

THIS IS WÄRTSILÄ



THIS IS WÄRTSILÄ 2012

WÄRTSILÄ is a global leader in complete lifecycle power solutions for the marine and energy markets. By emphasising technological innovation and total efficiency, Wärtsilä maximises the environmental and economic performance of its customers' vessels and power plants.

IN 2012, Wärtsilä's net sales totalled EUR 4.7 billion and employed approximately 18,900 people. The company has operations in nearly 170 locations in 70 countries around the world. Wärtsilä is listed on the NASDAQ OMX Helsinki, Finland.



SHIP POWER
28%

Wärtsilä enhances the business of its customers by providing safe, environmentally sustainable, efficient, flexible, and economically sound solutions for the marine and oil and gas industry. Our solutions are based on our customers' needs and include products, systems and services. By being a technology leader in this field and by the experience, know-how and dedication of our personnel, we are able to customise optimised solutions for the benefit of our clients around the world.

Net sales
1,301 MEUR

Order intake
1,453 MEUR

Nr of employees
2,139



POWER PLANTS
32%

Wärtsilä is a leading supplier of modern, environmentally advanced, highly efficient, and dynamic power plants that allow the maximum integration of intermittent renewable power generation. We offer multi-fuel power plants, from base load generation to peaking and load following operation, as well as dynamic system balancing and ultra-fast grid reserve. We provide our customers with fast track deliveries of complete power plants and long-term operation and maintenance agreements – in urban areas as well as in the most demanding remote environments.

Net sales
1,498 MEUR

Order intake
1,515 MEUR

Nr of employees
932



SERVICES
40%

Wärtsilä supports its customers throughout the lifecycle of their installations by optimising efficiency and performance. We provide the most comprehensive portfolio of services and the broadest service network in the industry, for both the energy and marine markets. We are committed to providing high quality, expert support, and the availability of services in the most environmentally sound way possible, wherever our customers are.

Net sales
1,908 MEUR

Order intake
1,961 MEUR

Nr of employees
11,163

TAKING LEADERSHIP IN BUILDING

A SUSTAINABLE FUTURE

POPULATION GROWTH, economic development, and the progress of emerging markets are driving changes in the need for transportation and energy globally. While these trends create new business opportunities, they simultaneously pose severe challenges for the future, such as escalating climate change as well as the increasing pressure on natural resources like water, minerals and fossil fuels. Environmental legislation in both the shipping and energy industries is becoming more stringent.

AT THE SAME TIME, the global economic environment continues to be in turmoil. Competition is strong, fuel prices are escalating and concerns over the global economy continue to cause uncertainty. This drives our customers to seek new ways of increasing their competitiveness: lowering operational costs, increasing energy efficiency, and finding new ways of optimising the operations of their equipment.

THESE CHALLENGES call for innovative and creative solutions. We at Wärtsilä are highly committed to helping our customers by providing solutions needed to master these challenges. We are able to take leadership of supporting our customers in their pursuit to develop their businesses in a sustainable way, by being at the forefront of technological developments.

Technology is the key.



The challenge – development of a more sustainable energy infrastructure

The development of a more sustainable energy infrastructure is driven by climate policies, energy security and economics. Carbon-intensive energy sources are being replaced by low-carbon fuels, such as natural gas and renewable solutions. Energy savings and efficiency improvements are encouraged, and even legally enforced, at every level.

Our solution

Wärtsilä contributes to the development of a sustainable power system by providing optimised solutions for various market needs. Our energy solutions offer a unique combination of flexibility, high efficiency, and low emissions. Many different fuels, such as natural gas and liquid fuels, as well as bio fuels, can be used efficiently, which helps reduce greenhouse gas emissions.

Modern power systems aim at maximising electricity generation based on renewable energy sources, such as wind and solar power, while thermal power generation will be increasingly used for system balancing and back-up. The variability of renewable energy generation requires balancing and back-up power to be flexible and dynamic. The past and present power system is not designed for this purpose. Our Smart Power Generation is dynamic and flexible to operate, highly efficient and fuel flexible. It allows the maximal utilisation of valuable renewable power and the smooth operation of inelastic baseload thermal power plants. Smart Power Generation together with increased wind and solar capacity enables dramatic reductions of system level CO₂ emissions.

The challenge – seeking energy efficiency, lower emissions and decreased operational costs in the shipping industry

Fuel prices are escalating, the shipping industry is more competitive than ever and consolidation is on-going. More than ever, our customers are seeking for ways to increase energy efficiency and to reduce emissions and operational costs. At the same time, the industry is facing the challenge of upcoming, stricter environmental legislation.

Our solution

Our toolbox spans a unique range of technologies and solutions. Our environmental solutions reduce the impact of harmful emissions and our gas solutions enable the use of gas as a fuel for vessels. We have the capabilities required to significantly increase the efficiency of the entire vessel. The use of liquefied natural gas (LNG) in shipping has numerous benefits, both for the shipping industry and for society at large. Wärtsilä has actively developed technologies that allow the use of gas to fuel vessels. In doing this, we help our customers to meet the goals of the tightening global environmental regulations and guidelines.

TECHNOLOGY IS THE KEY

Our strong focus on R&D and solutions development allows us to take a leading role in building a sustainable future. We continuously strive for technology leadership. This is achieved by developing reliable, efficient, and cost-competitive technologies and products based on customer needs, combined with innovative technologies. Our R&D activities are focused on technologies, products, and solutions that are fuel-efficient, reliable, safe, self-diagnostic, cost-efficient to operate, and that produce minimal environmental impacts throughout their lifecycles.

OUR SERVICES ENSURE RELIABLE AND OPTIMISED OPERATIONAL, ENVIRONMENTAL AND SAFETY PERFORMANCE

We provide our customers with a range of services, throughout the lifetime of our products, that ensure reliable and optimised operational, environmental, and safety performance. Wärtsilä Services' solutions also enable the application of the latest technologies in operational power plants and ships, thereby allowing them to comply with new legislative requirements.

STRATEGY

WE ARE DETERMINED TO CAPTURE GROWTH OPPORTUNITIES WITHIN OUR END MARKETS, WHILE MAINTAINING A SOLID PROFITABILITY.

With our production and supply chain management we constantly seek ways to maintain cost efficiency and high quality – often in co-operation with leading industrial partners in our key growth markets. Our strong focus on R&D allows us to stay at the forefront of technology and innovation in our industry.

WÄRTSILÄ aims to be the leader in complete lifecycle power solutions for the global marine markets and selected energy markets worldwide. We see growth opportunities in gas power plants as part of our Smart Power Generation concept, as well as in gas-fuelled engines and related systems for the marine market. We also seek growth in environmental solutions, including exhaust gas cleaning systems for SO_x removal and ballast water management systems.

OUR STRENGTHS are our technological leadership, an integrated product and service offering, our close and long-standing customer relationships, and our unparalleled global presence.

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.

MISSION
We provide lifecycle power solutions to enhance our customers' business, whilst creating better technologies that benefit both the customer and the environment.

SUSTAINABILITY STRATEGY

Wärtsilä's aim is to meet shareholder expectations and to contribute toward the well-being of society. This requires efficient, profitable and competitive company operations. Good economic performance establishes a platform for the other aspects of sustainability: environmental and social responsibility.

Our overriding promise is to supply power solutions that offer high efficiency with low environmental load. Our objective is to continuously improve the environmental performance of our products and services, as well as to maintain technological leadership by utilising new technologies and collaborating with our customers and other stakeholder groups. In doing this, we help our customers and society at large to meet the goals of the tightening global environmental regulations and guidelines.

We act as a good corporate citizen wherever we are active. Our business operations and relations with our stakeholders are governed by our Code of Conduct. We are a responsible employer, and seek to offer our employees an interesting and exciting workplace where openness, respect, trust, equal opportunity and scope for personal development prevail. A further aim is to offer a hazard-free working environment to our employees and contractors and to minimise the health and safety risks associated with the use of our products and services. Supply chain management and development are integral elements of our operations.



POWER PLANTS

STRATEGY IN ACTION

Our strategic goals

Our aim is to be a globally recognised leader in liquid fuel and gas power plants. We will promote Smart Power Generation to the increasingly dynamic and environmentally conscious energy market in order to enable more sustainable, affordable and reliable power systems globally.

- We will grow strongly in large gas power plant markets
- We will maintain our leading position in HFO power plants
- We will continuously develop our capabilities in power plants using renewables
- We aim to become a recognised player in oil & gas and emergency power applications

Main business drivers

The demand for power generation is driven primarily by population growth and economic development. As electricity consumption grows, the demand for both new power generation equipment and replacement equipment for older capacity increases correspondingly. Looking ahead, growth is expected to be higher in non-OECD countries, due to increasing industrialisation and improving living standards.

While economic development is a less important driver in the OECD countries, the ageing installed

capacity will drive demand for new investments. Important drivers include stricter environmental regulations and the aim for low-carbon power systems, which are spurring investments in renewable energy. Renewable power solutions, such as wind power, lead to unforeseen grid stability challenges, which require additional backup and balancing power. Therefore, large scale use of renewable power increases the need for flexible, reliable, and efficient power that Wärtsilä's solutions provide.

- Economical development and growth in electricity consumption
- Growth in use of gas as fuel in power plants
- Need for fuel flexibility due to uncertainty in gas availability
- Environmental concerns and renewable energy investments
- Ageing generation capacity

POWER PLANTS' STRENGTHS

- + Unique operational and fuel flexibility
- + Energy efficiency and emissions compliance
- + Competitive capital cost and EPC capability
- + Global service organisation

FOUR REASONS JORDAN'S IPP3 WILL BE IN THE HISTORY BOOKS



During 2012, a consortium headed by Wärtsilä was awarded a turnkey contract to build IPP3, a 573 MW tri-fuel power plant, in Jordan. In a year of big events with big consequences, it seems fitting that an innovative project setting several records should come to fruition: even the sell-in was groundbreaking in its own way. We took a look back at the reasons IPP3 represents a project to remember.

1. SHEER SCALE

THE IPP3 project's defining quality is its scale. When completed, this facility will be the world's largest tri-fuel power plant capable of utilising natural gas and heavy fuel oil as its main fuels and light fuel oil as back up. The overall contract is valued at USD 552 million, of which Wärtsilä's share is USD 334 million.

"Until 2015 or so, the plant will operate on heavy fuel oil," Wärtsilä Development & Financial Services' Stefan Nygård explains, "but the fuel flexibility of Wärtsilä's engine technology will allow a seamless transfer to natural gas operation once the supply infrastructure is in place. The plant is also capable of multiple daily quick starts and stops without any maintenance cost impact on the utility, a feature previously missing in the grid system, providing the customer with much needed operational flexibility. And when in operation, the technology used here ensures that the plant's use of water will be close to zero, which is fantastic from a sustainability perspective."

Azerbaijan's Boyuk Shor, with its output of 384 MW, broke records in July 2012 as

Wärtsilä's largest single power plant order yet. The records were smashed once again in October when IPP3 was made public with a total capacity of 573 MW.

2. STRONG ACTIVE MARKET DEVELOPMENT

AT THE HEART of it, the fact that the IPP3 project even exists at all is the triumph of Wärtsilä's approach to active market development and consultative selling process. Against internal grumbles that Jordan represented a "typical combined cycle gas turbine market", Wärtsilä conducted a thorough grid study, which concluded that the country's use of conventional gas turbines was not giving them the flexibility they required in terms of fuel usage as well as management of the grid's daily load fluctuations.

This is the heart of Wärtsilä Power Plants' strategy: to enter new markets and capture market share through active market development. This is a necessity in countries such as Jordan, as well as other countries that predominantly use large baseload plants with low operational flexibility. In many cases, utilities in these countries are often unaware of the benefits that Wärtsilä's solutions can bring to a grid system. A Wärtsilä combustion engine plant is not only highly efficient and cost effective compared to other technologies, but can also help improve performance of other existing baseload plants in a grid by absorbing variations in the load without sacrificing efficiency. Opening up the dialogue and creating awareness of the advantages on offer was pivotal to success in this case.

"The solution is based on fuel flexibility, to counter the supply problems Jordan has faced in recent years," Upma Koul, from the Power Plants' sales team, points out. "Almost 100% dependent upon fuel from other countries, be that gas or oil, Jordan has encountered

challenges such as supply interruptions. These occurrences had the effect of forcing Jordan to operate its power plants inefficiently and expensively on diesel in the interim periods."

Freshly informed about the potential of flexible power, National Electric Power Co. of Jordan (NEPCO), the country's state utility company, did their own study of the various technologies on offer, which verified Wärtsilä's findings on fuel and operational flexibility and led them to release a request for proposals (RFP) – the first time that Jordan had ever issued a tender for a combustion-engine-based power plant.

3. LANDMARK INTERNATIONAL COOPERATION

THE NEXT STEP was to seek a financing partnership with one of the qualified major players with a strong track record in the region. Korea Electric Power Corporation (KEPCO - the largest electric utility in South Korea) and Mitsubishi Corporation of Japan fit the bill perfectly, and through access to Korean and Japanese financiers were able to supply highly competitive financing. Despite intense competition, Wärtsilä and its partners successfully beat the competition and won the tender.

From the signing of the power purchase agreement in September 2012 to the date of commissioning of phase 1 in January 2014 (with close to 250 MW capacity) this project represents an incredibly fast operational set-up. This is owing to the close, efficient collaboration involved.

"The partnership has had dramatic and remarkable results" enthuses Mr Young Jin Bae, General Manager of KEPCO. "We have cooperated on environmental, fuel, and construction schedule issues, and with success in each sector. I believe that this experience will secure further prosperous

cooperation in the future. As NEPCO's project advisor told the utility's managing director: "Nobody other than this consortium could commence the work like this!"

Under the 25-year power purchase agreement, the newly-formed special purpose independent power producer Amman Asia Electric Power will supply electricity to NEPCO. Wärtsilä has a minority interest in this new company; the other owners are KEPCO and Mitsubishi.

A Wärtsilä-led consortium, consisting of Wärtsilä and Lotte Engineering & Construction of South Korea, was then contracted to supply the 573 MW plant. The total value of the EPC (Engineering, Procurement, Construction) contract is USD 552 million, of which Wärtsilä's share is USD 334 million. Wärtsilä has also been contracted to service the finished plant, and a 15-year Parts Supply Agreement has been signed, as well as a 5-year Technical Service Agreement.

4. BREAKTHROUGH IN ENVIRONMENTAL REGULATION

NOT ONLY did the IPP3 project break records in terms of plant and contract size, it also represents a performance peak in terms of swift, productive cooperation with policy makers on environmental regulation.

All prime mover technologies used in the power industry have their own distinct properties, meaning that modern, progressive, international emissions rulings are based on a technique-specific approach, i.e. individual emissions limits for boiler, gas turbine and stationary-engine-based plants. In Jordan, the country's environmental regulation was

based on technology in use up to that point, primarily combined cycle gas turbine plants and boiler-based plants, and therefore required modernisation to become technology specific.

Informing NEPCO in advance of the RFP that Jordan's current environmental regulation was not yet in line with current international trends eased this process significantly. International Finance Corporation EHS (Environmental Health and Safety) Guidelines contain technique-specific emission limits for different prime movers built on good international industry practice. A comprehensive environmental impact assessment study was commenced as soon as the consortium was announced as the first-rank bidder in January 2012, and subsequent meetings with Jordan's Ministry of Environment paved the way for implementation of the latest International Finance Corporation EHS Guidelines for Thermal Power Plants in Jordan, which took place in September.

This process also gave Wärtsilä the opportunity to assure the ministry, upon their enquiry, that the plant, comparatively speaking, would help to significantly reduce carbon emissions and thereby mitigate climate change. This was founded on a comparison of efficiency with the grid's existing thermal steam plants, which are far less efficient even when the new plant is operating on heavy fuel oil. It was estimated that IPP3 would typically produce around 35% less CO₂ emissions per kWh compared to an existing oil-fired steam plant.

In an industry in which regulatory change of any kind can be a drawn-out process stopping projects in their tracks, to have a policy updated with this level of promptness and attention was further evidence of both Jordan's willingness to embrace the new tri-fuel technology and the efficacy of the consortium. ■



SHIP POWER

STRATEGY IN ACTION

Our strategic goals

Wärtsilä Ship Power's strategic goal is to be the leading solutions provider to the marine and offshore industries through building on our deep customer understanding and broad, competitive product offering.

We will achieve this by:

- establishing a clear leading position in solutions for gas fuelled vessels, environmental compliance and efficiency optimisation
- further developing our position as the shipbuilding industry's leading systems integrator
- providing a competitive offering of products
- seeking further growth through the ability to offer lifecycle solutions for ship owners and operators

Main business drivers

The main market driver for our Ship Power business is the global demand for new vessels, in particular ships built for seaborne cargo transportation, offshore oil production and support, cruise and ferry services, and for naval use. Another important factor is the demand for environmental solutions and gas as a marine fuel resulting from environmental regulations. Moreover, the increasing demand for oil and gas, together with declining production from traditional fields, supports new offshore investments in deep water and remote locations.

- Developments in the global economy
- Development of world trade and needed transportation capacity
- Development of oil and gas prices
- Environmental regulations
- Development of new offshore oil & gas fields

SHIP POWER'S STRENGTHS

- + An unmatched track record in providing gas fuelled vessels with our dual-fuel technology and gas systems
- + The broadest portfolio of reliable and high performing products and solutions in the marine industry, supported by the industry's strongest global services network
- + A unique synergy between ship design and engineering capabilities that allows us to maximise a vessel's efficiency throughout its lifecycle
- + A strong presence in all major segments in the industry, allowing us to navigate ship building cycles

HAMWORTHY: WÄRTSILÄ'S BIGGEST ACQUISITION YET

With Wärtsilä's acquisition of Hamworthy completed, and the process of integration months underway, **Timo Koponen** is able to look back at his driving role in this huge project with levity: "Naturally there needs to be a clear owner of the business case. Someone whose soul is burning for it. The top management needs to see it, the board needs to see it, and, of course, there is someone to blame if something goes wrong. I was that person in this case."

TURNING HEADS

Getting to this point has been a long journey, as the push towards the acquisition began way back in 2006. Koponen, Vice President, Flow and Gas Solutions, was convinced of the business logic even then, but various setbacks, not least the global economic situation in the closing years of the previous decade, forced him to bide his time. In early 2011, the acquisition returned to the agenda, and was ultimately ratified in early 2012.

Wärtsilä's ownership bid valued the British company at around 456 million euros, and making the case for such a large investment was never going to be an easy job. "Like every company that has survived this long," Timo explains, "we have a history of acquisitions. Now, some of these have been successful, but some others haven't. Things can always go wrong, which makes management wary – and rightly so! The process involves a lot of politics; it means changing minds and making people believe."

This was a particularly challenging investment in the sense that Hamworthy, as a publicly listed company, was of known value in the marketplace, and any such takeover bid in the UK is liable to a premium of 25-30%. Koponen is all too aware of this high price tag's consequences: "Our numbers, our belief in profitability and synergies needed to

IT'S DEFINITELY MORE THAN JUST ONE PLUS THE OTHER: THERE HAS TO BE EXTRA VALUE.

TIMO KOPONEN, Vice President, Flow and Gas Solutions

be high. We needed to be convinced that we could deliver more value when putting the two companies together. It's definitely more than just one plus the other: there has to be extra value.

SOUND BUSINESS LOGIC WINS THROUGH

Once the deal had been announced, convincing of a very different kind was required in the company being acquired. Sigurd Jenssen of Hamworthy, now Wärtsilä's Director, Exhaust Gas Cleaning, gives us an insight into the concerns of some personnel:

"When the deal became public knowledge, people were concerned. We needed to be convinced that Wärtsilä saw Hamworthy and its personnel as a long-term part of their operations. There are different ways a parent company can go, post-merger. Many of us needed to know that Wärtsilä did not just acquire Hamworthy to absorb our products and shut down their most significant competitor in certain markets."

What eventually provided a foundation for the ultimately positive spirit that prevailed on both sides was recognition of the business logic behind the acquisition.

"Firstly, and most prominently," Jenssen explains, "both companies recognised environmental challenges in the marine industry as a key future growth area, encompassing emissions limitation, exhaust gas cleaning, and ballast water treatment. With the technology (as well as the industry demand for it) still relatively young, this is an ideal moment for consolidation to advance the topic and gain a firm foothold in the marketplace."

Another motivating factor is Wärtsilä's strong belief that gas is the fuel of the future, not just for land-based power production, but also for the marine industry. "While this has been part of Wärtsilä's outlook for some time, certain portfolio elements have been lacking, such as depth handling of gas processes on board vessels. The addition of Hamworthy products completes this picture; along with the main engines, fuel handling and gas carrier technology are now visibly present in Wärtsilä product lines, with strong expertise in place to support them."

In addition, Hamworthy has been making advances towards the offshore industry, as they have correctly perceived that the merchant marine industry has been suffering from oversupply in the wake of crises in the world economy. Wärtsilä has been responding to the same trend, meaning that the two companies share many of the same customers and projects.

This clear synergy is strengthened when taking into account Wärtsilä's unique local presence: the



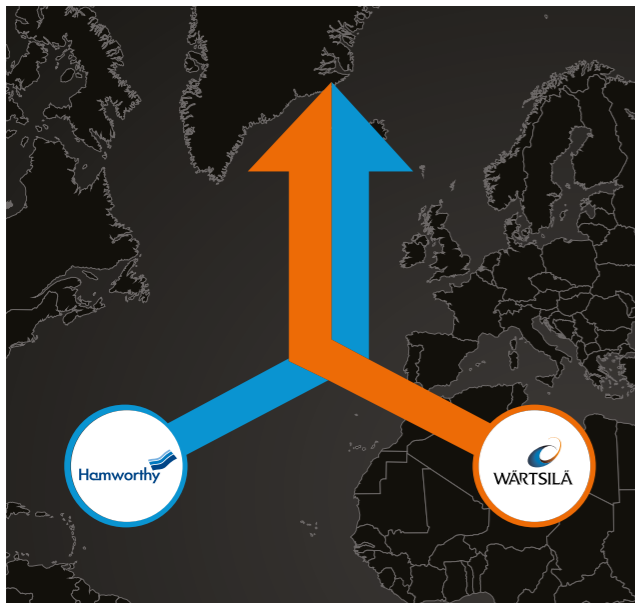
industry's widest and strongest sales network in terms of manpower and geographical coverage. The opportunity to take advantage of vastly expanded distribution for the Hamworthy product and solution range was a strong point in favour of the deal for all parties concerned.

A QUESTION OF CULTURE

Within a few months of the deal going through, even the most sceptical observer would have to concede that Wärtsilä was doing this for the right reasons. As a measure of how seriously Wärtsilä considered its new subsidiaries, Koponen insisted on moving home, family and office to Poole in the United Kingdom – where Hamworthy was founded in 1914, and the site of its head office to this day. Gradually, a wider understanding of the business logic behind the merger began to penetrate both organisations.

Koponen found himself with a new challenge, however: "When the deal was finally completed, there was a huge amount of relief and elation. But that's tempered by knowing I am the major owner of the case. Bang – now you have it. It was time to start delivering."

In the aftermath of any merger, few would doubt that one of the biggest challenges is that of forging



The recognition of the business logic behind the acquisition provided a positive spirit that prevailed on both sides.



Hamworthy has operations in Europe and Asia.

a new, shared company culture with as much sensitivity as possible. The corporate history books are crowded with spectacular newsworthy failures such as AOL-Time Warner, where even the company chairman was forced to admit that the lack of a shared culture had created “species that were inherently at war.”

Koponen went about this task with his eyes and ears open, trying to find the right balance: “We are not trying to push a single Wärtsilä model. We need to have our finger on the pulse constantly. We have tens of areas in which we discuss cultural issues like this daily.

“The main challenge is to judge between what could be natural resistance and what is an underlying and essential trait, meaning we should pull back slightly. This is my main dilemma. Obviously there are also those areas in which we need to make immediate changes. A single, shared HR policy, for example, or a standard set of IT equipment, around which everything is built. But then when it comes to motivation, commitment, and such like, we see that a more accommodating attitude makes the new company much easier to relate to.”

This approach is clearly working, as positive results are already plainly visible. During 2012, Wärtsilä undertook an internal initiative to make sure its employees were fully aware of its Code of Conduct and its consequences for their work. This took the form of an e-learning module, translated into 11 languages, and despite having only partial access to Wärtsilä’s systems at the time, former Hamworthy employees achieved a completion rate of almost 100% - higher than any other sector of the company.

This clearly demonstrates that the new personnel are particularly keen to engage with Wärtsilä’s culture and move forward to exploit the significant opportunities ahead. And Koponen is under no illusions as to where these lie: “In contrast to other mergers that sometimes take place, the focus here is not on cost cutting. There are more than enough opportunities! Where there is strategic potential, we will go there: environmental technologies, exhaust gas cleaning, gas as future fuel, offshore industries – there is no dispute in terms of direction.” ■



STRATEGY IN ACTION

Our strategic goals

Our customers recognise us as their service partner; competitive, trusted, and easy to deal with.

- We will maximise our market share with our present customer base
- We will constantly develop our offering proposition with value-enhancing products
- We will grow by providing more service agreements with new Ship Power and Power Plants deliveries
- We will become our industry’s market leader in environmental solutions

Main business drivers

- The size and development of the active fleet, which is determined by new equipment deliveries and by the pace at which older installations are taken out of use.

- Lifecycle efficiency drives the Services business in both end markets
- Changes in environmental regulations and improved safety aspects
- The outsourcing of operations and management is today an important trend in the power plants service market. In the future, we believe this will also become a more important driver for the marine markets.

SERVICES’ STRENGTHS

- + Long-term relationships with customers and an in-depth understanding of their needs
- + A lifecycle offering
- + The broadest services offering in the industry
- + A global service network

A PROJECT IN THE LIFE OF TWO FIELD SERVICE ENGINEERS

Jeroen Oving (Field Services Superintendent, Propulsion Services, Delivery Management, based in Drunen, the Netherlands) and Ji-Woong Kook (Field Services Superintendent, Services Unit East Asia, based in Korea) were both part of the team that recently completed commissioning and sea trial of the propulsion systems of the ambitious new vessel, the Dockwise Vanguard, built by Hyundai Heavy Industries in South Korea. As the most innovative semi-submersible heavy-lift vessel ever built, the Dockwise Vanguard was built to redefine the limits of exceptional heavy marine transport. This game-changing vessel has been specifically built to provide oil and gas majors and EPIC contractors with design and transport opportunities for mega offshore units, which were until now considered unthinkable.

THE UNIQUE DOCKWISE VANGUARD

JEROEN OVING: Well, this is a one-of-a-kind project. Dockwise had ordered a semi-submersible heavy-lift vessel: the largest in the world, equipped with five Wärtsilä propulsion units. First of all, there are two main propulsions

for normal sailing, which each consist of a controllable pitch propeller (CPP), reduction gear, and electric motor propulsion. Then, in front of the vessel, we have two retractable thrusters, also equipped with CPP. These propellers are pulled into the vessel when not in use, but when deployed they are under the vessel and can create thrust in any direction. Finally there is a tunnel thruster for mooring and positioning.

JI-WOONG KOOK: This 275-by-70m vessel requires submersion of 31.5m for cargo loading. Accordingly, we supplied optimised propellers, special seals, and high performance gearboxes with double input shafts and a single output shaft, enabling the crew to operate the main propulsion drive train to the optimum level. Finally, in order to minimise wiring and maximise communication between all the equipment on board, special communication systems were installed.

JO: On the Dockwise Vanguard, the main propulsion uses CPPs driven by electric motors with a fixed speed. More commonly, vessels use frequency-drive electric motors, which run at variable speeds. In this case, all electrical motors are running at a fixed speed according to the owner's explicit specification. In order to cope

with that, all the equipment has been equipped with CPPs. Even though the propulsion system is running at a fixed speed, by changing the angle of the blade, you can define the amount of thrust, from minimum to maximum thrust in both directions: ahead and to astern. This combination of CPP with a fixed-speed e-motor is the defining technology of this case, I would say.

CHALLENGES – MAN-MADE AND BEYOND

JO: The schedule represented the biggest challenge in this project. It was tight to begin with: three weeks for commissioning is very challenging indeed, actually. But preparation work in the yard took longer than predicted and



eventually we were left with only two. Nevertheless, we made our deadline and the sea trial started on schedule on 4 January 2013. I attribute this completely to the strong cooperation between the Dutch and Korean engineers working on these systems.

J-WK: I have to also point out that many other colleagues contributed to the success and eventual timeliness of this project. A number of Wärtsilä field services engineers, for example, installed the CPPs and thrusters prior to commissioning. The retractable thrusters mounting team in particular were under a lot of pressure to keep the vessel on time: they worked 24 hours a day (in two 12-hour shifts) for almost a month and a half to finalise this complicated and time-consuming work before the launch date.

Three major typhoons – including Sanba, the biggest of the year worldwide – hit the area during this period. But even these conditions couldn't stop the work; it had to be completed on time. These field services engineers showed real commitment to satisfying the customer against all odds, so I want to emphasise that there were many “hidden heroes” at work on Dockwise Vanguard. In the end, the success was down to our global Field Services organisation.

MECHANICAL, ELECTRICAL, HYDRAULIC, YOU NAME IT...

J-WK: Typical propulsion equipment can be seen as a mechanism driven by a hydraulic system, which is under electrical control. Needless to say, the hydraulic system should fit into the mechanism to operate the

propeller blades effectively, and the electrical control must be well balanced with the hydraulic system. They work as one integrated system, so it is essential that propulsion engineers understand all these aspects. Naturally, we have been trained to cover each area with a high degree of expertise. During the general commissioning, there is often more electrical work, but it is still very important to understand the entire integrated system to do the job correctly.

JO: It's true: we don't focus just on the electrical side, or the mechanical side, or the hydraulic side. This requires a very special skill set, in a way, because working on electrical tasks is different to working on something mechanical. And hydraulic, again, is something else entirely. The field services engineers on my team can deal with all three – as well as software. In the end, the whole system is controlled by software. When there is a problem, we can check it to find the source of the problem and communicate with the office to request an updated version. Same with electrical drawings – these can have mistakes, so you check them, you find any errors, and you fix them. We need to be flexible and multi-skilled: it's that simple.

ENGINEERS WITHOUT BORDERS

J-WK: When a project involved a traditional propulsion system, we would usually work alone, because it wasn't necessary to have two experts working on a single system. But nowadays we have more offshore projects, larger vessels which often feature multiple propulsion systems. This gives us the opportunity to work with other colleagues, as was the

case with the Dockwise Vanguard project.

Working with colleagues from overseas with different backgrounds and experience, it's impossible to have exactly the same attitude about everything. The culture in Asia is slightly different to that of Europe, for example, so it's perfectly natural to have different concerns and opinions. But that difference doesn't mean that someone is wrong. It's just variety, and the more you learn from it, the more you can improve.

JO: People often talk about international collaboration in terms of the negatives. Just consider the vocabulary: “cultural differences”, “language barriers”, and so on. But actually, having different nationalities on board for a project has a lot of advantages. For one thing it can eliminate language issues. If you're on a very limited time frame, as we were here, communication has to run smoothly. So the Korean field services engineers handle the interface with the shipyard staff working on the ship, making sure everything is clearly understood in Korean just in case the local guys aren't the best English speakers.

Then when it comes to dealing with the shipyard, at times there is negotiation and diplomacy required that a Korean person might find uncomfortable entering into with his fellow countrymen. At times you might have to say things the shipyard doesn't necessarily want to hear – for the overall good of the project, I should add! This is where I come in as a foreigner: I'm able to get to the heart of the matter quickly and just say what needs to be said without any cultural or hierarchical consequences. That's how it worked on this project. I took care of communication with the shipyard management and Mr Kook handled the teams on the floor.

THE APPEAL OF THE JOB

JO: I started my career as a design engineer – working in the office on 3D plans, and solving design-related problems. I did this for three and a half years before deciding it simply was not my thing. I needed something more “hands on”, out in the field. I've been a propulsion field services engineer for almost five years now and I still find it satisfying.

I'm able to travel around and experience a bit of geographical freedom: I've worked mostly in Asia but have also been across Europe and the Middle East. Asia appeals to me a lot, though – I basically live here. There is a different way of doing things here and a different way of thinking about things generally, which I like. Also I love the food!

J-WK: For me, the continual challenges make this job interesting, and that's why I like being a field services engineer. Any propulsion project represents a different combination of mechanism, variable hydraulic system, and customised controls according to the customer's requirement. We have to take into account variations in the ship's shape, the thrust power demands, the manoeuvrability needs, amongst other factors. So the work is always changing and there is always something to learn. You have no time to be bored as a propulsion field services engineer.

The highlight for me personally is when the customer signs my timesheet at the end of a job. If I receive a compliment from the customer – “You did a good job... Thank you... We'd like to work with you again” – it's a pleasant ending to the assignment. Then, of course, when I return home and my family are happy to see me, welcoming back their husband and father, and looking forward to their gifts from the airport! ■



SUSTAINABILITY

As a global leader in complete lifecycle solutions for the marine and energy markets, we have a key role in providing sustainable solutions for the shipping and energy sectors. We support our solutions globally during their entire lifecycle. This creates the basis for our sustainability work, which is supported by our commitment to responsible business conduct.

A sustainable approach throughout the lifecycle of our products and solutions

We strive to maintain a deep understanding of the needs of the market, and to develop our solutions in a way that enables them to contribute effectively to improved performance on the power system level and in shipping in various regions.

Co-operation throughout the value chain is becoming ever more important. It is necessary for understanding the requirements of the end customer, for understanding and optimising the performance of the value chain and for safeguarding the expertise needed. This creates value for the whole value chain. We have gained promising results in working closely with various stakeholders towards improving reliability, overall efficiency and the environmental performance of our solutions.

Our own product development focuses on sustainable technologies

Our own product development activities focus on fuel flexibility, efficiency improvements, and environmental technologies. Special attention is paid to achieving competitive product cost, to reducing the total cost of ownership and to provide high-quality and reliable performance throughout operations of their equipment. As a result of our long-term development work, we have managed to develop a range of engines that feature both high efficiency and low emissions. However, improving the performance of a single component does not necessarily guarantee the best overall outcome, more can be achieved through comprehensive design, systems integration and machinery optimisation. By combining our power solutions and ship or power plant design knowledge, we are able to create increased value for our customers. Our technologies and solutions provide various alternatives to reducing the impact of climate change.

Key features of Wärtsilä's environmentally sound solutions include

- Reliability, safety and long lifetime
- Solutions to reduce emissions
- Alternatives to heavy fuel oil
- Flexibility in fuel use
- Solutions to maximise efficiency with lowest lifecycle cost
- Solutions to minimise water consumption
- Optimisation of vessel design and operations



BY COMBINING OUR TECHNOLOGY LEADERSHIP, HIGHLY MOTIVATED AND COMPETENT EMPLOYEES WITH OUR RESPONSIBLE OPERATIONS WE ARE ABLE TO TAKE LEADERSHIP IN BUILDING A SUSTAINABLE FUTURE.

Outsourced manufacturing process, high supplier standards

Our manufacturing process focuses on assembling, test running, and finishing of products. Our business model, which is strongly connected to a broad network of suppliers, guarantees flexibility in capacity. We assess and manage our suppliers through our Supplier Management System and regularly conduct supplier evaluations. Supplier assessments focus on several critical indicators in which we expect the suppliers to have high standards and performance: compliance with relevant legislation; environmental, occupational health and safety and quality management; process mapping and quality plans and social performance.

Our services support optimised performance throughout the operational lifetime of the product

We provide our customers with a range of services that ensure reliable, optimised operational, environmental as well as safety performance throughout the operational lifetime of the products and solutions. Through our service agreements and products our customers are able to optimise their operations.

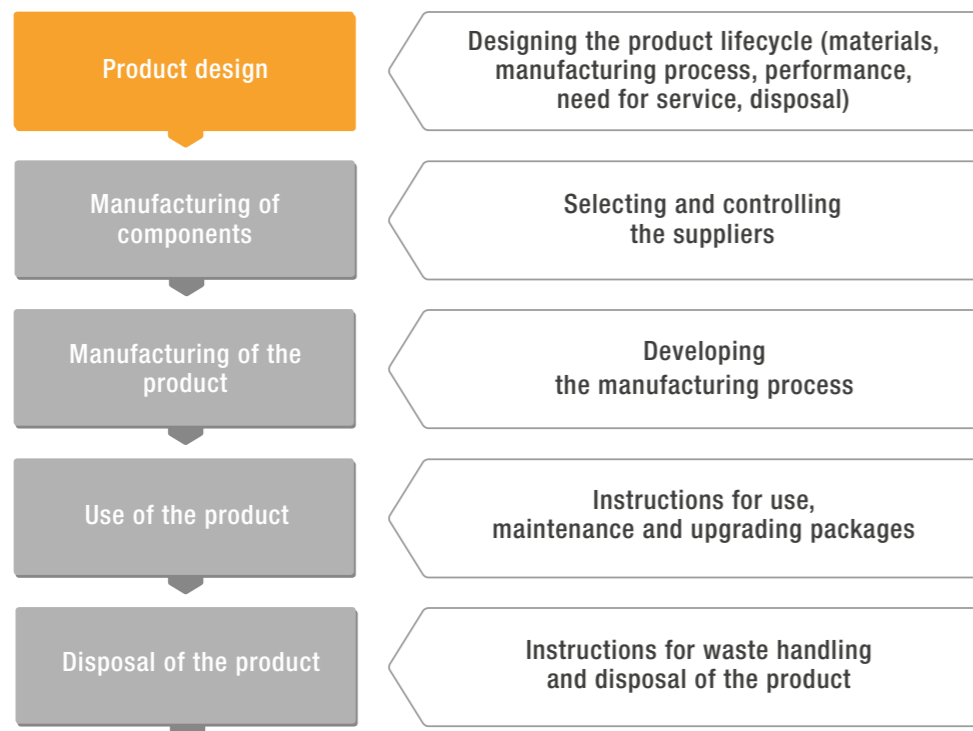
The code of conduct forms the basis for our operations

Wärtsilä acts as a good corporate citizen wherever we are active. Our business operations and relations with our stakeholders are governed by our Code of Conduct. Wärtsilä is a responsible employer, and we seek to offer our employees an interesting and exciting workplace where openness, respect, trust, equal opportunity and scope for personal development prevail. A further aim is to offer a hazard-free working environment to our employees and contractors and to minimise the health and safety risks associated with the use of our products and services. Supply chain management and development are integral elements of our operations.

SINCE OUR PRODUCTS have such a long operational life, up to 25 years, identifying their lifecycle impacts is essential for understanding their total environmental impact. The results of these lifecycle assessments indicate that the major environmental impacts of a diesel engine arise from the operation of the engine. These derive from the exhaust emissions and from the fuel supply chain. We manage the lifecycle of our products through product design, careful selection of suppliers, production methods, optimising transportation, maintenance and repair during the products' operational lifetime and by training and advising customers in using products and systems in the most efficient way.

Wärtsilä offers service agreements and introduces products that help customers to optimise their operations. Furthermore, we actively support customers in selecting suitable solutions in the early phase of projects.

WAYS TO CONTROL THE PRODUCT LIFECYCLE



SUSTAINABILITY HIGHLIGHTS 2012

Q1

**12
Jan**

Wärtsilä contracted to supply complete propulsion systems with integrated fresh water scrubbers for a series of six vessels, which will operate in the Great Lakes.

**31
Jan**

Acquisition of Hamworthy becomes effective - total solutions concept for marine and offshore industries significantly strengthened.



**29
Feb**

Wärtsilä North America, Houston, received OHSAS18001 certification.



**02
March**

Wärtsilä Code of Conduct e-learning course made available in 11 languages.

**15
March**

The revised Wärtsilä QEHS Policy launched.



Q2

**02
May**

Wärtsilä Singapore Pte Ltd received OHSAS18001 certification.

**03
May**

Wärtsilä Sweden AB received OHSAS18001 certification.



**04
May**

Compliance Reporting Policy launched.

**11
May**

Wärtsilä's safety video wins the 2012 intermedia-globe Gold Award and intermedia-globe Grand Award at the World Media Festival.

**31
May**

Wärtsilä dual-fuel technology the choice of 100 LNG carriers.



**28
Jun**

Wärtsilä Propulsion Wuxi exceeds 500 days of Zero Lost Time Injuries.

Q3

**03
Jul**

Ground-breaking of new environmentally sound Matanuska Electric Association power plant in Alaska.



**11
Jul**

Wärtsilä contracted to supply dual-fuel engines for China's first LNG-powered tugs.



**18
Jul**

Wärtsilä awarded Prime status from oekom research sustainability ratings.

**19
Sep**

New Wärtsilä Anti-Corruption Policy launched.



Q4

**02
Oct**

Manufacturing site in Stord, Norway exceeds 1,500 days of Zero Lost Time Injuries.

**10
Oct**

Wärtsilä-led consortium wins major contract to build world's largest, environmentally sound, tri-fuel power plant in Jordan.

**16
Oct**

Wärtsilä contracted to supply AQUARIUS® UV ballast water management systems to four platform supply vessels.



**12
Nov**

2,000 gas engines sold and 7 million running hours accumulated in dual-fuel engines.



**03
Dec**

Wärtsilä contracted to supply fuel and propulsion systems for the first LNG-powered ferry in North America.

**20
Dec**

New Wärtsilä Supplier Handbook launched.

**21
Dec**

Wärtsilä AQUARIUS® UV Ballast Water Management System receives IMO type approval.

**31
Dec**

The annual lost time injury frequency index reached record low again.

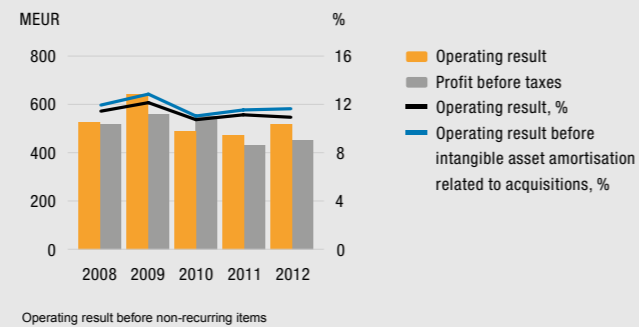


FINANCIALS

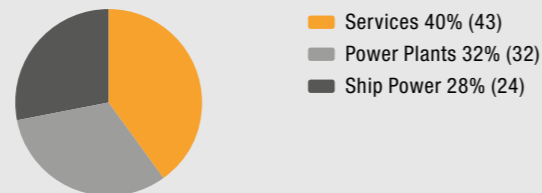
HIGHLIGHTS 2012

- Our performance remained strong in continued challenging market conditions.
- Our full year net sales grew by 12% to EUR 4,725 million
- Order intake grew by 9% to EUR 4.940 million
- The book-to-bill ratio was 1.05 (1.07)
- At the year end our order book totaled EUR 4,492 million (4.007), an increase of 12%.
- EBITA was EUR 550 million or 11.6% of net sales (485)
- Operating profit margin (EBIT %) was 10.9%, well in line with the targets set for the year
- Operating result totaled EUR 515 million (469)
- Earnings per share amounted to 1.72 euro (1.44)
- Power Plants order intake decreased by 5% to EUR 1,515 million. The total market is estimated to have decreased by 30-40%. Ship Power orders increased 45% to EUR 1,453 million, supported by strong activity in the offshore and special vessel segments.
- Services net sales grew by 5% and reached an all-time high level of EUR 1,908 million.
- Wärtsilä closed its largest ever acquisition with the purchase of Hamworthy.

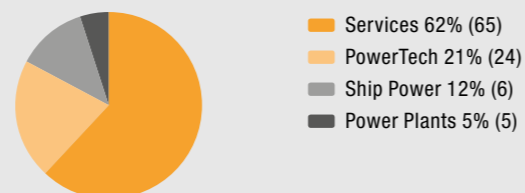
Result



Net sales by business area



Personnel by business



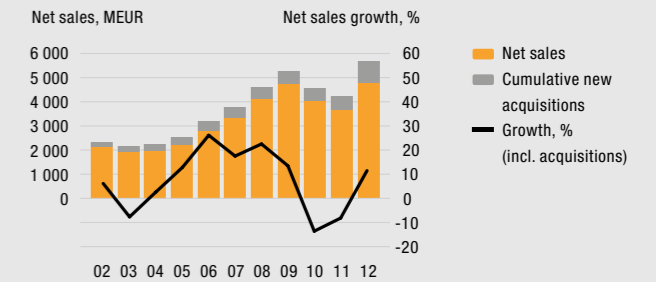
FINANCIAL TARGETS

NET SALES

Target
Our target is to grow faster than global GDP.

Development in 2012
In 2012, Wärtsilä's net sales increased 12% to EUR 4,725 million. Wärtsilä's CAGR 2002-2012 was 7.4%.

Growth over the cycle



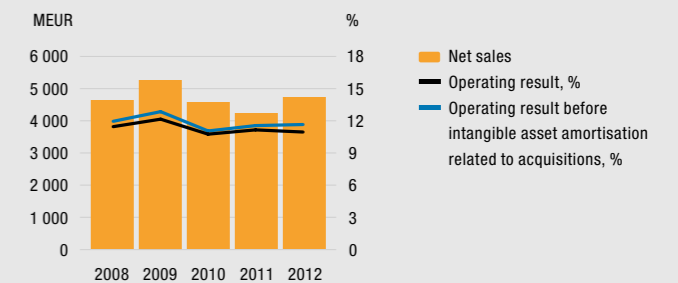
Note: World nominal GDP growth 2002-2012 averages 7.9% USD denominated (source: IMF).

PROFITABILITY

Target
Our operating profit margin (EBIT%) target is 14% at the peak of the cycle. At the trough of the cycle, our target is to keep the operating profit margin above 10%.

Development in 2012
In 2012, our operating profit was EUR 515 million, 10.9% of net sales.

Profitability



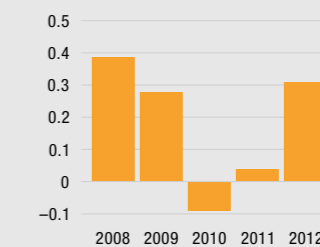
Figures are shown before non-recurring items.

CAPITAL STRUCTURE

Target
Our target is to maintain gearing below 0.50.

Development in 2012
In 2012, our gearing was 0.31.

Gearing

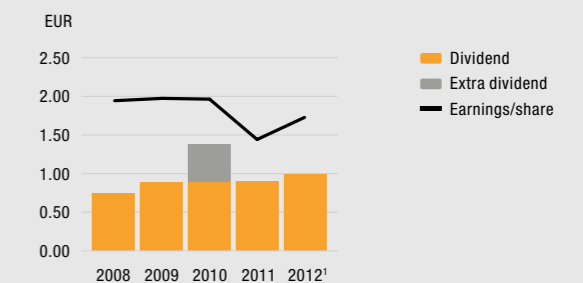


DIVIDEND

Target
Our target is to pay a dividend equivalent to 50% of earnings.

Development in 2012
The Board of Directors proposes that a dividend of 1.00 euro per share be paid for the financial year 2012.

Earnings/share, dividend/share



¹ Proposal by the Board 2012.

FINANCIAL KEY RATIOS

MEUR	2012	Q4 / 2012	Q3 / 2012	Q2 / 2012	Q1 / 2012	2011	2010
Net sales	4 725	1 533	1 087	1 099	1 005	4 209	4 553
Power Plants	1 498	568	304	353	272	1 365	1 525
Ship Power	1 301	426	339	298	238	1 022	1 201
Services	1 908	531	435	449	492	1 816	1 823
Depreciation and amortisations	-139	-38	-33	-35	-33	-113	-116
Operating result ¹	515	186	113	113	102	469	487
Operating result ¹ , %	10.9	12.2	10.4	10.3	10.1	11.1	10.7
Profit before taxes	452	161	99	98	93	429	548
Earnings per share, EUR	1.72	0.62	0.38	0.38	0.33	1.44	1.96
Balance sheet total	5 038	5 038	4 920	4 860	4 807	4 600	4 696
Interest-bearing liabilities, gross	794	794	899	942	858	652	628
Cash and cash equivalents	225	225	199	148	242	592	776
ROI, %	20.1	-	-	-	-	20.4	26.0
Gearing	0.31	0.31	0.41	0.49	0.40	0.04	-0.09
Order book, end of period	4 492	4 492	4 724	4 515	4 409	4 007	3 795
Order intake	4 940	1 357	1 275	1 198	1 109	4 516	4 005
Year-end market capitalisation	6 454	-	-	-	-	4 402	5 631
Personnel, end of period	18 887	18 887	18 961	19 161	19 073	17 913	17 528

¹ Figures exclude non-recurring restructuring items and selling profits.

NON-FINANCIAL KEY RATIOS

ENVIRONMENTAL

	2012	2011	2010	2009	2008
Total energy consumption (TJ)	1 691	1 735	1 916	2 194	2 383
Total water consumption (1 000 m ³)	9 546	9 775	10 292	8 128	11 712
Emissions of nitrogen oxides (t)	697	765	826	1 290	1 633
Emissions of carbon dioxide (t)	63 762	68 897	80 234	96 749	122 669
Emissions of sulphur oxides (t)	145	265	277	595	840

SOCIAL

	2012	2011	2010	2009	2008
Number of nationalities	107	114	109	110	111
Number of employees at 31 Dec. 2012	18 887	17 913	17 528	18 541	18 812
Average age of employees	years 39.4	38.8	38.9	38.8	38.0
Training days (days/employee)	3.4	3.0	3.1	3.7	3.3
Male/female ratio	% 84/16	86/14	86/14	86/14	86/14
Executive positions globally: male/female ratio	% 91/9	90/10	90/10	87/13	
Total number of injuries	742	987	971	1 169	1 127
Lost time injuries (number/million working hours)	5.5	6.3	7.8	12.9	16.3

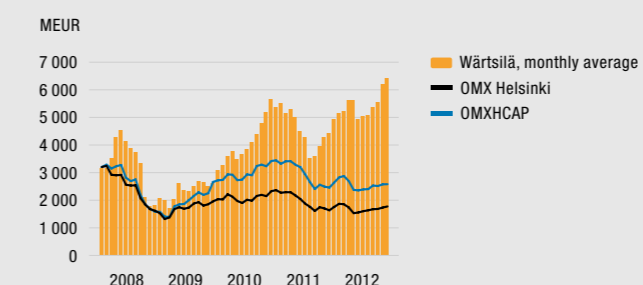
KEY FIGURES FOR WÄRTSILÄ SHARE

		2012	2011	2010	2009	2008
Earnings per share (EPS)	EUR	1.72	1.44	1.96	1.97	1.94
Book value of equity per share	EUR	9.12	8.30	8.30	7.59	16.01
Dividend per share	EUR	1.00 ¹	0.90	1.38	0.88	0.75
Dividend per earnings	%	58.1	62.7	70.3	44.4	38.7
Dividend yield	%					
WRT1V ²		3.06	4.03	4.82	6.23	7.14
Price per earnings (P/E)						
WRT1V ²		19.0	15.5	14.6	7.1	5.4
Price to book- value (P/BV)						
WRT1V ²		3.6	2.7	3.4	1.9	1.7
Adjusted number of shares	x 1 000					
end of financial year		197 241	197 241	98 621	98 621	98 621
on average		197 241	197 241	98 621	98 621	97 944

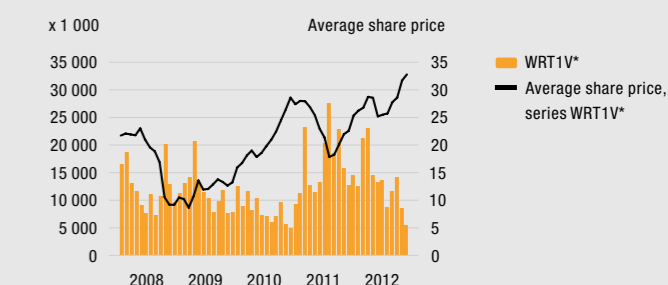
¹ Proposal of the Board of Directors.

² Series B until 26 March 2008, thereafter WRT1V.

Market capitalisation 2008-2012



Traded shares/month 2008-2012



* Series B until 26 March 2008, thereafter WRT1V.

CONSOLIDATED STATEMENT OF INCOME

MEUR	2012	%	2011	%
Net sales	4 725	100.0	4 209	100.0
Change in inventories of finished goods & work in progress	-30		39	
Work performed by the Group and capitalised	15		1	
Other operating income	68		47	
Material and services	-2 527		-2 285	
Employee benefit expenses	-1 096		-956	
Depreciation amortisation and impairment	-139		-113	
Other operating expenses	-543		-506	
Share of result of associates and joint ventures	9		8	
Operating result	481	10.2	445	10.6
Dividend income	2		3	
Interest income	4		13	
Other financial income	9		10	
Interest expenses	-22		-18	
Other financial expenses	-24		-23	
Net income from financial assets available-for-sale	1			
Profit before taxes	452		429	
Income taxes	-109		-136	
Profit for the financial period	344	7.3	293	7.0
Attributable to:				
Equity holders of the parent company	339		283	
Non-controlling interests	5		10	
	344		293	
Earnings per share attributable to equity holders of the parent company:				
Earnings per share (basic and diluted), EUR*	1.72		1.44	
STATEMENT OF COMPREHENSIVE INCOME				
Profit for the financial period	344		293	
Other comprehensive income, net of taxes:				
Exchange rate differences on translating foreign operations	-14		-4	
Available-for-sale financial assets				
measured at fair value	2		16	
transferred to the statement of income	-1			
Cash flow hedges	14		-23	
Other comprehensive income	1		-12	
Total comprehensive income for the financial period	345		281	
Total comprehensive income attributable to:				
Equity holders of the parent company	340		270	
Non-controlling interests	5		11	
	345		281	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	31.12.2012	%	31.12.2011	%
ASSETS				
NON-CURRENT ASSETS				
Goodwill	942		616	
Intangible assets	317		209	
Property, plant and equipment	456		463	
Investment properties	14		9	
Investments in associates and joint ventures	90		87	
Financial assets available-for-sale	44		39	
Interest-bearing investments	1		1	
Deferred tax receivables	104		119	
Other receivables	33		33	
	2 002	39.7	1 577	34.3
CURRENT ASSETS				
Inventories	1 322		1 222	
Interest-bearing receivables	1		1	
Trade receivables	1 128		877	
Income tax receivables	27		38	
Other receivables	334		294	
Cash and cash equivalents	225		592	
	3 036	60.3	3 023	65.7
TOTAL ASSETS	5 038	100.0	4 600	100.0

EQUITY AND LIABILITIES

MEUR	31.12.2012	%	31.12.2011	%
EQUITY				
Share capital	336		336	
Share premium	61		61	
Translation differences	-12		2	
Fair value reserve	21		5	
Retained earnings	1 392		1 233	
Total equity attributable to equity holders of the parent company	1 799	35.7	1 636	35.6
Non-controlling interests	26	0.5	30	0.7
TOTAL EQUITY	1 824	36.2	1 666	36.2
LIABILITIES				
Non-current liabilities				
Interest-bearing debt	545		485	
Deferred tax liabilities	98		69	
Pension obligations	65		39	
Provisions	38		52	
Advances received	88		120	
Other liabilities	3			
	837	16.6	765	16.6
Current liabilities				
Interest-bearing debt	249		167	
Provisions	228		215	
Advances received	607		443	
Trade payables	385		348	
Income tax liabilities	40		55	
Other liabilities	868		941	
	2 377	47.2	2 169	47.1
TOTAL LIABILITIES	3 214	63.8	2 934	63.8
TOTAL EQUITY AND LIABILITIES	5 038	100.0	4 600	100.0

CONSOLIDATED STATEMENT OF CASH FLOWS

MEUR	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the financial period	344	293
Adjustments for:		
Depreciation, amortisation and impairment	139	113
Financial income and expenses	30	16
Selling profit and loss of fixed assets and other changes	-16	-6
Share of result of associates and joint ventures	-9	-8
Income taxes	109	136
Cash flow before changes in working capital	596	544
CHANGES IN WORKING CAPITAL:		
Assets, non-interest-bearing, increase (-) / decrease (+)	-233	3
Inventories, increase (-) / decrease (+)	-6	33
Liabilities, non-interest-bearing, increase (+) / decrease (-)	-37	-125
Changes in working capital	-276	-88
Cash flow from operating activities before financial items and taxes	320	456
FINANCIAL ITEMS AND TAXES:		
Interest and other financial income	14	25
Interest and other financial expenses	-71	-49
Income taxes paid	-110	-199
Financial items and paid taxes	-167	-224
Cash flow from operating activities	153	232
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisitions	-392	-75
Investments in associates and joint ventures	-7	-16
Investments in available-for-sale financial assets	-3	
Investments in property, plant and equipment and intangible assets	-111	-90
Proceeds from sale of property, plant and equipment and intangible assets	12	9
Proceeds from sale of shares in associates and joint ventures	23	
Proceeds from sale of available-for-sale financial assets	3	3
Loan receivables, increase (-) / decrease (+) and other changes	2	
Dividends received	2	3
Cash flow from investing activities	-471	-166
Cash flow after investing activities	-318	66
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from non-current borrowings	158	
Repayments and other changes in non-current loans	-92	-50
Loan receivables, increase (-) / decrease (+)	4	2
Current loans, increase (+) / decrease (-)	69	79
Dividends paid	-186	-279
Cash flow from financing activities	-47	-247
Change in cash and cash equivalents, increase (+) / decrease (-)	-365	-181
Cash and cash equivalents at the beginning of the financial period	592	776
Exchange rate changes	-2	-3
Cash and cash equivalents at the end of the financial period	225	592





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Please visit Wärtsilä's electronic annual report 2012 at:
www.wartsilareports.com/en-US/2012/ar