

Suominen Corporation Financial Statement Release 15 February, 2013 at 09:30am (EET)

**SUOMINEN CORPORATION'S FINANCIAL STATEMENT RELEASE FOR
JANUARY 1 – DECEMBER 31, 2012:
OPERATING PROFIT EXCLUDING NON-RECURRING ITEMS IMPROVED SIGNIFICANTLY**

KEY FIGURES	10-12/2012	10-12/2011	1-12/2012	1-12/2011
Net sales, EUR million	109.0	84.8	454.9	213.4
Operating profit before non-recurring items, EUR million	1.9	0.3	13.7	-1.1
Operating profit, EUR million	-8.2	-2.4	0.9	-4.8
Profit/loss for the period, EUR million	-11.2	-3.8	-11.9	-9.5
Earnings/share, EUR	-0.05	-0.02	-0.05	-0.11
Cash flow from operations/share, EUR	0.05	-0.02	0.10	-0.03
Return on invested capital (ROI), %			0.4	-3.7
Gearing, %			100.7	111.0

Nina Kopola, President and CEO:

"I am satisfied with Suominen's development during 2012. The impacts of the acquisition of Ahlstrom's Home and Personal business at the end of 2011 are now visible for the first time in our annual result, of which the Nonwovens business unit generates a significant share.

Consumer confidence remained more stable in North America than in Europe during 2012, which also resulted in variations in demand for our products in those market areas. In the comparable pro forma assessment, our net sales for the whole year fell from the previous year. Group's net sales increased significantly in comparison with 2011.

Over the course of 2012, we developed the operations of the new Suominen according to plan and carried out several profitability improvement projects as part of our comprehensive Summit program. One of the key measures of the program in the fourth quarter of 2012 was the discontinuation of the production of polypropylene staple fibers at the Nakkila plant in Finland.

We were successful in carrying out the Summit program, achieving structural cost savings of around EUR 10 million during 2012. This, in fact, slightly exceeds our original target, which was approximately two per cent of our net sales.

However, impairment losses and other non-recurring items recognized during the year decreased the operating profit, which amounted to EUR 0.9 million. Operating profit before non-recurring items was EUR 13.7 million.

At the end of 2012, we sharpened Suominen's strategy, and the Board of Directors set new financial targets for the company. The renewed strategy focuses on a common operating culture, improving profitability, growing the share of products with higher value added, and a market leadership. Our goal is a clear improvement in relative profitability, with a return on investments (ROI) of more than 10%; a solid capital structure with a gearing ratio between 40% and 80%; and organic net sales growth that exceeds the average growth rate in the industry."

GROUP FINANCIAL RESULTS

In the fourth quarter, Suominen's net sales were EUR 109.0 million (84.8). Operating profit before non-recurring items was EUR 1.9 million (0.3) and after them EUR -8.2 million (-2.4). Profit before taxes was EUR -10.4 million (-3.3) and profit after taxes EUR -11.2 million (-3.8).

Net sales for the full year 2012 totaled EUR 454.9 million (213.4). Operating profit before non-recurring items was EUR 13.7 million (-1.1) and after them EUR 0.9 million (-4.8), profit before taxes EUR -9.5 million (-10.0) and profit after taxes EUR -11.9 million (-9.5).

Net sales decreased by 5% compared to the EUR 479 million pro forma net sales in 2011 due to a decline in sales volumes and reduced sales prices in Europe. The most significant factor affecting the European volumes was the burning down of a production line in Italy in the autumn of 2011. The production of the burnt spunlace line was discontinued for the first five months of 2012. Regionally, demand was stronger in the US markets than in Europe.

Non-recurring items, equaling altogether EUR 12.8 million in net value, comprised impairment losses and the restructuring costs in the Nonwovens and Codi Wipes business units as well as profits from sales of assets in the Flexibles business unit.

As part of the restructuring of the Nonwovens business unit's operations at the Nakkila plant in Finland, the production capacity was cut down, resulting to terminations of in total 69 permanent and 4 temporary employment contracts. The restructurings led to non-recurring costs totaling EUR 5.9 million, comprising of costs of the termination period (EUR 0.4 million) and an impairment loss recognized to non-current assets (EUR 5.5 million). The impairment loss had no cash flow effect.

During the fourth quarter of 2012, Suominen performed goodwill impairment testing on its Codi Wipes business unit and recognized an impairment loss of goodwill of EUR 7.3 million. The recognition had no cash flow effect.

In the Flexibles business unit, temporary layoffs were implemented to reduce costs. Flexibles' former production plant in Nastola, Finland, was sold during the period under review, resulting in a non-recurring gain of EUR 0.5 million.

Though the impairment losses decreased Suominen's operating profit, the benefits of the integration of Suominen and Ahlstrom's Home and Personal business were clearly visible in the improving operational profitability. The reduction of the Group's operating costs continued according to plan as specified in the Summit program. The program includes the integration of Ahlstrom's Home and Personal business with Suominen and covers the realization of synergy benefits in sales, sourcing, optimization of production lines and logistics solutions. The aim of efficiency measures was to create cost savings representing about two per cent of net sales. At the closing date, the amount of cost savings totaled approximately EUR 10 million (some 2% of net sales). The Summit project will end in the first quarter of 2013.

The prices of raw materials, representing the biggest part of costs, fluctuated during the course of the year, but the fluctuations had no significant impacts in the full-year financial result.

Cash flow from operations in the fourth quarter was EUR 11.7 million (-4.7), and for the whole year EUR 24.9 million (-2.9). EUR 5.0 million in working capital has been released in 2012, representing 1.1% of the net sales. Capital expenditure was kept at a low level.

Completion of the business acquisition

The acquisition of the Brazilian unit belonging to the Home and Personal business operations acquired from Ahlstrom has been delayed. Suominen and Ahlstrom are continuing to examine the prerequisites and alternatives for completing the transaction.

Financing

The Group's interest-bearing net liabilities amounted to EUR 97.2 million (120.8) at the end of the review period. EUR 25 million held on escrow account and included in the cash and bank were used in loan repayments. Suominen updated its financing agreements with the banks during the final quarter. At the end of 2012, the net debt to EBITDA ratio was not to exceed 4.9 and the gearing ratio not to exceed 145%. At the end of the review period, the net debt to EBITDA was 2.9 and the gearing 101%. Also the repayment schedule of loans was postponed.

Net financial expenses were EUR 10.4 million (5.2), or 2.3% (2.4%) of net sales. The increase in financial expenses was caused by the increased borrowing and higher average interest rates on loans. A total of EUR 5.0 million was released in working capital (1.9). Trade receivables amounting to EUR 13.1 million (10.9) were sold to the bank. The equity ratio was 34.5% (32.2) and the gearing 100.7% (111.0%). Cash flow from operations was EUR 24.9 million (-2.9), representing a cash flow of EUR 0.10 per share (-0.03).

Capital expenditure

The company's gross investments in production totaled EUR 4.0 million (4.0) in 2012. Planned depreciation amounted to EUR 19.6 million (9.8). Nonwovens accounted for EUR 1.9 million (1.5), Codi Wipes for EUR 0.7 million (0.4) and Flexibles for EUR 0.6 million (1.9) of total investments. The Group's investments were in maintenance.

NET SALES AND FINANCIAL RESULT IN SEGMENTS

Wiping

The Wiping segment of Suominen consists of two business units: Nonwovens and Codi Wipes. The net sales of the Wiping segment totaled EUR 403.2 million (149.4).

The operating profit of the Wiping segment was EUR 18.8 million (-2.2), excluding the impairment losses and non-recurring costs. Including the non-recurring items, the segment's operating profit was EUR 5.5 million (-3.1). The result improved thanks to the business acquisition. The overall development of sales margins was satisfactory due to the positive changes in the product mix.

Net sales of the Nonwovens business unit totaled EUR 357.9 million (99.2) in 2012. Nonwovens' comparable full year net sales (pro forma) were EUR 365 million in 2011, of which net sales decreased by 2%. Delivery volumes declined slightly in comparison with comparable operations. The main application areas for nonwoven materials were distributed as follows: baby wipes accounted for 47% of sales, household wipes for 19%, personal care wipes for 18%, and industrial wipes for 10%. Sales of nonwovens for personal care and household wipes increased, while in other application areas sales declined.

Consumer demand in the wet wipes applications favored on the American markets was stronger than in product areas typical of Europe. European net sales were also affected by the tightening competition, a consequence of increased production capacity. At Suominen's plant in Italy, the ramp up of the efficient spunlace production line, which had been interrupted since autumn 2011 due to damage from fire, was completed in early summer.

In the annual figures, the total impact of the changes in raw material prices was not significant in 2012.

The codetermination negotiations at the Nakkila plant in Finland reached a conclusion. The plant's operations will be reshaped with the objective of achieving a positive financial result. A decision was made to close down the plant's thermobond production, one spunlace line and the in-house production of polypropylene staple fibers. Due to the measures taken, the number of employees reduced by over 70 employees, which led to non-recurring compensations of EUR 0.4 million paid for the termination period. An impairment loss of EUR 5.5 million to fixed assets was recognized due to the reductions in production capacity.

Costs of the Nonwovens business unit declined thanks to the Summit program. The program identified several targets for cost savings, and the resulting permanent improvement in cost structure will be fully visible in Suominen's financial result after the first quarter of 2013, when the Summit project will be completed. The measures and procedures included in the project will be incorporated into the daily operations of Nonwovens, in keeping with the Group strategy that aims to achieve significant improvements in profitability.

Net sales of the Codi Wipes business unit decreased by 11% to EUR 49.4 million (55.6). Sales of personal hygiene wipes remained at the previous year's level, with a 50% share of the sales; sales of moist toilet wipes grew slightly (10% share) but sales of baby wipes decreased (40% share). Average sales prices reduced from the previous year. The decline in margins caused by the decreased volume was partly compensated by savings in operating expenses.

During the fourth quarter of 2012, Suominen performed goodwill impairment testing on the Codi Wipes business unit, placing greater emphasis on market risks than in prior tests due to the market uncertainty. Based on the results of the tests, Suominen recognized a goodwill impairment loss of EUR 7.3 million in the Codi Wipes business unit. The recognition had no effect on the cash flow. After the recognition of the goodwill impairment loss, EUR 11.2 million of goodwill remains in the cash generating unit.

Flexibles

In 2012, net sales of the Flexibles segment totaled EUR 52.7 million (64.8), falling 19% from the previous year. Sales of hygiene packaging decreased due to customer losses at the end of 2011. Sales of food packaging and retail carrier bags declined, while sales of security and system packaging increased. Flexibles managed to compensate the customer losses through the procurement of new business, but weak consumer demand on the Flexibles market is slowing down the compensation. As customer estimates provided no signs of any immediate change for the positive, employees were temporarily laid off to achieve cost savings.

The operating loss of the segment was EUR -2.8 million (-0.7) excluding non-recurring items and EUR -2.3 million (-0.1) including them. The total impact of the changes in raw material prices for flexible packaging slightly decreased profitability. Operating expenses were lower than in the previous year thanks to the rationalization measures carried out in production in 2011.

INFORMATION ON SHARES AND SHARE CAPITAL

Share capital

The registered number of Suominen's issued shares totals 245,934,122 shares, equaling a share capital of EUR 11,860,056.00.

Annual General Meeting

The Annual General Meeting (AGM) of Suominen Corporation was held on 4 April, 2012. The General Meeting decided that no dividend to be paid for the financial year 2011.

The AGM adopted the financial statements and the consolidated financial statements for the financial year 2011 and discharged the members of the Board of Directors and the President and CEOs from liability.

The AGM confirmed the number of members of the Board of Directors to be five (5). The AGM elected Mr Risto Anttonen, Mr Jorma Eloranta, Ms Suvi Hintsanen, Mr Hannu Kasurinen and Mr Heikki Mairinoja as the members of the Board of Directors for the next term of office in accordance with the Articles of Association. 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, Authorised Public Accountant, as the principal auditor.

The AGM decided to amend the section 1 of the Articles of Association regarding the name of the company. The company's name in Finnish is Suominen Oyj instead of Suominen Yhtymä Oyj.

The AGM resolved to establish a Nomination Committee comprising of shareholders or representatives of shareholders to prepare proposals for the following Annual General Meeting concerning the election and remuneration of the members of the Board of Directors. The three largest shareholders or representatives of such shareholders are elected to the Nomination Committee, which in addition shall comprise the Chairman of the Board of Directors as an expert member.

Share trading and price

The number of Suominen Corporation shares traded on NASDAQ OMX Helsinki from 1 January to 31 December 2012 was 3,660,581 shares, accounting for 1.5% of the share capital and votes. The trading price varied between EUR 0.33 and EUR 0.47. The closing trading price was EUR 0.35, giving the company a market capitalization of EUR 86,055,838 on 31 December 2012.

Own shares

On 1 January 2012 and 31 December 2012, Suominen Corporation held 60,298 of its own shares, accounting for 0.0% of the share capital and votes.

Stock options

Option right holders hold 200,000 of Suominen's 2009B stock options. The subscription period for the 2009B stock options is from 2 May 2012 to 30 October 2013 and the subscription price is EUR 0.96.

As the registered number of Suominen's issued shares totals 245,934,122, the number of shares may rise to a maximum of 246,134,122 after stock option subscriptions.

Share-based rewards

The target group of Suominen's share-based incentive plan consists of approximately 14 employees. The rewards to be paid on the basis of the plan correspond to the value of an approximate maximum total of 5,050,000

Suominen Corporation shares, including also the cash-settled part. The aim of the plan is to combine the objectives of the shareholders and the 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 includes 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 the company's shares and partly in cash.

Authorizations of the Board of Directors

The Annual General Meeting has authorized the Board of Directors to repurchase a maximum of 3,000,000 of the company's own shares. 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. A maximum of 50,000,000 new shares may be issued. 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 special rights granted by the company is 10,000,000 shares in total which number is included in the maximum number stated earlier (50,000,000). The authorizations shall be valid until 30 June 2013.

CHANGES IN GROUP MANAGEMENT

Mr Olli E. Juvonen was appointed Vice President, General Manager of the Flexibles business area and member of the Corporate Executive Team in Suominen Corporation as of 10 December, 2012.

Mr Tapio Engström was appointed Chief Financial Officer and member of the Corporate Executive Team in Suominen Corporation as of 22 October, 2012.

Mr. Petri Rolig, Deputy CEO, announced on 2 May, 2012 that he will resign from Suominen in the end of May 2012.

Mr Hannu Sivula was appointed Vice President, Human Resources and a member of the Corporate Executive Team of Suominen Corporation as of 17 February 2012.

PERSONNEL

In 2012, Suominen employed an average of 1,220 (907) people. At the end of the year, the number of employees stood at 1,232 (1,229).

BUSINESS RISKS AND UNCERTAINTIES

Suominen and Ahlstrom continue to negotiate the prerequisites and alternatives for completing the transaction of the Brazilian unit of Ahlstrom's Home and Personal business. The conditions for achieving a solution are that a common agreement be reached on the acquisition and that financiers approve of the acquisition and its financing. However, the delay or cancellation of the acquisition of the Brazilian unit would not cause financial losses for Suominen.

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.

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 supplies 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 especially 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. After the interim report of 30 September 2012, Suominen and its financiers agreed on adjusted financial covenants. At year-end 2012, Suominen's net debt to EBITDA were not to exceed 4.9 and the company's gearing ratio had to be less than 145%. In this release, these key figures are 2.9 and 101%. At the end of 2013, the indicators may not exceed 3.6 and 125%, respectively.

The sensitivity of Suominen's goodwill to changes in business conditions is described in the notes to the financial statements 2011. Actual cash flows may deviate from the forecasted future discounted cash flows, as the long economic life-time 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 2011.

OUTLOOK FOR 2013

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. Consumers' cautious purchasing behavior is expected to continue hand in hand with the muted economic growth. Supply exceeds demand for many of Suominen's products, especially in Europe, and even more new production capacity is being built in some product groups.

The company estimates the trend in 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 clients. Suominen estimates that the demand for its products will remain at the level of 2012.

Suominen continues to streamline its operating costs and realize the synergy benefits related to the acquisition of Ahlstrom's Home and Personal business.

The company estimates that its net sales for the full year 2013 will remain at the level of 2012. Operating profit excluding non-recurring items is expected to improve from year 2012. In 2012, Suominen's net sales were EUR 454.9 million and operating profit excluding non-recurring items EUR 13.7 million.

PROPOSAL ON DISTRIBUTION OF FUNDS

The parent company's distributable assets as of the end of 2012 totalled EUR 84,692,995.95 of which the loss for the financial year, EUR 3,057,661.86 has been deducted.

The Board of Directors will propose at the Annual General Meeting to be held on 26 March, 2012 that these funds be distributed as follows:

No dividend be paid for the financial year, EUR 0.00

Leaving on the retained earnings account, EUR 84,692,995.95

SUOMINEN GROUP CONSOLIDATED 1 JANUARY – 31 DECEMBER 2012

This financial statement release has been prepared in compliance with 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 2012, are presented in the financial statements for 2011.

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 analyse 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.

In its principles for preparing the financial statements, Suominen has not applied any changes allowed by the published new standards and interpretations prior to their official introduction. The accounting principles are consistent in other respects with those of the annual financial statements for 2011.

The figures in this financial statement release are audited.

BALANCE SHEET

EUR 1,000	31 Dec 2012	31 Dec 2011
Assets		
Non-current assets		
Goodwill	26,715	34,298
Intangible assets	12,529	13,333
Tangible assets	118,019	139,886
Available-for-sale financial assets	19	25
Held-to-maturity investments	466	445
Deferred tax assets	6,067	3,351
Non-current assets, total	163,816	191,338
Current assets		
Inventories	42,431	45,972
Trade receivables	45,328	41,798
Other current receivables	11,772	17,480
Income tax receivables	1,293	610
Financial assets on escrow		25,000
Cash at bank and in hand	14,301	15,887
Current assets, total	115,125	146,747
Assets, total	278,940	338,085
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	97,054	97,054
Fair value and other reserves	-1,253	-484
Translation differences	-549	-637
Other shareholders' equity	-35,535	-23,737
Shareholders' equity, total	96,258	108,737
Liabilities		
Non-current liabilities		
Deferred tax liabilities	5,653	3,661
Provisions	280	280
Capital loans		920
Other non-current liabilities	1,035	1,234
Interest-bearing liabilities	90,027	139,961
Non-current liabilities, total	96,995	146,056
Current liabilities		
Interest-bearing liabilities	20,571	19,929
Capital loans	920	920
Income tax liabilities	737	724
Trade payables and other current liabilities	63,460	61,719
Current liabilities, total	85,688	83,292
Liabilities, total	182,683	229,348
Shareholders' equity and liabilities, total	278,940	338,085

STATEMENT OF INCOME

EUR 1,000	10-12/2012	10-12/2011	1-12/2012	1-12/2011
Net sales	108,971	84,847	454,909	213,350
Cost of goods sold	-100,983	-80,963	-417,262	-205,507
Gross profit	7,988	3,884	37,647	7,842
Other operating income	694	2,214	6,838	4,905
Sales and marketing expenses	-2,090	-1,402	-7,574	-4,050
Research and development	-1,803	-577	-3,903	-1,866
Administration expenses	-2,535	-733	-18,716	-4,801
Other operating expenses	-309	-3,043	-568	-3,168
Operating profit before non-recurring items	1,945	344	13,724	-1,138
Non-recurring items	-10,116	-2,702	-12,777	-3,691
Operating profit	-8,171	-2,359	947	-4,829
Financial income and expenses	-2,231	-938	-10,410	-5,197
Profit before income taxes	-10,402	-3,297	-9,463	-10,026
Income taxes	-788	-535	-2,409	494
Profit/loss for the period	-11,190	-3,832	-11,872	-9,531
Earnings/share, EUR	-0.05	-0.02	-0.05	-0.11

STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	10-12/2012	10-12/2011	1-12/2012	1-12/2011
Profit/loss for the period	-11,190	-3,832	-11,872	-9,531
Other comprehensive income				
Currency translation differences on foreign operations	-474	1	-438	-1,594
Fair value changes of cash flow hedges	-247	-491	-1,007	-1,714
Other reclassifications	-54	-2	-6	-20
Income tax on other comprehensive income	21	156	765	889
Other comprehensive income, total	-754	-336	-686	-2,440
Total comprehensive income for the period	-11,944	-4,167	-12,558	-11,972

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. Retained earnings
- h. Total

EUR 1,000	a.	b.	c.	d.	e.	f.	g.	h.
Total equity at 1 Jan 2012	11,860	24,681	97,054	-43	-637	-441	-23,737	108,737
Profit/loss for the period							-11,872	-11,872
Other comprehensive income					88	-769	-6	-686
Share-based payments							79	79
Total equity at 31 Dec 2012	11,860	24,681	97,054	-43	-549	-1,210	-35,536	96,258

EUR 1,000	a.	b.	c.	d.	e.	f.	g.	h.
Total equity at 1 Jan 2011	11,860	24,681	9,708	-163	515	828	-14,143	33,286
Profit/loss for the period							-9,531	-9,531
Other comprehensive income					-1,152	-1,268	-20	-2,440
Share-based payments							26	26
Share issue			87,346					87,346
Conveyance of own shares				120			-69	51
Total equity at 31 Dec 2011	11,860	24,681	97,054	-43	-637	-441	-23,737	108,737

CASH FLOW STATEMENT

EUR 1,000	1-12/2012	1-12/2011
Operations		
Operating profit	947	-4,829
Total adjustments	31,775	9,459
Cash flow before change in working capital	32,599	4,630
Change in working capital	4,961	1,907
Financial items	-9,705	-9,833
Taxes paid	-3,040	397
Cash flow from operations	24,938	-2,898
Investment payments		
Investments in tangible and intangible assets	-3,619	-4,231
Investments in acquired business operations		-139,810
Proceeds from disposal of fixed assets and other proceeds	2,115	1,628
Cash flow from investing activities	-1,504	-142,414
Financing		
Non-current loans drawn		148,250
Repayments of non-current loans	-38,713	-48,563
Repayments of capital loans	-920	-4,160
Change in current loans	-10,550	
Repurchase and conveyance of own shares		51
Share issue		87,346
Cash flow from financing	-50,183	182,924
Change in cash and cash equivalents *	-26,749	37,613
Cash and cash equivalents	40,887	3,253
Unrealized exchange rate differences	164	21
Change in cash and cash equivalents	-26,749	37,613
Cash and cash equivalents	14,301	40,887

* Also includes the change in financial assets on escrow.

KEY FIGURES	10-12/2012	10-12/2011	1-12/2012	1-12/2011
Net sales, change, % *	28.4	87.2	113.2	23.0
Gross profit, % **	7.3	4.6	8.3	3.7
Operating profit, % **	-7.5	-2.8	0.2	-2.3
Financial income and expenses, % **	-2.0	-1.1	-2.3	-2.4
Profit before income taxes, % **	-9.5	-3.9	-2.1	-4.7
Profit for the period, % **	-10.3	-4.5	-2.6	-4.5
Earnings/share, EUR	-0.05	-0.02	-0.05	-0.11
Equity/share, EUR			0.39	0.44
Cash flow from operations/share, EUR			0.10	-0.03
Return on equity (ROE), %			-11.2	-20.9
Return on invested capital (ROI), %			0.4	-3.7
Equity ratio, %			34.5	32.2
Gearing, %			100.7	111.0
Gross investments, EUR 1,000			4,008	3,964
Depreciation, EUR 1,000			19,606	9,835
Impairment losses, EUR 1,000			12,816	

* Compared with the corresponding period of the previous year.

** As of net sales.

SEGMENT REPORTING

Wiping

EUR 1,000	1-12/2012	1-12/2011	Change %
Net sales			
- Codi Wipes	49,436	55,623	-11.1
- Nonwovens	357,873	99,182	260.8
- eliminations	-4,108	-5,431	-24.4
Total	403,201	149,374	169.9
Operating profit before non-recurring items	18,803	-2,172	
% of net sales	4.7	-1.5	
Operating profit	5,542	-3,072	
% of net sales	1.4	-2.1	
Assets	237,084	242,028	
Liabilities	53,446	49,616	
Net assets	183,638	192,412	
Investments	2,608	1,910	
Depreciation	15,358	6,524	
Impairment losses	12,816		
Average personnel	758	418	

Flexibles

EUR 1,000	1-12/2012	1-12/2011	Change %
Net sales	52,698	64,848	-18.7
Operating profit before non-recurring items	-2,786	721	
% of net sales	-5.3	1.1	
Operating profit	-2,302	-69	
% of net sales	-4.4	-0.1	
Assets	37,087	44,372	
Liabilities	8,634	11,175	
Net assets	28,453	33,197	
Investments	554	1,851	
Depreciation	2,868	3,049	
Average personnel	453	479	

Non-allocated items

EUR 1,000	1-12/2012	1-12/2011
Net sales	-991	-873
Operating profit	-2,293	-1,688
Assets	4,770	51,685
Liabilities	120,604	168,557
Investments	845	203
Depreciation	1,380	262
Average personnel	9	10

NET SALES BY MARKET AREA

EUR 1,000	1-12/2012	1-12/2011
Finland	23,917	27,547
Europe, other	205,570	141,622
North and South America	213,776	41,665
Other countries	11,645	2,515
Net sales, total	454,909	213,350

QUARTERLY FIGURES

EUR 1 000	Q1/2012	Q2/2012	Q3/2012	Q4/2012	Q1-Q4/2012
Net sales					
Wiping					
- Codi Wipes	13,118	12,278	12,161	11,880	49,436
- Nonwovens	85,673	89,394	97,917	84,890	357,873
- eliminations	-1,333	-1,175	-711	-889	-4,108
Total	97,458	100,496	109,366	95,880	403,201
Flexibles	13,906	12,766	12,658	13,369	52,698
Non-allocated items	-278	-180	-255	-278	-991
Net sales, total	111,087	113,082	121,769	108,971	454,909
Operating profit					
Wiping	3,751	3,874	8,146	3,032	18,803
% of net sales	3.8	3.9	7.4	3.2	4.7
Flexibles	-576	-816	-576	-818	-2,786
% of net sales	-4.1	-6.4	-4.5	-6.1	-5.3
Non-allocated items	-468	-664	-891	-270	-2,293
Operating profit before non-recurring items	2,707	2,394	6,679	1,944	13,724
% of net sales	2.4	2.1	5.5	1.8	3.0
Non-recurring items	484	-2,700	-445	-10,116	-12,777
Operating profit, total	3,190	-306	6,234	-8,171	947
% of net sales	2.9	-0.3	5.1	-7.5	0.2
Net financial expenses	-2,731	-2,494	-2,954	-2,230	-10,409
Profit before income taxes	459	-2,800	3,280	-10,402	-9,463

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 1,386 thousand, obligatory pension payments EUR 101 thousand, voluntary pension payments EUR 38 thousand and share-based payments EUR 79 thousand.

Other related-party transactions

EUR 1,000	1-12/2012	1-12/2011
Sales of goods and services	19,653	1,402
Purchases of goods and services	54,191	1,517
Trade and other receivables	1,049	5,337
Trade and other payables	2,165	2,370

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

CHANGES IN BORROWINGS

EUR 1,000	1-12/2012	1-12/2011
Total borrowings on 1 January	161,730	61,282
Current loans from financial institutions on 1 January	19,929	17,000
Change in current loans from financial institutions	642	2,929
Current loans from financial institutions on 31 December	20,571	19,929
Commercial papers on 1 January		988
Change in commercial papers		-988
Commercial papers on 31 December		0
Non-current loans on 1 January	139,961	37,284
Change in non-current loans	-49,934	102,667
Non-current loans on 31 December	90,027	139,961
Capital loans on 1 January	1,840	6,000
Change in capital loans	-920	-4,160
Capital loans on 31 December	920	1,840
Total borrowings on 31 December	111,518	161,730

CHANGES IN FIXED ASSETS

EUR 1,000	1-12/2012		1-12/2011	
	Tangible	Intangible	Tangible	Intangible
Book value at the beginning of the period	139,886	13,333	53,873	776
Business combinations			89,124	12,584
Investments	3,261	747	3,678	223
Decreases	-1,385		-1,271	
Depreciation	-23,603	-1,542	-9,399	-436
Translation differences and other changes	-140	-8	3,881	187
Book value at the end of the period	118,019	12,529	139,886	13,333

CONTINGENT LIABILITIES

EUR 1,000	1-12/2012	12/2011
For own debt		
Secured loans	107,861	158,264
Nominal values of pledges		
Real estate mortgages	27,045	27,045
Floating charges	193,988	194,414
Pledged subsidiary shares and loans	209,160	217,812
Other own commitments		
Operating leases, real estates	27,177	29,532
Operating leases, machinery and equipment	2,705	3,482
Guarantee commitments	1,199	1,432

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR 1,000	1-12/2012	12/2011
Currency derivatives		
Nominal value	15,370	8,501
Fair value	-1	11
Interest rate derivatives		
Nominal value	64,648	76,492
Fair value	-1,538	-216
Electricity derivatives		
Nominal value	3,746	2,860
Fair value	-282	-458

Suominen will publish financial releases in 2013 as follows:

- * Interim report for January-March on April 19, 2013
- * Interim report for January-June on July 17, 2013
- * Interim report for January-September on October 23, 2013.

Suominen Corporation's Report by the Board of Directors, Financial Statements, Auditor's report and Corporate Governance Statement will be available on company website on March 5, 2013 at the latest.

Helsinki, 15 February, 2013

SUOMINEN CORPORATION
Board of Directors

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www.suominen.fi

Suominen in brief

Suominen supplies its industrial and retail customers with nonwovens, wet wipes and flexible packaging for use in consumer products worldwide. Suominen is the global market leader in nonwovens for wipes. The company employs approximately 1,200 people in Europe and in the United States. Suominen's net sales in 2012 amounted to MEUR 454.9 and operating profit excl. non-recurring items was MEUR 13.7. The Suominen share (SUY1V) is listed in NASDAQ OMX Helsinki Stock Exchange. Read more at www.suominen.fi.