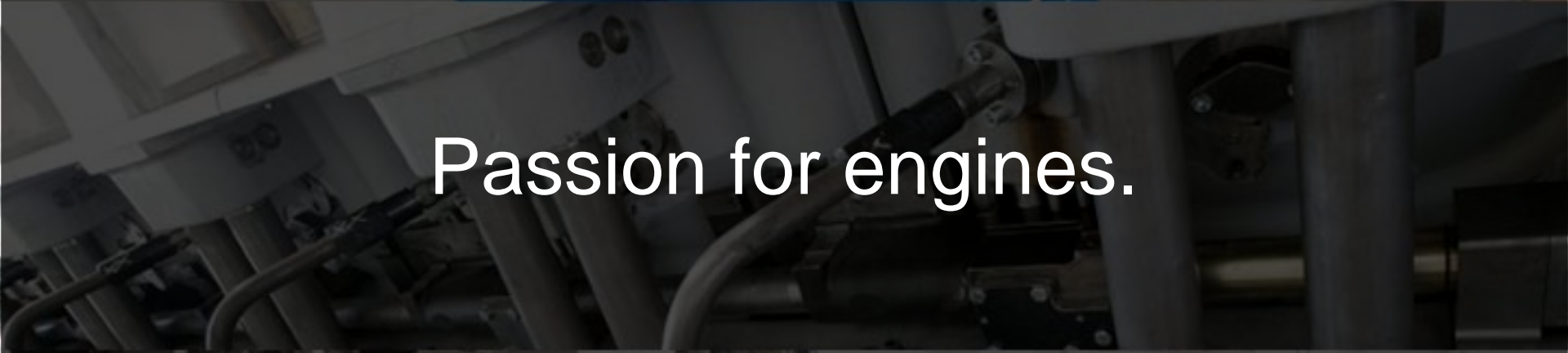


# WÄRTSILÄ CORPORATION

CORPORATE PRESENTATION 2012



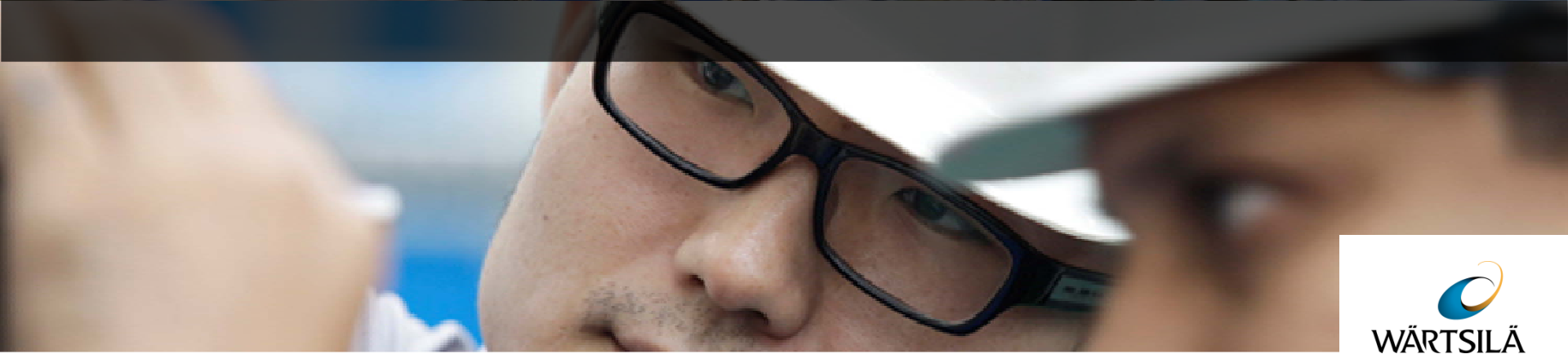
Passion for engines.



# Today we are much more than an engine company



Passion for optimising lifecycle value for our customers with modern and sustainable power solutions.



# Our mission, vision, and values

## MISSION

We provide lifecycle power solutions to enhance the business of our customers, while creating better technologies that benefit both the customers and the environment.

## VISION

We will be the most valued business partner of all our customers.

## VALUES

### ENERGY

Capture opportunities and make things happen

### EXCELLENCE

Do things better than anyone else in our industry

### EXCITEMENT

Foster openness, respect and trust to create excitement





This is what we bring to the market

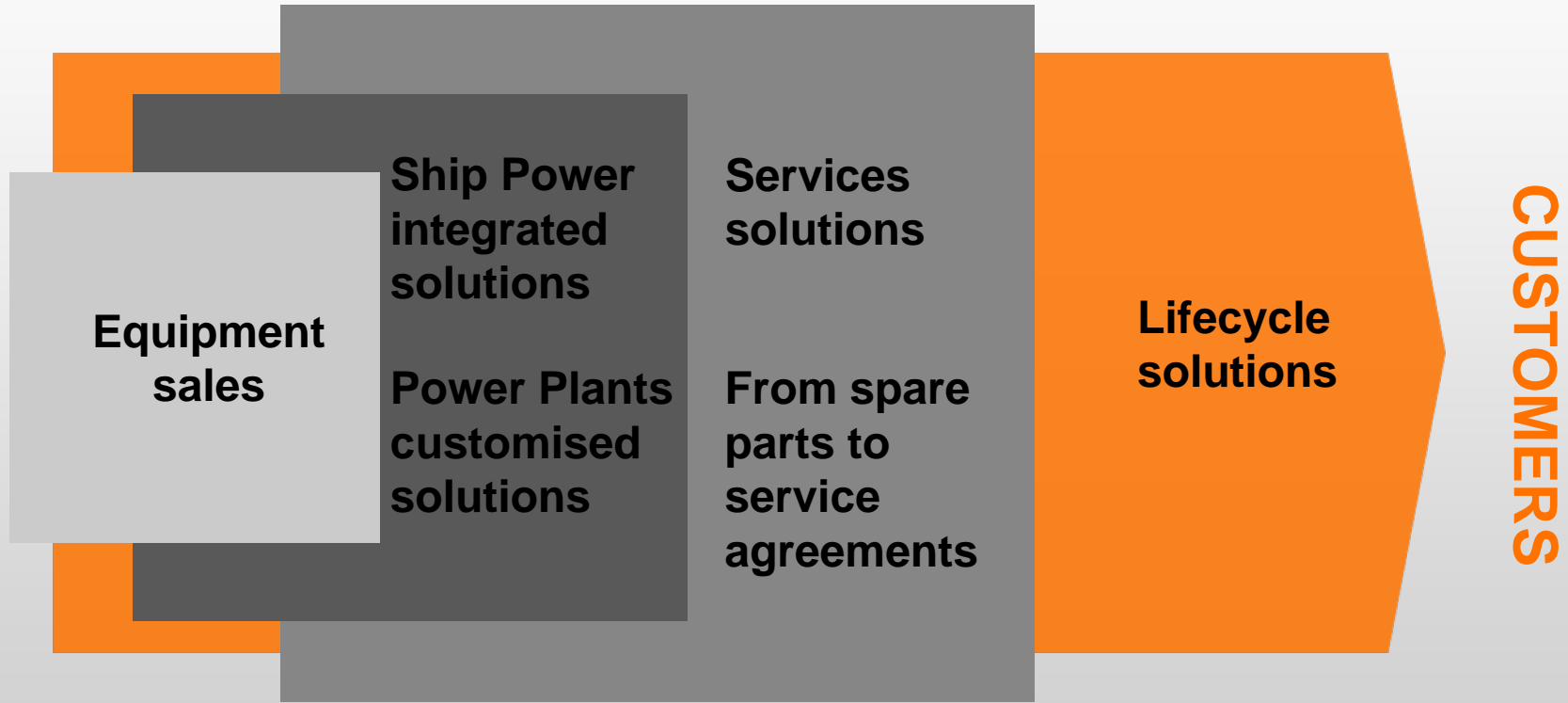


**EFFICIENCY**

**ENVIRONMENTAL  
SOLUTIONS**

**FUEL  
FLEXIBILITY**



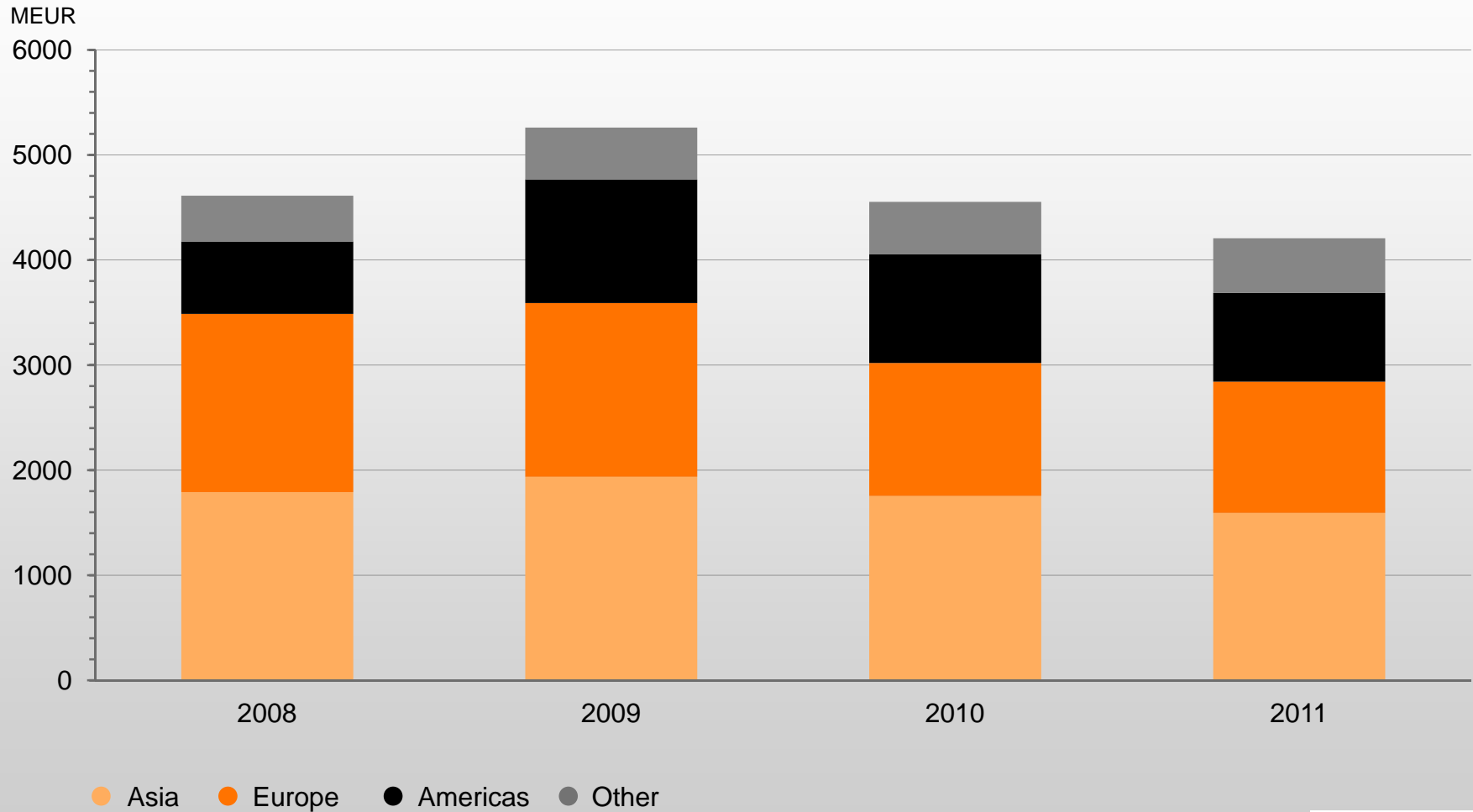


MEUR	<b>2011</b>	2010	2009	2008
Order intake	<b>4 516</b>	4 005	3 291	5 573
Order book at the end of the period	<b>4 007</b>	3 795	4 491	6 883
Net sales	<b>4 209</b>	4 553	5 260	4 612
Operating result <sup>1</sup>	<b>469</b>	487	638	525
% of net sales <sup>1</sup>	<b>11.1</b>	10.7	12.1	11.4
Earnings/share, EUR	<b>1.44</b>	1.96	1.97	1.94

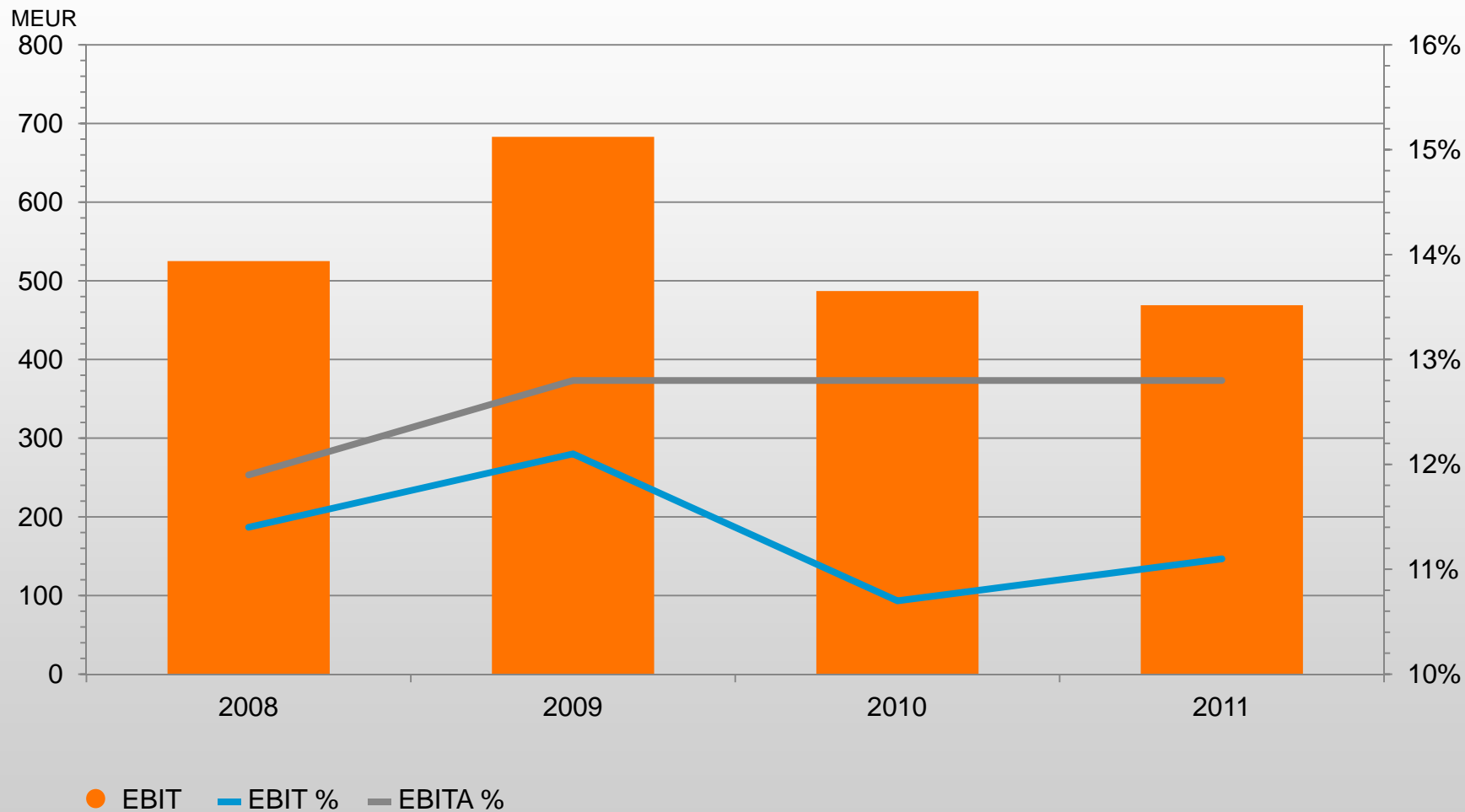
<sup>1</sup> 2009-2011 figures exclude non-recurring restructuring items and selling profits.



# Net sales by market area



# Solid profitability



\*) Operating result before nonrecurring restructuring items





**We provide superior value to our customers with our flexible, efficient and environmentally advanced energy solutions, which enable a transition to a more sustainable and modern energy infrastructure.**

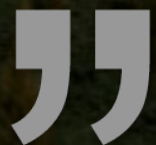


- We are a major supplier of flexible baseload power plants operating on various liquid and gaseous fuels
- We provide unique, dynamic solutions for grid stability, reserve, peaking, load following and intermittent power generation
- Our multi-fuel solutions for the oil & gas industry are used for reliable power generation, pumping and compression



All applications are supported with tailored lifetime operation and maintenance services.

- 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.



# Smart Power Generation – unique features

## Energy efficiency

- Highest simple cycle electrical efficiency
- High efficiency regardless of ambient conditions
- High plant efficiency over a wide load range due to multiple generating sets

## Competitive generation cost and high dispatch

## Fuel flexibility

- Continuous choice of the most feasible fuel
- Solutions for
  - liquid and gaseous fuels
  - renewables
  - multi-fuel plants
  - fuel conversions

## Hedge for the future

## Energy efficiency

Smart  
Power  
Generation

## Fuel flexibility

## Operational flexibility

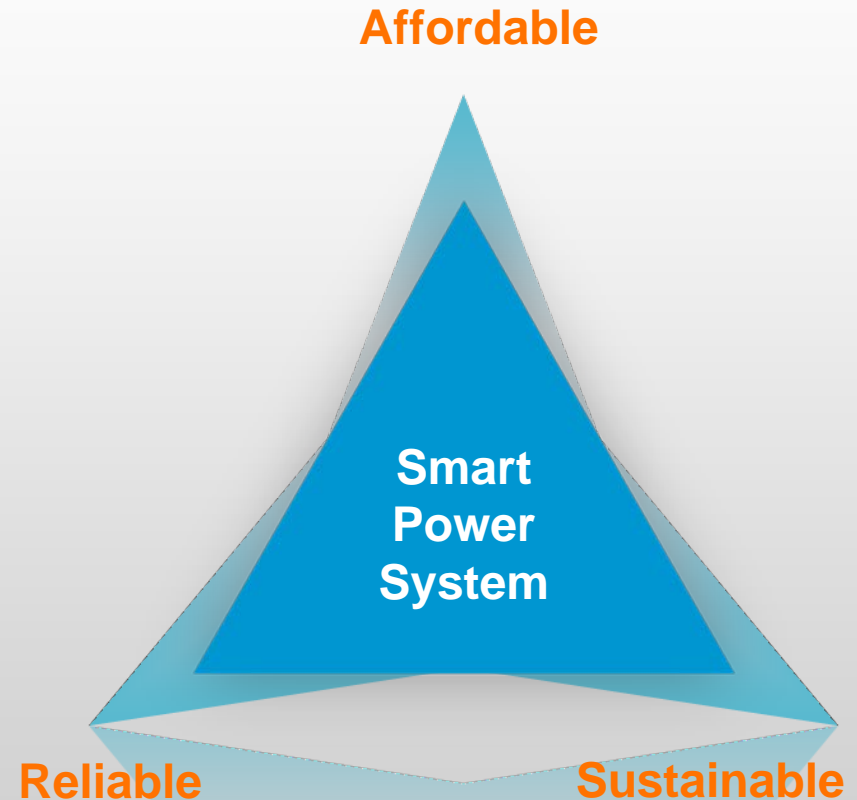
## Operational flexibility

- Unlimited, super fast, reliable starting and stopping with no impact on maintenance schedule
  - Fast reserve, load following, peaking and baseload
  - All ancillary services
  - Grid support, wind enabling
- Multi-tasking plant prepared for future markets**

In emerging markets, economic growth requires increasing investments in energy.

In developed countries, the transition to solar and wind power brings daily variations that need to be balanced.

Efficient and flexible Smart Power Generation enables power systems to deliver affordable, clean and reliable energy.



**We are passionate about optimising lifecycle value by offering what our customers need. We deliver on this promise because we provide the only true total offering of marine products, integrated solutions and services in the industry – worldwide.**

**We help our customers find the shorter route to robust growth and bigger profits by focusing on operational efficiency, environmental excellence, fuel flexibility and services.**

- 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

”

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

## OUR STRATEGIC GOAL

To be recognised as the leading solutions provider in the marine industry for:

LEADER IN

### Efficiency



### Gas and dual-fuel solutions



### Environmental solutions



THROUGH  
OFFERING

- Lifecycle solutions for ship owners and operators
- Enhanced system integration for the ship building industry
- The best product sales and delivery process for the marine industry



# Increasing environmental regulation and alternatives for decreasing emissions

## NO<sub>x</sub>

Acid rains

Tier II (2011)  
Tier III in ECA  
(2016)

## SO<sub>x</sub>

Acid rains

3.5% (2012)  
ECA 0.1% (2015)  
Global 0.5% (2020)

## PM

Impact on air quality

Along with SO<sub>x</sub>  
reduction

## GHG

Global warming

Under evaluation  
by IMO

## BALLAST- WATER

Damage to local

Global ballast  
convention

Wärtsilä is developing a multi-solution approach to meet requirements for different ship types and operational profiles

## LNG

- Simultaneous reduction of GHG / SO<sub>x</sub> / NO<sub>x</sub> / PM
- Market: mainly ships with regular routes and limited autonomy requirements operating in ECAs
- Infrastructure development is needed for larger uptake
- Conversion solution available

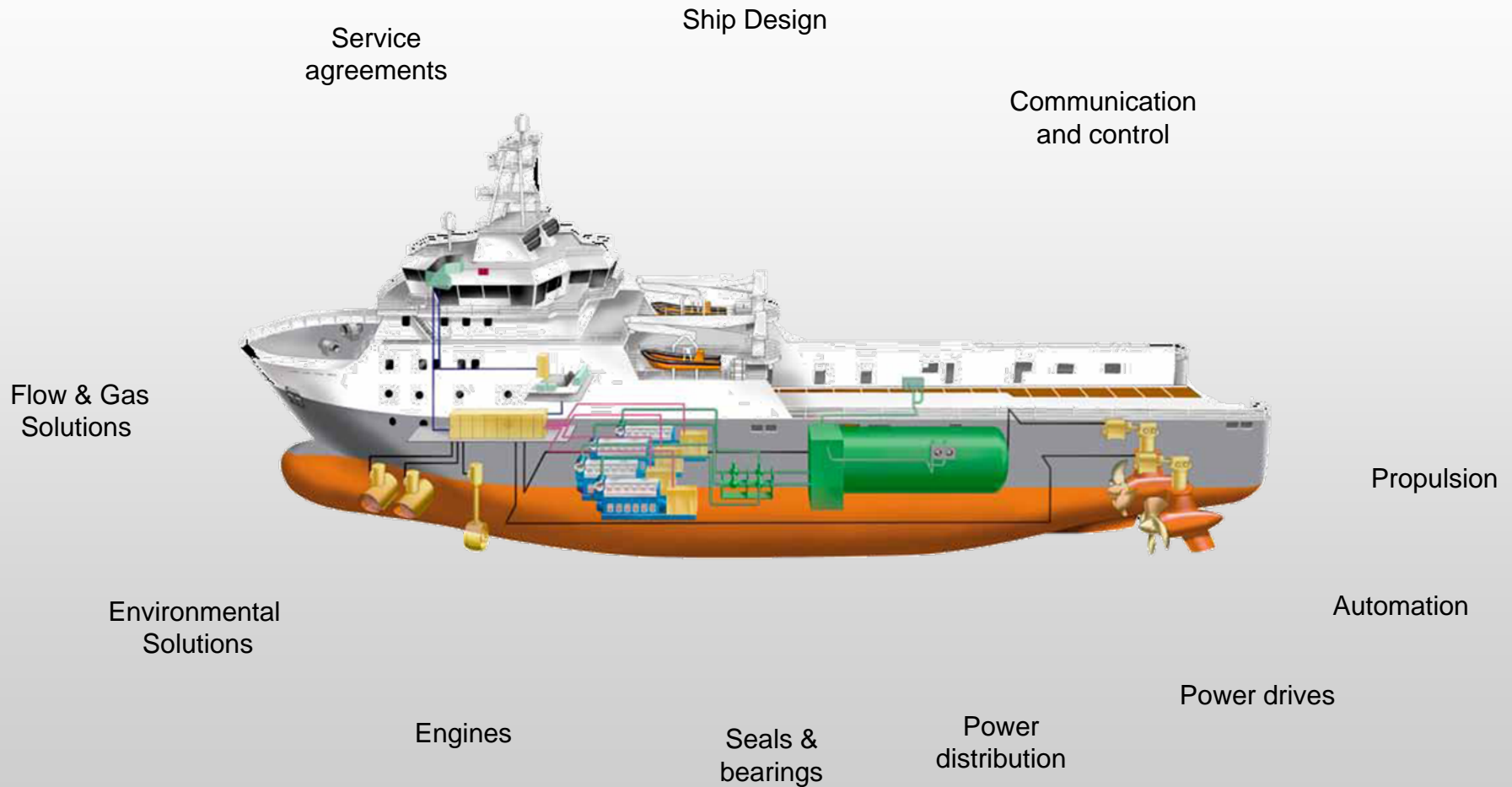
## HFO

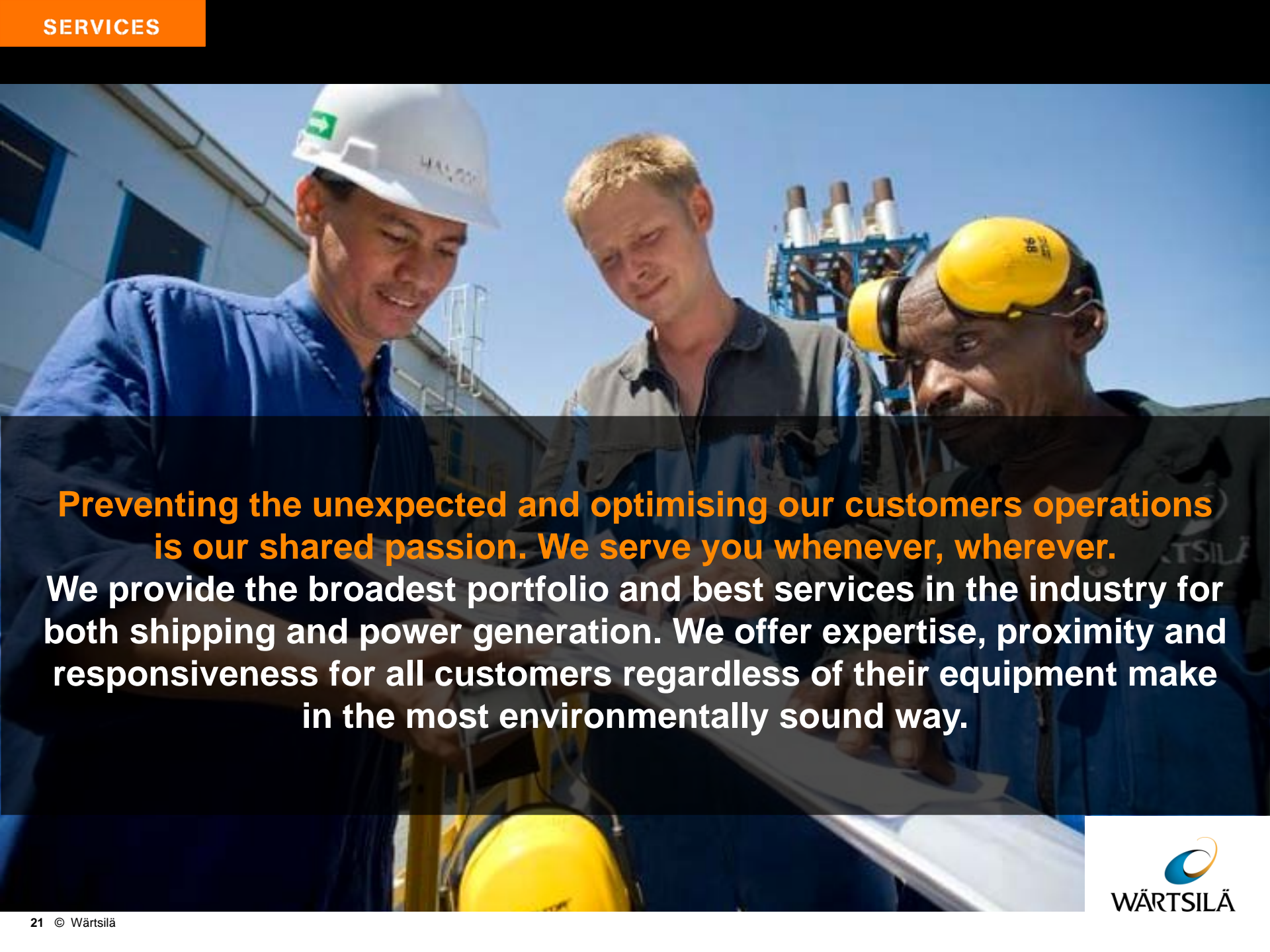
NO<sub>x</sub>: SCR or wet methods  
SO<sub>x</sub>: scrubbers  
Market: mostly merchant ships operating a significant time in ECAs

## MGO

- NO<sub>x</sub>: SCR or primary methods
- Market: ships operating a limited time in ECAs, small ships

# The only complete marine offering



A photograph of three industrial workers in a field setting. On the left, a man in a white hard hat and blue work shirt looks down at a document. In the center, a younger man in a grey and blue work shirt also looks at the document. On the right, an older man in a yellow hard hat and dark work shirt points at the document. The background shows industrial equipment and a clear blue sky.

**Preventing the unexpected and optimising our customers operations is our shared passion. We serve you whenever, wherever.**  
We provide the broadest portfolio and best services in the industry for both shipping and power generation. We offer expertise, proximity and responsiveness for all customers regardless of their equipment make in the most environmentally sound way.

We will:

- Maximise our market share with our present customer base
- Constantly develop our offering proposition with value-enhancing solutions
- Grow by providing more service agreements with new Ship Power and Power Plants deliveries
- Become our industry's market leader in environmental solutions

”

To be recognised by customers as their services partner: competitive, trusted and easy to deal with.



- 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





## Performance optimization

Our customers are currently looking for longer-term efficiency increasing strategies to improve business efficiency and reducing 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 and the need for energy efficiency are main drivers for our customers to optimize their environmental performance.



# Wide range of expertise



Engine services



Propulsion services



Electrical & automation services



Boiler services



Environmental services



Service agreements

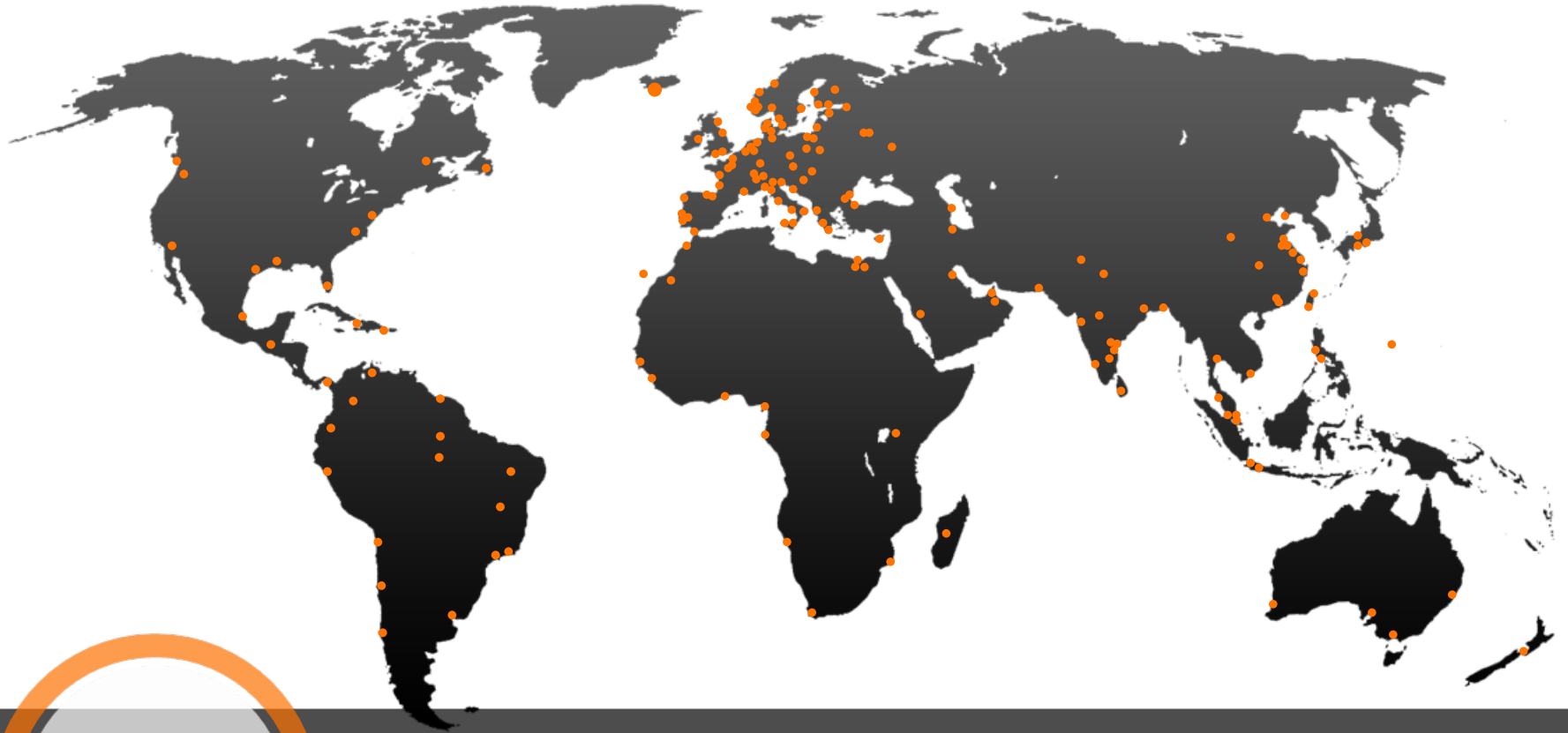


Service projects



Training services

70 countries, 160 locations, 5000 field service experts



Installed  
base  
180,000 MW

Wärtsilä Services global network  
Widest range of offering and expertise

**We provide market leading products**



STRATEGY  
STRENGTH

Leading technologies & products

Operational excellence

Flexible and agile operations

**Technology leadership**

- High quality and reliability
- High performance
- Environmental focus
- Cooperation with leading research institutes

**Competitive product portfolio**

- Broad portfolio
- Products for integrated solutions or as stand-alone equipment
- Low total cost of ownership

**Manufacturing and engineering expertise**

- Best manufacturing practises
- Design for manufacturing
- Cost efficiency

**Flexible and agile operations**

- Global presence with flexible manufacturing capacity
- Global supplier base
- Focus on core competences

**Valued people in a performance culture**

Enabling and developing competent and skilled people



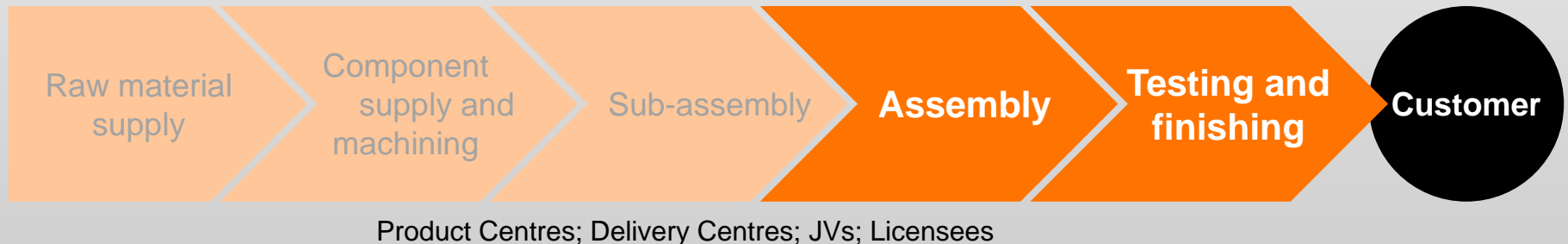


## Technology & product development



A streamlined,  
broad and competitive  
product portfolio

## Product delivery



# Competitive product portfolio



4-stroke engines



2-stroke engines



Gensets & auxpacs



Propellers FPP/ CPP



Steerable thrusters



Transverse thrusters



Energy efficiency systems



Frequency converters



Propulsion controls



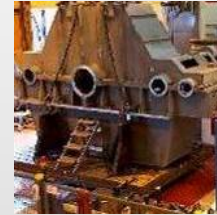
Automation, monitoring & control



I/O cabinets



Switchboards



Gears



Fuel cells



Flue gas desulphurisation & scrubbers



Catalysts (SCR, Oxicat, etc.)



Pump systems – Flow solutions



Ballast water system



LNG regasification



MG



Inert gas systems



# Clear leadership in dual-fuel applications

## POWER PLANTS



### DF Power plants

- 51 installations
- 186 engines
- Online since 1997

## MERCHANT



### LNG Carriers

- 108 vessels
- 429 engines

### Conversion

- 1 chem. tanker
- 2 engines conv.
- Complete gas train
- Complete design

## OFFSHORE



### PSVs/FPSOs

- 20 vessels
- 96 engines
- Online since 1994

### Highlights:

- Harvey Gulf; the first 4 LNG-OSVs to be operated in the Gulf of Mexico

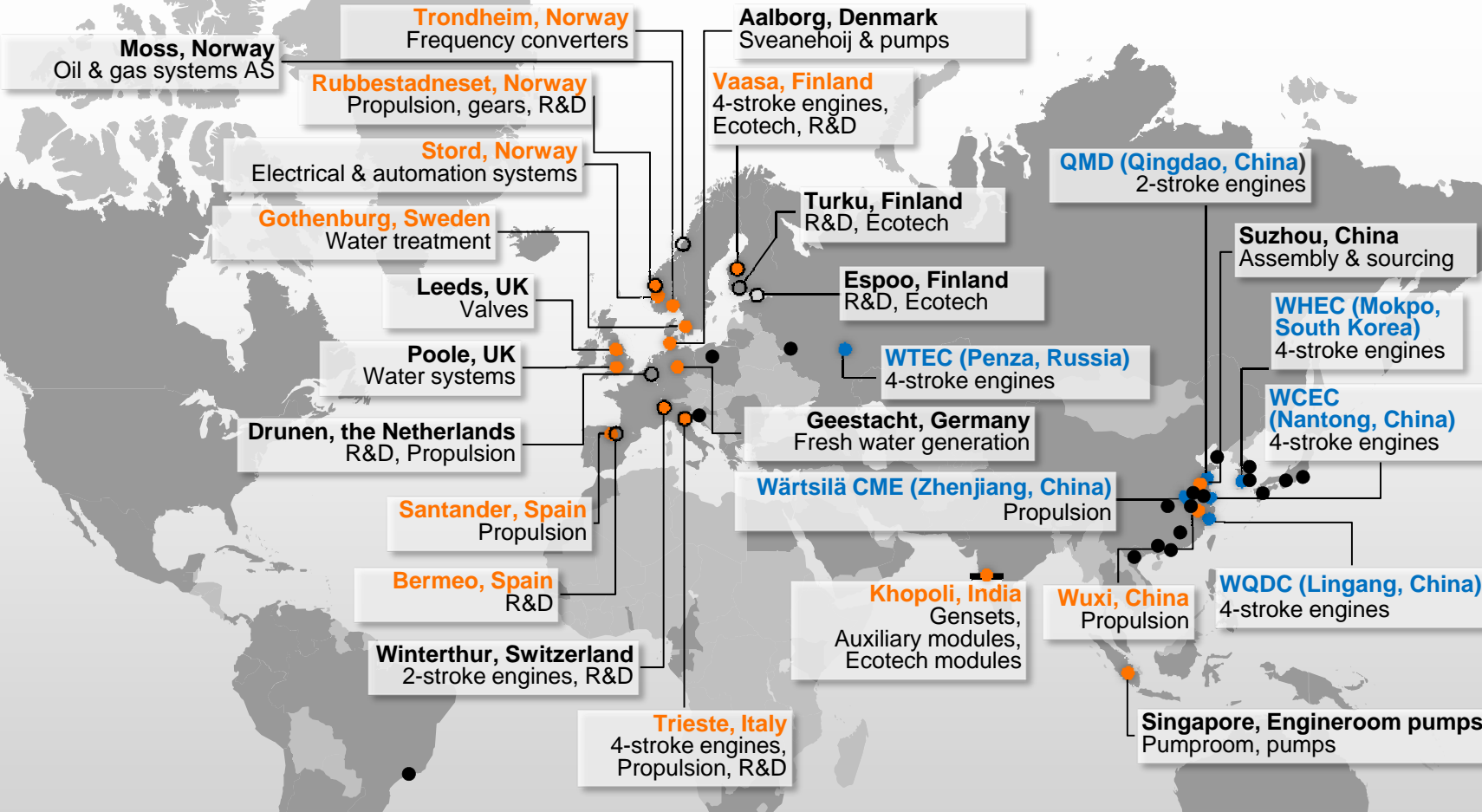
## CRUISE AND FERRY



### LNG ferries

- 4 engines
- Complete gas train
- 2,800 passengers
- In service in 2013

➔ 4 segments ➔ ~180 installations ➔ > 5,000,000 running hours



- Fully owned sites
- ○ Sites with R&D
- Joint Venture sites

- 18 licensee sites





# Profitable growth by focusing on three areas

## Smart Power Generation



The transition to sustainable and modern energy systems drives the demand for smart power generation.

## Gas as a fuel



Economic and environmental reasons increase the growth potential for gas solutions in both end markets.

## Environmental solutions



Environmental regulation and increased focus on optimised lifecycle efficiency create demand in the marine industry.



Passion for optimising lifecycle value with modern and sustainable power solutions.