

Interim Report

January – September 2005

Small
Big fibers.
difference.

Interim report January–September 2005

October 31, 2005

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.

Ahlstrom's positive financial performance continued

Ahlstrom, a leader in high performance fiber-based materials, reports an improved third-quarter result. Operating profit for July–September amounted to EUR 33.7 million (Q3/2004: EUR 18.6 million), representing an 8.8% margin (4.7%). Excluding the net non-recurring gains totaling EUR 12.3 million, the third quarter operating profit amounted to EUR 21.4 million (EUR 20.8 million). Net sales were EUR 381.9 million (EUR 393.4 million). Return on capital employed (ROCE) amounted to 13.9% (7.8%).

July–September 2005 in brief

- Net sales of continuing operations grew by 6.8% and volumes by 7.3% (both adjusted for divestments)
- Good profitability in seasonally slower third quarter
- Ahlstrom sold Ahlstrom Kauttua Oy in Finland and a hydropower asset in Italy
- Two organic growth investments at two plants in the USA were announced

Key figures

EUR million	Q3/2005	Q3/2004	Q1-Q3/2005	Q1-Q3/2004	2004
Net sales	381.9	393.4	1,169.0	1,196.0	1,567.8
Operating profit	33.7	18.6	92.7	46.5	63.7
Operating profit excl. non-recurring items	21.4	20.8	77.0	63.9	80.4
Profit before taxes	29.2	15.5	81.6	38.4	49.6
Net profit	18.2	10.7	50.5	24.7	34.3
Net cash flow from operations	59.0	61.5	96.1	79.1	128.0
Gearing ratio, %	49.2	67.4	49.2	67.4	61.1
Return on capital employed (ROCE), %	13.9	7.8	12.9	7.1	7.2
Cash earnings per share, EUR	1.62	1.69	2.64	2.17	3.52
Earnings per share, EUR	0.50	0.29	1.39	0.68	0.94

Mr. Jukka Moisio, President & CEO of Ahlstrom Corporation, comments on the third quarter:

“Seasonally slow third quarter was weaker than experienced in many years. North American and Asian markets did improve but Europe remained sluggish. Increases in energy and raw materials prices continued to put pressure on margins. Despite the challenging market situation, Ahlstrom’s comparable sales increased. Continuous focus on manufacturing efficiency as well as strict cost control helped our continuing operations to show 14% improvement in operating profit compared with the third quarter of 2004.”

Ahlstrom Group: Interim Report January 1–September 30, 2005

Financial performance in July–September 2005

The Group’s operating profit for the third quarter increased to EUR 33.7 million, compared with EUR 18.6 million a year ago. Operating profit for the third quarter 2005 includes net non-recurring gains totaling EUR 12.3 million related mainly to the divestments of Ahlstrom Kauttua Oy in Finland and a hydropower asset in Italy. The slight improvement in operating profitability was driven by better production efficiency and lower fixed costs.

Costs for energy, chemicals, oil-based raw materials and freight have continued to increase, which has put additional pressure on Ahlstrom’s margins. Ahlstrom has raised its sales prices in several product areas and geographical regions to partially offset the effect of the cost escalation.

Net profit for the third quarter increased to EUR 18.2 million (EUR 10.7 million). Earnings per share (EPS) were EUR 0.50 compared with EUR 0.29 a year earlier.

Net sales in July–September amounted to EUR 381.9 million (EUR 393.4 million). Net sales of continuing operations (adjusted for divestments) grew by 6.8% from the same period last year. The growth was mainly attributable to the organic investments and acquisitions made in 2004.

Total net financial expenses were EUR 5.2 million (EUR 3.7 million). Net interest expenses totaled EUR 3.0 million (EUR 3.5 million). Foreign exchange losses on financial items were EUR 1.6 million (gains of EUR 0.5 million).

Ahlstrom’s share of the profits of associated companies (core and coreboard manufacturer Sonoco-Alcore and thermal paper producer Jujo Thermal) amounted to EUR 0.6 million (EUR 0.6 million).

Profit before taxes was EUR 29.2 million (EUR 15.5 million). Return on capital employed (ROCE) was 13.9% (7.8%) and return on equity (ROE) 12.0% (7.5%).

Financial performance in January–September 2005

Net sales for January–September 2005 declined to EUR 1,169.0 million (EUR 1,196.0 million). However, net sales of continuing operations (adjusted for divestments) increased by 7.0%.

The Group’s operating profit in January–September 2005 grew to EUR 92.7 million, compared with EUR 46.5 million a year ago. The operating profit for January–September 2005 includes net non-recurring gains totaling EUR 15.7 million. The corresponding period in 2004 includes a EUR 17.4 million provision relating mainly to the closure of coreboard operations in France as well as the streamlining of operations in Germany.

Net profit for the first nine months of 2005 amounted to EUR 50.5 million (EUR 24.7 million). Earnings per share (EPS) were EUR 1.39 (EUR 0.68).

Total net financial expenses were EUR 12.1 million (EUR 10.7 million). Net interest expenses totaled EUR 8.6 million (EUR 9.2 million). Foreign exchange losses for financial items were EUR 2.4 million (gains of EUR 0.2 million). Ahlstrom's share of the profits of associated companies decreased to EUR 1.0 million (EUR 2.0 million).

Profit before taxes was EUR 81.6 million (EUR 38.4 million). Income tax expenses totaled EUR 31.0 million (EUR 13.5 million). Return on capital employed (ROCE) was 12.9% (7.1%) and return on equity (ROE) 11.2% (5.6%).

Financing and financial position

Net cash flow from operating activities in January–September amounted to EUR 96.1 million (EUR 79.1 million).

Interest-bearing net debt decreased by EUR 55.9 million to EUR 302.9 million (December 31, 2004: EUR 358.8 million) mainly due to positive operating cash flow.

Gearing ratio was 49.2% (December 31, 2004: 61.1%) and the equity ratio was 43.9% (December 31, 2004: 42.5%).

Capital expenditure

Capital expenditure excluding acquisitions for January–September amounted to EUR 36.3 million (EUR 75.8 million).

On September 21, Ahlstrom announced its decision to invest in a new spunlace machine at the Green Bay, USA plant. The additional capacity will primarily serve the growing North American wipes market with spunlace composites technology.

On September 14, Ahlstrom announced that it will add proprietary nanofiber production capabilities in Madisonville, USA plant, particularly for its Filtration business.

On June 9, Ahlstrom announced that it had commissioned the new EUR 6 million fine fiber line at the Turin, Italy plant.

On March 23, Ahlstrom announced its decision to invest EUR 18 million to expand its production capacity of supercalendered release base papers at the Turin, Italy plant.

In addition, the company is implementing minor investments at several plants worldwide.

Ahlstrom expects capital expenditure for the full year 2005 to remain below the level of 2004 (EUR 101.0 million, excluding acquisitions).

Changes in corporate structure

On August 31, Ahlstrom sold the share capital of Ahlstrom Kauttua Oy in Finland to Jujo Thermal Ltd. The change of ownership affected 145 employees of Ahlstrom Kauttua Oy. The parties have agreed not to disclose the transaction value.

At the beginning of July 2005, Ahlstrom signed an agreement to sell a hydropower station close to Turin, Italy to an Italian power company SIED S.p.A. The transaction was finalized during the third quarter. The parties agreed not to disclose the transaction value.

Shares and share capital

At the end of September 2005, the share capital of Ahlstrom Corporation totaled EUR 54.6 million and the total number of shares was 36,418,419 with a nominal value of EUR 1.50 per share. Equity per share of Ahlstrom Group was EUR 16.91 (December 31, 2004: EUR 16.14).

Personnel

At the end of September 2005, Ahlstrom had 5,433 employees (6,640). The average number of employees during the review period was 5,625 (6,596). The reduction in headcount was mainly attributable to the creation of the joint venture Sonoco-Alcore, the divestments of the remaining packaging units, the divestment of Ahlstrom Kauttua, and the streamlining of operations across the organization.

Outlook

Although the business environment remains challenging, the sales of Ahlstrom's continuing operations are expected to grow slightly in 2005 compared with the previous year. Three new growth investments announced in 2005 will further support Ahlstrom's long-term growth strategy.

Ahlstrom will continue to focus on improving its operational efficiency and cost reduction to compensate for the rise in costs for energy, raw materials and freight. Further, the company has announced price increases in several product areas and geographical regions. As a result of improved operational performance, Ahlstrom's operating profit for 2005 will grow significantly compared to 2004.

Helsinki, October 31, 2005

Ahlstrom Corporation
Board of Directors

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.

For additional information, please contact:

Jukka Moisio, President and CEO, tel. + 358 (0)10 888 4700
Jari Mäntylä, Senior Vice President, Finance, tel. +358 (0)10 888 4768

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 5,400 employees serve customers via sales offices and production facilities in more than 20 countries on five continents. In 2004, Ahlstrom's net sales amounted to EUR 1.6 billion. The company website is www.ahlstrom.com.

Appendices

1. Segment reviews
2. Financial statements

Appendix 1

Segment reviews

As of January 1, 2005, Ahlstrom's external reporting is based on two segments consisting operationally of five business areas:

FiberComposites segment

- Nonwovens business area
- Filtration business area
- Glass Nonwovens business area

Specialty Papers segment

- Label & Packaging Papers business area
- Technical Papers business area

FiberComposites segment

The financial performance of the FiberComposites segment developed favorably compared with the same period last year.

EUR million	Q3/2005	Q3/2004	Change, %	Q1-Q3/2005	Q1-Q3/2004	Change, %
Net sales	183.3	165.0	11.1	552.9	495.0	11.7
Operating profit	20.9	9.3	124.7	51.7	34.1	51.6
Operating profit, %	11.4	5.6		9.3	6.9	
Return on net assets (RONA), %	13.8	6.7		12.0	8.9	
Cash flow from operations	38.9	32.0		77.2	54.6	

The segment's net sales in July–September grew to EUR 183.3 million (EUR 165.0 million). The volumes sold increased by 9.0%. The growth was mainly driven by the healthy demand for nonwovens, especially in North America, and investments made to expand production capacity. Demand for glass nonwovens also improved clearly.

Operating profit increased to EUR 20.9 million (EUR 9.3 million), representing an 11.4% margin (5.6%). The operating profit includes non-recurring gains of EUR 3.2 million in total. In addition, the improvement in profitability was attributable to enhanced operational efficiency, increased sales volumes, and lower fixed costs.

Nonwovens business area (49% of the FiberComposites segment's net sales)

Ahlstrom's Nonwovens business area serves customers in the food packaging, medical, wiping, building, and technical nonwoven goods sectors.

The market environment remained positive despite the decline in sales volumes compared with the previous record-high quarter, due to customers' scheduled summer shutdowns. The North American market was very active, while European markets remained soft.

Net sales of the business area increased by 20.9% compared with the corresponding period last year. Sales volumes grew by 24%, mainly due to increased wipes and medical nonwovens volumes.

As a result of escalating energy prices, the food product line announced energy surcharges, effective September 1, 2005.

In September, Ahlstrom announced its decision to invest in a new spunlace machine at its Green Bay, WI, USA plant. The additional capacity will primarily serve the growing North American wipes market with spunlace composites technology, but it will also have the flexibility to meet the demands of automotive, medical and technical nonwovens markets. The investment is estimated to be completed in January 2007.

Overall sales volumes are expected to increase also in the fourth quarter.

Filtration business area (38% of the FiberComposites segment's net sales)

Ahlstrom's Filtration business area serves customers in the engine, air, and specialty filtration sectors. The overall market situation in Northern America and Europe continued to be sluggish during the summer period.

Net sales of the third quarter remained nearly unchanged compared with the third quarter of 2004. Despite the positive development in August and September, the sales volumes of the entire quarter decreased by 3.4% over the same quarter last year. The changes in currency rates continued to affect overall financial results, while fixed cost reductions and tight cost control contributed positively compared with the corresponding period in 2004.

Ahlstrom has decided to invest in nanofiber production technology in the Madisonville, KY, USA plant. Nanofibers enhance the efficiency and life cycles of the filtration media while maintaining other key performance characteristics. The new line is planned to be operational by early 2006.

Average sales prices increased compared with the third quarter of 2004. Price increases have been implemented in all geographic regions and most product areas to partially offset the higher costs for raw materials and energy.

Soft market conditions are estimated to continue in Europe and the USA. The business environment is anticipated to remain positive in Latin America.

Glass Nonwovens business area (13% of the FiberComposites segment's net sales)

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

The overall market environment developed positively. Demand improved especially in the wind energy and marine industries, while the building sector declined, particularly in Western Europe.

Net sales increased by 10.6% and sales volumes by 13.3% compared with the corresponding quarter last year. The business area has increased the capacity in all its product lines to meet the active demand. The recently finalized investment to expand the production capacity of the glass tissue line in the Karhula, Finland plant will support future growth.

The current market situation is estimated to continue unchanged to the end of this year. Heavy competition, however, is placing prices under very strong pressure.

Specialty Papers segment

The segment's operating profitability declined slightly due to the difficult market conditions compared with the same period last year.

EUR million	Q3/2005	Q3/2004	Change, %	Q1-Q3/2005	Q1-Q3/2004	Change, %
Net sales	199.1	222.0	-10.3	619.4	682.9	-9.3
Operating profit	21.9	10.3	112.6	49.5	15.0	230.0
Operating profit, %	11.0	4.7		8.0	2.2	
Return on net assets (RONA), %	28.1	10.9		21.6	5.2	
Cash flow from operations	44.0	24.6		64.5	49.6	

Net sales for July-September decreased to EUR 199.1 million compared with the corresponding period last year due to the divestments made in 2004. However, the third quarter net sales of continuing operations (adjusted for divestments) increased by 2.5%. Volumes sold declined by 11.9%, while sales volumes of continuing operations increased by 6.6% compared with the third quarter of 2004.

Operating profit for the third quarter was EUR 21.9 million (EUR 10.3 million), representing an 11.0% margin (4.7%). The operating profit includes non-recurring gains of EUR 13.8 million in total. Operating profit of continuing operations for the third quarter 2005 (adjusted for divestments and excluding non-recurring gains) declined by EUR 0.8 million compared with the same period last year, due to difficult market situation in certain paper grades in Europe.

Label & Packaging Papers business area (67% of the Specialty Papers segment's net sales)

The Label & Packaging Papers business area's main products include release base papers, face stock papers, wet glue label papers, metalizing base papers, flexible packaging papers, and office & graphic papers.

Demand for release base papers continued at a good level. The face stock market normalized after the seven-week lock out period in the labor dispute of the Finnish paper industry. The market for flexible packaging papers remained weak, and the total market is anticipated to decline in 2005. In label papers, the market situation varied: in metalizing labels, the demand was strong in Europe and particularly in China, where Ahlstrom was able to increase its market share. In wet glue labels, the peak season of beverage label industry began later than usually and was exceptionally short. The office and graphic papers market remained stable. Except for the normal maintenance standstills, production efficiencies and volumes were at good level.

Net sales in July-September increased by 0.9% and sales volumes by 2.6% compared with the same period last year, despite the divestment of Ahlstrom Kauttua Oy to Jujo Thermal Ltd and the consequent exclusion of that plant's wet-glue and face-stock label papers sales from the business area's figures as of September 1, 2005.

The business area launched three new high performance label papers in September, targeted especially for customers in beverage, cosmetics and canned food labeling sectors.

During the quarter, price increases for release base papers have been implemented in USD- denominated businesses. Due to rising raw material, energy, and freight costs, the business area has further announced sales price increases of its papers effective December 1, 2005 at the latest.

The demand for label papers is anticipated to slow down following the end of the beverage label industry's peak season. The flexible packaging paper market will remain challenging in the near future. The demand for release base papers is expected to remain healthy in the coming months.

Ahlstrom's investment to increase the production capacity of release base papers at the Turin, Italy plant is proceeding on schedule. The project is expected to be completed in January 2006.

Technical Papers business area (33% of the Specialty Papers segment's net sales)

The main markets for Ahlstrom's Technical Papers business area include the building, furniture, healthcare, food, and automotive industries.

The business environment remained demanding. The adverse market conditions in the decor printing industry continued to negatively impact Ahlstrom's pre-impregnated decor paper production. However, demand for certain product lines recovered despite the seasonally weaker period. In addition to the usual summer shutdowns, a significant amount of market related downtime was taken, primarily in the German plants.

Rapidly rising energy and raw material costs put pressure on margins, which could only partially be offset by fixed cost savings.

Sales volumes grew by 2.9% compared with the third quarter of 2004. However, the business area's net sales declined by 4.7% due to changes in the product mix.

A new product range for the water-slide decal market was launched in Europe. These multi-coated papers are primarily used in the ceramics industry for decorative printing of tableware and will also be introduced to the American and Asian markets.

Growing order backlogs in most product areas indicate an improvement in demand during the fourth quarter. In the decor paper market, the order inflow improved strongly, signaling the beginning of a possible recovery in this important market segment.

Increases in energy and raw material costs will force the business area to raise its sales prices in most product segments during the fourth quarter.

Appendix 2

Consolidated Financial Statements

INCOME STATEMENT	7-9	7-9	1-9	1-9	1-12
Eur million	2005	2004	2005	2004	2004
Net sales	382	393	1,169	1,196	1,568
Expenses	-343	-353	-1,035	-1,081	-1,416
Other operating income and expense	17	0	22	-3	2
Depreciation, amortization and impairment charges	-21	-22	-63	-66	-90
Operating profit	34	19	93	47	64
Share of profit from associated companies	1	1	1	2	3
Net financial items	-5	-4	-12	-10	-15
Loss on sale from assets held for sale	0	0	0	0	-2
Profit before tax and minority interest	29	16	82	38	50
Income taxes *	-11	-5	-31	-14	-15
Minority interest	0	0	0	0	0
Net profit	18	11	50	25	34
<i>Earnings per share, EUR</i>	0.50	0.29	1.39	0.68	0.94
<i>Diluted earnings per share, EUR</i>	0.50	0.29	1.39	0.68	0.94

* For interim periods taxes are stated as the tax corresponding to the result for the reported period.

BALANCE SHEET Eur million	Sep 30 2005	Sep 30 2004	Dec 31 2004
ASSETS			
Intangible assets	148	127	132
Property, plant and equipment	561	619	574
Investment property	4	4	4
Investments in associates	50	13	50
Other investments	3	4	3
Deferred tax assets	32	37	33
Total non-current assets	798	803	796
Inventories	206	221	213
Other investments	15	15	21
Income tax receivable	1	6	2
Trade and other receivables	345	357	331
Cash and cash equivalents	37	29	20
Assets classified as held for sale	0	18	0
Total current assets	604	645	586
Total assets	1,402	1,448	1,383
EQUITY AND LIABILITIES			
Shareholders' equity	615	577	587
Minority interest	1	1	1
Total equity	616	578	588
Interest-bearing liabilities	117	214	212
Employee benefits	110	112	102
Provisions	5	6	4
Deferred tax liabilities	24	18	14
Total non-current liabilities	256	350	332
Interest-bearing liabilities	233	217	183
Income tax payable	22	5	13
Trade and other payables	256	275	250
Provisions	18	15	18
Liabilities classified as held for sale	0	8	0
Total current liabilities	530	520	463
Total equity and liabilities	1,402	1,448	1,383

STATEMENT OF CHANGES IN EQUITY	Share	Other	Fair value	Retained	Minority	
Eur million	capital	reserves	reserves	earnings	interest	Total
Equity at December 31, 2004	55	27	3	502	1	588
Dividends paid				-27		-27
Translation adjustment *				7		7
Fair value adjustment			1			1
Net profit				50		50
Other				-3		-3
Equity at September 30, 2005	55	27	4	529	1	616

* Translation adjustment after equity hedging, net of tax

STATEMENT OF CASH FLOWS	7-9	7-9	1-9	1-9	1-12
Eur million	2005	2004	2005	2004	2004
Cash from operations before change in working capital					
Change in working capital	41	37	141	114	146
Cash generated from operations	61	61	121	104	147
Financial items	-1	3	-21	-11	-12
Income taxes	-1	-3	-4	-14	-7
Net cash from operations	59	61	96	79	128
Capital expenditures	-16	-20	-37	-110	-167
Other investing activities	33	0	33	5	7
Cash flow before financing activities	76	41	92	-26	-32
Dividends paid	0	0	-27	-55	-55
Other financing activities	-65	-39	-48	83	82
Net change in cash and cash equivalents	12	2	17	2	-5

KEY FIGURES	7-9	7-9	1-9	1-9	1-12		
	2005	2004	2005	2004	2004		
Operating profit, %	8.8	4.7	7.9	3.9	4.1		
Return on capital employed (ROCE), %	13.9	7.8	12.9	7.1	7.2		
Return on equity (ROE), %	12.0	7.5	11.2	5.6	5.8		
Interest-bearing net debt, EUR million	303	390	303	390	359		
Equity ratio, %	43.9	39.9	43.9	39.9	42.5		
Gearing ratio, %	49.2	67.4	49.2	67.4	61.1		
Earnings per share, EUR	0.50	0.29	1.39	0.68	0.94		
Diluted earnings per share, EUR	0.50	0.29	1.39	0.68	0.94		
Equity per share, EUR	16.91	15.87	16.91	15.87	16.14		
Cash earnings per share, EUR	1.62	1.69	2.64	2.17	3.52		
Average number of shares outstanding, 1 000's	36,418	36,418	36,418	36,418	36,418		
Number of shares outstanding, 1 000's	36,418	36,418	36,418	36,418	36,418		
Capital expenditure, EUR million	16	20	37	110	167		
Capital employed (end of period), EUR million	966	1,009	966	1,009	983		
Number of employees, average	5,571	6,718	5,625	6,596	6,428		
QUARTERLY DATA	1-3	4-6	7-9	10-12	1-3	4-6	7-9
Eur million	2004	2004	2004	2004	2005	2005	2005
Net sales	397	405	393	372	384	403	382
Expenses *	-350	-362	-350	-330	-337	-355	-340
Other operating income and expense *	-5	2	0	0	0	2	0
Depreciation, amortization, impairment charges *	-22	-22	-22	-24	-20	-21	-21
Non-recurring items	-12	-3	-2	-1	1	2	12
Operating profit	8	20	19	17	29	30	34
Share of profit from associated companies	1	1	1	1	1	0	1
Net financial items	-4	-3	-4	-5	-2	-4	-5
Loss on sale from assets held for sale	0	0	0	-2	0	0	0
Profit before tax and minority interest	5	18	16	11	27	25	29
Income taxes **	-2	-6	-5	-2	-9	-11	-11
Minority interest	0	0	0	0	0	0	0
Net profit	2	12	11	10	18	14	18
<i>Operating profit *</i>	20	23	21	18	27	29	21
<i>Operating profit, % *</i>	5.0	5.7	5.3	4.9	7.1	7.1	5.6

* Excluding non-recurring items

** For interim periods taxes are stated as the tax corresponding to the result for the reported period.

QUARTERLY DATA BY SEGMENT	1-3	4-6	7-9	10-12	1-3	4-6	7-9
Eur million	2004	2004	2004	2004	2005	2005	2005
Net sales							
FiberComposites	164	166	165	169	176	193	183
Specialty Papers	195	197	188	188	200	203	192
Other operations and eliminations	-2	-2	-2	0	-1	-2	0
Continuing operations total	357	362	351	357	375	394	375
Discontinued operations	41	43	42	15	9	8	7
Group total	397	405	393	372	384	403	382

Operating profit							
FiberComposites	12	12	9	6	14	17	21
Specialty Papers	-5	8	8	8	14	14	22
Other operations and eliminations	0	-1	-1	-2	0	0	-9
Continuing operations total	7	20	17	12	28	32	34
Discontinued operations	1	1	2	5	1	-1	0
Group total	8	20	19	17	29	30	34

CONTINGENT LIABILITIES	Sep 30	Dec 31
Eur million	2005	2004
For own liabilities		
Loans from financing institutions		
amount of loans	0.0	0.8
amount of mortgages	0.0	9.0
Other loans		
amount of loans	0.0	0.6
amount of mortgages	0.0	0.6
For other own commitments		
Guarantees	38.4	36.0
For commitments of third parties		
Guarantees	8.8	30.8
Operating leases		
Current portion	3.9	3.5
Long-term portion	18.9	17.7
Other contingent liabilities	5.9	4.9

	Nominal values		Fair values 2)	
	Sep 30	Dec 31	Sep 30	Dec 31
DERIVATIVE FINANCIAL INSTRUMENTS 1)	2005	2004	2005	2004
Eur million				
Interest rate derivatives				
Interest rate swaps	79.0	109.4	0.6	0.1
Foreign exchange derivatives				
Foreign exchange forward contracts	225.3	193.5	0.5	2.5
Options bought	2.1	3.4	0.0	0.0
Options sold	2.1	3.4	0.0	0.2
Equity hedging				
Foreign exchange forward contracts	275.6	269.5	-1.1	6.5

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

2) 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.

CALCULATION OF KEY FIGURES

Interest-bearing net debt	Total interest-bearing liabilities - Short-term investments - Cash and cash equivalents
Equity ratio	$\frac{\text{Shareholders' equity} + \text{Minority interest}}{\text{Total assets} - \text{Advances received}} \times 100$
Gearing ratio	$\frac{\text{Interest-bearing net debt}}{\text{Shareholders' equity} + \text{Minority interest}} \times 100$
Return on equity (ROE)	$\frac{\text{Profit before tax and minority interest} - \text{Taxes}}{\text{Shareholders' equity (annual average)} + \text{Minority interest (annual average)}} \times 100$
Return on capital employed (ROCE)	$\frac{\text{Profit before tax and minority interest} + \text{Interest and other financing expenses}}{\text{Total assets (annual average)} - \text{Non-interest-bearing liabilities (annual average)}} \times 100$
Return on net assets (RONA) *(segments only)	$\frac{\text{Operating profit/loss}}{\text{Annual average of Net assets}} \times 100$
Net assets, (segments only)	Capital employed - Cash and cash equivalents + Net tax liability
Earnings per share	$\frac{\text{Profit before tax and minority interest} - \text{Taxes} \pm \text{Minority interest}}{\text{Adjusted number of shares over the fiscal year}}$
Cash earnings per share	$\frac{\text{Net cash from operations}}{\text{Adjusted average number of shares over the fiscal year}}$
Equity per share	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the fiscal year}}$

* Return on net assets (RONA) which is used primarily for internal profitability reporting purposes, includes only those assets which can be allocated to Ahlstrom's operating units.