



Interim Report 1 January – 30 June 2015

17 July 2015

Suominen Corporation Interim Report 17 July 2015 at 1:00 pm (EEST)

Suominen Corporation's Interim Report for January 1 - June 30, 2015: Net sales, operating profit and profit for the period at record-high level

KEY FIGURES	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Net sales, EUR million	112.9	95.3	224.9	193.7	401.8
Operating profit excluding non-recurring items, EUR million	9.9	5.5	17.2	11.9	26.9
Operating profit, EUR million	10.5	5.2	17.8	11.4	25.9
Profit/loss for the period, EUR million, continuing operations	6.2	2.2	9.7	4.8	10.2
Profit/loss for the period, EUR million, discontinued operations	–	-4.0	–	-3.7	-5.2
Profit/loss for the period, EUR million, total	6.2	-1.8	9.7	1.1	5.0
Earnings per share, EUR, continuing operations	0.02	0.01	0.04	0.02	0.04
Earnings per share, EUR, discontinued operations	–	-0.02	–	-0.02	-0.02
Earnings per share, basic, EUR, total	0.02	-0.01	0.04	0.00	0.02
Cash flow from operations per share, EUR*	0.02	0.05	0.03	0.04	0.15
Return on invested capital, rolling 12 months, % *	–	–	16.2	8.4	12.0
Return on invested capital, rolling 12 months, continuing operations, %	–	–	17.1	13.2	15.7
Gearing, % *	–	–	28.2	71.4	34.7

* 2014 includes also discontinued operations.

Highlights in April-June 2015:

- Net sales increased by 19% and amounted to EUR 112.9 million (95.3).
- Operating profit excluding non-recurring items increased by 80% to EUR 9.9 million (5.5).
- Suominen confirmed that it will invest in a new wetlaid production line at its Bethune plant, SC, USA.
- Suominen repeats its estimate, announced on 27 April 2015, according to which Suominen expects that for the full year 2015, its net sales and operating profit excluding non-recurring items from continuing operations will improve from year 2014. Suominen's net sales of the continuing operations in 2014 amounted to EUR 401.8 million and operating profit excluding non-recurring items was EUR 26.9 million.

President & CEO **Nina Kopola** comments on Suominen's second quarter of 2015:

"The consumer confidence index in the euro area took a slight downward trajectory in the second quarter, following a brisk rise in the early part of the year. However, the index's level in June clearly exceeded its level at the beginning of the year. In the United States the performance of the consumer confidence index was positive throughout the quarter. North America and Europe are Suominen's largest market areas.

In light of financial key figures, Suominen had a very strong Q2. Thanks to the strengthening of the dollar and a brisker demand in the European markets than in the comparison period, the company's net sales grew by 19% on the comparison period, totaling EUR 112.9 million.

Suominen's operating profit, excluding non-recurring items, rose to an all-time high of EUR 9.9 million, corresponding to 8.8% of net sales. The very positive development of operating profit was attributable to increased net sales and strengthened gross profit, which continued to grow thanks to the improvement measures taken in Suominen's operations. Additionally, strengthening of the US dollar increased the operating profit. Profit for Q2 surged to a new level at EUR 6.2 million. Of the financial targets monitored on a quarterly basis, return on invested capital rose to 17.1% (continuous operations) and our gearing declined to 28.2%.

We confirmed in May that we will carry out our planned investment in a new wetlaid production line at our plant in Bethune in the United States. The investment is expected to create at least 25 new jobs at the plant. The investment is the single most important project in Suominen's EUR 30-50 million growth investment program. Our goal is to increase both our sales volumes and the proportion of value-added products in our portfolio, which is why the new production line will focus on higher-value nonwovens, which are used for, among other things, household and industrial wiping products and flushable wiping products. We expect the installation of the production line to be finished during the second half of 2016.

Also the other previously announced initiatives in our growth investment program are progressing as planned. Investments in equipment, aimed at broadening the product offering, are being carried out at the Paulinia plant in Brazil and the Alicante plant in Spain. Once the investments have been completed, the plants will be able to supply nonwovens not only to higher added-value wiping products, but also to medical nonwovens. A previously closed production line was taken into use at the Nakkila plant during Q2. The plant will now be able to flexibly meet the strengthened demand on the European markets."

NET SALES

April-June 2015

In April-June 2015, Suominen's net sales grew by 19% from the comparison period to EUR 112.9 million (95.3). The strengthening of the U.S. dollar compared to euro, Suominen's reporting currency, increased the second quarter net sales by approximately EUR 13 million. In addition, the demand in the European market was higher than in the comparison period, which also impacted net sales positively.

Suominen has two business areas, Convenience and Care. Net sales of Convenience business area in April-June was EUR 104.5 million (87.6) and net sales of Care business area EUR 8.4 million (7.7). 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.

January-June 2015

In January-June 2015, Suominen's net sales grew by 16% from the comparison period to EUR 224.9 million (193.7). The strengthening of the U.S. dollar compared to euro, Suominen's reporting currency, increased the net sales in January-June by approximately EUR 24 million.

Net sales of Convenience business area in January-June were EUR 207.7 million (178.5) and net sales of Care business area EUR 17.2 million (15.2). The main application areas for nonwoven materials supplied by Suominen in January-June were baby wipes (accounting for 40% of the sales), personal care wipes (23%), household wipes (16%), industrial wipes (11%), and hygiene and medical products (8%). There were no significant changes in the portfolio during January-June 2015. All nonwovens for wiping products belong to the Convenience business area, and nonwovens for hygiene and medical products to the Care business area.

OPERATING PROFIT AND RESULT

April-June 2015

Operating profit excluding non-recurring items increased by 80% and amounted to EUR 9.9 million (5.5). Operating profit was EUR 10.5 million (5.2). Non-recurring items in the second quarter, EUR +0.5 million, consisted of reversal of previously made impairment losses of the re-opened production line in Nakkila plant in Finland. Non-recurring items reported in the second quarter of 2014 amounted to EUR -0.3 million and were attributable to restructuring costs as well as costs related to acquisition of the Brazilian unit.

Growth in net sales contributed to the positive development of operating profit. Gross profit continued to increase due to the improvement measures taken in Suominen's operations. The strengthening of the U.S. dollar compared to euro, Suominen's reporting currency, increased the operating profit excluding non-recurring items by nearly 14%. If calculated with the average USD exchange rate of January-June 2014, both operating profit excluding non-recurring items and operating profit would have been EUR 1.3 million lower.

Profit before income taxes for continuing operations in the second quarter was EUR 9.4 million (4.0) and profit for the period for continuing operations EUR 6.2 million (2.2).

January-June 2015

Operating profit excluding non-recurring items increased by 45% and amounted to EUR 17.2 million (11.9). Operating profit was EUR 17.8 million (11.4). Non-recurring items in the review period, EUR +0.5 million, consisted of reversal of previously made impairment losses of the re-opened production line in Nakkila plant in Finland. The non-recurring items reported in January-June 2014 amounted to EUR -0.5 million, of which EUR -0.7 million were costs related to restructuring and acquisition of the Brazilian unit and EUR +0.2 million were items related to closing down of the fiber production in Nakkila in 2012.

Profit before income taxes for continuing operations was EUR 15.1 million (8.7), and profit for the period for continuing operations was EUR 9.7 million (4.8).

FINANCING

The Group's net interest-bearing liabilities at the end of the review period, 30 June 2015, amounted to EUR 33.7 million (67.6). Gearing was 28.2% (71.4%) and equity ratio 43.4% (38.7%).

In January-June, net financial expenses were EUR -2.7 million (-2.7), or 1.2% (1.4%) of net sales. Fluctuations in exchange rates increased the financial expenses by EUR -0.5 million. Financial expenses increased also by EUR -0.5 million as an impairment loss of shares in a real estate company, classified as available-for-sale, was recognized. The shares of the real estate company were divested in July 2015.

Cash flow from operations was in the second quarter EUR 3.9 million (11.3) and in January-June EUR 8.4 million (10.8). Cash flow per share for the first half of the year was EUR 0.03 (0.04). The financial items in the cash flow from operations, in total EUR -5.0 million (-2.8), were principally impacted by currency forward contracts hedging equity and the interests of the debenture bond paid during the reporting period. EUR 9.3 million was tied up in working capital (2014: tied up 4.8). Cash flow from financing improved by EUR 0.4 million due to repayments of loan receivables granted in connection with the divestment of the Flexibles business area in July 2014.

CAPITAL EXPENDITURE

The gross capital expenditure totaled EUR 3.8 million (2014: 3.5 for continuing operations). The main investments were related to modernization of the Alicante plant in Spain as well as to re-opening of a production line in Nakkila plant in Finland. The other investments were mainly for maintenance.

Suominen confirmed in May that it has decided to invest in a new wetlaid production line in the Bethune plant, South Carolina, USA. Negotiations with the suppliers of machinery and engineering are pending. The new line is anticipated to be installed during the second half of 2016.

Depreciation and amortization for the review period amounted to EUR 8.9 million (7.5 for continuing operations). Due to the re-opening of a production line in Nakkila plant, previously made impairment losses were reversed. The reversal amounted to EUR 0.5 million.

BUSINESS COMBINATIONS AND DISCONTINUED OPERATIONS

Business combinations

No business combinations were reported during the review period. Suominen completed the acquisition of the Paulinia plant in Brazil from Ahlstrom Corporation on 10 February 2014. The closing of the deal provided Suominen's nonwovens business a foothold in the growing South American market region.

Discontinued operations

No discontinued operations were reported during the review period. In July 2014, Suominen divested its Flexibles business, and the result of the Flexibles segment is reported as discontinued operations in the figures of the corresponding period last year.

INFORMATION ON SHARES AND SHARE CAPITAL

Share capital

The number of Suominen's registered shares was 252,425,616 shares on 30 June 2015, equaling to a share capital of EUR 11,860,056.00. The number of shares increased in the review period in total by 4,491,494 shares, of which 3,984,106 were attributable to the share conversions of the hybrid bond notes and accrued interests; and 507,388 to the directed share issue subject to payment for the management, implemented in accordance with the share-based incentive system. Both the conversion of the hybrid bond to equity and the share issue subject to payment have been recorded into the reserve for invested unrestricted equity.

Share trading and price

The number of Suominen Corporation shares traded on NASDAQ Helsinki from 1 January to 30 June 2015 was 76,772,646 shares, accounting for 30.7% of the average number of shares (excluding treasury shares). The highest price was EUR 1.19, the lowest EUR 0.75 and the volume-weighted average price EUR 0.94. The closing price at the end of review period was EUR 0.97. The market capitalization (excluding treasury shares) was EUR 244.0 million on 30 June 2015.

Treasury shares

At the end of review period, on 30 June 2015, Suominen Corporation held 913,886 treasury shares. In total 802,644 treasury shares were transferred during the review period to key employees of the Group in a directed share-issue without consideration as a reward of the 2012-2014 share-based incentive plan. In

addition, in accordance with the resolution by the AGM; 86,989 shares were transferred on 5 June 2015 to the members of the Board of Directors as their remuneration payable in shares.

Share-based incentive plans for the management and key employees

The Board of Directors of Suominen Corporation approved on December 2014 two new share-based incentive plans for the Group management and Group key employees and a directed share issue. The share-based plans have been described in more detail in the Interim Report for January-March 2015.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Suominen Corporation was held on 19 March 2015. The AGM decided that no dividend will be paid for the financial year 2014, but a distribution of funds from reserve for invested unrestricted capital, EUR 0.01 per share, will be paid from the reserve for invested unrestricted equity.

The AGM adopted the financial statements and the consolidated financial statements for the financial year 2014 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 six (6). The AGM re-elected Mr. Risto Anttonen, Mr. Jorma Eloranta, Mr. Hannu Kasurinen and Ms. Jaana Tuominen as members of the Board of Directors, and elected Ms. Laura Raitio and Mr. Andreas Ahlström as new members 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.

Ernst & Young Oy, Authorized Public Accountants, was elected as auditor of Suominen Corporation, with Ms. Kristina Sandin, Authorized Public Accountant, as the principal auditor.

Constitutive meeting and permanent committees of the Board of Directors

In its constitutive meeting, the Board of Directors elected from among its members a Chair and Deputy Chair as well as members for the Audit Committee, and Personnel and Remuneration Committee.

The Board of Directors elected Jorma Eloranta as Chair and Risto Anttonen as Deputy Chair of the Board of Directors, in accordance with the recommendation by the Nomination Board of Suominen's shareholders.

Hannu Kasurinen was re-elected as Chair of the Audit Committee. Andreas Ahlström and Laura Raitio were elected as members of the Audit Committee. Jorma Eloranta was re-elected as Chair of the Personnel and Remuneration Committee. Risto Anttonen and Jaana Tuominen were elected as members of the Personnel and Remuneration Committee.

Authorizations of the Board of Directors

The Annual General Meeting (AGM) held on 19 March 2015 authorized the Board of Directors to repurchase a maximum of 2,000,000 of the company's own shares. The shares shall be repurchased to be used in company's share-based incentive programs, in order to disburse the remuneration of the members of the Board of Directors, for use as consideration in acquisitions related to the company's business, or to be held by the company, to be conveyed by other means or to be cancelled. The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by

NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition. The repurchase authorization is valid until 30 June 2016.

The AGM held on 26 March 2014 also authorized the Board of Directors 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 are valid until 30 June 2017. By 30 June 2015, the number of shares used based on the authorization was 1,517,869 shares. The remaining number of shares which can be issued based on the authorization is 23,482,131 shares.

NOTIFICATIONS UNDER CHAPTER 9, SECTION 5 OF THE SECURITIES MARKET ACT

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

On 29 January 2015, Mandatum Life Insurance Company Limited (business identity code 0641130-2) notified that it has divested Suominen Corporation shares through a transaction made on 23 January 2015, and consequently, its ownership in Suominen decreased below the threshold of 5%. After the transaction, Mandatum holds in total 12,318,243 shares and votes (4.97% of all shares and votes). In its previous notification, the number of shares held by Mandatum was 22,322,222, which accounted for 9.1% of all shares and votes in Suominen.

On 29 January 2015, Mandatum Life Insurance Company Limited (business identity code 0641130-2) notified that it had on 5 February 2014 subscribed the convertible hybrid bond issued by Suominen, which entitles Mandatum to subscribe a maximum of 3,714,000 new Suominen shares during the conversion period of 11 February 2014 - 10 February 2018. If Mandatum decided to subscribe these shares, its shareholding in Suominen would exceed the threshold of 5%. After the subscription, Mandatum would hold 16,032,243 shares and votes (6.37% of all shares and votes). In its previous notification, the number of Suominen shares held by Mandatum was 12,318,243, which accounted for 4.97% of all shares and votes.

On 18 February 2015, Mandatum Life Insurance Company Limited (business identity code 0641130-2) notified that it has divested Suominen Corporation shares through a transaction made on 17 February 2015. Following the transaction, Mandatum's ownership in Suominen would remain below the threshold of 5% even if Mandatum would convert all notes of the hybrid bond it subscribed in February 2014 into Suominen shares.

On 16 March 2015, Finnish Industry Investment Ltd (Suomen Teollisuussijoitus Oy, business identity code 1007806-3) notified that it has divested Suominen shares and thus its shareholding has fallen below the threshold of 5% of all shares and votes in Suominen. In its previous notification, Finnish Industry Investment Ltd stated it held 22,222,222 Suominen shares, corresponding to 9.04% of shares and votes in Suominen Corporation. Before the transaction made on 16 March 2015, Finnish Industry Investment Ltd held 14,009,604 shares, corresponding to 5.57% of all shares and votes. After the transaction made on 16 March 2015, Finnish Industry Investment Ltd holds in total 7,009,604 Suominen shares, corresponding to 2.78% of all shares and votes.

On 20 March 2015, Ilmarinen Mutual Pension Insurance Company (Keskinäinen Eläkevakuutusyhtiö Ilmarinen, business identity code 0107638-1), notified that it has on 19 March 2015 divested Suominen shares and consequently crossed the threshold of 10% of all shares and votes in Suominen Corporation.

In its previous notification, Ilmarinen stated it held 27,111,992 Suominen shares, corresponding to 11.02% of shares and votes in Suominen Corporation. After the transaction, Ilmarinen holds in total 18,422,103 Suominen shares, corresponding to 7.33% of all shares and votes.

CHANGES IN CORPORATE EXECUTIVE TEAM

Mr. Timo Hiekkaranta, Senior Vice President of Suominen's Convenience business area and a member of Suominen's Corporate Executive Team, has decided to leave Suominen to pursue his career outside the company. Timo Hiekkaranta will continue in his current role at Suominen until end of August. Suominen has initiated the search of his successor.

EVENTS AFTER THE REPORTING PERIOD

Suominen Corporation received a notification on 10 July 2015 referred to in Chapter 9, Section 5 of the Securities Market Act from GMT Capital Corp. According to the notification, GMT Capital Corp has on 9 July 2015 acquired Suominen shares and consequently reached the threshold of 5% of all shares and votes in Suominen Corporation. After the transaction, GMT Capital Corp holds in total 12,623,280 Suominen shares, corresponding to 5.00% of all shares and votes.

BUSINESS RISKS AND UNCERTAINTIES

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

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

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

The risks characteristic to South American market, including significant changes in business environment or exchange rates, could have an impact on Suominen's operations in Brazil.

Suominen purchases significant amounts of oil and pulp-based raw materials annually. Raw materials are the largest cost item for operations. 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 insurances according to which it is estimated that the damages can be covered and the financial losses caused by an interruption compensated.

The sensitivity of Suominen's goodwill to changes in business conditions is described in the notes to the financial statements 2014. Actual cash flows may deviate from the forecasted future discounted cash flows, as the long economic lifetime of the company's non-current assets, as well as changes in the estimated product prices, production costs, and interest rates used in discounting may result in impairment losses. 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 2014.

BUSINESS ENVIRONMENT

Suominen's nonwovens are, for the most part, used in daily consumer goods, such as wet wipes as well as, hygiene and medical products. The general economic situation determines the development of consumer demand, even though the demand for consumer goods is not very cyclical in nature. North America and Europe are the largest market areas for Suominen. Moreover, Suominen gained a foothold in the growing South American markets through an acquisition in February 2014.

In the euro area, the consumer confidence index took a slight downward trajectory in the second quarter, following a brisk rise in the early part of the year. However, the index's level in June clearly exceeded its level at the beginning of the year. In the United States the performance of the consumer confidence index was positive throughout the quarter.

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

OUTLOOK FOR 2015

Suominen repeats its previous estimate, disclosed on 27 April 2015, that for the full year 2015 the company expects its net sales and operating profit excluding non-recurring items to improve from year 2014. In 2014, Suominen's net sales amounted to EUR 401.8 million and operating profit excluding non-recurring items to EUR 26.9 million.

SUOMINEN GROUP, 1 JANUARY - 30 JUNE 2015

This interim report has been prepared in accordance with 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 consolidated financial statements for 2014. Changes to published accounting standards and interpretations, together with the new accounting standards that came into force on 1 January 2015, are presented in the consolidated financial statements for 2014.

The figures in these interim financial statements are mainly presented in EUR thousands. As a result of rounding differences, the figures presented in the tables do not necessarily add up to total.

This interim report has not been audited.

STATEMENT OF FINANCIAL POSITION

EUR thousand	30 June 2015	30 June 2014	31 December 2014
Assets			
Non-current assets			
Goodwill	15,496	15,496	15,496
Intangible assets	12,601	12,508	12,510
Property, plant and equipment	88,297	87,467	88,721
Loan receivables	8,202	–	8,202
Available-for-sale assets	806	922	1,124
Held-to-maturity investments	465	455	450
Other non-current receivables	2,389	–	2,614
Deferred tax assets	5,189	5,634	5,516
Total non-current assets	133,445	122,482	134,633
Current assets			
Inventories	32,322	28,878	32,380
Trade receivables	60,193	48,657	52,269
Loan receivables	350	59	600
Other current receivables	4,222	6,480	4,618
Assets for current tax	1,601	695	1,682
Cash and cash equivalents	42,778	17,331	38,430
Total current assets	141,465	102,100	129,979
Assets held for sale	–	32,243	–
Total assets	274,910	256,825	264,611
Equity and liabilities			
Share capital	11,860	11,860	11,860
Share premium account	24,681	24,681	24,681
Reserve for invested unrestricted equity	69,652	97,192	97,192
Treasury shares	-44	-44	-44
Fair value and other reserves	107	-884	96
Exchange differences	6,011	-821	3,419
Other equity	-9,824	-50,410	-46,890
Total equity attributable to owners of the parent	102,444	81,574	90,313
Hybrid bond	16,884	17,899	18,424
Total equity	119,328	99,473	108,737
Liabilities			
Non-current liabilities			
Deferred tax liabilities	9,886	6,841	8,789
Other non-current liabilities	1,610	1,872	1,729

Debentures	75,000	–	75,000
Other non-current interest-bearing liabilities	6,667	62,104	6,667
Total non-current liabilities	93,163	70,817	92,185
Current liabilities			
Current interest-bearing liabilities	3,333	22,940	3,347
Liabilities for current tax	1,519	376	246
Trade payables and other current liabilities	57,567	49,666	60,096
Total current liabilities	62,420	72,982	63,689
Total liabilities	155,583	143,799	155,874
Liabilities related to assets held for sale	–	13,553	–
Total equity and liabilities	274,910	256,825	264,611

STATEMENT OF PROFIT OR LOSS

EUR thousand	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Net sales	112,944	95,340	224,878	193,693	401,762
Cost of goods sold	-97,160	-84,399	-194,707	-171,438	-352,091
Gross profit	15,784	10,941	30,172	22,255	49,671
Other operating income	903	539	1,852	1,307	2,655
Sales and marketing expenses	-1,756	-1,712	-3,658	-3,157	-6,278
Research and development	-736	-784	-1,587	-1,397	-2,877
Administration expenses	-4,179	-3,440	-8,860	-6,899	-14,144
Other operating expenses	-83	-20	-695	-201	-2,177
Operating profit excluding non-recurring items	9,932	5,524	17,224	11,908	26,851
Non-recurring items	530	-278	530	-511	-954
Operating profit	10,462	5,246	17,754	11,397	25,897
Net financial expenses	-1,076	-1,276	-2,697	-2,743	-8,075
Profit before income taxes	9,386	3,970	15,056	8,654	17,822
Income taxes	-3,142	-1,786	-5,330	-3,886	-7,645
Profit for the period from continuing operations	6,244	2,184	9,726	4,768	10,177
Discontinued operations					
Profit/loss for the period	–	484	–	793	717
Impairment losses and costs to sell	–	-4,499	–	-4,499	-5,921
Profit/loss for the period from discontinued operations, total	–	-4,015	–	-3,706	-5,204
Profit/loss for the period	6,244	-1,831	9,726	1,062	4,973

Earnings per share, EUR

Continuing operations	0.02	0.01	0.04	0.02	0.04
Discontinued operations	–	-0.02	–	-0.02	-0.02
Total basic	0.02	-0.01	0.04	0.00	0.02
Total diluted	0.02	-0.01	0,03	0.00	0.02

STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Profit/loss for the period	6,244	-1,831	9,726	1,062	4,973
Other comprehensive income:					
Other comprehensive income that will be subsequently reclassified to profit or loss					
Exchange differences	-2,365	1,353	2,935	2,200	6,863
Fair value changes of cash flow hedges and available-for-sale assets	-346	201	-448	143	1,368
Available-for-sale assets, amounts reclassified to profit or loss	463	–	463	–	–
Other reclassifications	–	-4	–	-7	–
Income taxes related to other comprehensive income	136	-45	-295	-28	-696
Total	-2,112	1,504	2,655	2,308	7,535
Other comprehensive income that will not be subsequently reclassified to profit or loss					
Remeasurements of defined benefit plans	–	–	–	–	-147
Income taxes related to other comprehensive income	–	–	–	–	47
Total	–	–	–	–	-100
Total other comprehensive income	-2,112	1,504	2,655	2,308	7,434
Total comprehensive income for the period	4,131	-326	12,382	3,370	12,407
Attributable to:					
Continuing operations	4,131	3,329	12,382	7,025	17,612
Discontinued operations	–	-3,655	–	-3,655	-5,205
Total comprehensive income for the period	4,131	-326	12,382	3,370	12,407

STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
Equity 1 January 2015	11,860	24,681	97,192	-44	3,419
Profit / loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	2,644
Total comprehensive income	-	-	-	-	2,644
Share-based payments	-	-	-	-	-
Share issue	-	-	340	-	-
Distribution of funds	-	-	-2,504	-	-
Conveyance of treasury shares	-	-	80	-	-
Reclassifications	-	-	-27,448	-	-51
Conversion of hybrid bond	-	-	1,992	-	-
Hybrid bond	-	-	-	-	-
Equity 30 June 2015	11,860	24,681	69,652	-44	6,011

EUR thousand	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
Equity 1 January 2015	96	-46,890	90,313	18,424	108,737
Profit / loss for the period	-	9,726	9,726	-	9,726
Other comprehensive income	12	-	2,655	-	2,655
Total comprehensive income	12	9,726	12,382	-	12,382
Share-based payments	-	221	221	-	221
Share issue	-	-	340	-	340
Distribution of funds	-	-	-2,504	-	-2,504
Conveyance of treasury shares	-	-	80	-	80
Reclassifications	-	27,499	-	-	-
Conversion of hybrid bond	-	-	1,992	-1,992	-
Hybrid bond	-	-380	-380	452	72
Equity 30 June 2015	107	-9,824	102,444	16,884	119,328

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
Equity 1 January 2014	11,860	24,681	97,123	-44	-3,021
Profit / loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	2,200
Total comprehensive income	-	-	-	-	2,200
Share-based payments	-	-	-	-	-
Conveyance of treasury shares	-	-	69	-	-
Hybrid bond	-	-	-	-	-
Equity 30 June 2014	11,860	24,681	97,192	-44	-821

EUR thousand	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
Equity 1 January 2014	-999	-51,094	78,506	-	78,506
Profit / loss for the period	-	1,062	1,062	-	1,062
Other comprehensive income	115	-7	2,308	-	2,308
Total comprehensive income	115	1,055	3,370	-	3,370
Share-based payments	-	28	28	-	28
Conveyance of treasury shares	-	-	69	-	69
Hybrid bond	-	-399	-399	17,899	17,500
Equity 30 June 2014	-884	-50,410	81,574	17,899	99,473

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
Equity 1 January 2014	11,860	24,681	97,123	-44	-3,021
Profit / loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	6,440
Total comprehensive income	-	-	-	-	6,440
Share-based payments	-	-	-	-	-
Conveyance of treasury shares	-	-	69	-	-
Hybrid bond	-	-	-	-	-
Equity 31 December 2014	11,860	24,681	97,192	-44	3,419

EUR thousand	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
Equity 1 January 2014	-999	-51,094	78,506	-	78,506
Profit / loss for the period	-	4,973	4,973	-	4,973
Other comprehensive income	1,094	-100	7,435	-	7,435
Total comprehensive income	1,094	4,873	12,407	-	12,407
Share-based payments	-	70	70	-	70
Conveyance of treasury shares	-	-	69	-	69
Hybrid bond	-	-739	-739	18,424	17,685
Equity 31 December 2014	96	-46,890	90,313	18,424	108,737

STATEMENT OF CASH FLOWS

EUR thousand	1-6/2015	1-6/2014	1-12/2014
Cash flow from operations			
Profit / loss for the period	9,726	1,062	4,973
Total adjustments to profit / loss for the period	16,378	20,485	39,953
Cash flow before changes in net working capital	26,105	21,547	44,927
Change in net working capital	-9,263	-4,845	6,140
Financial items	-4,966	-2,792	-6,514
Income taxes	-3,468	-3,065	-7,434
Cash flow from operations	8,407	10,845	37,119
Cash flow from investments			
Investments in property, plant and equipment and intangible assets	-4,009	-4,016	-7,740
Investments in acquired businesses	-	-19,261	-19,261
Cash flow from disposed businesses	-	-	4,736
Sales proceeds from property, plant and equipment and intangible assets	10	31	59
Cash flow from investments	-4,000	-23,246	-22,206
Cash flow from financing			
Drawdown of hybrid bond	-	17,500	17,500
Drawdown of debenture bond	-	-	75,000
Drawdown of other non-current interest-bearing liabilities	-	-	10,000
Repayment of other non-current interest-bearing liabilities	-	-4,304	-78,220
Changes in current interest-bearing liabilities	-14	-632	-18,324
Changes in loan receivables	417	-	-
Share issue	340	-	-
Distribution of funds	-2,504	-	-
Cash flow from financing	-1,761	12,564	5,956

Change in cash and cash equivalents	2,647	163	20,869
Cash and cash equivalents at the beginning of the period	38,430	18,585	18,585
Effect of changes in exchange rates	1,701	-103	-1,025
Change in cash and cash equivalents	2,647	163	20,869
Cash and cash equivalents at the end of the period	42,778	18,646	38,430
Assets held for sale, cash and cash equivalents	-	-1,315	-
Cash and cash equivalents at the end of the period, continuing operations	42,778	17,331	38,430

KEY RATIOS

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Change in net sales, % *	18.5	2.4	16.1	1.7	7.5
Gross profit, as percentage of net sales, %	14.0	11.5	13.4	11.5	12.4
Operating profit, as percentage of net sales, %	9.3	5.5	7.9	5.9	6.4
Net financial items, as percentage of net sales, %	-1.0	-1.3	-1.2	-1.4	-2.0
Profit before income taxes, as percentage of net sales, %	8.3	4.2	6.7	4.5	4.4
Profit for the period, continuing operations, as percentage of net sales, %	5.5	2.3	4.3	2.5	2.5
Loss for the period, discontinued operations, as percentage of net sales, %	-	-4.2	-	-1.9	-1.3
Profit for the period, as percentage of net sales, %	5.5	-1.9	4.3	0.5	1.2
Gross capital expenditure, continuing operations, EUR thousand	2,337	1,621	3,796	3,490	7,066
Depreciation, amortization and reversal of impairment losses, continuing operations, EUR thousand	3,943	3,778	8,329	7,481	15,576
Earnings per share, EUR, continuing operations	0.02	0.01	0.04	0.02	0.04
Earnings per share, EUR, discontinued operations	-	-0.02	-	-0.02	-0.02
Earnings per share, EUR, total, basic	0.02	-0.01	0.04	0.00	0.02
Earnings per share, EUR, total, diluted	0.02	-0.01	0.03	0.00	0.02
Cash flow from operations per share, EUR	0.02	0.05	0.03	0.04	0.15
Return on equity, %	-	-	12.5	0.5	5.1
Return on invested capital,	-	-	16.2	8.4	12.0

rolling 12 months, %					
Return on invested capital, rolling 12 months, continuing operations, %	–	–	17.1	13.2	15.7
Equity ratio, %	–	–	43.4	38.7	41.2
Gearing, %	–	–	28.2	71.4	34.7
Equity per share, EUR	–	–	0.47	0.40	0.44
Number of shares, end of period, excluding treasury shares	–	–	251,511,730	246,130,603	246,130,603
Share price, end of period, EUR	–	–	0.97	0.55	0.81
Share price, period low, EUR	–	–	0.75	0.47	0.47
Share price, period high, EUR	–	–	1.19	0.62	0.81
Volume weighted average price during the period, EUR	–	–	0.94	0.54	0.58
Market capitalization, EUR million	–	–	244.0	135.4	199.4
Number of traded shares during the period	–	–	76,772,646	18,831,590	97,735,300
Number of traded shares during the period, % of average number of shares	–	–	30.7	7.5	39.7

* Compared with the corresponding period in the previous year.

Interest-bearing net debt, EUR thousand

Non-current interest-bearing liabilities	81,667	62,104	81,667
Current interest-bearing liabilities	3,333	22,940	3,347
Interest-bearing receivables and cash and cash equivalents	-51,330	-17,490	-47,232
Interest-bearing net debt	33,670	67,553	37,782

DEFINITION OF KEY RATIOS

Definitions of key ratios are presented in the consolidated financial statements for 2014.

NET SALES BY GEOGRAPHICAL MARKET AREA

EUR thousand	1-6/2015	1-6/2014	1-12/2014
Finland	1,417	1,326	2,516
Rest of Europe	81,190	65,110	139,738
North and South America	138,106	122,326	248,942
Rest of the world	4,165	4,931	10,565
Total	224,878	193,693	401,762

QUARTERLY DEVELOPMENT

EUR thousand	2015		2014				
	4-6	1-3	10-12	7-9	4-6	1-3	1-12
Net sales	112,944	111,934	104,779	103,291	95,340	98,353	401,763
Operating profit excluding non-recurring items	9,932	7,292	6,233	8,711	5,524	6,384	26,852
as % of net sales	8.8	6.5	5.9	8.4	5.8	6.5	6.7
Non-recurring items	530	–	-93	-349	-278	-233	-954
Operating profit	10,462	7,292	6,140	8,362	5,246	6,151	25,898
as % of net sales	9.3	6.5	5.9	8.1	5.5	6.3	6.4
Net financial items	-1,076	-1,621	-998	-4,334	-1,276	-1,467	-8,074
Profit before income taxes	9,386	5,670	5,141	4,028	3,969	4,684	17,823
as % of net sales	8.3	5.1	4.9	3.9	4.2	4.8	4.4

RELATED PARTY INFORMATION

The related parties of Suominen include the members of the Board of Directors, President & CEO and the members of the Corporate Executive Team as well as their family members and their controlled companies. In addition, shareholders who have a significant influence in Suominen through share ownership are included in related parties. Ahlstrom Corporation, including its subsidiaries and associated companies, was a related party through share ownership until 7 October 2014. Suominen has no associated companies.

In its transactions with related parties Suominen follows the same commercial terms as in transactions with third parties.

During the review period in total 751,193 shares in Suominen were transferred to related parties in accordance with the terms of the vested share-based incentive plan. In total 325,861 shares were transferred to the President & CEO and 425,332 shares to other members of the Corporate Executive Team. In accordance with the terms of plan, part of the reward was a cash payment to cover related income taxes. The fair value of the shares and the cash part of the reward was EUR 1,637 thousands at the date when the shares were transferred.

The Annual General Meeting held on 19 March 2015 resolved that 40% of the annual remuneration for the Board of Directors is paid in Suominen Corporation's shares. The number of shares transferred to the members of the Board of Directors as their remuneration payable in shares for 2015 was 86,989 shares. The shares were transferred on 5 June 2015 and the value of the transferred shares totaled EUR 79,800, or approximately EUR 0.91736 per share.

Other salaries paid to the related parties during the first half of 2015 amounted to EUR 845 thousand, obligatory pension payments EUR 125 thousand, voluntary pension payments EUR 82 thousand, compensation of the vested share-based plan EUR 1,637 thousand and accruals based on share-based incentive plans EUR 162 thousand.

Other related party transactions

EUR thousand	1-6/2015	1-6/2014	1-12/2014
Sales of goods and services	–	3,021	5,083
Purchases of goods and services	–	38,817	58,487
Trade and other receivables	–	979	–
Trade and other payables	–	9,035	–

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

CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR thousand	30 June 2015		30 June 2014		31 December 2014	
	Property, plant and equip.	Intangible assets	Property, plant and equip.	Intangible assets	Property, plant and equip.	Intangible assets
Carrying amount at the beginning of the period	88,721	12,510	98,640	12,025	98,640	12,025
Capital expenditure	2,736	1,059	1,959	1,532	4,650	2,416
Disposals	-	-10	-6	-	-9	-
Discontinued operations	-	-	-18,484	-179	-18,211	-160
Acquired businesses	-	-	10,463	20	10,779	20
Depreciation, amortization and impairment losses	-7,818	-1,041	-6,592	-888	-13,714	-1,862
Reversal of impairment losses	530	-	-	-	-	-
Exchange differences and other changes	4,128	82	1,487	-2	6,586	71
Carrying amount at the end of the period	88,297	12,601	87,467	12,508	88,721	12,510

Intangible assets excluding goodwill.

CHANGES IN INTEREST-BEARING LIABILITIES

EUR thousand	1-6/ 2015	1-6/ 2014	1-12/ 2014
Total interest-bearing liabilities at the beginning of the period	85,014	94,471	94,471
Current liabilities at the beginning of the period	3,347	24,071	24,071
Discontinued operations	-	-500	-502
Changes in current liabilities	-14	-631	-20,222
Current liabilities at the end of the period	3,333	22,940	3,347
Non-current liabilities at the beginning of the period	6,667	70,399	70,399
Discontinued operations	-	-4,268	-4,283
Changes in non-current liabilities	-	-4,027	-59,449
Non-current liabilities at the end of the period	6,667	62,104	6,667
Debentures at the beginning of the period	75,000	-	-
Changes in debentures	-	-	75,000
Debentures at the end of the period	75,000	-	75,000
Total interest-bearing liabilities at the end of the period	85,000	85,044	85,014

In accordance with IAS 32, the hybrid bond is included in equity.

CONTINGENT LIABILITIES

EUR thousand	30 June 2015	30 June 2014	31 December 2014
For own debt			
Secured loans	–	86,992	–
Nominal values of pledges			
Real estate mortgages	–	27,045	–
Floating charges	–	161,742	–
Pledged subsidiary shares and loans	–	185,122	–
Other own commitments			
Operating lease liabilities	22,354	24,111	22,911
Guarantees			
On own behalf	–	–	1,800
On behalf of others	4,134	–	4,017

NOMINAL AND FAIR VALUES OF DERIVATIVE INSTRUMENTS

EUR thousand	30 June 2015	30 June 2014	31 December 2014
Currency forward contracts			
Nominal value	39,568	2,608	36,307
Fair value	17	28	-235
Interest rate swaps			
Nominal value	–	50,686	–
Fair value	–	-957	–
Electricity forward contracts			
Nominal value	1,599	2,673	1,031
Fair value	-206	-242	-71

FINANCIAL ASSETS BY CATEGORY

- a. Financial assets at fair value through profit or loss
- b. Held-to-maturity assets
- c. Loans and receivables
- d. Available-for-sale assets
- e. Derivatives
- f. Carrying amount
- g. Fair value

EUR thousand	Classification						g.
	a.	b.	c.	d.	e.	f.	
Available-for-sale assets	–	–	–	806	–	806	806
Held-to-maturity assets	–	465	–	–	–	465	465
Other non-current receivables	813	–	1,576	–	–	2,389	2,389
Loan receivables	–	–	8,552	–	–	8,552	8,552
Trade receivables	–	–	60,193	–	–	60,193	60,193
Other current receivables	–	–	294	–	114	408	408
Interest and other financial receivables	–	–	1,808	–	–	1,808	1,808
Cash and cash equivalents	–	–	42,778	–	–	42,778	42,778
Total 30 June 2015	813	465	115,201	806	114	117,399	117,399

Principles in estimating fair value for financial assets for 2015 are the same as those used in consolidated financial statements for 2014.

FINANCIAL LIABILITIES EUR thousand	30 June 2015		31 December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial liabilities				
Loans from financial institutions	6,667	6,667	6,667	6,667
Debentures	75,000	76,928	75,000	75,150
Other non-current liabilities	364	364	350	350
Total non-current financial liabilities	82,031	83,959	82,017	82,167
Current financial liabilities				
Current part of non-current loans from financial institutions	3,333	3,333	3,333	3,333
Finance lease liabilities	–	–	14	14
Derivatives, no hedge accounting applied	18	18	121	121
Derivatives, hedge accounting applied	285	285	197	197
Interest accruals	902	902	902	902
Other current liabilities	274	274	726	726
Trade payables	45,644	45,644	47,403	47,403
Total current financial liabilities	50,456	50,456	52,696	52,696
Total	132,487	134,415	134,713	134,863

Principles in estimating fair value for financial liabilities for 2015 are the same as those used in consolidated financial statements for 2014.

FAIR VALUE MEASUREMENT HIERARCHY

EUR thousand	Level 1	Level 2	Level 3
Assets and liabilities at fair value			
Other non-current receivables	–	–	813
Available-for sale assets	–	–	806
Financial liabilities at fair value through profit or loss	–	–	-638
Total	–	–	981
Derivatives at fair value			
Currency forwards	–	17	–
Electricity forwards	–	-206	–
Total	–	-189	–

Principles in estimating fair values in 2015 are the same as those used in consolidated financial statements for 2014.

ANALYST AND PRESS CONFERENCE

Nina Kopola, President & CEO, and Tapio Engström, CFO, will present Suominen's January-June 2015 financial result in Finnish at an analyst and press conference in Helsinki today, on Friday 17 July 2015 at 2.00 pm (EEST). The conference will take place at Suominen Corporation's Head Office, Itämerentori 2, Helsinki (conference room Lyra on the 2nd floor). The presentation material will be available after the analyst and press conference at www.suominen.fi.

A teleconference on the financial result will be held on 17 July at 3.30 pm (EEST). The conference can be attended by phone at +44 (0)20 3059 8125. Please use the password "Suominen". The conference can also be accessed as an online webcast at www.suominen.fi/webcast. The conference will be held in English.

The presentation material will be available after the analyst and press conference at www.suominen.fi. A replay of the conference can be accessed at www.suominen.fi/webcast or by phone at +44 121 260 4861, using access code 1209207#.

NEXT INTERIM REPORT

Suominen Corporation will publish its Interim Report for January-September 2015 on Monday, 26 October 2015.

Helsinki, 17 July 2015

SUOMINEN CORPORATION
Board of Directors

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Suominen in brief

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