



# **Suominen Corporation**

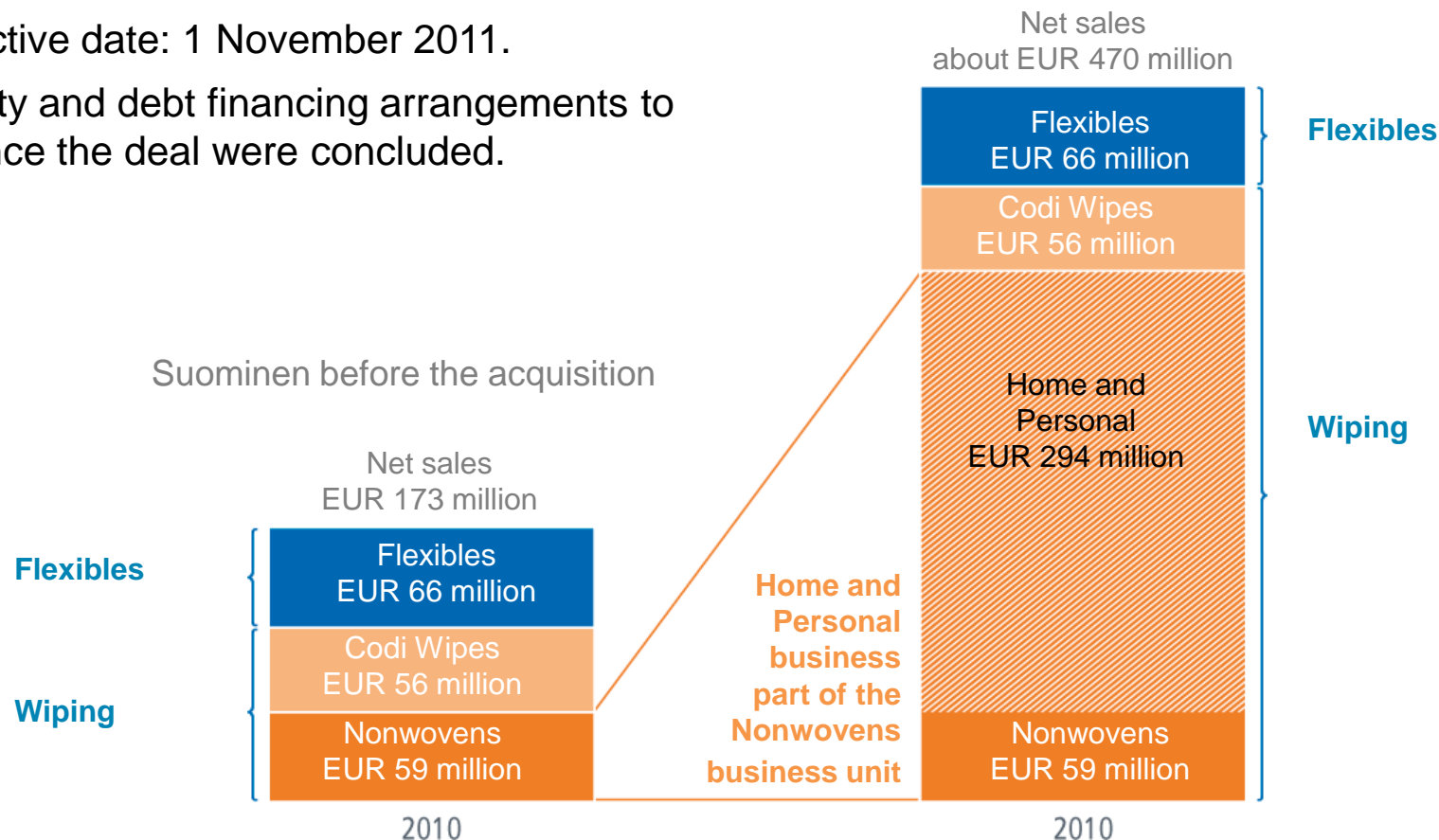
**Interim Report  
1 January–30 September 2011**

**Presentation on 25 October 2011**

## Suominen will grow significantly by the Nonwovens acquisition

- Deal closed on 20 October 2011.
- Effective date: 1 November 2011.
- Equity and debt financing arrangements to finance the deal were concluded.

Suominen after the acquisition




The financial figures are unaudited. The figures of Suominen and Ahlstrom Home and Personal business for 2010 have been combined.

## Nicely supporting geographical coverage

Nonwovens for baby, personal care, household and industrial wiping

North-America, Brazil, Italy, Spain

About 480 persons  
Net sales in 2010  
EUR 291 million

 Home and Personal

Nonwovens, wet wipes, and flexible packaging for daily consumer goods

Finland, the Netherlands, Poland, Russia

About 850 persons  
Net sales in 2010  
EUR 173 million

 Suominen

## **Strategic rationale: Suominen will be the global market leader in Nonwovens for baby care, personal, household and industrial wiping**

- Expanding geographical coverage
  - Leading position in developed markets
  - Growth supportive existence in developing markets of Brazil and Russia
  - Global customer base to enable growth
- Complementing service offering in wiping
  - Comprehensive technology and raw material base to provide extensive product range
  - Complementing sales, customer service and product development resources
- Strengthening competencies
  - Complementing professional skills of personnel
  - Widening technology and material expertise
- Synergy benefits
  - Innovation through R&D co-operation
  - Best practice sharing and benchmarking
  - Increasing purchasing power



## Suominen's Q1–Q3 in brief

### Key financials and highlights

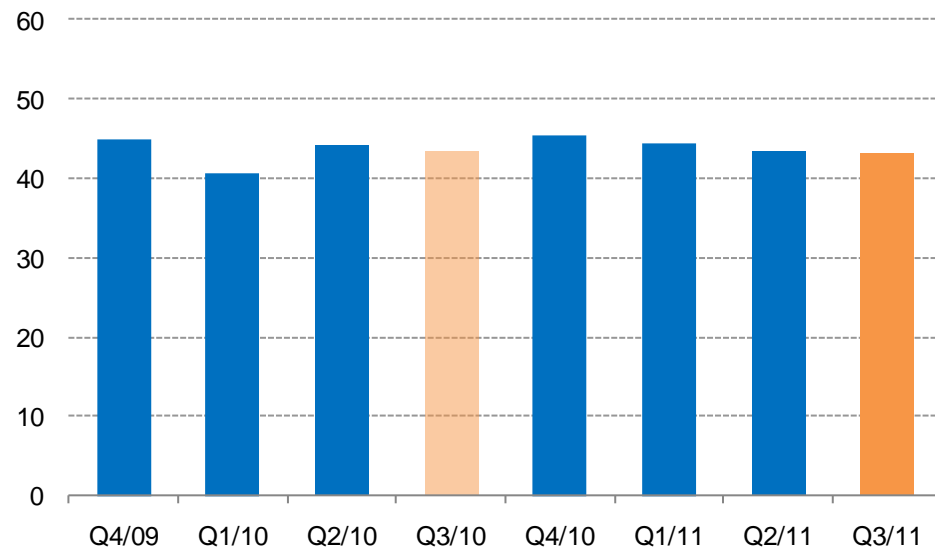
EUR, million	Q3/2011	Q3/2010	Q1-Q3/2011	Q1-Q3/2010	2010
Net sales	43.1	43.4	<b>130.8</b>	128.1	173.4
Operating profit	-1.9	-1.8	<b>-2.5</b>	-2.2	-10.8
Net result	-2.8	-2.1	<b>-5.7</b>	-4.0	-14.4
EPS, EUR	-0.06	-0.05	<b>-0.12</b>	-0.10	-0.34
Cash flow from operations/share, EUR	0.02	0.09	<b>0.04</b>	0.00	-0.06

- Net sales up compared to 2010. Average sales prices were higher but volumes down.
- Sales margins improved thanks to price increases.
- Raw material prices levelled off compared to H1/2011.
- Stairs to Top programme generated savings in operating costs of EUR 4.5 million.
- Non-recurring costs of EUR 1.0 million were recorded in the period.
- Cash flow from operations positive EUR 1.8 million. Financing costs up.

# Suominen's performance

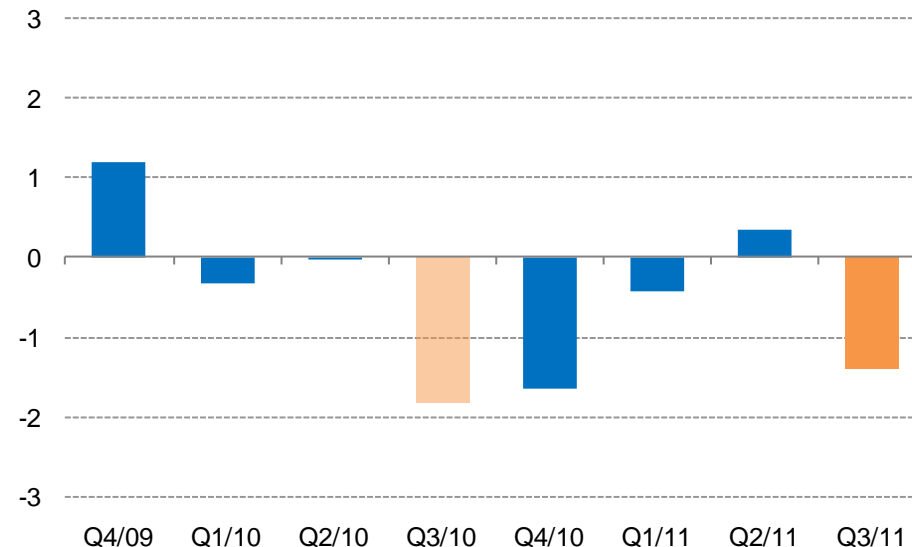
## Net sales

€million



## Operating profit (excl. one-offs)

€million



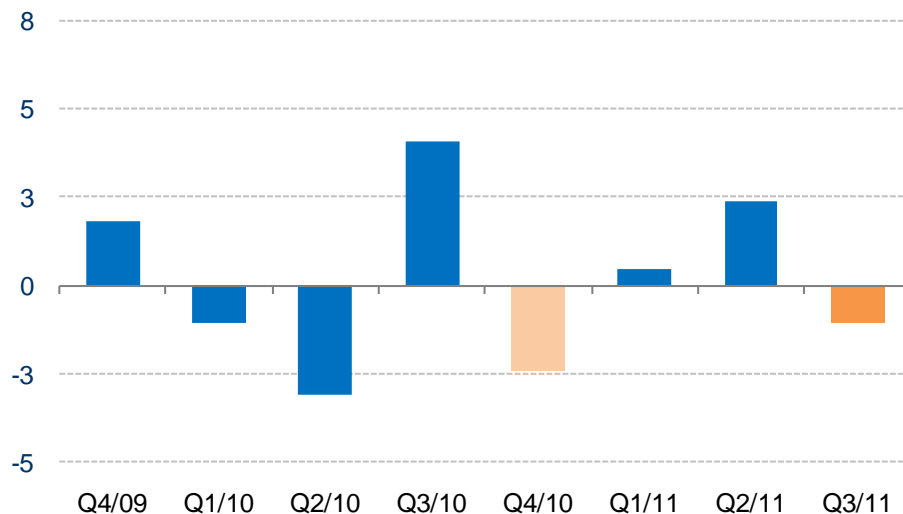
Net sales in Q1–Q3 , EUR 130.8 million, was +2% on the previous year.

Operating profit in Q1–Q3 was EUR -2.5 million including one-offs of EUR 1.0 million.

# Suominen's financials

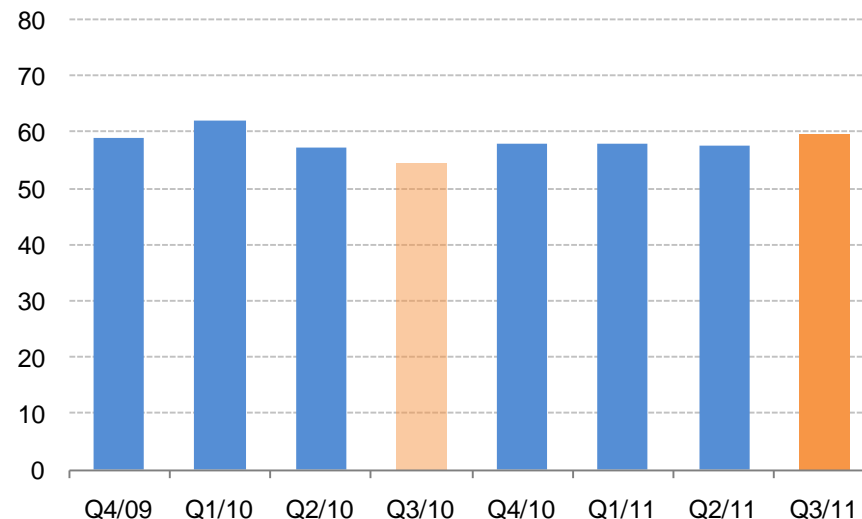
## Cash flow from operations

€million



## Net debt

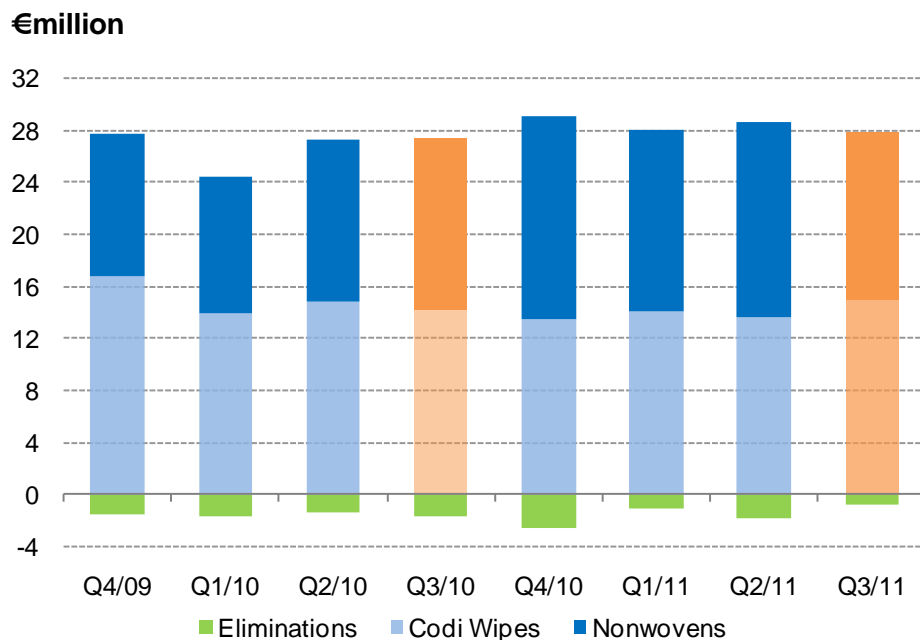
€million



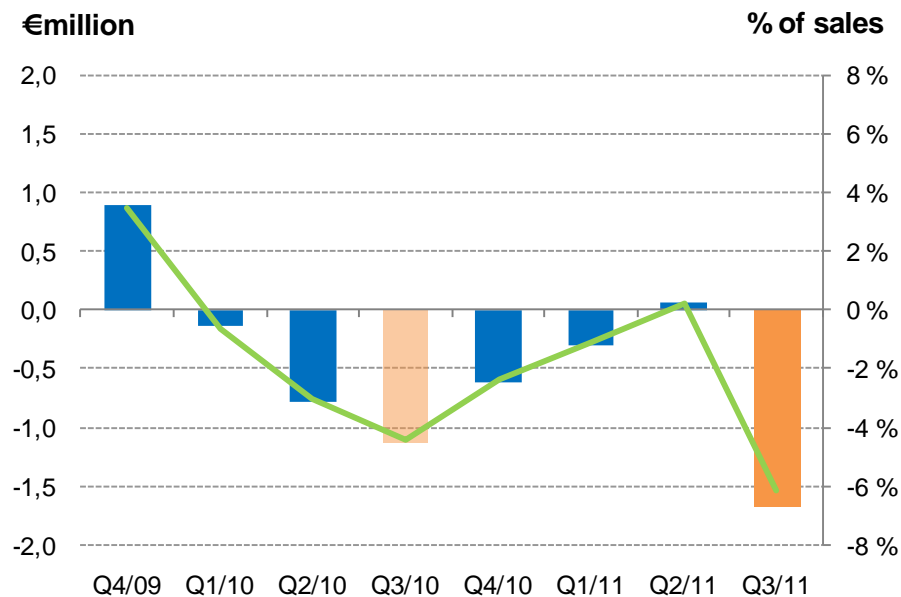
Cash flow from operations in Q1–Q3 was EUR 1.8 million (-0.1). Cash released from working capital was EUR 2.3 million. Net investment was EUR 3.1 million (4.6), which is app. half of the depreciation. Net debt was EUR 59.7 million (54.5).

## Business Area: Wiping

### Net sales



### Operating profit (excl. one-offs)



Net sales totalled EUR 81.7 million in Q1-Q3, up by 3% from the previous year. Cumulative operating profit was EUR -1.9 million (-2.1) and for the third quarter EUR -1.7 million (-1.1).



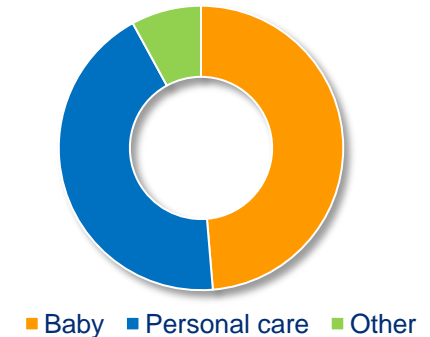
## Business Area: Wiping

### Growth on Nonwovens' sales

- Net sales of **Codi Wipes** decreased slightly.
- The sales of personal care wipes grew whereas sales of baby wipes and moist toilet wipes declined.
- Average sales prices were on the previous year's level.
- Operating costs down as a result of the reorganisation effected early in the year.
- In **Nonwovens**, volumes were down from the previous year. Net sales grew however thanks to higher sales prices.
- Sales growth focused on Europe, deliveries to US were at the previous year's level.
- Production volumes in summer were low leading to higher unit costs.

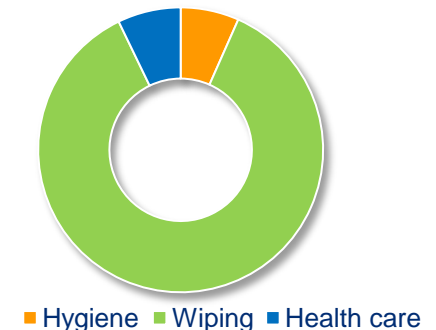
### Codi Wipes sales

Q1–Q3 net sales:  
42.5 €M (-1.0%)



### Nonwovens sales

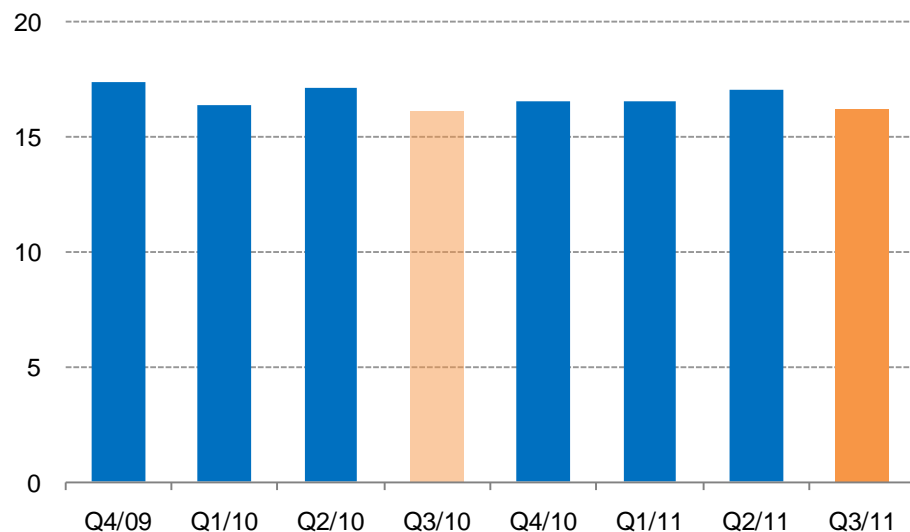
Q1–Q3 net sales:  
43.0 €M (+5.2%)



## Business Area: Flexibles

### Net sales

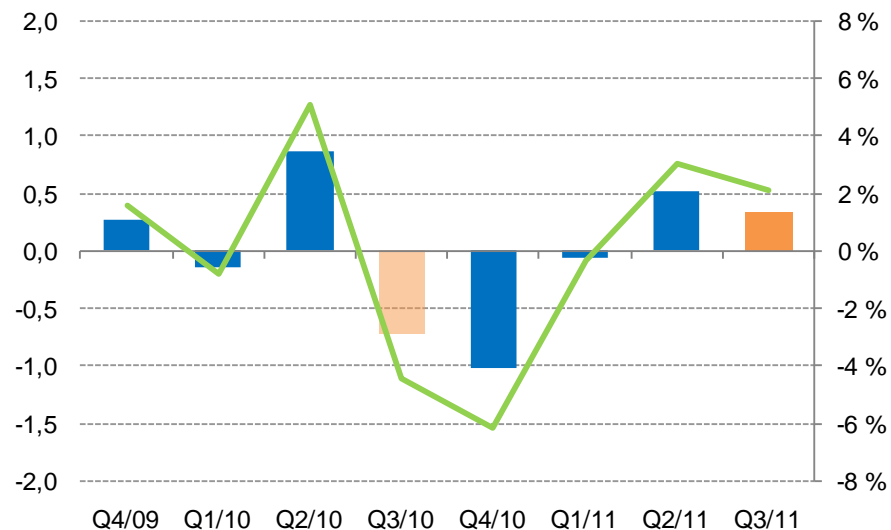
€million



### Operating profit (excl. one-offs)

€million

% of sales



Net sales totalled EUR 49.8 million in Q1-Q3 and were on the level of the previous year.

Operating profit excluding non-recurring costs was EUR 0.8 million. Rationalisation costs linked to shut down of Nastola plant were EUR 0.6 million.

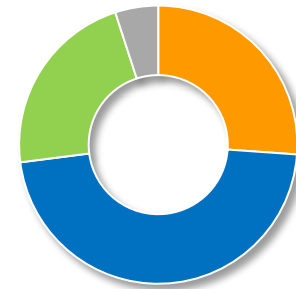
## Business Area: Flexibles

### Operations still under restructuring

- Sales remained on the previous year's level at EUR 49.8 million.
- Sales of packaging for hygiene products increased. Deliveries of retail carrier bags and security and system packaging were on the level of the previous year. Sales of food packaging decreased.
- Sale prices increased. Active pricing policy cut down deliveries to some customers.
- Machine transfers from Nastola to other units were accomplished and Nastola plant was closed.
- Sales office in Sweden was also closed.
- Restructuring measures contributed to a lower operating cost level.

### Flexibles sales

Q1–Q3 net sales:  
49.8 €M (+0.3 %)



■ Hygiene ■ Food ■ Retail ■ Security & System

## 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.
- Prices for Suominen's products are expected to increase thanks to the price increases implemented and the raw material clauses included in sales contracts. Measures to reduce operational costs are to be continued.
- The acquired business of Home and Personnel will be combined to Suominen's current year figures for two months. As a result Suominen's net sales is estimated to increase on the previous year. The acquired business is estimated to have a negative impact on Suominen's result after taxes when considering also the non-recurring costs related to the business transaction. It is estimated that the result after taxes for 2011 will improve on previous year figures, but remain negative.