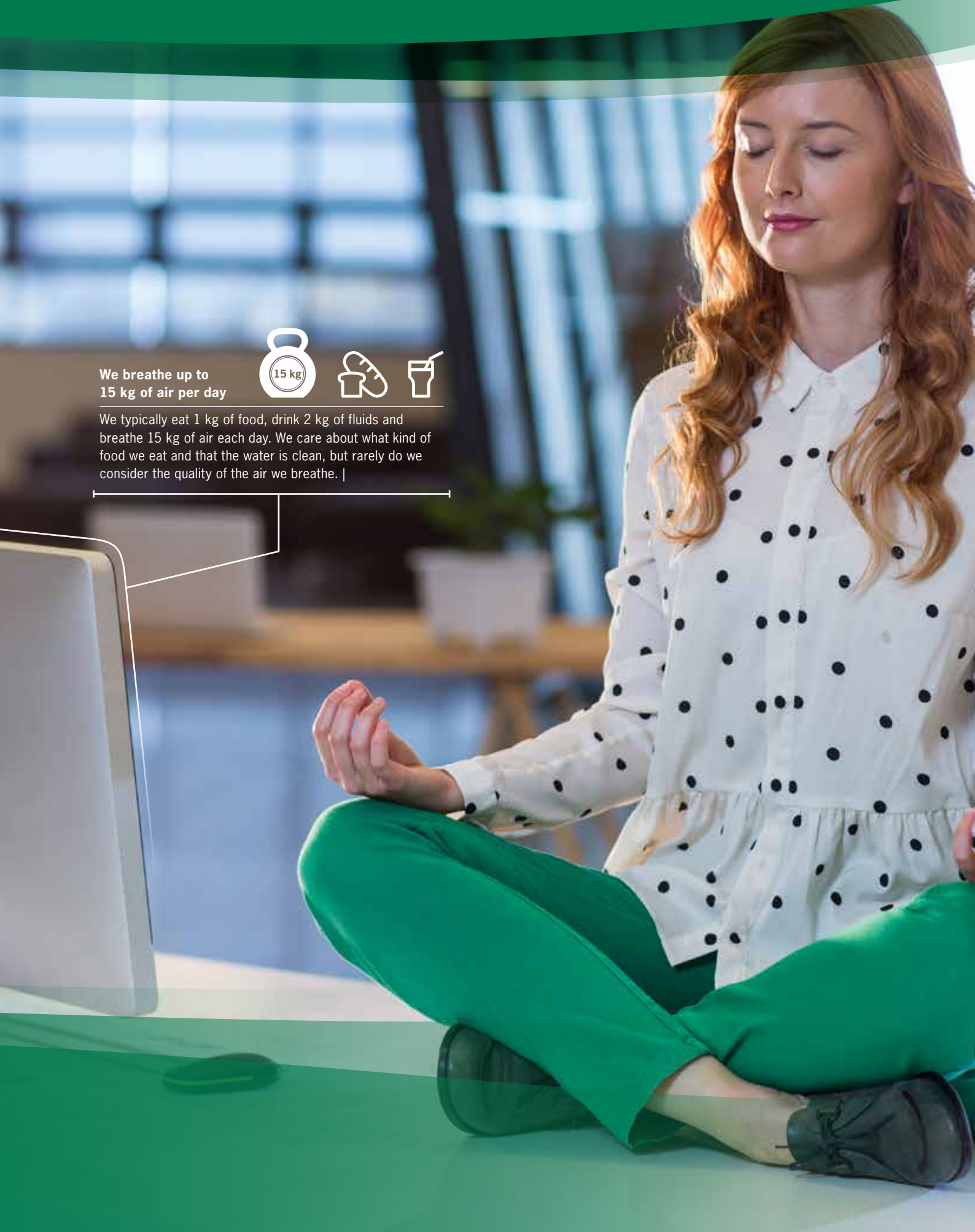


We breathe up to
15 kg of air per day



We typically eat 1 kg of food, drink 2 kg of fluids and breathe 15 kg of air each day. We care about what kind of food we eat and that the water is clean, but rarely do we consider the quality of the air we breathe. |



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Protecting health, processes and the environment

The Camfil Group is a world leader in air filters and clean air solutions that protect health, processes and the environment. Camfil is also one of the most global air filtration specialists in the world with 26 production units and six R&D centers across Europe, the Americas and Asia.

The Group, headquartered in Stockholm, Sweden, has 3,900 employees and global sales amounting to SEK 6.8 billion per year.

The company's business is to provide customers with sustainable best-in-class air filtration products and services through three business areas: Filters, Power Systems and Air Pollution Control.

With more than 50 years of experience in air filtration products and solutions, Camfil delivers value to customers all over the world while contributing to something essential to everyone – clean air.



Highlights 2016

Another year of record sales and earnings

In 2016, Camfil once again achieved its best year ever by surpassing last year's record results and recording the highest sales and earnings to date. Group sales increased from SEK 6,250 M in 2015 to SEK 6,722 M for the full year. Operating profit was SEK 775 M, as against SEK 657 M in 2015.

Acquisitions

Two acquisitions were made in the Nordic region and the United States during the year:

- In Finland, Camfil purchased F-Suotimet to strengthen its capabilities and product platform to satisfy the growing need for high-quality air filters in the Nordic market.
- In the U.S, Camfil continued to expand its North American sales and distribution network by acquiring the HVAC distributor Advanced Filtration Systems in Austin, Texas.

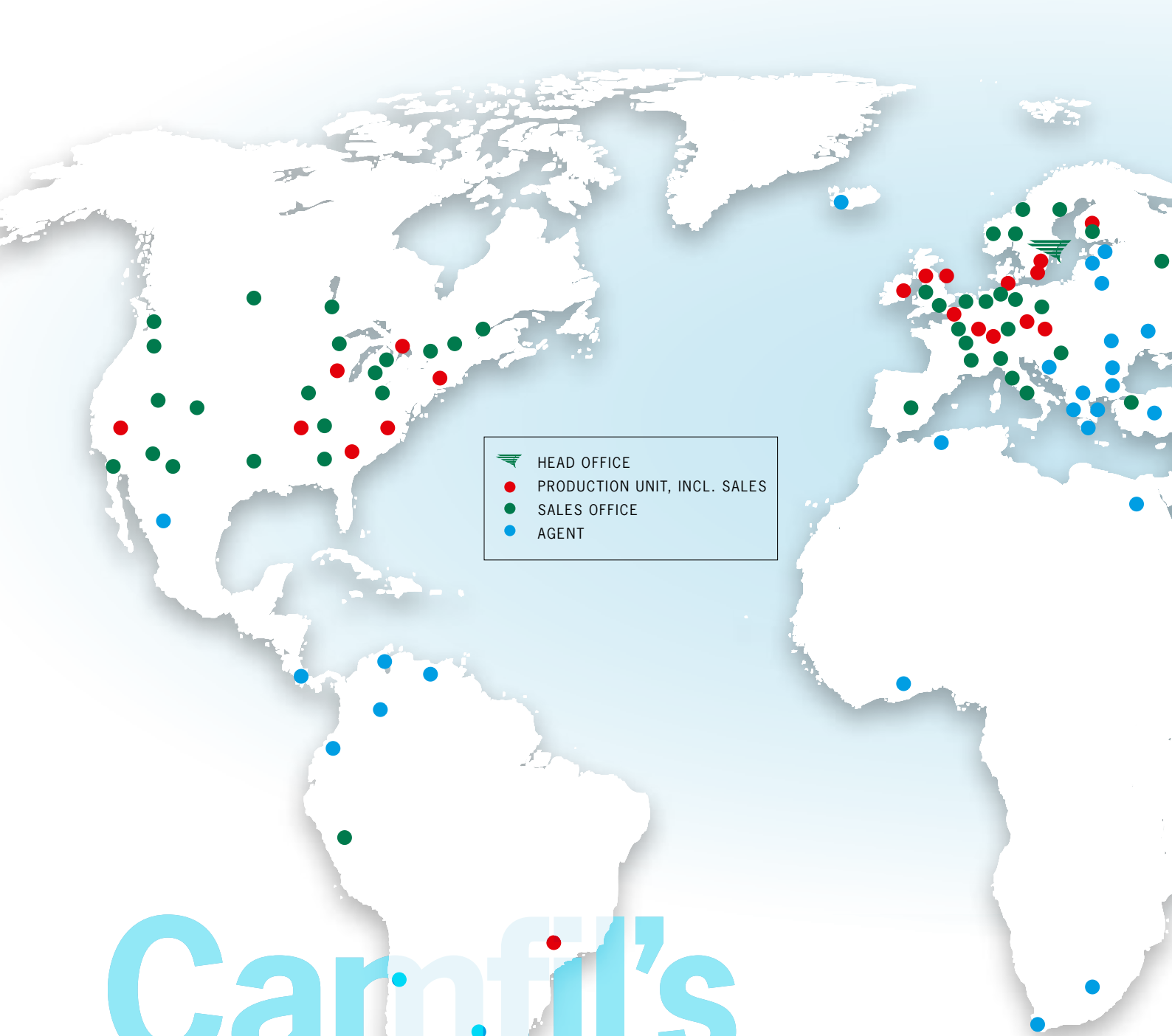
Global marketing campaign centered on PM1 filtration

In late 2016, Camfil launched "Take a Breath" (www.camfil.com/takeabreath), a Group-wide campaign to raise awareness about outdoor air pollution and the importance of effective air filtration and high indoor quality. The initiative is particularly focused on the health threats of the smallest and most harmful airborne particles – particulate matter known as PM1.

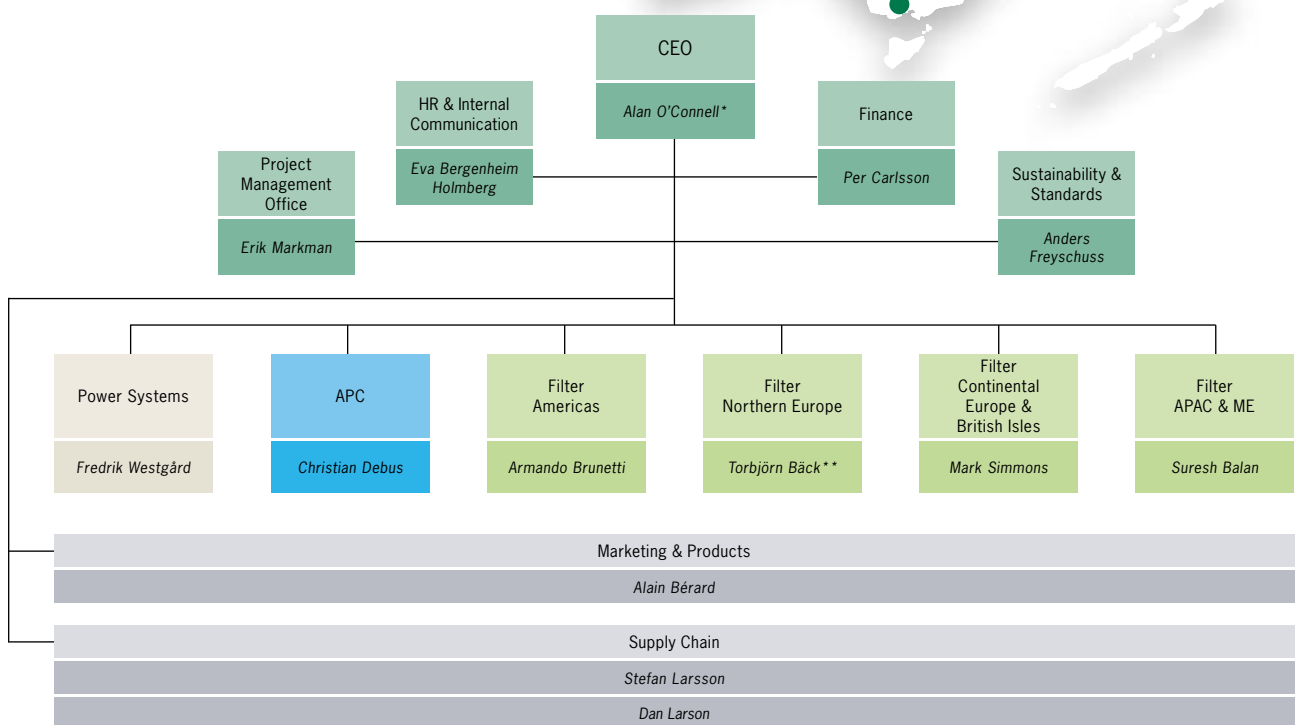
First global air filter standard

For the first time in history the air filtration industry has agreed on a global testing and classification standard that makes it easier for customers to select the right filter for the right application. The standard, ISO 16890, includes a new efficiency rating for PM1, the most dangerous particle fraction, recognizing that air filters positively influence air quality, and therefore human health. Camfil was the first air filter manufacturer in the industry to design and build an ISO 16890 test rig and already has a range of ePM1-rated filters that are the most energy-efficient on the market.





Camfil's global organization



* Alan O'Connell succeeded Magnus Yngen on January 1, 2017. ** Torbjörn Bäck is the new EVP Filter Northern Europe as of February 15, 2017.
 *** Anders Freyschuss, formerly EVP Filter Northern Europe, is the new EVP Sustainability & Standards as of February 15, 2017.

Another best year

At year-end 2016, Magnus Yngen completed his three-year assignment as President and Chief Executive Officer and was succeeded on January 1, 2017 by former President and CEO Alan O'Connell (2001-2013), who served on Camfil's board in 2016. In the following interview, they talk about Camfil's record results and the Group's focus and opportunities.

Camfil posted record results again in 2016. Profit was SEK 104 M higher than last year and sales totaled SEK 6,722 M, up SEK 472 M or 7.6 percent.

Can you comment on the factors behind this growth?

Magnus Yngen (MY): I am pleased to say that 2016 was another best year, both top-line and bottom-line. In our Time to Grow (TTG) program, we have been accelerating our growth rate by focusing on the most attractive areas of business and activating key resources to achieve specific goals. Recent acquisitions also helped boost sales, such as Nufilter (Sweden), F-Suotimet (Finland) and several distributors in the U.S. All in all, we outperformed the competition again and accomplished a growth rate that is quite healthy for the air filtration industry.

Can you comment on the individual performance of Camfil's business areas?

MY: Camfil Americas deserves special mention for their very systematic way of organizing, resourcing and driving sales to new heights. Even filter business in Continental Europe & the British Isles was above market growth for the second consecutive year. In the Nordics, our home base, we are stronger than ever today and did a solid job defending and expanding our positions in 2016.

In Asia-Pacific & Middle East, a new and stronger team is doing a fine job of increasing our business in the region, as supported by last year's figures. Air Pollution Control had

a reasonably good year but still has lots of opportunities to grow globally. We therefore have high expectations for APC going forward.

Power Systems' cyclical market is geared very much to the oil and gas industry, and not surprisingly, the business area was affected negatively last year by low global oil prices, which dampened customer demand considerably in a challenging energy industry that is significantly down and sluggish at the moment.

Alan O'Connell (AOC): From the board's perspective, Camfil had good momentum around the world, handling a high level of projects across most business areas, with continuing growth within core filter tech operations, new application areas but also within bread-and-butter business.

Demands for more energy-efficient buildings require filters like ours in ventilation systems. Today, customers want a lower total cost of ownership for their filters, which are becoming increasingly crucial components for meeting stricter demands for energy efficiency, high indoor air quality and removing hazardous particles like PM1 (see page 10-11) in polluted air. They also want a reliable and reputable filter supplier that is flexible – one that has the capacity to deliver on time and possesses solid project know-how and management skills. These are some of the reasons we are capturing more and more business from competitors in an industry that is growing faster than us.

Continues on page 8-9 ►



Alan O'Connell

Magnus Yngen

“Camfil products are the benchmark for the industry. Historically, that has been one of our biggest strengths.”

Alan O'Connell

How is Camfil's organization geared to today's market?

MY: Becoming a customer-centric organization – one driven by customer insight – was part of my “mantra” as CEO. This will be a never-ending goal for Camfil. We know we have the best chances for additional success if we understand our customers' needs thoroughly and cater to them with a solid platform of outstanding expertise, products and services.

Camfil's current organizational setup reflects how we drive business today and it is properly resourced. There is greater transparency in the organization to support business decisions. But as I have noted many times before, change is the only thing that is constant and I know Camfil will continue to fine-tune operations in line with market and customer needs

AOC: And we will also add competence and resources to enhance our skillset and service capabilities. We operate in a competitive but attractive industry with many business opportunities. Just look at recent valuations of air filter companies – they tell us that dealing with poor air quality issues will be good business in coming years.

MY: That's true and I know Camfil will continue to sharpen its edge through product and service leadership and by maintaining the best possible relationships with customers to remain first choice. Camfil has options for additional organic growth globally because the Group has the right products and focus on the right customer sectors, as well as possibilities for more acquisitions for synergies and growing market share.

Where and how will Camfil grow in the next few years?

AOC: The opportunities for growth are there. Around the world, air pollution has become an unhealthy commodity. The U.S. is a growth market for us, as well as countries suffering from major air quality issues, like China and India. South America is another potential growth market. But legislation could have the biggest single impact on our business in the immediate future. Growing awareness about PM1 is



an example. The new filter testing and classification system, ISO 16890, includes PM1 efficiency ratings, recognizing for the first time that air filters play a role in safeguarding health. We already have the test rigs in three regions to prepare for PM1 classification way and the competition is lagging in this area.

What about Camfil's technical edge?

AOC: In the air filtration industry, our technical competence is way up there and we are recognized for it. In many filtration applications, Camfil products are the benchmark for the industry. Historically, that has been one of our biggest strengths. Now we have taken the lead on PM1, just like we did on air filter standards 30-40 years ago. In the next phase, we will work to ensure that future recommendations and standards take up PM1 efficiency in specifications.

MY: Camfil's unchallenged technical competence requires presence and the Group's filtration professionals work with many layers of customers, stakeholders and end users throughout the value chain to gain insight into their needs and open doors to new business.

“A big hand to the team around the globe for all their contributions during my years as CEO; my thanks also to those who couldn't deliver because of challenging market conditions – Camfil recognizes your efforts as well.”

Magnus Yngen

AOC: Competitors might be trying to replicate us in many ways in an attempt to mirror our success, which is common in any industry, but we remain the leader in product and technical innovation. We always put innovation in the forefront – our Technical Center in Trosa was a major R&D investment and it was made years before the rest of the industry.

MY: I would like to add that Camfil also has a more professional and empowered product-management organization today to give precise input to the R&D team for developing products aligned directly with customer and market needs.

In addition to technical innovation, companies need to be flexible and fast on their feet. This is why Camfil is constantly evolving to meet new customer requirements for speed and agility, which also means that the Group has to shift its footprint and assume greater risks to take on new markets. The world is not static. Nor is Camfil – just look at our phenomenal growth over the past 53 years and I know Camfil intends to keep up the pace.

Any final comments?

AOC: Just that opportunities seem almost non-stop. There is potential for organic growth and possible further consolidation of smaller players that we can bolt onto the business. The market needs more products with an edge and we are in the position to add more value and know-how for advanced and emerging filtration applications that require a partner that can add an essential element of innovation. Our product innovation process is firmly in place in Camfil – we employ some of the best brains in the business.

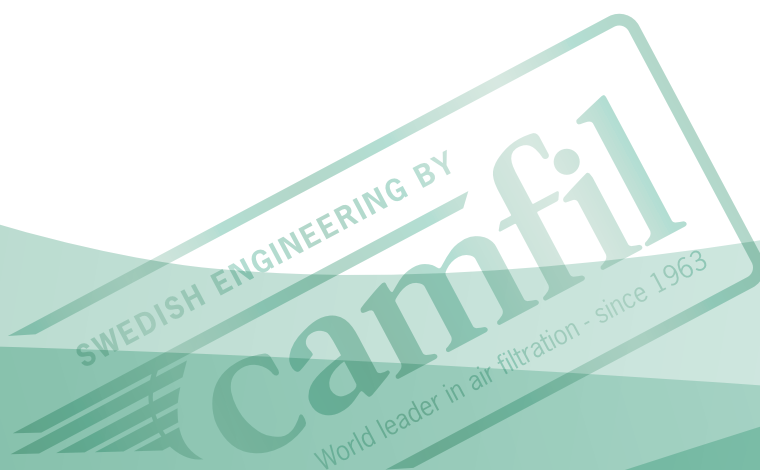
MY: I wish Alan the best of luck and success going forward. With a career that spans some 30 years with the company, including 12 years as CEO, Camfil couldn't have a more experienced leader at the helm. I also want to give a big hand to the team around the globe for all their contributions in 2016 and that includes my thanks to those who couldn't deliver as expected because of challenging market conditions – Camfil recognizes your efforts as well.

AOC: And all of Camfil thanks you, Magnus, for your expert leadership and guidance over the past three years. It's an honor for me to take over the Camfil ship once again. We started 2017 in good shape and we're heading in the right direction, as always. Camfil has always gone through steps and phases of growth and consolidation. What we have accomplished so far has been done well. I see no real reason to change any of that, except to speed up the process as the world spins faster around us.



Camfil's clean air business concept

Camfil's business concept is to provide customers with Indoor Air Quality (IAQ) and clean emissions in line with customer needs. This is being achieved with sustainable best-in-class air filtration products and services, as well as through local presence.



Camfil's core values

Committed and innovative people in an entrepreneurial environment are Camfil's keys to success. Our core values express the soul of our company and serve as a guiding star for the entire Camfil Group. Constant efforts are made to ensure that all our employees understand and work in line with the following core values:

Reliability

We are reliable because we know the market, we are honest and truthful. Our people, products and processes must always meet, or supersede, agreed results.

Commitment

We are committed to always striving for the best possible solutions and we are in the forefront of technological and environmental developments in our fields of expertise.

Customer satisfaction

We put our customers first. We focus on identifying customer needs and creating long-lasting customer value.

Teamwork

Working together makes us stronger and increases employee satisfaction both locally and globally.

Local presence

Local understanding and presence on local markets builds customer relations and satisfaction.



Air pollution

– the invisible threat to our health

Camfil is in the vanguard of a growing international movement to reduce the negative health effects of polluted air. As a leader in clean air solutions, we actively inform and educate customers, decision-makers and the general public about threatening air pollutants and the tangible benefits of effective air filtration and high indoor air quality.

Our mission is more relevant than ever because air pollution is now the greatest environmental risk to human health, causing several million premature deaths worldwide every year and increasing the risk of stroke, cardiovascular disease and respiratory ailments, including asthma.

Although air pollution is harmful to everyone, it is the health of the most vulnerable groups in society that is jeopardized the most: sick people, the elderly, children and people from more unprivileged areas. Over our lifetime, exposure to air pollution has health effects at every stage in life, from being in the womb during pregnancy to old age.

With breathing being essential to life, people rightfully need to question the quality of their air.

PM1 is the greatest threat

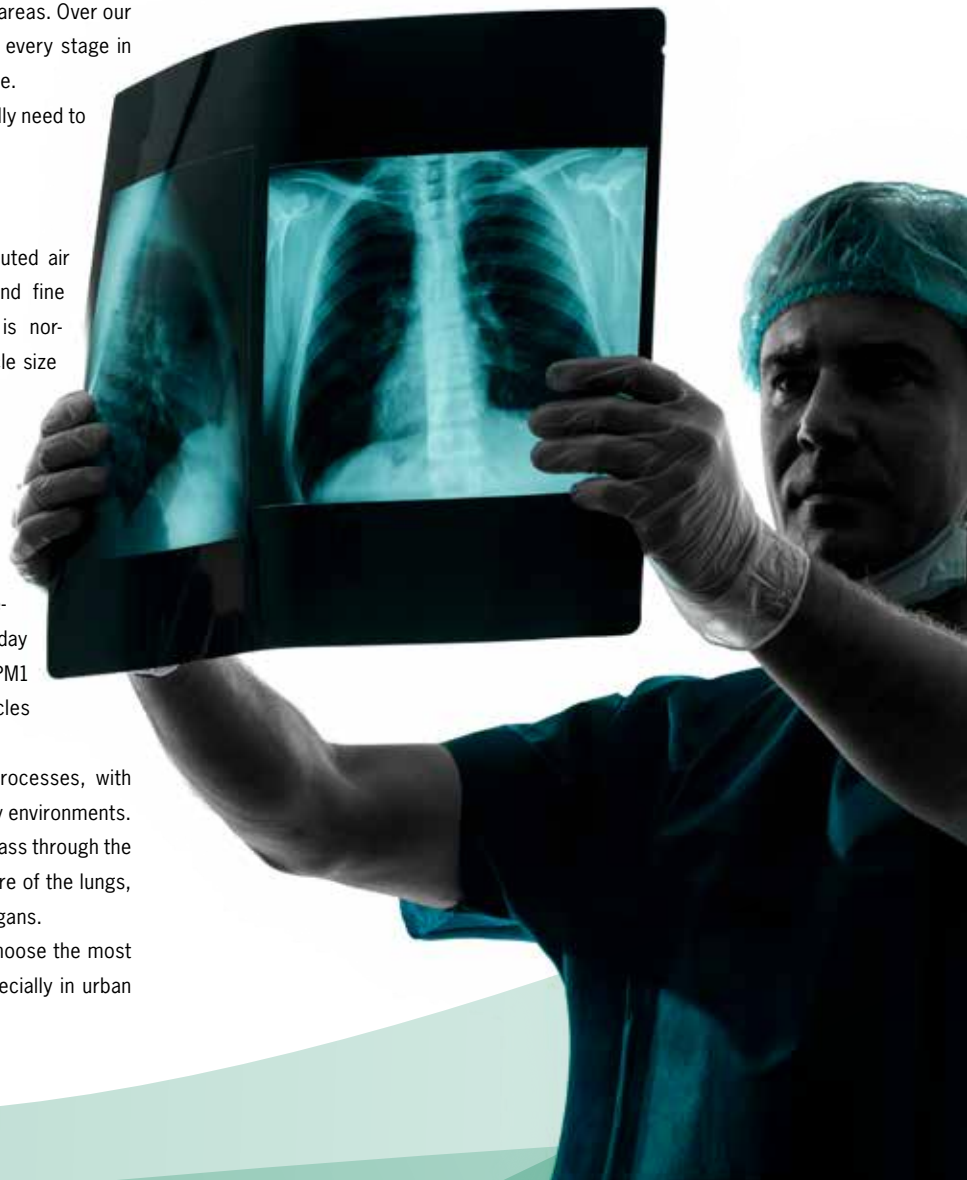
In the big cities of the world, people are inhaling polluted air consisting mostly of high concentrations of small and fine particulate matter termed “PM”. Particulate matter is normally reported under a small number of different particle size ranges:

- Coarse: $> 10\mu\text{m}$ ($1\mu\text{m} = 0.001\text{ mm}$)
- PM10: $< 10\mu\text{m}$
- PM2.5 $< 2.5\mu\text{m}$
- PM1: $< 1.0\mu\text{m}$

In recent years, measurement and reporting has predominantly related to PM10 and PM2.5, but we know today that PM1, and especially the smallest particles in the PM1 fraction – ultrafine particles ($< 0.1\mu\text{m}$) and nanoparticles ($< 0.05\mu\text{m}$) – are the most dangerous.

Most PM1 particles originate from combustion processes, with diesel engine emissions being a major contributor in city environments. These ultrafine particles are harmful because they can pass through the body's natural defenses and reach the very fine structure of the lungs, where they enter the bloodstream and affect critical organs.

This is why ventilation system customers should choose the most effective and protective air filters to remove PM1, especially in urban areas.



Take a breath of clean filtered air

In 2016, we took additional steps to raise awareness about outdoor and indoor air pollution. One was the launch of our current online initiative called "Take a Breath". The campaign's dedicated web pages are educational and present many interesting facts and figures about air pollutants and their associated health threats. More importantly, Take a Breath explains how effective filtration in ventilation systems stops air pollutants "at the door" to protect health and enhance productivity indoors.

Breathing 22,000 times a day

People breathe about 15 kilos of air daily – around one breath every four seconds, or 22,000 a day. In the highly polluted areas of inner cities, we might breathe in more than 25 million particles with each breath.

Depending on where we live, we could be exposed to fine and ultrafine dust, viruses, bacteria and ultrafine metallic particles, but also to health-endangering gases such as nitrogen dioxide (NO₂), ground-level ozone (O₃) and sulfur dioxide (SO₂). The smallest particles noted above, PM₁, can carry mutagenic chemicals into buildings like polycyclic aromatic hydrocarbons (PAHs) – chemicals formed from combustion of fossil fuels and other organic chemicals. To investigate this, Camfil was the first to prove that air filters are capable of removing PAHs and other mutagenic compounds in polluted city air for safer indoor air quality. This groundbreaking study was conducted on a street with heavy traffic in Stockholm.

Indoor air is more polluted

Our exposure to outdoor air pollution can be compounded by airborne contaminants from indoor sources.

People in many countries spend up to 90 percent of their lives indoors and interior air can be up to 50 times more polluted than outdoor air. If polluted outdoor air is not effectively filtered and cleaned before the ventilation system distributes it, the indoor air will contain a large quantity of the harmful particulates that find their way into the respiratory tract and circulation system. These particles can also combine with those present indoors and become more aggressive and harmful.

At Camfil, we believe that clean air is a human right. We want people to breathe clean air with total confidence. We also want them to be more aware of the fine particles in air pollution that constitute an invisible threat and a public health challenge today.

With quality air filters like ours in air handling units, a significant proportion of these air pollutants can be stopped and it will be increasingly important to choose the right filter and efficiency for the targeted particulate matter. This is being facilitated by the new ISO 16890 standard (see this page).

Last but not least, energy aspects should not be forgotten either: ventilation systems account for up to 50 percent of a building's total electricity bill. With growing demands for greener buildings, low-energy filters will reduce costs and shrink a building's carbon footprint.

ISO 16890 recognizes that filters protect health

The ISO 16890 standard, introduced by the International Organization for Standardization at the end of 2016, marks the first time in history that the air filtration industry has agreed on a global testing and classification standard that will make it easier for customers to select the right filter for the right application.

ISO 16890 will harmonize the air filtration industry and lead to transparency, equality and opportunities. The standard creates a level playing field for filter manufacturers because it will be easier and fairer to compare competing products. It will also eliminate poor-performing filters in the market to the benefit of customers and end-users.

ISO 16890 replaces two existing localized standards: ASHRAE 52.2, dominant in the U.S., and EN779:2012, dominant in Europe (both coexist in Asia and the Middle East).

Leading to higher IAQ

In ISO 16890, a filter's efficiency is tested with three different particle sizes within the 0.3 to 10 micron (µm) range and the results are related directly to performance against PM₁, PM_{2.5} and PM₁₀, aligning the standard better with real-world air pollution. The latter two fractions – particles 2.5 and 10 microns in size – are the most common fractions reported today, while PM₁ (<1.0 µm) best represents the very fine particles that the medical and scientific communities are more concerned about.

In several aspects, the new test procedures are more demanding. This will lead to higher filter performance. Most importantly, one of the four new ISO group classifications is "ePM₁", referring to filters with a minimum efficiency of 50% on PM₁.

When a filter is classified as ePM₁, customers will know they are selecting the best and most effective filter to improve indoor air quality and reduce health risks. This is also why Camfil always strongly recommends the use of its ePM₁-rated filters for general ventilation systems.

For more information visit www.camfil.com.



Filters

– for every filtration and containment need

Filters constitute the product platform for all of Camfil's operations and the Group's biggest core business. Filters also generate the highest percentage of Camfil's sales. Camfil's air filters can be as small as a matchbox and as large as a shipping container.

Their end product is clean air free of harmful or damaging pollutants, dust, dirt, allergens, contaminants, molecular gases and, in some cases, even life-threatening radiation, depending on the application.

By providing clean air, Camfil filters improve people's health and performance, protect critical manufacturing processes, boost productivity and safeguard the environment.

Camfil offers the most energy-efficient filters for public and commercial buildings. These products deliver clean air for high indoor air quality (IAQ). At the same time, they help building owners reduce their energy consumption and carbon footprint.

In the production world, Camfil's filters and clean air solutions are crucial for protecting advanced or sensitive manufacturing processes, or for combatting airborne molecular contamination or microbiological contamination.

In the healthcare sector, hospitals use Camfil's filtration systems to eliminate infectious airborne contaminants.

In the nuclear power industry, Camfil is the leader in particulate filtration, gas-phase filtration and containment, with experience from all over the world. Camfil has also leveraged this experience from containment to develop advanced biocontainment systems and filter housings for high-risk research facilities and biosafety labs.

The Filters Business Area also includes Camfil's line of standalone air purifiers and air cleaners.

Protecting people, processes and the environment

Comfort air filters for IAQ

Camfil air filters are widely used in the air handling units (AHUs) of ventilation systems in buildings like schools, offices, homes, hospitals and airports to provide the basis for a clean, healthy and productive indoor environment with high Indoor Air Quality (IAQ).

The comfort air market consists mainly of replacement filters. Products and services are supplied to facility management companies, government agencies, public, office and commercial buildings, schools, and companies providing ventilation and air conditioning service.

In Europe, bag filters are dominant, with the Hi-Flo™ and energy-saving Hi-Flo™ XL filters being widely used products. In North America, compact filters with pleated filter media are more common, although bag filters are also starting to gain ground. Camfil's filters in this market include the energy-saving 30/30™, Hi-Flo™ ES and Durafil ES™ filters.

In Asia, a wide range of standards and systems is applied, and as a result, there is a high degree of variance in the filter market. The most popular energy-efficient solutions are large surface Hi-Flo™ models and Durafil ES™ when a compact solution is required.

For urban environments with air pollution, Camfil offers ePM1-classified filters according to the new ISO 16890 standard and ozone-rated City filters combining particle and molecular filtration.

The business includes air purifiers and air cleaners, including the range for industry and smaller standalone City purifiers with particle and molecular filtration for offices and the retail sector.

Filtration for clean processes and hospitals

Camfil's high-efficiency filters and cleanroom filtration solutions are critical for supplying clean, uncontaminated air in many manufacturing processes. The life science and food and beverage industries are examples, where products have to be produced in strictly controlled environments to avoid biocontamination, product spoilage and high costs.

Other critical filtration applications are supplied for biopharma-

ceutical facilities and ceiling systems for hospital operating rooms to eliminate airborne infectious contaminants.

Nuclear power industry and containment applications

Camfil started out as a supplier to the nuclear power industry more than 50 years ago and has unparalleled experience in the field. More than 90 nuclear plants in the world are using Camfil's particle and gas filters, filter housings and dampers to prevent the release of airborne particles that might be toxic, hazardous or radioactive from operations.

Biocontainment systems

State-of-the-art biocontainment solutions – a Camfil specialty – range from systems for sterile and particle-free air in mini-environments, to advanced high-security housings for laboratories and filters for biosafety cabinets. Other products include high-temperature filters for sterilization processes and secure bag-in, bag-out systems for handling hazardous contaminants.

Customers include life science facilities, high-security labs for disease research and nuclear power plants.

Airborne Molecular Contamination (AMC)

Almost every advanced microelectronic fabrication plant ("fab") in the world uses Camfil's AMC filtration solutions in cleanrooms and on process equipment to avoid problems like acidic corrosion, condensable organic deposition, or exposure to low levels of damaging ammonia.

All of these issues can negatively impact production yield and costs for many advanced products, such as wafers, microchips, semiconductors, microprocessors and memories and displays for smartphones and tablets.

Camfil tests 100 percent of its ULPA filters for AMC and has also developed a range of filters that are fully certified against organic outgassing.



Odors out with plug-in molecular solution

Incorporating an odor control solution with molecular filtration into an existing HVAC system is sometimes not an option when space is limited and the installation requires costly modifications.

This was the situation at the plant of a major American biopharmaceutical manufacturer of medicines, vaccines and medical devices in the U.S. Northeast.

At the plant, employees complained of a nuisance odor emanating from the lab and cold storage area where fermentation samples were stored.

The fermentation process caused the unpleasant and distracting smell. Camfil's molecular filtration specialists investigated the odor and offered an immediate and quick-fix solution that only required an electrical outlet: a plug-in Vertical Freestanding CamCleaner configured with molecular filters.

This mobile industrial air cleaner is a low-cost alternative to control odor. Housed with 20 CamCarb canisters for removing the gaseous contaminant, it has a small footprint and long life expectancy for the application. Today, air quality concerns are no longer at the biopharma plant.



Delivering healthier hospital air at lower cost

Today, hospitals have to meet stricter demands for healthier indoor air quality and greater energy efficiency. This requires high-performance air filters to maintain a sound level of IAQ, protect staff from airborne maladies, reduce exposure to infected individuals, and increase comfort for staff and patients alike.

With HVAC systems accounting for up to half of a building's operating costs, it is also important to choose quality filters that use less energy. All these benefits were discovered by Maria Cecilia Hospital (Cotignola, Italy) after Camfil Italy and the Eta Beta engineering firm conducted a filter comparison test.

Filters from Camfil and two other suppliers were benchmarked for 24 months in three air handling units. The test results revealed that Camfil's Opakfil Energy filter was the top performer because of its particle efficiency, higher dust holding capacity, lower pressure drop development, and energy savings. By switching to Opakfil Energy, Maria Cecilia's filter costs were reduced 60 percent.

Since the test, Camfil has launched Opakfil ES, a new version of Opakfil Energy that saves even more energy. GVM, Maria Cecilia's owner, has now made Opakfil ES its preferred choice for the hospital and for all its other healthcare facilities in Italy.



Higher IAQ benefits classroom performance

Studies have shown that people perform office tasks and schoolwork better when indoor air quality (IAQ) is improved with filtration and a higher ventilation rate.

To investigate this further, the reputable French engineering school EPF recently teamed up with Camfil France to test and verify if Camfil's City M air purifier can create optimum classroom conditions for studying and learning.

In a classroom with very polluted air (PM2.5 concentration of 25 $\mu\text{g}/\text{m}^3$ and 35 $\mu\text{g}/\text{m}^3$), City M purified 40 m^2 rooms in 40 minutes and 70 m^2 rooms in 85 minutes, achieving the target value recommended by the World Health Organization (10 $\mu\text{g}/\text{m}^3$ annual mean and 25 $\mu\text{g}/\text{m}^3$ 24-hour mean).

Overall, City M improved IAQ by 74 percent. The higher quality air also affected student performance positively, with students typing and calculating quicker (about 5-10% faster on average) and making fewer mistakes. The students also felt less tired after lessons, making EPF more aware of the importance of IAQ, a message it intends to spread to other schools in France.

Custom HEPA filters for Kojair's biosafety cabinet

The Finnish company Kojair Tech Oy specializes in microbiological safety cabinets for hospitals, laboratories and production facilities. All of the company's high-safety laminar airflow (LAF) cabinets are equipped with Camfil HEPA filters to prevent contaminated particles and hazardous substances from reaching the operator's breathing zone during laboratory and research work.

Camfil and Kojair have collaborated for years and most recently to develop the filters for Kojair's Biowizard Platinum Line. This new-generation cabinet is equipped with media that has been specially customized by Camfil to satisfy Kojair's requirements for a low pressure drop, comfortable noise level and low energy consumption.





Power Systems – protecting turbomachinery

Power Systems specializes in air inlet and acoustical systems for turbomachinery, including gas turbines, generators, industrial air compressors and diesel engines.

The business area's engineering experts continuously strive to protect this high-value equipment by designing the best filtration and acoustical solutions to meet the priorities and requirements of Original Equipment Manufacturers (OEMs), Engineering Procurement Construction companies (EPCs), operators and end users. With Power Systems as their partner, they can be assured that their equipment will operate in the most profitable way and with maximum availability and reliability.

Power System Solutions

Based on more than 50 years of experience in the field of air intake filter and acoustical solutions for turbomachinery applications, Power Systems has more than 2,000 references worldwide for power generation, oil and gas, and industrial air compressor customers.

Solutions are engineered and manufactured to the highest standards and equipped with proprietary Camfil filters to ensure that customers operate their assets reliably and efficiently.

Full range of systems and services

Power Systems offers complete air inlet filtration and acoustical systems (inlet silencers, noise enclosures), including a variety of options for anti-icing and/or cooling. Site services include air analyses, site surveys, upgrades and refurbishments.

Power Systems teams in Sweden, Germany, Canada, India and China also work closely with Camfil's subsidiaries, agents and distributors to increase the filtration knowledge of all categories of customers with a view to improving and retrofitting their existing systems or defining the optimum solution for new equipment investments.

Market

The main drivers for the operation of turbomachinery equipment will vary from customer to customer and from one location to another. Camfil Power Systems' first priority is therefore to understand the needs and requirements of each customer in detail, as well as the

environmental challenges at hand. Solutions are then optimized on the basis of the customer's priorities, operating needs and local environmental conditions.

Filtration solutions for today's advanced turbomachinery

Turbomachinery technology has evolved tremendously over the last decades. In-depth studies of thermodynamics, computerized fluid dynamics, and the use of more exotic materials and innovative technologies have boosted the efficiency of this equipment to a much higher level.

However, all these developments have also made turbomachinery more susceptible to fine particulates that cause fouling and corrosion and lead to a faster degradation of performance. At the same time, stricter emission regulations have changed the particulate distribution dramatically, requiring more efficient and newer technologies on the filtration side that are adapted to changing environmental conditions.

These new requirements call for filtration systems of increasingly high efficiency. To ensure the optimum design, Camfil has a unique R&D center in Sweden with a dedicated test-rig for turbomachinery applications. Here, tests are conducted with the latest technologies to develop new filters matching new customer demands.

No matter where on the globe a customer has a turbomachinery application, Power Systems has the knowledge, expertise and R&D facilities to assess, analyze and recommend optimal solutions.





Order for first Frame 9HA gas turbine in Japan

Camfil Power System units in China, Germany and Sweden teamed up with Tominaga, Camfil's agent in Japan, to secure an order for the first Frame 9HA turbine ever to be installed in Japan.

A two-sided hybrid air inlet filter system will be supplied that uses 896 GTC pulse-filter pairs followed by a static barrier stage with 624 CamGT 4V-300 filters. The unit will be installed indoors in Hokkaido, North Japan, due to the severe winter conditions with low ambient temperatures and heavy snow.

New Test & Learn Center opened in Canada

In 2016, Camfil Power Systems opened a brand-new Test & Learn Center at its offices in Canada to educate and share knowledge and expertise with all types of customers. With this facility, Camfil Power Systems can bring more visibility to the actual performance of a particular filtration solution. The center will also allow customers to test and compare different solutions to better understand the difference between a poor and optimal filter system. The lab has a large variety of testing capabilities to analyze both new and used filters.



Supplying Mitsubishi Hitachi Power Systems (MHPS) in Tanzania

Camfil Power Systems India recently signed its first order with MHPS, one of the top three gas turbine manufacturers in the world, following detailed discussions with MHPS divisions in Japan and India.

The scope of supply consists of complete air inlet filtration and acoustic systems with required weather protection, a multi-stage barrier filtration system, the inlet silencer and duct, and associated supporting structures. The final destination will be the Kinyerezi II plant in Tanzania.

GTC upgrade is a winner for Union Gas

In Canada, Union Gas's compression facilities are essential to the movement of natural gas through pipeline systems across the province.

One of these facilities is the Bright Compressor Station, located in a very clean rural area of Ontario. Here, two RB211 gas turbines were installed over 25 years ago with Tenkay-style pulse filters to clean their inlet air. The PM2.5 dust concentration in the area is around 50% lower than in the U.S. and the turbines run only during the winter when the ground is typically covered in snow and traps ground particles.

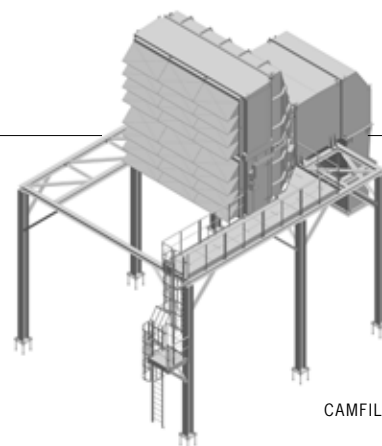


Maintenance staff usually had to wash the turbines offline with water every 1,000 hours because power would typically degrade around 2.5 MW, equal to 6% of the total output. Wanting to optimize their washing schedule and look at potential filtration upgrades, Bright's maintenance staff turned to Camfil Power Systems.

A side-by-side performance test was conducted to compare the efficiency of Bright's existing M6 blended filter with a Camfil GTC F9 synthetic filter. The compressor cleanliness was then evaluated with the particle concentration in the water-wash fluid. The impact on compressor performance and the fuel consumption of the turbines were tracked for over a year.

The higher efficiency and stable pressure drop of the GTC reduced turbine fouling and increased compressor efficiency. Other benefits were cleaner turbines, a higher and more consistent power output between washes, no stops for offline water washes during the winter season, and greater fuel savings.

Last but not least, the comparison tests proved the advantages of higher grade filtration in very clean rural areas and the importance of verifying pulse filter efficiency in low-dust environments.





Air Pollution Control – leader in dust, mist and fume collectors

The Air Pollution Control Business Area operates globally in North America, Europe and Asia under the Camfil Air Pollution Control (APC) name. Camfil APC's main mission is to design, manufacture and supply a full range of dust, mist and fume collectors to clean up factories, making them safer, more productive and more sustainable. Camfil APC's collection equipment is typically used in metal, pharmaceutical, mining, food processing, chemical processing and many other industries.

Dust, mist and fume control solutions with the most advanced collectors on the market

Camfil APC offers state-of-the-art dust, mist and fume collectors and backs them with dependable service, support and decades of proven experience.

These collectors help customers prevent respiratory problems caused by dust, fumes, mist and smoke, as well as dust collector explosions and fires caused by combustible dusts. The equipment also enables them to comply with governmental air quality requirements both inside and outside factories.

Other benefits of Camfil APC's dust, mist and fume collectors include minimizing slips, falls and visibility problems created by "nuisance" dusts and mist in the workplace. Dust and mist collectors also reduce worker discomfort from allergens found in process dusts and protect valuable equipment from contamination.

Key products include the Farr Gold Series® dust and mist collector line, GS Camtain® and GS High Vacuum dust collectors and GSP packaged dust collectors.

In Europe, Camfil APC is a well-known manufacturer of dry dust collectors, oil and emulsion mist collectors, wet scrubbers and ancillary items that strategically complement the flagship line of Farr Gold Series cartridge dust and fume collectors. These products include Handte mist collectors and Handte Vortex wet scrubbers.

The business area has also developed the HemiPleat® line of low-energy, long-life dust collector filters. HemiPleat filters make pleated dust collector filters last longer and run with lower energy consumption for both the Farr Gold Series and as a replacement filter for the dust collectors of competitors.



Tackling dust and fumes at Arctech's shipyard

Arctech Helsinki Shipyard (Finland) builds icebreaking vessels for tough arctic conditions. Welding and grinding work is performed within ship blocks and sandblasting activities inside large plastic tents. These processes produce fine dust and fumes that negatively impact air in the workplace.

To extract dust and fumes, Arctech rented mobile dust collectors that were moved by forklift truck or cranes to areas where dust collection was needed.

Problems with the filtration efficiency and the cost of the rented collectors prompted Arctech to contact Camfil for a new solution consisting of two Farr Gold Series® GS02 dust collectors and one GS08 collector that are built on skids for easy transport.

The collectors use Camfil APC's unique Hemipleat® eXtreme FR Gold Cone filter cartridges to boost filtration efficiency significantly. The overall result is much higher air quality and a cleaner and healthier work environment.



Keeping Nucor's transformers clean

Nucor, the largest steel producer in the U.S., uses electric arc furnaces and mini-mills to produce steel and bar.

At one Nucor mill, an airflow system with rooftop filter banks pressurized the inside of two high-voltage transformer vaults with clean air. After years of operation and modifications, the system failed to keep melt shop dust from entering the vaults, resulting in frequent, expensive maintenance to remove dust from the transformers and change the filters.

Camfil APC installed a new pressurization

system with six Farr Gold Series® dust collectors. Each transformer vault now has three collectors installed outside on the mill's grounds, allowing maintenance of any collector while still maintaining adequate vault pressurization to keep the transformers clean. The six Gold Series filters in each collector are rated at near HEPA efficiency (99% on 0.5 micron particles).

Instead of every other day, the vaults are now cleaned once a month and only as a precautionary measure, saving Nucor thousands of dollars in filter maintenance, replacement and disposal costs.



Global airline supplier goes for Farr Gold Series®

Vestergaard manufactures vehicles and equipment for airport ground services, including aircraft washers and service units for lavatories and water. The company supports the aircraft of about 45 airlines at 90 airports worldwide.

At Vestergaard's site in central Denmark, production consists of sheet-metal and steel-finishing work that involves much welding, mainly of stainless-steel parts. The number of production stations was increased to meet demand and the facility's air handling system had to be replaced to cope with a greater ventilation load, especially particles and fumes from welding.

For dust and fume control, Camfil APC installed a Farr Gold Series® dust collector with 20 flame-retardant Hemipleat™ eXtreme Gold Cone cartridges of F9 class (MERV 15). The filters only need to be replaced every two to five years, depending on the dust load. The hoppers have shut-off valves that allow production to continue while cartridges are cleaned.

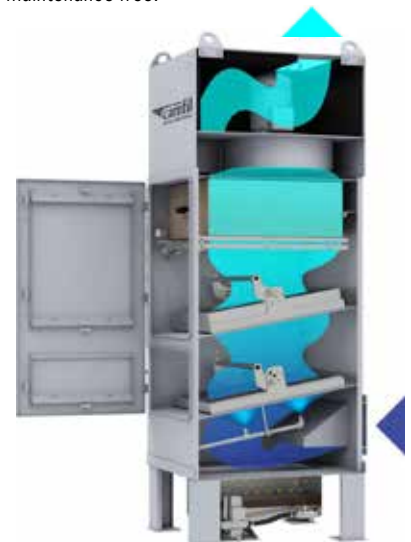
When mist cannot exist in manufacturing

After investing in a new turning center using high-pressure coolant, a British manufacturer of process equipment started to experience mist buildup within the machining enclosure.



Warm mist escaped into the factory, rose and impinged on equipment above. When the mist cooled and descended, fans drew it into the electrical cabinets of neighboring machines, causing damage to computers, switchgear and other equipment. The mist was also a respiratory hazard.

To solve the problem, Camfil APC installed its Handte EM Profi, a three-stage mist control system fitted with a unique automatic Demister cleaning system using clean coolant or water. Collected coolant and cleaning medium are returned to the machine tool sump for reuse, or to a container for disposal. With a filter life of up to five years for the two Demister stages, and one year for the high efficiency post-filter, the Handte EM Profi operates virtually maintenance-free.





Leadership requires a sustainable approach and responsibility

At Camfil, we are proud to be a green business and a leader in the air filtration industry.

All over the world, people live, work or manufacture better with clean air "Made by Camfil". Our air filters effectively remove harmful airborne pollutants, particles and gases to make indoor living spaces and workplaces healthier, safer and more productive. Our clean air solutions for industry protect capital-intensive processes in plants and ensure high production yields while also protecting employees and the environment.

Our filters are also the most energy-efficient on the market. Every day, Camfil products reduce the amount of energy used by ventilation systems in many types of buildings and facilities, with the added benefits of shrinking the carbon footprint of our customers and lowering the total cost of ownership for their filtration solution.

Sustainability is a responsibility

If an enterprise is a significant global player, it also has a responsibility to make sustainability an essential ingredient for long-term success. Camfil has done this since day one for more than half a century. Being the vanguard in sustainable clean-air solutions, we stand behind our sustainability message and deliver daily on our promise to design, manufacture and deliver the best and most sustainable air filtration products in terms of energy usage and eco-friendly materials.

Simply put, we have made sustainability a part of everything we do. Being sustainable is not just a competitive advantage to us; it is a way of working that can be very beneficial in everything from greening our customers operations to creating a reputation that attracts new talent for Camfil.

Long-term focus

Camfil has a long track record of managing its environmental and social performance through active engagement. As a privately held company, we have the advantage of being able to have a long-range focus. We have proved our belief in sustainability many times in the past and will continue to do so in the future.

One good example is our Roadshow in Europe to inform and educate customers, decision-makers and the general public about air pollution, its harmful health effects and the importance of selecting the right energy-efficient air filters for the right ventilation application.

An initiative like the Roadshow reflects what I noted about our responsibility as an industry leader. This mobile exhibition has been running six years but will have its biggest impact ever in 2017 as a component of our "Take a Breath" campaign and its focus on PM1 particulate pollution (see page 10-11 for more information).

Another example is the program in which we are helping day care centers and schools to improve their indoor air quality. We have donated and installed room air purifiers to create a safer and healthier learning environment.

Caring through CamfilCairing

Camfil has a strong in-house culture of sustainability – our "CamfilCairing" program. On the following pages, you can read about some activities that were carried out by our employees during the 2016 calendar year to improve our greenness and benefit local communities.

When we started this journey in 2009, sustainability had been an important part of Camfil's DNA for decades. Over the years, I have met many colleagues around the world who have made valuable contributions within the framework of the program. Their efforts have also made them outstanding ambassadors for our external sustainability focus.

It feels good to head an enterprise that has the best clean air experts and the finest technology resources in the industry. We are light-years ahead of most competitors. Sustainability, along with premium products and entrepreneurship, are the cornerstones on which Camfil has been built. I am very proud to work for a company centered on these values.



A handwritten signature in black ink, reading "Alan O'Connell".

Alan O'Connell
President and CEO

United States

A smaller carbon footprint

In the United States, Camfil Conover (North Carolina) partnered with several businesses in 2016 to improve its carbon footprint. The factory also took measures to reduce energy consumption.

To reduce waste, Camfil Conover is now recycling metal, copper wire, cardboard, plastics, ink cartridges and batteries, as well as media trimmings from its new Hi-Flo-ES filter line. To use less energy, lighting in the factory has been updated to house LED lights. Some areas also have motion-sensor lighting to reduce power consumption considerably.



Sweden

Spinning to fight children's cancer in Sweden

In 2016, 20 employees from the parent company Camfil AB and Camfil Sweden participated in the "Spin of Hope" fund-raising campaign for the fourth consecutive year.

The goal of this charity event is to raise money for the Swedish Childhood Cancer Foundation. Teams and individuals pay different fees to participate, which are collected as donations. The event is also arranged to generate positive media attention for Spin of Hope, wellness, the Foundation and participating sports facilities. Spin of Hope has raised more than SEK 20 million in funds since 2009.

Camfil will also have several teams and bikes in the 2017 Spin of Hope. The goal for participants this year is to collect more than SEK 5 million for the cancer foundation.



United Kingdom

Greening the vehicle fleet



A big differentiator from Camfil UK's competition in the UK is that over 80 percent of deliveries to customers are made via its own fleet of 14 vehicles. Each vehicle does over 70,000 miles (+112,655 km) annually – the equivalent to the moon and back twice in a year. Service engineers also use a fleet of 18 smaller vans.

As part of the company's commitment to the environment, all replacement vehicles have been sourced with EU6 engine management systems to reduce levels of harmful car and van exhaust emissions, both in petrol and diesel cars. This is helping to cut emissions of nitrogen oxide (NOx), carbon monoxide (CO), hydrocarbons (THC and NMHC), and particulate matter (PM). Better fuel economy and lower CO₂ emissions are other positive effects.



Europe

Promoting equal opportunity and diversity

Camfil's management team is convinced that diversity and equal opportunities will make Camfil a more attractive and socially responsible company. In 2016, several important steps were taken to strengthen the Group's efforts in this area.

Diversity Charter signed in France

In December 2016, Camfil France joined 3,600 other French companies by signing the Diversity Charter to signal its ongoing commitment to diversity and equality. The event also marked the company's first step towards earning the GEEIS Diversity Label (see below).

Applying for the GEEIS Diversity Label

Camfil actively promotes equal opportunities and diversity in terms of recruitment, pay, development and promotion. Over the past few years, our company has rolled out numerous initiatives to promote a culture of equity within the Group, which is an essential performance lever.

To formalize our strong and long-term commitment, Camfil companies in Sweden, Belgium and France applied for the Gender Equality European and International Standard (GEEIS Diversity) Label in 2016.

First introduced in Europe, the GEEIS Diversity Label aims to promote equal opportunities and diversity in the workplace in all its forms. For Camfil, the label will indicate the company's engagement as a socially responsible enterprise. An organization that is just as attractive to women as men also has a competitive advantage in recruiting the best talent available, regardless of gender. Bureau Veritas will conduct the audit to obtain the GEEIS Diversity Label.

Swedish prize for greater diversity

In 2016, Camfil Sweden won the Swedish ventilation industry's award for workforce diversity. The motivation for the award was that "Camfil has successfully worked for increased diversity and also highlighted female coworkers on all levels in an otherwise male-dominated industry."

"We are very proud of this award and will continue to work for diversity and equal opportunities at Camfil."

Anders Freyschuss, EVP of Camfil Northern Europe

"Camfil is a socially responsible employer and company. In the context of today's global uncertainty, it is important for us to be open to others."

Mark Simmons, EVP for Camfil's filter business in Continental Europe and the British Isles

India

Air purifiers and LED lights for a better work environment

As part of its efforts to provide a good and safe work environment, Camfil India has installed Camfil air cleaners and air purifiers on the premises. These devices ensure that employees breathe quality, filtered indoor air, especially when PM2.5 levels outdoors exceed WHO guidelines during certain times of the year because of India's severe air pollution problems.



Camfil India installed a CC6000 for its new GT filter assembly line, a CC800 on the Sales & Marketing floor, a City S in the Design Center, a City Sense in the Video Conference/Meeting Room, and one City M each in the Quality Assurance Department and Accounts section.

As a part of an energy-savings exercise, Camfil India has also replaced all conventional CFL lamps in office premises with energy-efficient LED lights and uses up to 12 percent less power today.



New LED lights were installed to replace conventional CFL lamps and save energy.

Germany



Norbert Gregor, Managing Director of Camfil Germany (center) handed over the donation check to Christine Möller, Lübeck Cystic Fibrosis Regional Group, and Professor Matthias Kopp, in the children's Pulmonology Ward.

Lift trucks for food and funds for cystic fibrosis

In Germany, the Reinfeld Board collects food and distributes it to needy people. To help the organization's employees, Camfil Germany donated a lift truck to make it easier for them to transport food donations. The truck allows heavy loads to be moved effortlessly so that on-site handling is much quicker. The volume that needs to be moved cannot be achieved with manual work alone.

Helping children suffering from cystic fibrosis

Cystic fibrosis is a hereditary metabolic disorder. Children who suffer from it need a professional team of doctors, nurses, physiotherapists, psychologists and nutritional consultants to support them.

This requires substantial funding, and in 2016, Camfil Germany made its fifth consecutive donation to support the Department for Pediatric Pulmonology and Allergology at the Children's and Adolescent's Clinic, located at Schleswig-Holstein University Hospital (UKSH) in Lubeck.

The money will be used to transform the pulmonary function space in the child pneumonia ward so that it becomes an exciting "underwater world" for young patients. At present, the room is nothing more than a windowless space dominated by technical instruments.

Slovakia, Malaysia and UK

Planting more of nature's filters

In 2016, Camfil donated money to the World Wide Fund for Nature (WWF) to help preserve the Borneo rainforest, one of the most important ecosystems on the planet. Forests like these are the natural air filters of the world because they clean the atmosphere by absorbing carbon dioxide, producing oxygen and intercepting airborne particles.



The funds were used to plant trees and several Camfil companies followed up this cause to plant their own locally. Camfil UK planted 40 trees, one for each employee, which has a positive environmental impact: every 25 square meters of woodland captures and stores 1 tonne (1 metric ton, 2,205 lbs.) of carbon during its lifetime.

Camfil Slovakia, which is said to have the greenest landscaping for a factory in its area, planted more trees on the grounds in Levice with the participation of company management and support from local and visiting Camfil employees. In 2017, Slovakia started a building expansion project in Levice: trees removed at the construction site will be replanted immediately after the new building is ready.

"Let the green be seen" was Camfil Malaysia's motto for its planting initiative. The company planted 40 Damar Minyak trees in the Ulu Licin Amenity Forest, in Beruas.



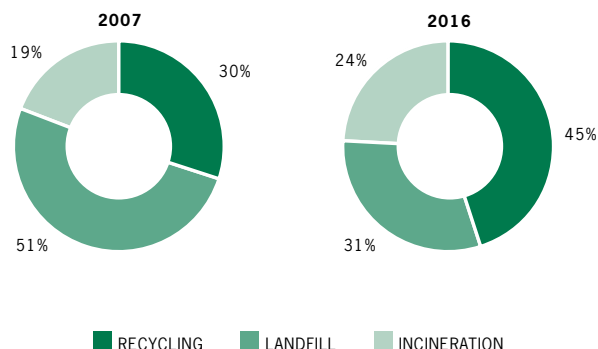
Clean and safe air for children

Air pollution has become one of the most frequently discussed topics in the world.

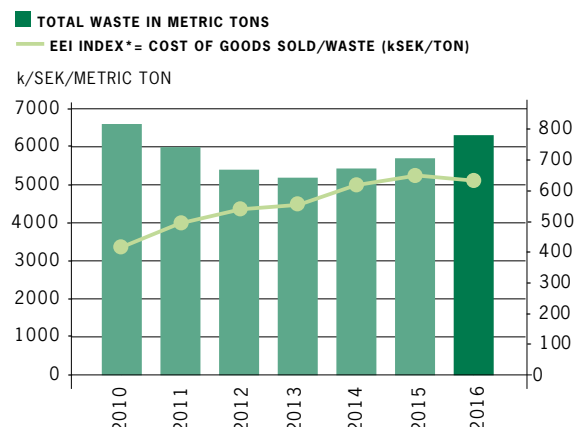
As a consequence of exposure to traffic pollution, children often suffer from allergies or asthma and they tend to become ill as a result of over exposure to germs, viruses and bacteria. Air pollution particularly harms the health of children who have not yet built up a strong immunity.

As part of its "Take a Breath" campaign, Camfil has donated air purifiers to day care centers in the vicinity of its offices in China, Sweden, Germany and Slovakia. Teachers and children alike have noticed the positive difference in indoor air quality. In one center by a busy road, Camfil used particle counters and its proprietary CAir software to measure the concentration of harmful PM1 particles, which the air purifiers reduced 40 percent for safer air to breathe.

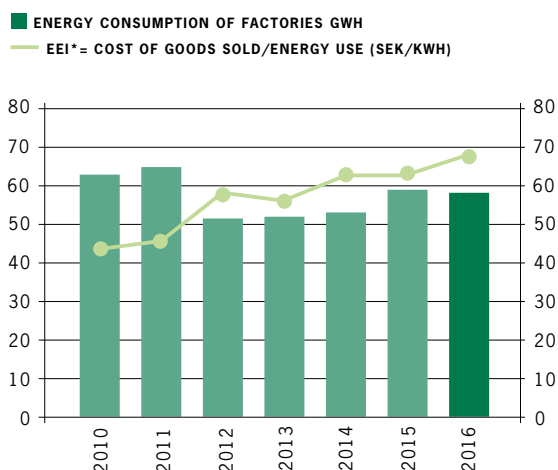
Waste destination



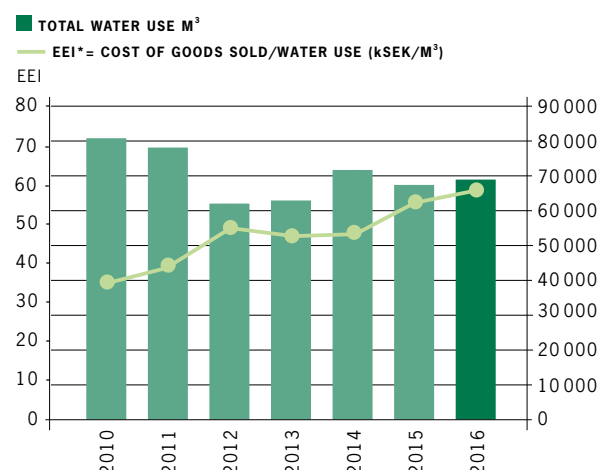
Waste



Energy use



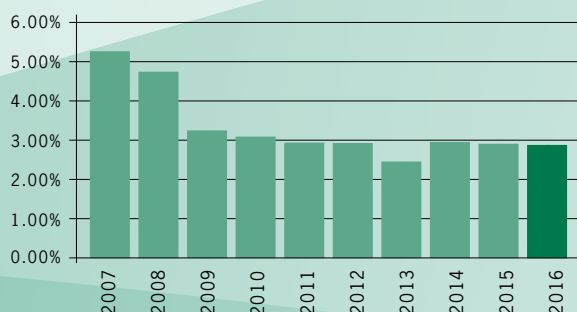
Water use



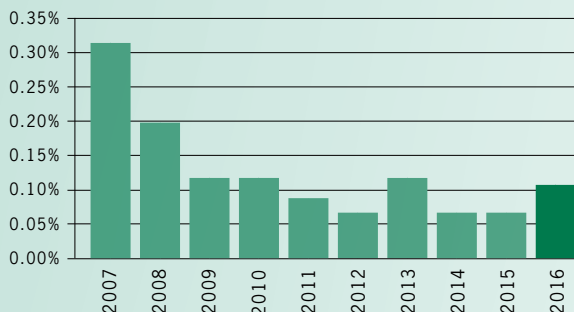
*The charts above display the waste efficiency factor, energy efficiency factor and water efficiency factor as value created per unit of resource used (EEI = Eco-Efficiency Index).

Sustainability in the workplace

Number of sick leave days per 100 work days



Lost work days due to work-related injuries per 100 work days



Creating a healthy, safe and diverse work environment for our employees



At Camfil, we have always believed that employee well-being, health and safety are part of our role and commitment as a sustainable employer. One of our constant goals is therefore to ensure that employees have a safe work environment that is improved on a continuous basis.

To assess their satisfaction with the workplace and other key HR issues, we employ a measurement tool in the form of a biannual global employee survey called CAMPAIR, standing for Camfil Personnel Attitude Involvement Research.

These CAMPAIR surveys generally provide Camfil management with valuable insight and knowledge about employee attitudes. By soliciting employee opinions throughout several dimensions of the organization, HR can use this feedback to build positive employee relations and sound out attitudes toward a variety of issues that are essential for Camfil's continuing success.

Measuring workplace satisfaction in 2016

The third and most recent CAMPAIR was conducted in November 2016 and the response rate was as high as 88 percent for the Camfil Group worldwide. The survey question regarding workplace conditions – “Does Camfil actively work to improve the work environment and safety?” – scored 5.88 on a 7-point scale, with 62 percent of the employees believing it was a significant issue.

Diversity as a business advantage

Camfil also understands the benefits of employing a diverse range of talented individuals and we are convinced that striving for diversity will build a more profitable, effective and attractive company.

As an equal opportunity employer, we employ a global recruitment process to select candidates with transparency, fairness and respect. To measure how well we succeed in working with diversity, we asked our employees in the most recent CAMPAIR. The score for the question “Are our different personalities, values and cultures recognized and supported within our teams?” was 5.68 on a 7-point scale.

Strengthening employee engagement

Encouraged by the strong response to last year's CAMPAIR, we have rallied the Group's employees globally by challenging them to join our international “Take a Breath” marketing campaign, launched during the latter part of 2016. This initiative aims to raise awareness about air pollution and its impacts on human health (see Camfil's website, www.camfil.com/takeabreath).

Employee engagement in a key marketing mission like “Take a Breath” helps build team spirit on a Group-wide basis over country borders. It also strengthens their motivation and commitment to Camfil's business goals and values.

IAQ was a winner in Rio

Ordinary people, when resting, breathe up to 10,000 liters of air daily. High-performance athletes may inhale 100,000 to 200,000 liters, making them even more susceptible to the adverse effects of air pollution.

In that case, can elite athletes recover better and faster by breathing air cleaned by air purifiers with HEPA filters? This was the focus of a unique pilot study conducted before and during the 2016 Olympic Games in Rio by the Swedish Olympic Committee (SOC), Camfil's indoor air quality (IAQ) experts, and Karolinska Institutet in Stockholm.

"There is currently overwhelming scientific evidence that outdoor air pollution is associated with significant adverse health effects such as increased morbidity and mortality for respiratory and cardiovascular diseases, says Sven-Erik Dahlén, Professor at Karolinska's Institute of Environmental Medicine, who supervised the study.

He continues: "Given the large increase in exposures to environmental air that active elite athletes experience – simply by their large increases of respiration during training and competitions – it seems likely that their performance and long-term health may be negatively affected by air pollution. To create a clean environment during the indoor recovery period would therefore seem to be one important strategy for reducing the total daily exposure to pollutants, and for securing an optimal environment during the recovery period.

"Rio was a very important project, teaching us that it is feasible to achieve a significant reduction of indoor air pollution in an extreme real-life situation," he ends.

For the pilot study, Camfil supplied City M and City S air purifiers. City M was used to purify air in the residences of four selected Swedish Olympians for several months prior to the Games. Eighty City S units were placed in the living accommodations of all Swedish Olympic team members in Rio.

Complete IAQ program

Before Rio, the Swedish elite athletes were briefed on the importance of IAQ and air purifier technology. During the study, Olympic wrestler Jenny Fransson had the opportunity to supply lung function and lung inflammation biomarker recordings, proving that it is feasible to collect such objective data over longer time-periods, even on very active and competitive athletes.

Extensive measurements

The pilot study involved technical tests and measurements. An advanced particle counter calibrated airborne concentrations in homes and Olympic rooms before and after air purifiers were used. Camfil's IAQ Multiscreen product tracked VOCs, and IAQ screening tests were conducted for additional analysis of indoor air. Camfil's scanning electron microscope (SEM) also took photos of air samples to analyze the particle content.

According to the results, the air purifiers proved to reduce indoor particle concentrations considerably, making indoor air up to ten times cleaner than outdoor air. In one athlete's room, the particle concentration was reduced up to 90 percent in less than one hour with City S.

"Our most successful Swedish Olympian in Rio (one gold medal, one silver and one bronze) felt the air purifiers were an extra benefit that helped her maintain the highest performance standard, despite an extremely busy schedule. Even if we don't know yet if this was a psychological or true physiological effect, it was a very favorable outcome," said Professor Dahlén.

He now hopes the pilot study will encourage efforts to conduct a larger controlled study of the values of these devices among patients with asthma and for the recovery of endurance athletes.



Jenny Fransson, bronze medalist in wrestling in Rio, supplied lung function and biomarker recordings before and after Rio. She suffers from asthma and allergies. "We always take great caution to plan our diets and many other factors at Olympic events but we have never attempted before to do something about the problem of indoor air pollution," she says. Jenny could really feel the difference in air quality with Camfil air purifiers. "I think it is wise to invest in clean air."

Consolidated Income Statement

SEK M

| | Note | 2016 | 2015 |
|---|-----------------|----------------|----------------|
| Net sales | | 6 722.5 | 6 250.2 |
| Cost of goods sold | 6, 17 | -4 009.9 | -3 688.7 |
| Gross profit | | 2 712.6 | 2 561.5 |
| Selling costs | | -1 290.2 | -1 254.1 |
| Administrative expenses | 7 | -647.4 | -650.7 |
| Operating profit | 6, 8, 9, 10, 11 | 775.0 | 656.7 |
| Financial income | 12, 17 | 201.9 | 104.9 |
| Financial expenses | 13, 17 | -251.5 | -203.6 |
| Profit before income tax | | 725.4 | 558.0 |
| Income tax | 16 | -204.5 | -189.2 |
| Profit for the year | | 520.9 | 368.8 |
| Attributable to: | | | |
| Owners of the Parent Company | | 520.9 | 368.8 |
| | | 520.9 | 368.8 |
| Earnings per share attributable to owners of the Parent Company during the year: | | | |
| (expressed in SEK per share) | | | |
| – basic earnings per share | 18 | 65.11 | 46.10 |
| – diluted earnings per share | 18 | 64.23 | 43.78 |

Consolidated Statement of Comprehensive Income

SEK M

| | Note | 2016 | 2015 |
|--|------|--------------|--------------|
| Profit for the year | | 520.9 | 368.8 |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurement of post-employment benefits obligation | 42 | -9.8 | 5.9 |
| <i>Items that may be subsequently reclassified to profit or loss</i> | | | |
| Cash flow hedges | 38 | -7.8 | 20.3 |
| Currency translation differences | 38 | 85.8 | -10.0 |
| Tax attributable to other comprehensive income | 38 | 1.7 | -4.5 |
| Other comprehensive income for the year | | 69.9 | 11.7 |
| Total comprehensive income for the year | | 590.8 | 380.5 |
| Attributable to: | | | |
| Owners of the Parent Company | | 590.8 | 380.5 |

Consolidated Statement of Financial Position

SEK M

| ASSETS | Note | 2016-12-31 | 2015-12-31 |
|--------------------------------------|--------|----------------|----------------|
| Non-current assets | | | |
| <i>Property, plant and equipment</i> | 23 | | |
| Land and buildings | 20 | 474.7 | 463.9 |
| Machinery and production equipment | 21 | 400.5 | 371.6 |
| Equipment | 22 | 87.9 | 78.4 |
| | | 963.1 | 913.9 |
| <i>Intangible assets</i> | | | |
| Goodwill | 24 | 1 381.9 | 1 214.9 |
| Other intangible assets | 25 | 34.0 | 44.7 |
| | | 1 415.9 | 1 259.6 |
| <i>Financial assets</i> | | | |
| Deferred tax assets | 32 | 95.4 | 78.6 |
| Derivative financial instruments | 30 | 16.5 | 0.0 |
| Non-current receivables | 26, 33 | 15.6 | 6.4 |
| | | 127.5 | 85.0 |
| Total non-current assets | | 2 506.5 | 2 258.5 |
| Current assets | | | |
| <i>Inventories, etc.</i> | 34 | | |
| Raw materials and consumables | | 299.4 | 254.6 |
| Finished products and goods for sale | | 333.2 | 259.8 |
| Work on contract | | 423.7 | 312.8 |
| | | 1 056.3 | 827.2 |
| <i>Current receivables</i> | | | |
| Trade receivables | 29, 31 | 1 176.1 | 1 033.2 |
| Bills receivable | 29, 31 | 13.0 | 10.4 |
| Derivative financial instruments | 30 | 11.6 | 16.2 |
| Income tax assets | | 29.7 | 41.8 |
| Other receivables | | 75.1 | 85.3 |
| Prepaid expenses and accrued income | 35 | 46.4 | 41.3 |
| | | 1 351.9 | 1 228.2 |
| Cash and cash equivalents | 36, 40 | 316.0 | 453.0 |
| Total current assets | | 2 724.2 | 2 508.4 |
| TOTAL ASSETS | | 5 230.7 | 4 766.9 |

Consolidated Statement of Financial Position

SEK M

| EQUITY AND LIABILITIES | Note | 2016-12-31 | 2015-12-31 |
|---|-------------|-------------------|-------------------|
| Equity | | | |
| <i>Equity and reserves attributable to owners of the Parent Company</i> | | | |
| Share capital | 37 | 115.9 | 113.8 |
| Other contributed equity | | 397.4 | 416.6 |
| Other reserves | 38 | 119.8 | 40.1 |
| Retained earnings | | 829.3 | 1 591.6 |
| Total equity | | 1 462.4 | 2 162.1 |
| Liabilities | | | |
| <i>Non-current liabilities</i> | 40 | | |
| Borrowings, interest-bearing | | 1 433.7 | 906.3 |
| Other non-current liabilities | 45 | 56.5 | 29.1 |
| Derivative financial instruments | 30, 41 | 28.4 | 9.9 |
| Deferred income tax liabilities | 32 | 64.8 | 53.4 |
| Provisions for pensions and similar commitments | 41, 42 | 141.7 | 126.3 |
| Other provisions | 41, 43 | 33.3 | 21.3 |
| Total non-current liabilities | | 1 758.4 | 1 146.3 |
| <i>Current liabilities</i> | | | |
| Borrowings, interest-bearing | 23, 41 | 473.4 | 28.1 |
| Convertible debenture loan, interest-bearing | 41 | – | 149.2 |
| Trade payables | | 403.3 | 334.0 |
| Current income tax liabilities | | 59.9 | 44.2 |
| Other liabilities | 45 | 592.3 | 430.6 |
| Accrued expenses and deferred income | 44 | 446.8 | 443.7 |
| Derivative financial instruments | 30, 41 | 7.2 | 9.2 |
| Other provisions | 41, 43 | 27.0 | 19.5 |
| Total current liabilities | | 2 009.9 | 1 458.5 |
| TOTAL EQUITY AND LIABILITIES | | 5 230.7 | 4 766.9 |

Parent Company Income Statement

SEK M

| | Note | 2016 | 2015 |
|--|-----------------|--------------|--------------|
| Net sales | | 383.8 | 1 039.9 |
| Cost of goods sold | 6 | -57.3 | -779.9 |
| Gross profit | | 326.5 | 260.0 |
| Administrative expenses | 7 | -301.9 | -305.8 |
| Other operating income | 17 | 7.8 | 19.6 |
| Other operating expenses | 17 | -4.4 | -16.3 |
| Operating profit | 6, 8, 9, 10, 11 | 28.0 | -42.5 |
| <i>Result from financial investments</i> | | | |
| Result from participations in Group companies | 14 | 471.4 | 423.8 |
| Interest income and similar items | 12, 17 | 181.5 | 161.6 |
| Interest expenses and similar items | 13, 17 | -139.2 | -153.5 |
| Total result from financial investments | | 513.7 | 431.9 |
| Profit after financial items | | 541.7 | 389.4 |
| Appropriations | 15 | -33.6 | -5.5 |
| Tax on profit for the year | 16 | -29.6 | -15.2 |
| Profit for the year | | 478.6 | 368.7 |

Parent Company Statement of Comprehensive Income

SEK M



| | 2016 | 2015 |
|--|--------------|--------------|
| Profit for the year | 478.6 | 368.7 |
| Other comprehensive income | | |
| Cash flow hedges | -2.3 | -15.6 |
| Tax attributable to cash flow hedges | 0.5 | 3.4 |
| Other comprehensive income for the year | -1.8 | -12.2 |
| Total comprehensive income for the year | 476.8 | 356.5 |

Parent Company Balance Sheet

SEK M

| ASSETS | Note | 2016-12-31 | 2015-12-31 |
|--------------------------------------|--------|----------------|----------------|
| Non-current assets | | | |
| Intangible assets | 25 | 16.1 | 18.4 |
| <i>Property, plant and equipment</i> | | | |
| Building improvements | 20 | 10.3 | 11.1 |
| Machinery and production equipment | 21 | 21.3 | 21.0 |
| Equipment | 22 | 12.8 | 11.6 |
| | | 44.4 | 43.7 |
| <i>Financial assets</i> | | | |
| Shares in Group companies | 26, 27 | 1 712.7 | 1 748.0 |
| Receivables from Group companies | 26 | 1 957.8 | 1 457.7 |
| Deferred tax assets | 32 | 1.6 | 1.0 |
| Derivative financial instruments | 30 | 16.5 | 0.0 |
| | | 3 688.6 | 3 206.7 |
| Total non-current assets | | 3 749.1 | 3 268.8 |
| Current assets | | | |
| <i>Inventories, etc.</i> | 34 | | |
| Raw materials and consumables | | 0.3 | 0.6 |
| Work on contract | | 20.9 | 14.3 |
| | | 21.2 | 14.9 |
| Current receivables | | | |
| Receivables from Group companies | | 236.4 | 306.0 |
| Derivative financial instruments | 30 | 17.2 | 23.9 |
| Other receivables | | 3.4 | 3.8 |
| Prepaid expenses and accrued income | 35 | 5.0 | 5.5 |
| | | 262.0 | 339.2 |
| Cash and cash equivalents | 36, 40 | 113.9 | 262.3 |
| Total current assets | | 397.1 | 616.4 |
| TOTAL ASSETS | | 4 146.2 | 3 885.2 |

Parent Company Balance Sheet

SEK M

| EQUITY AND LIABILITIES | Note | 2016-12-31 | 2015-12-31 |
|--|-------------|-------------------|-------------------|
| Equity | | | |
| Restricted equity | | | |
| Share capital | 37 | 115.9 | 113.8 |
| Statutory reserve | | 391.5 | 391.5 |
| | | 507.4 | 505.3 |
| Unrestricted equity | | | |
| Retained earnings | | 287.4 | 1 213.1 |
| Profit for the year | | 478.6 | 368.7 |
| | | 766.0 | 1 581.8 |
| Total equity | | 1 273.4 | 2 087.1 |
| Untaxed reserves | 39 | 138.5 | 104.9 |
| Non-current liabilities | | | |
| Derivative financial instruments | 30, 41 | 28.4 | 9.9 |
| Borrowings, interest-bearing | 30, 41 | 1 352.1 | 822.2 |
| Other non-current liabilities | 45 | 18.3 | 7.7 |
| Total non-current liabilities | | 1 398.8 | 839.8 |
| Current liabilities | | | |
| Borrowings, interest-bearing | 41 | 433.5 | – |
| Convertible debenture loan, interest-bearing | 41 | – | 184.0 |
| Trade payables | | 11.0 | 55.2 |
| Liabilities to subsidiaries | | 787.5 | 512.6 |
| Derivative financial instruments | 30, 41 | 11.3 | 21.7 |
| Income tax liabilities | | 12.3 | 10.1 |
| Other liabilities | 45 | 21.3 | 3.5 |
| Accrued expenses and prepaid income | 44 | 58.6 | 66.3 |
| Total current liabilities | | 1 335.5 | 853.4 |
| TOTAL EQUITY AND LIABILITIES | | 4 146.2 | 3 885.2 |

Group Management



Alan O'Connell

Chief Executive Officer, Camfil Group, President, Camfil AB (from January 2017). Employed by Camfil in 1985.



Mark Simmons

EVP Filter Continental Europe & British Isles. Employed by Camfil in 2012.



Armando Brunetti

EVP Filter Americas. Employed by Camfil in 1983.



Christian Debus

EVP APC. Employed by Camfil in 2015.



Fredrik Westgård

EVP CPS. Employed by Camfil in 2013.



Anders Freyschuss

EVP Filter Northern Europe. Employed by Camfil in 1994.



Suresh Balan

EVP Filter Asia Pacific and Middle East. Employed by Camfil in 2015.



Per Carlsson

Chief Financial Officer, Camfil Group, Executive Vice President, Camfil AB. Employed by Camfil in 2015.



Alain Bérard

EVP Marketing & Products, Camfil Group. Employed by Camfil in 1995.



Stefan Larsson

EVP Supply Chain, Camfil Group. Employed by Camfil in 2015.



Eva Bergenheim Holmberg

Senior Vice President Human Resources & Internal Communication, Camfil Group. Employed by Camfil in 2010.



Erik Markman

VP Project Management Office. Employed by Camfil in 2009.



Dan Larson

VP Operations. Employed by Camfil in 2008.

Auditors:

Carina Åkesson (b. 1959), Authorized Public Accountant, Öhrlings Pricewaterhouse Coopers AB. Elected Auditor for Camfil AB in 1995.

Mikael Winkvist (b. 1962), Authorized Public Accountant, Öhrlings Pricewaterhouse Coopers AB. Elected Auditor for Camfil AB in 2012.

Board of Directors



Jan Eric Larson, born 1947.
Executive Chairman. Elected to Camfil's board in 1983. Chairman, Swede Ship Marine.



Johan Markman, born 1949.
Vice Chairman. Elected to Camfil's board in 1983. Chairman, Atteviks Bil, Trosa Stadshotell, Jungfrutomen Värdeinvest and Quickbutton Badges AB.



Eric Giertz, born 1949.
Elected to Camfil's board in 1992. Professor emeritus in Industrial Economics and Management at the Royal Institute of Technology (KTH) in Stockholm. Chairman, KTH Executive School. Board member, Einar Mattsson Byggnads AB. Member of the Royal Academy of Engineering Sciences.



Mats Lönnqvist, born 1954.
Elected to Camfil's board in 2000. Chairman, Norva 24, Ovacon, Polyproject Environment and Spendrups Bryggeri. Board member, Best Holding, Bordsjö Skogar, Resolvator, Sveafastigheter Funds, 21 Grams and other companies.



Magnus Yngen, born 1958.
Chief Executive Officer, Camfil Group, President, Camfil AB (2013-2016). Elected to Camfil's board in 2012. Chairman, Duni AB and Sveba-Dahlen AB. Board member, Dometic Group AB and Intrum Justitia.



Alan O'Connell, born 1957.
Chief Executive Officer, Camfil Group, President, Camfil AB (from January 2017). Elected to Camfil's board in 2016.

Deputy Board Members:

Erik Markman, born 1978.

Dan Larson, born 1980.

Five-Year Summary – Camfil Group

| See Note 51 for definitions | 2016 | 2015 | 2014 | 2013 | 2012 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Income statement | | | | | |
| Net sales | 6 722 | 6 250 | 5 461 | 4 906 | 4 865 |
| Operating profit | 775 | 657 | 572 | 516 | 561 |
| Profit after financial items | 725 | 558 | 502 | 443 | 469 |
| Tax | -205 | -189 | -148 | -110 | -128 |
| Profit for the year | 521 | 369 | 354 | 332 | 341 |
| Balance sheet | | | | | |
| Goodwill and other intangible assets | 1 416 | 1 260 | 1 185 | 917 | 933 |
| Property, plant and equipment | 963 | 914 | 947 | 786 | 763 |
| Financial assets | 128 | 85 | 183 | 102 | 105 |
| Inventories | 1 056 | 827 | 1 088 | 986 | 960 |
| Cash and cash equivalents | 316 | 453 | 659 | 651 | 406 |
| Other non-current assets | 1 352 | 1 228 | 1 214 | 1 081 | 1 065 |
| Assets | 5 231 | 4 767 | 5 275 | 4 523 | 4 232 |
| Equity | 1 462 | 2 162 | 1 842 | 1 394 | 1 130 |
| Interest-bearing liabilities | 2 084 | 1 229 | 1 895 | 1 777 | 1 768 |
| Interest-free liabilities | 1 684 | 1 376 | 1 539 | 1 352 | 1 334 |
| Equity and liabilities | 5 231 | 4 767 | 5 275 | 4 523 | 4 232 |
| Cash flow | | | | | |
| Cash flow from operating activities | 684 | 712 | 601 | 442 | 363 |
| Cash flow from investing activities | -262 | -190 | -356 | -174 | -82 |
| Cash flow from financing activities | -571 | -728 | -275 | -16 | -353 |
| Cash flow for the year | -149 | -206 | -30 | 252 | -72 |
| Key ratios | | | | | |
| Operating margin ¹ , EBT | 11.5% | 10.5% | 10.5% | 10.5% | 11.5% |
| Profit margin before tax, EBT | 10.8% | 8.9% | 9.2% | 9.0% | 9.6% |
| Equity ratio | 28% | 45% | 35% | 31% | 27% |
| Interest-bearing net liabilities | 1 740 | 760 | 1 143 | 1 099 | 1 300 |
| Net debt-equity ratio (gearing ratio) | 119% | 35% | 62% | 78% | 112% |
| Return on capital employed | 28.2% | 21.4% | 22.3% | 20.3% | 21.0% |
| Return on equity | 28.7% | 18.4% | 21.9% | 26.1% | 32.8% |
| Investments | 163 | 129 | 200 | 175 | 195 |
| Employees (average for the year) | 4 076 | 3 811 | 3 736 | 3 507 | 3 428 |
| Employees at December 31 | 3 943 | 3 811 | 3 673 | 3 476 | 3 380 |

1963 Camfil establishes joint venture with Cambridge USA

1966 Camfil Germany, founded

1969 Camfil Switzerland, founded

1972 Camfil Denmark, founded

1973 Camfil Netherlands, founded

1974 Camfil Belgium, founded

1975 Camfil Italy, founded

1976 Camfil France, founded

1979 Camfil Finland, founded

1982 Camfil UK, founded

1983 Camfil becomes independent from Cambridge USA

1985 Purchase of Allied Filters & Pumps, Ireland

1989 Purchase of Sofiftra, France, and Filtra, USA

1995 Camfil Spain, founded

1997 Purchase of Automet Filtration Ltd, UK / Camfil Malaysia, founded

1998 Purchase of Industrifilter AB, Sweden

1999 Purchase of Delcon Filtration Group Inc., Canada

2000 Camfil Australia, founded / Camfil Poland, founded / Representative Office established in Shanghai, China

2000 Ratons purchases 30% of Camfil Farr in connection with the acquisition of Farr Co., USA

2001 Camfil New Zealand, founded / Nordfilter AB purchased / Camfil China, founded / Camfil Singapore founded

2002 Plant opened in China

2003 Two plants in Malaysia combined

2004 Camfil Thailand, founded / Representative Office established in Moscow, Russia

2005 Camfil Brazil, founded

2006 Purchase of Australian Air Filters / Purchase of Kaefer Raco, Germany / Purchase of IF Luftfilter AB, Sweden

2007 Camfil Slovakia, founded / Camfil Taiwan, founded / Purchase of Kaare Rustad AS, Norway

2008 JV with Anand Group, India / Acquisition of Air Care Technology Ltd and Total Air, New Zealand

2009 Acquisition of Mecke Klima GmbH, Austria

2010 Opening of Camfil's new state-of-the-art Technology Center in Trosa, Sweden

2011 Exit of minority shareholder (Ratons) / Camfil Middle East, founded / Camfil India becomes wholly owned

2012 Opening of Camfil's first Airborne Molecular Contamination (AMC) Service Center, situated in Taiwan / Railroad unit divested

2013 New factory opened in Heywood UK for Air Pollution Control products / Camfil Turkey, founded

2014 Acquisition of Handte Group (Germany) to expand APC product line / New production plant in Sao Paulo, Brazil to serve the Latin American market

2015 Acquisition of two distributors, Air Filter Service and Environmental Filtration, United States; acquisition of Nufilter Scandinavia, Sweden

2016 Acquisition of F-Suotimet, Finland / Acquisition of distributor Advanced Filtration Systems (AFS), Austin, Texas



Historical timeline Camfil Group

Camfil – a global leader in air filters and clean air solutions

Camfil is a global leader in the air filtration industry with more than half a century of experience in developing and manufacturing sustainable clean air solutions that protect people, processes and the environment against harmful airborne particles, gases and emissions.

These solutions are used globally to benefit human health, increase performance and reduce energy consumption in a wide range of air filtration applications.

Our 26 manufacturing plants, six R&D sites, local sales offices and 3,900 employees provide service and support to our customers around the world.

Camfil is headquartered in Stockholm, Sweden. Group sales total close to SEK 6.8 billion per year.