AHLSTRÖM CAPITAL

Annual Report 2009

Ahlström Capital

Ahlström Capital is a private equity investment company that creates added value for its owners by channeling its investments primarily into industrial companies. With roughly 190 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.

CONTENTS

AHLSTRÖM CAPITAL'S *year* 2009

- We increased our holding in Å&R Carton to 61 percent.
- We made a partial exit from Nordkalk.
- We increased our holding in Vacon to more than 20 percent.
- The extension of the Eteläesplanadi 14 facilities was completed.
- The portfolio companies had a challenging year.

Year of Structural *Changes*

For private equity investors, 2009 was a challenging year. For Ahlström Capital, it was also a year of many structural changes. Financially the company fell short of its performance targets.

Our industrial holdings saw major changes last year. We became the main owner of A&R Carton and took the leading responsibility for the development of the company. As for the listed company Vacon, we made a landmark decision to increase our holding to 20 percent. We also made a partial exit from Nordkalk, giving up our role of the biggest individual shareholder. The bulk of our portfolio now consists of important industrial companies, in which we act as a long-term owner developing the companies' operations.

The expansion of the Eteläesplanadi premises in Helsinki was completed, and tenants moved into the new facilities. Our real estate portfolio expanded with the addition of A&R Carton's Dutch factory premises.

RESOURCES INTO PORTFOLIO COMPANIES

To pursue active ownership, we had to adopt special measures due to the economic conditions. We invest from our own balance sheet, which makes us freer than many other investors to support our portfolio companies. Over the year, we allocated considerable resources to managing the companies as well as supporting them financially. Ownership and structural arrangements were also needed. The portfolio companies' weak performance also affected our own results. On a brighter note, the cash flows of our portfolio companies remained at a moderate level.

We also developed our operating method by creating clear and harmonized principles for industrial ownership and investment, which we will use in the future to select and develop portfolio companies.

"To pursue active ownership, we had to adopt special measures due to the economic conditions."

IMBALANCE IN THE GLOBAL ECONOMY

Private equity investors faced big problems with their companies last year. Difficulties are expected to continue: it is still too early to even dream of a recovery in the real economy.

GREENTECH ERA

In our search for new growth areas, we have kept an eye on the greentech market and found targets there which we want to help develop. Over the year, we set up a diverse portfolio of green technology companies, which use proven technology and which we can help to industrialize and commercialize their business. Our first greentech investments targeted wind power and solar energy.

ABILITIES AND RESOURCES FOR A BETTER YEAR

Although stock exchanges are picking up again, this year is expected to remain challenging. Nevertheless, I believe there are opportunities in store for active and skilled investors.

Ahlström Capital has sufficient resources to participate in structural reorganizations and to survey new, interesting targets. We expect to see growth by expanding the operations of our portfolio companies. Our current investment portfolio has every opportunity for this. We aim to invest in carefully selected new industrial targets, while waiting for a breakthrough for our greentech portfolio.

I wish to thank our own staff and the personnel and management of our portfolio companies for their good work, as well as the board of directors and shareholders for their commitment to our common goals. ■

PANU ROUTILA
President & CEO

GLOBAL ECONOMY REVIEW

The Recession in *Retrospect*

A few positive signals have optimists believing that the worst is over. The truth, however, is that the underlying reasons for the Great Recession are still there and should not be underrated.

It may be that the global economy is recovering from what has come to be called the Great Recession.

The downturn deserves its moniker: overall global production has declined by several percent in 18 months, with a number of countries measuring the drop in industrial production in double figures, rising unemployment has truly soared in some countries, such as Spain, and according to some estimates the worst unemployment figures are yet to come.

TWO MAJOR CHANGES IN THE BACKGROUND

At first sight, the Great Recession may have seemed to be a banking and financial crisis caused by lax monetary policies in the U.S. and Europe, by new financing instruments that made home ownership accessible to low-income households, as well as by poor control of the financing sector. These are not the only reasons, however.

In the past decades, the global world order has been jolted by two major changes, which contributed to the Great Recession: the technical development fueled by information and communications technology, as well as the end to the Cold War, which brought new industrialized countries within the scope of global trade.

The remarkable development in data processing and communications, along with the spread of the Internet have altered the competence requirements in working life and enabled work to be transferred abroad in a whole new way. They have also linked financial markets around the world and harmonized global return expectations and risks.

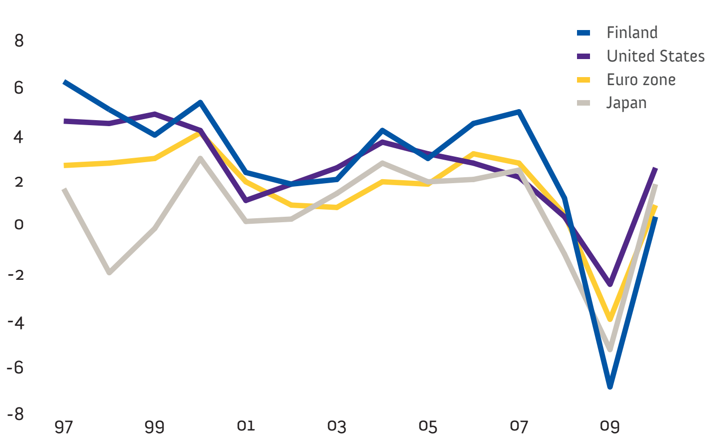
The end of the Cold War, in turn, added hundreds of millions of people to global labor reserves. The urban population in China alone, nearly all of which is today considered a part of the international workforce, has increased by 300 million since 1990. For the sake of comparison, the U.S. workforce consists of some 150 million people.

WINNERS AND LOSERS OF DEVELOPMENT

Taken together, these two changes form a strong trend. New technologies and cheap labor, more and more of which is highly educated, enables companies to move an increasing part of production to less developed and newly industrialized countries.

Consumers around the world have benefited from this trend, as has the highly educated workforce of industrialized countries. On the other hand, the move has been detrimental to people working in low-skill duties in sectors that have transferred production to low-cost countries. In these sectors, people have either lost their jobs or been forced to accept weaker wage development.

GROSS NATIONAL PRODUCT
change in volume %



Sources: OECD, Statistics Finland

ASIAN ASSETS INTO U.S. MORTGAGES

Less developed countries in the process of entering the global economy usually borrow money to develop their infrastructure and education system. This is what happened in the 90's all the way until the 1997 Asian financial crisis.

Following the collapse, many less developed countries exercised tighter capital management and, in the case of China, adopted an active currency policy in order to increase currency reserves. The total current account surplus of the BRIC countries (Brazil, Russia, India, China), newly industrialized countries, and rapidly developing countries had risen to nearly USD 800 billion in 2007.

How is all this related to the U.S. and European housing markets and their crises?

The answer lies in the countries' need to invest their assets, which they did, focusing mainly on the U.S. and the other industrialized countries. This, in turn, lowered interest rates.

The free monetary policy of industrialized countries sped up development. Low interest rates, new financial instruments, and especially the new mortgages offered to low-income households boosted demand in the housing market and raised the price of real estate. Housing prices nearly doubled in the U.S. from 2000 to 2008. U.S. households in particular financed consumption with the increased value of their homes by taking out more loan against their property.

Real estate prices seem to have risen faster in countries with a current-account deficit, such as the U.S. and Great Britain, than in countries with a current-account surplus, such as Finland.

STEEP DROP FROM APPARENT WEALTH

Why did the burst of the housing bubble have such a drastic impact on the financial market and the real economy? The earlier burst of the dot-com bubble only caused a modest recession, if even that.

The main reason for the latest crisis is that housing investments, contrary to investments in shares and other financial instruments, are mostly based on borrowed money. The rise in real estate prices increased the nominal value of homes, inflating the number of homeowners who appeared to have grown wealthier.

The decline in housing prices resulted in significant losses to financial companies that had financed or invested in the real estate market. As the risk of bankruptcy increased, financing problems spread from high-risk areas to other areas and also affected normal banking operations through deleveraging processes. To maintain their liquidity, banks began to amortize loans and reduce lending to households and businesses. This took place in U.S. banks, but also in most of the banks of other countries. The banking and financial crisis led to a global economic crisis.

REAL ECONOMIES IN A CRUNCH

According to the World Bank, global trade saw its biggest decline in the past 80 years. In the euro zone, industrial production decreased by 20 percent from late 2007 to early 2009. Export-driven countries suffered from the drop in demand for investment goods. This, in turn, reduced income, which decreased domestic demand.

Governments and central banks reacted quickly. Most industrialized countries financed their public expenses with debt, as their tax revenue plunged. The Federal Reserve and the European Central Bank in particular cut their interest rates practically to zero and took other necessary measures.

NATIONAL DEBT SLOWS RECOVERY

Although the worst may now be behind us, there is still reason for concern. Asset prices may reveal new bubbles, and the enormous national debts accumulated during the crisis affect the countries' future growth.

"Although the worst may now be behind us, there is still reason for concern."

Many experts caution governments from withdrawing public-sector support too soon, since it may draw out the recession. However, technological development will continue in the long term and improve the standard of living worldwide. Developing and less developed countries will close the gap between them and industrialized countries, and international economic activities will most likely continue to focus on the East. ■

This review of the underlying causes of the global economic crisis was written by Professor Matti Pohjola from the Aalto University School of Economics and Professor Otto Toivanen from HECER, the Helsinki Center of Economic Research.

The Recession *Reduced* Private Equity Investments

Private equity investors with a strong balance sheet and solid industry competence enable the development of many companies in difficult times.

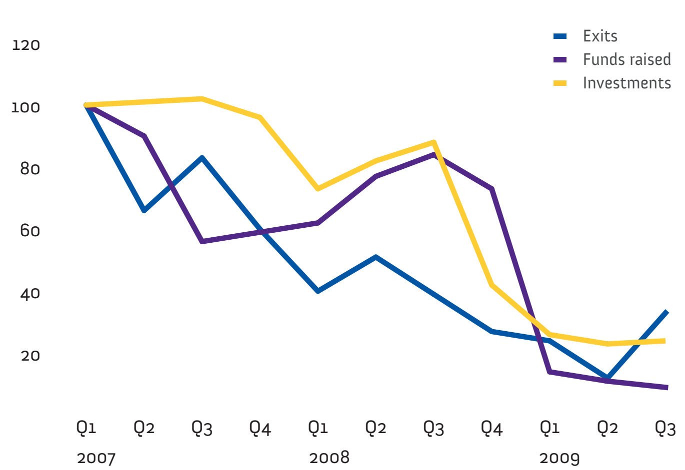
Private equity investments were affected by the credit difficulties and recession caused by the financial crisis. In Europe, the number of private equity investments dropped to half from the previous year. Moreover, new funds were not available for the development of companies.

Heavily leveraged investors, with overly optimistic return expectations, faced problems when the returns of their companies dried up and the investments proved difficult to exit profitably. On the other hand, investors have made life difficult for their portfolio companies, as they have been unable to offer the funding needed.

ACTIVE OWNERSHIP WAS CRUCIAL

Private equity investors have been important enablers of growth and internationalization to companies with development potential throughout the 2000s. Active ownership and a network of advisors working closely with the boards to support company management, proved to be crucial in the challenging times of recession. ■

PRIVATE EQUITY INVESTMENTS IN EUROPE
2007–2009



Source: EVCA/PEREP_Analytics

Visionary Investments

Ahlström Capital is an investment company that aims to produce added value in the long term and act as a professional, active, and responsible owner.

Ahlström Capital's goal is to make one or two acquisitions and to exit one or two investments annually.

INVESTMENT STRATEGY

The size of a single investment is typically EUR 5–25 million. We aim to realize the gains on investments in 5–7 years, but hold on to our stake longer if required.

Ahlström Capital looks for investments in the Nordic countries, Russia, and Eastern Europe.

To balance and diversify our industrial portfolio we also invest in real estate.

INDUSTRIAL INVESTMENTS

We acquired a majority share in A&R Carton and increased our stake in Vacon. Elbi and Symbicon received additional funding from us. We also divested most of our holding in Nordkalk.

REAL ESTATE INVESTMENTS

Our real estate investments comprise office and factory facilities in Finland, the Netherlands, and Estonia, as well as a plot in Romania.

The extension of the Eteläesplanadi 14 facilities in Helsinki was completed.

The land area in Romania was expanded, and planning for apartment buildings on the plot was launched.

NEW INITIATIVES

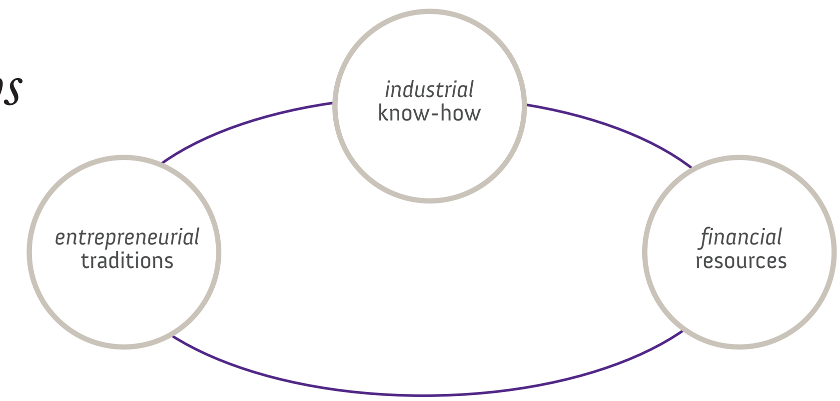
In addition to traditional industrial companies well suited to our objectives, we are also on the lookout for new, green technology investments.

AHLSTRÖM CAPITAL'S INDUSTRIAL INVESTMENTS
Dec. 31, 2009

Portfolio companies	Products/Services	Net sales	Holding %
A&R Carton	Folding cartons	339	61
Enics	Electronics manufacturing services	271	89
Vacon	AC drives	272	20
Nordkalk	Limestone products	277	10
Symbicon	Digital display panels	–	42
Elbi Elektrik	Electrical accessories	13	50

AHLSTRÖM CAPITAL'S

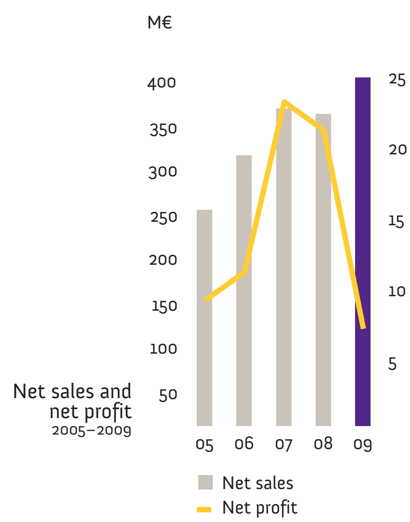
strategic strengths

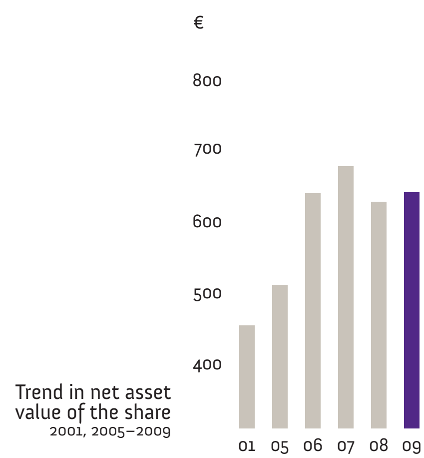


During the year, we have built up a network of industrial advisors to support our operations.

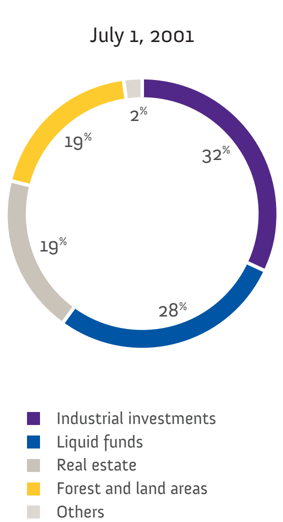
LIQUID FUNDS

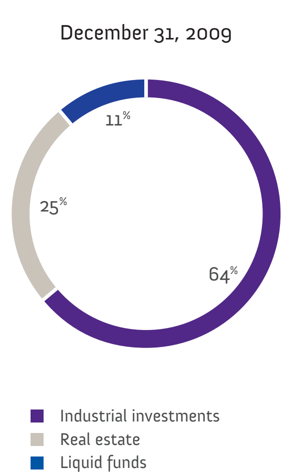
Our liquid funds mainly consist of short-term money market instruments. ■



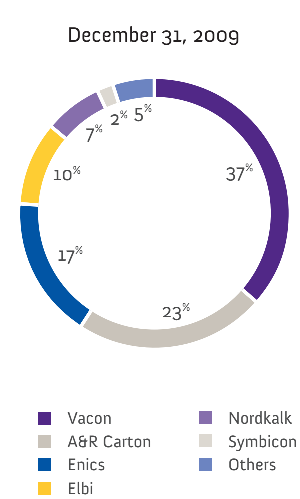


CHANGE IN THE INVESTMENTS





BREAKDOWN OF INDUSTRIAL INVESTMENTS



A&R Carton *Grows* with Its Customers

A&R Carton is a leading manufacturer of paperboard packaging solutions serving selected markets within fast-moving consumer goods.

In June, Ahlström Capital became a majority shareholder of A&R Carton through its acquisition of shares held in funds managed by CapMan. Ahlström Capital also took main responsibility for the company's future development jointly with A&R Carton's management.

A&R Carton's revenue declined year-over-year, totaling EUR 339 million. The company is headquartered in Malmö, Sweden, and has 15 plants around Europe. Its sales network covers Europe, the U.S., and Asia. A&R Carton's paperboard conversion capacity is some 240,000 tons, and its staff numbers 1,743.

STRONG POSITION IN THE MARKET

A&R Carton has a strong position as a packaging supplier of big, well-known European consumer brands.

The 2009 financial crisis brought A&R Carton's three-year period of strong growth to a halt. Sales declined around five percent, and the market contracted even more. Sales dropped especially in Russia.

OUTLOOK

Cartonboard is gaining ground as an ecological packaging material in the wake of increasing environmental awareness.

A&R Carton emphasizes innovative and environmentally friendly packaging solutions.

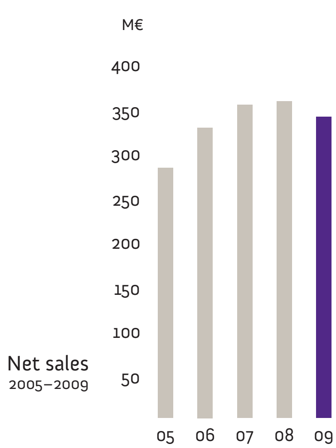
The investments made in recent years are now expected to generate sales growth, and the target is to become European market leader in paperboard based packaging solutions. ■

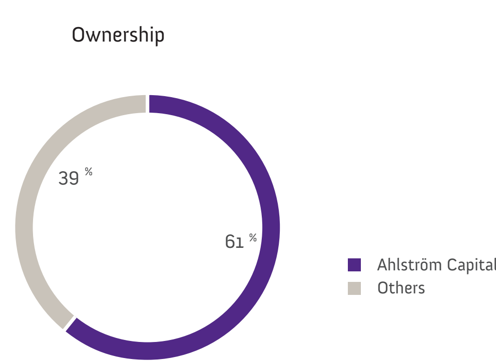
portfolio
A&R CARTON

A&R Carton has a **strong position** as a packaging supplier of big European consumer brands.

WWW.AR-CARTON.COM

A&R CARTON IN FIGURES 2009





Enics Is a *Flexible* Partner

Enics is one of the leading contract manufacturers of industrial and medical electronics. Its production plants are located in Europe and Asia.

Enics's sales decreased last year, following the drop in industrial investments. However, the company quickly adjusted to the situation through reorganization and other business improvement measures.

In the first quarter, Enics acquired an electronics design unit from Sweco. This enabled the company to expand its service range especially in early-stage product services, such as the support and industrialization of design. Enics also developed its after-market services.

FLEXIBILITY HELPED TO SURVIVE THE WORST

Operations were enhanced, among other things, by concentrating the Finnish production in Lohja. The units in Vaasa and Varkaus were closed at the end of the year. Revenue was back on a growth track in the last quarter.

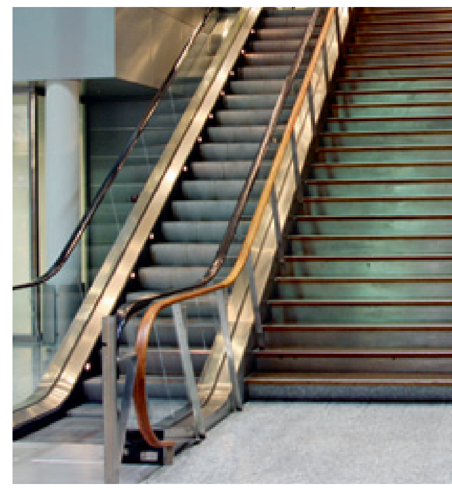
The flexible production structure set up by Enics has ensured business agility. Low production costs, a wide product range, and medium-sized volumes enable the company to also adapt to the needs of big customers.

OUTLOOK

Despite a slow economic recovery, Enics is in a position to achieve profitable growth in 2010. The company will continue to boost its competitiveness by expanding the existing product range.

In addition to manufacturing, Enics is increasingly focusing on services that cover the entire life cycle of industrial and medical electronics. ■

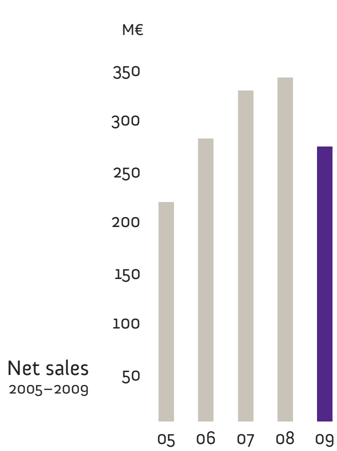
portfolio
ENICS

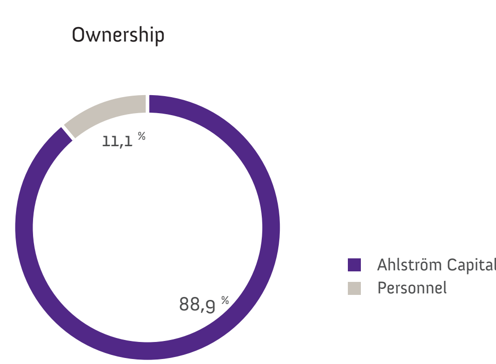


The flexible production structure set up by Enics has ensured business agility.

WWW.ENICS.COM

ENICS IN FIGURES 2009





Vacon Is a Greentech *Success* Story

Vacon develops, manufactures, and sells variable-speed AC drives used to control electric motors and produce renewable energy. Its biggest customers include the construction and mechanical industries, as well as wind power system suppliers.

At the end of the year, Ahlström Capital made a considerable additional investment, raising its holding in Vacon to 20 percent.

The financial crisis affected the demand for AC drives, weakening Vacon's sales. The company's revenue totaled EUR 272 million, declining 7.2 percent year-over-year due to fewer orders and a delay in an important order. To adjust to the weakened situation, Vacon cut costs and laid off employees. At the end of the year, its staff numbered 1,228.

GREATER INTERNATIONAL FOOTHOLD

Asian demand remained exceptionally brisk. While the global market for AC drives declined by some 16 percent, Vacon raised its global market share to nearly five percent.

In the summer, Vacon boosted its position in North America by establishing a subsidiary in Canada. The Brazilian office expanded in the fall, and it now handles support and maintenance services in all of South America. Product development units were expanded in Finland, China, and Italy. A new plant was built in the U.S., and the construction of another one began in China.

OUTLOOK

Vacon will continue its cost savings program, aiming at annual savings of five million euros. The markets are not expected to weaken any more in 2010. Climate and energy savings targets, along with new product innovations are predicted to boost the demand for AC drives.

A global sales network, regularly renewed products, and a relatively low market share, coupled with a flexible organization support Vacon's business development also in a tough market situation. ■

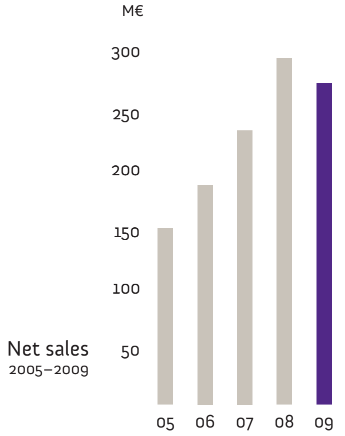
Source: Vacon's disclosures 2009–2010.

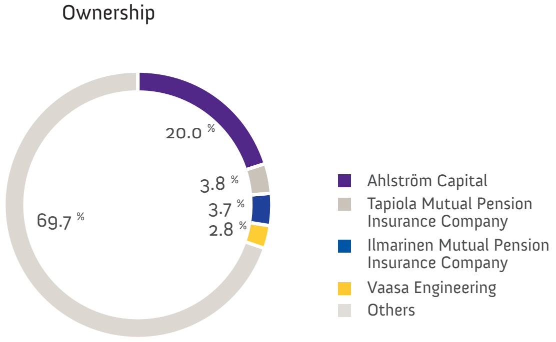
portfolio
VACON

Vacon **raised** its global **market share** in AC drives.

WWW.VACON.COM

VACON IN FIGURES 2009





Nordkalk's *Environmental Products* Sold Well

Nordkalk is the leading producer of high-quality limestone-based products in Northern Europe. Its products are mainly used in the paper, steel, and construction material industries and in environmental care and agriculture.

The recession reduced demand, and net sales decreased 20 percent year-over-year to EUR 277 million.

Nordkalk operates in eight countries and has mines and quarries in five of these. It is present in 14 localities in Finland, and has approximately 1,200 employees overall.

Ahlström Capital sold two thirds of its holding in Nordkalk in September.

The initial investment in Nordkalk was made in 2002, and the holding was later raised to 30.5 percent. Ahlström Capital retained a 10 percent stake in Nordkalk.

RECESSION AFFECTED SALES

The recession reduced the demand for limestone-based products used in the paper, pulp, steel, and construction material industries. In contrast, products for agriculture, environmental care, and road construction sold quite well. Overall net sales and earnings decreased year-over-year, and major cost-cutting measures were adopted in the whole Group.

OUTLOOK

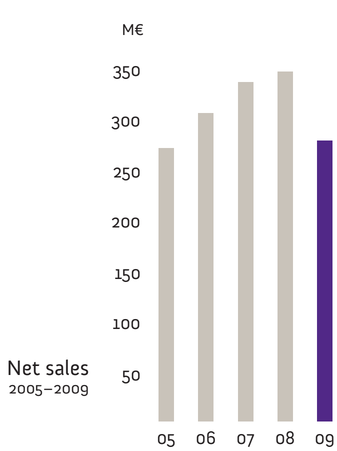
Weak economic development is expected to affect the demand for limestone-based products also in 2010. Deliveries to the construction material industry are predicted to remain at a low level throughout the year, but paper, pulp, and steel industry sales are expected to improve slightly. The demand for environmental care and road construction products are believed to remain at a good level. Low grain prices will introduce uncertainty into the sales of soil improvement products. ■

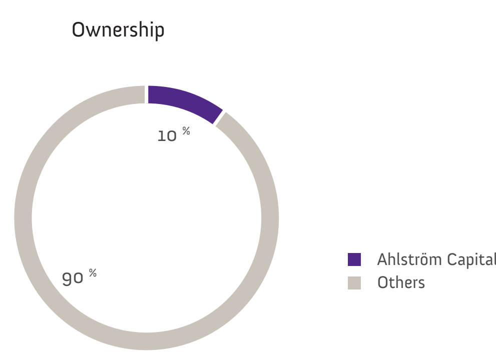
portfolio
NORDKALK

Ahlström Capital sold two thirds of its holding in Nordkalk.

WWW.NORDKALK.COM

NORDKALK IN FIGURES 2009





portfolio SYMBICON

WWW.ICONONE.COM

Symbicon Is Ready for *Growth*

Symbicon manufactures digital LCD advertising and information displays for demanding environments both indoors and outdoors.

Based in Kajaani, Symbicon focused on serving its key customers and on strengthening the IconOne brand. It adjusted expenses to match the order book.

Ahlström Capital owns 41.8 percent of Symbicon and the company's personnel the remaining 58.2 percent.

Cooperation with Tekes continued in a project developing LCD displays for extreme conditions. Symbicon also aims at the leading edge of the market with applications and new features added to displays, including camera, touch, and voice. ■

WWW.EL-BI.COM

Elbi's *Development Program* Continued

Elbi is one of Turkey's leading manufacturers of electrical installation materials, which sells its products in the Black Sea region, Turkey, Romania, Ukraine, and Russia.

Elbi's development program continued. The company's management resources were strengthened and the production process was streamlined. Elbi's profitability improved year-over-year, but its net sales remained at EUR 13 million.

Ahlström Capital owns 50 percent of the company. Elbi has around 400 employees and its plant is located in Istanbul.

Elbi's competitive advantages are its representative and comprehensive range of electrical installation products, an extensive distributor network, and improved production. The company launched a new product family which proved to be a success.

Elbi aims to be the top manufacturer of electrical installation materials in Turkey, Romania, and Ukraine. Further development will take place in customer service and logistics. ■

GREENTECH PORTFOLIO

Green Technology Becomes a *Business*

Similar to its predecessor companies, Ahlström Capital has kept a close watch on megatrends. Greentech is a trend that is here to stay. It has evolved into profitable and independent business, which Ahlström Capital now is keen to invest in.

Green technology refers to products, services, processes, and technologies that prevent or reduce energy consumption, carbon dioxide emissions, and other harmful environmental impacts.

The greentech market has grown steeply, fueled by climate change, rising energy and raw material prices, as well as concerns for energy security. Supply in the field has also been influenced by technological development and scale advantages in production.

Greentech investments have grown steadily in Finland and worldwide. Thanks to expected growth, they offer investors good return potential and hedge against risks related to the price of energy and raw materials.

NEW STRATEGIC INVESTMENT OPTION

Greentech investments form a new strategic component in Ahlström Capital's portfolio. It is our goal to help growing companies to commercialize their business and industrialize their production.

OUR GREENTECH PORTFOLIO

In 2009, Ahlström Capital built an investment portfolio of promising, young greentech companies. All of their products feature functional and tested technology, but their commercialization is still in early phases.

Mervento Ltd is a Finnish company that designs and supplies wind turbines for offshore and nearshore use. It aims at being a technology leader in wind turbine direct drive technology.

Ripasso Energi AB is a Swedish company, which designs and supplies solar power devices that use a heat engine to convert solar energy into electricity.

"We will help growing companies to commercialize their business and industrialize their production."

OTHER OPTIONS UNDER INVESTIGATION

Ahlström Capital also analyzed other interesting green technology companies that meet the criteria set by us. Some of them may be included in our greentech portfolio. ■

Real Estate Extension *Completed*

Ahlström Capital invests in industrial and prestigious real estate in order to balance the risks of its industrial investments and seek steady returns. Real estate accounts for 25 percent of the company's investments.

The real estate market slowed down markedly in all of Europe, including Finland. The number of transactions was clearly smaller than average in the 2000s. On the Continent, however, the value of property remained relatively stable compared to the U.S. and Great Britain.

In Russia, previously halted construction projects nudged forward, as banks ventured to finance them again.

The Finnish real estate market was sluggish. The metropolitan area had more vacant office space than ever before. Premises in premium locations were in demand, but investors were in no hurry to let go of their holdings. Transactions finally began to take place in the fall, as international investors grew interested in the Finnish market.

REAL ESTATE PORTFOLIO

The expansion of the Eteläesplanadi 14 facilities was completed in the spring, resulting in some 3,000 square meters of new, high-quality office and restaurant space, all of which is now leased. The culturally valuable Savoy Theater was renovated, and Royal Restaurants opened a new restaurant on the premises. Three office floors, supported by Vierendeel trusses, were constructed above the Theater. The architecturally demanding extension received special mention for its functionality and unique look in the Steel Structure of the Year Competition.

"Eteläesplanadi received special mention in the Steel Structure of the Year Competition."

As for the industrial premises in Varkaus, we sought new ways to utilize the facilities. The real estate in Elva, Estonia, remained in the use of Enics.

The land area acquired in Romania a year ago was expanded by 5,000 square meters, and architectural planning for apartment buildings was launched. The first two buildings are slated for completion in fall 2010.

real estates 09

REAL ESTATE ACQUISITION IN THE NETHERLANDS

We also acquired A&R Carton's industrial property in Sneek, the Netherlands. A&R Carton remains as a tenant on the premises.

The deal released capital for A&R Carton to develop its industrial operations.

OUTLOOK

Banks were more open to financing at the end of the year, but access to credit remained tight. In addition to making potential investments, we will focus on maintaining and further developing our existing real estate portfolio. ■

REPORT OF THE BOARD OF DIRECTORS AND *financial statements* 09

REPORT OF THE BOARD OF DIRECTORS

FINANCIAL STATEMENTS

Report of the Board of Directors

Ahlström Capital, founded in 2001, is a private equity investment company and an important industrial group that manages capital of approximately EUR 190 million. 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 and helps to grow. Ahlström Capital actively participates in the operations of its portfolio companies jointly with the companies' management.

BUSINESS ENVIRONMENT

The deep global recession continued in 2009. Economic activity in the euro zone contracted especially in the first quarter. Signs of the recession bottoming out were seen toward the end of the year, with stock prices seeing notable recovery. There is now a clear disjunction between stock prices and the real economy, since the latter has not yet experienced a similar recovery.

Ahlström Capital's portfolio companies experienced the recession in the form of weaker market demand and tougher bank lending conditions, among other things. Many portfolio companies adapted their production capacity to the weaker demand and cut costs to improve profitability.

INVESTMENTS AND PORTFOLIO DEVELOPMENT

Significant structural changes took place in Ahlström Capital's investment portfolio in 2009. The company made one partial exit, increased its stake in some of the existing portfolio companies, and invested in a few new targets. Our industrial investments accounted for 64 percent (60), real estate for 25 percent (25), and liquid funds for 11 percent (15) of the capital invested at year-end.

EXITS

In September, Ahlström Capital sold two thirds of its holding in Nordkalk. The initial investment in Nordkalk, a stake of 25.3 percent, was made in 2002. The holding was later raised to 30.5 percent. After the divestment, Ahlström Capital still held a 10 percent stake in Nordkalk.

PORTFOLIO COMPANIES

Ahlström Capital became a majority shareholder of A&R Carton through its acquisition of shares held in funds managed by CapMan. The acquisition took effect in September and raised the company's holding to 61 percent. Consequently, A&R Carton is treated as an associate in Ahlström Capital's 2009 consolidated financial statements from January to August and as a subsidiary from September onward. The change had a considerable impact on the structure of the Group's income statement and balance sheet.

In the course of the year, Ahlström Capital bought more shares in Vacon and raised its holding in the company to slightly over 20 percent in December. Consequently, Vacon will be treated as an associate in Ahlström Capital's consolidated financial statements from the beginning of 2010.

NEW INVESTMENTS

Based on an extensive sectoral survey and on preliminary company reviews, Ahlström Capital's Board of Directors made a decision on the creation of a greentech portfolio. The decision is based on a strong belief in the greentech sector's positive and fast development and in the availability of financing and support for greentech projects. On the other hand, we believe that profitable business can already be carried out in the sector, irrespective of government support measures.

In preparation for the new greentech portfolio, we invested in two greentech companies in 2009. In November, we acquired a 5 percent holding in Mervento Ltd, a Finnish company that designs and supplies wind turbines that represent the latest technology and pay particular attention to easy maintenance and long useful life.

In December, we acquired 51 percent in Ripasso Energi AB, a Swedish company. It designs and supplies solar power devices that use a combination of parabolic antenna and stirling engine to convert solar energy into electricity. The resulting energy efficiency is considerably higher than that achieved with conventional solutions.

INDUSTRIAL INVESTMENTS

Ahlström Capital has spread its industrial investments over different sectors. We have become a major owner in a few industrial companies, such as Enics and A&R Carton. The financial performance of our portfolio companies was uneven, but their overall result, excluding the impact of capital gains, improved over the previous year.

Enics (Ahlström Capital's holding at the end of 2009 was 88.9%) Enics's revenue decreased and its result declined due to a considerable drop in demand. One of the main reasons for the steep fall in volumes was that the demand for new types of energy meters decreased to a mere trickle.

However, the company quickly adjusted to the situation through structural and organizational changes. Operations continued to be enhanced in Finland by concentrating production in Lohja. In connection with the changes, the company wound down operations in Varkaus and Vaasa and laid off nearly 300 employees. Business grew in Beijing and Nova Dubnica.

Net sales were back on a growth track in the last quarter, amounting to EUR 271 million (339) in annual terms. Owing to the decreased net sales and the structural changes, the company's results dropped clearly from the previous year.

A&R Carton (61%) The company's profitability improved year-over-year despite net sales decreasing. Enhancement measures continued in all of the company's main processes, and challenging intermediate targets were reached especially in production and procurement.

In the latter part of the year, the company moved from medium/long-term enhancement measures to more short-term, focused CCC (Cost, Cash, Customer) activities. The decline in the demand for beer packages and Russian offset products was particularly big, but the recession was also noticeable in the Scandinavian markets. Although the results in Sweden and Norway improved considerably, they were still unsatisfactory.

A&R Carton posted net sales of EUR 339.2 million (356.7). Thanks to the profitable second half, the company reported net profit of EUR 0.4 million (net loss of EUR –7.8 million).

Nordkalk (10%) Nordkalk's main customers—the construction, paper, and metal industries—suffered from the economic downturn, which led to a nearly 20 percent decline in net sales year-over-year. Net sales stood at EUR 277 million (344.9). Thanks to cost-savings measures and low energy prices, the company avoided a plunge in its operating profit and managed to keep profitability at an acceptable level by selling emission allowances.

Vacon (20%) The global market for AC drives decreased by some 16 percent in 2009. The global recession weakened the demand for AC drives in most market segments. Investments in AC drives to improve energy efficiency and to produce renewable energy remained active especially in Asia, but were not able to compensate for the drop in trade in other market segments and areas. Vacon does not expect the AC drives market to weaken any more in 2010.

Over the year, Vacon initiated measures to adjust expenses to current business activity. It sought to expand business by setting up subsidiaries in Brazil and Canada, and at the end of the year, its own sales network encompassed 23 subsidiaries and five representative offices.

Vacon's net sales decreased by 7.2 percent to EUR 272 million (293.2) year-over-year, while operating profit was EUR 22.5 million (34.6). The market value of Vacon's share rose by 46 percent in 2009.

Symbicon (42%) The past year continued to be challenging for the company. Symbicon fell short of its target for order acquisitions and adjusted its fixed costs over the year to correspond to the lower volume of operations. Symbicon's products have proved to be reliable and of high quality. The company's profitability improved markedly, but its result was still slightly in the red.

Elbi Elektrik (50%) A Turkish manufacturer of electrical accessories, Elbi continued its wide-ranging development program. The company's business processes were enhanced and its management resources boosted, which led to a noticeable improvement in operational efficiency. Elbi made considerable cuts in fixed costs to match the current level of operations. As a result of the enhancement measures, among other things, the company's white-collar staff was reduced by some 30 percent.

The company launched a new product family which proved to be a success.

Net sales were down on the previous year, totaling EUR 13 million. Profitability improved considerably from the previous year, but the company still posted a loss.

Mint Capital II. Mint Capital II is a private equity fund that 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 two new investments and one partial exit in 2009.

REAL ESTATE INVESTMENTS

The extension of the Eteläesplanadi 14 facilities, part of Ahlström Capital's real estate portfolio, was completed in 2009. The result was some 3,000 square meters of new office and restaurant space. The Savoy Theater, a cultural icon located in the building, was also renovated. All of the new spaces were leased.

Ahlström Capital's industral facilities in Estonia remained in the use of Enics.

In the Netherlands, Ahlström Capital acquired the industrial property of A&R Carton in Sneek, which it added to its real estate portfolio and leased on a long-term agreement to A&R Carton's Dutch subsidiary.

Architectural planning was launched for apartment buildings on the land area acquired in Bucharest, Romania. Two of the buildings are to be completed in 2010.

Ahlström Capital also has an industrial and office building in Varkaus, which remained vacant nearly all year. Alternative uses are now sought for the premises.

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 2009 totaled EUR 31.1 million (38).

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 and its subsidiaries, Krasno AB and its subsidiaries, AC Kosmo AB and its subsidiaries, Dekad AB and its subsidiaries, ACPack AB and its subsidiaries, Kapon AB and its subsidiaries, Selas AB, Capbe AB, Capkap AB, Sulma Fastigheter AB, Karhula Osakeyhtiö, AC-Kiinteistö Oy and its subsidiaries, Elva Holding Oy, AC Finance B.V., AC Invest B.V., AC Real Estate B.V. and its subsidiaries, and AC Verwaltungs-GmbH. Important shareholdings outside the Group include those in Elbi Elektrik (50%), Symbicon Ltd (42%), Nordkalk Corporation (10%), and Vacon Plc (20%).

GROUP EARNINGS IN 2009

The comparative figures are for the same period in 2008, unless stated otherwise.

Ahlström Capital's ninth reporting period, stretching from January 1 to December 31, 2009, was particularly challenging. The Group's financial performance declined slightly from the previous year due to lower capital gains from exits. The aggregate earnings of the portfolio companies were weak, even though better than the the previous year.

Return on capital employed was 10.2 percent (3.4). The year-over-year improvement was largely due to the rise in the market value of Vacon's share after the stock market began to recover in 2009.

The net asset value of Ahlström Capital Oy's share increased by EUR 13.22 (2.1 percent) to EUR 632.12 in the reporting period. Including the dividends paid, the increase was 4.6 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 (see development of net asset value, page 46). The dividend-adjusted net asset value of Ahlström Capital Oy's share totaled EUR 713.12 at the end of the period.

The net sales of the Ahlström Capital Group increased year-over-year to EUR 392.8 million (352.1), with the EMS business accounting for EUR 271.1 million (339.4). The rise in net sales resulted from the revenue of A&R Carton being consolidated with the Group figures as of the beginning of September. Other operating income amounted to EUR 18.4 million (30.6), and mainly resulted from the capital gains generated by exits.

Ahlström Capital's share of the results of its associates was EUR 3.9 million negative (15.2 negative). This mainly consisted of Elbi's loss and A&R Carton's loss in the early part of the year before it became a subsidiary of Ahlström Capital. Symbicon also reported a slightly loss-making result.

The Group's operating profit was EUR 11.4 million (15.4). Financial income was EUR 3.3 million (16.5). The difference from the previous year resulted from exchange gains received in 2008 on liquid fund investments. Financial expenses were EUR 5.7 million (2.2). The rise was due to the increase in interest-bearing debt. The administrative costs of parent company Ahlström Capital Oy amounted to EUR 3.8 million (4.2) in the reporting period, representing an average of 1.3 percent (1.5) of the Group's capital employed. Administrative costs also include the expenses of foreign holding companies.

Pre-tax profit was EUR 9.1 million (29.7). Taxes recorded for the period totaled EUR −1.6 million (−5.8) and consisted of the subsidiaries' taxes. Ahlström Capital Oy paid no income tax in 2009. The Group's net income was EUR 7.0 million (23.5).

FINANCIAL POSITION AND FINANCING

Ahlström Capital's financial position remained stable thanks to the capital gains on its exits, although the consolidation of A&R Carton as a subsidiary from September 1, 2009 onward considerably increased the consolidated balance sheet and weakened the equity ratio and gearing.

At the end of the year, consolidated shareholders' equity was 190.1 million (191.4). The equity ratio at the end of the year was 45 percent (67), and gearing stood at 22 percent (−21). Interest-bearing liabilities totaled EUR 104.0 million (17.4) at the end of December 2009. The increase resulted mainly from A&R Carton's liabilities being included in the consolidated balance sheet from September 1, 2009 onward.

At year-end, parent company Ahlström Capital Oy had EUR 31.1 million (38) available for new investments, while its interest-bearing liabilities totaled EUR 28 million (0). The guarantees issued by Ahlström Capital Oy on behalf of its portfolio companies totaled EUR 28.7 million (16.1) on December 31, 2009.

Net cash flow from operating activities (cash flow after net financial income, taxes paid, and change in net working capital) was EUR 3.0 million negative (86.6 million positive). The change from the previous year mainly resulted from A&R Carton's net working capital being included in the Group's figures as of September 2009.

EUR 99.8 million (35.1) was spent on investments in fixed assets and on new investments. Of this, EUR 70.7 million consisted of A&R Carton's fixed assets being consolidated with the Group figures as of September 2009. Other significant items included the capital expenditure of Enics, the investment in the extension of the Eteläesplanadi property, and the acquisition of additional Vacon shares.

Net cash flow from financing activities was EUR 78.6 million positive (28.9 million negative). This mainly resulted from A&R Carton's debts being included in the Group's figures.

At the end of the year, money market instruments and cash at bank totaled EUR 64.2 million (57.2).

Based on the Annual General Meeting's decision, the company paid a dividend of EUR 15 per share, or a total of EUR 5.4 million.

ACCOUNTING PRINCIPLES

The way in which sales-related exchange differences are presented in the income statement was changed in the accounting period, and the differences are now reported as a part of net sales. Previously these were included in financial income and expenses.

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

MAJOR SHAREHOLDERS ON DECEMBER 31, 2009

At the end of 2009, Ahlström Capital Oy had 216 shareholders.

	Number of Shares	Percentage of Shares
Antti Ahlströmin Perilliset Oy	37,475	10.4
Varma Mutual Pension Insurance Company	23,490	6.5
Mona Huber	14,327	4.0
Jacqueline Tracewski	10,076	2.8
Kaj Nahi	8,191	2.3
Morten Ahlström	7,569	2.1
Anneli Studer	7,372	2.0
Johan Gullichsen	7,037	2.0
Niklas Lund	6,953	1.9
Kim Kylmälä	6,630	1.8
Others	231,799	64.2
Total	360,919	100.0

through Board activities and support given to operational activities.

PERSONNEL, MANAGEMENT AND AUDITORS

The Ahlström Capital Group had an average of 4,146 (2,563) employees over the period. The growth resulted from A&R Carton's personnel being included in the Group's figures in 2009. Ahlström Capital Oy's staff increased by one in the review period, numbering nine at year-end. Panu Routila, M.Sc.(Econ.), 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 2010

The growth outlook of many of our portfolio companies has already weakened due to the economic and financial crisis, and the operating environment is expected to remain very challenging. The performance of the portfolio companies is estimated to be better than the previous year, but most likely there will be no exits.

Ahlström Capital continues to actively develop its target companies and to make new investments. The company's strong equity position and the recovery seen in the credit market enable new investments also in difficult times. Moreover, the drop in asset values may reveal new, interesting investment options.

However, Ahlström Capital will primarily focus on ensuring the success of its current portfolio companies, as well as on developing its greentech portfolio.

Consolidated Income Statement

EUR 1,000	Note	2009	2008
Net Sales	1	**392,771**	352,132
Other operating income	2	**18,381**	30,637
Share in results of associated companies		**–3,852**	–15,185
Materials and services		**–240,843**	–216,092
Personnel costs	3	**–96,070**	–87,902
Depreciation, amortization and reduction in value	8	**–14,126**	–10,395
Other operating expense		**–44,820**	–37,793
Operating profit		**11,441**	15,402
Financing income and expense	5		,
Interest and other financing income		**3,302**	16,501
Interest and other financing expenses		**–5,629**	–2,169
		–2,327	14,332
Result before appropriations and taxes		**9,114**	29,734
Income taxes	7	**–1,584**	–5,848
Result before minority interest		**7,530**	23,886
Minority interest		**–488**	–399
Net result for the period		**7,042**	23,487

Consolidated Statement of Cash Flows

EUR 1,000	2009	2008
Cash flow from operating activities		
Operating profit	11,441	15,402
Share in results of associated companies	3,852	15,185
Depreciation and amortization	14,126	10,395
Other adjustments	6,761	−666
Cash flow from operating activities before change in net working capital	36,180	40,316
Change in net working capital	−30,904	46,187
Cash flow from operating activities	5,276	86,503
Interest and other financing income	4,827	7,693
Interest and other financing expenses	−5,629	−2,169
Income taxes	−7,439	−5,409
Net cash flow from operating activities	−2,965	86,618
Cash flow used in investing activities		
Capital expenditure	−83,652	−24,136
Other investments	−16,180	−10,937
Redemption of company shares	0	222
Proceeds from sales of non-current assets	18,522	21,489
Change in notes receivable and other receivables	8,618	−7,422
Net cash flow used in investing activities	−72,692	−20,784
Cash flow from financing activities		
Change in long-term liabilities	55,297	−13,340
Change in short-term debt	31,287	−3,821
Dividends paid	−5,414	−11,910
Other adjustments	−2,531	147
Net cash flow from financing activities	78,639	−28,924
Change in cash and financial investments	2,982	36,910
Cash and financial investments at beginning of period	57,191	20,281
Cash and financial investments at end of period	60,173	57,191

Consolidated Balance Sheet

Assets

EUR 1,000	Note	Dec. 31, 2009	Dec. 31, 2008
Non-current assets			
Intangible assets	8		
Intangible rights		3,101	1,438
Goodwill		3,106	4,773
Group consolidation goodwill		2,967	316
Other intangible assets		3,956	2,105
Advances paid		13	46
		13,143	8,678
Tangible assets	8		
Land and water areas		34,459	30,680
Buildings and constructions		43,556	12,381
Machinery and equipment		57,479	12,525
Other tangible assets		724	1,026
Advances paid and construction in progress		6,222	19,430
		142,440	76,042
Investments	9		
Shares in associated companies		37,275	27,196
Receivables from associated companies	18	4,291	11,409
Other shares		10,320	20,398
Other receivables		6,805	2,785
		58,691	61,788
Current assets			
Inventories			
Materials and supplies		42,655	35,637
Work in process		13,719	9,546
Finished goods		25,831	6,164
Advances paid		32	59
		82,237	51,406
Receivables			
Long-term			
Notes receivable		2,231	1,689
Receivables from associated companies	18	0	2,886
Deferred tax assets	15	8,011	482
Other receivables		517	128
Prepaid expenses and accrued income	10	12	14
		10,771	5,199
Short-term			
Accounts receivable		45,957	8,546
Receivables from associated companies	18	5,519	13,841
Deferred tax assets	15	16	14
Notes receivable		4,744	0
Other receivables		4,962	1,939
Prepaid expenses and accrued income	10	7,833	4,202
		69,031	28,542
Financial investments		863	1
Cash and bank		59,311	57,190
TOTAL ASSETS		436,487	288,846

Shareholders' equity and liabilities

EUR 1,000	Note	Dec. 31, 2009	Dec. 31, 2008
Shareholders' equity	11		
Share capital		**36,092**	36,092
Capital in excess of par value		**12,774**	12,774
Retained earnings		**134,189**	119,053
Net result for the period		**7,042**	23,487
		190,097	191,406
Minority interest		**5,514**	2,036
Provisions	14	**14,381**	4,939
Liabilities			
Long-term	13		
Loans from financial institutions		**40,467**	14,035
Other liabilities		**30,211**	1,976
Deferred tax liabilities	15	**10,799**	9,123
Accrued expenses and deferred income	16	**985**	9
		82,462	25,143
Short-term			
Loans from financial institutions		**38,978**	3,269
Advances received		**3,572**	2,218
Accounts payable		**66,978**	33,557
Other liabilities		**9,245**	7,179
Accrued expenses and deferred income	16	**25,260**	19,099
		144,033	65,322
Total shareholders' equity and liabilities		**436,487**	288,846

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 and presented 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 was demerged into three companies as of June 30, 2001. The official financial statements for 2009 have been prepared for the ninth financial year of the company and the Group, January 1–December 31, 2009.

CHANGES IN ACCOUNTING PRINCIPLES

The way in which sales-related exchange differences are presented in the income statement was changed in the accounting period, and the differences are now reported as a part of net sales. These items were previously recognized in financial income and expenses.

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.

The equity method is used to account for investments in associated companies in which the Group has 20 to 50 percent of the voting rights.

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

All intercompany transactions and accounts are eliminated on consolidation. 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 excess of the purchase price over the fair values of the assets acquired 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 income when the goods are delivered or the services are rendered. Net sales are shown net of indirect taxes and discounts. Exchange gains and losses 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 year-end rate. Exchange rate differences in receivables and liabilities are credited or charged to income.

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

RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development costs are expensed as incurred. Research and development expenditure can be capitalized if the requirements of Decision 50/1998 of the Ministry of Trade and Industry are met. These requirements are based on IAS 38.

PENSION COSTS

In Finland, the statutory pension liability and supplementary pension benefits are funded through insurance policies and accounted for in accordance with actuarial calculations. In other countries, the pension liabilities are funded and accounted for in accordance with local legislation and practice. Pension insurance premiums and changes in pension liabilities are charged to income.

INVENTORIES

Inventories are stated at the lower of cost or market.

INVESTMENTS

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

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

NON-CURRENT ASSETS

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

Depreciation is calculated on the cost or revaluated amounts of non-current assets using the straight-line method over the estimated useful lives of the 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 current 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 for timing differences between book and taxable income.

Deferred tax assets or liabilities have been calculated on the temporary differences in the financial statements, applying the tax rate confirmed for subsequent years as of the balance sheet date. The estimated probable benefit of the deferred tax assets is stated in the balance sheet.

EXTRAORDINARY ITEMS

Non-recurring 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 the shares differs from the balance sheet value. In making the NAV calculation, long-term investments in publicly quoted shares, Nordkalk shares and the Eteläesplanadi property are measured at the market value at the end of the fiscal year, whereby the applicable tax portion of the difference between the balance sheet value of investments and their market value is also included in the calculation. Other assets and liabilities were assessed at the balance sheet value in 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	2009	2008	2009	2008
Sweden	85,293	83,798	11	5
Finland	60,433	91,494	2,551	1,164
Germany	47,981	18,528		
Switzerland	47,545	58,308		5
Russia	24,395	9,526		
China	18,200	12,833		
France	17,264	86		
Italy	15,494	18,492		
Netherlands	12,570	873		
Belgium	9,634	13,787		
United Kingdom	8,782	12,821		
Others	45,180	31,586		
Total	392,771	352,132	2,562	1,174

2. OTHER OPERATING INCOME				
Gain on sale of non-current assets	15,558	30,634	25,641	1
Others	2,823	3	44	2
Total	18,381	30,637	25,685	3

3. PERSONNEL COSTS	Group 2009	Group 2008	Group 2007	Parent 2009	Parent 2008	Parent 2007
Wages and salaries	76,355	65,178	63,474	1,491	1,677	1,418
Pension costs	7,137	8,016	6,721	237	270	193
Other wage related costs	12,578	14,708	15,399	89	104	104
Total	96,070	87,902	85,594	1,817	2,051	1,715

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

Salaries for managing directors	1,804	2,323	1,294	341	639	510
of which bonuses	102	320	154	23	198	96
Remunerations to Board members	354	282	277	201	143	137

4. AVERAGE NUMBER OF PERSONNEL						
Salaried	1,174	692	938	9	8	8
Blue-collar	2,972	1,871	3,364			
Total	4,146	2,563	4,302	9	8	8

5. FINANCING INCOME AND EXPENSE	Group 2009	Group 2008	Parent 2009	Parent 2008
Dividend income from others	1,738	1,748	1,588	1,748
Dividend income from Group companies			35,593	1,783
Dividend income from associated companies			1,525	
Interest and financing income from Group companies			2,087	2,427
Interest and financing income from associated companies	1,287	1,454	344	170
Interest and financing income from others	277	13,299	135	4,732
Total	3,302	16,501	41,272	10,860
Interest and financing expenses to Group companies			−830	−1,077
Interest and financing expenses to others	−5,629	−2,169	−17,626	−2,399
Total	−5,629	−2,169	−18,456	−3,476

EUR 1,000

6. EXTRAORDINARY INCOME AND EXPENSE	**Group 2009**	Group 2008	**Parent 2009**	Parent 2008
Liquidation loss			**−12,013**	
Group contribution			**145**	
Total	**0**	0	**−11,868**	0

7. INCOME TAXES				
Taxes for current and previous years	**−2,516**	−5,379		
Change in deferred taxes	**932**	−469		
Income taxes in the income statement	**−1,584**	−5,848	**0**	0

8. INTANGIBLE AND TANGIBLE ASSETS

Group	Group goodwill	Goodwill	Intangible rights	Other intangible assets	Land and water areas	Buildings and con-structions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
Acquisition cost at Jan. 1	3,315	13,217	3,944	5,289	30,680	20,335	36,265	3,139	19,476
Increases	3,703		1,563	6,415	3,924	24,744	149,903	67	17,337
Decreases		−821	−543	−558		−36	−7,841	−263	
Other changes		161	−48	47	−41	−3	−746	−14	10
Reclassifications			1,231	−598		24,001	5,524	−666	−30,588
Acquisition cost at Dec. 31	7,018	12,557	6,147	10,595	34,563	69,041	183,105	2,263	6,235
Accumulated depreciation									
and amortization at Jan. 1	2,999	8,444	2,506	3,184		7,954	23,740	2,113	
Increases				3,114	96	16,651	101,379		
Decreases		−821	−324	−529		−28	−7,058	−263	
Other changes		87	−2	18	1	18	−854	4	
Reclassifications						−100	724	−752	
Depreciation and amortization									
for the period	1,052	1,741	866	852	7	990	7,695	437	
Accumulated depreciation									
and amortization at Dec. 31	4,051	9,451	3,046	6,639	104	25,485	125,626	1,539	0
Book value at Dec. 31	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 con-structions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
Acquisition cost at Jan. 1	14		26,254	10,527	1,209	57	17,763
Increases	14						10,372
Decreases							
Other changes				−1			
Reclassifications	175			24,823	964		−25,962
Acquisition cost at Dec. 31	203	0	26,254	35,349	2,173	57	2,173
Accumulated depreciation							
and amortization at Jan. 1	6			2,919	674		
Decreases				8			
Other changes				−2			
Depreciation and amortization for the period				351	85		
Accumulated depreciation							
and amortization at Dec. 31	6	0	0	3,276	759	0	0
Book value at Dec. 31	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

Group	Shares in associated companies	Receivables from associated companies	Other shares	Other receivables
Book value at Jan. 1	27,196	11,409	20,398	2,785
Share of profits	−3,852			
Increases	4,848	450	17,826	4,149
Decreases	−18,717	−7,568	−9	
Reclassifications	26,561		−27,895	−129
Other changes	1,239			
Book value at Dec. 31	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	70,469	9,402	24,951	0	23,017	0
Increases	2,580		54,109	2,022	558	4,149
Decreases	−10	−5,763	−24,951			
Repayment of capital contribution	−16,595					
Liquidation	−30,522	−757				
Reclassifications		16,876			−19,532	2,657
Book value at Dec. 31	25,922	19,758	54,109	2,022	4,043	6,806

10. PREPAID EXPENSES AND ACCRUED INCOME	**Group Dec. 31, 2009**	Group Dec. 31, 2008	**Parent Dec. 31, 2009**	Parent Dec. 31, 2008
Long term				
Periodization of costs	**12**	14		
Short-term				
Accrued interest income	**11**	7	**7**	
Periodization of costs	**5,407**	2,499	**62**	42
Current tax receivable	**464**		**109**	
Other	**1,951**	1,696		
Total	**7,833**	4,202	**178**	42
11. SHAREHOLDERS' EQUITY				
Shareholders' equity at Jan. 1	**191,406**	191,063	**159,303**	169,807
Dividends paid	**−5,414**	−11,910	**−5,414**	−11,910
Translation adjustment	**−2,902**	−11,109		
Other	**−35**	−125		
Net income	**7,042**	23,487	**30,233**	1,406
Shareholders' equity at Dec. 31	**190,097**	191,406	**184,122**	159,303
Retained earnings			**105,023**	109,031
Net result			**30,233**	1,406
Distributable shareholders' equity			**135,256**	110,437

12. SHARE CAPITAL, DEC. 31, 2009

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

13. MATURITIES OF LONG-TERM LIABILITIES

Group	2011	2012	2013	2014	2015–	Total
Loans from financial institutions	12,756	6,990	7,031	3,279	10,411	40,467
Deferred tax liabilities	181	20	195	292	10,111	10,799
Pension liabilities				100	24,057	24,157
Other long-term liabilities	1,833	4,225	123	121	737	7,039
Total						82,462

EUR 1,000

14. PROVISIONS	Group Dec. 31, 2009	Group Dec. 31, 2008	Parent Dec. 31, 2009	Parent Dec. 31, 2008
Personnel costs	1,501	1,939	1,501	1,939
Other	12,880	3,000	2,170	1,650
Total	14,381	4,939	3,671	3,589
15. DEFERRED TAX ASSETS AND LIABILITIES				
Long-term assets	8,011	482		
Short-term assets	16	14		
Long-term liabilities	−10,799	−9,123	−6,825	−6,825
Total	−2,772	−8,627	−6,825	−6,825
Arising from				
Depreciation difference	−2,273	−156		
Tax losses	10,882	2,050		
Other timing differences	−11,380	−10,521	−6,825	−6,825
Total	−2,771	−8,627	−6,825	−6,825
16. ACCRUED EXPENSES AND DEFERRED INCOME				
Long-term				
Interest expense	162		162	
Other	823	9		9
Total	985	9	162	9
Short-term				
Personnel costs	13,985	10,118	205	219
Interest expense	141		31	
Current tax payable	181	569		
Other	10,953	8,412	32	40
Total	25,260	19,099	268	259
17. RECEIVABLES FROM AND LIABILITIES TO GROUP COMPANIES				
Notes receivable			79,161	39,604
Accounts receivable			132	1,660
Other receivables			145	
Prepaid expenses and accrued income			504	1,673
Total			79,942	42,937
Other long-term debt			5,657	
Other short-term debt			9,190	41,061
Accrued expenses and deferred income			105	731
Total			14,952	41,792
18. RECEIVABLES FROM AND LIABILITIES TO ASSOCIATED COMPANIES				
Notes receivable	9,562	27,486	7,293	3,191
Accounts receivable	25	159	25	159
Prepaid expenses and accrued income	223	491	223	119
Total	9,810	28,136	7,541	3,469
19. COLLATERALS				
For own liabilities				
Loans from financial institutions	66,673	16,190	27,592	
Amount of mortgages and pledges	64,259	16,213	28,092	
For other own commitments	15,320	414		
For commitments of Group companies	109,801	15,693		

Notes to Income Statement and Balance Sheet

EUR 1,000

20. CONTINGENT LIABILITIES	**Group Dec. 31, 2009**	Group Dec. 31, 2008	**Parent Dec. 31, 2009**	Parent Dec. 31, 2008
Leasing commitments				
Current portion	**14,084**	8,760	**96**	29
Long-term portion	**41,331**	17,052	**62**	48
Commitments on behalf of Group companies	**24,202**		**10,534**	
Commitments on behalf of associated companies	**18,694**	12,950	**18,152**	12,950
Commitments on behalf of others	**7,302**	3,057	**2,185**	3,057
Contingent liabilities for Real Estate investment's VAT			**5,093**	

21. SHARES

Subsidiaries	Country	Holding, %
AC-Kiinteistö Oy	Finland	100
AC Kinnistute AS	Estonia	100
Karhula Osakeyhtiö	Finland	100
ACEMS AB	Sweden	100
Enics AG	Switzerland	89
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
Second Kosmo AB	Sweden	100
CETup AB	Sweden	100
Waspel AB	Sweden	100
Elbi Elektrik International	Turkey	50
Elmas Elektrik	Turkey	
Krasno AB	Sweden	100
Kuban AB	Sweden	100
Elva Holding Oy	Finland	100
AC Verwaltungs-GmbH	Germany	100
Sulma Fastigheter AB	Sweden	100
ACPack AB	Sweden	100
ÅRC Holding AB	Sweden	90
Å&R Carton AB	Sweden	61
A&R Carton A/S	Norway	
Å&R Carton Norrköping AB	Sweden	
A&R Carton Holding BV	Netherlands	
A&R Carton BV	Netherlands	
A&R Carton Bremen GmbH	Germany	
A&R Carton NA Inc.	United States	
Å&R Carton Lund AB	Sweden	
A&R Carton Ltd	United Kingdom	
A&R Carton SA	France	
A&R Carton Cdf SA	France	
A&R Carton Beteiligungen GmbH	Germany	
A&R Carton GmbH	Germany	
A&R Carton Maschinen GmbH	Germany	
A&R Carton Frankfurt GmbH	Germany	

Subsidiaries	Country	Holding, %
A&R Carton Oy	Finland	
A&R Carton Holding GmbH	Germany	
ZAO A&R Carton Kuban	Russia	
A&R Carton AS	Estonia	
CC Pack Holding AB	Sweden	50
CC Pack AB	Sweden	
Combi Craft AB	Sweden	
SP Container	United Kingdom	33
Dekad AB	Sweden	100
Remad AB	Sweden	100
BDY Capital Invest S.R.L	Romania	100
Capkap AB	Sweden	100
Capbe AB	Sweden	100
Kapon AB	Sweden	100
Ripasso Energi AB	Sweden	51
Selas AB	Sweden	100
AC Invest B.V.	Netherlands	100
AC Finance B.V.	Netherlands	100
AC Real Estate B.V.	Netherlands	100
A&R Finance and Real Estate B.V.	Netherlands	100

Associated companies		
Symbicon Ltd	Finland	42
Vacon Plc	Finland	20
Holding 3,059,715 shares		
Book value EUR 36.9 million, market value EUR 81.7 million at Dec. 31, 2009		

Other significant shareholdings		
Nordkalk Corporation	Finland	10

Income Statement, Parent Company

EUR 1,000	Note	2009	2008
Net Sales	1	**2,562**	1,174
Other operating income	2	**25,685**	3
Personnel costs	3	**−1,817**	−2,051
Depreciation, amortization and reduction in value	8	**−444**	−362
Other operating expense		**−6,700**	−4,706
Operating profit		**19,285**	−5,942
Financing income and expense	5		
Interest and other financing income		**41,272**	10,860
Interest and other financing expenses		**−18,456**	−3,476
		22,815	7,384
Result before extraordinary items		**42,101**	1,442
Extraordinary items	6	**−11,868**	0
Result before appropriations and taxes		**30,233**	1,442
Change in depreciation difference		**0**	−36
Income taxes	7	**0**	0
Net result for the period		**30,233**	1,406

Statement of Cash Flows, Parent Company

EUR 1,000	2009	2008
Cash flow from operating activities		
Operating profit	**19,285**	−5,942
Depreciation and amortization	**444**	362
Other adjustments	**3,866**	228
Cash flow from operations before change in net working capital	**23,595**	−5,352
Change in net working capital	**865**	−2,846
Cash flow from operations	**24,460**	−8,198
Interest and other financing income	**41,184**	8,467
Interest and other financing expenses	**−18,369**	−1,084
Income taxes	**1**	0
Net cash flow from operating activities	**47,276**	−815
Cash flow from investing activities		
Capital expenditure	**−10,943**	−14,334
Other investments	**−2,580**	−42
Capital contribution repayment	**16,595**	0
Proceeds from sales of non-current assets	**7,648**	1,234
Change in notes receivable and other receivables	**−44,299**	−6,185
Net cash flow from investing activities	**−33,579**	−19,327
Cash flow from financing activities		
Change in long-term debt	**6,092**	0
Change in short-term debt	**4,989**	29,140
Dividends paid	**−5,414**	−11,910
Net cash flow from financing activities	**5,667**	17,230
Change in cash and financial investments	**19,364**	−2,912
Cash and financial investments period at beginning of period	**7,770**	10,682
Cash and financial investments at end of period	**27,134**	7,770

Balance Sheet, Parent Company

ASSETS

EUR 1,000	Note	Dec. 31, 2009	Dec. 31, 2008
Non-current assets			
Intangible assets	8		
Intangible rights		197	9
		197	9
Tangible assets	8		
Land and water areas		26,254	26,254
Buildings and constructions		32,073	7,608
Machinery and equipment		1,414	535
Other tangible assets		57	57
Advances paid and construction in progress		2,173	17,763
		61,971	52,217
Investments	9		
Shares in Group companies		25,922	70,469
Shares in associated companies		19,758	9,402
Receivables from Group companies	17	54,109	24,951
Receivables from associated companies	18	2,022	0
Other shares		4,043	20,362
Other receivables		6,806	2,656
		112,659	127,839
Current assets			
Receivables			
Long-term			
Receivables from Group companies	17	12,444	11,671
Other receivables		600	0
		13,044	11,671
Short-term			
Accounts receivable		14	13
Receivables from Group companies	17	13,389	6,315
Receivables from associated companies	18	5,518	3,469
Notes receivable		2,052	0
Other receivables		811	3,528
Prepaid expenses and accrued income	10	178	42
		21,962	13,367
Financial investments		863	1
Cash and bank		26,272	7,770
TOTAL ASSETS		236,967	212,873

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR 1,000	Note	Dec. 31, 2009	Dec. 31, 2008
Shareholders' equity	11		
Share capital		36,092	36,092
Capital in excess of par value		12,774	12,774
Retained earnings		105,023	109,031
Net result for the period		30,233	1,406
		184,122	159,303
Accumulated appropriations			
Depreciation difference		584	583
Provisions	14	3,671	3,589
Liabilities			
Long-term	13		
Loans from financial institutions		435	0
Deferred tax liabilities	15	6,825	6,825
Liabilities to Group companies	17	5,657	0
Other liabilities		3,784	0
Accrued expenses and deferred income	16	162	9
		16,863	6,833
Short-term			
Loans from financial institutions		21,500	0
Accounts payable		444	360
Liabilities to Group companies	17	9,295	41,792
Other liabilities		219	154
Accrued expenses and deferred income	16	268	259
		31,727	42,564
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		236,967	212,873

Auditor’s Report

To the Annual General Meeting of Ahlström Capital Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Ahlström Capital Oy for the financial period 1.1–31.12.2009. The financial statements comprise the consolidated balance sheet, income statement, 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.

THE 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 and fair presentation of the financial statements and the report of the Board of Directors in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors 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 perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company’s financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the President and CEO have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. 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 the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. 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 the Board of Directors give a true and fair view of both the consolidated and the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors 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, 4 March 2010

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, 2009, the retained earnings and net result for the accounting period are:

	EUR
Retained earnings	105,023,151.67
Net income for the period	30,232,873.20
Total distributable funds	135,256,024.87

The Board of Directors proposes that

a dividend of 10.00 euros per share be paid on the 360,919 shares	3,609,190
and the remainder be retained.	

Helsinki, February 19, 2010

Morten Ahlström

Karl Grotenfelt

Johannes Gullichsen

Jouko Oksanen

Martti Saikku

Panu Routila
President and CEO

Key Figures

MEUR	2009	2008	2007	2006	2005
Net sales	**392.8**	352.1	358.3	305.2	244.2
Other income from operations	**18.4**	30.6	17.3	4.0	9.7
Share of associated companies' results	**–3.9**	–15.2	1.8	4.1	–1.2
Operating profit	**11.4**	15.4	29.0	14.6	10.2
Net result for the period	**7.0**	23.5	23.4	10.5	8.6

	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2005
Equity ratio, %	**45**	67	65	59	60
Gearing, %	**22**	–21	7	1	–10
Equity/share, EUR	**526.70**	530.33	529.10	479.69	453.96
Net asset value/share, EUR	**632.12**	618.90	669.36	630.56	501.85
Equity/share, EUR*	**607.70**	563.33	562.10	482.69	470.96
Net asset value/share, EUR*	**713.12**	684.90	702.36	653.56	518.85
Net result of the period/share, EUR	**19.51**	65.08	63.23	29.12	23.93
Dividend/share, EUR	**10.00****	15.00	33.00	10.00	6.00

* adjusted with dividends paid
** proposal by the Board of Directors

Formulas for Key Figures

Equity ratio

$$\frac{\text{Shareholders' equity + Minority interest}}{\text{Balance sheet total – Advances received}} \times 100$$

Gearing

$$\frac{\text{Interest bearing debts – Money market instruments – Cash and bank}}{\text{Shareholders' equity + Minority interest}} \times 100$$

Earnings per share

$$\frac{\text{Profit before extraordinary items and taxes – Taxes on regular operations} \pm \text{Minority interest}}{\text{Number of shares on average for accounting period}}$$

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, 2009	Dec. 31, 2008
Book value of Ahlström Capital Group's		
shareholders' equity	**190,097**	191,406
shareholders' equity, per share, EUR	**526.70**	530.33
Differences in the book value and net asset value		
Book value of shares in Vacon Plc	**36,875**	19,758
Net asset value of shares in Vacon Plc*	**70,071**	36,256
Book value of the Eteläesplanadi real estate	**53,107**	45,211
Net asset value of the Eteläesplanadi real estate*	**53,157**	47,357
Book value of the shares in Nordkalk Corporation	**8,982**	26,950
Net asset value of the shares in Nordkalk Corporation*	**13,781**	40,271
Differences in the book value and net asset value, total	**38,045**	31,965
Net asset value of Ahlström Capital Group's		
shareholders' equity	**228,142**	223,371
shareholders' equity, per share, EUR	**632.12**	618.90

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

Return on Capital Employed

The return on capital employed has been computed as follows:

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

Shares and Shareholders

SHARES AND SHARE CAPITAL
Ahlström Capital Oy's registered share capital on December 31, 2009 was EUR 36,091,900.

The company has one series of shares. All shares entitle the holder to one vote in the general meeting of shareholders.

The Articles of Association include a redemption clause referred to in Chapter 3 Section 7 of the Limited Liability Companies Act.

SHAREHOLDINGS
At the end of 2009, Ahlström Capital Oy had 216 shareholders.

SHAREHOLDING BY THE BOARD OF DIRECTORS
On December 31, 2009 members of the Board of Directors held 11,874 shares in Ahlström Capital Oy, representing 3.3 percent of the voting rights and shares.

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

SHAREHOLDERS BY GROUP ON DECEMBER 31, 2009

	Number of shares	Percentage of shares
Companies	38,027	10.6
Financial and insurance institutions	3,750	1.0
Public corporations	23,490	6.5
Finnish households	235,164	65.1
Foreign households	55,224	15.3
Others	5,264	1.5
Total	360,919	100.0

DISTRIBUTION OF SHAREHOLDINGS ON DECEMBER 31, 2009

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	1,991	0.6	30
101–500	37	17.1	8,135	2.2	220
501–1,000	26	12.0	20,436	5.7	786
1,001–2,500	41	19.0	60,902	16.9	1,485
2,501–5,000	28	13.0	102,079	28.3	3,646
over 5,000	17	7.9	167,376	46.3	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 based on 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) 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 subgroups and associates. Decisions concerning their operations are taken by each company's own decision-making bodies.

Ahlström Capital 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 shareholders meetings. 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 2009, the Annual General Meeting was held on March 26 in Helsinki.

To participate in the Annual General Meeting, shareholders must submit advance notification at the latest on the date indicated in the notice, which day may not be earlier than 10 days prior to the meeting.

The notice of a General Meeting is 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.

THE 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, 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.

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 plans. The Board decides on direct investments and divestments.

In 2009, the Board held 12 meetings, 11 of which were attended by all the members and one 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 2009, the Committee held three 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 the 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 Elbi and serves as a member on the Boards of Enics AG, Symbicon Ltd, and Å&R Carton AB. 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 months' salary in the event of termination of employment.

In his duties, the President is supported by a team of eight professionals. 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

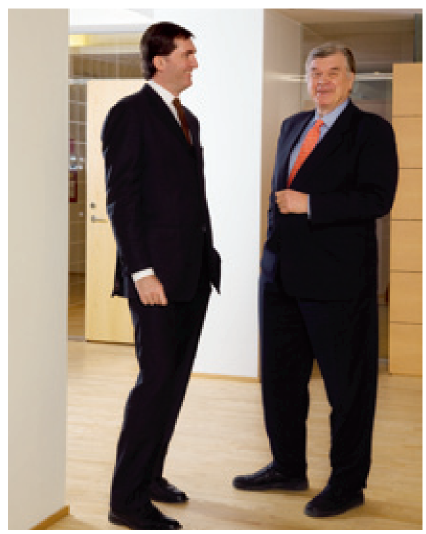
The Annual General Meeting confirms the remuneration of Board members. The remuneration in 2009–2010 is EUR 1,500 per month and EUR 600 per meeting. The Chairman receives a double monthly fee. The meeting fee is also paid for Committee meetings. The Board decides on the President's salaries and benefits and confirms the salaries, incentives, and benefits of other members of the management.

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 2009 were EUR 0.7 million.

Board of Directors



AHLSTRÖM CAPITAL'S BOARD from left: Karl Grotenfelt, Johannes Gullichsen, Jouko Oksanen, Martti Saikku, Morten Ahlström.

MORTEN AHLSTRÖM

1943, M.Sc. (Econ.) *Chairman of the Board*
Chairman of the Board:
Å&R Carton AB, Quartona Oü
Vice Chairman of the Board:
EOS Russia AB
Member of the Board: Nordkalk Corporation, Enics AG, Elbi Elektrik
Managing Director of Antti Ahlströmin Perilliset Oy

KARL GROTENFELT

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

JOHANNES GULLICHSEN

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

MARTTI SAIKKU

1960, M.Sc. (Econ.)
Head of Institutional Business, SEB Gyllenberg Asset Management
Member of the Board: Saastamoinen Foundation, SEB Gyllenberg Funds

JOUKO OKSANEN

1951, M.Sc. (Econ.)
CFO, Varma Mutual Pension Insurance Company
Chairman of the Board:
F-Publishing Ltd, F-Musiikki Oy, Kyllikki and Uolevi Lehikoinen Foundation
Vice Chairman of the Board:
The Finnish Diabetes Research Foundation
Member of the Board: Arek Oy, Tamfelt Corp.

personnel 09

AHLSTRÖM CAPITAL'S PERSONNEL from left: Johan Borgström, Olli Valtonen, Panu Routila, Helena Staffans, Henrik Mikander, Sebastian Burmeister, Kari Cederberg, Jacob af Forselles, Leena Savolainen.

PANU ROUTILA
1964, M.Sc. (Econ.)
President and CEO

JOHAN BORGSTRÖM
1948, LL.M.
General Counsel

OLLI VALTONEN
1978, M.Sc. (Tech.)
Group Business Controller

HELENA STAFFANS
1956, B.Sc. (Commerce and languages)
Executive Assistant to CEO

HENRIK MIKANDER
1949, MBA
Investment Director

SEBASTIAN BURMEISTER
1975, M.Sc. (Econ.)
Investment Manager

KARI CEDERBERG
1947, B.Sc. (Econ.)
Financial Director

JACOB AF FORSELLES
1973, M.Sc. (Econ.), LL.M.
Investment Director

LEENA SAVOLAINEN
1948, BA
Executive Assistant

Information for Shareholders

ANNUAL GENERAL MEETING

Ahlström Capital Oy's Annual General Meeting will be held in Helsinki, Eteläesplanadi 14, on Tuesday, March 30, 2010, at 5 p.m.

The Notice of the Annual General Meeting has been published in the Official Gazette No. 25 / March 3, 2010.

FINANCIAL INFORMATION

Ahlström Capital's annual report for 2009 is published in English, Swedish and Finnish.

In 2010, the company will issue a financial review to its shareholders for the period January 1 – June 30.

The company's annual report for 2010 is estimated to be completed in March 2011.

The annual report is available on the internet at www.ahlstromcapital.com.

Certain statements herein are not based on historical facts, including, without limitation those regarding expectations for market growth and developments, returns and profitability. Phrases containing "believes", "expects", "anticipates", "foresees", or similar expressions, 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 more or less from those expressed in such expectations and statements.

Design and layout: Kreab Gavin Anderson
Photos of the Board and Personnel: Manu Rantanen
Print: Erweko 2010

Heritage counts...

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