

AHLSTROM

Interim Report Q1/2016

January –
March 2016

Ahlstrom Corporation STOCK EXCHANGE RELEASE April 28, 2016

Ahlstrom January-March 2016 interim report

Profitability improvement continued despite lower demand in some key markets

Continuing operations January-March 2016 compared with January-March 2015

- Net sales EUR 243.7 million (EUR 251.5 million). Net sales at constant currencies declined by 2.5%
- Operating profit EUR 8.7 million (EUR 11.0 million)
- Adjusted operating profit EUR 12.9 million (EUR 10.3 million), representing 5.3% (4.1%) of net sales, and the tenth consecutive quarter of year-on-year improvement
- Profit before taxes EUR 4.8 million (EUR 12.1 million)
- Earnings per share EUR 0.01 (EUR 0.13)
- Net cash flow from operating activities EUR 8.4 million (EUR -1.5 million), the first positive first-quarter operating cash flow since 2012

Marco Levi, President & CEO

"January-March 2016 marked our tenth consecutive quarter of year-on-year improvement in profitability, with the majority of our businesses delivering higher margins. In addition to the tailwind we received from lower input costs, we have achieved this through better pricing, optimization of our product mix as well as lower cost structure.

In the Filtration & Performance segment, the Wallcover & Poster business delivered higher sales and margin with the Industrial Nonwovens unit making steady progress. In the Specialties segment, the Advanced Liquid Technologies, Tape, and Medical units all improved profitability. However, the subdued demand conditions in some of our markets, such as filtration as well as tape and medical products, were reflected in our overall net sales performance.

I'm also happy to say that we have delivered our first positive first-quarter operating cash flow in four years. The improving trend in our financial performance gives us confidence and we are on track to reach our target of over 8 percent adjusted operating profit margin by 2018. We are executing our redefined strategy announced at the beginning of the year, and our new operating model is gaining momentum and bringing us further cost savings."

Outlook for 2016

Ahlstrom reiterates the outlook published on January 29, 2016. The company expects net sales from continuing operations in 2016 to be in the range of EUR 950-1,050 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 has been reported as part of discontinued operations from the beginning of 2016. The adjusted operating profit excludes restructuring costs, impairment charges and capital gains or losses.

Key figures

EUR million	Q1/2016	Q1/2015	Change, %	2015
Net sales	243.7	251.5	-3.1	991.6
Adjusted EBITDA*	25.0	23.4	6.8	94.6
<i>% of net sales</i>	10.3	9.3		9.5
Operating profit	8.7	11.0	-20.5	16.6
<i>% of net sales</i>	3.6	4.4		1.7
Adjusted operating profit*	12.9	10.3	25.3	41.6
<i>% of net sales</i>	5.3	4.1		4.2
Profit before taxes	4.8	12.1	-60.5	17.1
Profit for the period	1.9	7.2	-73.2	3.4
Earnings per share, EUR	0.01	0.13		-0.05
Return on capital employed, %	6.9	7.2		3.0
Net cash flow from operative activities **	8.4	-1.5		60.0
Capital expenditure	4.2	2.9	45.7	26.0
Interest-bearing net liabilities **	194.9	254.0	-23.3	195.9
Gearing ratio, % **	66.5	74.0		65.4
Equity ratio, % **	34.9	34.3		35.8
Number of personnel at end of period	3,019	3,108	-2.9	3,043

EBITDA = earnings before interest, taxes, depreciation and amortization

* Excluding restructuring costs, impairment charges and capital gains or losses.

** Including discontinued operations

Financial performance in January-March 2016

Net sales development from continuing operations

Net sales by segment, EUR million	Q1/2016	Q1/2015	Change, %	Comparable change*, %	2015
Filtration & Performance	147.6	150.5	-1.9	-0.7	592.5
Specialties	102.7	105.7	-2.8	-3.1	418.5
Other functions and eliminations	-6.6	-4.7		N/A	-19.3
Total net sales	243.7	251.5	-3.1	-2,5	991.6

* Comparable change in net sales as a percentage, at constant currencies, excluding structural changes.

Net sales fell by 3.1% to EUR 243.7 million, compared with EUR 251.5 million in the comparison period. Higher sales at the Wallcover & Poster, Advanced Liquid Technologies and Industrial Nonwovens business units as well as an improved pricing and product mix had a positive impact on net sales. Lower sales volumes, particularly for filtration, medical and tape products, and to a lesser extent to an adverse currency effect had a negative impact on net sales. Organic growth at constant currencies was -2.5%.

Breakdown of the change in net sales:

EUR million	Net Sales
	Q1/2015 251.5
Price and mix, %	0.6
Currency, %	-0.6
Volume, %	-3.0
Closures, divestments and new assets, %	0.0
Total, %	3.1
EUR million	Q1/2016 243.7

Result and profitability from continuing operations

Adjusted operating profit by segment	Q1/2016	Q1/2015	Change, %	2015
Filtration & Performance	7.8	7.0	10.6	22.4
Specialties	7.8	6.6	18.7	25.7
Other functions and eliminations	-2.7	-3.3		-6.5
Continuing operations total	12.9	10.3	25.3	41.6
<i>% of net sales</i>	5.3	4.1		4.2

Operating profit was EUR 8.7 million (EUR 11.0 million), and adjusted operating profit amounted to EUR 12.9 million (EUR 10.3 million). The adjusted items affecting the operating profit totaled EUR -4.2 million (EUR 0.7 million) and included mainly restructuring costs related to the new operating model.

The adjusted operating profit was supported by lower energy and raw material costs for certain pulp grades, chemicals and synthetic fibers. The ongoing commercial excellence program continued to improve margins and product mix. In addition, selling, general and administrative expenses (adjusted) declined further during the quarter. Lower sales volumes had a negative impact on operating profit.

Profit before taxes was EUR 4.8 million (EUR 12.1 million). The comparison figure includes a capital gain of EUR 6 million from the sale of Munksjö Oyj shares. Income taxes amounted to EUR 2.8 million (EUR 4.9 million). Profit for the period was EUR 1.9 million (EUR 7.2 million).

Earnings per share were EUR 0.01 (EUR 0.13). The figure includes the interest payment on the hybrid bond after tax.

Discontinued operations

On January 21, 2016, Ahlstrom announced the planned divestment of its glassfiber business to Owens Corning. As a consequence, the Building & Wind business unit is reported in discontinued operations until the transaction has been completed.

The German competition authority has opened a second-phase investigation into the planned divestment to allow enough time to complete an appropriate review of the transaction. Ahlstrom and Owens Corning aim to complete the transaction during the first half of 2016. However, it is possible that the completion will not take place until the second half of 2016.

Result from discontinued operations

In January-March 2016, profit from discontinued operations for the period was EUR 1.6 million (EUR 1.6 million).

Result including discontinued operations

In January-March 2016, net sales including discontinued operations were EUR 267.2 million (271.8 million). Profit for the period was EUR 3.5 million (EUR 8.8 million profit) and earnings per share were EUR 0.04 (EUR 0.17). The earnings per share include the interest payment on the hybrid bond after tax.

The return on capital employed (ROCE) was 8.0% (8.1%), and the return on equity (ROE) was 4.7% (10.7%).

Business area review

Filtration & Performance

The Filtration & Performance business area produces engine oil, fuel and air as well as industrial air filtration materials, industrial nonwoven products for automotive, construction, textile and hygiene applications, and wallcover and poster papers.

EUR million	Q1/2016	Q1/2015	Change, %	2015
Net sales	147.6	150.5	-1.9	592.5
Operating profit	5.7	7.0	-17.5	10.8
% of net sales	3.9	4.6		1.8
Adjusted operating profit	7.8	7.0	10.6	22.4
% of net sales	5.3	4.7		3.8
RONA, %	9.7	10.6		4.5
Sales volumes, 000s tons	56.0	57.0	-1.8	223.3

Market review:

The market activity in engine filtration remained subdued. Geographically, demand was weaker in North America and Europe compared to Asia. Also, weak overall demand for wallpaper and wallcover substrates endured in Europe and Russia with oversupply in the market, while demand for high-end wallcover products showed signs of recovery. Demand for high-end wallcover products in China increased, while the overall market remained very competitive. Demand for various industrial nonwoven applications showed an increase, particularly in building-related products.

Net sales and operating profit development:

Net sales in January-March 2016 fell by 1.9% to EUR 147.6 million, compared with EUR 150.5 million in January-March 2015. Higher selling prices and increased sales of wallcover, driven by a significant growth in China, and industrial nonwoven products made a positive contribution to net sales. This was more than offset by lower sales of filtration materials and an adverse currency effect. Comparable net sales at constant currency rates fell slightly by 0.7%.

Adjusted operating profit rose to EUR 7.8 million (EUR 7.0 million). The increase was driven by lower fixed and variable costs as well as the ramp-up of the wallcover production line in China and an improved product mix. The result was burdened by lower volumes in engine filtration.

Operating profit amounted to EUR 5.7 million (EUR 7.0 million).

Specialties

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

EUR million	Q1/2016	Q1/2015	Change, %	2015
Net sales	102.7	105.7	-2.8	418.5
Operating profit	7.8	6.6	18.7	14.6
% of net sales	7.6	6.2		3.5
Adjusted operating profit	7.8	6.6	18.7	25.7
% of net sales	7.6	6.2		6.1
RONA, %	17.1	13.0		7.6
Sales volumes, 000s tons	28.6	29.8	-4.1	115.9

Market review:

The markets for food packaging materials were strong, particularly for cooking applications. Demand for single-serve coffee products continued to grow, while that for tea bag materials was weaker. The markets for laboratory, life science and water filtration materials remained strong across all major geographical regions. In tape products, strong demand was noted in Asia, while the market activity in Europe and North America was more subdued. Demand for medical fabrics in Europe was at a good level, while it remained softer in North America and Asia.

Net sales and operating profit development:

Net sales in January-March 2016 fell by 2.8% to EUR 102.7 million, compared with EUR 105.7 million in January-March 2015. Higher sales of food packaging, coffee as well as laboratory and life science products were more than offset by a decline in medical fabrics as well as tea bag and tape materials. Comparable net sales at constant currency rates fell by 3.1%.

Adjusted operating profit amounted to EUR 7.8 million (EUR 6.6 million). Lower raw material and energy costs as well as an improved pricing and product mix had a positive impact on operating profit. The result was burdened by lower volumes.

Operating profit was EUR 7.8 million (EUR 6.6 million).

Financing

Net financial expenses (continuing operations)

In January-March 2016, net financial expenses were EUR 4.0 million (EUR 1.1 million income). Net financial expenses include net interest expenses of EUR 3.3 million (EUR 4.3 million) and other financial expenses of EUR 0.7 million (EUR 5.2 million income). The other financial income in the comparison period included a capital gain of EUR 6.0 million from the sale of Munksjö Oyj shares.

Cash flow (including discontinued operations)

In January-March 2016, net cash flow from operating activities amounted to EUR 8.4 million (EUR -1.5 million), and cash flow after investing activities was EUR -0.8 million (EUR 7.4 million). Cash flow after investments in the comparison period includes the proceeds from the sale mentioned above.

As of March 31, 2016, operative working capital amounted to EUR 115.0 million (EUR 126.4 million). The rolling 12-month turnover rate of the operative working capital declined by one day, to 45 days.

Net debt and gearing (including discontinued operations)

Ahlstrom's interest-bearing net liabilities stood at EUR 194.9 million at the end of the review period (EUR 195.9 million at the end of 2015). Ahlstrom's interest-bearing liabilities amounted to EUR 244.9 million (EUR 243.3 million at the end of 2015). The modified interest rate duration of the loan portfolio (average interest rate fixing period) was 16.6 months, and the capital weighted average interest rate was 3.36%. The average maturity of the long-term loan portfolio and committed credit facilities was 29.0 months.

The company's liquidity continues to be good. At the end of the review period, its total liquidity, including cash, unused committed credit facilities and committed cash pool overdraft limits, was EUR 295.0 million (EUR 310.1 million). In addition, the company had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 119.3 million (EUR 150.2 million) available.

Gearing stood at 66.5% (65.4% at the end of 2015), and the equity ratio was 34.9% (35.8% at the end of 2015). The company's equity was reduced by EUR 7.8 million due to currency translation and this had a negative impact on both ratios. Ahlstrom has a EUR 100 hybrid bond, which is treated as equity in the calculations of the ratios above. Gearing was 152.8% when the hybrid is treated as debt (148.4% at the end of 2015).

Capital expenditure

Ahlstrom's capital expenditure excluding acquisitions in continuing operations totaled EUR 4.2 million in January-March 2016 (EUR 2.9 million). The investments were related to maintenance and increasing the flexibility of the Binzhou wallcover production line.

Personnel

Ahlstrom employed an average of 3,023 people¹ in January-March 2016 (3,108), and 3,019 people (3,108) at the end of the period in continuing operations. The decline was primarily due to the implementation of the company's new operating model. At the end of the period, the highest numbers of employees were in the United States (24.4%), France (18.7%), China (11.1%), Italy (9.8%) and Sweden (5.9%).

Shares and share capital

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-March 2016, a total of 0.3 million Ahlstrom shares were traded for a total of EUR 2.3 million. This represented 0.7% of the outstanding number of shares at the end of the reporting period (1.1% in January-March 2015). The lowest trading price was EUR 6.75 and the highest was EUR 8.15. The closing price on March 31, 2016 was EUR 8.00. The market capitalization at the end of the review period was EUR 372.2 million, excluding the shares owned by the parent company.

As of March 31, 2016, Ahlstrom held a total of 149,005 of its own shares, corresponding to approximately 0.3% of the total shares and votes. The total number of shares was 46,670,608 and the company had 10,290 shareholders at the end of the reporting period (10,409 shareholders as of December 31, 2015).

Ahlstrom Group's equity per share was EUR 4.06 at the end of the review period (December 31, 2015: EUR 4.20).

Redefined strategy and long-term financial targets

Ahlstrom's redefined strategy and new long-term financial targets extending to the year 2018 were announced during the first-quarter of 2016. Global trends faced by our customers steer our product

¹ Calculated as full-time equivalents.

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.

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.

Events after the reporting period

German competition authority opens second-phase investigation into the divestment of glassfiber business

On April 8, 2016, Ahlstrom announced that the German competition authority has opened a second-phase investigation into the planned divestment of Ahlstrom's Building & Wind business to Owens Corning. The authority has extended the investigation to allow enough time to complete an appropriate review of the transaction.

Ahlstrom and Owens Corning still aim to complete the transaction during the first half of 2016. However, it is possible that the completion will not take place until the second half of 2016. The planned divestment of the glassfiber business was announced on January 21, 2016.

Annual General Meeting

Ahlstrom Corporation's Annual General Meeting of Shareholders (AGM) was held on April 5, 2016.

The AGM resolved to distribute a dividend of EUR 0.31 per share for the fiscal year that ended on December 31, 2015 from the retained earnings in accordance with the proposal of the Board of Directors. The dividend record date was April 7, 2016, and the payment date was April 14, 2016. In addition, the AGM resolved to reserve a maximum of EUR 60,000 to be used for donations at the discretion of the Board of Directors.

The AGM approved the financial statements and discharged the members of the Board of Directors and the CEO from liability for the fiscal year January 1 - December 31, 2015.

The AGM confirmed the number of Board members to be seven. Alexander Ehrnrooth (b. 1974), Johannes Gullichsen (b. 1964) and Jan Inborr (b. 1948) were re-elected as members of the Board of Directors. Jan Johansson (b. 1954), Harri-Pekka Kaukonen (b. 1963), Hans Sohlström (b. 1964) and Riitta Viitala (b. 1959) were elected as new members of the Board. The term of the Board of Directors will expire at the close of the next Annual General Meeting in 2017.

PricewaterhouseCoopers Oy was re-elected as Ahlstrom's auditor as recommended by the Audit Committee. PricewaterhouseCoopers Oy has designated Authorized Public Accountant Markku

Katajisto as the Responsible Auditor. The auditor's remuneration will be paid according to invoicing approved by the Company.

Authorizations to repurchase and distribute the company's own shares as well as to accept them as pledge

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 as regards 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 own 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 e.g. 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 has also 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.

Decisions taken by the Board of Directors

After the AGM, the organization meeting of the Board of Directors elected Hans Sohlström as Chairman and Jan Inbarr as Vice Chairman of the Board.

The Board of Directors appointed two permanent committees: the Audit Committee and the Human Resources Committee. The members of the Audit Committee are Harri-Pekka Kaukonen (Chairman), Alexander Ehrnrooth and Johannes Gullichsen. The members of the Human Resources Committee are Hans Sohlström (Chairman), Jan Inbarr, Jan Johansson and Riitta Viitala.

Outlook in 2016

Ahlstrom reiterates the outlook published on January 29, 2016. The company expects net sales from continuing operations in 2016 to be in the range of 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 has been reported as part of discontinued operations 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 European markets continue to suffer from slower growth, and the outcome of Britain's referendum on its membership in the European Union increases uncertainty. In addition, 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.

The general risks facing Ahlstrom's business operations are described in greater detail on the company website at www.ahlstrom.com and in the report by the Board of Directors in the company's Annual Report for 2015. The risk management process is also described in the Corporate Governance Statement, also available on the company's website.

* * *

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

This report contains certain forward-looking statements that reflect the present views of the company's management. The statements contain uncertainties and risks and are thus subject to changes in the general economic situation and in the company's business.

Helsinki, April 28, 2016

Ahlstrom Corporation

Board of Directors

Additional information

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Ahlstrom's President & CEO Marco Levi and CFO Sakari Ahdekivi will present the report at an analyst and press conference in Helsinki on Thursday, April 28 at 11:00 a.m. Finnish time. The event will take place at **Ahlstrom's head office, Alvar Aallon katu 3 C**, second floor, Antti meeting room.

The combined webcast and teleconference will be held in English and can be viewed at the following address: http://qsb.webcast.fi/a/ahlstrom/ahlstrom_2016_0428_q1

Conference call details:

In Finland +358 (0)9 2310 1621

In Sweden +46 (0)8 5033 6539

In the U.K. +44 (0)20 3427 1915

To participate via telephone, please dial in a few minutes before the conference begins. A list of phone numbers for other countries is available at www.ahlstrom.com/Investors. The confirmation code is 9954843.

An on-demand webcast of the conference will be available on Ahlstrom's website for twelve months after the call.

The presentation material will be available at www.ahlstrom.com/en/Investors/Reports-and-presentations/2016/ after the report has been published

Financial information in 2016

Report	Date of publication	Silent period
Interim report January-June 2016	Wednesday, August 3	July 1-August 2
Interim report January-September 2016	Friday, October 28	October 1-27

During the silent period, Ahlstrom will not communicate with capital market representatives.

Ahlstrom in brief

Ahlstrom provides innovative fiber-based materials with a function in everyday life. We are committed 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. In 2015, Ahlstrom's net sales amounted to EUR 1.1 billion. Our 3,300 employees serve customers in 22 countries. Ahlstrom's share is quoted on the Nasdaq Helsinki. More information is available at www.ahlstrom.com.

Appendix: Consolidated financial statement

Financial statements are unaudited.

INCOME STATEMENT	Q1	Q1	Q1-Q4
EUR million	2016	2015	2015
Continuing operations			
Net sales	243.7	251.5	991.6
Cost of goods sold	-200.9	-209.0	-838.0
Gross profit	42.8	42.6	153.7
Sales and marketing expenses	-10.3	-11.2	-38.7
R&D expenses	-4.5	-4.3	-20.4
Administrative expenses	-19.3	-18.3	-73.2
Other operating income	0.7	2.7	6.9
Other operating expense	-0.7	-0.6	-11.6
Operating profit / loss	8.7	11.0	16.6
Net financial expenses	-4.0	1.1	0.3
Share of profit / loss of equity accounted investments	0.1	0.0	0.2
Profit / loss before taxes	4.8	12.1	17.1
Income taxes	-2.8	-4.9	-13.7
Profit / loss for the period from continuing operations	1.9	7.2	3.4
Discontinued operations			
Profit / loss for the period from discontinued operations	1.6	1.6	5.2
Profit/loss for the period	3.5	8.8	8.6
Attributable to			
Owners of the parent	3.6	9.3	9.2
Non-controlling interest	-0.1	-0.5	-0.7
Continuing operations			
Earnings per share, EUR			
- Basic and diluted *	0.01	0.13	-0.05
Including discontinued operations			
Earnings per share, EUR			
- Basic and diluted *	0.04	0.17	0.06

* The figure includes the interest payment on the hybrid bond after tax.

STATEMENT OF COMPREHENSIVE INCOME	Q1	Q1	Q1-Q4
EUR million	2016	2015	2015
Profit / loss for the period	3.5	8.8	8.6
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	-2.0	1.6	-2.6
Total	-2.0	1.6	-2.6
Items that may be reclassified subsequently to profit or loss			
Translation differences	-7.8	25.4	6.5
Hedges of net investments in foreign operations	0.0	-	0.2
Share of other comprehensive income of equity accounted investments	-	-	-
Changes in the fair value of available-for-sale financial assets	-	5.5	-17.0
Cash flow hedges	-0.1	0.2	0.5
Total	-7.9	31.0	-9.9
Other comprehensive income, net of tax	-9.9	32.6	-12.6
Total comprehensive income for the period	-6.5	41.4	-4.0
Attributable to			
Owners of the parent	-6.2	40.4	-3.6
Non-controlling interest	-0.3	1.1	-0.4

BALANCE SHEET	Mar 31,	Mar 31,	Dec 31,
EUR million	2016	2015	2015
ASSETS			
Non-current assets			
Property, plant and equipment	303.3	366.2	319.5
Goodwill	72.0	75.1	74.3
Other intangible assets	12.0	14.0	12.4
Equity accounted investments	15.6	15.3	15.5
Other investments	0.3	41.4	0.3
Other receivables	6.6	6.7	5.8
Deferred tax assets	68.9	75.6	70.8
Total non-current assets	478.6	594.3	498.5
Current assets			
Inventories	109.9	116.5	109.9
Trade and other receivables	158.9	193.6	143.9
Income tax receivables	1.8	1.2	1.6
Cash and cash equivalents	49.7	45.3	46.1
Total current assets	320.4	356.7	301.5
Assets classified as held for sale	41.5	51.2	41.0
Total assets	840.5	1 002.2	841.1
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent	189.0	235.7	195.2
Hybrid bond	100.0	100.0	100.0
Non-controlling interest	3.9	7.5	4.2
Total equity	292.9	343.2	299.4
Non-current liabilities			
Interest-bearing loans and borrowings	126.0	138.9	126.9
Employee benefit obligations	100.1	97.6	100.3
Provisions	0.5	0.6	0.7
Other liabilities	0.0	0.0	0.0
Deferred tax liabilities	2.3	2.3	2.0
Total non-current liabilities	228.9	239.4	229.9
Current liabilities			
Interest-bearing loans and borrowings	118.9	163.1	119.0
Trade and other payables	174.7	230.0	170.0
Income tax liabilities	1.1	0.6	1.5
Provisions	8.0	9.7	7.1
Total current liabilities	302.6	403.4	297.6
Total liabilities	531.5	642.9	527.5
Liabilities directly associated with assets classified as held for sale	16.1	16.1	14.2
Total equity and liabilities	840.5	1 002.2	841.1

STATEMENT OF CHANGES IN EQUITY

	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)
1) Issued capital											
2) Non-restricted equity reserve											
3) Hedging reserve											
4) Fair value reserve											
5) Translation reserve											
6) Own shares											
7) Retained earnings											
8) Total attributable to owners of the parent											
9) Non-controlling interest											
10) Hybrid bond											
11) Total equity											
EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)
Equity at January 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	-	-	-	-	-	-	9.3	9.3	-0.5	-	8.8
Other comprehensive income, net of tax											
Remeasurements of defined benefit plans	-	-	-	-	-	-	1.6	1.6	-	-	1.6
Translation differences	-	-	-	-	25.0	-	-0.1	24.9	0.5	-	25.4
Changes in the fair value of available-for-sale financial assets	-	-	-	4.4	-	-	-	4.4	1.1	-	5.5
Cash flow hedges	-	-	0.2	-	-	-	-	0.2	-	-	0.2
Dividends paid and other	-	-	-	-	-	-	-14.0	-14.0	-	-	-14.0
Interest on hybrid bond	-	-	-	-	-	-	-6.3	-6.3	-	-	-6.3
Changes in own shares	-	-	-	-	-	0.5	-	0.5	-	-	0.5
Change in non-controlling interests	-	-	-	-	-	-	-	-	1.5	-	1.5
Equity at March 31, 2015	70.0	61.1	-0.1	21.4	2.0	-6.0	87.1	235.7	7.5	100.0	343.2
Equity at January 1, 2016	70.0	61.1	0.2	-	-15.8	-3.7	83.3	195.2	4.2	100.0	299.4
Profit / loss for the period	-	-	-	-	-	-	3.6	3.6	-0.1	-	3.5
Other comprehensive income, net of tax											
Remeasurements of defined benefit plans	-	-	-	-	-	-	-2.0	-2.0	-	-	-2.0
Translation differences	-	-	-	-	-7.7	-	-	-7.7	-0.2	-	-7.8
Hedges of net investments in foreign operations	-	-	-	-	0.0	-	-	0.0	-	-	0.0
Cash flow hedges	-	-	-0.1	-	-	-	-	-0.1	-	-	-0.1
Equity at March 31, 2016	70.0	61.1	0.1	-	-23.5	-3.7	84.9	189.0	3.9	100.0	292.9

STATEMENT OF CASH FLOWS			
EUR million	Q1 2016	Q1 2015	Q1-Q4 2015
Cash flow from operating activities			
Profit / loss for the period	3.5	8.8	8.6
Adjustments, total	18.2	16.8	81.0
Changes in net working capital	-10.1	-18.7	1.2
Change in provisions	0.6	-1.1	-2.2
Financial items	-2.9	-7.3	-25.6
Income taxes paid / received	-0.8	-0.1	-3.0
Net cash from operating activities	8.4	-1.5	60.0
Cash flow from investing activities			
Purchases of intangible and tangible assets	-8.1	-7.0	-26.9
Other investing activities	-1.2	15.9	49.0
Net cash from investing activities	-9.3	9.0	22.1
Cash flow from financing activities			
Dividends paid and other	-	-	-13.9
Sale/repurchase of own shares	-	-	3.1
Interest on hybrid bond	-	-	-7.9
Changes in loans and other financing activities	4.1	-3.6	-56.4
Net cash from financing activities	4.1	-3.6	-75.1
Net change in cash and cash equivalents			
	3.3	3.8	6.9
Cash and cash equivalents at the beginning of the period	47.3	41.4	41.4
Foreign exchange adjustment	-0.6	2.0	-1.0
Cash and cash equivalents at the end of the period	50.0	47.2	47.3

KEY FIGURES	Q1 2016	Q1 2015	Q1-Q4 2015
Continuing operations			
Personnel costs	-55.1	-51.8	-204.1
Depreciation and amortization	-11.9	-13.2	-62.7
Impairment charges	-0.2	-	-7.5
Operating profit, %	3.6	4.4	1.7
Return on capital employed (ROCE), %	6.9	7.2	3.0
Basic earnings per share *, EUR	0.01	0.13	-0.05
Capital expenditure, EUR million	4.2	2.9	26.0
Number of employees, average	3,023	3,108	3,104
Including discontinued operations			
Personnel costs	-58.3	-54.9	-216.6
Depreciation and amortization	-12.7	-14.3	-67.0
Impairment charges	-0.2	-	-7.5
Operating profit, %	4.0	4.7	2.0
Return on capital employed (ROCE), %	8.0	8.1	3.9
Return on equity (ROE) **, %	4.7	10.7	2.8
Interest-bearing net liabilities, EUR million	194.9	254.0	195.9
Equity ratio **, %	34.9	34.3	35.8
Gearing ratio **, %	66.5	74.0	65.4
Basic earnings per share *, EUR	0.04	0.17	0.06
Equity per share **, EUR	4.06	5.10	4.20
Average number of outstanding shares during the period, 1000's	46,522	46,225	46,421
Number of outstanding shares at the end of the period, 1000's	46,522	46,225	46,522
Total number of shares at the end of the period, 1000's	46,671	46,671	46,671
Capital expenditure, EUR million	4.6	3.0	27.3
Capital employed at the end of the period, EUR million	537.8	644.4	542.6
Number of employees, average	3,289	3,383	3,376

* The figure includes the interest payment on the hybrid bond after tax.

** Equity includes EUR 100 million hybrid bond

Annual averages have been applied in calculating ROE and ROCE ratios.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial reporting, as adopted by EU and the accounting principles set out in the Group's Financial Statements for 2015.

SEGMENT INFORMATION	Q1	Q1	Q1-Q4
EUR million	2016	2015	2015
Filtration & Performance	147.6	150.5	592.5
Specialties	102.7	105.7	418.5
Other operations	7.2	15.5	49.5
Internal sales	-13.8	-20.2	-68.8
Total net sales	243.7	251.5	991.6
Filtration & Performance	2.7	5.2	13.6
Specialties	4.9	6.4	20.5
Other operations	6.3	8.6	34.7
Total internal sales	13.8	20.2	68.8
Filtration & Performance	5.7	7.0	10.8
Specialties	7.8	6.6	14.6
Other operations	-4.8	-2.5	-8.9
Eliminations	-0.0	-0.1	0.1
Operating profit / loss	8.7	11.0	16.6
Return on capital employed (RONA), %			
Filtration & Performance	9.7	10.6	4.5
Specialties	17.1	13.0	7.6
Group (ROCE), %	6.9	7.2	3.0
Filtration & Performance	235.2	278.8	237.1
Specialties	178.7	209.1	187.3
Other operations	-35.4	-46.7	-34.7
Eliminations	-0.3	-0.2	-0.2
Total net assets, end of period	378.2	440.9	389.5

SEGMENT INFORMATION (CONTINUED)	Q1	Q1	Q1-Q4
EUR million	2016	2015	2015
Filtration & Performance	2.2	1.5	15.4
Specialties	1.6	0.5	7.5
Other operations	0.4	0.8	3.1
Total capital expenditure	4.2	2.9	26.0
Filtration & Performance	-6.7	-7.3	-29.3
Specialties	-4.5	-5.1	-30.3
Other operations	-0.7	-0.8	-3.1
Total depreciation and amortization	-11.9	-13.2	-62.7
Filtration & Performance	-0.2	-	-7.5
Specialties	-	-	-
Other operations	-	-	-
Total impairment charges	-0.2	-	-7.5
Filtration & Performance	-2.1	-0.1	-11.6
Specialties	-	-	-11.2
Other operations	-2.1	0.8	-2.3
Total adjustment items	-4.2	0.7	-25.1
Thousands of tons			
Filtration & Performance	56.0	57.0	223.3
Specialties	28.6	29.8	115.9
Other operations	0.3	1.6	3.6
Eliminations	-1.9	-2.9	-8.5
Total sales tons	82.9	85.5	334.3

Segment information is presented according to the IFRS standards.

NET SALES BY REGION - including discontinued operations	Q1	Q1	Q1-Q4
EUR million	2016	2015	2015
Europe	129.0	127.3	499.3
North America	77.8	82.3	325.5
South America	13.1	14.6	54.4
Asia-Pacific	41.7	42.1	176.0
Rest of the world	5.6	5.4	19.6
Total net sales	267.2	271.8	1 074.7

CHANGES OF PROPERTY, PLANT AND EQUIPMENT – including discontinued operations

EUR million	Q1-Q1 2016	Q1-Q1 2015	Q1-Q4 2015
Book value at Jan 1	339.8	372.9	372.9
Additions	4.2	2.6	25.0
Disposals	-0.0	-0.2	-0.7
Depreciations and impairment charges	-12.3	-13.4	-70.9
Translation differences and other changes	-7.9	29.7	13.6
Book value at the end of the period	323.8	391.6	339.8

TRANSACTIONS WITH RELATED PARTIES – including discontinued operations

EUR million	Q1-Q1 2016	Q1-Q1 2015	Q1-Q4 2015
Transactions with associated companies			
Sales and interest income	0.0	0.0	0.0
Purchases of goods and services	-2.0	-2.5	-10.9
Trade and other receivables	0.0	0.0	0.0
Trade and other payables	0.4	0.1	0.6

Market prices have been used in transactions with associated companies.

OPERATING LEASES - including discontinued operations

EUR million	Mar 31. 2016	Mar 31. 2015	Dec 31. 2015
Current portion	5.7	6.3	6.4
Non-current portion	18.0	22.2	19.7
Total	23.7	28.5	26.1

COLLATERALS AND COMMITMENTS - including discontinued operations

EUR million	Mar 31. 2016	Mar 31. 2015	Dec 31. 2015
Mortgages	6.3	11.2	6.6
Pledges	0.3	0.2	0.1
Commitments			
Guarantees given on behalf of group companies	56.2	28.6	58.9
Capital expenditure commitments	0.6	0.3	0.3
Other commitments	7.3	5.5	10.1

QUARTERLY DATA	Q1	Q4	Q3	Q2	Q1
EUR million	2016	2015	2015	2015	2015
Continuing operations					
Net sales	243.7	235.5	246.2	258.5	251.5
Cost of goods sold	-200.9	-209.7	-206.7	-212.6	-209.0
Gross profit	42.8	25.8	39.5	45.9	42.6
Sales and marketing expenses	-10.3	-9.2	-8.4	-9.9	-11.2
R&D expenses	-4.5	-7.3	-4.3	-4.5	-4.3
Administrative expenses	-19.3	-18.0	-18.6	-18.3	-18.3
Other operating income	0.7	1.9	1.3	0.9	2.7
Other operating expense	-0.7	-9.7	-1.2	-0.2	-0.6
Operating profit / loss	8.7	-16.5	8.3	13.9	11.0
Net financial expenses	-4.0	-4.4	-1.5	5.0	1.1
Share of profit / loss of equity accounted investments	0.1	0.1	0.1	0.0	0.0
Profit / loss before taxes	4.8	-20.8	6.8	18.9	12.1
Income taxes	-2.8	0.4	-4.4	-4.8	-4.9
Profit / loss for the period from continuing operations	1.9	-20.4	2.5	14.1	7.2
Discontinued operations					
Profit / loss for the period from discontinued operations	1.6	0.2	1.7	1.7	1.6
Profit/loss for the period	3.5	-20.2	4.1	15.8	8.8
Attributable to					
Owners of the parent	3.6	-19.9	4.6	15.3	9.3
Non-controlling interest	-0.1	-0.2	-0.4	0.5	-0.5

QUARTERLY DATA BY SEGMENT	Q1	Q4	Q3	Q2	Q1
EUR million	2016	2015	2015	2015	2015
Net sales					
Filtration & Performance	147.6	140.2	147.6	154.2	150.5
Specialties	102.7	100.4	104.0	108.3	105.7
Other operations and eliminations	-6.6	-5.1	-5.5	-4.0	-4.7
Group total	243.7	235.5	246.2	258.5	251.5
Operating profit / loss					
Filtration & Performance	5.7	-7.8	3.6	8.0	7.0
Specialties	7.8	-5.5	6.7	6.8	6.6
Other operations and eliminations	-4.8	-3.3	-2.0	-0.9	-2.6
Group total	8.7	-16.5	8.3	13.9	11.0
Adjusted operating profit / loss					
Filtration & Performance	7.8	2.8	4.5	8.0	7.0
Specialties	7.8	4.6	7.1	7.4	6.6
Other operations and eliminations	-2.7	-0.6	-2.0	-0.5	-3.3
Group total	12.9	6.8	9.6	14.9	10.3
Sales tons, thousands of tons					
Filtration & Performance	56.0	53.1	56.1	57.1	57.0
Specialties	28.6	27.4	28.3	30.4	29.8
Other operations and eliminations	-1.7	-1.3	-1.3	-0.9	-1.3
Group total	82.9	79.2	83.1	86.5	85.5

KEY FIGURES QUARTERLY	Q1	Q4	Q3	Q2	Q1
EUR million	2016	2015	2015	2015	2015
Continuing operations					
Net sales	243.7	235.5	246.2	258.5	251.5
Operating profit / loss	8.7	-16.5	8.3	13.9	11.0
Profit / loss before taxes	4.8	-20.8	6.8	18.9	12.1
Profit / loss for the period	1.9	-20.4	2.5	14.1	7.2
Return on capital employed (ROCE), %	6.9	-12.2	5.9	9.3	7.2
Basic earnings per share *, EUR	0.01	-0.47	0.03	0.26	0.13
Including discontinued operations					
Net sales	267.2	255.0	266.9	281.1	271.8
Operating profit / loss	10.6	-16.4	9.9	15.7	12.7
Profit / loss before taxes	6.7	-20.5	8.5	20.8	13.8
Profit / loss for the period	3.5	-20.2	4.1	15.8	8.8
Gearing ratio **, %	66.5	65.4	64.2	69.3	74.0
Return on capital employed (ROCE), %	8.0	-11.4	6.7	10.0	8.1
Basic earnings per share *, EUR	0.04	-0.46	0.06	0.29	0.17
Average number of outstanding shares during the period, 1000's	46 522	46 522	46 522	46 411	46 225
Total number of shares at the end of the period, 1000's	46 671	46 671	46 671	46 671	46 671

* The figure includes the interest payment on the hybrid bond after tax.

** Equity includes EUR 100 million hybrid bond

Annual averages have been applied in calculating ROCE ratio.

Calculation of key figures

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

Equity includes EUR 100 million hybrid bond