

# Tikkurila Deco East

Capital Markets Day  
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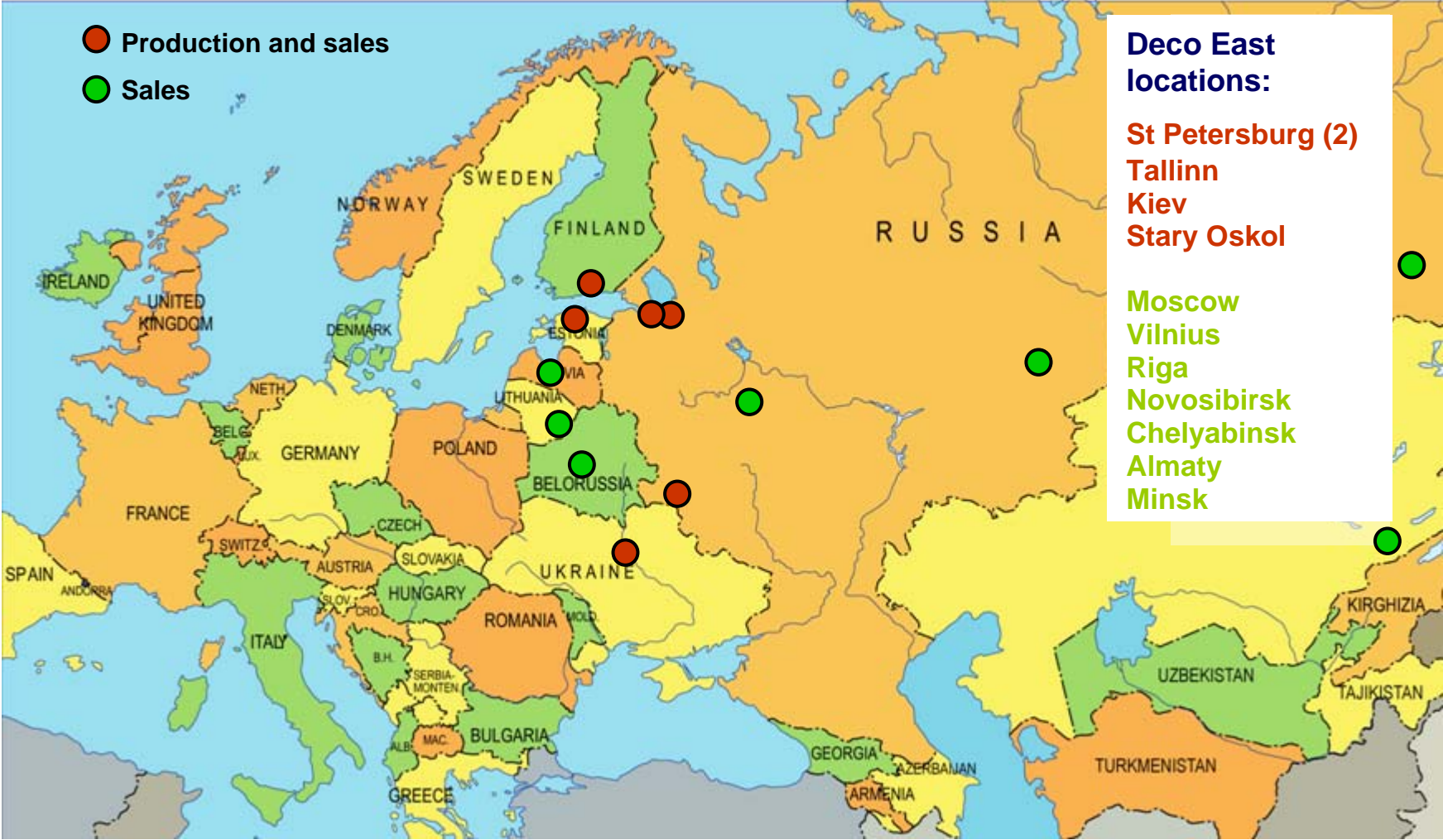
# Deco East in Brief

- Decorative paints business in Eastern Europe with four main focus areas:
  - Russia, Baltic States, Ukraine and Central Asia (+recently opened Belarus)
  - In addition, exports to CIS countries and Mongolia
- Five production sites, seven sales units
- Exports from Finland account for 25% and local operations 75%
- Market description:
  - 300 million people
  - Annual paint consumption <5 liters/capita (>10 liters in Western Europe)
  - Total value of the decorative paint market ~1,500 M€ \*
- Leading market positions in decorative paints 2007:

• Russia <sup>(2006)</sup>	No 1
• Baltic States	No 1*
• Central Asia	5–7%*
• Ukraine	4–5%*

\* Management estimate

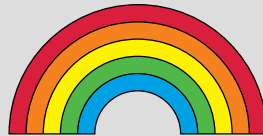
# Deco East Locations



# Deco East Brands

## International

Beckers



TIKKURILA

## Regional

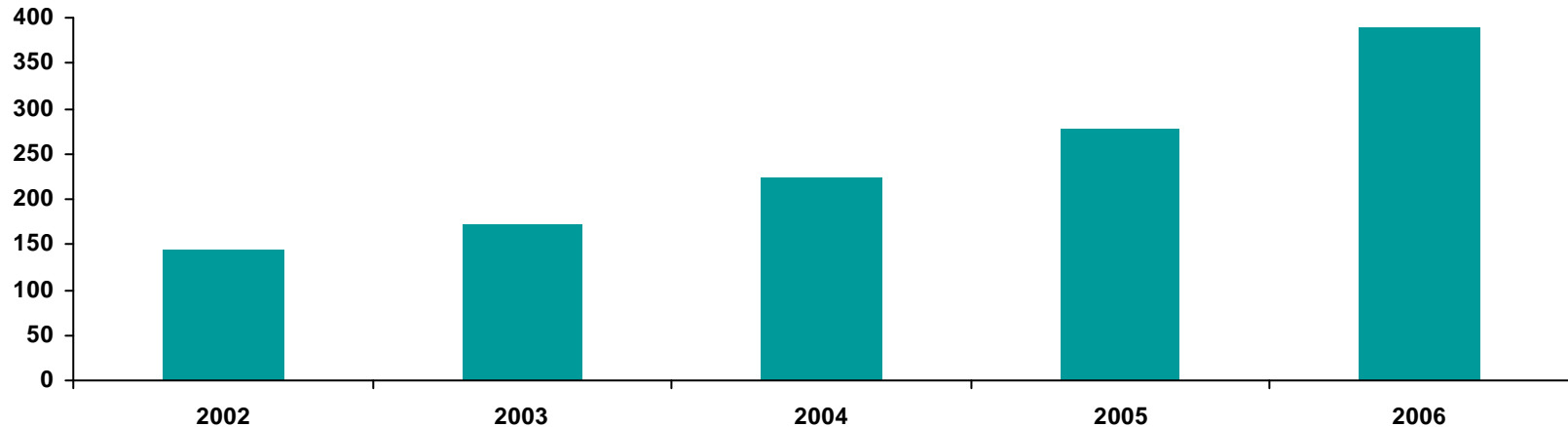


## Local



# Decorative Paint Market in Russia

Russian Paint Imports by Value, 2002 - 2006 (M€)  
CAGR 22.1%



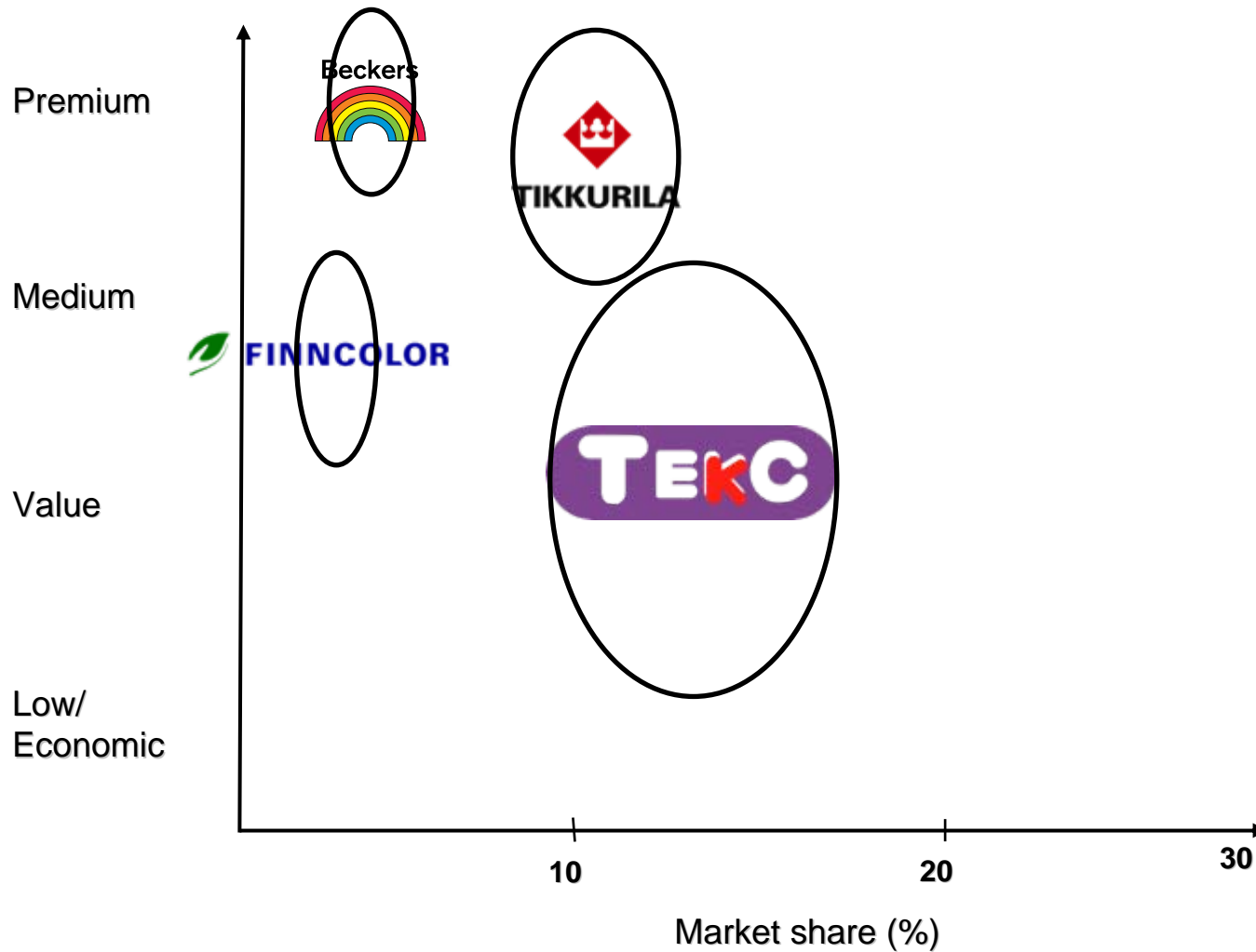
- Population 141 million, annual paint consumption <5 liters/capita
- Decorative paint market size 2006 ~540\*\* million liters, represents about 56% of total paint market
- Market divides 50-50 between DIY and professional users

\* Share of share

\*\* 700,000 tonnes, conversion efficient 1l = 1,3kg



# Deco Russia – Brand Positioning



# Russian Paint Market, Key Data (2006)

- Market size 535 Ktons (54% of paint market) = 493 M liters\*\*
- Annual market growth rate at a level of 5% in volume
- Water-based products account for 65% of decorative sector
- Market divided into three segments based on premium, medium and low
- Professional users go for the low price segment while DIY painters and renovators are more concerned with the medium and quality segments

# Tikkurila's Brands Available in 1,200 Stores in over 100 Cities and Towns in the CIS Area

