

Wärtsilä Corporation

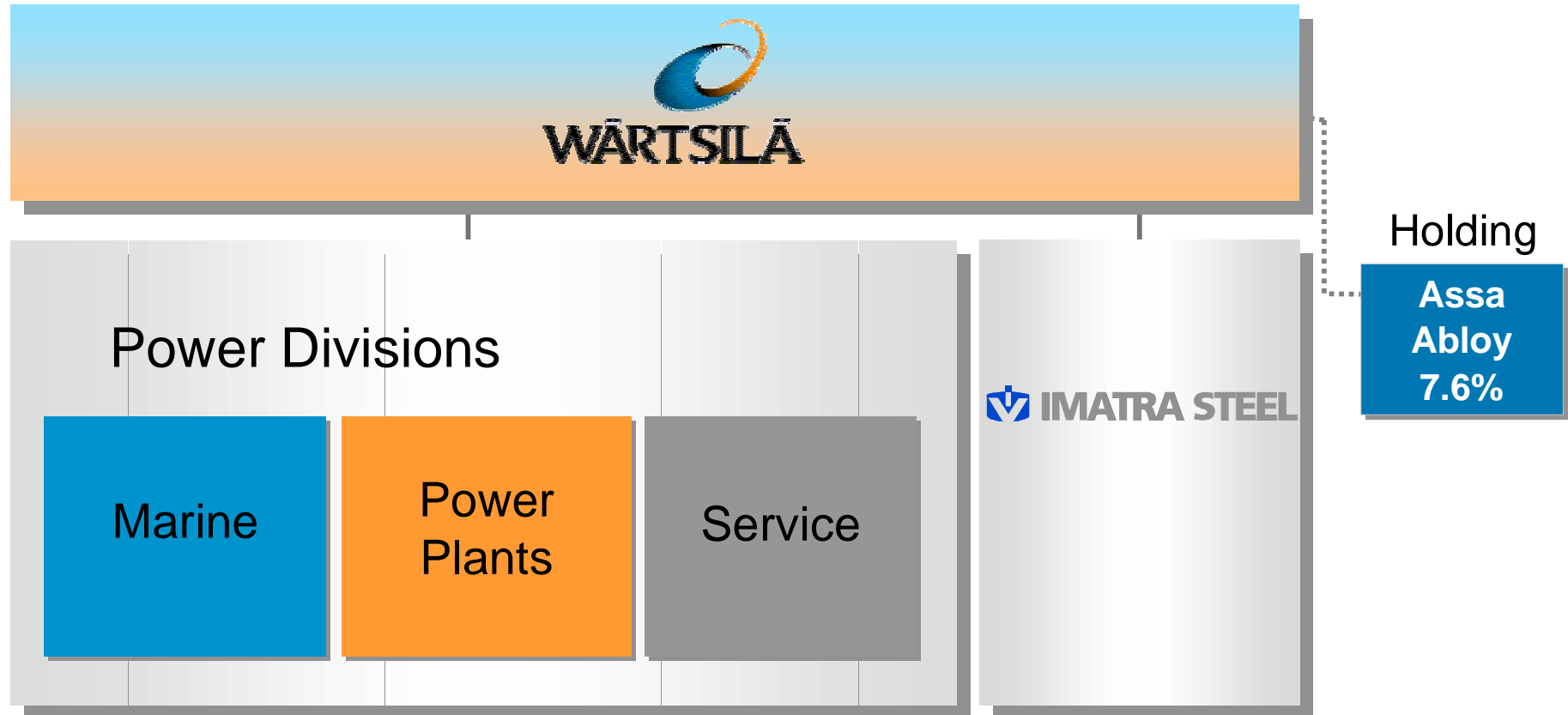
Corporate presentation 2003

Wärtsilä - Power on Land and at Sea

Wärtsilä is the leading global ship power supplier and a major provider of solutions for decentralized power generation and of supporting services. In addition Wärtsilä operates a Nordic engineering steel company Imatra Steel and manages a substantial shareholding to support the development of its core business.



Group Structure



Wärtsilä - Power on Land and at Sea

Mission

We contribute to solving the global needs of sea transportation and power generation by developing equipment and services that convert fuels into power efficiently and with the lowest possible environmental impact.

Vision

We strive to lead the ship power and distributed power generation markets by providing the most competitive, reliable and environmentally sound solutions.

Our worldwide network of professionals translates these solutions into maximum customer satisfaction and value.





EXCITEMENT
Foster openness,
respect and trust to
create excitement



EXCELLENCE
Do things better
than anyone else
in our industry



ENERGY
Capture opportunities and
make things happen

Targets



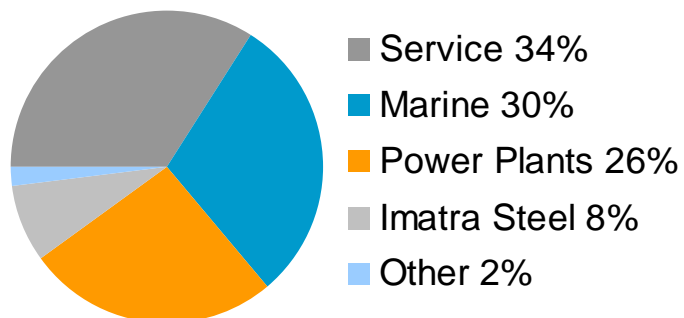
- The leading global ship power supplier.
- In Power Plants, Wärtsilä's target is to strengthen its global leadership position in large engine based power plants and to grow in renewable energy solutions. Gas power plant deliveries will be half of Wärtsilä's total engine based power plant business. Further growth will be sought from technology based on renewable energy sources.
- In the Marine and Power Plants divisions Wärtsilä's target is to grow 4% a year. Further growth will be achieved through acquisitions.
- The annual growth target for the Service division is 10-15%. The service business will represent over one-third of the total net sales of the Power Divisions.
- Power Divisions' operating profit to rise to 7-8% of net sales.
- The solvency ratio target is 40%

Wärtsilä's key ratios

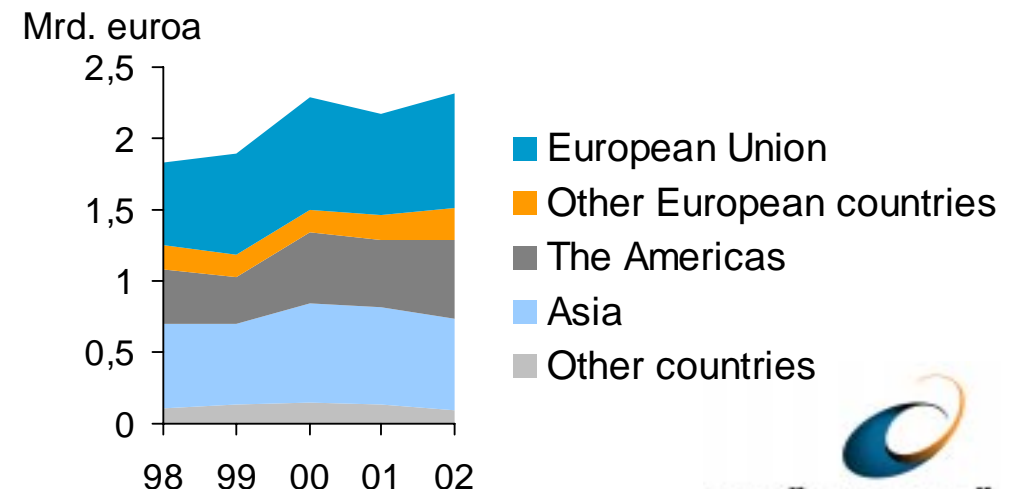
Key ratios, MEUR	2002	2001
Net sales	2,519	2.358.7
Operational EBIT	77.8	95,8
Operational profit	188.9	523.9
Profit before extraordinary items	170.4	508.7
Personnel, end of year	12,459	11,122
Earnings per share, euro	2.05	5.53



Wärtsilä Group's net sales by division 2002



Power Divisions, net sales by market area 2002



- At the core of Wärtsilä's products and operations is the principle of sustainable development.
- Aim of our environmental policy is at guaranteeing uniform operating principles throughout our global organization.



The first Wärtsilä 46 engines with common rail injection were installed in the cruise ship Coral Princess.



Our aim is to develop and offer our customers environmentally advanced solutions and services that fulfil all important requirements.

We require that the environmental performance of our solutions and services meet the highest standards in the industry.

Development focuses on achieving low emission levels and high efficiencies.

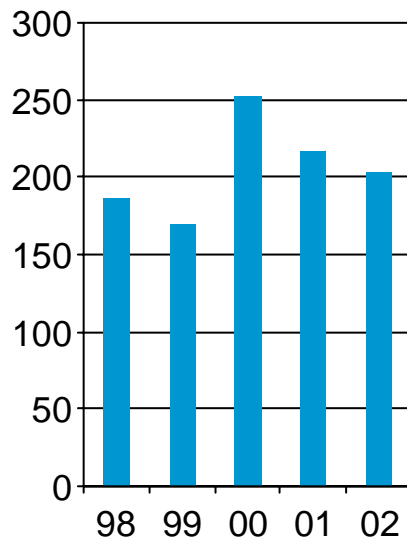
Wärtsilä has entered into a co-operation agreement with the Danish technology company Haldor Topsøe AS to start a joint development programme within the area of fuel cell technology.

Personnel on average	2002	2001
Power Divisions ¹⁾	11,024	9,562
Imatra Steel	1,393	1,284
Group	12,417	10,846
Personnel, end of year	12,459	11,122

¹⁾ Incl. Wärtsilä Real Estate and Corporate Management.

Net sales per person

EUR, 1,000



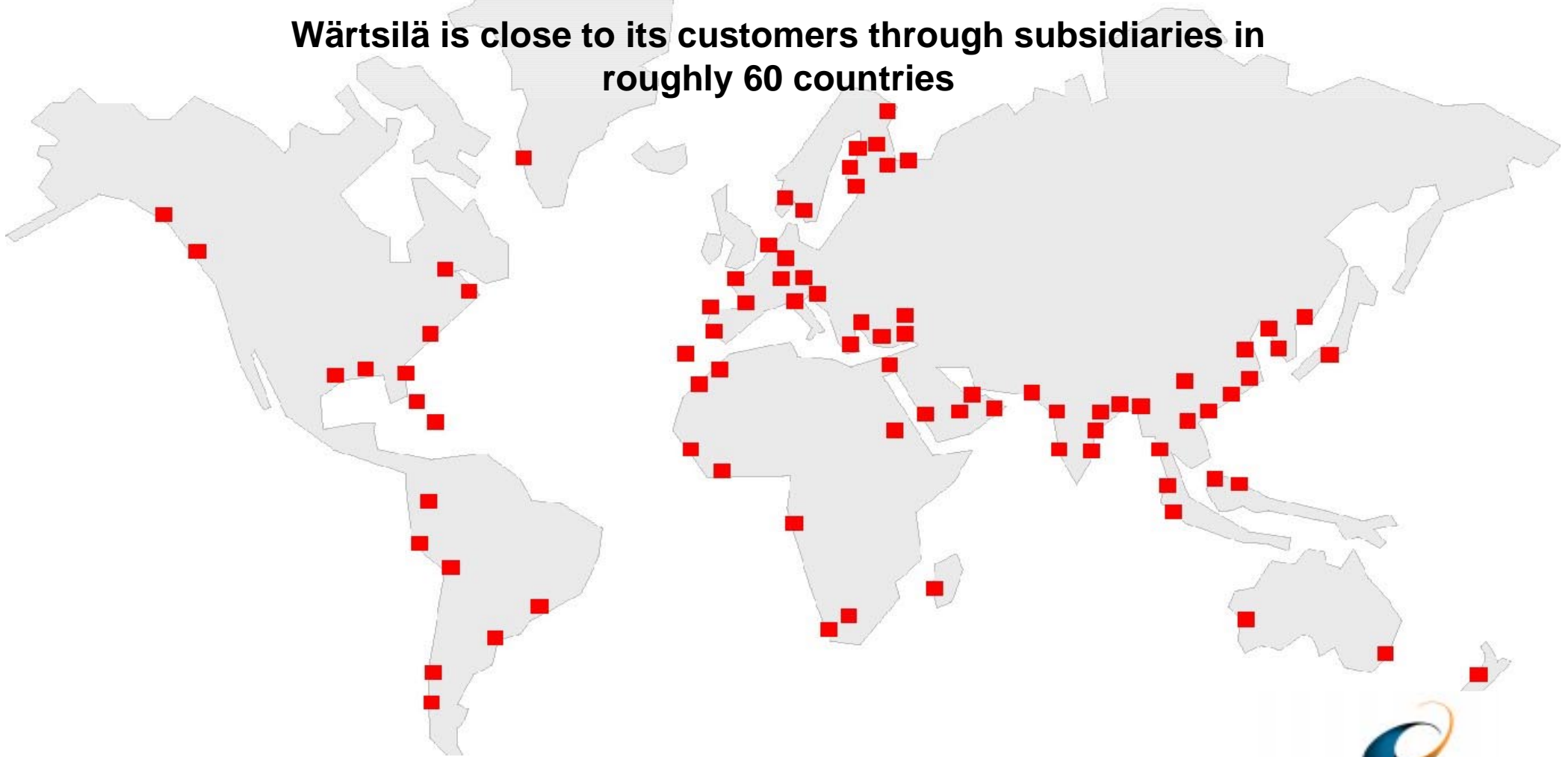
The number of employees in the Marine and Service divisions rose during 2002 as a result of strategic acquisitions. Service's personnel also grew organically.



Power on Land and at Sea

Our worldwide network of professionals translates these solutions into maximum customer satisfaction and value.

Wärtsilä is close to its customers through subsidiaries in roughly 60 countries

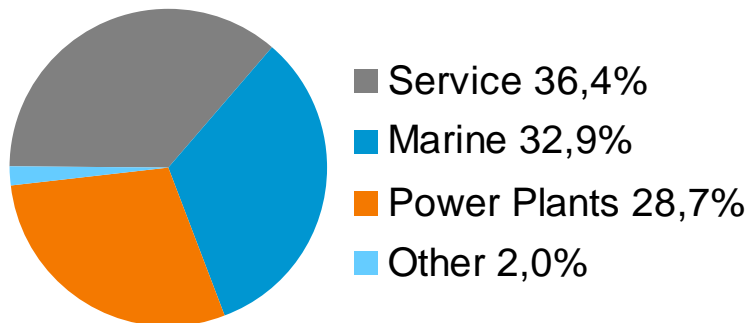


Power Divisions

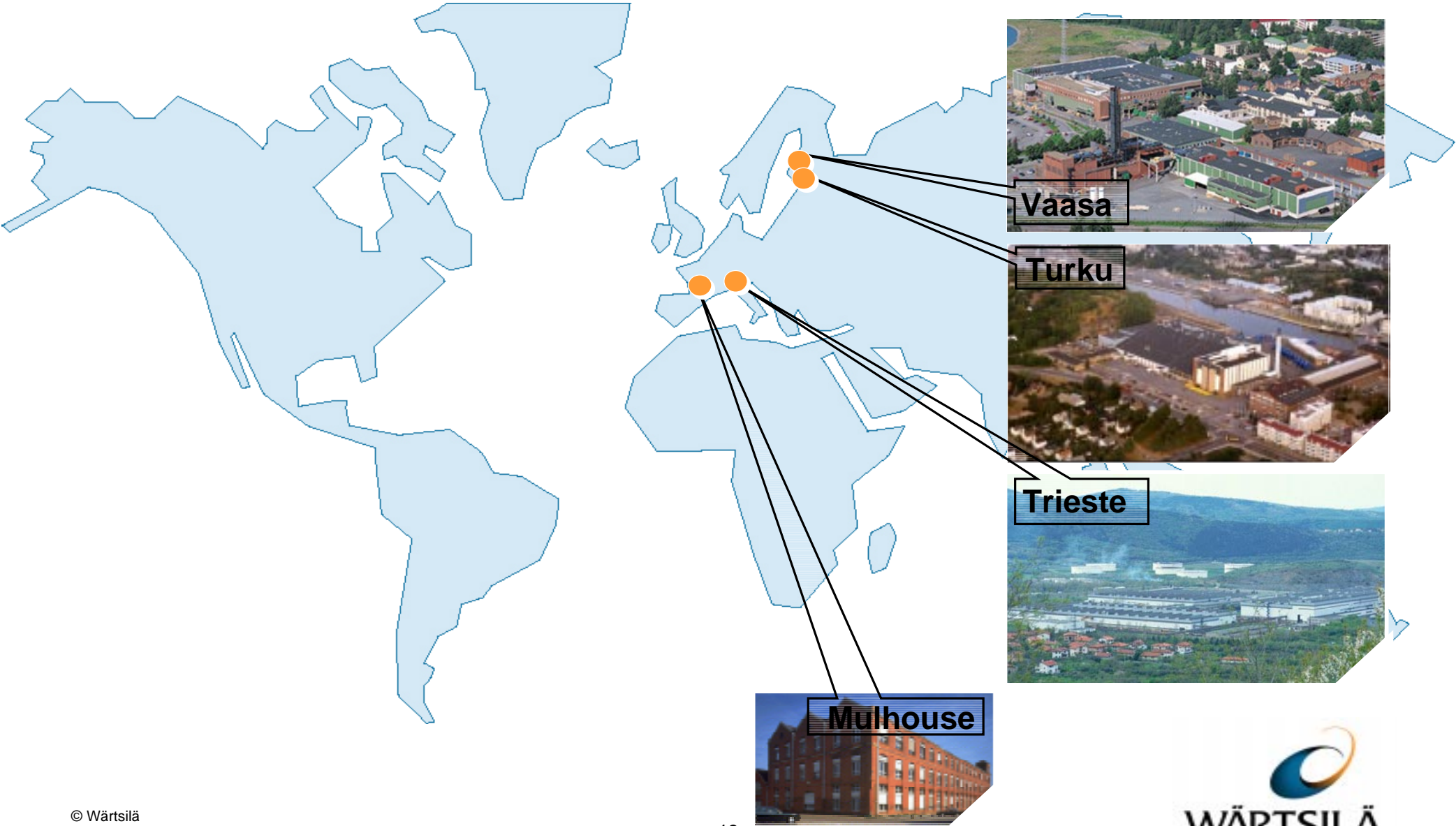
Wärtsilä's core business is its Power Divisions; these are Marine, Power Plants and Service.

Key ratios, MEUR	2002	2001
Net sales	2.319,9	2.174,3
Operating profit	74,6	87,8
Delivered MW	6.354	6.172
Order book, end of period	1.206,6	1.516,5
Order intake	1.882,8	2.040,4

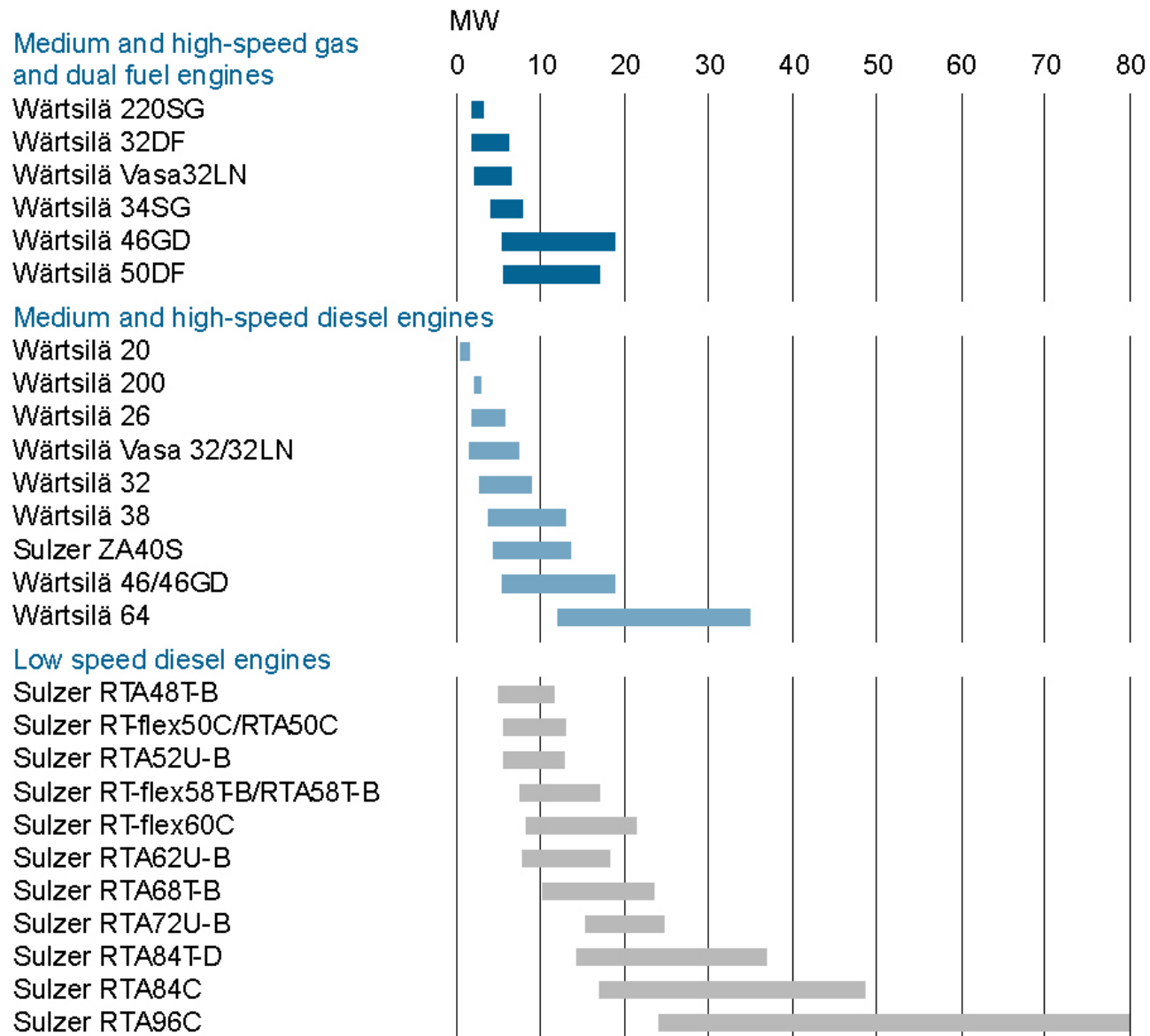
**Power Divisions,
net sales by division 2002**



Engine factories



Engine portfolio



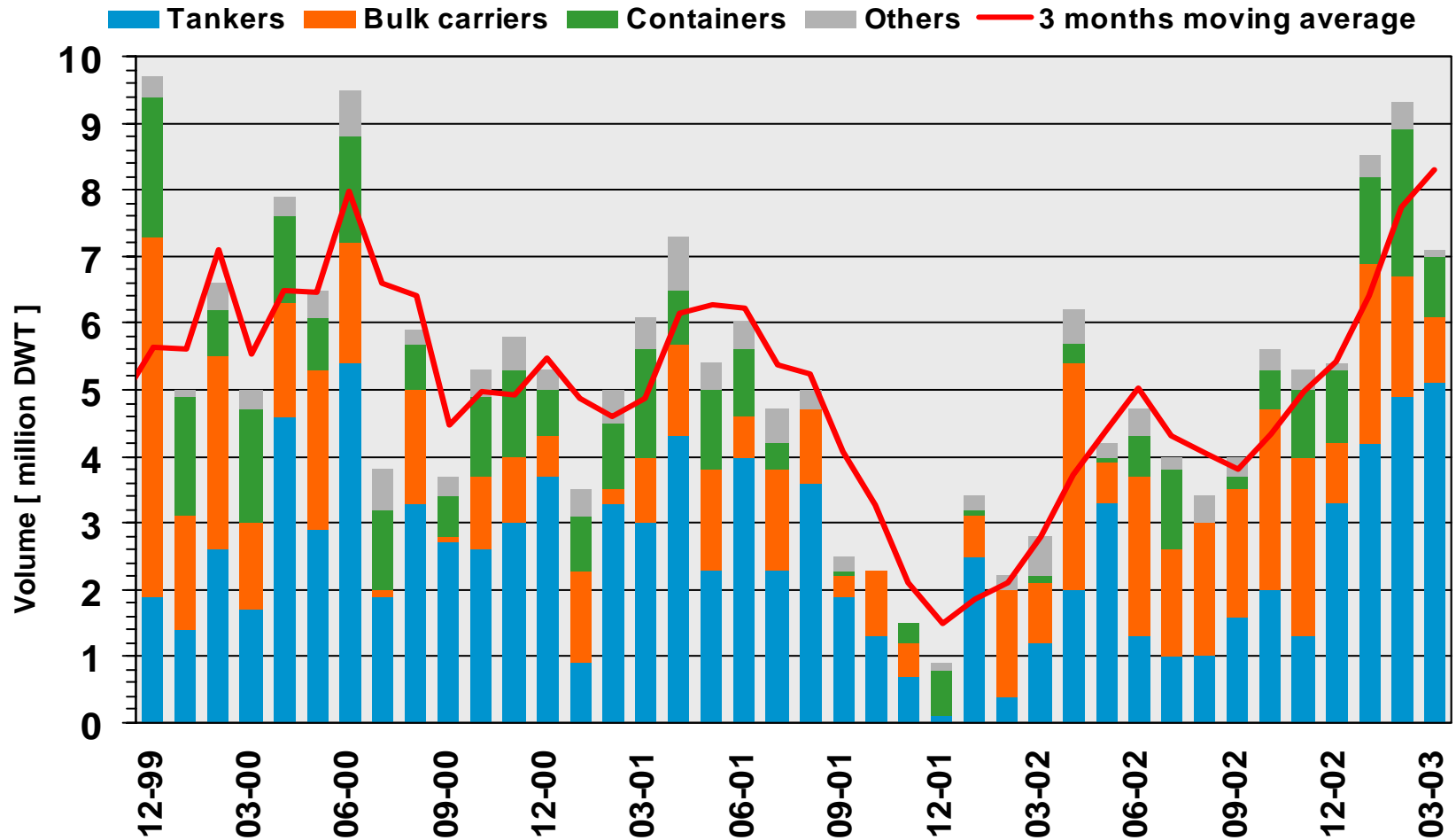


The Ship Power Supplier

Wärtsilä is the leading supplier of ship machinery, propulsion and manoeuvring solutions for all types of marine vessels and offshore applications.

*Rhapsody of the Seas, Royal Caribbean Cruise Line, USA
4 x Wärtsilä 12V46C*

Vessel orders



Source: Based on data from Clarkson Research Studies

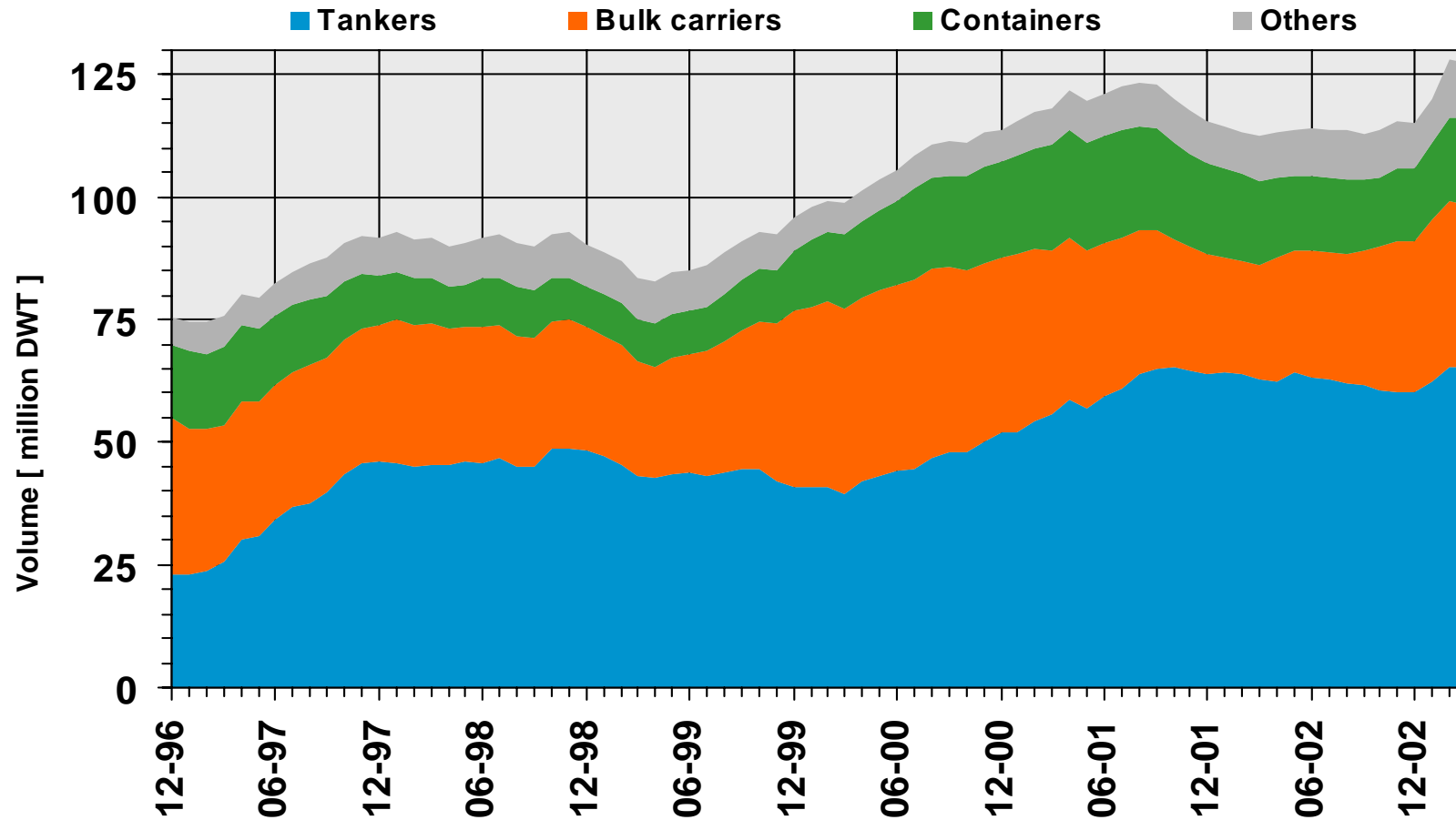
Note:

- Cargo vessels > 5,000 dwt
- From January 2003, "Tankers" includes vessels < 10,000 dwt
- From January 2003, "Others" includes cruise vessels, offshore and Ro-Ro ferries. Additionally LNG, LPG, reefers and other dry cargo vessels.

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Vessel orderbook



Source: based on data from Clarkson Research Studies

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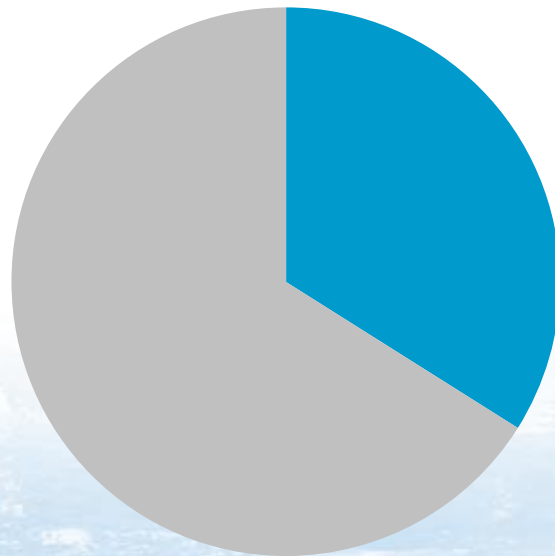
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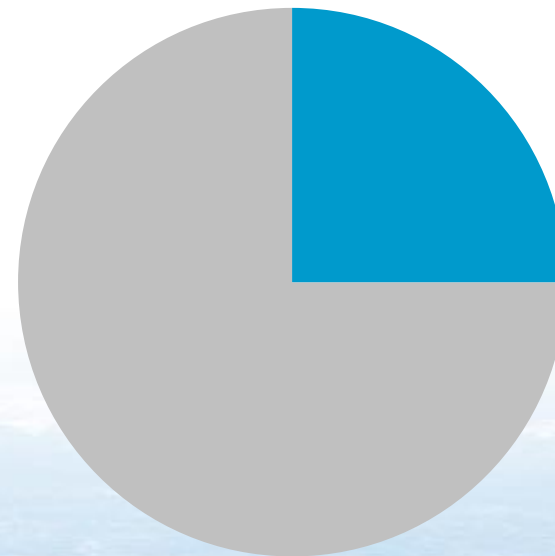
Wärtsilä's market share

Market share of medium- and low-speed main engines



Medium-speed engines

■ **Wärtsilä 34% (37%)**



Low-speed engines

■ **Wärtsilä 25% (26%)**

Orders 6/01 - 5/02

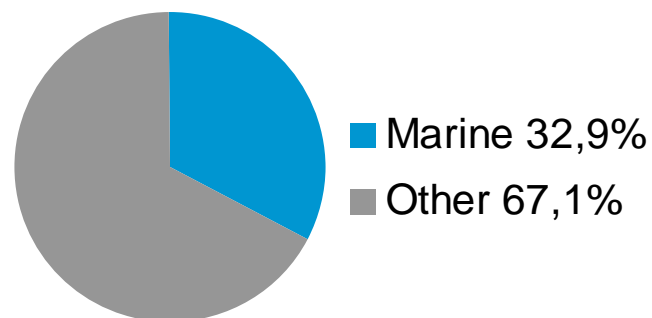
Source: Diesel & Gas Turbine Worldwide

Wärtsilä enhances its customers' business performance and profitability by offering reliable, cost-efficient total marine power solutions for all types of marine vessels while fully respecting environmental demands.

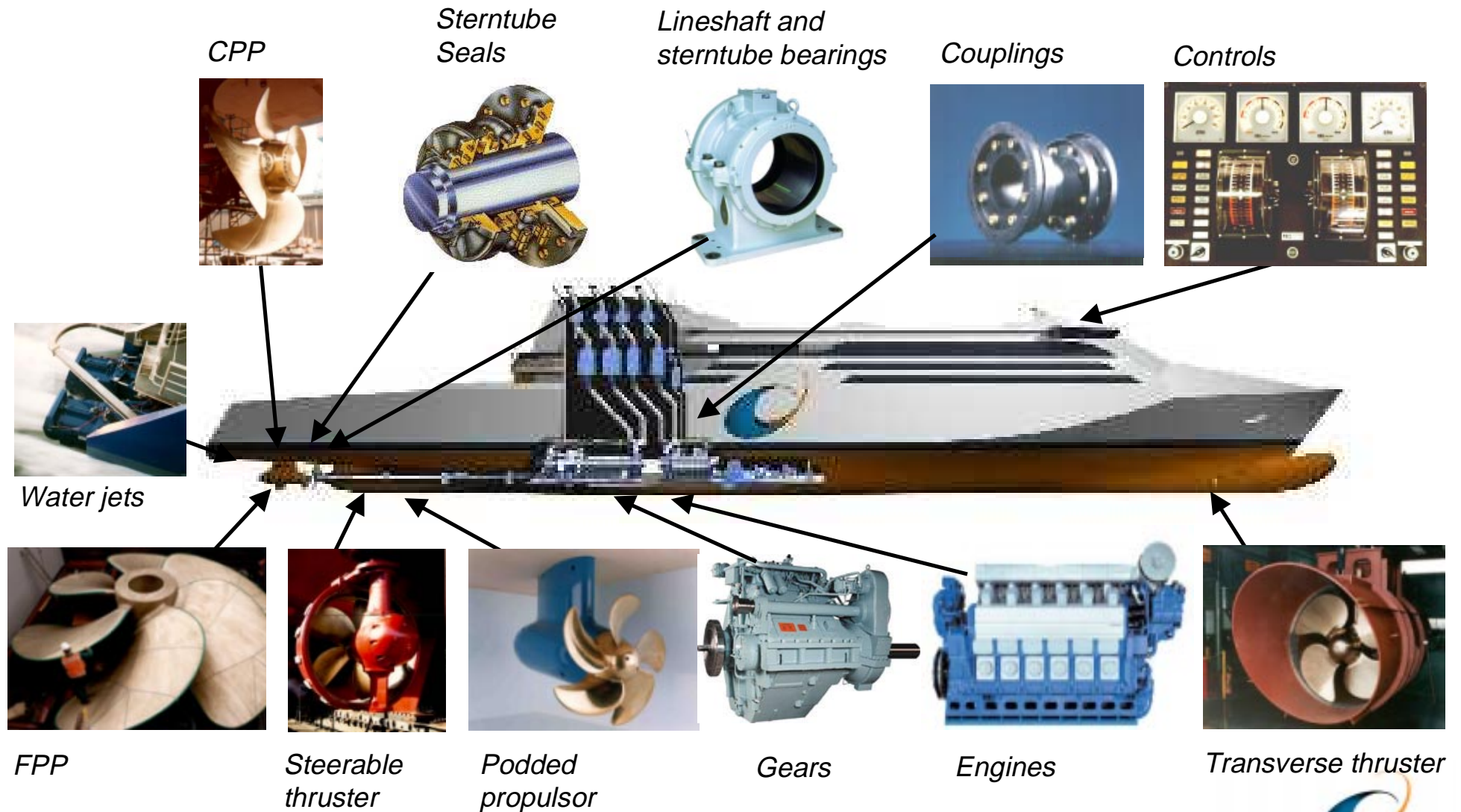


Marine, MEUR	2002	2001
Net sales	763,4	595,1
Order intake	506,7	476,8
Order book, end of year	617,7	769,6
MW delivered		
by Wärtsilä	2.220	2.346
by licensees	2.660	2.378

Share of Power Divisions net sales 2002

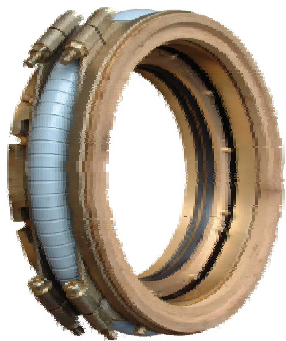


The Ship Power Supplier





JMT marine seals

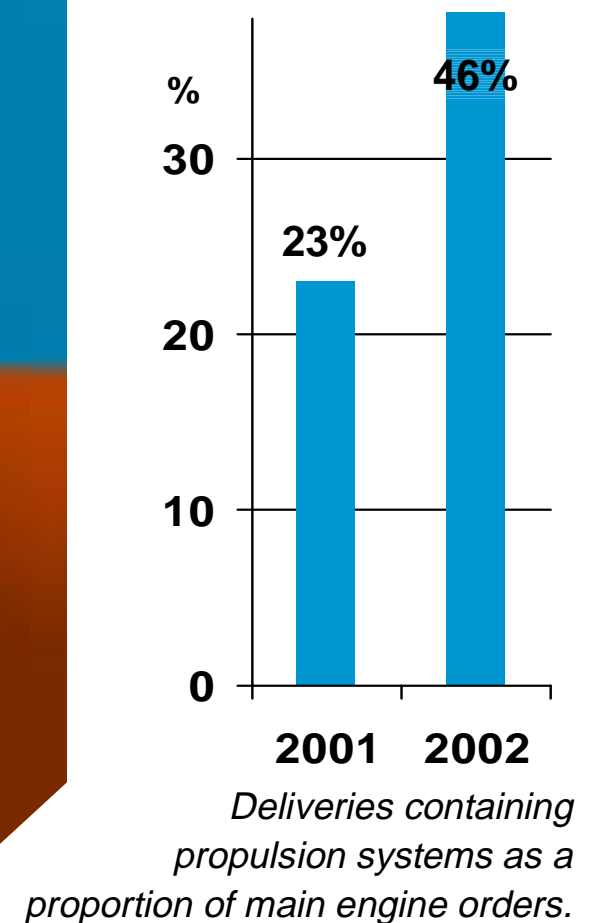


Deep Sea Seals

- The acquisition of Wärtsilä Propulsion also makes Wärtsilä the world's leading supplier of ship propeller seals and bearings
- These components form a vital link in the complete propulsion system comprising engines, reduction gearboxes, propellers and rudders, seals and bearings.
- System sales rose 60% in 2002.



Wärtsilä Propulsion



Seals and bearings play a crucial role in ship safety and environmental protection. They perform a dual task; to prevent water from getting into the ship's shaft bearings and to prevent oil from escaping into the sea.

- For Wärtsilä, licensing brings the company close to its customers.
- This is of critical importance as the global hub of shipbuilding is gradually shifting to Asia.
- We have granted a license to sell, manufacture and service Sulzer low-speed, 2-stroke diesel engines to ten companies.
- The license rights are valid for a certain territory.

*Biggest Sulzer
12RTA96C
length: 23,2 m
width: 4,48 m
height: 13,52 m
weight: 2,050 tons*



*P&O Nedlloyd Southampton
6,690 TEU containership*



WÄRTSILÄ

Wärtsilä's licensees



Power for a Changing World

Power solutions for decentralized power generation fast, flexibly and with respect for the environment. Operations and maintenance agreements offer customers improved profitability throughout the lifecycle of the power plant.



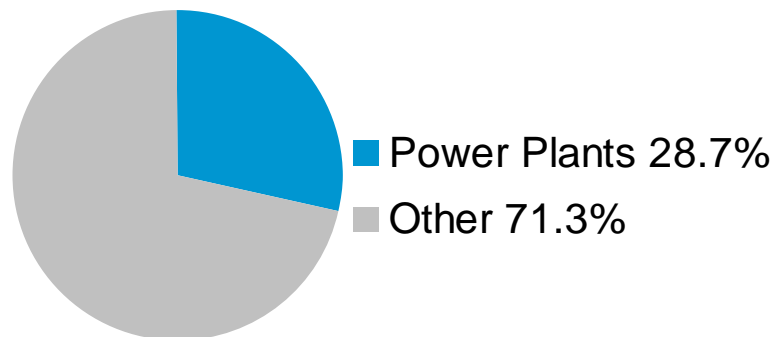
The 111 MW Plains End gas power plant supplies electricity to more than 110,000 homes in suburban Denver, Colorado, USA (20 x Wärtsilä 34SG).

Power Plants

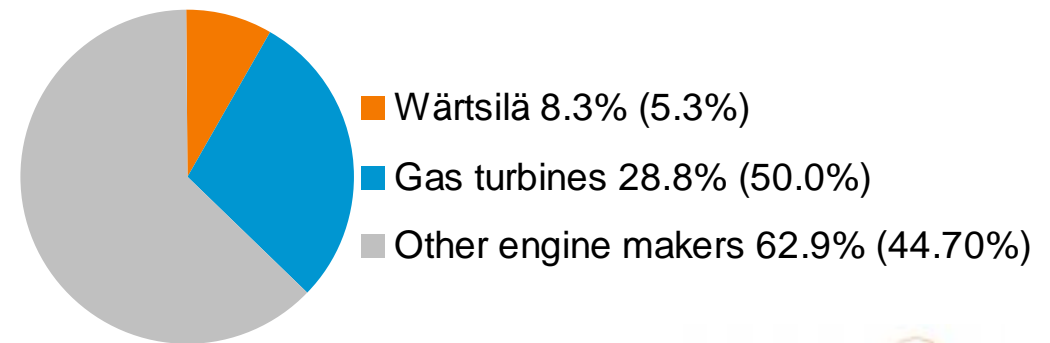
Power Plants, MEUR	2002	2001
Net sales	666.0	760.6
Order intake	427.9	658.6
Order book, end of year	255.2	467.7
MW delivered	1,387	1,449
HFO power plants	1,167	982
gas power plants	220	467
MW delivered, thermal energy	87	
BioPower	87	



Share of Power Divisions' net sales 2002



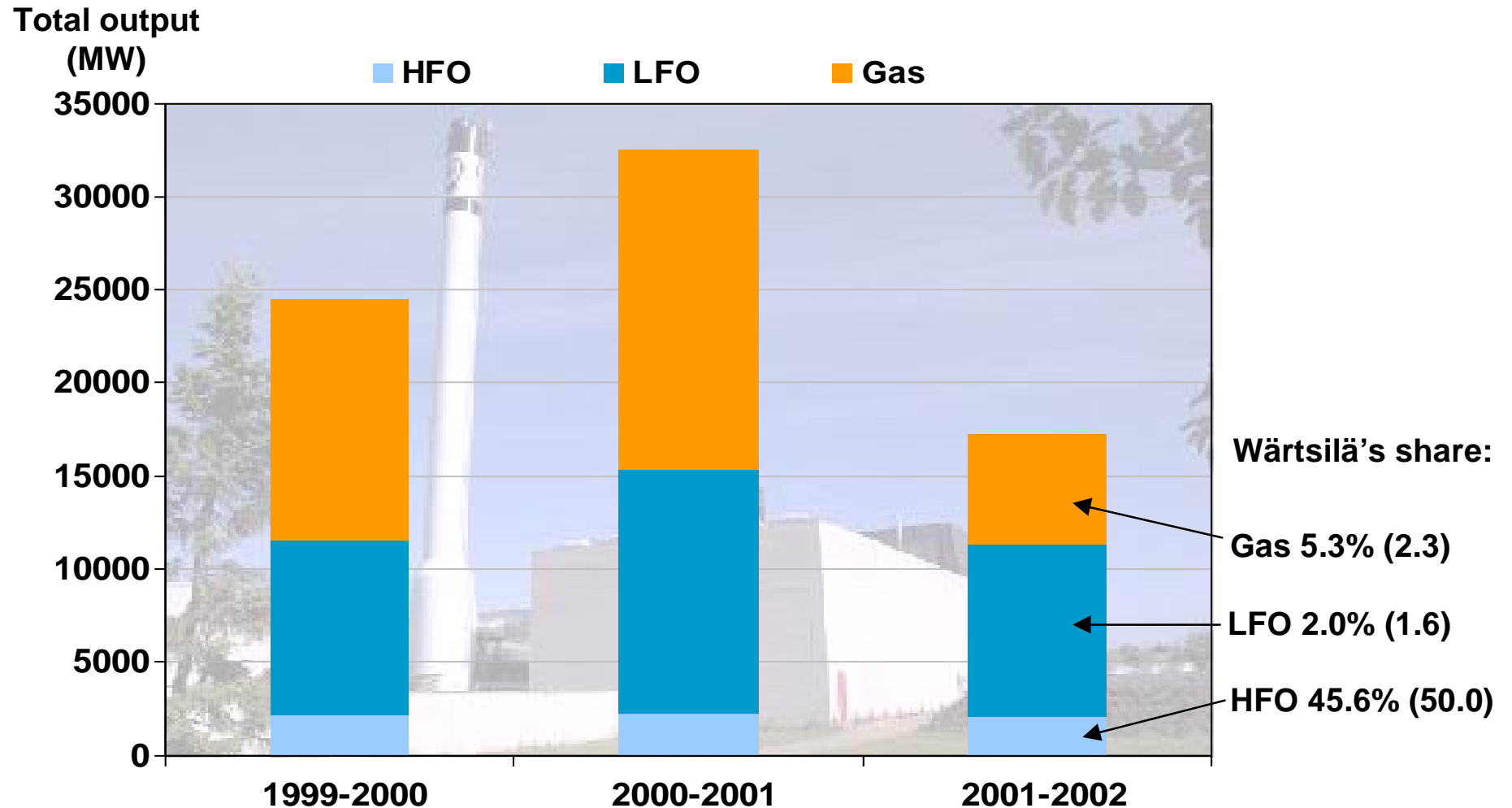
Wärtsilä's power plants market share, total market 17,243 MW



Engine and gas turbine orders (unit size 1-60 MW) to power plants 6/2001-5/2002

Source: Diesel & Gas Turbine Worldwide, Wärtsilä

Reciprocating engine & gas turbine orders to power plants



6/2001-5/2002

Unit size: 1-60 MW, gas engines incl. dual-fuel engines

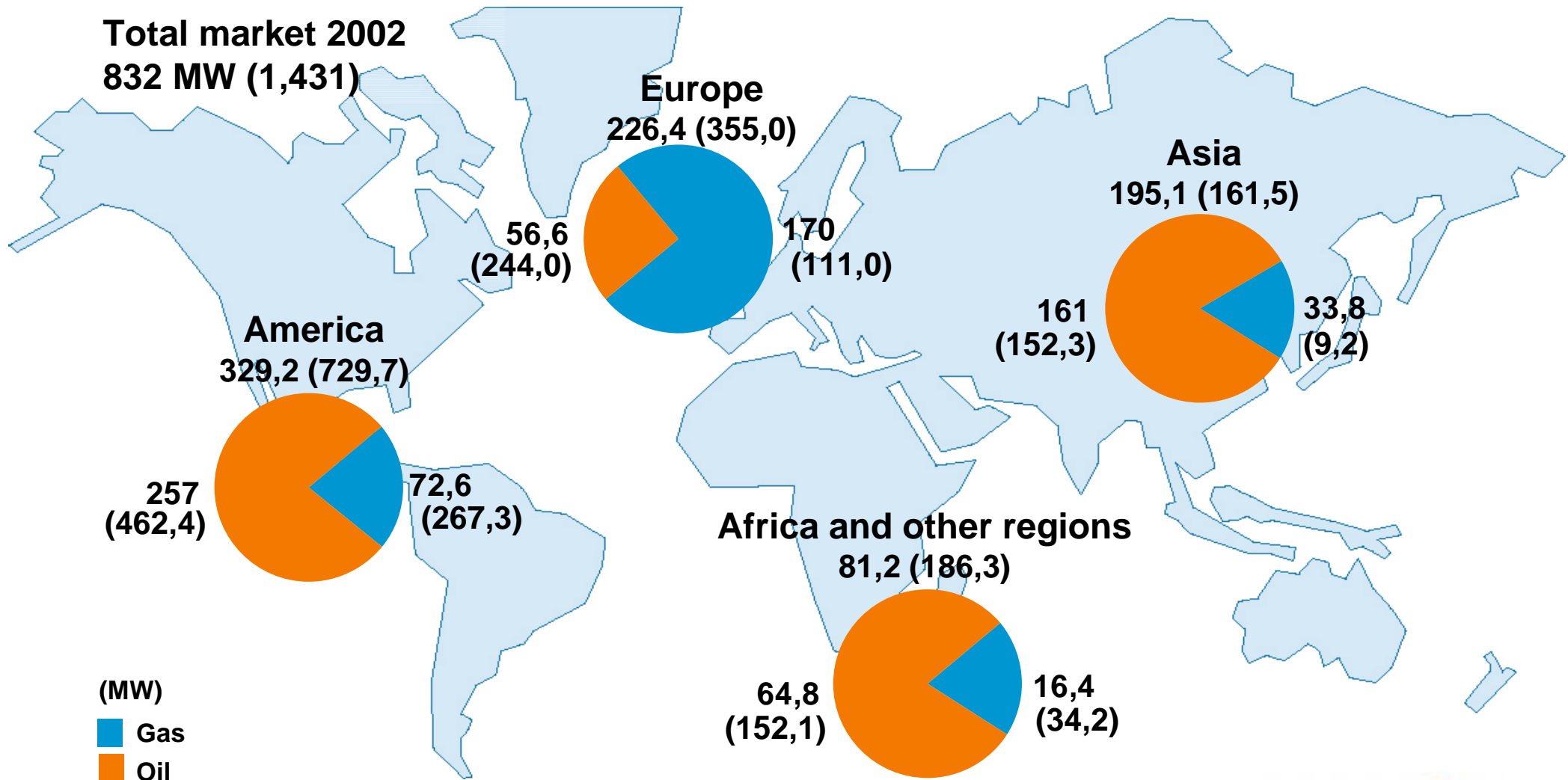
Figures in brackets indicate last year's figures.

Source: Diesel & Gas Turbine Worldwide, Wärtsilä

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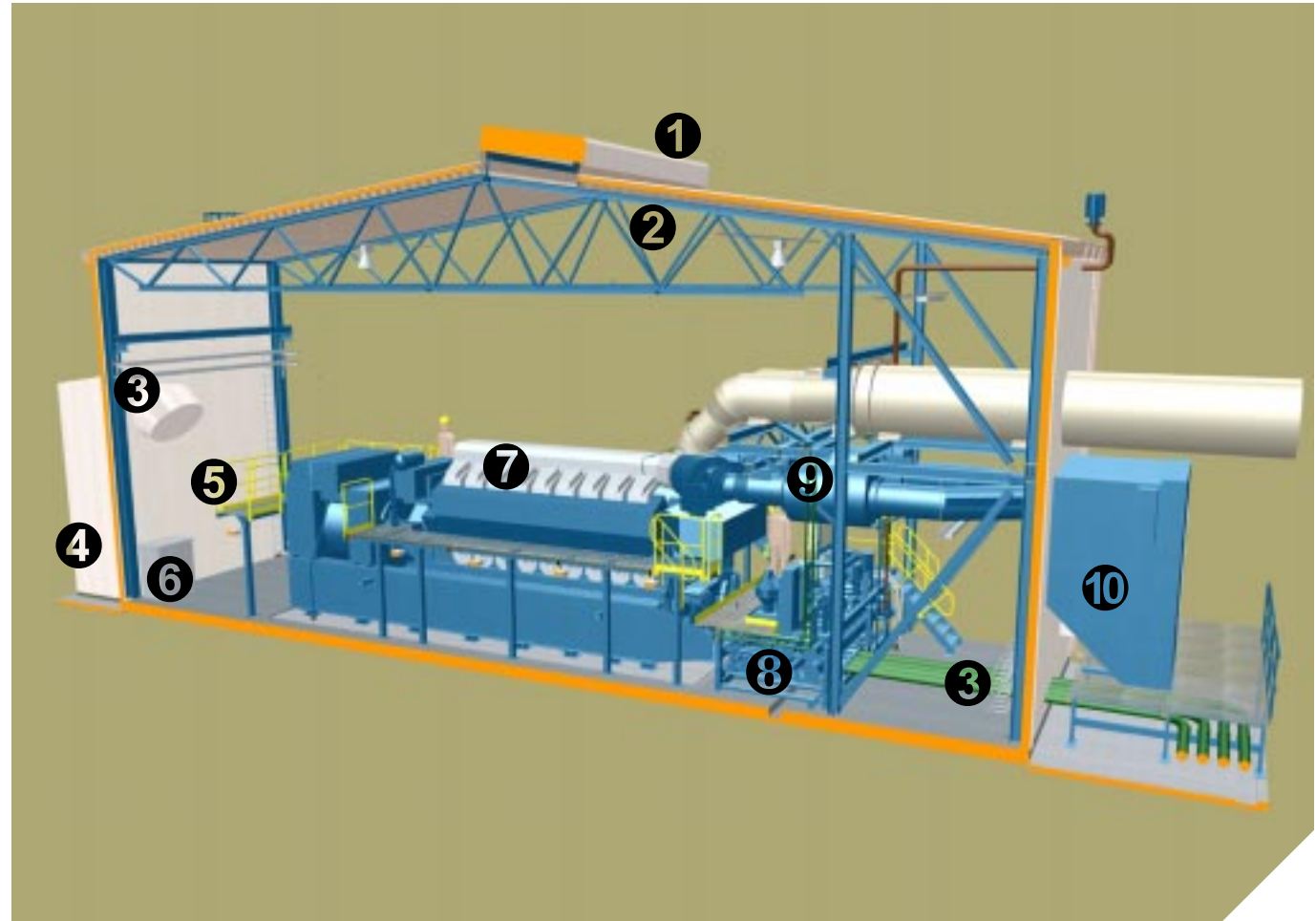
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Power plant orders



Standard solution of a Wärtsilä power plant

1. Roof monitor
2. Building lights
3. Cable ladders
4. Engine hall ventilation unit
5. Maintenance platform
6. Neutral point cubicle
7. EG-set
8. W32 module
9. Intake air silencer
10. Intake air filter



Bio-energy solutions from Wärtsilä

- Demand is rising sharply for biopower plants designed to run on renewable energy sources.
- The European Union's target is to increase energy production based on biofuels tenfold by 2010.



Tammisaaren Energia Oy, Finland, 15 MWth.

BioEnergy plants are designed to meet the thermal energy needs of local industrial sites or municipalities. The heat energy produces can take the form of steam or hot water or a combination of the two.

BioGrate combustion technology



BioGrate rotating grate

Wärtsilä BioEnergy and BioPower plants utilize patented Biograte combustion technology. This can squeeze out all the biomass fuel's energy even from very wet fuels with a moisture content as high as 65%.

BioGrate combustion technology is especially suitable for extremely wet wood residues, bark and sawdust.



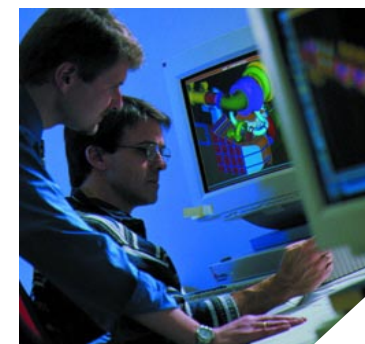


Wärtsilä supports its customers throughout the lifecycle of its products by ensuring lifetime efficiency.

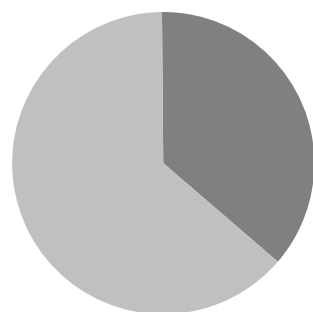
The Total Service Provider

Our local multi-skilled service personnel is available 24 h a day worldwide.

Service, MEUR	2002	2001
Net sales	843.4	790.4
Long-term service agreements MW	9,756	8,262
O&M agreements MW	2,056	1,698
Personnel end of period	5,644	5,026

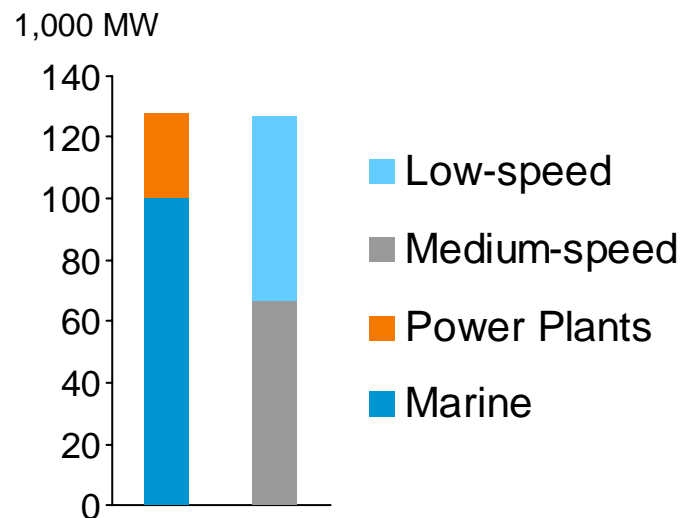


Share of Power Divisions' net sales 2002



■ Service 36,4%
 ■ Other 63,6%

Wärtsilä's engine base MW



The Total Service Provider

We support our customer throughout the lifecycle of its products by ensuring lifetime efficiency.

We focus on long-term service agreements and full operations agreements in addition to the comprehensive everyday service support.

Under an O&M agreement Wärtsilä takes on full responsibility for operating a power plant. An O&M agreement also includes service and maintenance of power plants.

**Service
Agreements**



Ciserv - a wide range of reconditioning services



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- Wärtsilä offers services to include not only engine and propulsion system service but also the service of other ship systems and machinery.
- At the present the Ciserv group comprises five companies, each specialized in its own areas of technical competence: one in Sweden, Singapore, Denmark, the Netherlands and Canada.



The Total Service Provider



Wärtsilä Land and Sea Academy

- training program for seafarers and power plant operators to add their level of skills and competences

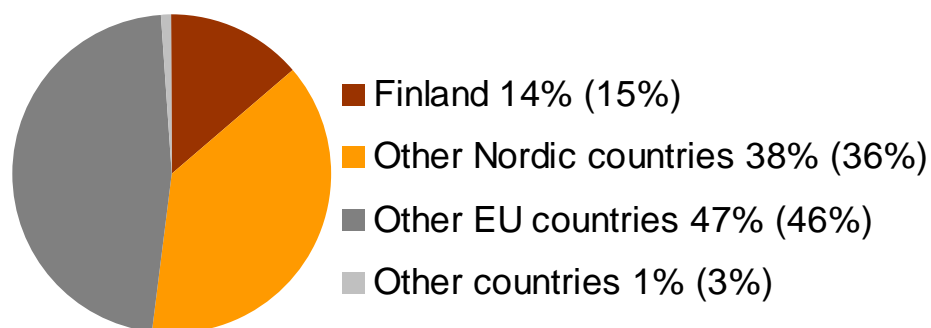
CBM Centre

- from a CBM centre Wärtsilä can monitor marine and power plant engines
- CBM (condition based maintenance) and remote monitoring are part of Wärtsilä's expanding product portfolio



Key figures, MEUR	2002	2001
Net sales	200.4	186.4
of which outside Finland	86.1%	84.6%
Operating profit	3.2	3.2
ROI	3%	6%
Personnel, end of year	1,391	1,384

Imatra Steel net sales by market area 2002



A Skilful Niche Player

Special engineering steels and automotive components.

Assa Abloy holding

- Wärtsilä sold 10 million Assa Abloy shares in May 2002
- Capital gain of approximately EUR 111 million
- After the sale and Assa Abloy's new share issue Wärtsilä holds 27.8 million shares or 7.6%
- Holding's market value EUR 217,5 million (31 March 2003)



Power Divisions

- signs of growth in the marine engine market
- uncertainty in power plant demand, demand for biopower energy increases
- growth in net sales, slight improvement in profitability
- reaching the profitability target of 7-8% will require recovery in the global economy and significant increase in demand
- streamlining actions will continue

Imatra Steel

- uncertainty in the market at the beginning of 2003, growth prospects at the end of 2003
- increase in net sales due to expansion of the forging business
- result will improve

