FINANCIAL STATEMENTS RELEASE 2018

SUCCESSFUL EXECUTION OF GROWTH STRATEGY

HIGHLIGHTS DURING THE REPORTING PERIOD

- *Actual Q4/2018 comparable EBITDA grew by 14.3% to EUR 72.1 million (EUR 63.1 million) representing 10.1% (11.5%) of net sales*
- *Completion of the acquisitions of Expera Specialty Solutions and the Caieiras specialty paper mill have significantly strengthened our presence in the Americas*
    - *Annual business synergies of at least EUR 10 million identified, in addition to the earlier communicated cost synergies of EUR 8 million from Expera and EUR 6 million from Caieiras.*
    - *Further business synergies expected in the next few years*
- *A rights issue worth about EUR 150 million was successfully completed*

Q4/2018 PRO FORMA VS Q4/2017 PRO FORMA

- *Net sales EUR 734.8 million (EUR 718.9 million), an increase of 2.2%.*
- *Comparable EBITDA EUR 71.4 million (EUR 80.5 million), representing 9.7% (11.2%) of net sales*
- *Further improvement in gross margin for products. Profitability impacted by lower sales volumes due to stronger-than-usual seasonal variations and operational issues at two sites where corrective actions are ongoing.*
- *Net profit/loss EUR -10.3 million (EUR 27.6 million), significantly impacted by items affecting comparability related to the acquisitions and cost saving initiatives*
- *Earnings per share EUR -0.09 (EUR 0.24)*
- *Comparable EPS excluding depreciation and amortization arising from PPA EUR 0.18 (EUR 0.38)*

Q4/2018

ACTUAL COMPARABLE EBITDA GREW
14.3%

ACTUAL COMPARABLE EBITDA MARGIN
10.1%

GEARING
83.6%

2018 PRO FORMA VS 2017 PROFORMA

- *Net sales EUR 2,996.9 million (EUR 2,961.5 million), an increase of 1.2%. In constant currency growth was 5.1%.*
- *Comparable EBITDA EUR 329.9 million (EUR 366.3 million), representing 11.0% (12.4%) of net sales*
- *Successful compensation of higher variable costs by increased selling prices. Profitability impacted mainly by lower sales volumes, partly due to the paper machine closure at the Stenay plant and operational issues at the Aspa pulp mill.*
- *Net profit EUR 63.2 million (EUR 41.9 million), significantly impacted by items affecting comparability related to the acquisitions and cost saving initiatives*
- *Earnings per share EUR 0.54 (EUR 0.36)*
- *Comparable EPS excluding depreciation and amortization arising from PPA EUR 1.15 (EUR 1.32)*

DIVIDEND PROPOSAL

- *The Board of Directors proposes that a dividend totaling EUR 0.52 per share, be paid in two installments. This corresponds to an increase of about 20% when taking into account the increase in the number of total shares as a result of the rights issue completed in December.*

In this financial statements release 2018, the figures for January-December 2018, October-December 2018 and the comparison figures are presented on a pro forma basis to illustrate the financial impact of the acquisition of Expera Specialty Solutions, the acquisition of MD Papéis Caieiras and the merger between Ahlstrom and Munksjö as if they had been completed at the beginning of 2017. Basis for presenting pro forma figures, please see appendix 2. The appendix 1, including consolidated financial statements, has been prepared according to International Financial Reporting Standards (IFRS). The annual figures in this financial statement bulletin are audited.

AHLSTROM MUNKSJÖ

KEY FIGURES

Actual (IFRS) key figures, EUR million, or as indicated	Q4/2018	Q4/2017	Q3/2018	2018	2017
Net sales	712.2	547.1	565.6	2,438.0	1,959.9
Comparable EBITDA	72.1	63.1	71.8	277.7	248.2
Comparable EBITDA margin, %	10.1	11.5	12.7	11.4	12.7
Items affecting comparability in EBITDA	-34.5	-10.4	-8.7	-55.1	-38.1
EBITDA	37.5	52.7	63.1	222.6	210.1
Comparable operating result excl. depreciation and amortization arising from PPA *	46.3	40.3	50.1	186.1	166.1
Comparable operating result	34.5	32.6	42.4	151.4	141.7
Comparable operating result margin, %	4.9	6.0	7.5	6.2	7.2
Items affecting comparability in operating result	-42.2	-10.4	-8.7	-62.7	-38.1
Operating result	-7.7	22.1	33.7	88.7	103.5
Net profit/loss	-19.8	22.7	19.4	42.9	66.5
Earnings per share (basic), EUR	-0.20	0.23	0.20	0.43	0.78
Comparable EPS excl. depreciation and amortization arising from PPA, EUR *	0.20	0.37	0.33	1.18	1.29
Cash generated from operating activities	30.9	77.2	28.0	91.6	186.5
Depreciation, amortization and impairment	45.2	30.6	29.4	133.9	106.6
Capital expenditure	64.5	40.2	38.5	160.1	84.6
Payment for acquisition of subsidiary, net of cash acquired	608.0	-	-	608.0	-
Net debt	971.3	375.3	456.6	971.3	375.3
Gearing ratio, %	83.6	36.2	44.1	83.6	36.2

Pro forma key figures, EUR million, or as indicated	Q4/2018	Q4/2017	Q3/2018	2018	2017
Net sales	734.8	718.9	745.2	2,996.9	2,961.5
Comparable EBITDA	71.4	80.5	89.4	329.9	366.3
Comparable EBITDA margin, %	9.7	11.2	12.0	11.0	12.4
Items affecting comparability in EBITDA	-24.0	-10.5	-4.4	-39.6	-94.0
EBITDA	47.4	70.0	85.0	290.3	272.2
Comparable operating result excl. depreciation and amortization arising from PPA *	45.3	53.0	63.8	225.5	251.7
Comparable operating result	32.9	40.5	51.6	176.6	200.4
Comparable operating result margin, %	4.5	5.6	6.9	5.9	6.8
Items affecting comparability in operating result	-31.7	-10.5	-4.4	-47.3	-94.0
Operating result	1.3	30.0	47.2	129.4	106.4
Net profit/loss	-10.3	27.6	25.7	63.2	41.9
Earnings per share (basic), EUR	-0.09	0.24	0.22	0.54	0.36
Comparable EPS excl. depreciation and amortization arising from PPA, EUR *	0.18	0.38	0.33	1.15	1.32
Depreciation, amortization and impairment	46.2	40.0	37.8	161.0	165.9
Capital expenditure	65.9	51.3	44.6	176.3	124.7

**Depreciation and amortization arising from PPA (purchase price allocation) comprise depreciation and amortization charges from fair value adjustments relating to the business combinations starting from 2013.*

Ahlstrom-Munksjö has adopted the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures (APMs) to reflect the underlying business performance and improve comparability. These measures should, however, not be considered as a substitute for measures of performance in accordance with IFRS. Alternative performance measures are derived from performance measures reported in accordance with IFRS by adding or deducting items affecting comparability (IAC), or purchase price allocation (PPA,) and they are called "comparable". More details on APMs and key figures are available in the appendix 2.

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CEO COMMENTS

We made good progress towards our strategic targets in 2018. The acquisitions of Expera and Caieiras were important milestones in the strategic transformation towards global leadership in our selected product categories and we are very pleased with the acquisitions. Critical size in the value chain enables operations on a global scale and a readiness to better meet our customer needs. The acquisition of Expera tripled our net sales in the U.S. and provided a platform for growth, while Caieiras significantly strengthened our South American operations. Our pro forma net sales reached EUR 3 billion and comparable EBITDA of EUR 330 million.

The acquisitions also provide us timely cost synergies now that we have achieved most of the benefits related to the merger of Ahlstrom and Munksjö. Hence, our cost competitiveness will improve. In addition, we have identified significant business synergy potential, particularly in the areas of cross selling, technology sharing and production optimization, which will underpin our performance over the next few years.

"We made good progress towards our strategic targets in 2018."

Hans Sohlström, President and CEO

CHALLENGING QUARTER

Our financial performance in the fourth quarter of last year was unsatisfactory. Our gross margin for products improved each quarter during the year, however, profitability was impacted by lower delivery volumes. This was due to stronger-than-usual seasonal variations. especially in December, as well as to the planned closure of a paper machine at the Stenay plant in France and operational issues at the Aspa pulp mill. Customers reacted to the increased uncertainty about the economic outlook. The decline in pulp prices in December did not have an impact on the result, due to the usual time-lag. Our cash flow was impacted by transaction and integration related costs, and a lower result.

TARGETED IMPROVEMENT MEASURES PROCEEDING

To improve competitiveness in the coated one-sided product segment within the Food Packaging business we proceed with the plan to close one paper machine in Stenay, France and to rationalize our product offering. We regret the impact on our personnel but we have to adapt to the changing market environment and align to our strategy of niche orientation for customized solutions.

In the Decor business we have successfully restored gross margin for products and we are progressing with our comprehensive plan to enhance efficiency and quality leadership. In the Beverage & Casing business. the new production line investment to improve capacity, product capability and efficiency is proceeding.

CONFIDENCE FOR THE FUTURE

During the year we have completed investments which will improve customer value through product quality and expand our capacity in our Abrasive, Filtration and Food Packaging businesses. We have also decided on several new investments that will improve efficiency and environmental performance as well as expand and improve product quality and capacity. We expect gradual contribution from these investments in the coming years.

Despite the unsatisfactory finish to the year and the uncertainty regarding the global economic outlook. I have confidence for the years to come. We expect to reap the benefits of our acquisitions and investments, as well as synergy and cost saving initiatives. In 2019 we will focus on integration and delivering on the promised synergies as well as on cash flow. Our gross margin for products has increased and we proceed with measures to further improve our competitiveness as we advance on our growth journey.

OUTLOOK FOR 2019

Ahlstrom-Munksjö's pro forma comparable EBITDA reached EUR 330 million in 2018. As we entered 2019, customers have reacted to signs of a slowing economic outlook. Although demand growth has slowed somewhat in certain product segments, and customers have reduced inventories market fundamentals remain relatively solid. Ahlstrom-Munksjö will continue its efforts to improve performance and competitiveness. The gross margin for products increased during the course of 2018 and the targeted synergy benefits and cost reduction measures are expected to contribute positively to earnings in 2019.

FINANCIAL PERFORMANCE

NET SALES DEVELOPMENT (PRO FORMA)

Net sales by business area, EUR million	Q4/2018	Q4/2017	Q3/2018	2018	2017
Decor	115.1	107.8	109.1	451.9	431.8
Filtration and Performance	162.6	159.9	168.3	672.5	665.3
Industrial Solutions	163.4	167.8	174.5	691.2	678.4
North America Specialty Solutions	155.5	149.2	157.6	626.0	637.9
Specialties	140.9	138.9	142.6	580.3	574.3
Other and eliminations	-2.7	-4.7	-6.9	-25.1	-26.2
Total net sales	734.8	718.9	745.2	2,996.9	2,961.5

PROFIT AND PROFITABILITY DEVELOPMENT (PRO FORMA)

Comparable EBITDA by business area, EUR million	Q4/2018	Q4/2017	Q3/2018	2018	2017
Decor	11.5	11.0	7.0	37.1	43.8
Filtration and Performance	24.5	24.6	31.2	114.7	120.6
Industrial Solutions	17.7	26.2	32.9	99.7	112.1
North America Specialty Solutions	12.5	14.1	15.0	57.0	62.2
Specialties	7.9	10.2	7.5	37.6	52.9
Other and eliminations	-2.7	-5.7	-4.2	-16.2	-25.3
Total comparable EBITDA	71.4	80.5	89.4	329.9	366.3

Comparable EBITDA margin by business area, %	Q4/2018	Q4/2017	Q3/2018	2018	2017
Decor	10.0	10.2	6.5	8.2	10.2
Filtration and Performance	15.1	15.4	18.5	17.0	18.1
Industrial Solutions	10.8	15.6	18.8	14.4	16.5
North America Specialty Solutions	8.0	9.5	9.5	9.1	9.7
Specialties	5.6	7.3	5.3	6.5	9.2
Total comparable EBITDA margin, %	9.7	11.2	12.0	11.0	12.4

OCTOBER-DECEMBER 2018 (PRO FORMA)

Net sales amounted to EUR 734.8 million, showing an increase of 2.2% from the EUR 718.9 million from the fourth quarter of 2017. Growth was driven by significantly higher selling prices in all business areas. Delivery volumes rose in the Decor business area, while declined in the other business areas. Volumes were impacted by stronger-than-usual seasonal variations as well as the planned closure of a paper machine at the Stenay plant in France and operational issues at the Aspa pulp mill.

Comparable EBITDA was EUR 71.4 million (EUR 80.5 million), representing 9.7% of net sales (11.2%). The result was burdened by lower sales volumes. Gross margin for products improved as increased selling prices more than offset significantly higher variable costs. In addition, fixed costs were lower, mainly related to synergy benefits and cost reduction measures.

Compared with the third quarter of 2018, comparable EBITDA decreased to EUR 71.4 million from EUR 89.4 million, driven by stronger-than-usual seasonal variations, the annual planned shutdown of the Aspa pulp mill and market related downtime. The decline in pulp prices did not have an impact on the result.

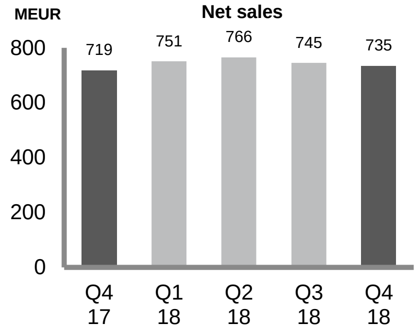
Items affecting comparability (IAC) in operating result

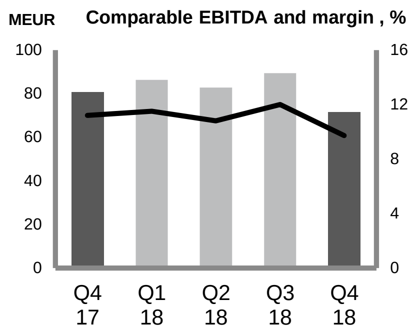
The operating result was EUR 1.3 million (EUR 30.0 million). IACs totaled EUR -31.7 million (EUR -10.5 million) and were mainly related to the integration costs from the Expera Specialty Solutions acquisition as well as restructuring provision and an impairment loss related to the Stenay plant.

Earnings per share

The loss profit for the period was EUR -10.3 million (EUR 27.6 million), and earnings per share were EUR -0.09 (EUR 0.24). Comparable earnings per share excluding depreciation and amortization arising from PPA were EUR 0.18 (EUR 0.38).

CHANGE IN NET SALES	
Q4/2017	**EUR 719 M**
Volume	-6%
Selling price and product mix	+8%
Currency	-0%
Q4/2018	**EUR 735 M**





CHANGE IN NET SALES	
2017	**EUR 2,962 M**
Volume	-3%
Selling price and product mix	+8%
Currency	-4%
2018	**EUR 2,997 M**

JANUARY-DECEMBER 2018 (PRO FORMA)

Net sales amounted to EUR 2,996.9 million, showing an increase of 1.2% from the EUR 2,961.5 million in January-December 2017. At constant currency rates, growth was 5.1%, driven by significantly higher selling prices. Lower delivery volumes in all business areas and an adverse currency effect had a negative impact on net sales.Volumes were impacted by the planned paper machine closure at the Stenay plant and operational issues at the Aspa pulp mill and a reduction of inventories in the supply chain.

Comparable EBITDA was EUR 329.9 million (EUR 366.3 million), representing 11.0% of net sales (12.4%). Profitability decreased, mainly due to lower sales volumes. Clearly higher selling prices almost mitigated increased variable costs. Higher raw material costs, such as for pulp and titanium dioxide, burdened the result by approximately EUR 145 million. An adverse currency had a negative impact on profitability. Targeted synergy benefits and cost reduction measures were achieved according to plan, however, these were offset by higher fixed costs in production.

Items affecting comparability (IAC) in operating result

The operating result was EUR 129.4 million (EUR 106.4 million). IACs totaled EUR -47.3 million (EUR -94.0 million) and were mainly related to the integration costs of the Ahlstrom-Munksjö merger, the Expera Specialty Solutions acquisition, as well as restructuring provision and an impairment loss related to the Stenay plant. The comparison

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IAC figure includes a pro forma adjustment related mainly to transaction costs presented in Q1/2017 pro forma income statement.

Earnings per share
The net profit for the period was EUR 63.2 million (EUR 41.9 million), and earnings per share were EUR 0.54 (EUR 0.36). Comparable earnings per share excluding depreciation and amortization arising from PPA were EUR 1.15 (EUR 1.32).

FINANCING AND CASH FLOW

NET FINANCIAL ITEMS (ACTUAL)

October-December 2018
Net financial items amounted to EUR -13.3 million (EUR -6.6 million). The figure includes interest rate expenses of EUR 9.4 million, currency exchange rate loss of EUR 0.5 million and other financial expenses of EUR 3.4 million.

January-December 2018
Net financial items amounted to EUR -25.3 million (EUR -26.2 million). The figure includes interest rate expenses of EUR 23.5 million, currency exchange rate gain of EUR 6.0 million and other financial expenses of EUR 7.9 million.

TAX, EARNINGS PER SHARE (ACTUAL)

October-December 2018
Loss before taxes was EUR -21.0 million (profit EUR 15.5 million). Taxes amounted to a positive EUR 1.2 million (positive EUR 7.2 million). The net loss for the period was EUR -19.8 million (profit EUR 22.7 million), and earnings per share were EUR -0.20 (EUR 0.23).

January-December 2018
Profit before taxes was EUR 63.3 million (EUR 77.3 million). Taxes amounted to EUR 20.4 million (EUR 10.8 million). The net profit for the period was EUR 42.9 million (EUR 66.5 million), and earnings per share were EUR 0.43 (EUR 0.78).

CASH FLOW (ACTUAL)

October-December 2018
Net cash flow from operating activities amounted to EUR 30.9 million (EUR 77.2 million). Cash flow was impacted by transaction and integration related costs, higher financing expenses and a lower result.

January-December 2018
Net cash flow from operating activities amounted to EUR 91.6 million (EUR 186.5 million). Cash flow was impacted by an increase in net working capital partly due to higher inventories and receivables.

NET DEBT, GEARING AND LIQUIDITY (ACTUAL)
The company's net debt amounted to EUR 971.3 million at the end of the reporting period (EUR 375.3 million on December 31, 2017). At the end of the reporting period, the weighted average interest rate was 3.3%. Gearing stood at 83.6%.

Ahlstrom-Munksjö's liquidity continues to be good. At the end of the review period, the total cash position was EUR 151.0 million. In addition, the company had undrawn committed credit facilities and committed cash pool overdrafts of EUR 212.5 million available.

EQUITY (ACTUAL)
On December 31, 2018, equity was EUR 1,162.2 million and total assets were EUR 3,234.9 million. The equity was positively impacted by a rights issue worth about EUR 150 million in December 2018.

SYNERGY BENEFITS AND COST REDUCTION MEASURES

AHLSTROM AND MUNKSJÖ MERGER

The merger creating Ahlstrom-Munksjö Oyj was completed on April 1, 2017 and the company has completed all the original integration initiatives. The successful combination created a solid basis for improved performance and the company has continued efforts to improve operational efficiency.

Ahlstrom-Munksjö is targeting EUR 50 million annually in synergies and cost reduction measures by the end of the first quarter of 2019. Cost synergies comprise mainly lower fixed costs as well as lower variable costs through coordination of sourcing activities and optimization of production. The plan also includes business synergies from incremental sales and product mix improvement, predominantly related to the integration of the former Graphics and Packaging business area into the new Specialties business area.

The Group structure has been adjusted to our operating model, where businesses units have clear responsibility and local accountability. This also included the concentration and relocation of the company's head office to Helsinki from Stockholm.

At the end of the reporting period, the annual synergy achievement run rate was approximately EUR 41 million. Costs related to the achievement of synergies and cost reduction measures are estimated to be EUR 30-35 million by the end of the first quarter of 2019.

Achieved synergy benefits and related costs, EUR million	**Q2/17**	**Q3/17**	**Q4/17**	**Q1/18**	**Q2/18**	**Q3/18**	**Q4/18**
Achieved annualized synergy benefits	13	17	19	26	32	38	41
Quarterly costs	4	7	8	2	3	2	2
Cumulative costs		11	19	21	24	26	28

ACQUISTITION OF EXPERA SPECIALTY SOLUTIONS

On October 10, 2018. Ahlstrom-Munksjö completed the acquisition of U.S. specialty paper producer Expera Specialty Solutions, forming a fifth business area and reporting segment named North America Specialty Solutions. The acquisition expands the company's presence in North America and further strengthens its offering. The transaction almost tripled net sales in the U.S.

Annual near-term synergy benefits of EUR 8 million, mainly arising from SG&A and procurement, are estimated to be achieved by the end of 2019. Costs related to the achievement of near-term cost synergies are estimated to be EUR 7 million by the end of 2019. At the end of the reporting period, the annual synergy achievement run rate was approximately EUR 4 million.

Ahlstrom-Munksjö expects additional earnings growth from a recently finalized investment in new silicone coating capacity. The new coater came on-line in September 2017 and is expected to contribute approximately EUR 9 million annually to EBITDA when fully commissioned in 2022.

The Expera acquisition is also expected to generate annual business synergies of at least EUR 10 million with a gradual impact from 2020 onwards. Cross-selling opportunities relate to the broader product offering and expanded presence, particularly in food processing and packaging, such as specialty paper to wrap and package processed and quick service restaurant prepared foods. Technology sharing is expected to generate benefits in the manufacture of e.g. interleaving papers and release liner. The expanded production platform provides production optimization opportunities e.g. in the tape products segment. Work to identify further business synergies continues.

ACQUISITION OF CAIEIRAS SPECIALTY PAPER MILL

On October 17, 2018, Ahlstrom-Munksjö completed the acquisition of MD Papéis' Caieiras specialty paper mill in Brazil. For Ahlstrom-Munksjö, the acquisition strengthens the company's offering and production platform in South America. with opportunities for growth. In addition, product optimization, delivery capabilities and competitiveness are improved by combining operations in Caieiras with those in nearby Jacarei and Louveira. The business has been integrated into Decor and Industrial Solutions business areas.

Annual near-term cost synergies of up to EUR 6 million are estimated, mainly arising from the optimization of overlapping business. and are expected to be achieved by the end of 2019. Costs related to the achievement of near-term cost synergies are estimated to be EUR 2 million by the end of 2019.

CAPITAL EXPENDITURE

Ahlstrom-Munksjö's actual capital expenditure excluding acquisitions totaled EUR 160.1 million in 2018 (EUR 84.6 million) and EUR 64.5 million in October-December 2018 (EUR 40.2 million). The investments were related to maintenance, cost and efficiency improvements. as well as growth initiatives and improved environmental performance and safety.

Capital expenditure is expected to be approximately EUR 170 million in 2019 (pro forma EUR 176 million in 2018).

INVESTMENT DECISIONS TO IMPROVE FINANCIAL AND ENVIRONMENTAL PERFORMANCE

Insulation

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

Decor

On April 23, 2018, the company announced an investment of EUR 5 million in the Decor business. where the company will invest to further enhance the quality of pre-impregnated decor papers produced at its Dettingen plant in Germany.

Medical

On April 23, 2018, Ahlstrom-Munksjö announced an investment of about EUR 4 million in the Medical business, where it will rebuild a converting line for sterilization wrap, produced at its Pont Audemer plant in France.

Filtration

On June 18. 2018, Ahlstrom-Munksjö announced an investment of about EUR 28 million to expand manufacturing capacity and the product capabilities of industrial filtration applications in Turin, Italy as well as in Ställdalen, Sweden and Malmedy, Belgium. The project was started in 2018 and is expected to be completed during the first half of 2020.

Beverage & Casing

On July 18. 2018, the company announced an investment of about EUR 28 million to reinforce its market position in biodegradable and compostable tea bag, coffee and meat casing materials in the Beverage & Casing business. The project includes the purchase of a secondhand paper making line to be dismantled and transferred to the Chirnside manufacturing site in the UK. The machine is expected to be fully commissioned in the second half of 2020.

Coated Specialties

On August 30, 2018, Ahlstrom-Munksjö announced an investment of EUR 21 million in its Coated Specialties business to improve capabilities and flexibility at its Jacarei plant in Brazil and better serve customers in South America with a broader offering. The project is expected to be completed in the third quarter of 2019, and will expand the site's capabilities in coating and calendering on the paper machine.

Release Liners, Filtration

On December 18, 2018 Ahlstrom-Munksjö announced an investment of approximately EUR 15 million to install a new co-generation plant at its Turin site in Italy. The investment allows the combined and efficient generation of power and steam needed for site processes. The project will begin in the first half of 2019 and is expected to be completed by the first half of 2020.

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PERSONNEL

Ahlstrom-Munksjö employed an average of 8.204 people in January-December 2018 (8.196) in full-time equivalents (pro forma). As of December 31. 2018. the highest numbers of employees were in the United States (31%). France (20%), Sweden (10%). Brazil (9%) and Germany (7%).

HEALTH AND SAFETY

The health and safety of employees is a top priority at Ahlstrom-Munksjö. The company has chosen three priority metrics to track performance in this field: total recordable incidents (TRI[1]) rate, near-miss rate, and hours of tailored safety training per employee per year. Ahlstrom-Munksjö believes that a goal of zero accidents is achievable, and our long-term target for TRI is zero. In 2018, our near miss rate target is 2.9 and we aim to provide 15 hours of tailored safety training per employee.

In January-December 2018, the TRI rate was 1.77, the near-miss rate was 3.65 and 15.2 hours of training were provided per employee.

MAJOR EVENTS DURING THE REPORTING PERIOD

CHANGES IN THE EXECUTIVE MANAGEMENT TEAM

Hans Sohlström started as President and CEO on April 16, 2018 following the retirement of Jan Åström.

Pia Aaltonen-Forsell, Executive Vice President and CFO. assumed responsibility for Communications and Investor Relations in addition to her CFO role as of April 24, 2018.

Dan Adrianzon was appointed Executive Vice President, People and Safety and a member of the Executive Management Team as of April 24, 2018. Åsa Jackson, former Executive Vice President, Human Resources and Health & Safety and Anna Selberg, former Executive Vice President, Communications and Investor Relations. agreed to leave the company.

On October 10, 2018, Russ Wanke, the former President and CEO of Expera, was appointed Executive Vice President, North America Specialty Solutions and a member of Ahlstrom-Munksjö's Executive Management Team.

On November 9. 2018, Sakari Ahdekivi, currently Deputy CEO and Executive Vice President Corporate Development, was appointed Deputy CEO and CFO as of March 1, 2019, in addition to his current role. Ahdekivi replaces Aaltonen-Forsell, who decided to leave Ahlstrom-Munksjö to take on new responsibilities outside the company.

COMPLETION OF THE EXPERA ACQUISITION

On October 10, 2018, Ahlstrom-Munksjö completed the acquisition of U.S. specialty paper producer Expera Specialty Solutions for a purchase price of USD 604 million (EUR 525 million) on a cash-and debt-free basis.

Changes in segment reporting

Expera formed the company's fifth business area and financial reporting segment, named North America Specialty Solutions.

COMPLETTION OF THE CAIEIRAS ACQUISITION

On October 17. 2018, Ahlstrom-Munksjö completed the acquisition of MD Papéis' Caieiras specialty paper mill in Brazil for a debt-free purchase price of about EUR 95 million. The business has been integrated into Decor and Industrial Solutions business areas.

AHLSTROM-MUNKSJÖ PROCEEDS WITH THE PROJECT TO SIGNIFICANTLY IMPROVE COMPETITIVENESS IN ONE-SIDE COATED PAPER PRODUCTS SEGMENT

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

AHLSTROM MUNKSJÖ

On October 30, 2018 Ahlstrom-Munksjö announced a project to significantly improve the competitiveness of its one-side coated paper segment. The project includes optimizing production capacity and product offering to meet the profitable demand as well as closure of one paper machine (PM1) in Stenay, France.

Employee consultation processes started on October 30, 2018, and are expected to be completed in February 2019. According to the project, permanent machine closure is expected by end of March 2019.

One-side coated product segment, a part of the Food Packaging business in the Specialties business area, is a segment where the markets have significant overcapacity globally, especially in Europe and the company's offering is not optimally aligned with the strategy of niche orientation in customized solutions. While Ahlstrom-Munksjö has proceeded with key measures to improve the situation, the operating environment has further deteriorated mainly due to increased raw material costs.

By concentrating orders to the larger paper machine (PM3) at the Stenay plant, cost savings can also be achieved from higher raw material-, energy- and waste-efficiency, as well as improved inventory management. Annual impact of the planned turnaround program would be approximately EUR 13 million. Restructuring provision of EUR 11.2 million and an impairment loss of EUR 7.7 million were booked as items affecting comparability in the fourth quarter of 2018.

RIGHTS ISSUE

Ahlstrom-Munksjö successfully conducted a rights issue in December 2018. The company received EUR 150.1 million in gross proceeds. Direct costs related to the issue amounted to EUR 5.9 million net of tax. The proceeds were used to partly finance the acquisition of Expera.

As a result of the offering, the total number of shares in Ahlstrom-Munksjö increased by 19,214,742 to 115,653,315 from 96,438,573. The subscription price was EUR 7.81 for the shares registered with Euroclear Finland and listed on Nasdaq Helsinki, and SEK 80.15 for the shares registered with Euroclear Sweden and listed on Nasdaq Stockholm.

BUSINESS AREA REVIEWS

DECOR

The Decor business area develops and produces paper-based surfacing for wood-based materials such as laminate flooring, furniture and interiors.

Market review 2018

Demand for decor products softened in Europe during the year, mainly due to an inventory reduction across the industry. In South and North America as well as in Asia demand remained at a good level. Competition has intensified, particularly in markets outside Europe, due to new suppliers.

Q4/2018 compared with Q4/2017 (pro forma)

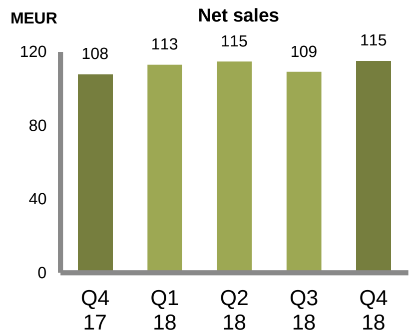
Net sales rose by 6.8% to EUR 115.1 million, compared with EUR 107.8 million in the comparison period. The increase was mainly driven by higher selling price, while volumes increased slightly.

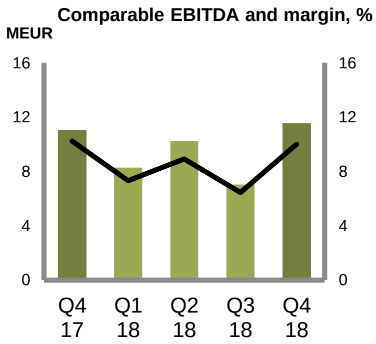
Comparable EBITDA increased to EUR 11.5 million (EUR 11.0 million), representing 10.0% (10.2%) of net sales, as higher selling prices more than offset increased variable costs. Fixed costs increased slightly.

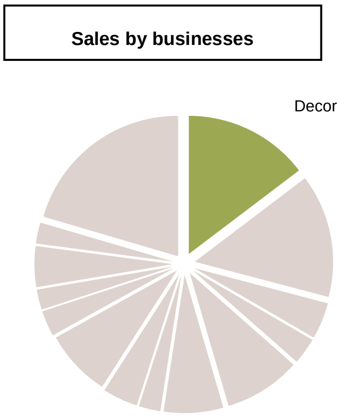
2018 compared with 2017 (pro forma)

Net sales rose by 4.7% to EUR 451.9 million, compared with EUR 431.8 million in the comparison period. The increase was driven by higher selling prices and an improved product mix. Sales volumes were lower than in the comparison period.

Comparable EBITDA decreased to EUR 37.1 million (EUR 43.8 million), representing 8.2% (10.2%) of net sales. Higher selling prices and an improved product mix had a positive impact on the result, more than compensating for a steep increase in variable costs such as titanium dioxide and pulp costs. Lower sales volumes and slightly higher fixed costs had a negative impact on the result.







Pro forma, EUR million	Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017	2018	2017
Net sales	115.1	109.1	114.7	112.9	107.8	451.9	431.8
Comparable EBITDA	11.5	7.0	10.2	8.3	11.0	37.1	43.8
Comparable EBITDA margin, %	10.0	6.5	8.9	7.3	10.2	8.2	10.2
Capital expenditure	5.8	3.7	2.3	3.7	2.9	15.5	11.2
Depreciation, amortization and impairment	2.5	2.3	2.3	2.3	2.7	9.4	10.6

AHLSTROM MUNKSJÖ

FILTRATION AND PERFORMANCE

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

Market review 2018

Demand for filtration products softened somewhat towards the end of the year in Europe and Asia, while it remained stable in North America. In construction-related markets, demand for flooring and other glass fiber tissue materials remained good whereas the wallcoverings market continued to decline in Europe.

Q4/2018 compared with Q4/2017 (pro forma)

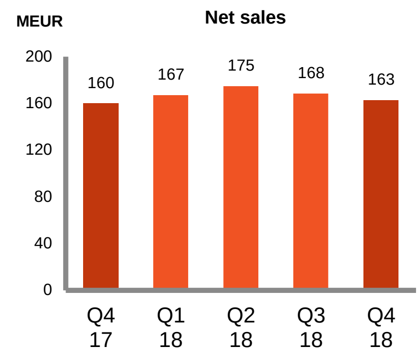
Net sales rose by 1.7% to EUR 162.6 million, compared with EUR 159.9 million in the comparison period. The increase was driven by higher selling prices. Sales volumes in the Filtration and Nonwovens businesses decreased, while deliveries of glass fiber tissue in the Building & Wind business increased.

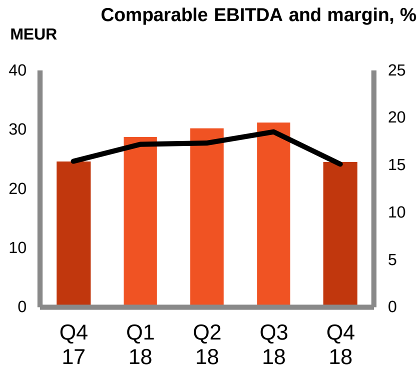
Comparable EBITDA was stable at EUR 24.5 million (EUR 24.6 million), representing 15.1% (15.4%) of net sales. The negative impact from slightly lower volumes was offset by lower fixed costs.

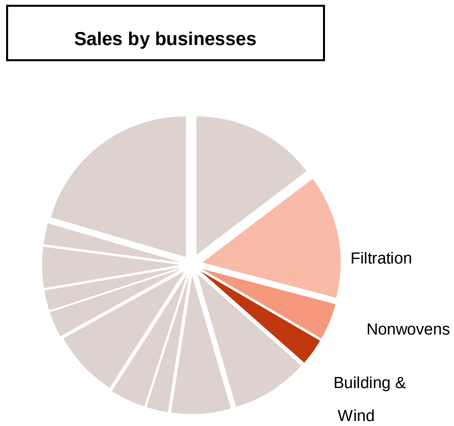
2018 compared with 2017 (pro forma)

Net sales rose by 1.1% to EUR 672.5 million, compared with EUR 665.3 million in the comparison period. The increase was mainly driven by higher selling prices and an improved mix, partly offset by unfavorable currencies.

Comparable EBITDA declined to EUR 114.7 million (EUR 120.6 million), representing 17.0% (18.1%) of net sales. Higher selling prices and an improved product mix did not fully compensate for the increased variable costs. Fixed costs increased. mainly because of the expansion in the Filtration business.







Pro forma, EUR million	Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017	2018	2017
Net sales	162.6	168.3	174.7	167.0	159.9	672.5	665.3
Comparable EBITDA	24.5	31.2	30.2	28.7	24.6	114.7	120.6
Comparable EBITDA margin, %	15.1	18.5	17.3	17.2	15.4	17.0	18.1
Capital expenditure	11.4	8.0	12.6	6.7	14.6	38.7	27.4
Depreciation, amortization and impairment	10.7	10.4	10.5	10.5	11.0	42.1	44.8

INDUSTRIAL SOLUTIONS

The Industrial Solutions business area develops and produces abrasive backings, electrotechnical insulation papers, release liners and coated specialty papers. The business area also supplies fine art and printing papers, as well as thin papers, specialty pulp and balancing foil paper.

Market review 2018

After stable demand for most of the year, the markets for abrasive backings, electrotechnical insulation papers, release liners and specialty pulp witnessed a slowdown toward the year end. This was partly driven by a reduction in inventories in the supply chain. The markets for release liners in Europe were competitive. The domestic market for coated specialties products in Brazil remained stable at a low level.

Q4/2018 compared with Q4/2017 (pro forma)

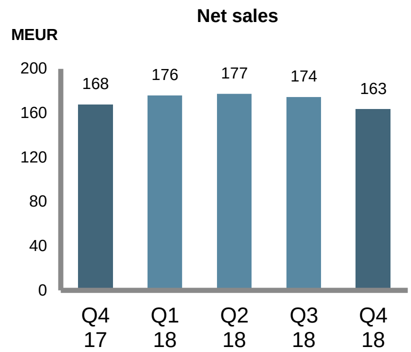
Net sales decreased by 2.6% to EUR 163.4 million, compared with EUR 167.8 million in the comparison period. The positive impact of higher selling prices was more than offset by lower deliveries.

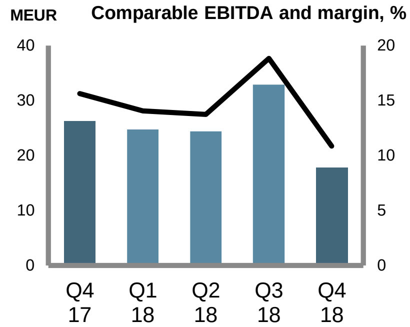
Comparable EBITDA decreased to EUR 17.7 million (EUR 26.2 million), representing 10.8% (15.6%) of net sales, mainly due to lower volumes.

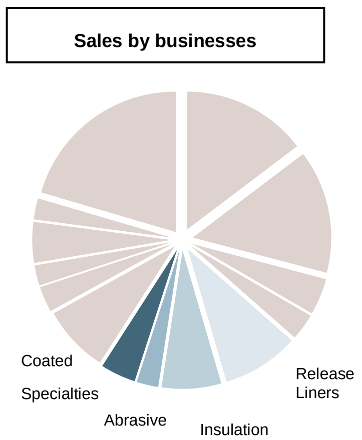
2018 compared with 2017 (pro forma)

Net sales rose by 1.9% to EUR 691.2 million, compared with EUR 678.4 million in the comparison period. Higher selling prices were partially offset by unfavorable currencies and lower sales volumes.

Comparable EBITDA decreased to EUR 99.7 million (EUR 112.1 million), representing 14.4% (16.5%) of net sales. The result was impacted by lower sales volumes, particularly at the Aspa pulp mill in the Insulation business. Volumes also decreased in the Release Liners business. Higher selling prices more than offset increased variable costs.







Pro forma, EUR million	Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017	2018	2017
Net sales	163.4	174.5	177.3	176.0	167.8	691.2	678.4
Comparable EBITDA	17.7	32.9	24.4	24.7	26.2	99.7	112.1
Comparable EBITDA margin, %	10.8	18.8	13.7	14.1	15.6	14.4	16.5
Capital expenditure	23.7	9.8	12.0	11.4	15.9	57.0	35.7
Depreciation, amortization and impairment	9.0	9.0	9.1	9.2	9.4	36.4	40.1

NORTH AMERICA SPECIALTY SOLUTIONS

The North America Specialty Solutions business area develops and produces a wide range of specialized materials that protect and enhance the performance of industrial and consumer applications, such as tape and interleaving papers, specialty paper to wrap and package processed and quick service restaurant prepared foods and release liners.

Market review 2018

Demand for food processing and packaging papers remained stable with some softening materializing at year end, mainly driven by a reduction in inventories in the value chain. Demand for industrial and technical-related specialty papers remained robust. except for a slowdown in steel interleaving paperprimarily impacting sales outside the U.S. In the release liner segment. demand weakened in commodity grades whereas it remained strong in technical products for industrial fiber composites.

Q4/2018 compared with Q4/2017 (pro forma)

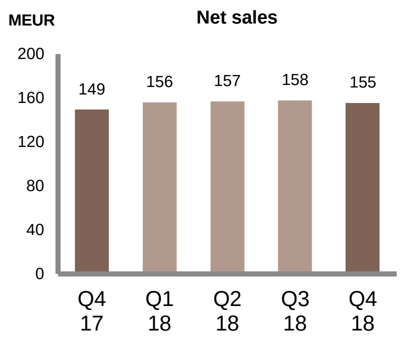
Net sales rose 4.2% to EUR 155.5 million, compared with EUR 149.2 million in the comparison period, as higher selling prices more than offset lower deliveries.

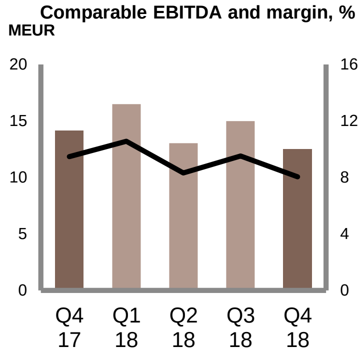
Comparable EBITDA decreased to EUR 12.5 million (EUR 14.1 million), representing 8.0% (9.5%) of net sales, mainly due to lower sales volumes. Higher variable costs, stemming mainly from higher pulp prices, were partially offset by selling price increases. Product mix improved.

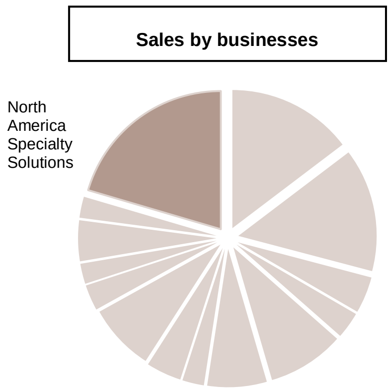
2018 compared with 2017 (pro forma)

Net sales fell 1.9% to EUR 626.0 million compared with EUR 637.9 million in the comparison period. as lower deliveries more than offset higher selling prices.

Comparable EBITDA decreased to EUR 57.0 million (EUR 62.2 million), representing 9.1% (9.7%) of net sales, due to lower sales volumes. Higher variable costs, stemming mainly from higher pulp prices, were partially offset by selling price increases. Product mix improved.







Pro forma, EUR million	Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017	2018	2017
Net sales	155.5	157.6	156.8	156.1	149.2	626.0	637.9
Comparable EBITDA	12.5	15.0	13.0	16.5	14.1	57.0	62.2
Comparable EBITDA margin, %	8.0	9.5	8.3	10.6	9.5	9.1	9.7
Capital expenditure	8.9	5.7	4.9	2.0	10.4	21.6	31.0
Depreciation, amortization and impairment	6.6	6.6	7.3	6.9	7.1	27.4	31.0

SPECIALTIES

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

Market review 2018

In the Food Packaging business growth in parchment papers for food processing and packaging continued. The market remained stable in the Beverage & Casing business as demand for fibrous meat casing materials showed steady growth, while in coffee and tea the trend toward plastic-free, compostable and sustainable products accelerated. Demand for tape backings was solid in all markets with some softening materializing toward year end, mainly driven by a reduction in inventories in the supply chain. In the Medical and Advanced Liquid Technologies businesses demand remained mostly robust.

Q4/2018 compared with Q4/2017 (pro forma)

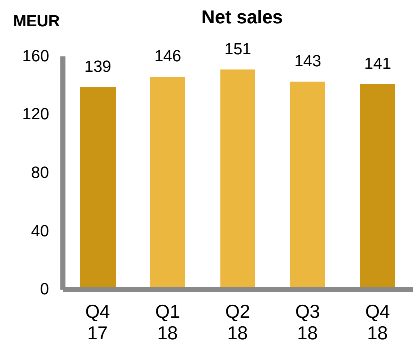
Net sales increased by 1.4% to EUR 140.9 million, compared with EUR 138.9 million in the comparison period, as higher sales prices more than offset lower deliveries. Sales volumes in the Food Packaging business decreased, mainly due to the planned paper machine closure at the Stenay plant in France. Deliveries in the Medical and Tape businesses rose, while those in the Beverage & Casings and Advanced Liquid Technologies businesses fell.

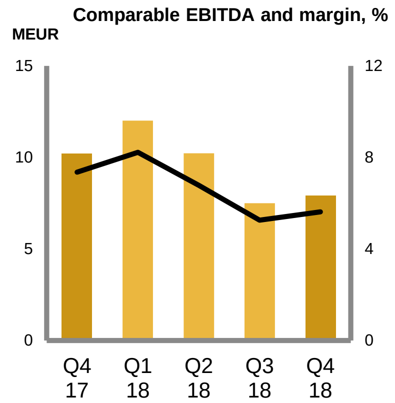
Comparable EBITDA decreased to EUR 7.9 million (EUR 10.2 million), representing 5.6% (7.3%) of net sales. The decline was mainly due to lower volumes. Higher selling prices more than compensated for the increased variable costs. Profitability decreased in particular in the coated-one sided business, a product segment within the Food Packaging business.

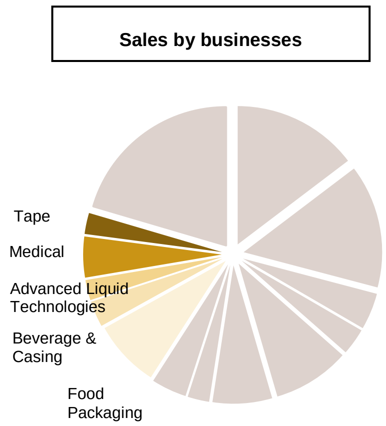
2018 compared with 2017 (pro forma)

Net sales rose 1.0% to EUR 580.3 million compared with EUR 574.3 million in the comparison period, as higher selling prices more than offset lower deliveries and an adverse currency effect. Sales volumes decreased in the coated one-sided product segment within the Food Packaging business, and in the Beverage & Casing business. Deliveries increased in the Medical, Tape and Advanced Liquid Technologies businesses.

Comparable EBITDA decreased to EUR 37.6 million (EUR 52.9 million), representing 6.5% (9.2%) of net sales, mainly due to lower profitability in the coated one-sided business, a product segment within the Food Packaging business. This was the result of increased variable costs and lower volumes.







Pro forma, EUR million	Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017	2018	2017
Net sales	140.9	142.6	150.9	145.9	138.9	580.3	574.3
Comparable EBITDA	7.9	7.5	10.2	12.0	10.2	37.6	52.9
Comparable EBITDA margin, %	5.6	5.3	6.8	8.2	7.3	6.5	9.2
Capital expenditure	9.6	15.3	4.0	3.0	5.9	31.8	14.6
Depreciation, amortization and impairment	15.3	7.6	7.6	7.7	8.0	38.2	30.0

SHARES AND SHARE CAPITAL

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

On December 31. 2018. Ahlstrom-Munksjö's share capital amounted to EUR 85 million. and the total number of shares since December 28. 2018 has been 115.653.315. As a result of a rights issue. the total number of shares in Ahlstrom-Munksjö increased by 19,214,742 from 96,438,573 during the reporting period.

The company had 12.095 shareholders at the end of the reporting period (11,526 as of Dec. 31, 2017) according to Euroclear Finland Ltd. Ahlstrom-Munksjö held a total of 364,862 of its own shares, corresponding to approximately 0.4% of total shares and votes.

SHARE PRICE PERFORMANCE AND TRADING

	Nasdaq Helsinki		Nasdaq Stockholm	
	2018	2017*	2018	2017*
Share price at the end of the period, EUR/SEK	12.12	18.17	124.40	177.30
Highest share price, EUR/SEK	20.10	20.49	197.40	199.50
Lowest share price, EUR/SEK	10.68	13.75	110.00	131,50
Market capitalization at the end of the period**, EUR million	1,397.3	1,745.7	N/A	N/A
Trading value, EUR/SEK million	192.0	263.7	335.2	398.8
Trading volume, shares million	12.8	15.0	2.2	2.3
Average daily trading volume, shares	51,343	59,978	8,825	9,339

** January-March 2017 Munksjö Oyj only*

***Excluding the shares held by Ahlstrom-Munksjö*

Ahlstrom-Munksjö's shares are also traded on alternative exchanges, such as Cboe, Liquidnet, Turquoise and Posit. Those exchanges represented about 38% of the total trading value during the reporting period (source: Fidessa Fragmentation Index).

GENERAL MEETINGS OF SHAREHOLDERS

ANNUAL GENERAL MEETING

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

The AGM resolved to distribute a dividend of EUR 0.52 per share for the fiscal year that ended on December 31, 2017 in accordance with the proposal of the Board of Directors. The dividend was paid in two instalments. The first instalment of EUR 0.26 per share was paid on April 3, 2018 and the second instalment of EUR 0.26 per share on September 19, 2018.

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

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

Authorization to repurchase own shares

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

AHLSTROM MUNKSJÖ

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

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

Decisions taken by the Board of Directors after the AGM

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

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

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

EXTRAORDINARY GENERAL MEETING

Ahlstrom-Munksjö Oyj's Extraordinary General Meeting ("EGM") was held on September 19, 2018 in Helsinki.

Authorization of the Board of Directors to resolve on a share issue

To finance part of the acquisition of Expera, Ahlstrom-Munksjö planned to conduct a share issue of approximately EUR 150 million.

The EGM authorized the Board of Directors to resolve on the issuance of a maximum of 20,000,000 new shares pursuant to the shareholders' pre-emptive subscription right (rights offering). The authorization includes the right for the Board of Directors to resolve upon the issuance of shares that at the end of the subscription period of the rights offering may remain unsubscribed for pursuant to the shareholders' pre-emptive subscription right to parties determined by the Board of Directors (i.e. in derogation from the pre-emptive right of the shareholders). The Board of Directors is authorized to determine all other terms and conditions of the issuance of new shares.

Resolution on the number of members of the Board of Directors and election of a new member of the Board

The EGM resolved in accordance with the proposal of the Nomination Board that the number of Board members be nine. The EGM resolved in accordance with the proposal of the Nomination Board to elect Lasse Heinonen as a new member of the Board.

PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The distributable funds on the balance sheet of Ahlstrom-Munksjö Oyj as of December 31, 2018 amounted to EUR 777,405,417.67.

The Board of Directors proposes that the Annual General Meeting resolves, based on the financial statements of the company for 2018, on the dividend payment in the amount of EUR 0.52 per share.

The dividend will be paid in two instalments. The first instalment of EUR 0.26 per share will be paid to a shareholder who on the record date of the payment, March 29, 2019, is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd or in the register of shareholders maintained by Euroclear Sweden AB. The payment date proposed by the Board for this instalment is April 5, 2019.

The second instalment of EUR 0.26 per share will be paid in October 2019 to a shareholder who on the record date of the payment is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd or in the register of shareholders maintained by Euroclear Sweden AB, which, together with the payment date, will be resolved by the Board of Directors in its meeting scheduled for September 25, 2019. The record date of the payment would be September 27, 2019 and the payment date October 4, 2019, at the latest.

In addition, the Board of Directors proposes that EUR 100.000 will be reserved for donations at the discretion of the Board.

SHORT-TERM RISKS

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

The company's significant risks and uncertainty factors mainly consist of developments in demand for and prices of sold products, the cost and availability of significant raw materials, financial risks, as well as other business factors including developments in the financial markets. The cost of key raw materials such as pulp and titanium dioxide has stayed at a high level and the company's financial performance may be impacted by its ability to raise selling prices and the timing of possible raw material price rises to mitigate cost inflation. On-going trade disputes and the outcome of the Brexit increases uncertainty in the global economic outlook and this may have an effect on Ahlstrom-Munksjö's markets.

Ahlstrom-Munksjö has recently acquired Expera and Caieiras and it may not be able to realize some or any of the anticipated benefits from those acquisitions. In addition, the company may not be able to successfully integrate the acquired operations into its existing businesses.

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

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

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

The actual numbers in this report have been prepared in accordance with International Financial Reporting Standards (IFRS). Comparable figures refer to the same period in the previous year, unless otherwise stated. The report contains certain forward-looking statements that reflect the present views of the company's management. The statements contain uncertainties and risks and are thus subject to changes in the general economic situation and in the company's business.

Ahlstrom-Munksjö Oyj
Board of Directors

ADDITIONAL INFORMATION

Hans Sohlström. President and CEO, tel. +358 10 888 2520
Pia Aaltonen-Forsell, CFO, tel. +46 10 250 1029
Johan Lindh, Head of Investor Relations, + 358 10 888 4994
Juho Erkheikki, Investor Relations Manager, tel. +358 10 888 4731

WEBCAST AND CONFERENCE CALL

A combined news conference, call and live webcast will be arranged on the publishing day, February 14. 2019. at 11:00 a.m. EET (10:00 a.m. CET) at Ahlstrom-Munksjö's head office in Helsinki (Alvar Aallon katu 3 C, meeting room Antti). The report will be presented in English by President and CEO Hans Sohlström.

WEBCAST AND CONFERENCE CALL INFORMATION

The combined webcast and teleconference can be viewed at:
https://qsb.webcast.fi/a/ahlstrommunksjo/ahlstrommunksjo_2019_0214_q4/

Finland: +358 (0)9 7479 0360
Sweden: +46 (0)8 5033 6573
UK: +44 (0)330 336 9104

Conference ID: 159041

To join the conference call, participants are requested to dial one of the numbers above 5-10 minutes prior to the start of the event. An on-demand version of the conference call will be available on Ahlstrom-Munksjö's website later the same day. By dialing in to the conference call, the participant agrees that personal information such as name and company name will be collected. The conference call will be recorded.

AHLSTROM-MUNKSJÖ IN BRIEF

Ahlstrom-Munksjö is a global leader in fiber-based materials, supplying innovative and sustainable solutions to its customers. Our mission is to expand the role of fiber-based solutions for sustainable everyday life. Our offering include filter materials, release liners, food and beverage processing materials, decor papers, abrasive and tape backings, electrotechnical paper, glass fiber materials, medical fiber materials and solutions for diagnostics as well as a range of specialty papers for industrial and consumer end-uses. Our annual net sales are about EUR 3 billion and we employ some 8,000 people. The Ahlstrom-Munksjö share is listed on the Nasdaq Helsinki and Stockholm. Read more at www.ahlstrom-munksjo.com.

APPENDIX 1: CONSOLIDATED FINANCIAL STATEMENTS

The annual IFRS figures are audited, pro forma figures are unaudited.

Income statement EUR million	Q4/2018	Q4/2017	2018	2017
Net sales	712.2	547.1	2,438.0	1,959.9
Other operating income	3.3	1.2	9.6	12.7
Total operating income	**715.6**	**548.3**	**2,447.7**	**1,972.6**
Operating costs				
Changes in inventories of finished goods and work in progress	-3.8	-0.8	25.0	-6.4
Materials and supplies	-347.3	-257.3	-1,208.2	-920.2
Other operating expenses	-180.9	-131.0	-589.5	-472.0
Employee benefit expenses	-146.1	-106.3	-452.4	-363.7
Depreciation, amortization and impairment	-45.2	-30.6	-133.9	-106.6
Total operating costs	**-723.2**	**-526.0**	**-2,359.0**	**-1,868.9**
Share of profit in equity accounted investments	0.0	-0.2	0.0	-0.2
Operating result	**-7.7**	**22.1**	**88.7**	**103.5**
Net financial items	-13.3	-6.6	-25.3	-26.2
Profit/loss before tax	**-21.0**	**15.5**	**63.3**	**77.3**
Income taxes	1.2	7.2	-20.4	-10.8
Net profit/loss	**-19.8**	**22.7**	**42.9**	**66.5**

Pro forma Income statement (unaudited) EUR million	Q4/2018	Q4/2017	2018	2017
Net sales	734.8	718.9	2,996.9	2,961.5
Other operating income	3.4	1.7	10.9	21.2
Total operating income	**738.2**	**720.6**	**3,007.8**	**2,982.6**
Operating costs				
Changes in inventories of finished goods and work in progress	-4.7	4.3	24.7	-6.0
Materials and supplies	-350.3	-331.8	-1,445.7	-1,344.4
Other operating expenses	-184.8	-175.4	-715.3	-770.2
Employee benefit expenses	-150.8	-147.5	-581.2	-589.6
Depreciation, amortization and impairment	-46.2	-40.0	-161.0	-165.9
Total operating costs	**-736.9**	**-690.4**	**-2,878.5**	**-2,876.1**
Share of profit in equity accounted investments	0.0	-0.2	0.0	-0.2
Operating result	**1.3**	**30.0**	**129.4**	**106.4**
Net financial items	-12.7	-12.2	-42.5	-59.2
Profit/loss before tax	**-11.4**	**17.8**	**86.9**	**47.2**
Income taxes	1.2	9.8	-23.6	-5.3
Net profit/loss	**-10.3**	**27.6**	**63.2**	**41.9**

Other comprehensive income EUR million	Q4/2018	Q4/2017	2018	2017
Net profit/loss	**-19.8**	**22.7**	**42.9**	**66.5**
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations for the period	8.8	-8.6	-13.5	-53.6
Hedges of net investments in foreign operations	-	-0.0	-0.0	0.1
Change in cash flow hedge reserve	1.9	-0.4	0.3	0.8
Cash flow hedge transferred to this year's result	-3.1	-0.6	0.4	-0.7
Items that will not be reclassified to profit or loss				
Actuarial gains and losses on defined benefit plans	-5.4	-0.9	0.6	5.9
Tax attributable to other comprehensive income	0.7	1.0	-1.1	-1.7
Comprehensive income	**-16.9**	**13.3**	**29.8**	**17.2**
Net profit/loss attributable to				
Parent company's shareholders	-19.8	22.6	41.6	65.9
Non-controlling interests	0.0	0.1	1.4	0.6
Comprehensive income attributable to				
Parent company's shareholders	-17.0	13.1	28.4	16.8
Non-controlling interests	0.1	0.2	1.3	0.4
Earnings per share				
Weighted average number of outstanding shares	98,788,561	96,073,711	96,758,002	84,941,326
Basic earnings per share, EUR	-0.20	0.23	0.43	0.78
Diluted earnings per share, EUR	-0.20	0.23	0.43	0.78

Pro forma Earnings per share (unaudited)	Q4/2018	Q4/2017	2018	2017
Weighted average number of outstanding shares	115,288,453	115,288,453	115,288,453	115,344,915
Basic earnings per share, EUR	-0.09	0.24	0.54	0.36

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Balance sheet EUR million	Dec 31, 2018	Dec 31, 2017
ASSETS		
Non-current assets		
Property, plant and equipment	1,117.2	841.7
Goodwill	630.6	429.4
Other intangible assets	505.1	309.2
Equity accounted investments	1.1	1.2
Other non-current assets	15.4	7.6
Deferred tax assets	7.5	15.1
Total non-current assets	**2,276.9**	**1,604.2**
Current assets		
Inventories	429.6	282.3
Trade and other receivables	374.0	259.3
Income tax receivables	3.3	5.1
Cash and cash equivalents	151.0	245.9
Total current assets	**957.9**	**792.6**
TOTAL ASSETS	**3,234.9**	**2,396.8**
EQUITY AND LIABILITIES		
Equity	**1,162.2**	**1,038.0**
Non-current liabilities		
Non-current borrowings	1,023.4	542.3
Other non-current liabilities	1.7	0.5
Employee benefit obligations	92.7	98.1
Deferred tax liabilities	150.6	105.5
Non-current provisions	25.9	17.7
Total non-current liabilities	**1,294.3**	**764.1**
Current liabilities		
Current borrowings	142.6	78.9
Trade and other payables	615.3	502.9
Income tax liabilities	8.1	4.1
Current provisions	12.3	8.8
Total current liabilities	**778.4**	**594.6**
Total liabilities	**2,072.6**	**1,358.8**
TOTAL EQUITY AND LIABILITIES	**3,234.9**	**2,396.8**

Statement of changes in equity

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

EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)
Balance at January 1, 2017	**15.0**	**254.1**	**384.4**	**-3.1**	**-9.9**	**-206.8**	**433.7**	**4.0**	**437.7**
Net profit	-	-	-	-	-	65.9	65.9	0.6	66.5
Other comprehensive income	-	-	0.1	-	-53.4	4.2	-49.1	-0.2	-49.3
Total comprehensive income	**-**	**-**	**0.1**	**-**	**-53.4**	**70.1**	**16.8**	**0.4**	**17.2**
Merger consideration	70.0	311.8	-	-	-	250.8	632.6	4.8	637.4
Changes in own shares	-	-	-	-5.6	-	-	-5.6	-	-5.6
Return of capital and dividends	-	-44.9	-	-	-	-	-44.9	-0.3	-45.2
Transaction costs on share issue	-	-3.4	-	-	-	-	-3.4	-	-3.4
Long term incentive plan	-	-	-	2.4	-	-2.4	-	-	-
Balance at December 31, 2017	**85.0**	**517.6**	**384.5**	**-6.3**	**-63.3**	**111.7**	**1,029.1**	**8.9**	**1,038.0**
Restatement due to IFRS 9	-	-	-	-	-	-1.6	-1.6	-	-1.6
Balance at January 1, 2018	**85.0**	**517.6**	**384.5**	**-6.3**	**-63.3**	**110.1**	**1,027.5**	**8.9**	**1,036.5**
Net profit	-	-	-	-	-	41.6	41.6	1.4	42.9
Other comprehensive income	-	-	0.6	-	-13.4	-0.3	-13.1	-0.1	-13.2
Total comprehensive income	**-**	**-**	**0.6**	**-**	**-13.4**	**41.3**	**28.4**	**1.3**	**29.8**
Rights issue	-	150.1	-	-	-	-	150.1	-	150.1
Dividends and other	-	-	-	-	-	-50.1	-50.1	-0.3	-50.4
Transaction costs on rights issue	-	-5.9	-	-	-	-	-5.9	-	-5.9
Long term incentive plan	-	-	-	-	-	2.2	2.2	-	2.2
Balance at December 31, 2018	**85.0**	**661.8**	**385.1**	**-6.3**	**-76.7**	**103.5**	**1,152.3**	**9.9**	**1,162.2**

Cash flow statement EUR million	Q4/2018	Q4/2017	2018	2017
Cash flow from operating activities				
Net profit/loss	-19.8	22.7	42.9	66.5
Adjustments, total	53.9	30.9	174.7	138.3
Changes in net working capital	-0.1	22.2	-84.6	25.2
Change in provisions	10.6	9.0	2.5	9.5
Financial items	-6.1	1.1	-23.0	-17.3
Income taxes paid	-7.6	-8.7	-21.0	-35.6
Net cash from operating activities	**30.9**	**77.2**	**91.6**	**186.5**
Cash flow from investing activities				
Payment for acquisition of subsidiary, net of cash acquired	-608.0	-	-608.0	-
Purchases of property, plant and equipment and intangible assets	-64.5	-40.2	-160.1	-84.6
Other investing activities	-0.3	1.9	-0.2	4.8
Net cash from investing activities	**-672.8**	**-38.3**	**-768.3**	**-79.7**
Cash flow from financing activities				
Dividends paid and return of capital	-3.3	-2.6	-50.3	-48.5
Rights issue	148.5	-	148.5	-
Interest on hybrid bond	-	-	-	-6.9
Repurchase of hybrid bond	-	-	-	-100.0
Change in loans and other financing activities	449.2	-11.1	487.7	97.5
Sale / repurchase of own shares	-	-	-	-5.6
Net cash from financing activities	**594.4**	**-13.7**	**585.9**	**-63.6**
Net change in cash and cash equivalents	**-47.5**	**25.2**	**-90.9**	**43.2**
Cash and cash equivalents at the beginning of the period	194.9	225.7	245.9	146.0
Cash and cash equivalents received in the merger	-	-	-	66.6
Foreign exchange effect on cash and cash equivalents	3.6	-5.1	-4.0	-9.9
Cash and cash equivalents at the end of the period	**151.0**	**245.9**	**151.0**	**245.9**

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NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

This consolidated financial statements release has been prepared in accordance with "IAS 34 Interim Financial Reporting", as adopted by the EU. The annual figures in this financial statement bulletin are audited. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Furthermore, all percentages are subject to possible rounding differences. The accounting principles applied are consistent with those followed in the preparation of the Group's Annual Report 2017, except for the adoption of new standards effective as of January 1, 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Landfill

Through acquisitions in year 2018 Group's balance sheet includes a landfill. Accounting principles applied for freehold land and landfills are described in this chapter.

Land and land improvements include the Group's freehold land and the landfills that the Group operates at or near certain of its facilities in the United States. The operation of these landfills require state, federal and local permits for construction, operation and closure and the landfills are subject to constructing final capping and continued monitoring.

The freehold land and land improvements are recognized at cost. The cost of land improvements include the cost of landfill preparation and excavation, construction of liners, related costs for environmental permits and studies and the initial estimate to close, cap and care the landfill, for which the Group has made the environmental provision.

IFRS 15 Revenue from contracts with customers

The Group has adopted IFRS 15 Revenue from Contracts with Customers January 1, 2018. IFRS 15 replaces the revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations. IFRS 15 establishes a five-step single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the good or service underlying the particular performance obligation is transferred to the customer.

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

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

IFRS 9 Financial instruments

The Group has adopted IFRS 9 Financial Instruments on January 1, 2018, the new standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new expected credit loss model for calculating impairment on financial assets. The impacts of IFRS 9 adoption are described below.

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

The classification of the financial assets under IFRS 9:

	Classification under IAS 39	*Classification under IFRS 9*
Trade and other receivables	*Loans and receivables*	*Amortized cost*
Other investments	*Available-for-sale financial assets*	*Fair value through income statement (or other comprehensive income)*
Derivatives under hedge accounting	*Derivatives under hedge accounting (fair value changes through other comprehensive income)*	*Derivatives under hedge accounting (fair value changes through other comprehensive income)*
Derivatives, non hedge accounting	*Fair value through income statement*	*Fair value through income statement*

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

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

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

IFRS 16 Leases

The new standard, IFRS 16 Leases is effective on January 1, 2019. The new standard will affect primarily the accounting by lessees and will result in the recognition of the majority of leases on the balance sheet. The new lease standard removes the previous distinction between operating and finance leases and requires recognition of an asset (the right to use the leased asset) and a financial liability to make lease payments. In accordance with IFRS 16 the operating expenses relating to leases will be replaced by depreciations and interest expenses, resulting in a change in our key metrics e.g. EBITDA. Due to the changes the result for the period will also be affected as the total expense will typically be higher in the earlier years of a lease and lower in later years.

Ahlstrom-Munksjö will adopt IFRS 16 upon initial application January 1, 2019 using a simplified approach and thus comparative figures will not be restated. The Group will use the other available practical expedients, including the exclusion of short-term leases with a term to maturity of less than 12 months, low-value leases and leases of intangible assets.

A lease is a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ahlstrom-Munksjö initially measures the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease or the incremental borrowing rate. The payments are based on the lease contracts and respective payment schedules.

Ahlstrom-Munksjö has analyzed the leasing contracts and collected the lease contract data as of December 31, 2018. The implementation of IFRS 16 will increase the lease liability and the property, plant and equipment in the balance sheet on January 1, 2019 by approximately by EUR 60 million. In the 2019 consolidated income statement, the operating expenses will decrease, while depreciations and interest costs will increase as result of lease expenses capitalized in accordance with IFRS 16. This will lead to an improvement in EBITDA.

In addition to above new IFRS standard adoptions some other amendments, interpretations or improvements apply for the first time in 2018, but do not have a material impact.

Derivative financial instruments

Derivative instruments, EUR million	Carrying value of recognized financial assets (liabilities)	Master netting arrangements	Net amount
2018			
Derivative assets	0.8	-0.6	0.2
Derivative liabilities	-0.9	0.6	-0.3
2017			
Derivative assets	1.4	-1.2	0.2
Derivative liabilities	-1.8	1.2	-0.6

The fair value of currency instruments was EUR -0.1 million at the end of the fourth quarter. The fair value hierarchy level for derivative instruments is 2.

Business combination

Acquisition of Expera and Caieiras

On October 10, 2018, Ahlstrom-Munksjö completed the acquisition of U.S. specialty paper producer Expera Specialty Solutions. Ahlstrom-Munksjö acquired 100 % of the shares. The transformative acquisition will expand the Group's presence in North America and further strengthen its offering of advanced custom-made fiber-based materials. The transaction will almost triple Ahlstrom-Munksjö's net sales in the U.S. and provide a platform for growth.

On October 17, 2018, Ahlstrom-Munksjö completed the acquisition of MD Papéis' Caieiras specialty paper mill in Brazil. Ahlstrom-Munksjö acquired 100 % of the shares. The acquisition significantly strengthens Ahlstrom-Munksjö's offering in South America and provides further growth opportunities. Prior to the closing date of the acquisition, three new companies were created to facilitate the demerger of an existing business unit into multiple legal entities and provide a legal entity that holds the assets and liabilities that have been acquired by Ahlstrom-Munksjö.

Provisional purchase consideration

The acquisitions were paid in cash and financed with credit facility agreements, term loan and issuance of shares.

EUR million	Expera Specialty Solutions	MD Papéis' Caieiras
Provisional cash consideration	525.0	95.0

The provisional cash considerations are subject to completion of the closing accounts in accordance with the terms of the share purchase agreements.

Provisional purchase price allocation and cash flow

The following table presents the provisional fair values of the net assets acquired and the amount of goodwill arising from the acquisitions as of the dates of acquisitions. The provisional purchase price allocations are subject to final approval of the balance sheet at the date of acquisition in accordance with the terms of the share purchase agreements.

EUR million	Expera Specialty Solutions	MD Papéis' Caieiras
Non-current assets		
Property, plant and equipment	198.7	44.9
Other intangible assets	179.0	28.1
Other investments	0.1	-
Other non-current assets	0.6	0.2
Current assets		
Inventories	90.8	14.3
Trade and other receivables	67.7	11.4
Income tax receivable	0.0	-
Cash and cash equivalents	7.7	-
Non-current liabilities		
Non-current borrowings	-10.7	-
Other non-current liabilities	0.0	-
Deferred tax liabilities	-45.3	-13.4
Non-current provisions	-9.1	-
Current liabilities		
Current borrowings	-46.5	-
Trade and other payables	-83.0	-20.7
Income tax liabilities	-0.1	-
Current provisions	-0.1	-
Total net assets acquired	**349.7**	**64.8**
Goodwill	**171.8**	**30.1**
Gain on hedge, net of tax	3.5	-
Provisional purchase consideration	**525.0**	**95.0**
Cash flow		
Provisional purchase consideration	525.0	95.0
Gain on hedge	-4.4	-
Cash and cash equivalents of the acquired entitites	-7.7	-
Liability / receivable related to purchase consideration adjustments	-1.8	1.9
Consideration paid	**511.2**	**96.9**

In both acquisitions, the preliminary considerations were paid at closing based on the estimated closing balance sheets. The liability / receivable related to purchase consideration adjustments presented in the table above are based on the provisional closing balance sheets and they are subject to completion of the closing accounts in accordance with the terms of the share purchase agreements. The liability / receivable related to purchase consideration adjustments have been recognized in current other receivable and payable.

Expera Specialty Solutions

The fair values of acquired identifiable intangible assets at the date of acquisition were EUR 179.0 million comprising of customer relationships of EUR 120.8 million, technology based asset, comprising of process and product technology, know-how and trade secrets, of EUR 49.6 million and economic value of the landfill rights of EUR 8.6 million.

The fair value of the acquired trade receivables is EUR 62.8 million. The gross contractual amount for trade receivables is EUR 62.9 million of which EUR 0.1 million is expected to uncollectable.

Ahlstrom-Munksjö hedged a nominal of USD 300.0 million for foreign exchange risk related to the purchase consideration paid in USD which resulted in a gain of EUR 4.4 million (EUR 3,5 million net of tax) reducing goodwill at consolidation.

The goodwill of EUR 171.8 million arising from the acquisition of Expera Specialty Solutions is attributable to workforce, synergies and expanding the North American platform for future growth. Acquired goodwill has been *allocated to Ahlstrom-Munksjö's North America Specilty Solutions business area. Ahlstrom-Munksjö expects that EUR 12.4 million of the goodwill will be deductible for tax purposes.*

Acquisition related costs of EUR 9.7 million, that were not attributable to the share issue, are included in other operating expenses in income statement and in net cash from operating activities in cash flow statements.

MD Papéis' Caieiras

The fair values of acquired identifiable intangible assets at the date of acquisition were EUR 28.1 million comprising of customer relationships of EUR 24.0 million and energy contracts of EUR 4.0 million.

The fair value of the acquired trade receivables is EUR 10.4 million. The gross contractual amount for trade receivables is EUR 11.5 million of which EUR 1.1 million is expected to uncollectable.

The goodwill of EUR 30.1 million arising from the acquisition of MD Papéis' Caieiras specialty paper mill in Brazil is attributable to synergies and assembled workforce and it has been allocated to Ahlstrom-Munksjö's Decor and Industrial Solutions business areas. It is expected that the goodwill will not be deductible for tax purposes.

Acquisition related costs of EUR 1.2 million are included in other operating expenses in income statement and in net cash from operating activities in cash flow statements.

Revenue and profit contributions

The acquired businesses contributed revenues from the acquisition dates as described on the table below.

EUR million	Expera Specialty Solutions Oct 11 - Dec 31, 2018	MD Papéis' Caieiras Oct 18 - Dec 31, 2018
Net sales	140.2	18.7
Net loss	-1.8	-0.8

The consolidated pro forma net sales and net profit for the year ended December 31, 2018, as though the acquisition dates had been as of the beginning of the financial year were EUR 2,996.9 million and EUR 63.2 million, respectively.

Segment information

Following the acquisitions of Expera and Caieiras. Ahlstrom-Munksjö is organized into five business areas which are Decor, Filtration and Performance, Industrial Solutions, North America Specialty Solutions and Specialties. North America Specialty Solutions business area includes the operations and business of Expera Specialty Solutions. Business of MD Papéis' Caieiras has been divided into two segments, Decor and Industrial Solutions. These five business areas form the Group's reportable segments. Ahlstrom-Munksjö's business areas are described below:

Decor

The Decor business area develops and produces paper-based surfacing for wood-based materials such as laminate flooring, furniture and interiors.

Filtration and Performance

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

Industrial Solutions

The Industrial Solutions business area develops and produces abrasive backings, electrotechnical insulation papers, release liners and coated specialty papers. The business area also supplies fine art and printing papers, as well as thin papers, specialty pulp and balancing foil paper.

North America Specialty Solutions

North America Specialty Solutions business area comprises the acquired business of Expera and it develops and produces specialized materials that protect and enhance the performance of a wide range of industrial and consumer applications, such as tape and interleaving papers, specialty paper to wrap and package processed and quick service restaurant prepared foods as well as release liners.

Specialties

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

Other and eliminations

Other and eliminations include head office costs comprising the following functions: CEO, Group Finance, Treasury, Investor Relations, Strategy, Legal, Communications, and Group HR. The head office costs comprise mainly salaries, rent and professional fees. Other and eliminations include holding and sales companies' income and expenses. Other and eliminations also include certain other exceptional costs not used in the assessment of business area performance.

Financial performance by business area, EUR million 2018	Decor	Filtration and Performance	Industrial Solutions	North America Specialty Solutions	Specialties	Other and eliminations	Group
Net sales, external	407.9	662.1	662.6	135.4	564.8	5.1	2,438.0
Net sales, internal	3.7	10.4	0.6	-	15.5	-30.2	-
Pro forma net sales impact	40.3	-	28.1	490.6	-	-	558.9
Pro forma net sales	**451.9**	**672.5**	**691.2**	**626.0**	**580.3**	**-25.1**	**2,996.9**
Pro forma net sales impact							-558.9
Net sales							**2,438.0**
Comparable EBITDA	32.3	114.7	96.1	13.1	37.6	-16.2	277.7
Pro forma comparable EBITDA impact	4.8	-	3.6	43.8	-	-	52.2
Pro forma comparable EBITDA	**37.1**	**114.7**	**99.7**	**57.0**	**37.6**	**-16.2**	**329.9**
Pro forma comparable EBITDA impact							-52.2
Items affecting comparability in EBITDA							-55.1
Depreciation, amortization and impairments							-133.9
Operating result							**88.7**

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Financial performance by business area, EUR million 2017	Decor	Filtration and Performance	Industrial Solutions	North America Specialty Solutions	Specialties	Other and eliminations	Group
Net sales, external	375.4	488.1	638.7	-	454.9	2.9	1,959.9
Net sales, internal	2.9	8.2	2.2	-	11.1	-24.4	-
Pro forma net sales impact	53.4	169.0	37.6	637.9	108.3	-4.7	1,001.5
Pro forma net sales	**431.8**	**665.3**	**678.4**	**637.9**	**574.3**	**-26.2**	**2 961.5**
Pro forma net sales impact							-1,001.5
Net sales							**1,959.9**
Comparable EBITDA	33.9	88.8	109.3	-	35.0	-18.7	248.2
Pro forma comparable EBITDA impact	10.0	31.8	2.9	62.2	17.9	-6.5	118.1
Pro forma comparable EBITDA	**43.8**	**120.6**	**112.1**	**62.2**	**52.9**	**-25.3**	**366.3**
Pro forma comparable EBITDA impact							-118.1
Items affecting comparability in EBITDA							-38.1
Depreciation, amortization and impairments							-106.6
Operating result							**103.5**

Pro forma Segment information by quarter	Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017
NET SALES, EUR million					
Decor	115.1	109.1	114.7	112.9	107.8
Filtration and Performance	162.6	168.3	174.7	167.0	159.9
Industrial Solutions	163.4	174.5	177.3	176.0	167.8
North America Specialty Solutions	155.5	157.6	156.8	156.1	149.2
Specialties	140.9	142.6	150.9	145.9	138.9
Other and eliminations	-2.7	-6.9	-8.5	-6.9	-4.7
Group	**734.8**	**745.2**	**766.0**	**751.0**	**718.9**
COMPARABLE EBITDA, EUR million					
Decor	11.5	7.0	10.2	8.3	11.0
Filtration and Performance	24.5	31.2	30.2	28.7	24.6
Industrial Solutions	17.7	32.9	24.4	24.7	26.2
North America Specialty Solutions	12.5	15.0	13.0	16.5	14.1
Specialties	7.9	7.5	10.2	12.0	10.2
Other and eliminations	-2.7	-4.2	-5.3	-3.9	-5.7
Group	**71.4**	**89.4**	**82.8**	**86.3**	**80.5**
COMPARABLE EBITDA margin, %					
Decor	10.0	6.5	8.9	7.3	10.2
Filtration and Performance	15.1	18.5	17.3	17.2	15.4
Industrial Solutions	10.8	18.8	13.7	14.1	15.6
North America Specialty Solutions	8.0	9.5	8.3	10.6	9.5
Specialties	5.6	5.3	6.8	8.2	7.3
Other and eliminations					
Group	**9.7**	**12.0**	**10.8**	**11.5**	**11.2**

AHLSTROM MUNKSJÖ

Net sales by region

EUR million	Q4/2018	Q4/2017	2018	2017
Europe	321.0	318.2	1,324.5	1,161.3
North America	225.0	86.9	529.3	299.6
South America	54.4	45.1	171.1	159.7
Asia-Pacific	104.8	90.1	376.7	304.5
Rest of the world	7.1	6.7	36.5	34.8
Total	**712.2**	**547.1**	**2,438.0**	**1,959.9**

Changes in property, plant and equipment

EUR million	2018	2017
Net book value at the beginning of period	841.7	421.1
Business combination and merger	243.6	448.9
Additions	151.5	88.0
Disposals	-0.5	-2.6
Depreciations, amortizations and impairment	-109.6	-88.3
Translation differences and other changes	-9.5	-25.4
Net book value at the end of period	**1,117.2**	**841.7**

In December, 2018 an impairment loss of EUR 7.7 million was recognized. This loss relates to restructuring of one-side coated product segment, a part of the Specialties business area, where the markets have significant overcapacity globally and the Group's offering is not optimally aligned with the strategy of niche orientation in customized solutions. The operating environment has further deteriorated mainly due to increased raw material costs. The Group contemplates a plan to optimize its production capacity and product offering to meet the profitable demand and investigates the closure of one paper machine (PM1) in Stenay, France. A provision related to Stenay amounting to EUR 11.2 million was recognized in December 2018.

Rights issue

Ahlstrom-Munksjö completed a rights offering of new shares in December 2018. A total of 19,211,910 shares were subscribed for in Finland and Sweden were registered with the Finnish Trade Register on December 19, 2018. In addition, total of 2,832 Offer Shares subscribed for without subscription rights in Sweden were registered with the Finnish Trade Register on December 28, 2018. The subscription price was EUR 7.81 per share and the total gross proceeds from the rights issue amounted to EUR 150.1 million. Direct costs related to the rights issue amounted to EUR 7.3 million (EUR 5.9 million net of tax) and have been recognised in equity as deduction from the proceeds received. Following the registrations, the total number of registered shares in Ahlstrom-Munksjö is 115,653,315. The proceeds from the rights issue were used to repay the outstanding bridge-to-equity facility of EUR 155.2 million.

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

	Number of shares
Opening at January 1, 2017	**51,061,581**
Number of new Ahlstrom-Munksjö shares issued as merger consideration	45,376,992
Closing at December 31, 2017	**96,438,573**
Rights issue	19,214,742
Closing at December 31, 2018	**115,653,315**

Financial position

EUR million	2018	2017
Assets		
Cash and cash equivalents	151.0	245.9
Liabilities		
Non-current borrowings	1,023.4	542.3
Current borrowings	142.6	78.9
Securitization liability	-43.7	-
Net debt	**971.3**	**375.3**

To finance the Expera Acquisition that took place on October 10, 2018, the Company withdrew a EUR 155.2 million bridge-to-equity facility and a EUR 167.0 million bridge-to-loan facility under the Bridge Facilities Agreement, and a USD 260.0 million facility ("Facility B") and a EUR 108.0 million facility ("Facility A") under the Term Facilities Agreement. The latter one was used to prepay the outstanding loans under the existing Facility C under the Facilities Agreement and the facility C was cancelled in full. On November 1, 2018 the Group entered into a EUR 200.0 million term facility agreement with Nordea and SEB as lenders, which was used to repay the EUR 167.0 million bridge-facility under the Bridge Facilities Agreement and the revolving loan of EUR 40.0 million withdrawn under the facilities agreement complemented with a cash payment. Facility A will be repaid in semi-annual instalments of EUR 5 million starting on May 31, 2019 and the Facility B will be repaid in at maturity, which is October 10, 2023 for both. The bridge-to-equity was repaid on December 27, 2018 using the proceeds from the share issuance.

In addition, Ahlstrom-Munksjö assumed in the Expera acquisition a securitization liability presented within current borrowings in the balance sheet. The financing received under this arrangement amounts to EUR 43.7 million as at December 31, 2018.

To finance the Caieiras acquisition, the Group withdrew a BRL 330.0 million loan. The loan will mature in 2023.

Commitments

Off-balance sheet commitments EUR million	Dec 31, 2018	Dec 31, 2017
Assets pledged		
Pledges	1.0	1.8
Commitments		
Guarantees and commitments given on behalf of Group companies	56.9	68.6
Capital expenditure commitments	43.2	10.3
Other guarantees and commitments	31.8	5.3

Capital expenditure commitments are mainly related to investments at Billingsfors in Sweden and Jacarei in Brazil. The increase in other guarantees and commitments is mainly due to the acquisition of Expera.

Future operating lease commitments EUR million	Dec 31, 2018	Dec 31, 2017
Current portion	13.3	11.3
Non-current portion	34.1	28.6
Total	**47.5**	**39.9**

EVENTS AFTER THE REPORTING PERIOD

The Group has no knowledge of any significant events after the end of the reporting period that would have a material impact on the financial statements for 2018.

APPENDIX 2: KEY FIGURES

Years 2018 and 2017 were transformative years for Ahlstrom-Munksjö. Ahlstrom-Munksjö acquired Expera Specialty Solutions Holdings, Inc., an U.S. based specialty paper producer ("Expera") and MD Papéis' Caieiras specialty paper mill in Brazil ("Caieiras") in October 2018. Ahlstrom and Munksjö merged on April 1, 2017 (the "merger") creating a global leader in innovative and sustainable fiber-based materials. Considering the magnitude of the acquisitions of Expera and Caieiras as well as the merger of Ahlstrom and Munksjö and the impact on the combined company's performance and financial position, stand-alone historical information for the periods presented does not provide comparable information for our operating performance and historical financial position.

Accordingly, we present certain key figures on our business performance for the years 2018 and 2017 on a pro forma basis to illustrate the effect to the acquisitions of Expera and Caieiras and the merger and the related financing and refinancing transactions as if the acquisitions and the merger had taken place at an earlier date as of January 1, 2017. The pro forma key figures have been presented for illustrative purposes only and address a hypothetical situation and therefore do not represent the Group's actual historical results of operations as such historical data comprise Ahlstrom-Munksjö stand-alone information only. For a detailed basis of presentation and notes disclosures for the additional unaudited pro forma information please see our stock exchange release dated February 14, 2019 available on our website at www.ahlstrom-munksjo.com.

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

Following the acquisitions of Expera and Caieiras in October 2018, Ahlstrom-Munksjö has renamed the alternative performance measures previously named as "excluding depreciations arising from mergers" to be as "excluding depreciation and amortization arising from PPA" and updated the definition of depreciation and amortization arising from PPA to include all depreciation and amortization charges from fair value adjustments relating to the business combinations starting from the year 2013. Group believes that the changed names better reflect the updated content and definitions of these alternative performance measures.

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

Alternative performance measures and pro forma key figures are unaudited.

Consolidated key figures EUR million, or as indicated	Q4/2018	Q4/2017	2018	2017
Net sales	712.2	547.1	2,438.0	1,959.9
Operating result	-7.7	22.1	88.7	103.5
Operating margin, %	-1.1	4.0	3.6	5.3
Net profit/loss	-19.8	22.7	42.9	66.5
EBITDA	37.5	52.7	222.6	210.1
EBITDA margin, %	5.3	9.7	9.1	10.7
Comparable EBITDA	72.1	63.1	277.7	248.2
Comparable EBITDA margin, %	10.1	11.5	11.4	12.7
Items affecting comparability in EBITDA	-34.5	-10.4	-55.1	-38.1
Comparable operating result	34.5	32.6	151.4	141.7
Comparable operating result margin, %	4.9	6.0	6.2	7.2
Comparable operating result excl. depreciation and amortization arising from PPA	46.3	40.3	186.1	166.1
Items affecting comparability in operating result	-42.2	-10.4	-62.7	-38.1
Comparable return on capital employed, rolling 12 months, %			8.3	9.9
Capital employed average for 12 months			1,819.0	1,436.4
Total equity	1,162.2	1,038.0	1,162.2	1,038.0
Net debt	971.3	375.3	971.3	375.3
Gearing ratio, %	83.6	36.2	83.6	36.2
Equity/assets ratio, %	35.9	43.3	35.9	43.3
Net debt/Comparable EBITDA, rolling 12 months			3.5	1.5
Earnings per share, EUR (basic and diluted)	-0.20	0.23	0.43	0.78
Comparable net profit	11.4	30.0	89.7	93.3
Comparable earnings per share, EUR	0.11	0.31	0.91	1.09
Comparable net profit excl. depreciation and amortization arising from PPA	20.0	35.5	115.6	110.3
Comparable earnings per share excl. depreciation and amortization arising from PPA, EUR	0.20	0.37	1.18	1.29
Operating cash flow per share, EUR	0.31	0.80	0.95	2.20
Equity per share, EUR	10.0	10.7	10.0	10.7
Number of shares outstanding at the end of the period	115,288,453	96,073,711	115,288,453	96,073,711
Weighted average number of outstanding shares	98,788,561	96,073,711	96,758,002	84,941,326
Capital expenditure	64.5	40.2	160.1	84.6
Average number of employees, FTE	8,196	5,895	6,480	5,109

Reconciliation of certain key performance measures

EUR million	Q4/2018	Q4/2017	2018	2017
Items affecting comparability				
Transaction costs	-4.9	0.2	-10.9	-5.8
Integration costs	-8.7	-6.4	-20.4	-17.2
Inventory fair valuation	-7.5	-	-7.5	-11.1
Restructuring costs	-13.3	-0.7	-15.9	-1.0
Environmental provision	-	-1.3	-0.2	-1.5
Gain on business disposal	-	-	-	0.7
Other	-0.1	-2.2	-0.1	-2.3
Total items affecting comparability in EBITDA	**-34.5**	**-10.4**	**-55.1**	**-38.1**
Impairment loss	-7.7	-	-7.7	-
Total items affecting comparability in operating result	**-42.2**	**-10.4**	**-62.7**	**-38.1**
Comparable EBITDA				
Operating result	-7.7	22.1	88.7	103.5
Depreciation, amortization and impairment	45.2	30.6	133.9	106.6
EBITDA	**37.5**	**52.7**	**222.6**	**210.1**
Total items affecting comparability in EBITDA	34.5	10.4	55.1	38.1
Comparable EBITDA	**72.1**	**63.1**	**277.7**	**248.2**
Comparable operating result excl. depreciation and amortization arising from PPA				
Operating result	-7.7	22.1	88.7	103.5
Total items affecting comparability in operating result	42.2	10.4	62.7	38.1
Comparable operating result	**34.5**	**32.6**	**151.4**	**141.7**
Depreciation and amortization arising from PPA*	11.8	7.8	34.7	24.4
Comparable operating result excl. depreciation and amortization arising from PPA	**46.3**	**40.3**	**186.1**	**166.1**
Comparable net profit excl. depreciation and amortization arising from PPA				
Net profit/loss	-19.8	22.7	42.9	66.5
Total items affecting comparability in operating result	42.2	10.4	62.7	38.1
Taxes relating to items affecting comparability in operating result	-11.1	-3.1	-15.9	-11.4
Comparable net profit	**11.4**	**30.0**	**89.7**	**93.3**
Depreciation and amortization arising from PPA*	11.8	7.8	34.7	24.4
Taxes relating to depreciation and amortization arising from PPA	-3.1	-2.3	-8.9	-7.3
Comparable net profit excl. depreciation and amortization arising from PPA	**20.0**	**35.5**	**115.6**	**110.3**
Comparable earnings per share, EUR				
Comparable net profit	11.4	30.0	89.7	93.3
Profit attributable to non controlling interest	0.0	-0.1	-1.4	-0.6
Comparable net profit attributable to parent company shareholders	11.3	29.9	88.4	92.7
Weighted average number of outstanding shares	98,788,561	96,073,711	96,758,002	84,941,326
Comparable earnings per share, EUR	**0.11**	**0.31**	**0.91**	**1.09**
Comparable EPS excl. depreciation and amortization arising from PPA, EUR				
Comparable net profit excl. depreciation and amortization arising from PPA	20.0	35.5	115.6	110.3
Profit attributable to non controlling interest	0.0	-0.1	-1.4	-0.6
Comparable net profit excl. depreciation and amortization arising from PPA attributable to parent company shareholders	20.0	35.3	114.2	109.8
Weighted average number of outstanding shares	98,788,561	96,073,711	96,758,002	84,941,326
Comparable EPS excl. depreciation and amortization arising from PPA, EUR	**0.20**	**0.37**	**1.18**	**1.29**
Comparable return on capital employed, rolling 12 months, %				
Comparable operating result for the last 12 months			151.4	141.7
Capital employed, average for the last 12 months			1 819.0	1 436.4
Comparable return on capital employed, rolling 12 months, %			**8.3**	**9.9**
Net debt				
Cash and cash equivalents	151.0	245.9	151.0	245.9
Non-current borrowings	1,023.4	542.3	1,023.4	542.3
Current borrowings	142.6	78.9	142.6	78.9
Securitization liability	-43.7	-	-43.7	-
Net debt	**971.3**	**375.3**	**971.3**	**375.3**

**Depreciation and amortization arising from PPA comprise depreciation and amortization charges from fair value adjustments relating to the business combinations starting from the year 2013.*

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Reconciliation of certain pro forma key performance measures

Pro forma (unaudited) **EUR million**	**Q4/2018**	**Q4/2017**	**2018**	**2017**
Items affecting comparability				
Transaction costs	-0.1	0.1	-1.3	-59.2
Integration costs	-10.5	-6.4	-22.0	-17.2
Inventory fair valuation	-	-	-	-18.6
Restructuring costs	-13.3	-0.8	-15.9	-2.9
Environmental provision	-	-1.3	-0.2	-1.5
Gain on business disposal	-	-	-	6.4
Other	-0.1	-2.1	-0.1	-1.1
Total items affecting comparability in EBITDA	**-24.0**	**-10.5**	**-39.6**	**-94.0**
Impairment loss	-7.7	-	-7.7	-
Total items affecting comparability in operating result	**-31.7**	**-10.5**	**-47.3**	**-94.0**
Comparable EBITDA				
Operating result	1.3	30.0	129.4	106.4
Depreciation, amortization and impairment	46.2	40.0	161.0	165.9
EBITDA	**47.4**	**70.0**	**290.3**	**272.2**
Total items affecting comparability in EBITDA	24.0	10.5	39.6	94.0
Comparable EBITDA	**71.4**	**80.5**	**329.9**	**366.3**
Comparable operating result excl. depreciation and amortization arising from PPA				
Operating result	1.3	30.0	129.4	106.4
Total items affecting comparability in operating profit	31.7	10.5	47.3	94.0
Comparable operating result	**32.9**	**40.5**	**176.6**	**200.4**
Depreciation and amortization arising from PPA*	12.3	12.4	48.9	51.3
Comparable operating result excl. depreciation and amortization arising from PPA	**45.3**	**53.0**	**225.5**	**251.7**
Comparable net profit excl. depreciation and amortization arising from PPA				
Net profit/loss	-10.3	27.6	63.2	41.9
Total items affecting comparability in operating profit	31.7	10.5	47.3	94.0
Taxes relating to items affecting comparability in operating result	-9.6	-3.1	-13.3	-20.0
Comparable net profit	**11.8**	**35.0**	**97.2**	**115.9**
Depreciation and amortization arising from PPA*	12.3	12.4	48.9	51.3
Taxes relating to depreciation and amortization arising from PPA	-3.3	-3.6	-12.6	-14.6
Comparable net profit excl. depreciation and amortization arising from PPA	**20.9**	**43.9**	**133.4**	**152.6**
Comparable EPS excl. depreciation and amortization arising from PPA, EUR				
Comparable net profit excl. depreciation and amortization arising from PPA	20.9	43.9	133.4	152.6
Profit attributable to non controlling interest	-0.0	-0.1	-1.4	-0.7
Comparable net profit excl. depreciation and amortization arising from PPA attributable to parent company shareholders	20.9	43.7	132.1	151.9
Weighted average number of outstanding shares	115,288,453	115,288,453	115,288,453	115,344,915
Comparable EPS excl. depreciation and amortization arising from PPA, EUR	**0.18**	**0.38**	**1.15**	**1.32**

**Depreciation and amortization arising from PPA comprise depreciation and amortization charges from fair value adjustments relating to the business combinations starting from the year 2013.*

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CALCULATION OF KEY FIGURES

Key figure	Definitions	Reason for use of the key figure
Operating result	Net profit before taxes and net financial items	Operating result shows result generated by the operating activities
Operating result margin, %	Operating result / net sales	
EBITDA	Operating result before depreciation, amortization and impairment	EBITDA is the indicator to measure the performance of Ahlstrom-Munksjö.
EBITDA margin, %	EBITDA / net sales	EBITDA margin is a key measure in our long-term financial targets.
Comparable EBITDA	EBITDA excluding items affecting comparability in EBITDA	Comparable EBITDA, comparable EBITDA margin, comparable operating result, comparable operating result margin, comparable operating result excluding depreciation and amortization arising from PPA, comparable net profit, comparable earnings per share, comparable net profit excluding depreciation and amortization arising from PPA and comparable earnings per share excluding depreciation and amortization arising from PPA are presented in addition to EBITDA, operating result, net profit and earnings per share to reflect the underlying business performance and to enhance comparability from period to period. Ahlstrom-Munksjö believes that these comparable performance measures provide meaningful supplemental information by excluding items outside ordinary course of business including PPA related depreciation and amortization, which reduce comparability between the periods.
Comparable EBITDA margin, %	Comparable EBITDA / net sales	
Comparable operating result	Operating result excluding items affecting comparability in operating result	
Comparable operating result margin, %	Comparable operating result / net sales	
Comparable operating result excluding depreciation and amortization arising from PPA[1]	Operating result excluding items affecting comparability in operating result and depreciation and amortization arising from PPA Depreciation and amortization arising from PPA comprise depreciation and amortization charges from fair value adjustments relating to the business combinations starting from the year 2013.	
Comparable net profit	Net profit excluding items affecting comparability in operating result, net of tax	
Comparable earnings per share, EUR	Comparable net profit - net profit attributable to non-controlling interests / weighted average number of shares outstanding	
Comparable net profit excluding depreciation and amortization arising from PPA[1]	Net profit excluding items affecting comparability in operating result, net of tax, and depreciation and amortization arising from PPA net of tax	
Comparable earnings per share excluding depreciation and amortization arising from PPA[1]	Comparable net profit excluding depreciation and amortization arising from PPA - net profit attributable to non-controlling interests / weighted average number of shares outstanding	
Items affecting comparability in operating result	Material items outside ordinary course of business, such as gains and losses on business disposals, direct transaction costs related to business acquisitions, costs for closure of business operations and restructurings including redundancy payments, impairment losses, one-off items arising from purchase price allocation such as inventory fair value adjustments, compensation related to environmental damages arising from unexpected or rare events and other items including fines (such as VAT tax audit fines) or other similar stipulated payments and litigations.	
Items affecting comparability in EBITDA	Items affecting comparability in operating result excluding impairment losses.	
Earnings per share (EPS), basic, EUR	Net profit attributable to parent company's shareholders / weighted average number of shares outstanding	

[1] Ahlstrom-Munksjö has renamed the alternative performance measures previously named as "excluding depreciations arising from mergers" to be as "excluding depreciation and amortization arising from PPA" and updated the definition of depreciation and amortization arising from PPA to include all depreciation and amortization charges from fair value adjustments relating to the business combinations starting from 2013.

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Key figure	Definitions	Reason for use of the key figure
Net debt	Non-current and current borrowings less securitization liability less cash and cash equivalents	Net debt and total debt are indicators to measure the total external debt financing of Ahlstrom-Munksjö
Total debt	Non-current and current borrowings less securitization liability	
Capital employed average for 12 months	Total equity and total debt (average of the last 12 months)	Capital employed average for 12 months and Comparable return on capital employed, rolling 12 months measure capital tied up in operations and return on capital tied up in operations. These ratios replace the previously used ratio Operating capital and Return on operating capital respectively. Ahlstrom-Munksjö believes that the new ratios better reflect the capital tied up in operations.
Comparable return on capital employed, rolling 12 months, %	Comparable operating result (for the last 12 months) / capital employed (average of the last 12 months)	
Gearing ratio, %	Net debt / total equity	Ahlstrom-Munksjö believes that Gearing ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Ahlstrom-Munksjö's indebtedness. Gearing ratio is also one of the Ahlstrom-Munksjö's long-term financial targets measure.
Equity/assets ratio, %	Total equity / total assets	Ahlstrom-Munksjö believes that Equity/assets ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Group's capital used in the operations.
Net debt/ Comparable EBITDA, rolling 12 months	Net debt / comparable EBITDA (for the last 12 months)	Net debt to EBITDA is a useful measure for management to monitor the level of Ahlstrom-Munksjö's indebtedness.
Equity per share, EUR	Equity attributable to parent company's shareholders / number of shares outstanding at the end of the period	
Capital expenditure	Purchases for property, plant and equipment and intangible assets as presented in the cash flow statement.	Capital expenditure provides additional information of the cash flow needs of the operations.
Operating cash flow per share, EUR	Operating cash flow / weighted average number of shares outstanding	

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