

WÄRTSILÄ CORPORATION

CORPORATE PRESENTATION 2013

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

Our business areas



**POWER
PLANTS**



**SHIP
POWER**



SERVICES



This is what we bring to the market



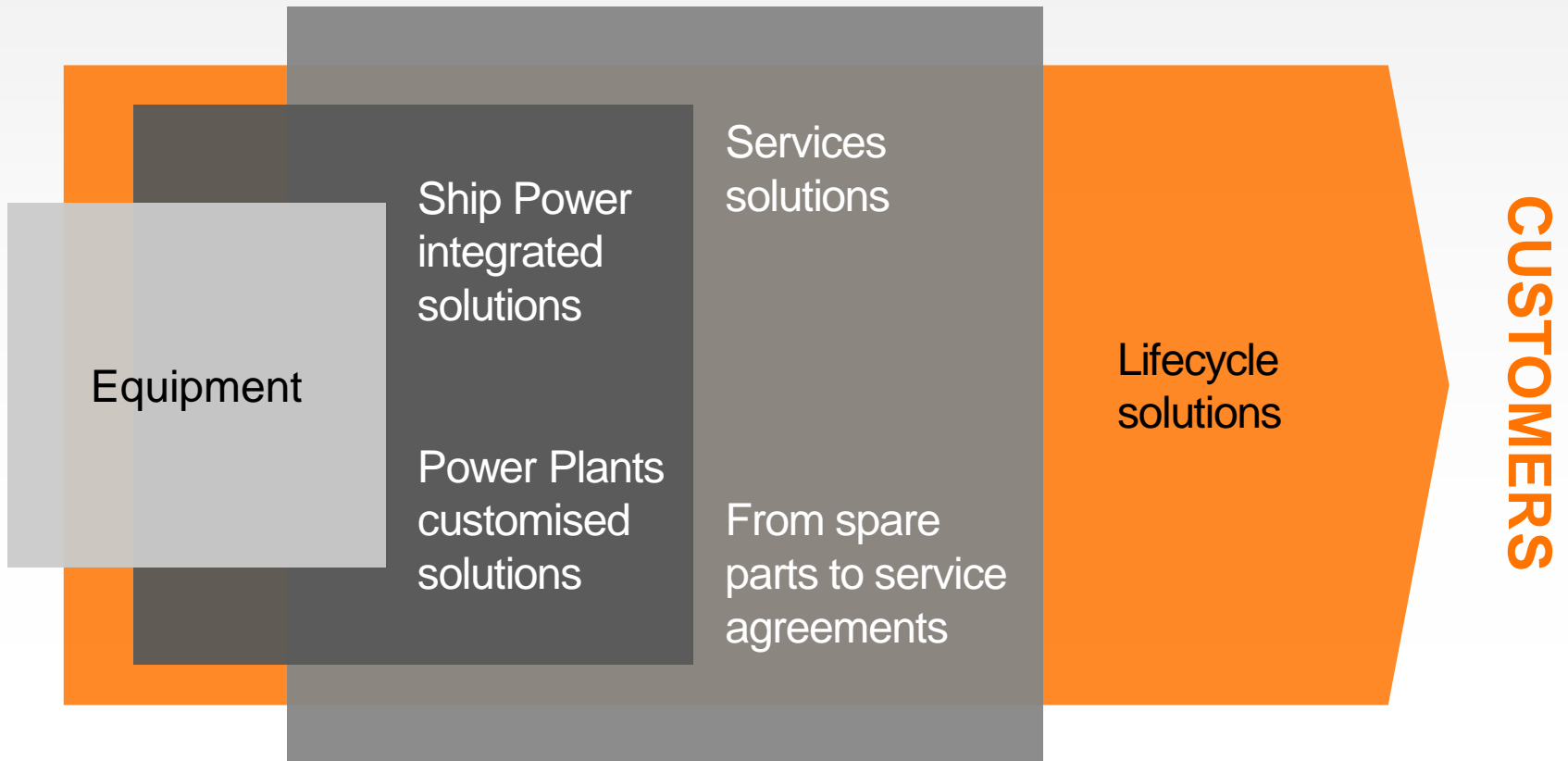
EFFICIENCY

**ENVIRONMENTAL
SOLUTIONS**

**FUEL
FLEXIBILITY**



Our offering



R&D and manufacturing set up

SHIP POWER

R&D and manufacturing

- Low-speed engines
- Propulsion
- Electrical & Automation
- Environmental solutions
- Flow solutions
- Oil & gas solutions
- Ship design

POWERTECH

R&D and manufacturing

- Medium-speed engines for the marine and power plant markets
- Auxiliary engines
- Catalytic systems
- Emission monitoring products

POWER PLANTS

R&D and manufacturing

- Auxiliary modules

SERVICES

R&D and manufacturing

- Seals and bearings

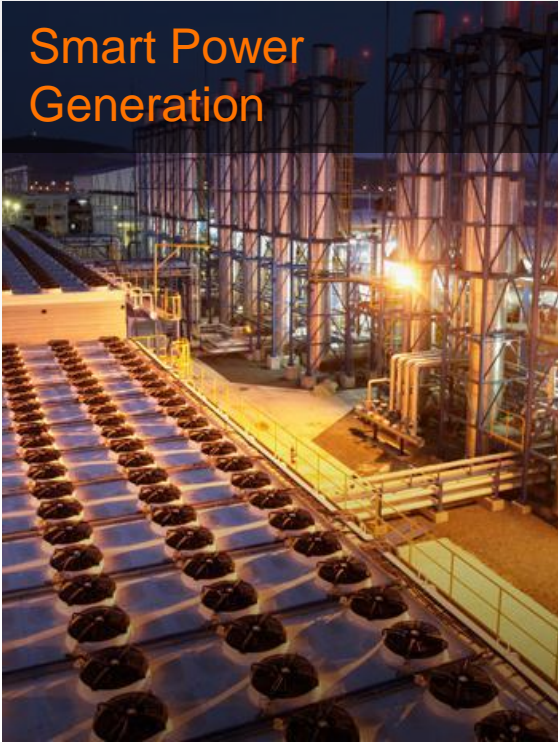
Our personnel



Nearly 19,000 professionals,
114 nationalities in 70 countries,
present in 160 locations

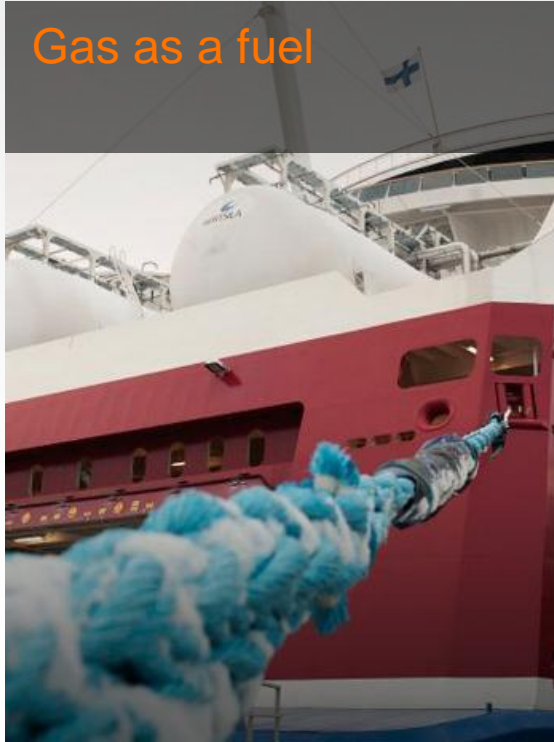
Profitable growth by focusing on three areas

Smart Power Generation



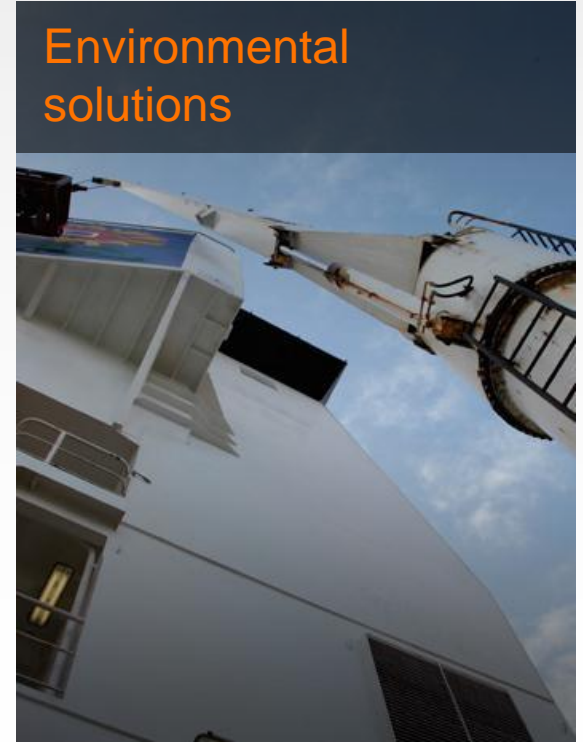
The transition to sustainable and modern energy systems drives the demand for smart power generation.

Gas as a fuel



Economic and environmental reasons increase the growth of gas solutions in marine and power plant markets.

Environmental solutions



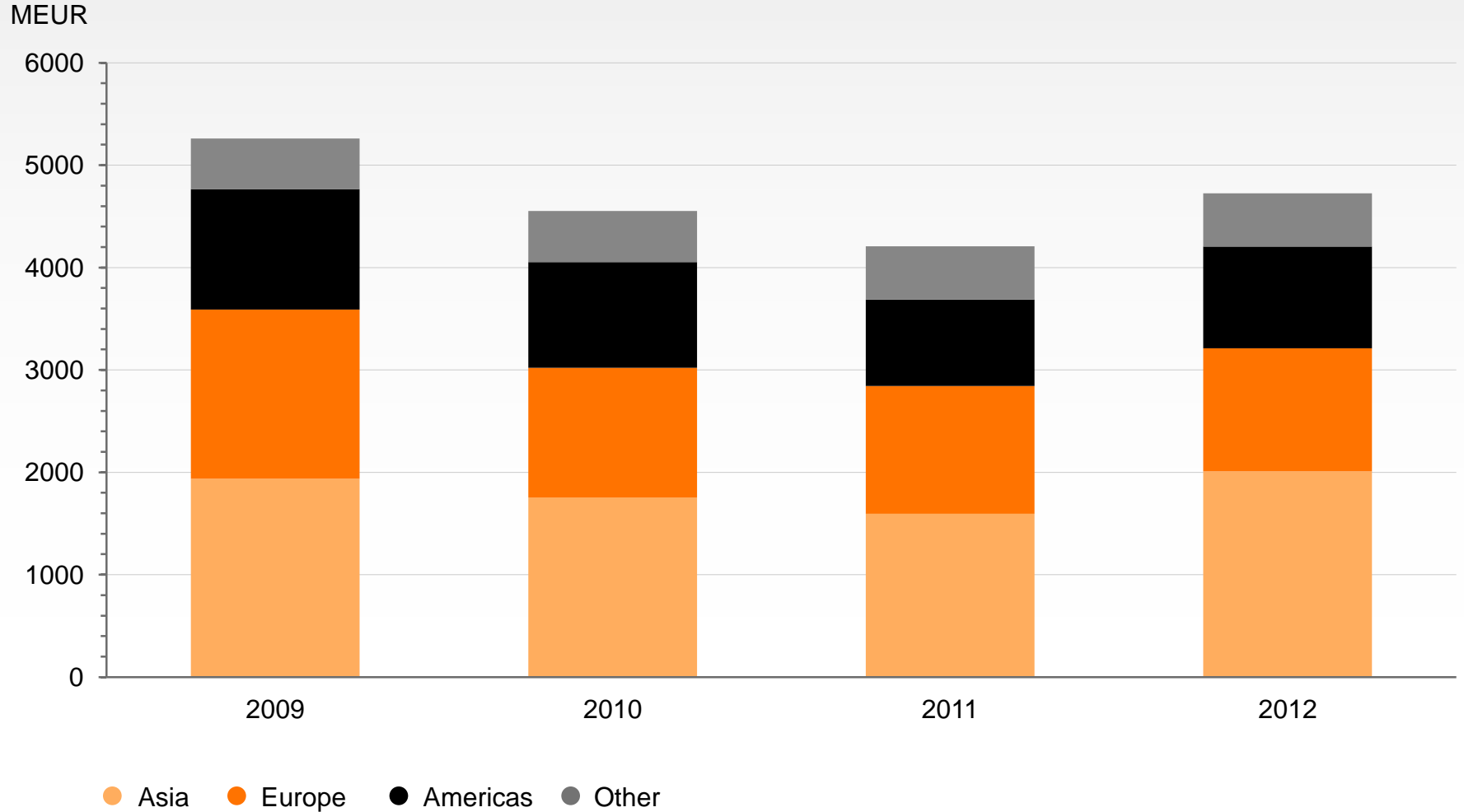
Environmental regulation and increased focus on improved efficiency create demand in the marine industry.

Financial highlights

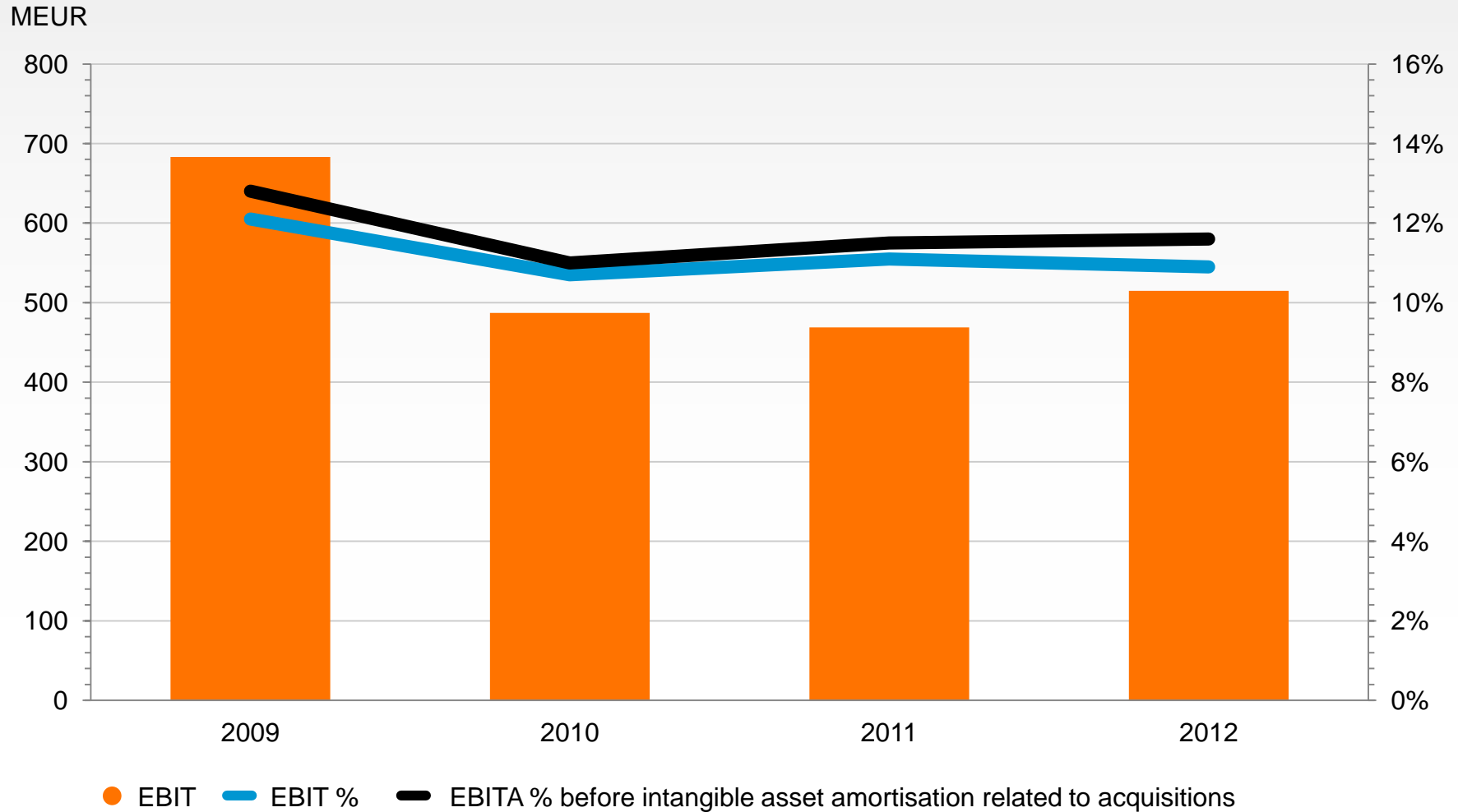
MEUR	2012	2011	2010	2009
Order intake	4 940	4 516	4 005	3 291
Order book at the end of the period	4 492	4 007	3 795	4 491
Net sales	4 725	4 209	4 553	5 260
Operating result ¹	515	469	487	638
% of net sales ¹	10.9	11.1	10.7	12.1
Earnings/share, EUR	1.72	1.44	1.96	1.97

1) Figures exclude non-recurring items.

Net sales by market area



Solid profitability



Figures shown before nonrecurring restructuring items

Power Plants



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.

Power Plants offering

- 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 provide security and optimal choice of fuel in any conditions
- Our project development and EPC capability provide customers a choice of everything from single point of responsibility to selected services
- All applications are supported with tailored lifetime operation and maintenance services



Our customer segments

UTILITIES

Entities supplying electricity to residential, commercial & industrial end users



South Texas Electric Cooperative, USA



Azerenerji, Azerbaijan

IPPs*

Financial investors investing in power plants and selling power to utilities



GERA, Brazil



Cakmaktepe Energy, Turkey

INDUSTRIAL CUSTOMERS

Industries such as mining, cement and oil & gas investing in captive power plants



Barrick Gold Corporation, Canada



Sasol New Energy Holdings, South Africa

* Independent Power Producers

Market trends and drivers

- 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
- Escalating daily, weekly and seasonal demand fluctuation increases the need for flexibility
- Increasing role of gas, especially as a balancing fuel
- Ageing installed capacity drives investments in new technologies

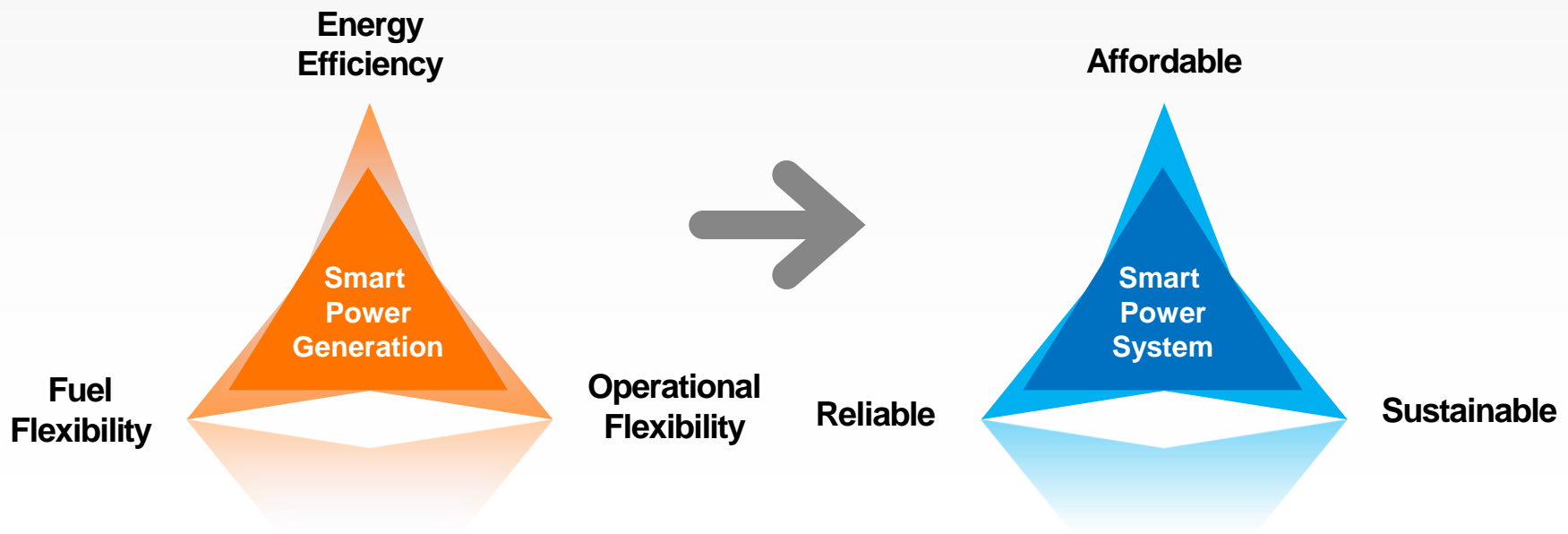


The world needs affordable, clean, flexible and reliable power.

Smart Power Generation optimises energy systems

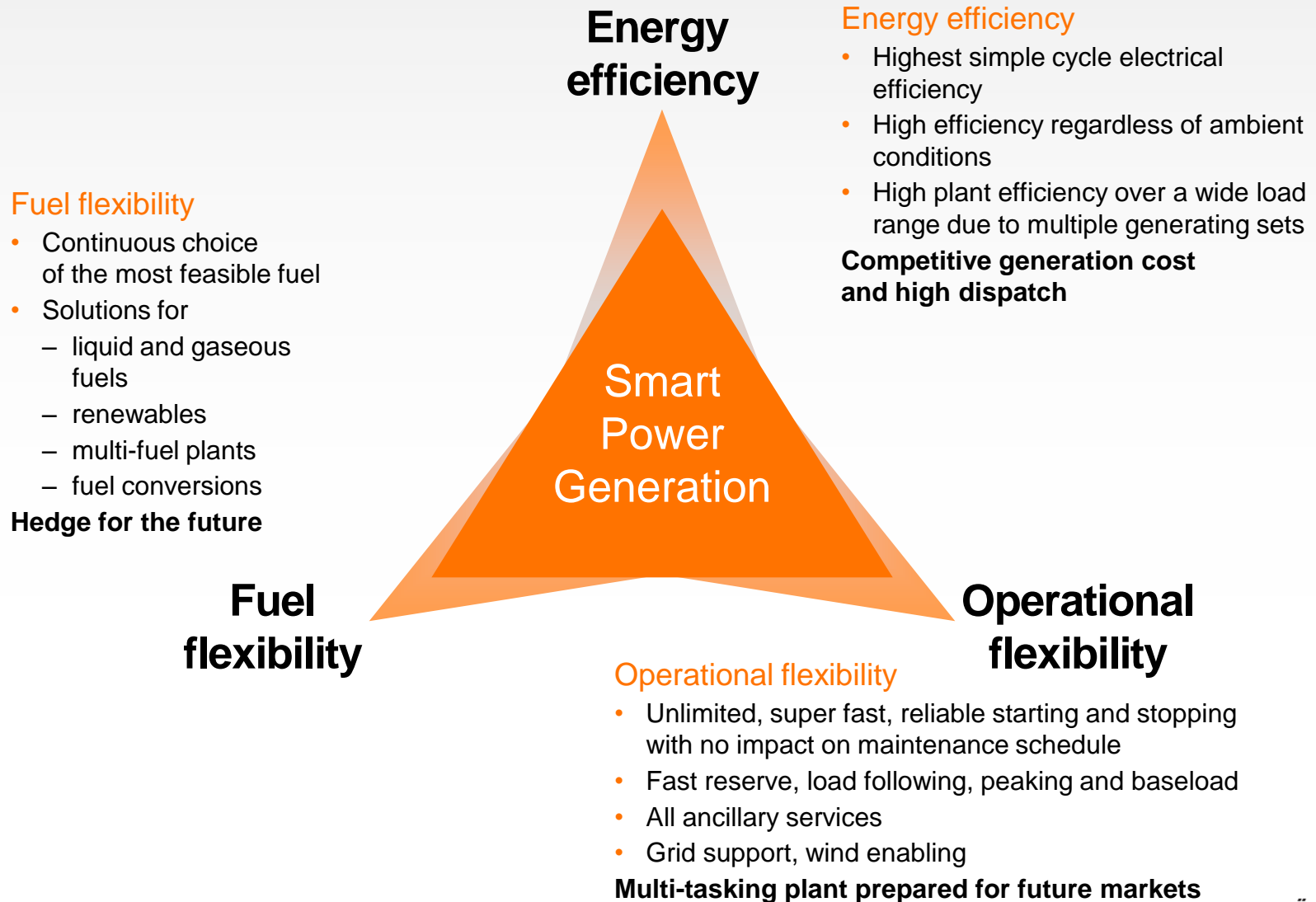
A unique all-in-one combination of valuable features that....

...enables the transition to a modern and sustainable power system!



Smart Power Generation is a new concept which enables an existing power system to operate at maximum efficiency by effectively absorbing current and future system load variations, providing significant savings.

Smart Power Generation – unique features



A photograph of a ship's deck at sunset. The sun is low on the horizon, creating a bright orange and yellow glow. The ship's deck is visible in the foreground, with railings and various pieces of equipment. The ocean extends to the horizon under the colorful sky.

We are passionate about optimising lifecycle value by offering what our customers need. We deliver on this promise through 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.

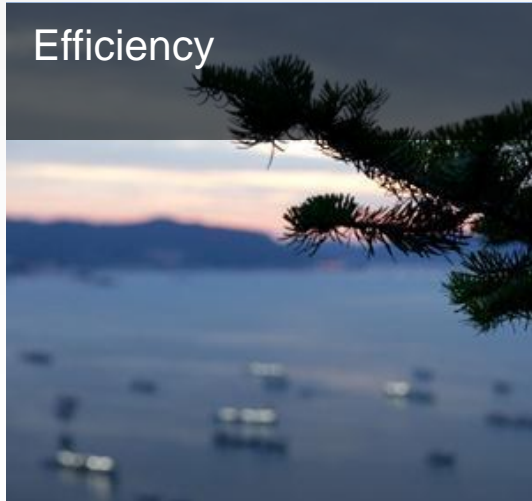
Strategic focus

Ship Power's strategic goal

To be recognised as the leading provider of products and integrated solutions in the marine and offshore oil & gas industry.

LEADER IN

Efficiency



Gas and dual-fuel solutions



Environmental solutions



THROUGH OFFERING

- Lifecycle solutions for ship owners and operators
- Integrated solutions for the shipbuilding industry, owners and operators
- The most competitive products and delivery process for the marine industry

The only complete marine offering

Automation

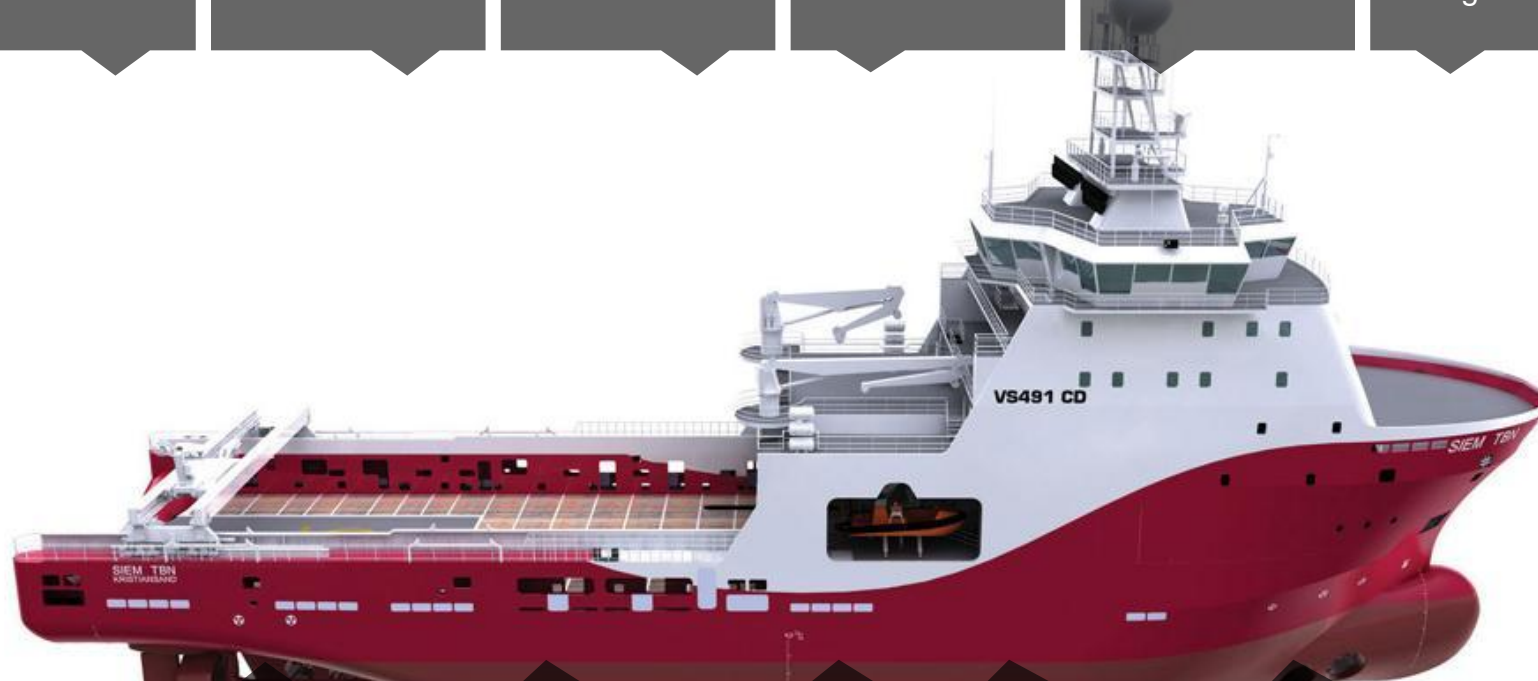
Power drives

Power distribution

Environmental solutions

Communication and control

Ship Design



Propulsion

Seals & bearings

Engines

Flow & Gas Solutions

Service agreements

Market trends and drivers

- Development of the global economy drives marine trade and transportation growth
- Development of oil & gas prices stimulates investments in exploration and production of offshore oil & gas
- Environmental regulations drive demand for environmental solutions and gas as a marine fuel
- Increasing focus on energy efficiency and environmental performance



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



Increasing environmental regulation and alternatives for decreasing emissions

NO_x

Acid rains
Ozone depletion

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

SO_x

Acid rains

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

PARTICULATE MATTER

Impact on air quality

Along with SO_x
reduction

GREENHOUSE GAS

Global warming

Under evaluation
by IMO

BALLAST WATER

Damage to local
eco-systems

Global ballast water
convention

Wärtsilä is developing a multi-solution approach to meet requirements for different owner needs, ship types and operating profiles.

LNG

- Simultaneous reduction of GHG / SO_x / NO_x / 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_x: SCR or wet methods
SO_x: Scrubbers
Market: mostly merchant ships operating a significant time in ECAs

MGO

- NO_x: SCR or primary methods
- Market: ships operating a limited time in ECAs, small ships

*Emissions Control Areas

Clear leadership in dual-fuel applications

Power Plants



DF power plants

- 51 installations
- 186 engines
- Online from 1997

Merchant



LNG carriers

- 121 vessels
- 481 engines

Conversion

- 1 Chem. tanker
- 2 Engine conv.
- Complete gas train
- Complete design

Offshore



PSVs/FPSOs

- 20 vessels
- 96 engines
- Online from 1994

New orders:

Harvey Gulf; the first 5 LNG-PSVs to be operated in the Gulf of Mexico

Cruise & Ferry



LNG ferries

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

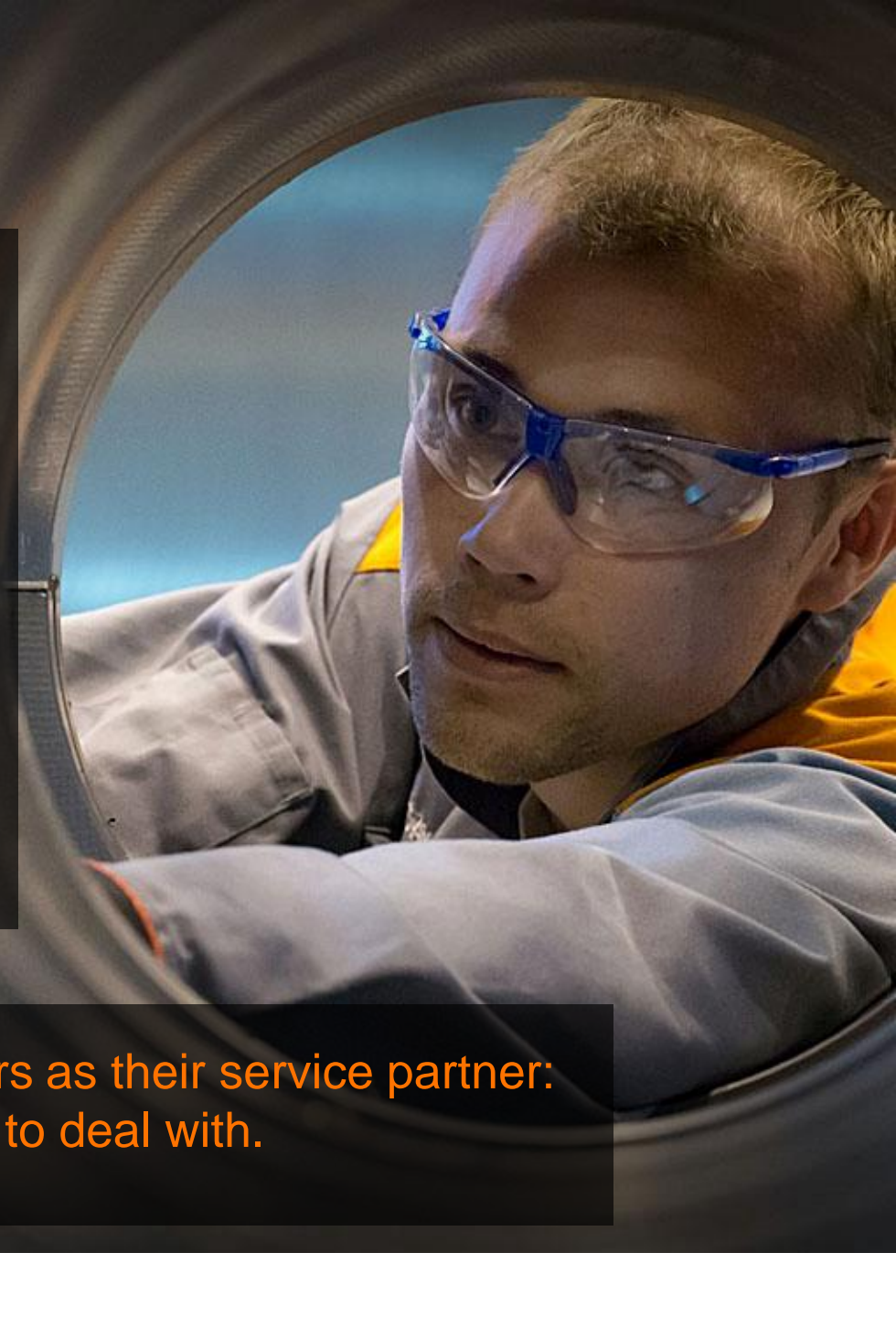
~700 engines → > 7,000,000 running hours

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 in the most environmentally sound way.

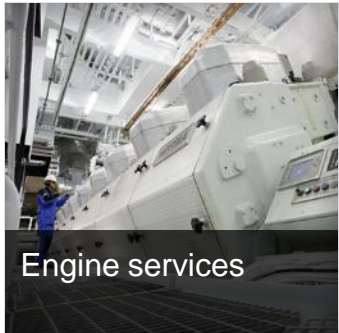
Services - strategic goal

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

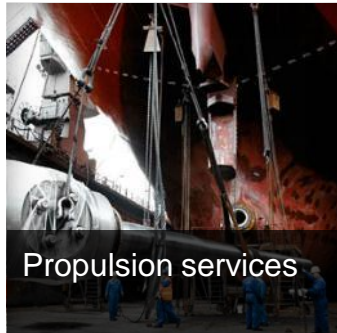


To be recognised by customers as their service partner: competitive, trusted and easy to deal with.

Wide range of expertise and services



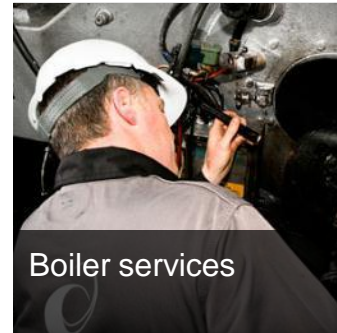
Engine services



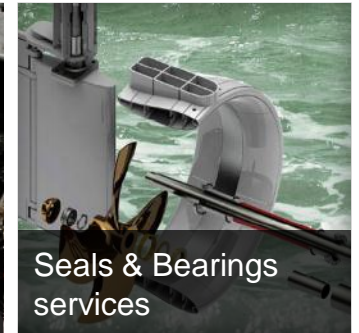
Propulsion services



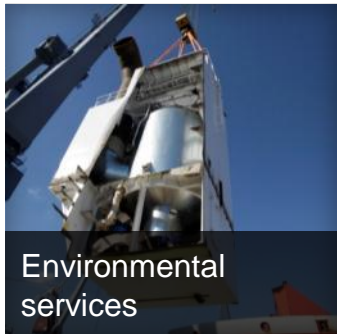
Electrical & automation services



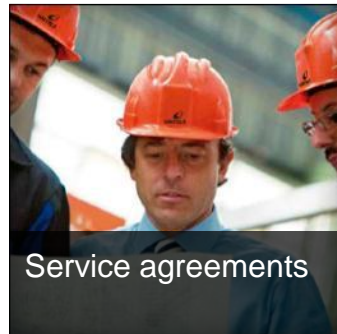
Boiler services



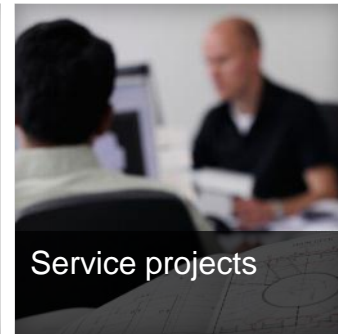
Seals & Bearings services



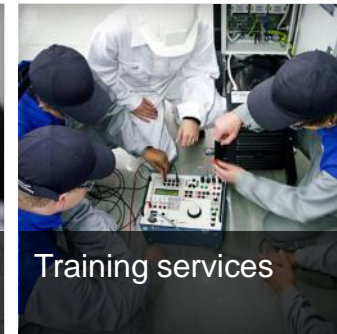
Environmental services



Service agreements



Service projects



Training services

Services - key market drivers

- Development of installed base and fleet utilisation
- 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



Improving lifecycle efficiency

Performance optimization

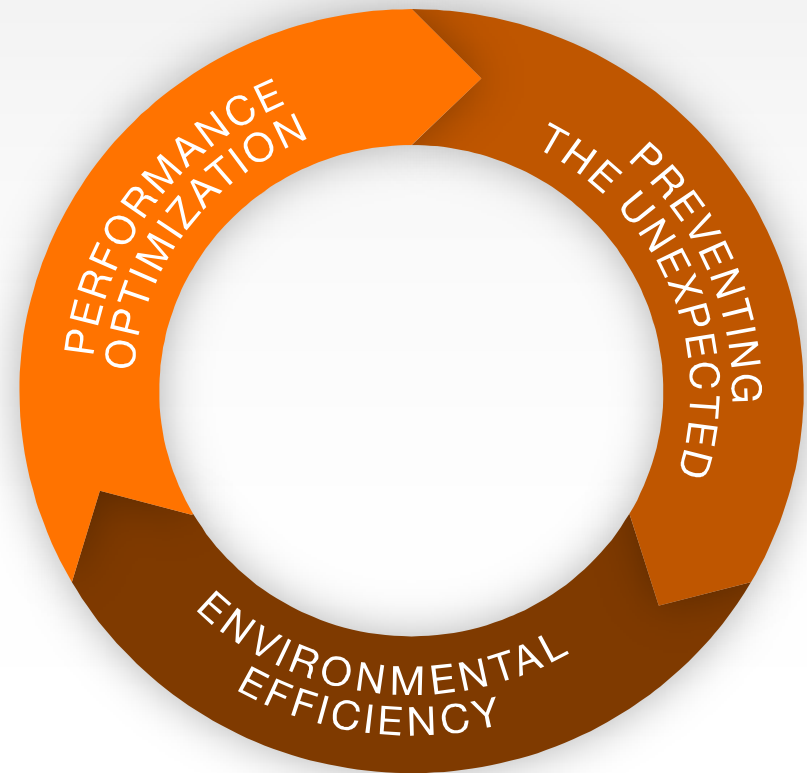
Our customers are currently looking for longer-term efficiency increasing strategies to improve business efficiency and reducing operational expenses.

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.



70 countries, 160 locations, 11,000 service professionals



Installed base
181,000 MW

Wärtsilä Services' global network
Widest range of offering and expertise



We provide market leading
4-stroke products and technologies
Corporate Quality and Supply Management

PowerTech key activities

Secure
Customer Excellence

Build a strong safety and quality culture, a reliable supply network and operational excellence

Develop and provide industry leading technologies and 4-stroke engines

PowerTech - strategy and strengths

- Leading research & development and products
 - Technology leadership
 - Competitive portfolio of reliable, high-quality 4-stroke engines
- Operational excellence
 - Quality in products, solutions, and services
 - Efficient, flexible, and agile operations
 - Manufacturing and engineering expertise
- Sustainable high quality and reliable supply chain



We grow when our people grow

Enabling and developing competent and skilled people



Research & Development

- Strongest ambition to maintain technology leadership
- Drives innovations
- Long-term co-operation with research institutes and partners
- Strong investments in Wärtsilä R&D; 2012 expenditure 188 million euro representing 4% of net sales

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Total efficiency, cost of ownership, fuel flexibility and versatility, minimised environmental impact, and reliability are our main drivers.

Wärtsilä's competitive product portfolio



4-stroke engines



2-stroke engines



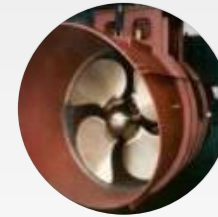
Gensets & auxpacs



Propellers
FPP/CPP



Steerable
thrusters



Transverse
thrusters



Energy efficiency
systems



Frequency
converters



Propulsion
controls



Automation,
monitoring & control



I/O cabinets



Switchboards



Gears



Catalysts
(SCR, Oxocat, etc.)



Seals, Bearings
& Sterntubes



Flue gas
desulphurisation
& scrubbers



Pumps and
valves – Flow
solutions



Ballast water
system



LNG
regasification

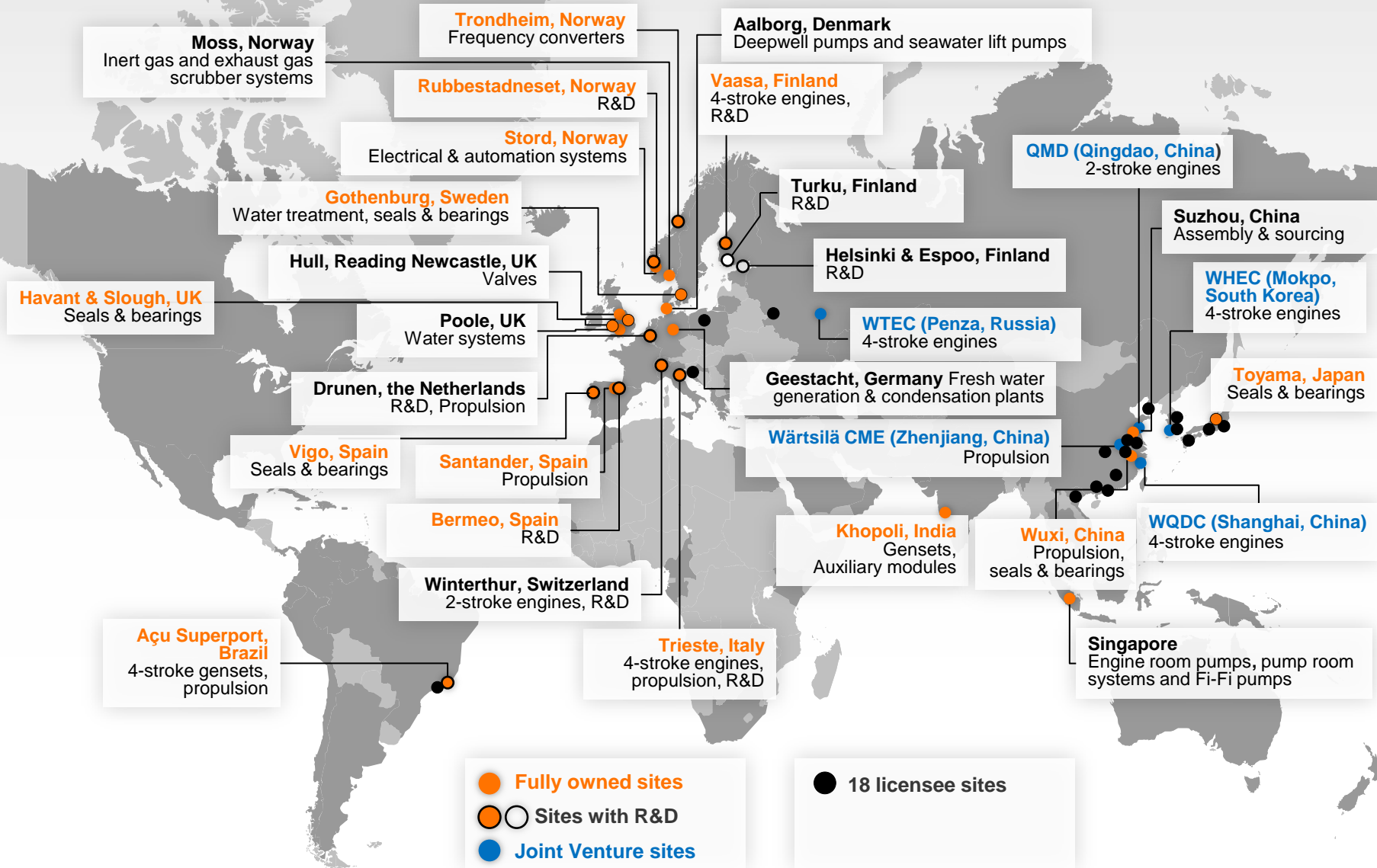


Inert gas systems



Ship design

Wärtsilä's production and R&D





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