

Ahlstrom

Innovative fiber-based
materials for everyday life

Investor presentation

February 2017



Global leader in innovative fiber-based materials

The global market for fiber-based materials is about USD 30 billion annually, providing us with many opportunities.

Ahlstrom quick facts

- Innovative fiber-based materials for everyday life such as filters, medical fabrics, life science and diagnostics, wallcovers, tapes, and food and beverage packaging
- Net sales EUR 1.1 billion in 2016
- 3,200 employees in 22 countries
- Listed on the Nasdaq Helsinki since 2006

Worldwide presence – unrivalled platform

Americas

- 841 employees in 3 countries
- 6 plants
- 34% of net sales

EMEA

- 1,864 employees in 11 countries
- 18 plants
- 47% of net sales

Asia-Pacific

- 550 employees in 8 countries
- 4 plants
- 17% of net sales

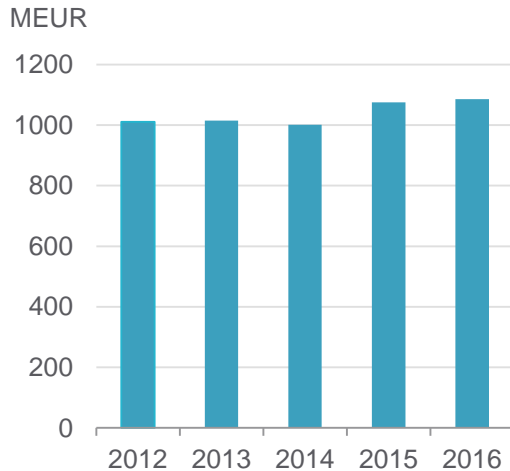
- Manufacturing plants
- Product and technology center
- Service centers
- Head office
- Sales office

Focus on profitability and balance sheet

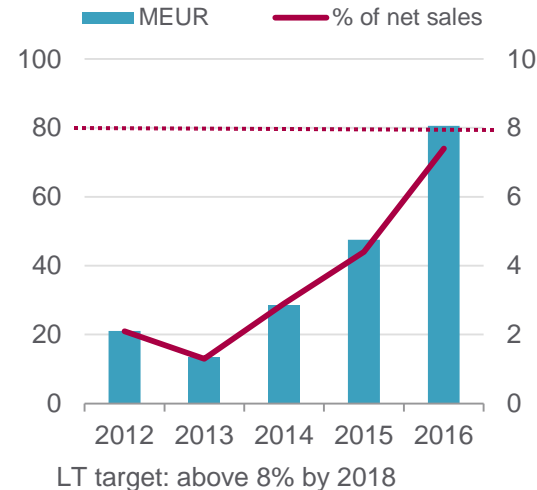
Clear improvement since 2013 with accelerated sales growth in 2H/2016

- Profit improvement driven by enhanced margin through commercial excellence, improved operational efficiency and lower fixed and variable costs
- Reduction in gearing driven by improved operating result and cash flow, lower investments and sale of non-core assets

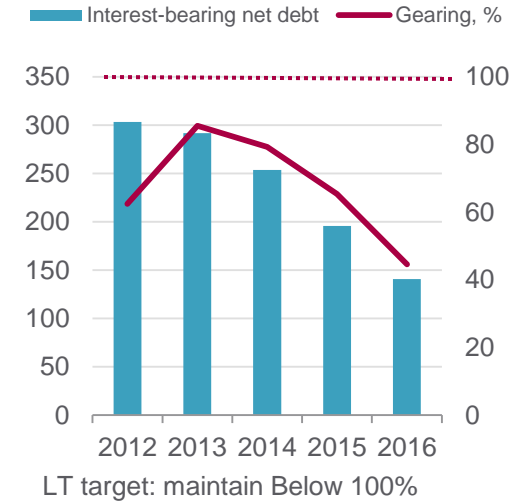
Net Sales



Operating profit (adj.)



Net debt and gearing



Our two business areas offer versatile high-quality products

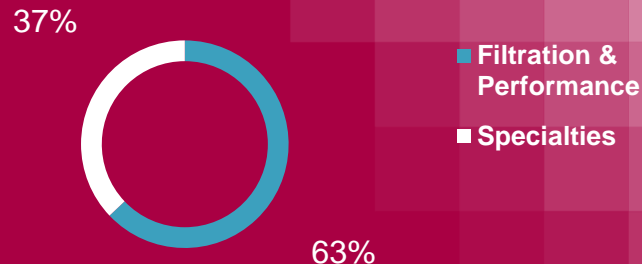
Filtration & Performance

- Environmentally friendly and energy efficient filtration
- Durable glassfiber tissue for flooring and other building applications, reinforcement for wind turbine blades
- High-quality materials for automotive, construction, apparel and hygiene applications
- Wide range of ease-of-use wallcovers with superb printing properties

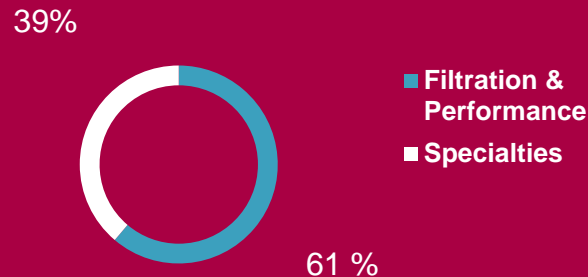
Specialties

- Innovative and compostable food packaging
- Tea and single-serve coffee infusion with great taste
- Ease-of-use laboratory, life science and medical diagnostics, water filtration
- Tape materials with consistent quality
- Performance-driven and safe surgical gowns and drapes, sterile barrier systems and face masks

Net sales by segment,
EUR 1,085.9 million in 2016



Operating profit* by segment, EUR
80.6 million in 2016



* Adjusted operating profit

Business portfolio: Filtration & Performance

	Filtration	Industrial Nonwovens	Wallcover & Poster	Building & Wind
Customers	Heavy duty and automotive OEMs and suppliers, gas turbine power generators	Automotive suppliers, construction materials suppliers, textiles industry, hygiene and wound care product manufactures, laundry care suppliers	Wallcover and poster printers	Flooring companies, manufactures of constructions materials, wind turbine installers, boat builders
Applications	Oil filtration, fuel filtration, air filtration, gas turbine filtration, industrial filtration	Automotive interiors, plasterboard and furniture surfaces, textiles, laundry care, hygiene and wound care, wipes	Wallcovers Posters	Vinyl flooring, wind turbine blades, boat hulls
Demand drivers	Mileage (kilometers driven), number of new vehicles manufactured, trends in road freight, construction and mining activity, natural gas consumption	Construction spending, consumer spending, number of new vehicles manufactured	Construction spending, home decoration, consumer spending, advertising spending	Construction spending, wind turbine installations.
Main competitors	Neenah Paper, Hollingsworth & Vose, Lydall	Freudenberg Group, Aralar, Glatfelter, Jacob Holm	Glatfelter, Shandong Lunan	Saertex, Owens Corning, Johns Manville, Saint Gobain

Business portfolio: Specialties

	Food and Beverage	Advanced Liquid Technologies	Tape	Medical
Customers	Suppliers and brand owners in food packaging	Laboratory consumable and equipment suppliers, life science instrument and materials manufacturers, water purification equipment manufactures	Masking tape manufacturers	Marketers and suppliers in the health care industry
Applications	Food and ready-made meals packaging, baking and wrapping papers, tea bags and coffee capsules, meat casings	Laboratory and micro filtration, life science and diagnostics, residential and industrial water purification	Masking tape for construction and automotive industries, specialty masking tape	Sterile barrier systems, drapes and gowns, facemasks
Demand drivers	Consumer spending and preferences, substitution to more sustainable materials	Innovative and customized product development, water scarcity and reusability	Building and construction activity, automotive aftermarket	Demographics, liabilities around infections / contamination, number of hospital beds, substitution to single-use fabrics
Main competitors	Glatfelter, Metsä Tissue, Purico Group	GE Healthcare-Whatman, Advantec, Merck Millipore, Macherey-Nagel	Expera, Swiss Quality Paper	Berry Plastics, SAAF

Global trends drive our growth

The needs of our customers are affected by end-user behavior, which challenges us to constantly develop and improve fiber-based material solutions.

Trends and drivers

Growing global population and scarcity of resources

Increased demand for greener and resource-efficient materials

Emerging needs in healthcare

Changes in demography and urbanization

Our Answers

Our production processes are energy and raw material efficient, minimizing environmental effects.

We are the global leader in filtration media that enable reduced emissions, cleaner air and efficient energy production.

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

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

A customer-driven product offering for sustainable and high-performance end use

Key success factors form our competitive advantage

Customer-focused with tailor-made products

- Responding to customer needs with agile product development and innovative products
- Close partnership with customers, suppliers and relevant stakeholders
- Comprehensive range of customized products with superior and consistent quality

Leading technology and manufacturing platforms

- Unique know-how in fibers, chemistry and materials technology
- Flexible manufacturing capabilities and unique technologies
- Resource-efficient technologies and processes utilizing renewable materials

Global reach and local insights

- Global operations meeting local market needs with quality customer and technical service
- Global product offering with a unique and unrivalled supply platform
- Short lead-times and logistic flexibility to customers worldwide

Roadmap to become our customers' first choice

Commercial excellence

Introduction of new products and technologies to the market, optimized pricing and product mix, segmentation, improved customer satisfaction.

New lean operating model

Implementation of business unit specific strategies and operating models, reduction of organizational layers, further reduction in SG&A expenses.

Organic growth via higher asset turnover

Filling capacity where we have made investments recently.

Growth via new platforms

Our growth opportunities include compostable food and beverage packaging, medical diagnostics and water filtration.

A stronger,
leaner and
unified Ahlstrom

A close-up, side-profile photograph of a young child with dark hair, wearing a yellow and green striped tank top, drinking water from a clear glass. The child's eyes are closed, and their hand is holding the glass to their lips. The background is a bright, out-of-focus outdoor setting with green foliage and a white fence. The text "Versatile growth areas" is overlaid in white, sans-serif font across the middle of the image.

Versatile growth areas

Versatile growth areas

Compostable food packaging

- Biodegradable materials substituting aluminum and plastic alternatives
- Ahlstrom NatureMold™



Single-use coffee pods and capsules

- Perfect taste and aroma with compostable materials
- Product range covers both drip and espresso coffee



Specimen collection cards

- Easy and cost effective collection and storage of blood and saliva samples for clinical, genetic and infectious disease testing
- Ahlstrom GenCollect™
Ahlstrom AutoCollect™

Versatile growth areas



Indoor air purification

- Energy saving and durable indoor air filtration
- Ahlstrom Flow2Save™ Ahlstrom Pleat2Save™

Industrial air purification

- Full range of gas turbine air intake filtration for increasing operational efficiency
- Ahlstrom Trinitex®

Water filtration

- Unique low pressure and chemical-free technology for water purification
- Ahlstrom Disruptor®



Versatile growth areas

Wallcovers in China

- Significant increase of wallcover volumes in China
- Easy to hang, easy to remove, directly printable
- Ahlstrom EasyLife™



Masking tape

- Increased volumes through Asian platform
- Ahlstrom MasterTape™ high-performance product range

Rapid tests for diagnostics

- Easy and cost effective diagnosis of pregnancy, drug abuse and infectious disease
- Full range of components to support development of new tests and reliability on the results
- Ahlstrom Cytosep® HV



Creating value in a sustainable way

We are committed to sustainable development conducting our business with economic, social and environmental responsibility

Key achievements in 2016

- Total energy consumption declined by 8.3%
- Direct carbon dioxide emissions per gross ton dropped by 16.2%, including indirect emissions, the decline was 7.8%
- Overall emissions to air continued on a five-year declining trend
- All manufacturing sites and 100% of production certified according to the environmental management system ISO 14001
- About 80% of our fiber-based raw materials are renewable
- Zero human rights violations

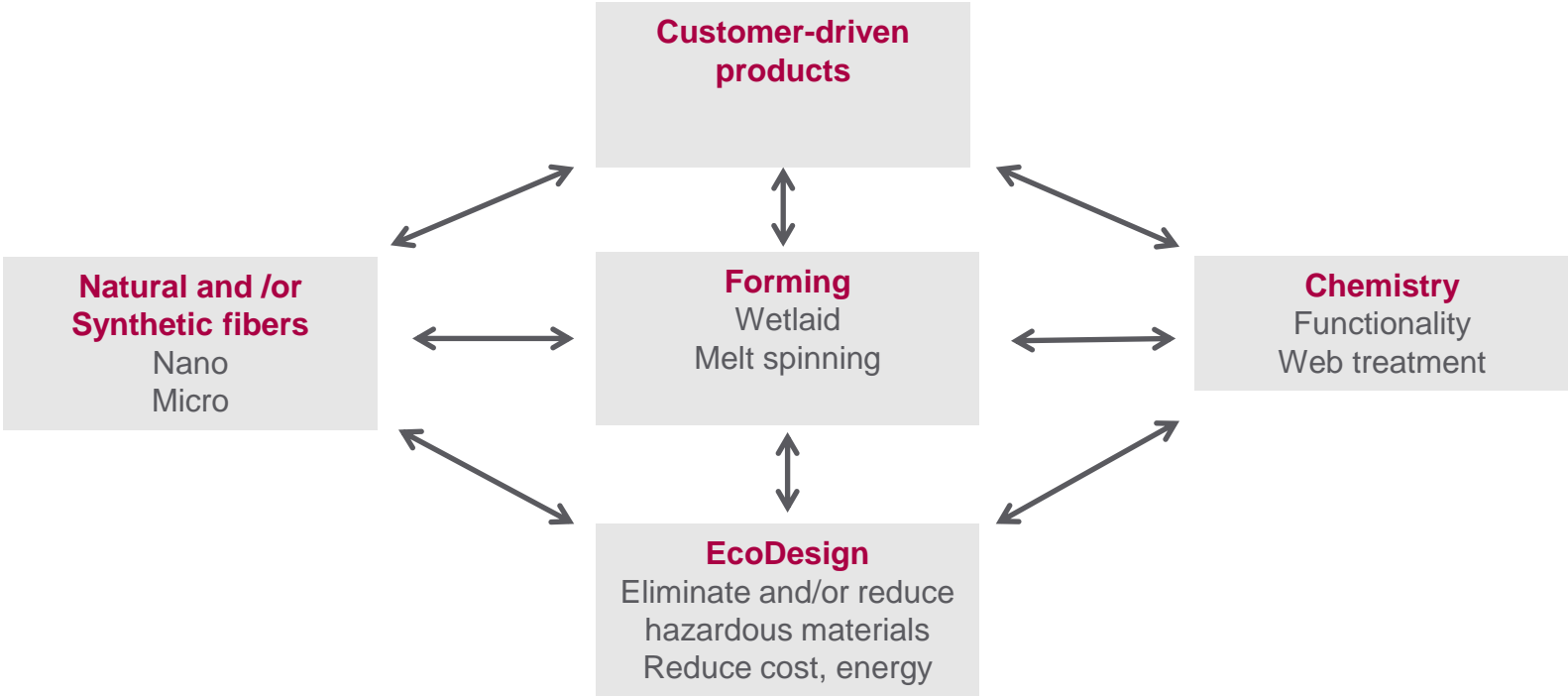
Sustainability is at the heart of our operations

- Code of Conduct and Supplier Code of Conduct and other policies guide our operations and processes
- Ahlstrom has reported on sustainability performance according to GRI (Global Reporting Initiative) since 2004
- Participated in Carbon Disclosure Project (CDP) for the ninth time in 2016 www.cdproject.net

A driver in product innovation

- Minimizing the environmental impacts of a product over its whole life-cycle
- Cost and operational efficiency

Sustainability plays a role in product development



Long-term financial targets over the economic cycle

Adjusted operating profit margin

To be above

8%

by 2018

Gearing

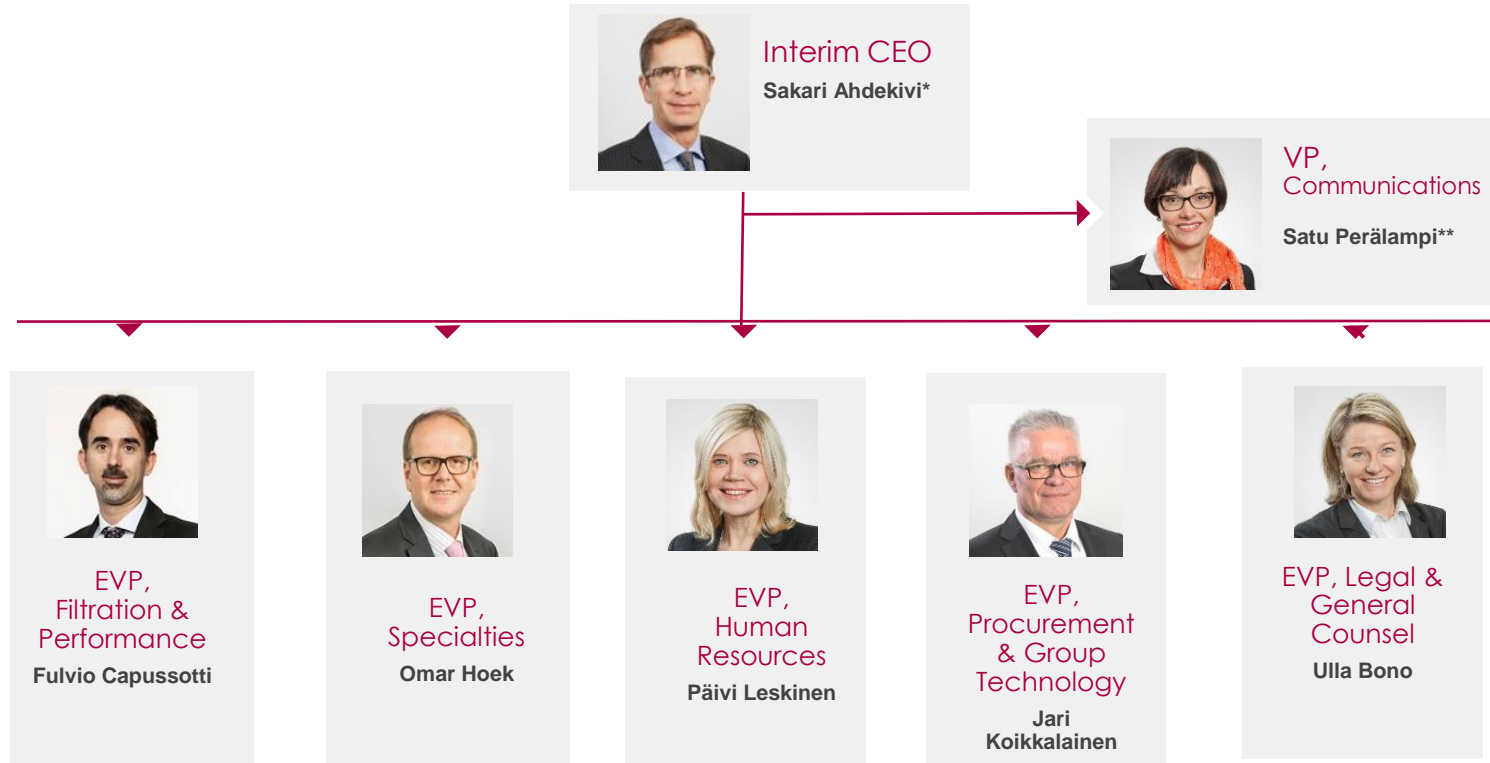
To be maintained below

100%

Dividend policy

We aim for a stable dividend, increasing over time, based on the annual net income performance

The management team taking us forward



* Sakari Ahdekivi continues in his role as CFO

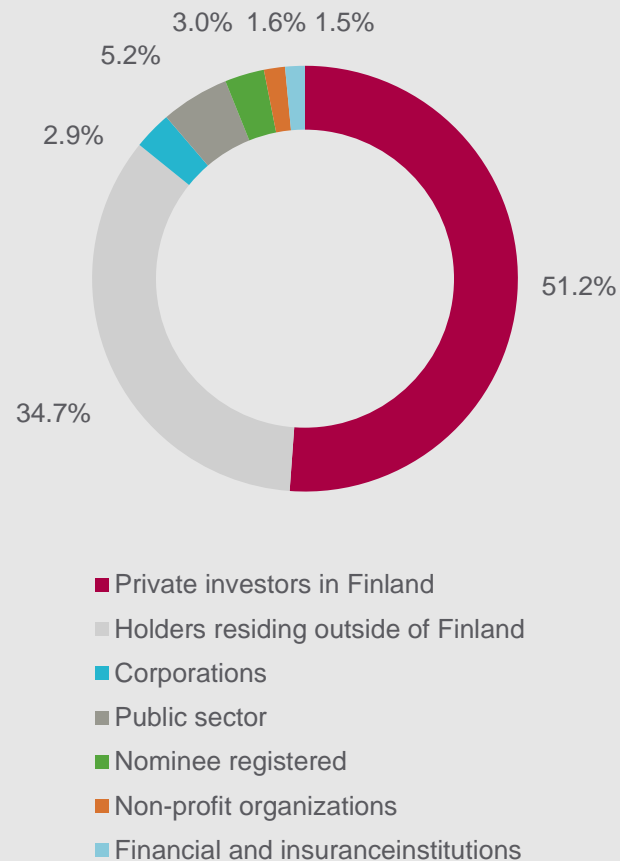
** Member of the extended Executive Management Team

We have about 10,000 shareholders

Name of the shareholder	# of shares and votes	%
1. Virala Oy Ab (Viknum AB)	5,725,000	12.27
2. Ahlström Capital (Invest Six B.V.)	5,126,741	10.98
3. Varma Mutual Pension Insurance Co.	1,532,200	3.28
4. Huber Mona Lilly	1,251,700	2.68
5. Tracewski Jacqueline	807,600	1.73
6. Nahi Kai Anders Bertel	798,288	1.71
7. Kylmä Kim	771,400	1.65
8. Emmett Linda-Maria	700,350	1.50
9. Lund Niklas Roland	693,738	1.49
10. Sumelius John Michael	682,588	1.46
10 largest shareholders	18,089,605	38.76
Nominee registered shareholders	1,379,177	2.96
Other shareholders	27,201,826	58.28
Total	46,670,608	100.00

Ahlstrom has 9,874 shareholders (January 31, 2017)

Shareholder structure (31/1/2017)



Engineered materials peer group valuation

Company	Mkt Cap	P/E 2017E	P/E 2018E	EV/EBITDA CURRENT	EV/EBITDA 2017E	PB	Dividend yield, %
Median	1.0B	15.0	13.2	9.2	7.7	2.0	2.1
Ahlstrom	659.9M	14.2	12.0	6.7	6.1	2.1	3.5
Suominen	201.5M	14.2	12.4	6.0	5.5	1.4	2.8
Owens Corning	6.4B	17.1	15.6	10.3	7.6	1.7	1.4
Neenah Paper	1.3B	17.3	15.6	11.8	10.7	3.8	1.9
Munksjö	759.3M	12.4	10.8	7.8	5.6	1.8	2.0
Lydall	1.0B	21.6	19.4	13.7	11.9	3.7	N/A
Huhtamäki	3.7B	17.3	15.6	12.1	11.6	3.5	2.1
Glatfelter	1.0B	15.2	13.1	14.6	7.8	1.5	2.1

Source: Bloomberg February 17, 2017



Key investment takeaways

Markets

Ahlstrom is a worldwide leader in the USD 30 billion annual fiber-based materials market. Our growth is supported by global megatrends and we are well positioned to grow in:

- Environmentally friendly and energy efficient filtration
- Compostable food and beverage packaging
- Ease-of use life science and diagnostics as well as performance-driven medical fabrics
- High-quality construction and home decoration materials

Performance

We have an improving track record with three years of continuous improvement in profitability and balance sheet, driven by enhanced margin through commercial excellence, better product mix as well as improved operational efficiency and lower costs.

Strategy

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

Merger with Munksjö

On November 7, 2016, Ahlstrom and Munksjö Oyj announced a plan merge the two companies. The combination will create a global leader in innovative and sustainable fiber-based solutions. The combination is expected to create significant value for the stakeholders in the combined company through stronger global growth opportunities and improved operational efficiency.



We are committed to growing and creating stakeholder value by providing the best performing sustainable fiber-based materials.



Appendix 1: FY 2016 & Q4/2016

All-time high profitability with accelerated sales growth

Accelerated net sales growth in the last quarter of 2016

- Net sales growth 4.9% in Q4/2016 and 2.6% in 2016 at constant currencies
- Higher sales of glass fiber, wallcover, filtration, laboratory & life science diagnostics, and single-serve coffee products

Record high margins and cash flow

- Driven by higher volumes, improved operational efficiency, lower fixed costs as well as keeping the benefit from lower energy and raw material costs
- Adjusted operating profit and margin improved for the 13th consecutive quarter, year-on-year
- Improved operational result and active working capital management driving cash flow

Successful execution of strategic roadmap

- Higher margins through enhanced commercial excellence and leaner operating model
- Increased capacity utilization and ability to capture new growth opportunities
- Close to achieving 2018 financial target of above 8% adjusted operating margin already in 2016

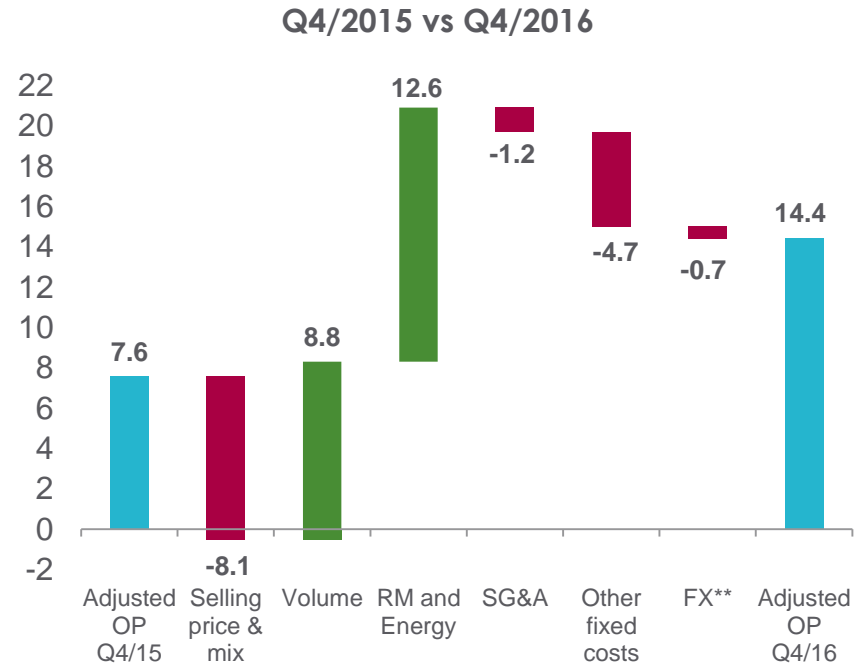
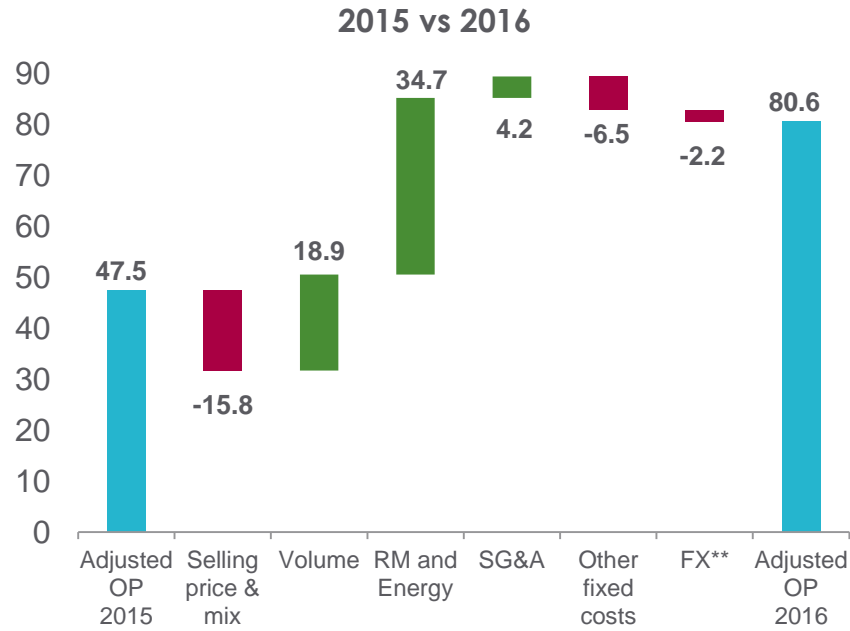
Key figures

Record profitability, accelerated sales growth & significant reduction in net debt in 2016

EUR million	Q4/2016	Q4/2015	Change, %	2016	2015	Change, %
Net sales	266.1	255.0	4.4	1,085.9	1,074.7	1.0
Adjusted EBITDA	26.4	21.6	22.3	130.9	104.8	25.0
<i>% of net sales</i>	<i>9.9</i>	<i>8.5</i>		<i>12.1</i>	<i>9.7</i>	
Adjusted operating profit	14.4	7.6	90.3	80.6	47.5	69.8
<i>% of net sales</i>	<i>5.4</i>	<i>3.0</i>		<i>7.4</i>	<i>4.4</i>	
Cash flow from operations	26.9	23.3	15.6	125.8	60.0	109.8
ROCE, %	6.5	-11.4		13.6	3.9	
Net debt	-	-		140.8	195.9	-28.1
Gearing, %	-	-		44.6	65.4	

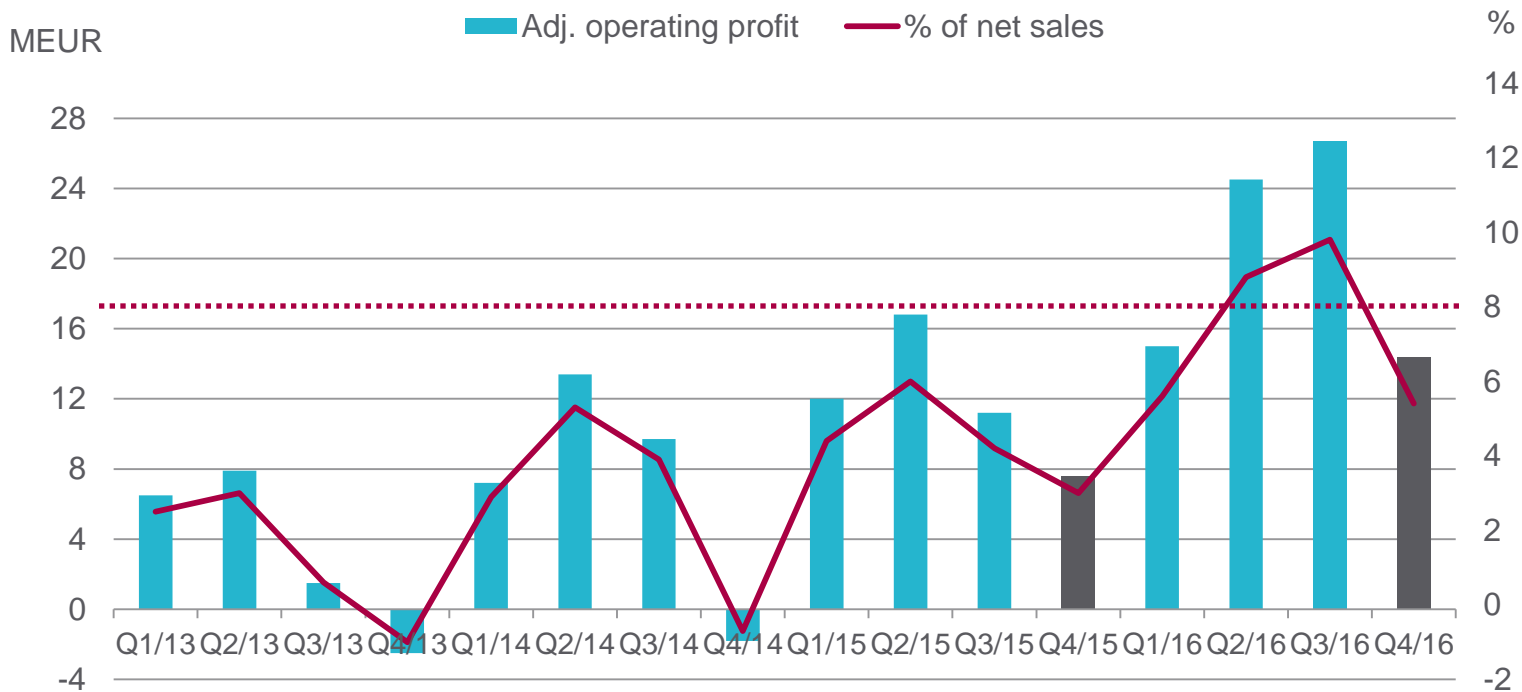
Adjusted operating profit bridge

- Higher volumes and pricing management to keep the benefit from lower variable costs
- Decline in *Selling price & mix* pillar is product mix related due to relatively higher sales of wallcover and glass fiber products
- Gain from lower production waste included in *RM and Energy* pillar

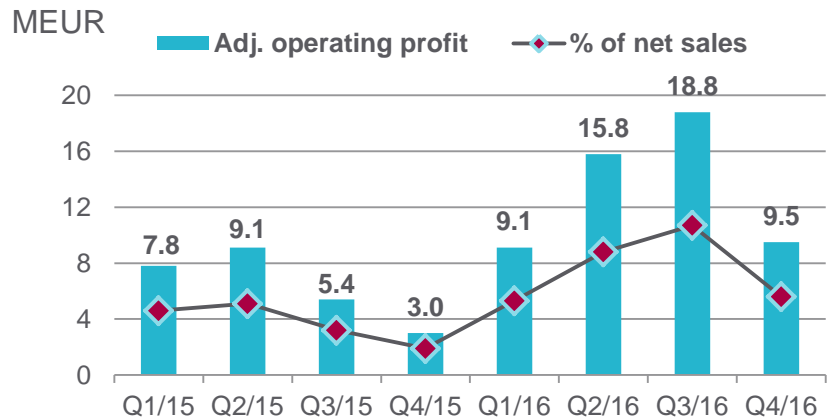
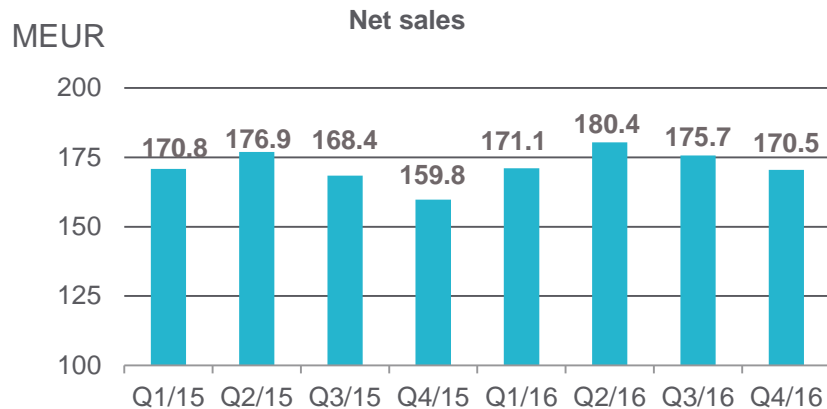


Close to reaching 2018 target of above 8% margin already in 2016

Operating profit and margin improved for the 13th consecutive quarter, year-on-year



Filtration & Performance



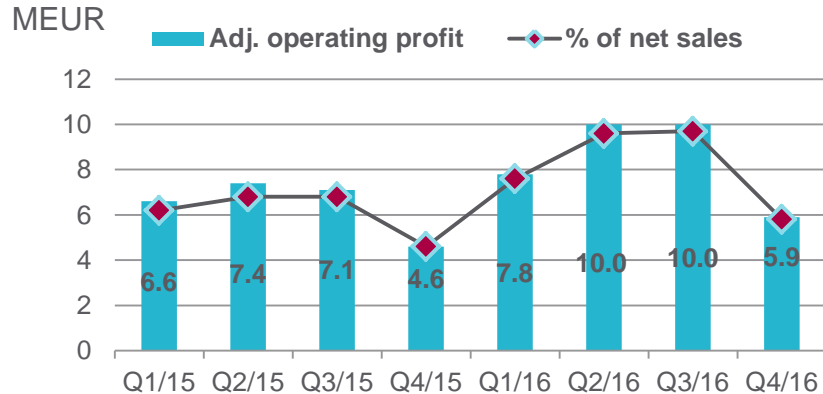
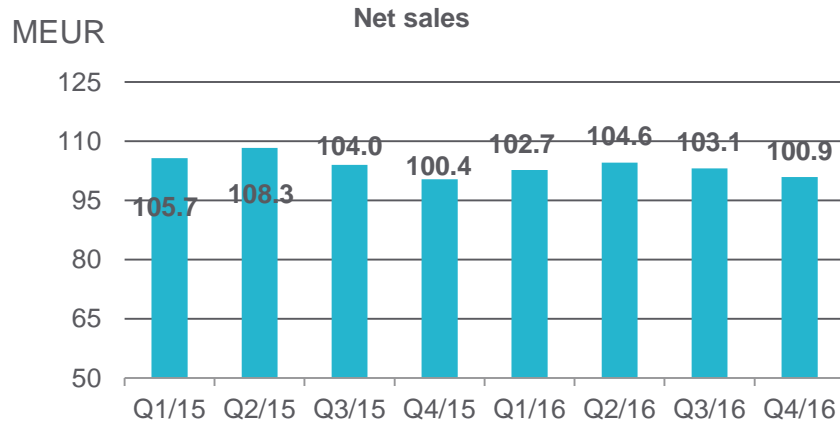
Net sales EUR 697.8 million in 2016 (EUR 676.0 million)

- Net sales +3.2%: volumes +6.4%, net sales at constant currency +4.4%
- Higher sales in glass fiber, wallcover in Asia, filtration products as well as building and textile-related industrial nonwoven materials

Adjusted operating profit EUR 53.3 million in 2016 (EUR 25.3 million)

- Higher volumes
- Improved operational efficiency through less waste
- Pricing management, lower fixed and variable costs

Specialties



Net sales EUR 411.3 million in 2016 (EUR 418.5 million)

- Net sales -1.7%: volumes -0.2%, net sales at constant currency rates +0.5%
- Higher sales of laboratory & life science products, food packaging and single-serve coffee materials

Adjusted operating profit EUR 33.8 million in 2016 (EUR 25.7 million)

- Improved price and product mix
- Pricing management, lower variable and energy costs

Income statement

EUR million	Q4/2016	Q4/2015	2016	2015
Net sales	266.1	255.0	1,085.9	1,074.7
Cost of goods sold	-220.2	-227.2	-883.5	-910.0
Gross profit	45.9	27.7	202.4	164.8
Sales, administrative (SG&A) and research & development expenses	-39.0	-35.7	-136.1	-137.5
Other income and expenses	1.1	-8.4	4.5	-5.4
Operating profit	8.0	-16.4	70.8	21.9
Adjusted operating profit	14.4	7.6	80.6	47.5
Net financial expenses	-3.2	-4.3	-14.8	0.6
Share of profit / loss of equity accounted investments	0.0	0.1	0.2	0.2
Profit / loss before taxes	4.8	-20.5	56.3	22.6
Income taxes	-3.4	0.3	-21.4	-14.1
Profit / loss for the period	1.4	-20.2	34.9	8.6
Earnings per share	0.00	-0.46	0.61	0.06

Adjusted gross profit as % of net sales:

- 17.7% in Q4/16 (15.0% in Q4/15)
- 18.8% in 2016 (16.4% in 2015)

Adjusted SG&A as % of net sales:

- 12.5% in Q4/16 (12.7% in Q4/15)
- 11.6% in 2016 (12.3% in 2015)

Adjustments in operating profit:

- EUR -6.4 million in Q4/16 (EUR -23.9 million in Q4/15)
- EUR -9.8 million in 2016 (EUR -25.6 million in 2015)

Adjustments also impacted other income and expenses line.

In 2016, net interest expenses decreased by about EUR 4.1 million as the result of lower net debt.

Effective tax rate at a more normalized level of 38% in 2016.

Balance sheet

EUR million	Dec. 31, 2016	Dec. 31, 2015
Total non-current assets	492.1	519.2
Inventories	107.3	117.6
Trade and other receivables	127.3	151.9
Income tax receivables	1.6	1.6
Cash and cash equivalents	49.4	47.3
Assets classified as held for sale	50.4	-
Total assets	828.1	837.8
Total equity	315.8	299.4
Provisions	5.1	7.9
Interest bearing loans and borrowings	190.2	243.3
Employee benefit obligations	64.2	100.3
Trade and other payables	197.5	183.5
Others	5.2	3.5
Liabilities associated with assets held for sale	50.1	-
Total equity and liabilities	828.1	837.8
Gearing, %	44.6	65.4

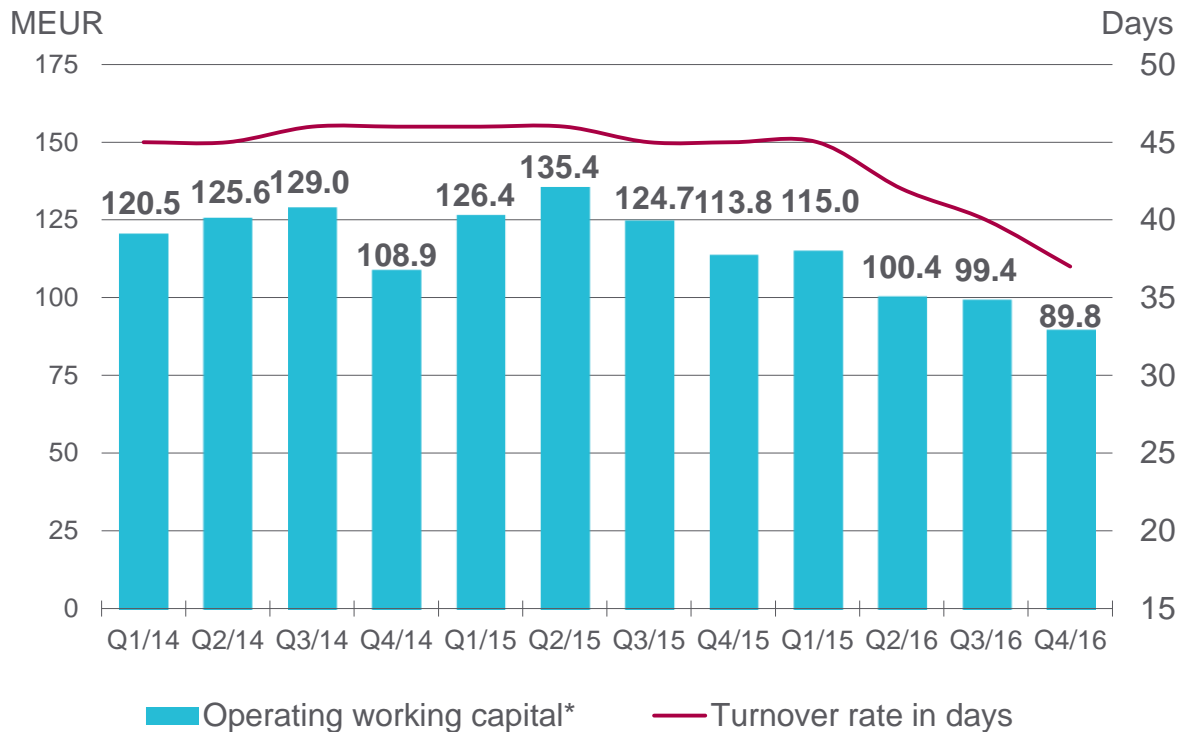
Active working capital management.

Osnabrück

- Increase in equity driven by higher net income
- Positive translation effect
- Equity includes EUR 100 million hybrid bond

Pension liabilities reduced mainly by the Osnabrück divestment.

Active management of operating working capital



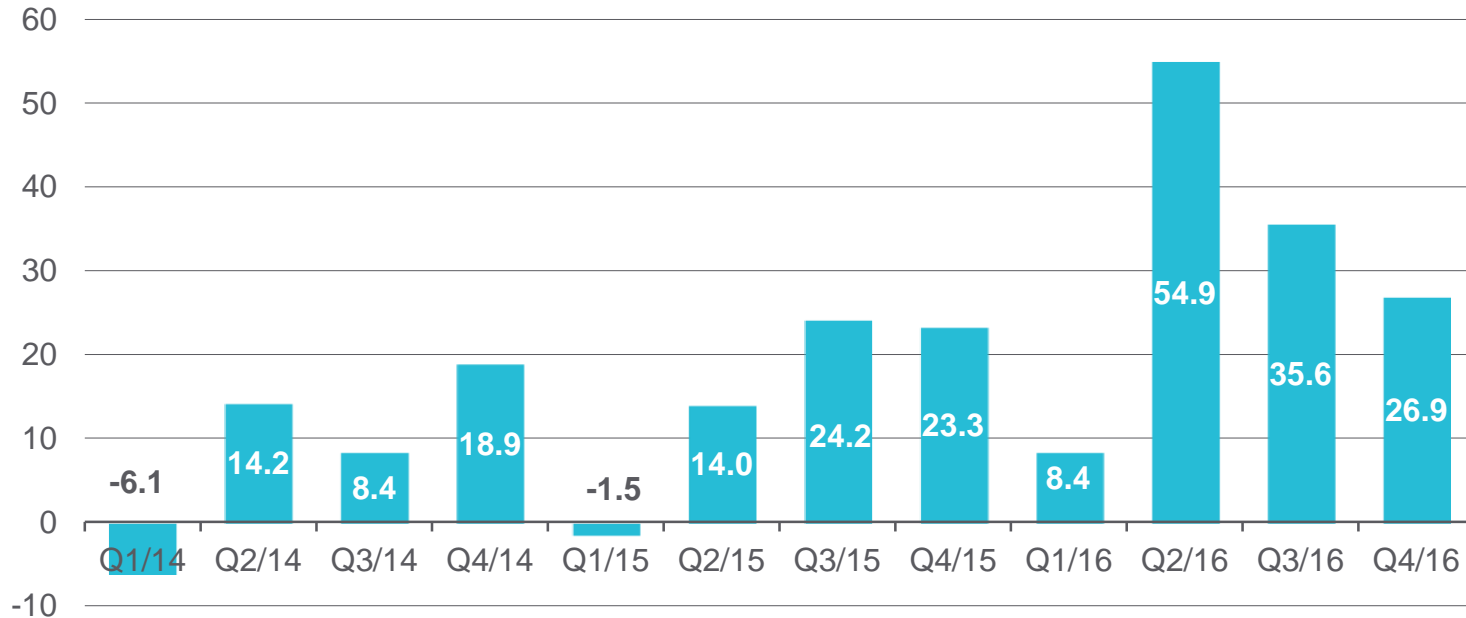
- 12-month rolling turnover rate fell by eight days to 37 days from Q4/2015
- The divestment of Osnabrück reduced operating working capital by about EUR 7.3 million

* Operating working capital = Accounts receivables + inventories – accounts payable

Significant increase in net cash from operating activities

Driven by improved operational result and reduction in operating working capital

MEUR



Cash flow

EUR million	Q4/16	Q4/15	2016	2015
EBITDA	20.0	14.8	121.1	96.4
Changes in net working capital	16.8	16.6	32.5	1.2
Change in provisions	-0.4	0.7	-2.7	-2.2
Financial items	-3.5	-5.3	-12.6	-25.6
Income taxes paid / received	-1.2	-0.8	-5.0	-3.0
Other items	-4.7	-2.8	-7.5	-6.9
Net cash from operating activities	26.9	23.3	125.8	60.0
Purchases of intangible and tangible assets	-19.0	-8.1	-41.0	-26.9
Other investing activities	-10.6	0.4	-11.3	49.0
Free cash flow	-2.6	15.6	73.5	82.0
Dividends paid and others	-0.1	-	-14.5	-13.9
Sale/repurchase of own shares	-	-	-	3.1
Interest on hybrid bond	-7.9	-7.9	-7.9	-7.9
Changes in loans and other financing activities	4.3	-23.9	-50.7	-56.4
Net change in cash and cash equivalents	-6.2	-16.2	0.4	6.9
Cash and cash equivalents at the beginning of the period	54.5	63.0	47.3	41.4
Cash and cash equivalents at the end of the period	49.4	47.3	49.4	47.3

Improved operational result.

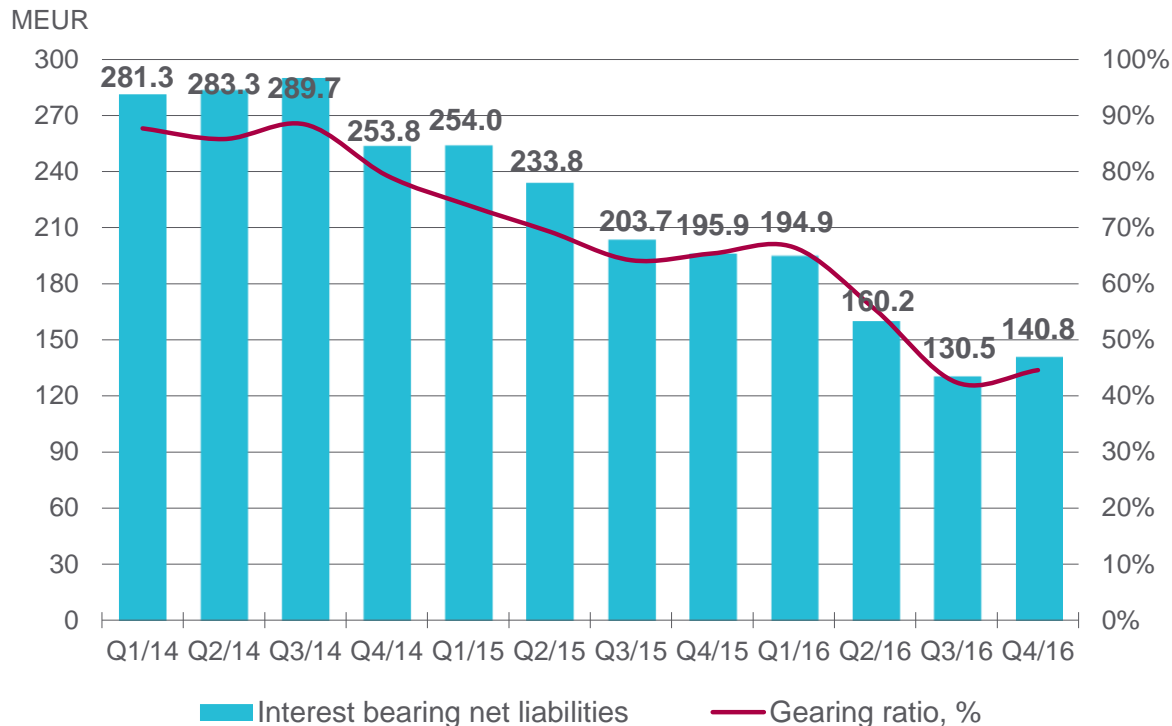
Maintenance and investments at Binzhou and Madisonville.

Other investing activities included cash outflow in Q4/16 due to the Osnabrück divestment.

Other investing activities in 2015 included EUR 44.5 million in proceeds from selling Munksjö Oyj shares.

Net debt and gearing

Significant reduction in net debt



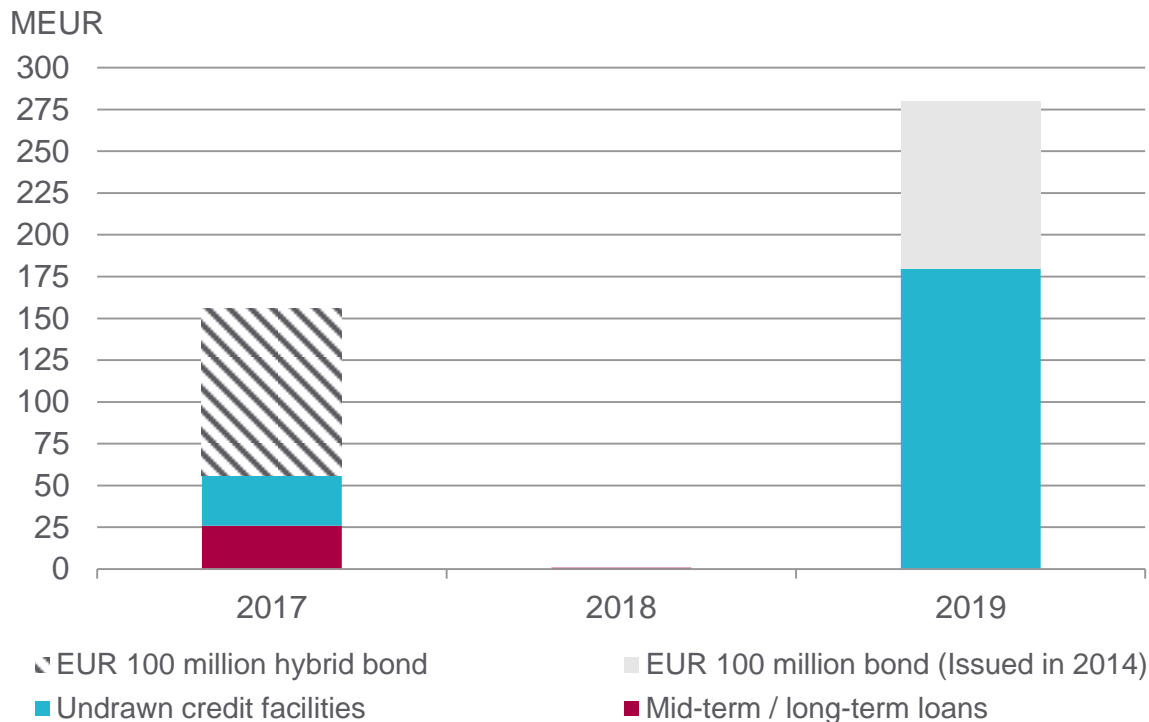
Target is to keep gearing below 100%.

Gearing 44.6% at the end of Q4/2016

- Lower net debt, driven by a strong improvement in operational result, reduction in operating working capital and low investments
- Net debt and gearing impacted by the Osnabrück divestment at the end of 2016
- Equity includes EUR 100 million hybrid bond. Gearing was 112% if the hybrid is treated as debt at the end of Q4/2016.

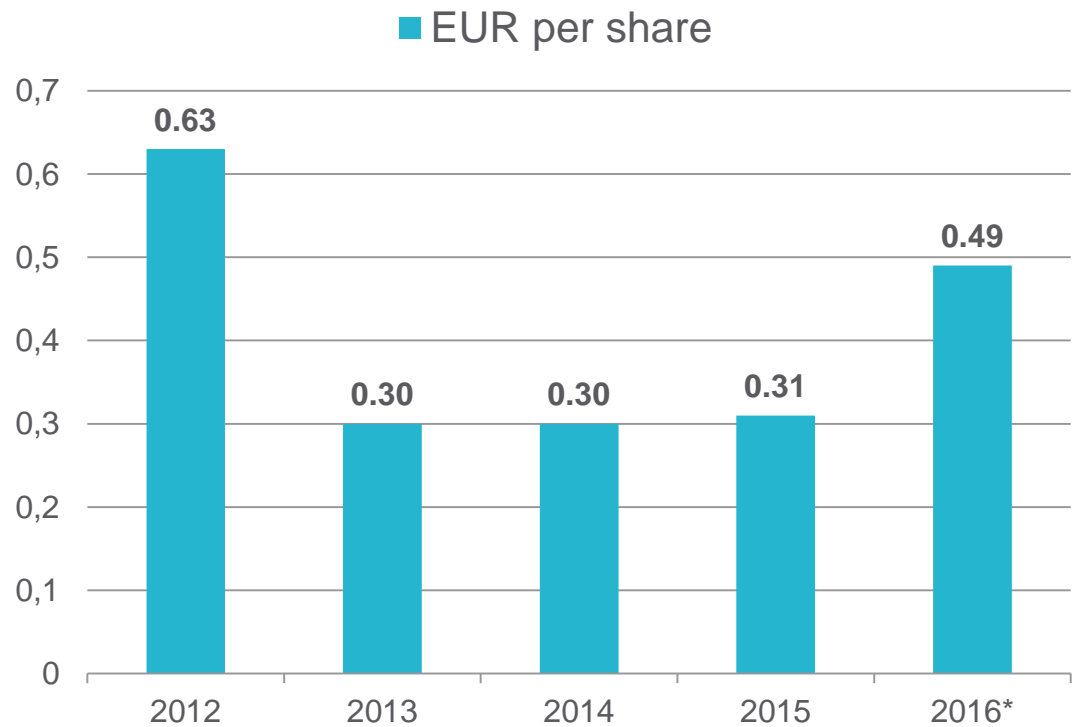
Maturity profile

Stable and sufficient liquidity



- At the end of the review period, Ahlstrom's total liquidity, including cash, unused committed credit facilities and committed cash pool overdraft limits, was EUR 268.7 million (EUR 299.0 million)
 - Ahlstrom has terminated USD 30 million credit facility maturing in 2018
- In addition, the company had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 70.0 million (EUR 103.6 million) available
- EUR 100 million hybrid bond is callable in October 2017
- Ahlstrom has received consents and waivers from the noteholders of the 2019 maturing bond
- EUR 200 million bridge financing agreement related to the merger

Dividend



- Extra dividend of EUR 0.49 per share to be paid in lieu of ordinary annual payout before the completion of the merger with Munksjö*
- Total payout is about EUR 23 million

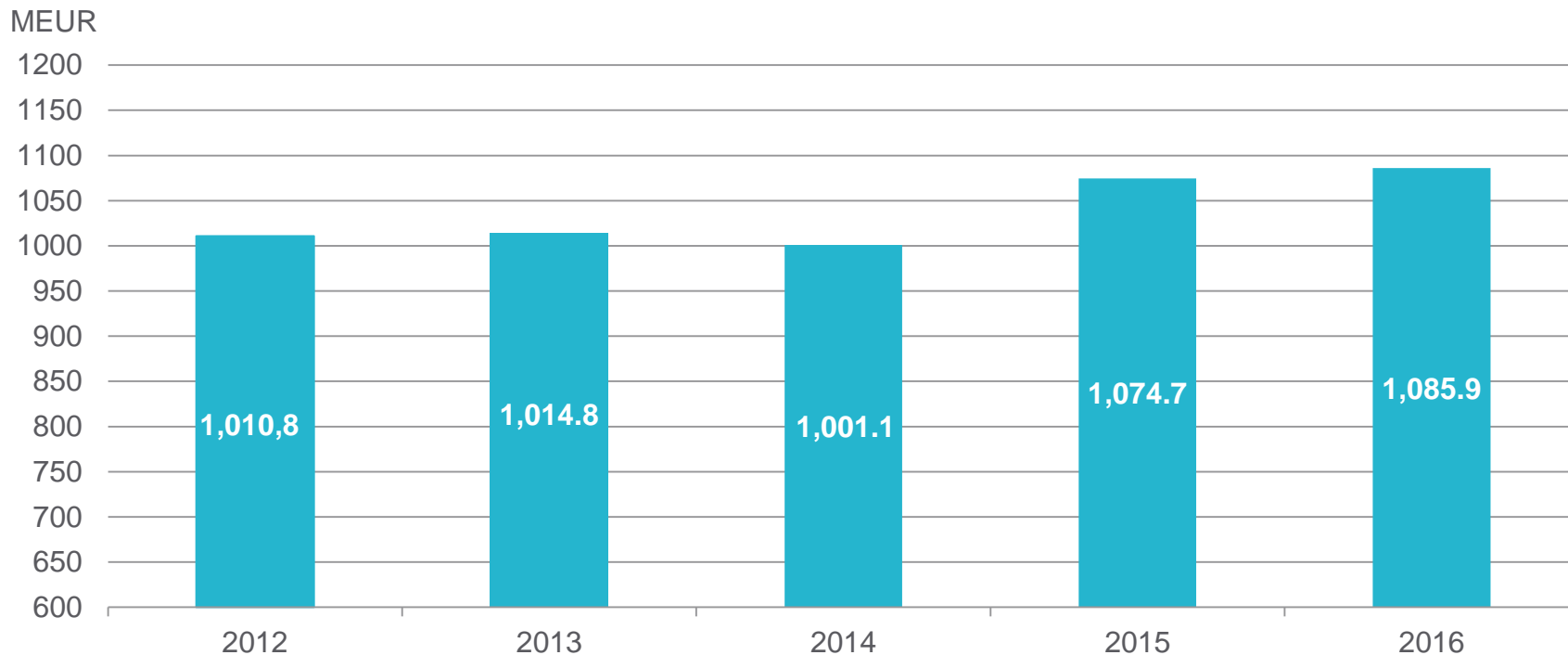
* Ahlstrom's EGM has authorized the Board of Directors to distribute an extraordinary dividend of EUR 0.49 per share

Appendix 2: Annual key figures



Net sales development

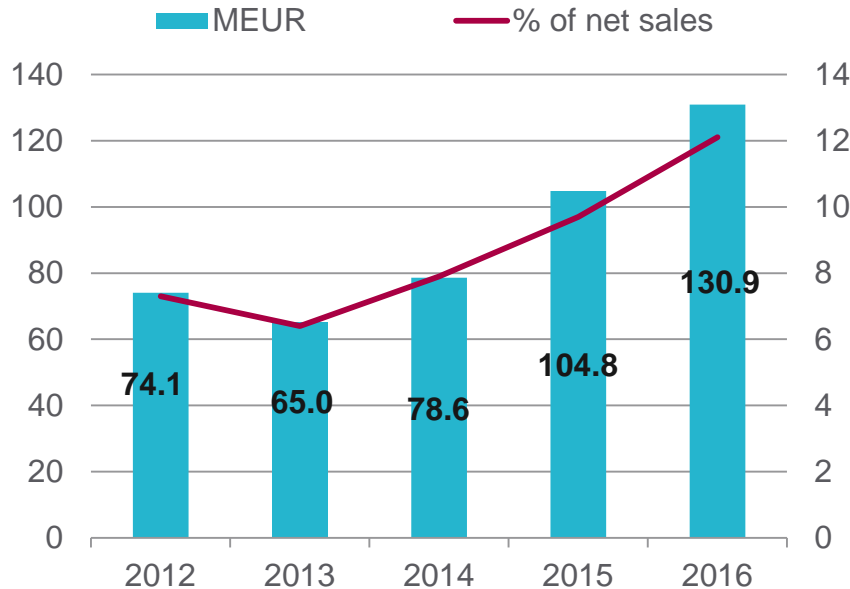
Accelerated growth in the latter half of 2016



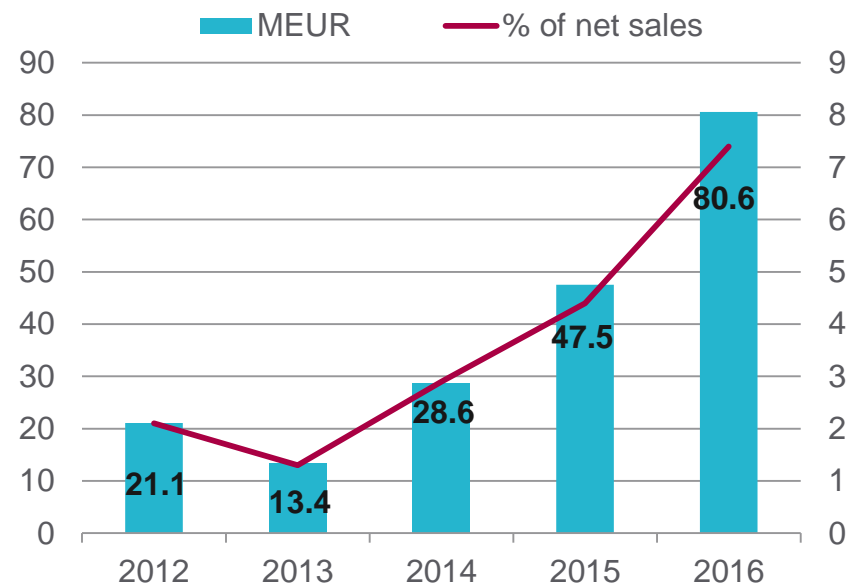
Clear improvement in profitability since 2013

All-time high-margins in 2016*

Adjusted EBITDA

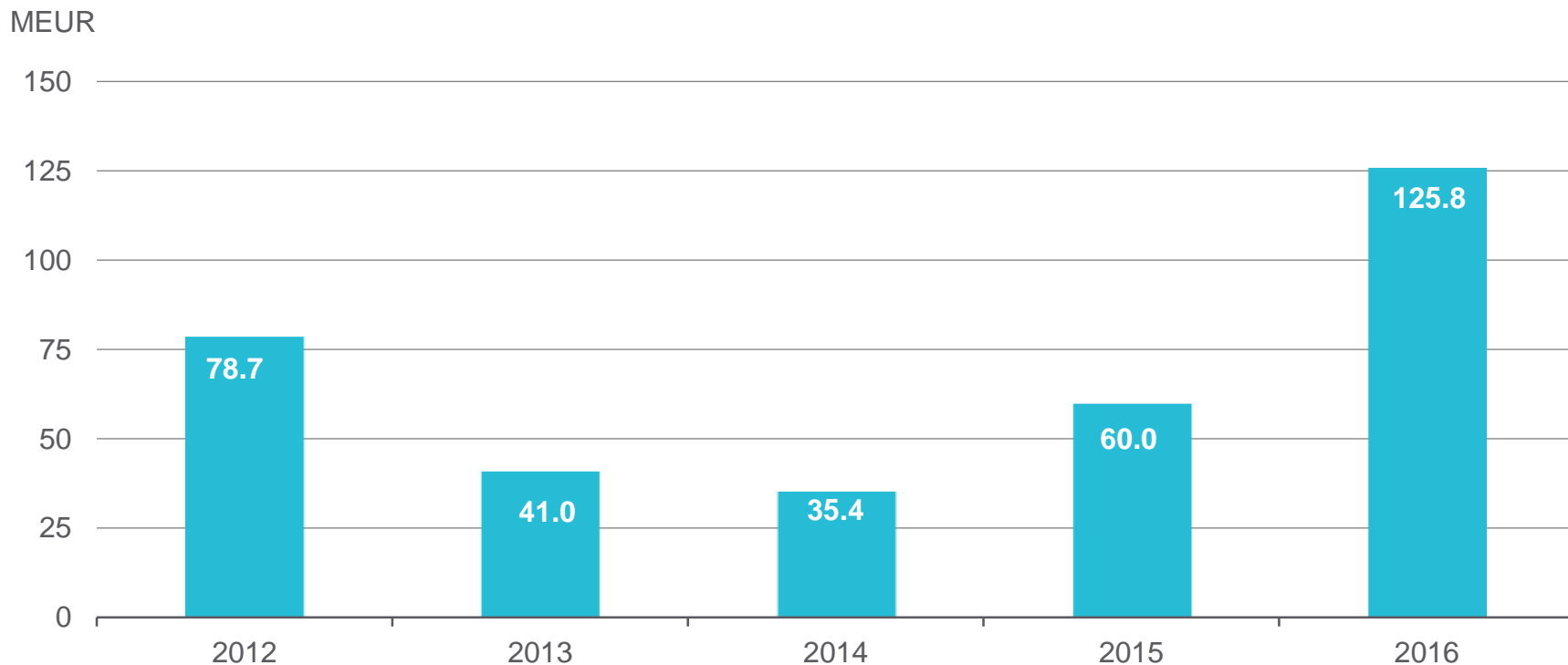


Adjusted operating profit



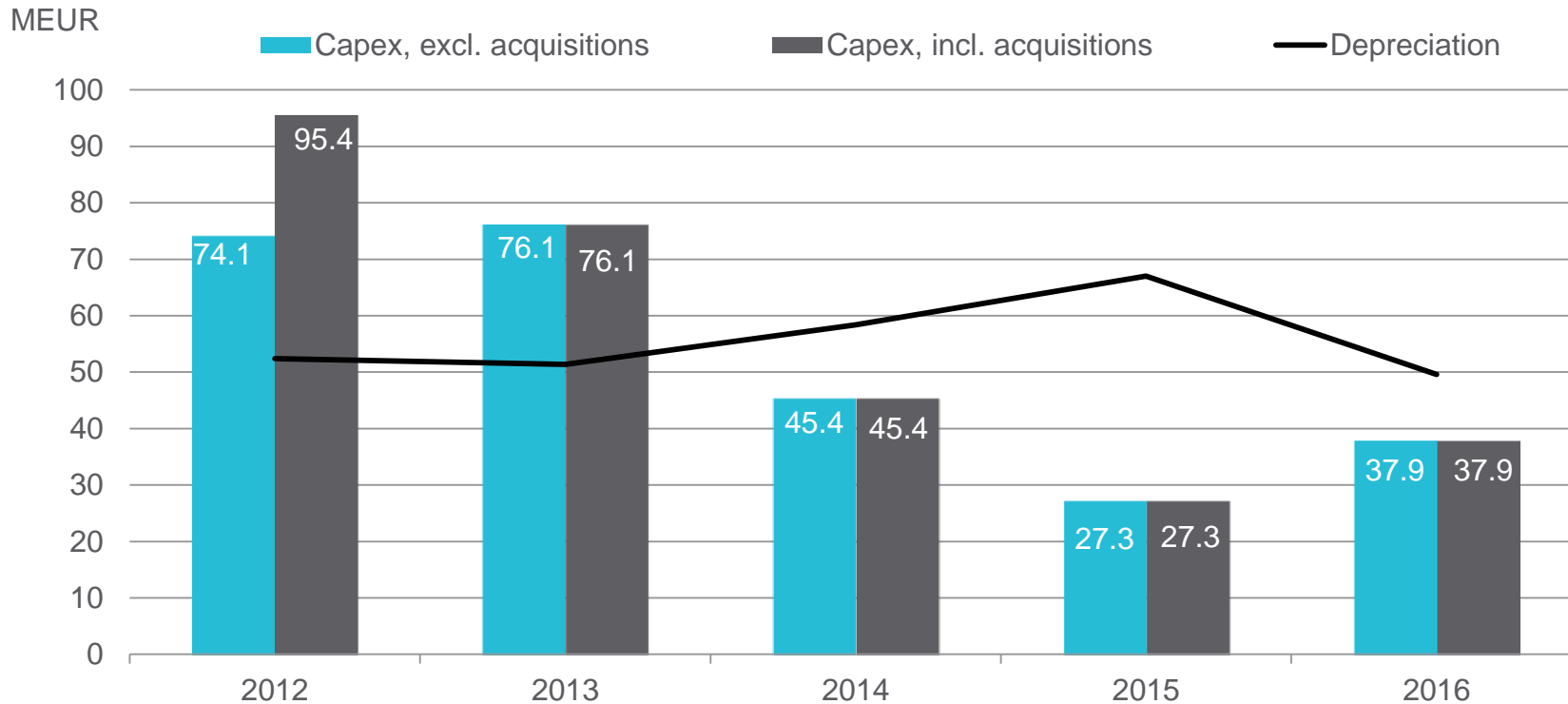
* Current structure and product portfolio

Record high cash flow from operating activities*



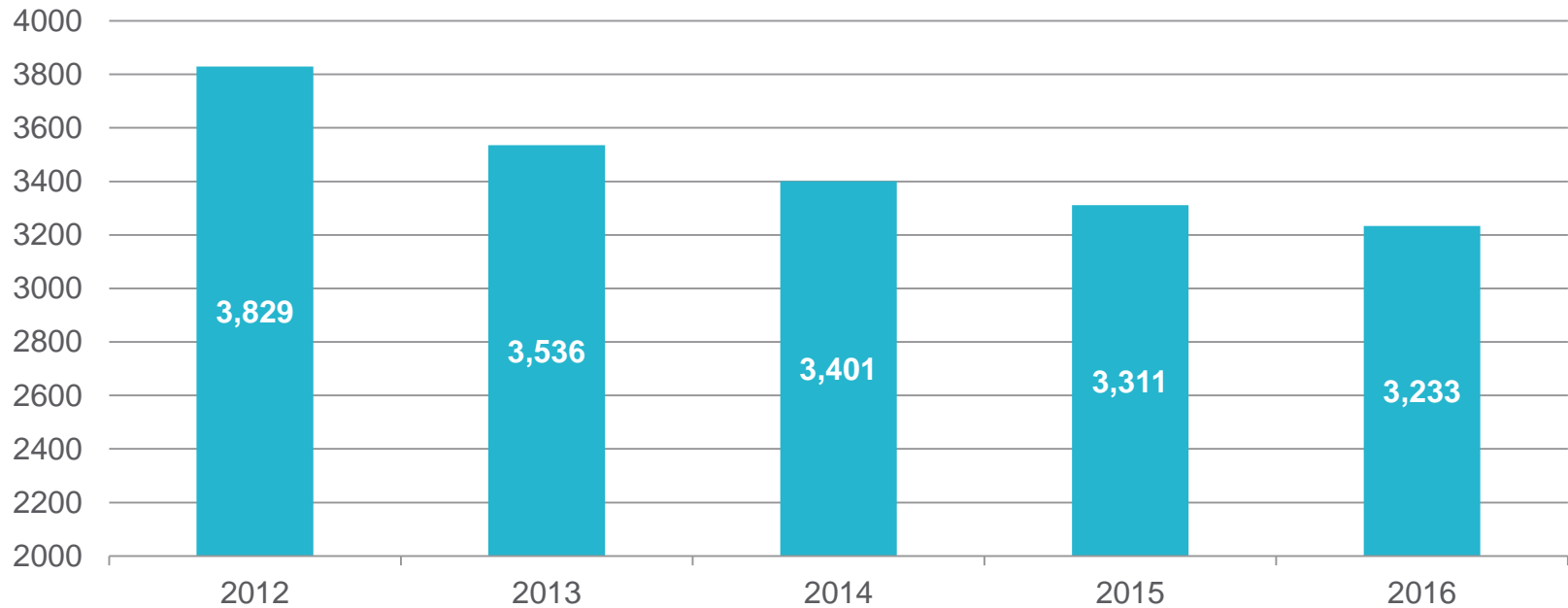
* Current structure and product portfolio

Capital expenditure – mainly maintenance capex in 2015-16



Personnel

Number of employees at year end*



* Calculated as FTE.



Appendix 3: Debt structure and main securities

Debt structure

Main securities and facilities

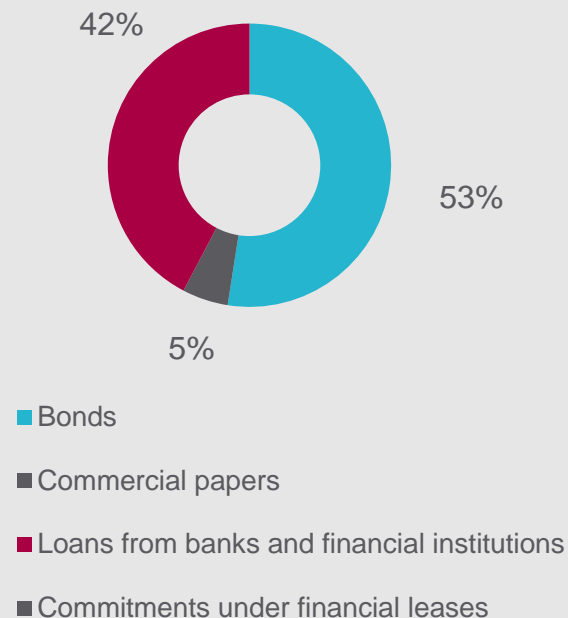
EUR millions	Total amount	Outstanding*	Interest rate	Maturity
Bond issued in 2014	EUR 100	EUR 100	4.125%	2019
Hybrid bond** issued in 2013	EUR 100	EUR 100	7.875%	Perpetual***
Revolving credit facility	EUR 180	EUR 0	-	2019
Commercial paper program	EUR 300	EUR 10	-	-

* December 31, 2016

** Subordinate to debt, treated as equity

*** Callable in 2017

Interest-bearing liabilities EUR
190.2 million as of December
31, 2016



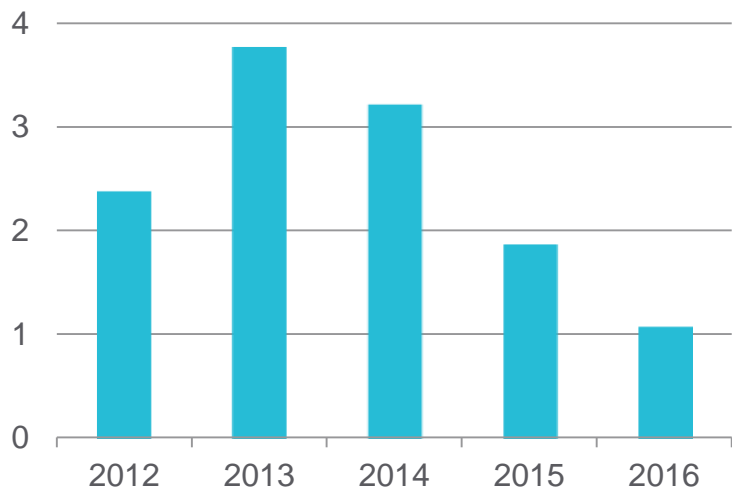
EUR 100 million bond issued in 2014

Issuer	Ahlstrom Corporation
Status	Senior, unsecured
Amount	EUR 100 million
Issue date	September 15, 2014
Maturity date	September 15, 2019
Coupon	Fixed rate 4.125%, p.a.
Listing	Nasdaq Helsinki
ISIN code	FI40000108501
Lead Managers	Danske Bank, SEB

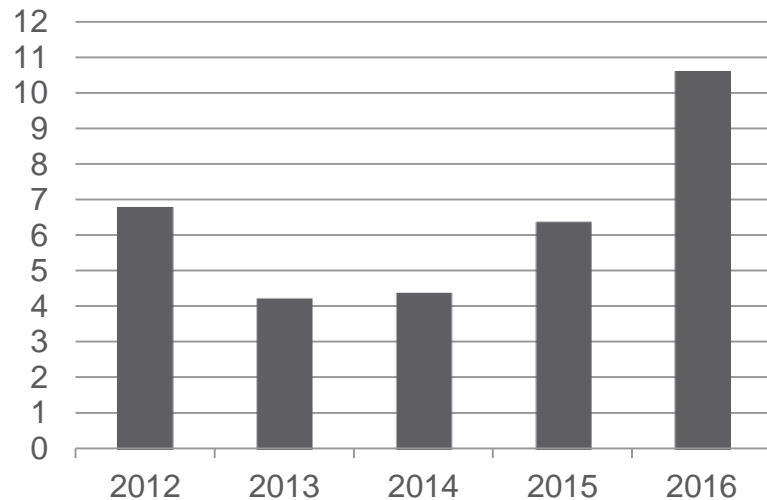
Prospectus of the bond: <http://www.ahlstrom.com/en/Investors/Debt-investors/prospectus-of-the-2014-bond/>

Debt servicing figures

Net debt / Ebitda



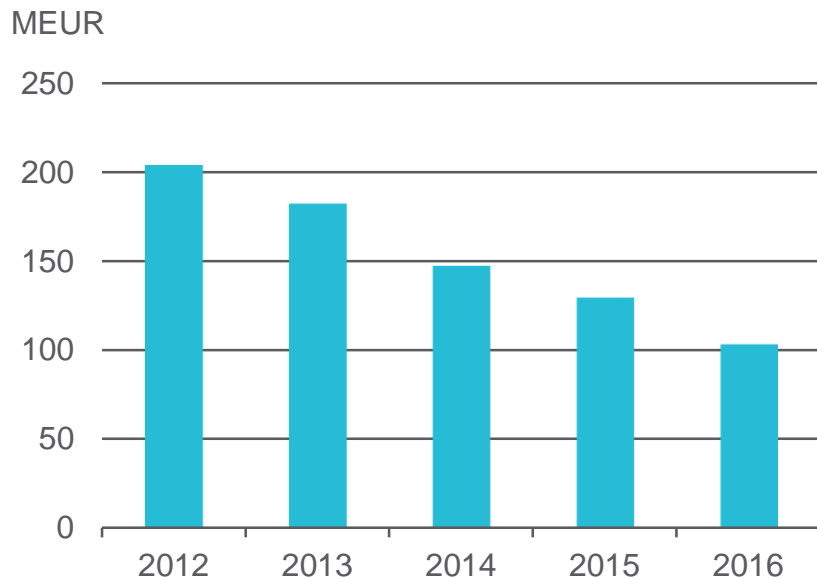
Ebitda / interest expenses



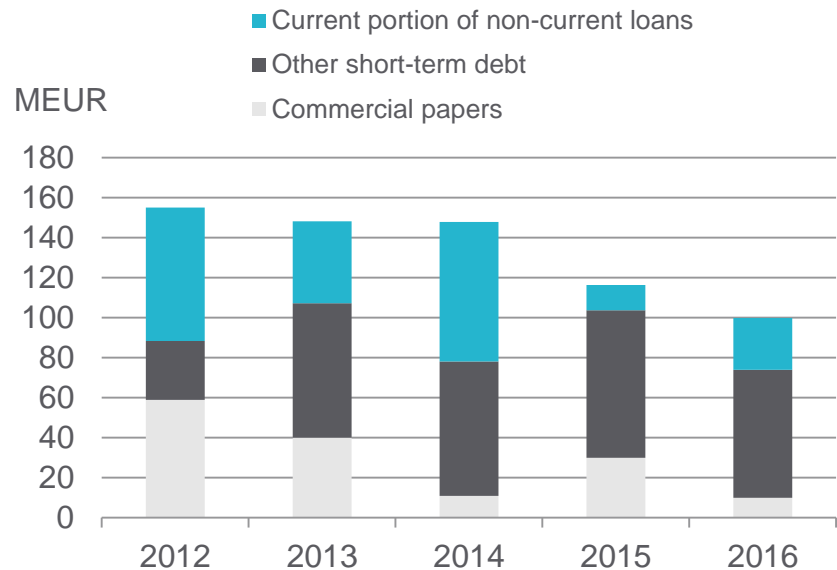
2011-2013 include discontinued operations

Long and short-term loans

Long-term loans



Short-term loans

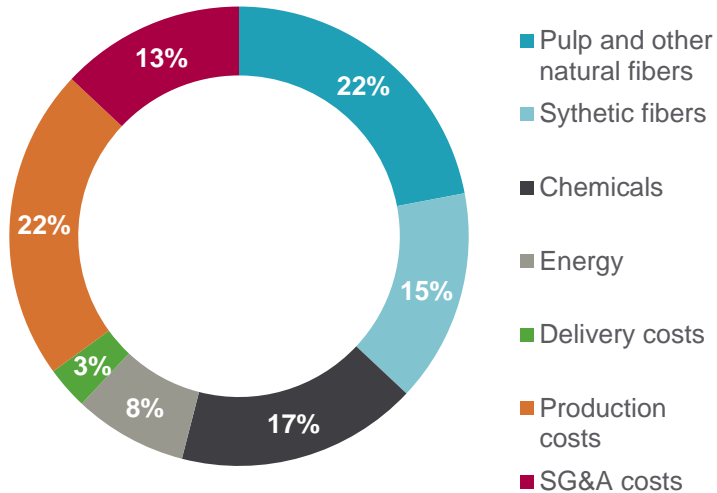


Appendix 4: Trends in raw materials and energy

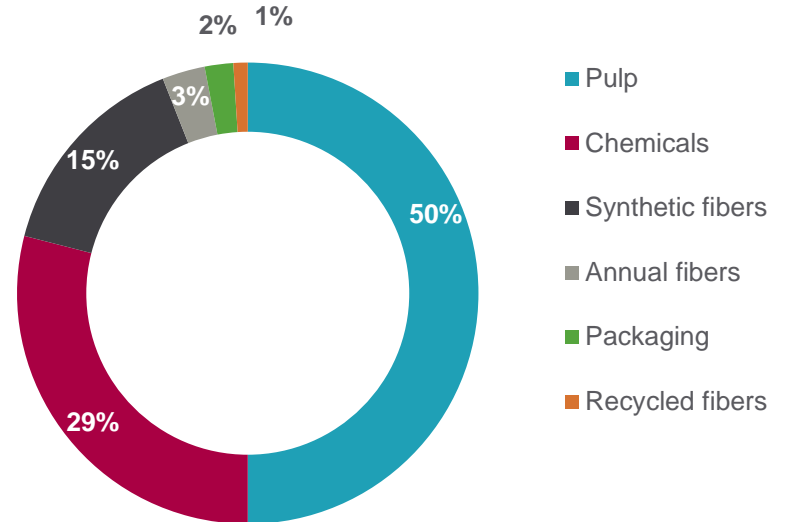


Cost structure and raw materials

Total costs (adjusted) in 2016:
EUR 954 million



Raw materials used in 2016:
580,865 metric tons





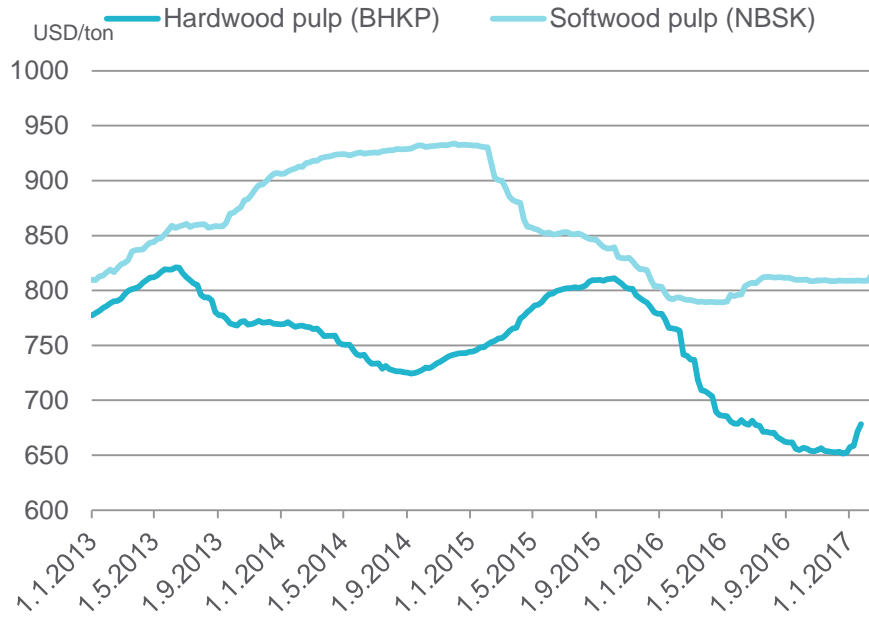
Energy usage by source

Total energy consumption reduced by 8.3% in 2016

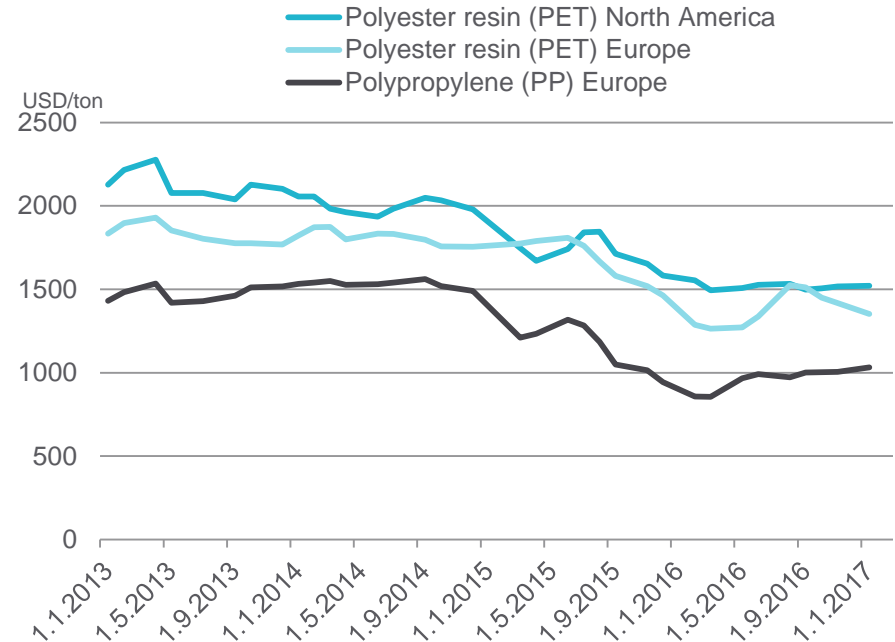
Source 2016	MWh	Change,%
Natural gas	1,025,539	-1.5
Oil	7,520	-44.8
Coal	91,432	-20.5
Other fuels and recovered methanol	227,250	-26.3
Electrical power from the grid	509,083	-6.2
Purchased steam	1,444,964	-8.8
Total	3,305,788	-8.3

Raw material price trends

Pulps

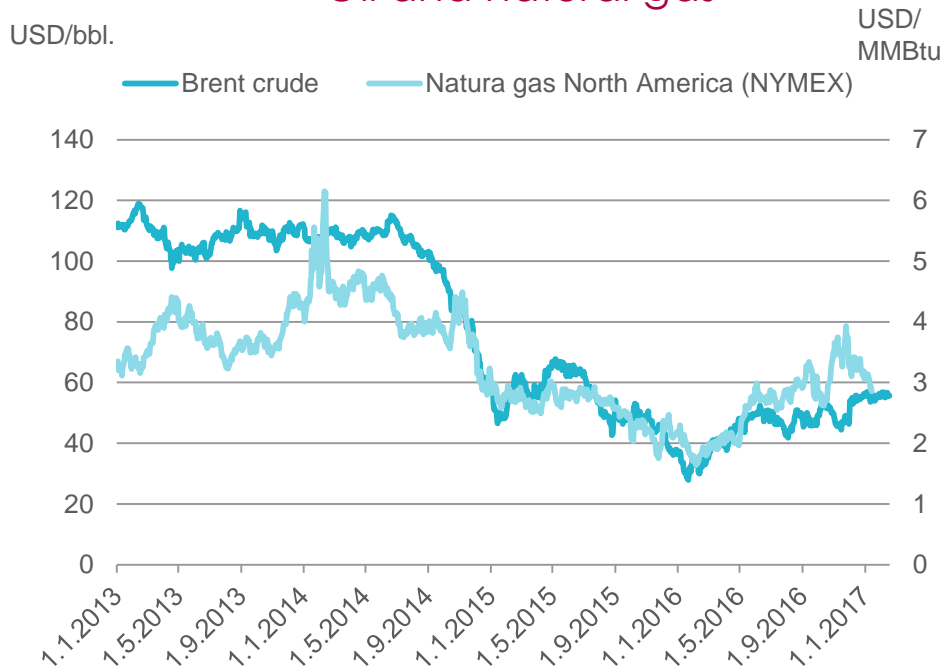


Synthetic fibers



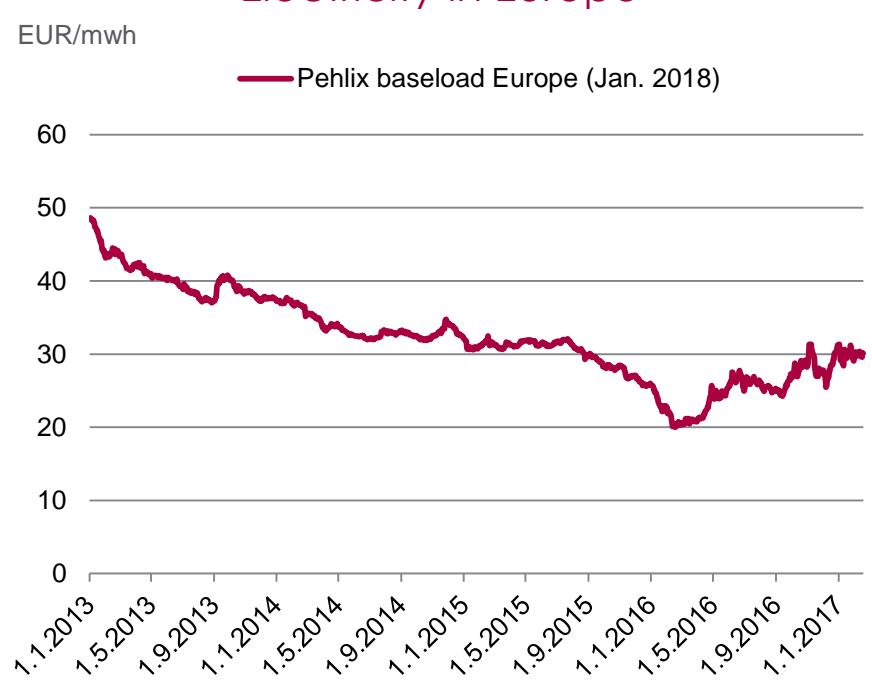
Energy price trends

Oil and natural gas



Source: Bloomberg

Electricity in Europe



Thank You!

For further information:

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T: +358 50 413 4583

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Appendix 5: Ahlstrom and Munksjö to combine

Combination overview

Combination	<ul style="list-style-type: none">• Combination of two leading companies into one global leader in sustainable and innovative fiber-based solutions• The combined company will provisionally be named Ahlstrom-Munksjö
Structure	<ul style="list-style-type: none">• Statutory absorption merger whereby Ahlstrom will be merged into Munksjö<ul style="list-style-type: none">- Ownership of Ahlstrom and Munksjö shareholders will be 47.2% and 52.8% respectively- Proposal to distribute funds of EUR 0.49 per share in Ahlstrom and EUR 0.45 per share in Munksjö¹
Synergies	<ul style="list-style-type: none">• Annual cost synergies estimated to be approximately EUR 35m
Financing	<ul style="list-style-type: none">• The combined company has obtained underwritten financing for the merger from Nordea and SEB
Support	<ul style="list-style-type: none">• Shareholders holding in aggregate approximately 33.5%² in Ahlstrom and approximately 40.2%² in Munksjö, have irrevocably undertaken to vote in favour of the combination
Conditions	<ul style="list-style-type: none">• Completion of combination subject to, inter alia, approval by EGMs of Ahlstrom and Munksjö as well as merger control approvals from relevant competition authorities
Listing and Domicile	<ul style="list-style-type: none">• The shares will be listed on Nasdaq Helsinki and have a secondary listing on Nasdaq Stockholm• The combined company will have a significant free float of approximately 73%³• The domicile of the combined company is Helsinki

1) The total amount of approximately EUR 23m each to their respective shareholders before the completion of the combination

2) As at November 30, 2016

3) As defined by Nasdaq Helsinki, free float excludes shares owned through Ahlström Capital, Belgrano Inversiones Oy, an entity controlled by Mr. Alexander Ehrnrooth, and Viknum AB, an entity closely associated with Mr. Alexander Ehrnrooth and controlled by Virala Corporation

The combination is a natural next step for Ahlstrom and Munksjö

Background

- Both companies are focused on sustainable and innovative fiber-based solutions
- For the past years, both companies have focused on streamlining operations and improving operational efficiency with clear results
- The companies know each other well and strongly believe the companies will have a good operational fit



The combined company will benefit from

- A strong strategic logic and expected improvement in competitiveness
- The combination will create an even stronger global platform for future development and growth
- Enhanced financial position and scale benefits in the capital markets

Benefits of the combination

Creates a global leader in sustainable and innovative fiber-based solutions

- Two companies with leading global positions in the main product areas decor, filtration and release liners
- Better positioned to serve customers and a strengthened position in the value chain
- Enhanced ability to attract and retain top talent

Multiple growth opportunities supported by strong financial position

- Expanded product and service offering with complementary geographical footprints
- Improved service and design capabilities
- Strong financial position and cash flow to support the combined company's strategic growth ambitions

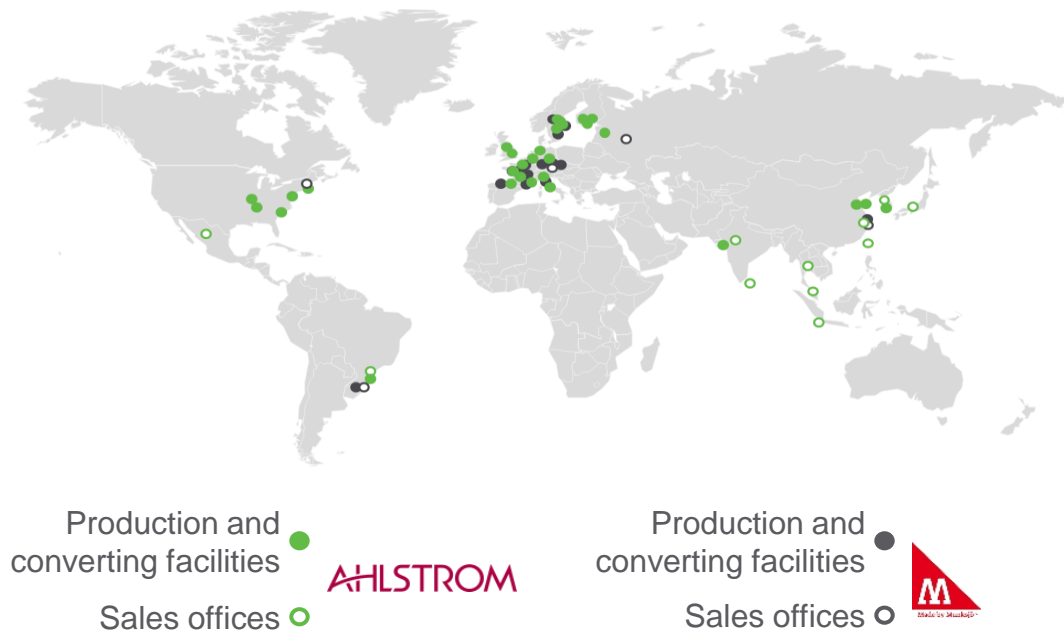
Significant synergy potential of approximately EUR 35m

- Short to mid-term, annual cost synergies estimated at approximately EUR 35m

Benefits in the capital markets

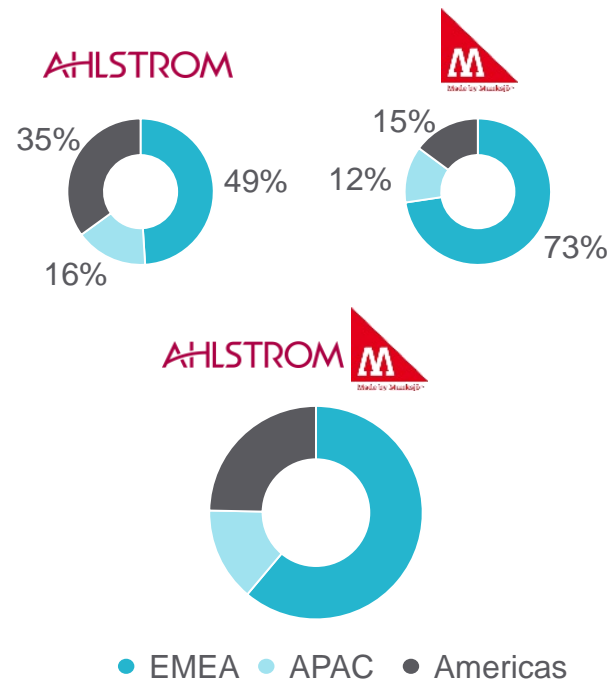
- Increased size and strengthened capital base give potential for increased financing options and lower cost of debt
- Increased liquidity, investor interest and analyst coverage through larger market capitalization (combined market cap at announcement EUR >1bn)

Global presence



1) Based on 2015 figures. The transactions between Munksjö and Ahlstrom have not been eliminated from the combined company net sales split

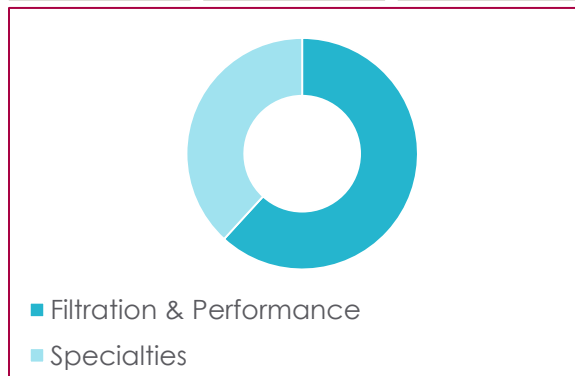
Share of net sales by geography¹



Leading global positions in the main product areas

Ahlstrom

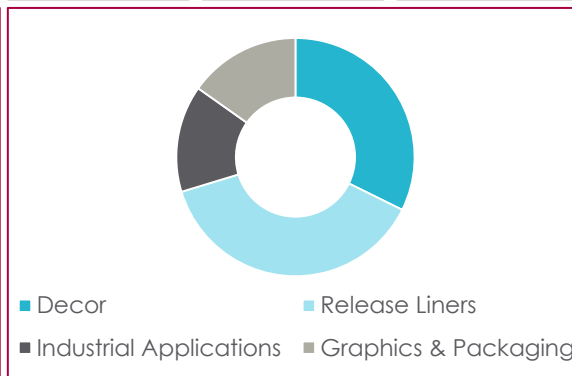
Sales ¹	Adj. EBITDA ¹	FTEs ²
€1,075m	€105m	3,277



Production and converting facilities²: 28

Munksjö

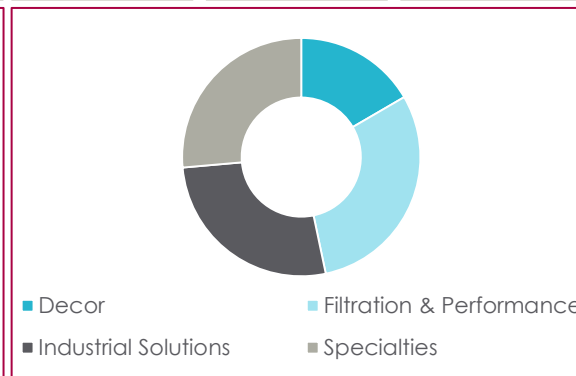
Sales ¹	Adj. EBITDA ¹	FTEs ²
€1,131m	€94m	2,789



Production and converting facilities²: 15

Combined Company pro forma⁶

Sales ³	Adj. EBITDA ³	Employees ⁴
€2,125m	€205m	6,200



Production and converting facilities⁵: 41

1) Consolidated financial information for the year ended December 31, 2015

2) As at September 30, 2016

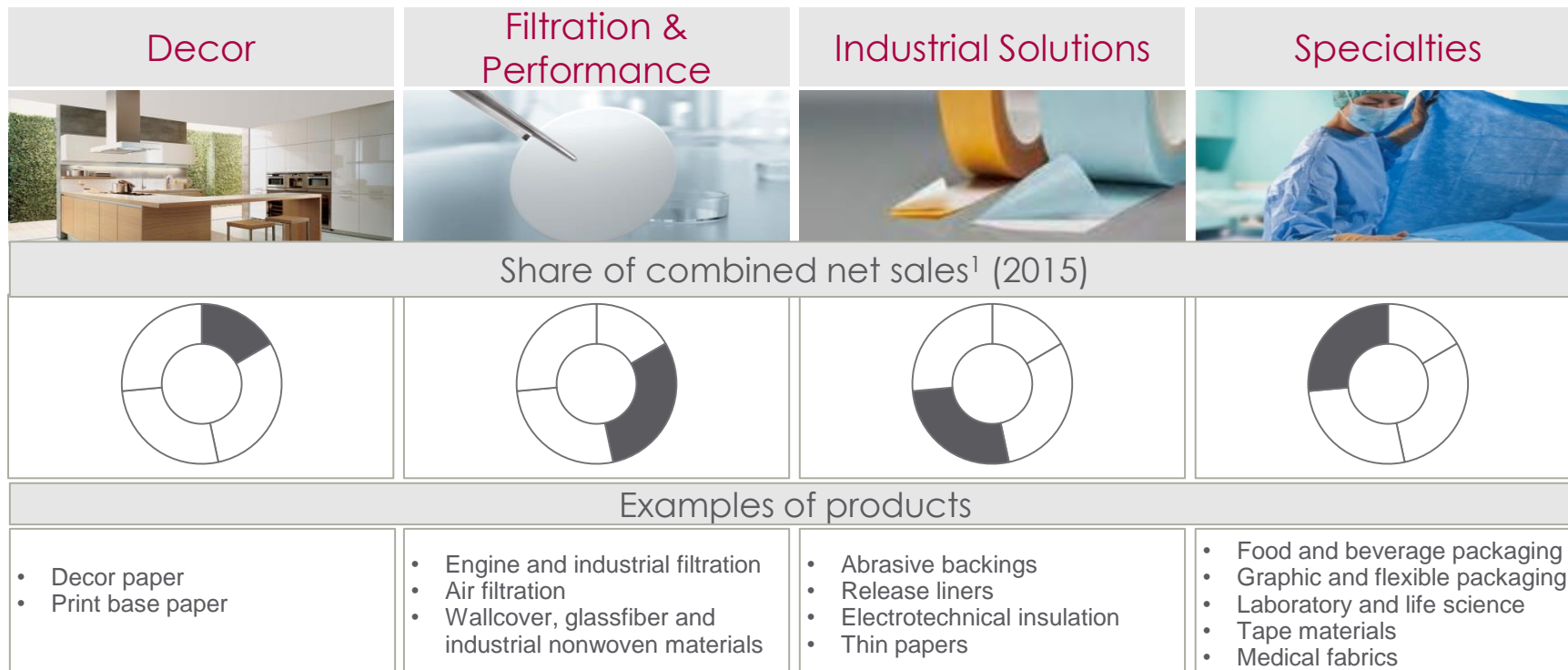
3) Unaudited pro forma financial information for the year ended December 31, 2015

4) Approximation, as at September 30, 2016

5) As at September 30, 2016 excluding Osnabrück facility and the joint facility in Turin calculated only once

6) The transactions between Munksjö and Ahlstrom have not been eliminated from the combined company net sales split

Business area split



1) The transactions between Munksjö and Ahlstrom have not been eliminated from the combined company net sales split

Significant synergy potential

Annual cost synergies of EUR 35 million

SG&A and central administration	<ul style="list-style-type: none">Organizational streamlining, mainly within SG&A as well as through a focusing of central administration and a combination of administration for closely located sales offices and mills
Purchasing and production	<ul style="list-style-type: none">Coordination of purchasing and production

Additional revenue and cost synergies beyond the current plan through leveraging the combined R&D platform, cross-selling through the combined customer base and further coordination of production, sales and procurement.

- The cost synergies are expected to be gradually realized over two years following completion of the merger
- More pronounced impact on profitability expected from Q4/17 and full realization expected from Q2/19
- Integration costs of approximately EUR 30 million
- One-off cash flow impacts Q3/17-Q2/18 with the majority of costs in Q2-Q3/17

Strategic foundation for the combined company

Ability to grow

- ▶ Ability to grow in selected niches of the innovative fiber-based solutions market with a positive growth outlook

Customer value-add

- ▶ Delivering a clear customer value-add through a high quality offering supported by advanced technology, deep know-how and tailored services

Efficient solutions

- ▶ Efficiently utilizing the flexible and agile production and service platform, which is well suited to develop the combined company's customer-specific solutions in a sustainable manner

Clear responsibilities

- ▶ Developing clear responsibilities and by implementing a business unit based operating model that locally promotes accountability and enables quick and efficient responses

The management of the combined company will further review and develop the strategy that will later be approved by the Board of Directors of the combined company

Financial targets for the combined company

EBITDA margin

- EBITDA margin above 14% over a business cycle

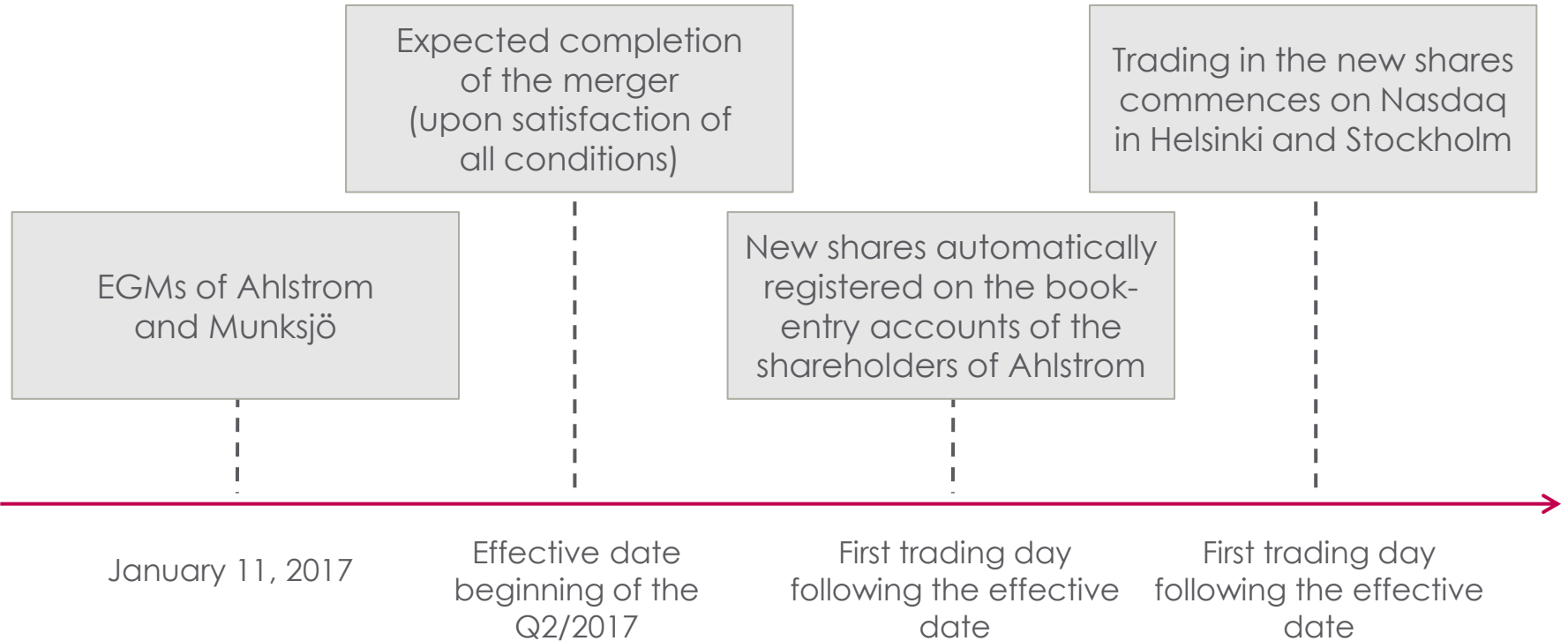
Net gearing

- Net gearing below 100%

Dividend

- The combined company aims for a stable and annually increasing dividend

Timetable



Ownership

Owner	% of shares and votes ¹
Ahlström Capital ²	14.0%
Virala group of companies ³	12.6%
Ilmarinen Mutual Pension Insurance Company	4.7%
Varma Mutual Pension Insurance Company	2.4%
OP Mutual Funds	1.8%
Top 5 shareholders	35.5%
Other shareholders	64.5%
Total	100.0%
Current Ahlstrom shareholders	47.2%
Current Munksjö shareholders	52.8%

- An enlarged combined shareholder base offers potential for increased liquidity in the combined company's shares
- The combined company will have a significant free float of approximately 73%⁴

- 1) Based on the shareholder registers of Munksjö and Ahlstrom maintained by Euroclear Finland Ltd as at November 30, 2016 (excluding treasury shares) and assuming that there are no changes in the holdings of the shareholders of Munksjö and Ahlstrom after November 30, 2016 and none of Ahlstrom's shareholders demand at the EGM of Ahlstrom resolving on the merger that their shares in Ahlstrom be redeemed
- 2) Shares owned through AC Invest Five B.V. and AC Invest Six B.V.
- 3) Through Viknum AB. Includes also the shares held by Belgrano Inversiones Oy, a company controlled by Alexander Ehrnrooth (and not a part of the Virala group of companies)
- 4) As defined by Nasdaq Helsinki, free float excludes shares owned through Ahlström Capital, Belgrano Inversiones Oy, an entity controlled by Mr. Alexander Ehrnrooth, and Viknum AB, an entity closely associated with Mr. Alexander Ehrnrooth and controlled by Virala Corporation

Nominees for the Board of Directors



Hans Sohlström
(Chairman)



Peter Seligson
(Vice Chairman)



Elisabet Salander
Björklund
(Vice Chairman)



Sebastian
Bondestam



Alexander
Ehrnrooth



Johannes
Gullichsen



Jan Inbarr



Hannele Jakosuo-
Jansson



Harri-Pekka
Kaukonen



Mats Lindstrand



Anna Ohlsson-
Leijon

Management



Jan Åström
CEO



Sakari Ahdekivi
EVP, Corporate
Development, and Deputy
CEO



Pia Aaltonen-Forsell
CFO



Andreas Elving
SVP, General Counsel



Åsa Jackson
SVP Human Resources



Anna Selberg
SVP Communications



Norbert Mix
President, Decor



Fulvio Capusotti
President, Filtration &
Performance



Daniele Borlatto
President, Industrial
Solutions



Omar Hoek
President, Specialties