



Suominen Corporation

Interim Report
1 January - 30 June 2008

Presentation 18 July 2008

Suominen highlights

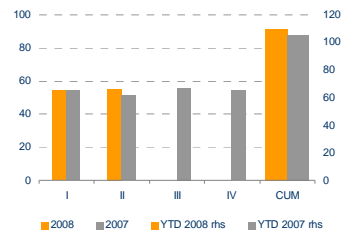
EUR million	Q2/2008	Q2/2007	Q1-Q2/2008	Q1-Q2/2007	2007
Net sales	55.2	51.2	109.6	105.5	215.2
Operating profit before goodwill amortisation	0.6	0.5	0.5	1.7	1.7
Operating profit	0.6	0.5	0.5	1.7	-6.8
Net result	-0.4	-0.3	-1.3	-0.1	-10.1
EPS, EUR	-0.02	-0.01	-0.06	0.00	-0.43

- Sales were slightly up from the previous year.
- Positive volume development in Wiping, offset by some losses in Flexibles.
- Stairs to Top efficiency-enhancement programme had a positive impact of EUR 2.5 million.
- Raw material costs and decline of margins prices affected result by EUR 2.0 million.
- Energy and personnel costs up clearly.

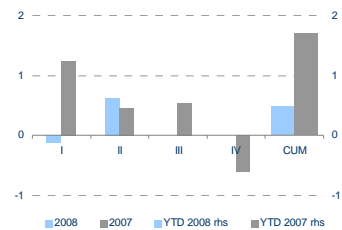
Suominen performance

- Net sales EUR 109.6 million (105.5).
- Price increases were offset by high material costs and gliding contract prices.
- Q2 operating profit improved to EUR 0.6 million (0.5), cumulative operating profit EUR 0.5 million (1.7).
- Raw material prices experienced a short soft period but risk for higher prices in H2 is evident.
- Cost increases in energy and personnel.
- Stairs to Top programmes progressed in cost savings and efficiency enhancement.

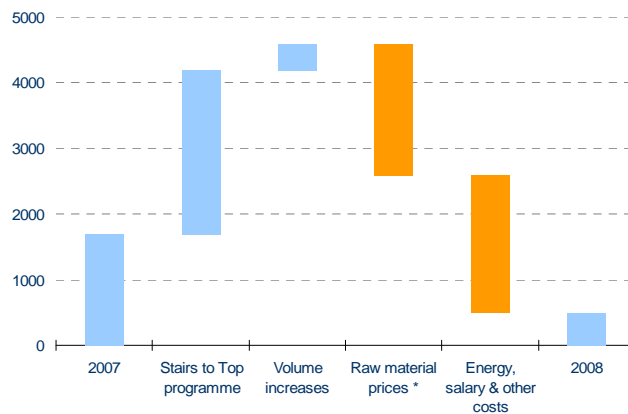
Net sales, €M



Operating profit before goodwill amortisation, €M



Factors affecting the change in EBIT for H1, 1000 €

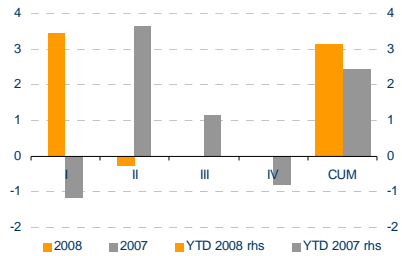


* Include delay in escalators and unfavourable development in margins.

Operating cash flow

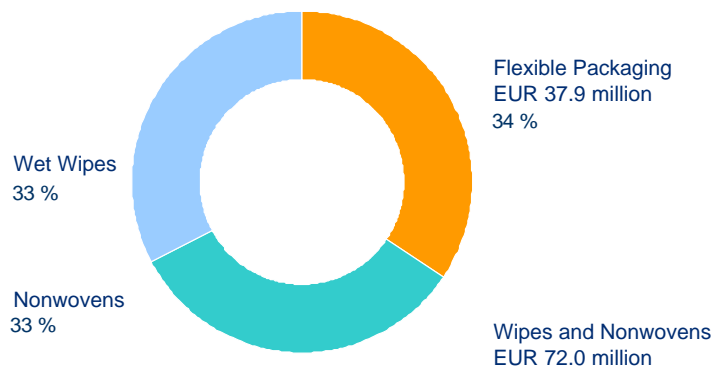
- Cash flow from operations was EUR 3.1 million (2.4).
- Gross investments were EUR 2.0 million.
- Working capital up by EUR 1.2 million (2.4).
- Equity ratio at 27.6 per cent, capital loans included in equity 33.5 per cent.

Cash flow from operations, €M



Break down of net sales 1 - 6/2008

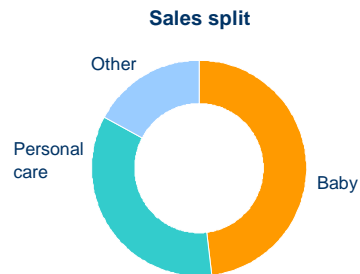
EUR 109.6 million



Business area: Wiping - Codi Wipes

- Net sales up by 7% thanks to volume.
- Prices slightly in decline.
- Strongest demand in personal care wipes and with brand customers.
- The change of recipes to more cost-effective raw materials was effected.
- Development in operational efficiency.

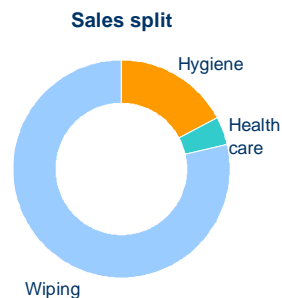
	Q2	LY	Q1-Q2	LY
Net sales, €M	17.4	+12%	35.9	+7%



Business area: Wiping - Nonwovens

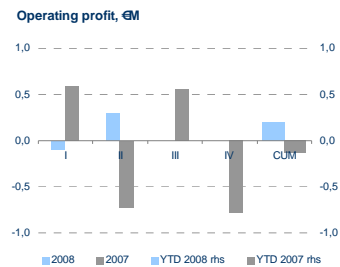
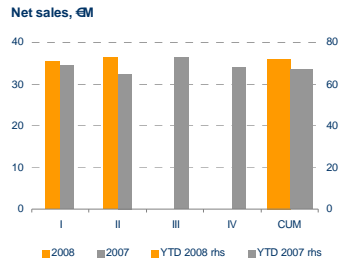
- Net sales up by 13% because of higher prices after raw-material escalator effect and increased volumes.
- Volumes in hygiene sector up from previous year.
- Price increases effected in some product groups.
- Decision to discontinue unprofitable pulp-based product group.
- Development in operational efficiency.

	Q2	LY	Q1-Q2	LY
Net sales, €M	21.1	+10%	41.7	+13%



Business area: Wiping

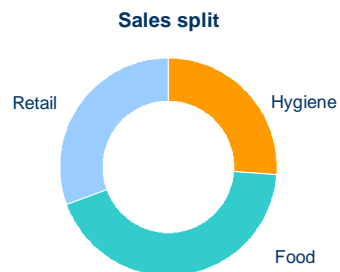
- Net sales EUR 72.0 million, up by 8% from the previous year, Q2 deliveries on the level of Q1.
- Volume increase higher than rise in nominal value.
- Result burdened by the high raw material cost.
- Operational efficiency stabilised. Cost savings progressed according to plans.



Business area: Flexibles

- Net sales, EUR 37.9 million, were slightly down on the previous year.
- Deliveries of hygiene packaging down on 2007.
- Sales of retail packaging recovered from Q1. Sales of food packaging on the level of the previous year.
- Sales of labels and security and system packaging progressed well.

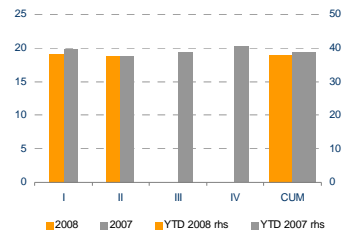
Net sales, €M	Q2	LY	Q1-Q2	LY
	18.8	0%	37.9	-2%



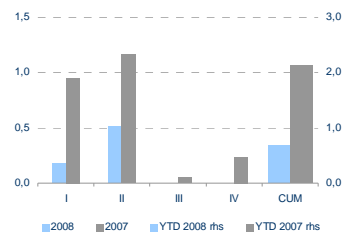
Business area: Flexibles

- Operating profit, EUR 0.7 million, down from EUR 2.1 million in 2007.
- After a short softer period, pressure on raw material prices was again visible. Raw material price increases can be passed on to customer prices with a delay.
- Production efficiency measures progressed. Reductions in personnel in the second half of the year concern 50 persons.
- Production volumes in Poland up by one fifth, thanks to the increased printing capacity.

Net sales, €M



Operating profit, €M



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 is on securing improvement in profitability, cash flow and capital structure. 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 the risk of further rises is evident. Also energy prices are expected to remain high.
- Actions are underway in Group's units to increase sales prices to reflect expected rises in costs.
- No major changes are expected in the level of net sales.
- Present general expectations indicate substantial increases in raw material prices affecting the underlying operating profit of Suominen to be on the level of the previous year. Whole year result is expected to be on loss.

Work plan

• Instant focus

- Cost savings & efficiency programmes boost
 - Labour reductions in Flexibles
 - Discontinue unprofitable product areas
 - Efficiency enhancement in purchases
- Sales price increases
- Oil-based raw materials remain an issue



• Mid term priorities

- Continuation of Stairs to Top improvement programmes
- More focus on innovation and commercialisation of new products/solutions
e.g. Codi Wipes' one-stop shop
- Sustainability will be visible on the agenda
- Wiping and selected business segments in Flexibles drive growth