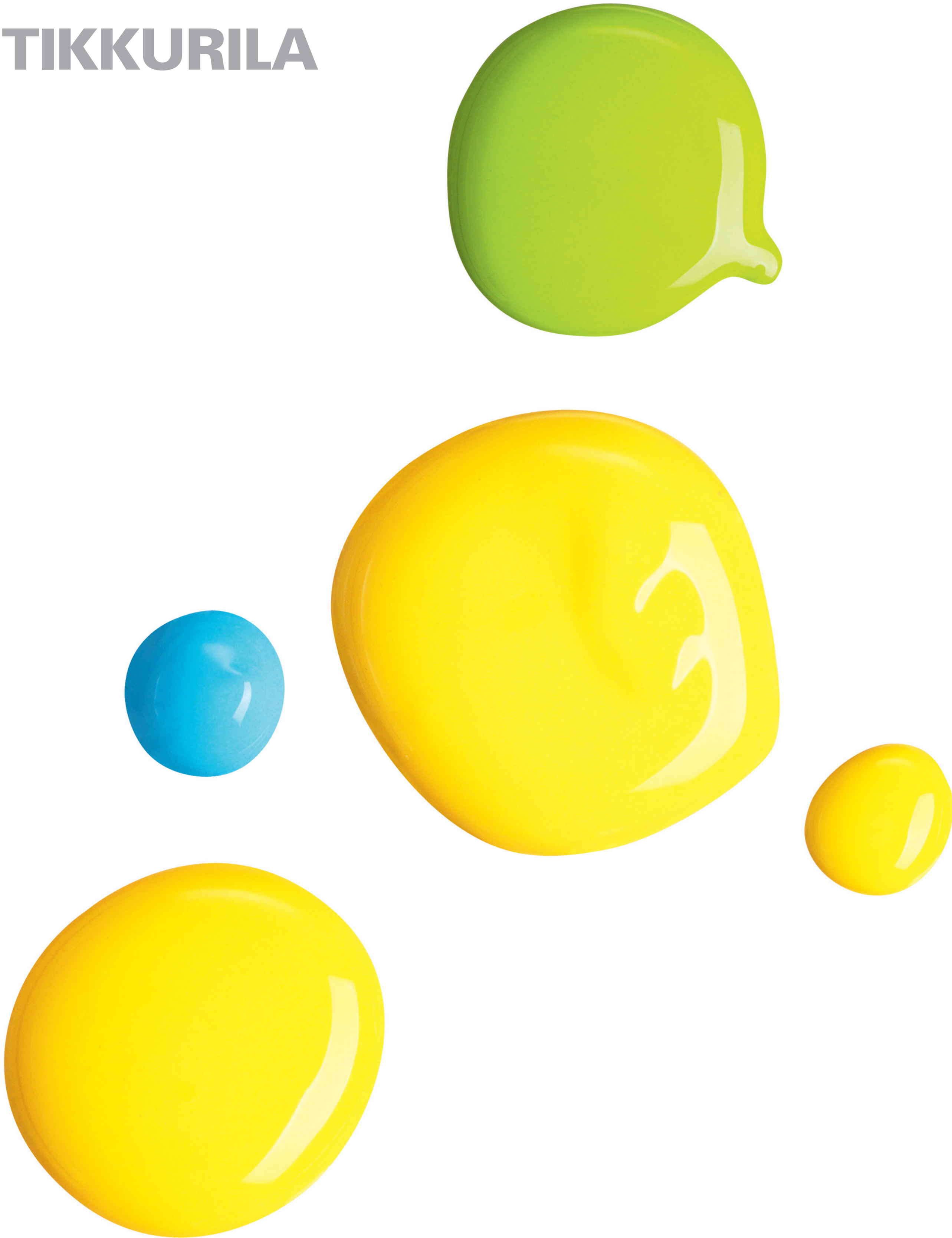
TIKKURILA



Interim Report | Q2
January-June 2010

Tikkurila Oyj
Stock Exchange Release, August 11, 2010 at 9.00 am (CET +1)

Tikkurila Oyj's Interim Report January−June 2010 – Result improved, exchange rates boosted revenue growth

April−June 2010 highlights

- Revenue for the second quarter increased by 12.3 percent in comparison to the previous year and totaled EUR 182.5 million (4−6/2009: EUR 162.4 million).
- Operating profit (EBIT) excluding non-recurring items was EUR 28.4 (24.5) million, i.e. 15.5 (15.1) percent of revenue.
- Non-recurring items totaled EUR 0.7 (-2.4) million.
- EPS was EUR 0.46 (0.32).
- Tikkurila upgrades its outlook for the full year 2010 due to the good start of the year. Tikkurila's revenue and operating profit (EBIT) excluding non-recurring items are expected to exceed the corresponding 2009 level. The revenue and operating profit estimates do not take into consideration possible effects from exchange rate fluctuations, which may have a significant impact on the revenue development, in particular. Previously Tikkurila estimated that its revenue and operating profit (EBIT) excluding non-recurring items for 2010 are expected to remain at the same level as in 2009.

January−June 2010 highlights

- Revenue for the first half of the year increased by 10.3 percent in comparison to the previous year and was EUR 301.8 million (1−6/2009: EUR 273.6 million).
- Operating profit (EBIT) excluding non-recurring items was EUR 35.9 (28.6) million, i.e. 11.9 (10.4) percent of revenue.
- Non-recurring items totaled EUR 0.7 (-2.4) million.
- EPS was EUR 0.55 (0.30).
- Gearing decreased clearly.

Key Figures

(EUR million)	**4–6/2010**	4–6/2009	Change %	**1–6/2010**	1–6/2009	Change %	1−12/2009
Income statement							
Revenue	**182.5**	162.4	12.3%	**301.8**	273.6	10.3%	530.2
Operating profit (EBIT), excluding non-recurring items	**28.4**	24.5	15.7%	**35.9**	28.6	25.6%	50.2
Operating profit (EBIT) margin, excluding non-recurring items, %	**15.5%**	15.1%		**11.9%**	10.4%		9.5%
Operating profit (EBIT)	**29.1**	22.1	31.6%	**36.6**	26.1	40.1%	47.7
Operating profit (EBIT) margin, %	**15.9%**	13.6%		**12.1%**	9.5%		9.0%
Profit before tax	**27.9**	18.8	48.8%	**33.8**	19.0	77.6%	35.7
Net profit	**20.5**	14.0	46.7%	**24.1**	13.4	80.1%	27.8
Other key indicators							
EPS*, EUR	**0.46**	0.32	43.8%	**0.55**	0.30	83.3%	0.63
ROCE, % p.a.	**18.5%**	14.2%		**18.5%**	14.2%		17.7%
Free cash flow after investments, EUR million	**5.0**	6.3	-20.0%	**-25.1**	-22.6	-11.0%	45.3
Net interest-bearing debt at period-end, EUR million				**155.3**	222.4	-30.2%	129.5
Gearing, %				**87.0%**	235.6%		90.0%
Equity ratio, %				**34.2%**	19.7%		35.7%
Personnel at period-end				**3,946**	3,968	-0.6%	3,538

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

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

Comments by President and CEO Erkki Järvinen

"Our revenue growth during the review period was mainly boosted by changes in foreign exchange rates. Our profitability also developed favorably. Though the volume growth has been quite modest so far, the relatively high level of consumer confidence and low market interest rates in our key markets form a solid base for the demand of decorative paints in general. Our sales developed favorably in all our market areas, with the exception of Central Eastern Europe, where the tightened competitive situation in Poland hampered our sales volumes. We are especially pleased with the good volume growth of our biggest market area, the East.

We upgrade our full year 2010 outlook due to the good start of the year. However, there are no visible signs of a strong recovery in our market environment. The most significant short-term uncertainties in our industry are related both to the availability and prices of our raw materials. The consolidation development within the chemical industry has clearly decreased the paint industry's sourcing alternatives.

Based on our strategy, our aim is to continuously make our operations more efficient and unified. The new unified Tikkurila will be in an excellent position to increase its market shares further as the market conditions improve.

During 2010, our capital expenditures have been focused on replacing and maintaining the existing infrastructure. No short-term capacity-related investment needs can be seen even though the demand would pick up further."

Tikkurila Oyj
Erkki Järvinen, President and CEO

For further information, please contact:

Erkki Järvinen, President and CEO
Mobile +358 400 455 913, erkki.jarvinen@tikkurila.com

Jukka Havia, CFO
Mobile +358 50 355 3757, jukka.havia@tikkurila.com

Susanna Aaltonen, Group Vice President, Communications & IR
Mobile +358 40 593 4221, susanna.aaltonen@tikkurila.com

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

Tikkurila will hold a press conference about its January–June 2010 result for the media and analysts today on August 11, 2010 starting at 12.00 noon Finnish time at the Hotel Kämp, Akseli Gallén-Kallela cabinet; address Pohjoisesplanadi 29, Helsinki. 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 89183666. 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 112 363
From Russia (free call):	8108 002 097 2044
From Sweden (free call):	0200 890 171
From UK (free call):	0800 694 0257
From USA (free call):	1866 966 9439
UK Standard International	+44 (0) 1452 555 566

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

Tikkurila will publish its January–September 2010 interim report on Friday, October 29, 2010 at 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.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

Tikkurila Oyj, Interim Report, January 1–June 30, 2010

This interim report has been prepared in accordance with IAS 34. The disclosed information is unaudited except for the 2009 full year data. 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.

Tikkurila's business activities are organized in four reportable segments, of which Tikkurila uses the name Strategic Business Unit. Tikkurila's reporting segments are SBU East, SBU Finland, SBU Scandinavia, and SBU Central Eastern Europe. SBU East consists of Russia, Ukraine, Central Asian countries and Belarus. SBU Finland covers Tikkurila's business in Finland. SBU Scandinavia consists of Sweden, Denmark and Norway. SBU Central Eastern Europe consists of the following countries: the Baltic countries, Poland, Czech Republic, Slovakia, China, Germany, Hungary and Romania. Furthermore, this SBU is responsible for export sales in approximately 20 additional countries that are not included in the SBUs' operational areas.

Financial Performance in April−June 2010

Tikkurila Group's **revenue** for April–June 2010 totaled EUR 182.5 (162.4) million, i.e. 12.3 percent (EUR 20.1 million) more than in the second quarter of 2009. Exchange rate changes significantly contributed to the growth, while volume growth remained moderate. Of the total growth, about EUR 12.3 million was based on the foreign exchange rate translation effect, EUR 5.5 million on sales volume increases and EUR 2.1 million on changes in the product mix and average sales prices. Decorative paints generated about 86 percent and industrial coatings about 14 percent of the total revenue for the second quarter of 2010.

Operating profit (EBIT) excluding non-recurring items for April−June 2010 was EUR 28.4 (24.5) million, which equals 15.5 (15.1) percent of revenue. In the Group's operations there is intra-year seasonality, and hence the second and third quarters typically generate most of Tikkurila's annual profits. The relative profitability improved compared to the previous year, with only minor changes in the geographical presence and product mixes.

The non-recurring items recognized in the second quarter of 2010 were related to the following: Firstly, a Russian insurance compensation (EUR 1.5 million positive impact on EBIT as well as cash flow) due to a court ruling on a fire accident in 2006 at one of the Group's production sites, and secondly, a fine set by Polish competition authorities (EUR 0.8 million negative impact on 2010 EBIT, with no immediate cash flow effect). The non-recurring cost of EUR 2.4 million in the comparison period in 2009 was caused by personnel reductions in the Group's Finnish and Swedish operations.

Operating profit (EBIT) for April–June 2010 was EUR 29.1 (22.1) million.

Net finance expenses for April–June totaled EUR 1.1 (3.3) million. Profit before tax was EUR 27.9 (18.8) million. Taxes totaled EUR 7.4 (4.8) million, representing an effective tax rate of 26.6 (25.6) percent. Earnings per share were EUR 0.46 (0.32).

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

The revenue and profitability by reporting segments for the second quarter is presented below.

April-June (EUR million)	Revenue		Operating profit (EBIT) excluding non-recurring items	
	4−6/2010	4−6/2009	4−6/2010	4−6/2009
SBU East	64.3	54.0	11.2	8.3
SBU Finland	34.5	33.4	7.9	7.2
SBU Scandinavia	53.6	46.0	8.3	6.6
SBU Central Eastern Europe	30.0	29.1	2.3	3.2
Group common and eliminations	0.0	0.0	-1.2	-0.8
Consolidated Group	**182.5**	**162.4**	**28.4**	**24.5**

Financial Performance in January−June 2010

Tikkurila Group's **revenue** for January–June 2010 totaled EUR 301.8 (273.6) million, i.e. 10.3 percent (EUR 28.2 million) more than in the first half of 2009. Of the total growth, about EUR 20.5 million was based on the foreign exchange rate translation effect, EUR 7.1 million on sales volume increases and EUR 0.6 million on changes in the product mix and average sales prices. Decorative paints accounted for about 85 percent, and industrial coatings for about 15 percent, of the total revenue of the first half of 2010.

Operating profit (EBIT) excluding non-recurring items for January–June 2010 was EUR 35.9 (28.6) million, which equals 11.9 (10.4) percent of revenue. The non-recurring items were related to the second quarter of 2010 and 2009, and have been described above.

Operating profit (EBIT) for January–June 2010 was EUR 36.6 (26.1) million. The key factors contributing to the increase in euro-denominated EBIT relate to the following: Firstly, variable cost level still being at reasonably low in the first half, and secondly, benefits reaped from the rationalization program and increased productivity. In addition, higher sales volumes and, to some extent, exchange rate changes also had a positive impact on the result. The exchange rate changes had a EUR 2.0 million positive impact on the operating profit.

Net finance expenses for January–June totaled EUR 2.8 (7.1) million. Profit before tax was EUR 33.8 (19.0) million. Taxes totaled EUR 9.7 (5.6) million, representing an effective tax rate of 28.6 (29.6) percent. Earnings per share were EUR 0.55 (0.30).

The revenue and profitability by reporting segments for the first year half is presented below.

January-June (EUR million)	Revenue		Operating profit (EBIT) excluding non-recurring items	
	1−6/2010	1−6/2009	1−6/2010	1−6/2009
SBU East	92.7	79.6	11.2	8.0
SBU Finland	63.7	62.6	12.7	10.3
SBU Scandinavia	93.5	82.2	11.2	8.7
SBU Central Eastern Europe	51.9	49.2	2.6	2.9
Group common and eliminations	0.0	0.0	-1.8	-1.3
Consolidated Group	**301.8**	**273.6**	**35.9**	**28.6**

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

Financial Performance by Reporting Segments

SBU East

SBU East, Income Statement

(EUR million)	4–6/2010	4–6/2009	Change %	1–6/2010	1–6/2009	Change %	1–12/2009
Revenue	**64.3**	54.0	19.2%	**92.7**	79.6	16.5%	167.1
Operating profit (EBIT), excluding non-recurring items	**11.2**	8.3	35.7%	**11.2**	8.0	39.6%	17.7
Operating profit (EBIT) margin, excluding non-recurring items, %	**17.4%**	15.3%		**12.0%**	10.0%		10.6%
Operating profit (EBIT)	**12.7**	8.3	53.7%	**12.6**	8.0	58.2%	17.7
Operating profit (EBIT) margin, %	**19.7%**	15.3%		**13.6%**	10.0%		10.6%
Capital expenditure excl. acquisitions	**1.2**	2.4	-51.3%	**1.8**	4.5	-59.6%	7.2

SBU East's revenue for April−June 2010 grew by 19.2 percent from the comparison period and totaled EUR 64.3 (54.0) million. The increased revenue was mainly due to exchange rate changes and increased sales volumes. The exchange rate changes improved the revenue by EUR 4.8 million and sales volumes by EUR 3.9 million. The demand picked up noticeably from the beginning of the year due to better weather conditions, stronger consumer confidence and a positive overall development of the economies in the region.

SBU East's operating profit (EBIT) excluding non-recurring items for April−June 2010 grew by 35.7 percent from the comparison period and totaled EUR 11.2 (8.3) million. The operating profit was mainly improved by the lower relative share of variable costs of the revenue, as compared to the previous year, as well as increases in sales prices and volume. There were already some problems in the availability of some key raw materials, which had an adverse effect on product deliveries. In addition, the crisis in Kyrgyzstan hampered the sales in Central Asia. The exchange rate changes improved the operating profit by EUR 0.6 million.

The non-recurring items recognized in the second quarter of 2010 were related to a Russian insurance compensation, which had a positive effect of EUR 1.5 million on SBU East's EBIT. There were no non-recurring items in the comparison period.

SBU East's revenue for January−June 2010 grew by 16.5 percent from the comparison period and totaled EUR 92.7 (79.6) million. The increased revenue was mainly due to exchange rate changes and increased sales volumes. The exchange rate changes improved the revenue by EUR 7.2 million and sales volumes by EUR 4.5 million. The operating profit (EBIT) excluding non-recurring items for January−June 2010 grew by 39.6 percent from the comparison period and totaled EUR 11.2 (8.0) million. The operating profit was mainly improved by the positive sales development and variable costs remaining at a relatively low level.

There are signs of the demand in SBU East's operating area shifting from economy products to premium products, which indicates an improvement in consumer purchasing power. SBU East employed new personnel during the second quarter due to the reorganization and development activities in the production.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

SBU Finland

SBU Finland, Income Statement

(EUR million)	**4–6/2010**	4–6/2009	Change %	**1–6/2010**	1–6/2009	Change %	1–12/2009
Revenue	**34.5**	33.4	3.3%	**63.7**	62.6	1.8%	106.8
Operating profit (EBIT), excluding non-recurring items	**7.9**	7.2	9.9%	**12.7**	10.3	23.3%	14.2
Operating profit (EBIT) margin, excluding non-recurring items, %	**22.8%**	21.4%		**19.9%**	16.5%		13.3%
Operating profit (EBIT)	**7.9**	5.2	51.9%	**12.7**	8.3	52.6%	12.2
Operating profit (EBIT) margin, %	**22.8%**	15.5%		**19.9%**	13.3%		11.4%
Capital expenditure excl. acquisitions	**0.7**	0.6	5.4%	**1.2**	1.4	-14.4%	2.1

SBU Finland's revenue for April−June 2010 grew by 3.3 percent from the comparison period and totaled EUR 34.5 (33.4) million. The improved revenue was due to increased sales volume of mainly decorative paints. In addition, the feedback for new product launches has been positive.

SBU Finland's operating profit (EBIT) excluding non-recurring items for April−June 2010 grew by 9.9 percent from the comparison period and totaled EUR 7.9 (7.2) million. The improvement was mainly due to increased sales volumes and lower fixed cost levels in comparison to the previous year.

SBU Finland's revenue for January−June 2010 grew by 1.8 percent and totaled EUR 63.7 (62.6) million. The improved revenue was due to increased sales volume. SBU Finland's operating profit (EBIT) excluding non-recurring items for January−June 2010 grew by 23.3 percent from the comparison period and totaled EUR 12.7 (10.3) million. The improvement was mainly due to sales volume development, as well as cost savings.

SBU Scandinavia

SBU Scandinavia, Income Statement

(EUR million)	**4–6/2010**	4–6/2009	Change %	**1–6/2010**	1–6/2009	Change %	1–12/2009
Revenue	**53.6**	46.0	16.7%	**93.5**	82.2	13.7%	157.8
Operating profit (EBIT), excluding non-recurring items	**8.3**	6.6	26.2%	**11.2**	8.7	29.2%	16.1
Operating profit (EBIT) margin, excluding non-recurring items, %	**15.4%**	14.3%		**12.0%**	10.6%		10.2%
Operating profit (EBIT)	**8.3**	6.3	30.7%	**11.2**	8.3	34.5%	15.7
Operating profit (EBIT) margin, %	**15.4%**	13.8%		**12.0%**	10.2%		10.0%
Capital expenditure excl. acquisitions	**0.6**	0.5	21.5%	**1.0**	1.0	2.1%	2.1

SBU Scandinavia's revenue for April−June 2010 grew by 16.7 percent from the comparison period and totaled EUR 53.6 (46.0) million. The increase was mainly due to changes in exchange rates, the impact of which was EUR 5.2 million. In addition, the favorable GDP development of the Scandinavian countries, as well as improved consumer confidence had a positive effect on the development of Tikkurila's sales volume and prices.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

SBU Scandinavia's operating profit (EBIT) excluding non-recurring items in April−June 2010 grew by 26.2 percent and totaled EUR 8.3 (6.6) million. The improvement was mainly due to lower raw material costs than in the previous year, as well as changes in the product mix. The exchange rate changes improved the operating profit by EUR 0.6 million.

SBU Scandinavia's revenue for January−June 2010 grew by 13.7 percent from the comparison period and totaled EUR 93.5 (82.2) million. The increase was mainly due to changes in exchange rates, the impact of which was EUR 9.3 million. SBU Scandinavia's operating profit (EBIT) excluding non-recurring items in January−June 2010 grew by 29.2 percent and totaled EUR 11.2 (8.7) million. The improvement was mainly due to lower relative share of variable costs.

SBU Central Eastern Europe (CEE)

SBU CEE, Income Statement

(EUR million)	**4–6/2010**	4–6/2009	Change %	**1–6/2010**	1–6/2009	Change %	1–12/2009
Revenue	**30.0**	29.1	3.1%	**51.9**	49.2	5.4%	98.5
Operating profit (EBIT), excluding non-recurring items	**2.3**	3.2	-28.9%	**2.6**	2.9	-10.9%	5.0
Operating profit (EBIT) margin, excluding non-recurring items, %	**7.5%**	10.9%		**4.9%**	5.8%		5.1%
Operating profit (EBIT)	**1.5**	3.2	-53.6%	**1.8**	2.9	-38.3%	5.0
Operating profit (EBIT) margin, %	**4.9%**	10.9 %		**3.4%**	5.8%		5.1%
Capital expenditure excl. acquisitions	**0.4**	0.6	-31.7%	**0.8**	1.3	-33.5%	2.1

SBU Central Eastern Europe's revenue for April−June 2010 grew by 3.1 percent from the comparison period and totaled EUR 30.0 (29.1) million. The revenue improvement was due to exchange rate changes.

SBU Central Eastern Europe's operating profit (EBIT) excluding non-recurring items for April−June 2010 declined by 28.9 percent from the comparison period and totaled EUR 2.3 (3.2) million. The profitability was hampered mainly by a decline in sales volume, tightened price competition, as well as by a higher fixed cost level than in the comparison period. The exchange rate changes had a EUR 0.3 million positive impact on the EBIT.

The non-recurring items recognized in the second quarter of 2010 were related to a fine set by Polish competition authorities, which had a negative effect of EUR 0.8 million on SBU East's EBIT. There were no non-recurring items in the comparison period.

SBU Central Eastern Europe's revenue for January−June 2010 grew by 5.4 percent from the comparison period and totaled EUR 51.9 (49.2) million. The revenue improvement was due to exchange rate changes. SBU Central Eastern Europe's operating profit (EBIT) excluding non-recurring items for January−June 2010 declined by 10.9 percent from the comparison period and totaled EUR 2.6 (2.9) million. The profitability was hampered mainly by tightened price competition as well as by higher fixed cost levels than in the comparison period.

A gradual recovery can be seen in the SBU Central Eastern Europe's operating area after a challenging start of the year, which was hampered especially by fierce weather conditions and economic recession.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

Group Operations

Group functions support the SBUs in their operations as well as take care of the responsibilities of the listed parent company. No major changes took place in the Group common items during the review period.

Cash flow, Financing Activities and Financial Risk Management

Tikkurila's financial position and liquidity remained at a good level during the review period.

Cash flow from operations totaled EUR -20.6 (-10.3) million in January–June. Net cash flow from investing activities totaled EUR -4.5 (-12.3) million, of which corporate acquisitions accounted for EUR 0.0 (-3.7) million. Free cash flow after investments was EUR -25.1 (-22.6) million. Net working capital totaled EUR 135.3 (123.8) million at the end of the review period.

The Group's interest-bearing debt was EUR 187.9 (249.2) million on June 30, 2010. The average interest rate of the interest-bearing debt was 4.7 (6.6) percent. Cash and cash equivalents totaled EUR 32.6 (26.8) million at the end of June. A total of EUR 48.9 million of the Tikkurila Group's short- and long-term loans will mature during the latter half of 2010. The Group had a net debt of EUR 155.3 (222.4) million on June 30. The Group's equity ratio was 34.2 (19.7) percent at the end of June and gearing was 87.0 (235.6) percent. The Group's net financial expenses totaled EUR 2.8 (7.1) million, of which currency exchange rate changes accounted for EUR 1.3 (0.2) million.

In conjunction with its listing, Tikkurila restructured its financial position and rearranged its debt portfolio. Already at the end of 2009, Tikkurila Oyj's equity was increased by EUR 40.0 million by Kemira Oyj, its then parent company. During the first quarter of 2010, Tikkurila negotiated and implemented a new debt package with which loans taken from Kemira Oyj were paid back in full. As part of the funding package a long-term pension (so-called "TyeL") loan for EUR 40.0 million was taken, and a total of 180 million facility package was also agreed on with a bank consortium, including a EUR 100 million long-term loan facility and a EUR 80 million revolving credit facility, both for a fixed three year period with an extension option for a maximum of an additional two years. Finally, during the second quarter, an additional EUR 5.0 million bank overdraft facility has been put in place. At the end of June 2010 the Group had a total of EUR 46.0 million of unused committed credit facilities.

In March 2010, Tikkurila's Board of Directors accepted the principles for financial risk management, which were described in the Q1/2010 interim report. At the end of the review period, the nominal value of Tikkurila's forward exchange agreements was EUR 68.6 million, and the market value was EUR 0.0 million. At the end of June 2010, Tikkurila had no interest rate derivatives in place.

Capital Expenditure

Gross capital expenditure in the review period, excluding acquisitions, amounted to EUR 4.9 (8.3) million. No major single investment was carried out during the review period.

Depreciation amounted to EUR 10.1 (9.2) million in January–June. The Group carries out impairment tests according to IAS 36.

Research and Development

During January–June 2010, the Tikkurila Group's research and product development expenses totaled EUR 5.1 (5.2) million, corresponding to 1.7 (1.9) percent of revenue.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

Human Resources

On June 30, the Tikkurila Group employed 3,946 (3,968) people. The average number of employees during January–June 2010 was 3,715 (3,832).

The number of employees by SBUs at the end of Junewas as follows: East 1,794 (1,768), Finland 857 (869), Scandinavia 774 (788), Central Eastern Europe 485 (512). Moreover, the Group operations employed a total of 36 (31) employees.

Changes in Group Management

Hannamari Kuosa, Group Vice President, Strategy Development, was appointed Group Vice President, Human Resources, as of September 1, 2010. Hannamari Kuosa's current strategy development responsibilities will be transferred to Markku Immonen, Group Vice President with responsibility for Tikkurila's Business Development. At the same time, the Group Strategy Development and Business Development functions were combined.

Jukka Havia, CFO of the Tikkurila Group, bears responsibility for the Corporate Office functions of the Tikkurila Group as of July 1, 2010. The Corporate Office includes Communications and IR, Finance and Accounting, Human Resources, Information Technology and Legal Matters. The Group Vice Presidents of each of these functions report to Jukka Havia. Jukka Havia reports to Erkki Järvinen, President and CEO of Tikkurila.

Legal Proceedings

On May 25, 2010 the Polish Office of Competition and Consumer Protection set a fine of approximately PLN 9.3 million (equivalent to approximately EUR 2.2 million) on Tikkurila Oyj's Polish subsidiary Tikkurila Polska S.A. for breach of competition law. The court decision was related to a case concerning regulation of retail prices in Poland in 2000−2006, and the legal proceedings commenced in 2007. Based on this ruling a non-recurring expense of EUR 0.8 million was recognized in the second quarter results. Tikkurila has appealed against the decision.

During the second quarter of 2010, based on the Russian court ruling, a Russian subsidiary of Tikkurila Group received an insurance payment of about EUR 1.5 million, related to an accident of fire in 2006. The insurance payment was reported as a non-recurring income in its entirety for the second quarter result.

The Group's Russian subsidiary OOO Tikkurila is currently engaged in a dispute against the Russian company OOO Decolor in relation to "Finncolor" trademark. On June 9, 2010 the Arbitration Court of St. Petersburg confirmed Tikkurila's property right to the "Finncolor" trademark. OOO Decolor has appealed against the decision.

On June 29, 2010, Tikkurila Coatings (Ireland) Ltd. and Permafix Construction Solution Ltd. reached a settlement, which has insignificant financial impact, on a legal dispute which was started in 2004.

Shares and Shareholders

Trading of Tikkurila Oyj’s shares began on NASDAQ OMX Helsinki Ltd on March 26, 2010, and Tikkurila was separated from Kemira Oyj. At the end of June, Tikkurila’s share capital was EUR 35.0 million, from a total of 44,108,252 registered shares. At the end of June 2010, Tikkurila held no treasury shares.

According to Euroclear Finland Oy’s register, Tikkurila had a total of 28,530 shareholders on June 30, 2010. A list of the largest shareholders is updated regularly on Tikkurila’s website at www.tikkurilagroup.com.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

At the end of June, the closing price for the Tikkurila share was EUR 15.40. The volume-weighted average share price for the review period (for the trading period Mar 26–Jun 30) was EUR 15.68, the highest price being EUR 16.95, and the lowest EUR 14.17. At the end of June, the market value of Tikkurila's shares, valued at the closing price, was EUR 679.3 million. During January−June 2010 (Mar 26–Jun 30), a total of close to 8.1 million Tikkurila shares, which is about 18.3 percent of the registered amount of shares, were traded on NASDAQ OMX Helsinki Ltd, and the value of the traded volume was EUR 126.6 million.

Tikkurila's Extraordinary General Meeting ("EGM"), held on March 4, 2010, authorized the Tikkurila Board of Directors of to decide on the repurchase of a maximum of 4,410,825 treasury shares (“Repurchase authorization”). Based on this authorization, the Tikkurila Board of Directors decided on its meeting held on April 28, 2010, to acquire own shares and to grant those shares in order to effect the payment of Board members' fees. The annual fee of the Board is paid as a combination of the Company's shares and cash in such a manner that 40 percent of the annual fee is paid with the Company's shares purchased from the market, and 60 percent is paid in cash. Based on these decisions, the Company purchased 4,639 of its own shares from the market on May 10, 2010. The average price of the purchased shares was EUR 15.52 per share, and the total cost was EUR 71,983.77. The shares were transferred to the members of the Board by May 19, 2010.

Events after the Reporting Period

In August 10, 2010, the Board of Directors resolved to establish a Nomination Committee, which will prepare the nomination and remuneration proposals to the Annual General Meeting. The Nomination Committee shall consist of five members being the representatives of the four largest shareholders of Tikkurila Oyj as of August 31, 2010 and the Chairman of the Board of Directors of Tikkurila Oyj who is acting as an expert member. The expert member shall not have the right to participate in the decision making.

Short-term Business Risks and Uncertainties

In addition to the risk factors highlighted earlier in the interim report published at the end of April for the first quarter of 2010, the Company sees the following developments and uncertainties potentially affecting the Group and the markets in which it operates:

The availability of some key raw materials used for paint production has become more difficult and there are pressures to increase the raw material prices. Therefore, the short-term risks have increased, and could have a major adverse effect on the Group's financial performance, if and when customer demand cannot be fully met, or if additional resources have to be spent on finding alternative raw materials to replace those in tight demand, or if the average unit cost of the raw materials would increase because of changes in the supply-demand equilibrium. Moreover, as there are changes in regulatory environment, for example due to the REACH regulation, the Group may have to restructure its product portfolio.

Competitive positions can change rapidly in the paint industry, and since there has been some recent corporate activity in the paint industry in Scandinavia, the relative competitiveness of the Group can change even due to the actions of other players in the industry.

Outlook for 2010

The most significant part of Tikkurila's revenue and operating profit is accrued during the second and the third quarter of the year. A great majority of the revenue improvement for the second quarter was due to exchange rate changes. The operating profit increased mainly due to a lower variable costs share of the revenue than in the previous year. In addition, volume growth and exchange rate changes contributed to the result improvement.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

The markets of Tikkurila's operating area seem to be recovering slowly from the recession. Consumer confidence has strengthened, although the employment situation remains relatively weak. In addition, the new construction production activity is picking up. Despite the good start of the year there are no visible signs of a strong recovery. Furthermore, the poor availability of raw materials and possible price increases may hamper Tikkurila's profitability towards the year-end.

Tikkurila upgrades its outlook for the full year 2010 due to the good start of the year. Tikkurila's revenue and operating profit (EBIT) excluding non-recurring items are expected to exceed the corresponding 2009 level. The revenue and operating profit estimates do not take into consideration possible effects from exchange rate fluctuations, which may have a significant impact on the revenue development, in particular.

Previous outlook for 2010:
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.

Vantaa, August 10, 2010

TIKKURILA OYJ
BOARD OF DIRECTORS

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

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 except for the full year 2009 data.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	4-6/2010	4-6/2009	1-6/2010	1-6/2009	1-12/2009
Revenue	**182,451**	162,419	**301,848**	273,649	530,166
Other operating income	**1,868**	411	**2,271**	692	1,451
Expenses	**-150,102**	-136,063	**-257,437**	-239,068	-465,122
Depreciation, amortization and impairment losses	**-5,153**	-4,684	**-10,117**	-9,167	-18,780
Operating profit	**29,064**	22,083	**36,565**	26,106	47,715
Total financing income and expenses	**-1,149**	-3,340	**-2,755**	-7,132	-12,048
Share of profit or loss of associates	**5**	25	**20**	73	75
Profit before tax	**27,921**	18,768	**33,830**	19,047	35,742
Income tax	**-7,429**	-4,797	**-9,692**	-5,643	-7,952
Net profit for the period	**20,492**	13,971	**24,138**	13,404	27,790
Other comprehensive income					
Available-for-sale financial assets	**0**	0	**1,168**	0	0
Foreign currency translation differences for foreign operations	**817**	2,910	**9,277**	-5,343	-1,774
Total comprehensive income for the period	**21,309**	16,881	**34,583**	8,061	26,016
Net profit attributable to:					
Owners of the parent	**20,492**	13,956	**24,138**	13,373	27,759
Minority interest	**0**	15	**0**	31	31
Net profit for the period	**20,492**	13,971	**24,138**	13,404	27,790
Total comprehensive income attributable to:					
Owners of the parent	**21,309**	16,956	**34,583**	8,125	26,080
Minority interest	**0**	-75	**0**	-64	-64
Total comprehensive income for the period	**21,309**	16,881	**34,583**	8,061	26,016
Earnings per share of the net profit attributable to owners of the parent					
Basic earnings per share (EUR)	**0.46**	0.32	**0.55**	0.30	0.63
Diluted earnings per share (EUR)	**0.46**	0.32	**0.55**	0.30	0.63

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR '000

ASSETS	**Jun 30, 2010**	Jun 30, 2009	Dec 31, 2009
Non-current assets			
Goodwill	**69,119**	68,144	68,261
Other intangible assets	**34,593**	34,419	33,713
Property, plant and equipment	**118,173**	115,914	114,857
Investment in associates	**657**	729	774
Available-for-sale financial assets	**2,686**	908	929
Non-current receivables	**6,315**	4,054	5,860
Defined benefit pension assets	**267**	800	439
Deferred tax assets	**2,970**	2,037	2,368
Total non-current assets	**234,780**	227,005	227,201
Current assets			
Inventories	**86,079**	75,037	73,499
Interest-bearing receivables	**189**	1,005	288
Non-interest-bearing receivables	**168,316**	149,237	77,578
Cash and cash equivalents	**32,615**	26,833	24,543
Total current assets	**287,199**	252,112	175,908
Total assets	**521,979**	479,117	403,109

EQUITY AND LIABILITIES	**Jun 30, 2010**	Jun 30, 2009	Dec 31, 2009
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	**-11,154**	-24,000	-20,431
Retained earnings	**113,073**	83,008	88,935
Equity attributable to owners of the parent	**178,446**	94,367	143,863
Minority interest	**0**	0	0
Total equity	**178,446**	94,367	143,863
Non-current liabilities			
Interest-bearing non-current liabilities	**139,024**	172,842	115,085
Pension obligations	**15,659**	13,691	14,567
Provisions	**408**	359	411
Deferred tax liabilities	**10,539**	9,052	9,607
Total non-current liabilities	**165,630**	195,944	139,670
Current liabilities			
Interest-bearing current liabilities	**48,860**	76,342	38,996
Non-interest-bearing current liabilities	**128,812**	110,492	80,181
Provisions	**231**	1,972	399
Total current liabilities	**177,903**	188,806	119,576
Total equity and liabilities	**521,979**	479,117	403,109

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS
EUR '000

	4-6/2010	4-6/2009	**1-6/2010**	1-6/2009	1-12/2009
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit for the period	**20,492**	13,971	**24,138**	13,404	27,790
Adjustments for:					
Non-cash transactions	**5,367**	6,337	**10,810**	10,399	20,146
Interest and other financing expenses	**2,421**	3,602	**4,475**	7,762	12,925
Interest income	**-156**	-150	**-385**	-396	-865
Income tax	**7,430**	4,797	**9,692**	5,643	7,952
Funds from operations before change in net working capital	**35,554**	28,557	**48,730**	36,812	67,948
Change in net working capital	**-24,318**	-6,163	**-60,664**	-37,507	11,590
Interest paid	**-4,230**	-5,783	**-4,756**	-8,201	-14,603
Interest received	**156**	150	**385**	396	865
Income tax paid	**466**	-1,800	**-4,280**	-1,817	-3,346
Total cash flow from operations	**7,628**	14,961	**-20,585**	-10,317	62,454
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisitions of subsidiaries, net of cash acquired	**0**	-2,502	**0**	-3,664	-3,708
Other capital expenditure	**-2,813**	-4,081	**-4,936**	-8,255	-13,483
Proceeds from sale of assets	**119**	36	**309**	73	418
Change in non-current loan receivables decrease (+), increase (-)	**36**	-2,188	**30**	-530	-413
Dividends received	**62**	61	**62**	61	61
Net cash used in investing activities	**-2,596**	-8,674	**-4,535**	-12,315	-17,125
Cash flow before financing	**5,032**	6,287	**-25,120**	-22,632	45,329
CASH FLOW FROM FINANCING ACTIVITIES					
Change in non-current borrowings, increase (+), decrease (-)	**58**	-345	**24,478**	-445	-18,904
Current financing, increase (+), decrease (-)	**10,332**	11,247	**9,759**	38,125	1,489
Profit distribution	**0**	-18,357	**0**	-18,357	-33,975
Other	**-1,356**	1,838	**-281**	-305	-1,623
Net cash used in financing activities	**9,034**	-5,617	**33,956**	19,018	-53,013
Net change in cash and cash equivalents	**14,066**	670	**8,836**	-3,614	-7,684
Cash and cash equivalents at the beginning of period	**18,847**	25,835	**24,201**	30,851	30,851
Effect of exchange rate fluctuations on cash held	**298**	-4	**422**	728	-1,034
Cash and cash equivalents in the end of period	**32,615**	26,509	**32,615**	26,509	24,201
Net change in cash and cash equivalents	**14,066**	670	**8,836**	-3,614	-7,684

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EUR '000

	Equity attributable to the owners of the parent						Minority interest	Total equity
	Share capital	Other reserves	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total		
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	-5,248	13,373	8,125	-64	8,061
Changes arising from business arrangements	0	0	0	0	-351	-351	-80	-431
Equity at Jun 30, 2009	35,000	359	0	-24,000	83,008	94,367	0	94,367
Equity at Jan 1, 2010	**35,000**	**359**	**40,000**	**-20,431**	**88,935**	**143,863**	**0**	**143,863**
Total comprehensive income for the period	**0**	**1,168**	**0**	**9,277**	**24,138**	**34,583**	**0**	**34,583**
Profit distribution	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Equity at Jun 30, 2010	**35,000**	**1,527**	**40,000**	**-11,154**	**113,073**	**178,446**	**0**	**178,446**

Based on the decision of the Annual General Meeting of Tikkurila Oyj on February 8, 2010 and Extraordinary General Meeting on March 4, 2010, Tikkurila Oyj has repurchased 4,639 Tikkurila Oyj shares on May 10, 2010, and transferred 4,639 shares to the members of the Board of Directors as part of the remuneration of the Board. After the transfer on May 19, 2010, the Company holds no treasury shares.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

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).

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

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 neighboring 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 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	**4-6/2010**	4-6/2009	**1-6/2010**	1-6/2009	1-12/2009
EUR '000					
SBU East	**64,322**	53,960	**92,734**	79,634	167,109
SBU Finland	**34,488**	33,392	**63,715**	62,573	106,809
SBU Scandinavia	**53,629**	45,966	**93,499**	82,223	157,774
SBU Central Eastern Europe	**30,012**	29,101	**51,900**	49,218	98,474
Total	**182,451**	162,419	**301,848**	273,649	530,166

EBIT by segment	**4-6/2010**	4-6/2009	**1-6/2010**	1-6/2009	1-12/2009
EUR '000					
SBU East	**12,681**	8,252	**12,631**	7,986	17,748
SBU Finland	**7,870**	5,182	**12,700**	8,325	12,205
SBU Scandinavia	**8,279**	6,333	**11,223**	8,346	15,722
SBU Central Eastern Europe	**1,472**	3,175	**1,766**	2,863	5,045
Tikkurila common	**-1,248**	-612	**-1,765**	-1,148	-2,235
Eliminations	**11**	-247	**11**	-266	-770
Total	**29,064**	22,083	**36,565**	26,106	47,715
Non-allocated items:					
Total financing income and expenses	**-1,149**	-3,340	**-2,755**	-7,132	-12,048
Share of profit or loss of associates	**5**	25	**20**	73	75
Profit before tax	**27,921**	18,768	**33,830**	19,047	35,742

Assets by segment	**Jun 30, 2010**	Jun 30, 2009	Dec 31, 2009
EUR '000			
SBU East	**143,886**	125,084	108,702
SBU Finland	**124,962**	108,403	79,212
SBU Scandinavia	**175,048**	162,890	139,900
SBU Central Eastern Europe	**84,120**	84,299	77,486
Assets, non-allocated to segments	**64,566**	0	0
Eliminations	**-70,604**	-1,559	-2,191
Total reportable segments assets	**521,979**	479,117	403,109

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

CHANGES IN PROPERTY, PLANT AND EQUIPMENT EUR '000	**1-6/2010**	1-6/2009	1-12/2009
Carrying amount at the beginning of period	**114,857**	118,249	118,249
Acquisition of subsidiaries	**0**	0	91
Other additions	**4,242**	7,889	12,006
Other reductions	**- 149**	- 86	- 461
Depreciation, amortization and impairment losses	**-7,572**	-6,899	-14,368
Exchange rate differences and other changes	**6,795**	-3,239	- 660
Carrying amount at the end of period	**118,173**	115,914	114,857

CHANGES IN INTANGIBLE ASSETS EUR '000	**1-6/2010**	1-6/2009	1-12/2009
Carrying amount at the beginning of period	**101,974**	103,378	103,378
Acquisition of subsidiaries	**-20**	2,409	2,402
Other additions	**706**	413	1,569
Other reductions	**-125**	0	-5
Depreciation, amortization and impairment losses	**-2,545**	-2,267	-4,614
Exchange rate differences and other changes	**3,722**	-1,370	-756
Carrying amount at the end of period	**103,712**	102,563	101,974

INVENTORIES

Write-down of EUR 1.0 (1.2) million was recognized in relation to the inventory on June 30, 2010.

RELATED PARTY TRANSACTIONS

Transactions with related parties have not changed materially after quarterly closing on March 31, 2010.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

MORTGAGES AND CONTINGENT LIABILITIES EUR '000	**Jun 30, 2010**	Jun 30, 2009	Dec 31, 2009
Mortgages given as collateral for liabilities in the statement of financial position			
Loans from pension institutions, loans from the parent company	**40,000**	0	0
Mortgages given, on behalf of the parent company	**53,000**	34,000	0
Other loans	**100**	100	100
Mortgages given	**102**	102	102
Total loans	**40,100**	100	100
Total mortgages given	**53,102**	34,102	102

Contingent liabilities			
Assets pledged			
On behalf of own commitments	**33**	36	32
Guarantees			
On behalf of own commitments	**1,958**	1,754	2,123
On behalf of group companies' commitments	**20,493**	0	0
On behalf of others	**2,427**	3,724	2,483
Other obligations			
On behalf of own commitments	**3**	2	2
Total contingent liabilities	**24,914**	5,516	4,640

EVENTS AFTER THE END OF REPORTING PERIOD

In August 10, 2010, the Board of Directors resolved to establish a Nomination Committee, which will prepare the nomination and remuneration proposals to the Annual General Meeting. The Nomination Committee shall consist of five members being the representatives of the four largest shareholders of Tikkurila Oyj as of August 31, 2010 and the Chairman of the Board of Directors of Tikkurila Oyj who is acting as an expert member. The expert member shall not have the right to participate in the decision making.

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

KEY PERFORMANCE INDICATORS

	4-6/2010/ Jun 30, 2010	4-6/2009/ Jun 30, 2009	**1-6/2010/ Jun 30, 2010**	1-6/2009/ Jun 30, 2009	1-12/2009/ Dec 31, 2009
Earnings per share / basic and diluted, EUR	**0.46**	0.32	**0.55**	0.30	0.63
Cash flow from operations, EUR '000	**7,628**	14,961	**-20,585**	-10,317	62,454
Cash flow from operations / per share, EUR	**0.17**	0.34	**-0.47**	-0.23	1.42
Capital expenditure, EUR '000	**2,813**	6,583	**4,936**	11,919	17,191
of revenue %	**1.5%**	4.1%	**1.6,%**	4.4%	3.2%
Shares (1,000), average	**44,108**	44,108	**44,108**	44,108	44,108
Shares (1,000), at the end of the reporting period	**44,108**	44,108	**44,108**	44,108	44,108
Equity attributable to the owners of the parent / per share, EUR	**4.05**	2.14	**4.05**	2.14	3.26
Equity ratio, %	**34.2%**	19.7%	**34.2%**	19.7%	35.7%
Gearing, %	**87.0%**	235.6%	**87.0%**	235.6%	90.0%
Interest-bearing financial liabilities (net), EUR '000	**155,269**	222,351	**155,269**	222,351	129,538
Return on capital employed (ROCE), % p.a.	**18.5%**	14.2%	**18.5%**	14.2%	17.7%
Personnel (average)	**3,826**	3,891	**3,715**	3,832	3,757

DEFINITIONS OF KEY FIGURES

Earnings per share (EPS)

$$\frac{\text{Net profit of the period attributable to the owners of the parent}}{\text{Shares on average}}$$

Equity per share

$$\frac{\text{Equity attributable to the owners of the parent at the end of the reporting period}}{\text{Number of shares at the end of the reporting period}}$$

Cash flow from operations / per share

$$\frac{\text{Cash flow from operations}}{\text{Shares on average}}$$

Equity ratio, %

$$\frac{\text{Total equity x 100}}{\text{Total assets - advances received}}$$

Gearing, %

$$\frac{\text{Net interest-bearing financial liabilities x 100}}{\text{Total equity}}$$

Interest-bearing financial liabilities (net)

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

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

$$\frac{\text{Operating profit + share of profit or loss of associates x 100}}{\text{(Net working capital + property, plant and equipment ready for use + investments in associates)*}}$$

* 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

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM

PREVIOUS YEAR SEGMENT INFORMATION BY QUARTER

Revenue by segment	1-3/2009	4-6/2009	7-9/2009	10-12/2009	1-3/2010	4-6/2010
EUR '000						
SBU East	25,675	53,960	55,691	31,784	28,412	64,322
SBU Finland	29,181	33,392	28,270	15,966	29,228	34,488
SBU Scandinavia	36,258	45,966	44,638	30,912	39,870	53,629
SBU Central Eastern Europe	20,116	29,101	29,484	19,772	21,887	30,012
Total	111,230	162,419	158,083	98,434	119,397	182,451

EBIT by segment	1-3/2009	4-6/2009	7-9/2009	10-12/2009	1-3/2009	4-6/2010
EUR '000						
SBU East	-266	8,252	9,482	280	-51	12,681
SBU Finland	3,143	5,182	5,940	-2,060	4,830	7,870
SBU Scandinavia	2,013	6,333	8,009	-633	2,944	8,279
SBU Central Eastern Europe	-312	3,175	3,383	-1,201	294	1,472
Tikkurila common	-536	-612	-528	-559	-516	-1,248
Eliminations	-19	-247	-41	-463	0	11
Total	4,023	22,083	26,245	-4,636	7,501	29,064
Non-allocated items:						
Total financing income and expenses	-3 792	-3 340	-3 142	-1 774	-1 606	-1 149
Share of profit or loss of associates	48	25	1	1	15	5
Profit before tax	279	18,768	23,104	-6,409	5,909	27,921

Assets by segment	Mar 31, 2009	Jun 30, 2009	Sep 30, 2009	Dec 31, 2009	Mar 31, 2010	Jun 30, 2010
EUR '000						
SBU East	106,168	125,084	119,477	108,702	123,350	143,886
SBU Finland	101,043	108,403	95,898	79,212	102,898	124,962
SBU Scandinavia	159,168	162,890	150,060	139,900	155,784	175,048
SBU Central Eastern Europe	78,786	84,299	86,898	77,486	86,045	84,120
Assets, non-allocated to segments	0	0	0	0	57,845	64,566
Eliminations	-1,182	-1,559	-2,323	-2,191	-69,870	-70,604
Total reportable segments assets	443,983	479,117	450,010	403,109	456,052	521,979

TIKKURILA OYJ
P.O. BOX 53, KUNINKAALANTIE 1, FI-01301 VANTAA, FINLAND
TEL. +358 (0)9 857 71, FAX +358 (0)9 8577 6900
VAT FI01970674, BUSINESS IDENTITY CODE 0197067-4
REGISTERED OFFICE VANTAA, WWW.TIKKURILA.COM