ANNUAL REPORT 2015

AHLSTROM

TABLE OF CONTENTS

YEAR 2015

In 2015, Ahlstrom's operating profit excluding non-recurring items rose by 66.1% to EUR 47.5 million. This was primarily due to an ongoing commercial excellence program, which has resulted in higher margins and a better product mix, as well as lower fixed costs. We achieved the highest operative profit and margin in the current structure of the company.

Contents

CEO's review

Looking at the at the current structure of the company, we have delivered a record operating profit and margin excluding non-recurring items and the highest cash flow since 2012.

Ahlstrom's financial performance clearly improved in 2015. Looking at the at the current structure of the company, we have delivered a record operating profit and margin excluding non-recurring items and the highest cash flow since 2012. Our people have performed very well despite challenges such as unfavorable demand in some of our key markets in the second half of the year. We have really shown our ability to deliver according to our two priorities set for the year: one being improving the bottom line and the other one strengthening the balance sheet.

I would also like to highlight a few things at the business area level. The Filtration business area delivered a solid result, focusing on price and margin restoration, and compensating for the lack of volumes. So overall, the business performed in line with the previous year.

In the Building and Energy business area we have seen a dramatic improvement. We have turned around our glassfiber business, filled our wallcovering material assets in Europe as much as we could despite the lack of demand in Europe, increased dramatically the capacity utilization of our new wallcovering materials production line in Binzhou, China, and lifted sales from the businesses that we wanted to grow, particularly in the industrial non-wovens area.

In the Food and Medical business area we doubled our results compared to the previous year. When isolating the Food business, I can say that this operation has been one of the best in our entire portfolio. But I must also highlight the good effort that has been made in the Medical side of the business area, particularly in high-performance gowns and drapes.

Looking ahead

We start the new year with a much stronger balance sheet thanks to improved cash flow generation and the sale of non-core financial assets during last year. At the beginning of this year, we also announced our redefined strategy and new long-term financial targets extending to the year 2018 following a comprehensive review. We are committed to growing and creating stakeholder value by providing the best performing sustainable fiber-based materials. Our vision is to be our customers' first choice.

As part of the implementation the company's business structure was simplified and organized into two segments, both of which have business unit specific strategies and operating models. This enables us 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 outlines the change in strategy and is focused on commercial excellence, a new lean operating model, organic growth via higher asset turnover and growth via new platforms. As we look into the year 2016, our focus will be on the implemetation of our redefined strategy and we will continue to make every effort in order to improve our performance further.This journey will be exciting as we are building a stronger customer-driven company that is lean and focused.

Best regards,

Marco Levi

WATCH THE CEO'S REVIEW

MAJOR EVENTS IN EARLY 2016

Agreement to divest the glassfiber business signed
Redefined strategy and new long-term financial targets announced

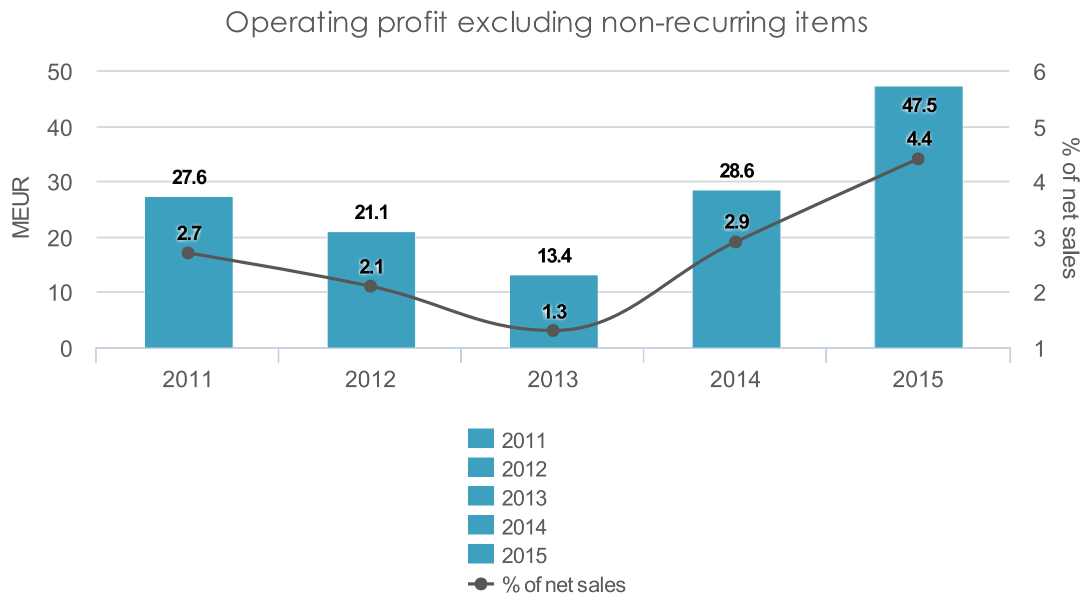
Key figures

In 2015, Ahlstrom's net sales rose by 7.4% to EUR 1,074.7 million. The increase was due to a favorable currency effect as higher selling prices and better product mix were offset by lower sales volumes. In terms of operating profit and margin we reached a record in the current business portfolio structure of the company. Operating profit excluding non-recurring items rose by 66.1% to EUR 47.5 million, representing 4.4% of net sales. Our balance sheet strengthened and gearing ratio came down to 65.4% from 79.3%. This was achieved through the best operating cash flow in three years, driven by improved profitability and lower investments, and the sale of non-core financial assets.

The operating environment in our main markets varied, depending on the region and market in question. Unfavorable demand was experienced in some key markets in the second half of the year. The slowdown was most visible in the Filtration business area, and particularly in engine filtration. The Food and Medical business area was also impacted by this to some extent, but as a whole it consistently improved during the year. The Building and Energy business are continued to make very good progress in terms of growth.

Performance against the key social and environmental targets is presented in the tables below. More details on our employee engagement, safety performance, and raw material and energy consumption can be found in the *Sustainability* section.

Our aim is to increase shareholder value. By fulfilling this commitment we also create value to society at large. The table on the direct economic value generated and distributed can be found in the *Integrating Sustainability* section of this report. It shows the impact of our operations to different stakeholder groups, including employees and communities. You can read more about how we create value in the *Strategy & Value creation* section.



Major events during 2015

- EUR 180 million three-year revolving credit facility was signed, replacing an existing facility.
- Ahlstrom GenCollect™ and GenCollect™ Color, two products to provide an easy and cost effective solution for collection of DNA were launched
- The remaining shares held by Ahlstrom in Munksjö Oyj were sold. In 2015, Ahlstrom sold 4.8 million Munksjö shares for total of about EUR 44.4 million.
- In October, a safety week was held across all sites and offices to increase awareness on safe workplace
- Ahlstrom's investor website was awarded as the best among mid-sized companies listed on the Nasdaq Helsinki
- A new business structure was announced to increase market and customer focus

Areas for improvement

- Safety - we did not meet a very ambitious target, but the goal represents not just a commitment but belief that Ahlstrom can be accident free.
- Profitability improved for the second consecutive year, albeit still not meeting long-term targets

Financial key figures

EUR million	2015	2014	Change, %
Net sales	1,074.7	1,001.1	7.4
EBITDA excl. non-recurring items	104.8	78.6	33.2
% of net sales	9.7	7.9	
Operating profit / loss	21.9	-3.7	
% of net sales	2.0	-0.4	
Operating profit excluding non-recurring items	47.5	28.6	66.1
% of net sales	4.4	2.9	
Profit / loss before taxes	22.6	-9.4	
Profit / loss for the period	8.6	-10.3	
Earnings per share	0.06	-0.22	
Return on capital employed	3.9	-0.5	
Net cash from operating activities*	60.0	35.4	69.2
Capital expenditure (excluding acquisitions)	27.3	45.4	-39.9
Interest-bearing net liabilities*	195.9	253.8	-22.8
Gearing ratio*	65.4	79.3	
Dividend per share	0.31**	0.30	

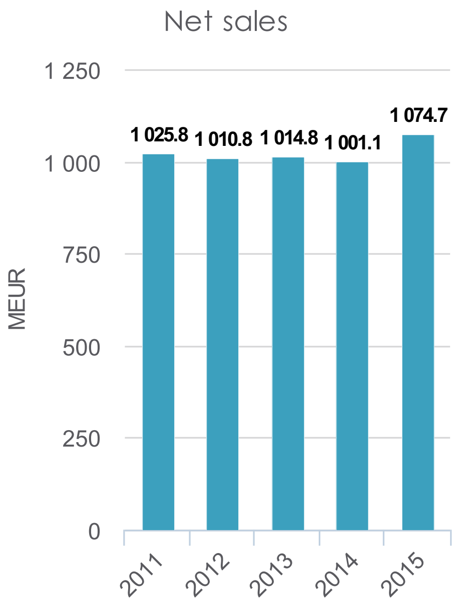
EBITDA = earnings before interest, taxes, depreciation and amortization
* Including discontinued operations in 2014
** The Board of Directors' proposal to the Annual General Meeting

Environmental key figures

	2015*	2014*	Long-term goal
Electricity consumption, MWh/ton	1.32	1.34	20% reduction by 2020
Direct CO_2 emissions, kg/ton	765	761	
Waste to landfill, tons	4,196	3,801	Zero
Production covered by environmental management system (ISO 14001)	94%	97%	100%

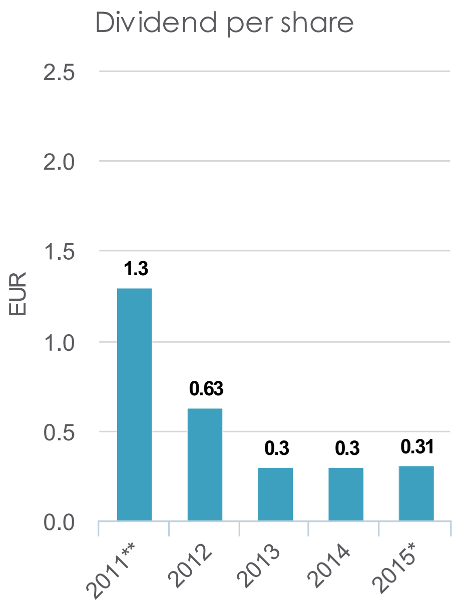
Social key figures

	2015*	2014*	Long-term goal
AFR - Accident Frequency Rate	2.8	2.8	Zero
LTA - Lost Time Accidents	17	18	Zero
TRI - Total Recordable Injury	42	49	Zero
Code of Conduct e-learning completion for white-collar employees	78%	89%	100%
Supplier Code of Conduct	99%	85%	100%
Employee engagement Index	64.7	63.4	68.0



66.1%

improvement in operating profit excluding non-recurring items



* Proposal by the Board of Directors to the AGM
** Includes an extra dividend

Ahlstrom in brief

Ahlstrom produces innovative fiber-based materials with a function in everyday life. They enable the required functionality and sustainability of our customers' products.

Our annual net sales are approximately EUR 1.1 billion and we employ about 3,300 people in 22 countries. Our products are used in a large variety of everyday consumer and industrial applications, such as filters, medical gowns and drapes, diagnostics, wallcovers, and beverage and food packaging. In line with our strategy, we are committed to growing and creating value by providing the best performing sustainable fiber-based materials.

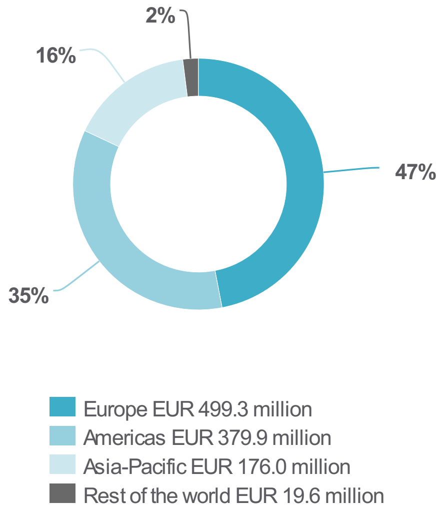
We create value by using unique know-how in combining, both natural and synthetic raw materials, with chemistry into innovative products. The majority of our fibers come from renewable sources. Sustainability is at the heart of our operations and our products are designed to minimize their environmental impacts over the whole life cycle. We offer more with less.

The needs of our customers are affected by end-user behavior, which challenges us to constantly develop and improve fiber-based material solutions. Global trends - growing global population and scarcity of resources, increased demand for greener and resource-efficient materials, emerging needs in healthcare, changes in demographics and urbanization - faced by our customers steer our product offering and provide us with a wealth of opportunities.

The market for many of our products generally grows faster than the global economy, driven by substitution of products that have traditionally been made from plastics, textiles or aluminum. The total value of the fiber-based materials market, also known as nonwovens, is approximately EUR 25 billion annually.

Our businesses serve markets including food and beverage, medical care and life science, transportation, energy, and building and decoration.

Net sales by region



Business areas

Business areas 2016

As of January 1, 2016, our business areas are Filtration & Performance, and Specialties.

Filtration & Performance: increased customer and selling focus

Business unit	Customers	Applications
Engine & Industrial	Heavy duty and automotive OEMs and suppliers, gas turbine power generators	• Oil filtration • Fuel filtration • Air filtration • Gas turbine filtration • Industrial filtration
Building & Wind*	Construction materials and flooring producers, wind turbine manufacturers, boat builders	• Flooring • Wind turbines • Boat building • Pipe renovation
Industrial non-wovens	Automotive suppliers, construction materials suppliers, textiles industry, hygiene and wound care product manufactures, laundry care suppliers	• Automotive Interiors • Plasterboard and furniture surfaces • Textiles • Laundry care • Hygiene and wound care • Wipes
Wallcover & Poster	Wallcover and poster printers	• Wallcovers • Posters

Ahlstrom has agreed to divest its Building & Wind business, the transaction is expected to be completed during the first half of 2016.

Specialties: accelerate growth in strategic segments and improve customer experience

Business unit	Customers	Applications
Foodpack & Beverage	Converters and brand owners in food packaging	• Food and ready-made meals packaging • Cooking, baking and wrapping papers • Tea bags • Single-serve coffee pods • Meat casings
Advanced liquid technologies	Laboratory consumable and equipment distributors, life science instrument and materials manufacturers, water purification equipment manufactures	• Laboratory and • micro filtration • Life science and diagnostics • Residential and industrial • Water purification
Tape	Masking tape manufacturers	• Masking tape for construction and automotive industries • Specialty masking tape
Medical	Marketers and converters in the health care industry	• Sterile barrier systems • Drapes and gowns • Facemasks

Business Areas 2015

In 2015, our operations were reported under three business areas:

- Filtration
- Building and Energy
- Food and Medical

Financial accounts and related information provided in this annual report are based under this structure. Ahlstrom plans to publish restated financial segment information before publishing its January-March 2016 interim report on April 28, 2016.

Annual Report 2015 › Strategy & Value Creation

STRATEGY & VALUE CREATION

Our strategic intent states that we are committed to growing and creating value by providing the best performing sustainable fiber-based materials. We believe that with our redefined strategy we can achieve our vision of being our customers' first choice.

Contents

Redefined strategy

During 2015 we completed a comprehensive review of our strategy.

› READ MORE

Value creation

We create value for shareholders, customers, employees, and the communities in which we operate.

› READ MORE

Market trends

Global trends steer our product offering

Demand for our product offering is supported by various global trends and market drivers. These are changing end-user behavior and affecting the needs of our customers, and challenge us to constantly develop and improve our fiber-based material solutions.

Growing global population and scarcity of resources

Our solutions

- Our production processes allow a more efficient use of raw materials, energy and water, minimizing environmental effects

Increased demand for greener and resource efficient materials

Our solutions

- We are the global leader in environmentally friendly transportation filtration media that enable reduced emissions, cleaner air and efficient energy production

Emerging needs in healthcare

Our solutions

- We focus on ease-of-use laboratory, life science and point-of-care medical testing and diagnostics, and offer a comprehensive range of single-use medical fabrics

Changes in demographics and urbanization

Our solutions

- In addition to safe and innovative food and beverage packaging materials, we are the leading provider of high-quality materials for construction, interiors, apparel and hygiene

Strategy

We are committed to growing and creating stakeholder value by proving the best performing sustainable fiber-based materials. Our vision is to be our customers' first choice.

We are in the business of providing innovative fiber-based materials with a function in everyday life. The needs of our customers are affected by end-user behavior, which challenges us to constantly develop and improve fiber-based material solutions. Global trends - *growing global population and scarcity of resources, increased demand for greener and resource-efficient materials, emerging needs in healthcare, changes in demographics and urbanization* - faced by our customers steer our product offering and provide us with a wealth of opportunities.

We truly want to create value in a way that is socially and environmentally sound.

Key success factors

Ahlstrom's strategy is built on three key success factors: *customer focused solutions with tailor-made products, leading technology and manufacturing platforms, global reach and local insights.* Our mission is to provide innovative fiber-based materials with a function in everyday life.

Customer focused solutions with tailor-made products

- We are able to respond to customer needs with agile product development yielding innovative products. This is achieved through close partnerships with customers, suppliers and other stakeholders. We also have the ability to offer a comprehensive range of customized products with superior and consistent quality.

Leading technology and manufacturing platforms

- We combine our unique know-how of mixing fibers, chemistry and materials technology. This is supported by our flexible manufacturing capabilities and unique technologies that are resource efficient and utilize renewable materials.

Global reach and local insights

- Our global product offering and operations meet local market needs with a quality customer and technical service. We have a unique and unrivalled supply platform in the industry, enabling short lead-times and logistics flexibility to customers worldwide.

New roadmap

As part of the implementation the company's business structure was simplified as of the beginning of this year and reorganized into two business areas: Filtration & Performance and Specialties. The aim of this change is to increase market and customer focus. Both segments have business unit specific strategies and operating models. This enables us 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 outlines the change in strategy and is focused on commercial excellence, a new lean operating model, organic growth via higher asset turnover and growth via new platforms.

For the next two years we have set up a new roadmap that outlines the shift in our strategy. It includes four strategic themes.

- Commercial excellence
- New lean operating model
- Organic growth via higher asset turnover
- Growth via new platforms

With these four strategic themes we will be able to build a stronger, leaner and unified company, and they will help us to reach our redefined long-term financial targets.

Long-term financial targets

As part of the redefined strategy, the Board of Directors has approved Ahlstrom's new long-term financial targets over the economic cycle:

- 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.

Values

Our values are our guiding principles for behavior and actions. Everything we do is based on them.

Passion

- We are passionate about our customers and our innovative products
- We are trustworthy and deliver on promises
- We are inspired to go the extra mile in everything we do

Respect

- We are open, transparent and consistent in our communications
- We act with integrity and respect in all that we do
- We value diversity

Achievement

- We deliver business results together as one team sharing and learning from each other
- We empower our people to take ownership and continuously improve
- We aim for enjoyment at work

Our people

New organization – Big theme in 2016 and a key area in the execution of strategy

The development of our common company culture was an important focus area in 2015. There was a strong emphasis on simplifying our common processes and developing our ways or working. We will continue to collaborate across the company and will increasingly focus on how we work together and how we share feedback amongst colleagues. By using different initiatives, we aim to create a workplace where we can have fun, while delivering great results.

One of our core processes – performance management – was simplified and further developed in many different ways and the changes made were appreciated by employees. The Human Resources function is now more aligned to our businesses through its new Business Partner role, and it has been very well received by all three business areas. We also invested in gaining a deeper understanding of the strengths and development areas of our human capital, highlighting needed actions and possible gaps.

The implementation of our redefined strategy starts with people. Implementing the new operating model means that we will have a lean and simplified organization structure, as well as a new clarity and a greater shared understanding of roles and responsibilities. It’s also about clear accountabilities and a strong, positive common culture. We started to work on these themes during 2015 and this will continue with growing momentum in 2016.

Strengthening leadership

Leadership development was one of the development focus areas identified by the feedback given by employees in the previous employee survey. This was clearly a strong area, in which we invested and delivered in total of six leadership development programs during 2015. JUMP, our early-talent program, once more brought together a strong group of early-talents from across all our regions. JUMP participants have all an internal mentor for a year to work with and support their personal development.

Mentoring is also utilized in our Talent Program, LEAP – Leading Ahlstrom performance, where it is added as an optional element to support further growth and development. We delivered two LEAP Programs that actively engaged top management and also worked with important strategy assignments as part of the Program.

For the new managers and senior professionals, we designed and delivered a program called SHIFT that was also delivered for two groups. Coaching leadership and collaboration were some of the key areas of development addressed by the program, and they continue to be key elements on which our leadership culture builds.

Stakeholder engagement: employees

We determine the engagement of our employees in the annual employee survey, utilizing its results as the main method to assess progress. By engagement, we mean the extent to which employees hold a positive attitude toward their work, the organization, and its values, and are willing to apply discretionary effort to contribute to the success of the organization. The global survey is already well-established. It was conducted for a sixth time in September 2015 in 14 languages. The response rate was high at 85.1%, showing great commitment (81.2% in 2014). A solid response rate demonstrates confidence in terms of the results being representative of the opinions of all Ahlstrom employees, as well as providing a good basis for action planning at all levels of the organization.

The results show that we are back on the right track in terms of developing engagement and our common culture. Overall, we saw improvement in most parts of Ahlstrom, and the level of the employee engagement Index increased from 63.4 to 64.7. However, we still have a long journey ahead of us to reach the external benchmark level.

Turning results into actions

Employee survey results are being cascaded throughout the organization, and the results will be shared and discussed in management, town hall and team meetings at all locations. Teams are also expected to jointly-agree on needed development actions. Additionally, key development organization-level areas are identified, and focused cross-company development actions are to be executed throughout 2016.

Collective bargaining

Collective bargaining is a form of dialog between employees, their representatives and the company. We do not collect information on the number of organized employees, but we estimate that approximately 50% of all permanent blue-collar employees are covered by collective bargaining agreements, mainly in Europe.

Ahlstrom’s European Works Council (EWC) is a way for employee representatives from each European country to give feedback to Group management about topics of current interest, and also to hear about developments within the company. The EWC held its meeting in October 2015 and the event was split into two parts:

- Employee representatives’ internal discussions
- Presentations by top management and discussions

The name of the meeting has been changed from Ahlstrom European Dialogue to Ahlstrom’s European Works Council.

Our workforce

We are a global company employing 3,310 people in 22 countries. Less than 10% of our employees work in Finland. This highly international character and diversity calls for a shared vision and values that unite us worldwide. Our Code of Conduct is the foundation in terms of how we act and treat each other.

This means we treat all our employees with respect, give them equal opportunities for personal growth and development, regardless of gender, age, race, ethnicity, disabilities, nationality, sexual orientation, religious beliefs, political affiliations, marital or economic status, or position in the company. In 2015, there were no reported incidents of any type of discrimination, nor any grievances concerning labor practices.

Employees at year end (G4-10)

	2015	2014	2013
Number of employees	3,310	3,396	3,547
Temporary, %	2.3	3.5	2.9
Permanent, %	97.7	96.5	97.1
White collar, %	37	39	41
Blue collar, %	63	61	59

Overall age distribution continues to be well-distributed within the age groups between 30 and 60. Six percent of our workforce is over the age of 60, while 14 % are younger than 30 years old. In terms of the tenure of employees, we clearly have the highest number of employees who have been in Ahlstrom more than 15 years

Number of employyes per region

	Total	Female	Male
Americas	879	19%	81%
EMEA	1,863	23%	77%
Asia-Pacific	568	21%	79%
Total	3310	22%	78%

Educational background – the number of employees with basic training has grown 3% from last year, while other categories remain steady. Employees with an MSc or PhD constitute 11% total employee numbers, an increase of 1% compared to last year.

Employee turnover total and by region (G4-LA1)

	2015	2014	2013
Total turnover rate, %	8.5	11.2	8.2
Americas	6.7	11.5	7.9
EMEA	6.3	10.1	6.6
Asia-Pacific	14.6	14.1	15.0

Turnover consists of employments terminated by the employee as well as employments that have been terminated by the company e.g. due to closing units.

Training has strongly continued across our plants, and the most common use for local training hours was Health and Safety training initiatives, constituting 33% of the total number of local training hours. The development of continuous improvement in operations – the global implementation of LEAN in particular – constituted a significant training investment during 2015, with 27% of all local training hours focusing on this area.

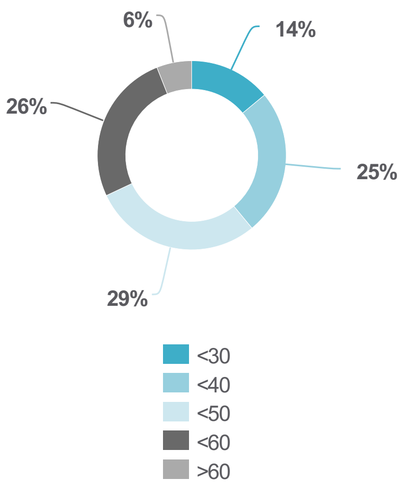
We define diversity as the hiring, developing, retaining and promoting talented individuals from many races, cultures, age groups and with different educational backgrounds. We focus on creating an environment that leverages the talents and diverse thinking of all employees, as doing so will improve Ahlstrom’s competitive position. We believe that diversity has a positive impact on our business.

Diversity by groups (H4-LA12)

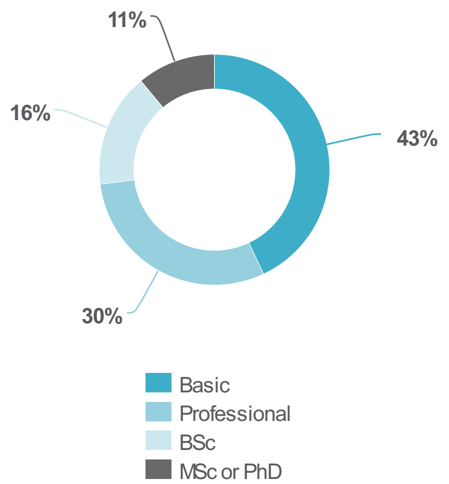
Board of Directors	2015	2014	2013
Total count	7	7	7
Women, %	14	14	14
Men, %	86	86	86
<30, %	0	0	0
30-50, %	28.6	43	43
>50, %	71.4	57	57
Number of nationalities	3	4	4

Executive management team	2015	2014	2013
Total count	8	8	10
Women, %	37.5	37.5	20
Men, %	62.5	62.5	80
<30, %	0	0	0
30-50, %	37.5	62.5	40
>50, %	62.5	37.5	60
Number of nationalities	4	4	4

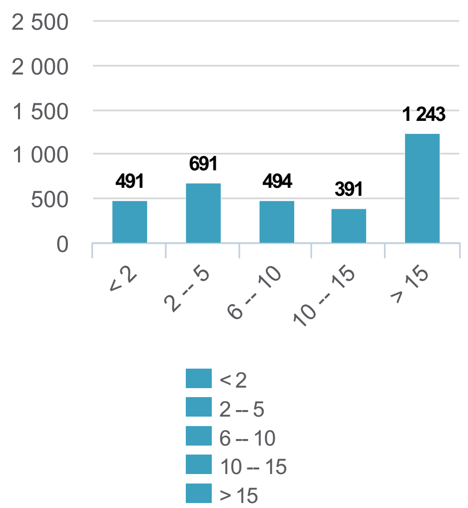
Age distribution for the total workforce



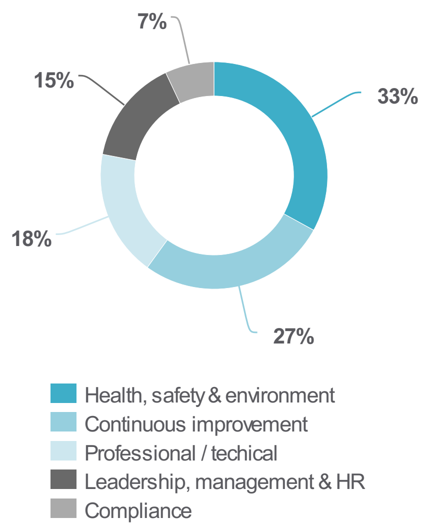
Headcount by educational level



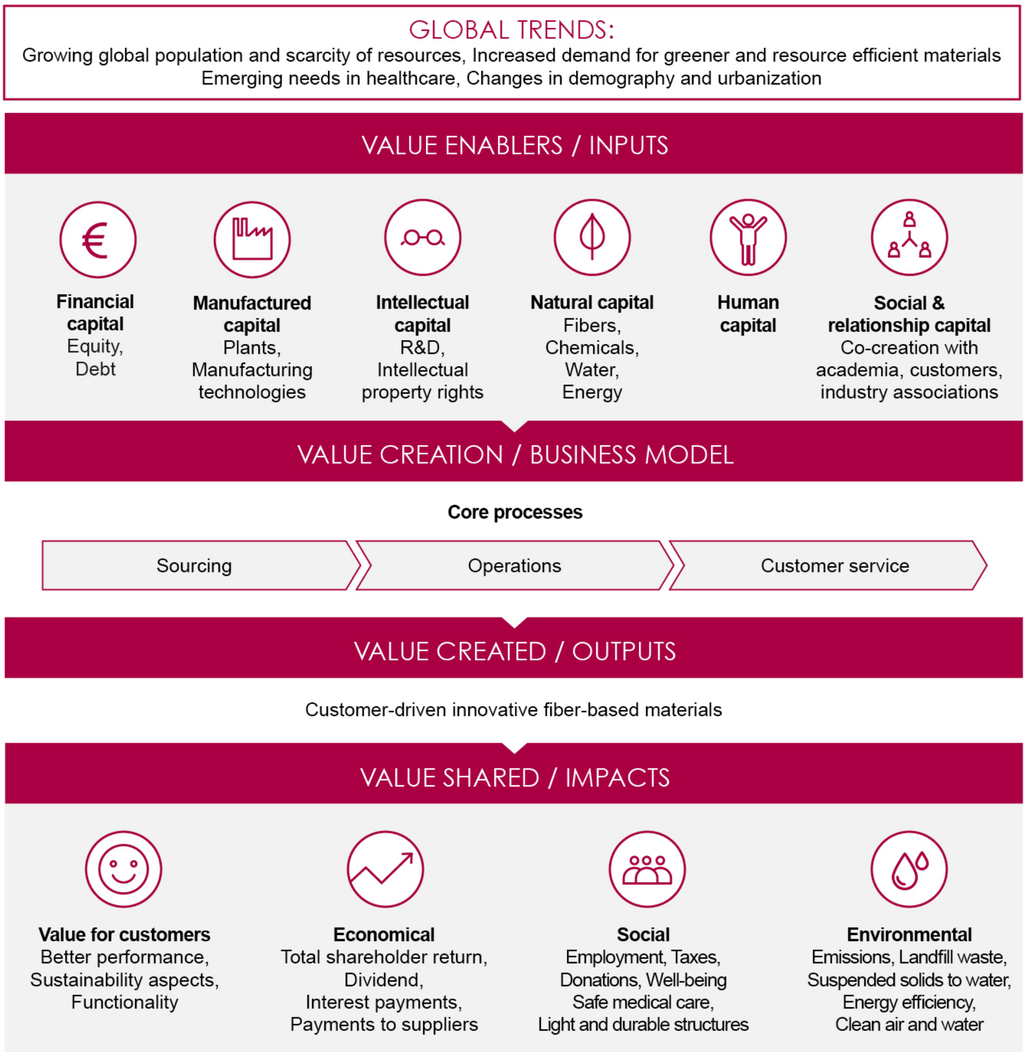
Employees' years of service



Trainings by catergory



Value creation



Ahlstrom is in the business of creating value for people and the environment, as well as for society at large. The people for whom we create value include shareholders, customers, employees, and the communities in which we operate. We conduct our business in an ethical manner.

Resources

We are committed to increasing shareholder value over time by developing and making products that provide shared value to society in a competitive, resource efficient and profitable manner. In this process, we utilize a diverse range of capital, including financial, manufacturing, intellectual, human, natural as well as social and relationship as resources. Our sourcing, operations, core processes, and customer service churn this capital into outputs: innovative fiber-based products that add value to customers. The availability of all this capital and its effective use is critical to our ability to create value over time.

Processes, products and services

Our products are innovative fiber-based materials with a function in everday life. They purify air and water, enable environmentally friendly transportation and energy production, improve people's health by providing protection and convenience in medical applications and food packaging, and enhancing quality of life in building applications.

We strive to minimize our adverse impacts such as emissions into the air, water and soil. More details on the development of our emissions can be found in the *Environmental performance* section. We use the EcoDesign approach in our product development by applying the principles of green chemistry. These principles include the removal of hazardous chemicals, use of low impact materials i.e. bio-based and recycled materials, energy efficiency and optimization of the product's end-life. Our products are designed to have a minimal environmental impact over their whole life cycle.

Impacts

The products generate various results and impacts, most of them positive. However, some are negative, such as emissions, and these we try to minimize. Our position in the value chain is one to three steps away from the final consumer or end-user.

In 2015, our shareholders' total return was 4.3%, including a dividend of EUR 14 million, or EUR 0.30 per share. We paid our creditors EUR 22.7 million in interest payments, including interest on hybrid bond.

Our products create value for customers through many benefits such as improved performance, durability and functionality, while supporting customers in tackling their sustainability issues. Considering the society at large, the current and future benefits of our products include cleaner air and water, better energy efficiency, well-being and quality of life, safe medical care, and light and durable structures.

Employee wages and benefits totaled EUR 216.6 million and national and local taxes amounted to EUR 4.7 million. In fact, our biggest impact on society is the employment of people who pay taxes. Our community investments totaled EUR 175,000. This includes a EUR 60,000 donation to Eva Ahlström Foundation to support their water, sanitation and hygiene project in India together with UNICEF. At a local level, our plants support children's activities, emergency agencies, environmental protection, senior citizens organizations and sports. Ahlstrom does not make political contributions. The table on our direct economic value generated and distributed is presented in the *Integrating sustainability* section.

Capital

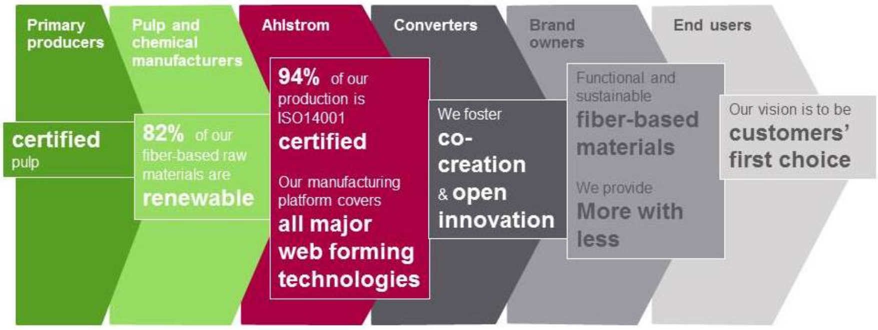
We are committed to increase shareholder value by developing and making innovative fiber-based products that provide value to society in a competitive, resource efficient and profitable manner. In this process, we utilize a diverse range of capital described below.

Financial	Manufacturing	Intellectual
Ahlstrom's financial capital is divided into equity and debt.	Ahlstrom's global manufacturing platform is unrivalled in the industry and it covers all major web forming technologies.	Customer driven innovation is crucial to Ahlstrom's success.
• Total equity EUR 299.4 million • Interest bearing net debt EUR 195.9 million • Total liquidity, including cash, unused committed credit facilities and committed cash pool overdraft limits was EUR 299.0 million. In addition, the company had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 103.6 million available.	28 plants in 13 countries: • 18 in Europe • 6 in Americas • 4 in Asia-Pacific	The company operates a research center in France and has product development activities at many sites.
In 2015: • Ebitda excluding non-recurring items EUR 104.8 million • Operating cash flow EUR 60.0 million • Capital expenditure EUR 27.3 million • Interest payments EUR 22.7million (including interest payment on hybrid bond) • Dividend payment EUR 14 million	In 2015: • Total depreciation was EUR 67.0 million	In 2015: • Research and development costs were EUR 20.9 million, or 1.9% of net sales

Natural	Human	Social & relationship
Natural capital is Ahlstrom's source of raw materials. In 2015, raw materials and energy accounted for over 60% of our total cost base, while 82% of our fiber-based raw materials came from renewable sources.	Ahlstrom has a dedicated and diverse workforce sharing our values of passion, respect and achievement.	We co-create and foster open innovation with customers, universities, research centers and industry associations.
Natural capital consumption in 2015: • Renewable fibers (e.g. pulp, viscose, abaca, cotton) 329,067 tons • Synthetic fibers (e.g. polyesters, polypropylene) 72,497 tons • Chemicals (e.g. latex, methanol, and resins) 237,779 tons • Water intake: 24.0 million cubic meters • Energy consumption: 3,605 GWh Sold production was 365,600 metric tons in 2015.	In 2015: • 3,310 employees in 22 countries • EUR 216.6 million paid in wages and benefits to employees	In 2015: • EUR 175,000 in donations including: • Eva Ahlström Foundation • Local community support

Sourcing and operations

Our products are sold to converters that are, for example, filter manufacturers, wallpaper producers, medical converters and building products companies. Their customers are again brand owners who sell to consumers via distributors and retailers. There are many variations to the overall value chain and in some cases Ahlstrom has moved vertically in the value chain e.g. in lateral flow analysis for medical diagnostics.



Responsible global sourcing

Ahlstrom has a global sourcing organization serving all businesses and plants. It is important to us that the production and supply of our raw materials does not cause harm to people, the environment or society. We have a Supplier Code of Conduct in place and signing the code is part of our sourcing Key Performance Indicators. All new suppliers must sign the code before conducting business with Ahlstrom. In 2015, 99% of our suppliers had signed the code. Our key raw materials are described in the *Environmental performance* section.

We purchase our forest fibers i.e. wood pulp from responsible sources. As these renewable fibers are our most significant raw materials we have an extensive company verification program for it.

Forestry certification is a mechanism using independent third-party assurance that the forest in question is managed according to internationally recognized sustainability criteria. The Forest Stewardship Council (FSC™) and the Program for the Endorsement of Forest Certification (PEFC™) are the two major international systems for forest certification. All of Ahlstrom's pulp suppliers in 2015 were certified according to one of them or both, while approximately 80% of the pulp was purchased as FSC or PEFC certified or FSC controlled wood. As certified pulp can only be purchased by or sold to certified plants only, the wood pulp used by our plants that do not have Chain-of-Custody certification comprised the remaining. The inputs are covered, however, by our own verification system.

Chain-of-Custody certification is a way of tracking wood-based raw materials from the forest to the consumer, at each change in ownership. We use SGS SA (formerly Societe General de Surveillance SA) to audit this for us, and we had 13 certified plants at the end of 2015. Some of our customers are reluctant to obtain this certification, therefore limiting our ability to have more Chain-of-Custody certified plants.

SGS has also verified our due diligence system for the EU Timber Regulation. The purpose of this system is to prevent Ahlstrom from placing illegal timber products on the EU market.

Operations

Ahlstrom's two business areas have full responsibility of operations that include manufacturing, engineering and logistics. In addition, the business areas are responsible for sales and marketing, technical customer service, and product development. This structure allows better accountability and less complexity within the company.

Certified production

Our aim is to minimize the impact from our operations and all of them have implemented precautionary actions to diminish any harm they would do to the environment. This means that in case of threats of serious damage, a lack of full scientific certainty is not used as a reason for postponing cost-effective measures to prevent environmental degradation to the environment. One of our key objectives is to have an environmental management system in place in each plant. In 2015, 94% (97% in 2014) of the production had an ISO14001 certification. Only three of our plants do not yet have such certification, and one plant has part of its production certified. A detailed list of certifications can be found on our website www.ahlstrom.com/sustainability.

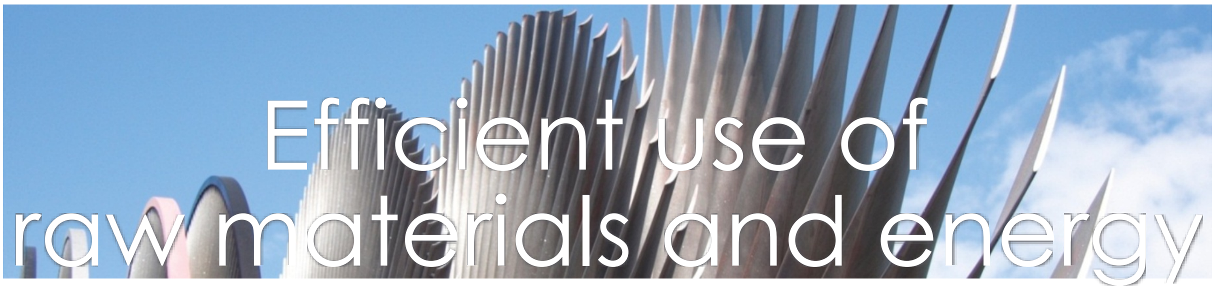
Clean water is becoming scarcer and we have also assessed this at our operating sites. Among our 28 plants, Louveira in Brazil (Atlantic Forest), Turin and Fabriano in Italy as well as Brignoud in France (Mediterranean basin) are located in biodiversity hotspot areas as defined in the WBCSD Global Water Tool (www.waterfootprint.org). This underlines the importance of having a robust environmental management system in place. Our water balance is reported in the environmental performance section.

99%

of suppliers had signed the Supplier Code of Conduct.

94%

of our production had an ISO14001 certification in 2015.



SUSTAINABILITY

Our strategic intent of being committed to growing and creating stakeholder value by providing the best performing sustainable fiber-based materials also captures well our approach to sustainability. We are in the business of creating value for people and the environment and we act with integrity and respect in all that we do.

Contents

Integrating sustainability

Our strategic intent of being committed to growing and creating stakeholder value by providing the best performing sustainable fiber-based materials also captures well our approach to sustainability. We are in the business of creating value for people and the environment and we act with integrity and respect in all that we do.

We feel that being responsible is in the heart of our business and our products are designed to offer a function in everyday life. Our customer-driven products enable sustainable and high-performance end use.

Economic responsibility means that we ensure the profitability of our business, while acting in an ethical manner. Social responsibility means safety, employee well-being, respecting human rights and making Ahlstrom a great and inspiring place to work. Environmental responsibility means minimizing the environmental impacts of both our operations and products, and also helping our customers to solve their sustainability challenges. In the following sections you can read more about our performance around these topics and how we manage sustainability aspects.

Direct economic value generated and distributed (G4-EC1)

EUR million	2015	2014	2013
Direct economic value generated			
Revenues (including financial income)	1,095.1	1017.8	1016.1
Direct economic value distributed			
Operating costs (excluding depreciation and impairments)	-761.5	-723.7	-730.9
Employee wages and benefits	-216.6	-210.9	-219.2
Payments to providers of capital (including interest income, other financing income, dividends paid and interest paid on hybrid bond)	-40.0	-43.5	-56.7
Community investments	-0.2	-0.1	-0.1
Taxes	-4.7	-1.0	-4.4
Economic value retained	**72.0**	**38.5**	**4.8**

Stakeholder engagement

Interaction with our external and internal stakeholders is a critical part of our operations and success. We invite anybody with an interest in what we do to enter into dialog with us and provide feedback. It is very important for us to continuously improve our way of working and enhance performance. The table below lists some of our most important stakeholders and how we engaged with them in 2015.

	Engagement	Topics & issues
Customers	• Face-to-face meetings and other contacts • Exhibitions and trade shows • Customer service satisfaction survey • Website, e-newsletters, social media • Joint product development projects • Sustainability reporting	• Focus on improving response time to inquiries and overall customer service • Sales tools training
Suppliers	• Face-to-face meetings • Supplier performance evaluations • Joint projects in supply chain, product development, cost reduction and sustainability	• Sharing of short and medium term supply needs • Supplier Relationship Management process continued • Working capital and supply security agreements • Corrective action plans
Employees	• Performance management process • Employee surveys • Training programs • Behavioral Based Safety programs • Intranet, videos, information sessions, internal magazine • Cooperation and dialogue with unions and employee representatives at local and Group level	• New business structure • Employee survey 2015 indicated that recent and future developments as well as trust in top management have become more positive, albeit still requiring improvent • Concern over efficiency in decision making, collaboration between teams, employer image, and rewarding fairly
Shareholders, Investors, Media	• Full-year and interim financial reports • Quarterly result briefings • Stock exchange and press releases • Website • One-on-one meetings • Capital markets day • Seminars • Private investor events • Background briefings	• Financial performance • Strategic review • Demand slowdown in some key markets and regions • Fluctuations in currencies and raw material prices
Governments, communities, NGOs	• Cooperation with local authorities • Research and development projects • Recruitment fairs at schools and universities	• Clean water project in Africa in-cooperation with Aalto University and Walter Ahlström Foundation

& Academia	• Open house events • Public hearings	
Industry Associations	• EDANA • FIBS • CleanTech Finland	• Sustainability credentials of non-woven products • Industry support

You can read about more about examples of our engagement with different stakeholders throughout this report.

Management approach

Our management approach aims for high performance in sourcing, operations, product development, health & safety and human rights. We have set long-term targets and responsibilities for each key area and we follow the developments carefully. Sustainable way of working is embedded in all of our operations and functions.

The overall accountability for sustainability aspects is held by the President & CEO and the executive Management Team members reporting to the CEO. The matrix below reflects the organization that was in place in 2015. Executive Vice President, Operations, oversaw the targets and daily practices in manufacturing, engineering, and logistics. The person responsible for health & safety and environmental performance reported to this position.

Ahlstrom adopted a new organization structure starting from the beginning 2016, and the matrix below is not fully applicable to that. This will be adjusted in our next annual report.

	Long-term targets	Performance 2015	Tools and policies
Product development EVP, Product Development	• Commercial success with new products • Speed up the process from idea to successful market launch • Sales from new products 20%	• Sales from new products 16% (15% in 2014)	• ‘Idea to product’ core process • Intellectual property policy and guidelines • EcoDesign approach in product developemnt to minimize the products’ environmental impacts over the whole life cycle.
Sourcing EVP, Commercial Excellence, Customer Service and Sourcing	• Long-term competitive advantage via partnering with strategic suppliers • Continuous improvement of our total cost ownership (TCO) • Ensure security of supply	• Supplier Code of Conduct signed by 99% of suppliers (85% in 2014) • Supplier Relationship Management process further developed with three strategic suppliers for all business areas • Reduced supply risk on identified products	• Sourcing Policy • Supplier Code of Conduct • Supplier Manual • Vendor Evaluation Tool
Operations EVP, Operations	• World-class operations • Reduce energy consumption • Minimize environmental impact	• Energy efficiency and emissions into the air were reduced, lower water consumption • Conversion costs at the same level as in 2014	• Lean manufacturing as continuous improvement methodology • Regular follow up of Key Performance Indicators (KPIs) with benchmarking

	by reducing emissions (air, water and soil) • Global sharing of best practice	• Improved maintenance efficiency • Savings from energy efficiency projects	reference • Investment steering to prioritize projects • Monitoring risk and anticipate regulatory compliance
Health & Safety VP, Health Safety & Environment	• Accident-free work places • Zero Lost Time Accidents • Employee well-being	• Accident Frequency Rate 2.8 per million working hours (2.8 in 2014) • 17 Lost Time Accidents (18 in 2014) • 17 internal audits concluded	• Behavioral Based Safety programs • Internal HSE standard • HSE auditing team • HSE network sharing the best practices
Human rights and compliance EVP, Legal, General Counsel EVP, Human Resources	• Human rights are respected throughout the whole value chain • No compliance violations • Code of Conduct e-learning completed for 100% of white-collar employees • No anti-corruption violations	• Employee engagement index 64.7 (63.4 in 2014) • Zero human rights violations were reported • 78% of white collar employees have completed The Code of Conduct e-learning • 185 employees participated in compliance trainings in 2015	• Employee engagement survey • Human rights policy • Compliance Framework • Code of Conduct e-learning • Compliance trainings

Environmental performance

The use of natural capital including raw materials and energy in the most efficient way as possible is beneficial not just for our customers but to the entire world. With resource scarcity and growing environmental concern it's crucial that we minimize our own impacts.

Raw materials

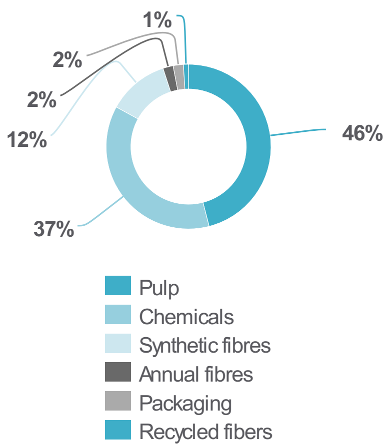
Overall, we spent approximately EUR 520 million on raw materials in 2015. Expenditure on pulp and natural fibers was about EUR 250 million, on synthetic fibers about 110 million and on chemicals about EUR 160 million. Energy expenditure was about EUR 90 million.

By far the most important raw material for us is fiber with over 60% of the total. In 2015, 82% of the fibers we used as raw material came from renewable sources, compared with 84% in 2014. The vast majority, or about 90% of the renewable fibers, is wood pulp from forests. We source pulp from suppliers principally located in the Nordic countries and South and North America. Viscose fiber used in some specialties is also made from forest fiber. Other natural fibers that we use include annual fibers such as abaca, cotton linters, jute and some sisal and flax. Abaca, which is used in our food grades, is clearly the most important of them.

Abaca is sourced from the Philippines as well as Ecuador. Our cotton linters all come from the U.S. We buy our synthetic fiber from producers that are located in Europe, Asia, and North and South America.

Our main chemical suppliers are very large companies, but chemicals are also purchased from medium-sized specialty producers, generally based in Europe and North America.

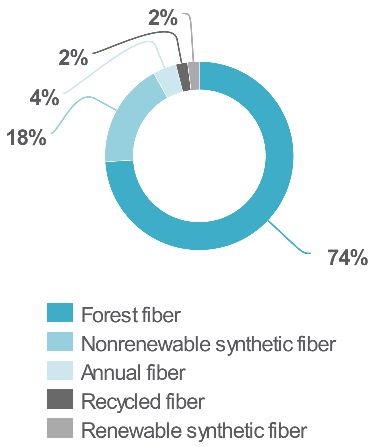
Raw materials used in 2015: 649,661 metric tons (G4-EN1-2)



82%

of our fiber-based raw materials were from renewable sources in 2015.

Fiber-based raw materials used in 2015: 401,465 metric tons



Energy efficiency

The aim of our energy efficiency program is the sustainable use of energy at all of our plants. The reduction of energy consumption has a direct impact on emissions into the air and the cost of manufacturing.

Globally the topic of energy is strongly highlighted. In the European Union in particular, the legislation has given direction to continuously improve the energy management. Consequently Ahlstrom has adopted the initiative and worked with its manufacturing facilities worldwide to improve performance.

Energy sources

Ahlstrom’s main sources of energy are natural gas, purchased steam and electrical power from the grid. The opportunities to utilize renewable energy sources such as solar power and biomass are being studied, but the economics of the transition to more extensive energy portfolio change appear to be challenging.

Ahlstrom’s total energy consumption was 3,605 GWh in 2015 (3,682 GWh in 2014). In the accompanying table we have displayed the share of each energy source.

Energy usage in 2015 (G4-EN3)

MWh	2015	%	2014	%
Natural gas	1,040,806	28.9	1,051,944	28,6
Oil	13,626	0.4	13,944	0,5
Coal	114,988	3.2	85,278	2,3
Secondary fuels and recovered methanol	308,388	8.6	355,278	9,6
Grid - electrical power	542,930	15.1	545,556	15,1
Purchased steam	1,583,777	43.9	1,628,333	44,2
Total	**3,604,514**	**100**	**3 683 333**	**100**

Despite modern technology and best practices, the processes of the manufacturing operations are inherently energy intensive. A lot of energy is required first to separate the fibers (pulping) and after web forming to dry the water out.

The awareness of energy efficiency is built into our manufacturing practices in the form of energy reviews and data monitoring and management. Identifying the most significant energy uses, the current energy consumption and the actions to improve the performance are the key activities in the energy efficiency program.

Despite the complexity of the various processes and energy systems, we already can see a turning point in our energy efficiency in the adjacent chart. Similar new decreasing trend can be seen in all subsequent charts for the emissions to the air (CO_2, NO_x, SO_2 and particles), also known as greenhouse gases. The charts are available in the emissions part of the annual report.

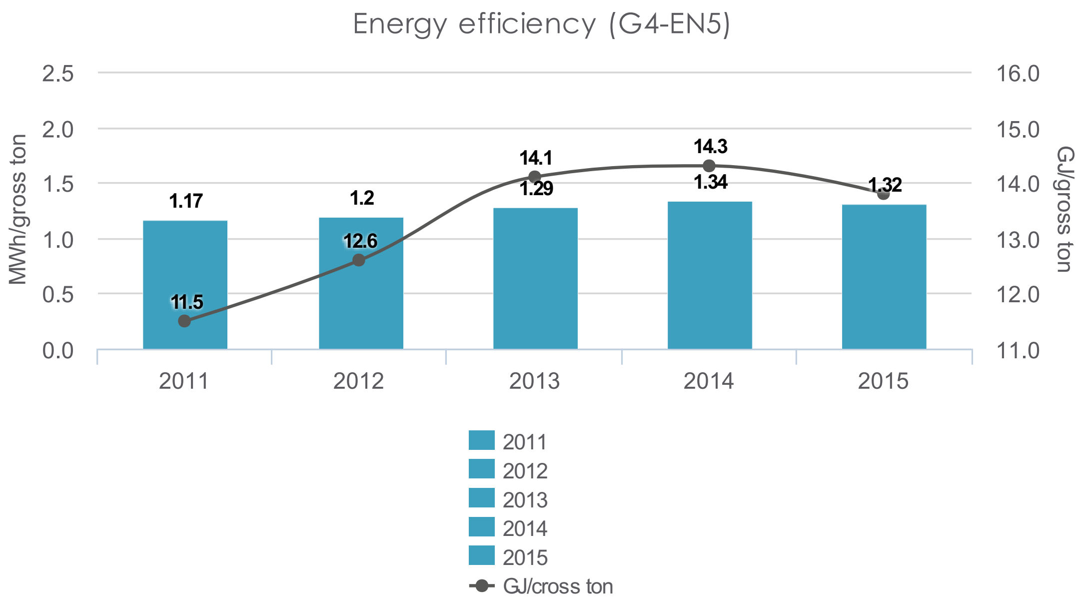
Our structured approach to manage energy systems has led our four plants in France plants to being accredited with an ISO 50001 certification. The plants in Ställdalen, Sweden, and Osnabrück, Germany, already have the certification for their energy management system.

We continue to strive for higher energy efficiency. The European Union has been actively promoting its 2020 agenda in which energy efficiency plays an important role. In line with the EU agenda, Ahlstrom has the ambition to aim at a reduction of 20% by 2020 in both specific energy consumption as well as carbon emissions per ton of product, using 2012 as the baseline.

Regenerative thermal oxidizers

In the Sustainability Report 2011 we presented the regenerative thermal oxidizer (RTO) investment to our plant in Turin, Italy. RTOs are used at our Filtration plants. The filter media is impregnated with solvent-based liquid resin, which has to be evaporated and cured using a high temperature. The equipment to treat the fumes from the process is called a regenerative thermal oxidizer. This ensures that emissions to the atmosphere comply with the appropriate environmental regulations.

During the following years we have invested in similar RTOs at our plants in Taylorville, USA, Madisonville, USA and Binzhou, China. These have been success stories for the gas savings as well as reduced air emissions.



CARBON DISCLOSURE PROJECT

We submitted responses to CDP Climate, CDP Supply Chain and CDP Forest.

https://www.cdp.net/en-US/Pages/HomePage.aspx

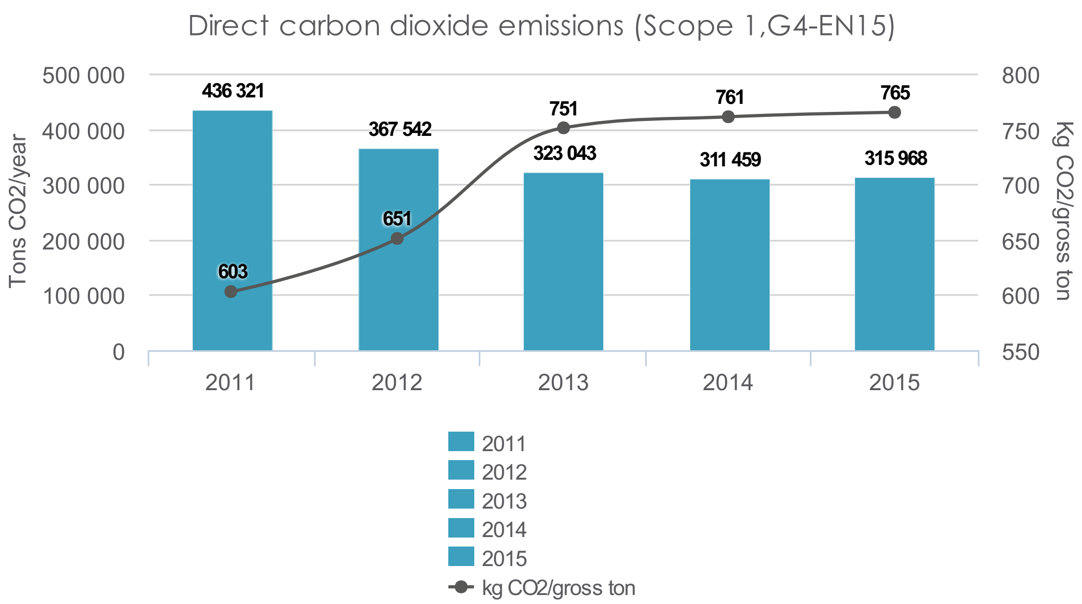
Emissions

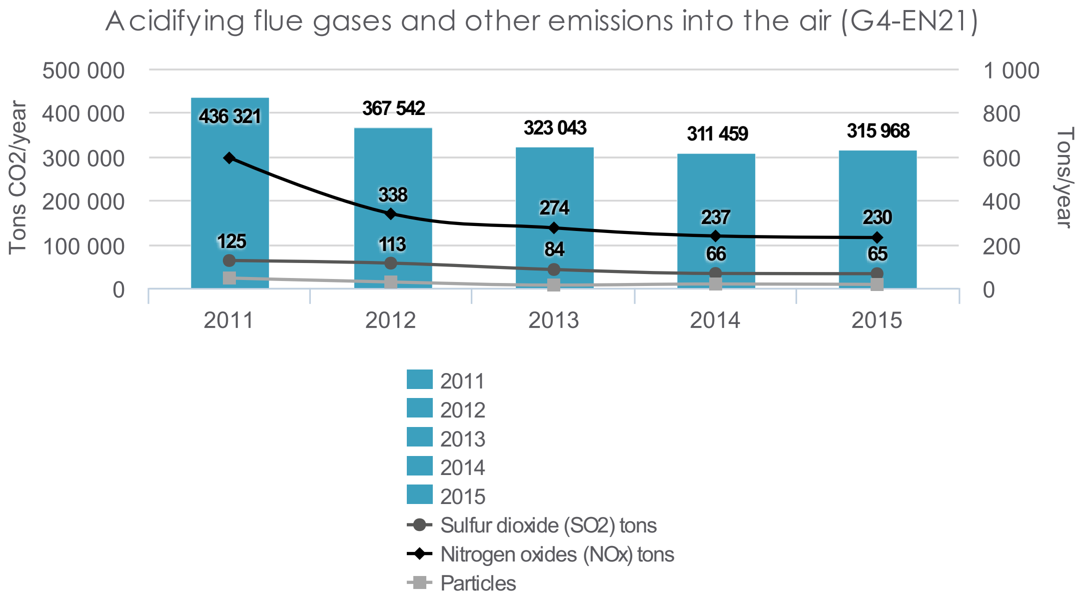
All Ahlstrom plants work with local, regional, and federal authorities to regulate and monitor emissions. Agreed-upon limits are monitored and amended to maintain compliance and protect the communities and moreover the world we call home.

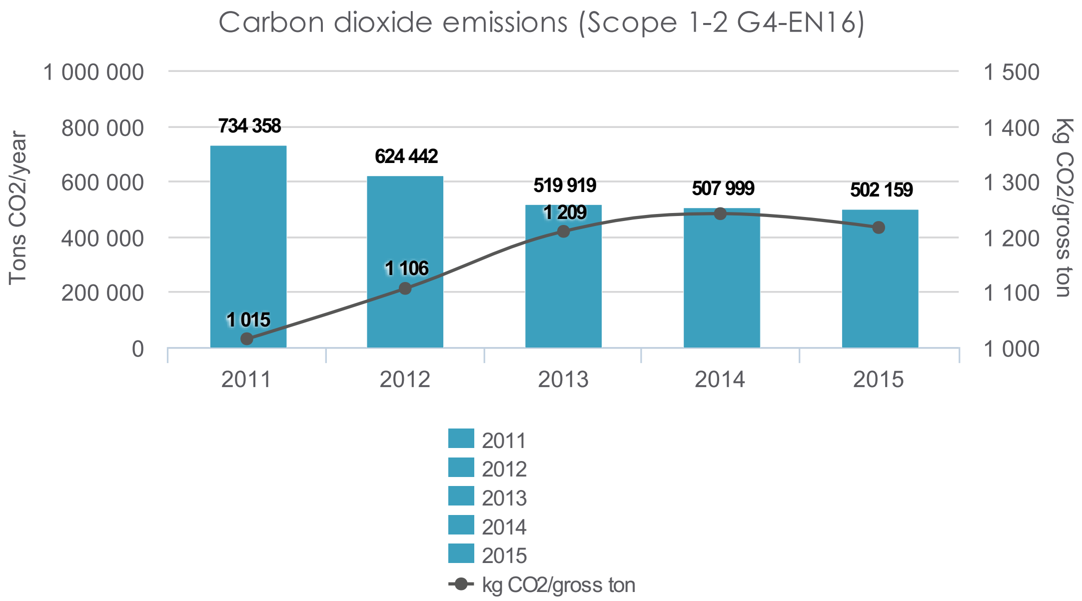
Air

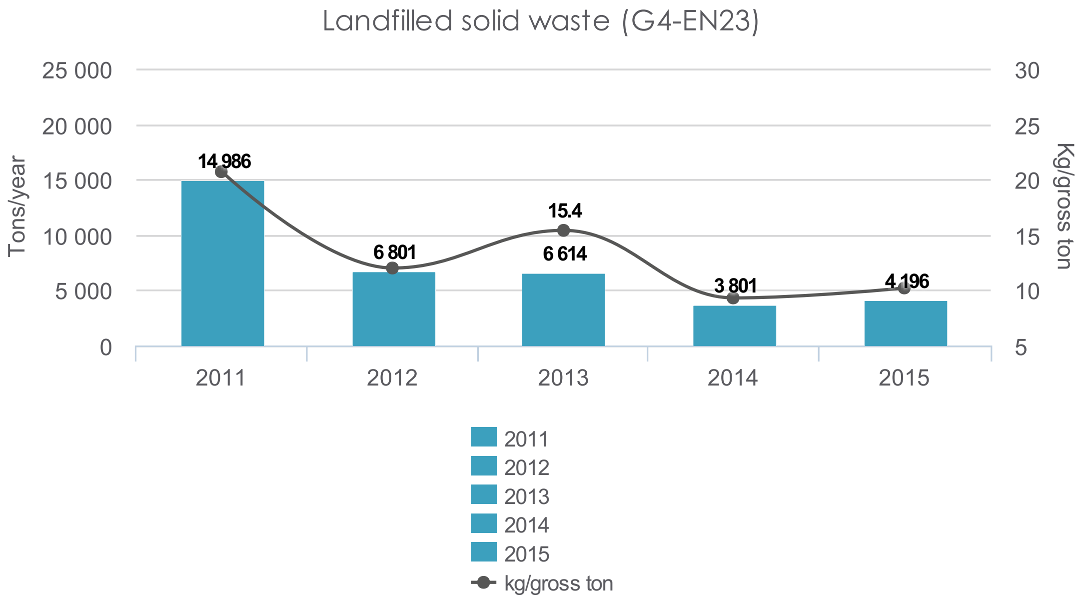
Absolute emissions of carbon dioxide (CO_2), nitrogen oxides (NO_x), and sulfur dioxide (SO_2) continued on a downward five-year trend. In 2015, direct CO_2 emissions (Scope 1) totaled 315,968 tons, slightly up from 311,459 tons in 2014. The increase is mainly due to the restatement of emissions at the Osnabrück plant in Germany. CO_2 intensity rose to 765 kg per gross ton from 761 kg per gross ton in the comparison period. Co2 emissions including energy purchases (Scope 1-2) fell from the previous year as show in the chart below. Gross production rate increased in 2015 to 412,959 tons from 411,928 tons in the previous year.

In 2015, nitrogen oxides emissions were 230 tons, down from 236 tons in the comparison period. This represents a reduction of more than 60% since 2011. Sulfur dioxide emissions in 2015 were 65 tons, down from 67 tons in 2014. This constitutes a near 50% reduction compared to 2011.




Acidifying flue gases and other emissions into the air (G4-EN21)
Tons CO2/year
Tons/year
500 000
400 000
300 000
200 000
100 000
0
1 000
800
600
400
200
0
436 321
367 542
323 043
311 459
315 968
338
274
237
230
125
113
84
66
65
2011
2012
2013
2014
2015
Sulfur dioxide (SO2) tons
Nitrogen oxides (NOx) tons
Particles


Carbon dioxide emissions (Scope 1-2 G4-EN16)
Tons CO2/year
Kg CO2/gross ton
1 000 000
800 000
600 000
400 000
200 000
0
1 500
1 400
1 300
1 200
1 100
1 000
734 358
624 442
519 919
507 999
502 159
1 209
1 106
1 015
2011
2012
2013
2014
2015
kg CO2/gross ton



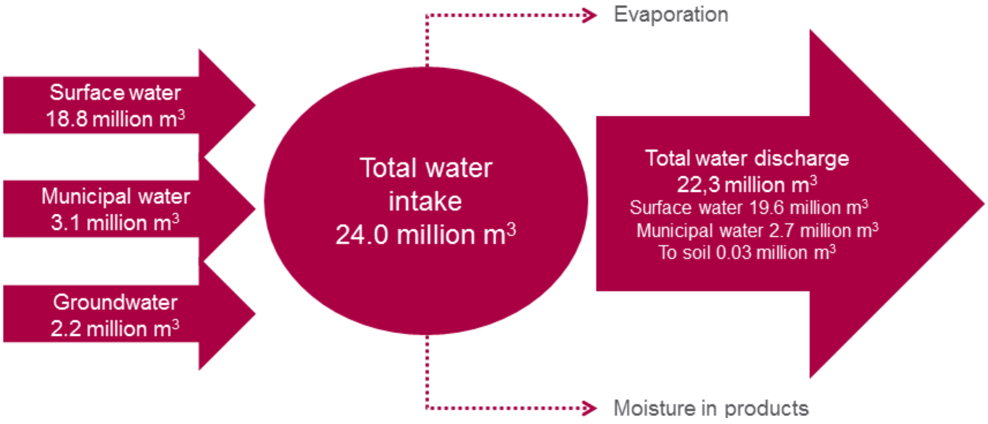
Waste to landfill

Waste to landfill is a measured key process indicator (KPI) and is reported at several levels each month. Ahlstrom's stated long-term goal is "zero waste" to landfill. Many of our sites have already achieved this goal, while other sites still work to identify and develop alternatives. In 2015, we saw a slight increase in waste to landfill from our manufacturing facilities. Market conditions and economically viable alternatives provided challenges for us. However, the five-year trend solidly reflects the progress and commitment to this endeavor.

Water

Water used in plant production is reported monthly as a KPI (m^3/ton). Plants work to identify usage reductions while maintaining product characteristics and purity in product requirements. Total water intake decreased slightly in 2015 compared to 2014. Water use per ton also decreased as startup operations obtained steady production and market tonnage. All plants operated in compliance with their discharge permit range.

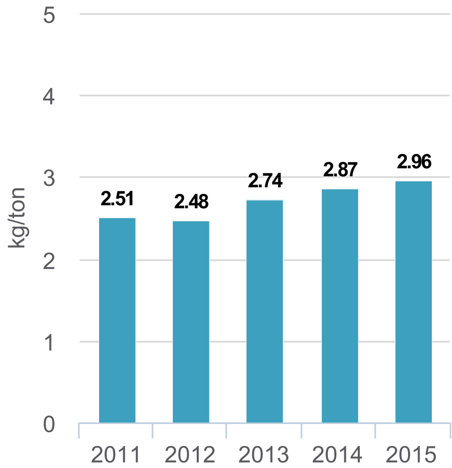
Water balance (G4-EN8, EN22)



We did not have any major accidents or spills into the environment in 2015. Also, we did not pay any fines for non-compliance of environmental laws and regulations.

Absolute emissions of carbon dioxide (CO_2), nitrogen oxides (NO_x), and sulfur dioxide (SO_2) continued on a downward five-year trend.

Chemical oxygen demand in the effluents (G4-EN22)



Social performance

A safe work place and human rights are the corner stones of our ways of working. All people have the right to return unhurt from work to home and to be treated with respect and dignity.

Health and safety

Ahlstrom realized a reduction of 16.6% in the number of safety incidents in 2015. Total Recordable Incidents fell to 42 from 49 in the previous year. Lost Time Accidents decreased by one to 17. However, Accident Frequency Rate (AFR) remained unchanged at 2.8 due to the reduction of reported work hours in 2015 compared with the previous year.

In 2001, the AFR - defined as number of lost time accidents per million man hours - was 39.1, representing 373 lost time accidents! Although Ahlstrom did not meet a very ambitious target of < 1.0 last year, the goal represents not just a commitment but belief that Ahlstrom can be accident free.

In 2015, 11 of Ahlstrom sites achieved no accidents. An additional eight sites had only one accident, making a solid testament to a commitment to safe work practices and priorities. Of the 42 accidents in 2015, 57.1% were isolated to seven plants (25% of total hours). Clearly, more effort and sharing must be achieved to improve Safety Awareness and develop a culture of Safety.

At the core of Ahlstrom’s HSE (Health, safety and environment) efforts are compliant and strong policy and procedures that provide direction to the plants. To ensure uniformity and compliance, Ahlstrom's HSE completes internal audits. Previously, audits were completed on a three year rotation. In 2015, two additional criteria were added. Audits were completed at any plant that had an LTA in 2014. Audits were also targeted within 60 days of any plant that experienced a LTA. The company completed 17 Internal Audits in 2015. To drive improvement and share best practices, 395 Findings were issued during these audits for improvement opportunities. .

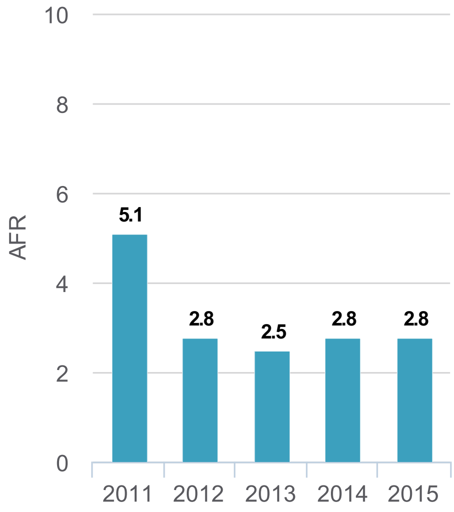
Behavioral Based Safety model

The Behavioral Based Safety model continues to be Ahlstrom’s plant-focused initiative. As with any successful initiative the critical component is employee participation. In 2015 and again for 2016 the focus will remain on improving active participation among all segments of the plant. In 2016, we will set a goal for a minimum participation rate of 50% at all sites.

In 2015, the Supply Chain Leadership Team also agreed on a series of Best Practices to improve Safety. For example, fixed blade utility knives (box cutters) were eliminated from Ahlstrom plants. Bump Caps are now a requirement for all maintenance employees and in any area a celing height of less than 2 meters . Permits to work were also required for all maintenance activities to facilitate the planning and anticipation of potential hazards, enabling proper actions to be taken to eliminate risk. These common sense requirements were in effect at some plants but absent in others.

A training agenda was agreed-upon for all sites last year. This annual requirement was meant to ensure the most critical tasks performed are trained and updated on an annual basis. The Engineering and Process Engineering focused substantial engineering and monetary resources to improve the Safety of machine nip through guarding and engineering solutions. This effort will continue into 2016 with best practice standards for rewinder guarding.

Accident Frequency Rate
(G4-LA6)



Ethics, human rights & compliance

Ahlstrom is committed to conduct its business in an ethical and honest manner around the world. We have a comprehensive Compliance Framework which is dynamic, reflecting changes in legal requirements where we operate. The Compliance Framework helps us to understand and put into practice our ethical values and to describe the process for reporting and investigating allegations of misconduct.

Ahlstrom's Code of Conduct is the foundation for all the policies within the Ahlstrom Compliance Framework. Other key policies included in the Compliance Framework are:

- Approval & Signing Policy
- Anti-bribery Policy
- Competition and Anti-trust Policy
- Donation Policy
- Trade Compliance Policy
- Insider Rules
- Risk Management Policy

The goal of these and other related policies is to ensure that Ahlstrom's compliance standards meet or exceed the requirements of changing anti-bribery, environmental, trade and export regulations as well as other laws affecting international commerce. To reinforce compliance, 185 employees participated in compliance trainings organized by our Legal function and 151 in trade compliance training courses in 2015.

The Code of Conduct is available in eight languages, while an e-learning program can be completed in English, German and Chinese. The program is part of the induction process for all new employees.

We have designed our processes to promote an effective application of the Code of Conduct throughout our global business operations. In a consistent manner, we have aligned our Supplier Code of Conduct with the Code of Conduct to integrate our principal suppliers into Ahlstrom's compliance efforts. It has been successfully implemented with our main raw material suppliers. Our Anti-Bribery Policy clarifies the rules that we follow in relation to bribery and other corrupt practices such as facilitation payments, kickbacks and secret rebates, and defined our approach with respect to gifts, expenses and hospitality, and donations.

We also have a separate Human Rights Policy, which is aligned with the principles of the ISO26000 social responsibility standard and is derived from the Universal Declaration of Human Rights. Our policy commits us to supporting human rights throughout our value chain and not only in our own operations and suppliers but also with our customers.

The Code of Conduct, Supplier Code of Conduct and Human Rights Policy can be obtained from our website www.ahlstrom.com/Sustainability.

Monitoring

In 2015, we launched a system known as SpeakUp for all employees to report unethical or unlawful behavior.

The reports may be anonymously completed in 13 languages by phone or to an external service provider's website. Ahlstrom's Chief Compliance Officer evaluates the information received and decides the appropriate course of action. All reports are managed with utmost confidentiality.

The reported number of grievances was 12 in 2015 and all cases were appropriately investigated. There were no fines or non-monetary sanctions for non-compliance with rules and regulations and zero incidents for human rights violations. Business areas and functions are mainly responsible for implementing compliance as there is no specific compliance function at Ahlstrom. The Chief Compliance Officer oversees the implementation and the Legal, Human Resources and Finance functions assist the CCO in compliance related matters.

Zero

human rights violations in 2015.

185

employees participated in compliance trainings in 2015.

Report profile and materiality

Ahlstrom's annual report for the calendar year 2015 is published in an electronic form on the company's website www.ahlstrom.com. The entire report, or sections of it, can be downloaded into a PDF form. The financial accounts is also available as a printed document.

As in our previous annual report published in February 2015, sustainability is embedded to the publication in an integrated approach and we do not publish a stand-alone sustainability report. Based on our own assessment, the reporting complies with the Global Reporting Initiative's (GRI) G4 guidelines at "core level". The report also reflects some principles set out in the International Integrated Reporting <IR> Framework.

The *Financials* section includes audited consolidated financial statements and the report of operations for the year 2015. The *Governance* section includes our corporate governance statement and remuneration statement for 2015. The *Investors* section includes important information for our shareholders.

All GRI related data in 2015 reporting covers all functions under Ahlstrom's control, including all subsidiaries. Carbon dioxide emissions of the Osnabrück plant have been recalculated for 2014 and 2015. There were no other major restatements of information compared to the 2014 report. There are also no major changes in the material aspects or boundaries.

In 2015, our reporting related to GRI guidelines was not assured by a third party as per top management decision. However, as our certification table available on our website shows our plants are subject to multiple audits by third parties every year. In addition, we have a well-functioning internal HSE audit system and our sites are also subject to many customer audits for the qualification of our products.

Data collection for our material balance, headcount and internal controls were carried out centrally by the Group's sourcing, operations, human resources and legal functions. Consolidated financial statements were prepared by the Group's finance function in accordance with the International Financial Reporting Standard (IFRS) as adopted by the European Union. Accounting principles are described in the notes sections of the financials.

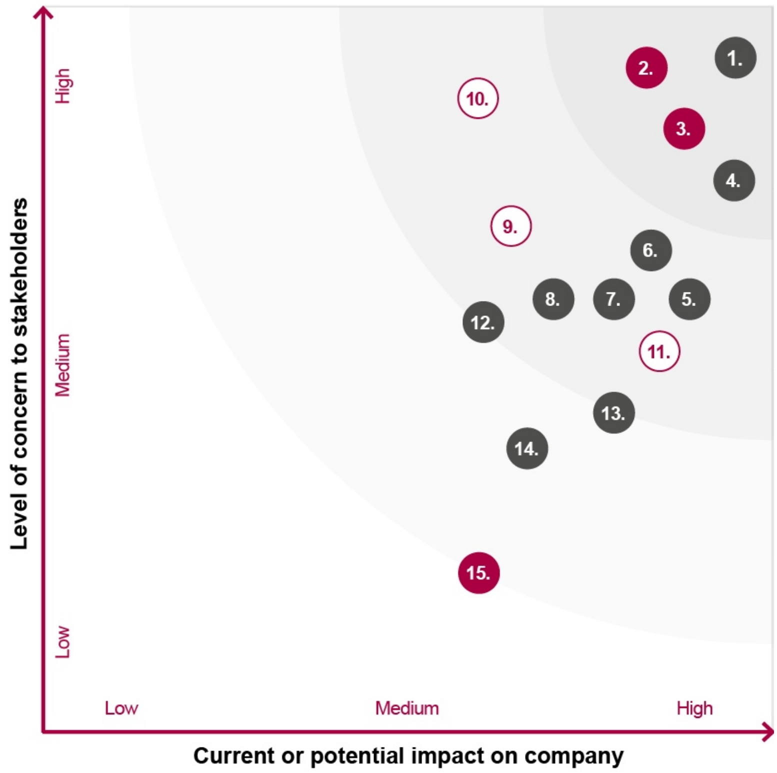
Materiality

We have defined our most important sustainability topics by using the materiality matrix below. The relative importance of the aspects to Ahlstrom is shown on the horizontal axis, whereas the relative importance of the aspects to the company's stakeholders is shown on the vertical axis. The listed aspects identified in a review conducted in 2014 were still considered material within and outside the organization in 2015. The review included stakeholder interviews, customer satisfaction and employee engagement surveys, and top management discussions and workshops. The matrix was approved by our President & CEO.

AHLSTROM MATERIALITY MATRIX 2015

Pre-requisite | Enabler | Target

1. **Partnering with customers for improved performance**
   Commercial success, Sustainability
2. **Ethics**
   Values, Human rights & freedom of association, Code of Conduct, Anti-corruption
3. **Financial performance**
4. **Safety**
5. **Open communication**
6. **Resource efficiency**
   Energy use, Raw materials/waste, Water, CO_2, EcoDesign
7. **Responsible sourcing**
8. **Minimizing emissions**
9. **Communication of the sustainability benefits of our products**
10. **Business agility**
11. **Innovation**
12. **Community and stakeholder relations**
13. **Well-being and engagement of workforce**
14. **Competence development**
15. **Diversity**



CONTACTS

Satu Perälampi
VP, Communications
Tel: +358 10 888 4738

Juho Erkheikki
Financial Communications & Investor Relations Manager
Tel: +358 10 888 4731

GRI Index

GRI content index

Code	GRI content	Location	Further information
General standard disclosures			
	Strategy and analysis		
G4-1	Statement from the President and CEO	CEO's review	
	Organization profile		
G4-3	Name of the organization	Ahlstrom in brief	
G4-4	Primary brands, products, and services	Ahlstrom in brief, Business areas	
G4-5	Location of the organization's headquarters	Financials	
G4-6	Number of countries where the organization operates	Ahlstrom in brief	
G4-7	Nature of ownership and legal form	Governance, Financials	
G4-8	Markets served	Ahlstrom in brief, Business areas	
G4-9	Scale of the organization	Ahlstrom in brief, Our people, Financials	
G4-10	Breakdown of workforce	Our people	
G4-11	Employees covered by collective bargaining agreements	Our people	
G4-12	Describe the organization's supply chain	Sourcing and operations	
G4-13	Significant changes during the reporting period on size, structure, ownership, or supply chain	Financials, report profile	
G4-14	How the precautionary approach or principle is addressed	Sourcing and operations	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives endorsed	Stakeholder engagement	
G4-16	Memberships of associations	Stakeholder engagement	
	Identified material aspects and boundaries		

G4-17	Entities included in the organization's consolidated financial statements	Financials, report profile
G4-18	Process for defining the report content and the aspect boundaries	Report profile and maturity
G4-19	All the material aspects identified in the process for defining report content	Report profile and maturity
G4-20	The aspect boundary within the organization	Report profile and maturity
G4-21	Aspect boundary outside the organization	Report profile and maturity
G4-22	Restatements of information provided in previous reports	Report profile and maturity
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Report profile and maturity
	Stakeholder engagement	
G4-24	A list of stakeholder groups engaged by the organization	Stakeholder engagement
G4-25	Identification and selection of stakeholders	Stakeholder engagement
G4-26	Approach to stakeholder engagement	Stakeholder engagement
G4-27	Response to key topics and concerns raised through stakeholder engagement	Stakeholder engagement
	Report profile	
G4-28	Reporting period for information provided	Report profile
G4-29	Date of most recent previous report	Report profile
G4-30	Reporting cycle	Report profile
G4-31	The contact point for questions regarding the report or its contents	Report profile
G4-32	'In accordance' option, the GRI Content Index and external assurance report	Report profile
G4-33	Policy and current practice with regard to seeking external assurance for the report	Report profile
	Governance	
G4-34	Governance structure of the organization, including committees of the highest governance body	Governance, Management approach
	Ethics and integrity	
G4-56	Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Values, ethics, human rights & compliance

Specific standard

disclosures

	Disclosure on Management Approach		
	Disclosure of management approach (DMA)	Management approach	
	Economic performance		
G4-EC1	Direct economic value generated and distributed	Integrating sustainability	
	Environmental performance		
	Materials		
G4-EN1	Materials used by weight or volume	Raw materials	
G4-EN2	Percentage of materials used that are recycled	Raw materials	
	Energy		
G4-EN3	Energy consumption within the organization	Energy efficiency	
G4-EN5	Energy intensity	Energy efficiency	
G4-EN6	Reduction of energy consumption	Energy efficiency	
G4-EN7	Reductions in energy requirements of products and services	Energy efficiency	
	Water		
G4-EN8	Total water withdrawal by source	Emissions	
	Biodiversity		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sourcing and operations	
	Emissions		
G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1)	Emissions	
G4-EN16	Indirect greenhouse gas (ghg) emissions (scope 1-2)	Emissions	Carbon dioxide emissions only
G4-EN18	Greenhouse gas (ghg) emissions intensity	Emissions	Carbon dioxide emissions only
G4-EN19	Reduction of greenhouse gas (ghg) emissions	Emissions, Energy efficiency	
G4-EN21	NOX, SOX, and other significant air emissions	Emissions	
	Effluents and waste		
G4-EN22	Total water discharge by quality and destination	Emissions	
G4-EN23	Total weight of waste by type and disposal method	Emissions	
G4-EN24	Total number and volume of significant spills	Emissions	

	Products and services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Value creation	Partly
	Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations overall	Emissions	
	Supplier environmental assessment		
G4-EN32	New suppliers screened	Sourcing and operations	
	Social performance		
	Labor practices and decent work		
	Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Our people	Partly
	Occupational health and safety		
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Health & safety	Partly
	Training and education		
	Diversity and equal opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity labor practices	Our people	Partly
	Grievance mechanisms		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Ethics, human rights & compliance	
	Human rights		
	Investment		
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Our people	Partly
	Non-discrimination		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Ethics, human rights & compliance	
	Supplier human rights assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Sourcing and operations	
	Human rights grievance mechanisms		

G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Ethics, human rights & compliance	
	Society		
	Local communities		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Value creation	Partly
	Anti-corruption		
G4-SO4	Communication and training on anti-corruption policies and procedures	Ethics, human rights & compliance	
G4-SO5	Confirmed incidents of corruption and actions taken	Ethics, human rights & compliance	
	Public policy		
G4-SO6	Total value of political contributions by country and recipient/beneficiary	Value creation	
	Anti-competitive behavior		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Ethics, human rights & compliance	
	Compliance		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Ethics, human rights & compliance	

Adherence to the 10 principles of the UN Global Compact

HUMAN RIGHTS	PRINCIPLE 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Ethics, human rights & compliance
	PRINCIPLE 2	Business should make sure that they are not complicit in human rights abuses	Ethics, human rights & compliance
LABOR RIGHTS	PRINCIPLE 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Our people, Ethics, human rights & compliance

	PRINCIPLE 4	the elimination of all forms of forced and compulsory labor;	Ethics, human rights & compliance
	PRINCIPLE 5	the effective abolition of child labor; and	Our people, Ethics, human rights & compliance
	PRINCIPLE 6	the elimination of discrimination in respect of employment and occupation.	Our people, Ethics, human rights & compliance
ENVIRONMENT	PRINCIPLE 7	Business should support a precautionary approach to environmental challenges;	Sourcing and operations
	PRINCIPLE 8	Undertake initiatives to promote greater environmental responsibility, and;	Value creation, Energy efficiency, Emissions
	PRINCIPLE 9	Encourage the development and diffusion of environmentally friendly technologies.	Value creation, Energy efficiency, Emissions
ANTI-CORRUPTION	PRINCIPLE 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Ethics, human rights & compliance

GOVERNANCE

Governance at Ahlstrom is based on the laws of Finland, the Articles of Association of the parent company Ahlstrom Corporation, the Finnish Corporate Governance Code, and the rules and regulations of the Finnish Financial Supervisory Authority and Nasdaq Helsinki Ltd, where Ahlstrom is listed. As of January 1, 2016, the company complies with the Finnish Corporate Governance Code 2015, which is publicly available on the website of the Securities Market Association www.cgfinland.fi.

Contents

Board of Directors

PANU ROUTILA

Chairman of the Board. Member of the Board since 2014.
Independent of the company and independent of significant shareholders.
b. 1964. M.Sc. (Econ).
President and CEO of Konecranes Plc
Ahlstrom shares*: -

LORI CROSS

Member of the Board. Member of the Ahlstrom Board since 2010.
Independent of the company and independent of significant shareholders.
b. 1960. M.Sc. (Eng.), MBA Rensselaer Polytechnic, Northwestern University.
President and Founder, MindSpan Consulting, LLC. Ahlstrom shares*: 750.

ALEXANDER EHRNROOTH

Member of the Board. Member of the Ahlstrom Board since 2015.
Independent of the company and not independent of significant shareholders.
b. 1974. M.Sc. (Econ.), MBA.
President & CEO of Virala Oy Ab and Vimpu Intressenter Ab
Ahlstrom shares*: 6,178,750

JOHANNES GULLICHSEN

Member of the Board. Member of the Ahlstrom Board since 2015.
Independent of the company and independent of significant shareholders.
b. 1964. B.Sc. (Engineering), MBA.
Entrepreneur
Ahlstrom shares*: 333,255

JAN INBORR

Member of the Board, Member of the Ahlstrom Board since 2015.
Independent of the company and independent of significant shareholders.
b. 1948. B.Sc. (Econ.).
Board professional
Ahlstrom shares*: 9,159

ANDERS MOBERG

Member of the Board. Member of the Ahlstrom Board since 2009.
Independent of the company and independent of significant shareholders.
Born 1950.
Board professional
Ahlstrom shares*: -

MARKUS RAURAMO

Member of the Board. Member of the Board since 2014.
Independent of the company and independent of significant shareholders.
b. 1968. M.Sc. (Econ. and Pol. Hist.).
Executive Vice President, Heat, Electricity Sales and Solutions Division
and Member of the Fortum Executive Management Team
Ahlstrom shares*: 4,600

The Board members as of January 1, 2016.

Committees

Audit Committee members: Markus Rauramo (chairman), Alexander Ehrnrooth, Johannes Gulliches, Panu Routila.

Human Resources Committee members: Jan Inborr (chairman), Lori Cross, Anders Moberg.

Shareholders' nomination board**

Panu Routila and Jan Inborr were also members of the Shareholders' Nomination Board.

* Shareholding as of December 31, 2015.
** Includes non-board members Thomas Ahlström, Alexander Ehrnrooth and Risto Murto.

More detailed curriculum vitae details are available on www.ahlstrom.com.

Executive Management Team

MARCO LEVI

President & CEO
b. 1959. Doctor, Industrial Chemistry.
Joined Ahlstrom in 2014 and member of the Executive Management Team since 2014.
Ahlstrom shares*: 120,000

SAKARI AHDEKIVI

Chief Financial Officer
b. 1963. M.Sc. (Econ.).
Joined Ahlstrom in 2014 and member of the Executive Management Team since 2014.
Ahlstrom shares*: -

ULLA BONO

Executive Vice President, Legal and General Counsel
b. 1970. Licentiate of Laws, trained at the bench.
Joined Ahlstrom in 2014 and member of the Executive Management Team since 2014.
Ahlstrom shares*: -

FULVIO CAPUSSOTTI

Executive Vice President, Filtration & Performance
b. 1972. M.Sc. (Chemical Eng.).
Joined Ahlstrom in 2002 and Member of the Executive Management Team since 2013.
Ahlstrom shares*: -

OMAR HOEK

Executive Vice President, Specialties
b. 1969. M.Sc. (Bus. Adm.).
Joined Ahlstrom in 2011 and member of the Executive Management Team since 2014.
Ahlstrom shares*: -

JARI KOIKKALAINEN

Executive Vice President, Procurement & Group Technology
b. 1965. M.Sc. (Eng.), eMBA.
Joined Ahlstrom in 2013 and member of the Executive Management Team since 2013.
Ahlstrom shares*: -

PÄIVI LESKINEN

Executive Vice President, Human Resources
b. 1965. M.Sc. (Soc.).
Joined Ahlstrom in 2015 and member of the Executive Management Team since 2015.
Ahlstrom shares*: -

The members of the Executive Management Team as of January 1, 2016.

* Shareholding as of December 31, 2015.

More detailed curriculum vitae details are available on www.ahlstrom.com.

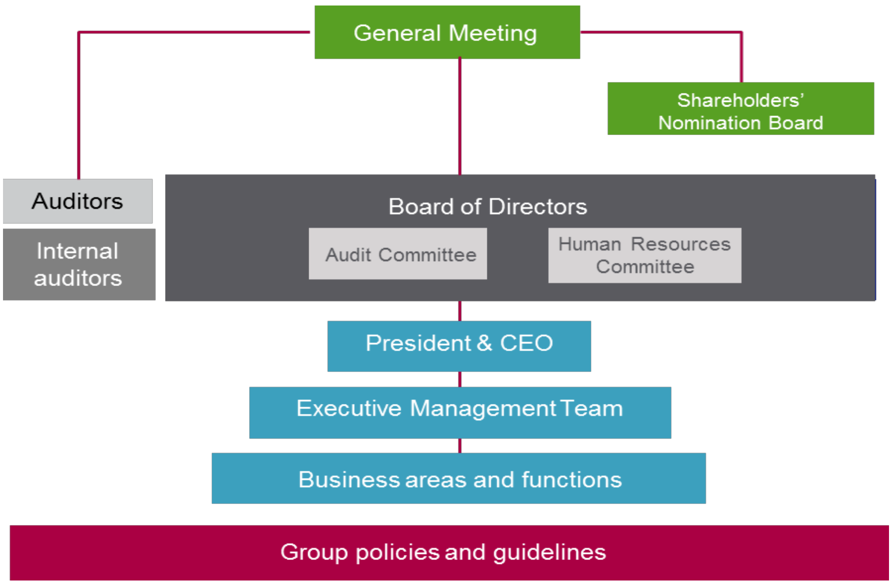
Corporate Governance Statement 2015

This Corporate Governance Statement has been prepared pursuant to the Finnish Corporate Governance Code 2010 and the guidelines of the Securities Market Association.

Corporate governance at Ahlstrom is based on the laws of Finland, the Articles of Association ("Articles") of the parent company Ahlstrom Corporation ("Company" or "Ahlstrom"), the Finnish Corporate Governance Code, and the rules and regulations of the Finnish Financial Supervisory Authority and Nasdaq Helsinki Ltd, where the Company is listed. As of January 1, 2016, the Company complies with the Finnish Corporate Governance Code 2015, which is publicly available on the website of the Securities Market Association www.cgfinland.fi .

The Report of operations for 2015 is included in the Annual Report 2015 available on the website www.ahlstrom.com.

Structure of and Governance in the Ahlstrom Group



General Meeting

The shareholders of Ahlstrom exercise their decision-making power at the Company's General Meeting of Shareholders. The rights of the shareholders and the duties of the General Meeting are defined in the Companies Act and in the Articles of the Company. The Annual General Meeting ("AGM") is held every year before the end of June, usually in March or April. The matters to be dealt with in the AGM are defined in the Companies Act and in the Articles of the Company.

The General Meeting is convened by the Board. An Extraordinary General Meeting shall be held whenever the Board deems necessary, the auditor of the Company or shareholders with at least 10% of the shares so demand in writing in order to deal with a given matter, or if this otherwise is required by law.

General Meeting in 2015

The Annual General Meeting was held in Helsinki, Finland, on March 26, 2015.

In the Annual General Meeting a total of 129 shareholders were present representing 47.3% of the voting rights of the Company. Five out of six Board members were present at the General Meeting. In addition, the CEO, CFO and all other members of the Executive Management Team (“EMT”) as well as the auditor attended said meeting. All documents related to the Annual General Meeting 2015 are available on the Company’s website www.ahlstrom.com.

Board

The Board has general authority to decide on and act in any matters not reserved by law or under the provisions of the Articles of Association to any other governing body of the Company. The Board is responsible for the Company’s management and the proper organization of its operations. It confirms the Company’s long-term business strategies, values and policies, and approves the Company’s business plans and annual plans. The Board decides on major capital expenditures, acquisitions and substantial divestments of assets as well as approves the general framework for other capital expenditures. It also monitors the Company’s performance and human resources development. Each Board member receives a monthly performance report, including financial data and management comments. The Board appoints and dismisses the CEO and his Deputy, if any, as well as the senior management reporting to the CEO.

The Board has established and approved Rules of Procedure of the Board to complement the Articles of Association and Finnish applicable laws and regulations. Said rules describe the duties of the Board and CEO, division of tasks within the Board, meeting practices and reporting to the Board as summarized in this statement.

The Board consists of 5 – 9 members. The General Meeting confirms the number of members of the Board, elects them, and decides on their compensation. The mandate of each member of the Board expires at the end of the Annual General Meeting immediately following their election. There are no limitations as to the number of terms a person can be member of the Board and no maximum age.

The majority of the Board members shall be independent of the Company and at least two of the members representing this majority shall also be independent of the significant shareholders of the Company. Each Board member shall provide the Board with sufficient information that will allow the Board to evaluate his or her qualifications and independence and notify the Board without delay of any changes in such information.

All Board members are required to deal at arm’s length with the Company and its subsidiaries and to disclose to the Board circumstances that might be perceived as a conflict of interest.

Most of the Board meetings are held at the Company's head office in Helsinki, but the Board also visits other locations of the Company and holds meetings there. If necessary, the Board also holds telephone and audiovisual meetings. The CEO and CFO normally attend the Board meetings. Other members of the EMT attend upon invitation by the Board. The General Counsel acts as Secretary to the Board.

The Board makes an internal self-assessment of its performance, practices and procedures annually.

Board in 2015

The Annual General Meeting held on March 26, 2015, confirmed the number of Board members to be seven. Lori J. Cross (b. 1960), Anders Moberg (b. 1950), Markus Rauramo (b. 1968) and Panu Routila (b. 1964) were re-elected as members of the Board of Directors. Alexander Ehrnrooth (b. 1974), Johannes Gullichsen (b. 1964) and Jan Inborr (b. 1948) were elected as new members. Immediately after the Annual General Meeting, the Board elected Panu Routila as Chairman of the Board and Jan Inborr Vice Chairman.

Biographical details of the Board members and the Board members' shareholdings in the Company can be found on the company's website www.ahlstrom.com. The Board considers all of the Board members independent from the Company. The Board considers the Board members independent from its significant shareholders, except for:

- Alexander Ehrnrooth, who is not independent of the Company's significant shareholder Vimpu Intressenter Ab, where he is the President & CEO and member of the Board.
- Panu Routila, who was not independent of the Company's significant indirect shareholder Ahlström Capital Oy, where he was the President and CEO until October 31, 2015.

In 2015, the Board convened 13 times (four meetings before March 26, 2015), including one held as a telephone and video meeting. In addition the Board made one written resolutions in lieu of a meeting in accordance with Chapter 6, Section 3 of the Companies Act. The average attendance frequency in board meetings was 94.1 %. The attendance of the individual Board members is set forth in the table below.

Board member	Number of Board meetings attended	Attendance percentage
Robin Ahlström (until January 25, 2015)	0	0.0%
Lori J. Cross	12	92.3%
Alexander Ehrnrooth (as of March 26, 2015)	8	88.9%
Johannes Gullichsen (as of March 26, 2015)	9	100.0%
Jan Inborr (as of March 26, 2015)	9	100.0%

Esa Ikäheimonen (until March 26, 2015)	4	100.0%
Daniel Meyer (until March 26, 2015)	4	75.0%
Anders Moberg	11	84.6%
Markus Rauramo	13	100.0%
Panu Routila	13	100.0%

Board Committees

The Board annually appoints an Audit Committee and may also appoint other permanent committees if considered necessary at its constitutive meeting following the General Meeting.

According to the Board's rules of procedure, the Board shall also appoint a Human Resources Committee. The duties and working procedures of the committees shall be defined by the Board in the charters confirmed for the committees. The committees regularly report their work to the Board.

On March 26, 2015, the Board appointed two committees, the Audit Committee and the Human Resources Committee.

Audit Committee

The Audit Committee consists of 3 – 4 members, all of which shall be Board members who are independent of the Company and shall have the qualifications necessary to perform the responsibilities of the committee. At least one member shall be independent of the significant shareholders and at least one member shall have expertise specifically in accounting, bookkeeping or auditing. The expertise may be based on, e.g. experience in corporate management.

According to its Charter, the Audit Committee assists the Board in fulfilling its supervisory responsibilities. The Audit Committee also makes recommendations to the Board e.g. in matters related to profit warnings, the detailed content of interim reports, the internal audit and internal audit plans as well as certain company policies. In addition, the Audit Committee makes recommendations for the election and removal of the external auditors and for their compensation, and the external auditors' audit plan based on the auditors' proposal. Contrary to previous practice in the company, the Audit Committee has only preparatory role, i.e. no decision-making power on the behalf of the Board of Directors.

Among its other duties, the Audit Committee reviews and monitors the financial reporting process, the effectiveness of the system of internal control and risk management, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. The committee ensures that the Board is aware of matters which may significantly impact the financial conditions or affairs of the business. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the internal and external auditors.

In 2015

As from March 26, 2015, the members of the Audit Committee were Markus Rauramo (Chairman), Alexander Ehrnrooth, Johannes Gullichsen and Panu Routila. All of them are independent of the Company and its significant shareholders, except for:

- Alexander Ehrnrooth, who is not independent of the Company's significant shareholder Vimpu Intressenter Ab, where he is the President & CEO and member of the Board.
- Panu Routila, who was not independent of the Company's significant indirect shareholder Ahlström Capital Oy, where he was the President and CEO until October 31, 2015.

All of the members of the Audit Committee have expertise in accounting, bookkeeping or auditing. The committee convened five times (one meeting before March 26, 2015) and the average attendance frequency was 100.0 %. The attendance of the individual committee members is set forth in the table below.

Audit Committee member	Number of committee meetings attended	Attendance percentage
Lori J. Cross (until March 26, 2015)	1	100.0%
Alexander Ehrnrooth (as of March 26, 2015)	4	100.0%
Johannes Gullichsen (as of March 26, 2015)	4	100.0%
Esa Ikäheimonen (until March 26, 2015)	1	100.0%
Markus Rauramo	5	100.0%
Panu Routila	5	100.0%

Human Resources Committee

According to its Charter, the Human Resources Committee assists the Board to ensure that all human capital related topics, such as ethics and values, resourcing strategy, competence and performance management as well as compensation arrangements, support the strategic aims of the business and enable the recruitment, development, motivation and retention of key personnel while complying with regulatory and governance requirements, and satisfying the expectations of shareholders. The Committee further provides guidance in human capital related corporate responsibility matters.

The Committee also ensures that compensation arrangements focus on achieving long-term business objectives and growth in shareholder value. In satisfying this requirement, the Committee shall prepare, review and in specific cases approve incentive arrangements.

The Human Resources Committee assists the Board in the efficient preparation and handling of the matters pertaining to the appointment and dismissal of the CEO and other executives and their remuneration. It reviews the compensation and benefits of the CEO and makes recommendations to the Board in relation thereto. In addition, the committee prepares for the Board’s decision on the appointments and dismissals of members of the Executive Management Team (other than the CEO) upon the proposal of the CEO. The committee has only preparatory role, i.e. no decision-making power on the behalf of the Board of Directors.

In 2015

As from March 26, 2015, the members of the Human Resources Committee were Jan Inborr (Chairman), Lori J. Cross and Anders Moberg . All of them are independent of the Company and its significant shareholders. The committee convened six times (two meetings before March 26, 2015). The average attendance frequency was 100.0 %. The attendance of the individual committee members is set forth in the table below.

Human Resources Committee member	Number of committee meetings attended	Attendance percentage
Lori J. Cross (as of March 26, 2015)	4	100.0%
Jan Inborr (as of March 26, 2015	4	100.0%
Anders Moberg	6	100.0%
Markus Rauramo (until March 26, 2015)	2	100.0%
Panu Routila (until March 26, 2015)	2	100.0%

The Shareholders’ Nomination Board

The Shareholders’ Nomination Board prepares proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors and the remuneration of the Board committees and the Nomination Board. The Nomination Board is also responsible for ensuring that the Board of Directors and its members maintain and represent a sufficient level of expertise, knowledge and competence for the needs of the Company.

The Nomination Board comprises representatives of the three largest shareholders of the Company and, in addition, of the Chairman of the Company’s Board of Directors and a person nominated by the Company’s Board of Directors as members. The right to nominate the shareholder representatives lies with those three shareholders whose share of all the voting rights in the Company is on May 31preceding the next Annual General Meeting the largest on the basis of the shareholders’ register of the Company held by Euroclear Finland Ltd. However, holdings by a shareholder who, under the Finnish Securities Market Act, has the obligation to disclose its shareholdings (flagging obligation) that are divided into several funds or registers, will be summed up when calculating the share of all the voting rights, provided that such shareholder presents a written request to that effect to the Chairman of the Company’s Board of Directors no later than on May 30 preceding the next Annual General Meeting. Further, holdings by a group of shareholders, who have agreed to nominate a joint representative to the Nomination Board, will be summed up when calculating the share of all the voting rights, provided that the shareholders in question present a joint written request to that effect together with a copy of such an agreement to the Chairman of the Company’s Board of Directors no later than on May 30 preceding the Annual General Meeting. Should a shareholder not wish to use its nomination right, the right transfers to the next largest shareholder who would otherwise not have a nomination right.

The Chairman of the Board of Directors convenes the first meeting of the Nomination Board and the Nomination Board elects a chairman from among its members. Ahlstrom Corporation's three largest registered shareholders on May 31, 2015 nominated the following persons as their representatives in the Shareholders' Nomination Board of Ahlstrom:

- Thomas Ahlström, representing the combined shareholding of AC Invest B.V., Kai Nahi, Michael Sumelius, Kasper Kylmälä, Peter Seligson and Carl Ahlström amounted to 8,192,439 (17.6%)
- Alexander Ehrnrooth, representing the combined shareholding of Vimpu Intressenter Ab and Belgrano Idiomas Oy totaled 6,171,989 (13.2%)
- Risto Murto, representing the shareholding of Varma Mutual Pension Insurance Company amounted to 1,532,200 (3.3%)

Panu Routila, Chairman of the Board and Jan Inborr, member of the Board, were also members of the Nomination Board.

On June 5, 2015, the Nomination Board elected Thomas Ahlström amongst its members as Chairman.

The Nomination Board shall submit its proposals to the Board of Directors annually, latest on January 31 preceding the next Annual General Meeting.

In 2015, the Nomination Board convened five times and the average attendance frequency was 96.0%. The attendance of the individual Nomination Board members is set forth in the table below.

Nomination Board member	Number of Nomination Board meetings attended	Attendance percentage
Robin Ahlström	0	0.0%
Thomas Ahlström	5	100.0%

Alexander Ehrnrooth	5	100.0%
Jan Inborr	3	100.0%
Anders Moberg	2	100.0%
Risto Murto	5	100.0%
Panu Routila	4	100.0%

CEO

The CEO is in charge of the executive management of the Company. He is accountable to the Board for the achievement of the goals, plans, policies and objectives set by the Board. He prepares matters to be decided on by the Board and carries out the decisions of the Board. The CEO is the Chairman of the EMT. The CEO's contract has been made in writing and approved by the Board.

As from June 16, 2014, Marco Levi has acted as CEO of the Company. No Deputy to the CEO has been appointed.

Biographical details of the CEO and his shareholdings in the Company can be found on the website www.ahlstrom.com.

Executive Management Team

The Executive Management Team (EMT) consists of the CEO as well as business area and functional leaders. The members of the EMT are proposed by the CEO and appointed by the Board. The members of the EMT report to the CEO.

The role of the EMT is to support the CEO in performing his duties and to align the business organization and functions. Within the framework given by the Board, the EMT monitors business performance and risk management, reviews investment proposals, business and annual plans as well as incentive plans before their presentation to the Board, implements strategy and direction, initiates actions and establishes policies and procedures. The EMT members receive monthly reports on the performance of the Company's businesses.

EMT in 2015

At the end of 2015, the EMT consisted of eight members. The composition of the EMT, biographical details, the areas of responsibility of its members and the members' shareholdings in the Company are described on the company's website www.ahlstrom.com.

Auditors

The Company shall have one auditor which is an accounting firm approved by the Finnish Central Chamber of Commerce (APA). The Annual General Meeting elects the Company's auditor.

PricewaterhouseCoopers Oy (PwC) has been acting as the Company's auditor since 2008. On March 26, 2015, the Annual General Meeting re-elected PwC as the Company's auditor. PwC designated Kaj Wasenius, APA, as the Responsible Auditor. The Company's subsidiaries are subject to local auditing under local regulations which are, with a few exceptions, conducted by representatives of PwC's network in each country.

On June 12, 2015, PwC designated Authorized Public Accountant Markku Katajisto as the Responsible Auditor.

The fees of the statutory audit for 2015 were EUR 705,000 in total in the Group (EUR 755 thousand in 2014). Other fees charged by PwC amounted to EUR 562,000 in the Group (EUR 1,052,000 in 2014). The other fees mainly consist of tax and audit related services as well as other consulting services.

Internal control and risk management systems related to financial reporting

Internal control is an essential part of the Company's governance and its management systems. It covers all processes and organizational levels of the Group. The purpose of internal control is to provide reasonable assurance that the Company can execute its strategy effectively in regard to business operations and reliable financial reporting is in place. Internal control is not a separate process but it is embedded in the operations of the Company covering all the Group-wide policies, principles, manuals and systems. In order to strengthen the framework for internal control, the Company continues to develop and harmonize certain common processes and the use of systems related to such processes.

Financial reporting

The majority of Group companies have a common chart of accounts which is built-in in the Group's common global accounting system. Ahlstrom has a common global Enterprise Resource Planning (ERP) system. A common consolidation tool is used as a basis for internal and external reporting. The Group's global accounting and ERP systems provide the data for consolidation via an interface.

Centralized updating and maintaining of the accounting and ERP systems in Ahlstrom as well as such systems' implementation at new units are performed by the Group's own personnel in cooperation with a global IT service provider. The knowledge in the units is supported by internal training and user manuals which are updated regularly.

The consolidated financial statements are prepared in accordance with Ahlstrom core principles and instructions regarding financial reporting (Ahlstrom Accounting Principles) which is applied in all Group companies. These are are based on Ahlstrom's interpretation of the International Financial Reporting Standards (IFRS) adopted in the EU. The Group Controlling function ("Group Controlling") is responsible for the follow-up of the accounting standards, for maintaining the financial reporting principles and for communicating them to the units.

The Board and the CEO have the overall responsibility for setting up the internal control and risk management systems related to financial reporting. The Board has authorized the Audit Committee to ensure the effectiveness of the internal control systems. In addition to the Board and the Audit Committee, the CEO and EMT are responsible for the efficient implementation of the internal control of the financial reporting.

The CFO and Group Controlling lead, coordinate and monitor the Group-wide financial management and control of operations. On the basis of corporate policies and manuals, the Group companies' and business areas' controlling functions communicate and monitor the internal control procedures and practices.

The internal control is based on the Group's overall organizational structure. All levels, business areas, plants, Group companies and corporate functions, are responsible for the correctness of the figures reported by them. All Group companies report their figures by reporting entity to Group Controlling. In the monthly reporting process Group Controlling and the CFO consolidate the reports and analyze the figures and other financial data, and the financial performance in relation to targets is reviewed by the management at each organizational level, as well as by the EMT and the Board.

To ensure the correctness of the financial reports, the monitoring process includes the follow-up of quarterly reports as well as monthly management reports in relation to targets. Group Controlling prepares reports to the Board and the Group's financial performance is reviewed at each Board meeting. The Audit Committee reviews interim reports and annual financial statements in detail and the Board reviews such interim reports' summaries and any statements regarding the outlook and near term risks before the reports are released. The EMT members also receive the management reports for their monthly meetings.

The efficiency and profitability of Ahlstrom is monitored monthly by Group Controlling at the reporting entity level. The actual figures are compared to the Annual Plan and to previous year figures. Business performance control reviews are held at all levels of the Group, including Group companies, plants, business areas, Group Controlling, EMT and the Board. Year-end estimates are updated quarterly. Long-term targets are set up in the Business Plan process for the next three years and the Annual Plan is prepared through a budgeting process for the following year. The Annual Plan and the Business Plan are approved by the Board.

Enterprise risk management

Risk management is one of the key components of the Company's internal control system. The objective of Ahlstrom's enterprise risk management process is to create a consistent consideration of risk and reward in day-to-day operations and to protect the Company against loss, uncertainty and lost business opportunities. Enterprise risk management also supports the achievement of the Company's strategic and operational targets while managing risks within the risk appetite of the Company.

The enterprise risk management process facilitates the identification and assessment of as well as response to events that may threaten the achievement of Ahlstrom's strategic or operational goals. Identified risks are assessed and prioritized according to their likelihood and their potential impact on Ahlstrom's financial performance. Risks are categorized as strategic risks, operational risks, financial risks and hazard risks.

The enterprise risk management framework and process, their alignment with the overall management system as well as the related responsibilities are defined in the Group Risk Management Policy.

The Board has the ultimate responsibility for the Company's risk management and also approves the Group's Risk Management Policy. The Board reviews the identified key risks and is responsible for the determination of risk appetite and tolerance.

The Audit Committee also regularly reviews the effectiveness of the Company's risk management activities, assesses the information provided to the management and the Board regarding key risks and evaluates the plans to manage such risks.

The CEO, EMT and other members of the management at the Group, Business Area, plant and function levels are responsible for implementing the Group Risk Management Policy and daily risk management procedures, each within his/her domain.

The CFO is responsible for overseeing the implementation of the Group Risk Management Policy, coordinating risk management activities and for risk reporting within the Company. As of 2011, the Group risk management activities have been outsourced to KPMG Oy Ab under the supervision of the CFO.

In Ahlstrom, the main principle is to manage risks at their source, i.e. within the business area, plant or function where risks may occur. Risk treatment and monitoring actions for the assessed risks are defined and carried out by the appropriate management at different levels of the organization. To realize economies of scale and to ensure appropriate Group-level control, certain risk management activities such as the establishment of Group-wide insurance programs and management of the Group's financial risks are centralized.

Risk assessments are conducted annually by the business areas, the EMT and the Group functions. The outcome of these assessments is consolidated and presented to the EMT, the Audit Committee and the Board. Identified key risks and the respective risk treatment actions are followed up and taken into consideration in the Company's business and annual planning processes. The evaluation by the Audit Committee of major risks and uncertainties relating to the Company and its operations is included in the Report of operations for 2015.

Internal Audit

The role of Internal Audit is to evaluate and improve the effectiveness of the control, risk management and governance processes, and to facilitate the implementation of best practices to ensure that various risk management, control and governance processes, as designed and implemented by the Company's management, are adequate and functioning as planned. In doing so, Internal Audit reviews the effectiveness and efficiency of the business processes and the compliance with policies, standards, procedures, and applicable laws and regulations.

The Audit Committee has the ultimate responsibility to oversee that Internal Audit has been properly organized. As of 2010, Ahlstrom's Internal Audit function has been outsourced to a global service provider, KPMG Oy Ab.

Administratively, the Internal Audit reports to the CFO as well as to the Audit Committee. The Internal Audit conducts regular process audits, site and subsidiary audits, as well as audits at other Group units in accordance with the audit plan approved by the Board of Directors. The audit plan is developed by using appropriate risk-based methodology taking into account any risks or control concerns identified by the Group Risk Management function, the EMT and the internal auditors. The Internal Audit reports regularly on its activities to the Steering Group consisting of the CEO and CFO and to the Audit Committee. Internal Audit makes recommendations to the EMT members and local management based on its observations. Internal Audit also monitors the implementation of the action plans made based on its recommendations.

Internal Audit is coordinated with the work of the external auditors and the Company’s other controlling and monitoring functions (Financial Accounting, Group Controlling, Taxation, Risk Management, Legal, IT, etc.).

To the extent permitted by law, the Internal Audit function has a free and unrestricted access to all relevant units, functions, records, physical properties and personnel.

The Institute of Internal Auditors' "Code of Ethics" is adhered to in the conduct of the Internal Audit. The Institute's "International Standards for the Professional Practice of Internal Auditing" (Standards) and “Practice Advisories” shall be followed to the extent practicable and applicable.

Compliance

Compliance Framework

At Ahlstrom compliance is the responsibility of every director, officer and representative regardless of the region, business area or function in which they operate. Compliance starts from the top down and is directly linked to all activities conducted for Ahlstrom.

Ahlstrom’ Board approved a renewed Compliance Framework in 2014. The Compliance Framework is based on the following elements:

- Ahlstrom’s management’s commitment and leadership to compliance
- Ahlstrom Code of Conduct and other key compliance policies
- Compliance communication
- Compliance education and training
- Compliance monitoring and associated record keeping
- Whistleblowing service
- Disciplinary actions

The main policies of the Compliance Framework are the Company’s Code of Conduct, Approval and Signing Policy, Competition and Antitrust Policy, the Anti-bribery Policy, the Trade Compliance Policy, the Donation Policy, the Risk Management Policy and Insider Rules.

The Ahlstrom Board is responsible for overseeing how compliance is organized and managed at Ahlstrom. The Board is assisted by its Audit Committee.

The Chief Compliance Officer of Ahlstrom is responsible for supporting the Board and Ahlstrom’s senior management in implementing compliance at Ahlstrom. The Chief Compliance Officer reports directly to the President & CEO and the Audit Committee in compliance matters. Unless otherwise nominated by the Board, Ahlstrom’s EVP Legal, General Counsel shall act as the Chief Compliance Officer.

In April 2015, Ahlstrom launched an externally maintained system known as *SpeakUp* for all employees to anonymously report unethical or unlawful behavior

Insider Matters

In its insider administration, Ahlstrom follows the Guidelines for Insiders issued by Helsinki exchange complemented by the Company's own Insider Rules approved by the Board. The Company maintains its public and company-specific insider registers in the SIRE system of Euroclear Finland Ltd.

In accordance with the law, Ahlstrom's public insiders include the members of the Board, the CEO and his Deputy, auditors, the members of the EMT as well as the General Counsel. Ahlstrom's register of company-specific permanent insiders includes individuals who are defined by the Company and who regularly possess insider information due to their position in the Company.

According to Ahlstrom's Insider Rules, persons listed as permanent insiders shall not in any case trade in the Company's securities after the end of each calendar quarter until the day after the publication of the (quarterly) interim report or annual result ("Closed Window"). The Closed Window shall, however, always include at least the three weeks immediately preceding the publication of the (quarterly) interim report or annual result and the date of publication of such report.

The Company's legal function also maintains a project-specific insider register when required by law or regulations. Project specific insiders are prohibited from trading in the Company's securities until the termination of the project.

Remuneration statement 2015

Remuneration of the Board

The Annual General Meeting decides on the remuneration of the Board members based on the recommendation of the Shareholders' Nomination Board.

The remuneration of the Chairman, as decided by the 2015 Annual General Meeting, is EUR 84,000 per year, EUR 63,000 per year for the Vice Chairman as well as for the Chairman of the Audit Committee and EUR 42,000 per year for the other members of the Board. In addition, the remuneration for attendance at Board meetings is EUR 1,500 per meeting for Board members residing outside Finland. As regards the permanent Board committees and the Nomination Board, the remuneration for attendance at committee and the Nomination Board meetings is EUR 1,500 per meeting.

For 2015, the total remuneration of the members of the Board and its committees amounted to EUR 502,250. The total remuneration of each member is set forth in the table below.

Members of the Board and/or its committees and the Shareholders' Nomination Board at December 31, 2015	Remuneration in 2015 (EUR)	Remuneration in 2014 (EUR)
Robin Ahlström (January 2015)	7,000	76,500
Lori J. Cross	66,000	67,500
Alexander Ehrnrooth (as of April 2015)	45,000	
Johannes Gullichsen (as of April 2015)	37,500	
Jan Inborr (as of April 2015)	57,750	
Esa Ikäheimonen (until March 2015)	23,250	81,750
Daniel Meyer (until March 2015)	15,000	57,000
Anders Moberg	70,500	76,500

Markus Rauramo	68,250	43,500
Panu Routila	97,000	39,000
Thomas Ahlström	7,500	7,500
Risto Murto	7,500	7,500

The Board members do not receive shares or share-related rights as remuneration for their membership and they do not participate in the Company's incentive or pension plans.

Travel expenses are reimbursed in accordance with Ahlstrom's travel policy.

Remuneration of the President & CEO and the other members of the Executive Management Team

The remuneration of the President & CEO ("CEO") and the other members of the Executive Management Team ("EMT") consists of base salary, customary fringe benefits (such as car, phone and, with regard to some members of the EMT, housing and/or healthcare benefits), bonuses and long term incentives as well as voluntary pension insurances as described in more detail below.

Decision-making procedures

Based on the recommendations of the Human Resources Committee, the Board decides on

- the compensation and benefits of the CEO including his individual performance target setting, and
- the Group Long Term Incentive Plans for the EMT and other management and key employees as well as the financial performance objectives and the payout under such plans.
- the compensation and benefits of the members of the EMT
- the Group Bonus Plan for the EMT and other management and key employees as well as the financial performance objectives and the payout under such plans.

Incentive Plans

Both the Group Bonus Plan and Long Term Incentive Plans have been documented in writing. The target setting under the plans shall be made so that the achievement of such targets will strengthen the competitiveness of the Company, contribute to its long-term success and increase shareholder value. The maximum payouts are defined in each plan.

Bonus Plan

Annual bonuses are payable based on the attainment of key performance targets of the Group, business area or unit as well as individual/team performance targets. For 2015, the key performance targets of the CEO and other members of the EMT were based on the Group's operating profit, operating working capital, commercial excellence project and company's engagement index and accident frequency rate.

Individual/team performance targets are mutually agreed upon between the participant and his/her manager in the annual Goal and Development Plan. Individual/team targets must be defined precisely to measure the value-added outputs of the job(s). The bonus payout shall be approved by applying the so called one above principle, i.e. shall be approved by at least one organizational level above the respective participant's manager. The progress in the achievement of the performance targets is evaluated in bi-annual reviews between each participant and his/her manager.

The annual bonus payable to the CEO for achieving his targets could as a maximum amount to the equivalent of 100% of his annual salary and for each other member of the EMT, 50% of his/her annual salary.

Long Term Incentive Plan 2011 – 2015

A share-based Long Term Incentive Plan 2011 – 2015, which consists of three earning periods, offers for the EMT and other key personnel (maximum 50 persons in total per earning period) a possibility to receive Ahlstrom shares and cash (equalling the amount of taxes of the total reward) as a reward, if ROCE and EPS targets set by the Board for each earning period are achieved. If the targets of the plan are attained in full for all three earning periods, the reward to be paid on the basis of the plan will in its entirety correspond to a gross value of approximately 1,000,000 shares.

The restriction period for each earning period is one year after the earning period in question. The Board recommends that the CEO holds shares in the Company corresponding in value to his annual net salary and that the other EMT members hold shares in the Company corresponding in value to half of their annual net salary.

Neither the CEO, nor other member of the EMT nor any other key personnel earned any shares or money from the earning period 2011-2012 as the set ROCE or EBIT targets were not achieved.

The reward for the earning period of 2012 – 2014 amounted to approximately 16% of the maximum reward and was paid in cash to all 24 plan participants in March 2015.

The reward for the earning period of 2013-2015 amounted to approximately 67% of the maximum reward. Ahlstrom's Board of Directors has decided to transfer without consideration a maximum of 110,000 of the company's own shares to a maximum of 27 recipients of the payout. In addition, the company will pay a cash portion to the recipients equalling the total amount of taxes payable for the total award. The handover date of the shares is April 30, 2016, at the latest.

Long Term Incentive Plan 2014 – 2018

The plan consists of approximately 50 persons and the aim of the plan is to align the objectives of the shareholders and the key employees in order to increase the value of the company.

The plan consists of earning periods beginning on January 1, 2014; on January 1, 2015 and on January 1, 2016, and potential rewards will be paid after the end of each earning period. The shares received as reward may not be transferred during a restriction period that ends three years after the beginning of the earning period.

If the targets set by the Board of Directors for the earning periods are achieved, the plan offers an opportunity to receive Ahlstrom shares and a cash proportion which the company uses for taxes and tax-related costs arising from the reward to be paid. The reward from the first earning period was based on the Ahlstrom Group's net sales, earnings per share and percentage of sales from new products. As a rule, no reward will be paid if a key employee's employment or service ends before reward payment.

The President & CEO must hold 40% of the shares received on the basis of the plan as long as his service as the President and CEO continues, and the other members of the Executive Management Team must hold 40% of the shares received on the basis of the plan for two years after the end of a three-year earning period or after the end of the restriction period.

The reward for the earning period of 2014 amounted to approximately 10% of the maximum reward and was paid in cash in March 2015.

The reward for the earning period of 2015 was based on the Ahlstrom Group’s EPS and ROCE targets and it amounted to approximately 65% of the maximum reward. The payout will take place latest in November, 2016.

The third and last earning period of year 2016 will be launched during the first half of 2016.

Pension Plans

The CEO and the other members of the EMT may participate in voluntary pension insurances. All such pension insurances are country-specific defined contribution plans. The annual contribution of the Company to the CEO’s pension plan equals approximately to his three month’s salary (not including bonuses) and to the other EMT members’ respective plans in maximum his/her two month’s salary (including fringe benefits without bonuses).

The participants’ pensions will be determined based on the applicable local pension rules and the amount of their savings in the aforesaid defined contribution plans.

The CEO’s retirement age is 63 (August 2022).

Share ownership plan

The share ownership plan for previous management has been dissolved and the holding company Ahlcorp Oy has been liquidated in 2015.

Other terms relating to the remuneration of the CEO and the other members of the EMT

The CEO’s contract may be terminated by either the CEO or the Company with six months’ notice. In the event the Company terminates the contract without cause, the Company shall, in addition to his salary during the notice period, pay to the CEO a severance payment corresponding to his 12 months’ salary.

According to the CEO’s contract, the Company maintains an insurance for him to cover permanent disability.

Five per cent of the annual base salary paid to the CEO is paid for membership on governing bodies of group legal units or associated companies.

The Company has not given any guarantees or other securities on behalf of the members of the EMT or the Board.

The total remuneration of the CEO and the other members of the EMT, including fringe benefits and bonuses, are set forth at the table below.

2015	Salaries and fees with fringe benefits (EUR)	Bonus pay (EUR)	Long-term plan based payments (EUR)	Total (EUR)
Marco Levi, President & CEO	701,890.14	243,750.00	81,149.98	1,026,790.12
Other EMT members	1,622,675.37	315,740.62	140,832.37	2,079,248.36

2014	Salaries and fees with fringe benefits (EUR)	Bonus pay (EUR)	Long-term plan based payments (EUR)	Total (EUR)
Jan Lång, President & CEO until June 15, 2014	302,038.00	87,487.00	-	389,525.00
Marco Levi, President & CEO as from June 16, 2014	544,214.80 *)	-	932,400.00 **)	1,476,614.80
Other EMT members	2,495,045.36	241,603.78	-	2,736,649.14

*) including a one time payment of EUR 216,000.00 (sign-in bonus)
**) value of shares at grant

Risk management

In our daily operations we face several key risks that may affect our ability to create value. The matrix below explains some of our key risks and how we manage them and mitigate their impacts.

Our most important assets are people, property, earnings capability, customer relations, and reputation. Their preservation and security are essential for our ability to create value. It is in the interest of our employees, customers, shareholders and communities in which we operate that we minimize the impacts from the identified risks. The main principle is to manage those risks at source. Many of the risks can be turned into opportunities and competitive advantage through successful mitigation actions.

Responsibility

The Board of Directors has the ultimate responsibility for Ahlstrom's risk management. The Board reviews the identified key risks and is responsible for the determination of risk appetite and tolerance.

The President & CEO, Executive Management Team, and other management at Group, business area, and plant levels are responsible for implementing the Risk Management Policy.

	Risk description	Actions to mitigate
Business & market environment	• Increased competition • Fluctuations in demand • Ability to foresee changes in customer needs and delays in launching new products • Changes in political environment	• Demand planning process • Continuous market intelligence • Product development process improvement • Tracking system to prevent trade to embargoed countries
Financial	• Exchange rate fluctuations • Defined pension benefit plans	• Financial hedging policy • Improved control over investment activities of the pension funds
Sourcing & manufacturing	• Fluctuations in the prices of raw materials and energy • Inflexibility to adjust production capacity • IT security and contingency of IT operations	• Improved contract management and legal support • Data collection for the basis of raw material price hedging • Indexed contracts • IT security assessment and contingency planning
Employees & safety	• Retention of key personnel • Safety risks in manufacturing at plants	• Human resources management plan • Succession planning • Companywide safety standards and guidelines at each location • Bonuses tied to safety achievements

Plants & property	• Hazards such as fires, explosions, and natural incidents like floods and storms	• Contingency and recovery plans at each site
Legal & compliance	• Contract management • Infringement of intellectual property rights • Non-compliance with new and current legislation and regulation	• Legal support in contract negotiations • Policies and guidelines • Legal and compliancy training • Monitoring of local regulations
Environment	• Environmental legislation • Impact from operations into air, water and land	• Development of formaldehyde free products • Life cycle assessment in product development • Wood fiber sourced only from sustainably managed forests

FINANCIALS

Contents

Report of operations

Year 2015 in brief

- Net sales EUR 1,074.7 million (EUR 1,001.1 million), showing an increase of 7.4%. Comparable net sales at constant currencies declined by 0.7%.
- Operating profit EUR 21.9 million (EUR -3.7 million).
- Operating profit excluding non-recurring items EUR 47.5 million (EUR 28.6 million), representing 4.4% (2.9%) of net sales.
- Profit before taxes EUR 22.6 million (EUR -9.4 million), including a EUR 20.3 million capital gain booked from the sale of Munksjö Oyj shares.
- Earnings per share EUR 0.06 (EUR -0.22).
- Net cash flow from operative activities EUR 60.0 million (EUR 35.4 million).

Operating environment

The operating environment in Ahlstrom's main markets varied, depending on the region and market in question. Unfavorable demand was experienced in some key markets in the second half of the year.

In engine filtration, demand for heavy-duty applications slowed down globally during the second half of the year. Demand for laboratory and life science applications was steady in North America and Europe, while demand for water filtration weakened towards the end of the year.

Demand for glassfiber tissue used in flooring and other building applications was strong in Europe. Growth also continued in North America, as the market has increasingly adopted glass-based vinyl flooring technology. The market for reinforced glassfiber products for the wind energy industry remained strong. Weak demand for wallpaper and wallcovering substrates persisted in Europe and Russia, while in China demand was geared towards more commoditized products and markets remained very competitive.

In the markets served by the Food and Medical business area, the overall demand was lower across all the geographies, particularly in the last quarter of the year. The markets for food packaging products strengthened in Europa and Asia, but declined slightly in North America. Demand for tape materials continued to grow in North America and Asia, whereas in Europe it was weaker. The market for beverage materials was low, particularly in North America, however, growth in the single-serve coffee products segment continued. Demand for high-end as well as more commoditized medical fabrics was lower in North America and Asia.

Development of net sales

January-December 2015 compared with January-December 2014

Net sales rose by 7.4% to EUR 1,074.7 million, compared with EUR 1,001.1 million in the comparison period. Higher selling prices and an improved product mix were more than offset by lower volumes in the Filtration, and Food and Medical business areas. Meanwhile, the Building and Energy business area reported an increase in sales volume. A favorable currency translation and transaction effect had a positive impact of EUR 81.7 million, led by a stronger U.S. dollar against the euro, on net sales. Comparable net sales, excluding structural changes, fell by 0.7% at constant currency rates.

	Net sales
2014, EUR million	**1,000.1**
Price and mix, %	1.7
Currency, %	8.2
Volume, %	-2.4
Closures, divestments and new assets, %	-0.1
Total, %	**7.4**
2015, EUR million	**1,074.7**

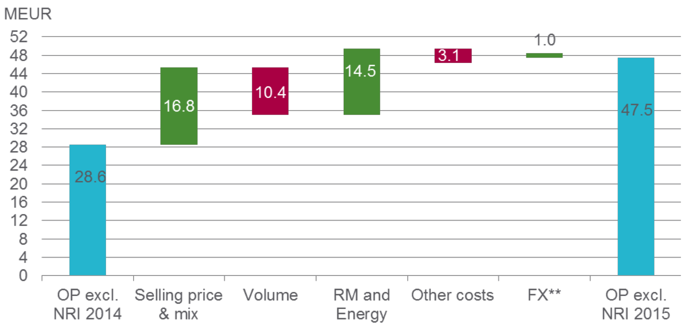
Result and profitability

January-December 2015 compared with January-December 2014

Operating profit was EUR 21.9 million (EUR -3.7 million) and operating profit excluding non-recurring items amounted to EUR 47.5 million (EUR 28.6 million). Non-recurring items affecting the operating profit totaled EUR -25.6 million (EUR -32.3 million) and included the following items:

- An impairment loss and additional depreciation of EUR 17.2 million related to non-current assets in Ahlstrom Osnabrück GmBH, part of the Building and Energy business area, and to a production line at the Chirnside plant in the U.K., part of the Food and Medical business area.
- Restructuring costs of EUR 2.1 million related to product development operations in Asia.
- In addition, some restructuring costs were booked.

In the comparison period, non-recurring items included an impairment loss related to a business withdrawal, along with additional depreciation in the Food and Medical, and Building and Energy business areas, and restructuring costs.



* Excluding non-recurring items
** Foreign exchange

Operating profit excluding non-recurring items was supported by an ongoing commercial excellence program, which has resulted in higher margin and a better product mix. Lower raw material costs such as certain pulp grades, chemicals and synthetic fibers, as well as a favorable currency translation and transaction effect had a positive impact on operating profit. In addition, selling, general and administrative (SGA) costs as a percentage of net sales continued to decline during the review period. Lower sales volumes and higher other costs stemming from production overheads had a negative impact on operating profit.

Profit before taxes was EUR 22.6 million (EUR -9.4 million), including a capital gain of EUR 20.3 million from the sale of Munksjö Oyj shares. Income taxes amounted to EUR 14.1 million (EUR 0.9 million). Profit for the period was EUR 8.6 million (EUR -10.3 million).

Earnings per share with the effect of interest net of tax on the hybrid bond were EUR 0.06 (EUR -0.22).

Segments

Filtration

Net sales rose by 7.2% to EUR 431.6 million. The increase was due to higher selling prices, an improved product mix through the sale of more advanced filtration materials, as well a favorable currency effect. Lower volumes of heavy-duty filtration products had a negative impact on net sales.

Operating profit excluding non-recurring items grew to EUR 41.7 million (EUR 41.2 million). An improved mix of value-added products and operational efficiency were partially offset by lower volumes of engine filtration products.

Building and Energy

Net sales rose by 7.0% to EUR 308.5 million. The increase was due to increased volumes and higher selling prices of flooring, glassfiber reinforcement and specialty non-woven applications as well as the ramp-up of wallcoverings production in Asia. Lower sales of wallcovering materials in Europe had a negative impact on net sales.

The operating loss excluding non-recurring items was EUR 3.1 million (EUR 8.3 million loss). The improvement was due to increased sales volume and higher selling prices as well as lower fixed costs. The result was burdened by lower volumes of wallcoverings in Europe and Russia. The wallcoverings production line in Binzhou, China had a significant increase in capacity utilization.

Food and Medical

Net sales rose by 10.4% to EUR 354.4 million. The increase was due to higher sales of food packaging products globally and tape materials from the Asian platform, as well as a favorable currency effect. Net sales were burdened by lower volumes, particularly for medical fabrics.

Operating profit excluding non-recurring items rose to EUR 12.5 million (EUR 6.4 million). The increase was due to improved pricing and product mix, as well as lower raw material and fixed costs.

Financing

Net financial expenses

In January-December 2015, net financial income was EUR 0.6 million (EUR 5.8 million expense). Net financial income includes net interest expenses of EUR 16.4 million (EUR 17.9 million), a financing exchange rate loss of EUR 0.5 million (EUR 0.5 million loss), and other financial net income of EUR 17.5 million (EUR 12.6 million income), including a capital gain of EUR 20.3 million from the sale of Munksjö Oyj shares. The other financial income in the comparison included the capital gains from the sale of Suominen Corporation and Munksjö Oyj shares.

At the end of the reporting period, Ahlstrom’s shareholding in Munksjö Oyj had been reduced to zero percent.

Cash flow

In January-December 2015, net cash flow from operating activities amounted to EUR 60.0 million (EUR 35.4 million), and cash flow after investing activities was EUR 82.0 million (EUR 56.9 million) including proceeds from the sale of Munksjö shares. Cash flow after investments in the comparison period includes proceeds from the sale of Suominen and Munksjö shares.

As of December 31, 2015, operative working capital amounted to EUR 113.8 million (EUR 108.9 million). The increase was mainly due to currency exchange fluctuations. The rolling 12-month turnover rate of the operative working capital fell to 45 days from 46 days in the comparison period.

Net debt and gearing

Ahlstrom’s interest-bearing net liabilities stood at EUR 195.9 million at the end of the review period (EUR 253.8 million at the end of 2014). Ahlstrom's interest-bearing liabilities amounted to EUR 243.3 million (EUR 295.2 million at the end of 2014). The modified interest rate duration of the loan portfolio (average interest rate fixing period) was 18.2 months, and the capital weighted average interest rate was 3.98%. The average maturity of the long-term loan portfolio and committed credit facilities was 31.6 months.

The company's liquidity continues to be good. On June 25, 2015, Ahlstrom signed a EUR 180 million three-year revolving credit facility. The facility includes two 12-month extension options for the company subject to the consent of the participating banks. The committed facility replaces the existing EUR 200 million facility signed in June 2011 (initially EUR 250 million) and will be used for general corporate purposes.

At the end of the review period, its total liquidity, including cash, unused committed credit facilities and committed cash pool overdraft limits was EUR 299.0 million (EUR 300.3 million). In addition, the company had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 103.6 million (EUR 129.5 million) available.

Gearing stood at 65.4% (79.3% at the end of 2014) and was positively impacted by lower net debt due to an improved operating cash flow and the sale of Munksjö shares. The equity ratio was 35.8% (34.8% at the end of 2014). In October 2013, the company issued a EUR 100 million hybrid bond, which is treated as equity when calculating the gearing and equity rations.

Capital expenditure

Ahlstrom's capital expenditure excluding acquisitions totaled EUR 27.3 million in January-December 2015 (EUR 45.4 million). The investments in 2015 were mainly maintenance related.

Personnel

Ahlstrom employed an average of 3,376 people[1] in January-December 2015 (3,493), and 3,311 people (3,401) at the end of the period. The decline was primarily due to the completion of the rightsizing program. At the end of the period, the highest numbers of employees were in the United States (22.9%), France (17.2%), China (10.3%), Finland (9.0%) and Italy (8.8%).

New business structure and changes in the Executive Management Team

On November 19, 2015, Ahlstrom announced it will further simplify its business structure for faster execution and leaner alignment of operations. Ahlstrom's business structure was organized into two business areas: Filtration & Performance and Specialties. The new structure became effective as of January 1, 2016.

As a consequence, the following changes were made to the composition of the Executive Management Team: Fulvio Capussotti was appointed EVP, Filtration & Performance, Omar Hoek EVP, Specialties and Jari Koikkalainen EVP, Procurement & Group Technology. Nadia Stoykov, former EVP, Commercial Excellence, Customer Service and Sourcing, stepped down from the EMT, while she continues to be employed by the company.

The business areas also form Ahlstrom’s financial reporting segments and the company plans to publish restated financial segment information before publishing its January-March 2016 interim report on April 28, 2016.

Ahlstrom’s Executive Management Team as of January 1, 2016:

- Marco Levi, President & CEO
- Sakari Ahdekivi, 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 & Group Technology
- Päivi Leskinen, Executive Vice President, Human Resources

The Executive Management Team members are introduced and their shareholdings are described on the *Executive Management Team* section of the annual report. This information is also available on the company's website at www.ahlstrom.com.

Other events during the period

Change in the Board of Directors

On January 26, 2015, Robin Ahlström, the Chairman of the Board of Directors, announced his resignation from the position of Chairman and member of the Board due to serious illness. Following the announcement, the Board elected Panu Routila as Chairman.

Change in Ahlstrom's Responsible Auditor

On June 12, 2015, Ahlstrom's auditor PricewaterhouseCoopers Oy designated Authorized Public Accountant Markku Katajisto as the Responsible Auditor.

Business structure

Ahlstrom is one of the world's leading manufacturers of high performance fiber-based materials. This strong global position is based on the company's innovative products and technologies, backed by its worldwide production capacity. The company has operations in more than 20 countries. The parent company Ahlstrom Corporation is a Finnish publicly listed company with its registered office in Helsinki. Ahlstrom has several subsidiaries, which are listed in the Notes to the Financial Statements.

In 2015, Ahlstrom's business was reported in three segments; Filtration, Building and Energy, and Food and Medical.

The **Filtration** business area serves customers mainly in the automotive, water, energy, healthcare, food and beverage, and environmental control industries. Examples of end-use applications include engine oil, fuel, transmission and cabin air filtration for cars and heavy duty trucks, water and air filtration, gas turbine filtration, and life science and laboratory filtration.

The **Building and Energy** business area serves customers mainly in the construction, energy, fabric care, marine, and transportation industries. Examples of end-use applications include wallcoverings, floorings, building panels, fabric care applications, car interiors, wind turbine blades and boat hulls.

The **Food and Medical** business area serves customers primarily in the food, beverage, construction, medical, and healthcare industries. Examples of end-use applications include tea bags, coffee filters, meat casings, food packaging, baking papers and masking tape, surgical gowns and drapes, as well as face masks and sterilization wraps.

As of January 1, 2016, Ahlstrom's new structure consists of two business areas: Filtration & Performance, and Specialties.

Product and technology development

In 2015, Ahlstrom invested approximately EUR 20.9 million (EUR 17.5 million in 2014, EUR 19.3 million in 2013), or 1.9% (1.7%, 1.9%) of the company's net sales into research and development. As in the previous years, Ahlstrom launched new products and technologies to reinforce its leading position in the fiber-based materials market. In 2015, 16% of Ahlstrom's net sales were generated by new products[2] (15.0% in 2014). The company's strategic target was to generate at least 20% of net sales from new products.

In product design Ahlstrom applies an EcoDesign approach, where new products are designed to minimize the environmental impacts over their whole life cycle. Key priorities include the removal of hazardous chemicals, using materials with low impact on the environment, optimization of the product's end-of-life and energy efficiency.

Key new product launches in 2015

Ahlstrom continued launching new products to drive growth and improve the sales mix and profit margins. The company has in particular launched new products within the Advanced Filtration and Food business units. Examples include sustainable and compostable single-use coffee filters and lids in Europe and Canada.

Corporate responsibility and sustainability

Ahlstrom is committed to sustainable development, which for the company means a balance between economic, social, and environmental responsibility. These principles are applied throughout a product's value chain, from raw materials to production and all the way to the end of the entire life cycle.

Natural fibers are by far the most significant of Ahlstrom's raw materials. The company considers it important for the fibers to come from sustainably managed forests. Ahlstrom buys wood pulp only from certified suppliers, or from suppliers that are in the process of being certified i.e. by the most widely used sustainable forest management certification systems. Over 80% of the fibers used by Ahlstrom as raw materials are sourced from renewable sources.

In matters concerning occupational health, safety & environment (HSE), Ahlstrom applies a continuous improvement model.

Ahlstrom's annual report 2015 provides an overview of the company's key activities and performance on corporate responsibility and sustainability aspects. The report, which based on our own assessment complies with the Global Reporting Initiative's G4 guidelines at "core level", is published on the company's website www.ahlstrom.com.

Risks and risk management

The following risks were identified as the major business risks based on the Company's enterprise risk assessment process covering both Business Areas and Group functions during 2015.

Strategic risks

Tightening competitive environment due to competitors' increased - realized or planned - production capacity and price pressures, especially in Asia, received considerable attention in the risk assessment, as these developments put downward pressure on the company's margins. The company has focused on e.g. optimizing product quality, improving its R&D operations as well as market monitoring and business intelligence to mitigate the issue. In R&D, for example collaboration with third parties such as universities has been increased. Also longer-term contracts with customers have been sought.

Changes in the demand for Ahlstrom's products due to macroeconomic conditions were perceived as less of a risk than in previous years, but still as a significant risk. Economic cycles affect the demand for Ahlstrom's products especially in the building, marine and automotive industries. Additionally in wind power, the role of government subsidies is important. Economic cycles also have an impact on the price development of the raw materials used. On the other hand, the effect of cycles is less pronounced in the food, packaging, medical and healthcare industries where Ahlstrom also has a strong presence globally. The company has responded to the uncertainty in demand by e.g. improving its demand planning process and the flexibility of its asset base, as well as developing products that better respond to customer needs.

The risk related to changes in the political environment in the Group's operating countries was highlighted in the 2015 risk assessment. Trade sanctions and other political events can affect the company directly and indirectly. While these events are outside of the company's influence, it can mitigate potential effects by e.g. active demand planning and flexible operations. Also a tracking system with the aim of preventing sales to trade embargoed countries is in place. Political changes can also present the company with new business opportunities if trade is facilitated with countries such as Iran and Cuba.

Another change in the competitive landscape facing the company is the wider adoption of SMS (spunbond-meltblow-spunbond) technology in the Food & Medical Business Area compared with the current wet-laid technology. The Group is in the process of redesigning its product portfolio and lowering the cost structure of its existing products in response to this development, as well as investing in new technology.

Operative risks

Increases in raw material and commodity prices can affect the company's profitability depending on its ability to effectively mitigate the risk with operative actions and possibilities to pass on increases to customers. The magnitude of this risk is dependent on several factors, such as the demand for the company's products, the negotiation power of major suppliers and customers, the company's timely planning and management of sales prices as well as the availability of key raw materials. Managing this risk continues to be a top priority for the Group.

The risk related to commodity prices is managed by several complementing ways. The company has started a contract database project to provide a better platform for contract management, and has also collected more detailed data on risk exposures for the basis raw material price hedging. The company has also reorganized its legal support to business areas, where business area specific legal resources have been able to more effectively support them in contract management. Indexing and other contractual risk management methods are continuously improved.

The flexibility of the company’s production capacity and the possible measures to respond to unexpected or major changes in market demand continue to be one of the company’s main risk areas. During 2015 the company has been able to mitigate the risk by being able to spread production more evenly between the company’s production assets. New approvals from customers to supply products from multiple locations have been sought. The company has also been able to draw on capital expenditure to mitigate the issue.

Changes in environmental regulation, especially the European Union’s ruling on the use of formaldehyde, received attention in the risk assessment already in 2014. The company has been actively pursuing actions to reduce the exposure of employees to formaldehyde and it is in compliance with new environmental regulations.

Also other EHS (environment, health and safety) related risks were identified in the assessments. For example, natural disasters or accidents can cause interruptions in production as well as personal injuries. To counter these risks, the company maintains an optimal level of insurance, has necessary contingency plans in place and conducts health and safety audits. The company is in the process of implementing a behavioral based safety program in order to further mitigate the related issues.

Retaining key personnel was identified as a more important risk than previously. The aging and retiring of key personnel, as well as a slimmer organization mean that there are less possibilities for back-up arrangements than previously. The company’s HR management plan and Human Capital Review project cover the key aspects in managing the risk, e.g. necessary succession planning.

IT security risks were assessed to be an important risk for the company in the 2015 risk assessment. Breaches in IT security could lead to a loss of intellectual property and other sensitive data. The company has responded to the risk by conducting a separate IT security assessment including e.g. penetration tests, firewall and proxy reviews, and application security reviews. Also IT contingency planning was identified as a separate risk area, and actions to improve contingency planning and related service level agreements with suppliers has been started.

Financial risks

As the company operates globally, it is inevitably exposed to foreign exchange risks. Natural hedging through making sales in the same currency as the respective purchases is the primary method to mitigate the risk. Also financial hedging is used and the hedging process has been improved. Foreign exchange translation risk related investment in subsidiaries is managed by minimizing the amount of equity investment in the subsidiaries.

There is also financial risk related to the company’s defined benefit pension schemes, especially in the U.S., Germany and the U.K. Unfavorable market movements might increase the need to fund the pension plans compared to current estimates. Actions to mitigate the risk include monitoring the liabilities and taking part in investment decisions as well as identifying possibilities to dispose of the funds through a buy-in arrangement with a third-party.

Legal and compliance risks

Ahlstrom’s focus on high performance materials and use of advanced technologies and processes increases the importance of actively managing issues related to competition law, intellectual property (IP) rights and contract management. Risk management actions aimed at mitigating these risks include, among others, continuous training, using standardized contract templates, and legal support in negotiating major contracts, as well as implementing Group-wide policies and guidelines. Contract management has been a continuing focus area in 2015, resulting in an increased coverage of written agreements with customers. Also training related to contract matters is planned.

In April 2015, Ahlstrom launched an externally maintained system known as *SpeakUp* for all employees to report anonymously unethical or unlawful behavior.

Ahlstrom's short-term risks are described in the Short-term risks section. Financial risks and hedging principles are presented in the notes to the financial statements. Risk management is also reported on the company's website at www.ahlstrom.com. Furthermore, the risk management process is described in the Corporate Governance Statement on the website.

Shares and shareholders

Ahlstrom's shares are listed on the Nasdaq Helsinki. Ahlstrom has one series of shares. The stock is classified under the Nasdaq Helsinki's Materials sector and the trading code is AHL1V.

During January-December 2015, a total of 2.0 million Ahlstrom shares were traded for a total of EUR 15.2 million. This represented 4.3% of the outstanding number of shares at the end of the reporting period (14.5% in 2014). The lowest trading price was EUR 7.02 and the highest EUR 8.34. The closing price on December 30, 2015 was EUR 7.24. The market capitalization at the end of the review period was EUR 336.8 million, excluding the shares owned by the parent company.

At the end of 2015, Ahlstrom held a total of 149,005 of its own shares, corresponding to approximately 0.32% of the total shares and votes. The company had 10,409 shareholders at the end of the reporting period (10,931 shareholders as of December 30, 2014).

Ahlstrom Group's equity per share was EUR 4.20 at the end of the review period (December 31, 2014: EUR 4.65).

More details on Ahlstrom's major shareholders and distribution of ownership can be found in the Investor section of the Annual report.

Annual General Meeting

Ahlstrom Corporation's Annual General Meeting of Shareholders (AGM) was held on March 26, 2015.

The AGM resolved, in accordance with the proposal of the Board of Directors, that dividends in the aggregate maximum amount of EUR 14,001,182.40 (EUR 0.30 per share) shall be paid in cash.

Board of Directors

The Ahlstrom Corporation Board of Directors consists of a minimum of five and a maximum of seven members. The Annual General Meeting confirms the number of members of the Board, elects them and decides on their remuneration. The term of each member of the Board expires at the close of the first Annual

General Meeting following their election. There are no limitations to the number of terms a person can be a member of the Board, and no maximum age.

The AGM held on March 26, 2015 confirmed the number of Board members to be seven. Lori J. Cross (b. 1960), Anders Moberg (b. 1950), Markus Rauramo (b. 1968) and Panu Routila (b. 1964)were re-elected as members of the Board of Directors. Alexander Ehrnrooth (b. 1974), Johannes Gullichsen (b. 1964) and Jan Inborr (b. 1948) were elected as new members. The term of the Board of Directors will expire at the close of the next Annual General Meeting in 2016.

In 2015, the Board convened 13 times. The average attendance frequency was 94.1%.

Ahlstrom's management is described in greater detail in the Governance section of the Annual report. Board members are introduced and their shareholdings are described on the *Board of Directors* section.

The company's Corporate Governance Statement 2015, in its entirety, is available on the company's website at www.ahlstrom.com.

Authorizations of the Board

The AGM held on March 26, 2015 authorized The AGM authorized the Board of Directors to repurchase and distribute the Company's own shares as well as to accept them as pledge as proposed by the Board of Directors. The number of shares to be repurchased or accepted as pledge by virtue of the authorization shall not exceed 4,000,000 shares in the Company, yet always taking into account the limitations set forth in the Companies' Act regarding the maximum number shares owned by or pledged to the Company or its subsidiaries. The shares may be repurchased only through public trading at the prevailing market price by using unrestricted shareholders' equity. The rules and guidelines of NASDAQ Helsinki Oy and Euroclear Finland Ltd shall be followed in the repurchase.

The authorization includes the right for the Board of Directors to decide upon all other terms and conditions for the repurchase of the Company's own shares, or their acceptance as pledge including the right to decide on the repurchase of the Company's own shares otherwise than in proportion to the shareholders' holdings in the Company.

By virtue of the authorization, the Board of Directors has the right to resolve to distribute a maximum of 4,000,000 shares held by the Company. The Board of Directors will be authorized to decide to whom and in which order the own shares will be distributed. The Board of Directors may decide on the distribution of the Company's own shares otherwise than in proportion to the existing pre-emptive right of shareholders to purchase the Company's own shares. The shares may be used as consideration in potential acquisitions and in other arrangements as well as to implement the Company's share-based incentive plans in the manner and to the extent decided by the Board of Directors. The Board of Directors also has the right to decide on the distribution of the shares in public trading for the purpose of financing possible acquisitions. The authorization also includes the right for the Board of Directors to resolve on the sale of the shares accepted as a pledge. The authorization includes the right for the Board of Directors to resolve upon all other terms and conditions for the distribution of the shares held by the Company.

The authorizations for the Board of Directors to repurchase the Company's own shares, to distribute them as well as to accept them as pledge are valid for 18 months from the close of the Annual General Meeting but will, however, expire at the close of the next Annual General Meeting, at the latest.

Composition of Ahlstrom's Nomination Board

Ahlstrom's three largest registered shareholders on May 31, 2015 nominated the following persons as their representatives in the Shareholders' Nomination Board of Ahlstrom:

- Thomas Ahlström (AC Invest Six B.V. and five other shareholders)
- Alexander Ehrnrooth (Vimpu Intressenter Ab and Belgrano Idiomas Oy)
- Risto Murto (Varma Mutual Pension Insurance Company).

The company's Chairman of the Board Panu Routila and Jan Inborr, as nominated by the Board, are also members of the Nomination Board. On June 5, 2015, the Nomination Board elected Thomas Ahlström amongst its members as Chairman.

Major events after the reporting period

Divestment of the glassfiber business

On January 21, 2016, Ahlstrom signed an agreement to divest its Building & Wind business unit to Owens Corning, a U.S.-based company listed on the New York Stock Exchange. The initial debt and cash free purchase price, which is subject to EBITDA adjustment, is EUR 73 million.

The Building & Wind business unit produces glassfiber tissue used mainly in flooring applications as well as reinforcements used in windmill blades. In 2014 the net sales of the business was approximately EUR 77 million and the business was profitable. The unit operates two plants in Finland in Karhula and Mikkeli and one in Tver, Russia, employing in total approximately 260 persons. It serves markets mainly in Europe and Russia as well as in North America and Asia.

The transaction is expected to be completed during the first half of 2016 and is subject to customary completion terms, such as merger clearances from relevant competition authorities.

Ahlstrom expects to book a capital gain of approximately EUR 25 million following the completion of the asset deal. From the beginning of 2016 the Building & Wind business will be reported as part of discontinued operations until the transaction has been completed.

Redefined strategy and long-term financial targets announced

Ahlstrom completed a comprehensive strategy review and has now redefined its strategy extending to the year 2018. 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.

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 is to increase market and customer focus. Both segments have business unit specific strategies and operating models. This enables us 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 outlines the change in strategy and is focused on commercial excellence, a new lean operating model, organic growth via higher asset turnover and growth via new platforms.

As part of the redefined strategy, the Board of Directors has approved Ahlstrom's new long-term financial targets over the economic cycle:

- 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.

Previous long-term financial targets were:

- Net sales: at least 5% underlying annual growth
- Net sales from new products: at least 20%
- Operating profit*: 7% of net sales by 2016 and 10% of net sales beyond 2016
- Gearing ratio: to be maintained within the 50-80% range

*Excluding non-recurring items

Proposal for the distribution of profit

Ahlstrom aims to pay a stable and over time increasing dividend based on the annual net income performance of the company.

The distributable funds on the balance sheet of Ahlstrom Corporation as of December 31, 2015 amounted to EUR 415,834,745.25.

The Board of Directors will propose to the Annual General Meeting that for the financial year which ended on December 31, 2015, a dividend totaling EUR 0.31 per share be paid based on the dividend policy mentioned above.

The company's shares will trade together with the right to dividend until April 5, 2016. The dividend will be paid to each shareholder who is registered in the Company's shareholder register maintained by Euroclear Finland Ltd on the record date of April 7, 2016. On December 31, 2015, the number of shares of the company amounted to 46,670,608 based on which the maximum amount that can be distributed as dividend would be EUR 14,467,888.48. No dividend will be paid based on shares owned by the company or its subsidiaries. The Board of Directors proposes that the dividend be paid on April 14, 2016.

In addition, the Board of Directors proposes that EUR 60,000 will be reserved for donations at the discretion of the Board.

Outlook

The company expects net sales from continuing operations in 2016 to be between EUR 950-1050 million. The adjusted operating profit from continuing operations is expected to be 4.2%-5.2% of net sales.

The outlook excludes the Building & Wind business unit, which will be reported as part of discontinued operations starting from the beginning of 2016. The adjusted operating profit excludes restructuring costs, impairment charges and capital gains or losses.

Short-term risks

The global economic outlook remains uncertain. The euro area continues to suffer from slower growth and the recent slowdown in China has raised concerns, although the expected shift in the country's economic structure towards more consumer consumption and less investment can also provide opportunities.

Slower-than-anticipated economic growth poses risks to Ahlstrom's financial performance. It may lead to lower sales volumes and force the company to initiate market-related shutdowns at plants, which could affect profitability. Tightened competition through competitors' increased production capacity, aggressive pricing as well as adoption of new technologies can also affect profitability. Shifts in the pattern of demand for the company's products can strain the flexibility of its asset base and leave some assets underutilized, while others are over-loaded.

Further swings in currency exchange rates may lead to fluctuations in net sales and profitability. Ahlstrom's main raw materials are wood pulp, synthetic fibers, and chemicals. The prices of these key raw materials are volatile and possible increases can affect the company's profitability depending on its ability to mitigate the risk.

Ahlstrom Corporation

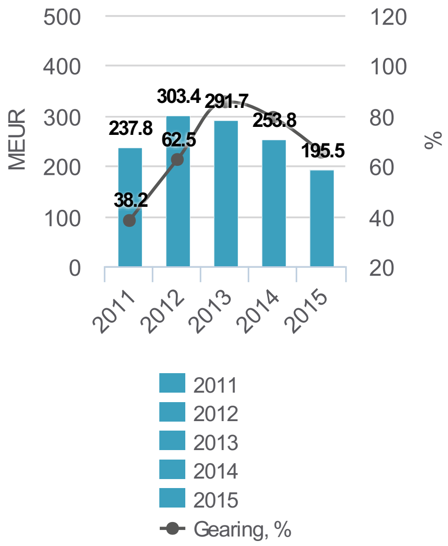
Board of Directors

---

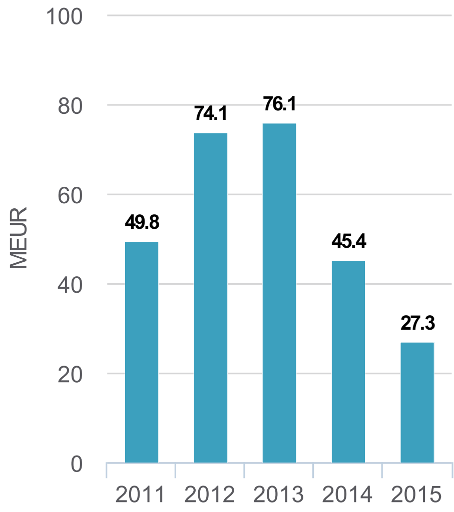
[1] Calculated as full-time equivalents.

[2] Developed in the last three years

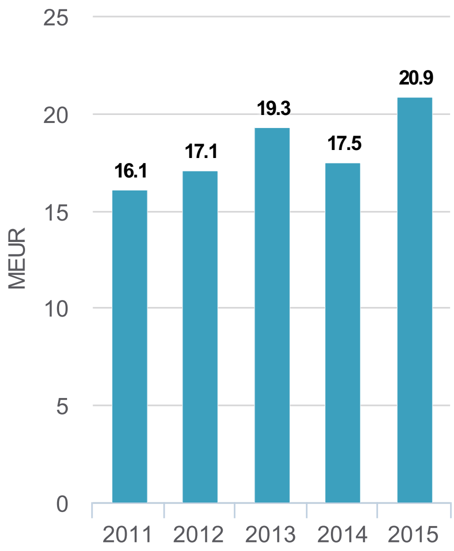
Net debt and gearing



Capital expenditure (excl. acquisitions)



R&D expenditure



Consolidated financial statements

Contents

Income statement

EUR million	Note	2015	2014
Continuing operations			
Net sales	2,3,4,5	**1,074.7**	1,001.1
Cost of goods sold	6,8,9	**-910.0**	-855.0
Gross profit		**164.8**	146.1
Sales and marketing expenses	8,9	**-40.2**	-43.1
R&D expenses	8,9	**-20.9**	-17.5
Administrative expenses	8,9	**-76.4**	-80.4
Other operating income	7	**7.0**	6.2
Other operating expense	7,10	**-12.4**	-15.0
Operating profit/loss		**21.9**	-3.7
Financial income	11	**0.5**	0.6
Financial expenses	11	**0.1**	-6.4
Share of profit/loss of equity accounted investments	17	**0.2**	0.1
Profit/loss before taxes		**22.6**	-9.4
Income taxes	12,20	**-14.1**	-0.9
Profit/loss for the period from continuing operations		**8.6**	-10.3
Discontinued operations			
Profit/loss for the period		**-**	6.9
Impairment and cost to sell		**-**	0.6
Profit/loss for the period from discontinued operations		**-**	7.5
Profit/loss for the period		**8.6**	-2.7
Attributable to			
Owners of the parent		**9.2**	3.6
Non-controlling interest		**-0.7**	-6.3
Continuing operations			
Basic and diluted earnings per share (EUR)	14	**0.06**	-0.22
Including discontinued operations			
Basic and diluted earnings per share (EUR)	14	**0.06**	-0.06

Statement of comprehensive income			
Profit/loss for the period		**8.6**	-2.7
Other comprehensive income, net of tax	13		
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		**-2.6**	-15.9
Total		**-2.6**	-15.9
Items that may be reclassified subsequently to profit or loss			
Translation differences		**6.5**	9.4
Hedges of net investments in foreign operations		**0.2**	-
Share of other comprehensive income of equity accounted investments	17	**-**	0.5
Changes in the fair value of available-for-sale financial assets		**-17.0**	17.0
Cash flow hedges		**0.5**	-0.2
Total		**-9.9**	26.8
Other comprehensive income, net of tax		**-12.6**	10.9
Total comprehensive income for the period		**-4.0**	8.1
Attributable to			
Owners of the parent		**-3.6**	14.0
Non-controlling interest		**-0.4**	-5.9

Balance sheet

EUR million	Note	**Dec 31, 2015**	Dec 31, 2014
Assets			
Non-current assets			
Property, plant and equipment	15	**339.9**	372.9
Goodwill	10,16	**74.3**	69.0
Other intangible assets	16	**12.5**	13.9
Equity accounted investments	17	**15.5**	15.3
Other investments	18,28	**0.3**	43.5
Other receivables	22,28	**5.8**	6.5
Deferred tax assets	20	**71.0**	78.1
Total non-current assets		**519.2**	599.3
Current assets			
Inventories	21	**117.6**	108.1
Trade and other receivables	22,28	**151.9**	170.7
Income tax receivables		**1.6**	1.7
Cash and cash equivalents	19,28	**47.3**	41.4
Total current assets		**318.5**	321.9
Total assets		**837.8**	921.1

EUR million	Note	**Dec 31, 2015**	Dec 31, 2014
Equity and liabilities			
Equity attributable to equity holders of the parent	23		
Issued capital		**70.0**	70.0
Reserves		**41.9**	48.5
Retained earnings		**83.3**	96.6
		195.2	215.1
Hybrid bond		**100.0**	100.0
Non-controlling interest		**4.2**	5.0
Total equity		**299.4**	320.1
Non-current liabilities			
Interest-bearing loans and borrowings	26,28	**126.9**	147.5
Employee benefit obligations	24	**100.3**	96.0
Provisions	25	**0.8**	1.2
Other liabilities	27,28	**0.0**	1.4
Deferred tax liabilities	20	**2.0**	1.8
Total non-current liabilities		**230.0**	247.9
Current liabilities			
Interest-bearing loans and borrowings	26.28	**116.4**	147.7
Trade and other payables	27,28	**183.5**	194.0
Income tax liabilities		**1.5**	1.0
Provisions	25	**7.1**	10.4
Total current liabilities		**308.4**	353.1
Total liabilities		**538.4**	601.0
Total equity and liabilities		**837.8**	921.1

Statement of changes in equity

EUR million	Issued capital	Non-restricted equity reserve	Hedging reserve	Fair value reserve	Translation reserve	Own shares	Retained earnings	**Total attributable to owners of the parent**	Non-controlling interest	Hybrid bond	**Total equity**
Equity at Jan 1, 2014	**70.0**	**61.1**	**-0.1**	**-**	**-32.5**	**-7.4**	**141.2**	**232.4**	**9.0**	**100.0**	**341.4**
Profit/loss for the period	-	-	-	-	-	-	3.6	3.6	-6.3	-	-2.7
Other comprehensive income, net of tax											
Remeasurements of defined benefit plans	-	-	-	-	-	-	-15.9	-15.9	-	-	-15.9
Translation differences	-	-	-	-	9.0	-	-	9.0	0.4	-	9.4
Share of other comprehensive income of equity accounted investments	-	-	-	-	0.5	-	-	0.5	-	-	0.5
Changes in the fair value of available-for-sale financial assets	-	-	-	17.0	-	-	-	17.0	-	-	17.0
Cash flow hedges	-	-	-0.2	-	-	-	-	-0.2	-	-	-0.2
Effect of partial demerger	-	-	-	-	-	-	-10.8	-10.8	-	-	-10.8
Dividends paid and other	-	-	-	-	-	-	-14.8	-14.8	-	-	-14.8
Interest on hybrid bond	-	-	-	-	-	-	-6.3	-6.3	-	-	-6.3
Change in non-controlling interests	-	-	-	-	-	-	-0.4	-0.4	1.9	-	1.6
Share-based incentive plan	-	-	-	-	-	0.9	-	0.9	-	-	0.9
Equity at Dec 31, 2014	**70.0**	**61.1**	**-0.2**	**17.0**	**-23.0**	**-6.5**	**96.6**	**215.1**	**5.0**	**100.0**	**320.1**

EUR million	Issued capital	Non-restricted equity reserve	Hedging reserve	Fair value reserve	Translation reserve	Own shares	Retained earnings	Total attributable to owners of the parent	Non-controlling interest	Hybrid bond	Total equity
Equity at Jan 1, 2015	**70.0**	**61.1**	**-0.2**	**17.0**	**-23.0**	**-6.5**	**96.6**	**215.1**	**5.0**	**100.0**	**320.1**
Profit/loss for the period	-	-	-	-	-	-	9.2	9.2	-0.7	-	8.6
Other comprehensive income, net of tax											
Remeasurements of defined benefit plans	-	-	-	-	-	-	-2.6	-2.6	-	-	-2.6
Translation differences	-	-	-	-	7.0	-	-0.9	6.2	0.3	-	6.5
Hedges of net investments in foreign operations	-	-	-	-	0.2	-	-	0.2	-	-	0.2
Changes in the fair value of available-for-sale financial assets	-	-	-	-17.0	-	-	-	-17.0	-	-	-17.0
Cash flow hedges	-	-	0.5	-	-	-	-	0.5	-	-	0.5
Dividends paid and other	-	-	-	-	-	-	-14.0	-14.0	-	-	-14.0
Interest on hybrid bond	-	-	-	-	-	-	-6.3	-6.3	-	-	-6.3
Changes in own shares	-	-	-	-	-	2.8	-	2.8	-	-	2.8
Change in non-controlling interests	-	-	-	-	-	-	1.3	1.3	-0.4	-	0.8
Equity at Dec 31, 2015	**70.0**	**61.1**	**0.2**	**-**	**-15.8**	**-3.7**	**83.3**	**195.2**	**4.2**	**100.0**	**299.4**

Statement of cash flows

EUR million	Note	2015	2014
Cash flow from operating activities			
Profit/loss for the period		**8.6**	-2.7
Adjustments:			
Non-cash transactions and transfers to cash flow from other activities			
Depreciation and amortization		**74.6**	69.1
Gains and losses on sale of non-current assets		**0.5**	-0.1
Change in employee benefit obligations		**-7.3**	-7.7
Non-cash transactions and transfers to cash flow from other activities, total		**67.7**	61.3
Interest and other financial income and expense		**-0.8**	5.7
Dividend income		**0.0**	0.0
Taxes		**14.1**	4.8
Changes in net working capital:			
Change in trade and other receivables		**22.6**	-2.7
Change in inventories		**-6.4**	1.1
Change in trade and other payables		**-15.0**	-4.3
Change in provisions		**-2.2**	3.2
Interest received		**0.2**	0.6
Interest paid		**-14.4**	-14.1
Other financial items		**-11.4**	-13.0
Income taxes paid / received		**-3.0**	-4.4
Net cash from operating activities		**60.0**	35.4
Cash flow from investing activities			
Purchases of tangible and intangible assets		**-26.9**	-56.4
Proceeds from disposal of shares in Group companies and businesses and associated companies	3	**2.7**	56.5
Change in other investments		**45.3**	20.6
Proceeds from disposal of property, plant and equipment	3	**0.9**	0.8
Net cash from investing activities		**22.1**	21.5

Cash flow from financing activities		
Sale/repurchase of own shares	**3.1**	-
Interest on hybrid bond	**-7.9**	-7.9
Drawdowns of non-current loans and borrowings	**-**	99.6
Repayments of non-current loans and borrowings	**-73.8**	-106.7
Change in current loans and borrowings	**21.9**	-35.0
Change in finance leases	**-4.5**	-0.2
Dividends paid and other	**-13.9**	-4.6
Net cash from financing activities	**-75.1**	-54.8
Net change in cash and cash equivalents	**6.9**	2.1
Cash and cash equivalents at the beginning of the period	**41.4**	38.7
Foreign exchange effect on cash	-1.0	0.6
Cash and cash equivalents at the end of the period	**47.3**	41.4

Notes to the consolidated financial statements

Accounting principles

Corporate information

Ahlstrom Corporation ("the parent company") with its subsidiaries ("Ahlstrom" or "the Group") is a high performance fiber-based materials company, partnering with leading businesses around the world to help them stay ahead. Ahlstrom products are used in everyday applications such as filters, medical fabrics, life science and diagnostics, wallcoverings and food packaging. The reported segments for the year 2015 were: Filtration, Building and Energy and Food and Medical. In 2015, Ahlstrom had operations in 22 countries, and the Group employed approximately 3,300 people.

Ahlstrom Corporation is a Finnish public limited liability company domiciled in Helsinki. The company's registered address is Alvar Aallon katu 3 C, 00100 Helsinki. The consolidated financial statements are available at www.ahlstrom.com or from the aforementioned address. The parent company's shares are listed on the NASDAQ OMX Helsinki.

These consolidated financial statements were authorized for publication by the Board of Directors of Ahlstrom Corporation on January 28, 2016. In accordance with the Finnish Limited Liability Companies Act, the Annual General Meeting decides on the adoption of these financial statements.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of December 31, 2015. These contain the existing IAS and IFRS standards as well as the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) interpretations. The notes to the consolidated financial statements are also in accordance with the requirements of the Finnish Accounting and Limited Liability Companies Acts complementing the IFRS regulations.

The consolidated financial statements have been prepared under the historical cost convention except for the following assets and liabilities which are measured at fair value: financial instruments at fair value through profit and loss, financial assets classified as available-for-sale, hedged items in fair value hedge accounting and liabilities for cash-settled share-based payments. The consolidated financial statements are presented in millions of euros unless stated otherwise. For presentation, individual figures and sum totals have been rounded to millions with one decimal, which may cause rounding differences when they are summed up.

The Group has adopted the following new or amended standards and interpretations as of January 1, 2015.

- IAS 19 Employee benefits (amendment). The amendment applies to contribution from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. Amendment has not had any effect on the consolidated financial statements of the group.

- Annual Improvements to IFRS standards 2010 – 2012 and 2011 – 2013. The impacts of the amendments vary by standard but have not had any significant effect on the consolidated financial statements of the group.

Consolidation principles

The consolidated financial statements contain the parent company Ahlstrom Corporation, all subsidiaries and associated companies. Subsidiaries are entities controlled by the parent company. Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A potential control of voting rights is also taken into consideration when assessing whether the Group controls another entity. Associated companies are companies in which the Group has a significant influence, but not control, over the financial and operating decisions and the Group generally has a shareholding of between 20% and 50% of the voting rights.

Acquired subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group, whereas companies divested are included in the consolidated financial statements until the date when control ceases. Acquired companies are accounted for using the purchase method of accounting. The identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair value on the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. All intragroup transactions, receivables and liabilities as well as unrealized profits and intragroup profit distributions are eliminated in consolidation.

The investments in associated companies are accounted for using the equity method of accounting. The share of profits or losses of associated companies is presented separately in the consolidated income statement. Accordingly the share of the changes in other comprehensive income of associated companies is recognized in other comprehensive income of the Group. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Non-controlling interest is reported as a separate item in equity in the consolidated balance sheet. Profit or loss for the period attributable to the owners of the parent and the non-controlling interest are each presented separately in the consolidated income statement and the comprehensive income for the period attributable to the owners of the parent and the non-controlling interest are each presented separately in the consolidated statement of comprehensive income.

Foreign currency translation

Figures representing the financial result and position of each subsidiary in the Group are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and the presentation currency of the parent company.

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Monetary balance sheet items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date. Foreign exchange differences arising from the currency translation are recognized in the income statement. Foreign exchange gains and losses arising from operating business transactions are included in operating profit, and those arising from financial transactions are included as a net amount in financial income and expenses. The foreign exchange gains and losses arising from the qualifying cash flow hedges and qualifying hedges of a net investment in foreign operations are recorded in the consolidated statement of other comprehensive income and accumulated currency differences are recognized in equity.

The balance sheets of foreign subsidiaries are translated into euros at the exchange rates prevailing at the balance sheet date while the income statements are translated at the average exchange rates for the period. Translating the result of the period using different exchange rates on the balance sheet and income statement causes a translation difference to be recognized in equity and its change is recorded in the consolidated statement of other comprehensive income.

Translation differences arising from the elimination of the acquisition price of foreign subsidiaries and from the translation differences in equity items since the acquisition date as well as the effective portion of hedging instrumentsthat hedge the currency exposures on net investments are recognized in the consolidated statement of other comprehensive income. When a subsidiary is disposed or sold wholly or partially, translation differences arising from the net investment and related hedges are recognized in the income statement as part of the gain or loss on sale. Translation differences that have arisen before January 1, 2004 (the date the Group adopted IFRS) have been recognized in retained earnings at the time of the transition to IFRS. Upon disposal or sale of a subsidiary, such translation differences will not be recognized in the income statement. Translation differences incurred since January 1, 2004 are presented separately in the statement of changes in equity.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. Interest costs on borrowings to finance long-term construction of qualifying assets are capitalized as part of their historical cost base during the period required to complete the asset for its intended use.

Depreciation on property, plant and equipment is calculated on a straight-line basis over the estimated useful lives of the assets as follows: buildings and constructions 20-40 years; heavy machinery 10-20 years; other machinery and equipment 3-10 years. Land is not depreciated. Where parts of a property, plant and equipment have different useful lives, they are accounted for as separate items. The Group recognizes in the carrying amount the cost incurred for replacing the part and the possible remaining carrying amount is depreciated at the time of replacement. Ordinary repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

The residual values and the useful lives of non-current assets are reassessed at each balance sheet date and appropriate adjustments are recorded to reflect the changes in estimated recoverable amounts. Depreciation on items of property, plant and equipment is discontinued when the item is classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”.

Gains and losses arising from the sale of property, plant and equipment are included in other operating income or expense.

Investment properties

The purpose of owning investment properties is to obtain rental income or value appreciation. The investment properties are measured at fair value which equals the market value of the functioning market. Gains and losses arising from the adjustments of the fair value of investment properties are included in other operating income or expenses. The Group had no investment properties during the financial period.

Intangible assets

Goodwill

Acquisitions are accounted for under the purchase method of accounting and accordingly, the excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized in the balance sheet as goodwill. Identifiable net assets include the assets acquired, and liabilities and contingent liabilities assumed. The cost of acquisition is the fair value of purchase consideration.

Goodwill is stated at original cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and it is not amortized but instead is tested annually for impairment.

Research and development

Research costs are expensed as incurred in the income statement. Expenditures on development activities are also expensed as incurred except for those development expenses which meet the capitalization criteria under IAS 38 Intangible Assets.

Other intangible assets

Other intangible assets e.g. trademarks, patents, licenses and computer software, which have a definite useful life are stated at cost less accumulated amortization and impairment losses. Other intangible assets which have an indefinite useful life are not amortized but tested annually for possible impairment.

Intangible assets are amortized on a straight-line basis over their expected useful lives. The expected useful lives for trademarks, patents and licenses are ranging from 5 to 20 years and for computer software from 3 to 5 years.

Other intangible assets, e.g. customer relationships, acquired in business combinations are recorded at fair value at the acquisition date. These intangible assets have a definite useful life and are carried at cost less accumulated straight-line amortization over the expected life of the intangible asset.

Emission rights

The Group participates in the European Union emission trading scheme in which it has been allocated emission allowances for a defined period. The allocated allowances received free of charge according to the carbon dioxide emissions and the liability based on the actual emissions are netted. A provision is recognized if the allowances received free of charge do not cover the actual emissions. No intangible asset is recognized for the excess of allowances. Gains arising from the sale of the emission right allowances are recorded in other operating income.

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost of raw materials and supplies is determined on a weighted average cost method. The cost of finished goods and work in progress comprises raw materials, energy, direct labor, other direct costs and related indirect production overheads based on normal operating capacity.

Leasing

The Group leases certain property and equipment under various operating and finance lease arrangements. Leases are classified and accounted for as finance leases if substantially all the risks and rewards of ownership of the underlying assets have been transferred to the lessee.

The assets related to finance leases are capitalized at the commencement of the lease term at the lower of the fair value of the leased property and the estimated present value of the minimum lease payments. The corresponding lease obligations, net of finance charges, are included in interest-bearing liabilities. Each lease payment is allocated between the liability and the finance charges. The interest element of the finance cost is charged to the income statement over the lease period using a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment under finance lease contracts are depreciated over the shorter of the useful life of the asset and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are expensed on a straight-line basis over the lease period.

Impairment of assets

The carrying amounts of the Group’s assets are reviewed continuously to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is calculated. Goodwill is tested for impairment annually whether there is any indication of impairment or not.

The need for impairment is reviewed at the level of cash-generating unit, in other words, on the lowest unit level which is mainly independent of other units.

The recoverable amount is the higher of the asset’s fair value less costs to sell or value in use. The value in use represents the discounted future cash flows expected to be derived from an asset of a cash-generating unit. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the specific risk to the asset for which the future cash flow estimates have not been adjusted.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. An impairment loss is immediately recognized in the income statement and allocated first to reduce the goodwill of the cash-generating unit and thereafter to reduce the other assets of the unit. An impairment loss allocated to assets other than goodwill can be reversed in case a positive change has taken place in the recoverable amount of an asset. An impairment loss is only reversed to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized in prior years. However, an impairment loss recorded on goodwill is never reversed.

Employee benefits

Defined contribution and defined benefit plans

Group companies have various pension schemes in accordance with local practices in different countries. The pension arrangements are classified as either defined contribution plans or defined benefit plans. The schemes are mostly funded through payments to insurance companies or trustee-administered funds according to local regulations. A defined contribution plan is a pension plan under which the company and usually also the employees pay fixed contributions to an insurance company. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay the pension benefits to the employees. Contributions to defined contribution pension plans are recognized as expense in the period when they incur. All pension plans which do not meet the criteria for defined contribution plans are defined benefit plans. Defined benefit plans typically define a fixed amount of benefit that an employee will receive after retirement and which the company is responsible for.

The Group's net obligation of defined benefit plans is calculated and recorded separately for each pension scheme based on calculations prepared by independent actuaries. The present value of defined benefit obligations is determined using the projected unit credit method. The net liability recognized in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The discount rate used to determine the present value of the defined benefit obligation is equal to the yield on high quality corporate bonds or, if not available, government bonds. The interest rates of the high quality corporate bonds are determined in the currency in which the benefits will be paid with a similar maturity to the obligation.

The Group adopted the revised IAS 19 Employee Benefits standard as of January 1, 2013. The revised standard includes amendments to the recognition of defined benefit plans. The "Corridor method" has been removed and all actuarial gains and losses are recognised immediately in other comprehensive income. The net asset or liability arising from the employee benefit plans are recognised in full on the balance sheet. The expected return on plan asset is calculated by using the same discount rate as when calculating the present value of the defined benefit liability.

The Group's net obligation in respect of long-term service benefits, other than pension benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Share-based payments

The Group has share-based incentive plans for Executive Management Team and other key employees under which the members are granted a combination of shares and cash payment based on financial performance of the Group. The estimated amount of the shares to be granted based on the program are measured at the fair value on the grant date and are recorded in the income statement as employee benefits equally over the period when the right to share-based compensation occurs and to the equity. The portion to be paid in cash is recognized in personnel expenses and as debt.

Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that a cash outflow will be required to settle the obligation and a reliable estimate of the obligation can be made. Long-term provisions are discounted to their present value.

A provision for restructuring is recognized only when a formal plan has been approved, and the implementation of the plan has either commenced or the plan has been announced. An environmental provision is recorded based on the interpretations of environmental laws and the Group's environment principles when it is probable that an obligation has arisen and the amount of obligation can be reliably estimated.

Income taxes

In the consolidated statement of income, the taxes based on the taxable income of the financial period, adjustments to prior year taxes and deferred taxes are presented as income taxes. Taxes are recognized in the income statement unless they relate to items recognized directly in equity and in the consolidated statement of other comprehensive income. In this case the tax is presented in other comprehensive income and directly in equity.

Deferred taxes are provided for temporary differences arising between the carrying amounts in the balance sheet and the tax bases of assets and liabilities using the relevant enacted tax rates in each country. The most significant temporary differences arise from property, plant and equipment, employee benefit obligations and unused tax losses. Deferred tax assets on deductible temporary differences, tax losses carried forward and unused tax credits are recognized only to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the income statement in the period when the tax rate change is enacted.

Revenue recognition

Net sales are the revenues from the sale of products and services adjusted by indirect taxes, returns, rebates, discounts and other credits. Net sales are not adjusted with exchange rate differences from foreign currency sales after the original sale is recorded.

The Group recognizes revenue from product sales when the ownership of goods and the material risks related to ownership have been transferred to the buyer or other responsible party. The majority of the Group's revenue is recognized upon delivery to the customer. Revenue from services is recognized when the services are rendered.

Rental income is recorded in the income statement on a straight-line basis over the lease term. Recognition of license and royalty income is performed in accordance with the content of the agreements. Interest income is recognized using the effective interest rate method for the period during which the interest income is generated and dividend income is recognized when the right to the dividend has arisen.

Government grants relating to the purchase of property, plant and equipment are deducted from the carrying amount of the asset and recognized as income over the life of the asset in the form of reduced depreciation charges. Grants received as reimbursement of actual expenses, are recognized in the income statement in the same period when the right to receive the grant exists. Such grants are recognized in other operating income.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale and assets and liabilities related to discontinued operations are classified as held for sale if their carrying amount will be recovered principally through a sale transaction. The prerequisites for the classification as held for sale are considered to be met when the sale is considered highly probable and management is committed to the sale within one year from the date of classification for sale. From the classification date the assets held for sale are measured at lower of their carrying amount or fair value less selling costs. Depreciation of these assets is discontinued on the classification date.

Financial assets and liabilities

The Group's financial assets are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification is determined on initial recognition on the settlement date, except for the derivatives on the trade date, based on the intended use of the financial asset.

The purchases and sales of financial assets are recognized and they are classified as current or non-current assets based on their maturities. Investments are recognized at cost including transaction costs for all financial assets not measured at fair value through profit or loss.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset have expired or have been transferred and substantially all the risks and rewards of ownership have been moved outside the Group.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss are assets held for trading. Assets in this category are measured at fair value. Unrealized and realized gains and losses due to fair value adjustments are recognized in income statement in the period they occur. The Group's financial assets at fair value through profit or loss include derivatives and other current investments. Derivatives are also categorized in this group unless they qualify for hedge accounting.

Loans and receivables

Loans and receivables are non-derivative financial assets which arise from the sale of goods and services or from lending activities. They are not quoted on an active market and payments are fixed or determinable and are not held for trading. Loans and receivables are recognized at amortized cost. The Group's loans and other receivables comprise trade and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets category includes non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value. The Group's available-for-sale financial assets include unlisted securities classified in non-current other investments in the balance sheet. Unlisted securities are stated at lower of cost or probable sales value.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included in interest-bearing loans and borrowings in current liabilities on the balance sheet.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An impairment of trade receivables is recorded when there is sufficient evidence that the receivable can not be collected at the carrying amount of the asset. Impairment loss is determined by management based on its judgment of the customer's ability to fulfill the obligation. An impairment of trade receivables and any reversal of a previously recorded impairment loss is recognized in other operating expenses in the consolidated income statement.

Financial liabilities

The Group's financial liabilities include interest-bearing loans and borrowings, trade and other payables and other financial liabilities. Financial liabilities are classified as financial liabilities at fair value through profit and loss and other financial liabilities measured at amortized cost. Derivatives for which hedge accounting is not applied are included in the financial liabilities at fair value through profit and loss. Other financial liabilities are initially measured at fair value which is based on the consideration received. Transaction costs associated with financial liabilities are included in the initial measurement at fair value. Subsequent to initial recognition at fair value, financial liabilities, with the exception of derivatives, are measured at amortized cost using the effective interest rate method. Financial liabilities are categorized as current or non-current liabilities based on their maturities. Financial liabilities are current if the Group does not have an unconditional right to settle the liability later than 12 months from the closing date.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to manage foreign currency, interest rate and commodity risks. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gains or losses is dependent on the intended use of the derivative in question. Changes in fair value of derivatives designated and qualifying for hedge accounting and which are effective are recognized congruently with the hedged item. When derivative contracts are entered into, the Group designates them either as hedges of the fair value of recognized assets, liabilities or firm commitments (fair value hedge), hedges of forecasted transactions or firm commitments (cash flow hedge), hedges of net investments in foreign operations (net investment hedge) or as derivative financial instruments not meeting the hedge accounting criteria.

For hedge accounting purposes, the Group prepares documentation of the hedged item, the risk being hedged, and the risk management objective and strategy. The Group also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives used as hedging instruments are effective in offsetting changes in fair values or cash flows of hedged items.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets or liabilities attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges under hedge accounting is recorded in the consolidated statement of other comprehensive income and presented as hedging reserve in equity. The cumulative gain or loss of a derivative deferred in equity is recognized in the income statement in the same period in which the hedged item affects profit or loss. When hedging the foreign currency risk of forecasted net sales and purchases or commodity risk the fair value of the derivatives is recognized in the cost of goods sold in the income statement. When a hedging instrument expires, is sold or no longer qualifies for hedge accounting, any cumulative gain or loss reflected in equity at that time remains in equity until the forecasted business transaction hedged occurs. However, if the forecasted transaction is no longer expected to occur, the cumulative gain or loss reported in equity is recognized in the income statement.

The Group uses either derivatives or currency loans as hedging instrument to hedge its currency exposure of net investments in foreign operations which are accounted for similarly to cash flow hedges. The effective portion of the change in fair value of the hedging instrument, (being the change in spot value and in currency forwards the interest element after taxes), are recorded in the consolidated statement of other comprehensive income and presented as translation reserve in equity. Any recognised ineffectiveness is presented in financial gains and losses. When the subsidiary is disposed or sold, the cumulative amount in the translation reserve is recognized in the income statement as an adjustment to the gain or loss on the disposal.

Other derivative instruments do not necessarily qualify for hedge accounting, even if they are economic hedges according to the Group treasury policy. The embedded derivatives which meet the terms and conditions defined in IAS 39 standard will be separated from the host contract and measured at fair value through profit or loss. Fair values are determined by utilizing public price quotations and generally accepted valuation methods. The valuation data and assumptions are based on verifiable market prices.

The fair values of derivatives under hedge accounting are presented in current assets or liabilities in the balance sheet. The changes of the fair values of the derivatives which do not qualify for hedge accounting are recorded according to the hedged item in the income statement in the period they occur.

Equity and dividends

The company's shares are entered in a book-entry securities system and they are presented as share capital in the consolidated financial statements.

The Group reports the own shares it holds as reduction in equity. The purchase, sale, issuance and cancellation of own shares is not recognized as profit or loss in the income statement but the considerations paid or received and expenses incurred, net of taxes, are recognized in equity.

Dividends proposed by the Board of Directors are recognized in the financial statements at the approval by the shareholders at the Annual General Meeting.

The hybrid bond is treated as equity in the consolidated financial statements. Interest on the hybrid bond is not accrued but is recorded in retained earnings, net of taxes, after dividend approved by the Annual General Meeting. When calculating the earnings per share the accumulated interest of the hybrid bond, net of taxes, during the financial period is included in the result for the period.

Operating profit

The Group’s operating profit is the net amount of net sales and other operating income less cost of goods sold, sales and marketing expenses, research and development expenses, administrative expenses and other operating expenses.

All other income statement items are presented below operating profit. Foreign exchange differences and changes in fair values of derivatives are included in operating profit if they relate to normal business operations. Foreign exchange differences related to financial operations are recorded in financial income and expenses.

Critical accounting estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to use accounting estimates and assumptions in applying the accounting principles. The estimates are based on the management’s best knowledge at the balance sheet date but the actual outcome may differ from the estimates and assumptions used. The most significant estimates are related to the fair value calculations of business combinations, the economic lives of property, plant and equipment, pension benefits, deferred taxes, valuation of provisions and impairment testing of goodwill.

The Group management exercises judgment in selecting and applying the accounting principles, particularly in cases where the existing IFRS standards offer alternative recognition, valuation or presentation methods. The basis for the estimates are described in greater detail in the accounting principles and later in the relevant notes to the consolidated financial statements.

Application of new or revised IFRS standards

IASB has issued the following new standards, interpretations and their amendments which are not yet effective and the Group has not early adopted them as of the balance sheet date. The Group will adopt them from the effective date of each new or amended standard and interpretation or in case the effective date is different from the start date of the accounting period, adoption will take place in the beginning of the next accounting period if not otherwise mentioned in the description of the standard.

- Annual Improvements to IFRS standards 2012 – 2014. The impacts of the amendments vary by standard but do not have any significant effect on the consolidated financial statements of the group.
- IFRS 9 Financial Instruments – classification and measurement of financial assets and liabilities (new). The new standard is the first step to replace the current IAS 39 Financial Instruments: Recognition and Measurement standard. IFRS 9 introduces new requirements for classifying and measuring financial assets and an 'expected credit loss' model for the measurement of the impairment of financial assets. New standard is not expected to have significant effect on the consolidated financial statements of the group.
- IFRS 15 Revenue from contracts with customers (new). The new standard outlines the principles to measure and recognize revenue using a five-step model and replaces all existing revenue requirements. Revenue is recognized when a customer obtains control of a good or service. The effects of the new standard on net sales are considered.

1. Financial risk management

Financial risk management is part of Ahlstrom's group-wide risk management activities targeted to mitigate events which could affect negatively the achievement of the company's strategic and operative goals. The overall objective of financial risk management in Ahlstrom is to have cost-effective funding in Group companies as well as to protect the Group from unfavorable changes in the financial markets and thus help to secure profitability. The principles and limits for financing activities are defined in the Group Treasury Policy approved by the Audit Committee of the Board of Directors and the treasury activities are coordinated by Group Treasury.

Foreign currency risk

The Group is exposed to currency risk arising from exchange rate fluctuations against its reporting currency euro. The management of foreign currency exposure is divided into two parts: one relating to foreign currency flows (transaction exposure) and the other relating to balance sheet items denominated in foreign currency (translation exposure).

Transaction risks arise from commercial and finance-related transactions and payments, which are denominated in a currency other than the unit's functional currency. In 2015, approximately 44% of Ahlstrom's net sales were denominated in euros, approximately 44% in US dollars and 12% in other currencies. Ahlstrom's raw materials are generally purchased in US dollars and euros. Foreign currency flows are hedged on a net exposure basis per currency of the respective Group company in accordance with the rules set in the Group Treasury Policy. The guideline for Group companies is to hedge 100% of the forecasted 3 month net foreign currency flows per currency against the base currency of the respective company. However, hedging periods can be extended up to 12 months when agreed with Group Treasury. Foreign currency forwards are used as hedging instruments and these are generally booked through the income statement. The currency risk related to the foreign currency denominated loans and receivables is managed by Group Treasury and the aim is a fully hedged position. In accordance with the Group Treasury Policy, all internal loans and deposits are denominated in the local currency of each Group company, whenever economically possible.

Translation exposure consists mainly of net investments in foreign subsidiaries (equity exposure). The Group norm is to leave the equity exposure unhedged due to the long-term nature of the investments. However capital reductions are hedged as the equity risk becomes more short-term in nature. On the balance sheet date, the equity hedging ratio was 1,7% (31.12.2014 0%).

Financial instruments' foreign exchange risk sensitivity analysis according to IFRS 7

The analysis has been prepared on the basis that the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at December 31, 2015. The financial instruments affected by market risks include working capital items, such as trade and other receivables and payables, borrowings, deposits, cash and cash equivalents and derivative financial instruments. Forecasted cash flows are not part of the analysis.

The following table shows how much the income statement and equity would be affected by a 10% strengthening of the foreign currency against the reporting currency euro. In case of a 10% weakening of the foreign currency against the euro the effect would be the opposite. Effect on equity is caused by foreign exchange forwards designated in cash flow hedge accounting.

Transaction exposure	**31.12.2015**	**31.12.2015**	**31.12.2015**	31.12.2014	31.12.2014	31.12.2014
EUR million	**Open position**	**Effect on income statement**	**Effect on equity**	Open position	Effect on income statement	Effect on equity
SEK	18.3	0.0	2.0	22.3	0.6	1.9
USD	13.6	1.5	-	6.9	0.8	-
GBP	0.8	0.1	-	4.4	0.5	-
Net effect		**1.6**	**2.0**		1.8	1.9

Open position is presented as net assets (assets less liabilities). The net effect has been calculated before taxes.

The following table shows how much the equity would be affected by a 10% strengthening of the foreign currency against the reporting currency euro. In case of a 10% weaking of the foreign currency against the euro the effect would be the opposite.

Translation exposure	**31.12.2015**	**31.12.2015**	31.12.2014	31.12.2014
EUR million	**Open position**	**Effect on equity**	Open position	Effect on equity
USD	76.3	8.5	65.3	7.3
CNY	50.1	5.6	54.4	6.0
KRW	35.3	3.9	30.4	3.4
SEK	28.4	3.2	25.6	2.8
INR	28.0	3.1	21.0	2.3
GBP	25.1	2.8	17.2	1.9
BRL	21.2	2.4	28.0	3.1
RUB	11.3	1.3	16.9	1.9
Net effect		**30.6**		28.8

Open position is presented as net assets (assets less liabilities). The net effect has been calculated after taxes.

Interest rate risk

Interest rate risk is measured with modified duration, which defines the Group's loan portfolio's interest rate sensitivity in response to a change in interest rates. According to the Group Treasury Policy the Group's benchmark duration is 12 months and the duration may deviate between 3 and 48 months. On December 31, 2015 the modified duration of the loan portfolio was 18.2 months. The duration of the loan portfolio can be adjusted by the use of derivative instruments such as interest rate swap contracts. On December 31, 2015 there were no open interest rate swap contracts.

As of 31 December 2015, a one percentage point parallel shift in the yield curve would have a net effect of EUR -1.2 million (EUR -1.0 million) on the income statement. This sensitivity analysis calculates the interest effect of a 100 basis point parallel shift in interest rates on all floating rate based interest-bearing liabilities and other short-term deposits. Cash and finance lease liabilities are excluded. The net effect has been calculated after taxes.

Raw material and energy price risk

Group earnings are exposed to commodity and energy price volatility. Group companies have the responsibility of identifying and measuring their commodity and energy price risk. Group companies should primarily seek to hedge their risks in relation to movements in commodity prices (primarily for pulp, energy and chemicals) with their suppliers through fixed price contracts for a defined period. Where such hedges cannot be obtained or if they are commercially uneconomical Group companies may enter into financial commodity price risk hedging transactions through commodity derivatives. All such transactions need to be concluded with Group Treasury. On December 31, 2015 there were no open pulp derivative agreements (0 tons on December 31, 2014).

Liquidity and refinancing risk

The Group seeks to maintain adequate liquidity under all circumstances by means of efficient cash management and restricting investments to highly liquid instruments only. Cash, cash equivalents and available committed credit facilities should always cover outstanding short term debt and following 12 months interest payments, loan amortizations, committed and maintenance investments and estimated dividend payments.

As of December 31, 2015, Ahlstrom's interest-bearing liabilities amounted to EUR 243.3 million (EUR 295.2 million on December 31, 2014), divided into financings from banks and other financial institutions of EUR 113.8 million (EUR 126.2 million), EUR 99.5 million (EUR 153.5 million) in senior unsecured callable bonds, EUR 30.0 million (EUR 10.9 million) in borrowings under the company's EUR 300 million domestic commercial paper program and EUR 0.0 million (EUR 4.6 million) in commitments under financial leases. At the end of the year, its total liquidity, including cash, unused committed credit facilities and committed cash pool overdraft limits was EUR 299.0 million (EUR 300.3 million), divided into cash and cash equivalents EUR 47.3 million (EUR 41.4 million), long-term unutilized committed credit facilities EUR 237.6 million (EUR 254.7 million) and committed cash pool overdraft limits EUR 14.1 million (EUR 4.2 million). In addition, the company had uncommitted cash pool overdraft limits and undrawn uncommitted credit facilities totalling EUR 103.6 million (EUR 129.5 million).

On June 25, 2015 Ahlstrom signed a EUR 180 million three-year revolving credit facility. The facility includes two 12-month extension options for the company subject to the consent of the participating banks. The committed facility refinanced the EUR 200 facility signed in June 2011 (initially EUR 250 million) and is used for general corporate purposes. When issuing a EUR 100 million senior unsecured callable bond in September 2014, Ahlstrom made a voluntary tender offer for its EUR 100 million bond maturing on November 10, 2015. The aggregate principal amount of notes validly offered for purchase by noteholders was EUR 45,771,000 and on November 10, 2015 Ahlstrom repaid the remaining amount of the notes.

Ahlstrom's financial covenant undertakings remain unchanged. The company has agreed to a gearing covenant which is the only financial covenant governing any of Ahlstrom's loan agreements.

Throughout the year the Group was in full compliance with the covenants of its financing agreements and management expects such compliance to continue.

Refinancing risks are managed by seeking to ensure that the loan portfolio has a balanced maturity profile both in terms of length and concentration of repayments. The maturity profile of the debts of the Group is shown in the following table.

Contractual undiscounted cash flows of repayments and interests of debts

Dec 31, 2015

EUR million	**2016**	**2017**	**2018**	**2019**	**2020**	**Later**	**Total**
Floating rate loans from financial institutions	4.5	27.0	-	-	-	-	31.4
Fixed rate loans from financial institutions	9.0	-	-	-	-	-	9.0
Pension loans	-	-	-	-	-	-	0.0
Finance lease liabilities	0.0	-	-	-	-	-	0.0
Other non-current loans	4.2	4.2	4.9	102.4	-	0.0	115.7
Other current loans	103.7	-	-	-	-	-	103.7
Total	121.4	31.1	4.9	102.4	0.0	0.0	259.8
Derivatives							
Foreign exchange forward contracts, outflow	- 148.5	-	-	-	-	-	-148.5
Foreign exchange forward contracts, inflow	148.0	-	-	-	-	-	148.0
Derivatives, net	-0.5						-0.5

Dec 31, 2014

EUR million	2015	2016	2017	2018	2019	Later	Total
Floating rate loans from financial institutions	2.2	0.7	25.4	-	-	-	28.3
Fixed rate loans from financial institutions	14.1	14.1	3.4	1.3	-	-	32.9
Pension loans	1.2	-	-	-	-	-	1.2
Finance lease liabilities	0.3	4.4	-	-	-	-	4.7
Other non-current loans	60.4	4.2	4.2	4.9	102.8	0.0	176.4
Other current loans	77.9	-	-	-	-	-	77.9
Total	156.2	23.3	32.9	6.2	102.8	0.0	321.4
Derivatives							
Foreign exchange forward contracts, outflow	- 126.4	-	-	-	-	-	-126.4
Foreign exchange forward contracts, inflow	125.2	-	-	-	-	-	125.2
Derivatives, net	-1.2						-1.2

As the amounts disclosed in the table above are the contractual undiscounted cash flows, they differ from the carrying values in the Group balance sheet.

The financial guarantee of EUR 0.4 million given by the Group on behalf of Munksjö was expired in May 2015.

Interest-bearing liabilities and debt structure

Dec 31, 2015

EUR million	**Drawn amount**	**Undrawn amount**	**Total**	**Maturity 2016**	**2017**	**2018**	**2019**	**2020**	**Later**
Available committed facilities	-	237.6	**237.6**	-	30.0	207.6	-	-	-
Non-current loans	139.5	-	**139.5**	12.6	26.7	0.7	99.5	-	-
Finance lease liabilities	0.0	-	**0.0**	0.0	-	-	-	-	-
Current loans	103.4	-	**103.4**	103.4	-	-	-	-	-
Bank credit lines utilized	0.3	-	**0.3**	0.3	-	-	-	-	-
Total interest-bearing liabilities	**243.3**	-	**243.3**	116.4	26.7	0.7	99.5	0.0	0.0
Total loans and undrawn committed facilities	**243.3**	**237.6**	**480.8**	116.4	56.7	208.3	99.5	0.0	0.0

Dec 31, 2014

EUR million	Drawn amount	Undrawn amount	Total	Maturity 2015	2016	2017	2018	2019	Later
Available committed facilities	-	254.7	254.7	-	200.0	30.0	24.7	-	-
Non-current loans	212.8	-	212.8	69.7	13.4	28.3	2.0	99.4	0.0
Finance lease liabilities	4.6	-	4.6	0.2	4.4	-	-	-	-
Current loans	70.9	-	70.9	70.9	-	-	-	-	-
Bank credit lines utilized	7.0	-	7.0	7.0	-	-	-	-	-
Total interest-bearing liabilities	295.2	-	295.2	147.7	17.8	28.3	2.0	99.4	0.0
Total loans and undrawn committed facilities	295.2	254.7	549.9	147.7	217.8	58.3	26.7	99.4	0.0

Factoring

Group companies may enter into factoring, supplier finance or other corresponding financing arrangements subject to Group Treasury approval and according to the criterias defined in the Group Treasury Policy. All factoring or similar arrangements are made on non-recourse basis. During 2015 Group has established new factoring programs and at the end of the reporting period the outstanding amount under factoring or similar arrangements was EUR 28.2 million (EUR 15.3 million).

Capital structure

The Group's objective is to maintain an efficient capital structure which is targeted both to increase the company's shareholder value and also to secure the Group's ability to operate in the credit and capital markets at all times. The Board of Directors reviews the capital structure of the Group regularly.

The capital structure is monitored on the basis of the gearing ratio which is calculated by dividing interest-bearing net liabilities with total equity. Interest-bearing net liabilities are calculated as interest-bearing loans and borrowings less cash and cash equivalents and other current investments. According to the set financial targets prevailing on the balance sheet date Ahlstrom's gearing ratio should in the long-term be between 50-80%. According to the new financial targets announced on January 29, 2016 gearing is to be maintained below 100%.

Ahlstrom Corporation has a EUR 100 million hybrid bond outstanding with a coupon rate of 7.875% per annum. The bond has no maturity but the company may exercise an early redemption option starting October 2017. The bond is treated as equity in the consolidated financial statements.

The gearing ratios in 2015 and 2014 were as follows.

EUR million	**2015**	2014
Interest-bearing loans and borrowings	**243.3**	295.2
Cash and cash equivalents	**47.3**	41.4
Other current investments	**-**	-
Interest-bearing net liabilities	**195.9**	253.8
Equity, total	**299.4**	320.1
Gearing ratio	**65.4 %**	79.3 %

Credit and counterparty risk

Credit and counterparty risks materialize when a customer or a financial institution is unable to meet its financial obligations towards Ahlstrom.

Credit risks relating to trade receivables are managed by assessing the creditworthiness of customers and by approving customer credit limits based on guidelines defined in the Group Credit Policy. Monitoring of past payment behaviour, obtainment of credit information data and credit references form part of the limit approval process. As its main risk mitigation tool Ahlstrom uses a global credit insurance program. Due to its diversified customer base and geographical spread of the receivables there is no significant concentration of credit risks for the Group. The ten largest customers of Ahlstrom account for less than 30% of net sales. The aging analysis of trade receivables is presented in note 22.

Counterparty risks arise from exposures associated with financial transactions such as deposits, placements, derivatives contracts, guarantees issued in favour of Group companies and receivables from insurance companies. Counterparty risks are managed by monitoring the creditworthiness of counterparts based on guidelines defined in the Group Treasury Policy and transactions are concluded with highly rated banks, insurance companies and other financial institutions only. Ahlstrom encountered no materialized counterparty risks in 2015.

2. Segment information

The Group has three segments: Filtration, Building and Energy, Food and Medical. The segments are the same as Ahlstrom's business areas.

The Filtration segment manufactures transportation and advanced filtration materials. Advanced filtration materials are mainly used in air and liquid filtration applications, in life science and in gas turbine filtration. Trasportation filtration materials are mainly used in the transportation industry.

The Building and Energy segment serves customers in the building, transportation, marine, windmill and fabric care industries. The segment's products can be found in wallcoverings, floorings, boat hulls, windmill blades and automotive interiors.

The Food and Medical segment manufactures materials for the food packaging and healthcare industries as well as crepe papers. The healthcare products are primarily medical gowns, drapes, face masks and sterilization wraps. The food packaging industry products are tea bags, coffee filters, meat casings, vegetable parchment and other food packaging materials. Crepe papers are used for masking tape and for medical and wipes applications.

The other operations include financial and tax assets and liabilities, net financing cost, taxes, holding and sales companies' income, expense, assets and liabilities as well as the share of result of associated companies.

Ahlstrom Group management monitors the segments' results, cash flow and capital employed in order to evaluate the segment's performance and to make decisions on resource allocations.

Ahlstrom's highest operative decision-making body is the Group's Executive Management Team (EMT). The CEO is the chairman of the EMT and its other members are the business area leaders and functional leaders. The EMT members receive a monthly performance report including income statement, operative cash flow and the main KPI's of each business area. The performance of the business areas is evaluated mainly based on operating profit, operative cash flow and return on net assets (RONA).

The segments' results, assets and liabilities include items directly attributable to the segment's operations. The valuation principles of the segment information are in accordance with the Group's accounting principles.

Business segments 2015

EUR million	Filtration	Building and Energy	Food and Medical	Other operations	Eliminations	Group
External net sales	423.5	306.1	330.7	14.4	0.0	1,074.7
Inter-segment net sales	8.1	2.4	23.7	40.5	-74.7	0.0
Net sales	431.6	308.5	354.4	54.9	-74.7	1,074.7
Operating profit/loss	40.4	-13.4	1.3	-6.5	0.1	21.9
Financial income	-	-	-	0.5	-	0.5
Financial expenses	-	-	-	0.1	-	0.1
Share of profit/loss of associated companies	-	-	-	0.2	-	0.2
Profit/loss before taxes						22.6

Operating profit/loss, %	9.4	-4.3	0.4	-	-	2.0
Return on net assets, RONA, % (Group ROCE, %)	19.8	-14.0	0.8	-	-	3.9
Operative cash flow	43.9	12.8	20.9	-7.8	-0.5	69.3
Segment assets	282.6	174.3	220.0	29.9	-5.8	701.0
Investments in associated companies	-	-	-	15.5	-	15.5
Unallocated assets	-	-	-	121.3	-	121.3
Total assets						837.8
Segment non-interest bearing liabilities	76.1	87.4	65.7	65.3	-5.7	288.8
Unallocated liabilities	-	-	-	249.6	-	249.6
Total equity	-	-	-	299.4	-	299.4
Total equity and liabilities						837.8
Depreciation and amortization	-20.9	-14.4	-28.6	-3.1		-67.0
Impairment		-7.5				-7.5
Non-recurring items	-1.3	-10.3	-11.2	-2.8		-25.6
Capital expenditure	12.6	5.6	6.1	3.1		27.3
Sales volumes (thousands of tonnes)	112.4	147.9	110.4	3.6	-8.7	365.6

Business segments 2014						
EUR million	**Filtration**	**Building and Energy**	**Food and Medical**	**Other operations**	**Eliminations**	**Continuing operations**
External net sales	390.2	285.6	296.3	29.1	0.0	1,001.1
Inter-segment net sales	12.6	2.6	24.7	51.3	-91.1	0.0
Net sales	402.8	288.2	320.9	80.3	-91.1	1,001.1
Operating profit/loss	40.9	-22.0	-4.8	-17.8	0.0	-3.7
Financial income	-	-	-	0.6	-	0.6
Financial expenses	-	-	-	-6.4	-	-6.4
Share of profit/loss of associated companies	-	-	-	0.1	-	0.1
Profit/loss before taxes						-9.4

Operating profit/loss, %	10.1	-7.6	-1.5	-	-	-0.4
Return on net assets, RONA, % (Continuing operations ROCE, %)	20.8	-19.8	-3.0	-	-	-0.5
Operative cash flow	40.7	-24.2	6.5	-10.2	0.1	13.0
Segment assets	282.2	195.6	232.7	37.0	-8.4	738.9
Investments in associated companies	-	-	-	15.3	-	15.3
Unallocated assets	-	-	-	166.9	-	166.9
Total assets						921.1
Segment non-interest bearing liabilities	80.0	90.4	70.1	67.3	-8.3	299.4
Unallocated liabilities	-	-	-	301.6	-	301.6
Total equity	-	-	-	320.1	-	320.1
Total equity and liabilities						921.1
Depreciation and amortization	-17.9	-14.3	-23.5	-2.7	-	-58.4
Impairment	-	-11.9	-	0.0	-	-11.9
Non-recurring items	-0.4	-13.7	-11.2	-7.0	-	-32.3
Capital expenditure	17.6	18.5	6.3	3.1	-	45.4
Sales volumes (thousands of tonnes)	120.4	146.0	112.6	7.5	-11.7	374.9

Geographic information

External net sales is based on the geographical location of the customers. Reporting of non-current assets is based on the geographical location of the assets. Non-current assets are presented excluding financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

External net sales, EUR million	2015	2014
USA	**299.0**	261.7
Germany	**115.5**	121.7
Italy	**70.6**	48.2
China	**66.5**	54.4
United Kingdom	**61.0**	57.5
France	**50.6**	49.4
Brazil	**27.4**	33.6

Spain	**12.8**	16.1
Finland	**5.5**	6.7
Other countries	**365.7**	351.7
Continuing operations	**1,074.7**	1,001.1
+ Discontinued operations and eliminations	**-**	0.8
Total including discontinued operations	**1074.7**	1,001.9

The Group has no individual customers whose share exceeds 10% of the Group's total net sales.

Non-current assets, EUR million	**2015**	2014
USA	**109.0**	105.6
Germany	**10.2**	19.4
Italy	**47.4**	49.3
China	**117.3**	116.5
United Kingdom	**8.4**	18.7
France	**28.9**	30.7
Brazil	**6.7**	8.5
Spain	**0.0**	0.0
Finland	**37.0**	98.2
Other countries	**79.4**	69.7
Total	**444.2**	516.7

3. Disposals of businesses and discontinued operations

2015

No disposals of businesses in the year 2015.

2014

Disposals of businesses

Ahlstrom completed the sale of Paulinia plant to Suominen

On February 10, 2014, Ahlstrom completed the sale of the shares of Ahlstrom Fabricação de Não-Tecidos Ltda to Suominen Corporation. The company operates the Brazilian plant of Ahlstrom's former Home and Personal business area. The enterprise value of the transaction was EUR 17.5 million. The transaction was announced on January 10, 2014.

Net assets of the disposed unit were EUR 19.5 million, of which fixed asset were EUR 11.3 million and cash EUR 0.3 million.

Ahlstrom Corporation sold its shares in Suominen to Ahlström Capital

On October 7, 2014, Ahlstrom announced that it has agreed to sell its 66,666,666 shares in Suominen Corporation to AC Invest Two B.V., a company within the Ahlström Capital Group. Ahlstrom sold its 26.9% shareholding in Suominen at a price of EUR 0.50 per share, valuing the shareholding at EUR 33.3 million.

The transaction was completed October 13, 2014 in accordance with the option arrangement announced by Ahlstrom on January 10, 2014 related to the sale of the Paulinia plant in Brazil to Suominen.

As a consequence of the transaction, Ahlstrom booked a non-recurring gain of approximately EUR 11.8 million in fourth-quarter 2014.

A profit claw back clause on the possible sales gain from the 66,666,666 shares in Suominen held by AC Invest Two B.V. is valid until October 7, 2016.

Ahlstrom withdrew from Porous Power Technologies

On October 9, 2014, Ahlstrom announced it will not to make any further investments in Porous Power Technologies, LLC. The US-based subsidiary has not been able to develop its nonwoven battery separator solution into a product that would be qualified by potential customers.

As a consequence, the Board Members of Porous Power Technologies decided to wind down operations in an orderly manner. Ahlstrom booked an impairment loss of EUR 11.9 million in its third-quarter 2014 financial results. The impairment did not have any material cash effect.

In 2011, Ahlstrom acquired a 49.5% stake in Porous Power Technologies and held approximately 60% of the shares in the company.

Net assets of Porous Power Technologies after the impairment of fixed asset and reversal of deferred tax liability related to aquisition were valued at zero as of December 31, 2014.

Ahlstrom's employee negotiations completed in Kauttua

On December 19, 2014, Ahlstrom announced to have completed the co-operation negotiations with employee representatives at its Kauttua production line in Finland.

The conclusion of the negotiations was to close down the production line in Kauttua during the second quarter of 2015.

The Kauttua plant manufactured base paper for masking tape. As there was significant overcapacity globally in the masking tape markets, especially in Europe, Ahlstrom sought ways to improve the efficiency of its masking tape business.

The production line was part of Ahlstrom's former Food business area and it employed 21 people, whose employment was terminated when the line was closed down.

Net assets of the Kauttua site were EUR 0.0 million as of December 31, 2014. A write down of fixed assets of EUR 0.8 million and a provison of EUR 2.2 million were recorded in December 2014.

Discontinued operations

Label and Processing and Brazilian part of Home and Personal

EUR million	2014
Net sales	1.5
Expenses	9.3
Profit before tax	10.8
Income tax	-3.9
Profit/loss for the period	6.9
Impairment and cost to sell net of tax	0.6
Profit/loss for the period from discontinued operations	7.5
Operating cash flows	10.3
Investing cash flows	-9.3
Total cash flows from discontinued operations	1.0

Financing cash flows are not presented as the units were financed internally by Ahlstrom Group.

4. Acquisitions of businesses

2015
No acquisitions of new businesses.
2014
No acquisitions of new businesses.

5. Net Sales

EUR million	2015	2014
Sales of goods	**1,091.1**	1,014.5
Sales of services	**0.3**	3.4
Sales deductions	**-16.6**	-16.7
Continuing operations	**1,074.7**	1,001.1

Sales deductions are rebates, credits and discounts. Net sales are not adjusted with exchange rate differences from foreign currency sales after the original sale is recorded

6. Cost of goods sold

EUR million	2015	2014
Raw materials	**-491.7**	-465.2
Energy	**-86.7**	-87.0
Delivery expenses	**-36.2**	-33.7
Other variable costs	**-31.6**	-28.8
Operative exchange gains/losses	**0.4**	0.5
Production costs	**-264.3**	-240.9
Continuing operations	**-910.0**	-855.0

7. Other operating income and expenses

EUR million	**2015**	2014
Other operating income		
Gain on sale of emission rights	**0.4**	0.4
Government grants	**2.6**	2.6
Insurance indemnification	**0.1**	0.1
Gain on sale of non-current assets	**2.0**	0.7
Gains from litigations	**0.1**	0.2
Other	**1.8**	12.2
Total	**7.0**	16.1
- Discontinued operations	-	9.9
Continuing operations	**7.0**	6.2
Other operating expenses		
Impairment	**-7.5**	-10.7
Loss from disposals of non current assets	**-0.5**	-1.1
Bad debt losses	**-0.7**	-0.6
Restructuring costs and reversals	**-0.4**	0.1
Other	**-3.2**	-0.9
Total	**-12.4**	-13.2
- Discontinued operations	-	1.8
Continuing operations	**-12.4**	-15.0

Auditor's fees	**2015**	2014
To PricewaterhouseCoopers network		
Audit	**-0.7**	-0.8
Tax services	**-**	-0.5
Other services	**-0.6**	-0.5
Total	**-1.3**	-1.8

8. Employee benefit expenses

EUR million	**2015**	2014
Wages and salaries	**-156.3**	-155.2
Social security costs	**-26.8**	-25.1
Contributions to defined contribution plans	**-13.5**	-12.2
Net periodic cost for defined benefit plans	**-1.5**	-2.4
Changes in liability for other long-term benefits	**-0.2**	-0.2
Other personnel costs	**-18.3**	-15.9
Total	**-216.6**	-211.0
- Discontinued operations	-	-0.1
Continuing operations	**-216.6**	-210.9

In 2015, employee benefit expenses included non-recurring costs of EUR 4.5 million (EUR 11.5 million in 2014) related to the restructuring actions. Employee benefit expenses of key management are specified in Note 32.

Average number of personnel	**2015**	2014
Filtration	**1,182**	1,160
Food and Medical	**995**	1,051
Building and Energy	**774**	809
Home and Personal	**0**	6
Other operations	**425**	472
Total	**3,376**	3,499
- Discontinued operations	-	6
Continuing operations	**3,376**	3,493

9. Depreciations and amortizations

EUR million	**2015**	2014
Machinery and equipment	**-51.2**	-47.7
Buildings and constructions	**-11.4**	-6.7
Intangible assets	**-3.6**	-3.3
Other tangible assets	**-0.7**	-0.7
Total depreciation and amortization	**-67.0**	-58.4
- Discontinued operations	-	-
Continuing operations	**-67.0**	-58.4

10. Impairment

Impairment charges and reversals and goodwill of cash-generating units (CGU):

	Impairment charges and reversals	**Impairment charges and reversals**	**Goodwill**	**Goodwill**
EUR million	**2015**	2014	**2015**	2014
Wipes	-	2.6	-	-
Transportation Filtration	-	-	22.2	20.3
Advanced Filtration	-	-	14.5	13.9
Medical nonwoven	-	-	20.4	18.3
Vegetable parchment	-	-	6.7	6.2
Specialties & Wallcover	-	-	10.6	10.3
Porous Power Technologies	-	-11.9	-	-
Processing (Osnabruck)	-7.5	-1.4	-	-
Other Units	-	-	-	-
Total	**-7.5**	-10.7	**74.3**	69.0
- Discontinued operations	-	1.2	-	-
Continuing operations	**-7.5**	-11.9	**74.3**	69.0

In December 2015, an impairment charge of EUR 7.5 million related to Processing CGU in Osnabruck plant was recorded in the Building and Energy business area. This impacted properly, plant and equipment. The Osnabruck plant produces materials for wallcoverings, poster papers and release liners. The change in goodwill was EUR 5.3 million and was due to the changes in currency rates.

In 2014, an impairment charge of EUR 11.9 million was recorded in fixed assets of battery separator business Porous Power Technologies. A reversal of an impairment charge of EUR 2.6 million related to the sale of Pauliinia plant in Brasil was booked. Additional impairment of EUR 1.4 million was reported in Processing related to the asset disposal to Perusa in Germany.

The recoverable amount of the cash-generating units is based on value in use calculation. Projected cash flows are used in the calculations. The projected cash flows are based on EBITDA, normal replacement investments and changes in operative working capital of the financial plans for the five years period. Cash flows for further years are based to the terminal value which is calculated by using the average of the planned five years and general growth rate 0.5 % and indefinite economic life time. The same pre-tax discount rate has been used to all cash-generating units in discounting the projected cash flows. The discount rate (WACC) 7.3 % is based on the market view of the time-value of money and on the specific risks related to the assets for which the future cash flow estimates have not been adjusted. Specific risks related to cash-generating units are included in the financial plans of the units.

A goodwill impairment test is performed twice a year. The first test is carried out in connection with the September closing and the second one in connection to December closing. In addition to these, impairment tests are performed whenever there is an indication of impairment. Group Business areas are monitoring the impairment sensitivity every month and should the sensitivity indicates impairment , a full test will be initiated.

According to the management estimate, there is no reasonable possibility of such a change in any key assumptions that would lead to the additional impairment charges. Sensitivity analyses have shown that 3 %-points increase in the discount rate would not lead to the impairment in any CGU.

11. Financial income and expenses

EUR million	2015	2014
Financial income		
Interest income from loans and receivables	**0.2**	0.3
Forward contracts interest component, non-hedge accounting	**0.2**	0.3
Other financial income	**-**	-
Continuing operations	**0.5**	0.6
Financial expenses		
Interest expenses for financial liabilities at amortized cost	**-16.5**	-17.9
Forward contracts interest component, non-hedge accounting	**-0.4**	-0.5
Other financial expenses	**17.5**	12.6
Continuing operations	**0.6**	-5.9
Exchange rate differences and fair value gains and losses		
Loans and receivables	**7.7**	8.4
Forward contracts, non-hedge accounting	**-8.2**	-8.9
Continuing operations	**-0.5**	-0.5
Net financial income and expenses	**0.6**	-5.8

Interest expenses include EUR 2.6 million net interest cost on defined benefit plans (EUR 2.6 million in 2014).

Other financial expenses include a EUR 20.3 million capital gain from the sale of Munksjö Oyj shares (A capital gain of EUR 14.2 million from the sale of Suominen Oyj and Munksjö Oyj shares in 2014).

In addition to the exchange rate differences disclosed in financial income and expenses, consolidated operating profit included exchange rate differences of EUR 0.4 million (EUR 0.5 million in 2014) of which derivatives accounted for EUR 0.4 million (EUR -0.4 million in 2014).

12. Income taxes

EUR million	2015	2014
Taxes for the financial period	-4.3	-4.5
Taxes for previous periods	-0.5	3.3
Deferred tax	-9.3	-3.6
Total income taxes	-14.1	-4.8
- Discontinued operations	-	-3.9
Continuing operations	-14.1	-0.9

Taxes booked to equity		
Hybrid bond	1.6	1.6
Other items	-0.2	2.3
Total taxes booked to equity	1.4	3.9

Income tax reconciliation		
Including discontinued operations		
Tax calculated at Finnish nominal tax rate	-4.5	-0.4
Differences between foreign and Finnish tax rates	0.1	0.3
Italian regional tax (IRAP), witholding and minimum taxes	-0.6	-1.0
Adjustment of taxes for previous periods	-0.5	3.3
Non-deductible expenses and tax exempt income	4.3	0.1
Adjustments to deferred tax assets	-11.8	-9.8
Changes in statutory tax rates	-1.3	-
Associated companies and other items	0.2	2.7
Total income taxes	-14.1	-4.8

Tax exempt income in 2015 consists mainly of gain from the sale of Munksjö shares. Adjustments to deferred tax assets have been booked in those group companies where assumptions regarding the utilization of tax assets have been changed or where there is no sufficient evidence of utilization of current year's loss.

In some of the Group companies income tax returns are under examination in tax audits or have been already disputed by the tax authorities. The main items under discussion relate to transfer pricing. Based on the evaluation of the current state of these processes no significant tax provisions have been booked.

13. Taxes related to other comprehensive income

	2015			2014		
EUR million	**Before taxes**	**Tax charge/ credit**	**After taxes**	Before taxes	Tax charge/ credit	After taxes
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans	**-4.3**	**1.6**	**-2.6**	-21.8	5.9	-15.9
Total	**-4.3**	**1.6**	**-2.6**	-21.8	5.9	-15.9
Items that may be reclassified subsequently to profit or loss						
Translation differences	**6.5**	**-**	**6.5**	9.4	-	9.4
Hedges of net investments in foreign operations	**0.2**	**-**	**0.2**	-	-	-
Share of other comprehensive income of equity accounted investments	**-**	**-**	**-**	0.5	0.0	0.5
Changes in the fair value of available-for-sale financial assets	**-17.0**	**-**	**-17.0**	17.0	-	17.0
Cash flow hedges	**0.6**	**-0.1**	**0.5**	-0.2	0.0	-0.2
Total	**-9.8**	**-0.1**	**-9.9**	26.7	0.0	26.8
Total other comprehensive income	**-14.1**	**1.5**	**-12.6**	4.9	5.9	10.9

14. Earnings per share

Earnings per share is calculated by dividing the profit for the period attributable to owners of the parent by the weighted average number of ordinary shares. The accrued interest expenses on hybrid bond for the period after taxes have an effect on earnings per share calculation. Profit or loss for the year attributable to owners of the parent is deducted by these interests. Accrued interests after taxes for the year were EUR 6.3 million (EUR 6.3 million in 2014) and the effect on earnings per share was EUR 0.13 (EUR 0.13 in 2014).

	2015	2014
Basic and diluted earnings per share		
Profit/loss for the year attributable to owners of the parent (EUR million)	**9.2**	3.6
Interest on hybrid bond for the year after taxes (EUR million)	**-6.3**	-6.3
Total including discontinued operations	**2.9**	-2.7
- Discontinued operations	**-**	7.5
Continuing operations	**2.9**	-10.3
Weighted average number of shares during the year (1,000 shares)	**46,670.6**	46,670.6
Continuing operations		
Basic and diluted earnings per share (EUR)	**0.06**	-0.22
Including discontinued operations		
Basic and diluted earnings per share (EUR)	**0.06**	-0.06

15. Property, plant and equipment

EUR million	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress	Total property, plant and equipment
2015						
Historical cost at Jan 1	10.5	169.2	967.0	9.8	27.0	1,183.5
Acquisitions through business combinations	-	-	-	-	-	-
Additions	0.0	0.7	8.3	0.2	15.9	25.0
Disposals	-	-0.6	-16.9	-0.1	-	-17.6
Transfers to other asset categories	-	2.6	17.4	0.1	-20.2	-0.0
Other changes	-	-	-0.0	-	-0.1	-0.1
Translation differences	0.6	7.1	33.5	0.2	0.8	42.2
Historical cost at Dec 31	**11.1**	**179.0**	**1,009.2**	**10.2**	**23.5**	**1,233.0**
Accumulated depreciation and impairment at Jan 1	0.4	81.9	714.8	6.3	7.3	810.6
Depreciation for the year	0.1	11.4	51.2	0.6	-	63.4
Impairment losses	-	-	6.4	1.1	-	7.5
Reversal of impairment losses	-	-	-	-	-	0.0
Disposals	-	-0.5	-16.2	-0.1	-	-16.8
Transfers to other asset categories	-	-	-	-	-	-
Other changes	-	-0.0	0.0	0.0	1.7	1.6
Translation differences	0.0	3.1	23.5	0.2	-	26.8
Accumulated depreciation and impairment at Dec 31	**0.5**	**95.9**	**779.7**	**8.1**	**8.9**	**893.2**
Book value Jan 1, 2015	**10.1**	**87.3**	**252.2**	**3.5**	**19.7**	**372.9**
Book value Dec 31, 2015	**10.6**	**83.1**	**229.6**	**2.1**	**14.5**	**339.9**

In 2015, no interest expenses were capitalized. In 2014, capitalized interest expenses of EUR 0.8 million were included in property, plant and equipment.

EUR million	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress	Total property, plant and equipment
2014						
Historical cost at Jan 1	12.1	158.9	883.2	9.0	76.3	1,139.4
Acquisitions through business combinations	-	-	-	-	-	-
Additions	0.0	0.9	11.5	0.7	36.0	49.2
Disposals	-2.4	-7.4	-28.9	-0.5	-0.2	-39.3
Transfers to other asset categories	0.1	11.2	75.5	0.8	-87.6	-0.0
Other changes	-	-	-0.4	-	-3.9	-4.3
Translation differences	0.7	5.4	26.1	-0.1	6.4	38.6
Historical cost at Dec 31	10.5	169.2	967.0	9.8	27.0	1,183.5
Accumulated depreciation and impairment at Jan 1	0.4	77.1	669.8	6.0	7.2	760.5
Depreciation for the year	0.0	6.7	47.7	0.7	-	55.0
Impairment losses	1.2	0.2	0.1	-	0.0	1.6
Reversal of impairment losses	-	-1.3	-1.3	-	-	-2.6
Disposals	-1.2	-3.6	-22.7	-0.5	0.0	-28.0
Transfers to other asset categories	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Translation differences	0.0	2.8	21.2	0.1	-	24.2
Accumulated depreciation and impairment at Dec 31	0.4	81.9	714.8	6.3	7.3	810.6
Book value Jan 1, 2014	11.7	81.9	213.4	2.9	69.0	379.0
Book value Dec 31, 2014	10.1	87.3	252.2	3.5	19.7	372.9

Assets leased by finance lease agreements				
EUR million	**Land and water areas**	**Buildings and constructions**	**Machinery and equipment**	**Total**
2015				
Historical cost	0.3	-	-	0.3
Accumulated depreciation	0.2	-	-	0.2
Book value Dec 31, 2015	**0.1**	**-**	**-**	**0.1**
2014				
Historical cost	0.4	5.9	0.3	6.6
Accumulated depreciation	-	2.1	0.2	2.2
Book value Dec 31, 2014	0.4	3.8	0.1	4.4

16. Intangible assets

EUR million	Intangible rights	Goodwill	Other intangible assets	Advances paid	Total intangible assets
2015					
Historical cost at Jan 1	59.4	66.9	11.9	0.7	138.9
Acquisitions through business combinations	-	-	-	-	-
Additions	1.2	-	-	0.8	2.1
Disposals	-11.5	-26.4	-	-	-37.9
Transfers to other asset categories	0.1	-	0.0	-0.1	-
Other changes	-0.8	-	-	-0.0	-0.8
Translation differences	4.7	-0.0	0.3	-	5.0
Historical cost at Dec 31	**53.2**	**40.5**	**12.2**	**1.4**	**107.3**
Accumulated amortization and impairment at Jan 1	54.2	-2.1	3.9	0.0	56.0
Amortization for the year	3.0	-	0.6	-	3.6
Impairment losses	0.0	-	-	-	0.0
Disposals	-11.5	-26.4	-	-	-37.9
Transfers to other asset categories	-	-	-	-	-
Other changes	-0.5	-	-	-	-0.5
Translation differences	4.5	-5.3	0.0	-	-0.8
Accumulated amortization and impairment at Dec 31	**49.7**	**-33.8**	**4.5**	**0.0**	**20.4**
Book value Jan 1, 2015	**5.2**	**69.0**	**8.0**	**0.7**	**82.9**
Book value Dec 31, 2015	**3.5**	**74.3**	**7.6**	**1.4**	**86.8**

EUR million	Intangible rights	Goodwill	Other intangible assets	Advances paid	Total intangible assets
2014					
Historical cost at Jan 1	53.4	66.0	12.2	0.6	132.2
Acquisitions through business combinations	-	-	-	-	-
Additions	1.0	-	0.1	0.3	1.5
Disposals	-0.2	-6.7	-0.9	-	-7.7
Transfers to other asset categories	0.1	-	-	-0.1	-
Other changes	-0.0	-	-	-0.2	-0.2
Translation differences	5.0	7.6	0.4	-	13.1
Historical cost at Dec 31	59.4	66.9	11.9	0.7	138.9
Accumulated amortization and impairment at Jan 1	37.9	-0.8	3.5	0.0	40.6
Amortization for the year	2.7	-	0.6	-	3.3
Impairment losses	9.2	2.5	-	-	11.7
Disposals	-0.1	-6.7	-0.2	-	-7.0
Transfers to other asset categories	-	-	-	-	-
Other changes	-0.0	-	-	-0.0	-0.0
Translation differences	4.4	3.0	0.1	-	7.4
Accumulated amortization and impairment at Dec 31	54.2	-2.1	3.9	0.0	56.0
Book value Jan 1, 2014	15.5	66.8	8.7	0.6	91.6
Book value Dec 31, 2014	5.2	69.0	8.0	0.7	82.9

Emission rights

Ahlstrom was granted 156,865 units of CO_2 emission rights for the year 2015. As of December 31, 2015 the remaining emission rights amounted to 530,445 units and their market value was approximately EUR 3.4 million. No value has been recognized in the balance sheet. The rights in excess have been transferred to 2016. The sales of emission rights were EUR 0.4 million in 2015 (EUR 0.4 million in 2014).

17. Investments in associated companies

EUR million	2015	2014
Balance at Jan 1	**15.3**	36.3
Share of profit/loss for the period	**0.2**	0.1
Share of other comprehensive income of associates	**-**	0.5
Additions	-	-
Disposals	**-**	-21.6
Balance at Dec 31	**15.5**	15.3
Ahlstrom's ownership in AM Real Estate S.r.l. and in AK Energie GmbH Ahlstrom's ownership remained unchanged 50%.		

Financial information of major associated company

EUR million	Domicile	Ownership (%)	Assets	Liabilities	Net sales	Profit/loss for the period
2015						
AM Real Estate S.r.l.	Italy	**50.0**	**27.3**	**2.8**	**0.0**	**0.4**
AK Energie GmbH	Germany	**50.0**	**5.7**	**2.2**	**0.0**	**0.0**
2014						
AM Real Estate S.r.l.	Italy	50.0	27.4	3.2	0.0	0.1
AK Energie GmbH	Germany	50.0	5.7	2.2	0.0	0.0

Related party transactions with associated companies

EUR million	2015	2014
Sales of goods and services	**0.0**	28.4
Purchases of goods and services	**-10.9**	-16.8
Trade and other receivables	**0.0**	0.0
Trade and other payables	**0.6**	0.0

Market prices have been used in transactions with associated companies. Commitments on behalf of associated companies are shown in note 31.

18. Other investments

Other investments consist of unlisted shares and interests amounting to EUR 0.3 million (EUR 0.3 million in 2014). (In addition stock exchange listed Munksjö shares amounting to EUR 43.2 million in 2014).

For unlisted shares and interests the fair value cannot be measured reliably, therefore the investment is carried at cost. The Munkjö shares were carried at market value in 2014.

The Group has no current other investments.

19. Cash and cash equivalents

EUR million	**2015**	2014
Cash, bank accounts and interest-bearing instruments with maturities of three months or less	**47.3**	41.4
Cash and cash equivalents in the balance sheet	**47.3**	41.4

Cash and cash equivalents in the statement of cash flow equals to the cash and cash equivalents in the balance sheet.

Cash and cash equivalents includes restricted cash of EUR 0.5 million.

20. Deferred tax assets and liabilities

EUR million	Balance at Jan 1	Charged to income statement	Charged to other comprehensive income	Charged to equity	Acquisitions and disposals	Translation differences and other	Balance at Dec 31
2015							
Deferred tax assets							
Property, plant and equipment and intangible assets	5.8	-1.3	-	-	-	0.1	**4.6**
Employee benefit obligations	18.6	-0.7	1.6	0.1	-	1.9	**21.5**
Tax loss carried forward and unused tax credits	66.7	-7.6	-	1.6	-	-2.4	**58.3**
Other temporary differences	13.2	1.9	-	-0.2	-	-1.6	**13.3**
Total	104.3	-7.7	1.6	1.5	-	-2.0	**97.7**
Offset against deferred tax liabilities	-26.1	-1.7	-	-	-	1.2	**-26.6**
Deferred tax assets	78.1	-9.4	1.6	1.5	-	-0.8	**71.0**
Deferred tax liabilities							
Property, plant and equipment and intangible assets	22.3	-2.7	-	-	-	2.1	**21.7**
Other temporary differences	5.6	4.3	0.1	-	-	-3.1	**6.9**
Total	27.9	1.6	0.1	0.0	-	-1.0	**28.6**
Offset against deferred tax assets	-26.1	-1.7	-	-	-	1.2	**-26.6**
Deferred tax liabilities	1.8	-0.1	0.1	0.0	-	0.2	**2.0**
2014							
Deferred tax assets							
Property, plant and equipment and intangible assets	8.1	-2.4	-	-	-	0.1	5.8
Employee benefit obligations	14.5	-3.1	5.9	-	-	1.4	18.6
Tax loss carried forward and unused tax credits	68.6	-4.1	-	1.6	-	0.6	66.7
Other temporary differences	15.1	-1.8	-	-	-	-0.1	13.2
Total	106.3	-11.4	5.9	1.6	-	2.0	104.3
Offset against deferred tax liabilities	-32.7	8.2	-	-0.3	-	-1.3	-26.1

Deferred tax assets	73.4	-3.2	5.9	1.3	-	0.7	78.1
Deferred tax liabilities							
Property, plant and equipment and intangible assets	29.3	-6.5	-	-2.3	-	1.8	22.3
Other temporary differences	7.3	-1.3	-	-	-	-0.4	5.6
Total	36.6	-7.8	-	-2.3	-	1.4	27.9
Offset against deferred tax assets	-32.7	8.2	-	-0.3	-	-1.3	-26.1
Deferred tax liabilities	4.0	0.4	-	-2.6	-	0.1	1.8

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

No deferred tax liability has been recognized for undistributed earnings of the subsidiaries since such earnings can either be transferred to the parent company without any tax consequences or such earnings are regarded as permanently invested in the company in question and there are no plans to distribute those earnings to the parent company in the foreseeable future. If all retained earnings would be distributed to the parent company, the withholding tax payable would not be a material amount compared to the deferred taxes in the balance sheet.

The utilisation of deferred tax assets of EUR 71.0 million (EUR 78.1 million in 2014) is dependant on the future taxable profits including the profits arising from reversal of existing taxable temporary differences. Based on the business plans utilization of these tax assets is probable.

As of December 31, 2015, the Group had tax loss carry forwards of EUR 338.1 million (EUR 334.3 million in 2014) in total, of which EUR 245.7 million (EUR 221.3 million in 2014) has no expiration period. Regarding losses amounting to EUR 122.0 million (EUR 102.4 million in 2014) no deferred tax asset was recognized due to the uncertainty of utilization of these tax loss carry forwards.

21. Inventories

EUR million	2015	2014
Material and supplies	**42.9**	40.8
Work in progress	**18.5**	16.9
Finished goods	**56.3**	50.4
Advances paid	**0.0**	0.0
Total	**117.6**	108.1

In 2015, the write-downs and reversals of write-downs for finished goods totaled EUR - 0.4 million (EUR -1.9 million in 2014).

22. Trade and other receivables

EUR million	2015	2014
Non-current		
Loan receivables	**0.2**	0.5
Trade receivables	**0.0**	0.3
Prepaid expenses and accrued income	**1.7**	1.8
Defined benefit pension asset	**0.3**	-
Other receivables	**3.5**	4.0
Total	**5.8**	6.5
Current		
Loan receivables	**0.0**	0.6
Trade receivables	**118.5**	135.5
Prepaid expenses and accrued income	**13.0**	13.2
Derivative financial instruments	**0.9**	0.3
Receivables from associated companies	**0.0**	0.0
Other receivables	**19.4**	21.1
Total	**151.9**	170.7

The maximum exposure to credit risk at the reporting date is the carrying amount of the trade and other receivables.

Impaired receivables deducted from trade receivables

EUR million	2015	2014
Balance at Jan 1	**2.2**	2.1
Increase	**0.2**	0.6
Decrease	**-0.2**	-0.5
Recovery	**-0.1**	-0.0
Balance at Dec 31	**2.0**	2.2

Impaired receivables deducted from trade receivables are mainly defined as receivables which are more that 180 days overdue if not insured or under a specific payment plan, or if for other reason it is probable that the receivable can not be collected.

Analysis of trade receivables by age

EUR million	2015	2014
Not overdue	**102.8**	120.6
Overdue 1-30 days	**12.4**	11.6
Overdue 31-90 days	**2.1**	1.4
Overdue more than 90 days	**1.2**	1.8
Total	**118.5**	135.4

Specification of prepaid expenses and accrued income

EUR million	2015	2014
Prepaid expenses	**10.2**	10.8
Other tax receivables	**2.1**	1.9
Accrued interest income	**0.7**	0.8
Accrued discounts	**0.0**	0.0
Accrued insurance indemnification	**0.3**	0.2
Other	**1.4**	1.2
Total	**14.7**	15.0

The carrying amounts of trade and other receivables are reasonable approximations of their fair value.

23. Capital and reserves

The following table shows the impact of changes in the number of shares:

EUR million	Number of shares (1,000)	Issued capital	Non-restricted equity reserve	Own shares	Total
Dec 31, 2013	46,105.3	70.0	61.1	-7.4	123.7
Transfer of own shares	120.0	-	-	0.9	0.9
Dec 31, 2014	46,225.3	70.0	61.1	-6.5	124.7
Sale of own shares	296.3	-	-	2.8	2.8
Dec 31, 2015	**46,521.6**	**70.0**	**61.1**	**-3.7**	**127.5**

As of December 31, 2015, Ahlstrom Corporation's share capital was EUR 70,005,912.00. The share capital is divided into 46,670,608 shares. All shares have one vote and an equal right to dividend. The shares have no nominal value.

Own shares

As of December 31, 2015, a total of 149,005 of own shares were held by the parent company.

Reserves

The hedging reserve comprises the fair value changes of cash flow hedges qualifying for hedge accounting. The fair value reserve comprises the changes in the fair value of available-for-sale financial assets. The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the changes in fair value of the instruments that hedge the net investment in foreign subsidiaries.

Hybrid bond

As of December 31, 2015, Ahlstrom had an EUR 100 million domestic hybrid bond issued in September 2013. The coupon rate of the bond is 7.875% per annum. The bond has no maturity but the company may exercise an early redemption option after four years. The bond is treated as equity in the consolidated financial statements. The arrangement fees at the issuance and the interests paid are recorded in the retained earnings of equity.

Dividends

After the balance sheet date, the Board of Directors proposed a dividend of EUR 0.31 per share.

24. Employee benefit obligations

The Group has defined benefit plans in several countries, of which the most significant are in the United States, Great Britain and Germany. The plans are in accordance with the local laws and practices and are either funded or unfunded. Funded plans are arranged in external funds and foundations separately from the Group's assets. In defined benefit plans, the pension benefit is usually determined by the number of years worked and the final salary. The obligations of defined benefit plans are defined separately for each plan based on the calculations of authorized actuaries.

Employee benefits for key management are specified in note 32.

EUR million	**2015**	2014
Post-employment and other long-term benefit plans		
Employee benefits liability recognized in the balance sheet		
Present value of funded benefit obligations	**248.9**	236.6
Present value of unfunded benefit obligations	**62.1**	64.9
Transfer to another category	**-**	-4.9
Fair value of plan assets	**-221.8**	-207.3
Deficit / Surplus	**89.2**	89.3
Effect of asset ceiling	**9.0**	4.9
Net defined benefit liability at Dec 31	**98.3**	94.2
Other long-term employee benefits	**1.7**	1.8
Total net liability at Dec 31	**100.0**	96.0
Amounts in the balance sheet		
Liabilities	**100.3**	96.0
Assets	**0.3**	0.0
Total net liability at Dec 31	**100.0**	96.0
Changes in the present value of obligations		
Present value of defined benefit obligation at Jan 1	**296.6**	247.0
Current and past service cost	**1.6**	1.3
Interest cost	**10.8**	10.5
Remeasurement gain/loss on pension scheme liabilities	**-5.1**	38.3
Gains and losses on settlement	**-0.1**	1.1
Benefits paid	**-15.6**	-14.2
Other changes	**-0.4**	-4.8

Transfer to another category	-	-4.9
Translation differences	**23.6**	22.3
Present value of defined benefit obligation at Dec 31	**311.3**	296.6

Changes in the fair value of the plan assets		
Fair value of plan assets at Jan 1	**207.3**	173.1
Interest income on plan assets	**8.3**	7.9
Remeasurement gain/loss on pension scheme assets	**-5.7**	15.0
Contributions by employer	**8.5**	7.4
Benefits paid	**-15.6**	-14.2
Other changes	**0.0**	-1.2
Translation differences	**19.0**	19.2
Fair value of plan assets at Dec 31	**221.8**	207.3

Changes in the effect of asset ceiling		
Effect of asset ceiling at Jan 1	**4.9**	-
Transfer to another category	-	4.9
Change in asset ceiling	**3.8**	-
Translation differences	**0.3**	-
Effect of asset ceiling at Dec 31	**9.0**	4.9

Amounts recognized in income statement		
Personnel costs		
Current service cost	**-1.6**	-1.3
Past service cost	**-0.0**	0.0
Gains and losses on settlement	**0.1**	-1.1
Finance costs		
Net interest cost	**-2.6**	-2.6
Cost recognized in income statement	**-4.1**	-5.0

Remeasurement effects recognized in other comprehensive income (OCI)		
Remeasurement gain/loss on pension scheme assets	**-5.7**	15.0
Remeasurement gain/loss on pension scheme liabilities	**5.1**	-38.3
Remeasurement gain/loss on change in asset ceiling	**-3.6**	1.5
Income tax relating to remeasurement effects	**1.6**	5.9
Remeasurement effects recognized in OCI	**-2.6**	-15.9

The Group expects to contribute EUR 8.5 million to its defined benefit plans in 2016.

Plan asset categories	**2015**	2014
Equity instruments (listed)	**23.3 %**	23.4 %
Debt instruments	**61.0 %**	61.7 %
Property	**0.1 %**	0.0 %
Other	**15.6 %**	14.9 %

Principal actuarial assumptions		
Europe		
Discount rate	**2.1 %**	2.1 %
Future salary increases	**2.3 %**	2.4 %
Future pension increases	**1.4 %**	1.6 %
North America		
Discount rate	**3.8 %**	3.7 %
Future salary increases	**3.1 %**	3.0 %
Future pension increases	**3.0 %**	3.0 %

The actuarial assumptions in other countries are immaterial

Assumptions regarding future mortality are based on actuarial guidelines in accordance with published statistics and experience in each region. Mortality assumptions used in the most important countries and plans are based on the following post-retirement mortality tables: a) Germany: Richttafeln 2005 G, b) Great-Britain: S1PXA and c) the United States: RP2014.

Sensitivity analyses: Discount rate impact on defined benefit obligation		
Discount rate change + 0,50 %	**-19.8**	-16.8
Discount rate change – 0,50 %	**22.2**	18.8

Sensitivities are calculated by changing discount rate while keeping other variables constant.

25. Provisions

EUR million	Restructuring	Environmental	Other	Total
2015				
Balance at Jan 1	7.5	0.9	3.2	11.6
Translation differences	0.1	0.0	0.0	0.1
Increase in provisions	4.5	0.0	2.8	7.3
Used provisions	-6.8	-0.0	-2.8	-9.7
Reversal of provisions	-0.5	0.0	-1.0	-1.5
Balance at Dec 31	**4.8**	**0.9**	**2.2**	**7.9**
Non-current	0.3	0.3	0.2	0.8
Current	4.4	0.6	2.1	7.1
Total	**4.8**	**0.9**	**2.2**	**7.9**

Total provisions have decreased mainly as a result of using restructuring provisions. The provisions are for the most part expected to be used within 12 months.

Environmental provisions have mainly been made for landscaping of dumps in Finland and Sweden.

26. Interest-bearing loans and borrowings

EUR million	Fair value 2015	Fair value 2014	Carrying amount 2015	Carrying amount 2014	IFRS fair value hierarchy level
Non-current					
Loans from financial institutions	**26.7**	43.0	**26.7**	43.0	2
Finance lease liabilities	-	4.3	-	4.4	2
Other non-current loans	**103.1**	100.8	**100.2**	100.1	1
Total	**129.8**	148.2	**126.9**	147.5	
Current					
Current portion of non-current loans	**12.6**	69.7	**12.6**	69.7	2
Current portion of finance lease liabilities	-	0.1	-	0.2	2
Other current loans	**103.7**	79.6	**103.7**	77.9	2
Total	**116.4**	149.4	**116.4**	147.7	

The carrying amounts of non-current and current loans from financial institutions and other loans are measured at amortized cost using the effective interest rate. The fair value amounts are reasonable approximations of their carrying amounts. Other non-current loans includes a bond which is listed in NASDAQ OMX Helsinki.

In 2015, the capital weighted average interest rate for interest-bearing loans was 3.98% (4.62% in 2014).

Currency distribution

EUR million	2015	2014
Non-current interest-bearing liabilities:		
EUR	**125.2**	138.4
USD	**-**	-
CNY	**7.1**	5.2
Others	**-**	3.9
Current interest-bearing liabilities:		
EUR	**39.0**	78.9

USD	**1.8**	4.4
CNY	**75.5**	60.7
Others	**-**	3.8
Finance lease liabilities		
Minimum lease payments		
Within one year	**0.0**	0.3
Between one and five years	**-**	4.4
Total minimum lease payments	**0.0**	4.7
Future finance charges	**-**	-0.2
Present value of minimum lease payments	**0.0**	4.6
Present value of minimum lease payments		
Within one year	**0.0**	0.2
Between one and five years	**-**	4.4
Present value of minimum lease payments	**0.0**	4.6

The leasing agreement of Ahlstrom Tampere plant building has expired in 2015 and the building has been acquired.

27. Trade and other payables

EUR million	2015	2014
Non-current		
Accrued expenses and deferred income	**0.0**	1.4
Total	**0.0**	1.4
Current		
Trade payables	**130.1**	143.0
Accrued expenses and deferred income	**40.3**	38.4
Derivative financial instruments	**1.4**	1.4
Advances received	**0.6**	1.2
Liabilities to associated companies	**1.3**	0.7
Other current liabilities	**9.7**	9.3
Total	**183.5**	194.0
Specification of accrued expenses and deferred income		
Accrued wages, salaries and related cost	**31.5**	32.0
Accrued interest expense	**1.7**	2.7
Other	**7.1**	5.1
Total	**40.3**	39.8

28. Carrying amounts of financial assets and liabilities by measurement categories

EUR million	(Note)	Financial assets/ liabilities at fair value through profit and loss	Derivatives under hedge accounting	Loans and receivables	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Carrying amounts by balance sheet item	IFRS fair value hierarchy level
2015								
Non-current financial assets								
Other investments	(18)	-	-	-	0.3	-	**0.3**	
Other receivables	(22)	-	-	5.8	-	-	**5.8**	
Current financial assets								
Trade and other receivables	(22)	-	-	151.0	-	-	**151.0**	
Derivative financial instruments	(22,29)	0.4	0.5	-	-	-	**0.9**	2
Cash and cash equivalents	(19)	-	-	47.3	-	-	**47.3**	
Carrying amount by category		**0.4**	**0.5**	**204.1**	**0.3**	**-**	**205.3**	
Non-current financial liabilities								
Interest-bearing loans and borrowings	(26)	-	-	-	-	126.9	**126.9**	
Other liabilities	(27)	-	-	-	-	0.0	**0.0**	
Current financial liabilites								
Interest-bearing loans and borrowings	(26)	-	-	-	-	116.4	**116.4**	
Trade and other payables	(27)	-	-	-	-	182.0	**182.0**	
Derivative financial instruments	(27,29)	1.4	-	-	-	-	**1.4**	2
Carrying amount by category		**1.4**	**0.0**	**-**	**-**	**425.3**	**426.7**	

2014								
Non-current financial assets								
Other investments	(18)	-	-	-	43.5	-	43.5	1
Other receivables	(22)	-	-	6.5	-	-	6.5	
Current financial assets								
Trade and other receivables	(22)	-	-	170.4	-	-	170.4	
Derivative financial instruments	(22,29)	0.3	-	-	-	-	0.3	2
Cash and cash equivalents	(19)	-	-	41.4	-	-	41.4	
Carrying amount by category		0.3	-	218.3	43.5	-	262.1	
Non-current financial liabilities								
Interest-bearing loans and borrowings	(26)	-	-	-	-	147.5	147.5	
Other liabilities	(27)	-	-	-	-	1.4	1.4	
Current financial liabilites								
Interest-bearing loans and borrowings	(26)	-	-	-	-	147.7	147.7	
Trade and other payables	(27)	-	-	-	-	192.6	192.6	
Derivative financial instruments	(27,29)	1.1	0.3	-	-	-	1.4	2
Carrying amount by category		1.1	0.3	-	-	489.2	490.6	

The Group's financial instruments measured at fair value belong to level 2 in the fair value hierarchy. In 2014, the other investments included stock exchange listed shares of Munksjö which belonged to level 1 in the fair value hierarchy .

29. Derivative financial instruments

EUR million	Nominal value maturing in < 1 year	Nominal value maturing in > 1 year	Total	Fair value, assets maturing in < 1 year	Fair value, assets maturing in > 1 year	Fair value, liabilities maturing in < 1 year	Fair value, liabilities maturing in > 1 year
2015							
Hedge accounting							
Foreign exchange forward contracts*	23.0	-	0.5	0.5	-	-	-
Total	**23.0**	**-**	**0.5**	**0.5**	**-**	**-**	**-**
Non-hedge accounting							
Foreign exchange forward contracts*	124.3	-	-1.0	0.3	-	-1.3	-
Total	**124.3**	**-**	**-1.0**	**0.3**	**-**	**-1.3**	**-**
2014							
Hedge accounting							
Foreign exchange forward contracts*	17.4	-	-0.3	-	-	-0.3	-
Total	17.4	-	-0.3	-	-	-0.3	-
Non-hedge accounting							
Foreign exchange forward contracts*	107.6	-	-0.8	0.2	-	-1.1	-
Total	107.6	-	-0.8	0.2	-	-1.1	-

* Outstanding foreign exchange forward contracts, nominal amount of EUR 147.2 million (EUR 125.0 million in 2014) relate to the hedging of the operational and financial cash flows and net investment in foreign operation.

The fair values of derivative financial instruments are the discounted cashflows calculated using existing forward prices of derivatives. The fair value of derivatives has been recognized as gross in the balance sheet.

The Group enters into derivative transactions under master netting agreements agreed with each counterparty. In case of an unlikely credit event, such as default, all outstanding transactions under the master netting agreements are terminated and only a single net amount per counterparty is payable in settlement of all transactions. The master netting agreements do not meet the criteria for offsetting in the balance sheet due to the reason that offsetting is enforceable only on the occurrence of certain future events. On the December 31, 2015, the financial impact of netting for instruments subject to an enforceable master netting agreement is EUR 0.2 million for derivative assets and EUR -0.8 million for derivative liabilities. On the December 31, 2014 the financial impact for derivative assets were EUR 0 and for derivative liabilities were EUR -1.1 million. The Group has not given or received collaterals relating to the derivatives.

30. Operating leases

EUR million	**2015**	2014
Minimum lease payments from operating lease contracts:		
Within one year	**6.4**	6.2
Between one and five years	**12.2**	13.6
More than five years	**7.4**	8.3
Total	**26.1**	28.1

Lease arrangements are mainly related to buildings and constructions as well as to machinery and equipment.

In 2015, rental expenses from operating leases booked to income statement amounted to EUR 7.6 million (EUR 7.8 million in 2014).

31. Collaterals and commitments

EUR million	**2015**	2014
Mortgages	**6.6**	73.0
Pledges	**0.1**	0.3
Commitments		
Guarantees given on behalf of group companies	**58.9**	26.2
Capital expenditure commitments	**0.3**	0.3
Other commitments	**10.1**	6.9

Guarantees given on behalf of group companies include a pension liability guarantee EUR 32.9 million in the U.K.

Other commitments include binding contract for purchases of energy among others.

Group companies are currently not a party to any material legal, arbitration or administrative proceedings.

Operating lease commitments are specified in note 30.

32. Transactions with related parties

The Group has a related party relationship with its subsidiaries, associated companies and its management.

At Dec 31, 2015 the Group parent company and subsidiaries are as follows

	Ownership interest, %	Country
Parent company Ahlstrom Corporation		Finland
Ahlstrom Asia Holdings Pte Ltd	100.0	Singapore
PT Ahlstrom Indonesia	100.0	Indonesia
Ahlstrom Barcelona, S.A.	100.0	Spain
Ahlstrom Brasil Indústria e Comércio de Papéis Especiais Ltda	100.0	Brazil
Ahlstrom Chirnside Limited	100.0	UK
Ahlstrom Fibercomposites (Binzhou) Limited	100.0	China
Ahlstrom Fiber Composites India Private Ltd	100.0	India
Ahlstrom Germany GmbH	100.0	Germany
Ahlstrom Osnabrück GmbH	100.0	Germany
Ahlstrom Glassfibre Oy	100.0	Finland
Ahlstrom Tver LLC	100.0	Russia
Ahlstrom Industries	100.0	France
Ahlstrom Brignoud	100.0	France
Ahlstrom Tampere Oy	100.0	Finland
Ahlstrom Specialties	100.0	France
Ahlstrom Italy S.p.A.	100.0	Italy
Ahlstrom Japan Inc.	100.0	Japan
Ahlstrom Korea Co., Ltd	100.0	South Korea
Ahlstrom Malmédy SA	100.0	Belgium
Ahlstrom Monterrey, S. de R.L. de C.V.	100.0	Mexico
Ahlstrom Product & Technology Center - Shanghai	100.0	China
Ahlstrom South Africa (Pty) Ltd	100.0	South Africa
Ahlstrom Ställdalen AB	100.0	Sweden
Ahlstrom Falun AB	100.0	Sweden
Ahlstrom USA Inc.	100.0	USA
Ahlstrom Filtration LLC	100.0	USA
Ahlstrom Nonwovens LLC	100.0	USA
Windsor Locks Canal Company	100.0	USA

Ahlstrom North America LLC	100.0	USA
Ahlstrom West Carrollton Inc.	100.0	USA
Ahlstrom Vilnius UAB	100.0	Lithuania
Ahlstrom Warsaw Sp. Z.o.o	100.0	Poland
Ahlstrom Yulong (Shanghai) Specialty Paper Trading Co. Ltd	60.0	China
Ahlstrom Yulong Specialty Paper Company Limited	60.0	China
Akerlund & Rausing Kuban Holding GmbH	100.0	Germany
Ownership interest does not differ from the voting rights.		

Board remuneration

EUR thousand	**2015**	2014
Board members at December 31, 2015		
Panu Routila, Chairman from January 26, 2015	**97**	39
Lori J. Cross	**66**	68
Anders Moberg	**71**	77
Markus Rauramo	**68**	44
Alexander Ehrnrooth	**45**	-
Johannes Gullichsen	**38**	-
Jan Inborr	**58**	-
Former Board members		
Robin Ahlström, Chairman until January 26, 2015	**7**	77
Pertti Korhonen, Chairman until September 30, 2014	**-**	74
Peter Seligson, Vice Chairman	**-**	17
Esa Ikäheimonen	**23**	82
Daniel Meyer	**15**	57
Total	**487**	533

Employee benefits for key management

Short-term employee benefits	**3,106**	8,339
Post-employment benefits	**173**	410
Total	**3,279**	8,749
Executive remuneration		
President and CEO Marco Levi from June 16,2014	**1,027**	1,477
President and CEO Jan Lång until June 15, 2014	**-**	1,780
Other Executive Management Team (EMT) members	**2,079**	5,082
Total	**3,106**	8,339

The CEO and the other members of the EMT may participate in voluntary pension insurances. All such pension insurances are country-specific defined contribution plans. As regards each participant, the annual contribution of the Company to the relevant plan does not exceed his/her two month's salary (including fringe benefits without bonuses). The participants' pensions will be determined based on the applicable local pension rules and the amount of their savings in the aforesaid defined contribution plans. According to the terms and conditions of the plan, the CEO may retire at the age of 63, at the earliest. Pension cost for the CEO amounted EUR 177 thousand.

Share-based incentive plan

On December 15, 2010, Ahlstrom's Board of Directors approved a long-term share-based incentive plan for 2011-2015 for the Executive Management Team (EMT) and other key employees consisting in total of maximum 50 persons per earning period.

The plan will be in effect for five years and consists of three earning periods 2011-2012, 2012-2014 and 2013-2015. The plan offers a possibility to receive Ahlstrom shares and cash equivalent to the amount of taxes of the total reward, if return on capital employed and earnings per share targets set by the Board for each earning period are achieved. If the targets of the plan are achieved in full for all three earning periods, the reward to be paid on the basis of the plan will in its entirety correspond to a gross value of approximately 1,000,000 shares as a maximum. Transfer of the shares earned for one earning period is restricted for one year after the earning period. The accrued cost of the plan was EUR 0.1 million for 2011 and the amount was reversed fully in 2012. There was no cost accrued for 2013. The accrued amount 2014 for the plan 2012-2014 was EUR 0.2 million and total pay out in 2015 was EUR 0.3 million. The accrued amount 2015 for the plan 2013-2015 was EUR 0.6 million.

The Board recommends that the President & CEO holds shares in the Company corresponding in value to his annual net salary and that the other EMT members hold shares in the Company corresponding in value to half of their annual net salary.

Ahlstrom's Board of Directors approved January 24th 2014 a new long-term share-based incentive plan for the Executive Management Team and other key employees, consisting of approximately 50 persons as part of the remuneration and commitment program. The aim of the plan is to align the objectives of the shareholders and the key employees in order to increase the value of the company.

The plan consists of earning periods beginning on January 1, 2014; on January 1, 2015 and on January 1, 2016, and potential rewards will be paid after the end of each earning period. The shares received as reward may not be transferred during a restriction period that ends three years after the beginning of the earning period.

If the targets set by the Board of Directors for the earning periods are achieved, the plan offers an opportunity to receive Ahlstrom shares and a cash proportion which the company uses for taxes and tax-related costs arising from the reward to be paid. The potential reward from the first earning period will be based on the Ahlstrom Group's net sales, earnings per share and percentage of sales from new products. The accrued amount 2014 for the plan 2014 was EUR 0.2 million and total pay out in 2015 EUR 0.5 million. The accrued amount 2015 for the plan 2015 was EUR 0.7 million. As a rule, no reward will be paid if a key employee's employment or service ends before reward payment. The targets for the earning period 2016 will be determined by the end of April, 2016.

The Board of Directors decided that the President & CEO must hold 40 percent of the shares received on the basis of the plan as long as his service as the President and CEO continues, and the other members of the Executive Management Team must hold 40 percent of the shares received on the basis of the plan for two years after the end of a three-year earning period or after the end of the restriction period.

Share ownership plan for previous management

This share ownership plan has been dissolved and the holding company Ahlcorp Oy liquidated.

33. Subsequent events after the balance sheet date

The Group's management does not have knowledge of any significant events after the balance sheet date, which would have had an impact on the financial statements 2015.

Ahlstrom has signed an agreement to divest its Building& Wind business unit to Owens Corning, a U.S.-based company listed on the New York Stock Exchange. The initial debt and cash free purchase price, which is subject to EBITDA adjustment, is EUR 73 million.The Building & Wind business unit produces glassfiber tissue used mainly in flooring applications as well as reinforcements used in windmill blades. In 2014, the net sales of the business was approximately EUR 77 million and the business was profitable. The unit operates two plants in Finland in Karhula and Mikkeli and one in Tver, Russia, employing in total approximately 260 persons. It serves markets mainly in Europe and Russia as well as in North America and Asia.The unit to be divested was part of the Building and Energy business area until the end of 2015, while it has been part of the Filtration & Performance business area from the beginning of this year.The transaction is expected to be completed during the first half of 2016 and is subject to customary completion terms, such as merger clearances from relevant competition authorities. Ahlstrom expects to book a capital gain of approximately EUR 25 million following the completion of the transaction. The gain will not have an impact on Ahlstrom's adjusted operating profit.

Key figures

EUR million	**2015**	2014	2013	2012	2011
Financial indicators					
Net sales	**1,074.7**	1,001.9	1,336.1	1,598.6	1,852.6
Net sales - Continuing operations	**1,074.7**	1,001.1	1,014.8	1,010.8	1,025.8
Personnel costs	**216.6**	211.0	268.2	304.7	353.8
% of net sales	**20.2**	21.1	20.1	19.1	19.1
Personnel costs - Continuing operations	**216.6**	210.9	219.2	213.3	228.4
% of net sales	**20.2**	21.1	21.6	21.1	22.3
Depreciation and amortization	**67.0**	58.4	51.3	72.9	92.3
Depreciation and amortization - Continuing operations	**67.0**	58.4	51.3	52.4	59.3
Impairment charges	**7.5**	10.7	59.0	-0.1	32.7
Impairment charges - Continuing operations	**7.5**	11.9	2.6	-0.1	10.8
Operating profit	**21.9**	7.7	-32.9	54.8	2.0
% of net sales	**2.0**	0.8	-2.5	3.4	0.1
Operating profit - Continuing operations	**21.9**	-3.7	10.7	21.8	0.2
% of net sales	**2.0**	-0.4	1.1	2.2	0.0
Net interest expense	**16.4**	17.9	18.2	18.8	16.6
% of net sales	**1.5**	1.8	1.4	1.2	0.9
Net interest expense - Continuing operations	**16.4**	17.9	17.4	17.7	14.6
% of net sales	**1.5**	1.8	1.7	1.8	1.4
Profit before taxes	**22.6**	2.1	53.8	20.4	-27.0
% of net sales	**2.1**	0.2	4.0	1.3	-1.5
Profit before taxes - Continuing operations	**22.6**	-9.4	-15.4	-6.4	-24.4
% of net sales	**2.1**	-0.9	-1.5	-0.6	-2.4
Profit for the period attributable to owners of the parent	**9.2**	3.6	61.0	1.6	-32.2
% of net sales	**0.9**	0.4	4.6	0.1	-1.7
Interest on hybrid bond for the period after taxes	**6.3**	6.3	6.5	5.7	5.6
Capital employed (end of period)	**542.6**	615.3	671.8	844.1	913.3
Capital employed (end of period) - Continuing operations	**542.6**	615.3	675.1	715.3	721.2
Interest-bearing net liabilities	**195.9**	253.8	291.7	303.4	237.8
Total equity	**299.4**	320.1	341.4	485.1	581.1
Return on capital employed (ROCE), %	**3.9**	1.3	-4.3	5.0	-0.1
Return on capital employed (ROCE), % - Continuing operations	**3.9**	-0.5	0.9	2.3	-0.3

Return on equity (ROE), %	**2.8**	-0.8	13.8	0.0	-5.0
Equity ratio, %	**35.8**	34.8	35.2	36.2	41.3
Gearing ratio, % (Net debt to equity ratio)	**65.4**	79.3	85.5	62.5	40.9
Capital expenditure, excluding acquisitions	**27.3**	49.1	84.8	90.4	70.4
% of net sales	**2.5**	4.9	6.3	5.7	3.8
Capital expenditure, excluding acquisitions - Continuing operations	**27.3**	45.4	76.1	74.1	49.8
% of net sales	**2.5**	4.5	7.5	7.3	4.9
R&D expenditure	**20.9**	17.5	19.9	18.6	19.3
% of net sales	**1.9**	1.7	1.5	1.2	1.0
R&D expenditure - Continuing operations	**20.9**	17.5	19.3	17.1	16.1
% of net sales	**1.9**	1.7	1.9	1.7	1.6
Net cash from operating activities	**60.0**	35.4	41.0	78.7	83.7
Number of employees, year-end	**3,311**	3,401	3,573	5,145	5,223
Number of employees, year-end - Continuing operations	**3,311**	3,401	3,536	3,829	3,918
Number of employees, annual average	**3,376**	3,499	4,490	5,141	5,666
Net sales per employee, EUR thousands	**318**	286	298	311	327
Number of employees, annual average - Continuing operations	**3,376**	3,493	3,744	3,825	3,867
Net sales per employee, EUR thousands	**318**	287	271	264	265
Share indicators					
Earnings per share, EUR	**0.06**	-0.06	1.17	-0.09	-0.81
Earnings per share, EUR - Continuing operations	**0.06**	-0.22	-0.46	-0.44	-0.62
Earnings per share, diluted, EUR	**0.06**	-0.06	1.17	-0.09	-0.81
Effect of the interest on hybrid bond for the period after taxes, EUR	**0.13**	0.13	0.14	0.12	0.12
Equity per share, EUR	**4.20**	4.65	5.04	8.50	10.60
Dividend per share, EUR	***0,31**	0.30	0.30	0.63	1.30
Payout ratio, %	**491.3**	n/a	25.6	n/a	n/a
Number of outstanding shares at the end of the period (1,000 shares)	**46,521.6**	46,225.3	46,105.3	46,105.3	46,105.3
Own shares held by the parent company at the end of the period (1,000 shares)	**149.0**	149.0	269.0	269.0	269.0
Shares held by Ahlcorp Oy at the end of the period (1,000 shares)	**-**	296.3	296.3	296.3	296.3
Total number of shares at the end of the period (1,000 shares)	**46,670.6**	46,670.6	46,670.6	46,670.6	46,670.6
Average number of shares during the period (1,000 shares)	**46,670.6**	46,670.6	46,670.6	46,670.6	46,670.6
Average number of outstanding shares during the period (1,000 shares)	**46,420.9**	46,170.7	46,105.3	46,105.3	46,281.8

Net sales and operating profit are determined in the accounting principles of the consolidated financial statements.

* The Board of Directors' proposal to the Annual General Meeting.

Calculation of key figures

Interest-bearing net liabilities	Interest-bearing loans and borrowings - Cash and cash equivalents - Other investments (current)	
Equity ratio, %	Total equity / Total assets - Advances received	x 100
Gearing ratio, %	Interest-bearing net liabilities / Total equity	x 100
Return on equity (ROE), %	Profit (loss) for the period / Total equity (annual average)	x 100
Return on capital employed (ROCE), %	Profit (loss) before taxes + Financing expenses / Total assets (annual average) - Non-interest bearing liabilities (annual average)	x 100
Return on capital employed (RONA), %	Operating profit/loss / Working capital (annual average) + Property, plant and equipment and Intangible assets (annual average)	x 100
Basic earnings per share, EUR	Profit (loss) for the period - Non-controlling interest - Interest on hybrid bond for the period, net of tax / Average number of shares during the period	
Diluted earnings per share, EUR	Profit (loss) for the period - Non-controlling interest - Interest on hybrid bond for the period, net of tax / Average diluted number of shares during the period	
Equity per share, EUR	Equity attributable to owners of the parent / Number of outstanding shares at the end of the period	

Parent company financial statements, FAS

Contents

Income statement

EUR million	Note	2015	2014
Net sales	1	**80.3**	88.1
Other operating income		**9.6**	7.4
Personnel costs	2	**-8.3**	-10.8
Depreciation and amortization	9	**-1.6**	-1.5
Other operating expense	3	**-43.7**	-66.0
		-53.6	-78.3
Operating profit		**36.3**	17.2
Financing income and expense			
Dividend income	4	**-**	4.0
Interest and other financing income	5	**8.6**	7.7
Change in value of investments held as non-current assets		**0.2**	-91.2
Interest and other financing expense	6	**-18.9**	-21.8
Gains and losses on foreign currency		**0.2**	1.3
		-10.0	-100.0
Profit/loss before extraordinary items		**26.3**	-82.8
Extraordinary items			
Extraordinary income	7	**2.9**	3.8
Extraordinary expenses	7	**-1.4**	-
		1.5	3.8
Profit/loss before appropriations and taxes		**27.8**	-79.0
Appropriations			
Change in cumulative accelerated depreciation		**0.3**	-0.1
Income taxes	8	**-4.0**	-2.8
Profit/loss for the period		**24.2**	-81.9

Balance sheet

EUR million	Note	Dec 31, 2015	Dec 31, 2014
Assets			
Non-current assets			
Intangible assets	9		
Intangible rights		**3.0**	3.3
Advances paid		**1.4**	0.7
		4.3	4.0
Tangible assets	9		
Land and water areas		**0.0**	0.4
Machinery and equipment		**0.5**	0.6
Other tangible assets		**0.1**	0.1
		0.6	1.1
Long-term investments	10		
Shares in Group companies		**711.3**	678.3
Shares in associated companies		**9.9**	9.9
Shares in other companies		**0.1**	38.2
		721.3	726.4
Current assets			
Long-term receivables			
Receivables from Group companies	16	**77.8**	84.8
Loans receivable		**-**	0.4
Deferred tax assets	15	**0.7**	0.7
Prepaid expenses and accrued income	11	**0.4**	0.3
		78.9	86.2
Short-term receivables			
Trade receivables		**0.9**	0.8
Receivables from Group companies	16	**11.5**	36.6
Deferred tax assets	15	**0.0**	3.1
Prepaid expenses and accrued income	11	**1.8**	2.8
		14.3	43.4
Cash and cash equivalents		**5.2**	8.8
Total assets		**824.6**	869.8

EUR million	Note	**Dec 31, 2015**	Dec 31, 2014
Shareholders' equity and liabilities			
Shareholders' equity	12		
Share capital		**70.0**	70.0
Non-restricted equity reserve		**61.1**	61.1
Retained earnings		**330.5**	426.4
Profit/loss for the period		**24.2**	-81.9
		485.8	475.7
Appropriations			
Cumulative accelerated depreciation		**0.5**	0.8
Provisions for contingencies	14	**3.7**	3.7
Liabilities			
Long-term liabilities	13		
Hybrid bond		**100.0**	100.0
Bonds		**99.5**	99.4
Loans from financial institutions		**25.0**	33.9
Loans from associated companies	17	**0.7**	0.7
		225.2	234.0
Short-term liabilities			
Bonds		**-**	54.1
Loans from financial institutions		**38.9**	21.6
Pension loans		**-**	1.2
Trade payables		**1.7**	2.2
Liabilities to Group companies	16	**59.1**	65.6
Other short-term liabilities		**0.8**	0.5
Accrued expenses and deferred income	18	**8.9**	10.4
		109.4	155.7
Total liabilities		**334.6**	389.7
Total shareholders' equity and liabilities		**824.6**	869.8

Statement of cash flows

EUR million	2015	2014
Cash flow from operating activities		
Operating profit	36.3	17.2
Depreciation, amortization and write-downs	1.6	1.5
Other adjustments	-9.3	-6.9
Operating profit before change in net working capital	28.6	11.8
Change in net working capital	0.1	2.0
Cash generated from operations	28.7	13.8
Interest income	6.9	6.6
Interest and other financing expense	-18.1	-18.6
Gains and losses on foreign currency	0.2	1.1
Income taxes	0.1	-1.5
Net cash from operating activities	17.8	1.4
Cash flow from investing activities		
Capital expenditures	-2.0	-1.3
Capital injections in Group companies	-44.6	-46.4
Capital repayments from Group companies	0.1	36.2
Proceeds from sale of associated companies	-	33.3
Proceeds from sale of other long-term investments	45.3	21.3
Proceeds from sale of non-current assets	0.4	-
Dividends received	-	4.0
Net cash used in investing activities	-0.8	47.1
Cash flow from financing activities		
Change in notes receivable and short-term investments	31.4	10.8
Change in long-term debt	-65.9	-1.0
Change in short-term debt	24.1	-50.0
Dividends paid	-14.0	-4.6
Group contributions	3.8	4.5
Net cash used in financing activities	-20.6	-40.3
Net change in cash and cash equivalents	-3.6	8.2
Cash and cash equivalents at the beginning of the period	8.8	0.6
Cash and cash equivalents at the end of the period	5.2	8.8

Accounting principles

Company information

Ahlstrom Corporation is the parent company of the Ahlstrom Group and acts as a holding company for its subsidiaries. The parent company coordinates the treasury functions of Ahlstrom and also the group internal financing. In addition, the parent company sells sales, management and other administrative services to its subsidiaries. The shares of Ahlstrom Corporation are listed on the NASDAQ OMX Helsinki.

Basis of preparation

The financial statements of the company have been prepared in euro and in accordance with the requirements of Finnish Accounting Act and other acts and accounting principles generally accepted in Finland. The consolidated financial statements of Ahlstrom Group have been prepared in accordance with International Financial Reporting Standards (IFRS), and the parent company complies with the Group's accounting principles whenever this has been possible.

Non-current assets

Intangible and tangible non-current assets are stated at historical cost less accumulated depreciation or amortization.

Depreciation and amortization are calculated on a straight line basis over the estimated useful lives of the assets as follows:

Trademarks, patents and licenses	5 -20 years
Computer software	3 - 5 years
Machinery and equipment	3 -10 years

Foreign currency translation

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date. Foreign exchange gains or losses arising from translation are recognized in the financial income and expenses in the income statement.

The derivative financial instruments include foreign exchange forward contracts. They are used for hedging purposes, to decrease currency and interest rate risk.

Derivative contracts are initially recognised at fair value and subsequently re-measured at their fair value through profit and loss.

Extraordinary items

The extraordinary items in the financial statements include group contributions granted or received.

Income taxes

Deferred taxes are provided for temporary differencies arising between the carrying amounts in the balance sheet and the tax bases of assets and liabilities as well as for tax losses carried forward using the relevant enacted tax rate. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilized.

Leasing

Payments made under operating leases, or under rental agreements, are expensed as incurred.

Pension plans

A statutory pension liability and supplementary pension benefits are funded through compulsory insurance policies. Payments to pension insurance institutions are determined by the insurance institution according to prescribed actuarial calculations. Pension insurance premiums are charged to income. In Finland, the accrued pension liabilities not covered by insurance policies and their changes are recorded in the balance sheet and income statement according to accounting principles generally accepted in Finland.

Hybrid bond

The subordinated hybrid bond is reported in the balance sheet under liabilies. Interest payable under the loan terms is accrued over the loan period. The arrangement fee is recognized as expense on the date of issue.

Notes to the parent company financial statements

Contents

1. Distribution of net sales

EUR million	**2015**	2014
USA	**23.5**	24.0
France	**13.3**	14.8
Italy	**8.0**	9.2
Finland	**7.2**	9.2
Germany	**6.6**	8.2
United Kingdom	**4.7**	4.5
South Korea	**4.7**	4.0
Sweden	**4.0**	5.8
Russia	**1.8**	1.8
China	**1.8**	1.3
Brazil	**1.7**	2.0
India	**1.6**	1.4
Belgium	**1.4**	1.9
Total	**80.3**	88.1

2. Personnel costs

EUR million	**2015**	2014
Remuneration of board members	**-0.5**	-0.5
Remuneration and bonuses of managing director	**-1.0**	-3.3
Other wages and salaries	**-5.8**	-5.9
Pension costs	**-0.7**	-0.8
Other wage-related costs	**-0.3**	-0.3
Total	**-8.3**	-10.8

The President and CEO and other members of the Executive Management Team may participate in voluntary pension insurances. All such pension insurances are defined contribution plans. According to the terms and conditions of the plan, the President and CEO may retire at the age of 63, at the earliest. The pension cost for the CEO amounted to EUR 177,000 in 2015.

Average number of personnel		
Salaried	**45**	62

3. Auditors' fees

EUR million	2015	2014
To PricewaterhouseCoopers		
Audit	-0.1	-0.1
Tax services	0.0	0.0
Other services	-0.4	-0.5
Total	**-0.5**	-0.6

4. Dividend income

EUR million	**2015**	2014
From Group companies	-	4.0

5. Interest and other financing income

EUR million	2015	2014
from Group companies	**8.2**	7.3
from others	**0.4**	0.4
Total	**8.6**	7.7

6. Interest and other financing expense

EUR million	**2015**	2014
to Group companies	**-0.3**	-0.4
to others	**-18.6**	-21.4
Total	**-18.9**	-21.8

7. Extraordinary items

EUR million	2015	2014
Group contributions	**1.5**	3.8

8. Income taxes

EUR million	**2015**	2014
Taxes for current and previous years	**-0.9**	-0.8
Deferred taxes	**-3.1**	-2.0
Income taxes in the income statement	**-4.0**	-2.8

9. Intangible and tangible assets

EUR million	Intangible rights	Land and water areas	Machinery and equipment	Other tangible assets
2015				
Historical cost at Jan 1	10.1	0.4	0.9	0.1
Increases	2.0	-	-	-
Decreases	-0.9	-0.4	-0.1	-
Historical cost at Dec 31	**11.2**	**-**	**0.8**	**0.1**
Accumulated depreciation and amortization at Jan 1	6.2	-	0.3	-
Depreciation and amortization for the fiscal year	1.5	-	0.1	-
Decreases	-0.8	-	-0.1	-
Accumulated depreciation and amortization at Dec 31	**6.9**	**-**	**0.3**	**-**
Book value at Dec 31, 2015	**4.3**	**-**	**0.5**	**0.1**
2014				
Historical cost at Jan 1	9.0	0.4	1.0	0.6
Increases	1.3	-	-	-
Decreases	-0.2	-	-0.1	-0.5
Historical cost at Dec 31	10.1	0.4	0.9	0.1
Accumulated depreciation and amortization at Jan 1	4.8	-	0.3	0.5
Depreciation and amortization for the fiscal year	1.4	-	0.1	-
Decreases	-	-	-0.1	-0.5
Accumulated depreciation and amortization at Dec 31	6.2	-	0.3	0.0
Book value at Dec 31, 2014	4.0	0.4	0.6	0.1

10. Long-term investments

EUR million	Shares in Group companies	Receivables from Group companies	Shares in associated companies	Shares in other companies
2015				
Historical cost at Jan 1	835.1	12.8	9.9	38.2
Increases	44.6	-	-	-
Decreases	-11.6	-12.8	-	-38.1
Historical cost at Dec 31	**868.1**	**-**	**9.9**	**0.1**
Value reductions at Jan 1	156.8	12.8	-	-
Value reductions recognized/reversed	-	-	-	-
Decreases	-	-12.8	-	-
Value reductions at Dec 31	**156.8**	**-**	-	-
Book value at Dec 31, 2015	**711.3**	**-**	**9.9**	**0.1**
2014				
Historical cost at Jan 1	839.4	13.5	39.9	78.7
Increases	46.4	-	-	4.1
Decreases	-50.7	-0.7	-30.0	-44.6
Historical cost at Dec 31	835.1	12.8	9.9	38.2
Value reductions at Jan 1	67.3	13.0	-	25.8
Value reductions recognized/reversed	104.0	-	-	-12.5
Decreases	-14.5	-0.2	-	-13.3
Value reductions at Dec 31	156.8	12.8	-	-
Book value at Dec 31, 2014	678.3	-	9.9	38.2

At the end of the year 2014 the company held a total of 4,800,981 shares in Munksjö Oyj of balance sheet value at historical cost EUR 38.1 million. The market value of the shares was EUR 43.0 million. Munksjö shares are presented in other shares. Flollowing the sale of shares, Ahlstrom's shareholding in Munksjö has been reduced to zero percent in 2015.

11. Prepaid expenses and accrued income

EUR million	**2015**	2014
Long-term		
Loan arrangement fees	**0.4**	0.3
Short-term		
Accruals of hedging contracts	**0.8**	0.2
Loan arrangement fees	**0.3**	0.5
Accrued personnel costs	**0.7**	1.0
Tax receivables	**-**	1.0
Other	**0.0**	0.1
Total	**1.8**	2.8

12. Shareholders' equity

EUR million	2015	2014
Balance at Jan 1	**475.7**	571.5
Dividends paid	**-14.0**	-14.7
Donations	**-0.1**	-0.1
Transfer of own shares	**-**	0.9
Net profit/loss	**24.2**	-81.9
Balance at Dec 31	**485.8**	475.7

As of December 31, 2015, share capital amounted to EUR 70,005,912.00. The share capital is divided into 46,670,608 shares.

All shares have one vote and equal right to dividend.

13. Maturity profile of long-term liabilities

EUR million	2017	2018	2019	2020	2021-	Total
2015						
Hybrid bond	100.0	-	-	-	-	100.0
Bonds	-	-	99.5	-	-	99.5
Loans from financial institutions	25.0	-	-	-	-	25.0
Loans from associated companies	-	0.7	-	-	-	0.7
Total	**125.0**	**0.7**	**99.5**	-	-	**225.2**

EUR million	2016	2017	2018	2019	2020-	Total
2014						
Hybrid bond	-	100.0	-	-	-	100.0
Bonds	-	-	-	99.4	-	99.4
Loans from financial institutions	8.9	25.0	-	-	-	33.9
Loans from associated companies	-	-	0.7	-	-	0.7
Total	8.9	125.0	0.7	99.4	-	234.0

14. Provisions for contingencies

EUR million	**2015**	2014
Environmental responsibility	**0.1**	0.1
Pension and other employee benefit plan liabilities	**3.6**	3.6
Total	**3.7**	3.7

15. Deferred tax assets

EUR million	**2015**	2014
Long-term assets	**0.7**	0.7
Short-term assets	**0.0**	3.1
Total	**0.7**	3.8
Arising from:		
Temporary differences	**0.7**	3.8

16. Receivables from and liabilities to Group companies

EUR million	2015	2014
Long-term notes receivable	**77.8**	84.8
Trade receivables	**1.0**	1.3
Notes receivable	**6.7**	30.6
Prepaid expenses and accrued income	**3.8**	4.7
Total	**89.3**	121.4
Trade payables	**1.7**	1.4
Accrued expenses and deferred income	**0.5**	0.2
Other short-term liabilities	**56.9**	64.0
Total	**59.1**	65.6

17. Receivables from and liabilities to associated companies

EUR million	**2015**	2014
Long-term loans	**0.7**	0.7

18. Accrued expenses and deferred income

EUR million	**2015**	2014
Short-term		
Accrued personnel costs	**2.3**	3.9
Accrued interest expense	**2.9**	3.9
Accruals of hedging contracts	**1.4**	1.3
Other	**2.3**	1.3
Total	**8.9**	10.4

19. Commitments and contingent liabilities

EUR million	**2015**	2014
For commitments of Group companies:		
Guarantees	**229.8**	190.1
Leasing commitments		
Current portion	**1.2**	1.4
Long-term portion	**6.5**	7.6

20. Shares in subsidiaries

The list of subsidiaries can be found in note 32 to the Consolidated financial statements.

21. Nominal and fair values of derivative financial instruments

EUR million	**Nominal values 2015**	Nominal values 2014	**Fair values 2015**	Fair values 2014
Foreign exchange derivatives				
Foreign exchange forward contracts	**134.5**	117.3	**-0.6**	-1.1

Derivatives are hedging transactions in line with Ahlstrom Group hedging policy. More information of financial risks can be found in note 1 to the Consolidated financial statements.

Proposal for the distribution of profits

The Parent Company's balance sheet on December 31, 2015 shows:

	EUR
Retained earnings	330,508,456.79
Non-restricted equity reserve	61,146,256.56
Profit for the period	24,180,031.90
Total distributable funds	**415,834,745.25**

The Board of Directors proposes to the Annual General Meeting to be held on April 5, 2016 as follows.

	EUR
- a dividend of EUR 0.31 per share to be paid from the retained earnings corresponding to	14,467,888.48
- to be reserved for donations at the discretion of the Board of Directors	60,000.00
- to be retained in non-restricted equity reserve	61,146,256.56
- to be retained in retained earnings	340,160,600.21
	415,834,745.25

The suggested dividend record date is April 7, 2016 and the dividend will be paid on April 14, 2016.

Helsinki, January 28, 2016

	Panu Routila	
Lori J. Cross	Alexander Ehrnrooth	Johannes Gullichsen
Jan Inborr	Anders Moberg	Markus Rauramo
	Marco Levi President & CEO	

Auditor's report

To the Annual General Meeting of Ahlstrom Corporation

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Ahlstrom Corporation for the year ended 31 December, 2015. The financial statements comprise the consolidated income statement, statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the

Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 12 February 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Katajisto
Authorised Public Accountant

INVESTORS

Ahlstrom provides innovative fiber-based materials with a function in everyday life. We are commited to growing and creating stakeholder value by providing the best performing sustainable fiber-based materials. Our products are used in everyday applications such as filters, medical fabrics, life science and diagnostics, wallcoverings, tapes, and food and beverage packaging.

Contents

Ahlstrom as an investment

Ahlstrom produces innovative fiber-based materials with a function in everyday life. They enable the required functionality and sustainability of our customers' products.

Our annual net sales are approximately EUR 1.1 billion and we employ about 3,300 people in 22 countries. Our products are used in a large variety of everyday consumer and industrial applications, such as filters, medical gowns and drapes, diagnostics, wallcovers, and beverage and food packaging. In line with our strategy, we are committed to growing and creating value by providing the best performing sustainable fiber-based materials.

We create value by using unique know-how in combining both natural and synthetic raw materials with chemistry into innovative products. The majority of our fibers come from renewable sources. Sustainability is at the heart of our operations and our products are designed to minimize their environmental impacts over the whole life cycle. We offer more with less.

The needs of our customers are affected by end-user behavior, which challenges us to constantly develop and improve fiber-based material solutions. Global trends - growing global population and scarcity of resources, increased demand for greener and resource-efficient materials, emerging needs in healthcare, changes in demographics and urbanization - faced by our customers steer our product offering and provide us with a wealth of opportunities.

The market for many of our products generally grows faster than the global economy, driven by substitution of products that have traditionally been made from plastics, textiles or aluminum. The total value of the fiber-based materials market, also known as nonwovens, is approximately EUR 25 billion annually.

Our businesses serve markets including food and beverage, medical care and life science, transportation, energy, and building and decoration.

FOUR REASONS TO INVEST

Markets

Ahlstrom is a worldwide leader in fiber-based materials. Growth in our markets is supported by global trends:

Growing global population and scarcity of resources
Increased demand for greener and resource-efficient materials
Emerging needs in healthcare

Changes in demographics and urbanization

Strategy

We are committed to growing and creating value by providing the best performing sustainable fiber-based materials. The roadmap for execution outlines the change in strategy and is focused on commercial excellence, a new lean operating model, organic growth via higher asset turnover and growth via new platforms.

New business structure

Simplified business structure bringing clarity, and increased market and customer focus. Our two business areas have unit specific strategies and operating models. This enables us to provide customer-driven product development and tailored customer service, cost efficiency, better allocation of resources, and specific go-to-market approaches.

Performance

Improving track record with over two years of continuous improvement in profitability, driven by enhanced margin through commercial excellence, better product mix as well as lower costs.

Shares and shareholders

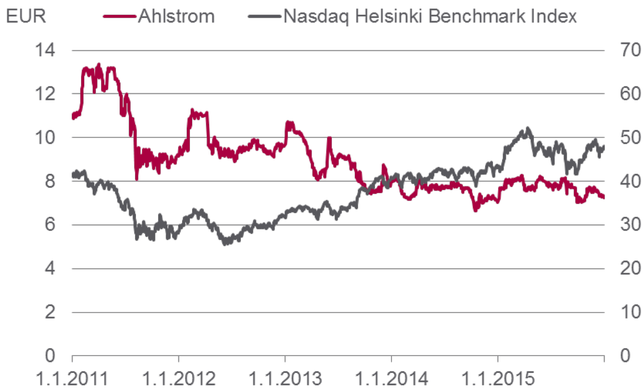
Shares and share capital

Ahlstrom's shares are listed on the Nasdaq Helsinki Stock Exchange. The company has one series of shares. The share is classified under the stock exchange's Materials sector and the trading code is AHL1V. Ahlstrom's shares are entered in Euroclear Finland Ltd.'s book-entry system.

At the end of 2015, Ahlstrom's share capital was EUR 70,005,912 and the total number of shares was 46,670,608. At the end of the period, there were no unpaid options which would entitle to subscribing the company's shares.

Share price performance and trading

During January-December 2015, a total of 2.0 million Ahlstrom shares were traded for a total of EUR 15.2 million. This represented 4.3% of the outstanding number of shares at the end of the reporting period (14.5% in 2014). The lowest trading price was EUR 7.02 and the highest EUR 8.34. The closing price on December 30, 2015 was EUR 7.24. The market capitalization at the end of the review period was EUR 336.8 million, excluding the shares owned by the parent company. At the end of 2015, Ahlstrom held a total of 149,005 of its own shares, corresponding to approximately 0.32% of the total shares and votes.



Share related key figures

EUR	2015	2014	2013
Earnings per share	0.06	-0.22	-0.46
Dividend per share	0.31*	0.3	0.3
Dividend yield, %	4.2	3.7	3.7
Equity per share	4.20	4.65	5.04

Average number of shares during the period, 1,000s	46,670.6	46,670.6	46,670.6

*Proposal to the AGM

Shareholders

At the end of 2015, Ahlstrom had 10,409 shareholders (10,931 shareholders as of December 30, 2014). The largest shareholders include Vimpu Intressenter AB and AC Invest Six B.V. (100% owned subsidiary of Ahlström Capital Group), which both hold over ten percent of the company's share capital. For more information on the shareholders, please see the table below. A list of Ahlstrom's largest shareholders, which is updated once a month, is available in the Investors section of the company's website at www.ahlstrom.com.

Major shareholders as of December 31, 2015

Shareholder	# of shares and votes	%
Vimpu Intressenter Ab	5,635,000	12.07
AC Invest Six B.V.*	5,126,741	10.98
Varma Mutual Pension Insurance Company	1,532,200	3.28
Huber Mona Lilly	1,251,700	2.68
Tracewski Jacqueline	807,600	1.73
Nahi Kai Anders Bertel	798,288	1.71
Kylmälä Kim	771,400	1.65
Emmett Linda-Maria	700,350	1.50
Lund Niklas Roland	693,738	1.49
Sumelius John Michael	682,588	1.46
Studer Anneli	667,170	1.43
Huber Samuel	639,600	1.37
Huber Karin	638,700	1.37
Gullichsen Johan Erik	634,451	1.36
Kylmälä Kasper Johannes	595,881	1.28
Koivulehto Monica	575,200	1.23
Seligson Peter	555,000	1.19
Coulet-Tracewski Eliane Tyra Helene	545,100	1.17
Belgrano Inversiones Oy	540,000	1.16

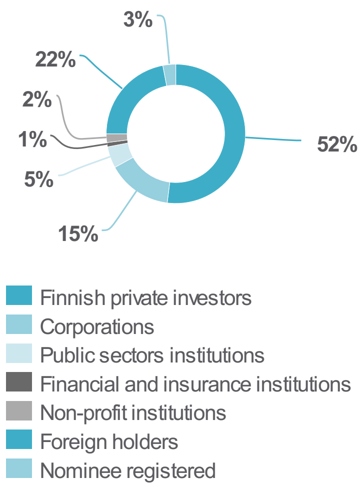
Lydecken Robert	459,000	0.98
Melin Patrick Marie Jaques	420,900	0.90
The State Pension Fund	420,000	0.90
Ahlström Robin	407,038	0.87
Walter Ahlström´s Foundation	403,900	0.87
Ahlström Carl	402,600	0.86
Ilmarinen Mutual Pension Insurance Company	382,674	0.82
Studer Stefan	364,440	0.78
Alanen Noora	342,290	0.73
Donner Marina	340,000	0.73
Borg Per Stefan Frejvid	289,330	0.62
30 largest shareholders	27,503,247	58.93
Nominee registered shareholders	1,182,954	2.54
Other shareholders	17,984,407	38.53
Total	**46,670,608**	**100.00**

* Part of Ahlström Capital Group

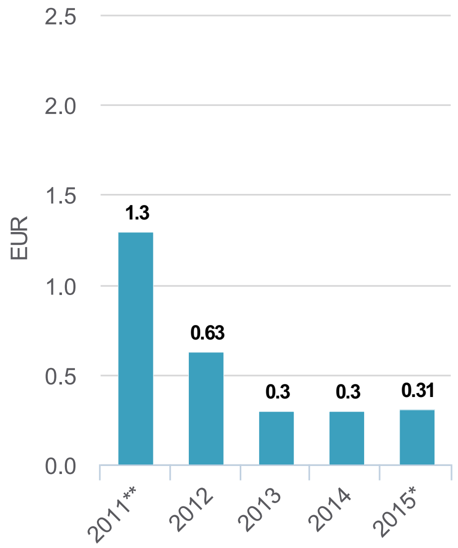
Distribution of onwnership as of December 31, 2015

Number of shares	Number of shareholders	%	Number of shares	%
1 - 100	5,535	53.18	355,436	0.76
101 - 1,000	3,976	38.20	1,439,354	3.08
1,001 - 10,000	689	6.62	1,821,939	3.90
10,001 - 100,000	112	1.08	3,842,436	8.23
100,001 - 250,000	60	0.58	9,087,331	19.47
250,001 - 500,000	17	0.16	5,913,740	12.67
500,001 -	20	0.19	24,210,372	51.88
Total	**10,409**	**100.00**	**46,670,608**	**100.00**
Nominee registered	8	0.00	1,182,954	2.54

Ownership structure as of December 31, 2015

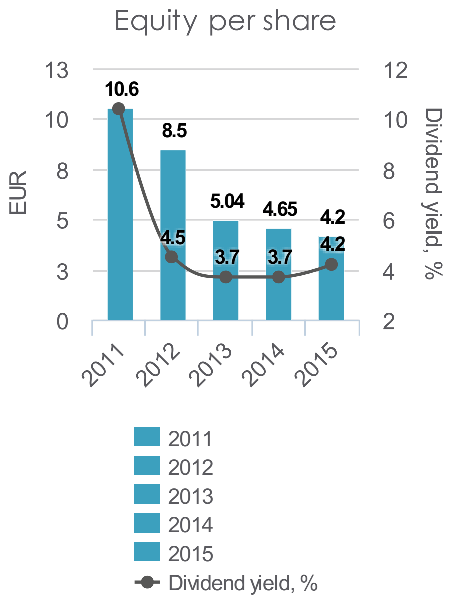


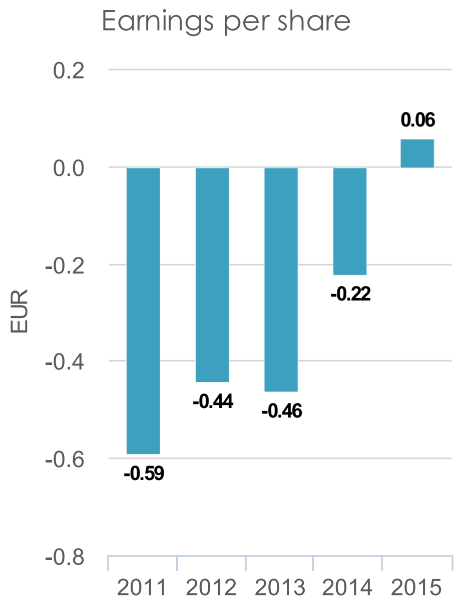
Dividend per share



* Proposal by the Board

** Includes an extra dividend


Equity per share
13
10
8
5
3
0
12
10
8
6
4
2
EUR
Dividend yield, %
10.6
8.5
5.04
4.65
4.2
4.5
3.7
3.7
4.2
2011
2012
2013
2014
2015
Dividend yield, %


Earnings per share
0.2
0.0
-0.2
-0.4
-0.6
-0.8
EUR
0.06
-0.22
-0.44
-0.46
-0.59
2011
2012
2013
2014
2015

Engaging investors

The Annual General Meeting of Shareholders (AGM) of Ahlstrom Corporation will be held on Tuesday, April 5, 2016 at 1:00 p.m. in Finlandia Hall (Mannerheimintie 13e, Helsinki, Finland). The registration of shareholders participating in the meeting begins at 12.00 noon.

In order to attend the Annual General Meeting, a shareholder must be registered in the company's register of shareholders, held by Euroclear Finland Ltd. on the record date of March 22, 2016.

As instructed on the notice, shareholders participating in the Annual General Meeting must give prior notice to attend the AGM by March 31, 2016. For further information, please visit www.ahlstrom.com.

Dividend policy and payment of dividends

Ahlstrom aims to pay a stable and over time increasing dividend based on the annual net income performance of the company.

The distributable funds on the balance sheet of Ahlstrom Corporation as of December 31, 2015 amounted to EUR 415,834,745.25.

The Board of Directors will propose to the Annual General Meeting that for the financial year which ended on December 31, 2015, a dividend totaling EUR 0.31 per share be paid based on the dividend policy mentioned above.

The company's shares will trade together with the right to dividend until April 5, 2016. The dividend will be paid to each shareholder who is registered in the Company's shareholder register maintained by Euroclear Finland Ltd on the record date of April 7, 2016. On December 31, 2015, the number of shares of the company amounted to 46,670,608 based on which the maximum amount that can be distributed as dividend would be EUR 14,467,888.48. No dividend will be paid based on shares owned by the company or its subsidiaries. The Board of Directors proposes that the dividend be paid on April 14, 2016.

In addition, the Board of Directors proposes that EUR 60,000 will be reserved for donations at the discretion of the Board.

Investor Relations

Ahlstrom's Investor Relations function maintains a continuous dialogue with the financial community. The main goal of this is to support a true and fair valuation of the Ahlstrom share at all times by providing correct, adequate and consistent information to the market in a timely manner. Ahlstrom follows the principle of transparency and impartiality and aims to provide the best possible service to its stakeholders. For more details, please read our Disclosure Policy on our website http://ahlstrom.com/investors.

All inquiries relating to investor relations are processed through the Investor Relations function. Ahlstrom's investor communications include, among other things, annual and interim reports, stock exchange and press releases, the Investors section of the website, regular contacts with analysts and investors, press conferences held in connection with the publication of the interim reports, as well as other investor events.

Engaging with stakeholders

Our shareholders and the financial community at large have shown a great deal of interest to Ahlstrom's improving financial performance last year. In addition, the fluctuations in currencies and raw material prices as well as the slowdown in demand in some our key markets and regions have been under the microscope.

Quarterly interim reports and briefings are regular disclosure updates that Ahlstrom provides to the financial community and public at large. The recordings of the briefings are available on-demand at the company's website. In addition, several meetings with analysts, investors and representatives of the media were held during the year and the company participated on private investor fairs.

Investor materials

Ahlstrom publishes its annual and interim reports as well as all stock exchange and press releases in Finnish and English. All the above mentioned materials are available at www.ahlstrom.com.

Outlook

Ahlstrom provides its full-year outlook for net sales as a range in millions of euros. The outlook for adjusted* operating profit excluding non-recurring items is given as a range in percentage of net sales.

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

Additional information

Additional information is available in the Investors section at www.ahlstrom.com.

Investor relations
Juho Erkheikki
Financial Communications & Investor Relations Manager
Tel: + 358 10 888 4731

Sakari Ahdekivi
CFO
Tel: + 358 10 888 4768

Communications
Satu Perälampi
VP, Communications
Tel: +358 10 888 4738

ANALYSTS COVERING AHLSTROM

To Ahlstrom's knowledge at least the following investment banks and brokerage firms cover Ahlstrom in their research.

Evli Bank
Kepler Cheuvreux
Nordea Bank
Pohjola Bank
SEB Enskilda

The analysts follow Ahlstrom on their own initiative and the company takes no responsibility on any of their statements.

FINANCIAL INFORMATION IN 2016

Financial statements bulletin 2015
Date of publication: Friday, January 29
Silent period: January 1-28

Financial statements 2015
Date of publication: Week starting February 22

Interim report January-March 2016
Date of publication: Thursday, April 28
Silent period: April 1-27

Interim report January-June 2016
Date of publication: Wednesday, August 3
Silent period:July 1- August 2

Interim report January-September 2016
Date of publication: Friday, October 28
Silent period: October 1-27