

# Interim Report

January – March 2006

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Ahlstrom Corporation STOCK EXCHANGE RELEASE 28.4.2006 at 08.20

## Interim report: Net sales grew in the first quarter

**Ahlstrom, a leader in high performance fiber-based materials, reports a slightly improved operating profit for the first quarter at EUR 29.6 million (Q1/2005: EUR 28.6 million), representing a 7.1% margin (7.4%). Net sales were EUR 414.6 million (EUR 384.2 million). Return on capital employed (ROCE) was 12.3% (12.1%). Profit before taxes was EUR 25.1 million (EUR 27.0 million).**

### January - March 2006 in brief

- Net sales were EUR 414.6 million and grew by 10.6% compared with the corresponding period last year. Sales volumes grew by 3.6%. Figures are adjusted for the divestment of Kauttua plant's paper machine.

- Return on capital employed (ROCE) improved slightly from the corresponding period in 2005 and was 12.3%. Profitability was impacted by the investment standstill at the Turin, Italy plant.

- Net cash flow from operating activities improved substantially and amounted to EUR 26.0 million (EUR 11.2 million).

- Ahlstrom announced in March a EUR 38 million investment in a new glassfiber tissue plant in Redkino, Tver, Russia.

### Key figures

EUR million	Q1/2006	Q1/2005	2005
Net sales	<b>414.6</b>	384.2	1,552.6
Operating profit	<b>29.6</b>	28.6	117.2
Operating profit excl. non-recurring items	<b>26.3</b>	27.3	99.0
Profit before taxes	<b>25.1</b>	27.0	100.7
Profit for the period	<b>15.8</b>	18.0	62.6
Net cash flow from operating activities	<b>26.0</b>	11.2	126.6
Gearing ratio, %	<b>30.0</b>	60.0	57.7
Return on capital employed (ROCE), %	<b>12.3</b>	12.1	12.4
Cash earnings per share, EUR	<b>0.68</b>	0.31	3.48
Earnings per share, EUR	<b>0.41</b>	0.49	1.71
Average number of shares during the period, 1000s	<b>38,326</b>	36,418	36,418

Jukka Moisio, President and CEO of Ahlstrom Corporation, says:

- Ahlstrom's net sales of continuing operations grew by almost 11% and volumes by 4%. Operating profit improved slightly and ROCE remained at a good level, 12.3%, which is close to the Group's long-term target of minimum of 13%. However, Ahlstrom's EPS was negatively impacted by associated companies' performance and currency hedging losses. Raw material and energy costs remained at a high level, while price increases and cost reductions are aimed to offset their impact on our margins.

I consider the first quarter a good achievement. The Ahlstrom team implemented a major capacity expansion in release base papers, worked to integrate three add-on acquisitions in Filtration business area, and decided to invest in a new glassfiber tissue plant in Russia. The successful IPO of Ahlstrom completed our evolution from a closely-held conglomerate to a publicly owned, focused fiber-based materials supplier.

## Ahlstrom Group: Interim report January-March 2006

### Financial performance in the first quarter of 2006

The Group's operating profit for the first quarter of 2006 increased by 3.5% and amounted to EUR 29.6 million (Q1/2005: EUR 28.6 million). Excluding non-recurring items, operating profit was EUR 26.3 million (EUR 27.3 million). Non-recurring items of EUR 3.3 million were related to an asset sale. Profit for the first quarter was EUR 15.8 million (EUR 18.0 million). Earnings per share (EPS) were EUR 0.41 compared with EUR 0.49 a year ago. Share-related financial figures are not comparable as the number of shares increased in the first quarter of 2006 due to the Initial Public Offering. The investment standstill at the Turin, Italy plant lasted four weeks and decreased Ahlstrom's operating profit by approximately EUR 2.5 million. Additionally, the integration expenses related to the closure of the New Windsor, USA plant and to the acquisitions made at the end of 2005 and in early 2006 (filtration business of Lantor Inc, North American absorbent materials business of FiberMark and HRS Textiles, Inc) affected profitability.

Net sales in the first quarter grew by 7.9% to EUR 414.6 million (EUR 384.2 million). Net sales of continuing operations (adjusted for the divestment of PM1 at the Kauttua, Finland plant) increased by 10.6% from the same period last year. Sales volumes (adjusted for the divestment) improved by 3.6%.

Growth was mainly driven by the organic investments and acquisitions made in 2005, the strengthening of the US dollar and increased sales prices. In addition, the product mix shifted towards higher value products.

Total net financial expenses were EUR 4.5 million (EUR 2.4 million). Net interest expenses totaled EUR 2.2 million (EUR 2.7 million). Foreign exchange losses on financial items, mainly attributable to increased costs of hedging the Group's foreign currency exposure, were EUR 1.7 million (gains of EUR 0.2 million).

Ahlstrom's share of the losses of associated companies amounted to EUR 0.03 million (profit of EUR 0.79 million).

Profit before taxes was EUR 25.1 million (EUR 27.0 million). Income tax expenses amounted to EUR 9.3 million (EUR 8.9 million). Return on capital employed (ROCE) was 12.3% (12.1%) and return on equity (ROE) 9.5% (12.2%).

### **Financing and financial position**

Net cash flow from operating activities in the first quarter amounted to EUR 26.0 million (EUR 11.2 million). The positive development in the cash flow was mainly due to the decrease in working capital.

Interest-bearing net liabilities decreased by EUR 120.0 million and amounted to EUR 220.6 million (December 31, 2005: EUR 340.6 million) due to the Initial Public Offering and strong operative cash flow.

Gearing ratio was 30.0% (December 31, 2005: 57.7%) and the equity ratio was 50.4% (December 31, 2005: 43.2%).

### **Capital expenditure and acquisitions**

Capital expenditure and acquisitions for January-March amounted to EUR 36.1 million (EUR 8.7 million). The full-year capital expenditure for Ahlstrom Group, excluding acquisitions, is expected to be significantly above the 2005 level (EUR 73.2 million).

In January, Ahlstrom acquired specialty nonwovens manufacturer HRS Textiles Inc., based in Darlington, SC, USA, serving mainly the North American air and liquid filtration markets. The transaction added approximately EUR 17 million in sales to Ahlstrom's filtration business. HRS Textiles employs 120 people.

In January, Ahlstrom announced its decision to invest approximately EUR 2 million in production capacity expansion of filtration media at its Tampere, Finland plant. The investment further strengthens the plant's position as an important developer and manufacturer of advanced filtration media.

In March, Ahlstrom announced that it will invest EUR 38 million in a new glassfiber tissue plant in Redkino, Tver, Russia. The plant will in the first phase concentrate in specialty glassfiber tissue production, but the site also enables future expansions of Ahlstrom's businesses in Russia. The new plant will commence production during the fourth quarter of 2007. When fully operational, the plant will employ approximately 70 people.

### **Personnel**

At the end of March 2006, Ahlstrom had 5,622 employees (5,602). The average number of employees during the first quarter was 5,572 (5,679).

### **Change in Corporate Executive Team**

Laura Raitio, Licentiate in Technology, was appointed Senior Vice President, Marketing, and member of the Corporate Executive Team as of January 1, 2006. She is responsible for corporate marketing, business development and the sales network. Previously, Mrs. Raitio worked as Vice President and General Manager of the product lines Abrasive base, Pre-impregnated decor and Wallpaper & Poster, based in Osnabrück, Germany.

### **Annual General Meeting**

The Annual General Meeting (AGM) of Ahlstrom Corporation was held on February 14, 2006. The AGM resolved, in accordance with the proposal of the Board of Directors, to increase the share capital by issuing a maximum of 9,150,000 new shares to be offered to domestic and international institutional investors and the public in Finland.

The AGM resolved to distribute a dividend of EUR 1.79 per share for 2005 as proposed by the Board of Directors. The record date for the dividend payment was February 17, 2006, and the dividend was paid on February 24, 2006.

Further, the AGM resolved to amend the Articles of Association according to the proposal of the Board of Directors.

The AGM approved the Company's and the Group's income statement and balance sheet, and discharged the members of the Board of Directors and CEO of the Company from liability for the financial year 2005. The AGM confirmed the number of Board members at seven. The composition of the Board remained unchanged. Johan Gullichsen, Sebastian Bondestam, Jan Inberr, Urban Jansson, Bertel Paulig, Peter Seligson and Willem F. Zetteler were re-elected for the period ending at the close of the next Annual General Meeting.

After the AGM, the organization meeting of the Board re-elected Johan Gullichsen as Chairman. Urban Jansson was elected as Vice Chairman of the Board. The Board also appointed the Committee members. The members of the Compensation Committee are Johan Gullichsen (Chairman), Urban Jansson and Willem F. Zetteler. The members of the Audit Committee are Peter Seligson (Chairman), Jan Inberr and Bertel Paulig.

KPMG Oy Ab was re-elected as the Company's auditor for the period ending at the close of the next AGM.

### **Initial Public Offering**

The Annual General Meeting (AGM) of Ahlstrom decided on February 14, 2006 to increase the company's share capital by issuing a total of up to 8,000,000 shares in deviation from the shareholders' pre-emptive subscription rights. In addition, the decision of the AGM allowed for the issuance of an additional 1,150,000 shares. The institutional offering started on February 27, 2006 and ended on March 13, 2006. The retail offering began on March 1, 2006 and ended on March 9, 2006. The offer price range was EUR 20.00 to 24.00. The Board of Directors determined to set the offer price at EUR 22.00 based on the results of the book-building process during the marketing of the offering.

Initially, the institutional offering comprised 7,300,000 and the retail offering 700,000 shares. The institutional offering was approximately 9.5 times oversubscribed at the offer price and the Finnish retail offering was approximately 6.6 times oversubscribed. The Board of Directors decided on March 13, 2006 to allocate 6,600,000 shares to institutional investors and 1,400,000 shares to retail investors. Approximately 43 percent of the demand in the institutional offering originated from Finnish investors and approximately 57 percent from international investors. In total, 14,159 investors participated in the retail offering. On March 16, SEB Enskilda exercised the over-allotment option to subscribe for 1,150,000 additional shares of Ahlstrom to cover over-allotment in the institutional offering.

Net proceeds for Ahlstrom from the offering were EUR 172.1 million, plus additional net proceeds amounting to EUR 24.7 million after the exercise of the over-allotment option. Ahlstrom intends to use the proceeds of the offering to expand and further improve its operations mainly through investments in new capacity and new technologies in existing operations, investments in geographic expansion, particularly in Asia, Russia/Eastern Europe and the Americas to grow with its global customer base. Moreover, the company seeks acquisitions to expand its geographic presence and enhance its product offering.

### **Shares and share capital**

At the end of March, the share capital of Ahlstrom Corporation totaled EUR 68.4 million and the total number of shares was 45,586,737 with a nominal value of EUR 1.50 per share.

Trading with Ahlstrom share commenced on the Pre list of the Helsinki Stock Exchange on March 14, 2006 and on the Main list on March 17, 2006. The lowest trading price during the first quarter was EUR 24.20 and the highest EUR 25.45. Closing price on March 31, 2006 was EUR 24.35 and market value EUR 1,110 million.

Equity per share of Ahlstrom Group was EUR 16.11 (December 31, 2005: EUR 16.21).

### **Outlook**

Demand in the Americas and Asia is expected to remain at a good level, while the European market outlook continues uncertain. The growth investments and add-on acquisitions decided in 2005 and early 2006 will increase Ahlstrom's sales volumes in 2006.

Ahlstrom expects its full-year net sales of continuing operations to grow compared with the level of 2005. Energy and raw material costs are anticipated to remain at the current high levels or rise, which maintains pressure on margins. Price increases are aimed to offset the effect of these raised costs. Ahlstrom focuses on group-wide efficiency improvement and will maintain strict cost control in order to improve profitability.

Ahlstrom continues to work with growth initiatives especially in Asia, Russia and the Americas in line with its business strategy.

### **Financial information in 2006**

Interim report January–June on July 27, 2006

Interim report January–September on October 27, 2006

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

This report is unaudited.

Helsinki, April 28, 2006

Ahlstrom Corporation  
Board of Directors

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Press conference on the first quarter results will be held today, April 28, 2006, at 10.00 in Ahlstrom's head office, address Eteläesplanadi 14, 00130 Helsinki. An international conference call for analysts and investors will be held on Friday, April 28, 2006 at 11.30 a.m. 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 5, 2006. The number for the replay is + 44 (0) 20 7031 4064, access code: 702863.

The presentation material will be available at [www.ahlstrom.com](http://www.ahlstrom.com) > Investors > IR presentations on April 28, 2006 from 9 a.m. Finnish time.

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.

### **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 5,600 employees serve customers via sales offices and production facilities in more than 20 countries on six continents. In 2005, Ahlstrom's net sales amounted to EUR 1.55 billion. Ahlstrom share is listed on the main list of the Helsinki Stock Exchange. The company website is [www.ahlstrom.com](http://www.ahlstrom.com).

### **Appendices**

1. Segment reviews
2. Financial statements

## Appendix 1

### Segment reviews

#### FiberComposites segment

##### Key figures

EUR million	Q1/2006	Q1/2005	Change, %	2005
Net sales	212.7	176.3	20.6	742.3
Operating profit	15.9	13.5	17.8	65.5
Operating profit, %	7.5	7.7		8.8
Return on net assets (RONA), %	10.3	9.5		11.3

Net sales of the FiberComposites segment increased by 20.6% and amounted to EUR 212.7 million (EUR 176.3 million). Sales volumes grew by 10.9%. The growth was mainly due to increased volumes, strengthening of the US dollar, higher sales prices and changes in the product mix towards higher-value materials.

Operating profit of the segment was EUR 15.9 million (EUR 13.5 million), showing an increase of 17.8%. The continued positive trend in profitability was mainly attributable to improved operational efficiency, increased sales prices and lower fixed costs. On the other hand, integration expenses of three acquisitions (filtration business of Lantor Inc, North American absorbent materials business of FiberMark and HRS Textiles, Inc) and the closure of the New Windsor, USA plant had a negative impact on the segment's profitability.

#### Nonwovens business area (24% of the Group's net sales)

Ahlstrom's Nonwovens business area serves customers in the food packaging, medical, wiping, building and industrial nonwovens markets.

Market conditions for Ahlstrom's nonwovens varied during the first quarter. The North American market slowed down, while in Europe, the market started to recover after a sluggish period. The demand for Ahlstrom's nonwovens was particularly strong within the food applications. In contrast, the demand for medical nonwovens and wipes was soft.

Sales volumes of the business area grew by 5% and net sales by 14% compared with the first quarter of 2005. The growth was mainly attributable to increased volumes for food and industrial nonwovens as well as to the strengthening of the US dollar.

Raw material and energy costs continued to increase affecting adversely on margins. The business area was partially able to compensate for the higher input and energy costs by increasing its sales prices.

The demand is expected to vary by product line within the coming months. The investment in a new wipes machine at Green Bay, USA plant is proceeding according to plan and is scheduled to be completed in January 2007.

#### Filtration business area (21% of the Group's net sales)

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



Overall market conditions remained positive during the first quarter of 2006. Demand for transportation filtration materials was particularly strong in South America and Asia, with steady demand in Europe and North America. Demand for air and liquid filtration materials also developed positively. The overall demand strengthened towards the end of the quarter.

Sales volumes grew by 9% and net sales by 29% in the first quarter of 2006 compared with the corresponding period last year. The substantial increase in net sales was driven by the effect of acquired businesses, gains in market share, improved product mix and strengthening of the US dollar versus the euro. Sales growth was particularly strong in South America, where Ahlstrom was able to improve its Brazilian market position and expand its exports from Brazil to other areas in South America. Sales prices were increased in all regions and most product areas, which partially compensated for higher raw material and energy costs.

In January 2006, Ahlstrom acquired specialty nonwovens manufacturer HRS Textiles Inc., based in Darlington, SC, USA, serving mainly the North American air and liquid filtration markets. The acquisition strengthens Ahlstrom's position in North America, particularly in the heating, ventilation and air conditioning (HVAC) segment. This acquisition, together with the acquisitions made in December 2005, have added new production capacity for Ahlstrom allowing the company to better serve the growing air filtration market.

Investment in nanofiber filtration production capability in the Madisonville, USA plant is proceeding according to the company plan and is estimated to be completed during the second quarter of 2006.

The demand for filtration materials is anticipated to remain good in the coming months.

#### Glass Nonwovens business area (7% of the Group's net sales)

Ahlstrom's Glass Nonwovens business area serves the reinforcement, specialty reinforcement, and glass tissue markets.

The market environment was positive during the first quarter of 2006. The overall demand improved, especially in the high-end markets. However, competition remained intense, which affected the implementation of the price increases.

Sales volumes grew by 30% and net sales by 23% during the first quarter of 2006 compared with the same period in 2005, windmill and marine industries being the key growth drivers. Geographically, sales developed positively especially in certain European countries and in America. Average sales prices decreased due to heavy competition.

Double-digit growth in energy costs had a negative impact on the business area's margins. This was partially compensated for by actions to improve productivity.

In March, Ahlstrom announced it invests EUR 38 million in a new glassfiber tissue production plant in Redkino, Tver, Russia. The investment further strengthens Ahlstrom's position as a leading manufacturer of specialty glassfiber tissues for building and composites materials industries. In addition, the new plant enables future expansions of Ahlstrom's businesses in Russia. The new plant will start production during the fourth quarter of 2007.

Good demand in windmill and marine industries is expected to continue in the coming months.

## Specialty Papers segment

### Key figures

EUR million	Q1/2006	Q1/2005	Change, %	2005
Net sales	203.3	209.1	-2.8	814.7
Operating profit	13.0	14.8	-12.2	57.7
Operating profit, %	6.4	7.1		7.1
Return on net assets (RONA), %	17.1	18.3		18.7

Net sales of the Specialty Papers segment decreased by 2.8% and amounted to EUR 203.3 million (EUR 209.1 million). Sales volumes fell by 4.3%. The decrease in sales was mainly due to the four-week investment standstill of the release base paper production line at the Turin, Italy plant. In addition, the PM1 of the Kauttua plant in Finland was sold to Jujo Thermal Ltd in August 2005. Consequently, the production line was excluded from Ahlstrom's accounts as of September 1, 2005.

Operating profit of the segment was EUR 13.0 million (EUR 14.8 million), a decrease of 12.2%. The decline in profitability was mainly attributable to the investment standstill at the Turin, Italy plant that decreased operating profit by approximately EUR 2.5 million.

### Label and Packaging Papers business area (31% of the Group's net sales)

The business area consists of release base papers and packaging and label papers business. Its main products include release base papers, face stock papers, wet glue label papers, metalizing base papers, flexible packaging papers and office & graphic papers.

The demand for release base papers remained solid throughout the first quarter of 2006. Investment standstills both at Ahlstrom's and other producers' plants affected the balance of supply and demand. The market for Ahlstrom's face stock papers as well as office and graphic papers remained stable. The demand for metalizing label papers improved clearly towards the end of the period as the high season of the beverage industry is commencing. In the wet glue label papers, the market environment was challenging with overcapacity and heavy pressure on sales prices. The demand for flexible packaging papers remained good in the first quarter.

Sales volumes of the business area decreased by 9% and net sales by 8% compared with the first quarter of 2005. The decline in sales was mainly attributable to the investment standstill and the sale of the PM1 of the Kauttua, Finland plant in August 2005. Sales to Asian markets, particularly China, improved.

Prices of energy and raw materials increased in the first quarter, which put pressure on margins. The business area aims to compensate for this development by increasing sales prices and by improving its operational efficiency.

A major investment in increasing the production capacity of release base papers at the Turin, Italy plant was completed successfully in January. The EUR 30 million investment to increase the production capacity of release base papers at the La Gère, France plant is proceeding according to schedule and budget and it is estimated to be completed in January 2007. Together, these two investments will increase Ahlstrom's release base paper capacity by more than 20%.

The demand for release base papers is estimated to remain solid also in the coming months. The peak season of the beverage industry is commencing and consequently, the business

area expects a healthy demand for metalizing and wet glue label papers. The market environment for flexible packaging papers will remain challenging.

#### Technical Papers (17% 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), pre-impregnated decor papers, 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.

Order inflow continued to strengthen during the first quarter of 2006. The market was particularly active in abrasive base papers, heavily one-side coated grades like wallpaper and poster papers as well as in parchment papers for the bakery markets. Further, the pre-impregnated decor paper markets have recovered from the adverse market conditions experienced in 2005.

Sales volumes of the business area increased by 9% and net sales by 7% compared with the first quarter of 2005. The growth was mainly driven by gains in market shares, achieved through the introduction of new products, as well as by the slightly improved European market environment.

Increases in raw material and energy costs continued to put pressure on the business area's margins. Even though the market situation remained competitive in many areas, the business area was able to implement price increases in some product segments to compensate for the cost increases. The business area will continue to have a special focus on reducing waste.

In the first quarter of 2006, the business area entered the largest segment of the decor paper market by launching a print base paper for the classical decor paper markets.

The demand for Ahlstrom's technical papers is anticipated to remain solid during the coming months ensuring high operating rates. The business area will focus on preventing margin erosion and supporting margin improvement by implementing further price increases, improving its operational efficiency and maintaining strict cost control.

**Appendix 2: Consolidated financial statements**

The interim report is unaudited.

<b>INCOME STATEMENT</b>	<b>Q1</b>	Q1	Q1-Q4
Eur million	<b>2006</b>	2005	2005
<b>Net sales</b>	<b>414.6</b>	384.2	1,552.6
Other operating income	<b>10.3</b>	2.6	30.8
Expenses	<b>-375.5</b>	-338.0	-1,382.4
Depreciation, amortization and impairment charges	<b>-19.8</b>	-20.3	-83.8
<b>Operating profit</b>	<b>29.6</b>	28.6	117.2
Share of profit of associated companies	<b>-0.0</b>	0.8	0.4
Net financial expenses	<b>-4.5</b>	-2.4	-16.8
<b>Profit before tax</b>	<b>25.1</b>	27.0	100.7
Income tax	<b>-9.3</b>	-8.9	-38.1
<b>Profit for the period</b>	<b>15.8</b>	18.0	62.6
Attributable to			
Equity holders of the parent	<b>15.8</b>	18.0	62.4
Minority interest	<b>-0.0</b>	-0.0	-0.2
Basic earnings per share, EUR	<b>0.41</b>	0.49	1.71
Diluted earnings per share, EUR	<b>0.40</b>	0.49	1.67

<b>BALANCE SHEET</b>	<b>Mar 31,</b>	Mar 31,	Dec 31,
Eur million	<b>2006</b>	2005	2005
<b>ASSETS</b>			
Property, plant and equipment	<b>586.2</b>	573.0	577.4
Goodwill	<b>107.0</b>	111.2	108.6
Other intangible assets	<b>38.4</b>	31.4	39.0
Investment property	<b>4.0</b>	3.9	4.0
Investments in associated companies	<b>49.4</b>	50.6	49.4
Other investments	<b>0.2</b>	3.3	2.9
Other receivables	<b>7.1</b>	7.3	4.9
Deferred tax assets	<b>28.0</b>	29.7	32.2
<b>Total non-current assets</b>	<b>820.2</b>	810.4	818.4
Inventories	<b>205.2</b>	213.0	212.6
Trade and other receivables	<b>351.0</b>	366.4	320.2
Other investments	<b>12.7</b>	0.5	0.0
Cash and cash equivalents	<b>69.6</b>	23.3	16.0
<b>Total current assets</b>	<b>638.5</b>	603.2	548.8
<b>Total assets</b>	<b>1,458.7</b>	1,413.6	1,367.2
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent	<b>733.7</b>	603.2	589.7
Minority interest	<b>0.9</b>	1.0	0.8
<b>Total equity</b>	<b>734.5</b>	604.2	590.5
<b>Liabilities</b>			
Interest-bearing loans and borrowings	<b>95.9</b>	163.1	119.6
Employee benefit obligations	<b>112.7</b>	110.8	112.8
Provisions	<b>3.7</b>	3.7	3.7
Other liabilities	<b>0.6</b>	0.1	0.4
Deferred tax liabilities	<b>23.8</b>	9.5	26.3
<b>Total non-current liabilities</b>	<b>236.8</b>	287.3	262.8
Interest-bearing loans and borrowings	<b>206.9</b>	223.4	237.0
Trade and other payables	<b>267.6</b>	280.4	263.6
Provisions	<b>12.8</b>	18.4	13.3
<b>Total current liabilities</b>	<b>487.4</b>	522.1	513.9
<b>Total equity and liabilities</b>	<b>1,458.7</b>	1,413.6	1,367.2

#### STATEMENT OF CHANGES IN EQUITY

Eur million	Issued capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Minority interest	Total equity
<b>Equity at December 31, 2005</b>	<b>55</b>	<b>27</b>	<b>1</b>	<b>4</b>	<b>504</b>	<b>1</b>	<b>590</b>
Dividends paid					-65		-65
Translation adjustment*				-1			-1
Share issue	14	183					197
Profit for the period					16		16
Other			0		-1		-2
<b>Equity at March 31, 2006</b>	<b>68</b>	<b>209</b>	<b>1</b>	<b>3</b>	<b>453</b>	<b>1</b>	<b>735</b>

\* Translation adjustment after equity hedging, net of tax

<b>STATEMENT OF CASH FLOWS</b>	<b>Q1</b>	<b>Q1</b>	<b>Q1-Q4</b>
Eur million	<b>2006</b>	2005	2005
Cash from operations before change in working capital	<b>49.5</b>	48.0	179.6
Change in working capital	<b>-11.4</b>	-29.9	-15.2
<b>Cash generated from operating activities</b>	<b>38.1</b>	18.1	164.4
Financial items	<b>-6.9</b>	-3.6	-28.4
Income taxes	<b>-5.2</b>	-3.3	-9.4
<b>Net cash from operating activities</b>	<b>26.0</b>	11.2	126.6
Purchases of property, plant and equipment	<b>-29.6</b>	-10.6	-55.4
Acquisition of group companies	<b>-8.1</b>	-	-10.8
Other investing activities	<b>-12.3</b>	19.9	55.4
<b>Cash flow before financing activities</b>	<b>-24.0</b>	20.5	115.8
Share issue	<b>194.7</b>	-	-
Dividends paid	<b>-65.2</b>	-	-62.8
Other financing activities	<b>-51.9</b>	-24.2	-57.1
<b>Net change in cash and cash equivalents</b>	<b>53.6</b>	-3.7	-4.1

<b>KEY FIGURES</b>	<b>Q1 2006</b>	Q1 2005	Q1-Q4 2005
Operating profit, %	<b>7.1</b>	7.4	7.5
Return on capital employed (ROCE), %	<b>12.3</b>	12.1	12.4
Return on equity (ROE), %	<b>9.5</b>	12.2	10.7
Interest-bearing net liabilities, EUR million	<b>220.6</b>	362.7	340.6
Equity ratio, %	<b>50.4</b>	42.8	43.2
Gearing ratio, %	<b>30.0</b>	60.0	57.7
Earnings per share, EUR	<b>0.41</b>	0.49	1.71
Earnings per share, diluted, EUR	<b>0.40</b>	0.49	1.67
Equity per share, EUR	<b>16.11</b>	16.59	16.21
Cash earnings per share, EUR	<b>0.68</b>	0.31	3.48
Average number of shares during the period, 1000's	<b>38,326</b>	36,418	36,418
Number of shares at the end of the period, 1000's	<b>45,587</b>	36,418	36,418
Capital expenditure, EUR million	<b>28.0</b>	8.7	62.4
Capital employed, at the end of the period, EUR million	<b>1,037.4</b>	990.8	947.1
Number of employees, average	<b>5,572</b>	5,679	5,605

*Calculation of key figures: [www.ahlstrom.com](http://www.ahlstrom.com)*

<b>QUARTERLY DATA</b>	Q1	Q2	Q3	Q4	Q1
Eur million	2005	2005	2005	2005	<b>2006</b>
<b>Net sales</b>	384.2	402.8	381.9	383.6	<b>414.6</b>
Other operating income *	1.3	2.5	4.9	1.5	<b>7.0</b>
Expenses *	-338.0	-355.6	-344.2	-342.6	<b>-375.5</b>
Depreciation, amortization, impairment charges *	-20.3	-21.3	-21.3	-20.5	<b>-19.8</b>
Non-recurring items	1.3	2.0	12.4	2.5	<b>3.3</b>
<b>Operating profit</b>	28.6	30.3	33.7	24.5	<b>29.6</b>
Share of profit of associated companies	0.8	-0.4	0.6	-0.6	<b>-0.0</b>
Net financial expenses	-2.4	-4.5	-5.1	-4.8	<b>-4.5</b>
<b>Profit before tax</b>	27.0	25.4	29.2	19.1	<b>25.1</b>
Income tax	-8.9	-11.1	-11.0	-7.2	<b>-9.3</b>
<b>Profit for the period</b>	18.0	14.4	18.3	11.9	<b>15.8</b>
Attributable to					
Equity holders of the parent	18.0	14.3	18.2	11.9	<b>15.8</b>
Minority interest	-0.0	-0.0	-0.1	-0.0	<b>-0.0</b>
Operating profit *	27.3	28.4	21.3	22.0	26.3
Operating profit, % *	7.1	7.0	5.6	5.7	6.3

\* Excluding non-recurring items



<b>QUARTERLY DATA BY SEGMENT</b>	Q1	Q2	Q3	Q4	Q1
Eur million	2005	2005	2005	2005	<b>2006</b>
<b>Net sales</b>					
FiberComposites	176.3	193.3	183.3	189.4	<b>212.7</b>
Specialty Papers	209.1	211.2	199.1	195.3	<b>203.3</b>
Other operations and eliminations	-1.2	-1.6	-0.5	-1.2	<b>-1.5</b>
<b>Group total</b>	<b>384.2</b>	<b>402.8</b>	<b>381.9</b>	<b>383.6</b>	<b>414.6</b>
<b>Operating profit</b>					
FiberComposites	13.5	17.3	20.9	13.8	<b>15.9</b>
Specialty Papers	14.8	12.7	21.9	8.2	<b>13.0</b>
Other operations and eliminations	0.3	0.3	-9.1	2.5	<b>0.7</b>
<b>Group total</b>	<b>28.6</b>	<b>30.3</b>	<b>33.7</b>	<b>24.5</b>	<b>29.6</b>
<b>Operating profit excluding non-recurring items</b>					
FiberComposites	12.5	17.2	17.8	15.2	<b>15.9</b>
Specialty Papers	14.5	12.0	8.3	8.2	<b>13.0</b>
Other operations and eliminations	0.3	-0.8	-4.7	-1.4	<b>-2.6</b>
<b>Total</b>	<b>27.3</b>	<b>28.4</b>	<b>21.3</b>	<b>22.0</b>	<b>26.3</b>
Non-recurring items	1.3	2.0	12.4	2.5	<b>3.3</b>
<b>Group total</b>	<b>28.6</b>	<b>30.3</b>	<b>33.7</b>	<b>24.5</b>	<b>29.6</b>

<b>CONTINGENT LIABILITIES</b>	<b>Mar 31,</b>	Mar 31,	Dec 31,
Eur million	<b>2006</b>	2005	2005
<b>For own liabilities</b>			
Loans from financing institutions			
Amount of loans	<b>0.1</b>	0.6	0.2
Amount of mortgages	<b>0.1</b>	8.8	0.2
Other loans			
Amount of loans	<b>1.9</b>	0.6	3.3
Book value of pledges	<b>2.0</b>	0.5	3.6
<b>For other own commitments</b>			
Guarantees	<b>23.1</b>	36.9	24.1
<b>For commitments of associated companies</b>			
Guarantees	<b>8.3</b>	-	8.3
<b>For commitments of third parties</b>			
Guarantees	-	32.4	-
<b>Capital expenditure commitments</b>	<b>22.6</b>	-	11.2
<b>Other contingent liabilities</b>	<b>9.7</b>	4.9	8.4

<b>DERIVATIVE FINANCIAL INSTRUMENTS*</b>	<b>Mar 31,</b>		<b>Mar 31,</b>		<b>Dec 31,</b>	
Eur million	<b>2006</b>		<b>2005</b>		<b>2005</b>	
<b>Fair values**</b>	<b>Fair values</b>		<b>Fair values</b>		<b>Fair values</b>	
	<b>Posi- tive</b>	<b>Nega- tive</b>	<b>Posi- tive</b>	<b>Nega- tive</b>	<b>Posi- tive</b>	<b>Nega- tive</b>
<b>Hedge accounting</b>						
Interest rate swaps	<b>0.7</b>	-	1.1	-0.2	0.8	-0.1
Foreign exchange forward contracts	<b>2.3</b>	<b>-0.8</b>	0.7	-2.4	0.4	-2.3
<b>Total</b>	<b>3.0</b>	<b>-0.8</b>	1.8	-2.6	1.2	-2.4
<b>Non-hedge accounting</b>						
Interest rate swaps	<b>0.6</b>	-	-	-	-	-
Foreign exchange forward contracts	<b>1.6</b>	<b>-0.9</b>	1.0	-1.9	1.7	-2.3
<b>Total</b>	<b>2.3</b>	<b>-0.9</b>	1.0	-1.9	1.7	-2.3
<b>Nominal values</b>						
	<b>Mar 31,</b>		<b>Mar 31,</b>		<b>Dec 31,</b>	
	<b>2006</b>		<b>2005</b>		<b>2005</b>	
Interest rate swaps	<b>66.3</b>		113.5		67.4	
Foreign exchange forward contracts	<b>439.1</b>		476.1		434.6	
Options bought	-		4.6		-	
Options sold	-		4.6		-	
<b>Total</b>	<b>505.4</b>		598.8		502.0	

\* The values illustrate the extent of the hedging activities and do not as such measure the risk exposure of Ahlstrom.

\*\* The fair values of interest rate swaps are based on actually quoted market rates at period ends.

The fair values of all other financial instruments have been calculated from prevailing market rates at period ends.