

Wärtsilä Corporation

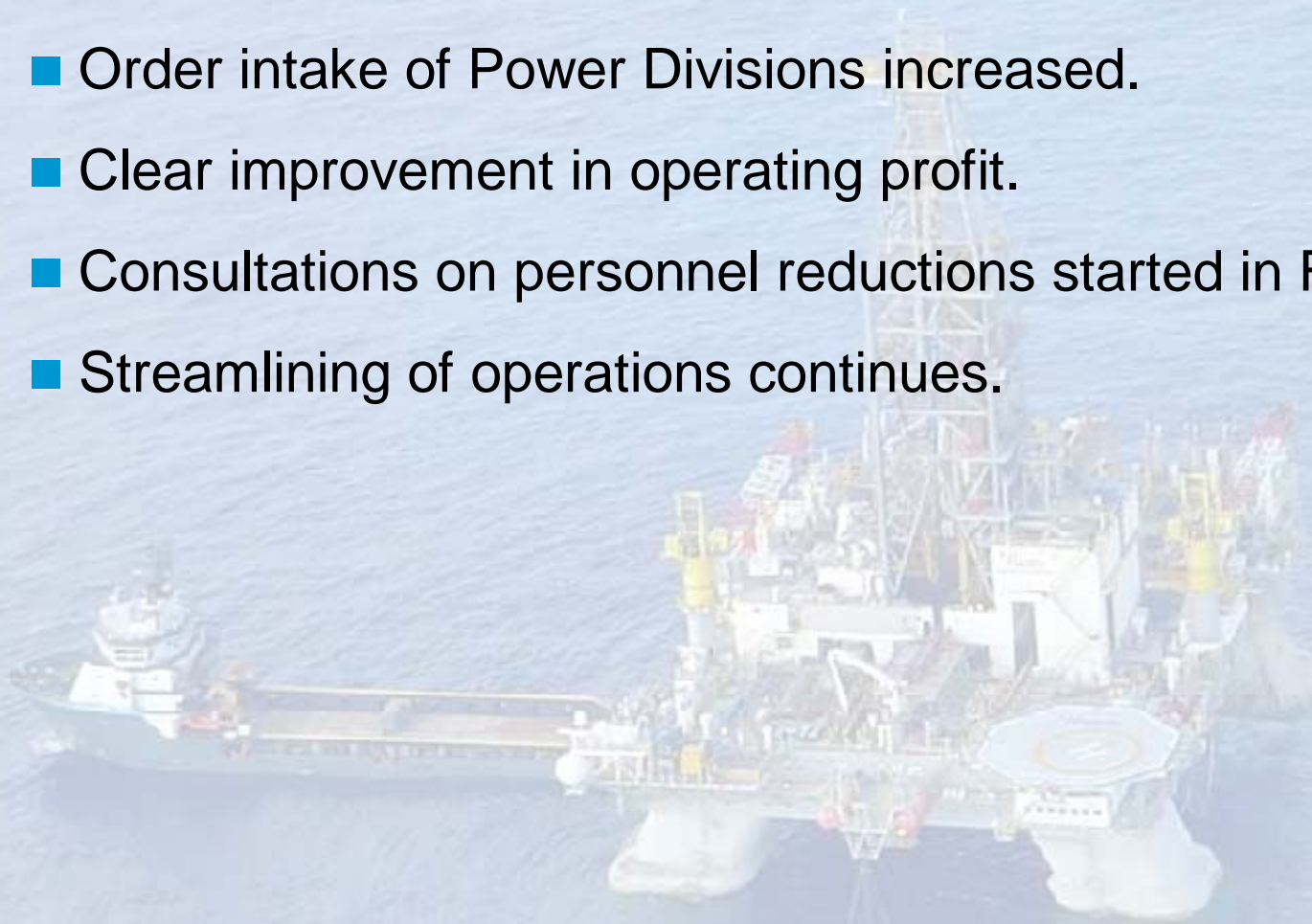
Interim Report January-September 2003

Ole Johansson
President & CEO

29 October 2003

Highlights of the reporting period

- Order intake of Power Divisions increased.
- Clear improvement in operating profit.
- Consultations on personnel reductions started in France.
- Streamlining of operations continues.





MEUR	Q3/2003	Q3/2002
Net sales	608.7	510.3
EBITA ¹	32.8	22.7
EBIT	26,1	16,1
Profit before taxes	19.3	10.5
EPS, EUR	0.27	0.05

MEUR	1-9/2003	1-9/2002	2002
Net sales	1,635.4	1,792.6	2,519.0
EBITA ¹	67.3	70.0	100.6
Operational EBIT	47.2	53.9	77.8
EBIT	47.2	165.0	188.9
Profit before taxes	34.9	157.9	170.4
EPS, EUR	0.40	1.63	2.05

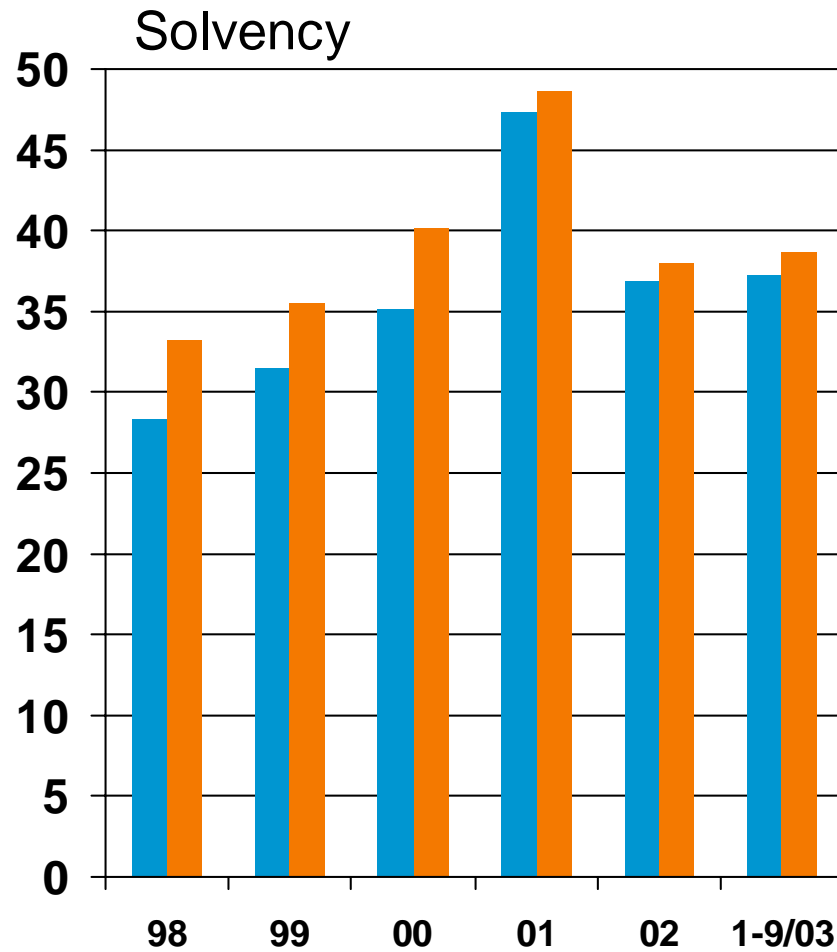
¹EBITA is the operating profit before amortization of goodwill on consolidation.

Cashflow

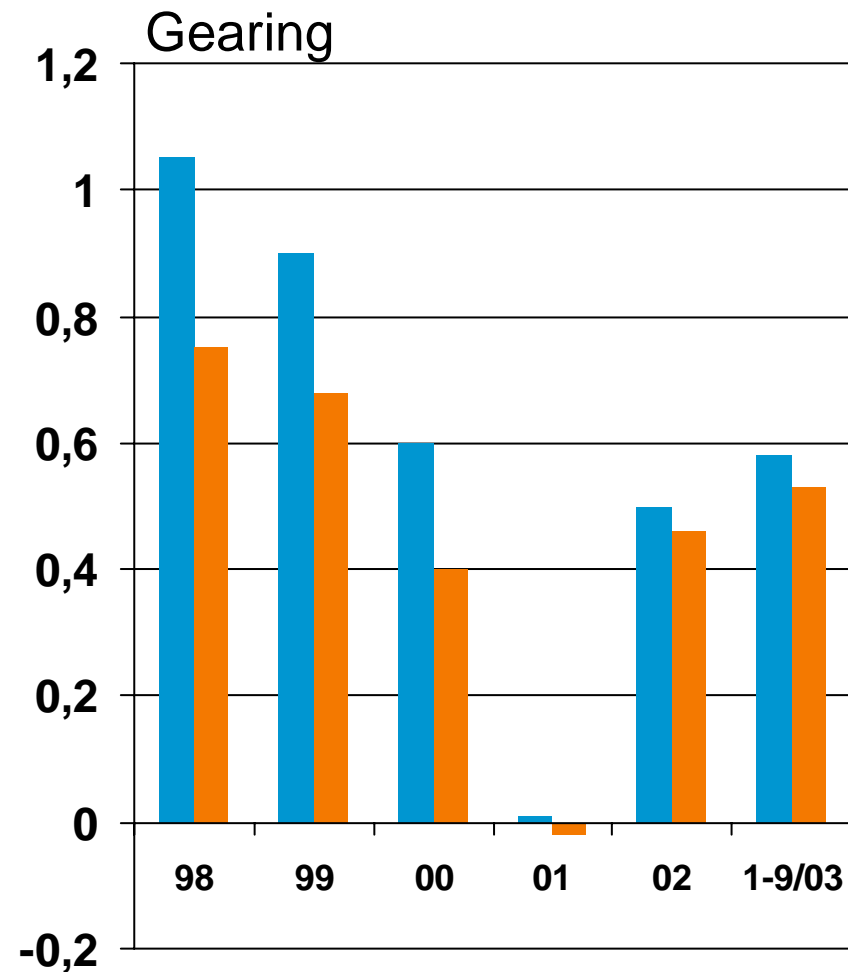


MEUR	1-9/2003	1-9/2002	2002
Cashflow from operating activities	62.6	-21.1	55.4
Cashflow from investing activities	-13.0	-253.2	-286.5
Cashflow from financing activities	-126.3	235.0	232.3
Liquid funds at the end of period	109.1	145.3	185.8

Solvency and gearing



■ Solvency 1 ■ Solvency 2



■ Gearing 1 ■ Gearing 2

In solvency ratio 2 and gearing 2 shareholders' equity includes the convertible subordinated debentures EUR 27.9 million (27.9).

Power Divisions

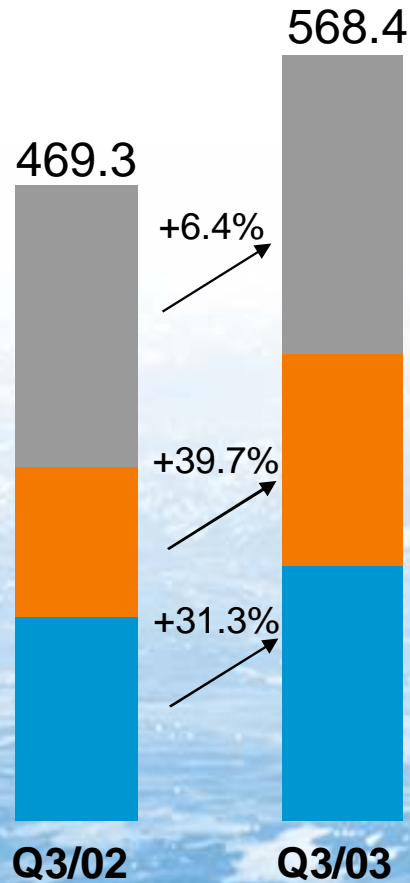
MEUR	Q3/2003	Q3/2002	Change
Net sales	568.4	469.3	21.1%
EBIT	26.9	18.0	49.6%
% of net sales	4.7%	3.8%	
Order intake	555.8	498.7	11.4%

MEUR	1-9/2003	1-9/2002	Change	2002
Net sales	1,484.9	1,645.8	-9.8%	2,319.9
EBIT	49.2	50.2	-2.1%	74.6
% of net sales	3.3%	3.0%		3.2%
Order intake	1,658.1	1,353.8	22.5%	1,882.8
Order book, end of period	1,405.1	1,371.6	2.4%	1,206.6

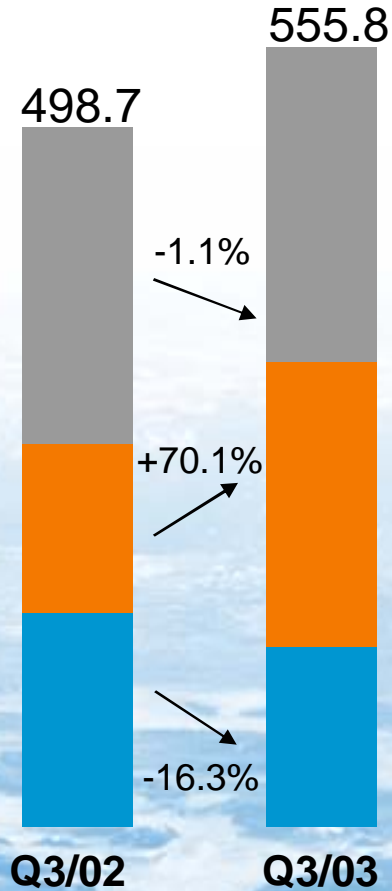
Power Divisions – key figures

MEUR

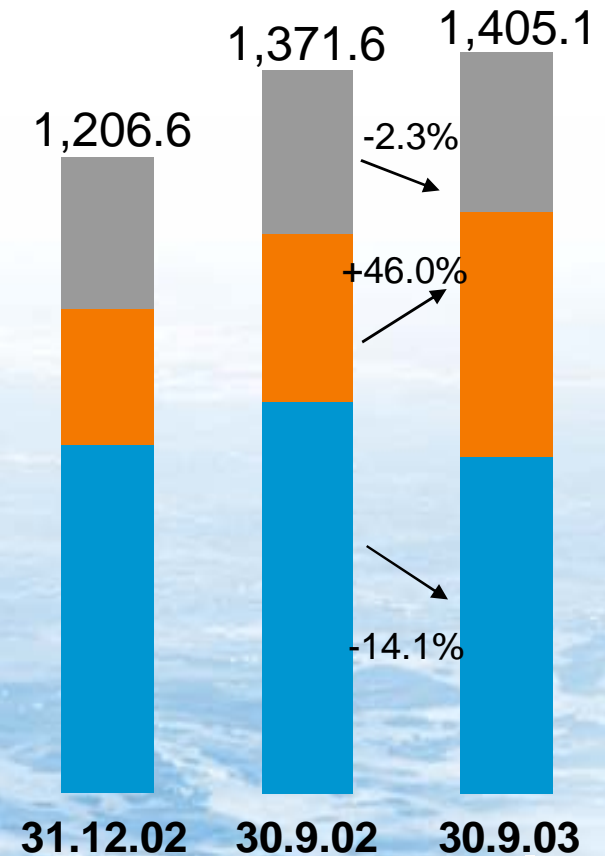
Net sales



Order intake



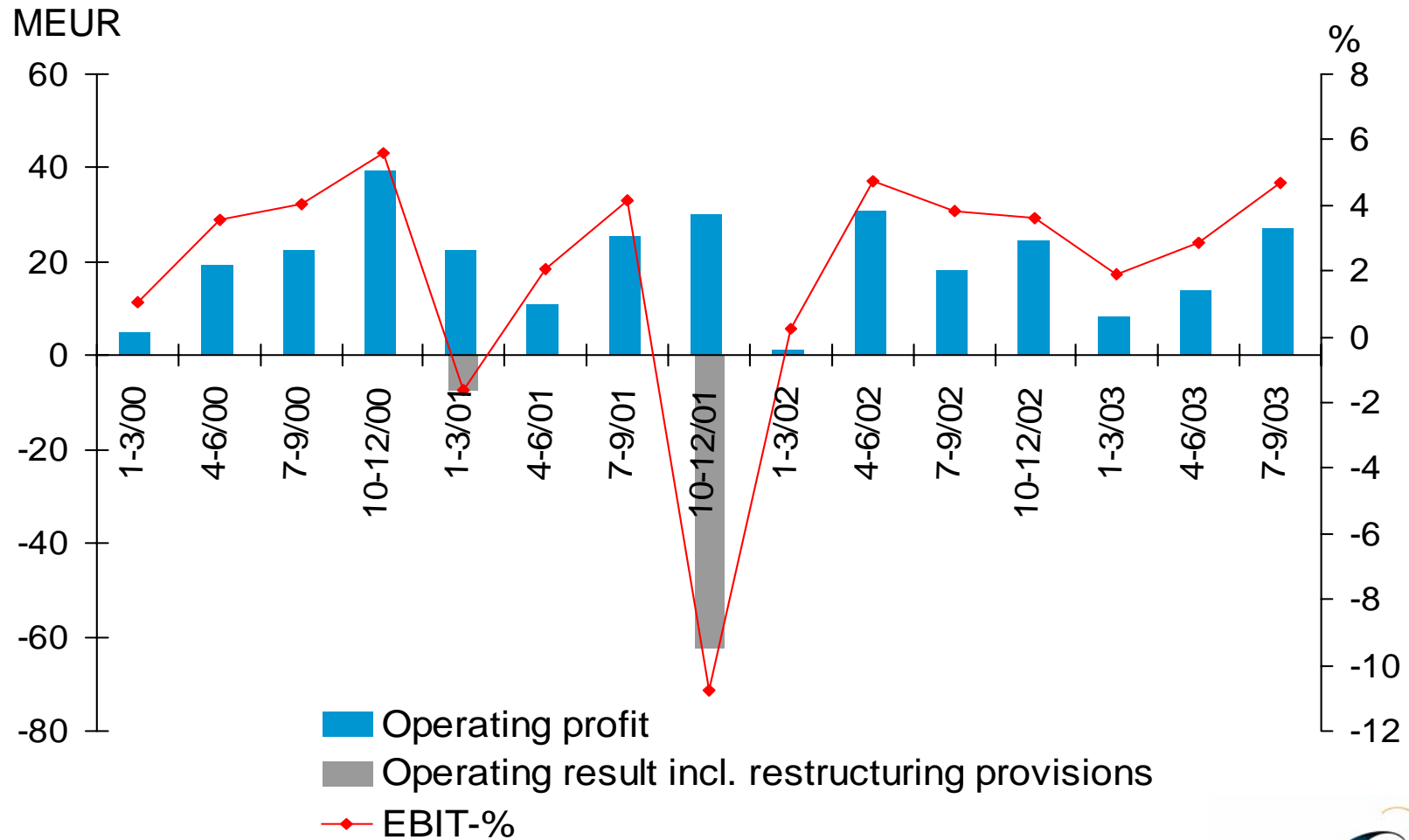
Order book



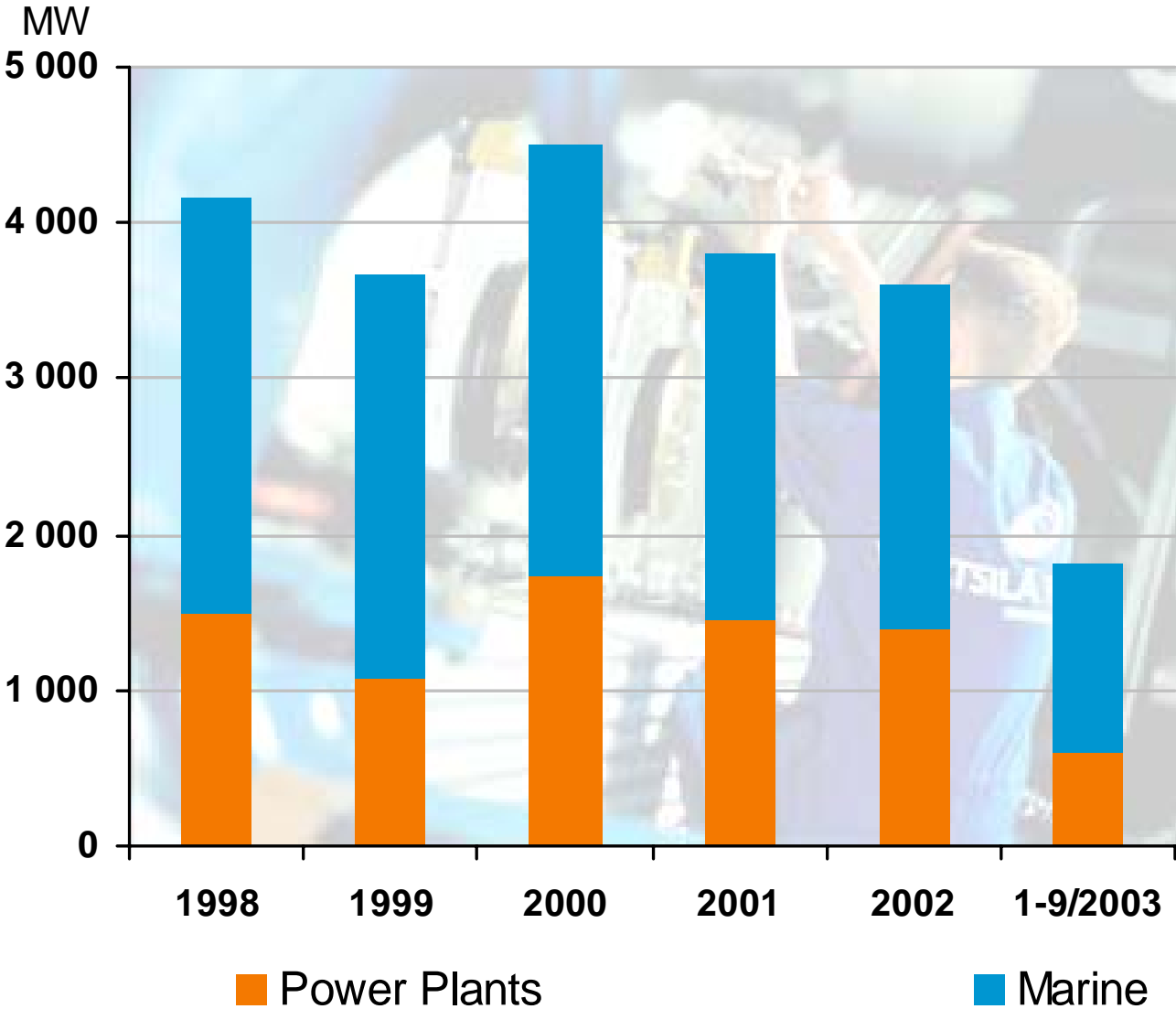
■ Marine
 ■ Power Plants
 ■ Service

Power Divisions' profitability

Operating profit and EBIT-% by quarter 2000-2003



Delivered engine megawatts from Wärtsilä factories



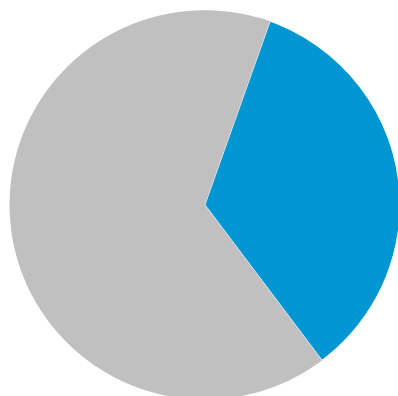
Note! Does not include Biopower or licensing.

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Q3/2003 presentation



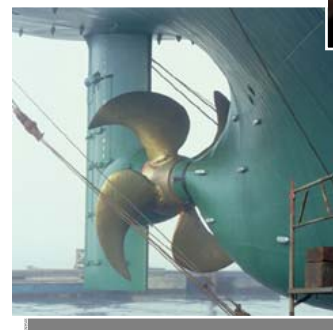
MEUR	Q3/2003	Q3/2002	Change	2002 ¹
Net sales	194.4	148.0	31.3%	772.9
Order intake	127.5	152.2	-16.3%	522.8
Order book, end of period	640.5	745.4	-14.1%	662.6

¹ Includes income from licensing.

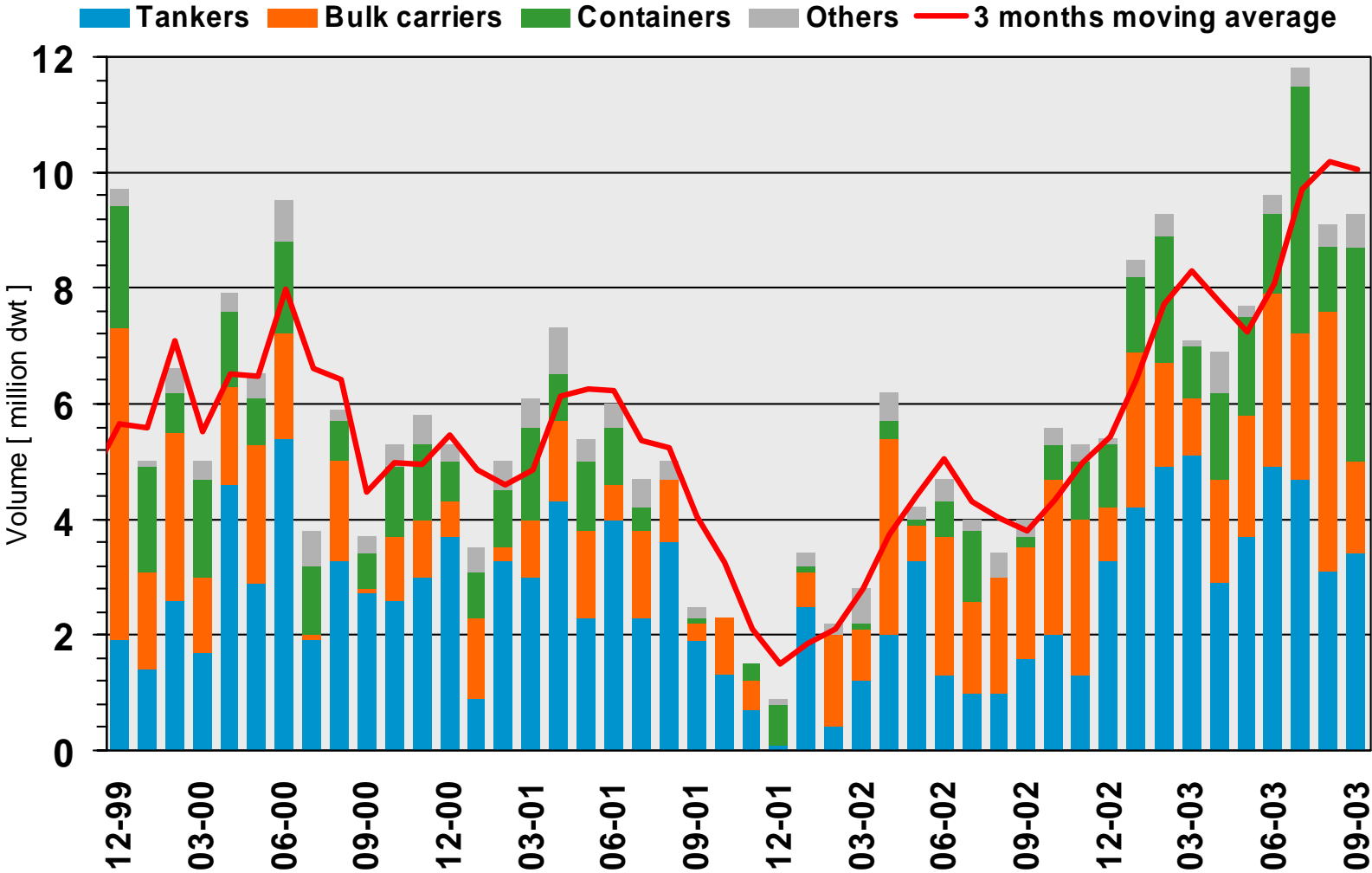


**Power Divisions net sales
Q3/2003 EUR 568.4 million**

■ Marine 34%



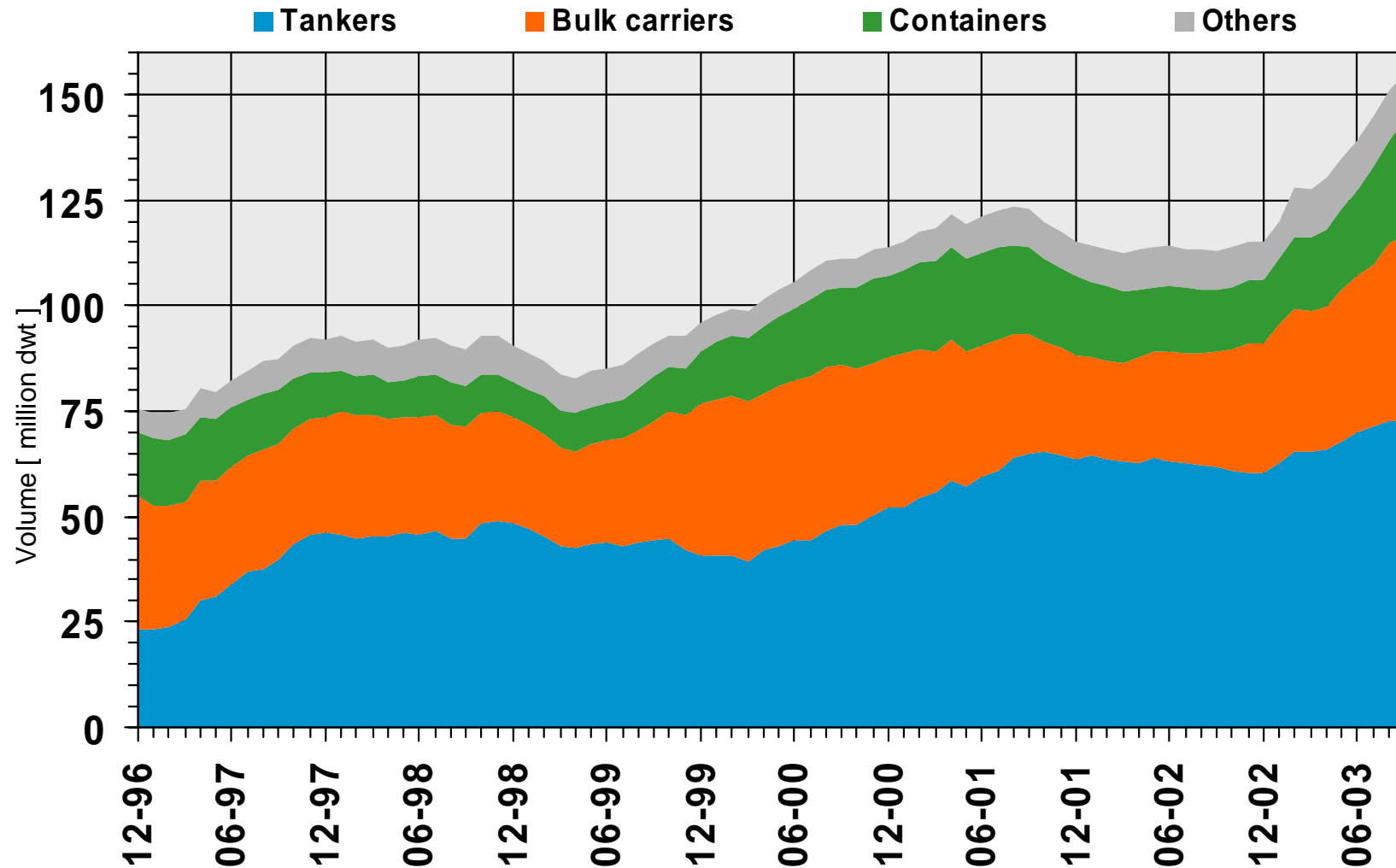
Vessel orders



Source: Based on data from Clarkson Research Studies
 Note: Cargo vessels > 5,000 dwt
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 Q3/2003 presentation

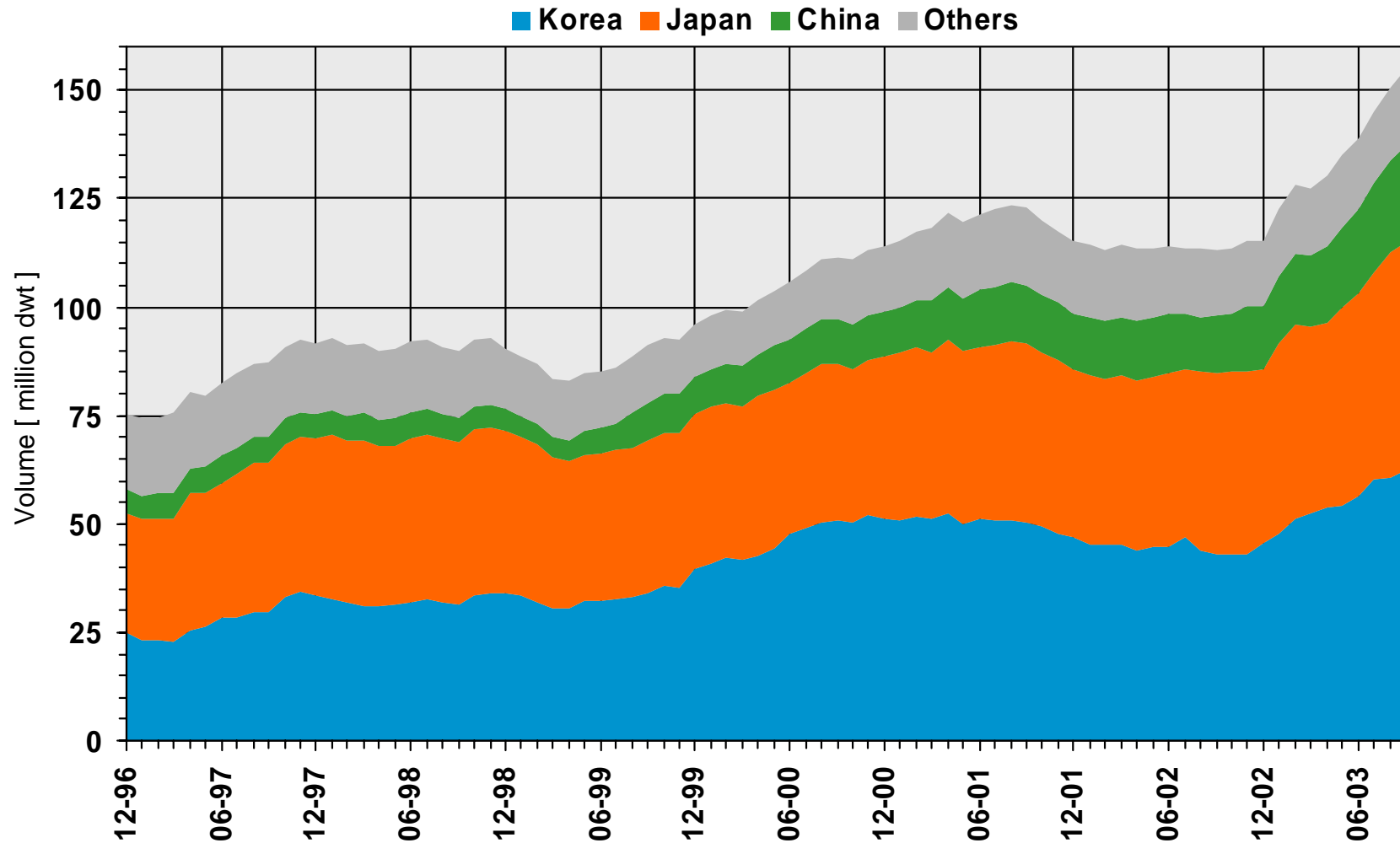


Vessel orderbook



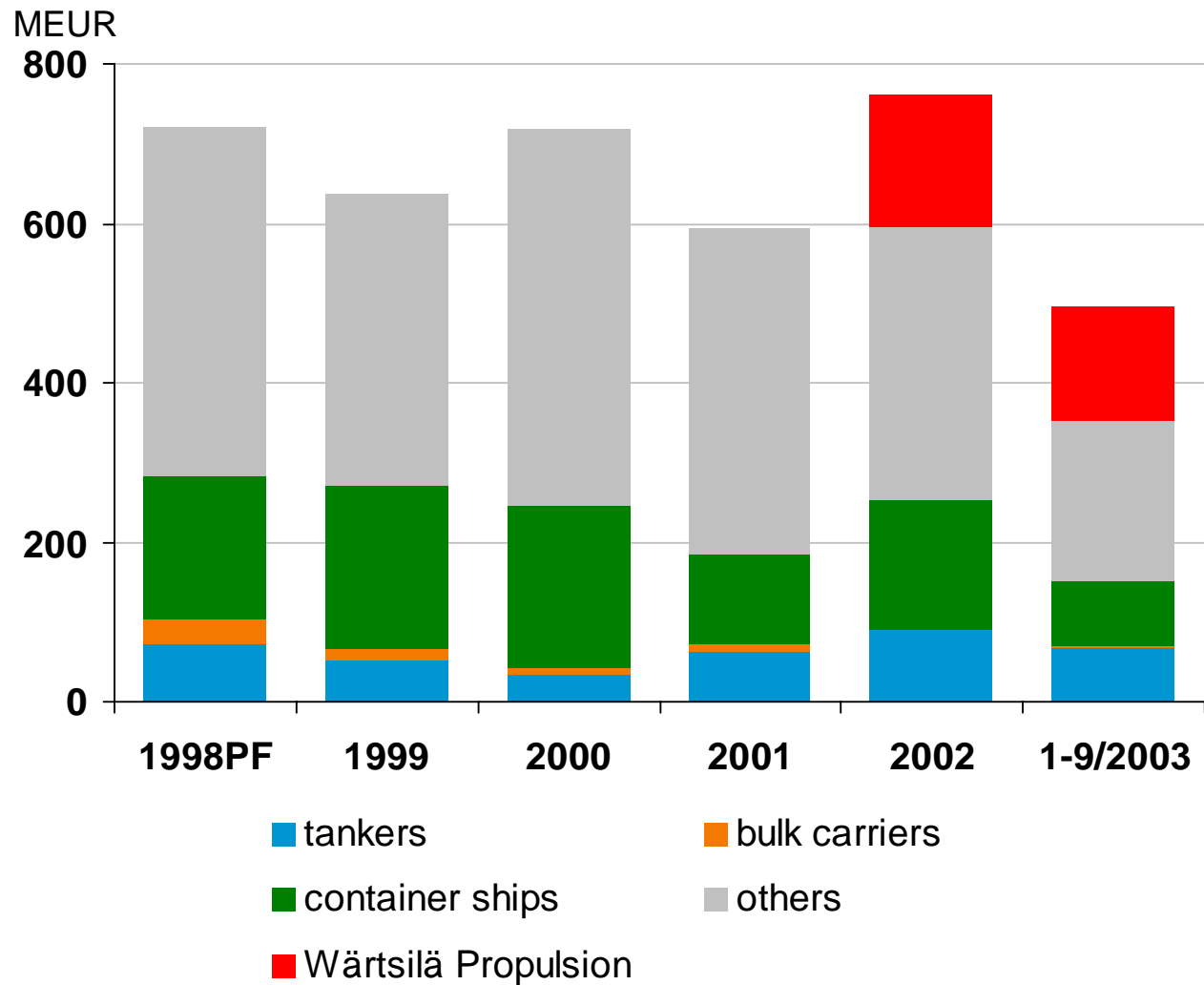
Source: Based on data from Clarkson Research Studies
Note: Cargo vessels > 5,000 dwt
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Q3/2003 presentation

Shipyard order book



Source: Based on data from Clarkson Research Studies
Note: Cargo vessels > 5,000 dwt, Other vessels > 2000 grt
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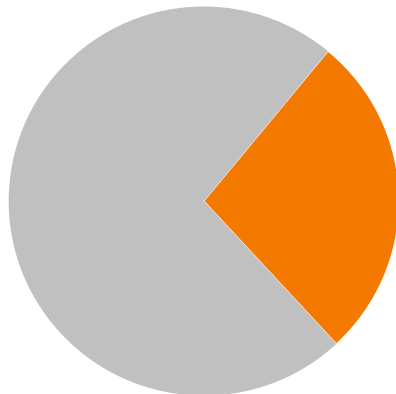
Net sales of Marine Division by vessel type



Note! 1998 incl. Grandi Motori Trieste
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 Q3/2003 presentation

Power Plants

MEUR	Q3/2003	Q3/2002	Change	2002
Net sales	153.7	110.0	39.7%	666.0
Order intake	203.7	119.7	70.1%	427.9
Order intake (MW):				
heavy fuel oil	484	68	607.9%	539
gas	75	151	-50.2%	293
Biopower, MW _{th}	0	10		107
Order book, end of period	462.9	317.0	46.0%	255.2

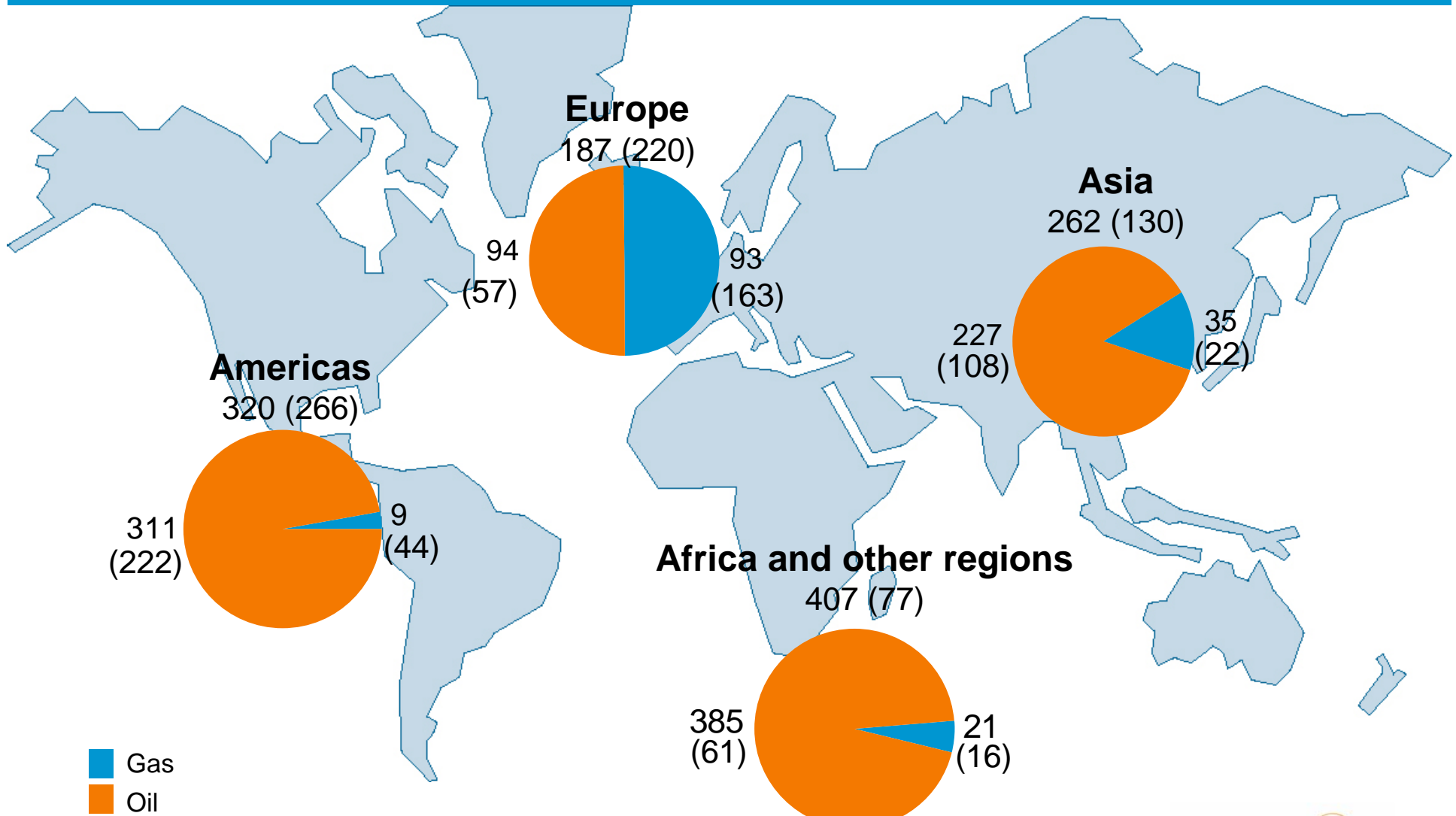


**Power Divisions net sales Q3/2003
EUR 568.4 million.**

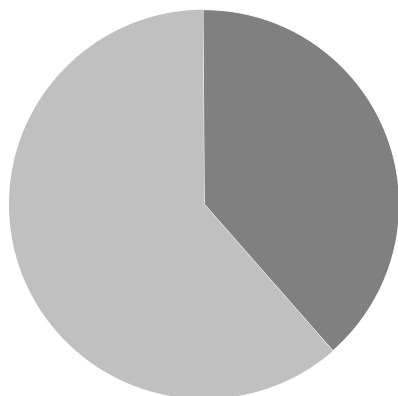
■ Power Plants 27%



Power plant order intake 1-9/2003: 1,175 MW (693)



	Q3/2003	Q3/2002	Change	2002
Net sales, MEUR	218.7	205.5	6.4%	843.4
Personnel, end of period	5,938	5,501	8.0%	5,644
Long-term service agreements, MW	9,780	9,383	4.2%	9,756
O&M (operation and maintenance agreements), MW	2,215	1,922	15.2%	2,056



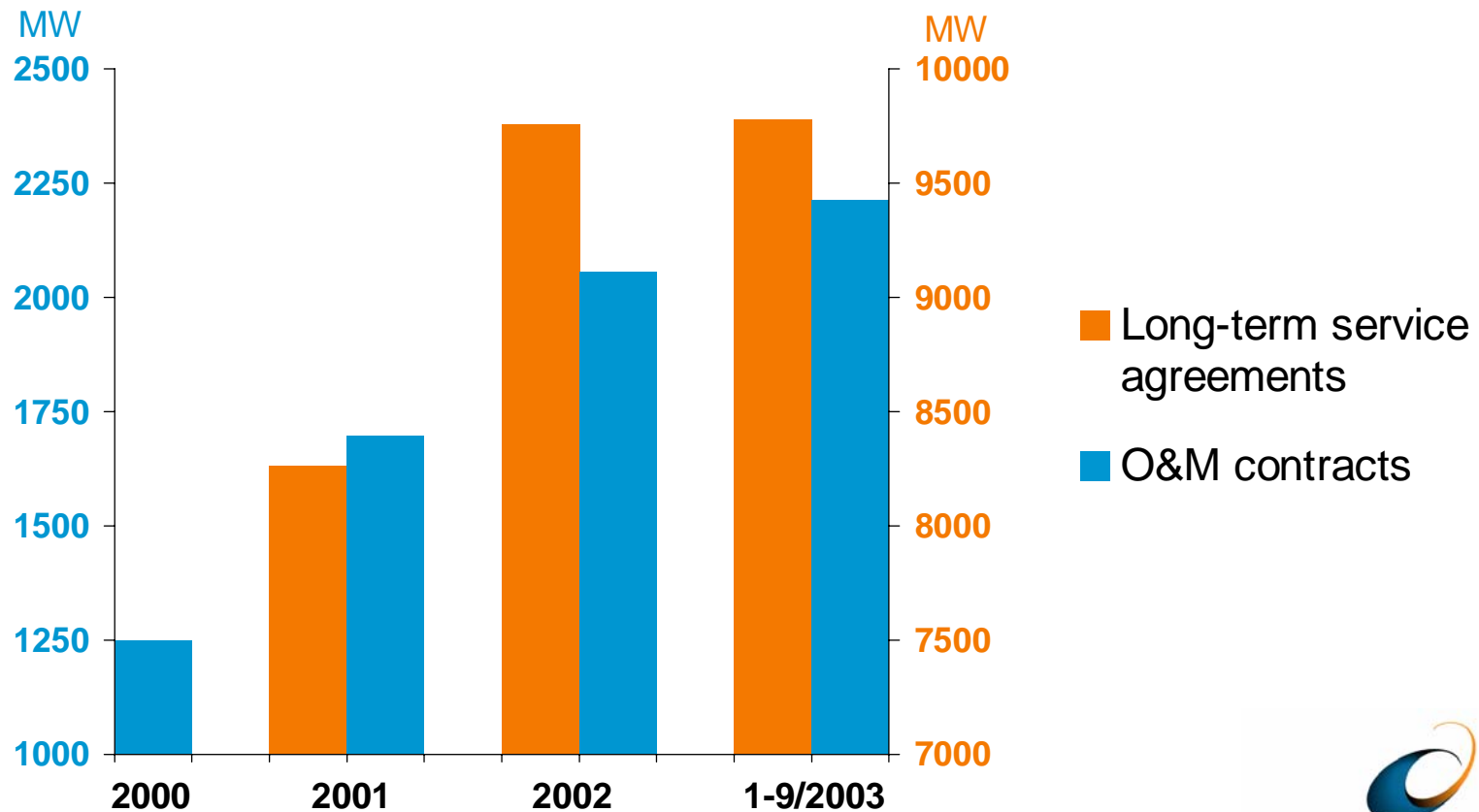
**Power Divisions net sales Q3/2003
EUR 568.4 million**

■ Service 38%



Long-term service and O&M contracts

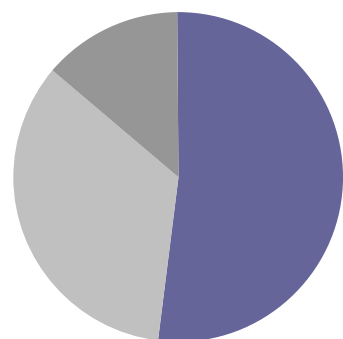
- O&M contracts' rapid growth continues
- Long-term service and O&M contracts cover 12,000 MW
- Active engine base 130,000 MW





Key figures, MEUR	Q3/2003	Q3/2002	Change	2002
Net sales	40.6	41.2	-1.5%	200.4
Operating profit	-0.8	-1.9		3.2
% of net sales	-2.1%	-4.6%		1.6%

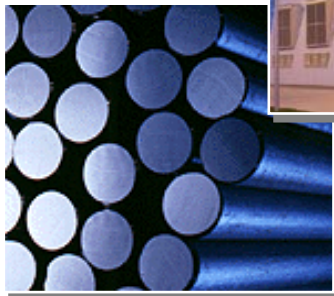
Imatra Steel's net sales by market segment 2002



- Trucks 52%
- Engineering industries 34%
- Cars 14%

- Comparable net sales increased 5.1%.
- Maintenance stoppages, increased raw material and energy costs affected the result.

Outlook for the rest of the year 2003



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Q3/2003 presentation

Power Divisions

- Net sales and operational profitability excluding restructuring costs, at last year's level.
- Streamlining measures continue - EUR 75-150 million restructuring provision will be entered in fourth-quarter accounts.
- Sale of the Polar holding generates EUR 15 million capital gain, which will be entered in fourth-quarter accounts.

Imatra Steel

- Market outlook remains unchanged.
- Net sales increases and operational result improves.



WÄRTSILÄ