

Annual General Meeting 2015 Review by the President & CEO

Nina Kopola
President & CEO



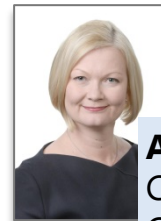
Corporate Executive Team and Corporate Leadership Team



Nina Kopola
President & CEO



Larry L. Kinn
Operations,
Americas



Anu Heinonen
Corporate
Comms & IR



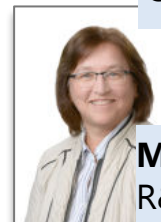
Saara Söderberg
Marketing &
Product Mgmt



Tapio Engström
CFO



Mimoun Saïm
Operations,
EMEA



Margareta Huldén
R&D



Timo Hiekkaranta
Convenience



Hannu Sivula
Human
Resources



Roberto Pedoja
Technology



Lynda A. Kelly
Care



Dan Dunbar
Sourcing



Timo Rautakorpi
CIO

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- Suominen and year 2014 at a glance
- Market review
- Financial review and outlook for 2015
- Implementation of the strategy in 2012–2014
- Strategy period 2015–2017
- Summary 2014

Suominen and year 2014

Several successes in 2014

New organization,
two business
areas.

We expanded our
business to South
America.

Divestment of the
Flexibles business
area – Suominen
became a 100%
nonwovens
company.

Expanded and
diversified
financing.

Profitability
improved
considerably and
financial position
strengthened.

Revised strategy
aims at profitable
growth.

Investment
program launched
to execute growth
strategy.

Two business areas - Convenience and Care

Convenience

- Main end use areas:
 - **Wiping** (baby, household, personal care , industrial wipes
 - **Travel & catering** applications
- Net sales (2014): 369.4 M€, 92% of Suominen's net sales.



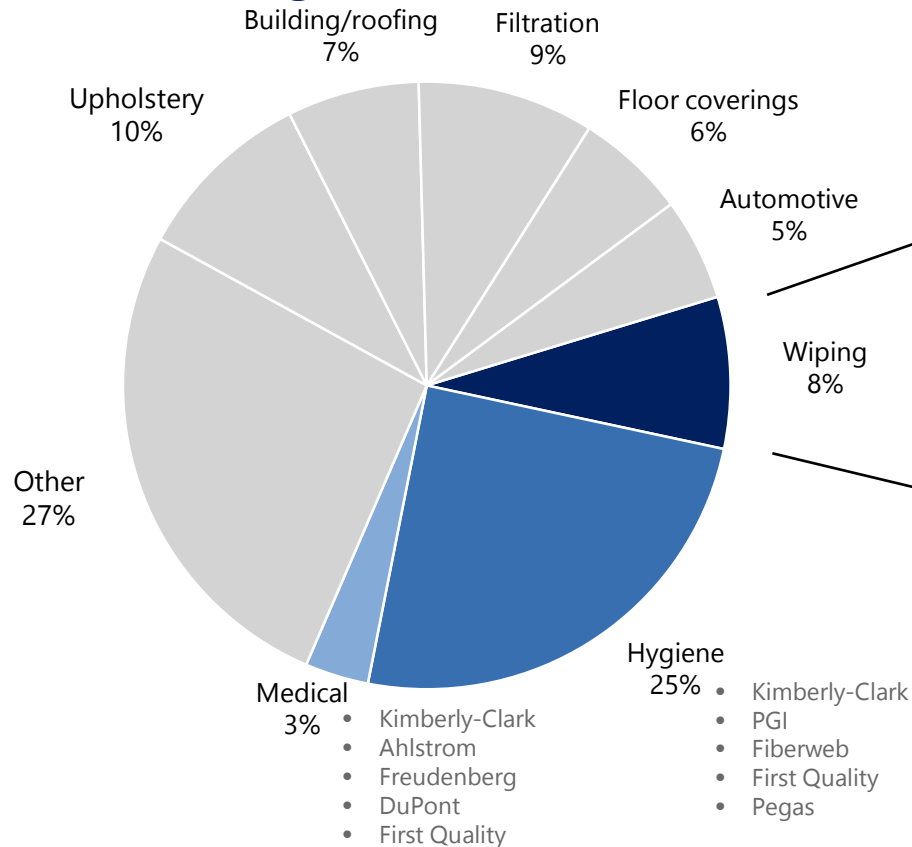
Care

- Main end use areas:
 - **Hygiene** products (femcare, incontinence, diapers)
 - **Medical** nonwovens (e.g. swabs, undercast pads, surgical drapes and masks)
- Net sales (2014): 32,3 M€, 8% of Suominen's net sales.

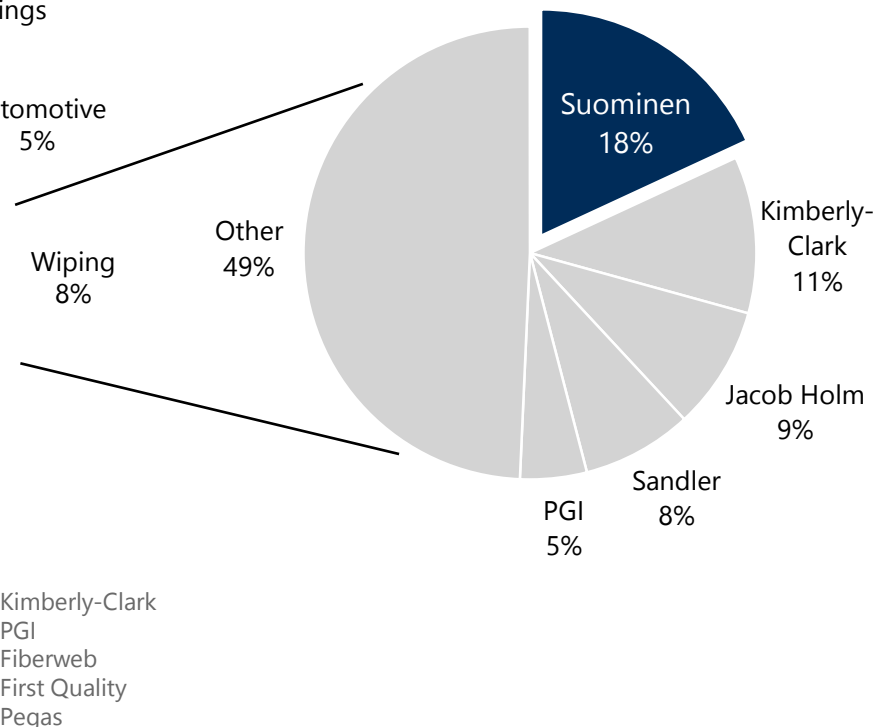


We are a global leader in nonwovens for wipes

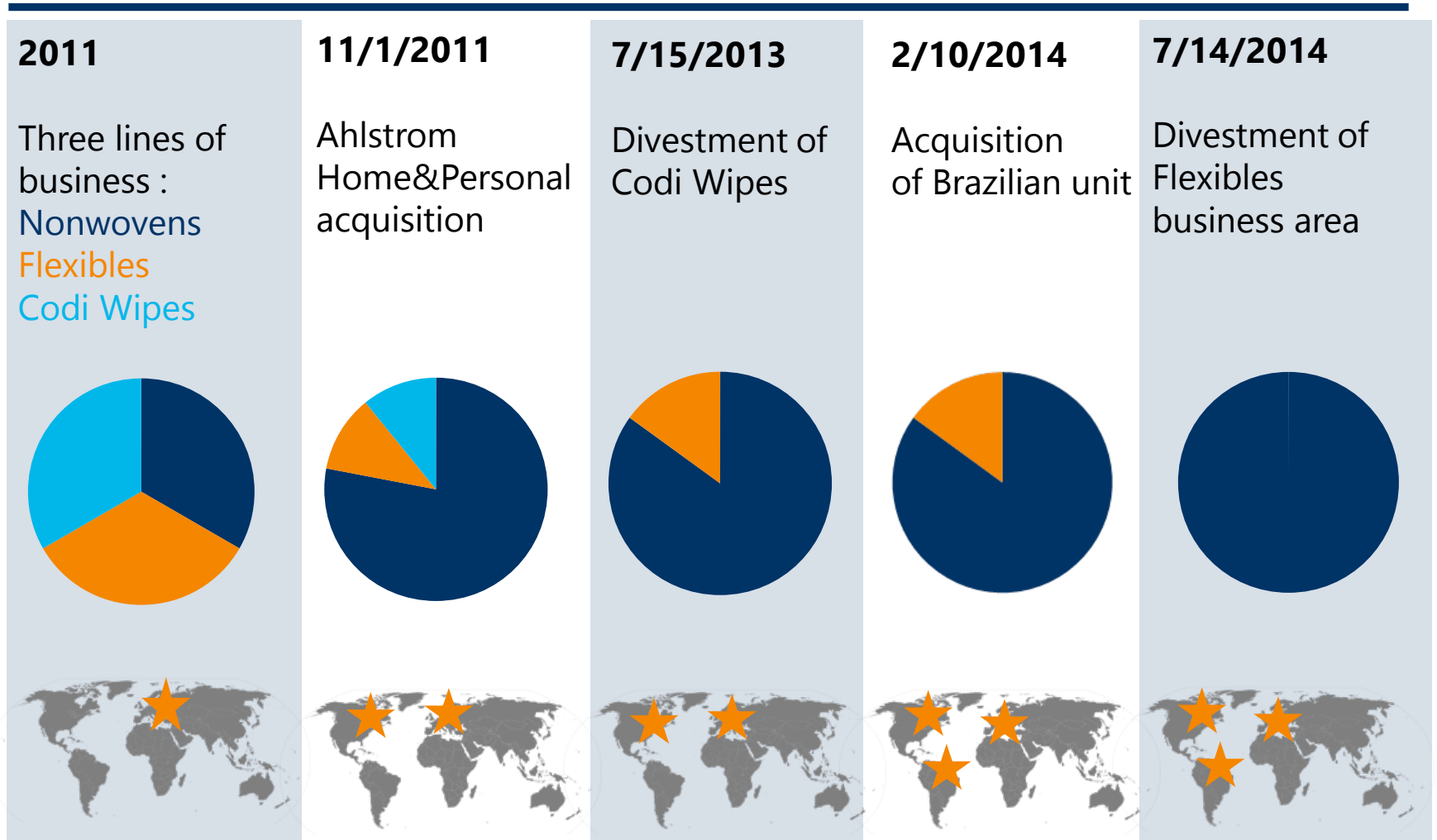
Global nonwovens market totaling ~26 billion euros



Suominen #1 Wiping ~2.1 billion euros

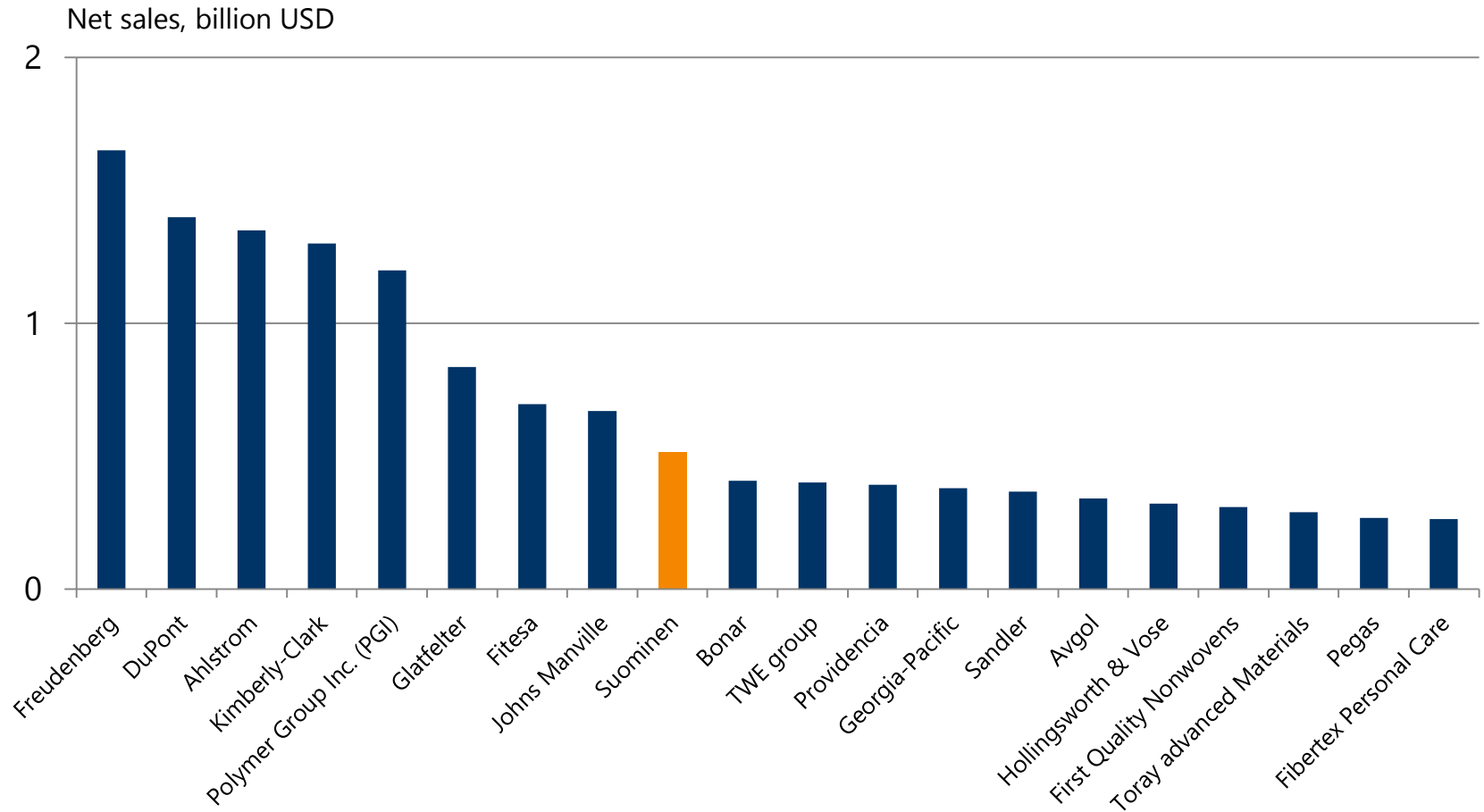


Fast transformation into a nonwovens company with operations in three continents



Net sales by line of business and geographical coverage from 2011 to date.

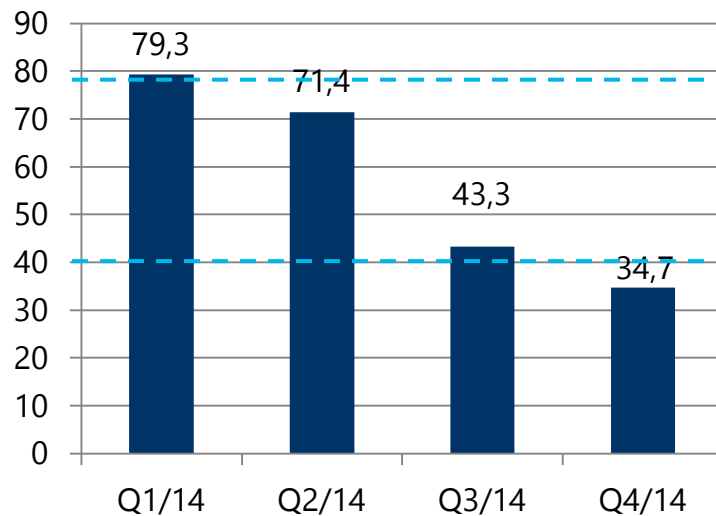
Suominen is one of the largest nonwoven manufacturers globally



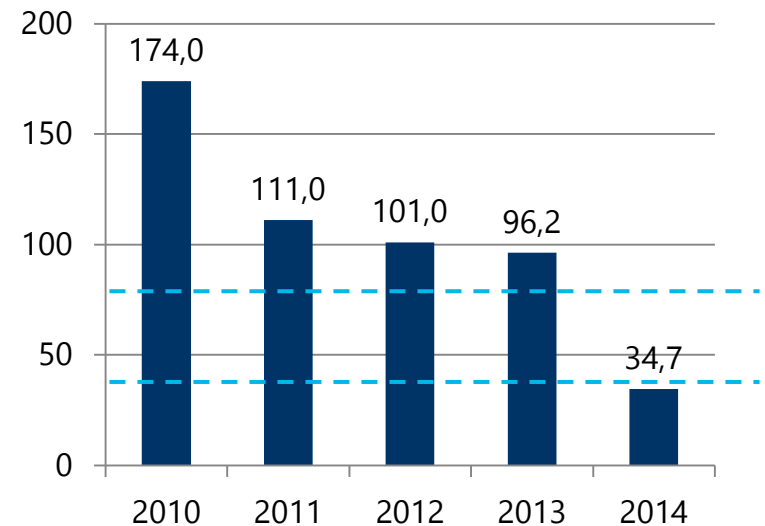
Source: Nonwovens Industry

Expanded and diversified financing

Gearing, %



Gearing, %



- Strengthened balance sheet enabled refinancing.
- Target range for gearing between 40 and 80%.

Suominen's purpose

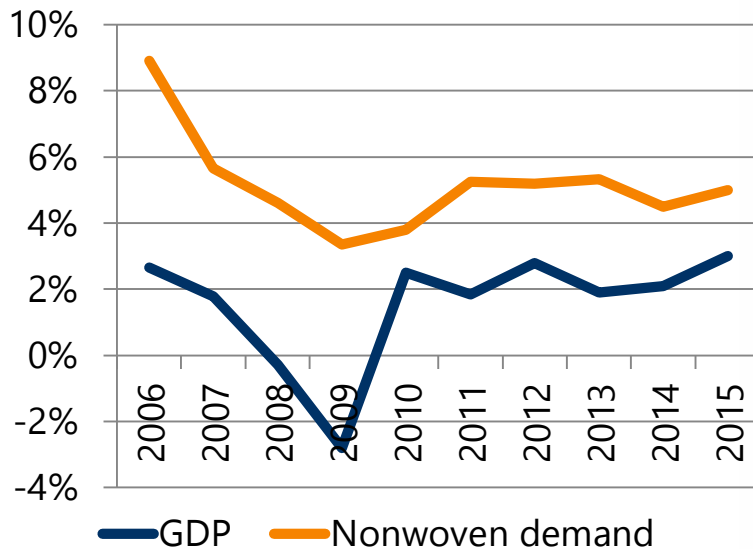
***Our purpose is
to make nonwovens continuously better
for people.***

Market review

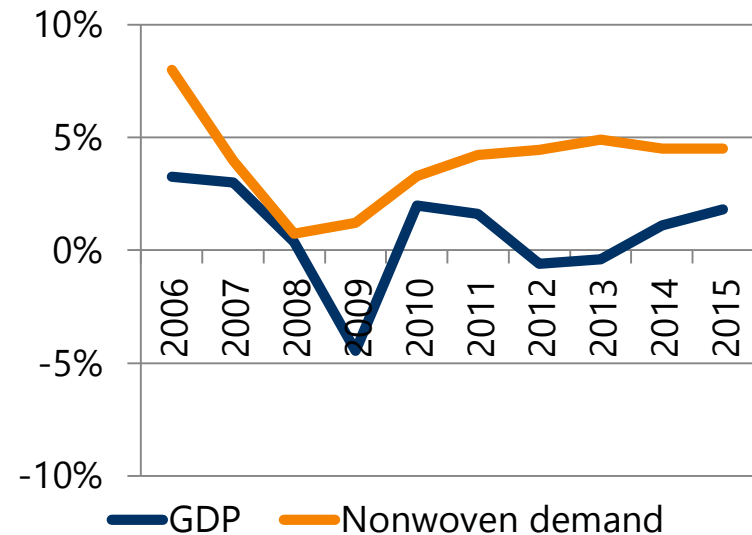


Historically, growth in the demand for nonwovens has exceeded the growth of the GDP

USA



Europe

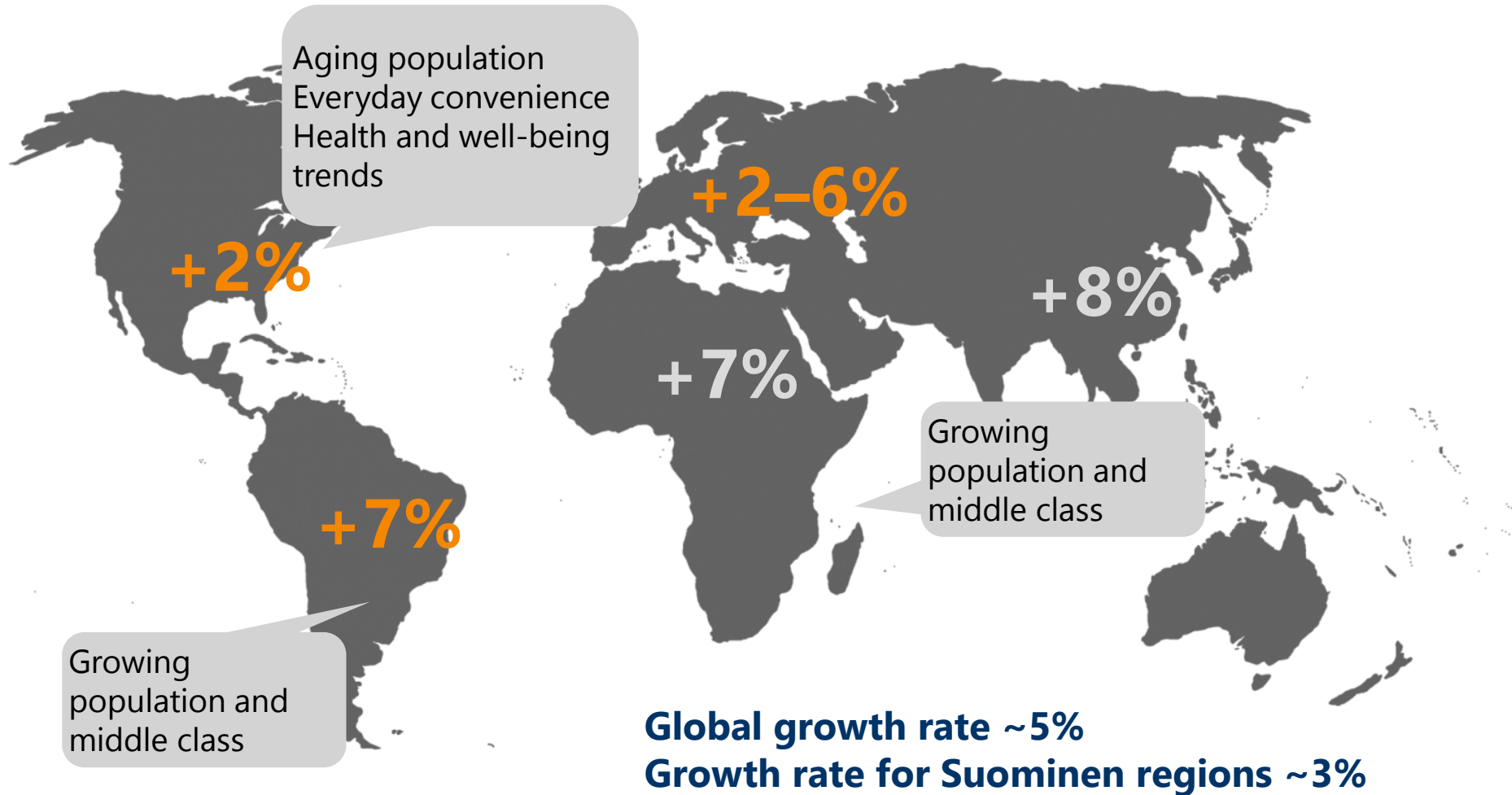


2014–2016 GDPs are forecasted.

In Europe, GDP growth is for euro area.

For nonwovens demand, the graphs illustrate the change in the value (USD) of nonwoven demand; 2006–2010 actual, 2011–2015 forecasted.

Demand for Suominen nonwovens is expected to grow globally



Demand for Suominen's products is growing both in emerging and developed markets

USD 14 000+

Household wipes

USD 10 000+

Incontinence products

USD 7 000+

Baby wipes

USD 4 000+

Disposable diapers

USD 1 000+

Feminine care products

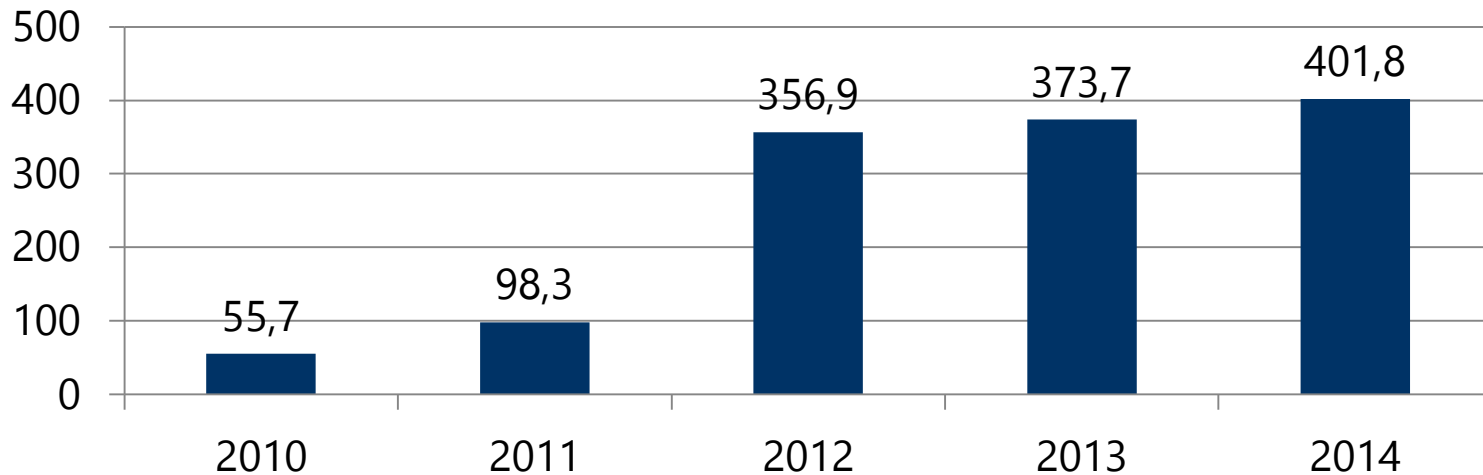
GDP per capita

Financial review 2014



Net sales grew markedly

Net sales, M€

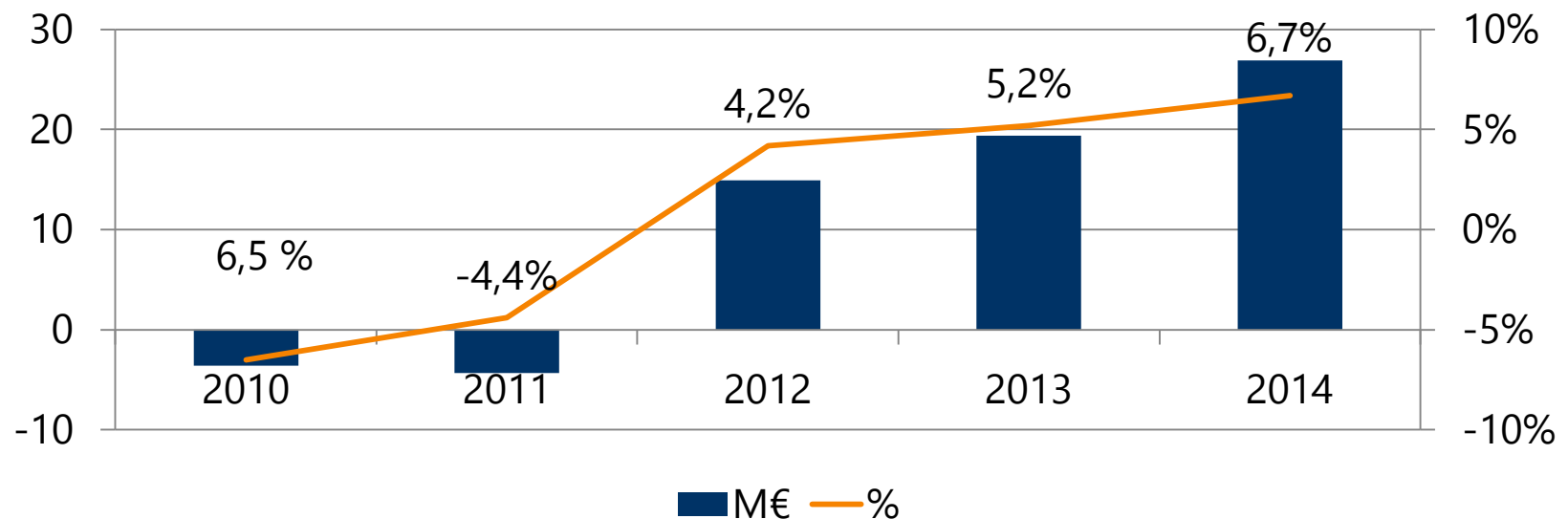


Continuing operations.

- FY2014: Net sales grew by 7.5% and organically by 3.5%.

Significant improvement in operating profit excl. non-recurring items

Operating profit excl. NRI, M€ and %

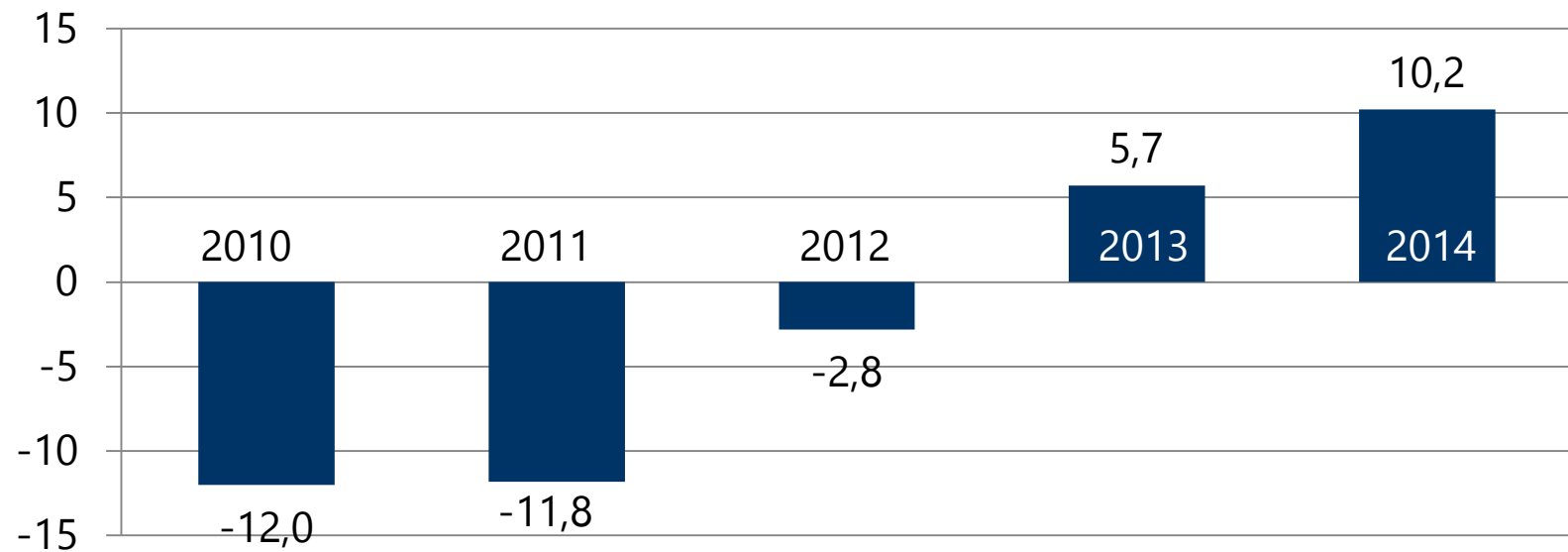


Continuing operations.

- The share of products with higher added value increased, which was reflected in gross profit and further in operating profit – both in the fourth quarter and FY 2014.
- During the strategy period of 2012–2014, Suominen reported improved operating profit on eleven quarters (out of twelve).

Profit for the period reached a new level

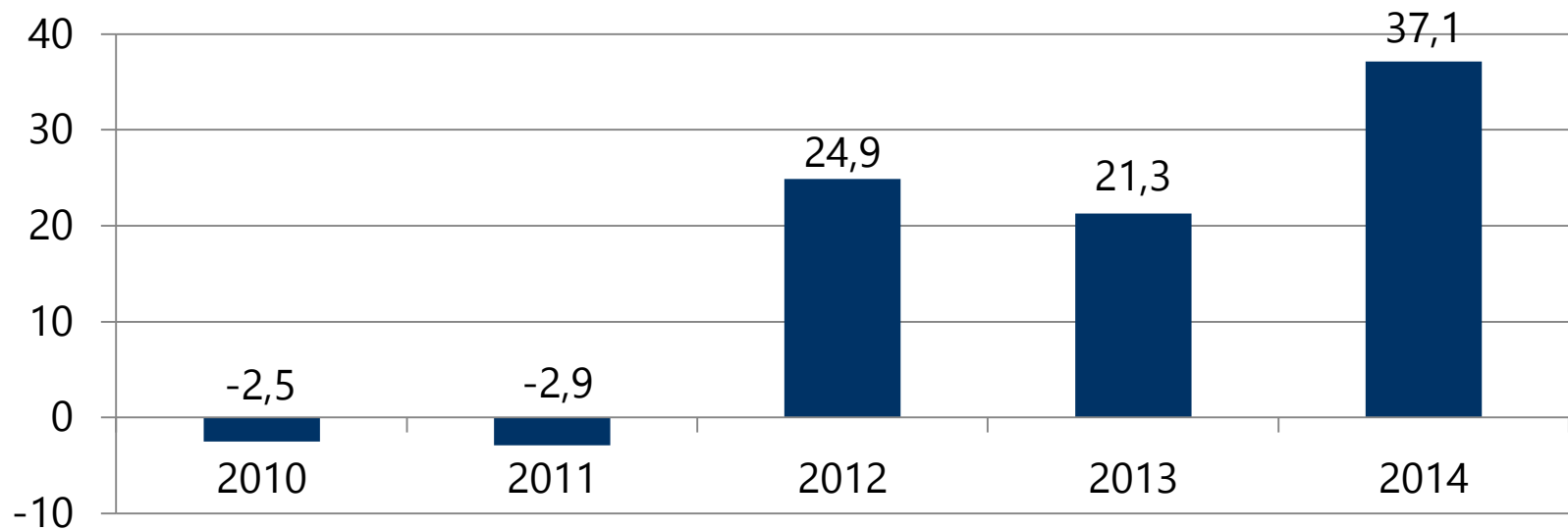
Profit for the period, M€



Continuing operations.

Strong cash flow from operations

Cash flow from operations, M€



Continuing operations.

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.

Implementation of the strategy in 2012–2014

We have systematically implemented our strategy



**Suominen
Way**

How we work



**Step Change
in Profitability**

How we operate



**In the
Lead**

How we win



We have taken several measures to advance each cornerstone



Suominen Way

How we work

- Compensation & Benefits scheme
- The Behavior Matrix
- New organization
- Refreshed visual identity
- "Behavior Based Safety" program
- Defining sustainability strategy



Step Change in Profitability

How we operate

- Structural cost savings
- Enhanced supply chain and increased flexibility
- Cost-conscious way of working



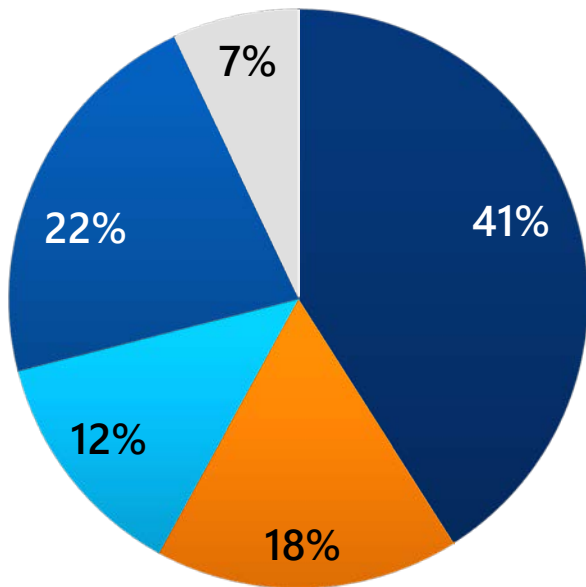
In the Lead

How we win

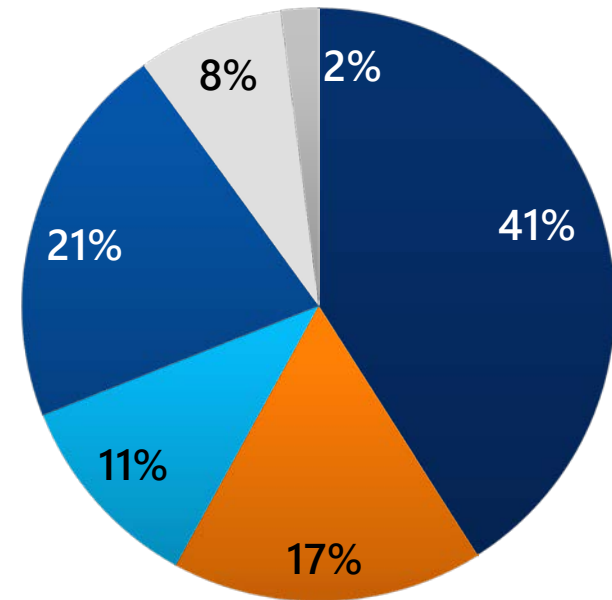
- Renewed corporate structure
- Expansion to South America
- Investments in capacity in higher-value-added nonwovens in the U.S.
- Developed and expanded product portfolio
- "We Love Wipes" dialogue

Targeted development of product portfolio continued*

2013: 373.7 M€



2014: 401.8 M€



Convenience 92%, Care 8%

■ Baby
 ■ Household
 ■ Industrial
 ■ Personal care
 ■ Medical & hygiene
 ■ Other

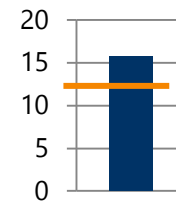
Typically products high value-adding products

* The share of baby care wiping grew due to acquisition of Paulínia plant.

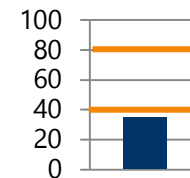
Financial targets were met

- Clearly improve relative profitability. The target level of the company's return on investment (ROI) is to be above **12%**. (FY/2014, continuing operations: 15,7%).
- Have a solid capital structure with a gearing ratio principally between **40% and 80%**. (FY/2014: 34,7%).
- Increase net sales organically at a rate that **exceeds the average growth rate** of the industry. (In 2013, Suominen's net sales from nonwovens business grew 3.5%.)

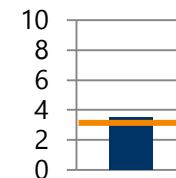
ROI, %



GEARING, %



NET SALES GROWTH, %



■ FY 2014

— Target

Strategy period 2015–2017

In this strategy period, emphasis is on In the Lead
cornerstone – we aim to grow and win the game



**Suominen
Way**

How we work



**Step Change
in Profitability**

How we operate



**In the
Lead**

How we win



Suominen's vision is to be a

Market Driven Product Leader



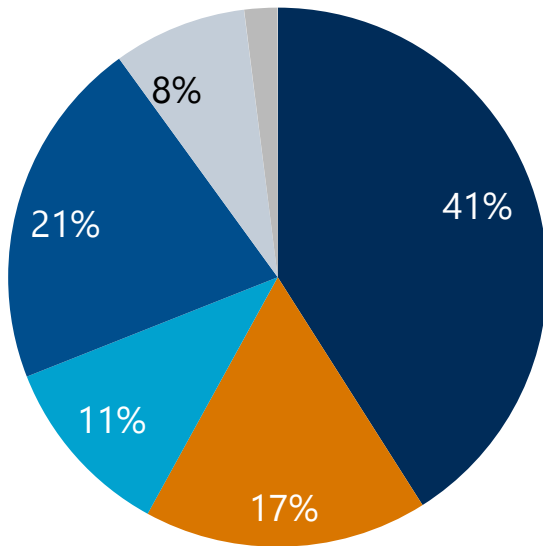
Understanding the end user remains in the heart of our strategy



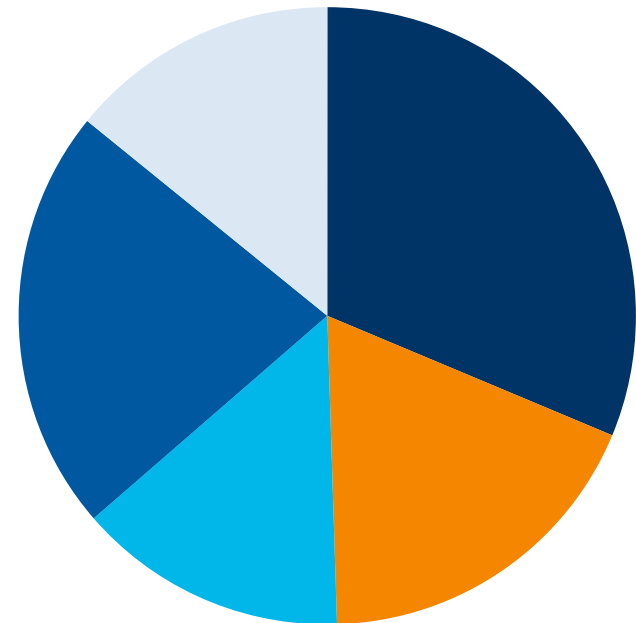
We aim at major shift in product portfolio

Suominen's nonwovens sales by major end use applications

2014 (401.8 M€)

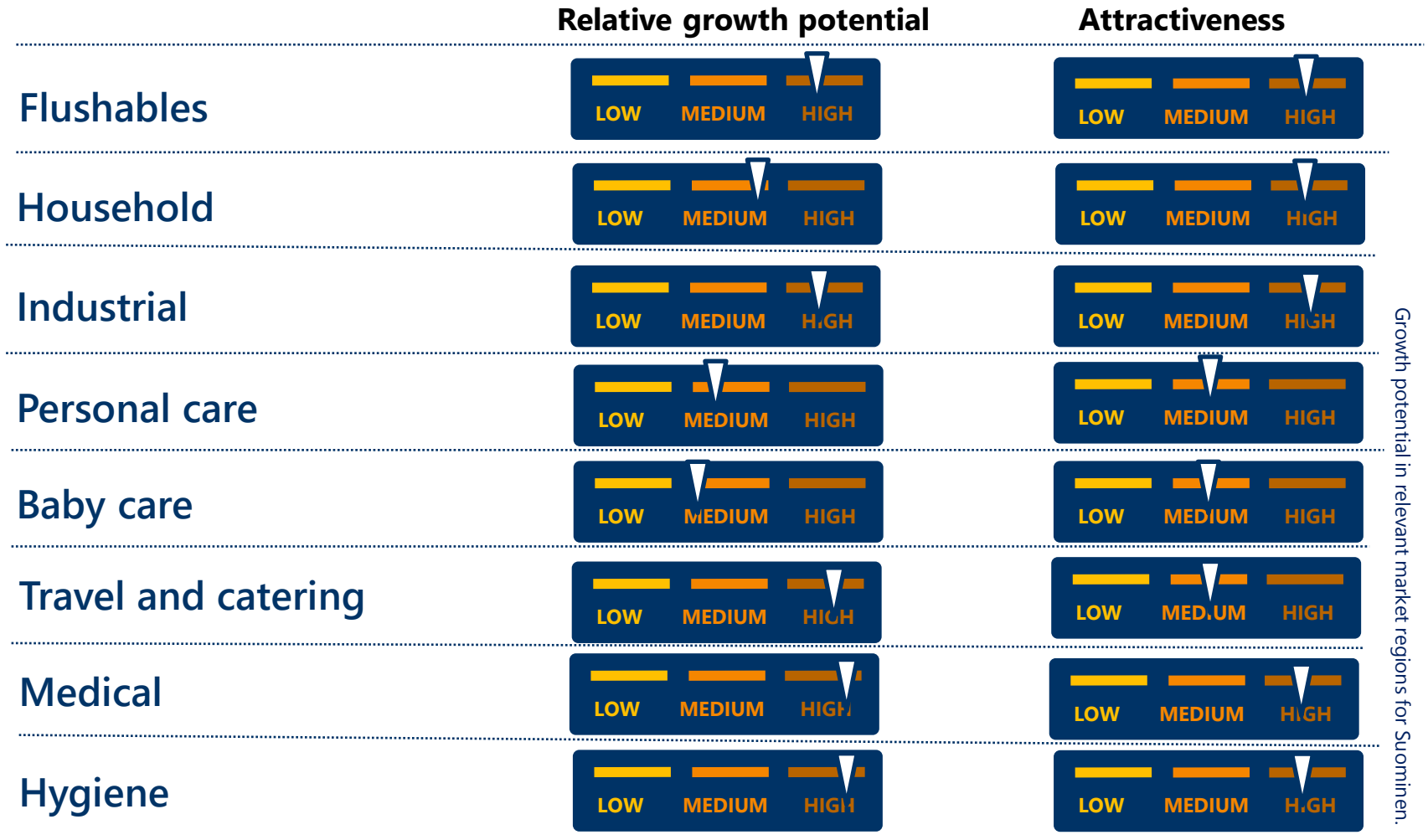


2017 (~500 M€) *Illustrative*



■ Baby ■ Household ■ Industrial ■ Personal care ■ Medical & hygiene ■ Other

Each selected application has a role to play in the strategy



Growth potential in relevant market regions for Suominen.

We will achieve our vision to be a Market Driven Product Leader if we...

4

Deliver superior value in thoughtfully selected market applications



3

Drive proactive key account management for mutual value creation



2

Execute demand driven supply chain

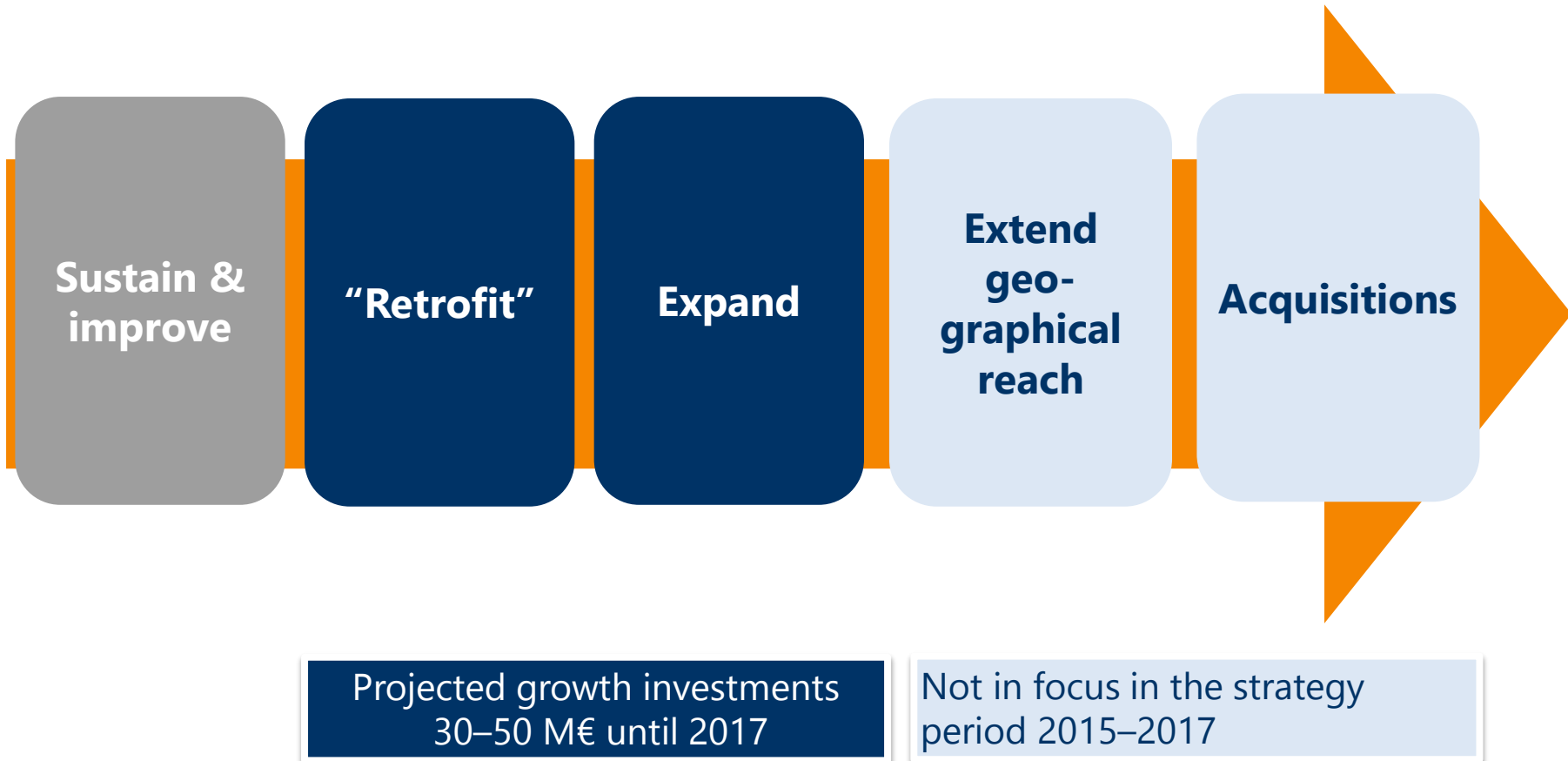


1

Evolve culture and capabilities to build strong product company



Our growth investment program supports the execution of the strategy



Growth investment program launched swiftly



Sustainability agenda 2015–2017

Achieving
product leadership

Innovation

Development of
sustainable
products



Operating sustainably
throughout the organization

Competence
development

Non-discrimination

Material &
resource efficiency



Fostering responsibility
throughout the value chain

Long-term
relations with
customers &
suppliers



Suominen's purpose and vision

Together with the strategy update, the Board of Directors approved Suominen's dividend policy

- 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.
- The Board of Directors proposes to the Annual General Meeting a EUR 0.01 per share distribution of funds.

Suominen's strategy 2015–2017

Vision – where?

Market Driven Product Leader

Financial targets

- Organic net sales growth at a rate that exceeds the industry average (approx. 3%)
- A return on investment of more than 12%
- A gearing ratio between 40% and 80%

Strategy – how?

- Deliver superior value in thoughtfully selected market applications.
- Drive proactive key account management for mutual value creation.
- Execute demand driven supply chain.
- Evolve culture and capabilities to build strong product company.



Purpose – why?

Our purpose is to make nonwovens continuously better for people.

Summary 2014

New organization,
two business
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We expanded our
business to South
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Revised strategy
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Thank you!