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Ahlstrom Capital Markets Day 2013

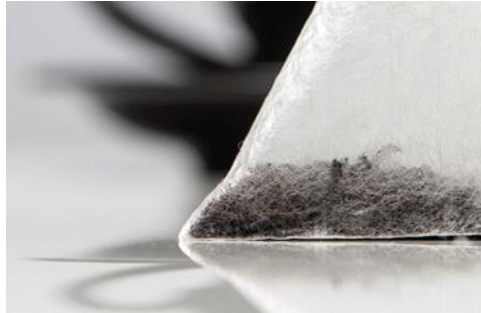
Food and Medical - Executing a turnaround plan with safe and sustainable products

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Food and Medical



Key figures

- Net sales EUR 359.4 million in 2012 (Growth: -0.7%)
 - EUR 255 million in Q1-Q3/2013 (Growth: -6.2%)
- Operating profit ex. NRI 1.8% of net sales in 2012
 - 0.5% of net sales in Q1-Q3/2013
- Total annual market opportunity approximately EUR 2 billion*

Customer industries

- Medical care
- Food
- Beverage
- Tape

Applications

- Materials used in food and beverage packaging
- Materials used in medical fabrics
- Masking tape

*Management estimate

Business trends and drivers

Beverage and food packaging



Medical fabrics



Tape



Demand drivers and trends

- Taste
- Visual differentiation
- Compostability
- Single serve coffee: consumer experience
- Sustainable food packaging: replacing aluminum, paper/plastic trays and molds

- Comfortable fabrics for operating rooms
- Viral barrier materials: eliminating the spread of untreatable infections
- Safety and ease of use in medical pouches

- Construction and house renovation markets
- Automotive after market for repair and personalization needs
- Fine line painting requiring higher quality fiber materials

Strategic priorities



– Food and Beverage

- Drive sustainable solutions through unique fiber, chemistry and production capabilities

– Medical

- Provide safety and protection to patients and medical professionals through highly protective and intelligent fabric solutions

– Focus Units

- Resolve remaining technical issues and commercialize products



- **IMPROVE PROFITABILITY**
- **RETURN TO SALES GROWTH**

Current growth applications: Medical fabrics

MEDICAL FABRICS

CURRENT SOLUTIONS

Comfortable soft gowns

Puncture resistant drape
to avoid cuts and
contamination

Sterilization and sealing
guaranteed pouch portfolio

FUTURE DIFFERENTIATED SOLUTIONS

Smart Medical

- Temperature management for patient hypothermia avoidance
- Cooling fabrics for transpiration reduction during surgeries
- Indicator based drapes and gowns for infection and/or procedure tracking

High protection medical consumables

- Full viral barrier drapes and gowns at accessible cost in merging fields
- Low weight high absorbency nano fiber based drapes

Current growth applications: Food and beverages packaging

FOOD AND BEVERAGES PACKAGING

CURRENT SOLUTIONS

Sustainable tea bags
providing neutral taste

Single serve
coffee cup filters

Compostable molds
to replace aluminum
and polyester for fresh
and processed foods

FUTURE DIFFERENTIATED SOLUTIONS

Enhanced beverage

- Transparent tea bags to enhance premium tea content
- Improved Infusion of tea bags for better taste
- Full coffee cup sustainable solutions (cup and filter)

Sustainable food packaging

- Aroma barriers for molds to maintain freshness
- True 3D moldable sustainable materials to substitute paper/polyester trays

Focus units



- Three major greenfield investments
 - Chirnside teabag line in UK
 - Mundra medical fabrics plant in India
 - Longkou start-up joint venture in medical and masking tape substrates in China
- Total capex of approximately EUR 90 million
- Significant negative impact on profitability
 - Operating loss approximately EUR 10 million in Q1-Q3/2013

Focus units – turnaround plan

Unit	Action
Chirnside teabag line	<ul style="list-style-type: none">- Expand the customer portfolio- Expand the focus beyond beverage
Mundra	<ul style="list-style-type: none">- Plan in place to resolve final technical issues- Increase the share of premium products- Partner with global marketers
Longkou	<ul style="list-style-type: none">- Resolve final technical issues- Gain operating experience to run the line- Leverage existing customer relations in the region

Strategic roadmap for growth



Expand portfolio for high protection surgical apparel

Focus on high risk surgeries with higher protecting drapes and gowns



Develop active and dynamic medical fabrics

Self diagnosis, temperature, fluid management in operative environment



Partner with winning coffee and tea brands

Provide unique experience in taste, aesthetics and compostable solutions



Introduce unique sustainable molds, trays and cups

Target processed foods, fresh foods, cups made from aluminum or plastics



Execute turnaround plan for focus units

Improving financial performance in Mundra, Longkou and Chirinside tea bag line is crucial for Food and Medical success



Q&A?

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