Today we are much more than an engine company

Passion for optimising lifecycle value for our customers with modern and sustainable power solutions.
Our mission, vision, and values

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

VISION
We will be the most valued business partner of all our customers.

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
Our business areas

POWER PLANTS

SHIP POWER

SERVICES
This is what we bring to the market
Our offering

- Equipment
  - Ship Power integrated solutions
  - Power Plants customised solutions
- Services solutions
  - From spare parts to service agreements
- Lifecycle solutions
R&D and manufacturing set up

POWERTECH

R&D and manufacturing
- Medium-speed engines for the marine and power plant markets
- Auxiliary engines
- Catalytic systems
- Emission monitoring products

SHIP POWER

R&D and manufacturing
- Low-speed engines
- Propulsion
- Electrical & Automation
- Environmental solutions
- Flow solutions
- Oil & gas solutions
- Ship design

POWER PLANTS

R&D and manufacturing
- Auxiliary modules

SERVICES

R&D and manufacturing
- Seals and bearings
Nearly 19,000 professionals, 114 nationalities in 70 countries, present in 160 locations
The transition to sustainable and modern energy systems drives the demand for smart power generation.

Economic and environmental reasons increase the growth of gas solutions in marine and power plant markets.

Environmental regulation and increased focus on improved efficiency create demand in the marine industry.
# Financial highlights

<table>
<thead>
<tr>
<th>MEUR</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>4 940</td>
<td>4 516</td>
<td>4 005</td>
<td>3 291</td>
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<tr>
<td>Order book at the end of the period</td>
<td>4 492</td>
<td>4 007</td>
<td>3 795</td>
<td>4 491</td>
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<tr>
<td>Net sales</td>
<td>4 725</td>
<td>4 209</td>
<td>4 553</td>
<td>5 260</td>
</tr>
<tr>
<td>Operating result¹</td>
<td>515</td>
<td>469</td>
<td>487</td>
<td>638</td>
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<tr>
<td>% of net sales¹</td>
<td>10.9</td>
<td>11.1</td>
<td>10.7</td>
<td>12.1</td>
</tr>
<tr>
<td>Earnings/share, EUR</td>
<td>1.72</td>
<td>1.44</td>
<td>1.96</td>
<td>1.97</td>
</tr>
</tbody>
</table>

1) Figures exclude non-recurring items.
Solid profitability

Figures shown before nonrecurring restructuring items

- EBIT
- EBIT %
- EBITA % before intangible asset amortisation related to acquisitions

MEUR

- 2009
- 2010
- 2011
- 2012

© Wärtsilä
We provide superior value to our customers with our flexible, efficient and environmentally advanced energy solutions, which enable a transition to a more sustainable and modern energy infrastructure.
We are a major supplier of flexible baseload power plants operating on various liquid and gaseous fuels.

We provide unique, dynamic solutions for grid stability, reserve, peaking, load following and intermittent power generation.

Our multi-fuel solutions provide security and optimal choice of fuel in any conditions.

Our project development and EPC capability provide customers a choice of everything from single point of responsibility to selected services.

All applications are supported with tailored lifetime operation and maintenance services.
Our customer segments

**UTILITIES**
Entities supplying electricity to residential, commercial & industrial end users

- South Texas Electric Cooperative, USA
- Azerenerji, Azerbaijan

**IPPs**
Financial investors investing in power plants and selling power to utilities

- GERA, Brazil
- Cakmaktepe Energy, Turkey

**INDUSTRIAL CUSTOMERS**
Industries such as mining, cement and oil & gas investing in captive power plants

- Barrick Gold Corporation, Canada
- Sasol New Energy Holdings, South Africa

* Independent Power Producers
Market trends and drivers

- GDP growth, electrification and increasing standard of living drive the growth of electricity demand
- Demand for sustainability and focus on climate change
- Rapid growth of intermittent renewable generation
- Escalating daily, weekly and seasonal demand fluctuation increases the need for flexibility
- Increasing role of gas, especially as a balancing fuel
- Ageing installed capacity drives investments in new technologies

The world needs affordable, clean, flexible and reliable power.
Smart Power Generation is a new concept which enables an existing power system to operate at maximum efficiency by effectively absorbing current and future system load variations, providing significant savings.
Smart Power Generation – unique features

Energy efficiency
- Highest simple cycle electrical efficiency
- High efficiency regardless of ambient conditions
- High plant efficiency over a wide load range due to multiple generating sets

Competitive generation cost and high dispatch

Fuel flexibility
- Continuous choice of the most feasible fuel
- Solutions for
  - liquid and gaseous fuels
  - renewables
  - multi-fuel plants
  - fuel conversions

Hedge for the future

Operational flexibility
- Unlimited, super fast, reliable starting and stopping with no impact on maintenance schedule
- Fast reserve, load following, peaking and baseload
- All ancillary services
- Grid support, wind enabling

Multi-tasking plant prepared for future markets
We are passionate about optimising lifecycle value by offering what our customers need. We deliver on this promise through the only true total offering of marine products, integrated solutions and services in the industry – worldwide.

We help our customers find the shorter route to robust growth and bigger profits by focusing on operational efficiency, environmental excellence, fuel flexibility and services.
Ship Power’s strategic goal

To be recognised as the leading provider of products and integrated solutions in the marine and offshore oil & gas industry.

- **Efficiency**
- **Gas and dual-fuel solutions**
- **Environmental solutions**

**LEADER IN**

**THROUGH OFFERING**

- Lifecycle solutions for ship owners and operators
- Integrated solutions for the shipbuilding industry, owners and operators
- The most competitive products and delivery process for the marine industry
The only complete marine offering
Market trends and drivers

- Development of the global economy drives marine trade and transportation growth
- Development of oil & gas prices stimulates investments in exploration and production of offshore oil & gas
- Environmental regulations drive demand for environmental solutions and gas as a marine fuel
- Increasing focus on energy efficiency and environmental performance

The development of efficient vessels, environmental solutions and gas technology will be our priority in meeting the evolving needs of our customers.
Increasing environmental regulation and alternatives for decreasing emissions

**NOₙ**
- Acid rains
- Ozone depletion
- Tier II (2011)
- Tier III in ECA* (2016)

**SOₙ**
- Acid rains
- Tier II (2011)
- ECA 0.1% (2015)
- Global 0.5% (2020)

**PARTICULATE MATTER**
- Impact on air quality
- Along with SOₙ reduction

**GREENHOUSE GAS**
- Global warming
- Under evaluation by IMO

**BALLAST WATER**
- Damage to local eco-systems
- Global ballast water convention

Wärtsilä is developing a multi-solution approach to meet requirements for different owner needs, ship types and operating profiles.

**LNG**
- Simultaneous reduction of GHG / SOₙ / NOₙ / PM
- Market: mainly ships with regular routes and limited autonomy requirements operating in ECAs
- Infrastructure development is needed for larger uptake
- Conversion solution available

**HFO**
- NOₙ: SCR or wet methods
- SOₙ: Scrubbers
- Market: mostly merchant ships operating a significant time in ECAs

**MGO**
- NOₙ: SCR or primary methods
- Market: ships operating a limited time in ECAs, small ships

*Emissions Control Areas*
Clear leadership in dual-fuel applications

- **DF power plants**
  - 51 installations
  - 186 engines
  - Online from 1997

- **LNG carriers**
  - 121 vessels
  - 481 engines

- **Conversion**
  - 1 Chem. tanker
  - 2 Engine conv.
  - Complete gas train
  - Complete design

- **PSVs/FPSOs**
  - 20 vessels
  - 96 engines
  - Online from 1994

- **New orders**:
  - Harvey Gulf; the first 5 LNG-PSVs to be operated in the Gulf of Mexico

- **LNG ferries**
  - 1 vessel
  - 4 engines
  - Complete gas train
  - 2,800 passengers
  - In service in 2013

~700 engines  ➔ > 7,000,000 running hours
Preventing the unexpected and optimising our customers' operations is our shared passion. We serve you whenever, wherever.

We provide the broadest portfolio and best services in the industry for both shipping and power generation. We offer expertise, proximity and responsiveness for all customers in the most environmentally sound way.
Maximise market share with the present customer base
Constantly develop the offering proposition with value-enhancing solutions
Grow by providing more service agreements with new Ship Power and Power Plants deliveries
Become the industry’s market leader in environmental services

To be recognised by customers as their service partner: competitive, trusted and easy to deal with.
Wide range of expertise and services

- Engine services
- Propulsion services
- Electrical & automation services
- Boiler services
- Seals & Bearings services
- Environmental services
- Service agreements
- Service projects
- Training services
Services - key market drivers

- Development of installed base and fleet utilisation
- Increased focus on total cost of ownership and lifecycle efficiency
- Changes in environmental regulations
- Growth of gas as a fuel in shipping and in power generation
- Outsourcing of operations and maintenance in service markets
- Accelerating technological development and cost pressure increases demand for expertise
Performance optimization
Our customers are currently looking for longer-term efficiency increasing strategies to improve business efficiency and reducing operational expenses.

Preventing the unexpected
Reliable performance and risk management are identified as key needs of our customers. Preventing the unexpected is vital to ensure cost efficiency and smooth operations.

Environmental efficiency
Environmental legislation and the need for energy efficiency are main drivers for our customers to optimize their environmental performance.
70 countries, 160 locations, 11,000 service professionals

Wärtsilä Services’ global network
Widest range of offering and expertise

Installed base
181,000 MW
We provide market leading 4-stroke products and technologies

Corporate Quality and Supply Management
PowerTech key activities

Secure Customer Excellence

Build a strong safety and quality culture, a reliable supply network and operational excellence

Develop and provide industry leading technologies and 4-stroke engines
PowerTech - strategy and strengths

• Leading research & development and products
  – Technology leadership
  – Competitive portfolio of reliable, high-quality 4-stroke engines

• Operational excellence
  – Quality in products, solutions, and services
  – Efficient, flexible, and agile operations
  – Manufacturing and engineering expertise

• Sustainable high quality and reliable supply chain

We grow when our people grow
Enabling and developing competent and skilled people
• Strongest ambition to maintain technology leadership
• Drives innovations
• Long-term co-operation with research institutes and partners
• Strong investments in Wärtsilä R&D; 2012 expenditure 188 million euro representing 4% of net sales

Total efficiency, cost of ownership, fuel flexibility and versatility, minimised environmental impact, and reliability are our main drivers.
Wärtsilä’s competitive product portfolio

- 4-stroke engines
- 2-stroke engines
- Gensets & auxpacs
- Propellers
- Steerable thrusters
- Transverse thrusters
- Energy efficiency systems
- Frequency converters
- Propulsion controls
- Automation, monitoring & control
- I/O cabinets
- Switchboards
- Gears
- Catalysts (SCR, Oxicat, etc.)
- Seals, Bearings & Sterntubes
- Flue gas desulphurisation & scrubbers
- Pumps and valves – Flow solutions
- Ballast water system
- LNG regasification
- Inert gas systems
- Ship design
Wärtsilä’s production and R&D

- Fully owned sites
- Sites with R&D
- Joint Venture sites

18 licensee sites

- Aalborg, Denmark
  - Deepwell pumps and seawater lift pumps
- QMD (Qingdao, China)
  - 2-stroke engines
- WQDC (Shanghai, China)
  - 4-stroke engines
- Wärtsilä CME (Zhenjiang, China)
  - Propulsion
- Helsinky & Espoo, Finland
  - R&D
- WTEC (Penza, Russia)
  - 4-stroke engines
- Wuxi, China
  - Propulsion, seals & bearings
- Gothenburg, Sweden
  - Water treatment, seals & bearings
- Stord, Norway
  - Electrical & automation systems
- Toyama, Japan
  - Seals & bearings
- Moss, Norway
  - Inert gas and exhaust gas scrubber systems
- Havant & Slough, UK
  - Seals & bearings
- Hull, Reading Newcastle, UK
  - Valves
- Poole, UK
  - Water systems
- Santander, Spain
  - Propulsion
- Bermeo, Spain
  - R&D
- Vigo, Spain
  - Seals & bearings
- Drunen, the Netherlands
  - R&D, Propulsion
- Geestacht, Germany
  - Fresh water generation & condensation plants
- Havant & Slough, UK
  - Seals & bearings
- Harwich & Slough, UK
  - Seals & bearings
- Vigo, Spain
  - Seals & bearings
- Açu Superport, Brazil
  - 4-stroke gensets, propulsion
- Trieste, Italy
  - 4-stroke engines, propulsion, R&D
- Wärtsilä CME (Zhenjiang, China)
  - Propulsion
- WTXC (Penza, Russia)
  - 4-stroke engines
- WTEC (Penza, Russia)
  - 4-stroke engines
- Wuxi, China
  - Propulsion, seals & bearings
- Singapore
  - Engine room pumps, pump room systems and Fi-Fi pumps
- Aalborg, Denmark
  - R&D
- Turku, Finland
  - R&D
- Winterthur, Switzerland
  - R&D, Propulsion
- Açu Superport, Brazil
  - 4-stroke gensets, propulsion
- Trieste, Italy
  - 4-stroke engines, propulsion, R&D
- Wärtsilä CME (Zhenjiang, China)
  - Propulsion
- WTEC (Penza, Russia)
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- Aalborg, Denmark
  - R&D
Passion for optimising lifecycle value with modern and sustainable power solutions.