

Investor Presentation

December, 2011

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Progressive company

- High performance materials company
- Approximately 5,200 employees in 26 countries on six continents
- Listed on the NASDAQ OMX Helsinki since 2006
- Net sales EUR 1.64 billion in 2010*
- Community focused
- Founded in 1851, constantly moving forward



*Including continuing operations

Delivering in the big picture

Building and Energy



End-use applications

- Wall coverings
- Floorings
- Building panels
- Fabric care
- Wind turbine blades
- Boat hulls

Filtration



- Automotive and transportation filtration
- Water filtration
- Gas turbine and life science filtration

Food and Medical



- Teabags
- Fibrous meat casings
- Food packaging
- Substrates for masking tapes
- Sterilization wraps
- Medical gowns
- Drapes and face masks

Label and Processing

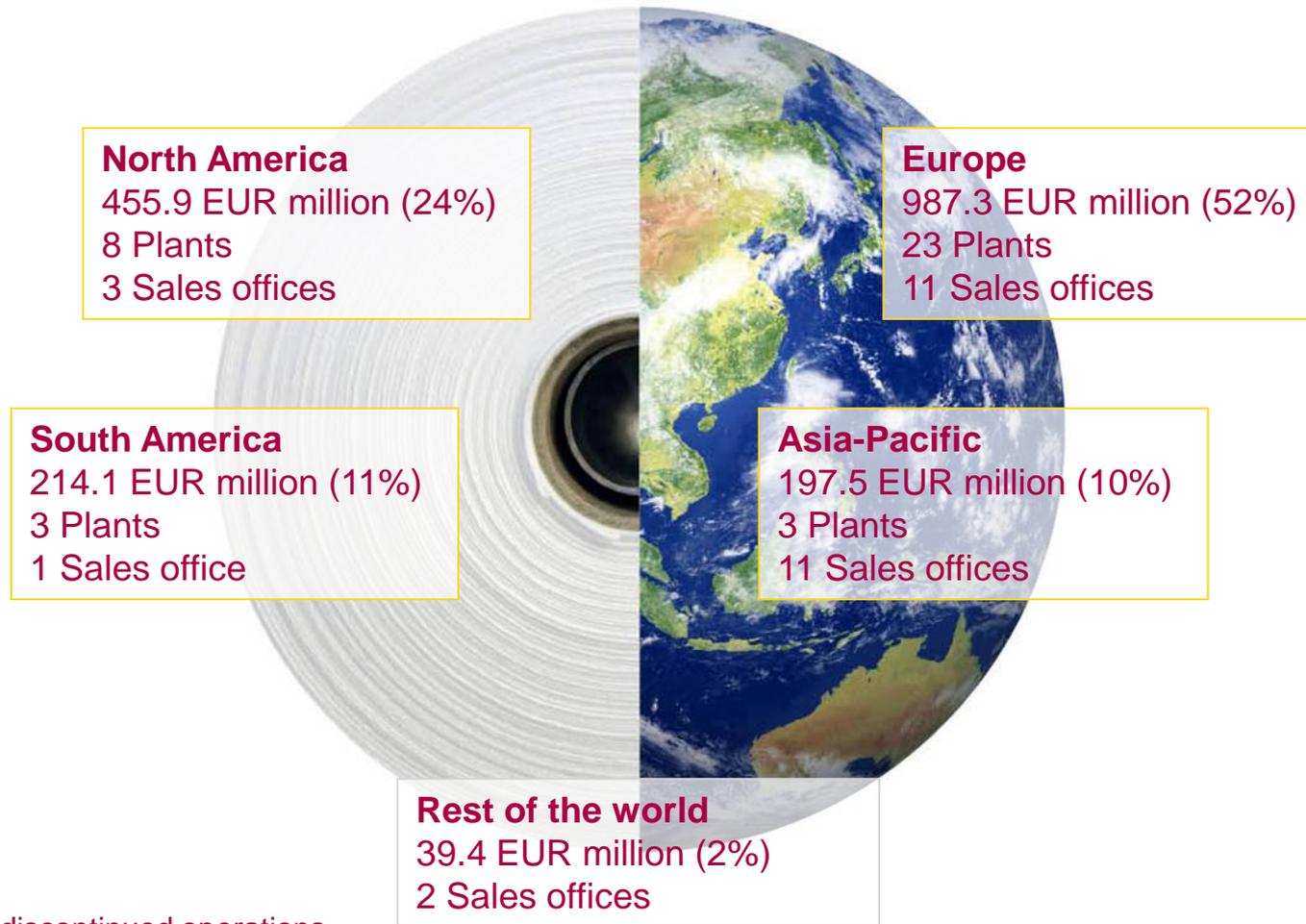


- Release liners
- Self-adhesive labels
- Wet glue and metalized labels for beverages
- Flexible packaging
- Poster papers
- Repositionable notes
- Furniture foils
- Abrasive papers

Creating value



Making and marketing globally (2010*)

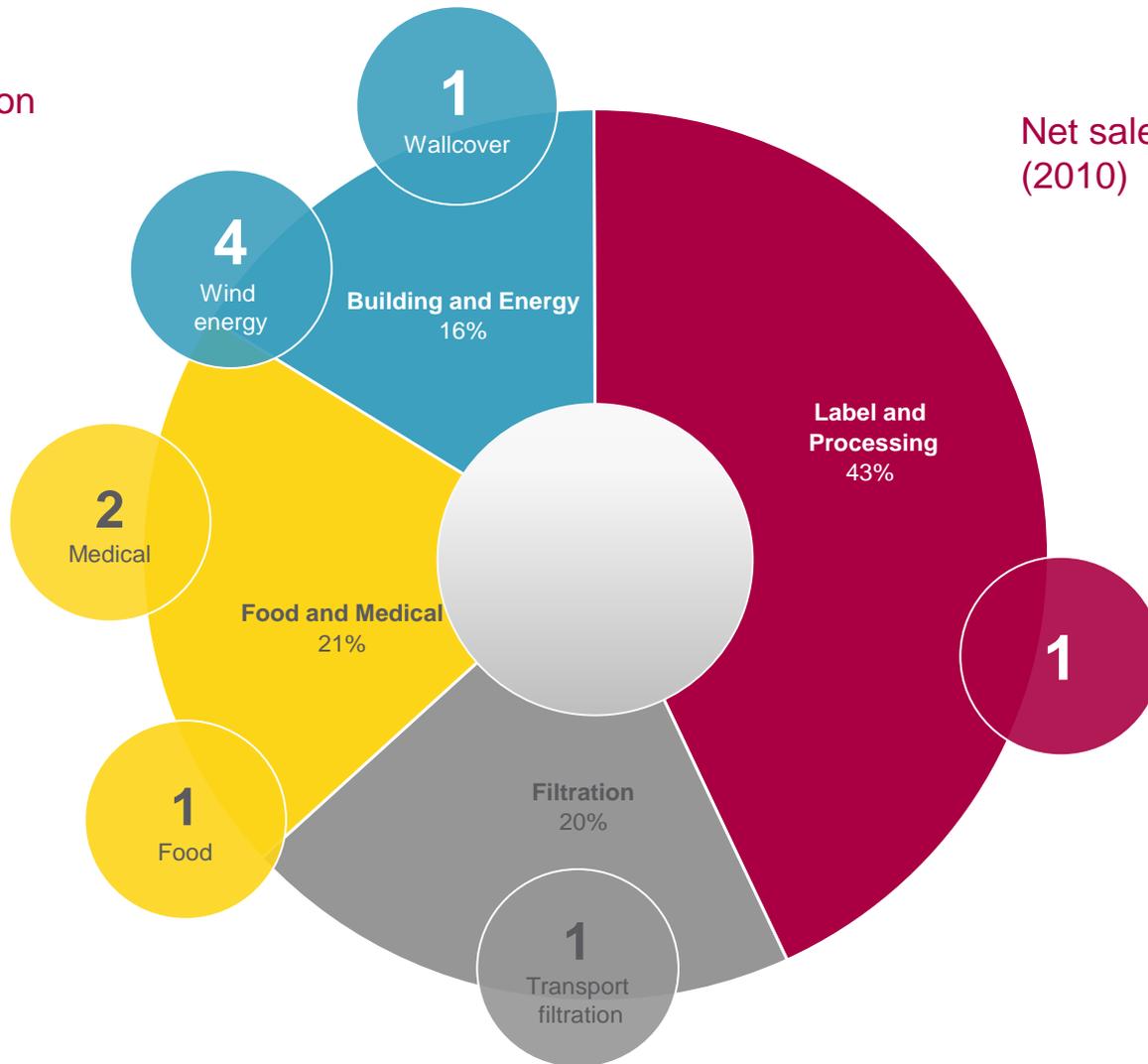


*Including discontinued operations

Leading supplier of fiber-based materials

Global market position
Management
estimate (2010)

Net sales by segment
(2010)



Major acquisitions and divestments

– 1980s

– 1990s

– 2000s

– 2010s

Focus on specialty papers, filtration

- Exit from commodity papers (1987)
- Acquisition of Filtration Sciences Inc. in the USA (1989)

Move to nonwovens

- Acquisition of Sibille-Dalle in France (1996)

Expand and focus on nonwovens and specialty papers

- Key Acquisitions:
- Dexter's nonwoven fabrics production in the USA (2000)
 - Orlandi's spunlace production in Italy (2007)
 - Fiberweb's consumer wipes business in Italy, Spain, USA (2007)
 - Fabriano Filter Media in Italy (2007)
 - Friend Group, manufacturer of vegetable parchment in the USA (2008)

Divestments

- Ahlstrom machinery (2000)
- Ahlstrom Pumps (2000)
- Ahlstrom Electronics (2000)
- Åkerlund & Rausing Carton (2000) and flexible packaging (2001)
- Kamtech (2002)
- Alcore cores and board (2004-2006)

Expand in Asia

- Acquisition of a filtration plant in China (2010)
- Exit from dust and air filtration materials, sealing & shielding papers (2010)
- Divestment of Home and Personal – business area

Q3/2011 Summary & Outlook

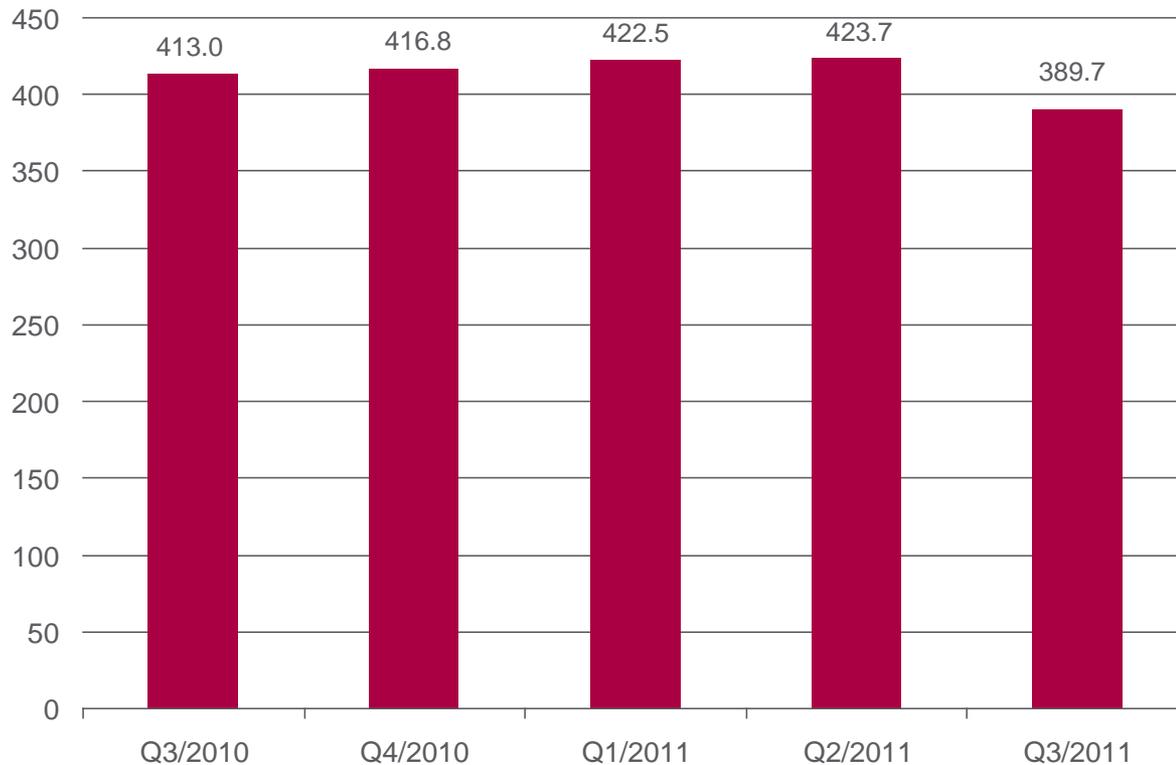
July–September 2011 in brief

- Net sales and volumes below comparison period
- Operating profit excl. NRI EUR 8.0 million vs EUR 13.8 million in Q3/2010 (continuing operations)
- Main markets did not recover as expected in September
- Food and Medical improved performance QoQ and YoY
- Home and Personal divestment



Net sales Q3/2010–Q3/2011 (continuing ops.)

EUR million



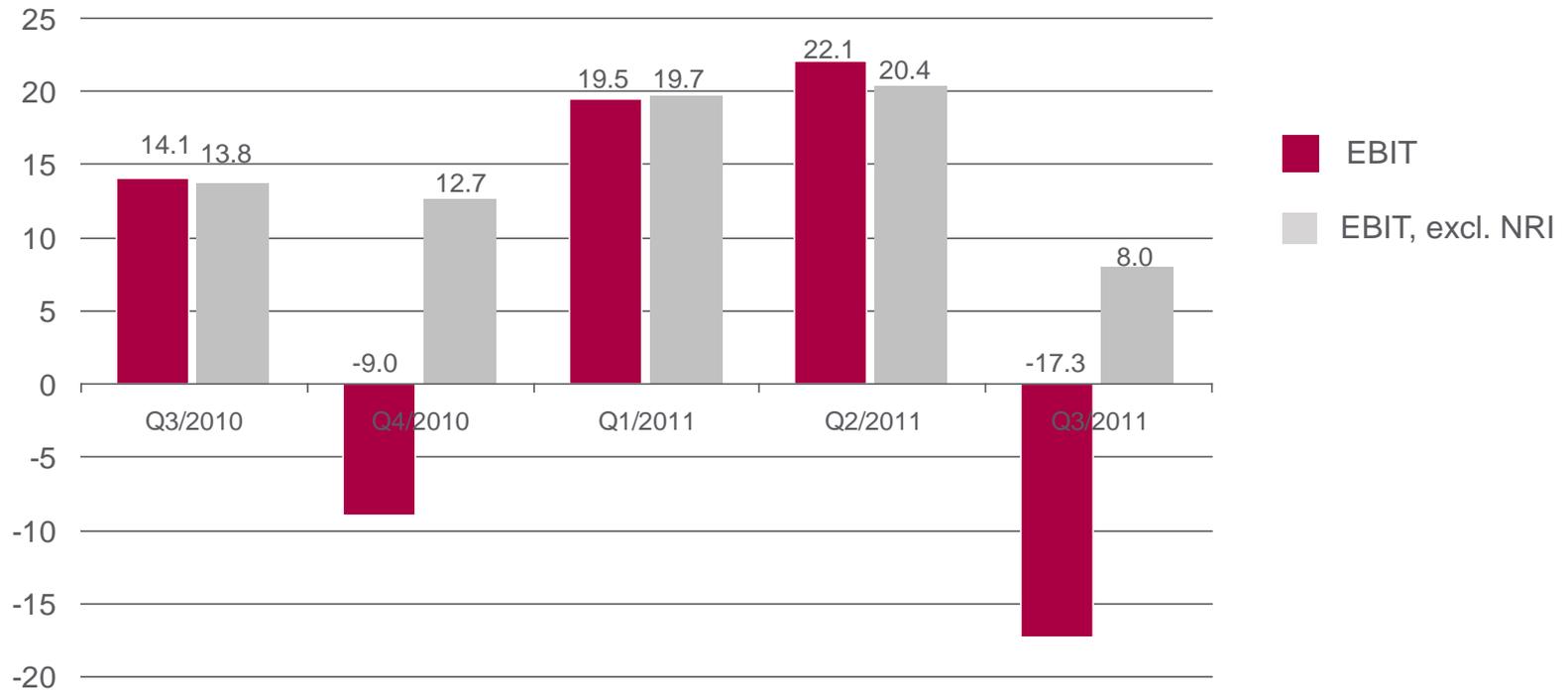
- Net sales fell 5.6% from Q3/2010
- Total sales volumes in tons down 3.6% from Q3/2010
- Sales volumes excluding divestments and new assets fell 1.9% from Q3/2010

Breakdown of net sales change

Q3/2010	Change, %
Price and mix	0.4
Currency	-2.4
Volume	-0.7
Divestments and new assets	-2.9
Q3/2011	-5.6

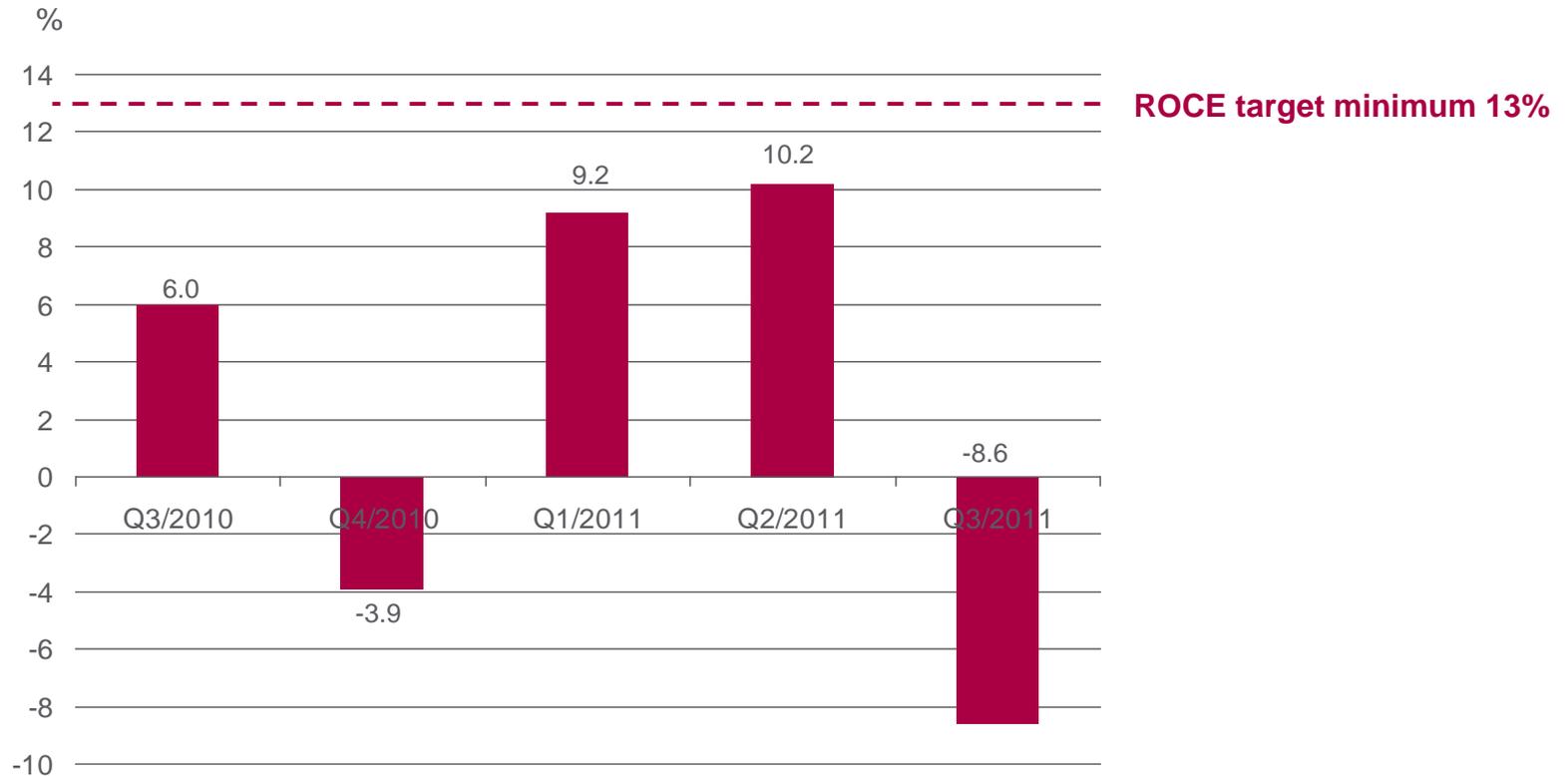
Operating profit/loss Q3/2010–Q3/2011 (continuing ops.)

EUR million



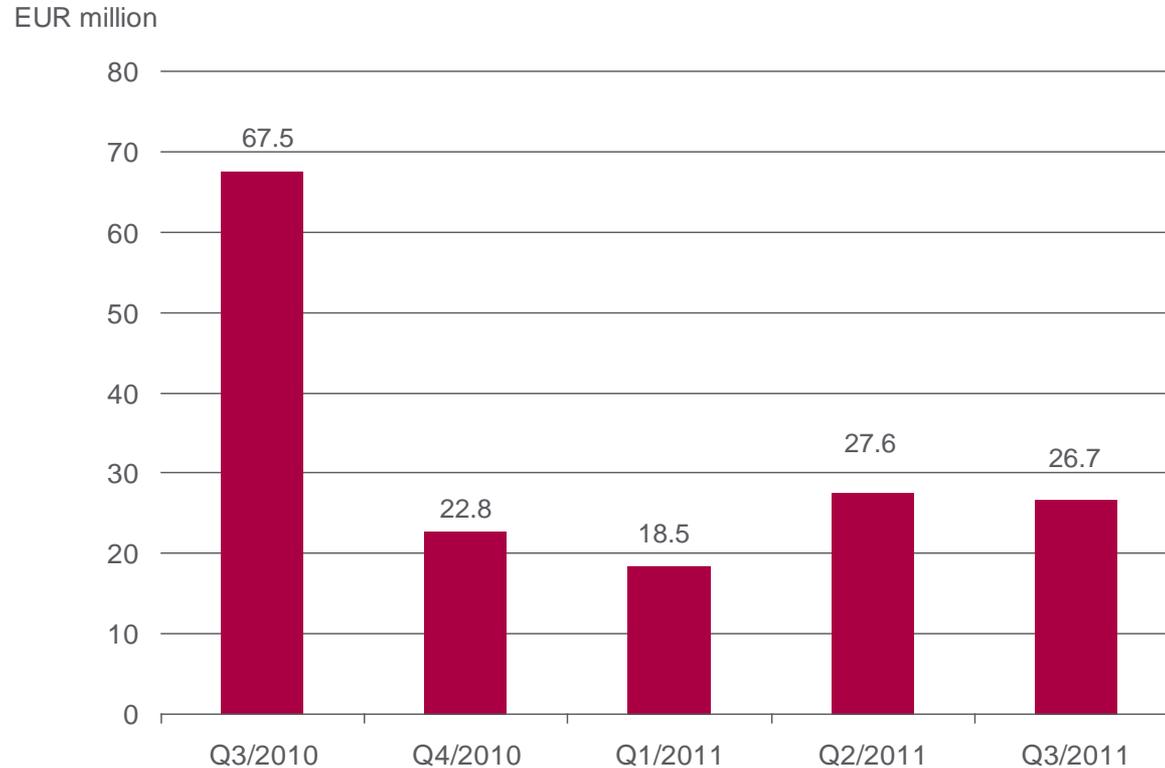
- Profitability impacted by lower sales volumes, and higher raw material costs not fully compensated by higher selling prices
- Challenges with new production lines continued

Return on capital employed (continuing ops.)



- Q3/2011 figure includes non-recurring costs of EUR 25.3 million

Net cash from operating activities Q3/2010–Q3/2011 (including discontinued ops.)



Profit improvement program

- Address underperforming businesses
- Improve annual operating profit by about EUR 15 million starting from 2012
- May affect approximately 400 people
- Actions announced:
 - Ending glassfiber and glassfiber mats production in Karhula. Production of glassfiber tissue continues
 - Closing loss-making hybrid wallcover line in Turin
 - Streamlining operations in Osnabrück
 - Non-recurring costs of EUR 25 million booked in Q3/2011, the overall impact is cash neutral
- Further measures under consideration



Current priorities - management agenda

- Implement profit improvement program
- Address with increased vigor the cost structure in the supply chain
 - Reduction of manufacturing waste
- Execute strategy through
 - Driving profitable growth in our strategic businesses
 - Seeking and investing in our strategic growth opportunities
 - Expanding operations in Asia
- Group-wide development programs support execution of strategy



Outlook for the year 2011

- The outlook was updated on October 18, 2011
- Net sales from continuing operations are expected to be EUR 1,565-1,645 million
- Operating profit excluding non-recurring items from continuing operations is expected to be EUR 46-56 million
- Investments excluding acquisitions are estimated to amount to approximately EUR 85 million



Business Area review

Building and Energy



MEUR	Q3/2011	Q3/2010	Change, %	2010
Net Sales	67.0	66.3	1.0	269.9
EBIT	-23.5	0.5		1.3
EBIT ex. NRI	-1.0	0.5		1.3
% of net sales	-1.5	0.8		0.5
RONA, %	-70.2	1.4		0.9
Volume (1000s tons)	29.9	28.8	3.7	121.1

End-use applications

- Wallcoverings
- Floorings
- Building panels
- Fabric care
- Wind turbine blades
- Boat hulls

Main competitors

- OCV
- Saertex
- Johns Manville

Filtration



MEUR	Q3/2011	Q3/2010	Change, %	2010
Net Sales	78.7	87.4	-9.9	339.8
EBIT	4.5	7.0	-36.4	3.1
EBIT ex. NRI	4.2	6.8	-38.5	27.8
% of net sales	5.3	7.7	-	8.2
RONA, %	11.1	14.8	-	3.1
Volume (1000s tons)	27.0	28.9	-6.8	115.1

End-use applications

- Automotive and transportation filtration
- Water filtration
- Gas turbine and life science filtration

Main Competitors

- Hollingsworth & Vose
- Neenah Paper

Food and Medical



MEUR	Q3/2011	Q3/2010	Change, %	2010
Net Sales	91.5	88.7	3.1	354.7
EBIT	4.2	1.6	157.6	13.0
EBIT ex. NRI	4.3	1.6	164.9	14.0
% of net sales	4.7	1.8	-	4.0
RONA, %	8.3	3.0	-	6.3
Volume (1000s tons)	32.4	30.1	7.5	125.4

End-use applications

- Teabags
- Fibrous meat casings
- Food packaging
- Substrates for masking tapes
- Sterilization wraps
- Medical gowns
- Drapes and face masks

Main Competitors

- PGI
- Glatfelter

Label and Processing



MEUR	Q3/2011	Q3/2010	Change, %	2010
Net Sales	163.6	182.2	-10.2	724.3
EBIT	-3.7	7.7	-147.3	32.2
EBIT ex. NRI	-0.6	6.2	-110.0	30.6
% of net sales	-0.4	3.4	-	4.2
RONA, %	-5.6	10.6	-	10.9
Volume (1000s tons)	135.1	144.5	-6.5	601.0

End-use applications

- Release liners
- Self-adhesive labels
- Wet glue labels and metalized labels for beverages
- Flexible packaging
- Pharmaceuticals and cosmetics
- Poster papers
- Repositionable notes
- Furniture foils
- Abrasive papers

Main competitors

- UPM
- Arjowiggins
- Delfort
- Cham Paper
- M-real
- Wausau
- Glatfelter

Long-term financial targets and dividend policy

Long-term financial targets

Profitability

ROCE at least 13%

- To be reached by 2012

Growth

Annual net sales growth at least 5%

- At constant currency rates, including acquisitions

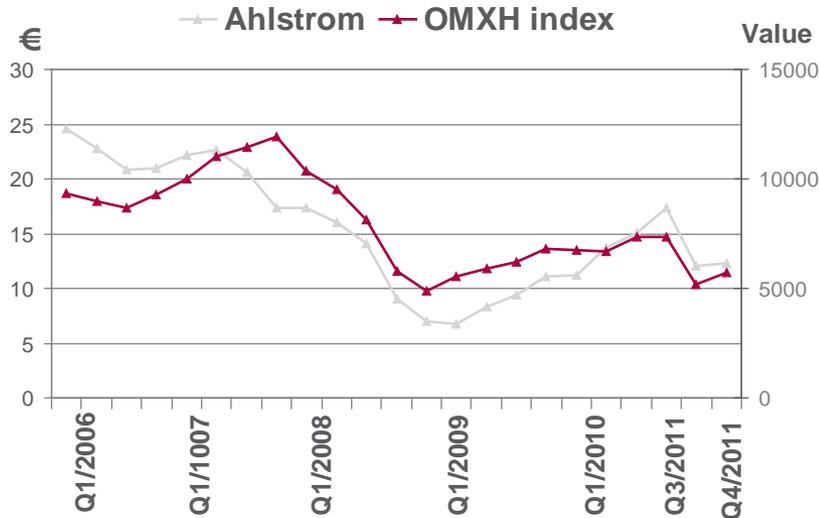
Solidity

Gearing 50-80%

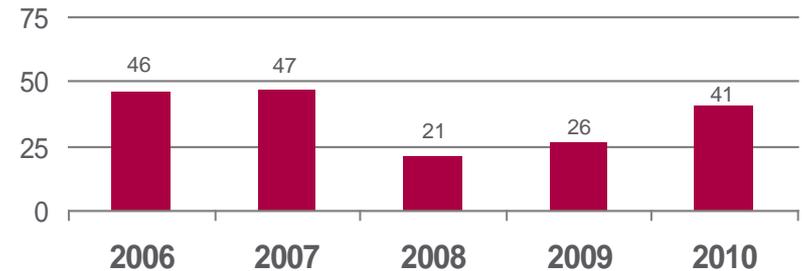
- To be maintained within the target range

Dividend policy

Share price (quarterly average)

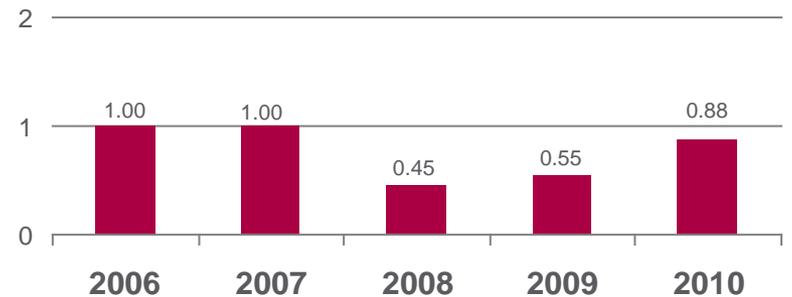


Total amount of dividends paid (EUR million)



Aim is to pay a dividend of not less than one third of net cash from operating activities after operative investments, calculated as three-year rolling average.

Dividend per share (EUR)



Shareholders

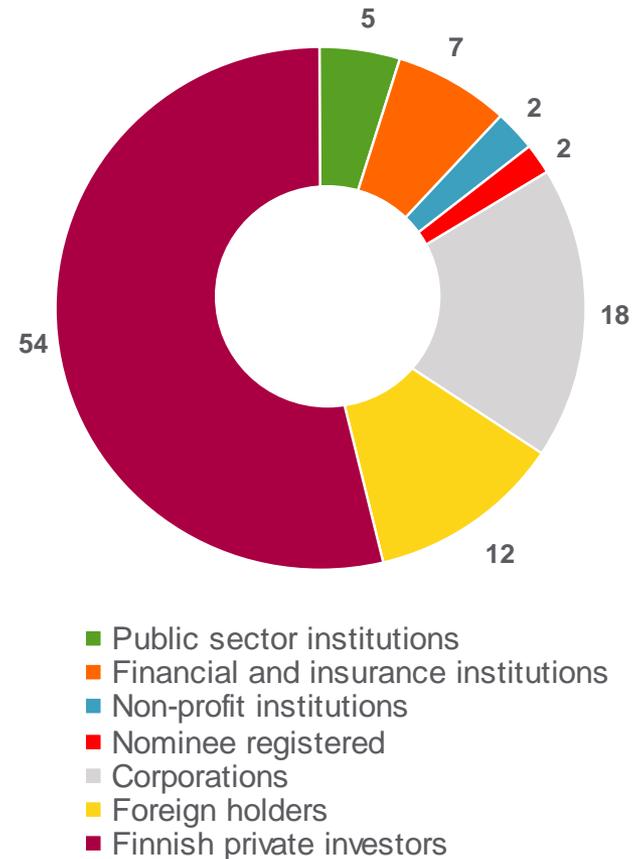
Major shareholders (30/11/2011)

1. Antti Ahlströmin Perilliset Oy	10.02%
2. Nordea Life Assurance Finland	4.63%
3. Vimpu Intressenter Ab	3.75%
4. Varma Mutual Pension Insurance Company	3.28%
5. Huber Mona Lilly	2.69%
6. Tracewski Jacqueline	2.16%
7. Nahi Kai Anders Bertel	1.54%
8. Lund Niklas Roland	1.49%
9. Huber Samuel	1.37%
10. Huber Karin	1.37%

Ahlström family members hold approximately 67% of the shares*

*Ahlstrom Corporation is not aware of any shareholders' agreements relating to its share

Shareholder structure (30/11/2011)



Strategy implementation

Strategic themes

Growth



- Grow organically as well as with acquisitions and partnerships
- Geographical focus in Asia
- Grow through differentiation and improved performance

Technology base



- Unique knowledge on high performance fibers, chemistry, advanced technologies and processes
- Enhance technology base with unique platforms, e.g. nano-technologies
- Leverage existing technologies to new applications and innovate new solutions

Global presence



- Global market reach, local customer insights
- Global operations, local customer service
- Global product offering, customize to market needs

Strategic Priorities

Building and Energy



Specialty & wallcover materials:

- Strengthen wallcover material presence particularly in Asia and expand the differentiated offering

Composites:

- Align supply platform for reinforcements' materials for wind energy and marine to global market trends
- Strengthen position in cushion-vinyl flooring materials globally

Filtration



Transportation Filtration:

- Grow with next generation applications and invest in global supply platform

Advanced Filtration:

- Grow substantially and establish global presence in air, water and life science materials

Strategic Priorities

Food and Medical



Food:

- Expand the range of sustainable products
- Strengthen global presence

Medical:

- Expand the differentiated product offering and strengthen global platform

Label and Processing



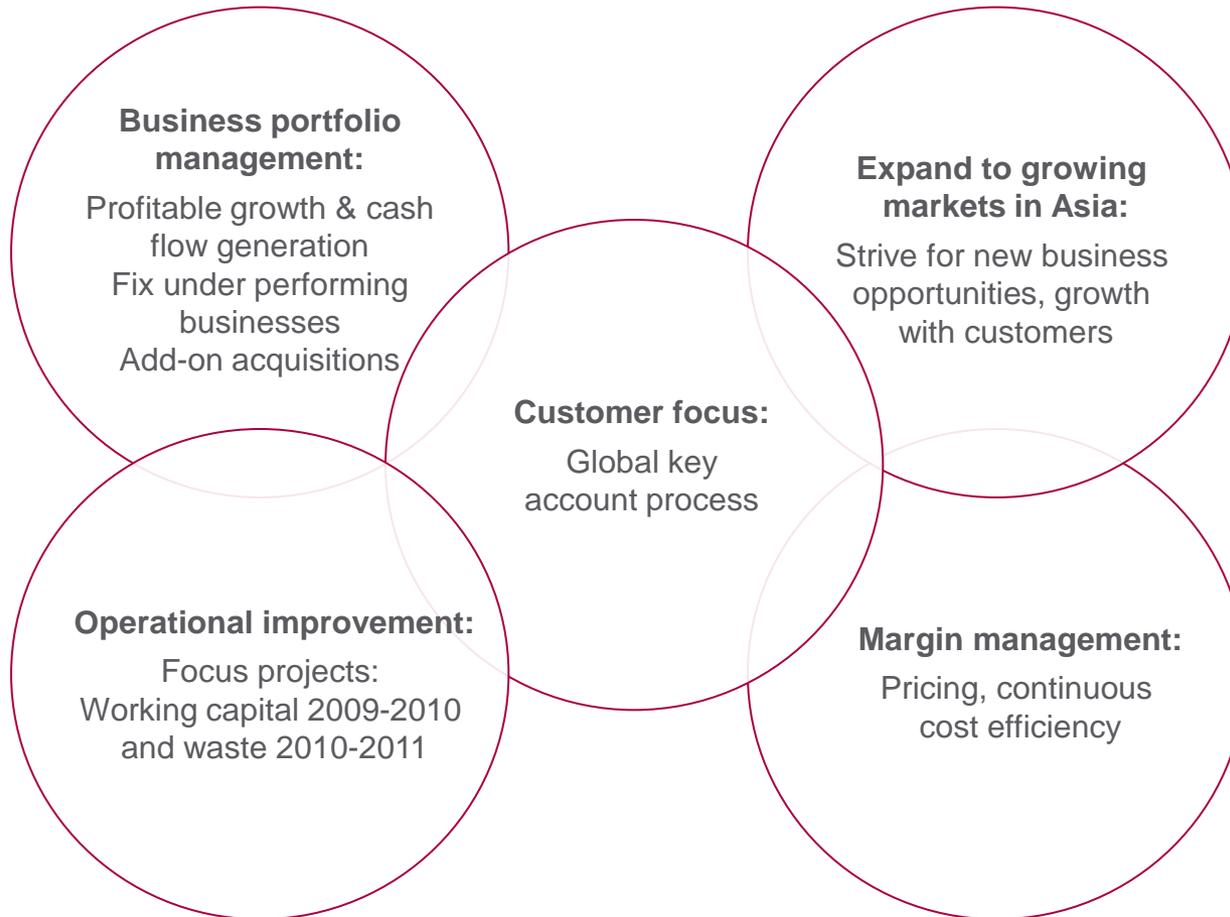
Business Area:

- Focus on cost effective materials with sustainable features

Release & Label:

- Grow release liners globally

Increasing profitability



Expanding in Asia

- Asia accounts for app. 25% of the global economy
 - Ahlstrom's share of net sales from Asia about 10% currently
 - Strengthening sales force in Asia
- Investments worth about EUR 100 million made or announced since 2009
 - Mundra medical materials plant in India
 - Longkou crepe papers JV in China
 - Acquisition of Binzhou filtration plant in China
 - Wallcover materials line in Binzhou
 - Specialty reinforcement lines in Binzhou

Binzhou and Longkou, China



Mundra, India

Expanding in Asia

Binzhou acquisition
Transportation filtration
Platform for further growth

JV with Yulong Paper
Crepe materials used as masking tape
substrate and medical papers

Investments at Binzhou
EUR 30 million investment in high-end
wallcover materials
Production of specialty reinforcements for
the wind energy industry

Global customers have established
strong positions in Asia

Tap faster growing markets and strive
for new business opportunities

Serve strongly growing local
customers in Asia

Operational improvements

Operative working capital reduction

- From the end of 2008, EUR 154.7 million operative working capital was unleashed and turnover rate improved by 39 days
- Project was finalized by the end of 2010

Waste reduction

- Target EUR 20 million in cost savings annually
- On target to be achieved fully in 2012

Business portfolio management

2010



Exit from three businesses:

- Sealing & shielding: sales of Altenkirchen plant in Germany
- Dust filtration: sales of Wuxi plant in China, production lines in Bethune, SC, USA
- Air filtration for HVAC: sale of Groesbeck plant in TX, USA

2011



Divestment of Home and Personal

Divestment of Home and Personal to Suominen Corporation

Divestment in brief

- The transaction was confirmed on October 20, 2011
- Total value of the transaction is approximately EUR 170 million
 - Suominen financed the transaction through debt and a planned directed share issue
 - Ahlstrom received approximately EUR 140 million in cash
 - Ahlstrom became the largest shareholder in Suominen with a 27.1% stake



Strategic rationale

- The divestment will steer Ahlstrom towards a more focused, value-added business and product portfolio:
 - High performance materials that allow customers to differentiate and create value to their customers
- The transaction allows Ahlstrom to free resources to strengthen and further develop its current businesses, especially in the fast-growing markets in Asia
- The transaction will create a new Suominen that can reinforce its position as the global leader in developing and manufacturing roll goods nonwoven for wipes
 - Better positioned to achieve its strategic and financial targets
 - Able to respond more quickly to changes in the markets and in customer needs

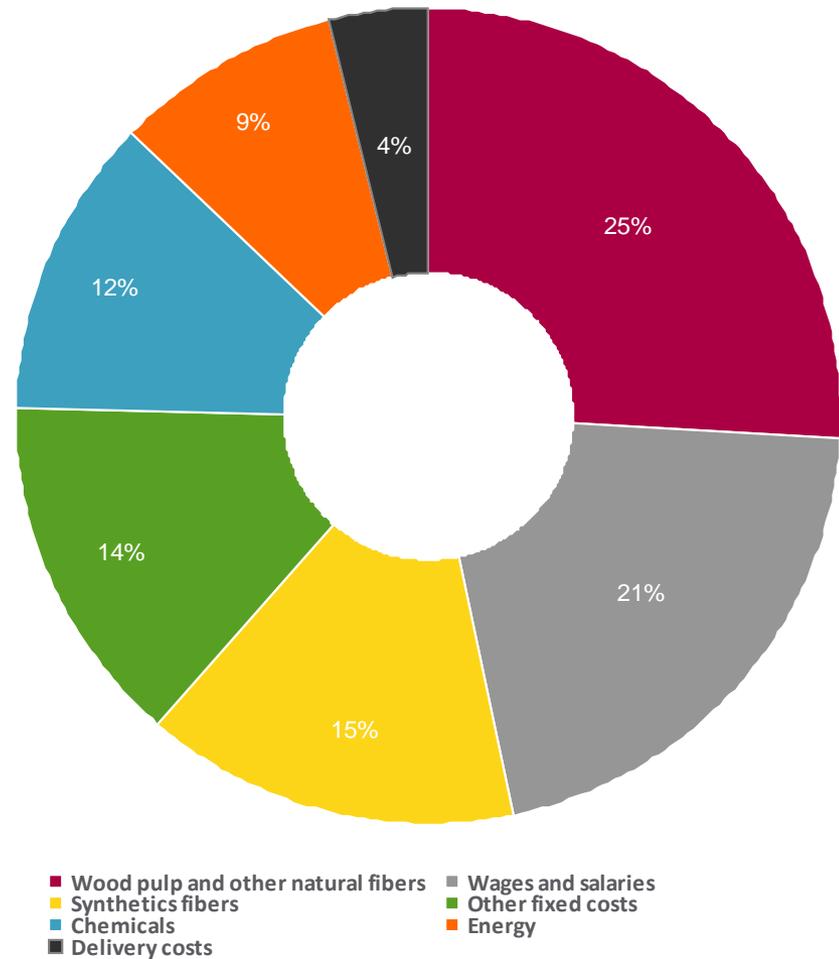


Costs and sourcing*

*All figures presented in this section include discontinued operations

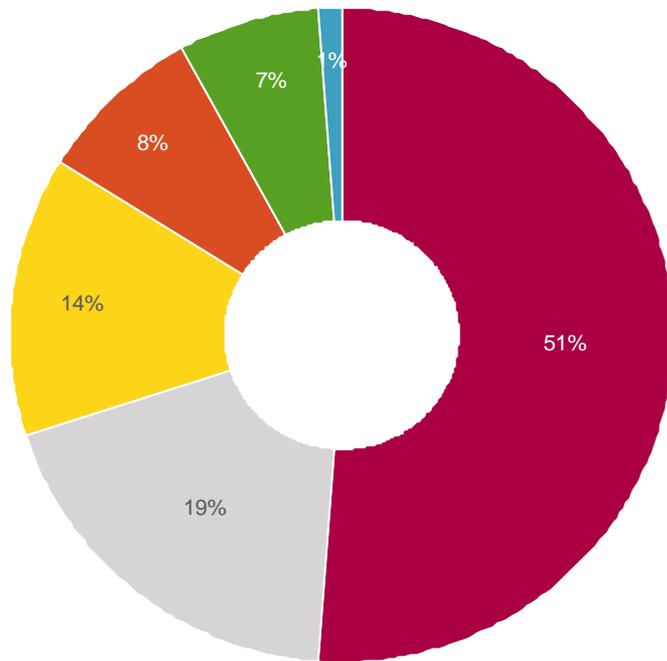
Total costs EUR 1.72 bln (excl. NRI) in 2010

- Main raw materials
 - Natural fibers
 - Pulp (NBSK, BHKP)
 - Abaca
 - Viscose rayon
 - Synthetic fibers
 - Polyester
 - Polypropylene
- Chemicals
- Main sources of energy
 - Natural gas
 - Electricity



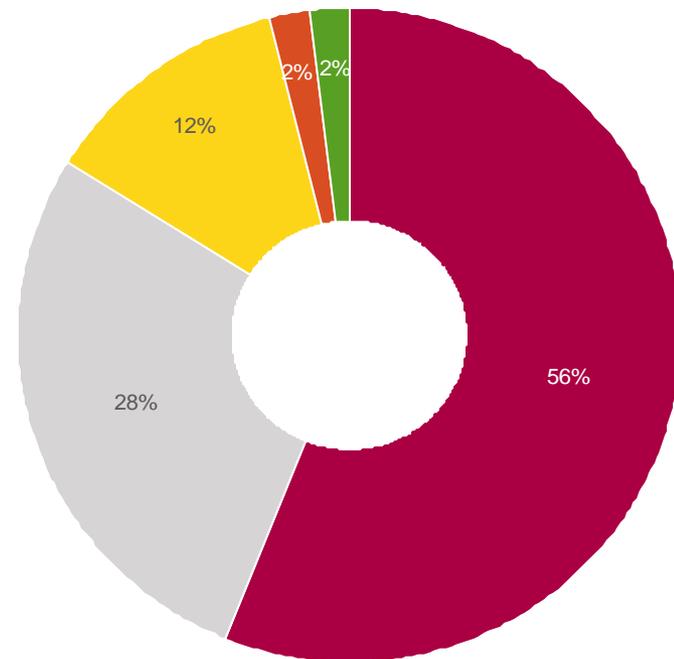
Energy and raw material sources in 2010

Energy sources



- Natural gas
- Grid - electrical power
- Purchased steam
- Coal
- Secondary fuels and recovered methanol
- Oil

Raw materials



- Natural fibers
- Chemicals
- Synthetic fibers
- Packaging
- Paper and board

Raw materials used in 2010

Raw materials		2010	2009
Natural fibers	tons	752,000	697,000
Synthetic fibers	tons	163,000	154,000
Chemicals	tons	371,500	334,000

– 82% of the fiber material used in 2010 was from renewable sources

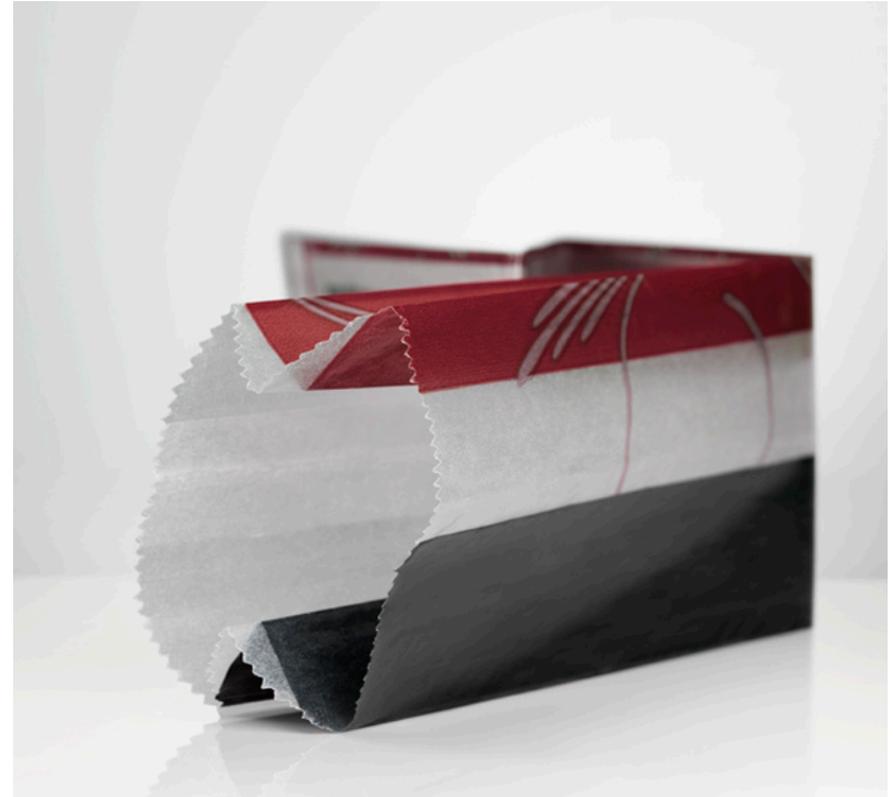


Sustainability

Advancing sustainable development



- Ahlstrom products are made for beneficial, sustainable purposes
- They are made from responsibly sourced fiber materials of which 82% are renewable
- The environmental impacts of the products are continually reduced



Cristal Evolution 40 g/m² bread bags from 100% renewable raw materials

Sustainability framework

We divide sustainable development into three steps in the value chain:

1. Sustainable raw material sourcing

- Certified fiber sources
- 82% of our fibers come from renewable sources

2. Sustainability in production

- Safety in workplace
- Resource efficiency
- Waste minimization
- Energy use
- Water use
- Minimized emissions to air, water and soil

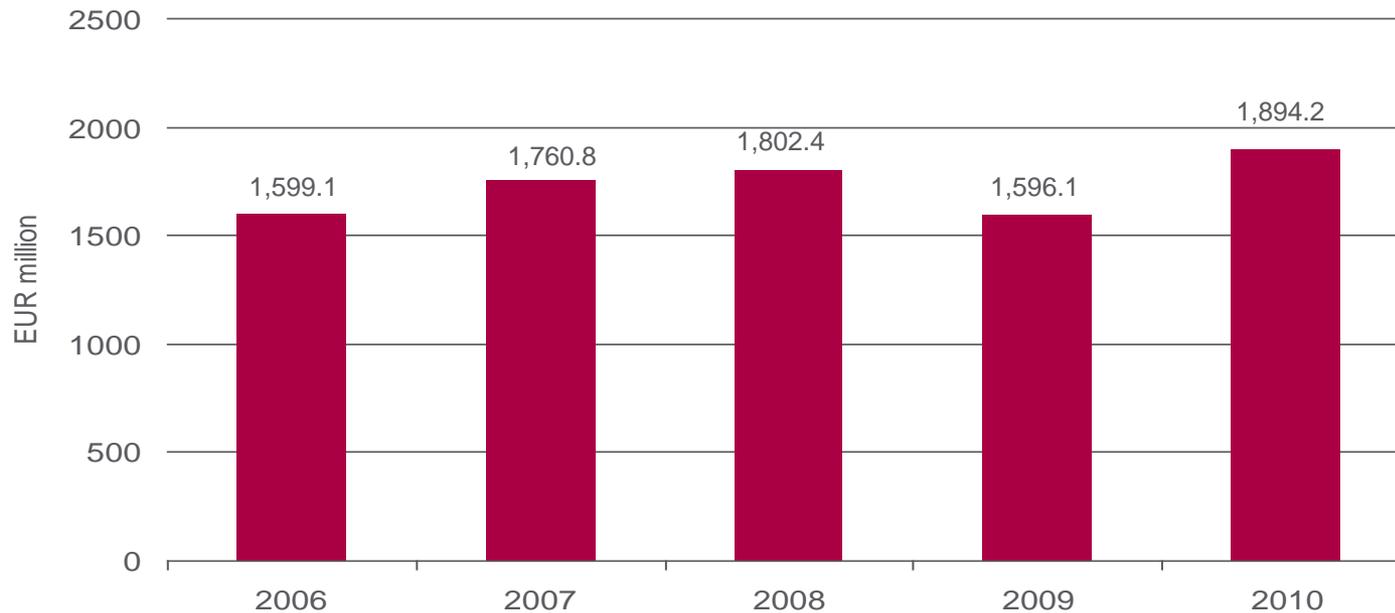
3. Lifecycle thinking for products

- Minimized environmental impacts of the products over their lifecycle
- Social impacts, products for purpose

Key financials 2006-2010*

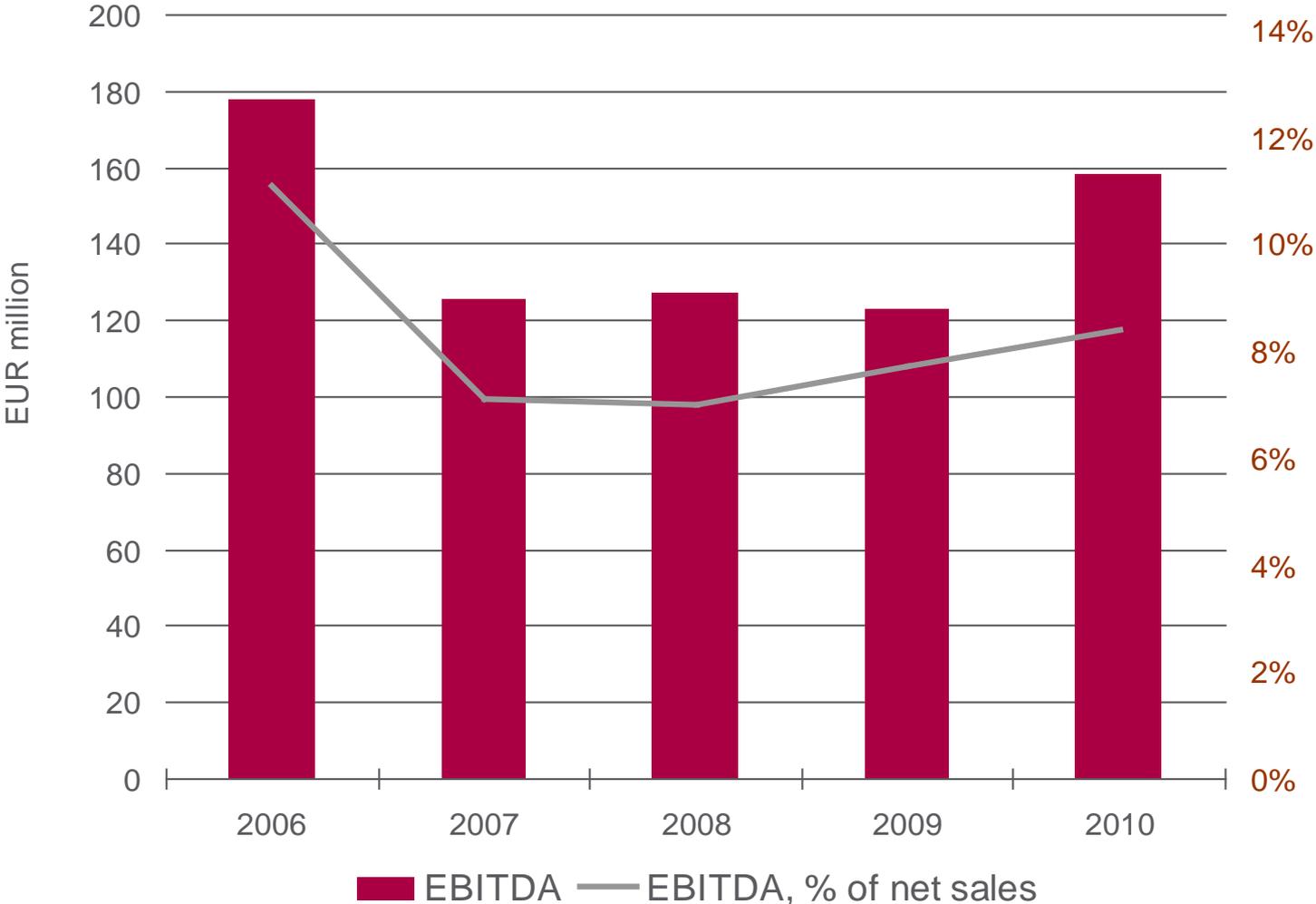
*All figures presented in this section include discontinued operations

Net sales in 2006–2010

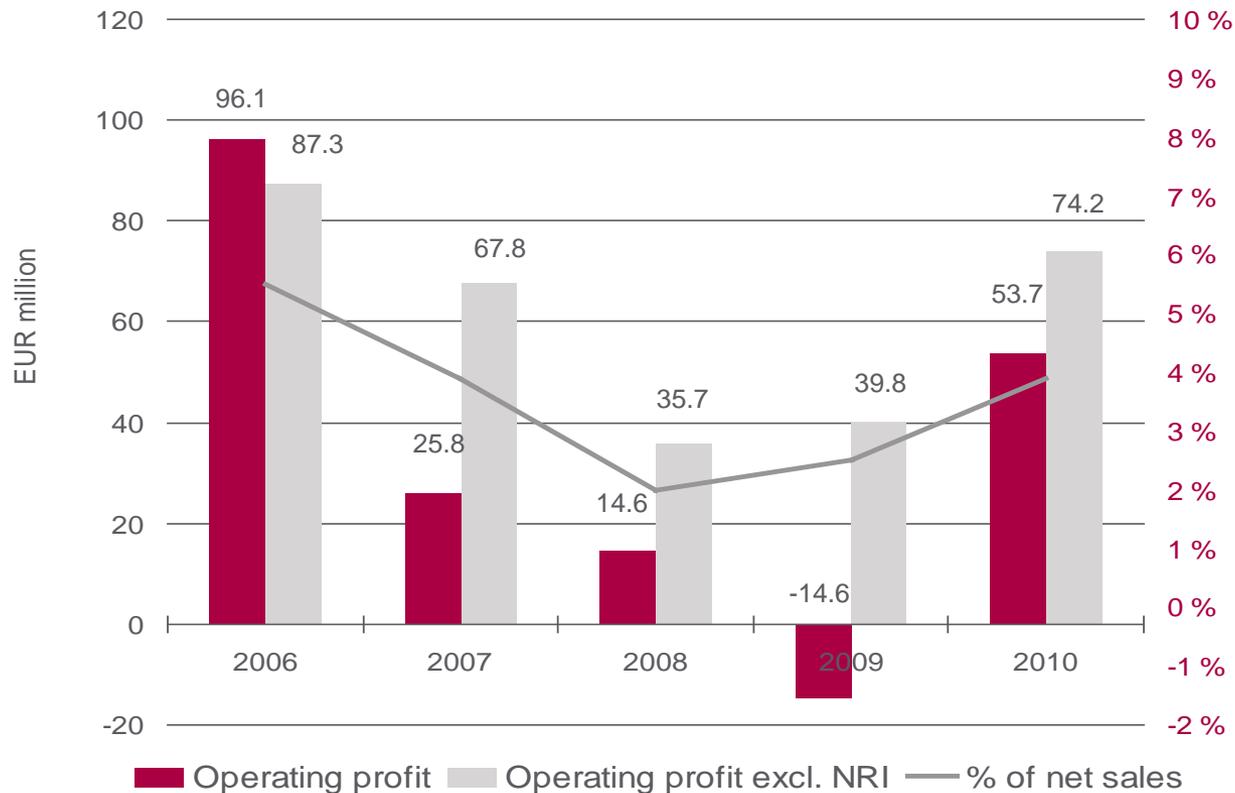


- After IPO in March 2006, a large growth investment program was launched
- A total of EUR 500 million was spent on investments in 2005–2008:
50% through organic growth, 50% by acquisitions

EBITDA in 2006–2010

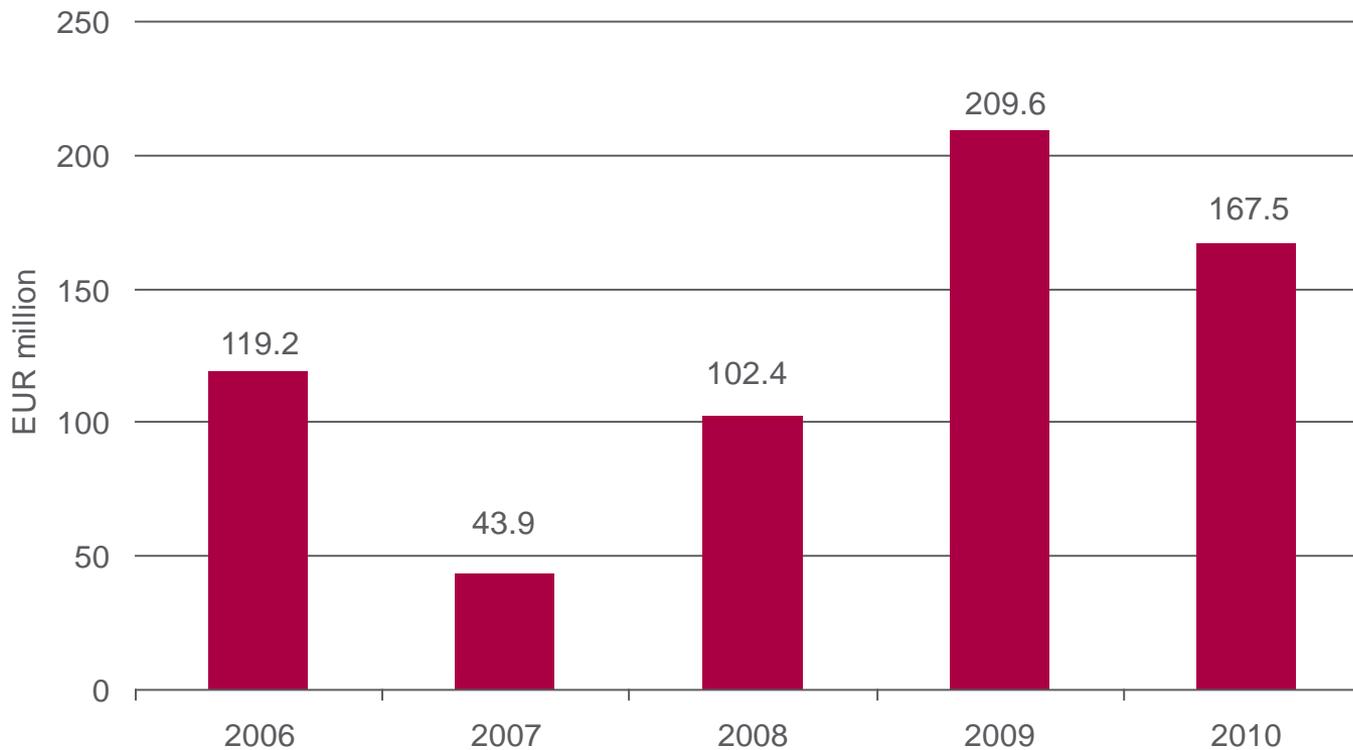


Operating profit in 2006–2010

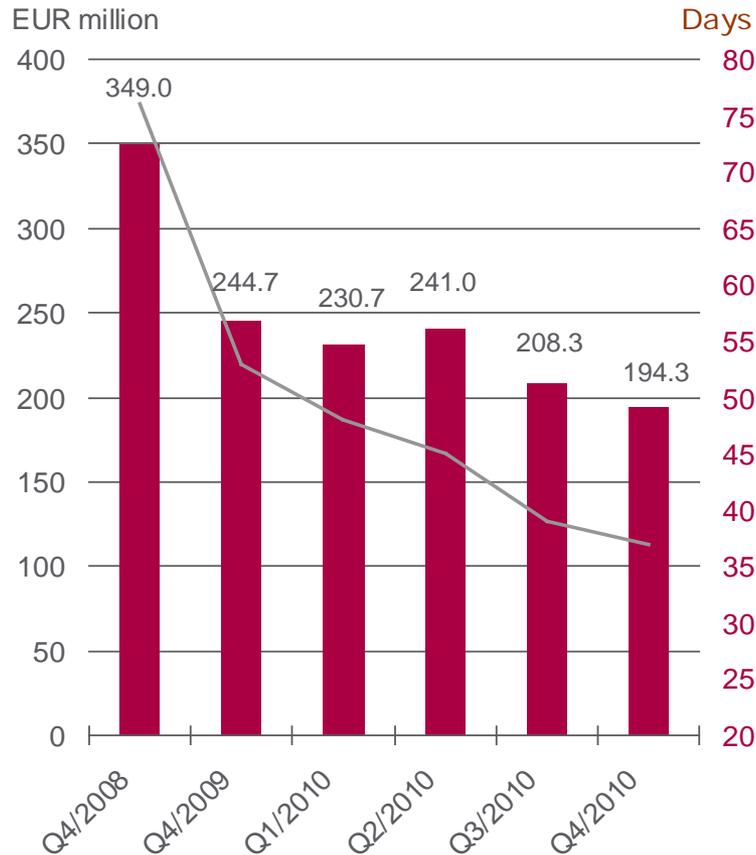


- Teabag materials line in Chirnside, La Gère, hybrid wallcover line in Turin and Mundra burdened 2010 operating profit excluding non-recurring items by approximately EUR 19 million

Net cash from operating activities (excl. Capex)



Strong development of operative working capital



■ Operative working capital* — Turnover rate in days

*Operative working capital = Accounts receivables + inventories – accounts payable

- The project has been completed
- Operative working capital was reduced by EUR 154.7, clearly surpassing the EUR 100 million target
- Turnover improved by 39 days from the end of 2008
- Turnover was 37 days on Dec. 31, 2010

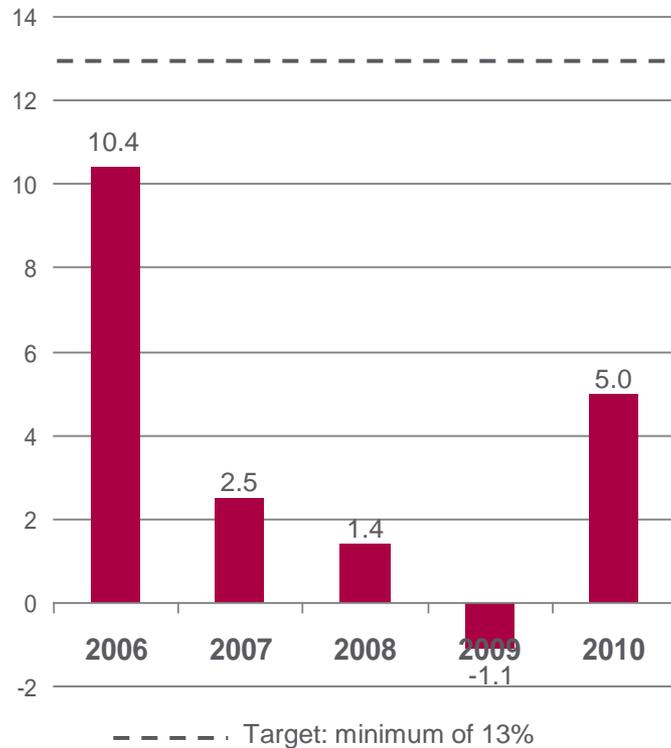
Gearing ratio



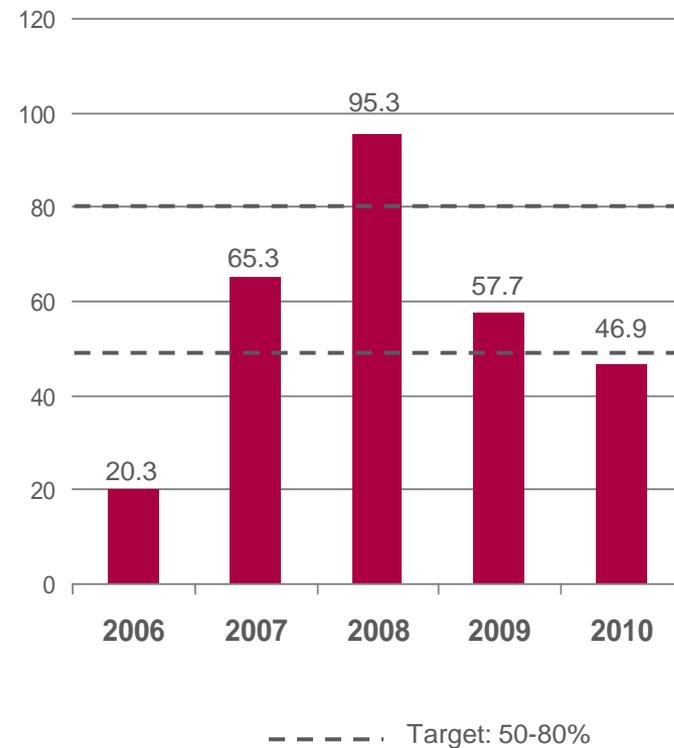
- Net debt and gearing ratio reduced in 2009 and 2010
- Gearing ratio on December 31, 2010 was 46.9%

Return on capital employed

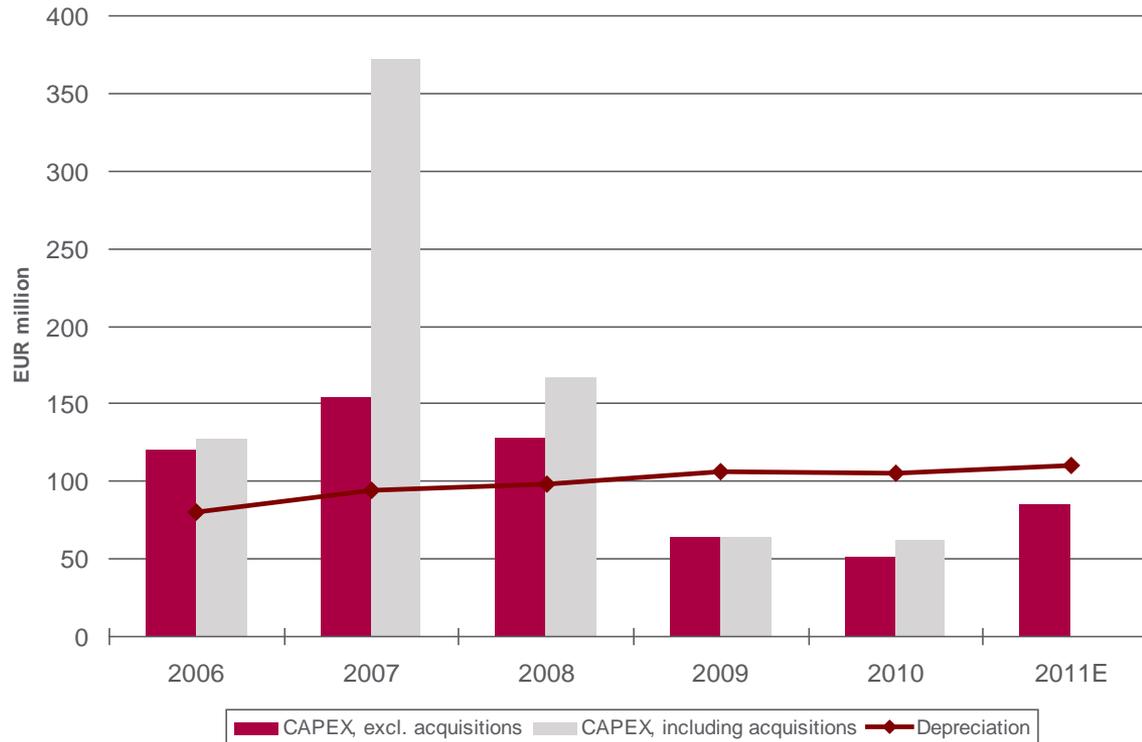
Profitability: Return on capital employed (ROCE, %)



Solidity: Gearing ratio (%)

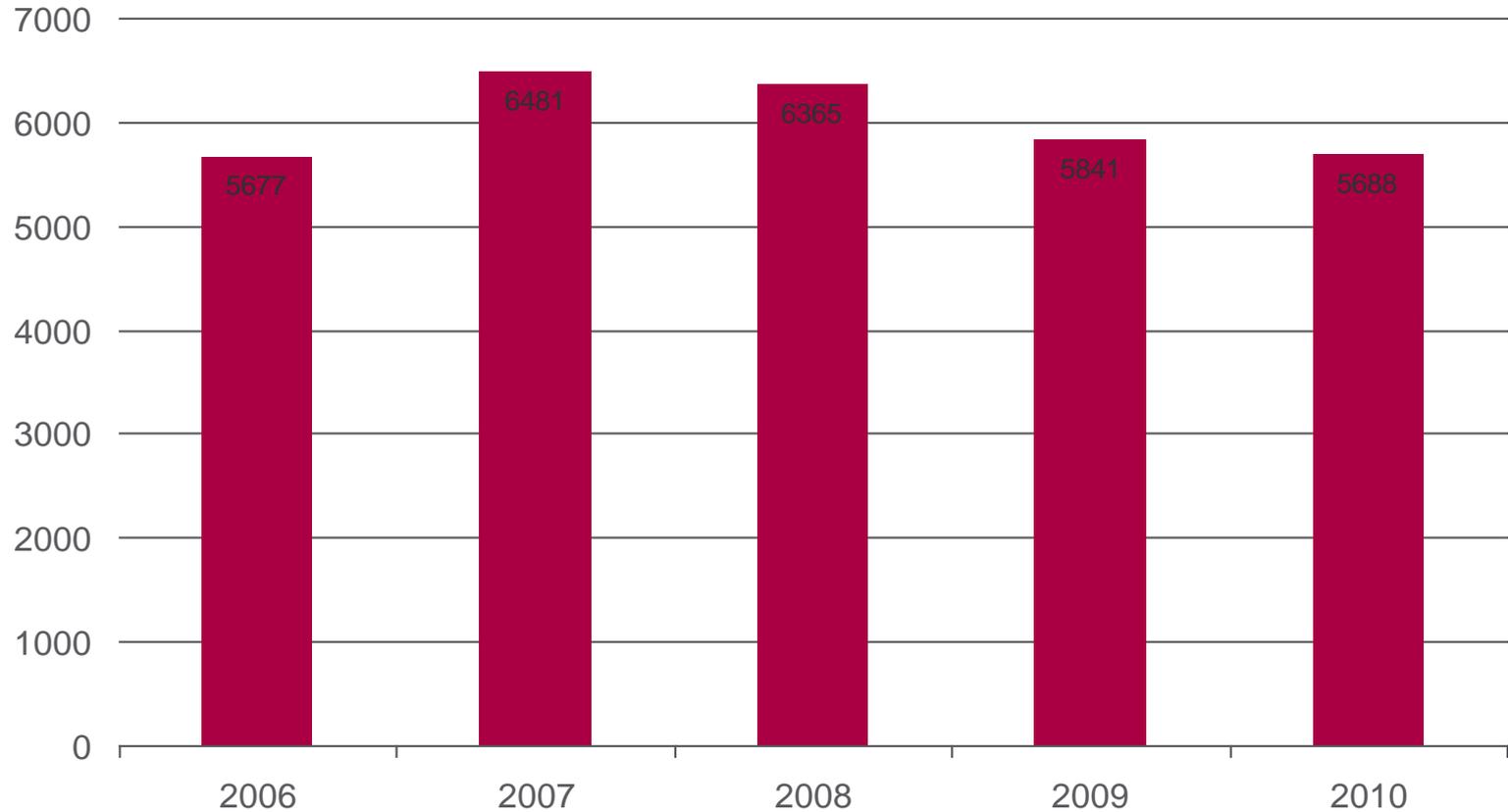


Investments 2006–2010

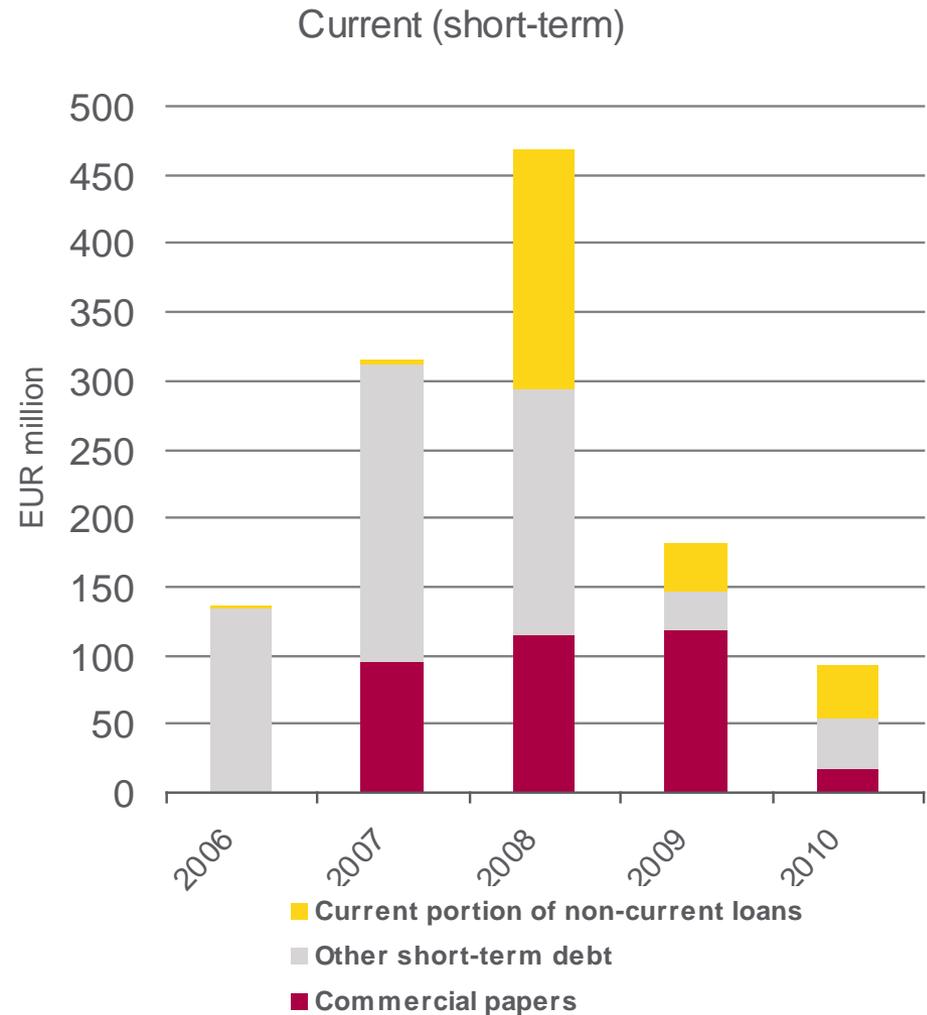
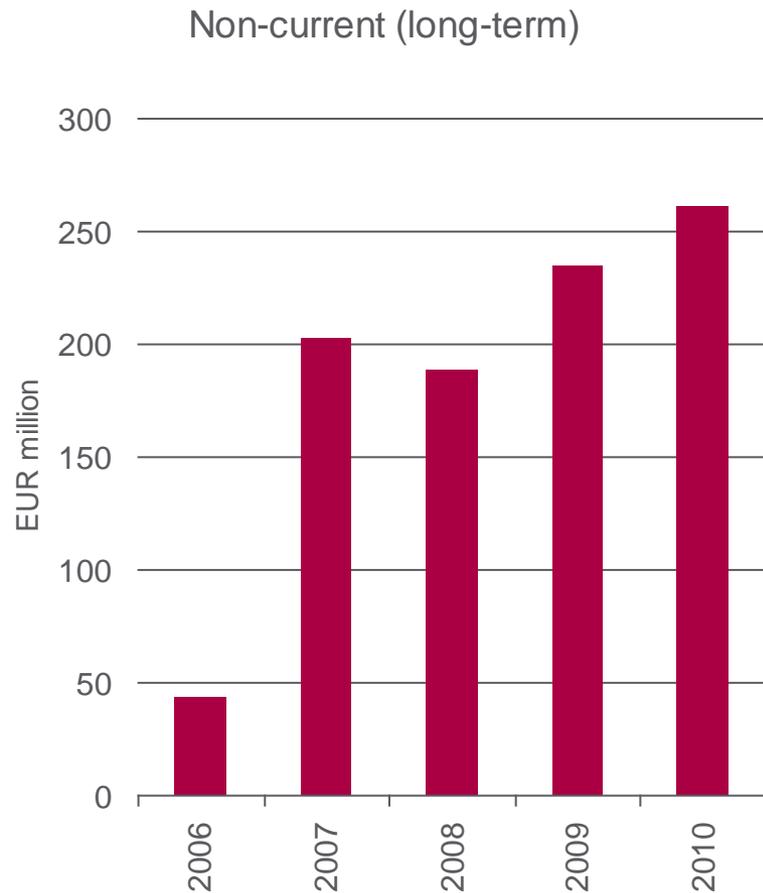


- Annual maintenance investments approximately EUR 40 million
- In 2010, investments were EUR 51.1 million, excluding acquisitions
- In 2011, investments are anticipated to be approximately EUR 85 million (excluding acquisitions)

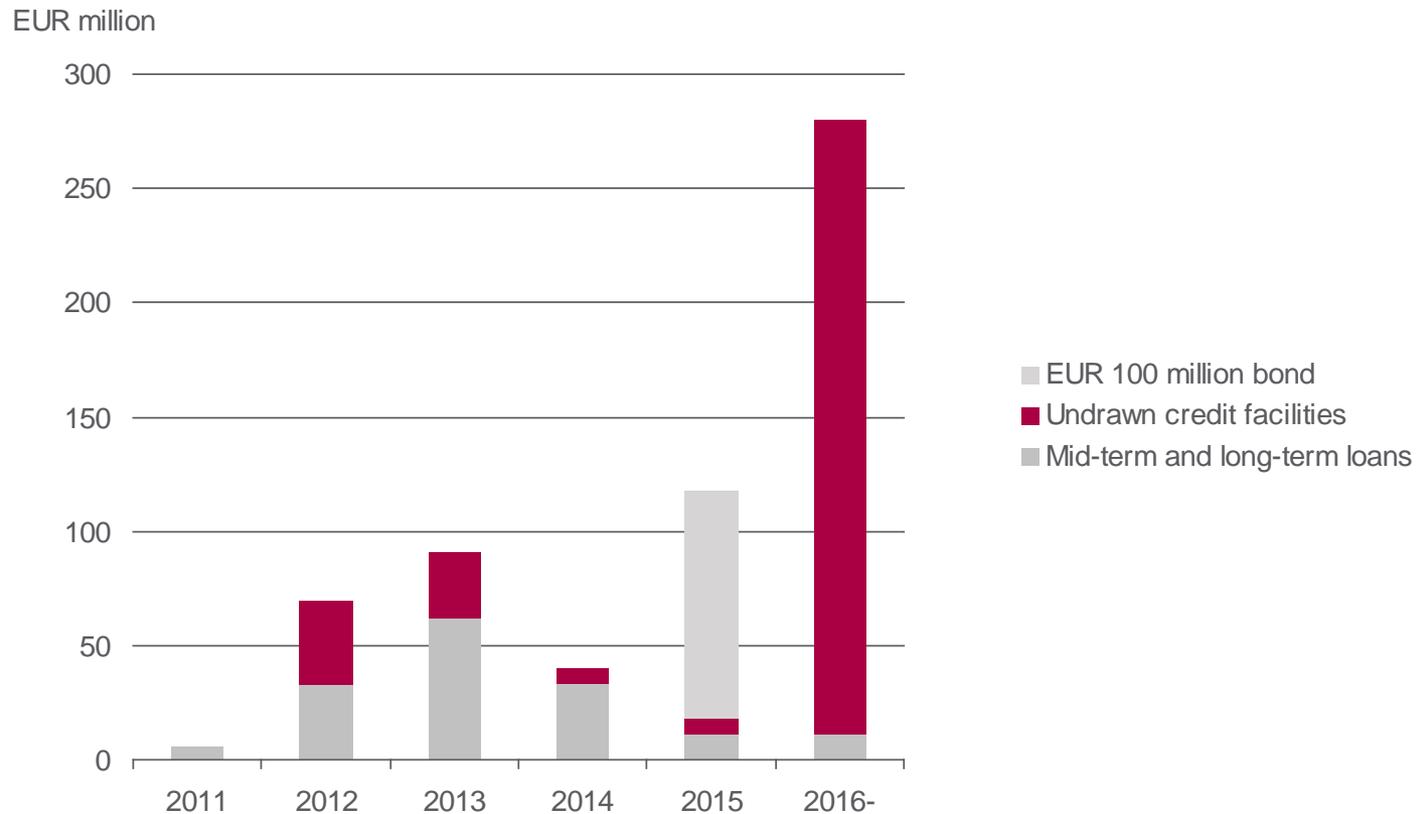
Personnel (number of employees, year-end)



Interest-bearing loans and borrowings



Maturity profile of medium/long-term credit facilities



- Total liquidity, including cash, undrawn committed credit facilities and the cash pool limits was about EUR 447 million at the end of Q3/2011. Additionally Ahlstrom had available undrawn uncommitted credit facilities of about EUR 99 million
- New EUR 250 million five-year revolving credit facility was signed in June refinancing an existing EUR 200 million

Senior bond issue in November, 2010

Ahlstrom senior bond issue

Issuer:	Ahlstrom Corporation
Status:	Senior, unsecured, unsubordinated
Amount:	EUR 100 million
Maturity:	5 years
Coupon:	Fixed rate 4.50%, payable annually in arrears, Act/Act
Governing law:	Finnish
Clearing:	Euroclear Finland (RM)
Listing:	Helsinki, to be applied post-issuance
Documentation:	Stand-alone bond documentation, including Change of Control-clause, Cross-Default and Negative Pledge
Lead Managers:	Nordea Markets, Pohjola Bank

– Part of the funding strategy to prolong maturity structure and widen funding base

Hybrid bond* to strengthen capital structure

- EUR 80 million domestic hybrid bond with coupon rate of 9.50% per annum
- Issued on November 9, 2009
- The bond has no maturity but the company may call the bond after four years
- Ahlstrom's capital structure strengthened
 - Gearing ratio reduced by approximately 20 percentage points, abrogating the impact of the dividend payment restrictions in the EUR 200 million revolving credit facility agreement signed in July 2009.
 - Gearing ratio was brought down to the target range of 50–80%
- *A hybrid bond is an instrument which is subordinated to the company's other debt obligations and which is treated as equity in the IFRS financial statements. Hybrid bonds do not confer to their holders the right to vote at shareholder meetings and do not dilute the holdings of the current shareholders.

Stay ahead™

Thank you

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