BACK TO GROWTH

BJÖRN ROSENGREN
President & CEO
Environmental legislation and the need for energy efficiency are currently the main drivers for our customers’ actions toward developing their business in a more sustainable way.
Wärtsilä at the focal point of change

- Fundamental changes in the way power is produced and consumed
- Shipping industry seeking ways to comply with upcoming environmental regulation
- Interest in gas increasing in both end markets
# Increasing environmental regulation

<table>
<thead>
<tr>
<th>NO&lt;sub&gt;x&lt;/sub&gt;</th>
<th>SO&lt;sub&gt;x&lt;/sub&gt;</th>
<th>PM</th>
<th>GHG</th>
<th>BALLAST WATER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acid rains</td>
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<td>Impact on air quality</td>
<td>Global warming</td>
<td>Damage to local ecosystems</td>
</tr>
<tr>
<td>Ozone depletion</td>
<td></td>
<td>Along with SO&lt;sub&gt;x&lt;/sub&gt; reduction</td>
<td>Under evaluation by IMO</td>
<td>Global ballast convention</td>
</tr>
<tr>
<td>Tier II (2011)</td>
<td>Tier III in ECA (2016)</td>
<td>3.5% (2012) ECA 0.1% (2015) Global 0.5% (2020)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Demand for gas and LNG is increasing

- Demand for natural gas is expected to grow
- LNG will grow faster than pipeline gas

Global energy consumption of natural gas

<table>
<thead>
<tr>
<th>Year</th>
<th>Million tonnes of oil equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>1000</td>
</tr>
<tr>
<td>1995</td>
<td>1500</td>
</tr>
<tr>
<td>2000</td>
<td>2000</td>
</tr>
<tr>
<td>2005</td>
<td>2500</td>
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<tr>
<td>2010</td>
<td>3000</td>
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<td>2015</td>
<td>3500</td>
</tr>
<tr>
<td>2020</td>
<td>4000</td>
</tr>
<tr>
<td>2025</td>
<td>4500</td>
</tr>
<tr>
<td>2030</td>
<td>5000</td>
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World inter-regional natural gas trade by type in the New Policies Scenario

- Pipelines
- LNG
- Share of LNG (right axis)

Source: Demand for natural gas from BP’s energy outlook, IEA
Growth in emerging markets

Forecasted GDP growth 2012

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<tr>
<th>Region</th>
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<tr>
<td>Global</td>
<td>-1.3</td>
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<tr>
<td>Euro Area</td>
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<td>UK</td>
<td>2.8</td>
</tr>
<tr>
<td>Emerging Europe</td>
<td>3.7</td>
</tr>
<tr>
<td>Latin America</td>
<td>2.0</td>
</tr>
<tr>
<td>US</td>
<td>4.2</td>
</tr>
<tr>
<td>Emerging Asia</td>
<td>6.9</td>
</tr>
<tr>
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<td>7.3</td>
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<tr>
<td>Africa and Middle East</td>
<td>5.1</td>
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Source: GDP estimates by Citigroup Global Markets (22 February 2012)
Strong presence in emerging markets

Developed markets 46%
Emerging markets 54%
Global net sales Top 10 countries

- USA: 5%
- Dominican Republic: 5%
- Brazil: 5%
- Norway: 5%
- The Netherlands: 4%
- Turkey: 9%
- China: 9%
- South Korea: 3%
- Bangladesh: 3%
- Singapore: 3%
Strengthening global presence through JVs

QMD (Qingdao, China) 2-stroke engines

WQDC (Lingang, China) 4-stroke engines

Wärtsilä CME (Zhenjiang, China) Propulsion

WHEC (Mokpo, South Korea) 4-stroke engines

WTEC (Penza, Russia) 4-stroke engines

WCEC (Nantong, China) 4-stroke engines

WQDC (Lingang, China) 4-stroke engines

Rio de Janeiro, Brazil

Joint Venture sites
Ongoing Footprint initiatives

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Three businesses with interesting opportunities

- Ship Power: 24% (26)
- Power Plants: 32% (34)
- Services: 43% (40)
Focus on growth

Profitable growth by focusing on

Smart Power Generation

Gas as a marine fuel

Environmental solutions
Power Plants market drivers

- Growth in electricity consumption
- Renewable energy investments
- Increasing use of gas as a fuel
- Need for additional back up and balancing power
Power Plants strategy

- Maintain market leader position in flexible baseload and industrial self-generation in the growing emerging markets
- Grow in the utility gas power plant markets
- Actively influence the regulatory environment to enable capacity investments
Ship Power market drivers

- Global GDP development drives the demand for marine transportation
- Fuel prices drive the demand in offshore
- Environmental regulation drives the demand for new technologies
Ship Power growth markets

Offshore market

Marine gas applications

Environmental solutions
Hamworthy integral to our strategy

- Strengthens our position in the growing offshore, the marine gas applications and the environmental solutions markets
- Potential for technology sharing and optimised R&D
- Focus on capturing synergies and growth opportunities from Hamworthy
• Maximise market share with our present customer base
• Developing our offering proposition with value-enhancing products
• Grow by providing more service agreements
• Environmental solutions
Continued interest in service agreements
People strategy

- Nearly 19,000 people in 170 locations in 70 countries
- Securing the right competence and motivation among our personnel
- Attract, develop and retain key personnel
Long-term financial targets maintained

- Target to grow faster than global GDP
- Operating profit margin (EBIT%) target:
  - 14% at the peak of the cycle
  - maintain above 10% at the trough
- Gearing below 50%
- Our target is to pay a dividend equivalent to 50% of earnings per share