

SUOMINEN CORPORATION FINANCIAL STATEMENT RELEASE 1 JANUARY – 31 DECEMBER 2010

UNPROFITABLE YEAR

KEY FIGURES	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Net sales, EUR million	45.3	44.9	173.4	179.4
Operating profit, EUR million	-8.7	0.6	-10.8	6.7
Profit/loss for the period, EUR million	-10.3	-0.3	-14.4	0.9
Earnings/share, EUR	-0.22	-0.01	-0.34	0.02
Cash flow from operations/share, EUR	-0.05	0.05	-0.06	0.74

Suominen's net sales in 2010 declined by 3 per cent compared with the previous year and totalled EUR 173.4 million. Operating profit before non-recurring costs and a write-down of goodwill was EUR -3.8 million (7.3) and after these deductions EUR -10.8 million (6.7). The result after taxes was a loss of EUR 14.4 million (+0.9). The write-down of goodwill amounted to EUR 4.9 million and non-recurring costs arising from restructuring were EUR 2.2 million (0.6). In the face of an extremely tight competitive situation gross margins fell. The result also deteriorated as a consequence of lower production volumes and a rise in raw material prices.

During the financial year, Suominen raised its equity by issuing a rights offering of EUR 10 million and arranged refinancing by signing an agreement on a credit facility in the amount of EUR 44 million.

Earnings per share were EUR -0.34 (0.02). Cash flow from operations was EUR -0.06 per share. The Board of Directors proposes that no dividend be paid for the financial year 2010.

GROUP FINANCIAL RESULTS

Suominen Corporation generated net sales of EUR 45.3 million (44.9) in the fourth quarter. Operating profit before non-recurring costs and a write-down of goodwill was EUR -1.6 million (0.6) and after these deductions EUR -8.6 million (0.6). Loss before taxes was EUR 10.3 million (0.4).

Net sales for the whole year totalled EUR 173.4 million (179.4). Operating loss was EUR 10.8 million (profit 6.7), loss before taxes EUR 15.7 million (profit 1.0) and loss after taxes EUR 14.4 million (profit 0.9). Net sales declined by 3 per cent compared to the previous year. The decline was due to lower production volumes.

The rise in raw material prices, which constitute Suominen's most significant costs, continued until the end of summer, but levelled off temporarily thereafter. However, some raw material prices resumed their upward trend at year end. During the year, the prices of plastic-based raw materials rose by 27–35 per cent. The rise in raw material prices had a considerable negative impact on the Group's result, the costs of materials and supplies increasing by 10 per cent on the comparison year. In the majority of current sales contracts sales prices are adjusted in line with rises in raw material costs, but to a significant extent the adjustments only take effect several months after the costs have risen. Operating expenses decreased. In early 2010, Flexibles stopped production of bags on the roll at

the Tampere plant, and at the end of the year, measures were initiated to close down the Nastola plant. In the Netherlands, employee negotiations were started to reorganise operations and reduce personnel.

Further measures were taken to improve the efficiency of the use of assets. The amount of working capital remained at the previous year's level, despite the rise in unit prices. Investments were limited to measures that improve efficiency. Cash flow from operations was EUR -2.5 million (26.8).

Cost-saving and operational enhancement programme

The Stairs to Top programme was continued. During the year under review, savings were generated in personnel and overhead expenses. Production efficiency per employee continued to improve, although the production volume targets were not met. The cost savings and efficiency-enhancement measures generated EUR 3 million (7). Sales programmes focused on strengthening established customer relationships.

Financing

The Group's interest-bearing net liabilities totalled EUR 57.9 million (59.1), including capital loans of EUR 6.0 million (8.0). Repayments of non-current loans were EUR 23.7 million, while the amount of draw-down of new non-current loans was EUR 8.0 million and current loans EUR 15.0 million. Net financial expenses were EUR 4.8 million (5.7), or 2.8 per cent (3.2) of net sales.

In June, Suominen issued a share offering of EUR 10 million giving existing shareholders a pre-emptive right to subscribe for the shares. The proceeds were used for strengthening the balance sheet and creating better conditions for structural changes in the company. The record date of the issue was 4 June and the final payment date was 30 June.

In December, Suominen made an agreement on a credit facility in the amount of EUR 44 million, which includes a three-year amortising loan and a revolving credit facility effective for two years. The credit terms were eased as regards covenants on debt service. On the other hand, the interest rate margin is performance-based, the agreement includes a minimum liquidity requirement and the security arrangements are more comprehensive. Suominen intends to reduce its net debt by selling, where possible, balance sheet items that are less important to the company's future operations. In the credit agreement, the first instalment of EUR 15 million is scheduled for June 2011.

The change in working capital in the cash flow statement was EUR -1.1 million (15.2). At year end, a total of EUR 14.0 million (10.5) in trade receivables was sold to the bank. The equity ratio was 27.9 per cent (29.9). When capital loans are included in shareholders' equity, the equity ratio was 32.9 per cent (36.4) and the ratio of liabilities to shareholders' equity 132.1 per cent (114.4). Cash flow from operations was EUR -0.06 per share (0.74).

Investments

The Company's gross investments in production totalled EUR 6.2 million (4.5). Planned depreciation amounted to EUR 9.3 million (10.2). Codi Wipes accounted for EUR 0.6 million (1.0), Nonwovens for EUR 1.7 million (1.5) and Flexibles for EUR 3.8 million (2.0) of total investments. Flexibles invested in a new printing machine in Poland. Other Group investments were in efficiency-enhancement and maintenance.

SEGMENT RESULTS

In 2010, net sales of the Wiping business area totalled EUR 108.2 million, a decline of 5 per cent on the previous year. The business area's operating profit before non-recurring costs and a write-down of goodwill was EUR -2.7 million and after the deductions EUR -8.6 million. In December, the business area's management was changed, the President and CEO of Suominen Corporation taking over the responsibility for the business area in addition to his other duties.

Net sales of Codi Wipes, at EUR 56.4 million, declined by 13 per cent on the previous year. The decline was due to a fall in sales prices at the beginning of the year and lower production volumes compared to the reference year. Sales declined in the baby wipes and moist toilet wipes segment, while sales of personal care wipes increased. In autumn, the unit launched several new products in collaboration with major customers. The unit's operating expenses decreased. In December, employee negotiations were started with a view to rationalising the organisation and reducing personnel by approximately 20 employees. An agreement was reached in January 2011. In the financial statements, a provision of EUR 1.0 million was recorded for lay-off and other costs due to the rationalisation measures.

Net sales of Nonwovens increased by 4 per cent to EUR 59.1 million. Sales of thermobonded hygiene product material fell to less than half of the previous year's level. Volumes of hydroentangled nonwovens grew, and sales in the USA and Russia increased. Likewise, sales of health care materials increased. Prices of plastic raw materials and viscose rose by a clear margin during the year. Due to the tight competitive situation, it was extremely difficult to implement sales price increases. For customers having price escalators in sales contracts, cost rises were passed on to sales prices with a delay of some months. Product development focused on launching new light-weight nonwovens. In spite of cost saving measures, the unit's costs rose due to the increased energy, electricity and transportation costs. During the spring, a couple of short production lay-offs were implemented. The goodwill of the Nonwovens cash-generating unit was decided to write down in the company's 2010 financial statements.

Net sales of the Flexibles business area totalled EUR 66.1 million (66.9), and operating profit was EUR -2.1 million (2.8), including non-recurring costs of EUR 1.2 million from operational reorganisation. Net sales declined by 1

per cent, mainly due to a fall-off in sales of retail carrier bags. The production of fruit and vegetable bags on the roll was terminated at the beginning of 2010. The sales figures for hygiene and food packaging as well as for security and system packaging remained on a level with the reference year. Sales of tissue and bakery packaging as well as labels increased. Regionally, sales developed positively in Russia in particular. Of new products, differentiating material solutions and thermo bags played a role in the increase of sales.

The costs of raw material used by Flexibles increased considerably, especially during the first half of the year, and it was not possible to transfer these increases to sales prices soon enough. For this reason, the proportion of raw materials of all costs rose clearly compared with the reference year. The business area's operating expenses fell due to the decision made in the previous year to transfer production from Sweden to Poland. In the autumn, a decision was made to end production at the Nastola plant and redistribute production between plants. The related transfers of machinery from Nastola to Poland and Tampere were started at the end of the year, though mainly scheduled for the first half of 2011. Following employee negotiations, 102 employment contracts were terminated at Finnish plants, while the headcount at the Polish plant will increase by 40 people as production volumes increase.

GENERAL MEETINGS OF SHAREHOLDERS

The Annual General Meeting of Shareholders was held on 23 March 2010. The General Meeting decided that a dividend of EUR 0.02 would be paid for 2009.

The General Meeting approved the financial statements of the parent company and the Group for the financial year 1 January – 31 December 2009 and released the members of the Board of Directors and the President and CEO from liability for the period. Heikki Bergholm, Kai Hannus, Suvi Hintsanen, Juhani Lassila, Mikko Majjala, and Heikki Mairinoja were elected to the Board of Directors. At its organising meeting, the Board elected Mikko Majjala as Chairman and Heikki Mairinoja as Deputy Chairman. PricewaterhouseCoopers Oy, Authorised Public Accountants, with Heikki Lassila, APA, as the principal auditor, were elected as auditors of Suominen Corporation.

An Extraordinary General Meeting of Shareholders was held on 1 June 2010. The General Meeting authorised the Board of Directors to decide on the issue of a maximum of 30,000,000 new shares in one or more share issues against payment.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Annual General Meeting of Shareholders held on 23 March 2010 adopted an amendment to the Articles of Association resulting from an amendment to the Limited Liability Companies Act, which entered into force on 31 December 2009. Article 11 of the company's Articles of Association was amended so as to stipulate that the invitation to the General Meeting of Shareholders shall be published no later than three weeks prior to the General Meeting, however, at least nine days before the General Meeting record date.

SHARE CAPITAL AND SHARES

Share capital and share issue

On 1 January 2010, the registered number of issued shares of Suominen totalled 23,720,112 shares. The fully paid up share capital amounted to EUR 11,860,056.

Based on the authorisation given by the Extraordinary General Meeting held on 1 June 2010, the company's Board of Directors decided to raise the share capital through a share issue implemented from 9 to 23 June 2010. On 30 June 2010, the company announced that the final outcome of the rights offering showed that a total of 23,108,629 shares, representing 97.6 per cent of the total number of shares offered, had been subscribed for on the basis of subscription rights. The remaining 566,273 shares had been subscribed for without subscription rights. The subscription price was EUR 0.43 per share.

Trading in interim shares commenced on 24 June 2010. Shares subscribed for in the rights offering were registered with the Finnish Trade Register on 1 July 2010, after which they were combined with the company's existing shares. Trading in the new shares alongside the existing shares commenced on NASDAQ OMX Helsinki Ltd on 2 July 2010. The new shares include the right to dividends and other distributions as well as other shareholder rights as from the registration date of 1 July 2010.

Following the registration of 1 July 2010, the registered number of Suominen's issued shares totals 47,395,014 shares.

Share trading and price

The number of Suominen Corporation shares traded on NASDAQ OMX Helsinki before the share issue, from 1 January to 30 June 2010, was 2,575,585 shares, including the interim shares representing the offer shares subscribed for on the basis of the subscription rights. The trading price of the company's ordinary shares varied between EUR 1.41 and EUR 1.74 before the new rights issue (4 June 2010) and from EUR 0.74 to EUR 1.39 thereafter. The final trading price on 30 June was EUR 0.75. The trading price of the interim share varied between EUR 0.71 and EUR 0.75. The final trading price was EUR 0.73. The highest price for subscription rights on NASDAQ OMX Helsinki was EUR 0.50, and the lowest price was EUR 0.23. The final price was EUR 0.24. The total number of subscription rights tradeded was 2.1 million, with a total value of EUR 0.6 million.

The number of Suominen Corporation shares traded on NASDAQ OMX Helsinki after the share issue, from 1 July to 31 December 2010, was 3,501,425 shares. The trading price varied between EUR 0.48 and EUR 0.79. The final trading price was EUR 0.52, giving the company a market capitalisation of EUR 24,557,629 million on 31 December 2010.

The Company's own shares

On 1 January 2010, the company held 682 of its own shares, accounting for 0.0 per cent of the share capital and votes.

The 2009 Annual General Meeting of Shareholders authorised the Board of Directors to acquire a maximum of 200,000 of the company's own shares. This authorisation was still valid and the company acquired 76,405 of its own shares during the period from 1 January to 30 June 2010. The same General Meeting also granted an au-

thorisation to convey the company's own shares, and the Board of Directors still had authorisation to convey 200,682 of these shares. Within the authorisation, the company has conveyed 31,877 of its own shares as emoluments to the Board of Directors in the period under review. The price of the conveyed shares was EUR 1.60 per share.

The Annual General Meeting of Shareholders held on 23 March 2010 authorised the Board of Directors to decide on the acquisition of a maximum of 200,000 of the company's own shares. The General Meeting also authorised the Board of Directors to decide on the conveyance of a maximum of 200,682 of the company's own shares. During the period under review, the Board of Directors has not exercised these authorities granted by the 2010 Annual General Meeting.

On 31 December 2010, Suominen Corporation held a total of 168,805 of its own shares, accounting for 0.36 per cent of the share capital and votes.

Stock options

Suominen has stock option plans 2006, 2007 and 2009. The Board of Directors has decided to amend the terms and conditions of the option plans so that an option holder has the right to the same proportion of shares in the company as before the rights offering. The subscription prices per share were also adjusted.

The 2006A and 2006B stock options have expired. A total of 100,000 2006C stock options has been granted at the original subscription price of EUR 1.66. The new number of shares that can be subscribed under the stock option plan is 200,000, and the new subscription price is EUR 1.05. The subscription period for the 2006C stock options is from 2 May 2010 to 30 October 2011.

The 2007A stock options have expired. A total of 90,000 2007B stock options has been granted at the original subscription price of EUR 1.66. The new number of shares that can be subscribed under the stock option plan is 180,000, and the new subscription price is EUR 1.05. A total of 60,000 have been returned to the company, i.e. the option right holders still have 120,000 shares. The subscription period for the 2007B stock options is from 2 May 2010 to 30 October 2011.

A total of 150,000 2009A stock options has been granted at the original subscription price of EUR 1.46. The new number of shares that can be subscribed under the stock option plan is 300,000, and the new subscription price is EUR 0.95. A total of 50,000 of these have been returned to the company, i.e. the option right holders still have 250,000 shares. The subscription period for the 2009A stock options is from 2 May 2011 to 30 October 2012.

A total of 300,000 2009B stock options has been granted after the share issue at a subscription price of EUR 0.96. The number of shares that can be subscribed under the stock option plan is 300,000. The subscription period for the 2009B stock options is from 2 May 2012 to 30 October 2013.

While the registered number of Suominen's issued shares totals 47,395,014, the number of shares may rise to a maximum of 48,265,014 after stock option subscriptions.

Other authorisation for the Board of Directors

The Board of Directors still has authorisation to issue 300,000 more stock options in accordance with the 2009 stock option plan, which would entitle holders to subscribe for 300,000 Suominen shares. The validity of the authorisation to issue 6,325,098 new shares remaining from the authorisation granted by the Extraordinary General Meeting held on 1 June 2010 expired on 31 December 2010, after which the Board of Directors is not otherwise authorised to issue special rights entitling to shares, option rights and/or convertible bonds.

BUSINESS RISKS AND UNCERTAINTIES

Developments and changes in European consumer demand govern the demand for Suominen's products. Changes in the economic situation also play a role in affecting consumer behaviour, and there is a risk that consumers will alter their purchasing habits. The deterioration in the general economic situation has in fact affected purchasing habits in that consumers are increasingly buying more affordable products and the private label goods of retail chains.

Suominen's customer base is fairly narrow, which adds to the customer-specific risk. This may affect Suominen's business operations if customers' purchasing habits become more cautious as a result of a general fall in consumption, or if net sales are negative. The Group's ten largest customers currently account for 64 per cent of its net sales (63), long-term contracts being preferred in the case of the largest customers. The loss of one or more significant customer, a considerable reduction in the volume of key customers' purchases, or financial or business difficulties may have adverse effects on Suominen's business operations. Customer-related credit risks are managed in accordance with a risk policy approved by the Board of Directors. Credit limits are confirmed for customers on the basis of credit ratings and customer history. Suominen also uses export credit guarantees to cover the company against credit losses in export trade.

Plastic-based products suffer from a poor image in certain applications, which may increase the risk of lower demand for some products. However, it is difficult to find alternatives for the products in Suominen's range. New-technology products and imports from low-cost countries may reduce the competitiveness of Suominen's products. These risks are mitigated, however, by the quality requirements expected of many products, which existing cheaper offerings are incapable of meeting, and by the challenges associated with transport and distribution.

Suominen does not have any competitors with a fully similar product offering. However, the company has numerous regional, national or international competitors in its different product groups. Supply exceeds demand in most of the product groups. If Suominen Corporation is not able to compete with an attractive product offering, it may lose some of its market share, and the competition may lead to increased pricing pressure on the company's products.

Suominen uses certain technologies in its production. In the company management's view, the chosen technologies are competitive and there is no need to make major investments in new technologies. However, it cannot be excluded that the company's technology choices could prove wrong, and the development of new or substitute technologies would then require investments.

Extended interruptions in supplies of Suominen's main raw materials could disrupt production and have a negative impact on the Group's overall business operations. As Suominen sources its raw materials from a number of major international suppliers, significant interruptions are unlikely. Annually the Group purchases considerable amounts of oil-based and wood-based raw materials, the value of which totalled approximately EUR 55 million in 2010. The prices of the oil-based raw materials used by Suominen are largely determined on the international commodities market, which makes it difficult to forecast how they will develop. Raw material price changes have a rapid effect on Suominen's financial performance, as stocks equal 2 to 4 weeks consumption. Passing on price changes in these materials to the prices Suominen charges its contract customers takes between three to six months.

Suominen aims to protect its business against product liability risks through the use of systematic quality assurance processes and product liability insurance. R&D is responsible for ensuring the underlying safety of the Group's products during their development. Ongoing quality control is designed to guarantee product quality during production. Management considers it unlikely that the Group will face significant product liability-related claims, and is unaware of any such claims.

There could be a risk of Suominen's business operations being interrupted due to abrupt and unforeseen events, such as power outages or fire and water damage. Suominen Corporation may not be able to control these events through predictive actions, which could lead to interruptions in business. Managing damage risk forms part of the operational management of the Group's units. Risks of this type are insured in order to guarantee the continuity of operations. An insurance policy approved by the Board of Directors regulates the Group's insurance activities. An external insurance broker is used to identify and manage Suominen's insurance cover. The policies are normal property, loss of profit and liability insurance policies, taken out with reputable insurance companies.

Suominen Corporation is subject to income taxes in numerous jurisdictions. Significant judgement is required to determine the total amount of income tax at Group level. There are many transactions and calculations that leave room for uncertainty as to the final amount of tax. Taxation risks also relate to changes in tax rates or tax legislation, or misinterpretations, and materialisation of the risk could result in increased payments or sanctions by the tax authorities, which in turn could lead to financial loss. Deferred tax assets included in the balance sheet require that the deferred tax assets can be recovered in future taxable income.

The Group's financial risks are managed in accordance with a policy approved by the Board of Directors. Financial risks relate to the adequacy of funding, credit risks, and the market risks associated with financial instruments, divided into currency, interest rate, and commodity risks. In December Suominen made an agreement on a credit facility in the amount of EUR 44 million, and the company will have to meet the repayment and other terms and conditions. The first instalment of EUR 15 million will fall due at the end of June 2011, which calls for good income from operations, streamlining the balance sheet or strengthened equity. Suominen has launched several initiatives in order to release capital, but in the general financial situation it is uncertain whether the initiatives can

be carried out according to the required schedule. If Suominen is unable to pay the agreed instalment, the company will have to seek refinancing from the current financiers under potentially tighter terms and conditions. Suominen's credit arrangements include covenants that the company must meet. The covenants require the Group to have financial buffers worth a minimum of EUR 2 million. The Group's equity ratio must be 27 %, with capital loans included in equity. Should Suominen default on its obligations, the banks have the right to declare the loans due and payable and to renegotiate the terms. According to Suominen's estimates, this would lead at least to increased financing costs resulting from the banks' upfront fees and higher interest rate margins.

Goodwill is tested annually to determine whether there is any impairment. The test calculations require forecasts and actual cash flows may deviate from the forecast future discounted cash flows, as the long economic life-time of our non-current assets, changes in the estimated product prices, production costs, and in interest rates used in discounting may result in significant write-downs. Impairment test calculations are based on present estimates of future developments. The value in use of Codi Wipes exceeds the carrying amount by EUR 2.9 million. This goodwill value is based on the acquisition of Codi Wipes.

OUTLOOK

The demand for Suominen's products is evaluated on the basis of customer contracts and use forecasts provided by customers. It is estimated that the demand for Suominen's products will remain stable in 2011, and no major change is anticipated in the net sales for 2011 over the 2010 level.

Suominen has initiated measures to raise product prices with the aim of improving sales margins. On the other hand, the prices of raw materials are still rising. Sales volumes and margins early in the year are not expected to change substantially from the level in autumn 2010. It is estimated that the result after taxes for the total year 2011 will improve over 2010 but remain negative.

PROPOSAL BY THE BOARD OF DIRECTORS

The parent company's distributable assets as of the end of 2010 totalled EUR 7,965,886.79 of which the loss for the year was EUR 10,917,305.73.

The Board of Directors will propose at the Annual General Meeting to be held on 30 March 2011 that these funds be distributed as follows:

No dividend be paid for the financial year, EUR	0.00
Leaving on the retained earnings account, EUR	7,965,886.79

SUOMINEN CORPORATION CONSOLIDATED 1 JANUARY – 31 DECEMBER 2010

This financial statement has been prepared in compliance with IAS 34 Interim Financial Reporting. Changes to published accounting standards and interpretations, together with the new accounting standards that came into force on 1 January 2010, are presented in the financial statements for 2009.

All calculations in the financial statements have been prepared in compliance with IAS 1, 'Presentation of Financial Statements'. This revised standard is aimed at improving users' ability to analyse and compare the information given in financial statements by separating changes in the equity of an entity arising from transactions with owners from other changes in equity. Non-owner changes in equity will be presented in the statement of comprehensive income.

In its principles for preparing the financial statements, Suominen has not applied any changes allowed by the published new standards and interpretations prior to their official introduction. The accounting principles are consistent in other respects with those of the annual financial statements for 2009.

The figures in this financial statement have not been audited.

BALANCE SHEET

EUR 1 000	12/2010	12/2009
Assets		
Non-current assets		
Goodwill	18 498	23 404
Intangible assets	776	795
Tangible non-current assets	53 873	57 044
Available-for-sale financial assets	212	212
Held-to-maturity investments	354	225
Deferred tax assets	1 339	921
Non-current assets, total	75 052	82 601
Current assets		
Inventories	24 373	22 598
Trade receivables	10 817	11 514
Other current receivables	5 666	4 416
Income tax receivables	200	112
Cash at bank and in hand	3 253	1 589
Current assets, total	44 309	40 229
Assets, total	119 361	122 830
Shareholders' equity and liabilities		
Equity attributable to owners of the parent company		
Share capital	11 860	11 860
Share premium account	24 681	24 681
Invested non-restricted equity fund	9 708	
Fair value and other reserves	665	-402
Translation differences	515	-117
Other shareholders' equity	-14 143	667
Shareholders' equity, total	33 286	36 689
Liabilities		
Non-current liabilities		
Deferred tax liabilities	2 930	3 065
Provisions	280	280
Capital loans	4 000	6 000
Interest-bearing liabilities	35 823	43 390
Non-current liabilities, total	43 033	52 735
Current liabilities		
Interest-bearing liabilities	19 459	9 471
Capital loans	2 000	2 000
Income tax liabilities		39
Trade payables and other current liabilities	21 583	21 896
Current liabilities, total	43 042	33 406
Liabilities, total	86 075	86 141
Shareholders' equity and liabilities, total	119 361	122 830

STATEMENT OF INCOME

EUR 1 000	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Net sales	45 315	44 855	173 438	179 354
Cost of goods sold	-43 399	-40 320	-165 277	-158 969
Gross profit	1 916	4 535	8 161	20 385
Other operating income	147	124	859	530
Sales and marketing expenses	-1 120	-1 085	-3 927	-3 715
Research and development	-567	-684	-1 951	-2 297
Administration expenses	-1 721	-1 701	-6 333	-7 144
Other operating expenses	-2 244	-584	-2 564	-1 053
Operating profit before impairment losses	-3 589	606	-5 755	6 706
Impairment losses	-5 069		-5 069	
Operating profit	-8 658	606	-10 824	6 706
Financial income and expenses	-1 686	-1 045	-4 840	-5 701
Profit before income taxes	-10 344	-439	-15 664	1 005
Income taxes	8	91	1 302	-145
Profit/loss for the period	-10 336	-348	-14 362	860
Earnings/share, EUR	-0.22	-0.01	-0.34	0.02

STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Profit/loss for the period	-10 336	-348	-14 362	860
Other comprehensive income				
Total exchange differences on foreign operations	355	306	854	335
Fair value changes of cash flow hedges	912	428	1 661	48
Fair value changes of available-for-sale assets				73
Other reclassifications	-5	72	-2	-9
Income tax on other comprehensive income	-330	-191	-654	-119
Other comprehensive income, total	932	615	1 859	328
Total comprehensive income for the period	-9 404	267	-12 503	1 188

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1 000	Share capital	Share premium account	Invested non-restricted equity fund	Own shares	Translation differences	Fair value reserves	Retained earnings	Total
Total equity at 1 Jan. 2010	11 860	24 681		-1	-117	-401	667	36 689
Profit/loss for the period							-14 362	-14 362
Other comprehensive income					632	1 229	-2	1 859
Share-based payments							29	29
Share issue			9 708					9 708
Dividend							-474	-474
Repurchase of own shares				-213				-213
Conveyance of own shares				51			-1	50
Total equity at 31 Dec. 2010	11 860	24 681	9 708	-163	515	828	-14 143	33 286

EUR 1 000	Share capital	Share premium account	Invested non-restricted equity fund	Own shares	Translation differences	Fair value reserves	Retained earnings	Total
Total equity at 1 Jan. 2009	11 860	24 681		-50	-365	-490	-246	35 390
Profit/loss for the period							860	860
Other comprehensive income					248	89	-9	328
Share-based payments							68	68
Conveyance of own shares				49			-6	43
Total equity at 31 Dec. 2009	11 860	24 681		-1	-117	-401	667	36 689

CASH FLOW STATEMENT

EUR 1 000	1-12/2010	1-12/2009
Operations		
Operating profit	-10 824	6 706
Total adjustments	14 076	10 367
Cash flow before change in working capital	3 252	17 073
Change in working capital	-1 054	15 234
Financial items	-4 626	-5 263
Taxes paid	-31	-251
Cash flow from operations	-2 459	26 793
Investment payments		
Investments in tangible and intangible assets	-5 966	-4 373
Proceeds from disposal of fixed assets and other proceeds	751	388
Cash flow from investing activities	-5 215	-3 985
Financing		
Non-current loans drawn	8 000	35 192
Repayments of non-current loans	-23 731	-58 722
Change in commercial papers	988	
Repayments of capital loans	-2 000	-2 000
Current loans drawn	17 000	
Dividends paid	-474	
Repurchase and conveyance of own shares	-163	44
Share issue	9 708	
Cash flow from financing	9 328	-25 486
Change in cash and cash equivalents	1 654	-2 678

KEY FIGURES	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Net sales, change, % *	1.0	-10.0	-3.3	-16.4
Gross profit, % **	4.2	10.1	4.7	11.4
Operating profit, % **	-19.1	1.4	-6.2	3.7
Financial income and expenses, % **	-3.7	-2.3	-2.8	-3.2
Profit before income taxes, % **	-22.8	-1.0	-9.0	0.6
Profit for the period, % **	-22.8	-0.8	-8.3	0.5
Earnings/share, EUR	-0.22	-0.01	-0.34	0.02
Equity/share, EUR			0.70	1.01
Dividend/share, EUR				0.02
Cash flow from operations/share, EUR			-0.06	0.74
Return on equity (ROE), %			-37.3	2.4
Return on invested capital (ROI), %			-10.6	6.4
Equity ratio, %			27.9	29.9
Gearing, %			174.0	161.2
Gross investments, EUR 1 000			6 190	4 507
Depreciation, EUR 1 000			9 322	10 158
Impairment losses, EUR 1 000			5 069	

* Compared with the corresponding period of the previous year.

** As of net sales.

SEGMENT REPORTING

Wiping

EUR 1 000	1-12/2010	1-12/2009	Change %
Net sales			
- Codi Wipes	56 371	64 479	-12.6
- Nonwovens	59 084	56 905	3.8
- eliminations	-7 296	-7 888	-7.5
Total	108 159	113 496	-4.7
Operating profit before impairment losses	-3 699	4 299	
% of net sales	-3.4	3.8	
Impairment losses	-4 906		
Operating profit	-8 605	4 299	
Assets	67 650	78 991	
Liabilities	11 620	13 349	
Net assets	56 030	65 641	
Investments	2 278	2 447	
Depreciation	6 117	6 784	
Impairment losses	4 906		
Average personnel	369	392	

Flexibles

EUR 1 000	1-12/2010	1-12/2009	Change %
Net sales	66 140	66 894	-1.1
Operating profit	-1 941	2 823	
% of net sales	-2.9	4.2	
Assets	45 950	44 462	
Liabilities	10 048	10 039	
Net assets	35 902	34 423	
Investments	3 788	2 059	
Depreciation	3 181	3 349	
Impairment losses	163		
Average personnel	521	541	

Non-allocated items

EUR 1 000	1-12/2010	1-12/2009
Net sales	-861	-1 036
Operating profit	-115	-415
Assets	5 760	-623
Liabilities	64 406	62 752
Investments	124	1
Depreciation	24	24
Average personnel	11	11

NET SALES BY MARKET AREA

EUR 1 000	1-12/2010	1-12/2009
Finland	27 053	29 883
Scandinavia	14 821	15 843
The Netherlands	9 915	12 004
Europe, other	104 651	106 220
Other countries	16 998	15 404
Net sales, total	173 438	179 354

QUARTERLY FIGURES

EUR 1 000	I/2010	II/2010	III/2010	IV/2010	I/2010- IV/2010
Net sales					
Wiping					
- Codi Wipes	13 884	14 844	14 210	13 433	56 371
- Nonwovens	12 246	13 722	14 958	18 159	59 084
- eliminations	-1 667	-1 333	-1 734	-2 562	-7 296
Total	24 462	27 234	27 434	29 029	108 159
Flexibles	16 395	17 107	16 125	16 513	66 140
Non-allocated items	-241	-193	-200	-227	-861
Net sales, total	40 616	44 148	43 359	45 315	173 438
Operating profit					
Wiping	-142	-787	-1 136	-623	-2 689
% of net sales	-0.6	-2.9	-4.1	-2.1	-2.5
Flexibles	-135	873	-720	-1 017	-999
% of net sales	-0.8	5.1	-4.5	-6.2	-1.5
Non-allocated items	-48	-103	33	3	-115
Operating profit before non-recurring costs	-325	-17	-1 824	-1 637	-3 803
% of net sales	-0.8	0.0	-4.2	-3.6	-2.2
Non-recurring costs				-7 021	-7 021
Operating profit, total	-325	-17	-1 824	-8 658	-10 824
% of net sales	-0.8	0.0	-4.2	-19.1	-6.2
Net financial expenses	-1 138	-988	-1 028	-1 686	-4 840
Profit before income taxes	-1 463	-1 005	-2 852	-10 344	-15 664

TAXES FOR THE YEAR UNDER REVIEW

Income taxes are calculated based on the final tax outcome and income tax rate by country.

INFORMATION ON RELATED PARTIES

Suominen has related party relationships with the members of the Board of Directors, and the members of the Corporate Executive Team. The company has no investments in associated companies. Salaries paid to the related parties amounted to EUR 1,104,000, share-based payments EUR 29,000, unsecured loans EUR 660,000, and interest payments EUR 101,000.

MOVEMENTS IN BORROWINGS

EUR 1 000	1-12/2010	1-12/2009
Total borrowings on 1 January	60 861	86 403
Current loans from financial institutions on 1 January		
Change in current loans from financial institutions	17 000	
Current loans from financial institutions on 31 December	17 000	0
Commercial papers on 1 January		
Change in commercial papers	988	
Commercial papers on 31 December	988	0
Non-current loans on 1 January	52 861	76 403
Change in non-current loans	-15 577	-23 542
Non-current loans on 31 December	37 284	52 861
Capital loans on 1 January	8 000	10 000
Change in capital loans	-2 000	-2 000
Capital loans on 31 December	6 000	8 000
Total borrowings on 31 December	61 282	60 861

CHANGES IN FIXED ASSETS

EUR 1 000	1-12/2010		1-12/2009	
	Tangible	Intangible	Tangible	Intangible
Book value at the beginning of the period	57 044	795	62 661	855
Investments	5 884	177	4 311	143
Decreases	-466	-1	-161	
Depreciation	-9 127	-195	-9 955	-203
Translation differences and other changes	538		188	
Book value at the end of the period	53 873	776	57 044	795

CONTINGENT LIABILITIES

EUR 1 000	12/2010	12/2009
For own debt		
Real estate mortgages	24 045	24 045
Floating charges	60 069	50 000
Pledged subsidiary shares	82 982	
Other own commitments		
Operating leases, real estates	9 465	9 878
Operating leases, machinery and equipment	7 577	8 494
Guarantee commitments	1 995	1 752

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR 1 000	12/2010	12/2009
Currency derivatives		
Nominal value	5 172	5 637
Fair value	-138	-27
Interest rate derivatives		
Nominal value	13 833	25 833
Fair value	-143	-448
Electricity derivatives		
Nominal value	2 638	1 292
Fair value	1 249	-120
Commodity derivatives		
Nominal value		435
Fair value		48

Helsinki, 11 February 2011

SUOMINEN CORPORATION

Board of Directors

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