

Ahlstrom Corporation 2008 Financial Results



February 5, 2009

President & CEO Jan Lång

Key highlights of 2008

- 2008 net sales grew by 2.4% to EUR 1,802.4 million.
- 2008 operating profit decreased to EUR 14.6 million and to EUR 35.7 million excluding non-recurring items.
 - Decrease mainly driven by low gross margin, weak demand in Q4 as well as higher than expected ramp-up and integration costs related to growth investment program.
- Further restructuring actions started, incl. capacity closures in Italy and reduction of personnel worldwide.
- Cash flow from operating activities increased by EUR 58.5 million to EUR 102.4 million as a result of improvement in working capital turnover.

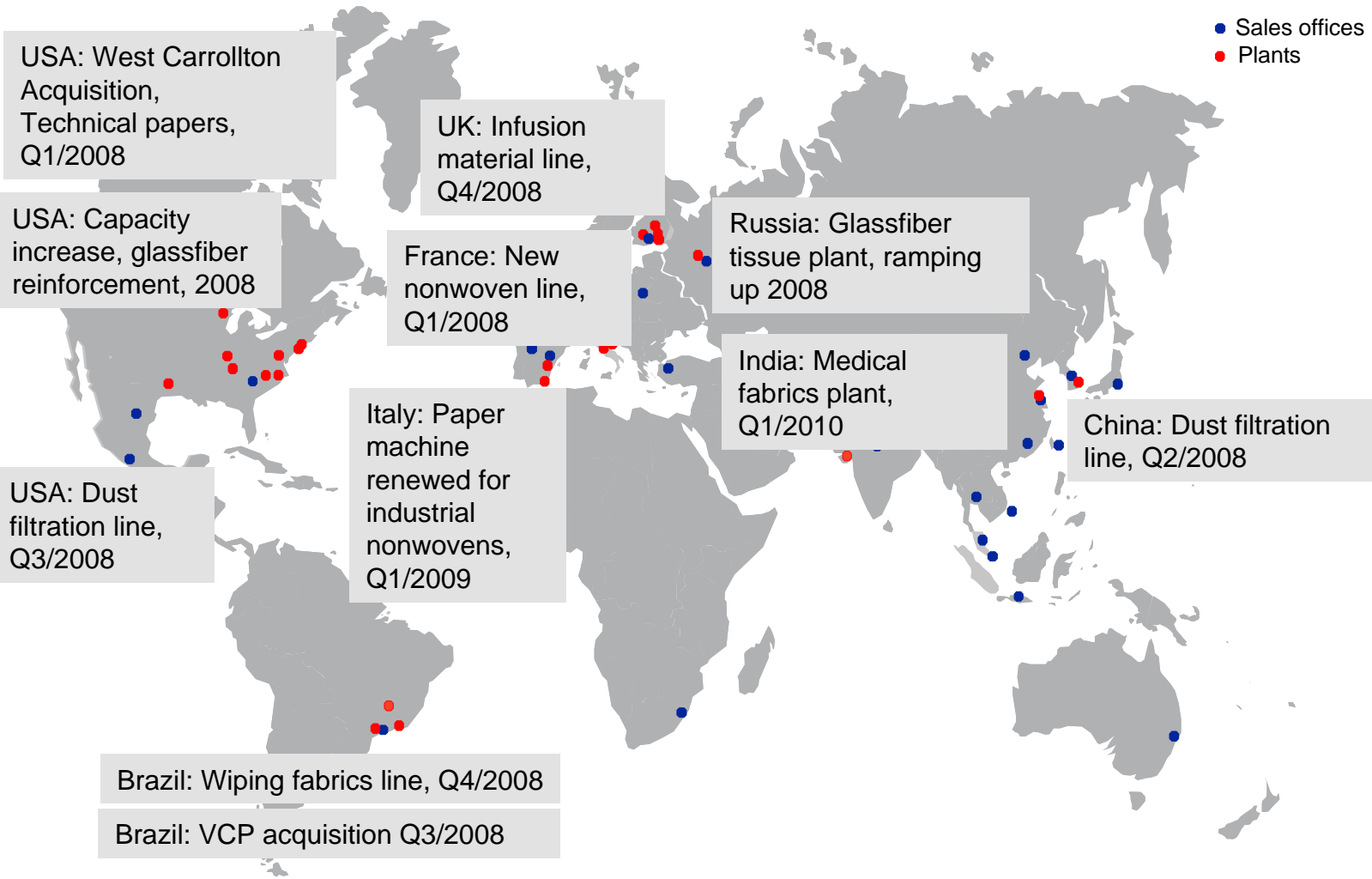


Growth strategy implementation in 2008

- Most of growth investment program initiated after IPO (initial public offering) was finalized.
- Approximately EUR 500 million invested in growth initiatives in two years.
- A significant part of investments were made in BRIC countries (Brazil, Russia, India, China) in line with strategy.
- As a result, Ahlstrom's global reach is now stronger than ever before.



Leveraging on growth investments in 2008



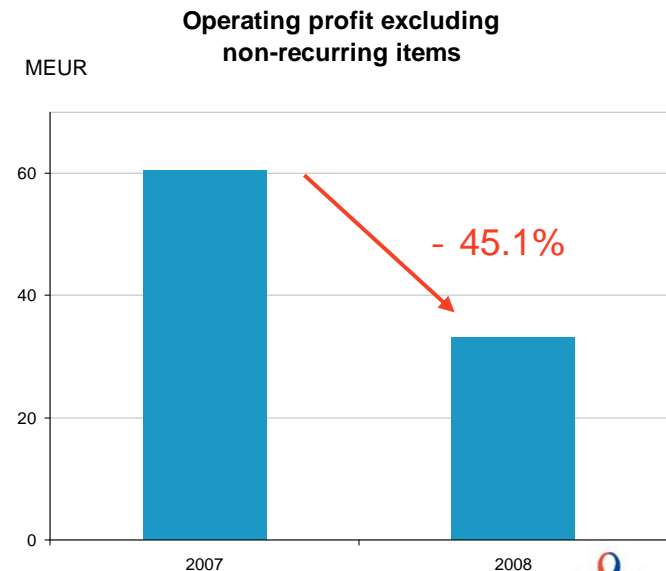
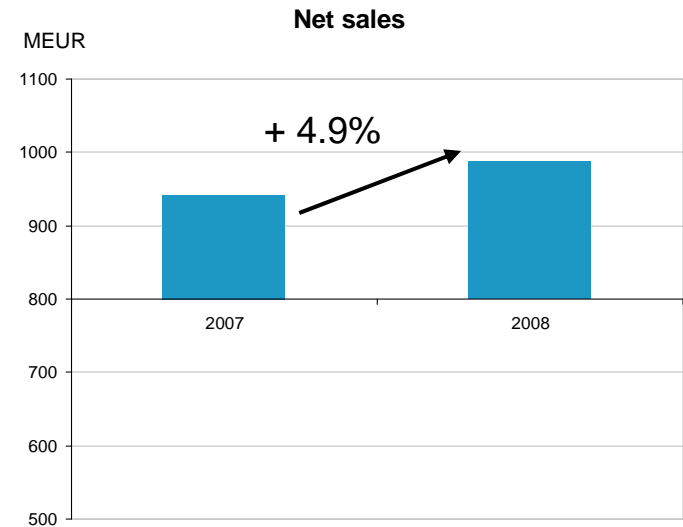
Operating environment in 2008

- Operating environment was very challenging and reflected rapid downturn of global economy.
- In first year-half, demand for most products was strong; especially in high-growth sectors, such as windmill industry.
- Demand started to soften in latter part of 2008, resulting in a steeply declining order stock for most products and downsizing of inventory levels in supply pipeline at year end.
- Prices for main raw materials, wood pulp and rayon, and price of oil reached their historical peak levels during first half of 2008. Decreasing trend started towards end 2008.



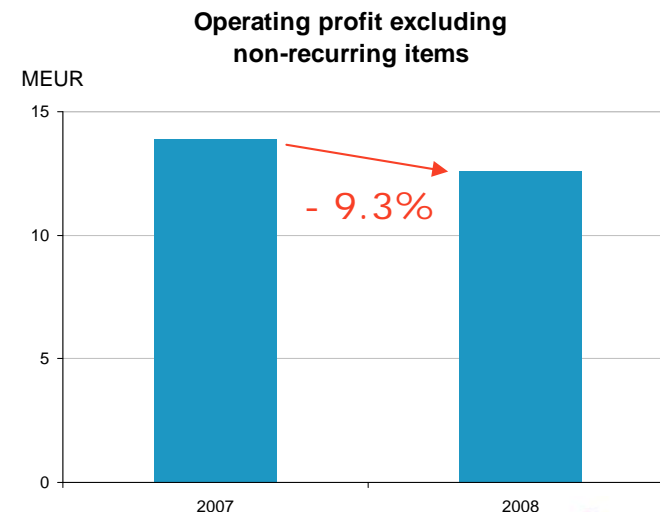
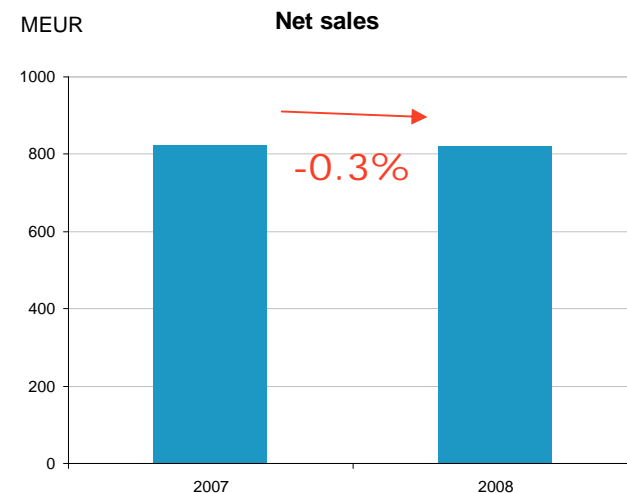
Fiber Composites segment – Highlights 2008

- Net sales EUR 987.4 million (EUR 941.4 million), up by 4.9% on 2007
 - Advanced Nonwovens: - 1.9%
 - Home & Personal Nonwovens: + 32.0%
 - Glass Nonwovens: + 11.1%
 - Filtration: - 7.8%
- Operating profit excluding non-recurring items EUR 33.2 million (EUR 60.6 million), down by 45.1% on 2007
 - Weak performance of Home & Personal Nonwovens
 - Ramp-up and integration costs

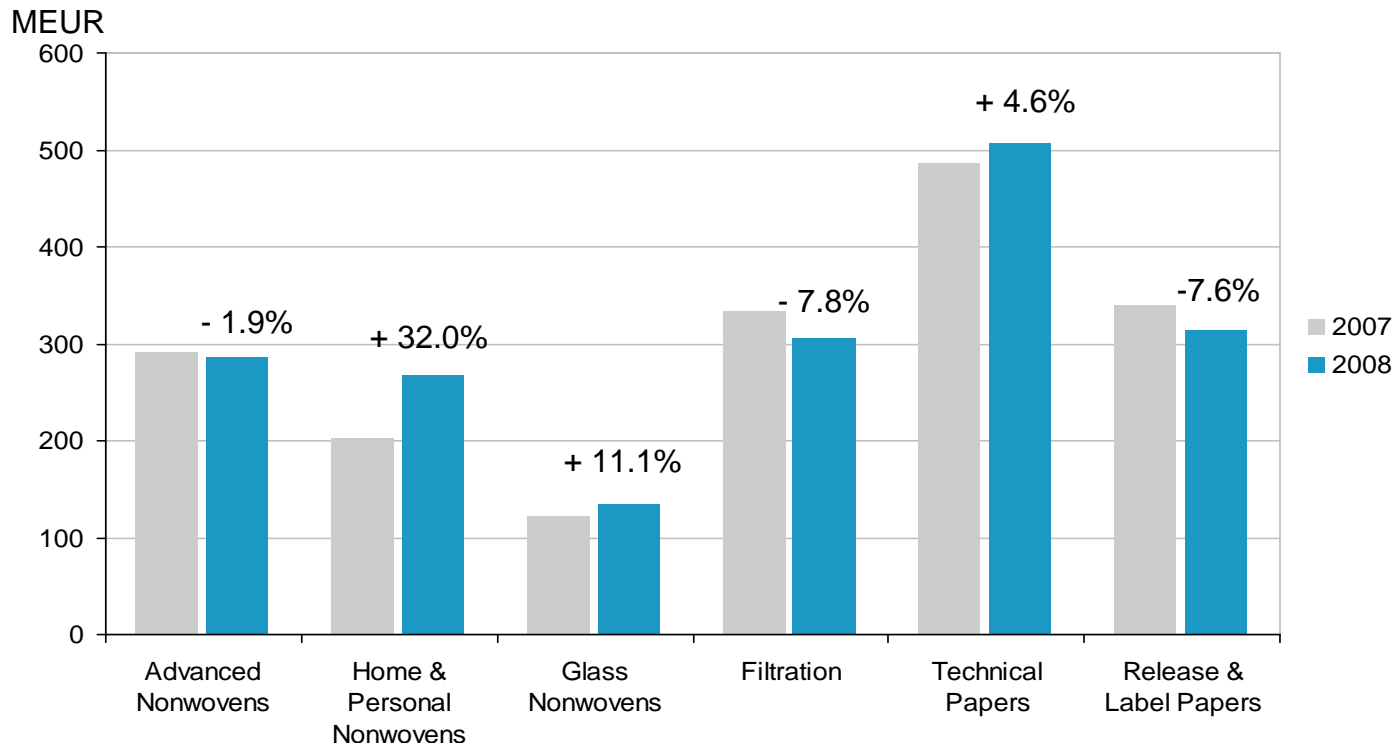


Specialty Papers segment – Highlights 2008

- Net sales EUR 822.4 million (EUR 824.7 million), down by 0.3% from 2007
 - Technical Papers: + 4.6%
 - Release & Label Papers: - 7.6%
- Operating profit decreased to EUR 12.6 million (EUR 13.9 million) excluding non-recurring items, down by 9.3% from 2007.
 - Weak performance of Release & Label Papers

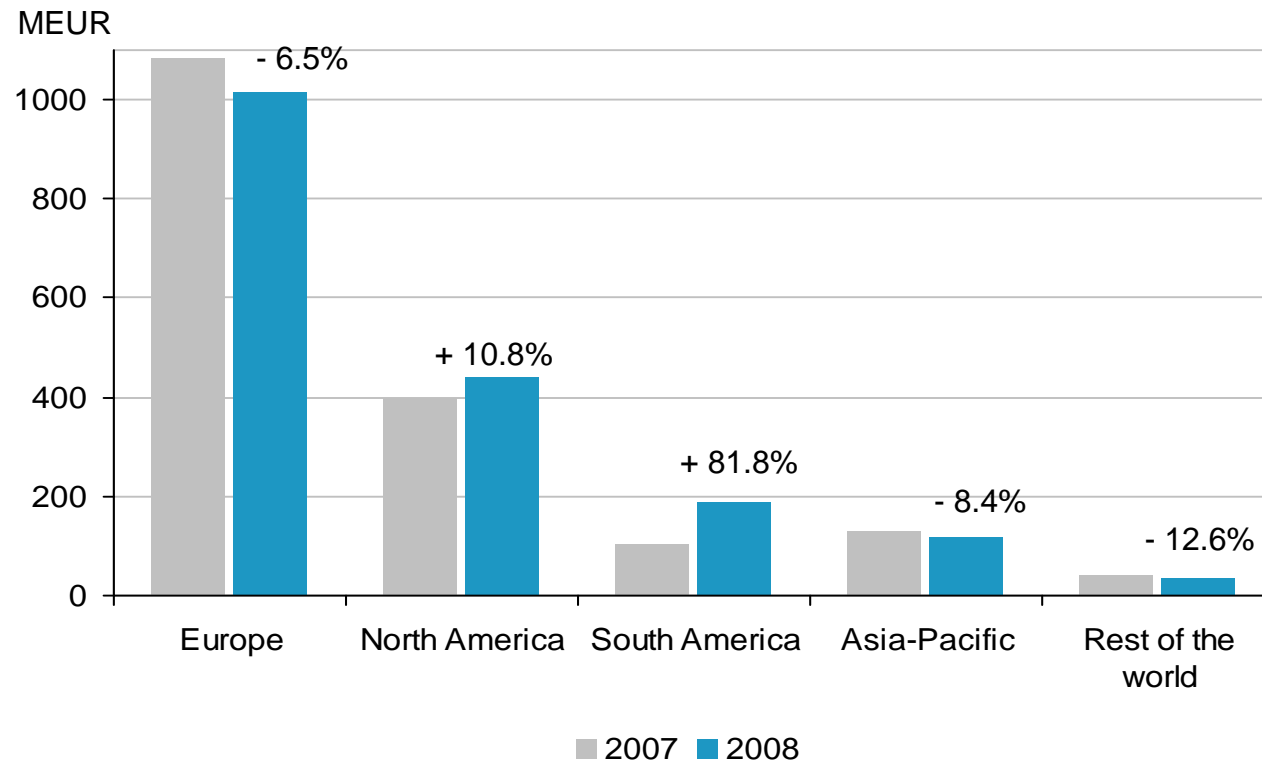


Net sales by business area



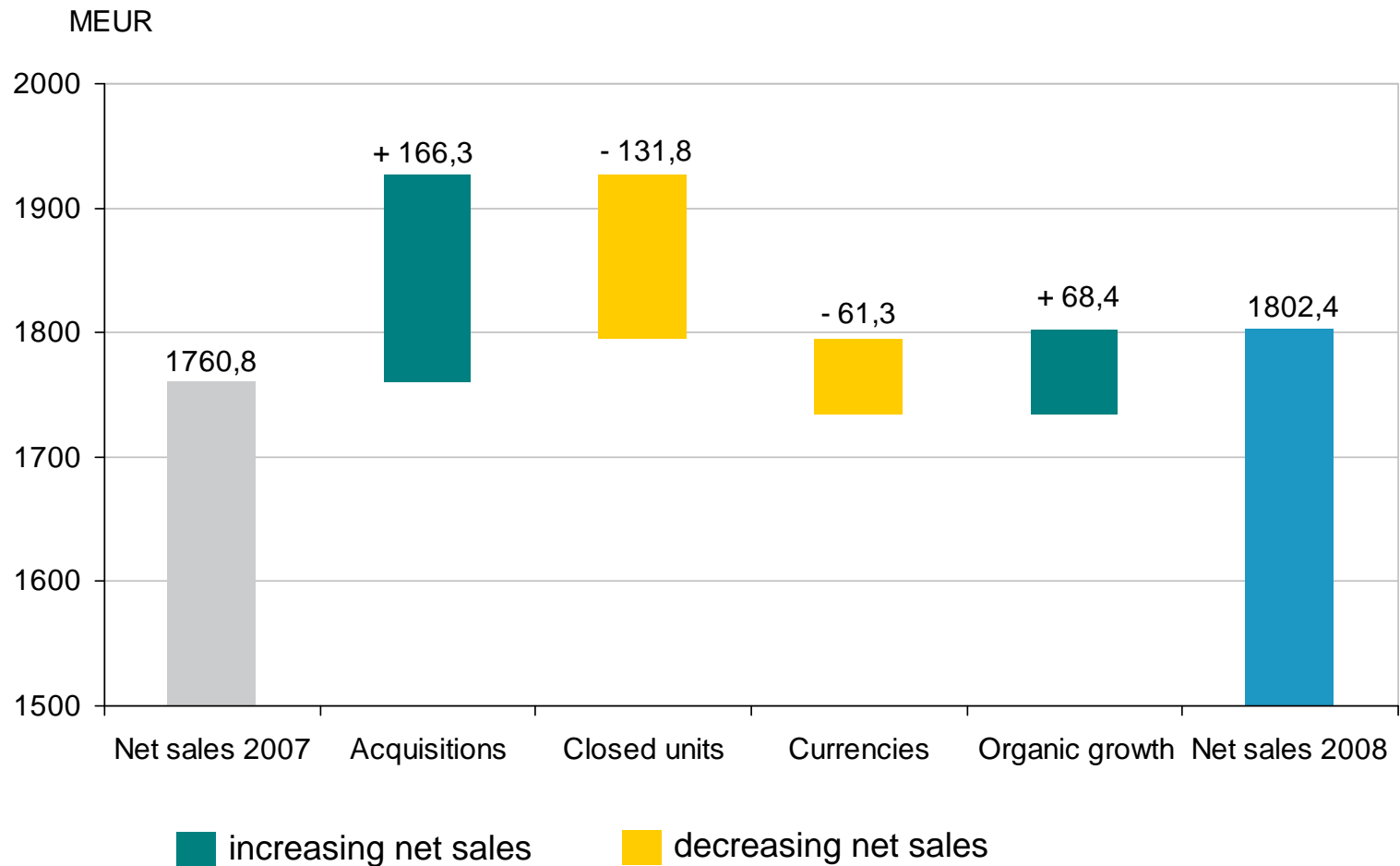
- Net sales growth especially strong in Home & Personal Nonwovens as a result of acquisitions in 2007.
- In Glass Nonwovens growth mainly driven by windmill applications.
- Lower volumes and pricing pressures especially in transportation filtration, wipes for home and personal care and industrial nonwovens products.
- In Release & Label Papers net sales were decreased by plant closures.

Net sales by region



- Relative share of net sales outside Europe continued to increase in line with strategy, plant closures in Europe.
- Strongest growth in North and South America due to completed acquisitions and organic growth investments.

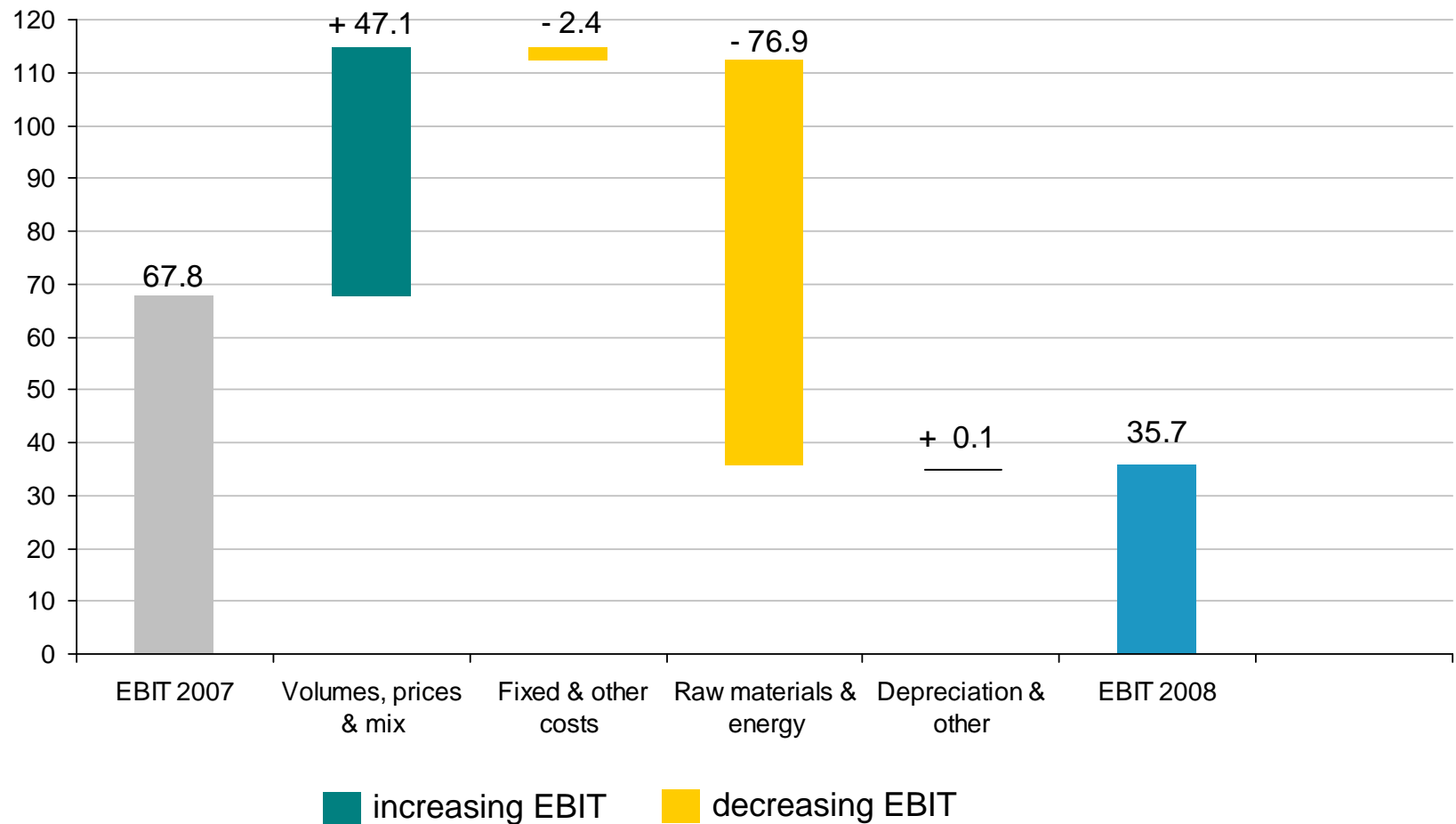
Net sales change by components



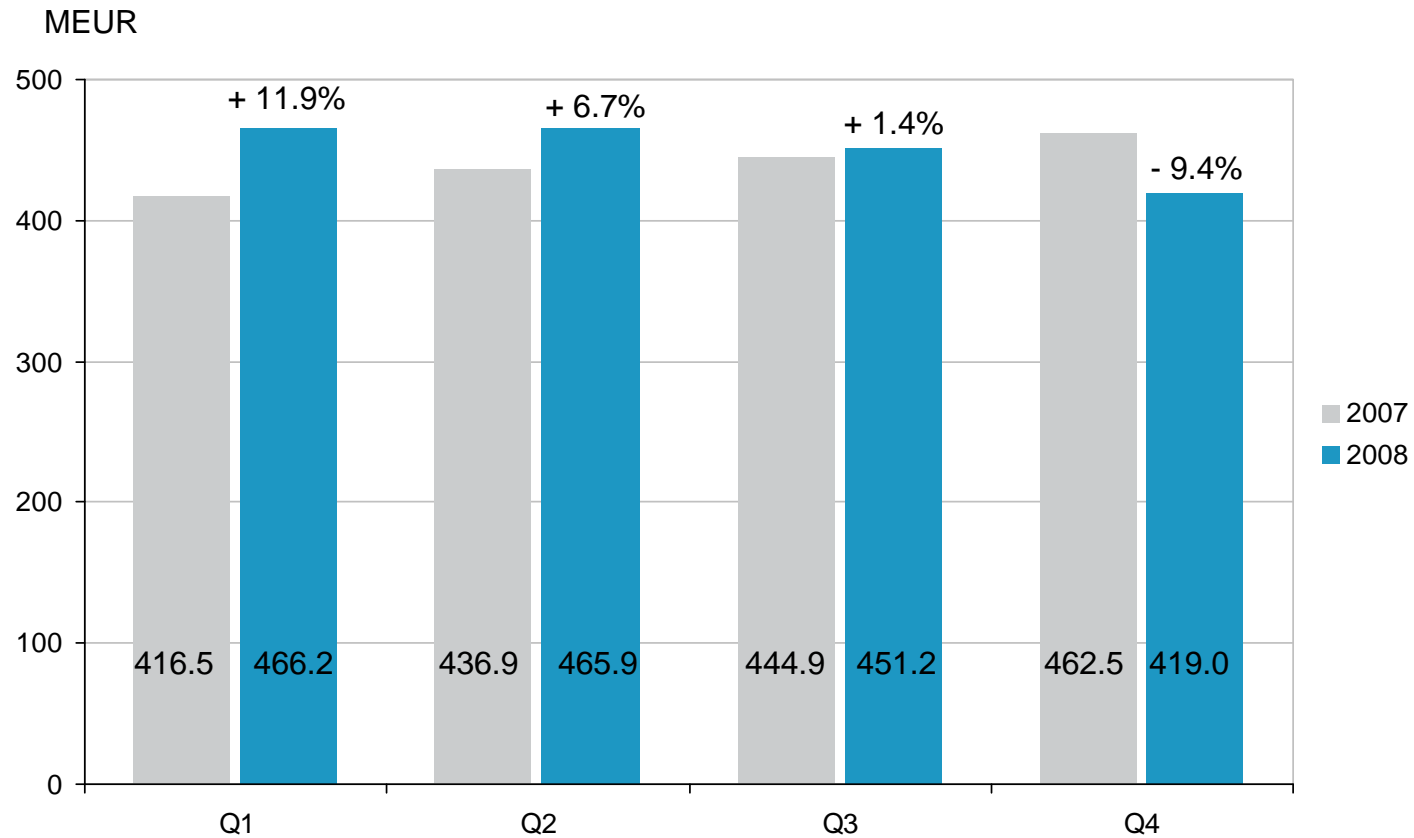
Operating profit* (EBIT) change by components

*excluding non-recurring items

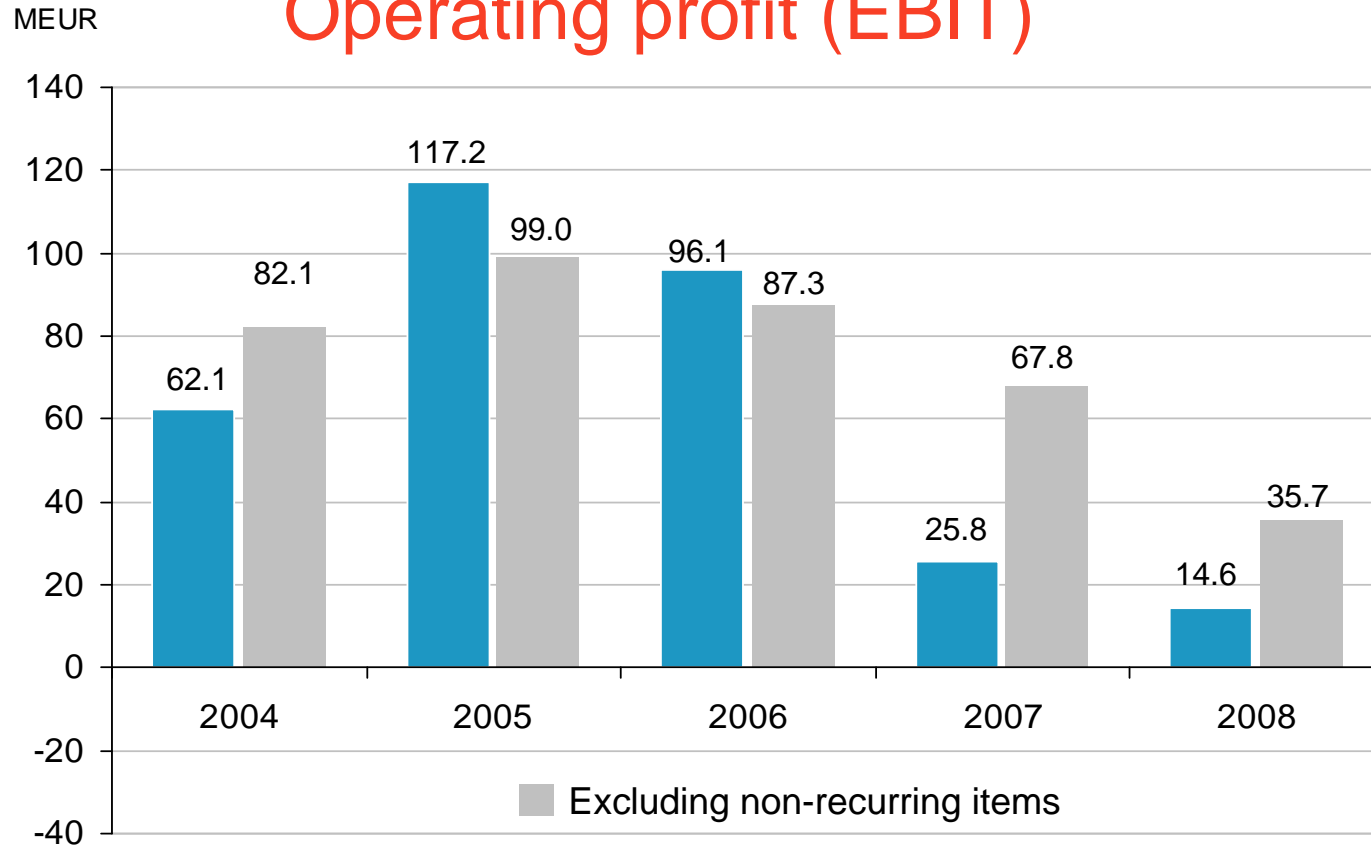
MEUR



Net sales quarterly

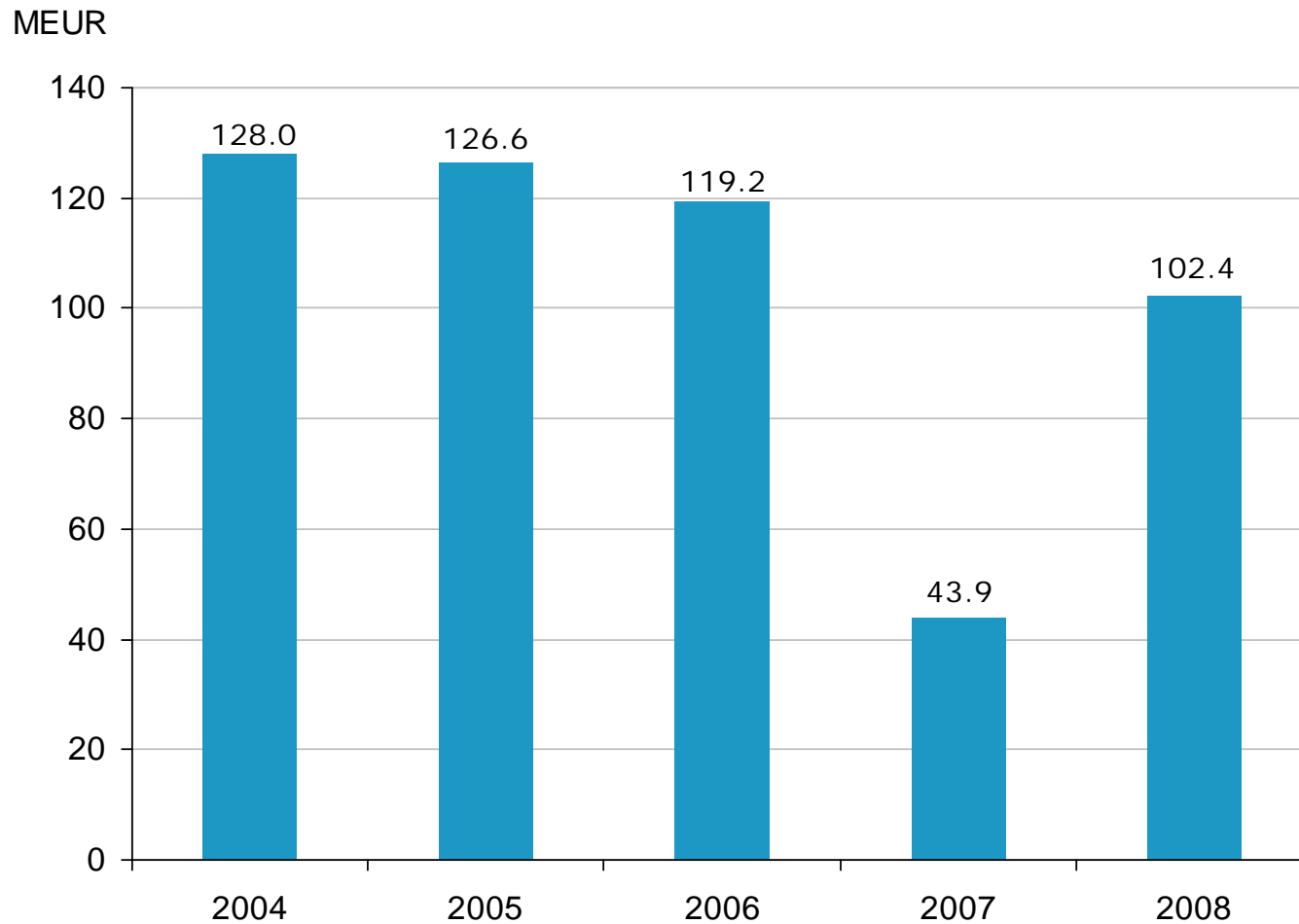


Operating profit (EBIT)



- Decrease mainly driven by low gross margin, weak demand in Q4 as well as higher than expected ramp-up and integration costs related to growth investment program.

Net cash from operating activities



Income statement

Income statement, MEUR	2007	2008
Net sales	1,760.8	1,802.4
Expenses	-1,635.2	- 1,675.5
Depreciation, amortization and impairment	- 99.8	- 112.3
Operating profit	25.8	14.6
Net financial expenses	-25.6	- 34.2
Share of loss of associated companies	- 0.1	- 1.1
Profit/loss before taxes	0.2	- 20.6
Income taxes	1.2	4.5
Profit/loss for the period	1.3	- 16.1
ROCE %	2.5	1.4

Target min 13%

Balance sheet

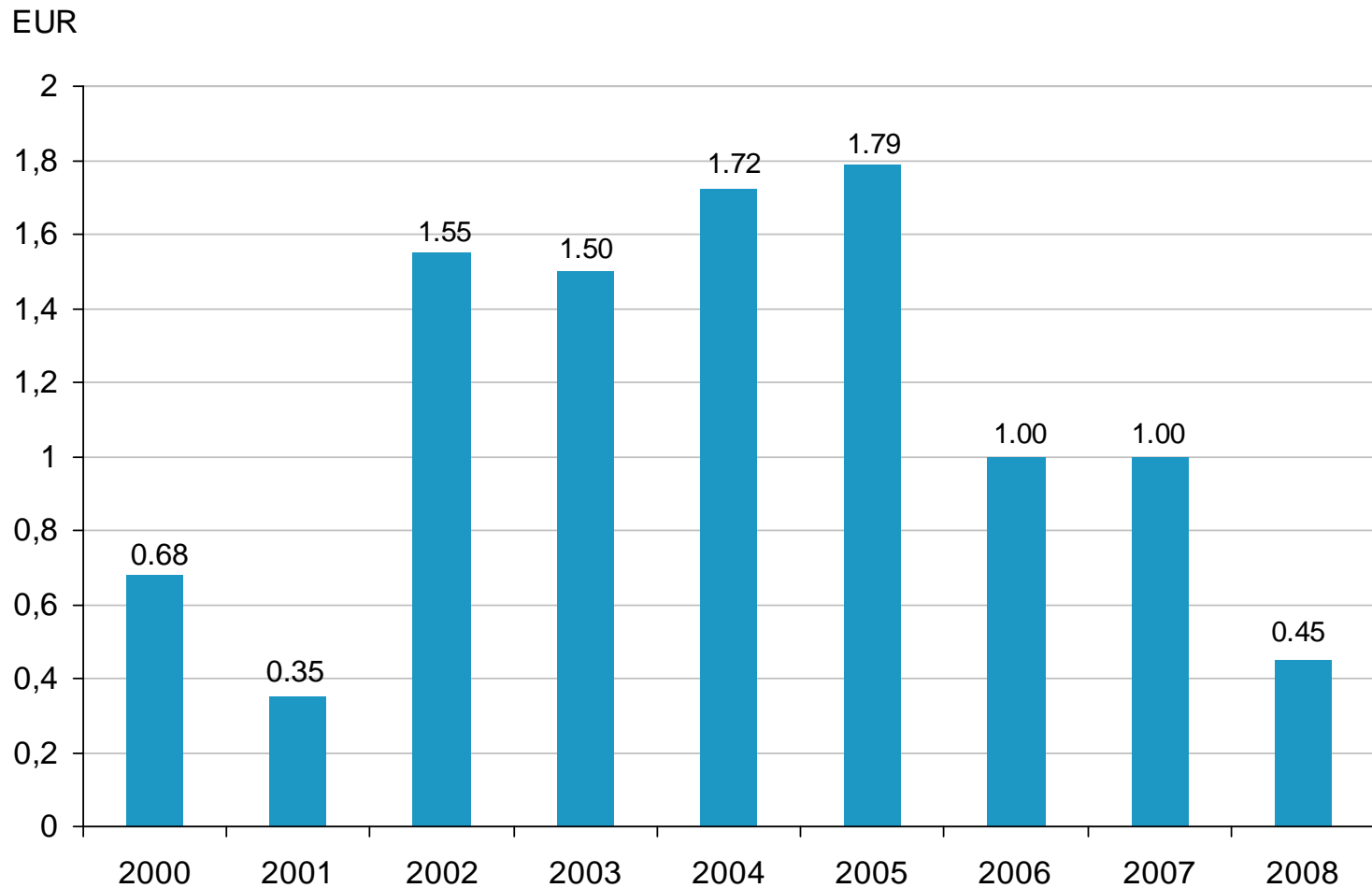
Balance sheet, MEUR	2007	2008	Comments
Non-current assets	1,044.8	1,033.9	
Inventories	246.3	252.5	
Trade and other receivables	389.3	356.2	⇒ Improved collection of receivables
Other current assets	9.7	6.3	
Cash	21.3	58.2	⇒ More cash due to year-end uncertainty
Total	1,711.4	1,707.0	
Equity	752.4	628.1	
Provisions	42.7	24.0	
Interest-bearing debt	518.2	656.9	⇒ Increased debt
Employee benefit obligations	87.7	84.6	
Trade and other payables	273.1	293.3	
Other liabilities	37.2	20.1	
Total	1,711.4	1,707.0	
Gearing %	65.3	95.3	Target 50–80%

Strong cash flow

Cash flow, MEUR	2007	2008	Comments
EBITDA	125.6	126.9	
Cash flow adjustments	-11.3	-31.5	⇒ Restructuring costs
Change in net working capital	-35.6	47.2	⇒ Improved collection of receivables and adjustment of production
Financial items	-15.1	-16.8	
Taxes paid	-19.7	-23.4	
Operating activities	43.9	102.4	
Investing activities	-358.1	-153.4	⇒ Growth investments
Share issue	9.2	-	
Dividends paid	-46.8	-46.7	
Borrowings	353.1	136.3	
Financing activities	315.6	89.7	
Change in cash	1.4	38.7	

Dividend per share 2000–2008*

(*2008: proposal of Board)



A new member proposed to Board: Anders Moberg

- International businessman from Sweden, having lived abroad since 1974.
- Summary of his CV:
 - 1970–1999 Ikea International (since 1986 President and CEO)
 - 1999–2002 The Home Depot (Group President International)
 - 2003–2007 Royal Ahold (President and CEO)
 - 2007–2008 Majid Al Futtaim Group (CEO)
 - Board memberships in Lego A/S (1999–2004), Velux A/S (2002–2008), Ica AB (2003–2007), Clas Ohlson AB (2003–), DFDS A/S (2004–), Husqvarna AB (2006–), Byggmax (2006–)
 - Adjunct Professor, Copenhagen Business School, 2009–



Outlook

- **New disclosure policy:** Based on weak visibility, Ahlstrom changes its disclosure policy. An exact outlook on net sales and profitability is not given.
- In 2009, operating environment is anticipated to remain very challenging. Demand for Ahlstrom products will vary significantly by product line and depending on general development of customer industries.
- Prices for Ahlstrom's main raw materials, wood pulp and rayon, and price of energy are anticipated to continue at current low level.
- Ahlstrom will focus on maximizing its cash flow in 2009, including a lower capital expenditure (e.g. lower investment activity) than in 2008.





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.