



Financial Statement Release
1 Jan-31 Dec 2015

1/29/2016

Suominen Corporation's Financial Statement's Release for 1 Jan – 31 Dec, 2015: Net sales and operating profit of financial year 2015 improved markedly from the comparison period

KEY FIGURES	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
Net sales, EUR million	104.2	104.8	444.0	401.8
Operating profit excluding non-recurring items, EUR million	4.3	6.2	31.2	26.9
Operating profit, EUR million	4.3	6.1	31.8	25.9
Profit for the period, EUR million, continuing operations	1.9	4.8	17.0	10.2
Profit/loss for the period, EUR million, discontinued operations	–	–	–	-5.2
Profit/loss for the period, EUR million, total	1.9	4.8	17.0	5.0
Earnings per share, EUR, continuing operations	0.01	0.02	0.06	0.04
Earnings per share, EUR, discontinued operations	–	–	–	-0.02
Earnings per share, basic, EUR, total	0.01	0.02	0.06	0.02
Cash flow from operations per share, EUR*	0.04	0.04	0.11	0.15
Return on invested capital, rolling 12 months, % *	–	–	15.9	12.0
Return on invested capital, rolling 12 months, continuing operations, %	–	–	15.9	15.7
Gearing, % *	–	–	25.9	34.7
Dividend / distribution of funds per share	–	–	0.02	0.01

* Includes in 2014 also discontinued operations.

** Proposal to the Annual General Meeting. In 2014, distribution of funds from the reserve for invested unrestricted equity.

Highlights in October– December 2015:

- Net sales remained at the level of the corresponding period, at EUR 104.2 (104.8) million.
- Operating profit excluding non-recurring items fell by 32% to EUR 4.3 (6.2) million).
- The execution of all initiatives in the growth investment program advanced on three continents.
- Suominen's Care business area launched in total three new nonwovens products to the market.

- Suominen expects that for the full year 2016, its net sales and operating profit excluding non-recurring items will improve from year 2015. In 2015, Suominen's net sales amounted to EUR 444.0 million and operating profit excluding non-recurring items to EUR 31.2 million. The non-recurring items are explained in the disclosures of this Financial Statement release.

- Suominen's Board of Directors proposes to the Annual General Meeting EUR 0.02 per share dividend distribution from the financial year 2015. On 29 January 2016 the company had 251,511,730 issued shares, excluding treasury shares. With this number of shares, the total amount of dividends to be distributed would be EUR 5,030,234.60.

President & CEO **Nina Kopola** comments on Suominen's fourth quarter of 2015 and full financial year:

"North America and Europe are Suominen's main market areas. In the US, the consumer confidence index declined slightly, but remained at a good level. In the euro area, the index rose marginally in the fourth quarter and was clearly at a higher level than it was in the comparison period.

In South America, particularly in Brazil, the accelerated economic growth of recent years reversed. Contrary to what one might think, this was not reflected in our business operations in the area. The Paulínia plant in Brazil was integrated into Suominen in early 2014, and since then we have proceeded in the South American market as planned.

Suominen's financial development during the full 2015 financial year corresponded to our positive outlook, which we updated in October, even though the fourth quarter development fell short of expectations as some customers postponed their orders until after the turn of the year. Suominen's Q4 net sales were down 0.5% from the comparison period and totaled EUR 104.2 million. Net sales for the year increased 10.5% to EUR 444.0 million, thanks to the strengthening US dollar.

Suominen's operating profit excluding non-recurring items fell 32% during the quarter to EUR 4.3 million. Operating profit in Q4 was weakened by the expenses related to development projects in progress, among other things. Profit for Q4 was EUR 1.9 million. Suominen's operating profit for the full financial year, excluding non-recurring items, improved markedly from the comparison period and stood at EUR 31.2 million in 2015, corresponding to 7.0% of net sales. Cash flow from operations was strong as expected in 2015, at EUR 27.3 million.

Earnings per share in 2015 were EUR 0.06. Suominen's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.02 per share be paid for the financial year 2015. The proposal is in line with the dividend policy announced by the Board of Directors in autumn 2014.

Suominen's Board of Directors has set three medium-term financial targets for the company. In 2015, the return on investments was 15.9% (target level >12%) and our gearing ratio was 25.9% (target level 40–80%). We did not achieve our third target of organic net sales growth at a rate faster than the industry average (approx. 3%). Suominen's net sales grew organically, and excluding the effect of exchange rates, approximately 1% in the financial year 2015.

With the close of 2015, we left the first third of our strategy period behind us. I am pleased that we made progress on many fronts during the year in terms of implementing measures to support our growth strategy. Our central themes for 2015 were making progress in our roughly EUR 60 million growth investment program and focused efforts to enhance our product development process.

In the final quarter of the year we completed equipment installations on two investment projects. The machinery base of our plants in Paulínia, Brazil, and Alicante, Spain, was modernized so that both plants will now be able to manufacture also medical nonwovens and other products with higher added value. The largest project in our growth investment program, a new production line at the Bethune plant in the US, proceeded according to plan in the fourth quarter. The installation in Bethune is expected to be completed in the second half of 2016.

Our investments in product development already began to show in 2015. We introduced a total of six new nonwoven products with higher added value, three of which – FIBRELLA® Move, FIBRELLA® Zorb and FIBRELLA® Zorb+, all for use in hygiene products – were launched in Q4.

At the end of 2015, we received new proof of Suominen's financial turnaround when Nasdaq Helsinki

changed Suominen's market cap segment from Small Cap to Mid Cap as of 4 January 2016. At the close of the financial period, Suominen's market value stood at EUR 312 million.

In 2016, we will continue with our focused efforts to implement our strategy, with the aim of achieving faster growth than our industry and becoming a Market Driven Product Leader."

NET SALES

October-December 2015

In the fourth quarter, Suominen's net sales decreased by 0.5% from the comparison period to EUR 104.2 (104.8) million. The net sales development was attributable to, among other things, postponing of orders by some customers until after the turn of the year. The strengthening of the USD compared to EUR, Suominen's reporting currency, increased the net sales by EUR 11 million in the fourth quarter.

Suominen has two business areas, Convenience and Care. Net sales of Convenience business area were EUR 96.4 (96.5) million and net sales of Care business area EUR 7.8 (8.2) million in the fourth quarter. Convenience business area supplies nonwovens as roll goods for wiping products. Care business area manufactures nonwovens for hygiene products and medical applications.

Financial year 2015

In 2015, Suominen's net sales grew by 10.5% from the comparison period to EUR 444.0 (401.8) million. The strengthening of the USD compared to EUR, Suominen's reporting currency, increased the net sales of 2015 by approximately EUR 42 million.

Net sales of Convenience business area were EUR 411.5 (369.4) million and net sales of Care business area EUR 32.4 (32.3) million. The main application areas for nonwoven materials supplied by Suominen were baby wipes (accounting for 40% of the sales), personal care wipes (22%), household wipes (17%), wipes for workplace use (11%), and hygiene and medical products (7%). The share of baby wipes in the product portfolio declined by one percentage point from 2014. The development was in line with Suominen's strategy. All wiping products belong to the Convenience business area and all medical and hygiene products belong to the Care business area.

OPERATING PROFIT AND RESULT

October-December 2015

Operating profit excluding non-recurring items declined by 32% and amounted to EUR 4.3 (6.2) million. Operating profit was EUR 4.3 million (6.1). The operating profit of the last quarter was burdened by expenses related with, among other things, ongoing development projects. There were no non-recurring items in the fourth quarter of 2015. Non-recurring items reported in the fourth quarter of 2014 amounted to EUR -0.1 million and were attributable to restructuring costs as well as non-recurring compensations.

The strengthening of the US dollar compared to euro, Suominen's reporting currency, increased the operating profit by approximately 20%. If calculated with the average USD exchange rate of October-December 2014, operating profit would have been EUR 0.8 million lower.

Profit before income taxes for continuing operations in the fourth quarter was EUR 2.9 (5.1) million and profit for the period for continuing operations EUR 1.9 (4.8) million.

Financial year 2015

Operating profit excluding non-recurring items increased by 16% and amounted to EUR 31.2 million (26.9). Operating profit was EUR 31.8 million (25.9). Non-recurring items in the review period, EUR +0.5 million, consisted of reversal of previously made impairment losses of the re-opened production line in Nakkila plant in Finland. The non-recurring items reported in 2014 amounted to EUR -1.0 million, of which EUR -1.2 million were costs related to restructuring and acquisition of the Brazilian unit and EUR +0.2 million were items related to closing down of the fiber production in Nakkila in 2012.

In 2015, profit before income taxes for continuing operations was EUR 26.5 (17.8) million, and profit for the period for continuing operations was EUR 17.0 (10.2) million.

FINANCING

The Group's net interest-bearing liabilities at the end of the review period, 31 December 2015, amounted to EUR 32.5 (37.8) million. Gearing was 25.9% (34.7%) and equity ratio 43.2% (41.2%).

In December 2015, Suominen converted its bank facilities nominated in euro to be nominated in US dollars. At the same time, Suominen withdraw the investment loan that was initially part of the syndicated credit facilities agreement. The investment loan was withdrawn in US dollars. These actions balanced the net US dollar exposure of the financial position.

In 2015, net financial expenses were EUR -5.3 million (-8.1), or 1.2% (2.0%) of net sales. Fluctuations in exchange rates increased the financial expenses by EUR -1.2 million. Financial expenses increased also by EUR -0.4 million as an impairment loss of shares in a real estate company, classified as available-for-sale, was recognized. The shares of the real estate company were divested in July 2015. Net financial expenses in the corresponding period in 2014 included a non-recurring loss totaling to EUR -0.9 million from discontinuing of interest rate hedging due to refinancing as well as transaction costs of EUR -2.0 million related to the previous syndicated loan.

Cash flow from operations in the fourth quarter was EUR 11.0 (9.3) million and in 2015 EUR 27.3 (37.1) million. Cash flow from operations per share in 2015 was EUR 0.11 (0.15). The financial items in the cash flow from operations, in total EUR -6.4 million (-6.5), were principally impacted by currency forward contracts hedging equity and the interests paid during the reporting period. In total EUR 7.9 million was tied up in working capital (2014: released 6.1). Cash flow from financing improved due to repayments of loan receivables (EUR 0.6 million) granted in connection with the divestment of the Flexibles business area in July 2014 and withdrawal of a new EUR 15 million investment loan in December 2015. Cash flow from financing was decreased by repayment of loan in September, EUR 3.3 million.

CAPITAL EXPENDITURE

In 2015, the gross capital expenditure totaled EUR 23.7 million (2014: 7.1 for continuing operations). Gross capital investments increased mainly due to the beginning of the investment in a new wetlaid production line at the Bethune plant in SC, USA. Other major investments were related to the renewal of ICT systems, the modernization of the Alicante plant in Spain and Paulinia plant in Brazil as well as to the re-opening of a production line in Nakkila plant in Finland. The other investments were mainly for maintenance.

In September 2015, Suominen announced that it will extend its growth investment program to approximately EUR 60 million. Earlier, the company had estimated that it will spend EUR 30-50 million in growth investments during the strategic period of 2015-2017. The total value of the investment project at the Bethune plant, including both equipment and facilities, will be close to EUR 50 million. The new line is anticipated to be installed during the second half of 2016.

Depreciation, amortization and impairment losses for the review period amounted to EUR -18.2 million (2014: -15.6 for continuing operations). The figure does not include the reversal of an impairment loss made at Nakkila plant due to the re-opening of a production line. The reversal amounted to EUR +0.5 million.

PERSONNEL

Suominen employed during 2015 in average 614 persons (continuing operations: 591), and at the end of 2015 636 (587) persons. The number of personnel increased, among others, in production, sales and marketing and in research and development.

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 acquisition 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.

SHARE INFORMATION

Share capital

The number of Suominen's registered shares was 252,425,616 on 31 December 2015, equaling to a share capital of EUR 11,860,056.00. Suominen has one series of shares. Each share carries one vote in the Shareholders' Meeting and right to an equally-sized dividend. Suominen's shares are affiliated in a book-entry system.

The number of shares increased in 2015 in total by 4,491,494 shares, of which 3,984,106 were attributable to the share conversions of the hybrid bond notes and accrued interests; and 507,388 to the directed share issue subject to payment for the management, implemented in accordance with the share-based incentive plan. 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.

Share trading and price

The number of Suominen Corporation shares (SUY1V) traded on NASDAQ Helsinki from 1 January to 31 December 2015 was 97,512,750 shares, accounting for 38.9% of the average number of shares (excluding treasury shares). The highest price was EUR 1.33, the lowest EUR 0.75 and the volume-weighted average price EUR 1.01. The closing price at the beginning of the review period, on 2 January 2015, was EUR 0.85 and the closing price at the end of review period, on 30 December 2015, was EUR 1.24.

The market capitalization (excluding treasury shares) was EUR 311.9 million on 31 December 2015.

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 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 December 2015, the number of shares used based on the authorization was 1,517,869 shares. The remaining number of shares which can be issued based on the authorization is 23,482,131 shares.

Remuneration of the Board payable in shares

Suominen's Annual General Meeting held on 19 March 2015 resolved to keep the remuneration of the members of the Board of Directors unchanged. The annual remuneration of the Chair of the Board of Directors is EUR 50,000, of the Deputy Chair EUR 37,500 and of the members, EUR 28,000. Further, the members of the Board of Directors are paid a fee for attending meetings, such that each member of the Board will receive EUR 500 for each meeting attended in the home country of the respective member and EUR 1,000 for each meeting attended elsewhere than in the home country of the respective member. 60% of the annual remuneration is paid in cash and 40% in Suominen Corporation shares.

Of the remuneration payable in shares as described above, the number of shares transferred was determined based on the share value in the stock exchange trading maintained by NASDAQ OMX Helsinki Ltd, and 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 was published. Shares were given out of the own shares held by the company by the decision of the Board of Directors on 5 June 2015.

Share-based incentive plans for the management and key employees

Suominen Corporation has a share-based incentive plan for the Group management and Group key employees, which is divided into Performance Share Plan and Matching Share Plan.

Performance Share Plan

The Performance Share Plan includes two vesting periods, calendar years 2015-2017 and 2016-2018. The Board of Directors will decide separately on new earnings periods. In addition, the Board of Directors will decide on the Plan's performance criteria and required performance levels for each criterion at the beginning of an earnings period. 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).

The potential reward of the Plan from the performance period 2016-2018, decided by the Board of Directors of Suominen on 9 December 2015, 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 2016-2018 correspond to the value of an approximate maximum total of 1,225,000 Suominen Corporation shares (including also the proportion to be paid in cash).

The Board of Directors is entitled to reduce the rewards agreed in the Performance Share Plan if the limits set by the Board of Directors for the share price are reached.

Reward payment and ownership obligation for the management

The potential rewards from the earnings periods 2015-2017 and 2016-2018 will be paid partly in the company's shares and partly in cash in 2018 and 2019, respectively. 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 Plan, 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 Plan, 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.

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, a share issue against payment was directed to the target group.

A maximum total of 550,000 new shares in the company were offered in the share issue for subscription. The share subscription price for the new shares was EUR 0.67 per share, which equals with the trade volume weighted average quotation of the share on NASDAQ OMX Helsinki Ltd during 1 November-30 November 2014 and with the fair value approved by the tax authorities. In total 507,388 new Suominen shares were subscribed. The share subscription price was credited to the company's reserve for invested unrestricted equity.

The decision on the share issue was based on the authorization by the Annual General Meeting of Shareholders held on 26 March 2014.

Hybrid bond and conversion of the bond notes into Suominen shares in 2015

In February 2014, Suominen Corporation issued a EUR 17.5 million convertible hybrid bond. In accordance with the terms and conditions of the bond, the bondholders have a right to convert the bond notes and the 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. Conversion Rate pursuant to the terms of the bond is EUR 0.50 per share and is determined market-based. The average volume weighted share price of the company's share during the last three (3) months before the issue of the bond was EUR 0.48.

In 2015, bond notes and the accrued capitalized interest related to the notes were converted to total of 3,984,106 new shares in Suominen Corporation. The conversion rate shall be recorded under the invested non-restricted equity fund of Suominen.

The number of shares in Suominen may increase by maximum of 38,625,600 shares on the basis of the conversion of the bond notes and the potential capitalized interest, if the conversion is carried out by issuing new shares in Suominen.

SHAREHOLDERS

At the end of the review period, on 31 December 2015, Suominen Corporation had in total 4,818 shareholders. Suominen is not aware of any shareholder agreements related with the shareholding or use of voting rights. Detailed information on the management shareholding and a table presenting the largest shareholders is available in the notes of this Financial Statement Release.

Treasury shares

At the end of review period, on 31 December 2015, Suominen Corporation held 913,886 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. In addition, in accordance with the resolution by the Annual General Meeting; in total 86,989 shares were transferred on 5 June 2015 to the members of the Board of Directors as their remuneration payable in 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 divested 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, which accounted 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 to 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, which accounted 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 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 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.

On 10 July 2015, GMT Capital Corp notified that it has on 9 July 2015 acquired Suominen shares and consequently reached the threshold of 5% of all shares and votes in Suominen Corporation. After the transaction, GMT Capital Corp holds in total 12,623,280 Suominen shares, corresponding to 5.00% of all shares and votes.

COMPOSITION OF THE NOMINATION BOARD

In accordance with the decision taken by the Annual General Meeting of Suominen Corporation, the representatives notified by the company's three largest shareholders have been elected to Suominen Corporation's permanent Nomination Board. 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 2015.

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; Mikko Mursula, Chief Investment Officer of Ilmarinen Mutual Pension Insurance Company; and Reima Rytsölä, Executive Vice-President, Investments of Varma Mutual Pension Insurance Company. Jorma Eloranta, 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 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 on 19 March 2015, 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 of the Personnel and Remuneration Committee.

CHANGES IN CORPORATE EXECUTIVE TEAM

Mr. Timo Hiekkaranta, Senior Vice President of Suominen's Convenience business area and a member of Suominen's Corporate Executive Team, left Suominen on 31 August 2015 to pursue his career outside the company.

Suominen announced on 6 October 2015 that Mr. Ernesto Levy, MBA, was appointed Senior Vice President, Convenience business area and a member of the Corporate Executive Team at Suominen Corporation, effective 20 October 2015. Ernesto Levy has an impressive track record in leading consumer brand organizations, such as Novartis and Procter & Gamble.

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. 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 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, as Suominen's stocks equal to two to four weeks consumption and passing on price changes of these raw materials to the prices Suominen charges its contract customers takes between 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 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 insurance according to which it is estimated that the damages can be covered and the financial losses caused by an interruption compensated.

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.

The Group's financial risks consist of foreign exchange, interest rate, credit, counterparty, liquidity and commodity risks. The nature of international business means that the Group has risks arising from fluctuations in foreign exchange rates. The effect of changes in interest rate levels on Group result represent an interest rate risk. Credit and counterparty risks arise mainly from risks associated with the payment period granted to customers and, in the case of loan receivables, from the ability of the counterparty to repay the loans. Liquidity risk is the risk that the Group's negotiated credit facilities are insufficient to cover the financial needs of the business or that obtaining new funding for these needs will cause a significant increase in financing costs.

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. Moreover, Suominen gained a foothold in the growing South American markets through an acquisition in February 2014.

In the US, the consumer confidence index declined slightly in the fourth quarter, but remained at a good level. In the euro area, the index rose marginally in the fourth quarter and was clearly at a higher level than it was in the comparison period

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 2016, the growth in the demand in its target markets will, on average, continue at the pace of 2015.

OUTLOOK FOR 2016

Suominen expects that for the full year 2016, its net sales and operating profit excluding non-recurring items will improve from year 2015. In 2015, Suominen's net sales amounted to EUR 444.0 million and operating profit excluding non-recurring items to EUR 31.2 million. The non-recurring items are explained in the disclosures of this Financial Statement release.

PROPOSAL ON DISTRIBUTION OF FUNDS

The profit of the financial year 2015 of Suominen Corporation, the parent company of the Group, was EUR 9,989,524. The funds distributable as dividends, including the profit for the period, of the parent company were EUR 9,948,267 and total distributable funds were EUR 79,600,339. There have been no significant changes in the company's financial position after the end of the review period.

The Board of Directors proposes that a dividend of EUR 0.02 per share shall be distributed for the financial year 2015 and that the rest of the profit shall be transferred to retained earnings. The record date is 18 March 2016 and the dividend will be paid on 31 March 2016.

DISCLOSURE OF THE FINANCIAL STATEMENTS AND THE REPORT BY THE BOARD OF DIRECTORS

Suominen Corporation will publish its financial statements, report by the Board of Directors, Auditor's report, Corporate Governance Statement and Remuneration Statement concerning the financial year 2015 on 24 February 2016 at the latest. The above documents will be published as a Stock Exchange Release and they will be available also at www.suominen.fi > Investors > Corporate Governance.

ANNUAL GENERAL MEETING 2016

The Annual General Meeting of Suominen Corporation will be held on 16 March 2016 at the Finlandia Hall, Helsinki. The Board of Directors will convene the Annual General Meeting by issuing a Notice to the Annual General Meeting as a Stock Exchange Release.

NEXT INTERIM REPORT

Suominen Corporation will publish its Interim Report for January-March 2016 on Thursday, 28 April 2016 approximately at 8.00 am EET.

ANALYST AND PRESS CONFERENCE

Nina Kopola, President & CEO, and Tapio Engström, CFO, will present Suominen's financial result for Q4 and full year 2015 in Finnish at an analyst and press conference in Helsinki today on 29 January at 14:00 noon (EET). The conference will take place at Suominen's Helsinki office in Helsinki (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 2015 financial result will be held today on 29 January at 16:00 (EET). The conference can be attended by phone at +44 20 3059 8125 (United Kingdom and all other locations), 0800 588 9300 (Germany) or 020 012 5877 (Sweden). Please use the password "Suominen". The conference can be accessed also at www.suominen.fi (Investors > Materials > Webcasts).

The conference call will be held in English. A replay of the conference can be accessed at www.suominen.fi > Investors > Materials > Webcasts or by phone at 1 844 2308 058 (United States) or +44 121 260 4861 (United Kingdom and all other locations), using access code 2477140#.

SUOMINEN GROUP 1 JANUARY-31 DECEMBER 2015

The consolidated financial statements of Suominen have been audited. The Auditor's report has been signed on 29 January 2016. Quarterly information and interim reports have not been audited.

As a result of rounding differences, the figures presented in the tables do not necessarily add up to total.

ACCOUNTING PRINCIPLES

The consolidated financial statements of Suominen Group are prepared in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and Interpretations issued by the International Financial Reporting Interpretations Committee (SIC and IFRIC). International Financial Reporting Standards are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The Notes to the Financial Statements are also in accordance with the Finnish Accounting Act and Ordinance and the Finnish Companies' Act.

This financial statements release has been prepared in accordance with the principles defined in IAS 34 Interim Financial Reporting as approved by the European Union. Financial statement release does not include all information required for full financial statements.

The principles for preparing consolidated financial statements are the same as those used for preparing the consolidated financial statements for 2014, except that the following standards and interpretations have been applied from 1 January 2015:

Amendment to IAS 19 Employee Benefits. The amendment clarified the recognition of the contributions employees or third parties are requested to make to a defined benefit plan. The revised standard did not have any impact on the consolidated financial statements.

Annual Improvements 2010-2012 and 2011-2013. The impacts of the standards vary but are not material for Suominen's consolidated financial statements.

Suominen will apply the following standards and interpretations from 1 January 2016:

Annual Improvements 2012-2014, effective for reporting periods beginning on 1 January 2016 or later. The impacts of the standards vary but are not material for Suominen's consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements clarify, among other things, the materiality requirements of IAS 1. The amendments are effective for the reporting periods beginning on 1 January 2016 or later, and they can decrease immaterial disclosure information in the consolidated financial statements.

Other new or amended standards or interpretations applicable from 1 January, 2016 are not material for Suominen Group.

STATEMENT OF FINANCIAL POSITION

EUR thousands	31 Dec 2015	31 Dec 2014
Assets		
Non-current assets		
Goodwill	15,496	15,496
Intangible assets	13,275	12,510
Property, plant and equipment	97,931	88,721
Loan receivables	7,793	8,202
Available-for-sale assets	777	1124
Held-to-maturity investments	–	450
Other non-current receivables	2,402	2614
Deferred tax assets	4,491	5,516
Total non-current assets	142,165	134,633
Current assets		
Inventories	32,557	32,380
Trade receivables	51,547	52,269
Loan receivables	1,000	600
Other current receivables	7,038	4,618
Assets for current tax	1,874	1,682
Cash and cash equivalents	55,570	38,430
Total current assets	149,585	129,979
Total assets	291,750	264,611
Equity and liabilities		
Share capital	11,860	11,860
Share premium account	24,681	24,681
Reserve for invested unrestricted equity	69,652	97,192
Treasury shares	-44	-44
Fair value and other reserves	-118	96
Exchange differences	5,097	3,419
Other equity	-3,076	-46,890
Total equity attributable to owners of the parent	108,052	90,313
Hybrid bond	17,664	18,424
Total equity	125,716	108,737
Liabilities		
Non-current liabilities		
Deferred tax liabilities	10,890	8,789
Liabilities from defined benefit plans	1,105	1,151
Other non-current liabilities	651	578

Debentures	75,000	75,000
Other non-current interest-bearing liabilities	18,498	6,667
Total non-current liabilities	106,144	92,185
Current liabilities		
Current interest-bearing liabilities	3,363	3,347
Liabilities for current tax	47	246
Trade payables and other current liabilities	56,479	60,096
Total current liabilities	59,889	63,689
Total liabilities	166,034	155,874
Total equity and liabilities	291,750	264,611

STATEMENT OF PROFIT OR LOSS

EUR thousands	10-12/2015	10-12/2014	1-12/2015	1-12/2014
Net sales	104,244	104,778	444,042	401,762
Cost of goods sold	-92,972	-92,582	-386,042	-352,091
Gross profit	11,272	12,196	58,000	49,671
Other operating income	3	689	2,637	2,655
Sales and marketing expenses	-2,410	-1,692	-7,760	-6,278
Research and development	-925	-815	-3,527	-2,877
Administration expenses	-3,963	-4,011	-16,709	-15,418
Other operating expenses	284	-228	-862	-1,857
Operating profit	4,262	6,139	31,778	25,897
Net financial expenses	-1,358	-998	-5,302	-8,075
Profit before income taxes	2,903	5,141	26,476	17,822
Income taxes	-984	-381	-9,456	-7,645
Profit for the period from continuing operations	1,919	4,761	17,020	10,177
Discontinued operations				
Profit/loss for the period	-	-	-	717
Impairment losses and costs to sell	-	-	-	-5,921
Profit/loss for the period from discontinued operations, total	-	-	-	-5,204
Profit/loss for the period	1,919	4,761	17,020	4,973
Earnings per share, EUR				
Continuing operations	0.01	0.02	0.06	0.04
Discontinued operations	-	-	-	-0.02
Total basic	0.01	0.02	0.06	0.02
Total diluted	0.01	0.02	0.06	0.02

STATEMENT OF COMPREHENSIVE INCOME

EUR thousands	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
Profit/loss for the period	1,919	4,761	17,020	4,973
Other comprehensive income:				
Other comprehensive income that will be subsequently reclassified to profit or loss				
Exchange differences	4,386	866	2,356	6,863
Fair value changes of cash flow hedges and available-for-sale assets	-286	64	-970	81
Reclassified to profit or loss	51	121	669	1,287
Reclassified to property, plant and equipment	91	-	91	-
Other reclassifications	-	1	-	3
Income taxes related to other comprehensive income	-952	-139	-632	-700
Total	3,291	913	1,514	7,534
Other comprehensive income that will not be subsequently reclassified to profit or loss				
Remeasurements of defined benefit plans	-26	-150	-26	-150
Income taxes related to other comprehensive income	8	50	8	50
Total	-18	-100	-18	-100
Total other comprehensive income	3,273	813	1,496	7,434
Total comprehensive income for the period	5,192	5,573	18,516	12,407
Attributable to:				
Continuing operations	5,192	5,574	18,516	17,612
Discontinued operations	-	-	-	-5,205
Total comprehensive income for the period	5,192	5,574	18,516	12,407

STATEMENT OF CHANGES IN EQUITY

EUR thousands	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
Equity 1 January 2015	11,860	24,681	97,192	-44	3,419
Profit / loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	1,730
Total comprehensive income	-	-	-	-	1,730
Share-based payments	-	-	-	-	-
Share issue	-	-	340	-	-
Distribution of funds	-	-	-2,504	-	-
Reversal of undistributed dividends	-	-	-	-	-
Conveyance of treasury shares	-	-	80	-	-
Reclassifications	-	-	-27,448	-	-51
Conversion of hybrid bond	-	-	1,992	-	-
Hybrid bond	-	-	-	-	-
Equity 31 December 2015	11,860	24,681	69,652	-44	5,097

EUR thousands	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
Equity 1 January 2015	96	-46,890	90,313	18,424	108,737
Profit / loss for the period	-	17,020	17,020	-	17,020
Other comprehensive income	-216	-18	1,496	-	1,496
Total comprehensive income	-216	17,002	18,516	-	18,516
Share-based payments	-	316	316	-	316
Share issue	-	-	340	-	340
Distribution of funds	-	-	-2,504	-	-2,504
Reversal of undistributed dividends	-	2	2	-	2
Conveyance of treasury shares	-	-	80	-	80
Reclassifications	-	27,499	-	-	-
Conversion of hybrid bond	-	-	1,992	-1,992	-
Hybrid bond	-	-1,004	-1,004	1,232	228
Equity 31 December 2015	-118	-3,076	108,052	17,664	125,716

EUR thousands	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares	Exchange differences
Equity 1 January 2014	11,860	24,681	97,123	-44	-3,021
Profit / loss for the period	-	-	-	-	-
Other comprehensive income	-	-	-	-	6,440
Total comprehensive income	-	-	-	-	6,440
Share-based payments	-	-	-	-	-

Conveyance of treasury shares	-	-	69	-	-
Hybrid bond	-	-	-	-	-
Equity 31 December 2014	11,860	24,681	97,192	-44	3,419

EUR thousands	Fair value and other reserves	Other equity	Total	Hybrid bond	Total equity
Equity 1 January 2014	-999	-51,094	78,506	-	78,506
Profit / loss for the period	-	4,973	4,973	-	4,973
Other comprehensive income	1,094	-100	7,434	-	7,434
Total comprehensive income	1,094	4,873	12,407	-	12,407
Share-based payments	-	70	70	-	70
Conveyance of treasury shares	-	-	69	-	69
Hybrid bond	-	-739	-739	18,424	17,685
Equity 31 December 2014	96	-46,890	90,313	18,424	108,737

STATEMENT OF CASH FLOWS

EUR thousands	1-12/2015	1-12/2014
Cash flow from operations		
Profit / loss for the period	17,020	4,973
Total adjustments to profit / loss for the period	32,870	39,953
Cash flow before changes in net working capital	49,890	44,927
Change in net working capital	-7,921	6,140
Financial items	-6,425	-6,514
Income taxes	-8,269	-7,434
Cash flow from operations	27,274	37,119
Cash flow from investments		
Investments in property, plant and equipment and intangible assets	-22,369	-7,740
Investments in acquired businesses	-	-19,261
Cash flow from disposed businesses	167	4,736
Sales proceeds from property, plant and equipment and intangible assets	10	59
Cash flow from investments	-22,192	-22,206
Cash flow from financing		
Drawdown of hybrid bond	-	17,500
Drawdown of debenture bond	-	75,000
Drawdown of other non-current interest-bearing liabilities	15,000	10,000
Repayment of other non-current interest-bearing liabilities	-3,333	-78,220
Changes in current interest-bearing liabilities	-14	-18,324

Changes in loan receivables	600	–
Share issue	340	–
Distribution of funds	-2,504	–
Cash flow from financing	10,089	5,956
Change in cash and cash equivalents	15,171	20,869
Cash and cash equivalents at the beginning of the period	38,430	18,585
Effect of changes in exchange rates	1,968	-1,025
Change in cash and cash equivalents	15,171	20,869
Cash and cash equivalents at the end of the period	55,570	38,430

Cash flow in 2014 includes also discontinued operations.

KEY RATIOS

	10-12/ 2015	10-12/ 2014	1-12/ 2015	1-12/ 2014
Change in net sales, % *	-0.5	16.6	10.5	7.5
Gross profit, as percentage of net sales, %	10.8	11.6	13.1	12.4
Gross profit excluding non-recurring items, as percentage of net sales, %	10.8	11.6	12.9	12.4
Operating profit, as percentage of net sales, %	4.1	5.9	7.2	6.4
Operating profit excluding non-recurring items, as percentage of net sales, %	4.1	5.9	7.0	6.7
Net financial items, as percentage of net sales, %	-1.3	-1.0	-1.2	-2.0
Profit before income taxes, as percentage of net sales, %	2.8	4.9	6.0	4.4
Profit for the period, continuing operations, as percentage of net sales, %	1.8	4.5	3.8	2.5
Loss for the period, discontinued operations, as percentage of net sales, %	–	–	–	-1.3
Profit for the period, as percentage of net sales, %	1.8	4.5	3.8	1.2
Gross capital expenditure, continuing operations, EUR thousands	9,815	2,625	23,660	7,066
Depreciation, amortization, impairment losses and reversal of impairment losses, continuing operations, EUR thousands	4,641	4,142	17,684	15,576
Return on equity, %	–	–	14.4	5.1
Return on invested capital, rolling 12 months, %	–	–	15.9	12.0
Return on invested capital, rolling 12 months, continuing operations, %	–	–	15.9	15.7
Equity ratio, %	–	–	43.2	41.2
Gearing, %	–	–	25.9	34.7
Earnings per share, EUR, continuing operations	0.01	0.02	0.06	0.04

Earnings per share, EUR, discontinued operations	–	–	–	-0.02
Earnings per share, EUR, total, basic	0.01	0.02	0.06	0.02
Earnings per share, EUR, total, diluted	0.01	0.02	0.06	0.02
Cash flow from operations per share, EUR	0.04	0.04	0.11	0.15
Dividend or distributed funds per share, EUR **	–	–	0.02	0.01
Price per earnings per share (P/E) ratio	–	–	19.4	47.5
Dividend payout ratio / payout ratio for distribution of funds, %	–	–	31.3	58.6
Dividend yield, %	–	–	1.61	1.23
Equity per share, EUR	–	–	0.50	0.44
Number of shares, end of period, excluding treasury shares	–	–	251,511,730	246,130,603
Share price, end of period, EUR	–	–	1.24	0.81
Share price, period low, EUR	–	–	0.75	0.47
Share price, period high, EUR	–	–	1.33	0.82
Volume weighted average price during the period, EUR	–	–	1.01	0.58
Market capitalization, EUR million	–	–	311.9	199.4
Number of traded shares during the period	–	–	97,512,750	97,735,300
Number of traded shares during the period, % of average number of shares	–	–	38.9	39.7

* Compared with the corresponding period in the previous year.

** 2015 proposal of the Board of Directors to the Annual General Meeting

	31 Dec 2015	31 Dec 2014
Interest-bearing net debt, EUR thousands		
Non-current interest-bearing liabilities	93,498	81,667
Current interest-bearing liabilities	3,363	3,347
Interest-bearing receivables and cash and cash equivalents	-64,363	-47,232
Interest-bearing net debt	32,499	37,782

DEFINITION OF KEY RATIOS

Definition of the calculation of the key ratios is explained at Suominen's website www.suominen.fi > Investors > Financials > Calculation of key figures.

NET SALES BY GEOGRAPHICAL MARKET AREA

EUR thousands	1-12/2015	1-12/2014
Finland	2,724	2,516
Rest of Europe	159,854	139,738
North and South America	271,634	248,942

Rest of the world	9,830	10,565
Total	444,042	401,762

QUARTERLY DEVELOPMENT

EUR thousands	2015				2014			
	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Net sales	104,244	114,919	112,944	111,934	104,778	103,291	95,340	98,353
Operating profit excluding non-recurring items	4,262	9,763	9,932	7,292	6,233	8,711	5,524	6,384
as % of net sales	4.1	8.5	8.8	6.5	5.9	8.4	5.8	6.5
Non-recurring items	-	-	530	-	-93	-349	-278	-233
Operating profit	4,262	9,763	10,462	7,292	6,139	8,362	5,246	6,151
as % of net sales	4.1	8.5	9.3	6.5	5.9	8.1	5.5	6.3
Net financial items	-1,358	-1,247	-1,076	-1,621	-998	-4,334	-1,276	-1,467
Profit before income taxes	2,903	8,517	9,386	5,670	5,141	4,028	3,969	4,684
as % of net sales	2.8	7.4	8.3	5.1	4.9	3.9	4.2	4.8

NON-RECURRING ITEMS

Non-recurring items are significant transactions which are unusual or infrequent in nature, like impairment losses or reversals of impairment losses, gains or losses from the sales of property, plant and equipment or intangible assets or other assets and restructuring costs.

	10-12/2015	10-12/2014	1-12/2015	1-12/2014
EUR thousand				
By function				
Cost of goods sold	-	-	530	-
Administration expenses	-	-194	-	-1,274
Other operating expenses	-	100	-	320
Total	-	-94	530	-954
By cost category				
Restructuring costs	-	-232	-	-653
Other non-recurring items	-	138	-	-301
Reversal of impairment losses	-	-	530	-
Total	-	-94	530	-954

Non-recurring items in 2015, EUR +0.5 million, consisted of reversal of previously made impairment losses of the re-opened production line in Nakkila plant in Finland.

Non-recurring items in 2014 totaled EUR -1.0 million, of which EUR -1.2 million were costs related to restructuring measures and to the acquisition of the Brazilian unit and EUR 0.2 million were items related to the closing down of the fiber production in Nakkila plant in Finland in 2012.

INFORMATION ON RELATED PARTIES

Suominen Group's related parties include the parent of the Group (Suominen Corporation) and subsidiaries. In addition, 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, was a related party 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 thousand at the date when the shares were transferred.

The Annual General Meeting held on 19 March 2015 resolved that 40 percent 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 2015 was 86,989 shares. The shares were transferred on 5 June 2015 and the value of the transferred shares totaled EUR 79,800, or approximately EUR 0.91736 per share.

Management remuneration

The remuneration of Suominen Corporations's Board of Directors totaled to EUR 227 thousand in 2015. The remuneration of the President&CEO, including fringe benefits and payment based on share-based incentive plan was EUR 1,198 thousand, statutory pension payments totaled EUR 53 thousand and voluntary pension payments were EUR 58 thousand. The remuneration of other related parties, including fringe benefits and share-based payments totaled EUR 2,337 thousand, statutory pension payments were EUR 76 thousand and voluntary pension payments were EUR 60 thousand. The accrual based on the new share-based incentive plans for the related parties was EUR 333 thousand at the end of the review period.

Management share ownership

shares

Board of Directors	31 December 2015
Jorma Eloranta, Chairman of the Board of Directors	174,236
Risto Anttonen, Deputy Chairman of the Board	124,604
Hannu Kasurinen	81,462
Jaana Tuominen	31,939
Andreas Ahlström (member of the Board of Directors from 19 March 2015)	12,209
Laura Raitio (member of the Board of Directors from 19 March 2015)	12,209
Total	436,659
Total % of shares and votes	0.17%

Corporate Executive Team

Nina Kopola, President & CEO	425,861
Tapio Engström	156,333
Larry L. Kinn	61,742
Lynda A. Kelly	50,000
Ernesto Levy	60,000
Mimoun Saïm	107,625
Hannu Sivula	146,729
Total	1,008,290
Total % of shares and votes	0.40%

Other related-party transactions

EUR thousands	2015	2014
Sales of goods and services	–	5 083
Purchases of goods and services	–	58 487

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

THE LARGEST SHAREHOLDERS ON 31 DECEMBER 2015

Shareholder	Number of shares	% of shares and votes
AC Invest Two BV	67,724,176	26.83%
Varma Mutual Pension Insurance Company	22,500,000	8.91%
Ilmarinen Mutual Pension Insurance Company	16,259,056	6.44%
Pension Insurance Company Elo	14,123,255	5.60%
Euroclear Bank SA/NV	12,288,186	4.87%
Oy Etra Invest Ab	12,223,320	4.84%
Skandinaviska Enskilda Banken, Helsinki Branch	7,844,085	3.11%
Nordea Nordic Small Cap Fund	7,685,763	3.04%
OP Delta Fund	5,715,373	2.26%
Nordea Pankki Suomi Oyj	5,085,841	2.01%
Nissi Evald and Hilda Foundation	5,000,000	1.98%
Heikki Bergholm	4,635,562	1.84%
Juhani Maijala	3,286,743	1.30%
Mikko Maijala	3,017,337	1.20%
Svenska Handelsbanken AB	2,633,348	1.04%
Sijoitusrahasto Alfred Berg Finland	2,479,497	0.98%
Danske Invest Small Cap Fund	2,329,000	0.92%
FIM Fenno SEK Fund	2,191,115	0.87%
Eeva Maijala	1,793,635	0.71%
OP-Suomi Arvo	1,659,853	0.66%
20 largest total	200,475,145	79.42%

Other shareholders	22,701,648	8.99%
Nominee registered	28,314,669	11.22%
Treasury shares	913,886	0.36%
In joint account (not in the book-entry securities system)	20,268	0.01%
Total	252,425,616	100.00%

CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR thousands	31 Dec 2015		31 Dec 2014	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
Carrying amount at the beginning of the period	88,721	12,510	98,640	12,025
Capital expenditure	20,733	2,927	4,650	2,416
Disposals	-	-10	-9	-
Discontinued operations	-	-	-18,211	-160
Acquired businesses	-	-	10,779	20
Depreciation, amortization and impairment losses	-15,957	-2,257	-13,714	-1,862
Reversal of impairment losses	530	-	-	-
Exchange differences and other changes	3,904	104	6,586	71
Carrying amount at the end of the period	97,931	13,275	88,721	12,510

Intangible assets excluding goodwill.

CHANGES IN INTEREST-BEARING LIABILITIES

EUR thousand	31 Dec 2015	31 Dec 2014
Total interest-bearing liabilities at the beginning of the period	85,014	94,471
Current liabilities at the beginning of the period	3,347	24,071
Discontinued operations	-	-502
Repayment of current liabilities	-3,347	-20,222
Drawdown of current liabilities	3,363	-
Current liabilities at the end of the period	3,363	3,347
Non-current liabilities at the beginning of the period	6,667	70,399
Discontinued operations	-	-4,283
Repayment of non-current liabilities	-6,667	-66,116
Drawdown of non-current liabilities	18,498	6,667
Non-current liabilities at the end of the period	18,498	6,667
Debentures at the beginning of the period	75,000	-
Issue of debentures	-	75,000
Debentures at the end of the period	75,000	75,000
Total interest-bearing liabilities at the end of the period	96,862	85,014

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

CONTINGENT LIABILITIES

Guarantees	31 Dec 2015	31 Dec 2014
On own commitments	18,487	11,025
On behalf of others	4,134	4,017
Total	22,621	15,042

Other contingencies

Contractual commitments to acquire property, plant and equipment	16,083	-
Total	16,083	-

Minimum lease payments under non-cancellable operating leases in future periods

Within one year	4,195	3,943
Between 1-5 years	8,228	12,478
After 5 years	4,693	6,489
Total	17,116	22,910

NOMINAL AND FAIR VALUES OF DERIVATIVE INSTRUMENTS

	31 Dec 2015		31 Dec 2014	
	Nominal value	Fair value	Nominal value	Fair value
EUR thousand				
Currency forward contracts				
hedge accounting applied	16,114	-267	32,310	-114
hedge accounting not applied	3,196	-30	3,997	-121
Electricity forward contracts				
hedge accounting applied	1,229	-242	1,031	-71

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 assets
- e. Derivatives, hedge accounting applied
- f. Carrying amount
- g. Fair value

EUR thousands	Classification						g.
	a.	b.	c.	d.	e.	f.	
Available-for-sale assets	-	-	-	777	-	777	777
Other non-current receivables	813	-	1,512	-	-	2,326	2,326
Loan receivables	-	-	8,793	-	-	8,793	8,793
Trade receivables	-	-	51,547	-	-	51,547	51,547
Interest and other financial receivables	-	-	1,297	-	-	1,297	1,297
Cash and cash equivalents	-	-	55,570	-	-	55,570	55,570
Total 31 Dec 2015	813	-	118,719	777	-	120,309	120,309

EUR thousands							g.
	a.	b.	c.	d.	e.	f.	
Available-for-sale assets	-	-	-	1,124	-	1,124	1,124
Held-to-maturity investments	-	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
Derivatives	-	-	-	-	12	12	12
Other current receivables	-	-	1,011	-	-	1,011	1,011
Interest and other financial receivables	-	-	1,725	-	-	1,725	1,725
Cash and cash equivalents	-	-	38,430	-	-	38,430	38,430
Total 31 Dec 2014	980	450	103,871	1,124	12	106,437	106,437

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

FINANCIAL LIABILITIES

EUR thousands	31 Dec 2015		31 Dec 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial liabilities				
Loans from financial institutions	18,498	18,498	6,667	6,667
Debentures	75,000	77,175	75,000	75,150
Other non-current liabilities	368	368	350	350
Total non-current financial liabilities	93,866	96,041	82,017	82,167

Current financial liabilities

Current part of non-current loans from financial institutions	3,363	3,363	3,333	3,333
Finance lease liabilities	–	–	14	14
Derivatives, no hedge accounting applied	30	30	121	121
Derivatives, hedge accounting applied	509	509	197	197
Interest accruals	914	914	902	902
Other current liabilities	262	262	729	729
Trade payables	44,682	44,682	47,403	47,403
Total current financial liabilities	49,761	49,761	52,699	52,699
Total	143,627	145,802	134,716	134,866

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

FAIR VALUE MEASUREMENT HIERARCHY
Fair value hierarchy in 2015

Financial assets at fair value	Level 1	Level 2	Level 3
Other non-current receivables	–	–	813
Available-for-sale assets	–	–	777
Currency derivatives	–	–	–
Total in 2015	–	–	1,590

Financial liabilities at fair value

Other non-current liabilities	–	–	368
Other current liabilities	–	–	262
Currency derivatives	–	297	–
Electricity derivatives	–	242	–
Total in 2015	–	539	630

Fair value hierarchy in 2014

Financial assets at fair value			
Other non-current receivables	–	–	980
Available-for-sale assets	–	–	1,124
Electricity derivatives	–	12	–
Total in 2014	–	12	2,104

Financial liabilities at fair value

Other non-current liabilities	–	–	350
Other current liabilities	–	–	729
Currency derivatives	–	236	–
Electricity derivatives	–	82	–
Total in 2014	–	318	1,079

Principles in estimating fair values in 2015 are the same as those used in consolidated financial statements for 2014.

SUOMINEN CORPORATION
Board of Directors

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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 over 600 people in Europe and in the Americas. Suominen's net sales in 2015 amounted to MEUR 444.0 and operating profit excluding non-recurring items to MEUR 31.2. The Suominen share (SUY1V) is listed in Nasdaq Helsinki Stock Exchange (Mid Cap). Read more at www.suominen.fi.

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