Ahlstrom Corporation
Interim report January-March 2010

April 29, 2010

President & CEO Jan Lång

Small fibers. Big difference.

Ahlstrom

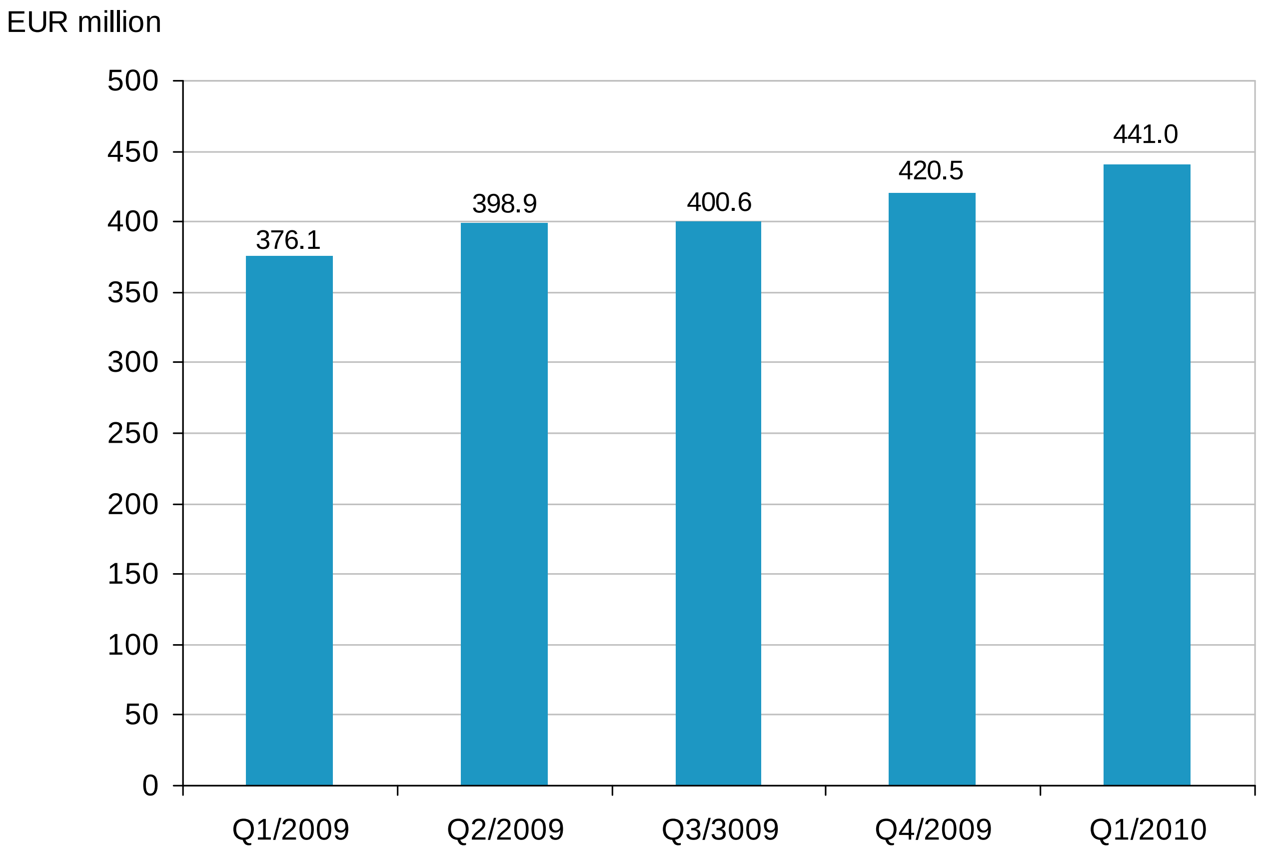
Highlights of January–March 2010

- Net sales approached pre-recession levels
- Profitability continued to improve
- Strong cash flow
- Mundra plant in India started operations

Mundra plant in India started in Q1/2010

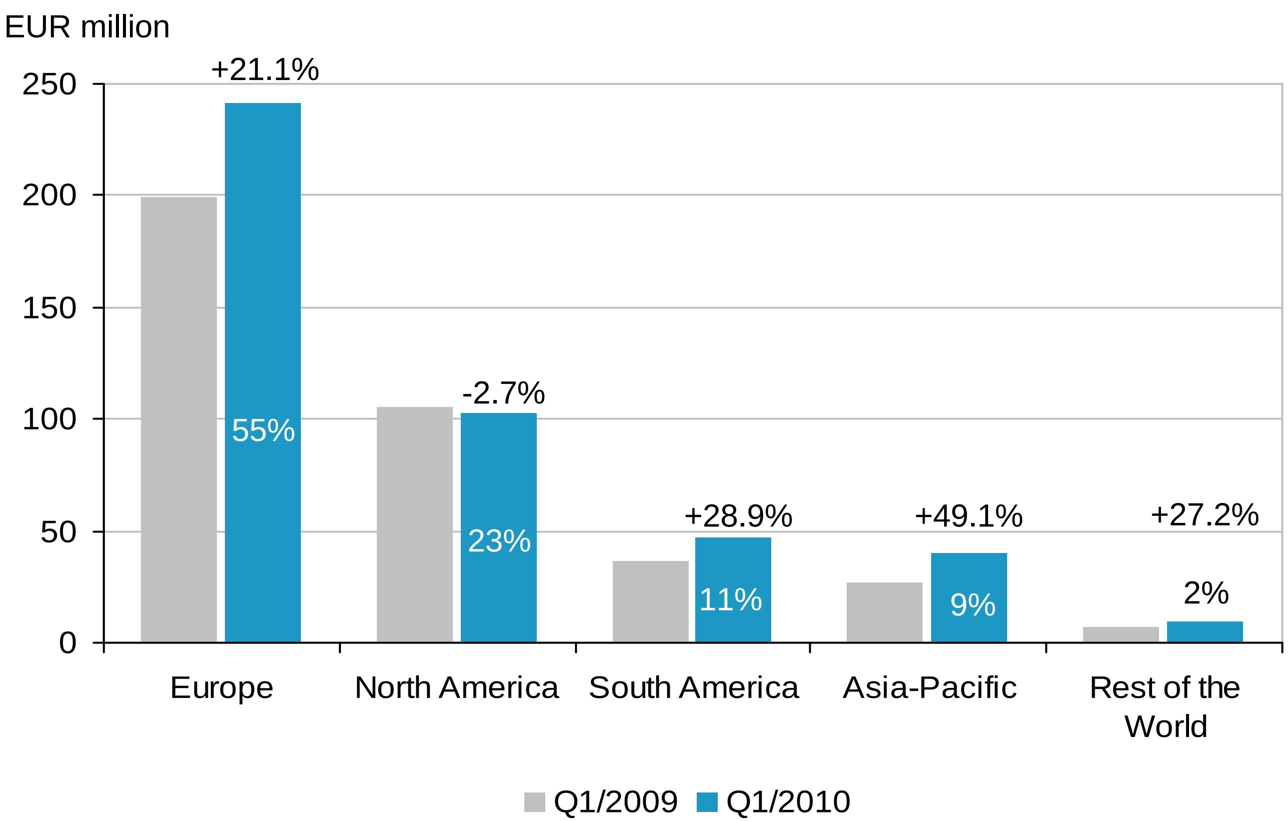
- After testing, the plant will begin deliveries in Q2/2010
- State-of-the-art multi-layer spunmelt fabrics for surgical drapes and gowns, facemasks, sterile barrier systems etc.
- Market situation in Asia looks encouraging
- Total cost of investment was about EUR 42 million

Net sales Q1/2009–Q1/2010



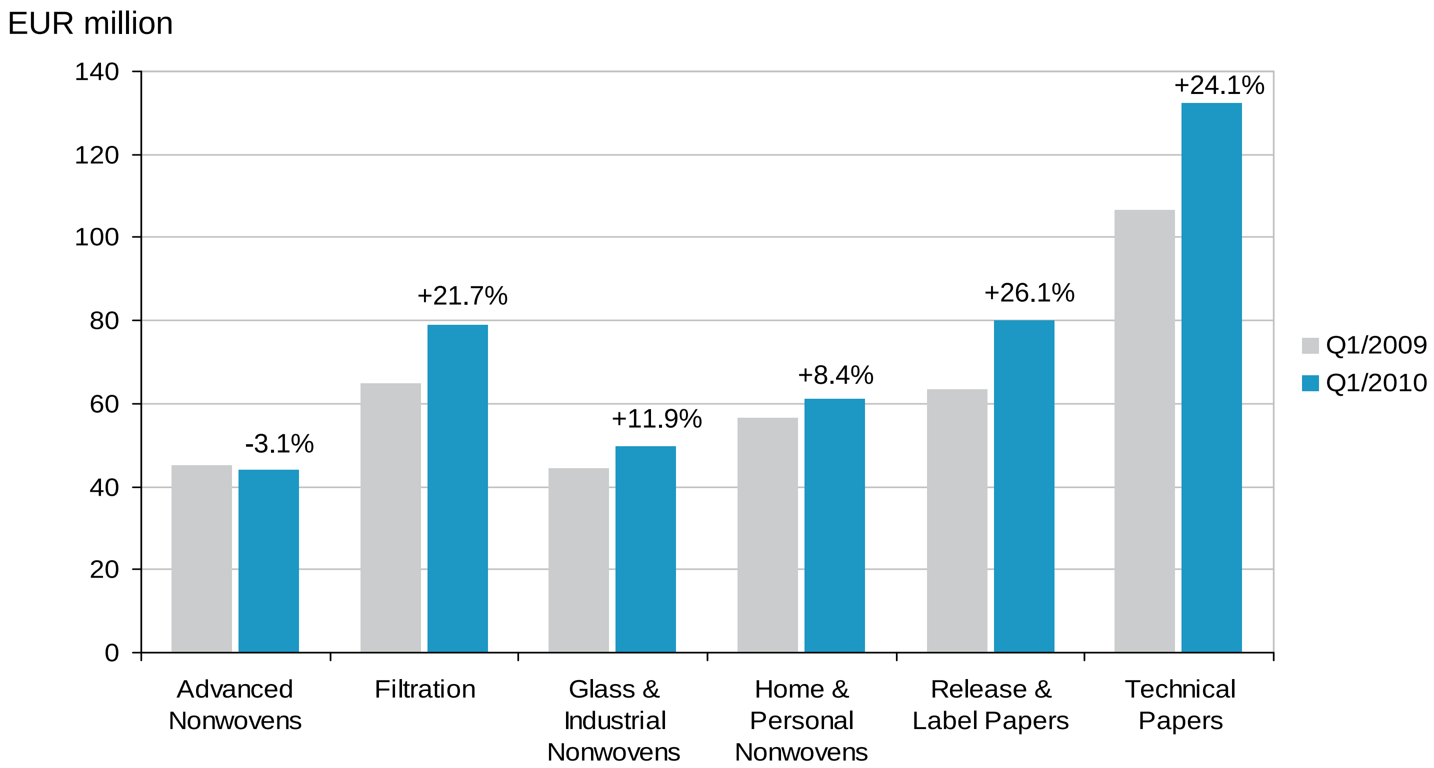
- Increasing net sales – growth from Q1/2009 was 17.3%
- Net sales still remained below pre-recession level

Net sales by region



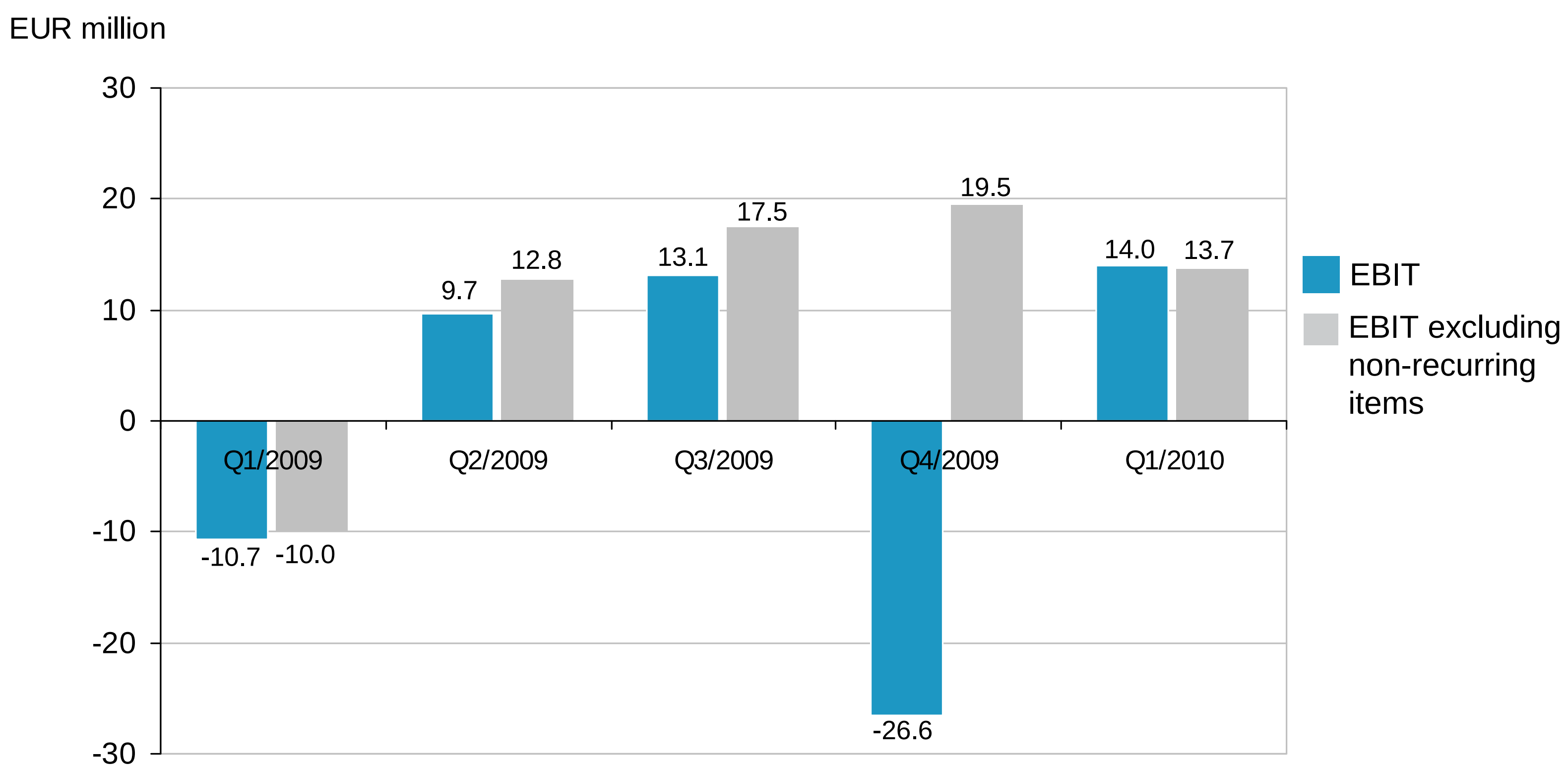
- Growth in net sales, especially in Asia and South America
- In North America, weakening USD and slower recovery in demand reduced net sales in euros

Net sales by business area Q1/2010



- Net sales of specialty papers improved the most – recovery from recession increased sales volumes
- Trend in the Glass & Industrial Nonwovens turned – increase after the weak 2009
- In the Advanced Nonwovens, exchange rate fluctuations were reflected in net sales

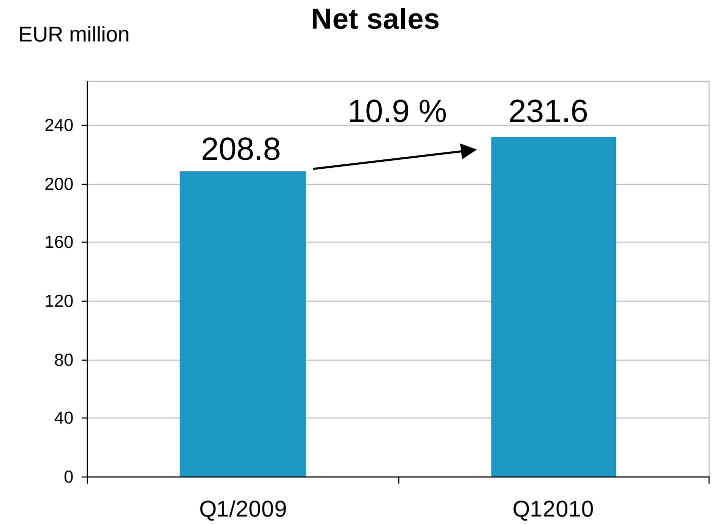
Operating profit / loss Q1/2009–Q1/2010

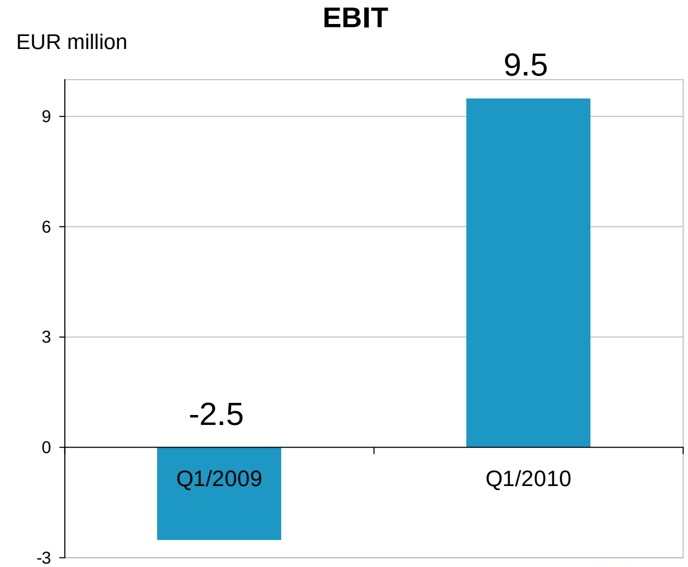


- EBIT clearly improved from Q1/2009 – streamlining efforts and increased sales volumes due to recovery in demand

Fiber Composites segment Q1/2010

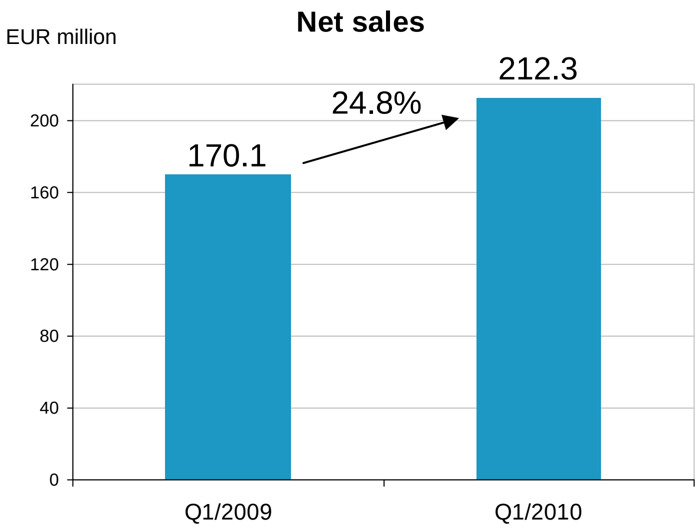
- Demand for filtration media for transportation industry and building materials benefited from economic upturn
- Demand steady for food packaging and teabag materials, as well as nonwovens for medical applications
- In wiping products market, demand began to decline in Q4/2009 – following a H1N1 related temporary peak– but increased in Q1/2010 compared to Q1/2009
- Wind energy and marine industries showed slight signs of recovery

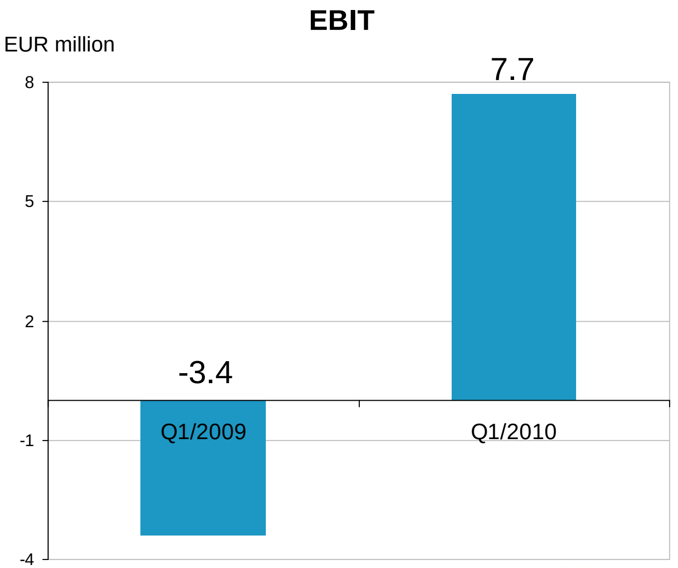




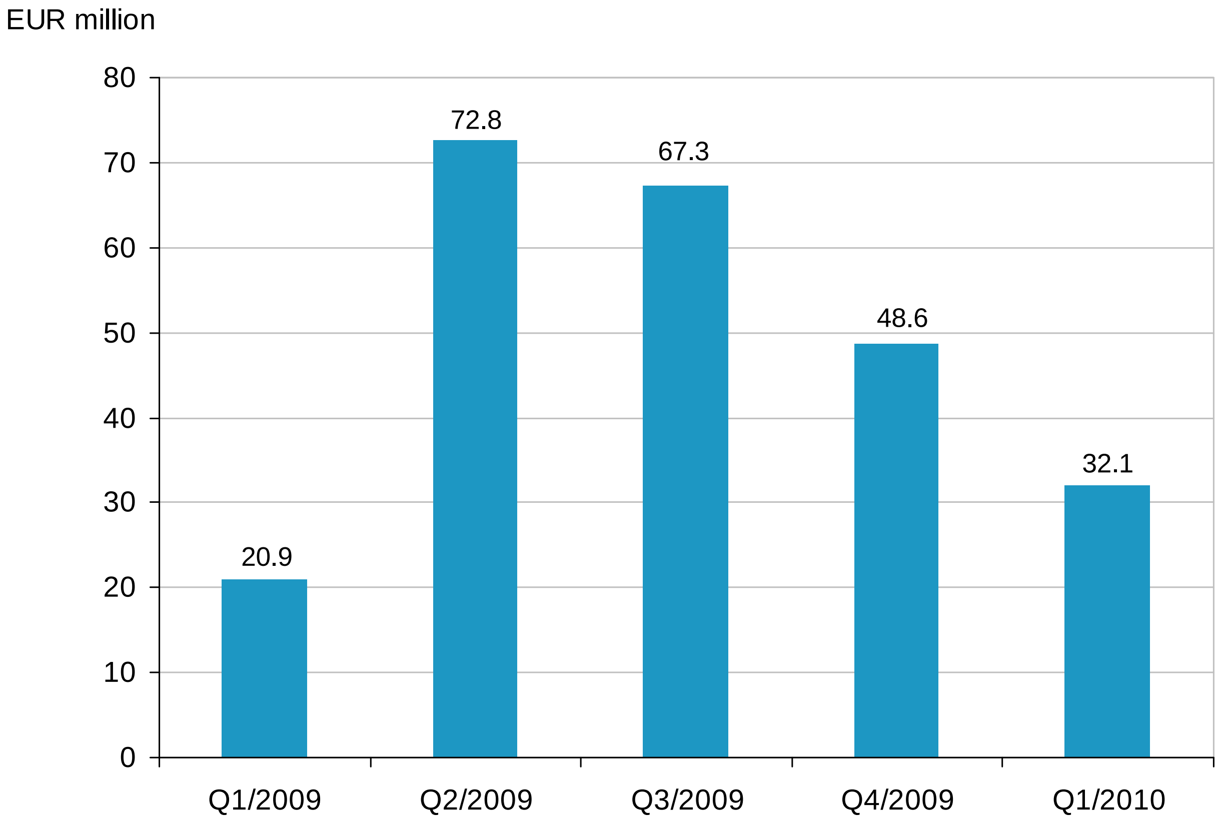
Specialty Papers segment Q1/2010

- Demand for specialty papers increased almost by 25% from the comparison period
- Demand was improved due to the recovery of the markets served by Ahlstrom
- Increased sales volumes in, among others, release and label papers, industrial papers, coated specialty papers and crepe papers
- Demand for products for automotive and construction industries began to recover



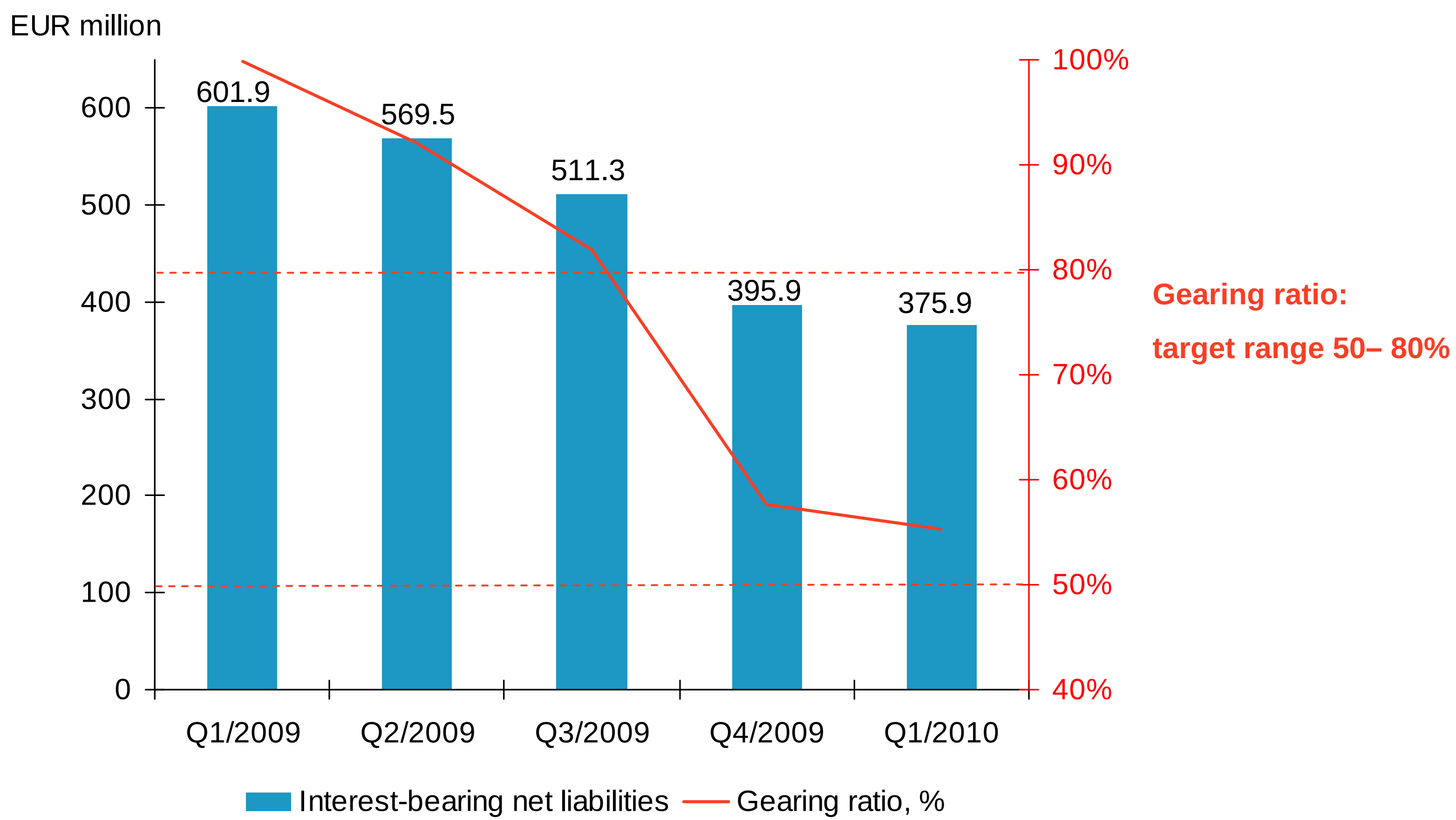


Net cash from operating activities Q1/2009–Q1/2010



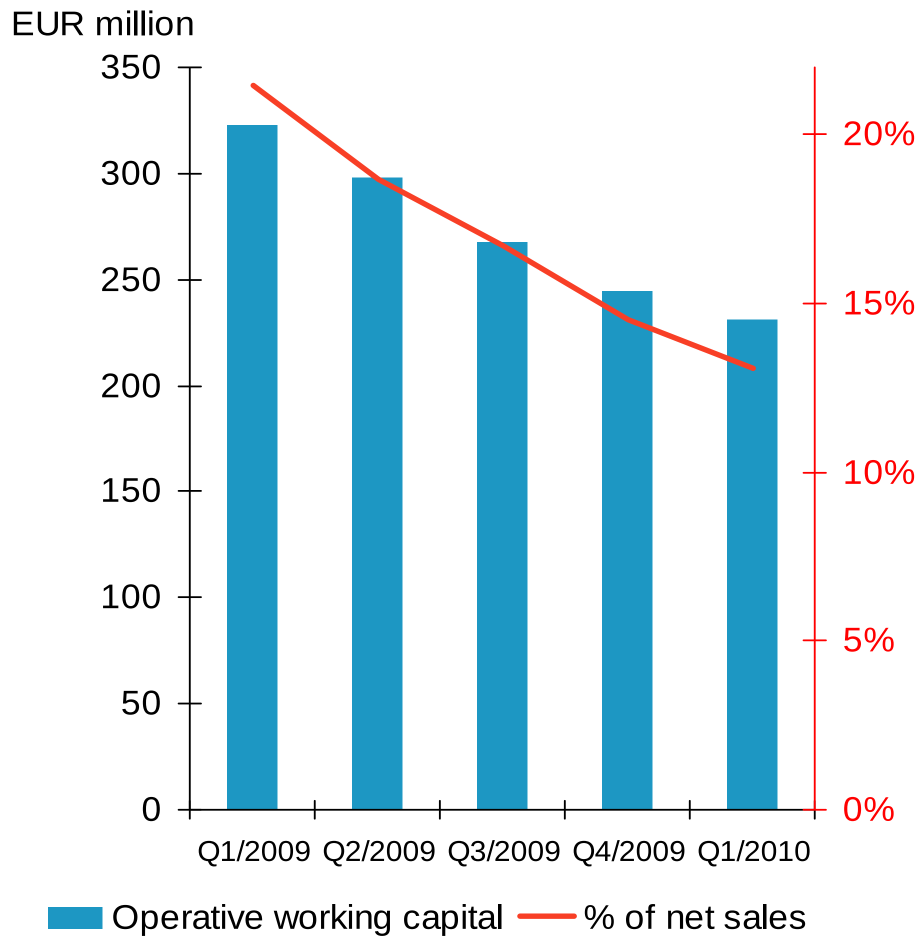
- Due to reduced operative working capital and improved profitability, cash flow continued strong

Gearing in target range



- Net debt and gearing ratio significantly reduced compared to Q1/2009
- Gearing ratio on March 31, 2010, was 55.3%

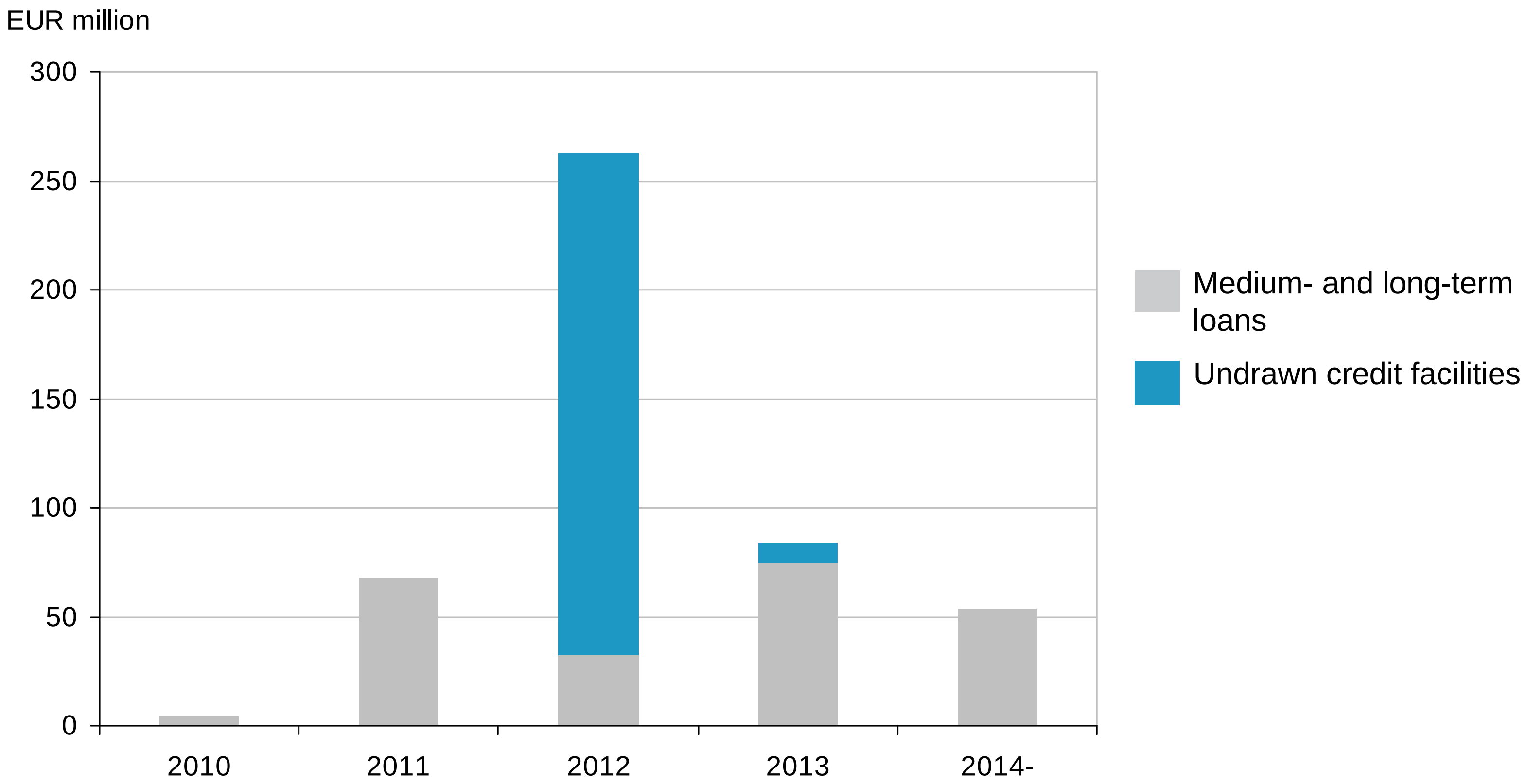
Strong development of working capital



- Target to decrease working capital by EUR 100 million in two years
- Project is in the final phase
- Working capital was reduced by EUR 118.3 million and turnover improved by 28 days from the end of 2008 => turnover on March 31, 2010, was 48 days

Operative working capital = Accounts receivable + inventories – accounts payable

Maturity profile of medium/long term credit facilities



- Total liquidity, including cash, unused committed credit facilities, and the cash pool overdraft limits totaled EUR 338.3 million
- In addition, the company had available uncommitted credit facilities totaling EUR 143.8 million

Income statement

EUR million	Q1/2010	Q1/2009
Net sales	**441.0**	**376.1**
Cost of goods sold	-385.3	-347.1
Gross profit	**55.7**	**29.0**
S & GA	-42.9	-41.8
Other income and expenses	1.3	2.1
EBIT	**14.0**	**-10.7**
Net financial expenses	-6.7	-8.2
Share of profit of associated companies	-0.0	0.4
Profit/loss before taxes	**7.4**	**-18.6**
Tax income (+) / Income taxes (-)	-1.9	6.2
Profit/loss for the period	**5.5**	**-12.4**
ROCE, %	**5.2**	**-3.3**

Grew 17.3% mainly due to larger sales volumes and increased sales prices

Increased sales volumes and pulp prices

Improved due to increased sales volumes and restructuring programs

A tax refund of EUR 1.0 million from prior periods reduced the income tax

Balance sheet

EUR million	31.3.2010	31.12.2009
Non-current assets	1,030.7	1,010.8
Inventories	181.3	175.9
Trade and other receivables	332.2	319.9
Other current assets	3.6	3.7
Cash	27.2	19.9
Assets	**1,575.0**	**1,530.2**
Equity	679.3	685.6
Provisions	15.6	17.7
Interest-bearing debt	403.1	415.8
Employee benefit obligations	78.9	78.2
Trade and other payables	366.1	305.1
Other liabilities	32.2	27.8
Total equity and liabilities	**1,575.0**	**1,530.2**
Gearing ratio, %	**55.3**	**57.7**

Increased sales volumes, higher sales prices, improved turnover

Positive cash flow due to reducing working capital

Increased sales volumes, higher raw material prices and longer payment terms

Balance sheet further strengthened

Cash flow

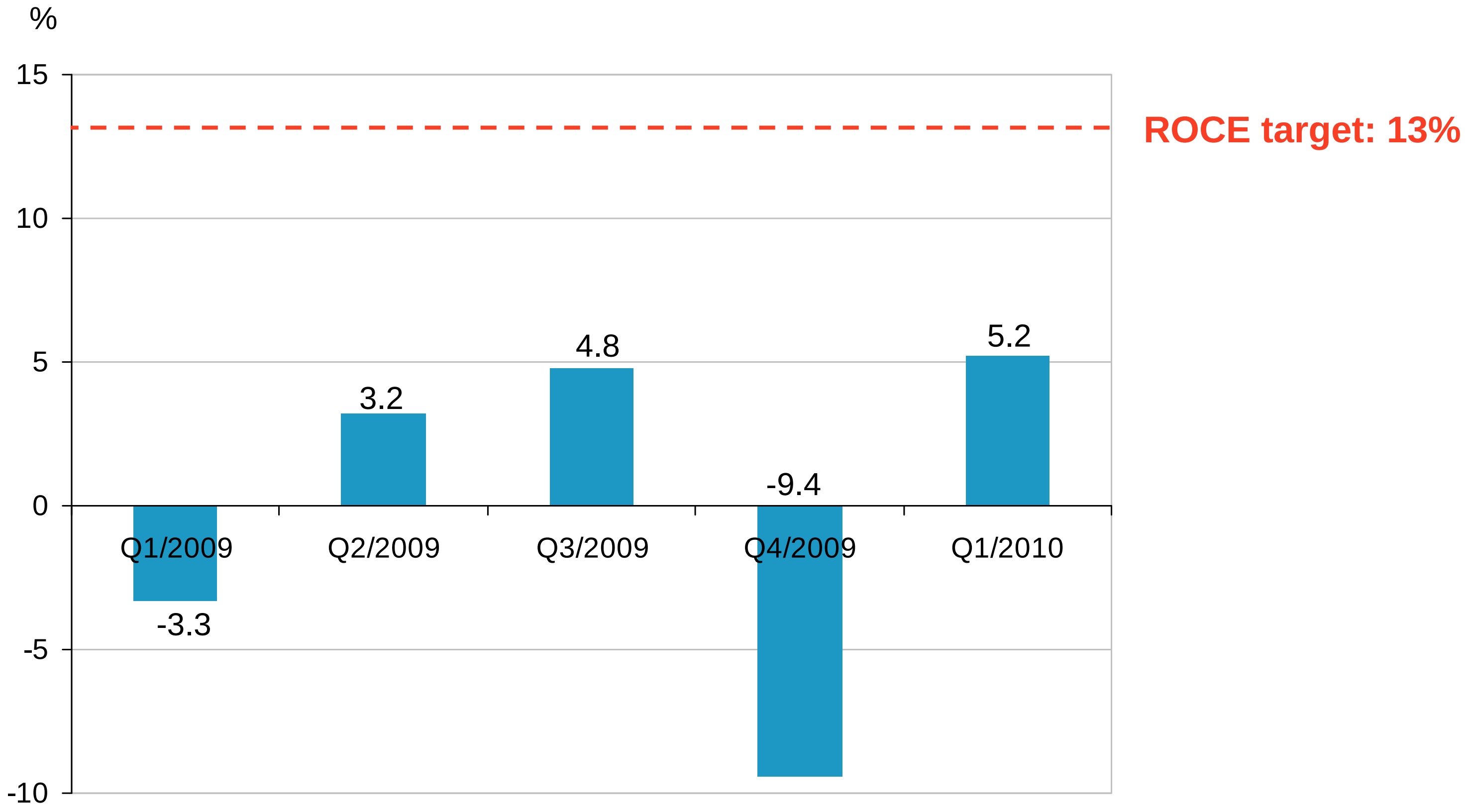
EUR million	Q1/2010	Q1/2009
EBITDA	39.5	14.6
Cash flow adjustments	-2.7	-4.8
Change in net working capital	12.7	25.8
Financial items	-16.2	-13.3
Taxes paid	-1.3	-1.5
Net cash from operating activities	**32.1**	**20.9**
Investing activities	**-7.0**	**-21.6**
Cash flow after investing activities	**25.1**	**-0.7**
Repurchase of own shares	-0.9	-
Drawdowns and repayments	-17.5	-41.7
Net cash from financing activities	**-18.4**	**-41.7**
Change in cash	**6.6**	**-42.4**

Additional working capital released

Cash flow effect of the currency loan swaps

Level of maintenance investments

ROCE Q1/2009–Q1/2010



- ROCE is one of the most important indicators for the success of the strategy
- Target is to reach the 13% ROCE in the next few years

Main short-term targets

Strategy implementation

- Active assessment of growth alternatives in Asia
- Development of key account and sales processes
- Strengthening of corporate culture and leadership methods

Continuous improvement measures

Outlook

- Demand and net sales in 2010 are expected to increase to approximately the same levels they were in 2008
    - Sales prices are and will be increased to cover rising raw material costs
    - Sales volumes develop slightly more favorably than anticipated
    - Demand in wind turbine and marine industries in Europe and North America expected to recover towards the end of the year
- EBIT excluding non-recurring items is expected to increase from 2009
    - Improved demand, more efficient cost structure, continuous streamlining efforts

Thank you