Suominen Corporation
Financial result Q2 2013

Helsinki, 17 July 2013
Nina Kopola, President and CEO
Tapio Engström, CFO
Contents

• Q2 2013 at a glance
• Financial review Q2 2013
• Divestment of Codi Wipes and other actions taken to implement the strategy in Q2 2013
• Summary and discussion
Q2 2013 at a glance

- Net sales from continuing operations MEUR 107.7, + 5%.
- Operating profit from continuing operations excl. non-recurring items MEUR 4.3, +81%
- Divestment of Codi Wipes clarified Suominen’s position in the wipes value chain and simplified its corporate structure
  - Due to the divestment, a non-recurring loss of MEUR 16.8. was recognized in the result of the discontinued operations.
- Wiping:
  - Favorable demand from the North American market supported the net sales growth
  - The operating profit reached a new level and relative profitability continued to grow.
- Flexibles:
  - Net sales grew by 14% despite the tight competitive environment
  - The extensive business recovery program continued.
- Suominen revises its previous estimate on the net sales development. The company expects its net sales of the continuing operations for the full year 2013 to remain at or slightly exceed the level of 2012.
Financial review
Q2 2013
Net sales continued to grow also in Q2

- Net sales from continuing operations amounted to 107,7 M€ (102,4 M€), +5%.
- Growth in net sales was particularly attributable to the favorable demand for nonwovens in North American market.
- Continued fierce competition, especially in Europe, put pressure on the sales prices.

Continuing operations. Also the comparable figures have been adjusted.
Operating profit excluding non-recurring items doubled

Operating profit excl. non-recurring items, M€ and %

- Operating profit from continuing operations excl. non-recurring items was 4,3 M€ (2,1), +103%.
- No non-recurring items were reported in the continuing operations during Q2.
- Streamlined cost structure had a positive impact on profitability.

Continuing operations. Also the comparable figures have been adjusted.
Increased sales affected cash flow

In the first half of 2013, cash flow from operations was M€ 0.8 (5.4)

M€ 5.7 (3.4) of working capital has been tied up in the first half of the year.

Cash flow from operations, M€

- In the first half of 2013, cash flow from operations was M€ 0.8 (5.4)
- M€ 5.7 (3.4) of working capital has been tied up in the first half of the year.

Continuing operations. Also the comparable figures have been adjusted.
Stable financial position

- Non-recurring loss, recognized due to the divestment, affected gearing ratio.
- Interest-bearing net liabilities decreased to EUR 98.0 million (117.7).
- Leverage was 2.7 in the end of the reporting period.
Wiping: Strong development continued

Net sales, M€

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net sales, M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/12</td>
<td>89.4</td>
</tr>
<tr>
<td>Q3/12</td>
<td>97.9</td>
</tr>
<tr>
<td>Q4/2012</td>
<td>84.9</td>
</tr>
<tr>
<td>Q1/13</td>
<td>97.2</td>
</tr>
<tr>
<td>Q2/13</td>
<td>93.1</td>
</tr>
</tbody>
</table>

H1/2013: 190.4 M€

Operating profit excl. non-recurring items, M€ and %

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating profit excl. non-recurring items, M€</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/12</td>
<td>3.6</td>
<td>100</td>
</tr>
<tr>
<td>Q3/12</td>
<td>8.1</td>
<td>100</td>
</tr>
<tr>
<td>Q4/12</td>
<td>2.7</td>
<td>100</td>
</tr>
<tr>
<td>Q1/13</td>
<td>4.4</td>
<td>100</td>
</tr>
<tr>
<td>Q2/13</td>
<td>5.8</td>
<td>100</td>
</tr>
</tbody>
</table>

H1/2013: 10.2 M€

Continuing operations. Also the comparable figures have been adjusted.
Wiping: Share of baby wipes further declined

Q1-Q2/2013: 190.4 M€ (175.1)

- Share of baby wipes declined, while particularly the share of personal care wipes grew.
- Suominen decided to invest EUR 2.5 million in the capacity expansion of higher value add nonwovens in the US.
- Suominen launched two new higher value add nonwoven products for industrial and household wiping applications.
Flexibles: Net sales increased despite the tight competitive environment

Net sales, M€

H1/2013: 29.0 M€

Operating profit excl. non-recurring items, M€ and %

H1/2013: -0.6 M€
Flexibles: The business recovery program continued

Q1-Q2/2013: 29.0 M€ (26.7)

- Net sales continued to grow: in the first half of the year by +9%, and in Q2 by +14% from the comparable period.
- The share of hygiene and food packaging in net sales increased from the comparison period. The share of retail and S&S declined.
Outlook for 2013

• Suominen estimates that its net sales for the full year 2013 from continuing operations will remain at or slightly exceed the level of 2012.

• Operating profit excluding non-recurring items is expected to improve from year 2012.

• In 2012, Suominen’s net sales from continuing operations were EUR 410.4 million. The company’s operating profit excluding non-recurring items, as reported in the Financial statements of 2012, was EUR 13.7 million.
Divestment of Codi Wipes and other actions taken to implement strategy in Q2 2013
Divestment in brief

• Suominen divested its Codi Wipes business unit (Codi International BV) to Value Enhancement Partners (Cogitandum BV).

• The final acquisition price will be contingent on the financial performance of Codi Wipes in 2013 and on other conventional terms and conditions of the transaction.

• Due to the divestment, Suominen recognized a non-recurring loss of MEUR 16.8 in the Q2 result of 2013 of its discontinued operations (IFRS 5).

• The transaction was closed on 15 July 2013.
Divestment rationale

• The acquisition in 2011 triggered a clear shift in strategy in the Wiping arena.
• According to Suominen’s *In the Lead* strategy, the company focuses on nonwovens and further strengthens its globally leading position as a supplier of nonwovens for wipes.
• From Group perspective, the strategic role of an own converting unit had diminished.
• Suominen’s intention was to clarify and reinforce its position in the value chain, particularly in relation to the nonwovens customers.
• Suominen aimed also to simplify its corporate structure – the company continues with two clear-cut business units and reporting segments.
Suominen’s business units from 2004 to November 2011

<table>
<thead>
<tr>
<th>Nonwovens</th>
<th>Codi Wipes / Wet Wipes</th>
<th>Flexibles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roll good producer</td>
<td>Wet wipe producer</td>
<td>Manufacturer of packaging</td>
</tr>
<tr>
<td>One plant in Finland</td>
<td>One plant in the Netherlands</td>
<td>materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Three plants in Finland,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>one in Poland, one in Sweden</td>
</tr>
<tr>
<td>Share of net sales ~ 33%</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Wiping segment</td>
<td>Flexibles segment</td>
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</tbody>
</table>

17 July 2013
Suominen in 2012

<table>
<thead>
<tr>
<th>Nonwovens (Net sales in 2012: M€ 357.9)</th>
<th>Codi Wipes</th>
<th>Flexibles</th>
</tr>
</thead>
<tbody>
<tr>
<td>The global market leader in nonwovens for wipes</td>
<td>49.4 M€</td>
<td>52.7 M€</td>
</tr>
<tr>
<td>Main applications: baby, household, personal care and industrial wipes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Six plants in main market regions: three in the US, two in Italy, one in Spain and one in Finland</td>
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</tbody>
</table>

78 % of Group net sales

Wiping segment

11%

11%
Suominen Group after the divestment

<table>
<thead>
<tr>
<th>Nonwovens business unit</th>
<th>Flexibles business unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales in 2012: M€ 357.9</td>
<td>M€ 52.7</td>
</tr>
<tr>
<td>87% of Group net sales</td>
<td>13%</td>
</tr>
</tbody>
</table>

Wiping

Flexibles
The three cornerstones of the strategy

Suominen Way
How we work

Step Change in Profitability
How we operate

In the Lead
How we win
Understanding the end user is in the heart of our strategy

Fiber producer

Nonwoven producer

Converter

Brand owner

Retailer
We aim at increasing the share of products with higher added value
Strategic actions taken in Q2

- Creation of common management systems - The Suominen Way included in the performance review process.
- Suominen was awarded for its entrepreneurial spirit in April in IDEA 2013
- Continuous improvement of efficiency and productivity.
- A strategic program to streamline and standardize Suominen’s supply chain processes advanced as planned.
- Two new higher added value nonwoven products were launched in April.
- Suominen decided to invest in the production capacity expansion of higher added value products at Windsor Locks, plant in the USA.
- Strategic program to ensure our ability to renew, e.g. by further enhancing the R&D process, continued as planned.
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% (-4.3% in H1 2013).

- Have a solid capital structure with a gearing ratio principally between 40% and 80% (121.4% in H1 2013).

- Increase its net sales at a rate that exceeds the average growth rate of the industry.
Suominen in Q2 2013: Summary

**Right direction**
Net sales increased, operating profit doubled.

**In the Lead**
Systematic programs for the implementation of the renewed strategy advanced as planned.

**#1**
Divestment of Codi Wipes further clarifies Suominen’s leading position in the wipes value chain.
Thank you!