



Suominen Corporation

Annual General Meeting

23 March 2010

Market trends

Consumers:

- Economic recession affects consumers' price consciousness.
- Retail brands and private labels have strengthened their positions.

Customers:

- Price drives purchasing.
- Value-added products are brought very cautiously into market.
- Retailers are exploiting free capacity from lower production volumes to brand houses. Brand houses try to compete by lowering costs.

Competitors:

- Overcapacity especially in wiping.
- Outstanding price competition.

Suominen's market position

Wiping market

- Size in Europe and NA € 6.0 billion
- Growth in volume +4 - 6%

Suominen Wiping

- Suominen Nonwovens
 - Among 3 – 4 top players producing nonwovens for wipes in Europe.
- Suominen Codi Wipes
 - Europe's third largest producer of wet wipes.
 - Strong market position in selected brands and private labels.

Flexible packaging market

- Size in Europe € 11.7 billion
- Growth in Western Europe +1 - 2%
- Growth in CEE and Russia +3 - 6%

Suominen Flexibles

- Suominen has a strong market position in its key segments.
 - One of the leading players in the Nordic market.
 - Good foothold from Poland into Europe.

Suominen strategy

Core purpose

- We provide products and solutions that bring greater convenience to people's everyday life.

Vision

- We want to be our customers' preferred partner, providing innovative, value added products and solutions.

Strategic intention

- Have a significant market position in selected wiping and packaging segments.
- Act as a development partner creating value for our key customers.
- Focus on geographically limited markets fitting for Suominen.



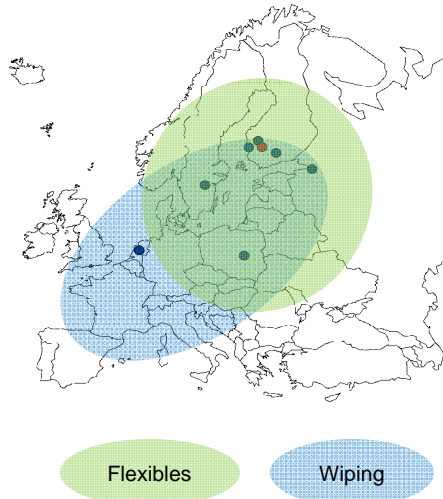
Suominen segment strategies and core markets

Focus on growth

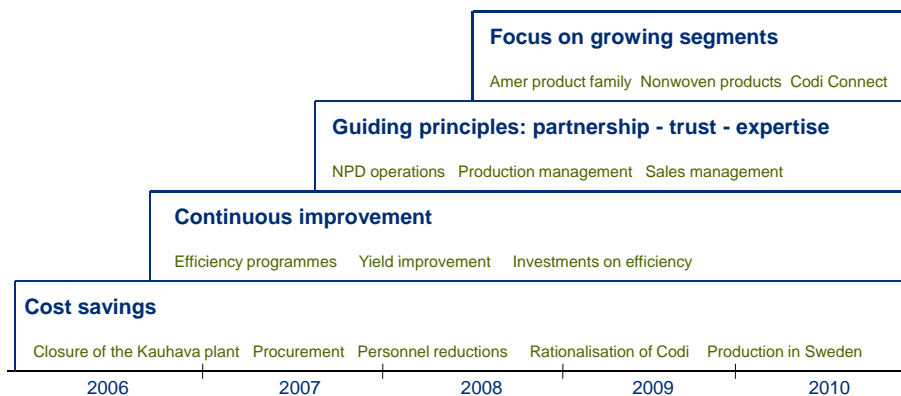
- Labels and beverage packaging
- Security packaging
- Frozen food packaging
- Personal care wet wipes
- Russian market

Focus on continuous improvement and supply chain cost efficiency

- Baby wet wipes
- Nonwovens for wipes
- Tissue, fem care and bakery packaging
- Carrier bags



Our operations are based on strategic Stairs to Top programme

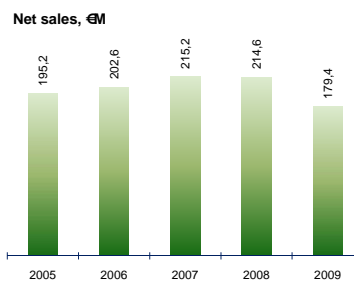




Summary 2009

Net sales down by 16%

- Net sales were EUR 179.4 million.
- One third of the drop was a result of lower raw material prices.
- Other reasons for the drop were:
 - Slack consumer demand
 - Changes in sales by geographical areas
 - Own measures to improve profitability of the offering portfolio.



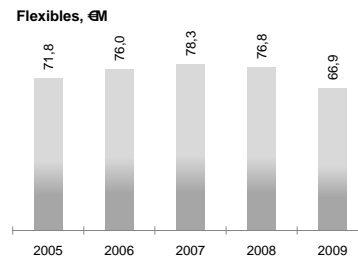
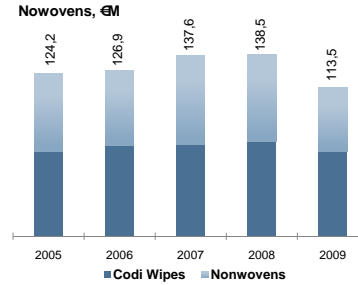
Break down of net sales

Wiping

- Net sales, 113.5 €M, down by 18% on the previous year.
- Net sales down by 11% in Codi Wipes.
- Net sales down by 25% in Nonwovens.
- Health care volumes on the level of the previous year.
- Volumes of other product segments declined.

Flexibles

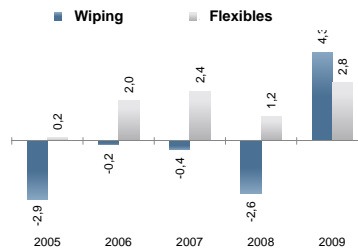
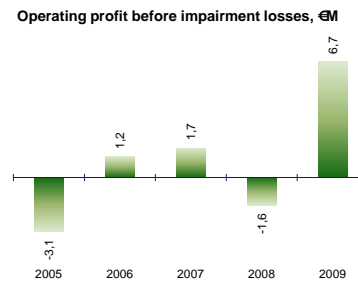
- Net sales, 66.9 €M, down by 13% on the previous year.
- Russia continued to grow.
- Sales of food packaging were close to the level of the previous year.



Operating profit improved clearly

Profit before taxes 1.0 €M

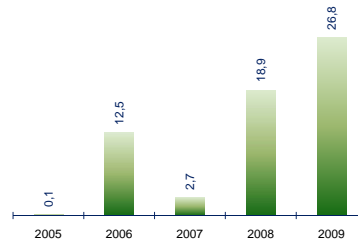
- Operating profit was 6.7 €M.
 - Includes one-time costs of 0.6 €M due to closure of flexible packaging production in Sweden.
 - Stairs to Top programme generated savings of 7.0 €M.
 - Reduction of costs in all units.
 - Margins were better than in the previous year.
- Profit before taxes was 1.0 €M.
 - Includes one-time costs of 1.2 €M.
 - Earnings/share: 0.04 €
 - Dividend proposal: 0.02 €/share.



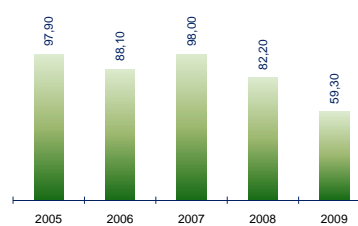
Strong cash flow continued

- Cash flow from operations/share: 1.13 €
- Working capital down by 15.2 €M.
- Sale of receivables contributed to 8.7 €M.
- Inventory turnover figures improved.
- Goss investments were 4.5 €M.
- Net debts down by 22.2 €M.
- Gearing 114% when capital loans of 6.0 €M are included in equity.

Cash flow from operations, €M



Net debt, €M



Outlook for 2010

Outlook for the rest of the year

- In the beginning of 2010, demand for Suominen's products and deliveries to customers have been lower than expected and lower than in the corresponding period of the previous year. Finnish harbour strike has affected especially the exports from Nonwovens business unit.
- Suominen's raw material and energy costs have risen clearly in the beginning of the year and the company has not yet been able to pass on these rises to sales prices.
- Consequently, Q1 result is expected to be negative.
- Due to the drop of deliveries in the beginning of the year, sales volumes for the whole year are expected to fall from the previous year. Operating profit for 2010 is expected to decline on 2009, resulting from the lower sales volumes and higher raw material and energy costs.

Management focus in short term future

- Cost control and structural optimization
 - Continuous cost efficiency improvement through the Stairs to Top programme
 - Identification and utilisation of new cost saving possibilities
- Working capital management and cash flow
 - Maintain great inventory turnover level
 - Strict investment discipline
- Hunting of new profitable business
 - Filling up free capacity
 - Investment in sales capabilities and new business creation process
 - Increasing sales of existing and new products
 - Winning new customers on target markets



Thank you!

