Mission
We provide life cycle power solutions to enhance the business of our customers, whilst creating better technologies that benefit both the customer and the environment.

Vision
We will be the most valued business partner of all our customers.
We are in business to power your business
...and we are seeking growth beyond the organic growth
Highlights of the second quarter

- Net sales grew to EUR 686.8 million (581.3)
- Operating income improved to EUR 48.4 million (32.9)
- Power Businesses profitability (EBITA) 6.7%
- Order intake grew 43.1% to EUR 841.8 million (588.3)
- Order book at new record level EUR 2,267.9 million (1,779.2)
- Engine base grew due to acquisition of DEUTZ marine engine service business
- Imatra Steel became part of Oy Ovako Ab
- Power Businesses profitability (EBITA) for the full year around 8%
### Wärtsilä Group

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q2/2005¹</th>
<th>Q2/2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>686.8</td>
<td>581.3</td>
</tr>
<tr>
<td>Operating income</td>
<td>48.4</td>
<td>32.9</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>50.2</td>
<td>38.1</td>
</tr>
<tr>
<td>EPS, EUR</td>
<td>0.40</td>
<td>0.28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEUR</th>
<th>1-6/2005¹</th>
<th>1-6/2004</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,257.5</td>
<td>1,103.0</td>
<td>2,478.2</td>
</tr>
<tr>
<td>Operating income</td>
<td>94.8</td>
<td>-30.3</td>
<td>112.0</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>92.5</td>
<td>78.2</td>
<td>217.3</td>
</tr>
<tr>
<td>EPS, EUR</td>
<td>0.73</td>
<td>0.50</td>
<td>1.42</td>
</tr>
</tbody>
</table>

¹ Imatra Steel became part of Oy Ovako Steel Ab, a new steel company that began operating on 10 May 2005. The company has been accounted for as an associated company from 1 May 2005. In the interim report Imatra Steel is consolidated as a subsidiary for one month of the second quarter and for four months of the full six-month period.
### Cash flow

<table>
<thead>
<tr>
<th></th>
<th>MEUR 1-6/2005</th>
<th>MEUR 1-6/2004</th>
<th>MEUR 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>-92.1</td>
<td>-2.7</td>
<td>220.1</td>
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<tr>
<td>Cash flow from investing activities</td>
<td>-165.6</td>
<td>114.8</td>
<td>85.0</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>203.9</td>
<td>-112.0</td>
<td>-284.9</td>
</tr>
<tr>
<td>Liquid funds at the end of period</td>
<td>119.6</td>
<td>152.2</td>
<td>169.6</td>
</tr>
</tbody>
</table>
Solvency and gearing

**Solvency**

- %
- 00 01 02 03 04 Q2/05

**Gearing**

- 00 01 02 03 4 Q2/05

**NOTE:** 2000-2003 according to FAS, 2004- IFRS
Convertible subordinated debentures treated as equity

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## Power Businesses

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>Q2/2005</th>
<th>Q2/2004</th>
<th>Change%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>655.2</td>
<td>517.0</td>
<td></td>
<td>26.7%</td>
</tr>
<tr>
<td>Operating income</td>
<td>43.6</td>
<td>27.2</td>
<td></td>
<td>60.1%</td>
</tr>
<tr>
<td>% net sales</td>
<td>6.7%</td>
<td>5.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order intake</td>
<td>841.8</td>
<td>588.3</td>
<td></td>
<td>43.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>MEUR</th>
<th>1-6/2005</th>
<th>1-6/2004</th>
<th>Change%</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,139.0</td>
<td>980.3</td>
<td></td>
<td>16.2%</td>
<td>2,224.7</td>
</tr>
<tr>
<td>Operating income</td>
<td>72.9</td>
<td>-38.9</td>
<td></td>
<td></td>
<td>87.7</td>
</tr>
<tr>
<td>% net sales</td>
<td>6.4%</td>
<td>-4.0%</td>
<td></td>
<td></td>
<td>3.9%</td>
</tr>
<tr>
<td>Order intake</td>
<td>1,519.8</td>
<td>1,477.0</td>
<td></td>
<td>2.9%</td>
<td>2,791.4</td>
</tr>
<tr>
<td>Order book</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>end of period</td>
<td>2,267.9</td>
<td>1,779.2</td>
<td></td>
<td>27.5%</td>
<td>1,855.3</td>
</tr>
</tbody>
</table>
Power Businesses – Key figures

Net sales

Q2/04: 517.0 MEUR
Q2/05: 655.2 MEUR
-14.6%
15.0%
121.0%

Order intake

Q2/04: 588.3 MEUR
Q2/05: 841.8 MEUR
-23.2%
35.7%
105.7%

Order book

31.12.2004: 1,855.3 MEUR
30.6.2004: 1,779.2 MEUR
-14.5%
24.4%
15.0%
121.0%
-14.6%

30.6.2005: 2,267.9 MEUR
75.3%

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Delivered engine megawatts from own factories

MW

- Power Plants
- Ship Power
- Estimate 2005
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>153.0</td>
<td>179.1</td>
<td>-14.6%</td>
<td>631.2</td>
</tr>
<tr>
<td>Order intake</td>
<td>409.9</td>
<td>199.3</td>
<td>105.7%</td>
<td>836.7</td>
</tr>
<tr>
<td>Order book, end of period</td>
<td>1,230.8</td>
<td>702.0</td>
<td>75.3%</td>
<td>812.7</td>
</tr>
</tbody>
</table>


- Ship Power 23.4%
The market position of Wärtsilä’s marine engines Q2/2005

Own production

Medium speed main engines

Wärtsilä 39% (29)

Others 61% (71)

Total market volume last 12 months:
4,727 MW (3,691)

Production of licensees

Low speed main engines

Wärtsilä 19% (21)

Others 81% (79)

Total market volume last 12 months:
25,001 MW (30,286)

Own production

Medium speed auxiliary engines

Wärtsilä 9% (9)

Others 91% (91)

Total market volume last 12 months:
3,600 MW (3,700)

Wärtsilä’s own calculation is based on: Lloyd’s Register – Fairplay, Clarkson’s Research Studies and BRL Shipping Consultants.

Market shares based on installed power, numbers in brackets are from 12 months ago.
Vessel orders

Source: Clarkson Research Studies
Note: Cargo vessels > 5,000 dwt
Net sales of Ship Power by vessel type

- Service 40.7%
Long-term service and O&M agreements

- Active engine base 148,000 MW
- Long-term service and O&M agreements cover 12,000 MW
# Power Plants

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>230.9</td>
<td>104.5</td>
<td>121.0%</td>
<td>651.9</td>
<td></td>
</tr>
<tr>
<td>Order intake</td>
<td>123.9</td>
<td>161.4</td>
<td>-23.2%</td>
<td>1,019.5</td>
<td></td>
</tr>
<tr>
<td>Order intake, MW</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>heavy fuel oil</td>
<td>188</td>
<td>292</td>
<td>-35.7%</td>
<td>1,664</td>
<td></td>
</tr>
<tr>
<td>gas</td>
<td>133</td>
<td>77</td>
<td>73.2%</td>
<td>649</td>
<td></td>
</tr>
<tr>
<td>BioPower, MW(_\text{th})</td>
<td>21</td>
<td>0</td>
<td></td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>Order book, end of period</td>
<td>665.9</td>
<td>778.7</td>
<td>-14.5%</td>
<td>752.4</td>
<td></td>
</tr>
</tbody>
</table>


- Power Plants 35.2%
Power plant order intake 1-6/2005: 627 MW (1,359)

Europe
- Gas: 107 MW (91)
- Oil: 9 MW (0)

Asia
- Gas: 297 MW (345)
- Oil: 142 MW (208)

Americas
- Gas: 44 MW (121)
- Oil: 9 MW (32)

Africa and Middle East
- Gas: 35 MW (89)
- Oil: 179 MW (803)

- Gas: 27 MW (25)
- Oil: 152 MW (778)

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Wärtsilä’s holdings

- The new company was accounted for as an associated company from 1st of May 2005.
- Wärtsilä’s ownership in the company is 26.5%. Wärtsilä’s share of the associated company’s result was EUR 6.7 million.
- The holding’s balance sheet value EUR 101.0 million.
- Wärtsilä has granted a shareholders’ loan of EUR 21.2 million to Ovako.

ASSA ABLOY

- Wärtsilä owns 4.7% of Assa Abloy shares.
- The holding’s market value EUR 184.1 million (30th June 2005).

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The net sales of Wärtsilä Power Businesses for the current year are estimated to grow approximately 15%.

Regardless of the fluctuations between the individual quarters, the full-year profitability (EBITA) of Power Businesses is expected to be around 8%.

Net sales in 2006 are estimated to increase by about 10% based on the current strong order book and lively market activity.

Profitability (EBITA) in 2006 is estimated to improve slightly.
THANK YOU!