

## Ahlstrom's Interim report January-September 2007 - Strong growth in net sales, unsatisfactory profitability

**Ahlstrom, a leader in high performance fiber-based materials, reports net sales of EUR 444.9 million in the third quarter (Q3/2006: EUR 385.9 million). Operating profit amounted to EUR 16.1 million (EUR 25.3 million), representing a 3.6% margin (6.5%). Profit before taxes was EUR 6.7 million (EUR 21.4 million) and return on capital employed (ROCE) 5.5% (10.3%). Earnings per share (EPS) amounted to EUR 0.10 (EUR 0.36).**

**Excluding non-recurring items, the operating profit for the third quarter of 2007 was EUR 16.2 million (EUR 20.8 million), representing a 3.6% margin (5.4%). Profit before taxes was EUR 6.7 million (EUR 17.0 million) and ROCE 5.5% (8.5%) both excluding non-recurring items.**

### July–September 2007 in brief

- Net sales (adjusted for currency effect) grew by 18% from the third quarter of 2006 as a result of acquisitions and organic growth investments.
- Group operating profit decreased due to weak performance of the Label & Packaging Papers business area and escalating raw material costs. Ahlstrom has taken decisive actions to correct the situation.
- The Ahlstrom-VCP joint venture in Brazil was consolidated from the beginning of September.
- The integration work of the four acquisitions continued and is expected to be completed by the end of 2007. The acquisitions will have a positive impact on Ahlstrom's financial development from the last quarter of 2007 onwards.

Key figures, EUR million	Q3/ 2007	Q3/ 2006	Q1-Q3/ 2007	Q1-Q3/ 2006	2006
Net sales	444.9	385.9	1,298.3	1,210.1	1,599.1
Operating profit	16.1	25.3	60.5	83.8	96.1
Operating profit excl. non-recurring items	16.2	20.8	56.8	73.2	87.3
Profit before taxes	6.7	21.4	43.4	71.8	81.2
Profit before taxes excl. non-recurring items	6.7	17.0	39.6	61.2	72.5
Profit for the period	5.0	16.4	30.3	48.8	57.6
Net cash flow from operating activities	37.1	57.0	34.1	94.2	119.2
Gearing ratio, %	60.1	25.0	60.1	25.0	20.3
Return on capital employed (ROCE), %	5.5	10.3	7.4	11.8	10.4
Return on capital employed (ROCE), % excl. non-recurring items	5.5	8.5	6.9	10.4	9.5
Cash earnings per share, EUR	0.79	1.29	0.73	2.18	2.72
Earnings per share, EUR	0.10	0.36	0.65	1.13	1.31
Average number of shares during the period, 1000s	46,671	45,592	46,411	43,195	43,802

**Jukka Moisio**, President & CEO, comments on Ahlstrom's third quarter:

- We saw solid sales growth in the third quarter as a result of the implemented growth actions. The expansion outside of Europe continued as we started the Ahlstrom-VCP joint venture in Brazil and signed an agreement to form a joint venture with KAN Paper in China. We are currently running at an annualized 1.9 billion euro net sales level and we have now set a strong foothold on five continents to enable future expansions of our businesses.
- The weak performance of the Label & Packaging Papers business area decreased the company's financial result and we reported a ROCE of 5.5%. As earlier announced, we are taking actions with the weakly performing units to improve our profitability. At the same time I am satisfied that the other businesses have improved their operating profit from the 2006 level.
- All our business areas are currently increasing prices in order to balance the rising raw material costs. We also continue the integration process of the acquisitions made in 2007. These actions will contribute positively to our financial development from the fourth quarter onwards.

## Ahlstrom Group: Interim report January-September, 2007

All comparable figures in this report refer to the same period last year unless otherwise stated.

### Operating environment

The demand for label and packaging papers weakened in Europe and the weakened USD also affected Ahlstrom's competitiveness in the European export markets. However, the demand for Ahlstrom's other businesses continued at a good level in Europe, Asia and Latin America. In the USA the demand was increasingly short-term oriented and the housing markets continued to slow down which affected the market for air filtration products.

The prices for main raw materials continued to rise during the quarter. The average USD market price for NBSK pulp, Ahlstrom's main raw material was on average approximately 14% higher than in the third quarter of 2006 and 3% higher than in the second quarter of 2007. The market price for BHKP pulp (i.e. eucalyptus pulp) was on average approximately 8% higher than in the third quarter of 2006 and 5% higher than in the second quarter of 2007. The eucalyptus pulp has been approximately USD 100/ton cheaper than the NBSK pulp. The prices for most of the synthetic fibers and chemicals continued to increase as a result of rising oil prices and a shortage of certain raw materials due to strong demand in Asia.

Energy costs remained high during the review period. Ahlstrom's main energy sources are natural gas and electricity.

### Financial performance in July-September 2007

The Group's net sales increased by 15.3% and amounted to EUR 444.9 million (EUR 385.9 million). Exchange rate fluctuations, mainly the weakened USD, decreased Ahlstrom's net sales by EUR 10.4 million or by 2.7%. The four acquisitions (joint venture with Votorantim Celulose e Papel i.e Ahlstrom-VCP, Fabriano, Orlandi's nonwovens business and Fiberweb's consumer wipes business) added sales of EUR 55.4 million in the third quarter. Ahlstrom-VCP was consolidated for September and Orlandi, Fabriano and Fiberweb for the full quarter. Comparable net sales, adjusted for the acquisitions and the currency effect, grew by 3.6%.

Sales volumes improved by 15.4% from the third quarter of 2006. Growth was mainly driven by the acquisitions both in the FiberComposites and the Specialty Papers segment and by organic growth investments.

The Group's operating profit excluding non-recurring items for the third quarter decreased by 22.4% and amounted to EUR 16.2 million (EUR 20.8 million). The excess capacity in release base papers as well as strong competition and weak demand of one-side coated papers in Europe decreased Ahlstrom's operating profit in the third quarter. In addition, the increase in the main raw material costs impacted operating profit negatively. Energy costs remained approximately at the same level as in the second quarter. The integration costs of the acquisitions decreased profitability by approximately EUR 1.5 million.

The third quarter included net non-recurring items of EUR -0.1 million mainly related to the closure of the Bellingham, USA plant and a government grant in Brazil.

Total net financial expenses were EUR 9.7 million (EUR 3.7 million) which includes start-up financing costs of EUR 1.5 million related to the Ahlstrom-VCP joint venture in Brazil. Net interest expenses increased to EUR 7.7 million (EUR 2.2 million) mainly due to the increase in net debt and the market valuation of interest rate hedges. Net foreign exchange losses on financial items were EUR 0.9 million (EUR 0.9 million).

Ahlstrom's share of the profits of the associated company Jujo Thermal was EUR 0.2 million (losses of EUR 0.2 million).

Profit before taxes excluding non-recurring items decreased to EUR 6.7 million (EUR 17.0 million). Profit before taxes amounted to EUR 6.7 million (EUR 21.4 million). Income tax expenses amounted to EUR 1.6 million (EUR 5.0 million). Profit for the period decreased to EUR 5.0 million (EUR 16.4 million) and earnings per share (EPS) to EUR 0.10 (EUR 0.36). The increase in financial expenses had a negative impact on the profit for the period and EPS.

ROCE excluding non-recurring items amounted to 5.5% (8.5%) and return on equity (ROE) was 2.6% (8.7%). Net asset turnover was 1.5 (1.6).

### Financial performance in January-September 2007

Ahlstrom's net sales in January-September 2007 grew by 7.3% on the corresponding period last year and amounted to EUR 1,298.3 million (EUR 1,210.1 million). Currency fluctuations, mainly the weakened USD, decreased net sales by EUR 31.0 million or by 2.6%. Sales volumes increased by 7.8%. Comparable net sales, adjusted for acquisitions, investment standstills and the currency effect, grew by 4.2%.

The operating profit excluding non-recurring items decreased to EUR 56.8 million (EUR 73.2 million). High raw material and energy costs, the ramp up of several large investments together with the integration costs of the completed acquisitions decreased profitability during the period. In addition, the weakening demand in the Label & Packaging Papers business area

and the excess capacity of release base papers in the third quarter had a negative impact on the operating profit. The non-recurring items of EUR 3.7 million were mainly related to the sale of three power plants in Italy, the Bellingham plant closure in the USA and the government grant in Brazil.

Total net financial expenses were EUR 16.9 million (EUR 12.3 million). Net interest expenses increased to EUR 14.0 million (EUR 6.7 million) mainly due to the increase in net debt and the fair valuation of interest rate hedges. Net foreign exchange losses were EUR 0.7 million (EUR 4.0 million). The decrease was mainly attributable to the actions implemented in 2006 to decrease the level of equity hedging.

Ahlstrom's share of the losses of the associated company Jujo Thermal amounted to EUR 0.2 million (profits of EUR 0.2 million).

Profit before taxes excluding non-recurring items decreased to EUR 39.6 million (EUR 61.2 million). Profit before taxes amounted to EUR 43.4 million (EUR 71.8 million). Income tax expenses totaled EUR 13.0 million (EUR 23.0 million). The cumulative tax rate for the period was 30.0%. Profit for the period amounted to EUR 30.3 million (EUR 48.8 million) and earnings per share (EPS) to EUR 0.65 (EUR 1.13).

Excluding net non-recurring items, ROCE amounted to 6.9% (10.4%). Return on equity (ROE) was 5.2% (9.6%). Net asset turnover was 1.6 (1.7).

### **Financing and financial position in January-September 2007**

Ahlstrom's net cash flow generated from operating activities amounted to EUR 34.1 million (EUR 94.2 million). The decrease in cash flow was mainly attributable to the EUR 20.8 million payment to the pension fund in the United Kingdom in the first quarter 2007. Interest-bearing net liabilities increased by EUR 314.0 million to EUR 469.2 million. (December 31, 2006: EUR 155.2 million).

Gearing ratio was 60.1% (December 31, 2006: 20.3%) and the equity ratio 45.2% (December 31, 2006: 56.5%).

On September 30, 2007 committed credit facilities available to the Group amounted to EUR 342 million of which EUR 117 million were undrawn.

### **Capital expenditure in January-September 2007**

Capital expenditure excluding acquisitions amounted to EUR 115.1 million (EUR 80.5 million). The value of acquisitions was EUR 215.8 million (EUR 8.0 million).

The full-year capital expenditure for Ahlstrom Group, excluding acquisitions, is expected to exceed the 2006 level (EUR 120.1 million) by approximately 25%.

### **Growth strategy**

Ahlstrom's strategy is to grow both organically and by acquisitions. Ahlstrom's growth investments are targeted to expand business to fast growing markets and serve customers globally.

Ahlstrom's growth investments are expected to generate net sales amounting to 1.5 times the investment value in 3–5 years and reach a return of capital employed of at least 13%.

In January-September 2007, Ahlstrom continued its global growth strategy by implementing several acquisitions and organic growth investments on four continents.

### Acquisitions and investment decisions in January-September 2007

On September 21, 2007 Ahlstrom signed the agreements with Zhejiang Kan Specialty Material Co (KAN Paper) and its management to acquire a majority shareholding in a specialty papers joint venture in China. Ahlstrom will hold 70% of the shares in the joint venture and the debt-free value of the acquisition is expected to be approximately EUR 10 million. The annual production capacity of the joint venture is approximately 12,000 tons and it employs 130 people. The transaction is expected to be closed during the fourth quarter 2007.

On September 3, 2007 Ahlstrom closed the transaction to form a joint venture formed with Brazilian Votorantim Celulose e Papel (VCP) (Ahlstrom-VCP). Ahlstrom holds 60% and VCP 40% of the shares in the joint venture. The price for Ahlstrom's shareholding was approximately EUR 80 million. The annual net sales of the joint venture is approximately EUR 100 million.

On May 31, 2007 Ahlstrom closed the acquisition of Italian Fabriano Filter Media SpA. Fabriano is a manufacturer of microglass filter media, serving mainly the high efficiency air filtration market. The acquisition price was approximately EUR 7 million. The transaction includes one manufacturing plant employing 32 people with net sales of approximately EUR 7 million.

On May 25, 2007 Ahlstrom closed the acquisition of the consumer wipes business of Fiberweb plc. The acquisition price was approximately EUR 65 million. The acquired business includes four plants in Europe and in the USA. In 2006, the net sales of the acquired business amounts to EUR 110 million and it employs approximately 400 people.

On May 11, 2007 Ahlstrom announced that it will invest EUR 8 million in a new needlepunch line for its North American filtration business, targeting the growing dust filtration market. The new line will be located at the current Darlington, SC, USA facility. The targeted completion date is June 2008.

On May 7, Ahlstrom signed a memorandum of understanding with Mundra Special Economic Zone (SEZ) in Gujarat, India to purchase a land area of 5 hectares in the Textile and Apparel Park. The parties agreed not to disclose the purchase price of the property.

On April 30, Ahlstrom closed the acquisition of the spunlace nonwovens business of the Italian Orlandi Group. The acquisition price was approximately EUR 60 million and the acquired business includes two plants in Italy employing approximately 120 people in total. In connection with the acquisition, Ahlstrom invested approximately EUR 2.5 million in the airlace line at the Cressa, Italy plant. The acquired business will generate annual net sales of approximately EUR 65 million.

On February 2, Ahlstrom decided to invest EUR 5 million in a new drylaid nonwoven line to serve the North American air filtration market. The new line is located at Ahlstrom's Groesbeck, TX, USA plant and is expected to start at the beginning of 2008.

### **Organic growth investment start-ups in January-September 2007**

In June 2007, a major release base paper capacity expansion was started up at the La Gère, France plant. The investment standstill lasted five weeks.

Ahlstrom's new specialty glassfiber reinforcement plant in Bishopville, SC, USA serving the wind energy, marine and transportation markets was ramping up its production in January-September 2007.

Ahlstrom's new wiping fabrics line located at the Green Bay, WI, USA plant was started up in the end of December, 2006. The line was ramping up during January-September 2007.

During the first quarter of 2007 Ahlstrom repaired the existing glass furnace and increased the production capacity of the chopped strand mat machine at its Karhula, Finland plant.

### **Divestments in January-September 2007**

In March, Ahlstrom agreed to sell three hydropower plants close to its Turin, Italy plant to a local energy company for approximately EUR 7 million. The deal is consistent with the company's strategy to focus on high performance fiber-based materials and to divest non-core assets and reduce related costs.

### **Personnel**

At the end of September 2007, Ahlstrom had 6,544 employees (5,675). The average number of employees during January-September was 5,989 (5,690).

### **Principal risks and uncertainties**

The principal uncertainties that could affect Ahlstrom's net sales and financial performance in the short term are related to:

- General economic conditions and changes in the demand for end-user products
- Increases in raw material prices (e.g. pulp, chemicals and synthetic fibers)
- Increases in energy prices
- Fluctuations in foreign currency rates

These factors are described in more detail in Ahlstrom's Annual report 2006, on pages 22-23.

### **Shares and share capital**

During January-September 2007, a total of 8.6 million Ahlstrom shares were traded for a total of EUR 190.1 million. The lowest trading price during the review period was EUR 19.43 and the highest EUR 24.50. The closing price on September 28, 2007 was EUR 19.88 and market capitalization was EUR 928 million.

Equity per share of Ahlstrom Group was EUR 16.10 at the end of the review period (December 31, 2006: EUR 16.79).

At the end of the review period, there were no outstanding options entitling to subscription of Ahlstrom shares.

In January-September, a total of 1.008.871 new shares of Ahlstrom Corporation were subscribed with option rights under the company's stock option programs I (2001) and II

(2001). After the corresponding increases in Ahlstrom's share capital, the share capital at the end of the review period amounted to EUR 70,005,912.00. The total number of shares on September 30 was 46,670,608.

Ahlstrom's Board of Directors is authorized to repurchase a maximum of 4,500,000 Ahlstrom shares, corresponding to less than 10% of all issued company shares. The Board of Directors is also authorized to resolve to distribute the shares held by the company. The shares may be used as compensation in acquisitions and in other arrangements as well as to implement the company's share-based incentive plans. The Board of Directors has also the right to decide on the distribution of the shares in public trading for the purpose of financing possible acquisitions.

### **Events after the review period**

Ahlstrom Corporation has changed the operative organization within the Specialty Papers segment with effect from October 1, 2007. The Stenay and the Rottersac plants in France, previously part of the Label & Packaging Papers business area, were transferred to the Technical Papers business area. The plants employ 410 people. Following the reorganization, the Label & Packaging Papers business area was renamed Release & Label Papers. Ahlstrom's reporting will be changed to reflect the new structure as of October 1, 2007.

Daniele Borlatto, previously Vice President, Filtration business in Europe and South America was appointed Senior Vice President of the Release and Label Papers business area and member of the Corporate Executive Team as of October 11, 2007. Daniele Borlatto joined Ahlstrom in 1990, and he has held several managerial positions in sales and controlling prior to his current role.

Diego Borello, previously Senior Vice President of Ahlstrom's Label & Packaging Papers business area, was appointed Senior Vice President, Innovation and Technology as of October 11, 2007. He continues as a member of the Corporate Executive Team.

On October 10, 2007 the Ascoli plant in Italy and the Chantraine plant in France were set under review due to unsatisfactory profitability and cash flow. During the fourth quarter, Ahlstrom evaluates the long-term economic viability of the plants and the options to either sell or close the facilities under review.

### **Outlook for October 2007-March 2008**

Demand in Ahlstrom's main markets Europe, USA, South America and Asia is expected to remain good with the exception of the labeling paper markets in Europe and the European export markets. However, the visibility is low in the USA which is Ahlstrom's single largest geographical market area. Ahlstrom's products are primarily used in industrial processes which react to changes in consumer demand with a slight delay.

The growth initiatives are expected to increase Ahlstrom's full year 2007 net sales by over 10% compared to 2006 despite the weakened USD. The largest organic growth investment in the outlook period is the commissioning of the glassfiber tissue plant in Russia. The announced joint venture with KAN Paper in China is estimated to be completed during the last quarter of 2007.

Prices for Ahlstrom's main raw materials are anticipated to remain at the current high level or continue to rise during the outlook period. The price for Ahlstrom's most important raw material, wood pulp, rose through the third quarter of 2007 with further price hikes announced for the fourth quarter. Oil prices continued to increase in the third quarter and consequently the energy costs are expected to remain on the current high level or increase during the outlook period. In addition the high oil prices are expected to put pressure on chemical and synthetic fiber costs.

Price increases are currently taking effect in all business areas in order to offset the effect of rising raw material and energy costs. The eucalyptus pulp is becoming Ahlstrom's most important raw material, lowering the company's average raw material costs in the long term.

The integration of Orlandi's nonwovens business, Fiberweb's consumer wipes business and the Ahlstrom-VCP joint venture is estimated to be completed by the end of 2007. The new acquisitions and investments will have a positive impact on Ahlstrom's financial development from the last quarter of 2007 onwards.

As announced on October 10, 2007 Ahlstrom's operating profit for 2007 excluding non-recurring items is expected to be somewhat below the 2006 level. The primary reasons for the decrease in operating profit are continuously rising raw material and energy costs as well as the weakened demand in the Label & Packaging Papers business area. The Technical Papers business area, which is part of Ahlstrom's Specialty Papers segment, as well as the FiberComposites segment are expected to improve their operating profit from 2006.

### **Financial information in 2008**

Ahlstrom Corporation will publish its financial information in 2008 as follows:

Financial statements bulletin 2007	Friday, February 1
Annual report 2007	Week 12
Interim report January – March	Friday, April 25
Interim report January – June	Friday, July 25
Interim report January – September	Tuesday, October 28

Ahlstrom's Annual General Meeting will be held on Wednesday, April 2, 2008 at 13.00 at the Finlandia Hall, Mannerheimintie 13 e, Helsinki.

This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS). The report is unaudited.

Comparable figures refer to the same period last year unless otherwise stated.

Helsinki, October 26, 2007

Ahlstrom Corporation  
Board of Directors

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A conference call for analysts and investors regarding the third quarter results will be held on Friday, October 26, 2007 at 14.00 Finnish time. To participate in the teleconference, please dial +44 (0) 20 7162 0025 a few minutes before the call. Use the password: Ahlstrom. A replay of the conference is available until November 2, 2007. The number for the replay is + 44 (0) 20 7031 4064, access code: 770726.



The presentation material will be available at [www.ahlstrom.com](http://www.ahlstrom.com) > Investors > IR presentations on October 26, 2007 after the interim report has been published.

Ahlstrom's stock exchange and press releases can be ordered on [www.ahlstrom.com](http://www.ahlstrom.com) > Media. Releases are delivered by e-mail.

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.

Distribution:

Helsinki Stock Exchange  
[www.ahlstrom.com](http://www.ahlstrom.com)  
Main media

### **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 6,500 employees serve customers via sales offices and production facilities in more than 20 countries on six continents. In 2006, Ahlstrom's net sales amounted to EUR 1.6 billion. Ahlstrom's share is listed on 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 July-September 2007

#### FiberComposites segment

Key figures, EUR million	Q3/ 2007	Q3/ 2006	Change, %	Q1-Q3 2007	Q1-Q3 2006	2006
Net sales	249.8	195.3	27.9	691.7	612.8	808.2
Operating profit excl. non-recurring items	14.1	13.3	6.0	44.8	43.1	54.1
Operating profit, % excl. non-recurring items	5.7	6.8		6.5	7.0	6.7
Return on net asses (RONA), % excl. non-recurring items	7.1	8.7		8.5	9.4	8.9

The segment's net sales increased by 27.9% and amounted to EUR 249.8 million (EUR 195.3 million). The three acquisitions (Fabriano, Orlandi's nonwovens business and Fiberweb's consumer wipes business) increased net sales by EUR 47.8 million in the third quarter. Sales volumes increased by 37.6%. Comparable net sales adjusted for acquisitions and currency effect grew by 7.7%. Currency fluctuations, mainly the weakened USD, decreased the segment's net sales by EUR 8.3 million.

The operating profit of the third quarter improved from the corresponding period last year and amounted to EUR 14.1 million. The integration costs of the acquisitions decreased profitability by approximately EUR 1.5 million.

#### Nonwovens business area (25% of the Group's net sales)

The Nonwovens business area serves customers in the food packaging, medical, wiping, building and technical goods sectors.

Demand remained solid in most product areas with strongest growth seen in wiping fabrics and wall cover applications. Sales volumes increased by 82.6% driven mainly by the investments and the acquisitions within the wiping fabrics business. The business area's net sales increased by 51.1% and amounted to EUR 134 million. Comparable net sales, adjusted for acquisitions and currency effect, grew at a slower rate than in the second quarter or by 3.1%, due to changes in product mix and the adverse effect from a weakened USD. Approximately 50% of the business area's net sales is denominated in USD.

Prices for synthetic fibers, particularly rayon, continued to increase due to temporary lack of raw material supply. Rayon and polyester are the most important raw materials in the nonwovens business area. Ahlstrom implemented price increases for wiping fabrics in order to balance the effect of the rising raw material costs in the third quarter.

The integration of Fiberweb's consumer wipes business and the nonwovens business of the Orlandi Group is proceeding according to plan and is expected to be completed by the end of 2007. The annual net sales of the acquisitions amount to approximately EUR 170 million.

Demand for nonwoven products is expected to remain good in the next six months with normal seasonal slowdown during the holiday period at the end of the year.

#### Filtration business area (20 % of the Group's net sales)

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

Overall demand for filtration materials continued to be similar to the first half of the year. Market activity for transportation filtration was particularly strong in Asia and Latin America fuelled by strong local economic growth and certain customers relocating to these areas. In Europe the demand for filtration materials was stable for all segments. In the USA, however, the development was mixed and some softness was perceived in the air filtration segment due to the slowdown of the housing markets. Net sales for the third quarter increased by 4.2% to EUR 84 million while sales volumes grew by 5.6%. Exchange rate fluctuations impacted net sales negatively.

Costs for energy and raw materials remained at a high level particularly for pulp, methanol, and methanol related materials. Price increases were implemented in most product areas but the business environment was challenging for air filtration where competition continued to be tough due to the slowing down of the housing market in the USA.

The integration of Fabriano Filter Media SpA, Italy was completed successfully in the third quarter. Annual net sales of the acquired business is approximately EUR 7 million.

Overall demand is expected to remain good for transportation and liquid filtration in Ahlstrom's main markets, however, uncertainty continues for air filtration particularly in the North American markets.

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

Ahlstrom's glass nonwovens products are used in the building materials, marine, transportation, windmills, and sporting goods sectors.

Demand in all main product areas (building materials, windmill, marine and transportation) and geographic regions remained solid. Especially the windmill market continued to grow strongly. Net sales for the business area increased to EUR 33 million or by 23.5%. Sales volumes grew by 25.9%. Exchange rate fluctuations impacted the net sales negatively.

The new specialty reinforcement plant in Bishopville, USA and the investment made in Karhula, Finland in the beginning of the year contributed positively to the net sales in the third quarter.

Costs for the business areas' main raw materials and energy increased from the second quarter. Price increases were implemented during the third quarter in certain product areas to partially offset the high raw material and energy costs.

The new glassfiber tissue plant in Tver, Russia is expected to start production on schedule in December 2007.

Solid demand is expected to continue in all product areas and geographic regions in the next six months.

## Specialty Papers segment

Key figures, EUR million	Q3/ 2007	Q3/ 2006	Change, %	Q1-Q3 2007	Q1-Q3 2006	2006
Net sales	196.3	191.5	2.5	610.3	600.0	794.0
Operating profit excl. non-recurring items	2.7	8.7	-68.8	16.7	32.0	36.4
Operating profit, % excl. non-recurring items	1.4	4.5		2.7	5.3	4.6
Return on net asses (RONA), % excl. non-recurring items	2.7	11.2		5.7	14.1	11.8

Net sales of the Specialty Papers segment in the third quarter increased by 2.5% from the corresponding period in 2006 and totaled EUR 196.3 million (EUR 191.5 million). Sales volumes increased by 6.6 %. The Ahlstrom-VCP joint venture increased net sales by EUR 7.6 million, whereas comparable net sales adjusted for acquisitions decreased by 1.5%.

Average sales prices decreased in the Label & Packaging Papers business area due to excess supply of release base papers and strong competition and weakening demand of one-side coated papers in Europe. In addition, the ramp-up of the La Gère investment weakened the segment's operating profit. As a consequence, operating profit decreased to EUR 2.7 million (EUR 8.7 million).

### Label & Packaging Papers business area (30% of the Group's net sales)

The Label & Packaging Papers business area manufactures a number of different specialty papers for use in the self-adhesive industry, as well as in the labeling, packaging and graphic industries.

The market situation for label and packaging papers was challenging in the third quarter of 2007. The excess supply of release base papers continued and demand for one-side coated papers for wet glue labels and packaging papers in Europe weakened, which increased price pressure within the business area. In Latin America, the markets for label and packaging papers developed favorably.

Total sales volumes of the business area increased by 6.0% compared to the corresponding period in 2006 mainly driven by the Ahlstrom-VCP joint venture in Brazil. Net sales amounted to EUR 126 million and was approximately at the same level as last year. Net sales adjusted for acquisitions and currency effect decreased by 5.5%. The capacity expansion for release base papers at the La Gère, France plant was ramping up production during the third quarter and impacted the performance of the business area negatively.

The price for pulp, the business area's main raw material continued to increase from the second quarter and was on a clearly higher level compared to the corresponding period last year.

Ahlstrom announced on October 10, 2007 that the Ascoli plant in Italy and the Chantraine plant in France were put under review due to unsatisfactory profitability and cash flow. Both facilities produce one-side coated papers for wet glue labeling, flexible packaging, and graphical end uses, mainly for the Western European markets. Ahlstrom evaluates the long-term economic viability of the plants and the options to either sell or close the facilities under review. The plants have an annual production capacity of approximately 100,000 tons and they employ approximately 300 persons. The current combined book value of the plants is EUR 5 million.

The demand for release base papers is expected to continue similar to the third quarter in the next six months. In label papers, the peak season has ended and demand is expected to be lower in Europe in the next six months. In Latin America, good demand for label and packaging papers is expected to continue.

#### Technical Papers business area (18% 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, wipes, medical applications), pre-impregnated decor papers, sealing & shielding materials (for gaskets, heat shields, calender bowls), 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.

Overall good demand prevailed in most product areas but was slightly softer than in the second quarter due to the summer holiday season.

In the third quarter, the business area's sales volumes grew by 7.9% driven mainly by strong demand in abrasive base and crepe papers. Net sales increased by 7.9% compared to the corresponding quarter in 2006 and amounted to EUR 71 million.

The price for pulp, the main raw material of the business area, continued to increase in the third quarter. Price increases have been announced in abrasive base papers, electro papers and pre-impregnated decor papers to compensate for the higher raw material prices.

On September 17, 2007 Ahlstrom signed the agreements with Zhejiang Kan Specialty Material Co (KAN Paper) and its management to acquire a majority shareholding in a specialty papers joint venture in China. The plant is mainly aimed to serve the local crepe paper markets and forms a platform for Ahlstrom's further growth in China. The acquisition is expected to be closed in the fourth quarter after which Ahlstrom will hold 70% of the shares in the joint venture.

The market situation for the business area is expected to remain reasonably good in the next six months.

## APPENDIX 2

# CONSOLIDATED FINANCIAL STATEMENTS

## ACCOUNTING PRINCIPLES

This report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the accounting policies set out in IAS 34 (Interim Financial reporting) as adopted by EU and in the Group's Financial Statements for 2006.

### Application of amended or new IFRS-standards as of January 1, 2007

The Group has adopted the following new or amended standards and interpretations as of January 1, 2007:

- IFRS 7 Financial Instruments: Disclosures
- Amendment to IAS 1 Presentation of Financial Statements – Capital disclosures
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 10 Interim Financial Reporting and Impairment

The above mentioned standards and interpretations do not have a material effect on the consolidated financial statements. They will impact the format and extent of year-end 2007 notes to the financial statements.

Financial Statements are unaudited.

<b>INCOME STATEMENT</b>	<b>Q3</b>	<b>Q3</b>	<b>Q1-Q3</b>	<b>Q1-Q3</b>	<b>Q1-Q4</b>
Eur million	<b>2007</b>	2006	<b>2007</b>	2006	2006
<b>Net sales</b>	<b>444.9</b>	385.9	<b>1,298.3</b>	1,210.1	1,599.1
Other operating income	<b>5.0</b>	12.4	<b>18.0</b>	31.1	36.7
Expenses	<b>-409.6</b>	-353.2	<b>-1,191.1</b>	-1,097.4	-1,458.2
Depreciation, amortization and impairment charges	<b>-24.1</b>	-19.8	<b>-64.8</b>	-60.1	-81.6
<b>Operating profit</b>	<b>16.1</b>	25.3	<b>60.5</b>	83.8	96.1
Net financial expenses	<b>-9.7</b>	-3.7	<b>-16.9</b>	-12.3	-14.9
Share of profit (loss) of associated companies	<b>0.2</b>	-0.2	<b>-0.2</b>	0.2	0.0
<b>Profit before taxes</b>	<b>6.7</b>	21.4	<b>43.4</b>	71.8	81.2
Income taxes	<b>-1.6</b>	-5.0	<b>-13.0</b>	-23.0	-23.6
<b>Profit for the period</b>	<b>5.0</b>	16.4	<b>30.3</b>	48.8	57.6
Attributable to					
Equity holders of the parent	<b>4.9</b>	16.4	<b>30.2</b>	48.7	57.5
Minority interest	<b>0.1</b>	0.0	<b>0.2</b>	0.1	0.1
Basic earnings per share, EUR	<b>0.10</b>	0.36	<b>0.65</b>	1.13	1.31
Diluted earnings per share, EUR	<b>0.10</b>	0.35	<b>0.65</b>	1.11	1.29

<b>BALANCE SHEET</b>	<b>Sep 30,</b>	Sep 30,	Dec 31,
Eur million	<b>2007</b>	2006	2006
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>753.5</b>	592.9	601.7
Goodwill	<b>189.8</b>	103.7	101.0
Other intangible assets	<b>37.1</b>	34.4	32.6
Investments in associated companies	<b>12.5</b>	13.1	12.9
Other investments	<b>0.2</b>	0.2	0.2
Other receivables	<b>15.0</b>	6.8	6.1
Deferred tax assets	<b>25.4</b>	24.0	25.9
Total non-current assets	<b>1,033.5</b>	775.3	780.4
<b>Current assets</b>			
Inventories	<b>247.4</b>	207.8	214.4
Trade and other receivables	<b>414.8</b>	385.4	328.0
Income tax receivables	<b>6.0</b>	6.2	8.7
Other investments	<b>8.8</b>	4.3	5.0
Cash and cash equivalents	<b>17.1</b>	22.6	20.1
Total current assets	<b>694.1</b>	626.4	576.1
<b>Total assets</b>	<b>1,727.7</b>	1,401.7	1,356.6
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent	<b>751.3</b>	760.9	765.8
Minority interest	<b>29.0</b>	0.8	0.8
Total equity	<b>780.3</b>	761.7	766.6
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	<b>185.3</b>	52.2	44.0
Employee benefit obligations	<b>90.1</b>	113.2	112.4
Provisions	<b>5.4</b>	3.7	3.7
Other liabilities	<b>0.7</b>	0.7	0.6
Deferred tax liabilities	<b>34.5</b>	23.6	26.8
Total non-current liabilities	<b>315.9</b>	193.5	187.4
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	<b>309.8</b>	165.0	136.4
Trade and other payables	<b>298.3</b>	253.6	241.0
Income tax liabilities	<b>12.4</b>	15.2	12.4
Provisions	<b>10.9</b>	12.6	12.8
Total current liabilities	<b>631.4</b>	446.4	402.6
Total liabilities	<b>947.4</b>	639.9	590.0
<b>Total equity and liabilities</b>	<b>1,727.7</b>	1,401.7	1,356.6

**STATEMENT OF CHANGES IN EQUITY**

- 1) Issued capital
- 2) Share premium
- 3) Non-restricted equity reserve
- 4) Hedging reserve
- 5) Translation reserve
- 6) Retained earnings
- 7) Minority interest

Eur million	Attributable to equity holders of the parent							Total equity
	1)	2)	3)	4)	5)	6)	7)	
<b>Equity at Dec 31, 2005</b>	<b>54.6</b>	<b>26.7</b>	-	<b>1.0</b>	<b>3.7</b>	<b>503.7</b>	<b>0.8</b>	<b>590.5</b>
Cash flow hedges, net of tax:								
Gains and losses taken to equity	-	-	-	-1.2	-	-	-	-1.2
Translation differences	-	-	-	-	-10.5	-	-	-10.5
Gains and losses from hedge of net investments in foreign operations, net of tax	-	-	-	-	7.7	-	-	7.7
Other changes	-	-	-	-	-	0.0	-0.0	0.0
Profit for the period	-	-	-	-	-	48.7	0.1	48.8
Total recognized income and expense for the period	-	-	-	-1.2	-2.8	48.7	0.1	44.9
Dividends paid	-	-	-	-	-	-65.2	-0.1	-65.3
Share issue	13.7	182.4	-	-	-	-	-	196.1
Share options exercised	0.0	0.2	-	-	-	-	-	0.2
Redemption of share options	-	-	-	-	-	-4.7	-	-4.7
	13.8	182.6	-	-	-	-69.9	-0.1	126.3
<b>Equity at Sep 30, 2006</b>	<b>68.4</b>	<b>209.3</b>	-	<b>-0.2</b>	<b>0.9</b>	<b>482.5</b>	<b>0.8</b>	<b>761.7</b>
<b>Equity at Dec 31, 2006</b>	<b>68.5</b>	<b>209.3</b>	<b>0.5</b>	<b>0.1</b>	<b>-3.1</b>	<b>490.4</b>	<b>0.8</b>	<b>766.6</b>
Cash flow hedges, net of tax:								
Gains and losses taken to equity	-	-	-	-0.1	-	-	-	-0.1
Translation differences	-	-	-	-	-11.4	-	-	-11.4
Gains and losses from hedge of net investments in foreign operations, net of tax	-	-	-	-	4.1	-	-	4.1
Minority increase Ahlstrom-VCP	-	-	-	-	-	-	28.2	28.2
Other changes	-	-	-	-	-	0.1	-0.0	0.1
Profit for the period	-	-	-	-	-	30.2	0.2	30.3
Total recognized income and expense for the period	-	-	-	-0.1	-7.3	30.3	28.3	51.2



Dividends paid	-	-	-	-	-	-46.6	-0.1	-46.7
Share options exercised	1.5	-	7.7	-	-	-	-	9.2
	1.5	-	7.7	-	-	-46.6	-0.1	-37.5
<b>Equity at Sep 30, 2007</b>	<b>70.0</b>	<b>209.3</b>	<b>8.3</b>	<b>-0.0</b>	<b>-10.4</b>	<b>474.1</b>	<b>29.0</b>	<b>780.3</b>

<b>STATEMENT OF CASH FLOWS</b>	<b>Q3</b>	Q3	<b>Q1-Q3</b>	Q1-Q3	Q1-Q4
Eur million	<b>2007</b>	2006	<b>2007</b>	2006	2006
<b>Cash flow from operating activities</b>					
Profit for the period	<b>5.0</b>	16.4	<b>30.3</b>	48.8	57.6
Adjustments, total	<b>26.6</b>	20.0	<b>76.6</b>	85.4	109.8
Changes in net working capital	<b>12.0</b>	24.1	<b>-36,4*)</b>	-3.8	-14.4
Change in provisions and pension liability	<b>0.3</b>	1.5	<b>-17,1*)</b>	-0.5	-0.5
Financial items	<b>-4.1</b>	-1.6	<b>-8.2</b>	-10.4	-3.7
Taxes paid	<b>-2.8</b>	-3.4	<b>-11.1</b>	-25.3	-29.6
Net cash from operating activities	<b>37.1</b>	57.0	<b>34.1</b>	94.2	119.2
<b>Cash flow from investing activities</b>					
Acquisition of Group companies	<b>-88.0</b>	-	<b>-215.8</b>	-8.0	-7.8
Purchases of property, plant & equipment	<b>-45.7</b>	-31.4	<b>-108.5</b>	-83.5	-116.5
Other investing activities	<b>-5.5</b>	5.9	<b>8.9</b>	6.8	45.3
Net cash from investing activities	<b>-139.3</b>	-25.5	<b>-315.4</b>	-84.8	-79.0
<b>Cash flow from financing activities</b>					
Share issue	-	-	<b>9.2</b>	194.5	195.1
Dividends paid	-	-	<b>-46.8</b>	-65.3	-65.3
Other financing activities	<b>97.7</b>	-25.9	<b>315.7</b>	-131.9	-165.8
Net cash from financing activities	<b>97.7</b>	-25.9	<b>278.2</b>	-2.7	-36.0
<b>Net change in cash and cash equivalents</b>	<b>-4.5</b>	5.6	<b>-3.2</b>	6.7	4.3
Cash and cash equivalents at beginning of period	<b>21.5</b>	17.0	<b>20.1</b>	16.0	16.0
Foreign exchange adjustment	<b>0.0</b>	0.0	<b>0.1</b>	-0.1	-0.1
<b>Cash and cash equivalents at end of period</b>	<b>17.1</b>	22.6	<b>17.1</b>	22.6	20.1

\*) Includes EUR -20,8 million payment to the pension fund to cover approximately half of the historical deficit of the defined benefit pension plan in the United Kingdom in Q1 2007.

KEY FIGURES	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
	2007	2006	2007	2006	2006
Operating profit, %	<b>3.6</b>	6.5	<b>4.7</b>	6.9	6.0
Operating profit (excluding non-recurring items), %	<b>3.6</b>	5.4	<b>4.4</b>	6.0	5.5
Return on capital employed (ROCE), %	<b>5.5</b>	10.3	<b>7.4</b>	11.8	10.4
ROCE (excluding non-recurring items), %	<b>5.5</b>	8.5	<b>6.9</b>	10.4	9.5
Return on equity (ROE), %	<b>2.6</b>	8.7	<b>5.2</b>	9.6	8.5
Interest-bearing net liabilities, EUR million	<b>469.2</b>	190.3	<b>469.2</b>	190.3	155.2
Equity ratio, %	<b>45.2</b>	54.4	<b>45.2</b>	54.4	56.5
Gearing ratio, %	<b>60.1</b>	25.0	<b>60.1</b>	25.0	20.3
Earnings per share, EUR	<b>0.10</b>	0.36	<b>0.65</b>	1.13	1.31
Earnings per share, diluted, EUR	<b>0.10</b>	0.35	<b>0.65</b>	1.11	1.29
Equity per share, EUR	<b>16.10</b>	16.71	<b>16.10</b>	16.71	16.79
Cash earnings per share, EUR	<b>0.79</b>	1.29	<b>0.73</b>	2.18	2.72
Average number of shares during the period, 1000's	<b>46,671</b>	45,592	<b>46,411</b>	43,195	43,802
Number of shares at the end of the period, 1000's	<b>46,671</b>	45,592	<b>46,671</b>	45,592	45,662
Capital expenditure, EUR million	<b>49.4</b>	33.6	<b>115.1</b>	80.5	120.1
Capital employed, at the end of the period, EUR million	<b>1,275.4</b>	979.0	<b>1,275.4</b>	979.0	946.9
Number of employees, average	<b>6,414</b>	5,777	<b>5,989</b>	5,690	5,687

**CHANGES OF PROPERTY, PLANT AND EQUIPMENT**

	Q1-Q3	Q1-Q3	Q1-Q4
Eur million	2007	2006	2006
Book value at Jan 1	601.7	577.4	577.4
Acquisitions through business combinations	118.5	4.8	4.6
Additions	114.8	80.4	117.0
Disposals	-1.4	-0.6	-1.0
Depreciations and impairment charges	-61.1	-55.6	-75.7
Translation adjustment and other changes	-18.9	-13.4	-20.6
Book value at end of the period	753.5	592.9	601.7

**TRANSACTIONS WITH RELATED PARTIES**

	Q1-Q3	Q1-Q3	Q1-Q4
Eur million	2007	2006	2006
<b>Transactions with associated companies</b>			
Sales and interest income	0.4	1.0	1.3
Purchases of goods and services	-3.9	-6.1	-10.9
Trade and other receivables	0.3	40.6	0.5
Trade and other payables	0.3	0.4	0.8
Interest-bearing loans and borrowings	-	2.6	6.6

*Market prices have been used in transactions with associated companies.*

**OPERATING LEASES**

	Sep 30,	Sep 30,	Dec 31,
Eur million	2007	2006	2006
Current portion	6.7	6.0	6.1
Non-current portion	23.8	20.0	18.2
<b>Total</b>	<b>30.5</b>	<b>26.0</b>	<b>24.3</b>

<b>CONTINGENT LIABILITIES</b>	<b>Sep 30,</b>	Sep 30,	Dec 31,
Eur million	<b>2007</b>	2006	2006
<b>For own liabilities</b>			
Other loans			
Amount of loans	<b>1.3</b>	1.7	1.5
Book value of pledges	<b>1.5</b>	2.0	1.6
<b>For other own commitments</b>			
Guarantees	<b>22.9</b>	21.5	29.1
<b>For commitments of associated companies</b>			
Guarantees	<b>6.3</b>	8.3	8.3
<b>Capital expenditure commitments</b>	<b>36.9</b>	60.3	50.6
<b>Other contingent liabilities</b>	<b>5.0</b>	4.6	5.3

### Acquisitions in 2007

In January-September 2007 Ahlstrom made several acquisitions in line with its strategy.

In April, Ahlstrom acquired the spunlace nonwovens business of the Italian Orlandi Group. The transaction expands Ahlstrom's technology portfolio with airlace technology which is used to manufacture pulp-containing wiping fabrics. In May, Ahlstrom acquired the consumer wipes business of Fiberweb plc, serving mainly the personal care, baby care and household wipes applications. With these two acquisitions, Ahlstrom became the leading wiping fabrics producer in the world. In May, Ahlstrom acquired Italian Fabriano Filter Media SpA, a manufacturer of microglass filter media, serving mainly the high efficiency air filtration market.

In September, Ahlstrom acquired 60% of a Brazilian specialty paper production plant and formed a joint venture with the seller, Votorantim Celulose e Papel (VCP). The joint venture will serve mainly labelling and flexible packaging applications but produces also coated and uncoated papers for other end users.

Management estimates that the consolidated net sales for January-September 2007 would have been EUR 1,450 million, if the acquisition had been accomplished on January 1, 2007.

The table below summarizes the acquisitions in January-September 2007. The business combinations and purchase price allocations were accounted for as preliminary as the determination of fair values to be assigned to the assets, liabilities and contingent liabilities were not yet finalized. The goodwill that arose mainly from the acquisition of Orlandi Group and the Ahlstrom-VCP joint venture reflects the synergy benefits resulting from the expanded product offering to wipes and filtration business, entry to the new geographical markets as well as growth opportunities.

<b>ACQUISITIONS OF BUSINESSES</b>	Book values	Fair values
Eur million	before the consolidation	entered in consolidation
Property, plant and equipment	101.3	119.2
Intangible assets	5.6	9.1
Inventories	33.5	32.0
Trade and other receivables	53.2	53.1
Cash and cash equivalents	3.2	3.2
<b>Assets, total</b>	<b>196.7</b>	<b>216.6</b>
Deferred tax liabilities	0.8	10.3
Employee benefit obligations	1.4	1.4
Interest-bearing loans and borrowings	11.1	11.1
Trade and other payables	37.5	37.6
<b>Liabilities, total</b>	<b>50.8</b>	<b>60.4</b>
<b>Net assets</b>	<b>145.9</b>	<b>156.2</b>
Goodwill arising in acquisition	-	93.7
Acquisition price paid (in cash)	-	249.9
Minority interest	-	-28.2
Exchange rate differences	-	-2.7
Cash (acquired)	-	-3.2
<b>Net cash outflow</b>	<b>-</b>	<b>215.8</b>

<b>QUARTERLY DATA</b>	<b>Q3</b>	Q2	Q1	Q4	Q3	Q2	Q1
Eur million	<b>2007</b>	2007	2007	2006	2006	2006	2006
<b>Net sales</b>	<b>444.9</b>	436.9	416.5	389.0	385.9	409.6	414.6
Other operating income *	<b>3.1</b>	1.7	2.6	4.3	4.4	5.6	7.0
Expenses *	<b>-407.7</b>	-396.5	-379.9	-359.3	-349.6	-368.7	-375.5
Depreciation, amortization, impairment charges *	<b>-24.1</b>	-21.0	-19.6	-19.9	-19.8	-20.5	-19.8
Non-recurring items	<b>-0.1</b>	-	3.8	-1.9	4.4	2.9	3.3
<b>Operating profit</b>	<b>16.1</b>	21.0	23.3	12.3	25.3	28.9	29.6
Net financial expenses	<b>-9.7</b>	-4.3	-3.0	-2.6	-3.7	-4.1	-4.5
Share of profit (loss) of associated companies	<b>0.2</b>	-0.3	-0.1	-0.2	-0.2	0.4	-0.0
<b>Profit before taxes</b>	<b>6.7</b>	16.4	20.3	9.4	21.4	25.2	25.1
Income taxes	<b>-1.6</b>	-4.5	-6.9	-0.7	-5.0	-8.6	-9.3
<b>Profit for the period</b>	<b>5.0</b>	11.9	13.4	8.8	16.4	16.6	15.8
Attributable to Equity holders of the parent	<b>4.9</b>	11.9	13.3	8.8	16.4	16.5	15.8
Minority interest	<b>0.1</b>	0.0	0.0	-0.0	0.0	0.1	0.0
Operating profit *	16.2	21.0	19.6	14.1	20.8	26.0	26.3
Operating profit, %*	3.6	4.8	4.7	3.6	5.4	6.4	6.3

\* Excluding non-recurring items

**QUARTERLY DATA BY SEGMENT**

	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Eur million	2007	2007	2007	2006	2006	2006	2006
<b>Net sales</b>							
FiberComposites	249.8	235.5	206.4	195.4	195.3	204.9	212.7
Specialty Papers	196.3	202.7	211.4	193.9	191.5	205.2	203.3
Other operations and eliminations	-1.2	-1.3	-1.3	-0.3	-0.9	-0.5	-1.5
Group total	444.9	436.9	416.5	389.0	385.9	409.6	414.6
<b>Operating profit</b>							
FiberComposites	13.5	17.3	15.2	9.2	13.3	13.9	15.9
Specialty Papers	2.7	5.4	13.0	3.0	6.0	10.3	13.0
Other operations and eliminations	-0.1	-1.7	-4.9	0.1	6.0	4.8	0.7
Group total	16.1	21.0	23.3	12.3	25.3	28.9	29.6
<b>Operating profit excluding non-recurring items</b>							
FiberComposites	14.1	17.3	13.4	11.0	13.3	13.9	15.9
Specialty Papers	2.7	5.4	8.6	4.4	8.7	10.3	13.0
Other operations and eliminations	-0.7	-1.7	-2.5	-1.2	-1.2	1.9	-2.6
Total	16.2	21.0	19.6	14.1	20.8	26.0	26.3
Non-recurring items	-0.1	-	3.8	-1.9	4.4	2.9	3.3
Group total	16.1	21.0	23.3	12.3	25.3	28.9	29.6

<b>KEY FIGURES QUARTERLY</b>	<b>Q3</b>	Q2	Q1	Q4	Q3	Q2	Q1
Eur million	<b>2007</b>	2007	2007	2006	2006	2006	2006
Net sales	<b>444.9</b>	436.9	416.5	389.0	385.9	409.6	414.6
Operating profit	<b>16.1</b>	21.0	23.3	12.3	25.3	28.9	29.6
Operating profit (excluding non-recurring items)	<b>16.2</b>	21.0	19.6	14.1	20.8	26.0	26.3
Profit before taxes	<b>6.7</b>	16.4	20.3	9.4	21.4	25.2	25.1
Profit before taxes (excluding non-recurring items)	<b>6.7</b>	16.4	16.5	11.3	17.0	22.3	21.8
Profit for the period	<b>5.0</b>	11.9	13.4	8.8	16.4	16.6	15.8
Gearing ratio, %	<b>60.1</b>	50.9	24.3	20.3	25.0	30.0	30.0
Return on capital employed (ROCE), %	<b>5.5</b>	8.0	10.0	5.3	10.3	11.7	12.3
ROCE (excluding non-recurring items), %	<b>5.5</b>	8.0	8.4	6.1	8.5	10.6	11.0
Earnings per share, EUR	<b>0.10</b>	0.26	0.29	0.18	0.36	0.36	0.41
Cash earnings per share, EUR	<b>0.79</b>	0.20	-0.26	0.54	1.29	0.21	0.68
Average number of shares during the period, 1000's	<b>46,671</b>	46,636	45,918	45,602	45,592	45,587	38,326



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**CALCULATION OF KEY FIGURES**

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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), %	$\frac{\text{Profit (loss) before taxes + Financing expenses}}{\text{Total assets (annual average) - Non-interest bearing liabilities (annual average)}} \times 100$
Earnings per share, EUR	$\frac{\text{Profit for the period attributable to equity holders of the parent}}{\text{Average adjusted number of shares during the period}}$
Cash earnings per share, EUR	$\frac{\text{Net cash from operating activities}}{\text{Average adjusted number of shares during the period}}$
Equity per share, EUR	$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Adjusted number of shares at the end of the period}}$