

SUOMINEN CORPORATION

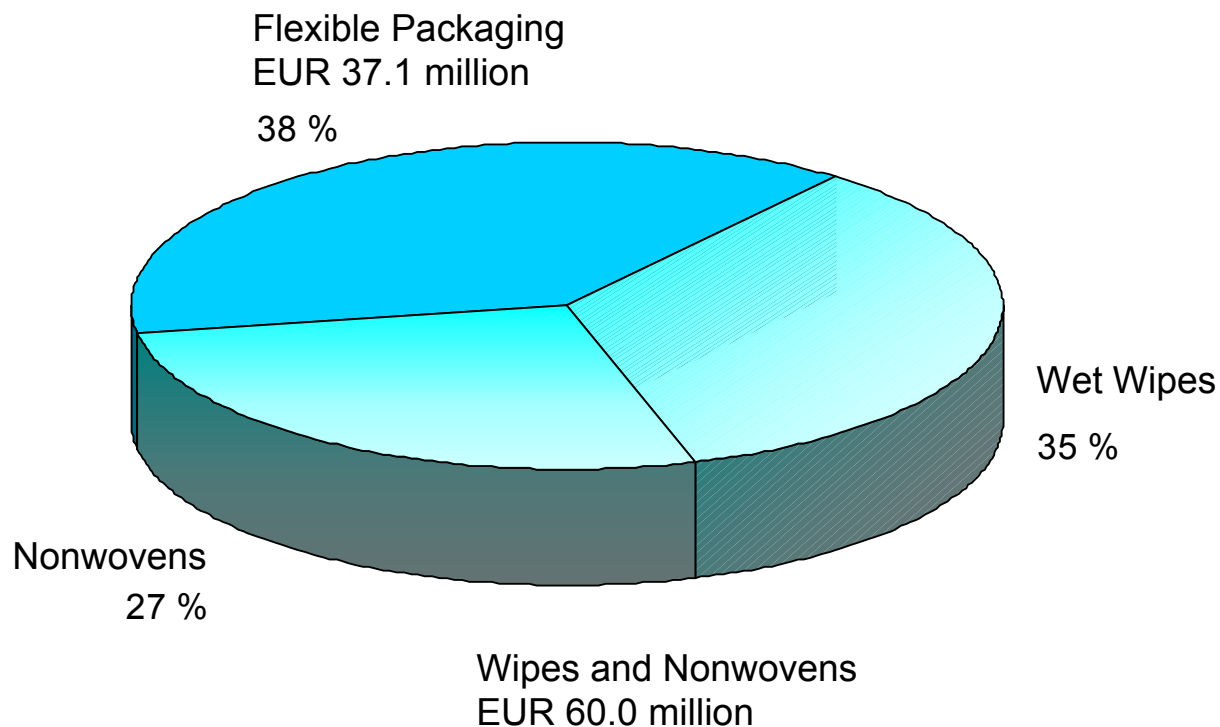
INTERIM REPORT
1 JANUARY - 30 JUNE 2006

PRESENTATION 24 JULY 2006



Breakdown of Net Sales 1 - 6/2006

EUR 97.0 million



P & L in Brief

1 April - 30 June

EUR million	2006	2005	Change %
Net sales	47.7	51.0	-6.6
Operating profit	-0.5	-0.9	46.5
Profit before taxes	-1.4	-1.7	17.5
Taxes	0.5	0.5	
Profit/loss for the period from continuing operations	-1.0	-1.3	
Profit/loss for the period from discontinued operations	0.0	0.1	
Profit/loss for the period	-1.0	-1.2	

P & L in Brief

1 January - 30 June

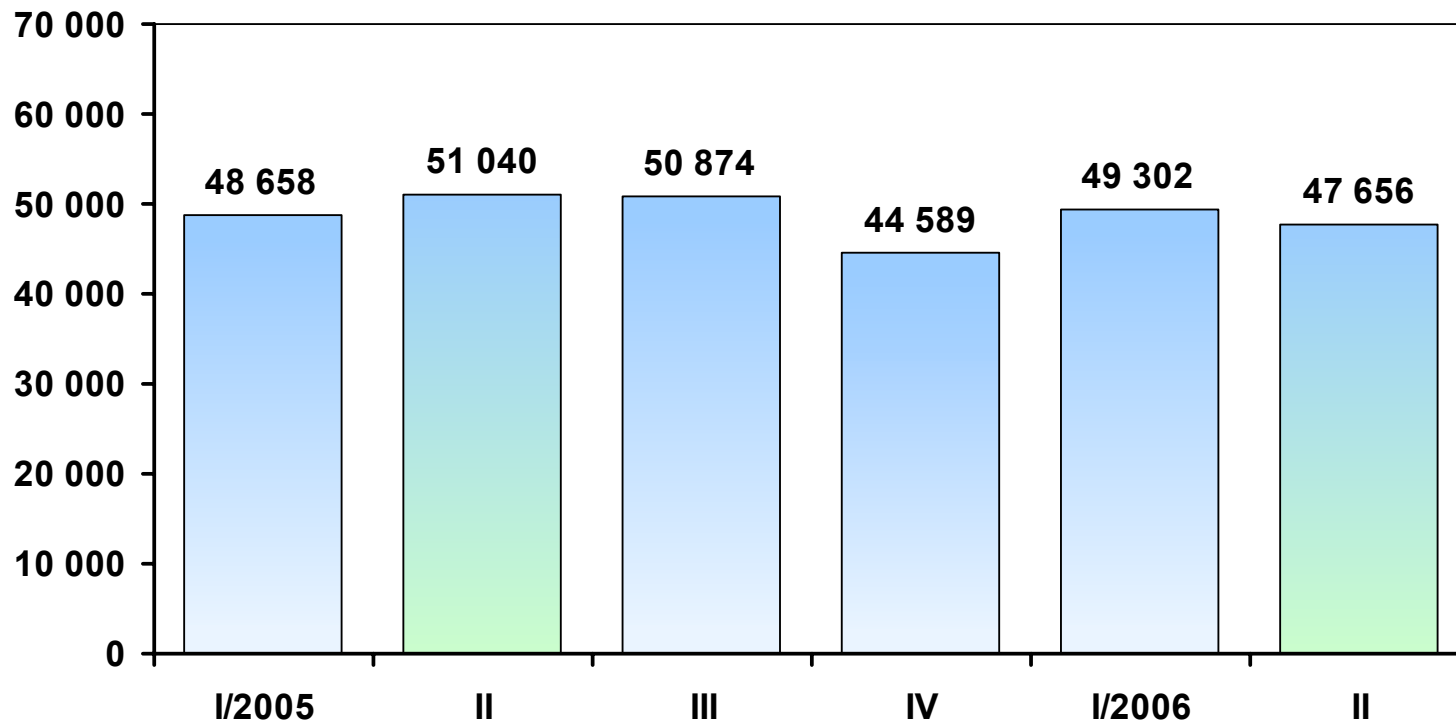
EUR million	2006	2005	Change %
Net sales	97.0	99.7	-2.7
Operating profit	0.1	-2.0	106.5
Profit before taxes	-1.8	-3.9	55.0
Taxes	0.6	1.3	
Profit/loss for the period from continuing operations	-1.2	-2.6	
Profit/loss for the period from discontinued operations	0.0	0.1	
Profit/loss for the period	-1.2	-2.5	

Key Figures

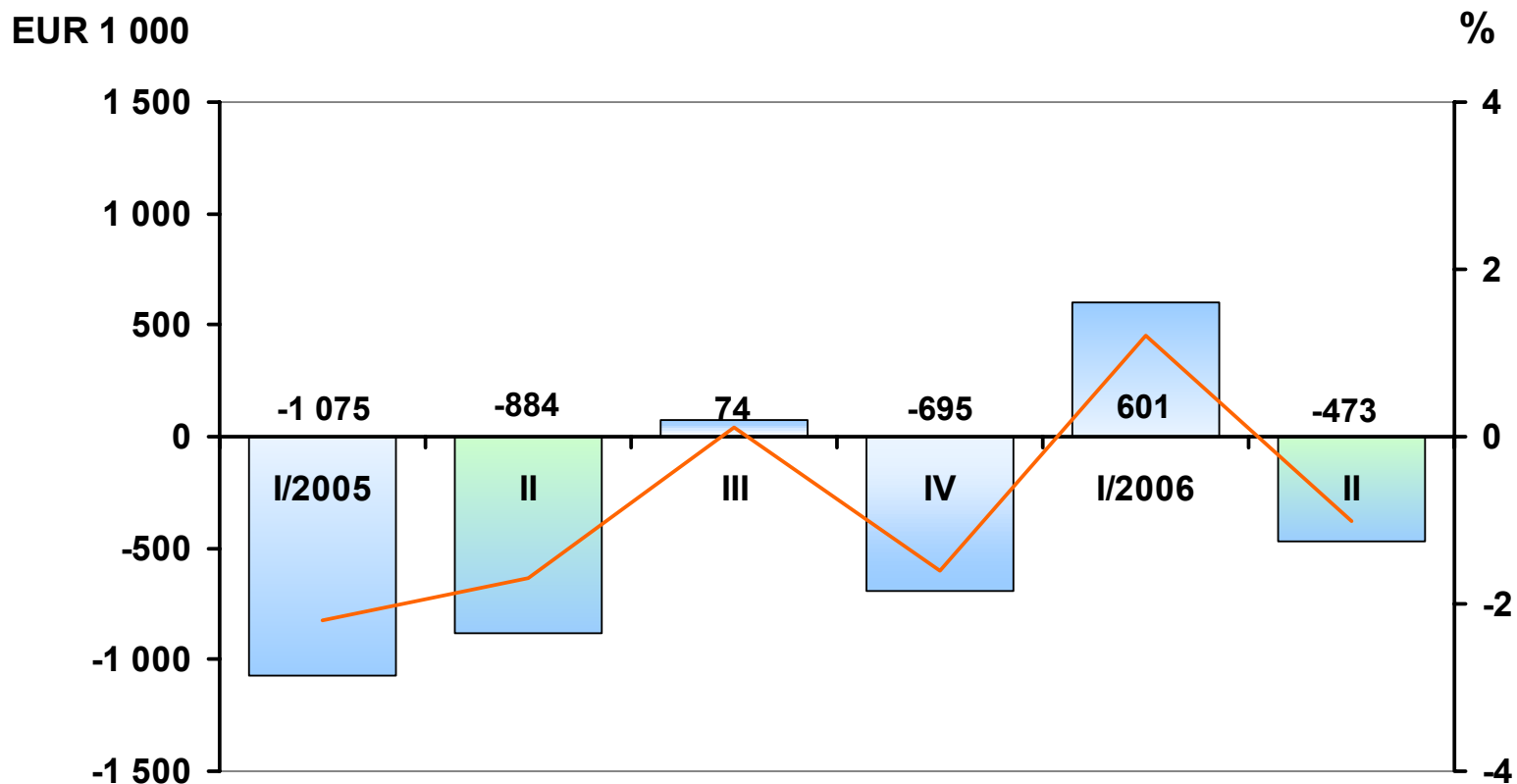
	6/2006	6/2005
Earnings/share, EUR	-0.05	-0.11
Equity/share, EUR	2.39	2.36
Cash flow from operations/share, EUR	0.12	-0.17
Return on equity, % (ROE)	-4.2	-9.3
Return on invested capital, % (ROI)	0.3	-1.9
Equity ratio, %	31.2	28.2
Equity ratio, %, capital loans in equity	33.4	31.2
Gearing, %	169.3	189.3
Gearing, %, capital loans in equity	151.5	161.3
Gross investments, EUR 1 000	1 429	4 257
Depreciation, EUR 1 000	7 373	7 718

Suominen Corporation Net Sales, Continuing Operations I/2005 - II/2006

EUR 1 000



Suominen Corporation Operating Profit, Continuing Operations I/2005 - II/2006



Suominen Highlights

- **The cost cutting program aiming at EUR 5 million in cost reductions has progressed according to plan with savings of EUR 3 million so far.**
- **Sales volume has decreased by 3 per cent on the same period in 2005 due to falling sales of Nonwovens.**
- **Prices for oil-based raw materials were higher than in corresponding period of 2005.**
- **Clear profit improvement in Flexible Packaging.**

Net Sales by Business Area

1 January - 30 June

EUR 1000	2006	2005	Change %
Wipes and Nonwovens			
- Wet Wipes	33 586	33 155	1.3
- Nonwovens	32 203	36 340	-11.4
- eliminations	-5 815	-4 640	
Total	59 974	64 855	-7.5
Flexible Packaging	37 087	34 899	6.3
Consolidation items and eliminations	-103	-56	
Net sales, continuing operations, total	96 958	99 698	-2.7

Earnings by Business Area

1 January - 30 June

EUR 1 000	2006	2005
Wipes and Nonwovens	-771	-1 317
Flexible Packaging	1 353	-400
Consolidation items and eliminations	-454	-242
Operating profit from continuing operations	128	-1 959

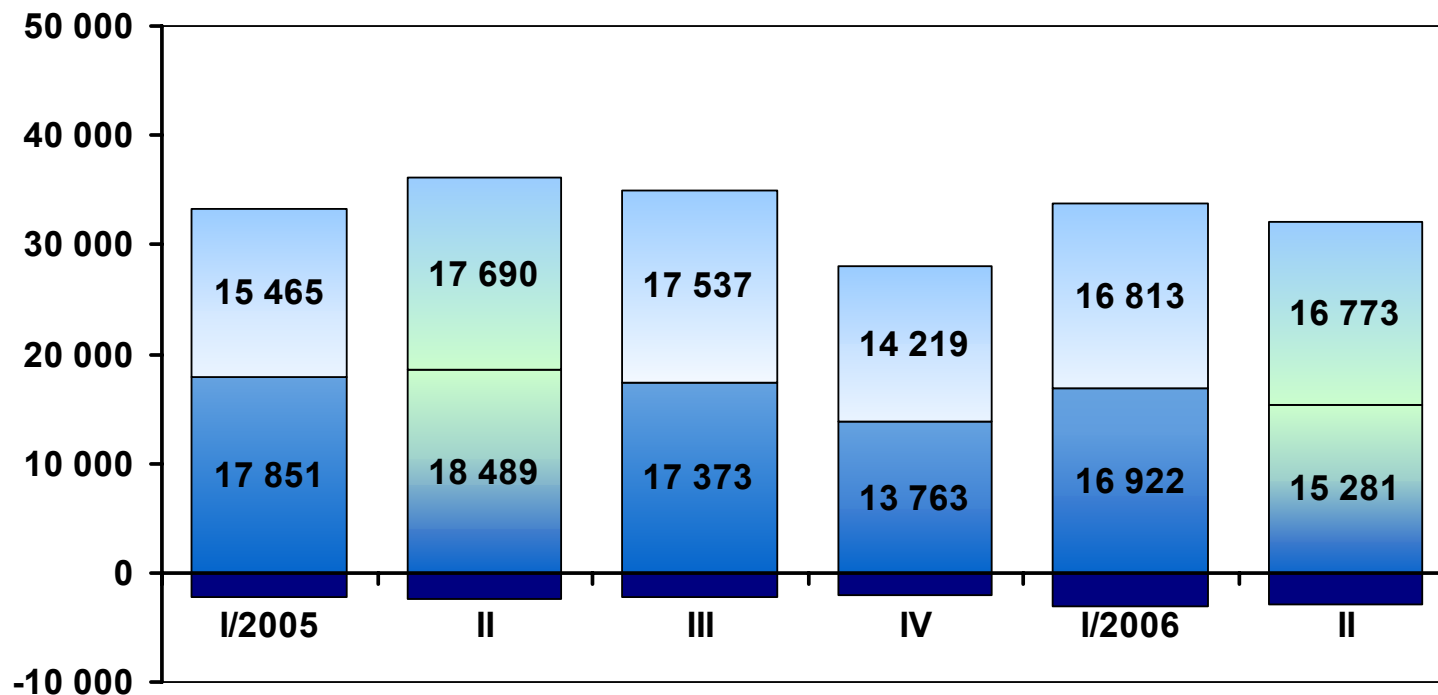
Wipes and Nonwovens

1 January - 30 June

EUR 1 000	2006	2005	Change %
Net sales	59 974	64 855	-7.5
Operating profit	-771	-1 317	
Personnel	450	542	-17.0
Investment	748	2 586	-71.1

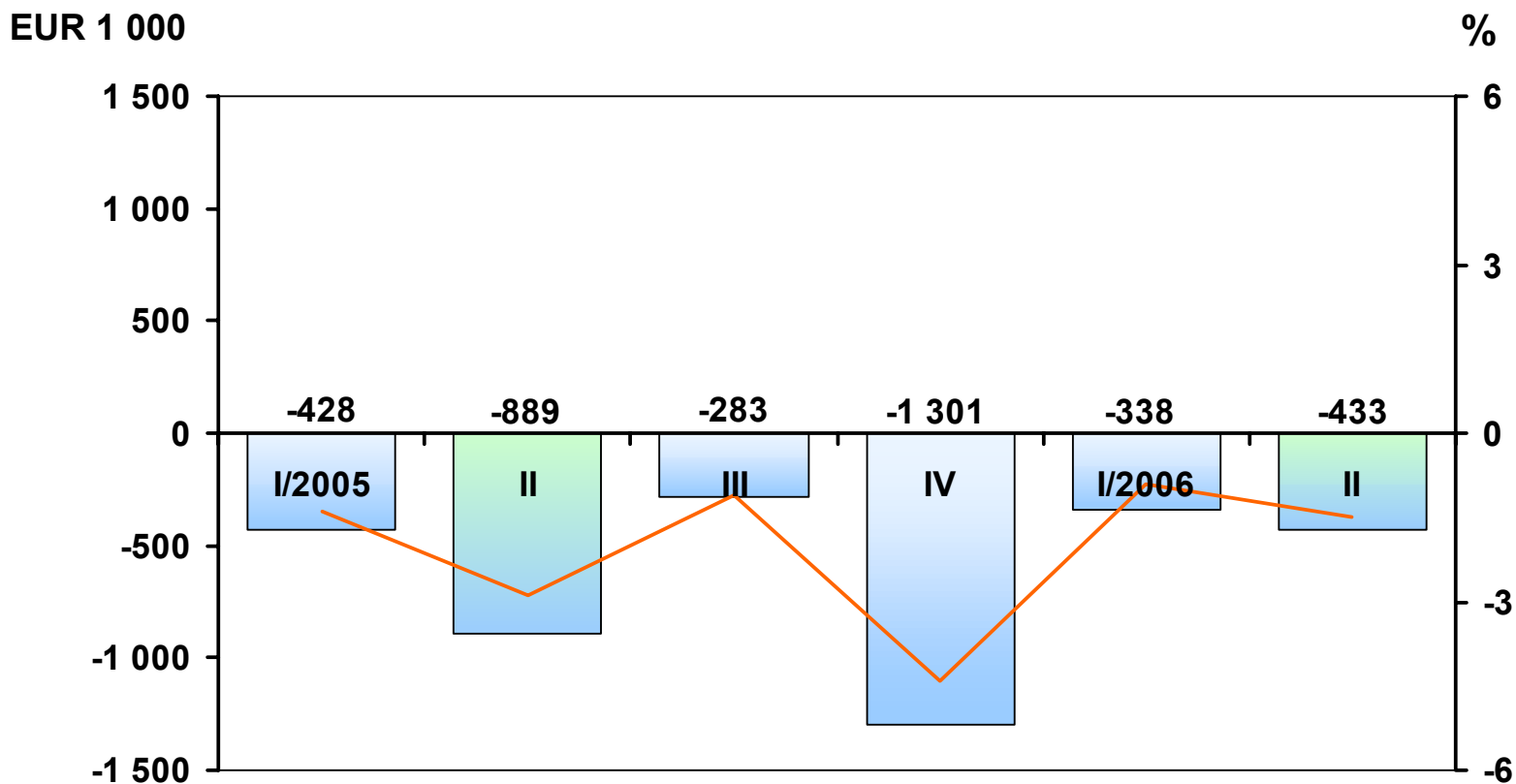
Wipes and Nonwovens Net Sales I/2005 - II/2006

EUR 1 000



■ Eliminations ■ Nonwovens ■ Wet Wipes

Wipes and Nonwovens Operating Profit I/2005 - II/2006



Wipes and Nonwovens

Wet Wipes

- **Net sales were on the level of 2005.**
- **Market for wet wipes in Europe continued to grow, however tough competition prevails.**
- **Sales growth has been slower than expected.**
 - **Some development projects start with delay.**
 - **Growth of sales to retail chains were not in line with targets.**
- **Cost reduction program has proceeded as planned, and customer service has normalised.**
- **Operating costs and number of employees down from 2005.**
- **New sales organisation: brand good companies and retail chains.**

Wipes and Nonwovens Nonwovens

- **Net sales declined by 11 per cent due to falling sales of thermally bonded hygiene product material.**
- **Sales of wiping material slowed down in Q2, internal deliveries to the Wet Wipes unit continued to grow.**
- **Sales prices were on the level of the previous year.**
- **Costs were adjusted to reflect reduced sales.**
- **Energy prices eroded profitability.**

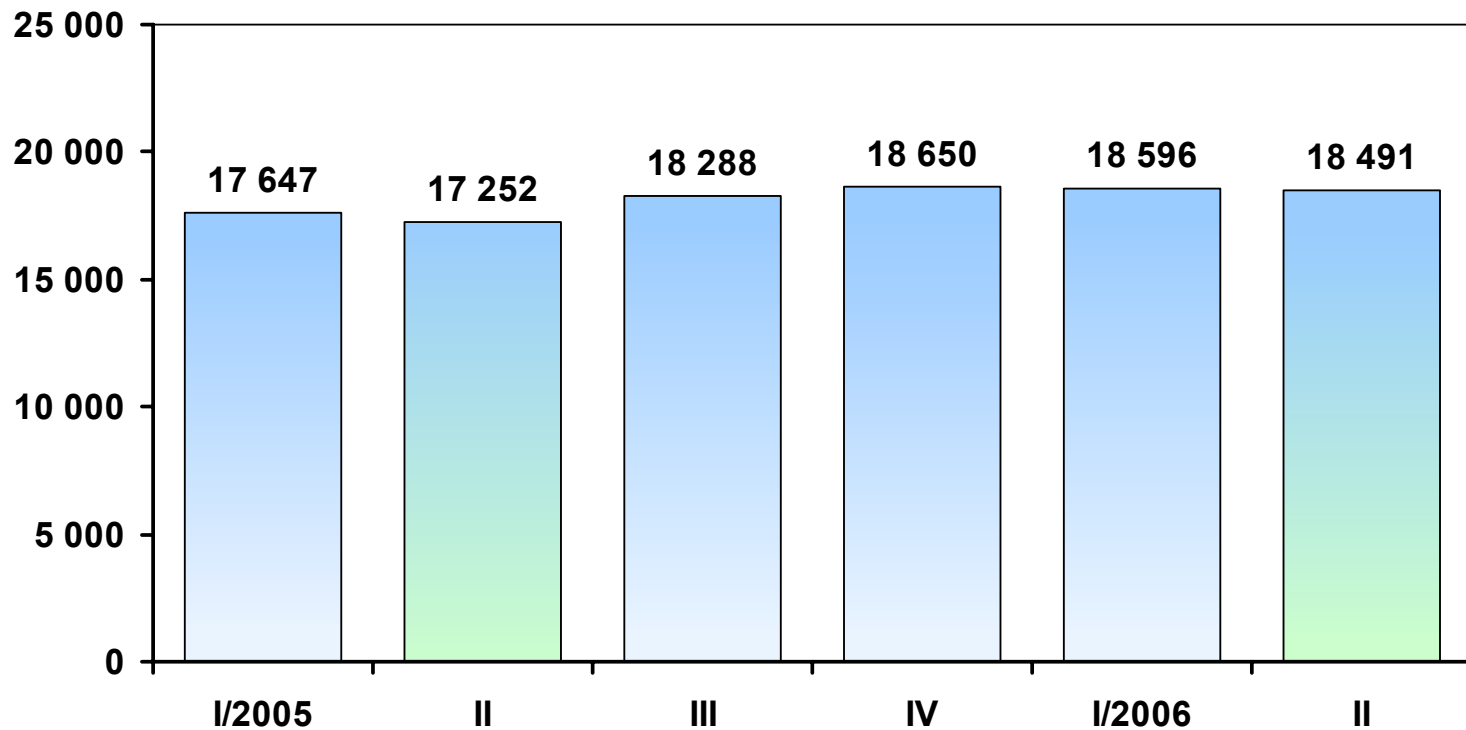
Flexible Packaging

1 January - 30 June

EUR 1 000	2006	2005	Change %
Net sales	37 087	34 899	6.3
Operating profit	1 353	-400	
Personnel	600	610	-1.6
Investment	617	1 664	-62.9

Flexible Packaging Net Sales I/2005 - II/2006

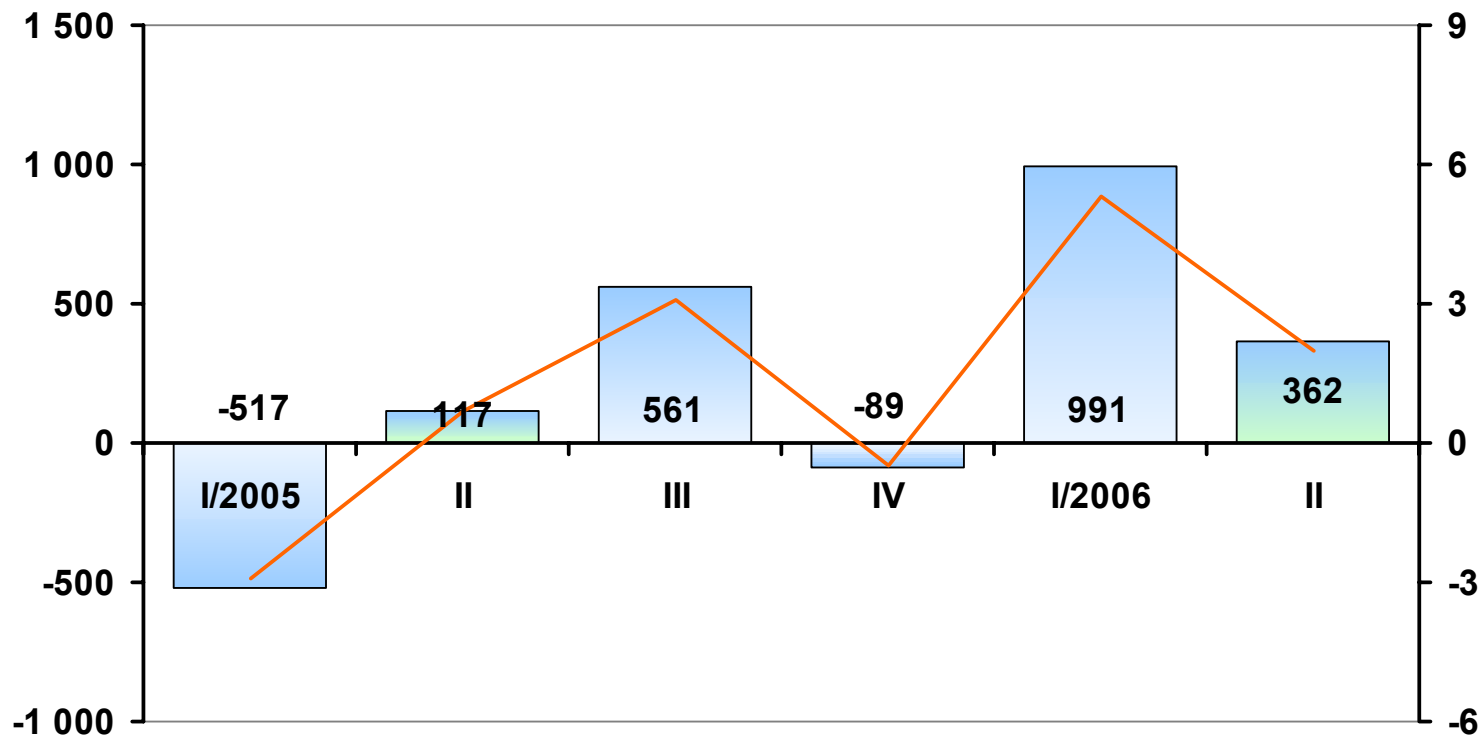
EUR 1 000



Flexible Packaging Operating Profit I/2005 - II/2006

EUR 1 000

%



Flexible Packaging

- **Sales increased by 6 per cent thanks to higher sales prices and changes in the sales mix. Volume fell by 4 per cent.**
- **Sales of hygiene product packaging rose.**
- **Sales of food packaging were on the level of 2005.**
- **Deliveries of retail packaging declined clearly, and production was adjusted to demand.**
- **Production volume in the Polish plant continued to grow.**
- **At Kauhava, negotiations concerning the closure of the bread packaging plant were concluded on 17 July 2006.**

Outlook

- **Based on estimated market situation and use forecasts provided by customers, net sales for 2006 are expected to be on the level of 2005.**
- **Use of own nonwovens in wet wipes is increasing as planned.**
- **Cost cutting program, decided in autumn 2005, is going to be realised.**
- **Fluctuation in prices for oil-based raw materials and energy affect the estimated financial performance.**
- **Operating profit and profit for the financial year are expected to improve over 2005. However, loss after taxes is still expected.**

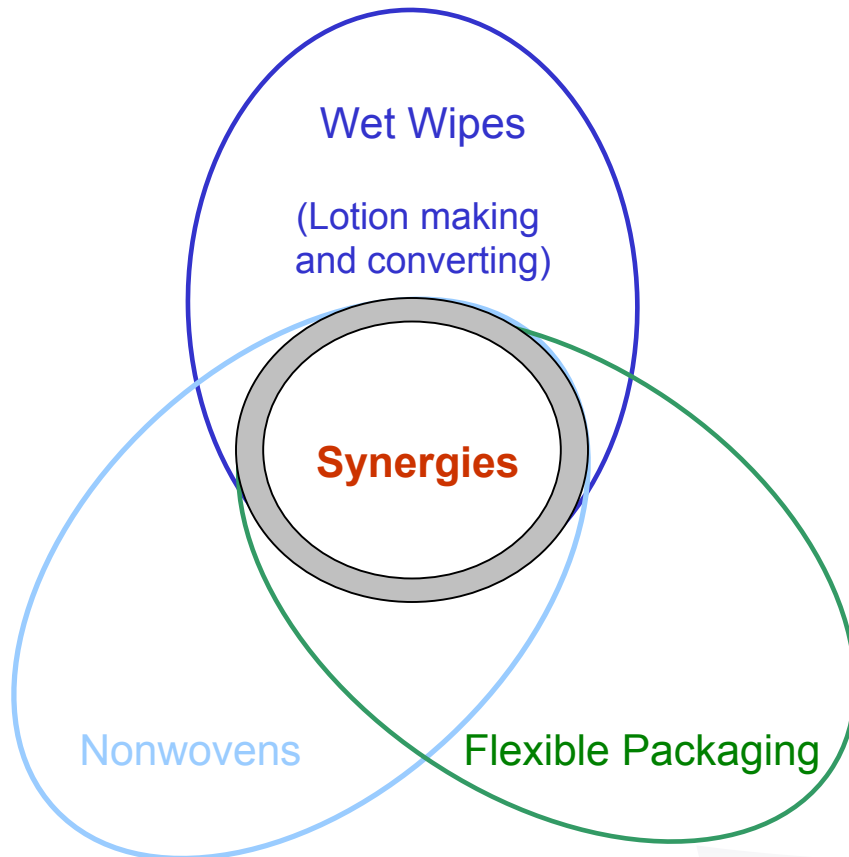
Moving Forward



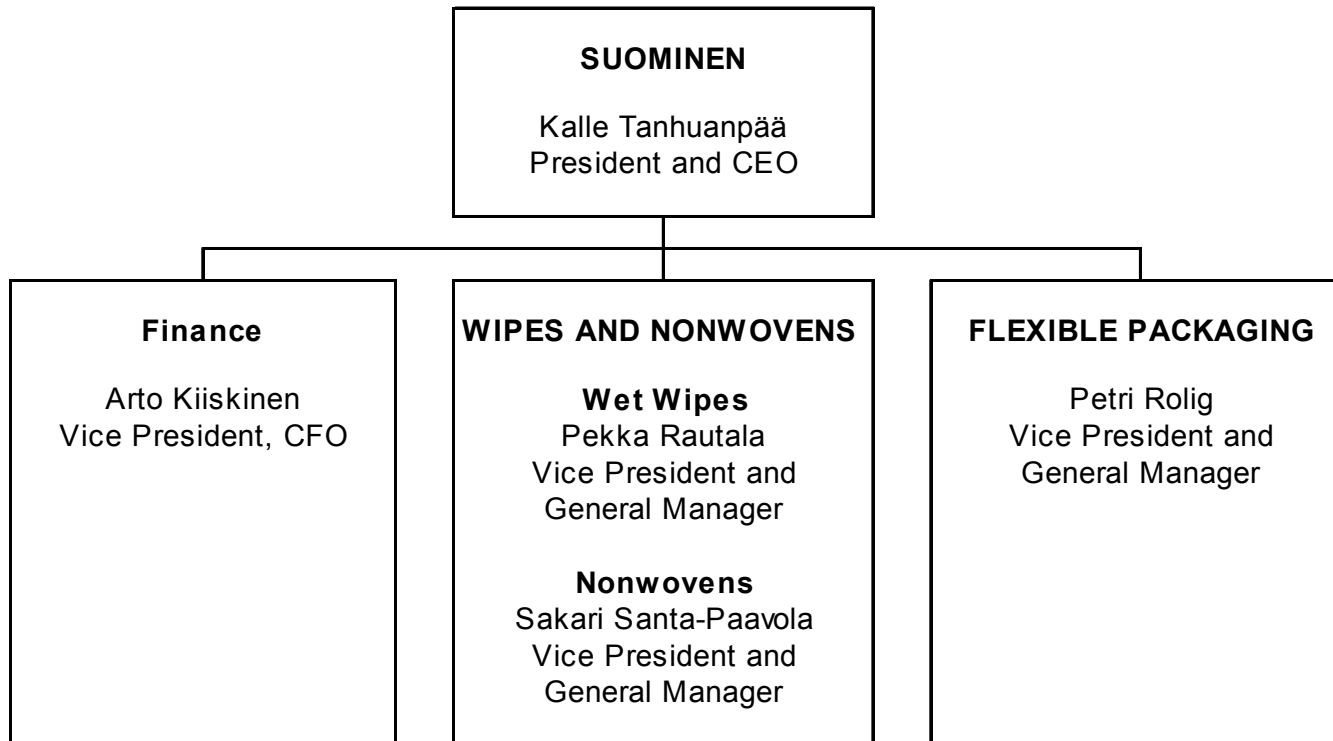
Strategic Pillars

- **Long term cooperation through development partnering with key customers.**
- **Efficiency in value chain through cost reduction and continuous improvement.**
- **Profitable growth through value added offering.**
- **Leverage on synergy.**

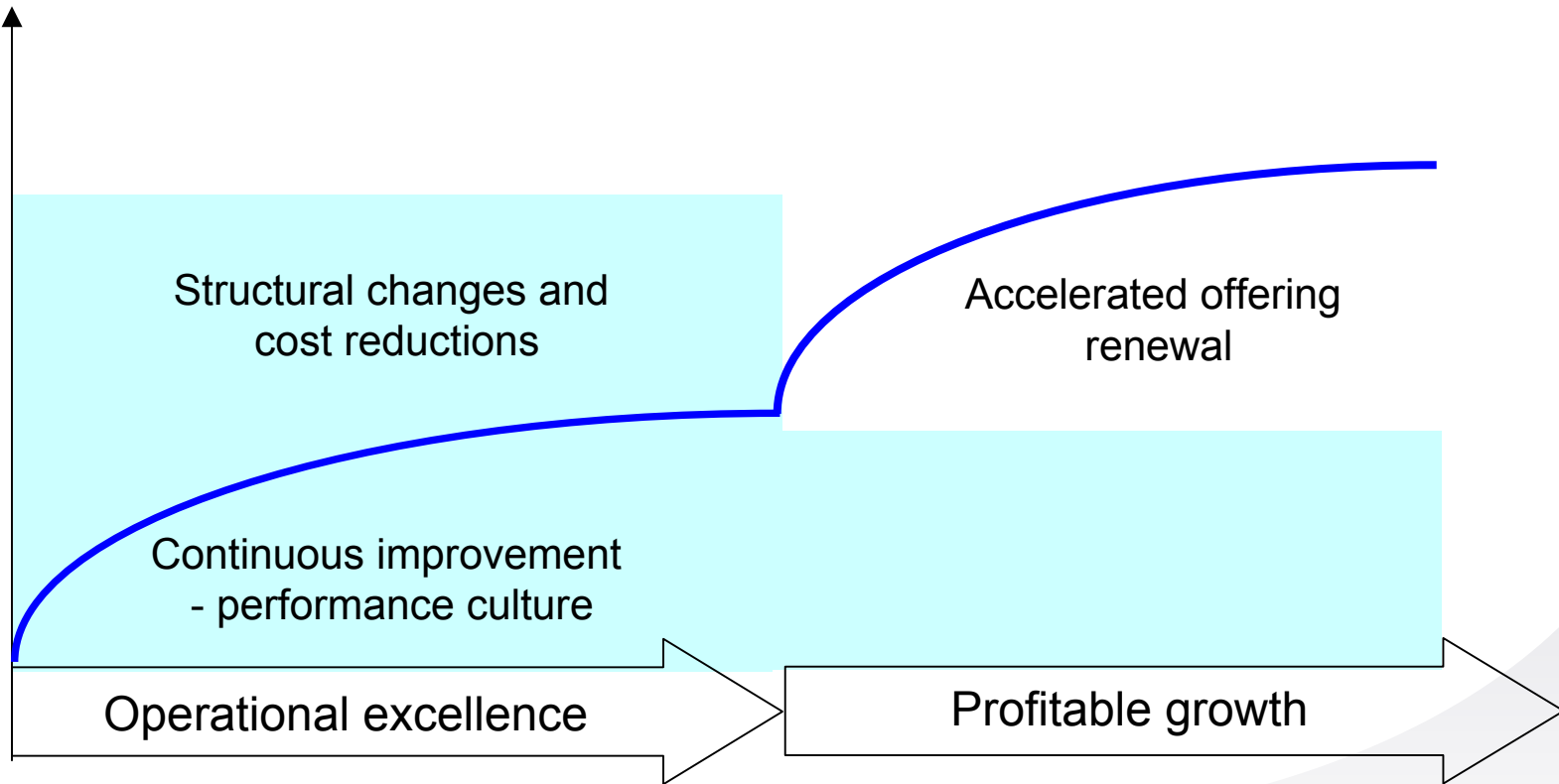
Suominen is Unique



Management as of 1 October 2006



Profit Drivers - Longer Term



Short Term Focus Areas

- **Cost reduction - Flexible Packaging & Nonwovens**
- **Continuous improvement - Wet Wipes**
- **Sales performance - all units**