



Q4

and FY2014

30 Jan 2015



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SUOMINEN CORPORATION'S FINANCIAL STATEMENT'S RELEASE FOR JANUARY 1 – DECEMBER 31, 2014:
NET SALES IMPROVED, OPERATING PROFIT GREW BY 37 %

KEY FIGURES	Q4/ 2014	Q4/ 2013	Q1-Q4/ 2014	Q1-Q4/ 2013
Net sales, EUR million	104.8	89.8	401.8	373.7
Operating profit before non-recurring items, EUR million	6.2	4.2	26.9	19.4
Operating profit, EUR million	6.1	3.7	25.9	18.9
Profit/loss for the period, EUR million, continuing operations	4.8	0.6	10.2	5.7
Profit/loss for the period, EUR million, discontinued operations		-1.6	-5.2	-21.8
Profit/loss for the period, EUR million, total	4.8	-0.9	5.0	-16.1
Earnings/share, EUR, continuing operations	0.02	0.00	0.04	0.02
Earnings/share, EUR, discontinued operations		-0.01	-0.02	-0.09
Earnings/share, EUR, Group	0.02	0.00	0.02	-0.07
Cash flow from operations/share, EUR*	0.04	0.07	0.15	0.09
Return on invested capital (ROI), % *	12.0	-0.7	12.0	-0.7
Return on invested capital (ROI), %, continuing operations	15.7	12.4	15.7	12.4
Gearing, % **	34.7	96.2	34.7	96.2
Distribution of funds/share**			0.01	

* Including discontinued operations.

** Proposal for the Annual General Meeting. The funds would be distributed from the invested non-restricted equity fund.

All figures in this interim report refer to continuing operations of the Group unless otherwise stated. The figures are compared with those of the corresponding period in 2013 unless otherwise stated. In accordance with IFRS 5, the comparison data of the balance sheets have not been revised and, consequently, include discontinued operations.

Highlights in October– December 2014:

- Net sales increased by 16.6% and amounted to EUR 104.8 million (89.8).
- Operating profit excluding non-recurring items increased by 49.3% to EUR 6.2 million (4.2).
- Suominen published its strategy for 2015 – 2017 aiming at growth and product leadership.
- To execute the strategy, Suominen initiated a growth investment program. The first investments will be implemented at Suominen's plants in Paulínia, Brazil and Alicante, Spain.
- After the end of the review period, Suominen announced it has started to plan the largest single project of its growth investment program, building of a new manufacturing line in North America. The value of the investment is not yet disclosed.
- Suominen expects that for the full year 2015, its net sales and operating profit excluding non-recurring items will improve from year 2014. In 2014, Suominen's net sales amounted to EUR 401.8 million and operating profit excluding non-recurring items to EUR 26.9 million.

- Suominen's Board of Directors proposes to the Annual General Meeting a EUR 0.01 per share fund distribution from the financial year 2014, in total approximately EUR 2.5 million.

President & CEO **Nina Kopola** comments on Suominen's fourth quarter of 2014 and full financial year:

"In the fourth quarter, the consumer confidence indices indicated that the situation in Suominen's main markets of Europe and North America continued to be divided: In the euro zone, consumer confidence weakened further, whereas in the US, the slight drop in the index in the third quarter proved temporary, as at the end of the year consumer confidence reached its highest level since February 2008.

I am very pleased both with Suominen's fourth quarter and the full financial year 2014. Suominen's fourth-quarter net sales from continuing operations grew 16.6% on the comparison period and totaled EUR 104.8 million. The positive development in net sales was influenced by the strengthening US dollar, the acquisition of the Paulinia plant in February 2014 and the improved demand in European markets. Net sales for the full year increased 7.5% to EUR 401.8 million.

Suominen's profitability also showed quite positive development. Operating profit excluding non-recurring items grew nearly 50% in the fourth quarter and 38% in the full financial year compared to the comparison periods and amounted to EUR 6.2 million in October–December and EUR 26.9 million for the full year. The share of products with higher added value in Suominen's portfolio grew, which was reflected in the gross profit as well as in operating profit.

Suominen's substantially lower gearing ratio is further proof of the favorable development in the company's balance sheet in 2014. The company's debt repayment capacity and its healthy financial position, both thanks to the good operative cash flow, facilitated the refinancing.

In 2014, we achieved the targeted level for all of the financial targets set by the company's Board of Directors in 2012: the return on investments of continuing operations increased to 15.7% percent (target level >10%) and gearing ratio fell to 34.7% (target level 40–80%). The third target, organic net sales growth at a rate faster than the industry average (approx. 3%), was also achieved. Net sales from Suominen's continuing operations increased organically 3.5%.

Considering the above-mentioned figures, Suominen is in an excellent position to embark on a new strategy period. We announced our revised strategy for 2015–2017 in October. Our strategy for the future continues to be based on the three cornerstones: The Suominen Way, Step Change in Profitability, and In the Lead. In this new strategy period, however, we will place greater focus on the *In the Lead* cornerstone, aiming for growth, a market-driven way of operations and product leadership.

In the strategy period, we will target a higher return on investments (target level increased to >12%), a gearing ratio principally between 40–80%, and organic growth that exceeds the industry average, which is estimated to be roughly 3% in Suominen's market areas.

In December we announced the launch of our growth investment program to execute our strategy. As announced, the overall value of the investment program covering the strategy period is in the region of EUR 30 to 50 million. The initial projects will target the Alicante and Paulinia plants in Spain and Brazil respectively. In addition, we confirm that the previously considered investment project to boost the capacity of the Nakkila plant will be executed to allow Suominen to flexibly respond to the current market demand. The combined value of these three growth investments is roughly EUR 4 million, and they will enhance Suominen's ability to further increase the share of value-adding products in its portfolio.

After the review period, we announced our plans to build a new production line in North America. The new production line using wetlaid technology will serve, in accordance with our strategy, several end use application areas with higher added value. This investment project is still in the preparation phase; we have not, for example, selected machine suppliers. For that reason, we have not yet disclosed the total value of the project. The project is, however, clearly the most substantial one in our growth investment program.

In connection with the revised strategy, Suominen's Board of Directors confirmed the dividend policy for the company. Suominen's policy is to distribute approximately 30% of its profit for the period in annual dividends. In assessing its proposal for the payment of dividends, the company's Board of Directors will also consider Suominen's future investment needs and the solidity of its financial position.

In keeping with the dividend policy, the Board will propose to the Annual General Meeting a EUR 0.01 per share fund distribution. After a hiatus of several years, Suominen is again able to distribute funds to its shareholders. This demonstrates the success of our chosen strategy."

GROUP NET SALES AND FINANCIAL RESULT (CONTINUING OPERATIONS)

October – December 2014

Suominen has two business areas, Convenience and Care. Convenience business area supplies nonwovens as roll goods for wiping products. Care business area manufactures nonwovens for hygiene products and medical applications. Until the end of the financial year 2013, both business areas were reported in the Wiping segment. In the interim report for January-March 2014, both business areas were reported in Nonwovens segment. As from the interim report for January-June 2014, Suominen does not report any segments.

In October-December 2014, Suominen's net sales from continuing operations grew by 16.6% from the comparison period to EUR 104.8 million (89.8). Net sales of Convenience business area were EUR 96.5 million and net sales of Care business area EUR 8.2 million.

Operating profit before non-recurring items increased by 49% and amounted to EUR 6.2 million (4.2). Operating profit after non-recurring items was EUR 6.1 million (3.7). The non-recurring items reported in the review period amounted to EUR -0.1 million (-0.5). Profit before taxes was EUR 5.1 million (2.6).

Profit for the period from continuing operations was EUR 4.8 million (0.6) and from discontinued operations EUR 0.0 million (-1.6). The Group profit for the period was EUR 4.8 million (-0.9).

If calculated with the average USD exchange rate of October-December 2013, the operating profit before non-recurring items would have been EUR 5.7 million (4.2) and after them EUR 5.6 million (3.9).

Healthy demand for nonwovens continued in North American market. In Europe, the demand for Suominen's products remained at the level of the third quarter. The increase in net sales was attributable to the strengthened exchange rate of the USD, the acquisition of the Brazilian unit in February 2014 and the improved demand in the European markets compared to the corresponding period last year.

The increase in the share of products with higher added value in sales was mirrored in gross profit and, consequently, in improved operating profit.

Cash flow from operations was EUR 9.3 million (16.3) in October-December. During the reporting period EUR 2.2 million (EUR 13.5 million released) in working capital was released.

January – December 2014

In January-December 2014, Suominen's net sales from continuing operations grew by 7.5% from the comparison period to EUR 401.8 million (373.7).

Net sales of Convenience business area were EUR 369.4 million and net sales of Care business area EUR 32.3 million. The main application areas for nonwoven materials supplied by Suominen were baby wipes (accounting for 41% of the sales), personal care wipes (21%), household wipes (17%), industrial wipes (11%), and hygiene and medical products (8%). All wiping products belong to the Convenience business area and all medical and hygiene products belong to the Care business area. The share of products with higher added value grew in the portfolio.

Operating profit before non-recurring items from continuing operations increased by 38% and amounted to EUR 26.9 million (19.4). Operating profit after non-recurring items was EUR 25.9 million (18.9). The non-recurring items reported in the review period totaled EUR -1.0 million (-0.5), of which EUR -1.2 million were costs related to restructuring measures and to the acquisition of the Brazilian unit; and EUR 0.2 million were items related to the closing down of the fiber production in Nakkila in 2012. Profit before taxes was EUR 17.8 million (13.1). Profit for the period from continuing operations was EUR 10.2 million (5.7) and from discontinued operations EUR -5.2 million (-21.8). The Group profit for the period was EUR 5.0 million (-16.1).

Cash flow from operations was EUR 37.1 million (21.3) in January-December. As of the beginning of the year, EUR 6.1 million (6.5 released) in working capital was released.

BUSINESS COMBINATIONS AND DISCONTINUED OPERATIONS

Business combinations

Suominen completed the acquisition of Paulínia plant in Brazil from Ahlstrom Corporation on 10 February 2014. The Paulínia plant was part of Ahlstrom's former Home and Personal business operations, acquired by Suominen in 2011, but the acquisition of the Brazilian unit was prolonged due to delay in receiving approval from the authorities and consequent renegotiations. The transaction was implemented through acquisition of the shares of the local company. The enterprise value of the transaction was EUR 17.5 million and the final consideration EUR 19.6 million.

Due to the transaction Suominen's nonwovens business has now a foothold in the growing South American market region. The acquired plant is the only nonwovens manufacturing facility utilizing modern spunlace technology in production of wiping products in Brazil. The plant employs some 40 people and its annual net sales have amounted approximately to EUR 20 million.

Discontinued operations

Suominen reports in the discontinued operations the Flexibles business area, sold in July 2014, and Codi Wipes business unit, divested in summer 2013. Prior to June 2013, Codi Wipes was reported as part of Suominen's Wiping segment and prior to June 2014 Flexibles business as an individual segment.

The enterprise value of the Flexibles business amounted to EUR 20.3 million, which includes a contingent consideration of EUR 1.0. At the time of the closing of the deal, on 14 July 2014, Suominen had a loan receivable of EUR 8.5 million. Suominen retains a minority shareholding of 19.9% in the divested business. The cash component of the purchase price amounted to EUR 5.7 million. A revised non-recurring loss of EUR 5.9 million was recognized.

Suominen reported a non-recurring loss totaling EUR 5.2 million in January-December 2014 in its discontinued operations.

The profit after taxes from discontinued operations was EUR -21.8 million in January-December 2013.

GROUP PROFIT FOR THE PERIOD (INCLUDING DISCONTINUED OPERATIONS)

The Group profit for October-December 2014 including the discontinued operations was EUR 4.8 million (-0.9).

The Group profit for January-December 2014 including the discontinued operations was EUR 5.0 million (-16.1)

FINANCING

In September 2014, Suominen renewed its financing. The syndicated credit facility withdrawn in 2011 was fully amortized and its mortgages were released. As a substitute, Suominen issued a bond and agreed of a new syndicated EUR 55 million loan facility with two banks.

On 23 September 2014, Suominen issued a EUR 75 million bond to be listed in the NASDAQ OMX Helsinki Stock Exchange. Principal amount of each book-entry unit of the senior unsecured notes is EUR 1,000, with an ISIN code FI40000108576. Each note will be freely transferable after it has been registered into the respective book-entry account.

The notes constitute direct and unsecured obligations of Suominen and they are guaranteed as for own debt by the Guarantors, i.e. subsidiaries of Suominen Corporation.

The notes bear interest from, and including, September 23, 2014 at the rate of 4.375 percent per annum until 23 September 2019, when the notes shall be repaid in full at their principal amount.

In connection with issuing the bond, Suominen entered into a syndicated credit facilities agreement totaling EUR 55 million in September. It consists of a term loan of EUR 10 million with a maturity of three years; a multicurrency revolving credit facility of EUR 30 million with a maturity of four years; and an investment loan of EUR 15 million with a maturity of four years. The facilities are guaranteed as for own debt by the subsidiaries of Suominen Corporation.

The Group's interest-bearing net liabilities amounted to EUR 37.8 million (75.5) at the end of the review period. The gearing ratio was 34.7%.

In January-December, net financial expenses were EUR 8.1 million (5.8), or 2.0% (1.5%) of net sales. Due to the refinancing and the discontinuing of the hedge accounting for the interest rate hedging, a non-recurring loss of EUR 0.9 million was recognized. Also the remaining costs of EUR 2.0 million for the previous syndicated loan were recognized in the financial expenses.

A total of EUR 6.1 million of working capital was released (released 6.5). Trade receivables amounting to EUR 0.1 million were sold to the bank. The equity ratio was 41.2% (32.9%). Cash flow from operations was EUR 37.1 million (21.3), representing a cash flow of EUR 0.15 per share (0.09).

CAPITAL EXPENDITURE

The gross investments of the continued operations totaled EUR 7.1 million (4.4). Planned depreciation of the continuing operations amounted to EUR 15.6 million (13.9). Suominen invested EUR 1.7 million in capacity expansion of high value added nonwovens at the Windsor Locks plant in the United States and EUR 1.0 million in intangible assets. Other investments were in maintenance. The investments of the discontinued

operations were EUR 0.6 (1.4) million.

INFORMATION ON SHARES AND SHARE CAPITAL

Share capital

The registered number of Suominen's issued shares totaled 247,934,122 shares on 31 December 2014, equaling to a share capital of EUR 11,860,056.00.

Share trading and price

The number of Suominen Corporation shares traded on NASDAQ OMX Helsinki from 1 January to 31 December 2014 was 97,683,100 shares, accounting for 39.7% of the share capital and votes. The trading price varied between EUR 0.47 and EUR 0.81. The closing trading price was EUR 0.81, giving the company a market capitalization of EUR 199,365,788 on 31 December 2014.

Own shares

On 1 January 2014 Suominen Corporation held 1,924,367 of its own shares. On 5 June 2014, the portion of the remuneration of the Board of Directors to be paid in shares, in total 120,848 shares, was delivered in accordance with the decision by the Annual General Meeting. On 31 December 2014, Suominen held 1,803,519 own shares, accounting for 0.7% of the share capital and votes.

Share-based incentive plan 2012-2014

On 31 December 2014, the target group for Suominen's share-based incentive plan included seven employees. One employee left the program during the review period. At the end of the financial period, the rewards to be paid on the basis of the plan are estimated to correspond to roughly 1,668,333 Suominen Corporation shares in total, including the portion to be paid in cash. The aim of the plan is to align the objectives of shareholders and key employees in order to increase the value of the company, to commit the key employees to the company, and to offer them a competitive reward plan based on long-term shareholding in the company. The plan covers one performance period: the calendar years 2012–2014. The potential reward from the performance period will be based on Suominen Group's cumulative Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and cumulative cash flow, and it will be paid in 2015 partly in company shares and partly in cash.

Management incentive plan 2015 - 2017

The Board of Directors of Suominen Corporation approved on 4 December 2014 two new share-based incentive plans for the Group management and Group key employees. The aim of the new plans is to combine the objectives of the shareholders and the persons participating in the plans in order to increase the value of the Company in the long-term, to bind the participants to the Company, and to offer them competitive reward plans based on earning and accumulating the Company's shares.

Performance Share Plan 2015

The new Performance Share Plan includes one performance period, calendar years 2015—2017. The Board of Directors will decide on further performance periods. The Board of Directors of the Company will decide on the Plan's performance criteria and required performance levels for each criterion at the beginning of a performance period. The Performance Share Plan is directed to approximately 15 people. The potential reward of the Plan from the performance period 2015—2017 will be based on the Suominen Group's Net Sales growth, Earnings before Interest and Taxes (EBIT) and Return on Invested Capital (ROI). The rewards to

be paid on the basis of the performance period 2015—2017 correspond to the value of an approximate maximum total of 2,300,000 Suominen Corporation shares (including also the proportion to be paid in cash). The Board of Directors is entitled to reduce the rewards agreed in the Performance Share Plan if the limits set by the Board of Directors for the share price are reached.

Matching Share Plan 2015

The new Matching Share Plan includes one three-year performance period, calendar years 2015—2017. The prerequisite for receiving reward on the basis of this Plan is that a person participating in the Plan owns or acquires the Company's shares up to the number determined by the Board of Directors. Furthermore, receiving of reward is tied to the continuance of participant's employment or service upon reward payment.

The members of the Corporate Executive Team and the Corporate Leadership Team belong to the target group of the Matching Share Plan. The rewards to be paid on the basis of the Matching Share Plan correspond to the value of an approximate maximum total of 550,000 Suominen Corporation shares (including also the proportion to be paid in cash). In order to implement the Matching Share Plan, the Board of Directors resolved on a share issue against payment directed to the target group.

Reward payment and ownership obligation for the management

The potential rewards from the performance periods 2015—2017 will be paid partly in the Company's shares and partly in cash in 2018. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. As a rule, no reward will be paid, if a participant's employment or service ends before the reward payment.

A member of the Corporate Executive Team must hold 50% of the net number of Shares given on the basis of the Plans, as long as his or her shareholding in total corresponds to the value of half of his or her annual gross salary. The President & CEO of the Company must hold 50% of the net number of Shares given on the basis of the Plans, as long as his or her shareholding in total corresponds to the value of his or her annual gross salary. Such number of Shares must be held as long as the participant's employment or service in a group company continues.

Extraordinary General Meeting and hybrid bond

Suominen issued on 10 February 2014 a convertible hybrid bond of EUR 17,500,000, treated as equity, to finance the acquisition of the nonwovens business operations in Brazil. The bond was oversubscribed. The bond consists of 175 bond notes, each having the nominal value of EUR 100,000. The bond does not have a guarantee or other collateral. The principal of the bond has a fixed annual interest of 5.95% until 10 February 2018. After that date, the principal of the bond will have a fixed annual interest of 6.95% until 10 February 2019. After that date, the principal of the bond will have a fixed annual interest of 7.95%. The interest accrued for the bond by 10 February 2018 will be capitalized to the principal of the bond annually on 10 February. Thereafter and commencing on 10 May 2018, the interest is payable in the discretion of the Board of Directors quarterly on 10 February, 10 May, 10 August and 10 November. No interest shall be paid on the capitalized interest until 10 February 2018. After that date, the capitalized interest shall be a part of the actual principal of the bond and annual interest shall be paid to the whole amount of the principal according to the interest terms of the bond.

Suominen has the right to redeem the bond in whole or in part on 10 February 2018 or thereafter, on each interest payment date, at the nominal value of the bond together with the accrued interest.

A bond note entitles the bondholder to convert the bond note and the potential capitalized interest for shares in Suominen at the conversion rate of EUR 0.50 per share. The period for converting starts on 11

February 2014 and ends on 10 February 2018. The number of shares to be received through the conversion must always be at least 200,000. If the total value of the bond including interest accrued were converted through an issue of new shares, the number of shares in Suominen might increase by no more than 43,330,000 on the basis of the conversion.

The conversion rate shall be recorded under the invested non-restricted equity fund.

A precondition for issuing the hybrid bond was a resolution made by the Extraordinary General Meeting (EGM) held on 31 January 2014, according to which the Board of Directors of the company was authorized to decide on the granting of stock options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act. The special rights carry the right to receive against payment new shares in the company or own shares held by the company. A special right may also be granted to a creditor of the company on the condition that the creditor's receivables are used to set off against the subscription price of shares. The maximum number of new shares that may be subscribed and/or own shares held by the company that may be conveyed by virtue of the special rights granted by the company is 43,333,000 shares in total.

The EGM authorized the Board of Directors of Suominen to decide on all terms and conditions related to granting the special rights. The authorization is valid until further notice, however no longer than five years from the date of the authorization given by the general meeting. The authorizations did not revoke any earlier decisions regarding granting of stock options and other special rights entitling to shares.

Annual General Meeting

The Annual General Meeting (AGM) of Suominen Corporation was held on 26 March, 2014. The AGM decided that no dividend will be paid for the financial year 2013.

The AGM adopted the financial statements and the consolidated financial statements for the financial year 2013 and discharged the members of the Board of Directors and the President & CEO from liability.

The AGM confirmed the number of members of the Board of Directors to be five (5). The AGM re-elected Mr Risto Anttonen, Mr Jorma Eloranta, Ms Suvi Hintsanen and Mr Hannu Kasurinen as members of the Board of Directors, and elected Ms Jaana Tuominen as a new member of the Board of Directors for the next term of office, expiring at the end of the first Annual General Meeting following their election. The remuneration of the members of the Board of Directors was resolved to maintain unchanged. The resolutions were in accordance with the proposals submitted by the Nomination Board of Suominen's shareholders. In its constitutive meeting, the Board of Directors elected Jorma Eloranta as its Chair and Risto Anttonen as Deputy Chair.

PricewaterhouseCoopers Oy, Authorized Public Accountants, was re-elected as auditor, with Heikki Lassila, Authorized Public Accountant, as the principal auditor of Suominen Corporation.

The AGM authorized the Board of Directors to decide on the repurchase of the company's own shares and to decide on a share issue and issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act.

Nomination Board

In accordance with the decision taken by the Annual General Meeting of Suominen Corporation, the representatives notified by the company's three largest shareholders were appointed to Suominen Corporation's permanent Nomination Board. The shareholders entitled to appoint members to the Nomination Board were determined on the basis of the registered holdings in the company's shareholders'

register on 1 September 2014.

The representatives appointed to the Nomination Board on 2 September 2014 were Marco Levi, President & CEO of Ahlstrom Corporation; Timo Ritakallio, Deputy CEO of Ilmarinen Mutual Pension Insurance Company; and Reima Rytsölä, Chief Investment Officer of Varma Mutual Pension Insurance Company. Jorma Eloranta, Chair of Suominen's Board of Directors, serves as the fourth member of the Nomination Board. On 23 September 2014, the Nomination Board appointed from among its members Marco Levi, President & CEO of Ahlstrom Corporation, to act as the Chairman.

On 7 October 2014 the composition of the Nomination Board changed due to the change of the largest shareholder of Suominen Corporation after a share transaction announced. Marco Levi, CEO of Ahlstrom Corporation and Chairman of the Nomination Board of Suominen, resigned from his position. Mr Thomas Ahlström, Managing Director of Antti Ahlström Perilliset Oy and a member of the Board of Directors at Ahlström Capital Oy, was nominated to represent AC Invest Two B.V. in the Nomination Board on 13 October 2014. Further, the Nomination Board elected him as the Chairman of the Nomination Board. Other members of the Nomination Board are Timo Ritakallio, Reima Rytsölä and Jorma Eloranta, as announced on 2 September 2014.

Authorizations of the Board of Directors

The Annual General Meeting (AGM) held on 26 March 2014 authorized the Board of Directors to repurchase a maximum of 3,000,000 of the company's own shares. The authorization shall be valid until 30 June 2015.

The Board of Directors is also authorized, by the AGM held on 26 March 2014, to decide on issuing new shares and/or conveying the company's own shares held by the company and/or granting special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. New shares may be issued and/or company's own shares held by the company or its group company may be conveyed at the maximum amount of 25,000,000 shares in aggregate. The maximum number of new shares that may be subscribed and own shares held by the company that may be conveyed by virtue of the options and other special rights granted by the company is 25,000,000 shares in total which number is included in the maximum number stated earlier. The authorizations revoke the authorizations decided by the AGM on 26 March 2013 regarding share issue and issuance of special rights entitling to shares, but do not revoke the authorization decided by the Extraordinary General Meeting on 31 January 2014 regarding granting of stock options and other special rights entitling to shares. The authorizations shall be valid until 30 June 2017.

The portion of the remuneration of the members of the Board of Directors which shall be paid in shares

The Annual General Meeting (AGM) of Suominen Corporation held on 26 March 2014 resolved to keep the remuneration to the members of the Board of Directors unchanged. In 2014, the Chair will be paid an annual fee of EUR 50,000, Vice Chair of the Board an annual fee of EUR 37,500 and other Board members an annual fee of EUR 28,000. Further, the members of the Board will receive a fee of EUR 500 for each meeting held in the home country of respective member and a fee of EUR 1,000 per each meeting held elsewhere than in the home country of respective member. 60% of the annual remuneration is paid in cash and 40 % in Suominen Corporation's shares.

The portion of the above remuneration to be paid in shares was delivered on 5 June 2014 by transferring own shares held by Suominen Corporation without consideration, in accordance with the authorization by the AGM. The transferred shares are of the same class as the company's other shares. The number of shares transferred was determined based on the share value in the stock exchange trading maintained by NASDAQ OMX Helsinki Ltd, and calculated as the trade volume weighted average quotation of the share during the one month period immediately following the date on which the interim report of January-March 2014 of the

company was published. In total 120,848 shares were given out of the own shares held by the company by the decision of the Board of Directors on 5 June 2014. Since the decision taken by the Board of Directors was essentially an execution of a detailed resolution taken by the AGM, the Board did not exercise independent discretion when it decided on the transfer of the shares.

Permanent committees

After the Annual General Meeting held on 26 March 2014, Suominen Corporation's Board of Directors decided in its constitutive meeting that the earlier Remuneration Committee will be altered to Personnel and Remuneration Committee. Jorma Eloranta was elected as Chair and Risto Anttonen as a member of the committee.

Hannu Kasurinen was elected as Chair and Suvi Hintsanen and Jaana Tuominen as members of the Audit Committee.

Notifications under Chapter 9, Section 10 of the Securities Market Act in 1 January – 31 December 2014

During the review period, 1 January – 31 December 2014, Suominen received the following notifications referred to in Chapter 9, Section 5 of the Securities Market Act:

Ahlstrom Corporation (business identity code 1670043-1) and AC Invest Two B.V. (business identity code 51490943) notified Suominen on 7 October 2014 about the changes in their shareholdings. According to the notifications, AC Invest Two B.V. acquires in total 66,666,666 Suominen shares from Ahlstrom Corporation, representing 26.89% of all shares and votes in Suominen Corporation. Due to the acquisition, the shareholding of AC Invest Two B.V. in Suominen Corporation exceeds the flagging threshold of 25% and increases into 67,724,176 shares, corresponding to 27.32% of shares and votes in Suominen Corporation. According to the notification by AC Invest Two B.V, their earlier shareholding in Suominen Corporation was below 5% of all shares and votes. According to the notification by Ahlstrom Corporation, due to the divestment of the shares, the shareholding of Ahlstrom Corporation in Suominen Corporation decreases to zero (zero shares and votes). Ahlstrom Corporation's earlier shareholding in Suominen Corporation was 26.89% of all shares and votes.

Oy Etra Invest Ab, business identity code 0672234-6 notified on 5 February 2014 about an agreement or other arrangement that, if realized, would result in the crossing of the 5% notification threshold as referred to in the Chapter 9 Section 5 of the Securities Market Act and calculated from the total number of shares and voting rights. The notification was made for Erkki Etola, Oy Etra Invest Ab and Tiiviste-Group Oy (business identity code 0115121-4) together. Erkki Etola has a controlling interest on Oy Etra Invest Ab and Tiiviste-Group Oy.

Proportion of all shares and voting rights after crossing of the notification threshold would be:

* Oy Etra Invest Ab: number of shares 15,823,320 and share of all shares and voting rights 5.43%

* Erkki Etola: number of shares 4,016 and share of all shares and voting rights 0.00%

* Tiiviste-Group Oy: number of shares 3,000,000 and share of all shares and voting rights 1.03%

Oy Etra Invest Ab, Erkki Etola and Tiiviste-Group Oy in total: number of shares 18,827,336 and share of all shares and voting rights 6.46%

Ahlstrom Corporation (business identity code 1670043-1) notified on 5 February 2014 about an agreement or other arrangement that, if realized, would result in the acquisition or disposal of shares or voting rights. According to the notification, the ownership and the voting rights of Ahlstrom Corporation may decrease so

that the following thresholds will be crossed: 25%, 20%, 15%, 10% or 5%.

Ahlström Capital Oy (business identity code 1670034-3) and AC Invest Two B.V. (registration code 51490943) notified on 5 February about an agreement or other arrangement that, if realized, would result in the acquisition or disposal of shares or voting rights. According to the notification, the ownership and the voting rights may increase so that the following thresholds will be reached or crossed: 5%, 10%, 15%, 20% or 25%.

Ahlstrom Corporation (business identity code 1670043-1) notified on 10 January 2014 about an agreement or other arrangement that, if realized, would result in the acquisition or disposal of shares or voting rights. According to the notification the ownership and the voting rights may increase or decrease so that the following thresholds will be reached or crossed: 5%, 10%, 15%, 20%, 25% or 30%.

Ahlström Capital Oy (business identity code 1670034-3) and AC Invest Two B.V. (registration code 51490943) notified on 10 January 2014 about an agreement or other arrangement that, if realized, would result in the acquisition or disposal of shares or voting rights. According to the notification the ownership and the voting rights may increase so that the following thresholds will be reached or crossed: 5%, 10%, 15%, 20%, 25% or 30%.

CHANGES IN COMPANY MANAGEMENT IN 1 JANUARY – 31 DECEMBER 2014

Ms Lynda A. Kelly joined Suominen as Senior Vice President, Care business area and a member of the Corporate Executive Team on 12 May 2014. Lynda A. Kelly has a long and wide-ranging experience in nonwovens business, especially in hygiene, medical and wiping products. Lynda A. Kelly, a US citizen, will report to Ms Nina Kopola, President & CEO of Suominen Corporation.

Mr Dan Dunbar joined Suominen as Vice President, Sourcing and a member of the Corporate Leadership Team on 14 July 2014. Dan Dunbar is an experienced sourcing professional with a versatile background in globally operating organizations. Dan Dunbar, a US citizen, will report to Ms Nina Kopola, President & CEO of Suominen Corporation.

Mr Reima Kerttula, Senior Vice President, Flexibles, resigned from Suominen Corporate Executive Team on 14 July, 2014 due to the divestment of Flexibles business area.

EVENTS AFTER THE REVIEW PERIOD

Suominen announced on 30 January 2015 that it has started a planning process to execute an investment in a new wetlaid production line, to be located in North America, in order to implement its growth strategy. The planned investment would be the most significant single initiative in Suominen's growth investment program announced in December 2014.

According to Suominen's initial plans, the new nonwovens manufacturing line would serve several higher value-adding end-use applications. Since the project is still in the preparation phase, the company did not yet comment the total value of the investment.

On 29 January 2015, Suominen received two notifications of major shareholding under Securities Market Act Chapter 9 Section 5 from Mandatum Life Insurance Company Limited (Mandatum). With a transaction executed on 23 January 2015 Mandatum has sold Suominen Corporation's shares based on which Mandatum's share of Suominen Corporation's existing shares and votes has decreased to less than 5 %. After the transaction Mandatum owns 12,318,243 shares and votes in Suominen Corporation (4.97 % of total shares and votes).

In addition, Mandatum notified that it has, on 5 February 2014, subscribed convertible hybrid bond notes

issued by Suominen Corporation, which entitles Mandatum to subscribe maximum of 3,714,000 new shares in Suominen during the converting period of 11 February 2014 to 10 February 2018. In case Mandatum uses its subscription right, its ownership of total shares and votes in Suominen Corporation exceeds again over the 5 % threshold and consequently would result in crossing of the 5 % notification threshold. This arrangement was not notified on the subscription date of the convertible hybrid bond because at that time Mandatum owned more than 5 % of the shares in Suominen Corporation and thus the arrangement would not have at that time led to crossing of new notification thresholds.

BUSINESS RISKS AND UNCERTAINTIES

The estimate on the development of Suominen's net sales is in part based on forecasts and delivery plans received from customers. Changes in these forecasts and plans resulting from changes in the market conditions or in customers' inventory levels may affect Suominen's net sales. Due to the continued uncertainty in the general economic situation and the cautious consumer purchasing habits, the forecasts include uncertainty.

Suominen's customer base is fairly concentrated, which adds to the customer-specific risk. Long-term contracts are preferred in the case of the largest customers. In practice the customer relationships are long-term and last for several years.

The continued positive development of Suominen's business operations in the United States increases the relevance of the exchange rate risk related to USD in the Group's total exchange risk position. Suominen hedges this foreign exchange position in accordance with its hedging policy.

Suominen purchases significant amounts of pulp- and oil-based raw materials annually. Raw materials are the largest cost item for operations. Rapid changes in the global market prices of raw materials affect the company's profitability. Extended interruptions in the supply of Suominen's main raw materials could disrupt production and have a negative impact on the Group's overall business operations. As Suominen sources its raw materials from a number of major international suppliers, significant interruptions are unlikely.

Suominen has numerous regional, national and international competitors in its different product groups. There is currently oversupply in several product groups, particularly in Europe. If Suominen is not able to compete through an attractive product offering, it may lose some of its market share, and the competition may lead to increased pricing pressure on the company's products.

Due to the acquisition of the manufacturing plant in Brazil, the risks that are characteristic to any developing region, including significant changes in business environment or exchange rates, could have an impact on Suominen's operations in Brazil.

The Group's damage risks are insured in order to guarantee the continuity of operations. Suominen has valid damage and business interruption insurance according to which it is estimated that the damages can be covered and the financial losses caused by an interruption compensated.

The sensitivity of Suominen's goodwill to changes in business conditions is described in the notes to the financial statements 2013. An equivalent description will be available in the financial statements 2014, to be disclosed in due course. Actual cash flows may deviate from the forecasted future discounted cash flows, as the long economic lifetime of the company's non-current assets, and changes in the estimated product prices, production costs, and interest rates used in discounting may result in write-downs. The fair value based on the value in use of assets or businesses in total or in part does not necessarily correspond to the price that a third party would pay for them.

General risks related to business operations are described in the Report of the Board of Directors 2013. An

equivalent description will be available in the Report of the Board of Directors 2014, to be disclosed in due course.

BUSINESS ENVIRONMENT

Suominen's products are used in daily consumer goods, such as wet wipes, hygiene product and medical nonwovens. The general economic situation determines the development of consumer demand, even though the demand for consumer goods is not very cyclical in nature. Europe and North America are the main market regions for Suominen.

In light of the consumer confidence indices, the market environment both in Europe and in North America continued to be divided. In the euro zone, consumer confidence weakened further, whereas in the US, the slight drop in the index in the third quarter proved temporary, as at the end of the year consumer confidence reached its highest level since February 2008. As the outlook of the general economic situation in Europe remains uncertain, challenges in forecasting the development of the competitive environment of the European nonwovens market continue.

Suominen assesses the trend in the demand for its products on the basis of both the general market situation and, above all, on the basis of the framework agreements drawn up with its customers. Suominen estimates that in 2015, the demand for its products will continue to grow at the pace of 2014 on average.

OUTLOOK FOR 2015

Suominen expects that for the full year 2015, its net sales and operating profit excluding non-recurring items will improve from year 2014. In 2014, Suominen's net sales amounted to EUR 401.8 million and operating profit excluding non-recurring items to EUR 26.9 million.

PROPOSAL ON DISTRIBUTION OF FUNDS

The distributable assets of the parent company at the end of 2014 totaled EUR 69,700,269.72, consisting of the loss for the financial year, EUR 9,618,929.34; retained earnings of earlier financial periods, EUR -17,828,766.01; invested non-restricted equity fund, EUR 97,191,611.31 and acquisitions costs of own shares, EUR -43,619.21.

The Board of Directors proposes that funds shall be distributed from the invested non-restricted equity fund in the amount of 0.01 euros per share. Calculated on the basis of the current total amount of shares a total of 2,461,306.03 euros would be distributed. The date of record for the distribution of the funds is 23 March 2015 and the funds shall be paid on 30 March 2015.

The Board of Directors proposes that no dividend shall be paid for the financial year 2014.

The Board of Directors proposes that parent company's loss for the financial period, - 9,618,929.34, and the losses from the previous financial periods, - 17,828,766.04 euros, shall be covered from the invested non-restricted equity fund.

SUOMINEN GROUP CONSOLIDATED 1 JANUARY – 31 DECEMBER 2014

This financial statement release has been prepared according to the principles defined in IAS 34 Interim Financial Reporting. Changes to published accounting standards and interpretations, together with the new accounting standards that came into force on 1 January 2014, are presented in the financial statements for 2013.

All calculations in this financial statement release have been prepared in compliance with the revised IAS 1 standard, 'Presentation of Financial Statements'. This standard is aimed at improving users' ability to analyze and compare the information given in financial statements by separating changes in equity of an entity arising from transactions with owners from other changes in equity. Non-owner changes in equity will be presented in the statement of comprehensive income.

The figures in this financial statement release are based on the audited consolidated financial statements.

BALANCE SHEET	EUR 1,000	31 Dec 2014	31 Dec 2013
Assets			
Non-current assets			
Goodwill		15,496	15,496
Intangible assets		12,510	12,025
Tangible assets		88,721	98,640
Loan receivables		8,202	
Available-for-sale financial assets		1,124	939
Held-to-maturity investments		450	451
Other non-current receivables		2 614	511
Deferred tax assets		5,516	5,778
Non-current assets, total		134,633	133,838
Current assets			
Inventories		32,380	31,908
Trade receivables		52,269	46,908
Loan receivables		600	131
Other current receivables		4,618	6,359
Income tax receivables		1,682	1,182
Cash at bank and in hand		38,430	18,585
Current assets, total		129,979	105,073
Assets, total		264,611	238,911
Shareholders' equity and liabilities			
Equity attributable to owners of the parent company			
Share capital		11,860	11,860
Share premium account		24,681	24,681
Invested non-restricted equity fund		97,192	97,123
Fair value and other reserves		52	-1,042
Translation differences		3,418	-3,022
Other shareholders' equity		-46,890	-51,094
Shareholders' equity		90,313	78,506
Hybrid bond		18,424	
Shareholders' equity, total		108,737	78,506
Liabilities			
Non-current liabilities			
Deferred tax liabilities		8,789	7,183
Provisions			132
Debentures		75,000	
Other non-current liabilities		1,729	1,125
Interest-bearing liabilities		6,667	70,399
Non-current liabilities, total		92,185	78,839
Current liabilities			
Interest-bearing liabilities		3,347	24,071
Income tax liabilities		246	144
Trade payables and other current liabilities		60,096	57,351
Current liabilities, total		63,689	81,567
Liabilities, total		155,874	160,405
Shareholders' equity and liabilities, total		264,611	238,911

STATEMENT OF INCOME

EUR 1,000	Q4/2014	Q4/2013	Q1- Q4/2014	Q1- Q4/2013
Net sales	104,778	89,837	401,762	373,684
Cost of goods sold	-92,582	-80,472	-352,091	-333,580
Gross profit	12,196	9,365	49,671	40,104
Other operating income	688	832	2,655	2,485
Sales and marketing expenses	-1,693	-1,631	-6,278	-5,583
Research and development	-815	-731	-2,877	-3,139
Administration expenses	-3,816	-3,525	-14,144	-13,659
Other operating expenses	-327	-136	-2,177	-810
Operating profit before non-recurring items	6,233	4,174	26,851	19,398
Non-recurring items	-94	-482	-954	-482
Operating profit	6,139	3,692	25,897	18,916
Financial income and expenses	-997	-1,096	-8,075	-5,781
Profit before income taxes	5,142	2,596	17,822	13,135
Income taxes	-381	-1,969	-7,645	-7,419
Profit/loss for the period, continuing operations	4,761	627	10,177	5,716
Discontinued operations				
Profit/loss for the period		-1,442	717	-3,518
Impairment loss recognized on the remeasurement to fair value and cost to sell		-118	-5,921	-18,314
Profit/loss for the period, discontinued operations		-1,560	-5,204	-21,832
Profit/loss for the period	4,761	-933	4,973	-16,119
Earnings/share, EUR				
Continuing operations	0.02	0.00	0.04	0.02
Discontinued operations		-0.01	-0.02	-0.09
Total	0.02	0.00	0.02	-0.07
Diluted, total	0.02	0.00	0.02	-0.07

STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Q4/2014	Q4/2013	Q1-Q4/2014	Q1-Q4/2013
Profit/loss for the period	4,761	-933	4,973	-16,119
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences on foreign operations	866	-1,072	6,863	-2,664
Fair value changes of cash flow hedges	186	-198	1,368	353
Items related to discontinuing operations		355		355
Other reclassifications	-22	463	3	325
Total	1,030	-452	8,234	-1,631
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gains and losses	-150	-43	-150	18
Total	-150	-43	-150	18
Income tax on other comprehensive income	-89	13	-650	120
Total other comprehensive income	791	-483	7,434	-1,493
Total comprehensive income for the period	5,553	-1,415	12,407	-17,612
Total comprehensive income arises from:				
Continuing operations	5,553	145	17,611	4,220
Discontinued operations		-1,560	-5,204	-21,832
Total comprehensive income for the period	5,553	-1,415	12,407	-17,612

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

- a. Share capital
- b. Share premium account
- c. Invested non-restricted equity fund
- d. Own shares
- e. Translation differences
- f. Fair value reserves
- g. Other shareholders' equity
- h. Shareholders' equity
- i. Hybrid bond
- j. Shareholders' equity total

EUR 1,000	a.	b.	c.	d.	e.	f.	g.	h.	i.	j.
Total equity at 1 Jan 2014	11,860	24,681	97,123	-43	-3,022	-999	-51,094	78,506		78,506
Profit/loss for the period							4,973	4,973		4,973
Other comprehensive income					6,440	1,094	-100	7,435		7,435
Share-based payments							70	70		70
Conveyance of own shares			69					69		69
Hybrid bond							-739	-739	18,424	17,685
Total equity at 31 Dec 2014	11,860	24,681	97,192	-43	3,418	95	-46,890	90,313	18,424	108,737

EUR 1,000	a.	b.	c.	d.	e.	f.	g.	h.	i.	j.
Total equity at 1 Jan 2013	11,860	24,681	97,054	-43	-549	-1,209	-35,783	96,011		96,011
Profit/loss for the period							-16,119	-16,119		-16,119
Other comprehensive income					-2,472	210	770	-1,493		-1,493
Share-based payments							38	38		38
Conveyance of own shares			69					69		69
Total equity at 31 Dec 2013	11,860	24,681	97,123	-43	-3,021	-999	-51,094	78,506		78,506

CASH FLOW STATEMENT

EUR 1,000	Q1-Q4/2014	Q1-Q4/2013
Operations		
Operating profit	25,897	18,916
Total adjustments	19,030	7,704
Cash flow before change in working capital	44,927	26,620
Change in working capital	6,140	6,482
Financial items	-6,514	-6,216
Taxes paid	-7,434	-5,556
Cash flow from operations	37,119	21,330
Investment payments		
Investments in tangible and intangible assets	-7,740	-5,598
Business combinations	-19,261	
Proceeds from disposed business operations	4,736	3,441
Proceeds from disposal of fixed assets and other proceeds	59	785
Cash flow from investing activities	-22,206	-1,372
Financing		
Non-current loans drawn	10,000	
Repayments of non-current loans	-78,220	-21,042
Repayments of capital loans		-920
Hybrid bond	17,500	
Debentures	75,000	
Change in current loans	-18,324	6,300
Cash flow from financing	5,956	-15,662
Change in cash and cash equivalents	20,869	4,296
Cash and cash equivalents	18,585	14,301
Unrealized exchange rate differences	-1,025	-13
Change in cash and cash equivalents	20,869	4,296
Cash and cash equivalents	38,430	18,585

Cash flow statement includes discontinued operations.

KEY FIGURES	Q4/2014	Q4/2013	Q1- Q4/2014	Q1- Q4/2013
Net sales, change, % *	16.6	6.2	7.5	4.7
Gross profit, % **	11.6	10.4	12.4	10.7
Operating profit, % **	5.9	4.1	6.4	5.1
Financial income and expenses, % **	-1.0	-1.2	-2.0	-1.5
Profit before income taxes, % **	4.9	2.9	4.4	3.5
Profit for the period, %, continuing operations	4.5	0.7	2.5	1.5
Profit for the period, %, discontinued operations **		-1.7	-1.3	-5.8
Profit for the period, % **	4.5	-1.0	1.2	-4.3
Earnings/share, EUR, continuing operations	0.02	0.00	0.04	0.02
Earnings/share, EUR, discontinued operations		-0.01	-0.02	-0.09
Earnings/share, EUR, Group	0.02	0.00	0.02	-0.07
Diluted earnings/share, EUR, total	0.02	0.00	0.02	-0.07
Distribution of funds/share, EUR***			0.01	
Equity/share, EUR	0.44	0.32	0.44	0.32
Cash flow from operations/share, EUR	0.04	0.07	0.15	0.09
Return on equity (ROE), %	5.1	-18.6	5.1	-18.6
Return on invested capital (ROI), %	12.0	-0.7	12.0	-0.7
Return on invested capital (ROI), %, continuing operations	15.7	12.4	15.7	12.4
Equity ratio, %	41.2	32.9	41.2	32.9
Gearing, %	34.7	96.2	34.7	96.2
Gross investments, EUR 1,000, continuing operations	2,625	2,994	7,066	4,413
Depreciation, EUR 1,000, continuing operations	4,142	3,447	15,576	13,892
Average personnel, continuing operations			591	550
Non-current interest-bearing liabilities	81,667	70,399	81,667	70,399
Current interest-bearing liabilities	3,347	24,071	3,347	24,071
Interest-bearing receivables ****	-47,232	-18,985	-47,232	-18,985
Interest-bearing net liabilities	37,782	75,485	37,782	75,485

*Compared with the same period last year.

** Share of net sales.

*** Proposal for the Annual General Meeting. The funds would be distributed from the invested non-restricted equity fund.

**** Includes interest-bearing loan receivables of EUR 8.8 million granted to the divested Flexibles business.

BUSINESS COMBINATIONS

Suominen acquired the Brazilian unit of the Ahlstrom Home and Personal nonwovens business on 10 February 2014. The main parts of the Home and Personal nonwovens business were acquired in 2011, but due to the delays for some licenses and authorizations the acquisition of the Brazilian business was prolonged. Thanks to the acquisition, Suominen's nonwovens business has a better coverage on the South American markets.

The balance sheet and the income statement of the Brazilian company were consolidated to Suominen as from 1 February 2014.

The shares of the local company were acquired. The enterprise value was EUR 17.5 million. The final consideration was EUR 19.6 million.

Consideration	Fair value
Cash	19,558
Recognized amounts of identifiable assets acquired and liabilities assumed according to the initial calculations:	
1 000 e	Fair values
Property, plant and equipment	10,779
Intangible assets	20
Other non-current receivables	2,737
Inventories	3,195
Trade and other receivables	3,423
Cash	297
Total assets	20,452
Financial liabilities	416
Other liabilities	478
Total liabilities	894
The identifiable net assets	19,558

The transaction costs of EUR 0.2 million are reported in the non-recurring items.

The Group's net sales would have been EUR 403.3 million and operating profit EUR 26.3 million, if the transaction had been realized at the start of 2014 and the costs in the end of 2013.

DISCONTINUED OPERATIONS

EUR 1,000	Q1-Q4/2014	Q1-Q4/2013
Net sales	32,521	59,438
Costs	-31,608	-62,601
Profit before income taxes from discontinued operations	913	-3,163
Income taxes	-197	-231
Profit after income taxes from discontinued operations	716	-3,394
Impairment loss recognized on the remeasurement to fair value and cost to sell	-5,921	
Profit/loss for the period from discontinued operations	-5,205	-3,394

The impact of the divestment of the Flexibles business on the Group's financial position

Tangible and intangible assets	17,942
Non-current receivables	1,511
Inventories	7,340
Trade receivables and other current receivables	9,004
Cash at bank and in hand	997
Total	36,794
Non-current liabilities	4,642
Trade payables and other current liabilities	10,157
Total	14,799
Total net assets sold	21,995
Cash consideration	5,733
Cash equivalents held by discontinued operations	-997
Net cash flow	4,736

Cash flow from discontinued operations

Cash flow from operations	774
Cash flow from investing activities	-376
Cash flow from financing	-1,800
Change in cash and cash equivalents	-1,402

NET SALES BY MARKET AREA

EUR 1,000	Q1-Q4/2014	Q1-Q4/2013
Finland	2,516	2,292
Europe, other	139,738	138,020
North and South America	248,942	224,132
Other countries	10,565	9,240
Net sales, total	401,762	373,684

QUARTERLY FIGURES

EUR 1,000	Q1/2014	Q2/2014	Q3/2014	Q4/2014	Q1/2014- Q4/2014
Net sales	98,353	95,340	103,291	104,778	401,762
Operating profit before non-recurring items	6,384	5,524	8,710	6,233	26,851
% of net sales	6.5	5.8	8.4	5.9	6.7
Non-recurring items	-233	-278	-349	-94	-954
Operating profit, total	6,151	5,246	8,361	6,139	25,897
% of net sales	6.3	5.5	8.1	5.9	6.4
Net financial expenses	-1,467	-1,276	-4,334	-997	-8,075
Profit before income taxes	4,684	3,970	4,027	5,142	17,822

TAXES FOR THE PERIOD UNDER REVIEW

Income tax expense is calculated by country, on the basis of taxable results and income tax rates.

INFORMATION ON RELATED PARTIES

Suominen has related party relationships with the members of the Board of Directors, and the members of the Corporate Executive Team, and until 7 October 2014 with Ahlstrom Corporation, including its subsidiaries and associated companies. The company has no associated companies. Salaries paid to the related parties amounted to EUR 1,725 thousand, obligatory pension payments EUR 170 thousand, voluntary pension payments EUR 35 thousand and share-based payments EUR 198 thousand.

Other related-party transactions

EUR 1,000	1-12/2014	1-12/2013
Sales of goods and services	5,083	16,439
Purchases of goods and services	58,487	62,342
Trade and other receivables		1,396
Trade and other payables		2,073

Other related-party transactions are transactions with Ahlstrom Corporation and its subsidiaries and associated companies.

CHANGES IN BORROWINGS

EUR 1,000	Q1-Q4/2014	Q1-Q4/2013
Total borrowings on 1 January	94,471	111,518
Current loans from financial institutions on 1 January	24,071	20,571
Discontinued operations	-502	
Change in current loans from financial institutions	-20,222	3,500
Current loans from financial institutions on 31 Dec	3,347	24,071
Non-current loans on 1 January	70,399	90,027
Discontinued operations	-4,283	
Change in non-current loans	-59,449	-19,628
Non-current loans on 31 Dec	6,667	70,399
Debtures on 1 January		
Change in debtures	75,000	
Debtures on 31 Dec	75,000	0
Capital loans on 1 January		920
Change in capital loans		-920
Capital loans on 31 Dec	0	0
Total borrowings on 31 Dec	85,014	94,471

CHANGES IN FIXED ASSETS

EUR 1,000	Q1-Q4/2014		Q1-Q4/2013	
	Tangible	Intangible	Tangible	Intangible
Book value at the beginning of the period	98,640	12,025	118,019	12,529
Investments	4,650	2,416	3,662	1,004
Decreases	-9		-18	
Discontinued operations	-18,211	-160	-5,365	-115
Business combinations	10,779	20		
Depreciation	-13,714	-1,862	-15,000	-1,545
Translation differences and other changes	6,586	71	-2,658	152
Book value at the end of the period	88,721	12,510	98,640	12,025

CONTINGENT LIABILITIES

EUR 1,000	Q1-Q4/2014	Q1-Q4/2013
For own debt		
Loans from financial institutions	10,000	91,345
Bonds	75,000	
Total	85,000	91,345
Guarantee commitments		
Absolute guarantees	85,000	
Guarantees on other own commitments	1,800	
Guarantees on behalf of third parties	4,017	
Nominal values of pledges		
Real estate mortgages		27,042
Floating charges		165,761
Pledged subsidiary shares and loans		189,699
Other own commitments		
Operating leases, real estates	21,822	22,672
Operating leases, machinery and equipment	1,089	2,373

FINANCIAL ASSETS BY CATEGORY

- a. Financial assets at fair value through profit or loss
- b. Held-to-maturity investments
- c. Loans and receivables
- d. Available-for-sale financial assets
- e. Derivatives held for hedge accounting
- f. Book value
- g. Fair value

Classes by instruments' nature

EUR 1,000	a.	b.	c.	d.	e.	f.	g.
Available-for-sale financial assets				1,124		1,124	1,124
Held-to-maturity investments		450				450	450
Other non-current receivables	980		1,634			2,614	2,614
Loan receivables			8,802			8,802	8,802
Trade receivables			52,269			52,269	52,269
Other current receivables			1,011		12	1,023	1,023
Cash and cash equivalents			38,430			38,430	38,430
Total at 31 Dec 2014	980	450	102,146	1,124	12	104,712	104,712

Classes by instruments' nature

EUR 1,000	a.	b.	c.	d.	e.	f.	g.
Available-for-sale financial assets				939		939	939
Held-to-maturity investments		451				451	451
Other non-current receivables	511					511	511
Loan receivables			131			131	131
Trade receivables			46,908			46,908	46,908
Other current receivables	58		371			429	429
Cash and cash equivalents			18,585			18,585	18,585
Total at 31 Dec 2013	569	451	65,996	939	0	67,954	67,954

Principles in estimating fair value for financial assets for 2014 are the same as those used for preparing the financial statements for 2013.

FINANCIAL LIABILITIES

EUR 1,000	31 Dec 2014		31 Dec 2013	
	Book value	Fair value	Book value	Fair value
Non-current				
Loans from financial institutions	6,667	6,667	69,828	69,144
Pension loans			571	577
Debentures	75,000	75,150		
Other non-current liabilities	350	350		
Total	82,017	82,167	70,399	69,721
Current *)				
Repayment of non-current liabilities				
Loans from financial institutions	3,333	3,333	23,500	23,412
Pension loans			571	594
Financial leasing	14	14	86	86
Derivatives not held for hedge accounting	121	121	94	94
Derivatives held for hedge accounting	197	197	1,354	1,354
Other current liabilities	726	726		
Trade payables	47,403	47,403	45,016	45,016
Total	51,794	51,794	70,535	70,556
Total	133,811	133,961	140,934	140,277

*) In the balance sheet under current liabilities.

Principles in estimating fair value for financial liabilities for 2014 are the same as those used for preparing the financial statements for 2013.

FAIR VALUE MEASUREMENT HIERARCHY

EUR 1,000	Level 1	Level 2	Level 3
Assets measured at fair value			
Other non-current receivables			980
Assets held for sale			1,124
Total			2,104
Derivatives measured at fair value			
Currency forward deals		-236	
Electricity derivatives		-71	
Total		-307	

Interest rate swaps were reversed at the refinancing arrangements.

Principles in estimating fair value for financial assets and their hierarchies for 2014 are the same as those used for preparing the financial statements for 2013.

ANALYST AND PRESS CONFERENCE

Nina Kopola, President & CEO, and Tapio Engström, CFO, will present Suominen's financial result 2014 in Finnish at an analyst and press conference in Helsinki today, on Friday 30 January 2015 at 2pm – 3 pm (EET). The conference will take place at Event House Bank, Unioninkatu 20, Helsinki. The presentation material will be available after the event at www.suominen.fi.

NEXT INTERIM REPORT

Suominen Corporation will publish its Interim report for January-March 2015 on Monday, 27 April 2015 approximately at 8:30 a.m.

Helsinki, 30 January 2015

SUOMINEN CORPORATION
Board of Directors

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Suominen in brief

Suominen manufactures nonwovens as roll goods for wipes as well as for medical and hygiene products. The end products made of Suominen's nonwovens – wet wipes, feminine care products and swabs, for instance - bring added value to the daily life of consumers worldwide. Suominen is the global market leader in nonwovens for wipes and employs approximately 600 people in Europe and in the Americas. Suominen's net sales in 2014 amounted to MEUR 401.8 and operating profit excluding non-recurring items to MEUR 26.9 (continuing operations). The Suominen share (SUY1V) is listed in NASDAQ OMX Helsinki Stock Exchange. Read more at www.suominen.fi.