Operator: This is conference # 15439126.

Jaakko Eskola: Good morning, everyone, and welcome to Wärtsilä Q4 and the 2015 year-end result presentation.

This morning I have here with me the whole Board of Management, and Natalia Valtasaari, to answer to all your questions.

Let me also introduce two new members of Wärtsilä Board of Management. We have here Javier Cavada, the new Head of, or a couple of months old, Head of Energy Solutions. And then we have Roger Holm, the Head of Marine Solutions. Roger is based in Shanghai.

2015. Despite the challenging market conditions, we had a solid development, and I think we need to be pleased with the result. The order intake decreased a bit from 2014. On the other hand, we reached our guidance, what comes to the net sales, 5 percent increase; and also the profitability of 12.2 percent.

Cash flow from our operating activities was a disappointing, and we need to focus on that one going forward. I'm extremely happy to see that the order book in 2015 grew by 8 percent. The earnings per share was EUR 2.25, so the Board of Directors will propose a dividend of EUR 1.20.

When you look at orders in 2015, it was heavily supported by our services activities. It's great to see at the same time that order intake in marine solutions also grew by 1 percent. We had a quite solid development finally in the Q4. Energy solutions went down by 27 percent, but here, as normally, we see some fluctuations on the quarters. And let's see how it develops this year. I'm confident that the orders will come, and we will see better development going forward.
Net sales developed in line with expectations. Here you can see well the development of our services, a 10 percent increase; and marine solutions 8 percent increase.

When you look at net sales per divisions, I think it's a similar picture we have had earlier. Services is 43 percent, and marine solutions 34 percent, and energy solutions 22 percent.

Because of the small decrease in orders in 2015, the book-to-bill ratio was below 1. But as I already commented, that development should also change in a better direction going forward.

When you look at order book, I think we have a similar kind of distribution for this year and the years going forward; a bit higher, when you look at the deliveries after this year.

Profitability developed well and if you look at the last four years, as we have very much and very many times commented, the profitability is, bits and pieces, increasing.

Let's move on to the divisions, and let's start with energy solutions. This slide well describes the situation where we are. There is a good activity in the market, and I'm happy to see that the gas activity is growing quarter by quarter.

When you look at order intake, you can see the IPPs and the utilities being the biggest ones. And oil is still bigger than gas, but that's mainly when you look at the different areas in the world developed according to one customer in Turkey, while the European parties is higher than most of the other areas. And this Turkish customer is, actually, today developing oil-based power plants in developing countries.

When you look at our energy solutions business today, you can see that it's supported by certain countries. U.S. is definitely one exciting area and U.S. is because of the energy mix the government is supporting today.
There you basically have the base load and you are supporting and promoting renewables. And whenever there is these kind of energy mixes, Wärtsilä power solutions is a good way to compensate whenever you don't have, for example, sun or wind.

One area also in our latest order intake, you can mention Mexico where we got a big deal in quarter 4. And that's again a good example of a country changing the policies of the energy business and supporting Wärtsilä's solutions.

If you look at our market shares, no big difference. The market, as such, where we are active, has grown by 3 percent. And our market share is around 10 percent.

Moving on to marine solutions. Last year was a challenging year. I think we got finally, or the reported number of vessels was over 1,300, and some 20 percent to 30 percent less than compared to the similar number last year, or year before. And here you can definitely see the same type of activities going on. They are the cruise and ferry segments, specialized vessels, very much gas carriers, and some specialized vessels. When you look at our order intake in 2015, the gas carriers definitely forms the biggest part of the development.

Offshore is today 8 percent. And I think it has been over 30 percent, closer to 40 percent. And that has already dropped down. Other good segments, as you can see here, are the cruise and ferry. Traditional merchant here is very much off an order intake from our MSI acquisition, electrical and automation to merchant vessels.

Joint venture order activity, and these are now the joint ventures of our engine factory in Korea and the engine factory in China. And here you can see also the development of partly of the LNG carrier market moving more and more to two-stroke gas-based main engines. But at the same time, a Wärtsilä solution being possible for the auxiliary engines.

Order book today, we still have 17 percent offshore. Gas carrier is increasing and then you have all types of smaller segments.
In 2015 we got different kind of gas carrier orders. I think it's good to mention some of the gas-handling systems for -- like 11 LNG carriers where it's not only the engine but it's the Wärtsilä gas systems, and everything what is on board of the vessel. Then we had (down link) and some other integrated solutions which are supporting our strategy. Also we have seen lately some inland water vessels, inland water type of solutions running on LNG where Wärtsilä can provide different kind of opportunities.

When you look at our market shares in the marine sector, the main medium-speed engine market share has dropped a bit. And we have commented that one earlier, that the 63 percent we got last quarter was, anyway, too high. It was very much supported by one single project, the Yamal LNG carrier project. And we are now going down closer to the reality, which I would say is around 50 percent.

On the other hand, auxiliary engine market, finally we have seen, quarter by quarter, an increase of the market share. And it's very much supported by the LNG carrier auxiliary engines, our dual-fuel products.

And then services. 13 percent increase. And I think that the real growth was 8 percent in 2015, if you take the ForEx impact out. And again the fourth quarter development also very positive. And if you look at our services last year, I think we made a record in the year. We made a record in the quarter. And we made a record in December. So that's developing in the right direction, the direction we have been all the time pushing for.

The distribution is similar. Spare parts forms a bit (over) half. And when you look at the distribution, 60 percent marine and 40 percent energy. But of course in marine you also have the two-stroke solutions, two-stroke engine services. The four-stroke marine service has increased. This is 3 percent. And the two-stroke service has decreased by 3 percent. So also the right direction with pushing for four-stroke solutions.

The agreements, here you can see a small drop on the energy solutions agreements side. And that's basically a couple of projects we have in Brazil
where we didn't actually make any money. And we canceled them and we are pushing for going to the better deals.

Here in services I would highlight our lifecycle approach to the customers where we can provide agreements and solutions where we help our customers to operate their facilities. And definitely when you look at our offering, whenever there is a dual-fuel engine or very complicated integrated solutions with our customers, they tend to ask Wärtsilä to maintain and service their equipment.

It's also very good to remember the digitalization change in the market, where Wärtsilä has also developed new solutions for our customers, where we can remotely operate, we can remotely control and see what's going on and then maintain the equipment in a better way. And that's definitely a growing area when you look at the future growth of services.

On financials, I already commented the cash flow, which didn't develop as we expected. And that's mainly because of increased receivables and also less advances we had last year. And that's a focused area where we need to look at going forward.

When you look at our working capital development and the reason why all this is happening, it's mainly because of the power plant or the energy solutions deliveries. It's a timing issue and there, of course, going forward I'm confident that that now has to move also to the better direction.

Gearing, because of this working capital build up and the L-3 MSI acquisition, is 0.17. We didn't reach the number of the year 2014 but that, again, will be affected by the other developments.

As commented, EPS EUR 2.25 and the dividend per share EUR 1.2.

Looking at the development going forward, when you see these three areas, the market hasn't and the world hasn't changed a lot, what comes to our activities. Certain segments in marine are developing well and those are, of course, the bright spots where our activities are working well and the whole offering, the wide variety of our products are supporting our business.
Energy solutions, long lead times of the projects but the good pipeline will, of course, support our year. And services, where these growth opportunities what we have had with the increased installed base and digitalization and new equipment will definitely help the services division to grow.

So with this, we expect this year the net sales to grow by 0 percent to 5 percent and the profitability to be 12.5 percent to 13 percent.

I will end my presentation with the slide clearly covering the situation where we today are. The megatrends energy demand, which is growing, and the transportation needs globally supporting our businesses going forward. Thank you.

Now we have possibilities for questions and answers.

Elina Riutta: Elina Riutta, Evli Bank. The profitability improvement that you expect for this year, could you talk a bit about where you expect that to come from?

And perhaps related to that, the order book in marine solutions, is the mix in that order book better profitability-wise than what you've seen in 2015?

Jaakko Eskola: The profitability is very much dependent on the mix of our operations. And as we have commented that when services is growing and that's the most profitable business we are in, that will definitely support our profitability.

And when you look at the marine solutions order book today, the more you have equipment, whatever the equipment is, this will, of course, support also our lifecycle solutions.

And I wouldn’t – I cannot comment on whether the mix is better than what is was before. I would rather say that the more equipment we have is better for Wärtsilä.

Elina Riutta: Thank you.

Manu Rimpelä: Manu Rimpelä, Nordea Markets. Could you give us some thoughts around the cash flow, you mentioned especially the energy orders. I think we were
hoping to get some bigger orders already closed in the second half of 2015 and those didn't really materialize.

And the enquiries pipeline or the enquiries (setting out) looks very promising but it failed to translate into new orders. So what gives you the confidence that we will see those orders 2016, given what's happening with all the energy prices, oil prices, and also probably customers are starting to be starved for cash? So just what gives you the confidence? And then how much energy orders is built into your sales guidance for this year?

Jaakko Eskola: First of all, the second half of the year was better than the first half of the year, as we have commented earlier in 2015. And I would like to say also that when you look at the quarters, the fourth quarter was better than the third quarter and better than the second quarter. So the development is now going in the right direction.

The transactions where we are, when you go to developing countries and have to put a power plant in the place and when you see also the division on IPPs, which are always complicated to put in place, it takes time. There is financing available but it quite often requires different kind of entities: currency, foreign currency boards or World Bank and so on. And to put all that together it takes time.

When you look at the pipeline, I think there is still a good sign-off of those transactions. But may I also let Javier to comment on how you see this year now going forward.

Javier Cavada Camino: I would like to comment exactly as Jaakko was mentioning, that quotation activities looks very promising. The market has been challenging, that is going to continue. And the timing of the closing of the deals is going to be taking longer than before.

So as Jaakko was just mentioning, quarter 4 was more than 100 percent bigger than quarter 3, so we really see the trend getting closer to finalizing all these deals. So that's the reason why we're pretty confident that we're moving really in the right direction. And we're going to continue pushing to increase the
billing activity and to be very close to the customers to finalize the bills the soonest.

Jaakko Eskola: And the areas where you see the most activity?

Javier Cavada Camino: Yes exactly; the area where we are pretty active and by the way, this weekend I'm travelling to the U.S. and will stay in Mexico, so it's the north of America where you see investment decisions are happening faster. So that's why we see much more promising short-term finalizing of deals.

The parts where we are having more challenges are, of course, Middle East and Russia, due to the low oil prices. And the investments are being postponed but we are being there. So let's say that America and still Africa with base-load plants very close to completion. So we need to continue as we are doing and work hard to get there. (The other question) the gas in-house.

Manu Rimpelä: OK, thank you. And the second question on the marine solutions, gas carrier still remains slightly more than one-third of the order intake. And can you just talk a bit about how your customers are doing there, given what the oil prices and gas prices are doing at the moment?

And I would imagine that that could halt their plans for bigger investments, which means that there could end up being a significant overcapacity of gas carriers in the next couple of years, given the big ordering activity we've seen so far. So just give us a bit of an understanding of what your customers are thinking today in terms of ordering more ships or have you seen the big peak already?

Jaakko Eskola: All right and I think this is an excellent question to let Roger Holm, the Head of Marine Solutions, to answer.

Roger Holm: I think what we are seeing at the moment is we believe the gas carriers will continue with this normalized situation as we see today, especially on the LPG side. We believe that the development is still there. So we are well-positioned with the gas-handling systems and also the engines, as Jaakko mentioned before. And the trend will continue, as we see it, 2016 as we have seen in 2015, so no major changes on that.
Pekka Spolander: Pekka Spolander, Pohjola Bank. About the deliveries, have you seen any delays in the deliveries because of the uncertainties mainly in the marine side?

Jaakko Eskola: I think we have seen delays in everything what we do but you just have to push them. And those deliveries are not because of anybody, at least yet, cancelling anything. But in marine solutions it's quite often that the shipyard is trying to somehow optimize their activities during the year.

And then, when the ship is -- if they agree with the owner, with a bit later delivery of the ship, then they might ask us to postpone the delivery of the engines or any other equipment, so you see that happening. That's partly also you could see it in our numbers. Both energy solutions and marine solutions were a bit lower. But, as such, today nobody has been talking about cancellations, so it moves a bit ahead.

Pekka Spolander: OK. And the second question; Marine Systems International had a quite large order book at the end of the year, roughly EUR 500 million. Could you discuss a little about this Marine Systems International integration process and how we'll see 2016; and we know that the margin was somewhat lower than your margin and you aim to raise it to the normal Wärtsilä level.

Jaakko Eskola: The Marine Systems International, which is now today Wärtsilä electrical and automation, actually contributed by EUR 264 million on our sales and -- sorry, order intake and sales, EUR 263 million. So, of course, it was an important part of our business 2015, and it is going to be an important part of our business going forward.

The integration is going on. It's totally according to the plans, and I'm glad to see that it really brought a lot of synergies when you talk with our customers, whether it's a person from the new acquired entity or our own sales person approaching the customer. So the people are very much now cooperating and getting new transactions and new opportunities.

They are extremely well-positioned what comes to electrical and automation and navigation sides on cruise vessels and container vessels, and they can now use that competence with our existing customer relations.
When you look at the world, where the world is now moving and everybody talks about digitalization, that company's only digitalization. It's everything what they do is basically digitalization. And, it's in the digital world.

You have lately also seen us offering now to the battery-driven vessels for ferries where they can be charged wirelessly, and that's an area where Wärtsilä is today, with our ship design competence and propulsion competence and the electrical and automation competence, really a major player.

So I'm extremely happy that we acquired it and, actually, everything what we saw last year was even more positive than originally we thought.

Pekka Spolander: Thank you.

Jaakko Eskola: Do we have questions from the line? All right.

Operator: Thank you. As a reminder if you wish to ask a question please press star one on your telephone and wait for your name to be announced.

Your first question comes from the line of Max Yates of Credit Suisse, please go ahead.

Max Yates: Hi, thank you. Two questions from me. Obviously, firstly, in power we have seen a depressed environment for a couple of -- well, for a year or so. How is the order -- how is the pricing on orders that you're taking currently, and also pricing in your backlog of orders you're set to deliver in 2016?

Jaakko Eskola: Yes, the market is challenging and definitely has affected to our operations. But I would rather say that definitely in energy solution side we try to keep our margins. Those transactions are complicated, and there you cannot play with too much on going down with the pricing, because it takes time to put the whole thing together. And finally, if you start to play with the price where the risks probably are higher than in any other places, that's a lost game.

So our organization is very much looking at getting those transactions where the profitability stays at the level we are today.
On the existing portfolio I cannot comment on anything else than what I already said that that has been the way how we move forward.

Max Yates: OK, and maybe just a follow-up on ballast water equipment. I think people are getting more excited about this market again, given the regulation appears to be getting closer. Could you just comment on -- are you starting to see customers' enquiries rising for ballast water equipment?

Are you thinking about increasing your capacity at all in this area? And, could you just remind us where the profit margins are now on ballast water equipment relative to the rest of the Group?

Jaakko Eskola: I cannot comment on that one, where the profit margins are on ballast water management systems.

I would rather say a bit on the whole market that the convention has not yet been signed. You're still lacking 0.40-something-6 percent, so any small countries to join, or a lot of small countries to join, that will -- even smaller -- will finally put it in place.

We were a little bit excited in December that we thought that it was signed in November, but it's still a bit behind. Now -- I have been commenting this every year. Now I'm pretty sure that it will be signed this year, and then we start moving ahead.

We see ballast water management systems ordered for new ships. Everybody ordering a new ship will actually install a ballast water management system. So that's a good development.

But for the bigger business we need the existing fleet, over 40,000 vessels, which need ballast water management system, and that then means something more.

Max Yates: And just finally, the last question on capital allocation. Given your -- you've just started, is your focus over the next year in 2016 on the organic side expanding the services business, or do you also see opportunities out there for
M&A? And, if so, how is the pipeline and what kind of companies are you primarily looking at where you would want to add to Wärtsilä portfolio?

Jaakko Eskola: It's a good question, and today our organization is based on the business lines really looking at engines and propulsion, and so on. And the business lines, the people there, are looking at the market, are looking at the opportunities. The ideas are coming from the organization, like Hamworthy and MSI came from.

Of course, there are -- every once in a while you see good possibilities to move on. And then, of course, we have services. We can grow also in services by acquisitions and definitely that organization is looking at the opportunities. I cannot reveal any names but let's see.

Max Yates: OK, thank you very much.

Operator: Your next question comes from the line of Sven Weier of UBS. Please go ahead

Sven Weier: Yes, good morning, Jaakko, three questions from my side. The first one is a follow-up question on ballast water; I was just wondering if you also see an increase of enquiries for those retrofits, given that there is probably some front-running if you think about the repair yard capacity, that if the convention is enforced there's going to be limit to that.

The second question is in terms of the weakness in emergent shipyard orders if you think that this is now fully reflected in your order intake, and the kind of Q3, Q4 order intake in marine is the level to work from.

And then lastly, on services and the outlook for 2016, do you also see scope for the traditional spare part business to grow, or is their growth mostly driven by your service agreements? And on those service agreements, what do you think is going to be the share of that of your installed base in the future? Do you think that can move from 10 percent to 20 percent, or what would you see as a limit there? Thank you.
Jaakko Eskola: Than you. Let me ask Roger to comment on the ballast water and the CPR situation.

Roger Holm: Let me start from the ballast water enquiries first; I think the main focus now has been really when will the newer regulation come into place, and then the first dry docking coming after that.

So far we don't see any major differences in the enquiries pipeline. There is a lot of interest and of course we are following closely. We are ready to ramp up volumes base on the need going forward. So our plans are in the pipeline and following closely the regulations.

Then looking at order intake, we see now, as was said earlier, that the market situation is what we have seen normalizing now during 2015, and we are well-positioned with our mix going forward on order intake, and taking on the benefits we have of the broad portfolio, also for the order intake going into 2016. So we see this more as being the path going forward now, based on the last quarters.

Jaakko Eskola: Thank you, and Pierpaolo, why don't you comment on the services?

Pierpaolo Barbone: Services, as you know, the visibility on our transactional business is around 3.5 months. And then the stability is coming from contracts that are, let's say, between five and 10 years.

For 2016 we believe we'll grow in all these areas, in all these activities. And, of course, the uncertainty is related to the transactional business and the stability will be given from the contract that we have in our order book already from new contract that we are in process to sign in near future.

And, of course, the main factor that has differentiated our approach in these last two years is that of focusing on selected business. If you analyze a little bit our sales, we have been growing 10 percent, around 10 percent, 10-plus-percent on the four-stroke, that is a majority of our business, but 20-plus-percent in what we call emerging business and preparation. So emerging business means system bearing two-strokes, Quantiparts, the old parts for our classic engines, and preparation.
These businesses have grown more than 20 percent. So the differentiation, the focus and the enhanced value proposition together with the asset performance optimization and digitalization through the Genius product that we have launched in November, have made the difference and we hope to continue also in 2016.

Sven Weier: Thank you. Can I just ask a follow-up question on ballast water again because you mentioned the fleet due for retrofit could be about 40,000 vessels and maybe that's over a period of five years. What is your investigation telling you about really the capacity in the market for doing around maybe 8,000 to 10,000 vessels per year? Do you think that's really logistically possible or will it be a much lower number in your view? Thank you again.

Roger Holm: I think this is of course the key for the ballast water market but as we see it now, first of all, taking a year to come into force after ratification and then going into first dry docking after that one.

It will take time to ramp up so it will give the market a bit of time to adjust and there will be a combination of different ways of doing the installation. So far we haven't seen any major hiccups to say that this wouldn't be possible to do in the present market conditions.

Jaakko Eskola: And in ballast water management systems it's good to remember that you already have the U.S. coastguard requirements in U.S. And the U.S. coastguard is now not accepting exactly the IMO way of thinking of it. So there is even an argument between U.S. coastguard and IMO so that also has to be solved when and if the whole thing starts to move.

So but let's get the convention first signed and then we can start moving ahead.

Sven Weier: Understood, thank you.

Operator: Your next question comes from the line of Ben Maslen of Morgan Stanley. Please go ahead
Ben Maslen: Yes, thank you. Morning Jaakko. Firstly, just on, if I can just come to costs -- you're midway through one cost saving program. Firstly, what savings do you expect in 2016 from that program and do you think you need to do any more additional cost cutting to adjust parts of the business to weaker volumes? That's the first question. Thanks.

Jaakko Eskola: Thank you. Let me first say that we had our alignment program in marine solutions, which we started last year in July, and then at the same time we had a different kind of alignment programs and -- or issues and situations in the services side, in different countries. And those are all basically going forward, some of them are already closed and some of them are still going on this year.

Our capacity situation today is a bit challenging here in Finland in Vaasa but otherwise is no drama. But Marco could you please comment a little bit on the numbers of the savings this year and last year and so on?

Marco Wiren: We have this alignment program that we started 2014 and that's actually concluded now in the end of last year and we received those 30 million, plus 30 million, each year as we promised and about 1,000 people decreased our forces.

When it comes to marine solutions program that we launched this summer, the target is EUR 40 million savings and the cost will be about EUR 25 million to EUR 30 million. The timing of that depends of course how fast we proceed with all the negotiations with the unions. We now have booked almost EUR 20 million cost for that program in 2015 so, the rest of the costs will come during 2016. And of course the full savings we'll receive first in 2017.

Ben Maslen: OK, got it. Thanks, Marco. Then just maybe you could comment on the development in exhaust gas systems or scrubbers in the fourth quarter. You have done that previously, just how was that market and what do you expect for 2016 in that segment? Can that grow given the much lower fuel prices? Thank you.

Jaakko Eskola: Good question and as you ended the question by saying that the fuel prices is of course one factor and the activity has been a bit slower because of that one.
Still in Q3 we got 13 scrubbers, sorry 12 scrubbers for three ships I think is the right number. So last year totally was 43 scrubbers for 19 ships, which is similar amount of scrubbers as 2014. So the market was pretty much the same. At the same time, we have lately in December and now in January, we have seen much more activity on that side.

So it depends on, again, where you are, how you operate, where you see the market developing and I cannot comment on whether it's going to be a better year than last year, but the regulation is there and some of the players, that's definitely a better solution than anything else. Or of course, then you can go to LNG, which is always an opportunity.

Ben Maslen: Got it. Many thanks.

Jaakko Eskola: Thank you.

Operator: Your next question comes from the line of Colin Gibson of HSBC. Please go ahead.

Colin Gibson: Hi there, good morning everybody.

A couple of questions from my side, in addition to what's been asked already. I just wanted to focus on the order book and to think about risks to that order book and how you feel; you mentioned delays but no cancellations so far. I think you have got 17 percent of the marine order book, which is offshore and obviously a portion of the energy order book, which is the in emerging markets and/or OPEC countries. All of that feels at least a little bit risky right now, so how do you see the risk of order cancellations there? That's the first question.

Secondly, I wanted to ask you about the divergence in earnings growth for the full year 2015, which was double digit, and dividend growth for the full year 2015, which was obviously fairly low single digit. Should we read anything into that divergence? Thanks.

Jaakko Eskola: Thank you, Colin. And how I forecast the first question that is order book cancellations, sorry, yes, that was -- you already mentioned that it's partly in
offshore, partly in countries where it might be having a risk. I think you covered, and you mentioned it yourself, that there is a little bit risk on that one and everybody understands that today offshore is in a challenging area and that always change.

Today, as we have commented and with our discussions with our customers, nobody has approached us on any ideas of cancellations and quite often you can actually predict it. You can hear from a customer or a CPR talking about a vessel cancellation and then you know whether they finally come to us also. So, no news about that. On the energy side, I know of no discussions with anybody. Of course, as you said, there is a risk; is it very small or something else? We don't know.

Then you mentioned about the profitability growth versus the dividend growth. I don't think there is any drama or anything else. The profitability growth was as we expected and dividend growth is, of course, always depending on how the Board of Directors look at it and how the AGM finally decides it.

Colin Gibson: OK, thank you.

Operator: Your next question comes from the line of Antti Suttelin of Danske Bank. Please go ahead

Antti Suttelin: Yeah. Thank you. You know still back to the shipping side. If I look at the big picture, I think one can say that the relevant ship types to Wärtsilä, in terms of contracting, fell by 50 percent during 2015 and your order intake on the shipping side fell by about half of that, organically speaking.

So my concern is that this will just last long before you see the full impact of the collapsing ship orders and we will see that in 2016. I would just like to hear your comment, how you see upon this? Do you really think that the hit has already been taken or whether there could be some new extra hit in 2016 on orders, please?

Jaakko Eskola: Thank you, Antti and as many times, we have expressed our opinion about the market: that as long as it develops as it has been developing, our wider
portfolio supports our forecast. And we just get more and more, also, market share in certain place, certain type of ships need more of our equipment. As we said, we see the same segments going forward and the year today, how we look at it, looks pretty much the same as it was last year.

Antti Suttelin: OK, and still just to make sure that I understand your comment regarding the gas carriers correctly. When you say that contracting will be normalized, what do you mean by that? Do you think that because contracting sell in 2015, do you think that it's now normalized the level, what we saw towards the end of the year the year, is now normalized?

Jaakko Eskola: 2014 the contracts of gas carriers was 180, 170-something, and last year it was 80, 92 actually. So we say that that level, 80 to 90, is the normalized level. Is that correct?

Roger Holm: Correct

Jaakko Eskola: Yes, and if that stays, it's fine.

Antti Suttelin: All right, that's clear, thanks a lot.

Jaakko Eskola: Thank you.

Operator: Your next question comes from the line of Glen Liddy of JPMorgan. Please go ahead.

Glen Liddy: Good morning. Could you give us an idea of how much your revenue content per ship is changing over the last five years or so? Because if you're getting more content on gas-powered ships, it would be useful to know how much that's changing your average revenue content per ship.

Also, you mentioned in Brazil that you had a couple of contracts, service contracts, that you've cancelled. Do you have any other service contracts that don't perform in a way that you would like, that may be curtailed in the future?
And then finally on the power business. You say enquiry levels are at a high level, do you have many enquiries that may convert to sizeable orders of the scale of El Salvador during the course of this year?

Jaakko Eskola: Thank you, Glen and Roger, would you like to comment on revenue where we are today?

Roger Holm: I think we are not at the situation to draw too big conclusions yet on that one because we have MSI figures coming in. We have a slight increase in average but that also depends very much about the mix of the vessels and the mix of the products.

Of course, as Jaakko said earlier, we're working very hard to increase the content on vessel level, but equally important for us is also to see what kind of mix do we have in the market, both from a product and a vessel-type point of view.

Jaakko Eskola: And the highest contents we used to have was in offshore support vessels where there is ship design from everything else, and that could be over 60 percent, is that right?

Roger Holm: Yes. And that's of course impacting now due to the decline in the offshore market, so that changed the figures at the same time.

Glen Liddy: OK.

Jaakko Eskola: And services, Pierpaolo, if you comment on.

Pierpaolo Barbone: On the agreement side, power plants in particular, our market penetration in terms of megawatt under contract dropped from 26 percent to approximately 24 percent between 2014 and 2015. At the same time on the marine sector we increased from 5.6 percent to 9.1 percent. All-in-all, our megawatt installed base covered by agreement increased from 11 percent to 13.2 percent, so all-in-all there is an increase.

This statistic or the figures related to power plants and this decrease, small decrease, is related to megawatt installed. But if we consider the number of
installations, also the number of installation in power plant covered by agreement increased between 2014 and 2015, in particular 259 to 315.

So there is an increase of coverage in terms of number of installation, also in power plant decrease in megawatt installed, what does it mean? That the power plants that we are covering are less power intensive, so the agreement that we lost, we didn't renew, were power intensive.

Why? Because we will not go for every single contract according to whatever the market is proposing, we are selective. And maybe this will also decrease in terms of megawatt installed because we want to have a profitable growth, and this is visible in the trend we had during the last year. We have increased in sales and in profits, including the maintenance contracts in the agreement; and we will continue this way.

Glen Liddy: But do you have many contracts that you're operating now that you would prefer not to have in the future?

Pierpaolo Barbone: This is normal, let's say, process. There is nothing special in the pipeline. So there is a continuous flow. When you have in total -- at this point in time, we have 584 installations under contract, so there is a continuous flow of renewals.

So you negotiate, you renew, you see the condition, you renew or you don't, according to a number of assumptions. But then, of course, then we have new contracts, we have new installations that are coming up every time. So nothing special is a normal process for us.

Glen Liddy: Thank you.

Pierpaolo Barbone: Regarding the energy solutions, we are working on some big projects at the moment, so let's hope we can reveal something sooner or later.

Glen Liddy: OK, thank you.

Operator: Your next question comes from the line of Johan Eliason of Kepler Cheuvreux. Please go ahead
Johan Eliason: Yes, good morning. Two questions. Start first on the marine side – no, sorry on the energy solutions side. The PTC in the U.S. was approved and prolonged by the Congress and Senate in December. You mention here that you're positive on the development in North America. Have you seen any sort of increased quotation level or activity level among the U.S. power producers post this prolongation?

Jaakko Eskola: Do you want to comment?

Javier Cavada Camino: I can comment on that. Indeed, our activity in U.S. is growing even before the signing in December that you very well mention. Every single year since the last couple of years, the level of quotation and the level of projects signed is growing.

So last year, we had more builds in U.S. than the previous year and the pipeline is growing. Of course, the quotation activity is growing very much. So it's -- we are very present there, Wärtsilä is really very focused on U.S. market today besides the other regions in the globe, but as I said, we have a deep knowledge of the market. We are getting very close to the customers and we expect really growth in U.S. with the latest developments.

Johan Eliason: OK, thank you. And then on the marine side, obviously with the low oil price, this question about slow steaming is now popping up. What have you seen in the segments you're exposed to? Are there any particular segments where they might have stopped the slow steaming and speed up again?

For example, I think you, Jaakko, mentioned when we met in December that a Maersk latest container ship had a design speed of 21 knots which is obviously well above where the slow steaming would imply they should be running. Are we seeing a trend now for speeding up and what would that imply for your service business? Thank you.

Jaakko Eskola: Yes, that's true; some of the new ships are designed for higher speed and some people don't understand it at all, but if overall you look at it, no major changes.
Lately, I think it was a study from yesterday, PIMCO actually had analyzed that in container vessels, they have increased the speed a bit. But I don't think, Roger, there is no major changes at the moment.

Of course, the oil price is so low that that would let people to run faster, but they are seemingly saving money on the oil price, at the same time, saving money running still them at the low speed.

Johan Eliason: OK, thank you.

Jaakko Eskola: Thank you.

Operator: This was our final question on the telephone. Any participants who did not get a chance to ask a question, please email it to Wärtsilä Investor Relations. Thank you.

Jaakko Eskola: All right. So thank you for all of you attending the result presentation and have a good day and see you in three months. Thank you.

Operator: That does conclude our conference for today. Thank you for participating. You may now disconnect.

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