

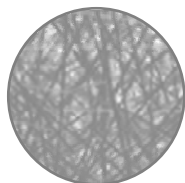
Ahlstrom Capital Markets Day

Financial review

Jari Mäntylä

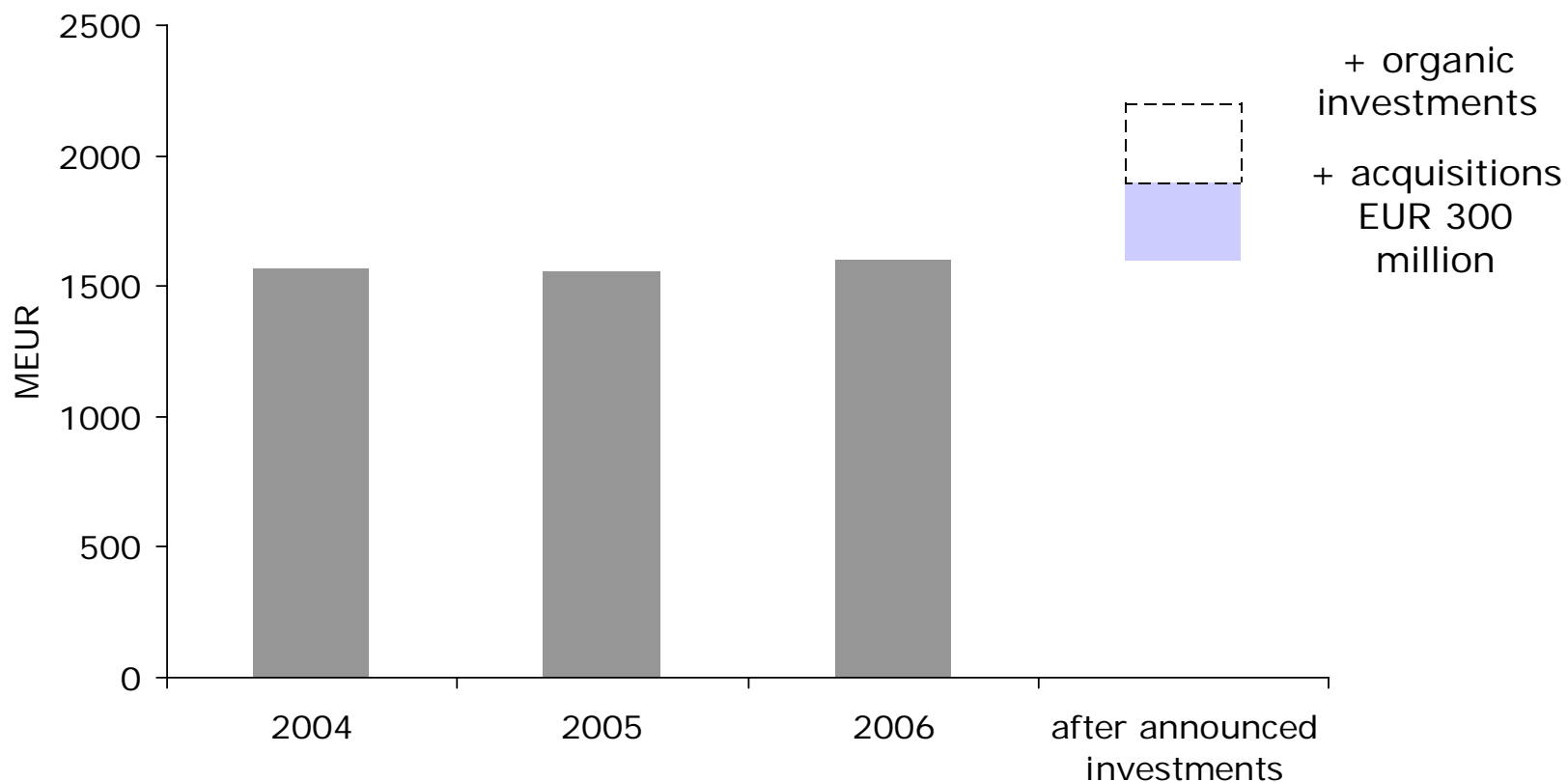
May 30, 2007

Helsinki



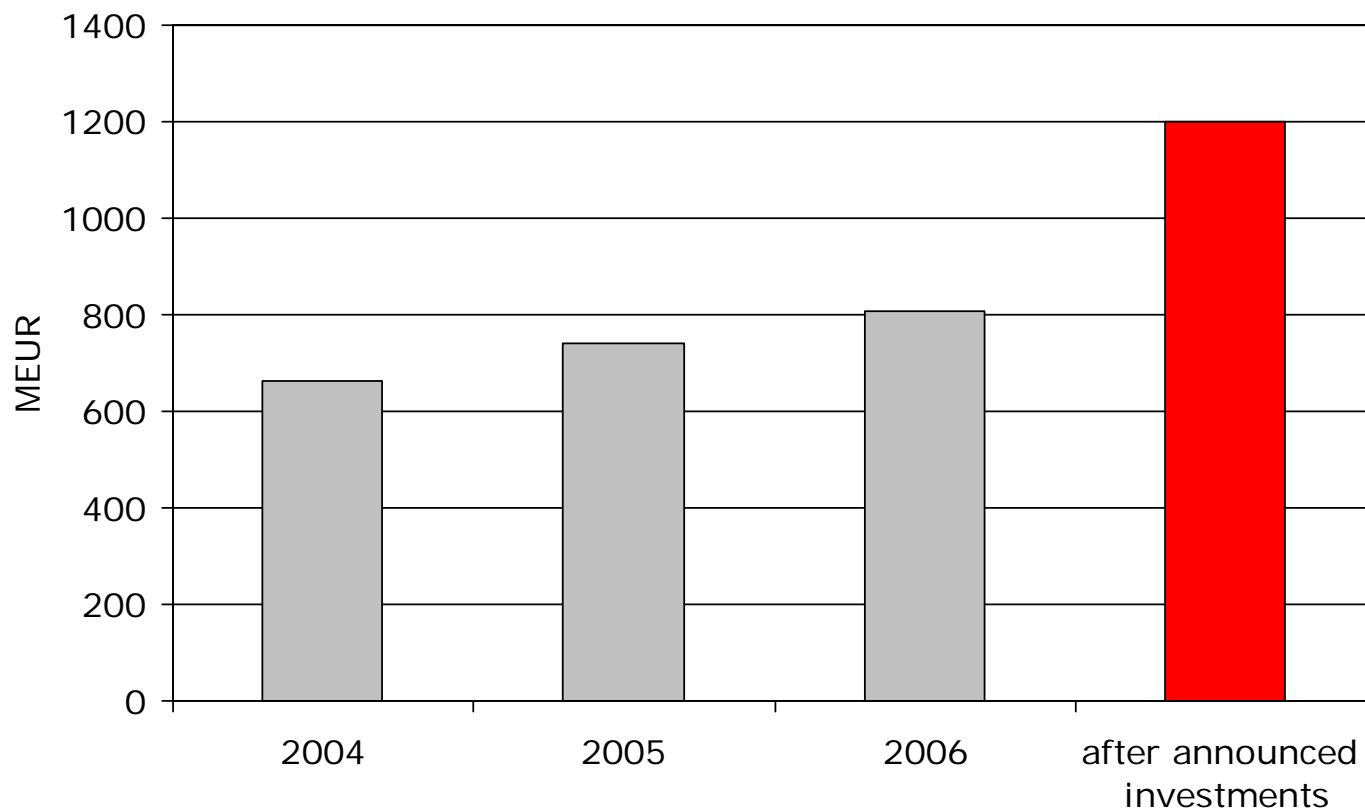
Small fibers. Big difference.

Significant growth generated through acquisitions and organic investments

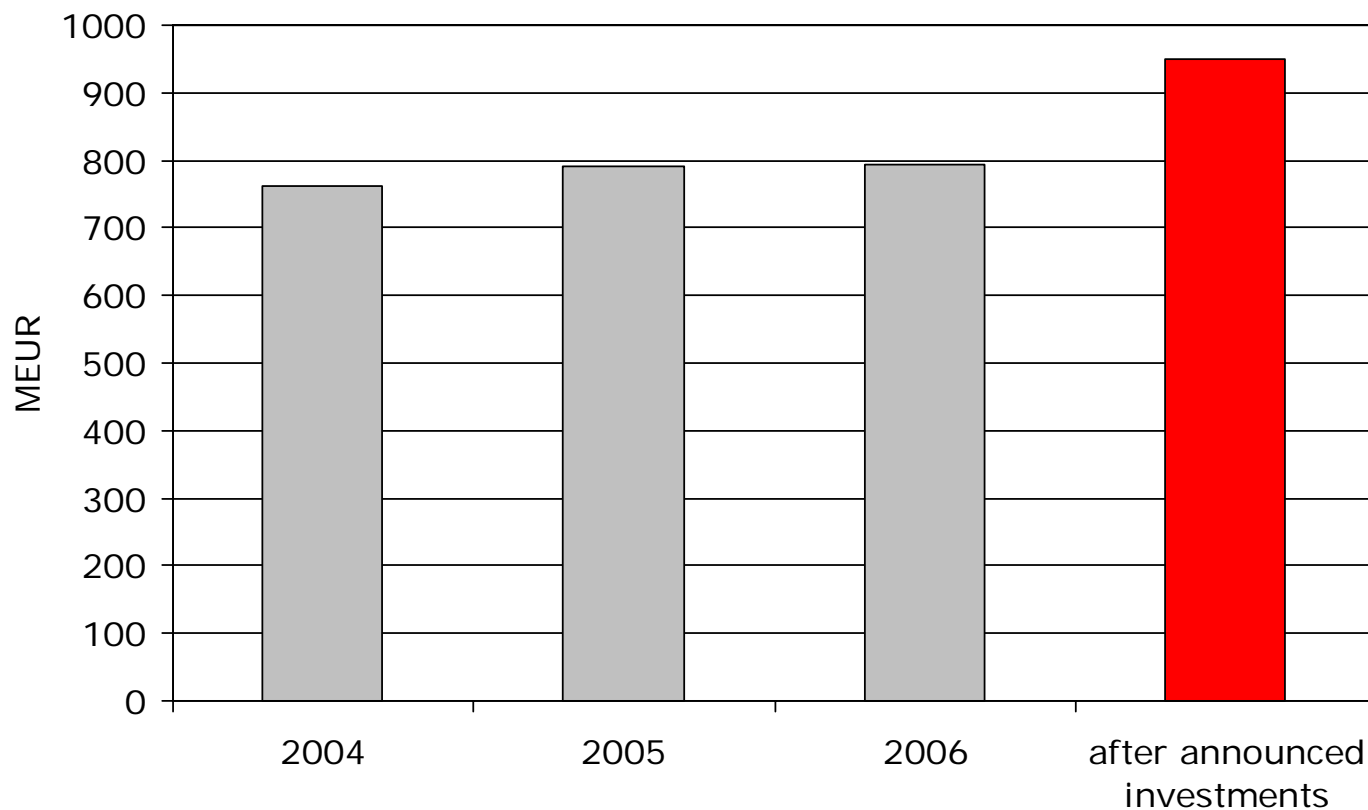


➤ **Ahlstrom to become +2 billion euro company**

FiberComposites topline EUR 1.2 billion after announced investments



Specialty Papers topline EUR 950 million after announced investments



Investments of 350 million in 2007 including acquisitions

Investment	% of net sales
Maintenance	2%
Improvement + growth	1-2%

2007

Capex estimate: EUR 130-140 million

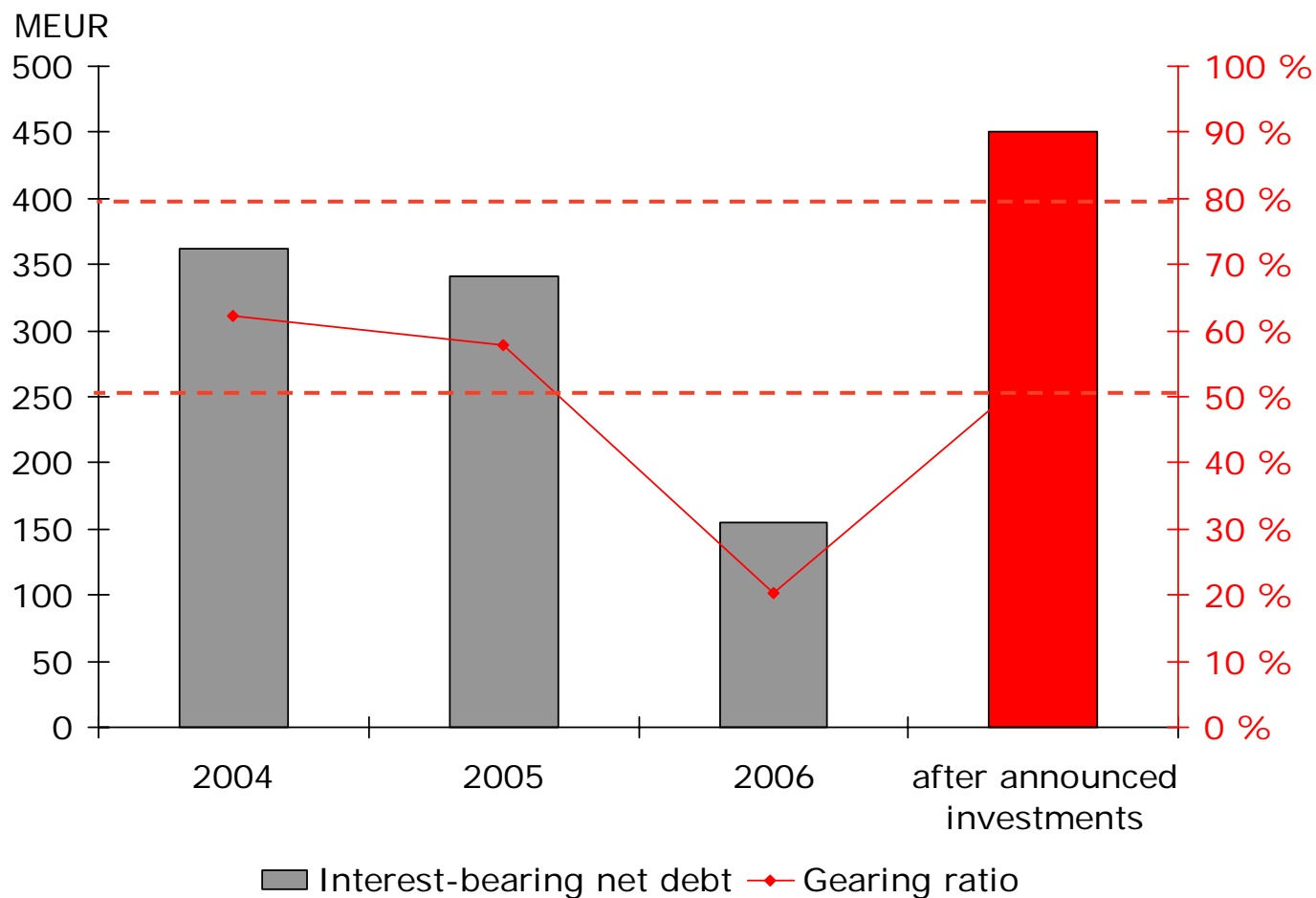
+ announced acquisitions: EUR 212 million

Total: EUR 342-352 million

Financing organic growth investments with cash generated from operating activities

Cash flow, MEUR	2006
Cash from operations	167.2
Change in working capital	-14.6
Financial items	-3.7
Income taxes	-29.6
Net cash from operating activities	119.2
Capex incl. acquisitions	-124.3
Sale of assets	45.3
Cash flow before financing activities	40.2
Share issue	195.1
Dividends paid	-65.3
Other financing activities	-165.8
Net change in cash and cash equivalents	4.3
Cash earnings per share, EUR	2.72

Gearing after announced investments



Gearing ratio target level: 50-80%

Lean balance sheet

Balance sheet, MEUR	2006	2005
Property, plant and equipment	601.7	577.4
Other non current assets	165.8	191.6
Investments in associated companies	12.9	49.4
Inventories	214.4	212.6
Trade and other receivables	341.7	320.2
Cash and cash equivalents	20.1	16.0
Total assets	1,356.6	1,367.2
Equity	766.6	590.5
Interest-bearing loans and borrowings	180.4	356.6
Non-current liabilities	143.5	143.2
Current liabilities	266.2	276.9
Total equity and liabilities	1,356.6	1,367.2
Gearing %	20.3	57.7

➤ **Current asset turn of 1.8 x**

Limiting defined benefit pension plan liability

USA

- Defined benefit plan frozen on May 1, 2006
- New employees part of defined contribution plan

UK

- Defined benefit plan closed on March 1, 2007
- Historical deficit funded by MEUR 21
- No future benefits to be accrued

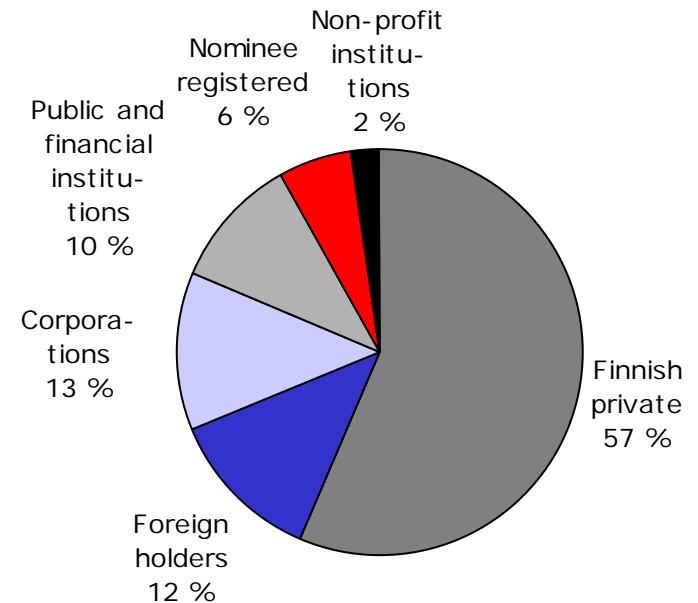
➤ **Impacted Q1 2007 cash flow**

Attractive dividend policy

Dividend payout ratio averaging at least 50% of the profit for the period

2006

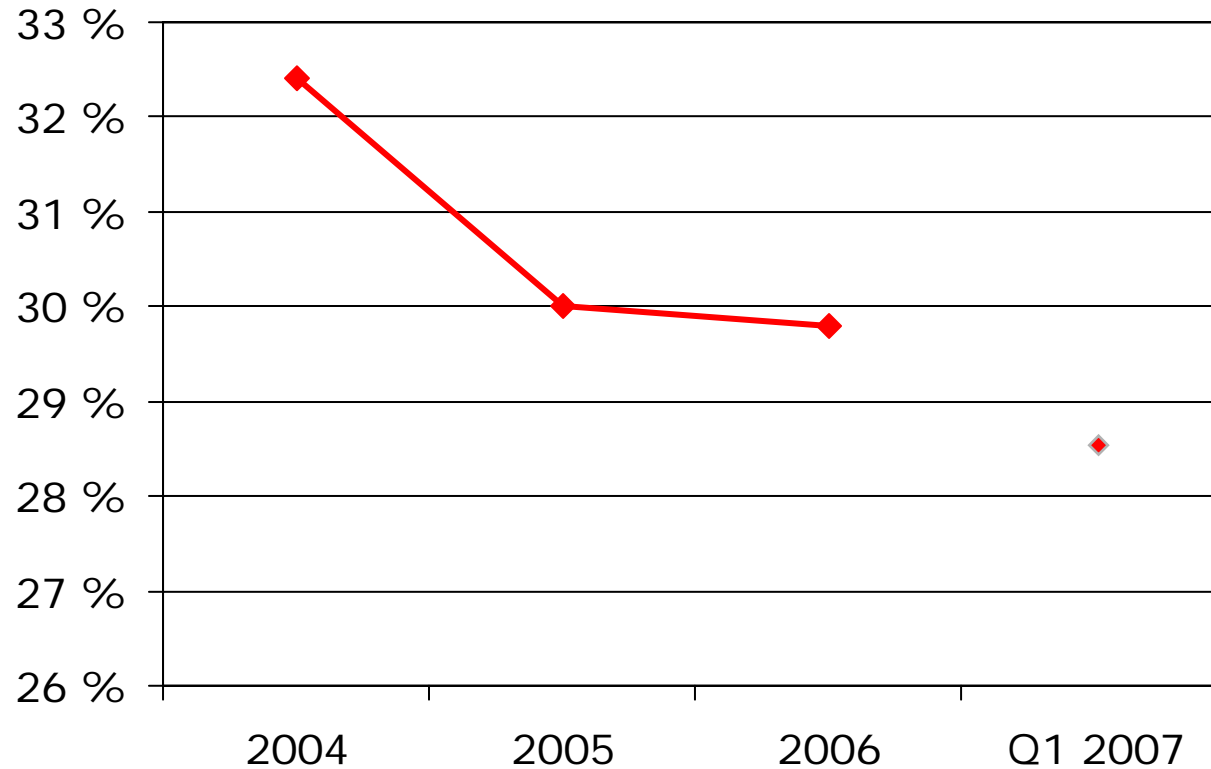
- **Dividend payment: MEUR 46**
- **Pay out ratio: 76%**
- **Dividend yield: 4.6%**



Reduction of income taxes - long term effective tax rate target 33-35%

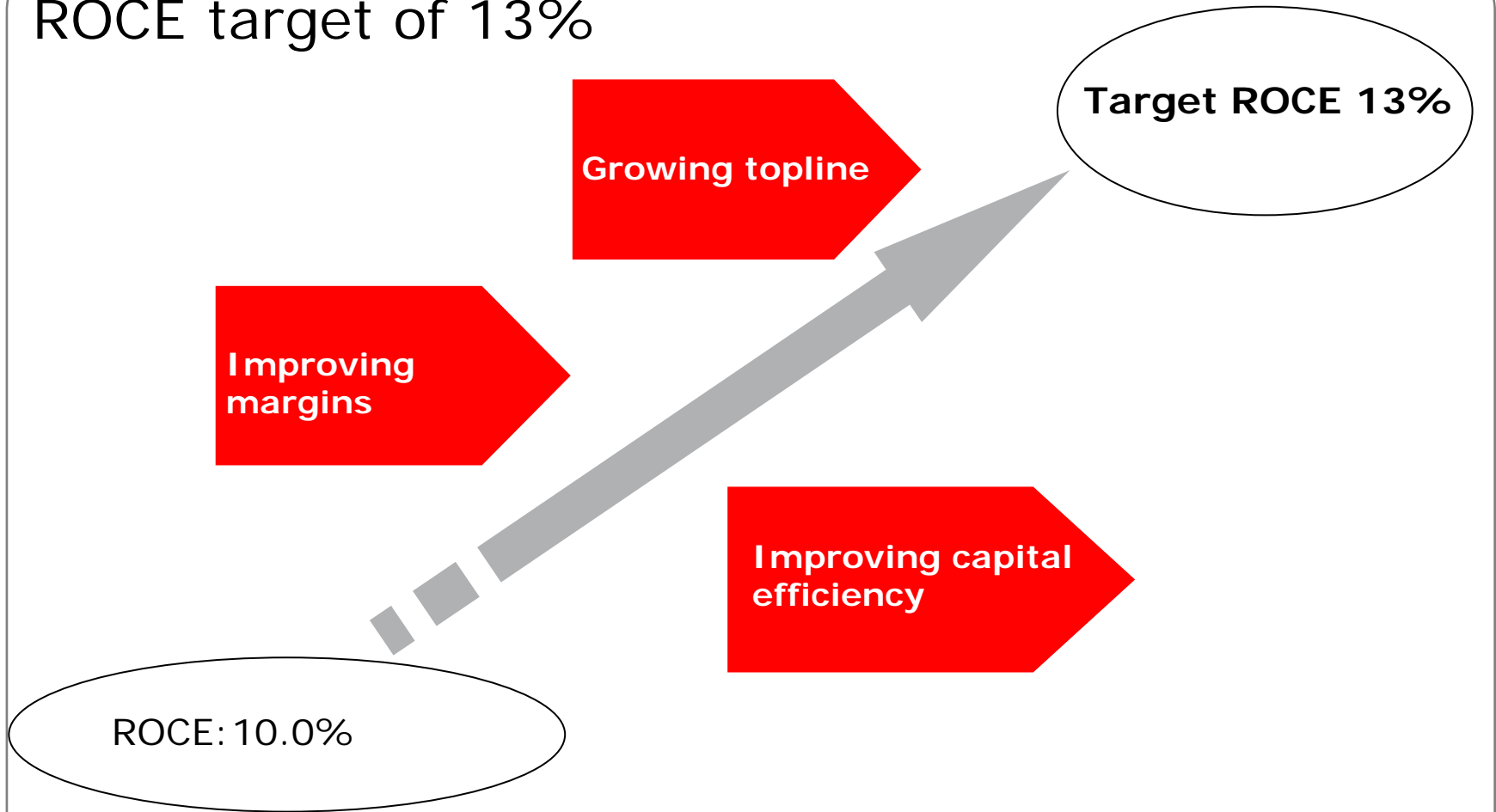
	2006	2005
Operating profit	96.1	117.2
Share of profit of associated companies	0.0	0.4
Net financial expenses	-14.9	-16.8
Profit before taxes	81.2	100.7
Income taxes	-23.6	-38.1
Profit for the period	57.6	62.6
Effective tax rate	29 %	38 %

Fixed cost reduction continues



➤ **Target to maintain fixed costs below 30% of net sales**

ROCE target of 13%



- EBIT range 6%-9% over cycle
- Asset turnover currently 1.8x