



Suominen Corporation

Interim Report
1 January – 30 June 2009

Presentation 24 July 2009

Suominen highlights

Result on profit, sales down, strong cash flow

EUR, million	Q2/2009	Q2/2008	Q1-Q2/2009	Q1-Q2/2008	2008
Net sales	43.4	55.2	90.3	109.6	214.6
Operating profit	1.6	0.6	5.1	0.5	-4.0
Net result	0.1	-0.4	1.6	-1.3	-7.2
EPS, EUR	0.00	-0.02	0.07	-0.06	-0.31
Cash flow from operations/share, EUR	0.26	-0.01	0.87	0.13	0.80

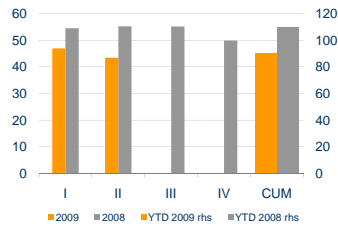
- Suominen recorded profit in H1 despite lower sales.
- Decline of net sales compared both to last year and Q1.
- Raw material prices continued to rise in Q2 following oil & naphta prices.
- Stairs to Top programme contributed to a EUR 4 million improvement in cost base.
- Sales margins improved.
- Strong cash flow from operations continued.

Suominen performance

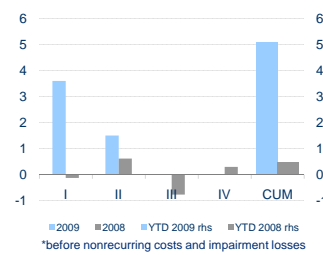
Black figures thanks to lower costs

- Net sales EUR 90.3 million (109.6).
- Net sales decreased by 18%.
 - Economic situation is affecting consumption of daily consumer goods.
 - Customers squeeze their working capital as a response to the recession.
- Operating profit EUR 5.1 million (0.5).
 - Cost base clearly lower than last year.
 - Margins between sales and raw material prices declined from Q1 but still better than in the previous year.
 - Financial costs, EUR 3.1 million include impairment charges of EUR 0.5 million. Profit before taxes was EUR 2.0 million.

Net sales, €M



Operating profit, €M*

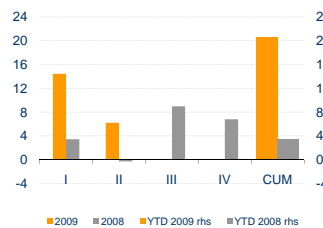


Suominen financials

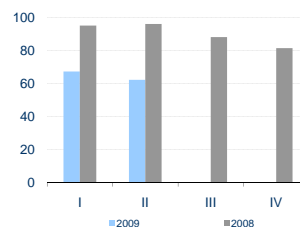
Strong cash flow

- Strong cash flow from operations EUR 20.6 million (3.1).
- Working capital down by EUR 13.1 million (up by 1.7).
- Amount of sold trade receivables was EUR 9.9 million.
- Gross investments were EUR 1.4 million (2.0).
- Reduction of net debt by EUR 19.2 million in H1 and by EUR 33.8 million in last 12 months.
- Net gearing at 122.6% (152.7), capital loans included in equity.

Cash flow from operations, €M



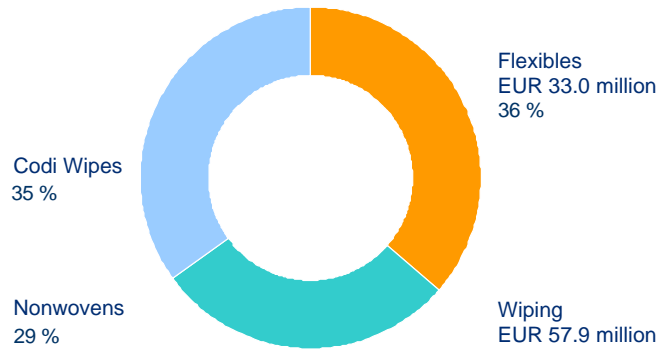
Net debt, €M



Break down of net sales

Q1 – Q2/2009

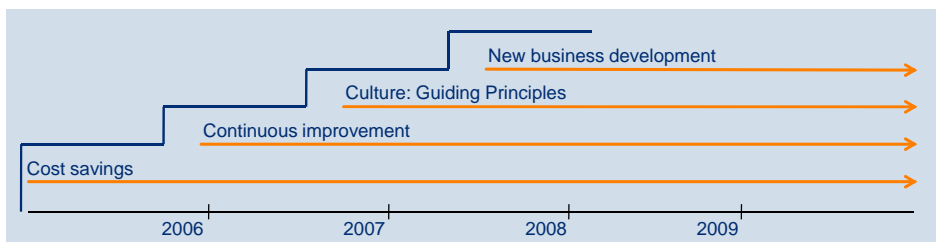
EUR 90.3 million



Suominen development

Performance improvement by strategic Stairs to Top programme

- Systematic process with programmes to improve cost base, enhance efficiency, initiate new business and boost profitability.
- Supported by development of corporate culture.
- Over a 4-year period, the EUR value of cost savings and efficiency enhancement actions has amounted to EUR 5 million every year; now the pace is EUR 4 million for H1/2009.
- Commercial initiatives progressing positively e.g. sales of Amer product family in Flexibles, Nonwovens substrate development and new sales to Russia.

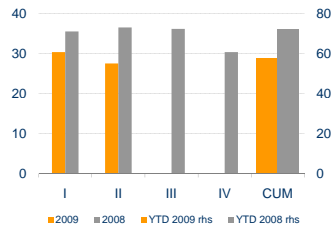


Business area: Wiping

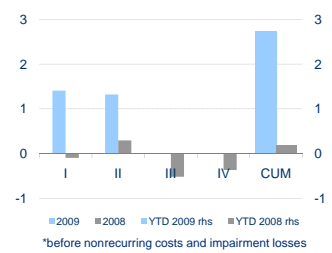
Operating costs down

- Net sales EUR 57.9 million, down by 20%. Volume of deliveries declined in both units and in most business segments.
- Operating profit EUR 2.7 million (0.2).
- Cost base improved in both units.

Net sales, €M



Operating profit, €M*



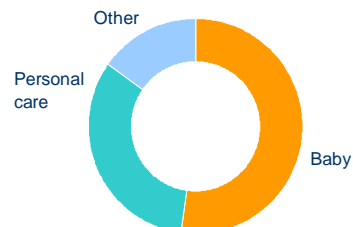
Business area: Wiping

Codi Wipes

- Net sales down by 11%.
- Sales volumes dropped in all product segments and was most visible in brand products.
- Unprofitable products were taken out of portfolio.
- Thanks to the restructured product portfolio the margins were better than year before.
- Cost savings recorded according to the rationalisation plan for the current year.

	Q2	LY	Q1-Q2	LY
Net sales, €M	15.9	-8%	31.8	-11%

Sales split



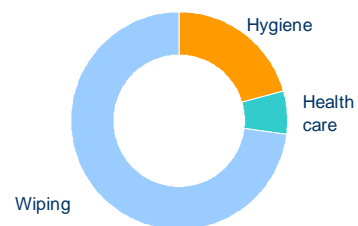
Business area: Wiping

Nonwovens

- Net sales down by 26%.
- Sales of wiping materials declined. Similar, but more modest trend in hygiene sector.
- Average prices declined due to price escalators but sales margins were better than year before.
- Planned layoffs for June were cancelled thanks to extra orders for the summer.
- Operating costs down. Improved production yield and lower wastage.

	Q2	LY	Q1-Q2	LY
Net sales, €M	13.9	-34%	30.8	-26%

Sales split



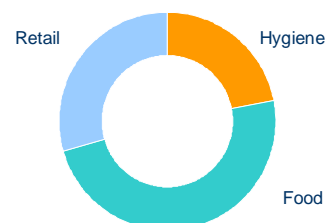
Business area: Flexibles

Sales declined

- Net sales EUR 33.0 million, down by 13%.
- Deliveries of hygiene, retail and security & system packaging down on 2008.
- Sales of food packaging was on the level of the previous year. Sales to Russia remained unchanged, too.
- Sales prices down from the previous year and Q1.

	Q2	LY	Q1-Q2	LY
Net sales, €M	16.6	-12%	33.0	-13%

Sales split

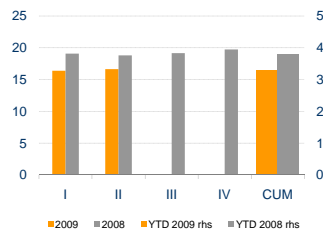


Business area: Flexibles

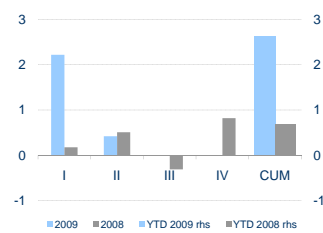
Operating profit improved

- Operating profit EUR 2.6 million (0.7).
- Raw material prices were below 2008 prices. However, the rising price trend visible already in Q1 continued in Q2.
- Improvements in sales margins over-weighted the effect of lower volumes.
- Cost savings in personnel, fixed overhead and purchasing expenses.
- Potential temporary layoffs in Security & System Packaging segment during the autumn.

Net sales, €M



Operating profit, €M



Outlook

Guidance unchanged

- Demand for Suominen's products is evaluated on the basis of customer contracts and use forecasts provided by the customers. The short-term forecasts indicate lower volumes than the year before, because of weaker consumer demand, changes in the consumption structure of daily consumer goods and reductions in customers' stock levels.
- Suominen's net sales are expected to decline compared to the year before, not only due to the general economic uncertainty, but also due to the rationalisation measures taken in the business units.
- The focus of Suominen's operations is on improving profitability, and strengthening cash flow and capital structure. The Stairs to Top programme will be continued throughout the Group, and it is expected to improve Suominen's competitiveness.
- The prices for plastic raw materials have been rising during the first half of the year despite sluggish base demand.
- Suominen estimates that the financial performance and profit after taxes for the whole year 2009 will improve on the previous year, however financial results for the second half of the year will come short of the first half.

Management focus in autumn 2009

Persistent work will continue

- Cost control and structural optimization
 - Continuous cost efficiency improvement through the Stairs to Top programme
 - Completion of profitability improvement program at Codi Wipes
- Working capital management and cash flow
 - Maintaining the successful direction and pace
- Hunting of new profitable business
 - Increasing sales of new products
 - Sales process improvement
- Enhancement of proactive, result driven corporate culture
 - Cascading the guiding principles in all units

