



AHLSTROM

# Interim Report

January–June 2014

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## Ahlstrom interim report January-June 2014

### Profitability improved largely driven by better cost structure

#### Continuing operations April-June 2014 compared with April-June 2013

- Net sales EUR 253.0 million (EUR 265.0 million).
- Operating profit EUR 9.6 million (EUR 6.4 million).
- Operating profit excluding non-recurring items EUR 13.4 million (EUR 7.9 million).
- Operating margin excluding non-recurring items 5.3% (3.0%).
- Profit / loss before taxes EUR -0.4 million (EUR -3.5 million).
- Earnings per share EUR -0.07 (EUR -0.12).

#### April-June 2014 in brief

- Reported net sales fell by 4.5%, while profitability improved. Comparable net sales grew 0.4% at constant currency rates and there was clear improvement in the profitability of four business areas: *Advanced Filtration, Building and Energy, Food, and Transportation Filtration*.
- Marco Levi was appointed as Ahlstrom's new President & CEO.
- New products were introduced to accelerate growth and improve the sales mix and profit margin. One key product launch was Ahlstrom EasyLife® Spray & Up, a new offering for the fast-growing digital wall décor market.

#### Continuing operations January-June 2014 compared with January-June 2013

- Net sales EUR 502.2 million (EUR 520.3 million).
- Operating profit EUR 14.0 million (EUR 14.7 million).
- Operating profit excluding non-recurring items EUR 20.6 million (EUR 14.4 million).
- Operating margin excluding non-recurring items 4.1% (2.8%).
- Profit before taxes EUR 4.8 million (EUR 0.1 million).
- Earnings per share EUR -0.02 (EUR -0.09).

#### Outlook for 2014

- The outlook published on January 30, 2014 remains unchanged. Net sales are expected to be EUR 930-1,090 million. The operating profit margin excluding non-recurring items is expected to be 2-5% of net sales.

#### Marco Levi, President & CEO

"We have improved our profitability for three consecutive quarters, demonstrating our ability to enhance financial performance. In particular the Advanced Filtration, Food, and Transportation Filtration business areas increased their profit margins".

"I am very pleased that our ongoing rightsizing program is progressing as planned and the benefits can already be seen in our operating result. The program has yielded clear reductions in selling, general and administrative costs, along with production overheads".

"Comparable net sales were flat in the second quarter, with only moderate improvement in the overall market environment. As we cannot rely solely on an economic recovery to boost our sales, we will strive to improve our operational efficiency and continue to launch appealing new products such as Ahlstrom EasyLife® Spray & Up for the digital wall décor market. Our ambition is to swiftly position Ahlstrom in such a way that we can capture new profitable business while operating with a more sustainable cost structure".

## Key figures from continuing operations

EUR million	Q2/2014	Q2/2013	Change. %	Q1- Q2/2014	Q1- Q2/2013	Change. %
<b>Net sales</b>	253.0	265.0	-4.5	502.2	520.3	-3.5
<b>Operating profit</b>	9.6	6.4	49.8	14.0	14.7	-5.0
<i>% of net sales</i>	3.8	2.4		2.8	2.8	
<b>Operating profit excl. NRI</b>	13.4	7.9	69.5	20.6	14.4	43.5
<i>% of net sales</i>	5.3	3.0		4.1	2.8	
<b>Profit / Loss before taxes</b>	-0.4	-3.5	89.1	4.8	0.1	N/A
<b>Profit / Loss for the period</b>	-2.2	-4.9	55.4	0.9	-3.0	N/A
<b>Earnings per share</b>	-0.07	-0.12		-0.02	-0.09	
<b>Return on capital employed, %</b>	5.4	1.0		4.4	3.2	
<b>Net cash flow from operative activities *</b>	14.2	35.5	-59.9	8.2	14.1	-42.0
<b>Capital expenditure</b>	10.3	20.7	-50.1	19.3	32.2	-40.0
<b>Number of personnel, at the end of period</b>	3,518	3,781	-7.0	3,518	3,781	-7.0

\*Including discontinued operations

## Operating environment

The operating environment in Ahlstrom's main markets in the second quarter of 2014 improved slightly from the comparison period and was in line with the first quarter of this year.

In the *Advanced Filtration* business area, growth continued in the gas turbine and industrial filtration applications, particularly in North America and Asia. The markets for laboratory and life science, water and high efficiency air applications were somewhat softer.

In the *Building and Energy* business area, demand for construction-related materials such as flooring applications was stable in Europe, but continued to soften in Russia. The market for reinforced glass fiber products for the wind energy industry in Europe remained low, whereas it started to recover in North America supported by tax incentives. Demand for wallpaper and wallcovering substrates softened in Europe, while it strengthened in China.

In the *Food* business area, demand for beverage, food packaging and tape products continued to be solid in all main geographical regions except for South America. Growth continued in the single-use coffee products market.

In the *Medical* business area, demand for medical fabrics was stable in Europe and North America, while it strengthened in Asia, supported by the growing trend for single-use products.

In the *Transportation Filtration* business area, solid growth continued in the transportation filtration materials markets in Asia, North America and Europe. In South America, the market continued to show positive signs following a slowdown in the second half of 2013.

## New products

Ahlstrom continued actively launching new products to drive growth and improve sales mix and profit margin. The company recently launched EasyLife® Spray & Up, its new offering for the fast growing digital wall décor market. The patent-pending product has a unique, integrated, adhesive system, which significantly improves the decorating experience for consumers as no additional adhesive or specialist tools are required, just water and a spray bottle. In addition, the company extended its range of Sterile Barrier Systems (SBS). Ahlstrom Reliance® Tandem's extended range now offers sterile barrier systems designed for light to heavy medical instrument trays.

Ahlstrom's long-term strategic target is to generate 20% of net sales from new products. As of June 30, 2014, the 12-month rolling figure was 14%, showing a gradual improving trend.

## Changes in segment reporting

Ahlstrom made changes to its financial segment reporting as of January 1, 2014, as the former Food and Medical business area was divided into two segments: the Food business area and the Medical business area. The company's six reporting segments are: Advanced Filtration, Building and Energy, Food, Medical, Transportation Filtration, and Trading and News Business.

## Development of net sales from continuing operations

Net sales by segment, EUR million	Q2/2014	Q2/2013	Change, %	Q1- Q2/2014	Q1- Q2/2013	Change, %
<b>Advanced Filtration</b>	26.2	26.2	-0.1	50.7	50.5	0.4
<b>Building and Energy*</b>	65.5	71.0	-7.7	134.4	144.4	-7.0
<b>Food</b>	58.4	63.7	-8.2	117.4	123.8	-5.1
<b>Medical</b>	32.8	38.5	-14.6	63.0	74.9	-16.0
<b>Transportation Filtration</b>	82.9	81.0	2.3	160.8	155.6	3.3
<b>Trading and New Business**</b>	19.8	14.7	34.4	39.1	25.1	55.4
<b>Other functions*** and eliminations</b>	-32.7	-30.2	N/A	-63.2	-54.1	N/A
<b>Total net sales</b>	253.0	265.0	-4.5	502.2	520.3	-3.5

\* Internal sales of release papers to the Trading and New Business segment are included in the Building and Energy segment. In addition, sales of poster papers are included in the Building and Energy segment starting from the beginning of June 2013.

\*\* Trading and New Business includes: trading sales of wipes materials to Suominen Corporation, trading sales of release papers to Munksjö Oyj as well as Porous Power Technologies.

\*\*\* Other functions include financing and tax-related items, as well as earnings and costs belonging to holding and sales companies.

Comparable change in net sales as a percentage, at constant currencies, excluding divestments:

Comparable change in net sales by segment, %	Q2/14 vs Q2/13	Q1-Q2/14 vs Q1-Q2/13
<b>Advanced Filtration</b>	2.1	2.4
<b>Building and Energy</b>	-4.2	-3.5
<b>Food</b>	-0.6	2.9
<b>Medical</b>	-9.0	-11.2
<b>Transportation Filtration</b>	5.9	7.6
<b>Trading and New Business**</b>	34.7	55.6
<b>Other functions*** and eliminations</b>	N/A	N/A
<b>Total net sales</b>	0.4	1.6

## April-June 2014 compared with April-June 2013

Ahlstrom's second-quarter 2014 net sales fell by 4.5% to EUR 253.0 million, compared with EUR 265.0 million in the second quarter of 2013. The decline was mainly due to an adverse currency effect, led by a weaker U.S. dollar against the euro, lower volumes and the sale of the West Carrollton converting plant in the U.S. at the end of 2013. Higher selling prices and improved product mix had a positive impact on net sales. Comparable net sales growth at constant currency rates was 0.4%.

Breakdown of the change in net sales:

	Net sales
<b>Q2/2013, EUR million</b>	<b>265.0</b>
Price and mix, %	1.9
Currency, %	-3.0
Volume, %	-1.5
Closures, divestments and new assets, %	-2.0
<b>Total, %</b>	<b>-4.5</b>
<b>Q2/2014, EUR million</b>	<b>253.0</b>

Total sales in metric tons fell by 3.5% from the comparison period. Sales volumes decreased by 9.8% in *Building and Energy*, 5.1% in *Medical* and 2.1% in *Food* (+3.0% excluding the impact of divestments). Sales volumes increased by 1.9% in *Transportation Filtration* and 2.4% in *Advanced Filtration*.

## January-June 2014 compared with January-June 2013

Ahlstrom's first-half 2014 net sales fell by 3.5% to EUR 502.2 million, compared with EUR 520.3 million in the first half of 2013. The decline was mainly due to an adverse currency effect, led by a weaker U.S. dollar against the euro, and the sale of the West Carrollton converting plant in the U.S. Higher selling prices and improved product mix had a positive impact on net sales. Comparable net sales growth at constant currency rates was 1.6%.

Breakdown of the change in net sales:

	Net sales
<b>Q1-Q2/2013, EUR million</b>	<b>520.3</b>
Price and mix, %	2.1
Currency, %	-2.9
Volume, %	-0.5
Closures, divestments and new assets, %	-2.1
<b>Total, %</b>	<b>-3.5</b>
<b>Q1-Q2/2014, EUR million</b>	<b>502.2</b>

Total sales in metric tons fell by 2.6% from the comparison period. Sales volumes decreased by 9.5% in *Building and Energy*, 6.5% in *Medical* and 0.5% in *Food* (+4.8% excluding the impact of divestments). Sales volumes increased by 2.7% in *Transportation Filtration* and 1.9% in *Advanced Filtration*.

## Result and profitability from continuing operations

Operating profit excl. non-recurring items by segment	Q2/2014	Q2/2013	Change. %	Q1-Q2/2014	Q1-Q2/2013	Change. %
Advanced Filtration	4.2	3.7	14.2	7.9	6.8	15.5
Building and Energy	2.0	1.6	25.3	3.3	4.1	-19.4
Food	2.5	1.4	84.9	4.8	2.2	121.8
Medical	-0.8	0.3	N/A	-2.7	0.3	N/A
Transportation Filtration	7.3	4.6	59.0	12.2	8.7	40.4
Trading and New Business*	-0.2	-0.7	68.1	-1.3	-1.5	14.3
Other functions** and eliminations	-1.5	-2.9	47.9	-3.6	-6.2	41.6
<b>Continuing operations total</b>	<b>13.4</b>	<b>7.9</b>	<b>69.5</b>	<b>20.6</b>	<b>14.4</b>	<b>43.5</b>
<b>% of net sales</b>	<b>5.3</b>	<b>3.0</b>		<b>4.1</b>	<b>2.8</b>	

\* Trading and New Business includes: trading sales of wipes materials to Suominen Corporation, trading sales of release papers to Munksjö Oyj as well as Porous Power Technologies.

\*\* Other functions include financing and tax-related items, as well as earnings and costs belonging to holding and sales companies.

### April-June 2014 compared with April-June 2013

Operating profit excluding non-recurring items amounted to EUR 13.4 million (EUR 7.9 million). Operating profit was EUR 9.6 million (EUR 6.4 million). Non-recurring items affecting the operating profit totaled EUR -3.8 million (EUR -1.5 million). The figure mainly includes costs from the rightsizing program. The comparison period figure included minor restructuring costs.

Operating profit excluding non-recurring items increased as higher selling prices and favorable product mix more than offset higher energy costs, mainly stemming from natural gas. Cost inflation related to raw materials was offset by currency fluctuations. Cost savings achieved by the rightsizing program had a positive impact on operating profit. Selling, general and administration (SGA) costs excluding non-recurring items were EUR 2.5 million lower than in the comparison period. In addition, production overheads were reduced.

Lower sales volumes had a negative impact on operating profit. The focus units of Mundra (India), Longkou (China) and the Chirside production line (U.K.) in the Food and Medical business areas showed signs of improvement in their financial performance.

The loss before taxes was EUR 0.4 million (EUR 3.5 million loss).

Income taxes amounted to EUR 1.8 million (EUR 1.4 million). No deferred tax revenues and tax assets were recognized for companies with uncertain profit forecasts or for losses in associated companies. In addition, the effective tax rate was impacted by the relatively large share of pre-tax profits in countries with higher tax rates.

The loss for the period was EUR 2.2 million (EUR 4.9 million loss).

Earnings per share with the effect of interest net of tax on the hybrid bond were EUR -0.07 (EUR -0.12).

### January-June 2014 compared with January-June 2013

Operating profit excluding non-recurring items amounted to EUR 20.6 million (EUR 14.4 million). Operating profit was EUR 14.0 million (EUR 14.7 million). Non-recurring items affecting the operating profit totaled EUR -6.6 million (EUR 0.4 million). The figure mainly includes costs from the rightsizing program.

Operating profit excluding non-recurring items increased as higher selling prices and favorable product mix more than offset higher raw material and energy costs, mainly stemming from some wood pulp grades, synthetic fibers and natural gas. In addition, cost savings achieved by the rightsizing program primarily through lower production overheads and selling, general and administration (SGA) costs had a positive impact on operating profit.

Lower sales volumes had a negative impact on operating profit. The focus units of Mundra (India), Longkou (China) and the Chirside production line (U.K.) in the Food and Medical business areas showed signs of improvement in their financial performance.

Profit before taxes was EUR 4.8 million (EUR 0.1 million).

Income taxes amounted to EUR 3.9 million (EUR 3.1 million). No deferred tax revenues or tax assets were recognized for companies with uncertain profit forecasts or for losses in associated companies. In addition, the effective tax rate was impacted by the relatively large share of pre-tax profits in countries with higher tax rates.

Profit for the period was EUR 0.9 million (EUR 3.0 million loss).

Earnings per share with the effect of interest net of tax on the hybrid bond were EUR -0.02 (EUR -0.09).

## Discontinued operations

The operative result of the Brazilian operation of the former Home and Personal business area was included in discontinued operations until February 10, 2014, when its sale to Suominen Corporation was completed. The comparison figures include the operative results from the Label and Processing business as well as the Brazilian operations of the former Home and Personal business area. All operative figures exclude depreciation.

### Result from discontinued operations

In April-June 2014, profit from discontinued operations for the period was EUR 9.2 million (EUR 66.7 million). The figure includes Munksjö Oyj's contribution to costs to separate the Osnabrück site required by the European Commission. The comparison figure includes a demerger effect of approximately EUR 90.6 million as well as a net of tax EUR 30.9 million impairment loss recognized on the re-measurement to fair value and costs to sell.

In January-June 2014, profit from discontinued operations for the period was EUR 8.0 million (EUR 72.7 million).

### Result including discontinued operations

In April-June 2014, profit for the period including discontinued operations was EUR 7.0 million (EUR 61.8 million). Earnings per share with the effect of interest net of tax on the hybrid bond were EUR 0.13 (EUR 1.31).

Return on equity (ROE) was 8.6% (60.0%).

In January-June 2014, profit for the period including discontinued operations was EUR 8.8 million (EUR 69.7 million). Earnings per share with the effect of interest net of tax on the hybrid bond were EUR 0.15 (EUR 1.47).

Return on equity (ROE) was 5.3% (33.3%).

## Segment review

### Advanced Filtration

EUR million	Q2/2014	Q2/2013	Change, %	Q1- Q2/2014	Q1- Q2/2013	Change, %
<b>Net sales</b>	26.2	26.2	-0.1	50.7	50.5	0.4
<b>Operating profit</b>	4.2	3.7	14.2	7.9	6.8	15.5
<i>% of net sales</i>	16.0	14.0		15.5	13.5	
<b>Operating profit excl. NRI</b>	4.2	3.7	14.2	7.9	6.8	15.5
<i>% of net sales</i>	16.0	14.0		15.5	13.5	
<b>RONA, %</b>	35.9	29.6		34.3	27.9	
<b>Sales volumes, 000s tons</b>	4.4	4.3	2.4	8.5	8.3	1.9

Net sales in April-June 2014 were unchanged at EUR 26.2 million from the comparison period as higher sales of industrial and gas turbine applications were offset by an adverse currency effect. Favorable pricing also had a positive impact on net sales. Comparable net sales rose by 2.1%.

Operating profit excluding non-recurring items rose to EUR 4.2 million (EUR 3.7 million), yielding a new record high margin of 16.0% of net sales. The increase was mainly due to higher sales volumes and more favorable pricing, as well as lower fixed costs.

Operating profit amounted to EUR 4.2 million (EUR 3.7 million).

In January-June 2014, net sales were EUR 50.7 million (EUR 50.5 million) and the operating profit excluding non-recurring items was EUR 7.9 million (EUR 6.8 million).

### Building and Energy

EUR million	Q2/2014	Q2/2013	Change, %	Q1- Q2/2014	Q1- Q2/2013	Change, %
<b>Net sales</b>	65.5	71.0	-7.7	134.4	144.4	-7.0
<b>Operating profit</b>	2.3	1.6	43.0	3.7	4.0	-7.8
<i>% of net sales</i>	3.5	2.2		2.8	2.8	
<b>Operating profit excl. NRI</b>	2.0	1.6	25.3	3.3	4.1	-19.4
<i>% of net sales</i>	3.1	2.3		2.4	2.8	
<b>RONA, %</b>	9.2	6.7		7.8	9.1	
<b>Sales volumes, 000s tons</b>	34.2	37.9	-9.8	69.8	77.2	-9.5

Net sales in April-June 2014 fell by 7.7% to EUR 65.5 million, compared with EUR 71.0 million in April-June 2013. The decline was due to lower sales of flooring applications in Russia, wallcovering substrates in China, and wind energy reinforcement materials in Europe. Increased deliveries of construction and automotive-related materials in Europe had a positive impact on net sales. Comparable net sales decreased by 4.2%.

During the quarter, the business area inaugurated its new wallcoverings production line in Binzhou, China, and production will ramp-up during the third quarter.

Operating profit excluding non-recurring items rose to EUR 2.0 million (EUR 1.6 million). The increase was due to lower fixed costs and improved operational efficiency. Lower sales volumes and intensified competition in the Chinese wallcoverings market had a negative impact on operating profit.

Operating profit was EUR 2.3 million (EUR 1.6 million).



In January-June 2014, net sales were EUR 134.4 million (EUR 144.4 million) and the operating profit excluding non-recurring items was EUR 3.3 million (EUR 4.1 million).

## Food

EUR million	Q2/2014	Q2/2013	Change, %	Q1- Q2/2014	Q1- Q2/2013	Change, %
<b>Net sales</b>	58.4	63.7	-8.2	117.4	123.8	-5.1
<b>Operating profit</b>	1.7	1.2	45.9	4.0	1.2	241.1
<i>% of net sales</i>	2.9	1.8		3.4	0.9	
<b>Operating profit excl. NRI</b>	2.5	1.4	84.9	4.8	2.2	121.8
<i>% of net sales</i>	4.3	2.1		4.1	1.8	
<b>RONA, %</b>	7.5	4.7		9.0	2.4	
<b>Sales volumes, 000s tons</b>	23.1	23.5	-2.1	45.4	45.6	-0.5

Net sales in April-June 2014 fell by 8.2% to EUR 58.4 million, compared with EUR 63.7 million in April-June 2013. Comparable net sales, excluding the impact from the divestment of the West Carrollton converting plant, fell by 0.6%. Higher volumes of coffee and tape products had a positive impact on net sales, whereas a temporary shutdown at a large customer delayed deliveries of some beverage products.

Operating profit excluding non-recurring items rose to EUR 2.5 million (EUR 1.4 million). The increase was due to lower fixed costs and optimization of the product mix. The two focus units, the Longkou plant in China and the Chirnside production line in the U.K., improved their performance with better order intake. However, they continued to be loss-making.

Operating profit was EUR 1.7 million (EUR 1.2 million).

In January-June 2014, net sales were EUR 117.4 million (EUR 123.8 million) and the operating profit excluding non-recurring items was EUR 4.8 million (EUR 2.2 million).

## Medical

EUR million	Q2/2014	Q2/2013	Change, %	Q1- Q2/2014	Q1- Q2/2013	Change, %
<b>Net sales</b>	32.8	38.5	-14.6	63.0	74.9	-16.0
<b>Operating profit</b>	-2.2	0.3	N/A	-4.2	0.3	N/A
<i>% of net sales</i>	-6.8	0.9		-6.6	0.4	
<b>Operating profit excl. NRI</b>	-0.8	0.3	N/A	-2.7	0.3	N/A
<i>% of net sales</i>	-2.5	0.9		-4.2	0.4	
<b>RONA, %</b>	-12.4	1.5		-11.4	0.8	
<b>Sales volumes, 000s tons</b>	10.0	10.6	-5.1	19.2	20.5	-6.5

Net sales in April-June 2014 fell by 14.6% to EUR 32.8 million, compared with EUR 38.5 million in April-June 2013. The decline was due to a drop in volumes, caused by a reduction in business with a large customer and the exit from the market for certain drape and medical dressing products in late 2013, as well as an adverse currency effect. Higher sales of SMS-based (spunbond-meltblow-spunbond technology) drape and gown products had a positive impact on net sales. Comparable net sales decreased by 9.0%.

During the quarter, the business area extended its range of Sterile Barrier Systems (SBS). Ahlstrom Reliance® Tandem's extended range now offers sterile barrier systems designed for light to heavy medical instrument trays.

The operating loss excluding non-recurring items amounted to EUR 0.8 million (EUR 0.3 million profit). Lower sales volumes and an adverse product mix had a negative impact on operating profit, partially offset by lower fixed costs. While the Mundra plant in India improved its performance, it continued to be loss-making.

The operating loss was EUR 2.2 million (EUR 0.3 million profit).

In January-June 2014, net sales were EUR 63.0 million (EUR 74.9 million) and the operating loss excluding non-recurring items was EUR 2.7 million (EUR 0.3 million profit).

## Transportation Filtration

EUR million	Q2/2014	Q2/2013	Change, %	Q1- Q2/2014	Q1- Q2/2013	Change, %
<b>Net sales</b>	82.9	81.0	2.3	160.8	155.6	3.3
<b>Operating profit</b>	7.3	4.6	59.0	12.2	8.7	40.4
<i>% of net sales</i>	8.8	5.6		7.6	5.6	
<b>Operating profit excl. NRI</b>	7.3	4.6	59.0	12.2	8.7	40.4
<i>% of net sales</i>	8.8	5.6		7.6	5.6	
<b>RONA, %</b>	19.3	11.9		16.5	11.9	
<b>Sales volumes, 000s tons</b>	29.3	28.8	1.9	57.0	55.5	2.7

Net sales in April-June 2014 rose by 2.3% to EUR 82.9 million, compared with EUR 81.0 million in April-June 2013. The increase was due to higher sales volumes, mainly driven by growth in North America and Asia, an improved product mix, and increased selling prices. Growth was partially offset by an adverse currency effect, mainly related to the depreciation of the U.S. dollar and Brazilian real against the euro. Comparable net sales increased by 5.9%.

Operating profit excluding non-recurring items grew to EUR 7.3 million (EUR 4.6 million), supported by higher sales volumes, an improved mix towards more value-added products, and lower fixed costs. The increase was partially offset by increased raw material costs related to liquid solvents.

Operating profit amounted to EUR 7.3 million (EUR 4.6 million).

In January-June 2014, net sales were EUR 160.8 million (EUR 155.6 million) and the operating profit excluding non-recurring items was EUR 12.2 million (EUR 8.7 million).

## Trading and New Business

EUR million	Q2/2014	Q2/2013	Change, %	Q1- Q2/2014	Q1- Q2/2013	Change, %
<b>Net sales</b>	19.8	14.7	34.4	39.1	25.1	55.4
<b>Operating profit</b>	-0.2	-0.7	68.1	-1.3	-1.5	14.3
<i>% of net sales</i>	-1.1	-4.8		-3.4	-6.1	
<b>Operating profit excl. NRI</b>	-0.2	-0.7	68.1	-1.3	-1.5	14.3
<i>% of net sales</i>	-1.1	-4.8		-3.4	-6.1	
<b>RONA, %</b>	-2.8	-10.2		-9.0	-11.2	
<b>Sales volumes, 000s tons</b>	12.9	7.6	69.3	25.4	11.2	127.3

Trading and New Business includes: trading sales of wipes materials to Suominen Corporation, trading sales of release papers to Munksjö Oyj as well as Porous Power Technologies.

Net sales in April-June 2014 rose by 34.4% to EUR 19.8 million, compared with EUR 14.7 million in April-June 2013. The increase was due to higher sales of wipes materials and release papers.

The operating loss excluding non-recurring items was EUR 0.2 million (EUR 0.7 million loss).

The operating loss was EUR 0.2 million (EUR 0.7 million loss).

In January-June 2014, net sales were EUR 39.1 million (EUR 25.1 million) and the operating loss excluding non-recurring items was EUR 1.3 million (EUR 1.5 million loss).

## Rightsizing program

Following the completion of the Label and Processing demerger in 2013, Ahlstrom initiated a rightsizing program to bring down costs to reflect its new size and scope. The company aims to achieve EUR 50 million in annual cost savings, of which approximately EUR 39 million will be derived from continuing operations targeting both selling, general and administration (SGA) costs and production overheads.

The majority of the planned actions related to the rightsizing program will be completed by the end of 2014, and the full impact of the program is expected to be visible by the end of 2015. The aim is to bring the SGA costs back to a run-rate level of 10-11% of net sales by the end of 2015.

As a result of the planned program, Ahlstrom's personnel is to be reduced by approximately 400 people globally. The planned changes and personnel impacts are subject to employee consultation processes according to local legislation in the countries affected. The targeted savings will be derived from all business areas and functions globally.

The program is moving ahead as targeted. As of June 30, 2014, approximately EUR 27 million in total cumulative cost savings were achieved, of which approximately EUR 11 million were derived from costs transferred to Munksjö Oyj. In continuing operations, approximately EUR 16 million in cumulative cost savings were achieved.

In continuing operations, savings of approximately EUR 5 million on a quarterly basis were achieved in the second quarter of 2014 compared to the corresponding quarter in 2013. SGA costs excluding non-recurring items were EUR 2.5 million lower than in the comparison period. In addition, production overheads were reduced.

Ahlstrom plans to book non-recurring costs of approximately EUR 15 million related to rightsizing during the years 2013-2015. So far, EUR 8.9 million in non-recurring costs have been booked, of which EUR 5.8 million were booked in the first half of 2014.

## Net financial expense (continuing operations)

In April-June 2014, net financial expenses were EUR 9.5 million (EUR 4.9 million). Net financial expense include net interest expenses of EUR 3.9 million (EUR 4.3 million), a financing exchange rate loss of EUR 1.1 million (EUR 0.1 million gain), and other financial expenses of EUR 4.4 million (EUR 0.7 million). The fair valuation of Munksjö Oyj shares held by Ahlstrom has been reported in the fair value reserve in equity, instead of net financial expense, starting from June 2014, resulting in a EUR 5.0 million net financial expense in the second quarter. In January-March 2014, the appreciation of Munksjö shares resulted in a financial income of EUR 5.0 million.

In January-June 2014, net financial expenses were EUR 9.5 million (EUR 10.1 million). Net financial expense include net interest expenses of EUR 7.7 million (EUR 8.8 million), a financing exchange rate loss of EUR 1.3 million (EUR 0.2 million gain), and other financial expenses of EUR 0.5 million (EUR 1.5 million).

## Financing (including discontinued operations)

In April-June 2014, net cash flow from operating activities amounted to EUR 14.2 million (EUR 35.5 million), and cash flow after investments was EUR 2.4 million (EUR -66.5 million). The comparison

figure for cash flow after investments includes Ahlstrom's investment in Munksjö Oyj shares of approximately EUR 78.5 million.

In January-June 2014, net cash flow from operating activities amounted to EUR 8.2 million (EUR 14.1 million), and cash flow after investments was EUR 10.6 million (EUR -109.5 million). The comparison figure includes the investment in Munksjö shares mentioned above.

As of June 30, 2014, operative working capital amounted to EUR 125.6 million (EUR 108.0 million at the end of 2013, and EUR 155.5 million in the comparison period including discontinued operations). The rolling 12-month turnover rate rose to 45 days from 42 days from the comparison period.

Ahlstrom's interest-bearing net liabilities stood at EUR 283.3 million (EUR 291.7 million at the end of 2013). Ahlstrom's interest-bearing liabilities amounted to EUR 339.3 million (EUR 330.4 million at the end of 2013). The modified interest rate duration of the loan portfolio (average interest rate fixing period) was 7.8 months and the capital weighted average interest rate was 3.64%. The average maturity of the long-term loan portfolio and committed credit facilities was 25.3 months.

The company's liquidity continues to be good. At the end of the review period, its total liquidity, including cash and unused committed credit facilities, was EUR 308.0 million (EUR 326.0 million). In addition, the company had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 138.4 million (EUR 143.2 million) available.

Gearing stood at 85.8% (85.5% at the end of 2013). The equity ratio was 33.8% (35.2% at the end of 2013).

## Capital expenditure

Ahlstrom's capital expenditure excluding acquisitions from continuing operations totaled EUR 10.3 million in April-June 2014 (EUR 20.7 million). In January-June 2014, capital expenditure was EUR 19.3 million (EUR 32.2 million). The figures include projects such as a wallcovering materials production line in Binzhou, China, and operational maintenance-related expenditure.

## Personnel

Ahlstrom employed an average of 3,516 people<sup>1</sup> in January-June 2014 (3,795), and 3,518 people (3,781) at the end of the period. The decline was primarily due to the rightsizing program. At the end of the period, the highest numbers of employees were in the United States (23.0%), France (17.2%), China (10.4%), Finland (10.4%), and Italy (8.2%).

## Changes in the Executive Management Team

On May 16, 2014, Marco Levi was appointed as the President & CEO of Ahlstrom, replacing Jan Lång. The appointment became effective as of June 16, 2014.

## Shares and share capital

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

During January-June 2014, a total of 0.89 million Ahlstrom shares were traded for a total of EUR 6.9 million. The lowest trading price was EUR 7.33 and the highest EUR 8.45. The closing price on June 30, 2014 was EUR 7.73. The market capitalization at the end of the review period was EUR 357.3 million, excluding the shares owned by the parent company and Ahlcorp Oy, which is a management ownership company. The share price history has not been adjusted to the two demerger considerations received in Munksjö Oyj shares by Ahlstrom shareholders in 2013.

<sup>1</sup> Calculated as full-time equivalents.

At the end of June 2014, Ahlstrom held a total of 149,005 of its own shares, corresponding to approximately 0.32% of the total shares and votes (December 31, 2013: 269,005 shares).

Ahlstrom Group's equity per share was EUR 4.81 at the end of the review period (December 31, 2013: EUR 5.04).

## Changes in shareholding

On May 28, 2014 Ahlstrom received an announcement under Chapter 9, Section 5 of the Securities Market Act, according to which Ahlström Capital Oy's shareholding has increased above the 10% threshold.

According to the announcement, a transaction between Ahlström Capital Oy and Antti Ahlström Perilliset Oy had been completed. Following the transaction, the 4,674,802 shares in Ahlstrom Corporation owned by Antti Ahlström Perilliset Oy, representing a total of 10.02% of the share capital and voting rights in Ahlstrom Corporation, were transferred to Ahlström Capital Oy.

According to the announcement, the shareholding of Ahlström Capital Oy in Ahlstrom Corporation had exceeded 5% (1/20) and 10% (1/10). On the date of the announcement, Ahlström Capital Oy owned 4,754,479 shares of Ahlstrom Corporation, which includes indirect ownership through AC Invest Six B.V. This represented a total of 10.19% of the share capital and voting rights of Ahlstrom Corporation. Consequently, the shareholding of Antti Ahlström Perilliset Oy fell to zero.

## Annual General Meeting

Ahlstrom Corporation's Annual General Meeting of Shareholders (AGM) was held on March 25, 2014.

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

### **(i) Dividends payable in Munksjö Oyj's shares.**

Every 26 of Ahlstrom's shares entitle their holder to receive one share in Munksjö Oyj as a dividend. Ahlstrom shall distribute to its shareholders as dividends a maximum of 1,795,023 shares of Munksjö.

### **(ii) Dividends payable in cash**

A dividend of approximately EUR 0.09 per share be paid in cash from retained earnings. As of January 30, 2014, the number of shares of the company amounted to 46,670,608, based on which the maximum amount to be distributed as dividend payable in cash would be EUR 4,308,056.13.

The dividend record date was March 28, 2014. No dividend was paid based on shares owned by the company or its subsidiaries. The dividend payable in Munksjö shares was paid on April 4, 2014 and the cash payment on or about April 8, 2014. In addition, the AGM resolved to reserve EUR 70,000 to be used for donations at the discretion of the Board of Directors.

The AGM approved the financial statements and discharged the members of the Board of Directors and the CEO from liability for the fiscal year January 1 - December 31, 2013.

The AGM confirmed the number of Board members to be eight. Robin Ahlström, Lori J. Cross, Esa Ikkäheimonen, Pertti Korhonen, Daniel Meyer and Anders Moberg were re-elected as members of the Board of Directors. Markus Rauramo (b. 1968) and Panu Routila (b. 1964) were elected as new members. The term of the Board of Directors will expire at the close of the next Annual General Meeting in 2015.

PricewaterhouseCoopers Oy was re-elected as Ahlstrom's auditor, as recommended by the Audit Committee. PricewaterhouseCoopers Oy has designated Authorized Public Accountant Kaj Wasenius as the Responsible Auditor. The auditor's remuneration will be paid according to invoicing approved by the company.

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

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

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

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

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

## **Decisions taken by the Board of Directors**

After the AGM, the organization meeting of the Board of Directors elected Pertti Korhonen as Chairman and Robin Ahlström as Vice Chairman of the Board.

The Board of Directors appointed two permanent committees, the Audit Committee and the Human Resources Committee, which replaced the Compensation Committee. The members of the Audit Committee are Esa Ikäheimonen (Chairman), Lori J. Cross, Markus Rauramo and Panu Routila. The members of the Human Resources Committee are Pertti Korhonen (Chairman), Robin Ahlström and Anders Moberg.

## Composition of Ahlstrom's Nomination Board

On May 31, 2014, Ahlstrom's three largest registered shareholders nominated the following persons as their representatives in the Shareholders' Nomination Board of Ahlstrom:

- Thomas Ahlström (Ahlström Capital Oy and six other shareholders)
- Alexander Ehrnrooth (Vimpu Intressenter Ab and Belgrano Investments Oy)
- Risto Murto (Varma Mutual Pension Insurance Company).

Pertti Korhonen, Chairman of the Board, and Anders Moberg, member of the Board, are also members of the Nomination Board.

On June 6, 2014, the organization meeting of the Nomination Board elected Pertti Korhonen amongst its members as Chairman. The Nomination Board will give its proposals to the Board of Directors by January 31, 2015 at the latest.

## Other events during the period

Ahlstrom's new wallcovering substrates production line in Binzhou, China was inaugurated. The line is an investment of approximately EUR 40 million and it produces high-end wallcovering products for the growing Chinese market.

The company's new Product & Technology Development Center was inaugurated in Shanghai. The center will improve the company's direct support to its customers in China with local product development.

## Statement of Objections from the European Commission

On February 25, 2014, Ahlstrom, Munksjö Oyj and Munksjö AB received a Statement of Objections from the European Commission with respect to alleged misleading information relating to the abrasive paper backings market. The information was provided in connection with the merger notification to the European Commission, submitted on October 31, 2012, regarding the business combination of Ahlstrom's Label and Processing business and Munksjö AB. The European Commission's ongoing investigation does not affect the approval of the combination granted in 2013.

Ahlstrom and Munksjö disagree with the preliminary position expressed by the European Commission. The companies have responded to the EU Commission with a view to clearing up any misunderstandings.

## Outlook

The outlook presented on January 30, 2014 remains unchanged. Based on Ahlstrom's view of the development of its main markets, pricing and product mix, competitive dynamics and expected cost savings, the company anticipates net sales in 2014 to be EUR 930-1,090 million. The operating profit margin excluding non-recurring items is expected to be 2-5% of net sales.

In 2014, investments excluding acquisitions are estimated to be approximately EUR 50 million (EUR 76.1 million in 2013).

## Short-term risks

The global economy is expected to gain momentum this year, with regional variations. While the European economy has shown some signs of recovery, it may be uneven and fragile. Recent

indicators for the development of the U.S. economy are more positive. Asian economies, particularly the Chinese, may grow at a slower pace than previously anticipated.

Slower-than-anticipated economic growth poses risks to Ahlstrom's financial performance. It may lead to lower sales volumes and force Ahlstrom to initiate more market-related shutdowns at plants, which could affect profitability. The uncertainty related to global economic growth, increased volatility in our main markets, and limited visibility, are making it more difficult to forecast future developments.

In recent years, Ahlstrom has initiated investment projects, such as the wallcoverings production line in Binzhou, China, that are in a start-up phase. The company's financial performance may be negatively affected by the commercialization of new production lines.

Ahlstrom's main raw materials are natural fibers, mainly pulp, synthetic fibers, and chemicals. The prices of the key raw materials used by Ahlstrom are volatile and some of them, such as softwood pulp, remain at a high level.

If global economic growth slows down, maintaining current sales prices may be at risk and sustaining the current level of profitability may be compromised, even if raw material prices fall at the same time.

The general risks facing Ahlstrom's business operations are described in greater detail on the company website at [www.ahlstrom.com](http://www.ahlstrom.com) and in the report by the Board of Directors in the company's Annual Report 2013. The risk management process is also described in the Corporate Governance Statement, also available on the company's website.

\* \* \*

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

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

Helsinki, August 6, 2014

Ahlstrom Corporation

Board of Directors

## Additional information

Marco Levi, President & CEO, tel. +358 (0)10 888 4700

Sakari Ahdekivi, CFO, tel. +358 (0)10 888 4768

Ahlstrom's President & CEO Marco Levi and CFO Sakari Ahdekivi will present the January-June 2014 interim report at an English-language press and analyst conference in Helsinki today, August 6, 2014, at 10:00 a.m. (CET+1). The conference will take place at Ahlstrom's head office at Alvar Aallon katu 3 C (second floor, meeting room Antti).

In addition, President & CEO Levi and CFO Ahdekivi will hold a conference call in English for analysts, investors and representatives of the media today, August 6, 2014, at 2:30 p.m. (CET+1). To participate in the conference call, please call (09) 2310 1620 in Finland or +44 (0)20 7784 1036 outside Finland a few minutes before the conference begins. The confirmation code is 5387153.



The conference call can also be listened to live on the Internet. The link to the English-language presentation (an audio webcast) including slides is available on the company website at [www.ahlstrom.com](http://www.ahlstrom.com). Questions may also be submitted in writing via the Internet. Listening to the conference call requires registration.

An on-demand webcast including slides is available for viewing and listening on the company website for one year after the conference call.

Presentation material will be available on August 6, 2014, after the Interim Report is published, at [www.ahlstrom.com](http://www.ahlstrom.com) > Investors > Reports and presentations > 2014. Material in Finnish will be available at [www.ahlstrom.fi](http://www.ahlstrom.fi) > Sijoittajat > Katsaukset ja presentaatiot > 2014.

## Financial information in 2014

Report	Date of publication	Silent period
Interim report January-September	Friday, October 24	October 1-24

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

## Ahlstrom in brief

Ahlstrom is a high performance fiber-based materials company, partnering with leading businesses around the world to help them stay ahead. We aim to grow with a product offering for clean and healthy environment. Our materials are used in everyday applications such as filters, medical fabrics, life science and diagnostics, wallcoverings and food packaging. In 2013, Ahlstrom's net sales from the continuing operations amounted to EUR 1 billion. Our 3,500 employees serve customers in 24 countries. Ahlstrom's share is quoted on the NASDAQ OMX Helsinki. More information available at [www.ahlstrom.com](http://www.ahlstrom.com).

## Appendix: Consolidated financial statement

Financial statements are unaudited.

<b>INCOME STATEMENT</b>	<b>Q2</b>	Q2	<b>Q1-Q2</b>	Q1-Q2	Q1-Q4
EUR million	<b>2014</b>	2013	<b>2014</b>	2013	2013
<b>Continuing operations</b>					
<b>Net sales</b>	<b>253.0</b>	265.0	<b>502.2</b>	520.3	1 014.8
Cost of goods sold	<b>-207.8</b>	-222.3	<b>-415.8</b>	-438.4	-870.8
<b>Gross profit</b>	<b>45.2</b>	42.7	<b>86.4</b>	81.9	144.0
Sales and marketing expenses	<b>-12.2</b>	-11.1	<b>-23.6</b>	-21.1	-42.2
R&D expenses	<b>-4.9</b>	-5.1	<b>-9.3</b>	-9.8	-19.3
Administrative expenses	<b>-19.7</b>	-20.5	<b>-41.7</b>	-40.1	-74.7
Other operating income	<b>1.4</b>	1.2	<b>2.6</b>	5.0	8.9
Other operating expense	<b>-0.2</b>	-0.8	<b>-0.4</b>	-1.1	-5.9
<b>Operating profit / loss</b>	<b>9.6</b>	6.4	<b>14.0</b>	14.7	10.7
Net financial expenses	<b>-9.5</b>	-4.9	<b>-9.5</b>	-10.1	-20.4
Share of profit / loss of equity accounted investments	<b>-0.5</b>	-5.0	<b>0.3</b>	-4.6	-5.7
<b>Profit / loss before taxes</b>	<b>-0.4</b>	-3.5	<b>4.8</b>	0.1	-15.4
Income taxes	<b>-1.8</b>	-1.4	<b>-3.9</b>	-3.1	-3.5
<b>Profit / loss for the period from continuing operations</b>	<b>-2.2</b>	-4.9	<b>0.9</b>	-3.0	-18.9
<b>Discontinued operations</b>					
Profit/loss for the period	<b>10.5</b>	97.7	<b>7.0</b>	103.8	118.2
Impairment loss recognised on the remeasurement to fair value and cost to sell	<b>-1.3</b>	-30.9	<b>0.9</b>	-31.1	-42.3
<b>Profit / loss for the period from discontinued operations</b>	<b>9.2</b>	66.7	<b>8.0</b>	72.7	75.9
<b>Profit/loss for the period</b>	<b>7.0</b>	61.8	<b>8.8</b>	69.7	57.0
Attributable to					
Owners of the parent	<b>7.6</b>	62.7	<b>10.3</b>	71.6	61.0
Non-controlling interest	<b>-0.6</b>	-0.9	<b>-1.5</b>	-1.9	-3.9
<b>Continuing operations</b>					
Earnings per share, EUR					
- Basic and diluted *	<b>-0.07</b>	-0.12	<b>-0.02</b>	-0.09	-0.46
<b>Including discontinued operations</b>					
Earnings per share, EUR					
- Basic and diluted *	<b>0.13</b>	1.31	<b>0.15</b>	1.47	1.17

\* With the effect of interest on hybrid bond for the period, net of tax

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>Q2</b>	<b>Q2</b>	<b>Q1-Q2</b>	<b>Q1-Q2</b>	<b>Q1-Q4</b>
EUR million	<b>2014</b>	2013	<b>2014</b>	2013	2013
<b>Profit / loss for the period</b>	<b>7.0</b>	61.8	<b>8.8</b>	69.7	57.0
<b>Other comprehensive income, net of tax</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of defined benefit plans	<b>0.1</b>	1.9	<b>0.2</b>	5.4	3.5
Total	<b>0.1</b>	1.9	<b>0.2</b>	5.4	3.5
<b>Items that may be reclassified subsequently to profit or loss</b>					
Translation differences	<b>6.4</b>	-23.8	<b>4.3</b>	-13.6	-34.0
Share of other comprehensive income of equity accounted investments	<b>0.2</b>	0.3	<b>0.1</b>	0.1	-0.5
Changes in the fair value of available-for-sale financial assets	<b>7.6</b>	-	<b>7.6</b>	-	-
Cash flow hedges	<b>-0.1</b>	-0.0	<b>-0.1</b>	-	-0.1
Total	<b>14.1</b>	-23.5	<b>11.9</b>	-13.5	-34.7
Other comprehensive income, net of tax	<b>14.2</b>	-21.6	<b>12.1</b>	-8.1	-31.1
<b>Total comprehensive income for the period</b>	<b>21.2</b>	40.2	<b>20.9</b>	61.6	25.9
Attributable to					
Owners of the parent	<b>21.8</b>	41.1	<b>22.4</b>	63.5	30.1
Non-controlling interest	<b>-0.6</b>	-0.9	<b>-1.5</b>	-1.9	-4.2

<b>BALANCE SHEET</b>	<b>Jun 30,</b>	Jun 30,	Dec 31,
EUR million	<b>2014</b>	2013	2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>366.2</b>	369.8	370.8
Goodwill	<b>66.6</b>	69.2	66.8
Other intangible assets	<b>23.5</b>	27.0	24.1
Equity accounted investments	<b>36.7</b>	37.3	36.3
Other investments	<b>39.4</b>	50.4	53.3
Other receivables	<b>7.5</b>	11.3	8.6
Deferred tax assets	<b>72.0</b>	69.9	73.4
Total non-current assets	<b>611.9</b>	634.9	633.4
<b>Current assets</b>			
Inventories	<b>120.6</b>	121.5	106.6
Trade and other receivables	<b>189.8</b>	177.0	173.0
Income tax receivables	<b>0.5</b>	0.7	0.6
Other investments	-	-	-
Cash and cash equivalents	<b>56.0</b>	72.1	38.2
Total current assets	<b>366.9</b>	371.2	318.4
Assets classified as held for sale and distribution to owners	-	151.8	18.9
<b>Total assets</b>	<b>978.8</b>	1 157.9	970.6
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the parent	<b>222.2</b>	260.2	232.4
Hybrid bond	<b>100.0</b>	80.0	100.0
Non-controlling interest	<b>8.0</b>	11.4	9.0
Total equity	<b>330.2</b>	351.7	341.4
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	<b>154.1</b>	183.0	182.3
Employee benefit obligations	<b>75.2</b>	71.3	76.1
Provisions	<b>1.7</b>	1.9	1.4
Other liabilities	<b>0.5</b>	0.5	0.5
Deferred tax liabilities	<b>4.9</b>	18.7	4.0
Total non-current liabilities	<b>236.3</b>	275.4	264.3
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	<b>185.2</b>	184.6	148.2
Trade and other payables	<b>214.1</b>	280.5	200.2
Income tax liabilities	<b>3.5</b>	3.2	3.9
Provisions	<b>9.5</b>	7.4	6.9
Total current liabilities	<b>412.3</b>	475.6	359.1
Total liabilities	<b>648.7</b>	751.0	623.4
Liabilities directly associated with assets classified as held for sale and distribution to owners	-	55.3	5.9
<b>Total equity and liabilities</b>	<b>978.8</b>	1 157.9	970.6

## STATEMENT OF CHANGES IN EQUITY

- 1) Issued capital
- 2) Share premium
- 3) Non-restricted equity reserve
- 4) Hedging reserve
- 5) Fair value reserve
- 6) Translation reserve
- 7) Own shares
- 8) Retained earnings
- 9) Total attributable to owners of the parent**
- 10) Non-controlling interest
- 11) Hybrid bond
- 12) Total equity**

EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)	12)
<b>Equity at December 31, 2012</b>	<b>70.0</b>	<b>209.3</b>	<b>8.3</b>	<b>0.0</b>	-	<b>-7.6</b>	<b>-7.4</b>	<b>178.1</b>	<b>450.6</b>	<b>13.3</b>	<b>80.0</b>	<b>543.9</b>
Changes in accounting principles (IAS19)	-	-	-	-	-	0.2	-	-59.0	-58.8	-	-	-58.8
<b>Equity at January 1, 2013</b>	<b>70.0</b>	<b>209.3</b>	<b>8.3</b>	<b>0.0</b>	-	<b>-7.4</b>	<b>-7.4</b>	<b>119.0</b>	<b>391.8</b>	<b>13.3</b>	<b>80.0</b>	<b>485.1</b>
Profit / loss for the period	-	-	-	-	-	-	-	71.6	71.6	-1.9	-	69.7
Other comprehensive income, net of tax												
Remeasurements of defined benefit plans	-	-	-	-	-	-	-	5.4	5.4	-	-	5.4
Translation differences	-	-	-	-	-	-13.6	-	-	-13.6	0.2	-	-13.4
Share of other comprehensive income of equity accounted investments	-	-	-	-	-	0.1	-	-	0.1	-	-	0.1
Cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-
Effect of partial demerger	-	-91.0	-	-	-	-	-	-69.2	-160.2	-	-	-160.2
Dividends paid and other	-	-	-	-	-	-	-	-29.3	-29.3	-	-	-29.3
Hybrid bond	-	-	-	-	-	-	-	-	-	-	-	-
Interest on hybrid bond	-	-	-	-	-	-	-	-5.7	-5.7	-	-	-5.7
Purchases of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Share ownership plan for EMT	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	0.1	0.1	-0.1	-	-0.1
Share-based incentive plan	-	-	-	-	-	-	-	0.0	0.0	-	-	0.0
<b>Equity at June 30, 2013</b>	<b>70.0</b>	<b>118.3</b>	<b>8.3</b>	<b>0.0</b>	-	<b>-20.8</b>	<b>-7.4</b>	<b>91.9</b>	<b>260.2</b>	<b>11.4</b>	<b>80.0</b>	<b>351.7</b>

EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)	12)
<b>Equity at January 1, 2014</b>	<b>70.0</b>	<b>-</b>	<b>61.1</b>	<b>-0.1</b>	<b>-</b>	<b>-32.5</b>	<b>-7.4</b>	<b>141.2</b>	<b>232.4</b>	<b>9.0</b>	<b>100.0</b>	<b>341.4</b>
Profit / loss for the period	-	-	-	-	-	-	-	10.3	10.3	-1.5	-	8.8
Other comprehensive income, net of tax												
Remeasurements of defined benefit plans	-	-	-	-	-	-	-	0.2	0.2	-	-	0.2
Translation differences	-	-	-	-	-	4.3	-	-	4.3	-0.0	-	4.3
Share of other comprehensive income of equity accounted investments	-	-	-	-	-	0.1	-	-	0.1	-	-	0.1
Changes in the fair value of available-for-sale financial assets	-	-	-	-	7.6	-	-	-	7.6	-	-	7.6
Cash flow hedges	-	-	-	-0.1	-	-	-	-	-0.1	-	-	-0.1
Effect of partial demerger	-	-	-	-	-	-	-	-13.1	-13.1	-	-	-13.1
Dividends paid and other	-	-	-	-	-	-	-	-14.8	-14.8	-	-	-14.8
Hybrid bond	-	-	-	-	-	-	-	-	-	-	-	-
Interest on hybrid bond	-	-	-	-	-	-	-	-6.3	-6.3	-	-	-6.3
Purchases of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Share ownership plan for EMT	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	0.6	0.6	0.5	-	1.2
Share-based incentive plan	-	-	-	-	-	-	0.9	-	0.9	-	-	0.9
<b>Equity at June 30, 2014</b>	<b>70.0</b>	<b>-</b>	<b>61.1</b>	<b>-0.2</b>	<b>7.6</b>	<b>-28.1</b>	<b>-6.5</b>	<b>118.1</b>	<b>222.1</b>	<b>8.0</b>	<b>100.0</b>	<b>330.2</b>

<b>STATEMENT OF CASH FLOWS - including discontinued operations</b>	<b>Q2</b>	<b>Q2</b>	<b>Q1-Q2</b>	<b>Q1-Q2</b>	<b>Q1-Q4</b>
EUR million	<b>2014</b>	2013	<b>2014</b>	2013	2013
<b>Cash flow from operating activities</b>					
Profit / loss for the period	<b>7.0</b>	61.8	<b>8.8</b>	69.7	57.0
Adjustments, total	<b>13.0</b>	-42.2	<b>27.1</b>	-24.2	9.1
Changes in net working capital	<b>-1.9</b>	19.9	<b>-20.0</b>	-20.6	-2.3
Change in provisions	<b>1.3</b>	-0.2	<b>2.9</b>	-0.8	-1.9
Financial items	<b>-3.8</b>	-2.7	<b>-8.6</b>	-7.7	-16.9
Income taxes paid / received	<b>-1.4</b>	-1.2	<b>-2.1</b>	-2.3	-4.1
Net cash from operating activities	<b>14.2</b>	35.5	<b>8.2</b>	14.1	41.0
<b>Cash flow from investing activities</b>					
Acquisition of Group companies	-	-1.4	-	-1.4	-1.5
Purchases of intangible and tangible assets	<b>-13.2</b>	-23.5	<b>-32.0</b>	-47.8	-87.0
Other investing activities	<b>1.4</b>	-77.0	<b>34.4</b>	-74.3	-70.0
Net cash from investing activities	<b>-11.9</b>	-102.0	<b>2.4</b>	-123.5	-158.4
<b>Cash flow from financing activities</b>					
Dividends paid and other	<b>-4.6</b>	-29.1	<b>-4.6</b>	-29.1	-29.1
Repurchase of own shares	-	-	-	-	-
Investment to Ahlstrom Corporation shares related to share ownership plan for EMT	-	-	-	-	-
Payments received on hybrid bond	-	-	-	-	99.2
Repurchase of hybrid bond	-	-	-	-	-80.1
Interest on hybrid bond	-	-	-	-	-7.4
Effect of partial demerger	-	146.5	-	146.5	139.4
Changes in loans and other financing activities	<b>-5.4</b>	-18.8	<b>9.7</b>	11.1	-17.6
Net cash from financing activities	<b>-9.9</b>	98.6	<b>5.2</b>	128.5	104.3
<b>Net change in cash and cash equivalents</b>	<b>-7.6</b>	32.2	<b>15.7</b>	19.0	-13.1
Cash and cash equivalents at the beginning of the period	<b>62.3</b>	43.1	<b>38.7</b>	55.5	55.5
Foreign exchange adjustment	<b>1.3</b>	-2.2	<b>1.6</b>	-1.4	-3.7
<b>Cash and cash equivalents at the end of the period</b>	<b>56.0</b>	73.1	<b>56.0</b>	73.1	38.7

KEY FIGURES	Q2 2014	Q2 2013	Q1-Q2 2014	Q1-Q2 2013	Q1-Q4 2013
<b>Continuing operations</b>					
Personnel costs	-57.8	-57.5	-113.1	-112.4	-219.2
Depreciation and amortization	-12.2	-13.0	-23.9	-26.0	-51.3
Impairment charges	-	-0.1	-	-0.1	-2.6
Operating profit, %	3.8	2.4	2.8	2.8	1.1
Return on capital employed (ROCE), %	5.4	1.0	4.4	3.2	0.9
Basic earnings per share *, EUR	-0.07	-0.12	-0.02	-0.09	-0.46
Capital expenditure, EUR million	10.3	20.7	19.3	32.2	76.1
Number of employees, average	3 511	3 776	3 516	3 795	3 744
<b>Including discontinued operations</b>					
Personnel costs	-57.8	-74.8	-113.2	-150.8	-268.2
Depreciation and amortization	-12.2	-13.0	-23.9	-26.0	-51.3
Impairment charges	-1.3	-37.8	1.2	-37.8	-59.0
Operating profit, %	7.2	-8.2	5.1	-1.4	-2.5
Return on capital employed (ROCE), %	10.6	-14.4	7.9	-2.5	-4.3
Return on equity (ROE), %	8.6	60.0	5.3	33.3	13.8
Interest-bearing net liabilities, EUR million	283.3	294.5	283.3	294.5	291.7
Equity ratio, %	33.8	30.4	33.8	30.4	35.2
Gearing ratio, %	85.8	83.7	85.8	83.7	85.5
Basic earnings per share*, EUR	0.13	1.31	0.15	1.47	1.17
Equity per share, EUR	4.81	5.64	4.81	5.64	5.04
Average number of outstanding shares during the period, 1000's	46 125	46 105	46 115	46 105	46 105
Number of outstanding shares at the end of the period, 1000's	46 225	46 105	46 225	46 105	46 105
Capital expenditure, EUR million	9.8	22.2	22.7	36.9	84.8
Capital employed at the end of the period, EUR million	669.4	719.2	669.4	719.2	671.8
Number of employees, Average	3 511	4 508	3 526	4 861	4 490

\* With the effect of interest on hybrid bond for the period, net of tax



## ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34. Interim Financial reporting, as adopted by EU and the accounting principles set out in the Group's Financial Statements for 2013 except for the changes below.

### Changes in accounting principles

Ahlstrom made changes to its financial segment reporting as of January 1, 2014 as the former Food and Medical business area was divided into two separate segments: Food business area and Medical business area. Ahlstrom restated the segment information based on new business area structure in stock exchange release on April 1, 2014.

The Group has adopted the following new or amended standards and interpretations as of January 1, 2014:

- IFRS 11 Joint Arrangements (new).

The standard covers the accounting requirements for jointly-controlled entities including joint ventures. It has no effect on the consolidated financial statements of the group.

- IFRS 12 Disclosure of Interests in Other Entities (new).

The new standard increases the disclosures of interests in other entities presented in the consolidated financial statements of the group.

- IAS 28 Investments in Associates and Joint Ventures (revised 2011).

As a consequence of the new IFRS 11 the standard has been revised and describes the application of the equity method to investments in joint ventures in addition to associates. It has no effect on the consolidated financial statements of the group.

- IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (amendment).

The amendment clarifies the disclosure requirements concerning cash generating units for which impairment loss has been recognized or reversed. It has no significant effect on the consolidated financial statements of the group.

<b>SEGMENT INFORMATION</b>	<b>Q2</b>	<b>Q2</b>	<b>Q1-Q2</b>	<b>Q1-Q2</b>	<b>Q1-Q4</b>
EUR million	<b>2014</b>	2013	<b>2014</b>	2013	2013
Advanced Filtration	<b>26.2</b>	26.2	<b>50.7</b>	50.5	97.9
Building and Energy	<b>65.5</b>	71.0	<b>134.4</b>	144.4	275.7
Food	<b>58.4</b>	63.7	<b>117.4</b>	123.8	243.7
Medical	<b>32.8</b>	38.5	<b>63.0</b>	74.9	142.9
Transportation Filtration	<b>82.9</b>	81.0	<b>160.8</b>	155.6	306.8
Trading and New Business	<b>19.8</b>	14.7	<b>39.1</b>	25.1	61.3
Other operations	<b>20.7</b>	21.2	<b>38.9</b>	42.9	78.7
Internal sales	<b>-53.3</b>	-51.4	<b>-102.0</b>	-97.0	-192.2
<b>Total net sales</b>	<b>253.0</b>	265.0	<b>502.2</b>	520.3	1 014.8
Advanced Filtration	<b>2.4</b>	2.9	<b>4.9</b>	5.5	9.8
Building and Energy	<b>10.2</b>	5.9	<b>19.9</b>	8.1	26.5
Food	<b>6.2</b>	5.7	<b>11.6</b>	11.5	22.1
Medical	<b>13.1</b>	13.9	<b>25.5</b>	26.5	50.0
Transportation Filtration	<b>6.1</b>	6.6	<b>11.5</b>	11.8	22.9
Trading and New Business	<b>1.9</b>	2.9	<b>4.1</b>	5.6	10.0
Other operations	<b>13.3</b>	13.4	<b>24.5</b>	28.1	50.8
<b>Total internal sales</b>	<b>53.3</b>	51.4	<b>102.0</b>	97.0	192.2
Advanced Filtration	<b>4.2</b>	3.7	<b>7.9</b>	6.8	12.8
Building and Energy	<b>2.3</b>	1.6	<b>3.7</b>	4.0	1.3
Food	<b>1.7</b>	1.2	<b>4.0</b>	1.2	2.1
Medical	<b>-2.2</b>	0.3	<b>-4.2</b>	0.3	-3.1
Transportation Filtration	<b>7.3</b>	4.6	<b>12.2</b>	8.7	14.1
Trading and New Business	<b>-0.2</b>	-0.7	<b>-1.3</b>	-1.5	-3.1
Other operations	<b>-3.3</b>	-4.2	<b>-8.4</b>	-4.8	-13.3
Eliminations	<b>-0.0</b>	-0.0	<b>0.1</b>	-0.0	-0.0
<b>Operating profit / loss</b>	<b>9.6</b>	6.4	<b>14.0</b>	14.7	10.7
<b>Return on capital employed (RONA), %</b>					
Advanced Filtration	<b>35.9</b>	29.6	<b>34.3</b>	27.9	27.3
Building and Energy	<b>9.2</b>	6.7	<b>7.8</b>	9.1	1.5
Food	<b>7.5</b>	4.7	<b>9.0</b>	2.4	2.2
Medical	<b>-12.4</b>	1.5	<b>-11.4</b>	0.8	-3.8
Transportation Filtration	<b>19.3</b>	11.9	<b>16.5</b>	11.9	9.7
Trading and New Business	<b>-2.8</b>	-10.2	<b>-9.0</b>	-11.2	-11.4
<b>Group (ROCE), %</b>	<b>5.4</b>	1.0	<b>4.4</b>	3.2	0.9

Advanced Filtration	<b>46.8</b>	49.2	<b>46.8</b>	49.2	45.0
Building and Energy	<b>101.7</b>	98.0	<b>101.7</b>	98.0	89.3
Food	<b>90.6</b>	96.2	<b>90.6</b>	96.2	88.2
Medical	<b>73.6</b>	85.9	<b>73.6</b>	85.9	73.0
Transportation Filtration	<b>151.2</b>	147.1	<b>151.2</b>	147.1	145.3
Trading and New Business	<b>31.4</b>	28.4	<b>31.4</b>	28.4	27.5
Other operations	<b>-20.0</b>	-88.5	<b>-20.0</b>	-88.5	-3.0
Eliminations	<b>-0.1</b>	-0.2	<b>-0.1</b>	-0.2	-0.2
<b>Total net assets, end of period</b>	<b>475.4</b>	416.1	<b>475.4</b>	416.1	465.0
Advanced Filtration	<b>0.3</b>	0.3	<b>0.5</b>	0.5	1.9
Building and Energy	<b>5.4</b>	15.3	<b>9.9</b>	20.6	44.8
Food	<b>0.6</b>	0.5	<b>0.9</b>	0.7	3.6
Medical	<b>0.2</b>	0.6	<b>0.4</b>	0.8	1.4
Transportation Filtration	<b>3.3</b>	3.5	<b>5.7</b>	8.3	19.2
Trading and New Business	<b>0.0</b>	0.1	<b>0.2</b>	0.1	0.6
Other operations	<b>0.5</b>	0.4	<b>1.8</b>	1.2	4.5
<b>Total capital expenditure</b>	<b>10.3</b>	20.7	<b>19.3</b>	32.2	76.1
Advanced Filtration	<b>-0.7</b>	-0.7	<b>-1.5</b>	-1.6	-3.0
Building and Energy	<b>-2.6</b>	-3.1	<b>-5.0</b>	-6.2	-11.8
Food	<b>-2.2</b>	-2.4	<b>-4.3</b>	-4.7	-9.6
Medical	<b>-2.2</b>	-2.4	<b>-4.4</b>	-4.7	-9.2
Transportation Filtration	<b>-3.6</b>	-3.5	<b>-7.1</b>	-6.9	-14.0
Trading and New Business	<b>-0.2</b>	-0.3	<b>-0.5</b>	-0.6	-1.2
Other operations	<b>-0.6</b>	-0.7	<b>-1.2</b>	-1.3	-2.6
<b>Total depreciation and amortization</b>	<b>-12.2</b>	-13.0	<b>-23.9</b>	-26.0	-51.3
Advanced Filtration	-	-	-	-	-
Building and Energy	-	-	-	-	-1.2
Food	-	-	-	-	-1.2
Medical	-	-	-	-	-
Transportation Filtration	-	-	-	-	-
Trading and New Business	-	-	-	-	-
Other operations	-	-0.1	-	-0.1	-0.2
<b>Total impairment charges</b>	-	-0.1	-	-0.1	-2.6
Advanced Filtration	-	-	-	-	-
Building and Energy	<b>0.2</b>	-0.0	<b>0.4</b>	-0.0	-1.4
Food	<b>-0.8</b>	-0.2	<b>-0.8</b>	-1.0	-2.1
Medical	<b>-1.4</b>	-	<b>-1.5</b>	-	-
Transportation Filtration	-	-	-	-	-0.2
Trading and New Business	-	-	-	-	-
Other operations	<b>-1.8</b>	-1.3	<b>-4.7</b>	1.4	1.1
<b>Total non-recurring items</b>	<b>-3.8</b>	-1.5	<b>-6.6</b>	0.4	-2.7
	<b>Q2</b>	Q2	<b>Q1-Q2</b>	Q1-Q2	Q1-Q4

**SEGMENT INFORMATION**

Thousands of tons	2014	2013	2014	2013	2013
Advanced Filtration	4.4	4.3	8.5	8.3	16.1
Building and Energy	34.2	37.9	69.8	77.2	145.5
Food	23.1	23.5	45.4	45.6	91.3
Medical	10.0	10.6	19.2	20.5	40.0
Transportation Filtration	29.3	28.8	57.0	55.5	110.1
Trading and New Business	12.9	7.6	25.4	11.2	34.9
Other operations	1.8	1.9	3.7	3.5	7.1
Eliminations	-19.3	-14.7	-36.9	-24.6	-60.1
<b>Total sales tons</b>	<b>96.4</b>	<b>99.9</b>	<b>192.0</b>	<b>197.1</b>	<b>384.9</b>

Segment information is presented according to the IFRS standards.

NET SALES BY REGION - including discontinued operations	Q2	Q2	Q1-Q2	Q1-Q2	Q1-Q4
EUR million	2014	2013	2014	2013	2013
Europe	123.9	192.5	248.9	419.2	675.9
North America	68.0	78.6	133.1	152.0	293.8
South America	15.2	48.0	30.8	94.9	174.1
Asia-Pacific	40.2	42.2	78.9	87.7	168.9
Rest of the world	5.6	5.2	11.7	12.4	23.3
<b>Total net sales</b>	<b>252.8</b>	<b>366.4</b>	<b>503.3</b>	<b>766.1</b>	<b>1 336.1</b>

**CHANGES OF PROPERTY, PLANT AND**
**EQUIPMENT - including discontinued operations**

EUR million	Q1-Q2	Q1-Q2	Q1-Q4
	2014	2013	2013
Book value at Jan 1	379.0	564.4	564.4
Acquisitions through business combinations	-	-	-
Additions	21.7	36.8	82.6
Disposals	-11.8	-0.7	-14.6
Effect of partial demerger	-	-127.6	-163.7
Depreciations and impairment charges	-21.1	-24.1	-70.6
Translation differences and other changes	-1.6	-9.3	-19.1
Book value at the end of the period	<b>366.2</b>	<b>439.5</b>	<b>379.0</b>

<b>TRANSACTIONS WITH RELATED PARTIES - including discontinued operations</b>	<b>Q1-Q2</b>	<b>Q1-Q2</b>	<b>Q1-Q4</b>
EUR million	<b>2014</b>	2013	2013

<b>Transactions with associated companies</b>			
Sales and interest income	<b>19.2</b>	17.7	35.5
Purchases of goods and services	<b>-8.7</b>	-10.4	-20.8
Trade and other receivables	<b>7.5</b>	6.9	5.7
Trade and other payables	<b>1.0</b>	1.7	1.5

*Market prices have been used in transactions with associated companies.*

<b>OPERATING LEASES - including discontinued operations</b>	<b>Jun 30,</b>	<b>Jun 30,</b>	<b>Dec 31,</b>
EUR million	<b>2014</b>	2013	2013
Current portion	<b>6.0</b>	5.5	5.8
Non-current portion	<b>23.2</b>	22.9	22.4
<b>Total</b>	<b>29.2</b>	28.4	28.2

<b>COLLATERALS AND COMMITMENTS - including discontinued operations</b>	<b>Jun 30,</b>	<b>Jun 30,</b>	<b>Dec 31,</b>
EUR million	<b>2014</b>	2013	2013
<b>Mortgages</b>	<b>73.2</b>	73.3	73.2
<b>Pledges</b>	<b>0.6</b>	1.0	0.8
<b>Commitments</b>			
Guarantees given on behalf of group companies	<b>59.3</b>	8.2	22.4
Guarantees given on behalf of associated companies	-	15.0	-
Capital expenditure commitments	<b>1.3</b>	18.9	7.4
Other commitments	<b>4.3</b>	2.7	4.6

<b>QUARTERLY DATA</b>	<b>Q2</b>	Q1	Q4	Q3	Q2	Q1
EUR million	<b>2014</b>	2014	2013	2013	2013	2013
<b>Continuing operations</b>						
<b>Net sales</b>	<b>253.0</b>	249.2	243.4	251.1	265.0	255.3
Cost of goods sold	<b>-207.8</b>	-208.0	-214.3	-218.1	-222.3	-216.1
<b>Gross profit</b>	<b>45.2</b>	41.2	29.1	33.0	42.7	39.2
Sales and marketing expenses	<b>-12.2</b>	-11.4	-11.6	-9.5	-11.1	-10.0
R&D expenses	<b>-4.9</b>	-4.4	-5.2	-4.3	-5.1	-4.7
Administrative expenses	<b>-19.7</b>	-21.9	-16.9	-17.6	-20.5	-19.6
Other operating income	<b>1.4</b>	1.2	3.2	0.7	1.2	3.8
Other operating expense	<b>-0.2</b>	-0.3	-4.1	-0.8	-0.8	-0.3
<b>Operating profit / loss</b>	<b>9.6</b>	4.4	-5.5	1.5	6.4	8.3
Net financial expenses	<b>-9.5</b>	0.0	-5.0	-5.4	-4.9	-5.2
Share of profit / loss of equity accounted investments	<b>-0.5</b>	0.8	-0.6	-0.6	-5.0	0.4
<b>Profit / loss before taxes</b>	<b>-0.4</b>	5.2	-11.1	-4.4	-3.5	3.6
Income taxes	<b>-1.8</b>	-2.1	-1.1	0.7	-1.4	-1.7
<b>Profit / loss for the period from continuing operations</b>	<b>-2.2</b>	3.1	-12.2	-3.7	-4.9	1.9
<b>Discontinued operations</b>						
Profit/loss for the period	<b>10.5</b>	-3.5	18.6	-4.1	97.7	6.1
Impairment loss recognised on the remeasurement to fair value and cost to sell	<b>-1.3</b>	2.2	2.0	-13.2	-30.9	-0.1
<b>Profit / loss for the period from discontinued operations</b>	<b>9.2</b>	-1.2	20.6	-17.3	66.7	6.0
<b>Profit/loss for the period</b>	<b>7.0</b>	1.9	8.4	-21.0	61.8	7.9
Attributable to						
Owners of the parent	<b>7.6</b>	2.7	9.3	-19.9	62.7	8.9
Non-controlling interest	<b>-0.6</b>	-0.9	-1.0	-1.1	-0.9	-1.0

<b>QUARTERLY DATA BY SEGMENT</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
EUR million	<b>2014</b>	2014	2013	2013	2013	2013
<b>Net sales</b>						
Advanced Filtration	<b>26.2</b>	24.5	23.2	24.2	26.2	24.3
Building and Energy	<b>65.5</b>	68.8	63.8	67.5	71.0	73.4
Food	<b>58.4</b>	59.0	61.8	58.1	63.7	60.1
Medical	<b>32.8</b>	30.1	33.3	34.6	38.5	36.5
Transportation Filtration	<b>82.9</b>	77.9	73.4	77.7	81.0	74.6
Trading and New Business	<b>19.8</b>	19.3	17.5	18.6	14.7	10.4
Other operations and eliminations	<b>-32.7</b>	-30.5	-29.7	-29.7	-30.2	-24.0
Group total	<b>253.0</b>	249.2	243.4	251.1	265.0	255.3
<b>Operating profit / loss</b>						
Advanced Filtration	<b>4.2</b>	3.7	2.6	3.3	3.7	3.2
Building and Energy	<b>2.3</b>	1.5	-2.3	-0.4	1.6	2.5
Food	<b>1.7</b>	2.3	0.6	0.3	1.2	0.0
Medical	<b>-2.2</b>	-1.9	-1.8	-1.6	0.3	-0.0
Transportation Filtration	<b>7.3</b>	5.0	1.9	3.6	4.6	4.1
Trading and New Business	<b>-0.2</b>	-1.1	-0.6	-1.0	-0.7	-0.8
Other operations and eliminations	<b>-3.3</b>	-5.0	-5.9	-2.6	-4.2	-0.6
Group total	<b>9.6</b>	4.4	-5.5	1.5	6.4	8.3
<b>Operating profit / loss excl. NRI</b>						
Advanced Filtration	<b>4.2</b>	3.7	2.6	3.3	3.7	3.2
Building and Energy	<b>2.0</b>	1.3	-0.9	-0.4	1.6	2.5
Food	<b>2.5</b>	2.3	1.7	0.3	1.4	0.8
Medical	<b>-0.8</b>	-1.8	-1.8	-1.6	0.3	-0.0
Transportation Filtration	<b>7.3</b>	5.0	2.1	3.6	4.6	4.1
Trading and New Business	<b>-0.2</b>	-1.1	-0.6	-1.0	-0.7	-0.8
Other operations and eliminations	<b>-1.5</b>	-2.1	-5.6	-2.6	-2.9	-3.3
Group total	<b>13.4</b>	7.2	-2.5	1.5	7.9	6.5
<b>Sales tons, thousands of tons</b>						
Advanced Filtration	<b>4.4</b>	4.0	3.9	3.9	4.3	4.0
Building and Energy	<b>34.2</b>	35.6	32.8	35.5	37.9	39.2
Food	<b>23.1</b>	22.3	24.3	21.3	23.5	22.1
Medical	<b>10.0</b>	9.2	10.0	9.4	10.6	10.0
Transportation Filtration	<b>29.3</b>	27.7	26.5	28.1	28.8	26.7
Trading and New Business	<b>12.9</b>	12.5	11.5	12.3	7.6	3.5
Other operations and eliminations	<b>-17.5</b>	-15.7	-15.8	-16.1	-12.9	-8.2
Group total	<b>96.4</b>	95.6	93.3	94.4	99.9	97.3

<b>KEY FIGURES QUARTERLY</b>	<b>Q2</b>	Q1	Q4	Q3	Q2	Q1
EUR million	<b>2014</b>	2014	2013	2013	2013	2013
<b>Continuing operations</b>						
Net sales	<b>253.0</b>	249.2	243.4	251.1	265.0	255.3
Operating profit / loss	<b>9.6</b>	4.4	-5.5	1.5	6.4	8.3
Profit / loss before taxes	<b>-0.4</b>	5.2	-11.1	-4.4	-3.5	3.6
Profit / loss for the period	<b>-2.2</b>	3.1	-12.2	-3.7	-4.9	1.9
Return on capital employed (ROCE), %	<b>5.4</b>	<b>3.4</b>	<b>-3.5</b>	<b>0.7</b>	<b>1.0</b>	<b>5.1</b>
Basic earnings per share*, EUR	<b>-0.07</b>	0.05	-0.29	-0.09	-0.12	0.03
<b>Including discontinued operations</b>						
Net sales	<b>252.8</b>	250.5	277.4	292.5	366.4	399.8
Operating profit / loss	<b>18.2</b>	7.5	-12.1	-10.2	-30.0	19.4
Profit / loss before taxes	<b>8.2</b>	8.3	4.6	-20.5	56.6	13.0
Profit / loss for the period	<b>7.0</b>	1.9	8.4	-21.0	61.8	7.9
Gearing ratio, %	<b>85.8</b>	87.7	85.5	74.2	83.7	73.9
Return on capital employed (ROCE), %	<b>10.6</b>	5.3	-7.3	-5.8	-14.4	8.8
Basic earnings per share*, EUR	<b>0.13</b>	0.03	0.15	-0.46	1.31	0.16
Average number of outstanding shares during the period, 1000's	<b>46 125</b>	46 105	46 105	46 105	46 105	46 105

\* With the effect of interest on hybrid bond for the period, net of tax



## Calculation of key figures

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