



SOLID FINANCIAL POSITION

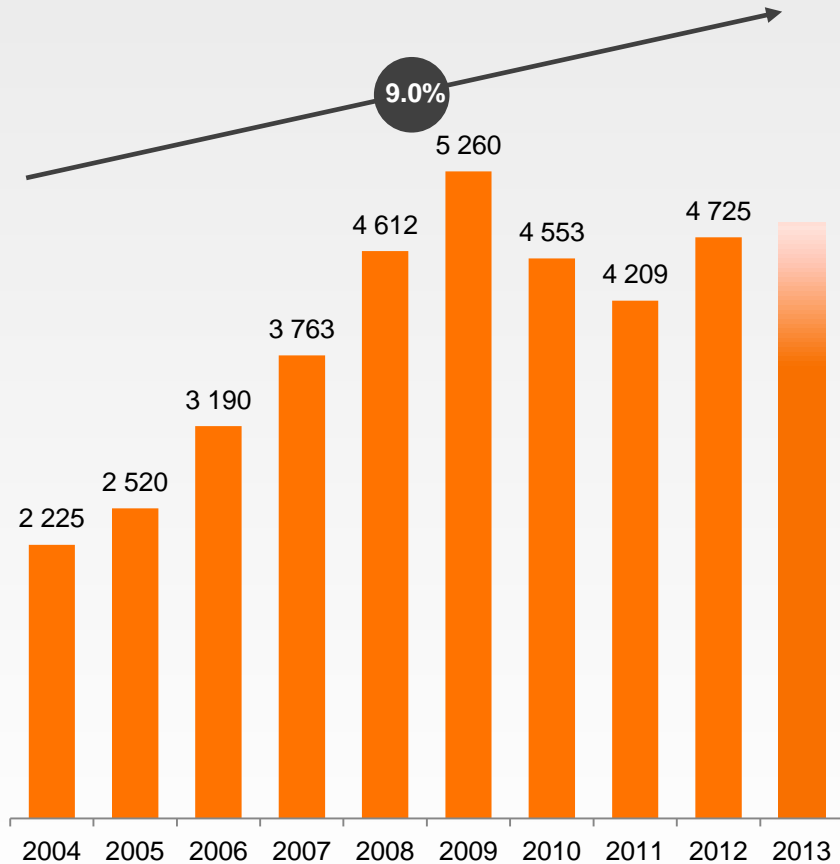
MARCO WIRÉN
Executive Vice President & CFO

- Slight decrease in order intake
 - Delays in power plant customers' decision-making mainly offset by good activity in shipping markets
- Continued growth in sales
- Good development in cash flow, working capital 10.2% of net sales
- Joint ventures illustrating improved performance
- On track to meeting 2013 guidance
 - Net sales growth of 0-5%
 - Profitability (EBIT% before non-recurring items) around 11%

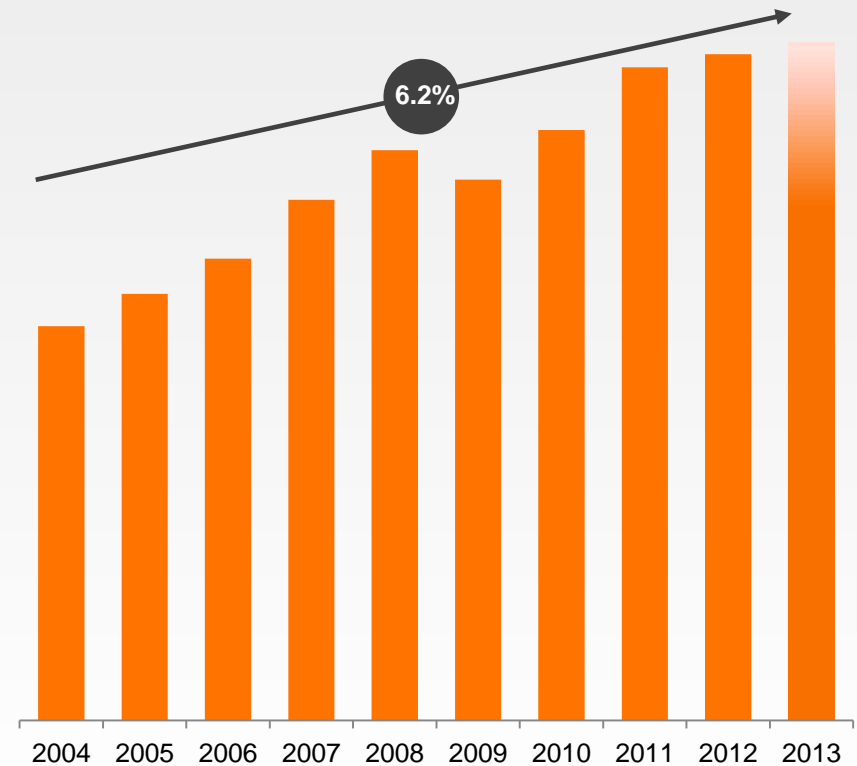


MEUR	6-9/2013	6-9/2012	1-9/2013	1-9/2012	2012
Order intake	1 097	1 275	3 520	3 583	4 940
Order book at the end of the period			4 568	4 724	4 492
Net sales	1 209	1 087	3 243	3 191	4 725
Operating result before non-recurring items	138	113	319	328	517
% of net sales	11.4	10.4	9.8	10.3	10.9
Earnings/share, EUR	0.48	0.38	1.24	1.09	1.72
Cash flow from operating activities	139	121	261	-34	153
Net interest-bearing debt at the end of the period			534	698	567
Gross capital expenditure			84	462	513
Gearing			0.31	0.42	0.32

Wärtsilä's growth 2004 – 2013

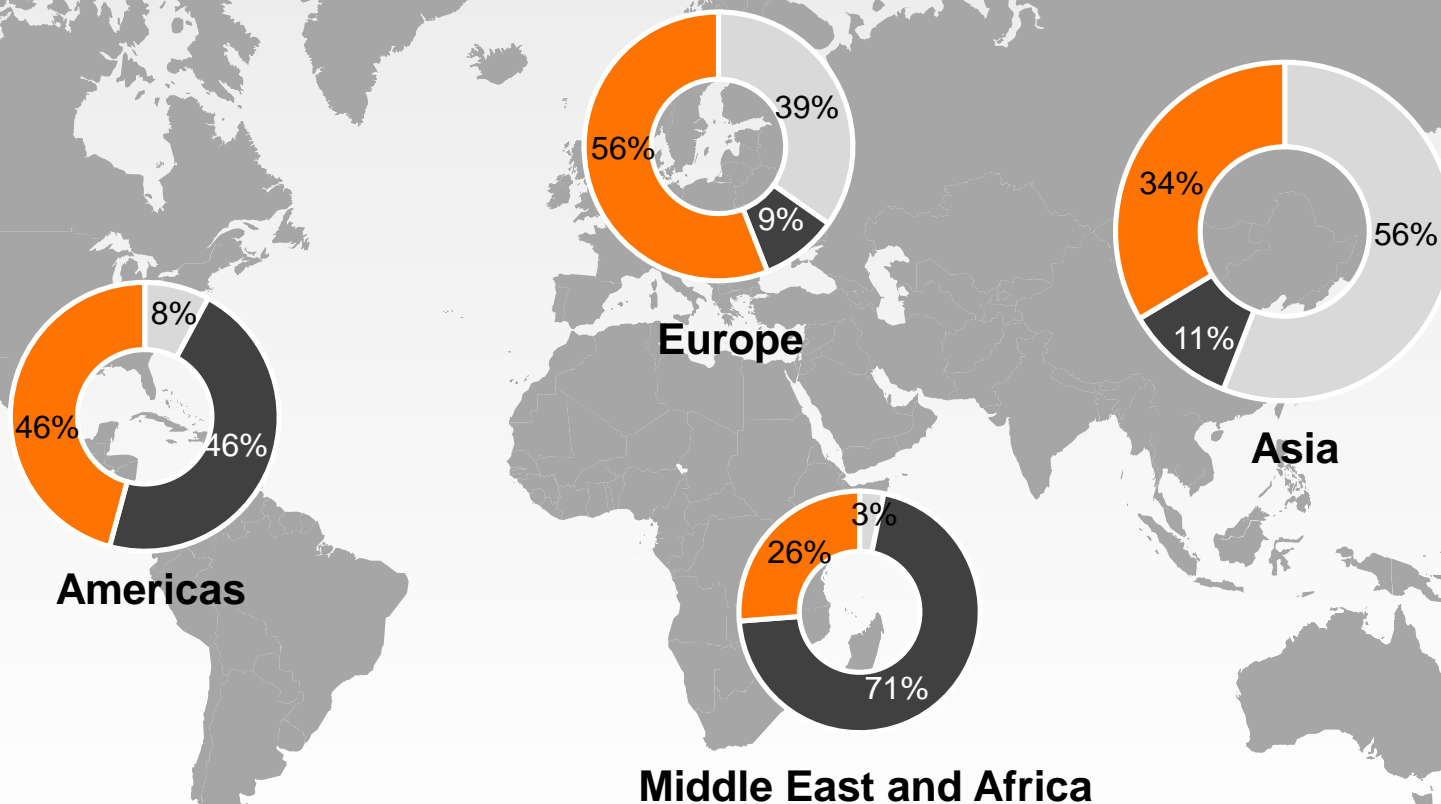


GDP growth 2004 – 2013¹



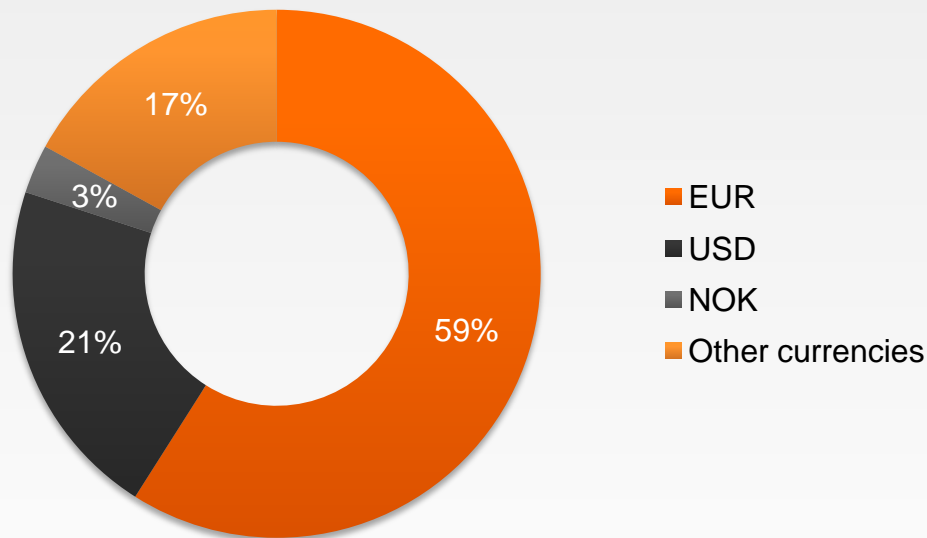
Note 1: World nominal GDP growth, USD denominated, IMF World Economic Outlook October 2013

Net sales by business area and region 1-9/2013



● Services ● Power Plants ● Ship Power

Net sales by currency 2012

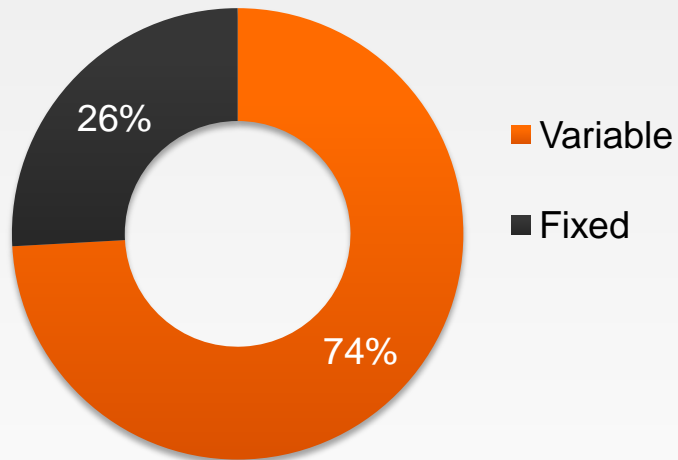


Sensitivity analysis

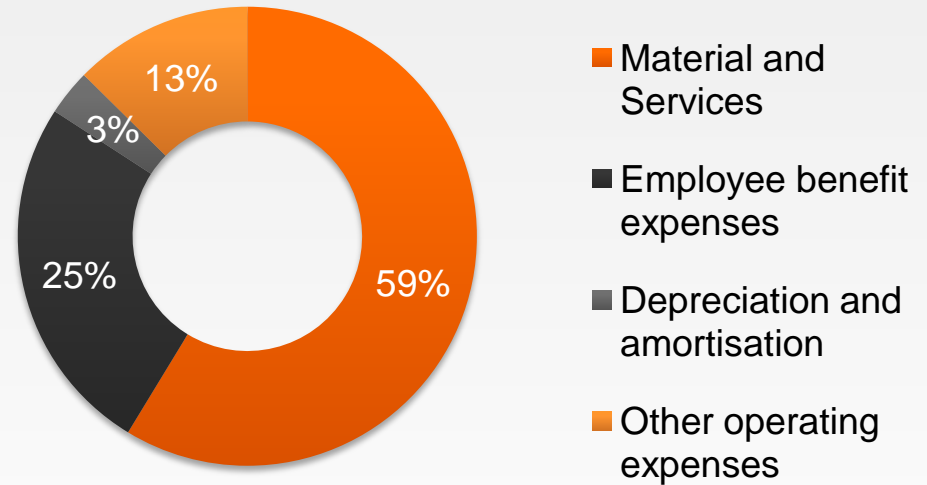
Impact of EUR exchange rate compared to other currencies:

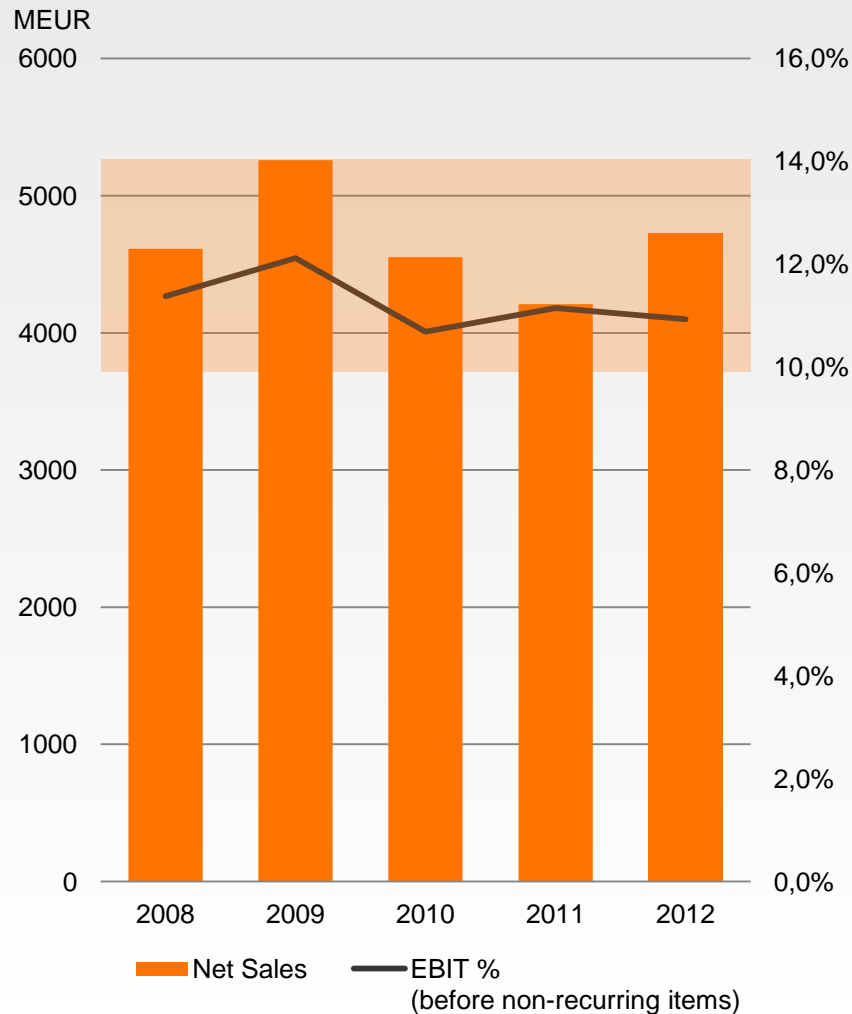
- +/- 10% would result in -/+ 4% change in net sales
- Impact on profitability would be marginal

Operating costs 2012



Operating costs by type 2012





Elements of a robust business model has maintained our profitability over the cycle

- Capacity streamlining actions for Ship Power and PowerTech
- Flexible business model
- Strong Services business brings stability in fluctuating markets
- Increased global presence
- Strong foothold in emerging markets through increased local presence, capability and capacity
 - Focus on increasing production in growth markets
- Forerunner in gas and dual-fuel applications
- Broadened offering, e.g. through Hamworthy with Environmental and Flow & Gas solutions
- Improved supply chain management

Our key growth areas...

Smart Power Generation



- Energy efficient solutions
- Fuel and operational flexibility

Gas as a fuel



- Forerunner in gas technology and dual-fuel applications

Environmental solutions



- A market leading environmental player
- Superior customer network

...and our key focus areas

Emerging market growth



Optimised Services



Entrepreneurial Drive



Sustainable profitability of 14% is achievable through success in our key growth areas with an implementation of the underlying new operational models within the Group

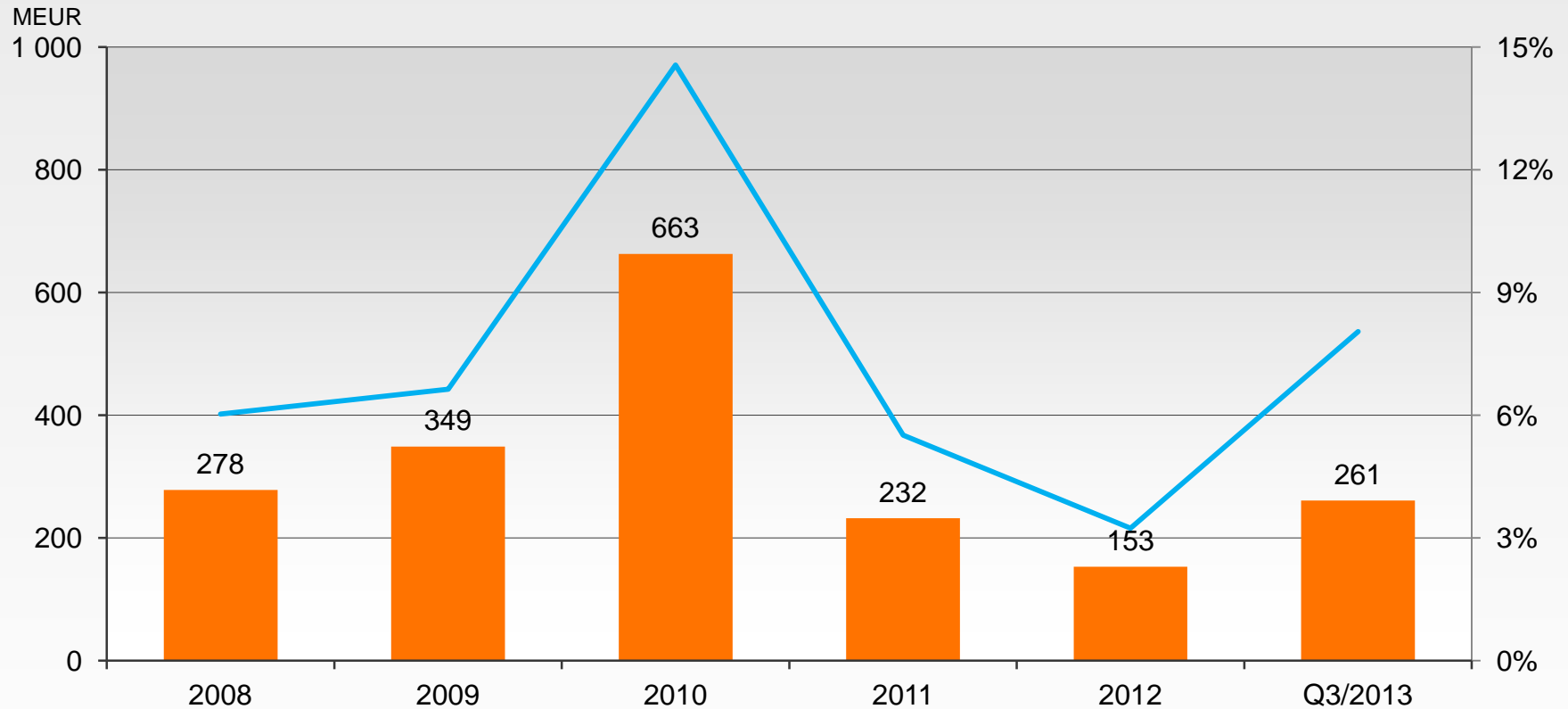
- Focusing on key strategic growth areas enables growth even in challenging markets
- Strengthen presence in emerging markets
- Maintain flexibility in operations
- Focus on internal efficiency
- Continued focus on financial position





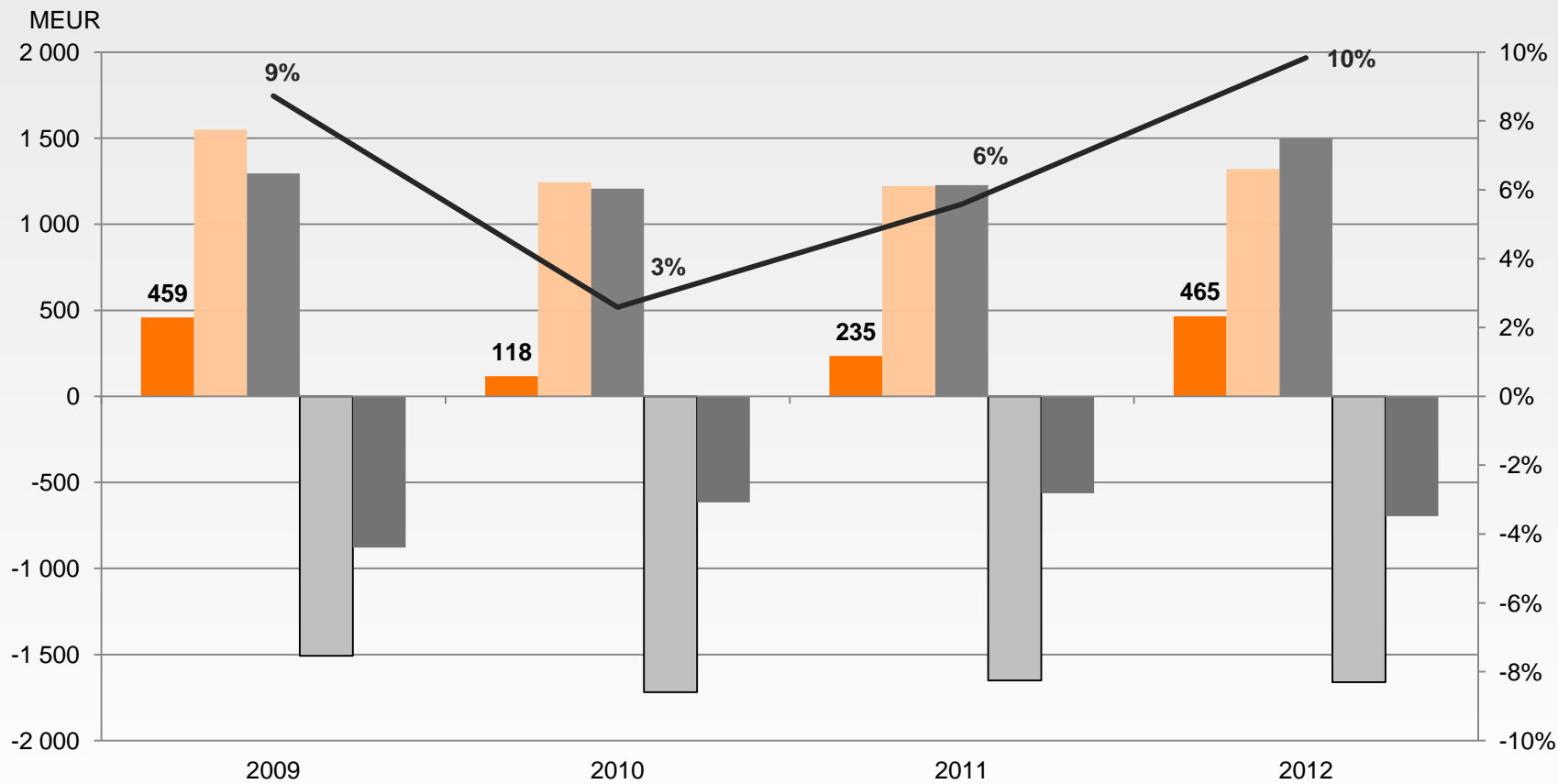
CASH FLOW AND CAPEX

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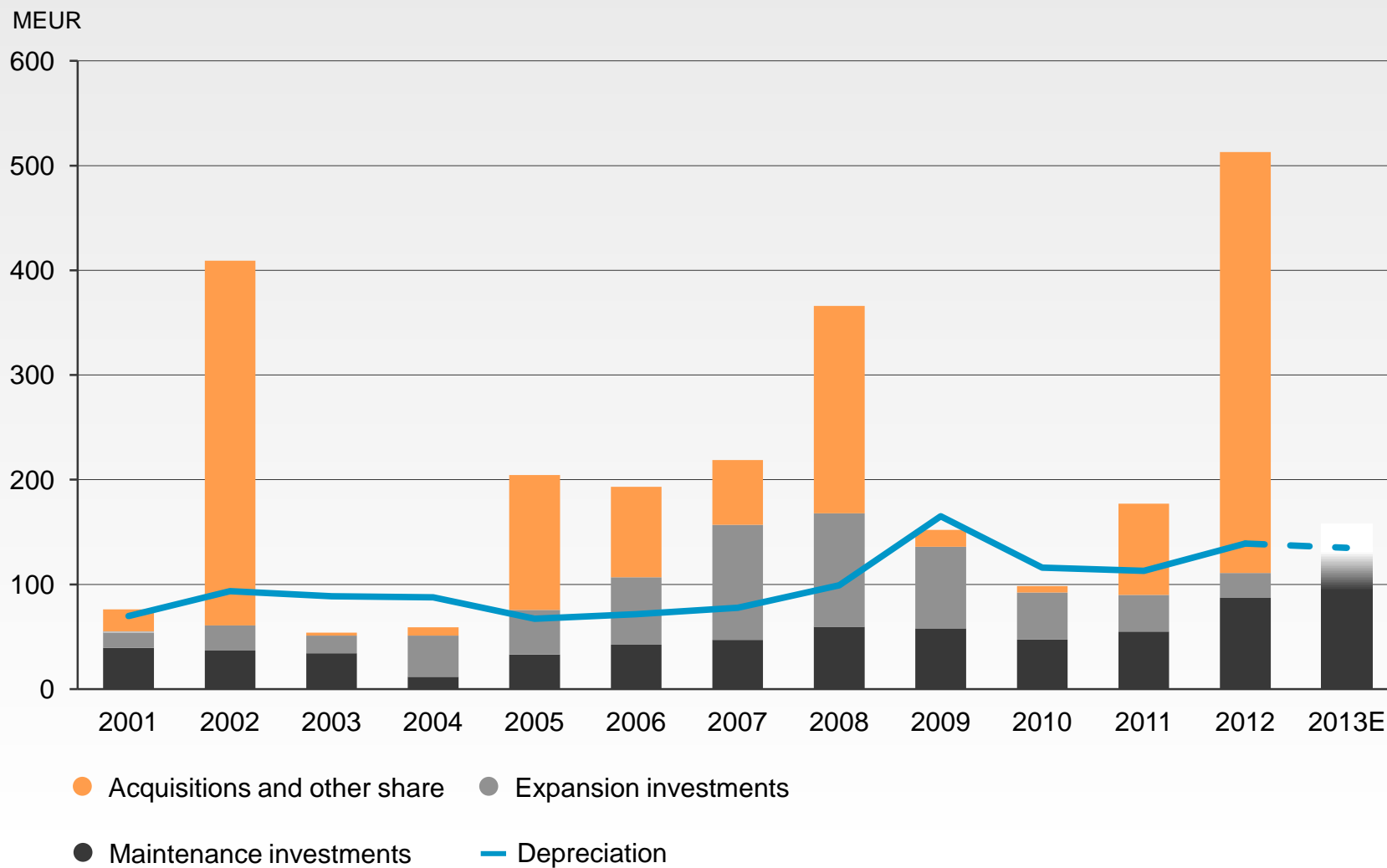
- Cash flow from operating activities
- % of Group sales

Cash flow from operating activities: including changes in working capital, financial items, and taxes



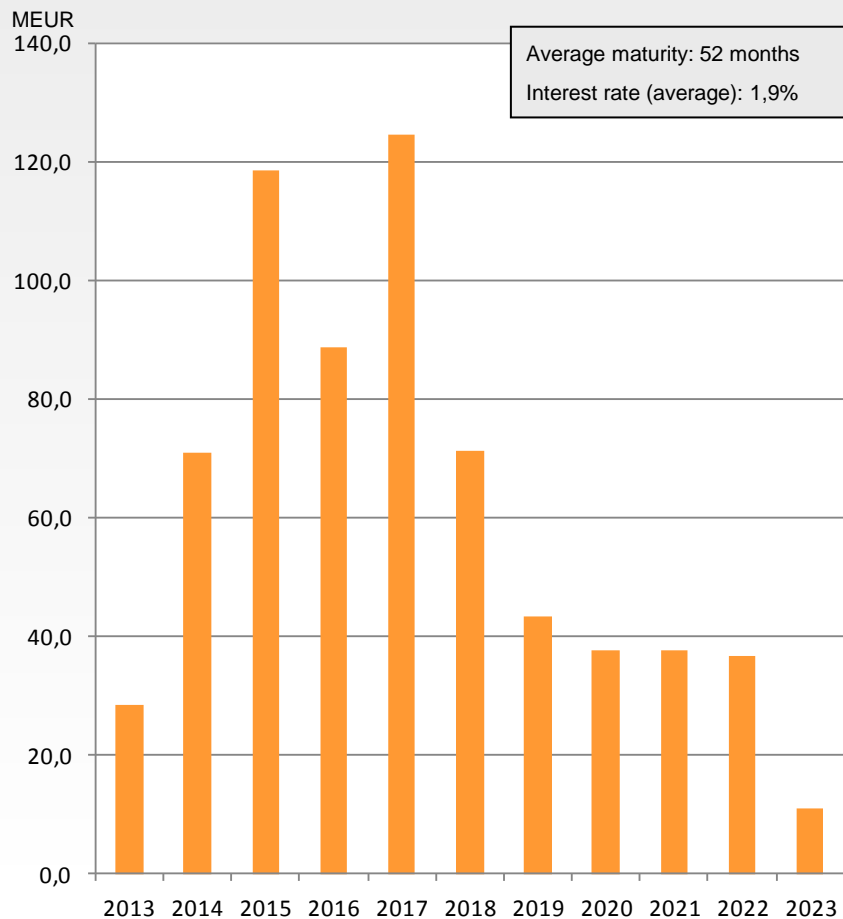
- Working capital
- Total inventories
- Receivables
- Payables
- Advances received
- Working capital / Net sales

Maintenance capex historically below depreciation



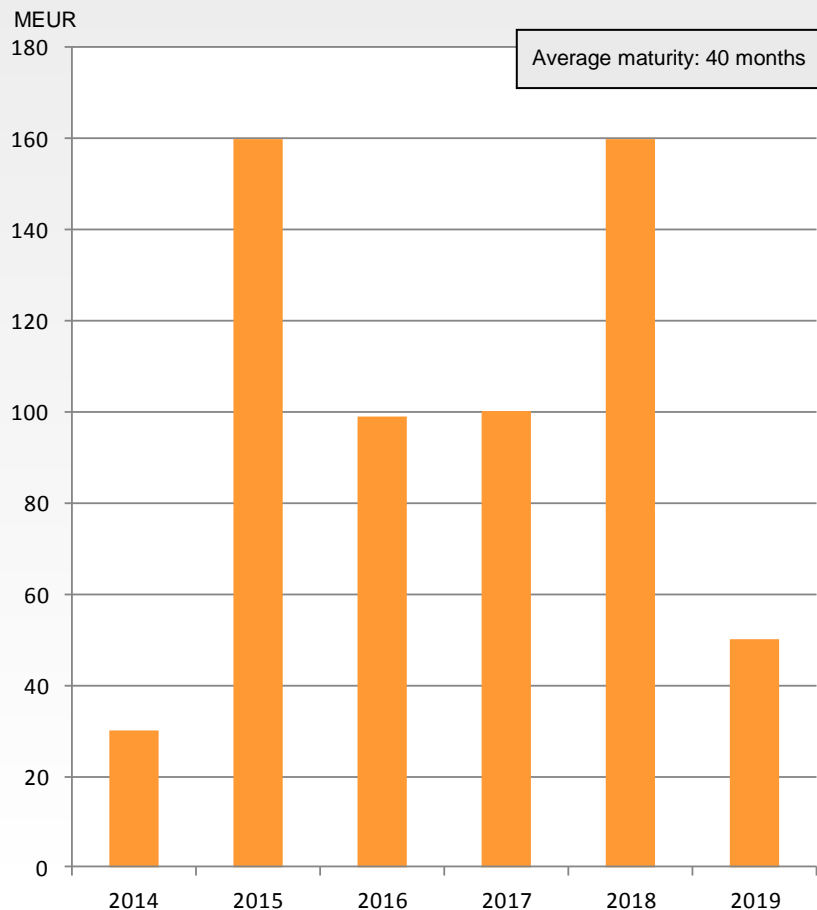
Balanced maturity profiles for long-term loans and RCFs

Maturing long-term loans¹



Note¹ As of end Q3 2013, MEUR 100 of a MEUR 150 EIB R&D loan remains undrawn

Maturing Revolving Credit Facilities²



Note² As of end Q3 2013, none of the RCFs are drawn

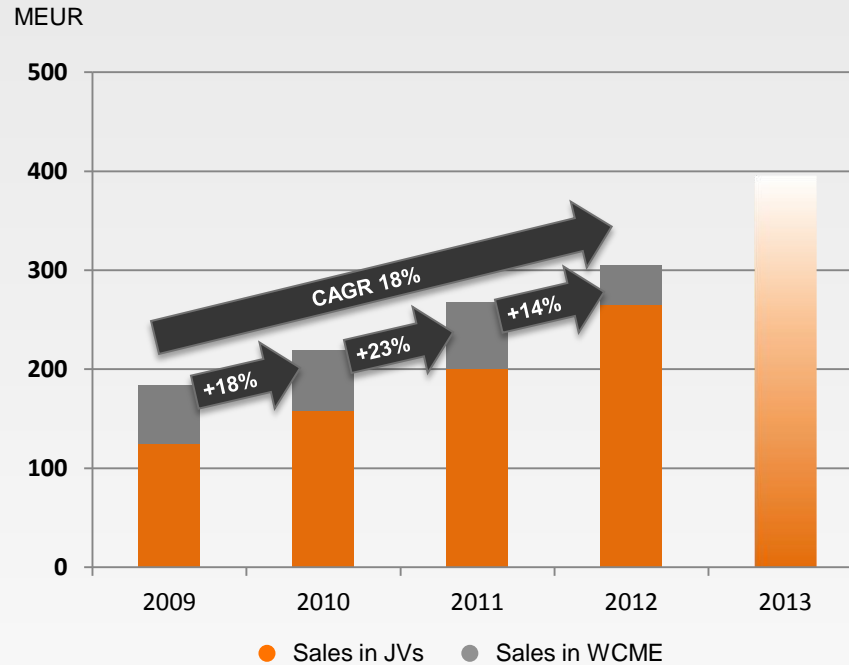
Strategic targets

- Increase presence, market share and net sales in key shipbuilding countries and growing markets
 - China, Korea, Russia
- **Increase profitability**
 - Establish production close to the main markets
 - Reduce product cost through local supply
 - Increase local content which is necessary to enter some markets



● Joint venture sites

● On-going footprint initiatives



JOINT VENTURES:

WQDC: Wärtsilä Qiyao Diesel Co. Ltd., ownership 50%

W20 auxiliary engines

WHEC: Wärtsilä-Hyundai Engine Company Ltd., ownership 50%

W50DF gas engines

QMD: Qingdao Qiyao Wärtsilä MHI Linshan Marine Diesel Co. Ltd, ownership 34%

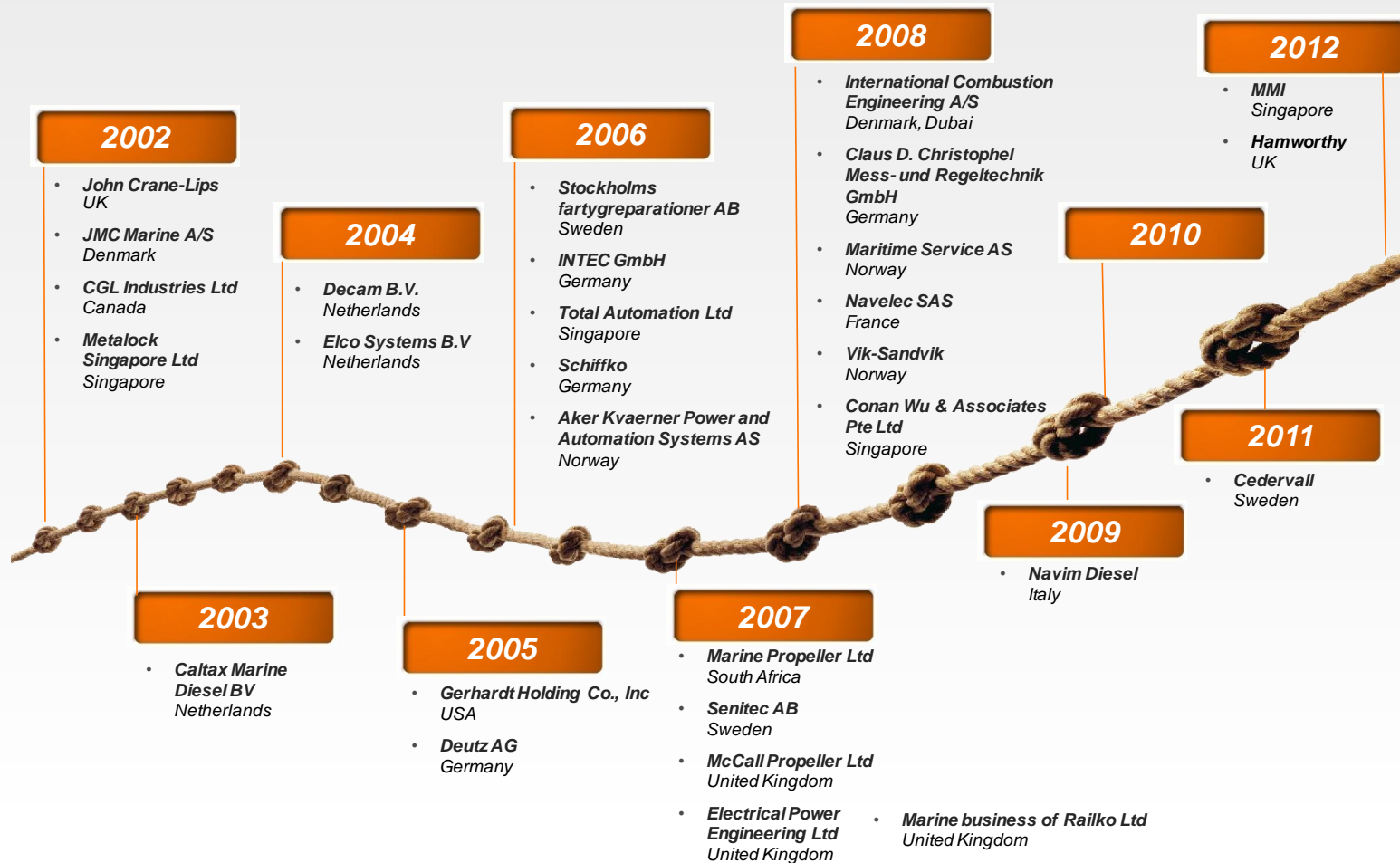
2-stroke engines

WCME: Wärtsilä CME Zhenjiang Propeller Co. Ltd, ownership 55%
-100% consolidation in Wärtsilä P&L, minority 45% deducted as minority interest

FPP/PPP propellers

M&A strategy - growth beyond organic

M&A activities continue to have an important role in our growth by improving our overall competitive position and customer offering





POWER PLANT FINANCING

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- Power plant projects mainly in developing countries
- Financing sources a mix of local, international, commercial, governmental, export credit agency and multilateral financing depending on project type and industry
- We support our customers with financing solutions through vendor arranged funding





Customer need

- International tender for a 184MW gas fired power plant to be located in northern Sumatra
- Customer: PT Perusahaan Listrik Negara, the Indonesian state utility company
- Requirement: export credit agency supported financing

Wärtsilä's solution

- Export credit guarantee and funding terms negotiated with Finnvera
- Standard Chartered Bank appointed arranger of the export credit facility
- Bid submitted by PT Wijaya Karya (Persero) Tbk
- Contracts signed and final approvals by Finnvera obtained in Q3/2013

Financing need triggered by explicit RFP requirement for ECA financing in the tender

- Solid profitability, with target to reach 14%
- Strong, unleveraged balance sheet
- Working capital under control
- Low capex need, current investments proceeding according to plan
- Good access to liquidity and balanced loan maturity profile
- Sound foundation for future growth





WÄRTSILÄ