

Ahlstrom Group Q2 2007 financial results

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Highlights Q2 2007

	Q2 2007	Q1 2007	Q2 2006	2006
Net sales, EUR million	436.9	416.5	409.6	1,599.1
Operating profit, EUR million	21.0	23.3	28.9	96.1
Operating profit excl. non-recurring items, EUR million	21.0	19.6	26.0	87.3
Profit before taxes, EUR million	16.4	20.3	25.2	81.2
Profit before taxes excl. non-recurring items, EUR million	16.4	16.5	22.3	72.5
Profit for the period, EUR million	11.9	13.4	16.6	57.6
Return on capital employed (ROCE), %	8.0	10.0	11.7	10.4
ROCE excl. non-recurring items, %	8.0	8.4	10.6	9.5
Earnings per share (EPS), EUR	0.26	0.29	0.36	1.31
Cash earnings per share (CEPS), EUR	0.20	-0.26	0.21	2.72
Average number of shares, 1000s	46,636	45,918	45,587	43,802

- Net sales (adjusted for currency effects) grew by 8.7%
- Operating profit improved by 7% from Q1/07 due to increased sales volumes
- Integration of three acquisitions was started
- The rebuild of the release base paper machine in France was completed, impact on operating profit EUR 3.5 million

Highlights H1 2007

	Q1-Q2/ 2007	Q1-Q2/ 2006	2006
Net sales, EUR million	853.3	824.2	1,599.1
Operating profit, EUR million	44.4	58.5	96.1
Operating profit excl. non-recurring items, EUR million	40.6	52.3	87.3
Profit before taxes, EUR million	36.7	50.3	81.2
Profit before taxes excl. non-recurring items, EUR million	32.9	44.1	72.5
Profit for the period, EUR million	25.3	32.4	57.6
Return on capital employed (ROCE),%	8.5	12.4	10.4
ROCE excl. non recurring items, %	7.8	11.2	9.5
Earnings per share (EPS), EUR	0.55	0.77	1.31
Cash earnings per share (CEPS), EUR	-0.06	0.89	2.72
Average number of shares, 1000s	46,279	41,977	43,802

- Comparable net sales grew by 4.4%
- Operating profit impacted by high raw material costs, investment standstills and integration costs of acquisitions
- Cumulative tax rate for the period was 31%

Integration of the three acquisitions in the FiberComposites segment well underway

- **Fiberweb's consumer wipes business**, annual net sales of approx. EUR 110 million, closed on May 25, 2007
- **Orlandi's spunlace nonwoven business**, annual net sales of approx. EUR 65 million, closed on April 30, 2007
- **Fabriano Filter Media SpA**, manufacturer of micro glass filter media, annual net sales approx. EUR 7 million, closed on May 31, 2007

=> **The net sales generated from the three acquisitions in Q2 was EUR 22.3 million**

Organic growth decisions and ramp-ups in Q2 2007

New investment decisions

- Dust filtration line, Darlington, USA, EUR 8 million, start-up in June 2008
- 5 hectares land area in Mundra Special Economic Zone, India

Investments ramping up

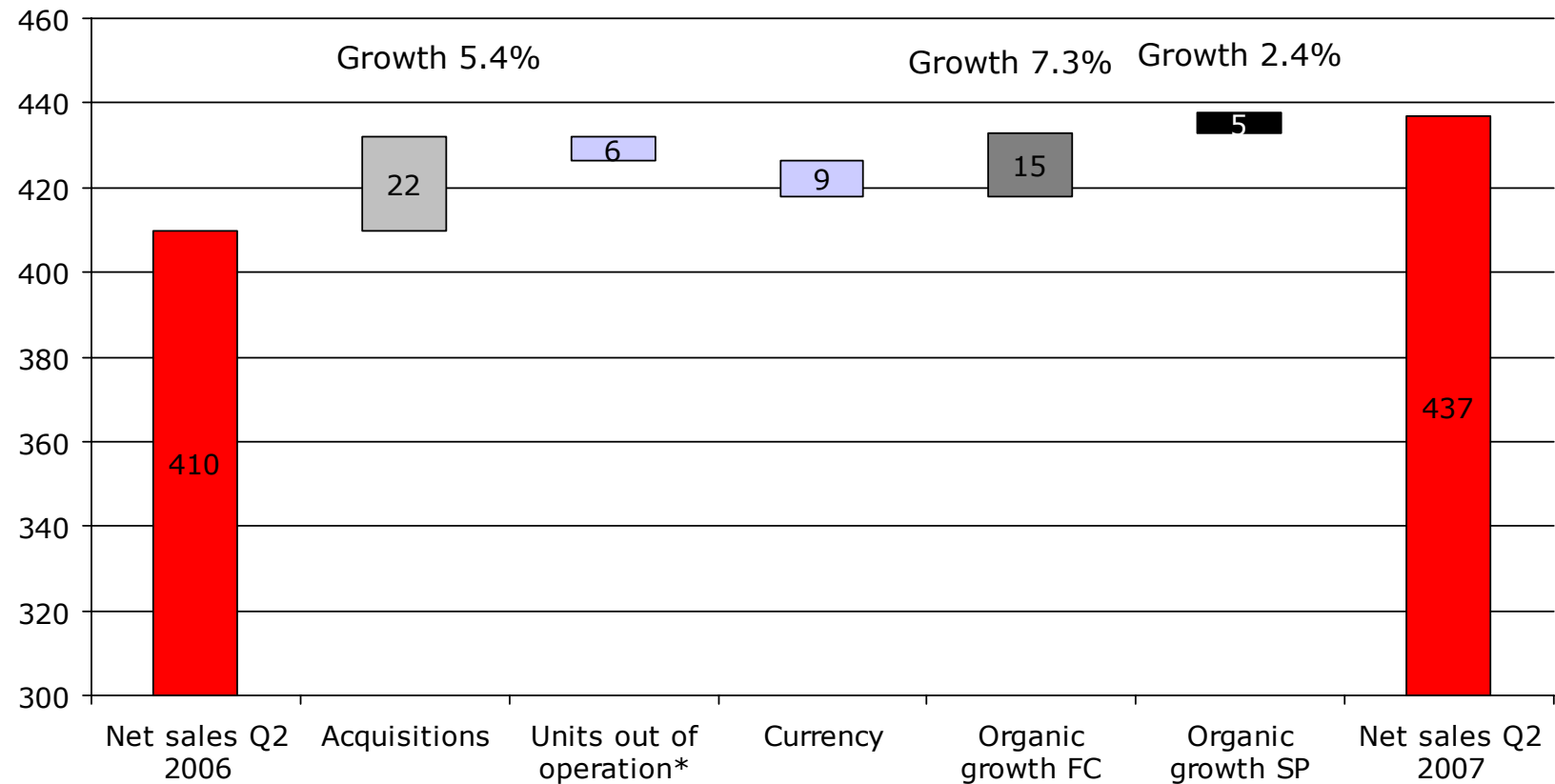
- The release base paper capacity expansion at the La Gère, France plant completed in June, EUR 30 million
- Specialty glassfiber reinforcement plant, USA, EUR 10 million
- Wiping fabrics line, USA, EUR 25 million
- Orlandi wiping fabrics line, Italy, EUR 2.5 million

Good demand continued but raw material prices remained high

- Overall, good demand continued in Europe, Asia and Latin America
- North American market was stable but demand for air filtration products suffered from slow down of the housing sector
- Prices for pulp, Ahlstrom's main raw material, continued to increase
 - The average USD market price for NBSK increased by 4% from Q1, BHKP by 1%
- Prices for synthetic fibers and chemicals were stable but remained at high level
- Energy costs remained high but decreased slightly in Europe

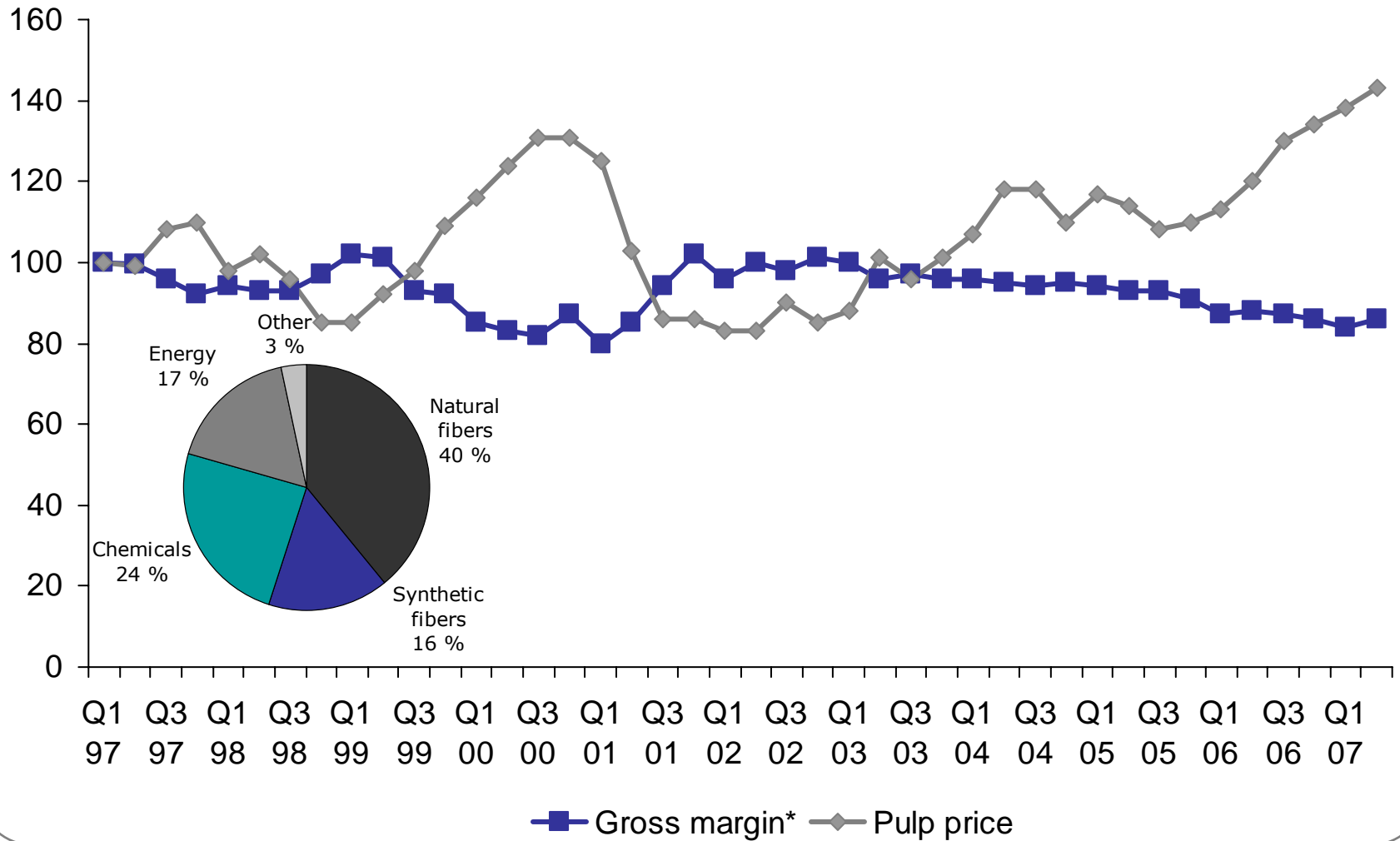
Organic sales growth of 5% + 5% growth from acquisitions in Q2 2007

EUR million



*La Gère investment stand still

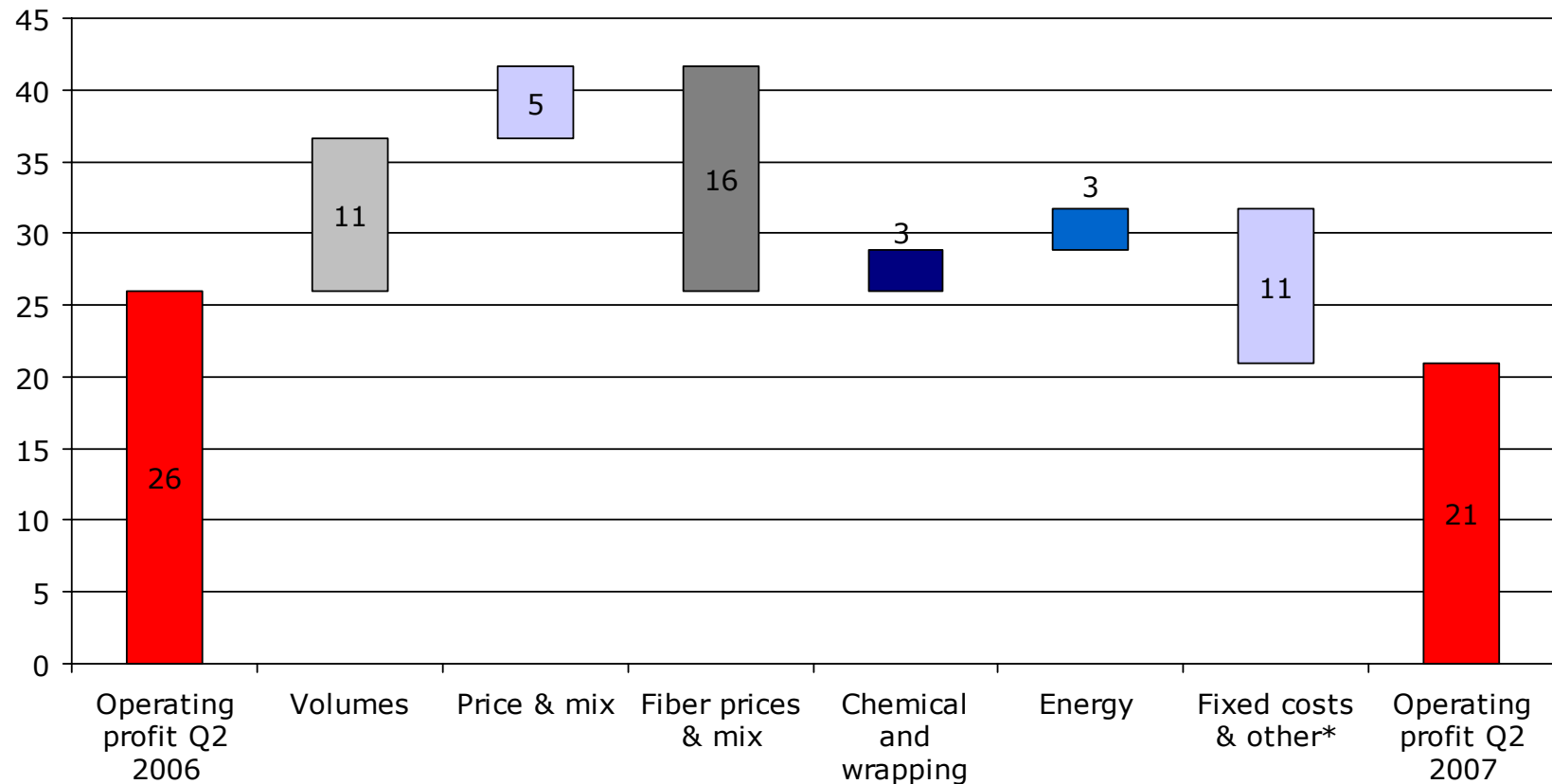
Gross margin under pressure but improved from Q1



* The new acquired units will be included from Q4 2007 onwards when they are included in Ahlstrom's figures for full quarters
 Small fibers. Big difference.

High fiber prices continued to put pressure on margin in Q2/2007

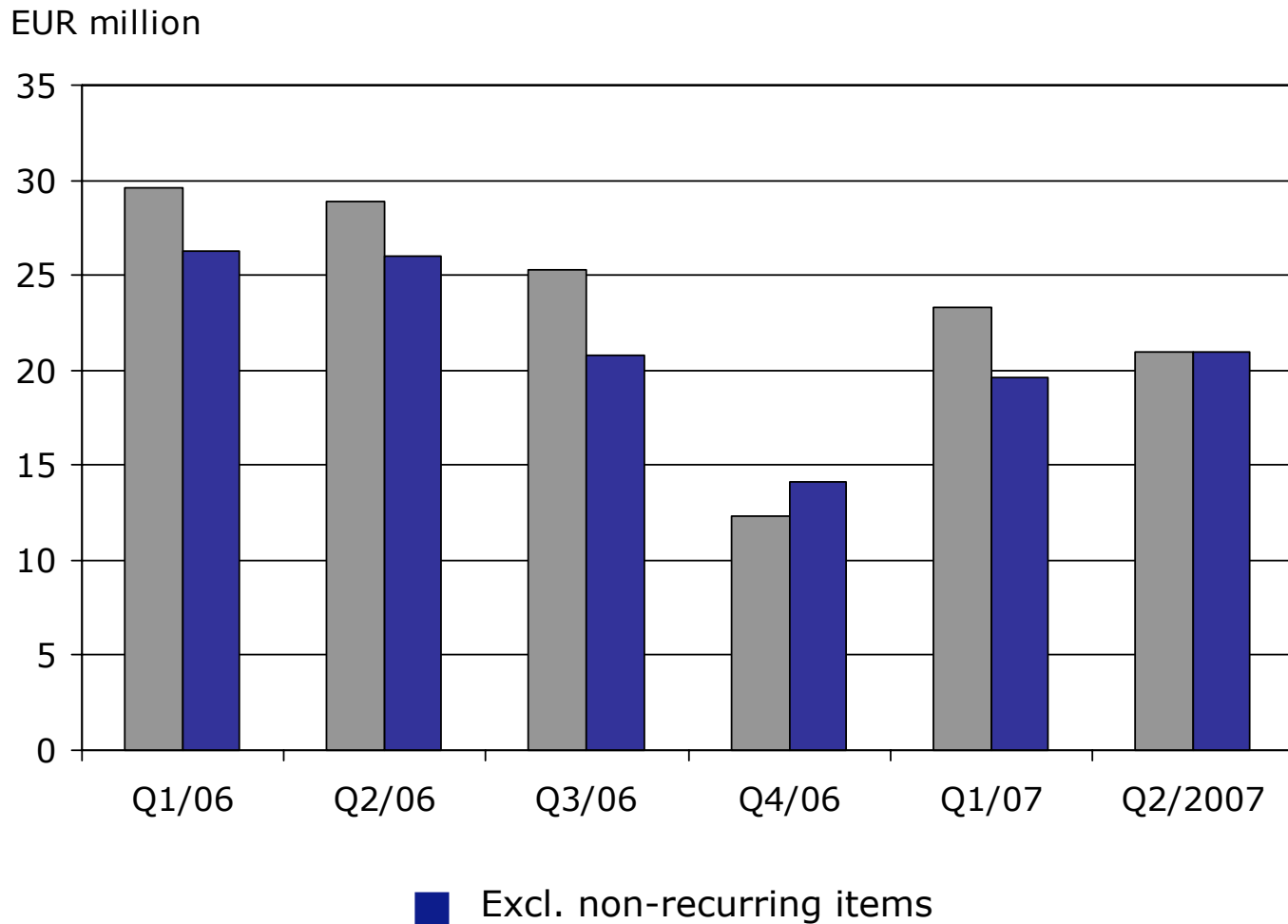
EUR million



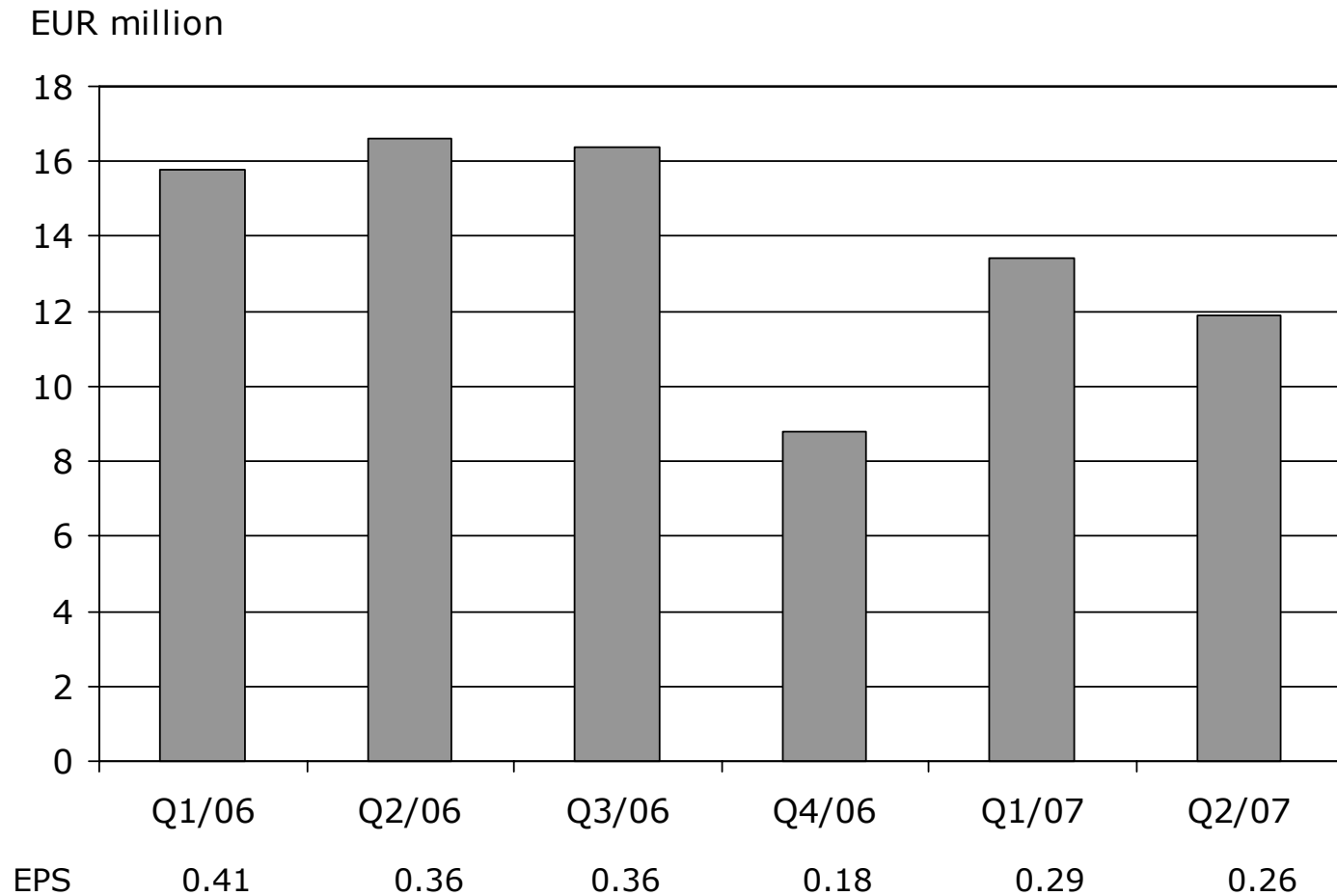
* Includes La Gère investment standstill and new units

Small fibers. Big difference.

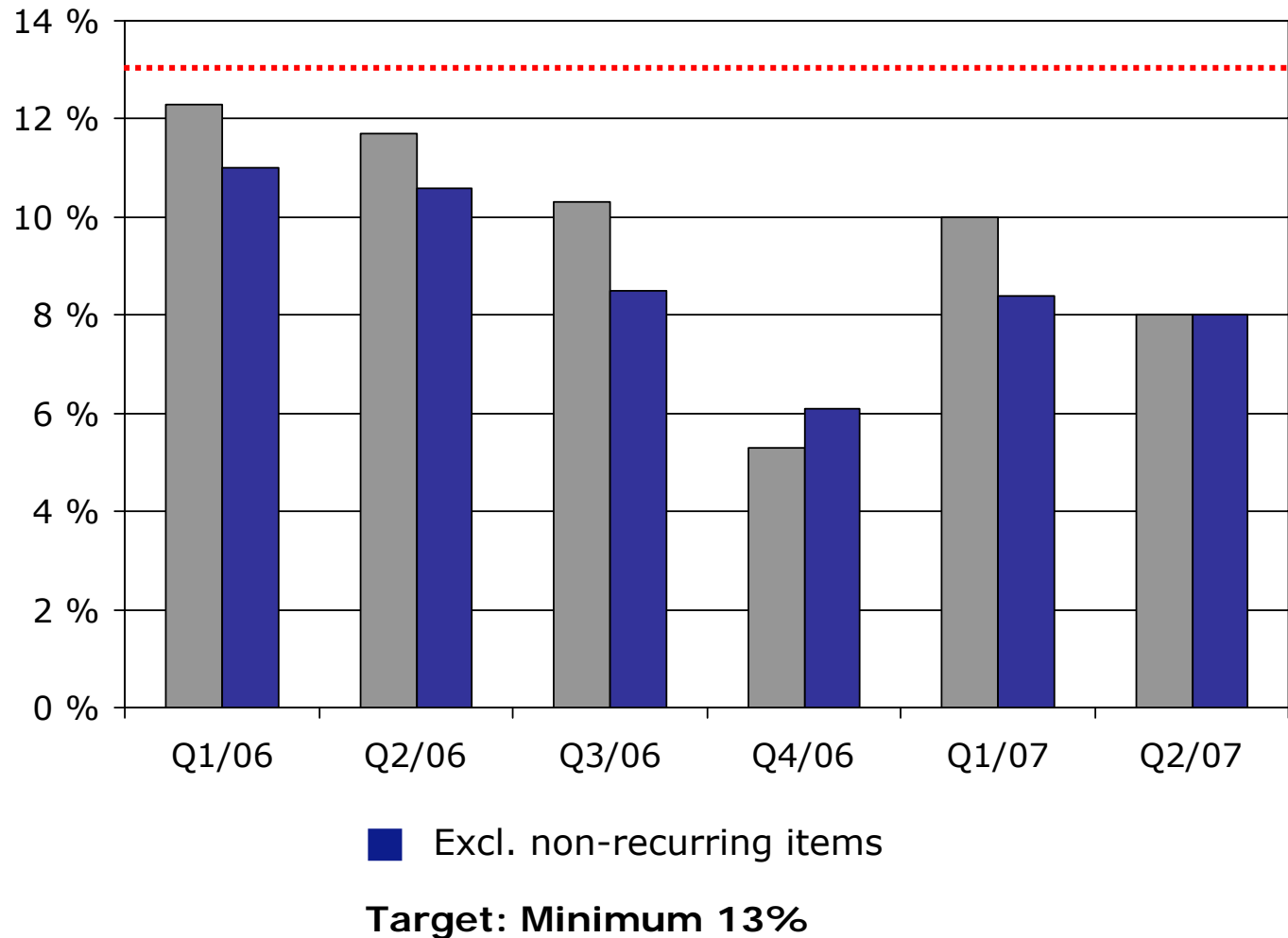
Operating profit continued to improve



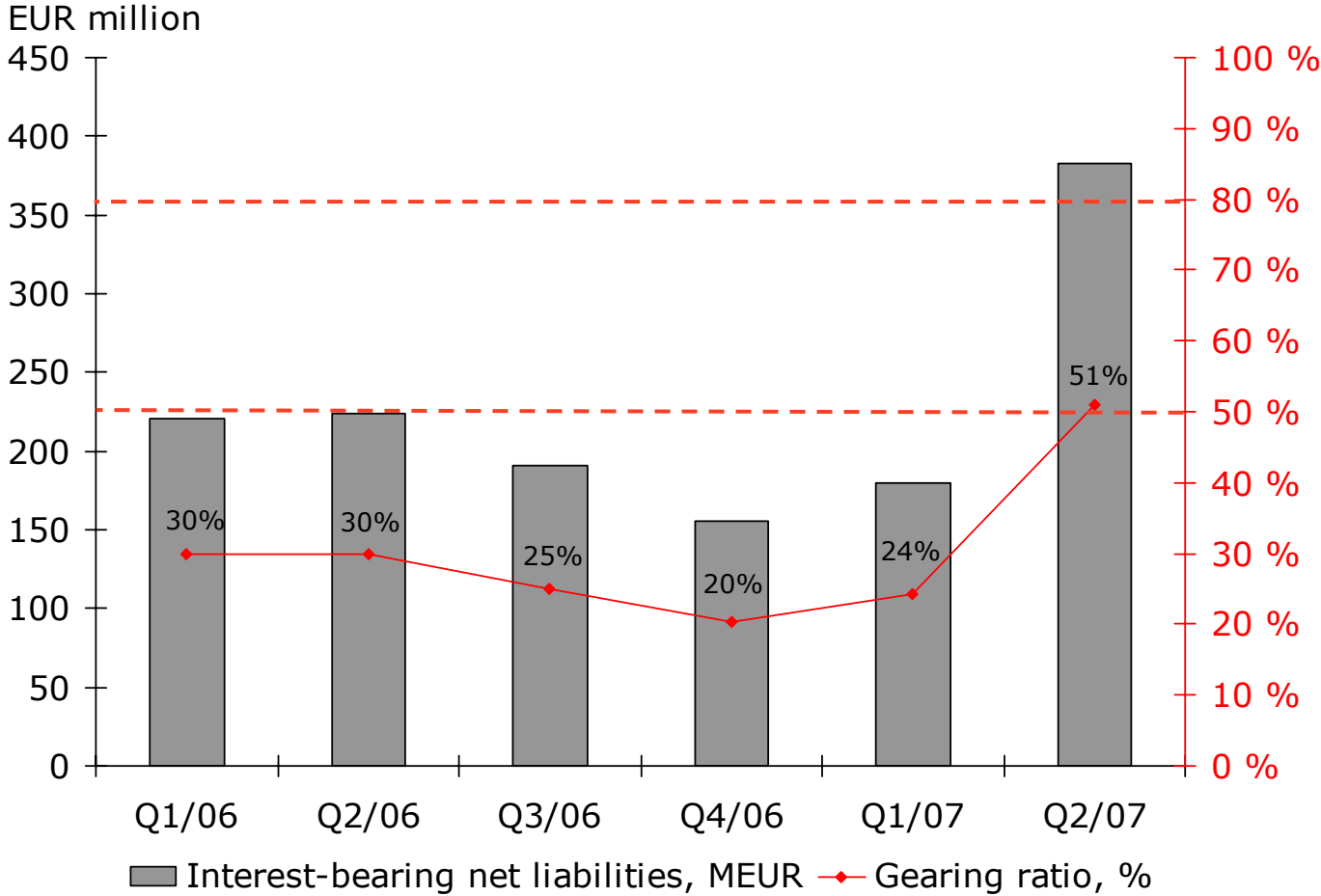
Profit for the period, EUR million



Return on capital employed (ROCE) remains below target



Gearing ratio 51% due to completed acquisitions



Target: 50%-80%

FiberComposites segment – Highlights Q2 2007

	Q2 2007	Q2 2006	2006
Net sales, EUR million	235.5	204.9	808.2
Operating profit excl. non-recurring items, EUR million	17.3	13.9	54.1
Operating profit excl. non-recurring items, %	7.3	6.8	6.7
Return on Net Assets excl. non-recurring items (RONA), %	9.5	9.0	8.9

- The integration of the three acquisitions started
- 6% organic volume growth and 7% net sales growth, driven by good demand in wiping fabrics, industrial nonwovens and glass nonwovens applications
- The ramp-up of the Glass Nonwovens line and the wiping fabrics lines in the US and in Italy (Orlandi) continued
- EUR 8 million investment announced in air filtration line, USA
- The closure of the Bellingham filtration site in H1 2008 was announced

Specialty Papers segment - Highlights Q2 2007

	Q2 2007	Q2 2006	2006
Net sales, EUR million	202.7	205.2	794.0
Operating profit excl. non-recurring items, EUR million	5.4	10.3	36.4
Operating profit excl. non-recurring items, %	2.7	5.0	4.6
Return on Net Assets excl. non-recurring items (RONA), %	6.4	13.1	11.8

- Volume growth of 10% continued in Technical Papers driven by strong demand in posters, crepe papers, vegetable parchment and decor papers
- Sales volumes of the Label and Packaging Paper business area decreased mainly due to the La Gère investment standstill
- Operating profit was impacted by the investment standstill (EUR 3.5 million) and price pressure in release base papers
- The specialty paper joint venture with Brazilian Votorantim Celulose e Papel expected to be closed in Q3

Volume and price development by business area

Business area	Volumes (Q2/07 vs. Q2/06)	Prices (Q2/07 vs. Q1/07)	Outlook H2
Nonwovens			• Good demand expected to continue
Filtration			• Steady demand anticipated, however uncertainty continues in air filtration in North America
Glass Nonwovens			• Demand expected to remain good in all main product areas and geographic regions
Label & Packaging Papers			• Demand expected to slightly strengthen in release base papers, price pressure remains
Technical Papers			• Good market situation expected to continue

Implementation of growth actions continues

- The integration of the three acquisitions in the FiberComposites segment continues
 - Integration costs estimated to be EUR 1 million per quarter
- The Brazilian specialty paper joint venture with Votorantim Celulose Papel (VCP) is expected to be closed during Q3
- The glassfiber tissue plant in Tver, Russia is proceeding according to schedule and is expected to be completed in Q4

=> Full year capex excl. acquisitions estimated to be in the range of EUR 130-140 million

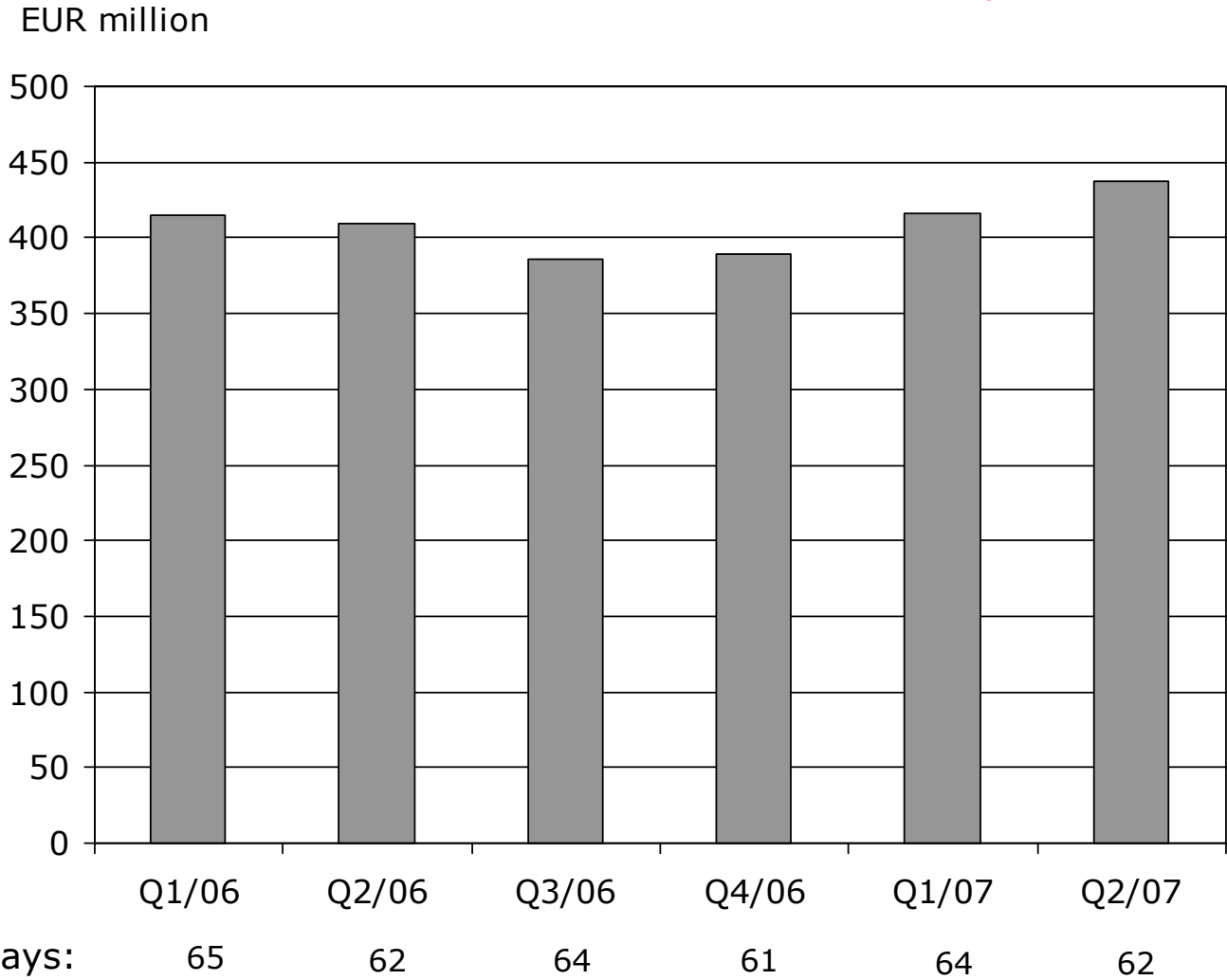
Outlook H2 2007

- Demand in Europe, South America and Asia expected to remain good
- Demand anticipated to be stable in USA, however low visibility
- High oil prices keep energy costs high and increase pressure on synthetic fibers and chemicals prices
- Price increases and fixed cost control critical for profitability improvement

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

Appendix

Net sales, EUR million



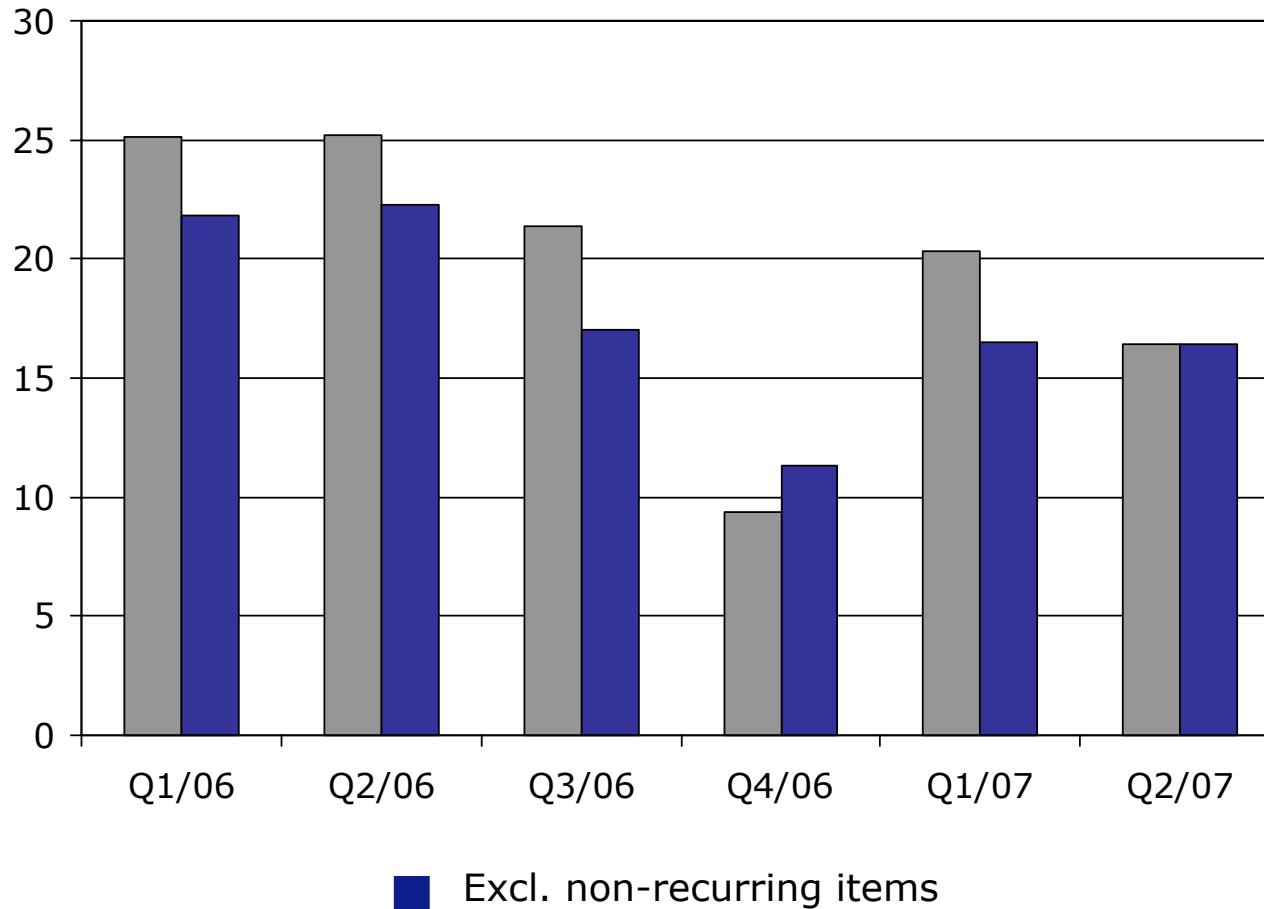
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Small fibers. Big difference.



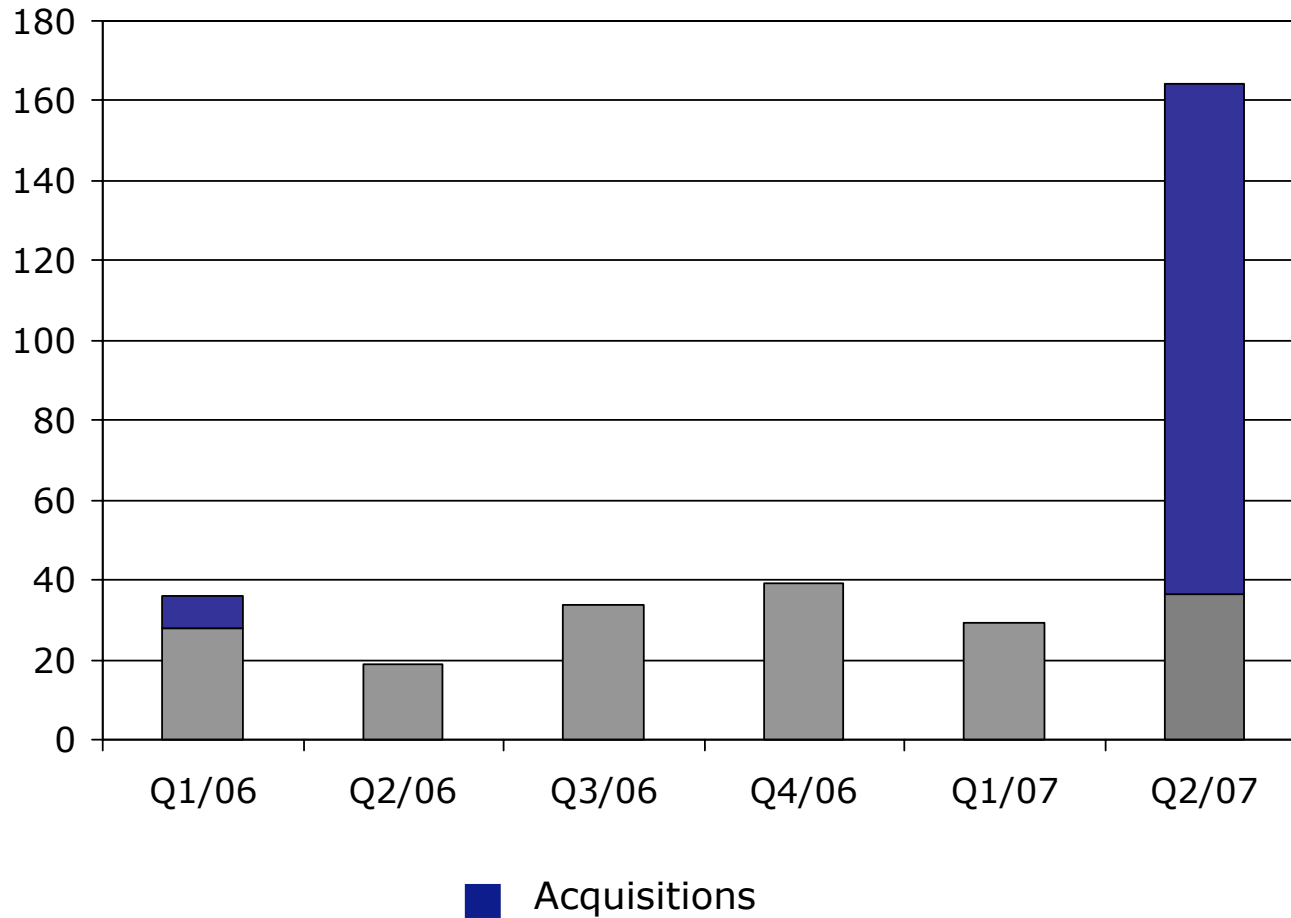
Profit before taxes, EUR million

EUR million



Investments, EUR million

EUR million





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