

# Ahlström Capital

ANNUAL REPORT 2010



FINDING INVESTING EXITING  
DEVELOPING

# Ahlström Capital

FINDING INVESTING EXITING  
D E V E L O P I N G

is a private equity investment company that creates added value for its owners by channeling its investments into industrial companies, real estate and cleantech growth companies. With roughly 200 million euros in capital, the company is one of Finland's biggest private equity investors. Ahlström Capital's strengths are its solid industrial expertise, long entrepreneurial traditions, and substantial financial resources.

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AHLSTRÖM CAPITAL´S

# year 2010

- In terms of operations, 2010 was a very challenging year. Demand grew but profitability weakened mainly due to price increases on raw materials and component shortages.
- The net asset value of our share increased notably.
- We set up a fund investing in cleantech companies and collected 50 million euros in fund assets. The fund has invested in seven growth companies.
- We invested in Cencorp and now hold 5% of the company.
- We are constructing two residential high-rises in Bucharest, Romania.
- We made a final exit from Nordkalk.



# Value enhancement IN A CHALLENGING YEAR

FOR AHLSTRÖM CAPITAL, 2010 WAS AN OPERATIONALLY CHALLENGING YEAR. THE INDUSTRIAL COMPANIES WE HAVE A STAKE IN DID NOT ACHIEVE THEIR FINANCIAL OBJECTIVES, EVEN THOUGH THEIR PERFORMANCE IMPROVED ON THE PREVIOUS YEAR. ALSO OUR NET ASSET VALUE INCREASED.

Ahlström Capital's holdings fall into three strategic categories: industry, real estate, and cleantech. The industrial portfolio is the foundation of our business, while real estate gives steady income. Cleantech, in turn, represents a strategic step into a new and interesting sector.

As for industrial investments, we sold our remaining shares in Nordkalk, as planned. We also invested in Cencorp, a company specialized in automation solutions for the electronics industry. Our portfolio now consists of companies that in our view have potential for development in the long term.

## ACTIVE GUIDANCE

Our portfolio companies found 2010 to be more challenging than expected. The financial objectives were not achieved, and we used a great deal of resources to assist companies both operationally and strategically.

Both the electronics manufacturing services company Enics and the paperboard packaging producer A&R Carton reported clearly higher net sales in a very competitive market situation. The market value of the AC drives manufacturer Vacon improved markedly, resulting in a notable increase in Ahlström Capital's net asset value. The business of Elbi, the Turkish manufac-

turer of electrical accessories, developed well, and the company's sales rose by 35 percent in the reporting period.

Our regional construction project in Bragadiru, Romania, progressed, and the first two buildings are to be completed in early 2011.

## WINDS OF CHANGE FROM CLEANTECH

Clean technology is a growing trend in the global economy, a true megatrend. Based on our strategy work, we have determined it to be a sector which holds great growth potential.

Ahlström Capital's cleantech fund was launched in 2010. EUR 50 million was quickly collected in the fund, which then made investments in seven companies. Fund raising and the search for new target companies continue.

Our relatively wide portfolio enables us to participate in the development of several promising companies, while also diversifying risk. The sector introduces new elements into our work, and the cleantech fund means that we now manage outside assets for the first time in our history. Our responsibility has grown broader and more versatile.

## CHALLENGES REMAIN ON THE HORIZON

This year will continue to be challenging. Our industrial companies are undergoing extensive development projects that aim to secure the companies' success in increasingly stiff competition.

The operating environment is characterized by cross-pressures, with governments tightening their economies, the labor markets making their own demands, and customers opposing additional costs.

” Cleantech is a sector in which we see great growth potential.”



PANU ROUTILA, PRESIDENT & CEO OF AHLSTRÖM CAPITAL OY

Solving this economic equation is a demanding, yet an extremely interesting, task for a long-term and committed owner, who responsibly aims to increase the value of investors' holdings. There is clear demand for an owner that actively and persistently develops its companies.

#### PROFESSIONAL OWNERSHIP

Ahlström Capital will celebrate its 10th anniversary this year. In line with our strategy, we have continued to increase the proportion of industrial investments in our portfolio throughout the years. In 2002, our first full year of operations, the net sales of our portfolio companies totaled approximately EUR 500 million, and last year they clearly exceeded the mark of one billion euros. We have also made well timed exits. Ahlström Capital's dividend-adjusted net asset value has risen from the initial portfolio's EUR 457.25 to EUR 772.51.

We will continue to develop our companies in 2011. We are looking for a new, significant industrial target, at the same time working on restructurings and preparing exits. Our goal is to further boost our position as a

professional, well-known owner with ambitious goals. We believe that cleantech holds great potential and we will go for our slice of the cake. New opportunities in the sector will be actively followed.

Last year was a demanding one, and the future holds challenges requiring innovative solutions that we will respond to more experienced than ever before. I extend my warmest thanks to everyone at Ahlström Capital and in our portfolio companies for their tireless work, to the shareholders and Board for their commitment to common goals, as well as to all our partners for good cooperation.

Helsinki, March 2011

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name Panu Routila.

Panu Routila

# ACTIVE PRIVATE-EQUITY INVESTOR enables GROWTH

PRIVATE-EQUITY INVESTMENT IS AN ACTIVE AND VALUE-ADDING FORM OF OWNERSHIP THAT AFFECTS THE GROWTH AND COMPETITIVENESS OF THE ENTIRE NATIONAL ECONOMY.

The involvement of private equity investors usually strengthens the financial position of companies and offers them professional competence. It is particularly valuable for companies aiming at international markets.

Ahlström Capital is one of Finland's leading private equity investors with a portfolio of over one billion euros in net sales. We are an active owner that wants to develop and internationalize its targets. We work in continuous cooperation with the management and the Boards of the companies we invest in.

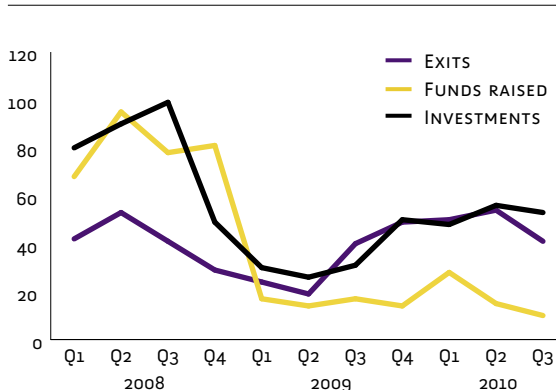
The general market situation improved in 2010, and the dark clouds of the financial crisis have partly dispersed. Development is slow, however: share prices

have improved but the number of acquisitions is still short of that prior to the crisis, even though the markets have picked up slightly.

The ready availability of debt and the continued low interest rates have boosted market activity. Uncertainty is still in the air, however, as can be seen in the drawn-out acquisition processes.

” The ready availability of debt and the continued low interest rates have boosted market activity.”

PRIVATE EQUITY INVESTMENTS IN EUROPE, 2008–2010



# RESPONSIBLE AND PROFESSIONAL development

AHLSTRÖM CAPITAL IS AN ACTIVE PRIVATE EQUITY INVESTMENT COMPANY THAT AIMS TO PROVIDE ADDED VALUE IN THE LONG TERM AND TO ACT AS A PROFESSIONAL AND RESPONSIBLE OWNER.

#### FORWARD-LOOKING INVESTMENT STRATEGY

Our goal is to annually make one or two acquisitions and exit one or two investments.

The size of a single investment is typically EUR 5–25 million. We aim to realize the gain on investments in five to seven years, but hold on to our stake longer in some cases.

We engage in active development with the management of companies we invest in by participating in their Board work and putting our expertise and international contacts at the companies' disposal. Our investment activities are also supported by a network of advisers with professional experience in different industrial fields.

Our investments can be divided into industrial, real estate and clean technology investments, the last of which are made through our cleantech fund. In 2010, we through the fund began to manage also outside investors' assets, which signified a major change in our investment strategy.

Our investment capital also includes liquid assets, which mainly consist of short-term money-market instruments.

#### LONG TRADITIONS IN INDUSTRIAL COMPANIES

Our industrial investments include A&R Carton, a paperboard packaging producer; Enics, an electronics manufacturing services company; Vacon, a stock-listed manufacturer of variable-speed AC drives; Elbi Elektrik, a manufacturer of electrical installation accessories; Symbicon, a manufacturer of LCD advertising displays; and Cencorp, a stock-listed specialist in automation solutions for the electronics industry.

#### AHLSTRÖM CAPITAL'S INDUSTRIAL INVESTMENTS ON DECEMBER 31, 2010

Portfolio companies	Products/services	Net sales, EUR million	Holding, %
A&R Carton	Paperboard packaging	355.5	61
Enics	Electronics manufacturing services	315.9	91
Vacon	AC drives	338.0	20
Elbi Elektrik	Electrical accessories	17.6	60
Symbicon	Digital display panels	–	42
Cencorp	Automation solutions for the electronics industry	12.8	5

In the past year, we exited Nordkalk by selling our remaining shares in the company. We made an additional investment in Elbi and added Cencorp Corporation to our investment portfolio.

**REAL ESTATE INVESTMENTS BALANCE RETURN ON INVESTMENT**

Our real estate investments include office and industrial facilities in Finland, the Netherlands, and Estonia. We are also building and developing a new residential area in Bucharest, Romania.

**NEW TERRITORY IN CLEANTECH**

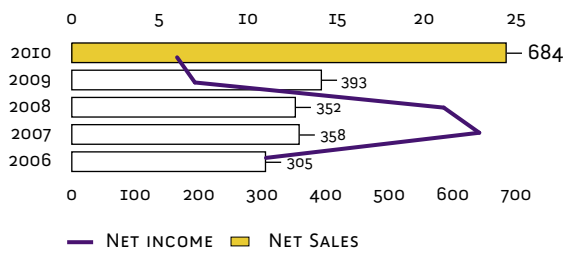
The cleantech fund we set up in 2010 invests in cleantech companies, which offer considerable – and international – growth potential. We are an important investor in the fund alongside other institutional investors.

” We are always on the lookout for new investment targets, focusing on companies with a promising growth story.”

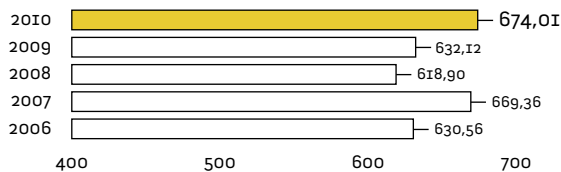
**EYES ON THE FUTURE**

We are always on the lookout for new investment targets, focusing on companies with a promising growth story, which we feel can benefit from our competence. Our search focuses on industrial companies, the cleantech sector, and real estate in the Nordic countries and Eastern Europe. We also use acquisitions to develop and internationalize our portfolio companies.

NET SALES AND NET INCOME 2006–2010, M€

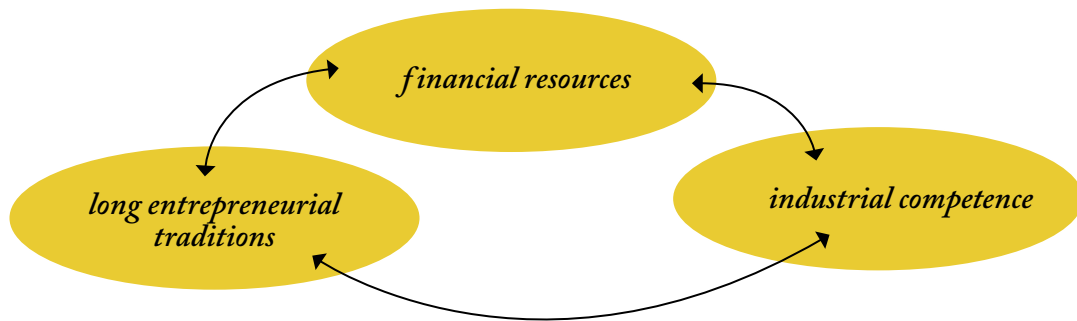


DEVELOPMENT OF NET ASSET VALUE PER SHARE, €

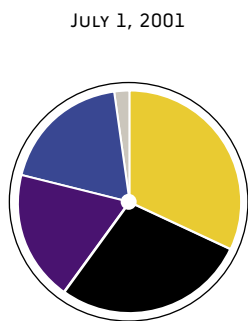




STRATEGIC STRENGTHS

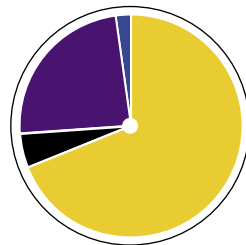


CHANGE IN THE INVESTMENTS\*



● INDUSTRIAL INVESTMENTS	32%
● LIQUID FUNDS	28%
● REAL ESTATE	19%
● FOREST AND LAND AREAS	19%
● OTHERS	2%

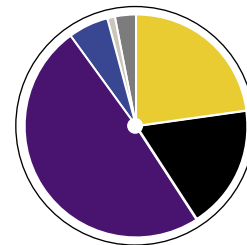
DECEMBER 31, 2010



● INDUSTRIAL INVESTMENTS	69%
● LIQUID FUNDS	5%
● REAL ESTATE	24%
● CLEANTECH	2%

BREAKDOWN OF INDUSTRIAL INVESTMENTS\*

DECEMBER 31, 2010



● A&R CARTON	23%
● ENICS	18%
● VACON	49%
● ELBI	6%
● SYMBICON	1%
● OTHERS	3%

\* of capital employed



# CLEANTECH CREATES **return** ON EQUITY AND **cleaner** ENVIRONMENT

THE EARTH IS NOT LARGE ENOUGH TO SATISFY THE GROWING NEEDS OF HUMANKIND. SUSTAINABILITY OF THE ENVIRONMENT IS AT STAKE, AND DEPLETION OF NATURAL RESOURCES POSES A THREAT TO DEVELOPMENT. UNLESS WE TAKE ACTION, WE RUN THE RISK OF DESTROYING THE ECOSYSTEM, CAUSING THE EXTINCTION OF SEVERAL SPECIES, AND ADDING MANY CHALLENGES TO THE LIFE OF HUMANS.

Old ways of thinking cannot solve these problems, nor can we simply stop the globe. What we need is new thinking and new solutions. Clean and green technologies and innovations are the key in paving the way to a global path to sustainable development.

Clean technology, or “cleantech”, refers to new technologies, innovations, and business models that provide solutions to global environmental challenges while offering competitiveness and returns for users, customers, and investors. Over the past years, the global cleantech market has grown faster than other sectors, reaching a total value of EUR 1,100 billion in 2010. The average rate of annual growth has been approximately 15 percent, but some sectors, such as wind and solar energy, have reached rates as high as 40 percent.

It is estimated that climate change mitigation alone will require investments of EUR 30,000–50,000 billion in effective, emission-free energy solutions by 2050. To illustrate the magnitude of the change required, it could be compared to a “new industrial revolution”.

Such drastic change will mean that some old industries will disappear while new ones are born. In addition to climate change, depletion of natural resources and the rise of living standards in the emerging markets guarantee the demand for environmentally friendly and low-emission technologies. Cleantech is expected to become one of the key industries in the century, and likely to be the most important target of global investors over the coming years.

Equity investments in cleantech have experienced explosive growth during the past five years. The sector seems nearly untouched by the global recession. Worldwide equity investments in the cleantech sector reached a record high in 2010, totalling some USD 7.3 billion.

The sector is dominated by young, innovative, and growth-oriented companies that are interesting investment targets for equity investors. In the Nordic countries alone, close to 1,000 new cleantech companies are established every year, and the sector raised nearly EUR 500 million in equity investments in 2009. According to Cleantech Group, the US-based provider of market intelligence, these innovative and fast-growing cleantech start-ups may even find it difficult to find enough investors in the coming years.

The development of clean technologies and the cleantech market is highly dependent on the environment, natural resources, energy, and the economy. We will analyse each of these development drivers in more detail in the following sections.

**NATURAL RESOURCES-BASED CLEANTECH DRIVERS**  
The concerns over the availability of clean water and other natural resources drive the development of new

products, services, and processes that are greener and more efficient in terms of energy and material use. Legislation and increasingly strict environmental norms are also forcing industries to deploy clean technologies. Emerging markets are only just grasping the importance of clean technologies and opening up their markets. This will create significant new growth opportunities for innovative cleantech companies in addition to the opportunities in more mature markets.

#### UNLIMITED DEMAND FOR COST-EFFECTIVE WATER PURIFICATION

Lack of clean water is one of the most acute global challenges. Over one billion people do not have clean water, and 5,000 children die every day due to lack of potable water. Pure water is not available everywhere on the globe, and water consumption is on the increase while wastewaters are not being adequately treated. Global water consumption has grown by over 750 percent over the past 100 years due to industrialisation, population growth, and life style changes. There is a great worldwide demand for technologies that can produce clean water cost-efficiently and help recycle industrial waters. The value of the global water purification market was USD 480 billion in 2010. Depending on the technology, the annual growth rate can be up to 5–28 percent. The demand is greatest for methods and equipment that can convert salt water to fresh water, or purify industry and households wastewaters. Such methods include biological and chemical purification, flotation, and different filtering and recycling technologies. Water quality monitoring and analysis is also among the fastest growing cleantech sectors.

#### INDUSTRIES NEED GREEN AND CLEAN PROCESSES TO SURVIVE

Continuing population growth and consumerism increase the demand for natural resources, and many industries will be challenged by shortages in the coming years. Once we begin to run out of natural resources, raw material prices are likely to rise and availability become an issue. For example, the growth of electric vehicle production may be in danger in the near future due to the limited availability of lithium, which the industry needs for the batteries. Modern industries must develop their processes continuously to increase their energy and material efficiency and to

find new raw materials. Cutting emissions is another important area, because stricter regulations, such as environmental permits and carbon trading, have cost effects or may even threaten to close down polluting industries.

” Cleantech is a crucial element in guiding the world to a path of sustainable development.”

Finnish paper industry is a prime example of an industry that is developing cleaner processes. Over the past 10 years, the industry has cut electricity consumption by almost 20 percent and water consumption by 40 percent per paper tonne produced. At the same time, the industry has reduced its CO<sub>2</sub> emissions by almost 50 percent and has secured significant savings in energy consumption and wastewater purification costs. Traditional industries keep a keen eye on cleantech for cost- and eco-effective solutions, which provides opportunities for new, innovative solutions.

#### WASTE MANAGEMENT SET TO BECOME A COMPETITIVE SECTOR

Municipal waste volumes are estimated to grow by a minimum of 50 percent over the next 20 years. This will open up new markets for waste treatment technologies because inadequate treatment not only causes serious health and environmental problems but is also wasteful of important raw materials. Waste management and ownership is becoming a very competitive business sector. For example, the global yields of waste incineration plants totalled USD 3.7 billion in 2010, and the figure is expected to reach USD 13.6 billion in 2016.

Several new companies have been established in the sector in recent years – most of them very innovative companies that provide technologies for the entire waste management chain from waste collection and transportation to logistics optimisation, waste recycling, re-use, utilisation as energy, and final disposal. Some examples of these technologies include bio fuels, such as biogas, bio ethanol and bio diesel, electricity and district heat production by waste gasification, composite materials that replace natural resources, and centralised waste incineration and recycling plants.

#### ECONOMIC AND ENERGY-BASED CLEANTECH DRIVERS

Energy is one of the most important commodities for societies and businesses. Energy use is also causing many environmental problems on a local scale, and the global climate change. Over 80 percent of global energy is still fossil fuel-based. Our entire lifestyle is based on energy – just consider the role of traffic and vehicles, for example. The world would simply stop without oil since it provides almost all the energy required to keep the wheels turning.

If energy is produced with the old technology, economic growth in developing and emerging countries will increase global energy consumption and speed up climate change. This problem cannot be solved even if the industrial countries cut their emissions to zero. What we need are global solutions, for both technology transfer and financing. The Cancun Agreement of the 2010 United Nations Climate Change Conference about a global Green Climate Fund to assist poorer countries in financing emission reductions and adaptation is an encouraging step that may help direct the development towards clean technologies. According to experiences from developing countries, cleantech can often be a more economic option than traditional technologies. The challenge lies in the effective commercialisation of these new solutions.

#### OIL REMAINS A QUESTION MARK

In short and mid-term, the availability of oil may become a critical question. Oil is also closely connected to climate change due to CO<sub>2</sub> emissions. The demand for oil is likely to increase, mainly because of

the economic growth and “motorisation” of societies. At the same time, older, more easily accessible sources of oil are getting exhausted. There is still plenty of oil available, but the deposits are located in areas that are environmentally sensitive and more difficult to reach. Furthermore, utilisation of these deposits may not be possible at a pace required to meet the growing demand. Alternative energy sources and more efficient use of oil are central themes in the energy and climate policy of many nations, such as the US. Effective public transport, different bio fuels, or hybrid cars are important solutions – and many of them represent key cleantech innovations. Bio fuel production expects new opportunities in areas such as non-food fuels that meet stringent sustainability and environmental criteria but are also competitive as regards prices.

#### NEW ENERGY TECHNOLOGIES MITIGATE CLIMATE CHANGE

Clean production and efficient use of energy are the key areas of cleantech. As a matter of fact, solar energy, traffic solutions and fuels, as well as more efficient use of energy already form the main cleantech investment sectors.

The global markets for renewable energy sources are USD 250 billion per year. In 2009, over half of the increase in EU electricity production originated from a renewable source of energy, such as wind or solar energy. Their markets have experienced double-digit annual growth over the past decade, also during the recession. The best operators in the sector are very profitable: for example, the 58 solar power companies operating in China recorded total profits of almost USD 2 billion in 2010. Strongly growing markets are likely to increase industrial investments in the coming years, and will probably also have an impact on the profitability of companies – although competition will also intensify and the number of acquisitions and mergers may increase.

More efficient use of energy is probably the single-most important action in mitigating climate change. Many scenarios estimate that this is how half of the emission cut targets will be achieved. More efficient energy production provides cost savings, and improvements often prove very profitable. Investments may

pay out as quickly as within 1 to 3 years, which means that subsidies do not play an important role in the business. Even though the potential for energy savings comes from a number of small solutions, one single action can provide significant results. For example, the energy consumed by lighting currently equals the entire global nuclear or water power production and could be quickly and cost-efficiently cut to less than half by switching to LED lights.

Buildings and facilities are responsible for almost half of all energy consumption and emissions. EU directives aim to make buildings more energy efficient and to introduce distributed energy solutions. It is possible that buildings will be carbon neutral in the future, and able to produce most of their energy themselves. China is considering the construction of eco-cities that utilise local energy sources and waste to produce energy.

The favourable political climate has driven the introduction of new energy technologies. Many innovations need public support to reach the markets. However, as volumes increase and competition intensifies, prices of new technologies have fallen and many clean energy technologies are close to a genuine breakthrough as regards their prices. At local level, many new energies are already successful businesses. Many scenarios depict new energy technologies as mainstream solutions. For example, Germany's energy visions indicate

that 80 percent of the nation's electricity will come from renewable sources in 2050.

Cleantech has evolved into an important driver for new economic growth. The US estimates to be spending USD 100 billion in clean energy and environment over the coming years. South Korea, the fourth largest economy in Asia, is rapidly increasing its investments in new energy technologies. It will invest almost USD 4 billion into new and renewable energy sources, such as wind and solar energy, in 2011. The South Korean cleantech investments are estimated to reach USD 85 billion by 2013. However, the main demand for cleantech is likely to come from China where environmental damages are eating up to 4 percent of annual economic growth. It is estimated that over the next 10 years, China will invest USD 440–660 billion to cleantech, and that renewable energy sources will provide 15 percent of its energy by 2020.

*The review was prepared by the Board members of AC Cleantech Management Oy: Professor Peter Lund and Mari Pantsar-Kallio, Program Director.*

” Cleantech has evolved into an important driver for new economic growth.”



# ” A&R Carton

is one of Europe’s leading manufacturers of paperboard packages and packaging systems.”



## INNOVATIVE PACKAGING SOLUTIONS

A&R CARTON’S MAIN CUSTOMERS COME FROM THE FOOD AND CONSUMER GOODS INDUSTRIES. IN 2010, THE DEMAND FOR ECOLOGICAL PACKAGING MATERIALS REMAINED GOOD.

A&R Carton is headquartered in Malmö, Sweden, and has 14 plants in eight European countries. Its extensive sales network operates in Europe, the USA, and Asia. A&R Carton’s paperboard conversion capacity is some 240,000 tons, and its staff numbers 1,700.

In 2010, the company’s net sales were EUR 355.5 million. Ahlström Capital has a 61 percent stake in the company.

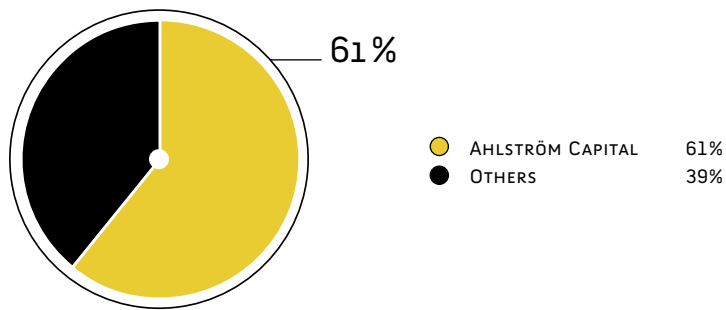
A&R Carton has repeatedly received recognition for its packages at international trade fairs. In fall 2010, its wine package won the Pro Carton/ECMA Beverage award.

In spring 2010, A&R Carton introduced its new organization, which consists of four business areas: Performance Packaging, Beer & Beverages, Branded Products, and Food & Consumer Goods.

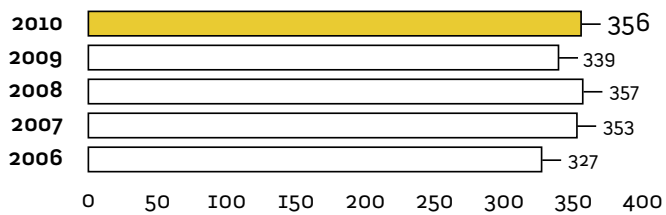
## OUTLOOK

A&R Carton aims to retain its position as one of Europe's leading manufacturers of paperboard packaging. An ecological packaging material, paperboard holds great potential, as environmental issues continue to gain importance.

### A&R CARTON – OWNERSHIP 2010



### A&R CARTON – NET SALES 2006–2010, M€



# ” Enics

is one of the biggest manufacturing services providers for industrial and medical electronics.”



## A FLEXIBLE ELECTRONICS SOLUTION PROVIDER

ENICS HAS PRODUCTION PLANTS IN EUROPE AND ASIA. THE COMPANY'S OPERATING MODEL ENABLES FLEXIBLE REACTIONS TO CHANGING MARKET SITUATIONS. IN 2010, ENICS WAS ABLE TO SATISFY INCREASING DEMAND DESPITE COMPONENT SHORTAGES.

Headquartered in Zurich, Switzerland, Enics has production plants in Finland, Sweden, Estonia, Switzerland, Slovakia, and China, as well as a sourcing office in Hong Kong. The company

employs approximately 2,400 people. In 2010, its net sales were EUR 315.9 million.

Ahlström Capital has a 91 percent stake in the company.

### NEW MANAGEMENT AT THE HELM

The electronics industry market began to gradually pick up in 2010, but the industry still suffers from the 2009 recession. Component manufacturers reduced their capacity, which led to longer delivery times for components. Nevertheless, the company successfully met the increased customer demand.

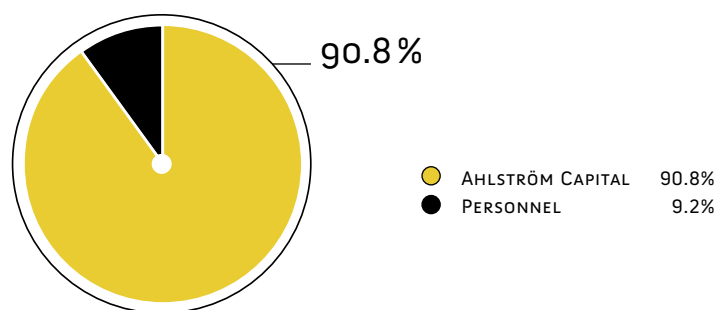


Reijo Itkonen, who had been President and CEO of Enics since 2004, retired and was succeeded by Dirk Zimanky, previously Senior Vice President of Customer Relationship Management.

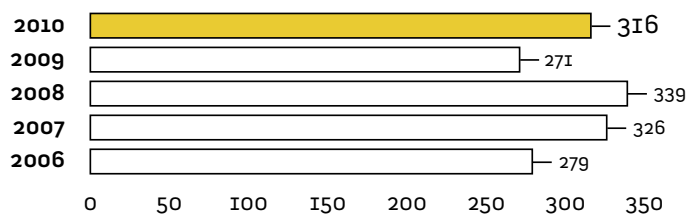
#### OUTLOOK

The company seeks growth in carefully selected strategic sectors and regions.

#### ENICS – OWNERSHIP 2010



#### ENICS – NET SALES 2006–2010, M€



# ” Vacon

develops, manufactures and sells variable AC drives used to control electric motors and produce” renewable energy.



## CUSTOMIZED, ENERGY-SAVING, VARIABLE-SPEED AC DRIVES

VACON'S HIGHLY CUSTOMIZED PRODUCTS CAN REDUCE ENERGY CONSUMPTION BY AS MUCH AS 50 PERCENT. IN 2010, THE MARKET FOR VARIABLE-SPEED AC DRIVES PICKED UP NOTABLY.

Vacon's main customers include the construction and mechanical industries, as well as wind and solar power system suppliers. The company's success is based on customer-orientation, as well as a heavy emphasis on research and development, which has led to one of the best cost-effectiveness figures in the field.

In 2010, Vacon reported net sales of EUR 338 million and employed some 1,300 people worldwide. Vacon's R&D and production units are located in Finland, the USA, China, and Italy. The company has sales offices in 27 countries and its share is listed on the Helsinki stock exchange.

With a stake of 20 percent, Ahlström Capital is the biggest single shareholder of Vacon.

### NEW BOOST FROM NEW ORGANIZATION

The market for variable-speed AC drives picked up notably in 2010. This was seen in the orders received by Vacon compared to the previous

year's figures. Especially the demand for products designed for solar power markets has risen sharply.

In 2010, Vacon developed its organization to answer the needs brought about by business growth. The parent company, Vacon Plc, was divided into two functional entities: the Vacon Drives Finland Profit Center and Global Group Management. The Products and Markets organization was also revised in this connection, with product marketing divided into two lines: motor-control AC drives and applications for renewable

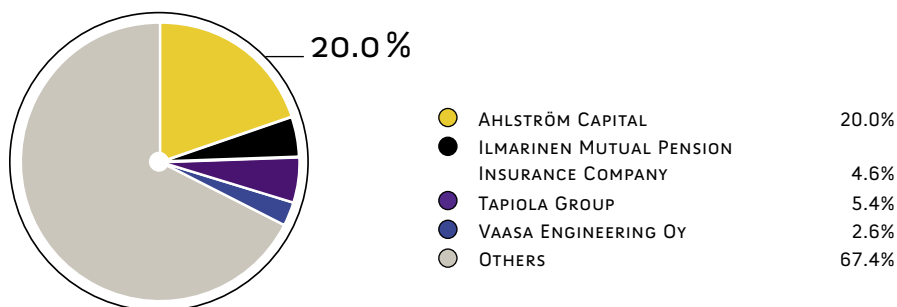
power production. The structure makes business more straightforward and supports growth targets.

**OUTLOOK**

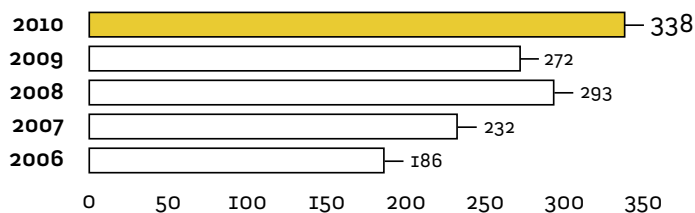
During the recession, Vacon made big inputs into R&D and competence development, in addition to setting up new subsidiaries, which will form a good foundation for future growth.

Source: Vacon's disclosures 2010–2011

**VACON – OWNERSHIP 2010**



**VACON – NET SALES 2006–2010, M€**



# ” Elbi

is a Turkish manufacturer of electrical installation accessories with a wide distributor network.”



## A DEVELOPING MANUFACTURER OF ELECTRICAL INSTALLATION ACCESSORIES

THE TURKISH ELBI SELLS ITS PRODUCTS IN THE BLACK SEA REGION, TURKEY, ROMANIA, UKRAINE AND RUSSIA.

Elbi is based in Istanbul, where it has its own plant. The company employs approximately 350 people. In 2010, Elbi's net sales were EUR 17.6 million. Ahlström Capital raised its stake in Elbi by 10 percent to 60 percent in 2010, making Elbi its subsidiary.

Elbi's competitive advantages are its representative and comprehensive range of products, an extensive distribution network, and efficient production. The company aims to be the top manufacturer of electrical installation materials in Turkey and the Black Sea region.

Elbi's position improved notably in 2010, and the company's domestic sales strengthened. Exports were, however, hampered by the global economic situation. The company got a new CEO in 2010.

# ” Symbicon

develops, manufactures and markets large digital advertising and information displays under the IconOne brand.



Symbicon's products are designed for demanding environments. IconOne displays are used in stores, shopping centers, airports, train and bus stations, public buildings, hotel and company receptions, museums – anywhere, in fact, where information must be displayed quickly and attractively to big crowds.

Ahlström Capital has a 42 percent stake in the company.

[WWW.ICONONE.FI](http://WWW.ICONONE.FI)

# ” Cencorp

supplies robots and devices to leading electronics, telecommunications, industrial automation and EMS manufacturers.”



Cencorp's business includes the manufacture of EMI shieldings, decorative coatings, RFID transmitters and receivers, as well as flexible antennas and circuits.

Cencorp is listed on the Helsinki stock exchange. A significant event in 2010 was the acquisition of Savcor Face.

Ahlström Capital acquired a five percent stake in the company in December 2010.

Cencorp aims to further strengthen its position as a supplier of laser-based production automation solutions, as well as to focus on serial production of special components, which requires special competence.

[WWW.CENCORP.COM](http://WWW.CENCORP.COM)

# MAINTENANCE AND DEVELOPMENT of real-estate portfolio

INDUSTRIAL AND PREMIUM REAL ESTATE INVESTMENTS ARE AN ESSENTIAL PART OF AHLSTRÖM CAPITAL'S INVESTMENT STRATEGY. REAL-ESTATE INVESTMENTS BALANCE THE RISK INHERENT IN INDUSTRIAL INVESTMENTS AND OFFER STEADY RETURNS. REAL ESTATE ACCOUNTS FOR 24 PERCENT OF INVESTMENTS.

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Ahlström Capital's property in Helsinki, located on Eteläesplanadi 14, has been leased out ever since its expansion was completed in 2009, and tenant turnover has been virtually zero.

The real estate in Elva, Estonia, is still used by Ahlström Capital's portfolio company Enics. The facility was expanded with a new parking lot. The Dutch premises in Sneek are used by A&R Carton for industrial purposes, and the industrial facility in Tabasalu, Estonia, also in A&R Carton's use, transferred to Ahlström Capital's ownership in late 2010. The industrial and office building in Varkaus, Finland, is only partially leased out, and alternative uses are now being sought for the vacant areas.

**NEW RESIDENTIAL BUILDINGS IN BUCHAREST**  
Ahlström Capital owns a plot of approximately two hectares in Bragadiru, Romania, close to Bucharest. Jointly with its local cooperation partner, Ahlström Capital has launched a project aiming to build seven residential buildings on the plot. The construction permit was granted in spring 2010, and the two first buildings will be completed in early 2011.

Ahlström Capital believes the Romanian construction industry holds great potential, seeing as the country does not have enough well-constructed residential buildings. We will continue to develop the Romanian real estate site on a broader scope.

**SLOW GOING IN THE REAL ESTATE SECTOR**  
In Russia, construction has been at a standstill, mainly because of the country's financial markets growing tighter. Suitable debt-funding or outside investors have not been found for real-estate financing.

The Finnish office facilities market continues to be sluggish: vacancy rates have further increased, and the division into popular and unpopular areas has grown sharper. The number of real-estate deals is around one-third of the all-time record, and no improvement to the situation is on the horizon.

Ahlström Capital is interested in new real-estate investment opportunities both in Finland and abroad. In addition, the company invests in the maintenance and development of its existing properties.



BRAGADIRU, ROMANIA

# NEW GROWTH FROM cleantech

AHLSTRÖM CAPITAL HAS SET UP A FUND INVESTING IN CLEAN TECHNOLOGY COMPANIES. GLOBAL FACTORS, SUCH AS CLIMATE CHANGE AND POPULATION GROWTH, MAKE THE CLEANTECH SECTOR A PARTICULARLY INTERESTING TARGET FOR PRIVATE EQUITY INVESTMENTS.

We believe we can put our industrial competence to good use in cleantech, which continuously provides interesting innovations. We want to be involved in this development.

Ahlström Capital helps its portfolio companies that have developed demonstrably functional technology to industrialize and commercialize their operations. We participate in Board work and provide start-up companies with industrial contacts and cooperation opportunities – also internationally.

## NEW ROLE AS FUND MANAGER

After our first cleantech investments in 2009 we set up a cleantech fund called AC Cleantech Growth Fund I Ky. Thirty percent of the fund's EUR 50 million invest-

ment commitments have been given by Ahlström Capital; the other investors are Varma, Sitra and Stiftelsen för Åbo Akademi.

## MANY OPPORTUNITIES ON OFFER

The companies in our cleantech portfolio differ in terms of size and phase of development, but all of them show considerable growth potential. Their strategic development basically lasts for 4–6 years, followed by a planned exit.

Ahlström Capital actively follows the development of cleantech markets and is looking to invest in new and promising growth companies.

## FUND STRUCTURE AND MANAGEMENT

The AC Cleantech Growth Fund I Ky is a Finnish limited partnership, with AC Cleantech Management Oy, a subsidiary of Ahlström Capital, acting as its general partner. Ahlström Capital and the other investors are limited partners. The partners' rights and responsibilities are regulated by a separate fund agreement, and the Advisory Board formed by the investors' representatives convenes when needed. Ownership of the portfolio companies was given to a holding company owned by the limited partnership.

## BOARD AND MANAGEMENT

Power of decision in AC Cleantech Management Oy is exercised by the Board of Directors, which includes Ahlström Capital's representatives Panu Routila and Morten Ahlström, as well as three outside members: Peter Lund, DSc (Professor in the Department of Applied Physics at the Aalto University, New Energy



CONCENTRATED SOLAR POWER MODULE (CPS) BY RIPASSO ENERGY

Technologies Group); Mari Pantsar-Kallio, PhD (Program Director of the Finnish Cleantech Cluster); and Arto Rätty, Lieutenant General (Permanent Secretary of the Ministry of Defense). The Managing Director of AC Cleantech Management Oy is Jacob af Forselles.

Ahlström Capital's staff takes part in the preparation, management, and development of cleantech investments. Three new employees were hired to further strengthen the team.

#### INDUSTRIAL ADVISORS

As concerns the board work and development of the portfolio companies, the fund is assisted by a network of Industrial Advisors, who include Ulf Gundemark (with business management experience from ABB, IBM and Elektroskandia); Harald Johannessen (who has held posts in business management at Tandberg, Schneider Electric and Lixel); Jan Inbarr (who made a long career in Ahlström companies, most recently as the President and CEO of Ahlström Capital); as well as Richard Grahne (who has worked in financial administration and management duties and as a consultant in Finland, Sweden and Switzerland).



THE BOARD OF DIRECTORS OF AC CLEANTECH MANAGEMENT OY

ARTO RÄTTY    MARI PANTSAR-KALLIO    PANU ROUTILA    PETER LUND    MORTEN AHLSTRÖM



INDUSTRIAL ADVISORS OF CLEANTECH PORTFOLIO

RICHARD GRAHNE    ULF GUNDEMARK    JAN INBARR    HARALD JOHANNESSEN (missing from the picture)



# CLEANTECH PORTFOLIO

THE CLEANTECH FUND HAS INVESTED IN SEVEN PROMISING CLEANTECH COMPANIES THAT FORM THE AHLSTRÖM CAPITAL'S CLEANTECH INVESTMENT PORTFOLIO.

**Mervento** ▶ Mervento Oy is a Finnish company that develops and delivers advanced direct drive multi-megawatt turbine power plant solutions for onshore, nearshore, and offshore applications. The company also provides comprehensive know-how in the area of wind turbine power plant solutions. Mervento's new technology pays special attention to easy and fast service and maintenance as well as long service life.

▶ [www.mervento.fi](http://www.mervento.fi)

**Ripasso Energy** ▶ Ripasso Energy AB is a Swedish company that engineers technology that can convert solar energy to electrical energy efficiently and with low costs by means of a stirling motor. The technology is based on a concept that was developed in the early 1980s. Production is outsourced, which provides notable cost savings. ▶ [www.ripassoenergy.se](http://www.ripassoenergy.se)

**United Waters** ▶ United Waters International AG is a Swiss company that owns the global rights, patents, and assets to its groundwater purification technology. This advanced biological water purification method provides a cost-effective method for producing high-quality drinking water. UWI initially focuses on the public sector operators in China and India. ▶ [www.uwiag.com](http://www.uwiag.com)

**Frangible Safety Posts** ▶ Frangible Safety Posts Ltd is a British company that focuses on the passive traffic safety market. It supplies reinforced composite posts that are designed to collapse in a controlled manner in a vehicle collision. The posts carry signs on motorways and other busy roads, replacing the steel posts used over the past 50 years. The new posts

improve safety and also provide cost savings in maintenance. They are also recyclable. ▶ [www.fsp-ltd.com](http://www.fsp-ltd.com)

**TD Light Sweden** ▶ TD Light Sweden AB is a Swedish company that develops LED-based light tubes to replace traditional fluorescent light tubes. The biggest benefit of the new product is cost-savings: LED-based tubes use up to 70 percent less energy and last 5 to 10 times longer than traditional light tubes. The company holds several patents for its new solution. ▶ [www.tdlight.se](http://www.tdlight.se)

**Scandinavian Biogas** ▶ Scandinavian Biogas Fuels AB is a Swedish company that produces renewable energy from nearly any kind of organic waste, such as sewage sludge or animal and food waste. The digestion and gas cleaning process developed by the company takes large-scale production of biogas to a higher efficiency level. The company has established biogas plants in Sweden and South Korea. ▶ [www.scandinavianbiogas.se](http://www.scandinavianbiogas.se)

**Neapo** ▶ Neapo Oy is a Finnish company that provides industrially manufactured elements for new buildings and repair projects with a progressive technology that improves cost-efficiency and reduces the amount of work on site. Indoor production in a dry and warm environment ensures the high quality and precision of the products. Among the solutions offered is an industrial construction method, where blocks of flats are constructed from modules (typically entire apartments) that are equipped and finished in the factory and delivered and installed in one piece, and a solution where an elevator is retrofitted to a building as a separate tower element. ▶ [www.neapo.fi](http://www.neapo.fi)

REPORT OF OPERATIONS AND  
**financial statements** 2010

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# REPORT OF OPERATIONS

Ahlström Capital, founded in 2001, is a private equity investment company and an important industrial group. It uses both its own balance sheet and bank funding to make long-term investments in industrial companies and selected real estate, which it develops to create growth. The total net sales of Ahlström Capital's portfolio companies exceed billion euros. Ahlström Capital actively participates in the operations of its portfolio companies jointly with the companies' management. In terms of its investment strategy, Ahlström Capital made a considerable move in 2010 by expanding its operating model to include a newly launched private equity fund that invests in clean technology, or cleantech. At the end of 2010, investors had pledged to invest EUR 50 million in the fund. Ahlström Capital's co-investors are external institutional investors.

## BUSINESS ENVIRONMENT

In general, the business environment of Ahlström Capital's portfolio companies remained challenging, although the global economy was recovering from the financial crisis and the recession that followed. Industrial production was mostly responsible for economic growth. However, individual economic areas were recovering at very different pace. Growth has been fastest in the emerging markets, and much slower in the developed economies. It seems that companies have pulled through better than national economies, and share prices have experienced strong growth. The profitability of the sectors in which our portfolio companies operate was weakened by problems related to the availability of raw materials and components, as well as by price hikes.

So far, growth has been fuelled by the exceptionally large-scaled efforts of monetary and fiscal policy. Interest rates have remained at record low levels since central banks have not increased their key interest rates. The number of new equity investments began to gradually increase.

The national debt crises of Greece and Ireland are casting a shadow over the economic prospects in the Euro zone. Despite large-scale public economic stimuli, which have kept liquidity high, markets remain nervous and lack of confidence between banks has increased. However, the bank financing arrangements of our portfolio companies stand on a solid basis thanks to long-term loan agreements.

## INVESTMENTS AND PORTFOLIO DEVELOPMENT

Significant structural changes took place in Ahlström Capital's investment portfolio in 2010. The company made one exit, increased its stake in one of the existing portfolio companies, and invested in one new industrial target. Ahlström Capital also invested in seven new targets through the new cleantech fund. Our industrial investments accounted for 69 percent (64), real estate for 24 percent (25), the cleantech fund for 2 percent (0), and liquid funds for 5 percent (11) of the capital invested at year-end.

## EXITS

In August, Ahlström Capital made a final exit from Nordkalk by selling its remaining 10 percent holding in the company. The initial investment in Nordkalk was made in 2003, and the holding was later raised to 30.5 percent.

## PORTFOLIO COMPANIES

In August, Ahlström Capital acquired an additional 10 percent share in the Turkish Elbi Elektrik, raising the holding in the company to 60 percent. As a result, Elbi is treated as a subsidiary instead of an associate in Ahlström Capital's consolidated financial statements as of August 2010.

## NEW INVESTMENTS

In December, Ahlström Capital made an investment in Cencorp Corporation, a leading provider of end-of-line automation solutions for manufacturers in automotive electronics, telecommunications, industrial electronics and EMS. The company is part of the Finnish Savcorp Group. Ahlström Capital's holding in Cencorp is 5.04 percent.

## CLEANTECH PORTFOLIO

In 2010, Ahlström Capital launched an environmental technology fund, AC Cleantech Growth Fund I Ky, which identifies and analyzes interesting investment targets in the field. The fund has collected assets from a group of investors and invests them in promising early and growth stage cleantech companies.

In addition to Ahlström Capital, investments in the fund have been made by Varma Mutual Pension Insurance Company, the Finnish Innovation Fund Sitra, and

Stiftelsen för Åbo Akademi, all of them institutional investors. During the first round of asset collection, concluded at the end of April, investors pledged to invest a total of EUR 50 million in the fund. After the first closing, AC Cleantech Growth Fund withdrew 30 percent of the assets, a total of EUR 15 million euros.

The cleantech portfolio consists of the seven cleantech companies listed below.

**MERVENTO LTD** develops and delivers advanced direct drive multi-megawatt turbine power plant solutions for both offshore and nearshore applications. The new technology utilised by the company pays special attention to easy and fast service and maintenance as well as long service life.

**RIPASSO ENERGY AB** engineers technology that can convert solar energy to electrical energy efficiently and with low costs with a stirling engine.

**UNITED WATERS INTERNATIONAL AG** owns the global rights, patents, and assets to its groundwater purification technology. This advanced biological water purification method provides a cost-effective method for producing high-quality drinking water.

**FRANGIBLE SAFETY POSTS LTD** focuses on the passive traffic safety market. It supplies reinforced composite posts that are designed to collapse in a controlled manner in a vehicle collision. The posts carry signs on motorways and other busy roads, and can be used in place of steel posts.

**TD LIGHT SWEDEN AB** develops LED-based light tubes to replace traditional fluorescent light tubes. The company has been awarded a patent for its solution that makes it easy to replace traditional fluorescent light tubes with energy-saving and extremely long-lived LED tubes.

**SCANDINAVIAN BIOGAS FUELS AB** produces renewable energy from nearly any kind of organic waste. The digestion and gas cleaning process developed by the company enables efficient and large-scale biogas production.

**NEAPO OY** provides industrially manufactured elements for new buildings and repair projects, featuring progressive technology that improves cost-effectiveness and

reduces the amount of work performed on site. Indoor production in a dry and warm environment ensures the high quality and precision of the products.

#### INDUSTRIAL INVESTMENTS

Ahlström Capital has spread its industrial investments over different sectors. The company is an important industrial main owner in Å&R Carton, Enics, and Elbi, and has a notable minority interest in Symbicon and Cencorp. Ahlström Capital is also the main shareholder of Vacon Plc.

In general, 2010 was a challenging year for our portfolio companies, and their financial performance was uneven. Their total result, excluding the impact of capital gains, did however improve from last year.

**A&R CARTON** (Ahlström Capital's holding is 61%) The company continued its action program throughout the year, aiming to improve profitability and competitiveness. The plant in Norway was closed down as a part of the program. Enhancement measures continued in all of the company's main processes, and challenging intermediate targets were reached especially in production and procurement.

In spring 2010, A&R Carton introduced its new organization, which consists of four business areas: Performance Packaging, Beer & Beverages, Branded Products, and Food & Consumer Goods.

A&R Carton posted net sales of EUR 355.5 (339.2) million. The company's profitability improved year-over-year, but its result was still in the red.

**ENICS** (91%) The electronics industry market began to gradually pick up in 2010, but the industry still suffers from the 2009 recession. Component manufacturers reduced their capacity, which led to longer delivery times for some components, and the increased uncertainty about component availability had a negative impact on Enics' operations. The shortage of materials forced Enics to make quick purchases at high prices. This weakened the company's profitability. Despite these problems, Enics successfully met the increased customer demand. Enics adopted wide-ranging measures to adjust its operations and expenses in line with market demand.

President and CEO Reijo Itkonen retired in the summer of 2010, and was succeeded in October by Dirk Zimanky, previously Director of Customer Relationship Management in Enics.

Enics posted net sales of EUR 315.9 million (271.1).

**VACON (20%)** The market for variable-speed AC drives picked up notably in 2010. This was seen in the orders received by Vacon compared to the previous year's figures. Especially the demand for products designed for solar power markets has risen sharply. During the recession, Vacon made big inputs into R&D and competence development, in addition to setting up new subsidiaries, which will form a good foundation for future growth.

Vacon's net sales increased 24 percent year-over-year to EUR 338 million (272). Operating profit was EUR 28.6 (22.5) million. The market value of Vacon's share rose by 43 percent in 2010.

**ELBI ELEKTRIK (60%)** The Turkey-based manufacturer of electrical installation materials improved its position notably in 2010, and especially its domestic sales increased. Due to the global economic conditions hampering exports the company did not quite reach its export targets. The company got a new CEO, and the organization structure was streamlined in early 2010. Elbi launched new products and notably improved the efficiency of its operations.

Net sales were up on the previous year, totaling EUR 17.6 million (13.0). Elbi's profitability improved notably year-over-year, but its result was still in the red.

**SYMBICON (42%)** The past year continued to be challenging for the company. Following statutory labor negotiations, the company laid off its production employees for some three months. It focused on serving carefully selected, domestic key customers with a suitable range of LCD panels. The company posted a loss again.

**MINT CAPITAL II** The private equity fund invests in companies operating in Russia and former Soviet republics. Ahlström Capital acts as a passive investor and has pledged to invest five million U.S. dollars in the fund, of which some 81 percent have now been invested. The fund made one additional investment in a portfolio company in 2010.

#### REAL ESTATE INVESTMENTS

The Eteläesplanadi 14 facilities in Helsinki have been leased out ever since their expansion was completed in 2009, and tenant turnover has been virtually zero.

The industrial and office building in Varkaus, Finland, is only partially leased out, and alternative uses are now being sought for the vacant areas.

The real estate in Elva, Estonia, is still used by Ahlström Capital's portfolio company Enics, and the Dutch plant premises in Sneek are used by A&R Carton.

In Bucharest, Romania, Ahlström Capital has constructed the first two buildings on its two-hectare land area, planning to build five more. Ahlström Capital has also acquired a neighboring plot and is planning to expand the development of the area.

In addition, Ahlström Capital acquired land in Turkey.

In December, the real estate business of Ahlström Capital acquired the industrial property of A&R Carton in Tabasalu, Estonia. As a result, A&R Carton can use the assets released to develop its industrial operations.

#### LIQUID FUNDS

Ahlström Capital's liquid funds available for additional investments mainly consist of short-term money market instruments. Their value at the end of 2010 totaled EUR 9.1 million (27.1).

#### GROUP STRUCTURE

Ahlström Capital Oy is the parent company of the Ahlström Capital Group. At the end of the reporting period, the Group comprised ACEMS AB, AC Kosmo AB, Second Kosmo AB, Dekad AB, ACPack AB, AC Finance B.V., AC Invest B.V., AC Real Estate B.V., AC Kiinteistö Oy, the subsidiaries of all the previous companies, as well as Karhula Osakeyhtiö, Elva Holding Oy, AC Cleantech Management Oy, Capbe AB, Capkap AB, Sulma Fastigheter AB, Capetra AB, Delmatis AB, Prosyxs AB, Selas AB, Krasno AB, Kapon AB, AC Invest Two B.V., ACEMS B.V., DutchCo Gamma Holding B.V., DutchCo Delta Holding B.V. and AC Verwaltungs-GmbH. Important shareholders outside the Group include those in Vacon Plc (20%) and Symbicon Ltd (42%).

The companies in the cleantech portfolio are not included in Ahlström Capital's consolidated financial statements.

#### GROUP EARNINGS IN 2010

*The comparative figures are for the same period in 2009, unless stated otherwise.*

Ahlström Capital's tenth reporting period, stretching from January 1 to December 31, 2010, was challenging, similar to the previous year. The Group's financial performance declined from the previous year due to lower capital gains from exits. The aggregate earnings of the portfolio companies remained weak, even though better than the previous year. Return on capital employed was

11.6 percent (10.2). The year-over-year improvement was due to the rise in the market value of Vacon's share in 2010 as the stock market developed favorably.

The net asset value of Ahlström Capital Oy's share increased by EUR 41.89 (6.6%) to EUR 674.01 in the reporting period. Including the dividends paid, the increase was 9.2 percent. The net asset value rose as a result of the capital gains recorded, as well as the increase in the market value of the Vacon holding. The dividend-adjusted net asset value of Ahlström Capital Oy's share totaled EUR 772.51 (713.12) at the end of the period.

The net sales of the Ahlström Capital Group increased year-over-year to EUR 683.8 million (392.8), with the EMS business accounting for EUR 315.9 million (271.1). The rise in net sales from the previous year resulted from the revenue of A&R Carton being consolidated with the Group figures only as of the beginning of September 2009. Other operating income amounted to EUR 9.0 million (18.4), and mainly resulted from the capital gains generated by exits.

Ahlström Capital's share of the results of its associates was EUR 1.3 million (−3.9). The improvement from previous year resulted from Vacon being reported as an associate from the beginning of 2010.

The Group's operating profit was EUR 11.1 million (11.4). Financial income was EUR 0.9 million (3.3). The decrease from the previous year is mainly due to the recording of Vacon's dividends. Dividends from Vacon are not recorded in the income statement because the company became an associate in the beginning of 2010. Financial expenses were EUR 7.1 million (5.7). The rise was due to the increase in interest-bearing debt. The administrative costs of parent company Ahlström Capital Oy and international holding companies amounted to EUR 4.8 million (3.8) in the reporting period, representing an average of 1.3 percent (1.3) of the Group's capital employed.

Pre-tax profit was EUR 4.9 million (9.1). Taxes recorded for the period totaled EUR 1.3 million (−1.6). They consisted of the subsidiaries' taxes worth EUR 3.8 million and an EUR 4.8 million increase in deferred tax assets, mainly recorded by parent company Ahlström Capital Oy. The Group's net income was EUR 6.5 million (7.0).

#### FINANCIAL POSITION AND FINANCING

Ahlström Capital's financial position remained stable thanks to capital gains on its exits and financial reserves.

At the end of the year, consolidated shareholders' equity was 183.4 million (190.1). The equity ratio at the end of the year was 41 percent (45), and gearing stood at 42 percent (22). Interest-bearing liabilities totaled EUR 111.4 million (104.0) at the end of December 2010. At year-end, parent company Ahlström Capital Oy and its holding companies had EUR 14.5 million (31.1) available for new investments, while interest-bearing liabilities totaled EUR 14.9 million (28.0). The guarantees issued by Ahlström Capital Oy on behalf of its portfolio companies totaled EUR 31.6 million (28.7) on December 31, 2010.

Net cash flow from operating activities (cash flow after net financial income, taxes paid, and change in net working capital) was EUR −1.6 million (−3.0). EUR 43.1 million (99.8) was spent on investments in fixed assets and on new investments. Most of the investments consisted of Enics' and A&R Carton's investments in fixed assets and investments in the construction project in Romania, as well as Elbi's fixed assets being consolidated with the Group figures as of September 2010. The difference from the previous year's investments was mainly due to the fixed assets of A&R Carton being consolidated with the Group's figures in September 2009.

Net cash flow from financing activities was EUR −6.1 million (78.6 million). The significant change from previous year resulted from A&R Carton's debts being included in the Group's figures in September 2009 when A&R Carton became a subsidiary of Ahlström Capital.

At year-end, the Group had liquid funds of EUR 32.2 million (60.2).

Based on the Annual General Meeting's decision, the company paid a dividend of EUR 10 per share, totaling EUR 3.6 million. In addition, based on a decision by the Extraordinary General Meeting, the company paid a dividend of EUR 7.5 per share, totaling EUR 2.7 million.

#### ACCOUNTING PRINCIPLES

No changes were made to the accounting principles in the review period. A&R Carton adopted the accounting principles used by Ahlström Capital (Finnish GAAP) when it became a subsidiary of Ahlström Capital in September 2009. These principles are notably different from the accounting principles previously adopted by A&R Carton (Swedish GAAP) in areas such as the accounting of leasing agreements.

## MAJOR SHAREHOLDERS ON DECEMBER 31, 2010

At the end of 2010, Ahlström Capital Oy had 216 shareholders

	Number of shares	Percentage of shares
Antti Ahlström Perilliset Oy	37,575	10.4
Varma Mutual Pension Insurance Company	23,490	6.5
Mona Huber	14,327	4.0
Jacqueline Tracewski	10,076	2.8
Morten Ahlström	8,293	2.3
Kaj Nahi	8,191	2.3
Johan Gullichsen	7,537	2.1
Anneli Studer	7,372	2.0
Niklas Lund	6,953	1.9
Kim Kylmäla	6,630	1.8
Others	230,475	63.9
Total	360,919	100.0

### RISK MANAGEMENT

Ahlström Capital aims to reduce the risk related to investments and to increase the return on investments by employing a carefully considered investment strategy and a multi-stage decision-making process for investments, as well as by diversifying its investments by choosing assets that differ in terms of their expected returns, risks, and investment horizons. Moreover, risks are managed and potential returns increased by actively participating in the development of the target companies' operations through Board activities and support given to operational activities.

### PERSONNEL, MANAGEMENT AND AUDITORS

The Ahlström Capital Group had an average of 4,704 (4,146) employees over the period. Ahlström Capital Oy's staff increased by 2 in the review period, numbering 11 at year-end. Panu Routila is the company's President and CEO. The Board of Directors of Ahlström Capital Oy has been chaired by Morten Ahlström since June 30, 2001. Karl Grotenfelt, Johannes Gullichsen, and Jouko Oksanen have served as Board members since the same date, and Martti Saikku has been on the Board since the Annual General Meeting of 2007.

The auditor was the auditing firm Ernst & Young Oy, with Kunto Pekkala, Authorized Public Accountant, as the auditor in charge.

### OUTLOOK FOR 2011

The growth outlook of many of our portfolio companies has improved following the overall improvement of the global economy, but the operating environment is expected to remain challenging. Favorable growth is expected to continue in industrial production, even though the macroeconomy is overshadowed by obvious threats. The portfolio companies are expected to perform better than the previous year.

Ahlström Capital continues to actively develop its target companies and to make new investments. Thanks to its strong equity position and financial reserves, the company can make significant new investments, while focusing on ensuring the success of Ahlström Capital's current portfolio companies and on developing the clean-tech portfolio.

# CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	2010	2009
<b>Net Sales</b>	1	<b>683,844</b>	392,771
Other operating income	2	8,962	18,381
Share in results of associated companies		1,343	-3,852
Materials and services		-407,713	-240,843
Personnel costs	3	-151,946	-96,070
Depreciation, amortization and reduction in value	8	-21,545	-14,126
Other operating expense		-101,838	-44,820
<b>Operating profit</b>		<b>11,107</b>	11,441
<i>Financing income and expense</i>	5		
Interest and other financing income		892	3,302
Interest and other financing expenses		-7,077	-5,629
		-6,185	-2,327
<b>Result before appropriations and taxes</b>		<b>4,922</b>	9,114
Income taxes	7	1,347	-1,584
<b>Result before minority interest</b>		<b>6,269</b>	7,530
Minority interest		220	-488
<b>Net result for the period</b>		<b>6,489</b>	7,042



# CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	2010	2009
<b>Cash flow from operating activities</b>		
Operating profit	11,107	11,441
Share in results of associated companies	-1,343	3,852
Depreciation and amortization	21,545	14,126
Other adjustments	-5,607	6,761
Cash flow from operating activities before change in net working capital	25,702	36,180
Change in net working capital	-19,774	-30,904
Cash flow from operating activities	5,928	5,276
Interest and other financing income	3,032	4,827
Interest and other financing expenses	-7,077	-5,629
Income taxes	-3,469	-7,439
<b>Net cash flow from operating activities</b>	<b>-1,586</b>	<b>-2,965</b>
<b>Cash flow used in investing activities</b>		
Capital expenditure	-29,056	-83,652
Other investments	-14,058	-16,180
Redemption of company shares	-2,175	0
Proceeds from sales of non-current assets	16,290	18,522
Change in notes receivable and other receivables	8,733	8,618
<b>Net cash flow used in investing activities</b>	<b>-20,266</b>	<b>-72,692</b>
<b>Cash flow from financing activities</b>		
Change in long-term liabilities	-367	55,297
Change in short-term debt	7,509	31,287
Dividends paid	-6,316	-5,414
Other adjustments	-6,932	-2,531
<b>Net cash flow from financing activities</b>	<b>-6,106</b>	<b>78,639</b>
<b>Change in cash and financial investments</b>	<b>-27,958</b>	<b>2,982</b>
Cash and financial investments at beginning of period	60,173	57,191
<b>Cash and financial investments at end of period</b>	<b>32,215</b>	<b>60,173</b>

# CONSOLIDATED BALANCE SHEET

## ASSETS

EUR 1,000	Note	Dec. 31, 2010	Dec. 31, 2009
<b>Non-current assets</b>			
<i>Intangible assets</i>			
	8		
Intangible rights		1,989	3,101
Goodwill		1,514	3,106
Group consolidation goodwill		5,759	2,967
Other intangible assets		4,746	3,956
Advances paid		451	13
		<b>14,459</b>	<b>13,143</b>
<i>Tangible assets</i>			
	8		
Land and water areas		36,738	34,459
Buildings and constructions		48,554	43,556
Machinery and equipment		52,023	57,479
Other tangible assets		962	724
Advances paid and construction in progress		8,022	6,222
		<b>146,299</b>	<b>142,440</b>
<i>Investments</i>			
	9		
Shares in associated companies		38,224	37,275
Receivables from associated companies	18	4,617	4,291
Other shares		9,702	10,320
Other receivables		2,847	6,805
		<b>55,390</b>	<b>58,691</b>
<b>Current assets</b>			
<i>Inventories</i>			
Materials and supplies		60,422	42,655
Work in process		14,739	13,719
Finished goods		29,890	25,831
Advances paid		328	32
		<b>105,379</b>	<b>82,237</b>
<i>Receivables</i>			
<i>Long-term</i>			
Accounts receivable		1,269	0
Notes receivable		1,853	2,231
Receivables from associated companies	18	200	0
Deferred tax assets	15	14,727	8,011
Other receivables		426	517
Prepaid expenses and accrued income	10	19	12
		<b>18,494</b>	<b>10,771</b>
<i>Short-term</i>			
Accounts receivable		63,713	45,957
Receivables from associated companies	18	1,216	5,519
Deferred tax assets	15	79	16
Notes receivable		4,182	4,744
Other receivables		6,705	4,962
Prepaid expenses and accrued income	10	9,616	7,833
		<b>85,511</b>	<b>69,031</b>
Financial investments		881	863
Cash and bank		31,334	59,311
<b>TOTAL ASSETS</b>		<b>457,747</b>	<b>436,487</b>

## SHAREHOLDERS' EQUITY AND LIABILITIES

EUR 1,000	Note	Dec. 31, 2010	Dec. 31, 2009
<b>Shareholders' equity</b>	11		
Share capital		36,092	36,092
Capital in excess of par value		12,774	12,774
Retained earnings		128,011	134,189
Net result for the period		6,489	7,042
		183,366	190,097
<b>Minority interest</b>		4,114	5,514
<b>Provisions</b>	14	8,939	14,381
<b>Liabilities</b>			
<i>Long-term</i>	13		
Loans from financial institutions		39,924	40,467
Other liabilities		29,722	30,211
Deferred tax liabilities	15	12,762	10,799
Accrued expenses and deferred income	16	1,182	985
		83,590	82,462
<i>Short-term</i>			
Loans from financial institutions		47,006	38,978
Advances received		1,533	3,572
Accounts payable		88,317	66,978
Other liabilities		11,877	9,245
Accrued expenses and deferred income	16	29,005	25,260
		177,738	144,033
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		457,747	436,487

# NOTES TO INCOME STATEMENT AND BALANCE SHEET

## ACCOUNTING PRINCIPLES

The financial statements of the Ahlström Capital Group and Ahlström Capital Oy, the parent company, have been prepared in accordance with the Finnish Accounting Act and other regulations in force in Finland. The financial statements are presented in euros and are prepared under the historic cost convention.

Ahlström Capital Oy was formed when A. Ahlstrom Corporation demerged into three companies on June 30, 2001. The official financial statements for 2010 have been prepared for the tenth financial year of the company and Group, spanning the period from January 1, 2010 to December 31, 2010.

No changes were made to the accounting principles in the accounting period.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the accounts of the parent company and all companies in which it owns, directly or indirectly, more than 50 percent of the voting rights.

Associates, in which the Group has 20 to 50 percent of the voting rights, are consolidated using the equity method.

Companies acquired during the year are included in the consolidated financial statements from the date of acquisition, and companies that have been sold during the year are included up to the date of sale.

Intragroup transactions are eliminated when preparing the consolidated financial statements. Cross-shareholdings are eliminated using the purchase method. Acquisitions are accounted for under the purchase method, and accordingly, in each case, the purchase price is allocated to the assets acquired and the liabilities assumed based upon their estimated fair values at the date of the acquisitions. The remaining difference is recorded in the balance sheet as goodwill.

The portions of the purchase price allocated to assets are depreciated or charged to income at the same rate as the asset items in question. Goodwill is amortized over a maximum of 20 years.

## REVENUE RECOGNITION

Income from the sale of goods and services is recognized as revenue when the goods are delivered or the services are rendered. Net sales are shown net of indirect taxes and discounts. Exchange differences attributable to sales are reported as a part of net sales.

## ITEMS DENOMINATED IN FOREIGN CURRENCY

In the financial statements, assets and liabilities denominated in foreign currency are translated into euros at the period-end rate. Exchange differences in receivables and liabilities are recognized in profit or loss.

The income statements of foreign subsidiaries are translated into euros at the average rate of the period and balance sheets at the period-end rate. The effect of such translation is included in the Group's equity.

## RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development costs are recognized as an expense in the year incurred. Development costs can be capitalized if the conditions laid down in the Decree of the Ministry of Employment and the Economy (1066/2008) are met. The conditions are based on the IAS 38 accounting standard.

## PENSION COSTS

In Finland, the statutory pension liability and supplementary pension benefits are funded through insurance policies and recognized in accordance with actuarial calculations. In other countries, pension plans and their treatment comply with local legislation and practice. Pension insurance premiums and changes in pension liabilities are recognized in profit or loss.

## INVENTORIES

Inventories are stated at the lower of cost or market.

## INVESTMENTS

Investments that are intended to generate income for more than one accounting period are recognized in non-current assets at cost.

Securities included in the financial assets are stated at the lower of cost or market.

#### NON-CURRENT ASSETS

Non-current assets are disclosed at original cost in the balance sheet, less accumulated depreciation and amortization.

Depreciation and amortization is calculated from the original cost or revaluated amounts of non-current assets using the straight-line method over the useful lives of assets.

The estimated useful lives are as follows:

Buildings	25–40 years
Heavy machinery	10–20 years
Other machinery and equipment	3–10 years
Intangible assets	3–5 years

Land and water areas are not depreciated.

#### TAXES

Income taxes consist of taxes paid and payable on taxable income for the current and previous accounting periods in accordance with local tax laws, plus deferred taxes.

Deferred taxes are calculated on timing differences between book and taxable income.

Deferred tax liabilities or assets are calculated on temporary differences in the financial statements, applying the tax rate confirmed for subsequent years at the end of the reporting period. Deferred tax assets are stated in the balance sheet at estimated probable benefit. Deferred tax assets arising from tax losses can be recognized in the income statement to the extent that it is probable that taxable profit will be available against which the losses can be utilized.

#### EXTRAORDINARY ITEMS

Non-recurring, material revenue and expense items not related to normal business operations are presented as extraordinary items in the income statement.

#### NET ASSET VALUE OF AHLSTRÖM CAPITAL OY'S SHARES

The net asset value of shares differs from the carrying amount. When calculating the net asset value, long-term investments in publicly quoted shares and in Nordkalk shares are measured at the period-end market value, while the Eteläesplanadi facilities are valued at fair value, whereby the tax portion attributable to the difference between the carrying amount and market or fair-value of investments is also taken into account. Other assets and liabilities are measured at the carrying amount when calculating the net asset value.

## NOTES TO INCOME STATEMENT AND BALANCE SHEET

EUR 1,000

1. NET SALES	Group	Group	Parent	Parent
Distribution of net sales by country	2010	2009	2010	2009
Sweden	119,877	85,293	12	11
Germany	96,027	47,981		
Russia	71,664	24,395		
Finland	68,192	60,433	3,763	2,551
France	57,305	17,264		
Switzerland	54,040	47,545		
Netherlands	34,467	12,570		
China	34,312	18,200		
Belgium	16,419	9,634		
Italy	15,926	15,494		
United Kingdom	15,908	8,782		
Ireland	15,015	5,764		
Others	84,692	39,416		
Total	683,844	392,771	3,775	2,562

## 2. OTHER OPERATING INCOME

Gain on sale of non-current assets	7,420	15,558	13,490	25,641
Others	1,542	2,823	860	44
Total	8,962	18,381	14,350	25,685

3. PERSONNEL COSTS	Group	Group	Group	Parent	Parent	Parent
	2010	2009	2008	2010	2009	2008
Wages and salaries	113,750	76,355	65,178	1,561	1,491	1,677
Pension costs	10,367	7,137	8,016	261	237	270
Other wage related costs	27,829	12,578	14,708	52	89	104
Total	151,946	96,070	87,902	1,874	1,817	2,051

Personnel costs include an additional remuneration of 50,000 euros to the Chairman of the Board for project work.

Salaries for managing directors	2,681	1,804	2,323	308	341	639
of which bonuses	190	102	320	49	23	198
Remunerations to Board members	494	354	282	168	201	143

## 4. AVERAGE NUMBER OF PERSONNEL

Salaried	1,304	1,174	692	10	9	8
Blue-collar	3,400	2,972	1,871			
Total	4,704	4,146	2,563	10	9	8

5. FINANCING INCOME AND EXPENSE	Group	Group	Parent	Parent
	2010	2009	2010	2009
Dividend income from others	14	1,738	14	1,588
Dividend income from Group companies				35,593
Dividend income from associated companies			1,609	1,525
Interest and financing income from Group companies			1,109	2,087
Interest and financing income from associated companies	344	1,287	340	344
Interest and financing income from others	534	277	2,488	135
Total	892	3,302	5,560	41,272
Interest and financing expenses to Group companies			-20,764	-830
Interest and financing expenses to others	-7,274	-5,629	-1,006	-17,626
Total	-7,274	-5,629	-21,770	-18,456

EUR 1,000	Group	Group	Parent	Parent
	2010	2009	2010	2009
<b>6. EXTRAORDINARY INCOME AND EXPENSE</b>				
Liquidation loss				-12 013
Group contribution				145
Total				-11 868

#### 7. INCOME TAXES

Taxes for current and previous years	-3,746	-2,516	290	
Change in deferred taxes	5,093	932	4,720	
Income taxes in the income statement	1,347	-1,584	5,010	

#### 8. INTANGIBLE AND TANGIBLE ASSETS

Group	Group goodwill	Goodwill	Intangible rights	Other intangible assets	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
Acquisition cost at Jan. 1	7,018	12,557	5,201	10,595	34,563	64,164	183,075	2,263	6,235
Increases	855		70	1,717	1,912	2,036	6,136	179	10,337
Decreases				-151	-79	-350	-9,764	-20	-1,930
Other changes	1,836	695	451	889	481	-3,754	-6,549	685	-2,005
Reclassifications	899		364	153		432	2,086	-613	-4,148
Acquisition cost at Dec. 31	10,608	13,252	6,086	13,203	36,877	62,528	174,984	2,494	8,489
Accumulated depreciation and amortization at Jan. 1	4,051	9,451	3,046	6,639	104	20,609	125,634	1,539	
Increases									
Decreases				-59		-63	-3,196	-1	
Other changes	66	500	-76	515	14	-8,810	-9,045	448	16
Reclassifications	90						-4,606	-648	
Depreciation and amortization for the period	642	1,787	1,127	1,362	21	2,238	14,174	194	
Accumulated depreciation and amortization at Dec. 31	4,849	11,738	4,097	8,457	139	13,974	122,961	1,532	16
Book value at Dec. 31, 2010	5,759	1,514	1,989	4,746	36,738	48,554	52,023	962	8,473
Book value at Dec. 31, 2009	2,967	3,106	3,101	3,956	34,459	43,556	57,479	724	6,235

Parent company	Intangible rights	Other intangible assets	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
Acquisition cost at Jan. 1	203		26,254	35,349	2,173	57	2,173
Increases							1,710
Decreases							-1,867
Reclassifications				431	80		-510
Acquisition cost at Dec. 31	203	0	26,254	35,780	2,253	57	1,506
Accumulated depreciation and amortization at Jan. 1	6			3,276	759		
Depreciation and amortization for the period				1,174	129		
Accumulated depreciation and amortization at Dec. 31	6	0	0	4,450	888	0	0
Book value at Dec. 31, 2010	197	0	26,254	31,330	1,365	57	1,506
Book value at Dec. 31, 2009	197	0	26,254	32,073	1,414	57	2,173

## NOTES TO INCOME STATEMENT AND BALANCE SHEET

EUR 1,000

9. LONG-TERM INVESTMENTS	Shares in associated companies	Receivables from associated companies	Other shares	Other receivables
Group				
Book value at 1 Jan.	37,275	4,291	10,320	6,805
Share of profits	1,343			
Increases	165	1,034	12,768	42
Decreases		-708	-13,414	-4,000
Other changes	-559		28	
Book value at Dec. 31, 2010	38,224	4,617	9,702	2,847
Book value at Dec. 31, 2009	37,275	4,291	10,320	6,805

Parent company	Shares in group companies	Shares in associated companies	Receivables from group companies	Receivables from associated companies	Other shares	Other receivables
Book value at Jan. 1	25,922	19,758	54,109	2,022	4,043	6,806
Increases	21,040			1,034	6,527	42
Decreases			-33,085		-3,332	-4,000
Reclassifications	21,024		-21,024			
Book value at Dec. 31, 2010	67,986	19,758	0	3,056	7,238	2,848
Book value at Dec. 31, 2009	25,922	19,758	54,109	2,022	4,043	6,806

10. PREPAID EXPENSES AND ACCRUED INCOME	Group Dec. 31, 2010	Group Dec. 31, 2009	Parent Dec. 31, 2010	Parent Dec. 31, 2009
<i>Long term</i>				
Periodization of costs	19	12		
<i>Short-term</i>				
Accrued interest income	41	11		7
Periodization of costs	4,902	5,407	63	62
Current tax receivable	967	464		109
Other	3,706	1,951	471	
Total	9,616	7,833	534	178

## 11. SHAREHOLDERS' EQUITY

Shareholders' equity at Jan. 1	190,097	191,406	184,122	159,303
Dividends paid	-6,316	-5,414	-6,316	-5,414
Translation adjustment	2,498	-2,902		
Changing associated company to subsidiary	-6,068			
Other	-3,334	-35		
Net income	6,489	7,042	-1,031	30,233
Shareholders' equity at Dec. 31	183,366	190,097	176,775	184,122
Retained earnings			128,940	105,023
Net result			-1,031	30,233
Distributable shareholders' equity			127,909	135,256

Other changes consist mainly of redemption of own shares by a Group company.

## 12. SHARE CAPITAL, DEC. 31, 2010

Parent company	Number of shares	EUR
1 vote/share, with redemption clause	360,919	36,091,900

## 13. MATURITIES OF LONG-TERM LIABILITIES

Group	2012	2013	2014	2015	2016–	Total
Loans from financial institutions	4,873	20,664	2,111	196	7,511	35,355
Deferred tax liabilities	2,249	311	578	321	9,303	12,762
Pension liabilities	3,092	2,813	2,863	1,369	18,895	29,032
Other long-term liabilities	4,029	6	1		1,224	5,260
Total	14,243	23,794	5,553	1,886	36,933	82,409



EUR 1,000

	Group Dec. 31, 2010	Group Dec. 31, 2009	Parent Dec. 31, 2010	Parent Dec. 31, 2009
<b>14. PROVISIONS</b>				
Personnel costs	1,374	1,501	1,243	1,501
Other	7,564	12,880	1,719	2,170
<b>Total</b>	<b>8,938</b>	<b>14,381</b>	<b>2,962</b>	<b>3,671</b>

#### 15. DEFERRED TAX ASSETS AND LIABILITIES

Long-term assets	14,727	8,011	4,800	
Short-term assets	79	16		
Long-term liabilities	-12,762	-10,799	-6,825	-6,825
<b>Total</b>	<b>2,044</b>	<b>-2,772</b>	<b>-2,025</b>	<b>-6,825</b>

#### Arising from

Depreciation difference	-2,693	-2,273		
Tax losses	11,145	10,882	4,800	
Other timing differences	-6,408	-11,380	-6,825	-6,825
<b>Total</b>	<b>2,044</b>	<b>-2,771</b>	<b>-2,025</b>	<b>-6,825</b>

#### 16. ACCRUED EXPENSES AND DEFERRED INCOME

##### Long-term

Interest expense	484	162	484	162
Other	698	823		
<b>Total</b>	<b>1,182</b>	<b>985</b>	<b>484</b>	<b>162</b>

##### Short-term

Personnel costs	16,527	13,985	285	205
Interest expense	95	141	342	31
Current tax payable	1,041	181		
Other	11,342	10,953	20	32
<b>Total</b>	<b>29,005</b>	<b>25,260</b>	<b>647</b>	<b>268</b>

#### 17. RECEIVABLES FROM AND LIABILITIES TO GROUP COMPANIES

Notes receivable			25,000	79,161
Accounts receivable			1,195	132
Other receivables			16,309	145
Prepaid expenses and accrued income			889	504
<b>Total</b>			<b>43,393</b>	<b>79,942</b>

Other long-term debt			4,243	5,657
Other short-term debt			17,842	9,190
Accrued expenses and deferred income			339	105
<b>Total</b>			<b>22,424</b>	<b>14,952</b>

#### 18. RECEIVABLES FROM AND LIABILITIES TO ASSOCIATED COMPANIES

Notes receivable	5,727	9,562	3,806	7,293
Accounts receivable	155	25		25
Prepaid expenses and accrued income	151	223	47	223
<b>Total</b>	<b>6,033</b>	<b>9,810</b>	<b>3,853</b>	<b>7,541</b>

#### 19. COLLATERALS

##### For own liabilities

Loans from financial institutions	27,792	66,673	5,000	21,500
Amount of mortgages and pledges	70,512	64,259	22,000	22,000
For other own commitments	28,777	15,320		
For commitments of Group companies	110,104	109,801		

## NOTES TO INCOME STATEMENT AND BALANCE SHEET

EUR 1,000

20. CONTINGENT LIABILITIES	Group	Group	Parent	Parent
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
<i>Leasing commitments</i>				
Current portion	14,369	14,084	78	96
Long-term portion	39,571	41,331	28	62
Commitments on behalf of Group companies	45,555	24,202	31,592	10,534
Commitments on behalf of associated companies	377	18,694	0	18,152
Commitments on behalf of others	10,635	7,302	1,318	2,185
Contingent liabilities for Real Estate investment's VAT			5,145	5,093

## 21. SHARES

Subsidiaries	Country	Holding, %
AC-Kiinteistö Oy	Finland	100
AC Kinnistute AS	Estonia	100
Karhula Osakeyhtiö	Finland	100
AC Cleantech Management Oy*	Finland	100
ACEMS AB	Sweden	100
Enics AG	Switzerland	91
Enics Schweiz AG	Switzerland	
Enics Eesti AS	Estonia	
Enics Sweden AB	Sweden	
Enics Electronics (Beijing) Ltd.	China	
Enics Finland Oy	Finland	
Enics Slovakia s.r.o.	Slovakia	
Enics Hong Kong	China	
AC Kosmo AB	Sweden	100
CETup AB	Sweden	100
Krasno AB	Sweden	100
Elva Holding Oy	Finland	100
AC Verwaltungs-GmbH	Germany	100
Sulma Fastigheter AB	Sweden	100
ACPack AB	Sweden	100
ÄRC Holding AB	Sweden	90
Ä&R Carton AB	Sweden	61
Ä&R Carton A/S	Norway	
Ä&R Carton Norrköping AB	Sweden	
Ä&R Carton Holding BV	Netherlands	
Ä&R Carton BV	Netherlands	
Ä&R Carton Bremen GmbH	Germany	
Ä&R Carton NA Inc.	USA	
Ä&R Carton Lund AB	Sweden	
Ä&R Carton Ltd	UK	
Ä&R Carton SA	France	
Ä&R Carton Cdf SA	France	
Ä&R Carton Beteiligungen GmbH	Germany	
Ä&R Carton GmbH	Germany	
Ä&R Carton Frankfurt GmbH	Germany	
Ä&R Carton Oy	Finland	
Ä&R Carton Holding GmbH	Germany	
ZAO Ä&R Carton Kuban	Russia	
Ä&R Carton AS	Estonia	

Subsidiaries	Country	Holding, %
CC Pack Holding AB	Sweden	70
CC Pack AB	Sweden	
Combi Craft AB	Sweden	
SP Container	UK	33
EMI Corp SA*	Belgium	50
Dekad AB	Sweden	100
Remad AB	Sweden	100
BDY Capital Invest S.R.L	Romania	100
Capkap AB	Sweden	100
Capbe AB	Sweden	100
Capetra AB*	Sweden	100
Prosyxs AB*	Sweden	100
Delmatis AB*	Sweden	100
Kapon AB	Sweden	100
Selas AB	Sweden	100
AC Invest B.V.	Netherlands	100
DutchCo Gamma Holding B.V.*	Netherlands	100
DutchCo Delta Holding B.V.*	Netherlands	100
AC Invest Two B.V.*	Netherlands	100
ACEMS B.V.*	Netherlands	100
AC Finance B.V.	Netherlands	100
DutchCo Beta Holding B.V.*	Netherlands	100
DutchCo Alpha Holding B.V.*	Netherlands	100
Outeractive Media AS*	Turkey	35
Waspel AB	Sweden	100
Elbi Elektrik International	Turkey	60
Elmas Elektrik	Turkey	
AC Real Estate B.V.	Netherlands	100
Ä&R Finance and Real Estate B.V.	Netherlands	100
Waspel Real Estate A.S.*	Turkey	100
AC Tabasalu Kinnistute OÜ*	Estonia	100
Second Kosmo AB	Sweden	100
Ahlstrom Capital Solar PVT Ltd*	India	100

\*new company

## Associated companies

Symbicon Oy	Finland	42
Vacon Plc	Finland	20

Holding 3,061,215 shares; book value EUR 36.9 million, market value EUR 87.8 million at Dec. 31, 2010

# INCOME STATEMENT, PARENT COMPANY

EUR 1,000	Note	2010	2009
<b>Net Sales</b>	1	3,775	2,562
Other operating income	2		25,685
Personnel costs	3	-1,874	-1,817
Depreciation, amortization and reduction in value	8	-1,303	-444
Other operating expense		-4,551	-6,700
<b>Operating profit</b>		10,397	19,285
<i>Financing income and expense</i>	5		
Interest and other financing income		5,560	41,272
Interest and other financing expenses		-21,770	-18,456
		-16,210	22,815
<b>Result before extraordinary items</b>		-5,813	42,101
Extraordinary items	6		-11,868
<b>Result before appropriations and taxes</b>		-5,813	30,233
Change in depreciation difference		-307	
Income taxes	7	5,089	
<b>Net result for the period</b>		-1,031	30,233

# STATEMENT OF CASH FLOWS, PARENT COMPANY

EUR 1,000	2010	2009
<b>Cash flow from operating activities</b>		
Operating profit	10,397	19,285
Depreciation and amortization	1,303	444
Other adjustments	-709	3,866
Cash flow from operations before change in net working capital	10,991	23,595
Change in net working capital	-16,320	865
Cash flow from operations	-5,329	24,460
Interest and other financing income	5,163	41,184
Interest and other financing expenses	-21,374	-18,369
Income taxes	290	1
<b>Net cash flow from operating activities</b>	-21,250	47,276
<b>Cash flow from investing activities</b>		
Capital expenditure	-1,710	-10,943
Other investments	-27,567	-2,580
Capital contribution repayment		16,595
Proceeds from sales of non-current assets	5,199	7,648
Change in notes receivable and other receivables	42,828	-44,299
<b>Net cash flow from investing activities</b>	18,750	-33,579
<b>Cash flow from financing activities</b>		
Change in long-term debt		6,092
Change in short-term debt	-9,238	4,989
Dividends paid	-6,316	-5,414
<b>Net cash flow from financing activities</b>	-15,554	5,667
<b>Change in cash and financial investments</b>	-18,054	19,364
Cash and financial investments at beginning of period	27,135	7,770
<b>Cash and financial investments at end of period</b>	9,081	27,134

# BALANCE SHEET, PARENT COMPANY

## ASSETS

EUR 1,000	Note	Dec. 31, 2010	Dec. 31, 2009
<b>Non-current assets</b>			
<i>Intangible assets</i>			
	8		
Intangible rights		197	197
		197	197
<i>Tangible assets</i>			
	8		
Land and water areas		26,254	26,254
Buildings and constructions		31,330	32,073
Machinery and equipment		1,365	1,414
Other tangible assets		57	57
Advances paid and construction in progress		1,506	2,173
		60,513	61,971
<i>Investments</i>			
	9		
Shares in Group companies		67,986	25,922
Shares in associated companies		19,758	19,758
Receivables from Group companies	17		54,109
Receivables from associated companies	18	3,056	2,022
Other shares		7,238	4,043
Other receivables		2,848	6,806
		100,886	112,659
<b>Current assets</b>			
<b>Receivables</b>			
<i>Long-term</i>			
Receivables from Group companies	17	11,003	12,444
Notes receivable			600
Deferred tax assets	15	4,800	
		15,803	13,044
<i>Short-term</i>			
Accounts receivable		96	14
Receivables from Group companies	17	32,390	13,389
Receivables from associated companies	18	797	5,518
Notes receivable		405	2,052
Other receivables		39	811
Prepaid expenses and accrued income	10	534	178
		34,261	21,962
Financial investments		881	863
Cash and bank		8,200	26,272
<b>TOTAL ASSETS</b>		<b>220,740</b>	<b>236,967</b>

## SHAREHOLDERS' EQUITY AND LIABILITIES

EUR 1,000	Note	Dec. 31, 2010	Dec. 31, 2009
<b>Shareholders' equity</b>			
	11		
Share capital		36,092	36,092
Capital in excess of par value		12,774	12,774
Retained earnings		128,940	105,023
Net result for the period		-1,031	30,233
		176,775	184,122
<b>Accumulated appropriations</b>			
Depreciation difference		891	584
<b>Provisions</b>	14	<b>2,962</b>	<b>3,671</b>
<b>Liabilities</b>			
<i>Long-term</i>			
	13		
Loans from financial institutions		326	435
Deferred tax liabilities	15	6,825	6,825
Liabilities to Group companies	17	4,243	5,657
Other liabilities		3,784	3,784
Accrued expenses and deferred income	16	484	162
		15,661	16,863
<i>Short-term</i>			
Loans from financial institutions		5,109	21,500
Advances received		4	
Accounts payable		297	444
Liabilities to Group companies	17	18,181	9,295
Other liabilities		551	219
Accrued expenses and deferred income	16	310	268
		24,451	31,727
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>220,740</b>	<b>236,967</b>

# AUDITOR'S REPORT

## TO THE ANNUAL GENERAL MEETING OF AHLSTRÖM CAPITAL OY

We have audited the accounting records, the financial statements, the Report of Operations, and the administration of Ahlström Capital Oy for the year ended 31 December, 2010. The financial statements comprise the consolidated balance sheet, the income statement, the cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

## RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO

The Board of Directors and the President and CEO are responsible for the preparation of financial statements and Report of Operations that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the Report of Operations in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President and CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements and on the Report of Operations based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the Report of Operations are free from material misstatement, and whether the members of the Board of Directors of the parent company and the President and CEO are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the Report of Operations. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and Report of Operations that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the Report of Operations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion, the financial statements and the Report of Operations give a true and fair view of the financial performance and financial position of the company in accordance with the laws and regulations governing the preparation of the financial statements and the Report of Operations in Finland. The information in the Report of Operations is consistent with the information in the financial statements.

The financial statements can be adopted and the members of the Board of Directors of the parent company and the President and CEO can be discharged from liability for the financial period audited by us. The proposal by the Board of Directors on how to deal with the result for the financial period is in compliance with the Limited Liability Companies Act.

Helsinki, 28 February 2011

Ernst & Young Oy  
Authorized Public Accountant Firm

Kunto Pekkala  
Authorized Public Accountant

# PROPOSAL FOR THE DISTRIBUTION OF PROFITS

According to the parent company's balance sheet as at December 31, 2010, the retained earnings and net result for the accounting period are:

	EUR
Retained earnings	128,939,942.37
Net loss for the period	-1,031,009.71
<u>Total distributable funds</u>	<u>127,908,932.66</u>

The Board of Directors proposes that  
a dividend of 12.50 euros per share be paid on the 360,919 shares  
and the remainder be retained. 4,511,487.50

Helsinki, February 14, 2011

Morten Ahlström

Karl Grotenfelt

Johannes Gullichsen

Jouko Oksanen

Martti Saikku

Panu Routila  
President and CEO

# KEY FIGURES

MEUR	2010	2009	2008	2007	2006
Net sales	683.8	392.8	352.1	358.3	305.2
Other income from operations	9.0	18.4	30.6	17.3	4.0
Share of associated companies' results	1.3	-3.9	-15.2	1.8	4.1
Operating profit	11.1	11.4	15.4	29.0	14.6
Net result for the period	6.5	7.0	23.5	23.4	10.5

	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
Equity ratio, %	41	45	67	65	59
Gearing, %	42	22	-21	7	1
Equity/share, EUR	508.05	526.70	530.33	529.10	479.69
Net asset value/share, EUR	674.01	632.12	618.90	669.36	630.56
Equity/share, EUR*	606.55	607.70	563.33	562.10	482.69
Net asset value/share, EUR*	772.51	713.12	684.90	702.36	653.56
Net result of the period/share, EUR	17.98	19.51	65.08	63.23	29.12
Dividend/share, EUR	12.50**	17.50	15.00	33.00	10.00

\* adjusted with dividends paid

\*\* proposal by the Board of Directors

# FORMULAS FOR KEY FIGURES

Equity ratio	$\frac{\text{Shareholders' equity} + \text{Minority interest}}{\text{Balance sheet total} - \text{Advances received}} \times 100$
Gearing	$\frac{\text{Interest bearing debts} - \text{Money market instruments} - \text{Cash and bank}}{\text{Shareholders' equity} + \text{Minority interest}} \times 100$
Earnings per share	$\frac{\text{Profit before extraordinary items and taxes} - \text{Taxes on regular operations} \pm \text{Minority interest}}{\text{Number of shares on average for accounting period}}$
Equity per share	$\frac{\text{Shareholders' equity at the end of fiscal year}}{\text{Number of shares at the end of fiscal year}}$

# BOOK VALUE AND NET ASSET VALUE OF THE SHARES

EUR 1,000 if not otherwise stated	Dec. 31, 2010	Dec. 31, 2009
<b>Book value of Ahlström Capital Group's</b>		
shareholders' equity	183,366	190,097
shareholders' equity, per share	508.05	526.70
<i>Differences in the book value and net asset value</i>		
Book value of shares in Vacon Plc	36,875	36,875
Net asset value of shares in Vacon Plc*	97,934	70,071
Book value of the Eteläesplanadi real estate	52,338	53,107
Net asset value of the Eteläesplanadi real estate*	51,175	53,157
Book value of shares in Nordkalk Corporation		8,982
Net asset value of shares in Nordkalk Corporation*		13,781
Differences in the book value and net asset value, total	59,896	38,045
<b>Net asset value of Ahlström Capital Group's</b>		
shareholders' equity	243,262	228,142
shareholders' equity, per share	674.01	632.12

\*Net asset value is the market value adjusted for the deferred taxes

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## RETURN ON CAPITAL EMPLOYED

The return on capital employed has been computed as follows:

$$\frac{\text{Operating profit} + \text{share of profit (loss) of associated companies} + \text{interest and other financial income} + \text{changes in the market value of Vacon shares} + \text{changes in the market value of Nordkalk shares}}{\text{Total assets} - \text{non-current liabilities} + \text{difference between the market and book value of Vacon shares} + \text{difference between the market and book value of Nordkalk shares, on average for accounting period}} \times 100$$



# SHARES AND SHAREHOLDERS

## SHARES AND SHARE CAPITAL

Ahlström Capital Oy's registered share capital on December 31, 2010 was EUR 36,091,900.

The company has one series of shares. Each share entitles the holder to one vote in the general meeting of shareholders.

The Articles of Association include a redemption clause as defined in Chapter 3, section 7 of the Limited Liability Companies Act.

## SHAREHOLDINGS OF THE BOARD OF DIRECTORS

On December 31, 2010 members of the Board of Directors held 13,098 shares in Ahlström Capital Oy, which represents 3.6 percent of the voting rights and shares.

Morten Ahlström holds 4,240 shares in ÅRC Holding AB.

## SHAREHOLDINGS

At the end of 2010, Ahlström Capital Oy had 216 shareholders.

## SHAREHOLDERS BY GROUP ON DECEMBER 31, 2010

	Number of shares	Percentage of shares
Companies	38,127	10.6
Financial and insurance institutions	3,750	1.0
Public corporations	23,490	6.5
Finnish households	235,164	65.1
Foreign households	55,124	15.3
Others	5,264	1.5
Total	360,919	100.0

## DISTRIBUTION OF SHAREHOLDINGS ON DECEMBER 31, 2010

Number of shares	Number of shareholders	Percentage of shareholders	Number of shares and votes	Percentage of shares	Average number of shares held
1–100	67	31.0	1,851	0.5	28
101–500	37	17.1	7,735	2.2	209
501–1,000	26	12.0	19,956	5.5	768
1,001–2,500	42	19.5	61,902	17.2	1,474
2,501–5,000	27	12.5	100,775	27.9	3,732
over 5,000	17	7.9	168,700	46.7	9,846
	216	100.0	360,919	100.0	1,671

# GOVERNANCE PRINCIPLES

Ahlström Capital Oy is a private limited company registered in Finland. The company follows good corporate governance practices in accordance with the Finnish Limited Liability Companies Act, the company's Articles of Association, and the Corporate Governance code for Finnish listed companies.

Ahlström Capital is a member of the European Private Equity & Venture Capital Association (EVCA) and the Finnish Venture Capital Association.

The company provides information to shareholders, employees, and the public on a regular basis. The company's website [www.ahlstromcapital.com](http://www.ahlstromcapital.com) also provides information about the company and its operations.

The work of the Board of Directors is also governed by rules of procedure, which define the responsibilities and working methods of the Board of Directors and management, and document the company's reporting practices.

Ahlström Capital Oy is the parent company of the Group and has significant minority interests in associates. It is responsible for the development of the Group's business, handles the Group's financial reporting, and supports Group and associate companies in risk management, financial, legal, and management matters.

The Group consists of several independent sub-groups and associates. Decisions concerning their operations are taken by each company's own decision-making bodies.

The company exercises its ownership through representatives that its Board annually elects to the decision-making bodies of its subsidiaries and associates.

## GENERAL MEETING OF SHAREHOLDERS

The highest authority in Ahlström Capital is exercised by the shareholders at general meetings of shareholders. The Annual General Meeting decides on the number of members on the Board of Directors and

elects the Board members. In addition, the General Meeting of Shareholders has exclusive authority over matters such as amending the Articles of Association, adopting the financial statements, deciding on the distribution of profits, and electing auditors.

In 2010, the Annual General Meeting was held on March 30 in Helsinki. In addition, an Extraordinary General Meeting took place on November 30.

To participate in a general meeting, shareholders must submit advance notification by no later than the date indicated in the notice, which day may not be earlier than 10 days prior to the meeting.

Notices of general meetings are published in the Official Gazette or delivered to shareholders by registered mail no earlier than two months and no later than two weeks prior to the last date of advance notification.

Notifications to shareholders are delivered in writing by mail.

## BOARD OF DIRECTORS

The Annual General Meeting elects no fewer than five and no more than seven ordinary members to the Board of Directors. The term of Board members ends at the close of the next Annual General Meeting following the election. The Board chooses a Chairman from among its members. The current Board has five members, four of whom – Morten Ahlström (Chairman), Karl Grotenfelt, Johannes Gullichsen, and Jouko Oksanen – have been on the Board since the company was founded on June 30, 2001. Martti Saikku has been on the Board since March 26, 2007.

All board members are independent except the Chairman Morten Ahlström, who also acts as the Managing Director of the biggest shareholder Antti Ahlström Perilliset Oy.

The Board has no women members.

The Board represents the owners of the company. The duties and responsibilities of the Board are based on the Finnish Limited Liability Companies Act and other applicable legislation, as well as on the Articles of Association and the Rules of Procedure adopted by the Board. The Board has general jurisdiction over all company affairs which under law or the Articles of Association are not specifically to be decided or implemented by other bodies.

In cooperation with the President, the Board attends to internal supervision, which also includes risk management. Risk management is mainly carried out in the subsidiaries and associates, that is, in potential sources of risk.

The Board confirms the company's and the Group's general targets and strategy, and approves the annual plan. The Board decides on direct investments and divestments.

In 2010, the Board held 13 meetings, 11 of which were attended by all the members and two of which by four members.

Members of the Governance and Compensation Committee are the Chairman of the Board Morten Ahlström and Board members Karl Grotenfelt and Jouko Oksanen. The Committee prepares issues regarding the company's and Group's administration, salaries and incentives applicable within the company, and management's terms of employment for the consideration of the Board. In 2010, the Committee held six meetings.

The Board annually reviews its operations and working methods using an internal self-evaluation.

#### PRESIDENT AND PERSONNEL

Ahlström Capital's President is appointed by the Board. The President plans and manages the company's and Group's business operations and bears responsibility for the company's and Group's operational administration in compliance with the instructions and decisions of the Board. He supervises and manages the analysis and appraisal of prospective investments, and the development and divestment of holdings.

The company's President is Panu Routila, M.Sc. (Econ.), who has held the position since April 1, 2008.

Panu Routila chairs the Board of Directors of Enics AG, Elbi Electric International Trade & Industry Corpo-

ration, AC Cleantech Management Oy, ÅRC Holding AB, and CETup AB, and serves as a member of the Board of Vacon Plc, Å&R Carton AB, Ripasso Energy AB and Outeractive Media A.Ş. He holds 4,240 shares in the portfolio company ÅRC Holding AB.

Panu Routila is entitled to retire at the age of 63 and has the right to severance pay equal to 6 month's salary in the event of termination of employment.

In addition to the President, the company has 11 employees. They assist the President, actively monitor and develop the company's operations in accordance with the objectives set, handle reporting, and prepare decisions on investments and divestments for discussion by the Board.

#### SALARIES AND REMUNERATION

The Annual General Meeting confirms the remuneration of Board members. The remuneration in 2010–2011 is EUR 2,000 per month and EUR 600 per meeting. The Chairman receives a double monthly fee. The meeting fee is also paid for Committee meetings. The Board decides on the President's salary and benefits and confirms the salaries, incentives, and benefits of other members of the management.

The company's employees are entitled to incentives according to the company's incentive policy. Incentives are based on the company's financial performance and individual targets set for each employee.

#### SUPERVISION

Ahlström Capital's auditor is the auditing firm Ernst & Young Oy, with Kunto Pekkala, Authorized Public Accountant, as the auditor in charge. The auditors supply the company's shareholders with the statutory auditor's report as part of the annual financial statements. They also report on their observations to the company's Board.

The Group's auditing fees in 2010 were EUR 0.7 million.

The company adheres to insider guidelines. However, as an unlisted company, it does not have insider administration in place.

# Board of Directors <sup>2010</sup>



**MORTEN AHLSTRÖM**

1943, MSc (Econ), Chairman of the Board  
Chairman of the Board: Å&R Carton AB, Quartona Oü  
Vice chairman of the Board: EOS Russia AB  
Board member: Enics AG, Elbi Elektrik, AC Cleantech  
Management Oy, United Waters International AG,  
Scandinavian Biogas Fuels International AB  
Managing director of Antti Ahlström Perilliset Oy



**KARL GROTENFELT**

1944, LL.M  
Chairman of the Board: Famigro Oy  
Board member: UPM-Kymmene Corporation



**JOHANNES GULLICHSEN**

1964, BSc (Eng), MBA  
Partner, RAM Partners Oy  
Chairman of the Board:  
Alfakemist Kapitalförvaltning Ab  
Board member: RAM Partners Oy, RAM  
Partners Alternative Strategies Plc., Equal  
Dreams Oy, Walter Ahlström Foundation



**MARTTI SAIKKU**

1960, MSc (Econ)  
Head of Institutional Business, SEB Gyllenberg  
Asset Management Oy  
Board member: Saastamoinen Foundation,  
SEB Gyllenberg Funds



**JOUKO OKSANEN**

1951, MSc (Econ)  
CFO, Varma Mutual Pension Insurance Company  
Chairman of the Board: F-Kustannus Oy, F-Musiikki  
Oy, Kyllikki ja Uolevi Lehtikoinen Foundation  
Vice chairman of the Board: Arek Oy,  
The Finnish Diabetes Research Foundation  
Board member: If Skadeförsäkring AB (publ.)

# Personnel 2010



<b>PANU ROUTILA</b> 1964, MSc (Econ) President & CEO	<b>ULLA PALMUNEN</b> 1974, LL.M Assistant General Counsel	<b>JACOB AF FORSELLES</b> 1973, MSc (Econ), LL.M Investment Director	<b>JOHANNA RAEHALME</b> 1983, MSc (Econ) Investment Analyst (from Jan 10, 2011)	<b>SEBASTIAN BURMEISTER</b> 1975, MSc (Econ) Investment Manager	<b>HENRIK MIKANDER</b> 1949, MBA Investment Director
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<b>KARI CEDERBERG</b> 1947, BSc (Econ) Financial Director	<b>HELENA STAFFANS</b> 1956, BSc Executive Assistant to CEO	<b>ANDREAS AHLSTRÖM</b> 1976, MSc (Econ) Investment Manager	<b>LEENA SAVOLAINEN</b> 1948, BA Executive Assistant	<b>JOHAN BORGSTRÖM</b> 1948, LL.M General Counsel	<b>OLLI VALTONEN</b> 1978, MSc (Eng) Group Business Controller
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# INFORMATION FOR SHAREHOLDERS

## ANNUAL GENERAL MEETING

Ahlström Capital Oy's Annual General Meeting will be held in Helsinki, at Eteläesplanadi 14, on Thursday, March 31, 2011 at 5:00 pm.

The Notice of the Annual General Meeting has been published in the Official Gazette No. 28/March 7, 2011.

## FINANCIAL INFORMATION

Ahlström Capital's annual report 2010 is published in Finnish, Swedish, and English.

In 2011, the company will issue a financial review to its shareholders for the period January 1 – June 30.

The company's annual report for 2011 is estimated to be completed in March 2012.

The annual report is available on the company's website at [www.ahlstromcapital.com](http://www.ahlstromcapital.com).

Certain statements herein are not based on historical facts, including, without limitation, those regarding expectations for market growth and development, returns, and profitability. Phrases containing expressions such as "believes", "expects", "anticipates" or "foresees" are forward-looking statements. Since these are based on forecasts, estimates, and projections, they involve an element of risk and uncertainty, which may cause actual results to differ from those expressed in such expectations and statements.



# Heritage counts...



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