

Tikkurila Capital Markets Day

Financials

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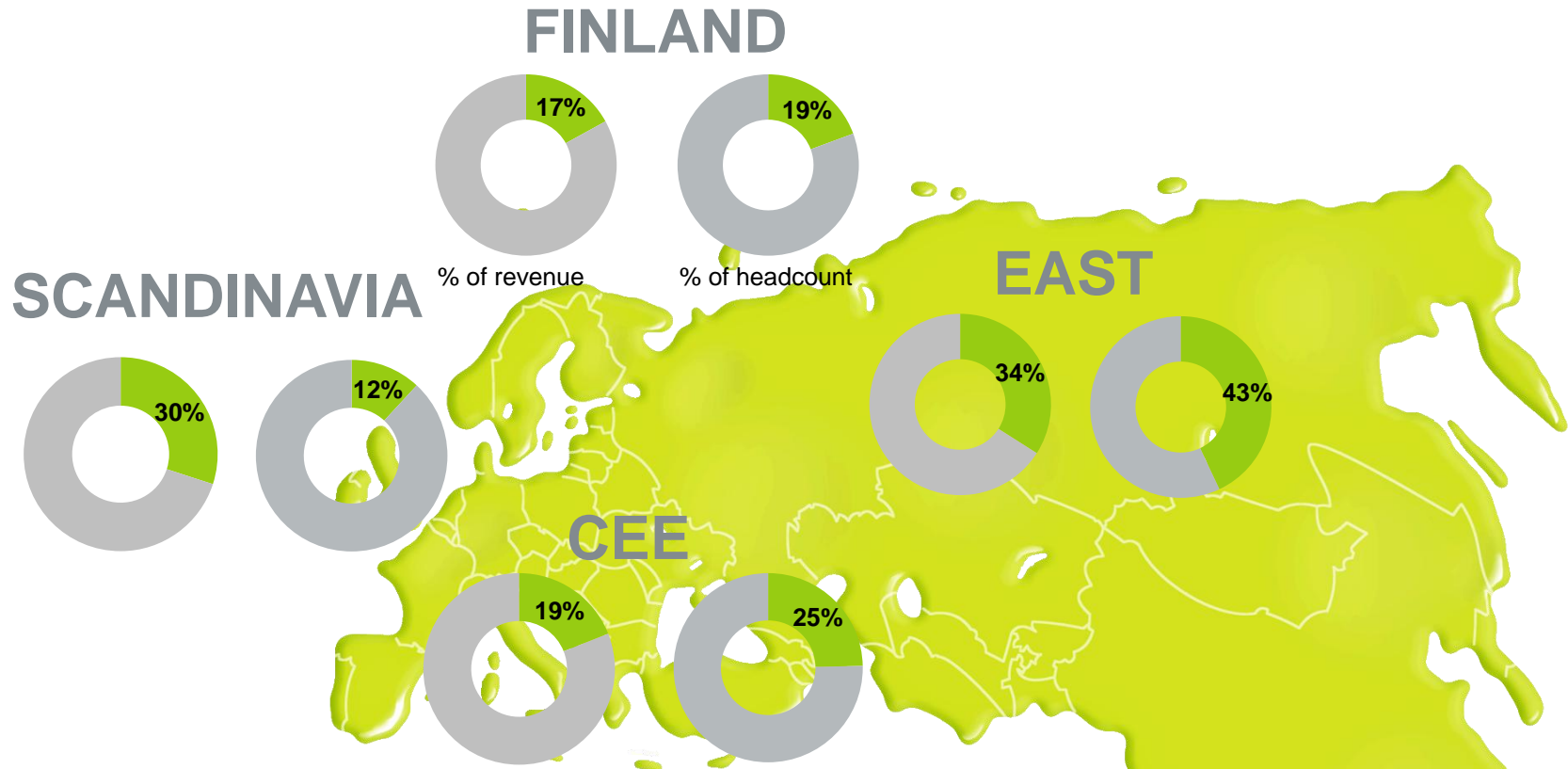


TIKKURILA

Disclaimer

In this presentation, all forward-looking statements in relation to the company or its business are based on the management estimates, and actual results may differ from the expectations and beliefs such statements contain. Macroeconomic or general industry data are based on third-party sources. Tikkurila related figures in this presentation are based on internal accounting data. The information disclosed is unaudited except for some whole year 2011 figures. In addition, the market information presented is based on Tikkurila management estimates unless an external source is mentioned. All management estimates are suggestive.

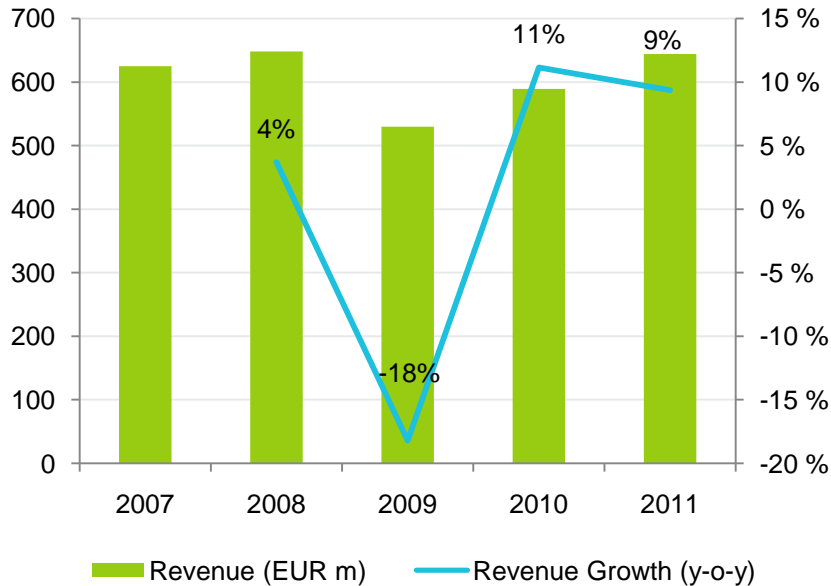
Geographical split at year-end 2011



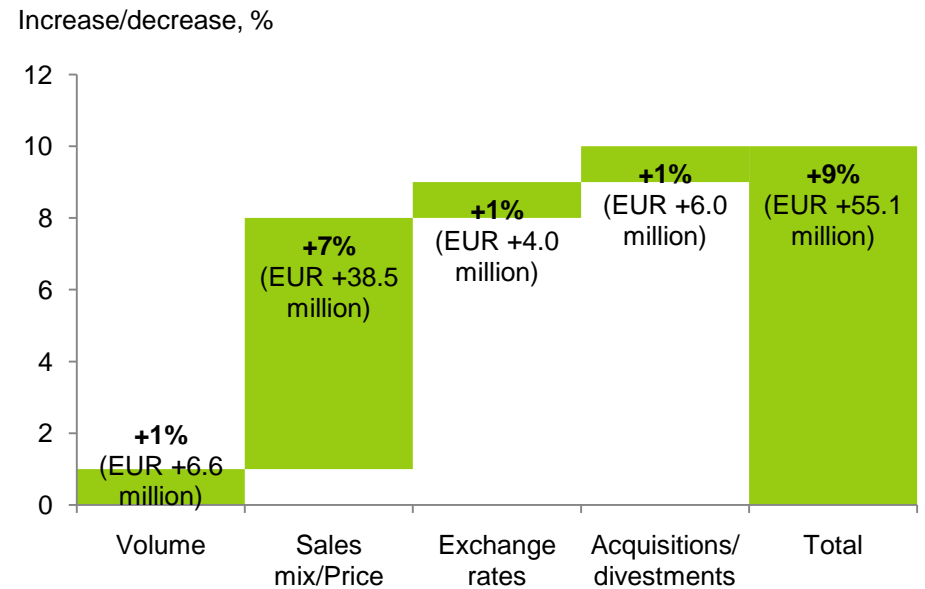
Future growth to be mainly driven by East and CEE development

Revenue growth

Revenue growth 2007–2011

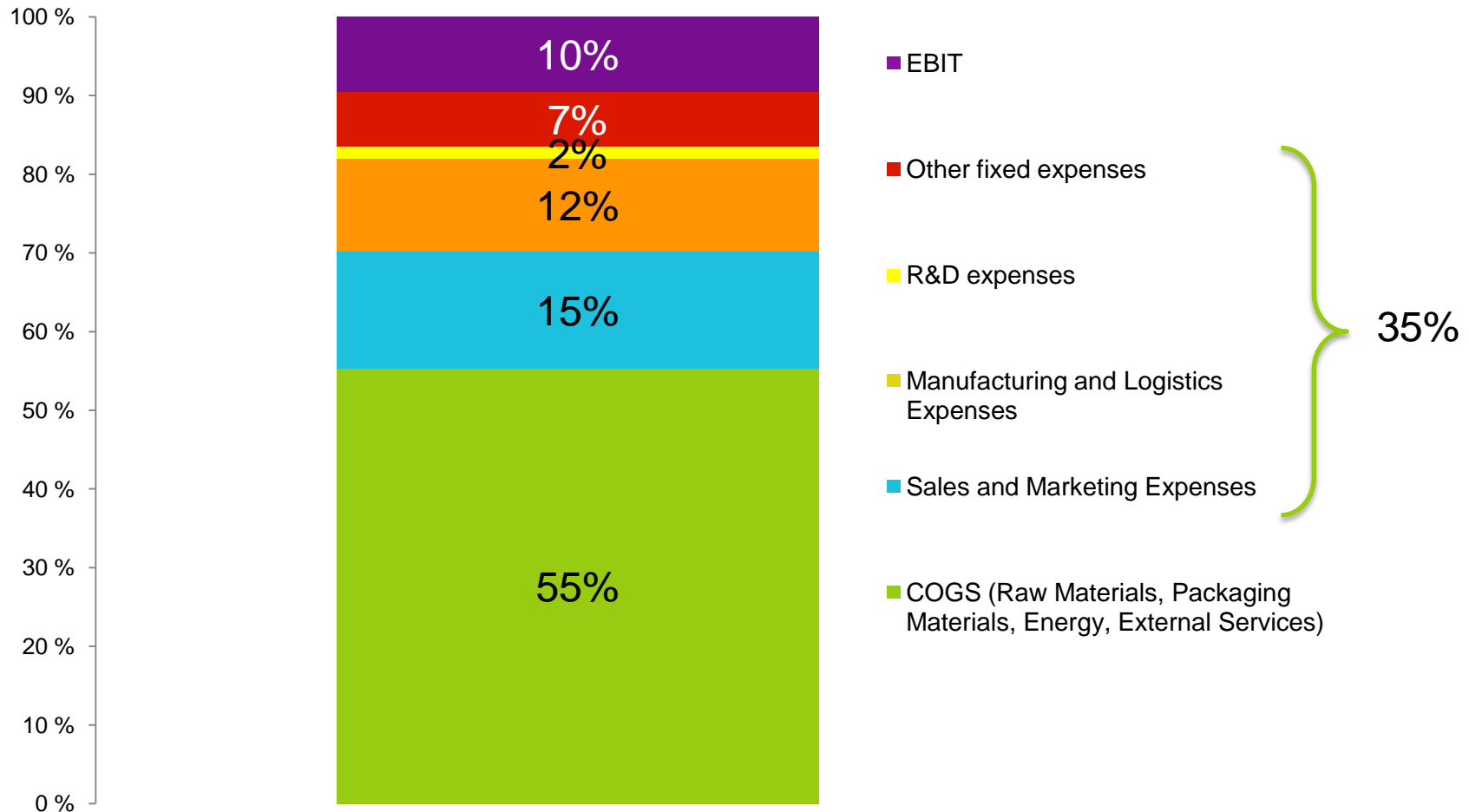


Group revenue growth by components, 2011 vs. 2010

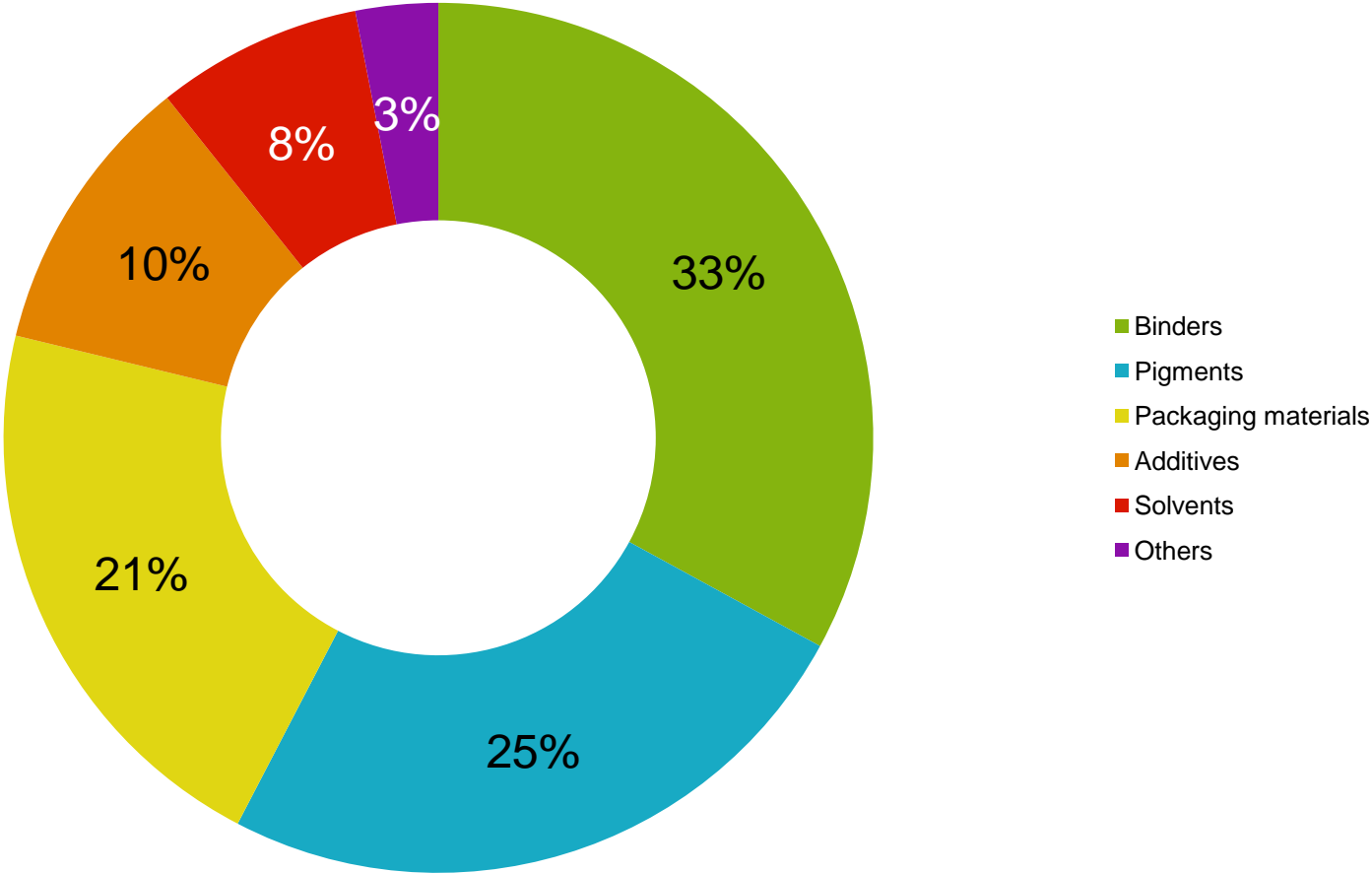


The figures on the graph above have been independently rounded to one decimal, which should be taken into account when calculating total figures.

Cost structure, % of 2011 revenue



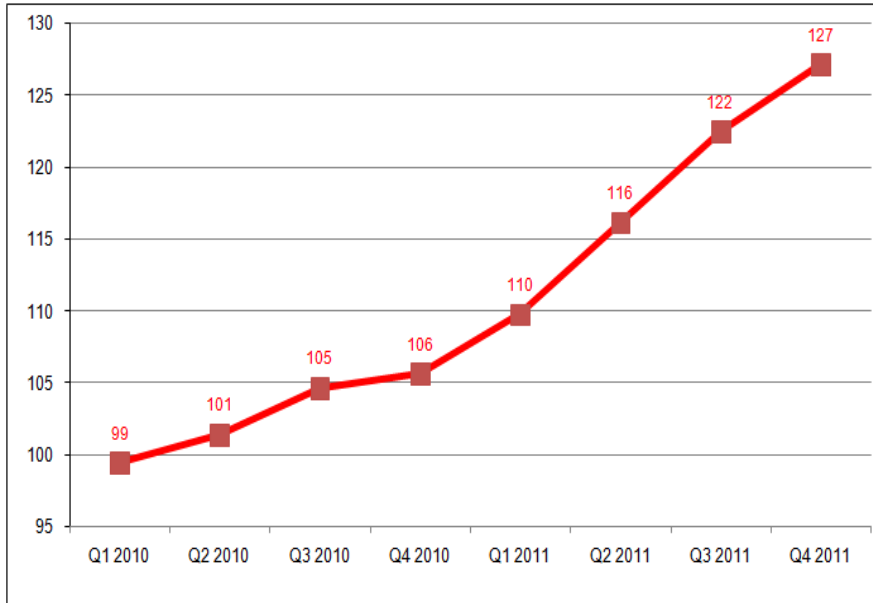
Raw material purchases split 2011, % of total



Raw material market development

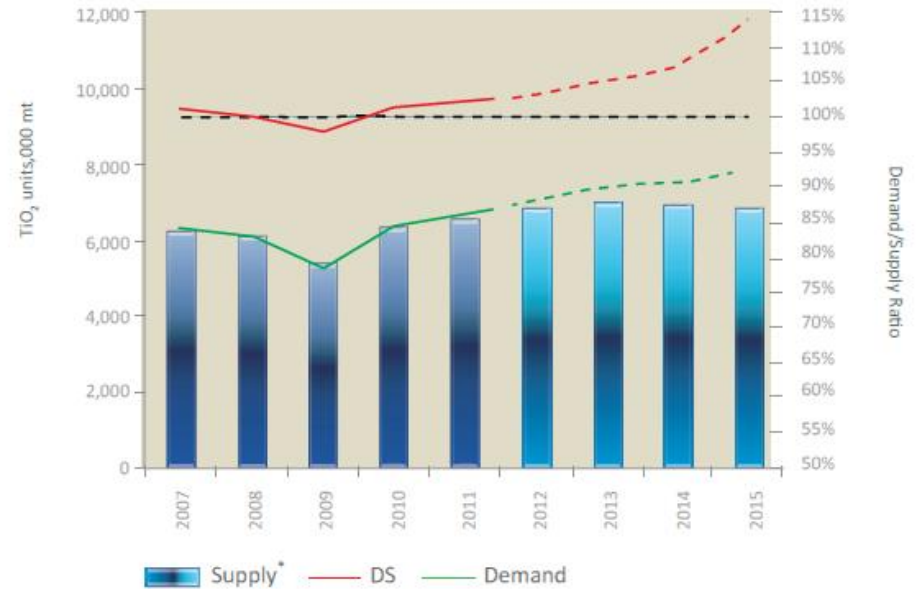
Tikkurila's purchase price development 2011

Indexed Q1/2008=100



TiO₂ Global Supply–Demand Balance

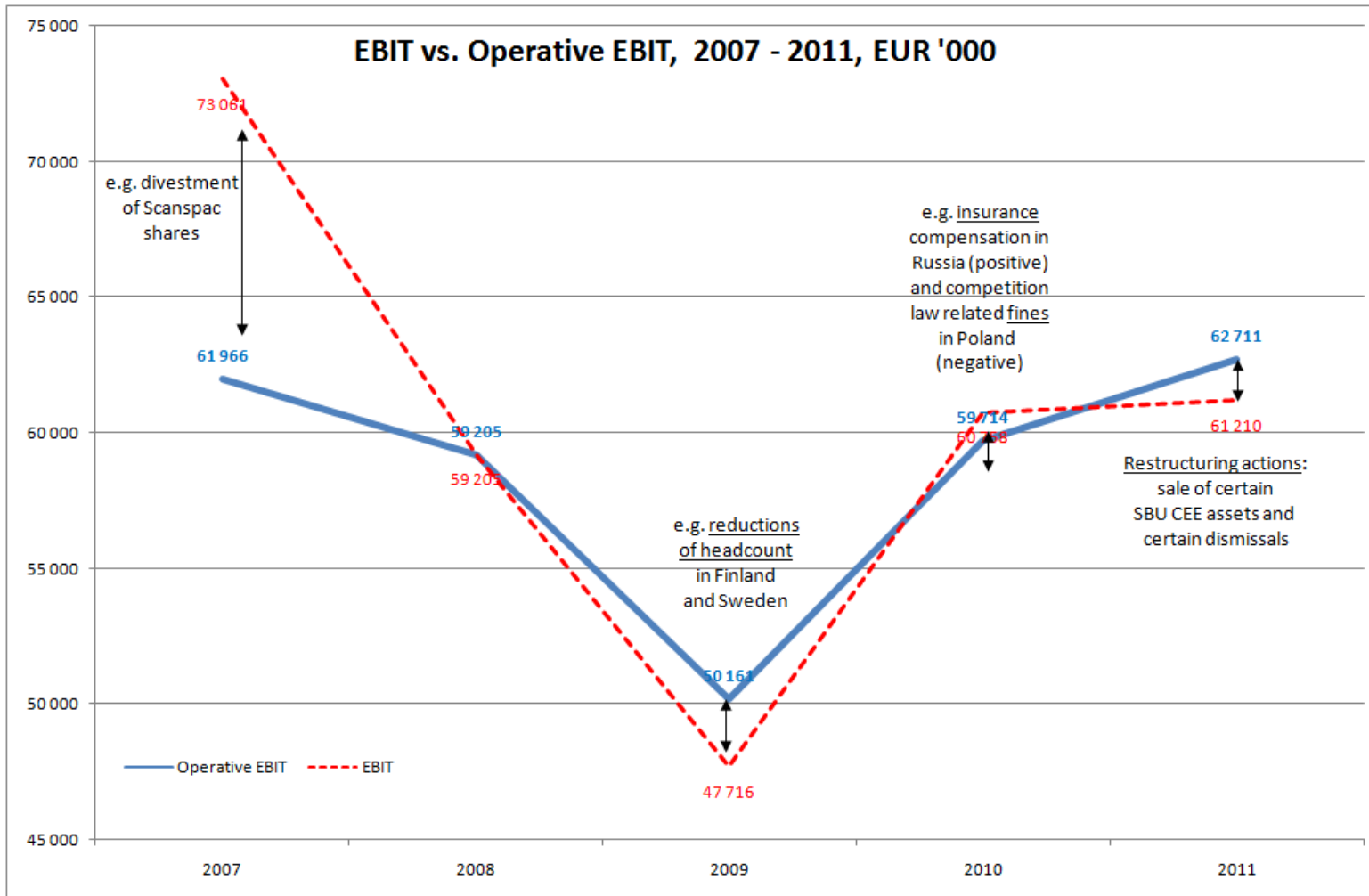
TI-FEEDSTOCK SUPPLY AND DEMAND



* Excludes unapproved new projects

Source: Cristal Global

EBIT vs. operative EBIT



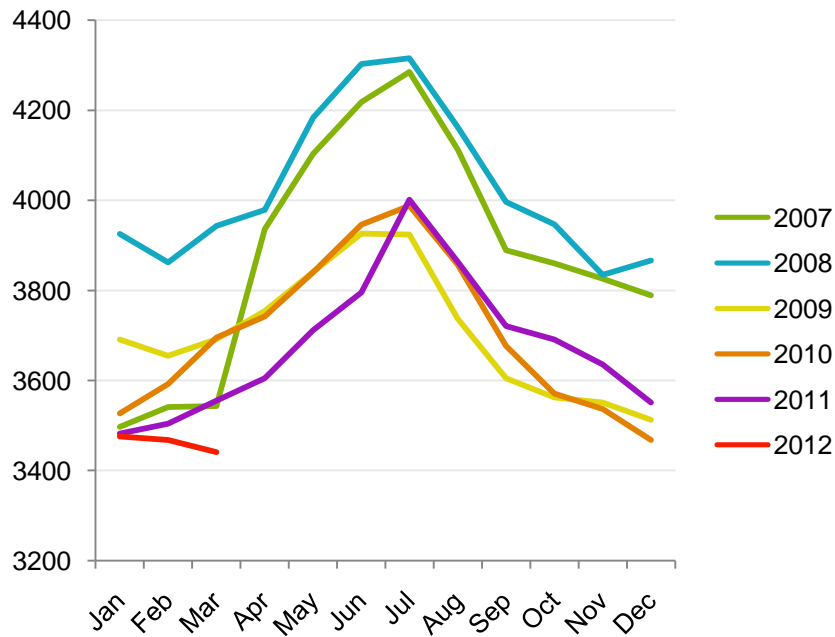
Q1/2012 non-recurring items by segment

EUR million	SBU East	SBU Scandinavia	SBU Finland	SBU CEE	Tikkurila common	Total 1–3/2012
Personnel related	0.5	0.2	1.9	0.5	0.1	3.3
Divestments	-	-	-	1.0	-	1.0
Total	0.5	0.2	1.9	1.6	0.1	4.3

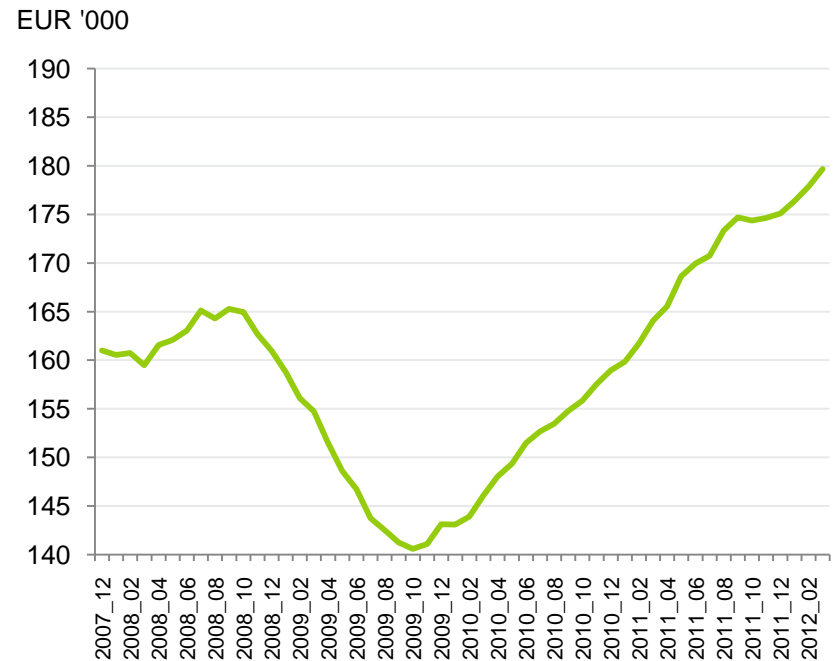
- Personnel related non-recurring items are related to the efficiency improvement program and restructuring measures under way in the Group
- Divestment related non-recurring items are related to the sale of the subsidiaries in Hungary, Czech Republic, Slovakia and Romania
- Measures in accordance with the strategy will be continued during the current year, but they are estimated not to result in significant expenses

Operational efficiency and resource planning have improved

Group headcount at month-end

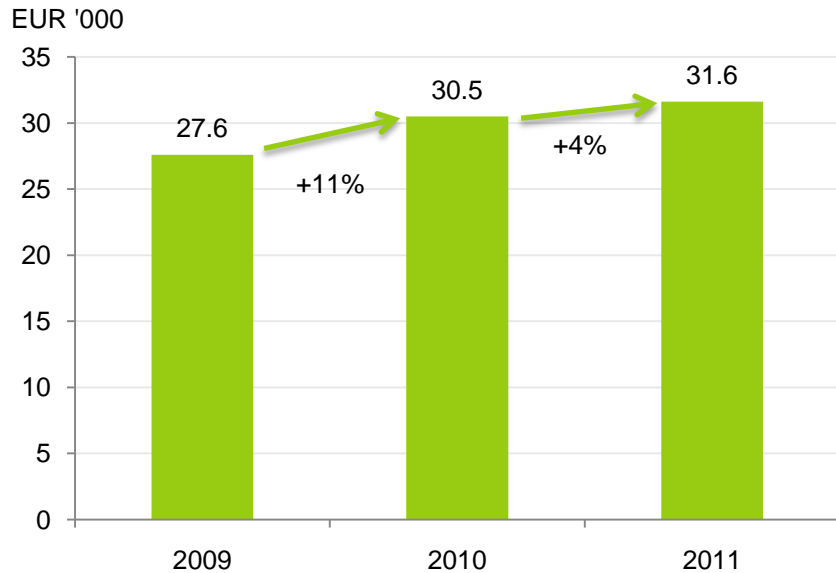


Revenue per employee, 12-month rolling

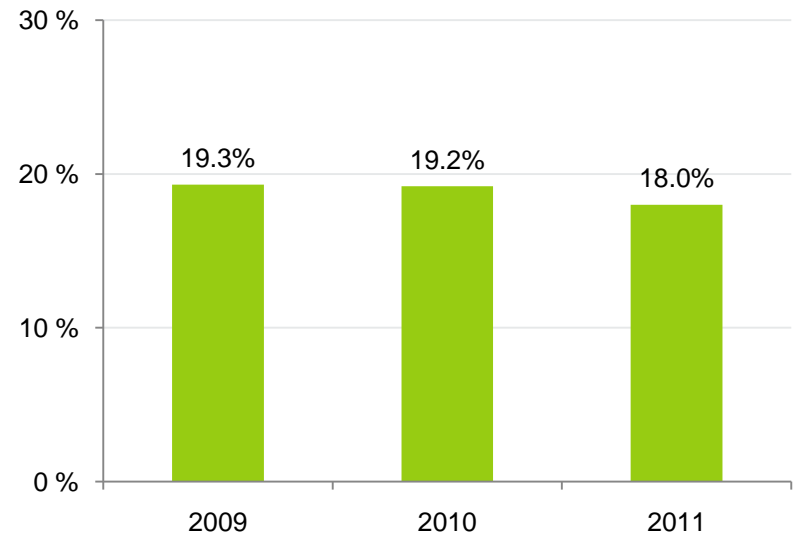


Salary inflation continues, but relative share of personnel expenses is declining

Personnel expenses per person, average



Personnel expenses as % of revenue

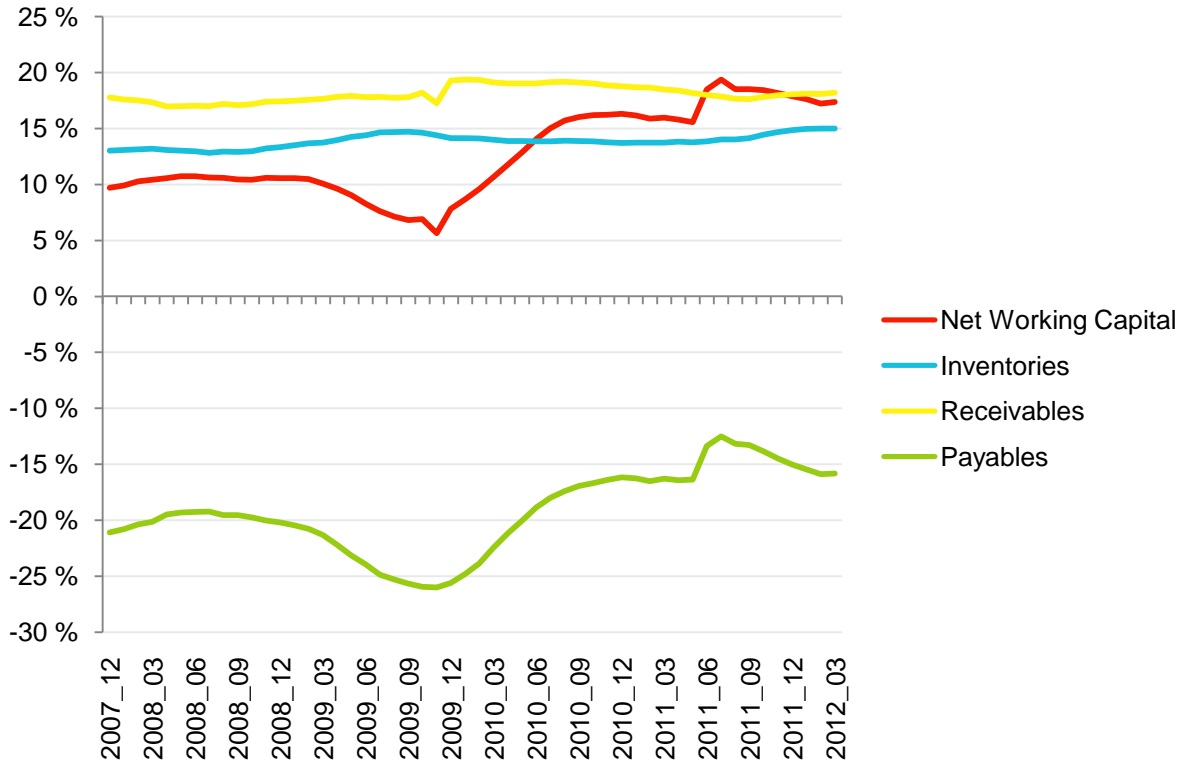


- Outsourcing is not significantly affecting 2009–2011 development
- Salary inflation differs by region
- In the future, the importance of performance-based (i.e. variable) rewards will increase

Net Working Capital development

Group Net Working Capital, 12-month rolling average

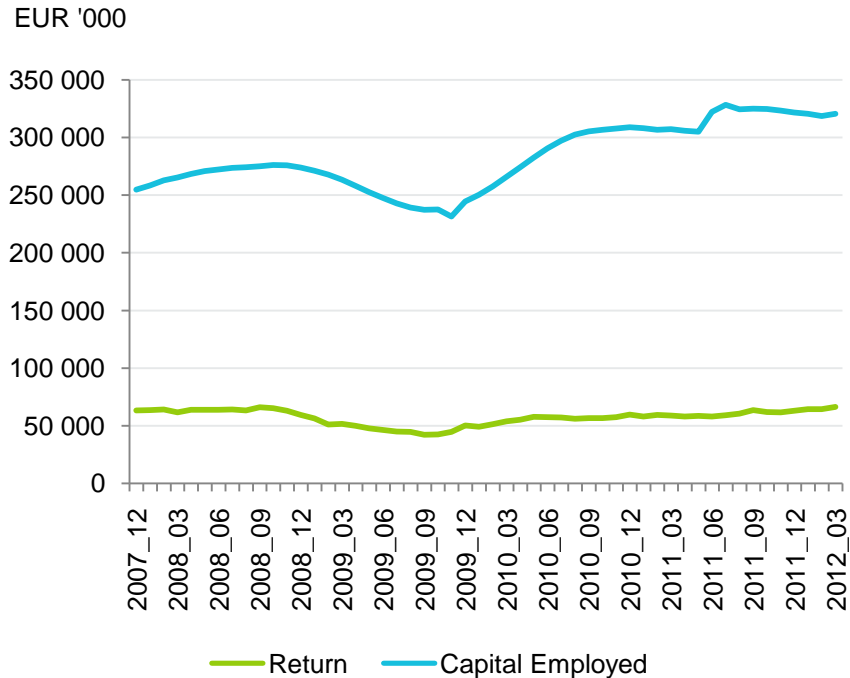
% of revenue



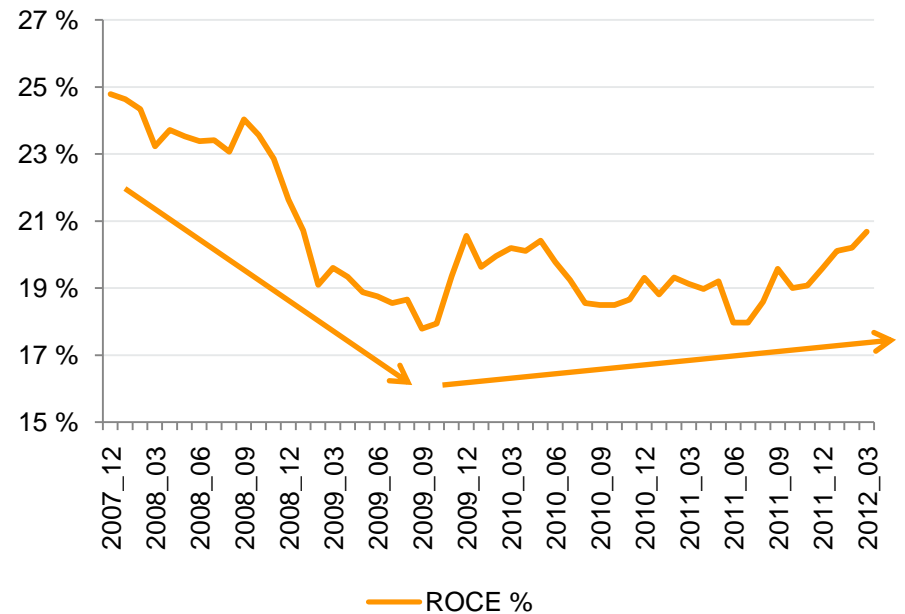
- From 2010 onwards, higher raw material prices as well as Tikkurila's own actions to secure raw material availability have increased NWC
- Going forward, more attention will be paid to tighter NWC management. However, actions will be balanced with commercial opportunities
- Development in distribution will also have an impact on NWC

ROCE development

ROCE components, 12-month rolling average



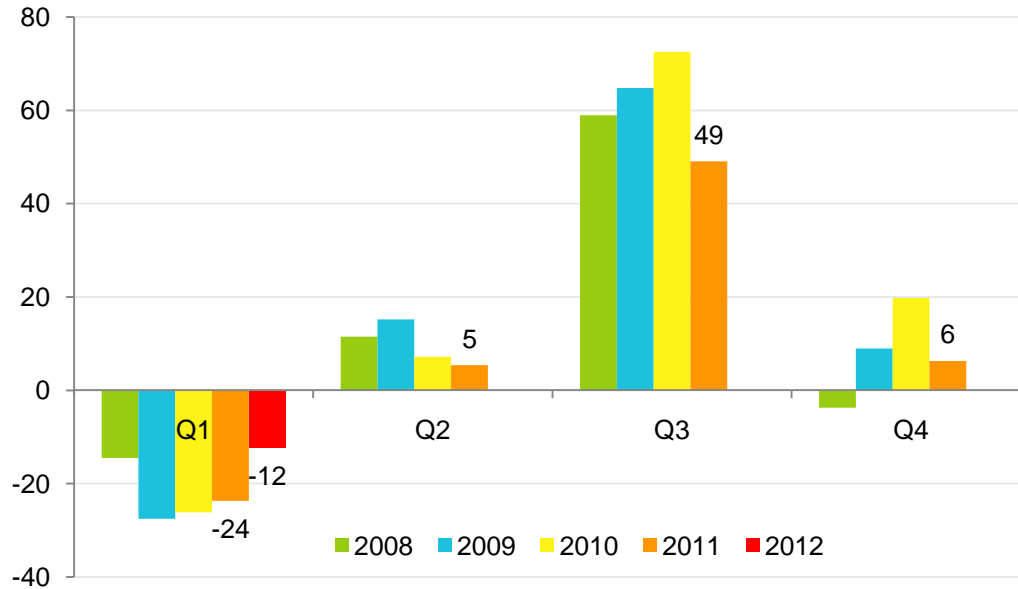
ROCE %, 12-month rolling average



- Both the return and capital component will be actively managed
- Capital expenditure level was very low in 2010 and 2011; in the near future, the capital expenditure level will most probably be closer to the depreciation & amortization level. Hence, NWC will be one of the key elements in future ROCE development

Quarterly business cash flow development

EUR million



- Business cash flow is peaking on Q3
- 2012 is expected to be somewhat better than 2011 if the NWC development will remain positive for the rest of the year
- Q1 cash flow is typically negative, but for 2012 less than previously

	2008				2009				2010				2011				2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
EBITDA cash effect	15 872	38 883	30 422	-7 773	8 365	28 617	30 253	171	12 333	34 308	30 587	4 114	11 736	33 741	34 971	2 745	12 309
Change in NWC	-24 481	-20 458	31 907	18 872	-31 795	-5 717	37 094	11 035	-36 349	-24 316	44 762	18 963	-33 529	-26 856	28 584	8 082	-20 710
Net CAPEX cash effect	-5 906	-6 894	-3 387	-14 816	-4 121	-7 720	-2 567	-2 246	-2 110	-2 784	-2 819	-3 263	-1 887	-1 518	-14 470	-4 527	-3 943
Business Cash Flow	-14 515	11 531	58 942	-3 717	-27 550	15 180	64 779	8 960	-26 125	7 208	72 530	19 813	-23 680	5 367	49 085	6 300	-12 344

Medium-term financial targets

Criteria	Target	Key medium-term actions
Organic revenue growth	>5% p.a.	<ul style="list-style-type: none">• Increase in market share• Changes in sales mix
EBIT margin	>10% of revenue	<ul style="list-style-type: none">• Topline growth• Restructuring process• Operational efficiency
ROCE	Constant improvement	<ul style="list-style-type: none">• Boost profitability• NWC management• Controlled capex
Gearing	<100%	<ul style="list-style-type: none">• Cash flow management



Q&A

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