

**TIKKURILA**



Interim Report | Q1  
January-March 2010

**Tikkurila Oyj****Stock Exchange Release**

April 29, 2010 at 8.30 am (CET +1)

**Tikkurila Oyj's Interim Report January–March 2010  
– Profitability improved significantly****January–March 2010 highlights:**

- Revenue EUR 119.4 million (Q1/2009: 111.2), increased by 7.3% compared to Q1/2009
- Operating profit (EBIT) EUR 7.5 (4.0) million
- EBIT margin 6.3% (3.6%)
- EPS EUR 0.08 (-0.01)
- No non-recurring items during the review period
- Trading of Tikkurila shares on the Helsinki Stock Exchange started on March 26, 2010
- Revenue grew mainly due to exchange rate changes
- Cost savings improved profitability

**Key figures****(EUR million)****Income statement**

	1–3/2010	1–3/2009	Change-%	1–12/2009
Revenue	119.4	111.2	7.3%	530.2
Operating profit (EBIT), excluding non-recurring items	7.5	4.0	86.5%	50.2
Operating profit (EBIT) margin, excluding non-recurring items, %	6.3%	3.6%		9.5%
Operating profit (EBIT)	7.5	4.0	86.5%	47.7
Operating profit (EBIT) margin, %	6.3%	3.6%		9.0%
Profit before tax	5.9	0.3		35.7
Net profit	3.6	-0.6		27.8

**Other key indicators**

EPS*, EUR	0.08	-0.01		0.63
ROCE, % p.a.	16.6%	16.2%		17.7%
Free cash flow after investments	-30.2	-28.9	-4.3%	45.3
Net interest-bearing debt at period-end	158.7	212.1	-25.2%	129.5
Gearing, %	101.0%	272.3%		90.0%
Equity ratio, %	34.5%	17.6%		35.7%
Personnel at period-end	3,695	3,779	-2.2%	3,538

\* As calculated by using the amount of shares outstanding of 44,108,252.

**Outlook for 2010**

Despite the good start on the year, the market situation in Tikkurila's operating areas is still challenging. General economic development and the pick-up in construction and renovation markets in particular are not yet highly visible in paint sales volumes. The employment situation has remained weak. Demand for industrial paints has been at the levels of the previous year. The importance of the first quarter is low for Tikkurila's operations, because a majority of revenue and earnings are generated during the second and third quarter. The approaching summer season and outdoor painting season have a strong impact on the full-year result.

In 2010, Tikkurila's revenue and operating profit (EBIT) excluding non-recurring items are expected to remain at the same level as in 2009. The revenue and operating profit estimates do not take into consideration possible effects from exchange rate fluctuations.

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TIKKURILA OYJ

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**President and CEO Erkki Järvinen:**

"Tikkurila was listed on NASDAQ OMX Helsinki and trading of Tikkurila shares began on March 26, 2010. Due to the listing, Tikkurila has good possibilities to develop its business. At the end of March, Tikkurila had more than 30,000 shareholders. We are pleased to offer our investors an opportunity to participate in the growth of a strong Finnish brand company.

We can be satisfied with the result in the first quarter, but its importance for the full year results is relatively small. In consumers and professionals sectors we can already see positive signs, but industrial demand has not recovered much. Decisive in terms of full year results will be the approaching summer season and outdoor painting season, which was very successful last year considering the economic circumstances.

In terms of Tikkurila's competitiveness, it was essential to specify our strategy and initiate a structural reorganization in 2009. Implementation of the new organization started at the end of 2009. Savings related in particular to raw material costs improved profitability in the first quarter. For the rest of the year, raw material prices are not expected to remain as low as now.

In times of economic uncertainty, the importance of strong brands is heightened. We support the distribution chain by, in addition to offering high-quality products, offering marketing support, training and advice. Grafia's Hopeahuippu (Silver Award given by the Association of Professional Graphic Designers in Finland) recognition that was awarded for service design of Tikkurila's Vision shop-in-shop store concept is a proof of Tikkurila's professionalism and innovativeness when it comes to retail marketing as well."

**Tikkurila Oyj**

Erkki Järvinen, President and CEO

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**Press conference today at 12.00 pm and conference call at 2.00 pm**

Tikkurila will hold a press conference about its January–March 2010 results for the media and analysts starting at 12.00 pm Finnish time at Hotel Kämp, Paavo Nurmi cabinet; address Pohjoisesplanadi 29, second floor. The conference will be held in Finnish. Attendees will be served lunch in connection with the conference, starting at 11.30 am Finnish time. The interim report will be presented by **Erkki Järvinen**, President and CEO.

A conference call in English will be held at 2.00 pm Finnish time. Participants will be asked for their full name and conference ID, which is 70583335. In order to participate in the conference call, please dial in 5–10 minutes before the beginning of the event as follows:

From Finland (free call):	0800 112 469
From Russia (free call):	8108 002 223 2044
From Sweden (free call):	0200 899 157
From UK (free call):	0800 694 8039
From USA (free call):	1866 616 1744
UK Standard International	+44 (0) 1452 560 706

A stock exchange release and presentation material will be available before the conference call at [www.tikkurilagroup.com/investors](http://www.tikkurilagroup.com/investors). A recording of the conference call will be available on Tikkurila's website later.

Tikkurila will publish its January–June 2010 interim report on Wednesday, August 11, 2010 around 9.00 am Finnish time.

*Tikkurila provides consumers, professionals and the industry with user-friendly and environmentally sustainable solutions for protection and decoration. Tikkurila is a strong regional player that aims to be the leading paint company in the Nordic area and Eastern Europe including Russia. – Tikkurila inspires you to color your life.*

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## Tikkurila Oyj's Interim Report January 1–March 31, 2010

This interim report has been prepared in accordance with IAS 34. The disclosed information is unaudited. The figures in the tables are independently rounded.

All forward-looking statements in this review 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.

In case there are any discrepancies between the language versions of the interim report, the Finnish version shall prevail.

### Financial performance, January–March

Tikkurila Group's **revenue** for January–March 2010 totaled EUR 119.4 (111.2) million, an increase of 7.3% compared to Q1/2009. When comparing Q1/2010 revenue to Q1/2009, the translation of foreign subsidiaries' currency denominated income statements into euro had a EUR 7.3 million positive impact on revenue via changes in exchange rates. Change in sales volumes increased the revenue by EUR 1.7 million. The net impact of all other factors reduced the revenue by EUR 0.8 million. Acquisitions did not have an impact on review period revenue. Seasonality affects Tikkurila's business, and hence, the first quarter revenue is typically lower than the revenue for the second and third quarters.

Decorative paints generated about 84% and industrial coatings about 16% of the total revenue.

Tikkurila has four reporting segments: SBU East, SBU Finland, SBU Scandinavia, and SBU Central Eastern Europe.

#### Revenue by SBU (EUR million)

	1–3/2010	% of total	1–3/2009	Change, %	1–12/2009
SBU East	28.4	23.8%	25.7	10.7%	167.1
SBU Finland	29.2	24.5%	29.2	0.2%	106.8
SBU Scandinavia	39.9	33.4%	36.3	10.0%	157.8
SBU Central Eastern Europe	21.9	18.3%	20.1	8.8%	98.5
<b>Group total</b>	<b>119.4</b>	<b>100.0%</b>	<b>111.2</b>	<b>7.3%</b>	<b>530.2</b>

**Operating profit (EBIT)** for January–March 2010 clearly increased as compared to the first quarter of 2009 and totaled EUR 7.5 (4.0) million. The key contributor to the positive change was the reduction in the relative share of production costs. In addition, the effect of changes in foreign exchange rates as well as higher sales volume slightly increased EBIT.

#### Operating profit (EBIT) by SBU (EUR million)

	1–3/2010	1–3/2009	Change, %	1–12/2009
SBU East	-0.1	-0.3	80.8%	17.7
SBU Finland	4.8	3.1	53.7%	12.2
SBU Scandinavia	2.9	2.0	46.2%	15.7
SBU Central Eastern Europe	0.3	-0.3	194.2%	5.0
Other, eliminations	-0.5	-0.5	0.0%	-3.0
<b>Group total</b>	<b>7.5</b>	<b>4.0</b>	<b>86.5%</b>	<b>47.7</b>

There were no non-recurring items in the operating profit for the review period or for the comparative period, but in full year 2009 a total of EUR 2.4 million of non-recurring expenses were recognized in the second quarter in relation to the implementation of the cost savings procedures. SBU Finland's EBIT included EUR

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2.0 million of those non-recurring expenses and SBU Scandinavia EUR 0.4 million. The full-year 2009 operating profit excluding non-recurring items totaled EUR 50.2 million.

Net finance expenses for January–March totaled EUR 1.6 (3.8) million.

Profit before tax for the review period was EUR 3.6 (-0.6) million. Earnings per share were EUR 0.08 (-0.01).

### Quarterly financial performance, financial year 2009

Quarterly revenue and operating profit (EBIT) are presented below for the financial year 2009. As can be seen from the table below, typically the second and third quarters have played a central role in determining the full financial year financial results:

(EUR million)	1–3/2009	4–6/2009	7–9/2009	10–12/2009
Revenue	111.2	162.4	158.1	98.4
Operating profit (EBIT)	4.0	22.1	26.2	-4.6

### Financial performance by SBU, January–March

Tikkurila has four reporting segments: SBU East, SBU Finland, SBU Scandinavia, and SBU Central Eastern Europe.

#### SBU East

Russia, Ukraine, Central Asian countries and Belarus belong to Strategic Business Unit East. SBU East is headed by Senior Vice President **Janno Paju**.

#### SBU East, key figures

(EUR million)	1–3/2010	1–3/2009	Change, %	1–12/2009
Revenue	28.4	25.7	10.7%	167.1
Operating profit (EBIT)	-0.1	-0.3	80.8%	17.7
Operating profit (EBIT) margin	-0.2%	-1.0%		10.6%
Capital expenditure excl. acquisitions	0.7	2.1	-68.8%	7.2

SBU East's **revenue** for January–March totaled EUR 28.4 (25.7), an increase by 10.7%. The revenue was mainly increased by currency exchange rate changes and by sales volumes. The exchange rates had a positive EUR 1.7 million effect on revenue. In March demand picked up compared to the beginning of the year due to warmer weather. Moreover, signs of recovery in the demand for industrial coatings could be seen.

SBU East's **operating profit (EBIT)** for January–March 2010 was EUR -0.1 (-0.3) million, an increase by 80.8%. The operating profit was mainly improved by sales price and volume increases. The currency exchange rates did not have a material effect on operating profit.

In December 2009, new production lines came on-stream for water-borne paints in St. Petersburg. Tikkurila's water-borne products are now made on a single site in St. Petersburg instead of the former two. The production conditions improved clearly and the capacity of water-borne production increased. Production in the St. Petersburg area will be actively developed in the future as well.

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## SBU Finland

Strategic Business Unit Finland covers Tikkurila's business in Finland. SBU Finland is headed by Senior Vice President **Arto Lehtinen**.

### SBU Finland, key figures (EUR million)

	1–3/2010	1–3/2009	Change, %	1–12/2009
Revenue	29.2	29.2	0.2%	106.8
Operating profit (EBIT)	4.8	3.1	53.7%	12.2
Operating profit (EBIT) margin	16.5%	10.8%		11.4%
Capital expenditure excl. acquisitions	0.6	0.8	-29.7%	2.1

SBU Finland's **revenue** for January–March 2010 stayed at the same level as in Q1/2009 and totaled EUR 29.2 (29.2) million. Pre-order volumes for exterior paints developed favorably, but a more reliable forecast for the outcome of the final volumes will not be seen until after the summer season, i.e. only in the third quarter. In interior paints, volumes are slightly above the 2009 levels, but the demand for industrial coatings is weaker compared to the same period last year.

SBU Finland's **operating profit (EBIT)** for January–March 2010 was EUR 4.8 (3.1) million, an increase by 53.7%. The total increase of EUR 1.7 million was mainly due to lower fixed cost levels compared to the previous year.

## SBU Scandinavia

Sweden, Norway and Denmark belong to the Strategic Business Unit Scandinavia. SBU Scandinavia is headed by Senior Vice President **Niklas Frisk**.

### SBU Scandinavia, key figures (EUR million)

	1–3/2010	1–3/2009	Change, %	1–12/2009
Revenue	39.9	36.3	10.0%	157.8
Operating profit (EBIT)	2.9	2.0	46.2%	15.7
Operating profit (EBIT) margin	7.4%	5.6%		10.0%
Capital expenditure excl. acquisitions	0.4	0.5	-17.1%	2.1

SBU Scandinavia's **revenue** for January–March 2010 was EUR 39.9 (36.3) million, an increase by 10.0%. The increase was mainly due to the currency exchange effect which had a EUR 3.7 million positive impact on revenue.

SBU Scandinavia's **operating profit (EBIT)** for January–March 2010 was EUR 2.9 (2.0), an increase by 46.2% compared to Q1/2009. The improvement was mainly due to the lower raw material prices compared to the same period last year. The currency exchange effect had a EUR 0.3 million positive impact.

In Sweden, Tikkurila is actively seeking new solutions to develop the distribution chain. The extent and the profitability of the business have remained close to last year's level.

## SBU Central Eastern Europe

The following countries belong to the SBU Central Eastern Europe: the Baltic countries, Poland, Czech Republic, Slovakia, China, Germany, Hungary and Romania. Furthermore, SBU Central Eastern Europe is responsible for export sales in approximately 20 additional countries that are not included in the SBU operational areas. SBU Central Eastern Europe is headed by Senior Vice President **Ilpo Jousimaa**.

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**SBU Central Eastern Europe, key figures**

<b>(EUR million)</b>	<b>1–3/2010</b>	<b>1–3/2009</b>	<b>Change, %</b>	<b>1–12/2009</b>
Revenue	21.9	20.1	8.8%	98.5
Operating profit (EBIT)	0.3	-0.3	194.2%	5.0
Operating profit (EBIT) margin	1.3%	-1.6%		5.1%
Capital expenditure excl. acquisitions	0.5	0.7	-34.9%	2.1

SBU Central Eastern Europe's **revenue** for January–March 2010 totaled EUR 21.9 (20.1) million, an increase by 8.8%. The increase was mainly due to the currency exchange rate changes which had a EUR 1.8 million positive impact on revenue. Sales volumes increased slightly but on the contrary sales prices decreased. The cold winter affected demand in January and February, but the weather conditions improved in March which increased sales.

SBU Central Eastern Europe's **operating profit (EBIT)** for January–March 2010 was EUR 0.3 (-0.3) million, an increase by 194.2% compared to Q1/2009. The total EUR 0.6 million improvement was mainly due to the lower raw material prices compared to the same period last year. The currency exchange effect had a EUR 0.1 million positive impact.

**Financing and cash flow**

Tikkurila's financial standing and liquidity remained at a good level.

Cash flow from operations totaled EUR -28.2 (-25.3) million in January–March. Net cash flow from investing activities totaled EUR -1.9 (-3.6) million, of which corporate acquisitions accounted for EUR 0.0 (-1.2) million. Free cash flow after investments was EUR -30.2 (-28.9) million. The effect on cash flow of investments related to improvement and maintenance was EUR -1.1 (-1.7) million. The net working capital totaled EUR 112.5 (117.1) million at the end of March. Due to the seasonality of the business, customers' pre-orders for the summer season affect the production for the first months of the year. Therefore, typically the level of working capital tied into the operations is high at the end of the first quarter.

The group's interest-bearing debt stood at EUR 177.9 (238.3) million on March 31, 2010. The average interest rate of the interest-bearing debt was 4.8% (7.3%) at the end of the review period. The change in the average interest rate of the group was to major extent caused by the decline in the reference rates of the loans as the general market interest rate level changed.

Cash and cash equivalents totaled EUR 19.2 (26.2) million on March 31. A total of EUR 38.7 million of the Tikkurila Group's short- and long-term loans will mature.

The group had net debt of EUR 158.7 (212.1) million on March 31. The reduction in net debt was due mostly to a EUR 40.0 million increase in equity made by Kemira Oyj in December 2009. The increase was used for debt repayments by Tikkurila. During the first quarter of 2010, net debt increased by a EUR 29.1 million compared to the year end 2009 (31.12.2009: 129.5). This is due to the seasonality of business, which caused higher levels of working capital.

The group's equity ratio was 34.5% (17.6%) on March 31. The gearing ratio was 101.0% (272.3%) at the end of March. Equity was significantly boosted by the EUR 40.0 million equity increase by Kemira Oyj in December 2009, which had a positive impact on balance sheet, equity ratio and gearing.

The group's net financial expenses totaled EUR 1.6 (3.8) million, of which currency exchange accounted for EUR 0.2 (0.1) million.

In connection with Tikkurila's listing, the group's financing was rearranged. In addition to the EUR 40.0 million TyEL (TyEL=Employees Pension Act in Finland) loan signed in December 2009 and drawn in January

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2010, Tikkurila signed a loan arrangement of EUR 180.0 million in March 2010. The arrangement is divided into a EUR 100.0 million term loan and a EUR 80.0 million revolving credit facility. The term of maturity for the TyEL loan is six years of which the two first years are amortization-free, and the term of the maturity for the EUR 180.0 million loan arrangement is three years. The EUR 180.0 million loan arrangement includes an option to extend the loan period with two one-year periods. In connection with the listing, Tikkurila drew down a total of EUR 130.0 million via the loan arrangement. Tikkurila used the money to repay its loans from Kemira totaling EUR 148.1 million.

### Financial risk management

Tikkurila's Board of Directors accepted the principles for financial risk management in March 2010, and the policy has been adopted after the company was listed on the stock exchange. The financing policy defines the risk positions and how much open risk the company can have. Tikkurila's principle is that derivatives are only used for hedging, and the market value of all derivatives must be reliably determinable in the treasury system the company is using.

In accordance with the financing policy, currency risk can also be hedged with forward exchange agreements and options as well as foreign currency credit and deposits. At the end of the review period, the nominal value of Tikkurila's forward exchange agreements was EUR 54.3 million, and the market value was EUR 0.1 million.

Tikkurila monitors the interest rate risk of loans based on duration. The loan portfolio's duration can be between 6 and 24 months. At the end of the period, the duration of the loan portfolio was approximately one year. Interest rate swaps and interest rate options can be used to manage the interest rate risk. In the end of March, Tikkurila had no interest rate derivatives in place.

### Capital expenditure

Gross capital expenditure in the review period, excluding acquisitions, amounted to EUR 2.1 (4.2) million. There was no major single investment carried out during the review period. Expansion investments represented 47.3% of capital expenditure excluding acquisitions, while improvement and maintenance investments accounted for 52.7%.

Depreciation amounted to EUR 5.0 (4.5) million in January–March. No impairments on non-current assets were recognized in the review period.

### Research and Development

In January–March 2010, Tikkurila's research and product development expenses totaled EUR 2.5 (2.6) million, corresponding to 2.1% (2.3 %) of revenue.

Kenneth Sundberg, Doctor of Technology, joined Tikkurila on January 1, 2010 in the position of Group Vice President, Research and Development.

### Human resources

On March 31, the Tikkurila Group employed 3,695 (3,779) people. The average number of employees during January–March 2010 was 3,605 (3,772).

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The number of employees by SBU on March 31 were as follows: East 1,702 (1,657), Finland 781 (861), Scandinavia 465 (479) and Central Eastern Europe 747 (782).

### Short-term business risks and uncertainties

Tikkurila's most significant short-term business risks and uncertainties are related to the economy in general and its effect on demand for Tikkurila products. In decorative paints, demand is significantly affected by weather conditions in the outdoor painting season.

Due to the international nature of Tikkurila's operations, the group's income statement and balance sheet are subject to currency risk. The main currency risks are linked to the United States dollar, the Swedish krona, the Polish zloty and the Ukrainian hryvnia. The company's equity is also subject to currency risk when foreign currency equity items are translated into euro.

The selling of paints to consumer customers is crucial for Tikkurila's operations. Therefore, changes in consumers' spending power and consumption behavior can considerably affect the demand of company products. This can be negatively affected by recent economic uncertainty and high unemployment rates in many of the company's operating areas. In addition, possible changes in the company's distribution channels, for instance due to changes in the competitive environment, can cause financial losses for the company.

If the general economic situation and demand on the company's raw material and end product markets improve, it can increase the costs of the production or increase the costs of the company's debt financing through changes in market rates, and thus weaken profitability. Changes in oil market prices will be reflected in Tikkurila's cost structure via changes in raw material prices.

The competitive situation can also change, in particular through changes in market entrants and market structures. Because developing central Eastern European countries play an important role in the company's operations, changes in the competitive situation on these markets or changes in the demand for different paint brands can weaken Tikkurila's position.

Tikkurila's risk management principles can be found on the Tikkurila website at [www.tikkurilagroup.com](http://www.tikkurilagroup.com). A review of financing risks is published in the notes to the 2009 financial statements. Materialized environmental and hazard risks are discussed in the notes to the 2009 financial statements.

The Tikkurila Group has taken out comprehensive insurance against damages related to group companies' operational risks.

### Significant legal proceedings

OOO Tikkurila is currently engaged in a dispute against a Russian company OOO Decolor in relation to "Finncolor" trademark. OOO Tikkurila's former managing director transferred the rights to the trademark "Finncolor" in Russia to a Russian limited liability company OOO Fincolor, who, in turn, transferred its rights to the trademark to OOO Decolor. Tikkurila has requested that the court shall declare the transfer of the trademark invalid. Decolor has in turn presented Tikkurila with a claim for unauthorized use of the Finncolor trademark. According to Tikkurila's management's view, the claim is unfounded.

In 2007, the Polish competition authority initiated antimonopoly proceedings in Poland against Tikkurila Polska S.A. According to the Polish competition authority, certain distribution agreements of Tikkurila Polska contained an illegal clause, and hence Tikkurila was given a fine of about EUR 0.6 million. Tikkurila has filed an appeal against the decision. Furthermore, since early 2007, Tikkurila Polska has been involved in a case

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concerning regulation of retail prices in Poland. These matters are still pending, but it is estimated that the resolutions will be received during 2010.

### Significant related party transactions

During the review period the company did not have any other significant related party transactions than the restructuring of finance carried out with the previous parent company Kemira Oyj. Those transactions have been described above.

### Shares and shareholders

Trading of Tikkurila Oyj's shares began on NASDAQ OMX Helsinki Ltd on March 26, 2010, and Tikkurila was demerged from Kemira Oyj.

On March 16, 2010, Kemira Oyj's general meeting decided that for every four Kemira shares, their holder was entitled to receive one share of Tikkurila Oyj as a dividend. In total, Kemira distributed 37,933,097 Tikkurila shares as dividend to its shareholders which corresponds to 86% of Tikkurila's shares and votes. Kemira maintained a 14.00% minority share in Tikkurila.

The taxation value and purchase price of Tikkurila Oyj shares distributed as dividend is the volume-weighted average of the prices paid for Tikkurila's share during the first trading day, March 26, 2010, which was EUR 15.80.

At the end of March, Tikkurila's share capital was EUR 35.0 million, from a total of 44,108,252 registered shares. At the end of March 2010, Tikkurila held no treasury shares.

According to Euroclear Finland Oy's register, Tikkurila had 30,374 shareholders on March 31, 2010. A list of the largest shareholders is updated regularly on Tikkurila's website at [www.tikkurilagroup.com](http://www.tikkurilagroup.com).

Shareholders whose share of Tikkurila Oyj's shares and votes exceeded 5% on March 31, 2010 were: Oras Invest Ltd (14.70%), Solidium Oy (14.68%) owned by the Finnish State, Kemira Oyj (14.00%), Varma Mutual Pension Insurance Company (8.61%) and Ilmarinen Mutual Pension Insurance Company (5.19%).

At the end of March, the closing price for the Tikkurila share was EUR 15.23. The average share price in the first quarter 2010 (Mar 26–Mar 31) was EUR 15.58, the highest price was EUR 16.73, and the lowest was EUR 14.93. At the end of March, the market value of Tikkurila's shares was EUR 671.8 million. During the first quarter (Mar 26–Mar 31), a total of 2.4 million Tikkurila shares were traded on NASDAQ OMX Helsinki Ltd, and the value of the volume was EUR 38.0 million.

### Decisions of the Annual General Meeting

Tikkurila's Annual General Meeting was held on February 8, 2010.

The AGM confirmed the company's income statement and balance sheet for the period January 1–December 31, 2009, decided in accordance with the proposal of the Board of Directors that no dividend will be distributed for 2009, and discharged the members of the Board and the CEO from responsibility in terms of the financial year 2009.

The AGM made the following decisions concerning Board remuneration: The Chairman of the Board, EUR 54,000 per year; Deputy Chairman of the Board, EUR 36,000 per year; and other members, EUR 30,000 per year. In addition, a meeting-specific fee of EUR 600 is paid to members living in Finland, EUR 1,200 to

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members living in other EU countries and EUR 2,400 to members living outside the EU. The meeting-specific fee is also paid for board committee meetings. Members' travel expenses related to meetings are compensated in accordance with the company travel policy. The annual remuneration for the Board is paid as a combination of shares and cash if the company is listed on the stock exchange in early 2010. 40% of the annual remuneration is paid as shares; either from shares already owned by the company or if this is not possible in shares acquired from the market, and 60% is paid in cash. The shares are transferred to the Board members and if necessary acquired directly from the market on behalf of the members within in two weeks from the publication of the company's interim review for the period January 1–March 31, 2010. The meeting-specific fee is paid in cash.

The AGM decided on electing five members for the Board of Directors. Eeva Ahdekivi, Ove Mattsson, Jari Paasikivi, Pia Rudengren and Petteri Walldén were re-elected to the Board of Directors. The Board of Directors elected Jari Paasikivi as the Chairman and Petteri Walldén as the Deputy Chairman.

The AGM decided that the auditor's reasonable fee and travel costs will be paid based on a bill. The AGM selected the authorized public accounting firm KPMG Oy Ab as the company's auditor, with Pekka Pajamo APA as the principal auditor.

The AGM decided that the company will become a public limited company, and thus the company name was changed to Tikkurila Oyj.

The AGM decided that all company shares are included in the book-entry system.

The AGM decided that the articles of association shall be revised. The articles of association can be viewed at the company headquarters and on the company's website at [www.tikkurilagroup.com](http://www.tikkurilagroup.com).

The AGM decided to issue 43,083,252 new shares to Kemira in a directed share issue without payment.

### **Decisions by the Extraordinary General Meeting**

Tikkurila Oyj's Extraordinary General Meeting was held on March 4, 2010.

The EGM authorized the Board to decide on the repurchase of a maximum of 4,410,825 treasury shares ("Repurchase authorization"). The repurchase authorization is valid until April 30, 2011.

Shares will be repurchased by using unrestricted equity, either through a direct offer with equal terms to all shareholders at a price determined by the Board of Directors, or otherwise than in proportion to the existing shareholdings of the company's shareholders in public trading on the Helsinki Stock Exchange at the market price quoted at the time of the repurchase. Shares will be acquired and paid for in accordance with the Rules of the Helsinki Stock Exchange and Euroclear Finland Ltd. The price paid for the shares repurchased through a tender offer under the authorization shall be based on the market price of the company's shares in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period, and the maximum price would be the highest market price quoted during the authorization period.

Shares may be repurchased to be used in implementing or financing mergers and acquisitions, developing the company's capital structure, improving the liquidity of the company's shares or to be used for the payment of the annual fee payable to the members of the Board of Directors or implementing the Company's share-based incentive plans. In order to realize the aforementioned purposes, the shares acquired may be retained, transferred further or cancelled by the company.

The EGM authorized the Board to decide on the transfer of a maximum of 4,410,825 treasury shares ("Share issue authorization"). The share issue authorization is valid until April 30, 2011.

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The company's own shares held by the company may be transferred either for consideration or without consideration.

The company's own shares held by the company may be transferred to the company's shareholders by not applying the shareholders' pre-emption right, through a directed share issue, if the company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the capital structure of the company, improving the liquidity of the company's shares or if this is justified for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. The directed share issue may be carried out without consideration only in connection with the payment of the annual fee payable to the members of the Board of Directors or implementation of the company's share-based incentive plan. The amount payable upon the transfer of treasury shares shall be recognized under unrestricted equity.

The EGM decided to clarify the AGM's decision regarding the Board remuneration so that payment of monthly fees, in accordance with the company's earlier practice, will continue to be paid in cash in previously agreed amounts until the end of the month in which the company is listed on the Helsinki Stock Exchange. The monthly fees are: Chairman EUR 4,500 per month, Deputy Chairman EUR 3,000 per month and other members EUR 2,500 per month.

### **Board Committees**

In February, the Board of Directors appointed the members of the Audit Committee from amongst themselves. The Audit Committee consists of Eeva Ahdekivi, Jari Paasikivi and Pia Rudengren. The Chairman of the Audit Committee is Eeva Ahdekivi.

### **Dividend policy**

In February, the Board of Directors decided on the company's dividend policy. Tikkurila aims to distribute a dividend of at least 40 percent of its annual operative net income. Operative net income means net profit for the period excluding non-recurring items and adjusted for tax effects.

### **Financial targets**

In February 2010, the Board of Directors set the following medium-term financial targets:

- An annual organic revenue growth of over 5%
- Operating profit (EBIT) excluding non-recurring items level of over 10% of Tikkurila's revenue
- A continuous improvement of return on capital employed ROCE (% p.a.)
- Gearing under 100%

### **Changes in corporate structure and management appointments**

No corporate acquisitions or divestments or major changes in corporate structure were completed during January–March 2010.

Kenneth Sundberg, Doctor of Technology, joined Tikkurila on January 1, 2010 in the position of Group Vice President, Research and Development, and a member of the management board.

M.Sc. (Finance) Jukka Havia joined Tikkurila Oyj on April 16, 2010 as the Chief Financial Officer, and he will be a member of the management board.

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## Outlook

Historically, the first quarter of the year has been of little importance for Tikkurila's business as a significant part of revenue and operating profit is accrued during the second and the third quarter. In the Nordic countries, Tikkurila uses an advance order system of exterior paints for the summer season. Orders received through the system do not show any significant change as compared to the corresponding date in 2009. In addition, no significant changes in Tikkurila's production, sales, inventories, costs or sales process have occurred between the end of the previous financial year and the date of publishing this interim report.

Despite the good start on the year, the market situation in Tikkurila's operating areas is still challenging. General economic development and the pick-up in construction and renovation markets in particular are not yet highly visible in paint sales volumes. The employment situation has remained weak. Demand for industrial paints has been at the levels of the previous year. The importance of the first quarter is low for Tikkurila's operations, because a majority of revenue and earnings are generated during the second and third quarter. The approaching summer season and outdoor painting season have strong impact on the full-year result.

In 2010, Tikkurila's revenue and operating profit (EBIT) excluding non-recurring items are expected to remain at the same level as in 2009. The revenue and operating profit estimates do not take into consideration possible effects from exchange rate fluctuations.

The current outlook and profit forecast described above are based on the following key assumptions regarding the company which the management of Tikkurila considers well-founded. In relation to the industrial customers of Tikkurila Group, no significant increase in demand is seen in the near future. Weather conditions during the outdoor painting season contribute to the demand for Tikkurila's paints, and hence do have a major impact on company's profitability. Currently, based on the general recovery of many commodities and raw material markets, there are pressures for the suppliers to increase certain raw material prices. The above mentioned factors are outside the control of the management of Tikkurila but it can take them into account by, for example, developing actively its product and service offering, ensuring good distribution reliability, preparing for changes in demand in its production, aiming to hedge risks and continuing to increase the efficiency of its operations.

## Events after the Reporting Period

On April 28, 2010 the Board of Directors decided to acquire own shares and to grant those shares in order to effect the payment of Board members' fees. This resolution was based on the authorization granted by the general meeting of the shareholders.

In April, Grafia, the Association of Professional Graphic Designers in Finland, gave out a Silver Award (Hopeahuippu) in service design for Tikkurila's retail concept Vision. The Best of the Year competition is the most important marketing communication and design competition in Finland. Tikkurila introduced its Vision shop-in-shop store concept in autumn 2009 in conjunction with the launch of the Avatint tinting system, various new products and Feel the Colour collection.

Vantaa, April 28, 2010

TIKKURILA OYJ  
BOARD OF DIRECTORS

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## Summary Financial Statements and Notes

The financial information presented in this interim report is prepared in accordance with IAS 34 standard. Tikkurila applies the same accounting principles as applied in the 2009 financial statements. The figures presented in the tables have been rounded to one decimal, which shall be taken into account when analyzing the numbers. The interim report information is unaudited.

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>EUR '000</b>	<b>1-3/2010</b>	<b>1-3/2009</b>	<b>1-12/2009</b>
<b>Revenue</b>	<b>119,397</b>	111,230	530,166
Other operating income	403	281	1,451
Expenses	-107,335	-103,005	-465,122
Depreciation, amortisation and impairment losses	-4,964	-4,483	-18,780
<b>Operating profit</b>	<b>7,501</b>	4,023	47,715
Total financing income and expenses	-1,606	-3,792	-12,048
Share of profit or loss of associates	15	48	75
<b>Profit before tax</b>	<b>5,909</b>	279	35,742
Income tax	-2,263	-846	-7,952
<b>Net profit for the period</b>	<b>3,646</b>	-567	27,790
<b>Other comprehensive income</b>			
Available-for-sale financial assets	1,168	0	0
Foreign currency translation differences for foreign operations	8,460	-8,253	-1,774
<b>Total comprehensive income for the period</b>	<b>13,274</b>	-8,820	26,016
<b>Net profit attributable to:</b>			
Owners of the parent	3,646	-583	27,759
Minority interest	0	16	31
<b>Net profit for the period</b>	<b>3,646</b>	-567	27,790
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	13,274	-8,831	26,080
Minority interest	0	11	-64
<b>Total comprehensive income for the period</b>	<b>13,274</b>	-8,820	26,016
<b>Earnings per share of the net profit attributable to owners of the parent</b>			
Basic earnings per share (EUR)	0.08	-0.01	0.63
Diluted earnings per share (EUR)	0.08	-0.01	0.63

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**EUR '000**

<b>ASSETS</b>	<b>Mar 31,2010</b>	<b>Mar 31, 2009</b>	<b>Dec 31, 2009</b>
<b>Non-current assets</b>			
Goodwill	68,837	67,604	68,261
Other intangible assets	34,722	32,958	33,713
Property, plant and equipment	118,050	113,994	114,857
Investment in associates	639	691	774
Available-for-sale financial assets	2,716	885	929
Non-current receivables	5,401	3,956	5,860
Defined benefit pension assets	455	801	439
Deferred tax assets	2,726	2,046	2,368
<b>Total non-current assets</b>	<b>233,546</b>	<b>222,935</b>	<b>227,201</b>
<b>Current assets</b>			
Inventories	82,429	77,529	73,499
Interest-bearing receivables	258	1,092	288
Non-interest-bearing receivables	120,604	116,239	77,578
Cash and cash equivalents	19,215	26,188	24,543
<b>Total current assets</b>	<b>222,506</b>	<b>221,048</b>	<b>175,908</b>
<b>Total assets</b>	<b>456,052</b>	<b>443,983</b>	<b>403,109</b>
<b>EQUITY AND LIABILITIES</b>	<b>Mar 31, 2010</b>	<b>Mar 31, 2009</b>	<b>Dec 31, 2009</b>
Share capital	35,000	35,000	35,000
Other reserves	1,527	359	359
Reserve for invested unrestricted equity	40,000	0	40,000
Translation differences	-11,971	-27,000	-20,431
Retained earnings	92,581	69,403	88,935
<b>Equity attributable to owners of the parent</b>	<b>157,137</b>	<b>77,762</b>	<b>143,863</b>
Minority interest	0	155	0
<b>Total equity</b>	<b>157,137</b>	<b>77,917</b>	<b>143,863</b>
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities	139,172	173,547	115,085
Pension obligations	15,340	13,535	14,567
Provisions	425	341	411
Deferred tax liabilities	10,414	8,380	9,607
<b>Total non-current liabilities</b>	<b>165,351</b>	<b>195,803</b>	<b>139,670</b>
<b>Current liabilities</b>			
Interest-bearing current liabilities	38,714	64,772	38,996
Non-interest-bearing current liabilities	94,517	105,132	80,181
Provisions	333	359	399
<b>Total current liabilities</b>	<b>133,564</b>	<b>170,263</b>	<b>119,576</b>
<b>Total equity and liabilities</b>	<b>456,052</b>	<b>443,983</b>	<b>403,109</b>

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CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS EUR '000	1-3/2010	1-3/2009	1-12/2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit for the period	3,646	-567	27,790
Adjustments for:			
Non-cash transactions	5,443	4,062	20,146
Interest and other financing expenses	2,054	4,160	12,925
Interest income	-229	-246	-865
Income tax	2,262	846	7,952
<b>Funds from operations before change in net working capital</b>	<b>13,176</b>	<b>8,255</b>	<b>67,948</b>
Change in net working capital	-36,346	-31,344	11,590
Interest paid	-526	-2,418	-14,603
Interest received	229	246	865
Income tax paid	-4,746	-17	-3,346
<b>Total cash flows from operations</b>	<b>-28,213</b>	<b>-25,278</b>	<b>62,454</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisitions of subsidiaries, net of cash acquired	0	-1,162	-3,708
Other capital expenditure	-2,123	-4,174	-13,483
Proceeds from sale of assets	190	37	418
Change in non-current loan receivables decrease (+), increase (-)	-6	1,658	-413
Dividends received	0	0	61
<b>Net cash used in investing activities</b>	<b>-1,939</b>	<b>-3,641</b>	<b>-17,125</b>
<b>Cash flow before financing</b>	<b>-30,152</b>	<b>-28,919</b>	<b>45,329</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Change in non-current borrowings, increase (+), decrease (-)	24,420	-100	-18,904
Current financing, increase (+), decrease (-)	-573	26,878	1,489
Profit distribution	0	0	-33,975
Other	1,075	-2,143	-1,623
<b>Net cash used in financing activities</b>	<b>24,922</b>	<b>24,635</b>	<b>-53,013</b>
<b>Net change in cash and cash equivalents</b>	<b>-5,230</b>	<b>-4,284</b>	<b>-7,684</b>
Cash and cash equivalents at the beginning of period	24,201	30,851	30,851
Effect of exchange rate fluctuations on cash held	124	732	-1,034
Cash and cash equivalents in the end of period	18,847	25,835	24,201
<b>Net change in cash and cash equivalents</b>	<b>-5,230</b>	<b>-4,284</b>	<b>-7,684</b>

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**EUR '000**

	Equity attributable to the owners of the parent					Total	Minority interest	Total equity
	Share capital	Other reserves	Reserve for invested unrestricted equity	Translation differences	Retained earnings			
Equity at Jan 1, 2009	35,000	359	0	-18,752	69,986	86,593	144	86,737
Total comprehensive income for the period	0	0	0	-8,248	-583	-8,831	11	-8,820
Equity at Mar 31, 2009	35,000	359	0	-27,000	69,403	77,762	155	77,917
<b>Equity at Jan 1, 2010</b>	<b>35,000</b>	<b>359</b>	<b>40,000</b>	<b>-20,431</b>	<b>88,935</b>	<b>143,863</b>	<b>0</b>	<b>143,863</b>
Total comprehensive income for the period	0	1,168	0	8,460	3,646	13,274	0	13,274
<b>Equity at Mar 31, 2010</b>	<b>35,000</b>	<b>1,527</b>	<b>40,000</b>	<b>-11,971</b>	<b>92,581</b>	<b>157,137</b>	<b>0</b>	<b>157,137</b>

**NEW IFRS STANDARDS**

The group has adopted the following standards, interpretations and their amendments as of January 1, 2010:

- Revised IFRS 3 *Business Combinations* (effective for financial years beginning on or after July 1, 2009). The amendments made to the standard are substantial.
- Amended IAS 27 *Consolidated and Separate Financial Statements* (effective for financial years beginning on or after July 1, 2009). The amendments affect the accounting treatment of acquisitions and sales achieved in stages.
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* (effective for financial years beginning on or after July 1, 2009).
- IFRIC 17 *Distributions of Non-cash Assets to Owners* (effective for financial years beginning on or after July 1, 2009).
- IFRIC 18 *Transfers of Assets from Customers* (effective on financial years beginning on or after July 1, 2009).
- *Improvements to IFRSs* (April 2009, effective mainly on financial years beginning on or after January 1, 2010).
- Amendments to IFRS 2 *Share-based Payment - Group Cash-settled Share-based Payment Transactions* (effective on financial years beginning on or after January 1, 2010).

The group's view is that the adoption of the standards and interpretations above did not have any significant effect on the financial statements of the reporting period.

The adoption of the amendments would cause changes to Tikkurila Group financial statements 2010 if new subsidiaries would be acquired (IFRS 3) or if share-based payments would be taken into use (IFRS 2).

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## OPERATING SEGMENTS

Tikkurila's business activities are organized in four reportable segments as per its strategy to be a long-standing operator in Europe and its neighbouring areas. The differences in these operating environments and overall management of each area have been taken into account while establishing these reporting segments. Segments' revenue arises from the sales of various paints and related products that are sold to retailers, industrial customers and for professional use. Insignificant revenue is also received from the sales of auxiliary services related to paints. Tikkurila common section includes the items related to the group headquarters.

The evaluation of profitability and decision making concerning resource allocation are based on segmental operating profit. Reportable segment assets are items of the statement of financial position that the segment employs in its business activities or which can reasonably be allocated to a segment. Segments' revenue is presented based on the location of the customers, whereas reportable segment assets are presented according to the location of the assets. Inter-segment pricing is based on market prices. External revenue accumulates from a large number of customers.

Revenue by segment EUR '000	1-3/2010	1-3/2009	1-12/2009
SBU East	28,412	25,675	167,109
SBU Finland	29,228	29,181	106,809
SBU Scandinavia	39,870	36,258	157,774
SBU Central Eastern Europe	21,887	20,116	98,474
<b>Total</b>	<b>119,397</b>	<b>111,230</b>	<b>530,166</b>
<b>EBIT by segment EUR '000</b>	<b>1-3/2010</b>	<b>1-3/2009</b>	<b>1-12/2009</b>
SBU East	-51	-266	17,748
SBU Finland	4,830	3,143	12,205
SBU Scandinavia	2,944	2,013	15,722
SBU Central Eastern Europe	294	-312	5,045
Tikkurila common	-516	-536	-2,235
Eliminations	0	-19	-770
<b>Total</b>	<b>7,501</b>	<b>4,023</b>	<b>47,715</b>
Non-allocated items:			
Total financing income and expenses	-1,606	-3,792	-12,048
Share of profit or loss of associates	15	48	75
<b>Profit before tax</b>	<b>5,909</b>	<b>279</b>	<b>35,742</b>

Assets by segment EUR '000	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
SBU East	123,350	106,168	108,702
SBU Finland	102,898	101,043	79,212
SBU Scandinavia	155,784	159,168	139,900
SBU Central Eastern Europe	86,045	78,786	77,486
Assets, non-allocated to segments	57,845	0	0
Eliminations	-69,870	-1,182	-2,191
<b>Total assets</b>	<b>456,052</b>	<b>443,983</b>	<b>403,109</b>

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**BUSINESS COMBINATIONS**

On September 1, 2009 Tikkurila acquired the remaining 50% of the share capital of Tikkurila JUB Romania s.r.l. The acquired company was a joint venture established in May 2008 by Tikkurila and the Slovenian paint company JUB for marketing, selling and distributing Tikkurila's and JUB's decorative paints in Romania.

The final purchase price allocation shows a negative goodwill of EUR 52,000, of which EUR 32,000 was recognized as income in the year 2009 and EUR 20,000 in the year 2010. Both items have been presented as other operating income. No expenses were related to this acquisition. All cash flows related to this acquisition occurred in the year 2009.

The final purchase price allocation of the acquisition is presented below:

<b>PURCHASE PRICE ALLOCATION EUR '000</b>	Fair values recognised on business combinations	Carrying amounts prior to business combinations
Intangible assets	3	3
Property, plant and equipment	91	91
Inventories	269	269
Trade and other receivables	242	242
Cash and cash equivalents	46	46
<b>Total assets</b>	<b>651</b>	<b>651</b>
Other liabilities	509	509
<b>Total liabilities</b>	<b>509</b>	<b>509</b>

**GOODWILL AND CASH FLOW IMPACT  
EUR '000**

Net assets	142
Purchase price	90
<b>Goodwill</b>	<b>-52</b>
Purchase price	90
Cash and cash equivalents at the subsidiary acquired	-46
<b>Cash flow impact</b>	<b>44</b>

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<b>CHANGES IN PROPERTY, PLANT AND EQUIPMENT EUR '000</b>	<b>1-3/2010</b>	1-3/2009	1-12/2009
Carrying amount at the beginning of period	114,857	118,249	118,249
Acquisition of subsidiaries	0	0	91
Other additions	1,726	3,965	12,006
Other reductions	-55	-46	-461
Depreciation, amortization and impairment losses	-3,745	-3,364	-14,368
Exchange rate differences and other changes	5,267	-4,810	-660
<b>Carrying amount at the end of period</b>	<b>118,050</b>	113,994	114,857

<b>CHANGES IN INTANGIBLE ASSETS EUR '000</b>	<b>1-3/2010</b>	1-3/2009	1-12/2009
Carrying amount at the beginning of period	101,974	103,378	103,378
Acquisition of subsidiaries	0	0	2,402
Other additions	397	264	1,569
Other reductions	-121	0	-5
Depreciation, amortization and impairment losses	-1,219	-1,119	-4,614
Exchange rate differences and other changes	2,528	-1,961	-756
<b>Carrying amount at the end of period</b>	<b>103,559</b>	100,562	101,974

## INVENTORIES

Write-down of EUR 0.6 (0.7) million was recognised in relation to the inventory on March 31, 2010.

## RELATED PARTY TRANSACTIONS

Tikkurila Group has related party relationships amongst the parent company, the subsidiaries, the associates and the joint ventures. In addition, Tikkurila's former parent company Kemira Oyj and other Kemira Group companies were considered to be related parties until March 26, 2010. Related parties include members of Board of Directors and the Group's Board of Management, including CEO.

Related party transactions are presented below:

<b>EUR '000</b>	Sales	Purchases	Receivables	Liabilities
<b>1-3/2010</b>				
Associates	403	0	167	20
Joint ventures	81	255	-13	9
Subsidiaries of Kemira Oyj	74	1,603	0	0
<b>1-3/2009</b>				
Associates	463	0	662	15
Joint ventures	20	141	146	8
Subsidiaries of Kemira Oyj	0	2,304	8,950	258,455

No loans, guarantees or other collaterals have been granted to the management of the parent company or of the subsidiaries in 2010 or in 2009.

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**MORTGAGES AND CONTINGENT LIABILITIES** **Mar 31, 2010**   Mar 31, 2009   Dec 31, 2009  
**EUR '000**

**Mortgages given as collateral for liabilities in the statement of financial position**

Loans from pension institutions, parent company loans	<b>40,000</b>	0	0
Mortgages given, on behalf of the parent company	<b>53,000</b>	34,000	0
Other loans	<b>100</b>	100	100
Mortgages given	<b>102</b>	102	102
<b>Total loans</b>	<b>40,100</b>	100	100
<b>Total mortgages given</b>	<b>53,102</b>	34,102	102

**Contingent liabilities**

Assets pledged			
On behalf of own commitments	<b>19</b>	21	32
Guarantees			
On behalf of own commitments	<b>1,954</b>	1,763	2,123
On behalf of others	<b>1,911</b>	4,226	2,483
Other obligations			
On behalf of own commitments	<b>3</b>	2	2
<b>Total contingent liabilities</b>	<b>3,887</b>	6,012	4,640

**EVENTS AFTER THE END OF REPORTING PERIOD**

On April 28, 2010 the Board of Directors decided to acquire own shares and to grant those shares in order to effect the payment of Board members' fees. This resolution was based on the authorization granted by the general meeting of the shareholders.

In April, Grafia, the Association of Professional Graphic Designers in Finland, gave out a Silver Award (Hopeahuippu) in service design for Tikkurila's retail concept Vision. The Best of the Year competition is the most important marketing communication and design competition in Finland. Tikkurila introduced its Vision shop-in-shop store concept in autumn 2009 in conjunction with the launch of the Avatint tinting system, various new products and Feel the Colour collection.

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<b>KEY PERFORMANCE INDICATORS</b>	<b>1-3/2010/ Mar 31, 2010</b>	1-3/2009/ Mar 31, 2009	1-12/2009/ Dec 31, 2009
Earnings per share / basic and diluted, EUR	<b>0.08</b>	-0.01	0.63
Cash flow from operations, EUR '000	<b>-28,213</b>	-25,278	62,454
Cash flow from operations / per share, EUR	<b>-0.64</b>	-0.57	1.42
Capital expenditure, EUR '000	<b>2,123</b>	5,336	17,191
of revenue %	<b>1.8%</b>	4.8%	3.2%
Shares (1,000), average	<b>44,108</b>	44,108	44,108
Shares (1,000), at the end of the reporting period	<b>44,108</b>	44,108	44,108
Equity attributable to the owners of the parent / per share, EUR	<b>3.56</b>	1.76	3.26
Equity ratio, %	<b>34.5%</b>	17.6%	35.7%
Gearing, %	<b>101.0%</b>	272.3%	90.0%
Interest-bearing financial liabilities (net), EUR '000	<b>158,671</b>	212,131	129,538
Return on capital employed (ROCE), % p.a.	<b>16.6%</b>	16.2%	17.7%
Personnel (average)	<b>3,605</b>	3,772	3,757

## DEFINITIONS OF KEY INDICATORS

### Earnings per share (EPS)

Net profit of the period attributable to the owners of the parent

Shares on average

### Equity per share

Equity attributable to the owners of the parent at the end of the reporting period

Number of shares at the end of the reporting period

### Cash flow from operations per share

Cash flow from operations

Shares on average

### Equity ratio, %

Total equity x 100

Total assets - advances received

### Gearing, %

Net interest-bearing financial liabilities x 100

Total equity

### Interest-bearing financial liabilities (net)

Interest-bearing net liabilities - money market investments - cash and cash equivalents

### Return on capital employed (ROCE), % p.a. \*\*

Operating profit + share of profit or loss of associates x 100

(Net working capital + property, plant and equipment ready for use  
+ investments in associates)\*

\* average during the period

\*\* actual operating profit and share of profit or loss of associates taken into account for a rolling twelve month period ending at the end of the review period

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## PREVIOUS YEAR FINANCIAL INFORMATION BY QUARTER

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	1-3/2009	4-6/2009	7-9/2009	10-12/2009	1-12/2009
<b>Revenue</b>	111,230	162,419	158,083	98,434	530,166
Other operating income	281	411	429	330	1,451
Expenses	-103,005	-136,063	-127,244	-98,810	-465,122
Depreciation, amortisation and impairment losses	-4,483	-4,684	-5,023	-4,590	-18,780
<b>Operating profit</b>	4,023	22,083	26,245	-4,636	47,715
Total financing income and expenses	-3,792	-3,340	-3,142	-1,774	-12,048
Share of profit or loss of associates	48	25	1	1	75
<b>Profit before tax</b>	279	18,768	23,104	-6,409	35,742
Income tax	-846	-4,797	-6,544	4,235	-7,952
<b>Net profit for the period</b>	-567	13,971	16,560	-2,174	27,790
<b>Other comprehensive income</b>					
Foreign currency translation differences for foreign operations	-8,253	2,910	837	2,732	-1,774
<b>Total comprehensive income for the period</b>	-8,820	16,881	17,397	558	26,016
<b>Net profit attributable to:</b>					
Owners of the parent	-583	13,956	16,560	-2,174	27,759
Minority interest	16	15	0	0	31
<b>Net profit for the period</b>	-567	13,971	16,560	-2,174	27,790
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	-8,831	16,956	17,397	558	26,080
Minority interest	11	-75	0	0	-64
<b>Total comprehensive income for the period</b>	-8,820	16,881	17,397	558	26,016
<b>Earnings per share of the net profit attributable to owners of the parent</b>					
Basic earnings per share (EUR)	-0.01	0.32	0.38	-0.05	0.63
Diluted earnings per share (EUR)	-0.01	0.32	0.38	-0.05	0.63

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**EUR '000**

<b>ASSETS</b>	Mar 31, 2009	Jun 30, 2009	Sept 30, 2009	Dec 31,2009
<b>Non-current assets</b>				
Goodwill	67,604	68,144	68,139	68,261
Other intangible assets	32,958	34,419	34,424	33,713
Property, plant and equipment	113,994	115,914	115,244	114,857
Investment in associates	691	729	770	774
Available-for-sale financial assets	885	908	922	929
Non-current receivables	3,956	4,054	4,054	5,860
Defined benefit pension assets	801	800	805	439
Deferred tax assets	2,046	2,037	2,091	2,368
<b>Total non-current assets</b>	<b>222,935</b>	<b>227,005</b>	<b>226,449</b>	<b>227,201</b>
<b>Current assets</b>				
Inventories	77,529	75,037	70,294	73,499
Interest-bearing receivables	1,092	1,005	1,039	288
Non-interest-bearing receivables	116,239	149,237	108,169	77,578
Cash and cash equivalents	26,188	26,833	44,059	24,543
<b>Total current assets</b>	<b>221,048</b>	<b>252,112</b>	<b>223,561</b>	<b>175,908</b>
<b>Total assets</b>	<b>443,983</b>	<b>479,117</b>	<b>450,010</b>	<b>403,109</b>
<b>EQUITY AND LIABILITIES</b>				
	Mar 31, 2009	Jun 30, 2009	Sept 30, 2009	Dec 31,2009
Share capital	35,000	35,000	35,000	35,000
Other reserves	359	359	359	359
Reserve for invested unrestricted equity	0	0	0	40,000
Translation differences	-27,000	-24,000	-23,163	-20,431
Retained earnings	69,403	83,008	101,726	88,935
<b>Equity attributable to owners of the parent</b>	<b>77,762</b>	<b>94,367</b>	<b>113,922</b>	<b>143,863</b>
Minority interest	155	0	0	0
<b>Total equity</b>	<b>77,917</b>	<b>94,367</b>	<b>113,922</b>	<b>143,863</b>
<b>Non-current liabilities</b>				
Interest-bearing non-current liabilities	173,547	172,842	173,243	115,085
Pension obligations	13,535	13,691	14,407	14,567
Provisions	341	359	378	411
Deferred tax liabilities	8,380	9,052	9,364	9,607
<b>Total non-current liabilities</b>	<b>195,803</b>	<b>195,944</b>	<b>197,392</b>	<b>139,670</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	64,772	76,342	37,477	38,996
Non-interest-bearing liabilities	105,132	110,492	100,347	80,181
Provisions	359	1,972	872	399
<b>Total current liabilities</b>	<b>170,263</b>	<b>188,806</b>	<b>138,696</b>	<b>119,576</b>
<b>Total equity and liabilities</b>	<b>443,983</b>	<b>479,117</b>	<b>450,010</b>	<b>403,109</b>

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