

WÄRTSILÄ CORPORATION

INTERIM REPORT JANUARY-MARCH 2013

BJÖRN ROSENGREN, PRESIDENT & CEO

18 APRIL 2013



Highlights Q1/2013



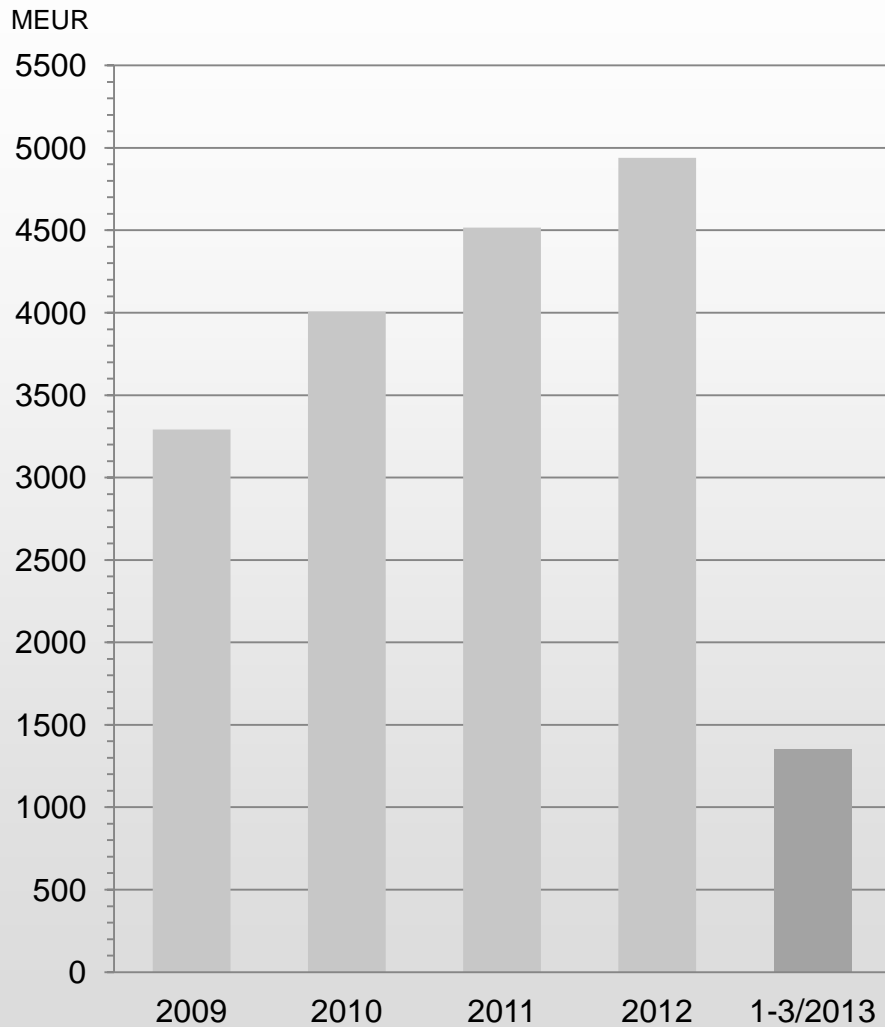
- Order intake EUR 1,352 million, +22%
- Net sales EUR 882 million, -12%
- Order book EUR 4,998 million, +13%
- Book-to-bill 1.53
- EBITA EUR 79 million, 8.9% of net sales
- Operating result (EBIT) EUR 70 million, 8.0% of net sales
- EPS EUR 0.37
- Cash flow from operating activities EUR 84 million

EBITA is shown excluding non-recurring items and intangible asset amortisation related to acquisitions

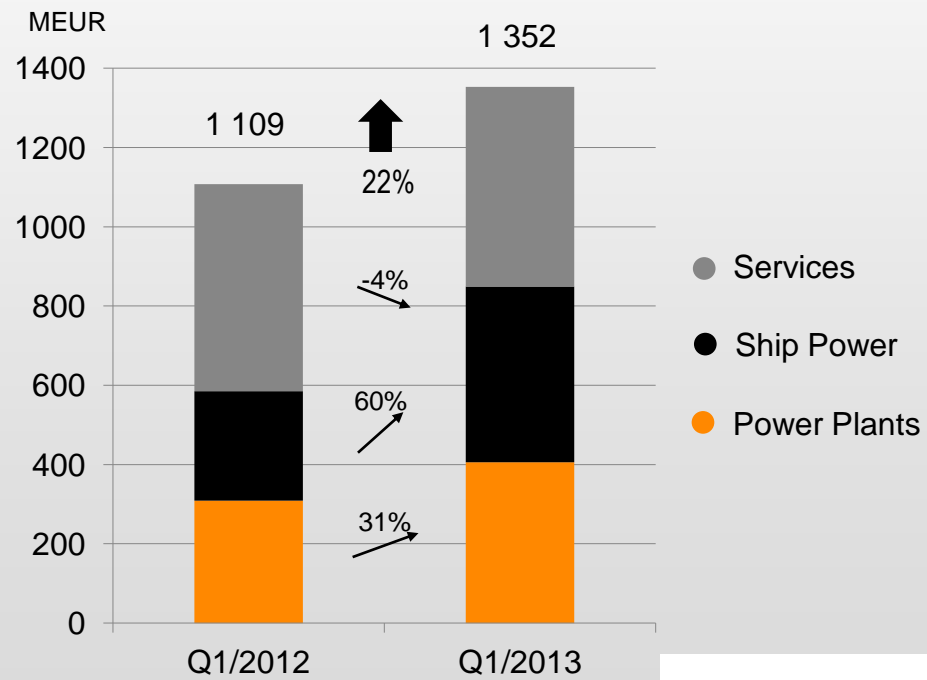
EBIT is shown excluding non-recurring items

Certain comparison figures in this presentation have been restated due to changes in pension accounting

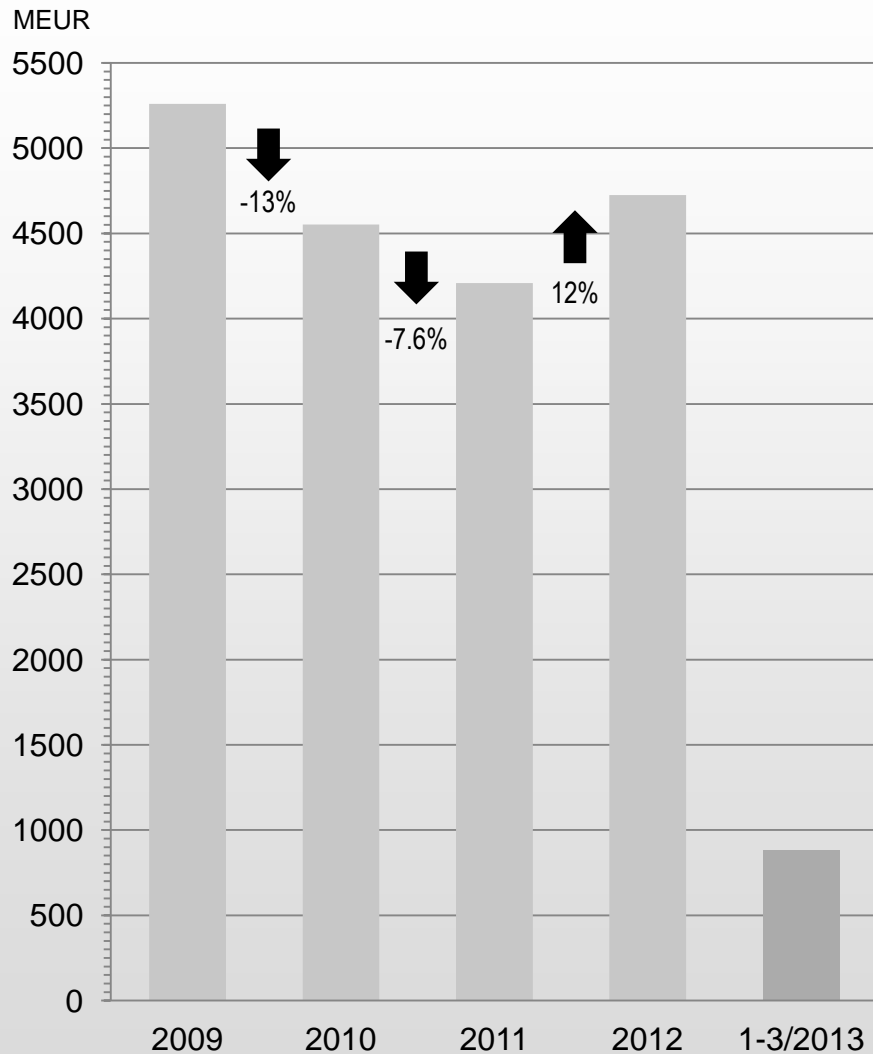
Strong growth in order intake



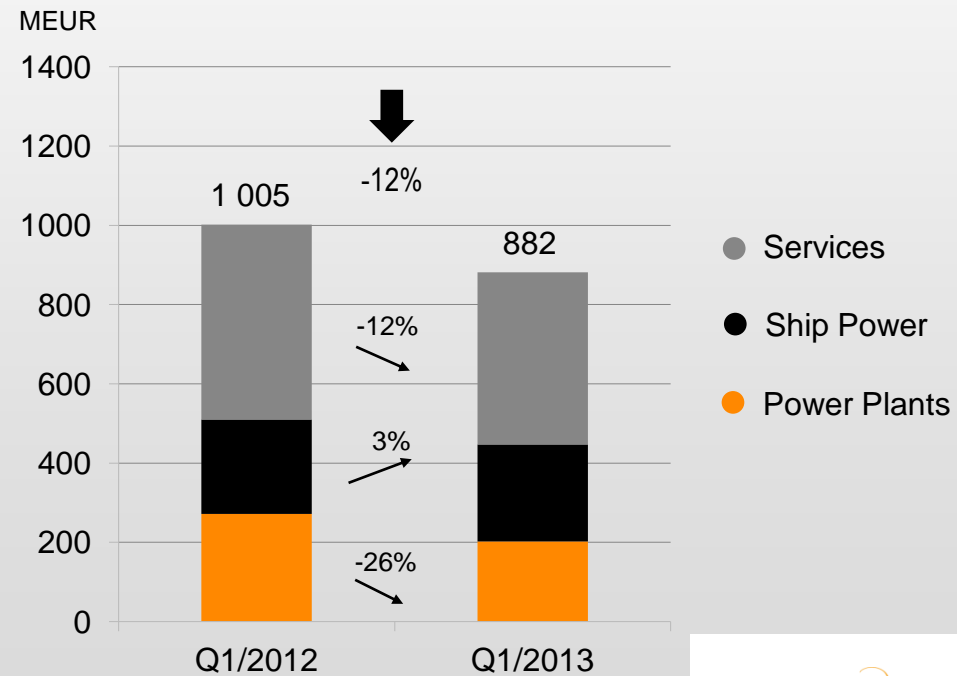
First quarter development



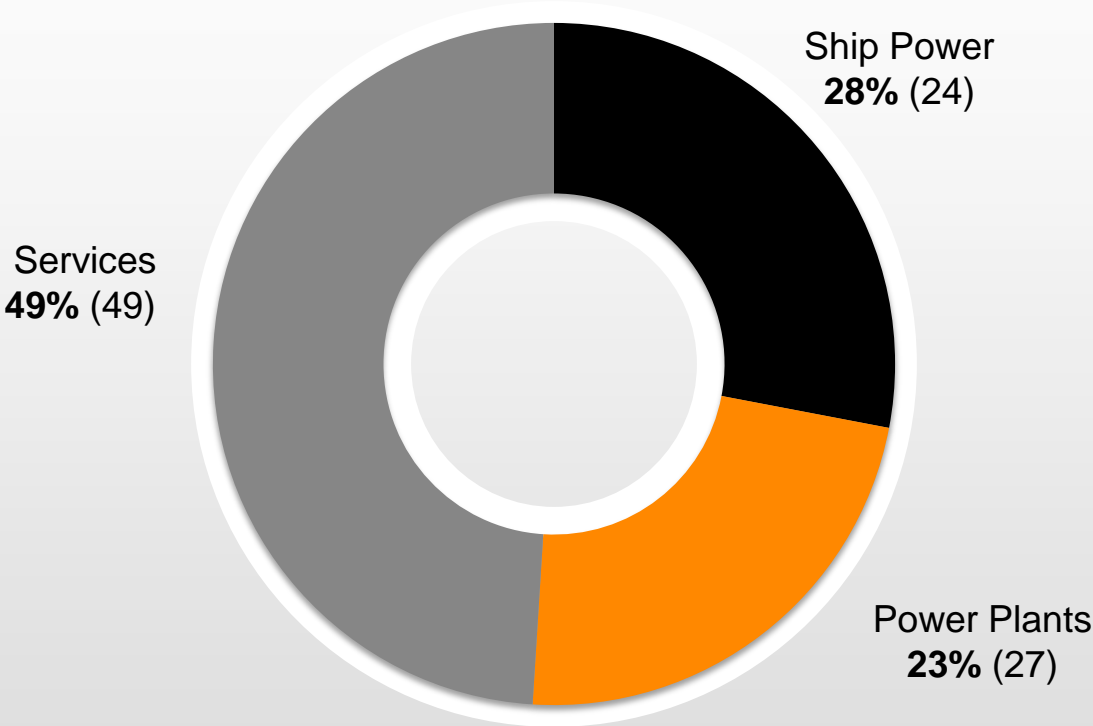
Net sales developed according to expectations



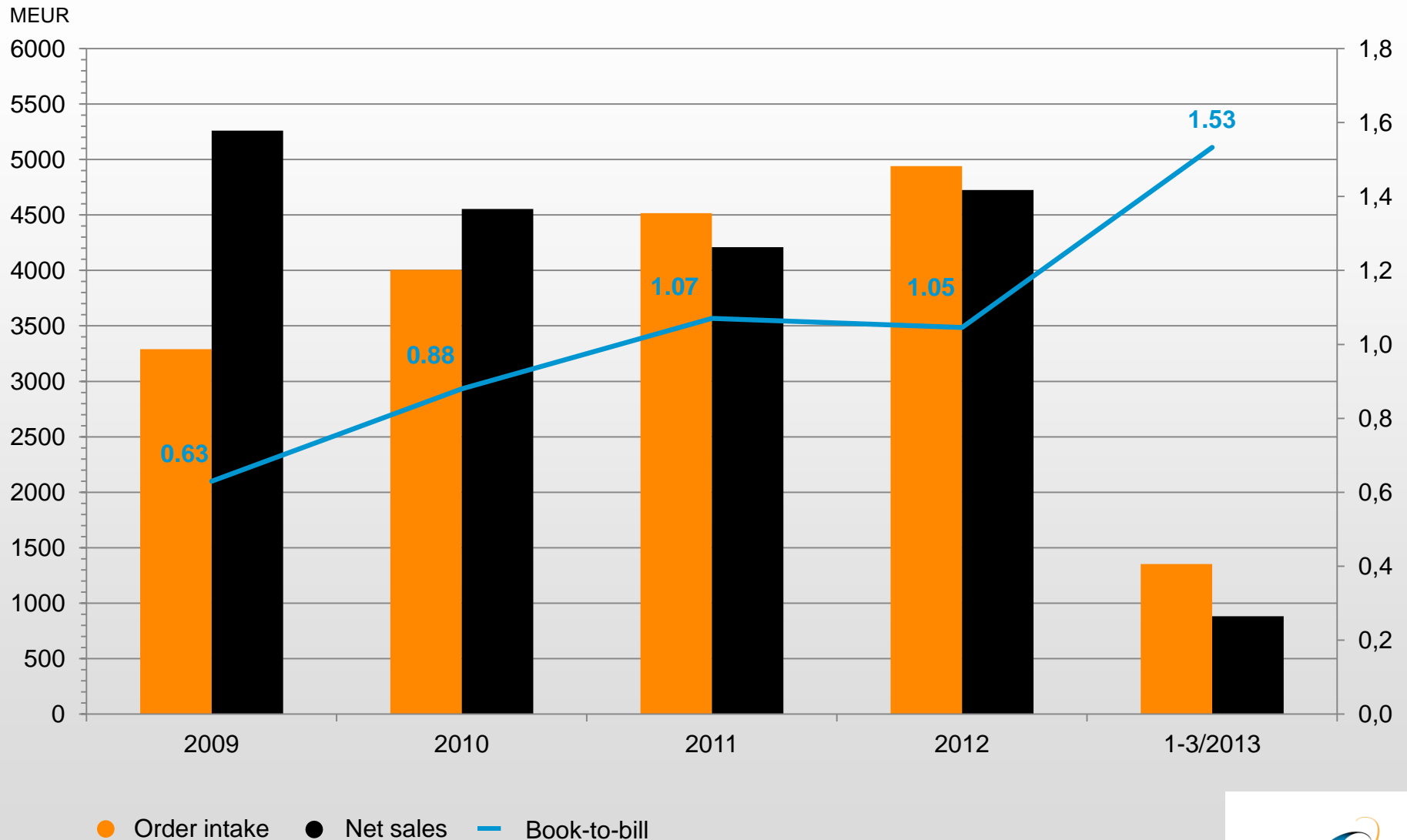
First quarter development



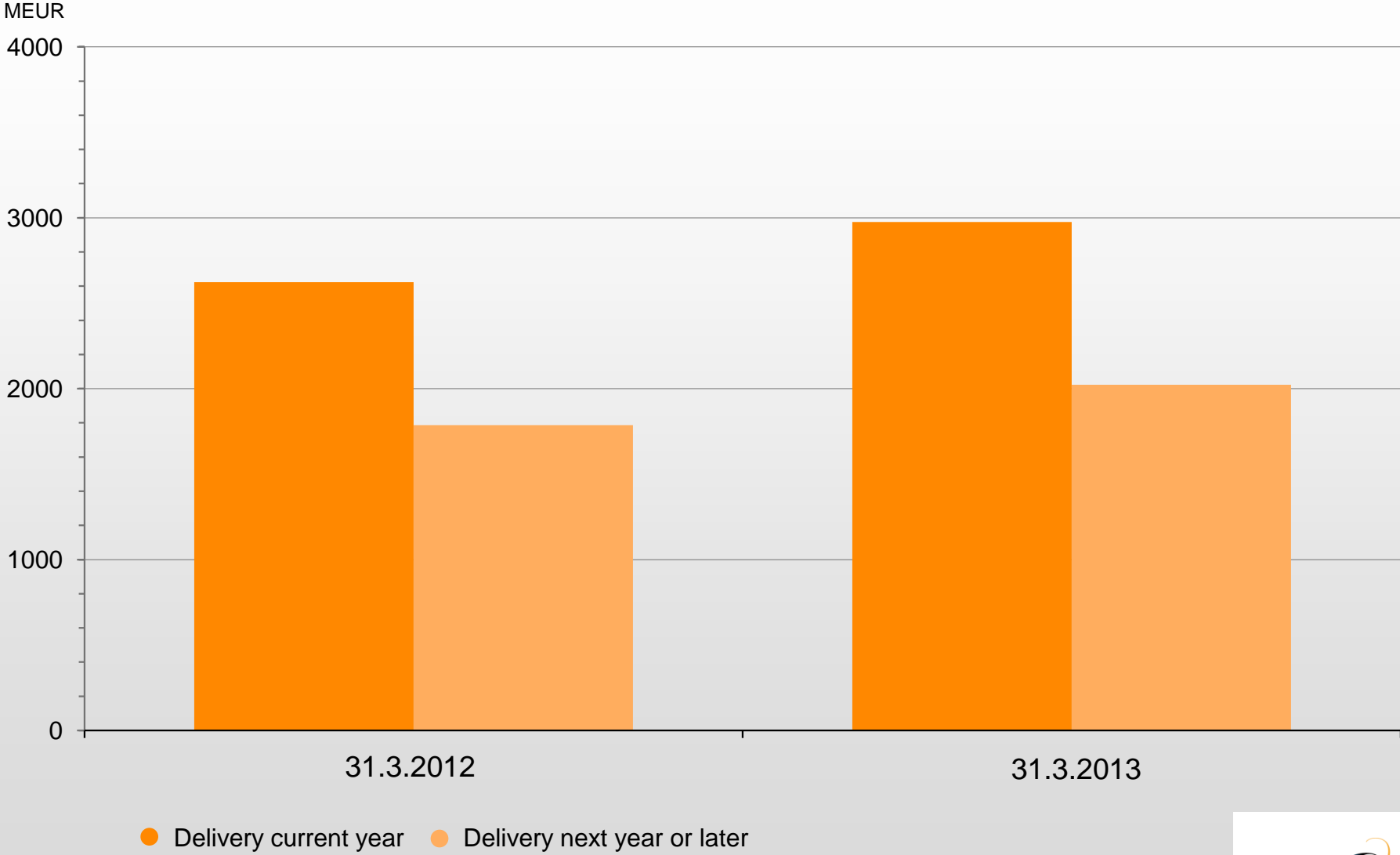
Net sales by business 1-3/2013



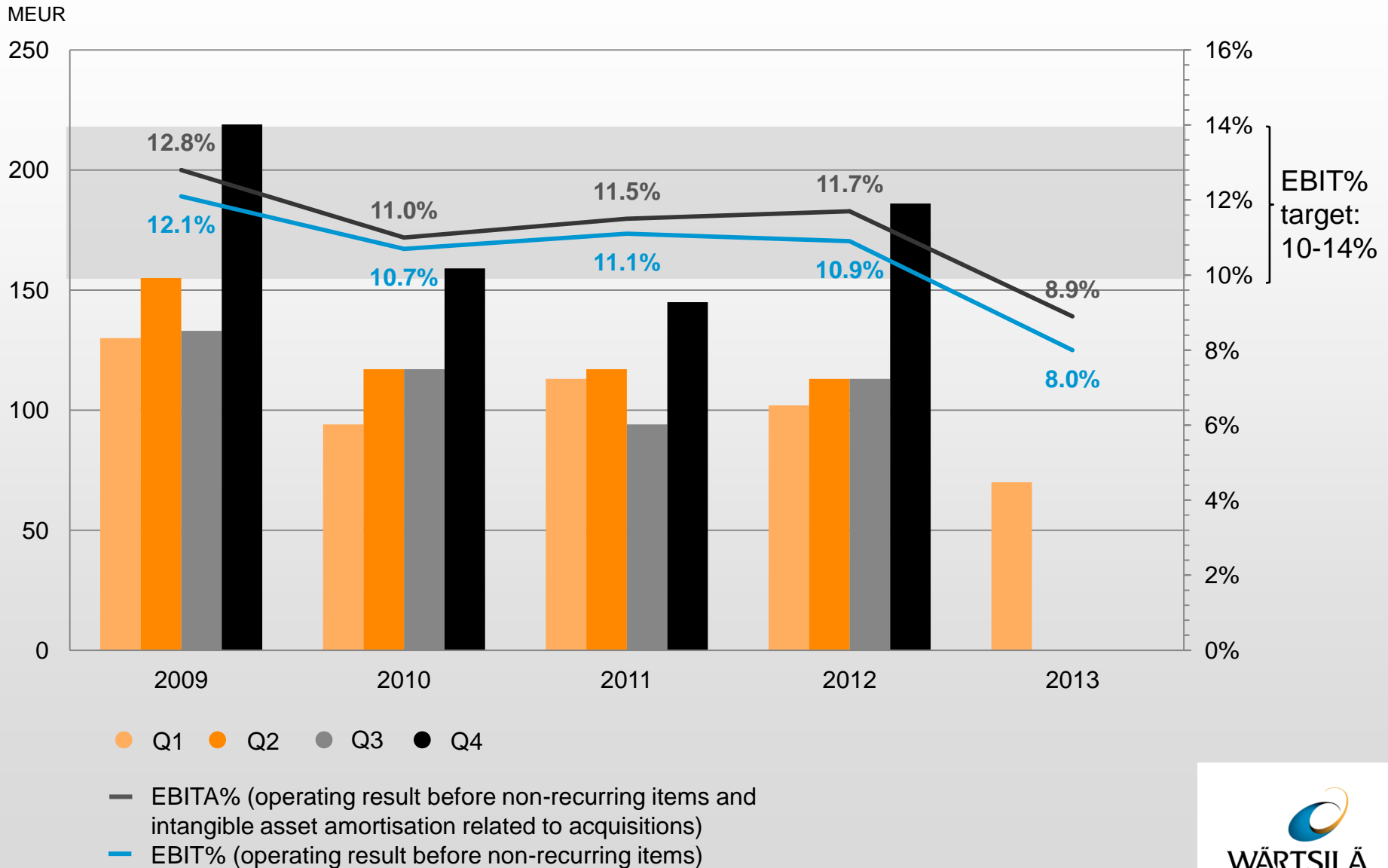
Book-to-bill ratio remains above one



Solid order book supports prospects



Profitability impacted by low level of deliveries



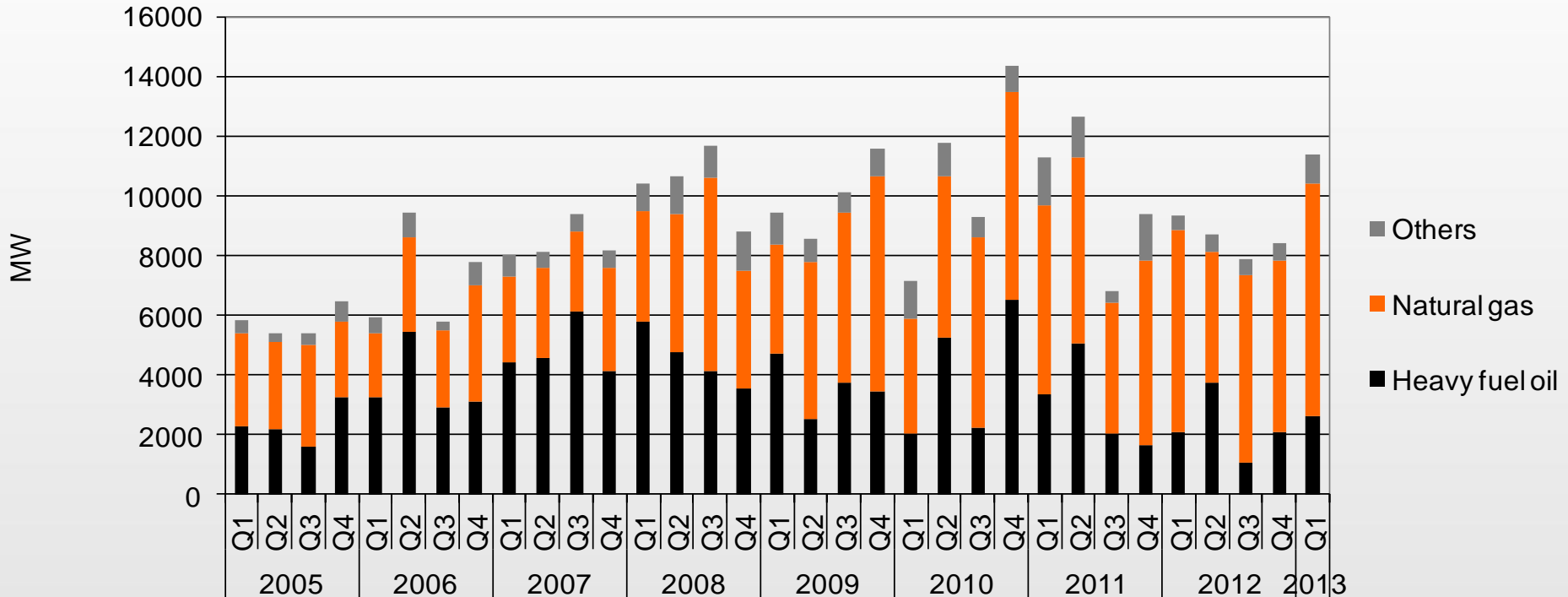


”

**Power Plants
order intake
increased by 31%**

Quotation activity remains focused on gas

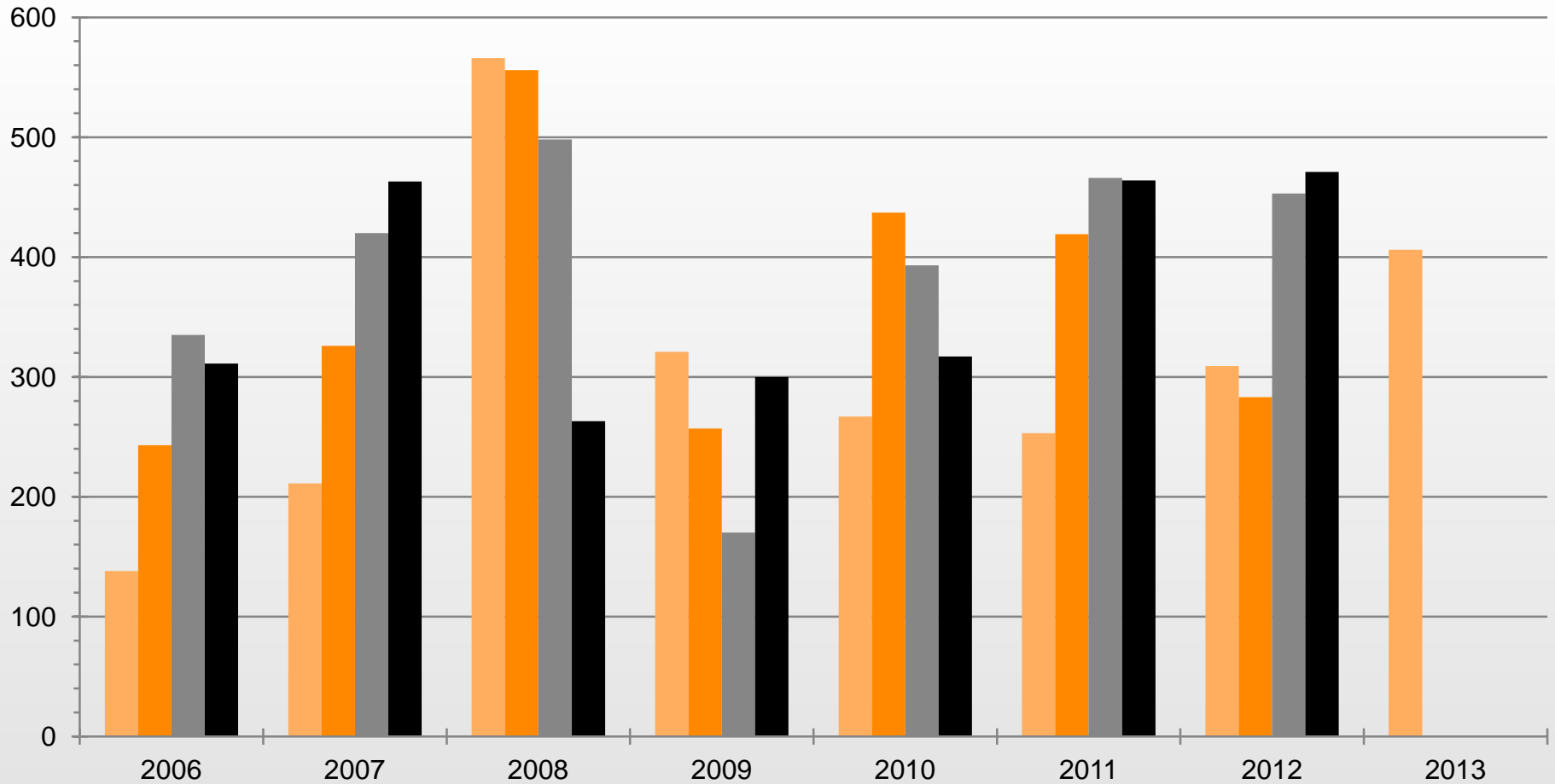
Quoted MW per Fuel Type



Share of natural gas is consistently increasing

Power Plants order intake

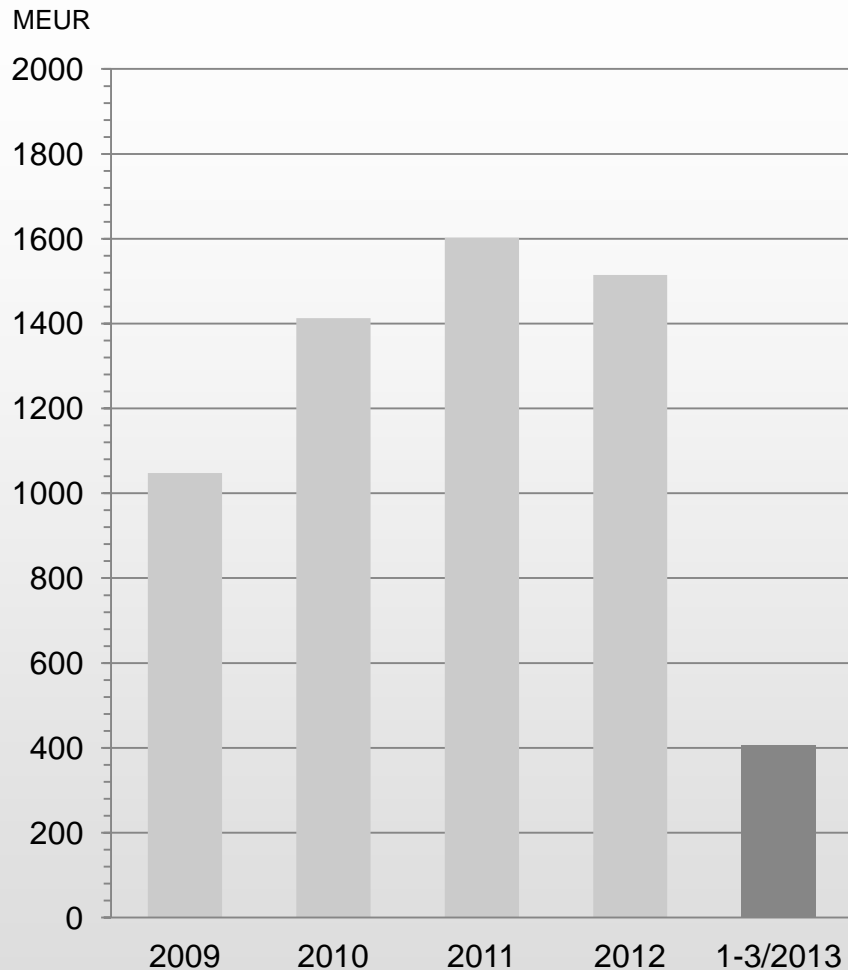
MEUR



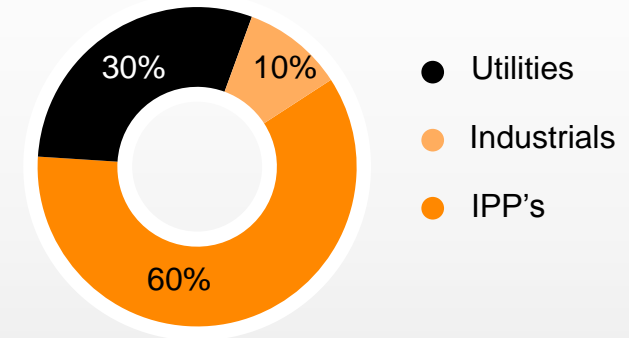
● Q1 ● Q2 ● Q3 ● Q4



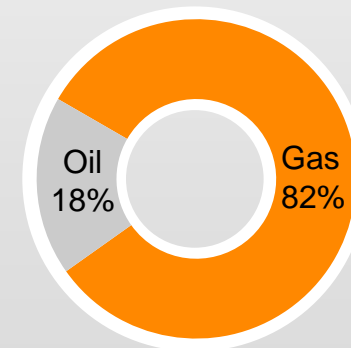
Power Plants order intake by customer segment



First quarter development
Total EUR 406 million (309)



Q1/2013 order intake by fuel in MW



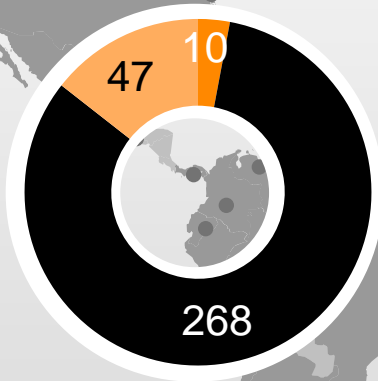
Major power plant order from USA



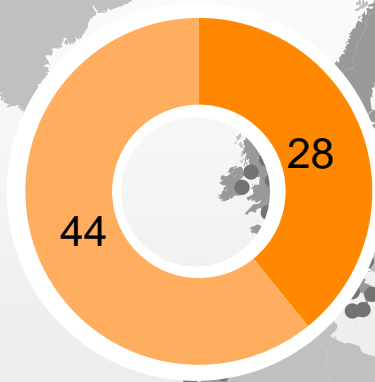
- Order to supply the generating sets and related auxiliary equipment for a new 220 MW power plant in Oregon, USA
- Scope of supply 12 Wärtsilä 50SG natural gas fuelled engines
- Scheduled to be fully operational by 2015
- Wärtsilä 50SG engines offer high efficiency and operational flexibility to be able to accommodate and control rapidly changing input levels of renewable energy sources

Power Plants - global order intake

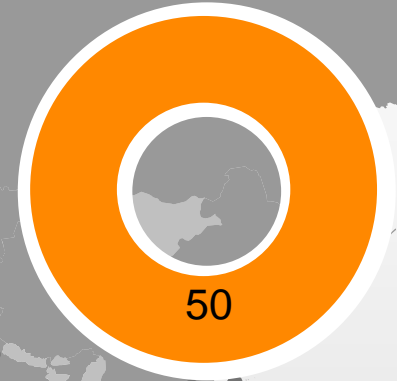
Americas 324 (257)



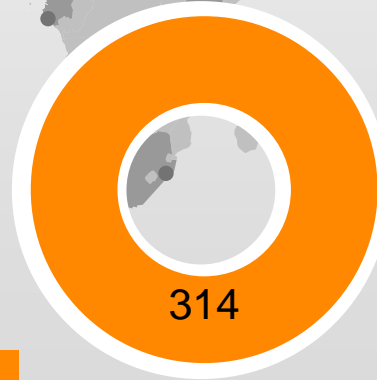
Europe 72 (5)



Asia 50 (212)

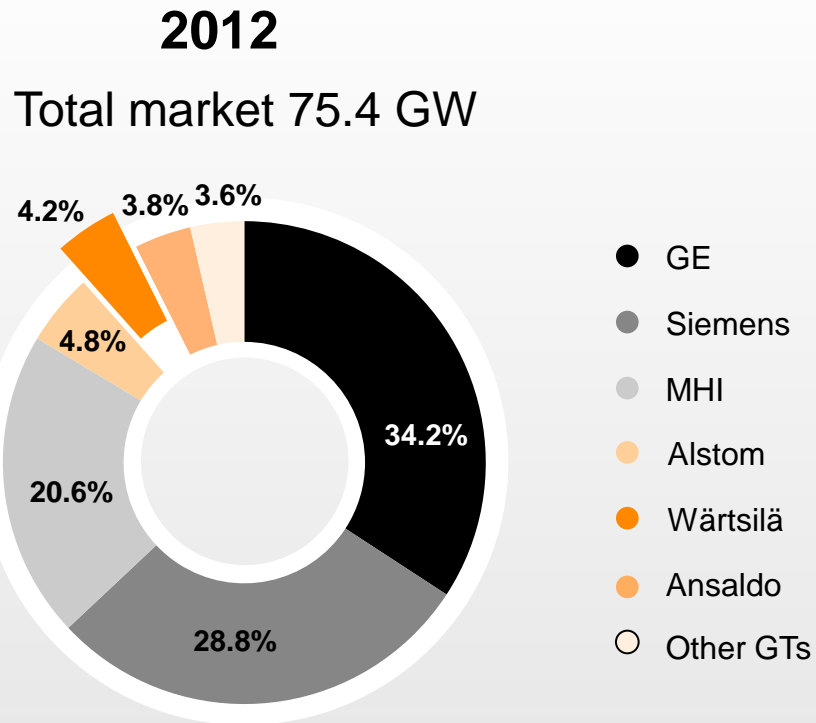


Africa and Middle East 314 (134)



Order intake 1-3/2013: 760 MW (608)

Market for gas and liquid based power plants



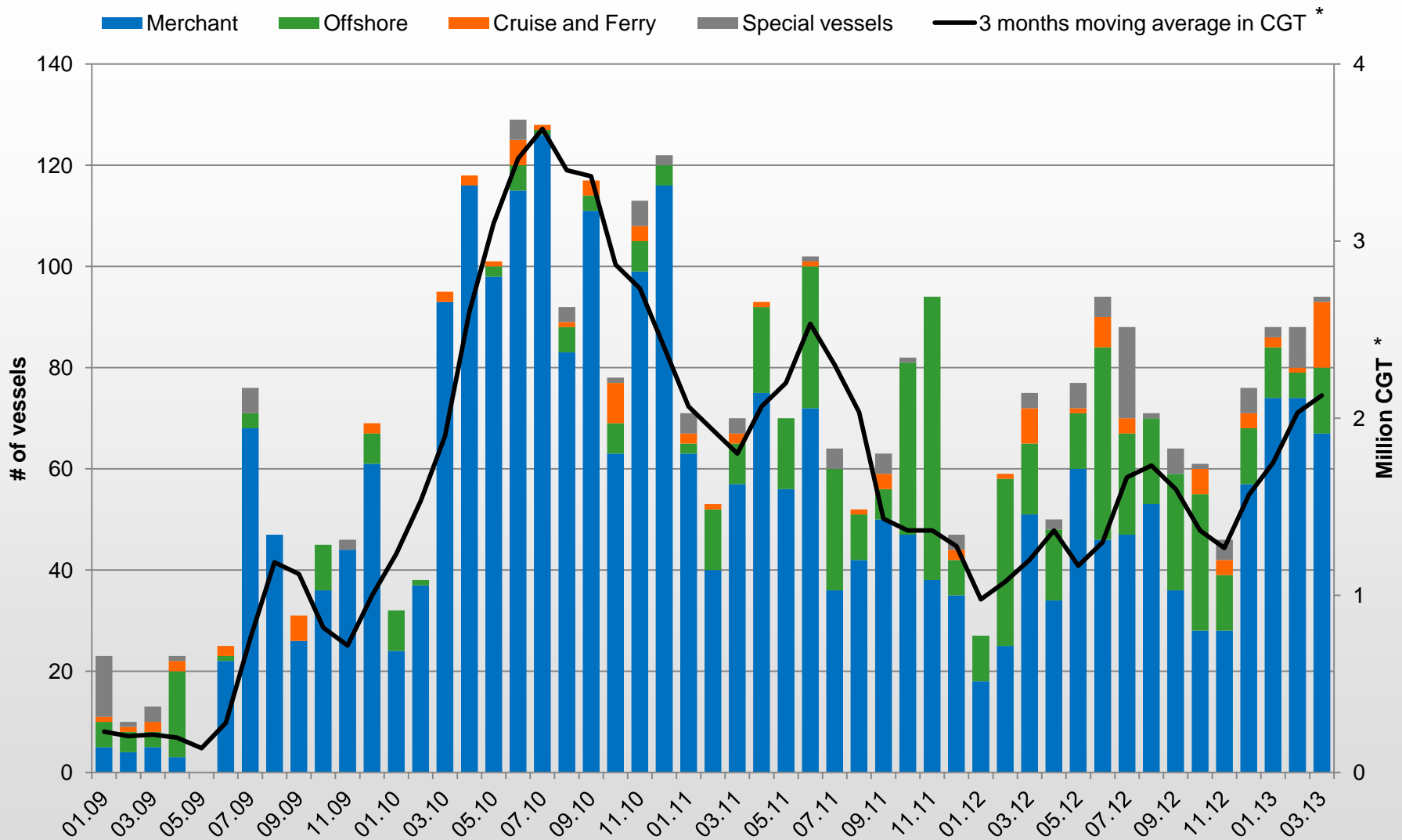
Includes all Wärtsilä power plants and other manufacturers' gas and liquid fuelled power plants with prime movers above 5MW, as well as estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report. Other combustion engines not included. In engine technology Wärtsilä has a leading position.



”

**Robust activity in
offshore and
specialised vessels**

Vessel order development

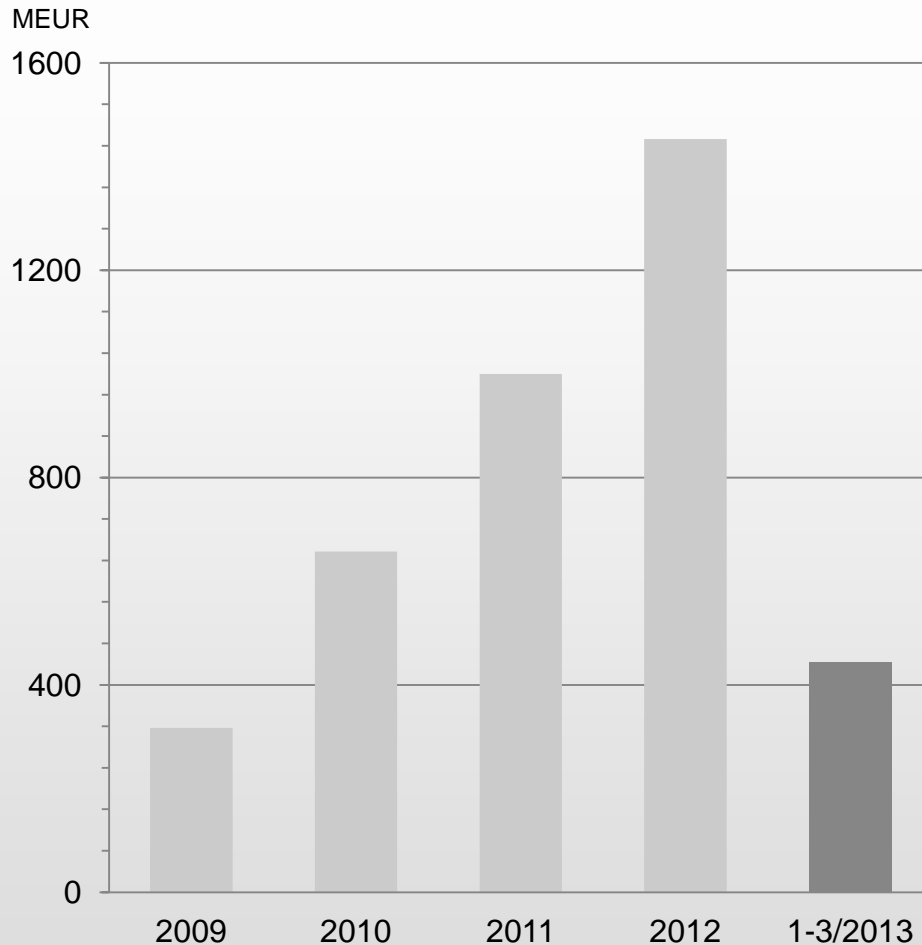


Source: Clarkson Research Services

* CGT= gross tonnage compensated with workload

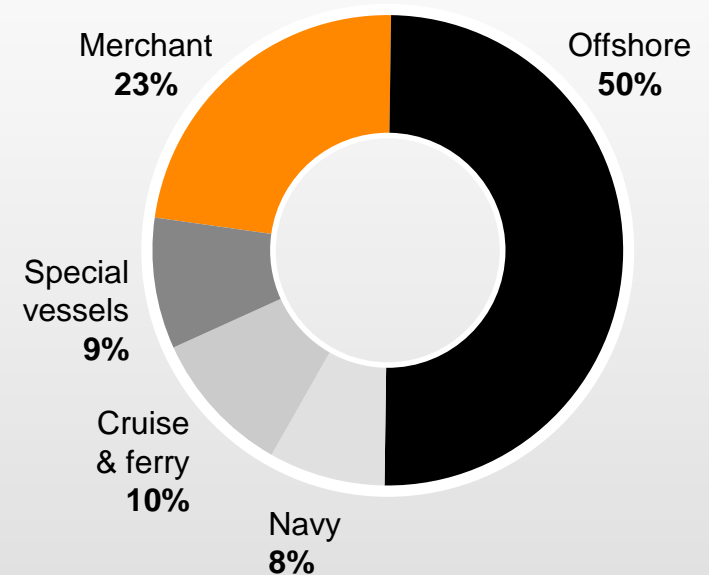


Ship Power order intake increased by 60%



First quarter development

Total EUR 443 million (276)

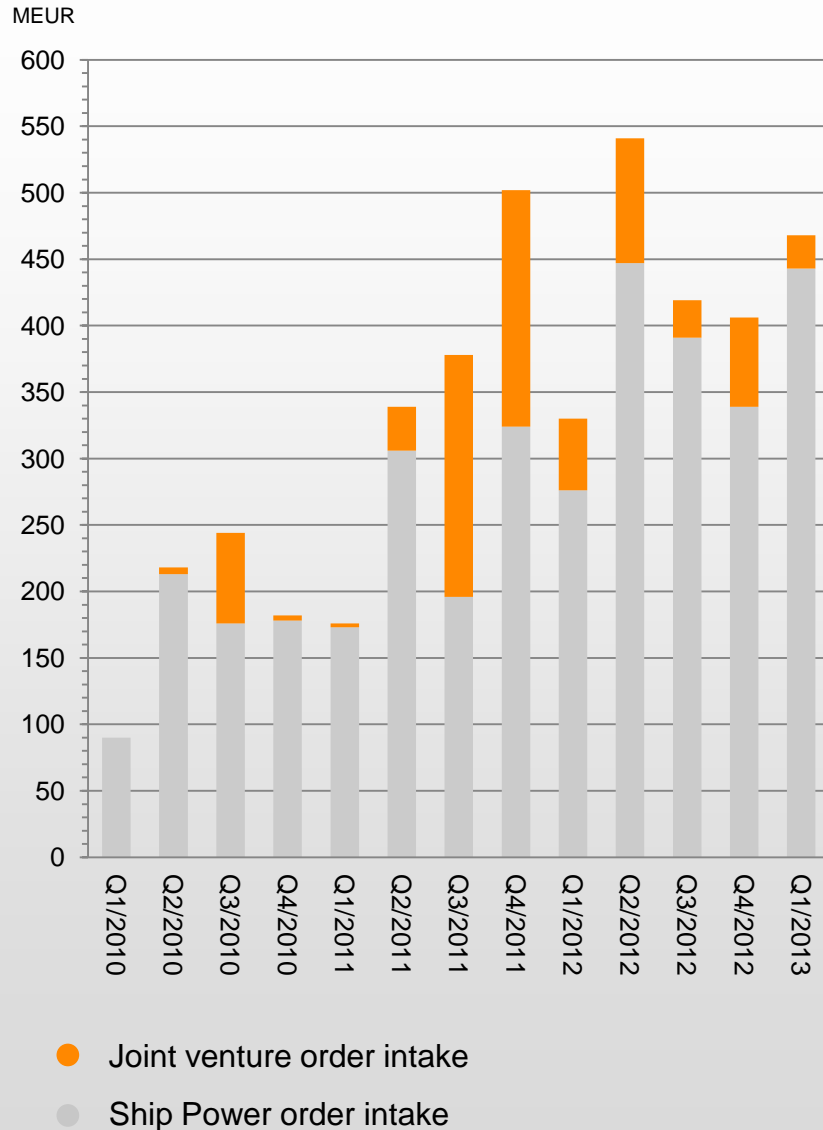


Repeat order from Messina for exhaust gas cleaning systems



- Order to supply exhaust gas cleaning systems for four new Container Ro/Ro vessels being built for Ignazio Messina & Co, Italy
- The systems will enable compliance with both current and pending environmental legislation
 - In SECAs 0.1% sulphur content from 2015
 - In other European waters 0.5% sulphur content from 2020
- Wärtsilä is the market leader in exhaust gas cleaning systems, with 57 systems delivered or on order for 29 vessels.

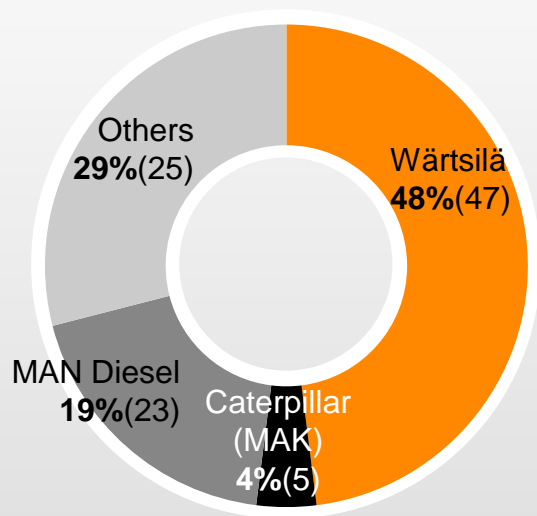
Joint venture ordering activity



- Order intake in Wärtsilä Hyundai Engine Company Ltd in South Korea, and Wärtsilä Qiyao Diesel Company Ltd in China totalled EUR 25 million (54) during the review period January-March 2013
- Wärtsilä's share of ownership in these companies is 50%, and the results will be reported as a share of the result of associates and joint ventures

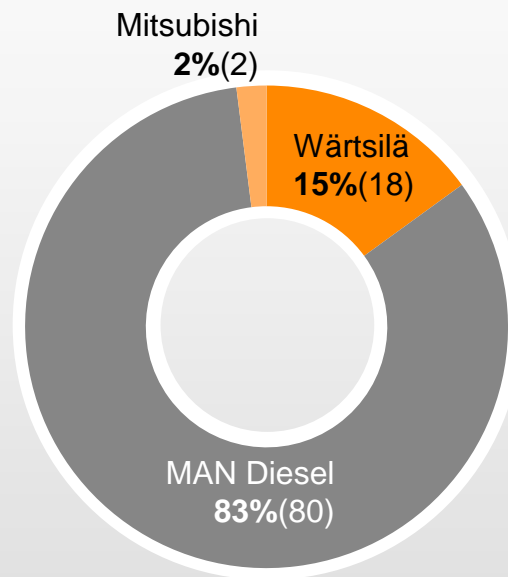
Market position of Wärtsilä's marine engines

Medium-speed main engines



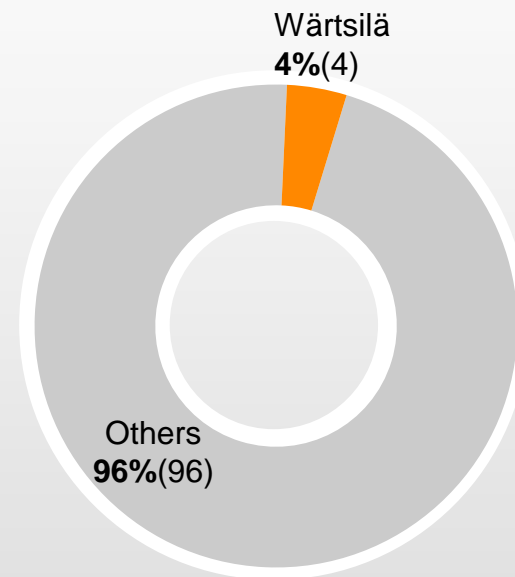
Total market volume last 12 months:
4,691 MW (4,356)

Low-speed main engines



Total market volume last 12 months:
9,569 MW (11,107)

Auxiliary engines



Total market volume last 12 months:
3,728 MW (3,585)

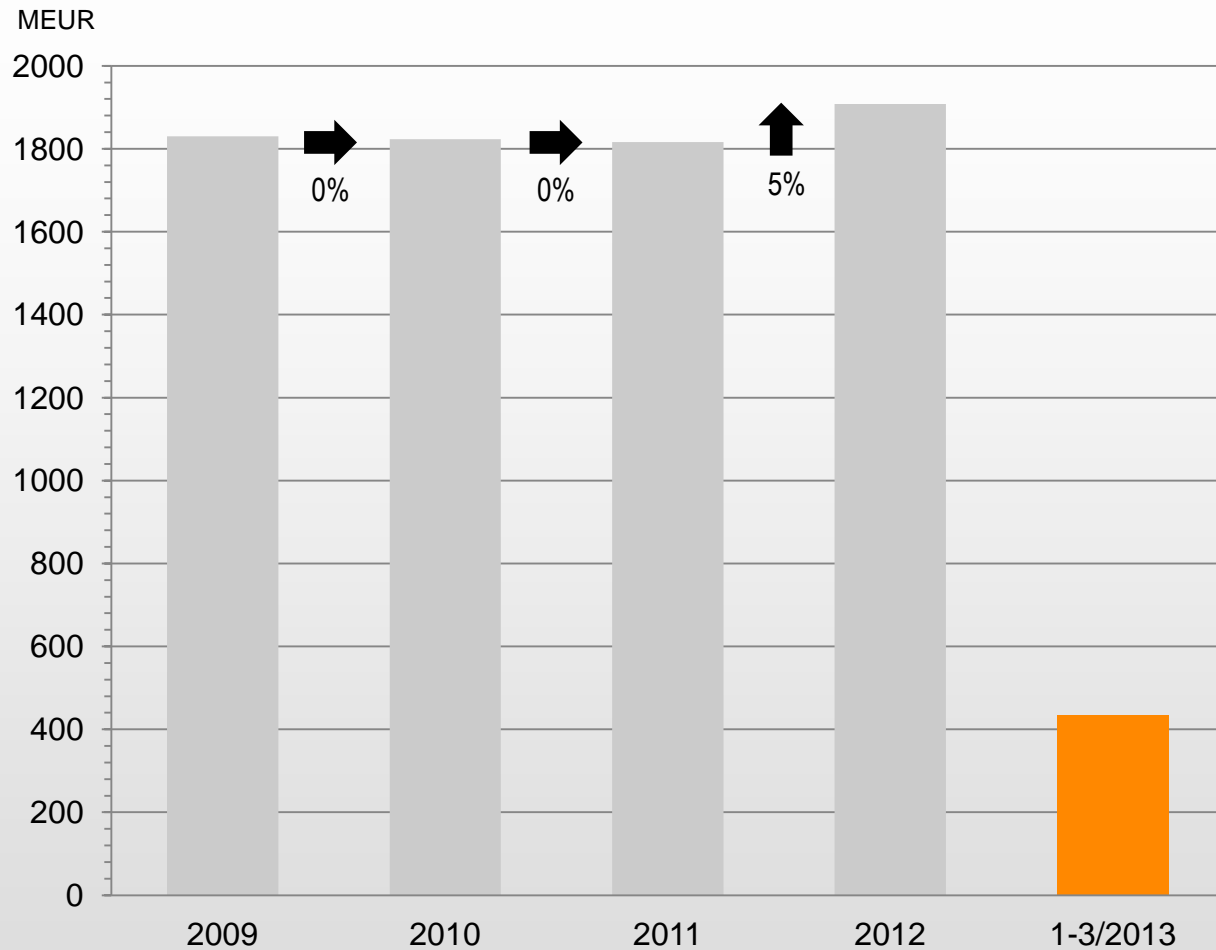
Wärtsilä's market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous quarter. Wärtsilä's own calculation is based on Marine Market Database.

A dark, monochromatic photograph of industrial machinery, featuring large pipes, valves, and structural components. The lighting is dramatic, highlighting the metallic surfaces and creating deep shadows. The overall tone is professional and technical.

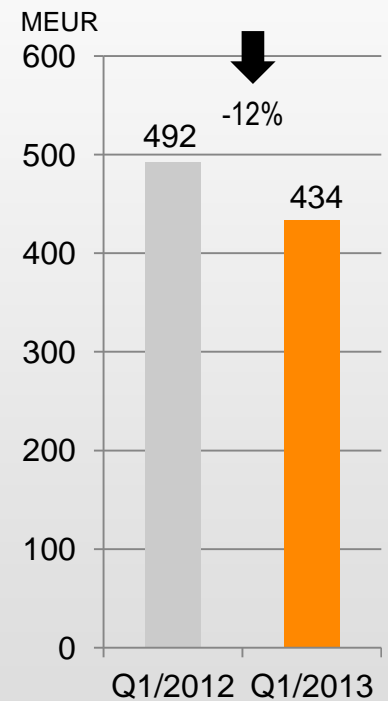
”

**Service market
outlook remains
stable**

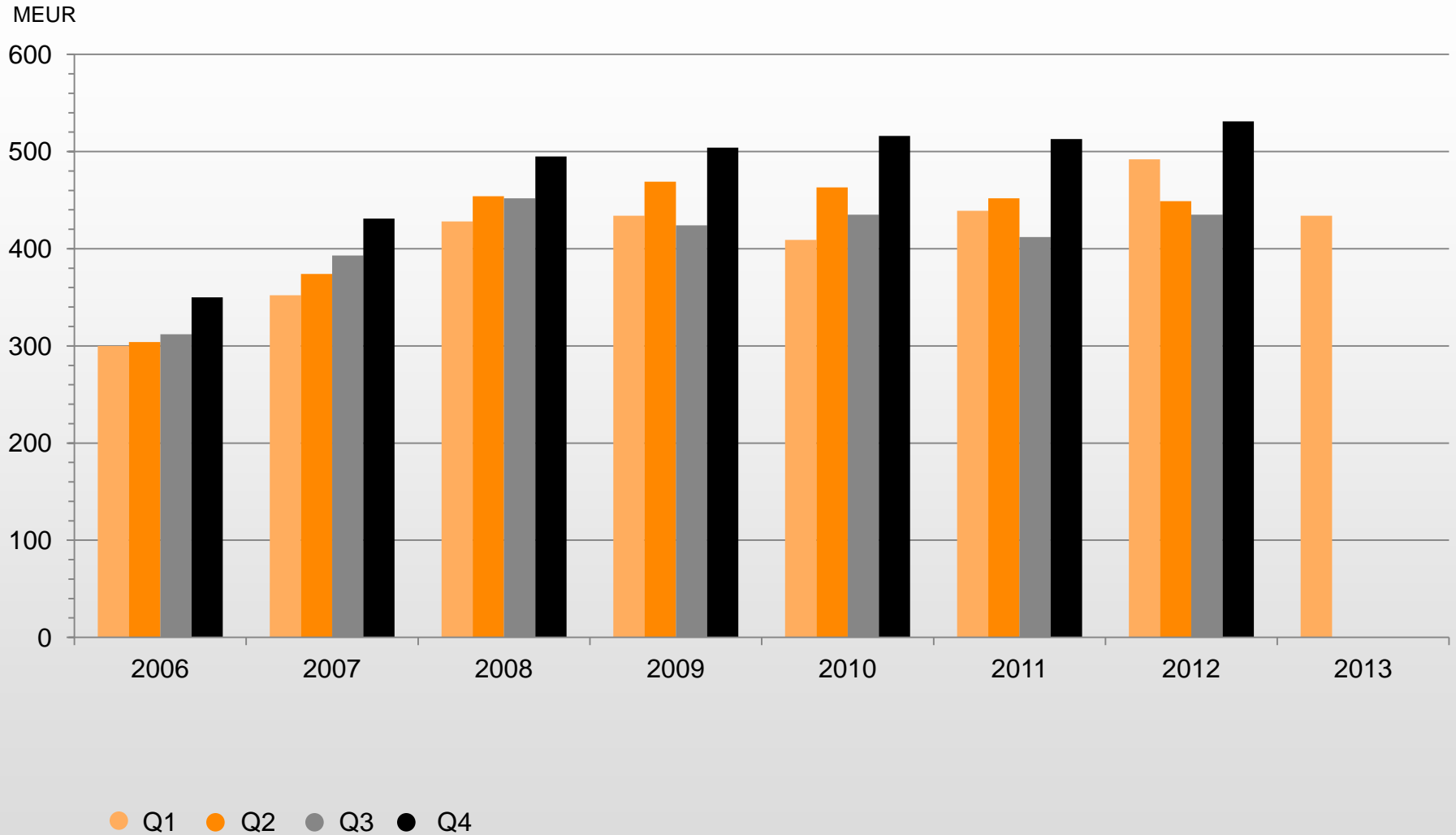
Services net sales development



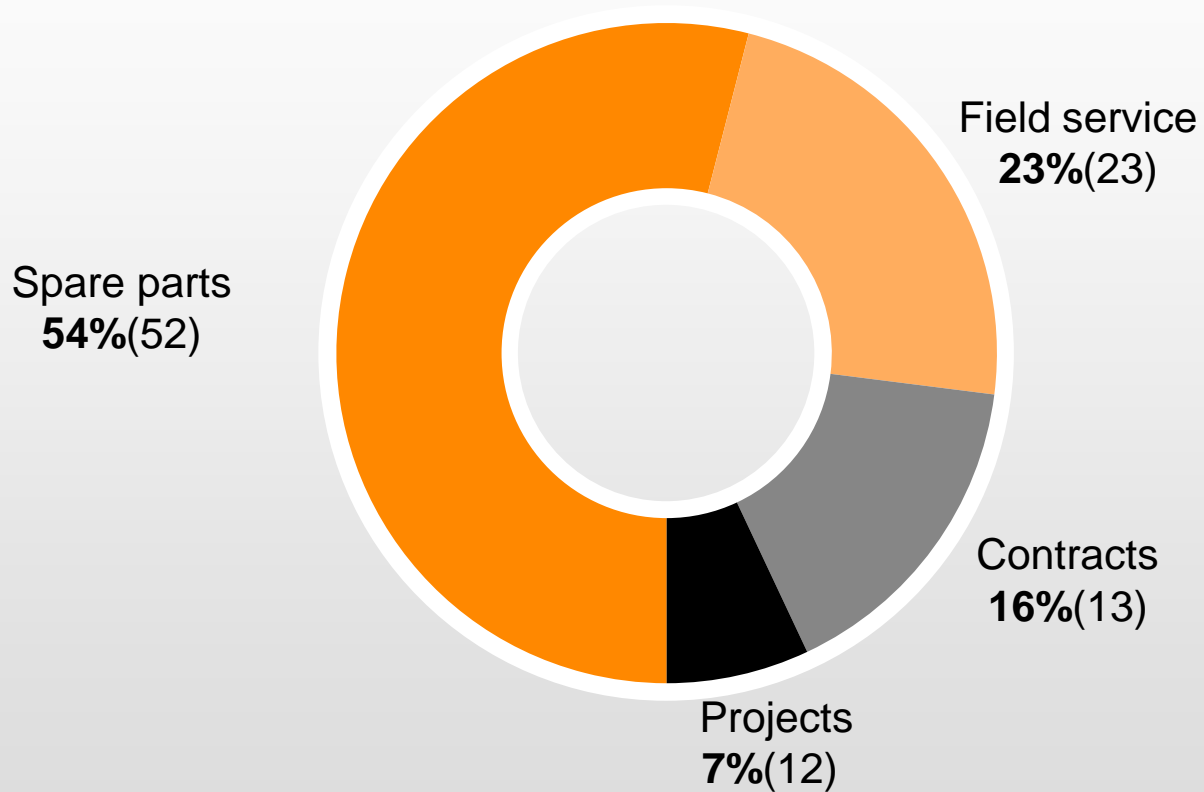
First quarter development



Services net sales by quarter



Services net sales distribution 1-3/2013



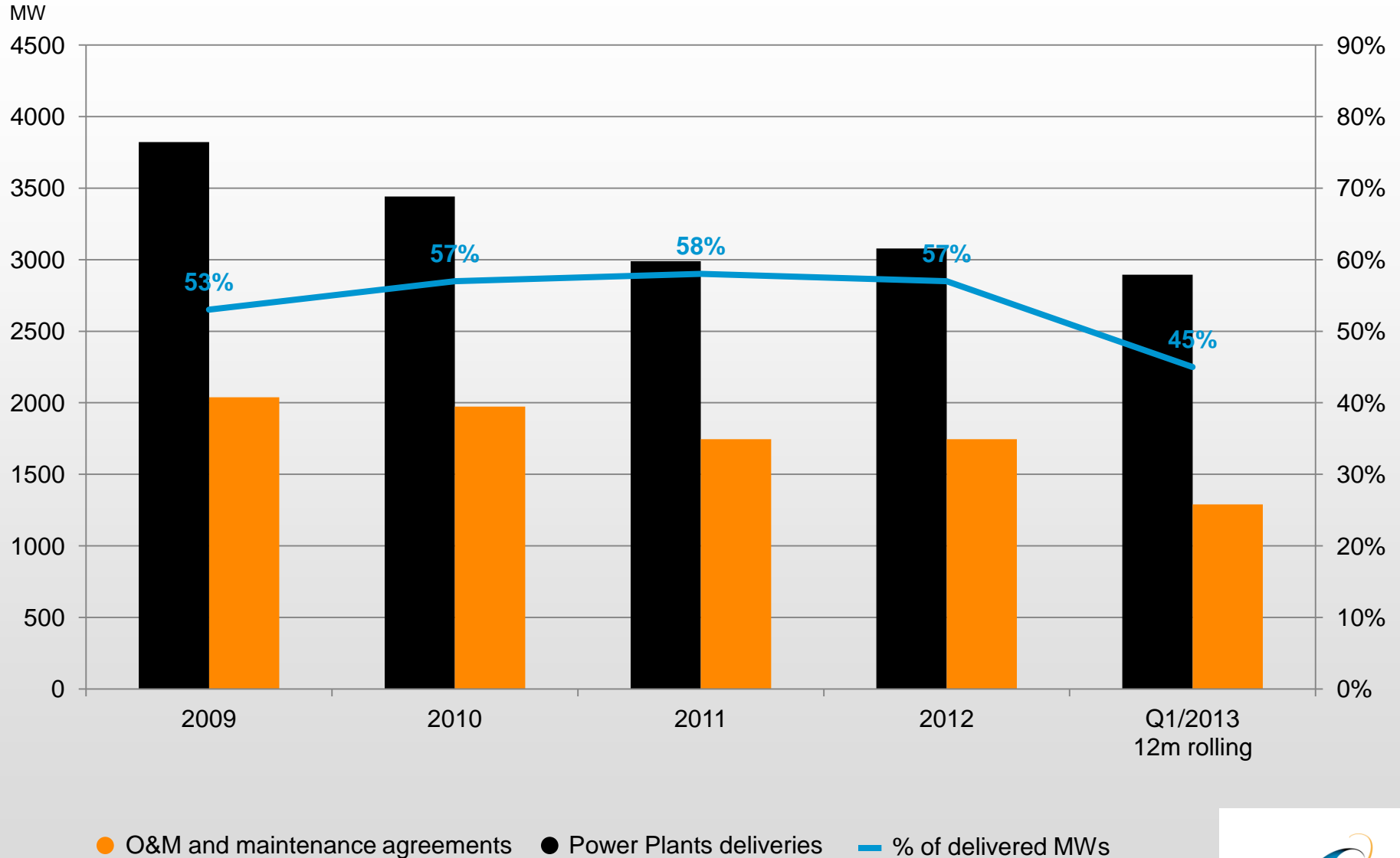
Total EUR 434 million (492)

Five year maintenance agreement for Viking Grace



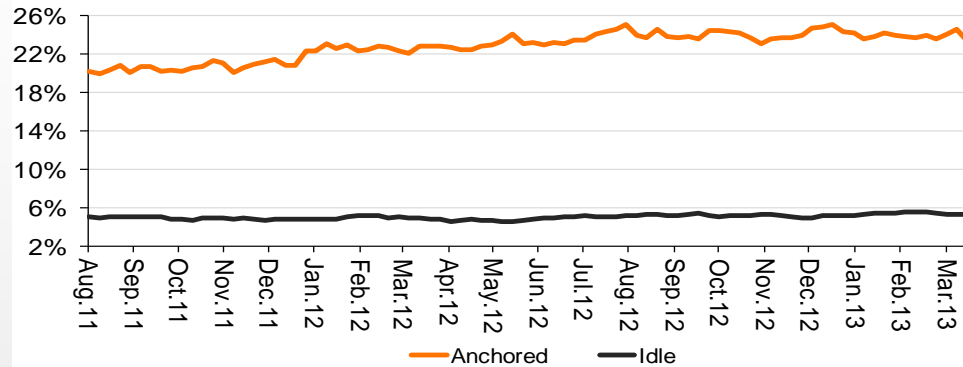
- Agreement signed for maintaining and servicing 'Viking Grace', the world's largest LNG fuelled passenger ferry
- The agreement covers four Wärtsilä 50DF engines and the Wärtsilä LNGPac gas system's safety valves
- Target to extend maintenance intervals, optimise spare parts logistics, and lower operating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

Development of Power Plants service agreements

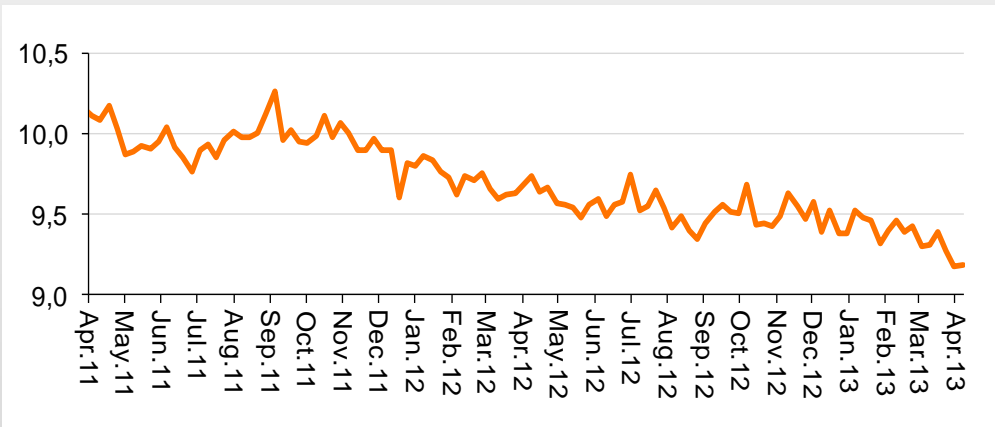


Fleet utilisation

Anchored* & Idle Vessels, % of fleet**



Fleet Average Speed*, knots**

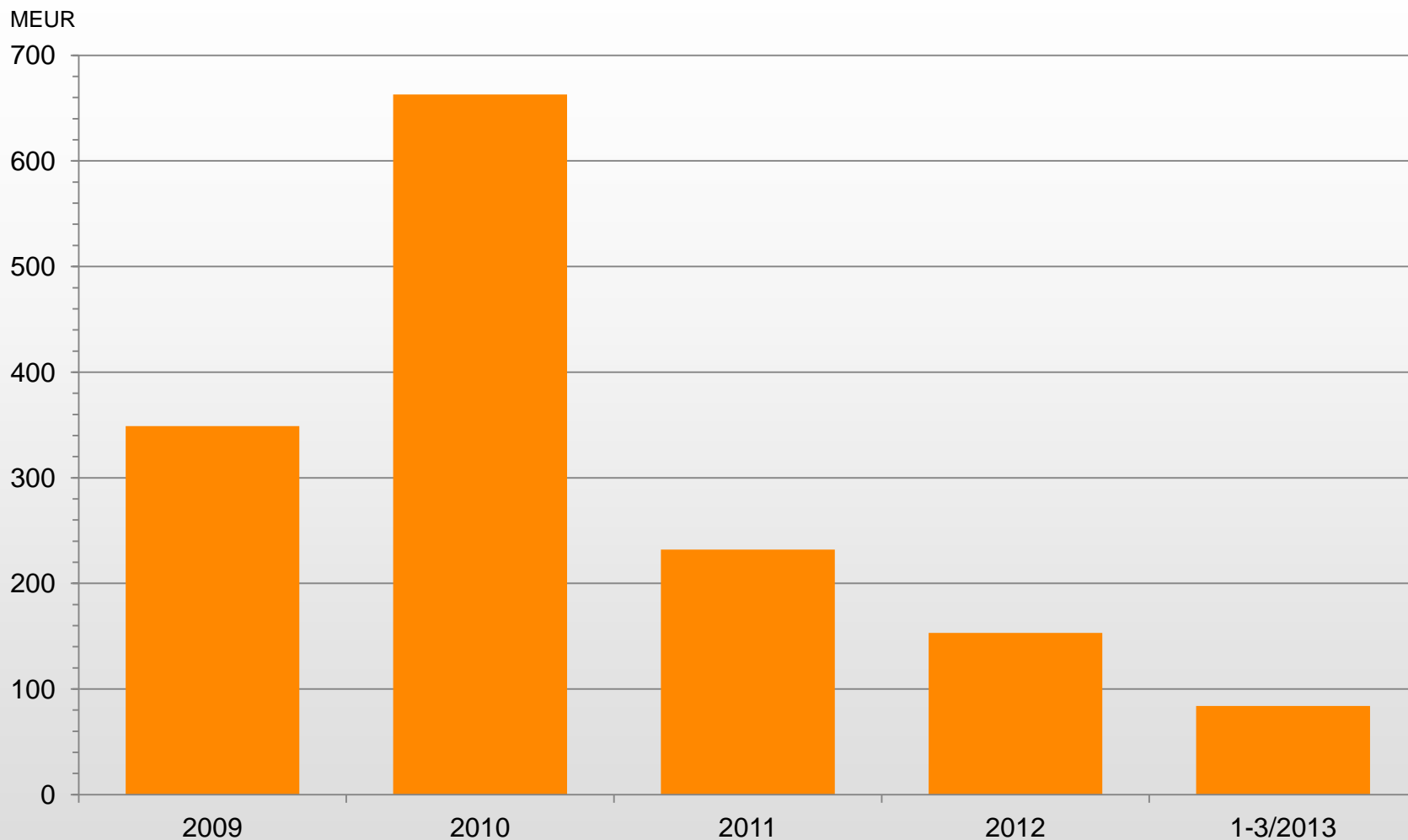


* Source Bloomberg (AISLive). More than 25,000 vessels (>299 GT) covered.

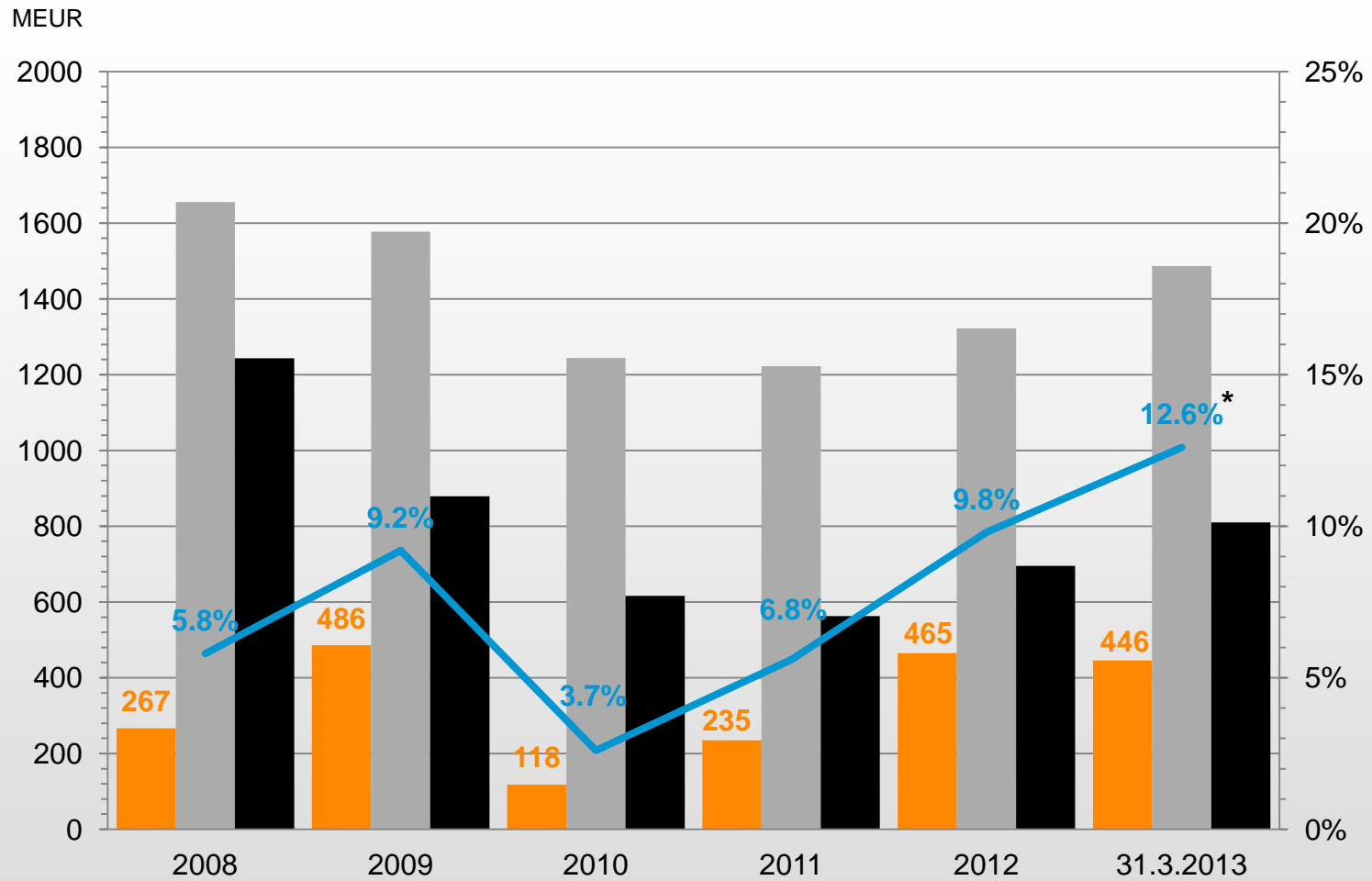
** Idle (no movement for 19 days for containerhips, others 35 days). Source Lloyd's MIU. Around 15,000 vessels (>299 GT) covered.

*** Source Bloomberg

Cash flow from operating activities



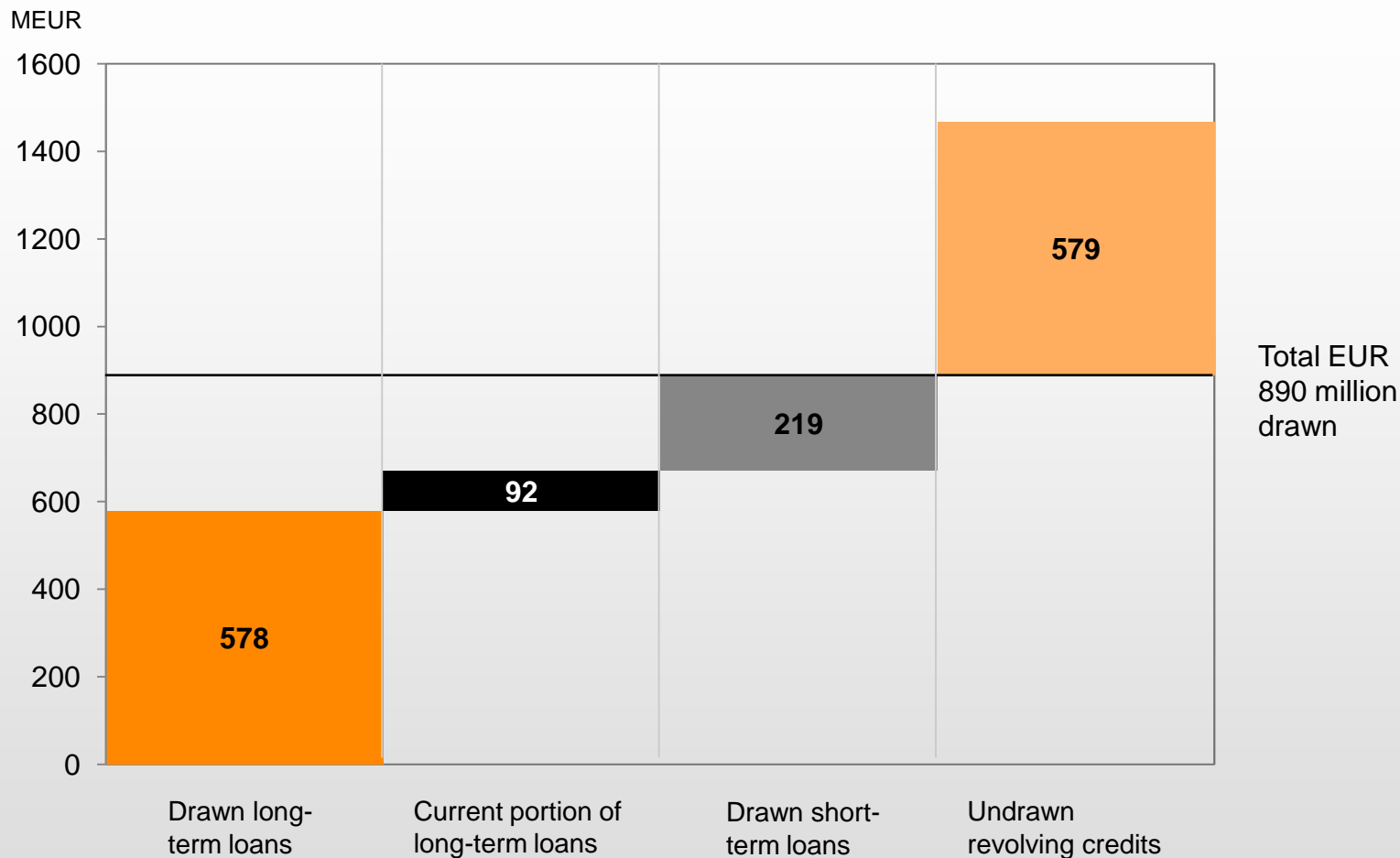
Net working capital development



● Net Working Capital
 ● Total Inventories
 ● Advances Received
 — Net Working Capital / Net sales

* Working Capital / Annualised Net Sales

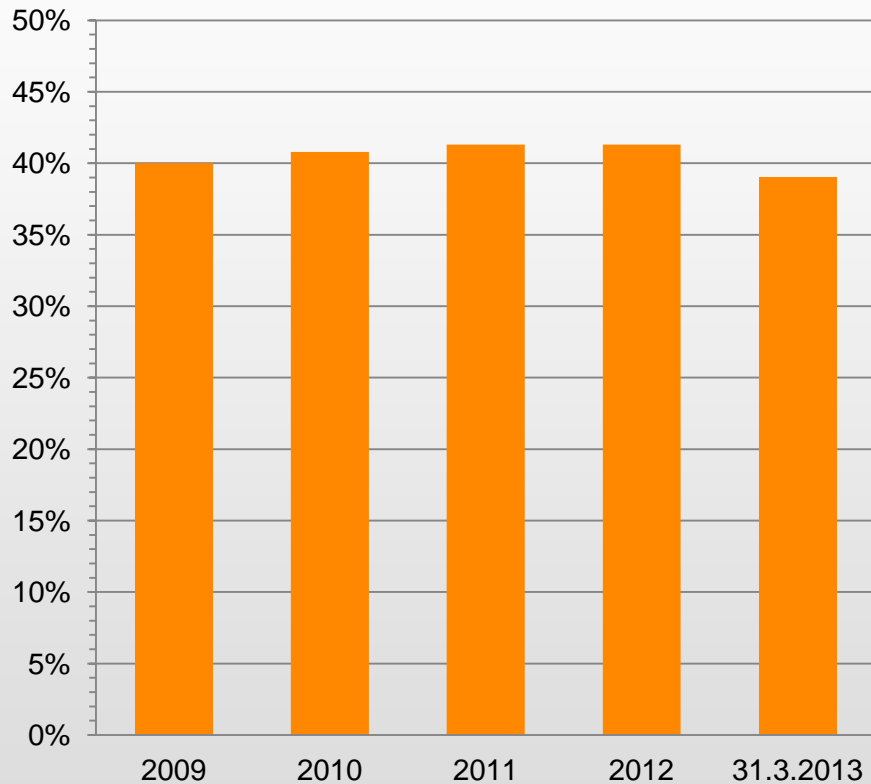
Committed loans 31 March 2013



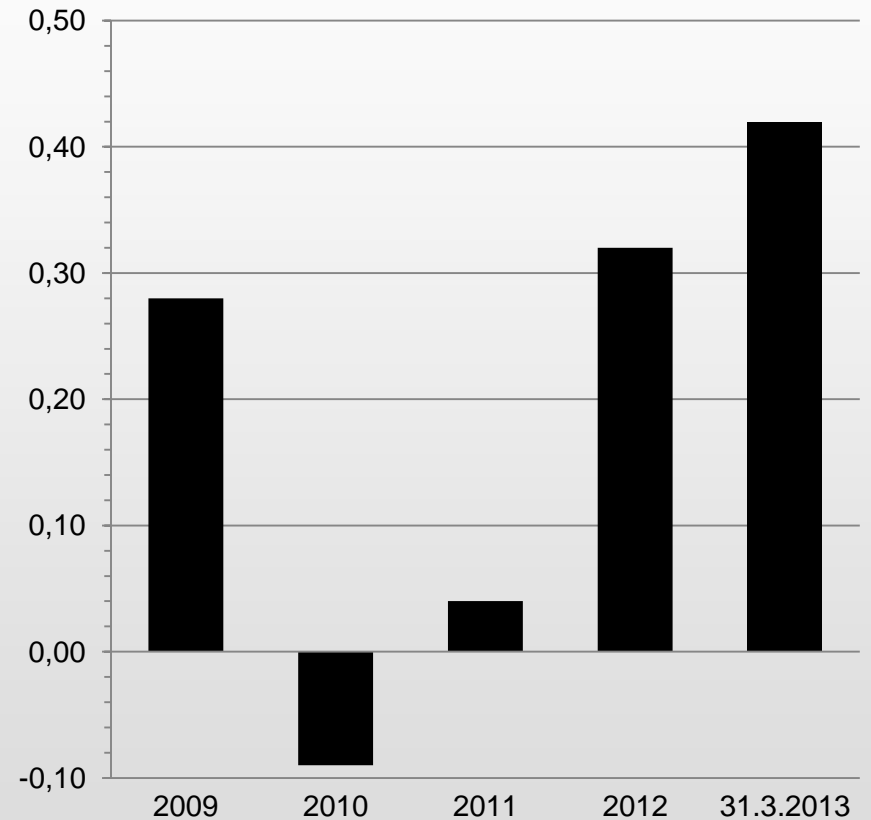
At the end of the reporting period, drawn revolving credits amounted to 0 euro. Drawn short-term loans include EUR 197 million Finnish Commercial Papers. The total amount of Finnish Commercial Paper Programs was EUR 700 million (uncommitted).

Financial position

Solvency



Gearing





- **Power Plants:** The overall market for natural gas and liquid fuel based power generation in 2013 is expected to be similar to 2012.
- **Ship Power:** The outlook for the shipping and ship building market in 2013 is cautious, although market conditions are expected to be better than in 2012. The contracting mix is expected to be in line with that seen in 2012, favouring contracting in the offshore and specialised vessel segments.
- **Services:** The overall service market outlook remains stable despite the slower start in 2013 compared to 2012.

Prospects for 2013 unchanged

”

Wärtsilä expects its net sales for 2013 to grow by 0-10% and its operational profitability (EBIT% before non-recurring items) to be around 11%.



WÄRTSILÄ

IR Contact:

Natalia Valtasaari

Director, Investor Relations

Tel. +358 (0) 40 187 7809

E-mail: natalia.valtasaari@wartsila.com

WARTSILA.COM