

Ahlstrom Group Q1 2007 financial results

Jukka Moisio, CEO
Jari Mäntylä, CFO

April 27, 2007

Highlights Q1 2007

	Q1 2007	Q1 2006	2006
Net sales, EUR million	416.5	414.6	1,599.1
Operating profit, EUR million	23.3	29.6	96.1
Operating profit excl. non-recurring items, EUR million	19.6	26.3	87.3
Profit before taxes, EUR million	20.3	25.1	81.2
Profit before taxes excl. non-recurring items, EUR million	16.5	21.8	72.5
Profit for the period, EUR million	13.4	15.8	57.6
Return on capital employed (ROCE), %	10.0	12.3	10.4
ROCE excl. non recurring items, %	8.4	11.0	9.5
Earnings per share (EPS), EUR	0.29	0.41	1.31
Cash earnings per share (CEPS), EUR	-0.26	0.68	2.72
Average number of shares, 1000s	45,918	38,326	43,802

- Net sales grew by 3.4% adjusted for currency effects
- Operating profit improved from the last quarter of 2006 due to increased sales volumes and lower fixed costs
- Four acquisitions announced adding topline of EUR 300 million
- UK defined benefit pension plan closed

Four acquisitions adding annualized net sales of EUR 300 million

- **Fiberweb's consumer wipes business**, annual net sales of approx. EUR 110 million
- **Orlandi's spunlace nonwoven business**, annual net sales of approx. EUR 65 million
- **Fabriano Filter Media SpA**, manufacturer of micro glass filter media, annual net sales approx. EUR 7 million
- Memorandum of Understanding to form Joint Venture with **Votorantim Celulose e Papel** for specialty paper production in Brazil, annual net sales approx. EUR 100 million

Organic growth decisions and investment start-ups in Q1 2007

New investment decision

- New drylaid air filtration line investment announced, USA, EUR 5 million

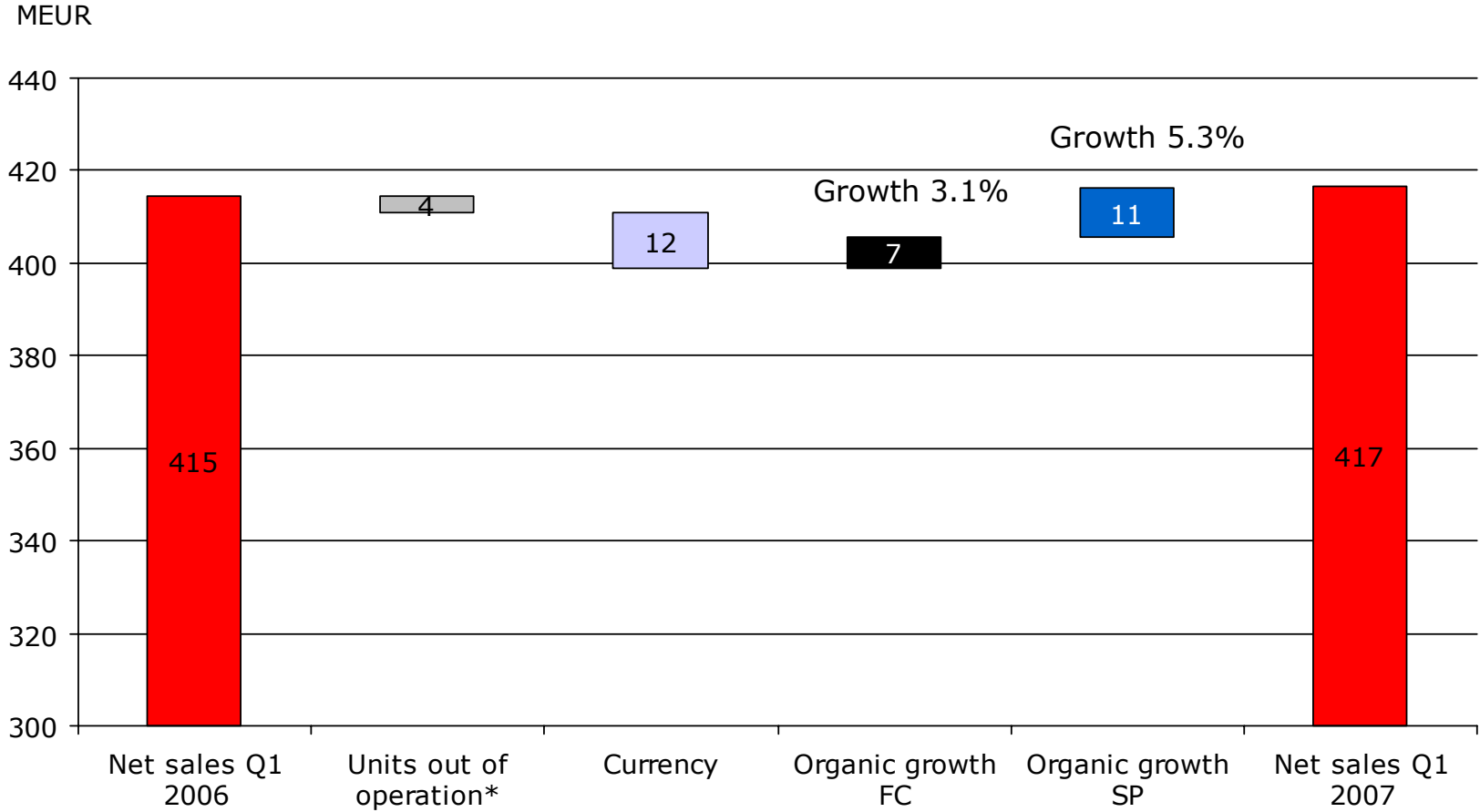
Investment start-ups

- Specialty glassfiber reinforcement plant ramping up, USA, EUR 10 million
- Wiping fabrics spunlace line ramping up, USA, EUR 30 million
- Renewal of glass furnace and increased production capacity of glassfiber reinforcement machine, Finland, EUR 6 million

Difficult business environment continued

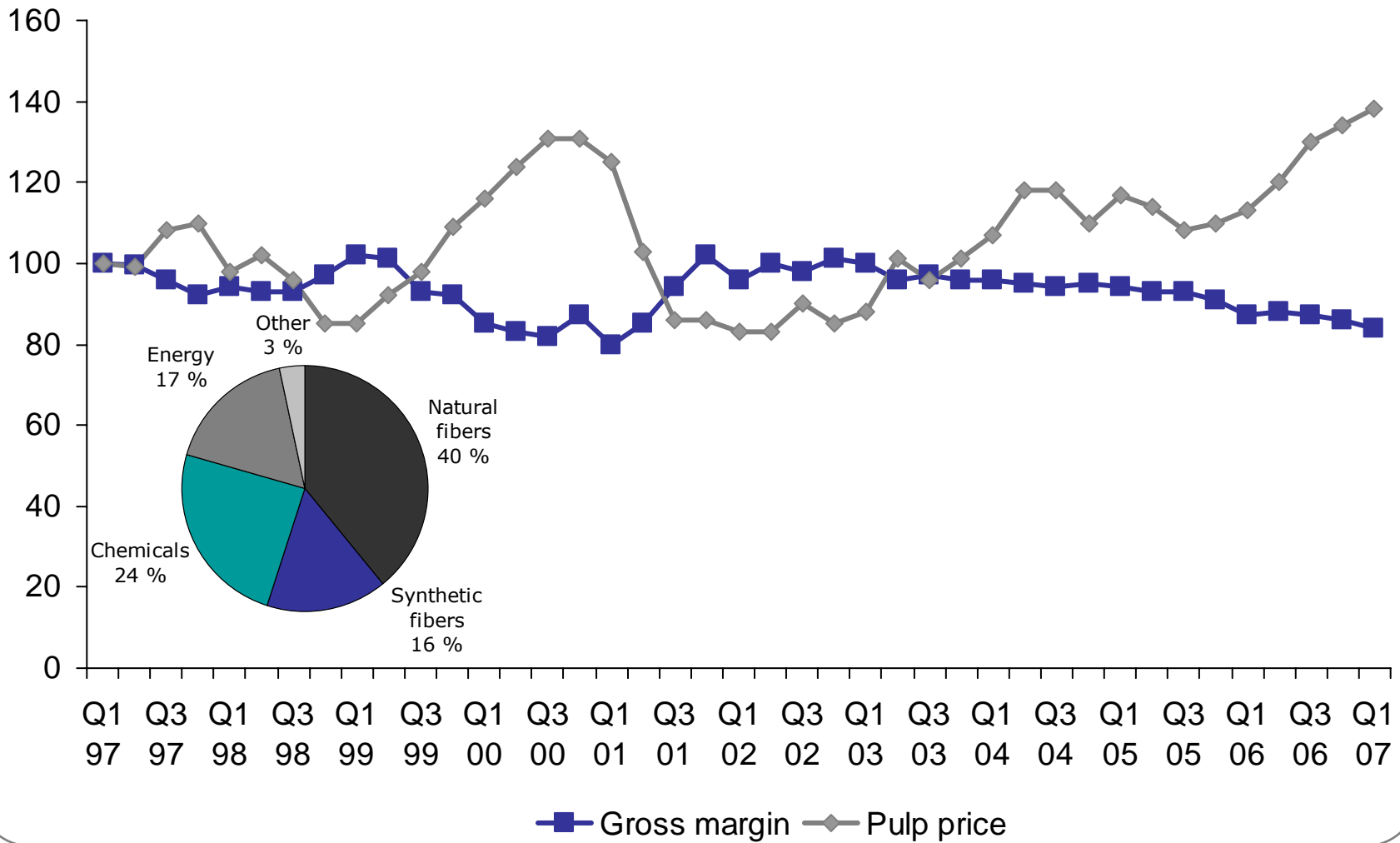
- Demand continued good, except for North American market for air filtration, affected by weakness of housing markets
- Prices for Ahlstrom's main raw materials continued to increase:
 - Average USD market price for NBSK pulp was approx. 22% higher than in Q1 2006 and 4% higher than in Q4 2006. Short fiber prices (BHKP) increased by 11% and 1% respectively.
 - Synthetic fibers and chemical prices showed mixed development
- Energy cost decline visible in latter part of Q1

Net sales growth by driver, EUR million



*Karhula investment stop

Gross margin remained under pressure

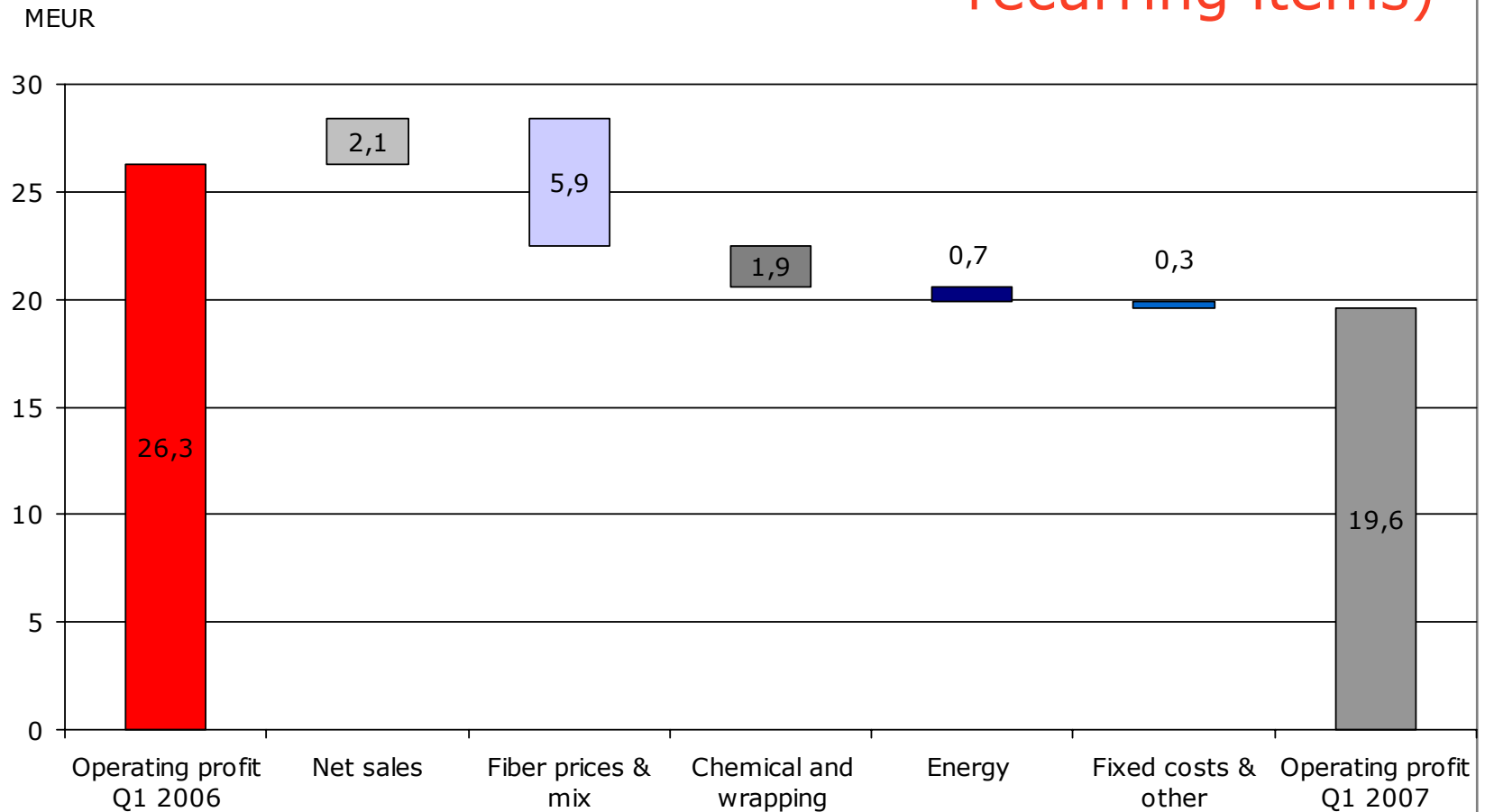


© Ahlstrom

Small fibers. Big difference.



Change in operating profit (excluding non-recurring items)

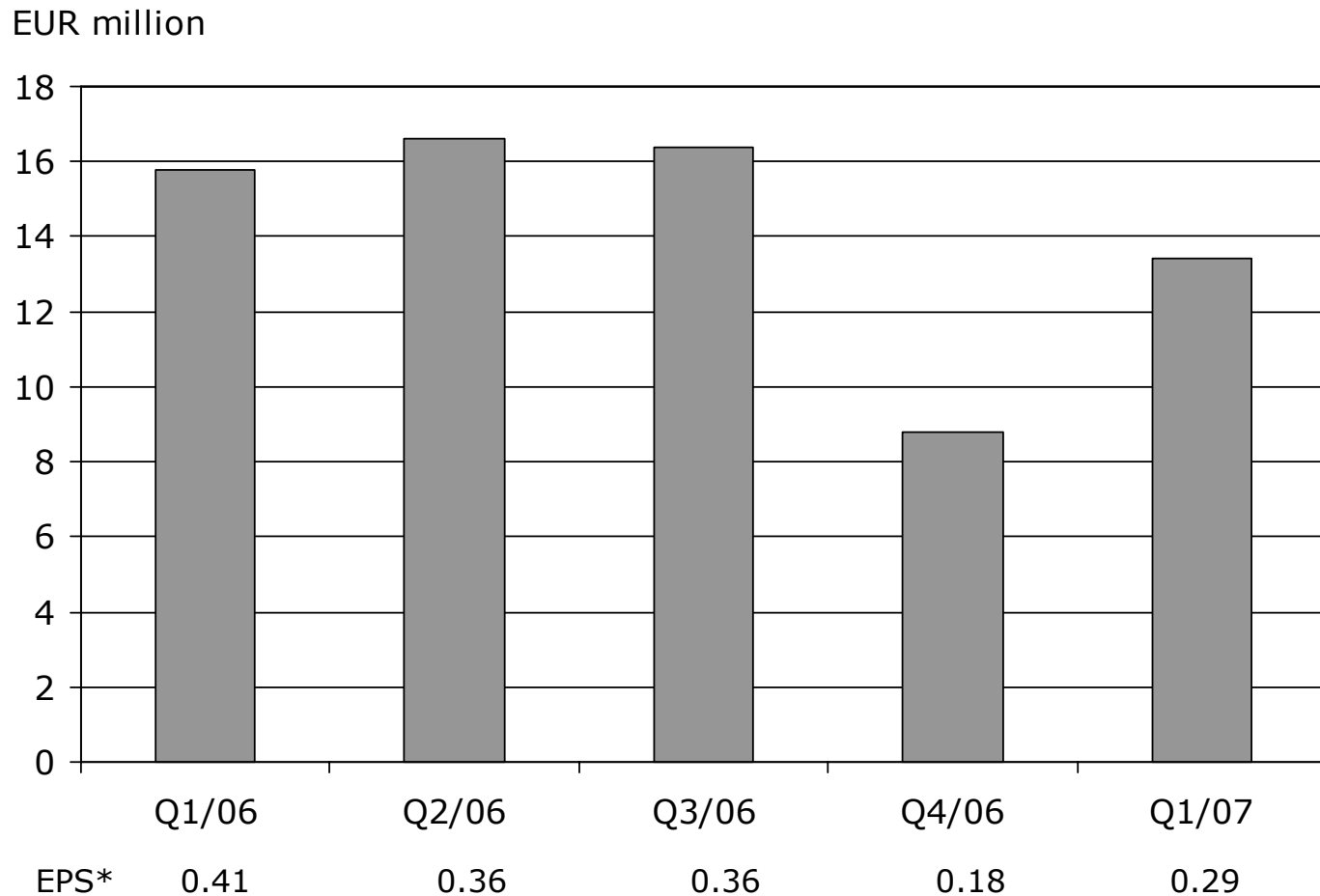


Fixed cost reduction continues

Restructurings	Annualized savings EUR million	Impact starting
• Nümbrecht plant closure, Germany	2-3	Q1
• Converting of liquid filtration moved to South Carolina	1.5	Q2
• Restructuring measures (UK, Korea, France)	1.0	Q2
• Defined benefit plan & other	1.5	Q2
Total	6-7	

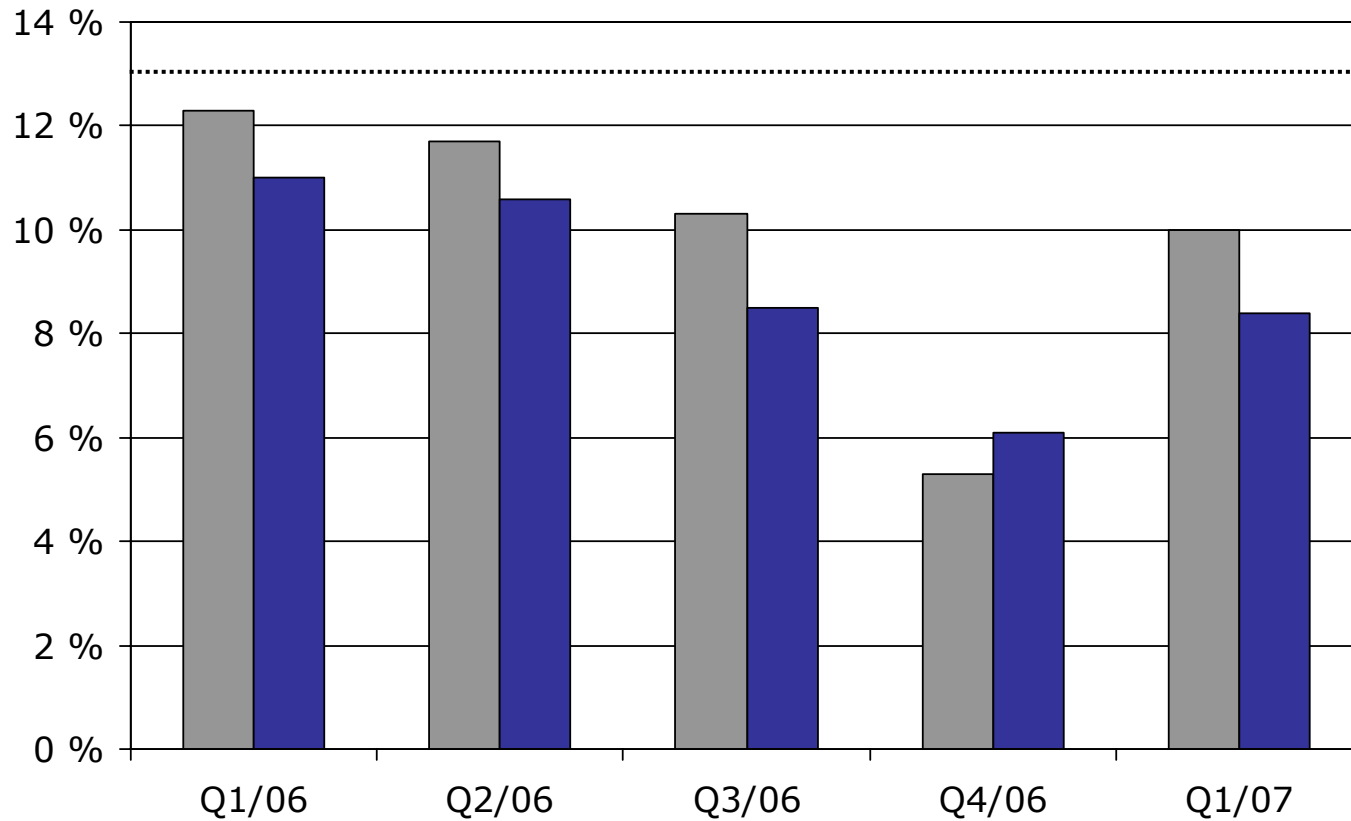
➤ **Includes reduction of 60-65 people**

Profit for the period, EUR million



* Share related indicators are not fully comparable due to the dilution effect of the issue of new shares in March, 2006

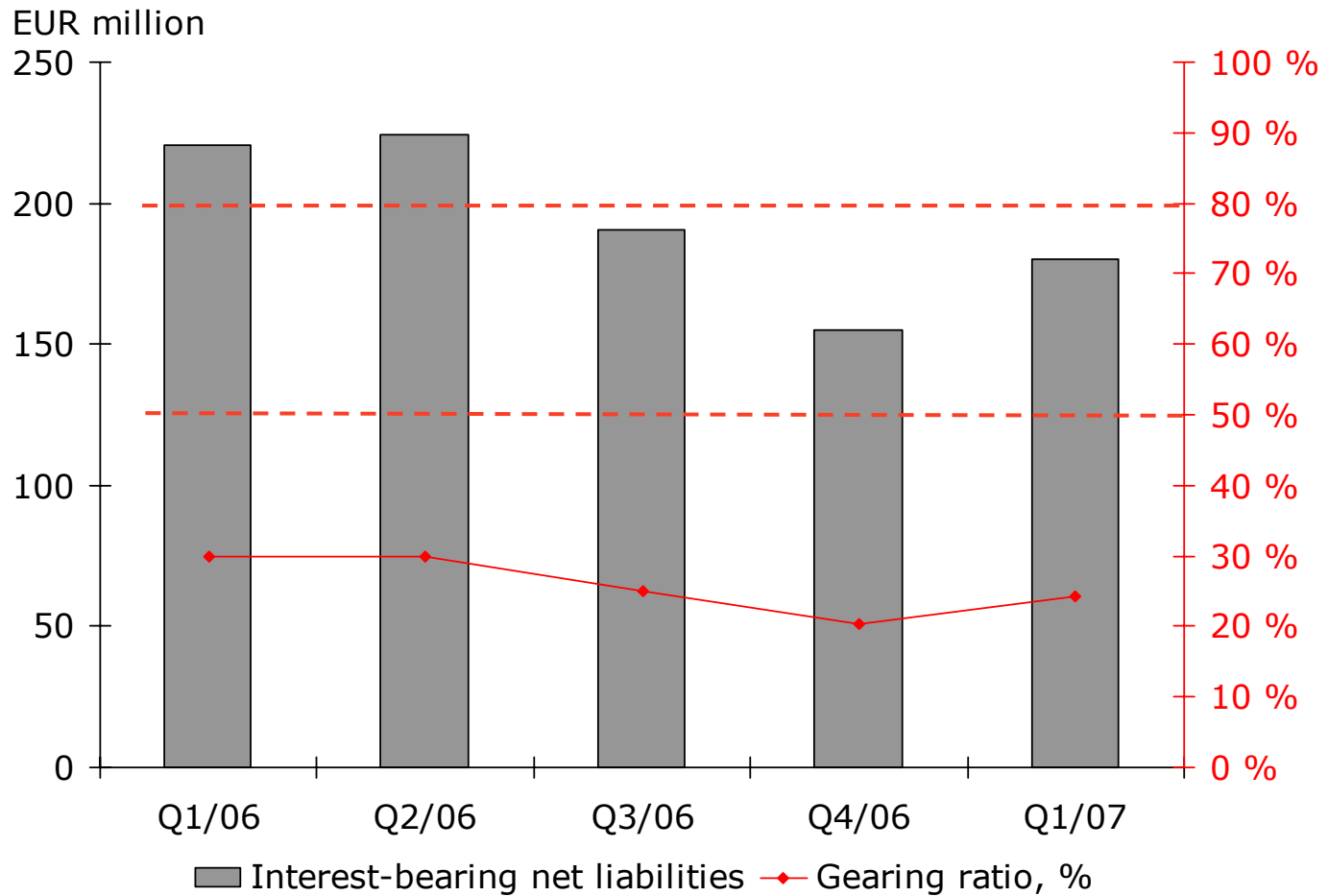
Return on capital employed (ROCE), %



■ Excl. non-recurring items

Target: Minimum 13%

Interest-bearing net liabilities and gearing ratio



Target: 50%-80%

FiberComposites segment – Highlights Q1 2007

	Q1 2007	Q1 2006	2006
Net sales, EUR million	206.4	212.7	808.2
Operating profit excl. non-recurring items, EUR million	13.4	15.9	54.1
Operating profit excl. non-recurring items, %	6.5	7.5	6.7
Return on Net Assets excl. non-recurring items (RONA), %	8.5	10.3	8.9











- 3 acquisitions announced adding annualized net sales of approx. EUR 200 million
- Ahlstrom to become the third largest producer of nonwoven roll goods globally
- Price increases achieved in all business areas but weak USD affected net sales (> 60% of top line non-euro denominated)
- Operating profit negatively impacted by EUR 2 million due to ramp-up of two lines and investment stop
- Investment of EUR 5 million announced in new drylaid air filtration line, USA

Specialty Papers segment - Highlights Q1 2007

	Q1 2007	Q1 2006	2006
Net sales, EUR million	211.4	203.3	794.0
Operating profit excl. non-recurring items, EUR million	8.6	13.0	36.4
Operating profit excl. non-recurring items, %	4.1	6.4	4.6
Return on Net Assets excl. non-recurring items (RONA), %	10.7	17.1	11.8

- Volume growth in both business areas, price increases achieved in technical papers while label and packaging paper prices were flat or declining
- Operating profit continued to be impacted by increasing pulp prices
- Memorandum of Understanding to form Joint Venture with Votorantim Celulose e Papel for specialty paper production in Brazil, annual net sales approx. EUR 100 million
- Increase of release base paper production capacity at the La Gère, France plant to take place in Q2, (equivalent in size with Turin, Italy investment, January 2006)

Development by business area

Business area	Volumes (Q1/07 vs. Q1/06)	Prices (Q1/07 vs. Q4/06)	Outlook Q2
Nonwovens			<ul style="list-style-type: none"> •Stable demand in all product lines with slight strengthening of wipes demand
Filtration			<ul style="list-style-type: none"> •Cautiously optimistic demand expectations despite of uncertainty in North America
Glass Nonwovens			<ul style="list-style-type: none"> •Good demand expected in all main applications (windmill, marine, flooring)
Label & Packaging Papers			<ul style="list-style-type: none"> •Good demand in release liners and labels driven by peak season in beverage industry, flexpack market challenging, sales price pressure remains
Technical Papers			<ul style="list-style-type: none"> •Good demand in all product lines with improved demand in abrasive base, wall paper and calender bowl businesses

2007 will be a year of implementing growth investments

- **Integration of acquisitions**
 - Nonwovens (wiping fabrics): Orlandi, Fiberweb
 - Filtration: Fabriano
 - Label and Packaging Papers: Joint Venture with VCP

⇒ **Closing of acquisitions anticipated in Q2**
- **New organic growth investments**
 - Capacity expansion of release base papers, La Gère, France, Q2
 - Dust filtration line, Wuxi, China, Q3
 - Glassfiber tissue plant, Tver, Russia, Q4
 - Industrial nonwovens line, Brignoud, France, Q4
- **Full year capex excl. acquisitions estimated to exceed 2006 level by 10-20%**

Outlook Q2-Q3 2007

- Demand in Europe expected to remain good, main markets being Germany, France, and Italy
- Demand anticipated to be stable in USA, however, low visibility
- South America and Asia expected to develop well due to the positive GDP development
- Costs for fibers and chemicals expected to remain at the current high level or increase, but at a lower rate than in 2006
- Energy costs started to decline during the first quarter and are expected to decrease further
- Sales price increases and cost reductions implemented to offset effect of the raw material cost escalation

This presentation contains certain forward-looking statements that reflect the present views of the company's management. Due to the nature of these statements, they contain uncertainties and risks and are subject to changes in the general economic situation and in the company's business.

CMD 2007

- Ahlstrom's first Capital Markets Day to be held on May 30, 2007 starting at 12.00 at our head office, Eteläesplanadi 14, 2nd floor, Helsinki and ending at 17.30 followed by a dinner at Restaurant Savoy
- The CMD will focus on Ahlstrom's recent growth investments and acquisitions, raw material sourcing, strategy and business outlook
- Please register by May 11

Anna Ahlberg

Investor Relations Manager

Tel: +358 10 888 4718

Fax: +358 10 888 4799

anna.ahlberg@ahlstrom.com

Appendix

Non-recurring items Q1 2007

Non-recurring items	Q1 2007
----------------------------	----------------

Non-recurring gains	MEUR
----------------------------	-------------

Sale of assets	8.7
----------------	-----

	8.7
--	------------

Non recurring costs	
----------------------------	--

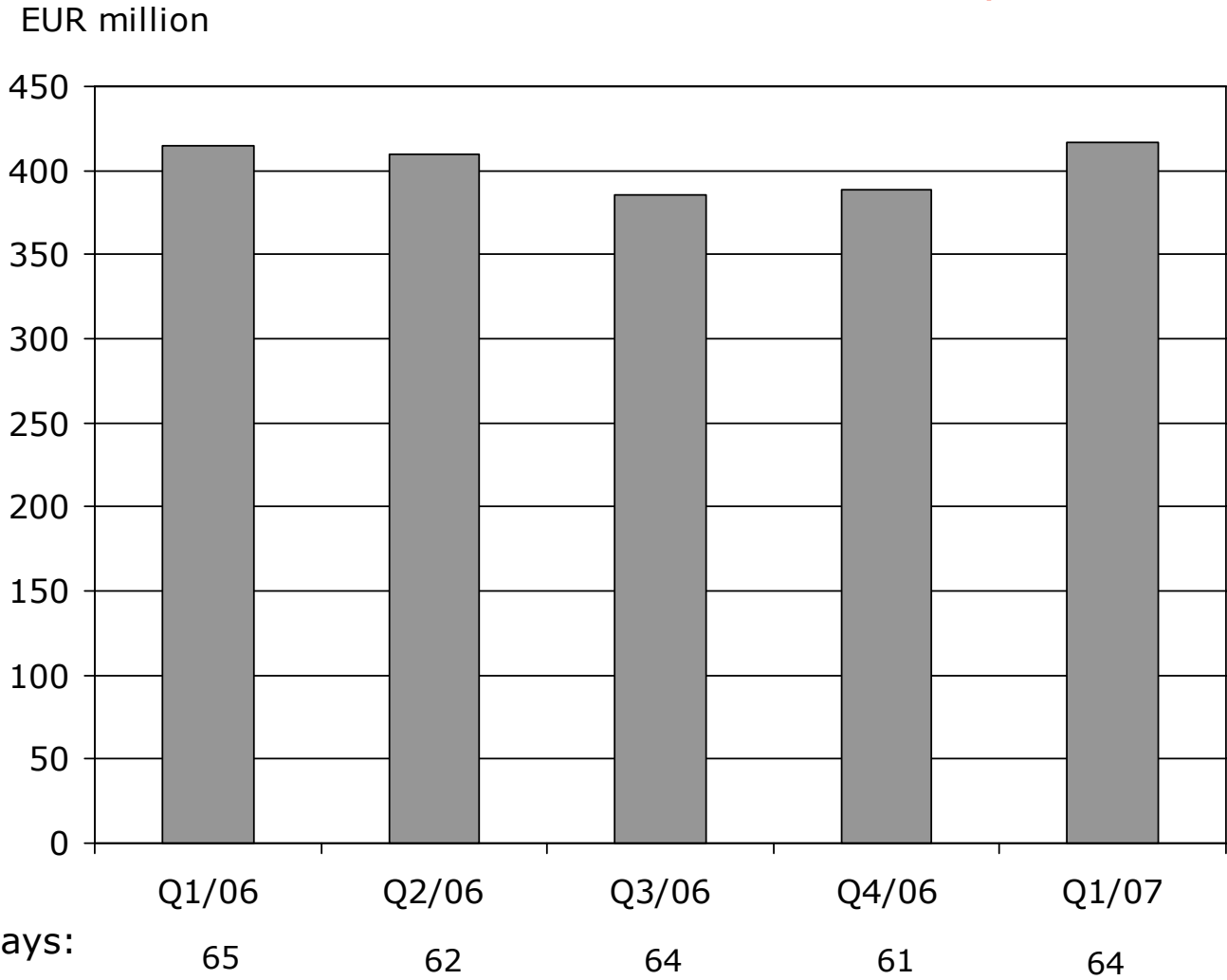
Restructuring measures	-2.3
------------------------	------

Termination of historical liabilities	-2.6
---------------------------------------	------

	-4.9
--	-------------

Net non-recurring gains	3.8
--------------------------------	------------

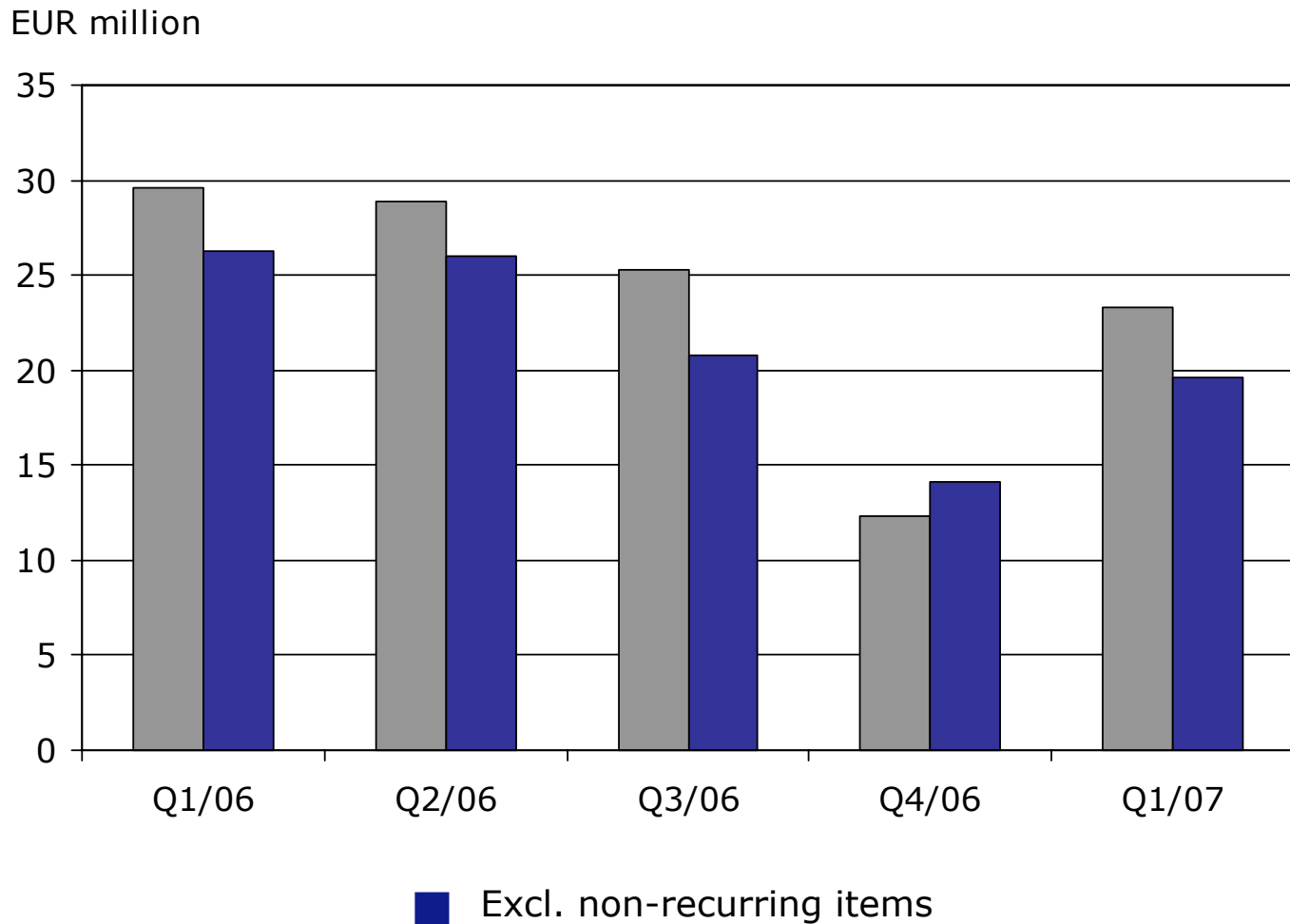
Net sales, EUR million



© Ahlstrom

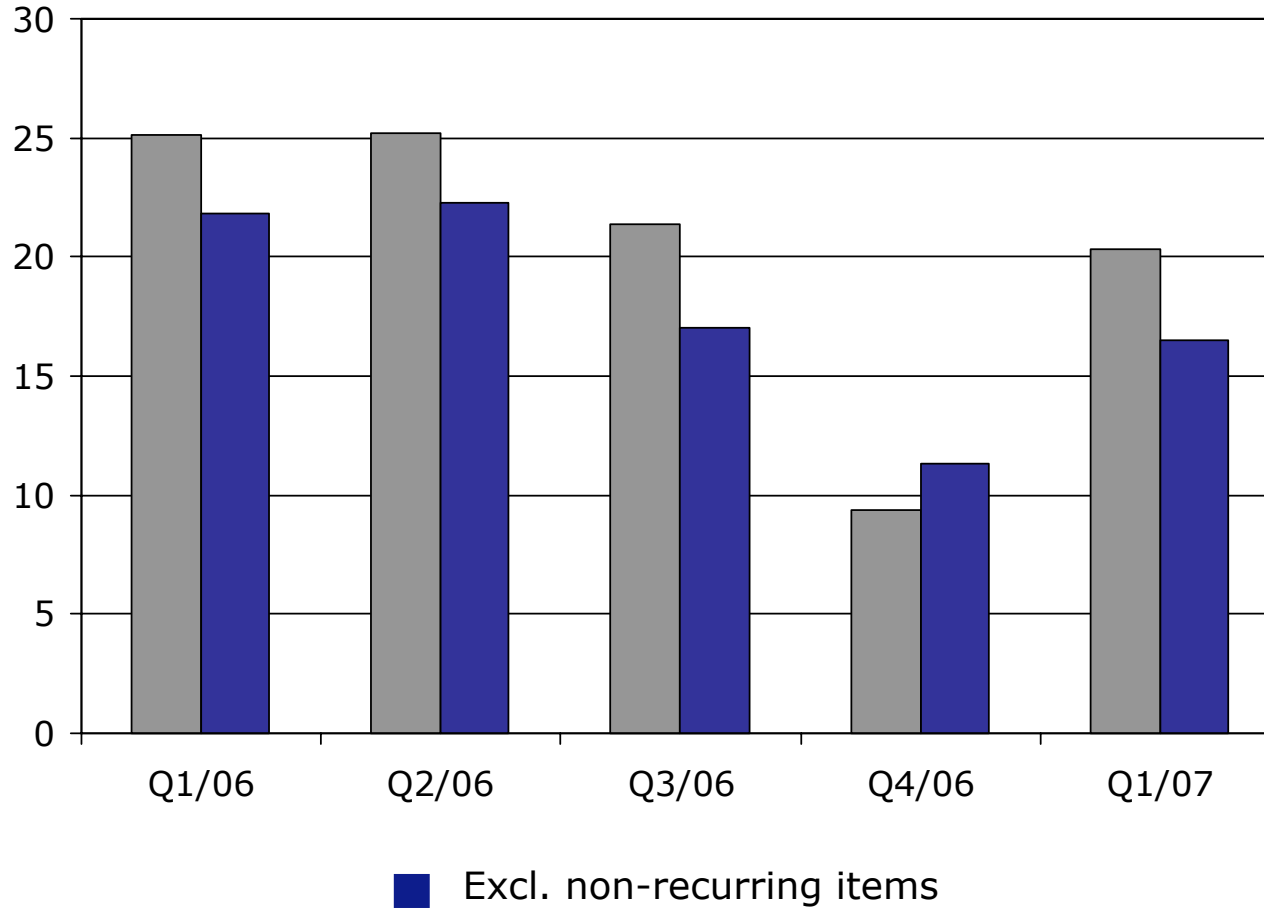


Operating profit, EUR million

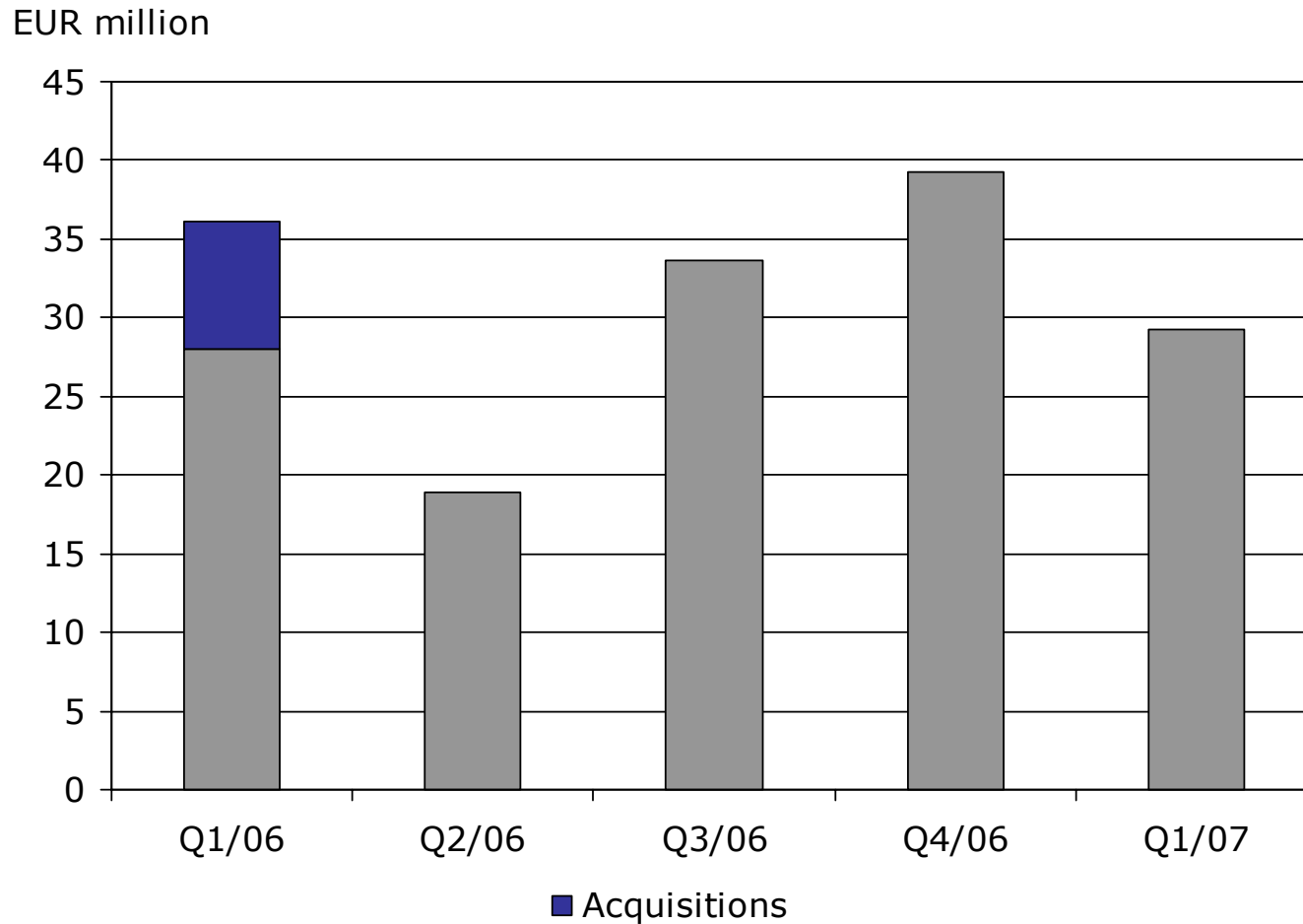


Profit before taxes, EUR million

EUR million



Investments, EUR million



Global growth initiatives to continue in 2007

Investment	Business area	Start-up	MEUR
La Gère, France, release liner capacity expansion	Label & Packaging	Q2/2007	30
Wuxi, China, needlepunch line for dust filtration	Filtration	Q3/2007	4
Tver, Russia, glassfiber tissue plant	Glass Nonwovens	Q4/2007	38
Brignoud, France, needlepunch line for industrial nonwovens	Nonwovens	Q4/2007	6
Louveira, Brazil, spunlace line for wipes	Nonwovens	Q1/2008	17
Texas, USA, air filter media line	Filtration	Q1/2008	5
Chirside, UK, spunmelt line for infusion materials	Nonwovens	Q4/2008	27



Ahlstrom