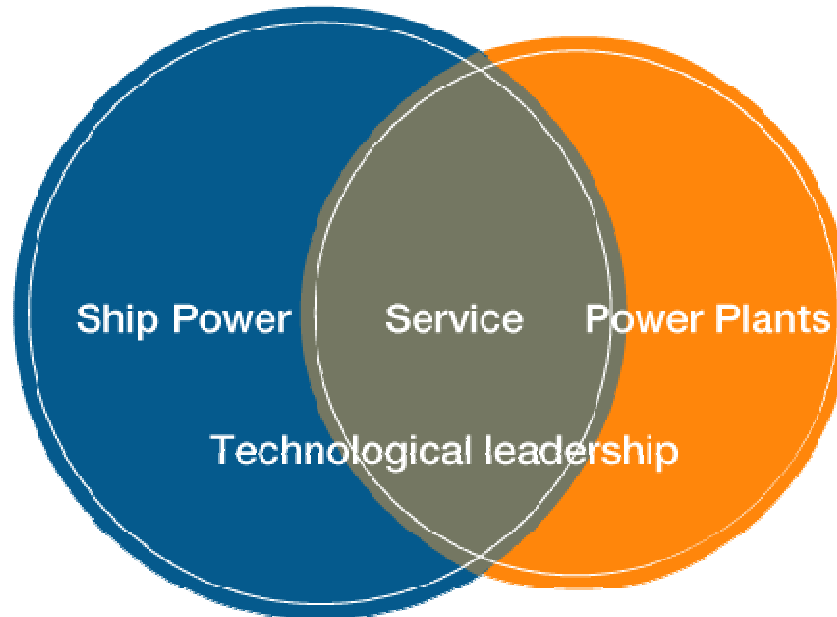


Wärtsilä 2004

Ole Johansson, President & CEO

4 February 2005



- Ship Power and Service – growth through increased product range and acquisitions
- Power Plants – focus on the growing decentralized power generation market
- Technological leadership

Highlights of the year 2004



- Group sales grew 5.1% to EUR 2,478.2 million
- Order intake grew 29.9 %
- Order book on record level
- Power Businesses result improved clearly :
Q4 operating margin 9.2%; whole year 5.0%
- Strong cash flow
- Restructuring of engine manufacturing completed
- Propeller manufacturing started in China
- The board proposes EUR 0.45 dividend per share
and EUR 0.45 extra dividend per share



<u>MEUR</u>	<u>Q4/2004</u>	<u>Q4/2003²</u>
Net sales	816.2	722.1
Operational EBITA ¹	84.3	55.3
Operating income	77.7	-65.7
Profit before taxes	75.2	-69.3
EPS, EUR	0.53	-0.71

<u>MEUR</u>	<u>2004</u>	<u>2003²</u>
Net sales	2,478.2	2,357.5
Operational EBITA ¹	158.8	127.0
Operating income	239.8	-18.4
Profit before taxes	236.5	-34.4
EPS, EUR	1.75	-0.44

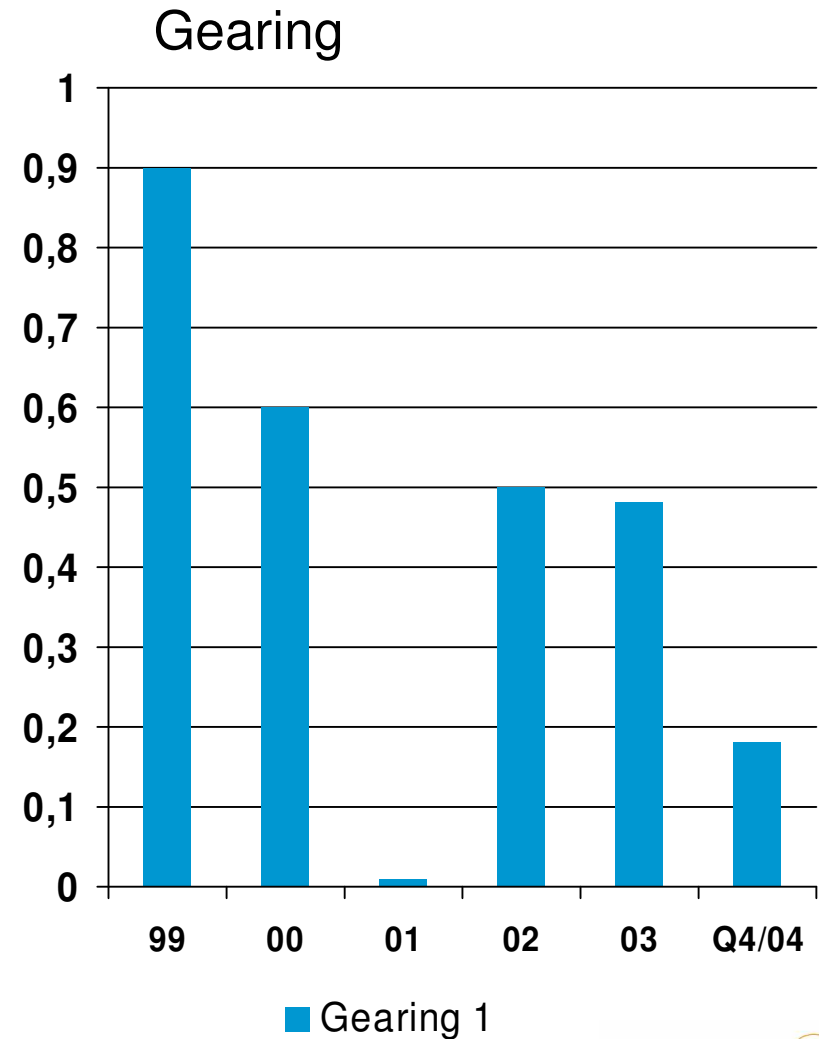
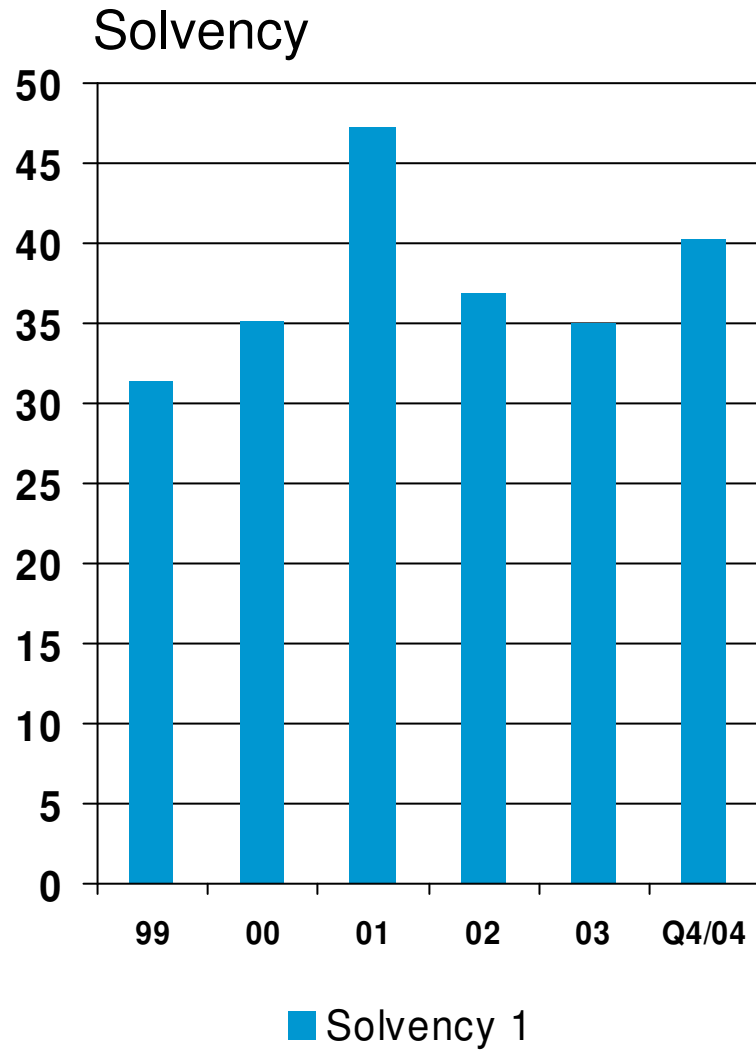
¹EBITA is the operating profit before amortization of goodwill on consolidation.

²Includes restructuring provision of EUR 130 million.



<u>MEUR</u>	<u>2004</u>	<u>2003</u>
Cash flow from operating activities	207.3	192.1
Cash flow from investing activities	89.1	-22.2
Cash flow from financing activities	-277.9	-205.8
Liquid funds at the end of period	168.5	150.0

Solvency and gearing



Convertible subordinated debentures treated as equity

Power Businesses



MEUR	Q4/2004	Q4/2003	Change
Net sales	739.4	671.0	10.2%
EBIT	68.4	-84.2 ¹	
% net sales	9.2%	-12.6%	
Order intake	716.0	490.6	45.9%

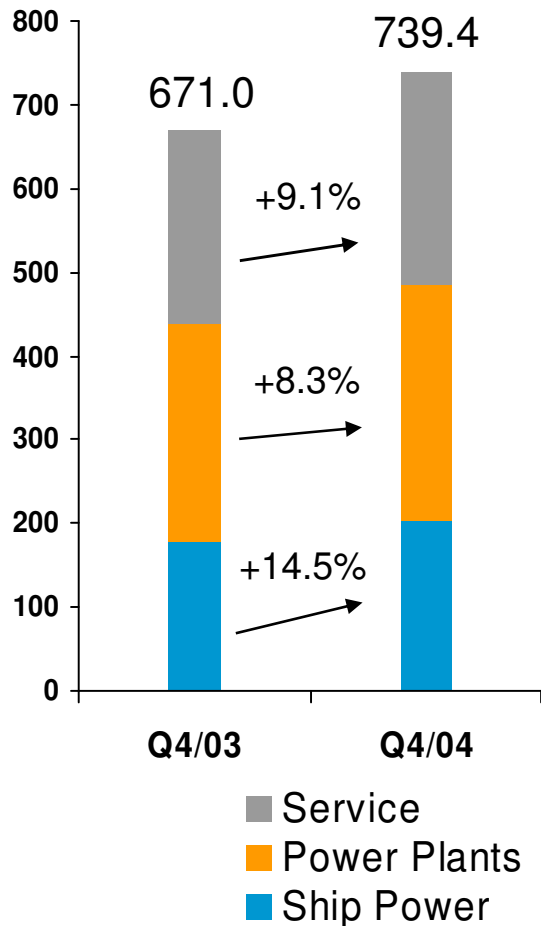
MEUR	2004	2003	Change
Net sales	2,224.7	2,155.8	3.2%
EBIT	111.6	-35.0 ¹	
% net sales	5.0%	-1.6%	
Order intake	2,791.4	2,148.7	29.9%
Order book end of period	1,855.3	1,245.0	49.0%

¹ Includes restructuring provision of EUR 130 million.

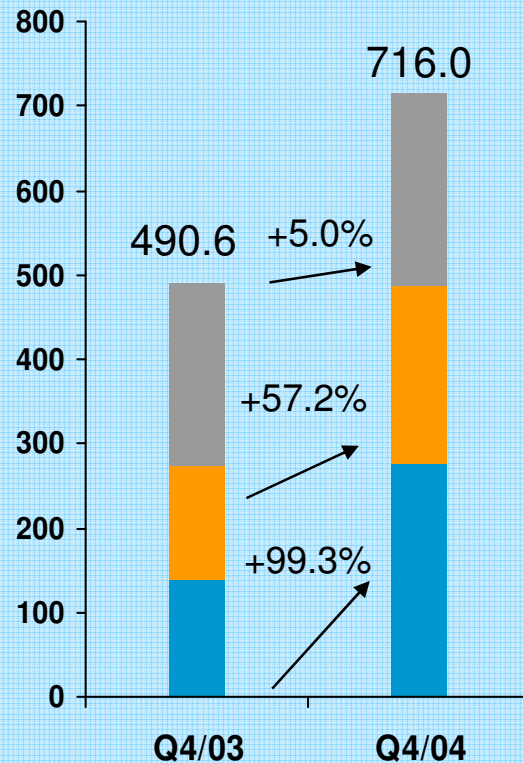
Power Businesses – Key figures

MEUR

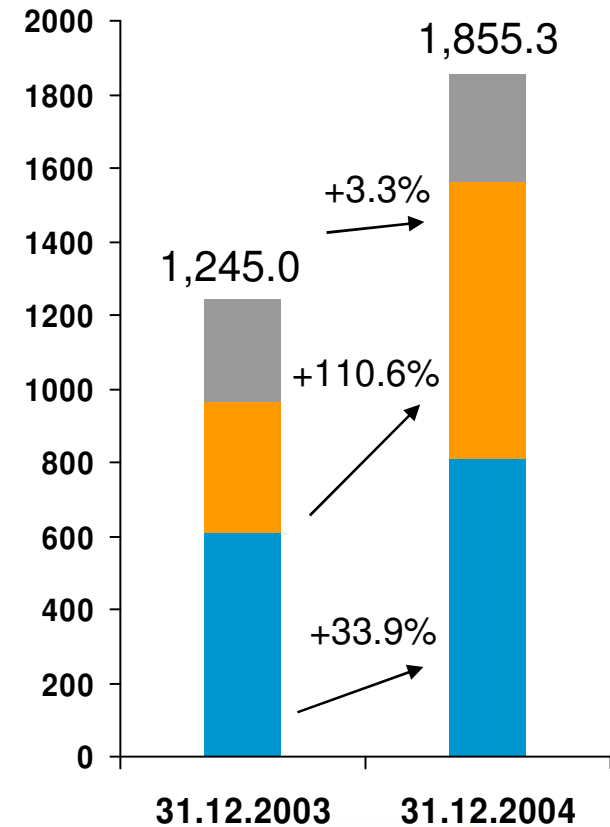
Net sales



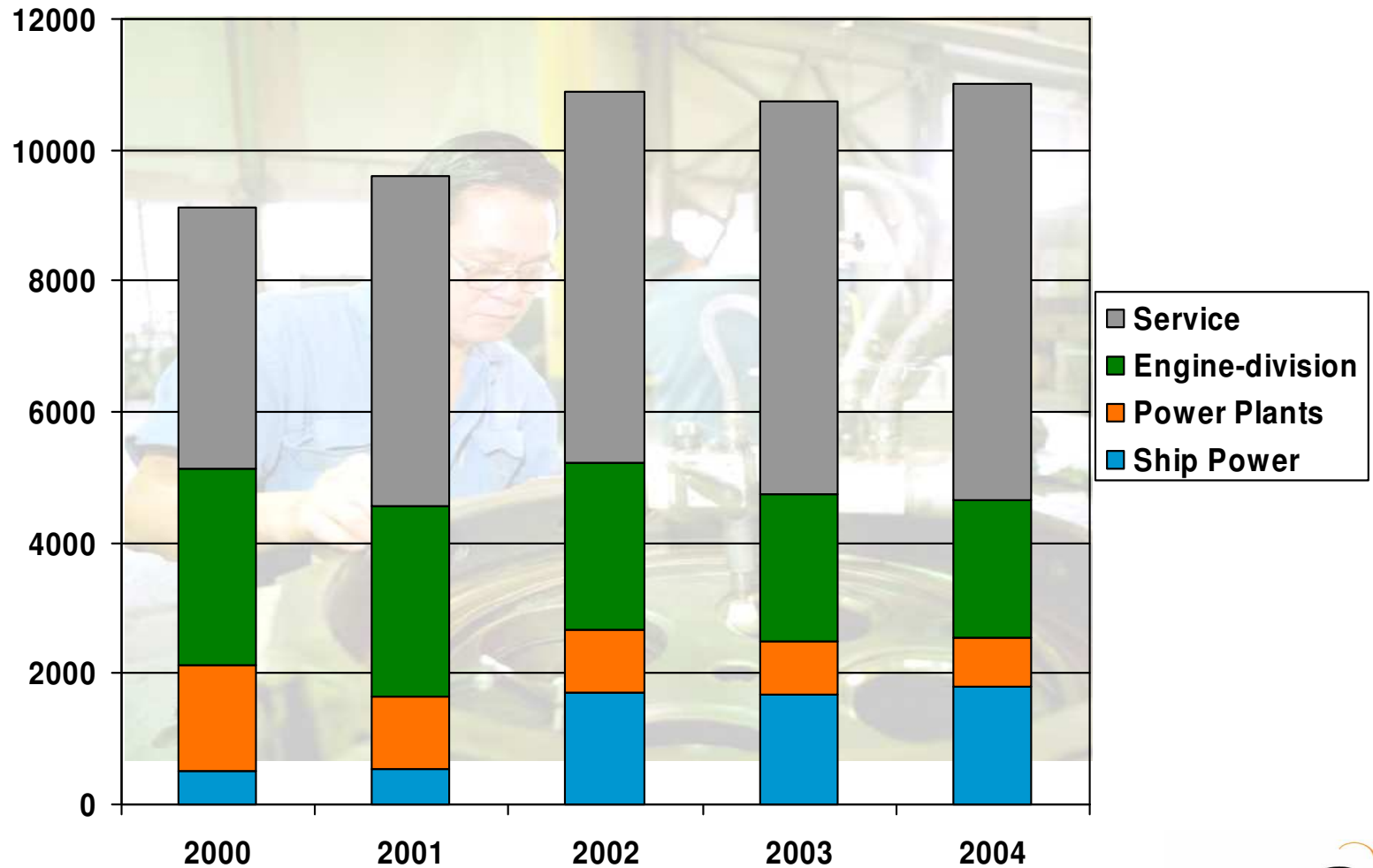
Order intake



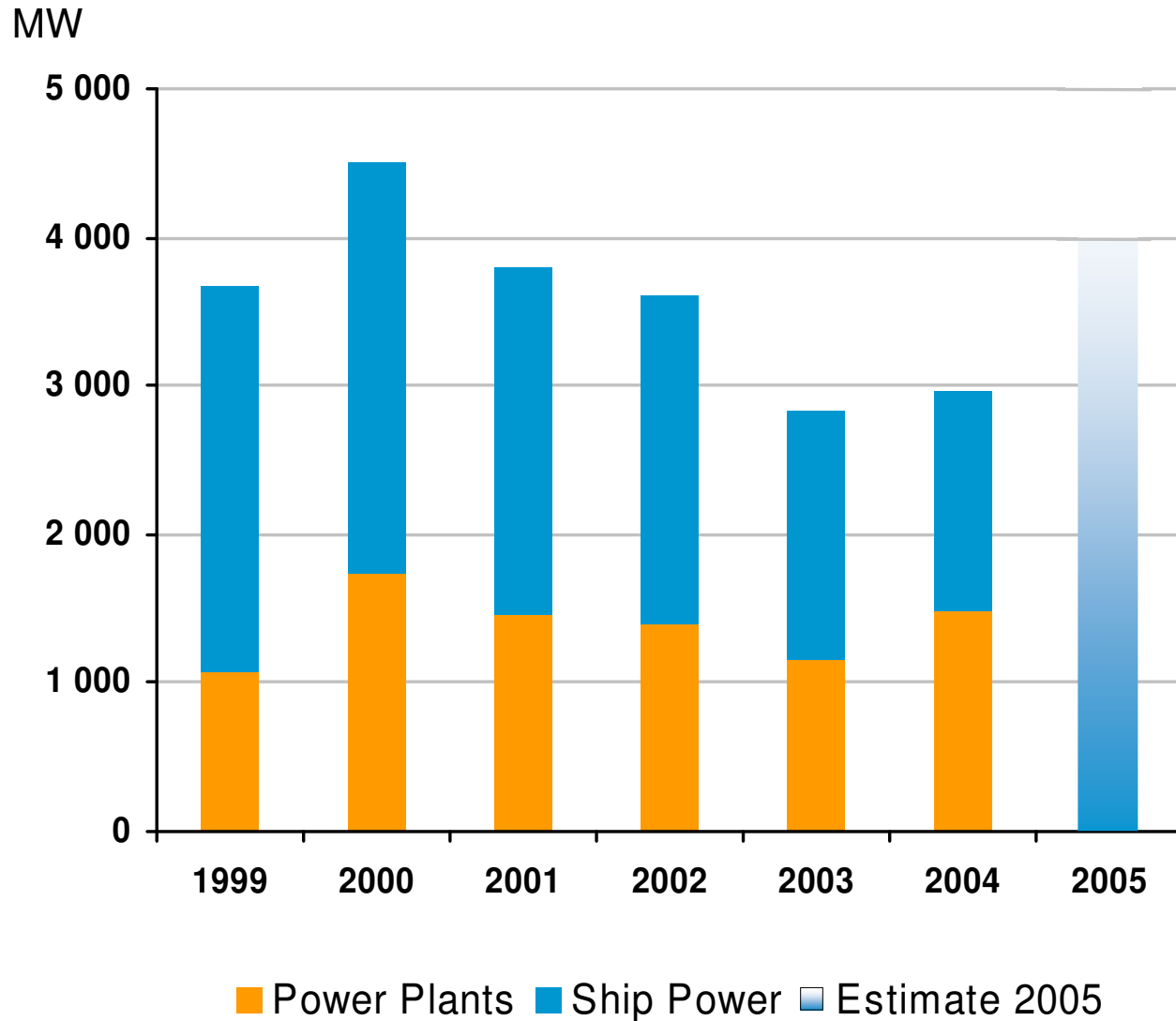
Order book



Power businesses' personnel development 2000 - 2004



Delivered engine megawatts from Wärtsilä factories





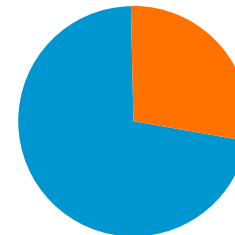
MEUR	Q4/2004	Q4/2003	Change
Net sales	202.1	176.5	14.5%
Order intake	276.5	138.7	99.3%

MEUR	2004	2003	Change
Net sales	631.2	686.1	-8.0%
Order intake	836.7	626.4	33.6%
Order book, end of period	812.7	606.8	33.9%

**Power Businesses
net sales**

2004: 2,224.7

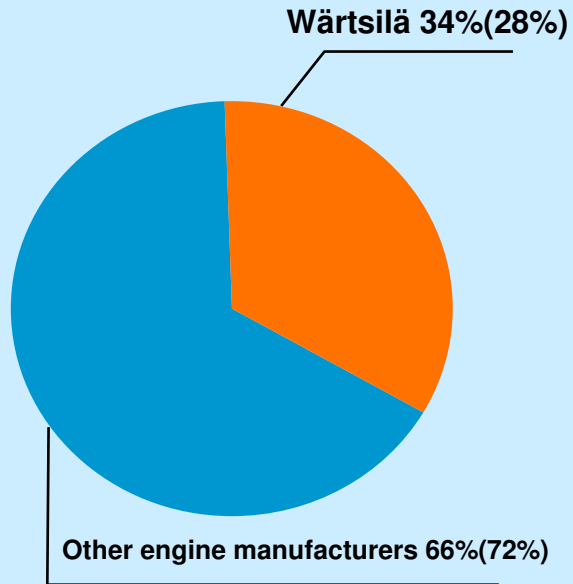
Ship Power: 28 %



The market position of Wärtsilä's marine engines 2004

Own production

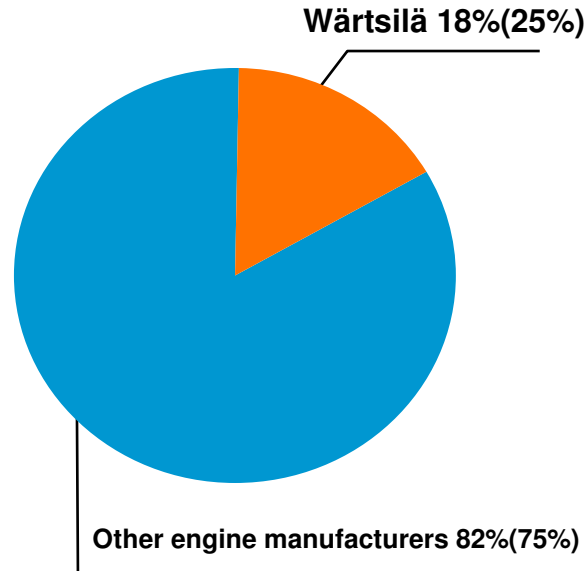
Medium speed main engines



Total market volume:
3,990 MW (3,462)

Production of licensees

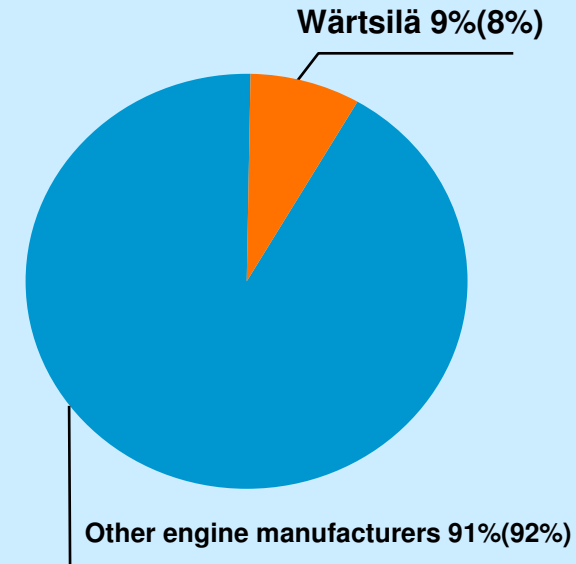
Low speed main engines



Total market volume:
24,863 MW (28,727)

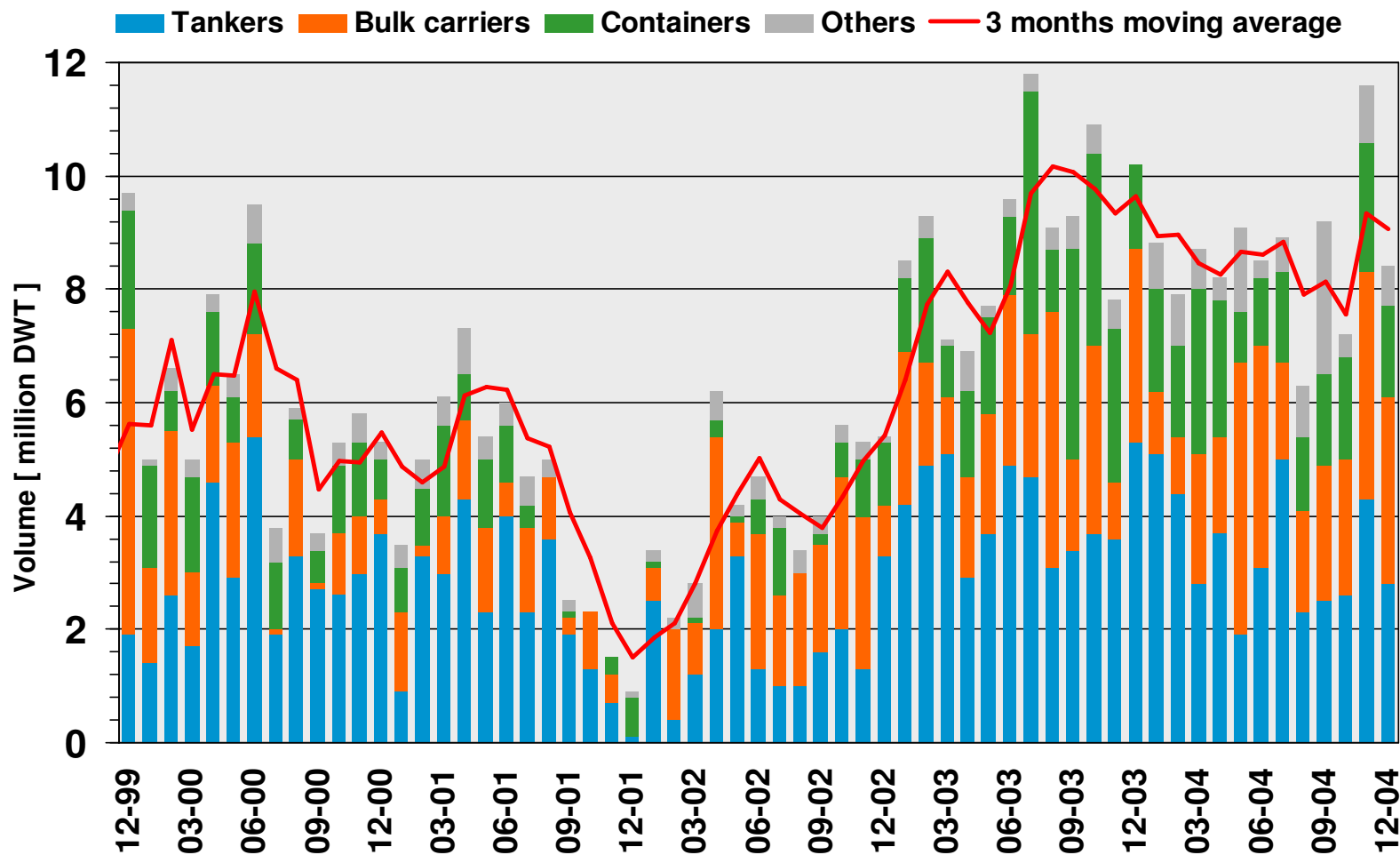
Own production

Auxiliary engines



Total market volume:
3,544 MW (4,325)

Vessel orders



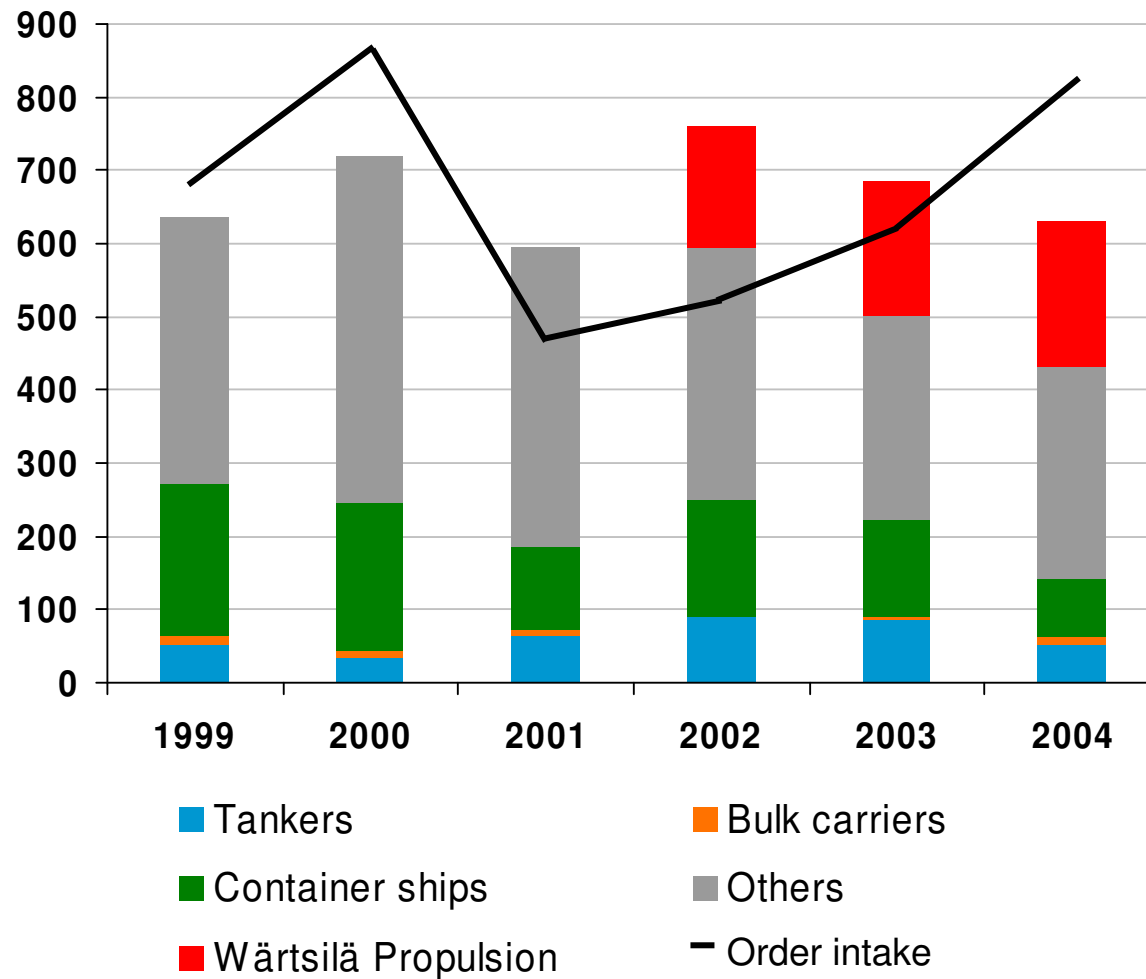
Source: Based on data from Clarkson Research Studies

Note: Cargo vessels > 5,000 dwt

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2004 presentation

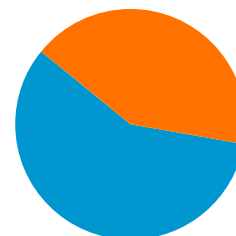
Net sales and order intake of Ship Power





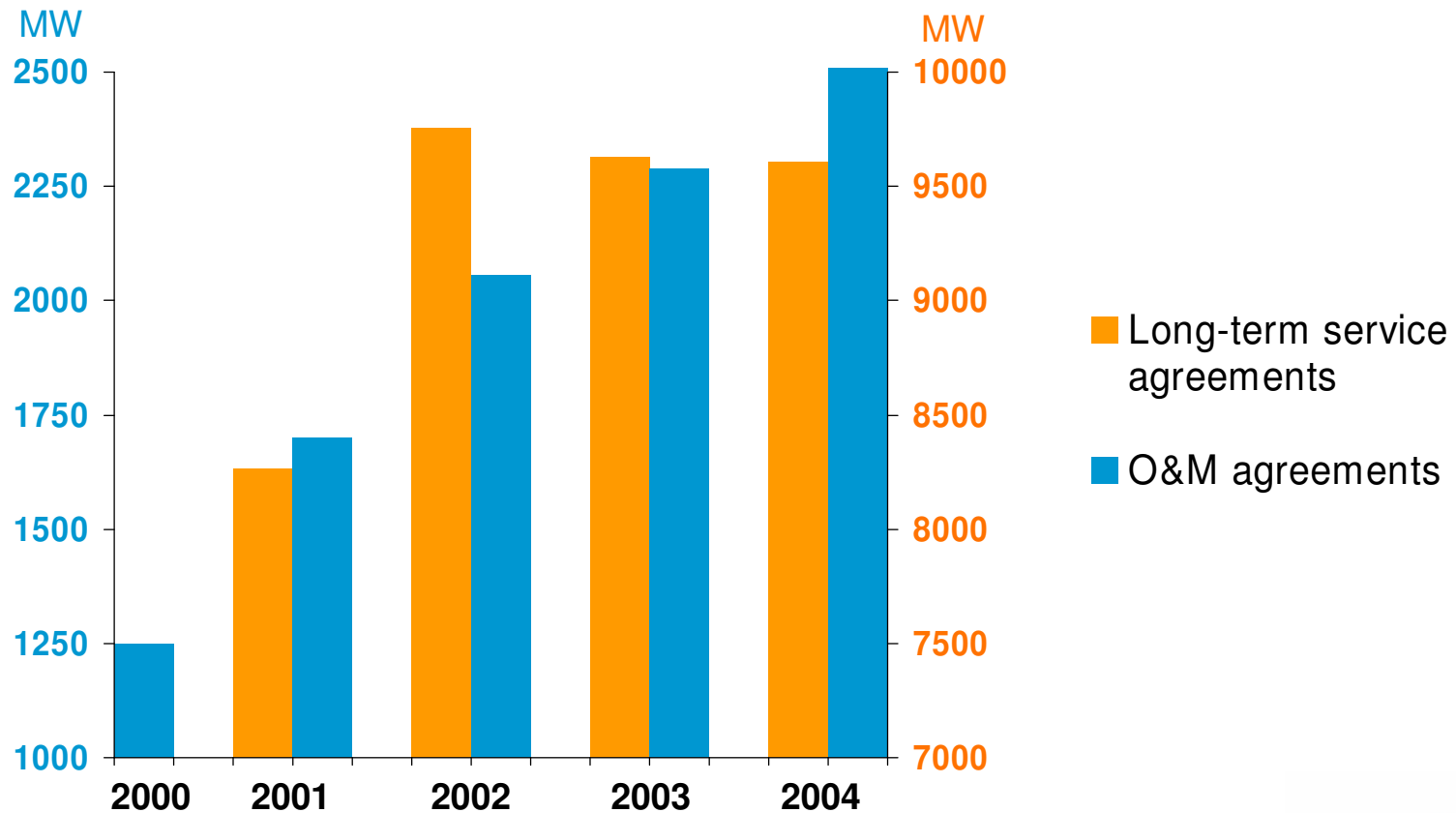
	Q4/2004	Q4/2003	Change%
Net sales, MEUR	253.3	232.2	9.1%
	2004	2003	Change%
Net Sales, MEUR	936.8	885.5	5.8%
Personnel, end of period	6,378	5,993	6.4%
Long-term service agreements, MW	9,609	9,629	-0.2%
O&M (operation and maintenance agreements), MW	2,569	2,289	12.2%

**Power Businesses
net sales
2004: 2,224.7
Service: 42 %**



Long-term service and O&M agreements

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



Acquisition of DEUTZ marine engine service business

- Wärtsilä will acquire the assets of the DEUTZ AG's medium and large marine engine service business. The acquisition price is EUR 115 million.
- The business consists of original spare part sales, repair and maintenance.
- This deal will increase the installed engine base for Wärtsilä Service by 12,500 MW or by 9 %. Today Wärtsilä's installed engine base is 130,000 MW.
- Deal is subject to approval of regulatory authorities.
- Closing estimated during of Q2/2005.

Power Plants

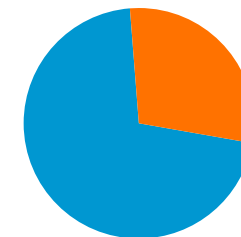
MEUR	Q4/2004	Q4/2003	Change
Net sales	283.0	261.2	8.3%
Order intake	211.7	134.7	57.2%
Order intake, MW			
heavy fuel oil	252	232	8.9%
gas	207	61	239.9%
BioPower, MWth + MWe	36	5	612.0%

**Power Businesses
net sales**

2004: 2,224.7

Power Plants: 29 %

MEUR	2004	2003	Change
Net sales	651.9	577.5	12.9%
Order intake	1,019.5	639.3	59.5%
Order intake, MW			
heavy fuel oil	1,664	1,249	33.2%
gas	649	219	196.6%
BioPower, MWth + MWe	110	133	-17.7%
Order book, end of period	752.4	357.2	110.6%

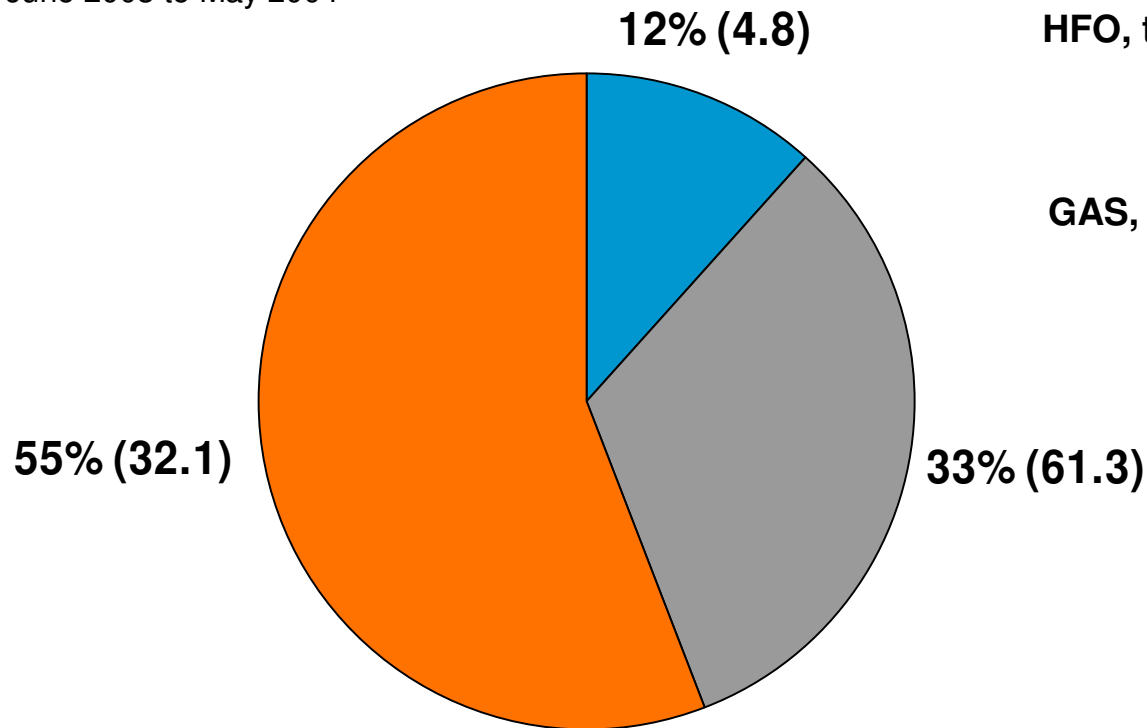


Gas turbines and reciprocating engine orders

1-60 MW unit size

Total Market size 19,464 MW

time period from June 2003 to May 2004



HFO, total market: 2,533 MW,
Wärtsilä share 70,8%

GAS, total market: 8,204 MW,
Wärtsilä share 4,8%



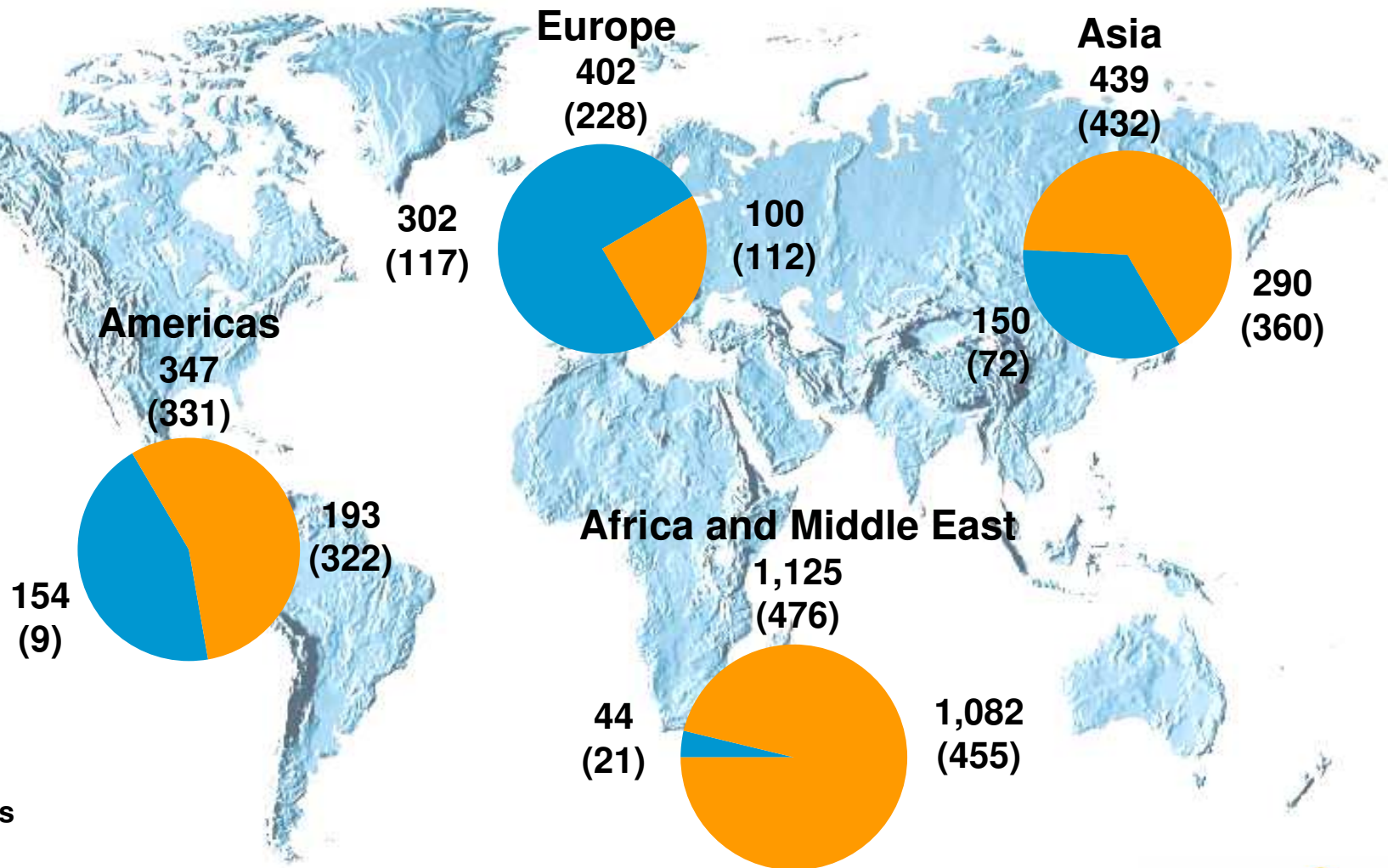
Source: Diesel & Gas Turbine Worldwide

Date: 04.11.2004

Timeframe: June 03 –May 04

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2004 presentation

Power plant order intake 2004: 2,313 MW (1,468)*



*In brackets order intake for 2003

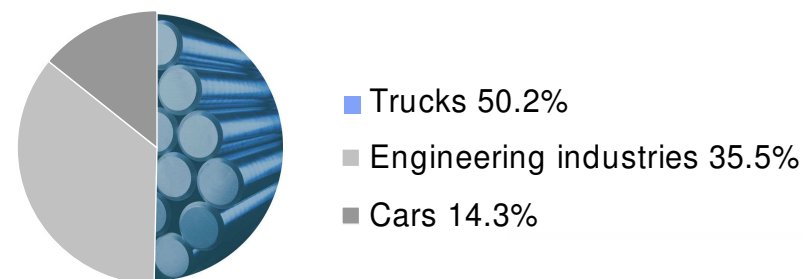


MEUR	Q4/2004	Q4/2003	Change
Net sales	77.1	51.6	49.4%
Operating income	9.4	2.6	257.9%
% of net sales	12.1%	5.1%	

MEUR	2004	2003	Change
Net sales	254.4	202.7	25.5%
Operating income	20.4	0.7	
% net sales	8.0%	0.3%	

- Demand for both forgings and steels grew strongly in the special engineering steels market in Europe during 2004
- Steel production worldwide rose to new records
- Growth in demand and production raised prices causing temporary shortages

Imatra Steel's net sales by market segment 2004





Power Businesses

- Full-year sales will increase 10-15 % based on strong order book.
- Profitability to fluctuate during quarters, first being weakest.
- Long-term profitability target reached by end of 2005. Wärtsilä adopted the new international accounting and reporting standards (IFRS) at the beginning of the current year. Under IFRS, the comparable profitability target (EBITA) is above 8%.

Imatra Steel

- Net sales increases and profitability improves.