SUOMINEN CORPORATION
FINANCIAL STATEMENT RELEASE 1 JANUARY - 31 DECEMBER 2006 (IFRS)

PERFORMANCE IMPROVED

	10 - 12/2006	10 - 12/2005	**1 - 12/2006**	1 - 12/2005
Net sales, EUR million	54.2	44.6	**202.6**	195.2
Operating profit, EUR million	0.8	-1.3	**1.2**	-3.1
Profit/loss for the period, EUR million, continuing operations	-0.1	-1.6	**-1.8**	-4.7
Earnings/share from continuing operations, EUR	0.00	-0.07	**-0.08**	-0.20
Return on invested capital (ROI), %	2.1	-2.5	**0.9**	-0.8
Cash flow from operations/share, EUR	0.21	0.05	**0.53**	0.01

Suominen recorded an improved result in 2006 compared to 2005, but again booked a pre-tax loss. Sales developed unevenly during the year, rising during the latter half. Sales margins improved on 2005, but the Group was unable to pass on all the higher costs it incurred to product prices. The cost saving program initiated in autumn 2005 was completed successfully, and the EUR 6 million in savings achieved were above-target. The result includes non-recurring costs of EUR 0.7 million associated with the closure of the Kauhava plant.

Net sales during 2007 as a whole are expected to improve on those recorded in 2006, and the profit for the year is expected to be positive.

The Board of Directors will propose paying a dividend of EUR 0.06 per share for the year.

Financial results
Suominen Corporation's continuing operations generated net sales of EUR 54.2 million (44.6 million) during the fourth quarter of the year, operating profit of EUR 0.8 million (-1.3 million), and loss before taxes of EUR 0.3 million (-2.1 million).

Net sales from continuing operations for the year as a whole totalled EUR 202.6 million (195.2), up 4 per cent on 2005. The continuing operations generated operating profit of EUR 1.2 million (-3.1), loss before taxes of EUR 2.7 million (-6.8), and loss after taxes of EUR 1.8 million (-4.7).

Sales during the second half of 2006 were higher than during the first half, as a result of both stronger demand and new products. Net sales of Wipes and Nonwovens and Flexible Packaging both improved on 2005. Cost savings of EUR 6 million and improved sales price management contributed to enhanced performance, while the increase in the cost of oil-based raw materials and energy had a negative impact. The closure of Flexible Packaging's Kauhava plant resulted in non-recurring costs of EUR 0.7 during the last quarter. Production volumes were below sales volumes, which reduced the Group's profit but released working capital. Suominen has adopted the option in the amendment to IAS 19 Employee benefits, to recognise the actuarial gains and losses directly in equity. Net of tax, the sum recorded in equity is EUR 1.4 million.

Cost saving and operational enhancement programs
Suominen announced a wide-ranging cost saving program in autumn 2005 designed to improve operational efficiency and profitability. The program included operational improvements and reductions in personnel, primarily in the Netherlands. The program also focused on enhancing procurement and logistics, improving production yields, and transferring flexible packaging production to Poland. The program covered numerous areas within different units across the Group. Overall savings of EUR 6 million were achieved in 2006. It was decided in summer 2006 to close Flexible Packaging's Kauhava plant, and production previously based there has been transferred to other units.

A decision to introduce a new efficiency and business enhancement program was taken in autumn 2006. Detailed programs were approved for the units as part of strategic and operational planning under an umbrella initiative known as 'Stairs to Top' – to develop and improve operations on a continuous basis and increase sales. While the previous program primarily focused on cutting costs, efforts in 2007 will address the business from a wider perspective, and focus more attention on boosting sales and launching new products. Profitability will be improved by reducing costs and improving efficiency. Efficiency-enhancement measures will include increasing production volumes, extending production runs, and improving production speeds, for example. The aim is to achieve approximately EUR 6 million in improved efficiency in 2007, of which half will come from cost savings unrelated to volume performance.

Financing
Interest-bearing liabilities as of the end of the year totalled EUR 89.3 million or EUR 9.8 million less than at the beginning of the year. Liabilities included capital loans of EUR 4 million. Cash flow before change in working capital was EUR 16.0 million (10.2). A total of EUR 1.9 million was freed up from working capital (EUR 5.4 million was tied up in 2005). Net financial costs were EUR 3.9 million (3.7) equivalent to 1.9 per cent (1.9 %) of net sales. The equity ratio was 32.3 per cent (31.2 %) and the gearing ratio was 154.4 per cent (167.6 %). Cash flow from operations was EUR 12.5 million (0.1) or EUR 0.53 per share (0.01).

Investments
The Company's gross investments in production totalled EUR 4.3 million (7.7). Planned depreciation was EUR 14.6 million (15.6). Wet Wipes accounted for EUR 1.0 million of total investments, Nonwovens EUR 1.2 million and Flexible Packaging EUR 2.1 million. The largest projects were the construction of the buildings for a new power plant at Nakkila (EUR 0.6 million) and payments on a new printing machine in Poland (EUR 0.6 million). Other investments were largely of a replacement and maintenance nature.

Segment results
Net sales of Wipes and Nonwovens business area totalled EUR 126.9 million in 2006, an increase of 3 per cent on 2005. The Wipes and Nonwovens business area recorded an operating loss of EUR 0.1 million (-3.5).

Net sales of Wet Wipes totalled EUR 69.3 million, up 7 per cent on 2005. Deliveries rose in baby wipes and personal care wipes, while household cleaning wipes deliveries fell. The postponement of new product projects to the second half of the year, and a slower-than-expected growth in sales to retail chains, slowed overall sales growth. The retail chain sales organisation launched at the beginning of the year was strengthened during the year with the addition of sales resources covering Germany and France. The increased use of in-house nonwovens in wet wipe products was based on the Group's own concepts to an increasing extent. Production efficiency-enhancement and cost saving programs progressed as planned.

Net sales of Nonwovens remained unchanged on 2005, at EUR 67.3 million. Sales of thermally bonded hygiene product material were lower compared to 2005. External and internal deliveries of nonwovens for use in wet wipes increased. A decline in inventories at wet wipe manufacturers in the lead-up to the summer resulted in a strong recovery in demand towards the end of the year. This large fluctuation in demand increased costs. Production volumes fell short of sales volumes. Higher energy costs increased heating, electricity, and freight costs. Lower-cost process heat is now available at Nakkila following the commissioning of Fortum's new solid fuel-fired power plant.

Net sales at Flexible Packaging totalled EUR 76.0 million, an increase of 6 per cent on 2005, while an operating profit of EUR 2.0 (0.1 million) was recorded. Higher sales were driven by increased sales prices and changes in the sale mix. Hygiene and food packaging volumes both rose, while retail packaging deliveries declined, which saw a slight reduction in total tonnage delivered. Production transfers to Poland and increased deliveries in Central Europe resulted in higher output at the business' Polish plant. The transfer of production from Kauhava plant, which had concentrated on bakery packaging, to other plants proceeded as planned. The closure did cause a drop in overall production volumes, however. The Kauhava premises were sold at the beginning of 2007. The closure of the plant resulted in non-recurring costs of some EUR 0.7 million, but is expected to yield annual savings in operating expenses of around EUR 0.5 million from 2007 onwards. Given strong level of demand, it has been decided to increase printing capacity in Poland. Valued at approximately EUR 2.6 million, this investment is due to be completed in summer 2007.

Changes in Group organisation and management
Heikki Bergholm served as the President and CEO of Suominen Corporation until 4 May 2006, when Kalle Tanhuanpää took over the position.

Esa Palttala, Executive Vice President of the Wipes and Nonwovens business area, retired on 1 August 2006, following which Vice President Pekka Rautala, General Manager of the Wet Wipes business unit, and Vice President Sakari Santa-Paavola, General Manager of the Nonwovens business unit, now report to Kalle Tanhuanpää, the President and CEO of Suominen Corporation. Petri Rolig took over as Vice President and General Manager of Flexible Packaging on 1 October 2006, when his predecessor, Juha Henttonen, transferred to Group projects.

Suominen decided on 27 September 2006 to revise its organisation and give Group-level responsibility for developing innovation and product development to Petri Rolig. Responsibility for developing operational efficiency has been given to Pekka Rautala, and responsibility for developing purchasing and logistics to Sakari Santa-Paavola.

Suominen Corporation's Executive Team comprises the President and CEO, the Vice President and General Manager of the Flexible Packaging business area, the Vice President and General Manager of the Wet Wipes business unit and the Vice President and General Manager of the Nonwovens business unit, and the Vice President and CFO.

Annual General Meeting of Shareholders
The Annual General Meeting of Shareholders held on 20 March 2006 elected the following members to the Board of Directors: Heikki Bergholm, Kai Hannus, Pekka Laaksonen, Juhani Lassila, Mikko Maijala and Heikki Mairinoja. Mikko Maijala has served as chairman and Pekka Laaksonen as deputy chairman of the Board.

PricewaterhouseCoopers Oy, Authorised Public Accountants, with Heikki Lassila, APA, as the principal auditor, were elected as auditors of Suominen Corporation.

The Annual General Meeting decided that no dividend would be paid for the financial year ending 31 December 2005.

Share capital and shares
The registered share capital of Suominen Corporation totals EUR 11 860 056, and the number of shares issued, 23 720 112, with the book counter value of EUR 0.50 per share. The volume of Suominen Corporation's shares traded on the Helsinki Stock Exchange between 1 January and 31 December was 7 000 722 shares, equivalent to 29.5 per cent of the Company's shares. The trading price of the shares ranged between EUR 2.80 and 3.85. The final trading price was EUR 2.97, giving the Company a market capitalisation of EUR 70.3 million on 31 December 2006.

Own shares of the Company
On 1 January 2006, the Company held 15 129 of its own shares, with an acquisition value of EUR 5.22 per share.

The Annual General Meeting held on 20 March 2006 authorised the Board of Directors to decide on the conveyance of the Company's own shares. In accordance with this authorisation, the Company has conveyed 14 008 shares to Board members by way of remuneration at a price of EUR 3.64 per share.

The Annual General Meeting also authorised the Board of Directors to decide on the acquisition of the Company's own shares within one year from the Annual General Meeting of Shareholders using assets available for distribution of profits, provided that the par value of the shares of the Company and it's subsidiaries thus acquired, combined with the par value of own shares acquired previously by the Company and its subsidiaries, does not exceed 5 per cent of the Company's total share capital at the moment of acquisition. The authorisation in question can be used in possible business acquisitions, to finance investments, to carry out incentive programs and for other purposes. The Company has repurchased 50 000 of its own shares in accordance with this authorisation at an average price of EUR 3.15 per share.

On 31 December 2006 Suominen Corporation held a total of 51 121 of its own shares, accounting for 0.2 per cent of the share capital and votes.

Stock options 2006
Under an authorisation given by the Annual General Meeting, the Board of Directors decided to grant Suominen Corporation's President and CEO 100 000 stock options under the 2006A stock option program, which covers a total of 300 000 stock options. Waiving the pre-emption right of shareholders was considered appropriate, as the stock options in question are intended to form part of the Group's incentive scheme designed to consolidate recipients' commitment to the company. The subscription price of the shares covered by the 2006A share option programme is EUR 3.40, equivalent to the average price, weighted by the volume of trading in the company's shares, on the Helsinki Stock Exchange in May 2006. The subscription period for the shares concerned is between 2 May 2008 and 30 October 2009.

Other authorisation for the Board of Directors
The Board of Directors has no current authorisation to issue shares or to launch a convertible bond or a bond with warrants.

Outlook
Net sales during 2007 as a whole are expected to improve on those recorded in 2006, and the profit for the financial year is expected to be positive.

Sales are expected to grow compared to 2006, on the basis of projections by the Group's customers and the Group's own forecasts. Profitably is expected to continue to improve as a result of planned cost savings, efficiency-enhancement efforts, and higher sales. Rapid fluctuations in the price of oil-based raw materials could affect the margins.

Expanding operations in Poland in particular will increase investments in 2007 to an estimated EUR 12 million.

New financial targets
The Board of Directors has established a set of new financial targets for Suominen between 2007 and 2009. These are:

- To gradually increase operating profit to 7 %.
- To achieve an average annual growth in net sales of more than 5 %.
- To gradually reduce gearing to 120 %.
- To raise the size of the dividend, and ensure the sound growth of the Company.

Proposal for the distribution of profit
The parent company's distributable assets as of the end of 2006 totalled EUR 22 652 822.21, of which the profit for the year was EUR 249 405.75.

The Board of Directors will propose at the Annual General Meeting to be held on 29 March 2007 that these funds should be distributed as follows:

A dividend of EUR 0.06 be paid on each of the 23 668 991 shares, EUR	1 420 139.46
Leaving on the retained earnings account, EUR	21 232 682.75

No substantive changes have taken place in the Company's financial position after the end of the 2006 financial year. The Company's liquidity is good and the distribution of profit proposed will not undermine liquidity in the eyes of the Board of Directors.

SUOMINEN CORPORATION CONSOLIDATED 1 JANUARY - 31 DECEMBER 2006 (IFRS)

Suominen has adopted the IFRS 2 standard, Share-based payments. Changes to published accounting standards and interpretations, together with the new accounting standards that came into force on January 1, 2006, are presented in the financial statements for 2005. Suominen has adopted the amendment to the IAS 19 standard, which makes it possible to recognise the actuarial gains and losses of defined benefit plans directly in equity. The treatment of foreign exchange differences has been changed, and gains and losses from sales are now recognised in net sales, and other foreign exchange rate differences attributable to business operations are netted to expenses. Gains and losses from foreign exchange derivatives are recorded in other operating expense and income. The accounting principles are consistent in other respects with those of the annual financial statements for 2005. Adjustments have been made to the principles of revenue recognition that change comparative information. The restated figures according to the amended IAS 19 standard, revenue recognition, and changes in the principles used for presenting foreign exchange differences are included in the figures for 2006 and 2005 of this review. The IAS 19 amendment has increased equity by EUR 1.4 million net. The amendment has changed the result of the comparative year by EUR 0.4 million net of taxes. The effect of other changes on the financial results and shareholder's equity is minor. The figures in this financial statement release have not been audited.

STATEMENT OF INCOME

EUR 1 000	10 - 12/2006	10 - 12/2005	**1 - 12/2006**	1 - 12/2005
Net sales	54 228	44 589	**202 627**	195 161
Cost of goods sold	-50 199	-42 737	**-189 522**	-185 628
Gross profit	4 029	1 852	**13 105**	9 533
Other operating income	296	1 091	**724**	1 754
Sales and marketing expenses	-893	-1 142	**-3 567**	-4 419
Research and development	-537	-835	**-2 009**	-2 468
Administration expenses	-1 583	-1 773	**-6 292**	-6 595
Other operating expenses	-531	-465	**-771**	-936
Operating profit	781	-1 272	**1 190**	-3 131
Interest and other financial income and expenses	-1 081	-954	**-4 024**	-3 864
Fair value gains and losses	16	88	**97**	199
Profit before income taxes	-284	-2 138	**-2 737**	-6 796
Income taxes	232	572	**954**	2 051
Profit/loss for the period, continuing operations	-52	-1 566	**-1 783**	-4 745
Profit/loss from discontinued operations				1 075
Profit/loss for the period	-52	-1 566	**-1 783**	-3 670
Earnings/share from continuing operations, EUR	0.00	-0.07	**-0.08**	-0.20
Earnings/share from discontinued operations, EUR				0.05
Earnings/share from continuing and discontinued operations, EUR	0.00	-0.07	**-0.08**	-0.15

KEY FIGURES ON STATEMENT OF INCOME

	10 - 12/2006	10 - 12/2005	**1 - 12/2006**	1 - 12/2005
Net sales, change, % *	21.6		**3.8**	
Gross profit, % **	7.4	4.2	**6.5**	4.9
Operating profit, % **	1.4	-2.9	**0.6**	-1.6
Financial income and expenses, % **	-2.0	-1.9	**-1.9**	-1.9
Profit before income taxes, % **	-0.5	-4.8	**-1.4**	-3.5
Profit from continuing operations, % **	-0.1	-3.5	**-0.9**	-2.4
Profit from discontinued operations, % **				0.6
Profit for the period year, % **	-0.1	-3.5	**-0.9**	-1.9

* Compared with the corresponding period of the previous year.
** As of net sales.

BALANCE SHEET

EUR 1 000	**12/2006**	12/2005
Assets		
Non-current assets		
Goodwill	**34 195**	34 195
Intangible assets	**944**	1 022
Tangible non-current assets	**77 168**	88 129
Available-for-sale financial assets	**766**	878
Held-to-maturity investments	**100**	
Deferred tax assets	**882**	1 372
Non-current assets, total	**114 055**	125 596
Current assets		
Inventories	**27 840**	30 214
Trade receivables	**25 583**	21 765
Loan receivables		270
Other current receivables	**6 240**	5 897
Income tax receivables	**918**	925
Cash at bank and in hand	**1 220**	1 166
Current assets, total	**61 801**	60 237
Assets, total	**175 856**	185 833
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	**11 860**	11 860
Share premium account	**24 681**	24 681
Fair value and other reserves	**1 185**	368
Translation differences	**738**	760
Other shareholders' equity	**18 279**	20 260
Shareholders' equity, total	**56 743**	57 929
Liabilities		
Non-current liabilities		
Deferred tax liabilities	**6 768**	7 639
Pension liabilities	**314**	342
Provisions	**85**	200
Capital loans	**2 000**	4 000
Interest-bearing liabilities	**63 133**	68 864
Other non-current liabilities	**13**	30
Non-current liabilities, total	**72 313**	81 075
Current liabilities		
Interest-bearing liabilities	**22 202**	24 277
Provisions	**115**	200
Capital loans	**2 000**	2 000
Income tax liabilities	**67**	472
Trade payables and other current liabilities	**22 416**	19 880
Current liabilities, total	**46 800**	46 829
Liabilities, total	**119 113**	127 904
Shareholders' equity and liabilities, total	**175 856**	185 833

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

EUR 1 000	**1 - 12/2006**	1 - 12/2005
Foreign currency translation difference for foreign operations	**240**	275
Cash flow hedges		
Hedge result deferred in equity	**1 932**	1 867
Transferred from equity to statement of income	**-711**	-665
Defined benefit plan actuarial gains (losses)	**-99**	-1 743
Income tax on income and expense recognised directly in equity	**-547**	140
Income and expense recognised directly in equity	**815**	-126
Profit for the period	**-1 783**	-3 670
Total recognised income and expense for the period	**-968**	-3 796

According to IAS 1.96 standard the income and expense recognised in equity are stated in the consolidated statement of income. Statement of changes in shareholders' equity is presented in the notes to the financial statements.

KEY FIGURES	**12/2006**	12/2005
Earnings/share, EUR, continuing operations	**-0.08**	-0.20
Earnings/share, EUR, discontinued operations	**0.00**	0.05
Earnings/share, EUR, continuing and discontinued operations	**-0.08**	-0.15
Equity/share, EUR	**2.40**	2.44
Cash flow from operations/share, EUR	**0.53**	0.01
Return on equity, % (ROE)	**-3.1**	-6.2
Return on invested capital, % (ROI)	**0.9**	-0.8
Equity ratio, %	**32.3**	31.2
Gearing, %	**154.4**	167.6
Gross investments, EUR 1 000	**4 337**	7 714
Depreciation and impairment losses , EUR 1 000	**14 694**	15 561

CASH FLOW STATEMENT

EUR 1 000	**1 - 12/2006**	1 - 12/2005
Operations		
Operating profit	**1 190**	-3 131
Total adjustments	**14 856**	13 320
Cash flow before change in working capital	**16 045**	10 188
Change in working capital	**1 879**	-4 895
Financial items	**-4 835**	-4 156
Taxes paid	**-605**	-994
Cash flow from operations	**12 483**	144
Investments		
Investments in tangible and intangible assets	**-3 135**	-8 087
Cash flow from investing activities of discontinued operations		5 748
Proceeds from sale of fixed assets and other proceeds	**667**	399
Cash flow from investing activities	**-2 468**	-1 940
Financing		
Repurchase of own shares	**-157**	
Non-current loans drawn	**5 000**	15 000
Repayments of non-current loans	**-10 792**	-17 368
Capital loans	**-2 000**	-2 000
Change in current loans	**-2 014**	4 964
Cash flow from financing	**-9 963**	596
Change in cash and cash equivalents	**52**	-1 200

SEGMENT REPORTING

Wipes and Nonwovens

EUR 1 000	**1 - 12/2006**	1 - 12/2005	Change, %
Net sales			
- Wet Wipes	**69 299**	64 911	6.8
- Nonwovens	**67 296**	67 476	-0.3
- eliminations	**-9 687**	-8 947	8.3
Total	**126 908**	123 440	2.8
Operating profit	**-149**	-3 452	
% of net sales	**-0.1**	-2.8	
Assets	**116 715**	122 746	
Liabilities	**13 943**	11 105	
Net assets	**102 772**	111 641	
Investments	**2 150**	4 893	
Depreciation and impairment losses	**8 768**	9 682	
Average personnel	**455**	532	

Flexible Packaging

EUR 1 000	**1 - 12/2006**	1 - 12/2005	Change, %
Net sales	**75 987**	71 837	5.8
Operating profit	**1 958**	72	
% of net sales	**2.6**	0.1	
Assets	**55 127**	59 552	
Liabilities	**11 228**	7 901	
Net assets	**43 899**	51 651	
Investments	**2 122**	2 784	
Depreciation and impairment losses	**5 873**	5 812	
Average personnel	**593**	607	

Consolidation Items

EUR 1 000	**1 - 2/2006**	1 - 12/2005
Net sales	**-268**	-116
Operating profit	**-619**	249
Assets	**4 014**	2 839
Liabilities	**93 942**	107 917
Investments	**65**	37
Depreciation and impairment losses	**53**	67
Average personnel	**10**	11

NET SALES BY MARKET AREA

EUR 1 000	**1 - 12/2006**	1 - 12/2005
Finland	**33 208**	34 649
Scandinavia	**21 539**	20 299
The Netherlands	**40 348**	23 302
Other Europe	**82 421**	98 932
Other Countries	**25 111**	17 979
Net sales, continuing operations, total	**202 627**	195 161

QUARTERLY FIGURES

EUR 1 000	I/2006	II/2006	III/2006	IV/2006	I – IV/2006
Net sales					
Wipes and Nonwovens					
- Wet Wipes	16 813	16 773	17 826	17 887	69 299
- Nonwovens	16 922	15 281	17 031	18 062	67 296
- eliminations	-2 991	-2 824	-2 034	-1 838	-9 687
Total	30 744	29 230	32 823	34 111	126 908
Flexible Packaging	18 596	18 491	18 768	20 132	75 987
Consolidation items and eliminations	-38	-65	-150	-15	-268
Net sales, continuing operations, total	49 302	47 656	51 441	54 228	202 627
Operating profit					
Wipes and Nonwovens	-355	-452	-34	692	-149
% of net sales	-1.2	-1.5	-0.1	2.0	-0.1
Flexible Packaging	991	362	475	130	1 958
% of net sales	5.3	2.0	2.5	0.6	2.6
Consolidation items and eliminations	-52	-402	-124	-41	-619
Operating profit from continuing operations	584	-492	317	781	1 190
% of net sales	1.2	-1.0	0.6	1.4	0.6
Net financial expenses	-927	-966	-969	-1 065	-3 927
Profit before income taxes, continuing operations	-343	-1 458	-652	-284	-2 737

CONTINGENT LIABILITIES

EUR 1 000	**12/2006**	12/2005
For own debt		
Real estate mortgages	**5 046**	
Corporate mortgages	**1 177**	1 177
Other own commitments		
Leasing payments and commitments	**8 555**	2 268
Rent commitments	**15 767**	10 206
Guarantee commitment for financial lease of discontinued operations	**1 642**	1 721

NOMINAL VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR 1 000	**12/2006**	12/2005
Currency derivatives		
Held for trading	**9 750**	11 791
Interest rate derivatives		
Held for hedge accounting	**55 633**	62 600
Held for trading	**5 000**	5 000
Electricity derivatives		
Held for hedge accounting	**5 353**	3 441
Held for trading	**285**	1 974

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR 1 000	**12/2006**	12/2005
Currency derivatives		
Held for trading	**-5**	-84
Interest rate derivatives		
Held for hedge accounting	**1 082**	-304
Held for trading	**-7**	-104
Electricity derivatives		
Held for hedge accounting	**781**	909
Held for trading	**10**	282

Suominen uses derivatives only to hedge against operating risks. In line with IAS standards, derivatives are divided into contracts that qualify for hedge accounting and into other derivatives i.e. derivatives held for trading. The Company applies cash flow hedge accounting to interest swap contracts to fix the interest flow of floating rate loans in accordance with IAS 39. Cash flow hedge accounting is also applied to the procurement of electricity, whereby the fluctuations in the price of electricity are fixed for the desired period. Hedging must be effective in both prospective and retrospective testing. The effectiveness of the hedge is documented at the inception of the hedge transaction and tested during the hedging period. The effective portions of interest rate derivatives and electricity derivatives are recognised in fair value reserve under equity.

Suominen Corporation does not apply hedge accounting according to IAS 39 for its currency risk hedging. The outstanding currency forward deals are valued at fair value, and changes in fair value are entered in the statement of income as other operating income and expenses.

The fair values of all derivative contracts are recognised in the balance sheet under receivables and payables.

Helsinki, 12 February 2007

SUOMINEN CORPORATION

Board of Directors

Additional information: Mr. Kalle Tanhuanpää, President and CEO, tel. +358 (0)10 214 300.

Suominen Corporation
Vestonkatu 24
P.O. Box 380
FI-33101 Tampere
Finland

Telephone +358 10 214 300
Fax +358 10 214 3530
www.suominen.fi
firstname.lastname@suominen.fi

Business ID 1680141-9
Domicile Tampere