



Tikkurila

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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 overview
- Certain quantitative highlights
- Summary

Tikkurila overview



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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

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

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

Tikkurila the best-known paint brand in Russia

Brand awareness



- Tikkurila has been systematic in strengthening its brand particularly in Russia
- According to TNS survey published in 2010, Tikkurila is the best-known paint brand in Russia (awareness rate 40.3%)

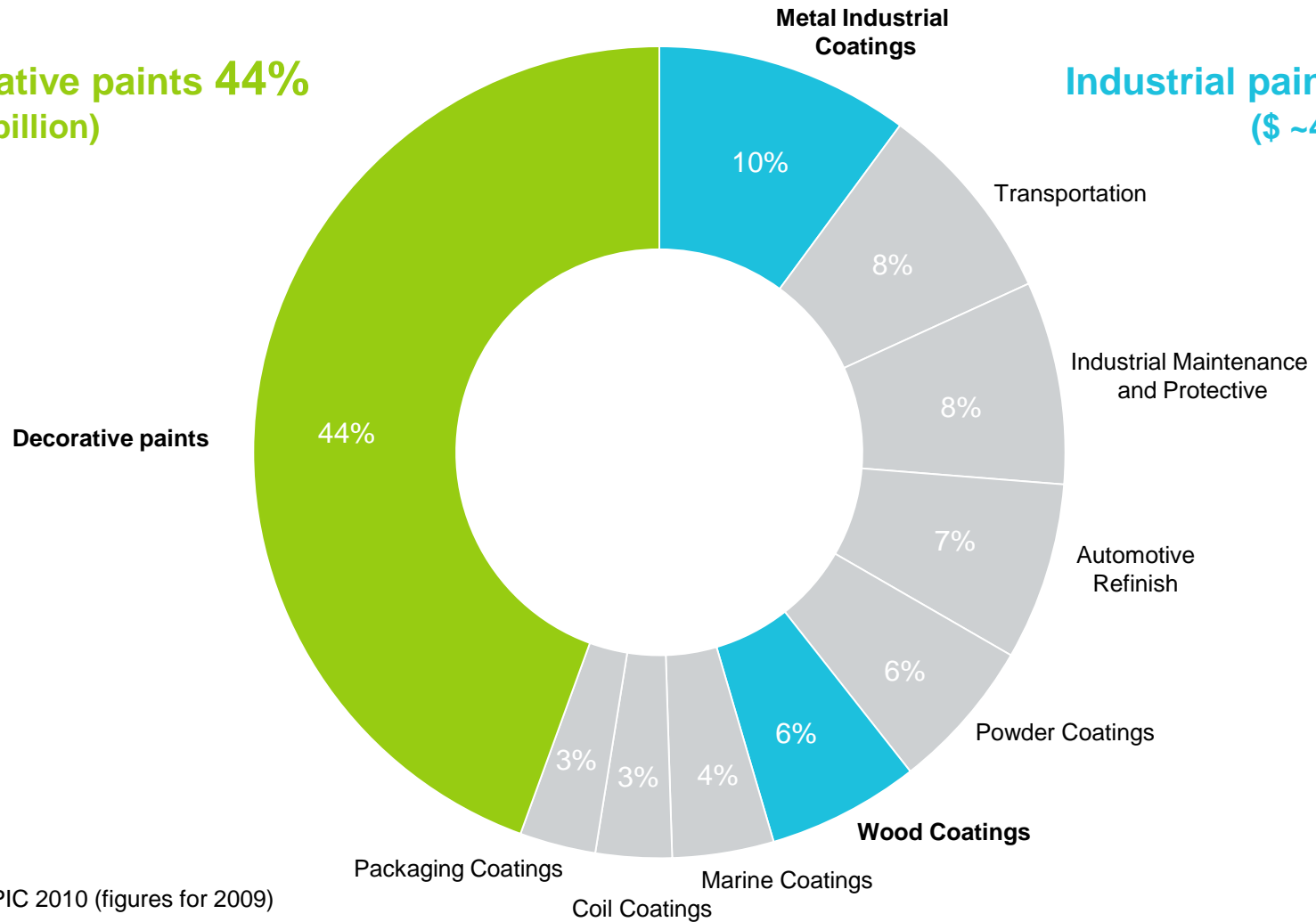


Source: TNS Marketing Index, Russia, 100,000 people, aged + 16 years (2009)

Value of the global paints and coatings market

Decorative paints 44%
(\$ ~38 billion)

Industrial paints 56%
(\$ ~49 billion)

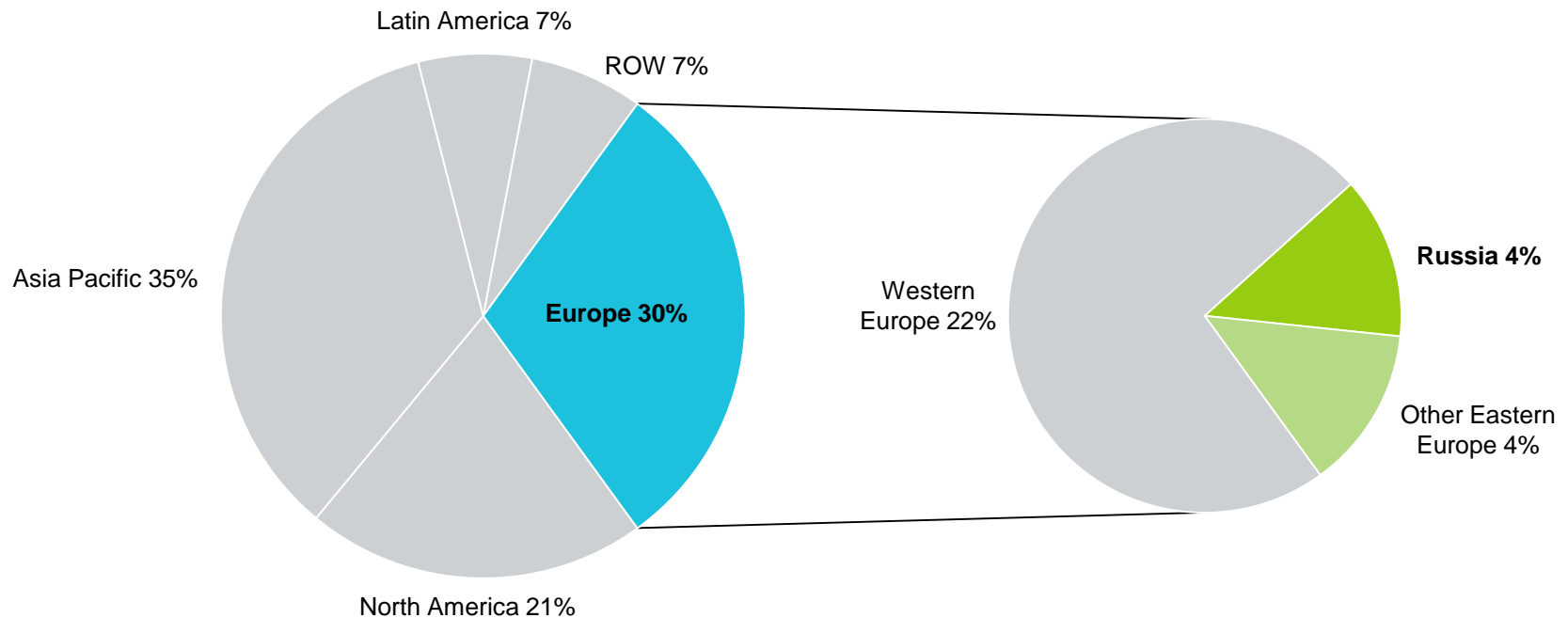


Source: IPPIC 2010 (figures for 2009)

Russia as part of the total coatings market

Europe accounted for 30% of the total value in 2009

Russia accounted for 4% of the total value in 2009

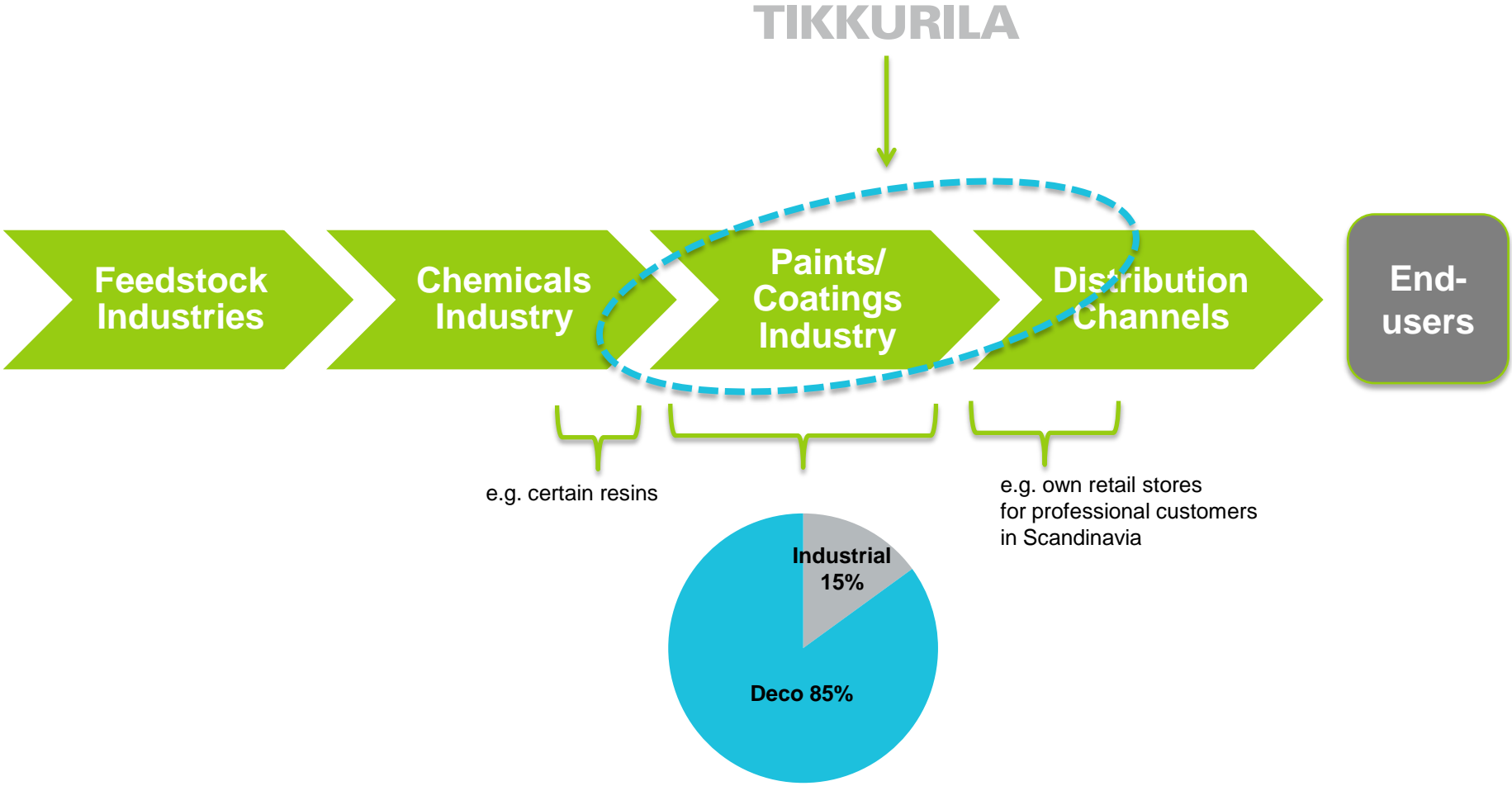


Total global coatings value was some US \$87 billion

Source: IPPIC (2010)

March 2011

Tikkurila's position in the value chain





Certain quantitative highlights

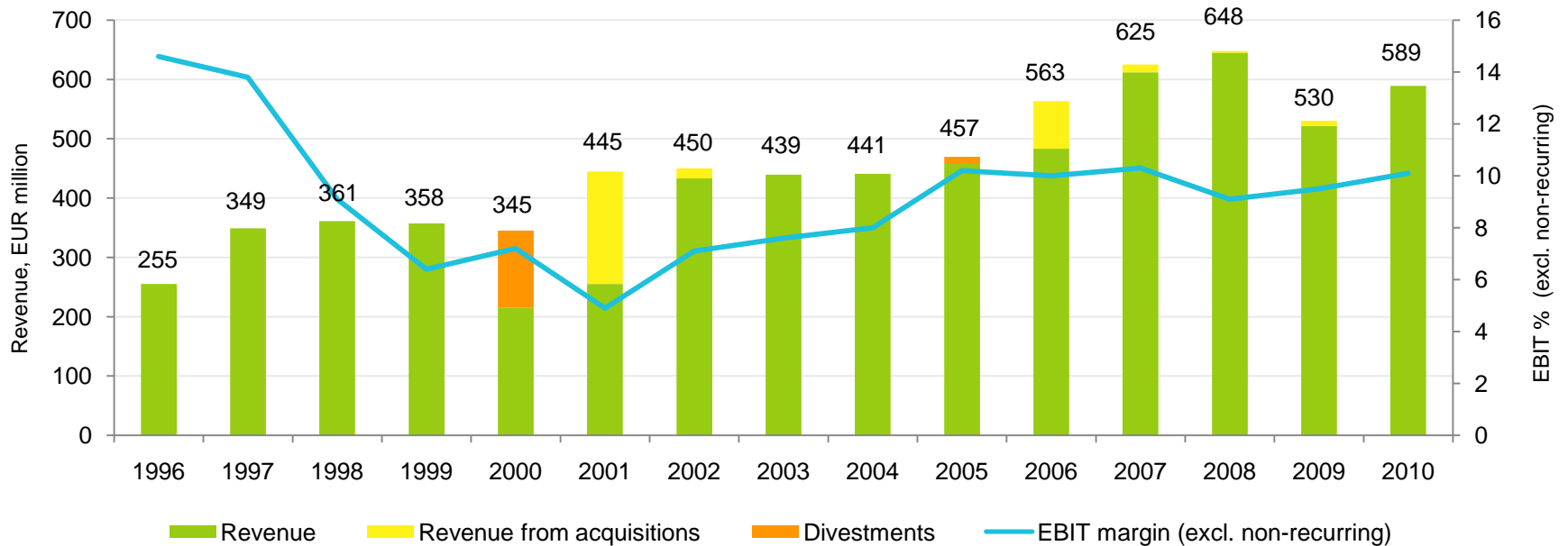
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Long term financial development

Development of sales and profitability 1996–2010

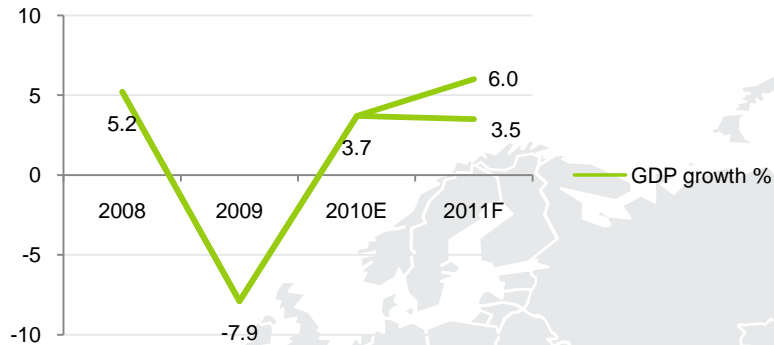
Major acquisitions and divestments

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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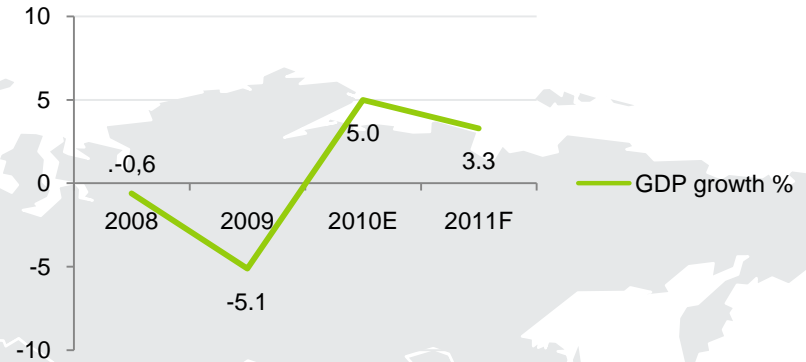


Development of gross domestic product 2008–2011F

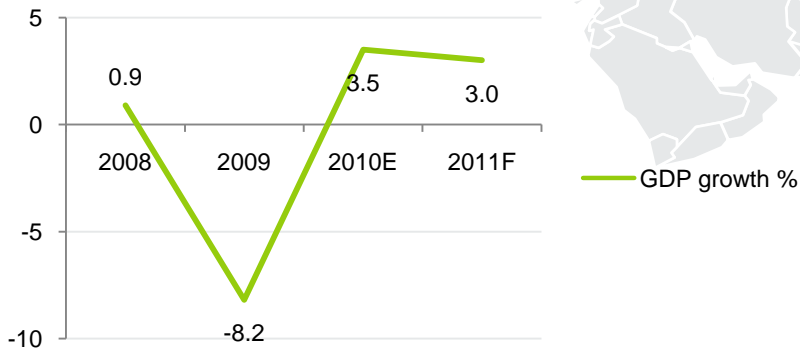
Russia



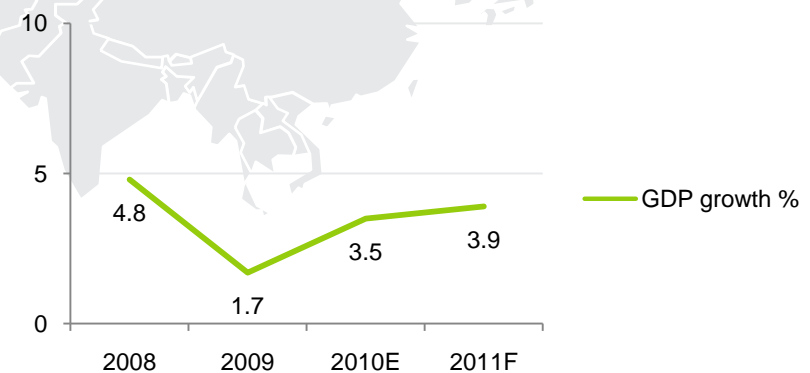
Sweden



Finland

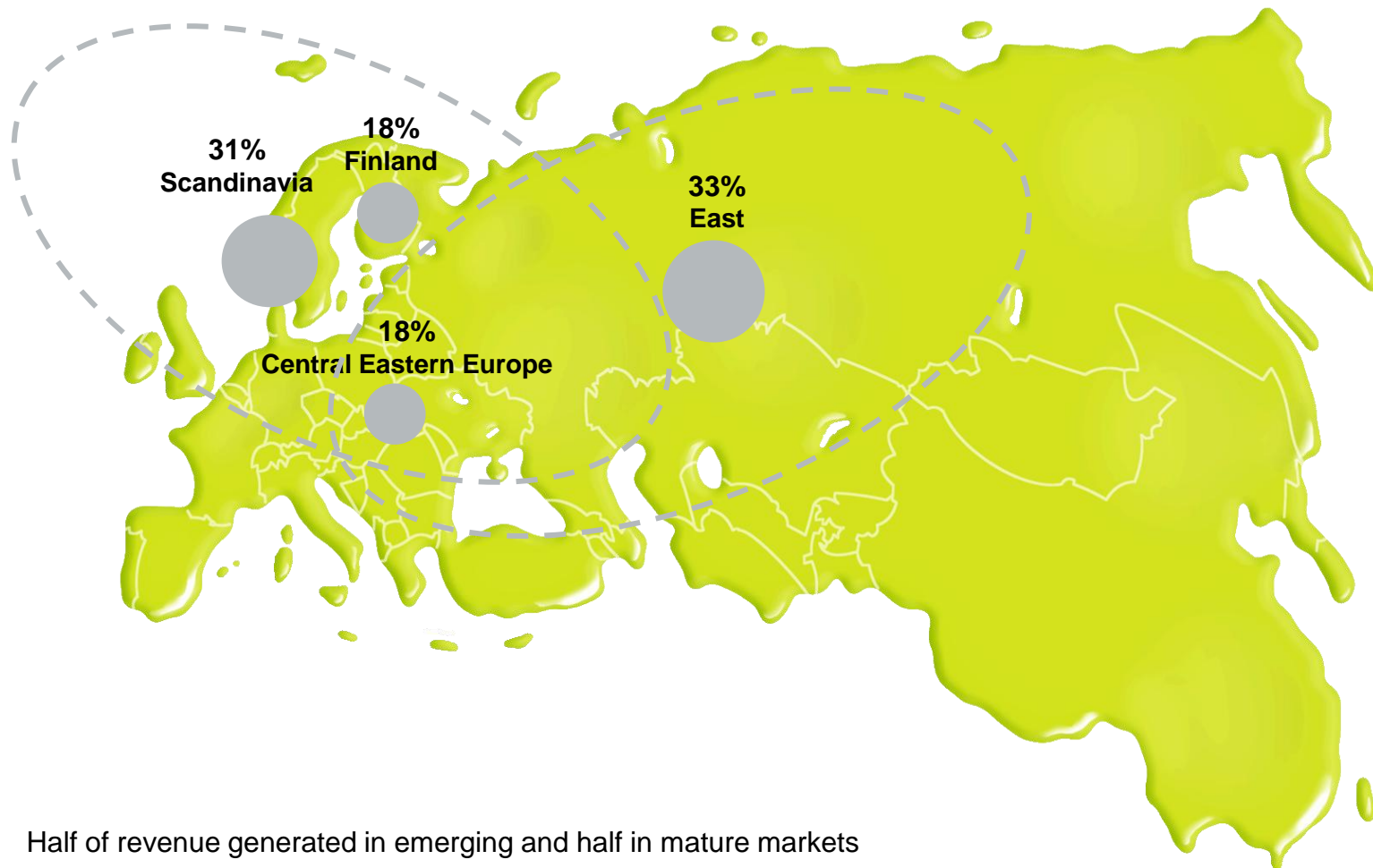


Poland



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

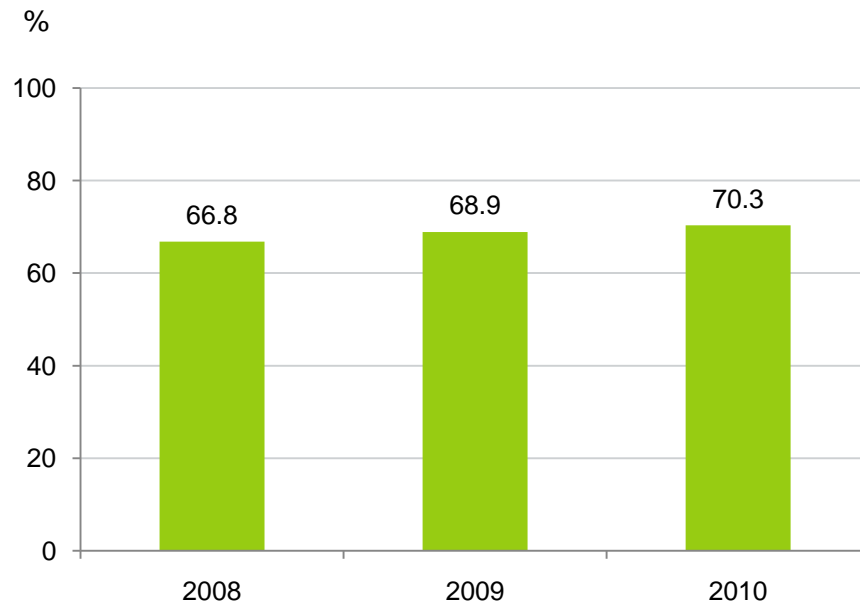
Balanced geographical portfolio



Half of revenue generated in emerging and half in mature markets

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

Water-borne paints' share of Tikkurila's production



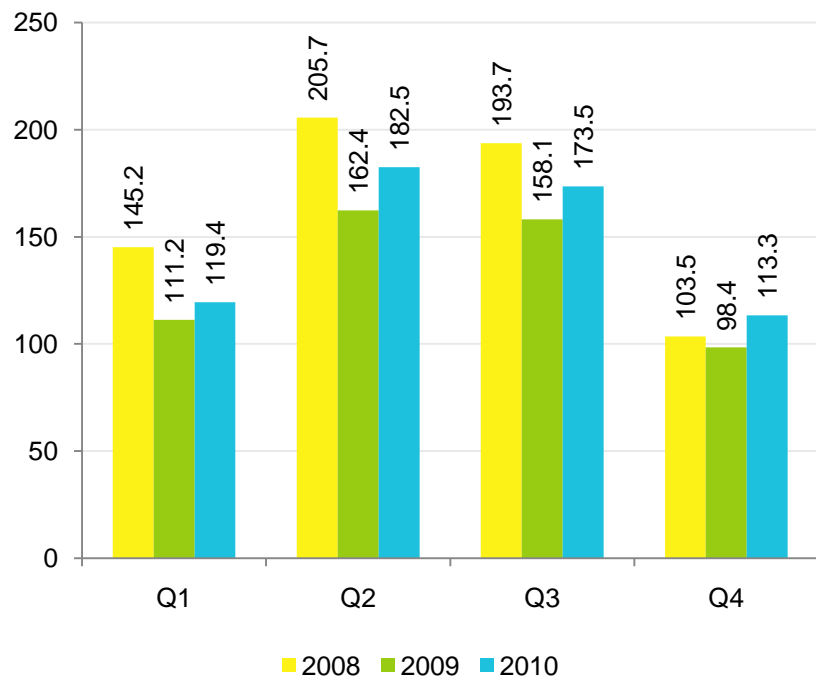
The most eco-labeled products in Scandinavia



Seasonality

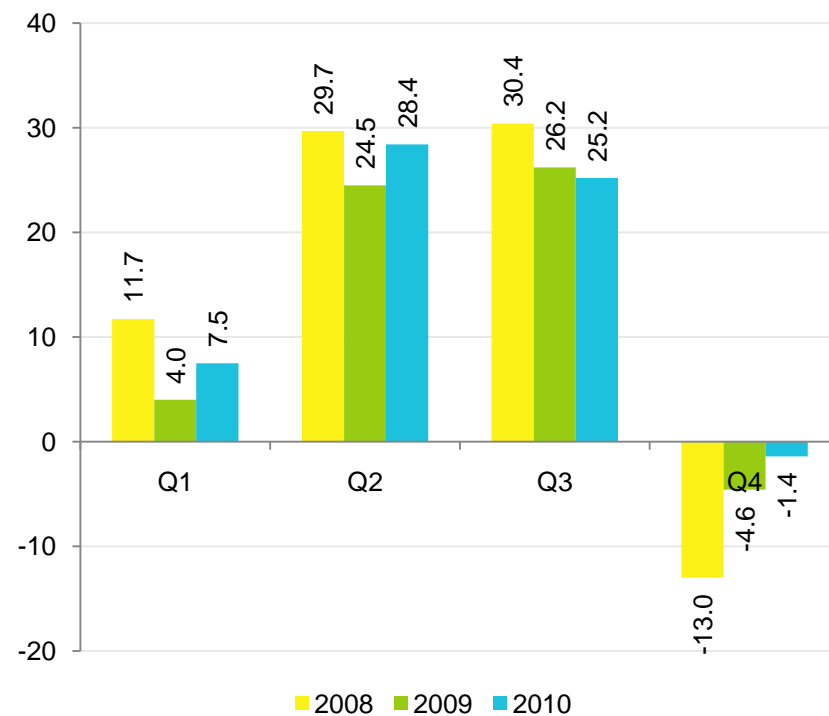
Revenue by quarter 2008–2010

EUR million



EBIT* by quarter 2008–2010

EUR million



* Excluding non-recurring items

Summary



Tikkurila

Key components of business model

- Focused based on geographical footprint
- Focused based on product groups
 - unique combination
- Strong brands
- Strong market position on key markets
- Proven track record

Size

- Based on revenue:
 - #23 in the world
 - # 8 in Europe
 - # 1 in Finland, Sweden, Russia (deco)
- Revenue EUR 589 million
- Market Cap EUR ~700 million
- Headcount ~ 3,500 (year-end)

Historical milestones

- Established 1862
- Part of Kemira Oyj from 1972 to 2010
- Separately listed on NASDAQ OMX Helsinki since March 2010

Medium-term financial targets

- Organic top line growth >5% per annum
- EBIT margin >10% of revenue
- ROCE % to increase continuously
- Gearing <100%

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

TIKKURILA INSPIRES YOU
TO COLOR YOUR LIFE.™

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