

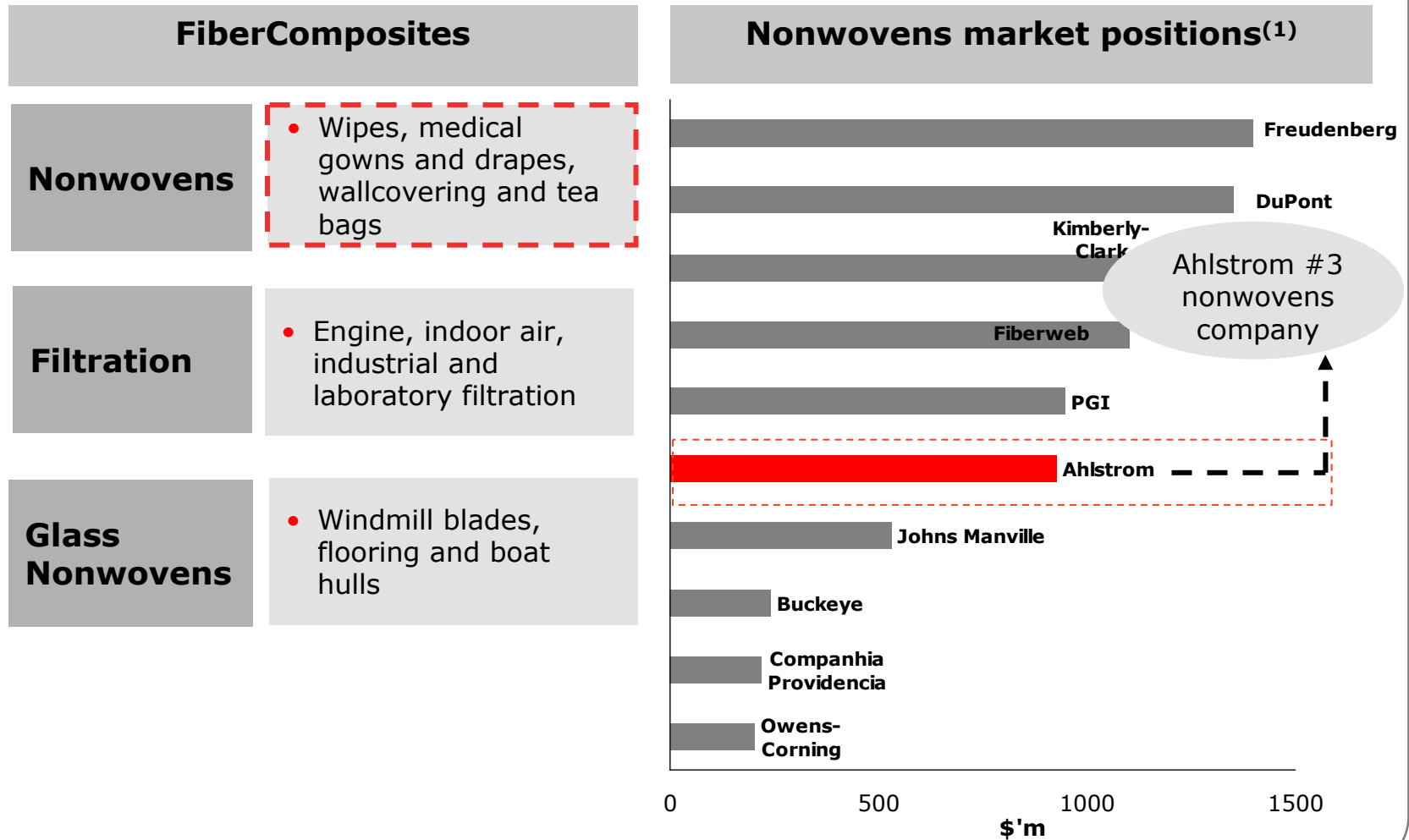
Small fibers. Big difference.

# Ahlstrom Capital Markets Day

Global nonwoven expansion  
Claudio Ermondi  
May 30, 2007

Helsinki

# Third largest nonwoven fabrics producer in the world



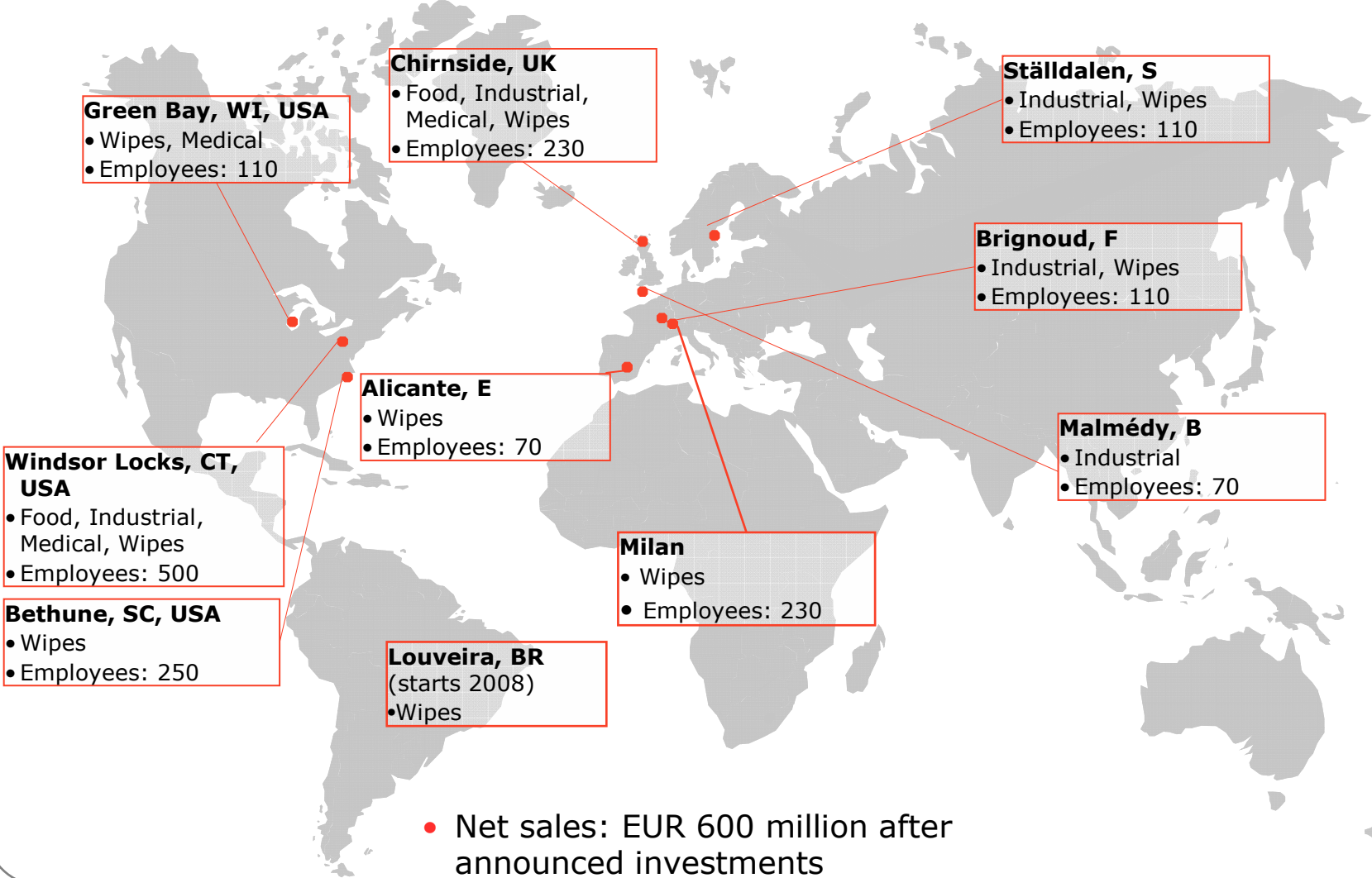
Notes: 1) Source: Nonwovens Industry 2006

# Leading market positions in served markets

Product lines	Wipes	Medical and healthcare	Food	Industrial nonwovens
Examples				
Offering	<p>Household, personal care, aerospace, anti-bacterial, facial, baby and industrial wipes</p>	<p>Surgical drapes, gowns and breathable viral barriers, facemask cover stock, sterile barrier systems</p>	<p>Tea bags, coffee pods, fibrous meat casings and absorbent food pads, cheese and fish wrap</p>	<p>Wall coverings, automotive, insulation, plaster-board, decoration, catering, graphics, apparel, depilation, flooring, surgical tapes, wood veneer, table top</p>
Market position	#1*)	#1-3	#2	#1-3

\*) After announced growth investments and acquisitions

# Global production capabilities



## Objective – Nonwovens business area:

To be the leading global source for nonwovens  
and the first choice of our customers

### Wipes

Global leader in delivering innovation and consumer value for wiping applications

### Medical

Global leading supplier of fabrics to medical and healthcare markets

### Food

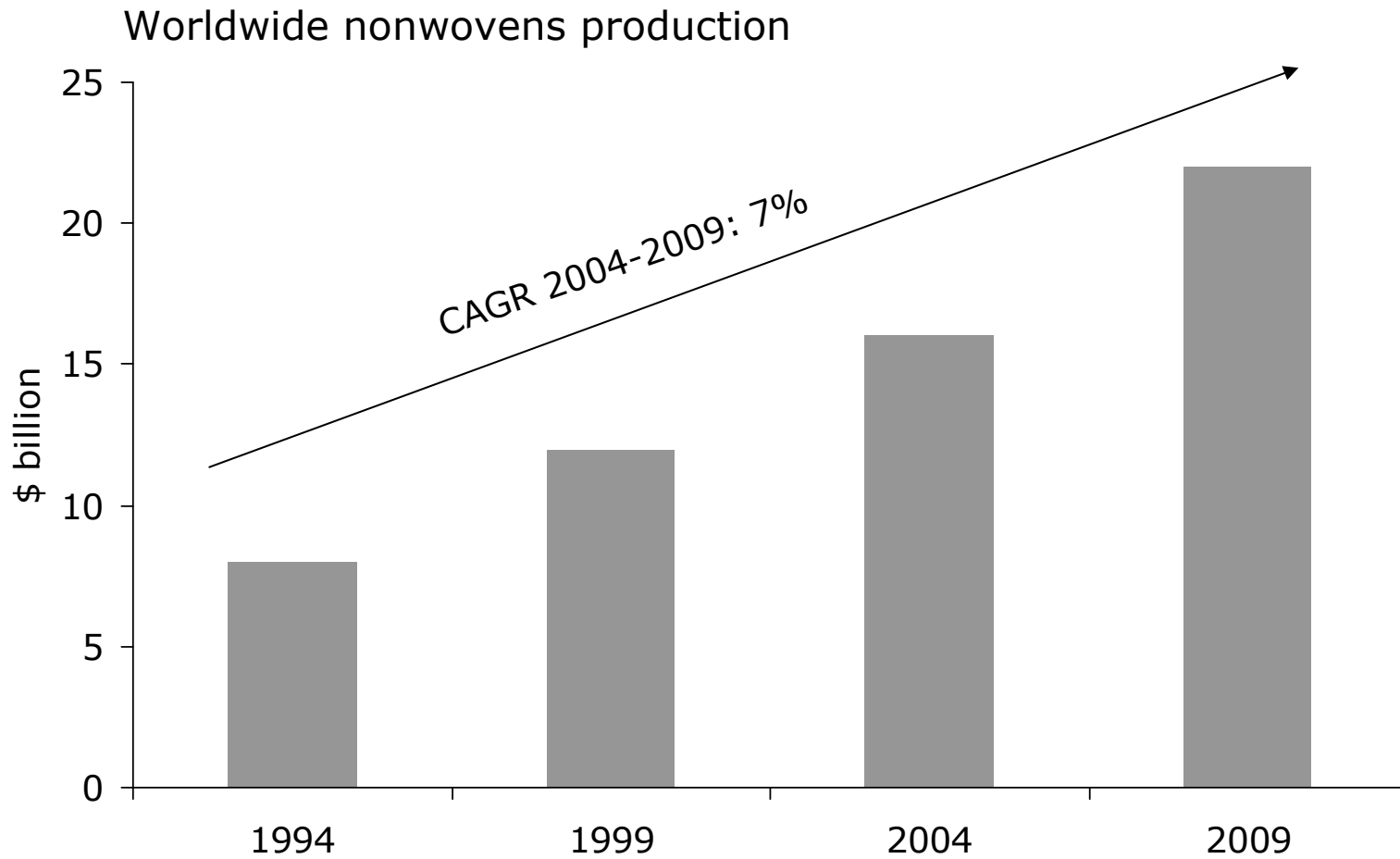
Most innovative supplier of fiber-based materials for the food packaging industry

### Industrial nonwovens

Leading supplier to the nonwoven wallcover market

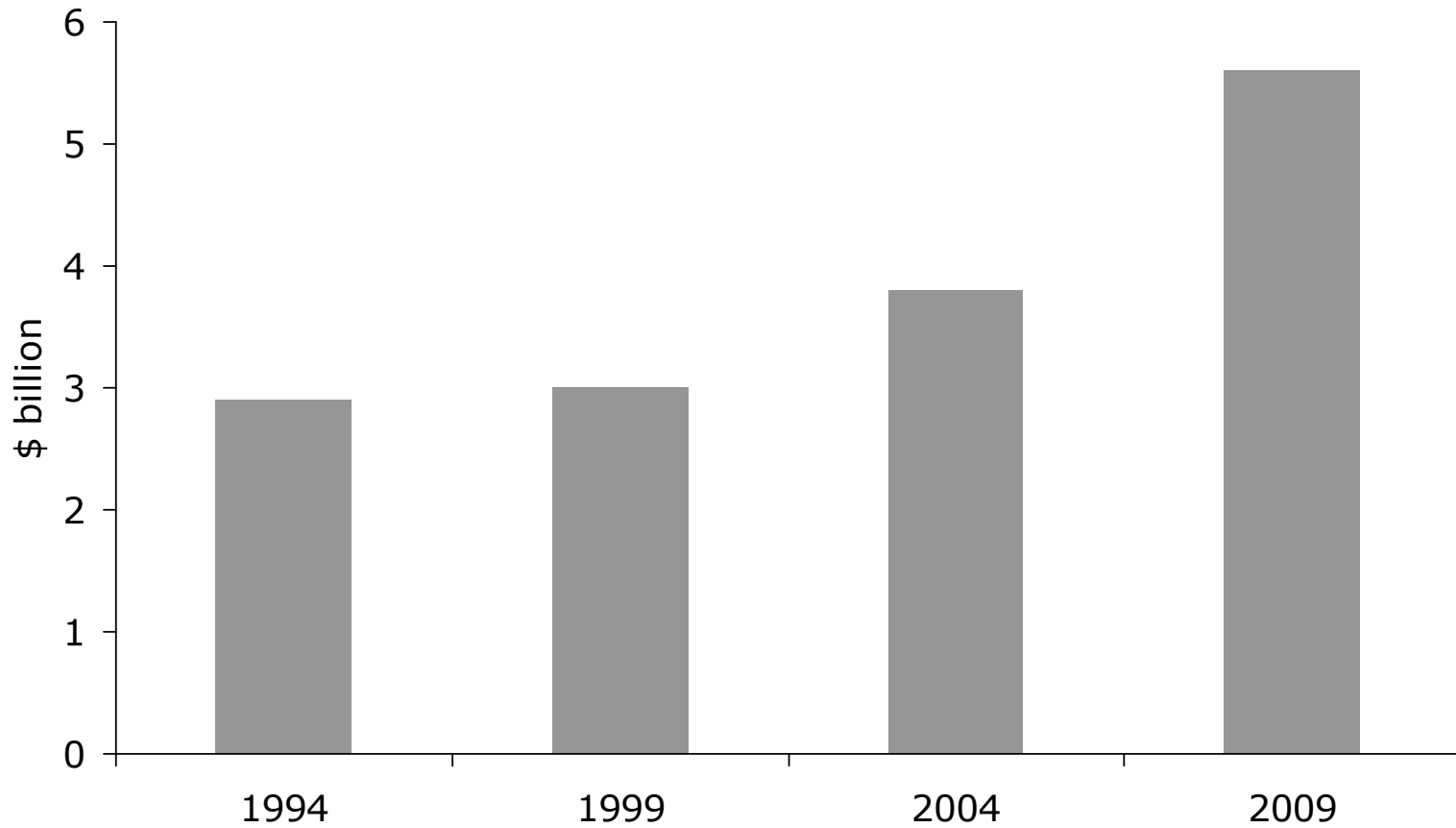
Supplier with the broadest and most innovative offering to industrial nonwoven applications

# Global nonwoven markets growing at 7% per year



# Asia to become an important market area

Asia-Pacific nonwovens production



# Business opportunity in served markets

## Target markets Global size

## Global growth rate

## Business environment

### Wipes

EUR 1.5 billion

- Growth of 7% p.a.

- Consumers' desire for greater convenience and hygiene drive growth
- Industry converting to spunlace technology
- Growing number of applications
- USA drives the development

### Industrial

EUR 1 billion

- Wallcover market 15% p.a.
- Technical nonwovens includes several segments: transportation, building, decoration, packaging, fabric care, tabletop growth

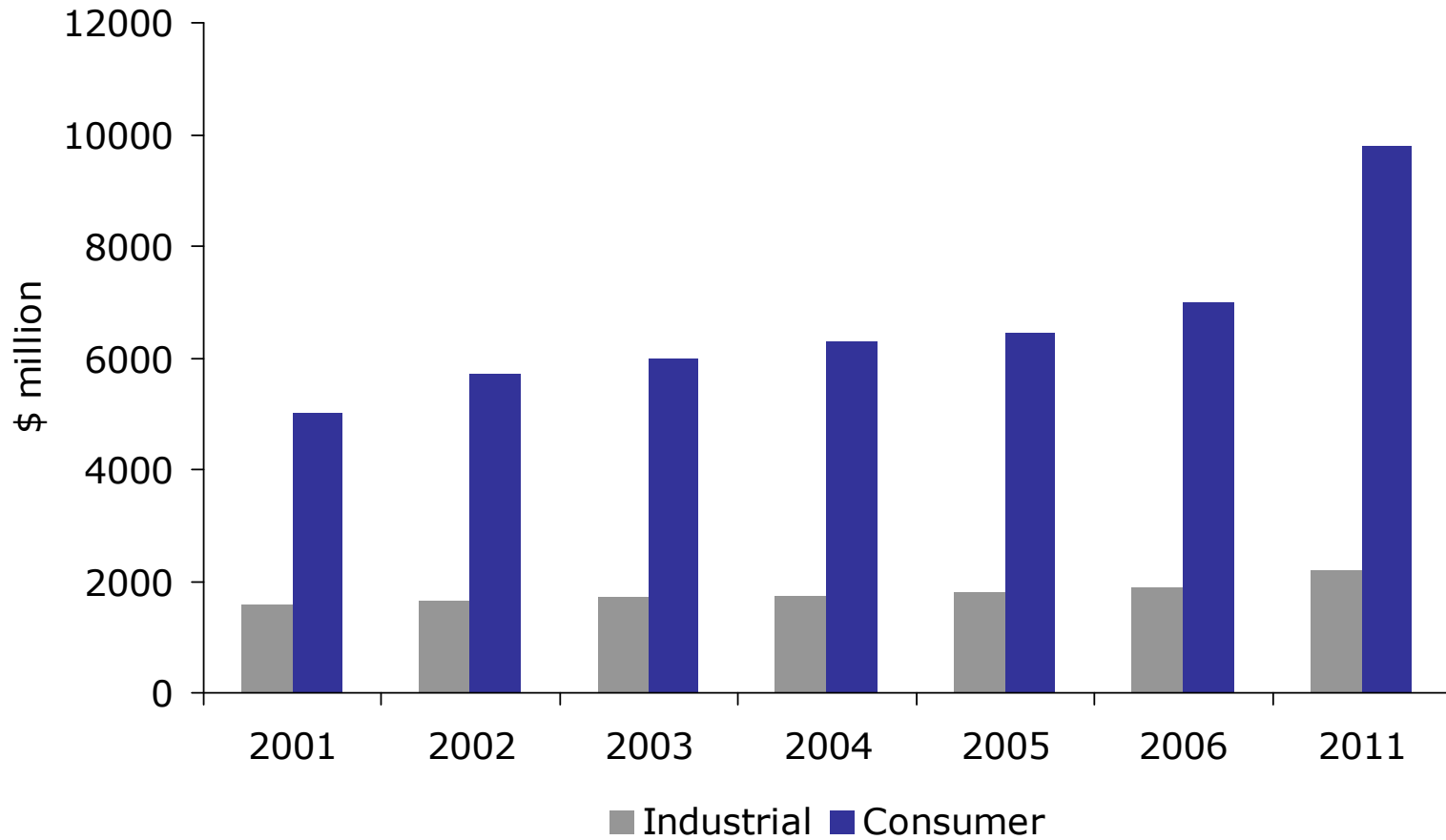
- In Europe, wallcovers are again in vogue
- Strong growth in Russia and China



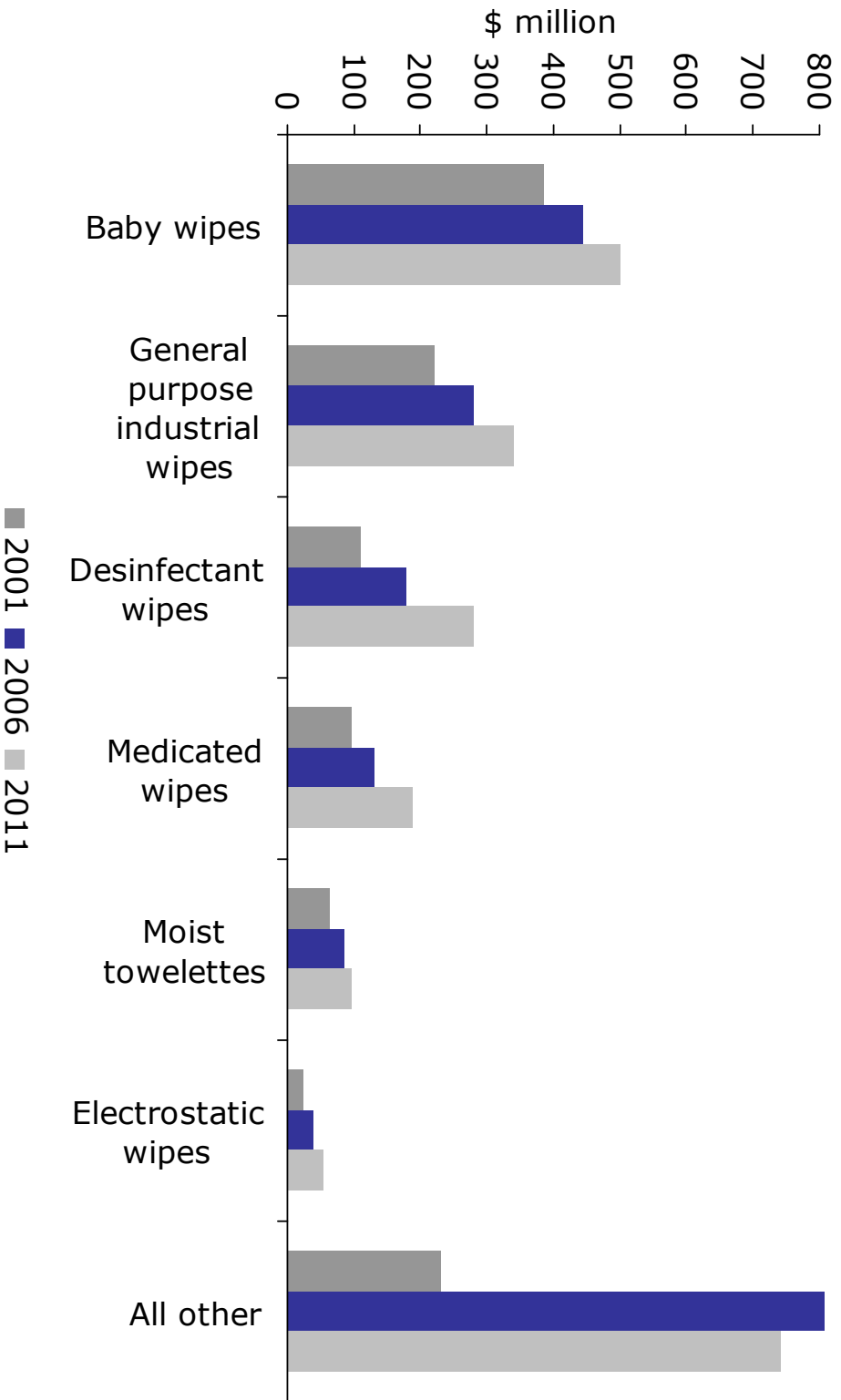
# Business opportunity in served markets

Target markets Global size	Global market opportunity & growth	Business environment
<b>Food</b> EUR 0.5 billion	<ul style="list-style-type: none"> <li>• 5% growth p.a. in infusion and beverages</li> <li>• 2-3% growth p.a. in fibrous meat casing reinforcement</li> </ul>	<ul style="list-style-type: none"> <li>• Use of tea bags expanding geographically</li> <li>• Competitive environment changed in 2006 , J R Crompton acquired by Glatfelter (60% market share)</li> </ul>
<b>Medical and healthcare</b> Total EUR 1.5 billion - Hospital 0.5 billion - Other 1.0 billion	<ul style="list-style-type: none"> <li>• Growth of 5-6 % p.a.</li> <li>• Other includes: home, post-operation, preventive health care etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Safety, infection prevention and convenience drives growth of disposable medical nonwovens</li> <li>• Aging population results in growing number of hospital stays</li> <li>• Highest growth in face masks</li> <li>• Strong competition for barrier-type garments from spunmelt players</li> </ul>

# Global wipes market growing at 7% per annum



# US drives the development of global wiping demand

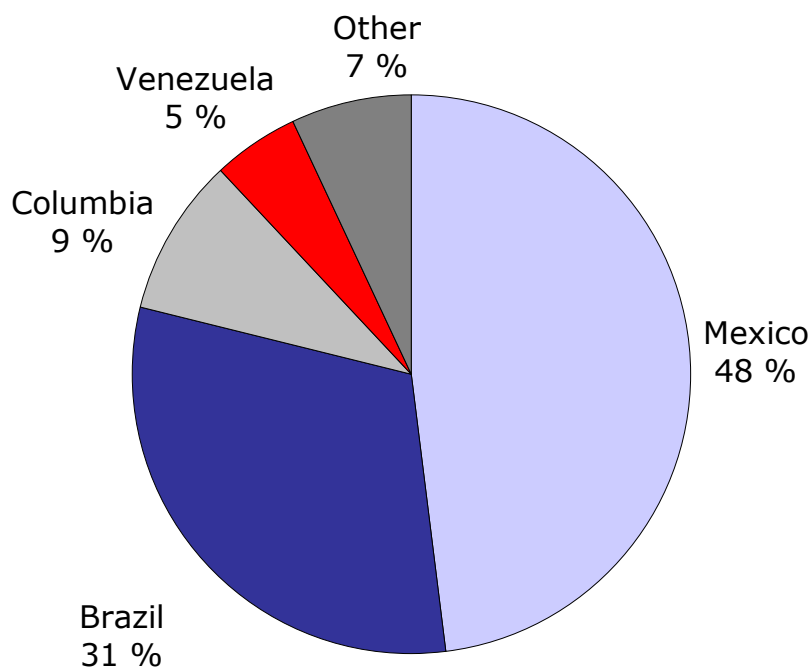


Source: Freedonia

Small fibers. Big difference.



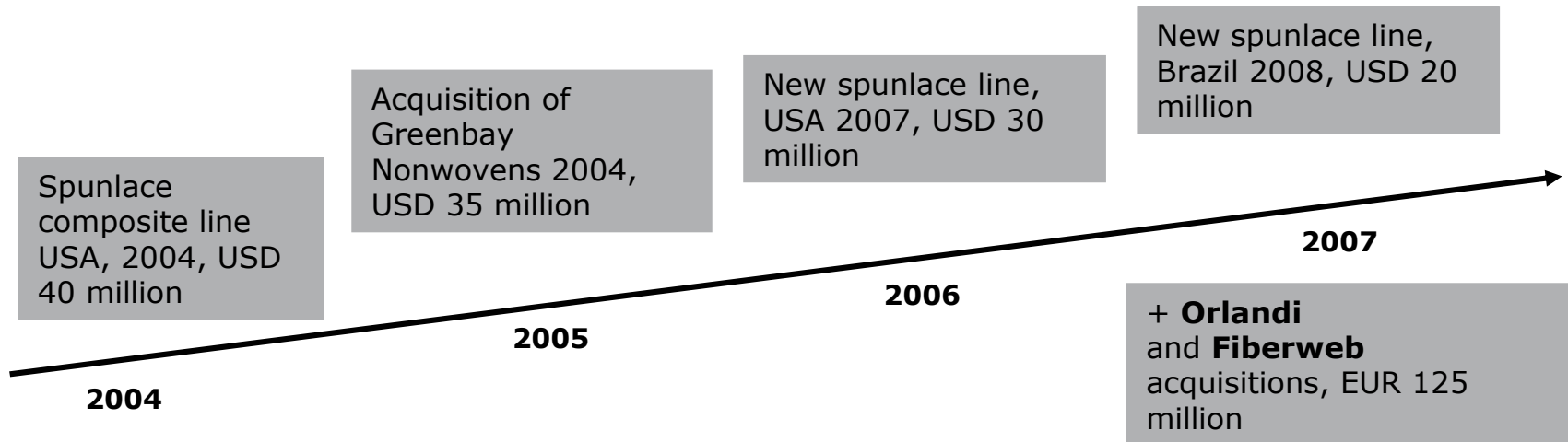
## Double digit growth in South America



- Annual market growth expected to be 10% p.a. from 2006 to 2012
- Increasing consumer acceptance of both personal care and household cleaning wipes drives growth
- High duties on incoming nonwovens prevent sales from the US or Europe

# Growing Ahlstrom's wiping fabrics business

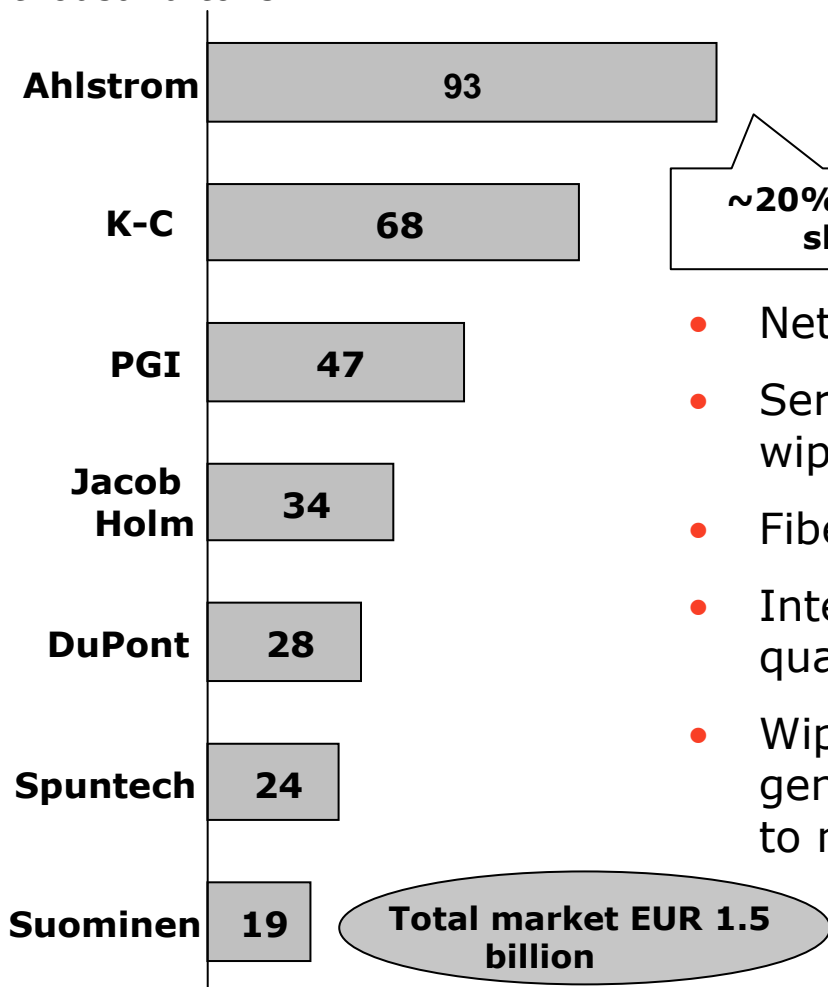
- Geographical expansion to serve global customers locally
- Technology leadership (spunlace technology, pulp containing wipe assets)
- Broadest product range, innovative products



- **Invested EUR 200+ million**
- **Generates top line of EUR 300+ million**

# Largest wiping fabrics producer in the world

Wipes roll-goods producers,  
thousand tons\*



~20% market share

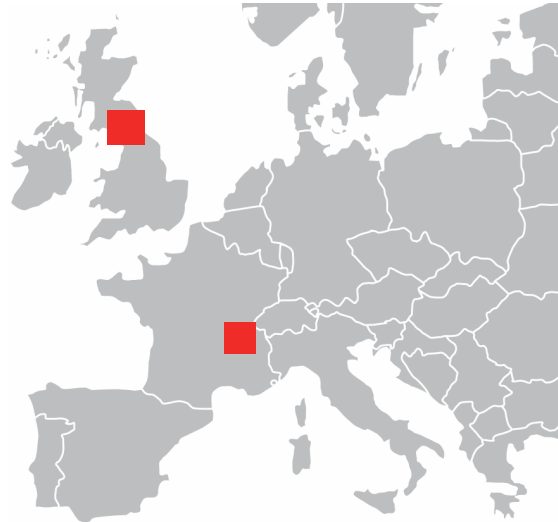
- Net sales of EUR 300 million
- Serving top ten customers (2/3 of global wipes demand)
- Fiberweb & Orlandi consolidated in Q2
- Integration costs of EUR 1 million per quarter expected in 2007
- Wiping fabrics business expected to generate 8-9% EBIT in 3-5 years in order to meet ROCE 13% criteria

\* Based on management estimates on sales and capacities

## Integration of Orlandi & Fiberweb

- Acquisitions closed on April 30 (Orlandi) and May 25 (Fiberweb)
- Global business team, key account managers for top 10 customers; wipes & sales network forces for regional sales; country structure for operations; global R&D resources
- Europe: Mozzate head office for wipes in Europe, back office integration with Ahlstrom Turin; Cressa, Alicante, Gallarate, and Carbonate production facilities
- USA: Bethune back office and business integration with Ahlstrom Windsor Locks and GreenBay
- Integration estimated to be completed by end of 2007. Benefits visible from 2008 and 2009 onwards

# Nonwovens business area growth



## Wiping fabrics, Brazil

- Wiping fabrics line in Brazil, EUR 17 million, Q1 2008
- Orlandi and Fiberweb acquisitions, EUR 125 million, consolidated in Q2 2008

## Food nonwovens, UK

- Spunmelt line, EUR 27 million, Q4 2008
- Serving infusion products market

## Industrial Nonwovens, France

- Needlepunch line, EUR 6 million, Q4 2007
- Serving building, graphics, automotive, wipes and niche hygiene sectors

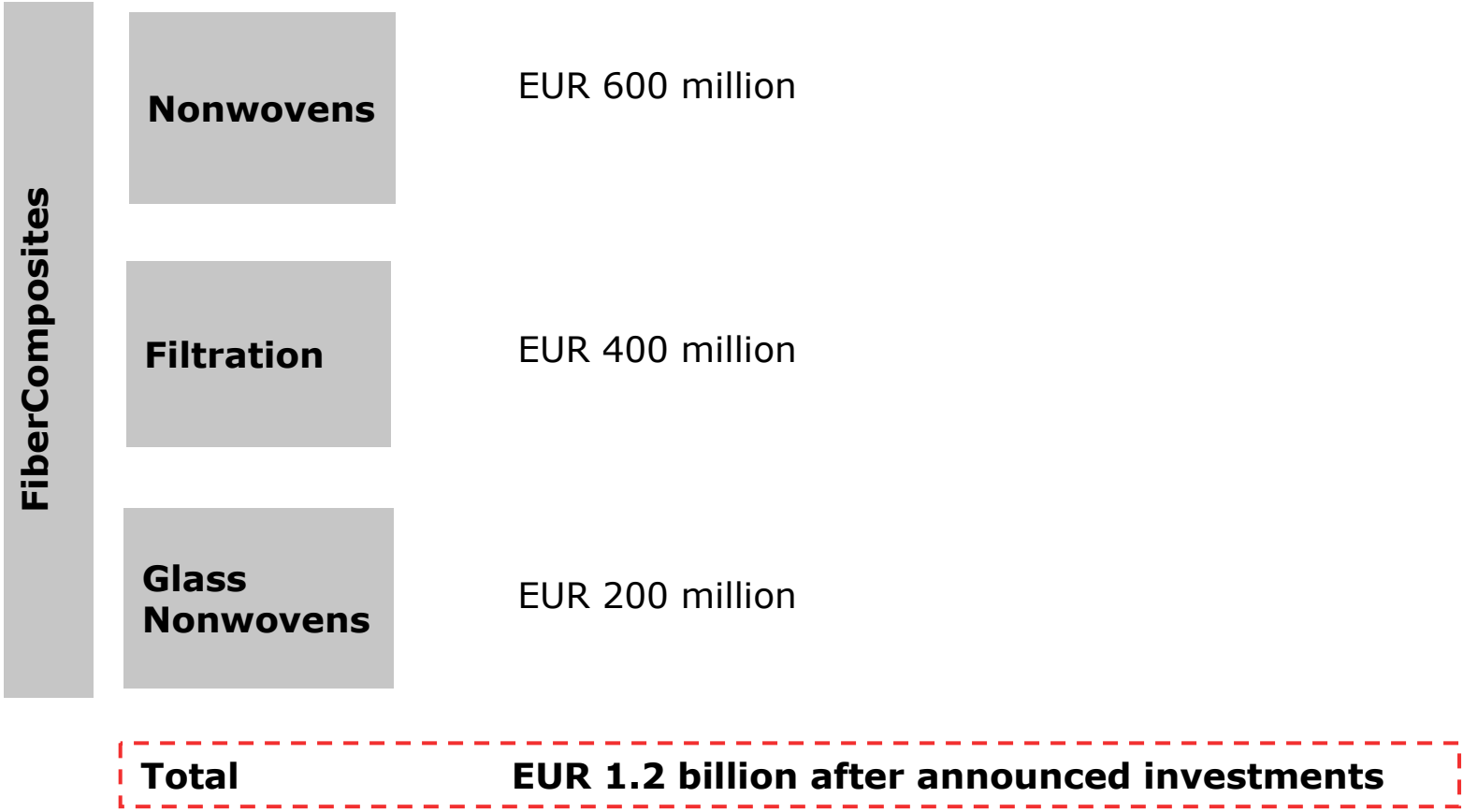
## Medical

**Business area topline EUR 600 million after announced investments**





# FiberComposites



## Nonwoven business area- strategic priorities

- **Further globalization of the business area**
  - Expand production in Asia and other emerging markets
- **Improving profitability**
  - Productivity and integration benefits
  - Operating leverage
- **Increasing market share**
  - Innovation and technology as base for increasing market share
  - Possible selected acquisitions
  - Nonwovens usage continues to grow - good basis for expansion