INTERIM REPORT

JANUARY–MARCH 2018

AHLSTROM MUNKSJÖ

STRONG SALES GROWTH IN CONSTANT CURRENCY AND SYNERGY REALIZATION TO CONTINUE

Q1/2018 HIGHLIGHTS (VS Q1/2017 PROFORMA)

- *Net sales EUR 572.4 million (EUR 566.9 million), an increase of 1.0%. In constant currency growth was 5.9%, driven by higher selling prices.*
- *Continued good demand across most markets*
- *Comparable EBITDA EUR 66.7 million (EUR 79.4 million), representing 11.7% (14.0%) of net sales in an environment of significant raw material cost escalation*
- *Net profit EUR 21.2 million (EUR 24.2 million)*
- *Earnings per share EUR 0.22 (EUR 0.25)*
- *Comparable EPS excluding depreciation arising from mergers EUR 0.32 (EUR 0.33)*
- *Ahead of schedule in delivering merger related synergy benefits*
- *Four separate new investments to improve financial and environmental performance*
- *Three strategic growth investments proceeding, ramp-up of abrasive backings production ongoing*

MAJOR EVENTS AFTER THE REPORTING PERIOD

- *Hans Sohlström started as President and CEO on April 16, 2018*
- *New synergies and cost reducing initiatives identified*
- *Agreement to acquire the Caieiras specialty paper mill in Brazil*

Q1/2018

NET SALES GROWTH IN CONSTANT CURRENCY
5.9%

COMPARABLE EBITDA MARGIN
11.7%

GEARING
39.8%

In this interim report, January-March 2017 and full-year 2017 figures are presented on a pro forma basis to illustrate the financial impact of the merger between Ahlstrom and Munksjö as if it had been completed at the beginning of 2015.

The appendix including unaudited consolidated financial statements has been prepared according to IFRS standards.

AHLSTROM MUNKSJÖ

KEY FIGURES

EUR MILLION	Q1/2018	Q1/2017	Q4/2017	2017
Net sales	572.4	566.9	547.1	2,232.6
Comparable EBITDA	66.7	79.4	63.1	290.4
Comparable EBITDA margin, %	11.7	14.0	11.5	13.0
Items affecting comparability included in EBITDA	-5.0	-4.0	-10.4	-23.8
EBITDA	61.7	75.5	52.7	266.6*
Comparable operating result excl. depreciation arising from mergers**	44.6	54.5	40.3	195.2
Comparable operating result	37.0	46.8	32.6	163.8
Comparable operating result margin, %	6.5	8.3	6.0	7.3
Items affecting comparability included in operating result	-5.0	-4.0	-10.4	-23.8
Operating result	31.9	42.9	22.1	140.0*
Net profit	21.2	24.2	19.3	88.5*
Earnings per share (basic), EUR	0.22	0.25	0.20	0.91*
Comparable EPS excl. depreciation arising from mergers**	0.32	0.33	0.33	1.32
Cash generated from operating activities	5.2	42.9	77.2	212.9
Depreciation and amortization***	29.7	32.6	30.6	126.5
Capital expenditure	25.6	16.4	40.2	89.7
Net debt	395.4	432.4	375.3	375.3
Gearing ratio, %	39.8	40.7	36.2	36.2

**Fair valuation adjustment EUR -11 million (EUR -7.6 million net of tax) on acquired Ahlstrom inventories is excluded as it is adjusted in the 2016 pro forma income statement.*
*** Excluding both depreciation and amortization from mergers*
****Depreciation and amortization arising from mergers was EUR 7.6 million in January-March 2018*

The actual figures for January-March 2017 and full-year 2017 are presented in the appendix only.

Ahlstrom-Munksjö has adopted the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures (APMs) to reflect the underlying business performance and improve comparability. These measures should, however, not be considered as a substitute for measures of performance in accordance with IFRS. Alternative performance measures are derived from performance measures reported in accordance with IFRS by adding or deducting items affecting comparability (IAC), or purchase price allocation (PPA,) and they are called "comparable". More details on APMs and key figures is available in the appendix.

CEO COMMENTS

"I'm very pleased to start as the President and CEO of Ahlstrom-Munksjö. Our comparable EBITDA margin was 11.7% in an environment of significant raw material cost escalation. We need to execute our strategy and continue compensating for impacts of the increased raw material costs. We were already able to improve our cost efficiency, increase sales prices, and we will continue to sharpen our commercial strategy and develop new value-added products.

INVESTING IN GROWTH

We are making good progress towards our strategic priorities and financial targets. We have made decisions on four separate organic growth investments to improve our financial performance and reduce our environmental impact.

At the same time, our three ongoing strategic investment projects, targeting at profitable growth, are proceeding well. The machine rebuild for abrasive backings and decor papers in Arches, France was completed during the first quarter. We are also completing the new saturation line investment for filtration material in Madisonville, the US, and the new parchmentizer line investment in Saint Severin, France. All three projects increase our capacity and respond to growing customer demand.

STRENGTHENING THE LATIN AMERICAN PLATFORM

As part of our ambition to also grow through acquisitions we have entered into an agreement to acquire the MD Papéis' Caieiras specialty paper mill in Brazil from the Formitex Group. The Caieiras operation is an excellent fit in many product segments and drives our ambition to maintain a leading position in selected niches. Combining Ahlstrom-Munksjö's and Caieiras expertise provides our customers with improved service, wider product offering and better delivery capability. At the same time, the acquisition offers us attractive growth opportunities, synergies and further production optimization possibilities in the long term.

"We were already able to improve our cost efficiency, increase sales prices, and we will continue to sharpen our commercial strategy and develop new value-added products.

Hans Sohlström, President and CEO

IMPROVING COST EFFICIENCY

Simultaneously we are proceeding well ahead of schedule in delivering the merger related synergy benefits. In addition to the earlier announced synergies of above EUR 40 million, we have continued the work and identified further synergies and cost reducing initiatives with an overall profit improvement impact of EUR 10 million annually to be reached by the end of Q1 in 2019.

The new cost reduction initiatives include adjusting group structure to Ahlstrom-Munksjö's operating model, which is based on business units with clear responsibilities, local accountability, and enabling operational flexibility and lean group functions. As part of the target towards lean group functions we have initiated a plan to concentrate and relocate all head office activities to Helsinki, Finland. Choosing between the two locations, both with their strengths, was not easy but dividing the activities in two locations is not a long-term viable solution.

Our market position and strategic opportunities gives me strong confidence in the future and I also believe in our ability to improve financial performance and grow shareholder value. We will improve our cost efficiency, sharpen our commercial strategy and develop new value added products in order to create long term success for the shareholders and all company stakeholders", says Hans Sohlström, President and CEO of Ahlstrom-Munksjö as of April 16, 2018.

OUTLOOK FOR 2018

The outlook published on February 13, 2018 is reiterated. Full-year 2018 capitital expenditure estimate has been specified and is disclosed on page 9.

Market outlook: *Demand for Ahlstrom-Munksjö's fiber-based products is expected to remain stable at the current good level for most of the product segments and to reflect the seasonal pattern. Selling price increases will continue to be implemented to mitigate cost inflation in raw materials.*

EBITDA: *Comparable EBITDA in 2018 is expected to be approximately at the previous year's level (pro forma EUR 290.4 million), or slightly below. In the first-half of 2018, comparable EBITDA is expected to be lower than in the comparison period and to gain momentum in the second half of the year.*

FINANCIAL PERFORMANCE

JANUARY-MARCH 2018

NET SALES DEVELOPMENT

NET SALES BY BUSINESS AREA, EUR MILLION	Q1/2018	Q1/2017	Q4/2017	2017
Décor	99.8	95.4	94.2	378.4
Filtration and Performance	167.0	169.0	159.9	665.3
Industrial Solutions	166.7	163.7	158.7	640.8
Specialties	145.9	145.9	138.9	574.3
Other and eliminations	-6.9	-7.1	-4.7	-26.2
Total net sales	572.4	566.9	547.1	2,232.6

PROFIT AND PROFITABILITY DEVELOPMENT

COMPARABLE EBITDA BY BUSINESS AREA, EUR MILLION	Q1/2018	Q1/2017	Q4/2017	2017
Décor	6.3	11.3	8.6	33.8
Filtration and Performance	28.7	31.8	24.6	120.6
Industrial Solutions	23.6	28.4	25.3	108.5
Specialties	12.0	17.5	10.2	52.9
Other and eliminations	-3.9	-9.5	-5.7	-25.3
Total comparable EBITDA	66.7	79.4	63.1	290.4

COMPARABLE EBITDA MARGIN BY BUSINESS AREA, %	Q1/2018	Q1/2017	Q4/2017	2017
Décor	6.3 %	11.8 %	9.2 %	8.9 %
Filtration and Performance	17.2 %	18.8 %	15.4 %	18.1 %
Industrial Solutions	14.1 %	17.4 %	16.0 %	16.9 %
Specialties	8.2 %	12.0 %	7.3 %	9.2 %
Other and eliminations				
Total comparable EBITDA margin, %	11.7 %	14.0 %	11.5 %	13.0 %

AHLSTROM MUNKSJÖ

January-March 2018 compared with January-March 2017

Net sales amounted to EUR 572.4 million, showing an increase of 1.0% from the EUR 566.9 million from last year. At constant currency rates, growth was 5.9%, driven by significantly higher selling prices, particularly in Industrial Solutions and Filtration and Performance businesses areas. Delivery volumes increased in Filtration and Performance and Specialties businesses areas, whereas in Decor deliveries decreased.

Comparable EBITDA was EUR 66.7 million (EUR 79.4 million), representing 11.7% of net sales (14.0%). Profitability decreased mainly due to significantly higher variable costs, more than offsetting clearly higher selling prices and synergy benefits. Higher raw materials costs, such as pulp and titanium dioxide, burdened the result by about EUR 41 million. Currency impact was slightly negative.

Items affecting comparability (IAC)

The operating result was EUR 31.9 million (EUR 42.9 million). IACs totaled EUR -5.0 million (EUR -4.0 million) and were mainly related to integration costs of the merger and achieving the synergy benefits.

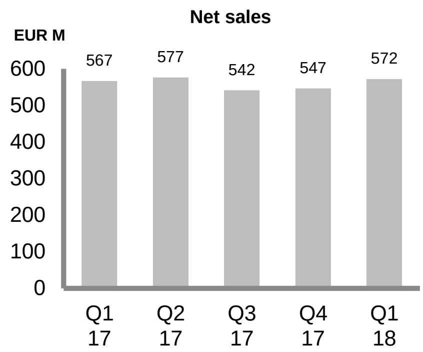
Net financial items

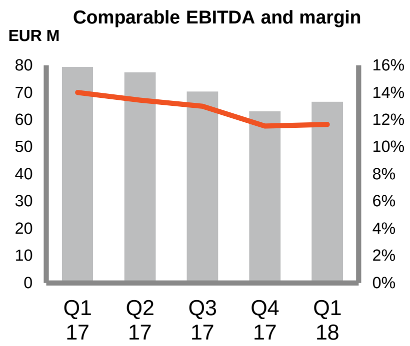
Net financial items amounted to EUR -3.0 million (EUR -8.1 million). The figure includes net interest rate expenses of EUR 4.7 million, currency exchange rate gains of EUR 3.0 million, and other financial expenses of EUR 1.3 million.

Tax, earnings per share

Profit before taxes was EUR 28.9 million (EUR 34.9 million). Taxes amounted to EUR 7.7 million (EUR 10.7 million), representing an effective tax rate of 27% (31%). The net profit for the period was EUR 21.2 million (EUR 24.2 million), and earnings per share were EUR 0.22 (EUR 0.25). Comparable earnings per share excluding depreciation arising from mergers were EUR 0.32 (EUR 0.33).

CHANGE IN NET SALES	
Q1/2017	**EUR 567 M**
Volume	-0%
Selling price and product mix	+6%
Currency	-5%
Q1/2018	**EUR 572 M**





FINANCING AND CASH FLOW

CASH FLOW

In January-March 2018, net cash flow from operating activities amounted to EUR 5.2 million (EUR 42.9 million[1]). The figure was impacted by an increase in net working capital due to higher receivables and inventories.

NET DEBT, GEARING AND LIQUIDITY

The company's interest-bearing net debt amounted to EUR 395.4 million at the end of the reporting period (EUR 375.3 million on December 31, 2017, EUR 432.4 million on March 31, 2017). At the end of the reporting period, the weighted average interest rate was 2.2%. Gearing stood at 39.8%.

Ahlstrom-Munksjö's liquidity continues to be good. At the end of the review period, the total cash position was EUR 224.9 million. In addition, the company had undrawn committed credit facilities and committed cash pool overdrafts of EUR 212.5 million available.

EQUITY

On March 31, 2018, equity was EUR 993.9 million and total assets were EUR 2,388.9 million. The equity was negatively impacted by a translation effect of EUR 15.2 million due to adverse currency fluctuations in the reporting period. The equity impact of the declared EUR 50 million, or EUR 0.52 per share, dividend was booked in the first quarter of 2018, while the cash flow effect will be booked in the second and third quarters of 2018.

SYNERGY BENEFITS AND COST REDUCTION MEASURES

The merger creating Ahlstrom-Munksjö Oyj was completed on April 1, 2017. The combination created a global leader in innovative and sustainable fiber-based materials. Ahlstrom-Munksjö has completed nearly all of the original integration initiatives. The successful combination of businesses has created a solid basis for improved performance and the company has continued efforts to improve its operational efficiency.

Ahlstrom-Munksjö has identified further synergies and cost reducing initiatives with an additional profit improvement impact of EUR 10 million annually in its existing businesses. Including the new initiatives, the total impact is estimated to amount to EUR 50 million annually. The total impact of the synergy benefits and additional cost saving measures are expected to be gradually realized and fully visible by the end of Q1 2019. The company has previously estimated that the synergies, above EUR 40 million, would be fully visible from the second quarter of 2019.

At the end of the reporting period, the annual synergy achievement run rate was approximately EUR 25.6 million. The financial result for the first quarter of 2018 includes realized synergies of approximately EUR 5.8 million.

Cost synergies comprise mainly lower fixed costs as well as lower variable costs through coordination of sourcing activities and optimization of production. The plan includes also business synergies from incremental sales and product mix improvement, predominately relating to the integration of the former Graphics and Packaging business area into the new Specialties business area, and developing a combined product and service offering.

The measures identified include adjusting group structure to Ahlstrom-Munksjö's operating model, where business units have clear responsibility and local accountability. The operating model enables operational flexibility and lean group functions.

The new identified initiatives include a plan to concentrate and relocate the company head office in Helsinki, Finland. The head office is currently located in Stockholm, with several administrative activities in Helsinki. Decisions in the issue will be made after the necessary employee consultation processes have been completed. The processes will be started as soon as possible, and they will be carried out according to local practices and legislation. Transformation costs related to the achievement of synergies and cost reduction measures are estimated to be EUR 30-35 million by the end of Q1 2019, higher than the previously estimated EUR 30 million.

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[1] *The actual cash flow figure for the corresponding comparison period is presented in the appendix only.*

Achieved synergy benefits and related costs, EUR million				
	Q2/17	Q3/17	Q4/17	Q1/18
Achieved annualized synergy benefits	13	17	19	26
Quarterly costs	4	7	8	2
Cumulative costs		11	19	21

CAPITAL EXPENDITURE

Ahlstrom-Munksjö's capital expenditure excluding acquisitions totaled EUR 25.6 million in January-March 2018 (EUR 16.4 million). The investments were related to maintenance, and cost and efficiency improvements. as well as the strategic upgrade of the Madisonville filtration plant in the U.S.. the rebuild of an abrasive backings paper machine in Arches, France. and increasing the capacity of Genuine Vegetable Parchment products used mainly in food and baking applications at the Saint Severin plant in France.

On April 10, 2018, the company announced investments of about EUR 27 million in improved financial and environmental performance. The investments include rebuilding a recovery boiler at the Billingsfors plant and modernizing of a bailing line at the Aspa pulp mill, both located in Sweden and part of the Industrial Solutions business area.

On April 23, 2018, the company announced investments of about EUR 9 million. In the Decor business area, the company will invest to further enhance the quality of pre-impregnated decor papers produced at its Dettingen plant in Germany. In the Specialties business area, the company will rebuild a converting line of sterilization wrap being produced at its Pont Audemer plant in France.

The cash flow effect of current capital expenditure of fixed assets as well as strategic investments is expected to be approximately EUR 120 million in 2018 (EUR 89.7 million in 2017).

PERSONNEL

Ahlstrom-Munksjö employed an average of 5.893 people in January-March 2018 (5.925). As of March 31. 2018. the highest numbers of employees were in France (28%), Sweden (14%). the United States (12%), Germany (9%). and Italy (9%).

SUSTAINABILITY

Ahlstrom-Munksjö published its first sustainability report as a combined company in February 2018. The report defines our nine material topics and sets targets and metrics for each of them. While we have established quantitative performance baselines from 2017 where possible for our material topic targets, we do not have relevant historical data to compare our current to past sustainability performance due to the merger. We look forward to sharing this information in future reports.

HEALTH AND SAFETY

Health and safety of employees is a top priority at Ahlstrom-Munksjö. The company has chosen three priority metrics to track performance in this field: total recordable incidents (TRI[2]) rate, near miss rate, and hours of tailored safety training per employee per year. Ahlstrom-Munksjö believes that a goal of zero accidents is achievable, and our long-term target for TRI is zero. In 2018, our near miss rate target is 2.9 and we aim to provide 15 hours of tailored safety training per employee.

In January-March 2018, the TRI rate was 1.89, the near miss rate was 3.4 and 15.7 hours of training was provided to employees.

[2] TRI: sum of all recorded occupational accidents; lost time accidents, occupational diseases, light duty cases, and other recordable incident. Total recordable Incidents Rate (TRIR); (TRI/Total hours worked) x 200,000.

EVENTS AFTER THE REPORTING PERIOD

AGREEMENT TO ACQUIRE CAIEIRAS SPECIALTY PAPER MILL

On April 24. 2018, Ahlstrom-Munksjö entered into an agreement to acquire MD Papeis' Caieiras specialty paper mill in Brazil of the Formitex Group, an industrial conglomerate active in paper, chemical and panel board industries.

The transaction is expected to be completed during Q3 2018 and is subject to customary completion terms, including merger clearance from the relevant competition authorities.

The annual net sales of the Caieiras business to be acquired are approximately EUR 80 million and comparable EBITDA approximately EUR 13 million in 2017. The debt free purchase price is approximately EUR 100 million. Annual synergy benefits are estimated to be up to EUR 6 million.

Ahlstrom-Munksjö's presence in Brazil grows further through the acquisition, operating three mills, all near Sao Paolo. and employing over 700 persons and revenues of approximately of EUR 200 million.

CHANGES IN THE EXECUTIVE MANAGEMENT TEAM

Pia Aaltonen-Forsell, Executive Vice President and CFO, a member of Ahlstrom-Munksjö Executive Management Team, will assume the responsibility for Communications and Investor Relations in addition to her CFO role as of 24 April 2018.

Dan Adrianzon, who is currently leading the integration project following the merger between Ahlstrom and Munksjö, has been appointed Executive Vice President, People and Safety and a member of the Executive Management Team as of 24 April 2018. In addition, he continues to lead the integration project. Dan Adrianzon has held several senior management positions in general management and in finance and control in Ahlstrom-Munksjö and prior to that in Munksjö since 1998. Between 1985 and 1997 he held various positions within the French Group Saint Gobain, both in Sweden and in France.

Åsa Jackson, Executive Vice President, Human Resources and Health & Safety and Anna Selberg, Executive Vice President, Communications and Investor Relations have agreed to leave the company.

BUSINESS AREA REVIEW

DECOR

The Decor business is a manufacturer of paper-based surfacing for wood-based materials such as laminate flooring, furniture and interiors. Décor develops versatile and high-tech solid color, print base and pre-impregnated papers for production of low- and high-pressure laminates and finish foils applications.

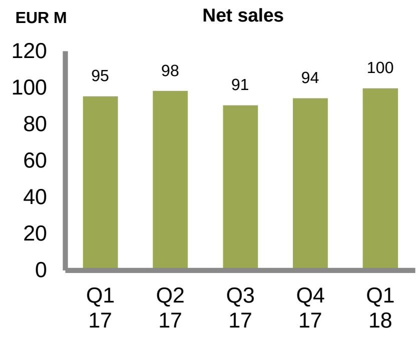
Market review January-March 2018:

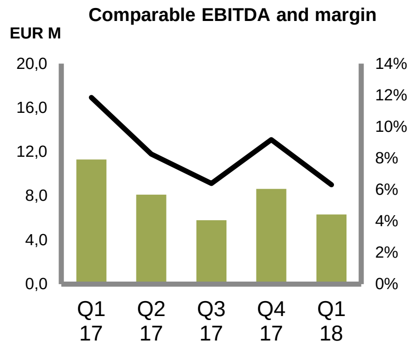
The markets for decor products remained stable at a good level across all segments. Competition has intensified particularly in markets outside of Europe due to new suppliers.

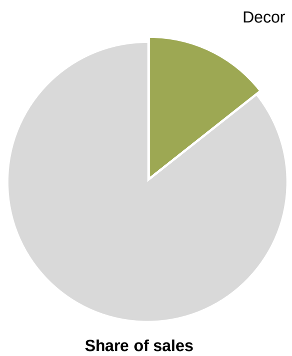
Result development in January-March 2018:

Net sales rose by 4.6% to EUR 99.8 million, compared with EUR 95.4 million in January-March 2017. The increase was driven by higher selling prices as well as an improved product mix. Sales volumes were lower than in the comparison period.

Comparable EBITDA fell to EUR 6.3 million (EUR 11.3 million), representing 6.3% (11.8%) of net sales. Higher selling prices had a positive impact on the result. however. this did not fully compensate for the continued increase in titanium dioxide and pulp costs.







EUR MILLION	Q1/2018	Q1/2017	Q4/2017	2017
Net sales	99.8	95.4	94.2	378.4
Comparable EBITDA	6.3	11.3	8.6	33.8
Comparable EBITDA margin, %	6.3 %	11.8 %	9.2 %	8.9 %

BUSINESS AREA REVIEW

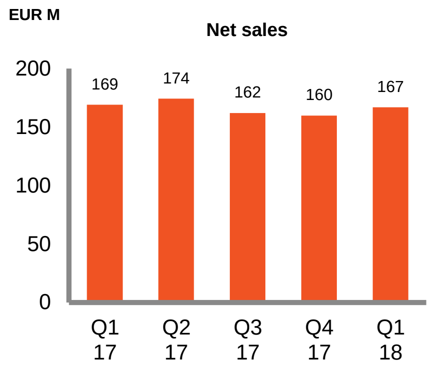
FILTRATION AND PERFORMANCE

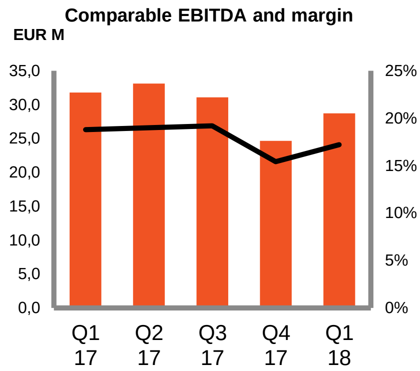
The Filtration and Performance business area develops and produces filtration materials for engine oils, fuels and air as well as industrial filtration. It also produces glassfiber for flooring products and wind turbine blades and makes nonwoven materials for automotive, construction, textile and hygiene applications and wallcover materials.

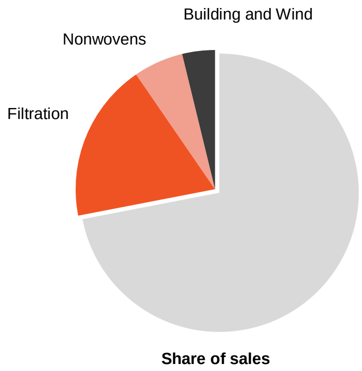
Market review January-March 2018:
Demand for filtration products continued to be strong in all regions and end-use segments, and particularly in heavy-duty vehicles and industrial air. In construction-related markets, demand for wallcover was stable at a good level, while that for flooring materials was good.

Result development in January-March 2018:
Net sales fell by 1.2% to EUR 167.0 million, compared with EUR 169.0 million in January-March 2017. Sales volumes of filtration products rose, while higher selling prices and a product mix improvement were offset by an adverse currency effect. Sales of nonwoven products, such as wipes, were higher.

Comparable EBITDA declined to EUR 28.7 million (EUR 31.8 million), representing 17.2% (18.8%) of net sales. Higher volumes and selling prices as well as an improved product mix were offset by the increased raw material costs. In order to cope with higher demand in Filtration, fixed costs in production rose as shifts were added.







EUR MILLION	Q1/2018	Q1/2017	Q4/2017	2017
Net sales	167.0	169.0	159.9	665.3
Comparable EBITDA	28.7	31.8	24.6	120.6
Comparable EBITDA margin, %	17.2 %	18.8 %	15.4 %	18.1 %

BUSINESS AREA REVIEW

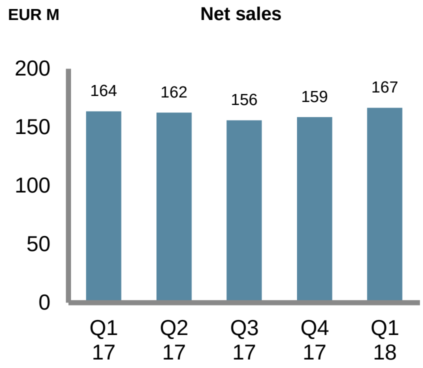
INDUSTRIAL SOLUTIONS

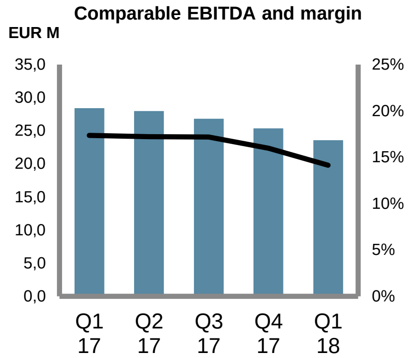
The Industrial Solutions business area produces a wide range of products and materials often used in manufacturing or production processes. These include products such as abrasive backings, electrotechnical insulation papers, release liners, thin papers, specialty pulp and balancing foil paper. The business area also houses Arches fine art and printing papers, which carry with them centuries of tradition.

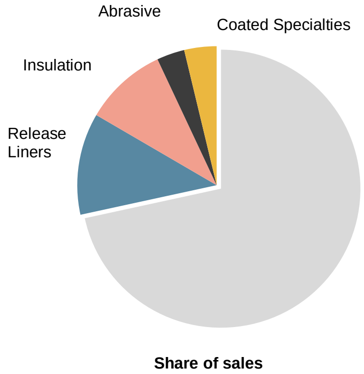
Market review January-March 2018:
Good demand continued in many segments; release liners, electrotechnical insulation papers, abrasive backings, and specialty pulp. The domestic market for coated specialties products in Brazil remained stable.

Result development in January-March 2018
Net sales rose by 1.8% to EUR 166.7 million, compared with EUR 163.7 million in January-March 2017. Growth was driven by higher selling prices and an improved product mix across the business area.

Comparable EBITDA fell to EUR 23.6 million (EUR 28.4 million), representing 14.1% (17.4%) of net sales. An improved product mix and higher selling prices partially compensated for increased raw material and energy costs. The price difference between short- and long-fiber pulp started to widen in January-March 2018, but the spread remained narrower than in the comparison period, hurting margins at business area level.







EUR MILLION	Q1/2018	Q1/2017	Q4/2017	2017
Net sales	166.7	163.7	158.7	640.8
Comparable EBITDA	23.6	28.4	25.3	108.5
Comparable EBITDA margin, %	14.1 %	17.4 %	16.0 %	16.9 %

AHLSTROM MUNKSJÖ

BUSINESS AREA REVIEW

SPECIALTIES

The Specialties business area produces materials for food and beverage packaging, laboratory filters and life science diagnostics, water filtration, tape products and medical fabrics. It also supplies hot oil cooking and milk filtration materials, graphics paper for sticky notes and envelopes and metallized labels.

Market review January-March 2018:

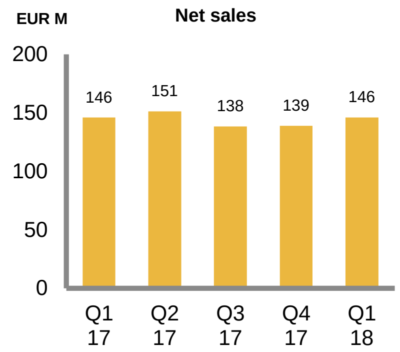
Demand for food packaging-related products was strong, while the market for uncoated and coated papers remained highly competitive. Demand for life science and medical products as well as tape materials was good.

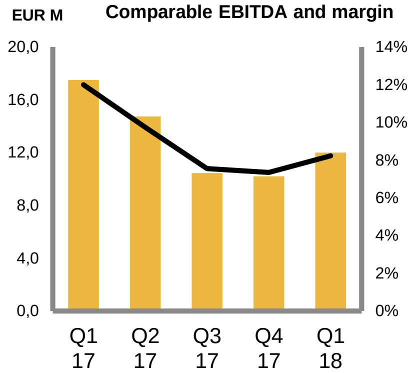
Result development in January-March 2018:

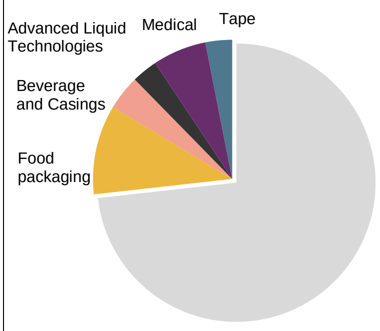
Net sales amounted to EUR 145.9 million and were unchanged from January-March 2017. Sales of parchmentized papers used in food packaging, as well as medical and tape products, rose. Lower volumes of tea-bag materials as well as an adverse currency effect had a negative impact on net sales.

Comparable EBITDA was EUR 12.0 million (EUR 17.5 million), representing 8.2% (12.0%) of net sales. Higher raw material costs related to pulp and abaca, and operational challenges in the coated-one sided business continued to burden profitability. Increased sales volumes, higher selling prices as well as an improved product mix had a positive impact on the result.

Integration of the coated one-sided business into the Food Packaging unit is progressing and the benefits from the extended product portfolio are expected to become gradually visible in 2018.







Share of sales

EUR MILLION	Q1/2018	Q1/2017	Q4/2017	2017
Net sales	145.9	145.9	138.9	574.3
Comparable EBITDA	12.0	17.5	10.2	52.9
Comparable EBITDA margin, %	8.2 %	12.0 %	7.3 %	9.2 %

SHARES AND SHARE CAPITAL

Ahlstrom-Munksjö's shares are listed on the Nasdaq Helsinki as well as on the Nasdaq Stockholm. All shares carry one vote and have equal voting rights. The trading code is AM1 in Helsinki and AM1S in Stockholm.

On March 31. 2018. Ahlstrom-Munksjö's share capital amounted to EUR 85 million. and the total number of shares since April 1, 2017 has been 96,438,573. The company had 11.643 shareholders at the end of the reporting period. according to Euroclear Finland Ltd. Ahlstrom-Munksjö held a total of 364,862 of its own shares. corresponding to approximately 0.4% of the total shares and votes.

SHARE PRICE PERFORMANCE AND TRADING

	Nasdaq Helsinki		Nasdaq Stockholm	
	Q1/2018	Q1/2017	Q1/2018	Q1/2017
Share price at the end of the period, EUR/SEK	16.94	13.94	172.00	133.50
Highest share price, EUR/SEK	20.10	16.24	197.40	155.50
Lowest share price, EUR/SEK	15.58	13.85	154.80	132.25
Market capitalization at the end of the period*, EUR million	1,627.5	707.6	N/A	N/A
Trading value, EUR/SEK	48,444,999	26,273,093	63,353,223	39,422,798
Trading volume, shares	2,755,090	1,746,813	352,666	276,025
Average daily trading volume, shares	43,732	27,294	5,598	4,313

** Excluding the shares held by Ahlstrom-Munksjö*

Ahlstrom-Munksjö's shares are also traded on alternative exchanges, such as Cboe and Turquoise. Those exchanges represented about 31% of the total trading volumes during the reporting period (source: Fidessa Fragmentation Index).

ANNUAL GENERAL MEETING

Ahlstrom-Munksjö Oyj's Annual General Meeting was held on March 21. 2018. The Annual General Meeting adopted the Financial Statements for 2017 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2017.

The AGM resolved to distribute a dividend of EUR 0.52 per share for the fiscal year that ended on December 31, 2017 in accordance with the proposal of the Board of Directors. The dividend will be paid in two instalments. The first instalment of EUR 0.26 per share was paid on April 3, 2018. The second instalment of EUR 0.26 per share shall be paid in September 2018 to a shareholder who on the record date of the payment is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd or in the register of shareholders maintained by Euroclear Sweden AB, which, together with the payment date, shall be resolved by the Board of Directors in its meeting scheduled for September 10, 2018. The record date of the payment would be September 12, 2018 and the payment date September 19, 2018, at the latest.

The AGM resolved that the number of Board members to be eight. Peter Seligson, Elisabet Salander Björklund, Alexander Ehrnrooth. Johannes Gullichsen, Hannele Jakosuo-Jansson. Harri-Pekka Kaukonen and Pernilla Walfridsson were re-elected. Valerie A. Mars was elected as new member of the Board. The Board members were elected for the period ending at the close of the next AGM.

The AGM resolved in accordance with the proposal of the Board to re-elect KPMG Oy Ab as the company's auditor. KPMG Oy Ab has designated Authorised Public Accountant Anders Lundin as the Responsible Auditor.

AUTHORIZATION TO REPURHCASE OWN SHARES

The AGM authorized the Board of Directors to resolve to repurchase and to distribute the company's own shares as well as to accept them as pledge in one or more instalments.

The number of shares to be repurchased or accepted as pledge by virtue of the authorization shall not exceed 8,000,000 own shares in the company, subject to the provisions of the Finnish Companies' Act on the maximum amount of shares owned by or pledged to the company or its subsidiaries. The shares may be repurchased or accepted as pledge in one or several instalments and in another proportion than that of the existing shareholdings of the shareholders in the company. The shares shall be repurchased in public trading at the prevailing market price by using unrestricted shareholders' equity.

The authorizations are valid until the close of the next Annual General Meeting, however, no longer than eighteen (18) months from the close of the Annual General Meeting.

DECISIONS TAKEN BY THE BOARD OF DIRECTORS AFTER THE AGM

The organization meeting of the Board of Directors, which was held immediately after the Annual General Meeting, elected Peter Seligson as Chairman and Elisabet Salander Björklund as Vice Chairman of the Board.

The Board of Directors appointed two permanent committees; the Audit Committee and the Human Resources Committee. The members of the Audit Committee are Elisabet Salander Björklund (Chair), Alexander Ehrnrooth, Harri-Pekka Kaukonen. Valerie A. Mars and Pernilla Walfridsson.

The members of Human Resources Committee are Hannele Jakosuo-Jansson (Chair), Johannes Gullichsen and Peter Seligson.

SCHEDULED MAINTENANCE SHUTDOWNS IN 2018

The annual maintenance and seasonal shutdowns. mainly in the third and fourth quarters, are expected to be carried out to about the same extent as in 2017. The annual maintenance shut-down at the pulp production facility in Aspa in Sweden is planned to be carried out in the fourth quarter in 2018 and it will have an impact of approximately EUR 4 million on comparable EBITDA.

SHORT-TERM RISKS

Ahlstrom-Munksjö is exposed to changing market conditions and uncertainty caused by both macroeconomic and industry related events and is exposed to risks that may arise from its operations, changes in the business environment, developments in the global economy or potential changes in the legislative framework. The materialization of such risks could have a material adverse effect on the company's operations, earnings and financial position.

The company's significant risks and uncertainty factors mainly consist of developments in demand for and prices of sold products, the cost and availability of significant raw materials, financial risks, as well as other business factors including developments in the financial markets. The cost of key raw materials such as pulp and titanium dioxide has continued to increase and the company's financial performance may be impacted by its ability to raise selling prices and the timing of such rises to mitigate cost inflation.

Ahlstrom-Munksjö's key financial risks include interest rate and currency risks, liquidity risk and credit risk. The Group has exposure to tax risks due to potential changes in tax laws or regulations or their application, or as a result of on-going or future tax audits or claims.

The company has operations in many countries, and sometimes disputes cannot be avoided in daily operations. The company is sometimes involved in legal actions, disputes, claims for damages and other procedures. The result of these cannot be predicted, but taking into account all available information to date, the impact is not expected to have a significant impact on the financial position of the company.

More information about risks and uncertainty factors related to Ahlstrom-Munksjö's business and the company's risk management is available at www.ahlstrom-munksjo.com.

The actual numbers in this report have been prepared in accordance with International Financial Reporting Standards (IFRS). Comparable figures refer to the same period in the previous year, unless otherwise stated. The report contains certain forward-looking statements that reflect the present views of the company's management.

The statements contain uncertainties and risks and are thus subject to changes in the general economic situation and in the company's business.

Ahlstrom-Munksjö Oyj
Board of Directors

ADDITIONAL INFORMATION

Hans Sohlström. President and CEO, tel. +358 10 888 2520
Pia Aaltonen-Forsell, CFO, tel. +46 10 250 1029
Johan Lindh, Head of Investor Relations, + 46 (0)70 588 10 38
Juho Erkheikki, Investor Relations Manager, tel. +358 (0)10 888 4731

WEBCAST AND CONFERENCE CALL

A combined news conference, call and live webcast will be arranged on the publishing day, April 24, 2018, at 11:00 a.m. CEST (12:00 noon EEST) at the World Trade Center in Stockholm (Klarabergsviadukten 70, the Conference Center). The report will be presented in English by President and CEO Hans Sohlström and CFO Pia Aaltonen-Forsell.

WEBCAST AND CONFERENCE CALL INFORMATION

The combined webcast and teleconference can be viewed at:
http://qsb.webcast.fi/a/ahlstrommunksjo/ahlstrommunksjo_2018_0424_q1/

Finland: +358 (0)9 7479 0361
Sweden: +46 (0)8 5033 6574
UK: +44 (0) 330 336 9105

Conference ID: 7990757

To join the conference call, participants are requested to dial one of the numbers above 5-10 minutes prior to the start of the event. An on-demand version of the conference call will be available on Ahlstrom-Munksjö's website later the same day.

FINANCIAL REPORTS IN 2018

- *Half-year report January-June 2018* — *July 26, 2018*
- *Interim report January-September 2018* — *October 30, 2018*

AHLSTROM-MUNKSJÖ IN BRIEF

Ahlstrom-Munksjö is a global leader in fiber-based materials, supplying innovative and sustainable solutions to customers worldwide. Our offerings include decor paper, filter media, release liners, abrasive backings, nonwovens, electrotechnical paper, glass fiber materials, food packaging and labeling, tape, medical fiber materials and solutions for diagnostics. Combined annual net sales are about EUR 2.2 billion and we employ 6,000 people. The Ahlstrom-Munksjö share is listed on the Nasdaq Helsinki and Stockholm. Read more at www.ahlstrom-munksjo.com.

APPENDIX: CONSOLIDATED FINANCIAL STATEMENTS

Financial statements are unaudited. Comparison period Q1/2017 refers to standalone Munksjö Group.

INCOME STATEMENT EUR million	Q1/2018	Q1/2017	2017
Net sales	572.4	294.3	1,959.9
Other operating income	1.8	2.1	12.7
Total operating income	**574.2**	**296.4**	**1,972.6**
Operating costs			
Changes in inventories of finished goods and work in progress	15.7	0.2	-6.4
Materials and supplies	-285.4	-137.6	-920.2
Other operating expenses	-138.8	-75.7	-472.0
Personnel costs	-104.1	-53.3	-363.7
Depreciation and amortization	-29.7	-12.7	-106.6
Total operating costs	**-542.3**	**-279.0**	**-1,868.9**
Share of profit in equity accounted investments	-	-	-0.2
Operating result	**31.9**	**17.4**	**103.5**
Net financial items	-3.0	-3.7	-26.2
Profit before tax	**28.9**	**13.7**	**77.3**
Taxes	-7.7	-3.8	-10.8
Net profit	**21.2**	**9.9**	**66.5**

pro forma INCOME STATEMENT EUR million	Q1/2017	2017
Net sales	566.9	2,232.6
Other operating income	3.2	13.7
Total operating income	**570.1**	**2,246.4**
Operating costs		
Changes in inventories of finished goods and work in progress	2.9	7.5
Materials and supplies	-257.4	-1,040.1
Other operating expenses	-133.3	-529.8
Personnel costs	-106.9	-417.3
Depreciation and amortization	-32.6	-126.5
Total operating costs	**-527.3**	**-2,106.2**
Share of profit in equity accounted investments	-	-0.2
Operating result	**42.9**	**140.0***
Net financial items	-8.1	-30.4
Profit before tax	**34.9**	**109.6**
Taxes	-10.7	-21.1
Net profit	**24.2**	**88.5***

**Fair valuation adjustment EUR -11 million (EUR -7.6 million net of tax) on acquired Ahlstrom inventories is excluded as it is adjusted in the 2016 pro forma income statement.*

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OTHER COMPREHENSIVE INCOME EUR million	Q1/2018	Q1/2017	2017
Net profit	**21.2**	**9.9**	**66.5**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations for the period	-15.2	1.7	-53.6
Hedges of net investments in foreign operations	0.0	-	0.1
Change in cash flow hedge reserve	-1.9	-0.1	0.8
Cash flow hedge transferred to this year's result	-0.3	0.5	-0.7
Items that will not be reclassified to profit or loss			
Actuarial gains and losses on defined benefit plans	3.5	-	5.9
Tax attributable to other comprehensive income	-0.4	-0.1	-1.7
Comprehensive income	**7.0**	**11.9**	**17.2**
Net profit attributable to			
Parent company's shareholders	21.0	9.9	65.9
Non-controlling interests	0.2	0.0	0.6
Comprehensive income attributable to			
Parent company's shareholders	6.7	11.9	16.8
Non-controlling interests	0.3	0.0	0.4
Earnings per share			
Weighted average number of outstanding shares	96,073,711	50,761,581	84,941,326
Basic earnings per share, EUR	0.22	0.20	0.78
Diluted earnings per share, EUR	0.22	0.20	0.78

pro forma	Q1/2017	2017
Earnings per share		
Weighted average number of outstanding shares	96,138,573	96,130,173
Basic earnings per share, EUR	0.25	0.91

BALANCE SHEET EUR million	Mar 31, 2018	Mar 31, 2017	Dec 31, 2017	pro forma April 1, 2017
ASSETS				
Non-current assets				
Property, plant and equipment	826.0	419.5	841.7	882.5
Goodwill	426.9	226.2	429.4	439.9
Other intangible assets	302.6	43.1	309.2	331.9
Equity accounted investments	-	2.2	1.2	2.2
Other investments	1.6	0.2	0.5	0.5
Other receivables	6.9	5.9	7.1	12.8
Deferred tax assets	1.9	39.9	15.1	80.3
Total non-current assets	**1,566.0**	**737.0**	**1,604.2**	**1,750.2**
Current assets				
Inventories	301.1	159.7	282.3	291.5
Trade and other receivables	291.1	155.0	259.3	277.6
Income tax receivables	5.7	2.2	5.1	3.1
Cash and cash equivalents	224.9	121.9	245.9	200.6
Total current assets	**822.9**	**438.8**	**792.6**	**772.8**
TOTAL ASSETS	**2,388.9**	**1,175.8**	**2,396.8**	**2,523.0**
EQUITY AND LIABILITIES				
Equity	**993.9**	**427.4**	**1,038.0**	**1,062.6**
Non-current liabilities				
Non-current borrowings	538.8	285.3	542.3	466.6
Other non-current liabilities	0.7	0.9	0.5	0.9
Employee benefit obligations	93.0	54.6	98.1	109.6
Deferred tax liabilities	92.7	66.7	105.5	185.3
Provisions	16.6	14.6	17.7	12.5
Total non-current liabilities	**741.9**	**422.1**	**764.1**	**774.9**
Current liabilities				
Current borrowings	81.5	21.3	78.9	166.5
Trade and other payables	559.9	289.4	502.9	495.2
Income tax liabilities	6.6	13.4	4.1	19.3
Provisions	5.1	2.2	8.8	4.4
Total current liabilities	**653.1**	**326.3**	**594.6**	**685.4**
Total liabilities	**1,395.0**	**748.4**	**1,358.8**	**1,460.3**
TOTAL EQUITY AND LIABILITIES	**2,388.9**	**1,175.8**	**2,396.8**	**2,523.0**

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STATEMENT OF CHANGES IN EQUITY

1) Share capital
2) Reserve for invested unrestricted equity
3) Other reserves
4) Treasury shares
5) Cumulative translation adjustment
6) Retained earnings
7) Total equity attributable to the parent company's shareholders
8) Non-controlling interests
9) Total equity

EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)
Balance at January 1, 2017	**15.0**	**254.1**	**384.4**	**-3.1**	**-9.9**	**-206.8**	**433.7**	**4.0**	**437.7**
Net profit	-	-	-	-	-	9.9	9.9	0.0	9.9
Other comprehensive income	-	-	0.3	-	1.7	-	2.0	-	2.0
Total comprehensive income	**-**	**-**	**0.3**	**-**	**1.7**	**9.9**	**11.9**	**0.0**	**11.9**
Return of capital and dividends	-	-22.8	-	-	-	-	-22.8	-0.3	-23.1
Long term incentive plan	-	-	-	-	-	0.9	0.9	-	0.9
Balance at March 31, 2017	**15.0**	**231.3**	**384.7**	**-3.1**	**-8.2**	**-196.0**	**423.7**	**3.7**	**427.4**
Balance at December 31, 2017	**85.0**	**517.6**	**384.5**	**-6.3**	**-63.3**	**111.7**	**1,029.1**	**8.9**	**1,038.0**
Restatement due to IFRS 9	-	-	-	-	-	-1.6	-1.6	-	-1.6
Balance at January 1, 2018	**85.0**	**517.6**	**384.5**	**-6.3**	**-63.3**	**110.1**	**1,027.5**	**8.9**	**1,036.5**
Net profit	-	-	-	-	-	21.0	21.0	0.2	21.2
Other comprehensive income	-	-	-1.7	-	-15.2	2.7	-14.3	0.0	-14.2
Total comprehensive income	**-**	**-**	**-1.7**	**-**	**-15.2**	**23.7**	**6.7**	**0.3**	**7.0**
Dividends and other	-	-	-	-	-	-50.1	-50.1	-0.3	-50.4
Long term incentive plan	-	-	-	-	-	0.8	0.8	-	0.8
Balance at March 31, 2018	**85.0**	**517.6**	**382.7**	**-6.3**	**-78.5**	**84.5**	**985.0**	**8.9**	**993.9**

CASH FLOW STATEMENT EUR million	Q1/2018	Q1/2017	2017
Cash flow from operating activities			
Net profit	21.2	9.9	66.5
Adjustments, total	39.5	20.2	138.3
Changes in net working capital	-43.9	-8.9	25.2
Change in provisions	-3.6	0.0	9.5
Financial items	-3.9	-2.7	-17.3
Income taxes paid / received	-4.2	-2.0	-35.6
Net cash from operating activities	**5.2**	**16.5**	**186.5**
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets	-25.6	-11.1	-84.6
Other investing activities	0.0	-	4.8
Net cash from investing activities	**-25.6**	**-11.1**	**-79.7**
Cash flow from financing activities			
Dividends paid and other	-0.3	-20.8	-48.5
Interest on hybrid bond	-	-	-6.9
Repurchase of hybrid bond	-	-	-100.0
Change in loans and other financing activities	2.7	-8.4	97.5
Sale/repurchase of own shares	-	-	-5.6
Net cash from financing activities	**2.4**	**-29.2**	**-63.6**
Net change in cash and cash equivalents	**-18.0**	**-23.8**	**43.2**
Cash and cash equivalents at the beginning of the period	245.9	146.0	146.0
Cash and cash equivalents received in the merger	-	-	66.6
Foreign exchange effect on cash and cash equivalents	-3.0	-0.3	-9.9
Cash and cash equivalents at the end of the period	**224.9**	**121.9**	**245.9**

pro forma CASH FLOW STATEMENT EUR million	Q1/2017	2017
Net cash from operating activities	**42.9**	**212.9**

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

This unaudited consolidated quarterly interim report has been prepared in accordance with "IAS 34 Interim Financial Reporting", as adopted by the EU. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Furthermore, all percentages are subject to possible rounding differences. The accounting principles applied remain unchanged compared with the Annual Report 2017 of Ahlstrom-Munksjö except for the impact of the new standards adopted January 1, 2018.

IFRS 15 Revenue from contracts with customers

The Group has adopted IFRS 15 Revenue from Contracts with Customers January 1, 2018. IFRS 15 replaces the revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations. IFRS 15 establishes a five-step single comprehensive model for entities to use in accounting for

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revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the good or service underlying the particular performance obligation is transferred to the customer.

The Group is delivering goods to the customer where each good provided to the customer is distinct from the other goods provided to the customer. A typical good consist of a packed sheet of paper, a roll of paper or a cube of pulp. The Group does not provide services. Sale of goods is the only revenue stream of the Group and that consists of the following business areas: Decor, Filtration and Performance. Industrial Solutions, and Specialties. A typical contract with customer consists of purchase order and order confirmation, including the general terms and conditions of the arrangement. Compared to the previous accounting standard, the new standard does not entail any change in identification and accounting for the delivery of goods in Ahlstrom-Munksjö. Revenue is recognized at point in time when control of goods has been transferred to the customer.

The Group adopted the new standard using the full retrospective method. The Group has performed an assessment of IFRS 15 impacts and as a result, there were no significant accounting changes compared to the previous practice and thus there was no impact to the financial statements.

IFRS 9 Financial instruments

The Group has adopted IFRS 9 Financial Instrumentson January 1, 2017. The new standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new expected credit loss model for calculating impairment on financial assets. The impacts of IFRS 9 adoption are described below

Under IFRS 9, the classification and measurement of financial assets are based on the cash flow characteristics of them and the business model they are managed in. The Group has categorized its financial assets to financial assets measured at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income. The reclassification has not had any impact on equity.

The classification of the financial assets under IFRS 9:

	Classification under IFRS 39	**Classification under IFRS 9**
Trade and other receivables	Loans and receivables	Amortised cost
Other investments	Available-for-sale financial assets	Fair value through profit and loss (or other comprehensive income)
Derivatives under hedge accounting	Derivatives used for hedging (at fair value through other comprehensive income)	Fair value through other comprehensive income (FVOCI)
Derivatives, non hedge accounting	Fair value through profit and loss	Fair value through profit or loss (FVPL)

The new rules of IFRS 9 for hedge accounting aligns more closely with common risk management practices and, among others, allows net position hedging. The Group applies the new hedge accounting requirements prospectively. The Group hedges the foreign currency flows on a net exposure basis. The cash flow hedging is applied against the expected net cash flows, consisting of related sales proceeds and purchases in the same currency. The new rules of IFRS 9 for hedge accounting had no impact on the reporting period January-March 2018.

According to IFRS 9 the impairment assessment of financial assets is based on expected credit loss model. The impairment is based on forward-looking information as well as past experience and current expectations. The Group estimates the credit risk for financial assets, mainly trade receivables, measured at amortized cost at the end of each reporting period.

The Group applies the simplified approach to assess the credit risk of trade receivables. The loss allowance is measured at the estimate of the lifetime expected credit losses, which are recognized based on ageing categories of trade receivables. The Group has historically low levels for realized credit losses in trade receivables and the Group also has a credit insurance program in place. Due to the new expected credit loss model the Group has made an adjustment of EUR -1.6 million in retained earnings and trade receivables for the opening balance of January 1, 2018. Comparatives for 2017 are not restated.

Derivative financial instruments

The fair value of currency instruments was EUR -2.8 million and the interest rate instruments was EUR -0.1 million at the end of the first quarter. The fair value hierarchy level for derivative instruments is 2.

Segment information

	Q1/2018	Q4/2017	Q3/2017	Q2/2017	pro forma Q1/2017
NET SALES, EUR million					
Decor	99.8	94.2	90.5	98.2	95.4
Filtration and Performance	167.0	159.9	162.0	174.3	169.0
Industrial Solutions	166.7	158.7	155.9	162.5	163.7
Specialties	145.9	138.9	138.3	151.1	145.9
Other and eliminations	-6.9	-4.7	-5.1	-9.2	-7.1
Group	**572.4**	**547.1**	**541.6**	**576.9**	**566.9**
COMPARABLE EBITDA, EUR million					
Decor	6.3	8.6	5.8	8.1	11.3
Filtration and Performance	28.7	24.6	31.1	33.1	31.8
Industrial Solutions	23.6	25.3	26.8	27.9	28.4
Specialties	12.0	10.2	10.4	14.7	17.5
Other and eliminations	-3.9	-5.7	-3.7	-6.4	-9.5
Group	**66.7**	**63.1**	**70.4**	**77.4**	**79.4**
COMPARABLE EBITDA margin, %					
Decor	6.3%	9.2%	6.4%	8.2%	11.8%
Filtration and Performance	17.2%	15.4%	19.2%	19.0%	18.8%
Industrial Solutions	14.1%	16.0%	17.2%	17.2%	17.4%
Specialties	8.2%	7.3%	7.5%	9.7%	12.0%
Other and eliminations					
Group	**11.7%**	**11.5%**	**13.0%**	**13.4%**	**14.0%**

Net sales by region

EUR million	Q1/2018	Q1/2017	2017
Europe	344.8	210.0	1,161.3
Americas	131.9	42.3	459.3
Asia	85.0	35.5	304.5
Rest of the world	10.7	6.6	34.8
Total	**572.4**	**294.3**	**1,959.9**

Changes in property, plant and equipment

EUR million	Q1/2018	Q1/2017	2017
Book value at 1 Jan	841.7	421.1	421.1
Merger	-	-	448.9
Additions	19.4	9.4	88.0
Disposals	-0.1	0.0	-2.6
Depreciations	-24.4	-11.4	-88.3
Translation differences and other changes	-10.6	0.5	-25.4
Book value at the end of period	**826.0**	**419.5**	**841.7**

Commitments

OFF-BALANCE SHEET COMMITMENTS EUR million	Q1/2018	2017
Assets pledged		
Pledges	1.8	1.8
Commitments		
Guarantees and commitments given on behalf of Group companies	67.1	68.6
Capital expenditure commitments	5.7	10.3
Other guarantees and commitments	4.6	5.3

FUTURE OPERATING LEASE COMMITMENTS EUR million	Q1/2018	2017
Current portion	10.5	11.3
Non-current portion	26.9	28.6
Total	**37.4**	**39.9**

Quarterly comparison data is not presented for commitments as the data is not available.

Key figures

The comparison year 2017 was a transformative year for Ahlstrom-Munksjö. Ahlstrom and Munksjö merged on April 1, 2017 creating a global leader in innovative and sustainable fiber-based materials. Considering the magnitude of the merger of Ahlstrom and Munksjö and the impact on the combined company's performance and financial position and as Munksjö is the accounting acquirer, stand-alone Munksjö historical information does not provide our investors a reasonable basis to compare the operating performance and historical financial position.

Accordingly, we present certain historical key figures on our business performance on a pro forma basis to give effect to the merger and the refinancing as if these transactions had taken place at an earlier date. Comparative key figures for capital structure are presented on a pro forma basis as at the merger date as the historical balance sheet data comprise Munksjö information only and does not represent a basis for comparison post-merger. The pro forma key figures have been presented for illustrative purposes only and address a hypothetical situation and therefore do not represent the company's actual historical results of operations as such historical data comprise Munksjö stand-alone information only. For a detailed basis of presentation and notes disclosures for the additional unaudited pro forma information please see our stock exchange release dated 15 May 2017 available on our website at www.ahlstrom-munksjo.com.

Certain of our key figures are not accounting measures defined or specified under IFRS and therefore are considered as alternative performance measures. We present these alternative performance measures as additional information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS. The company believes that the alternative performance measures provide significant additional information on Ahlstrom-Munksjö's results of operations, financial position and cash flows, and are widely used by our analysts, investors and other parties and provide additional information to analyze our performance and capital structure.

Alternative performance measures should not be viewed in isolation or as a substitute to measures presented in our audited IFRS financial statements. Companies do not calculate alternative performance measures in a uniform way, and therefore Ahlstrom-Munksjö's alternative performance measures may not be comparable with similarly named measures presented by other companies.

Alternative performance measures and pro forma key figures are unaudited.

CONSOLIDATED KEY FIGURES	Q1/2018	Q1/2017	2017
Margins			
EBITDA margin, %	10.8%	10.2%	10.7%
Operating margin, %	5.6%	5.9%	5.3%
Return (12 months continuous)			
Return on operating capital, % (comparable)	14.5%	13.7%	13.2%
Capital structure at the end of period			
Operating capital, MEUR	1,481.0	650.1	1,502.8
Total equity, MEUR	993.9	427.4	1,038.0
Interest-bearing net debt, MEUR	395.4	184.7	375.3
Gearing ratio, %	39.8%	43.2%	36.2%
Equity/assets ratio, %	41.6%	36.3%	43.3%
Share related indicators			
Earnings per share, EUR (before and after dilution)	0.22	0.20	0.78
Operating cash flow per share, EUR	0.05	0.33	2.20
Equity per share, EUR	10.3	8.4	10.7
Number of shares outstanding at the end of the period	96,073,711	50,761,581	96,073,711
Weighted average number of outstanding shares	96,073,711	50,761,581	84,941,326
Capital expenditure, MEUR	25.6	11.1	84.6
Average number of employees, FTE	5,893	2,751	5,109

AHLSTROM MUNKSJÖ

Reconciliation of certain key performance measures

RECONCILIATION OF COMPARABLE EBITDA TO OPERATING RESULT EUR million	Q1/2018	pro forma Q1/2017	pro forma 2017
Comparable EBITDA	**66.7**	**79.4**	**290.4**
Items affecting comparability			
Items affecting comparability reported historically in EBITDA	-	-5.4	-1.2
Transaction and integration costs incurred	-2.8	7.1	-11.7
Gain on business disposal	-	-5.7	-5.0
Other	-2.2	-	-5.9
Total items affecting comparability	**-5.0**	**-4.0**	**-23.8**
Depreciation and amortization	-29.7	-32.6	-126.5
Operating result pro forma	**31.9**	**42.9**	**140.0**
Operating result of the merged company before the merger and merger related items	-	-25.5	-36.5
Operating result	**31.9**	**17.4**	**103.5**

RECONCILIATION OF COMPARABLE OPERATING RESULT EXCL. DEPRECIATION ARISING FROM MERGERS TO OPERATING RESULT, EUR million	Q1/2018	pro forma Q1/2017	pro forma 2017
Comparable operating result excl. depreciation arising from mergers	**44.6**	**54.5**	**195.2**
Depreciation and amortization arising from PPA*	-7.6	-7.7	-31.4
Comparable operating result	**37.0**	**46.8**	**163.8**
Items affecting comparability			
Items affecting comparability reported historically in operating result	-	-5.4	-1.2
Transaction and integration costs incurred	-2.8	7.1	-11.7
Gain on business disposal	-	-5.7	-5.0
Other	-2.2	-	-5.9
Total items affecting comparability	**-5.0**	**-4.0**	**-23.8**
Operating result pro forma	**31.9**	**42.9**	**140.0**
Operating result of the merged company before the merger and merger related items	-	-25.5	-36.5
Operating result	**31.9**	**17.4**	**103.5**

** Depreciation and amortization relating to business combination of Label and Processing business in 2013 and Ahlstrom in April 2017.*

CALCULATION OF KEY FIGURES

Key figure	Definitions	Reason for use of the key figure
Operating result	Net profit before taxes and net financial items	Operating result shows result generated by the operating activities
Operating margin, %	Operating result / net sales	
EBITDA	Operating result before depreciation and amortization	EBITDA is the indicator to measure the performance of the group. EBITDA margin is a key measure in our long-term financial targets.
EBITDA margin, %	EBITDA / net sales	
Comparable EBITDA	EBITDA excluding items affecting comparability	Comparable EBITDA, comparable EBITDA margin, comparable operating result excluding depreciations arising from merger and comparable earnings per share excluding depreciations arising from merger are presented in addition to EBITDA and operating result to reflect the underlying business performance and to enhance comparability from period to period. Ahlstrom-Munksjö believes that these comparable performance measures provide meaningful supplemental information by excluding items outside ordinary course of business including PPA related depreciation and amortization, which reduce comparability between the periods.
Comparable EBITDA margin, %	Comparable EBITDA / net sales	
Comparable operating result	Operating result excluding items affecting comparability	
Comparable operating result margin, %	Comparable operating result / net sales	
Comparable operating result excluding depreciations arising from merger	Operating result excluding items affecting comparability and depreciations arising from merger (PPA) Merger related items (PPA) comprises of depreciation and amortization charges on fair value adjustments relating to the acquisition of Label and Processing business in 2013 and Ahlstrom in April 2017.	
Comparable earnings per share excluding depreciations arising from merger	Net profit attributable to parent company's shareholders excluding items affecting comparability and depreciations arising from merger (PPA) / weighted average number of shares outstanding	
Items affecting comparability	Material items outside ordinary course of business, such as gains and losses on business disposals, direct transaction costs related to business acquisitions, costs for closure of business operations and restructurings, one-off items arising from purchase price allocation such as inventory fair value adjustments, compensation related to environmental damages arising from unexpected or rare events and other items including fines (such as VAT tax audit fines) or other similar stipulated payments.	
Earnings per share (EPS), basic, EUR	Net profit attributable to parent company's shareholders / weighted average number of shares outstanding	
Operating capital	Total assets less interest-bearing assets, deferred and current tax assets, other non-current and current liabilities, employee benefit obligations, non-current and current provisions, accounts payable, liabilities to equity accounted investments, accrued expenses and deferred income,	This ratio measures capital tied up in operations
Return on operating capital, %	Operating result (for the last 12 months) / operating capital (average at the beginning and end of the last 12 months period)	This ratio measures the return on capital tied up in operations
Net debt	Non-current and current borrowings less cash and cash equivalents	Net debt is an indicator to measure the total external debt financing of the Group
Gearing ratio, %	Net debt / total equity	Ahlstrom-Munksjö believes that Gearing ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Group's indebtedness. Gearing ratio is also one of our long-term financial targets measure.
Equity/assets ratio, %	Total equity / total assets	Ahlstrom-Munksjö believes that Equity/assets ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Group's capital used in the operations.
Capital expenditure	Purchases for property, plant and equipment and intangible assets as presented in the cash flow statement.	Capital expenditure provides additional information of the cash flow needs of the operations.
Equity per share, EUR	Equity attributable to parent company's shareholders / number of shares outstanding at the end of the period	
Operating cash flow per share, EUR	Operating cash flow / weighted average number of shares outstanding	

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