



Tikkurila

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TIKKURILA

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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 overview
- Operating environment and strategy
- Tikkurila in Scandinavia
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Tikkurila overview



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



Tikkurila locations

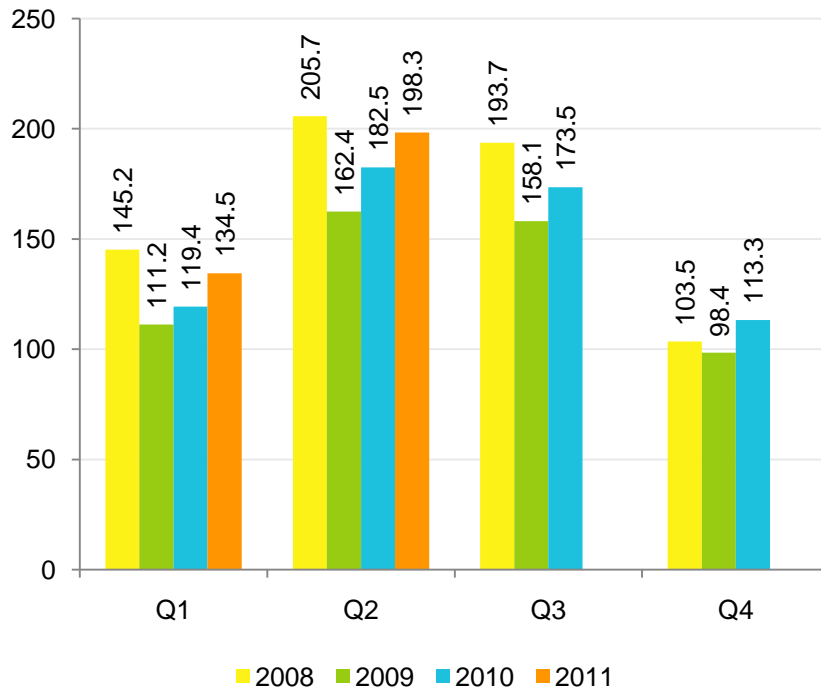


- Production, logistics center, sales
- Logistics center, sales
- Distribution center, sales

Seasonality

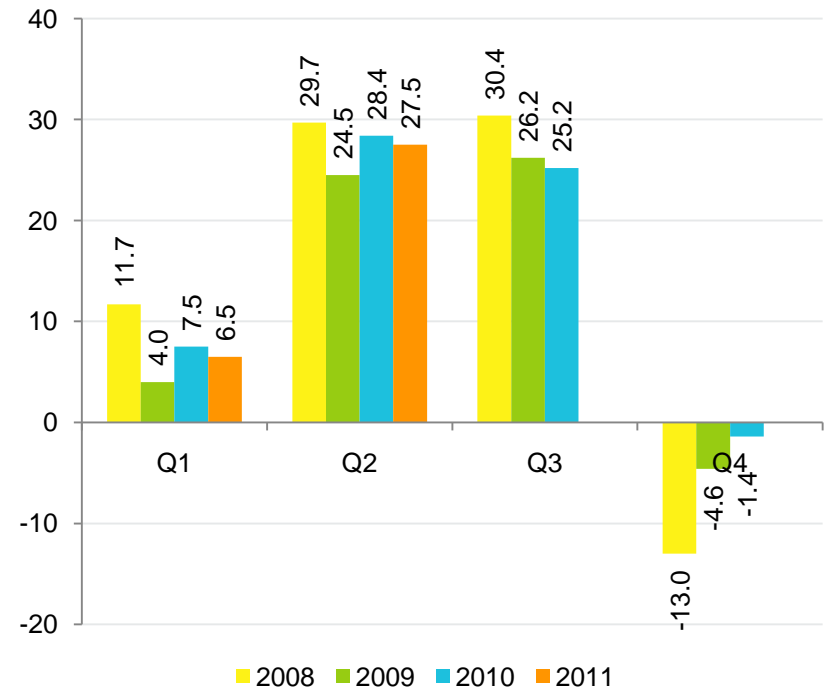
Revenue by quarter 2008–2011

EUR million



EBIT* by quarter 2008–2011

EUR million



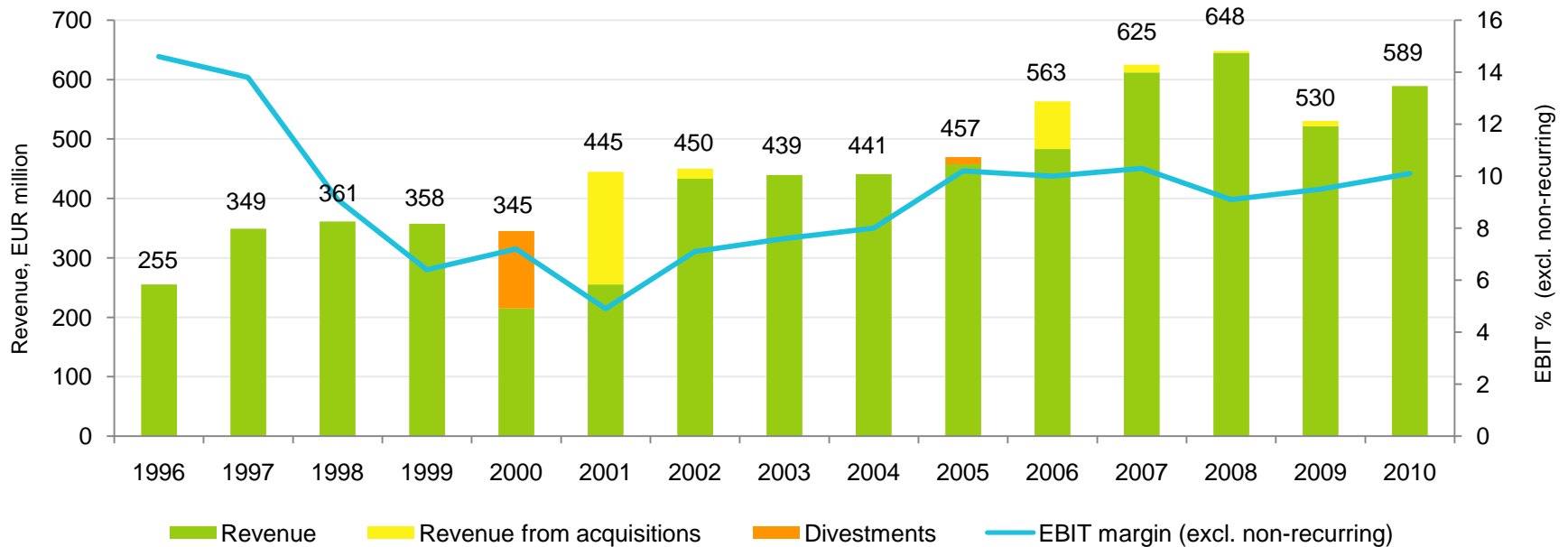
* Excluding non-recurring items

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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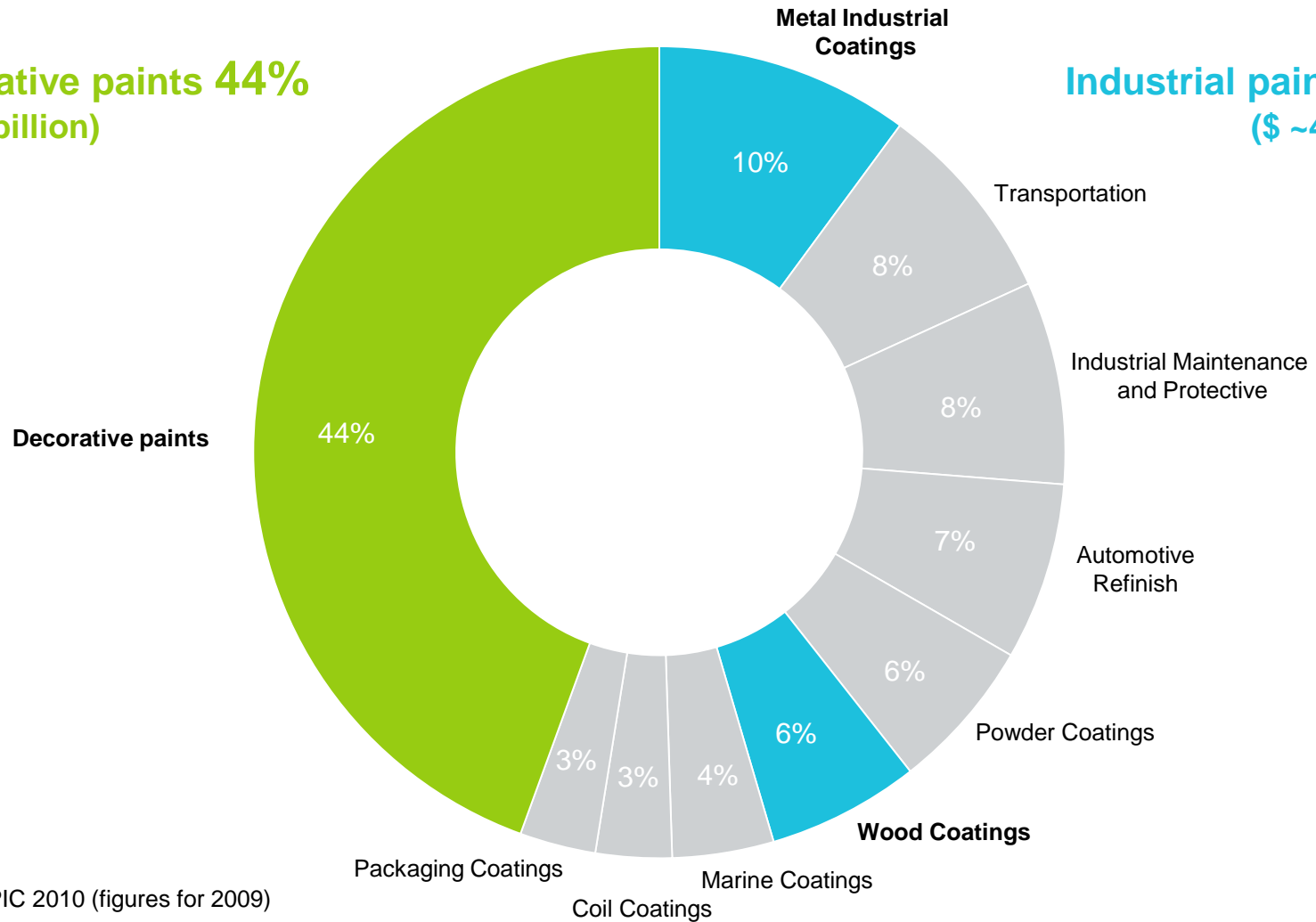


Operating environment and strategy

Value of the global paints and coatings market

Decorative paints 44%
(\$ ~38 billion)

Industrial paints 56%
(\$ ~49 billion)



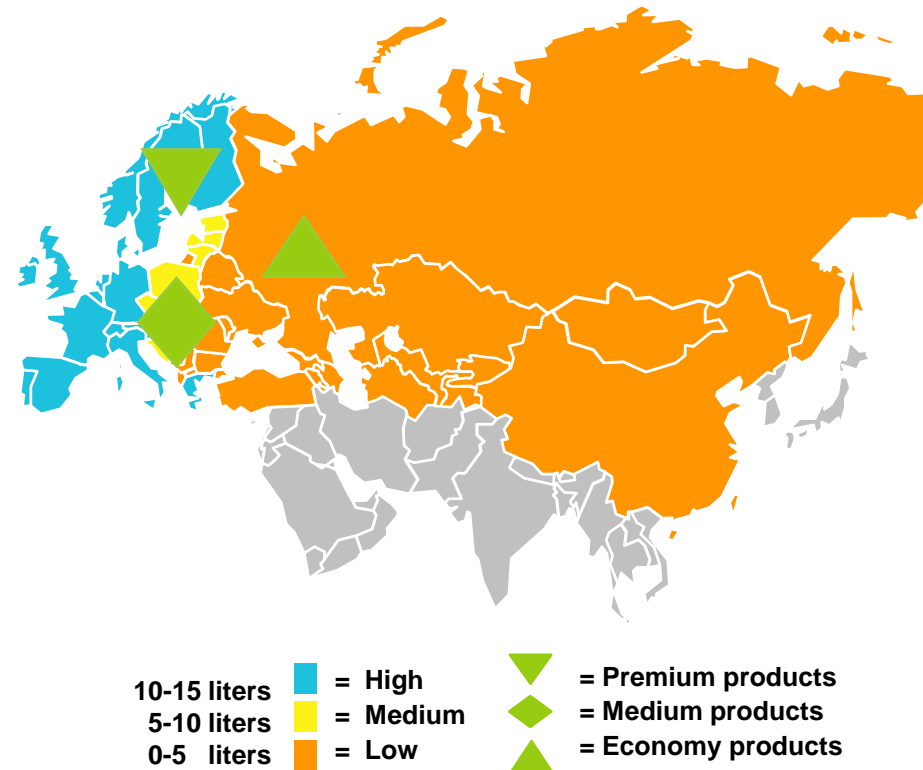
Lähde: IPPIC 2010 (figures for 2009)

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



Large majority of sales from strategic brands



Tikkurila in Scandinavia

Tikkurila SBUs

	East	Finland	Scandinavia	CEE
Operational area	Russia and other CIS countries	Finland	Sweden, Norway, Denmark	CEE countries and other countries incl. China
Production sites	St. Petersburg, Russia Stary Oskol, Russia Kiev, Ukraine	Tikkurila, Vantaa	Nykvarn, Sweden	Tallinn, Estonia Ansbach, Germany Debica, Poland
Current demand structure	Economy price and quality segment products	Premium and medium price and quality segment products	Premium and medium price and quality segment products	Medium and economy price and quality segment products
Expected demand structure	Premium price and quality segment products expected to rise	Premium and medium price and quality segment products	Premium and medium price and quality segment products	Medium and premium price and quality segment products
Competitors	Akzo Nobel, Lakra-Sintez, Empils, ABC-Farben, Meffert, Caparol	Akzo Nobel, Teknos, Nor-Maali ² , Becker Acroma ²	Akzo Nobel, Flügger, Jotun, Becker Acroma, Teknos	Akzo Nobel, PPG, a large number of local and regional suppliers
Distribution channels	Deco: DIY retailers, independent retailers, wholesalers Industry: direct sales, Temaspeed	Deco: DIY retailers, independent paint retailers Industry: direct sales, Temaspeed	Deco: DIY retailers, Alcro-Beckers professional stores ¹ , Happy Homes chain ¹ , Colorama retail chain ¹ Industry: direct sales, Temaspeed	Deco: DIY retailers, independent retailers Industry: direct sales, Temaspeed

SBU Scandinavia in brief

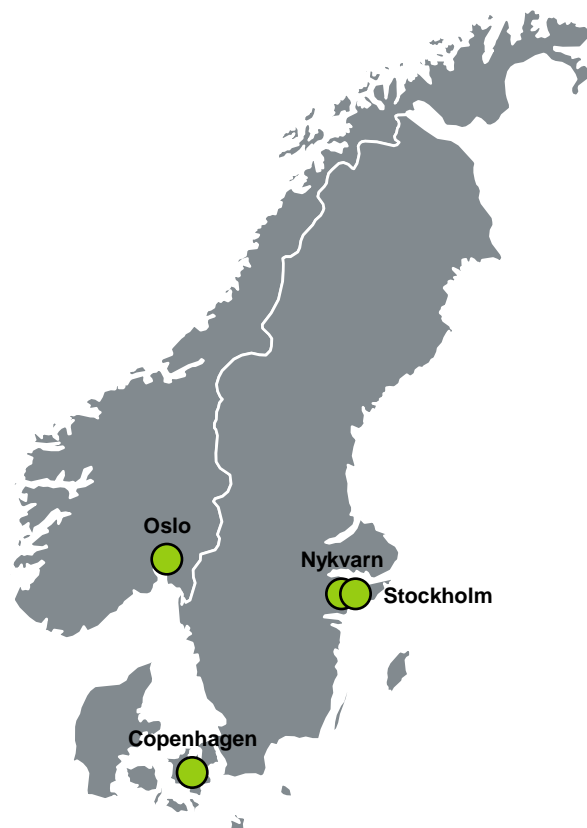
Key facts

Operational area	Sweden, Norway, Denmark
2010 revenue	EUR 181.8 million, 31% of group
2010 EBIT ¹	EUR 21.3 million, 34% of group ²
Employees	466 (year-end)
Production sites	Nykvarn, Sweden
Production capacity	~ 28 million liters, 9% of group
Sales offices	Sweden, Norway, Denmark

Development in Scandinavia

1865	Beckers founded
1906	Alcro founded
1967	First Tikkurila subsidiary established in Sweden
2001	Acquisition of Alcro-Beckers
2002	Acquisition of Akzo Nobel's general industrial finishes business
2007	New production plant in Nykvarn
2008	New headquarters in Hammarby Sjöstad
2008	Acquisition of the flagship store Måleributiken in Alvik, Sweden

Locations



1 Excluding non-recurring items

2 Excluding group items

Production and distribution

Production



- Production and distribution centre in Nykvarn, approximately 45 km south of Stockholm
- New factory completed in Autumn 2007, most modern paint factory in Northern Europe
- All paint produced is water-borne
- Warehouse space of over 30,000 m²
 - The warehouse accommodates 17,000 pallet spaces
- Efficient production and logistics

Distribution channels



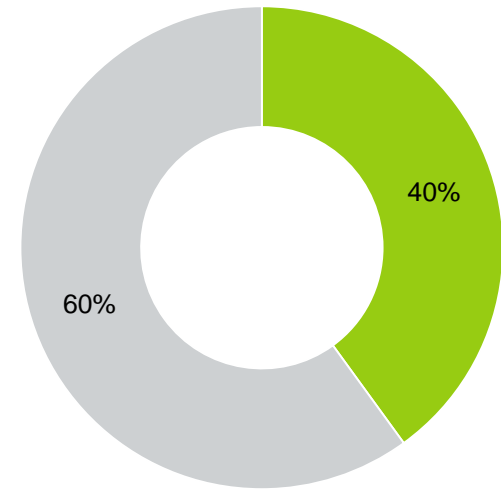
- Decorative paints
 - DIY retailers
 - Alcro & Beckers professional stores (25 in Scandinavia)
 - Happy Homes retail chain (former Beckers Nya Hem) (in Sweden, Tikkurila owns 45% of the steering company)
 - Colorama retail chain (in Sweden)
- Industrial coatings
 - Directly to industrial customer
 - Temaspeed distributors

Scandinavian paint market

Facts about the Scandinavian paint market

Paint market	The value of the paint market approximately EUR 800 million
Paint consumption	~13 liters per capita
Market growth	2-3% p.a. In 2010, the value of the Swedish paint market grew by 1.5%
Change forces	Economic prospect (GDP) Construction activity Increasing importance of Big Boxes Focus on environmental issues Increasing demand for buying professional services

Market shares of the Swedish deco paint market¹



■ Tikkurila (Alcro and Beckers) ■ Others

The combined market share of the four biggest players (Tikkurila, Nordsjö, Flügger, and Jotun) is ~80%².

¹ Decorative paints in value in 2010. Source: Sveff

² Management estimate.

Consumer confidence and GDP development in Sweden

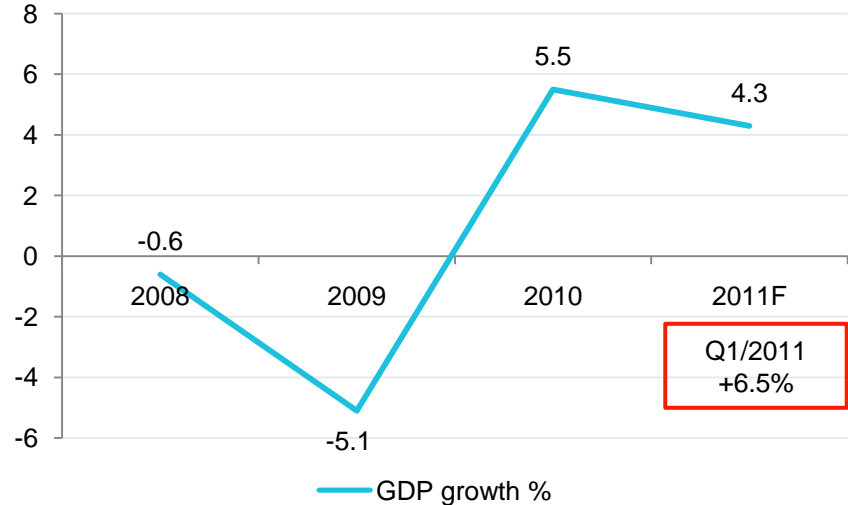
Economic Tendency Indicator in Sweden



Mean-value	Max-value	Min-value	Jun 2011	Jul 2011	Aug 2011	Situation
100,0	115,1	72,0	109,8	103,2	100,2	+

Situation: ++ The situation is very strong, + The situation is strong, - The situation is weak, -- The situation is very weak. Mean, max and min values from December 2001.

GDP development in Sweden 2008A–2011F



Source: Konjunkturinstitutet, Eurostat, SEB

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

- Development of water-borne paints has been especially active in Scandinavia, where 98% of the decorative paints sold in 2010 by Tikkurila were water-borne
- Tikkurila has the most eco and anti allergy labeled products in Scandinavia
- Tikkurila's products were awarded five new Nordic Swan eco labels in Scandinavia in Q2/2011



For further information, please visit www.alcro.se/miljo



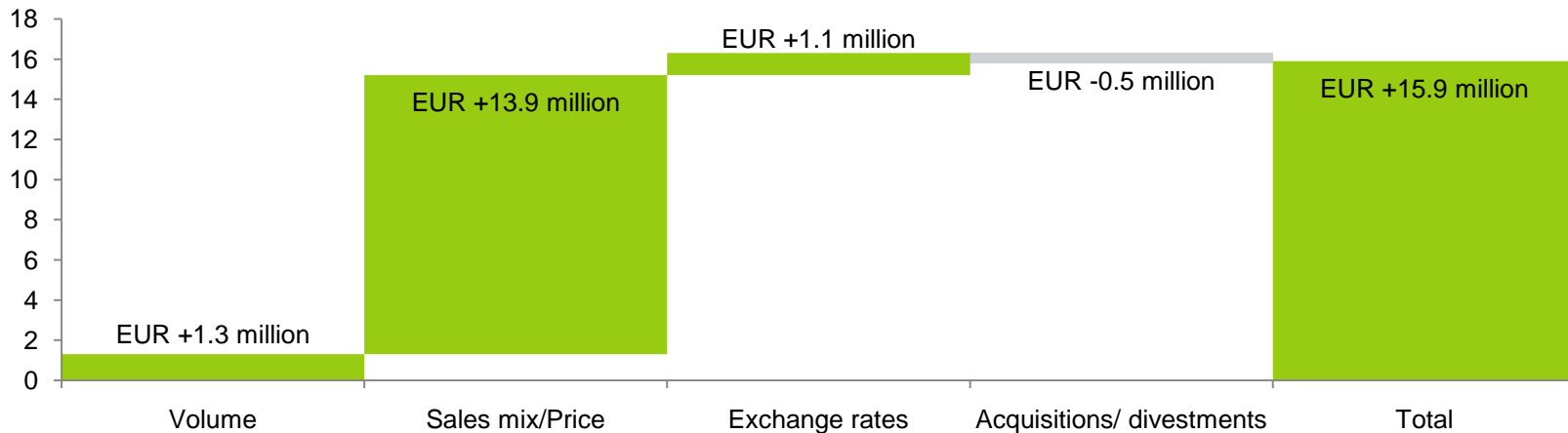
Tikkurila's Q2/2011

Revenue development

EUR million	4-6/2011	4-6/2010	Change %	2010
Revenue	198.3	182.5	8.7%	588.6

Different factors impacting revenue development, Q2/2010 vs. Q2/2011

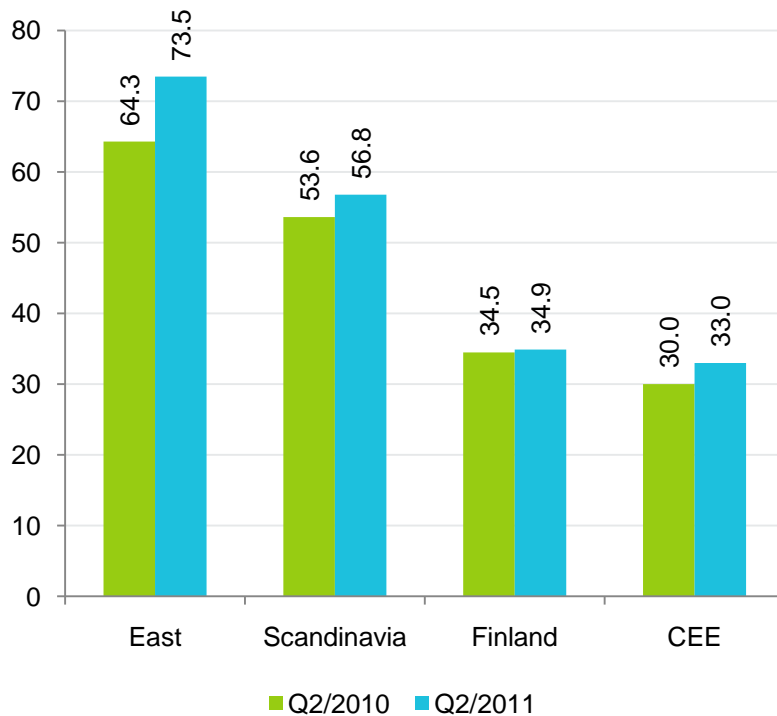
Increase/decrease, EUR million



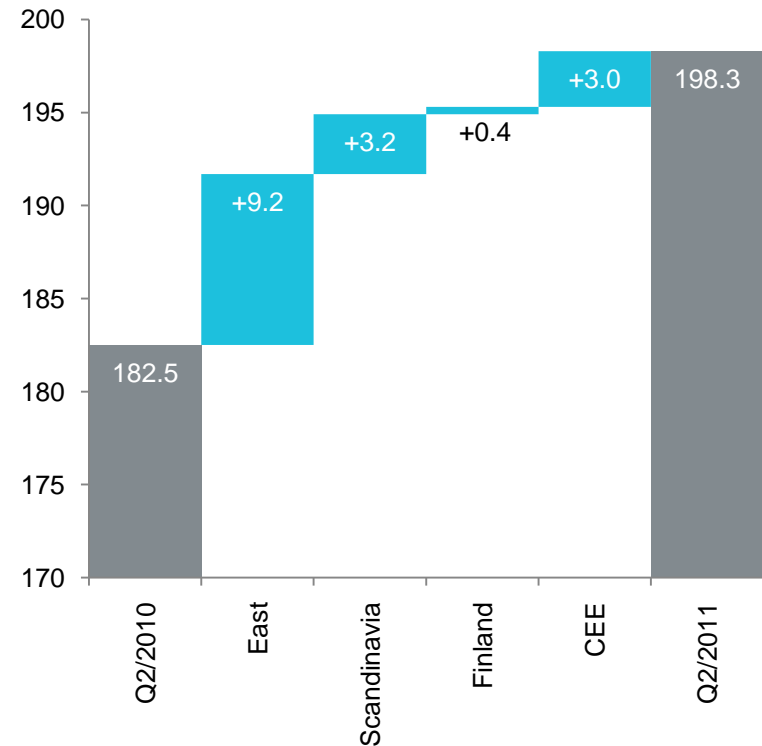
The figures on the graph above have been independently rounded to one decimal, which should be taken into account when calculating total figures.

Revenue development by segment Q2/2010 vs. Q2/2011

EUR million

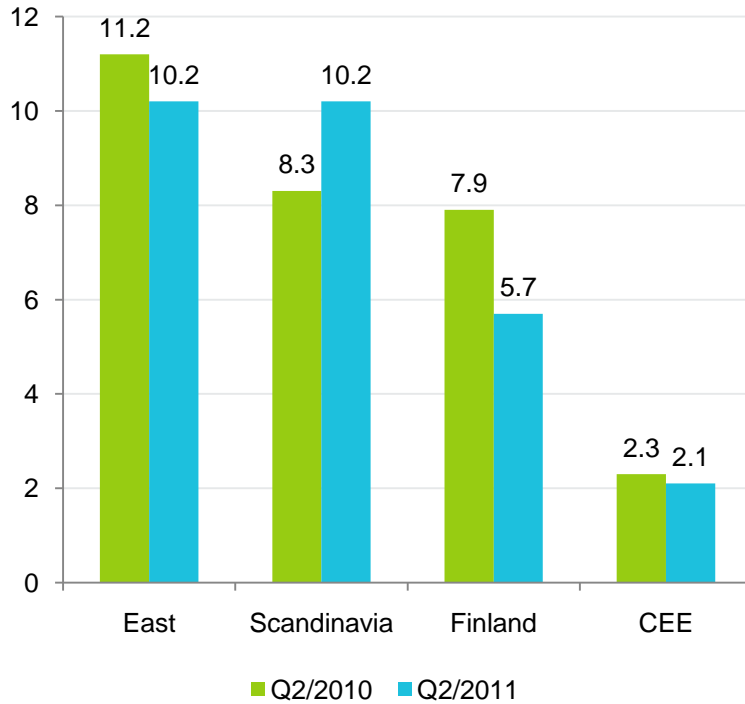


EUR million

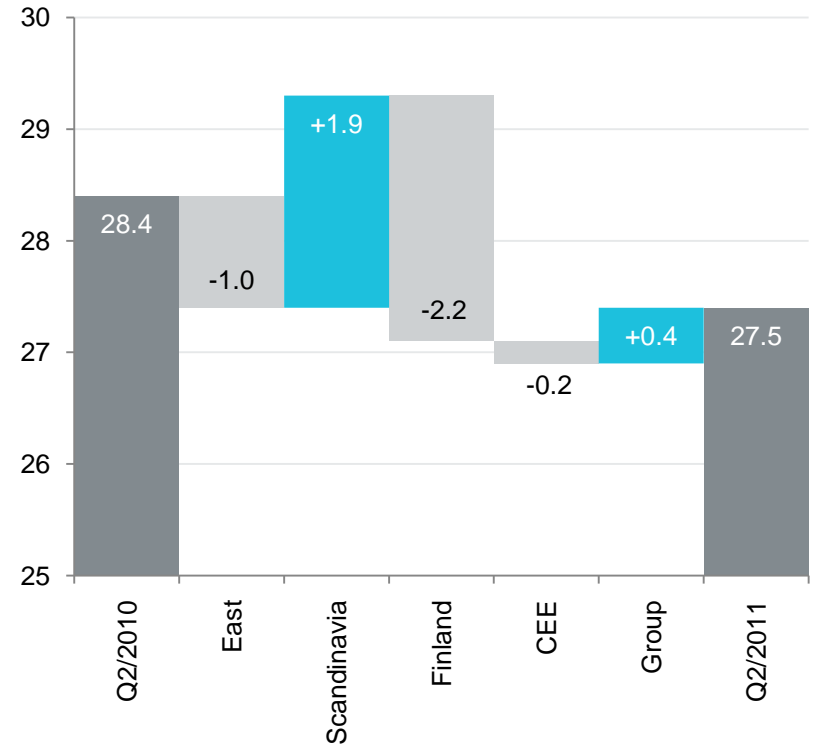


EBIT* development by segment (SBU) Q2/2010 vs. Q2/2011

EUR million



EUR million



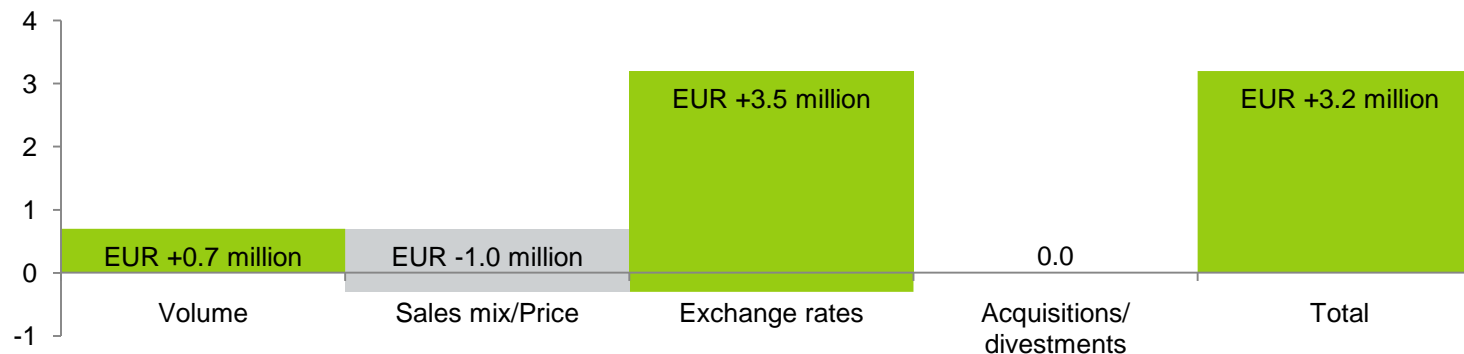
* Excluding non-recurring items

SBU Scandinavia Q2/2011

EUR million	4-6/2011	4-6/2010	Change %	1-6/2011	1-6/2010	Change %	2010
Revenue	56.8	53.6	6.0%	103.5	93.5	10.7 %	181.8
EBIT*	10.2	8.3	23.3%	15.0	11.2	33.4%	21.3
EBIT*, %	18.0%	15.4%		14.5%	12.0%		11.7%
Capital expenditure excl. acquisitions	1.0	0.6	66.3%	1.2	1.0	19.4%	2.3

Different factors impacting the revenue development of SBU Scandinavia, Q2/2011 vs. Q2/2010

Increase/decrease, EUR million

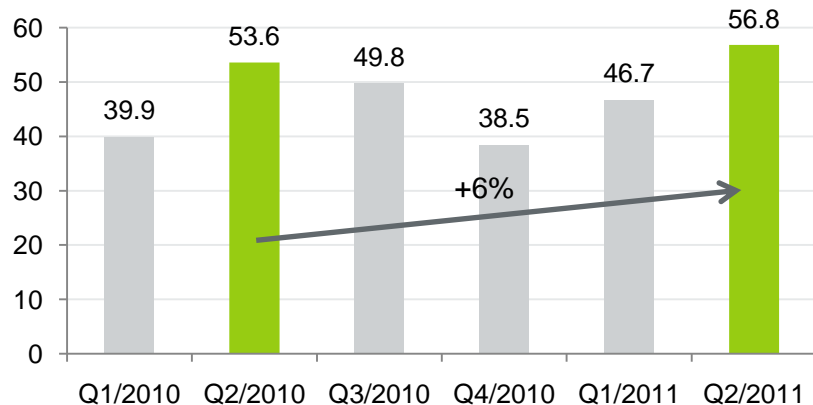


* Excluding non-recurring items

SBU Scandinavia Q2/2011

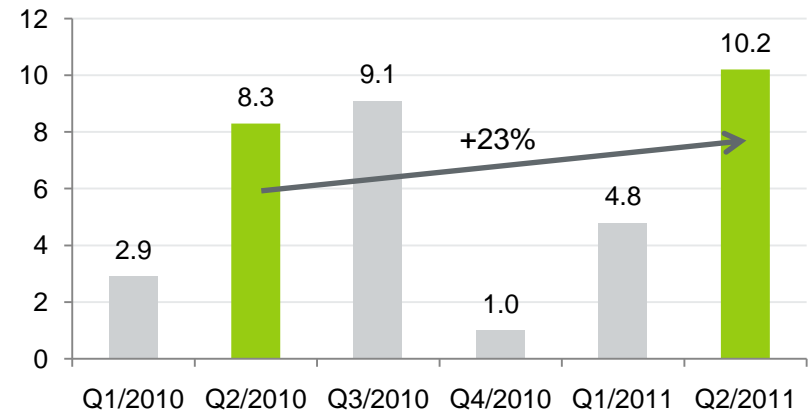
Revenue by quarter Q1/2010–Q2/2011

EUR million



EBIT* by quarter Q1/2010–Q2/2011

EUR million



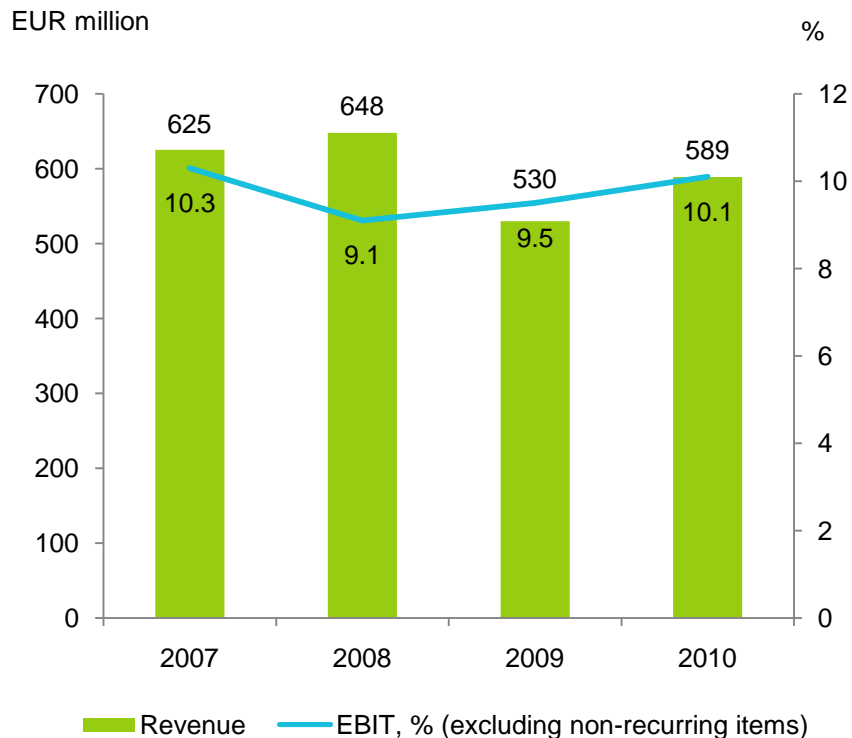
Key issues in Q2/2011

- Higher productivity of Nykvarn site in Sweden and effective management of fixed costs improved the relative profitability
- Growth of the Swedish economy showed some signs of weakening
- Consumer confidence declined in Sweden

* Excluding non-recurring items

Outlook for 2011 reiterated

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.

In order to enhance profitability and competitiveness, Tikkurila continues to increase sales prices as well as increases efficiency and decreases expenses.

Financial uncertainty has gained momentum, and therefore it is more difficult to forecast the development during the rest of the year.

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.™

TIKKURILA

Appendices



Financial targets

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

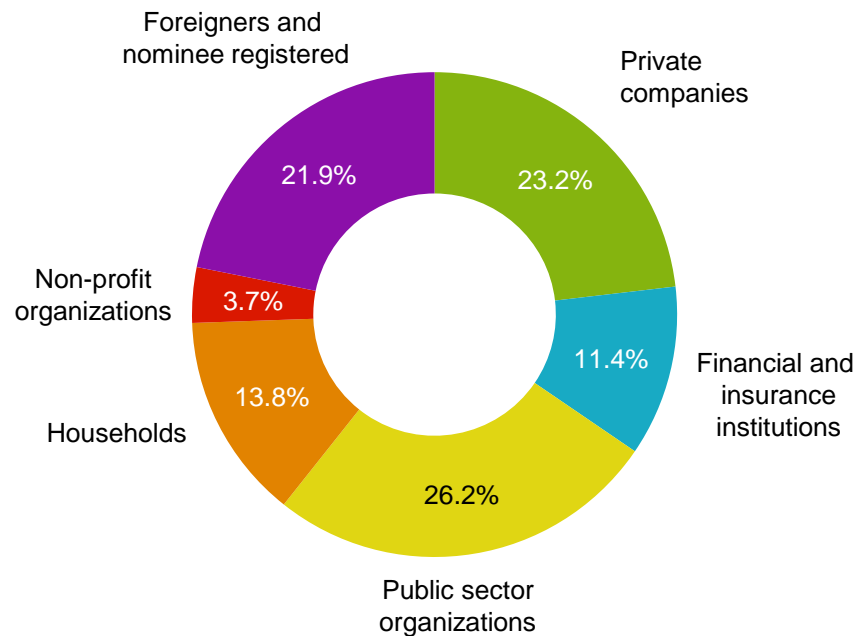
- An annual organic revenue growth of > 5%
- Operating EBIT > 10%
- ROCE %: continuous improvement
- Gearing < 100%
- Dividend policy: Target is to pay at least 40 % of annual operative net income as dividends

	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's ownership structure on August 31, 2011



- Number of shareholders ~24,000
- Largest shareholders Oras Invest Oy (18.1%), Ilmarinen Mutual Pension Insurance Company (10.1%) and Varma Mutual Pension Insurance Company (8.6%)
- 50 largest registered shareholders holding ~60%
- ~94% of shareholders holding max 1,000 shares
- Foreigners and nominee registered ownership ~22%
- On August 5, 2011, Ilmarinen's holding in Tikkurila increased to 10.1%
- On August 10, 2011, Orkla's holding in Tikkurila increased to 6.2%

SBU East in brief

Key facts

Operational area	Russia, other CIS countries, Ukraine
2010 revenue	EUR 194.5 million, 33% of group
2010 EBIT ¹	EUR 22.7 million, 36% of group ²
Employees	1,508 (year-end)
Production sites	3 in St. Petersburg, Russia, Stary Oskol, Russia and Kiev, Ukraine
Production capacity	~143 million litres, 48% of group
Sales offices	Russia, Ukraine, Belarus, Kazakhstan

Expansion in East

- 1970s** Export to Russia and the former Soviet Union started
- 1994** Sales company in Russia
- 1995** First western paint factory opened in St. Petersburg
- 1998** Sales company OOO Tikkurila Coatings established
- 2004** Acquisition of Kolorit in Ukraine
- 2006** Acquisition of Kraski Teks
- 2006** Sales company established in Almaty, Kazakhstan
- 2007** Acquisition 2 St. Petersburg-based paint companies (Gamma, Powder Coatings)
- 2008** Sales company established in Minsk, Belarus
- 2009** Completion of logistic centre in Mytishchi, Moscow region

Locations



- 1 Excluding non-recurring items
- 2 Excluding group items

SBU Finland in brief

Key facts

Operational area	Finland
2010 revenue	EUR 107.2 million, 18% of group
2010 EBIT ¹	EUR 13.6 million, 22% of group ²
Employees	718 (year-end)
Production sites	Vantaa, Finland
Production capacity	~ 65 million litres, 22% of group
Sales offices	Several in Finland

1 Excluding non-recurring items
2 Excluding group items

Locations



SBU CEE in brief

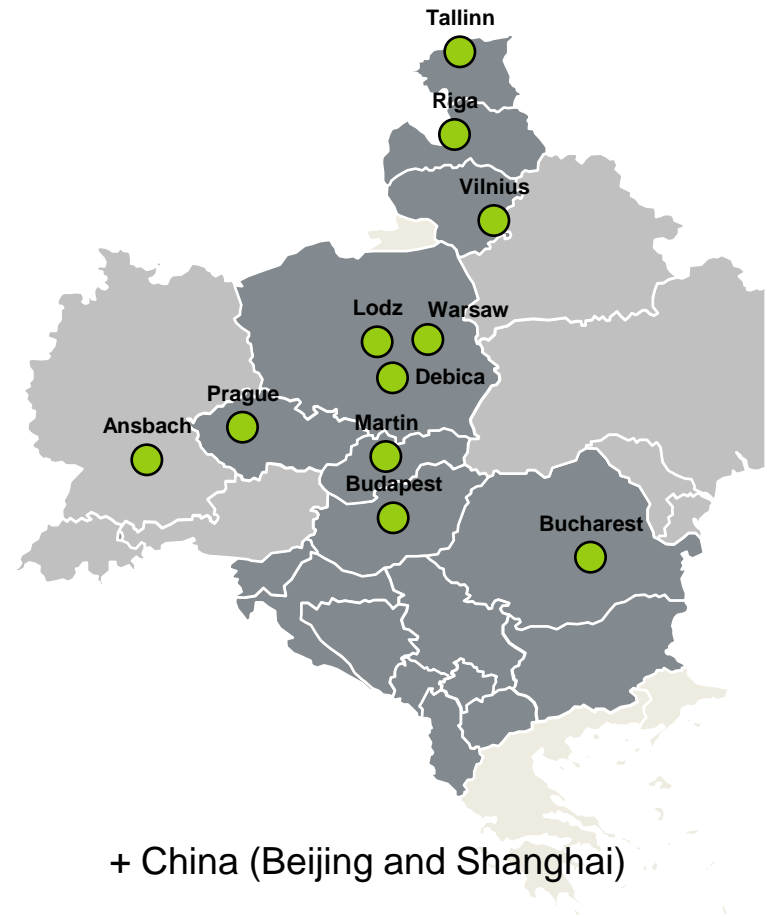
Key facts

Operational area	Albania, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Former Yugoslav Republic of Macedonia, Kosovo, Hungary, Latvia, Lithuania, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and other markets (including e.g. China)
2010 revenue	EUR 105.2 million, 18% of group
2010 EBIT ¹	EUR 4.8 million, 8% of group ²
Employees	741 (year-end)
Production sites	Tallinn, Estonia, Ansbach, Germany and Debica, Poland
Production capacity	~ 64 million litres, 21% of group
Sales offices	Czech Republic, Hungary, Latvia, Lithuania, Romania, Slovakia, China, Finland (export)

Expansion in CEE

- 1989** JV established in Tallinn, Estonia
- 1992** Paint production started in Tallinn, Estonia
- 1993** Sales company in Riga, Latvia
- 1995** Sales company established in Vilnius, Lithuania
- 1997** Sales company in Budapest, Hungary
- 2001** Production plants in Ansbach, Germany and Debica, Poland
- 2006** Acquisition of sales company in Prague, Czech Republic
- 2007** Sales company established in Beijing, China
- 2008** Sales companies in Shanghai, China, Bucharest, Romania and Martin, Slovakia

Locations



¹ Excluding non-recurring items
² Excluding group items