

Ahlstrom Capital Markets Day 2011

Solid strategy execution

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Food and Medical overview

Our Food and Medical Business Area develops and supplies globally innovative, value added materials for the following markets:

Food



Beverage



Packaging



Tape & Specialty

Medical



Gown & Apparel



Drape



Sterile Barrier Systems

Food product offerings

Our broad spectrum of technologies allow us to provide our customers with the widest range of materials for the following markets:



Beverage

- Heatsealable filter webs
- Non-Heatsealable filter webs
- Ultrasonic sealable filter webs
- Coffee filter webs



Food packaging

- Cheese wrap
- Fish wrap
- Fibrous meat casing
- Genuine vegetable parchment
- Parchment for packaging
- Parchment for cooking, baking



Tape & Specialty

- Decal papers
- Decorative laminates
- Masking tape
- Process papers
- Tape and film cores
- Textile tubes
- Table cover and napkin paper
- Transfer papers
- Translucent fine papers

Food: Global platform



● Sales offices
● Plants

Bousbecque, France
*Brignoud, France**
 Chirnside, UK
 Kauttua, Finland
 Longkou, China (2012)
 Pont-Audemer, France
 Saint Séverin, France
 West Carrollton, OH – USA
 Windsor Locks, CT – USA

** Operated by another Business Area but manufacturer some Food products.*

Medical product offerings

Throughout the world, Ahlstrom provides operating rooms and theaters with infection protection through the use of our single-use medical substrates.



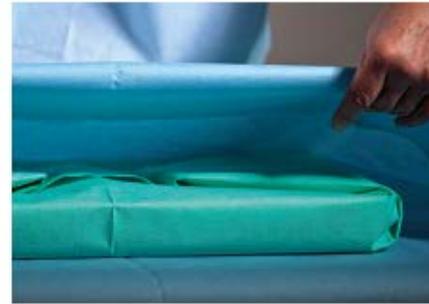
Gown & Apparel

- Surgical gowns
- Surgical facemasks
- Protective apparel



Drapes

- Surgical drapes
- Warming blankets



Sterile Barrier Systems

- Sterilization wrap
- Sterilization pouches

Medical: Global platform



- Sales offices
- Plants

Longkou, China (2012)
Mundra, India
Pont-Audemer, France
*Rottersac, France**
Windsor Locks, CT – USA

**Operated by another Business Area but manufacturer some Medical products.*

Market drivers and opportunities

Food – Market drivers and opportunities

Market	Drivers	Market growth estimates*
Europe	<ul style="list-style-type: none">– Major growth driven by east Europe and Russia– Increasing awareness of sustainability– Consolidation in some industries– Increasing manufacture in Asia for domestic consumption	3 - 4%
Americas	<ul style="list-style-type: none">– North America:<ul style="list-style-type: none">– Strong competition for Food products, focus on sustainable products– South America:<ul style="list-style-type: none">– Price driven, local suppliers offer lower but acceptable quality, demand driven by local life style	North America : 4 - 6% South America : 6 - 8%
Asia	<ul style="list-style-type: none">– Economic expansion of many industries– Local competition growing, exports to non-domestic markets– Price sensitive– Investment in vertical integration of the value chain	9 - 10%

Medical – Market drivers and opportunities

Market	Drivers	Market growth estimates*
Europe	<ul style="list-style-type: none">– Highly penetrated with single use materials, further conversion expected– Cost pressures from hospital buying groups– Growth from Eastern Europe	3 - 4%
Americas	<ul style="list-style-type: none">– Increased attention to infection control / prevention– Healthcare Reform– Clinical efficacy and cost driving purchasing decisions	North America: 2 - 3% South America: 8 - 10%
Asia	<ul style="list-style-type: none">– Higher growth in emerging markets– High concentration of converting– Continued conversion to single use materials	8 - 10%

*Expected average annual growth rate for the next three years.

Update on Chirnside teabag materials line

- Investment:
 - Recyclable and biodegradable materials for teabags
 - EUR 27 million investment, start-up in late 2008
 - Challenges in commercialization
- Actions implemented/planned:
 - Commercialization underway on several converting platforms
 - Market very interested in sustainability and increase opacity of our product compared to standard product



Update on Mundra medical materials plant

- Investment:
 - Medical materials used in surgical drapes and gowns
 - EUR 42 million investment, start-up in early 2010
 - Challenges in commercialization
- Actions implemented/planned:
 - Topical treatment for alcohol resistance and anti static properties to start up in December
 - Superior soft product to be launched in 2012
 - Non-medical products will be phased out as medical customers approve our products



Strategic priorities and success factors

Strategic priorities

- Global solution provider with #1 or #2 positions in our six product families
- Food
 - Expand the range of sustainable products
 - Genuine Vegetable Parchment
 - Biodegradable materials (polylactid acid spunbond)
 - Strengthen global presence
 - Startup of Longkou plant
 - Increase manufacturing utilization in North America
- Medical
 - Expand differentiated product offering
 - New medical offering from Mundra plant
 - Strengthen global platform
 - Startup of Longkou plant

Product Family	Current Ranking*
Food	
Beverage	2
Food Packaging	2
Tape	1
Medical	
Drape, Gown & Apparel	1 (high-end market) 2 (overall)
Sterile Barrier Systems	3

*Global market position. Management estimate.

Success factors

Way to Play

Food: Provide customized high value product supported by regional service and support.

Medical: Customize fabrics to meet the most critical performance requirements.

Food

- Growth in Asia
 - Successful commercialization of products from Longkou
- Sustainable product offering
- Introduction of new products
- Supply chain cost reductions
- Profit optimization of product mix

Medical

- Growth Asia
 - Successful commercialization of products from Longkou
- Strong relationship with global marketers of single use medical products
- Expansion and promotion of high performance materials
- Continued penetration of single use materials in high growth emerging markets

Business case: Expansion in Asia

Expansion in Asia: Crepe papers

- Joint venture with Longkou Yulong Paper Co. Ltd (Ahlstrom's share 60%)
- Located in Longkou, in the province of Shandong in northeastern China
- Investment of EUR 21.9 million
- Start-up second half of 2012
- Target markets are masking tape and medical sterile barrier systems
- Ahlstrom's third location with crepe paper technology (Pont Audemer, France and Kauttua, Finland)
- Quality advantage compared to locally produced material and cost competitive



Stay ahead™

Thank you