Suominen
Creating Convenience

Suominen Corporation

Interim Report
1 January – 30 September 2010

Presentation 22 October 2010

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Suominen highlights
Unprofitable quarter

EUR, million	Q3/2010	Q3/2009	**Q1-Q3/2010**	Q1-Q3/2009	2009
Net sales	43.4	44.2	**128.1**	134.5	179.4
Operating profit	-1.8	1.0	**-2.2**	6.1	6.7
Net result	-2.1	-0.4	**-4.0**	1.2	0.9
EPS, EUR	-0.05	-0.01	**-0.10**	0.03	0.02
Cash flow from operations/share, EUR	0.09	0.12	**0.00**	0.69	0.74

- Production was lower than sales during the summer period. Low production and squeezed margins did not cover the costs in Q3 and a clear loss was recorded for the period.
- Q1-Q3 net sales down by 5% on the previous year due to decline in volumes and sales prices.
- Efficiency enhancement measures in the 9-month period contributed to EUR 2.5 million compared to the previous year's cost level.
- Top line reduction together with rising raw material prices resulted in red figures.

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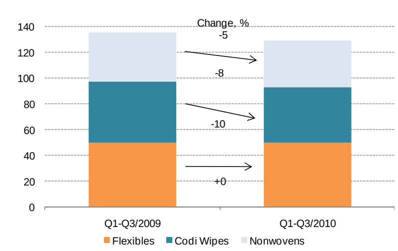
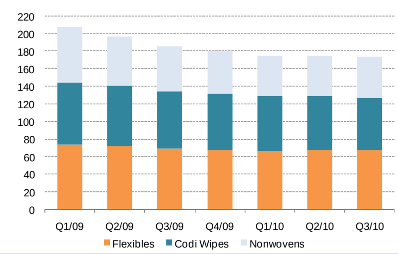
Suominen performance
Net sales down by 5%

- Flexibles’ portion of total sales is increasing.
- Flexibles’ sales was on the last year’s level.
- Lower sales prices reduced Codi Wipes’ sales vs. 2009.
- Nonwovens’ sales volumes have been low in the early part of the year but have remarkably increased after summer.

Net sales, €M



Net sales by business area (rolling 12 months), €M



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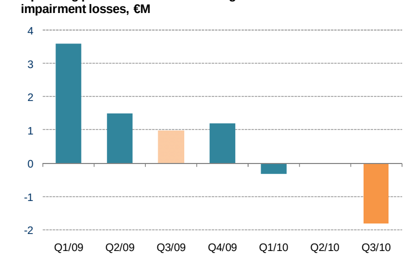
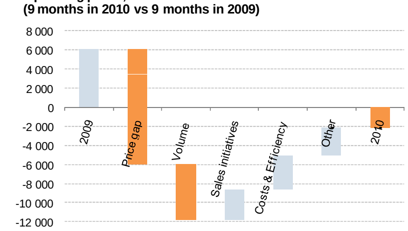
Suominen performance
Operating profit on red

- Operating profit for Q3 was on loss because of low volumes especially in production.
- Cumulative loss was EUR 2.2 million, last year’s operating profit was EUR 6.1 million.
- Main negative effects were lower margins and declined volumes. Margin deterioration was mainly caused by rising raw material prices.

Operating profit before non-recurring costs and impairment losses, €M



Operating profit , € 1 000
(9 months in 2010 vs 9 months in 2009)



Price gap is difference between sales prices and raw material prices and the mix effect.
Volume is like-for-like volume, partly compensated by new sales.

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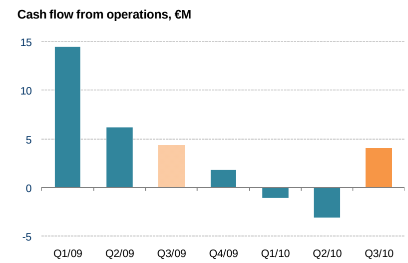
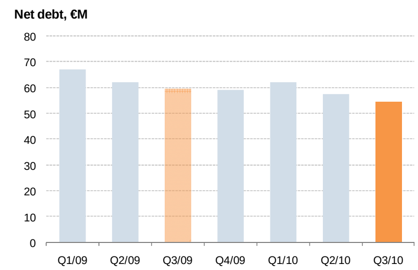
Suominen financials

Cash flow EUR 4.1 million in Q3

- Cash flow from operations was EUR -0.1 million (25.0) for the nine months.
- Working capital up by EUR 2.2 million (down by 15.7).
- Investments were EUR 4.6 million (3.0).
- Net debt down to EUR 54.5 million (59.5).
- Equity ratio 38.8% (36.0) and net gearing 99.7% (115.9) when capital loans are included in equity.
- Waiver concerning loan covenants in Q3 was received from financiers.





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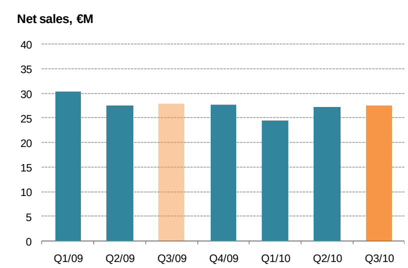
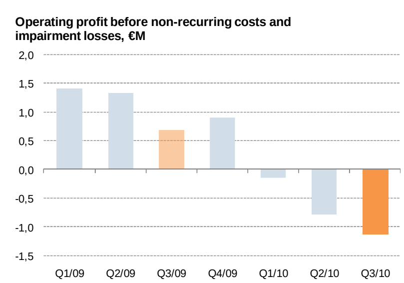
Business area: Wiping

Volumes and prices under pressure

- Net sales EUR 79.1 million, down by 8%.
- Operating profit EUR -2.1 million (3.4).
- Loss continued in Q3 because of low production volumes in the summer period.





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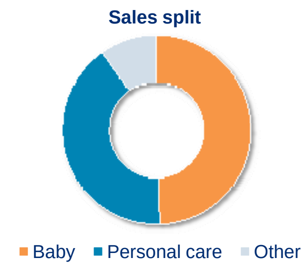
Business area: Wiping
Codi Wipes

- Net sales down by 10%.
- Sales of personal care wipes rose on the previous year.
- Sales of baby wipes and moist toilet wipes declined.
- Average sales prices were lower than in 2009. After the decline in the beginning of the year prices have stabilized.
- Operating costs declined thanks to cost saving measures.

Q3 net sales: 14.2 €M (-10%)
Q1-Q3 net sales: 42.9 €M (-10%)



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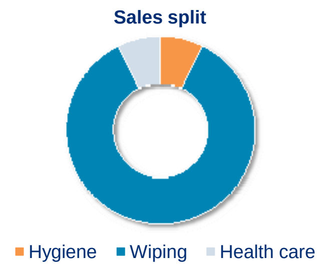
Business area: Wiping
Nonwovens

- Net sales down by 8%.
- Sales of thermobonded hygiene products declined substantially.
- Sales of substrate for wiping also down due to the drop in US deliveries.
- Sales of materials used in health care products were on the level of 2009.
- New deliveries to Russian and US customers in Q3.
- Increase in oil-based raw material prices slowed down during the quarter.

Q3 net sales: 15.0 €M (+10%)
Q1-Q3 net sales: 40.9 €M (-8%)



Business area: Flexibles
Stable sales

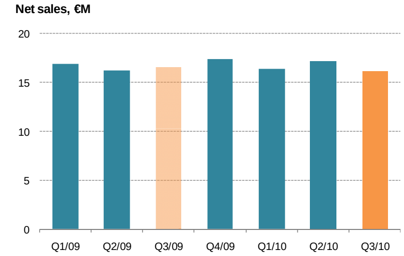
- Net sales on the level of the previous year.
- Sales of food and hygiene packaging as well as sales of security and system packaging were on the level of 2009.
- Sales of retail packaging declined.
- Sales to Russia and eastern Central Europe enjoyed double digit growth.

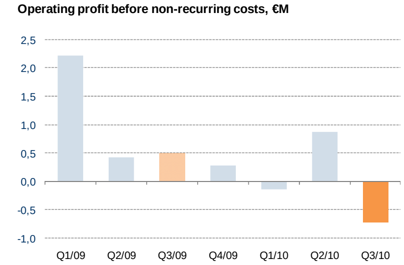
Q3 net sales: 16.1 €M (-2%)
Q1-Q3 net sales: 49.6 €M (+0%)

Sales split

Business area: Flexibles
Plastic prices hit the result

- Operating profit EUR 0.0 million (3.1).
- Prices of oil based raw materials have had a negative effect on the result. Compared to the beginning of the year the cost increase has been roughly EUR 2.5 million. In 2009 Flexibles benefited from different price trend.
- Employee negotiations concerning personnel at Nastola and Tampere are expected to be finished on 25 October 2010.





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Outlook for the rest of the year

- In 2010, demand for Suominen’s products and deliveries to customers have been below the level of the corresponding period in 2009.
- Demand is expected to remain at a current level and net sales for 2010 is expected to be lower than in 2009. However, net sales in H2 is expected to be higher than in H1.
- Suominen’s raw material costs have clearly risen during the beginning of the year. Prices for oil-based raw materials have levelled off after summer.
- The company has recorded savings in operating costs and they are expected to remain at a lower level than in 2009.
- Flexibles’ employee negotiations in Finland are expected to end on 25 October 2010. In case the decision follows the employer’s proposal, Suominen will write down a big part of the estimated non-recurring costs of approximately EUR 2.5 million in 2010.
- Operating profit for 2010 is expected to be negative due to decrease in delivery volumes, decline in margins, and possible non-recurring costs.

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Management focus on profitability turnaround

- Value added up by price increases.
- Implementation of cost savings and rationalization measures.
- Working capital and cash flow management.