



Tikkurila

Annual General Meeting on March 31, 2011
Finlandia Hall



Erkki Järvinen, President and CEO



TIKKURILA

Disclaimer

- *All forward-looking statements in this presentation are based on the management's current expectations and beliefs about future events, and actual results may differ from the expectations and beliefs such statements contain.*

Contents

- Tikkurila in brief
- Group highlights in 2010
- Strategy and operating environment
- Outlook

Tikkurila in brief



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Tikkurila in brief

Tikkurila in a nutshell

Customers:

Consumers, professionals and industry

Market position:

Leading market position in decorative paints in Finland, Sweden, Russia and the Baltic countries, one of the leading in Poland

Market area:

Northern Europe, Central Eastern Europe, Russia and other CIS countries, Ukraine

Products and services:

Decorative paints, industrial wood and metal coatings, customer training, comprehensive advisory service (e.g. Customer hotline), Designer and Contractor Pool etc.

Market position in the decorative paint market



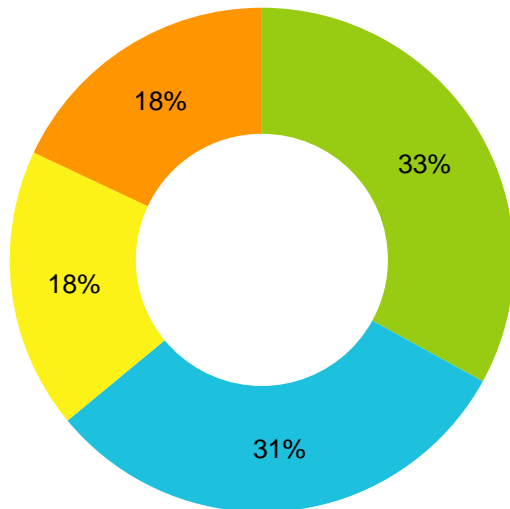


Group highlights in 2010

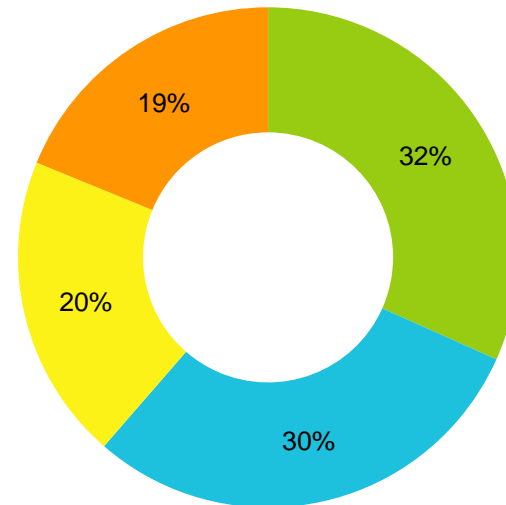
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Revenue by segment (SBU)

Total revenue for 2010 EUR 588.6 million



Total revenue for 2009 EUR 530.2 million



- East
- Scandinavia
- Finland
- CEE

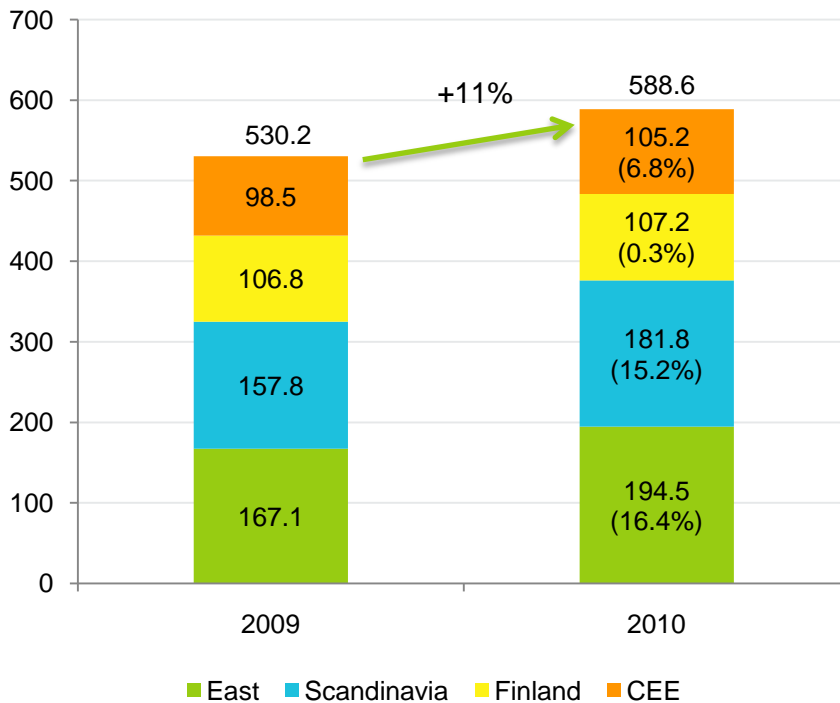
Decorative paints accounted for some 85% of revenue in 2010 and 2009

The figures on the graphs above have been independently rounded to one decimal, which should be taken into account when calculating total figures.

Development of revenue and EBIT by segment

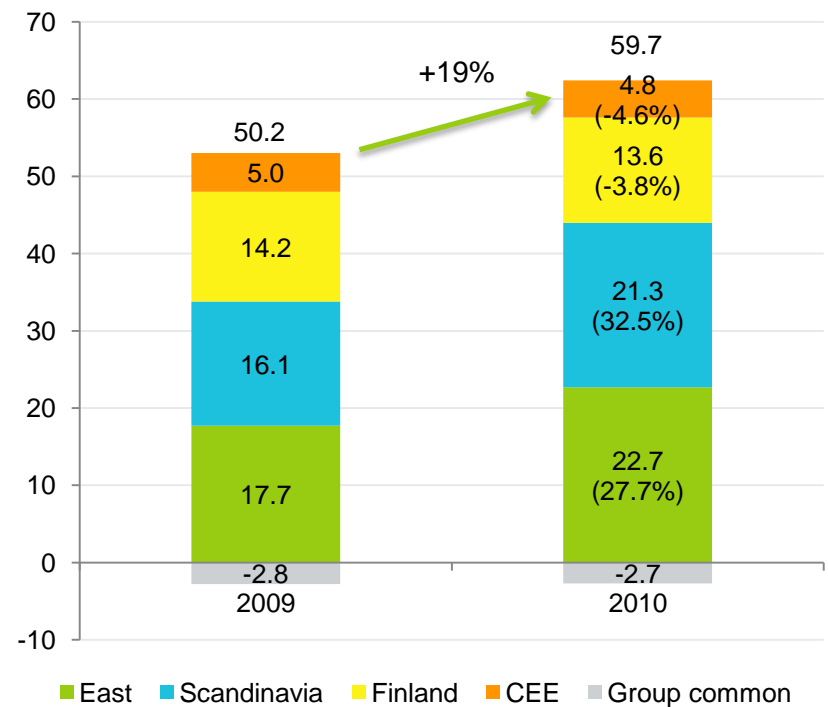
Revenue 2009 vs. 2010

EUR million



EBIT* 2009 vs. 2010

EUR million

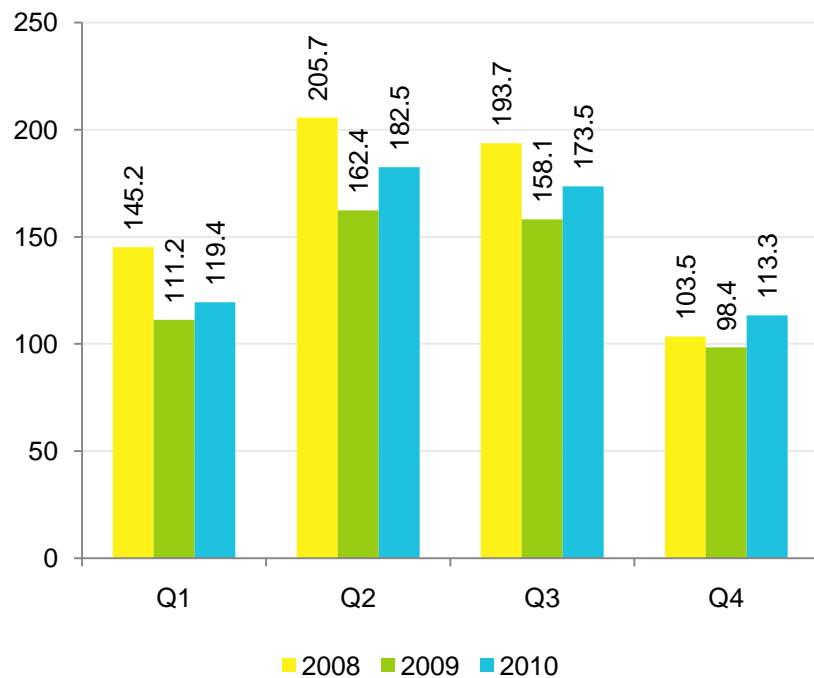


* Excluding non-recurring items

Seasonality

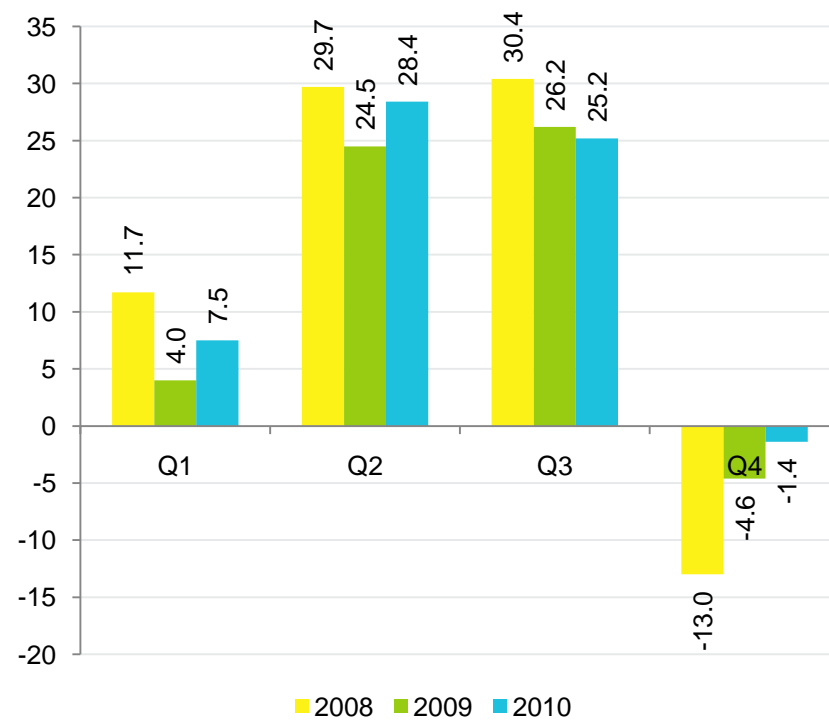
Revenue by quarter 2008–2010

EUR million



EBIT* by quarter 2008–2010

EUR million

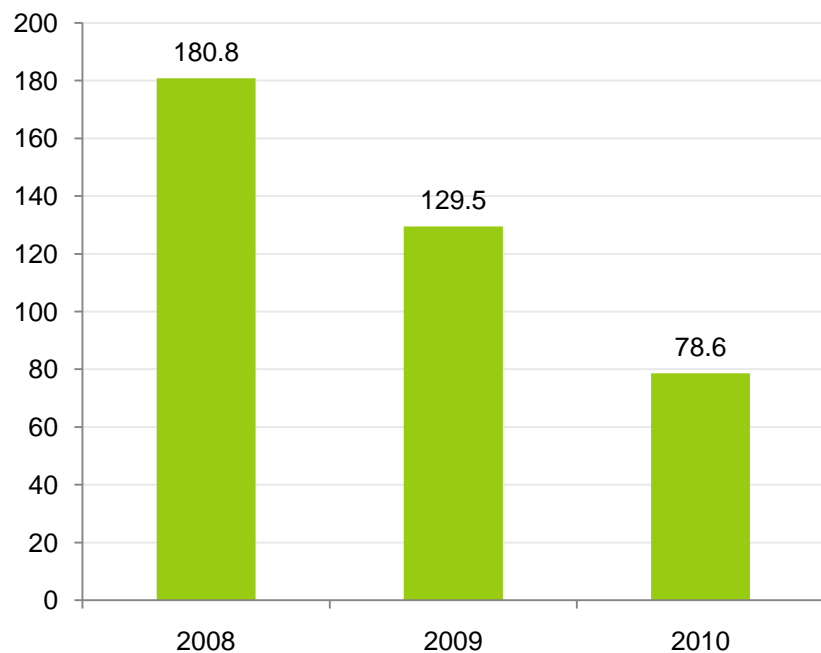


* Excluding non-recurring items

Net interest-bearing liabilities and gearing at year-end

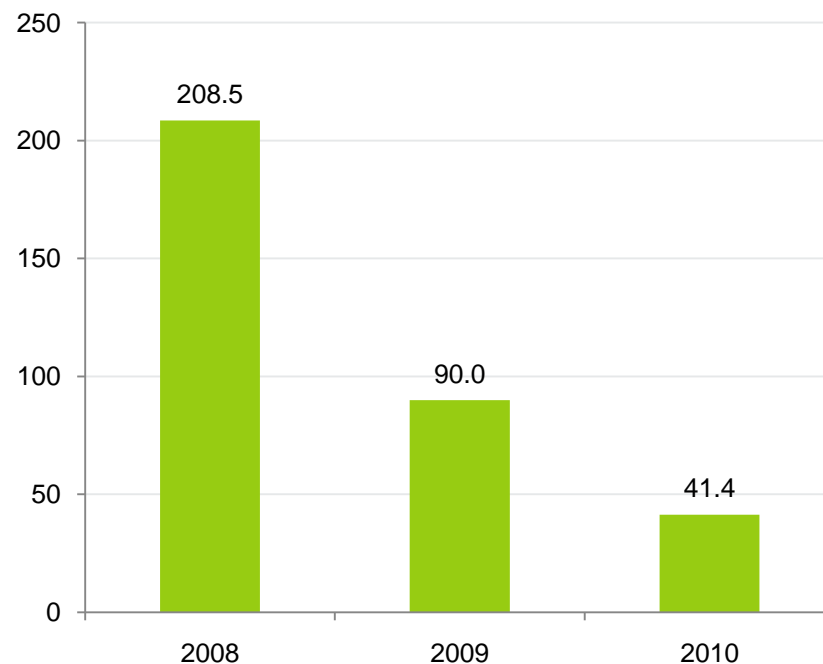
Net interest-bearing liabilities 2008–2010

EUR million



Gearing 2008–2010

%



Financial targets

Tikkurila has set the following financial targets in 2010 for medium term

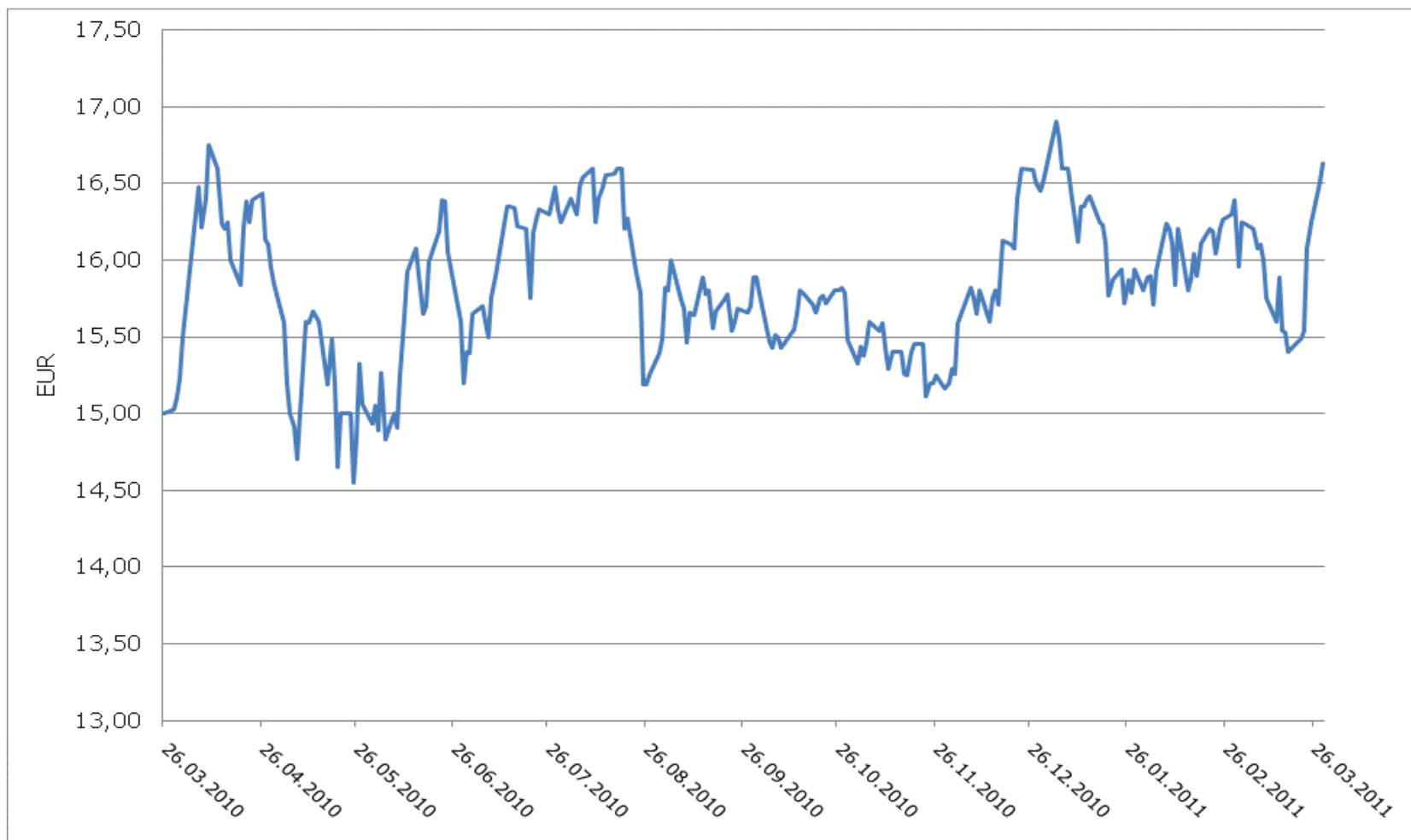
- An annual organic revenue growth of > 5%
- Operating EBIT > 10%
- ROCE %: continuous improvement
- Gearing < 100%
- Dividend policy: Target is to pay at least 40 % of annual operative net income as dividends

	Historical performance						Target
	2005	2006	2007	2008	2009	2010	
Organic growth, % ¹	7%	6%	9%	3%	-20%	11%	> 5%
EBIT, % ²	10.3%	9.9%	10.3%	9.1%	9.5%	10.1%	> 10%
ROCE	20.2%	23.7%	24.5%	18.7%	15.7%	19.2%	Continuous improvement
Gearing	315.4%	220.3%	135.3%	208.5%	90.0%	41.4%	< 100 %

1) Organic growth calculated based on reported net revenue and reported acquisitions and divestments

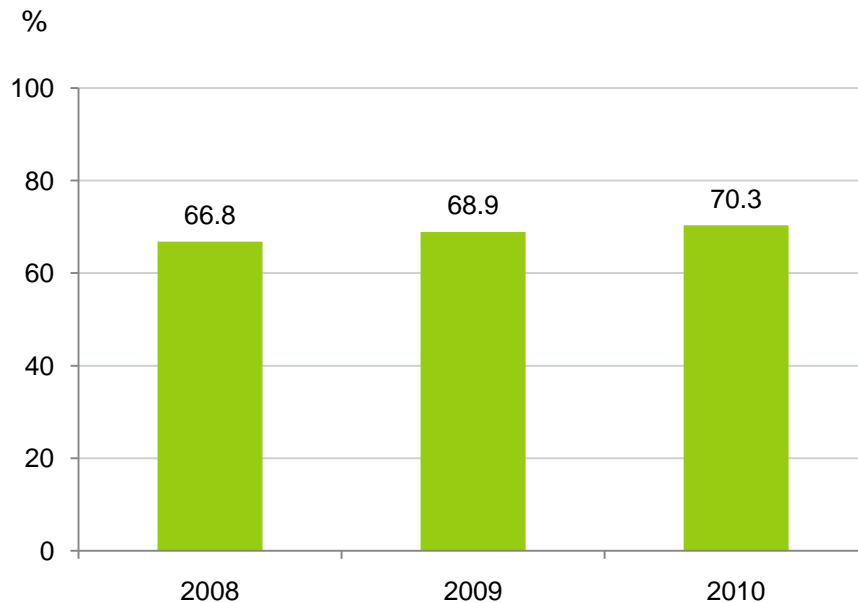
2) Excluding non-recurring items

Tikkurila share price development



98% of decorative paints sold in Scandinavia by Tikkurila were water-borne

Water-borne paints' share of Tikkurila's production



The most eco-labeled products in Scandinavia



More than 40 product launches

Supi Sauna Products



Tikkurila ProHouse Method





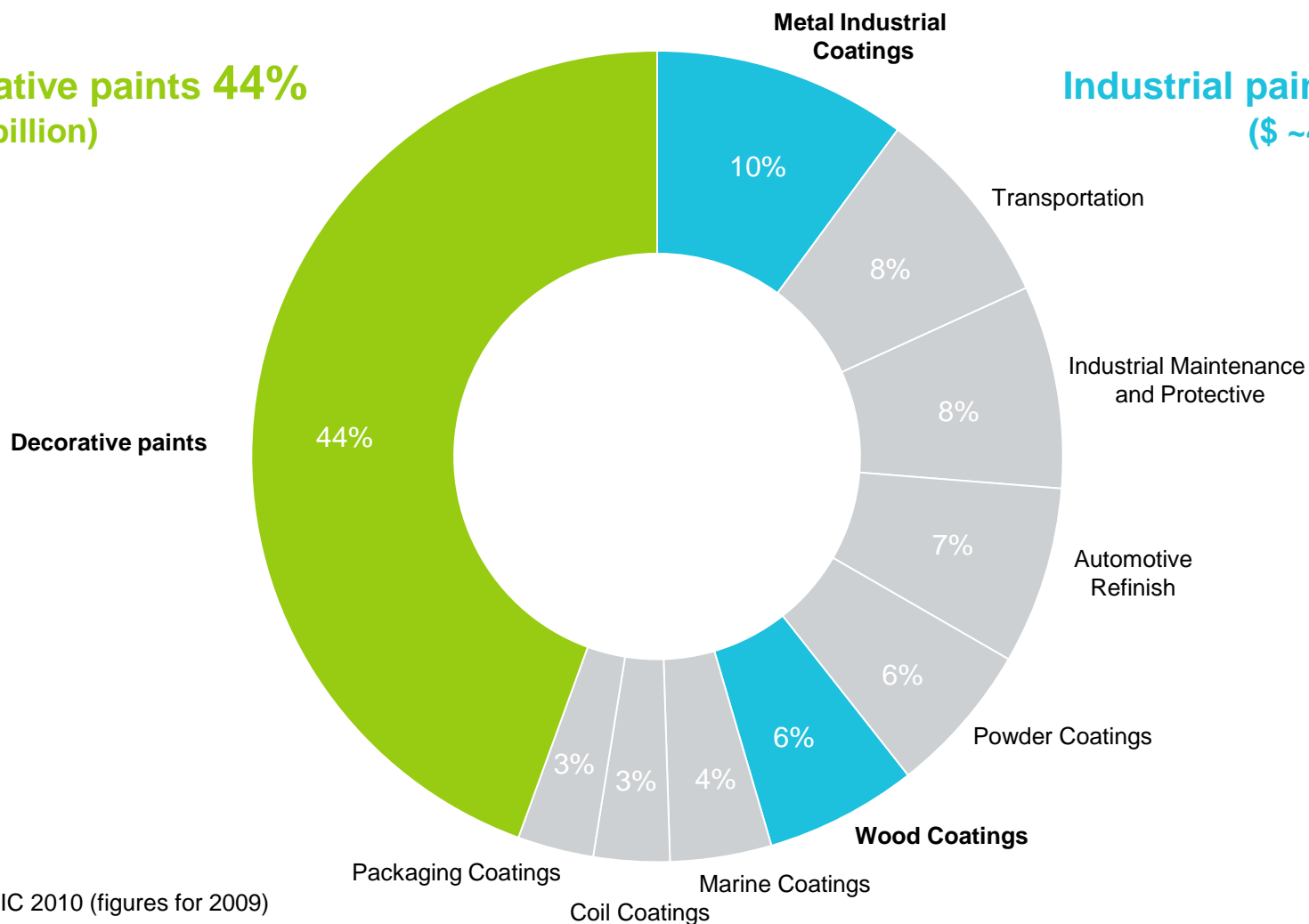
Strategy and operating environment

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Value of the global paints and coatings market

Decorative paints 44%
(\$ ~38 billion)

Industrial paints 56%
(\$ ~49 billion)



Lähde: IPPIC 2010 (figures for 2009)

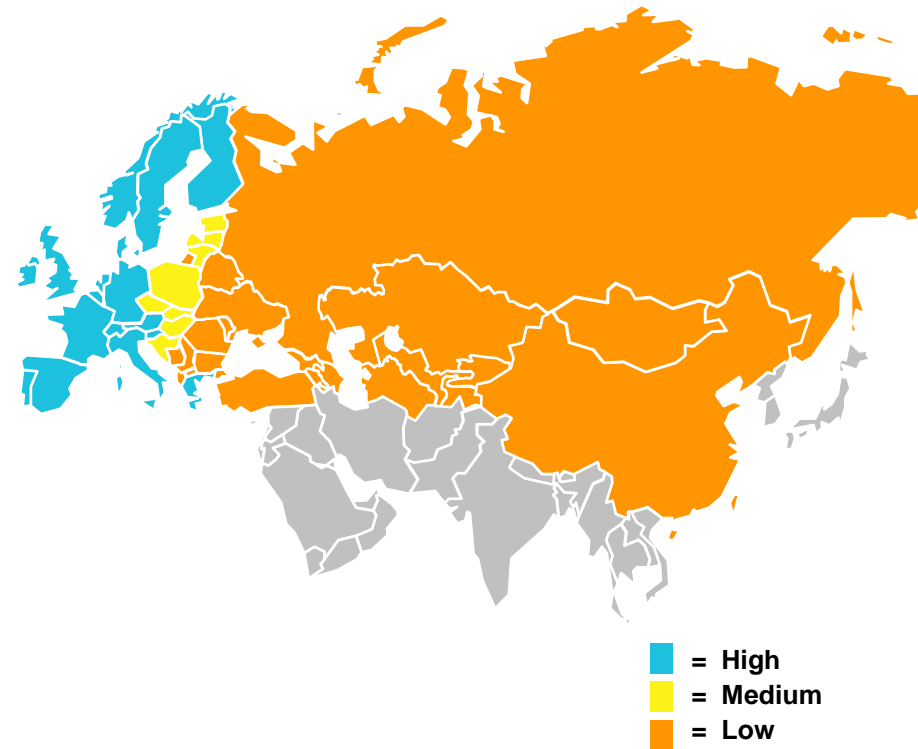
March 31, 2011

Paint consumption and demand structure

Factors impacting paint demand

- Living standards
 - Local habits and painting methods
 - Construction styles and available materials
 - Trends in interior decoration, colors etc.
 - Level of activity in new construction, renovation and industry
 - Functional paints
- Markets in Western Europe mature, growth opportunities in areas with increasing income per household
- Tikkurila has an established presence in areas with expected growth in consumption per capita and increasing demand for premium products

Estimated paint consumption per capita*



* Paint consumption source: Management estimates, IPPIC

Strategic intent:

The leading paint company in the Nordic countries and Eastern Europe, including Russia

Profitable growth

Customer focus

Geographical focus

Strong brands

One unified Tikkurila



trustworthy



innovative



professionals

Strong and well-established brands

Strategic brands



"High end" (premium),



"High end" (premium),



"Medium",



"Economy",

Local brands



Jedynka



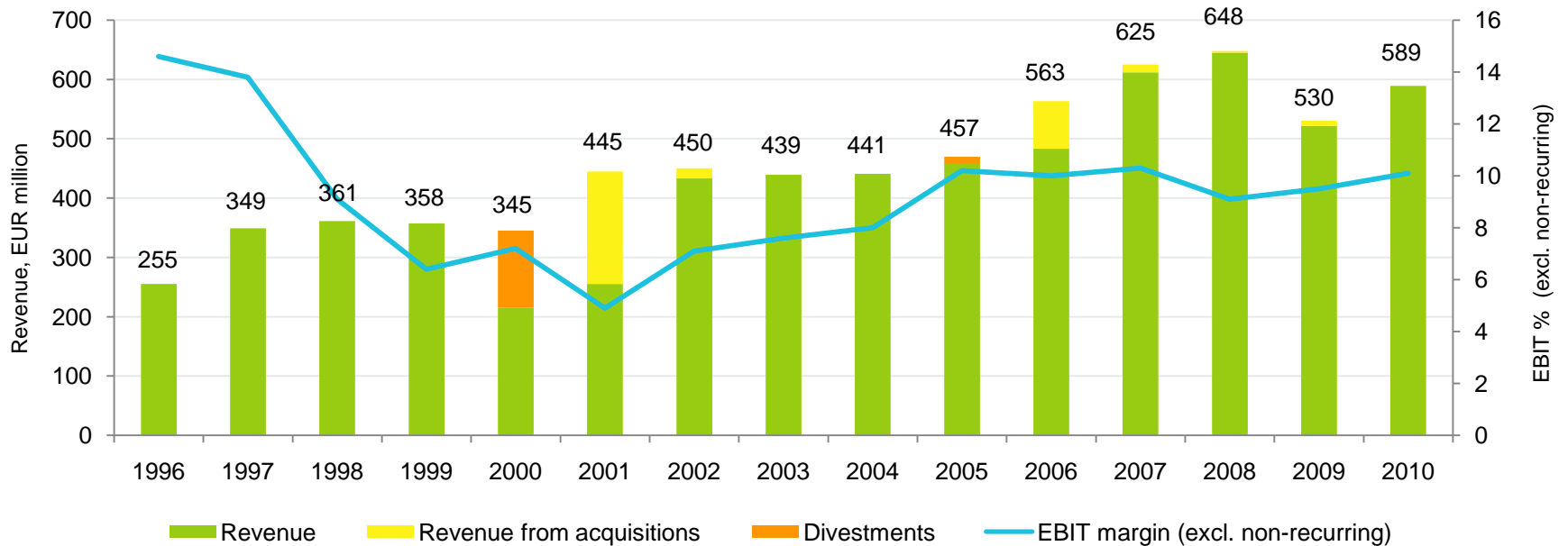
Large majority of sales from strategic brands

Long term financial development

Development of sales and profitability 1996–2010

Major acquisitions and divestments

Sale of tinting business in 2000 (Revenue ~MEUR 130)	Acquisition of Alcro-Beckers in 2001 (Revenue ~MEUR 190)	Acquisition of Kraski Tekes in 2006 (Revenue ~MEUR 80)	Acquisition of Gamma and Ohtek in 2007 (Revenue ~MEUR 11)
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Tikkurila in Russia

Key facts

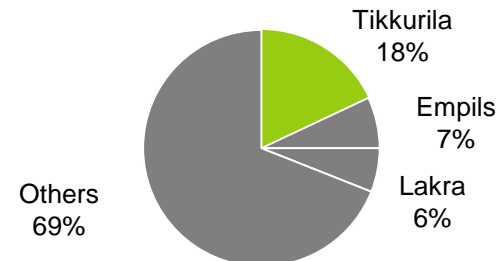
Operational area	SBU East: Russia, other CIS countries and Ukraine
Product offering and brands	Decorative paints and coatings for metal and wood industries Tikkurila, Teks, Gamma, Finncolor
2010 revenue	EUR 194.5 million, 33% of group Biggest market: Russia (89% of SBU East's revenue)
2010 EBIT¹	EUR 22.7 million, 36% of group ²
Employees	1,508 (year-end 2010)
Production sites	St. Petersburg, Russia Stary Oskol, Russia Kiev, Ukraine
Production capacity	~143 million litres, 48% of group capacity
Sales offices	Russia, Ukraine, Belarus, Kazakhstan

- 1 Excluding non-recurring items
2 Excluding group items
3 Source: Chem-Courier 2010

Locations



Market shares in decorative paints in 2009³

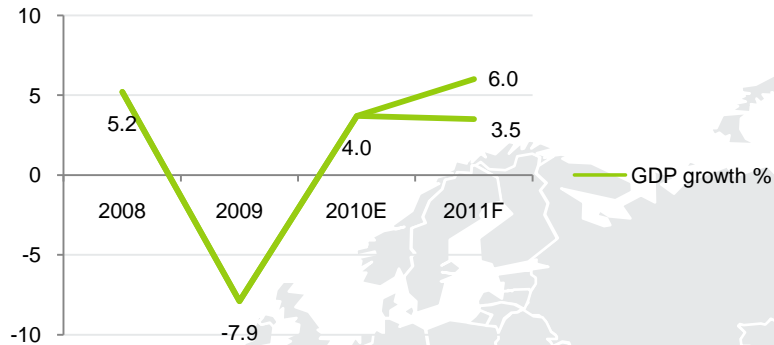


Outlook

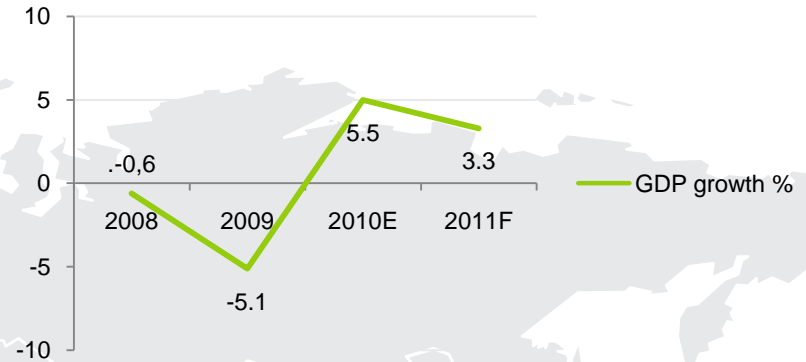


Development of gross domestic product 2008–2011F

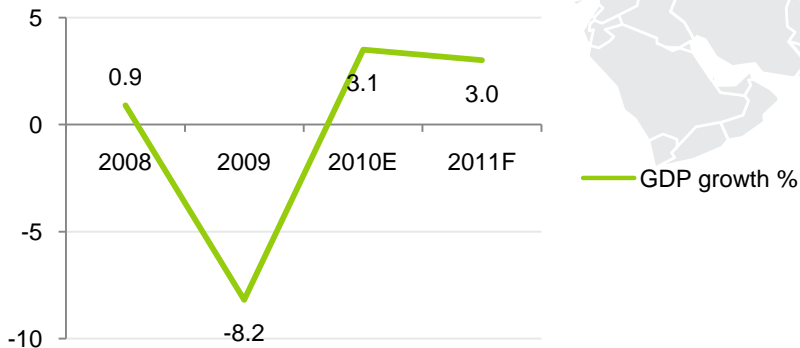
Russia



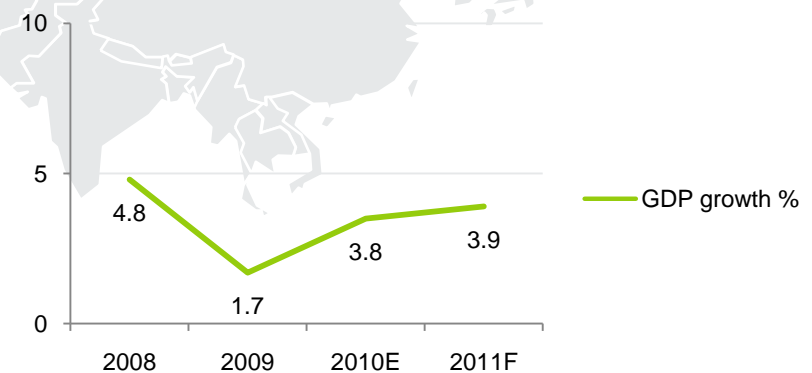
Sweden



Finland



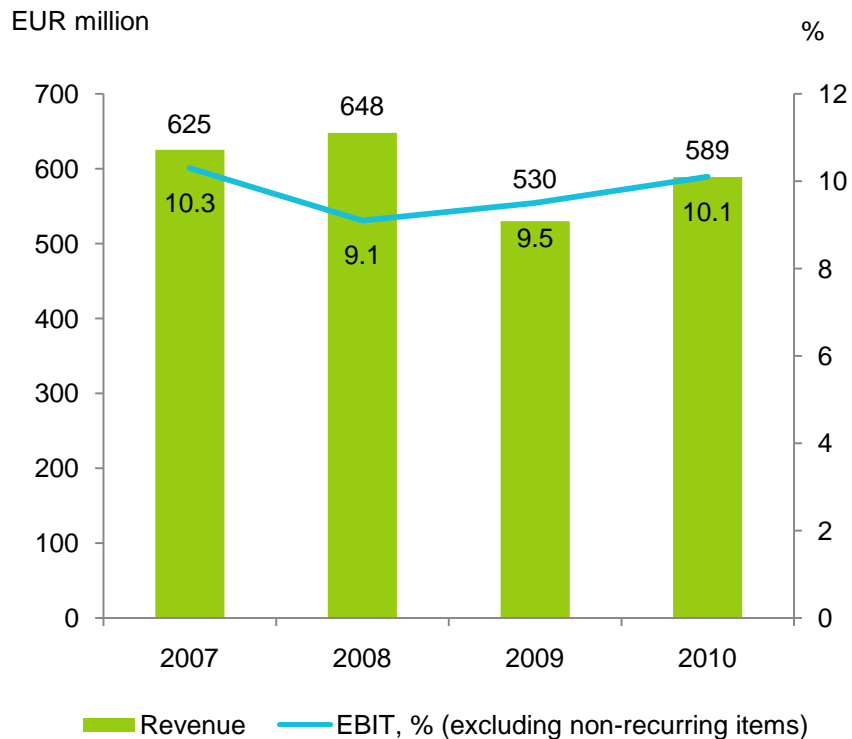
Poland



Source: BOFIT, EC, Statistics Finland and Sweden, Etila, Bank of Finland

Outlook for 2011

Revenue and profitability of Tikkurila 2007–2010



Outlook for 2011

In 2011, Tikkurila expects revenue growth to exceed the average GDP growth in Tikkurila's main market areas. In spite of the rising raw material prices, Tikkurila expects EBIT margin as a percentage of revenue to stay at the same level as in 2010.



**Displayed at the General
Meeting**

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Tikkurila's Touching Installation

On the way to NY Design Museum



Touching at Helsinki Design Week



Further information: Tikkurila Annual Report 2010

The background features several vibrant, glossy paint splashes in various colors: a large blue splash at the top center, a small red splash at the top right, a yellow splash at the top right, a green splash at the top right, a yellow splash on the left side, a green splash at the bottom center, and a large red splash at the bottom left.

TIKKURILA INSPIRES YOU
TO COLOR YOUR LIFE.™

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