

Appendix A: Brief description of the Business of Tikkurila Oy**Business of Tikkurila**

Tikkurila offers consumers, professionals and industry user-friendly and environmentally sustainable products for protecting and decorating surfaces. Tikkurila is a strong regional company which aims to be a leading paint company in the Nordic countries and in Eastern Europe, including Russia. With a history dating back to 1862, Tikkurila is the leading decorative paints company in Finland, Sweden and Russia and one of the leading in its field in the Baltic countries and Poland. Tikkurila has a strong and established market position in several other Eastern European and CIS countries. Tikkurila's business operations are divided into four strategic business units: East, Finland, Scandinavia and Central Eastern Europe. Currently, Tikkurila has production facilities in seven countries and operations in 18 countries. For the year ended December 31, 2009, Tikkurila's net revenue was EUR 530.2 million and its operating profit amounted to EUR 47.7 million. As of December 31, 2009, the Company had 3,538 employees.

Tikkurila's objective is based on its objective to increase its sales, particularly in the Russian market, but also in other adjacent countries, such as Belarus, Ukraine, other CIS countries as well as Central Eastern European countries. In the recent six years, net revenue generated by the SBU East (CIS countries, including Russia) has increased from 11.9 percent for the year ended December 31, 2003 to 31.5 percent for the year ended December 31, 2009.

Tikkurila manages a strong brand portfolio in its operating markets. Tikkurila has positioned its brands based on pricing, quality perception, packaging, distribution and other product characteristics to maximize their profitability and market penetration primarily in the premium and medium products. Tikkurila's main brands include Tikkurila, Alcro, Vivacolor and Teks.

The following table sets forth net revenue of the Company's strategic business units for the years ended December 31, 2009, 2008 and 2007:

	For the year ended December 31,		
	2009	2008	2007
	(audited)		
	(EUR in millions)		
East.....	167.1	226.6	203.8
Finland	106.8	115.2	116.5
Scandinavia	157.8	176.0	180.7
Central Eastern Europe	98.5	130.3	124.2
Group total.....	530.2	648.1	625.2

Currently, Tikkurila is a wholly-owned subsidiary of Kemira, a global chemical industry company based in Finland and listed on the Helsinki Stock Exchange. After the Share Dividend, Kemira will remain as a significant shareholder in the Company.

The management of Tikkurila believes that Tikkurila's success as a leading paints company in Finland, Sweden, Russia, the Baltic countries and Poland serving consumers, professionals and industry is based on the following key strengths:

- Regional Market Leaderships;
- Strong and Well-Established Brands;

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- Good Position to Grow Further in Russia, Other CIS Countries and Central Eastern European Countries;
- Advanced Service Concepts and Tinting Technology;
- Efficient Supply Chain; and
- Experienced Management Team and Employees.

Business Strategy

Tikkurila offers consumers, professionals and industry user-friendly and environmentally sustainable products for protecting and decorating surfaces. Tikkurila is a strong regional company which aims to be a leading paint company in the Nordic countries and in Eastern Europe, including Russia. In October 2009, Tikkurila announced its specified strategy. The cornerstones of the strategy are:

- Customer Focus;
- Geographical Focus;
- Profitable Growth;
- Strong Brands; and
- One Unified Tikkurila.