SUOMINEN CORPORATION FINANCIAL STATEMENT RELEASE 17 FEBRUARY 2012 AT 1:00 P.M.

FINANCIAL STATEMENT RELEASE 1 JANUARY–31 DECEMBER 2011

REFORMED SUOMINEN – RESULT IMPROVED BUT STILL SHOWING LOSSES

KEY FIGURES	10-12/2011	10-12/2010	**1-12/2011**	1-12/2010
Net sales, EUR million	85.5	45.3	**216.3**	173.4
Operating profit, EUR million	-2.4	-8.7	**-4.8**	-10.8
Profit/loss for the period, EUR million	-3.8	-10.3	**-9.5**	-14.4
Earnings/share, EUR	-0.02	-0.22	**-0.11**	-0.34
Cash flow from operations/share, EUR	-0.02	-0.05	**-0.03**	-0.06

During the year under review, Suominen acquired the Home and Personal nonwovens business, with net sales of approximately EUR 320 million, from Ahlstrom Corporation. As a result of the acquisition, Suominen has become the global market leader in nonwovens for wipes. The transaction was valued at approximately EUR 170 million, around EUR 87 million of which was raised through a share issue.

The merger entered into force as of 1 November 2011, which means the net sales and result of the acquired business was included in Suominen's financial figures for two months. Suominen's net sales in 2011 were EUR 216.3 million; net sales in the previous year were EUR 173.4 million. Operating profit for the year, excluding non-recurring items, were negative, and stood at EUR 1.1 million (-3.8). Non-recurring items of EUR 3.7 million (7.1 million) related to the business acquisition and to the closure of the plant in Nastola. The low economic cycle affected Suominen's business such that customers' purchasing behaviour was cautious and price-driven. Nonwovens' comparable sales volumes remained at the previous year's level, but Codi Wipes' and Flexibles' volumes decreased. The result improved mostly as a result of lower operating expenses.

Earnings per share were EUR -0.11 (-0.34). Cash flow from operations was EUR -0.03 per share (-0.06). The Board of Directors proposes that no dividend be paid for the financial year 2011.

GROUP FINANCIAL RESULTS

Suominen generated net sales of EUR 85.5 million (45.3) in the fourth quarter. Operating profit before non-recurring items was EUR 0.3 million (-1.6). Profit before taxes was EUR -3.3 million (-10.3) and profit after taxes EUR -3.8 million (-10.3). Non-recurring costs were EUR 2.7 million (EUR 2.0 million excluding write-downs of EUR 5 million).

Net sales for the whole year totalled EUR 216.3 million (173.4). Operating loss before non-recurring items was EUR 1.1 million (3.8) and after these items EUR 4.8 million (10.8). Profit before taxes was EUR -10.0 million (-15.7) and profit after taxes EUR -9.5 million (-14.4). Net sales grew 25% from the previous year as a consequence of the merger. Average sales prices improved thanks to price hikes and raw material clauses included in sales contracts, which successfully compensated for the increasing raw material prices. The rise in raw material prices in the first half of the year ceased in the summer and followed a slightly downward trend towards the end of the year. Shorter review periods for some raw material clauses included in sales contracts were implemented. The increase in sales prices coupled with both a slowdown in demand and stiffening competition led to a decline in delivery volumes. The decreased operating costs were the biggest factor behind the improvement in the comparable operating result. Tight capital control and management of cash was continued. Operational investments were kept at a low level. In the cash flow statement, the cash flow from operations stood at EUR 2.9 million negative, with the working capital of the acquired businesses included in investment cash flows.

Acquisition of Home and Personal business

On 4 August 2011, Suominen concluded an agreement with Ahlstrom Corporation on the acquisition of the company's Home and Personal nonwovens business at a transaction value of EUR 170 million. The transaction was finalised on 31 October 2011. The business encompasses three nonwoven manufacturing plants in the US and in Europe, as well as a unit in Brazil, which will be consolidated to Suominen during 2012 after all the approvals from the authorities have been received. Nonwovens are used in the manufacture of baby wipes, household and personal hygiene wipes, and for industrial wiping products. The pro forma net sales of business in 2011 was EUR 321 million and operating profit before non-recurring costs was EUR 5.3 million, and after them EUR 2.4 million. The number of transferred employees was 450. Along with the transaction, Suominen became a global market leader as a manufacturer of nonwoven materials for wipes. By expanding operations geographically and with a strong market position, Suominen will be well-positioned to respond to customer needs by offering comprehensive sales and product development resources, as well as a more extensive product range worldwide.

To finance the acquisition, Suominen organised a share issue from 5 to11 October 2011, which raised EUR 87.2 million in new capital. Suominen agreed on a syndicated credit facility of EUR 150 million, which was used to finance the transaction and refinance the company's previous credit facility of EUR 44 million.

Cost-saving and operational enhancement programme
The most significant savings in Suominen's efficiency programme were generated by the closure of the Nastola flexible packaging plant and the rationalisation measures that were implemented in Codi Wipes in the previous year. The Nastola plant's production was transferred to Tampere, in Finland, and Poland, which will save costs and boost operations. The other efficiency measures related to improving production yield and efficiency in the units. The positive impact of the savings and efficiency programmes on the result for the entire year amounted to some EUR 5 million. Similar cost-efficiency programmes have been in use in the Home and Personal business, particularly with the goals of reducing wastage and boosting production efficiency.

Financing
To finance the Home and Personal business transaction, Suominen executed a share issue in October which raised EUR 87.2 million in new capital and, at the same time, Suominen's capital loan was converted into shares in the amount of EUR 2.2 million. The increase in shareholders' equity, after the deduction of EUR 2.0 million in costs relating to the share issues, was EUR 87.3 million.

The Group's interest-bearing net liabilities totalled EUR 120.8 million (57.9). Cash and bank receivables included the share of the Brazilian transaction, which totalled EUR 25 million and is being held in an escrow account. Repayments of non-current loans totalled EUR 52.7 million, including a loan conversion of EUR 44 million. Net financial expenses were EUR 5.2 million (4.8) or 2.4% (2.8) of net sales. Net financial expenses included exchange rate gains of EUR 2.1 million. The increased cost of financing was due to the higher loan amount and the rise in the average interest rate on the loans. The amount of working capital grew by EUR 25.2 million compared to 1 January 2011, including the working capital of the acquired business, which was EUR 22.4 million. A total of EUR 1.9 million was released in working capital (EUR 1.1 million tied up). Funds used for the acquired businesses totalled EUR 139.8 million. Trade receivables amounting to EUR 10.9 million (14.0) were sold to the bank. The equity ratio was 32.2 (27.9) and the net gearing 111.0% (174.0). Cash flow from operations was EUR -2.9 million (-2.5) and EUR -0.03 per share (-0.06).

Investments
The company's gross investments in production totalled EUR 4.0 million (6.2). Planned depreciation amounted to EUR 9.8 million (9.3). Nonwovens accounted for EUR 1.5 million (1.7), Codi Wipes for EUR 0.4 million (0.6) and Flexibles for EUR 1.9 million (3.8) of total investments. The Group's investments were in efficiency enhancement and maintenance.

SEGMENT RESULTS

The net sales of Wiping totalled EUR 152.3 million (108.2). The increase in net sales is attributed to the inclusion of the two-month net sales figure, EUR 42.9 million, of the acquired Home and Personal business in the segment's figures. The comparable change in net sales was -2%. The segment's operating loss was EUR 3.1 million (3.7), of which the two-month share of the merged businesses was EUR 0.7 million. The non-recurring items related to the transfer of the assets at the business combination were EUR 0.9 million locally.

Net sales of Nonwovens totalled EUR 102.1 million (59.1). Nonwovens' comparable 12-month net sales increased 9% to EUR 375 million, but delivery volumes remained at the same level as in 2010. The sales (pro forma) of the acquired plants that manufacture nonwovens are also included in the comparison figures. The application areas for nonwoven materials are distributed as follows: baby wipes accounted for 55% of sales, household wipes for 17%, personal care wipes for 16% and industrial and other wipes for 12%. Among the application areas, the strongest growth was seen in personal care wipes, with growth of approximately one fifth on the previous year. Use of nonwovens for household wipes and industrial wipes increased by around one tenth, whereas baby wipes' delivery volumes recorded no change from the previous year.

Regionally, the North American markets accounted for around half of sales, and growth there was 7% compared to 2010. Europe's share amounted to just under half of total sales, but growth was slightly brisker, at 11%. Sales to South American markets were on a par with the previous year.

The development of sales in the last two months of 2011 declined compared to the preceding months. This was due to the stiffening competition in the European markets, and the interruption of one production line due to fire damage. Among the cost factors affecting Nonwovens, oil- and pulp-based raw material prices increased in the first half of the year, but the price trend took a downward path during the autumn. The increased competition in the European markets negatively influenced sales volumes, particularly towards the end of the year. With respect to volumes, production expenses remained high and synergy benefits from the business merger could not yet be capitalised on during the last two months of the year. One production line in Italy was interrupted, but the insurance compensation covered the resulting direct costs.

The integration of the businesses was started in the fourth quarter of 2011, after obtaining the relevant permits from the competition authorities. The integration work was started in a number of working groups. Nonwovens' sales and product development organisations were combined, as were purchasing and supply chain operations. Analysis and exploitation of the synergy benefits of the merger were also started.

Net sales of Codi Wipes, at EUR 55.6 million (56.4), declined by one per cent on the previous year due to decrease in sales of moist toilet wipes. Sales of baby wipes and personal care wipes remained at the same level as in the corresponding period in 2010. Also average sales prices were on par with the previous year. The unit's operating expenses decreased as a result of the rationalisation measures and personnel reductions early in the year.

Net sales of Flexibles totalled EUR 64.8 million (66.1) and operating loss was EUR 0.1 million (1.9). Sales volumes decreased 10% compared to 2010, primarily as a result of reduced sales in the food packaging sector. Sales of hygiene packaging and security and system packaging remained on the same level as in the previous year. Retail sector sales decreased slightly on the year 2010. Sales prices were raised on the basis of raw material clauses and through general price increases. The active pricing policy, however, led to some losses of clients. The rising prices for plastic-based raw materials levelled out during the summer and declined slightly towards the end of the year.

The operating loss includes non-recurring items of EUR 0.8 million from the closure of the Nastola plant (1.2). The operating result excluding non-recurring items improved slightly over the previous year. Flexibles' operating expenses decreased from last year as a result of the rationalisation measures carried out. The Nastola plant was closed during the year under review and the production machines were transferred to the plants in Poland and Tampere, in Finland. As a consequence of the measure, the net reduction of personnel was more than 50 employees. The operations of the Swedish sales office were discontinued and local warehousing services were outsourced. The loss of customer led to a reduction of some 20 employees at the plant in Poland in the fourth quarter.

GENERAL MEETINGS OF SHAREHOLDERS AND INFORMATION ON SHARES

Share capital

On 1 January 2011, the registered number of Suominen's issued shares totalled 47,395,014 shares. During the year under review, the share amount crew by 198,539,108 shares due to share issue. On 31 December 2011, the number of shares totalled 245,934,122 shares. The fully paid share capital amounted to EUR 11,860,056.

General Meetings

Suominen Corporation's Annual General Meeting of Shareholders was held on 30 March 2011. The General Meeting decided that no dividend be paid for the financial year 2010.

The General Meeting approved the financial statements of the parent company and the Group for the financial year 2010 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 Maijala, and Heikki Mairinoja were elected to the Board of Directors. At its organising meeting, the Board elected Mikko Maijala 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 12 September 2011. The General Meeting authorised the Board of Directors to decide on the issue of a maximum of 280,000,000 new shares in one or more share issues against payment.

The Extraordinary General Meeting elected Risto Anttonen, Jorma Eloranta, Suvi Hintsanen, Mikko Maijala and Heikki Mairinoja as the new members of the Board of Directors. The elections were conditional and only came into effect on 21 October 2011 upon completion of the transaction between the company and Ahlstrom Corporation.

The Extraordinary General Meeting resolved to establish a Nomination Committee comprising shareholders or representatives of shareholders to prepare proposals for the following Annual General Meeting concerning the election and remuneration of the members of the Board of Directors. The resolution of the Extraordinary General Meeting regarding the establishment of the Nomination Committee was conditional and only came into effect on 21 October 2011. The Nomination Committee comprises the three largest shareholders or representatives of such shareholders; in addition the Chairman of the Board of Directors serves an expert member.

Changes of the Articles of Association

The Extraordinary General Meeting held on 12 September 2011, resolved to amend section 11 of the Articles of Association of the company concerning notice of the General Meeting of Shareholders, to delete the second paragraph of section 12 with regard to voting restrictions, and to delete section 14 regarding the redemption obligations. The amendments of the Articles of Association were conditional and came into effect on 21 October 2011.

Share issue

On 3 October 2011, the Board of Directors of Suominen Corporation decided to execute a share issue to the public and on a conversion share issue to the holders of Suominen's capital loan of 2008, in order to finance the acquisition of the Home and Personal business area from Ahlstrom Corporation. A minimum of 188,888,889 and a maximum of 266,666,667 new shares were offered at the subscription price of EUR 0.45 per share, and a maximum of 8,888,889 new shares in the conversion share issue at the subscription price of EUR 0.45 per share. The subscription period for the share issue and the conversion share issue ended on 11 October 2011.

The Board of Directors approved the subscriptions of 193,739,111 new shares, which correspond to a total of EUR 87.2 million, and the subscriptions of 4,799,997 new shares in the conversion share issue. The outstanding capital loan of EUR 4 million was converted to shares by a total of EUR 2.2 million.

The shares subscribed for in the share issue and in the conversion share issue correspond together to 418.9% of all the company's shares and voting rights related to them prior to the share issues and 80.7% of shares and voting rights related to them following the share issue and the conversion share issue. The shares subscribed for in the share issue and the conversion share issue were entered in the Trade Register on 21 October 2011. Trading in the new shares commenced on 24 October 2011. As a result of the share issues, the number of Suominen's shares increased by 198,539,108 shares to 245,934,122 shares. The total subscriptions of the share issue and the conversion share issue were EUR 89.3 million. The cost of the share issue was EUR 2,016 thousand, which reduced the net amount of EUR 87,346 thousand credited to the invested non-restricted equity fund.

Share trading and price

The number of Suominen Corporation shares traded on NASDAQ OMX Helsinki before the share issue, from 1 January to 21 October 2011, was 3,387,036 shares. The trading price varied between EUR 0.36 and EUR 0.64. On 21 October 2011, the final trading price was EUR 0.45.

The number of Suominen Corporation shares traded on NASDAQ OMX Helsinki after the share issue from 24 October to 31 December 2011 was 543,305 shares. The trading price varied between EUR 0.39 and EUR 0.46. The final trading price was EUR 0.39, giving the company a market capitalisation of EUR 95.9 million on 31 December 2011.

Own shares

On 1 January 2011, the company held 168,805 of its own shares, accounting for 0.36% of the share capital and votes.

The Annual General Meeting of Shareholders held in 2010 authorised the Board of Directors to decide on the acquisition of a maximum of 200,000 of the company's own shares and on the conveyance of a maximum of 200,682 of the company's own shares. The authorisations were valid for 18 months after the end of the General Meeting, which was until 23 September 2011. The acquisition authorisation was exercised during 2010 to acquire 123,595 shares, which means that on 1 January 2011 the remaining authorisation was for 76,405 shares. This authorisation was not exercised during 2011. Within the authorisation granted to the Board of Directors, 108,507 of the company's own shares were conveyed as emoluments to the members of Suominen Corporation's Board of Directors.

On 31 December 2011, Suominen Corporation held a total of 60,298 of its own shares, accounting for 0.0% of the share capital and votes.

Stock options
Suominen's stock option plan 2009 is currently in effect. From the previous 2006 and 2007 stock option plans, the last 2006C and 2007B stock options expired on 30 October 2011.

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

As the registered number of Suominen's issued shares totals 245,934,122, the number of shares may rise to a maximum of 246,484,122 after stock option subscriptions.

Other authorisations granted to 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. According to the authorisation granted by the Extraordinary General Meeting held on 12 September 2011, the Board of Directors has authorisation to issue a further 81,460,892 new shares. The Board of Directors has no other authorisations to issue special rights entitling to shares, option rights and/or convertible bonds

MANAGEMENT

The Board of Directors that was elected at Suominen's Extraordinary General Meeting took up its tasks and convened on 21 October 2011, electing Jorma Eloranta as Chairman of the Board and Mikko Maijala as Deputy Chairman from amongst its members.

On 17 November 2011, the following representatives of the three largest shareholders were elected to the Nomination Committee: Jan Lång, President & CEO, Ahlstrom Corporation, Timo Ritakallio, Deputy CEO, Ilmarinen Mutual Pension Insurance Company, and Risto Murto, Deputy CEO, Varma Mutual Pension Insurance Company. Jorma Eloranta, Chairman of Suominen Corporation's Board of Directors, serves as the Nomination Committee's expert member.

Technology Licentiate Nina Kopola was named President and CEO of Suominen Group as of 1 December 2011, at which time Petri Rolig transferred to the post of Deputy CEO.

Jean-Marie Becker was appointed Executive Vice President and General Manager of the Nonwovens business unit and a member of the Corporate Executive Team as of 1 November 2011.

BUSINESS RISKS AND UNCERTAINTIES

Developments and changes in consumer demand in Europe and the USA 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 concentrated, which adds to the customer-specific risk. This may affect Suominen's result 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 54% of its net sales (64), long-term contracts being preferred in the case of the largest customers. 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 and insures against customer risks to a limited extent.

Plastic-based products are not considered an environmentally friendly solution in all application areas, which may increase the risk of a decline in their demand. 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 has no competitors with a completely similar product offering. However, the company has numerous regional, national or international competitors in its different product groups. There is currently oversupply in several product groups and additional production capacity is planned for Europe in, for example, nonwovens. If Suominen 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. Suominen’s units purchase a significant amount of oil- and pulp-based raw materials. Rapid changes in the global market prices of raw materials affect the company’s profitability. Changes of raw material prices have a rapid effect on Suominen’s financial performance, as stocks equal two to four weeks consumption. Passing on price changes in these materials to the prices Suominen charges its contract customers takes between two to five months.

Suominen’s efficiency programmes include measures to improve production efficiency, for example through better yields, higher machine speeds and shorter set-up times. The full impact of the efficiency measures will be seen as soon as production volumes grow. Substantial synergy benefits are expected to be realised in the business acquisition. Postponed or failed efficiency measures and synergy exploitation will have a negative impact on the company’s profit.

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 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. On 21 September 2011, a fire broke out at the Mozzate plant in Italy, causing damage to one of the production lines. As Suominen has valid damage and business interruption insurance, it is expected that the damage will be compensated and the financial losses caused by the interruption of business will be covered. The incident, however, bears greater risks than usual in terms of restoring the situation to how it was before the fire.

Suominen 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. Suominen’s credit arrangements include covenants that the company must meet. The financial covenants included in the credit agreement of EUR 150 million concluded in October 2011 are the net-debt-to-EBITDA ratio and debt/equity ratio. At year-end 2012, Suominen’s net debts cannot be greater than 3.2 times the EBITDA, and the company’s debt/equity ratio must be less than 100%. These key figures in the 2011 Financial Statements were 3.9 and 111%. 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.

The Home and Personal acquisition in Brazil is delayed, as Suominen must receive approval from the authorities on the purchase of the business situated in Brazil. Approval is expected during the first quarter of 2012, but there is no guarantee of this.

OUTLOOK

Suominen's products are used in daily consumer goods, such as wet wipes and plastic packaging. The general economic situation determines the development of consumer demand, even though the demand for consumer goods is not very cyclical in nature. Consumers' cautious purchasing behaviour is expected to continue hand in hand with muted economic growth. Supply exceeds demand for many of Suominen's products, especially in Europe, and new production capacity is even being built in some product groups.

The company estimates the trend in demand for its products on the basis of both the general market situation and, above all, on the basis of the framework agreements drawn up with its clients. Suominen estimates that demand for its products will remain at the level of 2011 in the mature markets of Europe and North America. In South America and Eastern Europe, the growth in demand will be greater. There will be no significant change in the comparable sales volumes compared to the previous year.

Suominen's most substantial cost factor – the price development of oil- and pulp-based raw material – was in decline at the end of 2011. Chiefly on the basis of the price trend in oil raw materials, it is estimated that the decline in Suominen's raw material prices will cease and possibly rise yet again. Suominen will continue to streamline its operating costs and the company has launched a separate project to ensure the realisation of synergy benefits related to the acquisition of the Home and Personal business. Suominen will focus on developing its core business.

The acquisition of the Brazilian unit of the Home and Personal business transaction is expected to be realised once approval from the Brazilian authorities has been obtained in the first quarter of 2012.

Suominen's net sales will increase considerably as the Home and Personal business's figures are included in the Group's net sales. It is estimated that the result after taxes for the year will improve over that of 2011.

PROPOSAL BY THE BOARD OF DIRECTORS

The parent company's distributable assets as of the end of 2011 totalled EUR 87,750,657.81 of which the loss for the year was EUR 7,612,205.36.

The Board of Directors will propose at the Annual General Meeting to be held on 4 April 2012 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	87,750,657.81

SUOMINEN CORPORATION CONSOLIDATED 1 JANUARY – 31 DECEMBER 2011

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 2011, are presented in the financial statements for 2010.

All calculations in this financial statement have been prepared in compliance with the revised IAS 1 standard, 'Presentation of Financial Statements'. This standard is aimed at improving users' ability to analyse and compare the information given in financial statements by separating changes in 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 2010.

The figures in this financial statement have not been audited.

BALANCE SHEET

EUR 1 000	**12/2011**	12/2010
Assets		
Non-current assets		
Goodwill	**34 298**	18 498
Intangible assets	**13 146**	776
Tangible non-current assets	**139 886**	53 873
Available-for-sale financial assets	**212**	212
Held-to-maturity investments	**445**	354
Deferred tax assets	**2 756**	1 339
Non-current assets, total	**190 743**	75 052
Current assets		
Inventories	**45 972**	24 373
Trade receivables	**41 798**	10 817
Other current receivables	**17 480**	5 666
Income tax receivables	**1 205**	200
Restricted financial assets	**25 000**	
Cash at bank and in hand	**15 887**	3 253
Current assets, total	**147 342**	44 309
Assets, total	**338 085**	119 361
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	**97 054**	9 708
Fair value and other reserves	**-484**	665
Translation differences	**-637**	515
Other shareholders' equity	**-23 737**	-14 143
Shareholders’ equity, total	**108 737**	33 286
Liabilities		
Non-current liabilities		
Deferred tax liabilities	**3 661**	2 930
Provisions	**280**	280
Capital loans	**920**	4 000
Other non-current liabilities	**1 234**	
Interest-bearing liabilities	**139 961**	35 823
Non-current liabilities, total	**146 056**	43 033
Current liabilities		
Interest-bearing liabilities	**19 929**	19 459
Capital loans	**920**	2 000
Income tax liabilities	**724**	
Trade payables and other current liabilities	**61 720**	21 583
Current liabilities, total	**83 292**	43 042
Liabilities, total	**229 248**	86 075
Shareholders' equity and liabilities, total	**338 085**	119 361

STATEMENT OF INCOME

EUR 1 000	10-12/2011	10-12/2010	**1-12/2011**	1-12/2010
Net sales	85 488	45 315	**216 289**	173 438
Cost of goods sold	-81 011	-43 399	**-205 650**	-165 277
Gross profit	4 477	1 916	**10 638**	8 161
Other operating income	1 621	147	**2 109**	859
Sales and marketing expenses	-1 402	-1 120	**-4 050**	-3 927
Research and development	-577	-567	**-1 866**	-1 951
Administration expenses	-3 435	-1 721	**- 8 492**	-6 333
Other operating expenses	-3 043	-2 244	**-3 168**	-2 564
Operating profit before impairment losses	-2 359	-3 589	**-4 829**	-5 755
Impairment losses		-5 069		-5 069
Operating profit	-2 359	-8 658	**-4 829**	-10 824
Financial income and expenses	-938	-1 686	**-5 197**	-4 840
Profit before income taxes	-3 297	-10 344	**-10 026**	-15 664
Income taxes	-535	8	**494**	1 302
Profit/loss for the period	-3 832	-10 336	**-9 531**	-14 362
Earnings/share, EUR	-0.02	-0.22	**-0.11**	-0.34

STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	10-12/2011	10-12/2010	**1-12/2011**	1-12/2010
Profit/loss for the period	-3 832	-10 336	**-9 531**	-14 362
Other comprehensive income				
Currency translation differences on foreign operations	1	355	**-1 595**	854
Fair value changes of cash flow hedges	-508	912	**-1 731**	1 661
Other reclassifications	-20	-5	**-20**	-2
Income tax on other comprehensive income	173	-330	**906**	-654
Other comprehensive income, total	-354	932	**-2 440**	1 859
Total comprehensive income for the period	-4 186	-9 404	**-11 972**	-12 503

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. 2011	**11 860**	**24 681**	**9 708**	**-163**	**515**	**828**	**-14 143**	**33 286**
Profit/loss for the period							-9 531	-9 531
Other comprehensive income					-1 152	-1 268	-20	-2 440
Share-based payments							26	26
Share issue			87 346					87 346
Conveyance of own shares				120			-69	51
Total equity at 31 Dec. 2011	**11 860**	**24 681**	**97 054**	**-43**	**-637**	**-440**	**-23 738**	**108 737**

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

CASH FLOW STATEMENT

EUR 1 000	**1-12/2011**	1-12/2010
Operations		
Operating profit	**-4 829**	-10 824
Total adjustments	**14 161**	14 076
Cash flow before change in working capital	**4 630**	3 252
Change in working capital	**1 907**	-1 054
Financial items	**-9 833**	-4 626
Taxes paid	**397**	-31
Cash flow from operations	**-2 898**	-2 459
Investment payments		
Investments in tangible and intangible assets	**-4 231**	-5 966
Investments in acquired business operations	**-139 810**	
Proceeds from disposal of fixed assets and other proceeds	**1 628**	751
Cash flow from investing activities	**-142 414**	-5 215
Financing		
Non-current loans drawn	**148 250**	8 000
Repayments of non-current loans	**-48 563**	-23 731
Change in commercial papers		988
Repayments of capital loans	**-4 160**	-2 000
Current loans drawn		17 000
Dividends paid		-474
Repurchase and conveyance of own shares	**51**	-163
Share issue	**87 346**	9 708
Cash flow from financing	**182 924**	9 328
Change in cash and cash equivalents *	**37 613**	1 654

* Includes also the change in restricted financial assets.

KEY FIGURES	10-12/2011	10-12/2010	**1-12/2011**	1-12/2010
Net sales, change, % *	88.7	1.0	**24.7**	-3.3
Gross profit, % **	5.2	4.2	**4.9**	4.7
Operating profit, % **	-2.8	-19.1	**-2.2**	-6.2
Financial income and expenses, % **	-1.1	-3.7	**-2.4**	-2.8
Profit before income taxes, % **	-3.9	-22.8	**-4.6**	-9.0
Profit for the period, % **	-4.5	-22.8	**-4.4**	-8.3
Earnings/share, EUR	-0.02	-0.22	**-0.11**	-0.34
Equity/share, EUR			**0.44**	0.70
Cash flow from operations/share, EUR			**-0.03**	-0.06
Return on equity (ROE), %			**-20.9**	-37.3
Return on invested capital (ROI), %			**-3.7**	-10.6
Equity ratio, %			**32.2**	27.9
Gearing, %			**111.0**	174.0
Gross investments, EUR 1 000			**3 964**	6 190
Depreciation, EUR 1 000			**9 835**	9 322
Impairment losses, EUR 1 000				5 069

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

BUSINESS COMBINATIONS

Suominen acquired Ahlstrom's Home and Personal nonwovens business in October 2011. The production units involved in the transaction are situated in the United States, Italy, Spain and Brazil. The Home and Personal nonwovens business transferred to Suominen Corporation on 31 October 2011, with the exception of the Brazilian operations. Approval from the Brazilian authorities is expected in the first quarter of 2012.

As a result of the transaction, Suominen will grow substantially and become a global market leader in nonwovens for wipes. The acquired business covers notably wider geographical markets than Suominen's Wiping segment and broadens the product offering for nonwoven materials used in household and industrial wiping products. The transaction was realised primarily by purchasing the business assets and liabilities of the companies established in various countries. The acquisition created goodwill locally in various countries, but it will be tax-deductible. It also created goodwill for the group, which will not be amortised.

Consideration, EUR 1 000	**Fair values**
Cash	101 158
Equity instruments, 66,666,666 ordinary shares 0.45 euro each	30 000
Total consideration transferred	131 158

Recognised amounts of identifiable assets acquired and liabilities assumed according to the initial calculations:

EUR 1 000	**Fair values**
Property, plant and equipment	89 124
Intangible assets	12 584
Other non-current assets	18
Inventories	26 795
Trade and other receivables	6 171
Cash	1 030
Total assets	**135 722**
Personnel benefits	872
Borrowings	9 784
Other liabilities and provisions	9 708
Total liabilities	**20 364**
Total identifiable net assets	**115 358**
Goodwill	15 800
Total	**131 158**

Goodwill on business combination	
Consideration	131 158
Total identifiable net assets	-115 358
Goodwill	**15 800**

The fair value of the 66.7 million ordinary shares issued as part of the consideration paid, EUR 30 million by Ahlstrom Corporation, was based on the published share price EUR 0.45 on the date of realisation.

In the business combination, the equipment and real estate related to production have been recognised at fair value. The fair value of sales receivables and other receivables is EUR 6.2 million. Customer relations and technology have been recognized as intangible assets at their fair value of EUR 12.6 million. The fair value of intangible assets is determined on the basis of their estimated economic useful life and discounted cash flow.

Goodwill includes intangible rights (i.e. synergy benefits and employee know-how) that do not fulfil all of the conditions of IFRS 3 for being recognised as separate assets.

The fair value of the debts and liabilities is EUR 20.4 million. The fair value of personnel benefits is based on actuarial estimates. Costs related to the business combination, totalling EUR 2.9 million, are included in other operating expenses.

As of 1 November 2011, the acquired business has generated net sales of EUR 42.9 million; the result after taxes is EUR -1.1 million. The Group’s net sales would have been EUR 491.7 million and operating profit EUR 1,0 million, if the transaction had been realised at the start of 2011, and costs of acquisition at the end of 2010.

SEGMENT REPORTING

Wiping

EUR 1 000	**1-12/2011**	1-12/2010	Change %
Net sales			
- Codi Wipes	**55 623**	56 371	-1.3
- Nonwovens	**102 121**	59 084	72.8
- eliminations	**-5 431**	-7 296	-25.6
Total	**152 313**	108 159	40.8
Operating profit before impairment losses	**-3 072**	-3 699	
% of net sales	**-2.0**	-3.4	
Impairment losses		-4 906	
Operating profit	**-3 072**	-8 605	
Assets	**309 180**	67 650	
Liabilities	**49 616**	11 620	
Net assets	**259 564**	56 030	
Investments	**1 910**	2 278	
Depreciation	**6 524**	6 117	
Impairment losses		4 906	
Average personnel	**418**	369	

Flexibles

EUR 1 000	**1-12/2011**	1-12/2010	Change %
Net sales	**64 848**	66 140	-2.0
Operating profit	**-69**	-1 941	
% of net sales	**-0.1**	-2.9	
Assets	**44 372**	45 950	
Liabilities	**11 175**	10 048	
Net assets	**33 197**	35 902	
Investments	**1 851**	3 788	
Depreciation	**3 049**	3 181	
Impairment losses		163	
Average personnel	**479**	521	

Non-allocated items

EUR 1 000	**1-12/2011**	1-12/2010
Net sales	**-873**	-861
Operating profit	**-1 688**	-115
Assets	**-15 466**	5 760
Liabilities	**168 557**	64 406
Investments	**203**	124
Depreciation	**262**	24
Average personnel	**10**	11

NET SALES BY MARKET AREA

EUR 1 000	**1-12/2011**	1-12/2010
Finland	**27 547**	27 053
Europe, other	**144 561**	129 387
North and South America	**41 665**	10 530
Other countries	**2 515**	6 468
Net sales, total	**216 289**	173 438

QUARTERLY FIGURES

EUR 1 000	I/2011	II/2011	III/2011	IV/2011	I/2011-IV/2011
Net sales					
Wiping					
- Codi Wipes	13 985	13 586	14 936	13 116	55 623
- Nonwovens	15 091	14 985	12 971	59 074	102 121
- eliminations	-1 131	-1 911	-778	-1 611	-5 431
Total	27 946	26 660	27 129	70 578	152 313
Flexibles	16 561	17 019	16 210	15 059	64 848
Non-allocated items	-203	-294	-227	-149	-873
Net sales, total	44 303	43 386	43 112	85 488	216 289
Operating profit					
Wiping	-298	60	-1 674	-260	-2 172
% of net sales	-1.1	0.2	-6.2	-0.4	-1.4
Flexibles	-62	512	340	-69	721
% of net sales	-0.4	3.0	2.1	-0.5	1.1
Non-allocated items	-57	-230	-72	672	313
Operating profit before non-recurring costs	-417	342	-1 406	344	-1 138
% of net sales	-0.9	0.8	-3.3	-0.4	-0.5
Non-recurring items	-195	-302	-492	-2 702	-3 691
Operating profit, total	-612	40	-1 899	-2 359	-4 829
% of net sales	-1.4	0.1	-4.4	-2.8	-2.2
Net financial expenses	-1 547	-1 457	-1 255	-938	-5 197
Profit before income taxes	-2 159	-1 417	-3 153	-3 297	-10 026

TAXES FOR THE PERIOD UNDER REVIEW

Income tax expense is recognised based on the estimated average income tax rate for the full financial year. Tax receivables for the result of the financial year have not been recognised in full amount.

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, and Ahlstrom Corporation. The company has no investments in associated companies. Salaries paid to the related parties amounted to EUR 1 406 thousand, share-based payments EUR 26 thousand, unsecured loans EUR 200 thousand, and interest payments EUR 76 thousand.

Other related-party transactions

EUR 1000	**2011**	2010
Sales of goods and services	**1 402**	
Purchases of goods and services	**1 517**	
Trade and other receivables	**5 337**	
Trade and other payables	**2 370**	

Other related-party transactions are transactions with Ahlstrom.

MOVEMENTS IN BORROWINGS

EUR 1 000	**1-12/2011**	1-12/2010
Total borrowings on 1 January	**61 282**	60 861
Current loans from financial institutions on 1 January	**17 000**	
Change in current loans from financial institutions	**2 929**	17 000
Current loans from financial institutions on 31 December	**19 929**	17 000
Commercial papers on 1 January	**988**	
Change in commercial papers	**-988**	988
Commercial papers on 31 December	**0**	988
Non-current loans on 1 January	**37 284**	52 861
Change in non-current loans	**102 667**	-15 577
Non-current loans on 31 December	**139 961**	37 284
Capital loans on 1 January	**6 000**	8 000
Change in capital loans	**-4 160**	-2 000
Capital loans on 31 December	**1 840**	6 000
Total borrowings on 31 December	**161 730**	61 282

CHANGES IN FIXED ASSETS

	1-12/2011		1-12/2010	
EUR 1 000	**Tangible**	**Intangible**	Tangible	Intangible
Book value at the beginning of the period	**53 873**	**776**	57 044	795
Business combinations	**89 124**	**12 584**		
Investments	**3 678**	**220**	5 884	177
Decreases	**-1 226**		-466	-1
Depreciation	**-9 399**	**-436**	-9 127	-195
Translation differences and other changes	**3 836**	**1**	538	
Book value at the end of the period	**139 886**	**13 146**	53 873	776

CONTINGENT LIABILITIES

EUR 1 000	**12/2011**	12/2010
For own debt		
Secured loans	**158 264**	49 607
Nominal values of pledges		
Real estate mortgages	**22 914**	24 045
Floating charges	**211 515**	60 069
Pledged subsidiary shares and loans	**213 554**	82 982
Other own commitments		
Operating leases, real estates	**29 505**	13 403
Operating leases, machinery and equipment	**3 462**	2 685
Guarantee commitments	**1 432**	1 995

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR 1 000	**12/2011**	12/2010
Currency derivatives		
Nominal value	**8 501**	5 172
Fair value	**11**	-138
Interest rate derivatives		
Nominal value	**76 492**	13 833
Fair value	**-216**	-143
Electricity derivatives		
Nominal value	**2 860**	2 638
Fair value	**-458**	1 249

Helsinki, 17 February 2012

SUOMINEN CORPORATION

Board of Directors

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