

Interim Report

January – March 2007

Small
Big fibers.
difference.

Ahlstrom Corporation STOCK EXCHANGE RELEASE 27.4.2007 at 08.30

Ahlstrom's Interim report Q1/2007: Growth strategy implementation well underway

Ahlstrom, a leader in high performance fiber-based materials, reports an operating profit of EUR 23.3 million for the first quarter of 2007 (EUR 29.6 million), representing a 5.6% margin (7.1%). Profit before taxes was EUR 20.3 million (EUR 25.1 million). Return on capital employed (ROCE) was 10.0% (12.3%). Net sales amounted to EUR 416.5 million (EUR 414.6 million) and earnings per share (EPS) to EUR 0.29 (EUR 0.41).

Excluding non-recurring items, the operating profit for the first quarter of 2007 was EUR 19.6 million (EUR 26.3 million), representing a 4.7% margin (6.3%). Profit before taxes was EUR 16.5 million (EUR 21.8 million) and ROCE 8.4% (11.0%), both excluding non-recurring items.

January–March 2007 in brief

- Net sales (adjusted for currency effect) grew by 3.4% from the first quarter of 2006.
- Operating profit improved by 39% from the last quarter of 2006 due to increased sales volumes and lower fixed costs.
- Ahlstrom announced four acquisitions with combined annualized net sales of approximately EUR 300 million.
- The defined benefit pension plan in the United Kingdom was closed and the historical deficit was funded by EUR 21 million, impacting Ahlstrom's cash flow.

Key figures

EUR million	Q1/2007	Q1/2006	2006
Net sales	416.5	414.6	1,599.1
Operating profit	23.3	29.6	96.1
Operating profit excl. non-recurring items	19.6	26.3	87.3
Profit before taxes	20.3	25.1	81.2
Profit before taxes excl. non-recurring items	16.5	21.8	72.5
Profit for the period	13.4	15.8	57.6
Net cash flow from operating activities	-12.0	26.0	119.2
Gearing ratio, %	24.3	30.0	20.3
Return on capital employed (ROCE), %	10.0	12.3	10.4
Return on capital employed (ROCE), % excl. non-recurring items	8.4	11.0	9.5
Cash earnings per share, EUR	-0.26	0.68	2.72
Earnings per share, EUR	0.29	0.41	1.31
Average number of shares during the period, 1000s	45,918	38,326	43,802

Jukka Moisio, President & CEO, comments Ahlstrom's first quarter:

- The acquisitions in the FiberComposites segment will make us the third largest nonwoven roll good supplier in the world and the intended Brazilian joint venture in specialty papers provides strategic access to raw materials and fast growing markets. The next phase of the growth strategy is the integration of acquisitions and starting up of the organic growth investments. These growth actions will gradually start contributing to our financial development in the coming quarters. I am satisfied with the steps taken and the Ahlstrom team will have a full workload ahead with exciting growth and business openings.

- We reported a 3% growth in comparable net sales versus Q1/2006 and a 10% return on capital employed for the first quarter. The operating profit margin recovered from the low level we experienced at the end of 2006. However, return on capital employed remained below our long term target as increasing raw material prices continued to put pressure on margins. We continued our work to increase volumes and sales prices while fixed costs declined.

Ahlstrom Group: Interim report January-March, 2007

Financial performance in the first quarter of 2007

The Group's net sales were affected by the weakened USD and amounted to EUR 416.5 million (EUR 414.6 million). Adjusted for the currency effect, Ahlstrom's net sales grew by 3.4%. Sales volumes increased by 3.1% compared with the corresponding period of 2006.

Operating profit for the first quarter amounted to EUR 23.3 million (EUR 29.6 million). The operating profit included non-recurring items of EUR 3.8 million (EUR 3.3 million), which were mainly related to the sale of three power plants in Italy.

Excluding the non-recurring items, the operating profit amounted to EUR 19.6 million (EUR 26.3 million).

Prices for Ahlstrom's main raw materials continued to increase in the first quarter of 2007. The average USD market price for NBSK pulp was approximately 22% higher than in the first quarter of 2006 and 4% higher than in the last quarter of 2006. With sales price increases, productivity improvements and fixed cost reductions, Ahlstrom was able to partially compensate for the effect of the rising raw material costs.

Total net financial expenses were EUR 3.0 million (EUR 4.5 million). Net interest expenses totaled EUR 2.4 million (EUR 2.2 million). Net foreign exchange gains on financial items were EUR 0.03 million (losses of EUR 1.7 million). The change was mainly attributable to the actions to decrease the level of equity hedging.

Ahlstrom's share of the losses of the associated companies (Jujo Thermal) amounted to EUR 0.1 million (EUR 0.0 million).

Profit before taxes was EUR 20.3 million (EUR 25.1 million). Excluding the non-recurring items, profit before taxes amounted to EUR 16.5 million (EUR 21.8 million).

Income tax expenses were EUR 6.9 million (EUR 9.3 million). Profit for the period was EUR 13.4 million (EUR 15.8 million).

Return on capital employed (ROCE) was 10.0% (12.3%) in the first quarter. Excluding the non-recurring items, ROCE amounted to 8.4% (11.0%). Return on equity (ROE) was 7.1% (9.5%). Earnings per share (EPS) amounted to EUR 0.29 (EUR 0.41), the change being primarily due to the issue of new shares in March, 2006.

Capital efficiency improved and net asset turnover was 1.8 (1.6).

Financing and financial position in the first quarter of 2007

Net cash flow from operating activities amounted to EUR -12.0 million (EUR 26.0 million). The decrease in cash flow was mainly attributable to the EUR 20.8 million payment to the pension fund to cover approximately half of the historical deficit of the defined benefit pension plan in the United Kingdom. The rest of the deficit will be funded over the remaining years of the pension plan. At the same time, Ahlstrom closed the defined benefit plan and moved to defined contribution plan for the UK pensions.

Interest-bearing net liabilities increased by EUR 24.9 million to EUR 180.1 million (December 31, 2006: EUR 155.2 million).

Gearing ratio was 24.3% (December 31, 2006: 20.3%) and the equity ratio 53.0% (December 31, 2006: 56.5%).

Ahlstrom cancelled EUR 230 million of committed credit facilities, reducing the total availability under such facilities to EUR 343 million at 31 March, 2007 (December 31, 2006: EUR 579 million).

Capital expenditure in the first quarter of 2007

Capital expenditure amounted to EUR 29.1 million (EUR 28.0 million). No acquisitions were closed during the first quarter (EUR 8.1 million).

The full-year capital expenditure for Ahlstrom Group, excluding acquisitions, is expected to exceed the 2006 level by approximately 10–20% (EUR 120.1 million).

Implementation of the growth strategy in the first quarter of 2007

Ahlstrom continued to implement its growth strategy by investing in attractive growth segments.

Ahlstrom's investments are expected to generate net sales amounting to 1.5 times the investment value in 3–5 years and reach a return of capital employed of at least 13%.

Announced acquisitions and investment decisions

On March 30, Ahlstrom signed an agreement to acquire the consumer wipes business of Fiberweb plc. Following the acquisition, Ahlstrom estimates to become the third largest producer of nonwoven roll goods globally. The acquisition price is approximately EUR 65 million. The acquired business includes four plants in Europe and in the USA. In 2006, the net sales of the acquired business amounted to EUR 110 million and it employed approximately 400 people. The wiping fabrics currently produced by Fiberweb's consumer wipes business are used mainly in personal care, baby care and household wipes applications. Ahlstrom

anticipates to close the deal within the second quarter of 2007, subject to antitrust clearances.

On February 23, Ahlstrom signed a Memorandum of Understanding with Votorantim Celulose e Papel (VCP) to form a joint venture for specialty paper production in Brazil. The assets in the joint venture, currently owned by VCP, comprise a paper machine, an offline coater and extensive finishing equipment at the Jacarei mill, close to São Paulo. The joint venture will be part of Ahlstrom's Specialty Papers segment and serve mainly the labeling and flexible packaging markets. In addition, it will continue to produce coated and uncoated paper grades for other end-uses. According to the Memorandum of Understanding, Ahlstrom will hold a majority of the joint venture. Ahlstrom expects to close the deal on or before June 30, 2007, subject to antitrust clearances and satisfactory conclusion of the ongoing due diligence process.

On February 2, Ahlstrom signed an agreement to acquire Fabriano Filter Media SpA, based in Sassoferrato, Italy. Fabriano is a manufacturer of microglass filter media, serving mainly the high efficiency air filtration market. The transaction price is approximately EUR 7 million. The transaction complements Ahlstrom's air filtration portfolio and reinforces the company's position as a leading provider of filtration solutions to the global air filtration industry. The transaction includes one manufacturing plant employing 32 people with net sales of approximately EUR 7 million. The acquired business will be closely integrated with Ahlstrom's current Italian operations in Turin. The transaction is expected to be closed during the second quarter of 2007.

On February 2, Ahlstrom decided to invest EUR 5 million in a new drylaid nonwoven line to serve the North American air filtration market. The new line, located at Ahlstrom's Groesbeck, TX, USA facility, will provide Ahlstrom with an additional fast and modern asset to better serve the Heating, Ventilation and Air Conditioning (HVAC) filter media market in North America. The new line is expected to start at the beginning of 2008.

On February 1, Ahlstrom signed an agreement to acquire the spunlace nonwovens business of the Italian Orlandi Group. With this acquisition, Ahlstrom will become one of the leading producers of nonwoven roll goods for wipes globally. The acquisition price is approximately EUR 60 million and the transaction is expected to be EPS enhancing from 2007. The acquired business includes two plants in Cressa and Gallarate in Italy employing approximately 120 people in total. The transaction expands Ahlstrom's technology portfolio with airlace technology which is used to manufacture pulp-containing wiping fabrics. In connection with the acquisition, Ahlstrom invested approximately EUR 2.5 million in the airlace line at the Cressa plant. After the investment, the acquired business will generate net sales of approximately EUR 65 million in 2007. The deal is anticipated to be closed within the first half of 2007, subject to antitrust clearances and satisfactory conclusion of the ongoing due diligence.

Investment start-ups

Ahlstrom's new specialty glassfiber reinforcement plant in South Carolina, USA was ramping up its production in the first quarter of 2007. The investment was valued at approximately EUR 10 million. The new plant further strengthens Ahlstrom's position as a leading global developer and manufacturer of specialty reinforcements especially for the wind energy, marine and transportation markets.

Ahlstrom's new spunlace line located at the Green Bay, WI, USA plant was started up in the end of December, 2006. The line was ramping up during the first quarter of 2007. The total value of the investment was approximately EUR 30 million.

In addition, Ahlstrom repaired the existing glass furnace and increased the production capacity of the chopped strand mat machine at its Karhula, Finland plant. The investments were valued at approximately EUR 6 million in total.

Divestments in the first quarter of 2007

In March, Ahlstrom agreed to sell three hydropower plants close to its Turin, Italy plant to a local energy company for approximately EUR 7 million. The deal is consistent with the company's strategy to focus on high performance fiber-based materials and to divest non-core assets and reduce related costs.

Personnel

At the end of March 2007, Ahlstrom had 5,653 employees (5,622). The average number of employees during the first quarter was 5,665 (5,572).

Principal risks and uncertainties

The principal uncertainties that could affect Ahlstrom's net sales and financial performance in the short term are related to:

- General economic conditions and demand for end-user products
- Increases in raw material prices (e.g. pulp, chemicals and synthetic fibers)
- Increases in energy prices
- Fluctuations in foreign currency rates

These factors are described in more detail in Ahlstrom's Annual report 2006, on pages 22-23.

Shares and share capital

During the first quarter of 2007, 4.6 million Ahlstrom shares were traded for a total of EUR 101.3 million. The lowest trading price during the first quarter was EUR 21.20 and the highest EUR 24.50. Closing price on March 30, 2007 was EUR 24.09 and market capitalization was EUR 1,121 million.

Equity per share of Ahlstrom Group was EUR 15.88 at the end of the review period (December 31, 2006: EUR 16.79).

At the end of the review period, the number of options entitling to subscription of Ahlstrom shares was 62,611.

In the first quarter, a total of 946,260 new shares of Ahlstrom Corporation were subscribed with option rights under the company's stock option programs I (2001) and II (2001). After the corresponding increases in Ahlstrom's share capital, the share capital at the end of the first quarter amounted to EUR 69,911,995.50. The total number of shares at the end of the first quarter was 46,607,997. Together with the stock options, the number of shares may increase to a maximum of 46,670,608.

Ahlstrom's option rights of stock option program I a, b and c (2001) and stock option program II b and c (2001) have been listed on the Helsinki Stock Exchange as of January 2, 2007. Each option right gives its holder the right to subscribe for one share in Ahlstrom Corporation. The current subscription price is EUR 8.22. The share subscription period with option rights of stock option program I a, b and c (2001) commenced on May 1, 2002 and

ends on April 30, 2007. The share subscription period with option rights of stock option program II b and c (2001) started on January 1, 2007 and ends on April 30, 2007.

Ahlstrom's Board of Directors is authorized to repurchase a maximum of 4,500,000 Ahlstrom shares, corresponding to less than 10% of all issued Company shares. The Board of Directors is also authorized to resolve to distribute the shares held by the company. The shares may be used as compensation in acquisitions and in other arrangements as well as to implement the company's share-based incentive plans. The Board of Directors has also the right to decide on the distribution of the shares in public trading for the purpose of financing possible acquisitions.

Annual General Meeting 2007

Ahlstrom Corporation's Annual General Meeting of Shareholders (AGM) was held on March 30, 2007. The AGM resolved to distribute a dividend of EUR 1.00 per share, EUR 46.67 million in total, for the fiscal year that ended on December 31, 2006 in accordance with the proposal of the Board of Directors. The dividend record date was April 4, 2007 and the pay date April 13, 2007. In addition, the AGM resolved to reserve EUR 70,000 to be used for the public good at the discretion of the Board of Directors.

The AGM approved the financial statements and consolidated financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial period January 1-December 31, 2006.

The AGM authorized the Board of Directors to repurchase Ahlstrom shares as proposed by the Board of Directors, taking into account the limitations set forth in the Companies' Act. The maximum number of shares to be repurchased is 4,500,000, corresponding to less than 10% of all issued Company shares. The authorization will be valid for 18 months from the close of the Annual General Meeting but will expire at the close of the next Annual General Meeting, at the latest. The shares may be repurchased only through public trading at the prevailing market price by using unrestricted shareholders' equity.

The AGM authorized the Board of Directors to resolve to distribute a maximum of 4,500,000 own shares held by the Company as proposed by the Board of Directors. The Board of Directors is authorized to decide to whom and in which order the shares will be distributed. The Board of Directors may decide on the distribution of own shares otherwise than in proportion to the existing pre-emptive right of shareholders to purchase the Company's own shares. The shares may be used as compensation in acquisitions and in other arrangements as well as to implement the Company's share-based incentive plans in the manner and to the extent decided by the Board of Directors. The Board of Directors has also the right to decide on the distribution of the shares in public trading for the purpose of financing possible acquisitions. The authorization will be valid for 18 months from the close of the Annual General Meeting but will expire at the close of the next Annual General Meeting, at the latest.

The Annual General Meeting resolved to amend the Articles of Association in accordance with the proposal by the Board of Directors.

The AGM confirmed the number of Board members unchanged at seven. Sebastian Bondestam, Jan Inbarr, Urban Jansson, Bertel Paulig, Peter Seligson and Willem F. Zetteler were re-elected as members of the Board of Directors and Thomas Ahlström was elected as a new member as proposed by the Nomination Committee. The term of the Board of Directors will expire at the close of the next Annual General Meeting.

It was decided that the Chairman of the Board of Directors will receive a remuneration of EUR 5,400 per month. For the members of the Board of Directors, the remuneration was decided

to be EUR 2,700 per month. In addition, the remuneration for attendance at the meetings of the permanent Board committees was decided to be EUR 1,150 per meeting.

After the AGM, the organization meeting of the Board of Directors elected Peter Seligson as Chairman and Urban Jansson as Vice Chairman of the Board. The Board of Directors also appointed the members of the permanent committees. The members of the Audit Committee are Bertel Paulig (Chairman), Thomas Ahlström and Willem F. Zetteler. The members of the Compensation Committee are Peter Seligson (Chairman), Jan Inborr and Urban Jansson.

KPMG Oy Ab was re-elected as Ahlstrom's auditor as proposed by the Audit Committee. KPMG Oy Ab has designated Authorized Public Accountant Sixten Nyman as auditor in charge.

Outlook

Demand in Europe is expected to remain good. Ahlstrom's main markets, Germany, France, and Italy, are expected to show stable or positive development. Ahlstrom's products are primarily used in industrial processes which react to changes in consumer demand with a slight delay. In the USA, which is Ahlstrom's single largest market, the demand is anticipated to be stable. The visibility of the demand in the USA remains low. Demand in South America and Asia is expected to develop well due to the positive GDP development.

The price for Ahlstrom's most important raw material, wood pulp, continued to rise through the first quarter of 2007. Costs for fibers and chemicals for the coming months are expected to remain at the current high level or increase but at a lower rate than in 2006. Sales price increases and cost reductions are implemented to offset the effect of the raw material cost escalation. Energy costs started to decline during the first quarter and are expected to decrease further.

Several global growth initiatives are now proceeding to implementation phase and will start to generate additional sales volumes and net sales in 2007. The outlook period is marked by intensive work related to integration of acquisitions and investment start-ups. The impact of this work will be seen gradually already towards the end of the outlook period. The largest organic growth investment is the capacity expansion of release base papers at the La Gère, France plant during the second quarter. In acquisitions, the largest project is the integration of Fiberweb's consumer wipes business. The new acquisitions and investments will have a positive impact on Ahlstrom's financial development from the last quarter of 2007 and onwards.

We continue to see promising growth opportunities in the fiber-based materials business and are optimistic about Ahlstrom's development in 2007 and 2008.

Financial information in 2007

Ahlstrom Corporation will publish its financial information in 2007 as follows:

Interim report January – June	Wednesday, July 25
Interim report January – September	Friday, October 26

This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS). The report is unaudited.

Comparable figures refer to the same period last year unless otherwise stated.

Helsinki, April 26, 2007

Ahlstrom Corporation
Board of Directors

For additional information, please contact:

Jukka Moisio, President and CEO, tel. +358 (0)10 888 4700
Jari Mäntylä, CFO, tel. +358 (0)10 888 4768
Anna Ahlberg, Investor Relations Manager, tel. +358 (0)10 888 4718

A conference call for analysts and investors regarding the first quarter results will be held on Friday, April 27, 2007 at 13.00 Finnish time. To participate in the teleconference, please dial +44 (0) 20 7162 0125 a few minutes before the call. Use the password: Ahlstrom. A replay number is available until May 4, 2007. The number for the replay is + 44 (0) 20 7031 4064, access code: 747430.

The presentation material will be available at www.ahlstrom.com > Investors > IR presentations on April 27, 2007 after the interim report has been published.

Ahlstrom's stock exchange and press releases can be ordered on www.ahlstrom.com > Media. Releases are delivered by e-mail.

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
www.ahlstrom.com
Main media

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 5,700 employees serve customers via sales offices and production facilities in more than 20 countries on six continents. In 2006, Ahlstrom's net sales amounted to EUR 1.6 billion. Ahlstrom's share is listed on the Helsinki Stock Exchange. The company website is www.ahlstrom.com.

Appendices

1. Segment reviews
2. Financial statements

Appendix 1

Segment reviews

FiberComposites segment

Key figures, EUR million	Q1/2007	Q1/2006	Change, %	2006
Net sales	206.4	212.7	-3.0	808.2
Operating profit	15.2	15.9	-4.2	52.3
Operating profit excl. non-recurring items	13.4	15.9	-15.7	54.1
Operating profit, % excl. non-recurring items	6.5	7.5		6.7
Return on net assets (RONA), %	9.6	10.3		8.6
Return on net asses (RONA), % excl. non-recurring items	8.5	10.3		8.9

Net sales of the FiberComposites segment decreased by 3.0% and amounted to EUR 206.4 million (EUR 212.7 million). Sales volumes fell by 2.2% due to investment standstills within the Glass Nonwovens business area. Additionally, the weakening of the USD decreased the segment's net sales.

Compared with the fourth quarter of 2006, the average sales prices increased in all business areas of the FiberComposites segment.

Excluding non-recurring items, the operating profit of the segment was EUR 13.4 million (EUR 15.9 million). The non-recurring items of EUR 1.8 million were primarily related to asset sales. The decline in the segment's profitability was mainly attributable to the ramp up of the new glass reinforcement plant in Bishopville, SC, USA and the new production line at the Green Bay, WI, USA plant as well as to the investment standstills at the Karhula, Finland plant.

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

The Nonwovens business area serves customers in the food packaging, medical, wiping, building and technical goods sectors.

General market conditions were stable during the first quarter of 2007. Volumes sold increased by 3%, driven particularly by solid demand for certain wipes products as well as for industrial nonwovens. However, the business area's net sales decreased by 1% due to the weakening of the USD against the euro. Approximately 50% of the business area's sales is denominated in USD.

Prices for raw materials continued to put pressure on the business area's margins. As an example, prices for rayon used in wipes increased strongly during the first quarter and are expected to rise further also in the second quarter. Energy costs declined from the corresponding quarter in 2006, but were still at a high level.

The business area started a new spunlace wipes line at the Green Bay, WI, USA plant in December 2006 with the first deliveries to customers made during the first quarter.

In the first quarter, Ahlstrom signed an agreement to acquire the consumer wipes business of Fiberweb plc including four plants in Europe and in the USA. Following the acquisition, Ahlstrom estimates to become the third largest producer of nonwoven roll goods globally. The acquisition price is approximately EUR 65 million. The net sales of the acquired business amounted to EUR 110 million in 2006 and it employed approximately 400 people.

In the first quarter, Ahlstrom signed an agreement to acquire the spunlace nonwovens business of the Italian Orlandi Group. The acquisition price is approximately EUR 60 million. The acquired business includes two plants employing approximately 120 people and it will generate net sales of approximately EUR 65 million in 2007.

Demand for Ahlstrom's nonwovens is expected to remain generally stable in the coming months, with a slight strengthening anticipated for wipes.

Filtration business area (20% of the Group's net sales)

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

The overall market for filtration material was steady during the first quarter. The uncertain demand situation in Northern America was largely offset by strong demand in the European, South American and Asian markets. The North American market for air filtration continued to be affected mainly by the weakness of the housing markets. Sales volumes rose slightly compared with the corresponding period last year while net sales decreased by 4% due to the weakening of the USD versus EUR.

Costs for energy and raw materials, especially for methanol and related products, increased significantly. Even though these costs started to gradually decline, they were still at a higher level than in the first quarter of 2006. Price increases have been implemented across the board with an aim to compensate for the increased costs, with the exception of the North American air filtration market. In addition to the price increases, the business area took several actions to improve its profitability, including the transfer of the converting operations from Mt Holly Springs, PA plant to Bishopville, SC, USA.

In the first quarter, Ahlstrom signed an agreement to acquire Italian Fabriano Filter Media SpA, a manufacturer of microglass filter media for approximately EUR 7 million. As Fabriano serves mainly the high efficiency air filtration market, the transaction complements Ahlstrom's air filtration portfolio and reinforces the company's position in the global air filtration market. The transaction includes one manufacturing plant employing 32 people with net sales of approximately EUR 7 million.

Ahlstrom decided to invest EUR 5 million in a new drylaid nonwoven line to serve the North American air filtration market. The new line, located at Ahlstrom's Groesbeck, TX, USA facility, will further enhance Ahlstrom's ability to better serve the Heating, Ventilation and Air Conditioning (HVAC) filter media market in North America. The new line is expected to start at the beginning of 2008.

The outlook for the coming months is cautiously optimistic despite the continued uncertainty in the North American air filtration market.

Glass Nonwovens business area (6% of the Group's net sales)

Ahlstrom's glass nonwovens products are used in the building materials, marine, transportation, windmill, and sporting goods sectors.

Market conditions for Ahlstrom's glass nonwovens developed favorably during the first quarter with a particularly strong demand seen for building materials, windmill and marine applications. However, sales volumes declined temporarily by 16% and net sales by 3% due to the planned investment standstills (glass furnace repair and speed up of the chopped strand mat machine) at the Karhula, Finland plant. The sales in Eastern Europe increased strongly, while in Central Europe sales declined temporarily.

The new glass nonwovens plant built in Bishopville, SC, USA started production during the first quarter. Additionally, the above-mentioned investment projects at the Karhula plant were initiated and completed successfully during the quarter.

High raw material and energy costs continued to put pressure on the business area's margins. However, price increases as well as favorable changes in the product mix partially offset the effect of high input costs.

Demand for Ahlstrom's glass nonwovens is anticipated to remain good in the coming months.

Specialty Papers segment

Key figures, EUR million	Q1/2007	Q1/2006	Change, %	2006
Net sales	211.4	203.3	4.0	794.0
Operating profit	13.0	13.0	-0.1	32.2
Operating profit excl. non-recurring items	8.6	13.0	-33.8	36.4
Operating profit, % excl. non-recurring items	4.1	6.4		4.6
Return on net assets (RONA), %	16.1	17.1		10.5
Return on net asses (RONA), % excl. non-recurring items	10.7	17.1		11.8

Net sales of the Specialty Papers segment grew by 4.0% and amounted to EUR 211.4 million (EUR 203.3 million). Sales volumes grew by 5.1%. The growth was driven by improved demand in the Technical Papers business area.

Compared with the fourth quarter of 2006, the average sales prices increased in the Technical Papers business area, but decreased slightly in the Label and Packaging Papers business area.

Excluding non-recurring items, operating profit of the segment was EUR 8.6 million (EUR 13.0 million). The non-recurring items of EUR 4.4 million were primarily related to asset sales. The decline in the segment's operating profit was mainly due to increased raw material costs.

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

The Label & Packaging Papers business area manufactures a number of different specialty papers for use in the self-adhesive industry, as well as in the labeling, packaging and graphic industries.

The demand for release base papers remained good in the first quarter despite the temporary excess supply in the market. In wet glue labels, demand was solid throughout the quarter as the peak season of the beverage label industry started. Demand for metalizing labels also improved towards the end of the quarter for the same reason. In flexible packaging, the market situation remained challenging.

Volumes sold increased by 3% compared with the first quarter of 2006 due to improved demand. Additionally, the business area's major production line at the Turin, Italy plant was stopped in January 2006 due to an investment for capacity expansion, thus decreasing the volumes of the review period in comparison. Net sales grew in the first quarter by 2% from the corresponding period in 2006. In the release base paper market, sales prices were under pressure.

Price for wood pulp, the business area's main raw material, continued to increase and was at a remarkably higher level than in the corresponding period of 2006. Also the energy costs increased from the first quarter 2006 despite the slight decline experienced at the end of the quarter.

In the first quarter, Ahlstrom signed a Memorandum of Understanding with Votorantim Celulose e Papel (VCP) to form a joint venture for specialty paper production in Brazil. The joint venture will serve mainly the labeling and flexible packaging markets. According to the Memorandum of Understanding, Ahlstrom will hold a majority of the joint venture. Ahlstrom expects to close the deal on or before June 30, 2007, subject to antitrust clearances and satisfactory conclusion of the ongoing due diligence process.

The investment to increase the production capacity of release base papers at the La Gère, France plant will take place during the second quarter of 2007. The project is equivalent in size with the investment at the Turin, Italy plant, completed in January 2006.

Demand for release base papers is anticipated to remain at the current good level in the coming months. In both metalizing and wet glue labels, the peak season for the beverage label industry strengthens the demand in the coming months. In flexible packaging papers market situation remains challenging.

Technical Papers business area (19% 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, wipes, medical applications), pre-impregnated decor papers, sealing & shielding materials (for gaskets, heat shields, calender bowls), 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.

The overall demand for Ahlstrom's technical papers developed favorably from the corresponding period last year, though varying by product area. Market situation was particularly positive in vegetable parchment, crepe papers, pre-impregnated decor papers, poster papers and in certain sealing & shielding applications, while within abrasive base papers and wallpaper base papers the market was more challenging.

Volumes sold increased by 10% from the first quarter of 2006. Mainly due to the changes in product mix and the exchange rate impact, net sales increased by 8%.

Price for pulp continued to escalate during the first quarter. In addition, electricity costs of the business area increased. Price increases, implemented despite the tight competition, only partially offset the increased input costs. In addition, the business area was able to reduce costs e.g. by decreasing waste levels and by improving its overall productivity.

The market environment is expected to remain stable in the coming months, with stronger demand anticipated for abrasive base papers, wallpaper base papers and calender bowl materials.

Appendix 2

CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

This report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the accounting policies set out in IAS 34 (Interim Financial reporting) as adopted by EU and in the Group's Financial Statements for 2006.

Application of amended or new IFRS-standards as of January 1, 2007

The Group has adopted the following new or amended standards and interpretations as of January 1, 2007:

- IFRS 7 Financial Instruments: Disclosures
- Amendment to IAS 1 Presentation of Financial Statements – Capital disclosures
- IFRIC 9 Reassessment of Embedded Derivatives

The above mentioned standards and interpretations do not have a material effect on the consolidated financial statements. They will impact the format and extent of year-end 2007 notes to the financial statements.

Financial Statements are unaudited.

INCOME STATEMENT	Q1	Q1	Q1-Q4
Eur million	2007	2006	2006
Net sales	416.5	414.6	1 599.1
Other operating income	11.3	10.3	36.7
Expenses	-384.9	-375.5	-1 458.2
Depreciation, amortization and impairment charges	-19.6	-19.8	-81.6
Operating profit	23.3	29.6	96.1
Net financial expenses	-3.0	-4.5	-14.9
Share of profit (loss) of associated companies	-0.1	-0.0	0.0
Profit before taxes	20.3	25.1	81.2
Income taxes	-6.9	-9.3	-23.6
Profit for the period	13.4	15.8	57.6
Attributable to			
Equity holders of the parent	13.3	15.8	57.5
Minority interest	0.0	0.0	0.1
Basic earnings per share, EUR	0.29	0.41	1.31
Diluted earnings per share, EUR	0.29	0.40	1.29

BALANCE SHEET	Mar 31,	Mar 31,	Dec 31,
Eur million	2007	2006	2006
ASSETS			
Non-current assets			
Property, plant and equipment	608.0	586.2	601.7
Goodwill	99.8	107.0	101.0
Other intangible assets	31.7	38.4	32.6
Investment property	-	4.0	-
Investments in associated companies	12.7	49.4	12.9
Other investments	0.2	0.2	0.2
Other receivables	12.3	7.1	6.1
Deferred tax assets	27.6	28.0	25.9
Total non-current assets	792.3	820.2	780.4
Current assets			
Inventories	216.1	205.2	214.4
Trade and other receivables	357.0	349.0	328.0
Income tax receivables	8.1	2.0	8.7
Other investments	0.0	12.7	5.0
Cash and cash equivalents	23.9	69.6	20.1
Total current assets	605.1	638.5	576.1
Total assets	1,397.4	1,458.7	1,356.6
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	739.5	733.7	765.8
Minority interest	0.8	0.9	0.8
Total equity	740.3	734.5	766.6
Non-current liabilities			
Interest-bearing loans and borrowings	43.1	95.9	44.0
Employee benefit obligations	95.7	112.7	112.4
Provisions	5.0	3.7	3.7
Other liabilities	0.5	0.6	0.6
Deferred tax liabilities	27.4	23.8	26.8
Total non-current liabilities	171.8	236.8	187.4
Current liabilities			
Interest-bearing loans and borrowings	161.0	206.9	136.4
Trade and other payables	294.8	246.1	241.0
Income tax liabilities	17.1	21.5	12.4
Provisions	12.5	12.8	12.8
Total current liabilities	485.3	487.4	402.6
Total liabilities	657.1	724.1	590.0
Total equity and liabilities	1,397.4	1,458.7	1,356.6

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent					Mino- rity inte- rest	Total equ- ity	
	Issued cap- ital	Sha- re pre- mium	Non- re- stricted equity re- serve	Hedg- ing re- serve	Trans- lation re- serve			Re- tained earn- ings
Eur million								
Equity at Dec 31, 2005	54,6	26,7	-	1,0	3,7	503,7	0,8	590,5
Cash flow hedges, net of tax:								
Gains and losses taken to equity	-	-	-	-0,4	-	-	-	-0,4
Trans- lation differ- ences	-	-	-	-	-4,3	-	-	-4,3
Gains and losses from hedge of net invest- ments in foreign oper- ations, net of tax	-	-	-	-	3,1	-	-	3,1
Other changes	-	-	-	-	-	-0,1	0,0	-0,1
Profit for the period	-	-	-	-	-	15,8	0,0	15,8
Total recogn- ized income and expense for the period	-	-	-	-0,4	-1,2	15,7	0,1	14,1
Divid- ends paid	-	-	-	-	-	-65,2	-	-65,2
Share issue	13,7	182,5	-	-	-	-	-	196,3
Share options exercised	0,0	0,2	-	-	-	-	-	0,2
Redem- ption of								

share options	-	-	-	-	-	-1,4	-	-1,4
	13,8	182,7	-	-	-	-66,6	-	129,9
Equity at Mar 31, 2006	68,4	209,4	-	0,6	2,5	452,8	0,9	734,5
Equity at Dec 31, 2006	68,5	209,3	0,5	0,1	-3,1	490,4	0,8	766,6
Cash flow hedges, net of tax:								
Gains and losses taken to equity	-	-	-	-0,1	-	-	-	-0,1
Translation differences	-	-	-	-	-3,2	-	-	-3,2
Gains and losses from hedge of net investments in foreign operations, net of tax	-	-	-	-	1,5	-	-	1,5
Other changes	-	-	-	-	-	0,1	-0,0	0,1
Profit for the period	-	-	-	-	-	13,3	0,0	13,4
Total recognized income and expense for the period	-	-	-	-0,1	-1,7	13,5	0,0	11,7
Dividends paid	-	-	-	-	-	-46,6	-	-46,6
Share options exercised	1,4	-	7,3	-	-	-	-	8,7
	1,4	-	7,3	-	-	-46,6	-	-37,9
Equity at Mar 31, 2007	69,9	209,3	7,8	-0,0	-4,8	457,3	0,8	740,3

STATEMENT OF CASH FLOWS	Q1	Q1	Q1-Q4
Eur million	2007	2006	2006
Cash flow from operating activities			
Profit for the period	13.4	15.8	57.6
Adjustments, total	19.7	34.1	109.8
Changes in net working capital	-27.2*)	-11.4	-14.4
Change in provisions and pension liability	-14.0*)	-0.4	-0.5
Financial items	-1.0	-6.9	-3.7
Taxes paid	-3.0	-5.2	-29.6
Net cash from operating activities	-12.0	26.0	119.2
Cash flow from investing activities			
Acquisition of Group companies	-	-8.1	-7.8
Purchases of property, plant & equipment	-32.8	-29.6	-116.5
Other investing activities	14.5	-12.3	45.3
Net cash from investing activities	-18.3	-50.0	-79.0
Cash flow from financing activities			
Share issue	8.7	194.7	195.1
Dividends paid	-	-65.2	-65.3
Other financing activities	25.4	-51.9	-165.8
Net cash from financing activities	34.1	77.6	-36.0
Net change in cash and cash equivalents	3.8	53.6	4.3
Cash and cash equivalents at beginning of period	20.1	16.0	16.0
Foreign exchange adjustment	-0.0	-0.1	-0.1
Cash and cash equivalents at end of period	23.9	69.6	20.1

*) Includes EUR -20.8 million payment to the pension fund to cover approximately half of the historical deficit of the defined benefit pension plan in the United Kingdom.

KEY FIGURES	Q1	Q1	Q1-Q4
	2007	2006	2006
Operating profit, %	5.6	7.1	6.0
Operating profit (excluding non-recurring items), %	4.7	6.3	5.5
Return on capital employed (ROCE), %	10.0	12.3	10.4
ROCE (excluding non-recurring items), %	8.4	11.0	9.5
Return on equity (ROE), %	7.1	9.5	8.5
Interest-bearing net liabilities, EUR million	180.1	220.6	155.2
Equity ratio, %	53.0	50.4	56.5
Gearing ratio, %	24.3	30.0	20.3
Earnings per share, EUR	0.29	0.41	1.31
Earnings per share, diluted, EUR	0.29	0.40	1.29
Equity per share, EUR	15.88	16.11	16.79
Cash earnings per share, EUR	-0.26	0.68	2.72
Average number of shares during the period, 1000's	45,918	38,326	43,802
Number of shares at the end of the period, 1000's	46,608	45,587	45,662
Capital expenditure, EUR million	29.1	28.0	120.1
Capital employed, at the end of the period, EUR million	944.4	1 037.4	946.9
Number of employees, average	5,665	5,572	5,687
CHANGES OF PROPERTY, PLANT AND EQUIPMENT			
	Q1	Q1	Q1-Q4
Eur million	2007	2006	2006
Book value at Jan 1	601.7	577.4	577.4
Additions	28.7	32.6	121.6
Disposals	-0.1	-0.0	-1.0
Depreciations and impairment charges	-18.5	-18.4	-75.7
Translation adjustment and other changes	-3.8	-5.4	-20.6
Book value at end of the period	608.0	586.2	601.7
TRANSACTIONS WITH RELATED PARTIES			
	Q1	Q1	Q1-Q4
Eur million	2007	2006	2006
Transactions with associated companies			
Sales and interest income	0.1	0.4	1.3
Purchases of goods and services	-2.1	-2.4	-10.9
Trade and other receivables	0.1	1.2	0.5
Trade and other payables	0.1	0.9	0.8
Interest-bearing loans and borrowings	2.9	4.6	6.6

Market prices have been used in transactions with associated companies.

OPERATING LEASES	Mar 31,	Mar 31,	Dec 31,
Eur million	2007	2006	2006
Current portion	5.7	5.8	6.1
Non-current portion	16.3	21.0	18.2
Total	22.0	26.8	24.3

CONTINGENT LIABILITIES	Mar 31,	Mar 31,	Dec 31,
Eur million	2007	2006	2006
For own liabilities			
Loans from financing institutions			
Amount of loans	-	0.1	-
Amount of mortgages	-	0.1	-
Other loans			
Amount of loans	1.3	1.9	1.5
Book value of pledges	1.5	2.0	1.6
For other own commitments			
Guarantees	57.5	23.1	29.1
For commitments of associated companies			
Guarantees	8.3	8.3	8.3
Capital expenditure commitments	48.0	22.6	50.6
Other contingent liabilities	5.2	9.7	5.3

QUARTERLY DATA	Q1	Q4	Q3	Q2	Q1
Eur million	2007	2006	2006	2006	2006
Net sales	416.5	389.0	385.9	409.6	414.6
Other operating income *	2.6	4.3	4.4	5.6	7.0
Expenses *	-379.9	-359.3	-349.6	-368.7	-375.5
Depreciation, amortization, impairment charges *	-19.6	-19.9	-19.8	-20.5	-19.8
Non-recurring items	3.8	-1.9	4.4	2.9	3.3
Operating profit	23.3	12.3	25.3	28.9	29.6
Net financial expenses	-0.1	-0.2	-0.2	0.4	-0.0
Share of profit (loss) of associated companies	-3.0	-2.6	-3.7	-4.1	-4.5
Profit before taxes	20.3	9.4	21.4	25.2	25.1
Income taxes	-6.9	-0.7	-5.0	-8.6	-9.3
Profit for the period	13.4	8.8	16.4	16.6	15.8
Attributable to					
Equity holders of the parent	13.3	8.8	16.4	16.5	15.8
Minority interest	0.0	-0.0	0.0	0.1	0.0
Operating profit *	19.6	14.1	20.8	26.0	26.3
Operating profit, % *	4.7	3.6	5.4	6.4	6.3
<i>* Excluding non-recurring items</i>					
QUARTERLY DATA BY SEGMENT	Q1	Q4	Q3	Q2	Q1
Eur million	2007	2006	2006	2006	2006
Net sales					
FiberComposites	206.4	195.4	195.3	204.9	212.7
Specialty Papers	211.4	193.9	191.5	205.2	203.3
Other operations and eliminations	-1.3	-0.3	-0.9	-0.5	-1.5
Group total	416.5	389.0	385.9	409.6	414.6
Operating profit					
FiberComposites	15.2	9.2	13.3	13.9	15.9
Specialty Papers	13.0	3.0	6.0	10.3	13.0
Other operations and eliminations	-4.9	0.1	6.0	4.8	0.7
Group total	23.3	12.3	25.3	28.9	29.6
Operating profit excluding non-recurring items					
FiberComposites	13.4	11.0	13.3	13.9	15.9
Specialty Papers	8.6	4.4	8.7	10.3	13.0
Other operations and eliminations	-2.5	-1.2	-1.2	1.9	-2.6
Total	19.6	14.1	20.8	26.0	26.3
Non-recurring items	3.8	-1.9	4.4	2.9	3.3
Group total	23.3	12.3	25.3	28.9	29.6

KEY FIGURES QUARTERLY	Q1	Q4	Q3	Q2	Q1
Eur million	2007	2006	2006	2006	2006
Net sales	416.5	389.0	385.9	409.6	414.6
Operating profit	23.3	12.3	25.3	28.9	29.6
Operating profit (excluding non-recurring items)	19.6	14.1	20.8	26.0	26.3
Profit before taxes	20.3	9.4	21.4	25.2	25.1
Profit before taxes (excluding non-recurring items)	16.5	11.3	17.0	22.3	21.8
Profit for the period	13.4	8.8	16.4	16.6	15.8
Gearing ratio, %	24.3	20.3	25.0	30.0	30.0
Return on capital employed (ROCE), %	10.0	5.3	10.3	11.7	12.3
ROCE (excluding non- recurring items), %	8.4	6.1	8.5	10.6	11.0
Earnings per share, EUR	0.29	0.18	0.36	0.36	0.41
Cash earnings per share, EUR	-0.26	0.54	1.29	0.21	0.68
Average number of shares during the period, 1,000's	45,918	45,602	45,592	45,587	38,326

CALCULATION OF KEY FIGURES

Interest-bearing net liabilities	Interest-bearing loans and borrowings - Cash and cash equivalents - Other investments (current)	
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - Advances received}} \times 100$	
Gearing ratio, %	$\frac{\text{Interest-bearing net liabilities}}{\text{Total equity}} \times 100$	
Return on equity (ROE), %	$\frac{\text{Profit (loss) for the period}}{\text{Total equity (annual average)}} \times 100$	
Return on capital employed (ROCE), %	$\frac{\text{Profit (loss) before taxes + Financing expenses}}{\text{Total assets (annual average) - Non-interest bearing liabilities (annual average)}} \times 100$	
Earnings per share, EUR	$\frac{\text{Profit for the period attributable to equity holders of the parent}}{\text{Average adjusted number of shares during the period}}$	
Cash earnings per share, EUR	$\frac{\text{Net cash from operating activities}}{\text{Average adjusted number of shares during the period}}$	
Equity per share, EUR	$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Adjusted number of shares at the end of the period}}$	