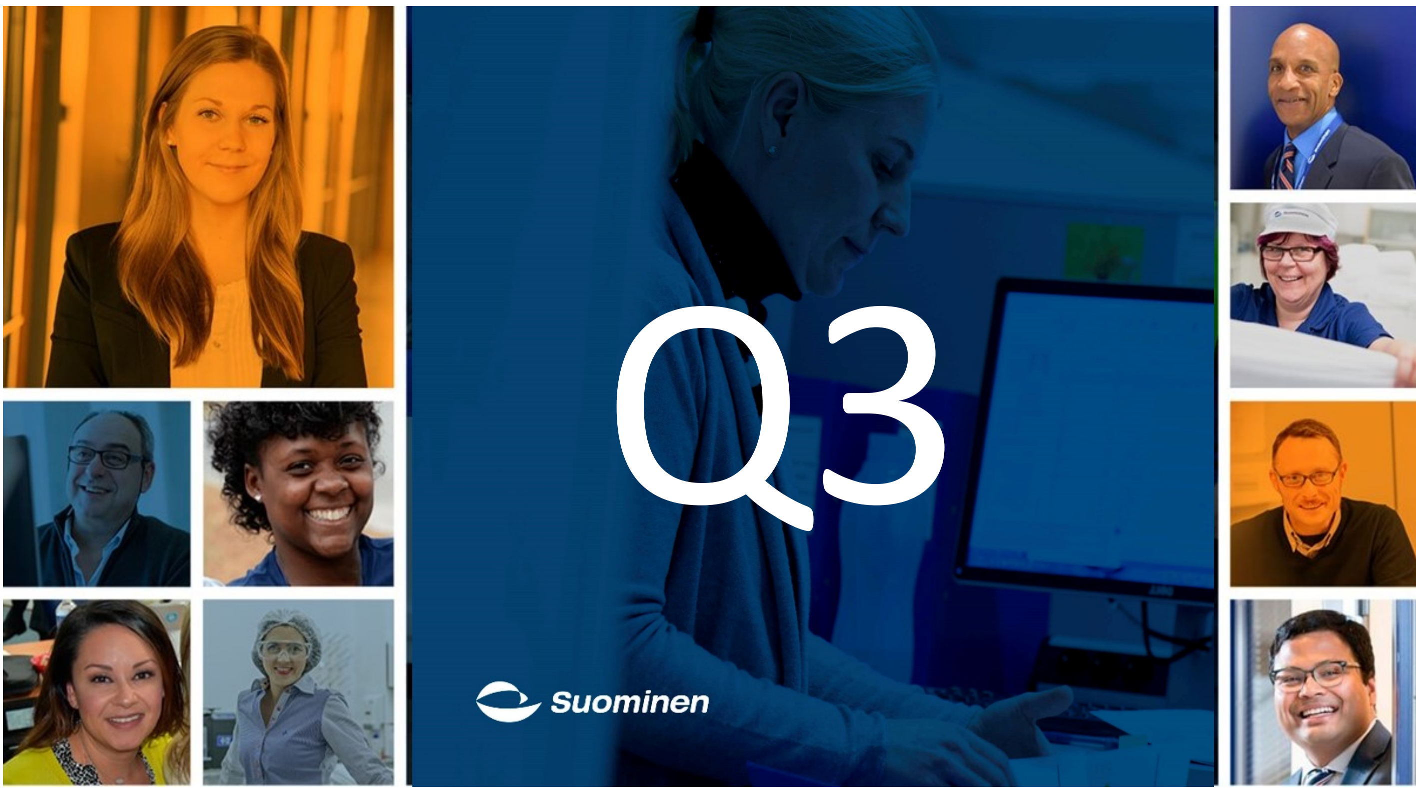
Suominen Corporation

Interim Report 1 Jan - 30 Sep 2017



27 Oct 2017

Suominen Corporation Interim Report 27 October 2017 at 8:00 am (EEST)

Suominen Corporation's Interim Report for January 1 - September 30, 2017:

Net sales increased, operating profit impacted by investments in growth

KEY FIGURES

	7-9/ 2017	7-9/ 2016	**1-9/ 2017**	1-9/ 2016	1-12/ 2016
Net sales, EUR million	**102.4**	103.8	**327.3**	316.5	416.9
Comparable operating profit, EUR million	**4.6**	7.9	**15.3**	22.1	25.6
Operating profit, EUR million	**4.6**	7.9	**15.3**	22.1	25.6
Profit for the period, EUR million	**1.8**	4.9	**8.2**	13.6	15.2
Earnings per share, basic, EUR	**0.03**	0.09	**0.15**	0.26	0.29
Earnings per share, diluted, EUR	**0.03**	0.08	**0.14**	0.23	0.26
Cash flow from operations per share, EUR	**0.04**	0.16	**0.35**	0.50	0.56
Return on invested capital, rolling 12 months, %	**–**	–	**8.3**	12.3	11.6
Gearing, %	**–**	–	**56.5**	28.0	39.6

In this financial report, figures shown in brackets refer to the comparison period last year if not otherwise stated.

Highlights in July–September 2017:

- Net sales decreased by 1% to EUR 102.4 million (103.8).
- Operating profit decreased by 41% to EUR 4.6 million (7.9).
- Cash flow from operations decreased to EUR 2.3 million (8.3).
- Ramp-up of customer deliveries from the new production line at the Bethune plant in SC, USA continued.
- Suominen issued a new EUR 85 million bond and renewed its bank facilities.

- Suominen repeats its estimate, disclosed on 9 August 2017, and expects that for the full year 2017, its net sales will improve from year 2016 but its comparable operating profit will fall short of the 2016 level. In 2016, Suominen's net sales amounted to EUR 416.9 million and comparable operating profit to EUR 25.6 million. The calculation of comparable operating profit is explained in the consolidated financial statements of 2016.

Nina Kopola, President & CEO, comments on Suominen's third quarter of 2017:

"In the third quarter of 2017, the consumer confidence continued strong both in euro area and in the United States. Europe and North America are our main market regions. Consumers' optimism was reflected in the demand of nonwoven products.

Suominen's net sales declined by 1% and amounted to EUR 102.4 million. While the reported net sales decreased, I was pleased with the very nice growth in our sales volumes. The changes in US dollar exchange rate compared to euro decreased net sales by EUR 3.4 million from the comparison period. In addition, the unfavorable change in the product mix somewhat offset the impact of volume growth.

The ramp-up process of the new production line in the Bethune plant in SC, USA continued during the third quarter. While we are still experiencing certain technical issues in this ramp-up phase, we are delighted that we are now delivering products to our customers with normal commercial terms. However, as the volumes of the new line are still clearly below expected capacity, the line will continue to impact Suominen's operating profit in the last quarter of 2017. We expect the new line to contribute positively to Suominen's gross profit as of the beginning of 2018.

In addition to the Bethune investment, we are also taking other major actions to enable the execution of our strategy. The significant renewal of our ICT systems is ongoing and has progressed as expected. Due to unfavorable net sales and product mix development as well as costs related with the investments, our operating profit decreased from the comparison period.

Cash flow from operations declined from the corresponding period to EUR 2.3 million mainly due to lower profit and as more working capital was tied up.

Thanks to the successfully executed refinancing measures, finalized in the beginning of October and including an issue of a new EUR 85 million bond and renewal of our bank facilities, Suominen continues to have a solid financial position to execute its strategy in coming years."

NET SALES

July–September 2017

In July–September 2017, Suominen's net sales decreased by 1% from the comparison period to EUR 102.4 million (103.8). Improved demand was reflected in growing sales volumes, but the changes in US dollar exchange rate compared to euro decreased net sales by EUR 3.4 million from the comparison period. In addition, the unfavorable change in the product mix somewhat offset the impact of volume growth.

Suominen has two business areas, Convenience and Care. Convenience business area supplies nonwovens as roll goods for a wide range of wiping applications. Care business area manufactures nonwovens for hygiene products and medical applications. Net sales of the Convenience business area were EUR 93.0 million (95.3) and net sales of the Care business area EUR 9.3 million (8.5). Due to the reclassification of a customer between applications, the figures for the comparison period have been restated.

January–September 2017

In January–September 2017, Suominen's net sales increased by 3% from the comparison period last year to EUR 327.3 million (316.5) thanks to improved sales volumes. The changes in US dollar exchange rate improved net sales during January–September 2017 by EUR 0.4 million.

Net sales of the Convenience business area were EUR 297.8 million (289.2) and net sales of the Care business area EUR 29.5 million (27.2).

The main application areas for nonwoven materials supplied by Suominen in January–September were baby wipes (accounting for 41% of the sales), personal care wipes (20%), home wipes (19%), wipes for workplace use (9%), and hygiene and medical products (9%). All nonwovens for wiping products belong to the Convenience business area and nonwovens for hygiene and medical products to the Care business area.

The share of nonwovens for baby wipes in Suominen's net sales increased from the comparison period. Of the products with high added value, nonwovens for home care wipes increased their share in the portfolio while the share of personal care products declined.

OPERATING PROFIT AND RESULT

July–September 2017

Operating profit decreased by 41% and amounted to EUR 4.6 million (7.9). Unfavorable development of net sales and product mix, lower gross profit and costs related to the growth investments burdened the operating profit. USD/EUR exchange rate fluctuation had no material impact on operating profit.

Profit before income taxes was EUR 3.5 million (7.0), and profit for the quarter was EUR 1.8 million (4.9).

January–September 2017

Operating profit fell by 31% to EUR 15.3 million (22.1). Unfavorable development of product mix, lower gross profit and costs related to the growth investments affected the operating profit. USD/EUR exchange rate fluctuation had no material impact on operating profit.

In January–September, profit before income taxes was EUR 13.7 million (20.0), and profit for the reporting period was EUR 8.2 million (13.6).

FINANCING

The Group's net interest-bearing liabilities amounted to EUR 74.9 million (37.9) at the end of the review period. The gearing was 56.5% (28.0%) and the equity ratio 43.1% (45.1%).

In January–September, net financial expenses were EUR -1.6 million (-2.0), or -0.5% (-0.6%) of net sales. Fluctuations in exchange rates impacted the financial items negatively by EUR -0.1 million (+0.2). Due to the refinancing which took place in early October, the remaining periodized transaction fees from the previous financing arrangement were recognized in profit or loss in September. This burdened the financial expenses by EUR -0.5 million. The capitalization of borrowing costs in fixed assets required by IAS 23 standard decreased the interest expenses recognized in the statement of profit or loss by EUR 2.2 million (0.7). The capitalization of the borrowing costs ceased at the end of August.

Cash flow from operations in July–September was EUR 2.3 million (8.3) The decline was mainly due to lower profit and as more working capital was tied up. In the third quarter the change in working capital was EUR -4.4 million (-0.6).

Cash flow from operations January–September amounted to EUR 18.6 million (25.0), representing a cash flow per share of EUR 0.35 (0.50). Also in the first nine months of the year the decline was mainly due to the lower profit and more working capital being tied up. In January-September, EUR 6.9 million was tied up in working capital (tied up EUR 3.9 million). However, there was a decrease in paid income taxes. The financial items in the cash flow from operations, in total EUR -4.5 million (EUR -3.9 million), were principally impacted by the interests of the debenture bond paid during the reporting period.

Refinancing in September-October 2017

Suominen renewed its financing. On September 25, Suominen announced it will issue a new bond and on 6 October the company disclosed its new syndicated EUR 100 million revolving credit facility.

Suominen's new senior unsecured bond of EUR 85 million will mature on 3 October 2022, it carries a fixed annual interest at the rate of 2.50% and has an issue price of 100.00%. The bond was subscribed by approximately total of 75 investors. Based on the application made by Suominen, the bond was admitted to trading on Nasdaq Helsinki Ltd on 10 October 2017. The proceeds from the bond offering were partially used for the partial repurchase (totaling EUR 59.3 million) of Suominen Corporation's previous unsecured EUR 75 million 4.375% fixed-rate notes due in 2019 (ISIN: FI4000108576). The remaining proceeds may be used for general corporate purposes. Nordea Bank AB (publ) and Svenska Handelsbanken AB (publ) acted as Joint Lead Managers for the issue of the new bond.

In connection with issuing the bond, Suominen entered into a syndicated credit facility agreement consisting of a single-currency revolving credit facility of EUR 100 million with a maturity of four years. The lenders for the facility are Nordea Bank AB (publ) and Svenska Handelsbanken AB (publ). The new bank facility includes leverage ratio and gearing as financial covenants.

The new credit facility replaced the syndicated credit facilities agreement of Suominen from 2014 totaling EUR 55 million with Nordea Bank AB (publ), Finnish Branch (former Nordea Bank Finland plc) and OP Corporate Bank plc (former Pohjola Bank plc) as the lenders.

CAPITAL EXPENDITURE

In January–September, the gross capital expenditure totaled EUR 31.7 million (26.5) and was mainly related to the investment in a new production line at the Bethune, SC, USA plant. In addition, Suominen is in the process of renewing its ICT systems. The first implementation of the ICT renewal program was conducted successfully at the Alicante plant in Spain in April without major issues. Other investments were mainly for maintenance. Depreciation and amortization for the review period amounted to EUR 14.0 million (13.8).

INFORMATION ON SHARES AND SHARE CAPITAL

Share capital

The number of Suominen's registered shares was 53,839,895 shares on 30 September 2017, equaling to a share capital of EUR 11,860,056.00.

The number of shares increased in June in total by 2,129,293 and in September by 44,960 shares due to the share conversions of the hybrid bond notes and accrued interests. The conversion of the hybrid bond to equity has 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

September 2017 was 4,424,147 shares, accounting for 8.6% of the average number of shares (excluding treasury shares). The highest price was EUR 5.22, the lowest EUR 3.86 and the volume-weighted average price EUR 4.54. The closing price at the end of review period was EUR 4.49. The market capitalization (excluding treasury shares) was EUR 237.8 million on 30 September 2017.

Treasury shares

On 30 September 2017, Suominen Corporation held 876,280 treasury shares. In accordance with the resolution by the Annual General Meeting, in total 16,807 shares were transferred to the members of the Board of Directors in June as their remuneration payable in shares during the reporting period.

Hybrid bond

In February 2014, Suominen Corporation issued a convertible hybrid bond of EUR 17.5 million. The holders of the bond notes are entitled to convert the notes and the potential accrued capitalized interest related to the notes into Suominen shares. The conversion period started on 11 February 2014 and will end on 10 February 2018.

In June 2017, bond notes and the accrued capitalized interest related to the notes were converted to total of 2,129,293 new shares in Suominen Corporation. In September 2017, bond notes and the accrued capitalized interest related to the notes were converted to total of 44,960 new shares in Suominen Corporation. The conversion rate was recorded under the invested non-restricted equity fund of Suominen.

The number of shares in Suominen may increase in total by maximum of 4,501,520 shares on the basis of the conversion of the remaining bond notes and the potential capitalized interest, if the conversion is carried out by issuing new shares in Suominen.

Share-based incentive plans for the management and key employees

The Group management and key employees participate in the company's share-based incentive plan. The share-based incentive plan is divided into a Performance Share Plan and a Matching Share Plan. The plans are described in detail in the Financial Statements 2016 and in the Remuneration Statement 2016 of Suominen Corporation, available on the company's website, www.suominen.fi > Investors > Corporate Governance.

NOMINATION BOARD

The representatives of the company's three largest shareholders were elected to the Shareholders' Nomination Board of Suominen Corporation. The shareholders entitled to appoint members to the Nomination Committee were determined on the basis of the registered holdings in the company's shareholders' register on 1 September 2017.

The representatives appointed to the Nomination Board are Thomas Ahlström, member of the Board of Directors of Ahlström Capital and Managing Director of Antti Ahlström Perilliset Oy; Erkki Etola, CEO, Oy Etra Invest Ab; and Reima Rytsölä, Executive Vice-President of Varma Mutual Pension Insurance Company. Jan Johansson, Chair of Suominen's Board of Directors, serves as the fourth member of the Nomination Board. The Nomination Board shall submit its proposals to the Board of Directors no later than 1 February prior to the Annual General Meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Suominen Corporation was held on 15 March 2017. The AGM decided that a dividend or EUR 0.11 per share will be paid for the financial year 2016.

The AGM adopted the financial statements and the consolidated financial statements for the financial year 2016 and discharged the members of the Board of Directors and the President & CEO from liability.

The AGM decided that the remuneration payable to the members of the Board remains unchanged, with the exception of the remuneration of the Chair of the Board which will be increased by EUR 10,000. The Chair of the Board of Directors will be paid an annual fee of EUR 60,000, Deputy Chair of the Board an annual fee of EUR 37,500 and other Board members an annual fee of EUR 28,000. Further, the members of the Board will receive a fee of EUR 500 for each meeting held in the home country of respective member and a fee of EUR 1,000 per each meeting held elsewhere than in home country of respective member. 60% of the annual remuneration is paid in cash and 40% in Suominen Corporation's shares. Compensation for expenses is paid in accordance with the company's valid travel policy.

The AGM decided that the number of Board members remains unchanged at six (6). Mr. Andreas Ahlström, Mr. Risto Anttonen, Mr. Hannu Kasurinen, Ms. Laura Raitio and Ms. Jaana Tuominen were re-elected as members of the Board of Directors. Mr. Jan Johansson was elected as a new member and as Chair of the Board of Directors. The decisions concerning the remuneration of the Board, the number of the members in the Board as well as the composition of the Board were in accordance with the proposals by the Shareholders' Nomination Board.

Ernst & Young Oy, accountant firm, 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 organizing meeting held after the AGM, the Board of Directors re-elected Risto Anttonen as Deputy Chair of the Board.

The Board of Directors elected from among its members the members for the Audit Committee and Personnel and Remuneration Committee. Hannu Kasurinen was re-elected as the Chair of the Audit Committee and Andreas Ahlström and Jaana Tuominen were re-elected as members. Jan Johansson was elected as the Chair of the Personnel and Remuneration Committee and Risto Anttonen and Laura Raitio were re-elected as members.

Authorizations of the Board of Directors

The Annual General Meeting (AGM) held on 15 March 2017 authorized the Board of Directors to repurchase a maximum of 400,000 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 Helsinki Ltd at the market price prevailing at the time of acquisition. The repurchase authorization is valid until 30 June 2018.

The AGM held on 16 March 2016 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 Limited Liability 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 5,000,000 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 5,000,000 shares in total which number is included in the maximum number stated earlier. The authorization is valid until 30 June 2019.

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

On 2 June 2017, Oy Etra Invest Ab (a company under the controlling power of Mr Erkki Etola) notified Suominen that its shareholding in the company will cross the 10% flagging threshold due to the conversion of the bond notes and accrued interests of the hybrid bond issued by Suominen Corporation into Suominen shares.

CHANGES IN GROUP STRUCTURE

On 1 September 2017, Suominen Italy Holding S.R.L, a 100% owned subsidiary of Suominen Corporation, merged into its subsidiary Mozzate Nonwovens S.R.L.

BUSINESS RISKS AND UNCERTAINTIES

The estimate on the development of Suominen's net sales is partially based on forecasts and delivery plans received from the company's 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. This may affect Suominen's financial result if customers' purchasing habits become more cautious as a result of a changes in consumption, or as a result of sales losses. The Group's ten largest customers accounted for 63% of the Group net sales in 2016. Long-term contracts are preferred with the largest customers. In practice the customer relationships are long-term and last for several years. Customer-related credit risks are managed in accordance with a risk policy approved by the Board of Directors. Credit limits are confirmed for customers on the basis of credit ratings and customer history. Suominen also uses export credit guarantees and insures against customer risks to a limited extent.

The relevance of the United States in Suominen's business operations increases the significance 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 that are characteristic to South American region, including significant changes in business environment or exchange rates, could have an impact on Suominen's operations in Brazil.

Suominen purchases significant amounts of pulp- and oil-based raw materials annually. Raw materials are the largest cost item for operations. Rapid changes in the global market prices of raw materials have an impact on the company's profitability. Suominen's stocks equal to two to four weeks' consumption and passing on the price changes of these raw materials to the prices Suominen charges its contract customers takes two to five months.

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 some product groups in Suominen's both principal market regions. Products based on new technologies and imports from countries of lower production costs may reduce Suominen's competitive edge. If Suominen is not able to compete with an attractive product offering, it may lose some of its market share. Competition may lead to increased pricing pressure on the company's products.

Suominen continuously invests in its manufacturing facilities and information systems. The deployment of the investments may delay from what was planned, the costs of the investments may increase from what has been expected or the investments may create less business benefits than anticipated. The deployment phase of investments may cause temporary interruptions in operations.

There could be a risk of Suominen's business operations being interrupted due to abrupt and unforeseen events, such as power outages or fire and water damage. Suominen may not be able to control these events through predictive actions, which could lead to interruptions in business. Risks of this type are insured in order to guarantee the continuity of operations. As Suominen has valid damage and business interruption insurance, it is expected that the damage would be compensated and the financial losses caused by the interruption of business would be covered.

Suominen uses certain technologies in its production. In the management's view, the chosen technologies are competitive and there is no need to make major investments in new technologies. However, it cannot be excluded that the company's technology choices could prove wrong, and the development of new or substitute technologies would then require investments.

Suominen aims to protect its business against product liability risks through the use of systematic quality assurance processes and products liability insurance. R&D function of the company is responsible for ensuring the underlying safety of the group´s products during their development. Continuous quality control is designed to guarantee product quality during production. Management considers it unlikely that the Group will face significant product liability-related claims, and is unaware of any such claims.

Suominen is subject to corporate income taxes in numerous jurisdictions. Significant judgment is required to determine the total amount of corporate income tax at Group level. There are many transactions and calculations that leave room for uncertainty as to the final amount of the income tax. Tax risks relate also to changes in tax rates or tax legislation or misinterpretations, and materialization of the risks could result in increased payments or sanctions by the tax authorities, which in turn could lead to financial loss. Deferred tax assets included in the statement of financial position require that the deferred tax assets can be recovered against the future taxable income.

The Group is exposed to several financial risks, such as foreign exchange, interest rate, counterparty, liquidity and credit risks. The Group's financial risks are managed in line with a policy confirmed by the Board of Directors. The financial risks are described in the consolidated financial statements.

Suominen performs goodwill impairment testing annually. In impairment testing the recoverable amounts are determined as the value in use, which comprises of the discounted projected future cash flows. Actual cash flows can differ from the discounted projected future cash flows. Uncertainties related to the projected future cash flows include, among others, the long economic useful life of the assets and changes in the forecast sales prices of Suominen's products, production costs as well as discount rates used in testing. Due to the uncertainty inherent in the future, it is possible that Suominen's recoverable amounts will be insufficient to cover the carrying amounts of assets, particularly goodwill. If this happens, it will be necessary to recognize an impairment loss, which, when implemented, will weaken the result and equity. Goodwill impairment testing has been described in the consolidated financial statements.

General risks related to business operations are described in the Report of the Board of Directors 2016.

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. In these target markets of Suominen, 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. At these market areas, the growth in the demand for nonwovens has typically exceeded the growth of gross domestic product by a couple of percentage points. Moreover, Suominen has operated in the growing South American markets since 2014.

In the third quarter of 2017, the consumer confidence indices remained strong both in euro area and in United States.

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. In general, the growth in the demand in Suominen's target markets in 2017 is expected to continue, on average, at the pace of 2016.

EVENTS AFTER THE REVIEW PERIOD

On 6 October 2017, Suominen published the prospectus related to the new EUR 85 million unsecured bond. At the same time, Suominen also announced it had agreed on a new syndicated EUR 100 million revolving credit facility. The bond was admitted to trading on Nasdaq Helsinki Ltd on 10 October 2017.

Further information on the refinancing can be retrieved under chapter Financing in this interim report.

OUTLOOK FOR 2017

Suominen expects that for the full year 2017, its net sales will improve from year 2016 but its comparable operating profit will fall short of the 2016 level.

In 2016, Suominen's net sales amounted to EUR 416.9 million and comparable operating profit to EUR 25.6 million. The calculation of comparable operating profit is explained in the consolidated financial statements of 2016.

ANALYST AND PRESS CONFERENCE

Nina Kopola, President & CEO, and Tapio Engström, CFO, will present Suominen's financial result for Q3 2017 in Finnish at an analyst and press conference in Helsinki today on 27 October at 11:00 am (EEST). The conference will take place at Suominen's Helsinki office, address Itämerentori 2. The presentation material will be available after the analyst and press conference at www.suominen.fi.

A teleconference and a webcast on the Q3 2017 financial result will be held today on 27 October August at 3:00 pm (EEST). The conference can be attended by phone at +44 20 3059 8125. (password: Suominen) and it is held in English. The conference can be accessed also at www.suominen.fi/webcast.

A replay of the conference can be accessed shortly after the conference has ended at www.suominen.fi or by phone at +44 121 260 4861 using access code 7225754#.

NEXT FINANCIAL REPORT

Suominen Corporation will publish its Financial Statements for January–December 2017 on 30 January 2018 approximately at 1:00 pm (EEST).

SUOMINEN GROUP 1 JANUARY – 30 SEPTEMBER 2017

This interim report has been prepared in accordance with the principles defined in IAS 34 Interim Financial Reporting. The accounting principles for preparing the interim report are the same as those used for preparing the consolidated financial statements for 2016. Changes to published accounting standards and interpretations, together with the new accounting standards that came into force on 1 January 2017, are presented in the consolidated financial statements for 2016. The new standards to be applied on 1 January 2018 and 2019 respectively (IFRS 15 Revenue from Contracts with Customers, IFRS 9 Financial Instruments and IFRS 16 Leases) as well as their preliminarily assessed impact of the consolidated financial statements of Suominen have been described in the consolidated financial statements of 2016.

The figures in these interim report 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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	**30.9.2017**	30.9.2016	31.12.2016
Assets			
Non-current assets			
Goodwill	**15,496**	15,496	15,496
Intangible assets	**16,016**	13,912	14,133
Property, plant and equipment	**139,601**	109,785	135,510
Loan receivables	**5,836**	7,093	6,836
Available-for-sale assets	**777**	777	777
Other non-current receivables	**1,895**	2,298	2,524
Deferred tax assets	**4,568**	4,909	3,424
Total non-current assets	**184,188**	154,270	178,698
Current assets			
Inventories	**41,520**	34,316	42,631
Trade receivables	**59,421**	53,200	53,946
Loan receivables	**2,200**	1,250	1,550
Other current receivables	**4,897**	6,830	7,274
Assets for current tax	**1,362**	2,495	2,008
Cash and cash equivalents	**14,209**	47,214	29,522
Total current assets	**123,609**	145,306	136,929
Total assets	**307,797**	299,575	315,628
Equity and liabilities			
Equity			
Share capital	**11,860**	11,860	11,860
Share premium account	**24,681**	24,681	24,681
Reserve for invested unrestricted equity	**76,375**	69,732	70,855
Treasury shares	**-44**	-44	-44
Fair value and other reserves	**266**	297	10
Exchange differences	**-399**	5,759	12,613
Other equity	**8,841**	5,164	6,324
Total equity attributable to owners of the parent	**121,580**	117,449	126,300
Hybrid bond	**10,983**	17,737	16,525
Total equity	**132,564**	135,186	142,824
Liabilities			
Non-current liabilities			
Deferred tax liabilities	**10,516**	10,697	11,195

Liabilities from defined benefit plans	**953**	1,061	1,081
Other non-current liabilities	**760**	387	364
Debentures	**75,000**	75,000	75,000
Other non-current interest-bearing liabilities	**192**	12,857	11,574
Total non-current liabilities	**87,421**	100,003	99,214
Current liabilities			
Current interest-bearing liabilities	**21,980**	5,605	7,923
Liabilities for current tax	**4,523**	3,066	280
Trade payables and other current liabilities	**61,310**	55,716	65,388
Total current liabilities	**87,812**	64,386	73,590
Total liabilities	**175,233**	164,389	172,804
Total equity and liabilities	**307,797**	299,575	315,628

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

EUR thousand	**7-9/2017**	7-9/2016	**1-9/2017**	1-9/2016	1-12/2016
Net sales	**102,380**	103,796	**327,302**	316,497	416,862
Cost of goods sold	**-92,119**	-89,316	**-291,488**	-275,223	-364,636
Gross profit	**10,261**	14,480	**35,815**	41,274	52,226
Other operating income	**387**	485	**1,323**	1,584	1,909
Sales and marketing expenses	**-1,549**	-1,625	**-5,358**	-5,202	-7,364
Research and development	**-1,142**	-1,136	**-3,623**	-2,968	-4,330
Administration expenses	**-3,388**	-3,983	**-13,019**	-12,253	-16,191
Other operating expenses	**49**	-342	**129**	-354	-629
Operating profit	**4,618**	7,878	**15,267**	22,082	25,622
Net financial expenses	**-1,139**	-830	**-1,581**	-2,041	-3,190
Profit before income taxes	**3,478**	7,048	**13,686**	20,041	22,432
Income taxes	**-1,672**	-2,108	**-5,522**	-6,441	-7,199
Profit for the period	**1,807**	4,941	**8,164**	13,601	15,233
Earnings per share, EUR					
Basic	**0.03**	0.09	**0.15**	0.26	0.29
Diluted	**0.03**	0.08	**0.14**	0.23	0.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	**7-9/2017**	7-9/2016	**1-9/2017**	1-9/2016	1-12/2016
Profit for the period	**1,807**	4,941	**8,164**	13,601	15,233
Other comprehensive income:					
Other comprehensive income that will be subsequently reclassified to profit or loss					
Exchange differences	**-3,658**	-622	**-14,180**	940	7,881
Fair value changes of cash flow hedges and available-for-sale assets	**-4**	116	**205**	513	245
Reclassified to profit or loss	**26**	42	**9**	111	116
Reclassified to property, plant and equipment	**-153**	-44	**34**	-177	-188
Income taxes related to other comprehensive income	**334**	-81	**1,175**	-310	-410
Total	**-3,455**	-589	**-12,756**	1,077	7,644
Other comprehensive income that will not be subsequently reclassified to profit or loss					
Remeasurements of defined benefit plans	**–**	–	**43**	**–**	-110
Income taxes related to other comprehensive income	**–**	–	**-12**	**–**	16
Total	**–**	–	**31**	**–**	-93
Total other comprehensive income	**-3,455**	-589	**-12,726**	1,077	7,551
Total comprehensive income for the period	**-1,648**	4,351	**-4,562**	14,678	22,784

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
Equity 1 January 2017	**11,860**	**24,681**	**70,855**	**-44**	**12,613**
Profit / loss for the period	–	–	–	–	–
Other comprehensive income	–	–	–	–	-13,012
Total comprehensive income	**–**	**–**	**–**	**–**	**-13,012**

Share-based payments	–	–	–	–	–
Dividend distribution	–	–	–	–	–
Conveyance of treasury shares	–	–	84	–	–
Conversion of hybrid bond	–	–	5,436	–	–
Hybrid bond	–	–	–	–	–
Equity 30 September 2017	**11,860**	**24,681**	**76,375**	**-44**	**-399**

	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
Equity 1 January 2017	**10**	**6,324**	**126,300**	**16,525**	**142,824**
Profit / loss for the period	–	8,164	8,164	–	8,164
Other comprehensive income	256	31	-12,726	–	-12,726
Total comprehensive income	**256**	**8,195**	**-4,562**	**–**	**-4,562**
Share-based payments	–	338	338	–	338
Dividend distribution	–	-5,585	-5,585	–	-5,585
Conveyance of treasury shares	–	–	84	–	84
Conversion of hybrid bond	–	–	5,436	-5,436	–
Hybrid bond	–	-430	-430	-105	-535
Equity 30 September 2017	**266**	**8,841**	**121,580**	**10,983**	**132,564**

EUR thousands	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
Equity 1 January 2016	**11,860**	**24,681**	**69,652**	**-44**	**5,097**
Profit / loss for the period	–	–	–	–	–
Other comprehensive income	–	–	–	–	662
Total comprehensive income	**–**	**–**	**–**	**–**	**662**
Share-based payments	–	–	–	–	–
Dividend distribution	–	–	–	–	–
Conveyance of treasury shares	–	–	80	–	–
Hybrid bond	–	–	–	–	–
Equity 30 September 2016	**11,860**	**24,681**	**69,732**	**-44**	**5,759**

EUR thousands	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
Equity 1 January 2016	**-118**	**-3,076**	**108,052**	**17,664**	**125,716**
Profit / loss for the period	–	13,601	13,601	–	13,601
Other comprehensive income	415	–	1,077	–	1,077
Total comprehensive income	**415**	**13,601**	**14,678**	**–**	**14,678**
Share-based payments	–	227	227	–	227
Dividend distribution	–	-5,030	-5,030	–	-5,030
Conveyance of treasury shares	–	–	80	–	80
Hybrid bond	–	-557	-557	72	-486
Equity 30 September 2016	**297**	**5,164**	**117,449**	**17,737**	**135,186**

EUR thousands	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
Equity 1 January 2016	**11,860**	**24,681**	**69,652**	**-44**	**5,097**
Profit / loss for the period	–	–	–	–	–
Other comprehensive income	–	–	–	–	7,516
Total comprehensive income	**–**	**–**	**–**	**–**	**7,516**
Share-based payments	–	–	–	–	–
Dividend distribution	–	–	–	–	–
Conveyance of treasury shares	–	–	80	–	–
Conversion of hybrid bond	–	–	1,124	–	–
Hybrid bond	–	–	–	–	–
Equity 31 December 2016	**11,860**	**24,681**	**70,855**	**-44**	**12,613**

EUR thousands	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
Equity 1 January 2016	**-118**	**-3,076**	**108,052**	**17,664**	**125,716**
Profit / loss for the period	–	15,233	15,233	–	15,233
Other comprehensive income	128	-93	7,551	–	7,551
Total comprehensive income	**128**	**15,140**	**22,784**	**–**	**22,784**
Share-based payments	–	190	190	–	190
Dividend distribution	–	-5,030	-5,030	–	-5,030
Conveyance of treasury shares	–	–	80	–	80
Conversion of hybrid bond	–	–	1,124	-1,124	–

Hybrid bond	–	-899	-899	-16	-915
Equity 31 December 2016	**10**	**6,324**	**126,300**	**16,525**	**142,824**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	**1-9/2017**	1-9/2016	1-12/2016
Cash flow from operations			
Profit for the period	**8,164**	13,601	15,233
Total adjustments to profit the period	**22,228**	22,957	29,783
Cash flow before changes in net working capital	**30,392**	36,558	45,016
Change in net working capital	**-6,921**	-3,857	-6,277
Financial items	**-4,457**	-3,907	-3,895
Income taxes	**-434**	-3,837	-6,348
Cash flow from operations	**18,578**	24,957	28,496
Cash flow from investments			
Investments in property, plant and equipment and intangible assets	**-29,700**	-24,293	-49,553
Cash flow from disposed businesses	**287**	313	313
Adjustments of purchase consideration	–	161	161
Sales proceeds from property, plant and equipment and intangible assets	–	6	8
Cash flow from investments	**-29,414**	-23,814	-49,072
Cash flow from financing			
Repayment of current interest-bearing liabilities	**-5,309**	-3,332	-3,359
Drawdown of current interest-bearing liabilities	**10,000**	–	–
Repayment in loan receivables	**350**	450	1,000
Payment of hybrid bond interest	**-642**	-624	-624
Dividend distribution	**-5,585**	-5,030	-5,030
Cash flow from financing	**-1,186**	-8,536	-8,013
Change in cash and cash equivalents	**-12,022**	-7,392	-28,588
Cash and cash equivalents at the beginning of the period	**29,522**	55,570	55,570
Effect of changes in exchange rates	**-3,291**	-963	2,540
Change in cash and cash equivalents	**-12,022**	-7,392	-28,588
Cash and cash equivalents at the end of the period	**14,209**	47,214	29,522

KEY RATIOS

	7-9/ 2017	7-9/ 2016	**1-9/ 2017**	1-9/ 2016	1-12/ 2016
Change in net sales, % *	**-1.4**	11.3	**3.4**	-6.9	-6.1
Gross profit, as percentage of net sales, %	**10.0**	13.9	**10.9**	13.0	12.5
Comparable gross profit, as percentage of net sales, %	**10.0**	13.9	**10.9**	13.0	12.5
Operating profit, as percentage of net sales, %	**4.5**	8.5	**4.7**	7.0	6.1
Comparable operating profit, as percentage of net sales, %	**4.5**	8.5	**4.7**	7.0	6.1
Net financial items, as percentage of net sales, %	**-1.1**	-1.1	**-0.5**	-0.6	-0.8
Profit before income taxes, as percentage of net sales, %	**3.4**	7.4	**4.2**	6.3	5.4
Profit for the period, as percentage of net sales, %	**1.8**	4.7	**2.5**	4.3	3.7
Gross capital expenditure, EUR thousands	**7,470**	10,049	**31,651**	26,494	53,320
Depreciation, amortization, impairment losses and reversal of impairment losses, EUR thousands	**4,770**	4,714	**13,976**	13,827	18,520
Return on equity, rolling 12 months, %	**–**	–	**7.2**	12.3	11.6
Return on invested capital, rolling 12 months, %	**–**	–	**8.3**	12.3	11.6
Equity ratio, %	**–**	–	**43.1**	45.1	45.3
Gearing, %	**–**	–	**56.5**	28.0	39.6
Average number of personnel	**–**	–	**671**	644	646
Earnings per share, EUR, basic	**0.03**	0.09	**0.15**	0.26	0.29
Earnings per share, EUR, diluted	**0.03**	0.08	**0.14**	0.23	0.26
Cash flow from operations per share, EUR	**0.04**	0.16	**0.35**	0.50	0.56
Equity per share, EUR	**–**	–	**2.50**	2.69	2.81
Number of shares, end of period, excluding treasury shares	**–**	–	**52,963,615**	50,323,145	50,772,555
Share price, end of period, EUR	**–**	–	**4.49**	3.87	4.14
Share price, period low, EUR	**–**	–	**3.86**	3.61	3.49
Share price, period high, EUR	**–**	–	**5.22**	6.20	6.20
Volume weighted average price during the period, EUR	**–**	–	**4.54**	4.34	4.24
Market capitalization, EUR million	**–**	–	**237.8**	194.8	210.2
Number of traded shares during the period	**–**	–	**4,424,147**	11,223,414	13,611,634
Number of traded shares during the period, % of average number of shares	**–**	–	**8.6**	22.3	27.0

* Compared with the corresponding period in the previous year.

30.9.2017	30.9.2016	31.12.2016

Interest-bearing net debt, EUR thousands			
Non-current interest-bearing liabilities	**75,192**	87,857	86,574
Current interest-bearing liabilities	**21,980**	5,605	7,923
Interest-bearing receivables and cash and cash equivalents	**-22,245**	-55,558	-37,908
Interest-bearing net debt	**74,927**	37,904	56,589

CALCULATION OF KEY RATIOS

Comparable operating profit

There were no items affecting comparability during the report period or in the comparison period.

Key ratios per share

Earnings per share

Basic earnings per share are calculated by dividing the net result attributable to owners of the parent (adjusted with interest on hybrid bond, net of tax) by the weighted share-issue adjusted average number of shares outstanding during the reporting period, excluding shares acquired by the Group and held as treasury shares.

When calculating diluted earnings per share, the weighted share-issue adjusted average number of shares outstanding during the year is adjusted by the effect of the hybrid bond on the number of shares.

The dilutive effect of the hybrid bond on the number of shares is calculated by assuming that the remaining amount of the bond is fully converted into shares at the issuance date. In addition, the cumulative accrued interest during the whole loan period on the remaining loan amount is assumed to have been converted into shares at the issuance date.

When calculating diluted earnings per share the number of shares is adjusted also with the effects of the share-based incentive plans.

EUR thousands	**30.9.2017**	**30.9.2016**	**31.12.2016**
Profit for the period	8,164	13,601	15,233
Interest on hybrid bond net of tax	-313	-557	-486
Total	7,851	13,043	14,747
Average share-issue adjusted number of shares	51,578,302	50,316,237	50,343,806
Average diluted share-issue adjusted number of shares excluding treasury shares	57,795,891	58,138,013	58,024,756
Earnings per share, EUR			
Basic	0.15	0.26	0.29
Diluted	0.14	0.23	0.26

Cash flow from operations per share = Cash flow from operations / Share-issue adjusted number of shares excluding treasury shares, end of reporting period

	30.9.2017	30.9.2016	31.12.2016
Cash flow from operations, EUR thousand	18,578	24,957	28,496
Share-issue adjusted number of shares excluding treasury shares, end of reporting period	52,963,615	50,323,145	50,772,555
Cash flow from operations per share, EUR	0.35	0.50	0.56

Equity per share = Total equity / Share-issue adjusted number of shares excluding treasury shares, end of reporting period

	30.9.2017	30.9.2016	31.12.2016
Total equity, EUR thousand	132,564	135,186	142,824
Share-issue adjusted number of shares excluding treasury shares, end of reporting period	52,963,615	50,323,145	50,772,555
Equity per share, EUR	2.50	2.69	2.81

Market capitalization = Number of shares at the end of reporting period excluding treasury shares x share price at the end of period

	30.9.2017	30.9.2016	31.12.2016
Number of shares at the end of reporting period excluding treasury shares	52,963,615	50,323,145	50,772,555
Share price at end of the period, EUR	4.49	3.87	4.14
Market capitalization, EUR miilion	237.8	194.8	210.2

Share turnover = The proportion of number of shares traded during the period to weighted average number of shares excluding treasury shares

	30.9.2017	30.9.2016	31.12.2016
Number of shares traded during the period	4,424,147	11,223,414	13,611,634
Average number of shares excluding treasury shares	51,578,302	50,316,237	50,343,806
Share turnover, %	8.6	22.3	27.0

Other key ratios

EBITDA = Profit before depreciation, amortization and impairment (operating profit + depreciation, amortization and impairment losses)

EUR thousand	30.9.2017	30.9.2016	31.12.2016
Operating profit	15,267	22,082	25,622
+ Depreciation, amortization and impairment losses	13,976	13,827	18,520
EBITDA	29,243	35,909	44,142

Interest-bearing net debt = Interest-bearing liabilities - interest-bearing receivables - cash and cash equivalents

EUR thousand	**30.9.2017**	**30.9.2016**	**31.12.2016**
Interest-bearing liabilities	97,172	93,462	94,497
Interest bearing receivables	-8,036	-8,343	-8,386
Cash and cash equivalents	-14,209	-47,214	-29,522
Interest-bearing net debt	74,927	37,904	56,589

Return on equity (ROE), % = Profit for the reporting period (rolling 12 months) x 100 / Total equity (quarterly average)

EUR thousand	**30.9.2017**	**30.9.2016**	**31.12.2016**
Profit for the reporting period (rolling 12 months)	9,796	15,520	15,233
Total equity 30 September 2016 / 30 September 2015 / 31 December 2015	135,186	120,360	125,716
Total equity 31 December 2016 / 31 December 2015 / 31 March 2016	142,824	125,716	120,806
Total equity 31 March 2017 / 31 March 2016 / 30 June 2016	139,902	120,806	130,712
Total equity 30 June 2017 / 30 June 2016 / 30 September 2016	134,074	130,712	135,186
Total equity 30 September 2017 / 30 September 2016 / 31 December 2016	132,564	135,186	142,824
Average	136,910	126,556	131,049
Return on equity (ROE), %	7.2	12.3	11.6

Invested capital = Total equity + interest-bearing liabilities

EUR thousand	**30.9.2017**	**30.9.2016**	**31.12.2016**
Total equity	132,564	135,186	142,824
Interest-bearing liabilities	97,172	93,462	94,497
Invested capital	229,735	228,648	237,321

Return on invested capital (ROI), % = Operating profit + financial income (rolling 12 months) x 100 / Invested capital, quarterly average

EUR thousand	**30.9.2017**	**30.9.2016**	**31.12.2016**
Operating profit (rolling 12 months)	18,807	26,344	25,622
Financial income (rolling 12 months)	764	716	727
Total	19,571	27,059	26,349

Invested capital 30 September 2016 / 30 September 2015 / 31 December 2015	228,648	202,027	222,578
Invested capital 31 December 2016 / 31 December 2015 / 31 March 2016	237,321	222,578	217,181
Invested capital 31 March 2017 / 31 March 2016 / 30 June 2016	244,103	217,181	227,594
Invested capital 30 June 2017 / 30 June 2016 / 30 September 2016	234,892	227,594	228,648
Invested capital 30 September 2017 / 30 September 2016 / 31 December 2016	229,735	228,648	237,321
Average	234,940	219,606	226,664
Return on invested capital (ROI), %	8.3	12.3	11.6

Equity ratio, % = Total equity x 100 / Total assets - advances received

EUR thousand	**30.9.2017**	**30.9.2016**	**31.12.2016**
Total equity	132,564	135,186	142,824
Total assets	307,797	299,575	315,628
Advances received	-2	-22	-3
	307,795	299,553	315,625
Equity ratio, %	43.1	45.1	45.3

Gearing, % = Interest-bearing net debt x 100 / Total equity

EUR thousand	**30.9.2017**	**30.9.2016**	**31.12.2016**
Interest-bearing net debt	74,927	37,904	56,589
Total equity	132,564	135,186	142,824
Gearing, %	56.5	28.0	39.6

NET SALES BY GEOGRAPHICAL MARKET AREA

EUR thousand	**1-9/2017**	**1-9/2016**	**1-12/2016**
Finland	**1,949**	1,853	2,386
Rest of Europe	**120,755**	121,418	158,118
North and South America	**196,719**	186,021	246,287
Rest of the world	**7,879**	7,205	10,071
Total	**327,302**	316,497	416,862

QUARTERLY DEVELOPMENT

	2017			2016			
EUR thousand	**7-9**	**4-6**	**1-3**	**10-12**	**7-9**	**4-6**	**1-3**
Net sales	102,380	112,002	112,920	100,365	103,796	108,832	103,869
Comparable operating profit	4,618	4,391	6,258	3,540	7,878	8,661	5,543
as % of net sales	4.5	3.9	5.5	3.5	7.6	8.0	5.3
Items affecting comparability	–	–	–	–	–	–	–
Operating profit	4,618	4,391	6,258	3,540	7,878	8,661	5,543
as % of net sales	4.5	3.9	5.5	3.5	7.6	8.0	5.3
Net financial items	-1,139	-285	-157	-1,149	-830	-967	-244
Profit before income taxes	3,478	4,105	6,102	2,391	7,047	7,694	5,299
as % of net sales	3.4	3.7	5.4	2.4	6.8	7.1	5.1

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. Suominen has no associated companies.

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

The Annual General Meeting held on 15 March 2017 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 2017 was 16,807 shares. The shares were transferred on 2 June 2017 and the value of the transferred shares totaled EUR 83,795, or approximately EUR 4.98574 per share.

Other salaries and remuneration paid to the related parties during the first half of the year amounted to EUR 1,506 thousand, obligatory pension payments EUR 205 thousand, voluntary pension payments EUR 38 thousand, and accruals based on share-based incentive plans EUR 574 thousand.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	30.9.2017		30.9.2016		31.12.2016	
EUR thousand	**Property, plant and equipment**	**Intangible assets**	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
Carrying amount at the beginning of the period	**135,510**	**14,133**	97,931	13,275	97,931	13,275
Capital expenditure	**27,649**	**4,001**	24,060	2,434	50,020	3,300
Disposals	**–**	**-36**	–	–	–	-89
Depreciation, amortization and impairment losses	**-12,043**	**-1,933**	-12,078	-1,749	-16,162	-2,358
Exchange differences and other changes	**-11,515**	**-150**	-128	-48	3,721	4
Carrying amount at the end of the period	**139,601**	**16,016**	109,785	13,912	135,510	14,133

Goodwill is not included in intangible assets.

CHANGES IN INTEREST-BEARING LIABILITIES

EUR thousand	**1-9/2017**	1-9/2016	1-12/2016
Total interest-bearing liabilities at the beginning of the period	**94,497**	96,862	96,862
Current liabilities at the beginning of the period	**7,923**	3,363	3,363
Repayment of current liabilities	**-5,309**	-3,332	-3,358
Drawdown of current liabilities	**10,000**	102	102
Reclassification from non-current liabilities	**10,172**	5,566	7,899
Exchange rate difference	**-807**	-94	-84
Current liabilities at the end of the period	**21,980**	5,605	7,923
Non-current liabilities at the beginning of the period	**11,574**	18,498	18,498
Drawdown of non-current liabilities	**–**	368	368
Reclassification to current liabilities	**-10,172**	-5,566	-7,899
Exchange rate difference	**-1,210**	-443	607
Non-current liabilities at the end of the period	**192**	12,857	11,574
Debentures at the beginning of the period	**75,000**	75,000	75,000
Debentures at the end of the period	**75,000**	75,000	75,000
Total interest-bearing liabilities at the end of the period	**97,172**	93,462	94,497

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

CONTINGENT LIABILITIES

EUR thousands	**30.9.2017**	30.9.2016	31.12.2016
Other commitments			
Operating leases	**7,822**	11,709	13,088
Contractual commitments to acquire property, plant and equipment	**–**	5,240	5,517
Guarantees			
On own behalf	**12,106**	16,420	16,810
Other own commitments	**3,633**	4,210	4,036
On behalf of others	**–**	970	963
Total	**15,739**	21,600	21,841

NOMINAL AND FAIR VALUES OF DERIVATIVE INSTRUMENTS

	30.9.2017		30.9.2016		31.12.2016	
EUR thousands	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency forward contracts						
Hedge accounting applied	–	–	5,262	-1	5,240	-327
Hedge accounting not applied	2,677	11	2,206	-32	2,372	30
Electricity forward contracts						
Hedge accounting applied	150	3	754	-23	594	43

CLASSIFICATION OF FINANCIAL ASSETS

a. Financial assets at fair value through profit or loss
b. Loans and receivables
c. Available-for-sale assets
d. Derivatives, hedge accounting applied
e. Carrying amount
f. Fair value

	Classification					
EUR thousands	**a.**	**b.**	**c.**	**d.**	**e.**	**f.**
Available-for-sale assets	–	–	777	–	777	777
Other non-current receivables	214	–	–	–	214	214
Loan receivables	–	8,036	–	–	8,036	8,036
Trade receivables	–	59,421	–	–	59,421	59,421

Derivatives	11	–	–	3	14	14
Interest and other financial receivables	–	504	–	–	504	504
Cash and cash equivalents	–	14,209	–	–	14,209	14,209
Total 30.9.2017	**225**	**82,170**	**777**	**3**	**83,175**	**83,175**

EUR thousands	a.	b.	c.	d.	e.	f.
Available-for-sale assets	–	–	777	–	777	777
Other non-current receivables	501	–	–	–	501	501
Loan receivables	–	8,386	–	–	8,386	8,386
Trade receivables	–	53,946	–	–	53,946	53,946
Derivatives	30	–	–	43	73	73
Interest and other financial receivables	–	869	–	–	869	869
Cash and cash equivalents	–	29,522	–	–	29,522	29,522
Total 31.12.2016	**530**	**92,723**	**777**	**43**	**94,072**	**94,072**

Principles in estimating fair value for financial assets for 2017 are the same as those used for preparing the consolidated financial statements for 2016.

FINANCIAL LIABILITIES

	30.9.2017		31.12.2016	
EUR thousands	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Non-current financial liabilities				
Loans from financial institutions	–	–	11,294	11,294
Debentures	75,000	80,385	75,000	78,503
Finance lease liabilities	192	192	280	280
Total non-current financial liabilities	75,192	80,577	86,574	90,076
Current financial liabilities				
Current part of non-current loans from financial institutions and current loans from financial institutions	21,863	21,863	7,812	7,812
Finance lease liabilities	116	116	111	111
Derivatives, hedge accounting applied	–	–	327	327
Interest accruals	79	79	912	912
Other current liabilities	–	–	253	253
Trade payables	49,863	49,863	50,248	50,248
Total current financial liabilities	71,922	71,922	59,662	59,662
Total	**147,114**	**152,499**	**146,236**	**149,739**

Principles in estimating fair value for financial liabilities for 2017 are the same as those used for preparing the consolidated financial statements for 2016.

FAIR VALUE MEASUREMENT HIERARCHY

EUR thousands	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value			
Other non-current receivables	–	–	214
Available-for-sale assets	–	–	777
Total	**–**	**–**	**991**
Derivatives at fair value			
Currency forward contracts, receivables	–	11	–
Electricity forward contracts, receivables	–	3	–
Total	**–**	**14**	**–**

Principles in estimating fair value for financial assets and their hierarchies for 2017 are the same as those used for preparing the consolidated financial statements for 2016. There were no transfers in the fair value measurement hierarchy levels during the reporting period.

SUOMINEN CORPORATION
Board of Directors

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

Distribution:
Nasdaq Helsinki
Key media
www.suominen.fi

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 more than 650 people in Europe and in the Americas. Suominen's net sales in 2016 amounted to EUR 416.9 million and comparable operating profit to EUR 25.6 million. The Suominen share (SUY1V) is listed in Nasdaq Helsinki Stock Exchange (Mid Cap). Read more at www.suominen.fi.