



Q1

1 January - 31 March 2014

29 April 2014

Suominen Corporation Interim Report 29 April 2014 at 08:30am (EEST)

SUOMINEN CORPORATION'S INTERIM REPORT FOR JANUARY 1 – MARCH 31, 2014:  
SIGNIFICANT IMPROVEMENT IN OPERATING PROFIT

KEY FIGURES	Q1/ 2014	Q1/ 2013	Q1-Q4/ 2013
Net sales, EUR million	<b>114.2</b>	111.7	433.1
Operating profit before non-recurring items, EUR million	<b>7.0</b>	5.0	18.1**
Operating profit, EUR million	<b>6.8</b>	5.0	17.2**
Profit/loss for the period, EUR million, continuing operations	<b>2.9</b>	1.2	2.5
Profit/loss for the period, EUR million, discontinued operations		-0.1	-18.7
Profit/loss for the period, EUR million, total	<b>2.9</b>	1.1	-16.1
Earnings/share, EUR, continuing operations	<b>0.01</b>	0.00	0.01
Earnings/share, EUR, discontinued operations		0.00	-0.08
Earnings/share, EUR, Group	<b>0.01</b>	0.00	-0.07
Cash flow from operations/share, EUR**	<b>0.00</b>	-0.01	0.09
Return on invested capital (ROI), % *	<b>0.3</b>	1.2	-0.7
Return on invested capital (ROI), %, continuing operations	<b>10.4</b>	4.6	9.6
Gearing, % **	<b>79.3</b>	102.0	96.2

\* Including discontinued operations.

\*\* Comparison data adjusted due to revisions in internal calculating principles.

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 January – March 2014:

- Net sales increased by 2.2% and amounted to EUR 114.2 million (111.7).
- Operating profit excluding non-recurring items increased by 42% to EUR 7.0 million (5.0).
- Suominen extended its business operations to South America by acquiring a nonwoven manufacturing unit located in Brazil from Ahlstrom.
- The investment project for the automatization of the Tampere plant of Flexibles business area was started. The total value of the investment is approximately EUR 0.5 million.
- Suominen repeats its previous estimate, disclosed on 10 February 2014, that its net sales and operating profit excluding non-recurring items for the full year 2014 improve from year 2013. In 2013, the net sales were EUR 433.1 million and the reported operating profit excluding non-recurring items EUR 18.3 million (continuing operations).

President & CEO **Nina Kopola** comments on Suominen's first quarter of 2014:

"The consumer confidence index in the euro zone strengthened towards the end of the first quarter. The upswing in the U.S. economy continued in the first quarter, although there were slight fluctuations in the consumer confidence index during the period.

Suominen kicked off 2014 on a positive note. The expansion of our business to South America through a transaction that was agreed on with Ahlstrom in January and confirmed in February was an important milestone for us. The acquisition of the plant located in Paulínia, Brazil gives us a foothold in the highly promising South American markets and further reinforces our leading position as a global manufacturer of nonwovens for wiping products. The enterprise value of the transaction was EUR 17.5 million, and we financed it through a convertible hybrid bond. The bond was issued in February and it was oversubscribed.

The first quarter of 2014 was positive for Suominen also in the light of the company's financial figures. Suominen's net sales increased 2% to EUR 114.2 million. Operating profit, excluding non-recurring items, grew 42% to EUR 7.0 million, which is an all-time-high operating profit for Suominen in a quarter. The improvement in profitability demonstrates the effectiveness of our chosen strategy: We have succeeded in increasing the share of products with higher added value in our portfolio. In addition, the favorable development of our operating profit was boosted by the Flexibles segment's positive result in the first quarter and by the cost-conscious approach that has been adopted Group-wide.

Two out of three of Suominen's medium-term financial targets reached their target level in the first quarter. Our gearing ratio declined to 79.3% (targeted range 40–80%), thanks to both the hybrid bond mentioned above and debt repayments. The return on investments (ROI) from Suominen's continuing operations was 10.4% (target >10%).

Net sales of the Nonwovens segment was close to the level of the comparison period, at EUR 98.4 million (97.2). The segment's operating profit, excluding non-recurring items, grew 35% to EUR 6.0 million (4.4), corresponding to 6.1% of net sales.

The Flexibles segment's net sales grew 10%, totaling EUR 15.8 million (14.4). Flexibles' operating profit increased to EUR 0.4 million (0.0). The effects of the rationalization measures that were implemented at the turn of the year were still not fully reflected in the segment's key figures.

In the first quarter, we continued with our consistent work to implement our strategy *In the Lead*. The investment to expand production capacity of flushable nonwovens at the Windsor Locks plant in the U.S. proceeded according to plan. The roughly two-week installation shutdown for the new machinery will last until the end of April, and the expanded capacity will be in full operation by the end of May. We have also expanded our offering of flushable nonwovens in Europe. In addition, we have further reinforced the position of products with higher added value in our portfolio by introducing a new nonwoven product for hotel and restaurant industry customers.

The changes announced in September 2013 concerning Suominen's group structure, organization, management system and operating model entered into force on 1 January 2014. As part of the changes, as of 1 January 2014, Suominen's Nonwovens segment consists of two business areas, Convenience and Care."

## **GROUP NET SALES AND FINANCIAL RESULT**

### **January–March 2014**

In January-March 2014, Suominen's net sales grew by 2% from the comparison period to EUR 114.2 million (111.7). Operating profit before non-recurring items increased by 42% and amounted to EUR 7.0 million (5.0). Operating profit after non-recurring items was EUR 6.8 million (5.0). The non-recurring items reported in the review period amounted to EUR -0.2 million (0.0), of which EUR 0.2 million in Nonwovens segment and EUR -0.5 in the non-allocated items. Profit before taxes was EUR 5.1 million (2.7) and profit for the period EUR 2.9 million (1.2).

The growth in net sales can largely be attributed to the acquisition of the Brazilian unit in February and the favorable development of sales in the Flexibles segment. The increase in the share of products with higher added value in the portfolio and high cost-awareness throughout the company improved Suominen's operating profit.

Cash flow from operations was EUR -0.4 million (-2.1) in January - March. As of the beginning of the year, EUR 8.9 million (tied up 8.4) in working capital was tied up.

## **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 transfer 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. This consideration is a preliminary estimate and it will be finalized along with the working capital items.

The closing of the deal provides Suominen's nonwovens business 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 site employs some 40 people and its annual net sales have amounted approximately to EUR 20 million.

### **Discontinued operations**

No discontinued operations were reported during the review period.

In July 2013, Suominen sold its Codi Wipes business unit, focused on wet wipes manufacturing. Due to the divestment, Codi Wipes business unit has been reported in discontinued operations as of and including the Interim report for January–June 2013. In the previous financial reports, Codi Wipes was reported as part of Suominen's Wiping segment.

Suominen reported a non-recurring loss of EUR 18.3 million in the full year 2013 result in its discontinued operations. The profit after taxes from discontinued operations was EUR -18.7 million (-6.6) in January-December.

## **FINANCING**

The Group's interest-bearing net liabilities amounted to EUR 79.1 million (100.6) at the end of the review period. In accordance with the company's financing agreements, the net debt to EBITDA ratio was not to exceed 3.4 and the gearing ratio not to exceed 125% in the end of the first quarter. At the end of the first quarter, on 31 March 2014, the net debt to EBITDA was 2.2 and the gearing ratio 79.3%.

In January–March, net financial expenses were EUR 1.8 million (2.3), or 1.5% (2.0%) of net sales. A total of EUR 8.9 million of working capital was tied up (tied up 8.4). Trade receivables amounting to EUR 9.3 million (13.6) were sold to the bank. The equity ratio was 37.6% (34.7%). Cash flow from operations was EUR -0.4 million (-2.1), representing a cash flow of EUR 0.00 per share (-0.01).

## **CAPITAL EXPENDITURE**

The gross investments totaled EUR 2.0 million (0.7). Planned depreciation amounted to EUR 4.4 million

(4.1). Nonwovens segment accounted for EUR 0.7 million (0.1), Flexibles segment for EUR 0.1 million (0.4) and the parent company for EUR 1.2 million (0.1) of the total capital expenditure. Nonwovens invested EUR 0.6 in capacity expansion of high value added nonwovens at the Windsor Locks plant in the United States. Flexibles started during the review period the investment in the automatization of the Tampere plant. In the parent company, the investments were attributable to acquisition of intangible assets. Other investments were in maintenance. In the comparison period, the investments of the discontinued operations, Codi Wipes business unit, were EUR 0.1 million and were all for maintenance.

## **NET SALES AND FINANCIAL RESULT IN SEGMENTS**

### **Nonwovens segment**

The Nonwovens segment consists of two business areas, Convenience and Care. Convenience business area supplies nonwovens as roll goods for wiping products and travel & catering applications. Care business area manufactures nonwovens for hygiene products and medical applications. Until the end of the financial year 2013, the segment was called Wiping. Until and including the interim report for January-March 2013, the Codi Wipes business unit, focused on converting nonwovens into wet wipes, was also reported in the Wiping segment. The comparison data of the segment has been revised to present continuing operations.

January-March 2014

Net sales of the Nonwovens segment remained at the level of the comparison period, at EUR 98.4 million (97.2). Net sales of Convenience business area were EUR 90.9 million and net sales of Care business area EUR 7.5 million. The Nonwovens segment generated 86% of the Group net sales.

The main application areas for nonwoven materials supplied by Suominen were baby wipes (accounting for 39% of the sales), personal care wipes (22%), household wipes (20%), 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. The share of baby wipes continued to decline, while particularly the share of nonwovens for household wipes increased from the corresponding period.

The segment's operating profit before non-recurring items was EUR 6.0 million (4.4) and after them 6.2 million (4.4). The non-recurring items reported in the review period were related to the close-down of the fiber production in the Nakkila plant in 2012. If calculated with the average USD exchange rate of January-March 2013, the operating profit of the segment before non-recurring items would have been EUR 6.2 million (4.4) and after them 6.4 (4.4).

Demand for nonwovens materials continued favorable in North American market. The continued fierce competition put pressure on the sales prices in Europe. Operating profit increased from the comparison period since the composition of the product portfolio developed in keeping with the company's strategy. Further, the segment succeeded in its cost control.

The investment in capacity expansion of high value added nonwovens at the Windsor Locks plant in the United States progressed as planned. The roughly two-week installation shutdown for the new machinery will last until the end of April, and the expanded capacity will be in full operation by the end of May. The total value of the investment is approximately EUR 2.5 million. Suominen increased its supply of flushable nonwovens also in Europe through expanding its manufacturing co-operation with Ahlstrom Corporation's Stålldalen plant in Sweden. Additionally, Suominen introduced a new nonwovens product for hospitality businesses and, consequently, further reinforced the position of the value adding products in its portfolio.

**Flexibles segment**

The Flexibles segment produces consumer packaging made of printed plastic films for industry and trade, as well as security and system packaging, for example for companies in the security business and for paper wholesalers.

January-March 2014

In January–March 2014, net sales of the Flexibles segment totaled EUR 15.8 million (14.4), showing an increase of 10% from the comparison period. The Flexibles segment generated 14% of the Group net sales. The share of hygiene and food packaging increased to 74% of the segment's net sales, while the sales of retail packaging and security & system packaging declined from the comparison period. The operating profit turned positive and amounted to EUR 0.4 million (0.0). The segment did not report any non-recurring items during the review period.

Net sales of the Flexibles segment grew from the comparison period in all product categories. The development of sales was particularly favorable in Russia. Successful management of costs improved the operating profit. The impacts of the rationalization measures taken in year-turn were not fully visible in the segment's financial figures for the first quarter.

The investment in the automatization of the Tampere plant commenced during the review period. The project, valued at some EUR 0.5 million, advanced according to the plan.

**INFORMATION ON SHARES AND SHARE CAPITAL****Share capital**

The registered number of Suominen's issued shares totals 247,934,122 shares, 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 March 2014 was 5,262,376 shares, accounting for 2.1% of the share capital and votes. The trading price varied between EUR 0.47 and EUR 0.54. The closing trading price was EUR 0.50, giving the company a market capitalization of EUR 123,004,878 on 31 March 2014.

**Own shares**

On 1 January 2014 and on 31 March 2014, Suominen Corporation held 1,924,367 of its own shares.

**Share-based incentive plan**

On 31 March 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 corresponded to a maximum value of roughly 2,550,000 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.

### **Extraordinary General Meeting and hybrid bond**

Suominen issued on 10 February 2014 a convertible hybrid bond of EUR 17,500,000 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. The number of shares in Suominen may be increased 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 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 of Shareholders 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 Chairman and Risto Anttonen as Deputy Chairman.

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.

### **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 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 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 Chairman will be paid an annual fee of EUR 50,000, Vice Chairman 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 number of shares forming the above-mentioned remuneration portion payable in shares will be determined based on the share value in the stock exchange trading maintained by NASDAQ OMX Helsinki Ltd, 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 is published. The shares will be given out of the own shares held by the company by the decision of the Board of Directors by 6 June 2014 at the latest.

### **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 Chairman and Risto Anttonen as a member of the committee.

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

### **Notifications under Chapter 9, Section 10 of the Securities Market Act**

During the review period, Suominen Corporation received the following notifications referred to in Chapter 9, Section 5 of the Securities Market Act:

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.

Share 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: 5%, 10%, 15%, 20% or 25%.

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%.

**EVENTS AFTER THE REVIEW PERIOD**

Suominen announced on 22 April 2014 that it has appointed Ms. Lynda A. Kelly, B. Sc, Senior Vice President, Care business area and a member of the Corporate Executive Team at Suominen Corporation, effective 12 May 2014. Lynda A. Kelly has a long and wide-ranging experience in nonwovens business, especially in hygiene, medical and wiping products. Ms. Kelly, a US citizen, will report to Nina Kopola, President & CEO of Suominen Corporation.

**BUSINESS RISKS AND UNCERTAINTIES**

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 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 oil and pulp-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.

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.

Suominen's credit arrangements include covenants that the company must meet. At the end of 2014, Suominen's net debt to EBITDA ratio may not exceed 2.4 and the company's gearing ratio must be less than 95%. In this financial statement release, these key figures are 2.2 and 79.3%.

The sensitivity of Suominen's goodwill to changes in business conditions is described in the notes to the financial statements 2013. 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.

## **BUSINESS ENVIRONMENT**

Suominen's products are used in daily consumer goods, such as wet wipes and plastic packaging. 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 the euro area, the consumer confidence index picked up in the end of the quarter. The development of the general economic situation in Europe remains, however, uncertain. In the United States, the positive sentiment prevailed also during the first quarter of the year despite the slight volatility in the consumer confidence index during the period.

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 2014, the demand for its products will continue to grow at the pace of 2013.

## **OUTLOOK FOR 2014**

Suominen repeats its estimate, disclosed on 10 February 2014, that its net sales and operating profit excluding non-recurring items for the full year 2014 improve from year 2013.

In 2013, Suominen's net sales were EUR 433.1 million and reported operating profit excluding non-recurring items was EUR 18.3 million (continuing operations).

## **SUOMINEN GROUP CONSOLIDATED 1 JANUARY – 31 MARCH 2014**

This interim report has been prepared according to the principles defined in IAS 34 Interim Financial Reporting. The principles for preparing the interim report are the same as those used for preparing the financial statements for 2013, and this interim report should be read parallel to the financial statements for 2013. 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.

The figures in this interim report have not been audited.

<b>BALANCE SHEET</b> EUR 1,000	<b>31 Mar 2014</b>	31 Mar 2013	31 Dec 2013
<b>Assets</b>			
Non-current assets			
Goodwill	<b>15,496</b>	26,715	15,496
Intangible assets	<b>12,826</b>	12,101	12,025
Tangible assets	<b>106,426</b>	115,898	98,640
Available-for-sale financial assets	<b>938</b>	19	939
Held-to-maturity investments	<b>467</b>	449	451
Other non-current receivables	<b>511</b>		511
Deferred tax assets	<b>7,313</b>	6,273	5,778
Non-current assets, total	<b>143,976</b>	161,455	133,838
Current assets			
Inventories	<b>36,174</b>	40,333	31,908
Trade receivables	<b>61,894</b>	56,370	46,908
Loan receivables	<b>59</b>		131
Other current receivables	<b>7,396</b>	10,482	6,359
Income tax receivables	<b>326</b>	1,348	1,182
Cash at bank and in hand	<b>15,227</b>	13,801	18,585
Current assets, total	<b>121,076</b>	122,334	105,073
<b>Assets, total</b>	<b>265,052</b>	283,789	238,911
<b>Shareholders' equity and liabilities</b>			
Equity attributable to owners of the parent company			
Share capital	<b>11,860</b>	11,860	11,860
Share premium account	<b>24,681</b>	24,681	24,681
Invested non-restricted equity fund	<b>97,123</b>	97,054	97,123
Fair value and other reserves	<b>-1,089</b>	-1,024	-1,042
Translation differences	<b>-2,168</b>	852	3,022
Other shareholders' equity *	<b>-48,299</b>	-34,826	-51,094
Shareholders' equity	<b>82,108</b>	98,597	78,506
Hybrid bond	<b>17,640</b>		
Shareholders' equity, total	<b>99,748</b>	98,597	78,506
Liabilities			
Non-current liabilities			
Deferred tax liabilities	<b>7,179</b>	5,706	7,183
Provisions	<b>126</b>	280	132
Other non-current liabilities *	<b>1,857</b>	1,304	1,125
Interest-bearing liabilities	<b>70,388</b>	90,808	70,399
Non-current liabilities, total	<b>79,550</b>	98,098	78,839
Current liabilities			
Interest-bearing liabilities	<b>24,060</b>	23,571	24,071
Income tax liabilities	<b>522</b>	1,416	144
Trade payables and other current liabilities	<b>61,172</b>	62,107	57,351
Current liabilities, total	<b>85,754</b>	87,094	81,567
Liabilities, total	<b>165,304</b>	185,192	160,405
<b>Shareholders' equity and liabilities, total</b>	<b>265,052</b>	283,789	238,911

**STATEMENT OF INCOME**

EUR 1,000	Q1/2014	Q1/2013	Q1-Q4/2013
<b>Net sales</b>	<b>114,170</b>	111,670	433,123
Cost of goods sold	<b>-101,531</b>	-100,256	-390,857
<b>Gross profit</b>	<b>12,639</b>	11,412	42,266
Other operating income	<b>895</b>	859	2,721
Sales and marketing expenses	<b>-1,818</b>	-1,926	-7,644
Research and development	<b>682</b>	-1,006	-3,487
Administration expenses	<b>-3,768</b>	-4,243	-14,934
Other operating expenses	<b>-227</b>	-136	-849
<b>Operating profit before non-recurring items</b>	<b>7,039</b>	4,960	18,073
Non-recurring items	<b>-233</b>		-868
<b>Operating profit</b>	<b>6,806</b>	4,960	17,205
Financial income and expenses	<b>-1,753</b>	-2,281	-7,018
<b>Profit before income taxes</b>	<b>5,053</b>	2,679	10,187
Income taxes	<b>-2,161</b>	-1,473	-7,650
<b>Profit/loss for the period, continuing operations</b>	<b>2,892</b>	1,205	2,537
<b>Discontinued operations</b>			
Profit/loss for the period		-103	-342
Impairment loss recognized on the remeasurement to fair value and cost to sell			-18,314
<b>Profit/loss for the period, discontinued operations</b>	<b>0</b>	-103	-18,656
<b>Profit/loss for the period</b>	<b>2,892</b>	1,102	-16,119
Earnings/share, EUR			
Continuing operations	<b>0.01</b>	0.00	0.01
Discontinued operations		0.00	-0.08
Total	<b>0.01</b>	0.00	-0.07
Diluted, total	<b>0.01</b>	0.00	-0.07

**STATEMENT OF COMPREHENSIVE INCOME**

EUR 1,000	Q1/2014	Q1/2013	Q1-Q4/2013
<b>Profit/loss for the period</b>	<b>2,892</b>	1,102	-16,119
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Currency translation differences on foreign operations	<b>848</b>	1,474	-2,664
Fair value changes of cash flow hedges	<b>-58</b>	303	353
Items related to discontinuing operations			355
Other reclassifications	<b>14</b>	-168	325
<b>Total</b>	<b>804</b>	1,609	-1,631
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Actuarial gains and losses			18
<b>Total</b>	<b>0</b>	0	18
Income tax on other comprehensive income	<b>18</b>	-147	120
<b>Total other comprehensive income</b>	<b>822</b>	1,462	-1,493
<b>Total comprehensive income for the period</b>	<b>3,714</b>	2,564	-17,612
<b>Total comprehensive income arises from:</b>			
Continuing operations	<b>3,714</b>	2,654	1,044
Discontinued operations		-90	-18,656
<b>Total comprehensive income for the period</b>	<b>3,714</b>	2,564	-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.
<b>Total equity at 1 Jan 2014</b>	<b>11,860</b>	<b>24,681</b>	<b>97,123</b>	<b>-43</b>	<b>-3,022</b>	<b>-999</b>	<b>-51,094</b>	<b>78,506</b>		<b>78,506</b>
Profit/loss for the period							2,892	2,892		2,892
Other comprehensive income					854	-46	-4	804		804
Share-based payments							18	18		18
Conveyance of own shares										
Hybrid bond							-112	-112	17,640	17,528
<b>Total equity at 31 Mar 2014</b>	<b>11,860</b>	<b>24,681</b>	<b>97,123</b>	<b>-43</b>	<b>-2,168</b>	<b>-1,045</b>	<b>-48,299</b>	<b>82,108</b>	<b>17,640</b>	<b>99,748</b>
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							1,102	1,102		1,102
Other comprehensive income *					1,401	229	-168	1,462		1,462
Share-based payments							22	22		22
Total equity at 31 Mar 2013	11,860	24,681	97,054	-43	852	-980	-34,827	98,597		98,597

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	Q1/2014	Q1/2013	Q1-Q4/2013
<b>Operations</b>			
Operating profit	<b>6,806</b>	4,899	17,387
Total adjustments	<b>4,340</b>	4,667	9,234
Cash flow before change in working capital	<b>11,146</b>	9,567	26,620
Change in working capital	<b>-8,856</b>	-8,362	6,482
Financial items	<b>-1,534</b>	-2,330	-6,216
Taxes paid	<b>-1,176</b>	-966	-5,556
Cash flow from operations	<b>-421</b>	-2,091	21,330
<b>Investment payments</b>			
Investments in tangible and intangible assets	<b>-1,122</b>	-841	-5,598
Business combinations	<b>-19,334</b>		
Proceeds from disposed business operations			3,441
Proceeds from disposal of fixed assets and other proceeds	<b>31</b>	48	785
Cash flow from investing activities	<b>-20,424</b>	-793	-1,372
<b>Financing</b>			
Repayments of non-current loans	<b>-14</b>	-3,325	-21,042
Repayments of capital loans		-920	-920
Hybrid bond	<b>17,500</b>		
Change in current loans	<b>-6</b>	-6,300	6,300
Cash flow from financing	<b>17,481</b>	2,055	-15,662
<b>Change in cash and cash equivalents *</b>	<b>-3,364</b>	-829	4,296
<b>Cash and cash equivalents</b>	<b>18,585</b>	14,301	14,301
Unrealized exchange rate differences	<b>6</b>	329	-13
Change in cash and cash equivalents	<b>-3,364</b>	-829	4,296
<b>Cash and cash equivalents</b>	<b>15,227</b>	13,801	18,585

\* Data from comparison period includes discontinued operations.



<b>KEY FIGURES</b>	<b>Q1/2014</b>	<b>Q1/2013</b>	<b>Q1-Q4/2013</b>
Net sales, change, % *	<b>2.2</b>	12.2	5.5
Gross profit, % **	<b>11.1</b>	10.2	9.8
Operating profit, % **	<b>6.0</b>	4.4	4.0
Financial income and expenses, % **	<b>-1.5</b>	-2.0	-1.6
Profit before income taxes, % **	<b>4.4</b>	2.4	2.4
Profit for the period, % **	<b>2.5</b>	1.0	-3.7
Earnings/share, EUR, continuing operations	<b>0.01</b>	0.00	0.01
Earnings/share, EUR, discontinued operations		0.00	-0.08
Earnings/share, EUR, Group	<b>0.01</b>	0.00	-0.07
Diluted earnings/share, EUR, total	<b>0.01</b>	0.00	-0.07
Equity/share, EUR	<b>0.41</b>	0.40	0.32
Cash flow from operations/share, EUR	<b>0.00</b>	-0.01	0.09
Return on equity (ROE), %	<b>-16.4</b>	-10.1	-18.6
Return on invested capital (ROI), %	<b>0.3</b>	1.2	-0.7
Return on invested capital (ROI), %, continuing operations	<b>10.4</b>	4.6	9.6
Equity ratio, %	<b>37.6</b>	34.7	32.9
Gearing, %	<b>79.3</b>	102.0	96.2
Gross investments, EUR 1,000	<b>1,972</b>	670	5,580
Depreciation, EUR 1,000	<b>4,353</b>	4,145	16,548
* Compared with the corresponding period of the previous year.			
** As of net sales.			
Non-current interest-bearing liabilities	<b>70,388</b>	90,808	70,399
Current interest-bearing liabilities	<b>24,059</b>	23,571	24,071
Interest-bearing receivables including cash and cash equivalents	<b>-15,370</b>	-14,071	-18,985
Interest-bearing net liabilities	<b>79,077</b>	100,308	75,485

## **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 was 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 Nonwovens business has a better coverage on the South American markets.

The balance sheet and the profit or loss 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. This consideration is a preliminary estimate and it will be finalized along with the working capital items.

<b>Consideration</b>	<b>Fair value</b>
Cash	19,643

Recognized amounts of identifiable assets acquired and liabilities assumed according to the initial calculations:

1 000 e	Fair values
Property, plant and equipment	10,463
Intangible assets	20
Other non-current receivables	1,349
Inventories	3,195
Trade and other receivables	5,767
Cash	297
<b>Total assets</b>	<b>21,092</b>
Financial liabilities	416
Other liabilities	1,033
<b>Total liabilities</b>	<b>1,449</b>
<b>The identifiable net assets</b>	<b>19,643</b>

The transaction costs of EUR 0.1 million are reported in the non-recurring items.

The Group's net sales would have been EUR 115.7 million and operating profit EUR 7.4 million, if the transaction had been realized at the start of 2014 and the costs in the end of 2013.

## SEGMENT REPORTING

### Nonwovens

EUR 1,000	Q1/2014	Q1/2013	Change %	Q1-Q4/2013
Net sales	<b>98,356</b>	97,233	1.2	373,760
Operating profit before non-recurring items	<b>5,951</b>	4,402	35.2	17,654
% of net sales	<b>6.1</b>	4.5		4.7
Operating profit	<b>6,171</b>	4,402	40.2	17,411
% of net sales	<b>6.3</b>	4.5		4.7
Assets	<b>190,645</b>	184,162		163,363
Liabilities	<b>51,375</b>	47,757		44,342
Net assets	<b>139,269</b>	136,405		119,020
Investments	<b>662</b>	107		2,493
Depreciation	<b>3,287</b>	3,106		12,380
Average personnel	<b>566</b>	526		537

**Flexibles**

EUR 1,000	Q1/2014	Q1/2013	Change %	Q1-Q4/2013
Net sales	<b>15,817</b>	14,427	9.6	59,438
Operating profit before non-recurring items	<b>430</b>	1	49,716.6	-2,233
% of net sales	<b>2.7</b>	0.0		-3.8
Operating profit	<b>430</b>	1	49,716.6	-2,620
% of net sales	<b>2.7</b>	0.0		-4.4
Assets	<b>34,200</b>	37,058		35,859
Liabilities	<b>9,321</b>	10,037		9,115
Net assets	<b>24,879</b>	27,021		26,744
Investments	<b>103</b>	437		1,167
Depreciation	<b>650</b>	672		2,653
Average personnel	<b>469</b>	459		487

**Non-allocated items**

EUR 1,000	Q1/2014	Q1/2013	Q1-Q4/2013
Net sales	<b>-4</b>	11	-76
Operating profit before non-recurring items	<b>658</b>	558	2,651
Operating profit	<b>205</b>	558	2,412
Assets *	<b>40,208</b>	62,569	39,690
Liabilities *	<b>104,608</b>	127,398	106,949
Investments *	<b>1,208</b>	221	2,111
Depreciation *	<b>416</b>	899	2,608
Average personnel *	<b>13</b>	18	13

\* Following the IFRS 5 standard the data for the comparison periods is not restated but includes non-allocated items and discontinued operations.

**NET SALES BY MARKET AREA**

EUR 1,000	Q1/2014	Q1/2013	Q1-Q4/2013
Finland	<b>6,089</b>	5,652	23,740
Europe, other	<b>42,515</b>	46,194	175,926
North and South America	<b>62,991</b>	57,445	224,139
Other countries	<b>2,575</b>	2,379	9,318
<b>Net sales, total</b>	<b>114,170</b>	111,670	433,123

**QUARTERLY FIGURES**

EUR 1,000	Q2/2013	Q3/2013	Q4/2013	Q1/2014	Q2/2013- Q1/2014
<b>Net sales</b>					
Nonwovens	93,129	93,522	89,877	98,356	374,884
Flexibles	14,571	15,117	15,323	15,817	60,828
Non-allocated items	-9	-38	-40	-4	-91
Net sales, total, from continuing operations	107,691	108,602	105,159	114,170	435,621
<b>Operating profit</b>					
Nonwovens	5,721	3,657	3,875	5,951	19,203
% of net sales	6.1	3.9	4.3	6.1	5.1
Flexibles	-603	-897	-734	430	-1,804
% of net sales	-4.1	-5.9	-4.8	2.7	-3.0
Non-allocated items	-904	2,501	496	658	2,752
Operating profit before non-recurring items	4,214	5,260	3,637	7,039	20,151
% of net sales	3.9	4.8	3.5	6.2	4.6
Non-recurring items			-868	-233	-1,101
Operating profit, total	4,214	5,260	2,769	6,806	19,050
% of net sales	3.9	4.8	2.6	6.0	4.4
Net financial expenses	-1,743	-1,642	-1,350	-1,753	-6,488
Profit before income taxes	2,471	3,619	1,419	5,053	12,562

**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 Ahlstrom Corporation, including its subsidiaries and associated companies. The company has no investments in associated companies. Salaries paid to the related parties amounted to EUR 445 thousand, obligatory pension payments EUR 52 thousand, voluntary pension payments EUR 31 thousand and share-based payments EUR 40 thousand.

**Other related-party transactions**

EUR 1,000	1-3/2014	1-3/2013	1-12/2013
Sales of goods and services	<b>1,576</b>	4,409	16,439
Purchases of goods and services	<b>17,681</b>	12,712	62,342
Trade and other receivables	<b>651</b>	1,367	1,396
Trade and other payables	<b>1,965</b>	1,477	2,073

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

**CHANGES IN BORROWINGS**

EUR 1,000	Q1/2014	Q1/2013	Q1-Q4/2013
Total borrowings on 1 January	<b>94,471</b>	111,518	111,518
Current loans from financial institutions on 1 January	<b>24,071</b>	20,571	20,571
Change in current loans from financial institutions	<b>-11</b>	3,000	3,500
Current loans from financial institutions on 31 March	<b>24,060</b>	23,571	24,071
Non-current loans on 1 January	<b>70,399</b>	90,027	90,027
Change in non-current loans	<b>-11</b>	781	-19,628
Non-current loans on 31 March	<b>70,388</b>	90,808	70,399
Capital loans on 1 January	<b>0</b>	920	920
Change in capital loans		-920	-920
Capital loans on 31 March	<b>0</b>	0	0
Total borrowings on 31 March	<b>94,448</b>	114,379	94,471

**CHANGES IN FIXED ASSETS**

EUR 1,000	Q1/2014		Q1/2013		Q1-Q4/2013	
	Tangible	Intangible	Tangible	Intangible	Tangible	Intangible
Book value at the beginning of the period	<b>98,640</b>	<b>12,025</b>	118,019	12,529	118,019	12,529
Investments	<b>762</b>	<b>1,211</b>	630	134	3,662	1,004
Decreases	<b>-6</b>		-18		-18	
Discontinued operations					-5,365	-115
Business combinations	<b>10,463</b>	<b>20</b>				
Depreciation	<b>-3,928</b>	<b>-425</b>	-4,278	-704	-15,000	-1,545
Translation differences and other changes	<b>494</b>	<b>-5</b>	1,544	142	-2,658	152
Book value at the end of the period	<b>106,426</b>	<b>12,826</b>	115,898	12,101	98,640	12,025

**CONTINGENT LIABILITIES**

EUR 1,000	Q1/2014	Q1/2013	Q1-Q4/2013
<b>For own debt</b>			
Secured loans	<b>91,354</b>	110,839	91,345
<b>Nominal values of pledges</b>			
Real estate mortgages	<b>27,045</b>	27,044	27,042
Floating charges	<b>161,742</b>	198,339	165,761
Pledged subsidiary shares and loans	<b>184,901</b>	212,733	189,699
<b>Other own commitments</b>			
Operating leases, real estates	<b>22,368</b>	26,527	22,672
Operating leases, machinery and equipment	<b>2,241</b>	3,086	2,373
<b>Guarantee commitments</b>		1,199	

**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. Book value
- f. Fair value

<b>Classes by instruments' nature</b>						
EUR 1,000	<b>a.</b>	<b>b.</b>	<b>c.</b>	<b>d.</b>	<b>e.</b>	<b>f.</b>
Available-for-sale financial assets				938	938	938
Held-to-maturity investments		467			467	467
Other non-current receivables	511				511	511
Loan receivables			59		59	59
Trade receivables			61,894		61,894	61,894
Other current receivables	37		56		93	93
Cash and cash equivalents			15,227		15,227	15,227
<b>Total at 31 Mar 2014</b>	<b>549</b>	<b>467</b>	<b>77,237</b>	<b>938</b>	<b>79,190</b>	<b>79,190</b>

<b>Classes by instruments' nature</b>						
EUR 1,000	<b>a.</b>	<b>b.</b>	<b>c.</b>	<b>d.</b>	<b>e.</b>	<b>f.</b>
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
<b>Total at 31 Dec 2013</b>	<b>569</b>	<b>451</b>	<b>65,996</b>	<b>939</b>	<b>67,954</b>	<b>67,954</b>

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 Mar 2014		31 Dec 2013	
	Book value	Fair value	Book value	Fair value
<b>Non-current</b>				
Loans from financial institutions	69,817	69,174	69,828	69,144
Pension loans	571	576	571	577
Other non-current liabilities	710	710		
<b>Total</b>	<b>71,098</b>	<b>70,460</b>	<b>70,399</b>	<b>69,721</b>
<b>Current *)</b>				
<b>Repayment of non-current liabilities</b>				
Loans from financial institutions	23,488	23,419	23,500	23,412
Pension loans	571	584	571	594
Financial leasing	73	73		
Derivatives not held for hedge accounting	14	14	94	94
Derivatives held for hedge accounting	1,394	1,394	1,354	1,354
Other current liabilities	354	354		
Trade payables	49,713	49,713	45,016	45,016
<b>Total</b>	<b>75,608</b>	<b>75,551</b>	<b>70,535</b>	<b>70,470</b>
<b>Total</b>	<b>146,706</b>	<b>146,011</b>	<b>140,934</b>	<b>140,192</b>

\*) 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
<b>Assets measured at fair value</b>			
Assets held for sale			938
<b>Total</b>			
<b>Derivatives measured at fair value</b>			
Currency derivatives		24	
Interest rate derivatives		-893	
Electricity derivatives		-501	
<b>Total</b>		<b>-1,370</b>	

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 and CEO, and Tapio Engström, CFO, will present Suominen's January-March 2014 financial result in Finnish at an analyst and press conference in Helsinki today, on Tuesday 29 April 2014 at 10.00am (EEST). The conference will take place at Event Arena Bank, Unioninkatu 20, Helsinki. The name of the meeting room will be displayed on the board in the lobby. The presentation material will be available after the analyst and press conference at [www.suominen.fi](http://www.suominen.fi).

**NEXT INTERIM REPORT**

Suominen Corporation will publish its Interim report for January-June 2014 on Friday, 18 July 2014.

Helsinki, 29 April 2014

SUOMINEN CORPORATION  
Board of Directors

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[www.suominen.fi](http://www.suominen.fi)

**Suominen in brief**

Suominen supplies its industrial and retail customers with nonwovens and flexible packaging for use in consumer products worldwide. Suominen is the global market leader in nonwovens for wipes. The company employs more than 1,000 people in Europe and in the Americas. Suominen's net sales in 2013 amounted to MEUR 433.1 and reported operating profit excluding non-recurring items was MEUR 18.3 (continuing operations). The Suominen share (SUY1V) is listed in NASDAQ OMX Helsinki Stock Exchange. Read more at [www.suominen.fi](http://www.suominen.fi).