

INTERIM REPORT

JANUARY-SEPTEMBER 2017

STRONG ORGANIC SALES GROWTH

In this interim report, the January-September 2017 figures as well as all comparison figures are presented on a pro forma basis to illustrate the financial impact of the merger between Ahlstrom and Munksjö as if it had been completed at the beginning of 2015. Only the July-September 2017 and April-June 2017 figures are presented according to International Financial Reporting Standards (IFRS). The appendix including unaudited consolidated financial statements has been prepared according to IFRS standards.

JULY-SEPTEMBER 2017 COMPARED WITH JULY-SEPTEMBER 2016

- Net sales EUR 541.6 million (EUR 523.5 million), showing a gain of 3.5%. Comparable net sales increased by 5.7% at constant currency rates.
- Comparable EBITDA EUR 70.4 million (EUR 70.2 million), representing 13.0% (13.4%) of net sales
- EBITDA EUR 63.3 million (EUR 72.9 million) and included items affecting comparability (IAC) of EUR -7.0 million (EUR 2.7 million)
- Operating result EUR 31.7 million (EUR 38.7 million)
- Net result EUR 17.5 million (EUR 23.0 million)
- Earnings per share EUR 0.18 (EUR 0.24)
- Comparable EPS excluding merger related items (PPA) EUR 0.34 (EUR 0.24)
- Net cash flow from operating activities EUR 51.6 million (EUR 72.0 million)

JANUARY-SEPTEMBER 2017 COMPARED WITH JANUARY-SEPT. 2016

- Net sales EUR 1,685.5 million (EUR 1,620.4 million), showing a gain of 4.0%. Comparable net sales increased by 4.0% at constant currency rates.
- Comparable EBITDA EUR 227.2 million (EUR 207.3 million), representing 13.5% (12.8%) of net sales
- EBITDA* EUR 213.9 million (EUR 184.4 million) and IAC of EUR -13.4 million (EUR -22.9 million)
- Operating result* EUR 117.9 million (EUR 81.8 million)
- Net result* EUR 69.2 million (EUR 36.3 million)
- Earnings per share* EUR 0.71 (EUR 0.37)
- Comparable EPS excluding merger related items (PPA) EUR 0.98 (EUR 0.56)
- Net cash flow from operating activities EUR 135.7 million (EUR 156.5 million)

MAJOR EVENTS

- Return on equity of EUR 0.23 per share, or about EUR 22 million in total, was paid to shareholders in September 2017

MAJOR EVENTS AFTER THE REPORTING PERIOD

- New long-term share-based incentive plan established

Q3/2017

NET SALES
GROWTH AT
CONSTANT
CURRENCY

5.7%

COMP
EBITDA
MARGIN

13.0%

GEARING

39.3%

* Fair valuation of EUR 11 million inventory adjustment excluded as already included in pro forma 2016 figures.

KEY FIGURES

EUR MILLION	Q3/2017	Q3/2016	CHANGE, %	1-9/2017	1-9/2016	CHANGE, %	2016
Net sales	541.6	523.5	3.5	1,685.5	1,620.4	4.0	2,147.9
Comparable EBITDA	70.4	70.2	0.3	227.2	207.3	9.6	268.7
Comparable EBITDA margin, %	13.0	13.4		13.5	12.8		12.5
EBITDA	63.3	72.9	-13.1	213.9*	184.4	15.9	239.9
Items affecting comparability included in EBITDA	-7.0	2.7		-13.4*	-22.9		-28.8
Operating result	31.7	38.7	-18.1	117.9*	81.8	44.2	104.7
Comparable operating result excluding merger related items (PPA)	46.7	44.7	4.4	154.9	131.3	18.0	168.7
Net result	17.5	23.0	-23.8	69.2*	36.3	90.6	49.8
Earnings per share, EUR	0.18	0.24	-23.9	0.71*	0.37	92.8	0.51
Comparable EPS excluding merger related items (PPA)	0.34	0.24	40.0	0.98	0.56	74.3	0.71
Cash generated from operating activities	51.6	72.0	-28.4	135.7	156.5	-13.3	232.1
Capital expenditure	17.8	16.7	6.2	49.5	46.9	5.6	77.7
Net debt**	404.2	N/A	N/A	404.2	N/A	N/A	N/A
Gearing ratio, %**	39.3	N/A		39.3	N/A		N/A
Average number of employees, FTE	5,918	5,987	-1.1	5,905	5,975	-1.2	5,974

*Fair valuation of EUR 11 million inventory adjustment excluded as already included in pro forma 2016 figures

**No comparative balance sheet figures on pro forma basis available

The actual figures for January-September 2017 and for the corresponding comparison periods are presented in the appendix only.

Ahlstrom-Munksjö has adopted the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures 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".

CEO COMMENTS

“We achieved strong organic growth of over five percent in the quarter and were able to maintain our operational result despite the accelerated cost inflation in some of our key raw materials. Our performance was once again led by excellent results in the Filtration & Performance, and Industrial Solutions business areas. We will continue to work on our pricing to mitigate the cost pressure and address the challenges in the coated one-sided papers business.

The integration work following the merger is gaining momentum as we achieved an annual run rate of about EUR 17 million in synergy benefits by the end of the quarter. We are now fully comfortable that we can exceed the original target of EUR 35 million and estimate that annual synergy benefits of above EUR 40 million can be reached by the second quarter of 2019.

I truly believe this company is creating value for our customers and stakeholders over the long-term. We are dedicated to further develop our products and solutions to achieve an even stronger position in the market. By innovating and co-creating with our customers we can continuously expand the use of fibers in a sustainable way.”

OUTLOOK FOR 2017

Ahlstrom-Munksjö reiterates the outlook published on July 25, 2017.

Market outlook: The demand outlook for 2017 for Ahlstrom-Munksjö’s fiber-based products is expected to remain stable at the current good level for most of the product segments and to reflect the seasonal pattern. Price increases will continue to be implemented to mitigate raw material cost inflation and they will take effect during the rest of the year.

EBITDA: Comparable EBITDA in 2017 is expected to be higher than in the previous year (pro forma EUR 268.7 million).

Shutdowns: The annual maintenance and vacation shutdowns in the fourth quarter are expected to be carried out to about the same extent as in 2016. However, the maintenance shutdown usually carried out in the third quarter at the Swedish Billingsfors plant is replaced by shorter stops in the second and fourth quarters due to changes in the shift form. The 2017 maintenance shut-down at the pulp production facility in Aspa in Sweden was carried out in October 2017.

Capital expenditure: The cash flow effect of current capital expenditure for fixed assets in 2017 is expected to be approximately EUR 80 million. In addition, the cash flow impact of the strategic investments in Arches and Madisonville is expected to be approximately EUR 18 million in 2017.



“We achieved strong organic growth of over five percent in the quarter.”

Jan Åström, President and CEO

COMPLETION OF THE MERGER

On April 1, 2017, Ahlstrom Corporation was merged into Munksjö Oyj, and the name of the combined company was changed to Ahlstrom-Munksjö Oyj. The combination created a global leader in innovative and sustainable fiber-based materials with combined pro forma net sales of approximately EUR 2.15 billion, around 6,000 employees, and 41 production and converting facilities in 14 countries. A total of 45,376,992 new shares in Ahlstrom-Munksjö were issued to Ahlstrom shareholders as merger consideration, bringing the total number of shares to 96,438,573. Trading in the new shares started on April 3, 2017.

Approvals from the Extraordinary General Meetings of Ahlstrom and Munksjö as well as the European Commission were received on January 11, 2017 and March 13, 2017, respectively. In connection with the merger, Ahlstrom and Munksjö distributed funds in the total amount of approximately EUR 46 million, corresponding to EUR 0.49 per share in Ahlstrom and EUR 0.45 per share in Munksjö.

SYNERGIES

Ahlstrom-Munksjö now estimates that annual synergies of above EUR 40 million (previously EUR 35 million) will be gradually realized and fully visible from the second quarter of 2019. The savings comprise mainly lower fixed costs as well as coordination of purchases and production following the merger. The plan also includes further business synergies, such as integrating the former Graphics and Packaging business area into the new Specialties business area, to develop a combined product and service offering.

At the end of the reporting period, the annual synergy achievement run rate was approximately EUR 17 million. Of the annual synergy savings arising from the merger, the vast majority are related to lower SG&A costs, and the remainder are related to reduced costs of goods sold and improved operational efficiency, as well as planned revenue synergies. The financial result for the third-quarter 2017 includes realized synergies of approximately EUR 3.5 million.

Non-recurring costs to achieve the synergy savings amounted to EUR 10.9 million at the end of the reporting period, of which EUR 7.0 million was booked in the third-quarter of 2017. The previously communicated full cost related to the achievement of synergies within two years from the merger is EUR 30 million. The cash flow effect was EUR -5.7 million in the third quarter of 2017.

FINANCIAL TARGETS

The company's Board of Directors has set the following long-term financial targets:

- EBITDA margin above 14% over a business cycle
- Net gearing below 100%
- A stable and annually increasing dividend, to be paid bi-annually

FINANCIAL PERFORMANCE

NET SALES DEVELOPMENT

NET SALES BY BUSINESS AREA, EUR MILLION	Q3/2017	Q3/2016	CHANGE, %	1-9/2017	1-9/2016	CHANGE, %	2016
Decor	90.5	84.9	6.6	284.2	275.9	3.0	364.6
Filtration and Performance	162.0	156.5	3.5	505.4	467.6	8.1	617.2
Industrial Solutions	155.9	148.4	5.1	482.1	462.8	4.2	618.4
Specialties	138.3	141.2	-2.0	435.4	438.0	-0.6	577.7
Other and eliminations	-5.1	-7.4	30.9	-21.5	-24.0	10.3	-30.1
Total net sales	541.6	523.5	3.5	1,685.5	1,620.4	4.0	2,147.9

PROFIT AND PROFITABILITY DEVELOPMENT

COMPARABLE EBITDA BY BUSINESS AREA, EUR MILLION	Q3/2017	Q3/2016	CHANGE, %	1-9/2017	1-9/2016	CHANGE, %	2016
Decor	5.8	11.0	-47.5	25.2	42.3	-40.4	53.7
Filtration and Performance	31.1	29.7	4.8	95.9	74.5	28.7	94.0
Industrial Solutions	26.8	21.9	22.3	83.1	64.4	29.1	93.1
Specialties	10.4	16.5	-36.8	42.7	51.3	-16.9	64.5
Other and eliminations	-3.7	-8.9	58.6	-19.6	-25.2	22.3	-36.6
Total comparable EBITDA	70.4	70.2	0.3	227.2	207.3	9.6	268.7

COMPARABLE EBITDA MARGIN BY BUSINESS AREA, %	Q3/2017	Q3/2016	CHANGE, %	1-9/2017	1-9/2016	CHANGE, %	2016
Decor	6.4%	13.0%		8.9%	15.3%		14.7%
Filtration and Performance	19.2%	19.0%		19.0%	15.9%		15.2%
Industrial Solutions	17.2%	14.8%		17.2%	13.9%		15.1%
Specialties	7.5%	11.7%		9.8%	11.7%		11.2%
Other and eliminations							
Total comparable EBITDA margin, %	13.0%	13.4%		13.5%	12.8%		12.5%

JULY-SEPTEMBER 2017

Net sales in July-September 2017 amounted to EUR 541.6 million, showing an increase of 3.5% from the EUR 523.5 million reported in the comparison period. At constant currency rates, growth was 5.7%, led by higher volumes as well as improved product mix and selling prices.

Comparable EBITDA in July-September 2017 was EUR 70.4 million (EUR 70.2 million), representing 13.0% of net sales (13.4%). The result was supported by higher sales volumes and average selling prices, as well as an improved product mix and lower selling, general and administrative expenses. In addition, the result includes a gain from selling fixed assets in Jönköping, Sweden. Higher raw material costs, such as pulp and titanium dioxide, had a negative impact of about EUR 22 million on comparable EBITDA. The 2016 figure was negatively impacted by about EUR 4 million related to the annual maintenance stop at the Aspa specialty pulp mill in Sweden.

Items affecting comparability (IAC)

The operating result was EUR 31.7 million (EUR 38.7 million). IAC totaled EUR -7.0 million (EUR 2.7 million) and were mainly related to the integration costs of the merger.

Net financial items

Net financial items amounted to EUR -6.8 million (EUR -6.9 million), of which EUR 4.9 million relates to interest expenses.

Tax, earnings per share

Taxes amounted to EUR 7.4 million (EUR 8.7 million), representing an effective tax rate of 30% (27%). The net result for the period was EUR 17.5 million (EUR 23.0 million), and earnings per share were EUR 0.18 (EUR 0.24). Comparable earnings per share excluding merger related items (PPA) were EUR 0.34 (EUR 0.24).

JANUARY-SEPTEMBER 2017

Net sales in January-September 2017 amounted to EUR 1,685.5 million, showing an increase of 4.0% from the EUR 1,620.4 million reported in the comparison period. At constant currency rates, growth was 4.0%, led by higher volumes, as well as an improved product mix and selling prices.

Comparable EBITDA in January-September 2017 was EUR 227.2 million (EUR 207.3 million), representing 13.5% of net sales (12.8%). The result was supported by higher sales volumes and average selling prices, as well as an improved product mix, and lower selling, general and administrative expenses. In addition, the result includes a gain from selling fixed assets in Jönköping, Sweden. Higher raw material costs, such as pulp and titanium dioxide, had a negative impact of about EUR 24 million on comparable EBITDA. The comparison figure was negatively impacted by about EUR 4 million related to the annual maintenance stop at the Aspa specialty pulp mill in Sweden

Items affecting comparability (IAC)

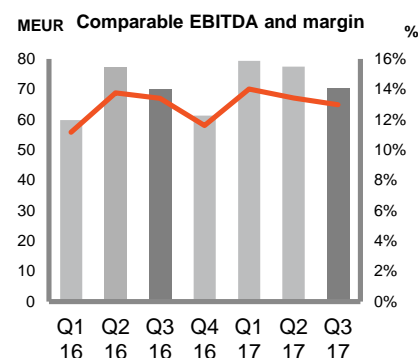
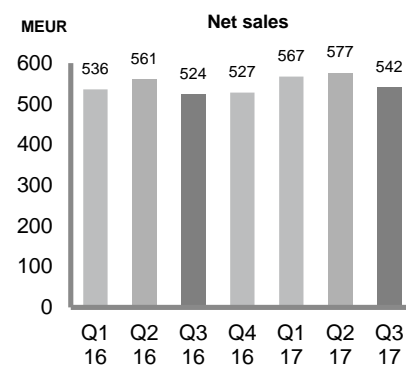
Operating result excluding fair valuation of EUR 11 million inventory adjustment was EUR 117.9 million (EUR 81.8 million). Further IAC totaled EUR -13.4 million (EUR -22.9 million) and were mainly related to the integration costs of the merger.

Net financial items

Net financial items amounted to EUR -23.9 (EUR -26.1) million and included refinancing costs.

Tax, earnings per share

Taxes amounted to EUR 24.8 million (EUR 19.5 million), representing an effective tax rate of 30% (35%). The net result for the period was EUR 69.2 million (EUR 36.3 million,) and earnings per share were EUR 0.71 (EUR 0.37). Comparable earnings per share excluding merger-related items (PPA) were EUR 0.98 (EUR 0.56).



FINANCING AND CASH FLOW

CASH FLOW

July-September

In July-September 2017, net cash flow from operating activities amounted to EUR 51.6 million (EUR 72.0 million¹). The figure was impacted by operating working capital and higher cash taxes.

January-September

In January-September 2017, net cash flow from operating activities amounted to EUR 135.7 million (EUR 156.5 million¹). The cash flow was impacted by higher cash taxes related to accumulated payments from previous years.

NET DEBT, GEARING AND LIQUIDITY

The company's interest-bearing net debt amounted to EUR 404.2 million at the end of the reporting period. Comparative pro forma balance sheet items are not available. However, the estimated combined net debt of Munksjö Oyj and Ahlstrom Corporation was EUR 430.3 million on September 30, 2016. Gearing stood at 39.3%. At the end of the reporting period, the weighted average interest rate was 2.3%.

Ahlstrom-Munksjö's liquidity continues to be good. At the end of the review period, the total cash position was EUR 225.7 million. In addition, the company had undrawn committed credit facilities and committed cash pool overdrafts of EUR 248.9 million available.

Refinancing

Following the merger, new financing was arranged for Ahlstrom-Munksjö, which consisted of multicurrency term facilities and a revolving credit facility, as well as a bridge facility.

On May 3, 2017, Ahlstrom-Munksjö redeemed the EUR 100 million hybrid bond with a fixed annual interest rate of 7.875% in accordance with its terms and conditions. The redemption value was EUR 106.9 million.

Ahlstrom-Munksjö made a voluntary tender offer for cash of its EUR 100 million 4.125% notes maturing on September 15, 2019. The aggregate principal amount of notes validly offered for purchase by noteholders was EUR 89.2 million. On September 15, 2017, the company exercised its right to fully redeem the outstanding 2019 notes.

On June 14, 2017, the company issued a EUR 250 million unsecured callable bond with an annual coupon of 1.875%. The notes will mature on June 9, 2022. The proceeds from the issue were used to repay and refinance an outstanding bond maturing in 2019 and certain other borrowings of the company.

EQUITY

On September 30, 2017, equity was EUR 1,028.2 million and total assets were EUR 2,410.1 million. The equity was negatively impacted by a translation effect of about EUR 45 million due to adverse currency fluctuations in January-September 2017. Munksjö Group's standalone equity was EUR 424.9 million and total assets EUR 1,158.5 million on September 30, 2016.

CAPITAL EXPENDITURE

Ahlstrom-Munksjö's capital expenditure excluding acquisitions totaled EUR 49.5 million in January-September 2017 (EUR 46.9 million) and EUR 17.8 million in July-September 2017 (EUR 16.7 million). The investments were related to maintenance, and cost and efficiency improvements, as well as the upgrade of the Madisonville filtration plant in the U.S. and the rebuild of an abrasive backings paper machine in Arches, France.

On June 7, 2017, the company announced an investment of about EUR 6.7 million at its Saint Severin plant in France to increase the capacity of Genuine Vegetable Parchment products, used mainly in food and baking applications.

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

PERSONNEL

Ahlstrom-Munksjö employed an average of 5,905 people in January–September 2017 (5,975). As of September 30, 2017, the highest numbers of employees were in France (28%), Sweden (14%), the United States (12%), Germany (9%), and Italy (9%).

Customer service and transactional finance centers aligned to decentralized operating model

Ahlstrom-Munksjö plans to close customer service and transactional finance centers in Vilnius and Atlanta to align a decentralized operating model following the merger. Through the plan, which is expected to be complete by the end of June 2018, the company aims to optimize the number of offices globally and leverage the use of our existing infrastructure. The centers employ about 100 people.

Transfer of further IT operations to Tech Mahindra

As a part of a plan to harmonize Information Technology operations following the merger, Ahlstrom-Munksjö plans to transfer further IT operations to its existing partner Tech Mahindra Ltd. As a result, all daily IT support, maintenance, development activities and project-related IT work will be carried out by Tech Mahindra. About 25 former Munksjö employees are planned to transfer to Tech Mahindra.

SUSTAINABILITY

Ahlstrom-Munksjö was awarded in May 2017 the Gold rating from EcoVadis, following the assessment of the Group's Corporate Social Responsibility (CSR) engagement. The Gold rating is a result of performance improvements in all four CSR dimensions assessed by EcoVadis; environment, labor practices, fair business practices, and sustainable procurement. It places the company among the top 1% of all suppliers evaluated by the platform, regardless of their industry.

Health and safety

Health and safety of employees is a top priority at Ahlstrom-Munksjö. The company had 21 lost-time accidents (LTAs) in January–September 2017, which is considerably lower than the 42 LTAs reported in the comparison period. The accident frequency rate per million working hours fell to 2.64 from 3.75.

BUSINESS AREA REVIEW

DECOR

The Decor business area is one of the leading manufacturers in the market for paper-based surfacing for wood-based materials, such as laminate flooring, furniture and interiors. Decor develops high-tech and innovative papers for high- and low pressure-laminates, print base paper and pre-impregnated paper.

Market review July-September 2017:

The markets for decor products continued to be strong across all segments. There were some shortages in the supply of the key raw material, titanium dioxide, in the market.

Net sales and profit development in July-September 2017:

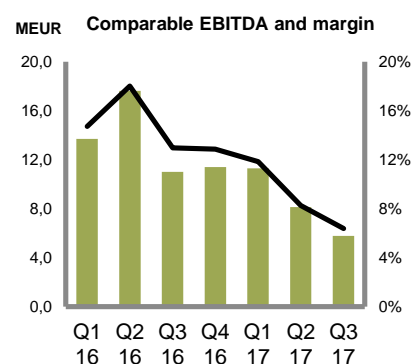
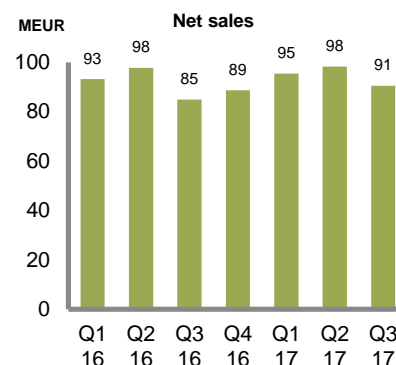
Net sales rose by 6.6% to EUR 90.5 million, compared with EUR 84.9 million in July-September 2016. The increase was driven by higher sales volume and selling prices taking effect towards the end of the quarter.

Comparable EBITDA fell to EUR 5.8 million (EUR 11.0 million), representing 6.4% (13.0%) of net sales. Higher volumes had a positive impact on the result. This was more than offset by a time lag in raising selling prices further to compensate for the continued increase in raw material costs, such as titanium dioxide and pulp.

Net sales and profit development in January-September 2017:

Net sales rose by 3.0% to EUR 284.2 million, compared with EUR 275.9 million in January-September 2016. Higher sales volume had a positive impact on net sale.

Comparable EBITDA fell to EUR 25.2 million (EUR 42.3 million), representing 8.9% (15.3%) of net sales. Higher volumes had a positive impact on the result. This was more than offset by a time lag in raising selling prices further to compensate for the continued increase in raw material costs, such as titanium dioxide and pulp, as well as changes in the product mix.



EUR MILLION	Q3/2017	Q3/2016	CHANGE, %	1-9/2017	1-9/2016	CHANGE, %	2016
Net sales	90.5	84.9	6.6	284.2	275.9	3.0	364.6
Comparable EBITDA	5.8	11.0	-47.5	25.2	42.3	-40.4	53.7
Comparable EBITDA margin, %	6.4%	13.0%		8.9%	15.3%		14.7%

BUSINESS AREA REVIEW

FILTRATION AND PERFORMANCE

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

Market review July-September 2017:

Demand for filtration products continued to be strong in all regions and segments, and particularly in heavy-duty and industrial. In construction related markets demand for wallcover was stable, while that for flooring materials was good.

Net sales and profit development in July-September 2017:

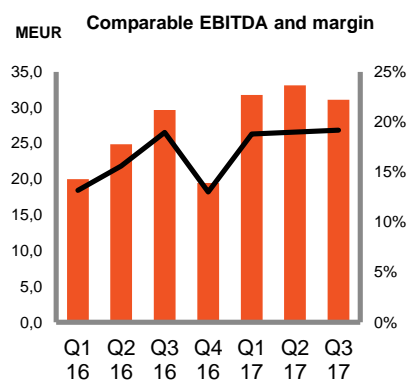
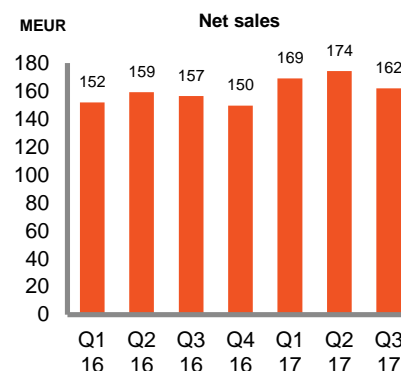
Net sales rose by 3.5% to EUR 162.0 million, compared with EUR 156.5 million in July-September 2016. Growth was driven by higher sales of filtration products. Adverse currency fluctuations had a negative impact on net sales.

Comparable EBITDA climbed to EUR 31.1 million (EUR 29.7 million), representing 19.2% (19.0%) of net sales. The increase was mainly driven by higher sales volumes, operational efficiency and lower conversion costs.

Net sales and profit development in January-September 2017:

Net sales rose by 8.1% to EUR 505.4 million, compared with EUR 467.6 million in January-September 2016. Growth was driven by higher sales of filtration, glass fiber as well as nonwoven and wallcover products. Favorable currency fluctuations also had a positive impact on net sales.

Comparable EBITDA climbed to EUR 95.9 million (EUR 74.5 million), representing 19.0% (15.9%) of net sales. The increase was driven by higher sales volumes, improved operational efficiency and lower conversion costs.



EUR MILLION	Q3/2017	Q3/2016	CHANGE, %	1-9/2017	1-9/2016	CHANGE, %	2016
Net sales	162.0	156.5	3.5	505.4	467.6	8.1	617.2
Comparable EBITDA	31.1	29.7	4.8	95.9	74.5	28.7	94.0
Comparable EBITDA margin, %	19.2%	19.0%		19.0%	15.9%		15.2%

BUSINESS AREA REVIEW

INDUSTRIAL SOLUTIONS

The Industrial Solutions business area produces release liners, abrasive backings, electrotechnical insulation papers, specialty pulp, thin papers, balancing foils as well as fine art and printing papers.

Market review July-September 2017:

Good demand continued in many segments; release liners, electrotechnical insulation papers, abrasive backings, as well as specialty pulp. The domestic market for coated specialties products in Brazil remained stable.

Net sales and profit development in July-September 2017:

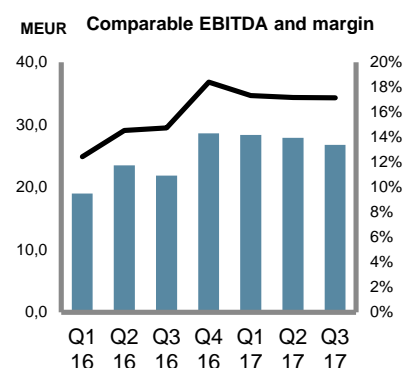
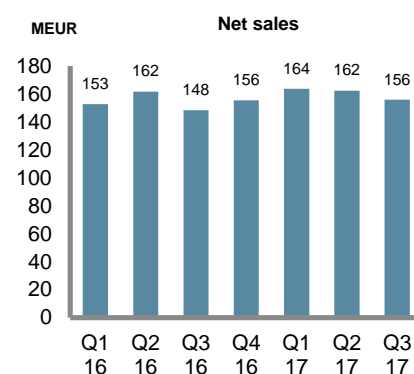
Net sales rose by 5.1% to EUR 155.9 million, compared with EUR 148.4 million in July-September 2016. Growth was driven by higher sales volumes and selling prices of release liner, insulation and coated specialties products, as well as specialty pulp.

Comparable EBITDA climbed to EUR 26.8 million (EUR 21.9 million), representing 17.2% (14.8%) of net sales. The increase was driven by higher sales volumes and average selling prices, as well as improved operational efficiency. The result was burdened by higher raw material costs as the price difference between softwood and hardwood pulp narrowed. The comparison figure was negatively impacted by about EUR 4 million related to the annual maintenance stop at the Aspa specialty pulp mill in Sweden (the 2017 stop was carried out in October 2017).

Net sales and profit development in January-September 2017:

Net sales rose by 4.2% to EUR 482.1 million, compared with EUR 462.8 million in January-September 2016. Growth was driven by higher sales of release liner, an improved product mix in coated specialties products in Brazil, as well as higher selling prices and volumes for specialty pulp.

Comparable EBITDA climbed to EUR 83.1 million (EUR 64.4 million), representing 17.2% (13.9%) of net sales. The increase was driven by higher sales volumes and average selling prices, as well as improved operational efficiency.



EUR MILLION	Q3/2017	Q3/2016	CHANGE, %	1-9/2017	1-9/2016	CHANGE, %	2016
Net sales	155.9	148.4	5.1	482.1	462.8	4.2	618.4
Comparable EBITDA	26.8	21.9	22.3	83.1	64.4	29.1	93.1
Comparable EBITDA margin, %	17.2 %	14.8 %		17.2 %	13.9 %		15.1 %

BUSINESS AREA REVIEW

SPECIALTIES

The Specialties business area produces food and beverage packaging materials, laboratory and life science diagnostics, as well as water filtration materials, tape products, and medical fabrics. In addition, it makes hot oil cooking and milk filtration materials, graphic papers for sticky notes and envelopes, metallized labels as well as printed and coated products.

Market review July-September 2017:

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

Net sales and profit development in July-September 2017:

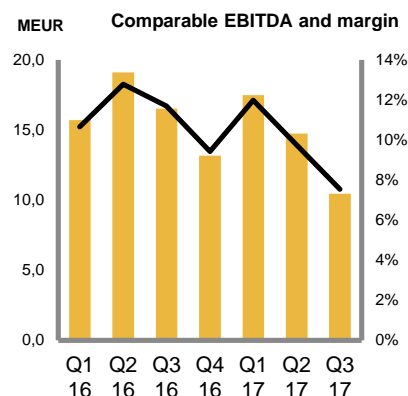
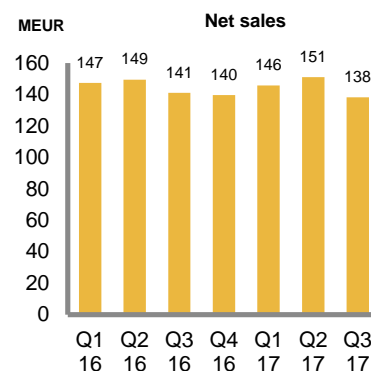
Net sales fell by 2.0% to EUR 138.3 million, compared with EUR 141.2 million in July-September 2016. The decline was driven by lower sales of one-side coated papers, such as metallized labels and graphic applications, and an adverse currency effect. Higher sales of cooking, life science, tape and water purification products had a positive impact on net sales.

Comparable EBITDA was EUR 10.4 million (EUR 16.5 million), representing 7.5% (11.7%) of net sales. Higher raw materials costs and operational challenges in the coated-one sided business burdened profitability. A process to benefit from the extended product portfolio of the merged business area in terms of growth, product mix and operational efficiency is on-going in the Food packaging unit, which includes the coated one-side business. Results from the process are expected to be gradually visible in 2018.

Net sales and profit development in January-September 2017:

Net sales amounted to EUR 435.4 million, and were in line with the EUR 438.0 million in January-September 2016. The decline was driven by lower sales of one-side coated papers, such as metallized labels and graphic applications, and an adverse currency effect. Higher sales of cooking, life science, tape, water purification and coffee products had a positive impact on net sales.

Comparable EBITDA was EUR 42.7 million (EUR 51.3 million), representing 9.8% (11.7%) of net sales. Higher raw material costs as well as operational challenges in the coated one-sided business burdened profitability.



EUR MILLION	Q3/2017	Q3/2016	CHANGE, %	1-9/2017	1-9/2016	CHANGE, %	2016
Net sales	138.3	141.2	-2.0	435.4	438.0	-0.6	577.7
Comparable EBITDA	10.4	16.5	-36.8	42.7	51.3	-16.9	64.5
Comparable EBITDA margin, %	7.5%	11.7%		9.8%	11.7%		11.2%

SHARES AND SHARE CAPITAL

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

On September 30, 2017, Ahlstrom-Munksjö's share capital amounted to EUR 85 million, and the total number of shares since April 1, 2017 has been 96,438,573. The company had 11,622 shareholders at the end of the reporting period. Ahlstrom-Munksjö held a total of 364,862 of its own shares, corresponding to approximately 0.3% of the total shares and votes.

Nasdaq Helsinki

During January-September 2017, a total of 11.3 million (4.3 million) Ahlstrom-Munksjö shares were traded for a total of EUR 195.2 million (EUR 40.0 million). The average daily volume was 60,095 (22,262). The lowest trading price was EUR 13.75 and the highest was EUR 20.49. The closing price on September 30, 2017 was EUR 17.56. The market capitalization at the end of the review period was EUR 1,687.1 million, excluding the shares owned by the parent company.

Nasdaq Stockholm

During January-September 2017, a total of 1.1 million (1.4 million) Ahlstrom-Munksjö shares were traded for a total of SEK 168.4 million (SEK 130.8 million). The average daily trading volume was 5,624 (7,658). The lowest trading price was SEK 131.50 and the highest was SEK 199.50. The closing price on September 30, 2017 was SEK 168.50.

The share turnover during the reporting period for the both exchanges was 12.9% (11.2%) of the total amount of shares. Ahlstrom-Munksjö's shares are also traded on alternative exchanges, such as BATS. During the reporting period, the shares traded on Nasdaq Helsinki represented 80.2%, Nasdaq Stockholm 11.4% and the alternative exchanges 8.4% of the total trading volume (source: Fidessa Fragmentation Index).

FLAGGING NOTIFICATIONS

Change in the holding of Ahlström Capital

On September 1, 2017, Ahlstrom-Munksjö received a notification from Ahlström Capital Oy on behalf of AC Invest Five BV and AC Invest Six BV.

According to the notification, AC Invest Six BV had been merged into AC Invest Five BV as of August 31, 2017. Both companies are fully owned indirect subsidiaries of Ahlström Capital Oy. As a consequence, the shareholding of AC Invest Five BV in Ahlstrom-Munksjö Oyj had exceeded the threshold of 15% (from 12.68% to 18.36%). Simultaneously, the shareholding of AC Invest Six BV in Ahlstrom-Munksjö Oyj has fallen below the threshold of 5% (from 5.69% to 0.00%). No notification threshold has been crossed on the group level and Ahlström Capital's total shareholding on the date of the notification was 18.36% on the date of the notification (through AC Invest Five BV).

Change in the holding of Ilmarinen

On April 3, 2017, Ahlstrom-Munksjö received a notification from Ilmarinen Mutual Pension Insurance Company.

According to the notification, the holding of Ilmarinen in Ahlstrom-Munksjö had fallen below the 5% threshold as a consequence of the merger of Ahlstrom Corporation into Munksjö Oyj. On April 1, 2017, the direct holding of Ilmarinen amounted to 4,474,546 shares, corresponding to a holding of 4.64% of Ahlstrom-Munksjö's shares and voting rights.

Change in the holding of Ahlström Capital

On April 3, 2017 Ahlstrom-Munksjö Oyj received a notification from Ahlström Capital Oy on behalf of AC Invest Five BV and AC Invest Six BV.

According to the notification, as a consequence of the merger of Ahlstrom Corporation into Munksjö Oyj, the proportion of Ahlstrom-Munksjö shares owned by AC Invest Five BV, a fully owned indirect subsidiary of Ahlström Capital Oy, has fallen below the thresholds of 15% and 10% on 1 April 2017 (from 18.11% to 9.63%). Furthermore, the proportion of Ahlstrom-Munksjö shares owned by AC Invest Six BV, a fully owned indirect subsidiary of Ahlström Capital Oy, has exceeded the threshold of 5% on 1 April 2017 (from 0% to 5.69%). No notification threshold has been crossed at the group level.

REPURCHASES OF OWN SHARES

On May 2, 2017, the Board of Directors decided to utilize the authorization given by the Annual General Meeting (AGM) 2016, held on April 6, 2016, to repurchase a maximum of 300,000 own shares. The repurchases continued on May 17, based on authorization given by the AGM 2017, held on May 16, 2017.

The repurchases started on May 3, 2017 and ended on June 13, 2017. During this period, Ahlstrom-Munksjö repurchased 300,000 shares, corresponding to about 0.3 per cent of the total number of shares and votes. The repurchased shares will be used primarily for implementing future share-based incentive programs of the company.

ANNUAL GENERAL MEETING

Ahlstrom-Munksjö Oyj's Annual General Meeting was held on May 16, 2017. The Annual General Meeting adopted the Financial Statements for 2016 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2016.

The AGM resolved in accordance with the proposal of the Board of Directors that no dividend will be paid for the fiscal year 2016. The AGM resolved, based on the financial statements of the company for 2016, on the payment of funds from the reserve for invested unrestricted equity as return of equity in the amount of EUR 0.23 per share in September 2017.

The return of equity was paid to those shareholders who on the record date of the payment, September 6, 2017, were registered either in the shareholders' register of Ahlstrom-Munksjö maintained by Euroclear Finland Ltd or in the register of shareholders maintained by Euroclear Sweden AB. The return of equity payable for Euroclear Sweden AB registered shares will be forwarded by Euroclear Sweden AB. The payment date for the return of equity was September 13, 2017.

The AGM resolved that the number of Board members to be nine. Hans Sohlström, Peter Seligson, Elisabet Salander Björklund, Alexander Ehrnrooth, Jan Inbarr (passed away on June 24, 2017), Harri-Pekka Kaukonen, Johannes Gullichsen and Hannele Jakosuo-Jansson were re-elected. Pernilla Walfridsson was elected as new member of the Board. The Board members were elected for the period ending at the close of the next Annual General Meeting.

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

AUTHORIZATIONS TO REPURCHASE AND DISTRIBUTE THE COMPANY'S OWN SHARES AS WELL AS TO ACCEPT THEM AS PLEDGE

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

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

The Board of Directors is authorized to resolve on all other terms and conditions regarding the repurchase of the company's own shares or their acceptance as pledge.

By virtue of the authorization, the Board of Directors has the right to resolve on the distribution of a maximum of 8,000,000 own shares held by the company in one or several instalments.

The authorization includes the right for the Board of Directors to resolve upon all terms and conditions of the distribution of shares held by the company, including the right to derogate from the pre-emptive right of the shareholders. The shares may be used e.g. as consideration in acquisitions and in other arrangements as well as to implement the company's share-based incentive plans or for other purposes determined by the Board of Directors. The Board of Directors also has the right to resolve on the distribution of the shares in public trading for the purpose of financing possible acquisitions. The authorization also includes the right for the Board of Directors to resolve on the sale of the shares accepted as a pledge.

The authorizations are valid until the close of the next Annual General Meeting, however, for 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 Hans Sohlström as Chairman and Peter Seligson and Elisabet Salander Björklund as Vice Chairmen of the Board.

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

The members of the Strategy Committee are Peter Seligson (Chair), Alexander Ehrnrooth and Hans Sohlström (Jan Inbarr passed away on June 24, 2017). The members of the Human Resources Committee are Hans Sohlström (Chair), Johannes Gullichsen and Hannele Jakosuo-Jansson.

CHANGE IN THE COMPOSITION OF THE BOARD OF DIRECTORS

On June 24, 2017, Jan Inbarr passed away after suffering from a short period of illness. The Board of Directors will continue with eight members until the next Annual General Meeting in 2018. The Board of Directors has appointed Hans Sohlström to replace Jan Inbarr on the Strategy Committee.

SHAREHOLDERS' NOMINATION BOARD

Ahlstrom-Munksjö's three largest registered shareholders based on holdings on May 31, 2017 nominated the following persons as their representatives in the Shareholders' Nomination Board of Ahlstrom-Munksjö:

- Thomas Ahlström (Ahlström Capital Oy and four other shareholders)
- Alexander Ehrnrooth (Viknum AB and Belgrano Inversiones Oy)
- Mikko Mursula (Ilmarinen Mutual Pension Insurance Company)

The company's Chairman of the Board, Hans Sohlström, and Peter Seligson, as nominated by the Board, are also expert members of the Nomination Board. On June 7, 2017, the Nomination Board elected Thomas Ahlström from among its members as Chairman.

The Nomination Board prepares proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors and the remuneration of the members of the Board committees and the Nomination Board.

EVENTS AFTER THE REPORTING PERIOD

NEW LONG-TERM SHARE-BASED INCENTIVE PLAN

On October 24, 2017, the Board of Directors decided on a new long-term share-based incentive plan for the key personnel of the company. The aim of the plan is to align the objectives of the company's owners and key personnel to increase the company's value and to commit key personnel to the company through an incentive system based on ownership of Ahlstrom-Munksjö shares.

The Board of Directors has, in addition, decided to establish a bridge plan to cover the gap, which results from the implemented merger of the two companies in the long-term incentive plan structure and the related transition to the new plan structure herein announced. The bridge plan covers the most critical leadership resources of Ahlstrom-Munksjö. The plan includes a rolling structure of individual performance share plans, each with a three-year performance period. The first performance period will start as of 2017. The commencement of any further plan periods is subject to the Board's annual decision. The performance criteria for the 2017-2019 performance period will be the Total Shareholder Return (TSR) including share price change and profit distribution during the performance period. Additionally, no reward will be paid in case an underlying EBITDA requirement is not met.

The Board of Directors has nominated approximately 65 key persons as eligible to participate in the first plan 2017-2019.

The potential reward for the first plan will be paid in 2020. The reward will at the company's choice either be paid in the form of company shares or in cash. Full details on the long-term incentive plan were published as a stock exchange release on October 24, 2017 and are available on www.ahlstrom-munksjo.com/media/releases.

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. Currently there is a risk related to the availability of titanium dioxide, a key raw material for decor paper, due to a shortage of supply. Ahlstrom-Munksjö's key financial risks include interest rate and currency risks, liquidity risk and credit risk. The Group has exposure to tax risks due to potential changes in tax laws or regulations or their application, or as a result of on-going and future tax audits or claims.

Ahlstrom-Munksjö 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.

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

Jan Åström, President and CEO, tel. +46 10 250 1001
Pia Aaltonen-Forsell, CFO, tel. +46 10 250 1029
Anna Selberg, EVP, Communications and Investor Relations, tel. ++46 703 231 032

WEBCAST AND CONFERENCE CALL

A combined news conference, call and live webcast will be arranged on the publishing day, October 25, 2017, at 10:00 a.m. CEST (11:00 a.m. EEST) at the restaurant Savoy in Helsinki (Eteläesplanadi 14). The report will be presented in English by President and CEO Jan Åström and CFO Pia Aaltonen-Forsell.

WEBCAST AND CONFERENCE CALL INFORMATION

The combined webcast and teleconference can be viewed at:
http://qsb.webcast.fi/a/ahlstrommunksjo/ahlstrommunksjo_2017_1025_q3/

Finnish callers: +358 (0)9 7479 0404
Swedish callers: +46 (0)8 5065 3942
UK callers: +44 (0) 330 336 9411
US callers: +1 719 325 4746

Conference ID: 5895267

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.

NEXT FINANCIAL REPORT

• Financial Statements Release 2017

February 13, 2018

AHLSTROM-MUNKSJÖ IN BRIEF

Ahlstrom-Munksjö is a global leader in fiber-based materials, supplying innovative and sustainable solutions to customers worldwide. Our offerings include decor paper, filter media, release liners, abrasive backings, nonwovens, electrotechnical paper, glass fiber materials, food packaging and labeling, tape, medical fiber materials and solutions for diagnostics. Combined annual net sales are about EUR 2.15 billion and we employ 6,000 people. The Ahlstrom-Munksjö share is listed on the Nasdaq Helsinki and Stockholm. The company was formed on April 1, 2017 through the merger of Ahlstrom Corporation and Munksjö Oyj. Read more at www.ahlstrom-munksjo.com.

APPENDIX: CONSOLIDATED FINANCIAL STATEMENTS

Financial statements are unaudited. Comparison figures refer to standalone Munksjö Group.

INCOME STATEMENT					
EUR million	Q3/2017	Q3/2016	1-9/2017	1-9/2016	2016
Net sales	541.6	269.6	1,412.9	860.5	1,142.9
Other operating income	1.6	1.2	11.5	5.3	7.5
Total operating income	543.3	270.8	1,424.3	865.8	1,150.4
Operating costs					
Changes in inventories	-0.4	0.0	-5.5	2.1	2.7
Materials and supplies	-256.8	-126.5	-662.9	-411.5	-544.2
Other external costs	-124.9	-65.9	-334.7	-199.5	-266.2
Personnel costs	-97.8	-48.9	-263.8	-156.3	-212.6
Depreciation and amortisation	-31.6	-14.0	-76.0	-42.1	-55.2
Total operating costs	-511.6	-255.3	-1,342.9	-807.3	-1,075.5
Share of profit in equity accounted investments	0.0	0.0	0.0	0.0	0.0
Operating result	31.7	15.5	81.4	58.5	74.9
Net financial items	-6.8	-3.7	-19.6	-14.2	-15.9
Profit before tax	24.9	11.8	61.8	44.3	59.0
Taxes	-7.4	-3.5	-18.0	-12.8	-15.7
Net profit	17.5	8.3	43.8	31.5	43.3

Financial statements are unaudited. Comparison figures refer to standalone Munksjö Group.

OTHER COMPREHENSIVE INCOME					
EUR million	Q3/2017	Q3/2016	1-9/2017	1-9/2016	2016
Net profit	17.5	8.3	43.8	31.5	43.3
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations for the period	-10.0	-1.4	-45.0	8.9	11.0
Hedges of net investments in foreign operations	0.0	-	0.1	-	-
Change in cash flow hedge reserve	1.3	-1.3	1.2	-4.0	-2.4
Cash flow hedge transferred to this year's result	-1.3	1.2	-0.2	2.1	3.1
Items that will not be reclassified to profit or loss					
Actuarial gains and losses on defined benefit plans	2.3	0.0	6.8	0.0	-3.3
Tax attributable to other comprehensive income	-0.6	0.0	-2.7	0.4	0.7
Comprehensive income	9.3	6.9	4.0	38.9	52.4
Net result attributable to:					
Parent company's shareholders	17.3	8.3	43.3	31.3	43.1
Non-controlling interests	0.2	0.0	0.5	0.2	0.2
Comprehensive income attributable to:					
Parent company's shareholders	9.2	6.9	3.7	38.7	52.2
Non-controlling interests	0.1	0.0	0.3	0.2	0.2
<i>Average number of outstanding shares*</i>	96,073,711	50,761,581	81,189,753	50,761,581	50,761,581
Basic earnings per share, EUR **	0.18	0.16	0.71	0.62	0.85
Diluted earnings per share, EUR **	0.18	0.16	0.71	0.62	0.85
Comparable earnings per share excluding merger related items (PPA)**	0.34		0.98		

* As adjusted for treasury shares

** 1-9/2017 is pro forma

Financial statements are unaudited. Comparison figures refer to standalone Munksjö Group.

BALANCE SHEET EUR million	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
ASSETS			
Non-current assets			
Tangible assets	834.8	416.1	421.1
Goodwill	434.4	225.5	226.1
Other intangible assets	309.5	43.5	43.1
Equity accounted investments	2.2	2.2	2.2
Other non-current assets	14.1	3.2	9.0
Deferred tax assets	16.7	48.3	40.8
Total non-current assets	1,611.6	738.8	742.3
Current assets			
Inventory	273.2	156.0	158.2
Accounts receivable	236.1	115.9	104.8
Other current assets	56.1	30.4	33.5
Current tax assets	7.4	1.2	1.7
Cash and cash equivalents	225.7	116.2	146.0
Total current assets	798.5	419.7	444.2
TOTAL ASSETS	2,410.1	1,158.5	1,186.5
EQUITY AND LIABILITIES			
Equity	1,028.2	424.9	437.7
Non-current liabilities			
Non-current borrowings	552.8	293.6	293.5
Other non-current liabilities	0.8	3.1	0.9
Employee benefit obligations	98.0	51.7	54.7
Deferred tax liabilities	123.9	74.4	66.6
Provisions	20.3	17.7	16.0
Total non-current liabilities	795.8	440.5	431.7
Current liabilities			
Current borrowings	77.1	22.4	22.0
Accounts payable	252.2	141.2	162.9
Liabilities to equity accounted investments	7.8	5.9	7.1
Accrued expenses and deferred income	213.0	103.6	98.7
Current tax liabilities	14.4	8.0	11.9
Other current liabilities and provisions	21.6	12.0	14.5
Total current liabilities	586.1	293.1	317.1
Total liabilities	1,381.9	733.6	748.8
TOTAL EQUITY AND LIABILITIES	2,410.1	1,158.5	1,186.5

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
- 8) Non-controlling interests
- 9) Total equity

EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)
Balance at Jan 1, 2016	15.0	269.3	388.1	-3.1	-20.9	-251.2	397.2	4.1	401.3
Result for the period	-	-	-	-	-	31.3	31.3	0.2	31.5
Other comprehensive income	-	-	-1.5	-	8.9	-	7.4	-	7.4
Total comprehensive income	-	-	-1.5	-	8.9	31.3	38.7	0.2	38.9
Return of capital and dividends	-	-15.2	-	-	-	-	-15.2	-0.3	-15.5
Employee share incentive plan	-	-	-	-	-	0.2	0.2	-	0.2
Balance at Sep 30, 2016	15.0	254.1	386.6	-3.1	-12.0	-219.7	420.9	4.0	424.9
Balance at Jan 1, 2017	15.0	254.1	385.0	-3.1	-9.9	-207.4	433.7	4.0	437.7
Result for the period	-	-	-	-	-	43.3	43.3	0.5	43.8
Other comprehensive income	-	-	0.8	-	-44.7	4.2	-39.7	-0.2	-39.9
Total comprehensive income	-	-	0.8	-	-44.7	47.6	3.7	0.3	4.0
Directed shares issued (merger)	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
Employee share incentive plan	-	-	-	2.4	-	-2.3	0.1	-	0.1
Balance at Sep 30, 2017	85.0	521.0	385.8	-6.3	-54.6	88.6	1,019.4	8.8	1,028.2

Financial statements are unaudited. Comparison figures refer to standalone Munksjö Group.

STATEMENT OF CASH FLOWS					
EUR million	Q3/2017	Q3/2016	1-9/2017	1-9/2016	2016
Cash flow from operating activities					
Profit / loss for the period	17.5	8.3	43.8	31.5	43.3
Adjustments, total	41.6	21.2	107.3	69.1	86.8
Changes in net working capital	2.5	10.0	3.0	-11.4	5.0
Change in provisions	1.8	-2.6	0.5	-6.2	-7.9
Financial items	-4.9	-2.9	-18.5	-8.8	-11.6
Income taxes paid / received	-7.0	-1.4	-26.9	-1.2	-1.3
Net cash from operating activities	51.6	32.6	109.3	73.0	114.3
Cash flow used in investing activities					
Purchase of intangible and tangible assets	-17.8	-10.6	-44.3	-28.5	-39.2
Other investing activities	3.3	0.0	2.9	0.0	0.0
Net cash from investing activities	-14.5	-10.6	-41.4	-28.5	-39.2
Cash generated from financing activities					
Dividends paid and other	-19.5	0.0	-45.9	-15.5	-15.5
Interest on hybrid bond	-	-	-6.9	-	-
Repurchase of hybrid bond	-	-	-100.0	-	-
Change in loans and other financing activities	-14.7	-8.4	108.5	-17.6	-18.4
Sale/repurchase of treasury shares	-	-	-5.6	-	-
Net cash from financing activities	-34.2	-8.4	-50.0	-33.1	-33.9
Net change in cash and cash equivalent	2.9	13.6	17.9	11.4	41.2
Cash and cash equivalent at the beginning of the period*	222.9	103.4	212.5	105.1	105.1
Foreign exchange adjustment	0.0	-0.8	-4.8	-0.3	-0.3
Cash and cash equivalents at the end of the period	225.7	116.2	225.7	116.2	146.0

*Includes EUR 66.6 million of Cash and cash equivalents from the merger

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Accounting principles

This unaudited consolidated quarterly interim report has been prepared in accordance with "IAS 34 Interim Financial Reporting", as adopted by the EU. For presentation, individual figures and sum totals have been rounded to millions with one decimal, which may cause rounding differences when they are summed up. Furthermore, all percentages are subject to possible rounding differences. The accounting principles applied remain unchanged compared with the Annual Report 2016 of Munksjö.

Further information about the calculation of pro forma related key figures was published as a stock exchange release on May 15, 2017, and is also available at www.ahlstrom-munksjo.com

IFRS 15 Revenue from contracts with customers

The evaluation of the impact on the consolidated accounts when IFRS 15 is applied is ongoing. The standard is not expected to have a material impact on revenue recognition in Ahlstrom-Munksjö as the business is primarily the sales of products at an established market in accordance with a mature business model.

Derivative financial instruments

The fair value of currency instruments was EUR 0.3 million and the interest rate instruments was EUR -0.2 million at the end of the third quarter. The fair value hierarchy level for derivative instruments is 2.

Financial statements are unaudited. Comparison figures refer to standalone Munksjö Group.

RECONCILIATION OF ADJUSTED EBITDA AND EBIT					
EUR million	Q3/2017	Q3/2016	1-9/2017	1-9/2016	2016
Comparable EBITDA	70.4	29.5	185.1	100.6	136.7
Depreciation and amortisation	-31.6	-14.0	-76.0	-42.1	-55.2
Comparable operating result	38.8	15.5	109.2	58.5	81.5
Items affecting comparability in EBIT	-7.0	0.0	-27.7	0.0	-6.6
Operating result	31.7	15.5	81.4	58.5	74.9

Q3/2017 comparable EBITDA and operating result include profit of a sale of fixed asset worth EUR 1.9 million.

CONSOLIDATED KEY RATIOS					
	Q3/2017	Q3/2016	1-9/2017	1-9/2016	2016
<i>Margins (comparable)</i>					
EBITDA margin, %	13.0%	10.9%	13.1%	11.7%	12.0%
Operating margin, %	7.2%	5.7%	7.7%	6.8%	7.1%
<i>Return (12 months continuous)</i>					
Return on operating capital, % (adjusted)	12.1%	10.1%	12.1%	10.1%	12.3%
Return on shareholders' equity, %	9.2%	9.4%	9.2%	9.4%	10.2%
<i>Capital structure at period's end</i>					
Operating capital, MEUR	1,544.4	657.6	1,544.4	657.6	643.2
Shareholders' equity, MEUR	1,028.2	424.9	1,028.2	424.9	437.7
Interest-bearing net debt, MEUR	404.2	199.8	404.2	199.8	169.5
Debt/equity ratio, %	39.3%	47.0%	39.3%	47.0%	38.7%
Equity/assets ratio, %	42.7%	36.7%	42.7%	36.7%	36.8%
<i>Per share (before and after dilution)</i>					
Earnings per share, EUR *	0.18	0.16	0.71	0.62	0.85
Shareholders' equity per share, EUR	10.7	8.3	10.7	8.3	8.6
Number of shares outstanding at the end of the period	96,073,711	50,761,581	96,073,711	50,761,581	50,761,581
Capital expenditure, MEUR	17.8	10.6	44.3	28.5	39.2
Average number of employees, FTE	5,918	2,784	4,847	2,756	2,755

*1-9/2017 is proforma

Financial statements are unaudited. Comparison figures refer to standalone Munksjö Group.

SEGMENT FINANCIAL INFORMATION BY QUARTER (PRO FORMA)					
	Q3/2017	Q2/2017	Q1/2017	Q4/2016	Q3/2016
Net sales, EUR million					
Decor	90.5	98.2	95.4	88.7	84.9
Filtration and Performance	162.0	174.3	169.0	149.5	156.5
Industrial Solutions	155.9	162.5	163.7	155.5	148.4
Specialties	138.3	151.1	145.9	139.8	141.2
Other and eliminations	-5.1	-9.2	-7.1	-6.1	-7.4
Group	541.6	576.9	566.9	527.5	523.5
Comparable EBITDA, EUR million					
Decor	5.8	8.1	11.3	11.4	11.0
Filtration and Performance	31.1	33.1	31.8	19.5	29.7
Industrial Solutions	26.8	27.9	28.4	28.7	21.9
Specialties	10.4	14.7	17.5	13.2	16.5
Other and eliminations	-3.7	-6.4	-9.5	-11.4	-8.9
Group	70.4	77.4	79.4	61.3	70.2
Comparable EBITDA margin, %					
Decor	6.4%	8.2%	11.8%	12.9%	13.0%
Filtration and Performance	19.2%	19.0%	18.8%	13.0%	19.0%
Industrial Solutions	17.2%	17.2%	17.4%	18.4%	14.8%
Specialties	7.5%	9.7%	12.0%	9.4%	11.7%
Other and eliminations					
Group	13.0%	13.4%	14.0%	11.6%	13.4%

BUSINESS COMBINATION

Merger of Munksjö Oyj and Ahlstrom Corporation

On April 1, 2017, Ahlstrom Corporation was merged into Munksjö Oyj and the name of the combined company was changed to Ahlstrom-Munksjö Oyj. The combination created a global leader in sustainable and innovative fiber-based solutions. Approvals from the Extraordinary General Meetings of Ahlstrom and Munksjö as well as the European Commission were received on January 11, 2017 and March 13, 2017, respectively.

A total of 45,376,992 new shares in Ahlstrom-Munksjö were issued as merger consideration to Ahlstrom's shareholders, bringing the total number of shares to 96,438,573. Trading in the new shares commenced on the Nasdaq Helsinki and Nasdaq Stockholm stock exchanges on April 3, 2017.

Provisionally recognized amounts to identifiable assets acquired and liabilities assumed

	EUR million
Total consideration	632.6
	Fair value
Intangible assets	288.8
Property, plant and equipment	452.9
Other non-current assets	19.8
Deferred tax assets	38.9
Inventory	122.0
Trade and other receivables	205.7
Non-current and current borrowings	-308.9
Employee benefit obligations	-55.0
Trade and other liabilities	-345.2
Total identifiable net assets	418.9
Non-controlling interests	-4.8
Goodwill	218.4

Commitments of EUR 62.9 million were transferred to Ahlstrom-Munksjö following the merger. The main commitment was the guarantees given on behalf of subsidiaries.

The provisional fair values of acquired identifiable intangible assets at the date of acquisition is EUR 288.8 million, including customer relationships and technology related intangible assets. The preliminary goodwill of EUR 218.4 million reflects the value of acquired workforce and synergies raising from the merger e.g. reduction of overhead costs, reduced costs for procurement and improved operational efficiency.

CALCULATION OF KEY FIGURES

EBITDA

Operating result before depreciation and amortisation.

EBITDA margin

EBITDA as a percentage of net sales.

Operating margin

Operating result after depreciation and amortisation as a percentage of net sales.

Return on shareholders' equity

Result of the year as a percentage of average shareholders' equity.

Operating capital

Balance sheet total less interest-bearing assets, tax assets and non-interest-bearing operating liabilities, including employee benefit obligations.

Return on operating capital

Operating result as a percentage of operating capital, based on most recent 12 month period.

Net Interest-bearing liability

Interest-bearing assets (including cash and equivalents) less interest-bearing liabilities.

Debt/equity ratio

Interest-bearing net debt divided by shareholders' equity including non-controlling interests.

Equity/assets ratio

Shareholders' equity including non-controlling interests as a percentage of total assets

Earnings per share

Result for the period - Non controlling interest divided by the average number of shares outstanding.

Equity per share (EPS)

Shareholders' equity divided by the number of shares outstanding at the end of the period.

Comparable earnings per share excluding merger related items (PPA)

Comparable result for the period excluding merger related items - Non controlling interest divided by the average number of shares outstanding.

Interest bearing liabilities and assets

Liabilities and assets which have a contractual obligation/right to pay/receive interest to/from a financial institution.

Items affecting comparability

Income or expense arising from exceptional transactions that are not related to recurring business operations.