



**Suominen to acquire Ahlstrom's Paulínia plant in Brazil,
the deal to be financed through a convertible hybrid bond**

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Agenda

- Transaction in brief
- The strategic rationale of the deal for Suominen
- Growing markets of South America
- Information about the Paulínia plant
- Financing arrangement and its impact on Suominen's balance sheet
- Schedule

Transaction in brief

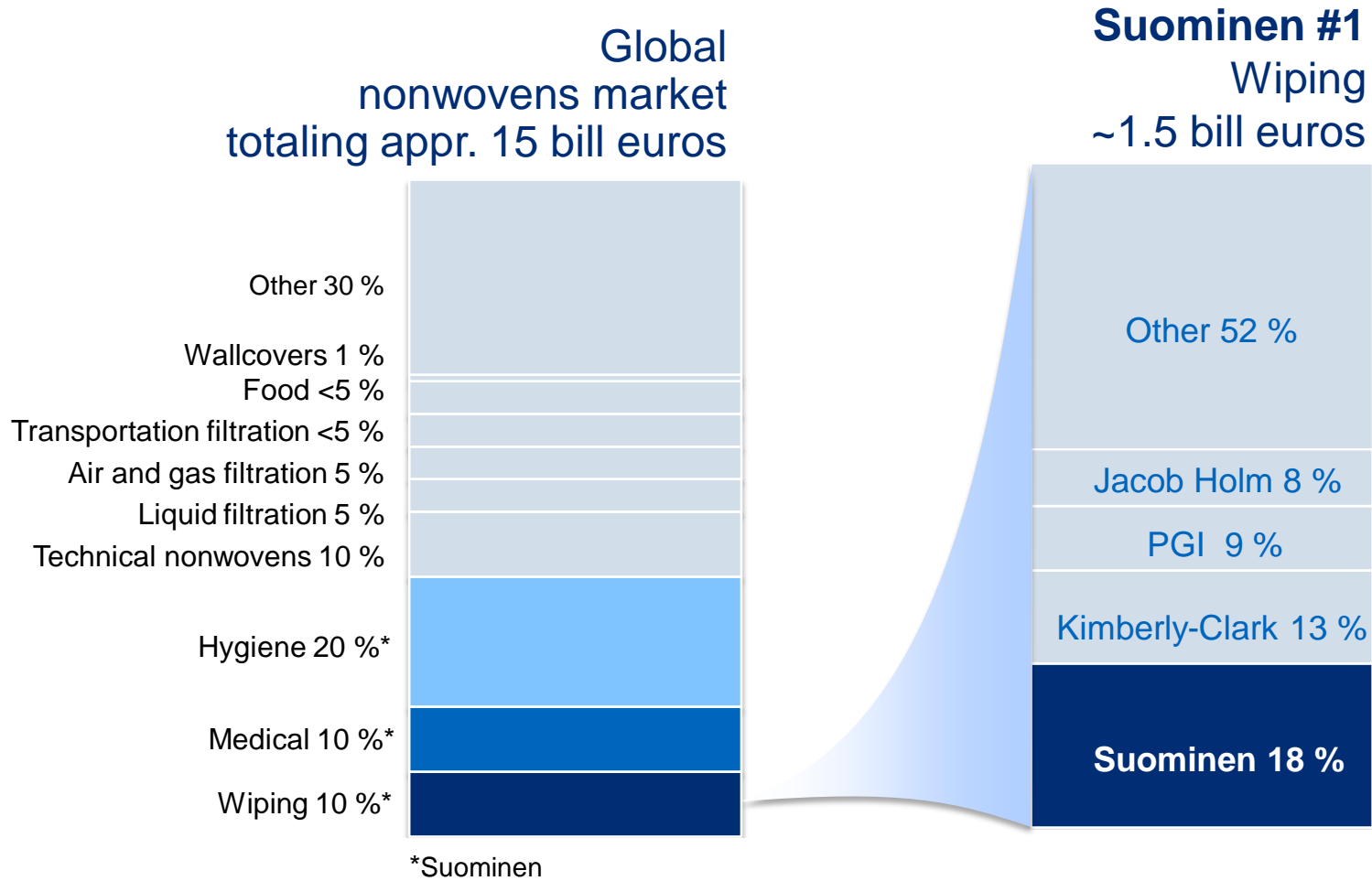
- Suominen and Ahlstrom have entered into agreement on the sales of the entire stock of the Paulínia unit in Brazil to Suominen. Formerly the plant was part of Ahlstrom's Home and Personal business area.
- The deal provides Suominen a foothold in a new, growing market region. Suominen becomes a truly global player in nonwovens.
- The purchase price is 17.5 MEUR. Suominen aims to finance the deal through a convertible hybrid bond, treated as equity.
- A prerequisite for the issuance of a convertible hybrid bond is an authorization by Suominen's General Meeting. An Extraordinary General Meeting has been convened to resolve on the authorization on 31 January 2014.
- Ahlstrom Corporation has committed to subscribing for the bond for the parts other investors do not subscribe for.

The strategic rationale of the deal for Suominen

- The deal makes an important milestone in the implementation of our In the Lead strategy.
- The transaction provides Suominen a foothold in a new market region offering opportunities for profitable growth:
 - The demand for nonwovens still in strong growth in South America
 - The deal enables Suominen to increase market share not only in Brazil but also in the other countries in the continent.
 - In South America, the nonwovens market enjoys healthy profitability levels → the transaction increases the share of products with higher value add in Suominen's portfolio.
- Through the acquisition, Suominen becomes a truly global player, enabling us to serve our global customers even better than before as we have locations in several continents.



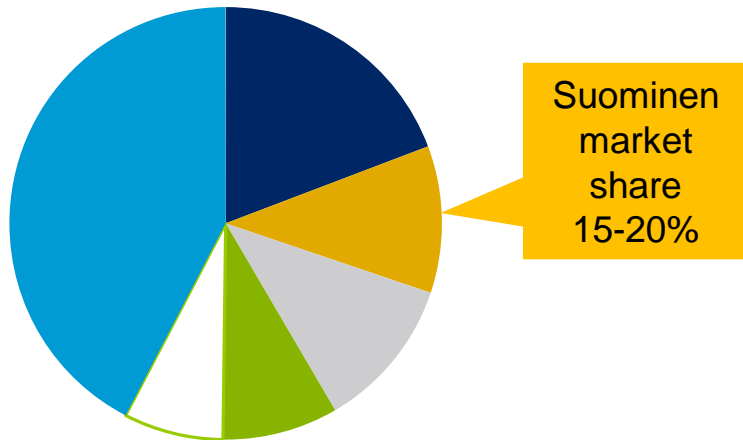
Before the closing, Suominen already holds the leading position in nonwovens for wipes



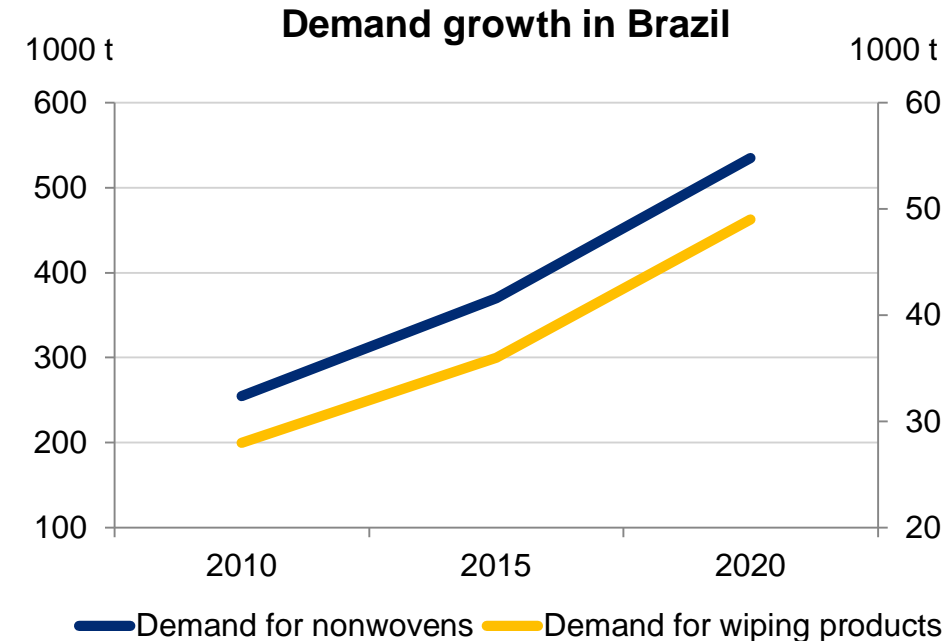
Source: Suominen 2011

A new, dynamic and growing market region for Suominen

Nonwovens demand in Brazil



- Personal Care
- Wipes*
- Construction
- Filtration
- Medical*
- Other



- Demographic factors (including the growth of middle class) increase the demand for nonwovens products, such as baby wipes and hygiene products.

*) Suominen markets.
Figures refer to 2010. Sources: Freedonia, Suominen.

Source: Freedonia

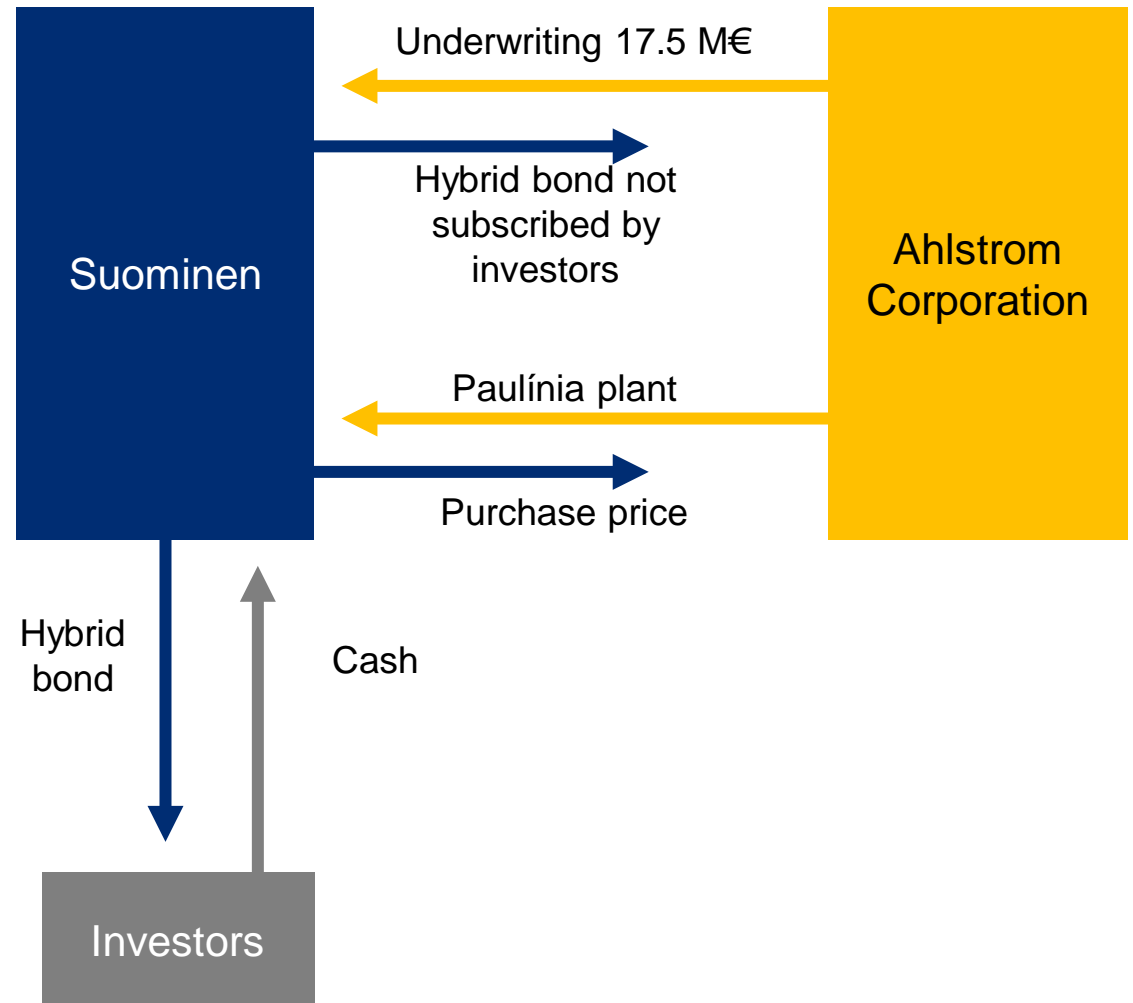
Paulínia plant in brief

- The plant manufactures nonwovens principally for wipes → growth for Suominen's Convenience business area
 - Additionally, there is an opportunity to expand the production capability to hygiene and medical products → to serve Suominen's Care business area.
- 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 appr. 20 MEUR, free capacity available for future growth.
- The profitability of the plant is above the average profitability of other Suominen's plants → the deal increases the share of products with higher value add in our portfolio.
- The plant is built in 2008 and it employes appr. 40 people.

Financing of the deal

The transaction steps:

1. Suominen acquires the Paulinia plant from Ahlstrom Corporation with a EUR 17.5 million purchase price
2. To finance the acquisition, Suominen issues a convertible hybrid bond of EUR 17.5 million
3. Ahlstrom Corporation underwrites the whole convertible hybrid bond
4. Suominen markets the hybrid bond to other investors
5. The part of the hybrid bond not subscribed by other investors is subscribed by Ahlstrom Corporation



The impact of the financing arrangement on the balance sheet of Suominen

Suominen Corporation, M€	30/9/2013	Hybrid bond	End result
Shareholders' equity	79,8	17,5	97,3
Non-current liabilities			
Interest-bearing liabilities	75,3		75,3
Non-interest-bearing liabilities	7,3		7,3
Non-current liabilities, total	82,5		82,5
Current liabilities			
Interest-bearing liabilities	24,1		24,1
Non-interest-bearing liabilities	54,9		54,9
Current liabilities, total	78,9		78,9
Liabilities, total	161,5		161,5
Shareholders' equity and liabilities, total	241,2		258,7
Cash at bank and in hand	9,5		9,5
Equity ratio	33,1 %		37,6 %
Gearing ratio	112,6 %		92,4 %

- The arrangement is feasible for Suominen.
- A prerequisite for the issue of a convertible hybrid bond is an authorization by Suominen's General Meeting.

Schedule

January

- Signing on January 10
- Notice to an Extraordinary General Meeting on 10 January
- Extraordinary General Meeting of Suominen on 31 January

February

- Subscription period
- Subscriptions and business transfer from Ahlstrom to Suominen
- Integration of the business to Suominen begins

March

- Integration of the business to Suominen continues



Thank you!