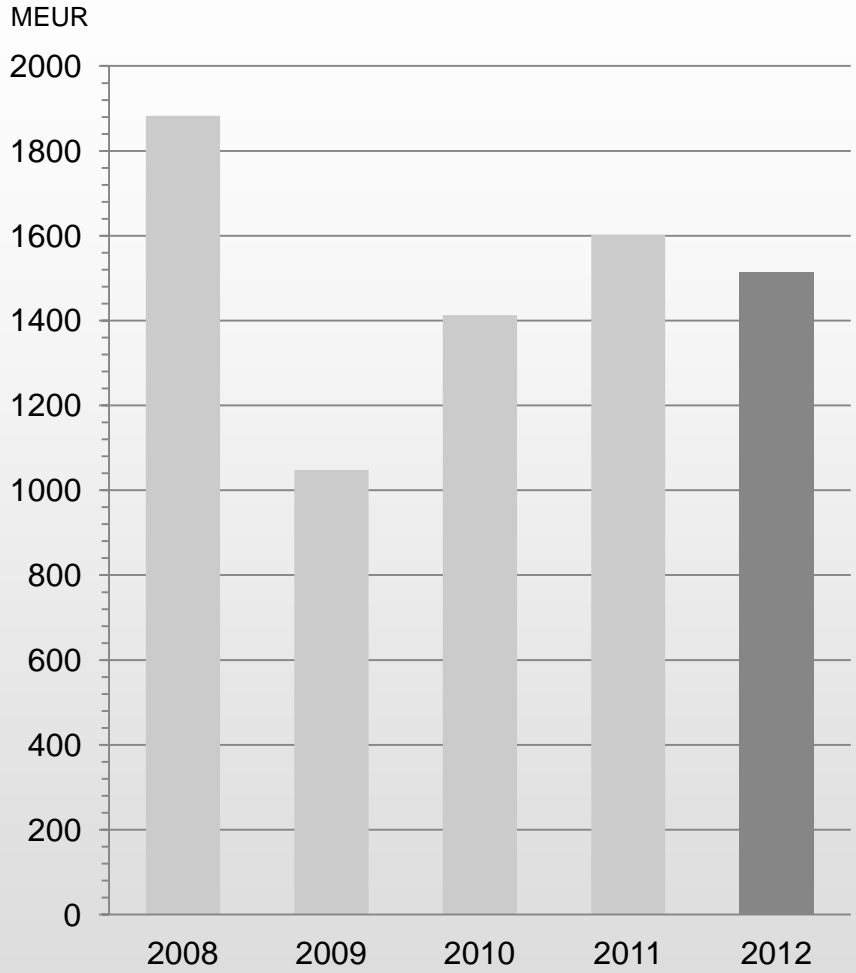
Share of natural gas is consistently increasing.

MEUR

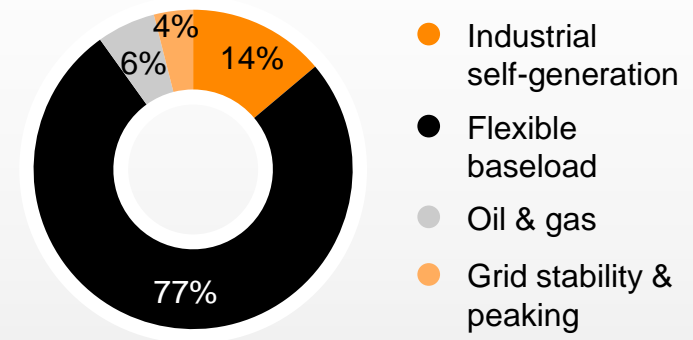


● Q1
 ● Q2
 ● Q3
 ● Q4

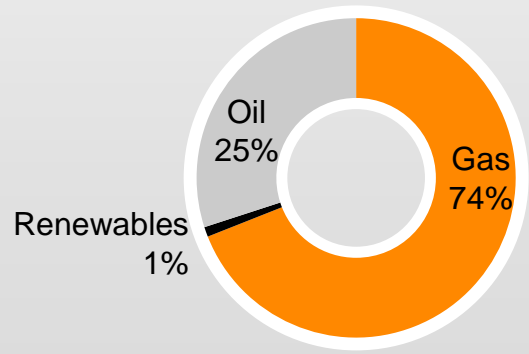




Review period development
Total EUR 1,515 million (1,602)



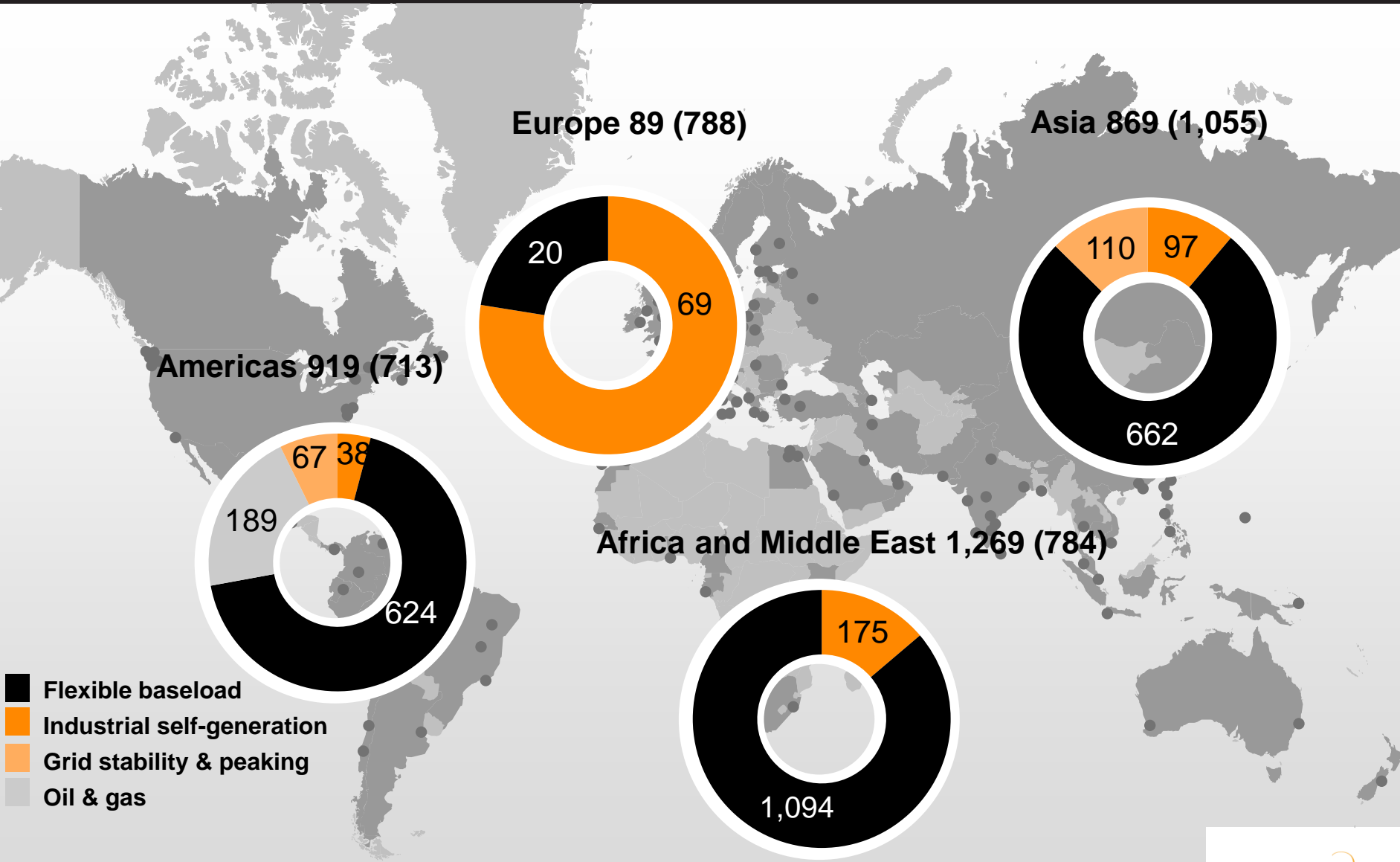
Review period order intake by fuel in MW



Major power plant order from Mozambique



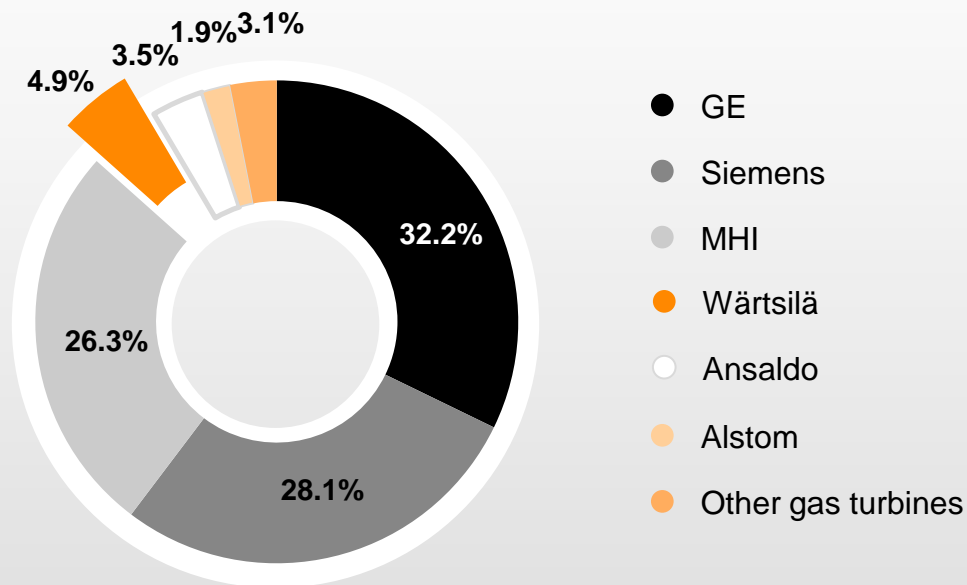
- Contract to engineer, supply and install a gas fuelled power plant to Mozambique, the biggest gas power plant ever installed in the country
- Contract value EUR 138 million
- Contract signed with a joint venture owned by Sasol New Energy from South Africa and the Mozambique state utility
- Scope of supply 18 Wärtsilä 34SG engines running on natural gas
- Wärtsilä's presence in southern Africa is likely to strengthen further as the use of natural gas continues to be developed



Order intake 2012: 3,146 MW (3,340)



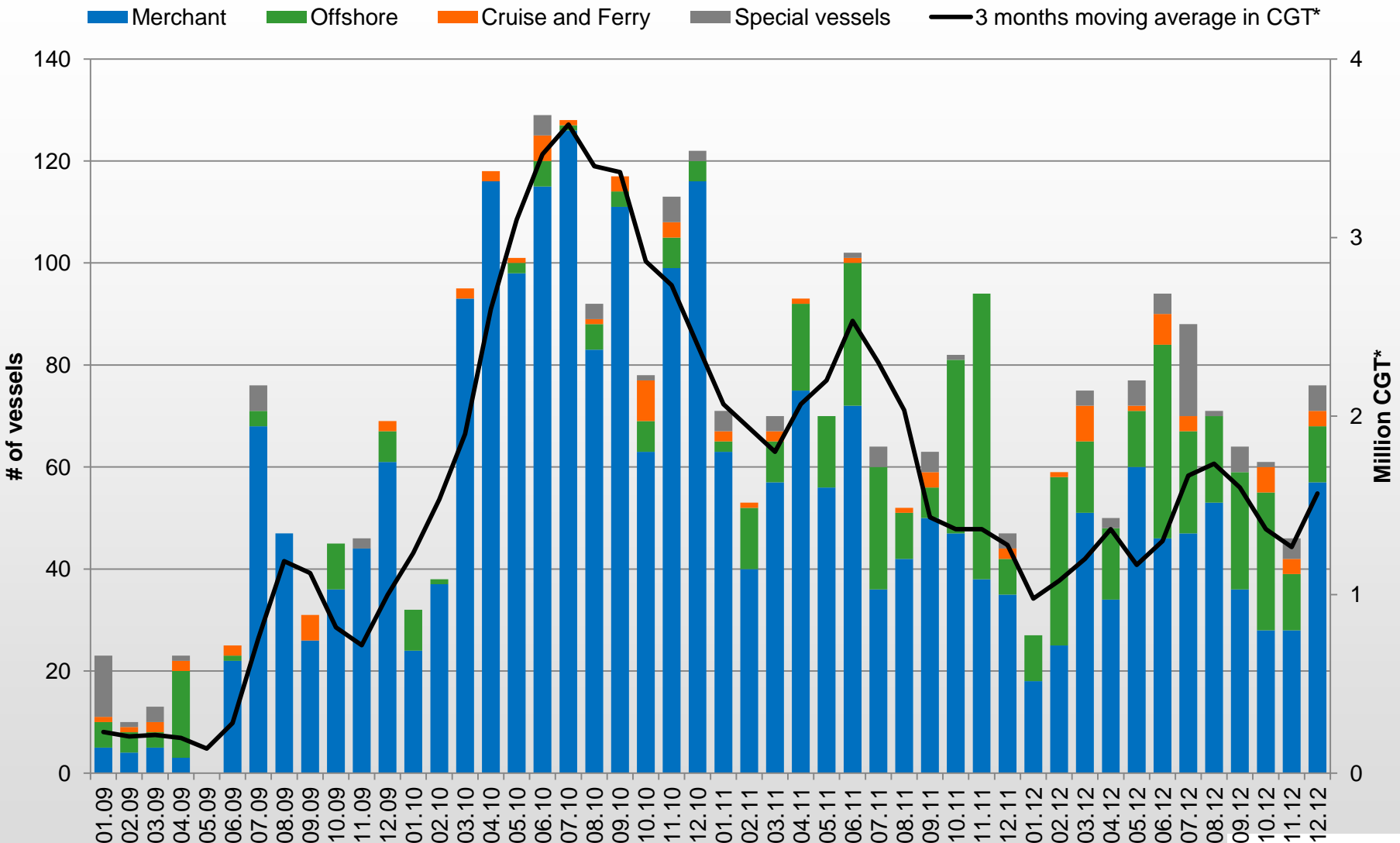
H1 2012 Total market 28.8 GW



Market data includes all prime mover units over 5 MW and estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report. Other combustion engines not included, in engine technology Wärtsilä has a leading position.

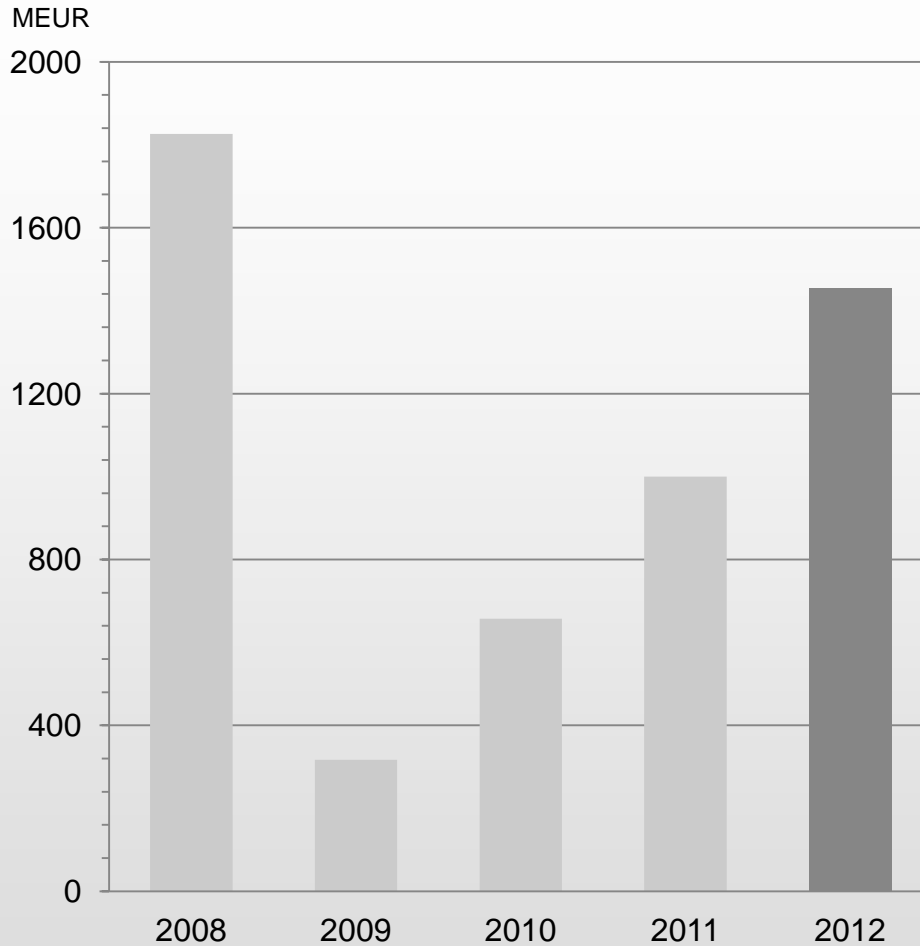


**An active year in
offshore and
specialised vessels**



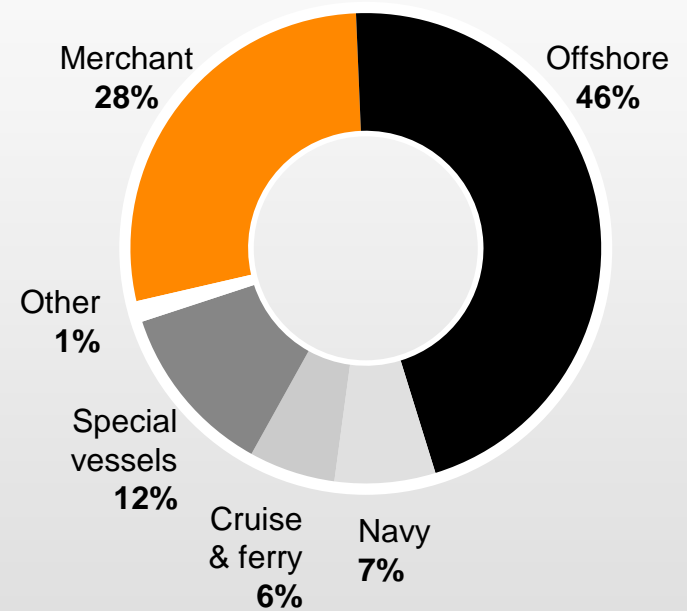
Source: Clarkson Research Services
*CGT= gross tonnage compensated with workload





Review period development

Total EUR 1,453 million (1,000)

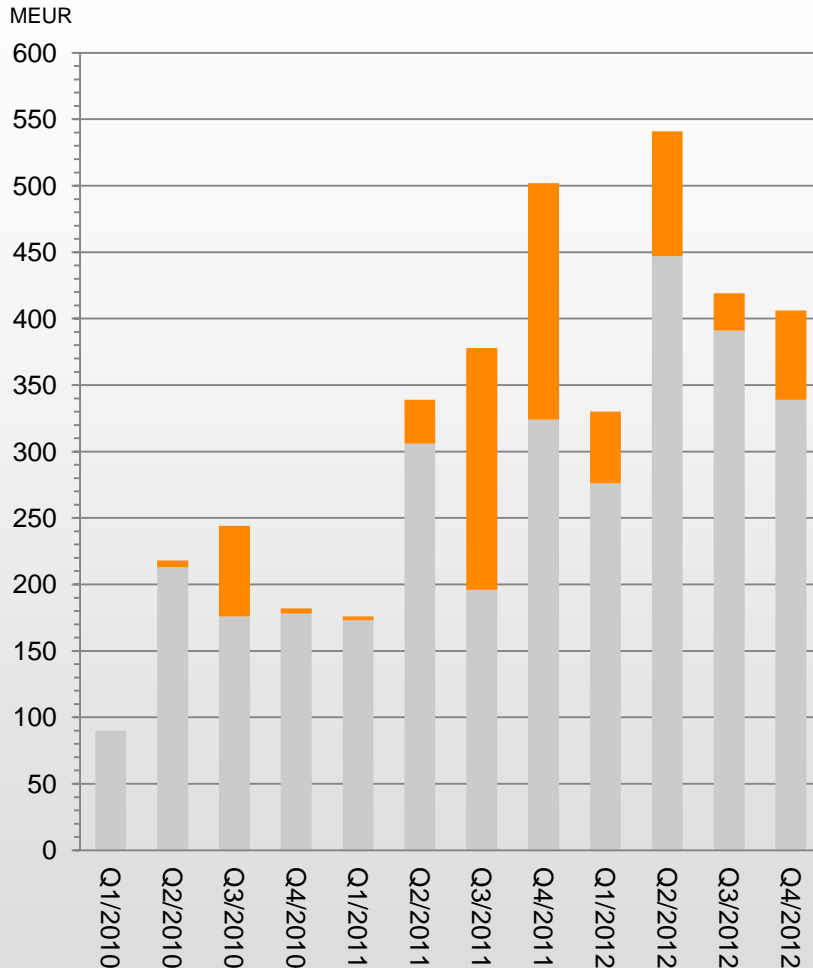




- Offshore markets continued to be active in Q4/2012 and Wärtsilä received several major orders:
 - An order to supply complete mechanical packages for three new drillships to be built as a part of the ongoing Brazilian DRU program
 - An integrated solution for a LNG powered platform supply vessel to be built in Norway
 - A contract to supply a complete LNG package for an offshore support vessel to operate in the Gulf of Mexico
- The overall contracting mix is expected to continue favouring the offshore segment in 2013

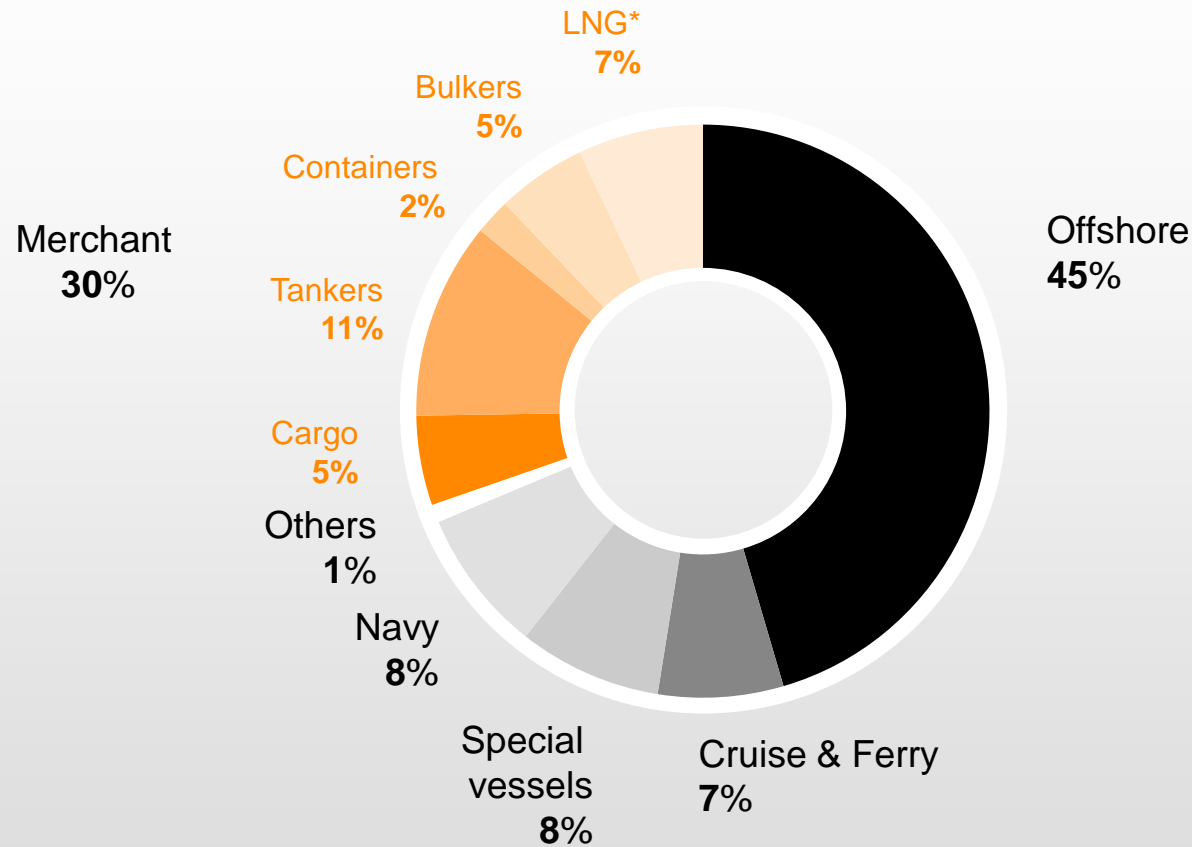


- Wärtsilä offers ballast water management systems based on the two most common technologies: ultra-violet (UV) treatment and electro-chlorination (EC)
- The AQUARIUS EC based system was granted basic approval in October 2012, type approval expected in Q2/2013
- All testing of the AQUARIUS UV system has been completed, and type approval was received in December 2012
- First orders for UV-systems were received and delivered in 2012



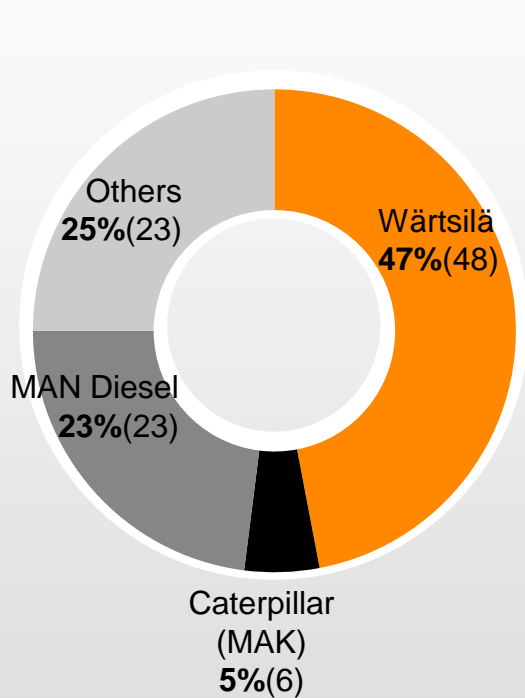
- Order intake in the South Korean joint venture producing dual-fuel engines and the Chinese joint venture producing auxiliary engines totalled EUR 242 million (394) during the review period January-December 2012
- Wärtsilä's share of ownership in these companies is 50%, profits are reported as a share of result in associates and joint ventures

- Joint venture order intake
(Wärtsilä Hyundai Engine Company Ltd and Wärtsilä Qiyao Diesel Company Ltd)
- Ship Power order intake



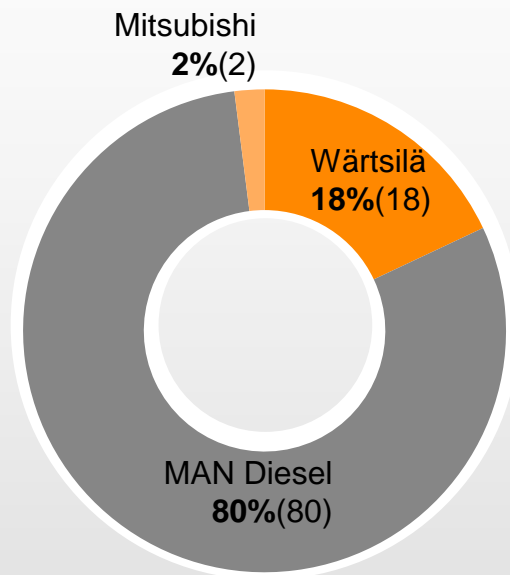
* Excluding order book from South Korean joint venture

Medium-speed main engines



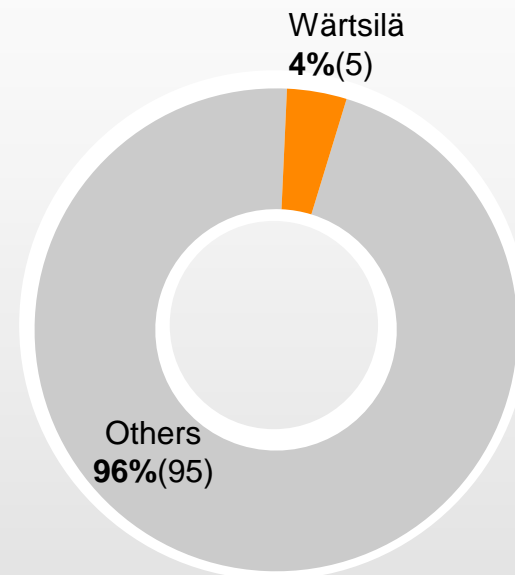
Total market volume last 12 months:
4,356 MW (4,481)

Low-speed main engines



Total market volume last 12 months:
11,107 MW (8,498)

Auxiliary engines



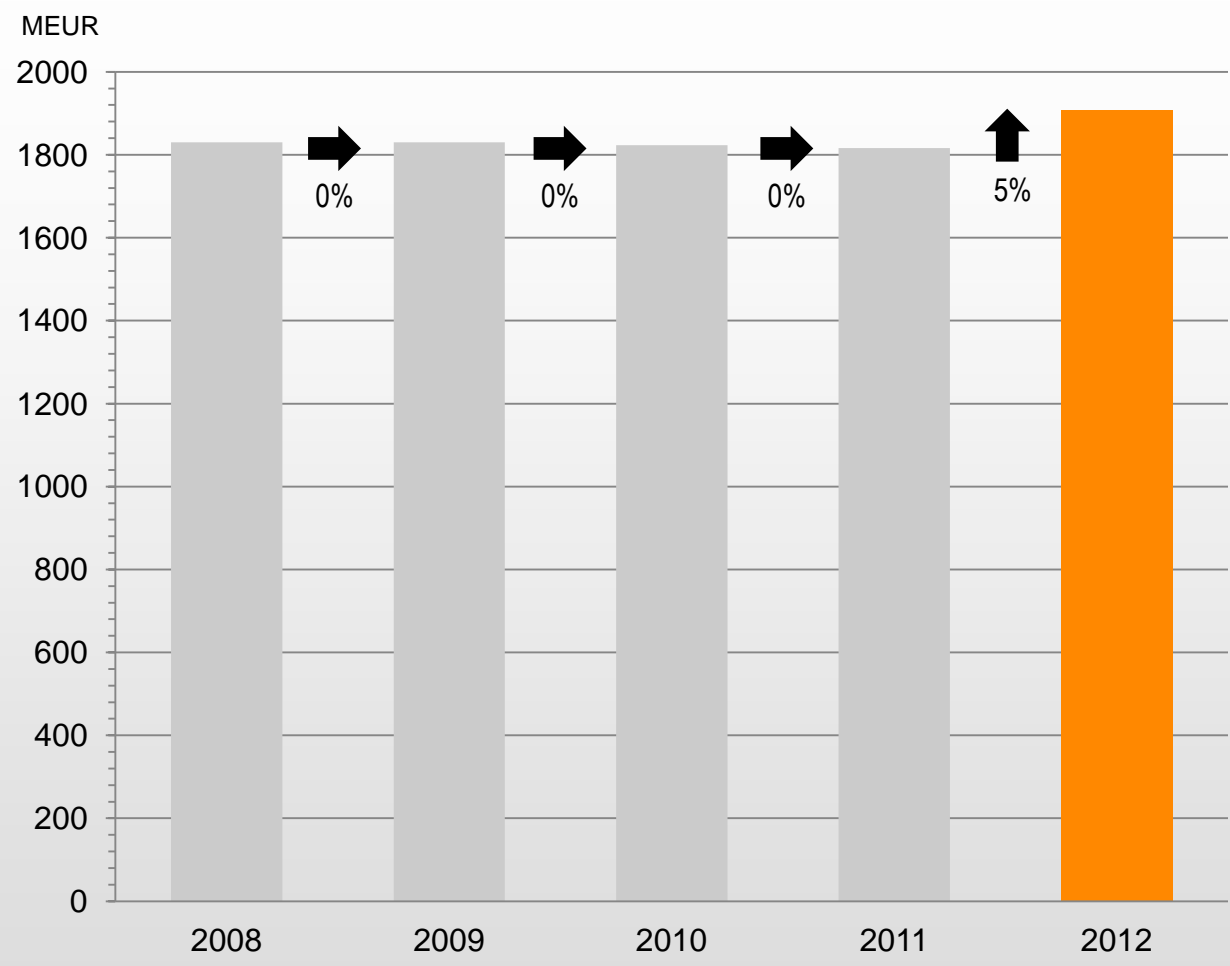
Total market volume last 12 months:
3,585 MW (3,367)

Wärtsilä's market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous quarter. Wärtsilä's own calculation is based on Marine Market Database.

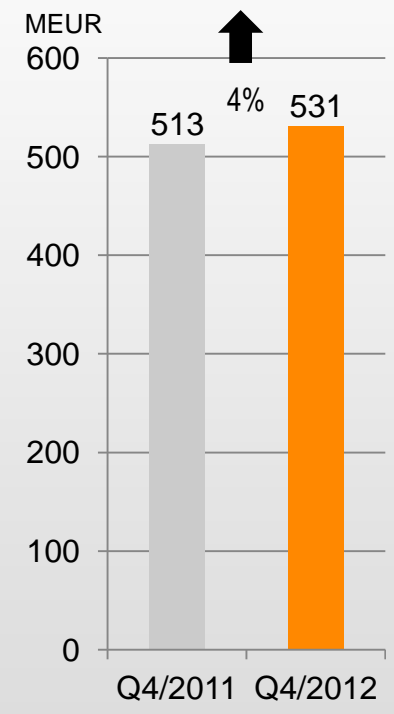
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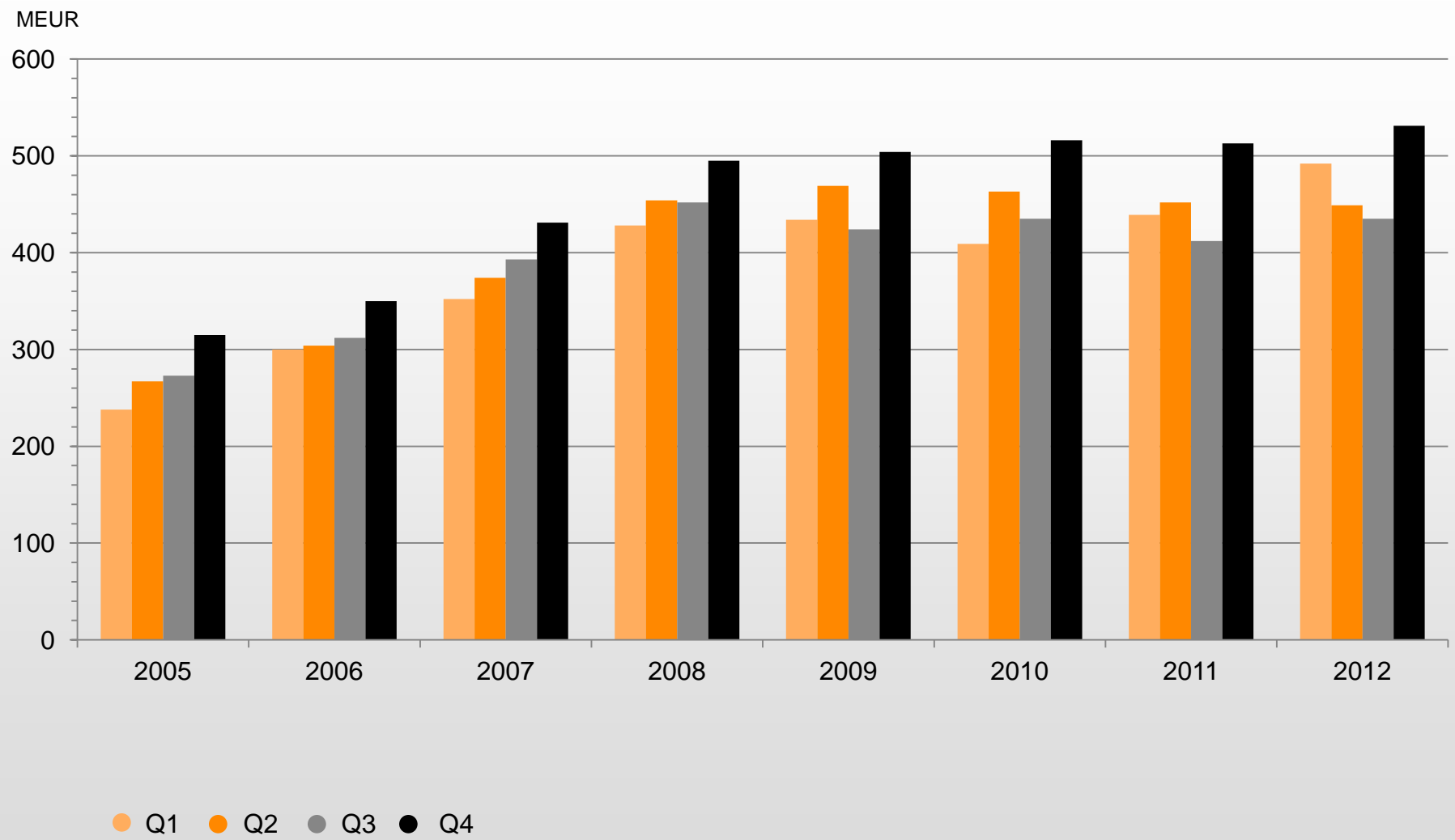
**Services net sales
reached an all time
high level**

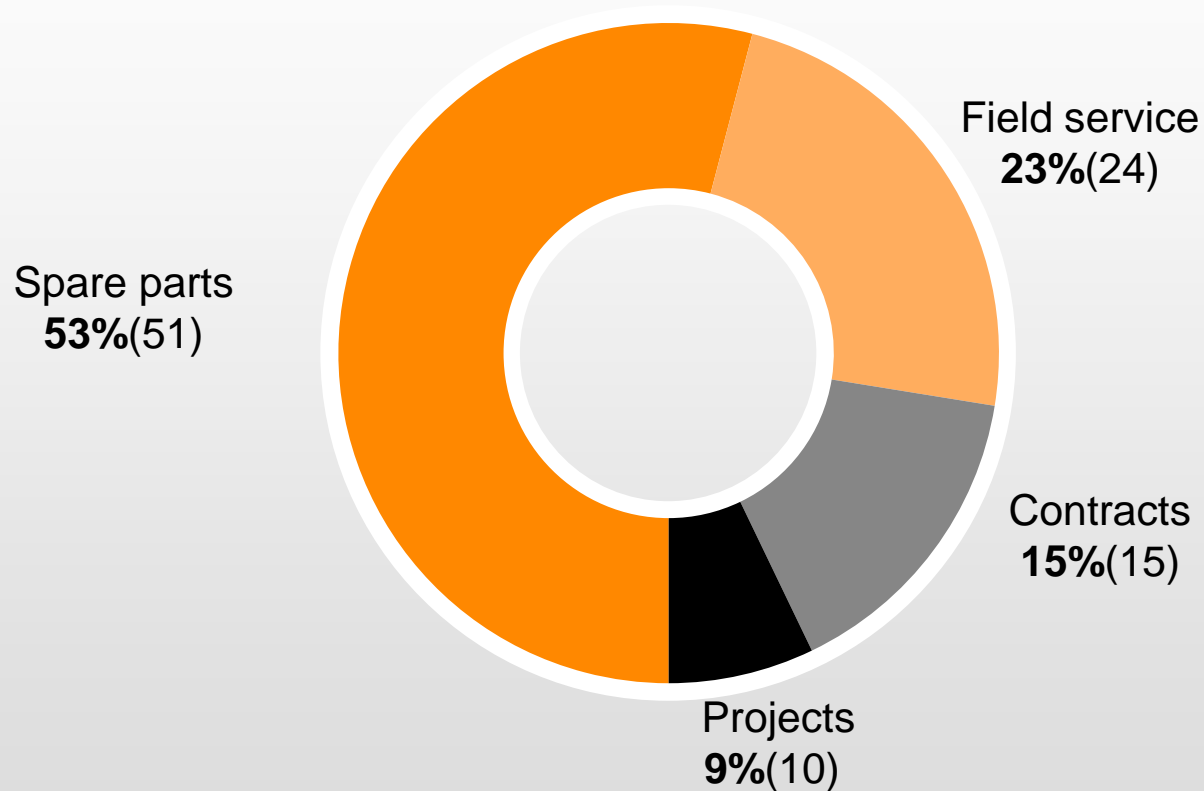
Services net sales back to growth



Fourth quarter development







Total EUR 1,908 million (1,816)

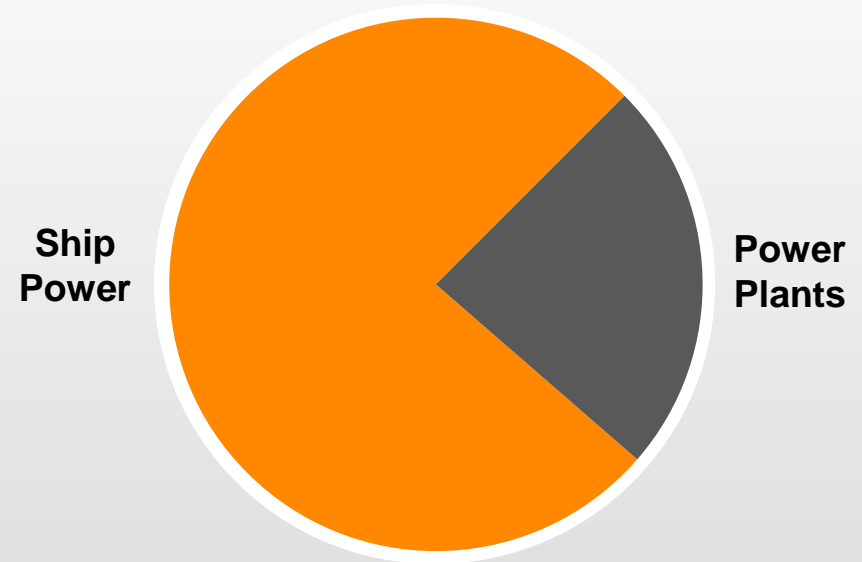
Net sales distribution

Total EUR 1,908 million



Installed base distribution

Total 181,200 MW

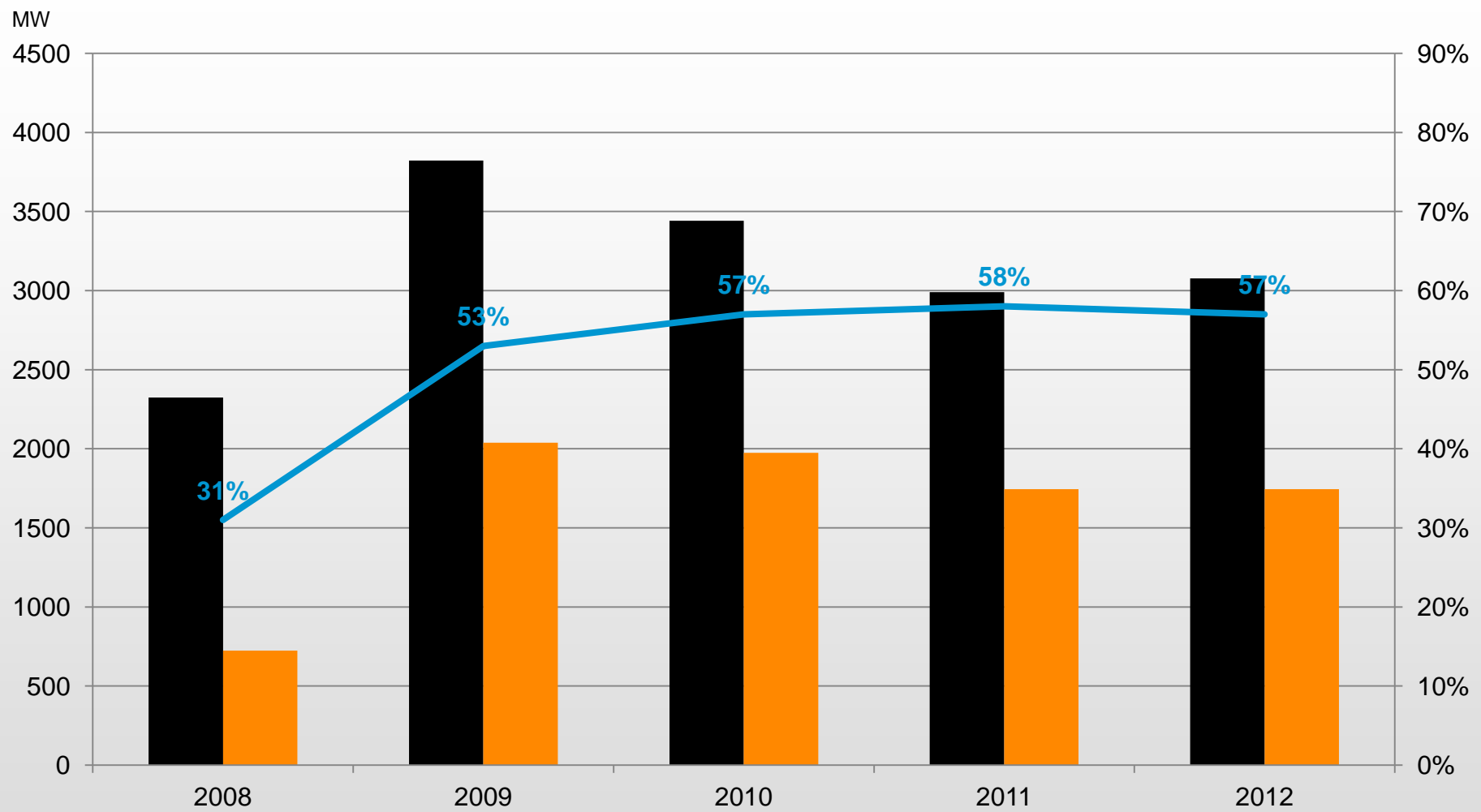


In addition to Engine Services, Wärtsilä's Services portfolio includes: Electrical & Automation Services, Propulsion Services, Boiler Services, Environmental Services, O&M and Training Services



- Several service agreements signed and renewed with power plants customers in Q4/2012:
 - A 15-year parts supply agreement and a 5-year technical service agreement with KEPCO Plant Service & Engineering Co. in Jordan
 - A maintenance agreement with South Texas Electric Cooperative in the USA
 - A four year extension to the O&M agreement with Guyana Power & Light, Inc.
 - A three years extension to an O&M agreement with United Cement Company of Nigeria Ltd.
- An increase in the installed power plants base provides a good outlook for services to the power segment in 2013

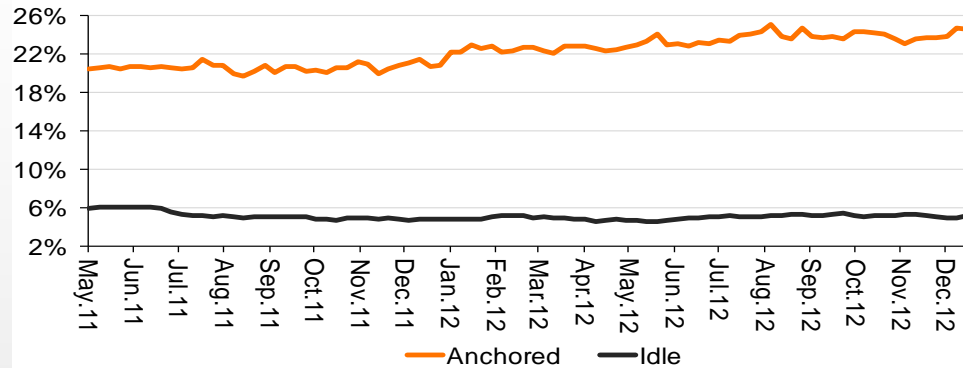
Development of Power Plants service agreements



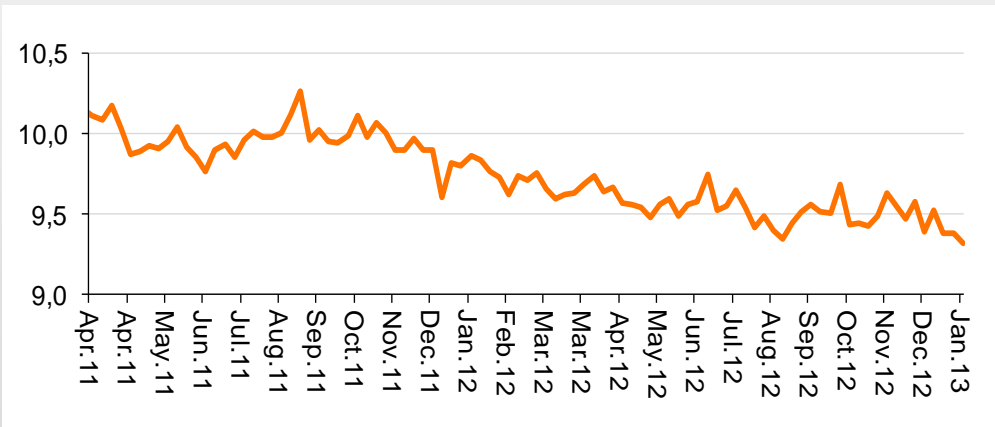
● O&M and maintenance agreements
 ● Power Plants deliveries
 — % of delivered MWs



Anchored* & Idle Vessels, % of fleet**



Fleet Average Speed*, knots**

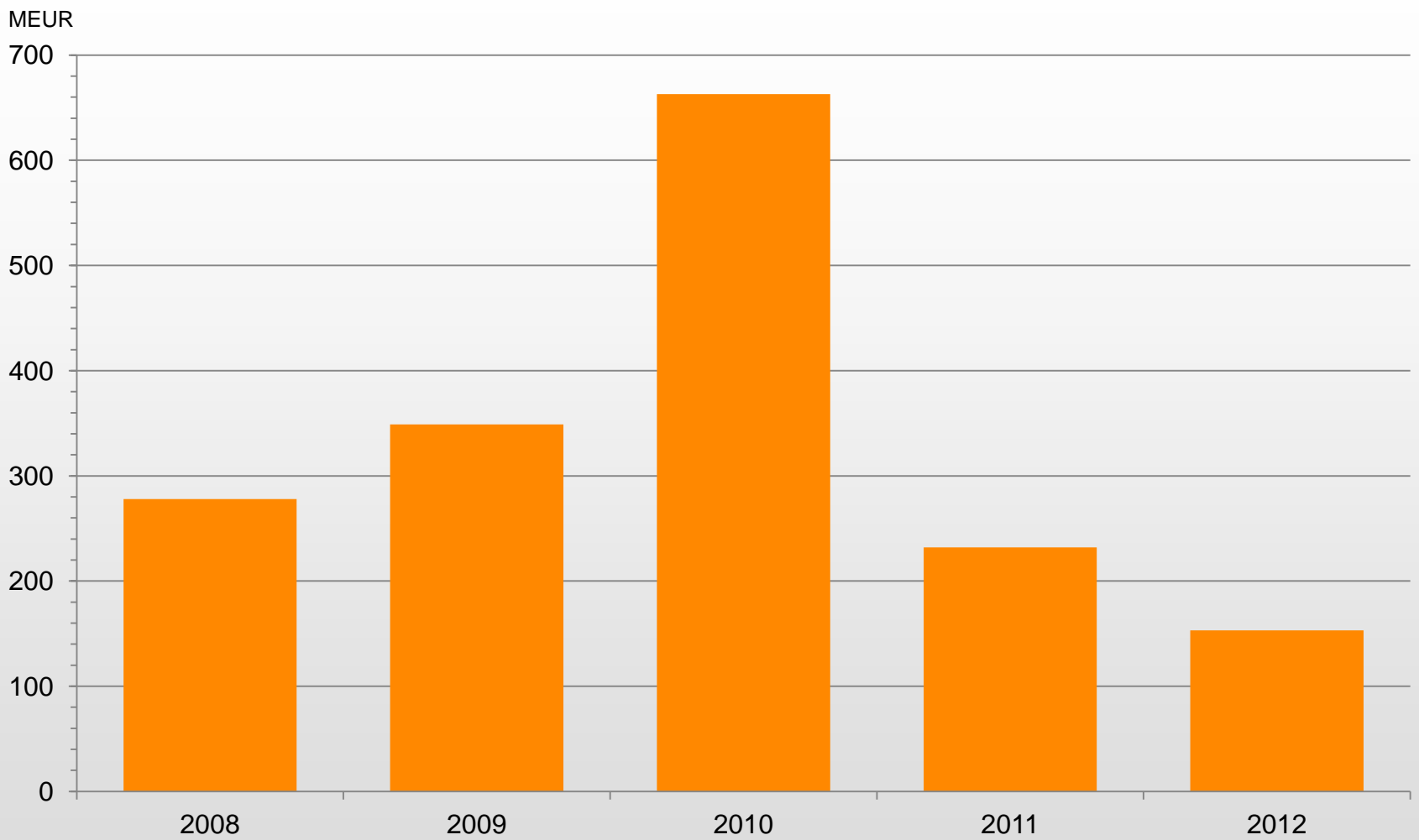


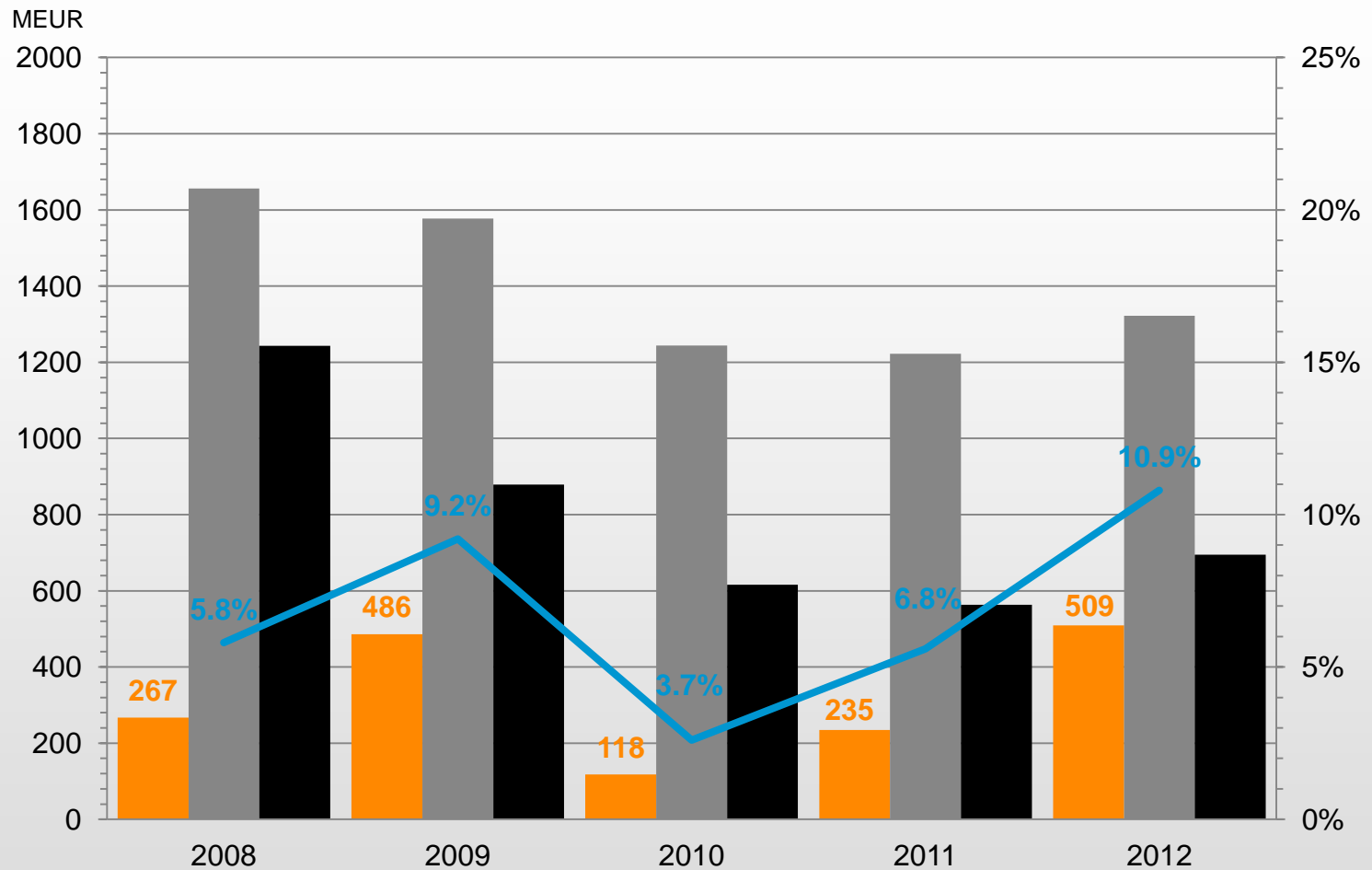
* Source Bloomberg (AISLive). More than 25,000 vessels (>299 GT) covered.

** Idle (no movement for 19 days for containerships, others 35 days). Source Lloyd's MIU. Around 15,000 vessels (>299 GT) covered.

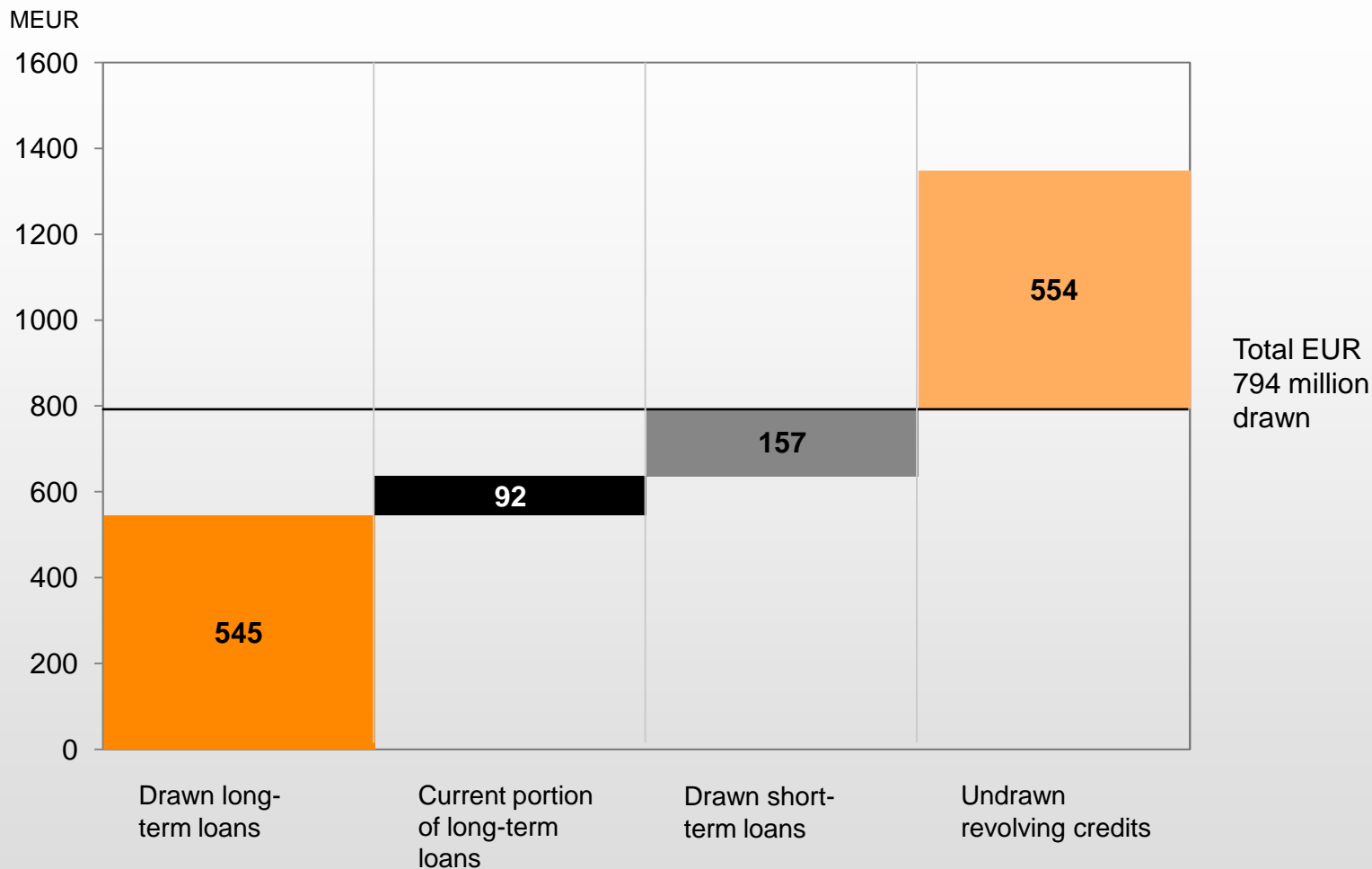
*** Source Bloomberg

Cash flow from operating activities



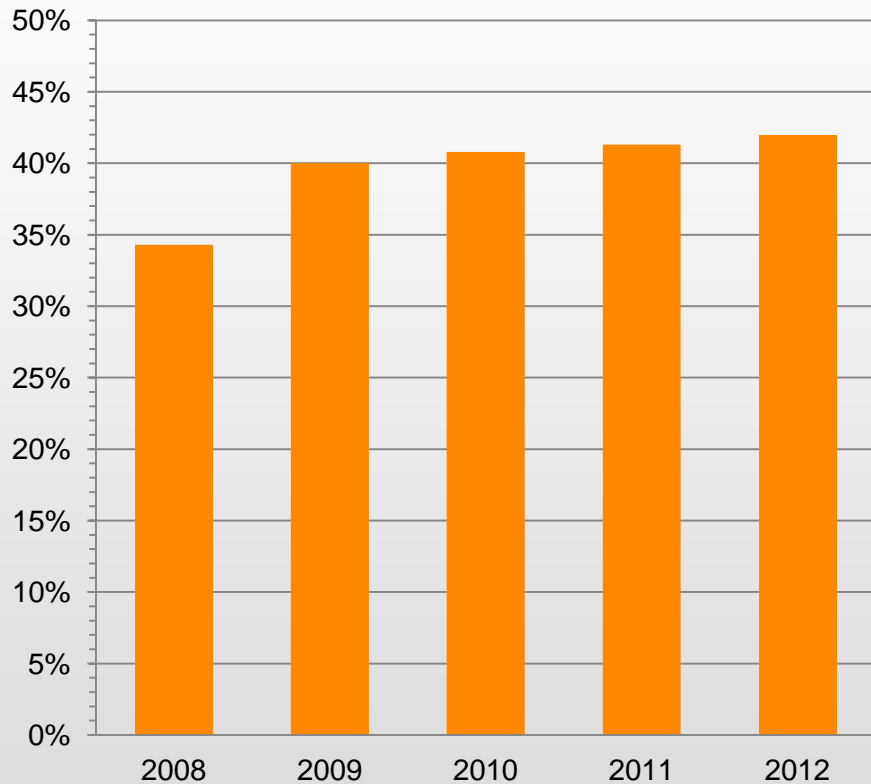


● Net Working Capital
 ● Total Inventories
 ● Advances Received
 — Net Working Capital / Net sales

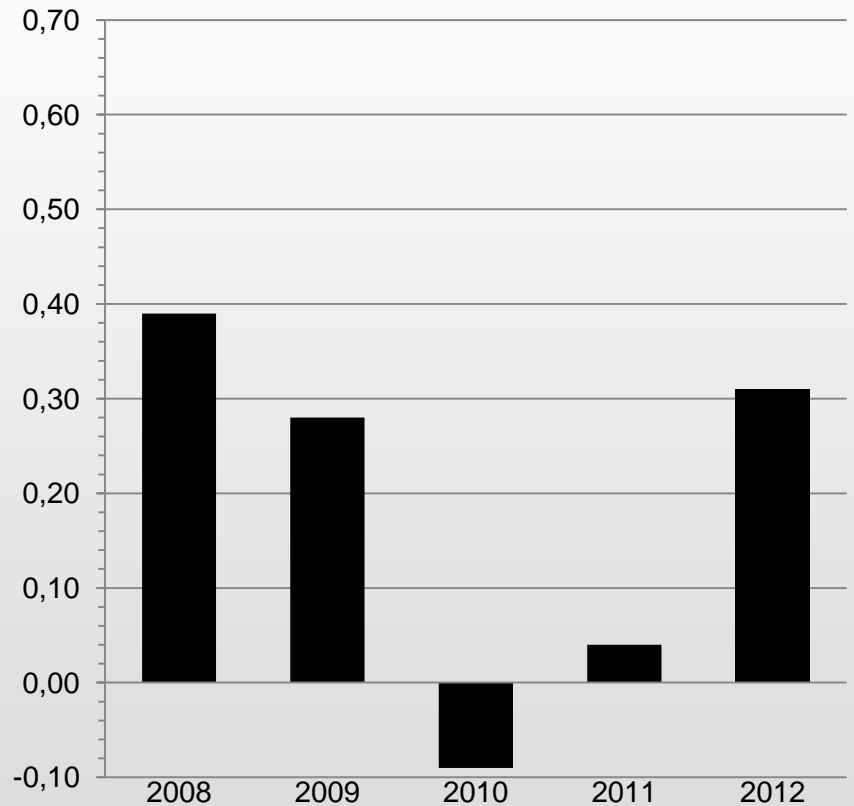


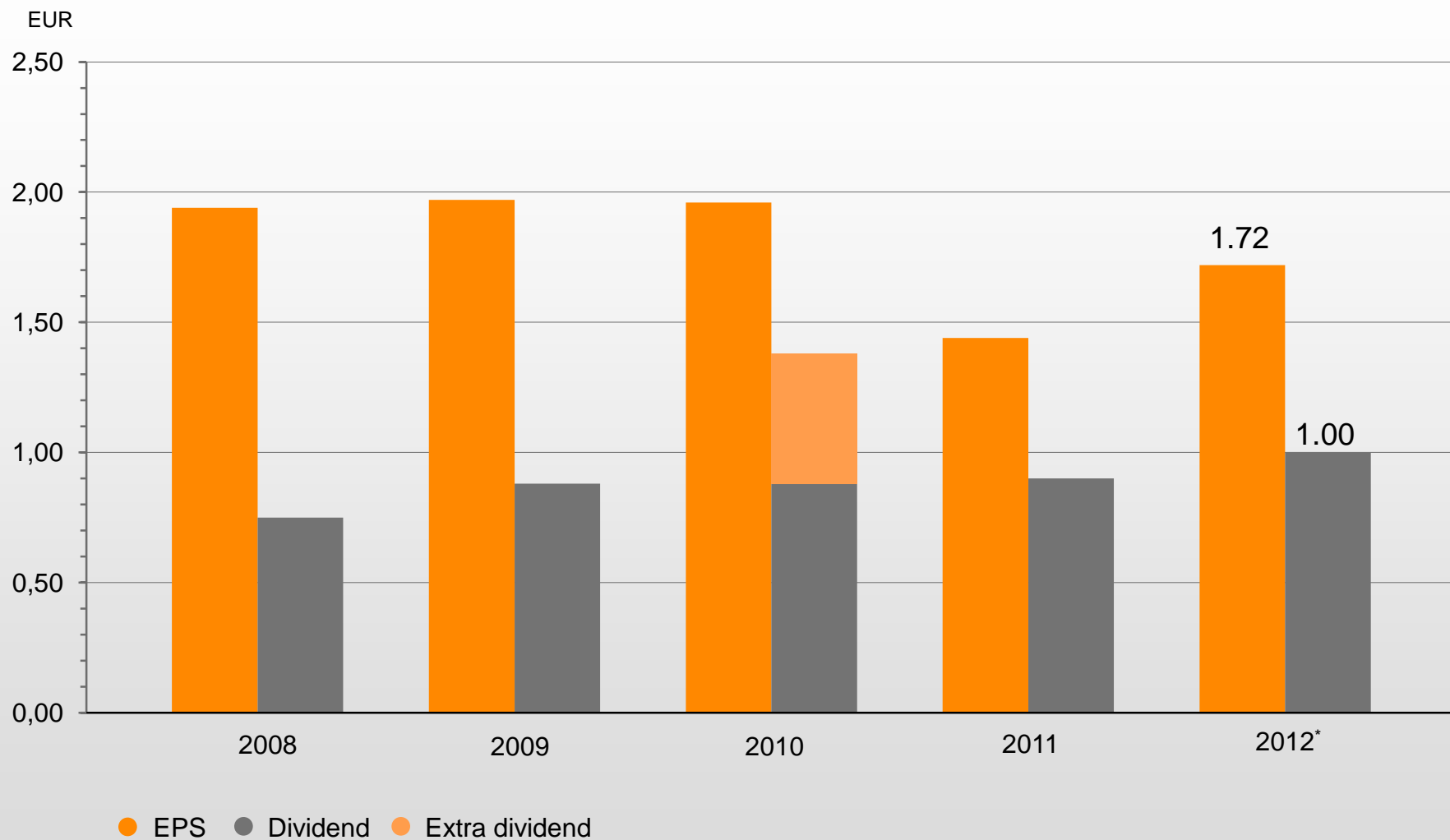
At the end of the reporting period, drawn revolving credits amounted to 0 euro.
 Drawn short-term loans include EUR 141 million Finnish Commercial Papers.
 The total amount of Finnish Commercial Paper Programs was EUR 700 million (uncommitted).

Solvency



Gearing





*Dividend 2012 - Proposal of the Board



- **Power Plants:** The overall market for natural gas and liquid fuel based power generation in 2013 is expected to be similar to that of 2012.
- **Ship Power:** Our outlook for the shipping and shipbuilding market in 2013 is cautious, although slightly better than in 2012. Overall, the contracting mix is expected to be in line with that seen in 2012, favouring offshore and specialised vessel segments.
- **Services:** The overall service market outlook remains stable.

”

Wärtsilä expects its net sales for 2013 to grow by 0-10% and its operational profitability (EBIT% before non-recurring items) to be around 11%.



WÄRTSILÄ

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