

Wärtsilä Corporation

Interim Report January-March 2003

Ole Johansson
President & CEO

29 April 2003

Group structure



MEUR	Q1/2003	Q1/2002	2002
Net sales	488.1	580.9	2,519.0
Operational EBIT	5.0	4.2	77.8
EBIT	5.0	4.2	188.9
Profit before taxes	0.3	3.6	170.4
EPS, EUR	-0.08	-0.02	2.05

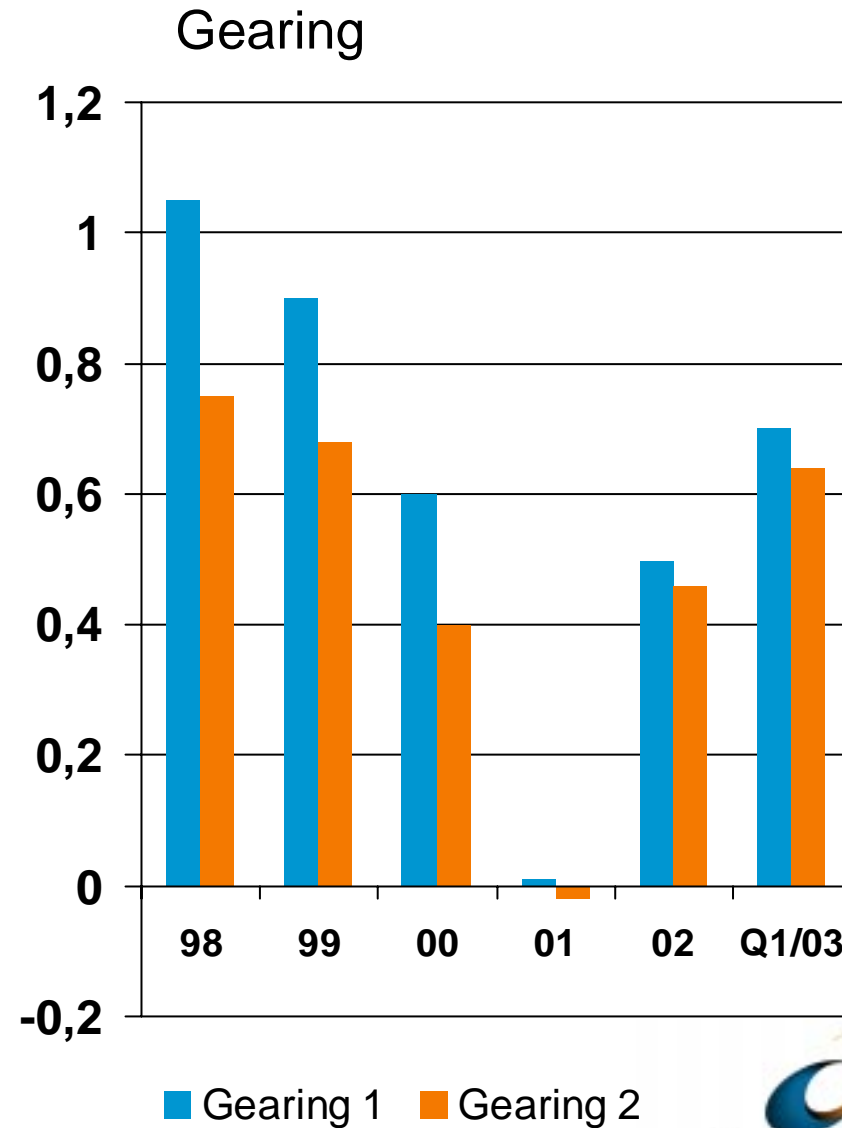
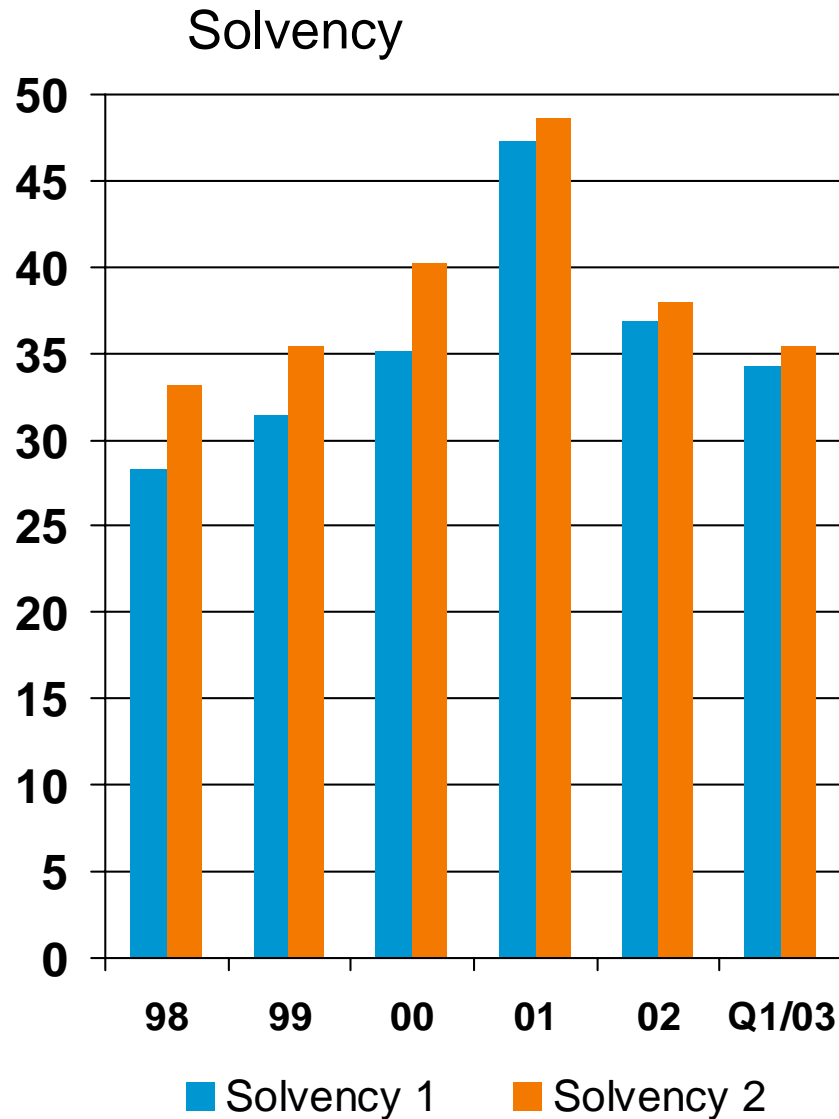


Cash flow statement



MEUR	Q1/2003	Q1/2002	2002
Cash flow from operating activities	1.6	-5.5	55.4
Cash flow from investing activities	-11.3	-7.9	-286.5
Cash flow from financing activities	-47.6	26.3	232.3
Liquid funds at end of period	128.5	197.3	185.8

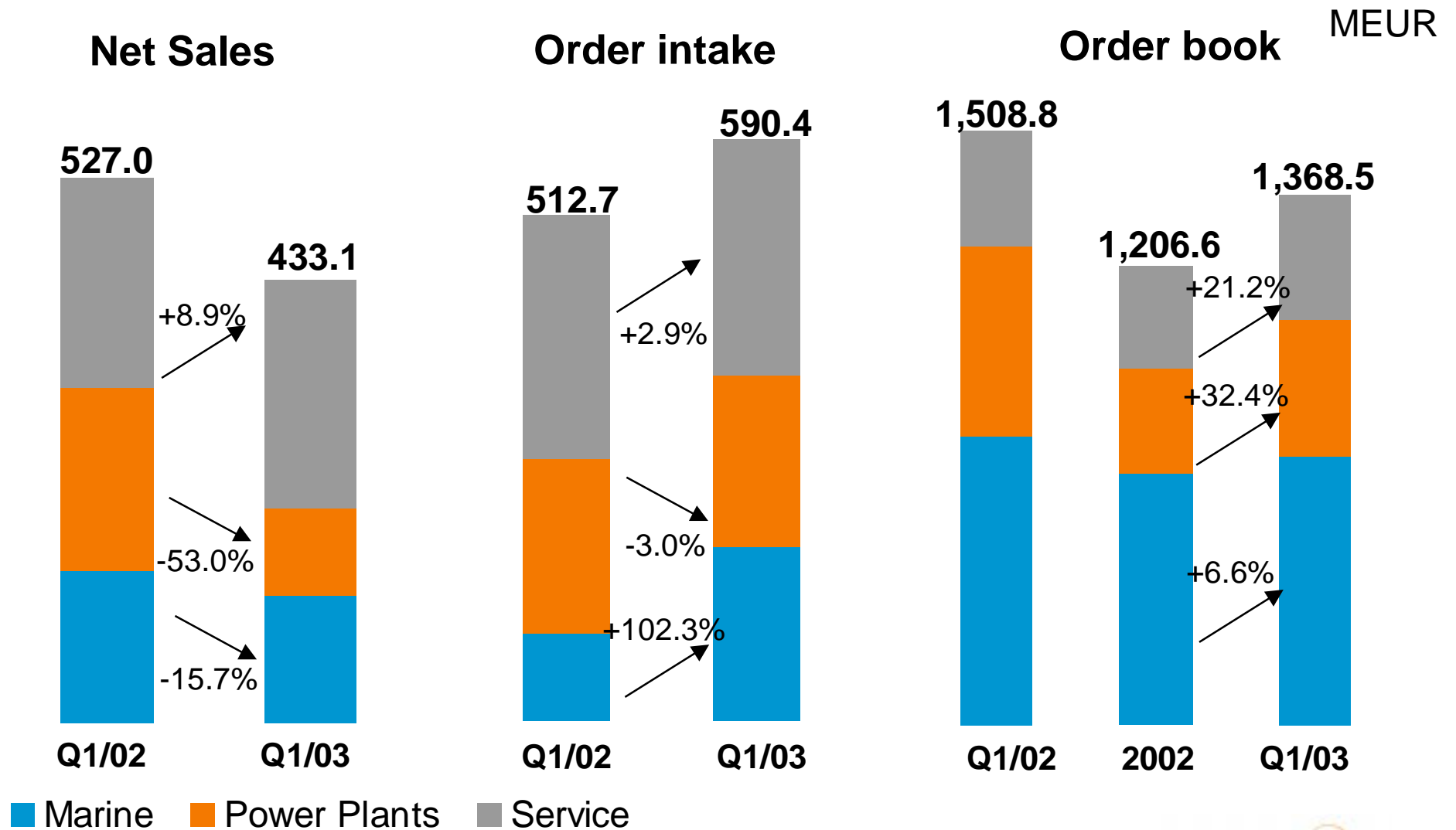
Solvency and gearing



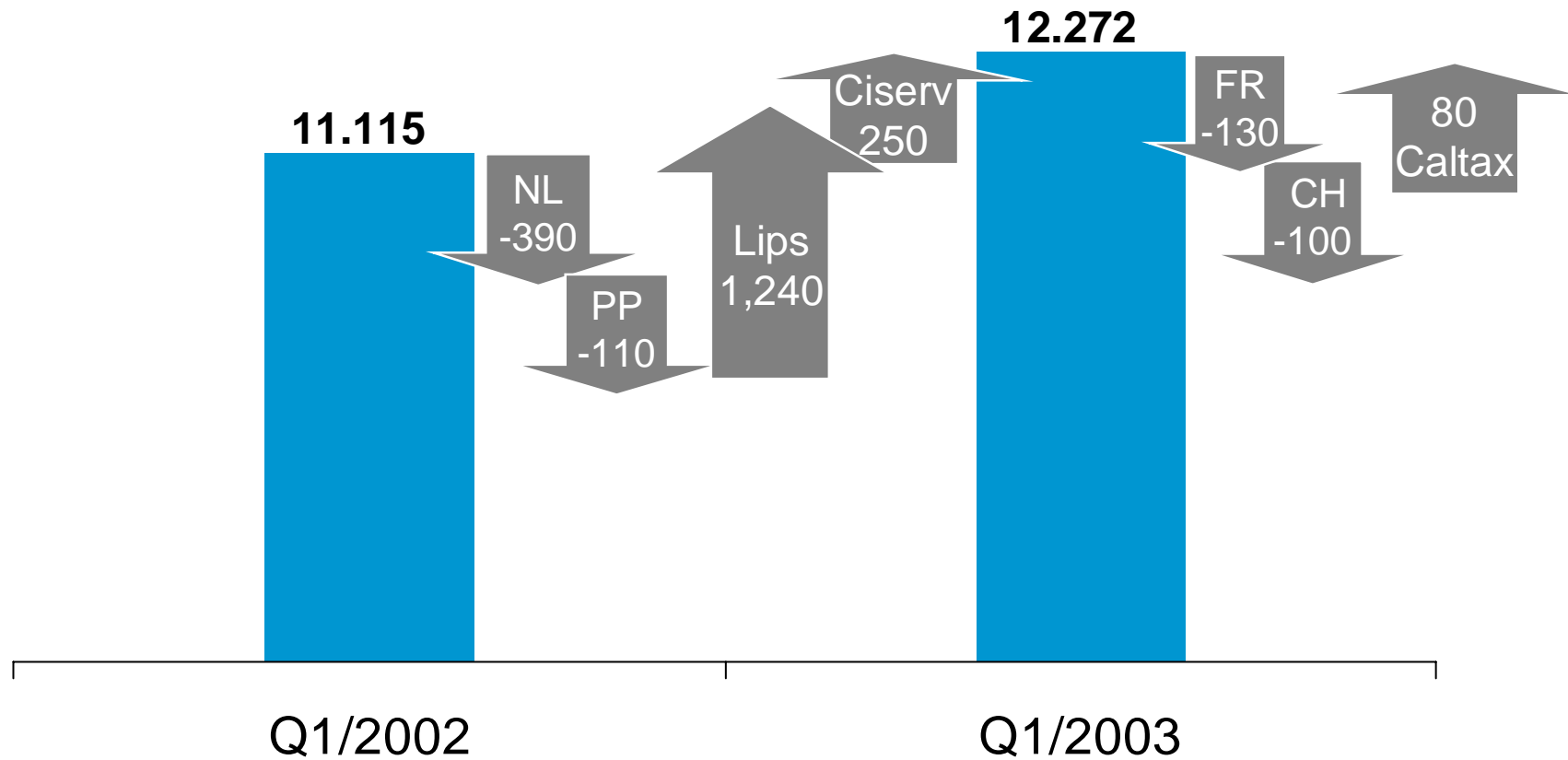
Power Divisions

MEUR	Q1/2003	Q1/2002	Change	2002
Net sales	433.1	527.0	-17.8%	2,319.9
EBIT	8.3	1.4		74.6
% of net sales	1.9%	0.3%		3.2%
Order intake	590.4	512.7	15.2%	1,882.8
Order book, end of period	1,368.5	1,508.8	-9.3%	1,206.6

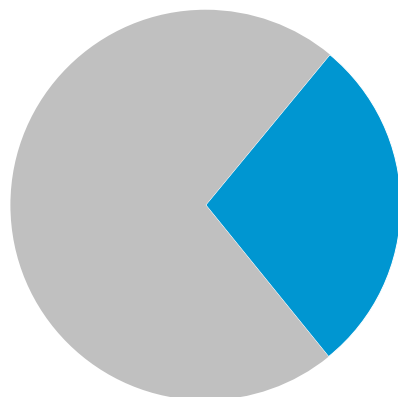
Power Divisions - key figures



Personnel



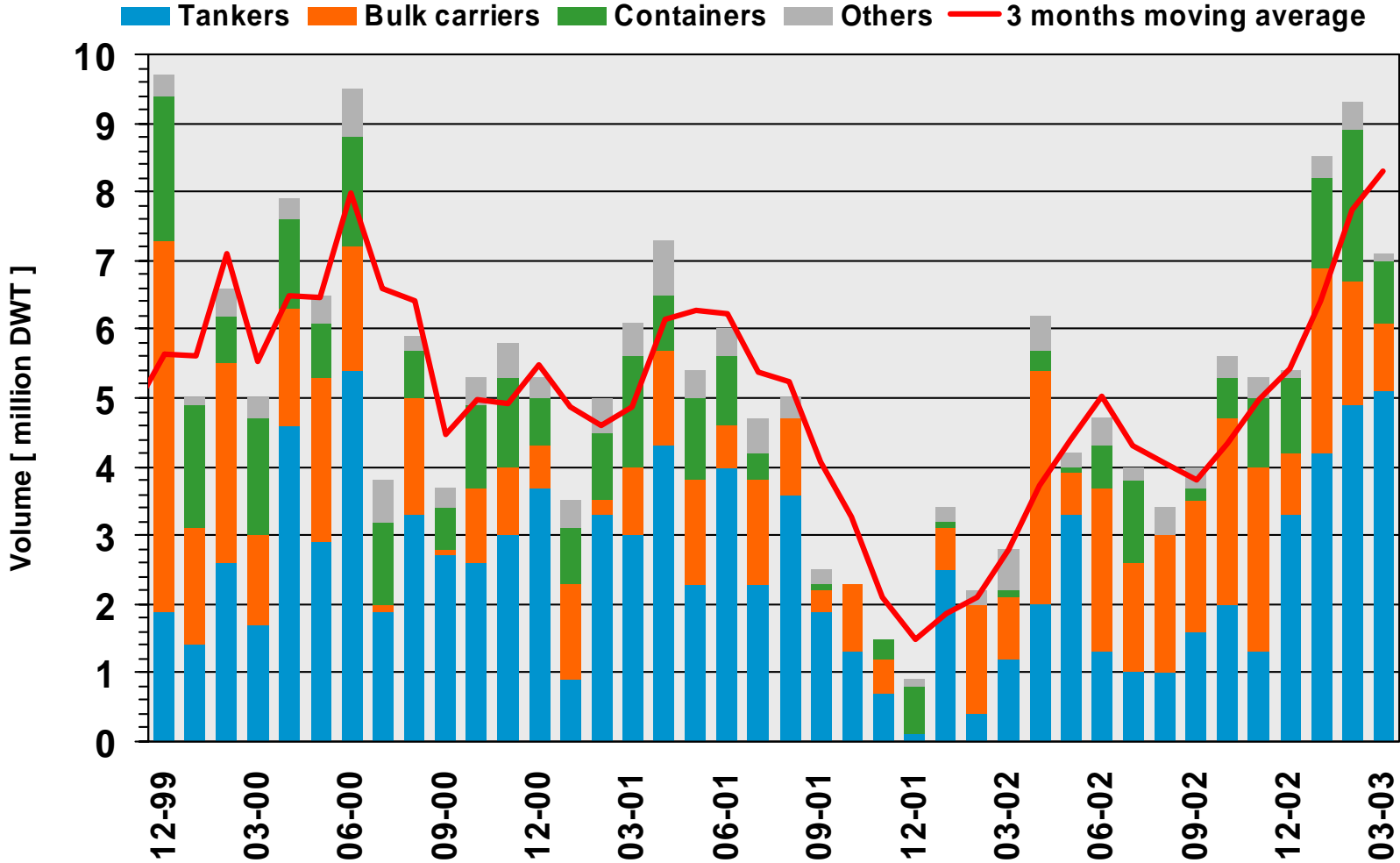
MEUR	Q1/2003	Q1/2002	Change	2002
Net sales	121.8	144.6	-15.7%	763.4
Order intake	166.0	82.1	102.3%	506.7
Order book, end of period	658.4	706.6	-6.8%	617.7



**Power Divisions net sales Q1/2003
EUR 433,1 million.**

■ **Marine 28%**

Vessel orders

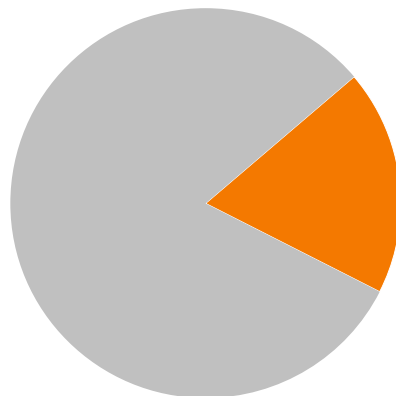


Source: Based on data from Clarkson Research Studies
 Note: Cargo vessels > 5,000 dwt
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 Q1/2003 presentation



Power Plants

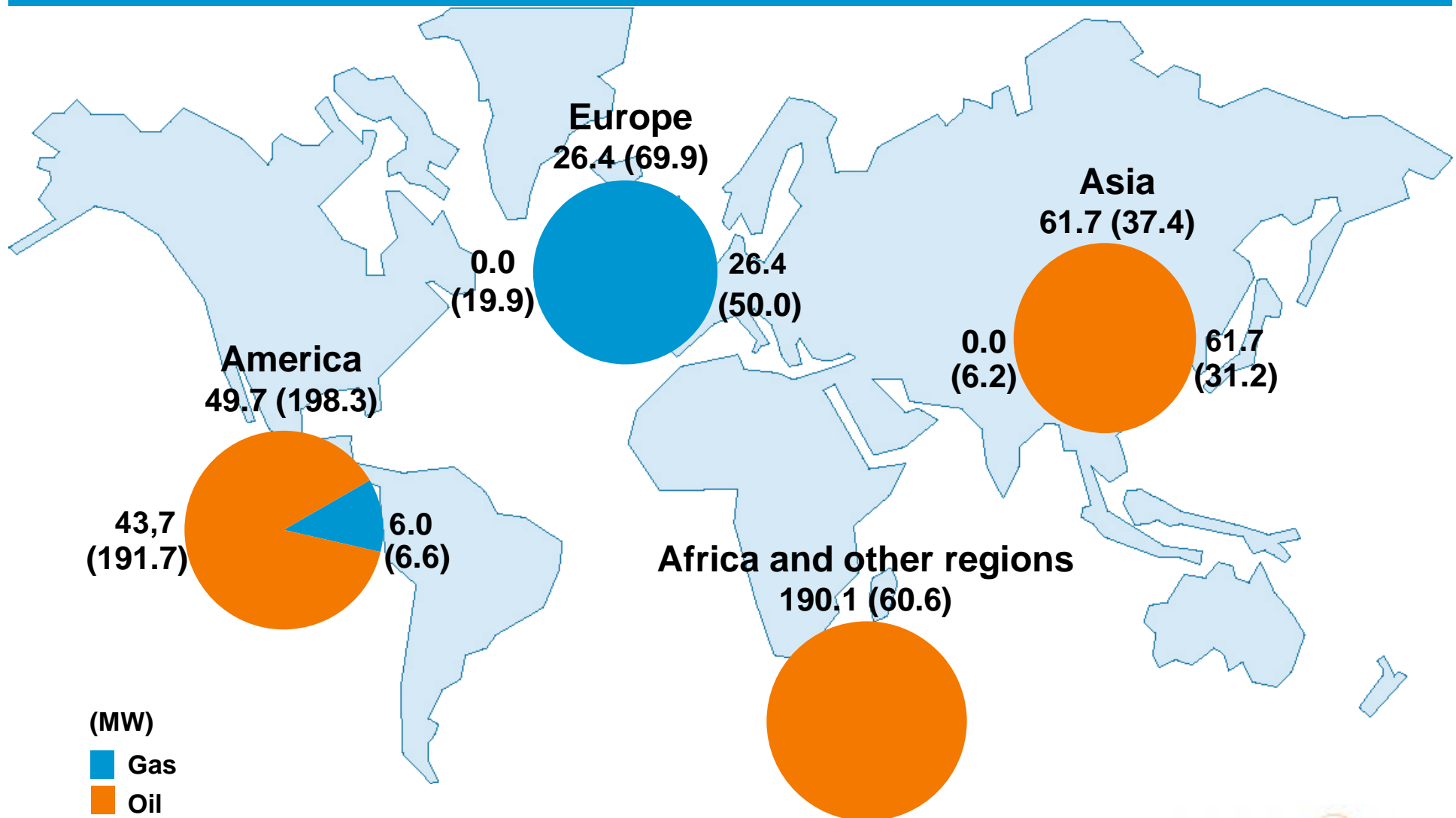
MEUR	Q1/2003	Q1/2002	Change	2002
Net sales	81.1	172.6	-53.0%	666.0
Order intake	163.1	168.1	-3.0%	427.9
Order intake MW	328	366	-10.5%	832
Order intake, gas plants MW	33	63	-48.4%	293
Order intake, biopower, MW	34	29	17.2%	87
Order book	337.8	468.4	-27.9%	255.2



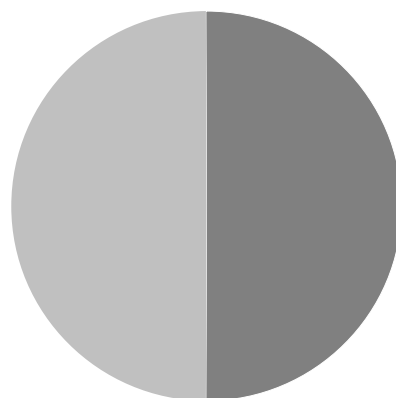
**Power Divisions net sales Q1/2003
EUR 433,1 million.**

■ **Power Plants 19%**

Power plant order intake Q1/2003: 328 MW (366)



MEUR	Q1/2003	Q1/2002	Change	2002
Net sales, EUR million	216.9	199.2	8.9%	843.4
Personnel, end of period	5,822	5,255	10.8%	5,644
Long-term service agreements, MW	9,953	8,821	12.8%	9,756
O&M (operation and maintenance) agreements, MW	2,085	1,741	19.8%	2,056

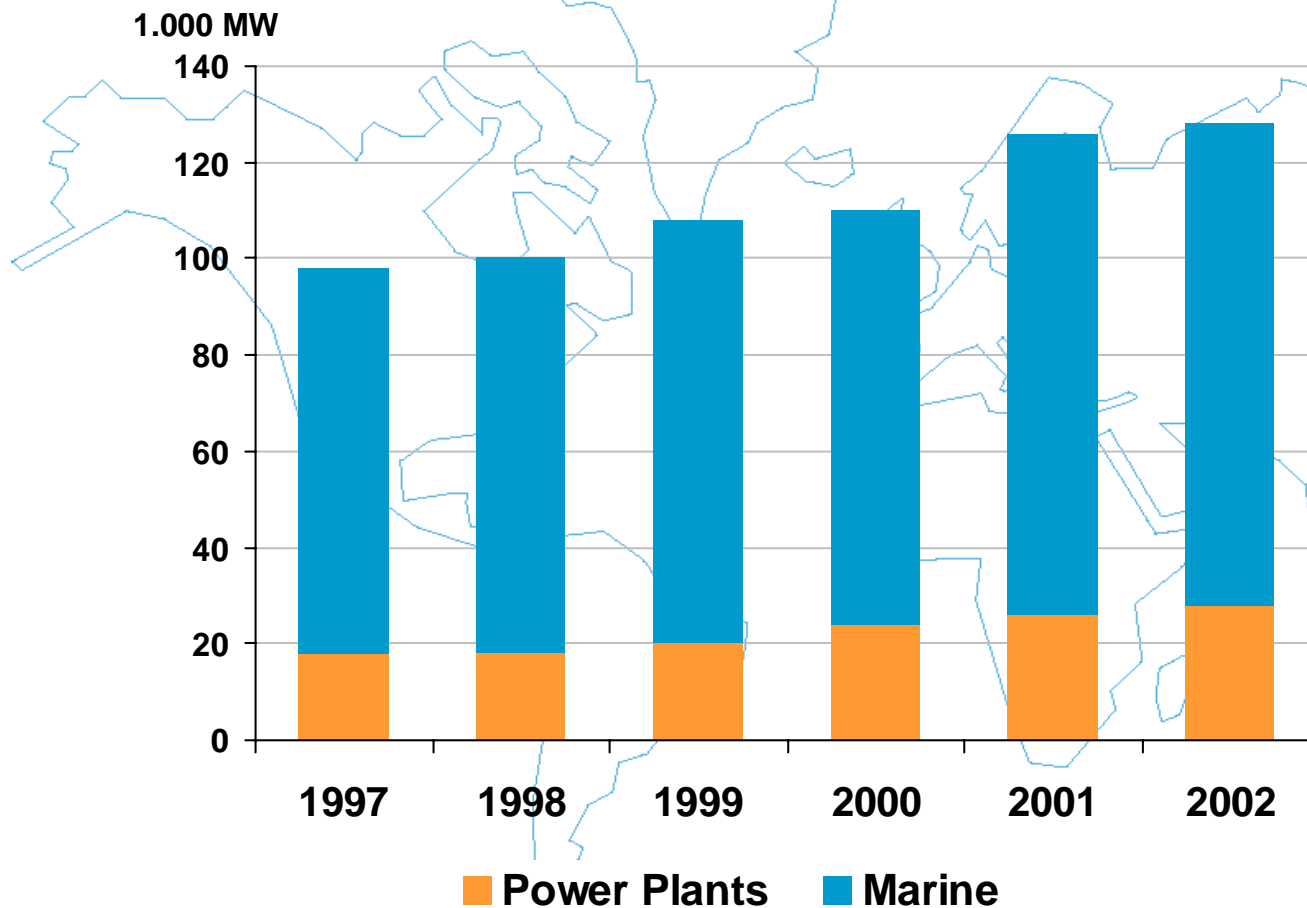


**Power Divisions net sales Q1/2003
EUR 433.1 million.**

■ **Service 50%**

Engine base

Engine base 128.000 MW

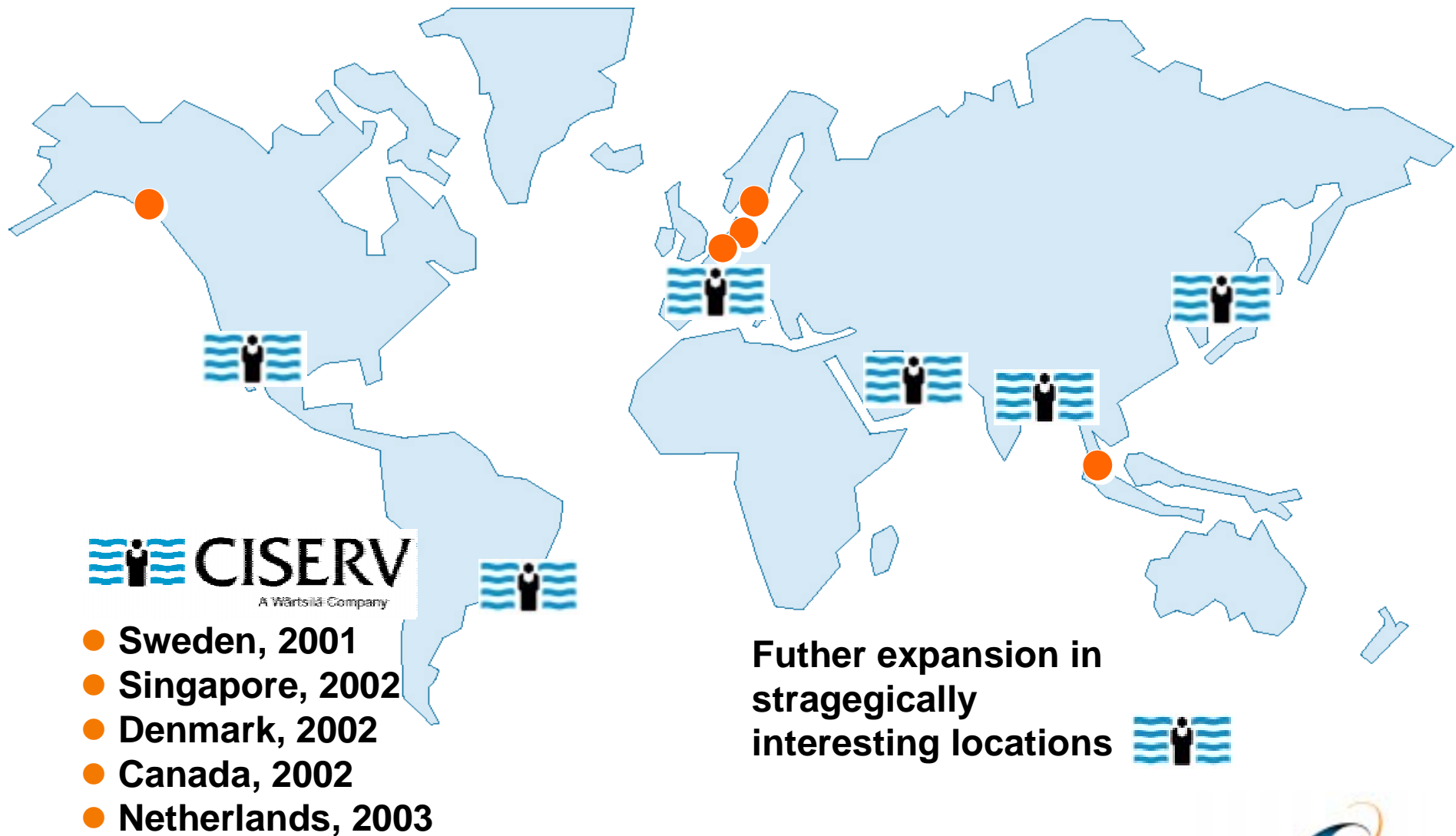


O&M agreements
rapid growth
continues,

2000	1,262 MW
2001	1,698 MW
2002	2,056 MW
Q1/03	2,085 MW

Long term Service
agreements in total
12,038 MW

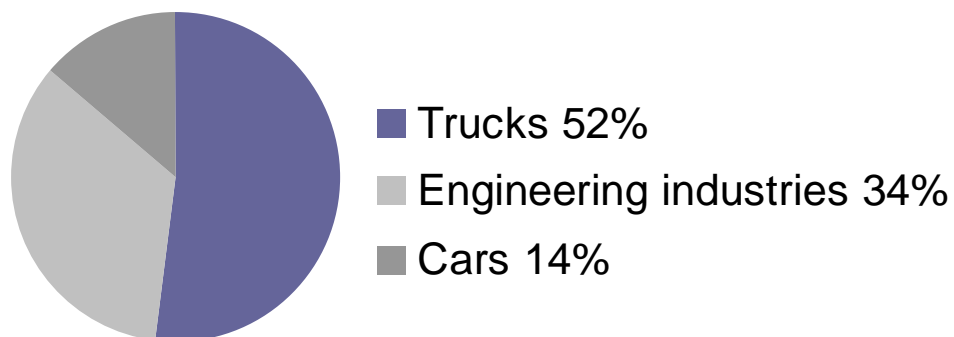
Ciserv, wider range of services





Key figures, MEUR	Q1/2003	Q1/2002	Change	2002
Net sales	55.1	54.1	1.8%	200.4
Operating result	-3.4	2.7		3.2
% of net sales	-6.1%	5.0%		1.6%

Imatra Steel net sales by market segment 2002



- Net sales up as result of component business
- Result strained by 4.5 MEUR onetime writedown and higher rawmaterial- and energy-prices

Power Divisions

- signs of continued growth in the marine market
- uncertainty in power plant demand, but orderintake expected to be higher than 2002. Demand for biopower energy increases
- growth in net sales, slight improvement in profitability

Imatra Steel

- uncertain market prospects
- increase in net sales
- operational result will improve as result of streamlining measures

