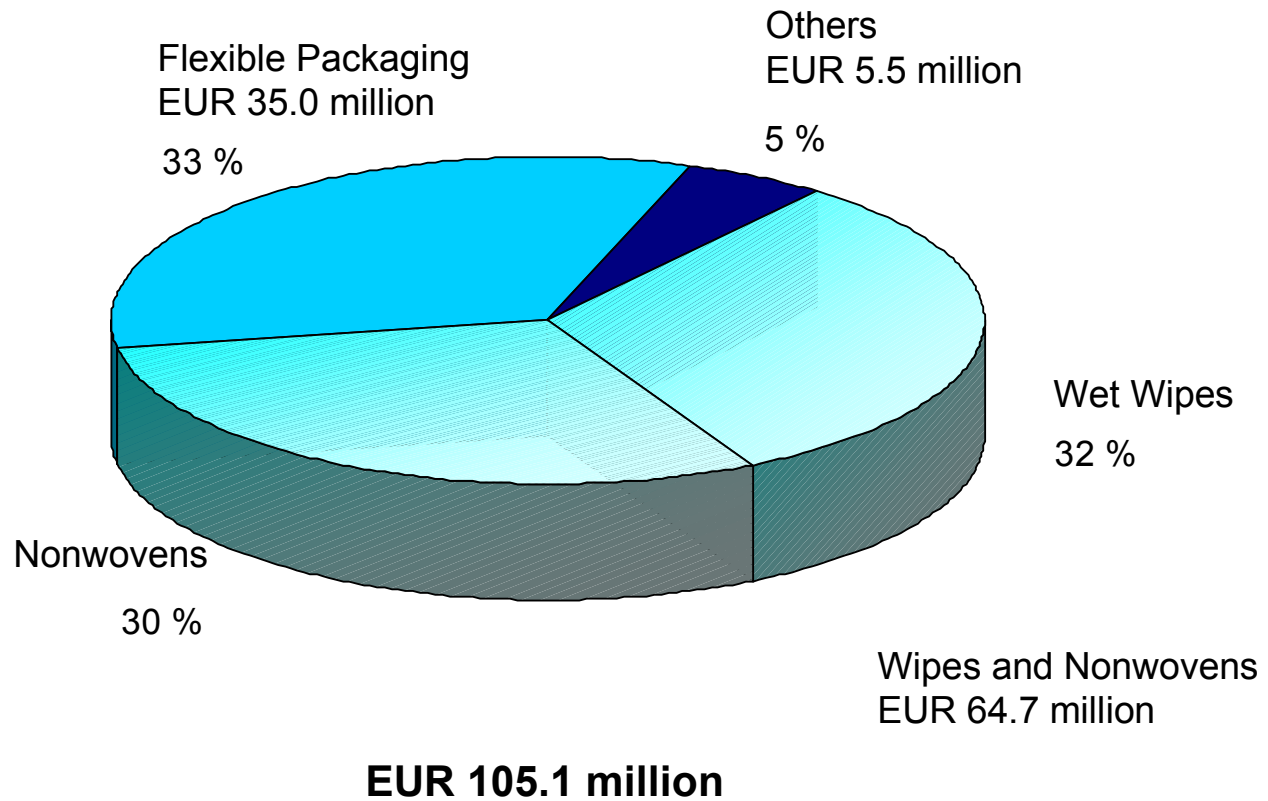


# SUOMINEN CORPORATION

INTERIM REPORT  
1 JANUARY - 30 JUNE 2005

**PRESENTATION 25 JULY 2005**

## Breakdown of Net Sales 1 - 6/2005



## P & L in Brief

1 April - 30 June

EUR million	2005	2004	Change %
Net sales	53.3	61.1	-12.7
Operating profit	-0.8	3.4	-122.3
Profit before taxes	-1.7	2.6	-165.0
Taxes	0.4	0.1	
Profit for the period	-1.3	2.7	-146.5
Earnings per share, EUR	-0.05	0.11	

## P & L in Brief

1 January - 30 June

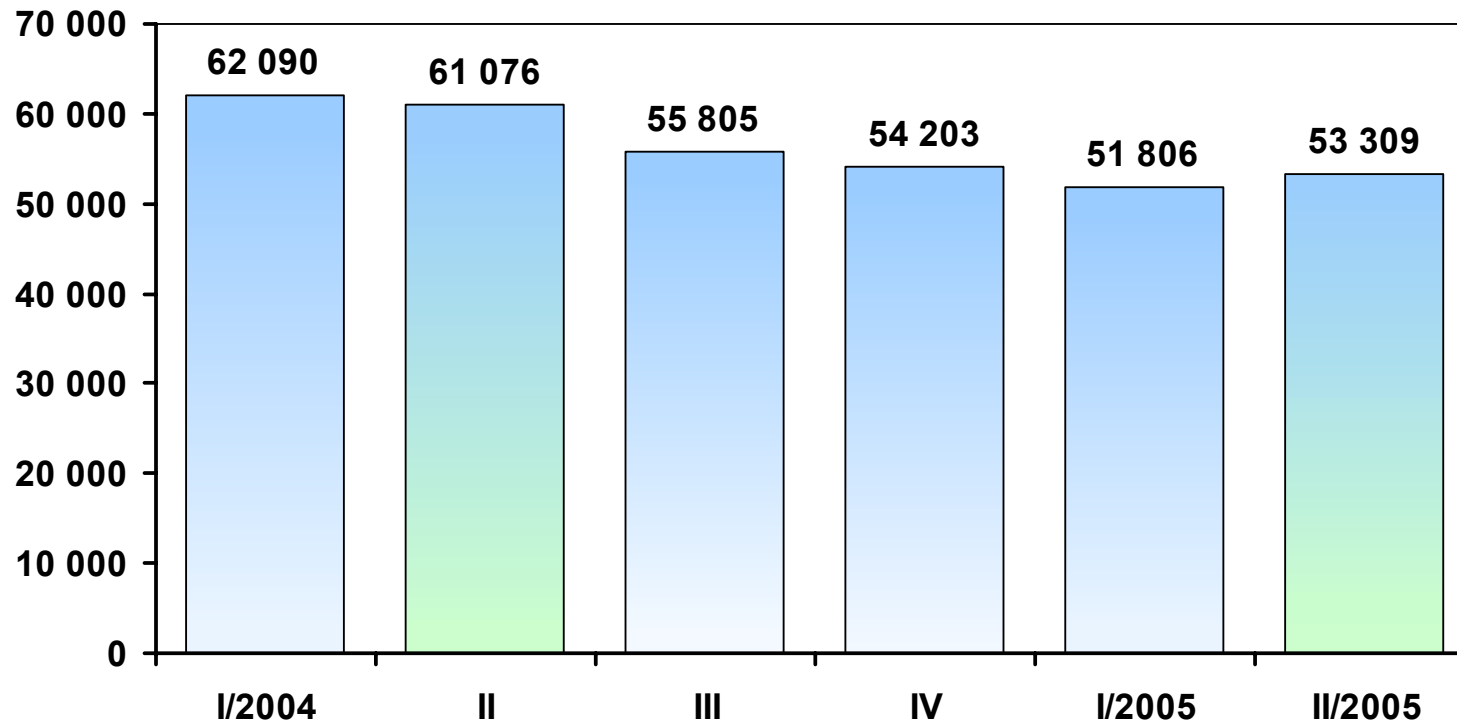
EUR million	2005	2004	Change %
Net sales	105.1	123.2	-14.7
Operating profit	-1.7	6.5	-126.4
Profit before taxes	-3.8	4.7	-181.1
Taxes	1.2	-0.4	
Profit for the period	-2.6	4.3	-160.3
Earnings per share, EUR	-0.11	0.18	

## Key Figures

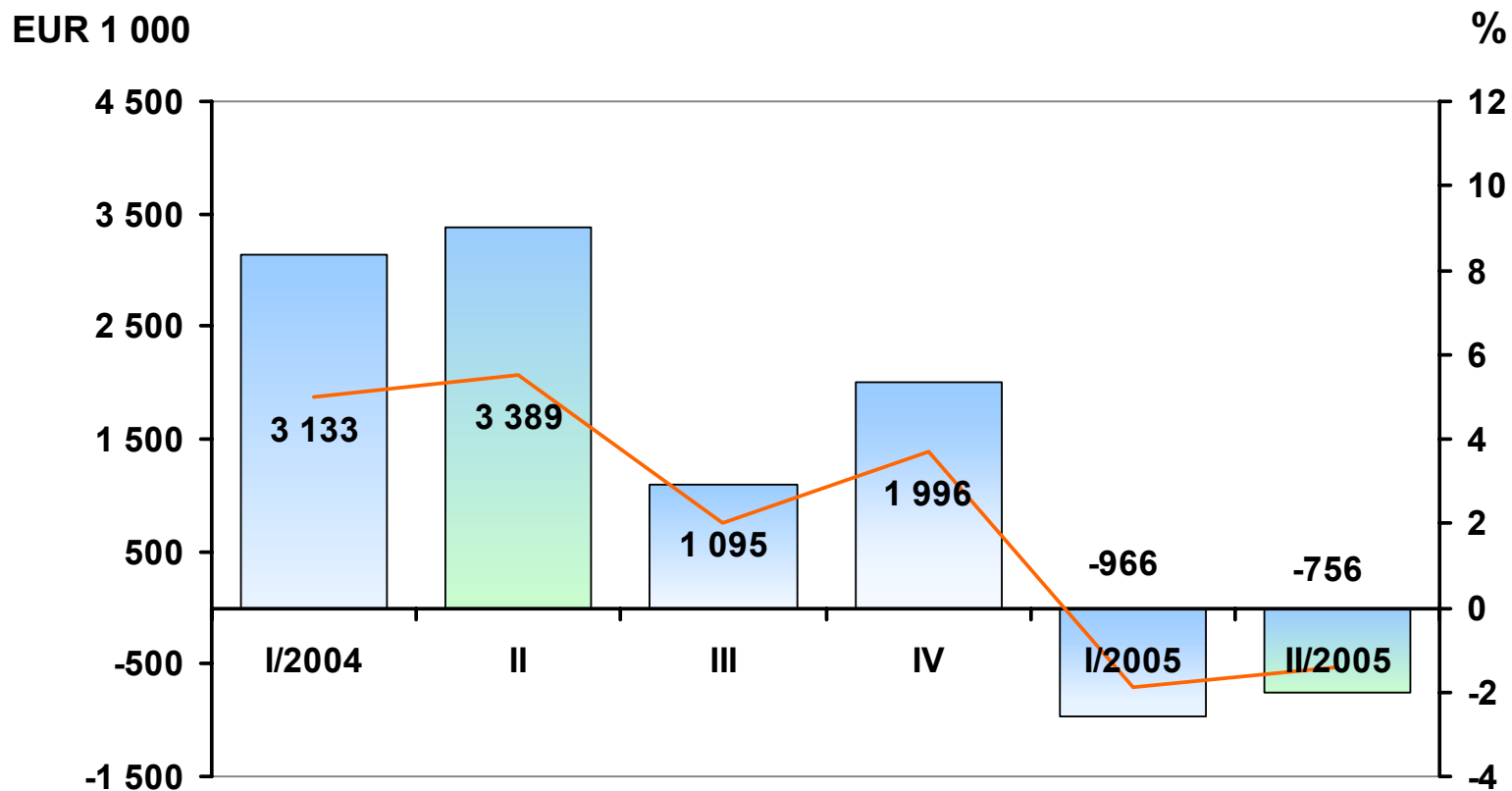
	6/2005	6/2004
Earnings/share, EUR	-0.11	0.18
Equity/share, EUR	2.37	2.78
Cash flow from operations/share, EUR	-0.15	0.02
Return on equity, % (ROE)	-9.0	9.7
Return on invested capital, % (ROI)	-2.1	8.1
Equity ratio, %	28.2	31.9
Equity ratio, %, capital loans in equity	31.2	35.8
Gearing, %	188.8	138.8
Gearing, %, capital loans in equity	161.0	112.9
Gross investments, EUR 1 000	4 334	6 407
Depreciation, EUR 1 000	7 962	8 352

## Suominen Corporation Net Sales I/2004 - II/2005

EUR 1 000



## Suominen Corporation Operating Profit I/2004 - II/2005



## Suominen Total

- **Net sales for the period declined by 15 per cent from the previous year.**
- **Operating loss was EUR 1.7 million, profit after taxes EUR -2.6 million and earnings per share EUR -0.11.**
- **Prices for the oil-based raw materials have declined, but the effect on financial results has been slower than expected.**
- **Adjustment of costs has resulted in additional nonrecurring expenses.**
- **Financing expenses were EUR 2.1 million; amount of interest-bearing debt EUR 107.3 million.**



## Net Sales by Business Area

1 January - 30 June

EUR 1000	2005	2004	Change %
Wipes and Nonwovens			
- Wet Wipes	33 155	46 302	-28.4
- Nonwovens	36 184	37 948	-4.6
- eliminations	-4 640	-1 304	
Total	64 699	82 946	-22.0
Flexible Packaging	34 952	34 047	2.7
Others*	5 464	6 173	-11.5
Total	105 115	123 166	-14.7

\* Include Other Business Operations and consolidation items.

## Earnings by Business Area

1 January - 30 June

EUR 1 000	2005	2004
Wipes and Nonwovens	-1 385	4 960
Flexible Packaging	-355	1 838
Others*	18	-276
Operating profit	-1 722	6 522

\* Include Other Business Operations and consolidation items.

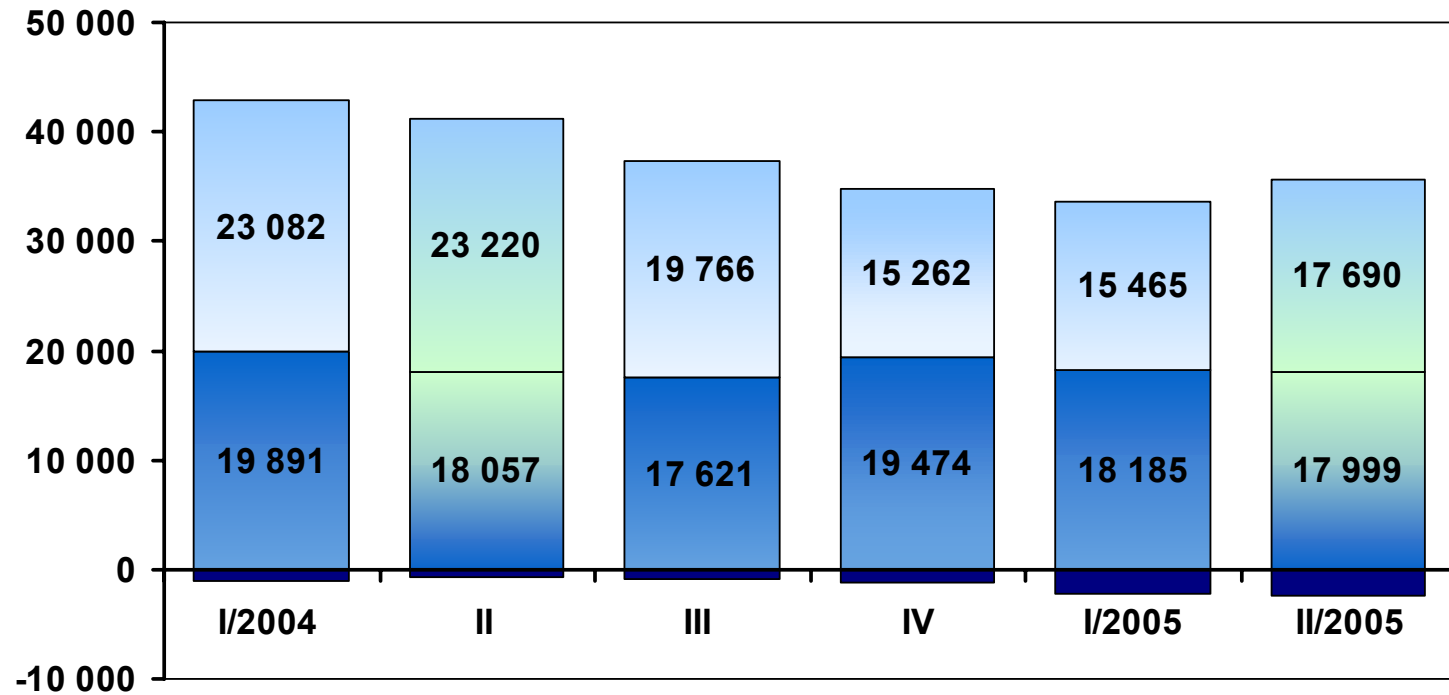
## Wipes and Nonwovens

1 January - 30 June

EUR 1 000	2005	2004	Change %
Net sales	64 699	82 946	-22.0
Operating profit	-1 385	4 960	
Personnel	542	577	-6.1
Investment	2 586	2 016	28.3
Return on invested capital, %	-2.6	9.0	

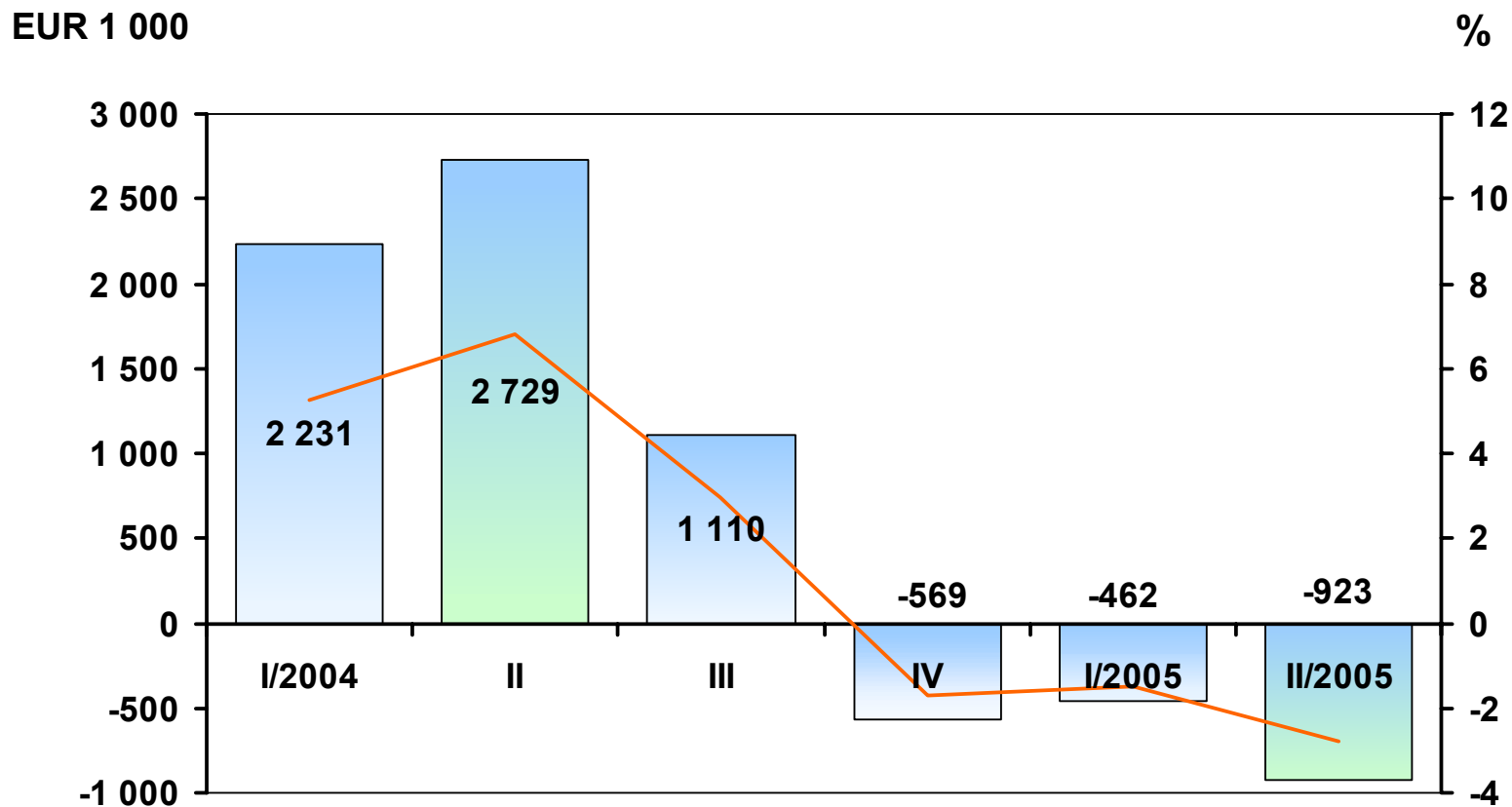
## Wipes and Nonwovens Net Sales I/2004 - II/2005

EUR 1 000



■ Eliminations ■ Nonwovens ■ Wet Wipes

## Wipes and Nonwovens Operating Profit I/2004 - II/2005



## Wipes and Nonwovens

### Wet Wipes

- **Sales volumes, sales prices, and margins from converting were down.**
- **Loss of sales in 2004 has been partly replaced with sales to retail chains.**
- **Utilisation of the modernised production lines improved.**
- **Sales in Q2 up by 14 per cent from Q1.**
- **Delays in machine modernisation, ensuring an adequate level of production and organisational changes led to extra costs.**

## Wipes and Nonwovens

### Nonwovens

- **The volume of sales was smaller compared to 2004.**
- **Sales of hydroentangled nonwovens used mainly in wiping products at the same level than year before.**
- **Deliveries to the US market declined.**
- **Sales to Europe and internal deliveries to the Wet Wipes unit increased.**
- **Sales of thermally bonded nonwovens declined.**

## Flexible Packaging

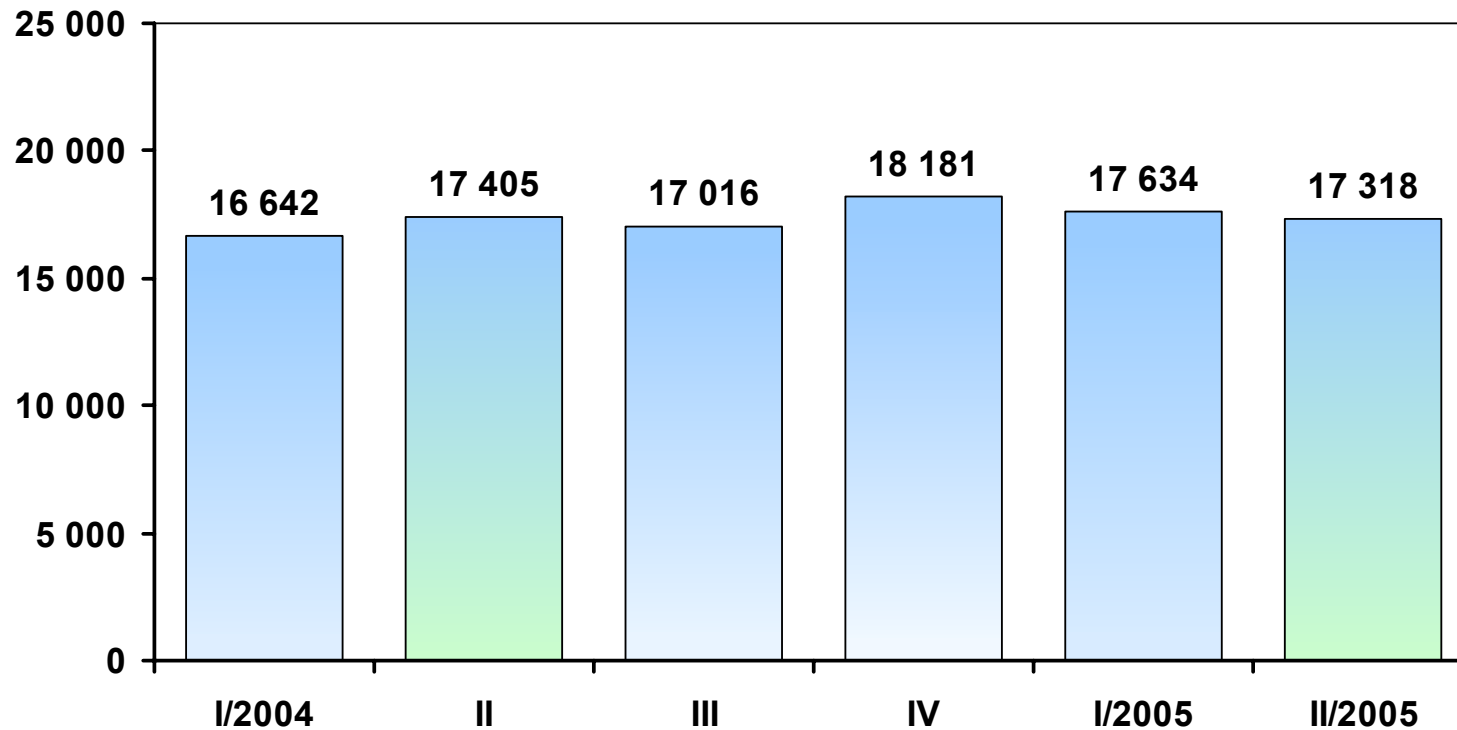
1 January - 30 June

EUR 1 000	2005	2004	Change %
Net sales	34 952	34 047	2.7
Operating profit	-355	1 838	
Personnel	610	617	-1.1
Investment	1 664	4 107	-59.5
Return on invested capital %	-1.4	7.5	

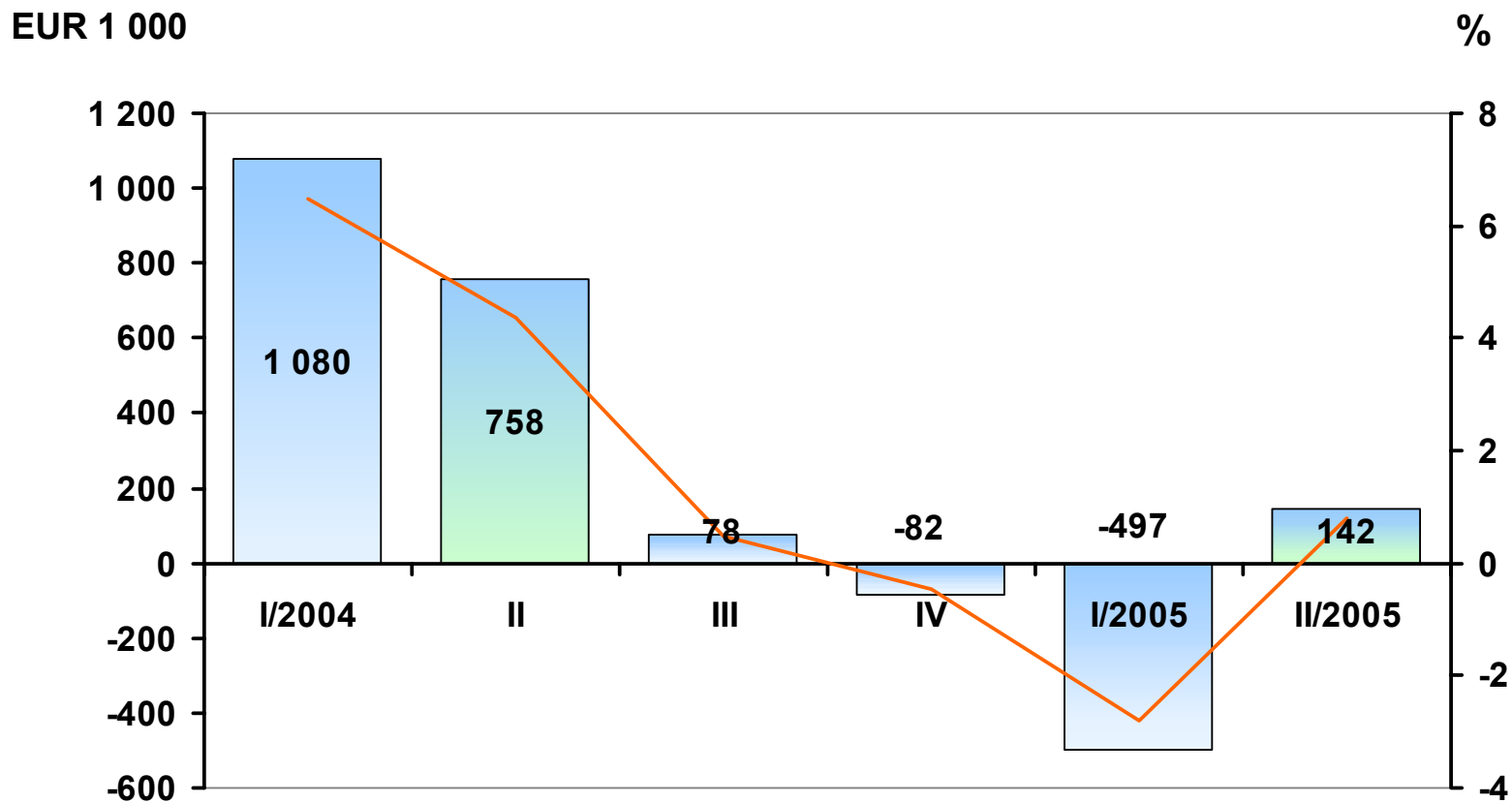


## Flexible Packaging Net Sales I/2004 - II/2005

EUR 1 000



## Flexible Packaging Operating Profit I/2004 - II/2005



## Flexible Packaging

- **Growth was achieved mainly in hygiene product packaging with sales increasing by 15 per cent.**
- **Sales of food packaging also increased. Sales of retail packaging and special products declined on 2004.**
- **Sales prices rose on the previous year and Q1.**
- **Raw material prices came down from the level of Q1.**

## Other Business Operations

1 January - 30 June

EUR 1 000	2005	2004	Change %
Net sales	5 464	6 173	-11.5
Operating profit	18	-276	

- **Other Business Operations include Inka, consolidation items, and items not allocated to the segments.**
- **Inka's operations are stabilising thanks to measures taken in 2004. Operating profit came to EUR 0.3 million.**

## Outlook

- **Based on contracts concluded, customer-need forecasts, and orders in hand, net sales for 2005 are expected to be approximately 10 per cents below 2004.**
- **Operating profit and profit for the current year are expected to improve towards the end of the year. However, a loss is forecasted for the year.**