

Ahlstrom

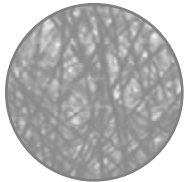
The global source for fiber-based materials

3 December 2007

Roadshow Milan

CFO: Jari Mäntylä


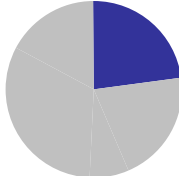

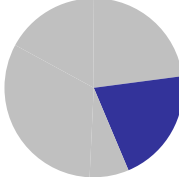

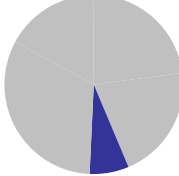

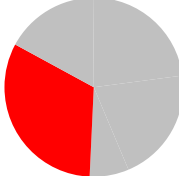

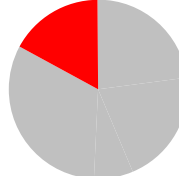
IR: Anna Ahlberg



Ahlstrom in brief

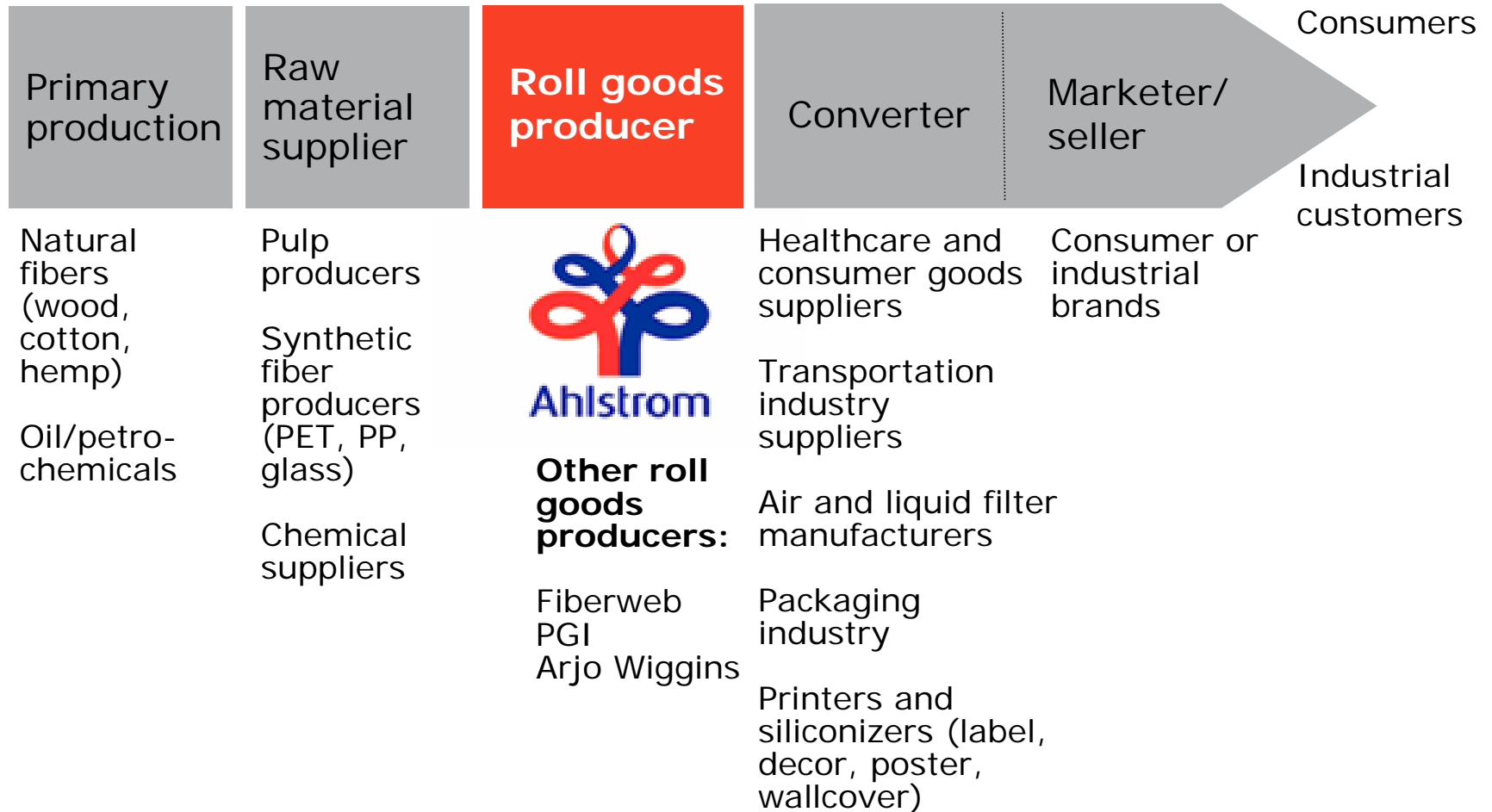
- Focused on innovative functional materials- specialty papers and nonwovens
- Global operations: production on four continents with sales network covering 25 countries
 - Capability to deliver fiber materials locally to global customers
- Leading market position in both segments

Innovative functional materials

	Business areas	Example applications	Sales 2006
FiberComposites	Nonwovens	 <ul style="list-style-type: none"> Wipes, medical gowns and drapes, wallcovering and tea bags 	 23%
	Filtration	 <ul style="list-style-type: none"> Engine, indoor air, industrial and laboratory filtration 	 21%
	Glass Nonwovens	 <ul style="list-style-type: none"> Windmill blades, flooring and boat hulls 	 7%
Specialty Papers	Release & Label Papers	 <ul style="list-style-type: none"> Self-adhesive labeling, beverage labeling 	 32%
	Technical Papers	 <ul style="list-style-type: none"> Furniture foils, abrasive paper, masking tape and engine gaskets, food packaging 	 17%

Small fibers. Big difference.

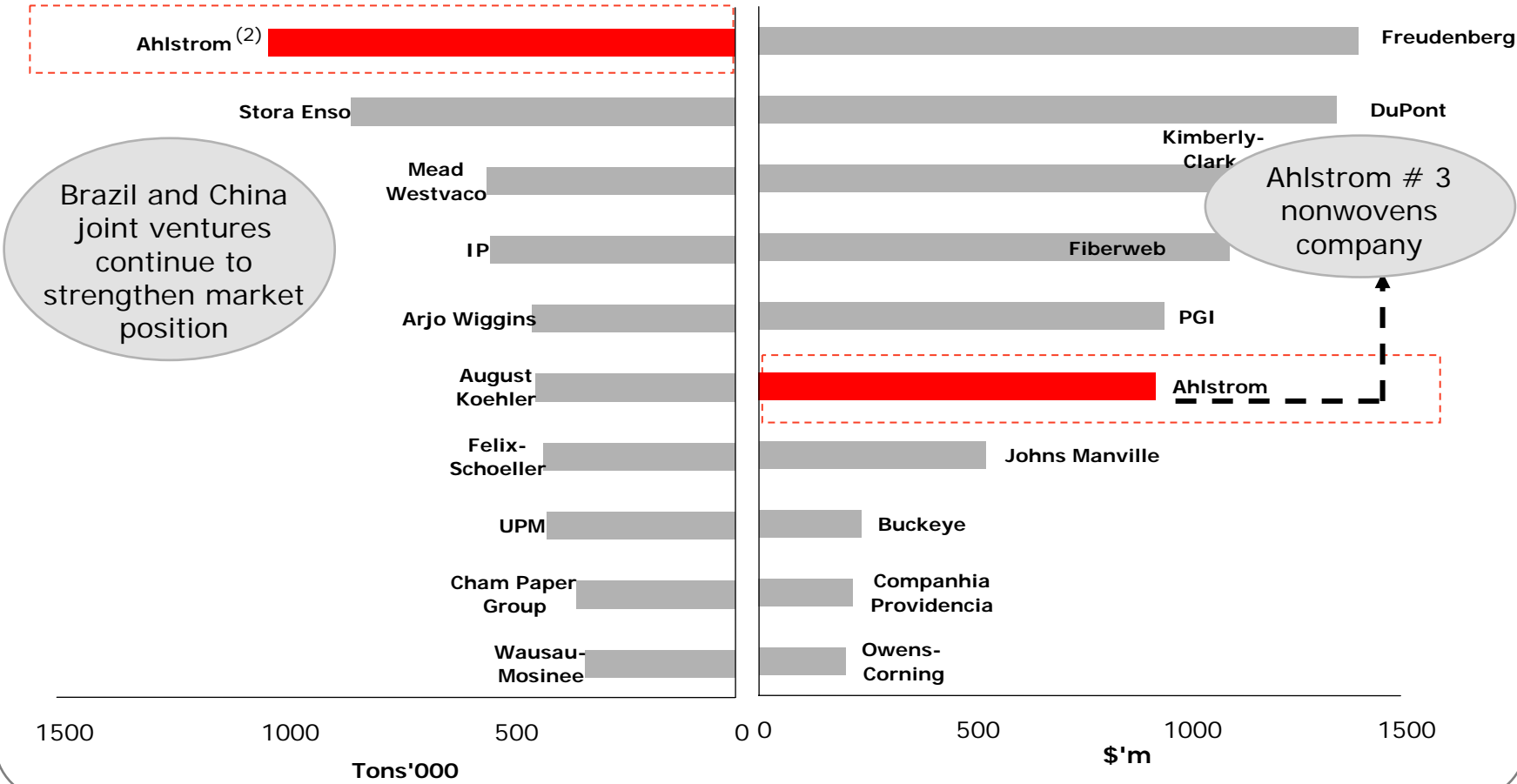
Ahlstrom has a clear focus in the value chain



Leading specialty materials company

Specialty papers market positions⁽¹⁾

Nonwovens market positions⁽³⁾



Notes:

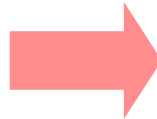
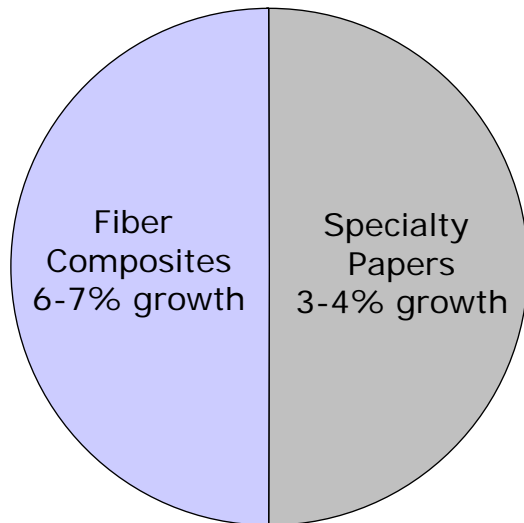
- 1) Source: Jaakko Pöyry Consulting, Ahlstrom
- 2) Ahlstrom Specialty Papers volume
- 3) Source: Nonwovens Industry 2006

Small fibers. Big difference.

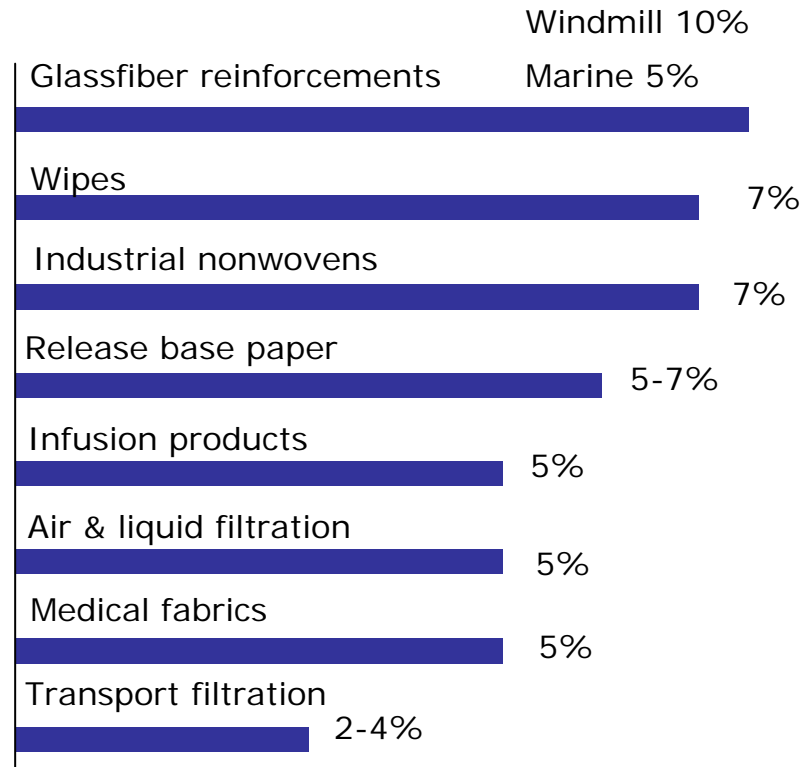


Global markets growing 4-5% per year (EUR 1-2 billion)

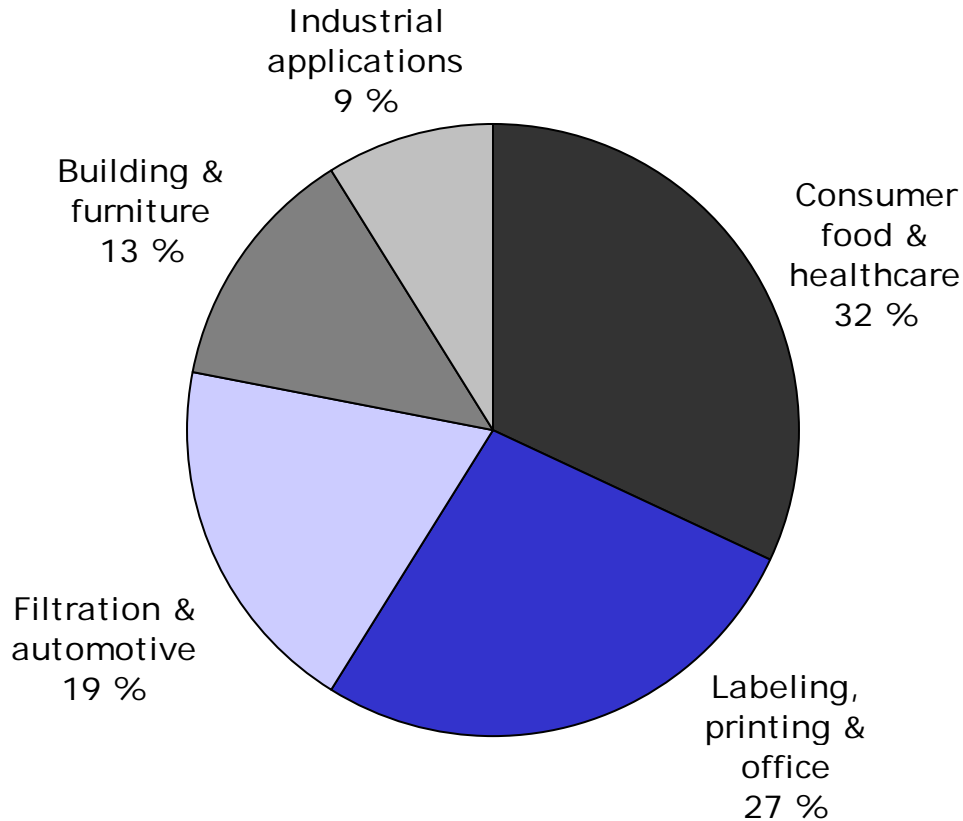
EUR 30 billion market opportunity



Focus areas:

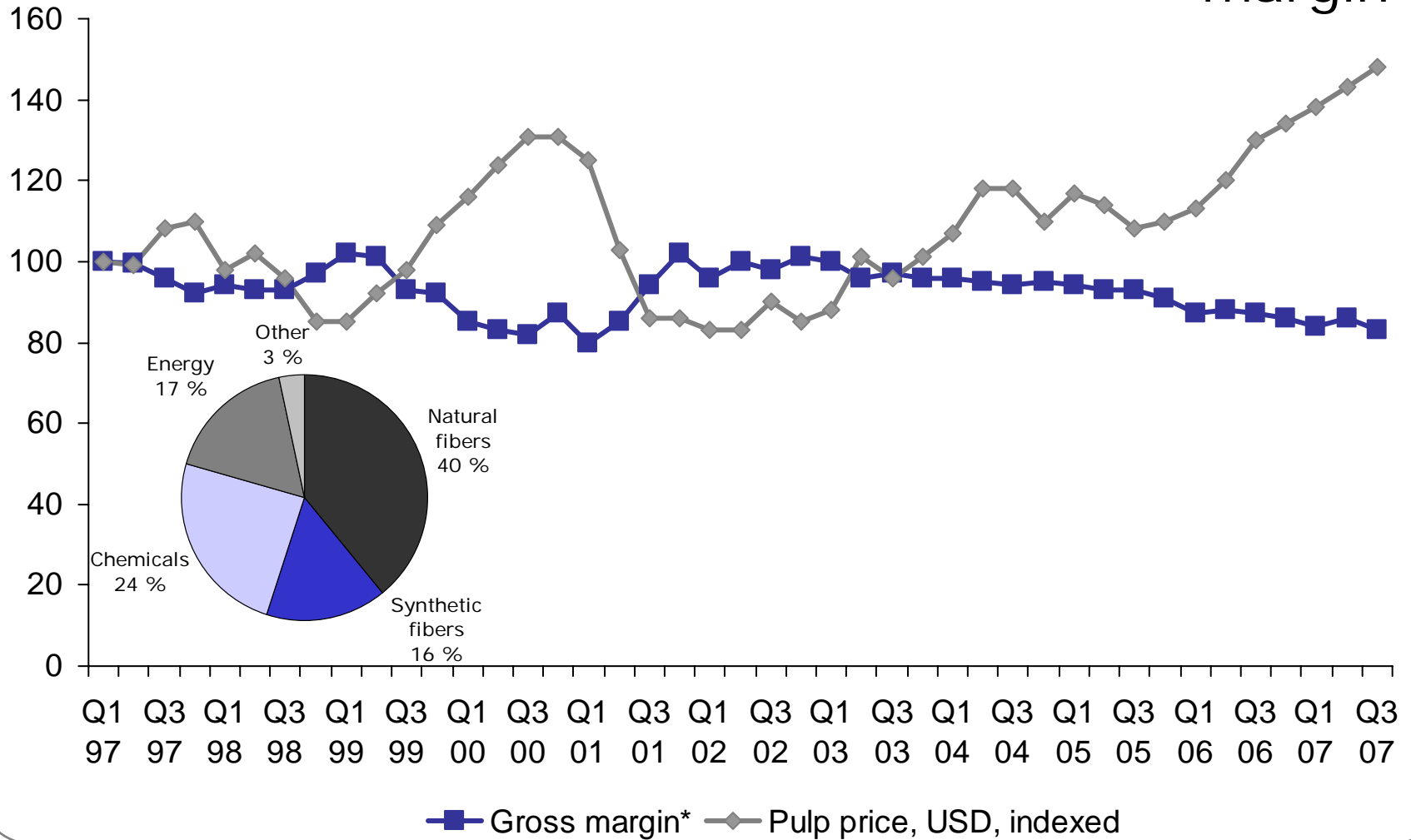


Low volatility in demand



- Long customer relationships
- Business-to-business
- Frame agreements for majority of business
- Production against received or anticipated frame orders
- Direct sales 90%, agents 10%
- Serving wide range of end user industries

High raw material costs put pressure on gross margin



* The new acquired units will be included from Q4 2007 onwards.

Small fibers. Big difference.



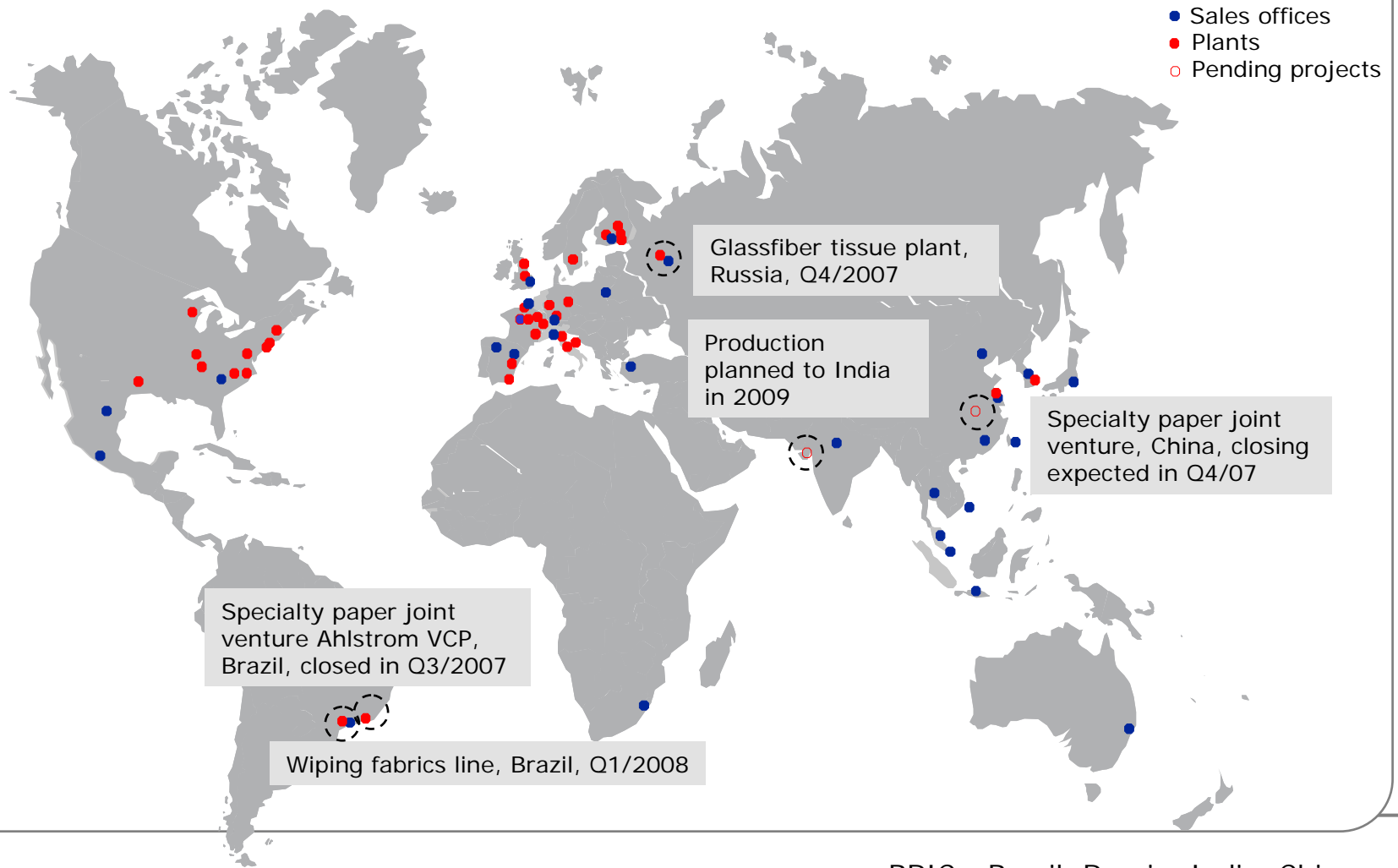
Growth investments of 370 million implemented in 2007

- 5 acquisitions EUR 200 million
- Several organic investments EUR 170 million
- **Establishing strong foothold on five continents**

Ahlstrom's investment criteria

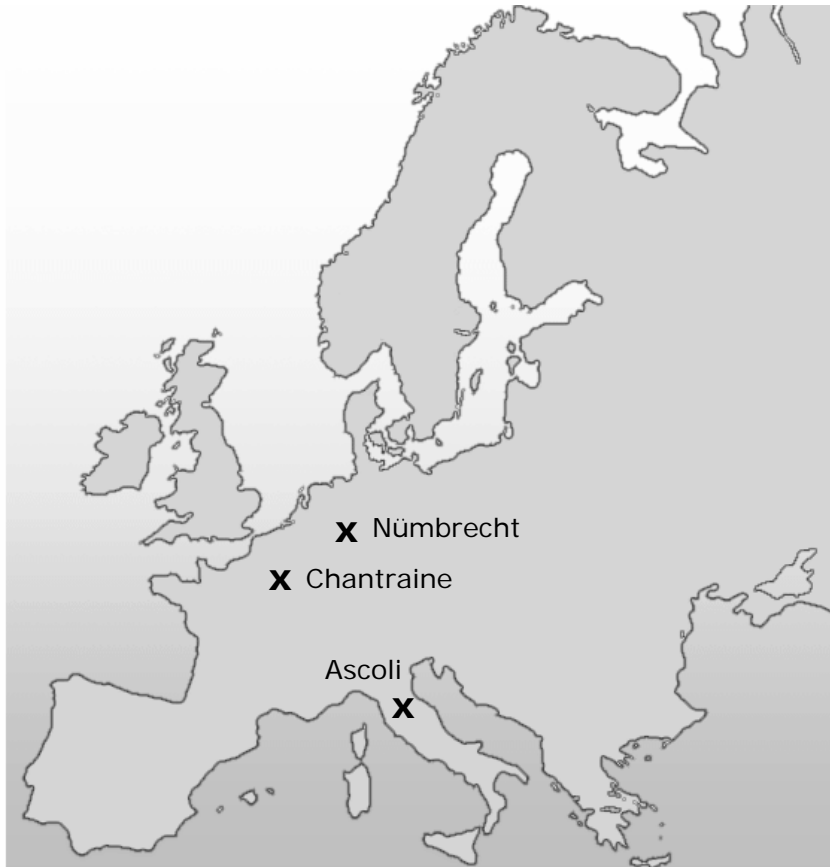
Meets ROCE 13% criteria and generates 1.5 x the investment value in net sales in 3-5 years

Well positioned for growth in BRIC-countries



BRIC= Brazil, Russia, India, China

Cutting tail in Europe by closing unprofitable production capacity



- Reorganization of the Release & Label Papers and the Technical Papers business areas
 - Ascoli plant to be closed in December 2007
 - Chantraine plant under review
 - Nümbrecht plant closed in December 2006

X closed mills or mills under review

Strategic priorities in 2008

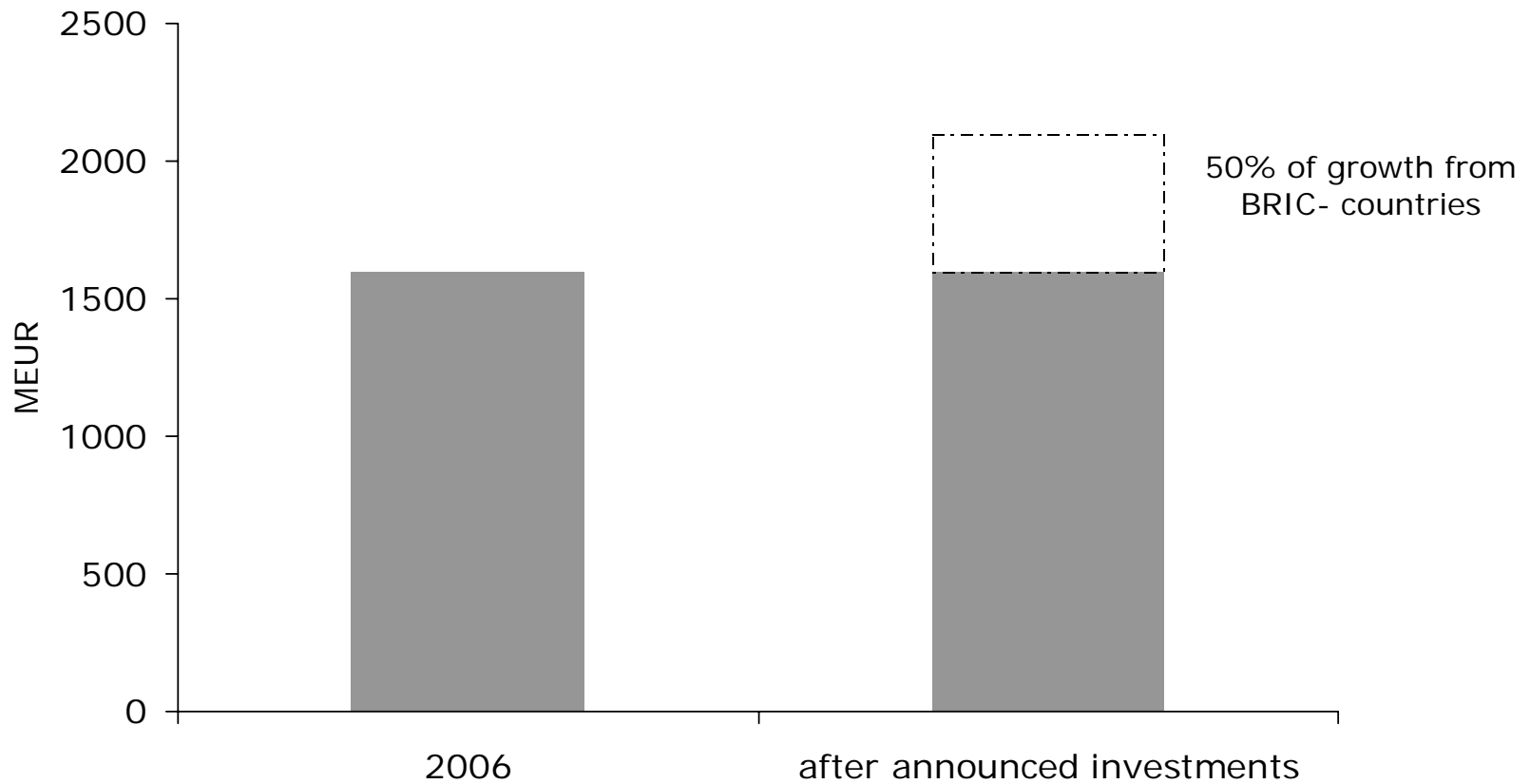
- **To leverage implemented growth actions in new geographies**
- **Migrating to more competitive cost structure**
- **Focus on profitability improvement and cash flow**

Highlights Q3 2007

	Q3 2007	Q3 2006	2006
Net sales , EUR million	444,9	385,9	1 599,1
Operating profit , EUR million	16,1	25,3	96,1
Operating profit excl. non-recurring items , EUR million	16,2	20,8	87,3
Profit before taxes , EUR million	6,7	21,4	81,2
Profit before taxes excl. non-recurring items , EUR million	6,7	17,0	72,5
Profit for the period , EUR million	5,0	16,4	57,6
Return on capital employed (ROCE) , %	5,5	10,3	10,4
ROCE excl. non-recurring items , %	5,5	8,5	9,5
Earnings per share (EPS) , EUR	0,10	0,36	1,31
Cash earnings per share (CEPS) , EUR	0,79	1,29	2,72
Average number of shares , 1000s	46 671	45 592	43 802

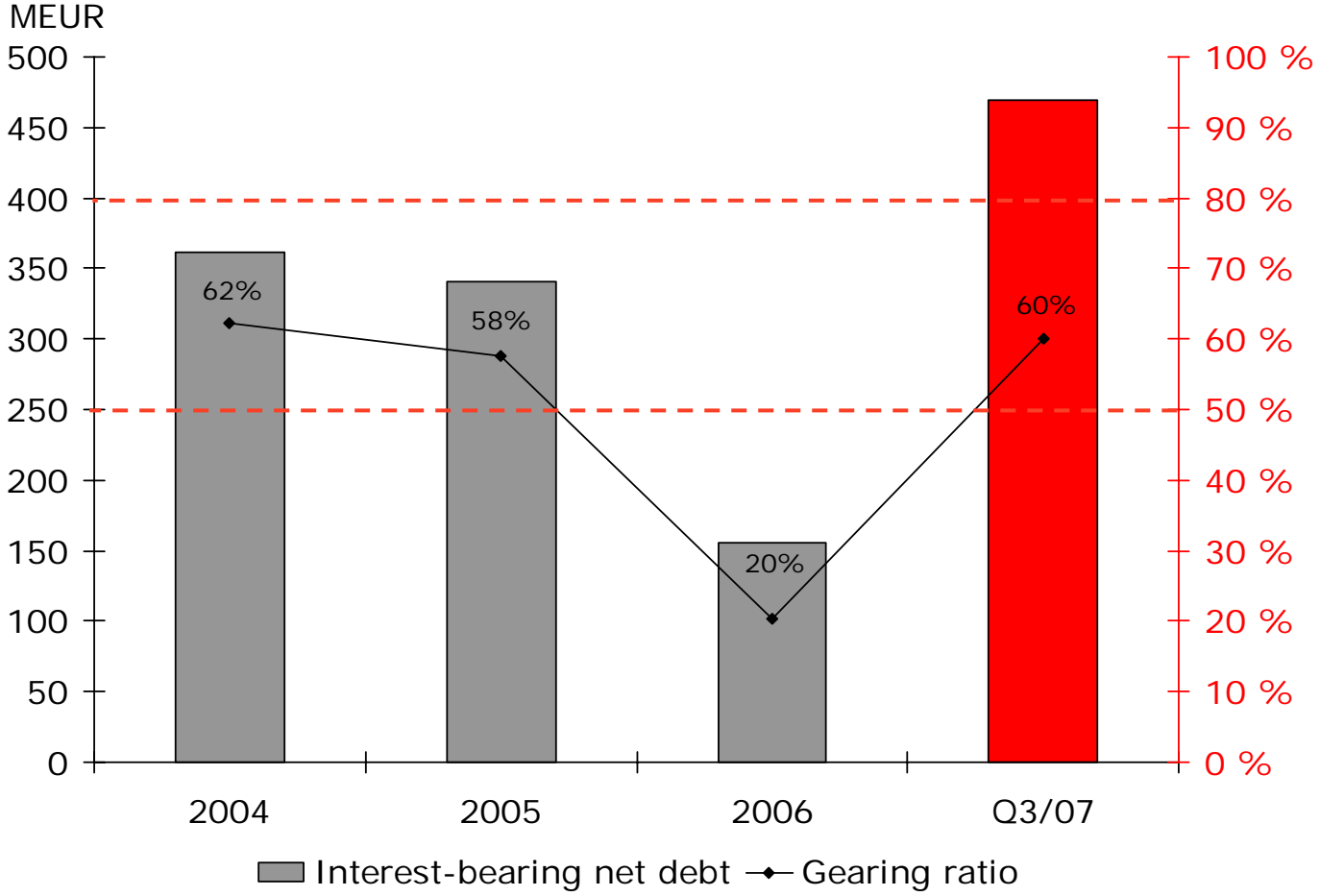
- Operating profit decreased mainly due to weak performance of the Label & Packaging Papers business area – decisive actions taken to correct the situation
- Net sales (adjusted for currency effects) grew by 18.0%.
- The acquisitions completed during 2007 will have a positive impact on Ahlstrom's financial development from the last quarter of 2007 onwards.

Ahlstrom to become +2 billion euro company



BRIC= Brazil, Russia, India, China

Gearing ratio (Equity/Net debt)

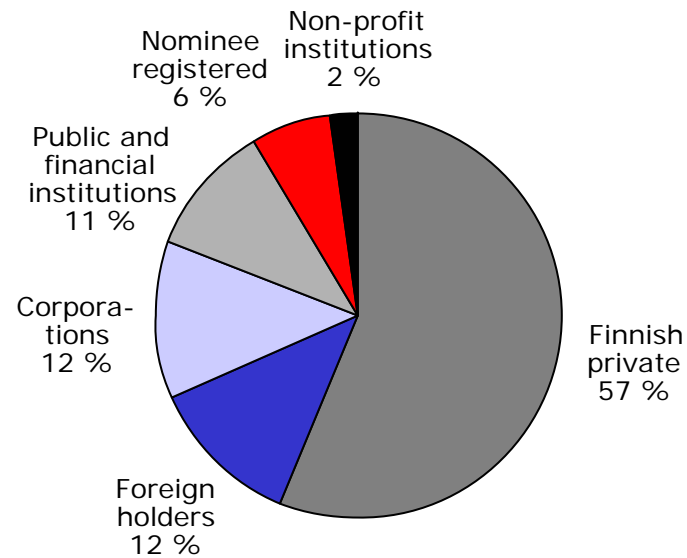


Gearing ratio target level: 50-80%

Dividends

- Target to pay attractive and predictable dividend
- Dividend payout ratio averaging at least 50% of the profit for the period

Ownership structure



Investment summary

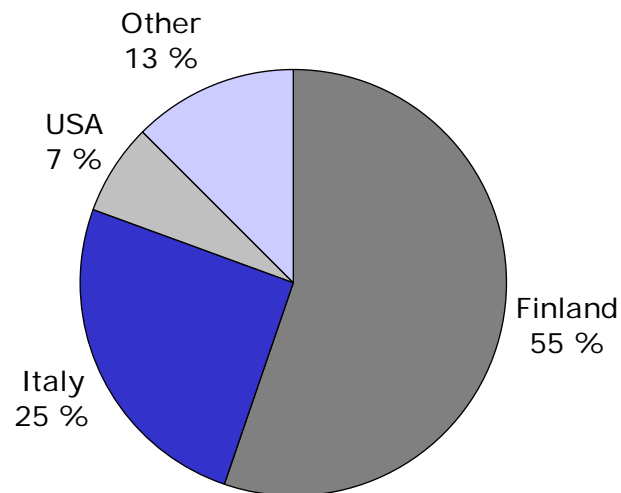
- **Operating in global growth businesses**
- **Innovative functional materials with leading market positions**
- **Well positioned for growth in BRIC-countries**
- **Efficient use of capital**
- **Attractive dividend policy**

Appendix

Reduction of income taxes - long term effective tax rate target 33-35%

	Q1-Q3 2007	Q1-Q3 2006
Operating profit	60.5	83.8
Share of profit of associated companies	-0.2	0.2
Net financial expenses	-16.9	-12.3
Profit before taxes	43.4	71.8
Income taxes	-13.0	-23.0
Profit for the period	30.3	48.8
Effective tax rate	-30 %	-32 %

Tax split by country in 2006



Tax rate	%
Finland	26
Italy	33 + IRAP
France	34
Germany	39
USA	39

Financing organic growth investments with cash generated from operating activities

Cash flow, MEUR	2006
Cash from operations	167.2
Change in working capital	-14.6
Financial items	-3.7
Income taxes	-29.6
Net cash from operating activities	119.2
Capex incl. acquisitions	-124.3
Sale of assets	45.3
Cash flow before financing activities	40.2
Share issue	195.1
Dividends paid	-65.3
Other financing activities	-165.8
Net change in cash and cash equivalents	4.3
Cash earnings per share, EUR	2.72