Highlights Q1/2014

• Order intake EUR 1,142 million, -16%
• Net sales EUR 1,012 million, +15%
• Book-to-bill 1.13
• EBIT EUR 90 million, 8.9% of net sales (EUR 70 million or 8.0%)
• EPS EUR 0.31 (0.37)
• Cash flow from operating activities EUR 111 million (84)
• Efficiency program proceeding according to plan

EBIT is shown excluding non-recurring items.
Order intake affected by challenging power plant markets

First quarter development

- Q1/2013: 1,352 MEUR (Services: 1,142 MEUR, Ship Power: 1,142 MEUR, Power Plants: 1,142 MEUR)
- Q1/2014: 1,142 MEUR (Services: 1,142 MEUR, Ship Power: 1,142 MEUR, Power Plants: 1,142 MEUR)

Order intake affected by challenging power plant markets

- 2010: 4,500 MEUR
- 2011: 4,500 MEUR
- 2012: 4,500 MEUR
- 2013: 4,500 MEUR
- 1-3/2014: 4,500 MEUR

Order intake affected by challenging power plant markets

- Q1: 1,352 MEUR
- Q2: 1,142 MEUR
- Q3: 1,142 MEUR
- Q4: 1,142 MEUR
- 1-3/2014: 1,142 MEUR

Order intake affected by challenging power plant markets

- Q1/2013: 1,352 MEUR
- Q1/2014: 1,142 MEUR

Order intake affected by challenging power plant markets

- 2010: 4,500 MEUR
- 2011: 4,500 MEUR
- 2012: 4,500 MEUR
- 2013: 4,500 MEUR
- 1-3/2014: 4,500 MEUR

Order intake affected by challenging power plant markets

- Q1: 1,352 MEUR
- Q2: 1,142 MEUR
- Q3: 1,142 MEUR
- Q4: 1,142 MEUR
- 1-3/2014: 1,142 MEUR
Net sales increased by 15%

First quarter development

- Q1/2013: 882 MEUR (15% increase)
- Q1/2014: 1,012 MEUR (0% increase)

- Services: 54% increase
- Ship Power: -6% increase
- Power Plants: 0% increase
Net sales by business 1-3/2014

- **Ship Power**: 38% (28)
- **Power Plants**: 19% (23)
- **Services**: 43% (49)
Book-to-bill ratio remains above one
Profitability in line with expectations

First quarter development

- EBIT before non-recurring items
- EBIT% before non-recurring items
Continued uncertainty in the power generation markets
Power Plants quotation activity remains on a good level

The share of natural gas is consistently increasing.
Power Plants order intake by customer segment

Review period development
Total EUR 165 million (406)

- Utilities: 25%
- Industrials: 51%
- IPP’s*: 24%

Review period order intake by fuel in MW

- Oil: 41%
- Gas: 59%

*IPP = Independent Power Producer
Power Plants global order intake
Africa and Middle East the most active region

Order intake 1-3/2014: 396 MW (760)
Market for gas and liquid based power plants

2013
Total market 73.2 GW (75.4)

- GE: 48.2%
- Siemens: 22.1%
- MHI: 19.8%
- Wärtsilä: 2.9%
- Alstom: 2.6%
- Ansaldo: 1.1%
- Other GTs: 3.3%
- Other: 3.3%

Includes all Wärtsilä power plants and other manufacturers’ gas and liquid fuelled 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.
Marine market activity on a healthy level
Good activity in vessel contracting

Source: Clarkson Research Services

* CGT= gross tonnage compensated with workload
Ship Power order intake by segment

Review period development
Total EUR 467 million (443)

- Offshore: 33%
- Merchant: 62%
- Special vessels: 4%
- Others: 2%

Ship Power order intake by segment:
- 2010: Q1 162 MEUR, Q2-Q4 162 MEUR
- 2011: Q1 180 MEUR, Q2-Q4 180 MEUR
- 2012: Q1 200 MEUR, Q2-Q4 200 MEUR
- 2013: Q1 220 MEUR, Q2-Q4 220 MEUR
- 1-3/2014: Q1 140 MEUR, Q2-Q4 140 MEUR
Wärtsilä’s 2-stroke, dual-fuel engine chosen to power a new LNG carrier

- Order received for Wärtsilä’s 2-stroke, dual-fuel engine and gas valve unit
- The vessel will be built in China for the Chinese ship owner and operator Zhejiang Huaxiang Shipping Co. Ltd.
- Benefits of low-pressure, dual-fuel technology for two stroke engines include:
  - Reduced capital expenditure and gains in operating expenditure
  - Compliance with IMO Tier III emission regulations without exhaust gas cleaning systems when operating in gas mode

Wärtsilä’s share of ownership in these companies is 50%, and the results are reported as a share of result of associates and joint ventures.

Joint venture order intake, includes figures from Wärtsilä Hyundai Engine Company Ltd. and Wärtsilä Qiyao Diesel Company Ltd.

Ship Power order intake.
Ship Power market
Market position of Wärtsilä’s marine engines

Medium-speed main engines
- Wärtsilä: 51% (52)
- MAN D&T: 23% (25)
- Caterpillar: 6% (4)
- Others: 20% (19)

Total market volume last 12 months: 3,787 MW (4,137)

Low-speed main engines
- Wärtsilä: 9% (10)
- Mitsubishi: 1% (2)
- MAN D&T: 90% (88)

Total market volume last 12 months: 31,017 MW (22,935)

Auxiliary engines
- Wärtsilä: 3% (4)
- Others: 97% (96)

Total market volume last 12 months: 6,895 MW (5,966)

Wärtsilä’s market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous quarter. The calculation is based on Wärtsilä’s own data portal.
Steady demand in marine and power plant service markets
Services net sales development stable

First quarter development

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1/2013</th>
<th>Q1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>434 MEUR</td>
<td>435 MEUR</td>
</tr>
</tbody>
</table>

Q1 net sales development stable
Services net sales distribution 1-3/2014

- **Spare parts**: 53% (50)
- **Field service**: 24% (27)
- **Contracts**: 17% (16)
- **Projects**: 6% (6)

Total EUR 435 million (434)
Australian FPSO optimises propeller design

- Order for the technical design and installation of a new fixed pitch propeller for an FPSO conversion project
- The vessel is operated by Woodside Energy Ltd, an independent Australian oil and gas company
- Fast-track project execution a key customer requirement
- The major benefit of the new propeller is increased vessel speed
Development of Power Plants service agreements

- O&M and maintenance agreements
- Power Plants deliveries
- % of delivered MWs


- 2010: 57%
- 2011: 58%
- 2012: 57%
- 2013: 51%
- Q1/2014: 49%
Fleet utilisation

Anchored Vessels & Fleet Development*

![Chart showing vessel utilisation over time]

Fleet Average Speed, knots**

![Chart showing fleet average speed over time]

* Source Bloomberg. Sample of more than 25 000 vessels (>299 GT) covered by IHS AIS Live.
** Source Bloomberg
Strong financial position
Favourable development in operating cash flow

First quarter development
Focus on working capital development

<table>
<thead>
<tr>
<th>Year</th>
<th>Working capital</th>
<th>Total inventories</th>
<th>Advances received</th>
<th>Working capital / Net sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>118 MEUR</td>
<td>1200 MEUR</td>
<td>60 MEUR</td>
<td>2.6%</td>
</tr>
<tr>
<td>2011</td>
<td>235 MEUR</td>
<td>1200 MEUR</td>
<td>60 MEUR</td>
<td>5.6%</td>
</tr>
<tr>
<td>2012</td>
<td>465 MEUR</td>
<td>1200 MEUR</td>
<td>60 MEUR</td>
<td>9.8%</td>
</tr>
<tr>
<td>2013</td>
<td>313 MEUR</td>
<td>1200 MEUR</td>
<td>60 MEUR</td>
<td>6.7%</td>
</tr>
<tr>
<td>31.3.2014</td>
<td>292 MEUR</td>
<td>1200 MEUR</td>
<td>60 MEUR</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

Working capital / Net sales:
- 2010: 2.6%
- 2011: 5.6%
- 2012: 9.8%
- 2013: 6.7%
- 31.3.2014: 6.1%
Financial position

Solvency

Gearing
Market outlook

- **Power Plants**: Although customers are still delaying their decision-making, the forecasted GDP growth in 2014 is expected to result in a slightly improved overall market for liquid and gas fuelled power generation. Ordering activity remains focused on the emerging markets.

- **Ship Power**: The main drivers supporting activity in the shipping and offshore sectors are in place. Overall contracting is expected to be in line with that seen in 2013, keeping in mind the prevailing overcapacity and the market’s limited capacity to absorb new tonnage.

- **Services**: The overall service market outlook remains stable.
Prospects for 2014 unchanged

Wärtsilä expects its net sales for 2014 to grow by 0-10% and its operational profitability (EBIT% before non-recurring items) to be around 11%.