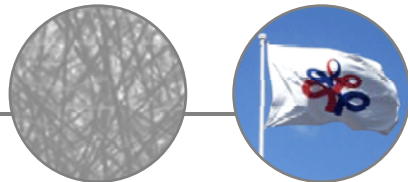


Ahlstrom Capital Markets Day

Sourcing
Risto Anttonen
May 30, 2007
Helsinki

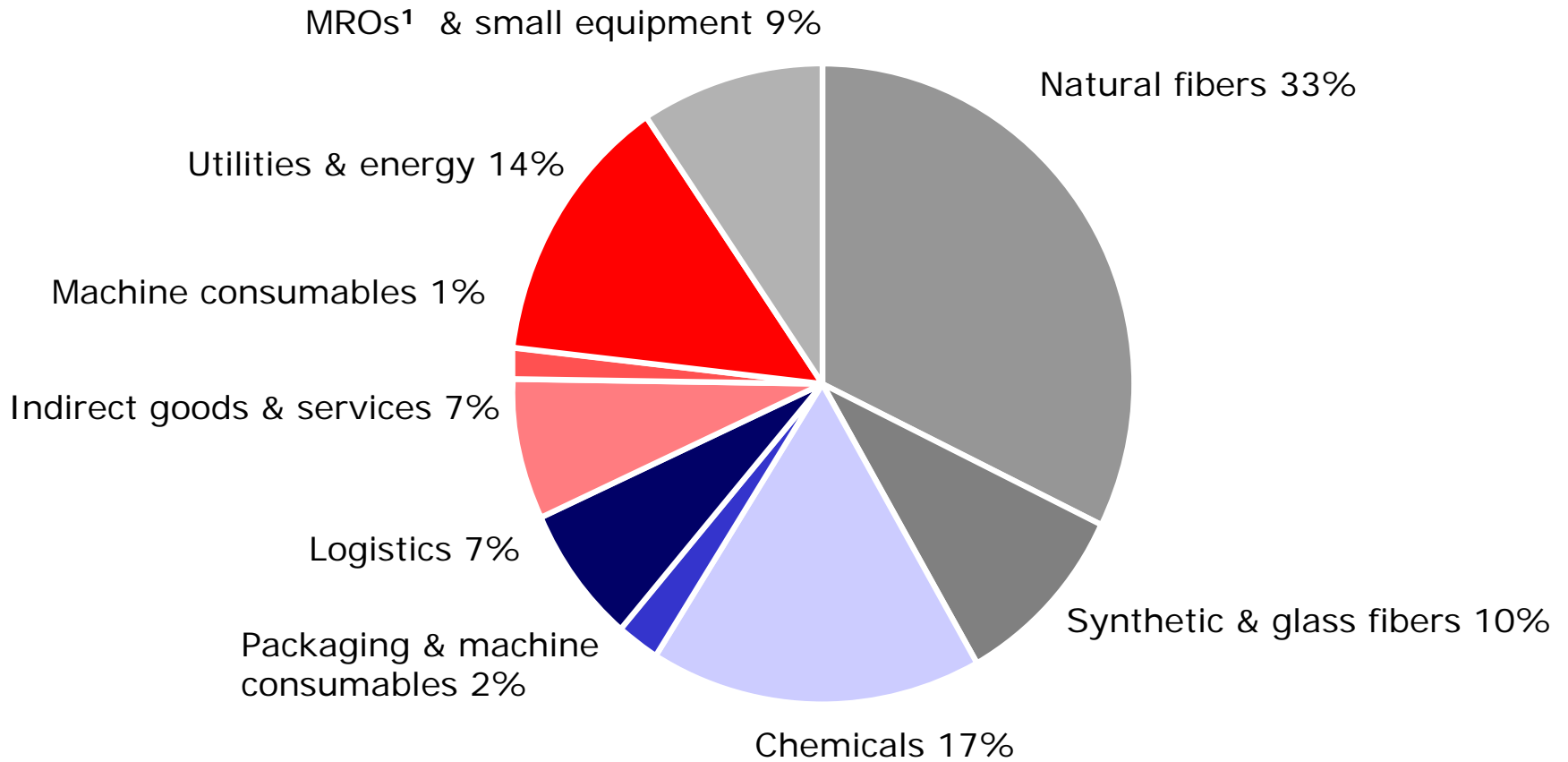


Small fibers. Big difference.

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Total spend 1.1 billion



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¹ Maintenance, repair and operations

Small fibers. Big difference.



Increased focus on preferred suppliers – examples

Number of suppliers			Comment
Total supplier base			<ul style="list-style-type: none"> • Agreements with preferred suppliers include <ul style="list-style-type: none"> - guaranteed supply volumes - volume rebates - collar and firm prices - consignment stocks - innovation programs
	2002	2006	
Woodpulp	103	43	
Synthetic fibers	70	80	
Chemicals	300	<200	
Preferred suppliers in 2006			<ul style="list-style-type: none"> • Aim: 60% to 80% of total spend to preferred suppliers
	Number	Share of spend %	
Woodpulp	8	81	
Synthetic fibers	12	61	
Chemicals	13	45	

Ahlstrom's purchasing organization combines global and local strengths

Level	Personnel	Function/comments
Corporate purchasing	1+1 persons	<ul style="list-style-type: none"> • Global Purchasing Strategy • Implementation with the regional teams • Close cooperation with business areas and sites
Sourcing group purchasing	5 persons	
Regional purchasing	19 persons	<ul style="list-style-type: none"> • Implementation of purchasing strategy and policies in a region/business area • Communication/information sharing with business management and local procurement & logistics staffs
Local purchasing	42 plants 26 sales offices 3 offices	

Ahlstrom uses approx. 500 different fiber grades

Natural fibers

Abaca	Jute
Cotton Linters	Kenaf
Cotton Short Cut	Sisal

Wood pulp

Birch	Red Cedar
CTMP HWD	Sawdust
CTMP SWD	SBSK
Euca	SSSK
Mercerized	Sulphite
MWH	TMP
NBSK	UKP
Radiata	

Synthetic fibers

Acrylic	Polyester
Aramid	Polyethylene
BiComponents	Polypropylene
Nylon	Rayon
Polyamide	Tencel

Glass fibers

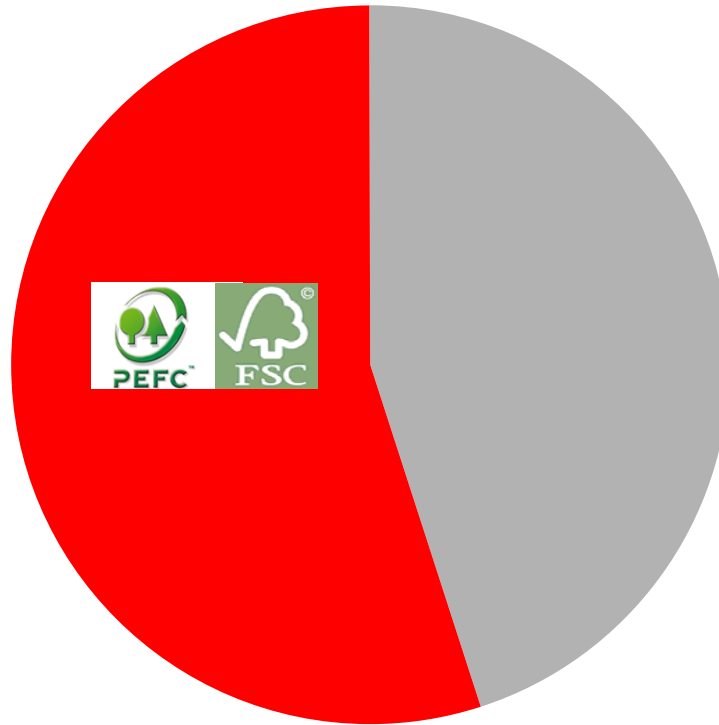
Recovered fibers

DIP	Rag
Office paper, recycled	UB kraftliner
Poly/Cotton	Wallpaper, recycled
Polyester	

➤ For example: wood pulp has 157 different grades

Natural fibers

Ahlstrom uses pulp from certified forests

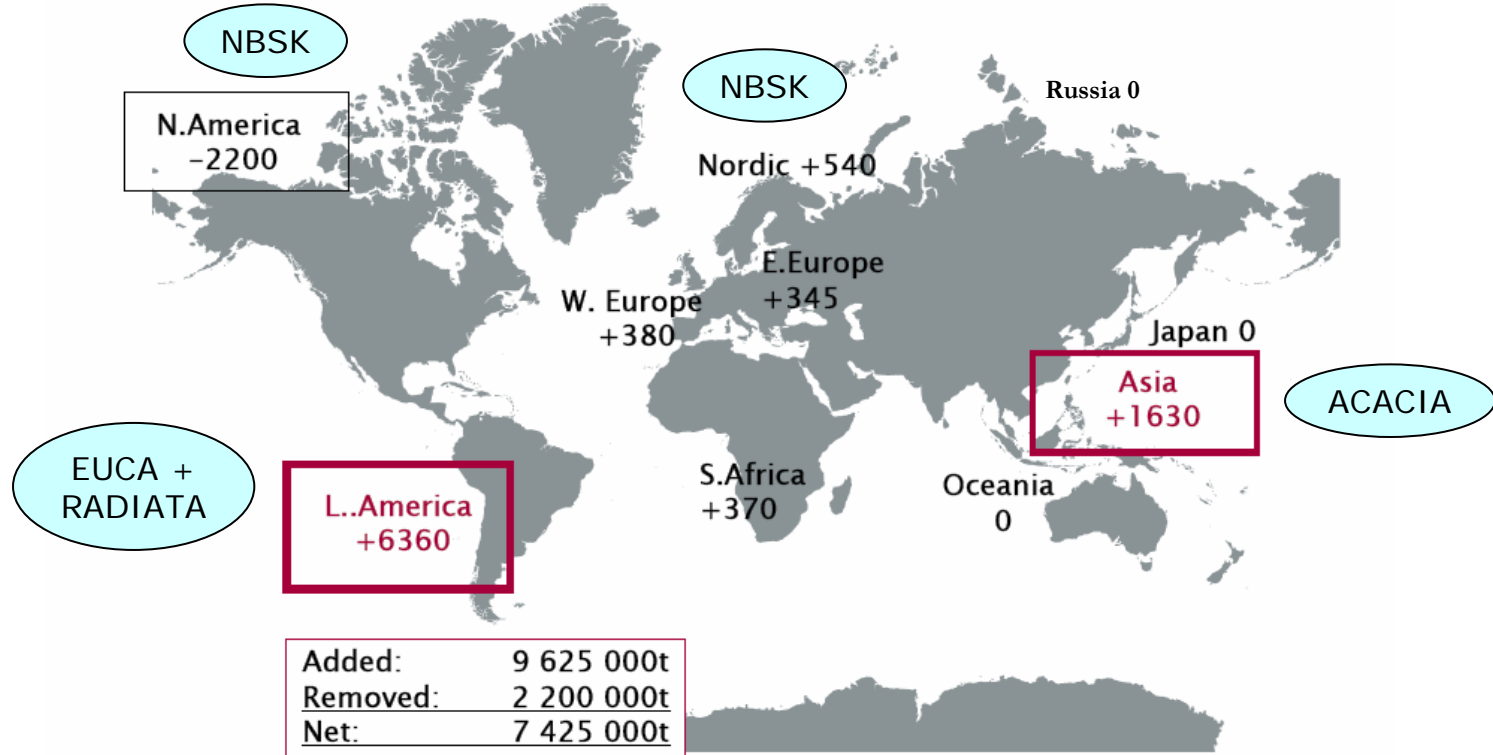


■ Other forest / plantation ■ Certified forest / plantation

➤ **Ahlstrom supports the increasing use of wood pulp derived from certified forests**

Strong capacity growth in Latin America, closures in North America

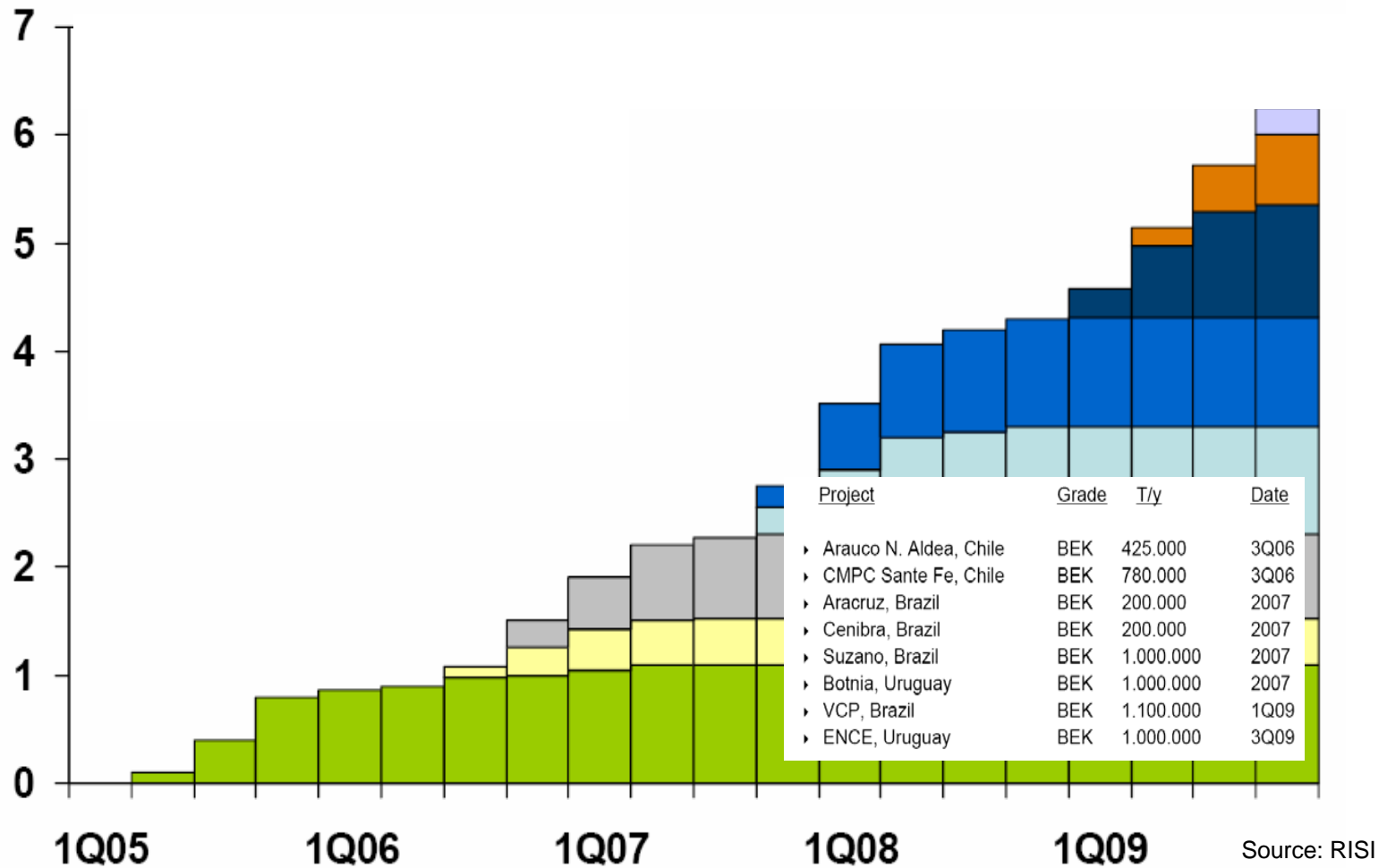
Capacity changes, Chemical (hardwood & softwood) pulp, 2003–2007, '000 ton



➤ Market growth in hardwood, softwood capacity stable/reducing

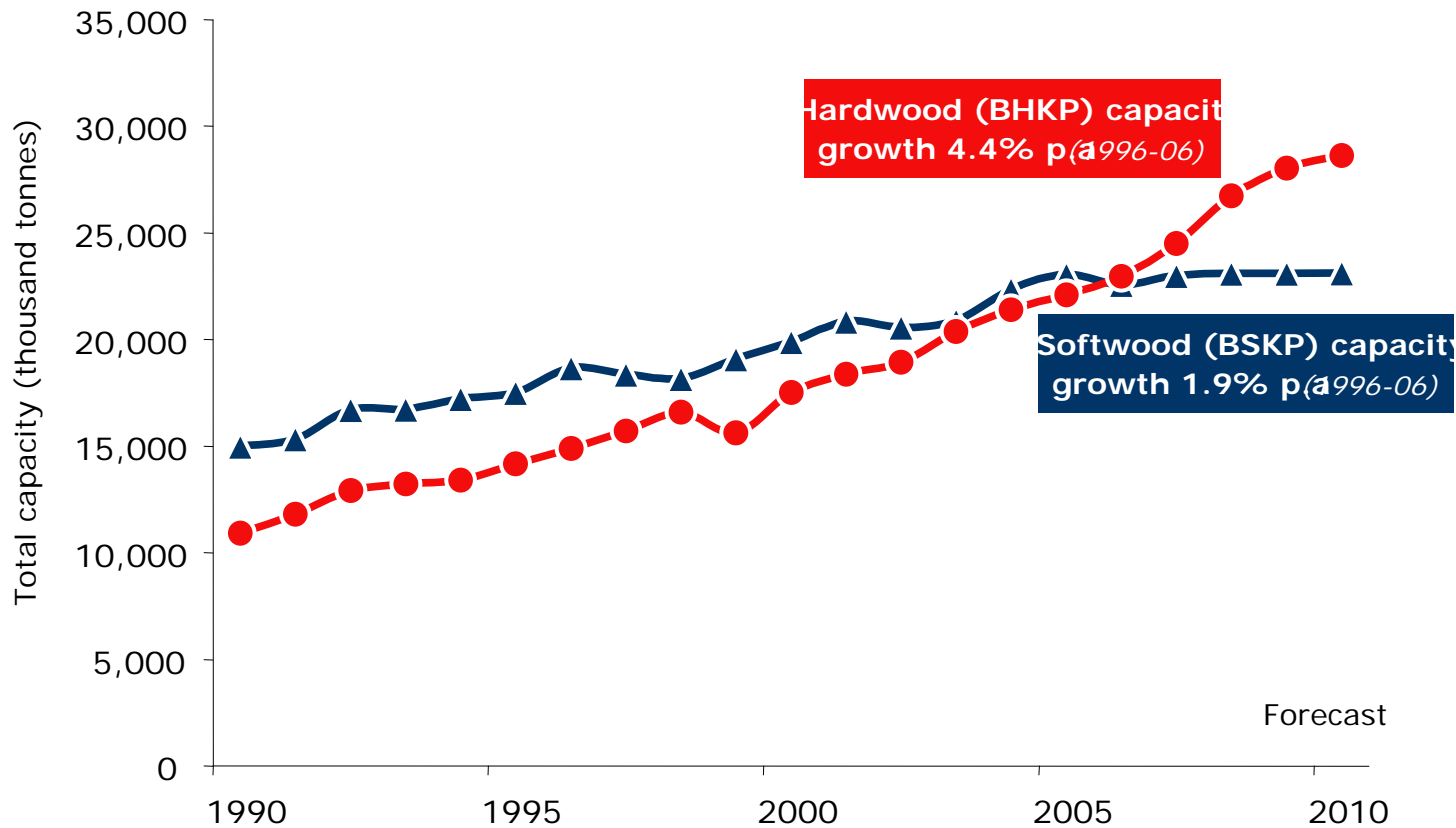
Source: Nordea

6 million tons of new euca coming online before 2010



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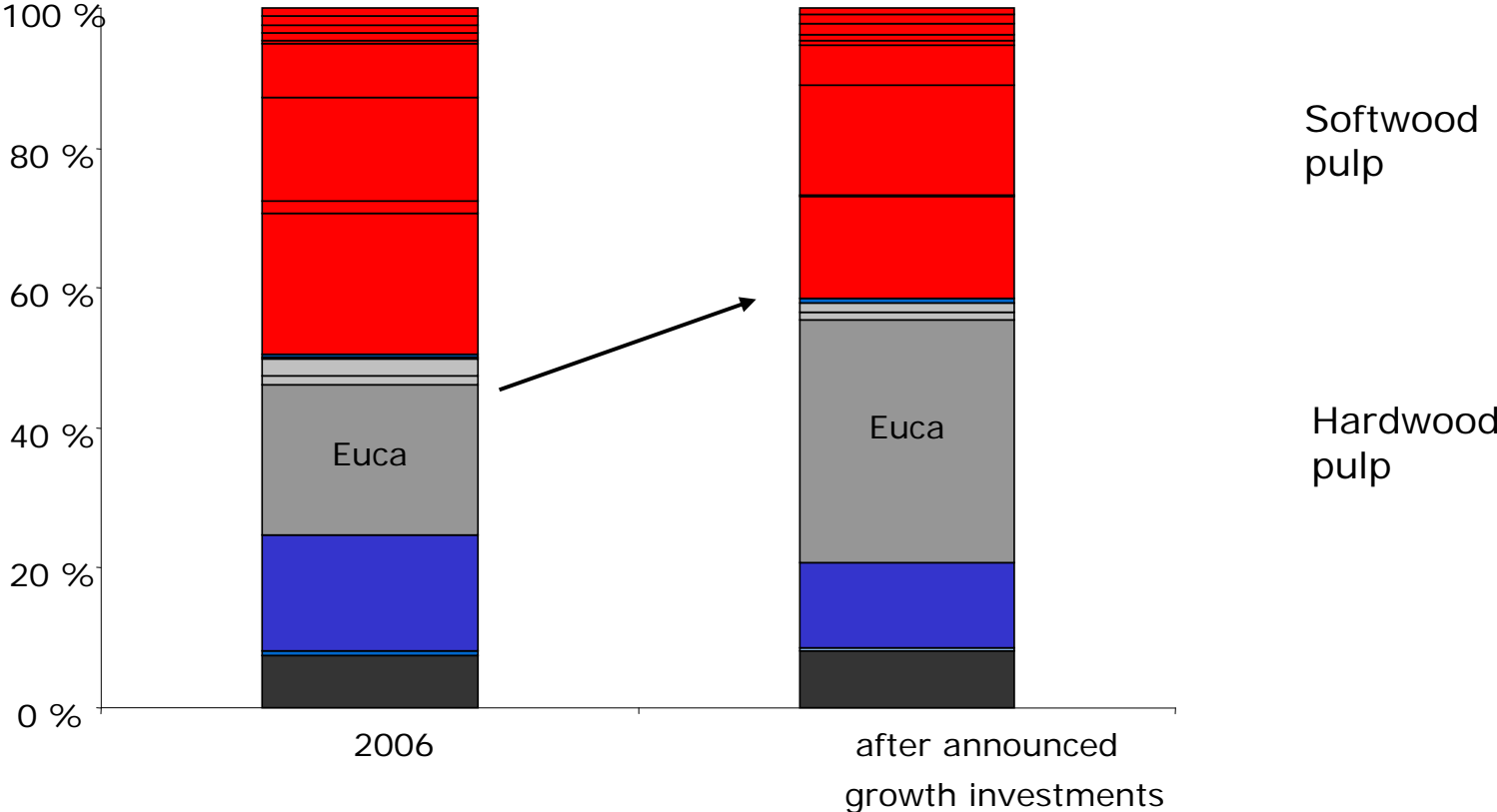
Hardwood pulp capacity exceeded softwood in 2006



Forecast

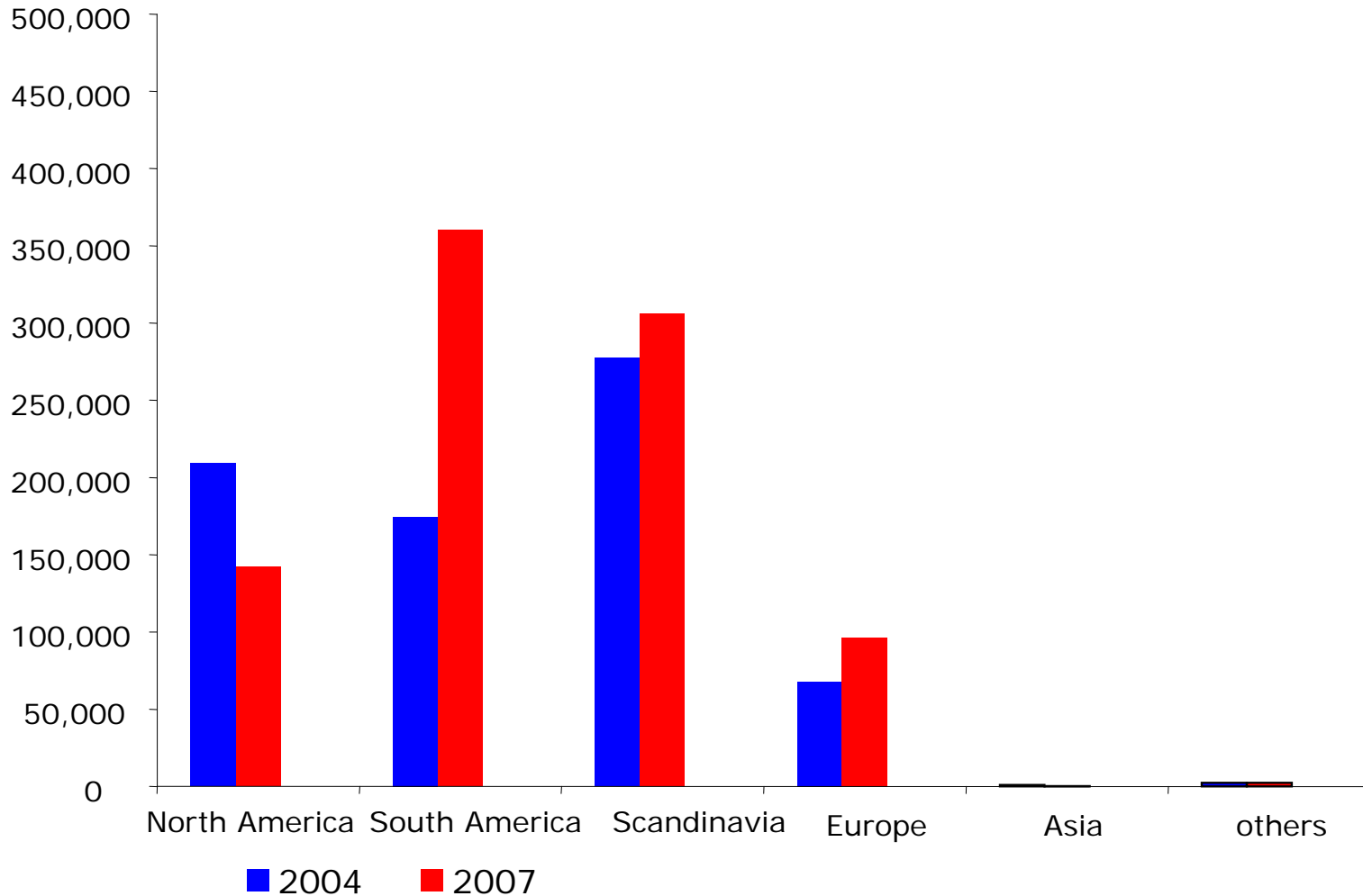
Source: Hawkins Right

Hardwood growing towards 60% of pulp used in specialty paper



➤ Share of euca pulp from 20% to 35%

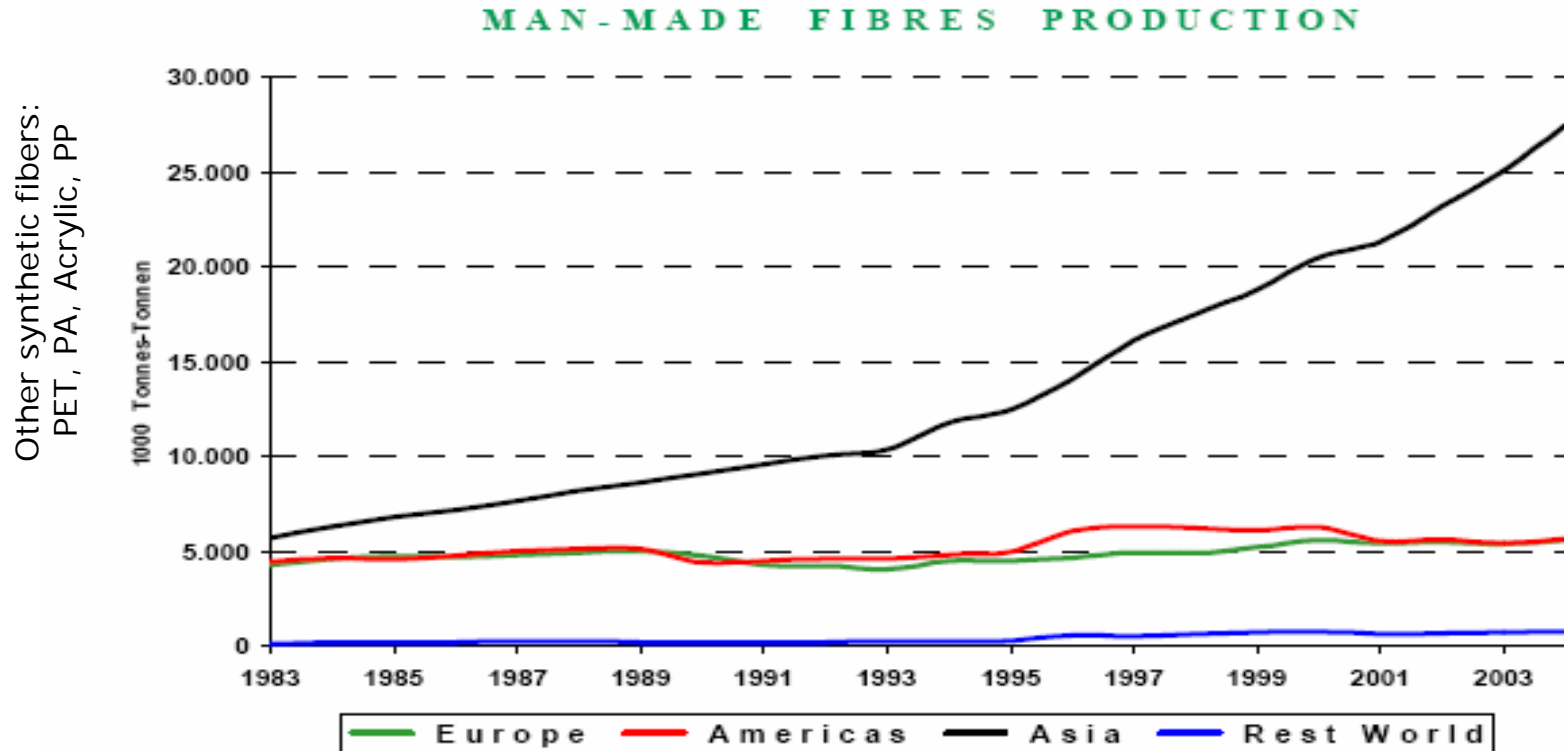
Ahlstrom sourcing follows global pulp capacity development



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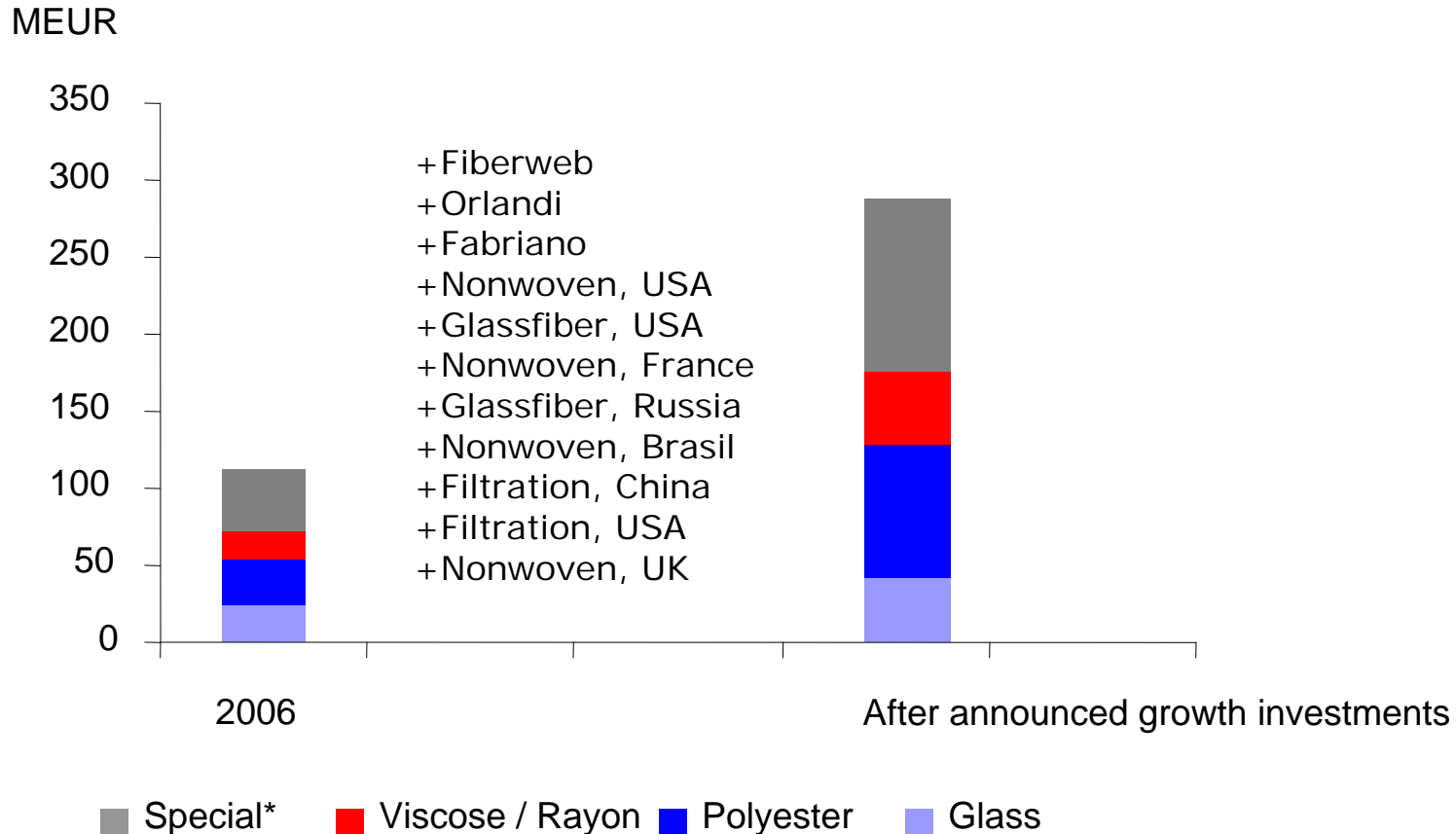
Synthetic fibers

Synthetic fiber capacity grows in Asia



Source: CIRFS 2005

Synthetic fiber base grows with acquisitions and organic investments

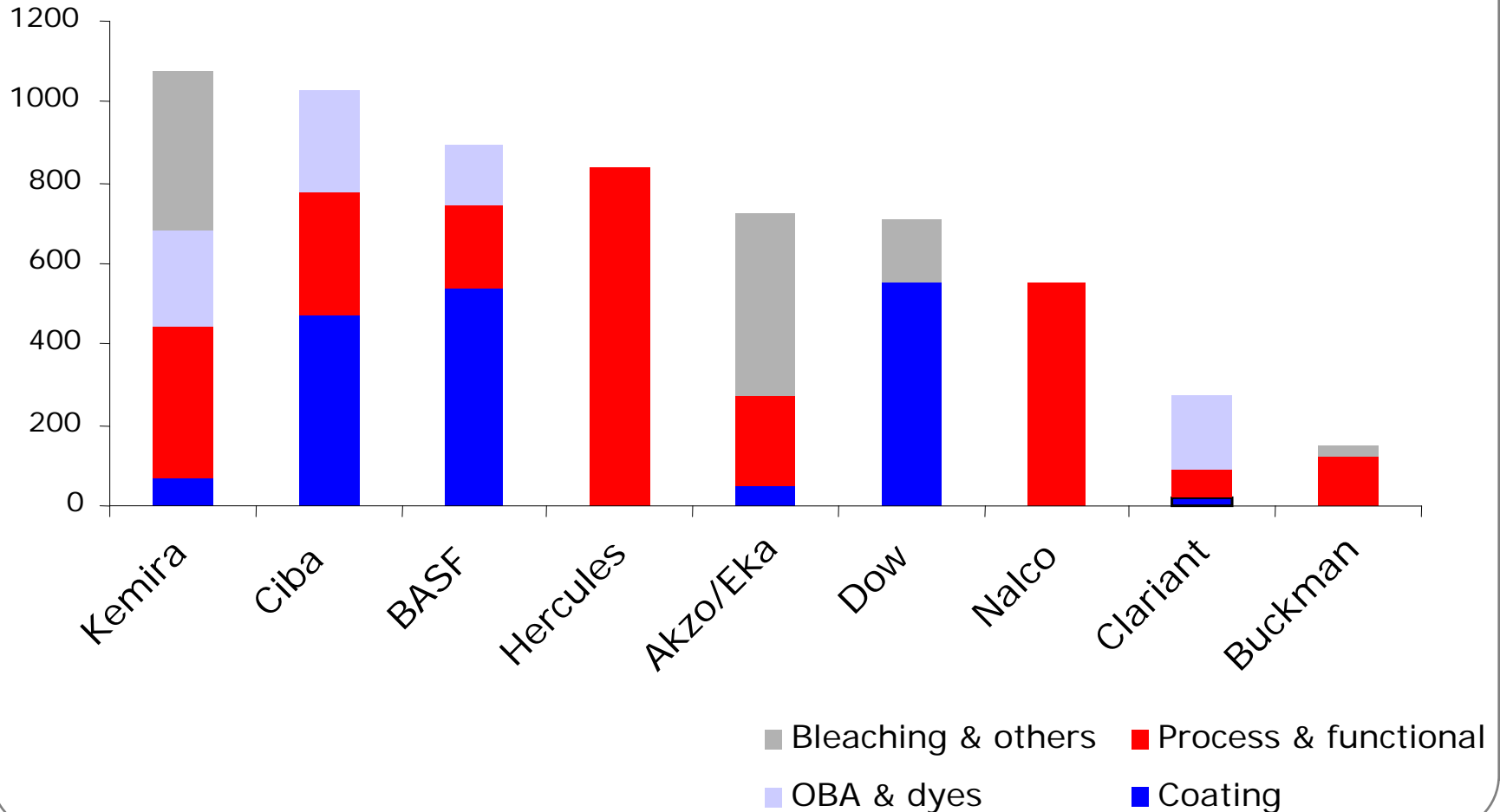


* includes PP web, PP fibers, acrylic, bico, aramid, etc.

Chemicals

Chemical industry consolidating

- Top 10 global suppliers of paper chemicals: EUR 6.2 billion
- Ahlstrom works with leading suppliers: BASF, Ciba, Hercules, Clariant



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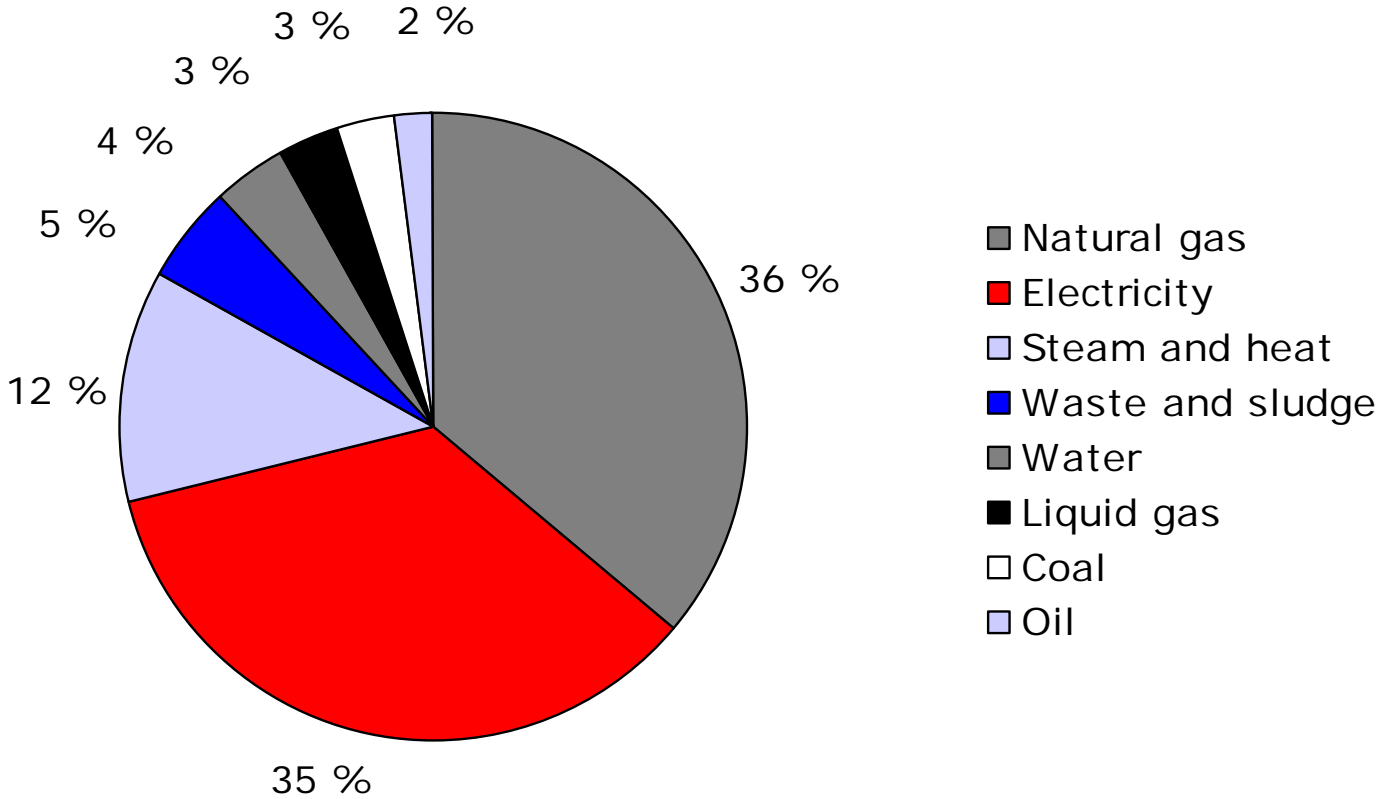
Utilities

Mid-term bottleneck “tunnel” explains the upward trend



- Mid-term crude oil trend is driven by development of refined oil products inventories
- Long-term trend is driven by crude oil inventories
- Natural gas price in Europe follows crude oil price

Energy spend EUR 150 million



Industrial and indirect goods and services

Innovation based on raw materials is an opportunity

Label & Packaging Papers



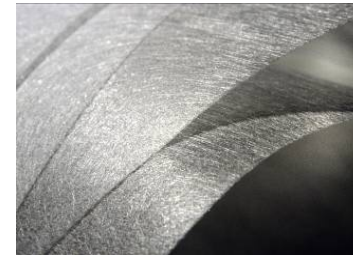
Technical Papers



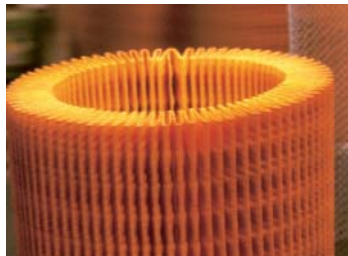
Nonwovens



Glass Nonwovens



Filtration



- Working Groups with Product Lines & Ahlstrom Research
- Joint research with preferred suppliers
- Natural products / bio-renewable materials / less petrochemical derivatives
- Pulp substitution strategy/ from birch to euca