

AHLSTROM

FINAL ACCOUNTS RELEASE



Ahlstrom-Munksjö Oyj: Ahlstrom FINANCIAL STATEMENTS RELEASE April 26, 2017

Ahlstrom Final Accounts Release

Ahlstrom final accounts show a record high quarterly operating profit and strong sales growth

January-March 2017 compared with January-March 2016

- Net sales EUR 272.7 million (EUR 267.2 million), showing a gain of 2.1%. Comparable¹ net sales increased by 7.6% at constant currency rates.
- Adjusted EBITDA EUR 42.6 million (EUR 27.9 million), representing 15.6% (10.5%) of net sales
- Operating profit EUR 32.4 million (EUR 10.6 million)
- Adjusted operating profit EUR 30.7 million (EUR 15.0 million), representing 11.2% (5.6%) of net sales
- Profit before taxes EUR 28.3 million (EUR 6.7 million)
- Earnings per share EUR 0.38 (EUR 0.04)
- Net cash flow from operating activities EUR 26.2 million (EUR 8.4 million)

Major events

- Ahlstrom Corporation and Munksjö Oyj completed the merger to create a leader in sustainable and innovative-fiber solutions. The name of the combined company was changed to Ahlstrom-Munksjö Oyj.

Sakari Ahdekivi, Interim President & CEO of Ahlstrom

"Ahlstrom's financial accounts show an excellent result as our quarterly adjusted operating profit and margin reached an all-time high in the structure we have had since the beginning of this decade. This was driven by very strong sales growth across all of our business units as well as improved operational efficiency and lower fixed costs.

We were able to achieve a remarkable turnaround in our performance in the last three years and I would like to take this opportunity thank our employees and all our stakeholders for this great achievement. We were able to achieve our financial targets ahead of schedule. This gives us a solid foundation for the future and very good momentum in the integration of Ahlstrom and Munksjö into one company."

¹ Excluding divested operations in Osnabrück, Germany



Key figures

EUR million	Q1/2017	Q1/2016	Change, %	2016
Net sales	272.7	267.2	2.1	1 085.9
EBITDA	44.7	23.5	90.0	121.1
<i>% of net sales</i>	16.4	8.8		11.2
Adjustment items included in EBITDA	2.2	-4.4		-9.8
Adjusted EBITDA	42.6	27.9	52.4	130.9
<i>% of net sales</i>	15.6	10.5		12.1
Operating profit	32.4	10.6	204.9	70.8
<i>% of net sales</i>	11.9	4.0		6.5
Adjustment items included in operating profit	1.8	-4.4		-9.8
Adjusted operating profit	30.7	15.0	104.2	80.6
<i>% of net sales</i>	11.2	5.6		7.4
Profit before taxes	28.3	6.7		56.3
Profit for the period	19.6	3.5		34.9
Earnings per share	0.38	0.04		0.61
Return on capital employed, %	25.7	8.0		13.6
Net cash flow from operative activities	26.2	8.4	210.1	125.8
Capital expenditure	5.1	4.6	10.8	37.9
Interest-bearing net liabilities	138.2	194.9	-29.1	140.8
Gearing ratio, %	44.5	66.5		44.6
Equity ratio, %	39.3	34.9		38.2
Number of personnel, at the end of the period	3,175	3,285	-3.3	3,233

Ahlstrom has adopted the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures, which became effective on July 3, 2016. The company uses alternative performance measures to reflect underlying business performance and to improve comparability. These alternative performance measures should, however, not be considered as a substitute for measures of performance in accordance with IFRS.

Ahlstrom has used revised terminology since the beginning of 2016. In accordance, the previously used term "Operating profit excluding non-recurring items" has been replaced by "Adjusted operating profit" and the term "EBITDA excluding non-recurring items" by "Adjusted EBITDA".

Adjusted items affecting comparability and alternative performance measures used by Ahlstrom are defined:

Adjustment items: restructuring costs, impairment charges, capital gains or losses

EBITDA = Operating profit + depreciation and amortizations + impairments

Adjusted EBITDA = EBITDA – Adjustment items

Adjusted operating profit = Operating profit – Adjustment items

Ahlstrom and Munksjö complete the merger

On April 1, 2017, Ahlstrom Corporation was merged into Munksjö Oyj and the name of the combined company was changed to Ahlstrom-Munksjö Oyj. The combination creates a global leader in sustainable and innovative fiber-based solutions with combined annual net sales of approximately EUR 2.1 billion, approximately 6,200 employees and 41 production and converting facilities in 14 countries. The transaction is expected to create significant value for stakeholders through stronger global growth opportunities and improved operational efficiency. Ahlstrom-Munksjö's growth ambitions are supported by a strong balance sheet and strong cash flow generation.

Approvals from the Extraordinary General Meetings of Ahlstrom and Munksjö as well as the European Commission were received on January 11, 2017 and March 13, 2017, respectively. In connection with the merger, Ahlstrom and



Munksjö distributed funds to the total amount of approximately EUR 46 million, corresponding to EUR 0.49 per share in Ahlstrom and EUR 0.45 per share in Munksjö, in lieu of the companies' ordinary annual distribution.

Unaudited pro forma financials of Ahlstrom-Munksjö and certain other information, such as composition of the management team can be found in the merger prospectus, published on December 16, 2016.

Financial performance in January-March 2017

Net sales development

Net sales by segment, EUR million	Q1/2017	Q1/2016	Change, %	2016
Filtration & Performance	169.0	171.1	-1.2	697.8
Specialties	109.1	102.7	6.2	411.3
Other functions and eliminations	-5.4	-6.7		-23.2
Total net sales	272.7	267.2	2.1	1 085.9

Comparable change in net sales by segment*, %	Q1/17 vs Q1/16
Filtration & Performance	7.3
Specialties	6.3
Other functions and eliminations	N/A
Total net sales	7.6

* Comparable change in net sales as a percentage, at constant currencies, excluding the divested operations in Osnabrück.

Net sales in January-March 2017 amounted to EUR 272.7 million, showing an increase of 2.1% from the EUR 267.2 million reported in the comparison period. Comparable net sales, excluding the divested operations in Osnabrück, increased by 7.6% at constant currency rates. Growth was led by higher sales of filtration, wallcover and glass-fiber materials as well as tape, medical and coffee products. Relatively higher volume growth in Asia had an impact on product mix and average selling price.

Breakdown of the change in comparable net sales:

Price and mix	-2.7%
Currency	2.4%
Volume	10.3%

Result and profitability

Adjusted operating profit by segment, EUR million	Q1/2017	Q1/2016	Change, %	2016
Filtration & Performance	22.0	9.1	140.8	53.3
Specialties	12.0	7.8	54.0	33.8
Other functions and eliminations	-3.3	-1.9		-6.4
Total	30.7	15.0	104.2	80.6
<i>% of net sales</i>	11.2	5.6		7.4



Operating profit in January-March 2017 was EUR 32.4 million (EUR 10.6 million), and the adjusted operating profit amounted to EUR 30.7 million (EUR 15.0 million). The adjustment items affecting the operating profit totaled EUR 1.8 million (EUR -4.4 million) and the main items were:

- Approximately EUR 5.7 million gain related to the divested operations in Osnabrück
- Approximately EUR 3.0 million in costs related to the merger with Munksjö

Major adjustment items in January-March 2016 mainly included restructuring costs related to the implementation of the operating model introduced at the beginning of that year.

The increase in adjusted operating profit was supported by higher sales volumes as well as better efficiency through lower production waste. Selling, general and administrative expenses as a percentage of net sales declined further during the reporting period. The result was also positively affected by margin management in an environment where some energy and raw material related costs were lower than in the comparison period. Favorable currency rate fluctuations had a slightly positive impact on the adjusted operating profit.

Profit before taxes was EUR 28.3 million (EUR 6.7 million). Income taxes amounted to EUR 8.6 million (EUR 3.2 million). Profit for the period was EUR 19.6 million (EUR 3.5 million).

Earnings per share were EUR 0.38 (EUR 0.04). Accrued net of tax interest costs on the hybrid bond have been deducted in the calculation of earnings per share.

Business area review

Filtration & Performance

The Filtration & Performance business area produces engine oil, fuel and air as well as industrial air filtration materials, glass fiber used in flooring applications and wind turbines, industrial nonwoven products for automotive, construction, textile and hygiene applications, and wallcovers.

EUR million	Q1/2017	Q1/2016	Change, %	2016
Net sales	169.0	171.1	-1.2	697.8
Operating profit	21.2	7.1	199.5	49.8
<i>% of net sales</i>	12.5	4.1		7.1
Adjustment items included in operating profit	-0.8	-2.1		-3.5
Adjusted operating profit	22.0	9.1	140.8	53.3
<i>% of net sales</i>	13.0	5.3		7.6
RONA, %	32.0	10.9		19.0
Sales volumes, 000s tons	52.4	65.2	-19.5	270.7

Market review January-March 2017:

The markets for filtration products were strong in all regions and segments, and particularly in heavy duty applications. Demand for wallcover substrates increased in Asia and Europe. Demand for glass fiber tissue used in flooring applications remained solid in Europe and Russia, and continued to grow in North America. The market for reinforced glass fiber products for the wind energy industry was strong. The markets for various industrial nonwoven applications remained at a good level and were very competitive.

Net sales and operating profit development in January-March 2017:

Net sales fell by 1.2% to EUR 169.0 million, compared with EUR 171.1 million in January-March 2016. Comparable net sales, excluding the divested operations in Osnabrück, increased by 7.3% at constant currency rates. Growth was driven by higher sales of filtration and glass fiber products as well as wallcover materials in Asia.



Adjusted operating profit rose to EUR 22.0 million (EUR 9.1 million). The increase was driven by higher sales volumes (adjusted for the divested operations in Osnabrück), better operational efficiency through reduced production waste as well as lower variable costs as lower pulp and glass costs more than offset an increase in chemicals. Operating profit amounted to EUR 21.2 million (EUR 7.1 million).

Specialties

The Specialties business area produces food and beverage packaging materials, laboratory and life science diagnostics as well as water filtration materials, tape products, and medical fabrics.

EUR million	Q1/2017	Q1/2016	Change, %	2016
Net sales	109.1	102.7	6.2	411.3
Operating profit	12.0	7.8	54.0	33.0
<i>% of net sales</i>	11.0	7.6		8.0
Adjustment items included in operating profit	0.0	0.0		-0.8
Adjusted operating profit	12.0	7.8	54.0	33.8
<i>% of net sales</i>	11.0	7.6		8.2
RONA, %	28.8	17.1		18.5
Sales volumes, 000s tons	30.4	28.6	6.1	115.7

Market review in January-March 2017:

The markets for food packaging materials, such as cooking applications, remained quite strong, and for casing materials improved in Europe and North America. Demand for single-serve coffee products continued to grow, and strong growth for teabag materials was noted in North America. The markets for laboratory, life science and water filtration materials remained strong in North America and Asia, while they were softer in Europe. In tape products, positive development in demand was experienced in all major geographical regions. Demand for high-end medical fabrics continued to improve in North America, while remained weaker in Europe in Asia.

Net sales and operating profit development in January-March 2017:

Net sales rose by 6.2% to EUR 109.1 million, compared with EUR 102.7 million in January-March 2016. At constant currency rates, net sales grew by 6.3%. The increase was driven by higher sales of tape, medical, water purification and life science products as well as coffee and meat casings materials.

Adjusted operating profit amounted to EUR 12.0 million (EUR 7.8 million). This was the result of higher sales volumes, an improved product mix as well as lower fixed costs. No adjustments items were booked.

Financing

Net financial expenses

Net financial expenses were EUR 4.2 million (EUR 4.0 million). Net financial expenses include net interest expenses of EUR 2.8 million (EUR 3.3 million), a financing exchange rate loss of EUR 0.3 million (EUR 0.0 million) and other financial expenses of EUR 1.1 million (EUR 0.7 million).

Cash flow

Net cash flow from operating activities amounted to EUR 26.2 million (EUR 8.4 million), and cash flow after investing activities was EUR 21.2 million (EUR -0.8 million).

As of March 31, 2017, operative working capital amounted to EUR 83.6 million (EUR 115.0 million). The rolling 12-month turnover rate of the operative working capital declined by 11 days, to 34 days. This was the result of active working capital management as well as the divestment of operations in Osnabrück.



Net debt and gearing

Ahlstrom's interest-bearing net liabilities stood at EUR 138.2 million at the end of the review period (EUR 140.8 million at the end of 2016) and interest-bearing liabilities amounted to EUR 204.8 million (EUR 190.2 million at the end of 2016). The modified interest rate duration of the loan portfolio (average interest rate fixing period) was 14.2 months, and the capital weighted average interest rate was 3.85%. The average maturity of the long-term loan portfolio and committed credit facilities was 26.1 months.

The company's liquidity continues to be good. At the end of the review period, its total liquidity, including cash, unused committed credit facilities and committed cash pool overdraft limits was EUR 235.8 million (EUR 295.0 million). In addition, the company had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 81.4 million (EUR 119.3 million) available.

Gearing stood at 44.5% (44.6% at the end of 2016), and the equity ratio was 39.3% (38.2% at the end of 2016). An improved operative result and reduction in operative working capital had a positive impact on the gearing ratio. It was also affected by the cash and equity impact of the dividend payment in March. Ahlstrom has a EUR 100 million hybrid bond, which is treated as equity in the calculations of the ratios above. Gearing was 113.1% when the hybrid bond is treated as debt (111.6% at the end of 2016).

Capital expenditure

Capital expenditure excluding acquisitions totaled EUR 5.1 million in January-March 2017 (EUR 4.6 million). The investments were related to maintenance as well as to the upgrade of the Madisonville filtration plant in the U.S.

On October 20, 2016, Ahlstrom announced an investment to enhance the quality and widen the range of engine and industrial filtration materials being produced at its Madisonville plant in Kentucky, in the U.S. The investment is approximately EUR 23 million and it will be completed in the first half of 2018.

Personnel

Ahlstrom employed an average of 3,174 people² in January-March 2017 (3,289), and 3,175 people at the end of the period (3,285). The decline was primarily due to the divestment of operations in Osnabrück and the implementation of the company's operating model at the beginning of 2016. At the end of the period, the highest numbers of employees were in the United States (22.9%), France (17.7%), China (10.1%), Finland (9.4%) and Italy (9.3%).

Executive Management Team

Ahlstrom's Executive Management Team on March 31, 2017:

- Sakari Ahdekivi, Interim President & CEO, Chief Financial Officer
- Ulla Bono, Executive Vice President, Legal, General Counsel
- Fulvio Capussotti, Executive Vice President, Filtration & Performance
- Omar Hoek, Executive Vice President, Specialties
- Jari Koikkalainen, Executive Vice President, Procurement, Commercial Excellence & Technology
- Päivi Leskinen, Executive Vice President, Human Resources

Strategy and long-term financial targets in place until the completion of the merger

Ahlstrom's redefined strategy and new long-term financial targets extending to the year 2018 were announced in January 2016. Global trends faced by our customers steer our product offering and provide us with a wealth of opportunities. We are committed to growing and creating stakeholder value by providing the best-performing sustainable fiber-based materials.

² Calculated as full-time equivalents.



As part of the implementation, the company's business structure was simplified and reorganized into two business areas: Filtration & Performance and Specialties. The aim of this change was to increase market and customer focus. Both business areas had business unit-specific strategies and operating models. This enabled Ahlstrom to provide customer-driven product development and tailored customer service, cost efficiency, better allocation of resources, and specific go-to-market approaches.

The roadmap for execution outlined the change in strategy and focused on commercial excellence, a new lean operating model, organic growth via higher asset turnover and growth via new platforms.

Long-term financial targets over the economic cycle were:

- Operating profit margin: adjusted operating profit margin to be above 8% by 2018
- Gearing: gearing to be maintained below 100%
- Dividend policy: we aim for a stable dividend, increasing over time, based on the annual net income performance

The adjusted operating profit margin excludes restructuring costs, impairment charges, capital gains or losses, and discontinued operations.

Other events during the reporting period

The sale of operations in Osnabrück completed

The sale of Ahlstrom's German subsidiary with operations in Osnabrück to Kämmerer Paper Holding GmbH was completed on January 3, 2017. The parties have agreed not to disclose the purchase price of the transaction.

Ahlstrom produced base papers for wallcovers, poster papers as well as release liners for self-adhesive labels at the Osnabrück plant, which was part of the Filtration & Performance business area. The sale will reduce Ahlstrom's annual net sales by about EUR 80 million and the impact on adjusted operating profit is slightly positive. The transaction also included Ahlstrom's 50% stake in AK Energie (a joint venture with Kämmerer), which is the site's utility providing power and water treatment services.

Shares and share capital

Ahlstrom's shares were listed on the Nasdaq Helsinki. Ahlstrom had one series of shares. The stock was classified under the Nasdaq Helsinki's Materials sector and the trading code was AHL1V.

During January-March 2017, a total of 0.5 million Ahlstrom shares were traded for a total of EUR 7.3 million. This represented 1.1% of the outstanding number of shares at the end of the reporting period (0.7% in January-March 2016). The lowest trading price was EUR 13.33 and the highest was EUR 15.73. The closing price on March 31, 2017 was EUR 13.62. The market capitalization at the end of the review period was EUR 634.7 million, excluding the shares owned by the parent company.

As of March 31, 2017, Ahlstrom held a total of 72,752 of its own shares, corresponding to approximately 0.16% of the total shares and votes. The total number of shares was 46,670,608 and the company had 9,810 shareholders at the end of the reporting period (9,853 shareholders as of December 31, 2016).

Ahlstrom Group's equity per share was EUR 4.42 at the end of the review period (December 31, 2016: EUR 4.53).

Extraordinary General Meeting

Ahlstrom's Extraordinary General Meeting of Shareholders (EGM) was held on January 11, 2017. The EGM made the following resolutions related to the combination:



a) Resolution on the merger

The EGM resolved to approve the combination of Ahlstrom's and Munksjö Oyj's business operations through a statutory absorption merger. The registration of the merger is expected to take place in the beginning of the second quarter of 2017.

b) Authorization of the Board of Directors to resolve on the distribution of dividend

The EGM resolved to authorize the Board of Directors to resolve, based on the audited financial statements of Ahlstrom for 2015, on the distribution of an extra dividend in the total amount of maximum EUR 0.49 per each outstanding share in the company (representing a maximum total amount of approximately EUR 22,832,949 after excluding the treasury shares held by the company) prior to the completion of the combination. The extra dividend will be paid prior to the registration of the execution of the merger.

Authorization of the Board of Directors to resolve on the issuance of shares to the company free of charge

The EGM resolved to authorize the Board of Directors to resolve, by one or several resolutions, on the issuance of new shares to the company free of charge for the purpose that the company may dispose of such treasury shares pursuant to the company's Long Term Incentive Plan 2014-2018.

The authorization shall consist of up to 230,000 shares in the aggregate. The Board of Directors shall be authorized to resolve on all other terms and conditions of the issuance of shares hereunder. The authorization shall be valid for six (6) months from the close of the EGM but will, however, expire at the close of the next Annual General Meeting, if any, at the latest. This authorization shall not replace previous authorizations granted to the Board of Directors.

Outlook

Ahlstrom was merged into Munksjö at the beginning of April 2017, and therefore, it does not provide an outlook for the future.

Short-term risks

Ahlstrom was merged into Munksjö at the beginning of April 2017, and therefore, it does not provide a description of short-term risks. The short-term risks described in Ahlstrom's Financial Statements Release 2016 can be obtained on the website <http://ahlstrom-munksjo.com/Investors/ahlstrom-reports-and-presentations/>.

The general risks faced by Ahlstrom's business operations were described in greater detail in the report by the Board of Directors in the company's Annual Report for 2016. The risk management process was also described in the Corporate Governance Statement, also published as part of the Annual Report 2016.

* * *

This report has been prepared in accordance with International Financial Reporting Standards (IFRS). Comparable figures refer to the same period in the previous year, unless otherwise stated.

Helsinki, April 26, 2017

Ahlstrom Corporation

Board of Directors

Additional information

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Appendix: consolidated financial statements

Financial statements are unaudited.

INCOME STATEMENT	Q1	Q1	Q1-Q4
EUR million	2017	2016	2016
Net sales	272.7	267.2	1 085.9
Cost of goods sold	-212.8	-221.1	-883.5
Gross profit	59.9	46.1	202.4
Sales and marketing expenses	-8.8	-10.7	-39.7
R&D expenses	-3.9	-4.6	-15.8
Administrative expenses	-21.9	-20.0	-80.6
Other operating income	8.2	0.8	10.3
Other operating expense	-1.0	-0.9	-5.9
Operating profit / loss	32.4	10.6	70.8
Net financial expenses	-4.2	-4.0	-14.8
Share of profit / loss of equity accounted investments	0.1	0.1	0.2
Profit / loss before taxes	28.3	6.7	56.3
Income taxes	-8.6	-3.2	-21.4
Profit/loss for the period	19.6	3.5	34.9
Attributable to			
Owners of the parent	19.5	3.6	34.8
Non-controlling interest	0.1	-0.1	0.1
Earnings per share, EUR			
- Basic and diluted *	0.38	0.04	0.61

* With the effect of interest on hybrid bond for the period, net of tax



STATEMENT OF COMPREHENSIVE INCOME	Q1	Q1	Q1-Q4
EUR million	2017	2016	2016
Profit / loss for the period	19.6	3.5	34.9
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	1.7	-2.0	-4.6
Total	1.7	-2.0	-4.6
Items that may be reclassified subsequently to profit or loss			
Translation differences	2.7	-7.8	6.6
Hedges of net investments in foreign operations	-0.1	0.0	-0.8
Cash flow hedges	-0.1	-0.1	-0.2
Total	2.6	-7.9	5.6
Other comprehensive income, net of tax	4.2	-9.9	1.1
Total comprehensive income for the period	23.9	-6.5	36.0
Attributable to			
Owners of the parent	23.8	-6.2	36.1
Non-controlling interest	0.1	-0.3	-0.1



BALANCE SHEET	Mar 31,	Mar 31,	Dec 31,
EUR million	2017	2016	2016
ASSETS			
Non-current assets			
Property, plant and equipment	314.4	323.8	320.8
Goodwill	74.3	72.0	74.9
Other intangible assets	10.1	12.2	16.9
Equity accounted investments	12.5	15.6	12.5
Other investments	0.3	0.3	0.3
Other receivables	7.0	6.6	7.2
Deferred tax assets	56.6	69.0	59.6
Total non-current assets	475.2	499.5	492.1
Current assets			
Inventories	110.8	118.5	107.3
Trade and other receivables	138.6	170.7	127.3
Income tax receivables	0.9	1.8	1.6
Cash and cash equivalents	66.6	50.0	49.4
Total current assets	316.9	341.0	285.6
Assets classified as held for sale	-	-	50.4
Total assets	792.1	840.5	828.1
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent	205.8	189.0	211.1
Hybrid bond	100.0	100.0	100.0
Non-controlling interest	4.8	3.9	4.7
Total equity	310.6	292.9	315.8
Non-current liabilities			
Interest-bearing loans and borrowings	100.4	126.0	100.4
Employee benefit obligations	55.0	100.1	64.2
Provisions	1.7	0.5	1.2
Other liabilities	-	0.0	-
Deferred tax liabilities	1.9	2.3	2.1
Total non-current liabilities	159.0	228.9	167.9
Current liabilities			
Interest-bearing loans and borrowings	104.4	118.9	89.8
Trade and other payables	208.6	190.8	197.5
Income tax liabilities	5.9	1.1	3.1
Provisions	3.6	8.0	3.9
Total current liabilities	322.6	318.7	294.3
Total liabilities	481.5	547.6	462.2
Liabilities directly associated with assets classified as held for sale	-	-	50.1
Total equity and liabilities	792.1	840.5	828.1



STATEMENT OF CHANGES IN EQUITY

- 1) Issued capital
- 2) Non-restricted equity reserve
- 3) Hedging reserve
- 4) Translation reserve
- 5) Own shares
- 6) Retained earnings
- 7) Total attributable to owners of the parent**
- 8) Non-controlling interest
- 9) Hybrid bond
- 10) Total equity**

EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)
Equity at January 1, 2016	70.0	61.1	0.2	-15.8	-3.7	83.3	195.2	4.2	100.0	299.4
Profit / loss for the period	-	-	-	-	-	3.6	3.6	-0.1	-	3.5
Other comprehensive income, net of tax										
Remeasurements of defined benefit plans	-	-	-	-	-	-2.0	-2.0	-	-	-2.0
Translation differences	-	-	-	-7.7	-	-	-7.7	-0.2	-	-7.8
Hedges of net investments in foreign operations	-	-	-	0.0	-	-	0.0	-	-	0.0
Cash flow hedges	-	-	-0.1	-	-	-	-0.1	-	-	-0.1
Equity at March 31, 2016	70.0	61.1	0.1	-23.5	-3.7	84.9	189.0	3.9	100.0	292.9
Equity at January 1, 2017	70.0	61.1	0.0	-7.7	-3.1	90.8	211.1	4.7	100.0	315.8
Profit / loss for the period	-	-	-	-	-	19.5	19.5	0.1	-	19.6
Other comprehensive income, net of tax										
Remeasurements of defined benefit plans	-	-	-	-	-	1.7	1.7	-	-	1.7
Translation differences	-	-	-	2.7	-	-	2.7	-0.0	-	2.7
Hedges of net investments in foreign operations	-	-	-	-0.1	-	-	-0.1	-	-	-0.1
Cash flow hedges	-	-	-0.1	-	-	-	-0.1	-	-	-0.1
Dividends paid and other	-	-	-	-	-	-	-22.8	-	-	-22.8
Interest on hybrid bond	-	-	-	-	-	-6.3	-6.3	-	-	-6.3
Equity at March 31, 2017	70.0	61.1	-0.0	-5.1	-3.1	82.8	205.7	4.8	100.0	310.6



STATEMENT OF CASH FLOWS	Q1	Q1	Q1-Q4
EUR million	2017	2016	2016
Cash flow from operating activities			
Profit / loss for the period	19.6	3.5	34.9
Adjustments, total	13.6	18.2	78.8
Changes in net working capital	-4.8	-10.1	32.5
Change in provisions	0.2	0.6	-2.7
Financial items	-1.2	-2.9	-12.6
Income taxes paid / received	-1.3	-0.8	-5.0
Net cash from operating activities	26.2	8.4	125.8
Cash flow from investing activities			
Purchases of intangible and tangible assets	-5.1	-8.1	-41.0
Other investing activities	0.1	-1.2	-11.3
Net cash from investing activities	-5.0	-9.3	-52.3
Cash flow from financing activities			
Dividends paid and other	-19.6	-	-14.5
Interest on hybrid bond	-	-	-7.9
Changes in loans and other financing activities	14.9	4.1	-50.7
Net cash from financing activities	-4.7	4.1	-73.0
Net change in cash and cash equivalents	16.5	3.3	0.4
Cash and cash equivalents at the beginning of the period	49.4	47.3	47.3
Foreign exchange adjustment	0.6	-0.6	1.6
Cash and cash equivalents at the end of the period	66.6	50.0	49.4



KEY FIGURES	Q1 2017	Q1 2016	Q1-Q4 2016
Personnel costs	-53.6	-58.3	-223.5
Depreciation and amortization	-12.3	-12.7	-49.6
Impairment charges	-	-0.2	-0.6
Operating profit, %	11.9	4.0	6.5
Return on capital employed (ROCE), %	25.7	8.0	13.6
Return on equity (ROE), %	25.1	4.7	11.3
Interest-bearing net liabilities, EUR million	138.2	194.9	140.8
Equity ratio, %	39.3	34.9	38.2
Gearing ratio, %	44.5	66.5	44.6
Basic earnings per share *, EUR	0.38	0.04	0.61
Equity per share, EUR	4.42	4.06	4.53
Average number of outstanding shares during the period, 1000's	46,598	46,522	46,573
Number of outstanding shares at the end of the period, 1000's	46,598	46,522	46,598
Total number of shares at the end of the period, 1000's	46,671	46,671	46,671
Capital expenditure, EUR million	5.1	4.6	37.9
Capital employed at the end of the period, EUR million	515.3	537.8	506.0
Number of employees, average	3,174	3,289	3,286

* With the effect of interest on hybrid bond for the period, net of tax

Accounting principles

This interim report has been prepared in accordance with IAS 34, Interim Financial reporting, as adopted by EU and the accounting principles set out in the Group's Financial Statements for 2016.



SEGMENT INFORMATION	Q1	Q1	Q1-Q4
EUR million	2017	2016	2016
Filtration & Performance	169.0	171.1	697.8
Specialties	109.1	102.7	411.3
Other operations	9.0	8.6	35.8
Internal sales	-14.4	-15.3	-59.0
Total net sales	272.7	267.2	1 085.9
Filtration & Performance	2.2	2.7	10.5
Specialties	4.7	4.9	17.6
Other operations	7.5	7.7	30.8
Total internal sales	14.4	15.3	59.0
Filtration & Performance	21.2	7.1	49.8
Specialties	12.0	7.8	33.0
Other operations	-0.7	-4.2	-11.9
Eliminations	-0.0	-0.0	-0.0
Operating profit / loss	32.4	10.6	70.8
Return on capital employed (RONA), %			
Filtration & Performance	32.0	10.9	19.0
Specialties	28.8	17.1	18.5
Group (ROCE), %	25.7	8.0	13.6
Filtration & Performance	265.6	259.9	264.7
Specialties	165.1	178.7	168.8
Other operations	-43.7	-35.4	-47.1
Eliminations	-0.1	-0.1	-0.1
Total net assets, end of period	386.9	403.1	386.4
Filtration & Performance	3.3	2.6	20.2
Specialties	1.5	1.6	9.3
Other operations	0.4	0.4	8.5
Total capital expenditure	5.1	4.6	37.9
Filtration & Performance	-7.6	-7.5	-29.9
Specialties	-4.1	-4.5	-17.1
Other operations	-0.7	-0.7	-2.6
Total depreciation and amortization	-12.3	-12.7	-49.6



SEGMENT INFORMATION	Q1	Q1	Q1-Q4
EUR million	2017	2016	2016
Filtration & Performance	-	-0.2	-0.6
Specialties	-	-	-
Other operations	-	-	-
Total impairment charges	-	-0.2	-0.6
Filtration & Performance	-0.8	-2.1	-3.5
Specialties	-	-	-0.8
Other operations	2.6	-2.3	-5.5
Total adjustment items	1.8	-4.4	-9.8

SEGMENT INFORMATION	Q1	Q1	Q1-Q4
Thousands of tons	2017	2016	2016
Filtration & Performance	52.4	65.2	270.7
Specialties	30.4	28.6	115.7
Other operations	0.3	0.3	1.3
Eliminations	-1.7	-1.9	-7.1
Total sales tons	81.4	92.1	380.6

Segment information is presented according to the IFRS standards.

NET SALES BY REGION	Q1	Q1	Q1-Q4
EUR million	2017	2016	2016
Europe	116.5	129.0	510.3
North America	85.1	77.8	304.6
South America	16.3	13.1	61.3
Asia-Pacific	49.8	41.7	188.9
Rest of the world	5.0	5.6	20.8
Total net sales	272.7	267.2	1 085.9



CHANGES OF PROPERTY, PLANT AND EQUIPMENT	Q1-Q1	Q1-Q1	Q1-Q4
EUR million	2017	2016	2016
Book value at Jan 1	320.8	339.8	339.8
Additions	4.8	4.2	30.7
Disposals	-0.1	-0.0	-0.3
Depreciations and impairment charges	-11.8	-12.3	-47.6
Translation differences and other changes	0.7	-7.9	-1.8
Book value at the end of the period	314.4	323.8	320.8

TRANSACTIONS WITH RELATED PARTIES	Q1-Q1	Q1-Q1	Q1-Q4
EUR million	2017	2016	2016
Transactions with associated companies			
Sales and interest income	0.0	0.0	0.0
Purchases of goods and services	-0.1	-2.0	-10.7
Trade and other receivables	0.0	0.0	0.0
Trade and other payables	0.0	0.4	0.0

Market prices have been used in transactions with associated companies.

OPERATING LEASES	Mar 31,	Mar 31,	Dec 31,
EUR million	2017	2016	2016
Current portion	5.6	5.7	5.8
Non-current portion	13.8	18.0	14.7
Total	19.5	23.7	20.5

COLLATERALS AND COMMITMENTS	Mar 31,	Mar 31,	Dec 31,
EUR million	2017	2016	2016
Mortgages	-	6.3	6.3
Pledges	0.3	0.3	0.3
Commitments			
Guarantees given on behalf of group companies	51.9	56.2	52.8
Capital expenditure commitments	5.5	0.6	0.4
Commitments of behalf of group companies	1.1	1.7	1.1
Other commitments	4.3	7.3	6.2



QUARTERLY DATA	Q1	Q4	Q3	Q2	Q1
EUR million	2017	2016	2016	2016	2016
Net sales	272.7	266.1	273.2	279.4	267.2
Cost of goods sold	-212.8	-220.2	-218.3	-223.8	-221.1
Gross profit	59.9	45.9	54.9	55.5	46.1
Sales and marketing expenses	-8.8	-10.8	-8.5	-9.7	-10.7
R&D expenses	-3.9	-3.4	-5.2	-2.6	-4.6
Administrative expenses	-21.9	-24.7	-17.8	-18.1	-20.0
Other operating income	8.2	3.0	4.6	2.0	0.8
Other operating expense	-1.0	-1.9	0.8	-3.8	-0.9
Operating profit / loss	32.4	8.0	28.9	23.3	10.6
Net financial expenses	-4.2	-3.2	-3.8	-3.8	-4.0
Share of profit / loss of equity accounted investments	0.1	0.0	0.0	0.1	0.1
Profit / loss before taxes	28.3	4.8	25.1	19.6	6.7
Income taxes	-8.6	-3.4	-7.1	-7.6	-3.2
Profit/loss for the period	19.6	1.4	17.9	12.0	3.5
Attributable to					
Owners of the parent	19.5	1.4	17.9	12.0	3.6
Non-controlling interest	0.1	0.0	0.1	0.1	-0.1



QUARTERLY DATA BY SEGMENT	Q1	Q4	Q3	Q2	Q1
EUR million	2017	2016	2016	2016	2016
Net sales					
Filtration & Performance	169.0	170.5	175.7	180.4	171.1
Specialties	109.1	100.9	103.1	104.6	102.7
Other operations and eliminations	-5.4	-5.3	-5.6	-5.7	-6.7
Group total	272.7	266.1	273.2	279.4	267.2
Operating profit / loss					
Filtration & Performance	21.2	8.9	18.9	15.0	7.1
Specialties	12.0	5.5	10.0	9.7	7.8
Other operations and eliminations	-0.8	-6.4	0.0	-1.3	-4.3
Group total	32.4	8.0	28.9	23.3	10.6
Adjusted operating profit / loss					
Filtration & Performance	22.0	9.5	18.8	15.8	9.1
Specialties	12.0	5.9	10.0	10.0	7.8
Other operations and eliminations	-3.3	-1.0	-2.1	-1.3	-1.9
Group total	30.7	14.4	26.7	24.5	15.0
Sales tons, thousands of tons					
Filtration & Performance	52.4	67.3	67.9	70.3	65.2
Specialties	30.4	27.8	28.9	30.4	28.6
Other operations and eliminations	-1.4	-1.3	-1.4	-1.4	-1.7
Group total	81.4	93.7	95.4	99.3	92.1
KEY FIGURES QUARTERLY					
EUR million	Q1	Q4	Q3	Q2	Q1
	2017	2016	2016	2016	2016
Net sales	272.7	266.1	273.2	279.4	267.2
Operating profit / loss	32.4	8.0	28.9	23.3	10.6
Profit / loss before taxes	28.3	4.8	25.1	19.6	6.7
Profit / loss for the period	19.6	1.4	17.9	12.0	3.5
Gearing ratio, %	44.5	44.6	42.4	55.4	66.5
Return on capital employed (ROCE), %	25.7	6.5	23.4	18.1	8.0
Basic earnings per share *, EUR	0.38	-0.00	0.35	0.22	0.04
Average number of outstanding shares during the period, 1000's	46,598	46,598	46,598	46,576	46,522
Total number of shares at the end of the period, 1000's	46,671	46,671	46,671	46,671	46,671

* With the effect of interest on hybrid bond for the period, net of tax



Calculation of key figures

Interest-bearing net liabilities	Interest-bearing loans and borrowings - Cash and cash equivalents - Other investments (current)	
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - Advances received}} \times 100$	
Gearing ratio, %	$\frac{\text{Interest-bearing net liabilities}}{\text{Total equity}} \times 100$	
Return on equity (ROE), %	$\frac{\text{Profit (loss) for the period}}{\text{Total equity (annual average)}} \times 100$	
Return on capital employed (ROCE), %	$\frac{\text{Profit (loss) before taxes + Financing expenses}}{\text{Total assets (annual average) - Non-interest bearing liabilities (annual average)}} \times 100$	
Return on capital employed (RONA), %	$\frac{\text{Operating profit/loss}}{\text{Working capital (annual average) + Property, plant and equipment and Intangible assets (annual average)}} \times 100$	
Basic earnings per share. EUR	$\frac{\text{Profit (loss) for the period - Non-controlling interest - Interest on hybrid bond for the period, net of tax}}{\text{Average number of shares during the period}}$	
Diluted earnings per share, EUR	$\frac{\text{Profit (loss) for the period - Non-controlling interest - Interest on hybrid bond for the period, net of tax}}{\text{Average diluted number of shares during the period}}$	
Equity per share, EUR	$\frac{\text{Equity attributable to owners of the parent}}{\text{Number of outstanding shares at the end of the period}}$	
Adjustment items are:	Restructuring costs. Impairment charges. Capital gains or losses	
Adjusted operating profit	Operating profit – Adjustment items	
EBITDA	Operating profit + Depreciations and amortizations + Impairments	
Adjusted EBITDA	EBITDA – Adjustment items	