

Ahlstrom Capital Markets Day 2010



Path to profitable growth

Helsinki, November 11, 2010

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1. Filtration overview and strategic direction
2. Transportation Filtration
3. Advanced Filtration

Overview

Transportation Filtration



Serving customers in automotive and heavy duty trucks filtration markets both for engine (air, oil and fuel) application and other filtration application in the moving machines (cabin, transmission)

Advanced Filtration



Serving customers in water filtration, life science and laboratory, gas turbine, high efficiency air and process filtration markets

Dust Filtration

Serving customers in HVAC, dust filtration and household applications markets

Filtration locations worldwide



Americas

- Madisonville, USA
- Taylorville, USA
- Mt Holly Springs, USA
- Groesbeck, USA
- Bethune, USA
- Louveira, Brazil



Europe

- Barcelona, Spain
- Fabriano, Italy
- Tampere, Finland
- Turin, Italy



Asia

- Hyun Poong, Korea
- Wuxi, China
- Binzhou, China

Blue = Transportation, Red = Advanced, Black = Dust

Filtration



Automotive and transportation filtration, water filtration, high efficiency air filtration, gas turbine and life science filtration

Strategic direction:

- Support global growth and key customers in Transportation Filtration with new product introductions and local service platforms in all regions
- Develop new applications for future solutions in Transportation Filtration
- Maintain and improve the #1 position in Transportation Filtration with profitable growth
- Become a major player in Advanced Filtration in chosen growing businesses

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Market drivers and growth opportunities

Transportation Filtration

Market	Drivers	Market growth estimates
Asia	Economic growth and demographic changes. Government incentives driving growth	China has overtaken the US as the world's largest automotive market. In 2009, growth was 46%
Europe	Increased regulations in emission controls and in fuel consumption, higher performing vehicles	26% of global new motor vehicle registrations are in Europe – 2010 registrations below 2009
Americas	Lower emissions and fuel consumption, biodiesel developments and hybrid vehicle growth	Vehicle sales are still at low levels - 2010 estimated to increase 8%

Success factors in Transportation Filtration

- True global leader in transportation filtration with 30 years of experience
- Successful co-operation and business relationships with our key strategic customers
- Utilization of our Global network and supply platforms to deliver filtration solutions to our customers
- Track and translate global transportation trends and work together with our customers to develop tomorrow's filtration solutions
- Development of product applications for advanced engine technologies



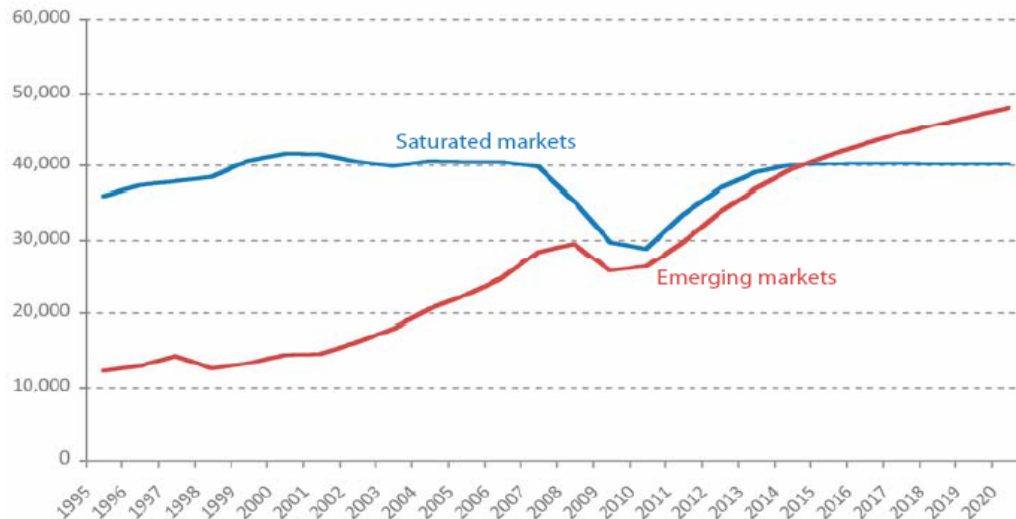
Automotive market trend – light Vehicles

Saturated and Emerging Vehicle Markets

Saturated Vehicle Markets	Emerging Vehicle Markets
• United States and Canada	• Latin America (including Mexico)
• Western Europe	• Central and Eastern Europe (CEE)
• Japan	• Asia-Pacific/Middle East (excluding Japan)
	• Africa

Emerging markets have far more growth potential than saturated markets

Light Vehicle Forecasts for Saturated and Emerging Markets Millions



Emerging markets will come out of the automotive industry crisis faster than saturated markets.
- This will happen in 2011 in emerging markets

It will take until 2014 for light vehicle sales in saturated markets to top 2007 levels.

Emission regulations

	2007	2008	2009	2010	2011	2012	2013	New Dioxide Carbon Emission Legislation			2017	2018	2019	2020
EUROPE	Euro 4			Euro 5				Euro 6						
US FEDERAL	Tier II Bin 5			Tier II Bin 4			Tier II Bin 3	Tier II Bin 2						
JAPAN	New Long Term			Post New Long Term										
BRAZIL	PROCONVE L4	PROCONVE L5				PROCONVE L6								
INDIA BIG CITIES	BS III = Euro 3			BS IV = Euro 4										
INDIA COUNTRY	BS II = Euro 2			BS III = Euro 3										
BEIJING	Euro 3	Euro 4			Euro 5									
ALL CHINA	Euro 3			Euro 4										
KOREA	Euro 4			Euro 5										

Changing emission regulations in different regions will have impact on engines and filtration needs – driving growth for the market

Different standards define acceptable limits of exhaust emissions for vehicles



Engine Technology impact:

- Engine downsizing
- Cylinder number reduction
- Gasoline direct injection



Filtration impact:

- Increased filtration efficiency in fuel
- Increased resistance in air filters

Product development



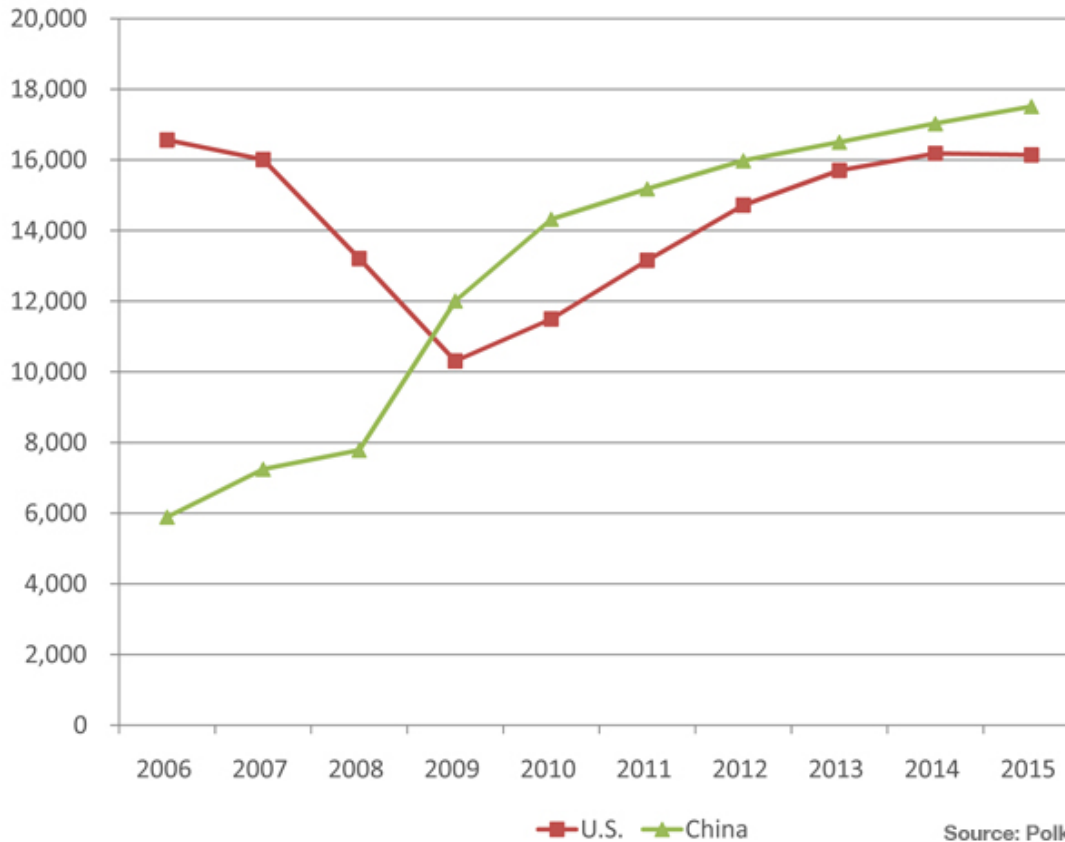
Transportation Filtration:

- New products for biodiesel applications with water separation filter media
- Products with longer life – needed especially for heavy duty applications
- Flame retardant products meeting stringent flame retardation, durability specifications and environmental regulations
- Formaldehyde free solvent based products

Expansion in Asia

- China is today the largest automotive market with annual sales topping 13 million vehicles in 2009

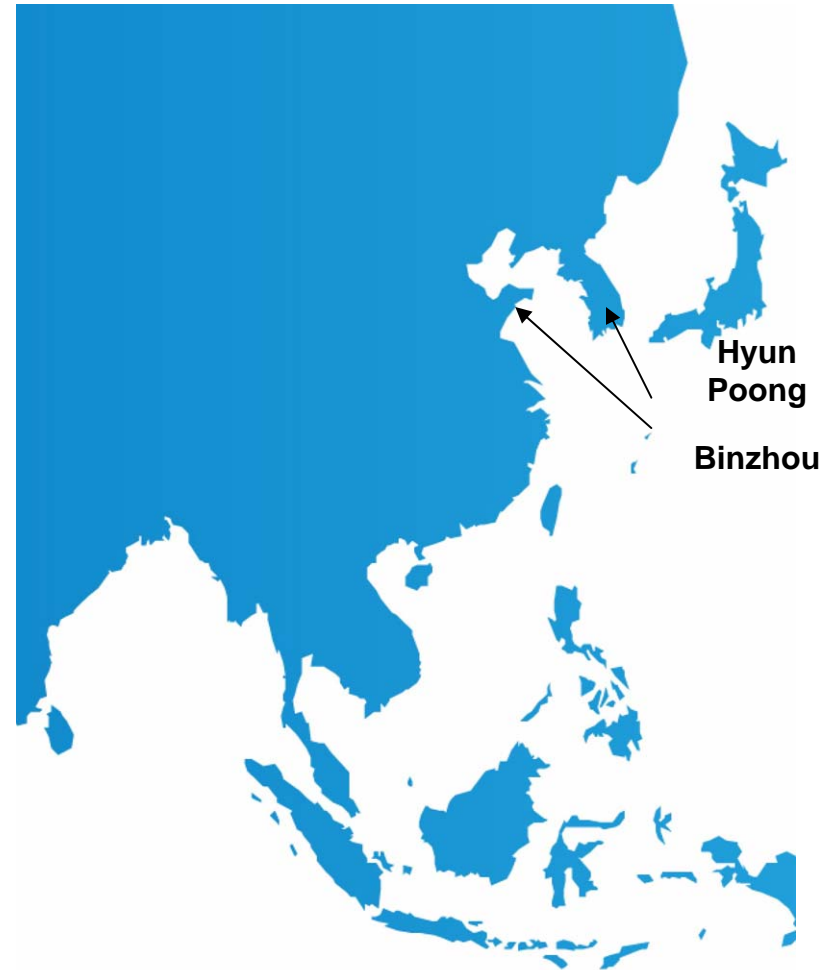
U.S. / Chinese New Vehicle Registrations (2006 – 2015)



Source: Polk

New manufacturing platform in Asia

- Newly acquired Binzhou in China supports our global key customers' growth in the region and allows us to build a position with local customers
- Through Hyun Poong in Korea Ahlstrom already has a leading market position in China
 - Binzhou is a step to expand in the local service market and consolidate



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Market drivers and growth opportunities

Advanced Filtration

Market	Drivers	Market growth estimates
Asia	Awareness and access for safe drinking water	Water filtration applications are estimated to grow at about 5%
Europe	Demographics, tighter regulations and standards – need for high efficiency filtration	Filtration applications in Gas Turbines are estimated to grow at about 6.5%
Americas	Demographics, tighter regulations and standards – need for life science filtration	High efficiency filtration is estimated to grow about 6% Life Science about 5%

Success factors in Advanced Filtration

- Increased focus on few selected markets demonstrating high profitability and growth opportunities
 - gas turbine, water filtration, high efficiency filtration and life science
- Close relationship with our customers to develop advanced filtration solutions
 - use existing global key customers to drive growth in other regions
- Leverage technical know-how to optimize the use of our large technology portfolio



Product development

Advanced Filtration:

- Unique product application with Disruptor® technology for water purification applications
- Products based on Trinitex® technology are developed for various applications in gas turbine market
- Life Science and diagnostic products where many new special applications are needed – new born screening and dried blood spot for DNA analysis
- Products with higher filtration efficiency (HEPA/ULPA) based on Microglass technology





Thank you