Suominen Corporation

Financial Statements
1 January–31 December 2011

Presentation on 17 February 2012

Suominen's 2011 in brief

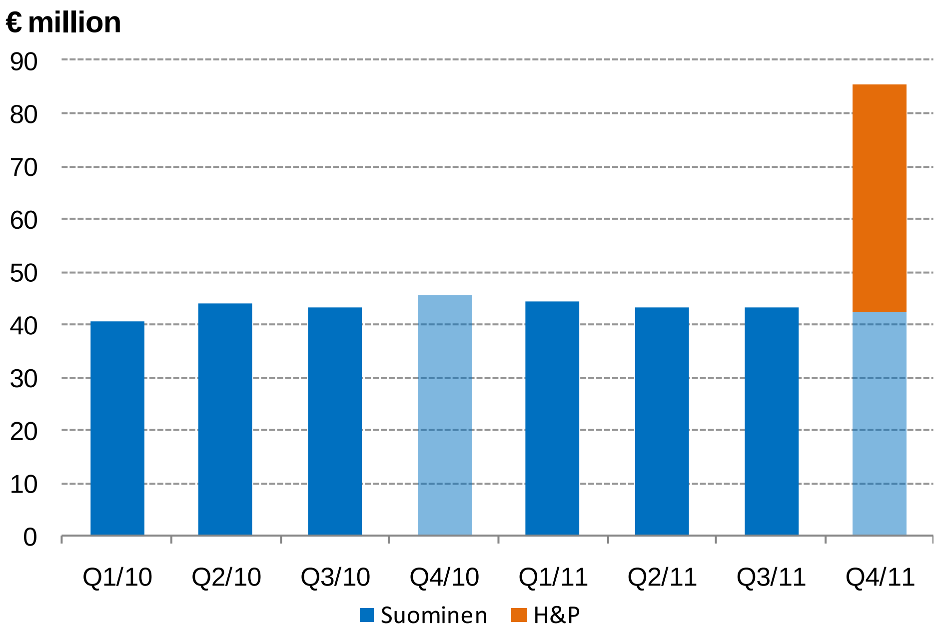
Key financials and highlights

EUR, million	Q4/2011	Q4/2010	**2011**	2010
Net sales	85.5	45.3	**216.3**	173.4
Operating profit	-2.4	-8.7	**-4.8**	-10.8
Net result	-3.8	-10.3	**-9.5**	-14.4
EPS, EUR	-0.02	-0.22	**-0.11**	-0.34
Cash flow from operations/share, EUR	-0.02	-0.05	**-0.03**	-0.06

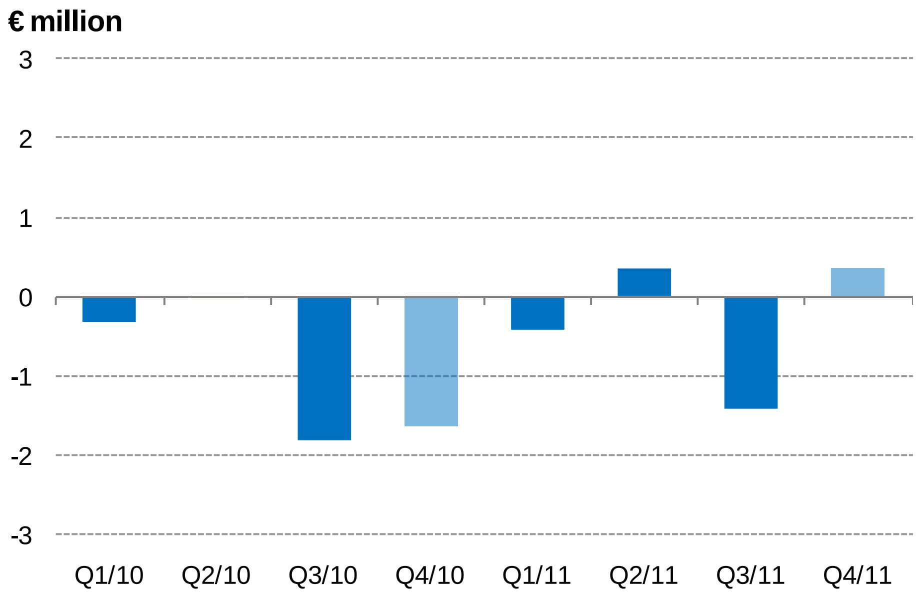
- Acquisition of Home and Personal effective as of 1 November 2011. H&P pro forma net sales were EUR 320 million. Two months included in Suominen's figures.
- Financing arranged with an extensive share issue and debt financing.
- Demand for Suominen's products was not very strong and declined in H2 from H1.
- In spite of efforts to increase prices and margins, they stayed at same levels than 2010.
- Main contributor to improved performance was reorganization measures and cost savings program.
- Non-recurring costs EUR 3.7 million from the acquisition and restructurings.

Suominen's performance

Net sales



Operating profit (excl. one-offs)

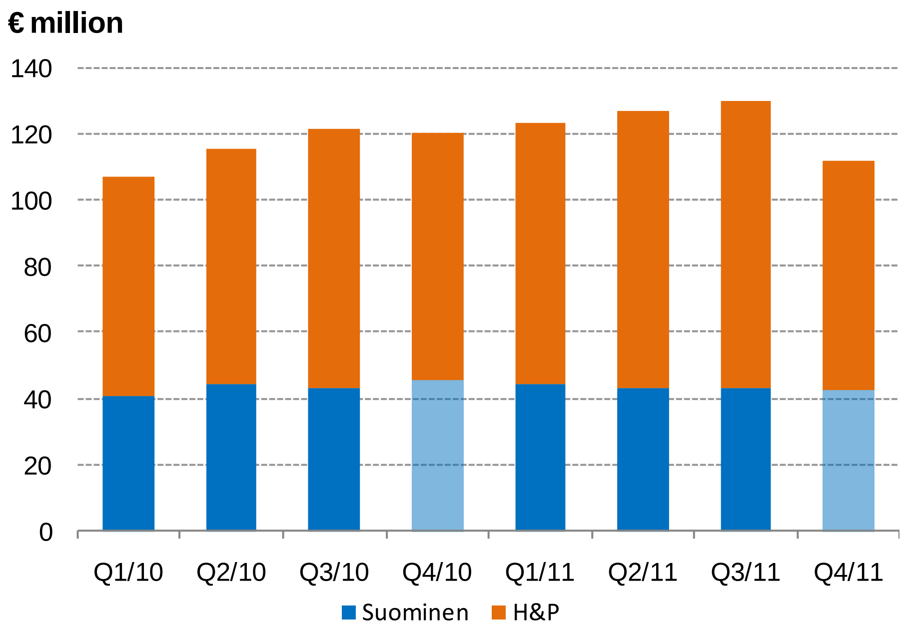


Net sales in Q4 EUR 85.5 million, of which H&P 42.9 million.

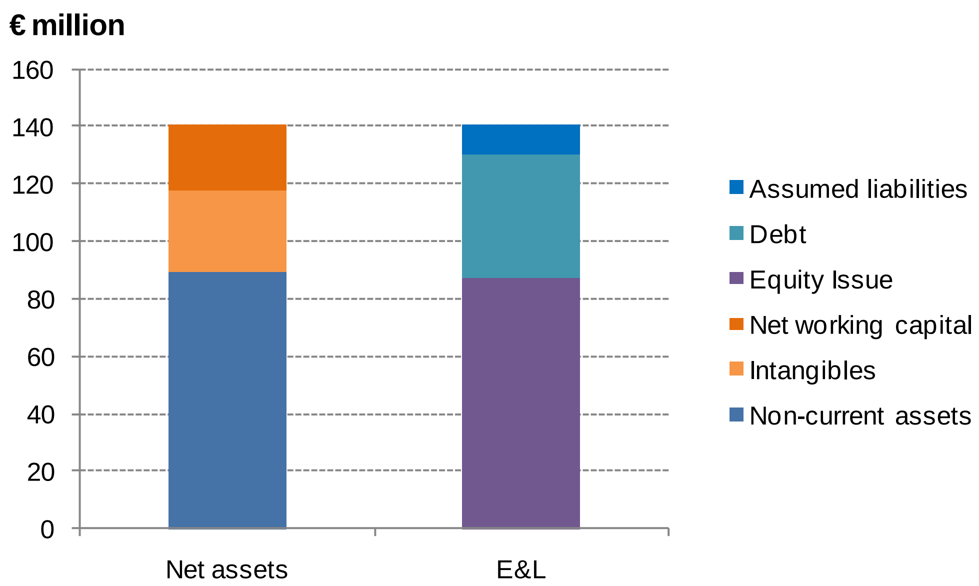
Operating profit 2011 excluding one-offs was EUR +0.3 million in Q4 and EUR -1.1 for whole of 2011.

Acquisition of Home and Personal

Pro forma net sales



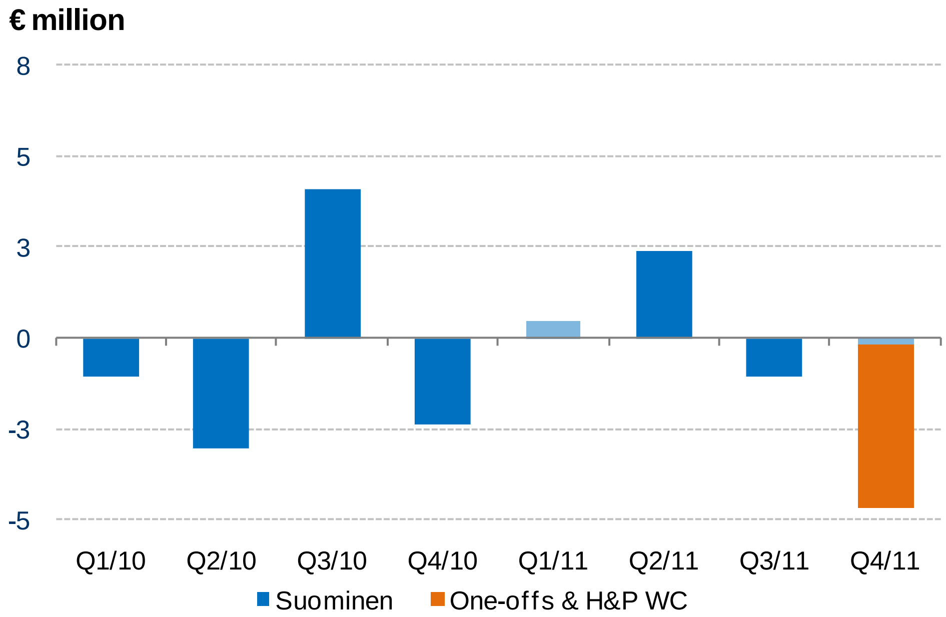
Acquired assets and financing



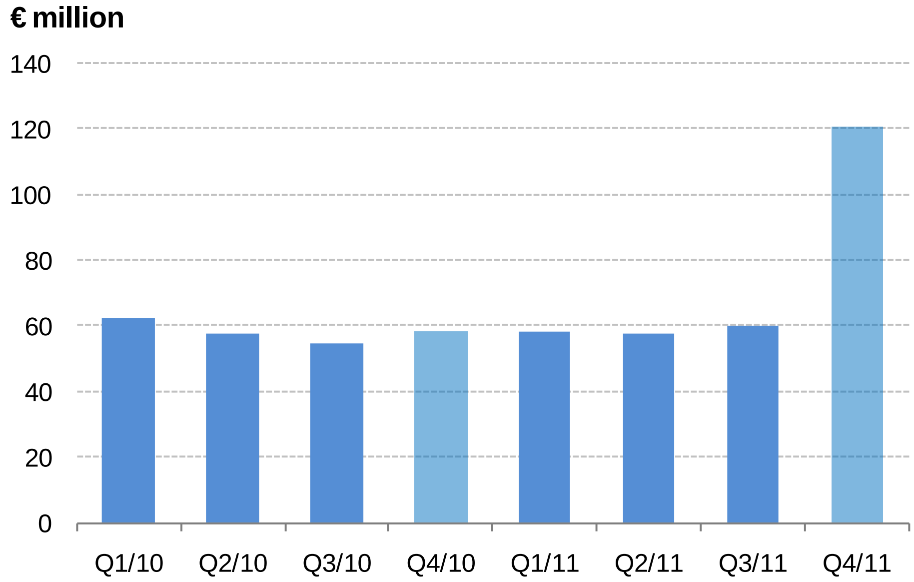
The acquisition of the Brazilian operation is expected to take place in Q1/2012 at a price of EUR 25 million.

Suominen's financials

Cash flow from operations (incl. one-offs)



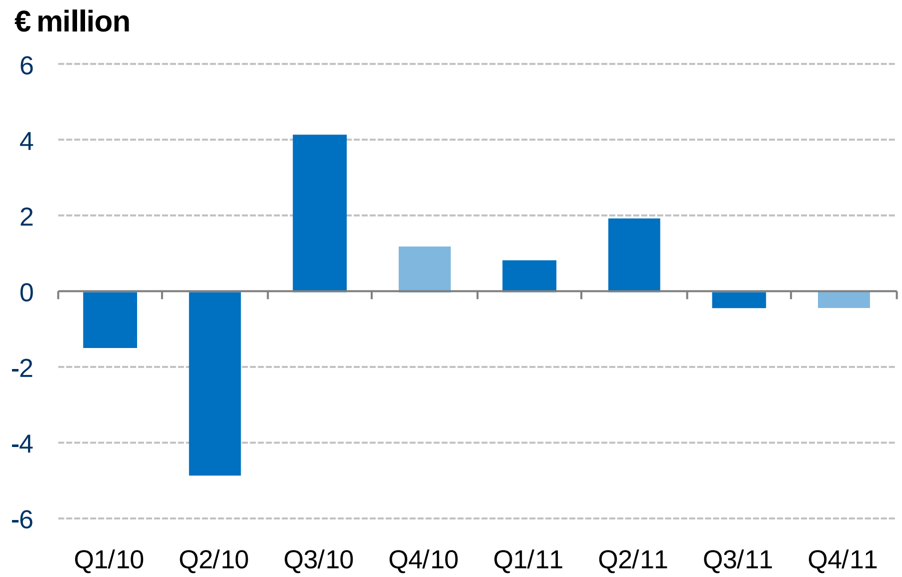
Net debt



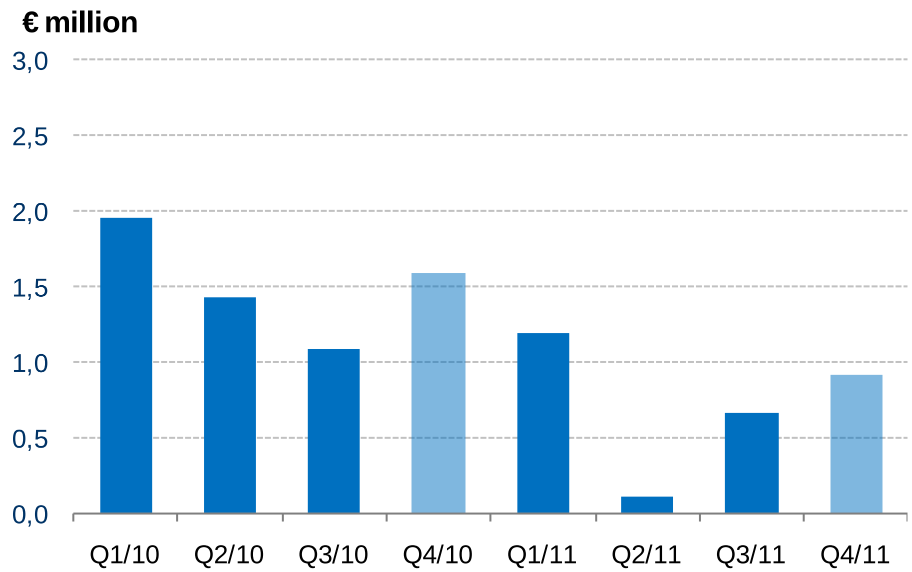
Cash flow from operations in Q4 included non-recurring costs and H&P working capital increase (EUR 4.5 million in total), without this it was close zero and EUR +1.6 million for the whole year. Debt structure changed due to refinancing linked to the acquisition of H&P.

Suominen's financials

Change in working capital



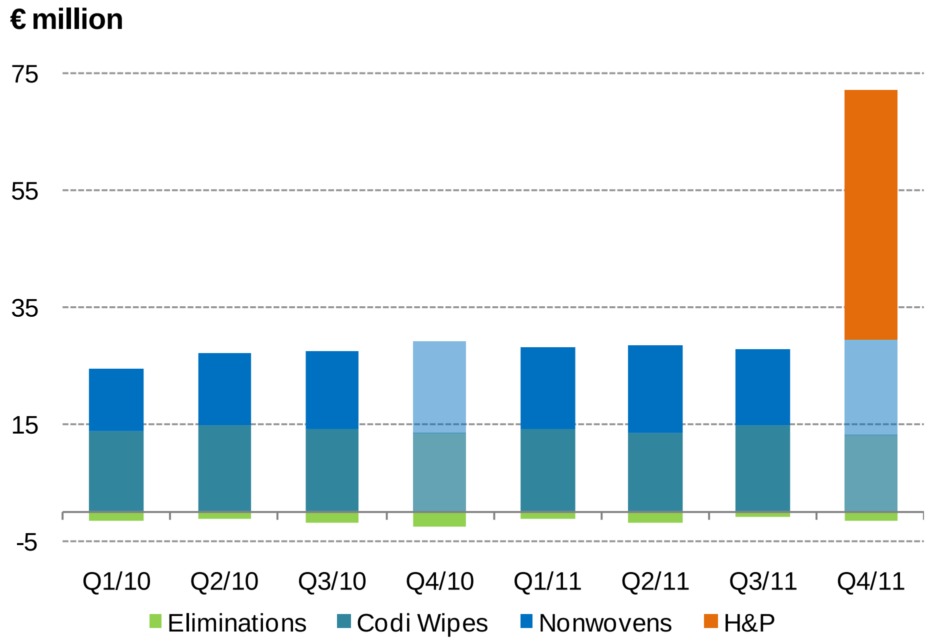
Capital expenditure



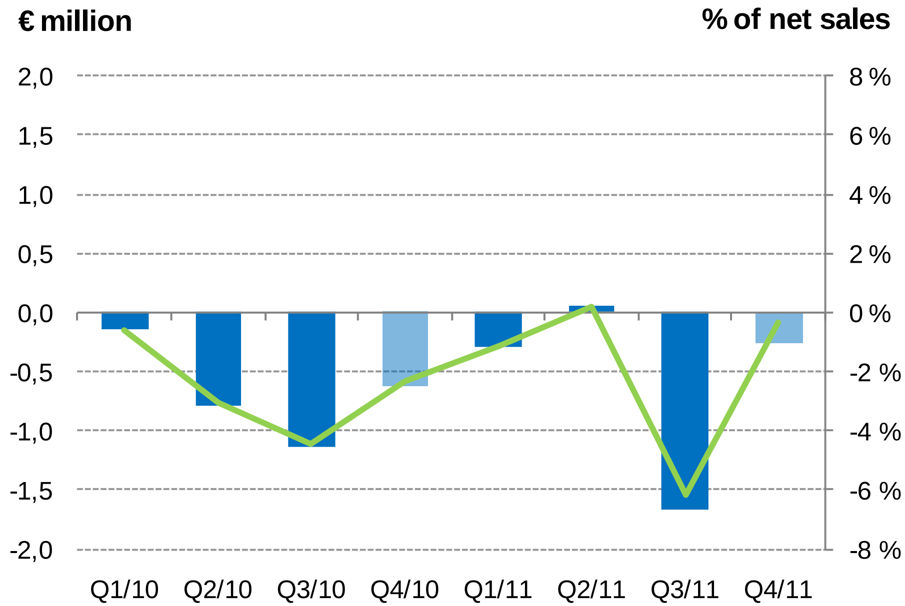
Working Capital management continued to be firm and new investments were at a low level. Change in working capital in Q4 included that of H&P worth EUR 1.8 million.

Business Area: Wiping

Net sales



Operating profit (excl. one-offs)



Net sales totalled EUR 152.3 in 2011. The two-month net sales figure of H&P was EUR 42.9 million. Cumulative operating profit was EUR -3.1 million (-3.7).

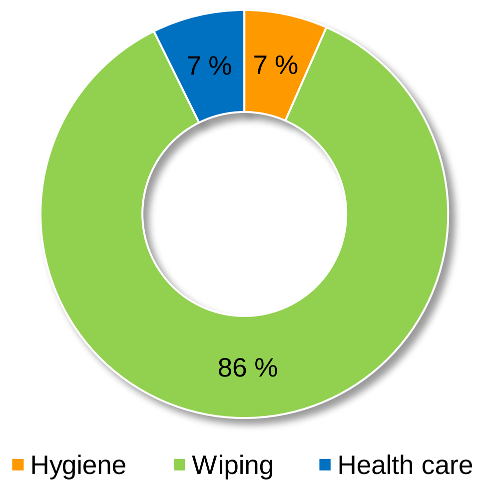
Nonwovens

Nonwovens' integration started

- Integration work advanced well during latter part of 2011; sales and R&D teams combined; delivery efficiency improved through common resources.
- Work to identify synergies was started.
- On pro forma basis the sales of nonwovens for personal care grew fastest. Biggest application – baby wipes – was on sidelines. Home care and industrial applications were on a sound track.
- Volumes in Europe grew slightly faster than in the USA.
- The burned line in Mozzate is under recovery.

Nonwovens sales

Q1–Q4 net sales: 102.1 €M



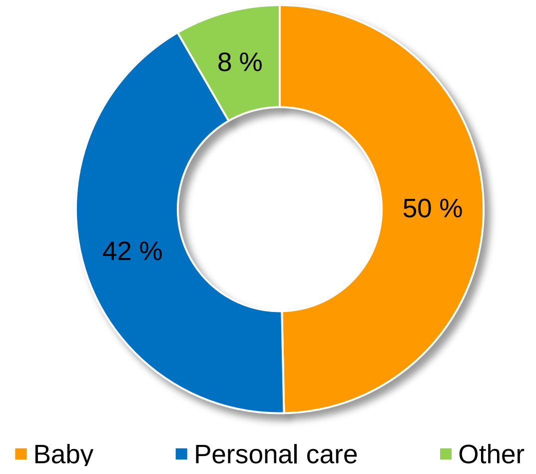
Codi Wipes

Year of cost streamlining

- Net sales of Codi Wipes decreased slightly.
- The sales of personal care wipes and baby wipes on the previous year's level. Sales of moist toilet wipes declined.
- Operating costs down as a result of the reorganisation effected early in the year.

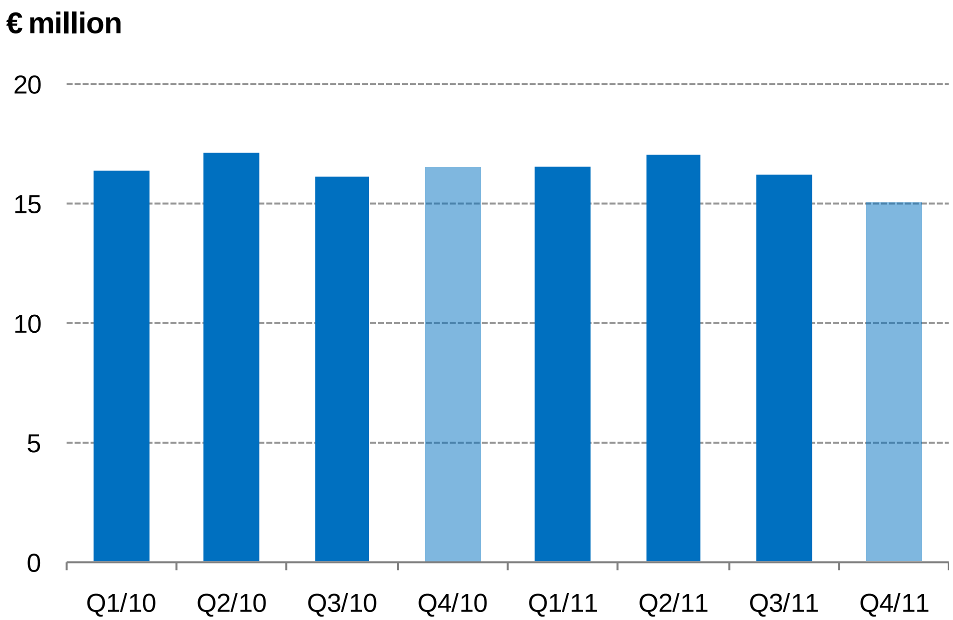
Codi Wipes sales

Q1–Q4 net sales: 55.6 €M

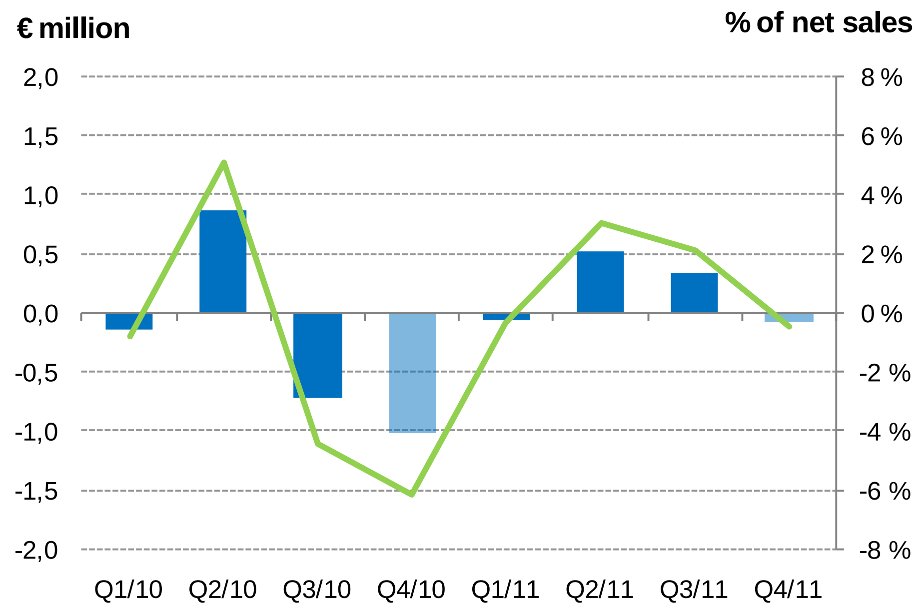


Business Area: Flexibles

Net sales



Operating profit (excl. one-offs)



Net sales totalled EUR 64.8 million in 2011, sales volume was 10% lower than in 2010.

Operating profit excluding non-recurring items was EUR +0.7 million. Rationalisation costs linked to shut down of Nastola plant were EUR 0.8 million.

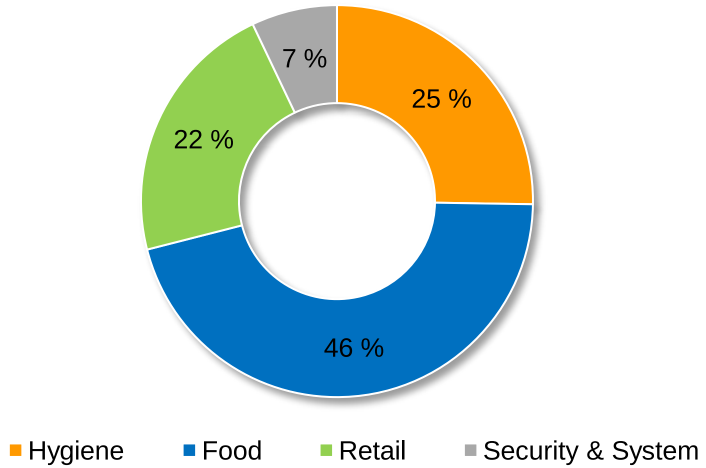
Flexibles

Sluggish sales

- Sales of packaging for hygiene products and security and system packaging were on the level of the previous year. Deliveries of retail carrier bags and food packaging decreased.
- Sale prices increased. Active pricing policy cut down deliveries to some customers.
- Nastola plant was closed and production transferred to Poland and Tampere. This resulted to non-recurring costs of EUR 0.8 million.
- Restructuring measures contributed to a lower operating cost level.

Flexibles sales

Q1–Q4 net sales: 64.8 €M



Market outlook

- Suominen's products are used in daily consumer goods, such as wet wipes and plastic packaging. The general economic situation determines the development of consumer demand, even though the demand for consumer goods is not very cyclical in nature. Consumers' cautious purchasing behaviour is expected to continue hand in hand with muted economic growth. Supply exceeds demand for many of Suominen's products, especially in Europe, and new production capacity is even being built in some product groups.
- The company estimates the trend in 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 clients. Suominen estimates that demand for its products will remain at the level of 2011 in the mature markets of Europe and North America. In South America and Eastern Europe, the growth in demand will be greater. There will be no significant change in the comparable sales volumes compared to the previous year.
- Suominen's most substantial cost factor – the price development of oil- and pulp-based raw material – was in decline at the end of 2011. Chiefly on the basis of the price trend in oil raw materials, it is estimated that the decline in Suominen's raw material prices will cease and possibly rise yet again. Suominen will continue to streamline its operating costs and the company has launched a separate project to ensure the realisation of synergy benefits related to the acquisition of the Home and Personal business. Suominen will focus on developing its core business.
- The acquisition of the Brazilian unit of the Home and Personal business transaction is expected to be realised once approval from the Brazilian authorities has been obtained in the first quarter of 2012.

Financial guidance

- Suominen’s net sales will increase considerably as the Home and Personal business’s figures are included in the Group’s net sales. It is estimated that the result after taxes for the year will improve over that of 2011.