

# Wärtsilä Corporation

**Recommended cash offer  
by Wärtsilä for Hamworthy**

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# Key transaction highlights

## Offer value & consideration

- 825p per share - all cash offer
- £383m equity value <sup>(1)</sup>
- 50.2% premia to the average closing price of 549 pence per Hamworthy share for the three months ended on 16 November 2011
- 56.2% premia to the average closing price of 528 pence per Hamworthy share for the twelve months ended 16 November 2011
- 14.3x EV / LTM EBITDA<sup>(2)</sup>

## Deal structure

- Scheme of arrangement. The acquisition is conditional to the approval by not less than 75 per cent of the shareholders of Hamworthy.
- Recommended by the Hamworthy Board

## Funding

- 100% cash consideration
- Fully funded from existing cash resources

## Timetable

- Acquisition expected to close Q1 2012
- Conditional upon receiving regulatory and Hamworthy shareholder approval

Note (1) Based on all issued and to be issued share capital

Note (2) Enterprise value / last twelve months' earnings before interest, taxes, depreciation and amortization

## STRONG STRATEGIC FIT AND COMPLEMENTARY PRODUCT OFFERING

- The acquisition enables both organisations to broaden and enhance their capabilities in rapidly evolving offshore, marine gas applications as well as environmental solutions markets
- Hamworthy would be integrated as a business unit within Wärtsilä's Ship Power division, introducing new products to Wärtsilä's current portfolio
- The combination of Wärtsilä and Hamworthy provides a unique opportunity for broader geographical reach and cross-selling of Hamworthy's products
- Wärtsilä's extensive services network offers significant opportunity to expand Hamworthy's after sales activities
- Both businesses will benefit from technology sharing, and optimised R&D which will enhance their joint position in the global marine and oil and gas markets

# Opportunity in offshore markets

- The rising oil price has driven demand in the offshore market
- Wärtsilä product portfolio in the offshore markets includes complete solutions for power generation as well as complete electrical and automation systems and customized vessel design
- Hamworthy's offering for the offshore markets includes various cargo and seawater pumping, fuel handling and inert gas systems
- The combined resources and competence base will improve the merged entity's market position and ability to exploit opportunities in the offshore market





# Opportunities in marine gas applications

- Market demand for marine gas applications is evolving rapidly due to increasing demand for natural gas
  - Environmental drivers and competitive natural gas prices
- Wärtsilä is committed to promoting natural gas as a primary marine fuel and is continuously developing products and competencies for gas fuelled vessels
  - Co-operation agreement with Shell
  - With over 3 million running hours and the broadest engine portfolio, Wärtsilä has a strong position in the dual fuel engine market
- Hamworthy is recognised in the market as a leader in providing highly advanced and established systems for storing and handling fuel gas on-board
- Complementary competencies will help to capture a bigger share of the growing market for marine gas applications

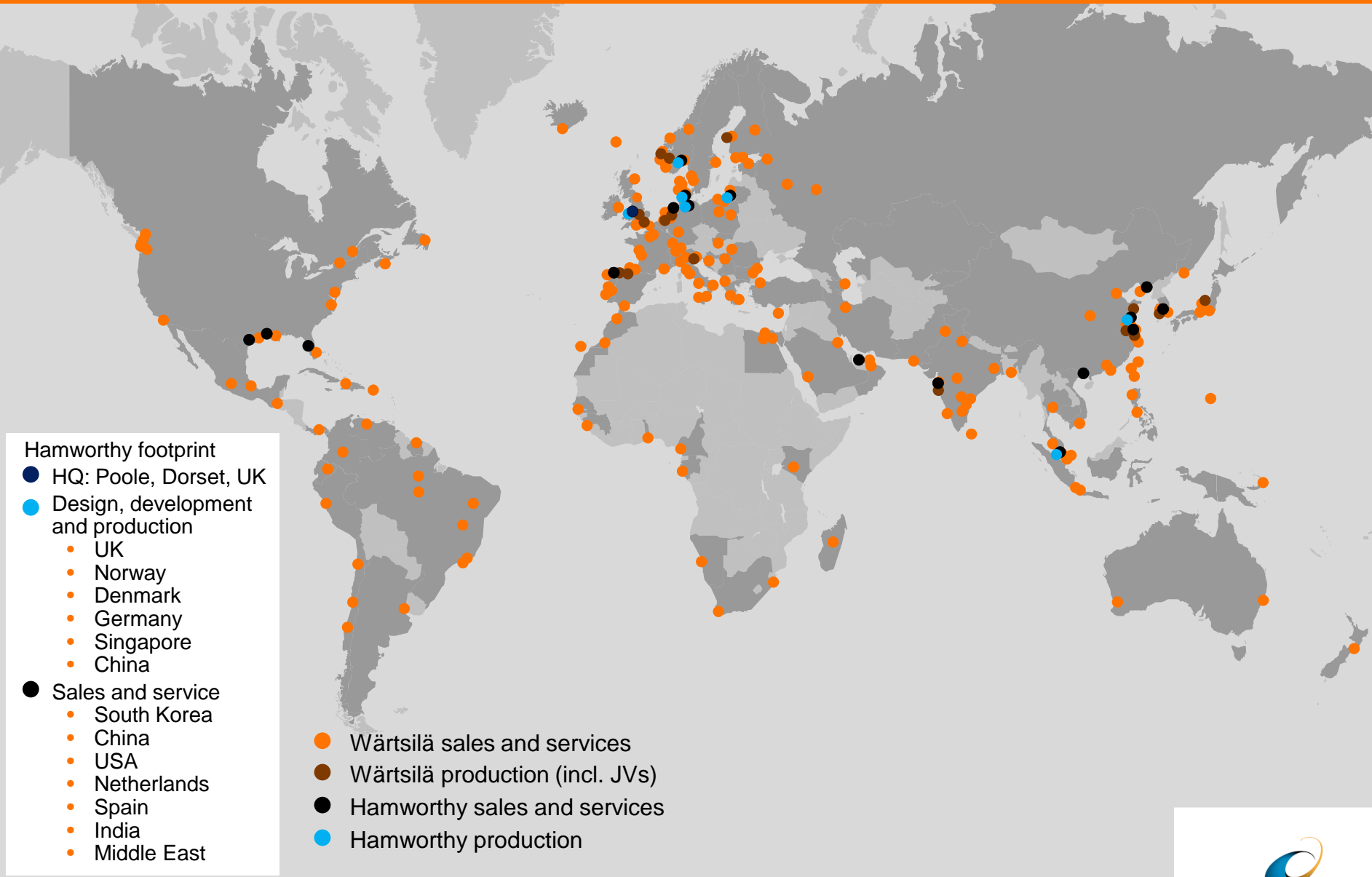


# Consolidation of environmental solutions market

- Tightening environmental legislation is driving demand for optimised environmental performance
- Wärtsilä's goal is to further expand its product range and accelerate market presence in environmental solutions – both through increased R&D efforts and acquisition opportunities
- Hamworthy is continuously developing their existing and new technologies for exhaust gas systems and water systems
- Combining the capabilities of both businesses will create a stronger position within the rapidly evolving environmental solutions markets



# Wärtsilä and Hamworthy footprint



# Benefits to Hamworthy

- Hamworthy will be integrated as a business unit within Wärtsilä's Ship Power division
- Enhanced product presence through Wärtsilä's global sales and service network
  - Wider customer base and potential for greater after sales revenues
- Faster technology development enabled by Wärtsilä's R&D capacity
- Stronger growth platform for gas applications
- Rapid evolution of the environmental solutions market is differentiating large and small players





# Summary

## Strong platform for future growth

- Tightening environmental legislation is driving demand for optimised environmental performance
- Rapidly evolving offshore and marine gas applications markets require concerted response

## Leadership positions in key markets

- Combination broadens and enhances capabilities in rapidly evolving offshore, marine gas applications as well as environmental solutions markets



# Next steps

- Posting of offer document – mid December 2011
- Hamworthy's EGM – 9 January 2012, or as soon as reasonably practicable thereafter
- Estimated date of closing – Q1 2012

