

SUOMINEN CORPORATION

**Interim Report
1 January - 30 September 2006**

Presentation 26 October 2006

Performance

Kalle Tanhuanpää, President and CEO

Suominen highlights

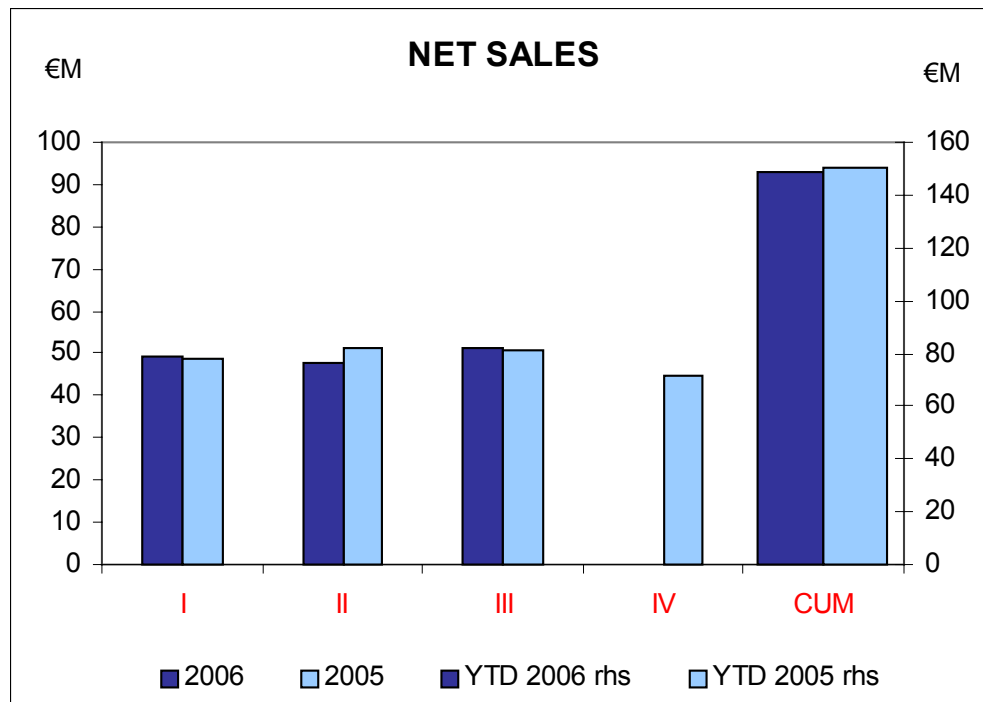
Continuing operations

EUR million	Q3 2006	Q3 2005	YTD 2006	YTD 2005	2005
Net sales	51.4	50.9	148.4	150.6	195.2
EBIT	0.3	0.1	0.5	-1.9	-2.6
Net result	-0.4	-0.6	-1.6	-3.2	-4.2
EPS, EUR	-0.02	-0.02	-0.07	-0.14	-0.18

- Q3 sales higher than in 2005.
- Performance continues to improve steadily.
- Cost savings program proceeded well.
- Sales price management improved.
- Prices for oil-based raw materials kept on rising.

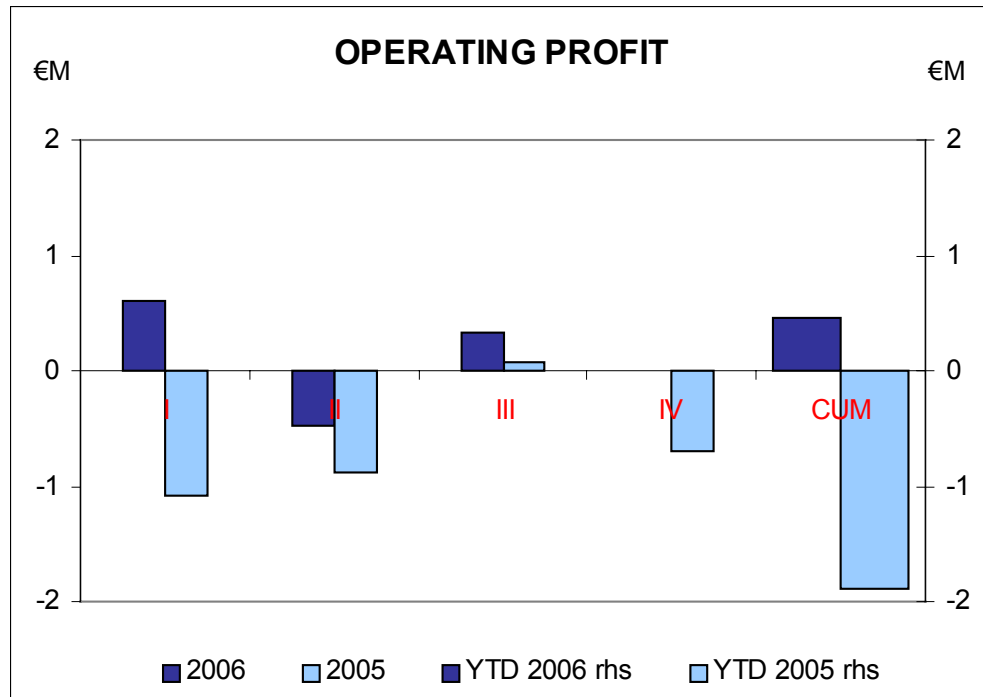
Sales recovering

- Net sales in Q3 up by 1 per cent.
- Net sales YTD down by 1 per cent.
- Sales volume grew in all areas after summer.



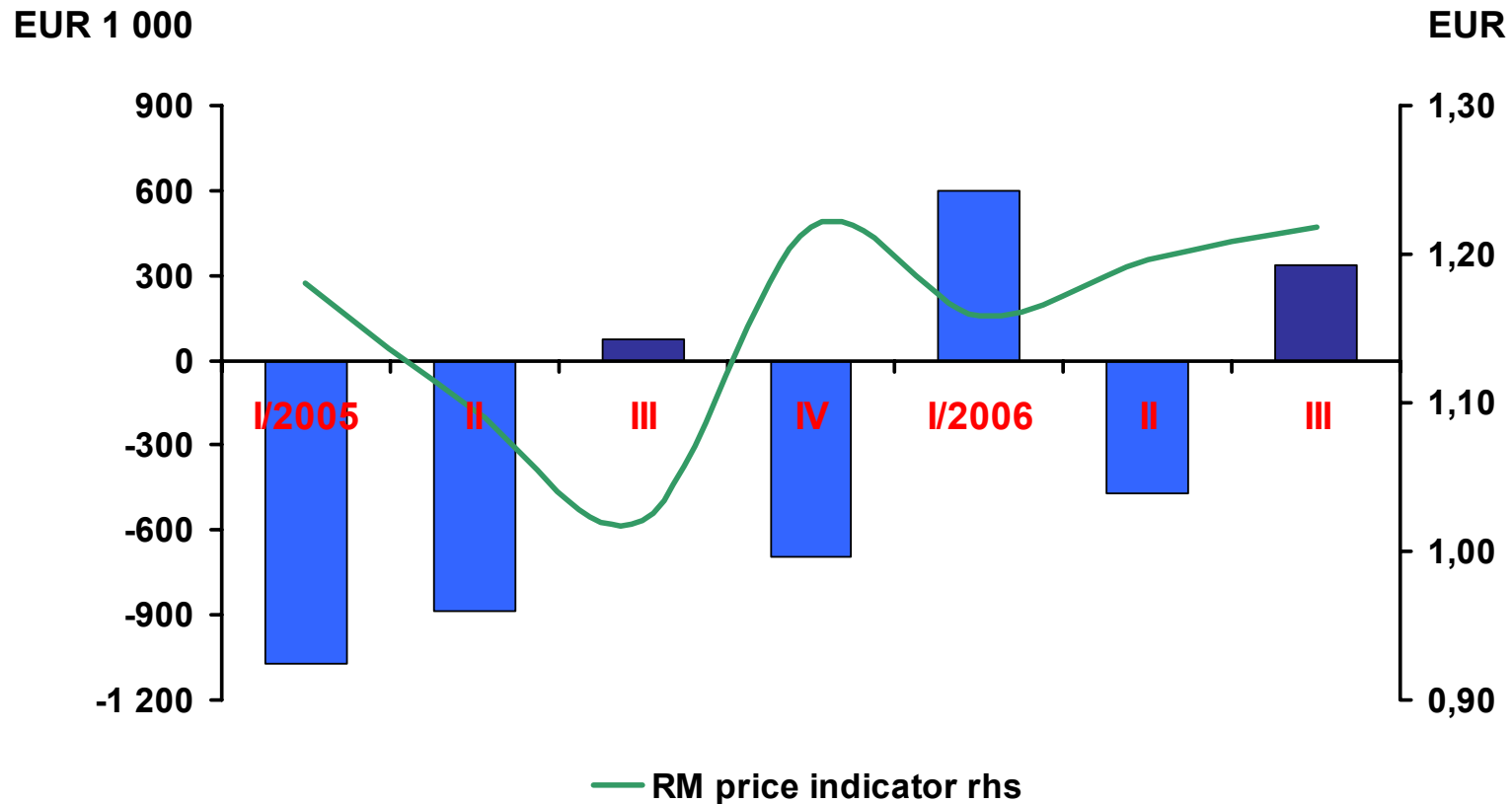
Profit improved

- EBIT back in black.
- Cost savings program proceeds according to plans in all units, savings YTD EUR 4.5 million.
- Costs up in energy, electricity and freights.

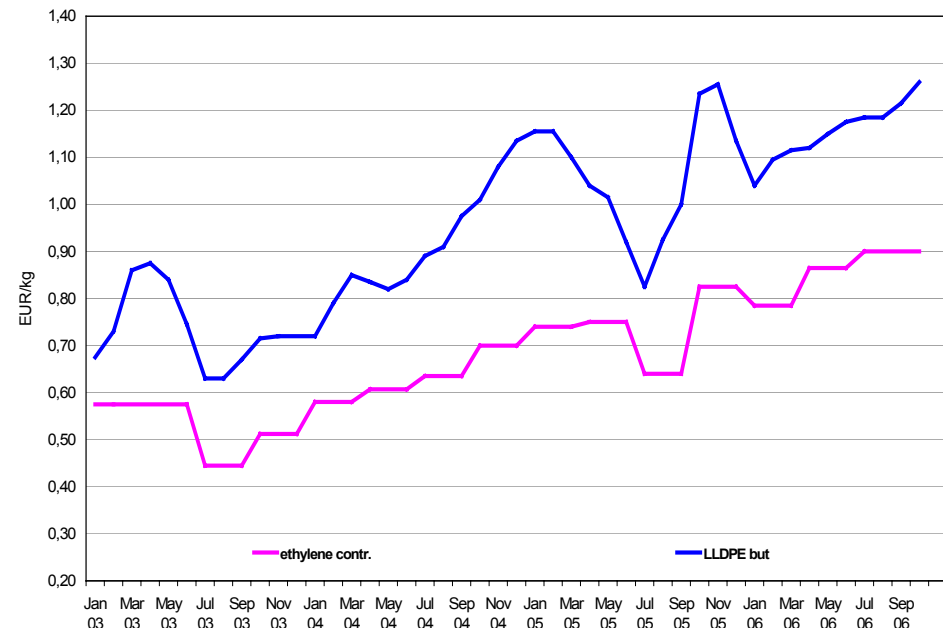
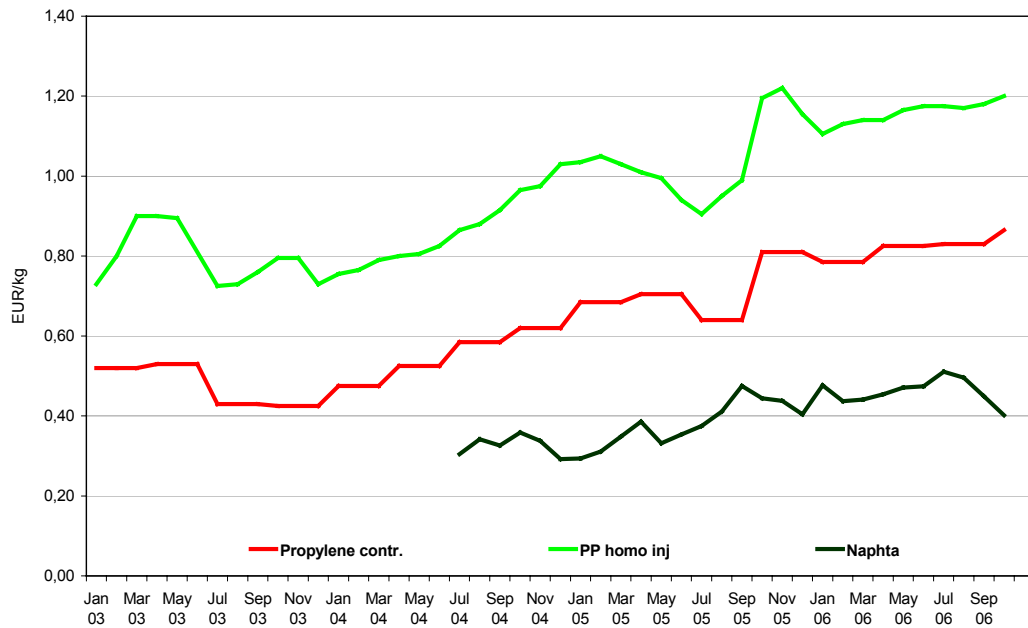


Operating profit vs. raw material prices

- RM-escalators work with delay, but Q3 EBIT still in black.



Raw material prices

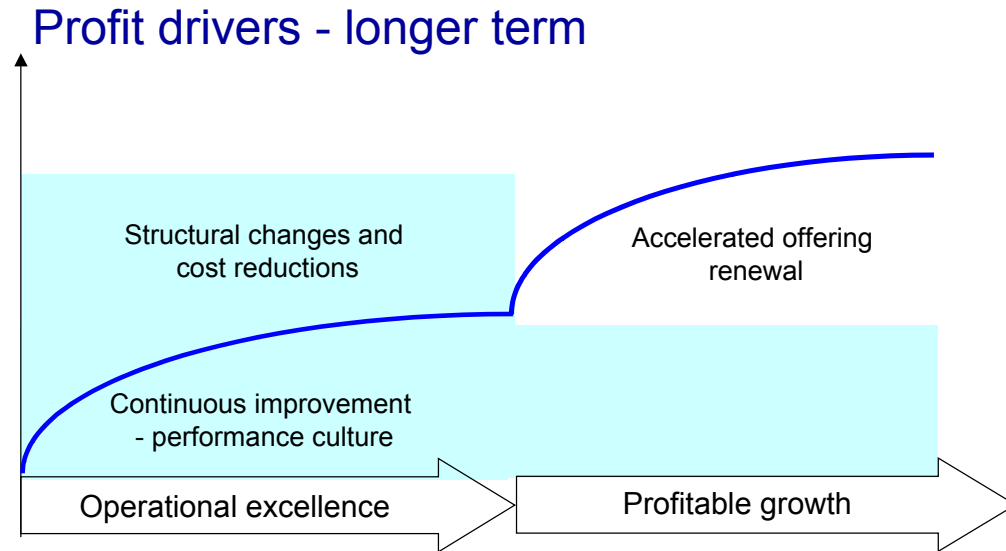


Actions since January 2006

- Cost savings program proceeds according to plan in all units, savings YTD EUR 4.5 million.
- Improved sales price management.
- The shut-down of Kauhava plant will be completed by year-end.
- Solid fuel plant in Nakkila came on stream.
- Reduction in personnel.

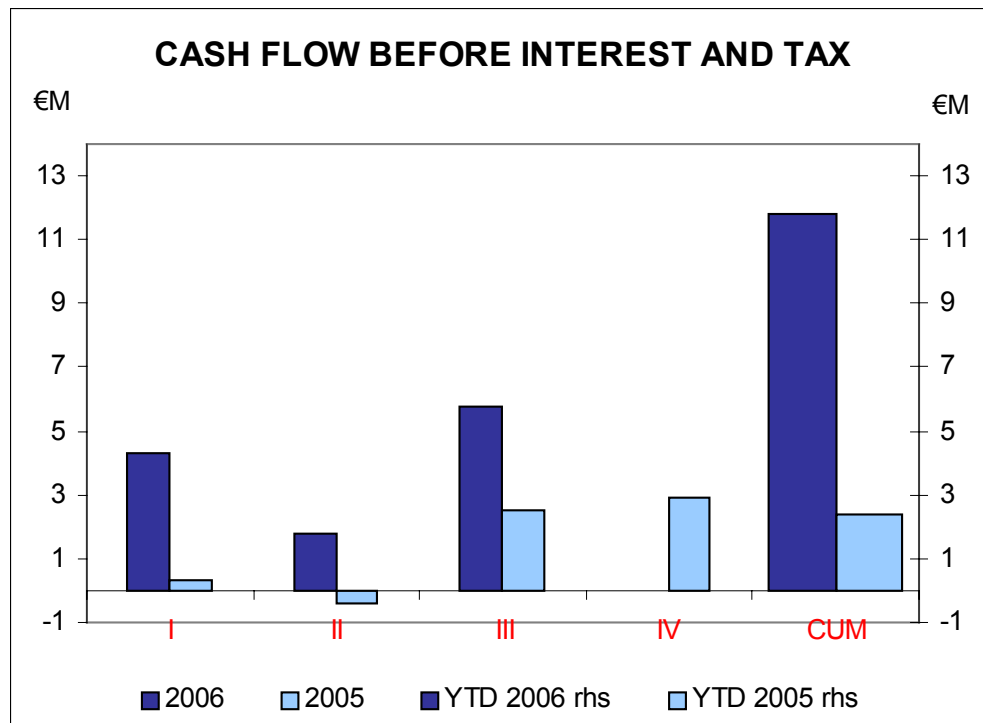
Initiatives 2006

- Strategy work underway
 - Structural changes
 - Cost reductions
 - Performance culture
- Development of key processes organised to focus on internal synergies, efficiency and savings.
- Decision of printing press investment in Poland.
- Customer focused new product development activated with several new initiatives.



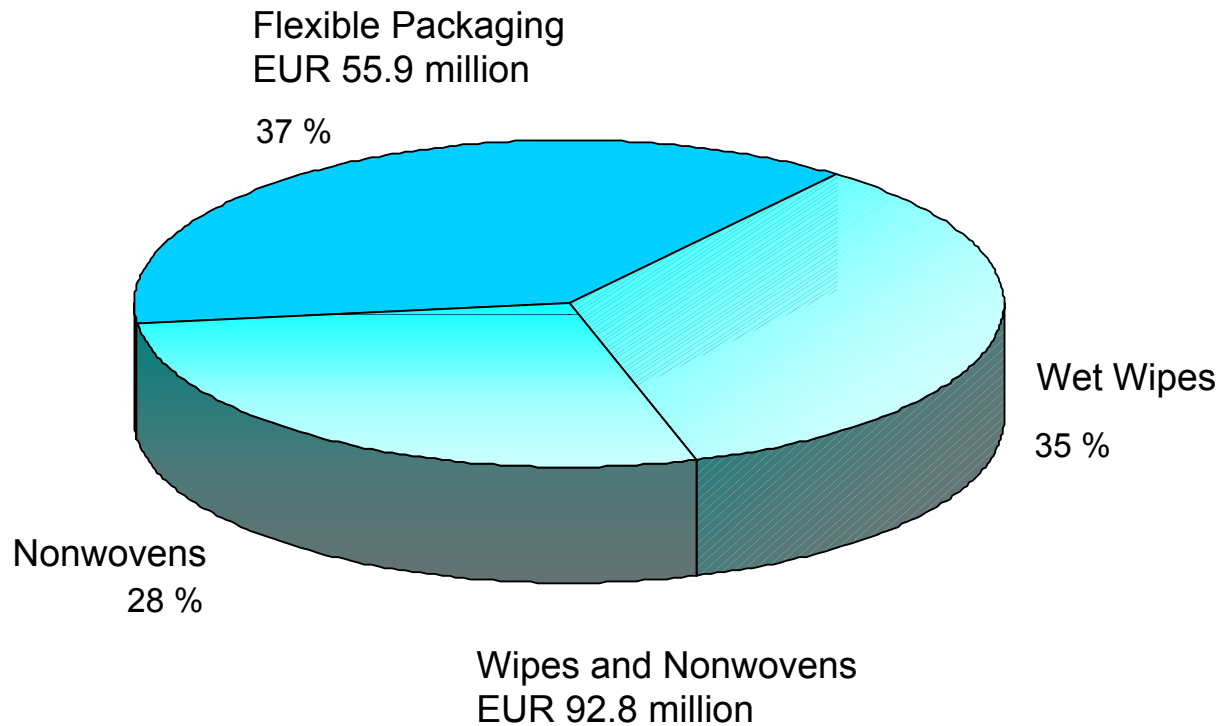
Operating cash flow

- Cash flow from operations clearly better than 2005.
- Low level of investments helps to reduce debt.



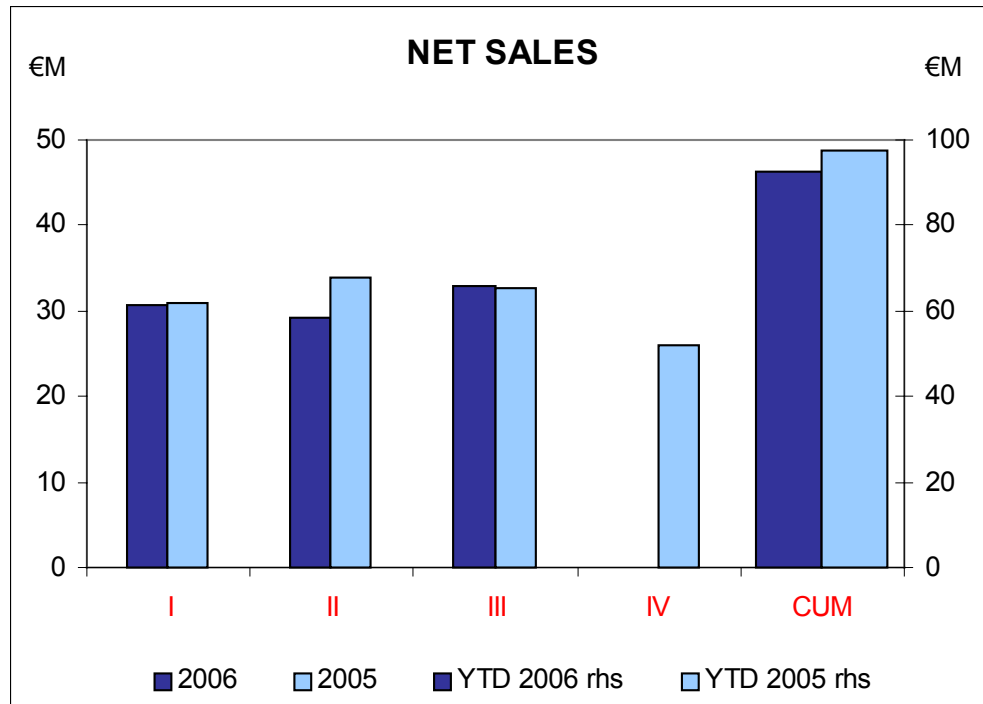
Breakdown of net sales 1 - 9/2006

EUR 148.4 million



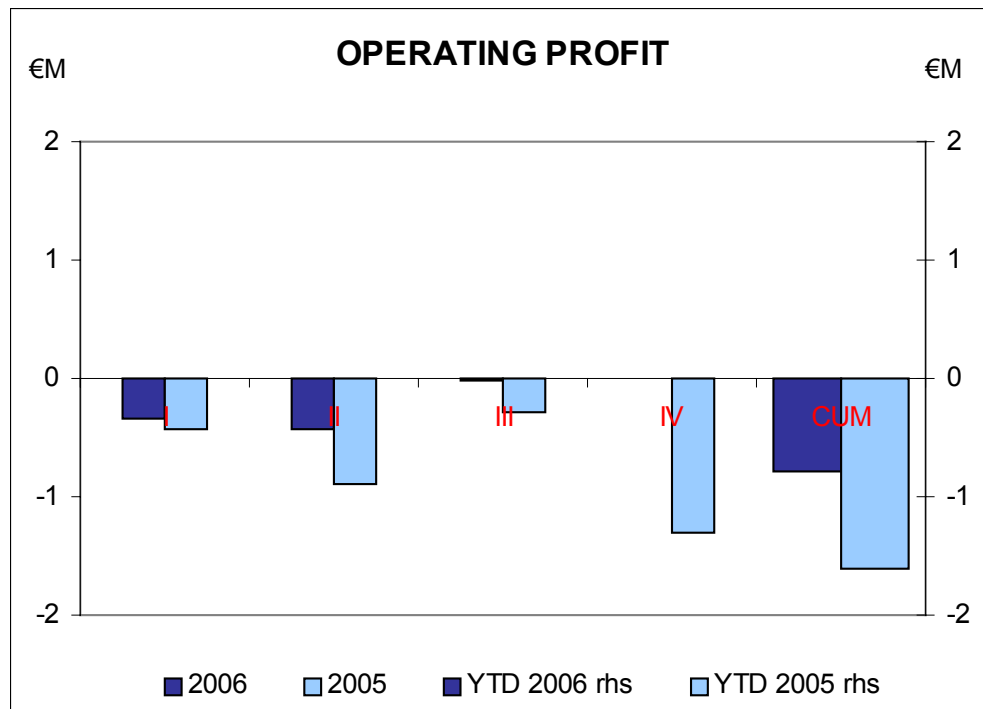
Wipes and Nonwovens - Q3 sales stabilised

- Net sales in Q3 on the level of 2005.
- Net sales YTD down by 5 per cent due to lost thermobonded NW sales of 2005.
- Sales to brand owners performed well.
- Sales to new retail brand customers still lagging.
- Use of nonwovens in wiping recovered after the slower consumption of early summer.



Wipes and Nonwovens - Slight improvement

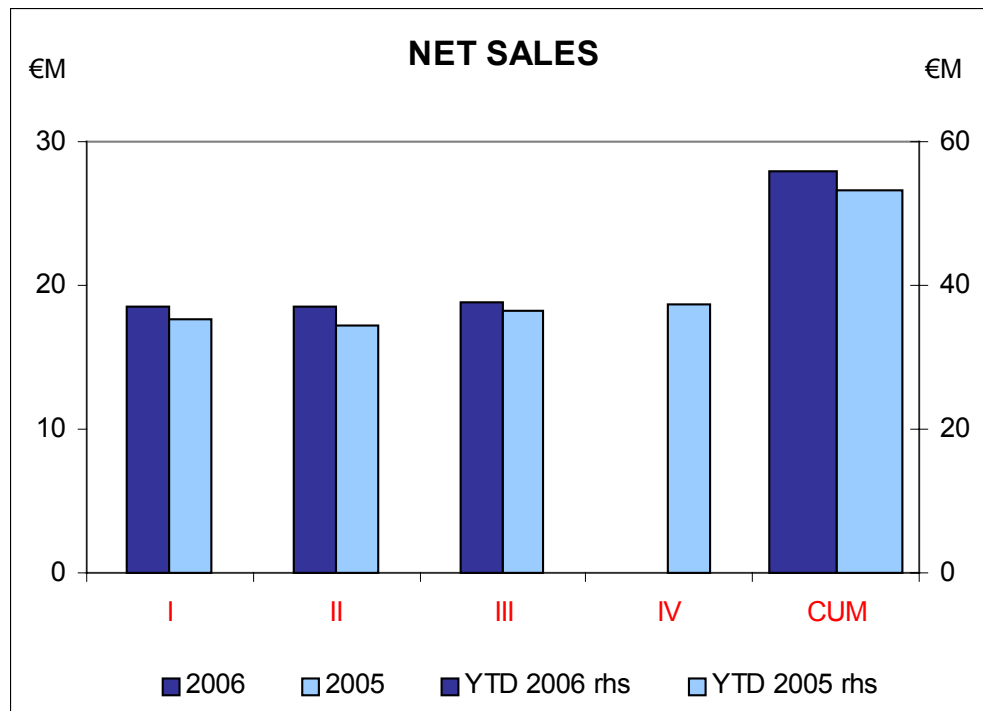
- Cost savings contributed to the performance improvement.
- Number of personnel down by close 90 compared with Q3/2005.
- High energy costs; Nonwovens will benefit from the new solid fuel plant.



Flexible Packaging

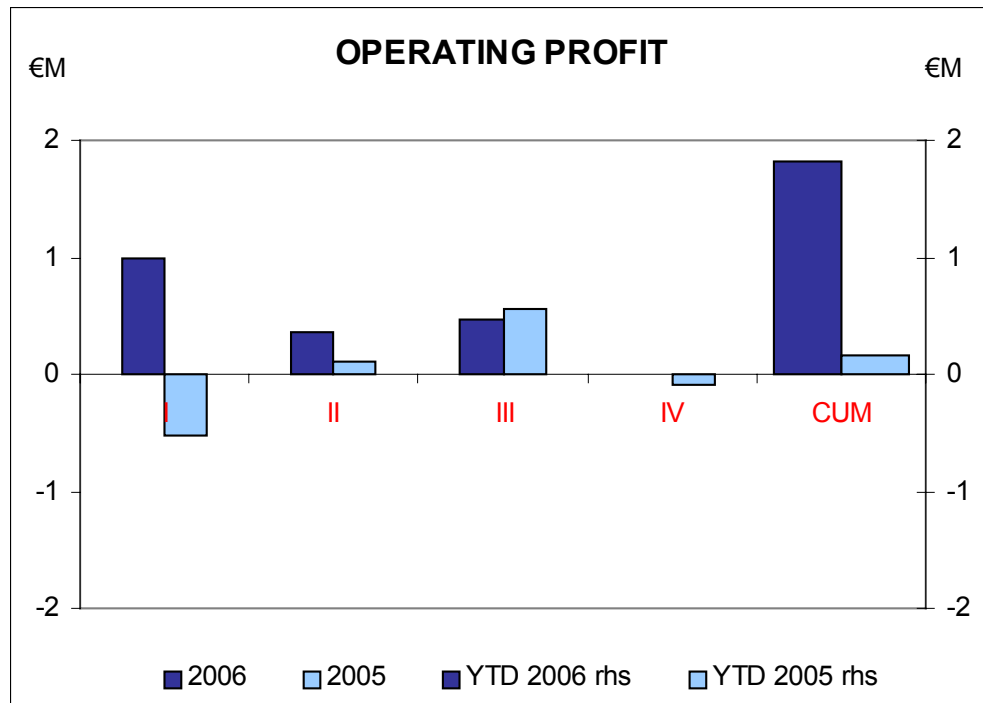
- Sales growth in value added products

- Net sales in Q3 up by 3 per cent.
- Net sales YTD up by 5 per cent thanks to improved average prices.
- Growth was high in hygiene and food sectors.
- Sales of retail packaging down from previous year.
- Production volumes in Poland continued to grow.
- Despite of oil prices turning down oil-based raw material prices peaked.



Flexible Packaging - Moving ahead

- Average margins up as a result of improved product mix.
- Cost savings program offset erosion of cost base in wages and energy.
- Cost for 2006 from the shut-down of Kauhava plant will be EUR 0.5 million.
- Investment decision to increase printing capacity in Poland.



Expected growth in European flexible packaging volumes in 2005 - 2010, annual growth rates

GE, FR, UK	2.8 %
Poland	7.8 %
Russia	5.4 %
Turkey	6.6 %
Hungary	18.6 %
Europe, total	4.1 %

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.
- Savings in the cost cutting program, decided in autumn 2005, will exceed the original 5-million-euro target.
- Costs for oil-based raw materials and energy are expected to stay on the current high level during the last quarter.
- Operating profit and profit for the financial year are expected to improve over 2005. However, loss after taxes is still expected.

Financials

Arto Kiiskinen, CFO

P&L in brief

Q3 (1 July - 30 September)

EUR million	2006	2005	Change %
Net sales	51.4	50.9	1.1
Operating profit	0.3	0.1	
Profit before taxes	-0.6	-0.8	
Taxes	0.2	0.2	
Profit/loss for the period from continuing operations	-0.4	-0.6	
Profit/loss for the period from discontinued operations		0.9	
Profit/loss for the period	-0.4	0.4	

P&L in brief

YTD (1 January - 30 September)

EUR million	2006	2005	Change %
Net sales	148.4	150.6	-1.4
Operating profit	0.5	-1.9	
Profit before taxes	-2.4	-4.7	
Taxes	0.8	1.5	
Profit/loss for the period from continuing operations	-1.6	-3.2	
Profit/loss for the period from discontinued operations		1.1	
Profit/loss for the period	-1.6	-2.2	

Balance sheet on 30 September 2006

Assets

EUR million	9/2006	12/2005
Non-current assets		
Goodwill	34.2	34.2
Other non-current assets	81.8	91.8
Non-current assets, total	116.0	126.0
Current assets	62.5	60.2
Assets, total	178.5	186.2

Shareholders' equity and liabilities

EUR million	9/2006	12/2005
Shareholders' equity	56.4	56.4
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	72.2	72.9
Other non-current liabilities	9.7	10.1
Non-current liabilities, total	81.9	83.0
Current liabilities		
Interest-bearing liabilities	20.7	26.3
Other current liabilities	19.5	20.5
Current liabilities, total	40.2	46.8
Liabilities, total	122.1	129.8
Shareholders' equity and liabilities, total	178.5	186.2

Cash flow statement

YTD (1 January - 30 September)

EUR million	2006	2005
Cash flow before financial items and taxes	11.8	2.4
Financial items	-3.6	-2.8
Taxes paid	-0.6	-0.6
Cash flow from operations	7.6	-0.9
Cash flow from investing activities	-1.7	-6.7
Change in current and non-current loans	-6.2	6.1
Cash flow from financing	-6.2	6.1
Change in cash and cash equivalents	-0.3	-1.6

Key figures

Continuing and discontinued operations

YTD (1 January - 30 September)

	2006	2005
Earnings/share, EUR	-0.07	-0.09
Equity/share, EUR	2.38	2.40
Cash flow from operations/share, EUR	0.32	-0.04
Return on equity, % (ROE)	-3.8	-5.0
Return on invested capital, % (ROI)	0.5	-0.3
Equity ratio, %	31.6	29.1
Equity ratio, %, capital loans in equity	33.8	32.2
Gearing, %	162.1	180.7
Gearing, %, capital loans in equity	144.8	154.0
Gross investments, EUR million	2.2	6.5
Depreciation, EUR million	11.0	11.7

Net sales by business area

Q3 (1 July - 30 September)

EUR million	2006	2005	Change %
Wipes and Nonwovens			
- Wet Wipes	17.8	17.5	1.6
- Nonwovens	17.0	17.4	-2.0
- eliminations	-2.0	-2.2	
Total	32.8	32.7	0.4
Flexible Packaging	18.8	18.3	2.8
Consolidation items and eliminations	-0.2	-0.1	
Net sales, continuing operations, total	51.4	50.9	1.1

Net sales by business area

YTD (1 January - 30 September)

EUR million	2006	2005	Change %
Wipes and Nonwovens			
- Wet Wipes	51.4	50.7	1.4
- Nonwovens	49.2	53.7	-8.3
- eliminations	-7.8	-6.8	
Total	92.8	97.5	-4.9
Flexible Packaging	55.9	53.2	5.0
Consolidation items and eliminations	-0.3	-0.2	
Net sales, continuing operations, total	148.4	150.6	-1.4

Earnings by business area

Q3 (1 July - 30 September)

EUR million	2006	2005
Wipes and Nonwovens	-0.1	-0.3
Flexible Packaging	0.5	0.6
Consolidation items and eliminations	-0.1	-0.2
Operating profit from continuing operations	0.3	0.1

Earnings by business area

YTD (1 January - 30 September)

EUR million	2006	2005
Wipes and Nonwovens	-0.8	-1.6
Flexible Packaging	1.8	0.2
Consolidation items and eliminations	-0.6	-0.4
Operating profit from continuing operations	0.5	-1.9

Wipes and Nonwovens - Segment information

YTD (1 January - 30 September)

EUR million	2006	2005
Net sales	92.8	97.5
Operating profit	-0.8	-1.6
Personnel	453	541
Net assets	103.7	110.5
Investments	1.1	4.2

Flexible Packaging - Segment information

YTD (1 January - 30 September)

EUR million	2006	2005
Net sales	55.9	53.2
Operating profit	1.8	0.2
Personnel	599	608
Net assets	47.7	52.3
Investments	1.0	2.3