

WÄRTSILÄ CORPORATION BANK OF AMERICA MERRILL LYNCH

18 MARCH 2016

**Jaakko Eskola,
President & CEO**



ENERGY SOLUTIONS 22%

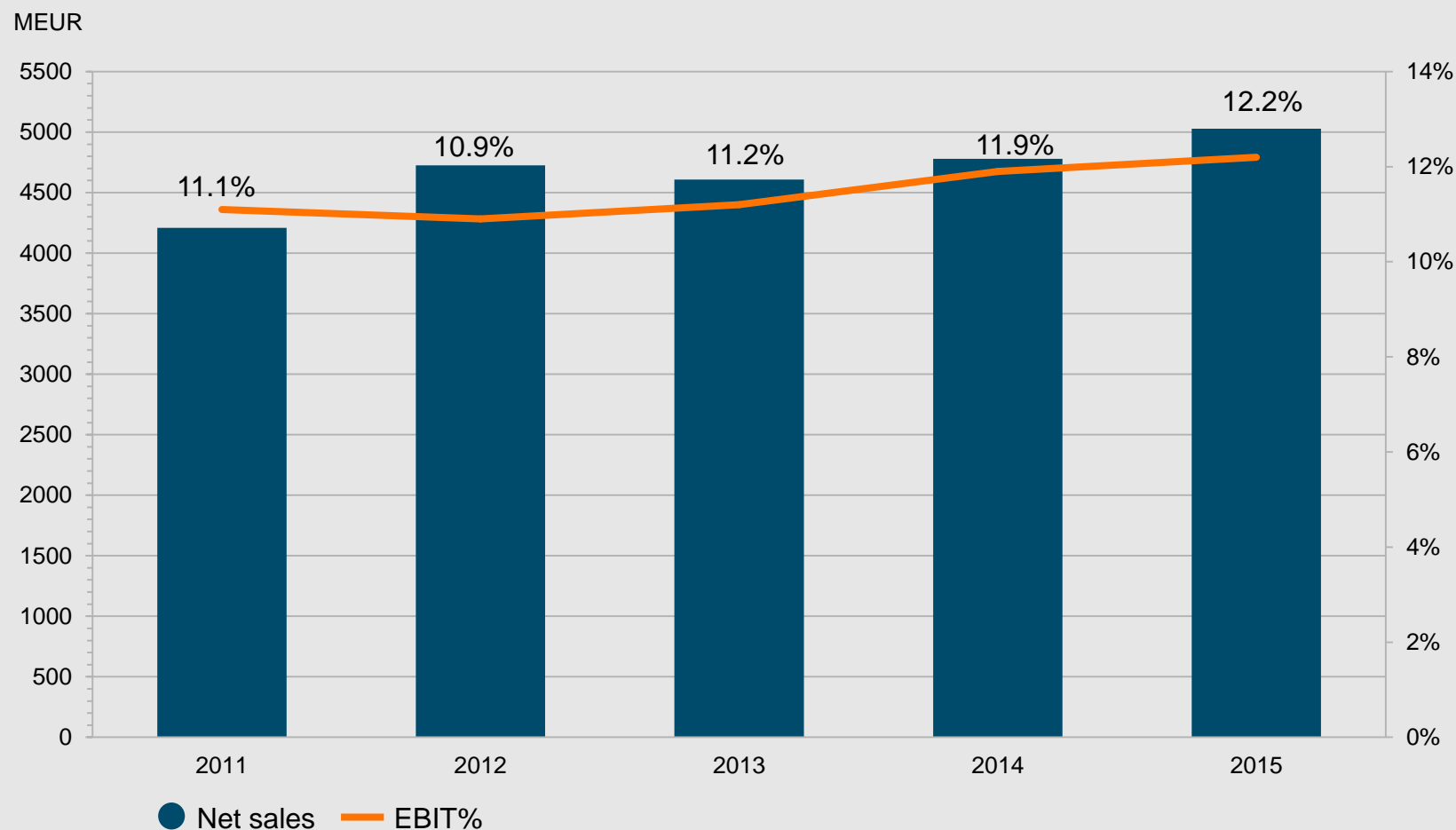


MARINE SOLUTIONS 34%



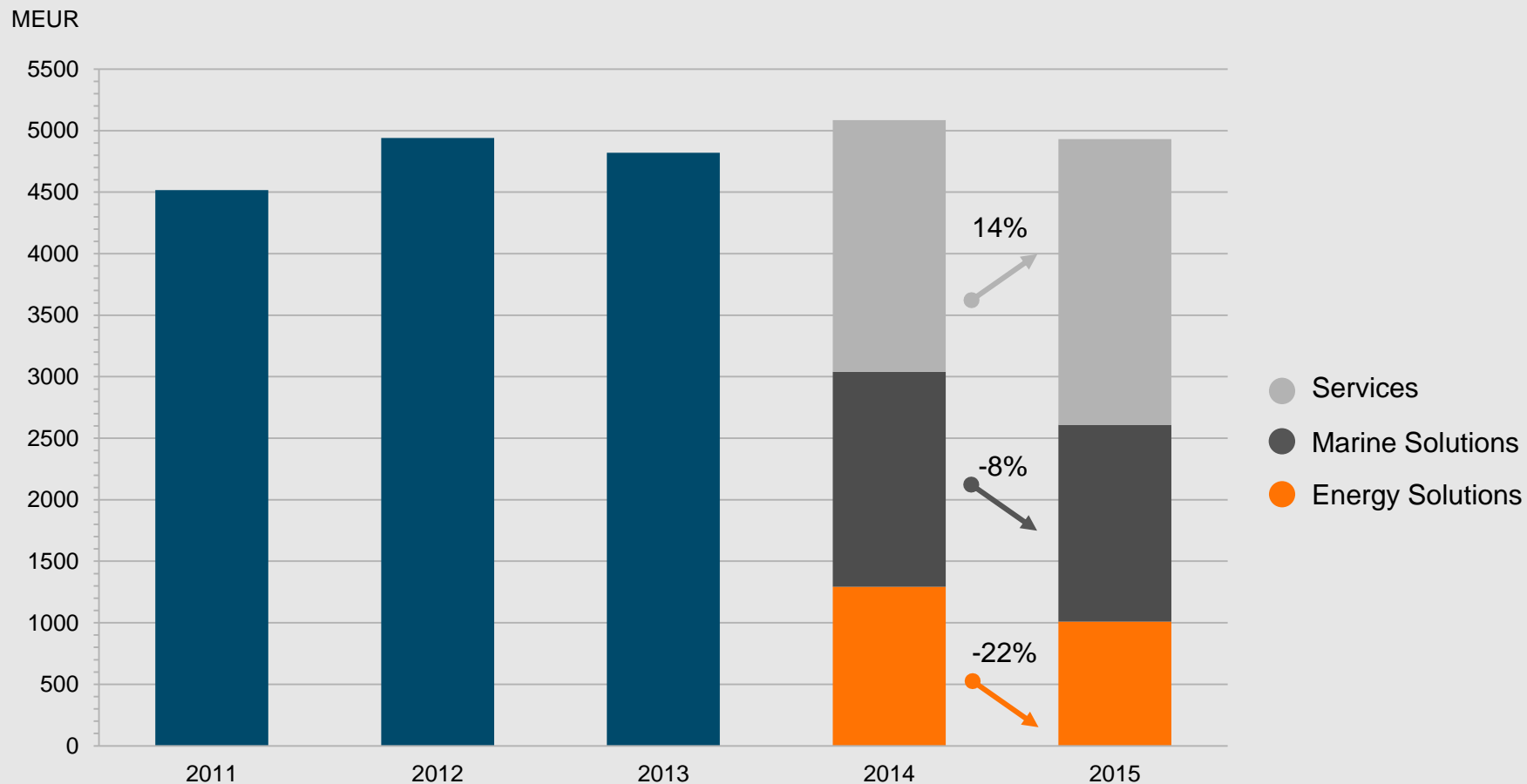
SERVICES 43%

Net sales and profitability



EBIT is shown before non-recurring items. Figures for 2011-2013 include both discontinued and continuing operations.

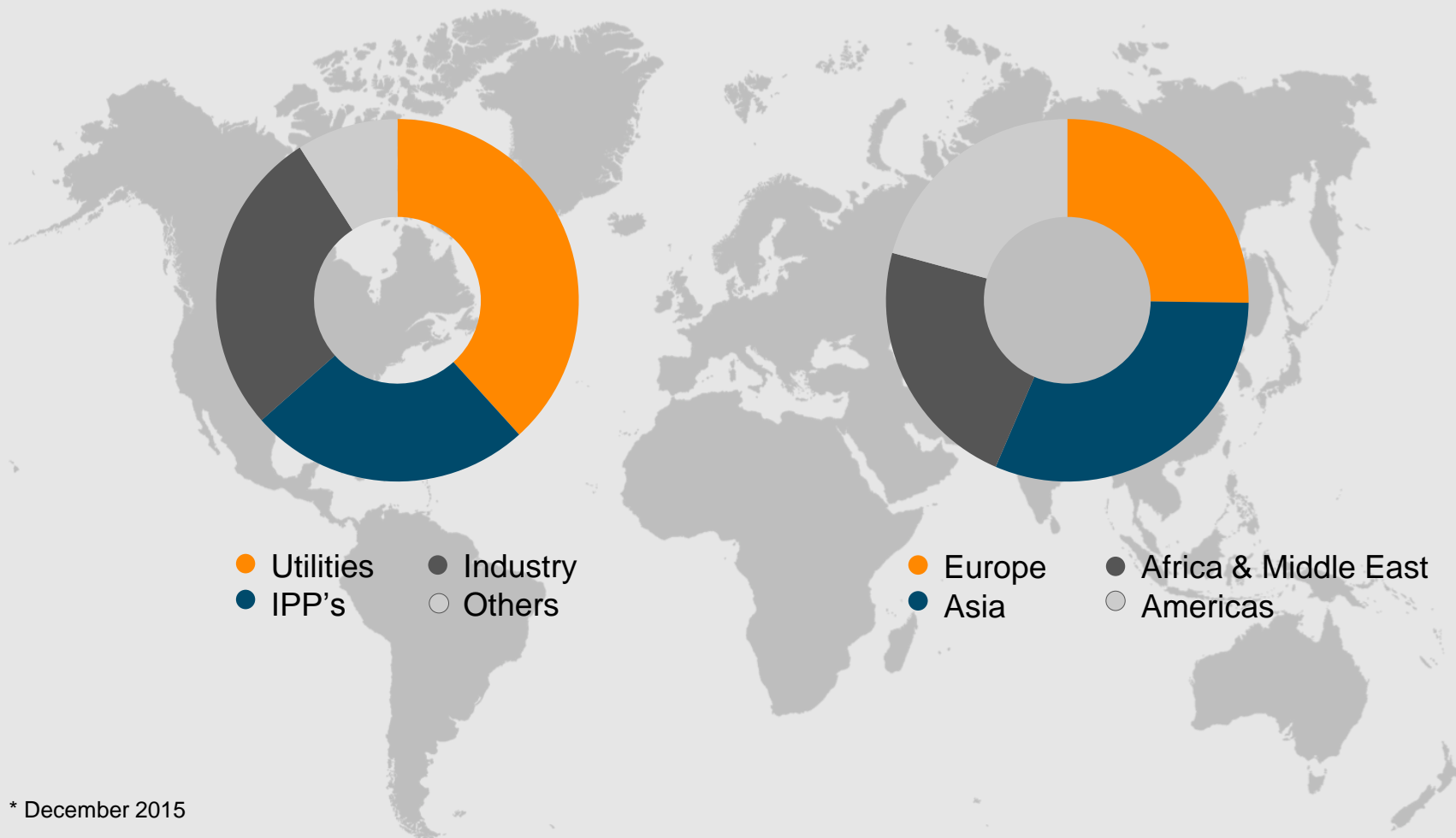
Order intake



We aim for faster than market growth



58 GW of installed power plant capacity in 175 countries



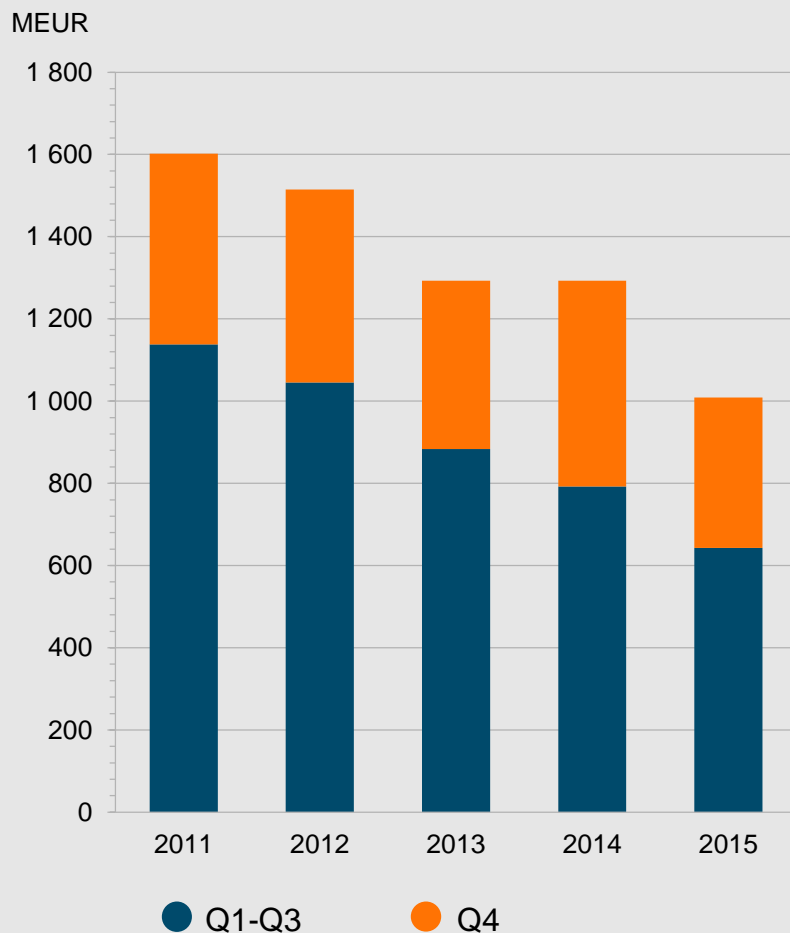
* December 2015

Market trends & drivers

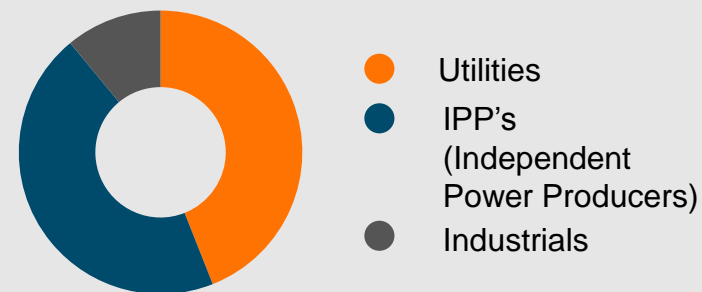
- Economic growth, electrification and increased standard of living
- Demand for sustainability and reducing carbon emissions
- Rapid growth of intermittent renewable generation and escalating demand fluctuation
- Increasing role of natural gas
- Ageing installed capacity



Order intake



Development 2015
Total EUR 1,009 million (1,293)

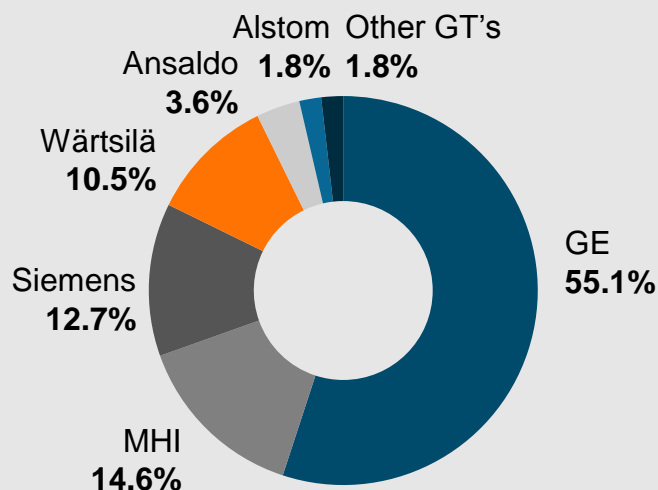


Order intake by fuel in MW

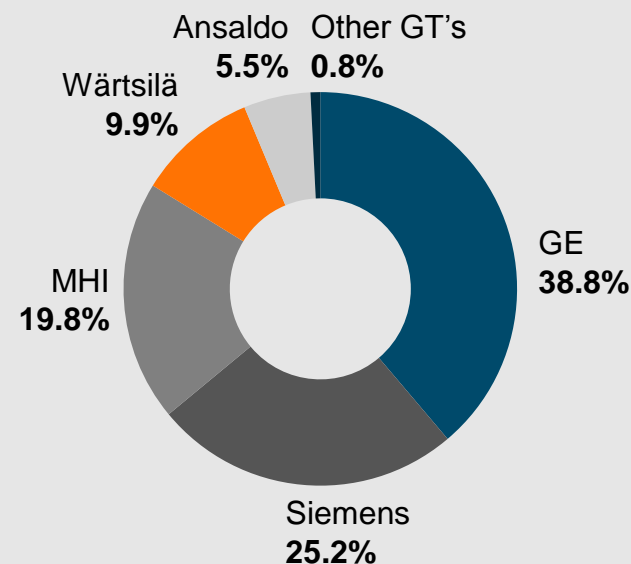


Market for gas and liquid fuel power plants, <500 MW

1-9/2014



1-9/2015



<500 MW market volume: 17.0 GW (16.5), +3%

Total market volume: 43.9 GW (37.7), +16%

Market data includes all Wärtsilä power plants and other manufacturers' gas and liquid fueled gas turbine based power plants with prime movers above 5 MW, 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.

Strategic goals



Grow strongly in large utility gas power plants



Maintain leading position in flexible baseload power plants



Grow in small to medium scale LNG infrastructure projects

THE MOST COMPLETE MARINE OFFERING ON EARTH

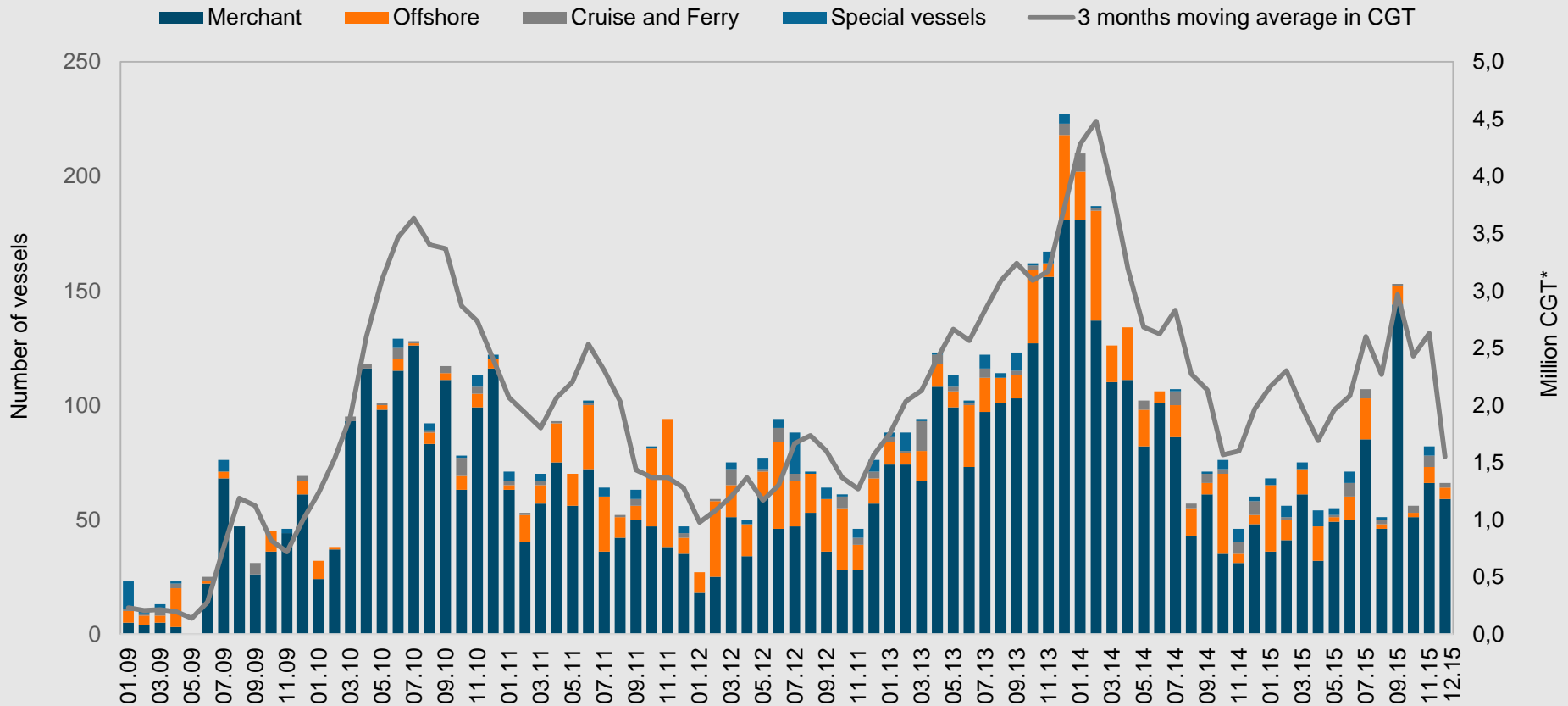


Market trends & drivers

- Marine trade and transportation growth
- Demand for environmental solutions and gas as a marine fuel
- Energy efficiency, operating performance and security
- Investments in exploration and production of offshore oil & gas impacted by oil price development



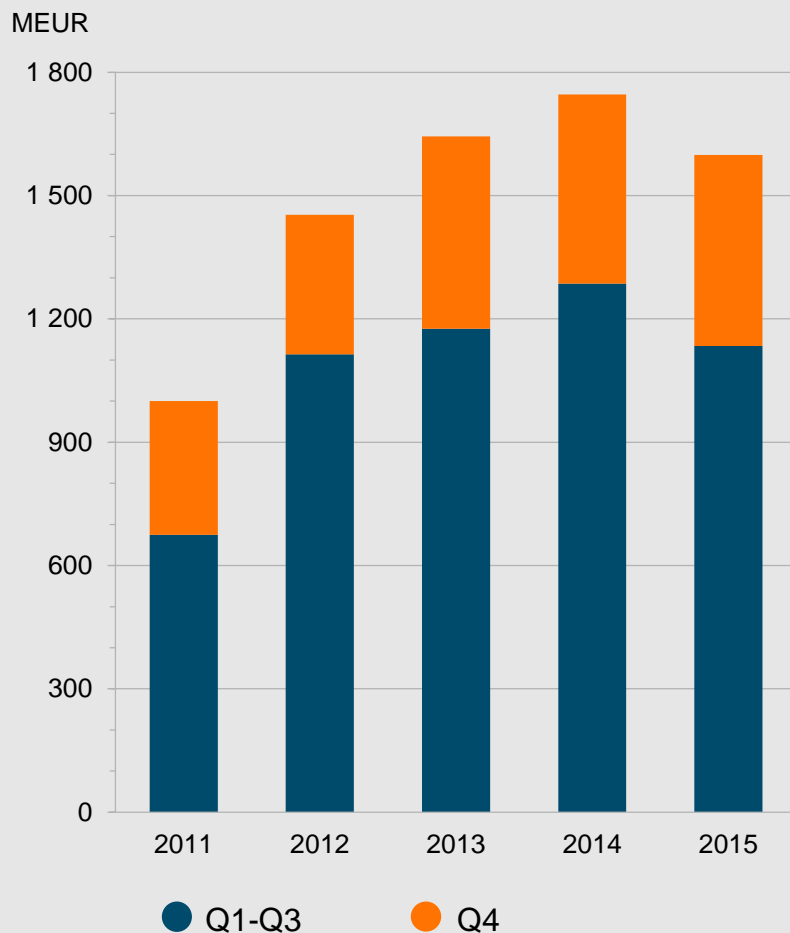
Vessel contracting activity remains low



Source: Clarkson Research Services, figures exclude late contracting

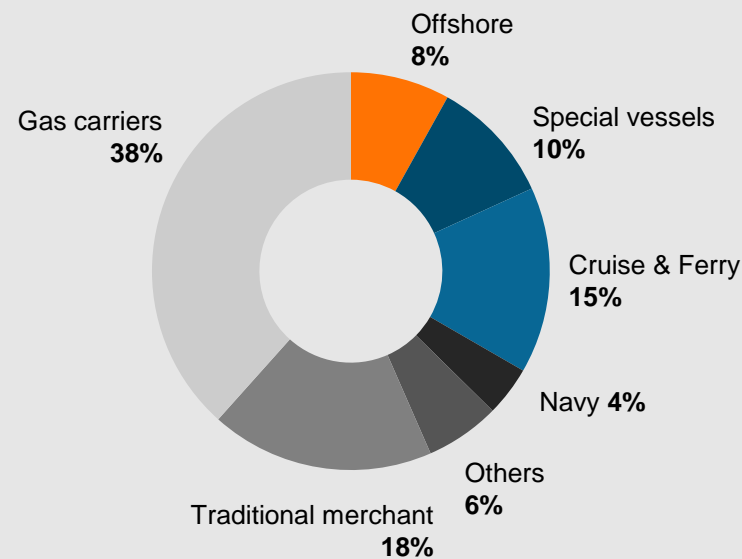
* CGT= gross tonnage compensated with workload

Order intake



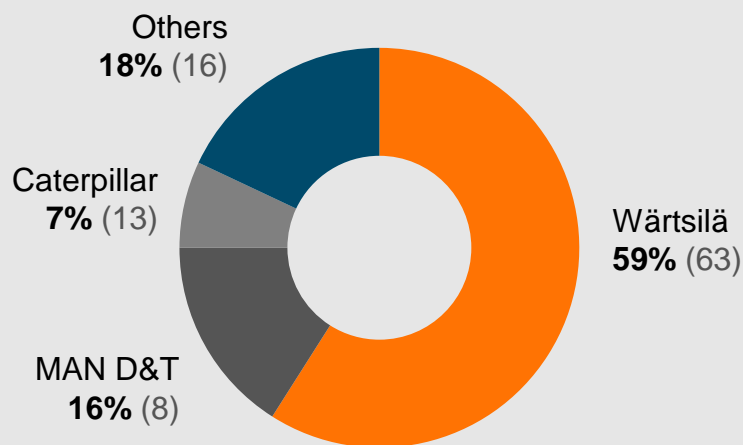
Development 2015

Total EUR 1,599 million (1,746)



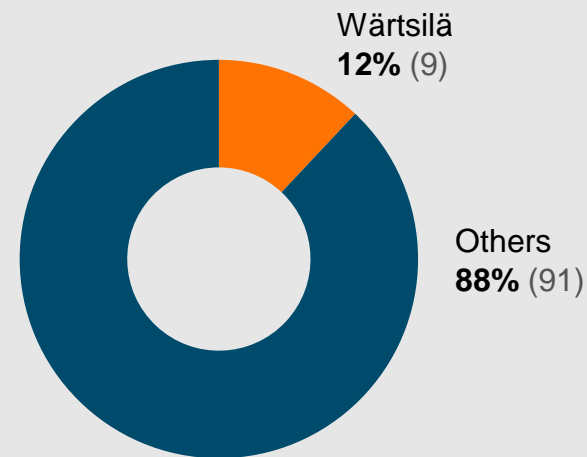
Strong position in marine engine market

Medium-speed main engines



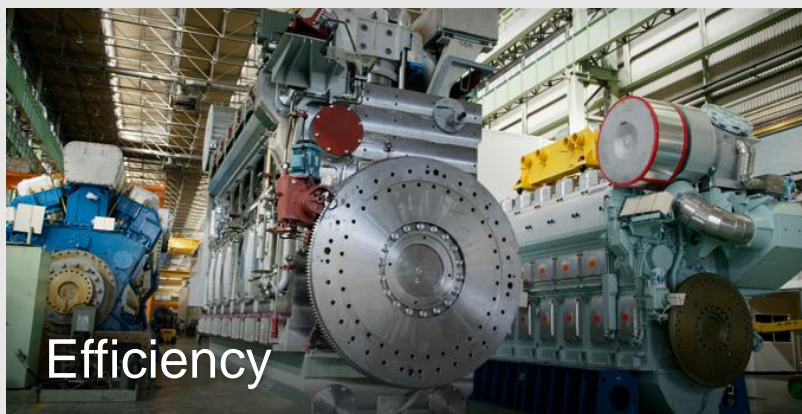
Total market volume last 12 months:
3,246 MW (4,519)

Auxiliary engines

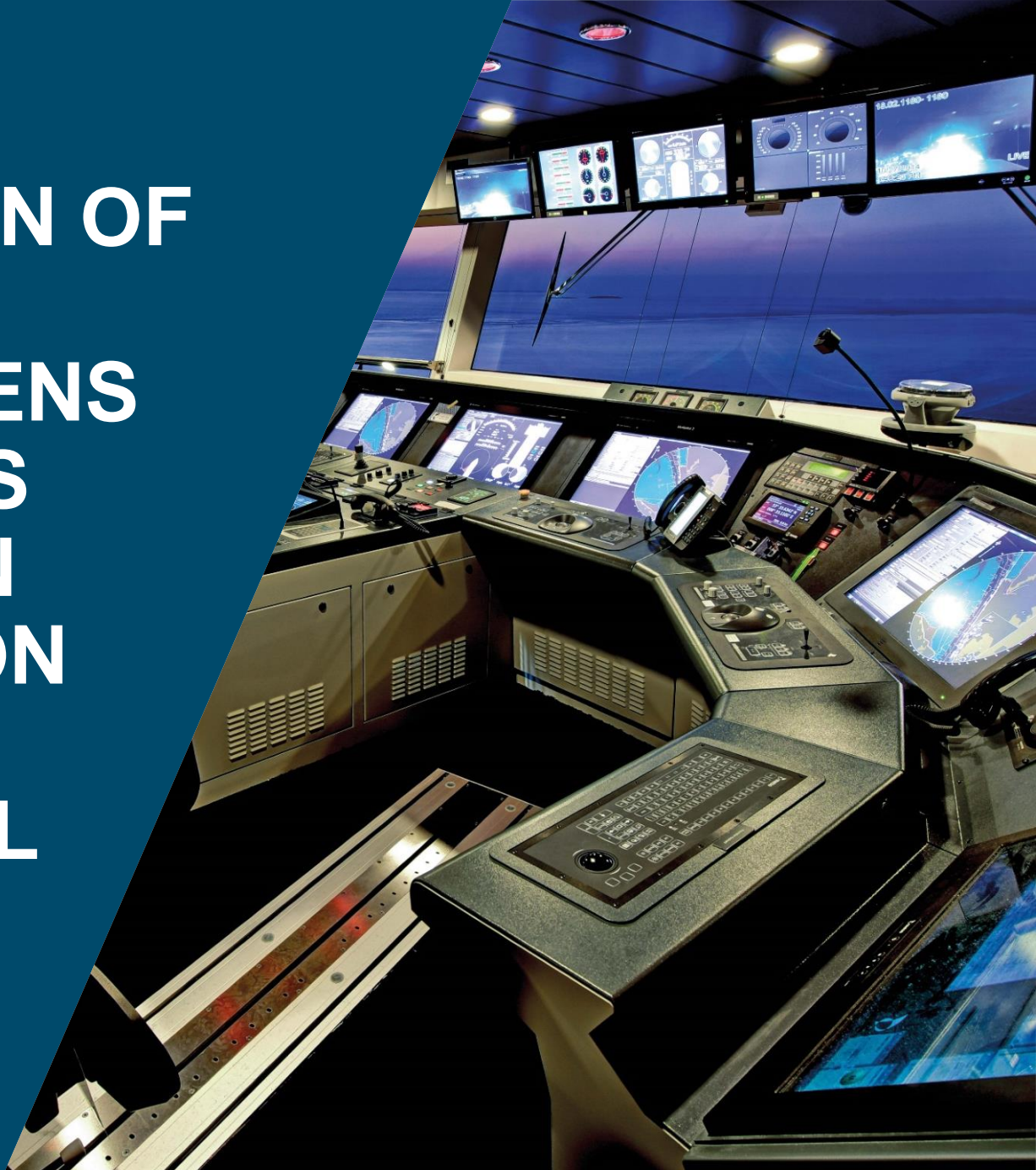


Total market volume last 12 months:
4,668 MW (3,986)

Growth opportunities in marine markets

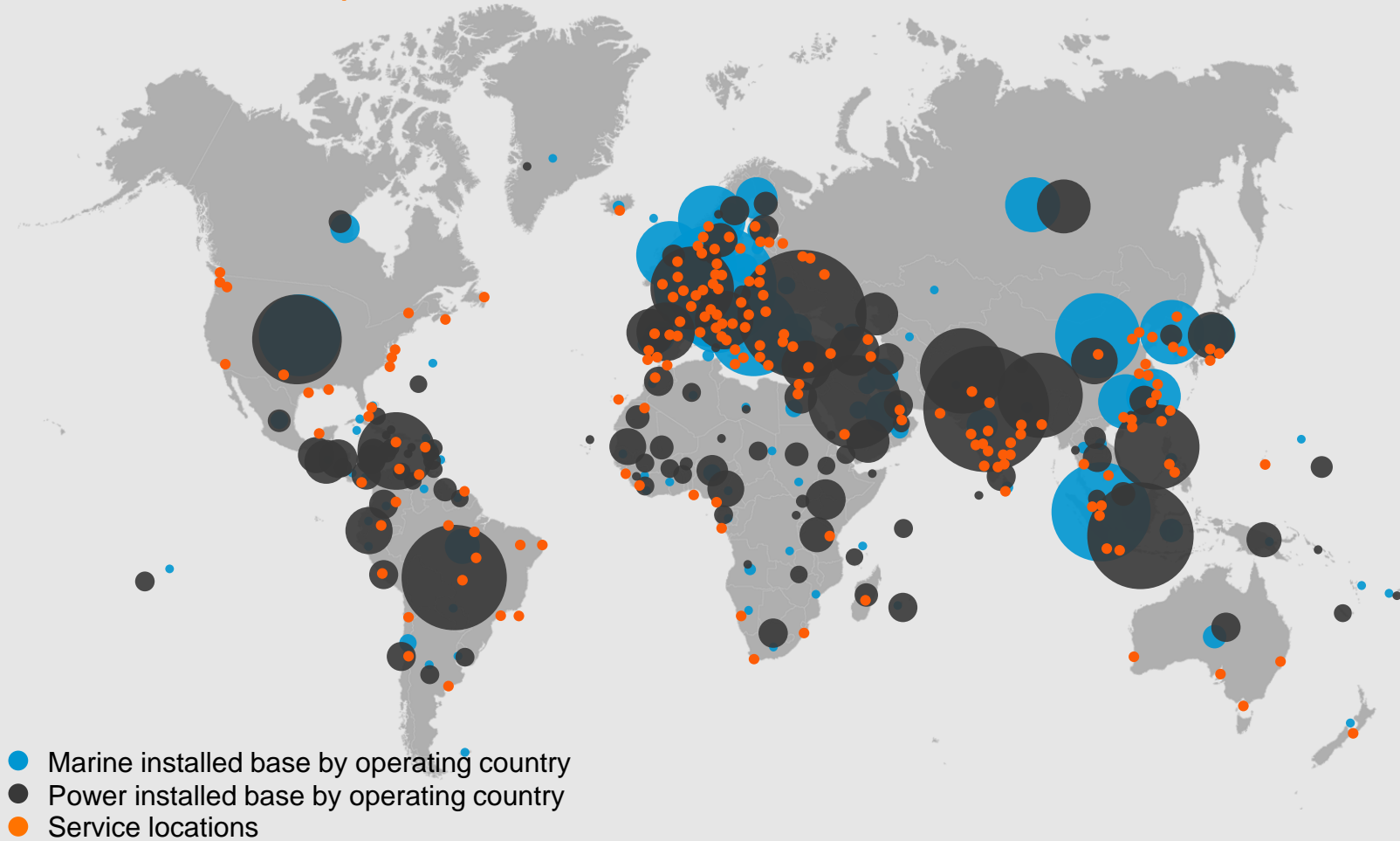


ACQUISITION OF L-3 MSI STRENGTHENS WÄRTSILÄ'S POSITION IN AUTOMATION AND ELECTRICAL SYSTEMS



Global network

11,000 service professionals in 70 countries, 160 locations...

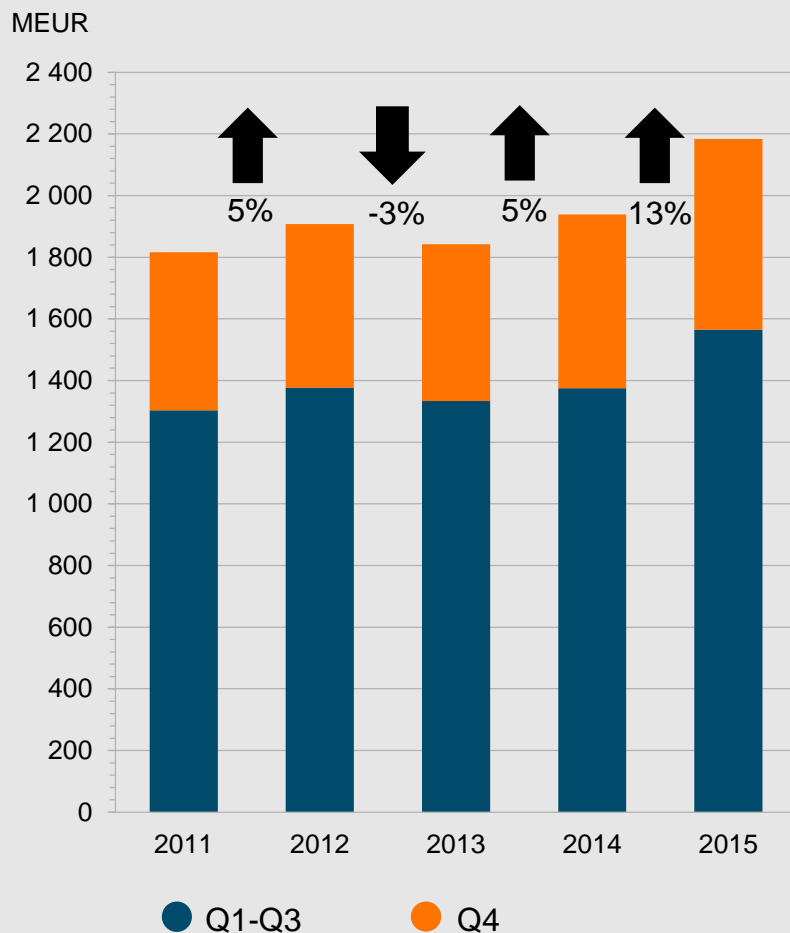


Market trends & drivers

- Development of installed base and installation utilisation
- Growing importance of gas as a fuel
- Need for real-time data
- Downtime avoidance
- Focus on efficiency
- New and stricter regulations

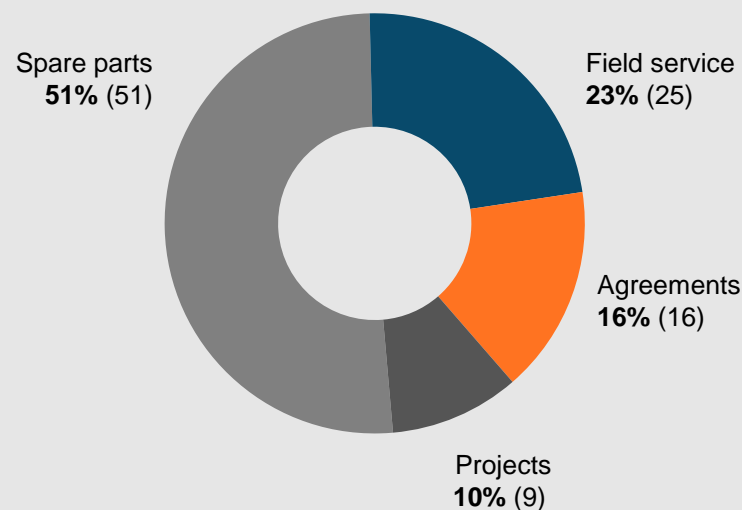


All time high net sales

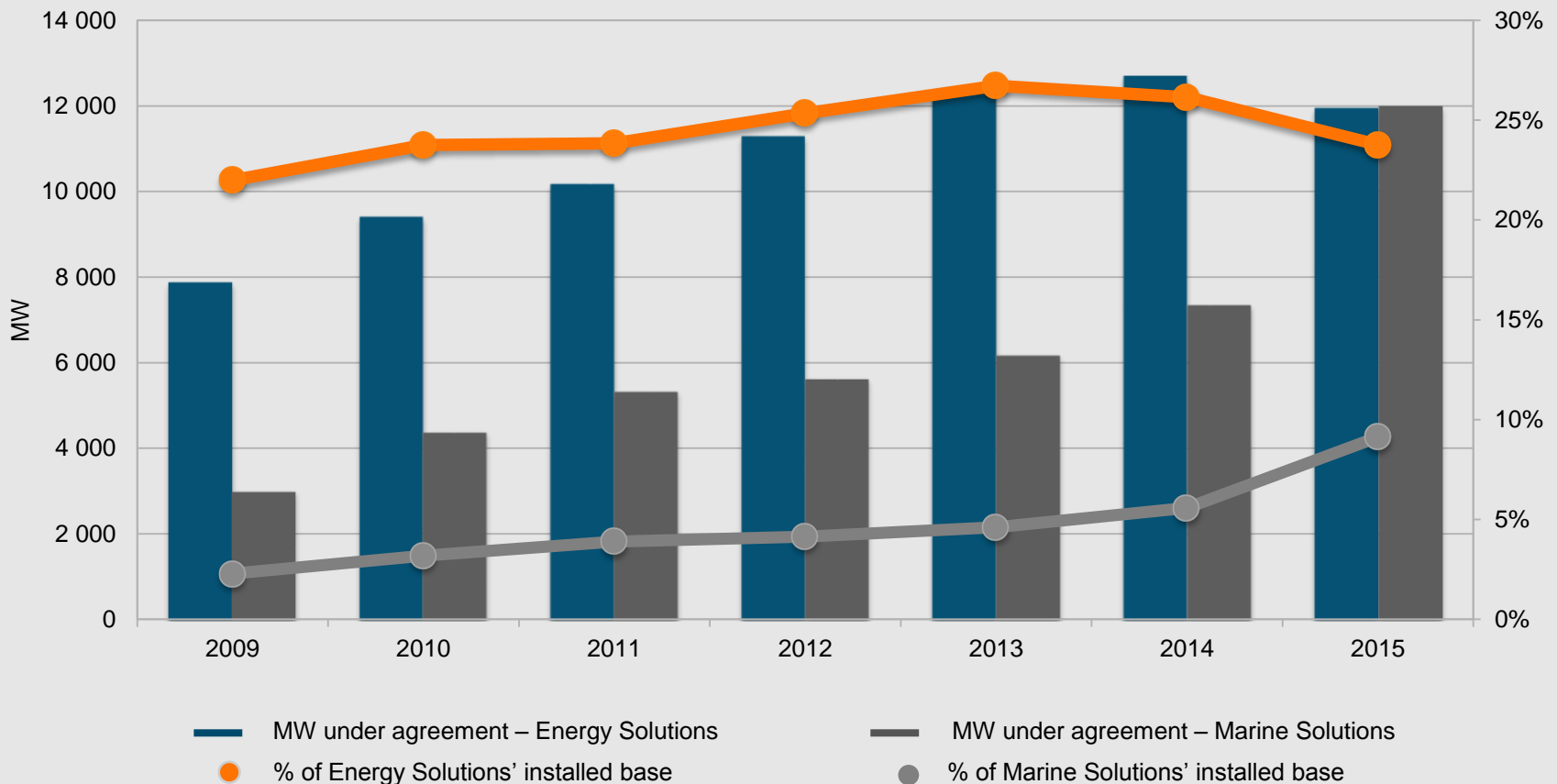


Review period development

Total EUR 2,184 million (1,939)



Development of service agreements



Strategic focus areas



Customer first

We will nourish our partnership with our existing customer base



Go-digital

We will digitalise our customer engagement



Asset & lifecycle

We will continue to develop and commercialise our portfolio of value-adding services

Prospects for 2016

Wärtsilä expects its net sales for 2016 to grow by 0-5% and its operational profitability (EBIT% before non-recurring items) to be 12.5-13.0%.

**Grow faster than
global GDP**

**Reach 14%
profitability**

**Maintain gearing
below 50%**

**Dividend of at
least 50% of EPS
over the cycle**

THANK YOU

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