Suominen
Creating Convenience

Suominen Corporation

Interim Report,
1 January - 30 September 2012

Presentation 22 October 2012

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Suominen's Q3/2012 in brief

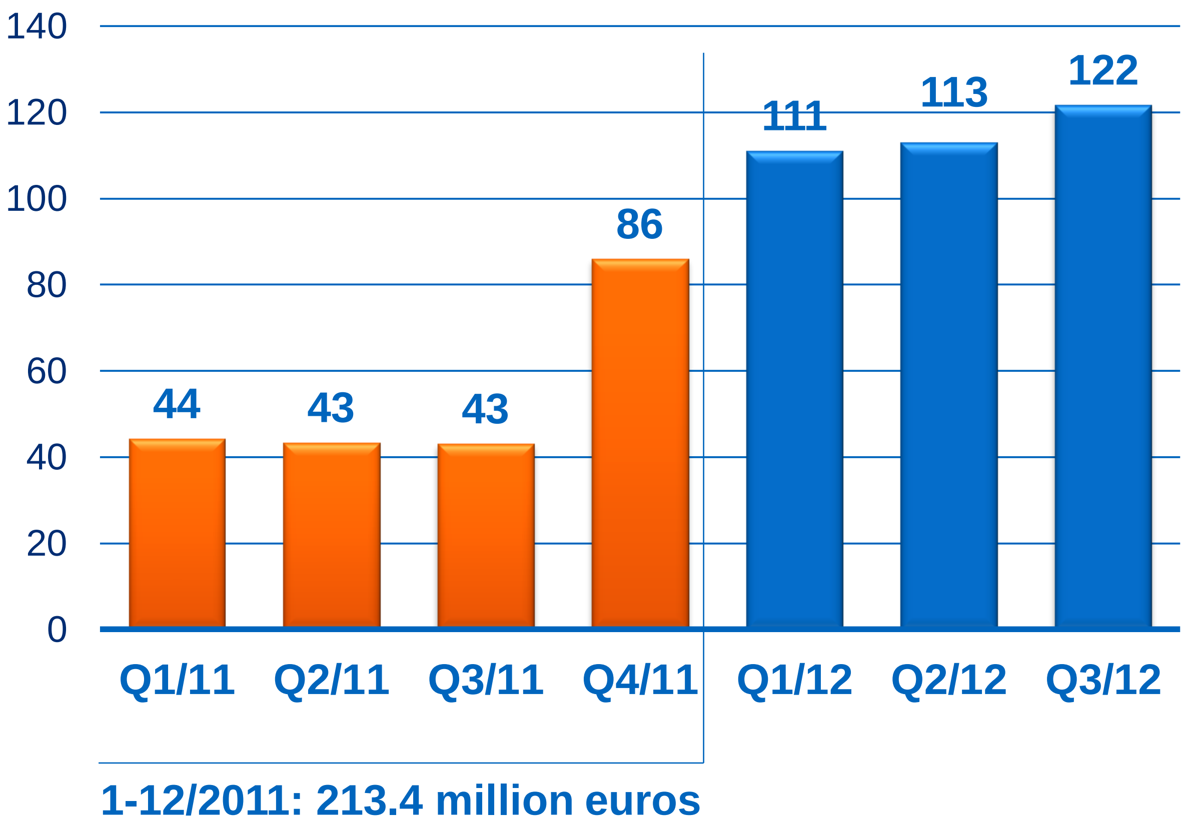
Q3 on Profit

EUR million	**Q3/2012**	Q3/2011	**Q1-Q3/2012**	Q1-Q3/2011	2011
Net sales	**121.8**	42.3	**345.9**	128.5	213.4
Operating profit before non-recurring items	**6.7**	-1.4	**11.7**	-1.5	-1.1
Operating profit	**6.2**	-1.9	**9.1**	-2.5	-4.8
Net result	**2.3**	-2.8	**-0.7**	-5.7	-9.5
EPS, EUR	**0.01**	-0.06	**0.00**	-0.12	-0.11
Cash flow from operations/share, EUR	**0.03**	-0.02	**0.05**	0.04	-0.03

- The sales in Q3 were highest during 2012.
- Thanks to increased volume, higher margins in sales and strict cost control, the operating profit (excluding non recurring items) in Q3 was strong and represented more than the two previous quarters together.
- Raw material, especially plastic prices, turned north during the quarter.
- Non-recurring costs refer to write-downs of old lines in the Nakkila plant and lay-offs of personnel, amounting to EUR 3.1 million in total for nine months.
- The business in Brazil was not possible to be transferred and Suominen and Ahlstrom are exploring possibilities to effect the business transfer as soon as possible.
- Cash flow again strong due to improved profitability and control of working capital.

Net sales for Q3 advanced

Net sales, million euros



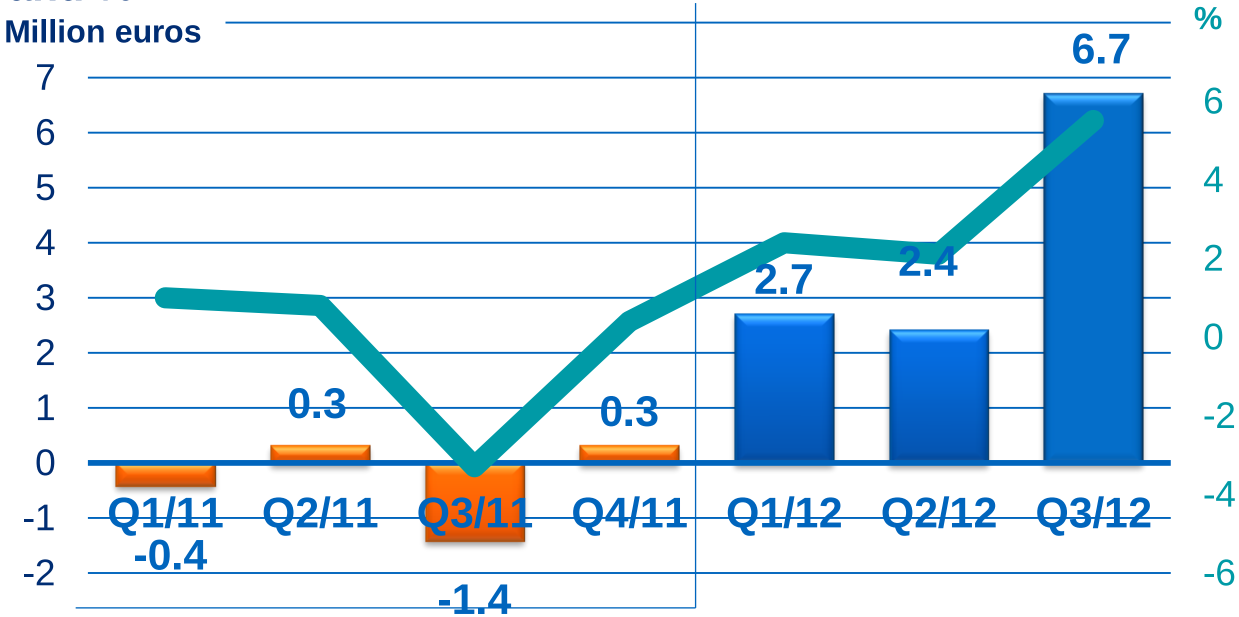
Comments

- Net sales in three quarters EUR 345.9 million (EUR 128.5 million in 2011)
- Comparable sales value declined 7% from 2011 proforma
- Demand continued stronger in the US market than in Europe.
- All production lines in Milan on stream from May onwards. Prices were under pressure in Europe. Dollar appreciation increased the US part of sales.

Suominen acquired the Home and Personal business from Ahlstrom Corporation on 4 August 2011. Pro forma net sales of the operations was 321 million euros in 2011. The combination of the businesses came into effect from 1 November 2011, so the net sales of the acquired business is included in the figures for two months in 2011.

Operating Profit up in Q3

Operating profit excl. non-recurring items, M€ and %

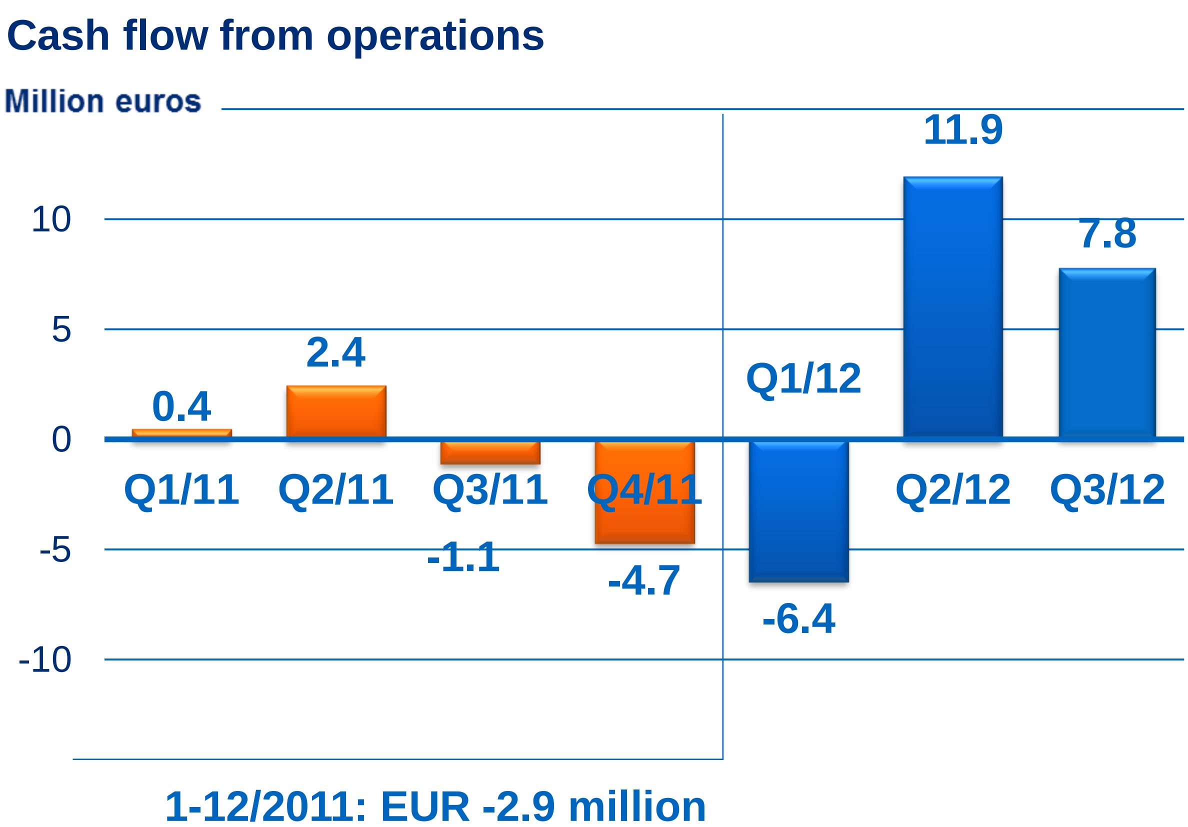


1-12/2011: -1.1 million euros

Comments

- Operating profit excl. one-offs was EUR 11.7 million (-1.5) for the period.
- Reported figure EUR 9.1 million (-2.5) includes sale profit of Nastola EUR 0.5 million and write downs and one-offs in Nakkila EUR -3.1 million
- Positive contribution from the acquired business.
- Good demand in the US markets led to a more advantageous business mix.
- On proforma basis the cost level in the Group reduced.
- Negative effects from volume declines in Europe in most sectors as well as from the raw-material price cycle

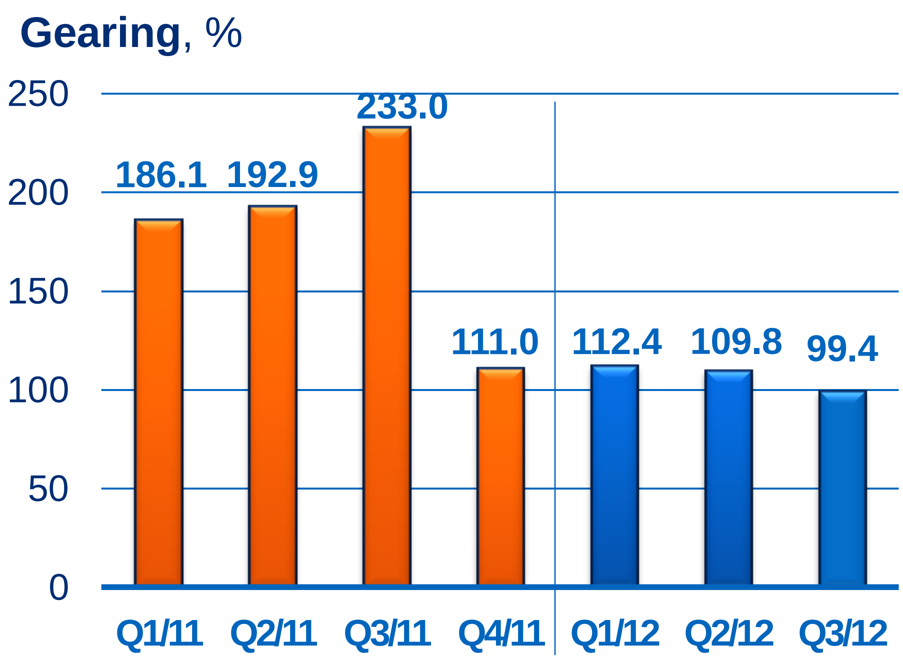
Cash flow from operations in Q3 turned positive

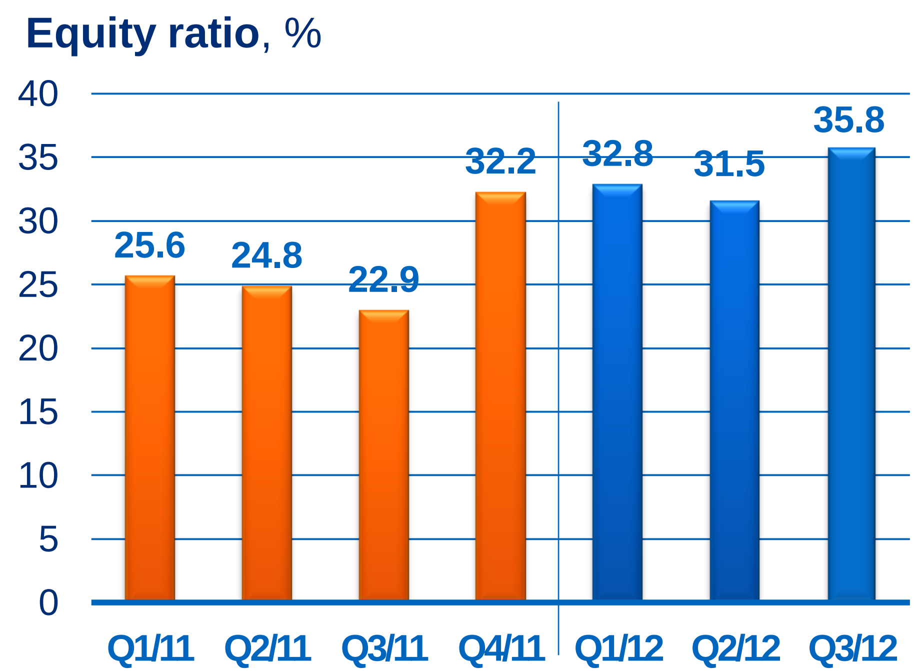


Comments

- Cash flow from operations was EUR +13.2 million (+1.8)
- Cash was tied up in working capital in the beginning of the year when working capital came back to pre-acquisition pro forma levels.
- Working capital declined by EUR 4 million from June level to EUR 42.5

Financial position steady

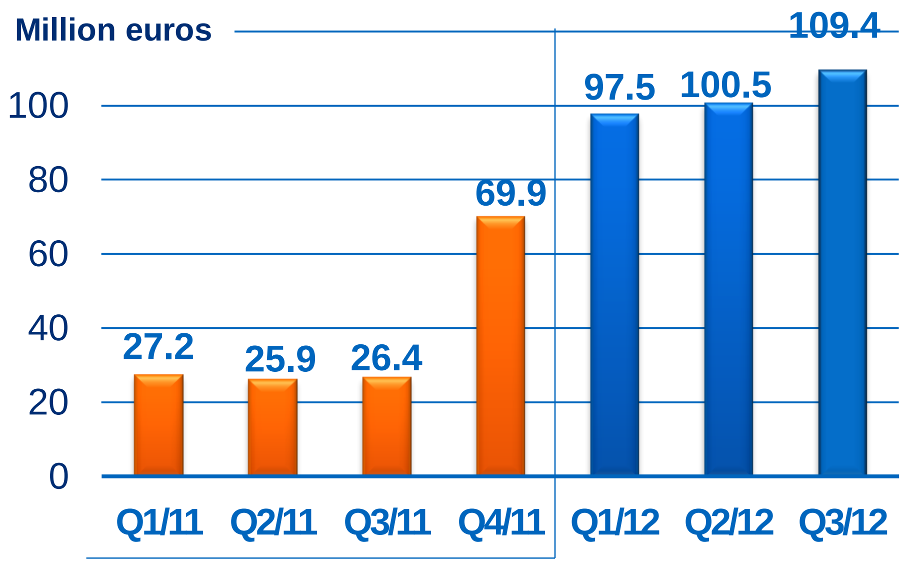




- Financing package with banks was updated in October.

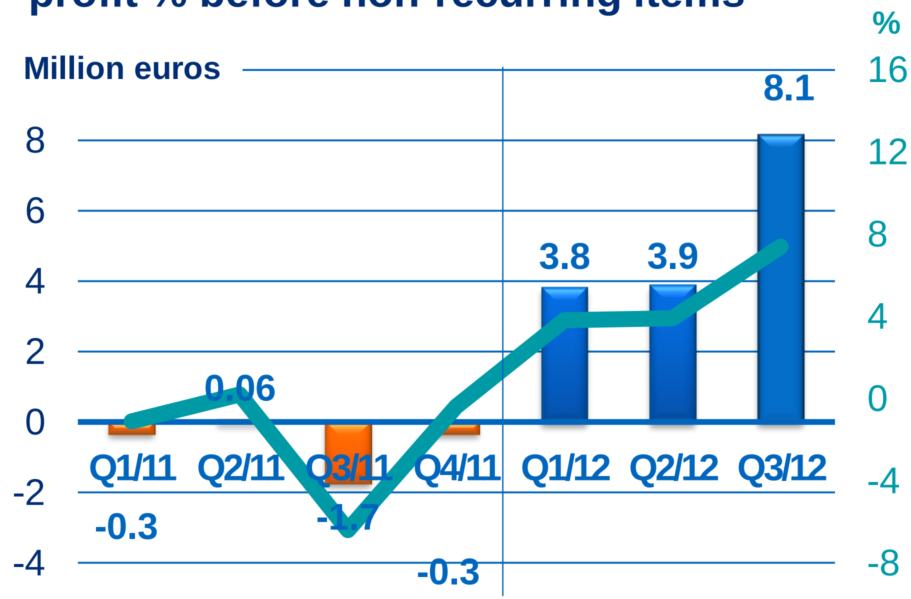
Q3 Result in Wiping more than doubled on total of Q1+Q2

Net sales



1-12/2011: EUR 149.4 million

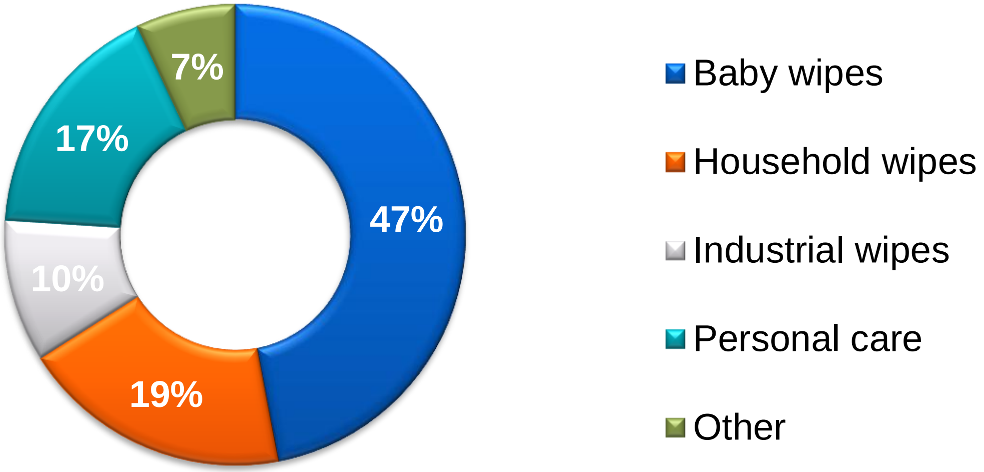
Operating profit and operating profit % before non-recurring items



1-12/2011: EUR -2.2 million

Nonwovens Q3 Sales advanced on previous periods

Q1-Q3 /2012: 273.0 EUR million (40.8)

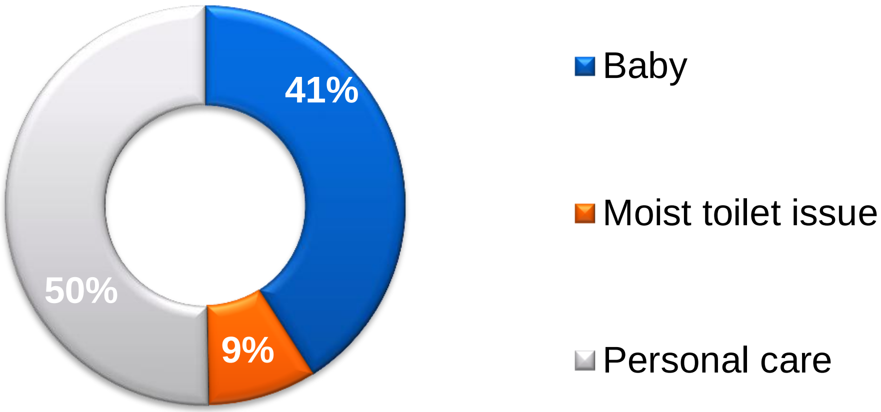


Key Notes

- Share of baby wipes slightly down, personal care and household wipes grew.
- Demand continued to be stronger in the US markets
- Margins under pressure in Europe due to the intensified competition.
- Reshaping European production platform: all lines in Italy are working and production in Finland streamlined.
- Synergies and cost savings are being captured from the Summit efficiency enhancement measures.
- Operating costs lower on proforma basis.

Codi Wipes portfolio moving towards personal care

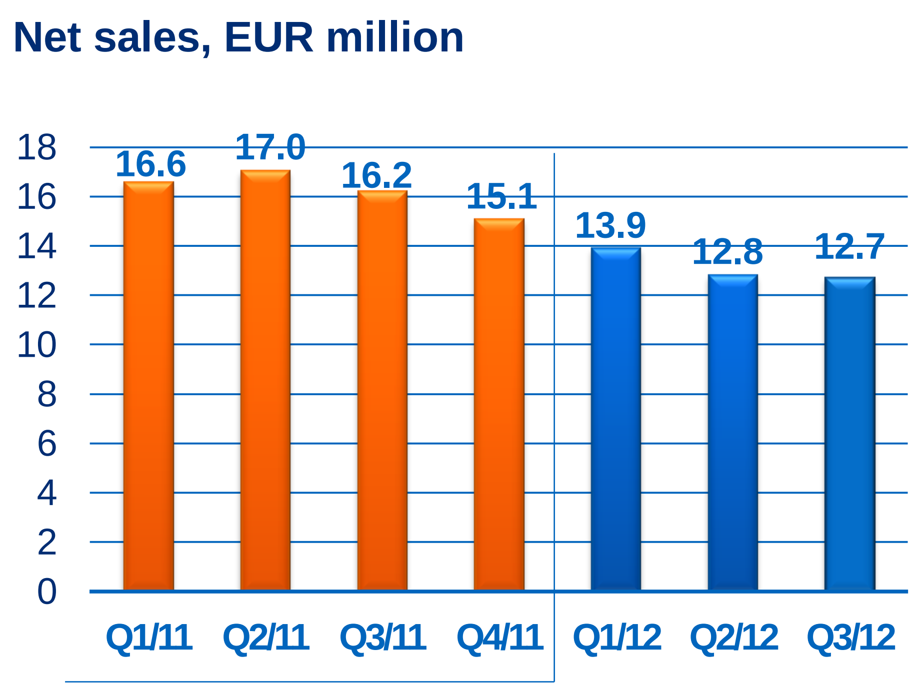
Q1-Q3 /2012: 37.6 EUR million (42.5)



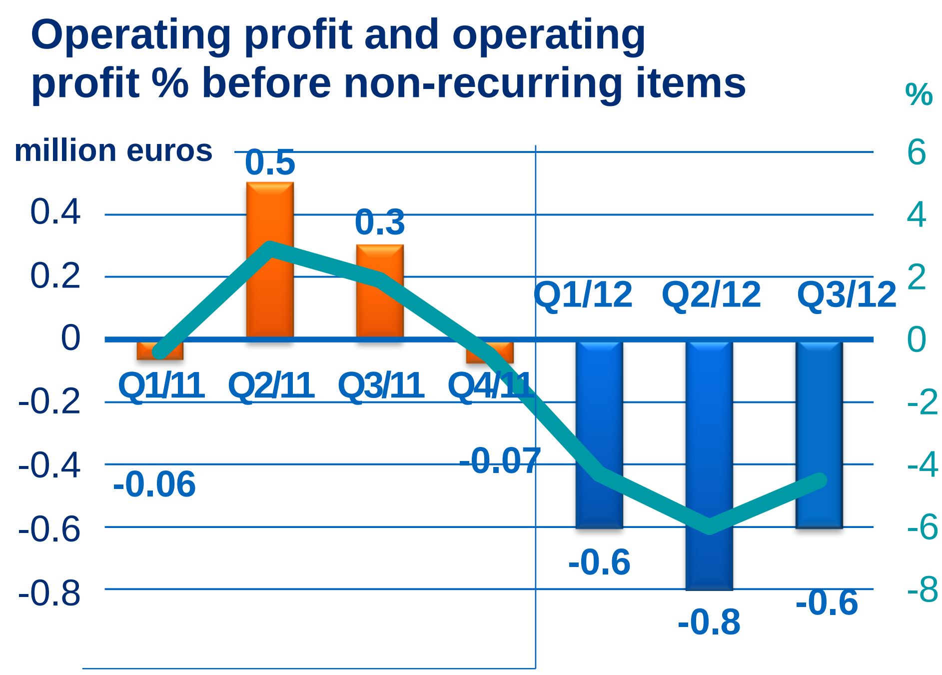
Key Notes

- Net Sales down from previous year by 12%, some new business for rest of the year gained.
- Consumer demand more price conscious, meaning that retail chains gain market share especially in commodity type of baby wipes
- Sales of personal care wipes developed relatively better.
- Savings in operating costs helped to compensate losses in volume

Flexibles on red figures



1-12/2011: 64.8 million euros



1-12/2011: 0.7 million euros

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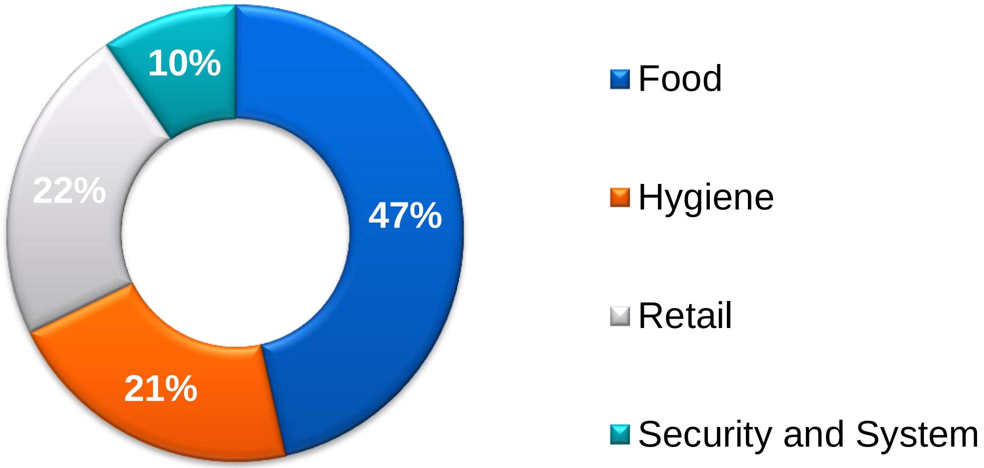
Flexibles waiting for a turnaround

Q1-Q3 /2012: EUR 39.3 million (49.8)



Key Notes

- Net Sales down by 21 % from 2011, the only segment showing growth was S&S
- Impact of lost sales end of 2011 was still visible in the figures. New sales acquired accumulate to sales slowly.
- Slowing demand leads to more price driven market. Temporary lay-offs started as a counter-measure.
- Raw material prices in Q3 turned up again following the general trends in commodities and oil.
- Operating costs were down from previous year thanks to the restructuring of manufacturing platform in 2011.

Focus Areas 2012 – Creation of New Suominen

- **Improve profitability**
  - Cost effectiveness
    - Suominen Summit program´s target is to improve profitability and competitiveness
    - Target to achieve cost savings of about two percentage points of net sales during 2012
  - Production aligned with customer demand
    - Operations at Suominen Nonwovens Ltd, in Nakkila are being streamlined
    - Temporary lay-offs started in Suominen Flexibles Ltd, Tampere
- **Ensure common way of working**
  - Establish common operating systems
  - Create a common corporate culture
- **Establish new strategic direction** for Suominen Corporation and especially Nonwovens
  - Enhance share of value added products

Market outlook

- 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 group

- Suominen estimates that demand for its products will remain at the level of 2011 (proforma). In North and South America as well as in Eastern Europe the sales is estimated to grow whereas in Western Europe the sales is anticipated to decrease.

- Suominen's raw material prices in plastics have increased but impact for current year will not change the total outlook.

Outlook (unchanged)

- Suominen will continue to streamline its operating costs and synergies linked to the acquisition continue to be exploited. The target is to achieve a couple of per cent cost benefits comparable to net sales. Suominen will focus on developing its core business.

- The target is to realize the Brazilian unit business transaction of the Home and Personal as soon as possible.

- 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.

Thank you!