



WÄRTSILÄ CORPORATION

CORPORATE PRESENTATION 2014

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 our customers' business, whilst creating better technologies that benefit both the customers and the environment.

VISION

We will be each of our customers' most valued business partner.

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**



A comprehensive product portfolio



Automation



Ballast water management



Compressors



Engines & generating sets



Exhaust gas cleaning



Gas systems



Gears



Inert gas



Oil separation



Power electric systems



Propulsors



Pumps & valves



Seals, bearings & stern tubes



Waste & fresh water management



Ship design services

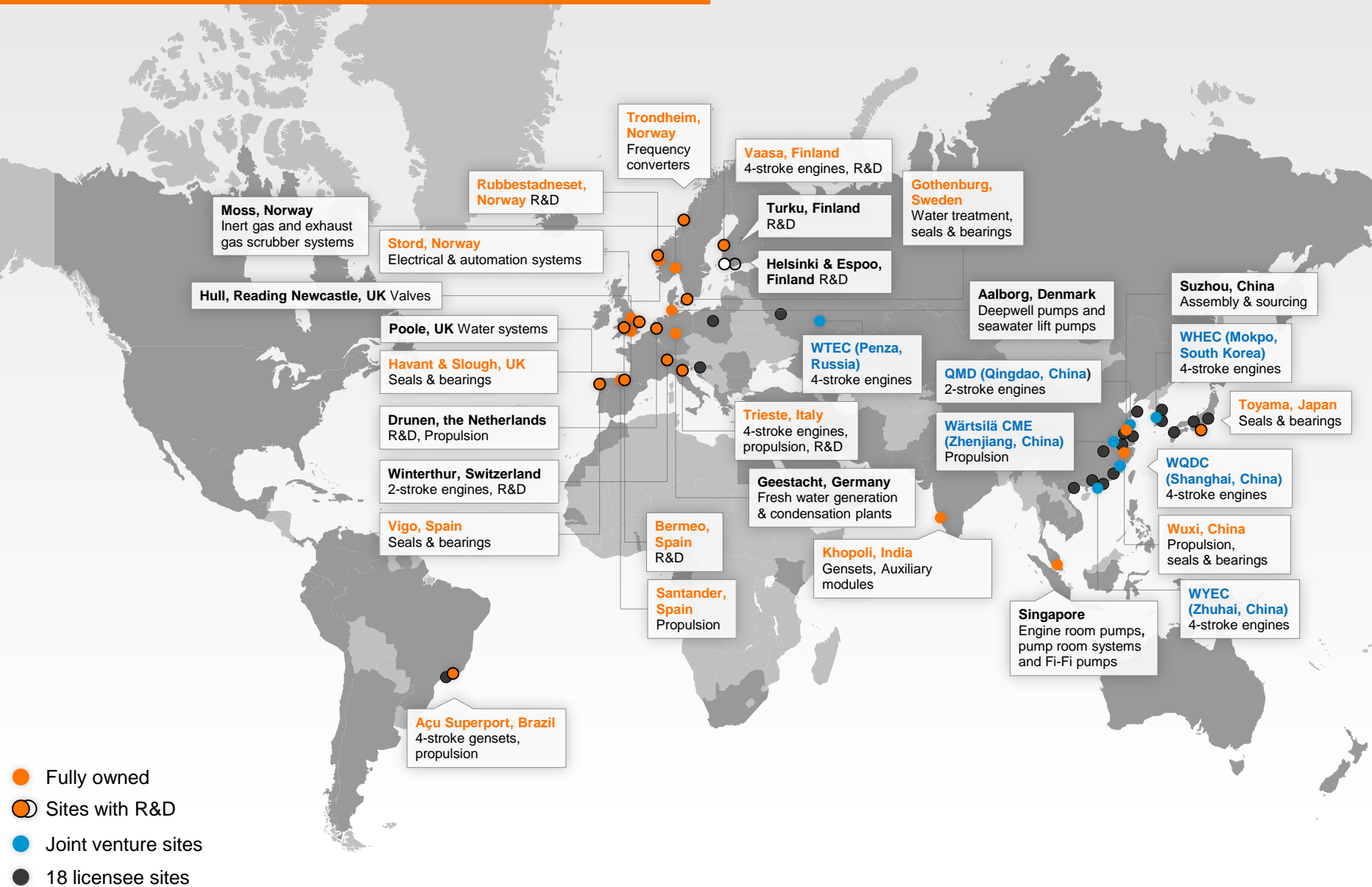
Focus on research & development

- Strong emphasis on technology leadership and innovation
- Long-term co-operation with research institutes and partners
- R&D investments in 2013 EUR 185 million, representing 4.0% of net sales



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

Production and R&D globally



A photograph of a worker in a red hard hat and a dark blue and orange Wartsilä uniform, viewed from the side, working in an industrial setting. The worker is wearing a red hard hat and a dark blue uniform with orange accents. The Wartsilä logo and name are visible on the back of the uniform. The background is a blurred industrial environment with another worker in a red hard hat visible in the distance.

Approx. 18,700 professionals,
132 nationalities in nearly 70 countries,
present in over 200 locations

Positioned for growth even in challenging markets



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.

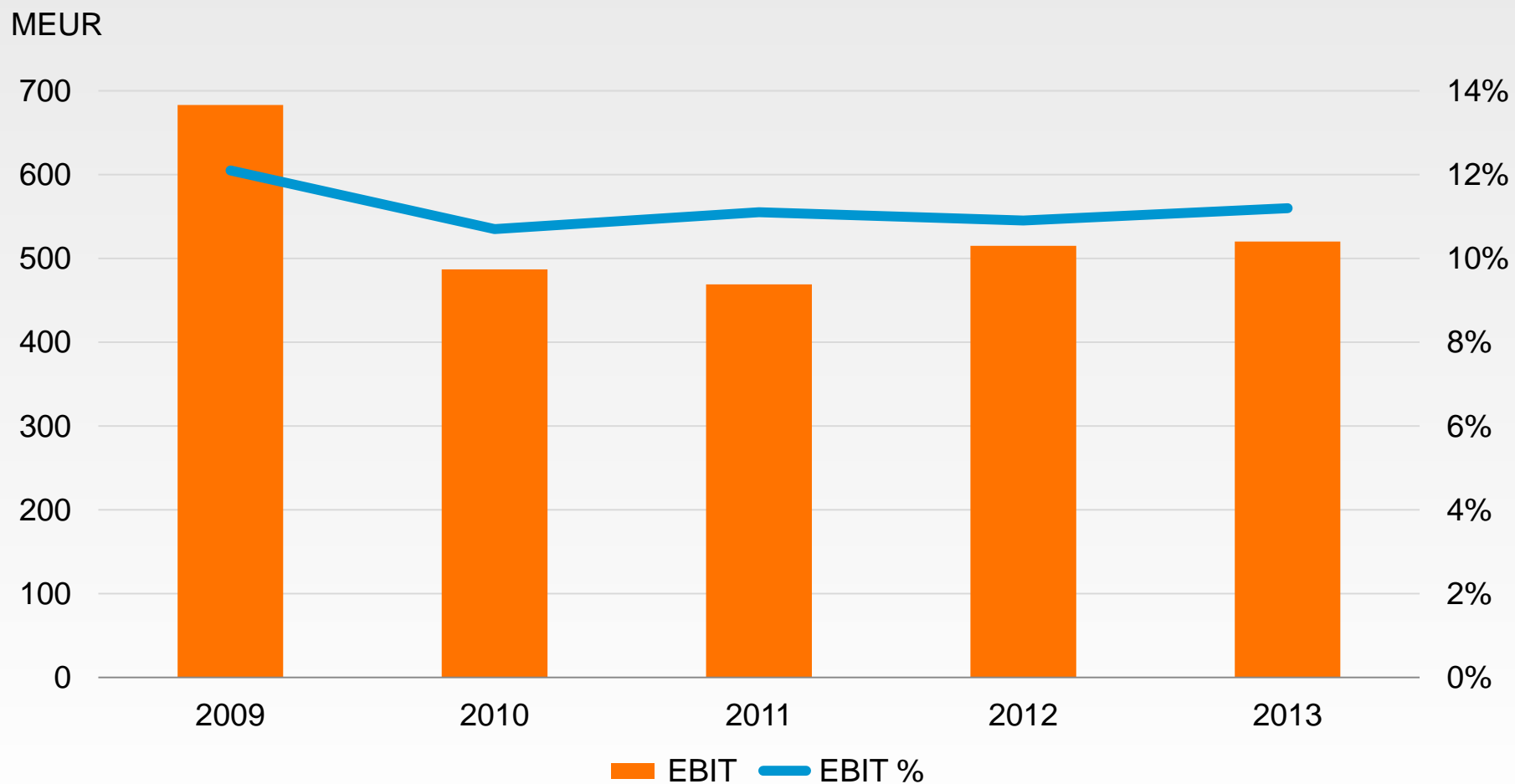
Financial highlights

MEUR	2013	2012	2011 ²	2010 ²	2009 ²
Order intake	4 872	4 940	4 516	4 005	3 291
Order book at the end of the period	4 426	4 492	4 007	3 795	4 491
Net sales	4 654	4 725	4 209	4 553	5 260
Operating result ¹	520	515	469	487	638
% of net sales ¹	11.2	10.9	11.1	10.7	12.1
Earnings/share, EUR	1.98	1.72	1.44	1.96	1.97

1) Figures exclude non-recurring items


2) The figures in the comparison years 2009–2011 have not been restated according to the revised IAS 19

Solid profitability



Figures shown before nonrecurring restructuring items

Power Plants



We provide superior value to our customers with our distributed, 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
- We also provide LNG terminals and distribution systems
- Our multi-fuel solutions provide the ability to switch to the most economical or readily available fuel, even during operation
- 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



Power Plants strategy

- Maintain our leading position in HFO & dual-fuel power plants by enhancing our value proposition
 - Grow strongly in large utility gas power plants by capturing market share from gas turbines
 - Grow in biofuel power plants by enabling a wide fuel range
 - Grow in special applications - nuclear emergency power, combined heat & power, oil & gas and LNG infrastructure - by introducing our value proposition to the selected customer segments
- Strong growth focus on large gas plants in broad utility markets



Our customer segments

Utilities

Integrated utilities, power generation companies and municipalities supplying electricity and/or heat to power markets or to end users



South Texas Electric Cooperative,
USA



Azerenerji,
Azerbaijan

IPPs

Financial investors investing in power plants and selling power to utilities



NEPCO,
Jordan



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

LNG enables the transition to gas infrastructure

- Wärtsilä is a one-stop shop EPC supplier for medium-sized LNG terminals and power plants
- In 2014 Wärtsilä signed an EPC contract to supply the new LNG receiving terminal in Tornio, Finland



LNG=liquified natural gas

Market trends and drivers

- The growth of electricity demand is strongly connected to GDP development, electrification and increasing standard of living
- Demand for sustainability and focus on climate change
- Rapid growth of intermittent renewable generation, combined with escalating daily, weekly and seasonal demand fluctuation, increases the need for flexibility
- Increasing role of gas, especially as a balancing fuel
- Aging 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 enables an existing power system to operate at maximum efficiency by effectively absorbing current and future system load variations, providing significant savings. It optimises the integration of wind and solar power and provides power system reserve capacity that does not consume fuel or generate emissions.

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.

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.



Our offering covers all market segments

Oil & Gas

Shipping

Offshore

Merchant

Cruise & Ferry

Navy

Special vessels



Ship Power's strategic goal

To be recognised as the leading provider of innovative products and integrated solutions in the marine and 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

This is what we bring to the market

- Marine lifecycle services
- Ship design and naval architecture
- Financial services
- Integration engineering
- Project transport & logistics
- Project management
- Site management and supervision
- Commissioning

Project services and support during project development and execution

Comprehensive product portfolio

- Environmental technologies
- Engines and gensets
- Propulsion equipment
- Power electric systems
- Automation & control
- Water management systems
- Pumps and valves
- LNG handling, liquefaction and regasification

Lifecycle services and support during asset operation

- Maintenance and spare parts
- Technical support
- Operations support
- Upgrades and retrofits
- Service agreements
- Global and local coordination

The most complete marine offering on earth



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 offers 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

Clear leadership in dual-fuel applications

Power Plants



DF Power plants

- 83 installations
- 375 engines
- Output 4670,7 MW
- Online since 1997

Merchant



LNGC

- 145 vessels
- 585 engines

Multigas Carrier

- 5 vessels
- 20 engines

Conversion

- 1 chemical tanker
- 2 engines

Ro-Ro

- 2 vessels
- 8 engines

Offshore



OSV's

- 31 vessels
- 96 engines

Production

- 2 platforms
- 9 FPSO's
- 1 FSO
- 40 engines

Cruise & Ferry



LNG cruise ferry

- 1 vessel
- 4 engines
- Complete gas train

LNG ferries

- 5 ferries
- 20 engines
- Complete gas train

Navy



Coastal patrol

- DF-propulsion
- DF main and auxiliary engines

Others



Tug

- 2 vessels
- 2 engines each
- Mechanical drive

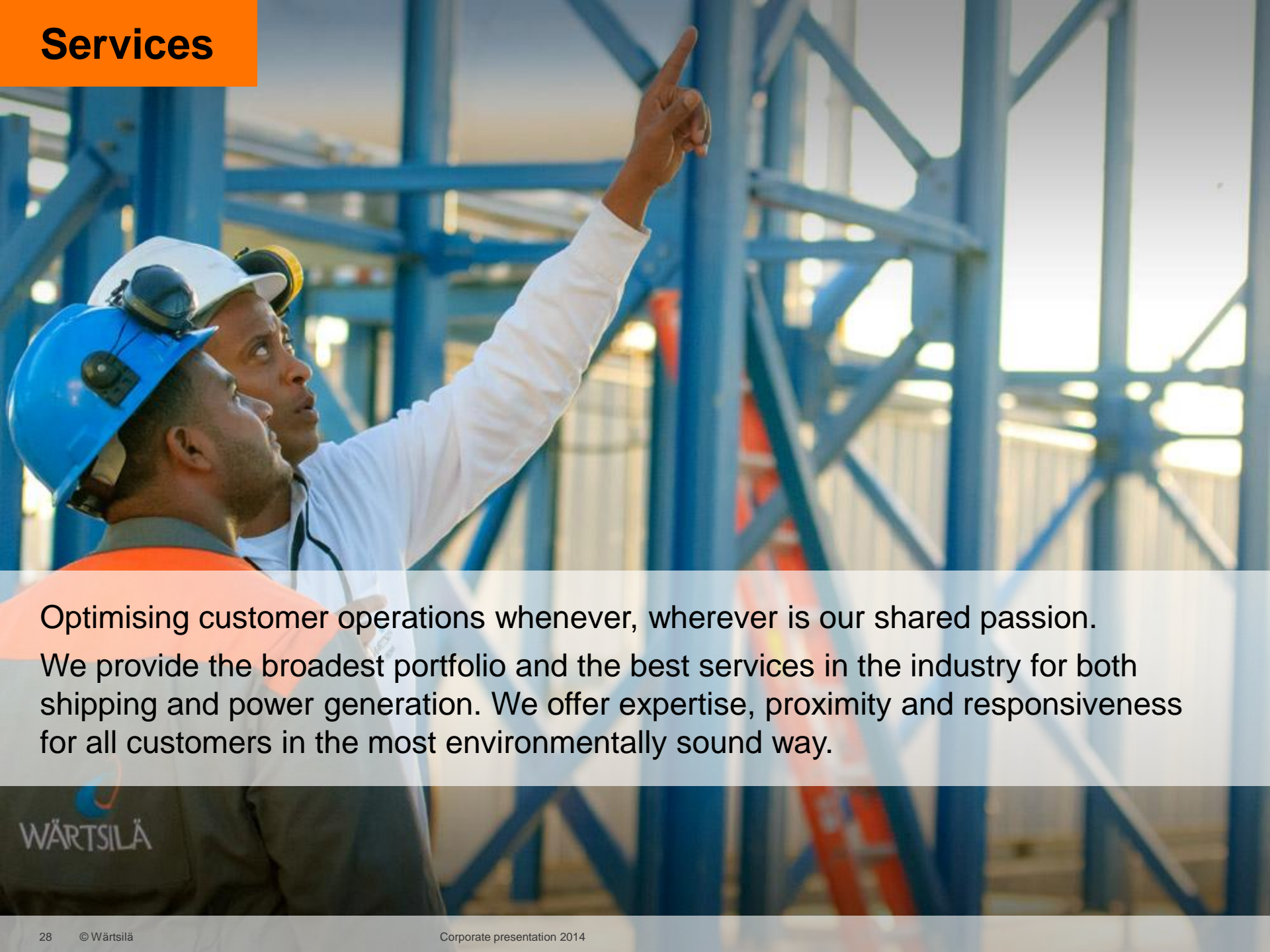
Guide ship

- 1 vessel/engine

IWW

- 2 vessels
- 3 engines

→ 6 segments → > 1,000 engines → > 10,000,000 running hours



Optimising customer operations whenever, wherever is our shared passion.

We provide the broadest portfolio and the 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.

Market trends and drivers

- Focus on total cost of ownership
- Development of installed base and installation utilisation
- Growth of gas as a fuel in shipping and in power generation
- Changes in environmental regulations and safety requirements
- Outsourcing of operations and maintenance
- Accelerating technological development and need for real-time information
- Need for technical expertise



Improving lifecycle efficiency

Preventing the unexpected

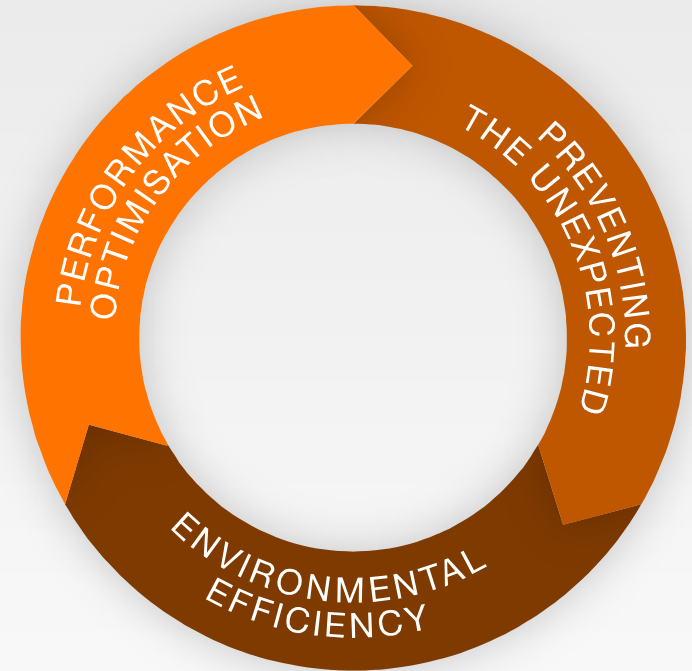
Reliable, continuous performance is essential. Planning operational reliability of installations through access to highest quality of technologies, services and competences ensures smooth operations and managing risk.

Environmental efficiency

Environmental legislation and energy efficiency are currently major concerns for our customers. Sustainable solution options enable a reduced environmental impact and improved operational efficiency.

Performance optimisation

Longer term strategies are aimed at improving business efficiency. Optimising performance of installations reduces operational expenses and improves uptime.



Wide range of expertise and services



Engine services



Propulsion services



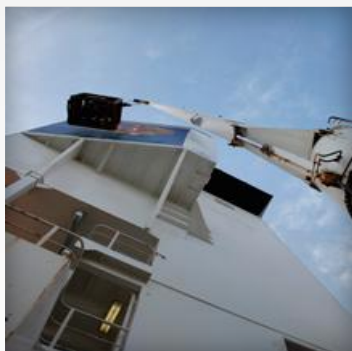
Electrical and automation services



Boiler services



Seals and bearings services



Environmental services



Service agreements



Service projects



Training services



Services strategic goals

- Focus on customer needs in order to constantly develop our offering proposition with value-enhancing solutions
- Support our customers locally through our qualified global field service network
- Grow by providing more service agreements with new Ship Power and Power Plants deliveries
- Support our customers in minimising their environmental footprint
- Foster a customer-focused quality attitude and a safe way of working



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

70 countries, 160 locations, 11,000 service professionals

Installed base
182,000 MW

Wärtsilä Services' global network
Widest range of offering and expertise



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



Appendix: abbreviations

- LNG = liquified natural gas
- EPC = engineering, procurement and construction
- HFO = heavy fuel oil
- IPPs = independent power producers
- ECA = emission control area
- IMO = International Maritime Organization
- MGO = marine gas oil
- NO_x = nitrogen oxide
- SO_x = sulphur oxide
- GHG = greenhouse gas
- PM = particulate matter
- SCR = selective catalytic reduction
- DF = dual-fuel
- OSV = offshore support/supply vessel
- IWW = inland waterways (vessel)