

Ahlstrom Corporation

January-March 2009 interim report



April 29, 2009

President & CEO Jan Lång

Key highlights of Q1 2009

- Net sales EUR 376.1 million, decreasing by 19.3% from Q1/08 due to weak demand
- EBIT EUR -10.7 million, but improved from Q4/08
- Net cash from operating activities predominantly covered net cash from investing activities

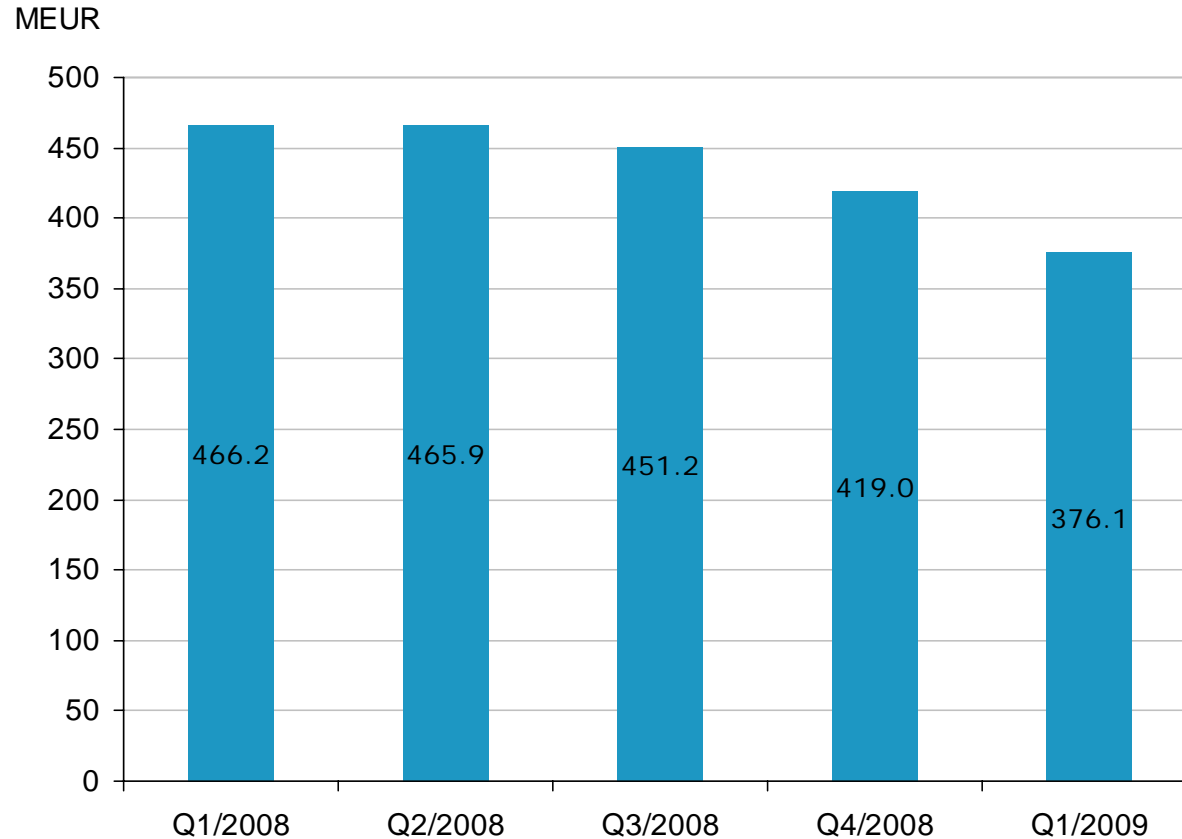


Operating environment

- Challenging market conditions prevailed and demand for most of Ahlstrom's products continued to weaken from Q4/08
- Declining demand:
 - Automotive, construction and furniture, marine, windmill, textiles and release & labeling industries
- Close to normal:
 - Food packaging and teabag material markets, nonwovens for medical applications
- Prices for Ahlstrom's main raw materials continued to decrease

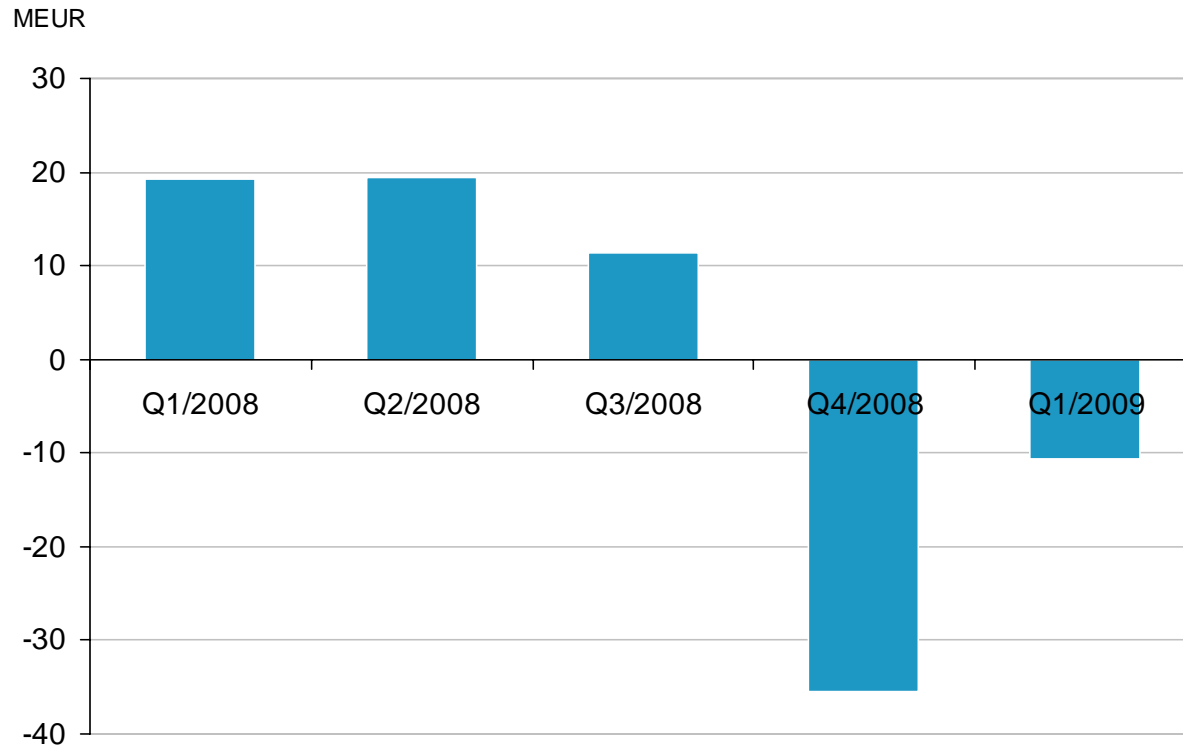


Net sales Q1/2008 – Q1/2009



- Low volumes in all business areas except in Advanced Nonwovens
- General price pressure in current market environment

EBIT Q1/2008 – Q1/2009

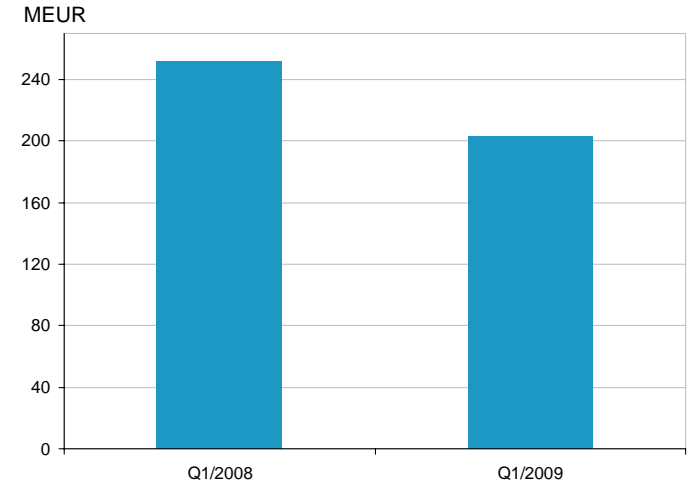


- Net sales decreased and market related downtime increased
- General price pressures
- EBIT improved from Q4/08
- Total fixed costs decreased from Q4/08

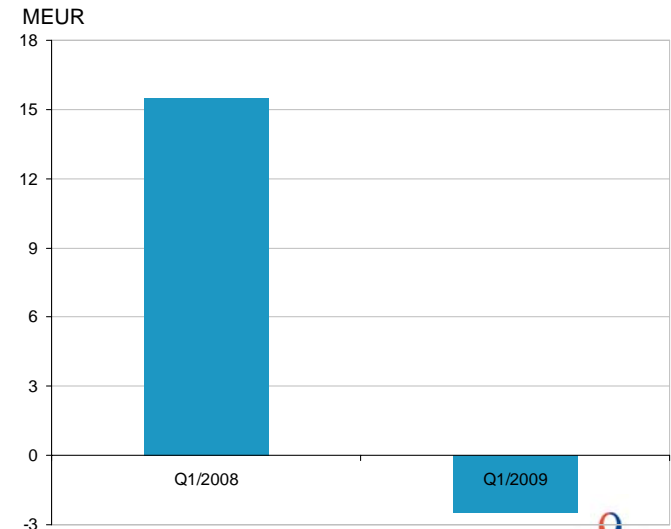
Fiber Composites segment – Highlights Q1/2009

- Net sales: EUR 208.8 million (EUR 252.0 million), decrease of 17.1%
 - Advanced Nonwovens: +1.5%
 - Filtration: -18.6%
 - Glass & Industrial Nonwovens: -30.8%
 - Home & Personal Nonwovens: -14.4%
- EBIT: EUR -2.5 million (EUR 15.5 million)
 - Low net sales especially in Glass & Industrial Nonwovens and Home & Personal Nonwovens

Net sales



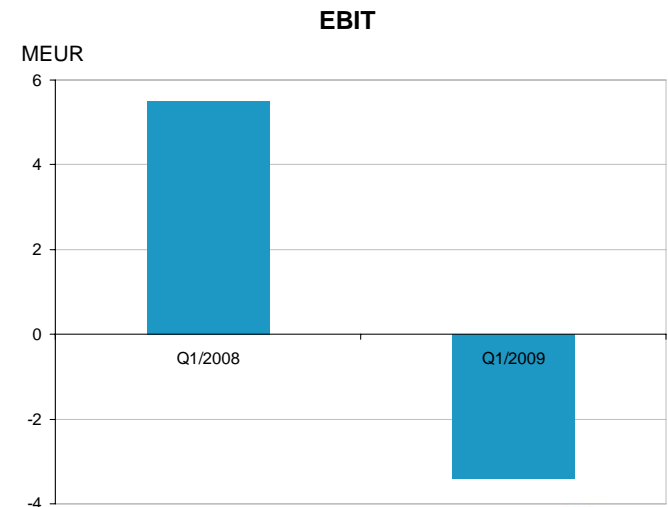
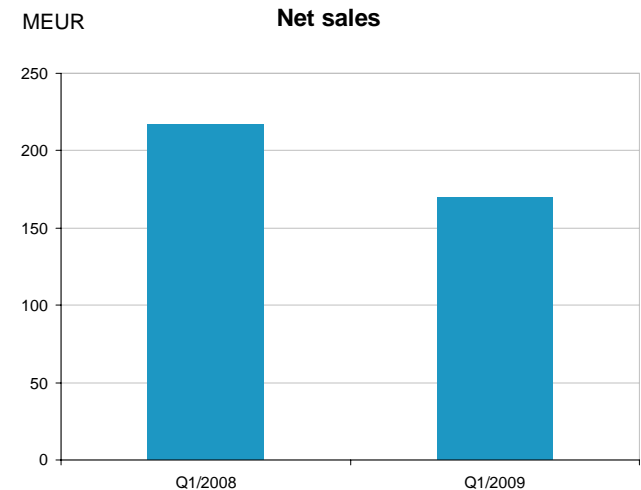
EBIT



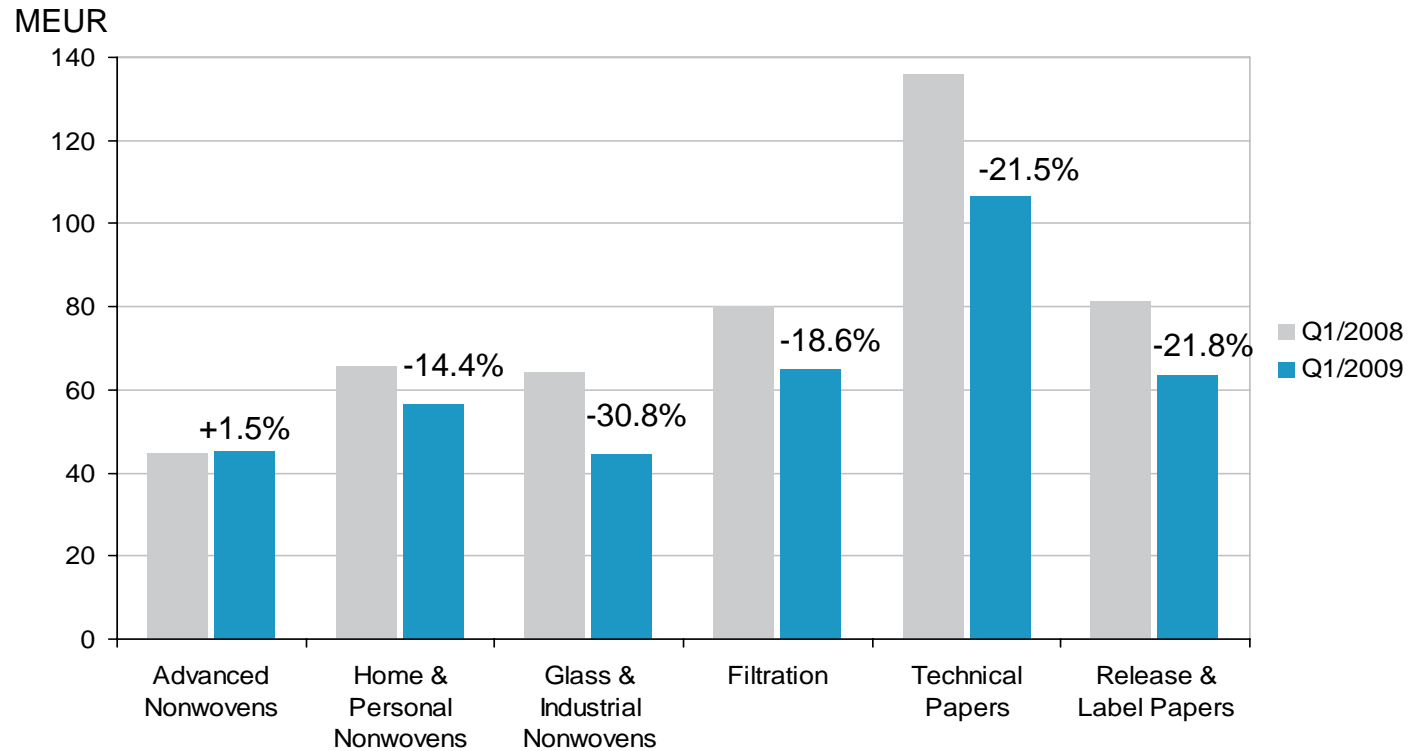
Specialty Papers segment – Highlights Q1/2009

- Net sales: EUR 170.1 million (EUR 217.0 million), decreasing by 21.6%
 - Release & Label Papers: -21.8%, affected also by plant closures in Europe
 - Technical Papers: -21.5%

- EBIT: EUR -3.4 million (EUR 5.5 million)
 - Market related downtime and temporary layoffs did not offset decrease in net sales

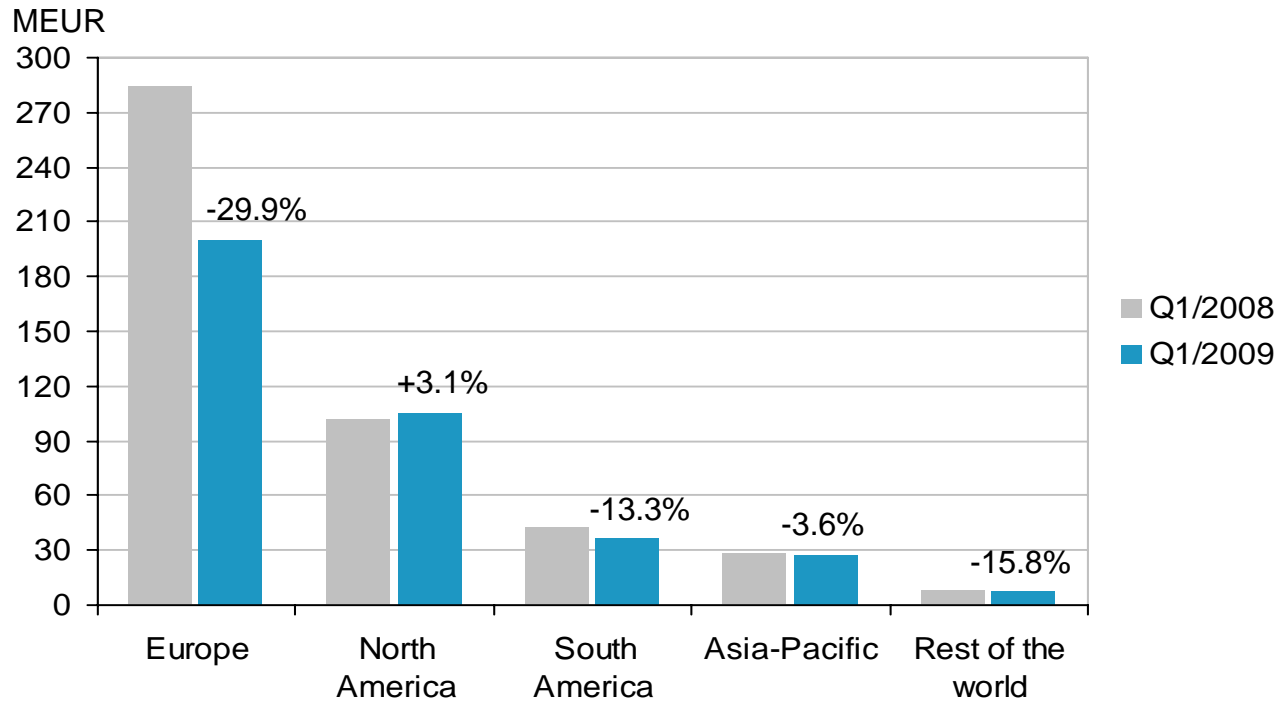


Net sales by business area in Q1/2009



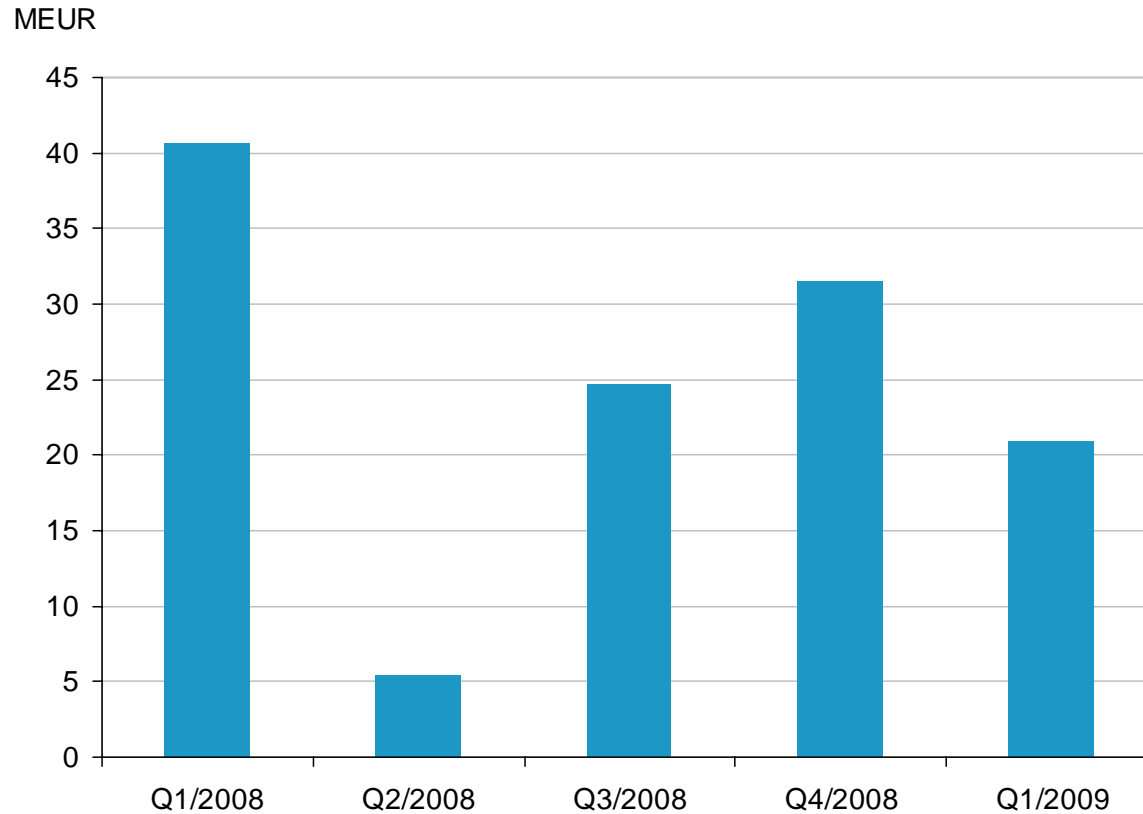
- Low volumes in most business areas, biggest decrease in Glass & Industrial Nonwovens
- Slight increase in Advanced Nonwovens

Net sales by region in Q1/2009



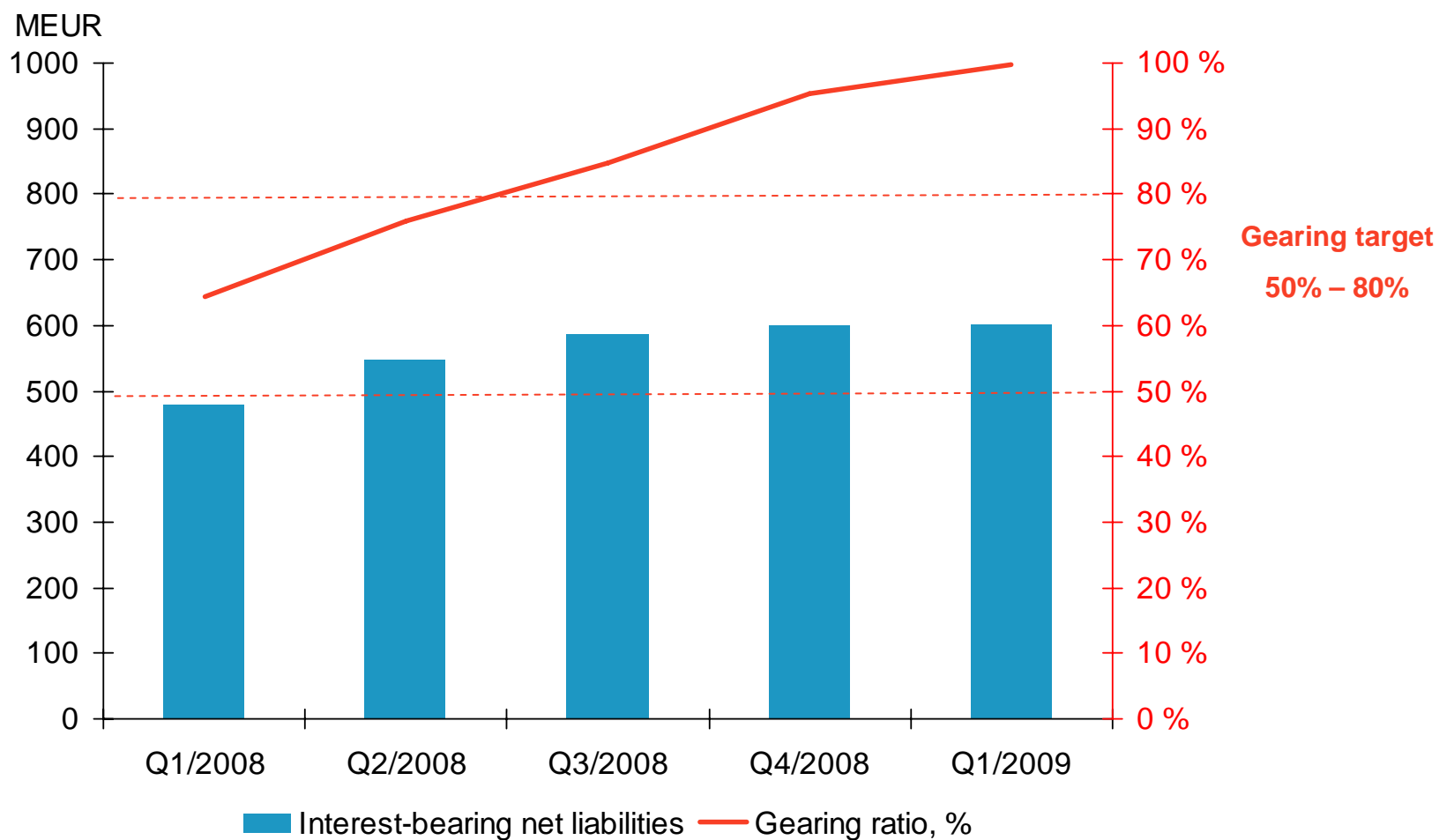
- Decrease in all areas except for North America
- Increase in North America resulted mainly from West Carrollton acquisition in 2008
- Majority of Specialty Papers is based in Europe

Net cash from operating activities Q1/2008 – Q1/2009

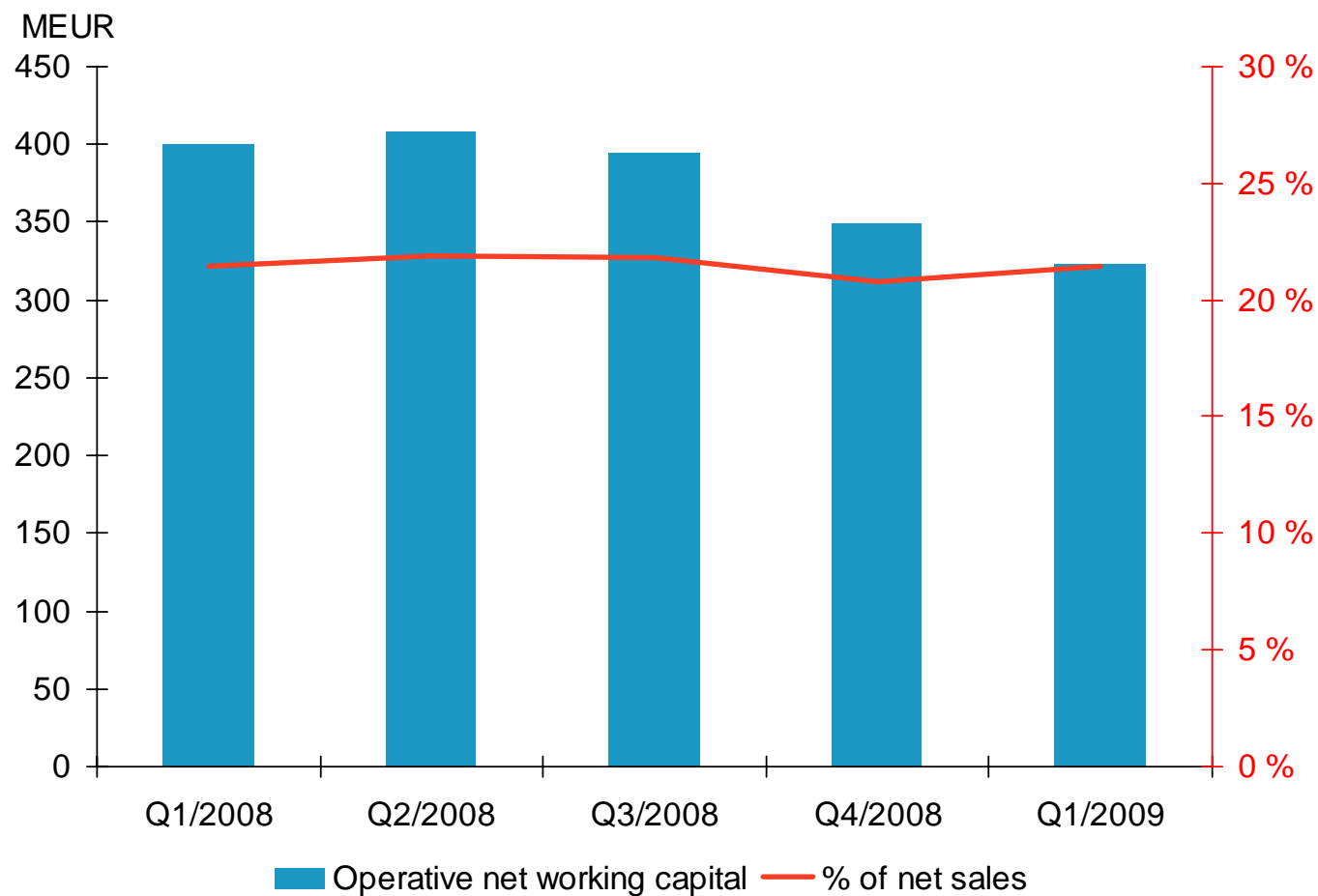


- Operating loss
- Financial items: Q1/2008 figure includes foreign exchange rate gains from hedging
- Increased cash from net working capital

Interest-bearing net liabilities and gearing ratio



Operative net working capital*

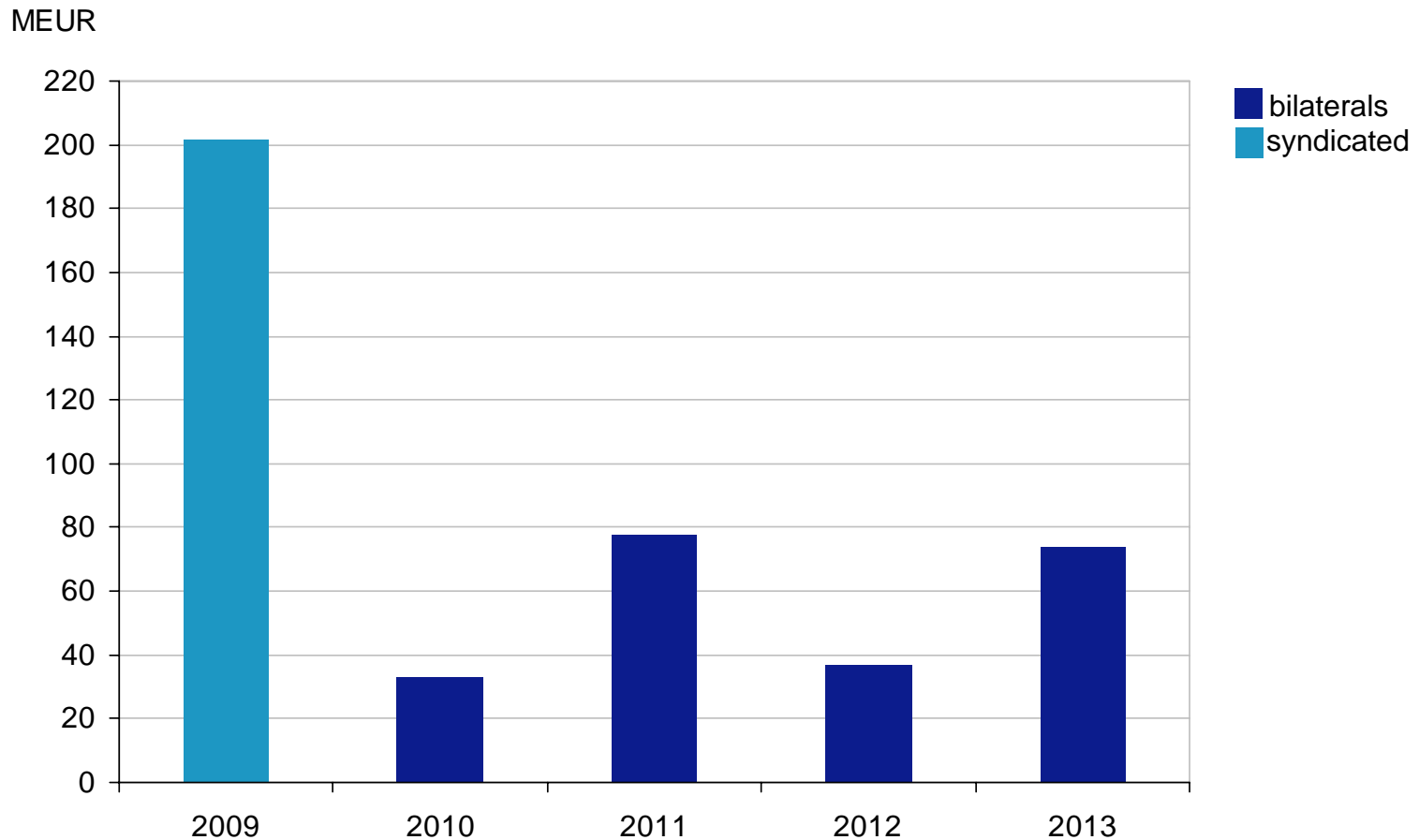


*Operative net working capital = Accounts receivable + Inventories – Accounts payable

Small fibers. Big difference.

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Maturity profile of medium / long term credit facilities



Income statement

MEUR	Q1/2009	Q1/2008
Net sales	376.1	466.2
Expenses	-361.6	-422.9
Depreciation, amortization and impairment	-25.3	-24.1
EBIT	-10.7	19.3
Net financial expenses	-8.2	-8.6
Share of profit of associated companies	0.4	0.5
Profit/loss before taxes	-18.6	11.2
Income taxes	+6.2	-3.4
Profit/loss for the period	-12.4	7.8
ROCE %	-3.3	6.4

➔ Due to low volumes, decreased by 19.3%

➔ Improved from Q4/2008

Balance sheet

MEUR	31.3.2009	31.12.2008
Non-current assets	1,060.2	1,033.9
Inventories	240.0	252.5
Trade and other receivables	335.9	356.2
Other current assets	7.0	6.3
Cash	16.6	58.2
Total assets	1,659.8	1,707.0
Equity	603.3	628.1
Provisions	19.7	24.0
Interest-bearing debt	618.6	656.9
Employee benefit obligations	85.1	84.6
Trade and other payables	313.0	293.3
Other liabilities	20.1	20.1
Total liabilities	1,659.8	1,707.0
Gearing %	99.8	95.3

➔ **Decreased net working capital**

➔ **Decreased level of cash**

➔ **Loss for the period, dividend**

➔ **Short-term debt reduced**

Cash flow

MEUR	Q1/2009	Q1/2008
EBITDA	14.6	43.4
Cash flow adjustments	-4.8	-9.4
Change in net working capital	25.8	-0.2
Financial items	-13.3	12.5
Taxes paid	-1.5	-5.5
Operating activities	20.9	40.7
Investing activities	-21.6	-26.2
Repayments	-41.7	-5.9
Financing activities	-41.7	-5.9
Change in cash	-42.4	8.7



Cash out of working capital



Q1/2008 figure includes foreign exchange rate gains from hedging



Payment of short-term debt

Restructuring program

- Further restructuring program announced today
- Aiming at annual cost reductions of EUR 50 million, with full effect in 2010
- Underperforming units and the overall cost structure will be reviewed, which may impact 400–500 Ahlstrom employees globally
- Decisions related to individual actions will be made during 2009 and will be disclosed respectively
- Cost of program estimated to be approximately EUR 40 million in 2009, of which 50% cash-related

Strategy review process initiated

- Ahlstrom's business is built on a platform of 18 product lines worldwide
- Main goal of company strategy has been strong growth with special focus on BRIC countries
- Strategy review process initiated, aiming at verifying future direction and ambition for Ahlstrom
- Conclusions can be expected towards year-end



Outlook

- In 2009, market environment anticipated to continue challenging with a very short-term visibility
- According to current estimates, market demand for Ahlstrom products will continue low
- In addition to announced restructuring program, Ahlstrom will adjust its operations to market situation as necessary



Current priorities - management agenda

- Focus on customer retention and new opportunities
- Emphasis on costs and operational efficiency
- Adjust capacity to demand (market related downtime)
- Working capital improvement initiative
- Restructuring program initiated
- Strategy review process initiated, conclusions towards end of 2009



This presentation 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.