

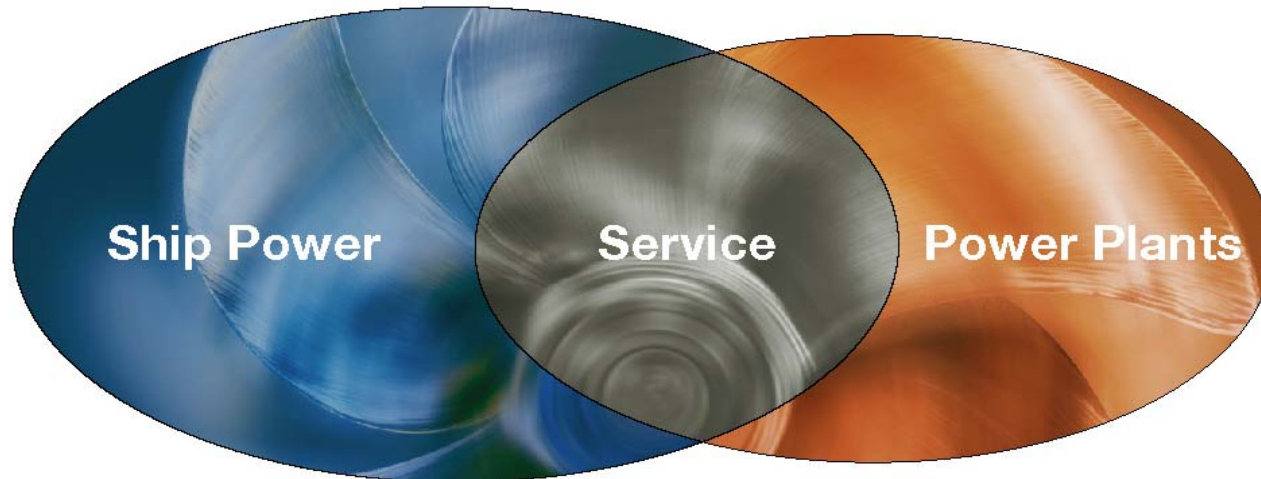


Wärtsilä Corporation

Interim Report January-March 2004

Ole Johansson, President & CEO

5 May 2004



Ship Power

The leading global ship power and service provider.

Service

Interlinks these two businesses. Service supports Wärtsilä customers throughout the lifecycle of their installation.

Power Plants

A significant supplier of decentralized power plant solutions and operation and maintenance services.

Highlights of the reporting period



- Net sales rose 6.9% to EUR 521.7 million
- Group's operating income EUR 101.5 million includes capital gains totalling EUR 107.7 million
- Power Businesses result weakened
- Order intake and order book on good level
- Consultations with personnel completed, production in Turku to be discontinued
- Largest power plant order in Wärtsilä's history: two power plants, total output 680 MW, EUR 361 million



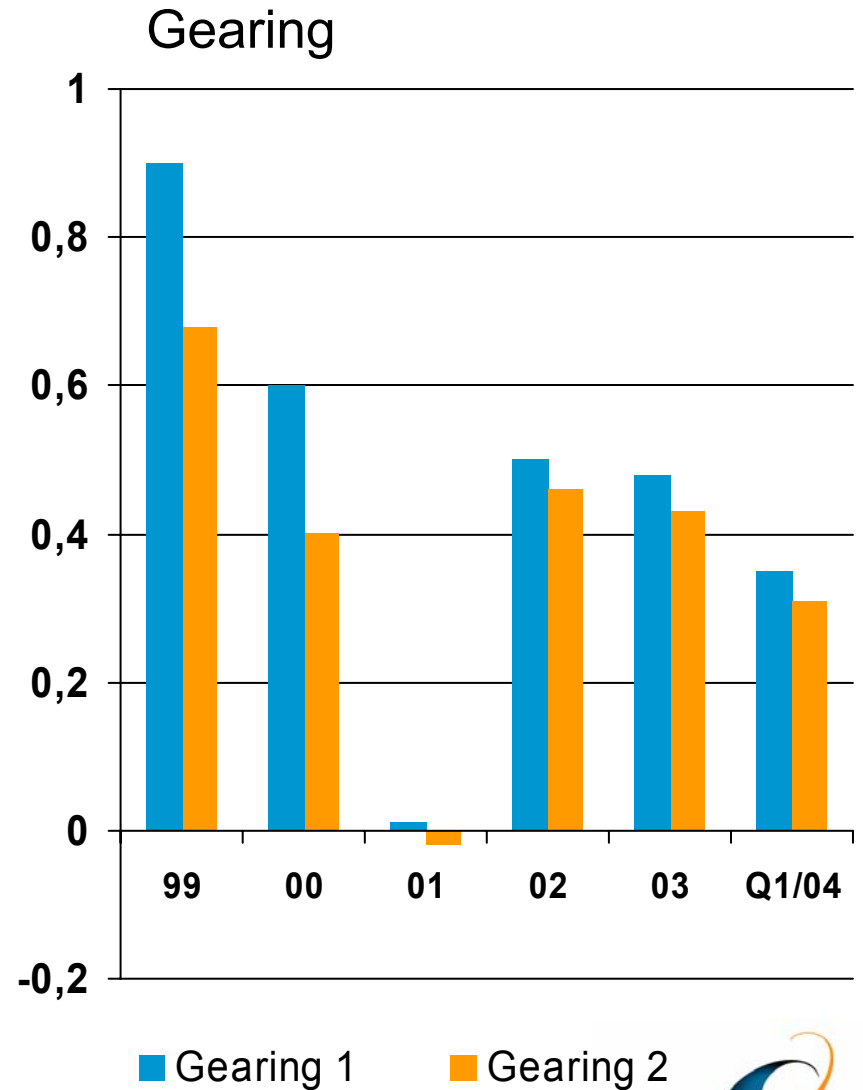
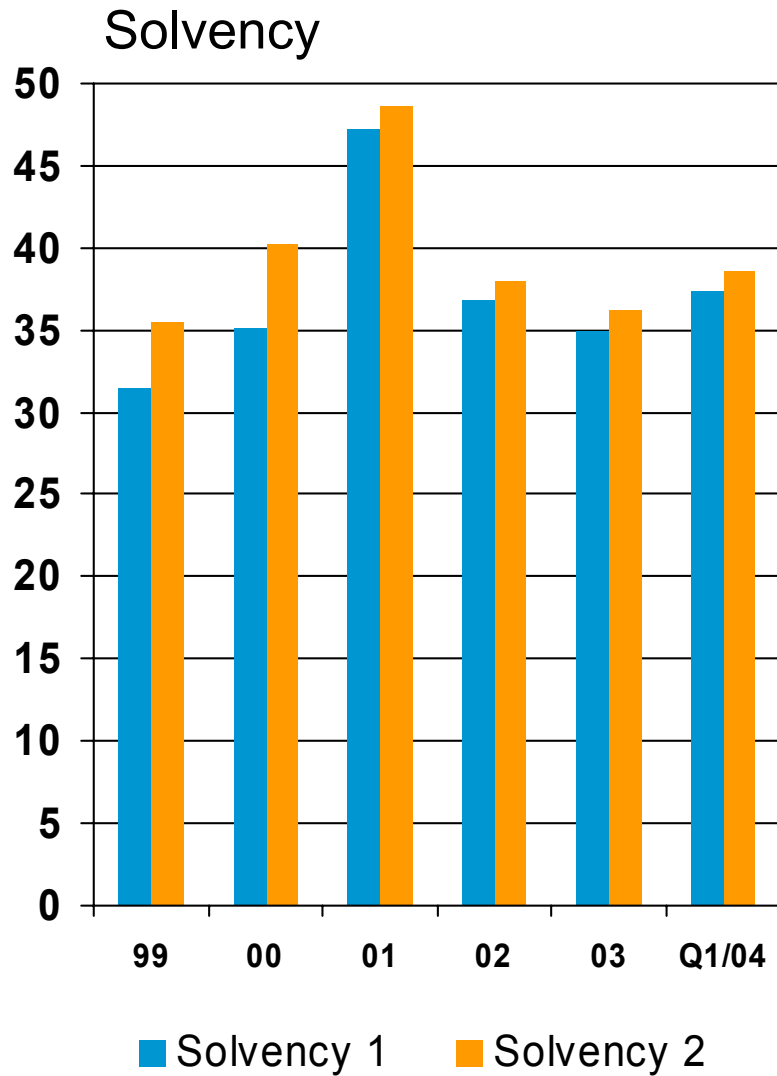
MEUR	Q1/2004	Q1/2003	Change%	2003
Net sales	521.7	488.1	6.9%	2,357.5
Operational EBITA ¹	0.5	16.2		127.0
Operational EBIT	-6.3	9.5		100.0
Operating income	101.5	5.0		-18.4
Profit before taxes	97.4	0.3		-34.4
EPS, EUR	1.18	-0.08		-0.66

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



MEUR	Q1/2004	Q1/2003	2003
Cash flow from operating activities	2.0	1.6	192.1
Cash flow from investing activities	126.7	-11.3	-22.2
Cash flow from financing activities	-129.4	-47.6	-205.8
Liquid funds at the end of period	149.2	128.5	150.0

Solvency and gearing



Power Businesses



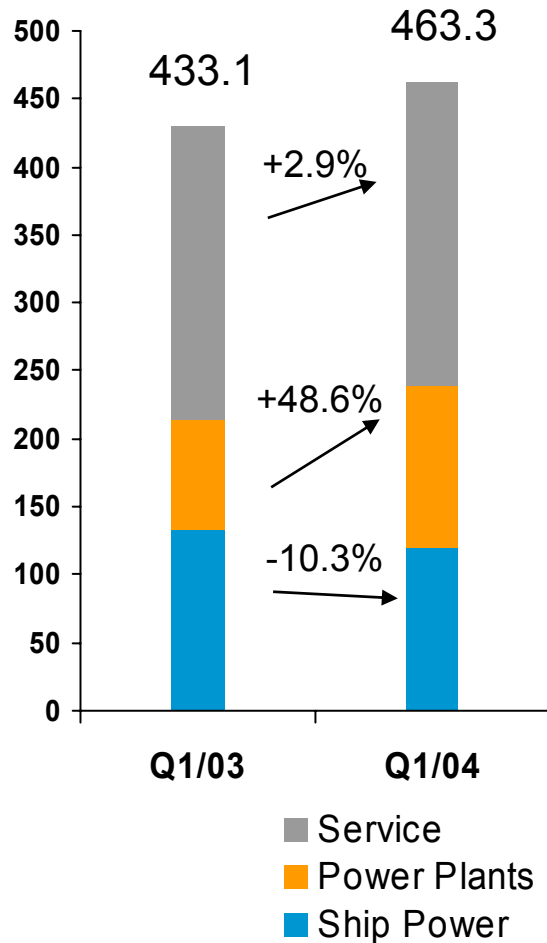
MEUR	Q1/2004	Q1/2003	Change%	2003
Net sales	463.3	433.1	7.0%	2,155.8
EBIT	-9.2	8.3		-35.0 ¹
% net sales	-2.0%	1.9%		-1.6%
Order intake	888.7	590.4	50.5%	2,148.7
Order book end of period	1,656.2	1,368.5	21.0%	1,245.0

¹Includes restructuring cost of EUR 130 million.

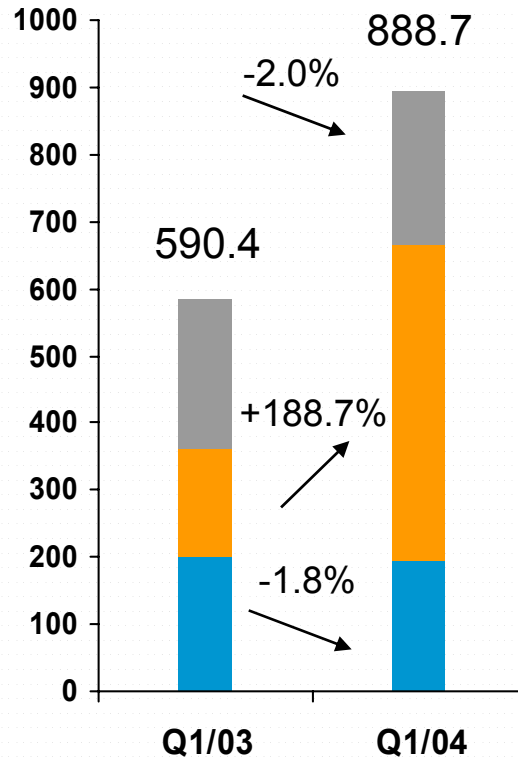
Power Businesses – Key figures

MEUR

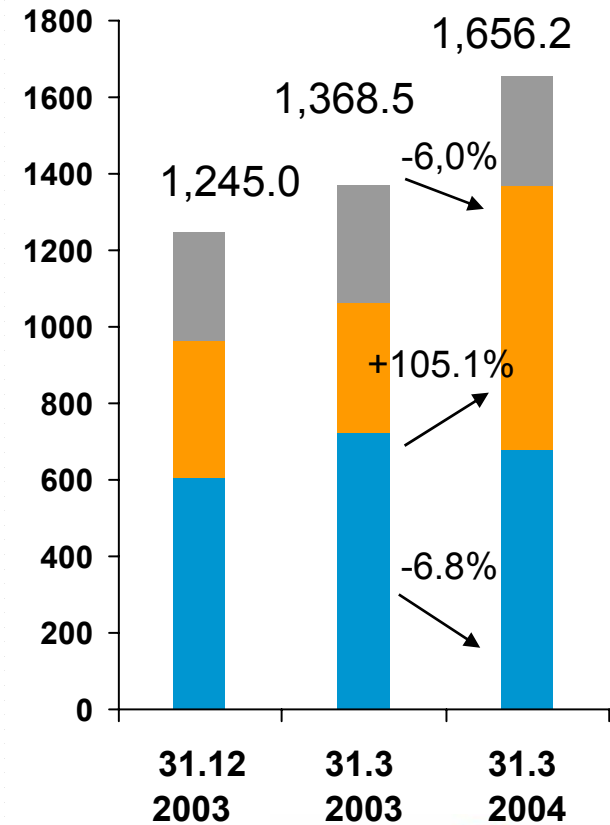
Net sales



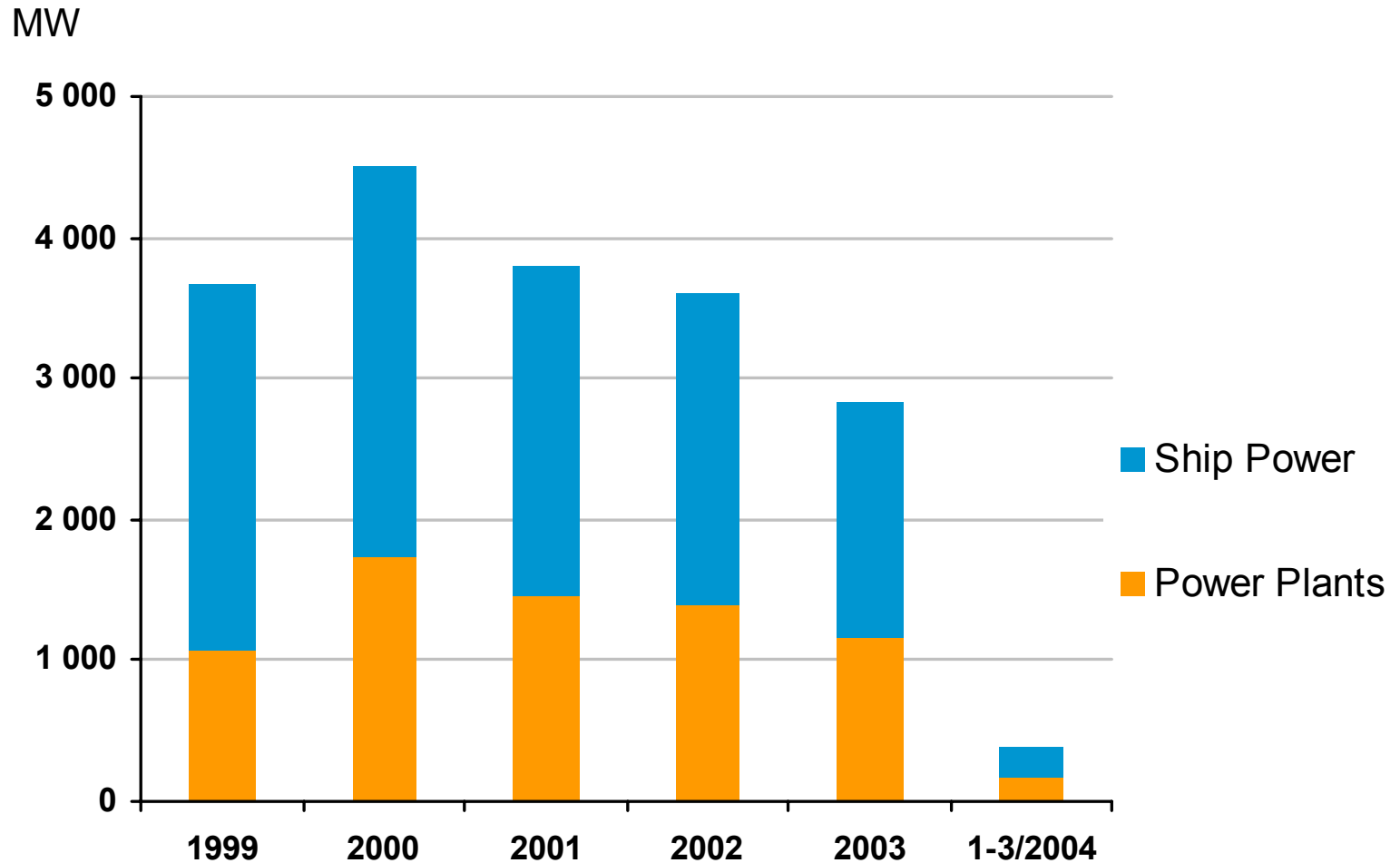
Order intake



Order book



Delivered engine megawatts from Wärtsilä factories



Note: Does not include BioPower or licensing.

MEUR	Q1/2004 ¹	Q1/2003 ¹	Change	2003 ¹
Net sales	119.0	132.7	-10.3%	686.1
Order intake	196.0	199.7	-1.8%	626.4
Order book, end of period	675.9	724.9	-6.8%	606.8

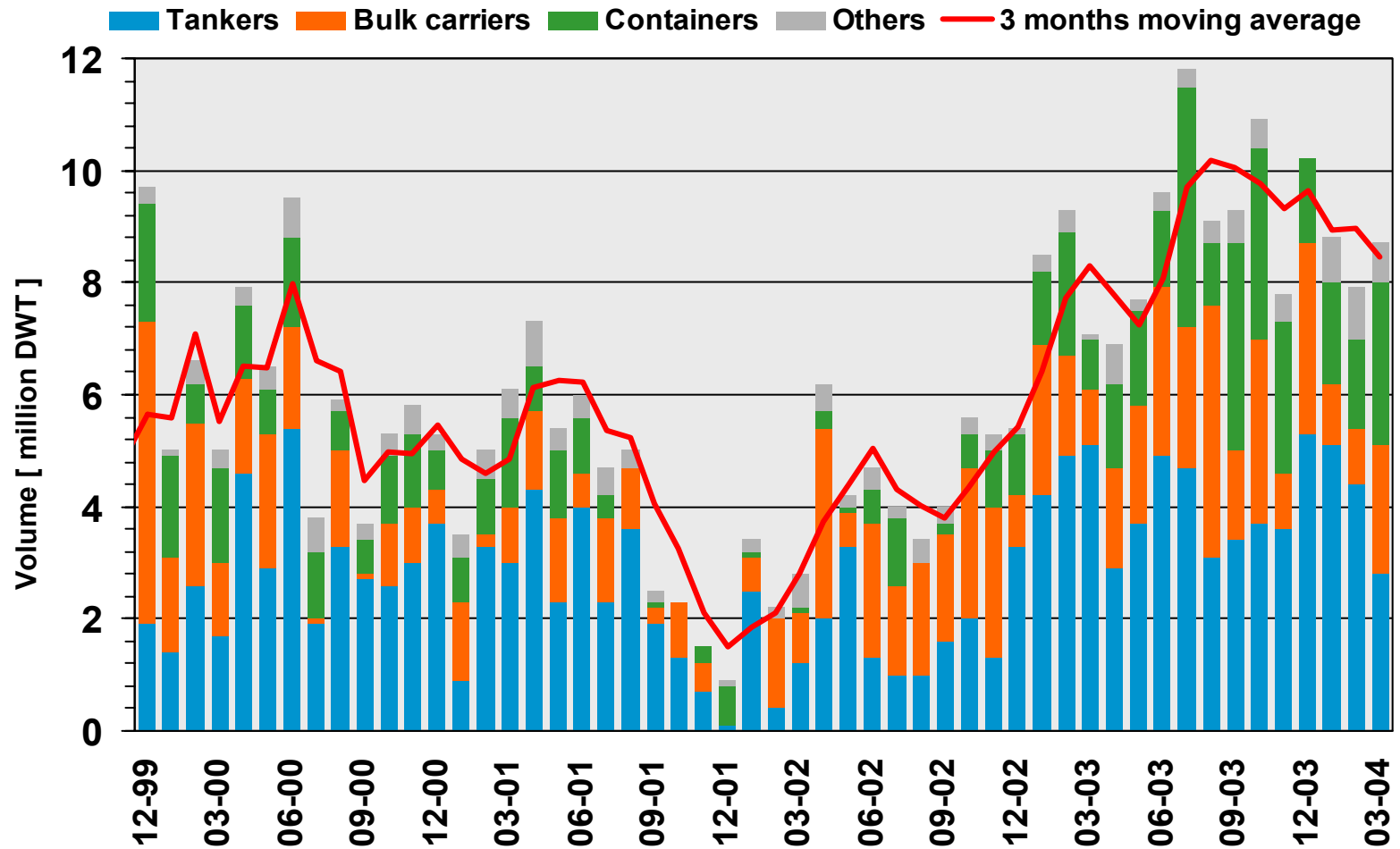
¹Includes income from licensing



Power Businesses net sales Q1/2004
EUR 463.3 million.

■ Ship Power 26 %

Vessel orders



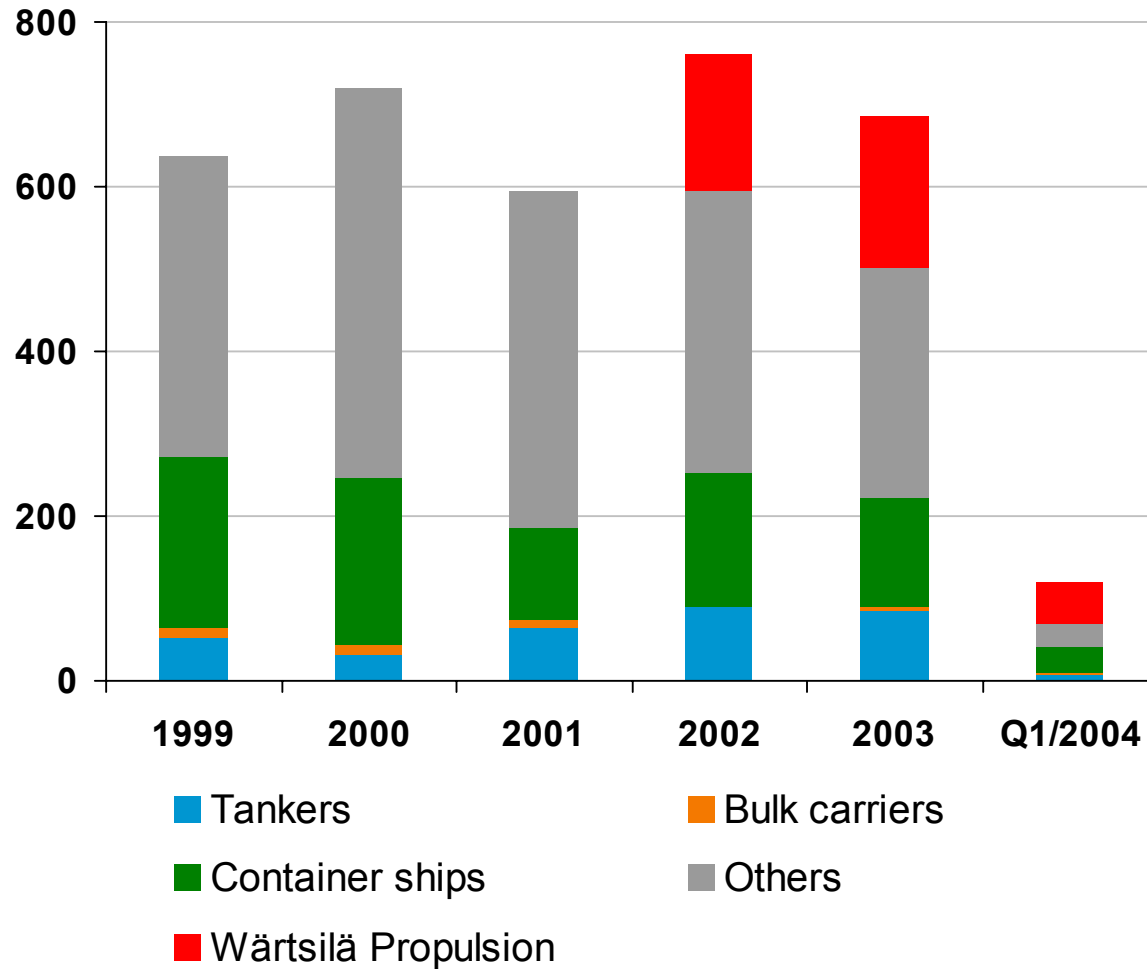
Source: Based on data from Clarkson Research Studies

Note: Cargo vessels > 5,000 dwt

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Q1/2004 presentation

Net sales of Ship Power by vessel type



	Q1/2004	Q1/2003	Change	2003
Net sales, MEUR	223.2	216.9	2.9%	885.5
Personnel, end of period	6,135	5,822	5.4%	5,993
Long-term service agreements, MW	9,680	9,953	-2.7%	9,629
O&M (operation and maintenance agreements), MW	2,318	2,085	11.2%	2,289

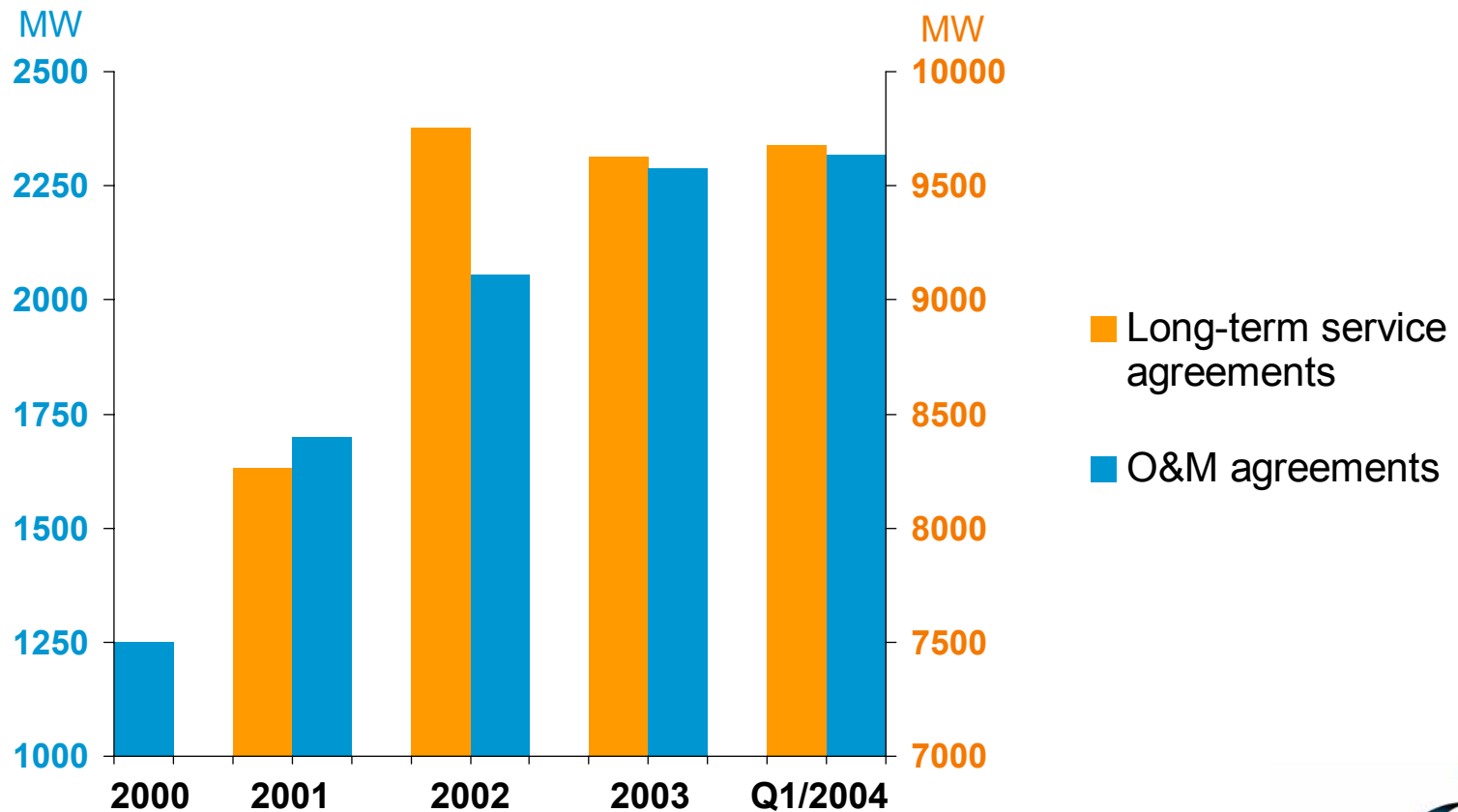


Power Businesses net sales Q1/2004
EUR 463.3 million.

- Service 48%

Long-term service and O&M agreements

- Active engine base 130,000 MW.
- Long-term service and O&M agreements cover 12,000 MW.



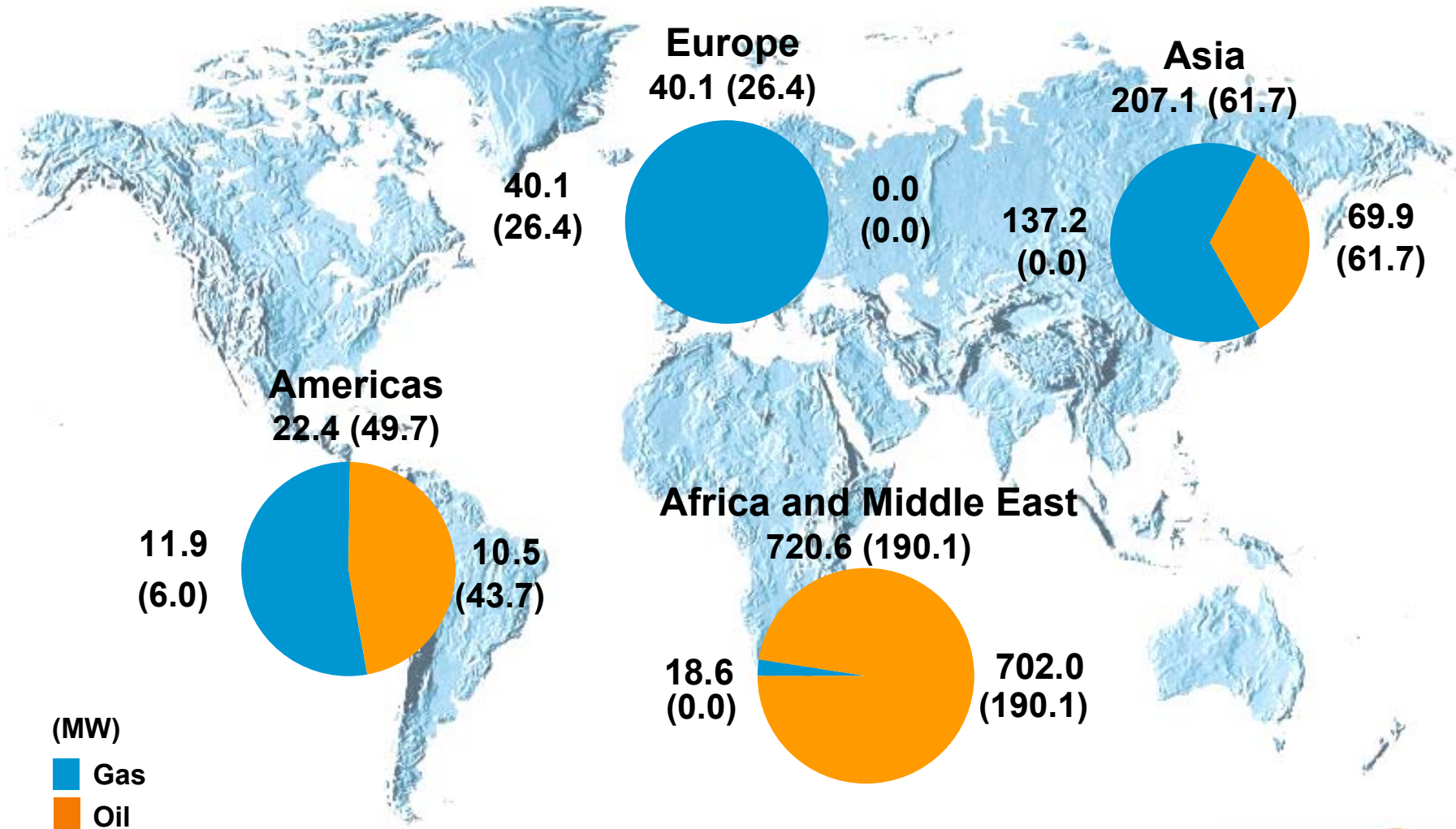
MEUR	Q1/2004	Q1/2003	Change	2003
Net sales	120.5	81.1	48.6%	577.5
Order intake	470.8	163.1	188.7%	639.3
Order intake, MW				
heavy fuel oil, MW	782	295	165.1%	1,249
gas, MW	208	33	539.1%	219
BioPower, MW th	43	83	-47.9%	133
Order book, end of period	692.8	337.8	105.1%	357.2



Power Businesses net sales Q1/2004
EUR 463.3 million.

- Power Plants 26%

Power plant order intake Q1/2004: 990 MW (328)

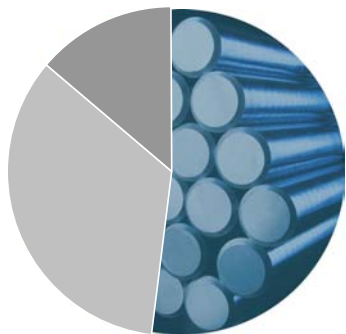




Key figures

MEUR	Q1/2004	Q1/2003	Change	2003
Net sales	58.7	55.1	6.5%	202.7
Operating income	2.9	-3.4		0.7
% of net sales	4.9%	-6.1%		0.3%

Imatra Steel's net sales by market segment 2003



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

- Demand for special engineering steel showed modest recovery
- Delivery volumes of steels and forgings increased
- Result is burdened by a rapid and strong increase in raw material prices

Outlook for the rest of the year 2004



Power Businesses

- Full-year forecast unchanged i.e. net sales will grow and profitability will improve slightly. The uncertain political situation in Iraq is a risk factor.

Imatra Steel

- Net sales increases and operational income improves.



WÄRTSILÄ