

Suominen Corporation

Financial Statements

1 January - 31 December 2007

Presentation 11 February 2008



Performance

**Kalle Tanhuanpää
President and CEO**

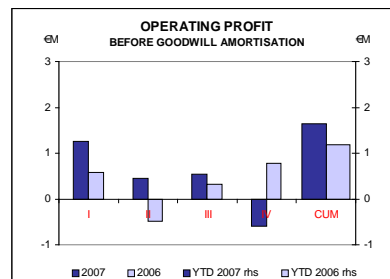
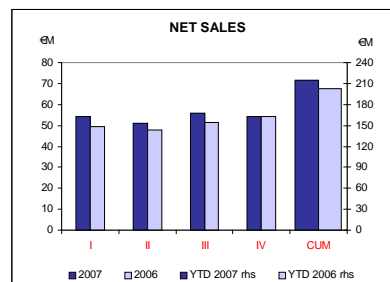
Suominen highlights

| EUR million | Q4/2007 | Q4/2006 | 2007 | 2006 |
|--|---------|---------|--------------|-------|
| Net sales | 54.1 | 54.2 | 215.2 | 202.6 |
| Operating profit before goodwill amortisation | -0.6 | 0.8 | 1.7 | 1.2 |
| Operating profit | -9.0 | 0.8 | -6.8 | 1.2 |
| Net result | -9.7 | -0.1 | -10.1 | -1.8 |
| EPS, EUR | -0.41 | 0.00 | -0.43 | -0.08 |

- Sales grew by 6%, especially in Nonwovens.
- Stairs to Top efficiency-enhancement programme had a positive impact of EUR 4 million.
- Efficiency enhance measures work with delay - new investments in know-how
- Raw material costs high, also energy, freight and non-recurring costs up
- Uncertainty in the general market place motivated impairment loss in goodwill

Operative result slightly higher

- Q4 Operating profit before goodwill amortisation down from last year.
- Operating profit for 2007 before goodwill amortisation EUR 1.7 million (1.2).
- Higher sales volumes had a positive effect, Stairs to Top efficiency-enhancement programme contributed EUR 4.0 million.
- Head wind from considerably higher raw material prices, energy and other costs.
- Production efficiency in Wipes and Nonwovens did not meet with expectations.

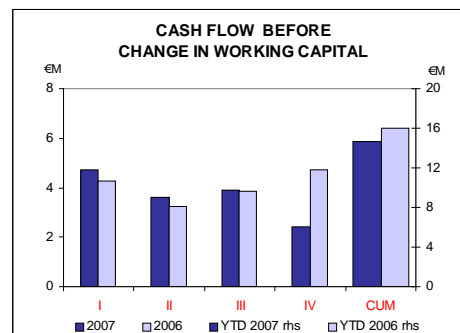


Goodwill impairment

- For the last quarter of 2007 Suominen recorded an impairment loss of EUR 8.4 million.
- Result after taxes for Suominen EUR -10.1 million.
- The write-offs relate to the Wet Wipes' and Nonwovens' business operations and have no effect on cash flow.
- The uncertainty relating to the amount and timing of future cash flows from these cash-generating units is estimated to have increased, which decreases the units' values in use.
- Suominen's goodwill after the write-off amounts to EUR 26 million.

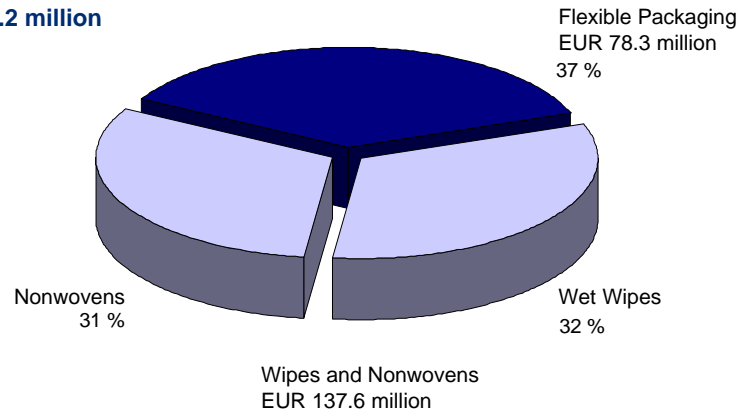
Operating cash flow

- Cash flow before change in working capital was EUR 14.7 million (16.0).
- Cash flow from operations was EUR 2.7 million (12.5). EUR 7.3 million was tied up in increased sales and inventories.
- Gross investment payments were EUR 12.9 million, sale of assets EUR 1.6 million.



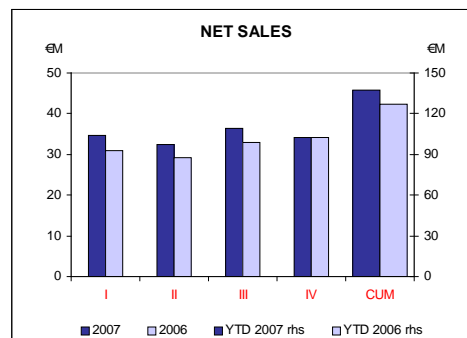
Break down of net sales 1 - 12/2007

EUR 215.2 million



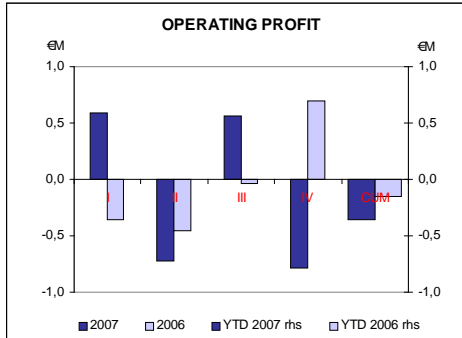
Wipes and Nonwovens - strong growth continued

- Q4 net sales were on the level of 2006.
- Total year net sales up by 8%.
- Net sales of **Wet Wipes** were on the level of the previous year.
- Sales to brand customers were up, volumes grew particularly in Q4 after product renewals.
- Sales to retailers decreased.
- Net sales of **Nonwovens** improved by 14%.
- Strong sales to the US market
- Europe regained sales momentum towards the end of the year.
- Organisational changes underway in the business area.



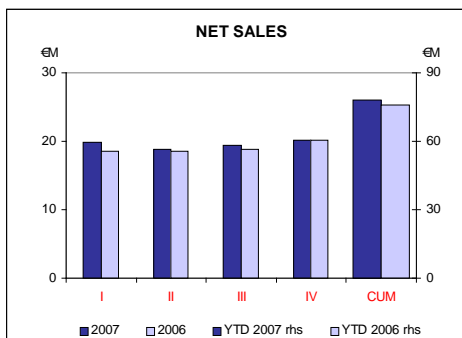
Wipes and Nonwovens - challenges in operations

- For **Wet Wipes**, assortment re-launches caused a temporary stand-still in summer.
- Wet Wipes was unable to adapt line manning to uneven volumes.
- Operational efficiency started to turn to better. Warehouse automation was commissioned.
- **Nonwovens'** result suffered from continued increases in raw material prices.
- Production failed to improve efficiency.
- The new water treatment system was completed.



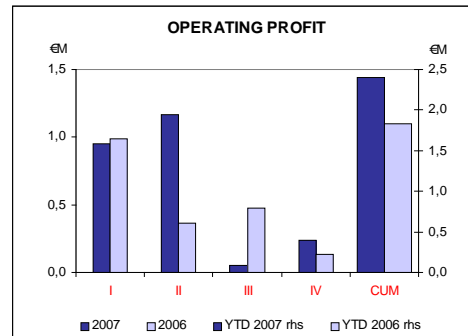
Flexible Packaging - solid sales development

- Q4 net sales were on the level of 2006.
- Net sales for 2007 up by 3%.
- Growth most visible in retail packaging and security & system packaging.
- Steady demand for hygiene and food sectors.
- Sales of PET bottle labels progressed well.
- New printing press in Poland started.
- Sales in eastern Europe continued to increase.



Flexible Packaging - raw material price and cost pressures

- Raw material prices increased costs.
- Operational inefficiencies emerged in one Finnish site, partly following product transfers from last year. Reductions in personnel in Sweden were completed.
- One-off costs in Q4. Start-up stage of printing press in Poland with relatively higher costs in Q4.
- Progress in efficiency-enhancement programs.



Savings and efficiency-enhancement programme 2008

Starting point

- During 2006 and 2007 we totalled to EUR 10 million improvement in cost savings and efficiencies.
 - Major investments completed in 2007 will also boost efficiency this year.
 - Flexible Packaging - enlargement of Polish operations
 - Nonwovens - water treatment
 - Wet Wipes - warehouse automation
- Increased competence and know-how in the organisation.

Target 2008

- Achieve EUR 7 million in cost savings and efficiency improvement.

Outlook

- Consumption of the main products produced by Suominen is expected to grow faster than general consumption on the Company's geographical markets.
- The focus of Suominen's operations in 2008 will be on securing a clear improvement in profitability, strong cash flow and capital structure. Investments already made, together with investments in know-how, will help improve efficiency. The ongoing cost-saving and efficiency-enhancement programme is expected to improve Suominen's competitiveness.
- The prices of the main raw materials used by Suominen have continued to increase this year, and they are expected to remain high for at least the first part of the year. Also energy prices are expected to remain high.
- Underlying operating profit is expected to improve on 2007 although no major changes are expected in the level of net sales. Beginning of the year, however, is anticipated to be challenging.

Creating Convenience

