

# Interim Report

January – June 2006

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Ahlstrom Corporation STOCK EXCHANGE RELEASE 27.7.2006 at 9.00

## Ahlstrom Corporation Interim Report January-June 2006: Growth in net sales with stable profitability

**Ahlstrom, a leader in high performance fiber-based materials, reports a slightly decreased operating profit for the second quarter at EUR 28.9 million (Q2/2005: EUR 30.3 million), representing a 7.1% margin (7.5%). Net sales increased in the second quarter to EUR 409.6 million (EUR 402.8 million). Return on capital employed (ROCE) was 11.7% (12.1%). Profit for the period improved by 16% and amounted to EUR 16.6 million (EUR 14.4 million).**

### April - June 2006 in brief

- Net sales, adjusted for divestments, grew by 3.8% and sales volumes by 2.0%.
- Raw material and energy prices continued to increase.
- Profit before taxes remained nearly unchanged and was EUR 25.2 million. ROCE was 11.7%.
- Ahlstrom announced an investment of approximately EUR 5 million in a new specialty glassfiber reinforcement plant in the USA.

### Key figures

EUR million	Q2/ 2006	Q2/ 2005	Q1-Q2/ 2006	Q1-Q2/ 2005	2005
Net sales	<b>409.6</b>	402.8	<b>824.2</b>	787.1	1,552.6
Operating profit	<b>28.9</b>	30.3	<b>58.5</b>	58.9	117.2
Operating profit excl. non-recurring items	<b>26.0</b>	28.4	<b>52.3</b>	55.6	99.0
Profit before taxes	<b>25.2</b>	25.4	<b>50.3</b>	52.4	100.7
Profit for the period	<b>16.6</b>	14.4	<b>32.4</b>	32.4	62.6
Net cash flow from operating activities	<b>11.3</b>	25.9	<b>37.2</b>	37.1	126.6
Gearing ratio, %	<b>30.0</b>	65.4	<b>30.0</b>	65.4	57.7
Return on capital employed (ROCE), %	<b>11.7</b>	12.1	<b>12.4</b>	12.1	12.4
Cash earnings per share, EUR	<b>0.21</b>	0.71	<b>0.89</b>	1.02	3.48
Earnings per share, EUR	<b>0.36</b>	0.40	<b>0.77</b>	0.89	1.71
Average number of shares during the period, 1000s	<b>45,587</b>	36,418	<b>41,977</b>	36,418	36,418

**Jukka Moisio**, President and CEO of Ahlstrom Corporation, comments on the second quarter result:

- Ahlstrom's net sales of continuing operations grew by 4% and volumes by 2%. Operating profit declined slightly and ROCE was 11.7%. We faced continued increases in raw material and energy prices. In this market environment, the Ahlstrom team achieved a reasonably good performance and I am pleased that we were able to improve our profit for the period by 16%.

- In the review period, we continued to increase our sales prices and reduce costs to offset the impact of the more expensive raw materials on our margins. We also worked on growth investments and announced a decision to build a glass nonwoven facility in the USA to serve windmill and marine industries. Our divestment program of non-core assets continued. In June, we divested a property in Germany. After the review period, we sold our 35.5% shareholding in the Sonoco-Alcore joint venture to Sonoco in July. The sale further simplifies Ahlstrom's corporate structure.

## Ahlstrom Group: Interim report January 1 - June 30, 2006

All comparable figures in this report refer to the same period last year unless otherwise stated.

### Financial performance in April – June 2006

The Group's operating profit for the second quarter of 2006 decreased by 4.7% and amounted to EUR 28.9 million (Q2/2005: EUR 30.3 million). Excluding the non-recurring gain of EUR 2.9 million related to the sale of the real estate in Germany, operating profit was EUR 26.0 million (EUR 28.4 million). The decrease in operating profit was mainly due to the increases in raw material and energy costs.

Profit for the period was EUR 16.6 million (EUR 14.4 million). Earnings per share (EPS) decreased to EUR 0.36 (EUR 0.40) due to the issue of new shares in March, 2006.

Net sales grew by 1.7% and amounted to EUR 409.6 million (EUR 402.8 million). Net sales of continuing operations (adjusted for the divestment of PM1 at the Kauttua, Finland plant) increased by 3.8% from the same period last year. Comparable sales volumes (adjusted for the divestment) improved by 2.0%. Growth was mainly driven by the organic investments and acquisitions made in 2005 and higher sales prices. The weakening of the US dollar during the first six months in 2006 decreased Ahlstrom's net sales by approximately 2% in the second quarter compared with the first three months of the year.

Total net financial expenses were EUR 4.1 million (EUR 4.5 million). Net interest expenses totaled EUR 2.3 million (EUR 2.9 million). Foreign exchange losses on financial items were EUR 1.4 million (loss of EUR 1.0 million).

Ahlstrom's share of the profits of associated companies amounted to EUR 0.4 million (a loss of EUR 0.4 million).

Profit before taxes remained nearly unchanged and amounted to EUR 25.2 million (EUR 25.4 million). Income tax expenses decreased to EUR 8.6 million (EUR 11.1 million). Return on capital employed (ROCE) was 11.7% (12.1%) and return on equity (ROE) 9.0% (9.6%).

### Financial performance in January – June 2006

The Group's operating profit for the first six months of 2006 amounted to EUR 58.5 million (H1/2005: EUR 58.9 million). Excluding the non-recurring items related to asset sales, operating profit for the first half-year was EUR 52.3 million (EUR 55.6 million).

Profit for the period remained at last year's level and amounted to EUR 32.4 million (EUR 32.4 million). Ahlstrom's earnings per share (EPS) decreased to EUR 0.77 (EUR 0.89) due to the issue of new shares in March, 2006.

Increased raw material and energy costs had a negative impact on Ahlstrom's profitability. In addition, the investment standstill at the Turin, Italy plant in January decreased Ahlstrom's operating profit by approximately EUR 2.5 million. The integration expenses related to the closure of the New Windsor, USA plant and to the acquisitions made at the end of 2005 and in early 2006 also had a negative impact on profitability.

Net sales in January–June 2006 grew by 4.7% to EUR 824.2 million (EUR 787.1 million). Net sales of continuing operations (adjusted for the divestment of PM1 at the Kauttua, Finland plant) increased by 7.1% from the same period last year. Comparable sales volumes grew by 2.8%. Sales growth was mainly attributable to the organic investments and acquisitions made in 2005, the strengthening of the US dollar compared with the corresponding period last year and increased sales prices. In addition, the product mix shifted towards higher value products.

Total net financial expenses were EUR 8.6 million (EUR 6.9 million). Net interest expenses totaled EUR 4.5 million (EUR 5.6 million). Foreign exchange losses on financial items, mainly attributable to increased costs of hedging the Group's foreign currency exposure (equity hedging), were EUR 3.1 million (losses of EUR 0.8 million). Ahlstrom has initiated actions to decrease the level of equity hedging.

Ahlstrom's share of the profits of associated companies amounted to EUR 0.4 million (EUR 0.3 million).

Profit before taxes was EUR 50.3 million (EUR 52.4 million). Income tax expenses totaled EUR 17.9 million (EUR 20.0 million). Return on capital employed (ROCE) was 12.4% (12.1%) and return on equity (ROE) 9.7% (11.0%).

### Financing and financial position in January - June

Net cash flow from operating activities in the first half-year amounted to EUR 37.2 million (EUR 37.1 million).

Interest-bearing net liabilities decreased by EUR 116.6 million and amounted to EUR 224.0 million (December 31, 2005: EUR 340.6 million) mainly due to the Initial Public Offering.

Gearing ratio was 30.0% (December 31, 2005: 57.7%) and the equity ratio 53.3% (December 31, 2005: 43.2%).

### Capital expenditure and acquisitions

Capital expenditure and acquisitions for January-June amounted to EUR 55.0 million (EUR 20.6 million). The full-year capital expenditure for Ahlstrom Group, excluding acquisitions, is expected to be significantly above the 2005 level (EUR 73.2 million).

In January, Ahlstrom acquired specialty nonwovens manufacturer HRS Textiles Inc., based in Darlington, SC, USA, serving mainly the North American air and liquid filtration markets. The transaction added approximately EUR 17 million of annualized net sales to Ahlstrom's filtration business.

In January, Ahlstrom announced its decision to invest approximately EUR 2 million in an expansion of production capacity of filtration media at its Tampere, Finland plant. The investment further strengthens the plant's position as an important developer and manufacturer of advanced filtration media.

In March, Ahlstrom announced an investment of EUR 38 million in a new glassfiber tissue plant in Redkino, Tver, Russia. The plant will in the first phase concentrate on specialty glassfiber tissue production, but the site also enables future expansions of Ahlstrom's businesses in Russia. The new plant will commence production during the fourth quarter of 2007. When fully operational, the plant will employ approximately 70 people.

In May, Ahlstrom started new capabilities for the production of cotton-containing spunlace products at its Green Bay, WI, USA plant.

A new nanofiber filtration production line in the Madisonville, USA plant was started successfully in June.

In June, Ahlstrom announced that it will invest approximately EUR 5 million in a new specialty glassfiber reinforcement plant in the USA. The investment further strengthens Ahlstrom's position as a leading global developer and manufacturer of specialty reinforcements for wind energy, marine, transportation and other technically demanding markets. The investment will consist of new machinery and building located in Darlington, South Carolina, USA, where Ahlstrom's Filtration business area already operates a plant. The plant is estimated to start production in early 2007.

### Divestments

In June, Ahlstrom sold a property in Hochheim, Germany to AERO Pump Vermögensverwaltungs GmbH & Co. KG for EUR 4.2 million and booked a capital gain of EUR 2.9 million in the second quarter of 2006. The sold property consists of a land area of approximately 26,000 m<sup>2</sup> and one warehouse building. The sale was consistent with Ahlstrom's strategy to focus on the development and manufacture of fiber-based materials and to divest non-core assets.

### Personnel

At the end of June 2006, Ahlstrom had 5,831 employees (5,708). The average number of employees during the first year-half was 5,661 (5,688).

### Change in the Corporate Executive Team

Ahlstrom's Senior Vice President, Technology, **Patrick Jeambar**, M.Sc. (Paper Eng.), MBA, assumed a new role as leader of the Technical Papers business area as of June 26, 2006. Mr. Jeambar continues on the Corporate Executive Team and also as leader of the Innovation as well as Health, Safety and Environment (HSEA) functions of Ahlstrom. The former leader of the Technical Papers business area, **Leif Frilund**, serves Ahlstrom with other responsibilities.

## Shares and share capital

In the second quarter, a total of 5,000 new shares of Ahlstrom Corporation were subscribed with option rights under the company's stock option program I (2001). A corresponding increase of 7,500 euros in Ahlstrom's share capital was entered in the Trade Register on June 21, 2006. The new shares were traded on the Helsinki Stock Exchange as old shares as of June 22, 2006.

In total 269,978 stock options were redeemed during the second quarter as requested by the option holders in accordance with the terms and conditions of the stock option programs (2001). On June 30, 2006, the number of options entitling to subscription of Ahlstrom shares was 1,078,871.

At the end of June, the total number of Ahlstrom shares was 45,591,737 with a nominal value of EUR 1.50 per share. Thus, the share capital amounted to EUR 68,387,605.50. Together with the stock options, the number of shares may increase to a maximum of 46,670,608.

At present, the Board of Directors does not have an authorization to buy back company shares or to issue convertible bonds, share options, or new shares.

Trading with Ahlstrom share commenced on the Pre list of the Helsinki Stock Exchange on March 14, 2006 and on the Main list on March 17, 2006. The lowest trading price during the second quarter was EUR 20.45 and the highest EUR 24.60. Closing price on June 30, 2006 was EUR 21.48 and market capitalization EUR 979.3 million.

Equity per share of Ahlstrom Group was EUR 16.36 (December 31, 2005: EUR 16.21).

## Events after the review period

Ahlstrom announced on July 24, 2006 that it sells its 35.5 per cent shareholding in the Sonoco-Alcore joint venture to Sonoco for EUR 39.5 million. Ahlstrom will book a capital gain of approximately EUR 3 million from the sale in the third quarter 2006.

The transaction supports Ahlstrom's strategy to focus on fiber-based materials and to divest non-core assets. Including this transaction, Ahlstrom has to date sold non-core assets amounting to EUR 44 million in 2006.

Sonoco-Alcore produces coreboard and cores and tubes for industrial use. Today, the joint venture consists of 28 tube and core plants and 6 paper mills. Total net sales for the joint venture in 2005 were approximately EUR 270 million.

## Outlook

Demand in Europe is expected to improve during the second half from the level of the first half-year of 2006. In the Americas, growth is anticipated to slow down while demand in Asian markets is expected to remain at a good level. The growth investments and add-on acquisitions implemented in 2005 and 2006 will increase Ahlstrom's sales volumes in 2006.

Ahlstrom expects its full-year net sales of continuing operations to grow compared with the level of 2005. Energy and raw material costs are anticipated to remain at the current high levels or rise, maintaining pressure on margins. Sales price increases and cost reductions are aimed to offset the effect of expensive raw materials and energy and to improve profitability.

Ahlstrom continues to work with growth initiatives especially in Asia, Russia and the Americas in line with its business strategy.

### **Financial information in 2006**

Interim report January–September: October 27, 2006

This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS). Comparable figures refer to the same period last year unless otherwise stated.

This report is unaudited.

Helsinki, July 27, 2006

Ahlstrom Corporation  
Board of Directors

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An international conference call will be held on Thursday, July 27, 2006 at 11.00 Finnish time. To participate in the teleconference, please dial +44 (0) 20 7162 0025 a few minutes before the call. Use the password: Ahlstrom. A replay number is available until July 31, 2006. The number for the replay is + 44 (0) 20 7031 4064, access code: 713321.

The presentation material will be available at [www.ahlstrom.com](http://www.ahlstrom.com) > Investors > IR Presentations on July 27, 2006 immediately after the interim report has been published.

This report 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.

#### Distribution:

Helsinki Stock Exchange  
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Ahlstrom's stock exchange and press releases can be ordered on [www.ahlstrom.com](http://www.ahlstrom.com) > Media. Releases are delivered by e-mail.

### **Ahlstrom in brief**

Ahlstrom is a global leader in the development, manufacture and marketing of high performance fiber-based materials. Nonwovens and specialty papers, made by Ahlstrom, are used in a large variety of everyday products, e.g. in filters, wipes, flooring, labels and tapes. The company has a strong market position in several business areas in which it operates, built upon the company's unique fiber expertise and innovative approach. Ahlstrom's 5,800 employees serve customers via sales offices and production facilities in more than 20 countries on six continents. In 2005, Ahlstrom's net sales amounted to EUR 1.55 billion. Ahlstrom share is listed on the main list of the Helsinki Stock Exchange. The company website is [www.ahlstrom.com](http://www.ahlstrom.com).

### **Appendices**

1. Segment reviews
2. Financial statements



## Appendix 1

### Segment reviews

#### FiberComposites segment

##### Key figures

EUR million	Q2/ 2006	Q2/ 2005	Change, %	Q1-Q2/ 2006	Q1-Q2/ 2005	2005
Net sales	<b>204.9</b>	193.3	6.0	<b>417.6</b>	369.6	742.3
Operating profit	<b>13.9</b>	17.3	-19.7	<b>29.7</b>	30.8	65.5
Operating profit, %	<b>6.8</b>	8.9		<b>7.1</b>	8.3	8.8
Return on net assets (RONA), %	<b>9.0</b>	11.6		<b>9.7</b>	10.6	11.3

Net sales of the FiberComposites segment were EUR 204.9 million (EUR 193.3 million) in the second quarter of 2006, showing an increase of 6.0%. Sales volumes grew by 4.3%. The growth in sales was mainly attributable to solid demand for filtration materials and glass nonwovens.

Operating profit of the segment decreased by 19.7% and amounted to EUR 13.9 million (EUR 17.3 million). Increased energy and raw material costs had an adverse impact on the segment's profitability.

#### Nonwovens business area (23% of the Group's net sales)

Ahlstrom's Nonwovens business area serves customers in the food packaging, medical, wiping, building and industrial nonwovens markets.

Overall market conditions for Ahlstrom's nonwovens remained unchanged in the second quarter, with the exception of a slight softening of the North American demand late in the quarter.

Sales volumes of the business area fell by 7% and net sales by 3% compared with the second quarter of 2005. The decline in sales was mainly due to the slower demand for certain wipes products.

Raw material costs continued to rise during the second quarter, which had a negative impact on the business area's margins. The business area has implemented price increases in certain product areas to offset the effect of the increased raw material costs and to secure its margins.

A pick-up in demand for wipes and medical nonwovens is anticipated for the second half of 2006. The investment in a new wipes machine at the Green Bay, USA plant is proceeding according to plan and is scheduled to start in January 2007.

### Filtration business area (21% of the Group's net sales)

Filtration materials produced by Ahlstrom are used in the transportation industry and in liquid and air filtration applications.

General market conditions remained steady during the second quarter of 2006, although the demand varied by geographic area and by application.

Sales volumes increased by 9% and net sales by 15% in the second quarter of 2006 compared with the corresponding period last year. The growth was driven particularly by strong demand in the Latin American and Asian markets. Furthermore, the businesses acquired in late 2005 and early 2006 bring additional volumes for Ahlstrom in 2006.

The business area was able to increase its sales prices in all geographic regions and most product areas during the second quarter, which partially compensated for the high raw material and energy costs. Unfavorable currency rates (Korean won / US dollar) continued to negatively affect the business area's result.

A new nanofiber filtration production line in the Madisonville, USA plant was started successfully in June and commercial sales is anticipated to begin in September, 2006.

Investment in a logistics platform offering warehousing, converting and packaging for all filtration customers in Wuxi, China was completed during the second quarter.

The market for filtration materials is expected to remain stable in the coming months.

### Glass Nonwovens business area (7% of the Group's net sales)

Ahlstrom's Glass Nonwovens business area serves the reinforcement, specialty reinforcement, and glass tissue markets.

Favorable market conditions, particularly in the windmill and marine businesses, continued in the second quarter despite tough price competition.

Sales volumes grew by 19% and net sales by 13% during the second quarter of 2006 compared with the same period in 2005, reflecting the impact of competition on sales prices. To partially compensate for the high energy and raw material costs, the business area announced price increases. The increased costs were also to a degree offset by productivity improvements.

Ahlstrom announced in the second quarter that it will invest approximately EUR 5.2 million in a new specialty glassfiber reinforcement plant in the USA. The investment further strengthens Ahlstrom's position in wind energy, marine, transportation and other technically demanding markets. The plant is estimated to start production in early 2007.

The EUR 38 million investment in a new glassfiber tissue plant in Redkino, Russia is proceeding on schedule. The new plant is estimated to start production in the fourth quarter of 2007.

Demand for Ahlstrom's glass nonwovens is anticipated to continue solid in the near future. The investments in Mikkeli and Karhula plants will support the business area's ability to better serve its customers.

## Specialty Papers segment

### Key figures

EUR million	Q2/ 2006	Q2/ 2005	Change, %	Q1-Q2/ 2006	Q1-Q2/ 2005	2005
Net sales	<b>205.2</b>	211.2	-2.8	<b>408.5</b>	420.3	814.7
Operating profit	<b>10.3</b>	12.7	-18.9	<b>23.3</b>	27.6	57.7
Operating profit, %	<b>5.0</b>	6.0		<b>5.7</b>	6.6	7.1
Return on net assets (RONA), %	<b>13.1</b>	15.4		<b>15.2</b>	17.0	18.7

Net sales of the Specialty Papers segment decreased slightly in the second quarter and amounted to EUR 205.2 million (EUR 211.2 million). Sales volumes fell by 3.8%. The corresponding period includes the PM1 at the Kauttua, Finland plant that was sold to Jujo Thermal Ltd in August 2005. Consequently, the production line was excluded from Ahlstrom's accounts as of September 1, 2005. Net sales of the continuing operations grew by 1.2% and sales volumes by 1.0%.

Operating profit of the segment was EUR 10.3 million (EUR 12.7 million), showing a decrease of 18.9%. The segment's profitability was negatively impacted by increases in energy and raw material costs. In addition, the one-month standstill caused by a fatal accident at PM1 in the Stenay, France plant affected profitability.

### Label and Packaging Papers business area (32% of the Group's net sales)

The business area consists of release base papers and packaging and label papers businesses. Its main products include release base papers, face stock papers, wet glue label papers, metalizing base papers, flexible packaging papers and office & graphic papers.

The demand for release base papers continued solid. The market for face stock papers as well as office and graphic papers remained steady. The demand for metalizing label papers increased as the high season of the beverage industry began. The market situation of the wet glue label papers also improved, but remained very challenging with pressure on sales prices. Demand for flexible packaging papers varied by application.

Sales volumes of the business area decreased by 7% and net sales by 5% compared with the second quarter of 2005. The decline in sales was mainly due to the sale of the PM1 of the Kauttua, Finland plant in August 2005 and to the one-month standstill at Stenay, France plant's PM1. Sales in market areas with the fastest growth, such as Asia and Latin America, developed very positively.

Prices of energy and raw materials continued to rise also in the second quarter, which put pressure on margins. The business area increased the prices of its wet glue label papers in May and continues to implement price increases also in other product lines to compensate for this development.

The EUR 30 million investment in the expansion of the production capacity of release base papers at the La Gère, France plant has been rescheduled from January to April 2007.

Demand for release base papers is estimated to remain solid in the coming months. In wet glue and metalizing label papers, demand is expected to slow down towards the end of the third quarter. The market environment for flexible packaging papers remains challenging.

#### Technical Papers (17% of the Group's net sales)

The main products of the Technical Papers business area are abrasive base papers, crepe papers (such as masking tape base), pre-impregnated decor papers, coated papers (e.g. wallpaper base and poster papers) as well as vegetable parchment papers. The business area's main markets include the furniture and home decoration, healthcare, food and automotive industries.

Overall demand for technical papers grew from last year's level, but the general overcapacity in various market segments continues to put pressure on sales prices. The market situation improved particularly in pre-impregnated decor papers, wallpapers and in sealing & shielding applications. The demand for vegetable parchment weakened due to a slow down in the tubes businesses and in bakery applications in the USA.

Sales volumes increased by 4% and net sales by 2% from the second quarter of 2005. The growth was mainly attributable to improved market conditions as well as an active sales and product development policy, resulting in gains in market share.

The business area has been able to partially compensate for the increased raw material costs by improving internal efficiency, but the upward trend in energy prices had a negative impact on margins. The business area is currently implementing sales price increases.

In June, Ahlstrom announced it will lay temporarily off the 16 blue collar workers at its Kauttua, Finland plant as of July 15 until September 10, 2006. The layoffs are targeted to adjust Ahlstrom's production volumes of crepe paper to match the current demand and stock levels. The layoffs will not affect the deliveries of crepe paper to customers.

Demand for Ahlstrom's technical papers is expected to remain solid in the coming months, with the exception of the crepe papers and vegetable parchment for tubes. The business area continues actions to improve its efficiency and to reduce costs.

## Appendix 2

### CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

#### ACCOUNTING PRINCIPLES

*This report has been prepared in accordance with the IFRS, the accounting policies set out in IAS 34 (Interim Financial Reporting) and in the Group's Financial Statements for 2005.*

<b>INCOME STATEMENT</b>	<b>Q2</b>	<b>Q2</b>	<b>Q1-Q2</b>	<b>Q1-Q2</b>	<b>Q1-Q4</b>
Eur million	<b>2006</b>	2005	<b>2006</b>	2005	2005
<b>Net sales</b>	<b>409.6</b>	402.8	<b>824.2</b>	787.1	1,552.6
Other operating income	<b>8.5</b>	4.4	<b>18.8</b>	7.1	30.8
Expenses	<b>-368.7</b>	-355.6	<b>-744.2</b>	-693.6	-1,382.4
Depreciation, amortization and impairment charges	<b>-20.5</b>	-21.3	<b>-40.2</b>	-41.6	-83.8
<b>Operating profit</b>	<b>28.9</b>	30.3	<b>58.5</b>	58.9	117.2
Share of profit of associated companies	<b>0.4</b>	-0.4	<b>0.4</b>	0.3	0.4
Net financial expenses	<b>-4.1</b>	-4.5	<b>-8.6</b>	-6.9	-16.8
<b>Profit before tax</b>	<b>25.2</b>	25.4	<b>50.3</b>	52.4	100.7
Income tax	<b>-8.6</b>	-11.1	<b>-17.9</b>	-20.0	-38.1
<b>Profit for the period</b>	<b>16.6</b>	14.4	<b>32.4</b>	32.4	62.6
Attributable to					
Equity holders of the parent	<b>16.5</b>	14.3	<b>32.3</b>	32.3	62.4
Minority interest	<b>0.1</b>	0.0	<b>0.1</b>	0.1	0.2
Basic earnings per share, EUR	<b>0.36</b>	0.40	<b>0.77</b>	0.89	1.71
Diluted earnings per share, EUR	<b>0.36</b>	0.39	<b>0.76</b>	0.88	1.67

<b>BALANCE SHEET</b>	<b>Jun 30,</b>	Jun 30,	Dec 31,
Eur million	<b>2006</b>	2005	2005
<b>ASSETS</b>			
Property, plant and equipment	<b>575.7</b>	583.3	577.4
Goodwill	<b>103.4</b>	103.7	108.6
Other intangible assets	<b>35.5</b>	44.9	39.0
Investment property	<b>2.8</b>	3.8	4.0
Investments in associated companies	<b>49.4</b>	49.3	49.4
Other investments	<b>0.2</b>	2.9	2.9
Other receivables	<b>6.8</b>	4.8	4.9
Deferred tax assets	<b>25.2</b>	33.2	32.2
<b>Total non-current assets</b>	<b>799.1</b>	825.9	818.4
Inventories	<b>205.2</b>	218.4	212.6
Trade and other receivables	<b>377.3</b>	396.2	320.2
Other investments	<b>0.0</b>	0.3	0.0
Cash and cash equivalents	<b>17.0</b>	25.3	16.0
<b>Total current assets</b>	<b>599.6</b>	640.2	548.8
<b>Total assets</b>	<b>1,398.6</b>	1,466.2	1,367.2
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent	<b>745.0</b>	594.1	589.7
Minority interest	<b>0.8</b>	0.9	0.8
<b>Total equity</b>	<b>745.8</b>	595.0	590.5
<b>Liabilities</b>			
Interest-bearing loans and borrowings	<b>69.4</b>	136.8	119.6
Employee benefit obligations	<b>113.1</b>	112.8	112.8
Provisions	<b>3.7</b>	3.7	3.7
Other liabilities	<b>0.5</b>	0.2	0.4
Deferred tax liabilities	<b>24.5</b>	19.9	26.3
<b>Total non-current liabilities</b>	<b>211.2</b>	273.4	262.8
Interest-bearing loans and borrowings	<b>171.6</b>	277.6	237.0
Trade and other payables	<b>258.9</b>	302.7	263.6
Provisions	<b>11.1</b>	17.5	13.3
<b>Total current liabilities</b>	<b>441.7</b>	597.8	513.9
<b>Total equity and liabilities</b>	<b>1,398.6</b>	1,466.2	1,367.2

**STATEMENT OF CHANGES IN EQUITY**

Eur million	Issued capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Minority interest	Total equity
<b>Equity at Dec 31, 2005</b>	<b>55</b>	<b>27</b>	<b>1</b>	<b>4</b>	<b>504</b>	<b>1</b>	<b>590</b>
Dividends paid					-65	0	-65
Translation adjustment*				-3			-3
Share issue	14	183					196
Profit for the period					32	0	32
Other			-1		-4		-5
<b>Equity at June 30, 2006</b>	<b>68</b>	<b>209</b>	<b>0</b>	<b>1</b>	<b>467</b>	<b>1</b>	<b>746</b>

\* Translation adjustment after equity hedging, net of tax

STATEMENT OF CASH FLOWS	Q2	Q2	Q1-Q2	Q1-Q2	Q1-Q4
Eur million	2006	2005	2006	2005	2005
Cash from operations before change in working capital	<b>46.3</b>	52.8	<b>95.8</b>	100.8	179.6
Change in working capital	<b>-16.5</b>	-10.5	<b>-27.9</b>	-40.4	-15.2
<b>Cash generated from operating activities</b>	<b>29.8</b>	42.3	<b>67.9</b>	60.4	164.4
Financial items	<b>-1.9</b>	-17.3	<b>-8.8</b>	-20.9	-28.4
Income taxes	<b>-16.6</b>	0.9	<b>-21.9</b>	-2.4	-9.4
<b>Net cash from operating activities</b>	<b>11.3</b>	25.9	<b>37.2</b>	37.1	126.6
Purchases of property, plant and equipment	<b>-22.6</b>	-11.9	<b>-52.1</b>	-22.5	-55.4
Acquisition of group companies	<b>0.0</b>	-0.3	<b>-8.0</b>	-0.3	-10.8
Other investing activities	<b>13.3</b>	3.0	<b>0.9</b>	22.9	55.4
<b>Cash flow before financing activities</b>	<b>2.0</b>	16.7	<b>-22.0</b>	37.2	115.8
Share issue	<b>-0.2</b>	-	<b>194.5</b>	-	-
Dividends paid	<b>-0.1</b>	-27.4	<b>-65.3</b>	-27.4	-62.8
Other financing activities	<b>-54.1</b>	19.7	<b>-106.0</b>	-4.5	-57.1
<b>Net change in cash and cash equivalents</b>	<b>-52.5</b>	9.0	<b>1.1</b>	5.3	-4.1

<b>KEY FIGURES</b>	<b>Q2</b>	Q2	<b>Q1-Q2</b>	Q1-Q2	Q1-Q4
	<b>2006</b>	2005	<b>2006</b>	2005	2005
Operating profit, %	<b>7.1</b>	7.5	<b>7.1</b>	7.5	7.5
Return on capital employed (ROCE), %	<b>11.7</b>	12.1	<b>12.4</b>	12.1	12.4
Return on equity (ROE), %	<b>9.0</b>	9.6	<b>9.7</b>	11.0	10.7
Interest-bearing net liabilities, EUR million	<b>224.0</b>	388.8	<b>224.0</b>	388.8	340.6
Equity ratio, %	<b>53.3</b>	40.6	<b>53.3</b>	40.6	43.2
Gearing ratio, %	<b>30.0</b>	65.4	<b>30.0</b>	65.4	57.7
Earnings per share, EUR	<b>0.36</b>	0.40	<b>0.77</b>	0.89	1.71
Earnings per share, diluted, EUR	<b>0.36</b>	0.39	<b>0.76</b>	0.88	1.67
Equity per share, EUR	<b>16.36</b>	16.34	<b>16.36</b>	16.34	16.21
Cash earnings per share, EUR	<b>0.21</b>	0.71	<b>0.89</b>	1.02	3.48
Average number of shares during the period, 1000's	<b>45,587</b>	36,418	<b>41,977</b>	36,418	36,418
Number of shares at the end of the period, 1000's	<b>45,592</b>	36,418	<b>45,592</b>	36,418	36,418
Capital expenditure, EUR million	<b>18.9</b>	11.6	<b>47.0</b>	20.3	62.4
Capital employed, at the end of the period, EUR million	<b>986.8</b>	1,009.4	<b>986.8</b>	1,009.4	947.1
Number of employees, average	<b>5,740</b>	5,655	<b>5,661</b>	5,688	5,605

Calculation of key figures: [www.ahlstrom.com](http://www.ahlstrom.com)



<b>QUARTERLY DATA</b>	Q1	Q2	Q3	Q4	Q1	Q2
Eur million	2005	2005	2005	2005	2006	2006
<b>Net sales</b>	384.2	402.8	381.9	383.6	414.6	<b>409.6</b>
Other operating income *	1.3	2.5	4.9	1.5	7.0	<b>5.6</b>
Expenses *	-338.0	-355.6	-344.2	-342.6	-375.5	<b>-368.7</b>
Depreciation, amortization, impairment charges *	-20.3	-21.3	-21.3	-20.5	-19.8	<b>-20.5</b>
Non-recurring items	1.3	2.0	12.4	2.5	3.3	<b>2.9</b>
<b>Operating profit</b>	28.6	30.3	33.7	24.5	29.6	<b>28.9</b>
Share of profit of associated companies	0.8	-0.4	0.6	-0.6	-0.0	<b>0.4</b>
Net financial expenses	-2.4	-4.5	-5.1	-4.8	-4.5	<b>-4.1</b>
<b>Profit before tax</b>	27.0	25.4	29.2	19.1	25.1	<b>25.2</b>
Income tax	-8.9	-11.1	-11.0	-7.2	-9.3	<b>-8.6</b>
<b>Profit for the period</b>	18.0	14.4	18.3	11.9	15.8	<b>16.6</b>
Attributable to						
Equity holders of the parent	18.0	14.3	18.2	11.9	15.8	<b>16.5</b>
Minority interest	0.0	0.0	0.1	0.0	0.0	<b>0.1</b>
Operating profit *	27.3	28.4	21.3	22.0	26.3	26.0
Operating profit, % *	7.1	7.0	5.6	5.7	6.3	6.4

\* Excluding non-recurring items

**QUARTERLY DATA BY SEGMENT**

	Q1	Q2	Q3	Q4	Q1	Q2
Eur million	2005	2005	2005	2005	2006	2006
<b>Net sales</b>						
FiberComposites	176.3	193.3	183.3	189.4	212.7	<b>204.9</b>
Specialty Papers	209.1	211.2	199.1	195.3	203.3	<b>205.2</b>
Other operations and eliminations	-1.2	-1.6	-0.5	-1.2	-1.5	<b>-0.5</b>
<b>Group total</b>	<b>384.2</b>	<b>402.8</b>	<b>381.9</b>	<b>383.6</b>	<b>414.6</b>	<b>409.6</b>

<b>Operating profit</b>						
FiberComposites	13.5	17.3	20.9	13.8	15.9	<b>13.9</b>
Specialty Papers	14.8	12.7	21.9	8.2	13.0	<b>10.3</b>
Other operations and eliminations	0.3	0.3	-9.1	2.5	0.7	<b>4.8</b>
<b>Group total</b>	<b>28.6</b>	<b>30.3</b>	<b>33.7</b>	<b>24.5</b>	<b>29.6</b>	<b>28.9</b>

<b>Operating profit excluding non-recurring items</b>						
FiberComposites	12.5	17.2	17.8	15.2	15.9	<b>13.9</b>
Specialty Papers	14.5	12.0	8.3	8.2	13.0	<b>10.3</b>
Other operations and eliminations	0.3	-0.8	-4.7	-1.4	-2.6	<b>1.9</b>
<b>Total</b>	<b>27.3</b>	<b>28.4</b>	<b>21.3</b>	<b>22.0</b>	<b>26.3</b>	<b>26.0</b>
Non-recurring items	1.3	2.0	12.4	2.5	3.3	<b>2.9</b>
<b>Group total</b>	<b>28.6</b>	<b>30.3</b>	<b>33.7</b>	<b>24.5</b>	<b>29.6</b>	<b>28.9</b>

<b>OPERATING LEASES</b>	<b>Jun 30,</b>	Jun 30,	Dec 31,
Eur million	<b>2006</b>	2005	2005
Current portion	<b>12.8</b>	3.3	4.6
Non-current portion	<b>19.9</b>	11.3	23.6
<b>Total</b>	<b>32.7</b>	14.6	28.2

<b>CONTINGENT LIABILITIES</b>	<b>Jun 30,</b>	Jun 30,	Dec 31,
Eur million	<b>2006</b>	2005	2005
<b>For own liabilities</b>			
Loans from financing institutions			
Amount of loans	-	-	0.2
Amount of mortgages	<b>0.0</b>	-	0.2
Other loans			
Amount of loans	<b>1.7</b>	-	3.3
Book value of pledges	<b>2.0</b>	-	3.6
<b>For other own commitments</b>			
Guarantees	<b>21.9</b>	39.3	24.1
<b>For commitments of associated companies</b>			
Guarantees	<b>8.3</b>	-	8.3
<b>For commitments of third parties</b>			
Guarantees	-	-	-
<b>Capital expenditure commitments</b>	<b>61.5</b>	-	11.2
<b>Other contingent liabilities</b>	<b>4.6</b>	3.5	8.4

**DERIVATIVE FINANCIAL INSTRUMENTS \***

Eur million	Jun 30, 2006		Jun 30, 2005		Dec 31, 2005	
<b>Fair values **</b>	<b>Posi- tive</b>	<b>Nega- tive</b>	Posi- tive	Nega- tive	Posi- tive	Nega- tive
<b>Hedge accounting</b>						
Interest rate swaps	0.5	-	0.4	-	0.8	-0.1
Foreign exchange forward contracts	4.0	-0.6	2.0	-3.3	0.4	-2.3
<b>Total</b>	<b>4.5</b>	<b>-0.6</b>	2.4	-3.3	1.2	-2.4
<b>Non-hedge accounting</b>						
Interest rate swaps	0.9	-	0.1	-0.1	-	-
Foreign exchange forward contracts	1.6	-0.5	2.8	-5.1	1.7	-2.3
<b>Total</b>	<b>2.5</b>	<b>-0.5</b>	2.8	-5.3	1.7	-2.3
<b>Nominal values</b>						
	<b>Jun 30, 2006</b>		Jun 30, 2005		Dec 31, 2005	
Interest rate swaps	64.3		78.8		67.4	
Foreign exchange forward contracts	454.5		513.6		434.6	
Options bought	-		3.5		-	
Options sold	-		3.5		-	
<b>Total</b>	<b>518.9</b>		599.4		502.0	

\* The values illustrate the extent of the hedging activities and do not as such measure the risk exposure of Ahlstrom.

\*\* The fair values of interest rate swaps are based on actually quoted market rates at period ends.

The fair values of all other financial instruments have been calculated from prevailing market rates at period ends.