

Small fibers. Big difference.

Ahlstrom Capital Markets Day

Specialty Paper expansion

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Helsinki

Leading specialty materials producer in the world

Specialty Papers

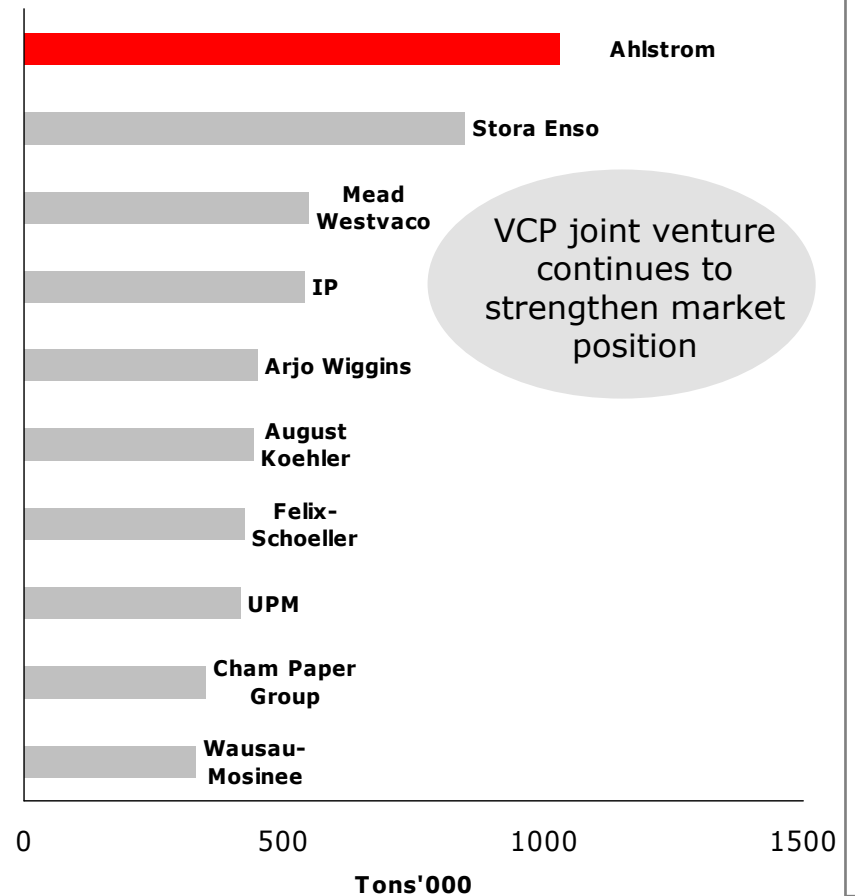
Label & Packaging

- Self-adhesive labeling, food packaging and beverage labels

Technical Papers

- Furniture foils, abrasive paper, masking tape and engine gaskets

Specialty papers market positions⁽¹⁾



Label and Packaging papers: Leading market positions in served segments

Product lines

Release base papers

Face-stock papers

Flexible packaging papers

Wet-glue label papers

Metalizing & graphic papers

Examples



Offering

- Primary product labeling
- Retail pricing and tagging
- Double-side adhesive tapes
- Office labels

- Primary product labels
- V.I.P labels
- Pharmaceutical labels
- Beverage labels

- Food packaging
- Hygiene and cosmetics
- Pet-food
- Pharmacy and medical

- Mineral water and soft drink labels
- Wine & spirits labels
- Vegetable oil labels
- Wrap-around can labels

- Metalized beer labels
- Retail pricing and tagging
- Envelope windows
- Repositionable notes

Market position

- Shared #1

- Presence in selected niche segments

- #1

- Presence in selected niche segments

- #1 in metalized papers for beverages

Production capabilities in Europe and South America



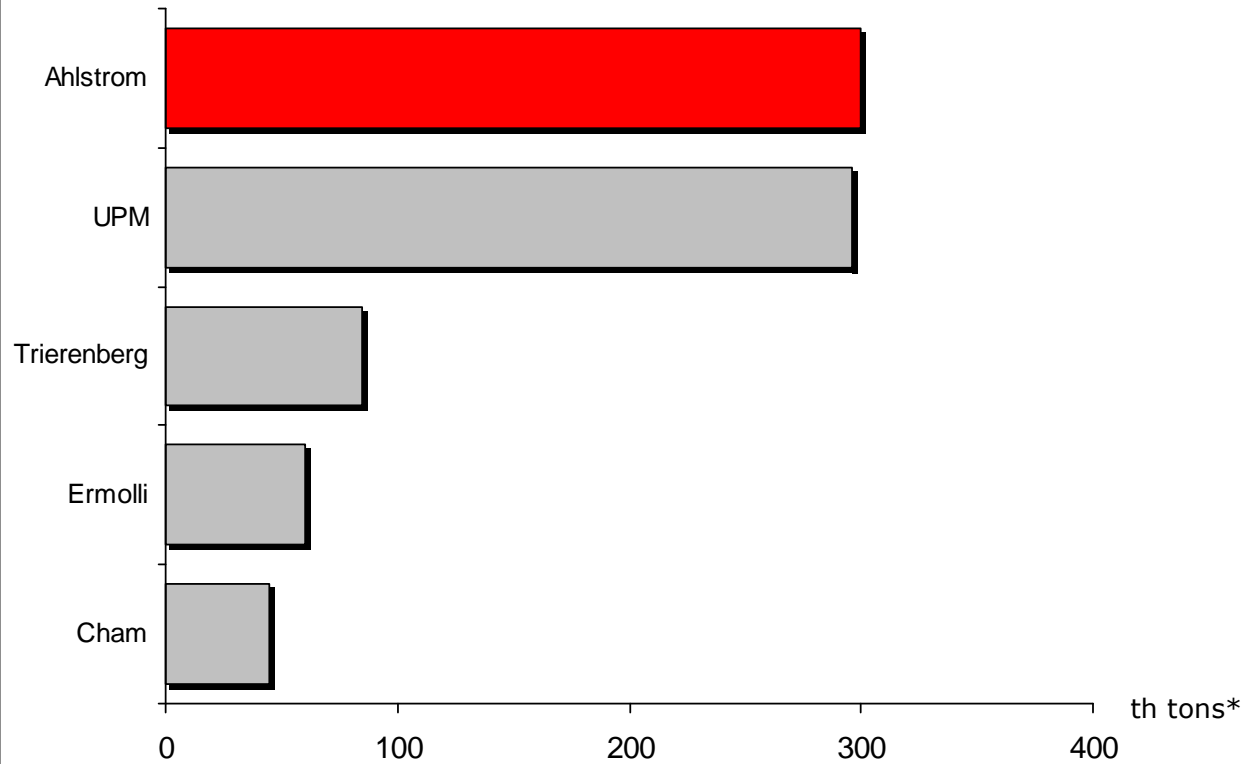
EUR 3.7 billion market opportunity

| Target markets | Global market opportunity & growth | Business environment |
|---|---|--|
| Release base papers EUR 1.3 billion* | <ul style="list-style-type: none">• 6% growth per annum | <ul style="list-style-type: none">• Substitution and new applications main drivers• Currently temporary overcapacity due to investments made by key players• Good demand expected• Price pressure remains |
| Flexible packaging and label papers EUR 2.4 billion | <ul style="list-style-type: none">• Overall growth approx. 1% per annum | <ul style="list-style-type: none">• Strong competition from plastics• Overcapacity and end-users' bargaining power put pressure on margins• Smaller competitors brought into serious financial problems• Cost competitiveness important |

* incl. supercalendered (SCK and glassine) and coated (silco) papers

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Ahlstrom shares number one position in release base papers



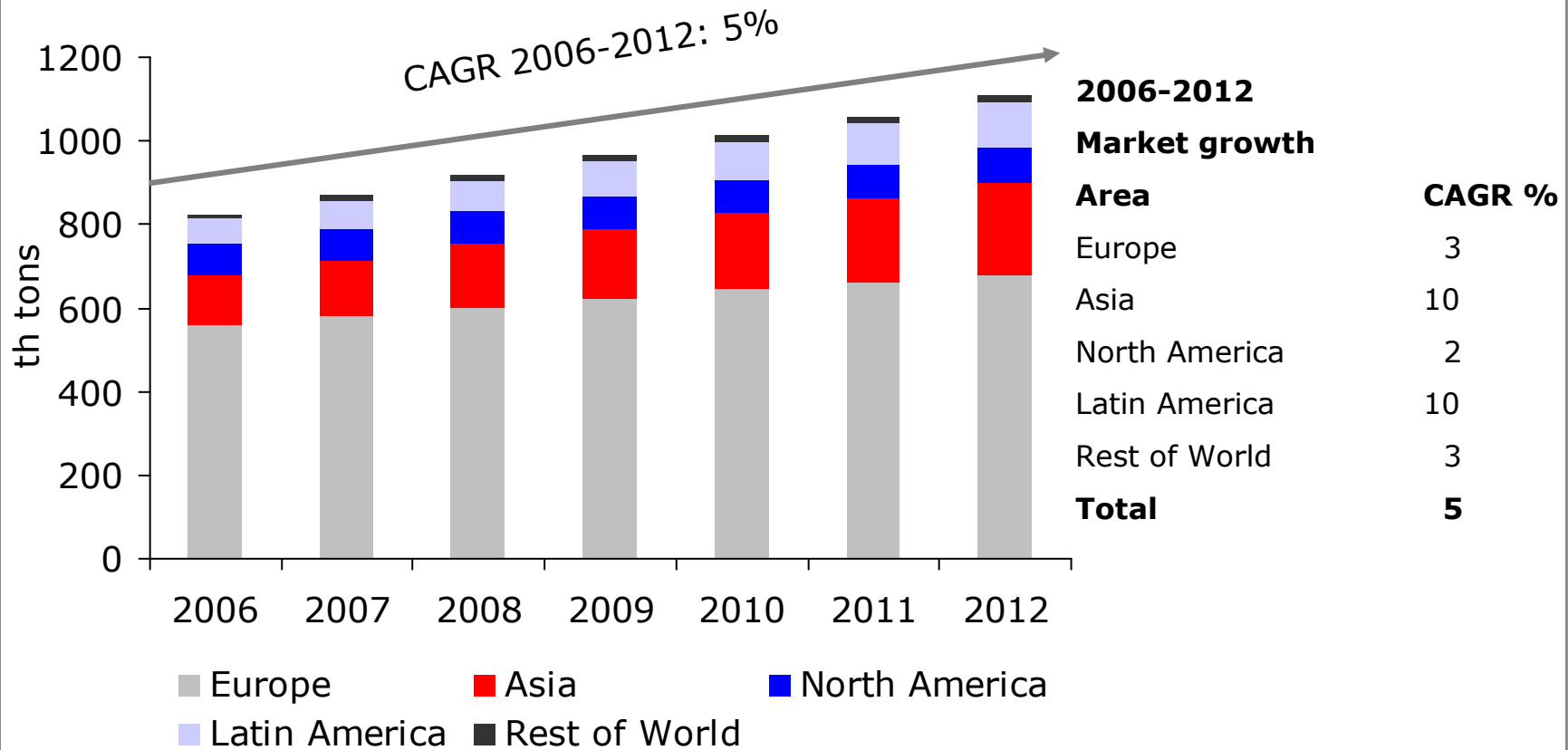
- 2006-2007 investments in Italy and France give Ahlstrom a unique position in Europe
- The joint venture Ahlstrom Jacarei expands manufacturing platform outside Europe = global leadership

*Estimated supercalendered and claycoated kraft release base paper production capacities.

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Good growth of release base papers



- Long term growth of supercalendered release base papers 6% per annum

Source: AWA and management estimates incl. supercalendered and claycoated papers

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Growing capacity in release base papers



- 2006-2007: EUR 50 million investment in Turin, Italy and La Gère, France plants
- Total sales after investments EUR 300+ million
- Expansion to South America with Ahlstrom Jacarei joint venture



Expansion to South America



- Serving specialty paper markets such as self adhesive labeling, wet glue labeling and selected packaging grades in South America and Asia
- Access to high growth markets >10%
- Ahlstrom's holding 60% - 100% after three years
- Jacarei plant (integrated pulp mill), close to São Paulo, Brazil
- 110,000 tons / year paper machine, off-line coater, finishing, net sales EUR 100 million
- Manufacturing platform with competitive cost base
 - Short fibers supplied by integrated pulp mill

Integration of Ahlstrom Jacarei

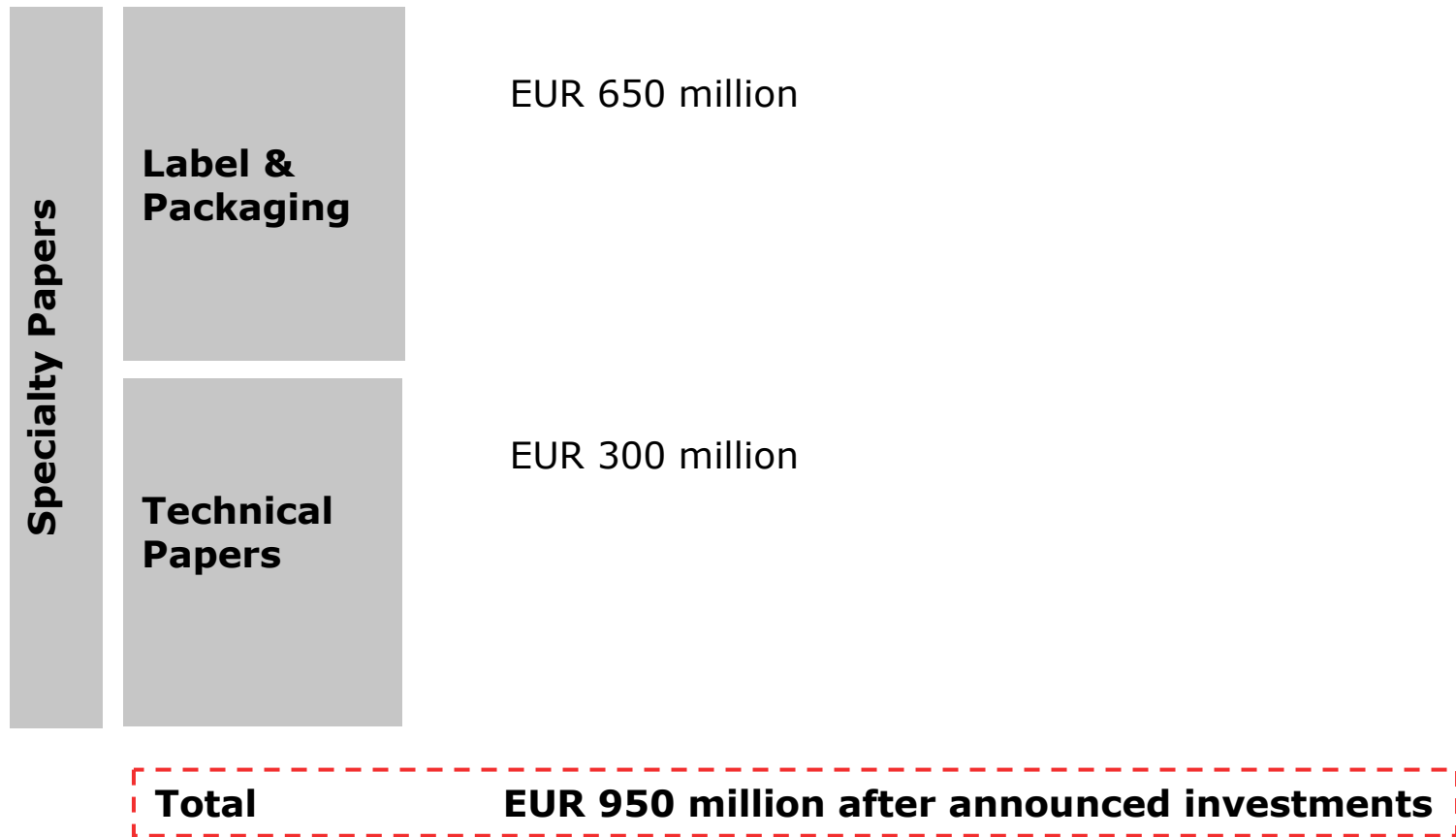
- Transaction estimated to be closed in Q3, fully consolidated
- Generating net sales of EUR 100 million
- Generating EBIT in line with ROCE 13% target immediately

Integration steps

- Setting up local Ahlstrom management
- Organizing sales/market front
 - Own sales organization for release base papers and one side coated papers
 - Collaboration with VCP for graphic paper sales
 - Planning and executing product transfers
- Setting up administration and back-office functions
 - Sharing services with Louveira and utilizing synergies with VCP
 - Implementing Ahlstrom IT systems

Ahlstrom Specialty Papers

Specialty Paper top line



Strategic priorities of Specialty Papers

- Starting production of specialty paper business outside Europe
 - growth in emerging markets
 - currency competitiveness
- Focus on attractive applications and end-uses
- Gradually increase use of short fibers through increased euca know-how
- Creating competitive and sustainable position