• Prospects for 2012 improved
  – Net sales to grow by 10-15%
  – Profitability to be 10.5-11%
• Order intake EUR 1,275 million, +14%
• Net sales EUR 1,087 million, +28%
• Book-to-bill 1.17 (1.31)
• EBIT EUR 113 million, 10.4% of net sales
• EBITA EUR 122 million, 11.2% of net sales
• EPS EUR 0.38 (0.26)
• Cash flow from operating activities EUR 121 million (219)

EBIT is shown excluding non-recurring items.
EBITA is shown excluding non-recurring items and intangible asset amortisation related to acquisitions.
Good development in order intake

Third quarter development

- Services: Q3/2011 = 1,118 MEUR, Q3/2012 = 1,275 MEUR, -6% decrease

- Ship Power: Q3/2011 = 99% increase, Q3/2012 = -3% decrease

- Power Plants: Q3/2011 = 14% increase, Q3/2012 =
Net sales by business 1-9/2012

- **Ship Power**: 27% (24)
- **Power Plants**: 29% (32)
- **Services**: 43% (44)
Book-to-bill ratio remains above one

<table>
<thead>
<tr>
<th>Year</th>
<th>Order Intake (MEUR)</th>
<th>Net Sales (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>5300</td>
<td>4200</td>
</tr>
<tr>
<td>2009</td>
<td>3000</td>
<td>2000</td>
</tr>
<tr>
<td>2010</td>
<td>1500</td>
<td>1000</td>
</tr>
<tr>
<td>2011</td>
<td>2000</td>
<td>1200</td>
</tr>
<tr>
<td>1-9/2012</td>
<td>2500</td>
<td>1500</td>
</tr>
</tbody>
</table>

- **Order intake**
- **Net sales**
- **Book-to-bill**
Growth in order book

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
<th>Ship Power</th>
<th>Power Plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
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<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30.9.2011</td>
<td>4,042</td>
<td>-2%</td>
<td>14%</td>
</tr>
<tr>
<td>30.9.2012</td>
<td>4,724</td>
<td>28%</td>
<td></td>
</tr>
</tbody>
</table>

MEUR

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Order book distribution

30.9.2011

30.9.2012

Delivery current year
Delivery next year or later
Profitability

EBIT% target: 10-14%

MEUR

250
200
150
100
50
0

2008  2009  2010  2011  2012

Q1  Q2  Q3  Q4

EBIT% before non-recurring items

EBITA% before non-recurring items and intangible asset amortisation related to acquisitions
Record order for approx. 600 MW power plant to Jordan
Share of natural gas is consistently increasing. Quoted MW for HFO low in Q3.
Order intake by application

**Review period development**
Total EUR 1,045 million (1,138)

- Industrial self-generation: 14%
- Flexible baseload: 73%
- Oil & gas: 8%
- Grid stability & peaking: 5%

**Review period order intake by fuel in MW**

- Gas: 69%
- Oil: 30%
- Renewables: 1%
A consortium headed by Wärtsilä awarded a turnkey contract to build a 573 MW tri-fuel power plant in Jordan

Wärtsilä’s share of overall order USD 334 million

Scope of supply 38 Wärtsilä 50DF multi-fuel engines

Tri-fuel capability provides unmatched flexibility, and ensures that Jordan will have a safe, affordable and reliable energy supply

The plant will initially operate on heavy fuel oil, but Wärtsilä’s engine technology enables a seamless transfer to natural gas operation once the infrastructure is in place
Global order intake

Order intake 1-9/2012: 2,414 MW (2,407)

Americas 612 (428)
Europe 79 (778)
Africa and Middle East 871 (688)
Asia 851 (514)

Flexible baseload
Industrial self-generation
Grid stability & peaking
Oil & gas
Market data includes all prime mover units over 5 MW and 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.
Ship Power’s year-on-year performance strong
Vessel order development

Source: Clarkson Research Services

*CGT= gross tonnage compensated with workload
Order intake increased by 65%

Review period development
Total EUR 1,114 million (675)

- Offshore: 46%
- Merchant: 28%
- Special vessels: 11%
- Other: 1%
- Cruise & ferry: 4%
- Navy: 9%

MEUR

2000
1600
1200
800
400
0

2008 2009 2010 2011 1-9/2012
• Contract to supply main generating engines and thrusters for six new deep water drill ships to be built in Brazil
• Each ship will be powered by six 16-cylinder Wärtsilä 32 main generating sets and six thrusters
• Considerations in the award of the contract:
  – Strong presence and support capabilities in Brazil
  – Considerable experience in supplying propulsion equipment for operations in demanding offshore conditions
Increasing activity in scrubber markets

- Wärtsilä has to date 45 exhaust gas cleaning scrubbers delivered or on order, for a total of 23 vessels
- Price range EUR 1-5 million, depending on size of vessel and technology of equipment
- Wärtsilä’s scrubber portfolio is the widest in the market and consists of:
  - Open-loop scrubbers, well established
  - Closed-loop scrubbers, in operation and new projects under delivery
  - Hybrid scrubbers, first orders received
Joint venture ordering activity

- Order intake in the South Korean joint venture producing dual-fuel engines and the Chinese joint venture producing auxiliary engines totalled EUR 175 million (216) during the review period January-September 2012.

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

- Joint venture order intake
  (Wärtsilä Hyundai Engine Company Ltd and Wärtsilä Qiyao Diesel Company Ltd)

- Ship Power order intake
Ship Power order book 30 September 2012

- Offshore: 45%
- Merchant: 30%
- Special vessels: 8%
- Cruise & Ferry: 5%
- LNG: 7%
- RoRo: 2%
- Bulkers: 5%
- Containers: 2%
- Tankers: 9%
- Cargo: 5%
- Others: 2%
- Navy: 9%
Market position of Wärtsilä’s marine engines

Medium-speed main engines

- Wärtsilä: 48% (49)
- MAN Diesel: 23% (19)
- Caterpillar (MAK): 6% (7)
- Others: 23% (25)

Total market volume last 12 months: 4,481 MW (5,156)

Low-speed main engines

- Wärtsilä: 18% (22)
- MAN Diesel: 80% (75)
- Mitsubishi: 2% (3)

Total market volume last 12 months: 8,498 MW (11,984)

Auxiliary engines

- Wärtsilä: 5% (5)
- Others: 95% (95)

Total market volume last 12 months: 3,367 MW (3,501)

Wärtsilä’s market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous quarter. Wärtsilä’s own calculation is based on Marine Market Database.
Services growth trend continues, up 6% year to date
Net sales distribution 1-9/2012

- **Spare parts**: 54% (53)
- **Field service**: 24% (24)
- **Contracts**: 15% (16)
- **Projects**: 7% (7)

Total EUR 1,377 million (1,303)
Steady development in power plant services

- Power plants customers’ interest in Operations & Maintenance (O&M) agreements continues
  - 10-year O&M agreement signed with Gulf Power Ltd, a subsidiary of Gulf Energy Ltd, a market leader in the Kenyan energy sector
    - Agreement will cover the full operations, maintenance and servicing of the power plant
    - Eighteenth service agreement in Africa
- Wärtsilä has over 16 GW of generating capacity under O&M or other services agreements globally, covering over 500 marine and land-based installations
Development of Power Plants service agreements

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

2008: 31%
2009: 53%
2010: 57%
2011: 58%
1-9/2012: 72%
Anchored* & Idle Vessels**, percent of fleet

Fleet Average Speed***, knots

** Idle (no movement for 19 days for containerships, others 35 days). Source Lloyd’s MIU. Around 15 000 vessels (>299 GT) covered.
*** Source Bloomberg
Cash flow from operating activities

MEUR

2008 2009 2010 2011 1-9/2012

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Net working capital development

- Net Working Capital
- Total Inventories
- Advances Received
- Net Working Capital / Net sales

* Working Capital / Annualised Net Sales
At the end of the reporting period, drawn revolving credits amounted to 0 euro. Drawn short-term loans include EUR 218 million Finnish Commercial Papers. The total amount of Finnish Commercial Paper Programs was EUR 700 million (uncommitted).
Financial position

**Solvency**

- 2008: 20.9
- 2009: 20.9
- 2010: 30.9
- 2011: 30.9
- 30.9.2012: 30.9

**Gearing**

- 2008: 0.4
- 2009: 0.3
- 2010: 0.2
- 2011: 0.1
- 30.9.2012: 0.7
Organising for entrepreneurial drive

- Change of organisational set up within Ship Power and Wärtsilä Industrial Operations to strengthen competitiveness and to serve customers more effectively
- Aim to further increase the flexibility of operations and ensure faster decision making
- Ship Power is now organised by products consisting of 4-stroke, 2-stroke, Propulsion, Flow & Gas, Environmental, and Solutions
- WIO has been renamed PowerTech and it now consists of Product Center 4-stroke and Central Operations
- No job reductions planned based on the changes in the organisational structure
- New set up became effective 1 October 2012
• **Power Plants**: The power generation market is expected to remain active in 2012.

• **Ship Power**: Robust contracting activity is expected for the offshore, gas carrier, and other specialised vessel markets. Full year vessel contracting expected to be lower than in 2011.

• **Services**: The outlook for the overall service market is stable despite the continued uncertainty in the global economy.
Wärtsilä expects its net sales for 2012 to grow by 10-15% (previously 5-10%) and its operational profitability (EBIT% before non-recurring items) to be 10.5-11% (previously 10-11%).
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