Suominen Corporation
Interim Report Q1 2013

19 April 2013

Suominen
Creating Convenience

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SUOMINEN CORPORATION'S INTERIM REPORT FOR JANUARY 1 – MARCH 31, 2013: SUOMINEN INCREASED ITS NETSALES AND IMPROVED ITS FINANCIAL RESULT

KEY FIGURES	1-3/2013	1-3/2012	1-12/2012
Net sales, EUR million	**122.0**	111.1	454.9
Operating profit before non-recurring items, EUR million	**4.9**	2.7	13.7
Operating profit, EUR million	**4.9**	3.2	0.9
Profit/loss for the period, EUR million	**1.1**	-0.3	-11.9
Earnings/share, EUR	**0.00**	0.00	-0.05
Cash flow from operations/share, EUR	**-0.01**	-0.03	0.10
Return on invested capital (ROI), %	**1.2**	-0.6	0.4
Gearing, % *	**102.0**	112.4	101.0

* Data from comparison period revised.

Highlights in January-March 2013:

-Net sales grew by 10% and amounted to EUR 122.0 million (111.0)
-Operating profit excluding non-recurring items grew by 81% to EUR 4.9 million (2.7)
-Suominen repeats its estimate according to which the company expects its net sales for the full year 2013 to remain at the level of 2012. Operating profit excluding non-recurring items is expected to improve from year 2012.

Nina Kopola, President and CEO:

"In the European markets, consumers' confidence in their personal financial situation improved slightly since the turn of the year, but purchasing behavior remained relatively cautious. However, in North America, Suominen's other main market area, the operating environment also in January–March 2013 was more favorable than it was in Europe.

Suominen had a positive start to 2013. Our net sales increased to EUR 122.0 million (111.1), and with our operating profit reaching EUR 4.9 million (3.2), our profitability also improved. Good demand for nonwovens, particularly in North America, boosted our net sales, but the European markets also developed favorably. The leaner cost structure we achieved through our Summit program, which ended in March, was reflected in our first quarter results, showing a significant improvement in profitability.

In addition, I am especially pleased with Flexibles' development in the first quarter. Some of the measures of the business recovery program launched at the start of the year are already beginning to show in the segment's key figures. The Flexibles segment's net sales grew and operating profit turned positive.

"The Nonwovens business unit, which is part of the Wiping segment and makes up roughly 80% of our net sales, showed stable development in the first quarter of the year. We will steadfastly continue with the implementation of our strategy, which was renewed at the end of last year, and within that framework we are launching two new business development programs in the Nonwovens business area. The goals of these programs are to harmonize processes and to further improve product development, which will enable us to accelerate our customers' business and increase the share of products with higher added value in our portfolio, in keeping with Suominen's strategy."

GROUP NET SALES AND FINANCIAL RESULT

In the first quarter of 2013, Suominen's net sales were EUR 122.0 million (111.1). Operating profit before non-recurring items was EUR 4.9 million (2.7) and after them EUR 4.9 million (3.2). Suominen did not report any non-recurring items during the reporting period. Profit before taxes was EUR 2.5 million (0.5) and profit after taxes EUR 1.1 million (-0.3).

Net sales of the Suominen Group increased 10% from the comparison period, mainly thanks to the favorable demand for nonwovens materials in North America. In the comparison period, net sales were affected by the closure of a nonwovens production line in Italy due to fire damage. The closure lasted until

May 2012.

Sales volumes of the Nonwovens business unit, reported under the Wiping segment, grew from the comparison period. Due to the product mix sold in January–March 2013, average sales prices declined. The benefits generated during 2012 in the integration of Suominen and Ahlstrom's Home and Personal business, acquired in late 2011, were clearly visible in the development of the Nonwovens business unit. The Summit program that aimed at integration of the businesses and the realization of synergy benefits, reached its cost-reduction targets, and the project was completed as planned in March 2013. 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. The markets of the products supplied by the Codi Wipes business unit were affected by the slowing economic growth in Europe. Sales of Codi Wipes declined from the comparison period.

In the Flexibles segment, the business turnaround program initiated at the turn of the year proceeded according to plan. The segment increased its net sales and its operating profit turned slightly positive.

Cash flow from operations in January–March was EUR -2.1 million (-6.4). EUR 8.4 million (12.9) in working capital was tied up in the first quarter of 2013, representing 6.9% of the net sales. The change in working capital was in line with the seasonal fluctuations typical for Suominen's business. 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 at the end of 2011 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 100.6 million (123.5) 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 4.7 and the gearing ratio not to exceed 145% in the end of the first quarter. At the end of the first quarter, on 31 March 2013, the net debt to EBITDA was 2.9 and the gearing ratio 102%.

In January–March, net financial expenses were EUR 2.4 million (2.7), or 1.9% (2.5%) of net sales. A total of EUR 8.4 million was tied up in working capital (12.9 tied up). Trade receivables amounting to EUR 13.6 million (12.1) were sold to the bank. The equity ratio was 34.7% (32.8%) and the gearing 102.0% (112.4%). Cash flow from operations was EUR -2.1 million (-6.4), representing a cash flow of EUR -0.01 per share (-0.03).

CAPITAL EXPENDITURE

The company's gross investments totaled EUR 0.8 million (0.5) in January–March. Planned depreciation amounted to EUR 4.7 million (4.9). Nonwovens accounted for EUR 0.1 million (0.3), Codi Wipes for EUR 0.1 million (0.1), Flexibles for EUR 0.4 million (0.1) and the parent company for EUR 0.1 million (0.1) of the total investments. The investments in Nonwovens and Codi Wipes business units were in maintenance. The Flexibles segment invested in new laser perforation equipment.

NET SALES AND FINANCIAL RESULT IN SEGMENTS

Wiping

The Wiping segment of Suominen consists of two business units: Nonwovens and Codi Wipes. Nonwovens business unit supplies nonwovens as roll goods for wiping products and medical applications. Codi Wipes converts nonwovens into wet wipes and supplies them in consumer packages to customers.

The net sales of the Wiping segment totaled EUR 107.8 million (97.5) in January-March 2013. The operating profit of the segment before and after non-recurring items was EUR 4.3 million (3.8). The segment did not report any non-recurring items during the reporting period.

Net sales of the Nonwovens business unit totaled EUR 97.2 million (85.7) in January–March 2013. Consumer demand in the wet wipes applications favored on the North American markets was stronger than in product areas typical for Europe. In the European market, the competitive environment remained tight. However, Suominen's delivery volumes grew both in North America and in Europe. The main application areas for nonwoven materials were distributed as follows: baby wipes accounted for 43%, household wipes for 17%, personal care wipes for 22%, and industrial wipes for 12% of sales. The shares of personal care and industrial applications grew, while the shares of baby and household wipes declined from the corresponding period last year.

Costs of the Nonwovens business unit declined thanks to the Summit program commenced in early 2012 and completed in March 2013..

Net sales of the Codi Wipes business unit decreased by 12% to EUR 11.6 million (13.1). Price competition in Europe, the main market area for Codi Wipes, remained fierce. In January–March, the share of personal hygiene wipes in sales grew from the previous year's level to 52%. The share of moist toilet wipes grew to 10%, while the share of baby wipes decreased to 37%.

Flexibles

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

In January–March 2013, net sales of the Flexibles segment totaled EUR 14.4 million (13.9), showing an increase of 4% from the previous year. Flexibles obtained significant new customers during the review period. Hygiene and food packaging generated more than 70% of the segment's net sales. In January–March, sales of hygiene and food packaging as well as security and system packaging increased, whereas sales of retail carrier bags declined from the comparison period.

The segment's operating profit was EUR 0.0 million (-0.6) excluding non-recurring items and EUR 0.0 million (-0.1) including them. The segment did not report any non-recurring items during the reporting period. The financial result of the segment turned positive thanks to the extensive business turnaround program initiated at the turn of the year.

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 26 March, 2013. The General Meeting decided that no dividend will be paid for the financial year 2012.

The AGM adopted the financial statements and the consolidated financial statements for the financial year 2012 and discharged the members of the Board of Directors and the President and 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, Mr Hannu Kasurinen and Mr Heikki Mairinoja as the members of the Board of Directors for the next term of office, that expires at the end of the first Annual General Meeting of Shareholders following their election. 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 resolved to amend the section 1 of the Articles of Association of the company so that the domicile of the company is Helsinki. In addition, the AGM decided that the second sentence regarding the venue of a General Meeting will be deleted from section 10 of the Articles of Association.

The AGM resolved to establish a permanent Nomination Committee. The Nomination Committee consists of the three largest shareholders or representatives of the three largest shareholders of the company and the Chairman of the Board of Directors 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.

Share trading and price

The number of Suominen Corporation shares traded on NASDAQ OMX Helsinki from 1 January to 31 March 2013 was 1,661,928 shares, accounting for 0.7% of the share capital and votes. The trading price varied between EUR 0.35 and EUR 0.44.

The closing trading price was EUR 0.36, giving the company a market capitalization of EUR 88,514,577 on 31 March 2013.

Own shares

On 1 January 2013 and on 31 March 2013, 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 100,000 of Suominen's 2009B stock options. During the reporting period 100,000 2009B stock options were returned to the company. 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 246,034,122 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 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 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 2014. 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 authorization shall be valid until 30 June 2016.

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 financers 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 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. In October 2012, Suominen and its financers agreed on adjusted financial covenants. At the end of 2013, Suominen's net debt to EBITDA ratio may not exceed 3.6 and the company's gearing ratio must be less than 125%. In this interim report, these key figures are 2.9 and 102%.

The sensitivity of Suominen's goodwill to changes in business conditions is described in the notes to the financial statements 2012. 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 2012.

BUSINESS ENVIRONMENT IN JANUARY–MARCH 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. Europe and North America are the main market regions for Suominen.

In the European markets, consumers' confidence in their personal financial situation improved slightly since the turn of the year, but purchasing behavior remained relatively cautious. The operating environment in North America, Suominen's other main market area, was more favorable than it was in Europe, also in January–March 2013. Consumers in North America show more stable confidence in their personal financial situation, and, according to the Purchasing Managers' Indices, the outlook of business and industry on the general financial situation is also more positive in North America than in Europe.

Suominen assesses 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 in 2013 demand for its products will remain at the level of 2012.

Suominen will continue with the implementation of its strategy, and within its framework launches two new business development programs. The goals of these programs are to harmonize processes and to further improve product development, which will enable Suominen to accelerate its customers' operations and increase the share of products with higher added value in its portfolio, in keeping with its strategy.

OUTLOOK FOR 2013

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.

SUOMINEN GROUP CONSOLIDATED 1 JANUARY – 31 MARCH 2013

This interim report has been prepared in compliance with IAS 34 Interim Financial Reporting. The principles for preparing the interim report are the same as those used for preparing the financial statements for 2012, and this interim report should be read parallel to the financial statements for 2012. Changes to published accounting standards and interpretations, together with the new accounting standards that came into force on 1 January 2013, are presented in the financial statements for 2012.

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

According to the revised IAS 19 standard 'Employee Benefits', which came into force on January 1, 2013, the corridor method is not applied to actuarial gains and losses, and changes in actuarial gains and losses are recognized in other comprehensive income. Net interest expenses are determined by multiplying the net debt (or receivables) with the interest rate used in discounting, and the difference between the real return on assets and the return calculated using the interest rate used in discounting is recognized in other comprehensive income. Previously unrecognized actuarial gains and losses are also recognized in other comprehensive income. The same applies to other long-term employee benefits, although changes in recognized items are recorded through profit or loss. The process concerning termination benefits, particularly the date when the entity recognizes its liability for termination benefits, is also defined in more detail.

The IAS 19 standard is not expected to have a material impact on Suominen's financial statements or operating result. The standard does, however, require retroactive application for the financial statement figures of comparison years. Thus, the net debt of the Group's defined benefit pensions and the statement of comprehensive income from the 2012 comparison year has, as a result of the elimination of the corridor approach to recognize actuarial gains and losses, been changed to reflect the retroactive application. As a result of the revision to IAS 19, the Group's pension liabilities increased from EUR 845 thousand to EUR 1,092 thousand as of the December 31, 2012 financial statements, and actuarial losses of EUR 247 thousand for the comparison period have been recognized in the other comprehensive income statement items of the 2012 comparison data.

The figures in this interim report have not been audited.

BALANCE SHEET

EUR 1,000	**31 Mar 2013**	31 Mar 2012	31 Dec 2012
Assets			
Non-current assets			
Goodwill	**26,715**	34,298	26,715
Intangible assets	**12,101**	12,995	12,529
Tangible assets	**115,898**	133,171	118,019
Available-for-sale financial assets	**19**	19	19
Held-to-maturity investments	**449**	438	466
Deferred tax assets	**6,273**	2,766	6,067
Non-current assets, total	**161,455**	183,687	163,816
Current assets			
Inventories	**40,333**	44,241	42,431
Trade receivables	**56,370**	54,778	45,328
Other current receivables	**10,482**	18,061	11,772
Income tax receivables	**1,348**	1,470	1,293
Financial assets on escrow		25,000	
Cash at bank and in hand	**13,801**	8,039	14,301
Current assets, total	**122,334**	151,589	115,125
Assets, total	**283,789**	335,276	278,940
Shareholders' equity and liabilities			
Equity attributable to owners of the parent company			
Share capital	**11,860**	11,860	11,860
Share premium account	**24,681**	24,681	24,681
Invested non-restricted equity fund	**97,054**	97,054	97,054
Fair value and other reserves	**-1,024**	-423	-1,253
Translation differences	**852**	740	-549
Other shareholders' equity *	**-34,826**	-24,025	-35,782
Shareholders' equity, total *	**98,597**	109,887	96,011
Liabilities			
Non-current liabilities			
Deferred tax liabilities	**5,706**	2,686	5,653
Provisions	**280**	280	280
Other non-current liabilities *	**1,304**	1,218	1,282
Interest-bearing liabilities	**90,808**	134,142	90,027
Non-current liabilities, total	**98,098**	138,326	97,242
Current liabilities			
Interest-bearing liabilities	**23,571**	21,471	20,571
Capital loans		920	920
Income tax liabilities	**1,416**	2,081	737
Trade payables and other current liabilities	**62,107**	62,587	63,460
Current liabilities, total	**87,094**	87,063	85,688
Liabilities, total	**184,945**	225,389	182,683
Shareholders' equity and liabilities, total	**283,789**	335,276	278,940

* Data from comparison period revised.

STATEMENT OF INCOME

EUR 1,000	**1-3/2013**	1-3/2012	1-12/2012
Net sales	**122,013**	111,087	454,909
Cost of goods sold	**-109,924**	-102,083	-417,262
Gross profit	**12,089**	9,004	37,647
Other operating income	**742**	1,972	6,838
Sales and marketing expenses	**-2,053**	-1,859	-7,574
Research and development	**-1,027**	-711	-3,903
Administration expenses	**-4,716**	-5,515	-18,716
Other operating expenses	**-136**	-185	-568
Operating profit before non-recurring items	**4,899**	2,706	13,724
Non-recurring items		484	-12,777
Operating profit	**4,899**	3,190	947
Financial income and expenses	**-2,359**	-2,731	-10,410
Profit before income taxes	**2,540**	459	-9,463
Income taxes	**-1,438**	-750	-2,409
Profit/loss for the period	**1,102**	-291	-11,872
Earnings/share, EUR	**0.00**	0.00	-0.05

STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	**1-3/2013**	1-3/2012	1-12/2012
Profit/loss for the period	**1,102**	-291	-11,872
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on foreign operations	**1,474**	1,095	-438
Fair value changes of cash flow hedges	**303**	63	-1,007
Other reclassifications	**-168**	-3	-6
Total	**1,609**	1,155	-1,451
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gains and losses *			-247
Total	**0**	0	-247
Income tax on other comprehensive income	**-147**	280	765
Total other comprehensive income	**1,462**	1,435	-933
Total comprehensive income for the period	**2,564**	1,144	-12,805

* Data from comparison period revised.

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 2013	**11,860**	**24,681**	**97,054**	**-43**	**-549**	**-1,210**	**-35,783**	**96,011**
Profit/loss for the period							1,102	1,102
Other comprehensive income					1,401	229	-168	1,462
Share-based payments							22	22
Total equity at 31 Mar 2013	**11,860**	**24,681**	**97,054**	**-43**	**852**	**-981**	**-34,827**	**98,597**

EUR 1,000	a.	b.	c.	d.	e.	f.	g.	h.
Total equity at 1 Jan 2012	11,860	24,861	97,054	-43	-637	-440	-23,738	108,737
Profit/loss for the period							-291	-291
Other comprehensive income					1,377	61	-3	1,435
Share-based payments							6	6
Total equity at 31 Mar 2012	11,860	24,681	97,054	-43	740	-379	-24,025	109,887

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	-253	-934
Share-based payments							79	79
Total equity at 31 Dec 2012	11,860	24,681	97,054	-43	-549	-1,210	-35,783	96,011

* Data from comparison period revised.

CASH FLOW STATEMENT

EUR 1,000	**1-3/2013**	1-3/2012	1-12/2012
Operations			
Operating profit	**4,899**	3,190	947
Total adjustments	**4,667**	4,430	31,775
Cash flow before change in working capital	**9,567**	7,621	32,722
Change in working capital	**-8,362**	-12,872	4,961
Financial items	**-2,330**	-1,085	-9,705
Taxes paid	**-966**	-108	-3,040
Cash flow from operations	**-2,091**	-6,444	24,938
Investment payments			
Investments in tangible and intangible assets	**-841**	-714	-3,619
Proceeds from disposal of fixed assets and other proceeds	**48**	1,867	2,115
Cash flow from investing activities	**-793**	1,153	-1,504
Financing			
Repayments of non-current loans	**-3,325**		-38,713
Repayments of capital loans	**-920**	-1,731	-920
Change in current loans	**6,300**	-920	-10,550
Cash flow from financing	**2,055**	-2,651	-50,183
Change in cash and cash equivalents *	**-829**	-7,942	-26,749
Cash and cash equivalents	**14,301**	40,887	40,887
Unrealized exchange rate differences	**329**	92	164
Change in cash and cash equivalents	**-829**	-7,942	26,749
Cash and cash equivalents	**13,801**	33,038	14,301

* Also includes the change in financial assets on escrow.

KEY FIGURES	**1-3/2013**	1-3/2012	1-12/2012
Net sales, change, % *	**9.8**	155.0	113.2
Gross profit, % **	**9.9**	8.1	8.3
Operating profit, % **	**4.0**	2.9	0.2
Financial income and expenses, % **	**-1.9**	-2.5	-2.3
Profit before income taxes, % **	**2.1**	0.4	-2.1
Profit for the period, % **	**0.9**	-0.3	-2.6
Earnings/share, EUR	**0.00**	0.00	-0.05
Equity/share, EUR	**0.40**	0.45	0.39
Cash flow from operations/share, EUR	**-0.01**	-0.03	0.10
Return on equity (ROE), % ***	**-10.1**	-13.3	-11.2
Return on invested capital (ROI), %	**1.2**	-0.6	0.4
Equity ratio, % ***	**34.7**	32.8	34.4
Gearing, % ***	**102.0**	112.4	101.0
Gross investments, EUR 1,000	**764**	524	4,008
Depreciation, EUR 1,000	**4,676**	4,909	19,606
Impairment losses, EUR 1,000			12,816

* Compared with the corresponding period of the previous year.
** As of net sales.

*** Data from comparison period revised.

SEGMENT REPORTING

Wiping

EUR 1,000	**1-3/2013**	1-3/2012	Change %	1-12/2012
Net sales				
- Codi Wipes	**11,578**	13,118	-11.7	49,436
- Nonwovens	**97,233**	85,673	13.5	357,873
- eliminations	**-1,039**	-1,333	-22.0	-4,108
Total	**107,772**	97,458	10.6	403,201
Operating profit before non-recurring items	**4,348**	3,751	15.9	18,803
% of net sales	**4.0**	3.8		4.7
Operating profit	**4,348**	3,751	15.9	5,542
% of net sales	**4.0**	3.8		1.4
Assets	**239,457**	247,341		237,084
Liabilities	**52,716**	50,676		53,446
Net assets	**186,741**	196,665		183,638
Investments	**200**	372		2,608
Depreciation	**3,637**	3,818		15,358
Impairment losses				12,816
Average personnel	**686**	761		758

Flexibles

EUR 1,000	**1-3/2013**	1-3/2012	Change %	1-12/2012
Net sales	**14,427**	13,906	3.7	52,698
Operating profit before non-recurring items	**1**	-576	100.2	-2,786
% of net sales	**0.0**	-4.1		-5.3
Operating profit	**1**	-92	101.3	-2,302
% of net sales	**0.0**	-0.7		-4.4
Assets	**37,703**	42,804		37,087
Liabilities	**10,037**	10,239		8,634
Net assets	**27,666**	32,565		28,453
Investments	**437**	79		554
Depreciation	**672**	751		2,868
Average personnel	**459**	446		453

Non-allocated items

EUR 1,000	**1-3/2013**	1-3/2012	1-12/2012
Net sales	**-186**	-278	-991
Operating profit	**550**	-468	-2,293
Assets	**6,628**	45,132	4,770
Liabilities *	**122,439**	164,475	120,851
Investments	**127**	73	845
Depreciation	**367**	339	1,380
Average personnel	**18**	9	9

* Data from comparison period revised.

NET SALES BY MARKET AREA

EUR 1,000	**1-3/2013**	1-3/2012	1-12/2012
Finland	**5,681**	6,053	23,917
Europe, other	**55,132**	48,889	205,570
North and South America	**58,411**	52,902	213,776
Other countries	**2,789**	3,243	11,645
Net sales, total	**122,013**	111,087	454,909

QUARTERLY FIGURES

EUR 1 000	Q2/2012	Q3/2012	Q4/2012	Q1/2013	Q2/2012-Q1/2013
Net sales					
Wiping					
- Codi Wipes	12,278	12,161	11,880	11,578	47,896
- Nonwovens	89,394	97,917	84,890	97,233	369,433
- eliminations	-1,175	-711	-889	-1,039	-3,814
Total	100,496	109,366	95,880	107,772	413,515
Flexibles	12,766	12,658	13,369	14,427	53,219
Non-allocated items	-180	-255	-278	-186	-899
Net sales, total	113,082	121,769	108,971	122,013	465,835
Operating profit					
Wiping	3,874	8,146	3,032	4,348	19,400
% of net sales	3.9	7.4	3.2	4.0	4.7
Flexibles	-816	-576	-818	1	-2,209
% of net sales	-6.4	-4.5	-6.1	0.0	-4.2
Non-allocated items	-664	-891	-270	550	-1,274
Operating profit before non-recurring items	2,394	6,679	1,944	4,899	15,916
% of net sales	2.1	5.5	1.8	4.0	3.4
Non-recurring items	-2,700	-445	-10,116		-13,261
Operating profit, total	-306	6,234	-8,171	4,899	2,656
% of net sales	-0.3	5.1	-7.5	4.0	0.6
Net financial expenses	-2,494	-2,954	-2,230	-2,359	-10,038
Profit before income taxes	-2,800	3,280	-10,402	2,540	-7,382

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 676 thousand, obligatory pension payments EUR 30 thousand, voluntary pension payments EUR 52 thousand and share-based payments EUR 40 thousand.

Other related-party transactions

EUR 1,000	**1-3/2013**	1-3/2012	1-12/2012
Sales of goods and services	**4,409**	2,780	19,653
Purchases of goods and services	**12,712**	6,950	54,191
Trade and other receivables	**1,367**	2,003	1,049
Trade and other payables	**1,477**	4,898	2,165

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

CHANGES IN BORROWINGS

EUR 1,000	**1-3/2013**	1-3/2012	1-12/2012
Total borrowings on 1 January	**111,518**	161,730	161,730
Current loans from financial institutions on 1 January	**20,571**	19,929	19,929
Change in current loans from financial institutions	**3,000**	1,542	642
Current loans from financial institutions on 31 March	**23,571**	21,471	20,571
Non-current loans on 1 January	**90,027**	139,961	139,961
Change in non-current loans	**781**	-5,819	-49,934
Non-current loans on 31 March	**90,808**	134,142	90,027
Capital loans on 1 January	**920**	1,840	1,840
Change in capital loans	**-920**	-920	-920
Capital loans on 31 March	**0**	920	920
Total borrowings on 31 March	**114,379**	156,533	111,518

CHANGES IN FIXED ASSETS

		1-3/2013		1-3/2012		1-12/2012
EUR 1,000	**Tangible**	**Intangible**	Tangible	Intangible	Tangible	Intangible
Book value at the beginning of the period	**118,019**	**12,529**	139,886	13,333	139,886	13,333
Investments	**630**	**134**	485	39	3,261	747
Decreases	**-18**		-1,377		-1,385	
Depreciation	**-4,278**	**-399**	-4,522	-387	-23,603	-1,542
Translation differences and other changes	**1,544**	**-163**	-1,301	11	-140	-8
Book value at the end of the period	**115,898**	**12,101**	133,171	12,995	118,019	12,529

CONTINGENT LIABILITIES

EUR 1,000	**1-3/2013**	1-3/2012	12/2012
For own debt			
Secured loans	**110,839**	152,808	107,861
Nominal values of pledges			
Real estate mortgages	**27,044**	23,158	27,045
Floating charges	**198,339**	208,254	193,988
Pledged subsidiary shares and loans	**212,733**	211,559	209,160
Other own commitments			
Operating leases, real estates	**26,527**	28,454	27,177
Operating leases, machinery and equipment	**3,086**	3,244	2,705
Guarantee commitments	**1,199**	1,246	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. Derivatives held for hedge accounting
f. Book value
g. Fair value

	Classes by instruments nature						
EUR 1,000	**a.**	**b.**	**c.**	**d.**	**e.**	**f.**	**g.**
Available-for-sale financial assets				19		19	19
Held-to-maturity investments		427				427	427
Trade receivables			56,370			56,370	56,370
Other receivables	137		6		55	198	198
Cash and cash equivalents			13,801			13,801	13,801
Total at 31 Mar 2013	**137**	**427**	**70,177**	**19**	**55**	**70,815**	**70,815**

	Classes by instruments nature						
EUR 1,000	a.	b.	c.	d.	e.	f.	g.
Available-for-sale financial assets				19		19	19
Held-to-maturity investments		466				466	466
Trade receivables			45,328			45,328	45,328
Other receivables	60		590			650	650
Cash and cash equivalents			14,301			14,301	14,301
Total at 31 Dec 2012	60	466	60,220	19		60,763	60,763

Principles in estimating fair value for financial assets for 2013 are the same as those used for preparing the financial statements for 2012.

FINANCIAL LIABILITIES

EUR 1,000	**31 Mar 2013 Book value**	**Fair value**	31 Dec 2012 Book value	Fair value
Non-current				
Loans from financial institutions	89,665	89,678	88,884	88,901
Pension loans	1,143	1,178	1,143	1,185
Total	90,808	90,856	90,027	90,085
Current *)				
Repayment of non-current liabilities				
Loans from financial institutions	23,000	23,034	20,000	20,054
Pension loans	571	595	571	611
Capital loans			920	924
Derivatives not held for hedge accounting	19	19	62	62
Derivatives held for hedge accounting	1,409	1,409	1,822	1,822
Trade payables	47,937	47,937	46,381	46,381
Total	72,936	72,993	69,756	69,854
Total	**163,744**	**163,850**	**159,783**	**159,939**

*) In the balance sheet under current liabilities.

Principles in estimating fair value for financial liabilities for 2013 are the same as those used for preparing the financial statements for 2012.

FAIR VALUE MEASUREMENT HIERARCHY

EUR 1,000	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value			
Assets held for sale			19
Total			**19**
Derivatives measured at fair value			
Currency derivatives		118	
Interest rate derivatives		-1,231	
Electricity derivatives		-123	
Total		**-1,236**	

Principles in estimating fair value for financial assets and their hierarchies for 2013 are the same as those used for preparing the financial statements for 2012.

ANALYST AND PRESS CONFERENCE

Suominen's President and CEO Nina Kopola and CFO Tapio Engström will present the financial result in Finnish at an analyst and press conference in Helsinki today, on Friday, 19 April at 12.00 noon Finnish time. 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/financial_presentations.

Suominen will publish its Interim report for January-June 2013 on July 17, 2013.

Helsinki, 19 April, 2013

SUOMINEN CORPORATION
Board of Directors

For additional information, please contact:
Mrs Nina Kopola, President and CEO: +358 (0)10 214 300
Mr Tapio Engström, Senior Vice President and CFO, tel. +358 (0)10 214 300

Distribution:
NASDAQ OMX Helsinki Ltd
Key media
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 excluding 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.