

WÄRTSILÄ CORPORATION

SEB FINNISH BLUE CHIP SEMINAR

RAIMO LIND, EVP & CFO

28 AUGUST 2012



**POWER
PLANTS**

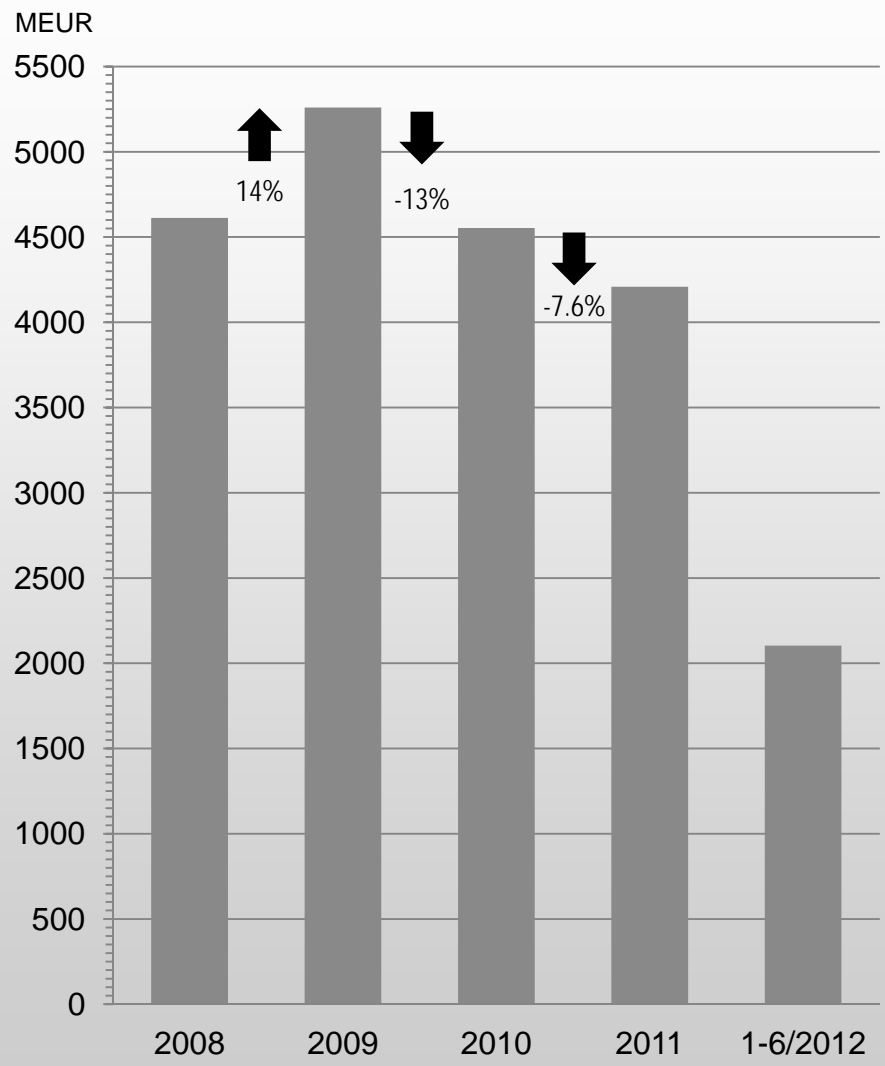


SHIP POWER

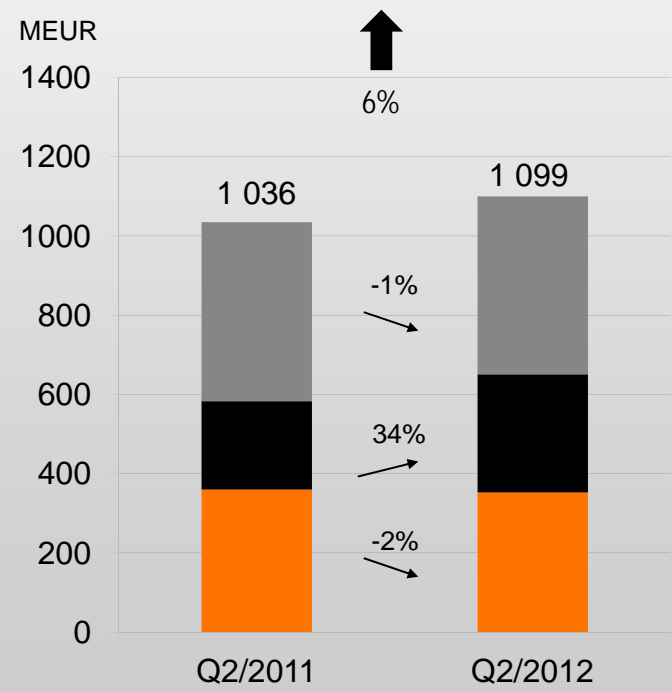


SERVICES



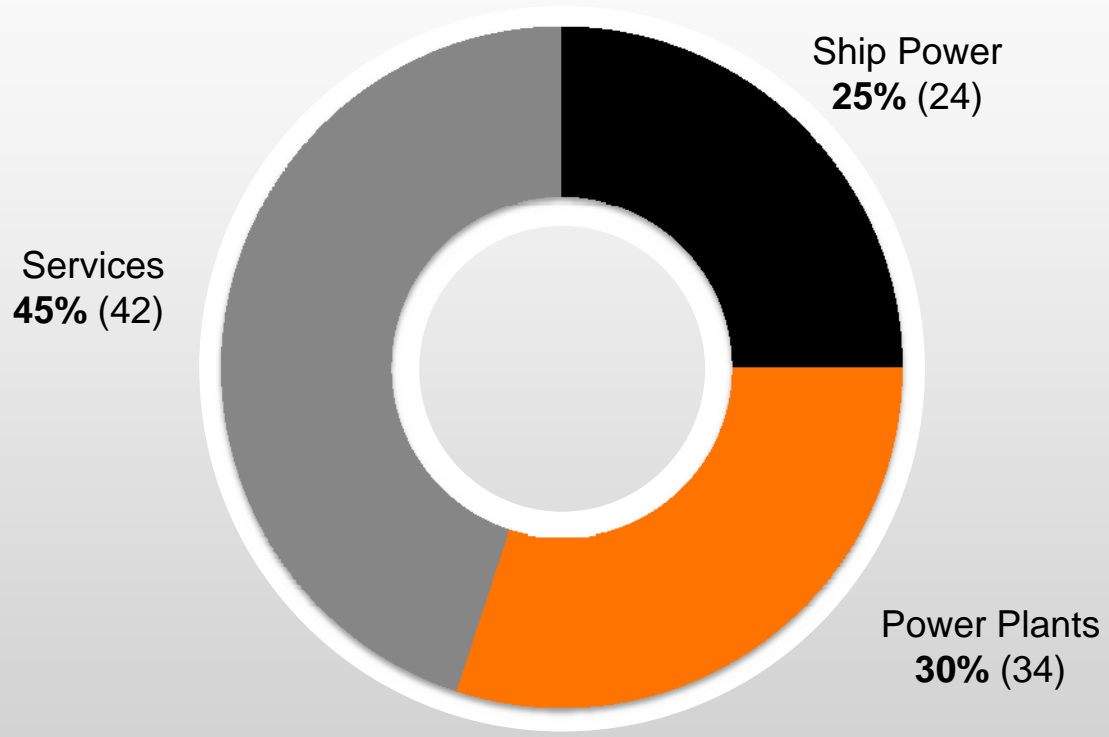


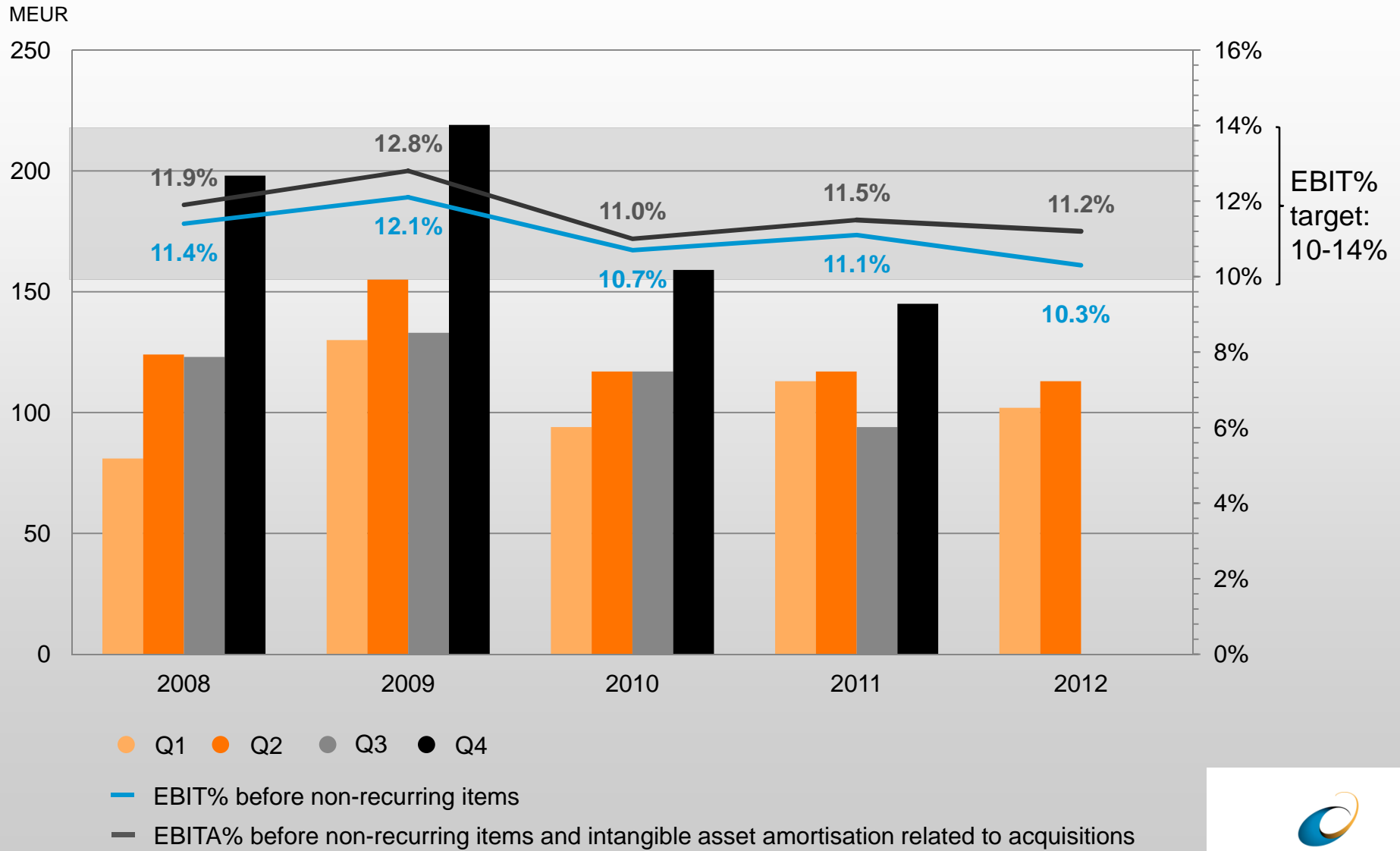
Second quarter development



- Services
- Ship Power
- Power Plants

Net sales by business 1-6/2012





Target markets and solutions



Flexible base-load power generation



Grid stability and peaking



Industrial self-generation



Solutions for oil and gas industry



Oil, dual-fuel and gas fired power plants



Liquid biofuel power plants



Flexible grid stability power plants

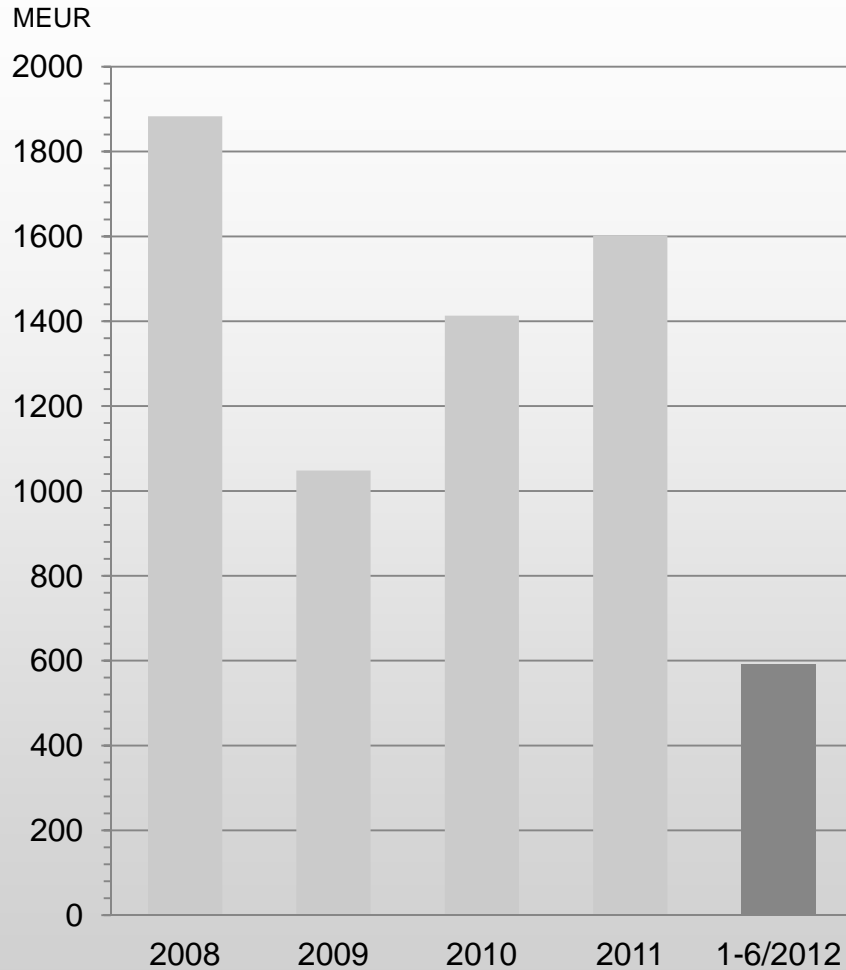


Combined heat & power plants (CHP)

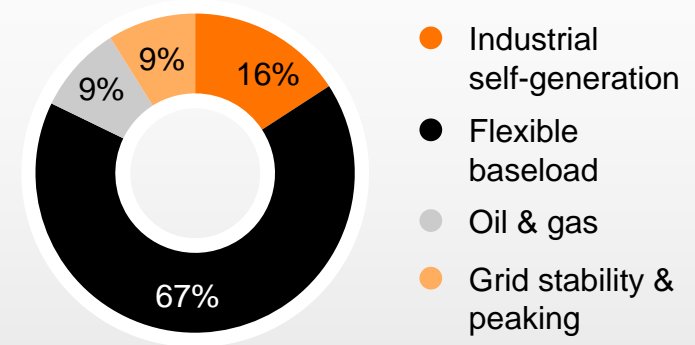


Pumping and compression applications

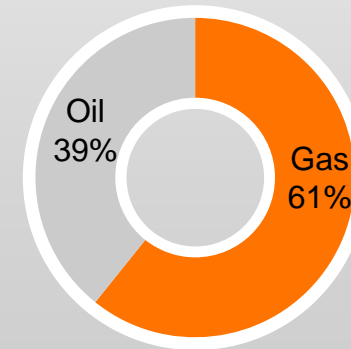
Order intake by application



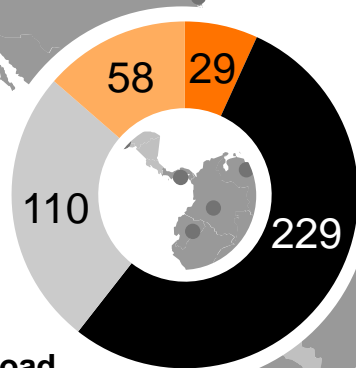
Review period development
Total EUR 591 million (672)



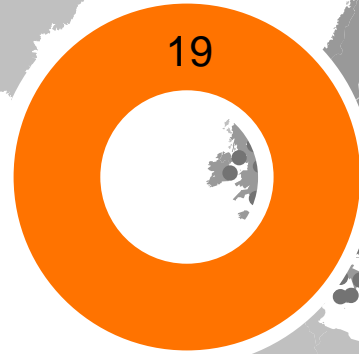
Review period order intake by fuel in MW



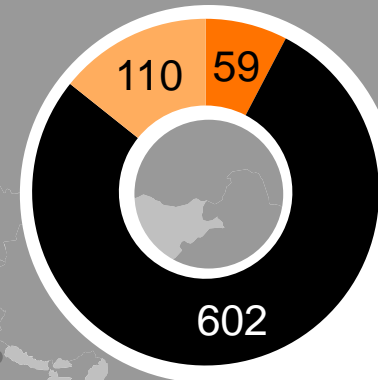
Americas 425 (199)



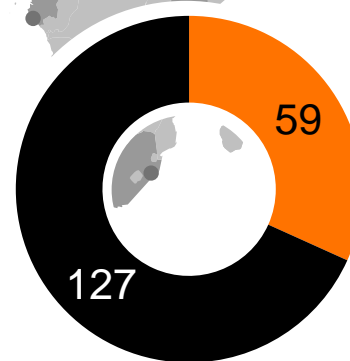
Europe 19 (550)



Asia 771 (298)



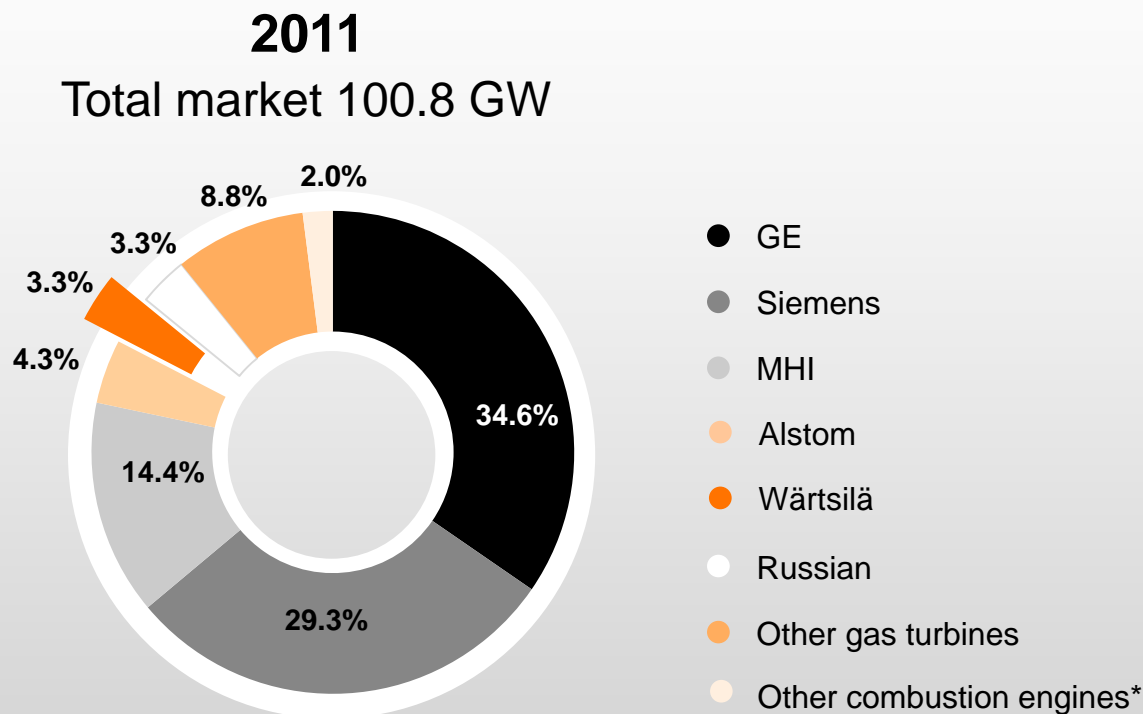
Africa and Middle East 186 (440)



- Flexible baseload
- Industrial self-generation
- Grid stability & peaking
- Oil & gas

Order intake 1-6/2012: 1,401 MW (1,487)

Market for gas and liquid based power plants



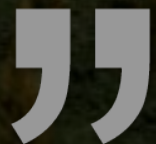
Market data includes all prime mover units over 5 MW and estimated output of steam turbines for combined cycles.

The data is gathered from the McCoy Power Report.

In engine technology, Wärtsilä has a leading position.

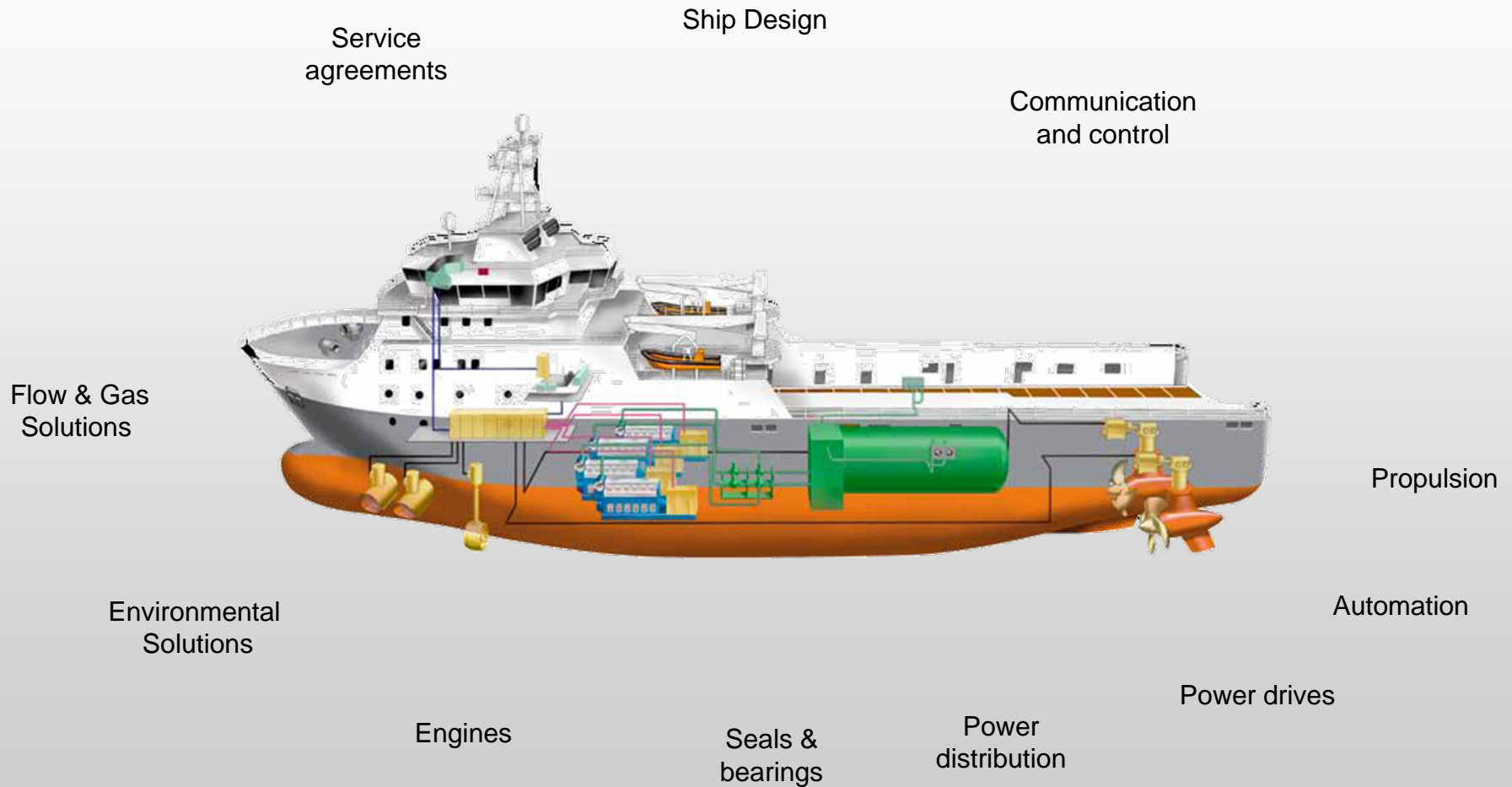
* Other combustion engines figures based partly on Wärtsilä's own estimate.

- GDP growth, electrification and increasing standard of living drive the growth of electricity demand
- Demand for sustainability and focus on climate change
- Rapid growth of intermittent renewable generation
- Increasing daily, weekly and seasonal demand fluctuation increase the need for flexibility
- Changing roles of fuels
 - New coal power plants difficult to permit in the western countries
 - Increasing role of gas, especially as a balancing fuel
 - The future of nuclear is uncertain

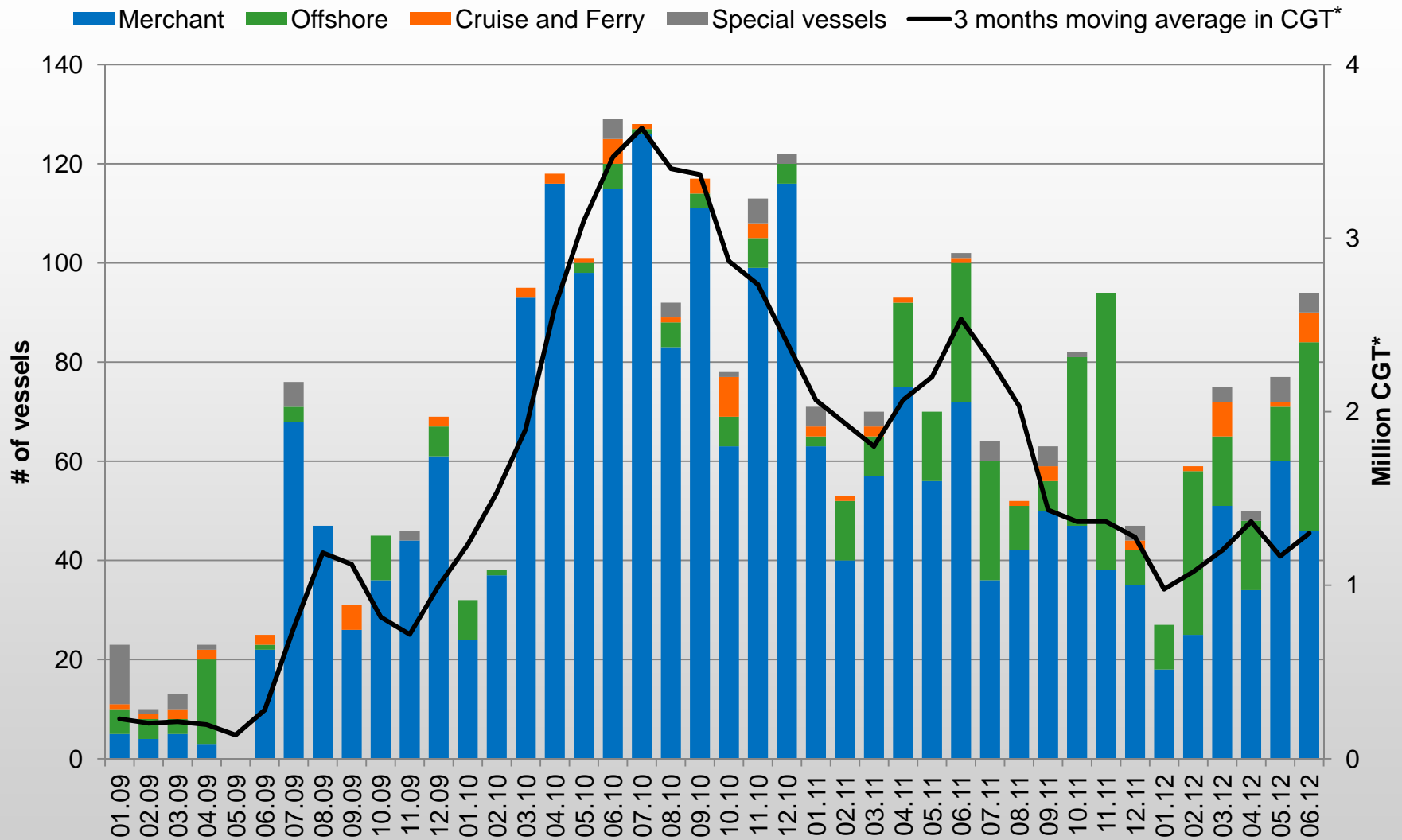


The world needs affordable, clean, flexible and reliable power.

The only complete marine offering



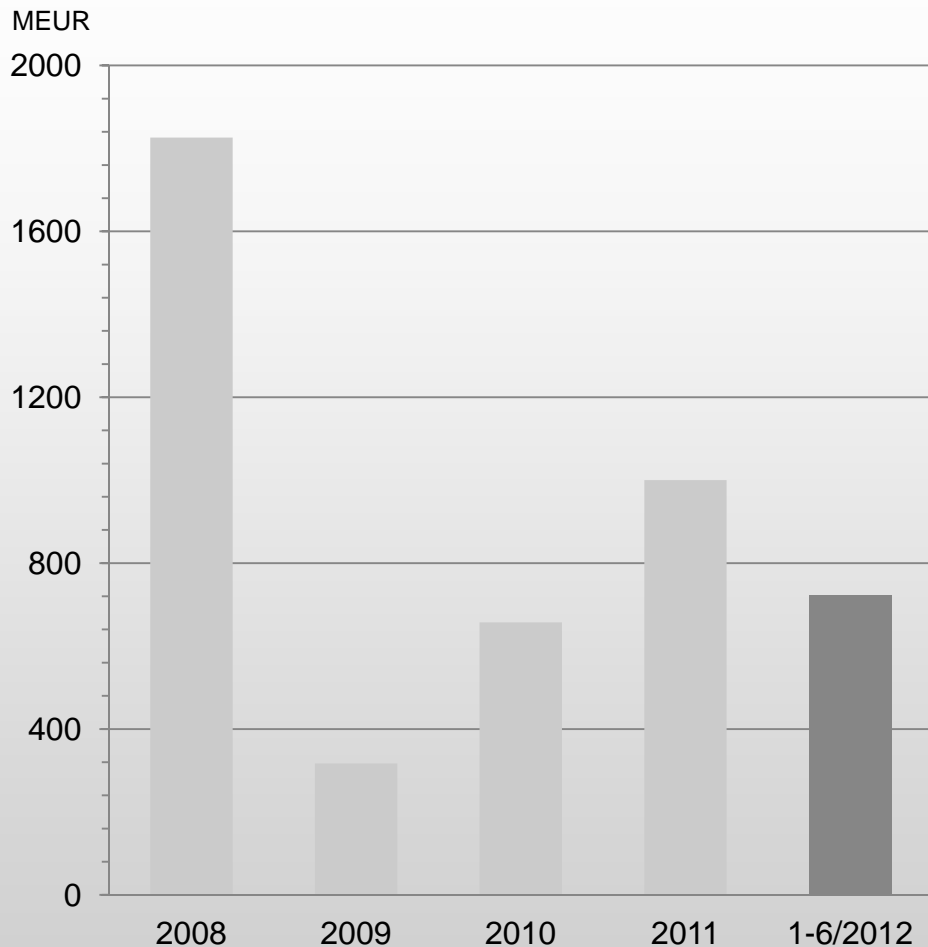
Vessel order development



Source: Clarkson Research Services

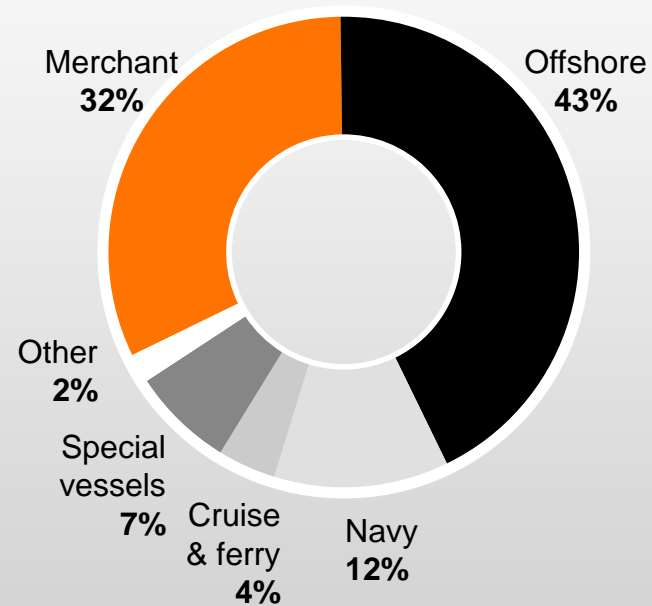
* CGT= gross tonnage compensated with workload

Order intake increased by 51%



Review period development

Total EUR 723 million (479)

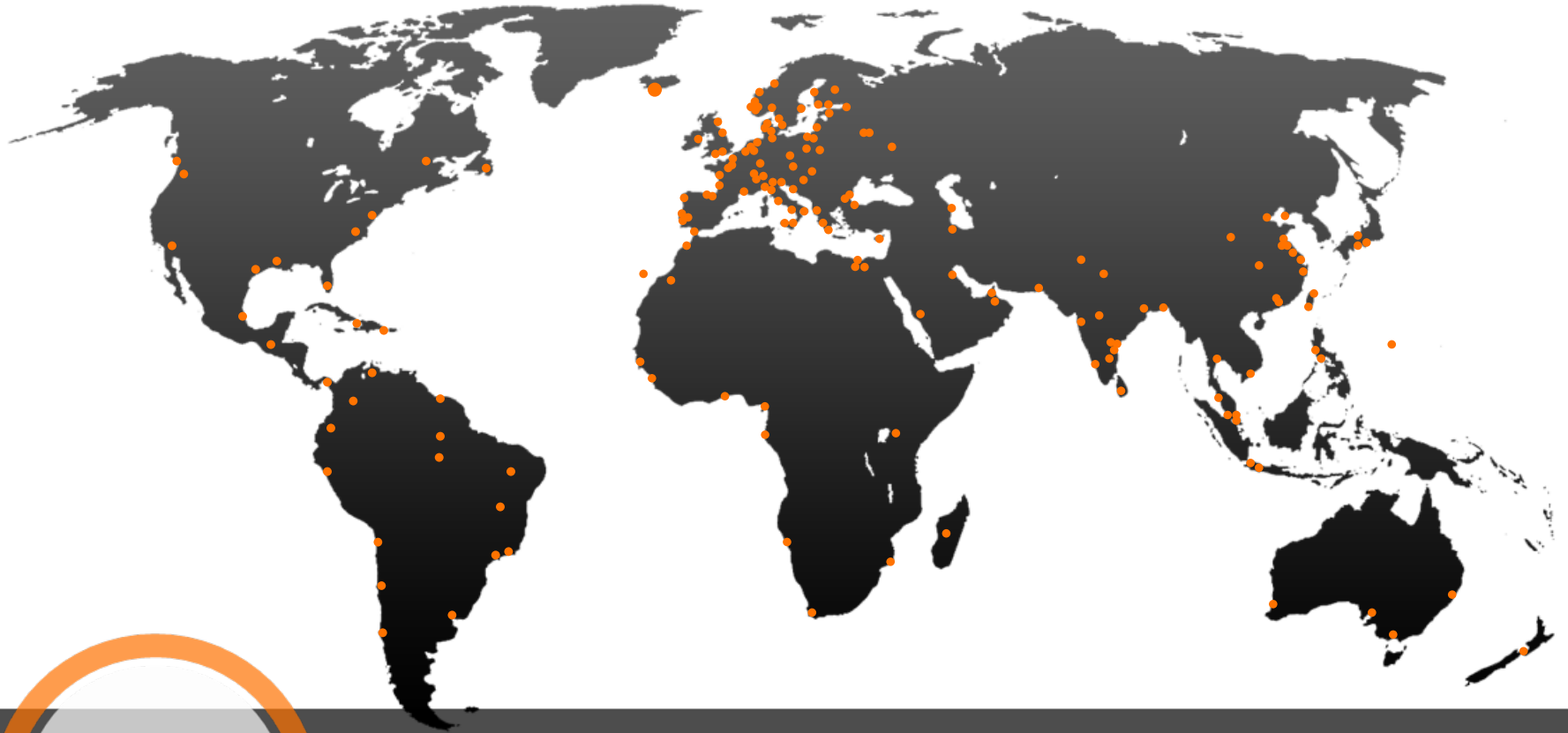


- High oil prices represent a risk for global economic growth; however, they also stimulate investments in exploration and production for oil and gas
- Expansion of emerging economies continues to support growth of demand for transportation of raw materials and energy
- Ship owner base is shifting to Asia
- Environmental regulations drive demand for environmental solutions and gas as a marine fuel
- Increasing focus on energy efficiency and environmental performance

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The development of environmental solutions and gas technology will be our priority in meeting the evolving needs of our customers.

70 countries, 160 locations, 5000 field service experts



Installed
base
180,000 MW

Wärtsilä Services global network
Widest range of offering and expertise

Wide range of expertise



Engine services



Propulsion services



Electrical & automation services



Boiler services



Environmental services



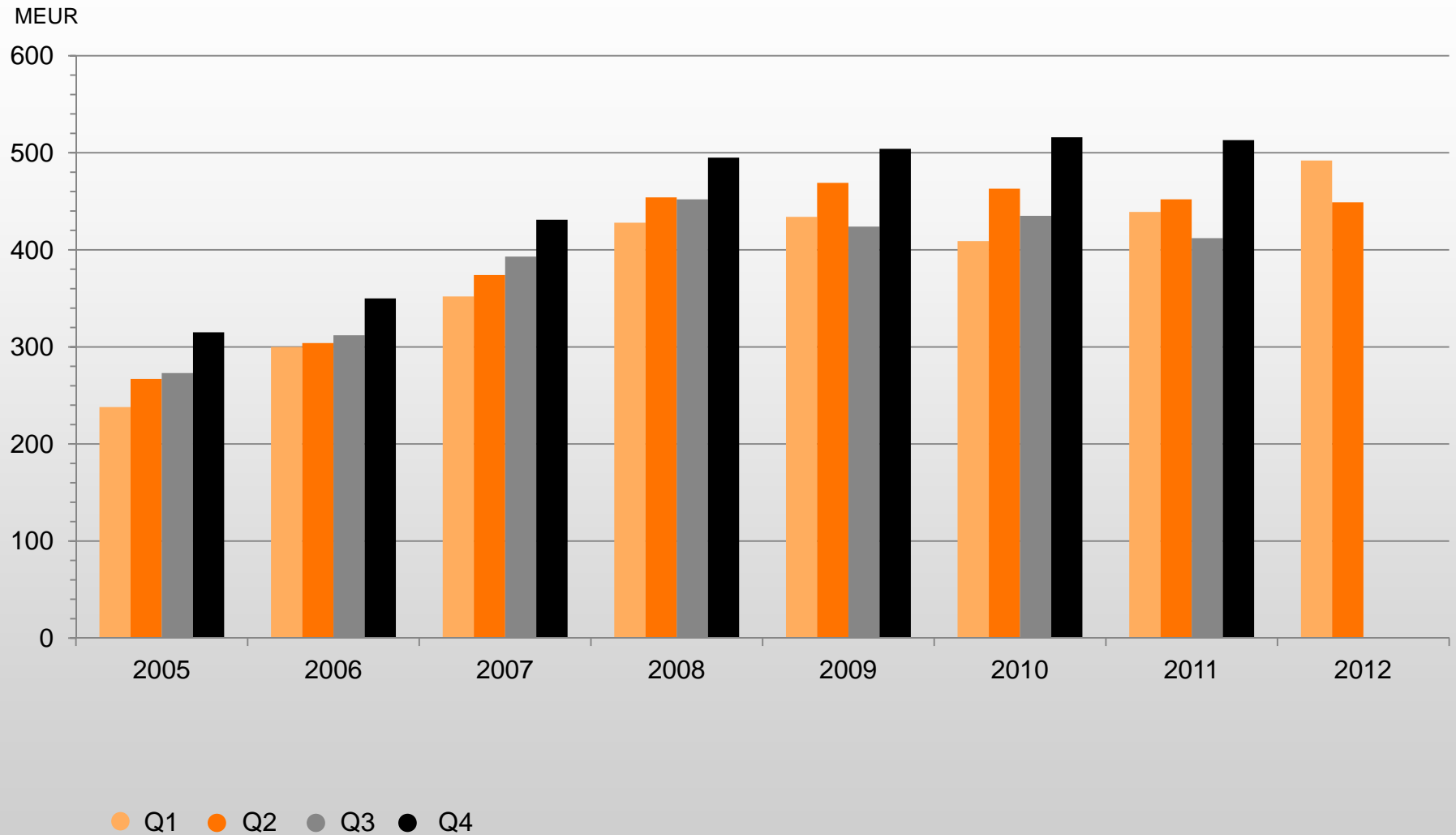
Service agreements

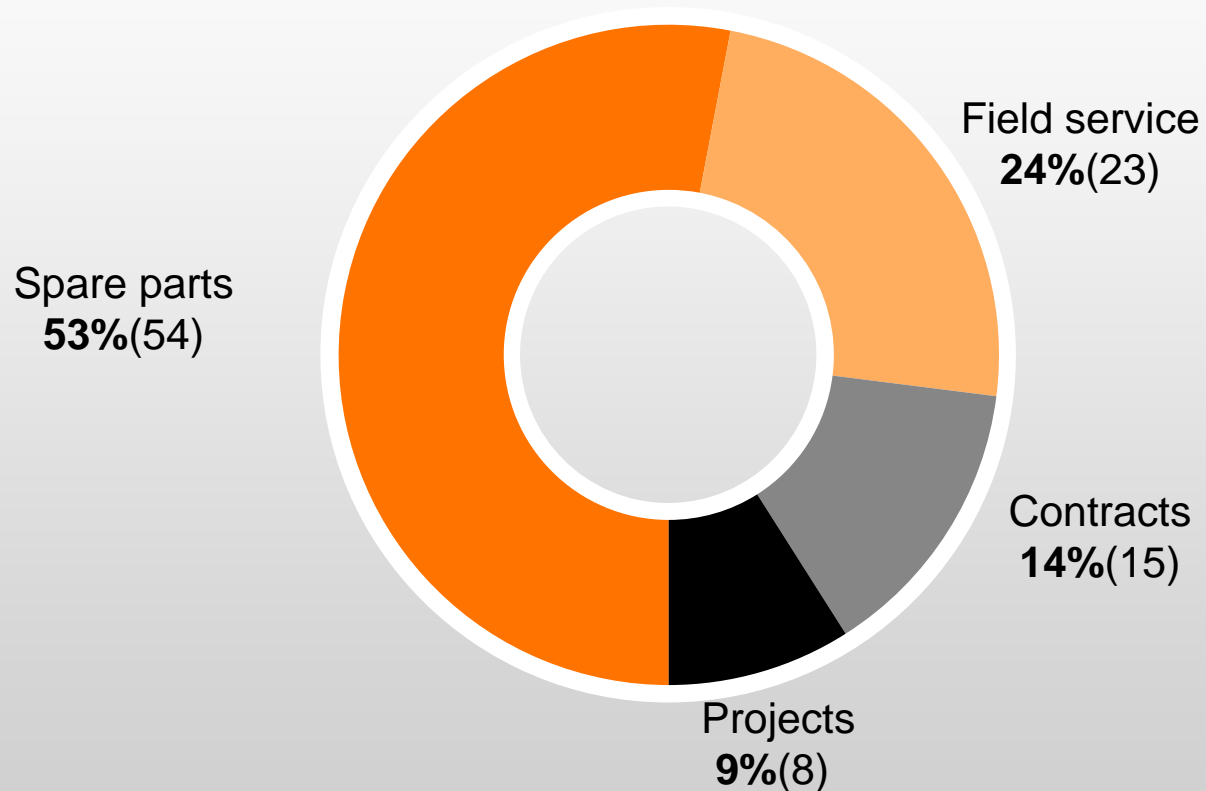


Service projects



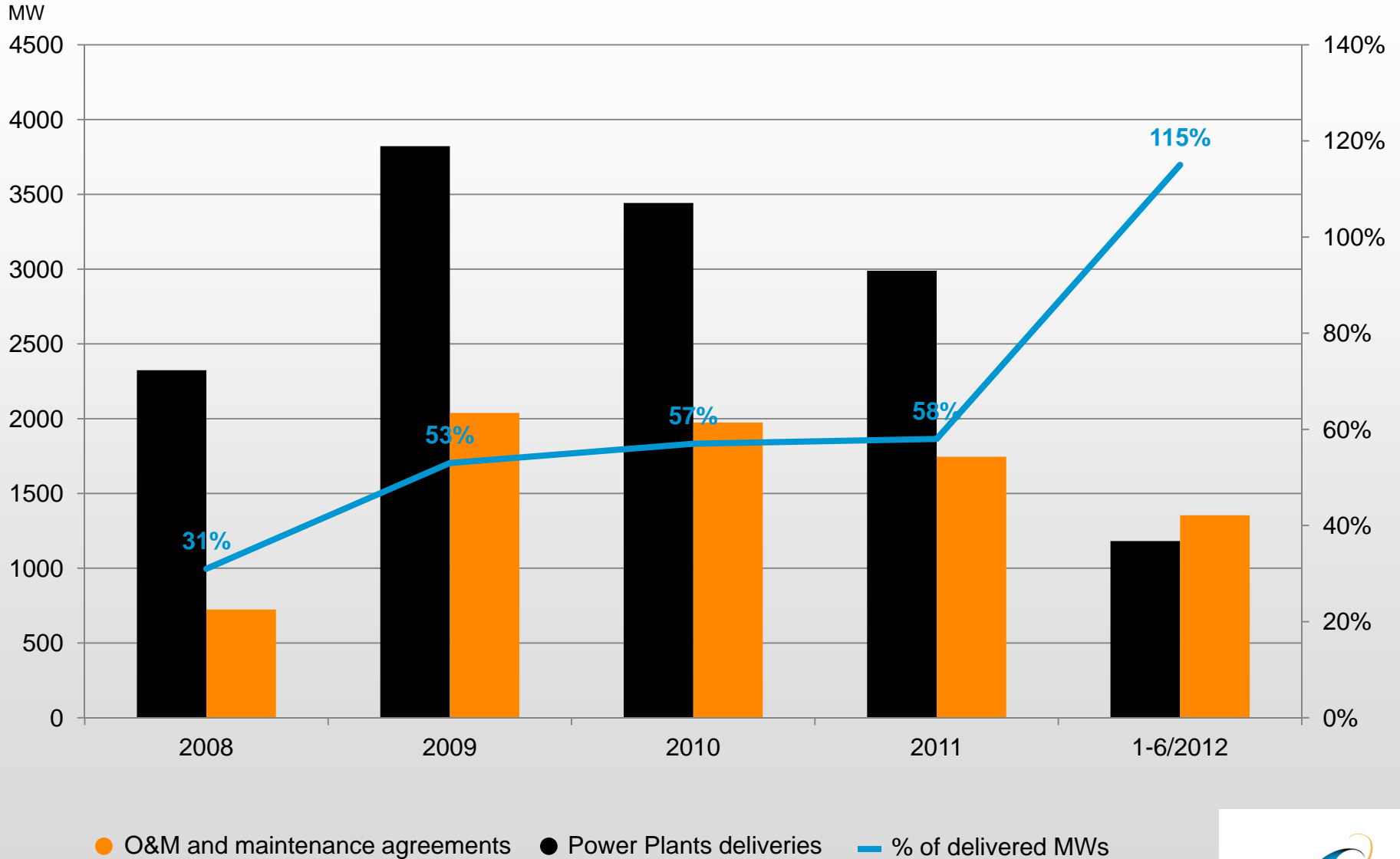
Training services



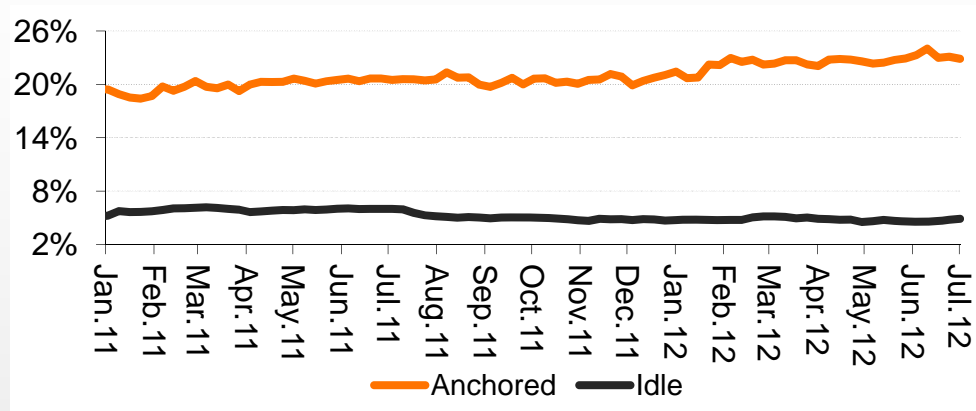


Total EUR 942 million (890)

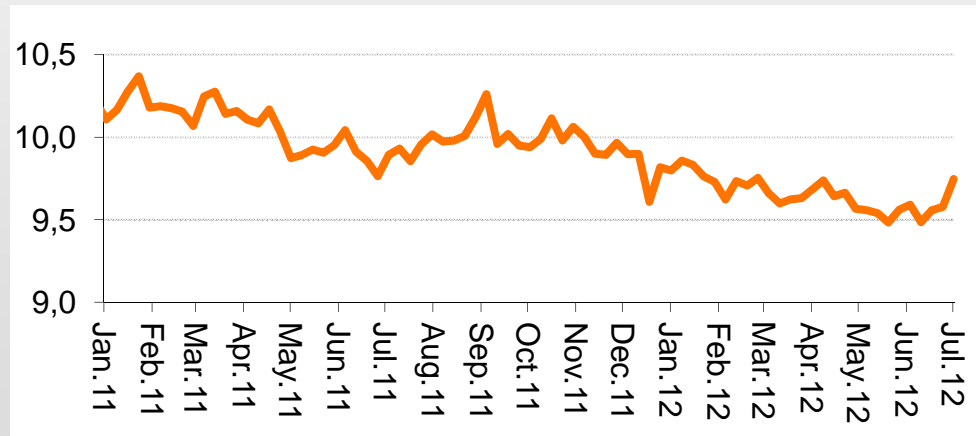
Development of Power Plants service agreements



Anchored* & Idle Vessels, percent 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

- Growth of gas as a fuel in power generation and in shipping
- Stricter environmental regulations
- Increased focus on total cost of ownership
- Accelerating technological development
- High demand for expertise





- **Power Plants:** The power generation market is expected to remain active in 2012.
- **Ship Power:** Full year vessel contracting expected to be somewhat lower than in 2011. Robust contracting activity is expected for the offshore, gas carrier, and other specialised vessel markets.
- **Services:** The merchant marine segments are still expected to be under pressure, as overcapacity in the market continues to impact the potential for services in this area. The power plant service market is expected to develop steadily.

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Wärtsilä expects its net sales for 2012 to grow by 5-10% and its operational profitability (EBIT% before non-recurring items) to be 10-11%.



WÄRTSILÄ

IR Contact:

Pauliina Tennilä

Director, Investor Relations

Tel. +358 (0) 40 570 5530

E-mail: pauliina.tennila@wartsila.com

WARTSILA.COM