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## **DEMERGER PLAN**

The Board of Directors of Ahlstrom Corporation and Munksjö Corporation propose a partial demerger (the “**Demerger**”) of Ahlstrom Corporation, the purpose of which is to transfer all the assets and liabilities contained in the Ahlstrom Group that belong to the European operations of Ahlstrom Group’s Label and Processing business (the “**LP Europe Business**”) without a liquidation procedure to Munksjö Corporation. The shareholders of Ahlstrom Corporation will receive new shares in Munksjö Corporation as demerger consideration in proportion to their existing shareholding.

The Demerger will be carried out in accordance with Chapter 17 of the Finnish Companies Act (624/2006, as amended) (the “**Finnish Companies Act**”) and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended).

### **1 Companies involved in the Demerger**

#### **1.1 Demerging Company**

Corporate name:	Ahlstrom Corporation (the “ <b>Demerging Company</b> ”)
Business ID:	1670043-1
Address:	P.O. Box 329, 00101 Helsinki
Domicile:	Helsinki

The Demerging Company is a public limited liability company the shares of which are publicly traded on the NASDAQ OMX Helsinki Ltd stock exchange (the “**Helsinki Stock Exchange**”).

#### **1.2 Recipient Company**

Corporate name:	Munksjö Corporation (the “ <b>Recipient Company</b> ”)
Business ID:	2480661-5
Address:	c/o Hannes Snellman Attorneys Ltd, P.O. Box 333, 00131 Helsinki
Domicile:	Helsinki

The Recipient Company is a public limited liability company registered with the Finnish Trade Register on 8 June 2012.

### **2 Account of the grounds for the Demerger**

This demerger plan (the “**Demerger Plan**”) concerns a proposed partial demerger of the Demerging Company. The partial demerger forms a part of a transaction consisting of the following main elements:

- (a) The issuance of new shares by the Recipient Company to the shareholders of Munksjö AB (a private limited liability company) (“**Munksjö**”) in consideration for the shareholders of Munksjö transferring their shares in Munksjö to the Recipient Company (the “**Munksjö Acquisition**”) in accordance with the business combination agreement signed on 28 August 2012 between the Demerging

Company, Munksjö Luxembourg Holding S.á.r.l. (“**EQT**”), the Recipient Company and Munksjö (the “**Combination Agreement**”);

- (b) A directed issue of new shares in the Recipient Company for EUR 100 million to Ahlstrom Corporation, EQT III Limited<sup>1</sup> and certain institutional investors (the “**Equity Investments**”);
- (c) The division of certain assets, liabilities and responsibilities as well as agreements and commitments and the rights and obligations relating thereto of the Demerging Company to the Recipient Company in accordance with this Demerger Plan; and
- (d) The listing of the Recipient Company’s shares in public trading on the Helsinki Stock Exchange following the completion of subsections (a), (b) and (c) above

(hereinafter together the “**Transaction**”).

In addition, the Demerging Company and the Recipient Company have on the date of this Demerger Plan signed a demerger plan pursuant to which the assets, liabilities and responsibilities as well as agreements and commitments and the rights and obligations relating thereto that belong to the Brazilian operations of the Label and Processing business of the Demerging Company will be transferred to the Recipient Company (the “**Coated Specialties Demerger**”).

### **3 Amendments to the Recipient Company’s Articles of Association**

The Articles of Association of the Recipient Company will not be amended in connection with the execution of the Demerger. The Demerger process shall not limit the authority of the Recipient Company’s general meeting of shareholders to resolve on any amendments to the Recipient Company’s Articles of Association prior to the date of registration of the execution of the Demerger (the “**Effective Date**”).

### **4 Demerger Consideration in shares**

Shareholders of the Demerging Company shall receive as demerger consideration (the “**Demerger Consideration**”) 0.25 new shares in the Recipient Company for each share owned in the Demerging Company (i.e. the exchange ratio is 4:1). In case the number of shares received by a shareholder of the Demerging Company as Demerger Consideration would be a fractional number, the fractions shall be rounded down to the nearest whole number.

No Demerger Consideration will be paid on the basis of own shares held by the Demerging Company. The maximum number of shares given as Demerger Consideration will therefore be the number of shares in the Demerging Company, less the number of own shares held by the Demerging Company, on the Effective Date times 0.25.

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<sup>1</sup> A limited liability company organised under the laws of the Island of Guernsey, with registered offices at National Westminster House, Le Truchot, St Peter Port, Guernsey GY1 3RA, Channel Islands, acting in its capacity as (1) General Partner of EQT III (General Partner) LP in turn acting in its capacity as General Partner to EQT III UK No. 1 Limited Partnership, EQT III UK No. 2 Limited Partnership, EQT III UK No. 3 Limited Partnership, EQT III UK No. 4 Limited Partnership, EQT III UK No. 5 Limited Partnership, EQT III UK No. 6 Limited Partnership, EQT III UK No. 7 Limited Partnership, EQT III UK No. 8 Limited Partnership, EQT III UK No. 9 Limited Partnership, EQT III US No. 1 Limited Partnership, EQT III US No. 2 Limited Partnership, EQT III US No. 3 Limited Partnership, and in its capacity as Managing Limited Partner of EQT III GmbH & Co. KG, and (2) as Manager of the EQT III Co-Investment Scheme.

## 5 Other consideration

Apart from the Demerger Consideration in the form of new shares in the Recipient Company, as set out in Section 4 above, no other consideration will be given to the shareholders of the Demerging Company.

## 6 Distribution of the Demerger Consideration, other terms and conditions concerning the Demerger Consideration and an account on determining the Demerger Consideration

The Demerger Consideration will be distributed to the shareholders of the Demerging Company on the Effective Date or as soon as possible thereafter.

The Demerger Consideration will be distributed in the book-entry securities system maintained by Euroclear Finland Ltd. The Demerger Consideration will be paid according to the number of shares registered in the book-entry account of each shareholder on the Effective Date. The Demerger Consideration will be distributed automatically, and no actions are required from the shareholders of the Demerging Company in relation thereto.

In connection with the Transaction (as defined in Section 2), new shares in the Recipient Company shall be issued to the shareholders of Munksjö as consideration in the Munksjö Acquisition, in connection with implementing the Equity Investments and as Demerger Consideration to the shareholders of the Demerging Company in accordance with this Demerger Plan.

The following table contains a summary of the above mentioned share issues:

	Number of shares <sup>2)</sup>	% after the Transaction <sup>1)</sup>
Shares on the date hereof	100	0.00 %
Munksjö Acquisition	12 306 807	34.70 %
Equity Investments	11 568 371	32.61 %
Demerger Consideration <sup>3)</sup>	11 595 747	32.69 %
<b>Total</b>	<b>35 470 925</b>	<b>100.00%</b>

<sup>1)</sup> Assuming that the Recipient Company will not carry out other share issues prior to the Effective Date.

<sup>2)</sup> Assuming no change by the Effective Date in the number of shares outstanding in the Demerging Company, excluding treasury shares, from the current total of 46,401,603 shares.

<sup>3)</sup> The actual number of shares to be issued may be larger or smaller than indicated here due to (i) rounding, when applicable, of the number of shares received by each shareholder as Demerger Consideration (see Section 4 above) and (ii) the number of treasury shares actually held by the Demerging Company on the Effective Date.

The Demerger Consideration has been determined based on the valuations of the LP Europe Business and the business of the Recipient Company following the Munksjö Acquisition. These valuations have been based on commonly used valuation methods. Based on the negotiations between the parties involved in the Transaction, the Board of Directors of the Demerging Company and the Board of Directors of the Recipient Company have concluded that, taking into account all the elements that comprise the Transaction (see Section 2 above), the proposed Demerger Consideration is reasonable.

## 7 Option rights and other special rights entitling to shares

There are no outstanding option rights or other special rights entitling to subscription of shares in the Demerging Company.

## **8 Share capital of the Recipient Company**

The share capital of the Recipient Company will not be increased in connection with the execution of the Demerger.

## **9 Assets, liabilities and shareholders' equity of the Demerging Company and their division to the Recipient Company**

In the Demerger, all the assets, liabilities and responsibilities as well as agreements and commitments and the rights and obligations relating thereto of the Demerging Company that belong to the LP Europe Business, as well as any items that replace or substitute such items, shall be transferred to the Recipient Company.

Should such assets, liabilities, responsibilities or agreements or commitments, or rights or obligations relating thereto, which belong to the LP Europe Business appear but which are not specifically referred to in this Demerger Plan, they shall be transferred to the Recipient Company. The same applies for any of the type of items mentioned above belonging to the LP Europe Business that are unknown and appear after the Effective Date.

The Recipient Company shall mark the transferring assets and liabilities to their book values at the Effective Date.

An account of the assets, liabilities and shareholders' equity of the Demerging Company and the factors relevant to their valuation is contained in Appendix 1.

A proposal on (i) the division of assets and liabilities to the Recipient Company as well as (ii) the planned effect of the Demerger on the balance sheet of the Recipient Company is contained in Appendix 1.

## **10 Share capital of the Demerging Company**

No reduction of the share capital of the Demerging Company is proposed in connection with the Demerger. The premium fund of the Demerging Company is proposed to be reduced in connection with the Demerger. The amount of reduction will be the amount of net assets transferred to the Recipient Company. The reduction will be used for the distribution of assets to the Recipient Company.

## **11 Matters outside ordinary business operations**

The Demerger process shall not limit the authority of the Demerging Company or the Recipient Company to resolve on matters that are outside the respective companies' ordinary business operations, including but not limited to corporate acquisitions and divestments, share issues, acquisition or disposal of own shares, changes in share capital, or any comparable measures.

## **12 Capital loans**

Neither the Demerging Company nor the Recipient Company has issued any capital loans, as defined in Chapter 12, Section 1 of the Finnish Companies Act.

## **13 Shareholdings between the Demerging Company and the Recipient Company**

On the date of this Demerger Plan, the Recipient Company has in total 100 outstanding shares, of which the Demerging Company owns 50 shares (50 per cent of all shares) and EQT 50 shares (50 per cent of all shares). The subsidiaries of the Demerging Company do not own any shares in the Recipient Company. Neither the Demerging Company nor its subsidiaries own any shares in EQT.

The Recipient Company does not own any shares in the Demerging Company. The Demerging Company owns 269,005 of its own shares.

#### **14 Business mortgages**

On the date of this Demerger Plan, there are no business mortgages (as defined in the Finnish Act on Business Mortgages (634/1984, as amended)) pertaining to the assets of either the Demerging Company or the Recipient Company.

#### **15 Special benefits or rights pursuant to the Demerger**

No special benefits or rights will be granted in connection with the Demerger to the Board members, Managing Directors or auditors of either the Demerging Company or the Recipient Company, or to the auditor issuing a statement on the Demerger Plan to the Demerging Company and the Recipient Company.

#### **16 Planned registration of the execution of the Demerger**

The planned Effective Date, i.e. the planned date of registration of the execution of the Demerger is 31 January 2013. The Effective Date is subject to change if, among other things, the execution of measures described in this Demerger Plan takes longer than what is currently estimated, or if circumstances related to the Demerger or the Transaction otherwise necessitate a change in schedule.

#### **17 Listing of the shares of the Recipient Company**

The Recipient Company will apply for the listing of its shares in public trading on the Helsinki Stock Exchange following the Effective Date. The listing is currently estimated to take place within two (2) weeks following the Effective Date. The Demerger will not affect the listing of the Demerging Company on the Helsinki Stock Exchange, which listing will continue normally after the execution of the Demerger.

#### **18 Conditions for executing the Demerger**

The execution of the Demerger is conditional upon the satisfaction or, to the extent permitted by applicable law, a waiver of each of the following conditions:

- (a) The Demerger having been approved by the extraordinary general meeting of shareholders of the Demerging Company provided, however, that shareholders of the Demerging Company representing no more than five (5) per cent of all shares and votes in the Demerging Company shall have voted against (i) the Demerger, or (ii) the Coated Specialties Demerger, and requested the redemption of his/her/its Demerger Consideration or the demerger consideration to be given in the Coated Specialties Demerger, respectively, pursuant to Chapter 17, Section 13 of the Finnish Companies Act;
- (b) The competition clearances required for the Transaction having been obtained;
- (c) All material operational and regulatory approvals required for the corporate reorganisation whereby all assets and liabilities pertaining to the LP Europe Business are reorganised through internal transactions under Ahlstrom Group (as described in Appendix 1) (the “**Carve Out**”) having been obtained;
- (d) The Recipient Company having obtained approval for listing by the Listing Committee of the Helsinki Stock Exchange;

- (e) The availability of the financing required for the Transaction having been confirmed by the relevant banks;
- (f) The Carve Out having been completed;
- (g) The net debt level of Munksjö (determined in accordance with the Combination Agreement) not having exceeded MEUR 260;
- (h) The net debt level of LP Europe Business (determined in accordance with the Combination Agreement) not having exceeded MEUR 175;
- (i) The Combination Agreement having not been terminated in accordance with its provisions; and
- (j) Shareholders representing more than 90 per cent of all shares and votes in Munksjö having agreed to transfer title to their shares in Munksjö to the Recipient Company in the Munksjö Acquisition on the terms and conditions set out in the Combination Agreement.

This Demerger Plan has been executed in three (3) identical counterparts, one for the Demerging Company, one for the Recipient Company and one for the Trade Register.

[Signature pages to follow]

Helsinki, 11 September 2012

AHLSTROM CORPORATION

Board of Directors

Peter Seligson

Pertti Korhonen

Sebastian Bondestam

Lori J. Cross

Esa Ikäheimonen

Anders Moberg

Helsinki, 11 September 2012

MUNKSJÖ CORPORATION  
Board of Directors

Peter Seligson

Seppo Parvi

Kim Henriksson

Jarkko Murtoaro



LP EUROPE DEMERGER PLAN - APPENDIX 1

EUR million Unaudited	Ahlstrom Corp. (Demerging Company) <sup>1)</sup>	LP Europe Demerger	Ahlstrom Corp. post LP Europe Demerger	Munksjö Corp. (Recipient Company) <sup>5)</sup>	Acquisition of Munksjö AB	Equity Investments	LP Europe Demerger	Munksjö Corp. post LP Europe Demerger
<b>Assets</b>								
<b>Non-current assets</b>								
Intangible assets								
Intangible rights	3,1	0,1	3,0				0,1	0,1
Advances paid	0,5		0,5					
	<b>3,5</b>	<b>0,1</b>	<b>3,4</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,1</b>	<b>0,1</b>
Tangible assets								
Land and water areas	0,4		0,4					
Machinery and equipment	0,0		0,0					
Other tangible assets	0,1		0,1					
	<b>0,6</b>	<b>0,0</b>	<b>0,6</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
Long term investments								
Shares in group companies	1 278,2	244,5 <sup>2)</sup>	1 033,7		112,5		244,5	357,0
Receivables from group companies	23,0		23,0					
Shares in associated companies	32,7		32,7					
Shares in other companies	0,5		0,5					
	<b>1 334,4</b>	<b>244,5</b>	<b>1 089,9</b>	<b>0,0</b>	<b>112,5</b>	<b>0,0</b>	<b>244,5</b>	<b>357,0</b>
<b>Current assets</b>								
Long-term receivables								
Receivables from Group companies	91,6		91,6					
Loans receivable	0,4		0,4					
Deferred tax assets	1,0		1,0					
Prepaid expenses and accrued income	1,1		1,1					
	<b>94,2</b>	<b>0,0</b>	<b>94,2</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
Short-term receivables								
Trade receivable	0,0		0,0					
Receivables from Group companies	44,1		44,1					
Receivables from associated companies	0,4		0,4					
Deferred tax assets	7,0		7,0					
Prepaid expenses and accrued income	1,9		1,9					
Ahlstrom Corp's receivable from Munksjö Corp.			29,9					
	<b>53,4</b>	<b>0,0</b>	<b>83,3</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
Short term investments	0,0		0,0					
Cash and cash equivalents	14,2		14,2	0,1		100,0		100,1
<b>Total Assets</b>	<b>1 500,3</b>	<b>244,6</b>	<b>1 285,6</b>	<b>0,1</b>	<b>112,5</b>	<b>100,0</b>	<b>244,6</b>	<b>457,2</b>

EUR million Unaudited	Ahlstrom Corp. (Demerging Company) <sup>1)</sup>	LP Europe Demerger	Ahlstrom Corp. post LP Europe Demerger	Munksjö Corp. (Recipient Company) <sup>5)</sup>	Acquisition of Munksjö AB	Equity Investments	LP Europe Demerger	Munksjö Corp. post LP Europe Demerger
<b>Shareholder's equity and liabilities</b>								
<b>Shareholder's equity</b>								
Share capital	70,0		70,0	0,1	14,9			15,0
Share premium	187,8	70,9	116,9					0,0
Reserve for invested unrestricted equity	8,3		8,3		97,6	100,0	70,9	268,5
Retained earnings	567,8		567,8					
Profit for the period	7,0		7,0					
	<b>840,9</b>	<b>70,9</b>	<b>770,0</b>	<b>0,1</b>	<b>112,5</b>	<b>100,0</b>	<b>70,9</b>	<b>283,5</b>
<b>Appropriations</b>								
Cumulative accelerated depreciation	0,2		0,2					
Provisions for contingencies	4,2		4,2					
<b>Liabilities</b>								
Long-term liabilities								
Hybrid bond	80,0		80,0					
Bonds	99,5		99,5					
Loans from financial institutions	86,9		86,9					
Pension loans	28,0		28,0					
Accrued expenses and deferred income	0,8		0,8					
	<b>295,1</b>	<b>0,0</b>	<b>295,1</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
Short-term liabilities								
Loans from financial institutions	77,6		77,6					
Pension loans	17,9		17,9					
Trade payables	3,7		3,7					
Liabilities to Group companies	245,5	143,8 <sup>3)</sup>	101,7					
Munksjö Corp's liability to Ahlstrom Corp.		29,9 <sup>4)</sup>					173,7	173,7
Other short-term liabilities	9,3		9,3					
Accrued expenses and deferred income	5,9		5,9					
	<b>359,9</b>	<b>173,7</b>	<b>216,1</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>173,7</b>	<b>173,7</b>
<b>Total Liabilities</b>	<b>655,0</b>	<b>173,7</b>	<b>511,2</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>173,7</b>	<b>173,7</b>
<b>Total Shareholders' equity and liabilities</b>	<b>1 500,3</b>	<b>244,6</b>	<b>1 285,6</b>	<b>0,1</b>	<b>112,5</b>	<b>100,0</b>	<b>244,6</b>	<b>457,2</b>

0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0

1) Information of Ahlstrom Corporation is based on the unaudited financial information as of 30 June 2012 prepared in accordance with Finnish GAAP. Assets and liabilities related to the LP Europe Business and Coated Specialties Business will be transferred to new or existing Ahlstrom group companies and the shares of those companies will be transferred to Ahlstrom Corporation prior to the LP Europe and Coated Specialties demergers. Ahlstrom Corporations balance sheet as at 30 June 2012 has been adjusted with the estimated impacts of these internal transactions.

2) The shares of these LP Europe companies will be transferred in the LP Europe Demerger.

3) Liabilities directly related to the LP Europe Business will be transferred in the LP Europe Demerger.

4) Debts that cannot be directly allocated to certain business are allocated to the LP Europe Business based on the transferred net assets.

5) Munksjö Corporations balance sheet is based on the unaudited financial information as of 30 June 2012 prepared in accordance with Finnish GAAP adjusted with the share capital increase to EUR 80 thousand.