Highlights 2014 – good performance in challenging markets

- Order intake EUR 5,084 million, +5%
- Net sales EUR 4,779 million, +4%
- Book-to-bill 1.06 (1.05)
- EBIT EUR 569 million, 11.9% of net sales (EUR 557 million or 12.1%)
- EPS EUR 1.76 (1.98)
- DPS proposal EUR 1.15
- Acquisition of L-3 Marine Systems International announced in December 2014
- Joint venture for 2-stroke engine business finalised in January 2015

EBIT is shown excluding non-recurring items.
As of the third quarter of 2014, the two-stroke business is reported as discontinued operations. Income statement related comparison figures for 2013 have been restated.
Order intake growth supported by Ship Power & Services

Fourth quarter development

- Q4/2013: 1,334 MEUR (14% growth)
- Q4/2014: 1,522 MEUR (23% growth)

Order intake growth supported by Ship Power & Services.
Net sales in line with expectations

Fourth quarter development

MEUR 2010 2011 2012 2013 2014

Q1-Q3 3000 3500 3700 3800 4000
Q4 4000 5000 5000 5000 5000

Q4/2013 1,403 10% 11% 30% -8%
Q4/2014 1,549

Services Ship Power Power Plants
Net sales by business 2014

- Services: 41% (40)
- Ship Power: 36% (28)
- Power Plants: 24% (32)
Book-to-bill ratio remains above one
Order book distribution

MEUR

31.12.2013
31.12.2014

Delivery next year
Delivery after next year
Profitability at upper end of guidance range

EBIT% before non-recurring items

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>10.7%</td>
</tr>
<tr>
<td>2011</td>
<td>11.1%</td>
</tr>
<tr>
<td>2012</td>
<td>10.9%</td>
</tr>
<tr>
<td>2013</td>
<td>11.2%</td>
</tr>
<tr>
<td>2014</td>
<td>11.9%</td>
</tr>
</tbody>
</table>

0% 2% 4% 6% 8% 10% 12% 14%

2014 EBIT and EBIT% include continuing operations. Figures for 2010-2013 include both discontinued and continuing operations.
Power plant market activity improved in the second half
Power Plants quotations strong in 2014

Quoted MW per Fuel Type

- Others
- Natural gas
- Heavy fuel oil

70% of quotations for gas based installations
Power Plants order intake stable despite challenges

- **Review period development**
  - Total EUR 1,293 million (1,292)

- **IPP’s**
  - Utilities: 35%
  - Industrials: 32%
  - Oil: 39%
  - Gas: 61%

- **Review period order intake by fuel in MW**
  - Oil: 39%
  - Gas: 61%

*IPP = Independent Power Producer
Order intake 2014: 2,489 MW (2,401)

Power Plants orders well distributed globally

- Europe 769 (320)
  - Utilities: 308
  - IPP's: 38
  - Industrials: 123

- Americas 686 (418)
  - Utilities: 274
  - IPP's: 72
  - Industrials: 340

- Africa and Middle East 639 (581)
  - Utilities: 217
  - IPP's: 53
  - Industrials: 274

- Asia 394 (1,083)
  - Utilities: 171
  - IPP's: 130
  - Industrials: 339
Orders for 11 industrial power plants from Russia

- Order placed by EUROCEMENT group
- Scope of supply: 36 natural gas-fired Wärtsilä 34SG engines with a combined capacity of 314 MW
- The plants will produce electricity for cement factories and work in parallel with the grid
- Wärtsilä’s total installed power generation capacity in Russia is approximately 1,000 MW
Market data includes all Wärtsilä power plants and other manufacturers’ gas and liquid fuelled turbine based 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.
Ship Power order intake supported by activity in gas carriers and cruise vessels
Slowdown in vessel contracting

Source: Clarkson Research Services, figures exclude late contracting
* CGT= gross tonnage compensated with workload
6% growth in Ship Power order intake

Review period development
Total EUR 1,746 million (1,644)

Gas carriers 34%
Offshore 28%
Cruise & Ferry 16%
Navy 4%
Special vessels 6%
Traditional merchant 10%
Others 2%

Q1-Q3 | Q4
--- | ---
2010 | 2011 | 2012 | 2013 | 2014

MEUR
0 | 300 | 600 | 900 | 1200 | 1500 | 1800

2010 2011 2012 2013 2014
Joint venture order intake totalled EUR 306 million (222) during January-December 2014.

In November Wärtsilä Hyundai Engine Company Ltd. received a major order to supply 54 dual-fuel engines for arctic LNG carriers for the Yamal project in Russia.

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

Ship Power order intake

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.
Order received for 6 integrated solutions to Anchor Handling Tug Supply vessels, being built for Maersk Supply Service A/S

- Scope of supply: complete power generation solution, electrical distribution and drives, vessel automation and propulsion
- The fully integrated systems will provide optimal power, efficiency, versatility and redundancy, with the lowest operating expenditures and a minimal environmental impact
Ship Power order book 31 December 2014

- Offshore: 35%
- Gas carriers: 24%
- Cruise & Ferry: 12%
- Navy: 8%
- Non-vessel: 4%
- Special vessels: 4%
- RoRo: 4%
- Cargo: 1%
- Other merchant: 2%
- Tankers: 4%

© Wärtsilä
Strong position in marine engine market

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.

**Medium-speed main engines**
- **Wärtsilä**: 52% (51)
- **MAN D&T**: 25% (17)
- **Caterpillar**: 17% (11)
- **Others**: 5% (21)

Total market volume last 12 months: 4,484 MW (4,554)

**Auxiliary engines**
- **Wärtsilä**: 3% (2)
- **Others**: 97% (98)

Total market volume last 12 months: 6,682 MW (7,628)
Wärtsilä strengthens its position in automation and electrical systems

- L-3 MSI is a global supplier of automation, navigation and electrical systems to the marine, naval and offshore markets
- Transaction value EUR 285 million (enterprise value), subject to customary adjustments
- Financing for the deal will be from existing cash resources and credit facilities
- The acquisition is subject to clearance from the regulatory authorities, and is expected to be closed during the second quarter of 2015
- The acquisition is expected to be EPS accretive as of 2015
Growth in service demand
All-time high fourth quarter supported Services sales growth

Fourth quarter development

- Q4/2013: 507 MEUR, 11% growth
- Q4/2014: 564 MEUR, 5% growth

All-time high fourth quarter supported Services sales growth
Services net sales distribution 2014

- Spare parts: 51% (49)
- Field service: 25% (26)
- Contracts: 16% (16)
- Projects: 9% (8)

Total EUR 1,939 million (1,842)
Services distribution per business 2014

Net sales
Total EUR 1,939 million

Installed base
Total 181,000 MW
Service contracts bring flexibility to operations through optimised maintenance planning

Several agreements signed during 2014 in various vessel segments, including:

- 10-year maintenance and technical support agreement with Royal Caribbean Cruises Ltd covering 36 vessels
- 3-year service agreement with Dutch dredging and marine contractor Van Oord
- 5-year technical maintenance agreement with three Greek LNG carrier owners for a total of 15 vessels
- 6-year maintenance agreement for 15 of Wagenborg’s dry cargo carriers
Development of service agreements

MW

MW under agreement – Power Plants

% of Power Plants installed base

MW under agreement – Ship Power

% of Ship Power installed base

0% 5% 10% 15% 20% 25% 30%

0 2000 4000 6000 8000 10000 12000 14000

2009 2010 2011 2012 2013 2014
Fleet utilisation

Anchored Vessels & Fleet Development*

Fleet Average Speed, knots**

* Source Bloomberg. Sample of more than 25 000 vessels (>299 GT) covered by IHS AIS Live.
** Source Bloomberg
Solid financial standing
Cash flow from operating activities

MEUR

2010 2011 2012 2013 2014
Working capital developed well

- Working capital developed well over the years.
- Total inventories increased significantly from 2010 to 2012.
- Advances received have been consistently high, with a slight decrease in 2014.
- The ratio of working capital to net sales has been maintained around 5% to 6%.

Graph showing the development of working capital, total inventories, advances received, and the ratio of working capital to net sales from 2010 to 2014.
Gearing remains low
EPS and dividend per share

Dividend 2014 - Proposal of the Board

*Dividend 2014 - Proposal of the Board
Market outlook

- **Power Plants:** The overall market for liquid and gas fuelled power generation is expected to continue to be challenging. Ordering activity remains focused on emerging markets and countries benefiting from a stronger US dollar.

- **Ship Power:** The outlook for shipping and shipbuilding is cautious, due to the current uncertainties in the market. Low oil prices are expected to limit the demand for offshore vessels. The outlook for gas carriers continues to be positive. The importance of fuel efficiency and environmental regulations are clearly visible, driving interest in environmental solutions and gas as a marine fuel for the broader marine markets.

- **Services:** The overall service market outlook remains stable. The service outlook for offshore and gas fuelled vessels remains favourable. Demand for services in the power plant segment continues to be good. Marine and power plant customers show healthy interest in long-term service agreements.
Wärtsilä expects its net sales for 2015 to grow by 0-10% and its operational profitability (EBIT% before non-recurring items) to be between 12.0-12.5%.