



TAMFELT'S INTERIM REPORT JANUARY-MARCH 2007

Net sales improved 8.4% compared to the first quarter in 2006.

- Net sales 42.6 million euros (1-3/2006: 39.3) (1-12/2006: 155.0)
- Operating profit 5.8 million euros (1-3/2006: 5.9) (1-12/2006: 25.9)
- Operating profit 13.6% of net sales (1-3/2006: 15.0)
- Income before taxes and minority interest 5.9 million euros (1-3/2006: 6.0)
- Earnings per share 0.16 euros (1-3/2006: 0.16)
- Net cash flow from operating activities 3.8 million euros (1-3/2006: 7.5)
- Equity per share 3.44 euros (3/2006: 3.36)
- Equity to assets ratio 58.8% (3/2006: 61.1)
- Return on net assets 20.5% (3/2006: 21.9)
- Return on equity 17.4% (3/2006: 18.2)
- Short-term outlook: Tamfelt's full year net sales are expected to grow and the profit for the year is expected to remain at a good level.

Tamfelt is a world-leading supplier of technical textiles. The Group's main products are fabrics for the pulp and paper, mining, and chemical industries. Other products include laundry felts and dry filtration media.

Operating environment and demand for Tamfelt products

The demand for paper and board remained good during the first quarter of 2007. The demand still increased the most in China and the rest of Asia, but also in Western Europe there has been good growth of demand. The price of long-fibered pulp has increased a little, but the prices of paper and board have stayed fairly stable on average during the first months of the year. The market situation of metals influences the demand of filter fabrics for the mining industry. The demand and prices of the most important metals were good, although there still was some short-term variation in prices.

Thanks to the good market situation, the demand for paper machine clothing increased during the first quarter, the most in China and the rest of Asia. In the long term, clothing market follows the trends of paper markets. The demand for clothing, however, grows a little slower than the demand for paper, owing to the fact that specific consumption of clothing (consumption per ton of paper produced) is diminishing. The specific consumption decreases because new clothing types and materials are more durable than old ones. Replacing old and less competitive paper machines with new, efficient machines also tends to reduce specific consumption because the new machines use less clothing per paper ton than the old ones.

The demand continued good for filter fabrics delivered to the mining and chemical industries. The market situation of filter fabrics for the pulp and paper industries during the report period was very good, and the demand was higher than during the first quarter of 2006. Variation

in oil prices leads to increased use of coal and to developing alternative sources of energy. In reducing emissions from the use of coal, high-quality filter fabrics are playing a key role. Increased production of biofuels also needs filtration media. In addition, the general tightening of environmental regulations has increased the demand for filter fabrics, and this trend will continue in the near future.

The weakening exchange rate of the US dollar against the euro impaired the profitability of sales from Western Europe to North America and Asia.

Average prices of paper machine clothing decreased during the first quarter of 2007, and the competitive situation in the business is very tight. The customers are concentrating their purchases to fewer suppliers and try to reduce their inventories, which means the suppliers must be prepared for faster deliveries. Trouble-free run of the clothing and reaching the planned life time are essential when customers strive for more efficient processes. Successful co-operation with the customer and machinery manufacturers to reach these targets gives the clothing supplier an opportunity to strengthen his market position.

Clothing suppliers are building new capacity in China and closing down inefficient units elsewhere in the world. In Western Europe, capacity is concentrated through investments in larger, more efficient production units and closing smaller ones. Filter fabric suppliers move their production to Eastern Europe and China, where production costs are lower and the markets grow faster than the average.

Profit performance and financial position

The net sales of Tamfelt Group in January-March 2007 was 42.6 million euros (39.3 in Q1/2006). The net sales increased 8.4% compared to the first quarter of 2006. Delivery volumes grew clearly more than the net sales. Of the net sales in January-March, 28% (36) originated in Finland, 44% (43) in other Europe, and 28% (21) in other countries.

The Group's operating profit was slightly smaller than in the first quarter of 2006. The operating profit was 5.8 million euros (5.9), or 13.6% (15.0) of net sales. The net profit for the period was 4.4 million euros (4.4). Return on net assets was 20.5% (21.9), and return on equity 17.4% (18.2). Earnings per share were 0.16 euros (0.16).

Increased sales volumes and good productivity development have partly helped compensate for declining price levels. Increasing sales has been made possible by successful long-term R&D, and customer-focused approach. The share of novelty products of the total sales has increased, which has partly slowed down the decline of price levels. Productivity has improved through timely investments and by developing processes and working methods. Also concentrating in chosen segments has improved profitability.

The consolidated balance sheet total at the end of March was 163.0 million euros (152.5). Equity amounted to 95.2 million euros (93.0), and equity to assets ratio was 58.8% (61.1). Gearing was 14.9% (10.7). The amount of interest bearing liabilities at the end of the first quarter was 25.7 million euros (20.3), and the book value of cash and cash equivalents was 11.5 million euros (10.3). The Group's net financial items totaled 0.1 million euros (0.1).

Net cash from operating activities was 3.8 million euros (7.5), and cash flow before financing -2.1 million euros (6.5).

Tamfelt's order backlog continues to be good, but incoming orders distribute slightly unevenly between the various product groups.

Operations

The sales of paper machine clothing developed favorably in Northern America and in Asia, notably in China, but also in Central and Southern Europe. Start-up orders for 2007 were received especially from China. Filter fabric sales increased in all market areas. Tamfelt's press felts, filter fabrics, and shoe press belts, in particular, were in good demand. Press felt demand was enhanced by the felts' successful performance on state-of-the-art press sections of modern paper machines. Specific consumption declined in forming and dryer fabrics, more than in other product groups, which affected their demand.

Tamfelt focuses on chosen target segments: clothing for large, high-speed paper and board machines and certain areas in filter fabrics, such as fabrics for causticizing processes and iron pelletizing plants. During the

first quarter, Tamfelt clothing contributed to, for example, the new world record speed of 1901 m/min on SC paper machines. The company has also strengthened its position on filter fabric target markets, such as dry filtration media, where the sales has increased significantly after a new marketing strategy.

The customers indicate a growing interest in Tamfelt's spearhead products in paper machine clothing. The share of Gapmaster and Packmaster triple layer fabrics out of Tamfelt's forming fabric production already exceeds 70%. The production volumes of TMO and SMO press fabrics keep increasing. In early 2007, Tamfelt launched the patented HiSpeed forming fabric, designed for high-speed paper machines. The first fabrics have already been run on customer machines with encouraging results. Tamfelt 3G shoe press belt, as well, is at an introductory stage. The wear resistance of this novelty product is excellent, thanks to a triple layer reinforcing structure. The share of the spearhead products out of all deliveries is over 40%.

Investments

The Group's gross investments in January through March were 5.9 million euros (1.0). The largest investments now in process are increasing the press felt production capacity at Tampere plant, and building the fabric factory in China.

A new needling machine representing the latest technology will be taken into use in press felt production in fall 2007. Other investments enhancing the press felt capacity were mostly completed during the first quarter of 2007.

Tamfelt's filter fabric factory in Shanghai, China, started up in January 2007. The new unit produces and sells filter fabrics for both wet and dry filtration for the Chinese and Southeast Asian markets. Investments in this plant will continue.

The building of a factory making forming and dryer fabrics in Tianjin, China, has just been started. Production in this factory is due to commence during the first quarter of 2008. After completed, the new factory will improve Tamfelt's delivery ability, logistics, and competitiveness in the long run.

Special attention has also been paid in the Group to making the information systems compatible. Incorporating the subsidiaries into the Group's SAP resource planning system continues. A common system will improve business planning, monitoring, and intelligence.

Personnel

At the end of March, the Group employed 1,452 (1,402) people. The number is 50 people higher than in March 2006. The increase divides evenly between the Tampere plant, Shanghai factory, and other units abroad. At the

end of 2006, the number of personnel was 1,443. Of Tamfelt personnel, 74% work in Finland and 26% in other countries.

Resolutions by the Annual General Meeting

Tamfelt's Annual General Meeting held on March 20, 2007 adopted the 2006 financial statements and absolved the members of the Board of Directors and the President and CEO from their liability.

The AGM re-elected Mr. Mikael von Frenckell, Mr. Martin Lilius, Mr. Jouko Oksanen, Mr. Vesa Kainu and Mr. Niklas Savander to the Board of Directors. Mr. Carl-Magnus Cedercreutz was elected new member of the Board. Mr. Mikael von Frenckell will continue as Chairman of the Board, Mr. Niklas Savander was elected Vice Chairman.

Messrs. Jari Paloniemi and Veikko Terho, Authorized Public Accountants, were reappointed auditors, and Mr. Jukka Lahdenpää, Authorized Public Accountant, and Authorized Public Accountants Company Moore Stephens Rewinet Oy Ab were reappointed deputy auditors.

The AGM decided upon a dividend for 2006 of 0.59 euros (0.39) per common share and 0.61 euros (0.41) for preferred share.

Shares and share capital

Tamfelt's share capital consists of common shares and preferred shares. The accounting par value of both types of share is 1.00 euro. Preferred shares collect two per cent units higher dividend than common shares, calculated on the accounting par value. A common share carries 20 votes and a preferred share carries 1 vote.

In January-March, preferred shares traded in Helsinki Exchanges for 6.1 million euros (9.8), and common shares for 0.4 million euros (1.1). The trading volume of preferred shares was 3.0% (6.4) of their total volume. The corresponding figure on common shares was 0.3% (1.2).

At the end of March, the closing price per preferred share was 11.50 euros and per common share 11.30 euros. The price increase per preferred share since the beginning of the year was 8.0% and per common share 6.4%. The highest price per preferred share was 12.88 euros and lowest 10.13 euros. The highest price per common share was 12.75 euros and lowest 10.51 euros. Tamfelt's total market capitalization as of March 31, 2007 was 316.9 million euros (256).

Tamfelt's share capital at the end of March was 27,563,964 euros. The total number of shares was 27,563,964, of which common shares number 10,119,198 and preferred shares 17,444,766.

Shareholders

Tamfelt's largest ownership registrations by number of shares on March 31, 2007:

1. Ilmarinen Mutual Pension Insurance Company	7.4 %
2. Varma Mutual Pension Insurance Company	5.9 %
3. Tapiola Mutual Pension Insurance Company	3.9 %
4. Svenska litteratursällskapet i Finland r.f.	2.9 %
5. Sampo Life Insurance Company	2.9 %
6. Metso Corporation	2.6 %
7. Waldemar von Frenckell Foundation	2.6 %
8. Samfundet Folkhälsan i Svenska Finland r.f.	2.2 %
9. Juselius Sigrid Foundation	2.1 %
10. Cedercreutz Axel	1.7 %
Total	34.2 %

At the end of March, Tamfelt had a total of 3,255 shareholders. Foreign ownership including registrations in name of nominee amounted to 5.0% (5.2) of shares.

Short-term outlook

Demand for paper is expected to keep growing, which will have a positive effect on clothing consumption. In the mining industry, the market situation of iron and color metals is expected to continue good, and demand for filter fabrics is expected to increase.

Special attention will continue to be paid to innovativeness, capital efficiency, and productivity improvement. The investment decisions already made and input in internationalization will increase the investment expenses significantly within the next few months.

Tamfelt's full year net sales are expected to grow and the profit for the year is expected to remain at a good level.

Helsinki, April 26, 2007

TAMFELT CORP.

Board of Directors

The results are unaudited.

CONSOLIDATED INCOME STATEMENT, IFRS

Million euros	Jan-March 2007	%	Jan-March 2006	%	Jan-Dec 2006	%
Net sales	42.6	100	39.3	100	155.0	100
Operating profit	5.8	14	5.9	15	25.9	17
Financial income and expenses	0.1		0.1		0.3	
Share of the income of associated companies			0.0			
Profit before tax	5.9		6.0		26.2	
Income tax	-1.5		-1.6		-6.1	
Profit for the period	4.4	10	4.4	11	20.1	13
Attributable to						
Equity holders of the parent	4.4		4.4		20.2	
Minority interest	0.0		0.0		-0.1	
Earnings per share calculated on profit attributable to equity holders of the parent (euro)						
Basic	0.16		0.16		0.73	
Diluted	0.16		0.16		0.73	

CONSOLIDATED BALANCE SHEET, IFRS

Million euros	March/2007	%	March/2006	%	Dec/2006	%
Assets						
Non-current assets						
Property, plant and equipment	79.1		72.2		75.8	
Goodwill	0.3		0.3		0.3	
Other intangible assets	4.2		4.0		4.0	
Investments in associates			0.3			
Other financial items	1.8		2.0		1.8	
Deferred tax assets	0.8		0.7		0.6	
	86.2	53	79.5	52	82.5	54
Current assets						
Inventories	31.3		31.5		32.1	
Trade and other receivables	34.0		31.2		29.2	
Financial assets at fair value through profit or loss	1.9		1.5		1.8	
Cash and cash equivalents	9.6		8.8		8.0	
	76.8	47	73.0	48	71.1	46
Total assets	163.0	100	152.5	100	153.6	100
Equity and liabilities						
Issued capital and reserves attributable to equity holders of the parent						
Share capital	27.6		27.6		27.6	
Share premium reserve	1.0		1.0		1.0	
Translation differences	-1.0		0.4		-0.5	
Fair value reserve	0.5		0.7		0.5	
Retained earnings	66.7		63.1		79.0	
	94.8		92.8		107.6	
Minority interest	0.4		0.2		0.2	
Total equity	95.2	58	93.0	61	107.8	70
Non-current liabilities						
Deferred tax liabilities	10.9		11.1		10.9	
Interest-bearing liabilities	10.8		5.4		1.8	
	21.7		16.5		12.7	
Current liabilities						
Trade and other payables	31.2		27.6		29.8	
Provisions	0.0		0.5		0.0	
Current interest-bearing liabilities velat	14.9		14.9		3.3	
	46.1		43.0		33.1	
Total liabilities	67.8	42	59.5	39	45.8	30
Total equity and liabilities	163.0	100	152.5	100	153.6	100

CONSOLIDATED CASH FLOW STATEMENT

Million euros	Jan-March 2007	Jan-March 2006	Jan-Dec 2006
Operating activities			
Profit for the period	4.4	4.4	20.1
Adjustments to profit	3.3	3.4	12.6
Change in working capital:			
Change in trade and other receivables	-4.8	-2.5	-0.5
Change in inventories	0.8	0.7	0.1
Change in trade and other payables	1.3	3.3	5.4
Change in provisions			-0.5
Interest received	0.1	0.0	0.2
Interest paid	-0.1	-0.2	-0.6
Other financial items, net	0.1	0.1	0.4
Taxes paid	-1.3	-1.7	-5.5
Net cash from operating activities	3.8	7.5	31.7
Investing activities			
Acquisition of subsidiaries less cash and cash equivalents at acquisition date			
Investments in property, plant and equipment	-5.9	-1.0	-10.8
Investments in intangible assets			-0.7
Sale of associates			2.3
Net cash from investing activities	-5.9	-1.0	-9.2
Financing activities			
Subscription for stock options		0.1	0.1
Withdrawal of loans	21.0	11.0	
Repayment of loans	-0.4	-4.9	-9.0
Dividends paid	-16.6	-10.2	-11.1
Net cash from financing activities	4.0	-4.0	-20.0
Change in cash and cash equivalents	1.9	2.5	2.5
Cash and cash equivalents at the beginning of period	9.8	7.7	7.7
Effect of exchange rates	-0.1	0.1	-0.2
Effect of changes in the fair value of investments	-0.1	0.1	-0.2
Cash and cash equivalents at the end of period	11.5	10.3	9.8

STATEMENT OF CHANGES IN EQUITY

Equity attributable to shareholders of the parent

Million euros	Share capital	Share premium reserve	Translation differences	Fair value reserve and other reserves	Retained earnings	Total	Minority interest	Total equity
Equity Dec. 31, 2005	27.6	1.0	0.1	0.8	69.8	99.2	0.3	99.4
Translation differences			0.3			0.3		0.3
Change in fair value, available-for-sale investments				-0.2		-0.2		-0.2
Tax on equity items				0.0		0.0		0.0
Counter entry of share-based payments					0.0	0.0		0.0
Profit for the period					4.4	4.4	0.0	4.4
Total recognized income and expenses for the period			0.3	-0.1	4.4	4.6	0.0	4.6
Dividends					-11.1	-11.1		-11.1
Stock options exercised	0.0	0.1				0.1		0.1
Equity March 31, 2006	27.6	1.0	0.4	0.7	63.1	92.7	0.3	93.0
Equity Dec. 31, 2006	27.6	1.0	-0.5	0.5	79.0	107.6	0.2	107.8
Translation differences			-0.5			-0.5	0.2	-0.3
Change in fair value, available-for-sale investments				0.0		0.0		0.0
Tax on equity items				0.0		0.0		0.0
Counter entry for share-based payments					0.0	0.0		0.0
Profit for the period					4.4	4.4	0.0	4.4
Total recognized income and expenses for the period			-0.5	0.0	4.4	3.9	0.2	4.1
Dividends					-16.6	-16.6		-16.6
Equity March 31, 2007	27.6	1.0	-1.0	0.5	66.7	94.8	0.4	95.2

SEGMENT REPORTING - secondary segment

Million euros	Jan-March/2007	Jan-March/2006	Jan-Dec/2006
Net Sales			
Finland		12.9	14.1
Other Europe		21.8	16.8
Other countries		14.1	11.8
Eliminations		-6.1	-3.4
Consolidated		42.6	39.3
Investments			
Finland		3.5	1.0
Other Europe		0.1	0.0
Other countries		2.3	1.8
Consolidated		5.9	1.0

Assets			
Finland	129.7	129.0	126.4
Other Europe	21.2	18.1	19.3
Other countries	19.6	13.5	13.2
Eliminations	-7.5	-8.1	-5.3
Consolidated	163.0	152.5	153.6

KEY FIGURES

	Jan-March 2007	Jan-March 2006	Jan-Dec 2006
Net sales	42.6	39.3	155.0
Operating profit	5.8	5.9	25.9
% of net sales	13.6	15.0	16.7
Profit before tax and minority interest	5.9	6.0	26.2
Profit for the period	4.4	4.4	20.1
Return on equity, %	17.4	18.2	19.4
Return on net assets, %	20.5	21.9	23.7
Equity to assets ratio, %	58.8	61.1	70.6
Gearing %	14.9	10.7	-4.3
Gross investments	5.9	1.0	11.5
% of net sales	13.8	2.5	7.4
Average personnel number over the period	1,449	1,399	1,415
Earnings/share, diluted, euros	0.16	0.16	0.73
Equity/share, diluted, euros	3.44	3.36	3.90

COMMITMENTS AND CONTINGENCIES

Million euros	March/2007	March/2006	Dec/2006
Commitments	0.3	0.4	0.3

DERIVATIVE FINANCIAL INSTRUMENTS

Million euros	March/2007	March/2006	Dec/2006
Forward exchanges, not in hedge accounting			
Fair value	4.1	1.7	5.0
Value for underlying asset	4.0	1.7	4.9
Electricity derivatives			
Fair value	2.0	1.2	2.0
Trading value	2.1	0.7	2.0