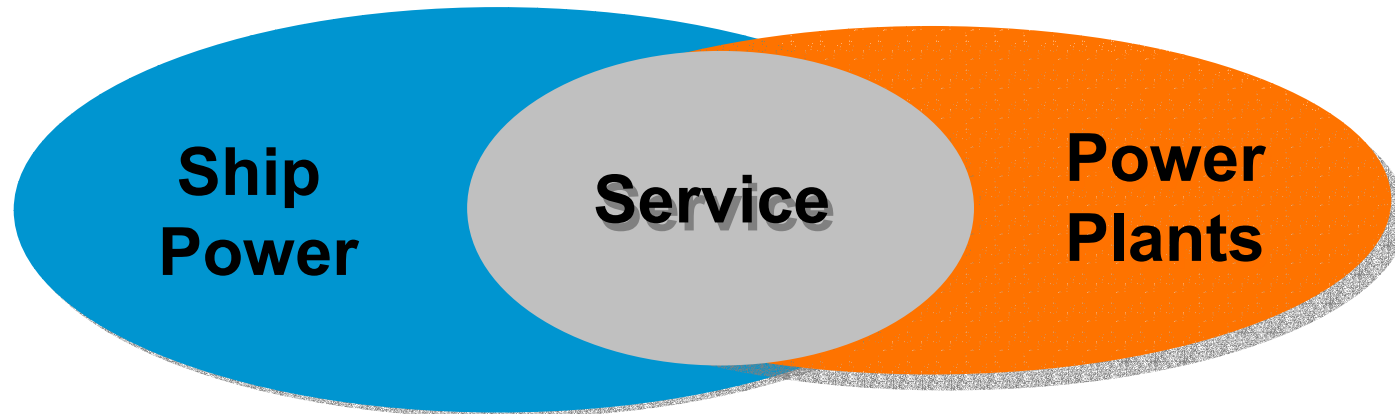


Wärtsilä Corporation 2003

Ole Johansson, President and CEO

5 February 2004

Wärtsilä operates in two markets



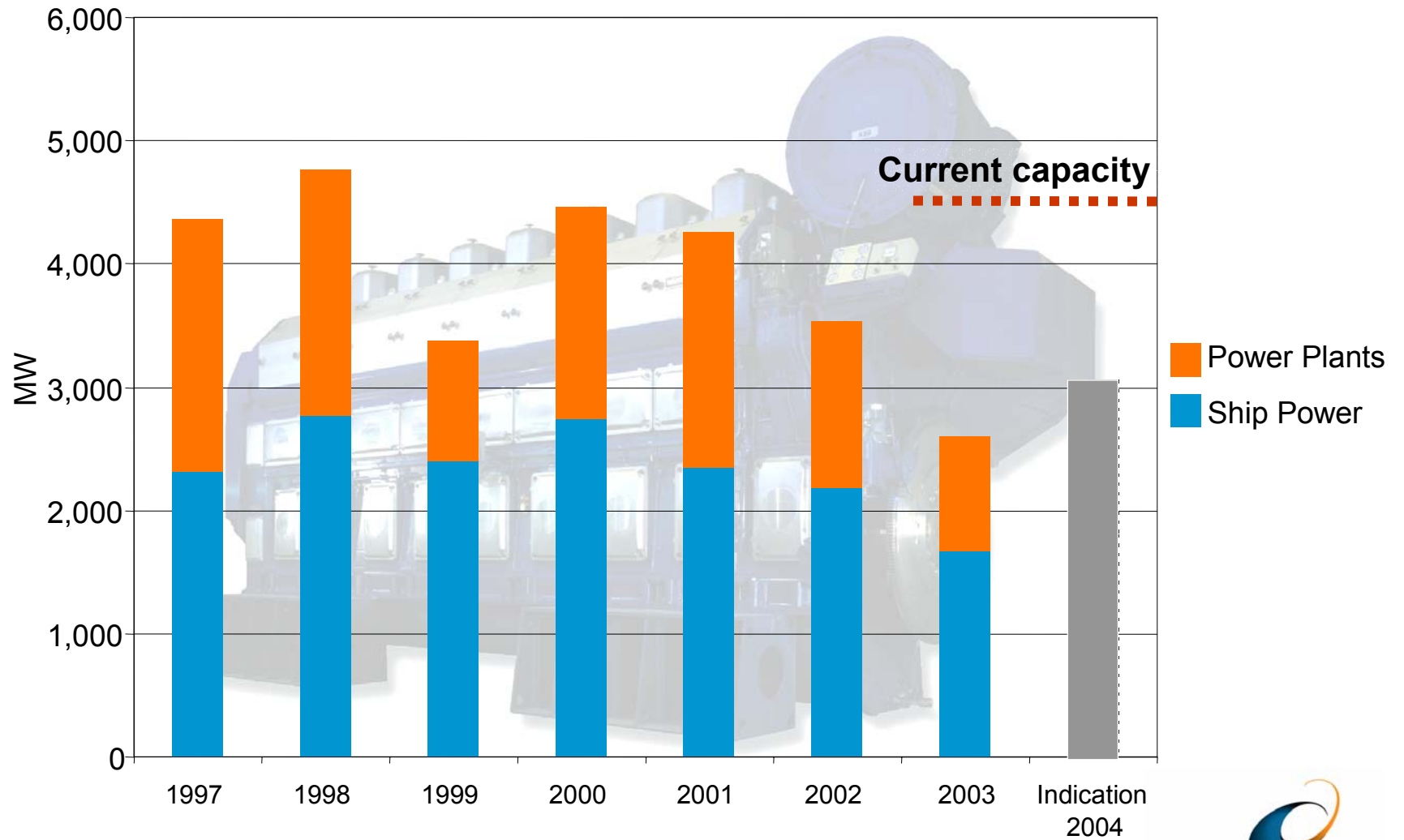
Wärtsilä is The Ship Power Supplier for builders, owners and operators of vessels and offshore installations. We are the only company with a global service network to take complete care of customers' ship machinery at every lifecycle stage.

Wärtsilä is a leading provider of power plants, operation and lifetime care services in decentralized power generation.

Highlights of the year 2003

- Ship power systems and service defined as Wärtsilä's growth area. In power plants business, focus on fewer products
- Operational profitability improved significantly
- Manufacturing of propellers and ship engines to be started the growing shipbuilding market in China
- Overcapacity will be reduced and sensitivity to economic fluctuations decreased by concentrating engine manufacturing, restructuring cost MEUR 130 million.

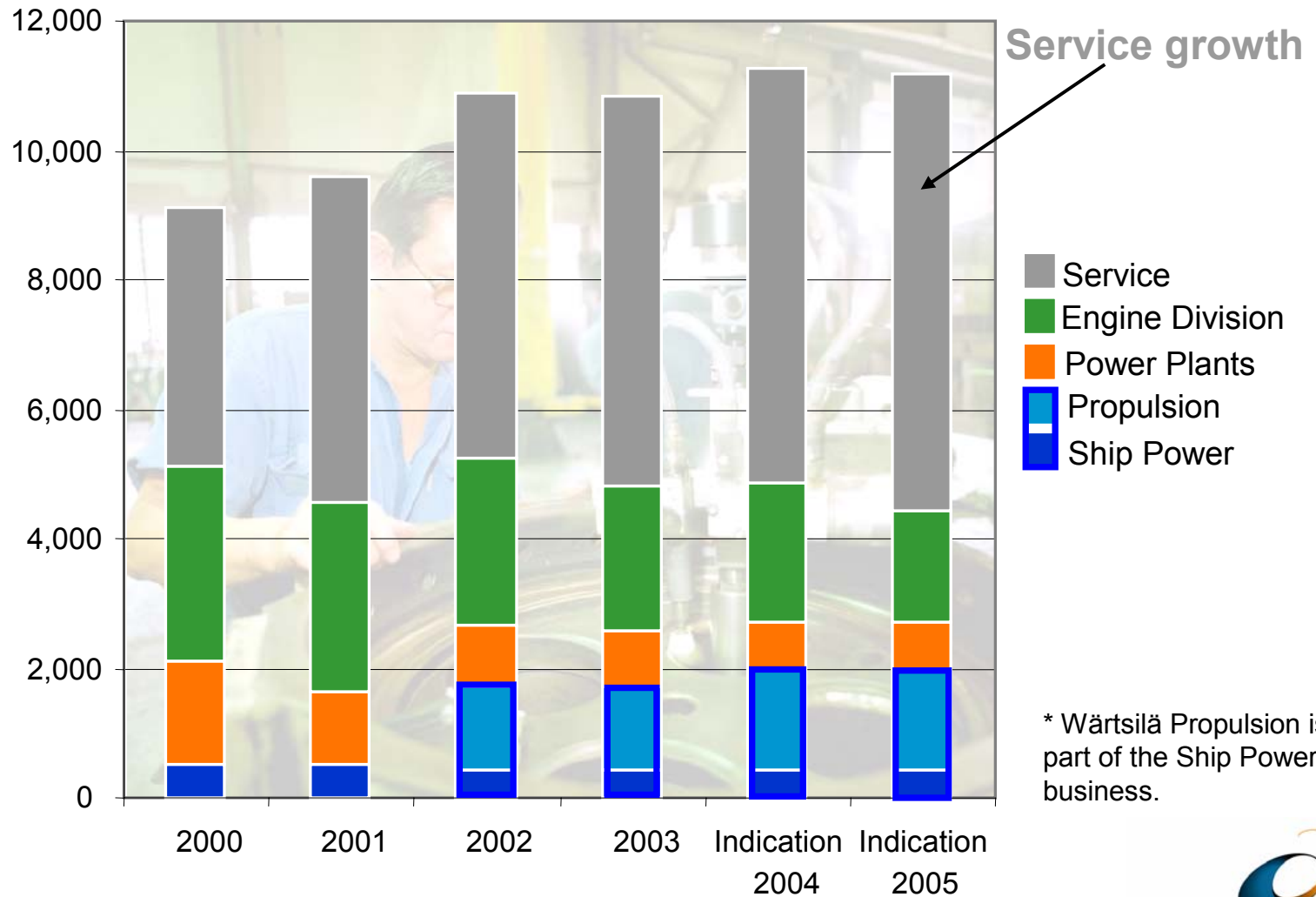
Engine production capacity MW 1997 - 2004



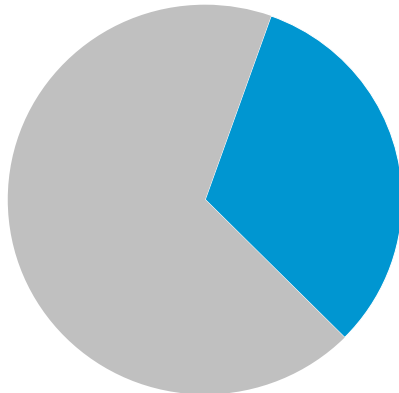
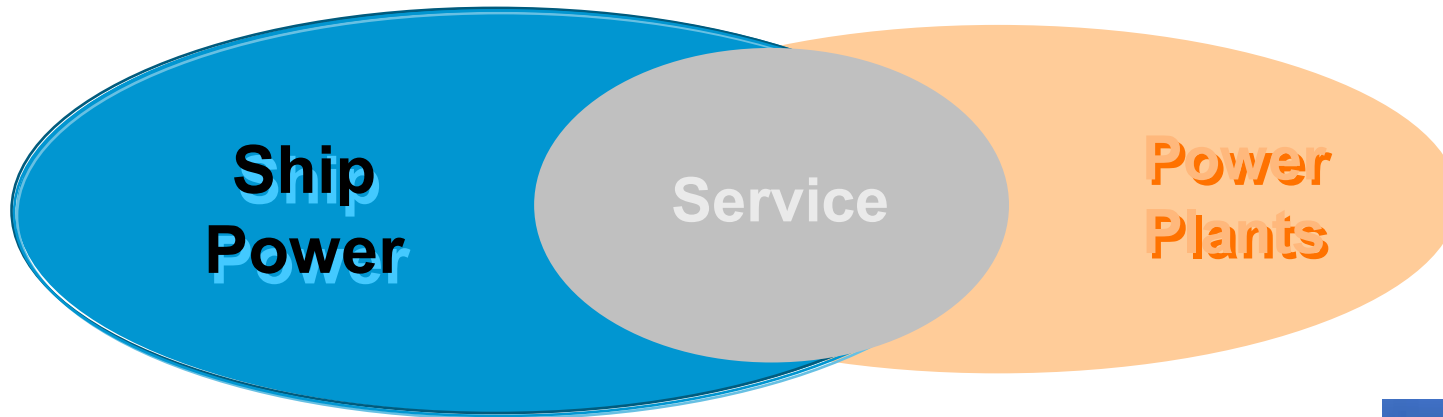
Medium speed engine production



Power divisions' personnel development 2000 - 2005



Wärtsilä operates in two markets



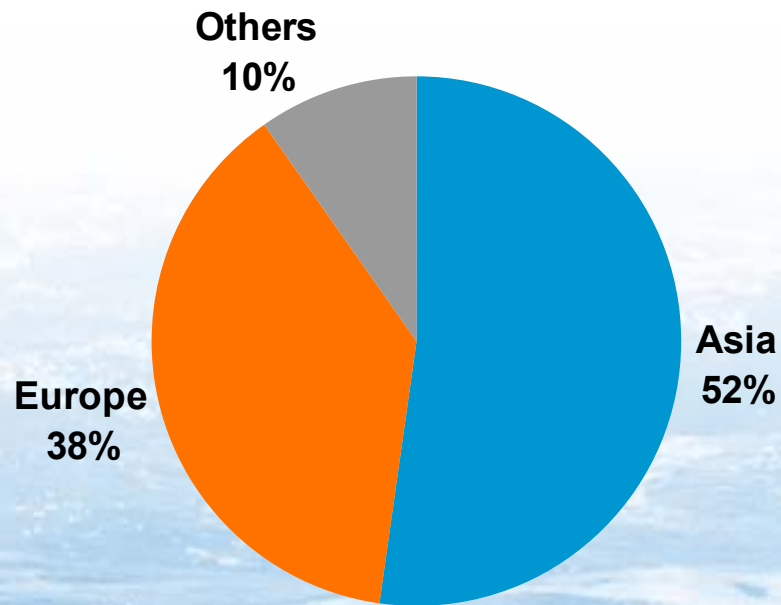
**Power Divisions
net sales 2003
totally EUR 2,155.8 million.**

- Ship Power 32%



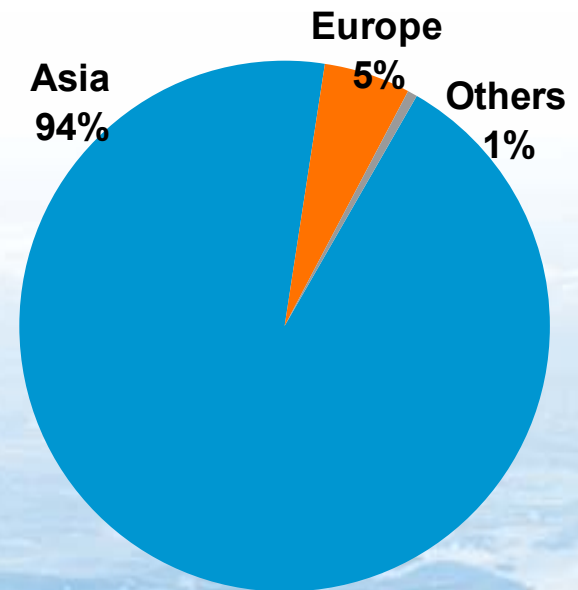
Global shipyard orders and deliveries

Vessel deliveries



Total deliveries: 75 million dwt

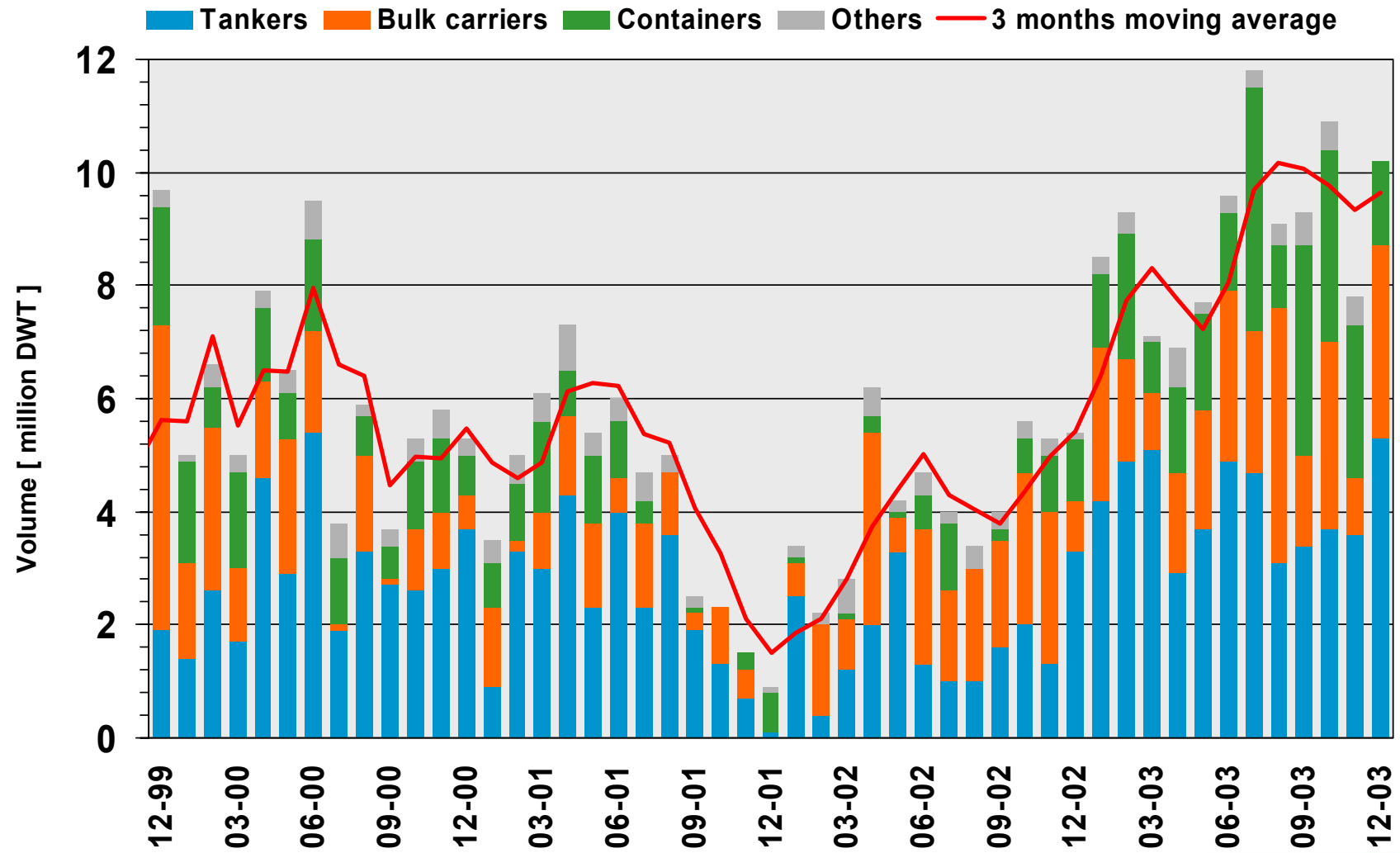
Vessel orders



Total orders: 76 million dwt

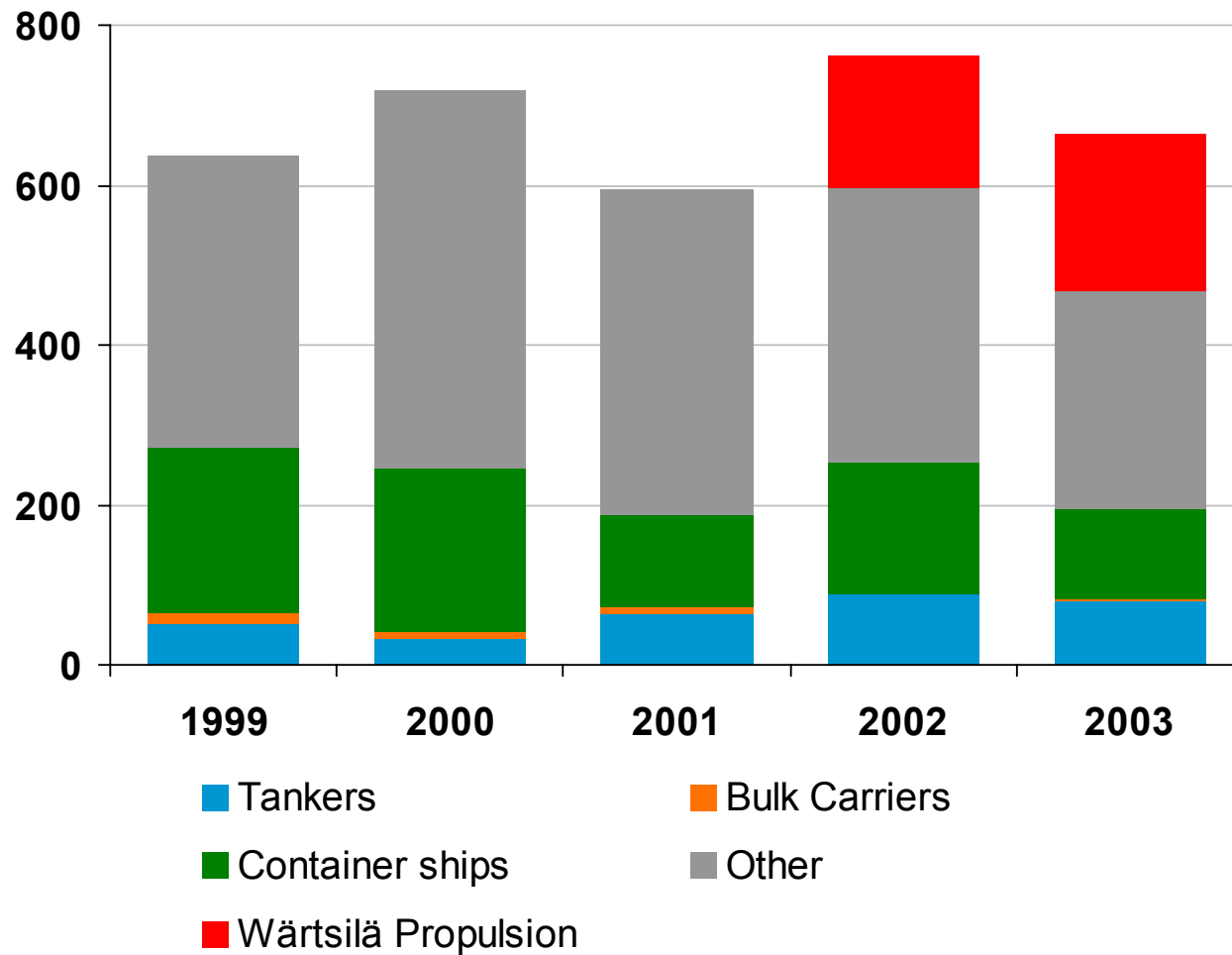
July 2002 – June 2003
Source: Clarkson Research Studies and Lloyd's Register-Fairplay
Result 2003 / 04SER008

Vessel orders



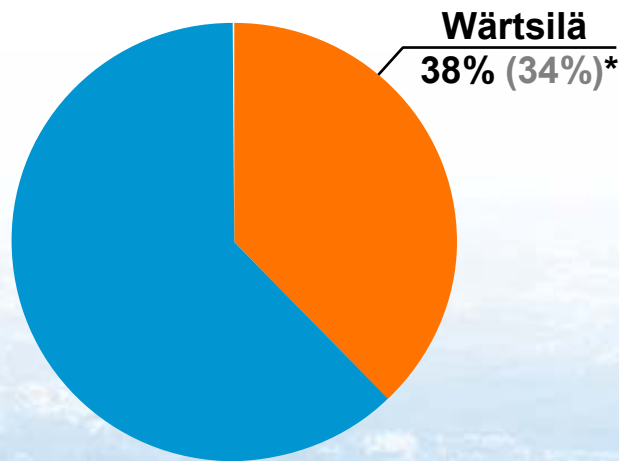
Source: Based on data from Clarkson Research Studies
 Note: Cargo vessels > 5,000 dwt
 Result 2003 / 04SER008
 © Wärtsilä

Ship Power, net sales by vessel type



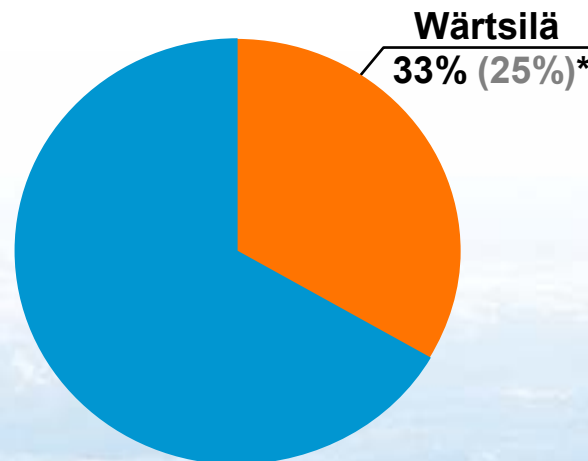
Wärtsilä's marine engine market position

Medium speed main engines



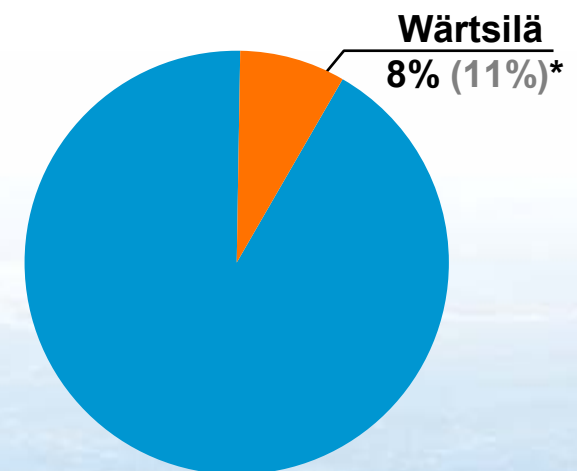
Total market volume:
3 182 MW *
(2 774 MW) *

Low speed main engines



Total market volume:
13 521 MW *
(7 521 MW) *

Auxiliary engines



Total market volume:
3 431 MW *
(2 842 MW) *

Medium speed main engines (includes Diesel Electric), orders June 02 – May. 03.

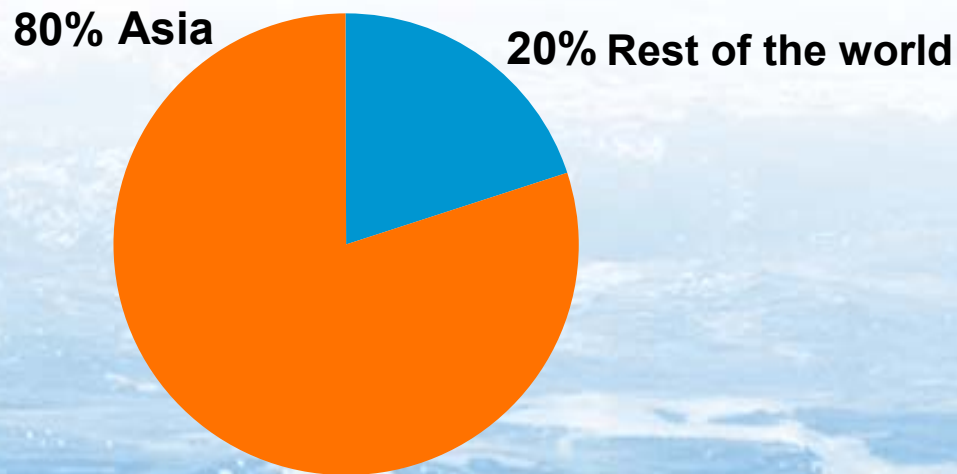
Note! Diesel engines and gas turbines > 0.5 MW. Figures between brackets indicate last year's results

* Estimate. Source: Diesel & Gas Turbine Worldwide - issue 11-03.

Result 2003 / 04SER008

Fixed Pitch Propellers (FPP)

- Ships using FPPs are mainly built in Asia.



Source: CSSC and Wärtsilä.
Result 2003 / 04SER008

Wärtsilä and CSSC/CME joining forces

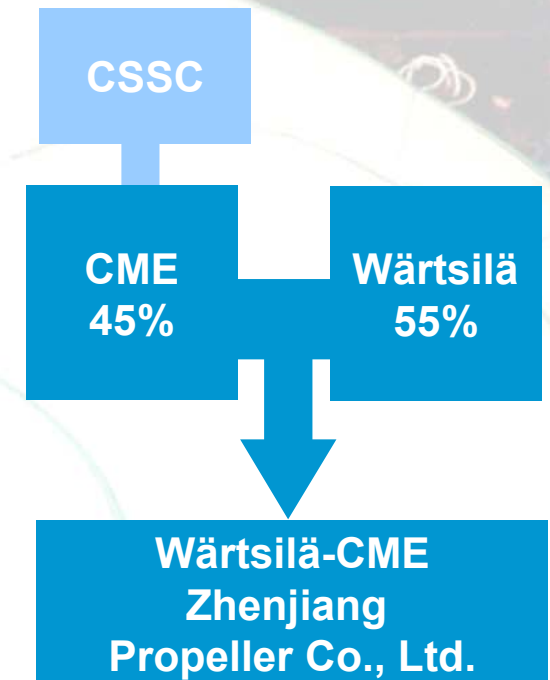
Wärtsilä-CME Zhenjiang Propeller Co., Ltd.

- one of the leading propeller manufacturers in China
- market share 35% in China
- well-known propeller brands Lips and Kaida

LIPS **FP PROPELLERS**

CSSC

- The leading shipbuilding group in China
- 14 shipyards

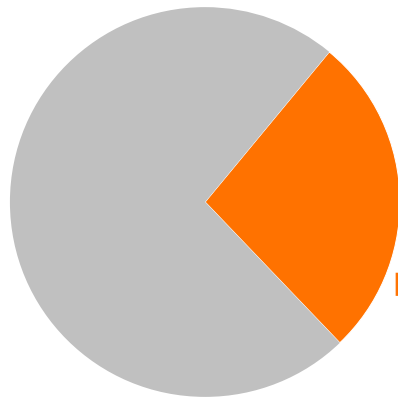
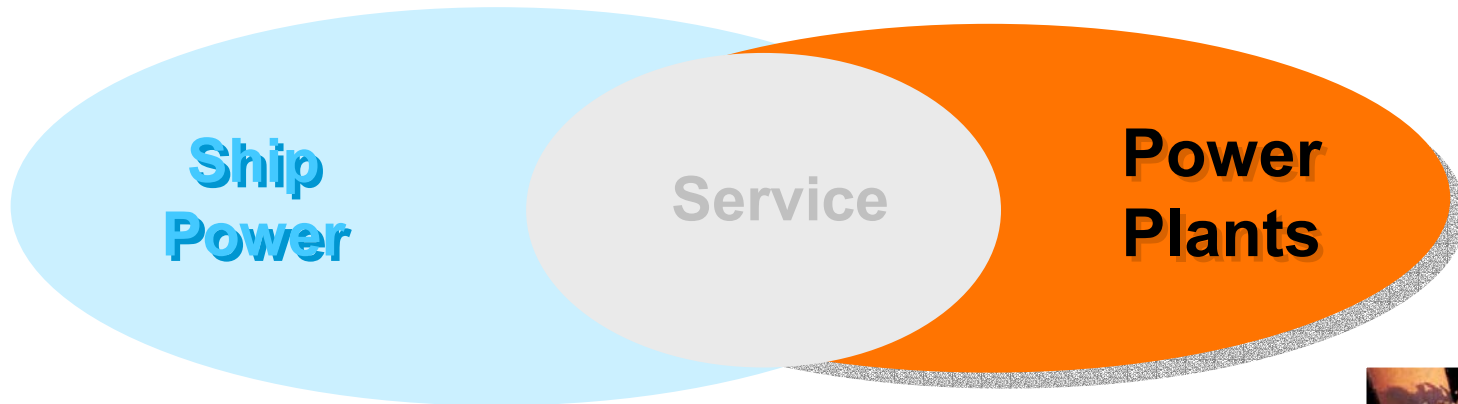


Ship Power

MEUR	Q4/2003	Q4/2002	Change
Net sales	176.5	268.2	-34.2%
Order intake	138.7	184.8	-24.9%

MEUR	2003	2002	Change
Net sales	686.1	772.9	-11.2%
Order intake	626.4	522.8	19.8%
Order book at end of the year	606.8	662.6	-8.4%

Wärtsilä operates in two markets



**Power Divisions
net sales 2003
totally EUR 2,155.8 million.**

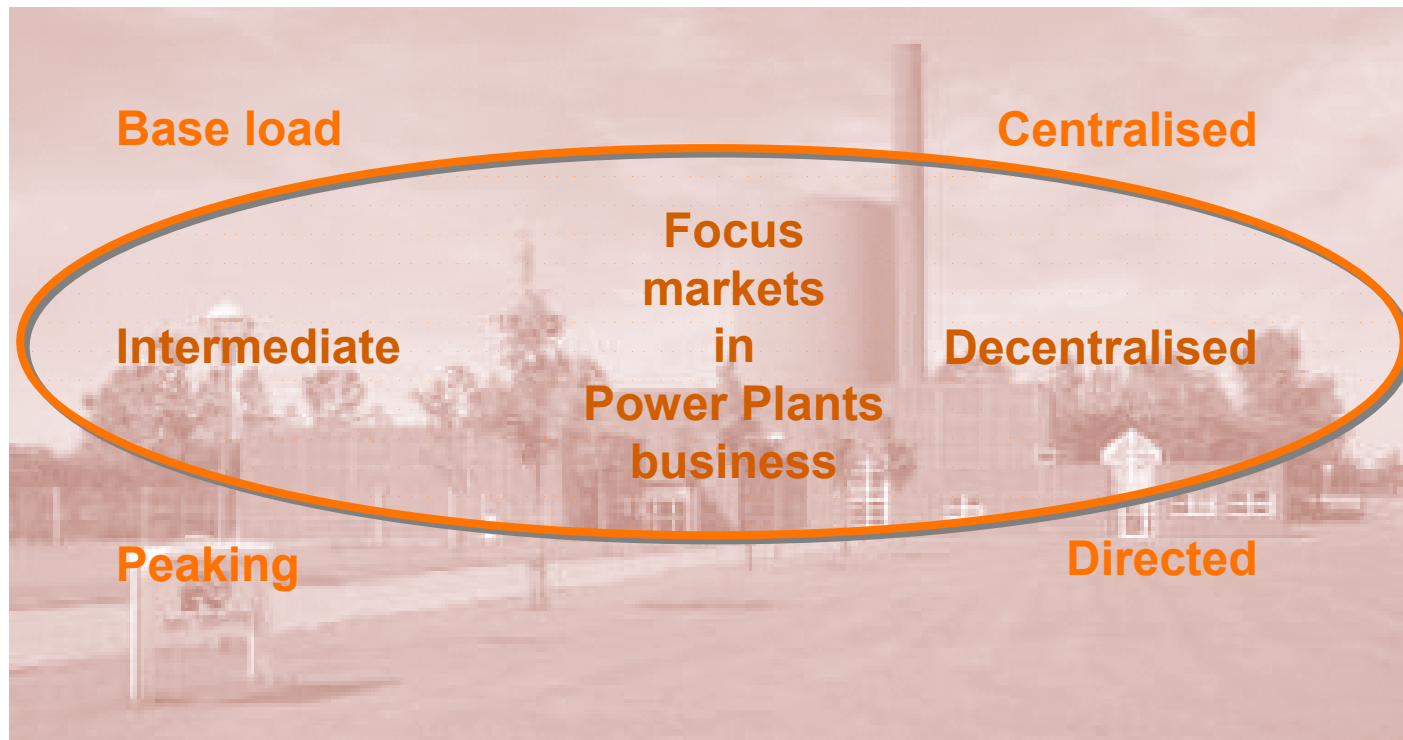
■ Power Plants 27%



Wärtsilä's focus in Power Plants business

Operational
perspective

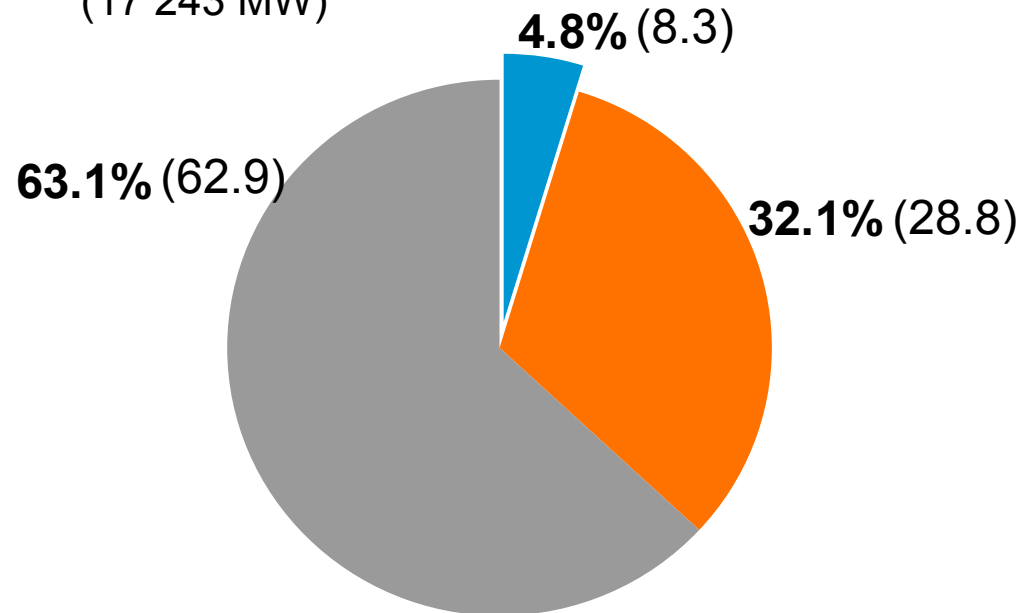
Infrastructure
perspective



Reciprocating engine and gas turbine orders to power plants

Total market: 17 096 MW

(17 243 MW)



- Wärtsilä
- Gas turbines
- Other engine makers

From June 02 to May 03.

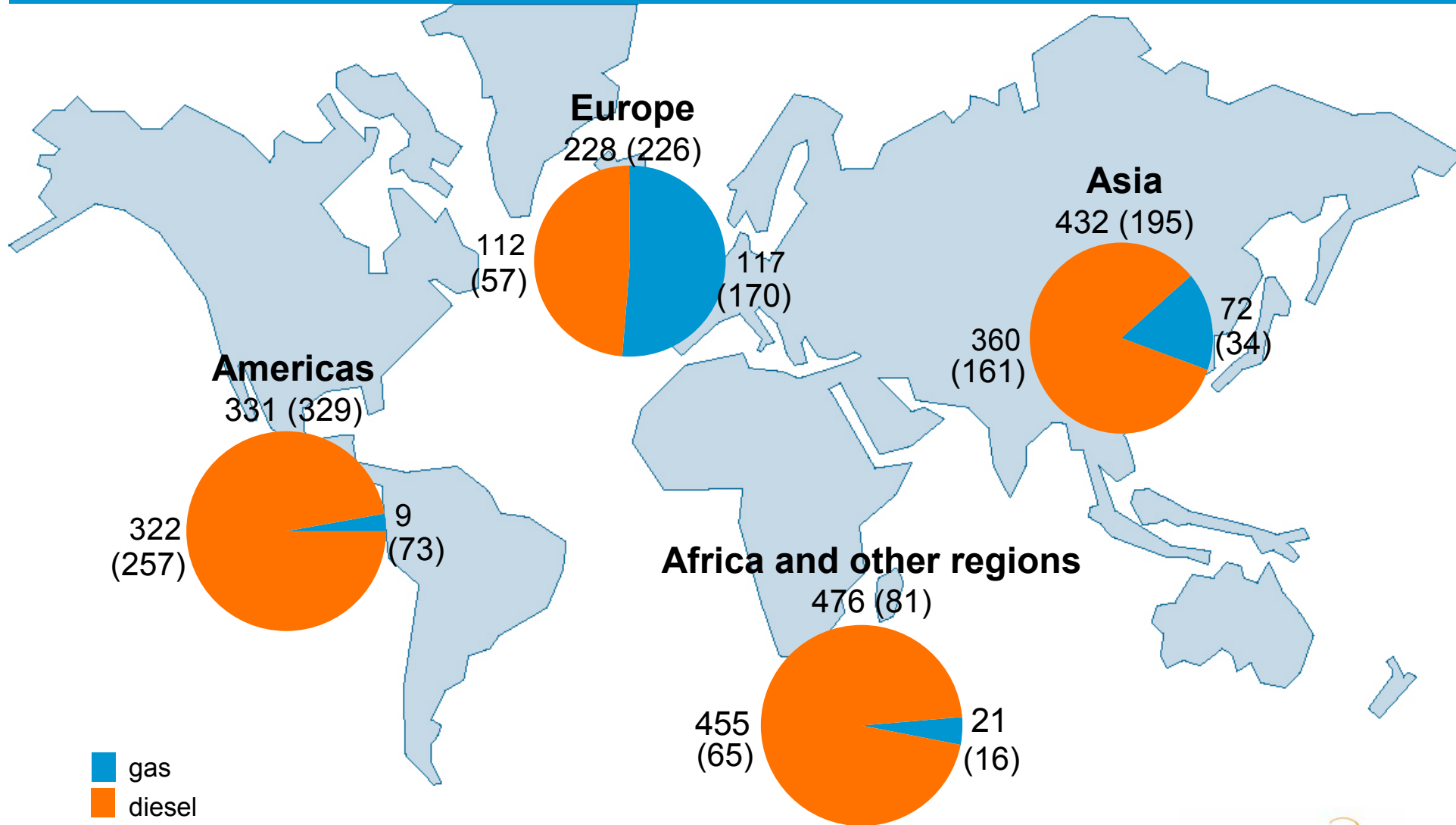
Source: Diesel & Gas Turbine Worldwide, Wärtsilä
Figures between brackets indicate last year's results

Unit size: 1-60 MW

Result 2003 / 04SER008

© Wärtsilä

Power Plants, order intake 2003: 1,468 MW (832)



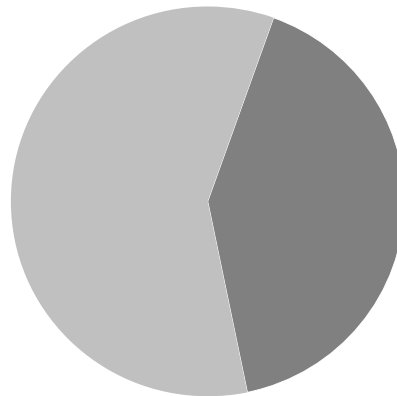
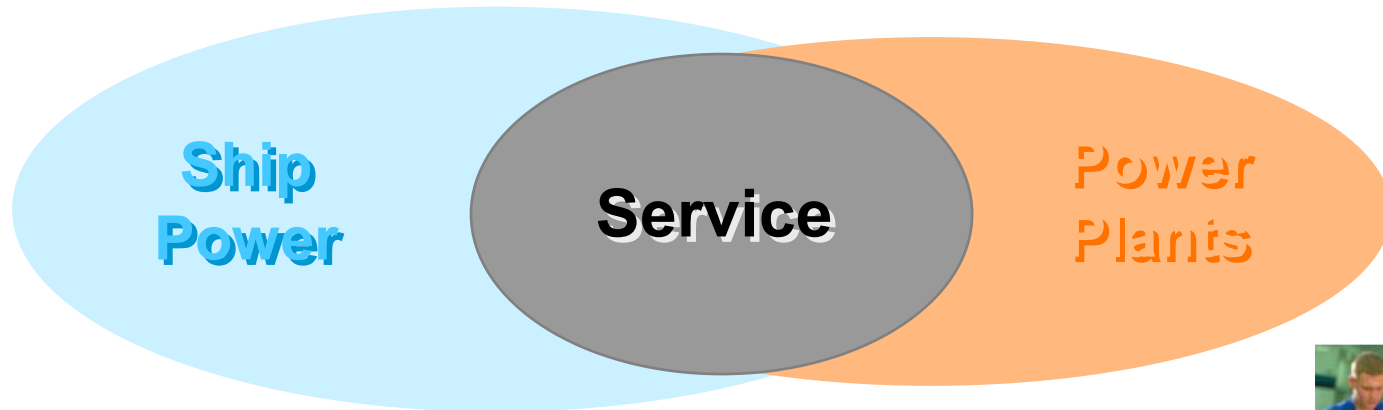
Power Plants

MEUR	Q4/2003	Q4/2002	Change
Net sales	261.2	165.5	57.8%
Order intake	134.7	95.7	40.8%
Order intake (MW)	293	139	110.3%
HFO	232	92	150.7%
gas	61	47	30.4%
Biopower, MW _{th}	5	52	-90.4%

MEUR	2003	2002	Change
Net sales	577.5	666.0	-13.3%
Order intake	639.3	427.9	49.4%
Order intake (MW)	1,468	832	76.4%
HFO	1,249	539	131.6%
gas	219	293	-25.2%
Biopower, MW _{th}	133	107	25.3%
Order book at the end of the year	357.2	255.2	40.0%

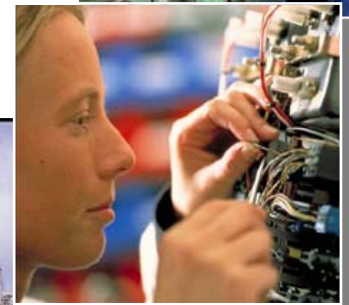


Wärtsilä operates in two markets



**Power Divisions
net sales 2003
totally EUR 2,155.8 million.**

- Service 41%



Service - The total service provider

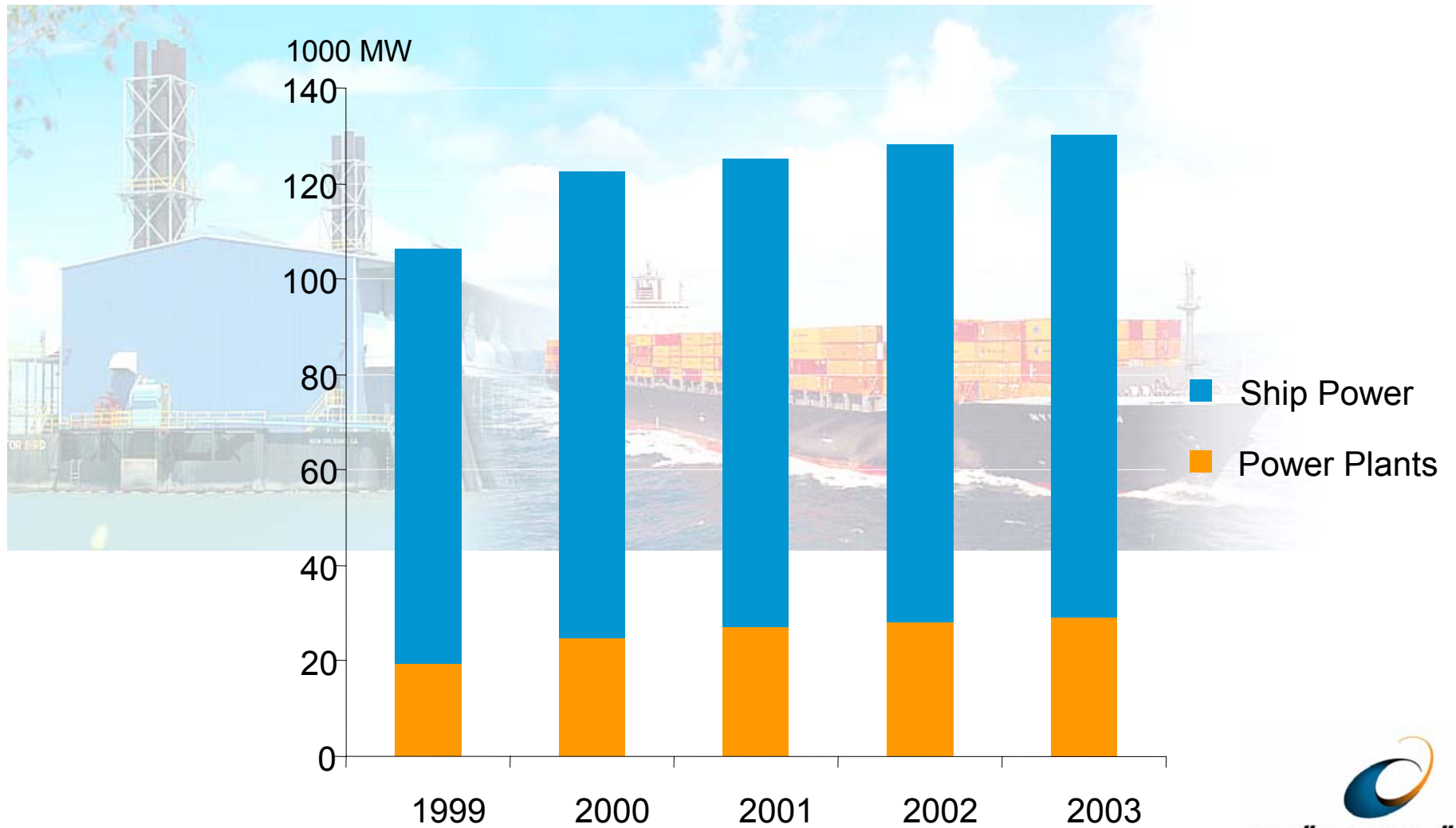
Products & Services



- O&M agreements
- Field service
- Workshops and ship repair
- Technical service
- Training
- Software solutions
- OEM spare parts
- repair and reconditioning
- Ciserv

Wärtsilä's engine base

Engine base 130 GW

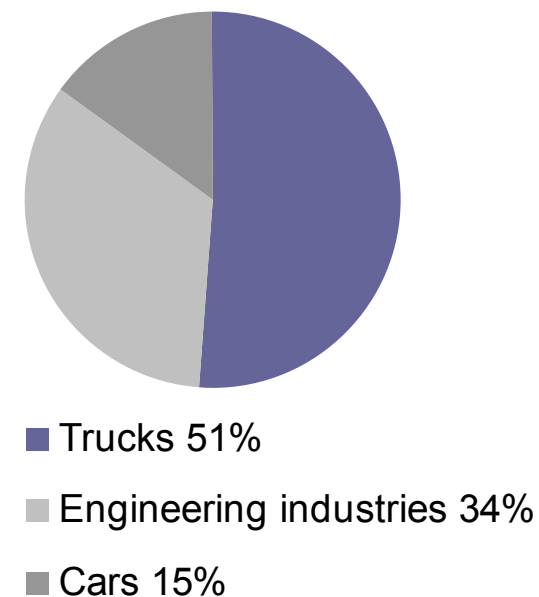


	Q4/2003	Q4/2002	Change
Net sales, MEUR	232.2	231.0	0.5%
	2003	2002	Change
Net sales, MEUR	885.5	843.4	5.0%
Personnel, end of year	5 993	5 644	6.2%
Long-term service agreements, MW	9,629	9,756	-1.3%
O&M (operations and maintenance) -agreements, MW	2,289	2,056	11.3%



Key figures, MEUR	Q4/2003	Q4/2002	Change
Net sales	51.6	52.5	-1.7%
Operating profit	2.6	-0.5	
% of net sales	5.1%	-1.0%	
	2003	2002	Change
Net sales	202.7	200.4	1.2%
Operational EBIT	5.1	3.2	59.1%
% of net sales	2.5%	1.6%	
Operating profit	0.7	3.2	
% of net sales	0.3%	1.6%	

**Imatra Steel's
net sales by market
segment 2003**



- Wärtsilä owns 7.6% of Assa Abloy shares.
- Holding's market value EUR 261.9 million (31 Dec. 2003).
- Book value in group balance sheet EUR 67.4 million.



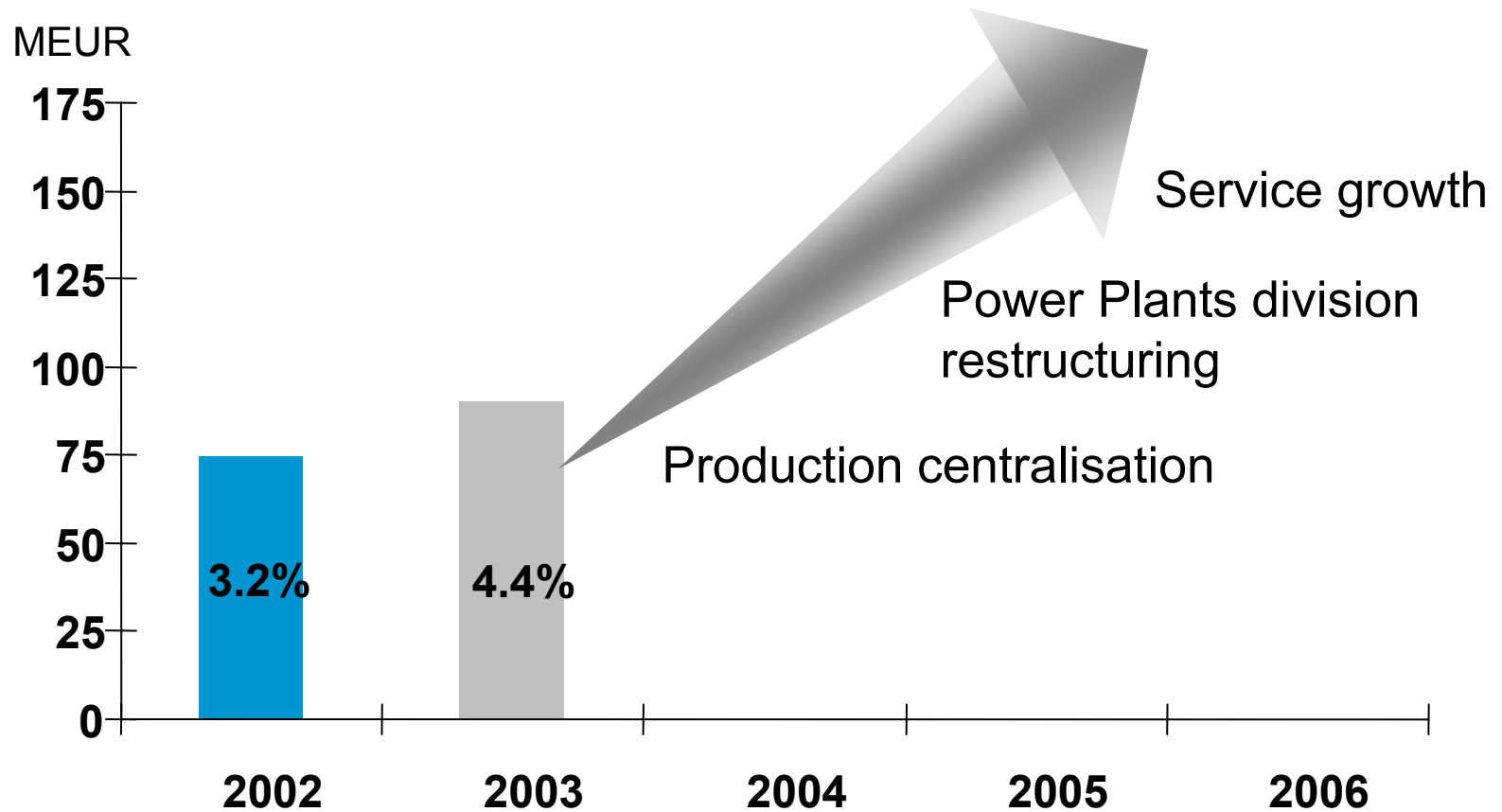
Power Divisions

MEUR	Q4/2003	Q4/2002	Change
Net sales	671.0	674.1	-0.5%
Operating result	-84.2 ¹	24.5	
% of net sales	-12.6%	3.6%	
Order intake	490.6	529.0	-7.3%

MEUR	2003	2002	Change
Net sales	2,155.8	2,319.9	-7.1%
Operational EBIT	95.0	74.6	
% of net sales	4.4%	3.2%	
Operating result	-35.0 ¹	74.6	
% of net sales	-1.6%	3.2%	
Order intake	2,148.7	1,882.8	14.1%
Order book, end of year	1,245.0	1,206.6	3.2%

¹ Includes restructuring cost of eur 130 million.

Power Divisions' profitability target 7-8%



Wärtsilä Corporation, key figures

MEUR	2003	2002	Change
Net sales	2,357.5	2,519.0	-6.4%
Operational EBITA ¹	127.0	100.6	26.2%
Operational EBIT	100.0	77.8	28.5%
EBIT	-18.4	188.9	
Result before extraordinary items	-34.4	170.4	
Earnings per share, EUR	-0.66	2.05	

¹EBITA is the operating profit before amortization of goodwill on consolidation.

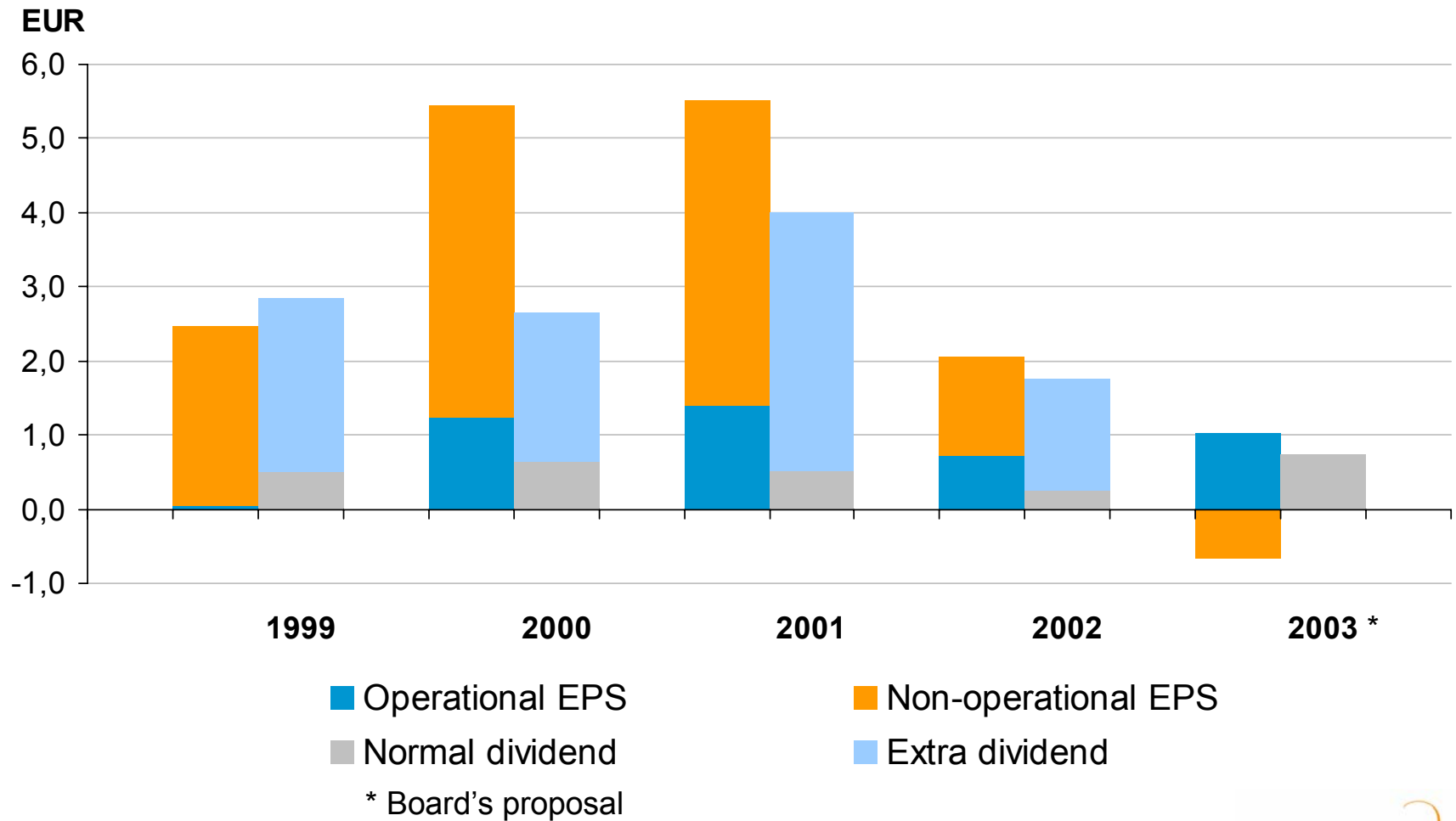
The figures for 2002 include MEUR 111.1 one-time profit on sales of Assa Abloy's shares.

Cash flow



MEUR	2003	2002	Change
Cash flow from operating activities	192.1	55.4	246.8%
Cash flow from investing activities	-22.2	-286.5	
Cash flow from financing activities	-205.8	232.3	-188.6%
Liquid funds at the end of period	150.0	185.8	-19.3%

Earnings per share and dividend



Power Divisions

- Demand in traditional passenger ship and RoPax markets picking up
- Record demand in low-speed engine market expected to slow down
- Signs of recovery in power plant market
- Service will grow at last year's level. Unfavourable exchange rates will intensify pressure on prices.
- Impact of capacity reductions visible in 2005
- Net sales of Power Divisions will increase and operational profitability will slightly improve
- 7-8% operating margin target will be reached by end of 2005.

Imatra Steel

- Demand improves. Net sales will grow. Investments and streamlining measures will improve result.



WÄRTSILÄ