Highlights 2016

- Order intake stable at EUR 4,927 million
- Net sales EUR 4,801 million, -5%
- Book-to-bill 1.03 (0.98)
- Comparable operating result EUR 583 million, 12.1% of net sales (EUR 612 million or 12.2%)
- Earnings per share EUR 1.79 (2.25)
- Cash flow from operating activities EUR 613 million (255)
- Order book at the end of the period EUR 4,696 million, -4%
- Dividend proposal EUR 1.30 per share, to be paid in two equal instalments
Improved sentiment in the energy markets supported order intake
Net sales developed in line with guidance

Fourth quarter development
Net sales by business 2016

- Services: 46% (43)
- Marine Solutions: 35% (34)
- Energy Solutions: 20% (22)
Book-to-bill

<table>
<thead>
<tr>
<th>Year</th>
<th>Order intake</th>
<th>Net sales</th>
<th>Book-to-bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.05 MEUR</td>
<td>1.05 MEUR</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>1.05 MEUR</td>
<td>1.05 MEUR</td>
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<tr>
<td>2014</td>
<td>1.06 MEUR</td>
<td>1.06 MEUR</td>
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<tr>
<td>2015</td>
<td>0.98 MEUR</td>
<td>0.98 MEUR</td>
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<tr>
<td>2016</td>
<td>1.03 MEUR</td>
<td>1.03 MEUR</td>
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</table>

MEUR
Order book distribution

<table>
<thead>
<tr>
<th></th>
<th>Order book distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.12.2015</td>
<td>Delivery next year: 3,000 MEUR</td>
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<tr>
<td></td>
<td>Delivery after next year: 1,500 MEUR</td>
</tr>
<tr>
<td>31.12.2016</td>
<td>Delivery next year: 3,000 MEUR</td>
</tr>
<tr>
<td></td>
<td>Delivery after next year: 1,500 MEUR</td>
</tr>
</tbody>
</table>
Operating result supported by good fourth quarter

Items affecting comparability include restructuring costs of EUR 48 million (19) and acquisition related & other costs of EUR 3 million (6) for the review period January-December 2016.

Figures for 2012-2013 include both discontinued and continuing operations.
Quotation activity per fuel type

Calculated on a 12 months rolling basis
Strong ordering activity in Energy Solutions

Review period development
Total EUR 1,448 million (1,009)

- Utilities: 19%
- Independent power producers: 53%
- Industrials: 27%

Review period order intake by fuel in MW
- Gas: 45%
- Oil: 55%

Utilities
Industrials
Independent power producers
Order intake globally

Order intake 2016: 3,513 MW (2,436)

*Turkish owners contributed to the high level of activity in Europe.
Wärtsilä to deliver a 100 MW combined heat and power (CHP) plant to Germany

- As part of its climate action plan, Germany has committed to increasing the share of electricity produced by CHP power plants to 25% of the total electricity production by 2025.

- Unlike traditional CHP power plants, Wärtsilä gas engines enable quick power output adjustments to respond to the fluctuations in power demand as signalled by the electricity price.
Market data includes all Wärtsilä power plants and other manufacturers’ gas and liquid fuelled gas 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.

<500 MW market volume: 17.4 GW (17.0), +2%
Total market volume: 49.2 GW (43.9), +12%
Exceptionally low newbuild vessel orders in 2016

Source: Clarkson Research Services, figures exclude late contracting
* CGT= gross tonnage compensated with workload
Cruise & ferry supported Marine Solutions’ order intake

Review period development
Total EUR 1,285 million (1,599)

- Gas carriers: 13%
- Special vessels: 9%
- Offshore: 3%
- Cruise & ferry: 38%
- Navy: 10%
- Others: 7%
- Traditional merchant: 20%
- Gas carriers: 13%
- Special vessels: 9%
- Offshore: 3%
- Cruise & ferry: 38%
- Navy: 10%
- Others: 7%
- Traditional merchant: 20%

MEUR

Q1-Q3 Q4 Q1-Q3 Q4 Q1-Q3 Q4 Q1-Q3 Q4 Q1-Q3 Q4
Marine Solutions’ order book 31 December 2016:

- Cruise & Ferry: 27%
- Navy: 13%
- Offshore: 12%
- Bulk carriers: 1%
- Containers: 5%
- Cargo: 1%
- RoRo: 3%
- Tankers: 4%
- Gas carriers: 21%
- Special vessels: 7%
- Non-vessel: 3%
- Other vessel: 1%
- Other merchant: 2%
- containers: 1%
- Non-vessel: 3%
• UK based Wightlink ordered a comprehensive range of modern equipment and systems to ensure a high level of environmental efficiency for their new ferry. This will be the first ferry to utilise Wärtsilä hybrid battery technology.

• Construcciones Navales del Norte SL ordered an LNG power and propulsion installation for its new RoRo passenger ferry. This eco-efficient ‘smartship’ will be the first gas-powered RoRo passenger ferry operating in the Mediterranean Sea.
Strong position in marine engine market

Medium-speed main engines

- Wärtsilä: 51% (50)
- MAN D&T: 24% (24)
- Caterpillar: 15% (15)
- Others: 10% (11)

Total market volume last 12 months: 2,392 MW (2,358)

Auxiliary engines

- Wärtsilä: 18% (16)
- Others: 82% (84)

Total market volume last 12 months: 2,029 MW (3,617)

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.
Stable development in Services’ net sales

Fourth quarter development

Q1-Q3 | Q4
---|---
2012 | 619
2013 | 636
2014 | 3%
2015 | 619
2016 | 636
**Net sales distribution 2016**

**By product area**
- Spare parts: 49% (51)
- Field service: 23% (23)
- Agreements: 15% (16)
- Projects: 13% (10)

**By segment**
- Energy Solutions: 39% (37)
- Special Vessels: 7% (8)
- Offshore: 9% (13)
- Navy: 8% (7)
- Merchant: 24% (24)
- Cruise & Ferry: 13% (11)

Total EUR 2,190 million (2,184)
Installed base totalling 180,000 MW
Installed base covered by service agreements

- MW under agreement – Energy Solutions
- MW under agreement – Marine Solutions
- % of Energy Solutions’ installed base
- % of Marine Solutions’ installed base
Wärtsilä and Carnival Corporation announce strategic partnership

• 12-year agreement
• Ensuring safety and reliability of Carnival’s fleet
• Reducing operational costs
• Wärtsilä provides all engine maintenance and monitoring for fleet of 79 vessels
• Continuous planning together with Carnival
• Performance-based revenue model
• Wärtsilä’s biggest service contract in history

• Digitising fleet operations
Operating cash flow development

![Operating cash flow development chart](chart.png)
Working capital development
Gearing

FINANCIALS
EPS and dividend per share

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
<th>Dividend</th>
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<td></td>
</tr>
<tr>
<td>2015</td>
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<td></td>
</tr>
<tr>
<td>2016*</td>
<td>1.79</td>
<td>1.30</td>
</tr>
</tbody>
</table>

* Dividend 2016 - Proposal of the Board
Prospects for 2017

The overall demand for Wärtsilä’s services and solutions in 2017 is expected to be relatively unchanged from the previous year. Demand by business area is anticipated to develop as follows:

- Solid in Services with growth opportunities
- Solid in Energy Solutions
- Soft in Marine Solutions
THANK YOU

Further information:
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