

Suominen Corporation

Interim Report

1 January - 30 June 2007

Presentation 23 July 2007



Performance

Kalle Tanhuanpää
President and CEO

Suominen highlights

EUR million	Q2/2007	Q2/2006	1-6/2007	1-6/2006	2006
Net sales	51.2	47.7	105.5	97.0	202.6
Operating profit	0.5	-0.5	1.7	0.1	1.2
Net result	-0.3	-1.0	-0.1	-1.3	-1.8
EPS, EUR	-0.01	-0.04	0.0	-0.05	-0.08

+ healthy growth

+ Stairs to Top program

+ improved efficiency in Flexible Packaging

+ improved result

+ brisk demand on nonwoven

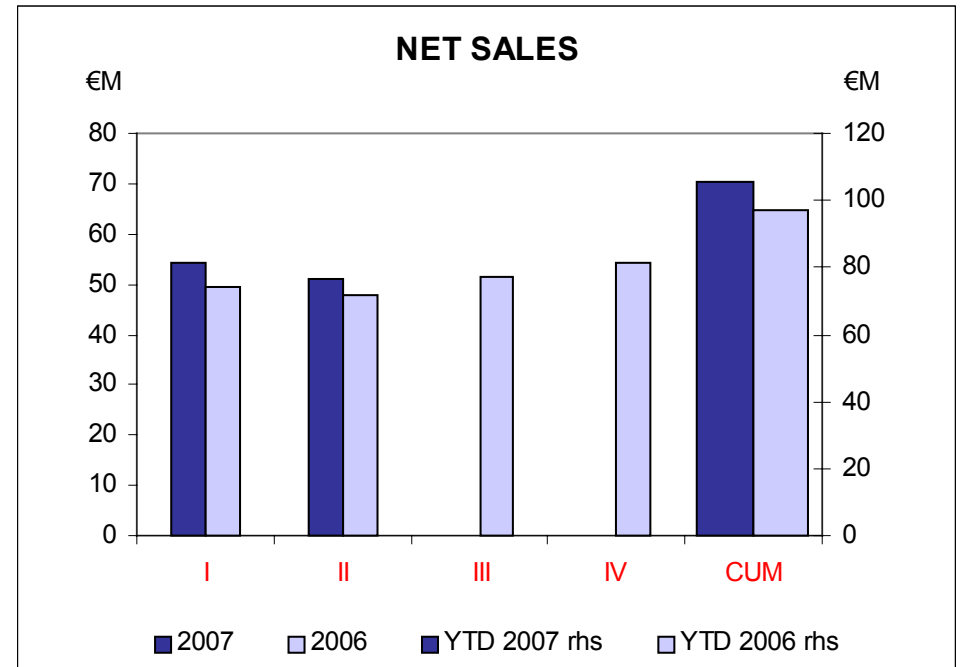
- inefficiencies in Wipes and Nonwovens

- shift of volumes to H2 in Wet Wipes

- raw material costs

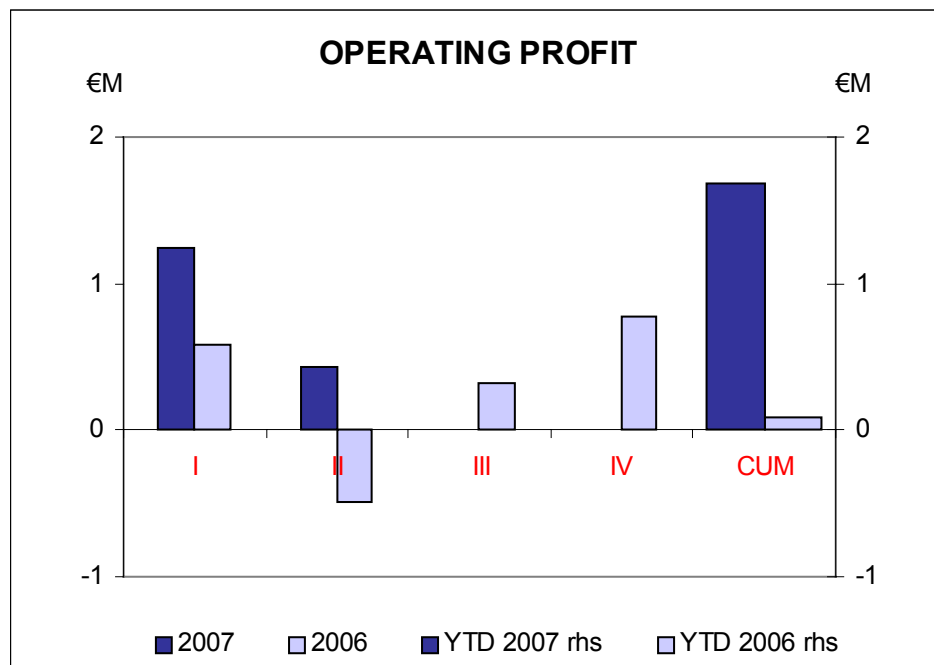
Sales volumes up

- Net sales in Q2 grew by 7%.
- For the 6-month period net sales grew by 9%.
- Demand strongest in Nonwovens but growth of sales volumes was good in both segments.
- Bottle-necks in production.

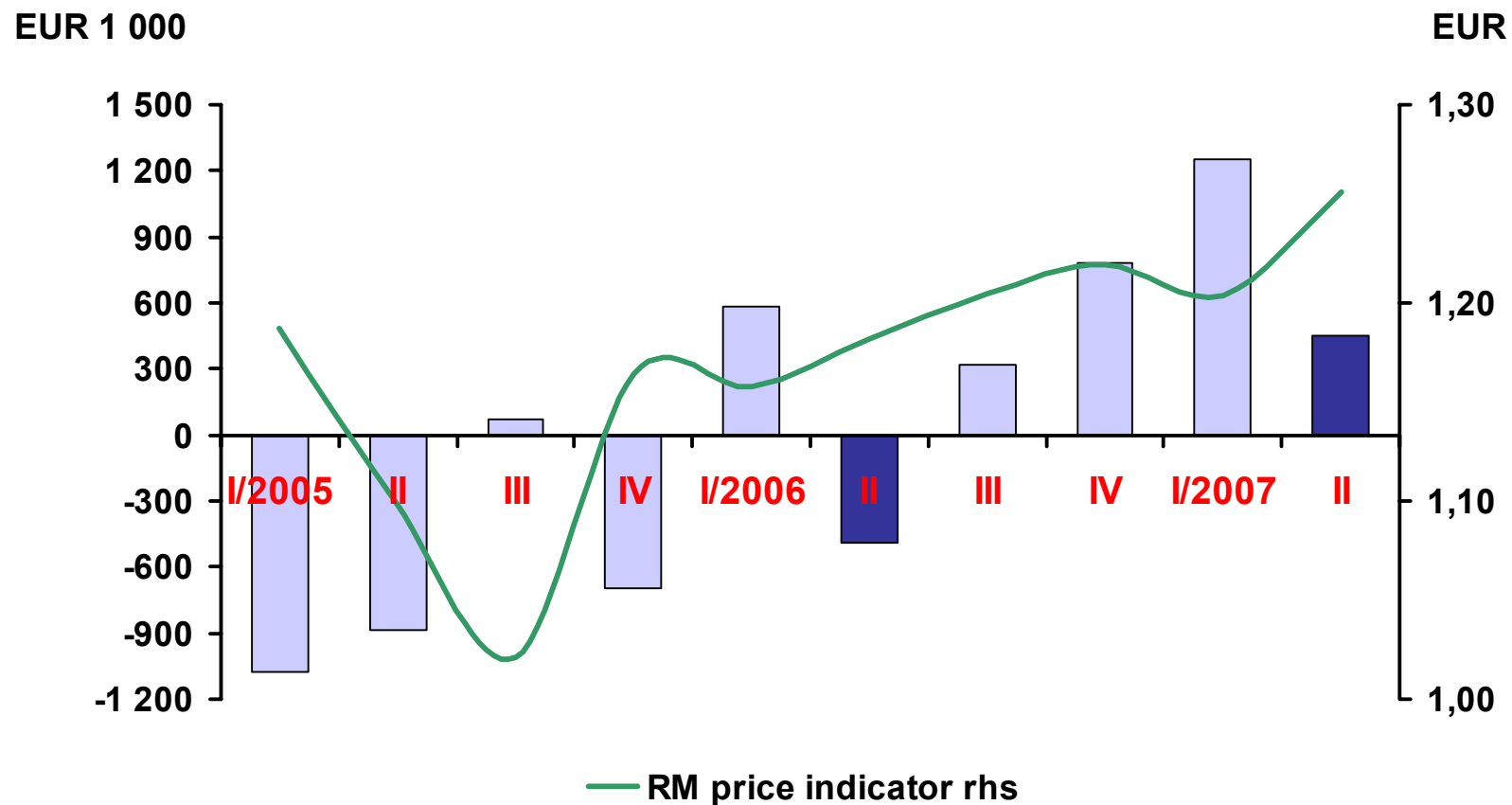


Improved result

- Operating profit up by one million from Q2/2006.
- Operating profit EUR 1.7 million in H1 (0.1).
- Profit before taxes EUR -0.1 million (-1.8).
- Stairs to Top efficiency-enhancement program contributed EUR 2.5 million.
- Raw material prices higher than in 2006.

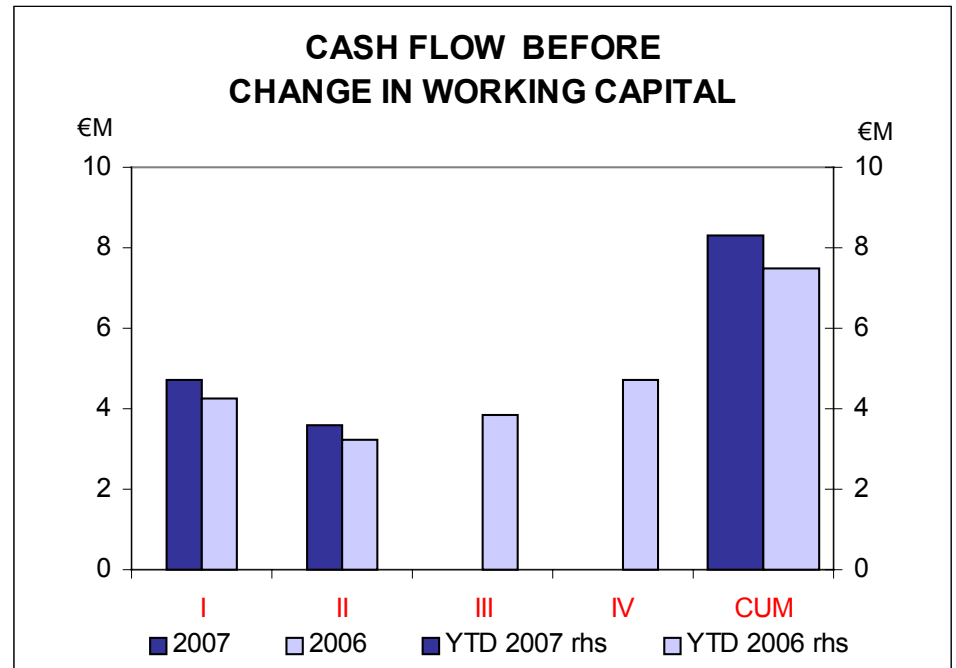


Operating profit vs. raw material prices



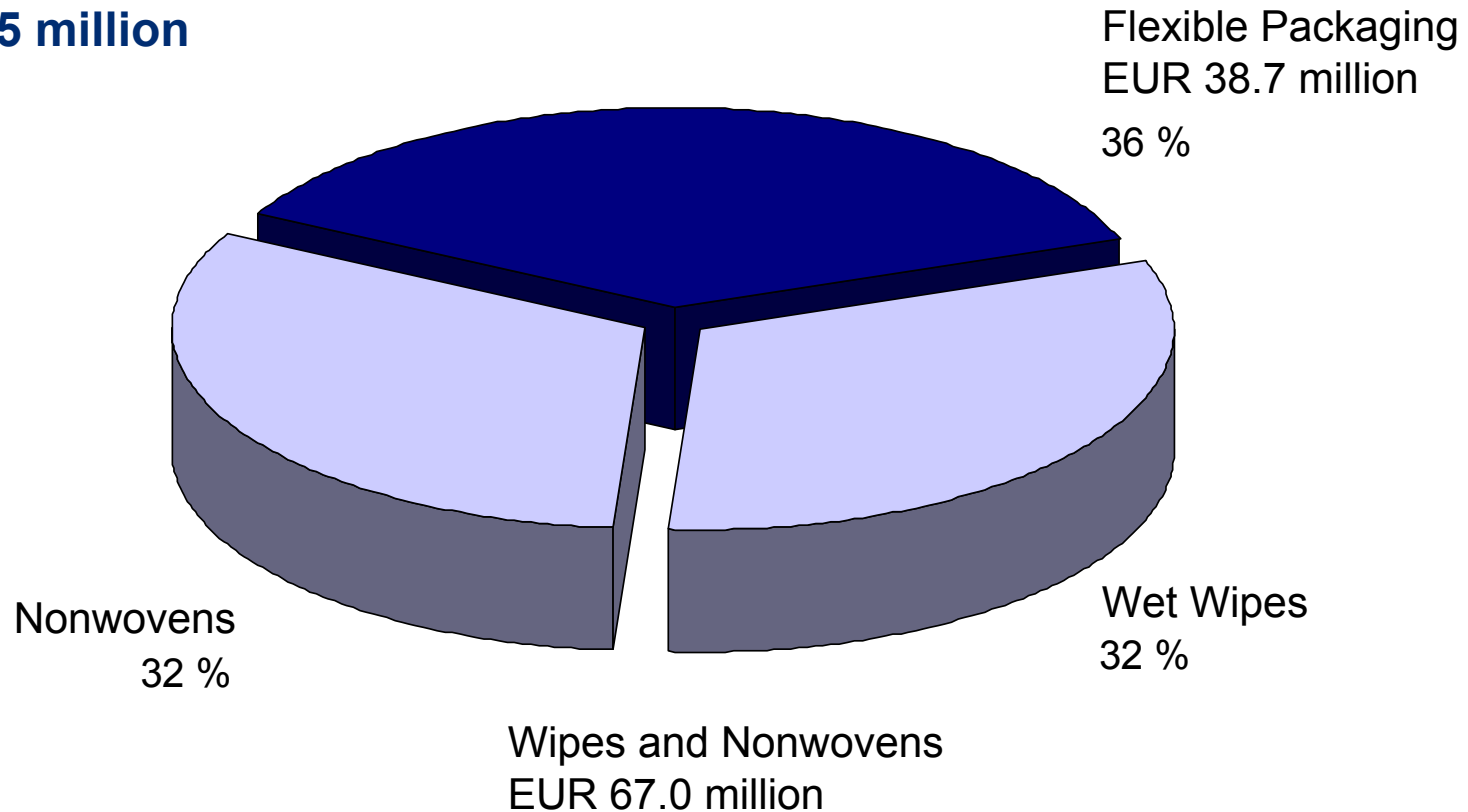
Operating cash flow

- Cash flow before change in working capital was EUR 8.3 million (7.5).
- Cash flow from operations was EUR 2.4 million (2.8).
- Gross investment payments were EUR 6.2 million, sale of assets EUR 1.5 million.



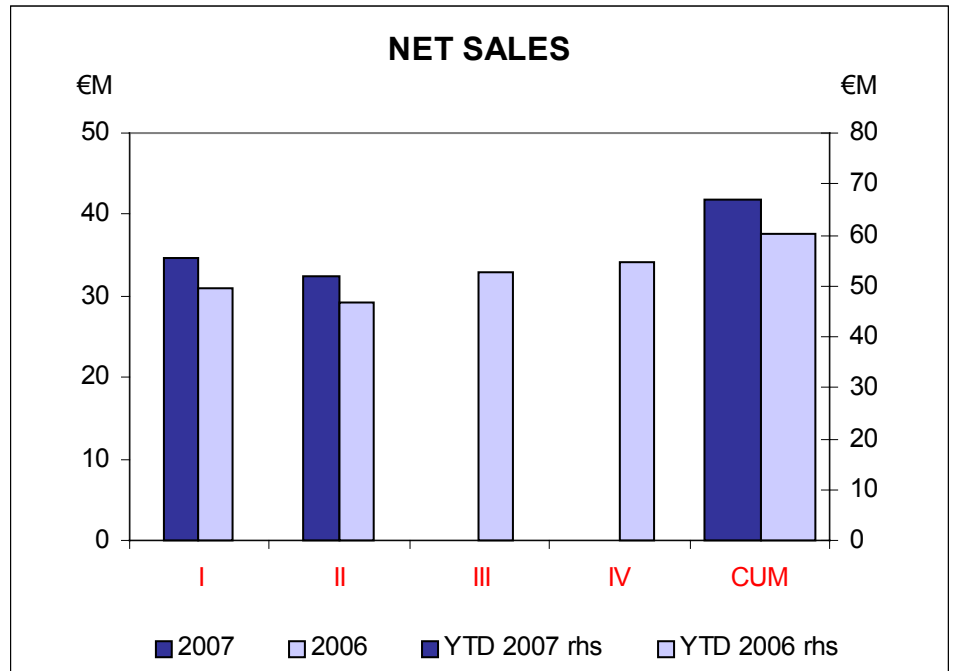
Break down of net sales 1 - 6/2007

EUR 105.5 million



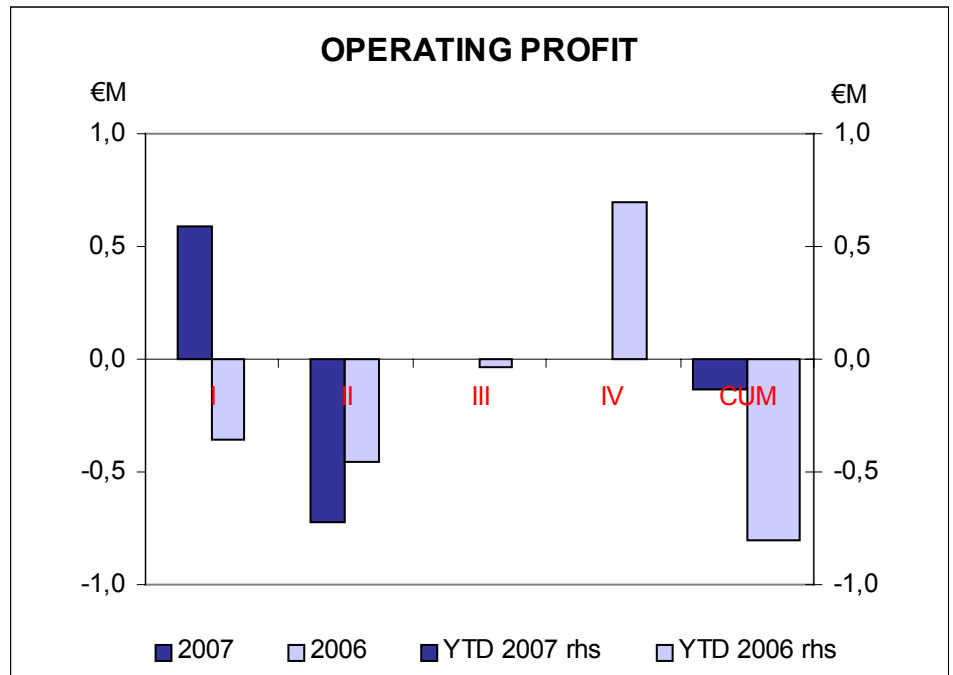
Wipes and Nonwovens - strong growth continued

- Net sales up by 11% in Q2.
- Net sales grew by 12% for the 6-month period.
- The overall growth was a result of increased volumes, prices were even or slightly down.
- For Wet Wipes the demand was brisk from brand customers, sales to retailers fell short of expectations.
- For Nonwovens deliveries of spunlaced substrate grew especially to the US market.



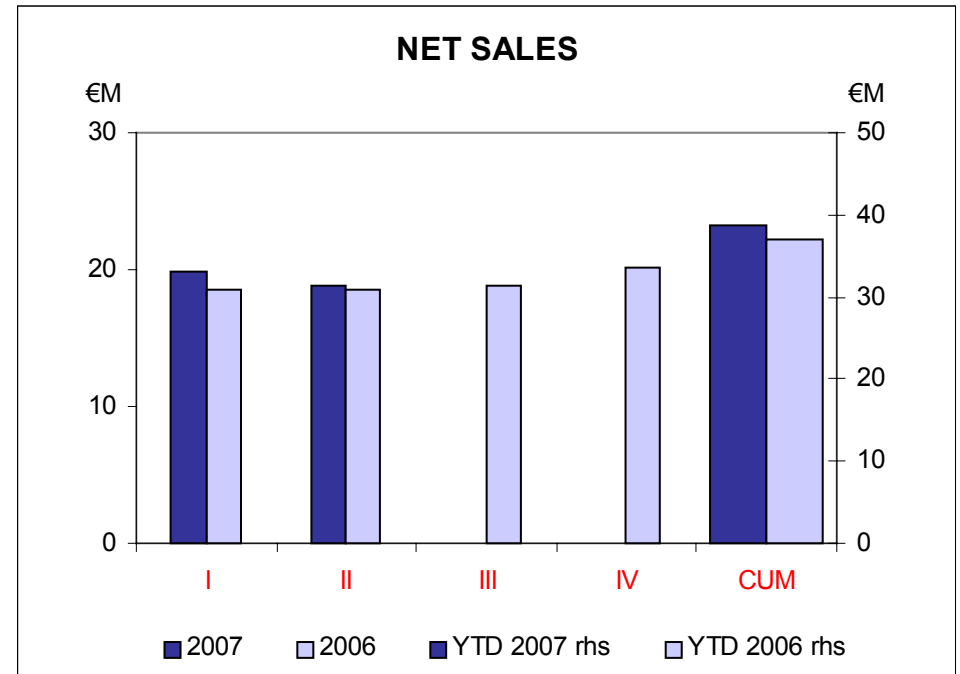
Wipes and Nonwovens - efficiencies yet to come

- Capacity use in Wet Wipes was temporarily at a low level when customers were managing their inventories before assortment renewals.
- Efficiency in Wet Wipes is improving but with slower pace than planned, warehouse automation coming on stream and improved production management is bringing down personnel costs.
- Increase in prices for raw materials at the beginning of the year had a negative impact on result. Escalators will work with delay.
- Temporary difficulties in supply of raw materials.
- Investment to improve efficiency and water treatment began in Nakkila.



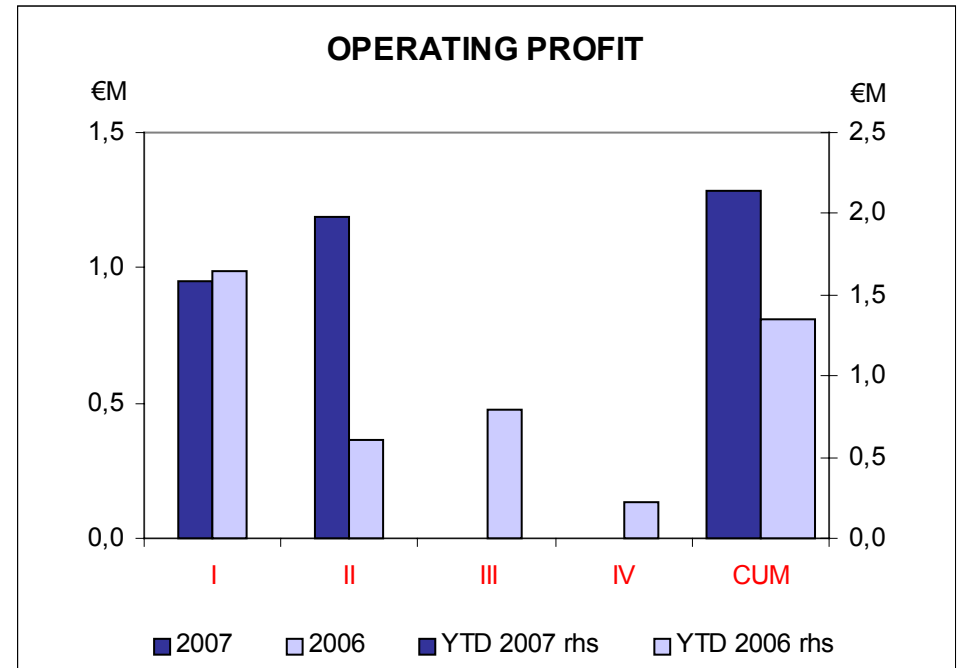
Flexible Packaging - solid sales development

- Net sales up by 2% in Q2.
- Net sales grew by 4% for the 6-month period.
- Growth most visible in retail packaging, but demand was good also for hygiene and food sectors.
- Sales in Eastern Europe were clearly up.



Flexible Packaging - improved efficiency brought result

- Efficiency-enhancement program improved printing and converting. Structural changes contributed also to the result.
- Despite of difficult market of rising raw material costs, margins were held.
- Printing press investment in Poland is coming on stream in late summer. Enlarging of the facility was started.



Outlook

- Net sales for 2007 are expected to improve from last year.
- Operating profit is expected to increase on the previous year and result for the financial year is expected to be positive.
- Net sales of Wet Wipes during H2 is expected to rise clearly on H1 contributing to a visibly better result for the whole segment during the H2.
- Sales growth is based on the forecasts provided by customers and on our own estimates.
- Profitability is expected to improve thanks to planned cost-savings, improved efficiency and growth in sales.
- Expanding operations in Poland, in particular, is expected to increase investments to a level of EUR 12 million in 2007.

New products Q2/2007



Design Property of G&S International B.V.
International, The Netherlands



Design Property of G&S International B.V.
International, The Netherlands



Design Property of G&S International B.V.
International, The Netherlands

biolace[®] - Biodegradable wet wipe is produced solely from natural fibres.

Intimate care wipe that provides natural protection for the skin and helps to prevent inflammations.

Tumble dryer wipe that provides freshness and makes ironing easier.

New products Q2/2007



Amerfeel - a distinctive new type of packaging for food and hygiene products with a pleasant touch.



A recyclable plastic label for PET bottles that can be printed on both sides. Metallic printing effect as a novelty.

New in Q2/2007



“Ole hyvä” Collection points for carrier bags

Carrier bags are granulated into recycling material for reuse in Suominen’s production.

www.muovikassikiertoon.fi



Financials

Arto Kiiskinen

CFO

P&L in brief

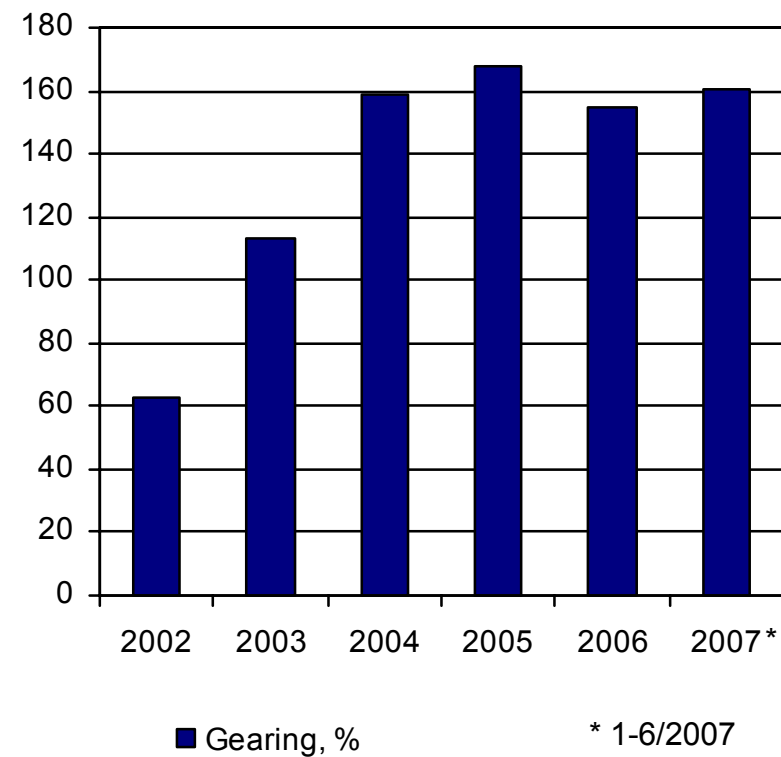
EUR million	Q2/2007	Q2/2006	1-6/2007	1-6/2006	2006
Net sales	51.2	47.7	105.5	97.0	202.6
Operating profit	0.5	-0.5	1.7	0.1	1.2
Profit before taxes	-0.5	-1.5	-0.1	-1.8	-2.7
Profit/loss for the period	-0.3	-1.0	-0.1	-1.3	-1.8

Cash flow

EUR million	1-6/2007	1-6/2006	2006
Cash flow before change in working capital	8.3	7.5	16.0
Cash flow from operations	2.4	2.8	12.5
Cash flow from investing activities	-4.7	-0.8	-2.5
Cash flow from financing	1.9	-2.9	-10.0
Change in cash and cash equivalents	-0.4	-0.8	0.1

Gearing

	1-6/2007	1-6/2006	2006
Equity ratio, %	31.6	32.1	32.3
Gearing, %	160.6	164.0	154.4
Net debt to adjusted capital ratio, %	62.2	62.1	60.7



Net sales by business area

EUR million	Q2/2007	Q2/2006	1-6/2007	1-6/2006	2006
Wipes and Nonwovens					
- Wet Wipes	15.5	16.8	33.5	33.6	69.3
- Nonwovens	19.1	15.3	37.0	32.2	67.3
- eliminations	-2.1	-2.8	-3.5	-5.8	-9.7
Total	32.5	29.2	67.0	60.0	126.9
Flexible Packaging	18.8	18.5	38.7	37.1	76.0
Consolidation items and eliminations	-0.1	0.0	-0.2	-0.1	-0.3
Net sales, total	51.2	47.7	105.5	97.0	202.6

Operating profit by business area

EUR million	Q2/2007	Q2/2006	1-6/2007	1-6/2006	2006
Wipes and Nonwovens	-0.7	-0.5	-0.1	-0.8	-0.1
Flexible Packaging	1.2	0.4	2.1	1.4	2.0
Consolidation items and eliminations	0.0	-0.4	-0.3	-0.5	-0.7
Operating profit, total	0.5	-0.5	1.7	0.1	1.2

Wipes and Nonwovens - segment information

EUR million	1-6/2007	1-6/2006	2006
Net sales	67.0	60.0	126.9
Operating profit	-0.1	-0.8	-0.1
Personnel, average	471	450	455
Net assets	102.0	107.2	102.5
Investments	2.4	0.7	2.2

Flexible Packaging - segment information

EUR million	1-6/2007	1-6/2006	2006
Net sales	38.7	37.1	76.0
Operating profit	2.1	1.4	2.0
Personnel, average	597	600	593
Net assets	48.3	47.5	46.8
Investments	2.7	0.6	2.1

Key figures

	1-6/2007	1-6/2006	2006
Earnings/share, EUR	0.00	-0.05	-0.08
Equity/share, EUR	2.36	2.45	2.40
Cash flow from operations/share, EUR	0.10	0.12	0.53
Cash flow from operations before interest-bearing receivables/share, EUR	0.17	0.16	0.53
Return on equity (ROE), %	-0.4	-4.4	-3.1
Return on invested capital (ROI), %	2.4	0.3	0.9
Equity ratio, %	31.6	32.1	32.3
Equity ratio, %, capital loans in equity	33.9	34.3	34.6
Gearing, %	160.6	164.0	154.4
Gearing, %, capital loans in equity	143.2	147.0	137.7
Gross investments, EUR million	5.1	1.4	4.3
Depreciation and impairment losses, EUR million	7.1	7.4	14.7

Creating Convenience

