SPOTLIGHT ON FINLAND SEMINAR

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Wärtsilä’s business areas

POWER PLANTS

SHIP POWER

SERVICES
Net sales by business 1-6/2013

- Ship Power: 28% (25)
- Power Plants: 28% (30)
- Services: 44% (45)
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.
Power Plants – quoted MW per fuel type

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

Review period development
Total EUR 623 million (591)

Review period order intake by fuel in MW

Utilities 47%
Industrials 10%
IPP’s 43%

Oil 18%
Gas 82%
Power Plants - global order intake

Order intake 1-6/2013: 1,113 MW (1,401)
Includes all Wärtsilä power plants and other manufacturers’ gas and liquid fuelled power plants with prime movers above 5MW, 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.
Power Plants 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.
A unique all-in-one combination of valuable features that... enables the transition to a modern and sustainable power system!

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.
Operational flexibility and electrical efficiency

**FUTURE POWER PLANTS:**
- Efficiency
- Starting & stopping times
- Ramp rate
- Part load operation
- Firm capacity

**Electrical efficiency**
- CCGT
- OCGT Aero
- OCGT Industrial
- Wärtsilä Flexicycle™
- Wärtsilä

**Flexibility**
- Nuclear Power Plants
- Steam Power Plants
- Gas Turbine Plants
- Combustion Engine Plants
- Low
- Medium
- High
Dynamic and flexible solutions for system balancing

Portland General Electric Company, Oregon, USA
• Operational flexibility enables quick response to variable input levels of renewable power
• Order size 220 MW

Back up generation for changes in electricity supply

Olkiluoto, Finland
• Fast starting capability with sufficient power and excellent reliability
• Order size 9 x Wärtsilä 32 engines

Efficient and economical peaking plants

South Texas Electric Cooperative, USA
• Quick start-up, superior load following and low water consumption
• Order size 225 MW

Efficient gas based generation in the utility markets

Azerenerji, Azerbaijan
• Utility scale fast track project
• Largest and most efficient gas engines in the market
• Order size 38 MW
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.
Vessel order development

Source: Clarkson Research Services

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

Review period development
Total EUR 822 million (723)

- Merchant 33%
- Offshore 43%
- Special vessels 8%
- Cruise & ferry 7%
- Navy 4%
- Other 4%

Others 4%
Ship Power market
Market position of Wärtsilä’s marine engines

Medium-speed main engines

- Wärtsilä: 47% (48)
- MAN D&T: 18% (19)
- Caterpillar: 10% (4)
- Others: 25% (29)

Total market volume last 12 months: 4,850 MW (4,691)

Low-speed main engines

- MAN D&T: 85% (83)
- Wärtsilä: 14% (15)
- Mitsubishi: 1% (2)

Total market volume last 12 months: 13,214 MW (9,569)

Auxiliary engines

- Wärtsilä: 4% (4)
- Others: 96% (96)

Total market volume last 12 months: 3,800 MW (3,728)

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.
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.
Services

70 countries, 160 locations, 11,000 service professionals
Widest range of offering and expertise

Installed base
181,200 MW
Services net sales development

Second quarter development

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<td>Q2/2013</td>
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Services net sales distribution 1-6/2013

- Spare parts: 53% (53)
- Field service: 23% (24)
- Contracts: 16% (14)
- Projects: 8% (9)

Total EUR 899 million (942)
Development of Power Plants service agreements

MW

2009 2010 2011 2012 Q2/2013 12m rolling

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

53% 57% 58% 57% 48%
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
Market outlook

- **Power Plants**: The overall market for natural gas and liquid fuel based power generation in 2013 is expected to be similar to that of 2012.

- **Ship Power**: The outlook for the shipping and ship building market in 2013 is cautious, although market conditions are expected to be better than in 2012. The contracting mix is expected to be largely in line with that seen in 2012, favouring contracting in the offshore and specialised vessel segments.

- **Services**: The overall service market outlook remains stable.
Wärtsilä expects its net sales for 2013 to grow by 0-10% and its operational profitability (EBIT% before non-recurring items) to be around 11%.