

Tikkurila

Interim Report for January–March 2012

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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 judgment, and macroeconomic or general industry data are based on third-party sources, and actual results may differ from the expectations and beliefs such statements contain.

Contents

- Review period – Group highlights
- Review period – Segment highlights
- Outlook

A woman with long dark hair, wearing a red floral dress with a brown belt and brown boots, is walking on a dirt path in a forest. She is carrying a brown suitcase. The scene is lit with warm, golden light, suggesting late afternoon or early morning. The background consists of tall, thin trees and a dense canopy of leaves.

Review period
Group highlights

First quarter highlights

Development Q1/2012 vs. 1/2011

- Revenue increased by 10.7%
 - In particular due to sales price increases
 - Volumes grew in SBU Scandinavia and SBU East
- Operating profit (EBIT) excl. non-recurring items increased by 54.5%
 - Due to increased revenue and streamlining measures
- Non-recurring items related to the efficiency improvement program and divestments decreased the operating profit (EBIT)
- Importance of the first quarter is relatively minor for the full year result
- Raw material price increases slowed down but the cost level was clearly higher than in the comparison period
- Outlook for 2012 reiterated



Review period key figures

EUR million	1-3/2012	1-3/2011	Change %	2011
Revenue	148.9	134.5	10.7%	643.7
EBIT excluding non-recurring items	10.1	6.5	54.5%	62.7
EBIT excluding non-recurring items, %	6.8%	4.9%		9.7%
EBIT	5.8	6.5	-11.6%	61.2
EBIT, %	3.9%	4.9%		9.5%
EPS, EUR	-0.01	0.03	-133.3%	0.80
ROCE, %, rolling	19.0%	19.1%		19.4%
Cash flow after capital expenditure	-22.8	-27.7	17.6%	13.3
Net interest-bearing debt at period-end	120.9	106.4	13.6%	99.4
Gearing, %	73.2%	65.8%		51.9%
Equity ratio, %	33.6%	34.7%		44.1%
Personnel at period-end	3,441	3,555	-3.2%	3,551

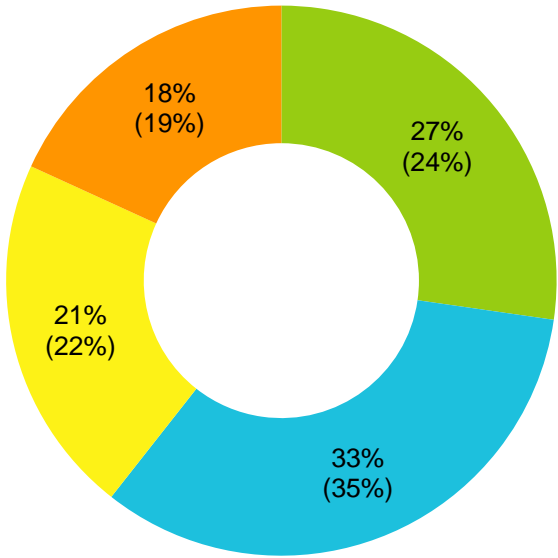
Non-recurring items by segment

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

Revenue split and market position

Revenue split Q1/2012



■ East ■ Scandinavia ■ Finland ■ CEE

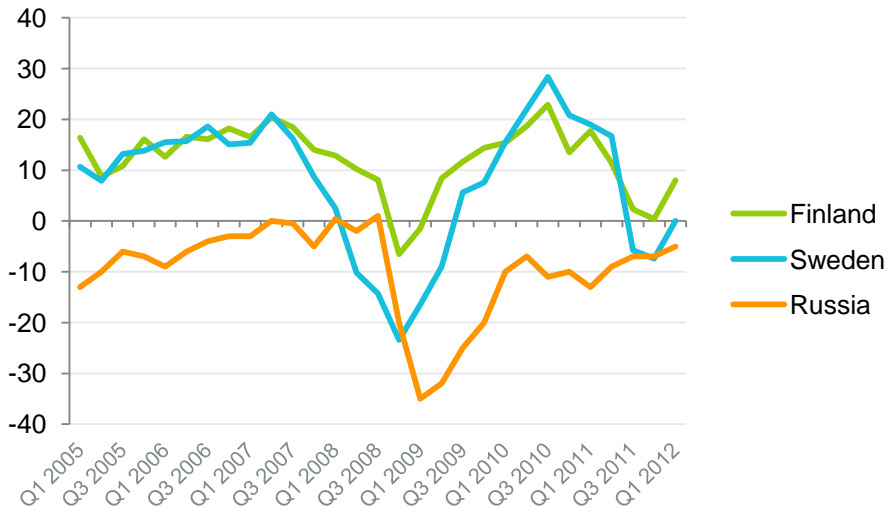
Tikkurila's market positions*



* Decorative paints

Consumer confidence strengthened

Consumer confidence index



POLAND CONSUMER CONFIDENCE



SOURCE: WWW.TRADINGECONOMICS.COM | IPSOS-DEMOSKOP

Operating environment

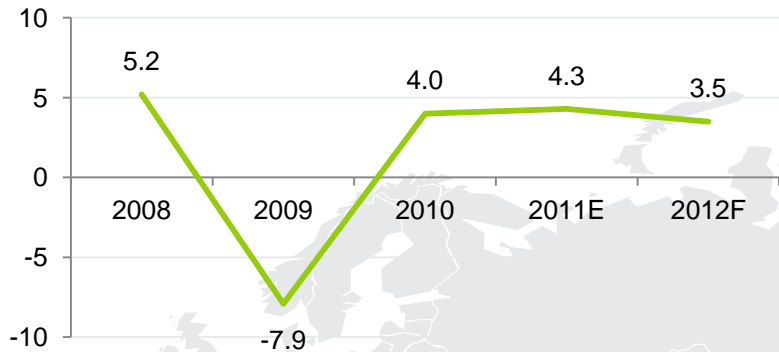
- Some positive signs were visible in the operating environment, although there still are significant uncertainties related to the economic development
- Consumer confidence, which clearly correlates with retail sales development, strengthened in Finland and Sweden during the first months of the year and remained on a fairly good level in Russia. The confidence was on decline in Poland
- Paint demand recovered in the East and Scandinavia

Source: Reuters, Rosstat, Ipsos

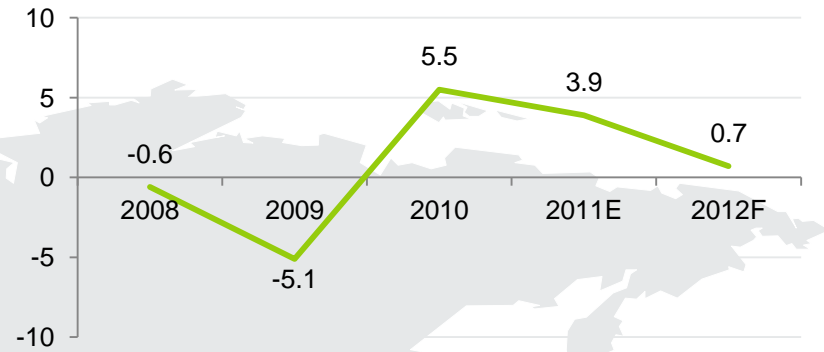
April 26, 2012

Development of gross domestic product 2008–2012F, growth-%

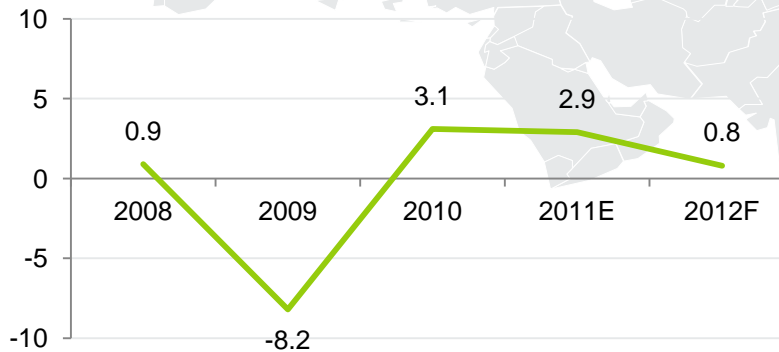
Russia



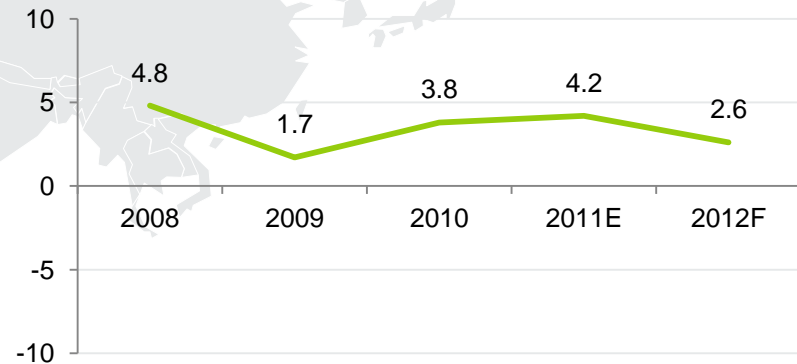
Sweden



Finland



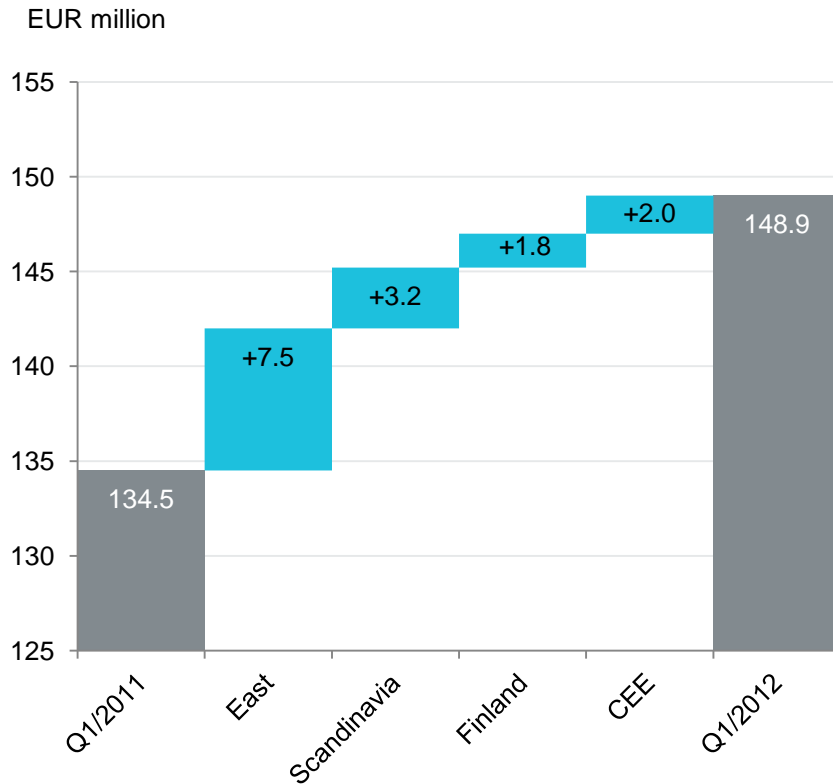
Poland



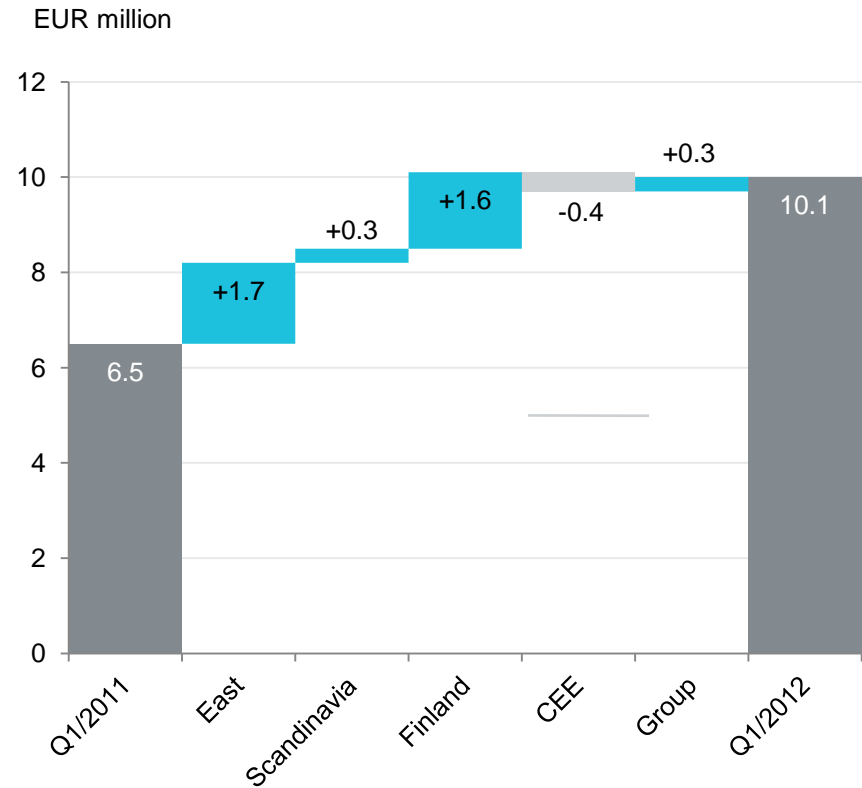
Source: Bank of Finland, Statistics Finland, Eurostat, Citibank

Revenue and operating profit* by segment Q1/2012 vs. Q1/2011

Revenue change by segment



Operating profit* change by segment



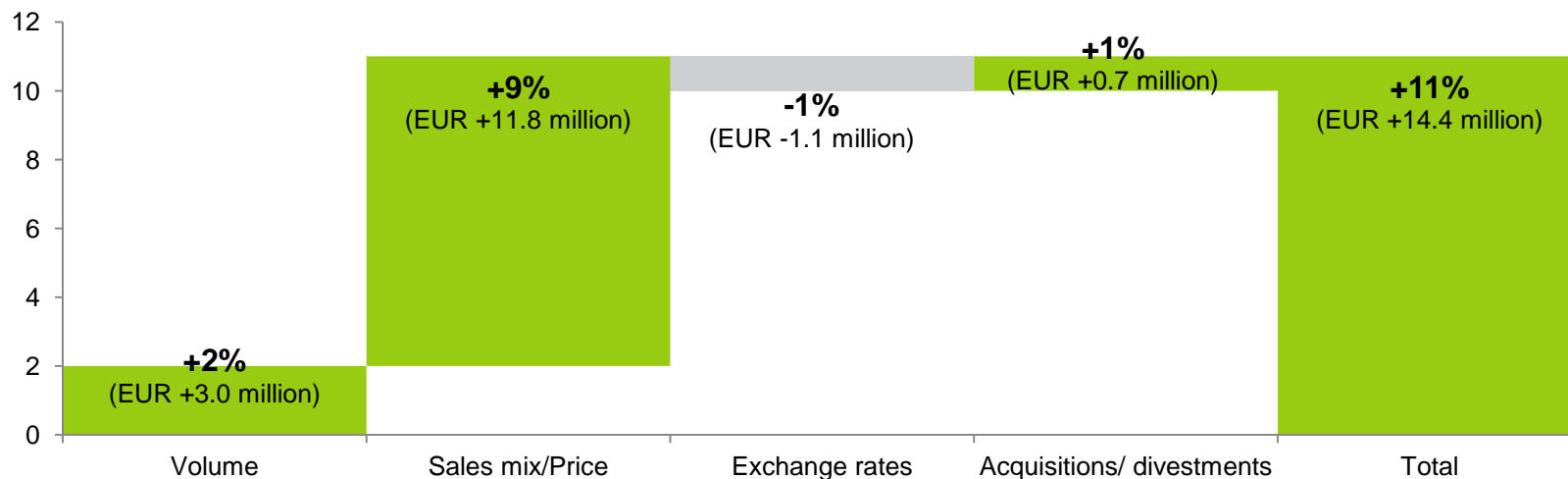
* Excluding non-recurring items

Revenue development

EUR million	1-3/2012	1-3/2011	Change %
Revenue	148.9	134.5	10.7%

Group's revenue development Q1/2012 vs. Q1/2011

Increase/decrease, %



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

Marketing actions in Q1



Vivacolor brand in renewal

- Vivacolor, a strategic brand of Tikkurila, was renewed in the Baltics
- Vivacolor obtained its first Swan Ecolabels



Alcro ad.retur inspiration collection

- Alcro presented an inspiration collection in cooperation with a Swedish design college



Trend blog for professionals

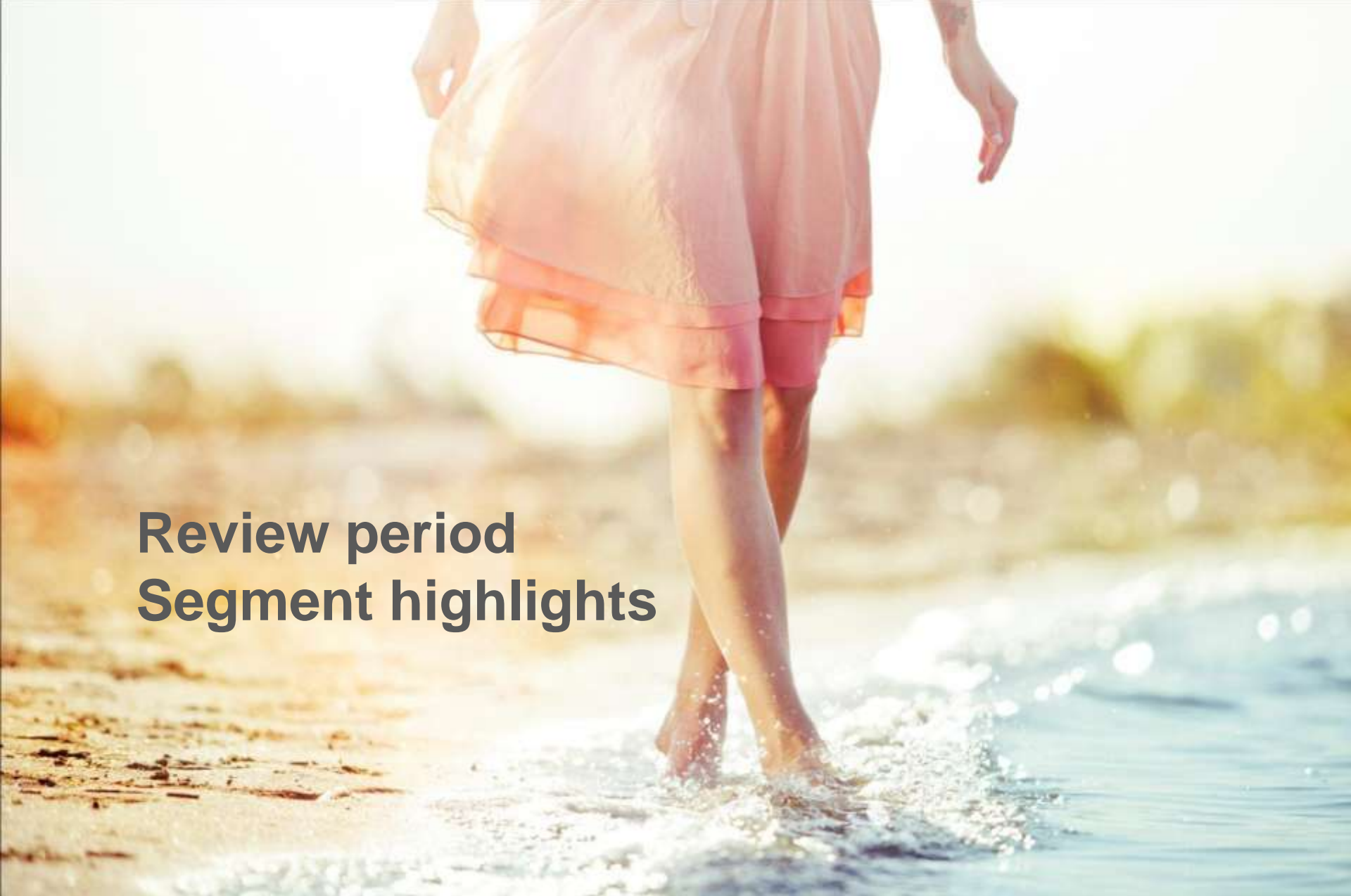
- In addition to a perceptive eye on design and color trends, the blog will review e.g. trade show highlights

For further information, please visit www.tikkurilagroup.com

150 years of decoration and protection

- Anniversary is utilized in e.g. products, shop displays and media
- "Sustainable Beauty" program of social responsibility is underway in the Group
www.tikkurilagroup.com/sustainablebeauty
- History of Tikkurila "Colour Card – 150 years of Tikkurila Stories" will be published in May



A photograph of a person from the waist down, wearing a light pink, flowing dress, walking barefoot on a sandy beach. The person's feet are in the shallow water of a wave, with white foam splashing around them. The background is a bright, hazy beach scene with soft sunlight and blurred greenery. The overall mood is serene and peaceful.

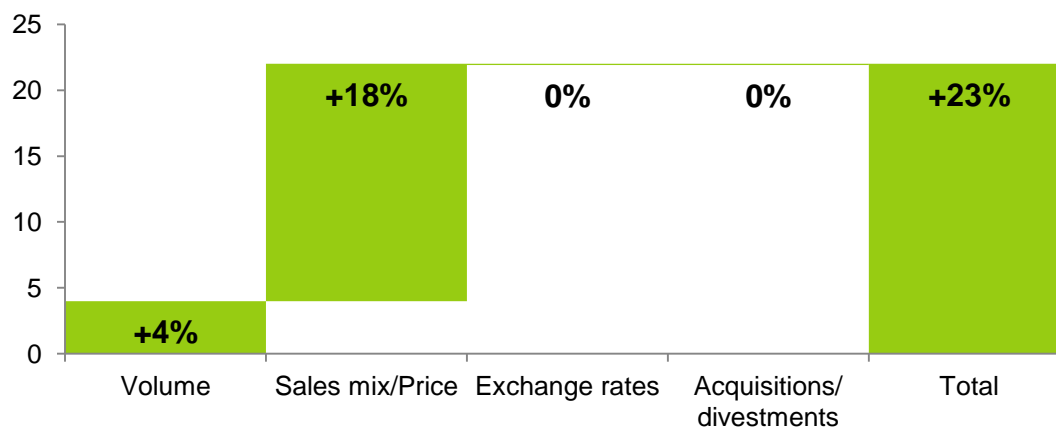
Review period
Segment highlights

SBU East Q1/2012

EUR million	1-3/2012	1-3/2011	Change %	1-12/2011
Revenue	40.3	32.8	22.7%	220.0
EBIT*	0.2	-1.5	114.1%	25.3
EBIT*, %	0.5%	-4.5%		11.5%

Revenue development Q1/2012 vs. Q1/2011

Increase/decrease, %



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

* Excluding non-recurring items

Q1/2012 highlights

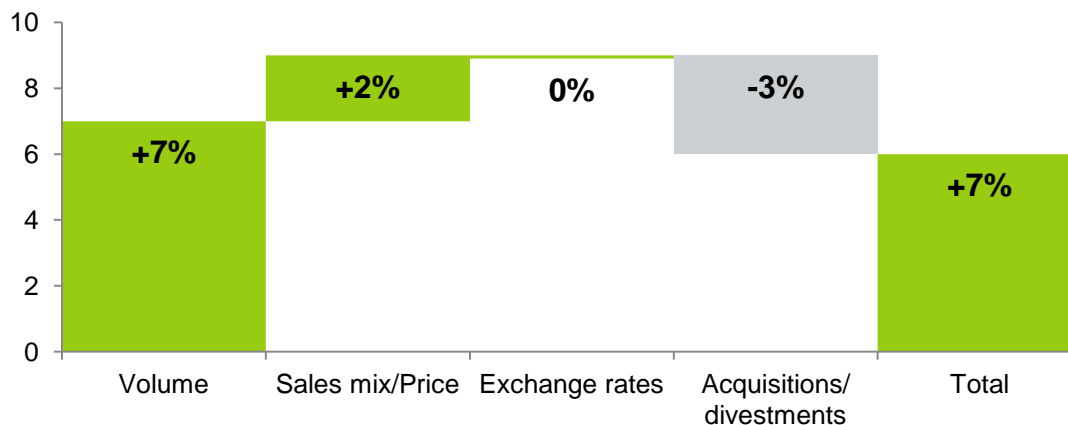
- Sales prices were increased during the review period; effects to mainly materialize after Q1
- Volume development was favorable despite the cold weather
- Economic growth estimates clearly higher than those for the Western countries

SBU Scandinavia Q1/2012

EUR million	1-3/2012	1-3/2011	Change %	1-12/2011
Revenue	49.9	46.7	6.7%	192.3
EBIT*	5.1	4.8	7.9%	24.3
EBIT*, %	10.3%	10.2%		12.6%

Revenue development Q1/2012 vs. Q1/2011

Increase/decrease, %



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

* Excluding non-recurring items

Q1/2012 highlights

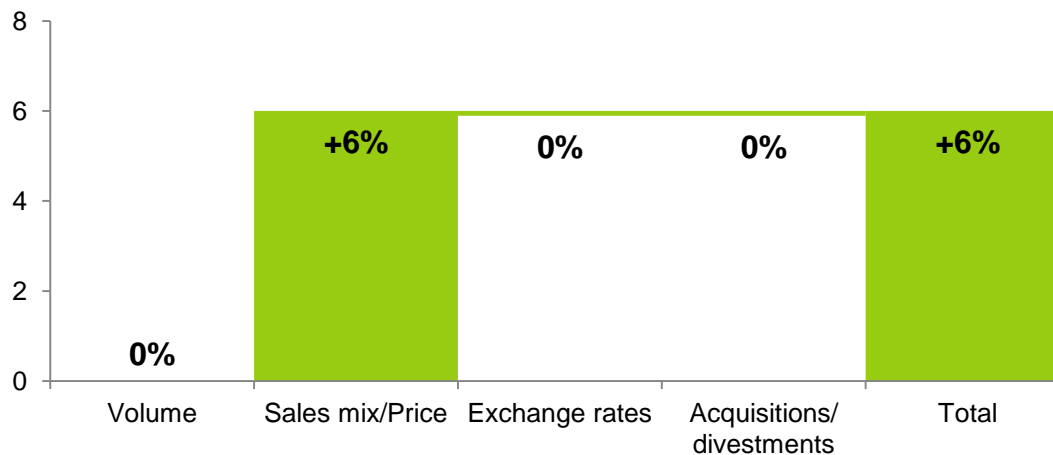
- Favorable development of the summer season pre-deliveries increased revenue
- Sales price increases were not sufficient to fully compensate higher raw material prices
- Development of the Swedish economy is estimated to be modest in 2012

SBU Finland Q1/2012

EUR million	1-3/2012	1-3/2011	Change %	1-12/2011
Revenue	31.4	29.6	6.1%	109.2
EBIT*	5.3	3.7	43.1%	10.9
EBIT*, %	16.9%	12.6%		10.0%

Revenue development Q1/2012 vs. Q1/2011

Increase/decrease, %



* Excluding non-recurring items

Q1/2012 highlights

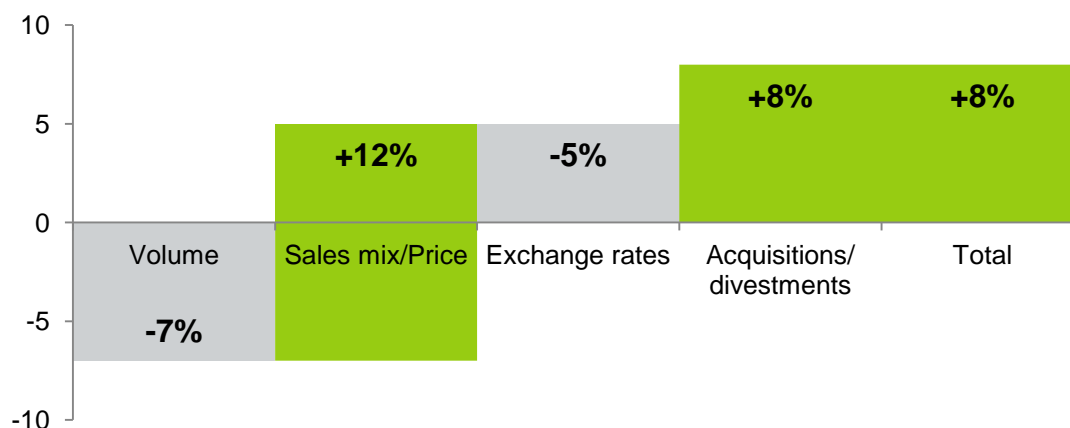
- Revenue increased due to sales price increases conducted in 2011
- EBIT excl. non-recurring items improved clearly
- Non-recurring items related to the efficiency improvement program totaled EUR -1.9 million in Q1

SBU Central Eastern Europe Q1/2012

EUR million	1-3/2012	1-3/2011	Change %	1-12/2011
Revenue	27.4	25.4	8.0%	122.2
EBIT*	0.0	0.4	-89.1%	4.4
EBIT*, %	0.2%	1.7%		3.6%

Revenue development Q1/2012 vs. Q1/2011

Increase/decrease, %



* Excluding non-recurring items

Q1/2012 highlights

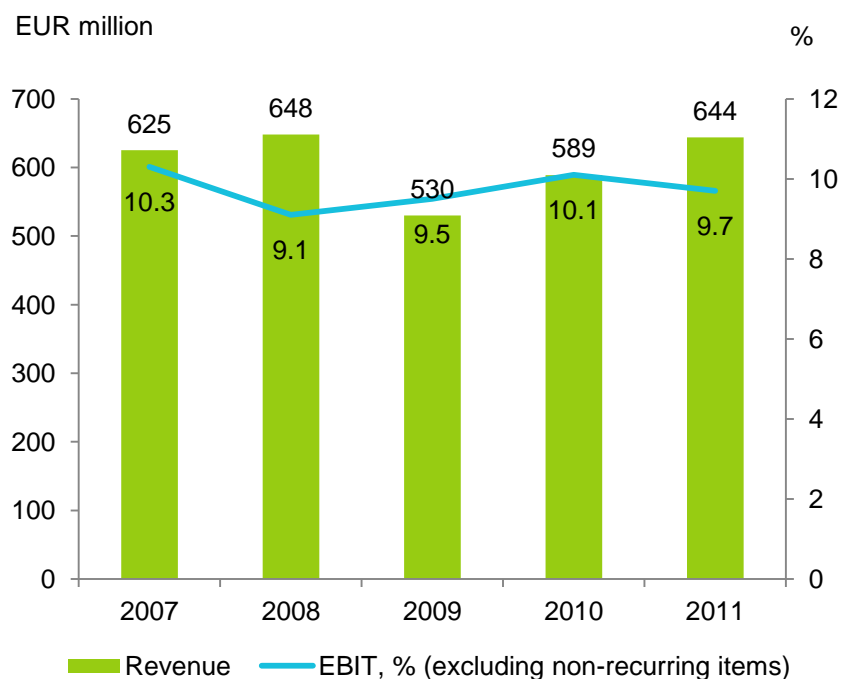
- Sales volumes decreased when the impact of the Zorka acquisition is excluded
- Sales prices were increased during the review period; effects to mainly materialize after Q1
- Non-recurring items related to the efficiency improvement program and divestments totaled EUR -1.6 million in Q1

A close-up photograph of a person's lower legs and feet. They are wearing a light blue, flowing dress and brown, strappy sandals. They are standing on a wooden plank. The background is a blurred outdoor setting with tall grasses and a bright, sunny sky. The text "Outlook for 2012" is overlaid on the left side of the image.

Outlook for 2012

Outlook for 2012 reiterated

Revenue and profitability of Tikkurila 2007–2011



Outlook for 2012

In 2012, the GDP is expected to remain close to the 2011 levels or the GDP growth is expected to be low in the key market areas of Tikkurila. Further raw material cost increases are predicted, even though it is assumed that the raw material and packaging material cost inflation will be clearly lower than in 2011.

In 2012, Tikkurila expects the revenue growth to exceed the average GDP growth in Tikkurila's main market areas. As far as the profitability is concerned, Tikkurila expects EBIT in euro to stay at the same level as in 2011.



Thank you!

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