

WÄRTSILÄ CORPORATION

KAMPEN SITE VISIT

**CHRISTOPH VITZTHUM,
PRESIDENT, SERVICES & EVP, WÄRTSILÄ**

20 AUGUST 2013



This is Wärtsilä



**POWER
PLANTS**

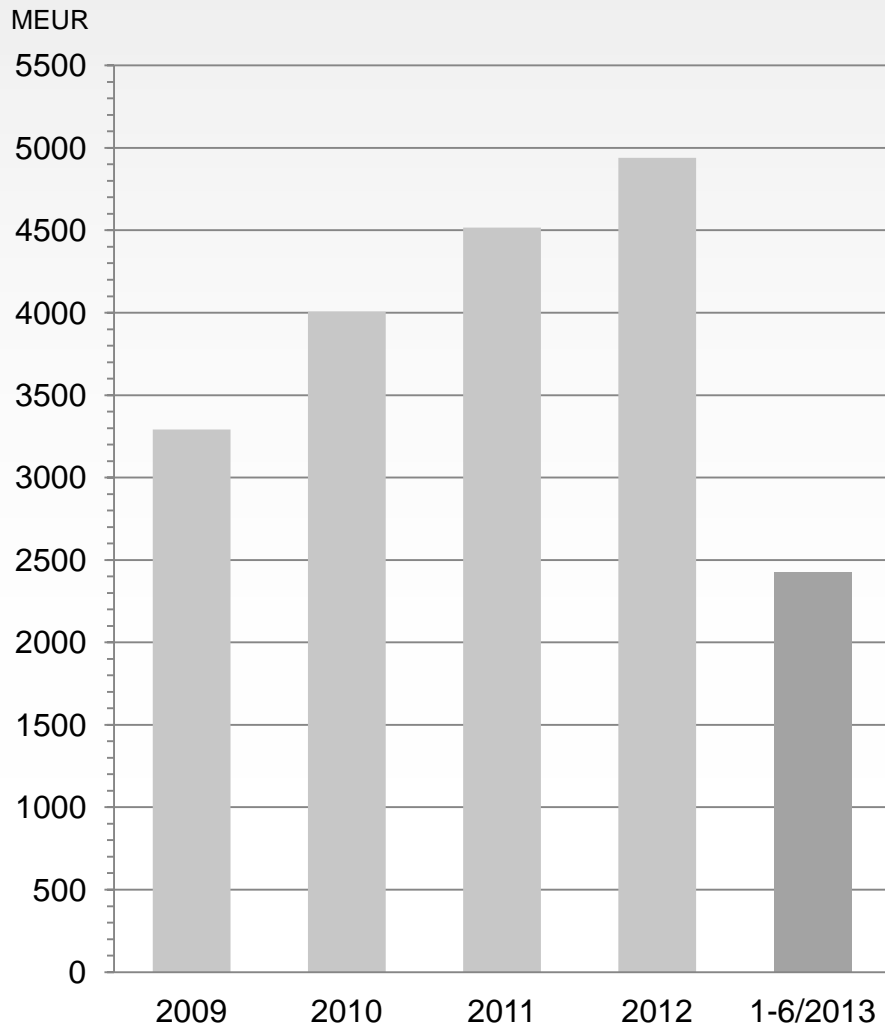


**SHIP
POWER**

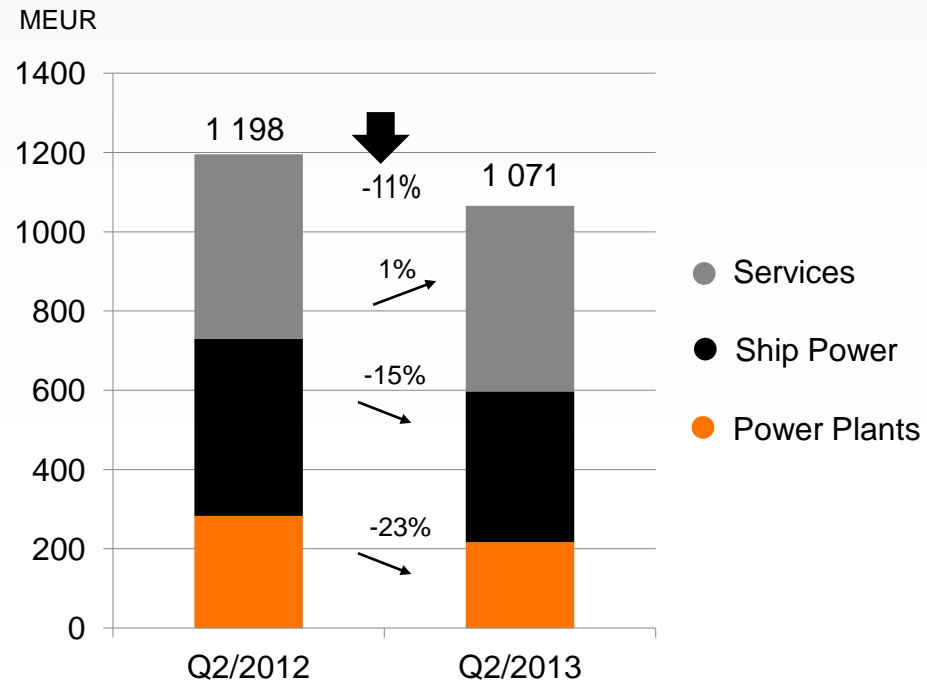


SERVICES

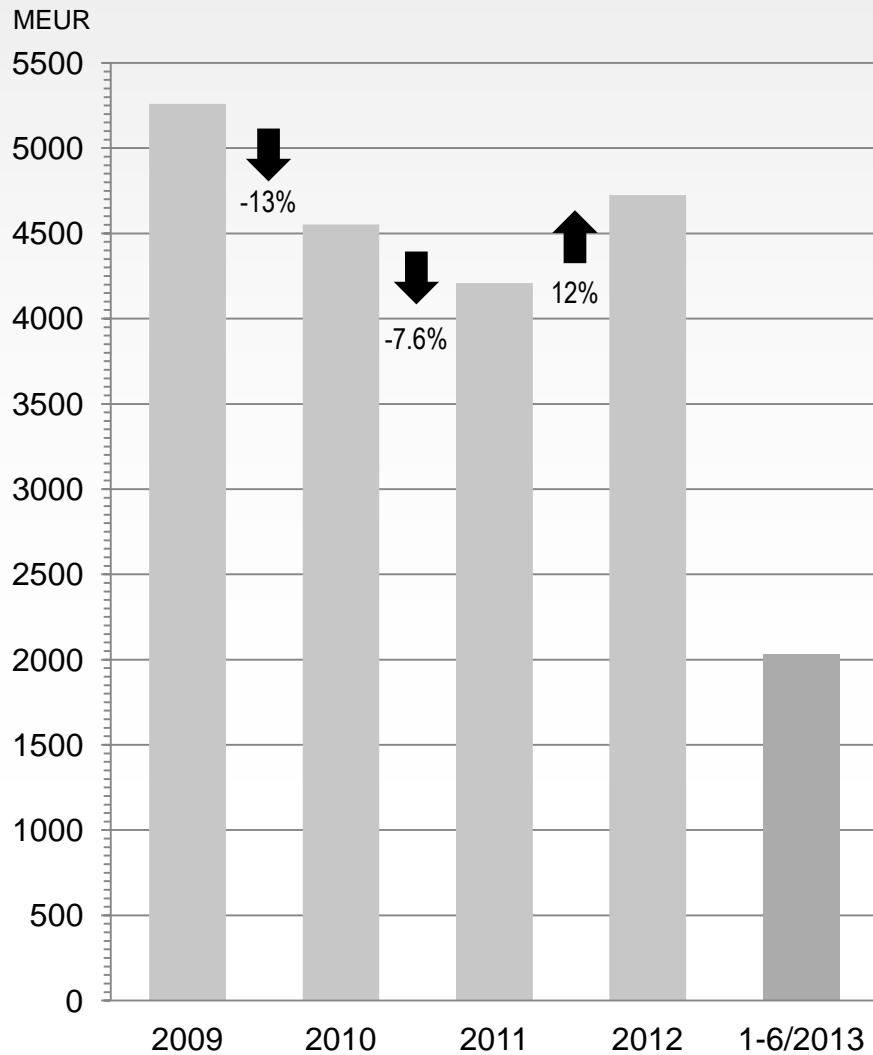
Order intake development



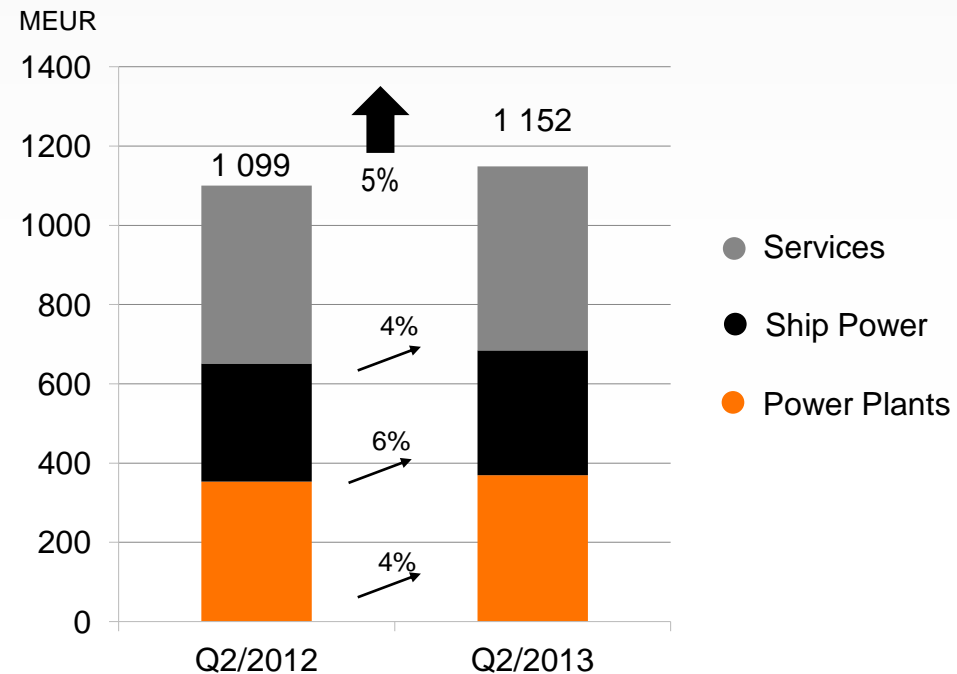
Second quarter development



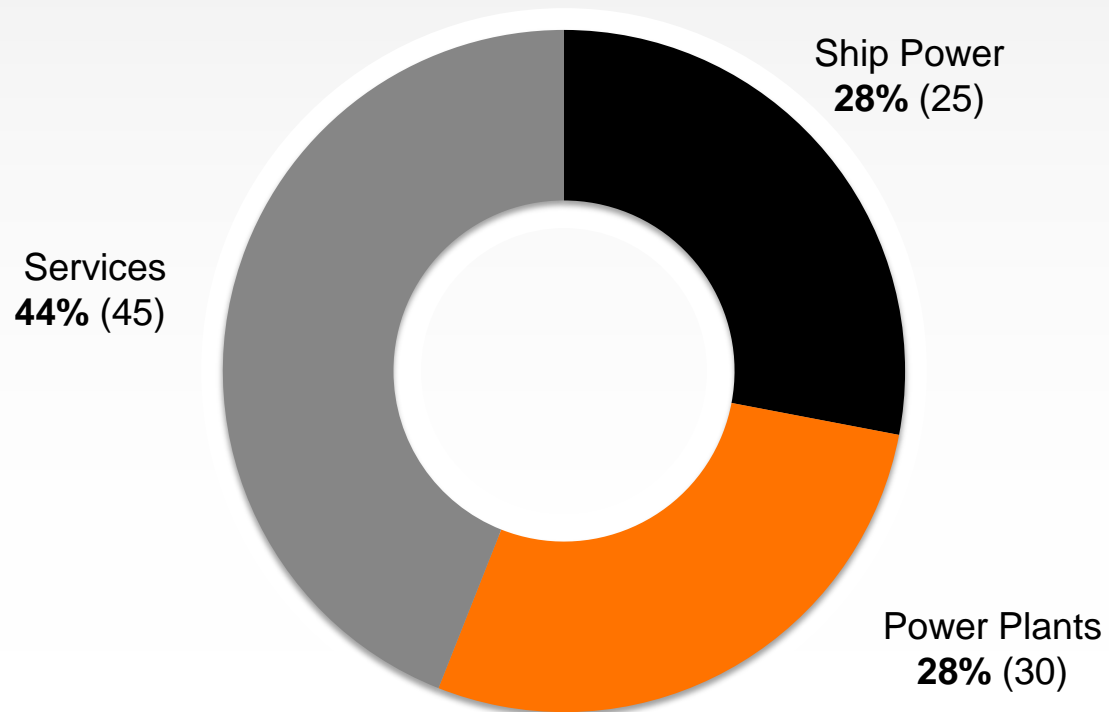
Net sales developed according to expectations



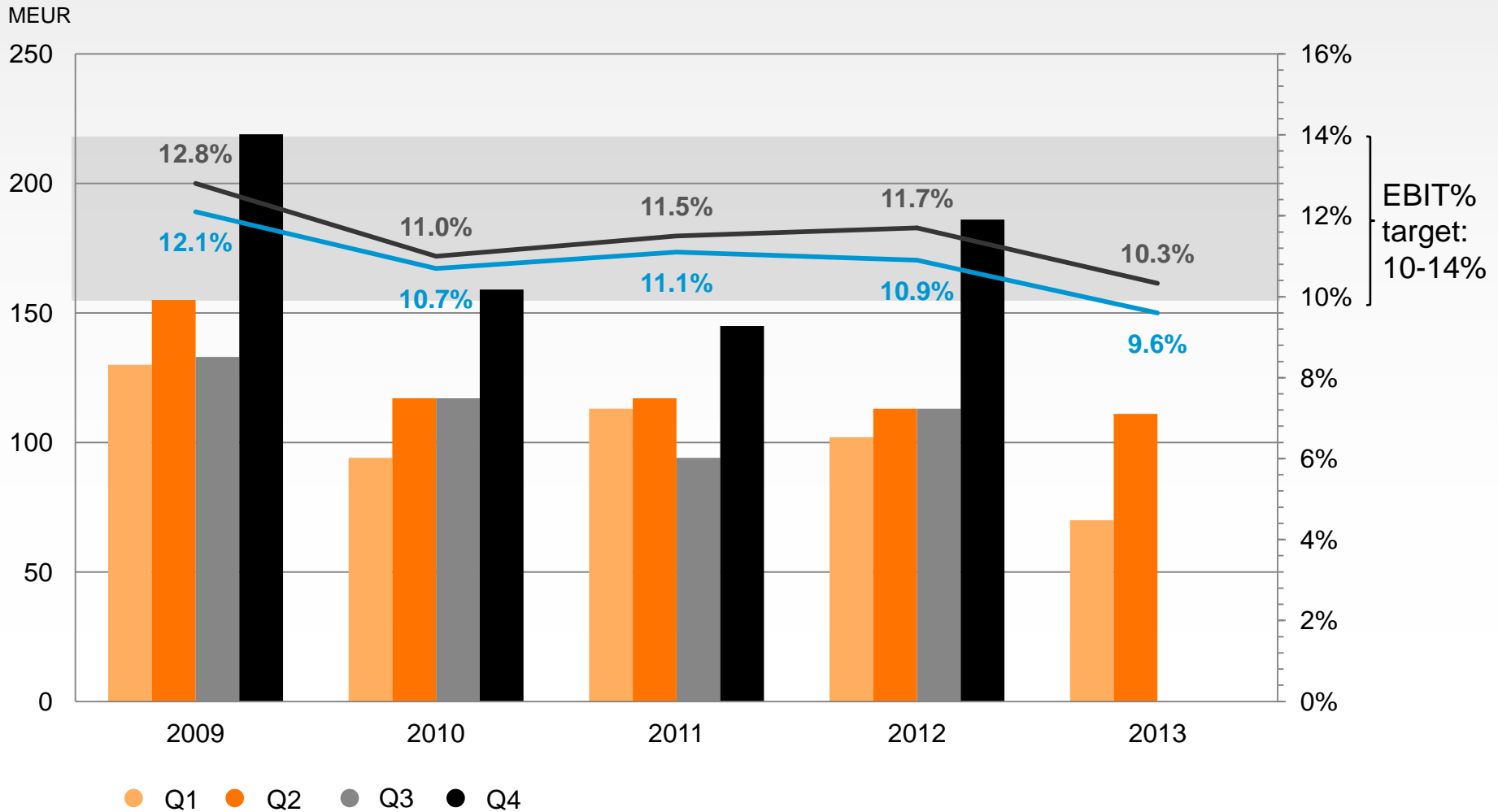
Second quarter development



Net sales by business 1-6/2013



Profitability

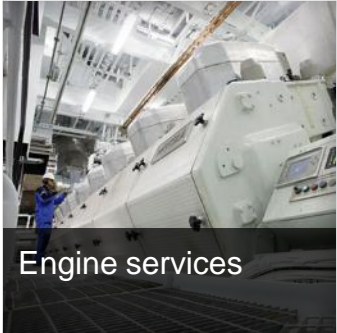


- EBITA% (operating result before non-recurring items and intangible asset amortisation related to acquisitions)
- EBIT% (operating result before non-recurring items)

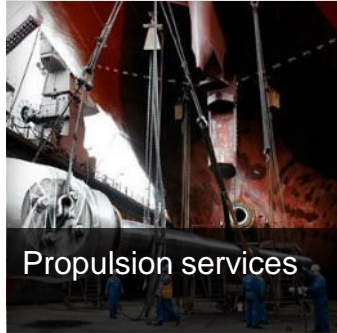
Preventing the unexpected and optimising our customers operations is our shared passion. We serve you whenever, wherever.

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.

Wide range of expertise and services



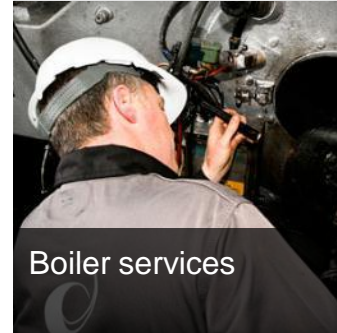
Engine services



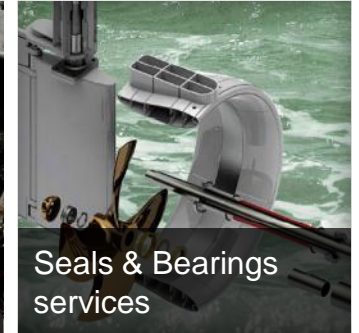
Propulsion services



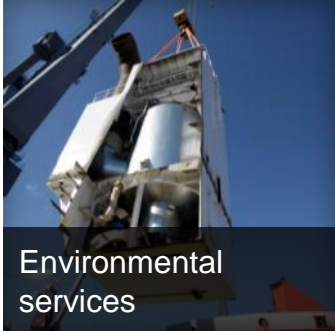
Electrical & automation services



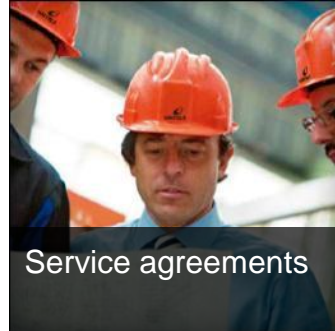
Boiler services



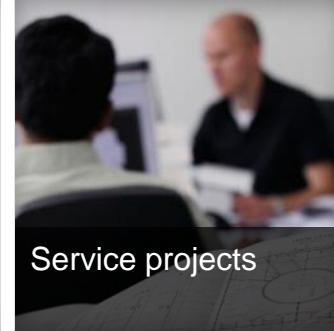
Seals & Bearings services



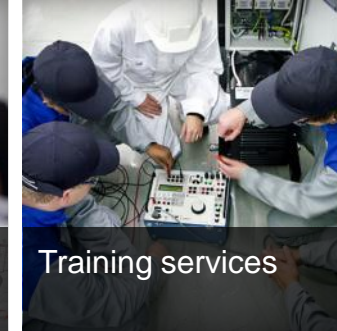
Environmental services



Service agreements



Service projects



Training services

70 countries, 160 locations, 11,000 service professionals



Installed base
181,200 MW

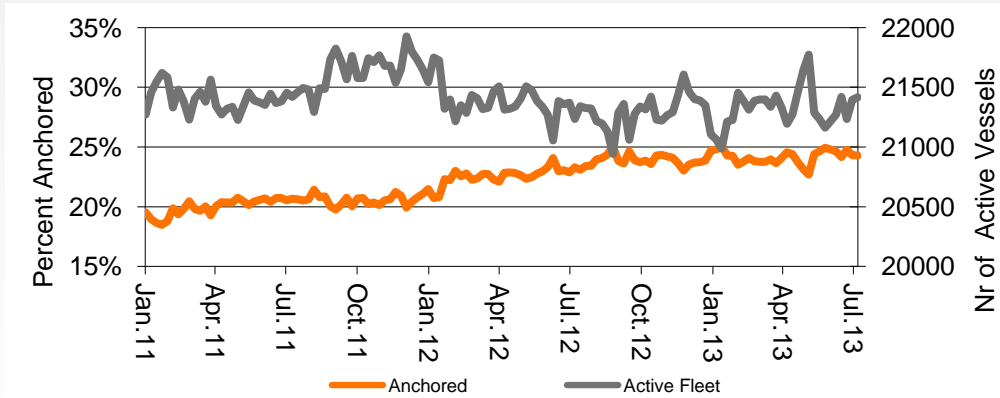
Wärtsilä Services' global network
Widest range of offering and expertise

Key market drivers

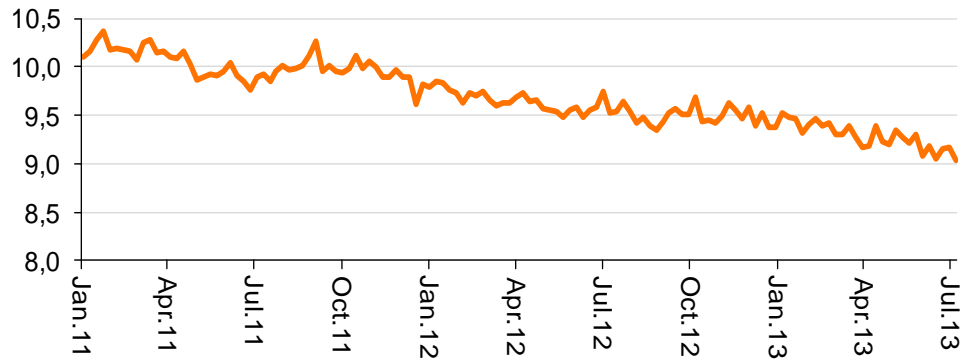
- Development of installed base and fleet utilisation
- Increased focus on total cost of ownership and lifecycle efficiency
- Changes in environmental regulations
- Growth of gas as a fuel in shipping and in power generation
- Outsourcing of operations and maintenance in service markets
- Accelerating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

Fleet utilisation

Anchored Vessels & Fleet Development*



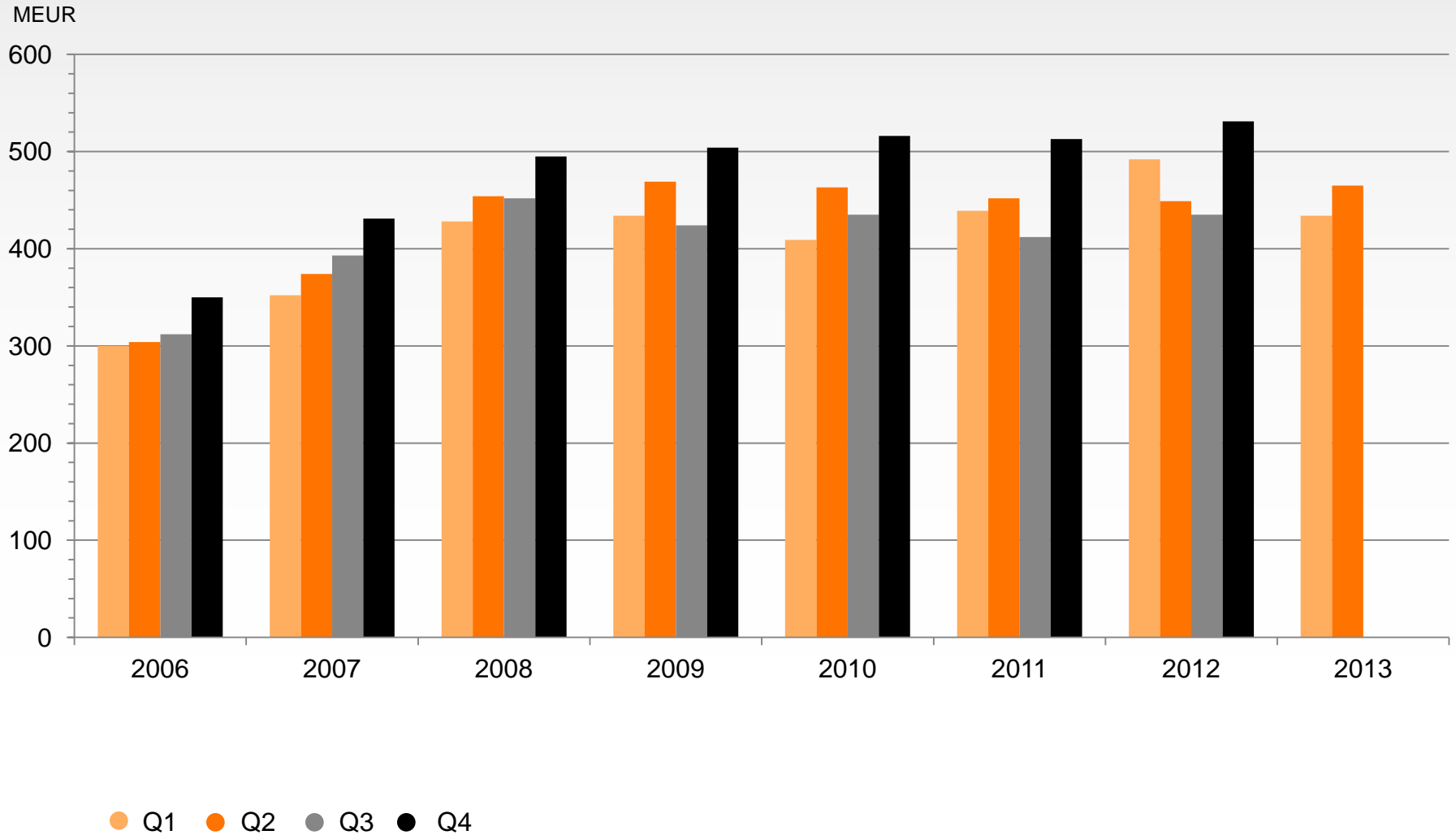
Fleet Average Speed, knots**



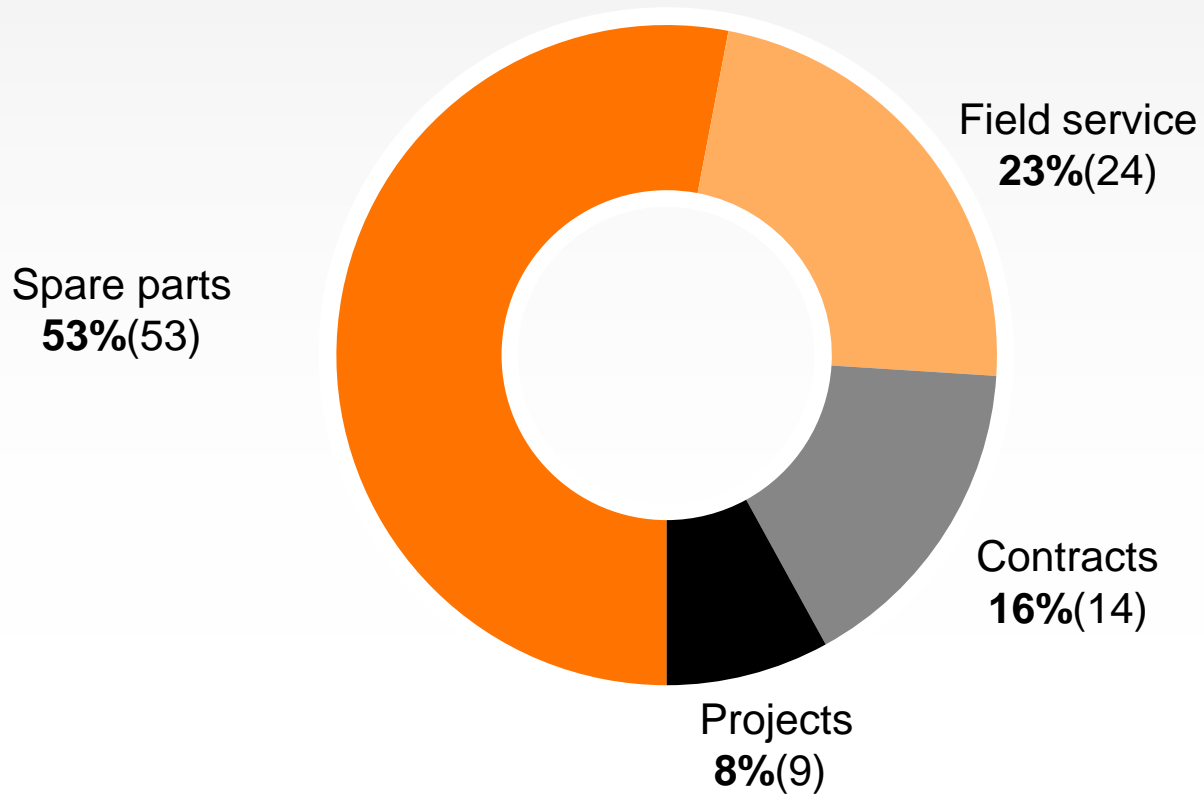
*Source Bloomberg (AISLive). More than 25,000 vessels (>299 GT) covered.

** Source Bloomberg

Services net sales by quarter



Services net sales distribution 1-6/2013



Total EUR 899 million (942)

Services distribution per business 2012

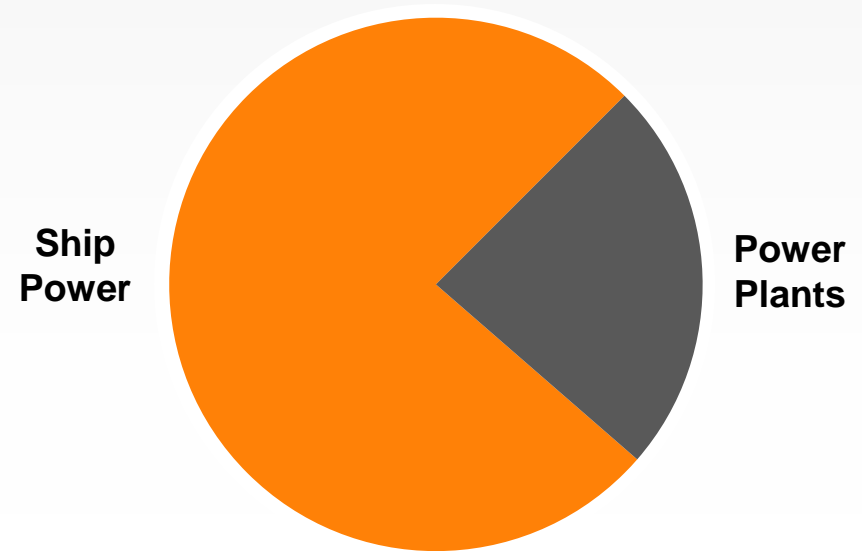
Net sales distribution

Total EUR 1,908 million



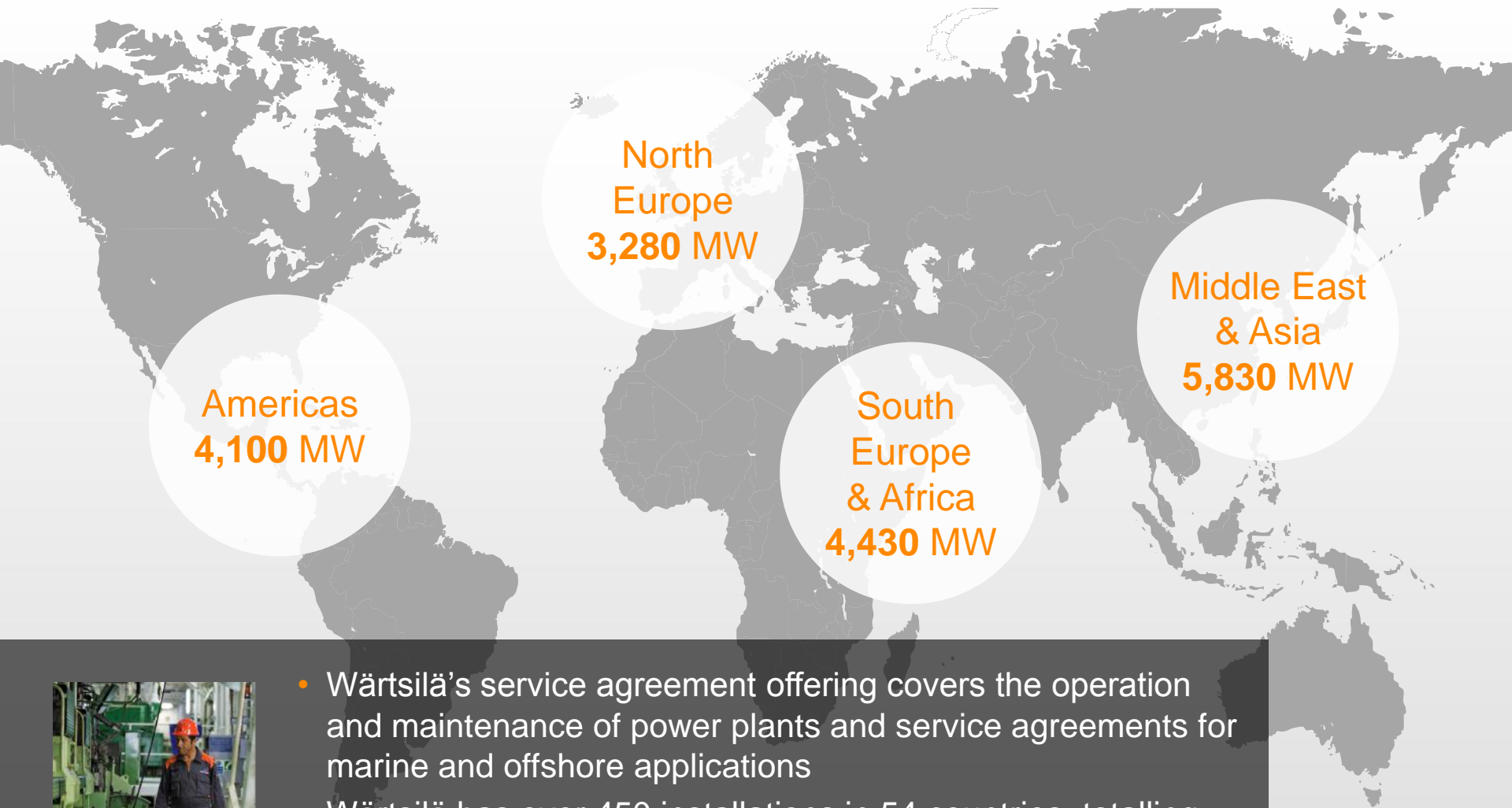
Installed base distribution

Total 181,200 MW



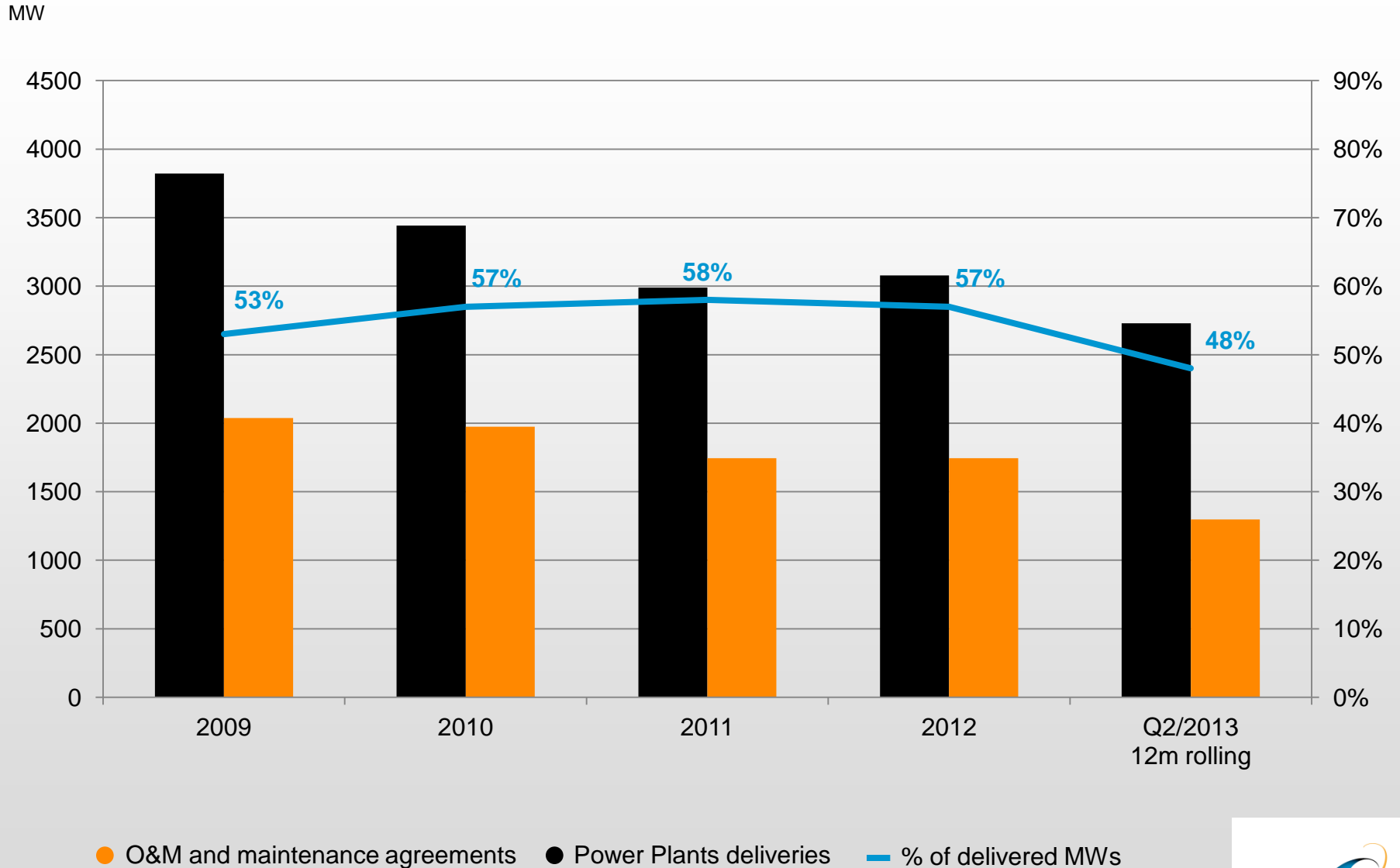
In addition to Engine Services, Wärtsilä's Services portfolio includes: Electrical & Automation Services, Propulsion Services, Boiler Services, Environmental Services, O&M and Training Services

Wärtsilä's service agreements around the world



- Wärtsilä's service agreement offering covers the operation and maintenance of power plants and service agreements for marine and offshore applications
- Wärtsilä has over 450 installations in 54 countries, totalling over 17.5 GW under service contracts

Development of Power Plants service agreements



Five year maintenance agreement for Viking Grace



- Agreement signed for maintaining and servicing 'Viking Grace', the world's largest LNG fuelled passenger ferry
- The agreement covers four Wärtsilä 50DF engines and the Wärtsilä LNGPac gas system's safety valves
- Target to extend maintenance intervals, optimise spare parts logistics, and lower operating costs
- Wärtsilä's dual-fuel technology enables the 'Viking Grace' to meet the current and anticipated IMO and EU environmental regulations

Good demand for service agreements in Africa

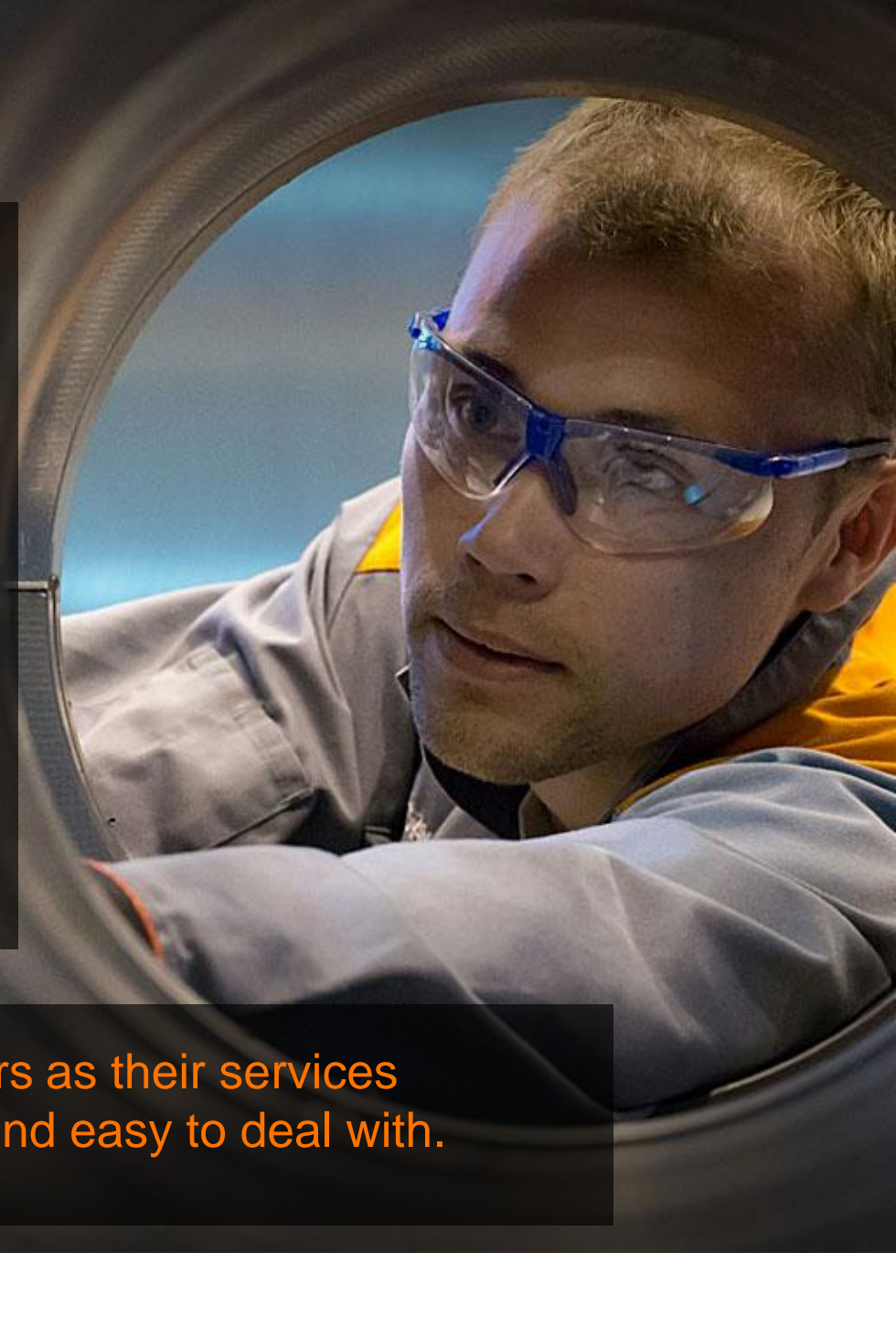


- 3-year O&M agreement signed with Central Termica de Ressano Garcia for the company's gas engine power plant in Mozambique
 - The power plant will help meet the country's growing demand for electricity
- 10-year O&M agreement signed with Ndola Energy Company Ltd for the NECL power plant in Zambia
 - The power plant will significantly contribute towards Zambia achieving a more diversified energy mix
- Wärtsilä's O&M and other service agreements cover more than 17 GW of generating capacity in both marine and land-based installations globally, of which 29 such agreements are in Africa

Strategic goals

Services will:

- 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 services partner: competitive, trusted and easy to deal with.

Parts transportation before centralisation

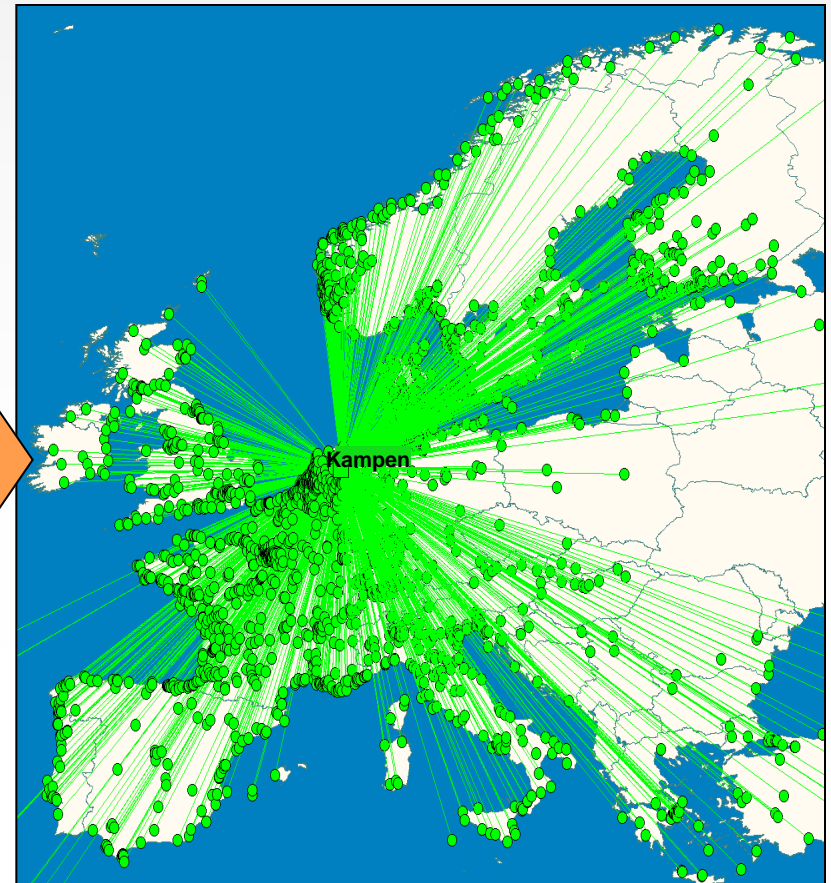
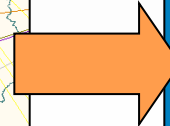
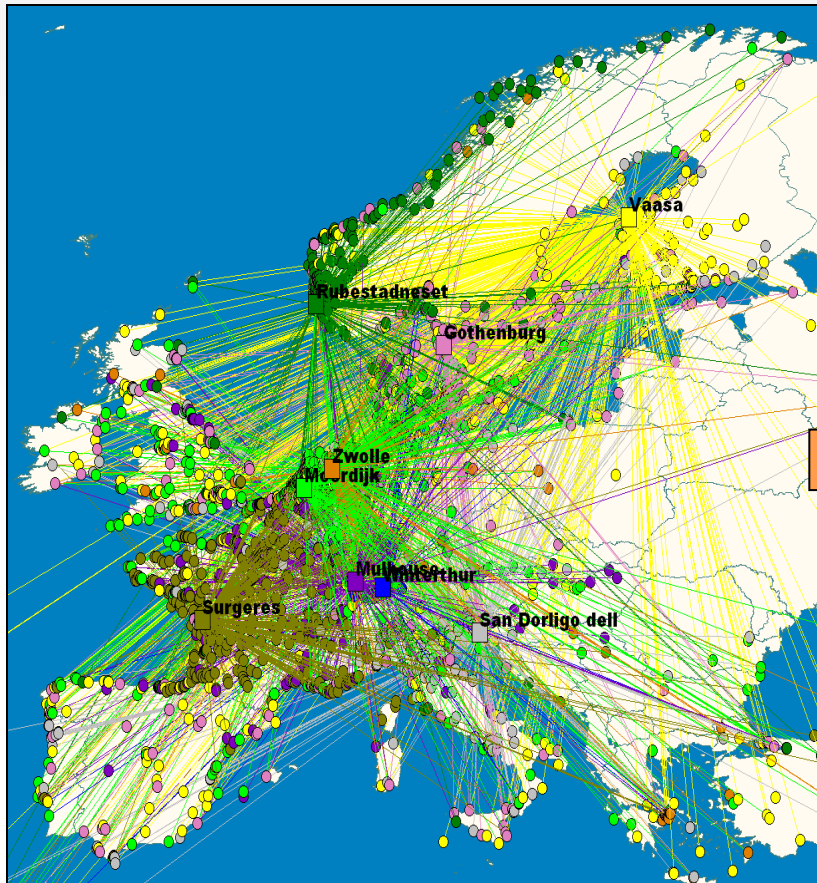


Figure size based on number of shipments

- Roughly 70% of the parts shipments in Europe
- > 3500 suppliers delivered parts to nine Wärtsilä warehouses; which dispatched to several delivery addresses (customers)
 - Central point of gravity was close to Wärtsilä Zwolle operations
→ Optimal location for **Central Distribution Center (CDC)**

Centralisation impact to parts outbound transportation

- Existing warehouses consolidated to one Central Distribution Centre creates saving potential on parts transportation



Seamless integration of warehouse and transportation



A single logistics service provider for the transportation and warehouse operations enables a clear responsibility

- One SLA covering the entire chain
- Better visibility and track & trace over the entire logistics chain
- Warehouse optimisation based on full supply chain flows
- Resource optimisation through LSP close by warehouse network



WÄRTSILÄ

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