

AHLSTROM

# Ahlstrom Capital Markets Day 2012

High performance  
fiber-based materials company

December 4, 2012

Seppo Parvi  
CFO

# Pro forma income statement

EUR million	Q1-Q3/ 2012*	Q1-Q3/ 2012**
	Pro forma	Reported
<b>Net sales</b>	<b>776.1</b>	<b>1,210.7</b>
Cost of goods sold	-663.1	-1,047.4
<b>Gross profit</b>	<b>113.0</b>	<b>163.7</b>
Sales, administrative and research & development expenses	-102.0	-132.2
Other income and expenses	2.6	-2.7
<b>Operating profit / loss</b>	<b>13.7</b>	<b>33.9</b>
Net financial expenses	-13.6	-14.6
Share of profit / loss of equity accounted investments	-2.5	-5.7
<b>Profit / Loss before taxes</b>	<b>-2.4</b>	<b>13.5</b>
Income taxes / deferred tax	-7.7	-13.7
<b>Profit / Loss for the period from continuing operations</b>	<b>-10.1</b>	<b>-0.1</b>
Profit for the period from discontinued operations	<b>16.0</b>	<b>1.7</b>
<b>Profit for the period</b>	<b>5.9</b>	<b>1.6</b>
<b>Operating profit excl. NRI***</b>	<b>18.0</b>	<b>39.8</b>

▶ The cost structure adjusted to the extent such costs will remain with Ahlstrom after the demergers.

▶ Does not include any potential rightsizing measures after the transaction.

\*) Pro forma Q1-Q3/2012 continuing operations excluding Home and Personal and Label and Processing business areas.

The unaudited pro forma information illustrates the financial impact of the demergers of Label and Processing businesses in Europe and Brazil to Ahlstrom's consolidated income statement as if the transaction had been completed on January 1, 2011. The unaudited pro forma information addresses a hypothetical situation and therefore does not represent Ahlstrom's actual financial position nor results.

\*\*) Q1-Q3/2012 continuing operations excluding Home and Personal business area.

\*\*\*) Non-IFRS measure.

Non-recurring items consist of exceptional charges, such as costs relating to restructuring activities, with no continuing impact on Ahlstrom.

# Balance sheet

	Pro forma Sept. 30, 2012*	Reported Sept. 30, 2012**	
<b>EUR million</b>			
Total non-current assets	666.2	841.1	
Inventories	137.4	188.1	
Trade and other receivables	169.6	255.5	
Other short-term receivables	0.6	1.0	
Cash and cash equivalents	88.8	48.7	
Assets classified as held for sale	26.8	26.8	▶ Assumes that demerger is finalized
<b>Total assets</b>	<b>1,089.4</b>	<b>1,361.1</b>	
Total equity	501.2	555.4	▶ Net effect of the demerger
Provisions	16.1	22.1	
Interest bearing loans and borrowings	281.4	328.9	
Employee benefit obligations	40.0	76.0	
Trade and other payables	218.7	331.5	
Others	30.3	45.7	
Liabilities classified as held for sale	1.6	1.6	▶ Assumes that demerger is finalized
<b>Total equity and liabilities</b>	<b>1,089.4</b>	<b>1,361.1</b>	
<b>Gearing ratio</b>	<b>38.4</b>	<b>50.4</b>	▶ Net debt reduced by MEUR 87 after Investment in Munksjö shares

\*) Pro forma Q1-Q3/2012 continuing operations excluding Home and Personal and Label and Processing business areas.

The unaudited pro forma information illustrates the financial impact of the demergers of Label and Processing businesses in Europe and Brazil to Ahlstrom's consolidated income statement as if the transaction had been completed on January 1, 2011. The unaudited pro forma information addresses a hypothetical situation and therefore does not represent Ahlstrom's actual financial position nor results.

\*\*) Q1-Q3/2012 continuing operations excluding Home and Personal business area.

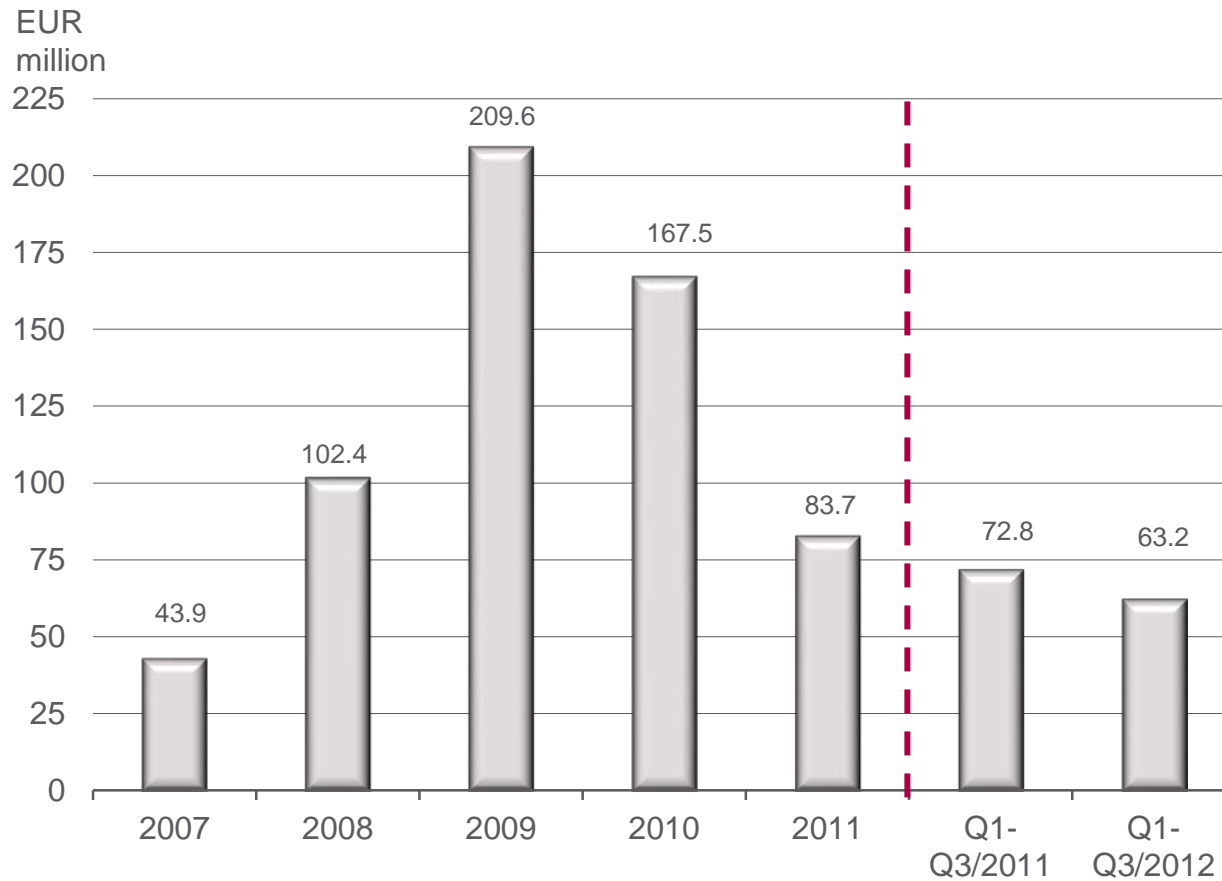
Non-recurring items consist of exceptional charges, such as costs relating to restructuring activities, with no continuing impact on Ahlstrom.

# Outlook for 2012

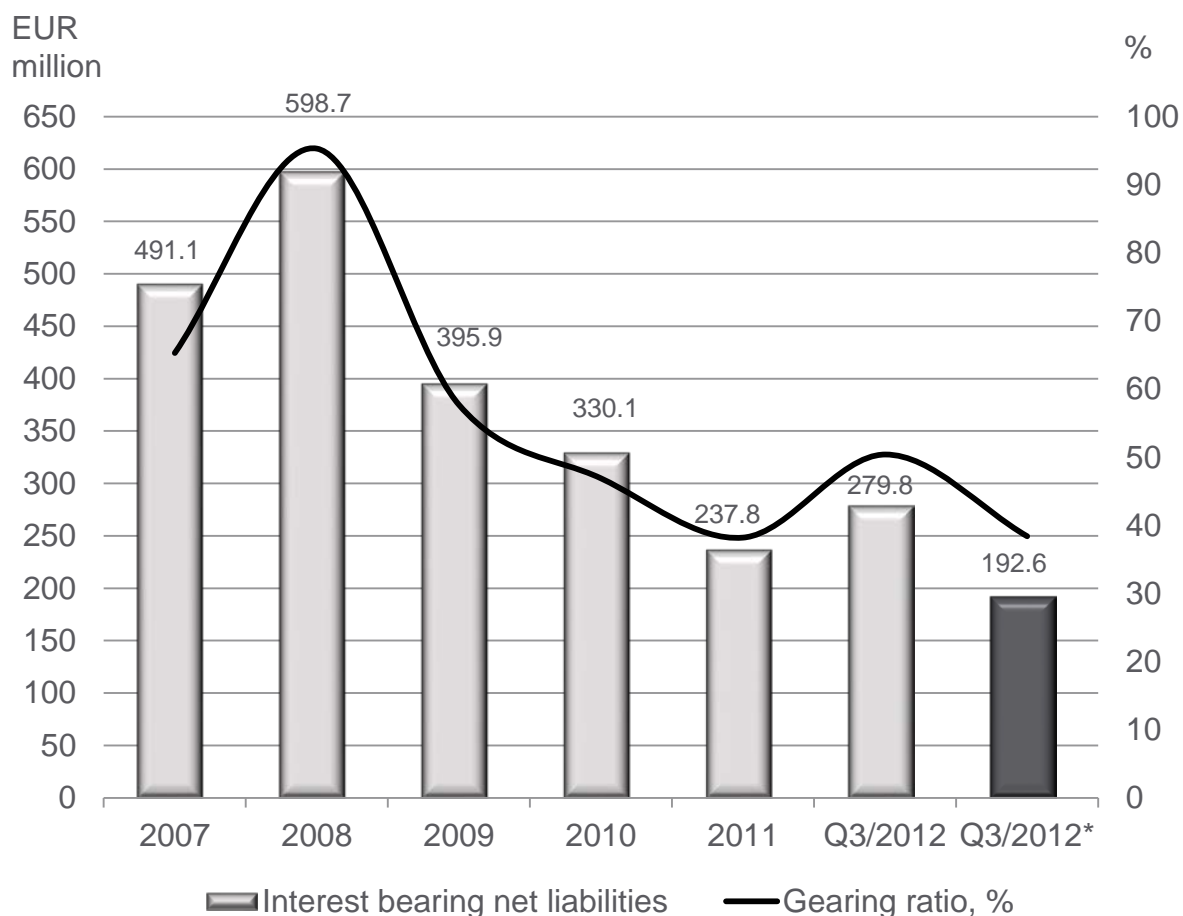
- The outlook was updated on November 27, 2012
  - Ahlstrom's view of the market environment remains unchanged
  - The outlook was only adjusted to reflect the resolution by the EGM to approve the demerger of the Label and Processing business area
- Net sales from continuing operations are expected to be EUR 960-1,040 million
- Operating profit excluding non-recurring items from continuing operations is expected to be EUR 22-32 million



# Net cash from operating activities (including discontinued operations)



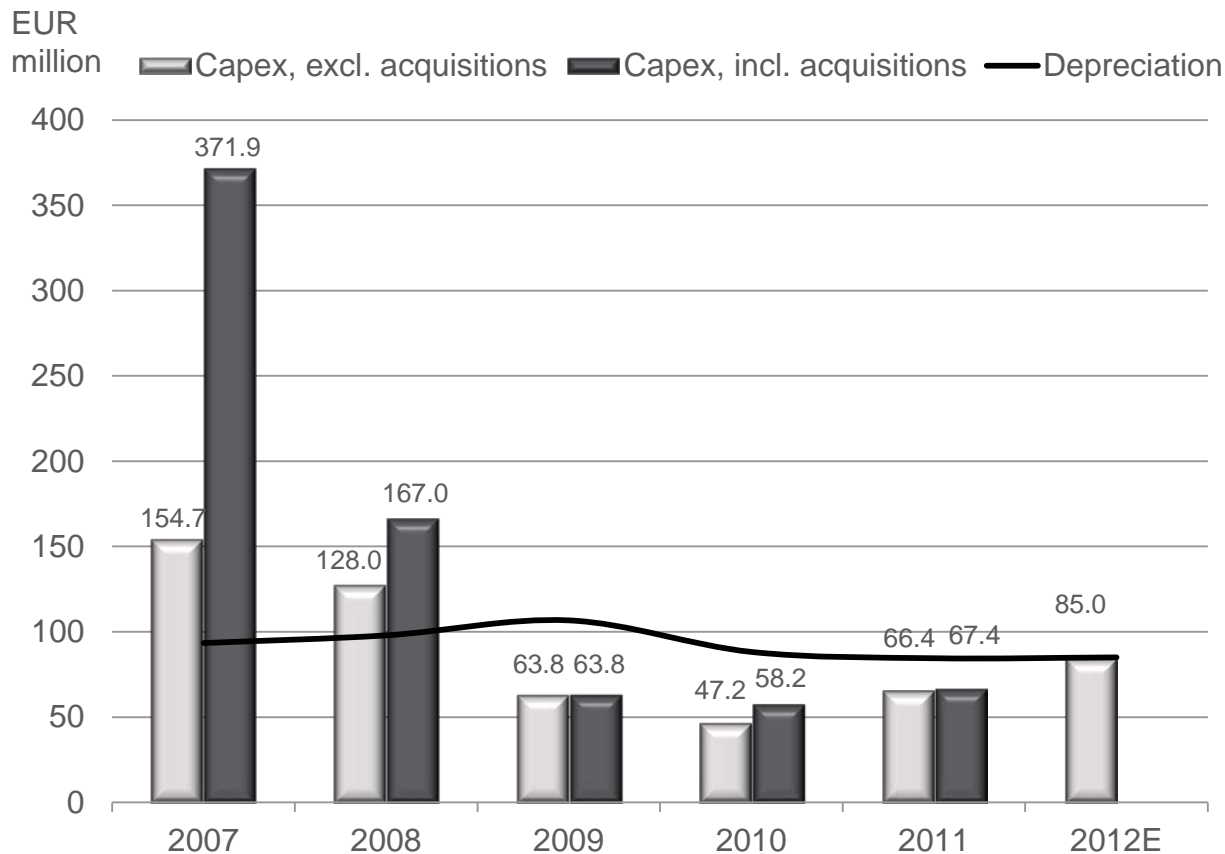
# Gearing ratio (including discontinued operations)



**Gearing ratio:  
target range 50–80%**

- Net debt and gearing ratio reduced starting from 2008
- Gearing ratio on September 30, 2012 was 50.4%
- \*Pro forma gearing ratio on September 30, 2012 was 38.4%

# Investments 2007-2012

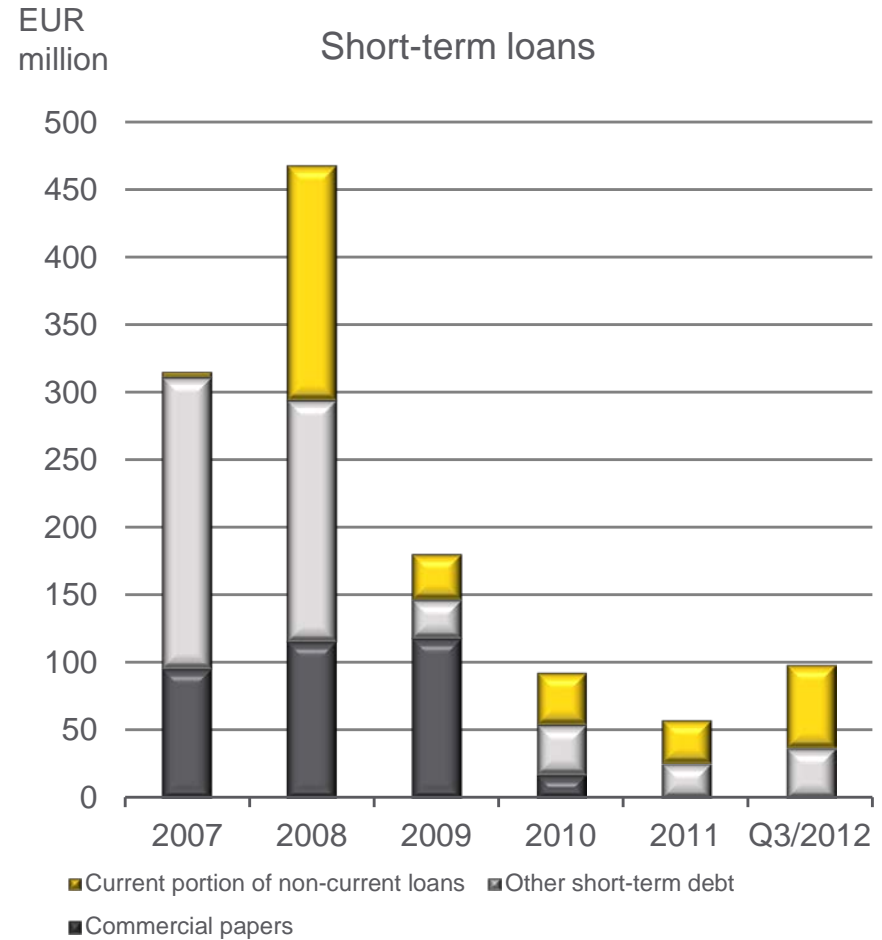
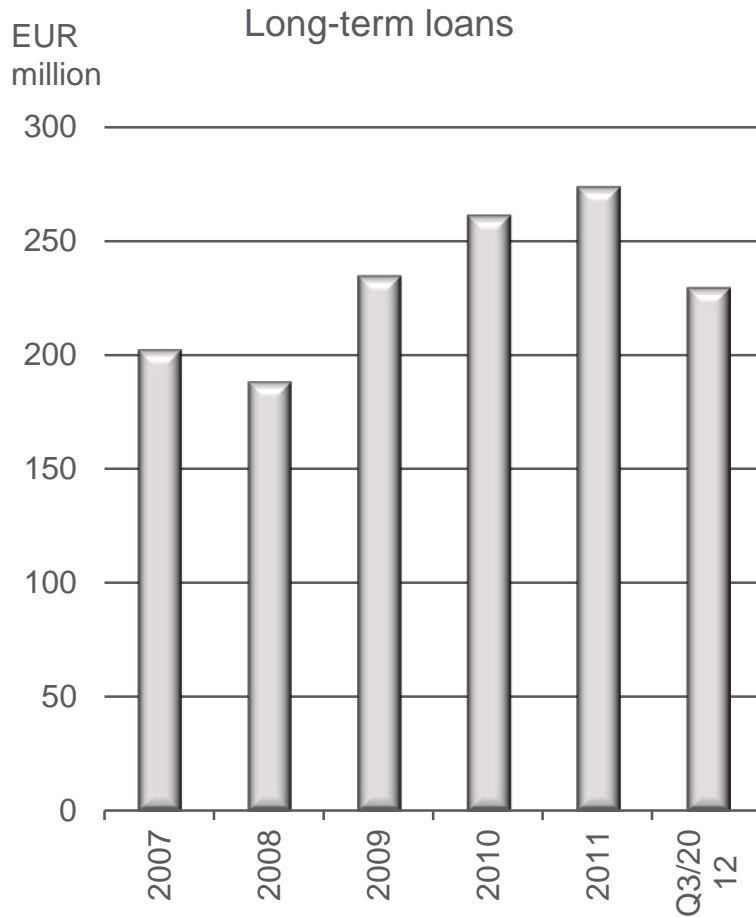


- Annual maintenance investments approximately EUR 40 million
- In 2011, investments were EUR 66.4 million, excluding acquisitions
- In 2012, investments are anticipated to be approximately EUR 85 million (excluding acquisitions)

# Debt portfolio

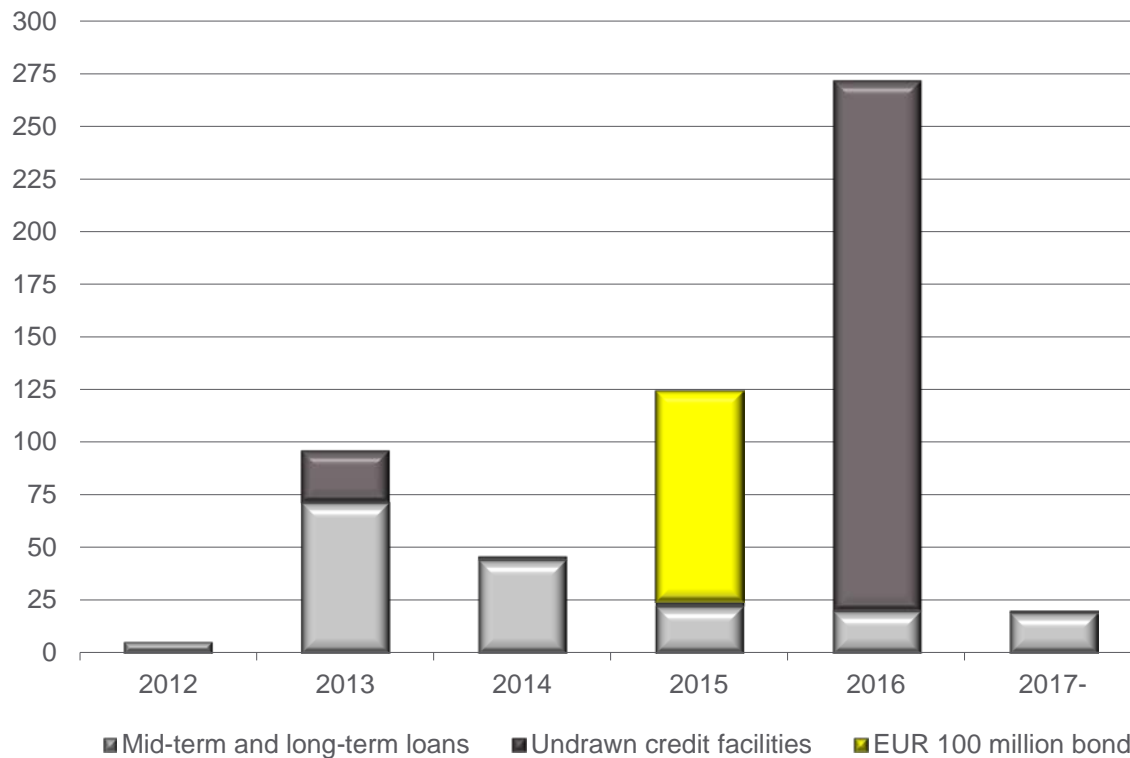


# Interest-bearing loans and borrowings



# Maturity profile of medium/long-term credit facilities at the end of Q3/2012

EUR million



- Total liquidity, including cash and unused committed credit facilities was EUR 331.3 million at the end of Q3/2012.
- In addition, Ahlstrom had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 150.8 million available.

# Business area financials

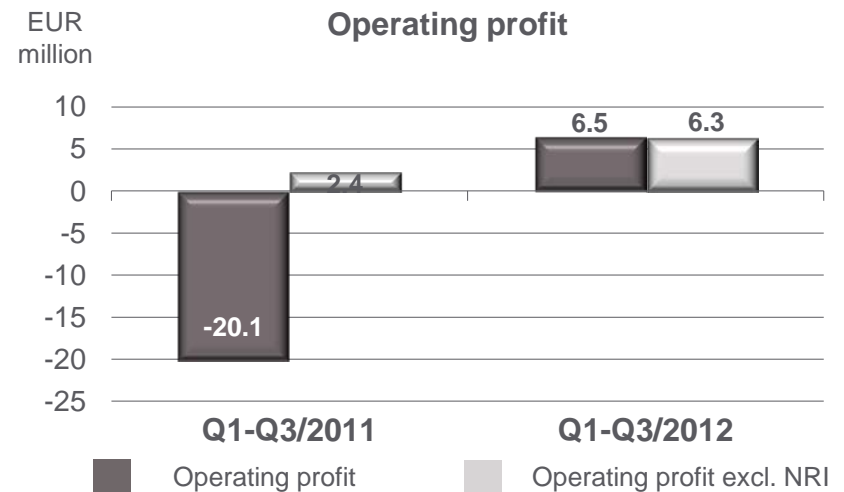
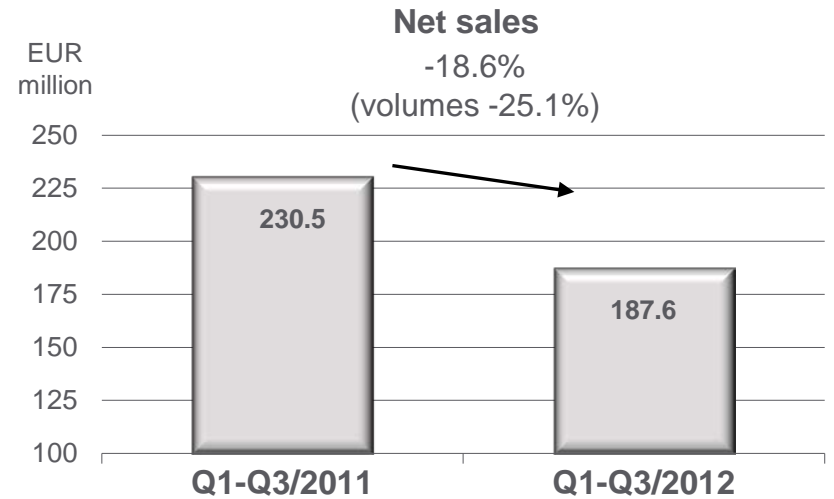
# Building and Energy

## Highlights

- Wallpaper and flooring materials in Europe
- Specialty nonwovens e.g. for the automotive and building industries
- Increase in profitability particularly due to the profit improvement program

## Lowlights

- Volume decline (-25.1%)
  - Excluding asset closures -5.1%
- Wallcoverings in China
- Wind energy



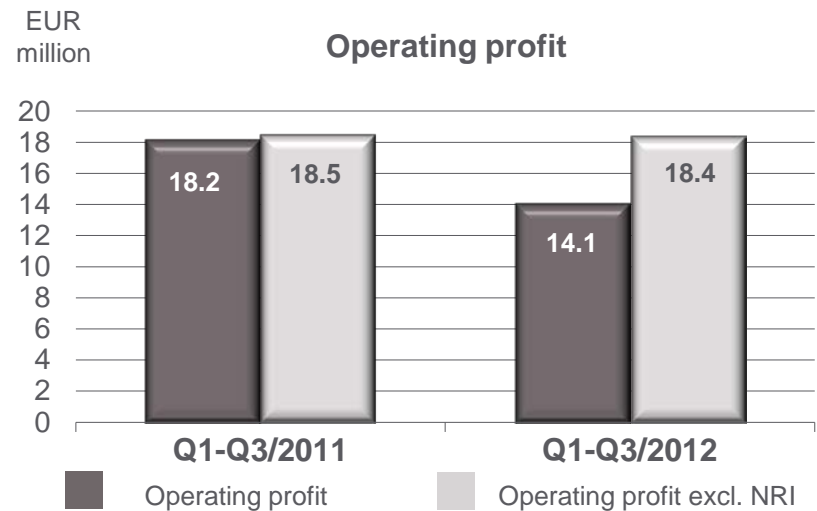
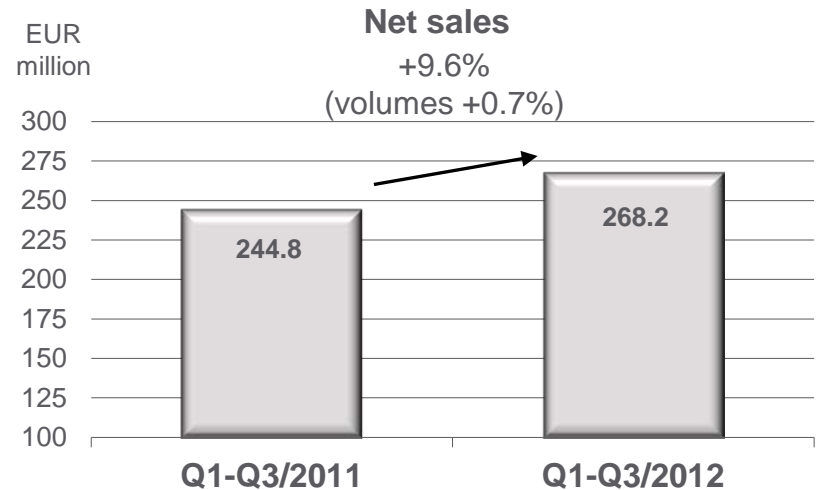
# Filtration

## Highlights

- Advanced Filtration e.g. gas turbine and life science applications
- Improved product mix
- Favorable currency effect on net sales

## Lowlights

- Demand in Europe
- Increased energy costs in Italy, and specialty pulps costs in general



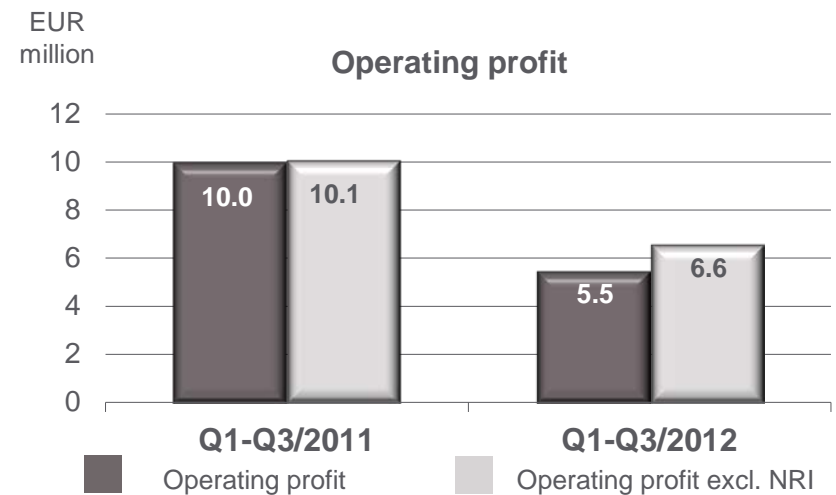
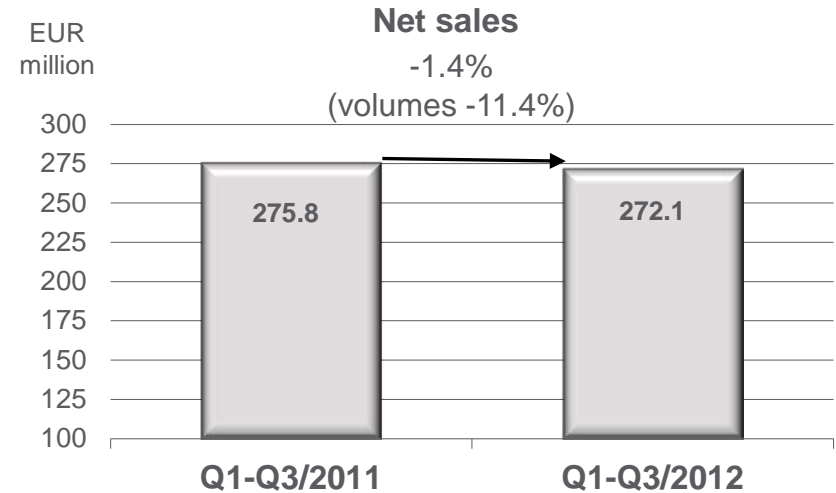
# Food and Medical

## Highlights

- Higher selling prices
- Improved product mix

## Lowlights

- Demand for tape and food packaging products
- Exit from some unprofitable markets
- Increased market related downtime



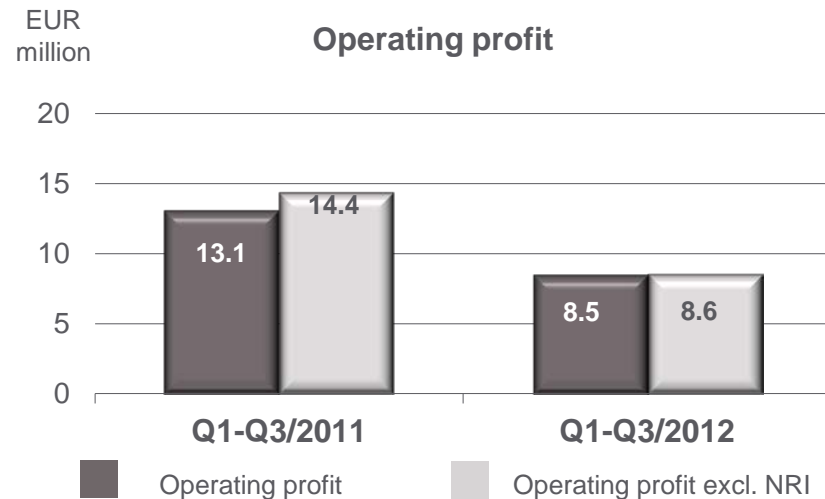
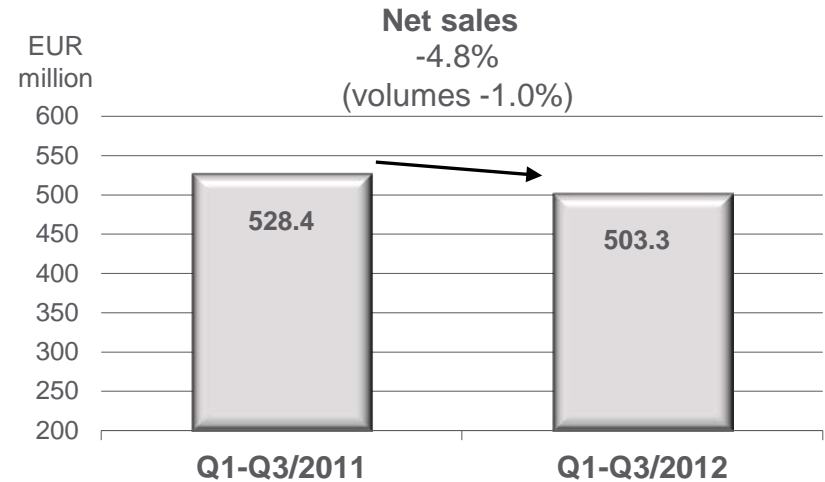
# Label and Processing

## Highlights

- Release liners sales supported by recently introduced Acti-V™ products
- Price increases implemented
- Profit improvement program
- Responsiveness to market conditions
  - Short-term cost savings, market related downtime, tactical volumes

## Lowlights

- Soft demand in general
- EUR/USD currency rate impacted pulp prices
- Product mix
- Higher energy costs in Italy and Brazil



Stay ahead™

**Thank you**

**Ahlstrom Corporation**

P.O. Box 329, Salmisaarenaukio 1

FI-00101 Helsinki, Finland

T: +358 (0)10 888 0

F: +358 (0)10 888 4709

info@ahlstrom.com

www.ahlstrom.com