

Ahlstrom Corporation Annual General Meeting 2011

Review of the President & CEO

Jan Lång

March 30, 2011

Executive Management Team as of March 30, 2011

Jan Lång

- President & CEO

Paula Aarnio

- EVP, Human Resources & Sustainability

Jean-Marie Becker

- EVP, Home and Personal

Tommi Björnman

- EVP, Filtration

William Casey

- EVP, Food and Medical

Claudio Ermondi

- EVP, Product & Technology Development

Patrick Jeambar

- EVP, Label and Processing

Seppo Parvi

- CFO and deputy for the President

Laura Raitio

- EVP, Building and Energy

Rami Raulas

- EVP, Sales and Marketing

Luc Rousselet*

- EVP, Supply chain

*Starting from June 15, 2011

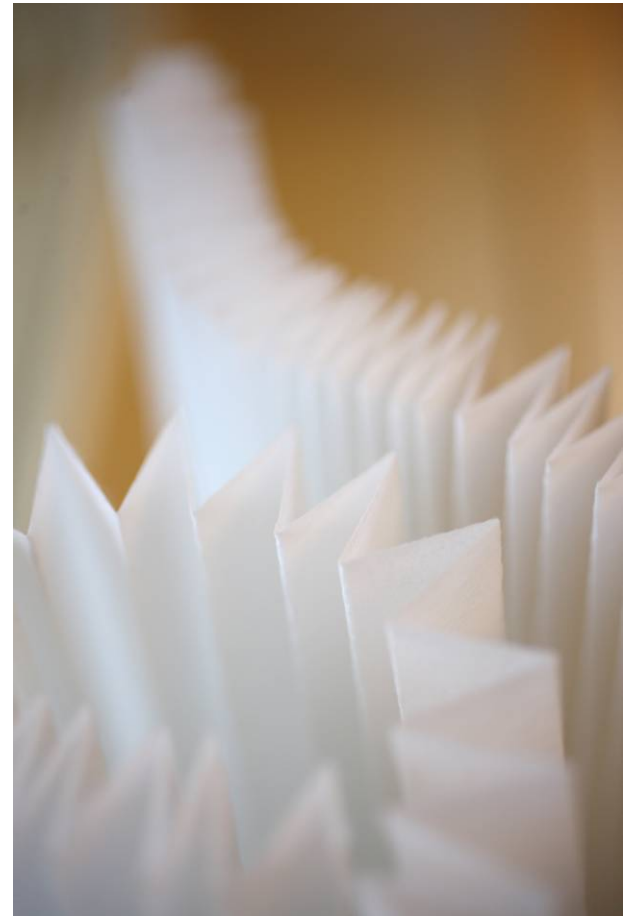
Year 2010 in brief

- Net sales growth 18.7%
- Positive development in financial performance
- Cash flow at a strong level, balance further strengthened
- The Board of Directors proposes a dividend of 0.88 euros



Market environment developed favorably

- The world economy recovered quicker than anticipated
- The demand for and sales volumes of almost all Ahlstrom's products increased
- Particularly the demand for transportation filtration materials, wallcover, and flooring materials strengthened
- The demand for glassfiber used by the wind mill industry recovered at a slower pace
- Development in wipes was more stable



Building and Energy

- Share of net sales in 2010: 13%
- Operating profit margin*: 0.5%
- Return to profit



*Excluding non-recurring items

Filtration

- Share of net sales in 2010: 18%
- Operating profit margin*: 8.2%
- Increased volumes boosted profits, expansion in Asia progressed

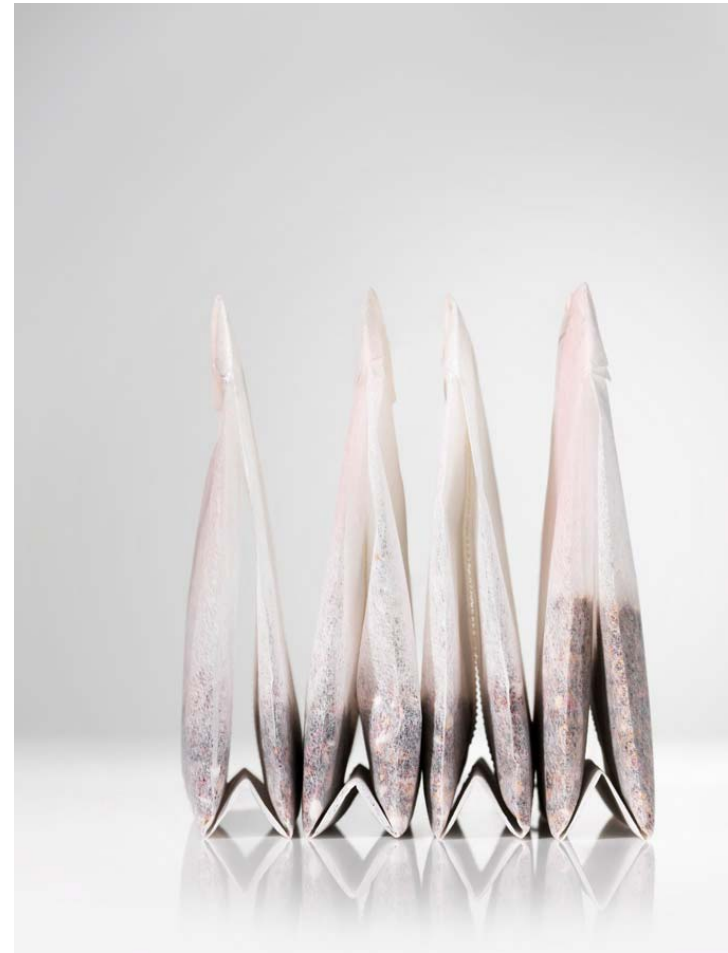


* Excluding non-recurring items

Food and Medical

- Share of net sales in 2010: 17%
- Operating profit margin*: 4.0%
- Investment programs burdened profits

* Excluding non-recurring items



Home and Personal

- Share of net sales in 2010: 14%
- Operating profit margin*: 2.2%
- More efficient cost structure, but profitability still at unsatisfactory level

* Excluding non-recurring items



Label and Processing

- Share of net sales in 2010: 37%
- Operating profit margin*: 4.2%
- Higher raw material costs were compensated by increased prices

* Excluding non-recurring items

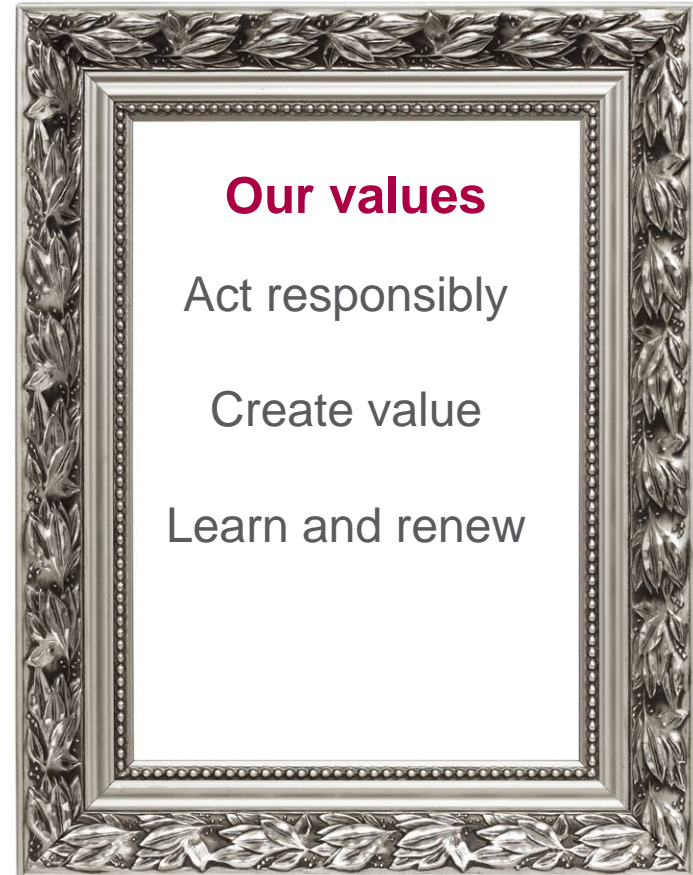


Strategy implementation progressed

- Businesses were developed
 - Through cost leadership and differentiation
- Operating model and organization were renewed
- Expansion took place in Asia
 - Acquisition of filtration materials plant in China
 - Joint venture for making crepe papers in China
- Product portfolio was reviewed
 - Divestment of Sealing & Shielding and Dust Filtration units

Development programs

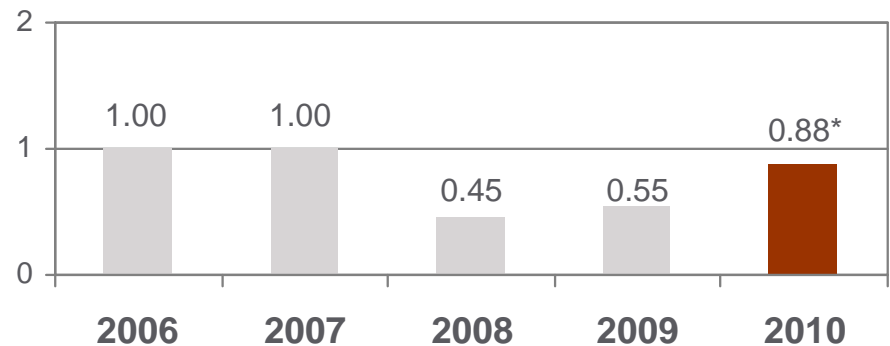
- Stronger customer focus
 - Global key accounts and sales processes
- Strengthening and harmonization of corporate culture
- Brand and brand identity renewal
 - Reflecting refined strategy, operating model and values
 - Supporting the creation of “One Ahlstrom”
- Global processes, leadership and performance oriented culture



Dividend policy

Aim is to pay a dividend of not less than one third of net cash from operating activities after operative investments, calculated as three-year rolling average

Dividend per share (€)



Near-term agenda

- Seek growth through improved organizational strength
- Safeguard margins through active price management
- Execute strategic agenda by
 - Continuing active assessment of growth strategy in Asia
 - Seeking strategic growth opportunities organically and through acquisitions in defined businesses
- Cost improvements in supply chain

Our outlook for the year 2011

- Guidance on net sales and operating profit has been changed to be more informative and transparent
- Net sales: EUR 1,920-2,080 million
- Operating profit, excluding non-recurring items: EUR 90-110 million

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Financial statements 2010
CFO Seppo Parvi
March 30, 2011

Income statement

	2010	2009	
EUR million			
Net sales	1,894.2	1,596.1	▶ Increased prices, higher volumes
Cost of goods sold	-1,647.7	-1,421.5	▶ Higher raw materials costs and volumes
Gross profit	246.5	174.6	
Sales and administrative expenses	-161.5	-144.6	▶ Changes in non-recurring items
Other income and expenses	-31.3	-44.6	
Operating profit/loss	53.7	-14.6	▶ Higher volumes, more efficient cost base
Net financial expenses	-26.8	-26.2	
Share of profit / loss of associated companies	-1.4	0.7	
Profit / loss before taxes	25.5	-40.1	
Income taxes	-7.6	7.1	
Profit / Loss for the period	17.9	-32.9	
Return on capital employed, %	5.0	-1.1	

Balance sheet

	Dec. 31, 2010	Dec. 31, 2009	
EUR million			
Total non-current assets	1,012.4	1,010.8	
Inventories	198.0	175.9	▶ Higher raw material costs
Trade and other receivables	305.8	319.9	▶ Reduction of overdue receivables and trading terms
Other short-term receivables	2.4	3.7	
Cash and cash equivalents	24.6	19.9	
Total assets	1,543.2	1,530.2	
Total equity	703.8	685.6	
Provisions	10.8	17.7	
Interest bearing loans and borrowings	354.7	415.8	▶ Positive cash flow
Employee benefit obligations	76.2	78.2	
Trade and other payables	361.1	305.1	▶ Trading terms and higher raw material costs
Others	36.5	27.8	
Total equity and liabilities	1,543.2	1,530.2	
Gearing ratio	46.9	57.7	▶ Balance sheet further strengthened

Statement of cash flows

	2010	2009	
EUR million			
EBITDA	158.7	123.2	
Adjustments	-0.4	-15.1	
Changes in net working capital	69.2	129.3	▶ Working capital further reduced
Financial items	-53.2	-28.2	
Income taxes paid / received	-6.8	0.4	
Net cash from operating activities	167.5	209.6	
Investments	-60.0	-69.8	
Other investing activities	11.3	3.5	▶ Divestments
Net cash from investing activities	-48.7	-66.3	
Net cash after investing activities	118.8	143.3	
Dividends paid and other	-25.9	-21.0	
Repurchase of own shares	-2.0	-	
Investment to Ahlstrom shares related to ownership plan for EMT	-3.5	-	
Payments received on hybrid bond	-	80.0	▶ Hybrid bond 2009
Interest on hybrid bond	-7.6	-	
Changes in loans and other financing activities	-76.9	-242.6	▶ Paid interest on hybrid bond
Net cash from financing activities	-115.8	-183.6	
Net change in cash and cash equivalents	2.9	-40.2	

Liquidity has remained at a good level

- Total liquidity, including cash, undrawn committed credit facilities and the cash pool limits totaled EUR 382.1 million at the end of 2010
 - Ahlstrom had available undrawn uncommitted credit facilities totaling EUR 169.1 million

Parent company balance sheet (FAS)

Equity	EUR 70.0 million
Share premium	EUR 187.8 million
Non-restricted equity reserve	EUR 8.3 million
Retained earnings	EUR 615.9 million
<u>Profit for the period</u>	<u>EUR 26.1 million</u>
TOTAL	EUR 908.0 million
Distributable funds	EUR 650.2 million

Stay ahead™

Thank you

Ahlstrom Corporation

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