Annual General Meeting 2014
Review by the President & CEO

Nina Kopola
President & CEO
Suominen is a global manufacturer of nonwovens and flexible packaging for use in consumer products worldwide.

Contents

• Suominen management
• Year 2013 at a glance
• Expanding Suominen’s business to South America
• Market review
• Financial review
• Implementation of the strategy in 2013
• Outlook for 2014
• Summary
Corporate Executive Team
and Corporate Leadership Team

Nina Kopola
President & CEO, SVP, Care (act.)

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SVP, CFO

Timo Hiekkaranta
SVP, Convenience

Reima Kerttula
SVP, Flexibles

Larry Kinn
SVP, Operations, Americas

Mimoun Saim
SVP, Operations, EMEA

Hannu Sivula
SVP, Human Resources

Anu Heinonen
VP, Corporate Communications & IR

Margareta Huldén
VP, R&D

Roberto Pedoja
VP, Technology

Timo Rautakorpi
VP, CIO

Saara Söderberg
VP, Marketing & Product Management

Suominen is a global manufacturer of nonwovens and flexible packaging for use in consumer products worldwide.
Net sales and operating profit secured at new level

The divestment of the Codi Wipes business clarified Suominen’s position in the nonwovens value chain

We executed our strategy *In the Lead* determinedly through several measures
Suominen and Ahlstrom agreed on the sales of the Paulínia unit in Brazil to Suominen on 10 Jan 2014. Formerly the plant was part of Ahlstrom’s Home and Personal business area. The deal was closed on 10 Feb 2014.

The deal provides Suominen a foothold in a new, growing market region. Suominen became a truly global player in nonwovens.

The purchase price, 17.5 M€, was financed through a hybrid bond.

Paulínia plant is the only nonwovens facility utilizing modern spunlace technology in manufacturing wiping products in the country.

The annual sales of the plant currently some 20 M€, free capacity available for future growth.

The profitability of the plant is above the average of other Suominen’s plants → increase in the share of products with higher value add in our portfolio.

The plant is built in 2008 and it employes appr. 40 people.
New, dynamic and growing market region for Suominen

Nonwovens demand in Brazil 2010


Sources: Freedonia, Suominen.

Demand growth in Brazil

Demographic factors (including the growth of middle class) increase the demand for nonwovens products, such as baby wipes and hygiene products.
Market review
Demand for nonwovens for wiping products is growing globally

Source: Freedonia, world wipes market for nonwoven fabrics, market growth (CAGR) by region from 2010 to 2020 in thousand tons.
Global megatrends accelerate the demand for Suominen’s products

**Increasing and aging population**
- 2010: 522M
- 2015: 599M
- 2020: 712M

**Growing consciousness of health**
- 2010: $7.3 bil.
- 2015: $10.3 bil.
- 2020: $14.7 bil.

**Global middle class will be the most important consumer group**
- Elite: 500 million
- Global middle class: 2.1 billion
- Affluent potentials: 3.4 billion

Global expenditure on health, USD

Suominen is a global manufacturer of nonwovens and flexible packaging for use in consumer products worldwide.
In the euro area, consumer confidence has slightly improved but the outlook is still unstable. In February, the CCI was -12.7, showing a slight decrease from January 2014.

Sources: Euro area: European commission, economic & financial affairs.
USA: The Conference Board

In the USA, the Consumer Confidence Index has fluctuated but however the sentiment has been more optimistic than in euro area already for some time. In February, CCI decreased slightly from January also in the USA.
Financial review 2013
Net sales grew 6%, slightly exceeding the market average.

- Healthy demand for nonwovens continued in North American markets.
- In Europe, tight competition put pressure on pricing.

*Continued operations. Business acquired from Ahlstrom included in Suominen reporting as of 1 November 2011.*
Operating profit excluding non-recurring items improved significantly

The Summit program, completed in March 2013, generated structural cost savings of some 10 M€ and thus had a positive impact on Suominen’s profitability.

Continued operations. Business acquired from Ahlstrom included in Suominen reporting as of 1 November 2011.
Profit for the period was positive after several loss-making years.

Continued operations. Business acquired from Ahlstrom included in Suominen reporting as of 1 November 2011.
Cash flow from operations strengthened towards the year-end

- In financial year 2013, cash flow from operations was M€ 21.3 (24.9).
- M€ 6.5 (5.0) of working capital has been released since 1 January 2013.
Stable financial position

* Impact of the hybrid bond (17.5 M€) to financial figures on 31 Dec 2013.

- Interest-bearing net liabilities decreased to M€ 75.5.
- Leverage was 2.2 in the end of the reporting period.
Wiping segment: a new level of net sales and operating profit secured

Net sales, M€

- 2009: 56,9
- 2010: 56,4
- 2011: 102,1
- 2012: 357,9
- 2013: 373,8

Operating profit excl. NRI, M€

- 2009: 2,3
- 2010: 3,7
- 2011: -3,6
- 2012: 18,0
- 2013: 17,8

NRI = Non-recurring items

Continued operations. Business acquired from Ahlstrom included in Suominen reporting as of 1 November 2011.
Flexibles segment: result remained negative, business recovery program intensified

Net sales, M€

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales, M€</th>
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<tbody>
<tr>
<td>2009</td>
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<td>2013</td>
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Operating profit excl. NRI, M€

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<th>Operating Profit, M€</th>
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<tr>
<td>2009</td>
<td>3.4</td>
</tr>
<tr>
<td>2010</td>
<td>-0.8</td>
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<tr>
<td>2011</td>
<td>0.7</td>
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<tr>
<td>2012</td>
<td>-2.8</td>
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<tr>
<td>2013</td>
<td>-2.2</td>
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</tbody>
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NRI = Non-recurring items
Implementation of the strategy
The three cornerstones of the strategy

Suominen Way

Step Change in Profitability

In the Lead

How we work

How we operate

How we win
Understanding the end user is in the heart of our strategy
We aim at increasing the share of products with higher added value

Value for Money

Today

In the future

Products with higher added value:
- typically nonwovens for industrial, household or personal care wipes
- nonwovens for professional wipes
- nonwovens for hygiene and medical products
• In the Compensation & Benefits policy and compensation scheme, the connection between the realization of strategic goals and compensation was reinforced.

• The Behavior Matrix, a tool for ensuring a corporate culture that supports Suominen’s strategy, was created in 2013. The matrix helps to establish a common understanding of how Suominen Way is reflected in the behavior and attitude of employees. The matrix is used as the basis for personal performance reviews.

• Suominen was awarded the Entrepreneur Achievement Award at the international IDEA 2013 Conference & Expo.
Entrepreneur Award 2013 – recognition on a successful change process

- The award was a significant recognition of the extensive post-acquisition change process successfully carried out at Suominen.
- Suominen’s ability to take bold steps in changing the organization was mentioned as one of the reasons that warranted the award.
- The award represents a recognition for all employees for the commitment and passion they have for their work. Entrepreneurship is crucial at Suominen and stems from the long historic roots of the company.
We took several important measures to enhance our profitability

• The Summit program, completed in March 2013, resulted in structural cost savings of around M€ 10.
• The strategic program launched in spring 2013 to enhance the supply chain and increase its flexibility proceeded as planned during the year.
• The business recovery program for the Flexibles unit was intensified. At the Tampere plant, the number of employees was reduced by 26 full-time work years. Further, Suominen decided to invest M€ 0.5 in the plant’s automatization.
• Production at the Nakkila and Ikaalinen plants was adjusted through temporary lay-offs.
A significant improvement in profitability

Operating profit excl. NRI, annually

Operating profit excl. NRI, quarterly

NRI = Non-recurring items.

Continued operations. Business acquired from Ahlstrom included in Suominen reporting as of 1 November 2011.
We increased the share of products with higher value add in our portfolio

- The strategic program launched in the spring of 2013 focused on accelerating product development projects.
- The renewal of Suominen’s corporate structure, organization and operating model which took effect at the start of 2014 considerably supports the achievement of the company’s strategic cornerstone In the Lead.
- Suominen invested some M€ 2.5 to expand its production capacity in higher-value-added nonwovens in the U.S.
- Suominen introduced two new nonwoven products with higher value added.
- “We Love Wipes” dialogue enhances our understanding of consumer needs.
Suominen is the global leader in nonwovens for wipes

Global nonwovens market, in total some 15 billion euro

- Other 30%
- Wallcover 1%
- Food <5%
- Transportation filtration <5%
- Air and gas filtration 5%
- Liquid filtration 5%
- Technical nonwovens 10%
- Hygiene 20%*
- Medical 10%*
- Wiping 10%*

Suominen/Care

Suominen/Convenience

Suominen #1 Wiping ~1.5 billion euro

- Other 52%
- Jacob Holm 8%
- PGI 9%
- Kimberly-Clark 13%
- Suominen 18%

Source: Suominen 2011

*Suominen

Suominen is a global manufacturer of nonwovens and flexible packaging for use in consumer products worldwide.
We Love Wipes consumer dialogue enhances our understanding of consumers’ needs

www.welovewipes.com

• We Love Wipes is a tool for Suominen to engage in dialogue with consumers directly using, for instance, social media.

• Thanks to the direct communication with consumers, Suominen receives valuable information about consumer needs and thus is able to efficiently develop new higher-added-value nonwovens products.
Visible transformation initiated in the nonwovens portfolio

2012: 357,9 M€ (99,2)

- Baby wipes: 47%
- Household wipes: 19%
- Industrial wipes: 10%
- Personal care wipes: 18%
- Other: 6%

2013: 373,8 M€

- Baby wipes: 41%
- Household wipes: 17%
- Industrial wipes: 13%
- Personal care wipes: 22%
- Other: 7%

Typically products with higher added value
Mid-term financial targets

Suominen aims to:

• Clearly improve its relative profitability. The target level of the company’s return on investment (ROI) is to be above 10% (-0.6% in 2013).

• Have a solid capital structure with a gearing ratio principally between 40% and 80% (96.2% in 2013).

• Increase its net sales at a rate that exceeds the average growth rate of the industry. (In 2013, Suominen’s net sales from continuing operations grew 6%).
Outlook for 2014
Suominen estimates that its net sales and operating profit excluding non-recurring items for the full year 2014 improve from year 2013.

In 2013, Suominen’s net sales were EUR 433.1 million and operating profit excluding non-recurring items was EUR 18.3 million (continuing operations).

The net sales outlook was raised on 10 February 2014 in connection with the closing of the acquisition made in Brazil.
Summary

Right direction
Suominen developed in several fields in 2013 as we had planned.

New level for key financials
Net sales and operating profit excl. non-recurring items increased (continuing operations).

Year 2014
Renewing operating model, clarified position in value chain as well as expansion to South America provide Suominen a dynamic start for 2014.
Thank you!