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1 January - 31 March 2015

27 April 2015

Suominen Corporation Interim Report 27 April 2015 at 8:30 am (EEST)

SUOMINEN CORPORATION'S INTERIM REPORT FOR JANUARY 1 – MARCH 31, 2015:  
SOLID PERFORMANCE CONTINUED – NET SALES, OPERATING PROFIT AND CASH FLOW FROM  
OPERATIONS STRENGTHENED

<b>KEY FIGURES</b>	<b>1-3/ 2015</b>	1-3/ 2014	1-12/ 2014
Net sales, EUR million	<b>111.9</b>	98.4	401.8
Operating profit excluding non-recurring items, EUR million	<b>7.3</b>	6.4	26.9
Operating profit, EUR million	<b>7.3</b>	6.2	25.9
Profit/loss for the period, EUR million, continuing operations	<b>3.5</b>	2.6	10.2
Profit/loss for the period, EUR million, discontinued operations	–	0.3	-5.2
Profit for the period, EUR million, total	<b>3.5</b>	2.9	5.0
Earnings per share, EUR, continuing operations	<b>0.01</b>	0.01	0.04
Earnings per share, EUR, discontinued operations	–	0.00	-0.02
Earnings per share, basic, EUR, total	<b>0.01</b>	0.01	0.02
Cash flow from operations per share, EUR*	<b>0.02</b>	0.00	0.15
Return on invested capital, rolling 12 months, % *	<b>12.0</b>	0.3	12.0
Return on invested capital, rolling 12 months, continuing operations, %	<b>14.8</b>	13.0	15.7
Gearing, % *	<b>33.2</b>	79.3	34.7

\* In 2014, including also discontinued operations.

### Highlights in January – March 2015:

- Net sales increased by 13.8% and amounted to EUR 111.9 million (98.4).
- Operating profit excluding non-recurring items increased by 14.2% to EUR 7.3 million (6.4).
- Cash flow from operations increased to EUR 4.5 million (-0.4).
- Suominen announced its plans to execute an investment in a new production line in North America. If the planning process proceeds as expected, the location of the manufacturing line would be Suominen's plant in Bethune, South Carolina, USA.
- Suominen repeats its previous estimate, disclosed on 30 January 2015, that for the full year 2015 the company expects its net sales and operating profit excluding non-recurring items to improve from year 2014. In 2014, Suominen's net sales amounted to EUR 401.8 million and operating profit excluding non-recurring items to EUR 26.9 million.

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

"The marked increase of the consumer confidence index of the euro area in the first quarter proves that, in Europe, consumers are more confident with the general economic situation. In the U.S., the average consumer confidence index continued to develop favorably in the first quarter, but by the end of March it was lower than it was at the start of the year. Europe and North America are Suominen's largest market areas.

Suominen had a favorable start to 2015. The company's net sales grew 14% on the comparison period, totaling EUR 111.9 million. The growth in net sales was primarily attributed to the weakening of our reporting currency, the euro, in relation to the U.S. dollar. The demand in the European markets improved from the comparison period, but competitive environment remained fierce.

Suominen's operating profit improved 14% on the comparison period and stood at EUR 7.3 million. The net sales growth as well as the strengthening of the U.S. dollar both had an impact on the operating profit. I am particularly pleased with Suominen's strong cash flow. Our January–March cash flow from operations, which in recent years has been negative, was EUR 4.5 million (-0.4) this year.

In January, we announced the largest single project in our EUR 30–50 million investment program. We plan to invest in a new wetlaid production line in our Bethune plant in SC, the United States. Realization of the project would support not just the growth target set for the 2015–2017 strategy period, but also our intention to further increase the share of value-added products in our portfolio. We have not yet made the total value of the investment public. Also the investments in our plants in Brazil, Spain and Finland, that were announced earlier, proceed in accordance with our plans.

Together with growth, we aim to achieve product leadership in our industry. We took several steps towards this vision through launching three new nonwoven products in the markets in the first quarter of the year. Fibrella™ Perf Spunlace is targeted at the South American medical market, specifically for wound care and surgical applications. An investment in the Paulínia plant in Brazil announced late last year will make local production of the products possible. Fibrella™ Lite Spunlace, an especially light nonwoven, is designed primarily for the global hygiene products market, for diaper and incontinence products, for example. Both Fibrella product launches support the growth targets of our Care business area.

We additionally introduced our Hydraspun® Dispersible Plus nonwoven to the growing global flushable wipes market. The new Hydraspun® Dispersible Plus nonwoven disperses in water more than three times faster than its predecessor, Hydraspun® Dispersible. Suominen has filed a patent application for the product."

## **NET SALES**

In January–March 2015, Suominen's net sales grew by 13.8% from the comparison period to EUR 111.9 million (98.4). The strengthening of the U.S. dollar increased the first quarter net sales by 10.2%. Demand in the European market was improved from the corresponding period in the previous year, but competitive environment remained fierce. In addition, the acquisition of the Brazilian unit in February 2014 contributed slightly to the increase in net sales. The net sales of the Brazilian plant are included in the net sales of the corresponding period of 2014 only for two months.

Suominen has two business areas, Convenience and Care. Convenience business area supplies nonwovens as roll goods for wiping products and travel and catering applications. Care business area manufactures nonwovens for hygiene products and medical applications. Net sales of the Convenience business area were EUR 102.6 million (90.9) and net sales of the Care business area EUR 8.8 million (7.5).

The main application areas for nonwoven materials supplied by Suominen in January–March were baby wipes (accounting for 41% of the sales), personal care wipes (22%), household wipes (15%), industrial wipes (12%), and hygiene and medical products (8%). 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 baby wipes in the net sales of increased due to the acquisition of the Brazilian plant, since the plant currently supplies mainly nonwovens for baby care. The share of nonwovens for household wipes decreased from the corresponding period.

## **OPERATING PROFIT AND RESULT**

Operating profit excluding non-recurring items increased by 14.2% and amounted to EUR 7.3 million (6.4). Operating profit was EUR 7.3 million (6.2). There were no non-recurring items in the first quarter of 2015 (EUR -0.2 million). The strengthening of the U.S. dollar improved operating profit. Operating profit was affected by costs (EUR -0.8 million) arising from the vested share-based incentive plan 2012–2014. The costs of the incentive plan increased from the initial estimate due to the revisions in the number of shares transferred to key employees and the strongly improved share price.

If calculated with the average USD/EUR exchange rate of January–March 2014, the operating profit excluding non-recurring items would have been EUR 6.2 million (6.4) and including non-recurring items EUR 6.2 million (6.2).

Profit before income taxes for continuing operations was EUR 5.7 million (4.7), and profit for the reporting period for continuing operations was EUR 3.5 million (2.6).

## **FINANCING**

The Group's net interest-bearing liabilities amounted to EUR 38.2 million (79.1) at the end of the review period. The gearing was 33.2% (79.3%) and the equity ratio 42.1% (37.6%).

Bondholders of the convertible hybrid bond issued by Suominen in February 2014 are entitled to convert the bond notes and the potential accrued capitalized interest related to the notes into Suominen shares. The conversion rate is EUR 0.50 per share, and the conversion period started on 11 February 2014 and will end on 10 February 2018. The number of shares to be converted must be at least 200,000 shares. The number of shares in Suominen may increase in total by maximum of 38,625,600 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 (the amount to be converted after the share registration on 10 April 2015).

In February 2015, in total EUR 1.0 million of accrued interests of the hybrid bond were capitalized to the bond capital in accordance with the terms of the hybrid bond. During the review period in total EUR 2.0 million of the bond capital and accrued interests were converted into shares and equity of Suominen. The nominal value of the hybrid bond was EUR 16.5 million on 31 March 2015. Suominen has the right to redeem the bond in whole or in part on 10 February 2018 or thereafter, on each interest payment date, at the nominal value of the bond together with the accrued interest.

In January–March, net financial expenses were EUR -1.6 million (-1.5), or 1.4% (1.5%) of net sales. Fluctuations in exchange rates increased the financial expenses by EUR 0.7 million.

Cash flow from operations was EUR 4.5 million (-0.4), representing a cash flow per share of EUR 0.02 (0.00). The financial items in the cash flow from operations, in total EUR -5.3 million (-1.5), were principally impacted by currency forward contracts hedging equity and the interests of the debenture bond paid during the reporting period. EUR 0.1 million was tied up in working capital (in 2014: tied up 8.9).

In accordance with the decision of the Annual General Meeting held on 19 March 2015, a distribution of funds from the reserve for invested unrestricted equity (EUR 0.01 per share), in total EUR 2.5 million, was paid on 30 March 2015.

## **CAPITAL EXPENDITURE**

The gross capital expenditure totaled EUR 1.5 million (1.9 for continuing operations). Depreciation and

amortization for the review period amounted to EUR 4.4 million (3.7 for continuing operations). The investments were mainly for maintenance. In addition, one production line was re-opened at Nakkila plant in Finland.

Suominen announced in January 2015 that it had started to plan an investment in a new production line in order to implement its growth strategy. The planned investment would be the largest single initiative in Suominen's growth investment program announced in December 2014. According to company's initial plans, the new nonwovens manufacturing line would serve several higher value-adding end-use applications, and would be essential for the execution of Suominen's growth strategy. Suominen is looking to build the new line in the Bethune plant in the U.S. In North America, the demand for high value-adding nonwovens has both developed favorably historically and also has attractive growth forecasts.

## **BUSINESS COMBINATIONS AND DISCONTINUED OPERATIONS**

### **Business combinations**

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

### **Discontinued operations**

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

## **INFORMATION ON SHARES AND SHARE CAPITAL**

### **Share capital**

The number of Suominen's registered shares was 251,365,648 shares on 31 March 2015, equaling to a share capital of EUR 11,860,056.00. The number of shares increased in the review period in total by 3,431,526 shares, of which 2,924,138 was attributable to the share conversions of the hybrid bond notes and the accrued interests; and 507,388 to the directed share issue subject to payment for the management, implemented based on the share-based incentive system. Both the conversion of the hybrid bond to equity and the share issue subject to payment have been recorded into the reserve for invested unrestricted equity.

In the share issue directed for the members of Suominen's Corporate Executive Team and the Corporate Leadership Team, the subscription period of the new shares began on 8 December 2014 and ended on 30 January 2015. The subscription price for the new shares was EUR 0.67 per share, which was the same as the trade volume weighted average quotation of the share on NASDAQ OMX Helsinki Ltd during 1 November—30 November 2014. The new shares were paid upon subscription.

At the end of the review period, Suominen had in total 1,059,968 shares that were subscribed based on the hybrid bond but not yet registered at Trade Register. These shares were registered at Trade Register on 10 April 2015. After the registration, on 10 April 2015, Suominen Corporation had in total 252,425,616 shares and votes.

### **Share trading and price**

The number of Suominen Corporation shares traded on NASDAQ Helsinki from 1 January to 31 March 2015 was 55,481,427 shares, accounting for 22.4% of the average number of shares (excluding treasury shares). The highest price was EUR 1.15, the lowest EUR 0.75 and the volume-weighted average price EUR 0.91. The closing price at the end of review period was EUR 1.12. The market capitalization (excluding treasury shares) was EUR 280.4 million on 31 March 2015.

### **Treasury shares**

On 31 March 2015, Suominen Corporation held 1,000,875 treasury shares. In total 802,644 treasury shares were transferred during the review period to key employees of the Group in a directed share-issue without consideration as a reward of the 2012–2014 share-based incentive plan.

### **The portion of the remuneration of the members of the Board of Directors which shall be paid in shares**

The Annual General Meeting held on 19 March 2015 resolved to maintain the remuneration of the members of the Board of Directors unchanged. In 2015, the Chair of the Board of Directors will be paid an annual fee of EUR 50,000, 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 the home country of respective member. 60% of the annual remuneration is paid in cash and 40% in Suominen Corporation's shares.

The number of shares forming the above-mentioned remuneration portion payable in shares will be determined based on the share value in the stock exchange trading maintained by NASDAQ OMX Helsinki Ltd, calculated as the trade volume-weighted average quotation of the share during the one month period immediately following the date on which the interim report of January-March 2015 of the company is published. The shares will be given out of the treasury shares held by the company by the decision of the Board of Directors by 6 June 2015 at the latest.

### **Share-based incentive plans for the management and key employees**

The Board of Directors of Suominen Corporation approved on December 2014 two new share-based incentive plans for the Group management and Group key employees and a directed share issue.

#### *Performance Share Plan 2015*

The Performance Share Plan includes one vesting period, calendar years 2015–2017. The Performance Share Plan is directed to approximately 15 people. The potential reward of the Plan from the performance period 2015–2017 will be based on the Suominen Group's net sales growth, earnings before interest and taxes (EBIT) and return on invested capital (ROI). The rewards to be paid on the basis of the performance period 2015 - 2017 correspond to the value of an approximate maximum total of 2,300,000 Suominen Corporation shares (including also the proportion to be paid in cash).

#### *Matching Share Plan 2015*

The Matching Share Plan includes one three-year vesting period, calendar years 2015 - 2017. The prerequisite for receiving reward on the basis of this Plan is that a person participating in the Plan owns or acquires the Company's shares up to the number determined by the Board of Directors. Furthermore, receiving of reward is tied to the continuance of participant's employment or service upon reward payment. The members of the Corporate Executive Team and the Corporate Leadership



Team belong to the target group of the Matching Share Plan. The rewards to be paid on the basis of the Matching Share Plan correspond to the value of an approximate maximum total of 550,000 Suominen Corporation shares (including also the proportion to be paid in cash). In order to implement the Matching Share Plan, the Board of Directors resolved on a share issue against payment directed to the target group.

#### *Reward payment and ownership obligation for the management*

The potential rewards from the vesting periods 2015–2017 will be paid partly in the Company's shares and partly in cash in 2018. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. As a rule, no reward will be paid, if a participant's employment or service ends before the reward payment. A member of the Corporate Executive Team must hold 50% of the net number of shares given on the basis of the Plans, as long as his or her shareholding in total corresponds to the value of half of his or her annual gross salary. The President & CEO of the Company must hold 50% of the net number of shares given on the basis of the Plans, as long as his or her shareholding in total corresponds to the value of his or her annual gross salary. Such number of shares must be held as long as the participant's employment or service in a group company continues.

### **ANNUAL GENERAL MEETING**

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

The AGM adopted the financial statements and the consolidated financial statements for the financial year 2014 and discharged the members of the Board of Directors and the President & CEO from liability.

The AGM confirmed the number of members of the Board of Directors to be six (6). The AGM re-elected Mr. Risto Anttonen, Mr. Jorma Eloranta, Mr. Hannu Kasurinen and Ms. Jaana Tuominen as members of the Board of Directors, and elected Ms. Laura Raitio and Mr. Andreas Ahlström as new members of the Board of Directors for the next term of office, expiring at the end of the first Annual General Meeting of Shareholders following their election. The remuneration of the members of the Board of Directors was resolved to maintain unchanged. The resolutions were in accordance with the proposals submitted by the Nomination Board of Suominen's shareholders.

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

### **Constitutive meeting and permanent committees of the Board of Directors**

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

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

Hannu Kasurinen was re-elected as Chair of the Audit Committee. Andreas Ahlström and Laura Raitio were elected as members of the Audit Committee. Jorma Eloranta was re-elected as Chair of the

Personnel and Remuneration Committee. Risto Anttonen and Jaana Tuominen were elected as members.

### **Authorizations of the Board of Directors**

The Annual General Meeting (AGM) held on 19 March 2015 authorized the Board of Directors to repurchase a maximum of 2,000,000 of the company's own shares. The shares shall be repurchased to be used in company's share-based incentive programs, in order to disburse the remuneration of the members of the Board of Directors, for use as consideration in acquisitions related to the company's business, or to be held by the company, to be conveyed by other means or to be cancelled. The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition. The repurchase authorization is valid until 30 June 2016.

The AGM held on 26 March 2014 authorized the Board of Directors to repurchase a maximum of 3,000,000 of the company's own shares. The authorization is valid until 30 June 2015. The other terms of the authorization are the same as in the authorization given by the AGM held on 19 March 2015.

The AGM held on 26 March 2014 also authorized the Board of Directors to decide on issuing new shares and/or conveying the company's own shares held by the company and/or granting special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. New shares may be issued and/or company's own shares held by the company or its group company may be conveyed at the maximum amount of 25,000,000 shares in aggregate. The maximum number of new shares that may be subscribed and own shares held by the company that may be conveyed by virtue of the options and other special rights granted by the company is 25,000,000 shares in total which number is included in the maximum number stated earlier. The authorizations are valid until 30 June 2017. By 31 March 2015, the number of shares used based on the authorization was 1,430,880 shares. The remaining number of shares which can be issued based on the authorization is 23,569,120 shares.

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

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

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

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

On 18 February 2015, Mandatum Life Insurance Company Limited (business identity code 0641130-2)



notified that it has divested Suominen Corporation shares through a transaction made on 17 February 2015. Following the transaction, Mandatum's ownership in Suominen would remain below the threshold of 5% even if Mandatum would convert all notes of the hybrid bond it subscribed in February 2014 into Suominen shares.

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

On 20 March 2015, Ilmarinen Mutual Pension Insurance Company (Keskinäinen Eläkevakuutusyhtiö Ilmarinen, business identity code 0107638-1), notified that it has on 19 March 2015 divested Suominen shares and consequently crossed the flagging threshold of 10% of all shares and votes in Suominen Corporation. In its previous notification, Ilmarinen stated it held 27,111,992 Suominen shares, corresponding to 11.02% of shares and votes in Suominen Corporation. After the transaction, Ilmarinen holds in total 18,422,103 Suominen shares, corresponding to 7.33% of all shares and votes.

## **BUSINESS RISKS AND UNCERTAINTIES**

Due to the acquisition of the manufacturing plant in Brazil, the risks that are characteristic to any developing region, including significant changes in business environment or exchange rates, could have an impact on Suominen's operations in Brazil.

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

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

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

Suominen purchases significant amounts of oil and pulp-based raw materials annually. Raw materials are the largest cost item for operations. Changes in the global market prices of raw materials affect the company's profitability. Extended interruptions in the supply of Suominen's main raw materials could disrupt production and have a negative impact on the Group's overall business operations. As Suominen sources its raw materials from a number of major international suppliers, significant interruptions are unlikely.

Suominen has numerous regional, national and international competitors in its different product groups. There is currently oversupply in several product groups, particularly in Europe. If Suominen is not able to compete through an attractive product offering, it may lose some of its market share, and the competition may lead to increased pricing pressure on the company's products.

The Group's damage risks are insured in order to guarantee the continuity of operations. Suominen has valid damage and business interruption insurances according to which it is estimated that the damages can be covered and the financial losses caused by an interruption compensated.

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

## **BUSINESS ENVIRONMENT**

Suominen's products are used in daily consumer goods, such as wet wipes, hygiene product and medical nonwovens. 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 largest market areas for Suominen. Moreover, Suominen gained a foothold in the growing South American markets through an acquisition in February 2014.

In Europe, the confidence of consumers to the improvement of the general economic situation increased markedly in the first quarter of 2015. In the United States, the average consumer confidence index continued to develop favorably in the first quarter, but by the end of March it was lower than it was at the start of the year.

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

## **OUTLOOK FOR 2015**

Suominen repeats its previous estimate, disclosed on 30 January 2015, that for the full year 2015 the company expects its net sales and operating profit excluding non-recurring items to improve from year 2014. In 2014, Suominen's net sales amounted to EUR 401.8 million and operating profit excluding non-recurring items to EUR 26.9 million.

## **SUOMINEN GROUP CONSOLIDATED 1 JANUARY – 31 MARCH 2015**

This interim report has been prepared in accordance with the principles defined in IAS 34 Interim Financial Reporting. The principles for preparing the interim report are the same as those used for preparing the financial statements for 2014. Changes to published accounting standards and interpretations, together with the new accounting standards that came into force on 1 January 2015, are presented in the financial statements for 2014.

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

This interim report has not been audited.

**STATEMENT OF FINANCIAL POSITION**

EUR thousands	<b>31 March 2015</b>	31 March 2014	31 December 2014
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	<b>15,496</b>	15,496	15,496
Intangible assets	<b>12,598</b>	12,826	12,510
Property, plant and equipment	<b>92,197</b>	106,426	88,721
Loan receivables	<b>8,202</b>	–	8,202
Available-for-sale assets	<b>1,113</b>	938	1,124
Held-to-maturity investments	<b>433</b>	467	450
Other non-current receivables	<b>2,518</b>	511	2,614
Deferred tax assets	<b>5,276</b>	7,313	5,516
Total non-current assets	<b>137,833</b>	143,976	134,633
<b>Current assets</b>			
Inventories	<b>30,914</b>	36,174	32,380
Trade receivables	<b>60,599</b>	61,894	52,269
Loan receivables	<b>600</b>	59	600
Other current receivables	<b>4,108</b>	7,396	4,618
Assets for current tax	<b>1,381</b>	326	1,682
Cash and cash equivalents	<b>38,036</b>	15,227	38,430
Total current assets	<b>135,639</b>	121,076	129,979
<b>Total assets</b>	<b>273,472</b>	265,052	264,611
<b>Equity and liabilities</b>			
Share capital	<b>11,860</b>	11,860	11,860
Share premium account	<b>24,681</b>	24,681	24,681
Reserve for invested unrestricted equity	<b>69,572</b>	97,123	97,192
Treasury shares	<b>-44</b>	-44	-44
Fair value and other reserves	<b>14</b>	-1,045	96
Exchange differences	<b>8,216</b>	-2,168	3,419
Other equity	<b>-15,901</b>	-48,299	-46,890
Total equity attributable to owners of the parent	<b>98,398</b>	82,108	90,313
Hybrid bond	<b>16,653</b>	17,640	18,424
Total equity	<b>115,051</b>	99,748	108,737
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	<b>9,832</b>	7,179	8,789
Provisions	–	126	–
Other non-current liabilities	<b>2,454</b>	1,857	1,729
Debentures	<b>75,000</b>	–	75,000

Other non-current interest-bearing liabilities	<b>6,667</b>	70,388	6,667
Total non-current liabilities	<b>93,953</b>	79,550	92,185
<b>Current liabilities</b>			
Current interest-bearing liabilities	<b>3,333</b>	24,060	3,347
Liabilities for current tax	<b>941</b>	522	246
Trade payables and other current liabilities	<b>60,194</b>	61,172	60,096
Total current liabilities	<b>64,468</b>	85,754	63,689
<b>Total liabilities</b>	<b>158,421</b>	165,304	155,874
<b>Total equity and liabilities</b>	<b>273,472</b>	265,052	264,611

**STATEMENT OF PROFIT OR LOSS**

EUR thousands	<b>1-3/2015</b>	1-3/2014	1-12/2014
<b>Net sales</b>	<b>111,934</b>	98,353	401,762
Cost of goods sold	<b>-97,547</b>	-87,039	-352,091
<b>Gross profit</b>	<b>14,387</b>	11,314	49,671
Other operating income	<b>950</b>	768	2,655
Sales and marketing expenses	<b>-1,902</b>	-1,444	-6,278
Research and development	<b>-851</b>	-614	-2,877
Administration expenses	<b>-4,681</b>	-3,459	-14,144
Other operating expenses	<b>-611</b>	-181	-2,177
<b>Operating profit excluding non-recurring items</b>	<b>7,292</b>	6,384	26,851
Non-recurring items	-	-233	-954
<b>Operating profit / loss</b>	<b>7,292</b>	6,151	25,897
Net financial expenses	<b>-1,621</b>	-1,467	-8,075
<b>Profit/loss before income taxes</b>	<b>5,670</b>	4,684	17,822
Income taxes	<b>-2,188</b>	-2,099	-7,645
<b>Profit/loss for the period from continuing operations</b>	<b>3,482</b>	2,585	10,177
<b>Discontinued operations</b>			
Profit/loss for the period	-	308	717
Impairment losses and costs to sell	-	-	-5,921
<b>Profit/loss for the period from discontinued operations, total</b>	-	308	-5,204
<b>Profit/loss for the period</b>	<b>3,482</b>	2,892	4,973
<b>Earnings per share, EUR</b>			
Continuing operations	<b>0.01</b>	0.01	0.04
Discontinued operations	-	0.00	-0.02
Total basic	<b>0.01</b>	0.01	0.02
Total diluted	<b>0.00</b>	0.01	0.02

**STATEMENT OF COMPREHENSIVE INCOME**

EUR thousands	1-3/2015	1-3/2014	1-12/2014
<b>Profit/loss for the period</b>	<b>3,482</b>	2,892	4,973
<b>Other comprehensive income:</b>			
<b>Other comprehensive income that will be subsequently reclassified to profit or loss</b>			
Exchange differences	<b>5,301</b>	847	6,863
Fair value changes of cash flow hedges	<b>-102</b>	-58	1,368
Other reclassifications	-	-3	-
Income taxes related to other comprehensive income	<b>-431</b>	17	-696
<b>Total</b>	<b>4,768</b>	804	7,535
<b>Other comprehensive income that will not be subsequently reclassified to profit or loss</b>			
Remeasurements of defined benefit plans	-	-	-147
Income taxes related to other comprehensive income	-	-	47
<b>Total</b>	-	-	-100
<b>Total other comprehensive income</b>	<b>4,768</b>	804	7,434
<b>Total comprehensive income for the period</b>	<b>8,250</b>	3,696	12,407
<b>Attributable to:</b>			
Continuing operations	<b>8,250</b>	3,696	17,612
Discontinued operations	-	-	-5,205
<b>Total comprehensive income for the period</b>	<b>8,250</b>	3,696	12,407

**STATEMENT OF CHANGES IN EQUITY**

EUR thousands	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
<b>Equity 1 January 2015</b>	<b>11,860</b>	<b>24,681</b>	<b>97,192</b>	<b>-44</b>	<b>3,419</b>
Profit / loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	4,849
<b>Total comprehensive income</b>	-	-	-	-	<b>4,849</b>
Share-based payments	-	-	-	-	-
Share issue	-	-	340	-	-

Distribution of funds	-	-	-2,504	-	-
Reclassifications	-	-	-27,448	-	-51
Conversion of hybrid bond	-	-	1,992	-	-
Hybrid bond	-	-	-	-	-
<b>Equity 31 March 2015</b>	<b>11,860</b>	<b>24,681</b>	<b>69,572</b>	<b>-44</b>	<b>8,216</b>

EUR thousands	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
<b>Equity 1 January 2015</b>	<b>96</b>	<b>-46,890</b>	<b>90,313</b>	<b>18,424</b>	<b>108,737</b>
Profit / loss for the period	-	3,482	3,482	-	3,482
Other comprehensive income	-81	-	4,768	-	4,768
<b>Total comprehensive income</b>	<b>-81</b>	<b>3,482</b>	<b>8,250</b>	<b>-</b>	<b>8,250</b>
Share-based payments	-	183	183	-	183
Share issue	-	-	340	-	340
Distribution of funds	-	-	-2,504	-	-2,504
Reclassifications	-	27,499	-	-	-
Conversion of hybrid bond	-	-	1,992	-1,992	-
Hybrid bond	-	-177	-177	221	44
<b>Equity 31 March 2015</b>	<b>14</b>	<b>-15,901</b>	<b>98,398</b>	<b>16,653</b>	<b>115,051</b>

EUR thousands	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
<b>Equity 1 January 2014</b>	<b>11,860</b>	<b>24,681</b>	<b>97,123</b>	<b>-44</b>	<b>-3,021</b>
Profit / loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	853
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>853</b>
Share-based payments	-	-	-	-	-
Hybrid bond	-	-	-	-	-
<b>Equity 31 March 2014</b>	<b>11,860</b>	<b>24,681</b>	<b>97,123</b>	<b>-44</b>	<b>-2,168</b>

EUR thousands	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
<b>Equity 1 January 2014</b>	<b>-999</b>	<b>-51,094</b>	<b>78,506</b>	<b>-</b>	<b>78,506</b>
Profit / loss for the period	-	2,892	2,892	-	2,892
Other comprehensive income	-46	-3	804	-	804
<b>Total comprehensive income</b>	<b>-46</b>	<b>2,889</b>	<b>3,696</b>	<b>-</b>	<b>3,696</b>
Share-based payments	-	18	18	-	18
Hybrid bond	-	-112	-112	17,640	17,528
<b>Equity 31 March 2014</b>	<b>-1,045</b>	<b>-48,299</b>	<b>82,108</b>	<b>17,640</b>	<b>99,748</b>



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

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

## STATEMENT OF CASH FLOWS

EUR thousands	1-3/2015	1-3/2014	1-12/2014
<b>Cash flow from operations</b>			
Profit / loss for the period	<b>3,482</b>	2,892	4,973
Total adjustments to profit / loss for the period	<b>8,319</b>	8,254	39,953
Cash flow before changes in net working capital	<b>11,802</b>	11,146	44,927
Change in net working capital	<b>-107</b>	-8,856	6,140
Financial items	<b>-5,317</b>	-1,534	-6,514
Income taxes	<b>-1,886</b>	-1,176	-7,434
Cash flow from operations	<b>4,493</b>	-419	37,119
<b>Cash flow from investments</b>			
Investments in property, plant and equipment and intangible assets	<b>-1,664</b>	-1,122	-7,740
Investments in acquired businesses	-	-19,334	-19,261
Cash flow from disposed businesses	-	-	4,736
Sales proceeds from property, plant and equipment and intangible assets	<b>10</b>	31	59

Cash flow from investments	<b>-1,654</b>	-20,424	-22,206
<b>Cash flow from financing</b>			
Drawdown of hybrid bond	–	17,500	17,500
Drawdown of debenture bond	–	–	75,000
Drawdown of other non-current interest-bearing liabilities	–	–	10,000
Repayment of other non-current interest-bearing liabilities	–	-14	-78,220
Changes in current interest-bearing liabilities	<b>-14</b>	-6	-18,324
Share issue	<b>340</b>	–	–
Distribution of funds	<b>-2,504</b>	–	–
Cash flow from financing	<b>-2,177</b>	17,481	5,956
<b>Change in cash and cash equivalents</b>	<b>662</b>	-3,364	20,869
Cash and cash equivalents at the beginning of the period	<b>38,430</b>	18,585	18,585
Effect of changes in exchange rates	<b>-1,056</b>	6	-1,025
Change in cash and cash equivalents	<b>662</b>	-3,364	20,869
<b>Cash and cash equivalents at the end of the period</b>	<b>38,036</b>	15,227	38,430

Cash flow in 2014 includes also discontinued operations.

## KEY RATIOS

	<b>1-3/2015</b>	1-3/2014	1-12/2014
Change in net sales, % *	<b>13.8</b>	1.1	7.5
Gross profit, as percentage of net sales, %	<b>12.9</b>	11.5	12.4
Operating profit, as percentage of net sales, %	<b>6.5</b>	6.3	6.4
Net financial items, as percentage of net sales, %	<b>-1.4</b>	-1.5	-2.0
Profit before income taxes, as percentage of net sales, %	<b>5.1</b>	4.8	4.4
Profit for the period, continuing operations, as percentage of net sales, %	<b>3.1</b>	2.6	2.5
Loss for the period, discontinued operations, as percentage of net sales, %	–	0.3	-1.3
Profit for the period, as percentage of net sales, %	<b>3.1</b>	2.9	1.2
Return on equity, %	<b>5.3</b>	-16.4	5.1
Return on invested capital, rolling 12 months, %	<b>12.0</b>	0.3	12.0
Return on invested capital, rolling 12 months, continuing operations, %	<b>14.8</b>	13.0	15.7
Equity ratio, %	<b>42.1</b>	37.6	41.2
Gearing, %	<b>33.2</b>	79.3	34.7
Gross capital expenditure, continuing operations, EUR thousands	<b>1,459</b>	1,870	7,066

Depreciation and amortization, continuing operations, EUR thousands	<b>4,386</b>	3,703	15,576
Number of shares, end of period, excluding treasury shares	<b>250,364,773</b>	246,009,755	246,130,603
Earnings per share, EUR, continuing operations	<b>0.01</b>	0.01	0.04
Earnings per share, EUR, discontinued operations	–	0.00	-0.02
Earnings per share, EUR, total, basic	<b>0.01</b>	0.01	0.02
Earnings per share, EUR, total, diluted	<b>0.00</b>	0.01	0.02
Equity per share, EUR	<b>0.46</b>	0.40	0.44
Cash flow from operations per share, EUR	<b>0.02</b>	0.00	0.15
Share price, end of period	<b>1.12</b>	0.50	0.81
Share price, period low	<b>0.75</b>	0.47	0.47
Share price, period high	<b>1.15</b>	0.54	0.81
Volume weighted average price during the period	<b>0.91</b>	0.50	0.58
Market capitalization, EUR million	<b>280.4</b>	123.0	199.4
Number of traded shares during the period	<b>55,481,427</b>	5,314,576	97,735,300
Number of traded shares during the period, % of average number of shares	<b>22.4</b>	2.2	39.7

\* Compared with the corresponding period in the previous year.

#### Interest-bearing net debt, EUR thousands

Non-current interest-bearing liabilities	<b>81,667</b>	70,388	81,667
Current interest-bearing liabilities	<b>3,333</b>	24,060	3,347
Interest-bearing receivables and cash and cash equivalents	<b>-46,838</b>	-15,370	-47,232
<b>Interest-bearing net debt</b>	<b>38,162</b>	79,077	37,782

#### DEFINITION OF KEY RATIOS

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

#### NET SALES BY GEOGRAPHICAL MARKET AREA

EUR thousands	<b>1-3/2015</b>	<b>1-3/2014</b>	<b>1-12/2014</b>
Finland	<b>746</b>	724	2,516
Rest of Europe	<b>42,067</b>	32,079	139,738
Americas	<b>66,726</b>	62,975	248,942
Rest of the world	<b>2,396</b>	2,575	10,565
<b>Total</b>	<b>111,934</b>	98,353	401,762

#### QUARTERLY DEVELOPMENT

EUR thousands	<b>2015</b>		<b>2014</b>			
	<b>1-3</b>	<b>10-12</b>	<b>7-9</b>	<b>4-6</b>	<b>1-3</b>	<b>1-12</b>
Net sales	<b>111,934</b>	104,779	103,291	95,340	98,353	401,763

Operating profit excluding non-recurring items	<b>7,292</b>	6,233	8,711	5,524	6,384	26,852
as % of net sales	<b>6.5</b>	5.9	8.4	5.8	6.5	6.7
Non-recurring items	-	-93	-349	-278	-233	-954
Operating profit	<b>7,292</b>	6,140	8,362	5,246	6,151	25,898
as % of net sales	<b>6.5</b>	5.9	8.1	5.5	6.3	6.4
Net financial items	<b>-1,621</b>	-998	-4,334	-1,276	-1,467	-8,074
Profit before income taxes	<b>5,670</b>	5,141	4,028	3,969	4,684	17,823
as % of net sales	<b>5.1</b>	4.9	3.9	4.2	4.8	4.4

## RELATED PARTY INFORMATION

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

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

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

Other salaries paid to the related parties during the first quarter of 2015 amounted to EUR 784 thousands, obligatory pension payments EUR 81 thousands, voluntary pension payments EUR 74 thousands, compensation of the vested share-based plan EUR 1,562 thousands and accruals based on share-based incentive plans EUR 61 thousands.

## Other related party transactions

EUR thousands	<b>1-3/2015</b>	<b>1-3/2014</b>	1-12/2014
Sales of goods and services	-	<b>1,576</b>	5,083
Purchases of goods and services	-	<b>17,681</b>	58,487
Trade and other receivables	-	<b>651</b>	-
Trade and other payables	-	<b>1,965</b>	-

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

## CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR thousands	<b>31 March 2015</b>		31 March 2014		31 December 2014	
	<b>Property, plant and equipment</b>	<b>Intangible assets</b>	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
Carrying amount at the beginning of the period	<b>88,721</b>	<b>12,510</b>	98,640	12,025	98,640	12,025
Capital expenditure	<b>977</b>	<b>482</b>	762	1,211	4,650	2,416

Disposals	-	<b>-10</b>	-6	-	-9	-
Discontinued operations	-	-	-	-	-18,211	-160
Acquired businesses	-	-	10,463	20	10,779	20
Depreciation, amortization and impairment losses	<b>-3,879</b>	<b>-507</b>	-3,928	-425	-13,714	-1,862
Exchange differences and other changes	<b>6,378</b>	<b>122</b>	494	-5	6,586	71
Carrying amount at the end of the period	<b>92,197</b>	<b>12,598</b>	106,426	12,826	88,721	12,510

Intangible assets excluding goodwill.

### CHANGES IN INTEREST-BEARING LIABILITIES

EUR thousands	<b>1-3/ 2015</b>	1-3/ 2014	1-12/ 2014
Total interest-bearing liabilities at the beginning of the period	<b>85,014</b>	94,471	94,471
Current liabilities at the beginning of the period	<b>3,347</b>	24,071	24,071
Discontinued operations	-	-	-502
Changes in current liabilities	<b>-14</b>	-11	-20,222
Current liabilities at the end of the period	<b>3,333</b>	24,060	3,347
Non-current liabilities at the beginning of the period	<b>6,667</b>	70,399	70,399
Discontinued operations	-	-	-4,283
Changes in non-current liabilities	-	-11	-59,449
Non-current liabilities at the end of the period	<b>6,667</b>	70,388	6,667
Debentures at the beginning of the period	<b>75,000</b>	-	-
Changes in debentures	-	-	75,000
Debentures at the end of the period	<b>75,000</b>	-	75,000
Total interest-bearing liabilities at the end of the period	<b>85,000</b>	94,448	85,014

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

**CONTINGENT LIABILITIES**

EUR thousands	31 March 2015	31 March 2014	31 December 2014
<b>For own debt</b>			
Secured loans	–	91,354	–
<b>Nominal values of pledges</b>			
Real estate mortgages	–	27,045	–
Floating charges	–	161,672	–
Pledged subsidiary shares and loans	–	184,901	–
<b>Other own commitments</b>			
Operating leases, real estates	<b>21,992</b>	22,368	21,822
Operating leases, machinery and equipment	<b>1,165</b>	2,241	1,089
<b>Guarantees</b>			
On own behalf	–	–	1,800
On behalf of others	<b>4,017</b>	–	4,017

**FINANCIAL ASSETS BY CATEGORY**

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

EUR thousands	Classification						
	a.	b.	c.	d.	e.	f.	g.
Available-for-sale financial assets	–	–	–	1,113	–	1,113	1,113
Held-to-maturity assets	–	433	–	–	–	433	433
Other non-current receivables	980	–	1,538	–	–	2,518	2,518
Loan receivables	–	–	8,802	–	–	8,802	8,802
Trade receivables	–	–	60,599	–	–	60,599	60,599
Other current receivables	–	–	166	–	10	176	176
Interest and other financial receivables	–	–	1,766	–	–	1,766	1,766
Cash and cash equivalents	–	–	38,036	–	–	38,036	38,036
<b>Total 31 March 2015</b>	<b>980</b>	<b>433</b>	<b>110,907</b>	<b>1,113</b>	<b>10</b>	<b>113,443</b>	<b>113,443</b>
EUR thousands	a.	b.	c.	d.	e.	f.	g.
Available-for-sale financial assets	–	–	–	1,124	–	1,124	1,124
Held-to-maturity assets	–	450	–	–	–	450	450
Other non-current receivables	980	–	1,634	–	–	2,614	2,614
Loan receivables	–	–	8,802	–	–	8,802	8,802
Trade receivables	–	–	52,269	–	–	52,269	52,269
Other current receivables	–	–	1,011	–	12	1,023	1,023



Interest and other financial receivables	-	-	1,725	-	-	1,725	1,725
Cash and cash equivalents	-	-	38,430	-	-	38,430	38,430
<b>Total 31 December 2014</b>	<b>980</b>	<b>450</b>	<b>103,871</b>	<b>1,124</b>	<b>12</b>	<b>106,437</b>	<b>106,437</b>

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

### FINANCIAL LIABILITIES

EUR thousands	31 March 2015		31 December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current financial liabilities</b>				
Loans from financial institutions	6,667	6,667	6,667	6,667
Debentures	75,000	77,235	75,000	75,150
Other non-current liabilities	363	363	350	350
Total non-current financial liabilities	82,030	84,265	82,017	82,167
<b>Current financial liabilities</b>				
Current part of non-current loans from financial institutions	3,333	3,333	3,333	3,333
Finance lease liabilities	-	-	14	14
Derivatives, no hedge accounting applied	145	145	121	121
Derivatives, hedge accounting applied	1,100	1,100	197	197
Interest accruals	84	84	902	902
Other current liabilities	289	289	726	726
Trade payables	47,834	47,834	47,403	47,403
Total current financial liabilities	52,785	52,785	52,696	52,696
<b>Total</b>	<b>134,815</b>	<b>137,050</b>	<b>134,713</b>	<b>134,863</b>

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

### FAIR VALUE MEASUREMENT HIERARCHY

EUR thousands	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>			
Other non-current receivables	-	-	980
Assets held for sale	-	-	1,113
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,093</b>
<b>Derivatives measured at fair value</b>			
Currency derivatives	-	-1,064	-
Electricity derivatives	-	-171	-
<b>Total</b>	<b>-</b>	<b>-1,235</b>	<b>-</b>

Principles in estimating fair value for financial assets and their hierarchies for 2015 are the same as those used for preparing the financial statements for 2014.

### **ANALYST AND PRESS CONFERENCE**

Nina Kopola, President & CEO, and Tapio Engström, CFO, will present Suominen's January-March 2015 financial result in Finnish at an analyst and press conference in Helsinki today, on 27 April 2015 at 10.00am (EEST). The conference will take place at Event Arena Bank, Unioninkatu 20, Helsinki. The name of the meeting room will be displayed on the board in the lobby.

A teleconference on the financial result will be held on 27 April at 13.30 am (EEST). The conference can be attended by phone at +44 (0)20 3059 8125. Please use the password "Suominen". The conference can also be accessed as an online webcast at [www.suominen.fi/webcast](http://www.suominen.fi/webcast). The conference will be held in English.

The presentation material will be available after the analyst and press conference at [www.suominen.fi](http://www.suominen.fi). A replay of the conference can be accessed at [www.suominen.fi/webcast](http://www.suominen.fi/webcast) or by phone at +44 121 260 4861, using access code 0718359#.

### **NEXT INTERIM REPORT**

Suominen Corporation will publish its Interim report for January-June 2015 on Friday, 17 July 2015.

Helsinki, 27 April 2015

SUOMINEN CORPORATION  
Board of Directors

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Distribution:  
NASDAQ Helsinki  
Key media  
[www.suominen.fi](http://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 approximately 600 people in Europe and in the Americas. Suominen's net sales in 2014 amounted to MEUR 401.8 and operating profit excluding non-recurring items to MEUR 26.9 (continuing operations). The Suominen share (SUY1V) is listed in NASDAQ OMX Helsinki Stock Exchange. Read more at [www.suominen.fi](http://www.suominen.fi).