Suominen Corporation

Interim Report
1 January – 31 March 2011

Presentation 29 April 2011

Suominen's Q1 in brief

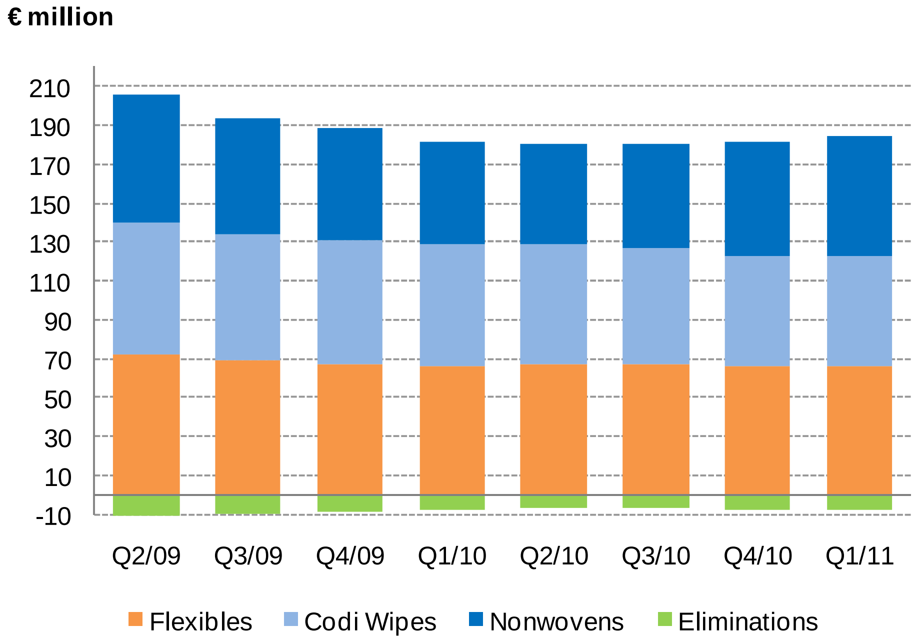
Turnover 9 % up, raw material prices sky-high, operations advanced

EUR, million	**Q1/2011**	Q1/2010	2010
Net sales	**44.3**	40.6	173.4
Operating profit	**-0.6**	-0.3	-10.8
Net result	**-1.7**	-1.1	-14.4
EPS, EUR	**-0.04**	-0.03	-0.34
Cash flow from operations/share, EUR	**0.01**	-0.03	-0.06

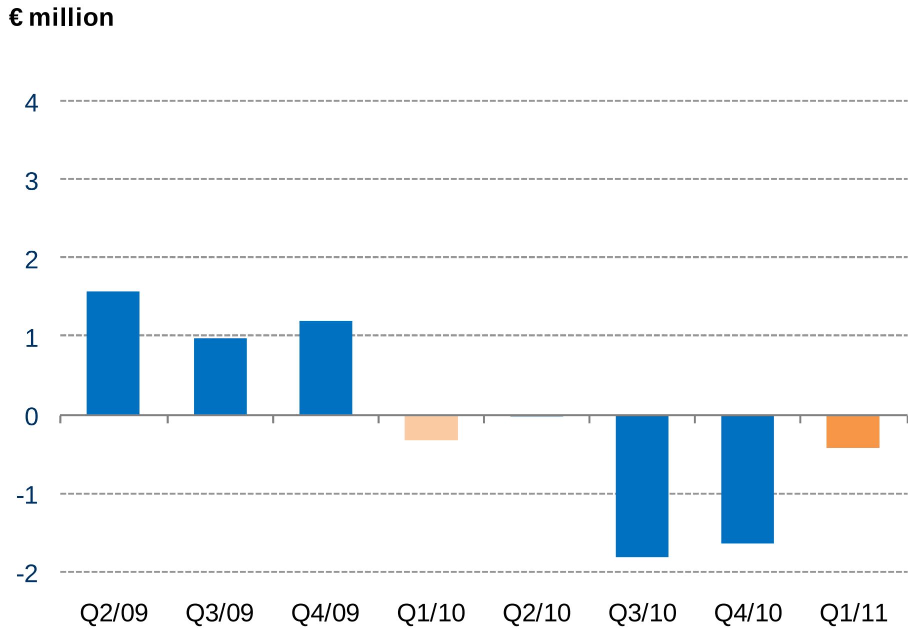
- Net sales up by 9 % compared with Q1/2010. Average sales prices the main contributor.
- Raw material prices continued to increase following oil prices. This was the main reason for red figures.
- Savings in operating costs and Stairs to Top programme generated over EUR 1 million. Financing costs up.
- Reorganisation measures advanced as planned in Flexibles and Codi Wipes.
- Cash flow from operations EUR 0.4 million.

Suominen's performance

Net sales by business area (rolling 12 months)



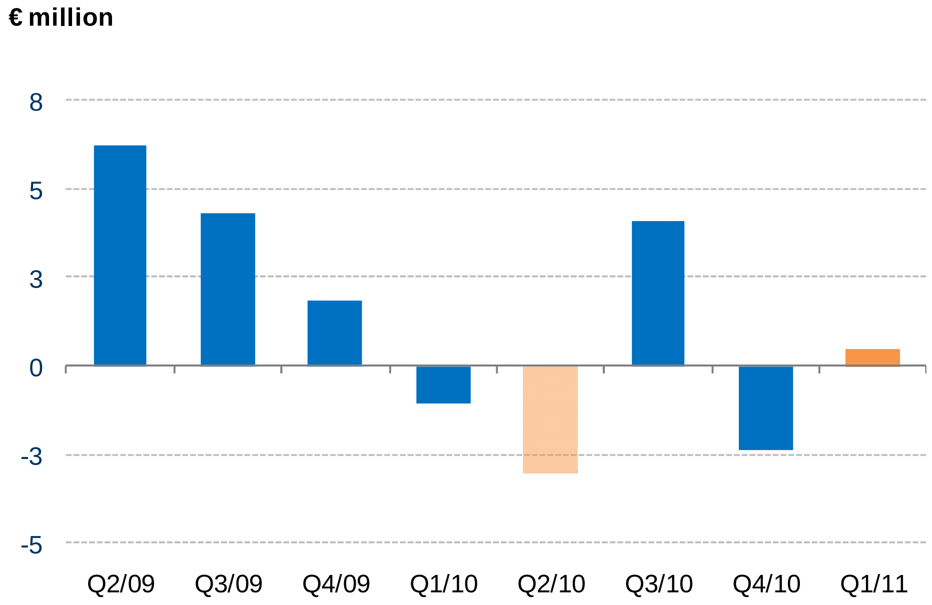
Operating profit (no one-offs)



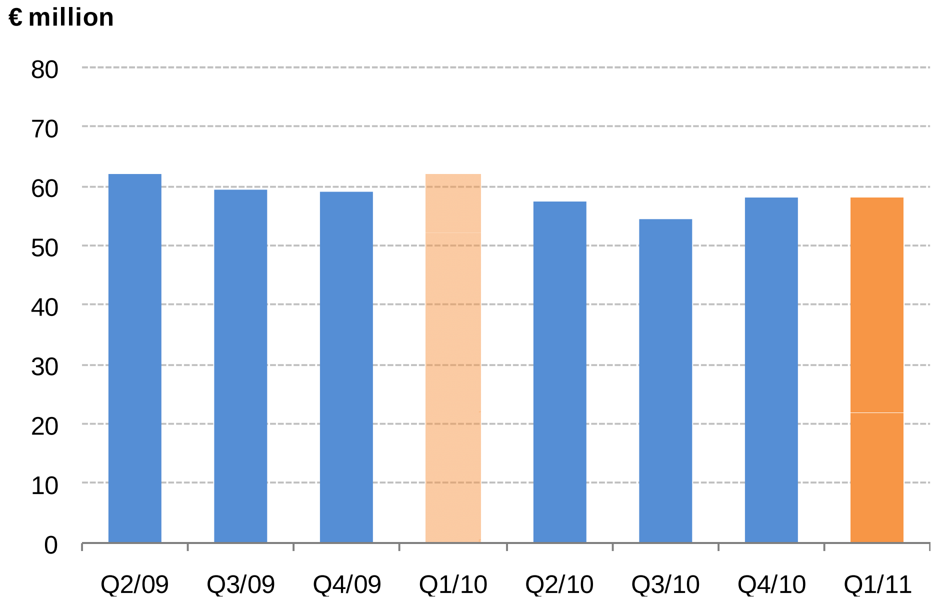
Net sales in Q1, EUR 44.3 million, was at the same level than the three previous quarters, but + 9 % on Q1/2010. Operating result improved from the level of H2/2010 and was close to the level of Q1/2010.

Suominen's financials

Cash flow from operations



Net debt



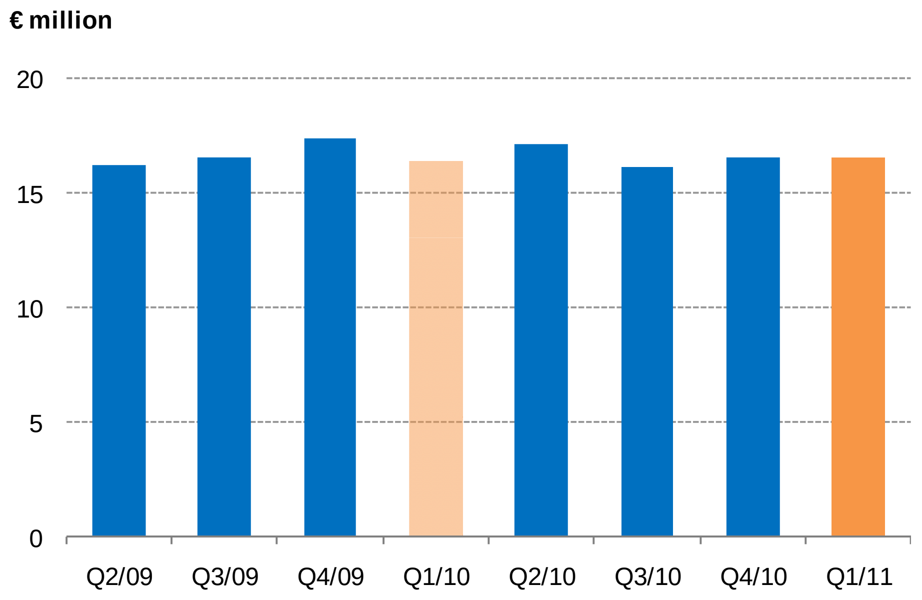
Cash flow from operations was EUR +0.4 million (-1.1). Working capital, EUR 19 million, remained at the level of 31 December 2010 in spite of raw-material price increases. Investments were EUR 1.3 million (2.0). Net debt was EUR 58.0 million (62.1).

Suominen's performance

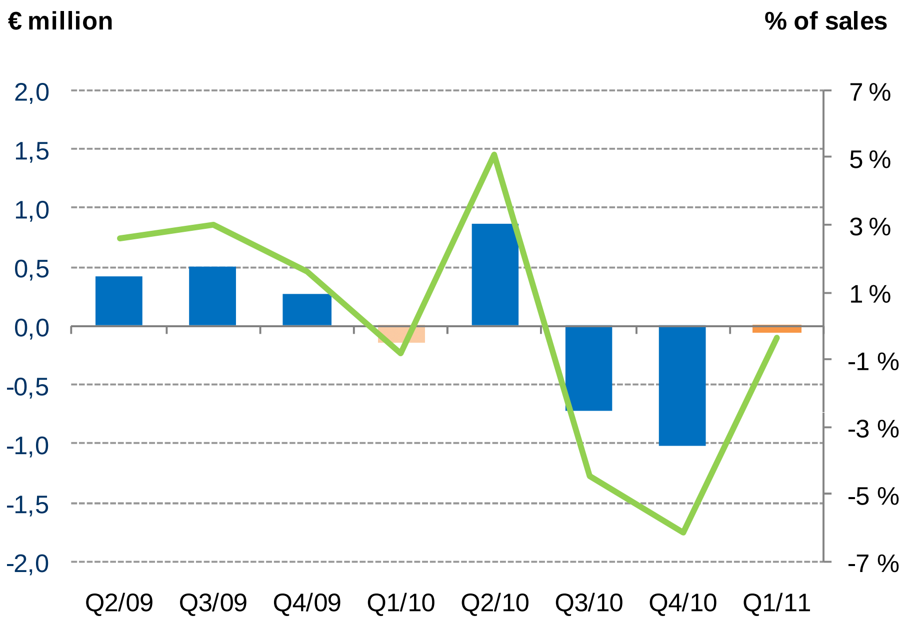
- Volume of the business continued on the level of last autumn.
- Actions to improve margins implemented through sales price increases and better control in transferring costs to prices.
- Due to the political turbulence, the oil-based raw material prices continued to rise, which had a negative effect to the performance.
- Stairs to Top improvement actions continued with the focus on rationalisation measures in Flexibles and Codi Wipes decided in the last year.
- The transfer of production capacity from Nastola plant involved costs of EUR 0.2 million. The cost level will ease in the second half of this year.
- Cash flow reflected the rise in raw material prices and low level of investments.
- Equity ratio 29 % (32 %) including capital loans.

Business Area: Flexibles

Net sales



Operating profit (no one-offs)



Net sales totalled EUR 16.6 million, change + 1 % from the previous year. Operating profit EUR -0.3 million (-0.1) included EUR 0.2 million non-recurring costs.

Business Area: Flexibles

Operations under restructuring

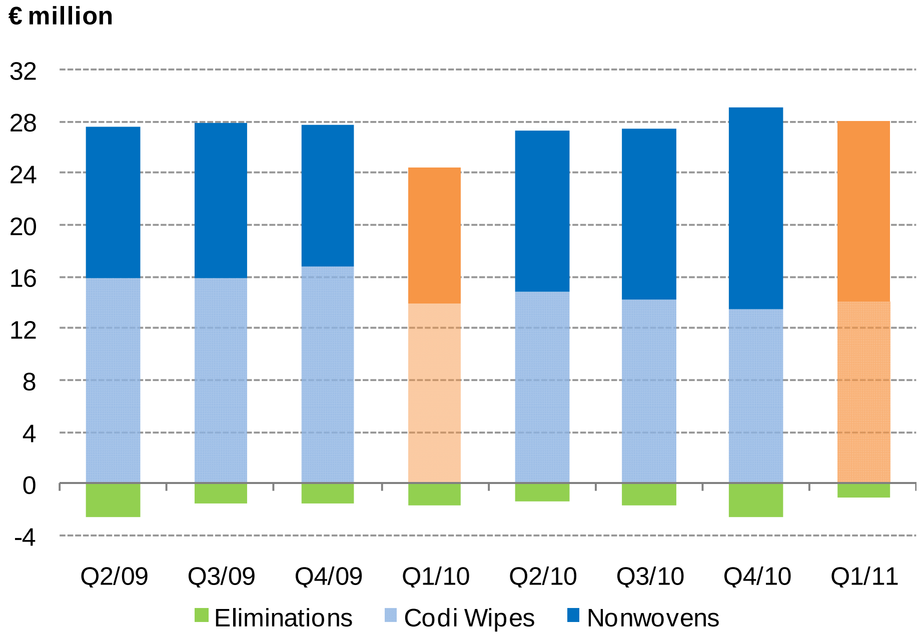
- Sales remained on the previous year's level at EUR 16.6 million.
- Sales of packaging for hygiene products and retail trade increased. Deliveries of food packaging and security and system packaging decreased slightly.
- Russian sales continued to grow.
- Plastic prices continued to increase. Higher raw material costs could not be compensated by sales price increases.
- Machine transfers from Nastola to other units proceeded as planned. Timetable for the final closure is after summer.

Flexibles sales

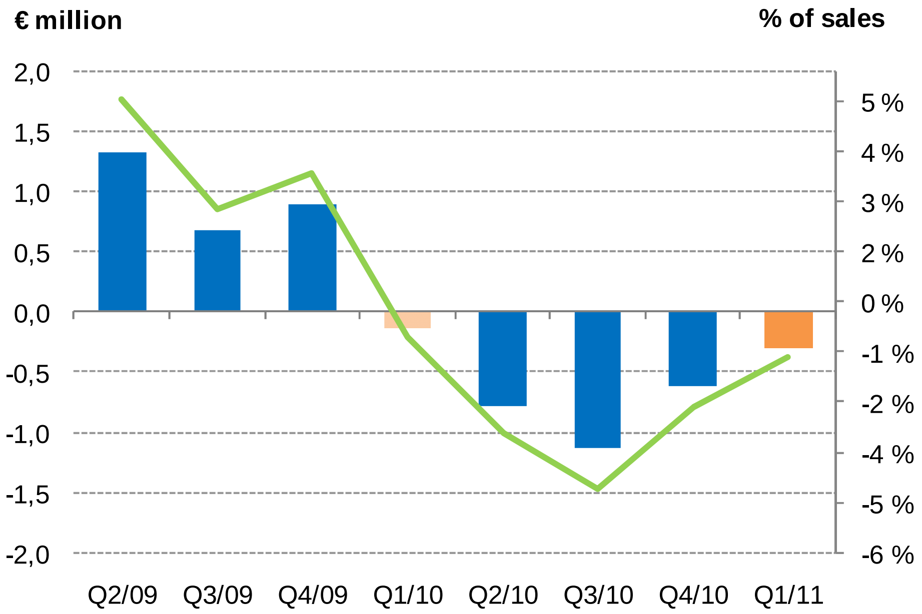
Q1 net sales:
16.6 €M (+1.0 %)

Business Area: Wiping

Net sales



Operating profit (no one-offs)



Net sales totalled EUR 27.9 million, up by 14 % from the previous year. Operating profit was EUR -0.3 million (-0.1).

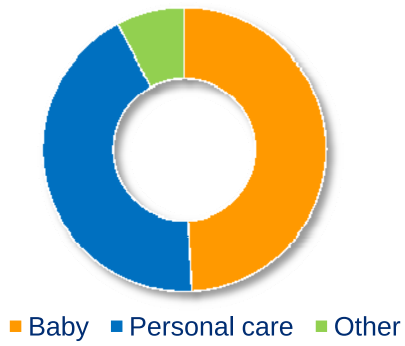
Business Area: Wiping

Sales figures increased

- Sales volumes of Codi Wipes increased, prices stable.
- Especially the sales of personal care wipes grew.
- Pressure on margins continued.
- Operating costs down as a result of the reorganisation decision.
- In Nonwovens, deliveries of hydroentangled nonwoven for European customers developed positively from the last year. Some volumes delivered also to the US market.
- Prices of raw materials continued to rise and stressed margins.

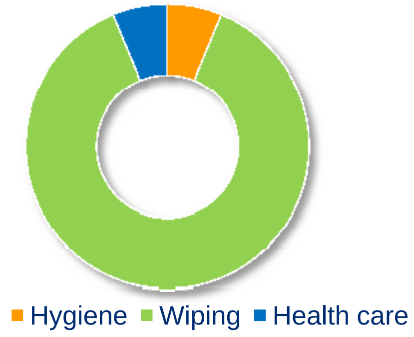
Codi Wipes sales

Q1 net sales:
14.0 €M (+0.7%)



Nonwovens sales

Q1 net sales:
15.1 €M (+23.2 %)



Suominen
Creating Convenience

Outlook

- The demand for Suominen's products is evaluated on the basis of customer contracts and use forecasts provided by customers. It is estimated that the demand for Suominen's products will remain stable in 2011, and no major change is anticipated in the net sales for 2011 over the 2010 level.
- Suominen continues to rise its product prices to improve sales margins. On the other hand, the prices of raw materials are still going up.
- The measures to decrease operational costs are continued.
- It is estimated that the result after taxes for all of 2011 will improve over 2010, but remain negative.

Management focus on profitability turnaround

- Continuous drive to improve sales margins.
- Successful implementation of rationalisation measures at Flexibles and Codi Wipes.
- Working capital and cash flow management.
- Reduction of gearing. Selling of ineffective assets is an option to reduce debt.