



Suominen Corporation

Interim Report
1 January – 30 September 2009

Presentation 21 October 2009

Suominen highlights

Strong cash flow continued

EUR, million	Q3/2009	Q3/2008	Q1-Q3/2009	Q1-Q3/2008	2008
Net sales	44.2	55.2	134.5	164.8	214.6
Operating profit	1.0	-0.8	6.1	-0.3	-4.0
Net result	-0.4	-1.5	1.2	-2.9	-7.2
EPS, EUR	-0.02	-0.06	0.05	-0.12	-0.31
Cash flow from operations/share, EUR	0.18	0.38	1.05	0.51	0.80

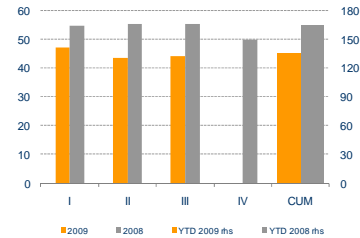
- Suominen recorded profit during the 9-month period despite lower sales.
- Stairs to Top programme contributed to a EUR 6 million improvement in cost base.
- Raw material prices steadily going up.
- Sales margins improved.
- Strong cash flow from operations continued.

Suominen performance

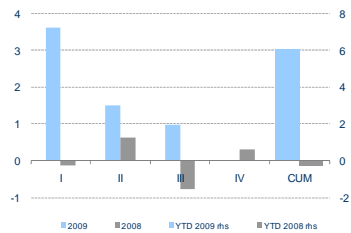
Operating profit nicely up

- Net sales decreased by 18% to EUR 134.5 million (164.8)
 - Due to pass-by items in raw materials, top line down by >5%.
 - Economic situation is affecting the consumption of daily consumer goods. Furthermore, customers are cautious with working capital levels.
 - Business rationalization actions in the units reduced sales, too.
- Operating profit EUR 6.1 million (-0.3).
 - Remarkable reduction on cost base compared to last year.
 - Margins between sales and raw material prices better than in the previous year.

Net sales, €M



Operating profit before non-recurring costs and impairment losses, €M

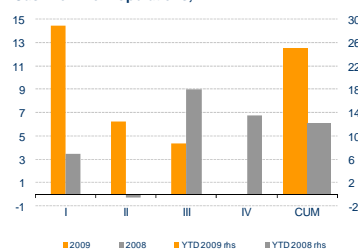


Suominen financials

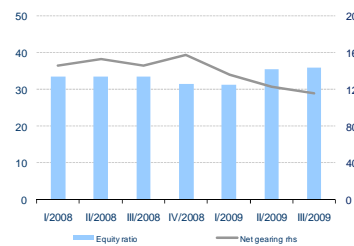
Strong cash flow

- Cash flow from operations EUR 25.0 million (12.1).
- Working capital down by EUR 15.7 million (6.0).
- Gross investments were EUR 3.0 million (3.5).
- Equity ratio 36.0% (33.0) and net gearing 115.9% (146.0) when capital loans included in equity.

Cash flow from operations, €M



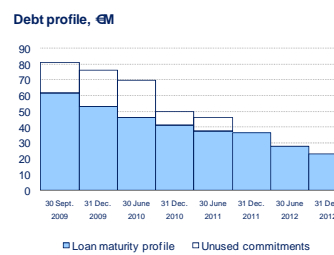
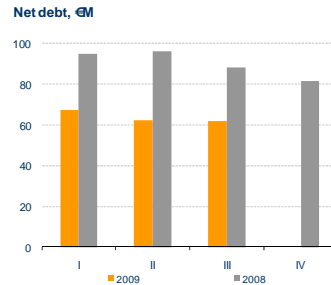
Equity ratio and net gearing, % (incl. capital loans)



Suominen funding

Debt levels down

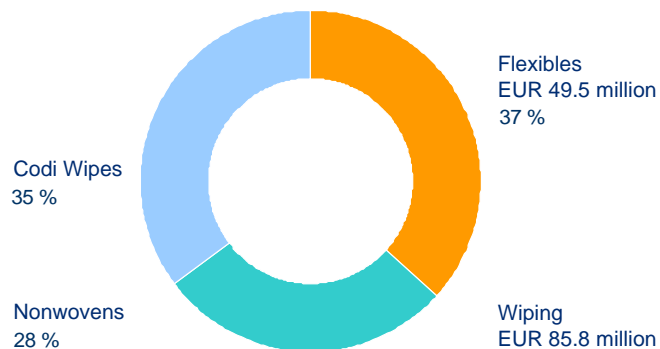
- Reduction of net debt by EUR 21.9 million.
- Amount of sold trade receivables was EUR 9.7 million.
- Financial costs included impairment charges of EUR 0.6 million of loan receivables from discontinued operations.
- Roll-over facility (unutilised) covers near-term obligations concerning loan maturities.



Break down of net sales

Q1 – Q3/2009

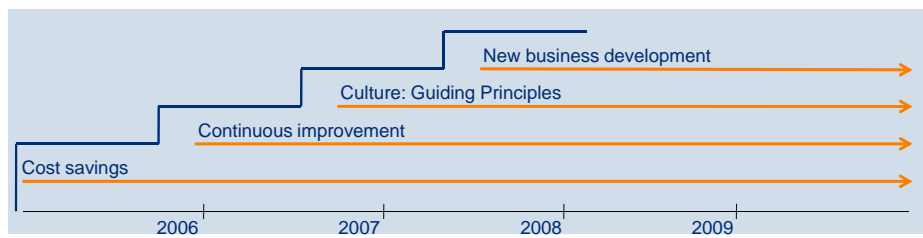
EUR 134.5 million



Suominen development

Performance improvement by strategic Stairs to Top programme

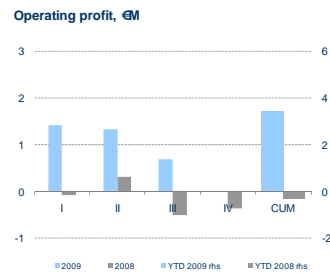
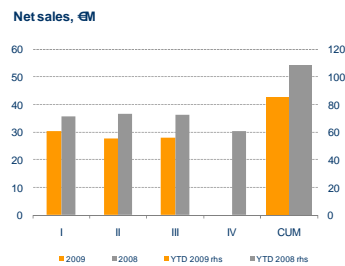
- Systematic process with programmes to improve cost base, enhance efficiency, initiate new business and boost profitability.
- Supported by development of corporate culture.
- Over a 4-year period, the EUR value of cost savings and efficiency enhancement actions has amounted to EUR 5 million every year; now the pace is EUR 6 million for 9 months in 2009.
- Commercial initiatives progressing positively e.g. sales of Amer product family in Flexibles, sales of new Nonwovens substrate and increasing sales to Russia.



Business area: Wiping

Operating profit strongly improved

- Net sales EUR 85.8 million, down by 21%.
- Volume of deliveries declined in both units and in most business segments.
- Operating profit EUR 3.4 million (-0.3).
- Cost base clearly improved in both units.



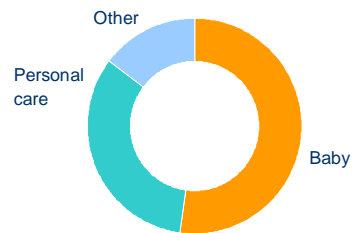
Business area: Wiping

Codi Wipes

- Net sales down by 14%.
- Sales volumes dropped in all product segments.
- Sales portfolio was restructured and unprofitable products were discontinued. This lowered top-line sales.
- Sales margins were better than year before.
- Cost savings recorded according to the rationalisation plan for the current year.
- New fully-automatic production line in start-up stage.

	Q3	LY	Q1-Q3	LY
Net sales, €M	15.8	-19%	47.7	-14%

Sales split



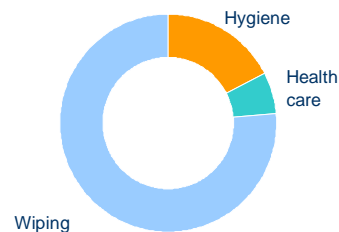
Business area: Wiping

Nonwovens

- Net sales down by 27%.
- Sales of wiping as well as hygiene materials declined. Health care volumes on the level of the previous year.
- Sales started with new less raw material consuming substrates.
- Average prices declined due to lower raw material prices but sales margins were better than year before.
- Operating costs down.
- Improved production yield and lower wastage.

	Q3	LY	Q1-Q3	LY
Net sales, €M	13.6	-29%	44.4	-27%

Sales split



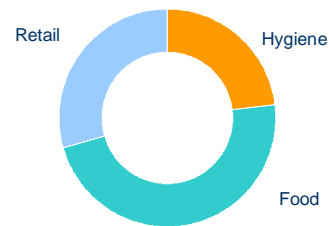
Business area: Flexibles

Sales declined

- Net sales EUR 49.5 million, down by 13%.
- Sales prices down on the previous year because of lower raw material prices.
- Deliveries of hygiene, retail and security & system packaging down.
- Sales of food packaging were close to the level of the previous year.
- Russian sales remained on the level of 2008.

	Q3	LY	Q1-Q3	LY
Net sales, €M	16.5	-14%	49.5	-13%

Sales split

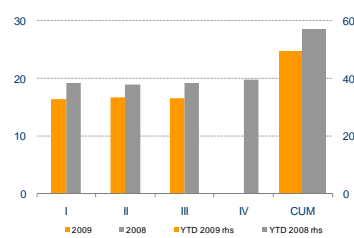


Business area: Flexibles

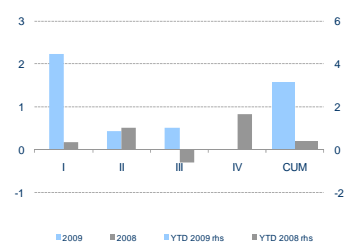
Operating profit improved

- Operating profit EUR 3.1 million (0.4).
- Raw material prices have increased strongly during 2009.
- Improvements in sales margins.
- New, high output carrier bag machine commissioned in Q3.
- Cost savings in personnel, fixed overhead and purchasing expenses.
- Potential temporary layoffs in Security & System Packaging during Q4.
- Production will be discontinued in Sweden, causing extra costs of approximately EUR 0.5 million for Q4.

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.
- Suominen's net sales will 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. In this respect, the last quarter is expected to be similar to the previous ones.
- 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 of plastic raw materials have been strongly rising 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.

Management focus in short term future

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 and shut down of Flexibles' Norrköping unit
- Working capital management and cash flow
 - Maintaining the successful direction
- Hunting of new profitable business
 - Increasing sales of existing and new products
 - Winning new customers on target markets

