



AHLSTROM

Interim Report

January–September 2012

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Ahlstrom interim report January-September 2012

Major steps taken in execution of strategy

Continuing operations July-September 2012 compared with July-September 2011

- Net sales EUR 391.7 million (EUR 389.7 million).
- Operating profit EUR 9.4 million (EUR -17.3 million).
- Operating profit excluding non-recurring items EUR 9.3 million (EUR 8.0 million).
- Operating margin excluding non-recurring items 2.4% (2.0%).
- Profit before taxes EUR 0.3 million (EUR -24.4 million).
- Earnings per share EUR -0.16 (EUR -0.47).

July-September 2012 highlights

- Ahlstrom continued to focus its business and announced the demerger of the Label and Processing business area, which will be combined with Munksjö AB to form a new global leader in specialty papers.
- Consistent with the company's growth strategy Ahlstrom announced the acquisition of Munktell Filter AB, which will further strengthen the company's offering in advanced filtration business, particularly in life science and laboratory applications.

Continuing operations January-September 2012 compared with January-September 2011

- Net sales EUR 1210.7 million (EUR 1235.9 million).
- Operating profit EUR 33.9 million (EUR 24.3 million).
- Operating profit excluding non-recurring items EUR 39.8 million (EUR 48.0 million).
- Operating margin excluding non-recurring items 3.3% (3.9%).
- Profit before taxes EUR 13.5 million (EUR 4.1 million).
- Earnings per share EUR -0.08 (EUR -0.17).

Outlook for 2012

- On October 16, 2012, Ahlstrom revised its outlook for 2012. Net sales from continuing operations are expected to be EUR 1,550-1,630 million. Operating profit excluding non-recurring items from continuing operations is expected to be EUR 48-58 million.

Jan Lång, President & CEO

- Combining the Label and Processing business area with Munksjö is a significant step in our strategy execution, allowing us to focus our resources on areas where we see the most attractive growth opportunities. Another recent strategic step is the Munktell acquisition, which is a prime example of our growth ambition. The transaction enables us to broaden our product portfolio and expand our geographical presence.

- We were able to improve our profit margin somewhat in the third quarter, helped by good pricing management despite the weakening market. However, our profit was hurt by the shortfall in sales volumes and adverse currency effects.

- In Europe, we saw a slowdown in demand especially towards the end of the quarter, while a recovery in China has been delayed. Our sales volume development for the remainder of the year is expected to be weaker than we had earlier anticipated, and as a result we have revised our guidance. We have actively sought to mitigate the impact from the shortfall in sales volumes and will continue to do so.

Key figures from continuing operations

EUR million	Q3/2012	Q3/2011	Change, %	Q1-Q3/ 2012	Q1-Q3/ 2011	Change, %
Net sales	391.7	389.7	0.5	1,210.7	1,235.9	-2.0
Operating profit / loss	9.4	-17.3		33.9	24.3	39.4
% of net sales	2.4	-4.4		2.8	2.0	
Operating profit excl. NRI	9.3	8.0	17.1	39.8	48.0	-17.0
% of net sales	2.4	2.0		3.3	3.9	
Profit / Loss before taxes	0.3	-24.4		13.5	4.1	229.2
Profit / Loss for the period	-6.3	-20.2	68.7	-0.1	-3.3	96.1
Earnings per share	-0.16	-0.47		-0.08	-0.17	
Return on capital employed, %	2.6	-8.6		4.3	3.7	
Capital expenditure	19.6	13.2	48.0	55.4	30.5	81.5
Number of personnel, at the end of period	5,053	5,169	-2.3	5,053	5,169	-2.3

*The Home and Personal business area is reported separately as discontinued operations.

Operating environment

The operating environment remained challenging during the third quarter as the overall demand was soft with increasing volatility. Geographically, demand in Europe was weak, whereas the development in North America was more favorable. Recovery in the Asian market, and particularly in China, has been delayed.

The demand for flooring, wallpaper and wallcovering materials in Europe was stable during the review period. The wallcovering materials market in China showed some signs of stabilization following earlier declines. The demand for specialty reinforcements used by the wind energy industry weakened further.

The market for transportation filtration materials in North America continued to grow in the third quarter, while some signs of slowdown were noted towards the end of the review period. The demand for transportation filtration materials in Europe remained soft. The advanced filtration material markets served by Ahlstrom, particularly gas turbine and life science filtration, continued to strengthen.

The markets for tape, food packaging and beverage materials (e.g. teabag) remained weak during the review period, while the demand for medical materials was stable.

The overall market for specialty paper products stayed soft. The demand for base papers for metallization, flexible packaging papers, and furniture foils declined in the third quarter, while the market for abrasive papers was stable.

The market pulp prices decreased somewhat in the third quarter and remained below the levels in the comparison period except for specialty pulps, such as mercerized cellulose. The prices for synthetic fibers such as polypropylene increased in the quarter. The prices for chemicals in general continued to decline, although they remained at a high level. In its production, Ahlstrom uses chemicals such as latex, titanium dioxide, starch, and clay.

Development of net sales from continuing operations

Net sales by business area	Q3/2012	Q3/2011	Change, %	Q1-Q3/ 2012	Q1-Q3/ 2011	Change, %
Building and Energy	56.0	68.9	-18.7	187.6	230.5	-18.6
Filtration	87.4	78.7	11.1	268.2	244.8	9.6
Food and Medical	93.7	91.5	2.4	272.1	275.8	-1.4
Label and Processing	161.8	163.6	-1.1	503.3	528.4	-4.8
Other functions* and eliminations	-7.2	-12.9		-20.4	-43.6	
Total net sales	391.7	389.7	0.5	1,210.7	1,235.9	-2.0

*Other functions include financing and taxation-related items, as well as earnings and costs belonging to holding and sales companies.

July-September 2012 compared with July-September 2011

Ahlstrom's third-quarter 2012 net sales increased by 0.5% to EUR 391.7 million, compared with EUR 389.7 million in the third quarter 2011. The increase was mainly due to a favorable currency effect as the U.S. dollar appreciated against the euro. Lower sales volumes and capacity closures had a negative impact on net sales. Higher selling prices were partially offset by a weaker product mix.

Breakdown of the net sales change at comparable currency rates:

	Change, %
Q3/2011	
Price and mix	0.8
Currency	3.7
Volume	-2.0
Closures, divestments, and new assets	-2.0
Q3/2012	0.5

Total sales volumes in tons fell 4.0% from the comparison period. Sales volumes declined in *Building and Energy* (-26.9%, or -9.1% excluding capacity closures) and in *Food and Medical* (-10.8%). *Filtration* (1.5%) and *Label and Processing* (0.7%) reported an increase. Total sales volumes, excluding the impact from capacity closures mainly at Building and Energy, decreased by 1.5%.

January-September 2012 compared with January-September 2011

In January-September 2012, net sales decreased by 2.0% to EUR 1,210.7 million, compared with EUR 1,235.9 million in the comparison period. The decline was mainly due to lower sales volumes and capacity closures. A favorable currency effect, mainly as the U.S. dollar appreciated against the euro, had a positive impact on net sales. Higher selling prices were partially offset by a weaker product mix.

Breakdown of the net sales change at comparable currency rates:

	Change, %
Q1-Q3/2011	
Price and mix	0.1
Currency	2.8
Volume	-2.5
Closures, divestments, and new assets	-2.4
Q1-Q3/2012	-2.0

Total sales volumes in tons fell 4.9% from the comparison period. Sales volumes declined in *Building and Energy* (-25.1%, or -5.1% excluding capacity closures), *Food and Medical* (-11.4%) and *Label and Processing* (-1.0%). *Filtration* (0.7%) reported again increase. Total sales volumes, excluding the impact from closures mainly at Building and Energy, decreased by 2.0%.

Result and profitability from continuing operations

Financial result by segment	Q3/2012	Q3/2011	Change, %	Q1-Q3/ 2012	Q1-Q3/ 2011	Change, %
Building and Energy						
Operating profit	2.0	-23.4		6.5	-20.1	
% of net sales	3.5	-34.0		3.5	-8.7	
Operating profit excl. NRI	1.7	-0.9		6.3	2.4	163.8
% of net sales	3.1	-1.3		3.3	1.0	
Filtration						
Operating profit	5.1	4.5	13.0	14.1	18.2	-22.4
% of net sales	5.8	5.7		5.3	7.4	
Operating profit excl. NRI	5.3	4.2	27.7	18.4	18.5	-0.2
% of net sales	6.1	5.3		6.9	7.5	
Food and Medical						
Operating profit	2.4	4.2	-41.3	5.5	10.0	-45.1
% of net sales	2.6	4.6		2.0	3.6	
Operating profit excl. NRI	3.1	4.3	-28.0	6.6	10.1	-34.8
% of net sales	3.3	4.7		2.4	3.7	
Label and Processing						
Operating profit	-1.4	-3.7	61.7	8.5	13.1	-35.0
% of net sales	-0.9	-2.2		1.7	2.5	
Operating profit excl. NRI	-1.4	-0.6	-126.3	8.6	14.4	-40.4
% of net sales	-0.9	-0.4		1.7	2.7	
Other functions* and eliminations						
Operating profit	1.4	1.1		-0.7	3.2	
Ahlstrom Group total						
Operating profit/loss	9.4	-17.3		33.9	24.3	39.4
% of net sales	2.4	-4.4		2.8	2.0	
Operating profit excl. NRI	9.3	8.0	17.1	39.8	48.0	-17.0
% of net sales	2.4	2.0		3.3	3.9	

*Other functions include financing and taxation-related items, as well as earnings and costs belonging to holding and sales companies.

July-September 2012 compared with July-September 2011

Ahlstrom's third-quarter 2012 operating profit was EUR 9.4 million (EUR 17.3 million loss), including non-recurring items of EUR 0.1 million (EUR -25.3 million). Operating profit excluding non-recurring items was EUR 9.3 million (EUR 8.0 million). In 2011, the most significant non-recurring items included costs to end production of glassfiber and glassfiber mats in Karhula, Finland and close down a hybrid wallcover production line in Turin, Italy. All these assets were part of the Building and Energy business area.

The increase in profitability was mainly due to higher selling prices. The profit improvement program implemented at the end of last year and efficiency gains in the supply chain improved profitability. In addition, short-term cost mitigation, related to maintenance and temporary lay-offs, had a positive effect on profitability.

Operating profit was hurt by lower sales volumes and increased energy costs stemming from higher natural gas prices in Italy and Brazil. In addition, foreign exchange rates had a negative net impact of approximately EUR 3.7 million on operating profit. The EUR/USD exchange rate development

affected pulp prices denominated in euros, hurting profitability mainly in the Label and Processing business area. This was partially offset by exports from the euro area priced in other currencies, mainly in U.S. dollars.

Ahlstrom's market-related downtime in production was 6.6% in the third quarter of 2012, compared with 8.7% in the corresponding period.

Profit before taxes was EUR 0.3 million (EUR 24.4 million loss).

Income taxes amounted to EUR 6.6 million (tax credit EUR 4.3 million). The effective tax rate was impacted by the relatively large share of pretax profits in countries with higher tax rates. In addition, no tax credit revenues were recognized for the companies with uncertain profit forecast and for the associated companies.

Loss for the period was EUR 6.3 million (EUR 20.2 million loss). Earnings per share with the effect of interest on hybrid bond were EUR -0.16 (EUR -0.47).

January-September 2012 compared with January-September 2011

In January-September 2012, operating profit was EUR 33.9 million (EUR 24.3 million), including non-recurring items of EUR -5.9 million (EUR -23.7 million). The non-recurring items include a cost of approximately EUR 3.4 million related to the closure of a Filtration plant in Spain. Operating profit excluding non-recurring items was EUR 39.8 million (EUR 48.0 million). The 2011 operating profit includes non-recurring items mentioned earlier in the text.

Operating profit was negatively impacted by lower sales volumes, and increased energy costs stemming from higher natural gas in Italy and Brazil. Foreign exchange rates had a negative net impact of approximately EUR 8.8 million on operating profit. The EUR/USD exchange rate development affected pulp prices denominated in euros, hurting profitability mainly in the Label and Processing business area. This was partially offset by exports from the euro area priced in other currencies, mainly in U.S. dollars.

The profit improvement program implemented at the end of 2011, efficiency gains in the supply chain, and higher selling prices had a positive impact on profitability. The 2012 operating profit was also positively affected by the release of annual remuneration accruals from 2011 worth about EUR 2.8 million.

The commercialization of the biodegradable teabag material line in Chirside and the medical material plant in Mundra continued. Both assets are part of the Food and Medical business area.

Ahlstrom's market-related downtime in production was 6.5% in the first nine months of 2012, compared with 6.6% in the corresponding period.

Profit before taxes was EUR 13.5 million (EUR 4.1 million).

Income taxes amounted to EUR 13.7 million (EUR 7.4 million). The effective tax rate was impacted by the relatively large share of pretax profits in countries with higher tax rates. In addition, no tax credit revenues were recognized for the companies with uncertain profit forecast and for the associated companies.

Loss for the period was EUR 0.1 million (EUR 3.3 million loss). Earnings per share with the effect of interest on hybrid bond were EUR -0.08 (EUR -0.17).

Divestment of the Home and Personal business area

Ahlstrom's former wipes fabrics business, Home and Personal, was transferred to Suominen Corporation on October 31, 2011. As announced on September 27, 2012, the transfer of the wipes business in Brazil to Suominen Corporation will be postponed. Ahlstrom had previously anticipated that the transfer would have taken place in the third quarter of 2012.

All necessary Brazilian regulatory permits for the operations in addition to competition clearances have been received. The parties are negotiating the prerequisites, including financing of the remaining EUR 25 million of the total transaction value of EUR 170 million, for completing the transaction. The aim is to transfer the operations in Brazil to Suominen as soon as possible.

Discontinued operations

Home and Personal was reported separately as discontinued operations until October 31, 2011. The Brazilian operation of Home and Personal will be reported as discontinued operations until the transaction is concluded for that part.

In July-September 2012, the profit for the period from discontinued operations was EUR 0.9 million, compared with EUR 1.8 million in the comparison period. The third-quarter 2011 figure includes the Home and Personal business area as a whole, while the third-quarter 2012 figure includes the Brazilian part only.

In January-September 2012, the profit for the period from discontinued operations was EUR 1.7 million, compared with a EUR 14.0 million loss in the comparison period. The 2011 figure includes the Home and Personal business area as a whole, while the 2012 figure includes the Brazilian part only. The 2011 figure includes an impairment loss recognized on the remeasurement to fair value and costs to sell of EUR 18.6 million after tax related to the divestment.

Result including discontinued operations

In July-September 2012, the loss for the period including discontinued operations was EUR 5.5 million (EUR 18.4 million loss). Earnings per share with the effect of interest on hybrid bond were EUR -0.14 (EUR -0.43).

Return on equity (ROE) was -3.9% (-11.7%).

In January-September 2012, the profit for the period including discontinued operations was EUR 1.6 million (EUR 17.4 million loss). Earnings per share with the effect of interest on hybrid bond were EUR -0.04 (EUR -0.47).

Return on equity (ROE) was 0.4% (-3.5%).

Business Area review

Building and Energy

EUR million	Q3/2012	Q3/2011	Change, %	Q1- Q3/2012	Q1- Q3/2011	Change, %
Net sales	56.0	68.9	-18.7	187.6	230.5	-18.6
Operating profit	2.0	-23.4		6.5	-20.1	
% of net sales	3.5	-34.0		3.5	-8.7	
Operating profit excl. NRI	1.7	-0.9		6.3	2.4	163.8
% of net sales	3.1	-1.3		3.3	1.0	
RONA, %	6.1	-67.6		6.8	-19.6	
Sales volumes, 000s tons	22.2	30.3	-26.9	74.5	99.6	-25.1

Net sales in July-September 2012 fell by 18.7% to EUR 56.0 million, compared with EUR 68.9 million in July-September 2011. The decline was mainly due to the asset and production line closures in Karhula, Turin, and Bishopville in the fourth quarter of 2011. Net sales were also negatively impacted by lower demand for wallcovering materials in China. Flooring applications, wallpaper and wallcovering as well as specialty materials (e.g. for the automotive and building industries) had a positive impact on net sales in Europe. Operating profit excluding non-recurring items increased to EUR 1.7 million (EUR 0.9 million loss). The measures related to the profit improvement program had a positive impact on operating profit. Lower sales volumes and consequent increased market-related

downtime in production had a negative impact on profitability. Operating profit was EUR 2.0 million (EUR 23.4 million loss).

In January-September 2012, net sales were EUR 187.6 million (EUR 230.5 million) and operating profit excluding non-recurring items was EUR 6.3 million (EUR 2.4 million).

Filtration

EUR million	Q3/2012	Q3/2011	Change, %	Q1- Q3/2012	Q1- Q3/2011	Change, %
Net sales	87.4	78.7	11.1	268.2	244.8	9.6
Operating profit	5.1	4.5	13.0	14.1	18.2	-22.4
% of net sales	5.8	5.7		5.3	7.4	
Operating profit excl. NRI	5.3	4.2	27.7	18.4	18.5	-0.2
% of net sales	6.1	5.3		6.9	7.5	
RONA, %	11.2	11.1		10.8	14.8	
Sales volumes, 000s tons	27.4	27.0	1.5	85.3	84.6	0.7

Net sales in July-September 2012 rose by 11.1% to EUR 87.4 million, compared with EUR 78.7 million in July-September 2011. Net sales benefited particularly from advanced filtration materials, such as gas turbine, life science, and laboratory applications, as well as from a favorable currency effect. Operating profit excluding non-recurring items rose to EUR 5.3 million (EUR 4.2 million) due to an improved product mix. Increased natural gas prices in Italy, and costs of specialty pulps had a negative impact on profitability. Operating profit amounted to EUR 5.1 million (EUR 4.5 million).

In January-September 2012, net sales were EUR 268.2 million (EUR 244.8 million) and operating profit excluding non-recurring items was EUR 18.4 million (EUR 18.5 million).

Food and Medical

EUR million	Q3/2012	Q3/2011	Change, %	Q1- Q3/2012	Q1- Q3/2010	Change, %
Net sales	93.7	91.5	2.4	272.1	275.8	-1.4
Operating profit	2.4	4.2	-41.3	5.5	10.0	-45.1
% of net sales	2.6	4.6		2.0	3.6	
Operating profit excl. NRI	3.1	4.3	-28.0	6.6	10.1	-34.8
% of net sales	3.3	4.7		2.4	3.7	
RONA, %	4.4	8.3		3.4	6.4	
Sales volumes, 000s tons	28.9	32.4	-10.8	88.0	99.4	-11.4

Net sales in July-September 2012 rose by 2.4% to EUR 93.7 million, compared with EUR 91.5 million in July-September 2011. The increase was due to higher selling prices and favorable currency effect. Lower volumes, due to a weak demand for tape and food packaging products in Europe and Asia and an exit from some unprofitable markets, had however a negative impact on net sales. Operating profit excluding non-recurring items decreased to EUR 3.1 million (EUR 4.3 million) due to the lower sales volumes and resulting increase in market related downtime in production at plants. Improved product mix had a positive impact on profitability. Operating profit amounted to EUR 2.4 million (EUR 4.2 million).

In January-September 2012, net sales were EUR 272.1 million (EUR 275.8 million) and operating profit excluding non-recurring items was EUR 6.6 million (EUR 10.1 million).

Label and Processing

EUR million	Q3/2012	Q3/2011	Change, %	Q1- Q3/2012	Q1- Q3/2011	Change, %
Net sales	161.8	163.6	-1.1	503.3	528.4	-4.8
Operating profit	-1.4	-3.7	61.7	8.5	13.1	-35.0
% of net sales	-0.9	-2.2		1.7	2.5	
Operating profit excl. NRI	-1.4	-0.6	-126.3	8.6	14.4	-40.4
% of net sales	-0.9	-0.4		1.7	2.7	
RONA, %	-2.5	-5.6		4.9	6.6	
Sales volumes, 000s tons	136.0	135.1	0.7	428.7	432.9	-1.0

Net sales in July-September 2012 fell by 1.1% to EUR 161.8 million, compared with EUR 163.6 million in July-September 2011 due to a weaker product mix in certain segments. Release liners, such as recently introduced Acti-V™ products, supported net sales. Operating loss excluding non-recurring items was EUR 1.4 million (EUR 0.6 million loss). The result was negatively impacted by the EUR/USD exchange rate, a weaker product mix, and higher energy costs in Brazil and Italy. Streamlining measures taken at the Jacarei plant in Brazil and the Osnabrück plant in Germany had a positive impact on profitability. Operating loss amounted to EUR 1.4 million (EUR 3.7 million loss).

The business area implemented selling price increases during the third quarter to compensate for the increased raw material and energy costs that occurred during the first half of the year.

In January-September 2012, net sales were EUR 503.3 million (EUR 528.4 million) and operating profit excluding non-recurring items was EUR 8.6 million (EUR 14.4 million).

Financing (including discontinued operations)

Net cash flow from operating activities in July-September 2012 amounted to EUR 21.2 million (EUR 26.7 million), and cash flow after investments was EUR 9.5 million (EUR 15.4 million). In January-September 2012, net cash flow from operating activities amounted to EUR 63.2 million (EUR 72.8 million), and cash flow after investments was EUR 18.7 million (EUR 45.4 million).

As of September 30, 2012, operative working capital amounted to EUR 169.9 million (EUR 176.7 million at the end of 2011). Its turnover improved by two days and was 39 days at the end of the review period.

Ahlstrom's interest-bearing net liabilities stood at EUR 279.8 million (EUR 237.8 million at the end of 2011). Ahlstrom's interest bearing liabilities amounted to EUR 328.9 million. The duration of the loan portfolio (average interest rate fixing period) was 17.7 months and the capital weighted average interest rate was 4.68%. The average maturity of the loan portfolio was 41.9 months.

In July-September 2012, net financial expenses were EUR 5.1 million (EUR 6.1 million). Net financial expenses include net interest expenses of EUR 4.1 million (EUR 5.2 million), a financing exchange rate loss of EUR 0.2 million (EUR 0.2 million gain), and other financial expenses of EUR 0.8 million (EUR 1.1 million).

In January-September 2012, net financial expenses were EUR 14.6 million (EUR 18.1 million). Net financial expenses include net interest expenses of EUR 11.8 million (EUR 13.2 million), a financing exchange rate loss of EUR 0.1 million (EUR 1.0 million loss), and other financial expenses of EUR 2.7 million (EUR 3.8 million).

The company's liquidity continues to be good. At the end of the review period, its total liquidity, including cash and unused committed credit facilities, was EUR 331.3 million (EUR 399.2 million). In addition, the company had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 150.8 million (EUR 146.7 million) available.

The gearing ratio stood at 50.4% (38.2% at the end of 2011). The equity ratio was 40.8% (43.6% at the end of 2011).

Capital expenditure

Ahlstrom's capital expenditure excluding acquisitions from continuing operations totaled EUR 19.6 million in July-September 2012 (EUR 13.2 million). In January-September 2012, capital expenditure was EUR 55.4 million (EUR 30.5 million). The expenditure includes projects such as the joint venture for production of crepe papers in Longkou, China, a wallcovering materials production line in Binzhou, China, and the filtration materials capacity increase in Turin announced in 2010.

During the third quarter 2012, Ahlstrom announced an investment in additional capacity in filtration materials at its site in Turin, Italy. The approximately EUR 10 million investment will be operational by the third quarter of 2013 and will consist of an upgrade to a paper machine producing filter media for transportation and gas turbine applications.

Combination of Label and Processing and Munksjö AB

On August 28, 2012, Ahlstrom signed an agreement with EQT, the principal owner of the Sweden-based Munksjö AB, to combine its Label and Processing business area with Munksjö AB to form a global leader in specialty papers through two partial demergers: one consisting of the Label and Processing operations in Europe (LP Europe) and one in Brazil (Coated Specialties). The new company will be called Munksjö Corporation (in Finnish Munksjö Oyj) and its shares will be listed on NASDAQ OMX Helsinki. The transaction enables Ahlstrom to focus exclusively on its value-added business areas: Building and Energy, Filtration and Food and Medical. Meanwhile, the Label and Processing business area can be further developed together with Munksjö.

Acquisition of Munktell

On September 5, 2012, Ahlstrom announced the acquisition of Munktell Filter AB as a strategic step to expand the advanced filtration business particularly in life science and laboratory applications. Under the agreement, Ahlstrom acquires 100 percent of the shares in Munktell Filter AB, as well as its holdings in Munktell & Filtrak GmbH, Filtrac FIORONI SA and Munktell Inc. The enterprise value of the transaction was approximately EUR 20 million, including the planned subsequent buyouts of minority interests. Through the transaction, Ahlstrom will become a global leader in life science and laboratory media filtration.

Development programs

Development programs, aimed at enhancing the planning and harmonization of common processes, were continued during the review period as communicated earlier. Ahlstrom aims to increase customer focus and enhance the management of the entire product and supply chain by strengthening and better aligning global processes.

Profit improvement program

In December 2011, Ahlstrom concluded its profit improvement program. The program aims to improve annual operating profit by approximately EUR 15 million starting from 2012 and affecting 362 employees at various sites, including Karhula in Finland, Bishopville in the U.S., Turin in Italy, Jacarei in Brazil, and Osnabrück in Germany. The company recognized a total non-recurring cost of approximately EUR 31.5 million in 2011. The overall impact of the non-recurring items of the program is cash neutral.

Personnel

Ahlstrom employed an average of 5,111 people* in January-September 2012 (5,179), and 5,053 people (5,169) at the end of the period. At the end of the period, the highest numbers of

employees were in France (24.4%), the United States (19.1%), Italy (11.4%), Finland (8.1%), Germany (7.6%), and Brazil (7.0%).

Shares and share capital

Ahlstrom's shares are listed on the NASDAQ OMX Helsinki. Ahlstrom has one series of shares. The share is classified under NASDAQ OMX's Materials sector and the trading code is AHL1V.

During January-September 2012, a total of 1.45 million Ahlstrom shares were traded for a total of EUR 19.8 million. The lowest trading price was EUR 11.86 and the highest EUR 15.45. The closing price on September 28, 2012, was EUR 13.20. Market capitalization at the end of the review period was EUR 608.6 million, excluding the shares owned by the parent company and Ahlcorp Oy, which is a management ownership company.

At the end of September 2012, Ahlstrom held a total of 269,005 of its own shares, corresponding to approximately 0.58% of the total shares and votes.

Ahlstrom Group's equity per share was EUR 10.00 at the end of the review period (December 31, 2011: EUR 11.50).

Annual General Meeting

Ahlstrom Corporation's Annual General Meeting of Shareholders (AGM) was held on April 4, 2012.

The AGM resolved to distribute a dividend totaling EUR 1.30 per share for the fiscal year that ended on December 31, 2011 from the retained earnings in accordance with the proposal of the Board of Directors: a dividend of EUR 0.87 per share and an extra dividend of EUR 0.43 per share based on cash generated from the divestiture of the Home and Personal business area. In addition, the AGM resolved to reserve EUR 100,000 to be used for donations at the discretion of the Board of Directors.

The AGM approved the financial statements for 2011 and discharged the members of the Board of Directors and the President and CEO from liability for the fiscal year January 1-December 31, 2011.

The AGM confirmed the number of Board members as seven. Sebastian Bondestam, Lori J. Cross, Esa Ikäheimonen, Pertti Korhonen, Anders Moberg and Peter Seligson were re-elected as members of the Board of Directors. Nathalie Ahlström, born 1974, was elected as a new member. The term of the Board of Directors will expire at the close of the next Annual General Meeting.

PricewaterhouseCoopers Oy was re-elected as Ahlstrom's auditor as recommended by the Audit Committee. PricewaterhouseCoopers Oy has designated Authorized Public Accountant Eero Suomela as the Responsible Auditor.

Authorizations to repurchase and distribute the company's own shares as well as to accept them as pledge

The AGM authorized the Board of Directors to repurchase and distribute the Company's own shares as well as to accept them as pledge as proposed by the Board of Directors. The number of shares to be repurchased or accepted as pledge by virtue of the authorization shall not exceed 4,000,000 shares in the Company, yet always taking into account the limitations set forth in the Companies' Act as regards the maximum number shares owned by or pledged to the Company or its subsidiaries. The shares may be repurchased only through public trading at the prevailing market price by using unrestricted shareholders' equity. The rules and guidelines of NASDAQ OMX Helsinki Oy and Euroclear Finland Ltd shall be followed in the repurchase.

The authorization includes the right for the Board of Directors to decide upon all other terms and conditions for the repurchase of the Company's own shares, or their acceptance as pledge including the right to decide on the repurchase of the Company's own shares otherwise than in proportion to the shareholders' holdings in the Company.

By virtue of the authorization, the Board of Directors has the right to resolve to distribute a maximum of 4,000,000 own shares held by the Company. The Board of Directors will be authorized to decide to whom and in which order the own shares will be distributed. The Board of Directors may decide on the distribution of the Company's 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 e.g. as consideration 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 also has the right to decide on the distribution of the shares in public trading for the purpose of financing possible acquisitions. The authorization also includes the right for the Board of Directors to resolve on the sale of the shares accepted as a pledge. The authorization includes the right for the Board of Directors to resolve upon all other terms and conditions for the distribution of the shares held by the Company.

The authorizations for the Board of Directors to repurchase the Company's own shares, to distribute them as well as to accept them as pledge are valid for 18 months from the close of the Annual General Meeting but will, however, expire at the close of the next Annual General Meeting, at the latest.

Decisions taken by the Board of Directors

After the AGM, the organization meeting of the Board of Directors elected Peter Seligson as Chairman and Pertti Korhonen as Vice Chairman of the Board.

The Board of Directors appointed three permanent committees. The members of the Audit Committee are Esa Ikäheimonen (Chairman), Sebastian Bondestam and Lori J. Cross. The members of the Compensation Committee are Peter Seligson (Chairman), Pertti Korhonen and Anders Moberg. Five persons were appointed as members of the Nomination Committee: Peter Seligson (Chairman), Pertti Korhonen and Anders Moberg as well as the non-board members Carl Ahlström and Risto Murto. The composition of the Nomination Committee aims to increase shareholder influence in nomination matters.

Change in the Board of Directors

Nathalie Ahlström (M.Sc., Tech) decided to tender her resignation as a member of Ahlstrom's Board of Directors due to a conflict of interest caused by her taking up a new executive position. The resignation became effective from September 1, 2012.

The Board of Directors will continue with six members until the next Annual General Meeting in 2013: Peter Seligson (Chairman), Pertti Korhonen (Vice Chairman), Sebastian Bondestam, Lori J. Cross, Esa Ikäheimonen and Anders Moberg.

Events after the review period

Increase in Vimpu Intressenter AB's shareholding

On October 2, 2012, Ahlstrom received an announcement from Vimpu Intressenter Ab regarding a change in the shareholding of the said shareholder.

According to the announcement, Vimpu Intressenter's shareholding in Ahlstrom Corporation had on October 2, 2012, exceeded 5% (1/20) of the share capital and voting rights of Ahlstrom Corporation. Vimpu Intressenter now owns 2,358,013 shares of Ahlstrom Corporation, which represents 5.05% of the share capital and voting rights of Ahlstrom Corporation.

Notice to the Extraordinary General Meeting

A notice to the Extraordinary General Meeting was published on October 15, 2012. Ahlstrom will hold an Extraordinary General Meeting on November 27, 2012. The EGM will decide on the planned two partial demergers of Ahlstrom Corporation in relation to the combination of Ahlstrom Group's Label and Processing business and Munksjö AB that was announced on August 28, 2012.

Change in outlook

On October 16, 2012, Ahlstrom revised its 2012 outlook for net sales and operating profit excluding non-recurring items. The company's sales volume development for the remainder of the year is expected to be weaker than the company had earlier estimated due to lower than expected demand in key markets. Demand has been reduced due to the continued slowdown especially in the economies in Europe. In addition, recovery in China has been delayed.

Outlook

Net sales from continuing operations are expected to be EUR 1,550-1,630 million in 2012. Operating profit excluding non-recurring items from continuing operations is expected to be EUR 48-58 million.

In 2012, investments excluding acquisitions from continuing operations are estimated to be approximately EUR 85 million (EUR 66.4 million in 2011). Ahlstrom had previously estimated investments to amount to approximately EUR 100 million. In addition to the investments announced this year, the estimate also includes investments that were already announced in 2011 and 2010, such as the wallcovering materials line and upgrades to the filtration material line in Binzhou, China, as well as the joint venture for the production of crepe papers in Longkou, China.

The demerger of the Label and Processing business area is subject to an approval by the Extraordinary General Meeting to be held on November 27, 2012. Following an approval by the EGM, the business area will be reported as part of discontinued operations and consequently Ahlstrom will publish a new outlook for net sales and operating profit excluding non-recurring items immediately after the EGM.

Short-term risks

The possible further spread of the European debt crisis and the resulting prolonged slowdown of economies, and slower growth in Asia pose additional risks to Ahlstrom's financial performance. Proposed cuts in public spending and tax increases in many European countries reduce disposable incomes. Recent indicators for the U.S. economy are more mixed. Slower economic growth, or even a temporary contraction, may lead to lower sales volumes and force Ahlstrom to initiate more market-related shutdowns at plants that could affect profitability. The uncertainty related to global economic growth, increased volatility in our main markets, and limited visibility makes it more difficult to forecast future developments.

Ahlstrom's main raw materials are natural fibers, mainly pulp, synthetic fibers, and chemicals. The company is one of the world's largest buyers of market pulp. Despite the recent declines, the prices of some key raw materials used by Ahlstrom remain at a high level with increased volatility.

If global economic growth slows down further, maintaining current sales prices may be at risk and sustaining the current level of profitability may be compromised, even if raw material prices fall at the same time.

The general risks facing Ahlstrom's business operations are described in greater detail on the company website www.ahlstrom.com and in the report by the Board of Directors in the company's Annual Report 2011. The risk management process is also described in the Corporate Governance Statement, also available on the company's website.

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS). Comparable figures refer to the same period last year unless otherwise stated.

This report contains certain forward-looking statements that reflect the present views of the company's management. The statements contain uncertainties and risks and are thus subject to changes in the general economic situation and in the company's business.

Helsinki, October 22, 2012

Ahlstrom Corporation
Board of Directors

Additional information

Jan Lång, President & CEO, tel. +358 (0)10 888 4700
Seppo Parvi, CFO, tel. +358 (0)10 888 4768

Ahlstrom's President & CEO Jan Lång and CFO Seppo Parvi will present the January-September 2012 interim report at a Finnish-language press and analyst conference in Helsinki today, October 22, 2012, at 1:30 p.m. (CET+1). The conference will take place at Event Arena Bank, Unioninkatu 20. The meeting room will be announced on the display board in the lobby.

In addition, President & CEO Lång and CFO Parvi will hold a conference call in English for analysts, investors and representatives of the media today, October 22, 2012, at 3:00 p.m. (CET+1). To participate in the conference call, please dial (09) 6937 9543 in Finland or +44 (0)20 3140 8286 outside Finland a few minutes before the conference begins. The access code is 3104023.

The conference call can also be listened to live on the Internet. The link to the English-language presentation (an audio webcast) including slides is available on the company website at www.ahlstrom.com. Questions may also be submitted in writing via the Internet. Listening to the conference call requires registration.

An on-demand webcast including slides is available for viewing and listening on the company website for one year after the conference call.

Presentation material will be available on October 22, 2012, after the Interim Report is published, at www.ahlstrom.com > Investors > Reports and presentations > 2012. Material in Finnish will be available at www.ahlstrom.fi > Sijoittajat > Katsaukset ja presentaatiot > 2012.

Ahlstrom's financial information in 2013

Ahlstrom will publish financial information in 2013 as follows:

Report	Date of publication	Silent period
Financial statements bulletin 2012	Thursday, January 31	January 1-31
Interim Report January-March	Thursday, April 25	April 1-25
Interim Report January-June	Wednesday, August 7	July 1-August 7
Interim Report January-September	Thursday, October 24	October 1-24

During the silent period, Ahlstrom will not communicate with capital market representatives.

Ahlstrom in brief

Ahlstrom is a high performance materials company, partnering with leading businesses around the world to help them stay ahead. Our products are used in a large variety of everyday applications, such as filters, surgical gowns and drapes, wallcoverings, flooring, labels and food packaging. We have a leading market position in the businesses in which we operate. Our 5,200 employees serve customers in 28 countries on six continents. In 2011, Ahlstrom's net sales amounted to EUR 1.6 billion. The company's share is quoted on the NASDAQ OMX Helsinki. More information is available at www.ahlstrom.com.

Appendix

Consolidated financial statements

Appendix: Consolidated financial statement

Financial statements are unaudited.

INCOME STATEMENT	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2012	2011	2012	2011	2011
Continuing operations					
Net sales	391.7	389.7	1,210.7	1,235.9	1,607.2
Cost of goods sold	-339.7	-359.0	-1,047.4	-1,090.1	-1,421.9
Gross profit	52.0	30.7	163.4	145.8	185.4
Sales and marketing expenses	-14.7	-11.4	-43.8	-36.4	-50.0
R&D expenses	-4.6	-4.9	-14.0	-13.8	-17.9
Administrative expenses	-23.2	-23.0	-74.4	-67.5	-90.1
Other operating income	0.8	1.4	4.0	8.1	12.3
Other operating expense	-0.8	-10.2	-1.3	-12.0	-19.6
Operating profit / loss	9.4	-17.3	33.9	24.3	20.1
Net financial expenses	-5.1	-6.0	-14.6	-17.8	-22.6
Share of profit / loss of equity accounted investments	-4.0	-1.1	-5.7	-2.4	-4.0
Profit / loss before taxes	0.3	-24.4	13.5	4.1	-6.6
Income taxes	-6.6	4.3	-13.7	-7.4	-5.6
Profit / loss for the period from continuing operations	-6.3	-20.2	-0.1	-3.3	-12.2
Discontinued operations					
Profit/loss for the period	0.9	1.9	1.9	4.5	3.4
Impairment loss recognized on the re- measurement to fair value and cost to sell	-	-0.2	-0.2	-18.6	-23.4
Profit / loss for the period from discontinued operations	0.9	1.8	1.7	-14.0	-20.0
Profit/loss for the period	-5.5	-18.4	1.6	-17.4	-32.2
Attributable to					
Owners of the parent	-5.0	-18.4	2.5	-17.5	-32.2
Non-controlling interest	-0.5	-0.0	-0.9	0.2	-0.0
Continuing operations					
Earnings per share, EUR					
- Basic and diluted *	-0.16	-0.47	-0.08	-0.17	-0.38
Including discontinued operations					
Earnings per share, EUR					
- Basic and diluted *	-0.14	-0.43	-0.04	-0.47	-0.81

* With the effect of interest on hybrid bond for the period, net of tax

STATEMENT OF COMPREHENSIVE INCOME	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2012	2011	2012	2011	2011
Profit / loss for the period	-5.5	-18.4	1.6	-17.4	-32.2
Other comprehensive income, net of tax					
Translation differences	-2.5	-11.3	-5.7	-27.4	-11.9
Share of other comprehensive income of equity accounted investments	-0.0	-	0.4	-	-
Hedges of net investments in foreign operations	-	-	-	-	-
Cash flow hedges	-	-0.0	-	-0.1	-
Other comprehensive income, net of tax	-2.5	-11.3	-5.4	-27.5	-11.9
Total comprehensive income for the period	-7.9	-29.7	-3.8	-44.9	-44.1
Attributable to					
Owners of the parent	-7.4	-29.7	-2.9	-45.1	-44.0
Non-controlling interest	-0.5	-0.0	-0.9	0.2	-0.0

BALANCE SHEET	Sep 30,	Sep 30,	Dec 31,
EUR million	2012	2011	2011
ASSETS			
Non-current assets			
Property, plant and equipment	535.1	531.3	553.4
Goodwill	111.1	107.5	113.8
Other intangible assets	45.3	37.6	47.6
Equity accounted investments	34.7	8.2	36.6
Other investments	0.4	2.5	0.4
Other receivables	55.6	46.5	51.9
Deferred tax assets	58.8	60.4	61.2
Total non-current assets	841.1	794.0	865.0
Current assets			
Inventories	188.1	188.2	185.8
Trade and other receivables	255.5	257.3	241.4
Income tax receivables	1.0	2.0	2.4
Other investments	-	-	-
Cash and cash equivalents	48.7	21.0	94.0
Total current assets	493.3	468.5	523.6
Assets classified as held for sale	26.8	228.4	42.3
Total assets	1,361.1	1,491.0	1,430.8
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent	461.2	532.2	530.1
Hybrid bond	80.0	80.0	80.0
Non-controlling interest	14.2	1.0	12.6
Total equity	555.4	613.2	622.7
Non-current liabilities			
Interest-bearing loans and borrowings	229.9	232.0	274.2
Employee benefit obligations	76.0	75.7	73.3
Provisions	3.6	2.8	4.5
Other liabilities	9.1	3.8	4.8
Deferred tax liabilities	30.9	31.1	28.8
Total non-current liabilities	349.4	345.5	385.5
Current liabilities			
Interest-bearing loans and borrowings	99.1	112.9	58.1
Trade and other payables	331.5	330.5	328.8
Income tax liabilities	5.7	4.8	5.6
Provisions	18.5	23.1	20.4
Total current liabilities	454.7	471.3	412.8
Total liabilities	804.1	816.8	798.3
Liabilities directly associated with assets classified as held for sale	1.6	60.9	9.8
Total equity and liabilities	1,361.1	1,491.0	1,430.8

STATEMENT OF CHANGES IN EQUITY

- 1) Issued capital
- 2) Share premium
- 3) Non-restricted equity reserve
- 4) Hedging reserve
- 5) Translation reserve
- 6) Own shares
- 7) Retained earnings
- 8) Total attributable to owners of the parent**
- 9) Non-controlling interest
- 10) Hybrid bond
- 11) Total equity**

EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)
Equity at January 1, 2011	70.0	209.3	8.3	0.0	18.8	6.4	323.0	623.0	0.9	80.0	703.8
Profit / loss for the period	-	-	-	-	-	-	-17.5	-17.5	0.1	-	-17.4
Other comprehensive income, net of tax											
Translation differences	-	-	-	-	-27.4	-	-	-27.4	-	-	-27.4
Share of other comprehensive income of equity accounted investments	-	-	-	-	-	-	-	-	-	-	-
Hedges of net investments in foreign operations	-	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	-0.1	-	-	-	-0.1	-	-	-0.1
Dividends paid and other	-	-	-	-	-	-	-41.1	-41.1	-	-	-41.1
Hybrid bond	-	-	-	-	-	-	-	-	-	-	-
Interest on hybrid bond	-	-	-	-	-	-	-5.6	-5.6	-	-	-5.6
Purchases of own shares	-	-	-	-	-	-0.1	-	-0.1	-	-	-0.1
Share ownership plan for EMT	-	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Share-based incentive plan	-	-	-	-	-	2.1	-1.0	1.1	-	-	1.1
Equity at September 30, 2011	70.0	209.3	8.3	0.1	-8.6	4.3	257.7	532.2	1.0	80.0	613.2
Equity at January 1, 2012	70.0	209.3	8.3	0.0	6.9	7.4	243.0	530.1	12.6	80.0	622.7
Profit / loss for the period	-	-	-	-	-	-	2.5	2.5	-0.9	-	1.6
Other comprehensive income, net of tax											
Translation differences	-	-	-	-	-5.7	-	-	-5.7	0.0	-	-5.7
Share of other comprehensive income of equity accounted investments	-	-	-	-	0.4	-	-	0.4	-	-	0.4
Hedges of net investments in foreign operations	-	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	-	-	-	-	-	-	-	-
Dividends paid and other	-	-	-	-	-	-	-60.4	-60.4	-	-	-60.4
Hybrid bond	-	-	-	-	-	-	-	-	-	-	-
Interest on hybrid bond	-	-	-	-	-	-	-5.7	-5.7	-	-	-5.7
Purchases of own shares	-	-	-	-	-	-	-	-	-	-	-
Share ownership plan for EMT	-	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	2.5	-	2.5
Share-based incentive plan	-	-	-	-	-	-	0.1	0.1	-	-	0.1
Equity at September 30, 2012	70.0	209.3	8.3	0.0	1.6	7.4	179.5	461.2	14.2	80.0	555.4

STATEMENT OF CASH FLOWS - including discontinued operations					
EUR million	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011	Q1-Q4 2011
Cash flow from operating activities					
Profit / loss for the period	-5.5	-18.4	1.6	-17.4	-32.2
Adjustments, total	33.5	33.7	88.6	117.0	141.2
Changes in net working capital	2.9	10.8	-1.2	-28.6	-10.7
Change in provisions	-4.4	15.8	-7.2	15.7	14.0
Financial items	-4.8	-13.0	-14.6	-8.6	-20.8
Income taxes paid / received	-0.5	-2.3	-4.0	-5.4	-7.9
Net cash from operating activities	21.2	26.7	63.2	72.8	83.7
Cash flow from investing activities					
Acquisition of Group companies	-	0.3	-	0.3	-1.0
Purchases of intangible and tangible assets	-21.0	-12.5	-63.2	-34.0	-60.0
Other investing activities	9.4	0.9	18.8	6.3	117.7
Net cash from investing activities	-11.6	-11.3	-44.5	-27.4	56.7
Cash flow from financing activities					
Dividends paid and other	-	-	-60.0	-41.1	-41.2
Repurchase of own shares	-	-0.1	-	-0.1	-3.1
Investment to Ahlstrom Corporation shares related to share ownership plan for EMT	-	-	-	-	-
Payments received on hybrid bond	-	-	-	-	-
Interest on hybrid bond	-	-	-	-	-7.6
Changes in loans and other financing activities	-8.8	-19.4	-3.3	-5.7	-18.9
Net cash from financing activities	-8.8	-19.4	-63.3	-46.8	-70.7
Net change in cash and cash equivalents	0.8	-4.0	-44.5	-1.5	69.7
Cash and cash equivalents at the beginning of the period	48.8	26.6	94.4	24.6	24.6
Foreign exchange adjustment	-0.5	-0.6	-0.8	-1.2	0.1
Cash and cash equivalents at the end of the period	49.1	21.9	49.1	21.9	94.4

KEY FIGURES	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011	Q1-Q4 2011
Continuing operations					
Personnel costs	-74.1	-84.6	-231.1	-243.1	-323.6
Depreciation and amortization	-18.6	-20.8	-56.3	-64.3	-84.5
Impairment charges	-	-9.1	0.0	-9.1	-10.8
Operating profit, %	2.4	-4.4	2.8	2.0	1.3
Return on capital employed (ROCE), %	2.6	-8.6	4.3	3.7	2.0
Basic earnings per share *, EUR	-0.16	-0.47	-0.08	-0.17	-0.38
Capital expenditure, EUR million	19.6	13.2	55.4	30.5	66.4
Number of employees, average	5,093	5,192	5,111	5,179	5,181
Including discontinued operations					
Personnel costs	-74.4	-93.6	-232.0	-269.7	-353.8
Depreciation and amortization	-18.6	-20.8	-56.3	-72.1	-92.3
Impairment charges	-	-9.1	0.0	-22.6	-32.7
Operating profit, %	2.6	-2.9	2.9	0.7	0.1
Return on capital employed (ROCE), %	2.9	-5.7	4.4	1.3	-0.1
Return on equity (ROE), %	-3.9	-11.7	0.4	-3.5	-4.9
Interest-bearing net liabilities, EUR million	279.8	333.2	279.8	333.2	237.8
Equity ratio, %	40.8	41.2	40.8	41.2	43.6
Gearing ratio, %	50.4	54.3	50.4	54.3	38.2
Basic earnings per share *, EUR	-0.14	-0.43	-0.04	-0.47	-0.81
Equity per share, EUR	10.00	11.48	10.00	11.48	11.50
Average number of shares during the period, 1000's	46,105	46,350	46,105	46,316	46,282
Number of shares at the end of the period, 1000's	46,105	46,346	46,105	46,346	46,105
Capital expenditure, EUR million	19.8	14.0	56.2	34.1	70.4
Capital employed at the end of the period, EUR million	884.3	968.3	884.3	968.3	955.0
Number of employees, average	5,122	5,762	5,139	5,748	5,666

* With the effect of interest on hybrid bond for the period, net of tax

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial reporting, as adopted by EU and the accounting principles set out in the Group's Financial Statements for 2011.

Suominen has been included in the consolidated accounts as an associated company.

SEGMENT INFORMATION	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2012	2011	2012	2011	2011
Building and Energy	56.0	68.9	187.6	230.5	296.2
Filtration	87.4	78.7	268.2	244.8	324.5
Food and Medical	93.7	91.5	272.1	275.8	361.9
Label and Processing	161.8	163.6	503.3	528.4	678.1
Other operations	22.6	18.1	69.0	52.4	71.1
Internal sales	-29.8	-31.0	-89.4	-95.9	-124.6
Total net sales	391.7	389.7	1,210.7	1,235.9	1,607.2
Building and Energy	0.7	0.6	2.6	3.2	3.8
Filtration	2.7	2.0	8.4	6.5	9.4
Food and Medical	6.6	8.5	17.8	27.8	34.1
Label and Processing	5.9	8.7	19.7	24.8	32.4
Other operations	13.9	11.2	40.9	33.6	44.9
Total internal sales	29.8	31.0	89.4	95.9	124.6
Building and Energy	2.0	-23.4	6.5	-20.1	-27.8
Filtration	5.1	4.5	14.1	18.2	22.8
Food and Medical	2.4	4.2	5.5	10.0	12.0
Label and Processing	-1.4	-3.7	8.5	13.1	11.6
Other operations	1.4	1.0	-0.7	3.2	1.5
Eliminations	-0.0	0.1	0.0	0.0	0.0
Operating profit / loss	9.4	-17.3	33.9	24.3	20.1
Return on capital employed (RONA), %					
Building and Energy	6.1	-67.6	6.8	-19.6	-19.8
Filtration	11.2	11.1	10.8	14.8	13.6
Food and Medical	4.4	8.3	3.4	6.4	5.7
Label and Processing	-2.5	-5.6	4.9	6.6	4.4
Group (ROCE), %	2.6	-8.6	4.3	3.7	2.0
Building and Energy	124.6	123.3	124.6	123.3	129.4
Filtration	180.5	161.3	180.5	161.3	168.5
Food and Medical	223.4	205.7	223.4	205.7	208.4
Label and Processing	215.4	248.9	215.4	248.9	247.2
Other operations	11.2	-9.4	11.2	-9.4	10.9
Eliminations	-0.2	-0.3	-0.2	-0.3	-0.3
Total net assets	754.9	729.5	754.9	729.5	764.1
Building and Energy	3.0	1.5	7.8	4.6	7.5
Filtration	4.8	4.4	16.2	10.8	21.8
Food and Medical	5.9	2.6	20.2	6.5	16.4
Label and Processing	3.9	4.4	8.4	6.5	17.9

Other operations	1.9	0.4	2.8	2.0	2.8
Total capital expenditure	19.6	13.2	55.4	30.5	66.4
Building and Energy	-2.8	-4.6	-8.4	-14.0	-18.2
Filtration	-4.3	-4.2	-14.5	-12.4	-16.7
Food and Medical	-4.8	-4.5	-14.0	-14.0	-18.4
Label and Processing	-6.2	-7.0	-18.9	-21.3	-27.9
Other operations	-0.5	-0.5	-0.6	-2.7	-3.2
Total depreciation and amortization	-18.6	-20.8	-56.3	-64.3	-84.5
Building and Energy	-	-9.1	0.0	-9.1	-11.1
Filtration	-	-	-	-	-
Food and Medical	-	-	-	-	-
Label and Processing	-	-	-	-	0.2
Other operations	-	-	-	-	-
Total impairment charges	-	-9.1	0.0	-9.1	-10.8
Building and Energy	0.2	-22.5	0.2	-22.5	-29.0
Filtration	-0.2	0.3	-4.3	-0.3	0.8
Food and Medical	-0.6	-0.1	-1.1	-0.1	0.3
Label and Processing	-	-3.0	-0.1	-1.3	-2.0
Other operations	0.8	0.0	-0.7	0.5	0.4
Total non-recurring items	0.1	-25.3	-5.9	-23.7	-29.6
SEGMENT INFORMATION	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
Thousands of tons	2012	2011	2012	2011	2011
Building and Energy	22.2	30.3	74.5	99.6	127.1
Filtration	27.4	27.0	85.3	84.6	110.9
Food and Medical	28.9	32.4	88.0	99.4	128.7
Label and Processing	136.0	135.1	428.7	432.9	557.5
Other operations	1.6	2.6	6.5	7.3	9.3
Eliminations	-10.2	-12.9	-32.8	-40.1	-52.0
Total sales tons	205.8	214.4	650.2	683.7	881.6

Segment information is presented according to the IFRS standards.

NET SALES BY REGION - including discontinued operations	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2012	2011	2012	2011	2011
Europe	211.3	242.5	657.0	777.2	981.2
North America	78.9	112.2	237.6	334.4	420.6
South America	50.8	55.1	156.9	161.3	212.8
Asia-Pacific	48.1	46.1	145.9	153.7	202.4
Rest of the world	6.1	10.3	22.5	28.0	35.7
Total net sales	395.1	466.2	1 219.8	1 454.6	1 852.6

CHANGES OF PROPERTY, PLANT AND EQUIPMENT - including discontinued operations	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2012	2011	2011
Book value at Jan 1	573.3	704.9	704.9
Acquisitions through business combinations	-	-	-
Additions	53.7	32.5	69.5
Disposals	-15.3	-0.2	-87.9
Depreciations and impairment charges	-53.6	-76.2	-103.2
Translation differences and other changes	-3.9	-22.1	-10.0
Book value at the end of the period	554.3	638.7	573.3

TRANSACTIONS WITH RELATED PARTIES - including discontinued operations	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2012	2011	2011
Transactions with associated companies			
Sales and interest income	17.3	0.4	5.0
Purchases of goods and services	-12.3	-2.3	-4.2
Trade and other receivables	10.1	0.1	7.3
Trade and other payables	1.9	0.2	3.4

Market prices have been used in transactions with associated companies.

OPERATING LEASES - including discontinued operations	Sep 30,	Sep 30,	Dec 31,
EUR million	2012	2011	2011
Current portion	6.6	7.1	5.8
Non-current portion	23.3	18.8	19.7
Total	29.8	25.9	25.5

COLLATERALS AND COMMITMENTS - including discontinued operations							
EUR million	Sep 30, 2012	Sep 30, 2011	Dec 31, 2011				
Mortgages	73.0	73.0	73.0				
Pledges	0.7	0.2	0.3				
Commitments							
Guarantees given on behalf of group companies	12.2	20.4	19.5				
Guarantees given on behalf of associated companies	19.0	15.0	15.0				
Capital expenditure commitments	29.3	20.5	19.4				
Other commitments	1.9	2.3	3.1				

QUARTERLY DATA	Q3	Q2	Q1	Q4	Q3	Q2	Q1
EUR million	2012	2012	2012	2011	2011	2011	2011
Continuing operations							
Net sales	391.7	413.2	405.8	371.3	389.7	423.7	422.5
Cost of goods sold	-339.7	-360.3	-347.3	-331.8	-359.0	-366.2	-364.9
Gross profit	52.0	52.8	58.5	39.6	30.7	57.5	57.6
Sales and marketing expenses	-14.7	-14.8	-14.3	-13.6	-11.4	-11.7	-13.2
R&D expenses	-4.6	-4.8	-4.6	-4.0	-4.9	-4.0	-4.9
Administrative expenses	-23.2	-27.5	-23.6	-22.6	-23.0	-23.8	-20.7
Other operating income	0.8	1.9	1.4	4.2	1.4	5.0	1.8
Other operating expense	-0.8	-0.2	-0.3	-7.6	-10.2	-0.8	-0.9
Operating profit / loss	9.4	7.4	17.0	-4.2	-17.3	22.1	19.5
Net financial expenses	-5.1	-4.9	-4.6	-4.9	-6.0	-6.6	-5.2
Share of profit / loss of equity accounted investments	-4.0	-1.7	0.0	-1.6	-1.1	-1.3	-0.0
Profit / loss before taxes	0.3	0.8	12.4	-10.7	-24.4	14.3	14.3
Income taxes	-6.6	-2.4	-4.6	1.8	4.3	-5.8	-5.9
Profit / loss for the period from continuing operations	-6.3	-1.6	7.8	-8.9	-20.2	8.5	8.3
Discontinued operations							
Profit/loss for the period	0.9	0.9	0.2	-1.1	1.9	1.3	1.3
Impairment loss recognized on the remeasurement to fair value and cost to sell	-	-0.1	-0.1	-4.9	-0.2	-18.4	-0.1
Profit / loss for the period from discontinued operations	0.9	0.8	0.1	-6.0	1.8	-17.1	1.3
Profit/loss for the period	-5.5	-0.8	7.9	-14.8	-18.4	-8.6	9.6
Attributable to							
Owners of the parent	-5.0	-0.8	8.2	-14.6	-18.4	-8.6	9.4
Non-controlling interest	-0.5	-0.1	-0.3	-0.2	-0.0	-0.0	0.2

QUARTERLY DATA BY SEGMENT	Q3	Q2	Q1	Q4	Q3	Q2	Q1
EUR million	2012	2012	2012	2011	2011	2011	2011
Net sales							
Building and Energy	56.0	63.0	68.5	65.8	68.9	79.6	82.0
Filtration	87.4	93.3	87.5	79.7	78.7	83.8	82.3
Food and Medical	93.7	89.4	89.0	86.1	91.5	90.9	93.4
Label and Processing	161.8	173.0	168.5	149.6	163.6	183.2	181.7
Other operations and eliminations	-7.2	-5.5	-7.7	-9.9	-12.9	-13.8	-16.9
Group total	391.7	413.2	405.8	371.3	389.7	423.7	422.5
Operating profit / loss							
Building and Energy	2.0	1.9	2.7	-7.7	-23.4	0.2	3.1
Filtration	5.1	3.0	6.1	4.6	4.5	6.6	7.1
Food and Medical	2.4	0.9	2.2	2.0	4.2	2.9	3.0
Label and Processing	-1.4	4.2	5.7	-1.5	-3.7	10.5	6.2
Other operations and eliminations	1.4	-2.5	0.4	-1.7	1.1	1.9	0.1
Group total	9.4	7.4	17.0	-4.2	-17.3	22.1	19.5
Operating profit / loss excl. NRI							
Building and Energy	1.7	1.9	2.7	-1.1	-0.9	0.2	3.1
Filtration	5.3	6.8	6.3	3.5	4.2	6.1	8.2
Food and Medical	3.1	1.3	2.2	1.6	4.3	2.9	3.0
Label and Processing	-1.4	4.2	5.8	-0.8	-0.6	8.8	6.2
Other operations and eliminations	0.6	-1.0	0.4	-1.6	1.1	2.5	-0.8
Group total	9.3	13.2	17.4	1.7	8.0	20.4	19.7
Sales tons, thousands of tons							
Building and Energy	22.2	25.0	27.4	27.5	30.3	34.6	34.7
Filtration	27.4	29.7	28.1	26.3	27.0	29.2	28.4
Food and Medical	28.9	29.1	30.0	29.2	32.4	33.3	33.7
Label and Processing	136.0	148.6	144.1	124.6	135.1	149.7	148.2
Other operations and eliminations	-8.6	-8.1	-9.5	-9.8	-10.3	-11.1	-11.4
Group total	205.8	224.3	220.1	197.8	214.4	235.7	233.6

KEY FIGURES QUARTERLY	Q3	Q2	Q1	Q4	Q3	Q2	Q1
EUR million	2012	2012	2012	2011	2011	2011	2011
Continuing operations							
Net sales	391.7	413.2	405.8	371.3	389.7	423,7	422,5
Operating profit / loss	9.4	7.4	17.0	-4.2	-17.3	22,1	19,5
Profit / loss before taxes	0.3	0.8	12.4	-10.7	-24.4	14,3	14,3
Profit / loss for the period	-6.3	-1.6	7.8	-8.9	-20.2	8,5	8,3
Return on capital employed (ROCE), %	2.6	2.6	7.4	-2.6	-8.6	10,2	9,2
Basic earnings per share *, EUR	-0.16	-0.06	0.14	-0.22	-0.47	0,16	0,14
Including discontinued operations							
Net sales	395.1	416.0	408.7	397.9	466.2	496,8	491,6
Operating profit / loss	10.3	8.2	17.1	-8.9	-13.5	3,6	20,8
Profit / loss before taxes	1.2	1.6	12.5	-17.4	-20.7	-4,4	15,5
Profit / loss for the period	-5.5	-0.8	7.9	-14.8	-18.4	-8,6	9,6
Gearing ratio, %	50.4	51.5	38.3	38.2	54.3	52,6	48,4
Return on capital employed (ROCE), %	2.9	2.8	7.2	-4.3	-5.7	1,1	8,2
Basic earnings per share *, EUR	-0.14	-0.05	0.15	-0.34	-0.43	-0,21	0,17
Average number of shares during the period, 1000's	46 105	46,105	46,105	46,180	46,350	46,349	46,248

* With the effect of interest on hybrid bond for the period, net of tax

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), %	$\frac{\text{Profit (loss) before taxes + Financing expenses}}{\text{Total assets (annual average) - Non-interest bearing liabilities (annual average)}} \times 100$	
Basic earnings per share, EUR	$\frac{\text{Profit (loss) for the period - Non-controlling interest - Interest on hybrid bond for the period, net of tax}}{\text{Average number of shares during the period}}$	
Diluted earnings per share, EUR	$\frac{\text{Profit (loss) for the period - Non-controlling interest - Interest on hybrid bond for the period, net of tax}}{\text{Average diluted number of shares during the period}}$	
Equity per share, EUR	$\frac{\text{Equity attributable to owners of the parent}}{\text{Number of outstanding shares at the end of the period}}$	