TIKKURILA

INTERIM REPORT | Q3 | JANUARY-SEPTEMBER 2015

Tikkurila Oyj
Interim Report
November 5, 2015 at 9:00 a.m. (CET+1)

Tikkurila's Interim Report for January−September 2015
– Development was good in the west; the difficult situation continued in the east

July–September 2015 highlights

- Revenue for the third quarter decreased by 6.5 percent to EUR 168.0 million (7–9/2014: EUR 179.6 million).
- Operating profit (EBIT) excluding non-recurring items was EUR 26.0 (32.1) million, i.e. 15.5 (17.9) percent of revenue.
- Operating profit (EBIT) was EUR 25.8 (31.3) million, i.e. 15.3 (17.4) percent of revenue.
- EPS was EUR 0.37 (0.55).

January–September 2015 highlights

- Revenue decreased by 6.5 percent to EUR 480.7 million (1–9/2014: EUR 514.0 million).
- Operating profit (EBIT) excluding non-recurring items was EUR 70.0 (77.4) million, i.e. 14.6 (15.0) percent of revenue.
- Operating profit (EBIT) was EUR 72.0 (77.6) million, i.e. 15.0 (15.1) percent of revenue.
- EPS was EUR 1.19 (1.28).

Guidance for 2015 intact

- Tikkurila expects its revenue and EBIT excluding non-recurring items for the financial year 2015 to be below the 2014 level.

Key figures (EUR million)	**7–9/2015**	7–9/2014	Change %	**1–9/2015**	1–9/2014	Change %	1–12/2014
Income statement							
Revenue	**168.0**	179.6	-6.5%	**480.7**	514.0	-6.5%	618.4
Operating profit (EBIT), excluding non-recurring items	**26.0**	32.1	-18.8%	**70.0**	77.4	-9.6%	64.2
Operating profit (EBIT) margin, excluding non-recurring items, %	**15.5%**	17.9%		**14.6%**	15.0%		10.4%
Operating profit (EBIT)	**25.8**	31.3	-17.6%	**72.0**	77.6	-7.2%	63.7
Operating profit (EBIT) margin, %	**15.3%**	17.4%		**15.0%**	15.1%		10.3%
Profit before taxes	**20.2**	30.7	-34.3%	**66.5**	72.9	-8.8%	63.3
Net profit for the period	**16.1**	24.3	-33.5%	**52.4**	56.5	-7.2%	48.3
Other key indicators							
EPS, EUR	**0.37**	0.55	-33.7%	**1.19**	1.28	-7.2%	1.10
ROCE, %, rolling	**20.9%**	25.5%		**20.9%**	25.5%		22.9%
Cash flow after capital expenditure	**55.1**	54.1	1.8%	**34.2**	42.2	-18.9%	49.9
Net interest-bearing debt at period-end				**46.8**	46.1	1.5%	47.4
Gearing, %				**22.4%**	21.2%		24.6%
Equity ratio, %				**46.1%**	46.8%		49.5%
Personnel at period-end				**3,189**	3,212	-0.7%	3,142

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Comments by Erkki Järvinen, President and CEO:

“There were no significant changes in the outlook in the third quarter. Demand grew in the west, where we saw positive signs in many markets and our result was excellent. Demand picked up particularly in Sweden and Poland in the fall, after the summer that was plagued with poor painting weather. In Poland, we have actively developed shop level activities, which has delivered good results for our premium product sales. In Sweden, our business was supported by the high construction activity. The Baltic countries also developed well, whereas in Finland, the demand was at the comparison period level. Moreover, functional products, such as those designed for saving energy, provided us with additional growth in the Western markets.

However, the good development in the west was unfortunately not enough to compensate for the difficult situation in Russia. The value of the ruble halved from the value a year ago, which had a negative impact on our euro-denominated revenue and our raw material costs. Despite a clear decline in consumers’ purchasing power, our revenue remained flat in local currency terms. Considering the circumstances, our premium brand Tikkurila continued to perform well in Russia, where the low consumer confidence seems in general to be shifting demand increasingly towards economy products.

We have to adjust our operations in Finland due to the current, difficult situation in Russia and the persistent challenges we are experiencing in the sales volumes in Finland. The primary objective of the adjustment measures is to change our current operating methods and to broadly increase flexibility.”

Press Conference and webcast

Tikkurila will hold a press conference regarding the Interim Report for January–September 2015 for the media and analysts today on November 5, 2015, at 12:00 p.m. (CET+1) in the Akseli Gallen-Kallela Cabinet at the Hotel Kämp (address Pohjoisesplanadi 29, 00100 Helsinki). The conference will be held in Finnish language. Attendees will be served lunch at the conference premises starting at 11:30 a.m. (CET+1). The Interim Report will be presented by **Erkki Järvinen**, President and CEO, and **Jukka Havia**, CFO.

A live webcast, conducted in English, will be organized on November 5, 2015, at 3:00 p.m. The live webcast will be available at www.tikkurilagroup.com. The participants can also join a telephone conference that will be arranged in conjunction with the live webcast. The telephone conference details are set out below:

+358 9 2313 9201 (Finnish callers)
+44 20 7162 0077 (UK callers)
+1 334 323 6201 (US callers)
Participant code: 955386

An on-demand version of the webcast will be available at www.tikkurilagroup.com/investors later during the same day.

The Interim Report and presentation materials will be available before the event at www.tikkurilagroup.com/investors.

Tikkurila will publish the Financial Statement Release for January−December 2015 on Tuesday February 9, 2016, at around 9:00 a.m. (CET+1).

Tikkurila Oyj
Erkki Järvinen, President and CEO

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Tikkurila is the leading paints and coatings professional in the Nordic region and Russia. With our roots in Finland, we now operate in 16 countries. Our high-quality products and extensive services ensure the best possible user experience in the market. Sustainable beauty since 1862.

www.tikkurilagroup.com

Tikkurila Oyj Interim Report January 1–September 30, 2015

This Interim Report has been prepared in accordance with the IAS 34 standard and other valid regulations. The information disclosed is unaudited with the exception of full year figures for 2014. The figures presented in the Interim Report are independently rounded.

Fluctuations in exchange rates in this Interim Report refer to the translation effect of the exchange rates.

In this report, all forward-looking statements in relation to the company or its business are based on the management judgment, and macroeconomic or general industry data are based on third-party sources.

If there are any discrepancies between the language versions of the Interim Report, the Finnish version shall prevail.

As of January 1, 2014, Tikkurila's business operations are organized in two reporting segments, or Strategic Business Units (SBU). Tikkurila's reporting segments are SBU West and SBU East. SBU West consists of Sweden, Denmark, Norway, Finland, Poland, Germany, Estonia, Latvia, and Lithuania. SBU East consists of Russia, Central Asian countries, Ukraine, Belarus, Serbia, Macedonia, and China. Furthermore, SBU East is responsible for the exports to more than 20 countries.

Market Review

There were no significant changes in the market situation in the third quarter.

In the west, the steady development continued. The positive tone in the Swedish economy continued in the third quarter. Demand for paint picked up in the fall after a rainy summer, particularly attributable to the good development in the sales to professionals. The development in Finland was similar, although less intense, despite the fact that the economic situation continued to be challenging, construction was at a low level and consumer confidence was considerably lower than the long-term average. In Poland, consumer confidence is above the long-term average, but the exceptionally hot summer decreased consumers' willingness to renovate and slowed down painting projects by professionals. Demand for paint increased considerably at the end of the period under review. Many competitors continued their aggressive price campaigns targeting distributors in Poland.

The difficult situation continued in the east and, in particular, Russia. Private consumption shrank due to consumers' weakened purchasing power and low confidence. Demand for construction materials and supplies also declined year-on-year. In the paint markets, regional price campaigns increased and growth in the demand for inexpensive products continued.

Among Tikkurila's key currencies, the Russian ruble was clearly weaker in the period under review than the year before. The Swedish krona was also at a slightly weaker level. The exchange rate of the Polish zloty was near the comparison period level.

The prices of raw materials were, on the whole, close to the comparison period level, although there were differences in the price development of individual raw materials.

Financial Performance in July–September 2015

Revenue and operating result by reporting segment in July–September are presented in the table below.

July–September (EUR million)	Revenue		Operating result (EBIT) excluding non-recurring items	
	7–9/2015	7–9/2014	**7–9/2015**	7–9/2014
SBU West	**108.7**	100.4	**21.8**	18.4
SBU East	**59.3**	79.2	**5.0**	14.4
Group common and eliminations	**0.0**	0.0	**-0.8**	-0.7
Consolidated Group	**168.0**	179.6	**26.0**	32.1

Tikkurila Group's **revenue** decreased by 6 percent in the third quarter of 2015. Exchange rate fluctuations reduced euro-denominated revenue by 13 percent, particularly due to the weakened Russian ruble, but also due to the weakened Swedish krona. The lower sales volumes reduced the Group's revenue by one percent. In the west, demand grew, but the volumes declined in the east. Sales price increases and changes in the sales mix increased revenue by 4 percent and acquisitions increased revenue by 2 percent.

Operating profit (EBIT) excluding non-recurring items totaled EUR 26.0 (32.1) million, which accounts for 15.5 (17.9) percent of revenue. The decrease in revenue weakened profitability. Although cost management was strict, strong sales and marketing investments were continued. The prices of raw materials were at a slightly lower level, but due to the exchange rates, the raw material costs were in relative terms higher than in the comparison period. This impact was due to Russia, in particular, where approximately half of the raw material purchases are made in euro and US dollar.

Operating profit (EBIT) totaled EUR 25.8 (31.3) million, equaling 15.3 (17.4) percent of revenue.

The net financial expenses in July–September 2015 were EUR 5.7 (0.7) million. The expenses were higher due to exchange rate differences. Profit before taxes was EUR 20.2 (30.7) million. Taxes totaled EUR 4.1 (6.5) million, equaling an effective tax rate of 20.1 (21.0) percent. Earnings per share were EUR 0.37 (0.55) in the review period.

Financial Performance in January–September 2015

Revenue and operating result by reporting segment in January–September are presented in the table below.

January–September (EUR million)	Revenue		Operating result (EBIT) excluding non-recurring items	
	1–9/2015	1–9/2014	**1–9/2015**	1–9/2014
SBU West	**327.2**	314.2	**59.0**	53.9
SBU East	**153.5**	199.8	**14.9**	26.2
Group common and eliminations	**-0.1**	0.0	**-4.0**	-2.8
Consolidated Group	**480.7**	514.0	**70.0**	77.4

Tikkurila Group's **revenue** decreased by 6 percent in January–September 2015. Exchange rate fluctuations reduced revenue by 10 percent, particularly due to the weakened Russian ruble, but also due to the weakened Swedish krona. Lower sales volumes decreased revenue by 3 percent. Sales price increases and changes in the sales mix increased revenue by 5 percent. Acquisitions increased revenue by 2 percent.

Operating profit (EBIT) excluding non-recurring items totaled EUR 70.0 (77.4) million, which accounts for 14.6 (15.0) percent of revenue. The decline in revenue and exchange rates had a negative impact on profitability. Euro-denominated sales and marketing expenses were at the comparison period's level.

Operating profit (EBIT) totaled EUR 72.0 (77.6) million, equaling 15.0 (15.1) percent of revenue.

The net financial expenses in January–September 2015 were EUR 5.8 (4.9) million. Profit before taxes was EUR 66.5 (72.9) million. Taxes totaled EUR 14.1 (16.5) million, equaling an effective tax rate of 21.1 (22.6) percent. Earnings per share were EUR 1.19 (1.28) in the review period.

Financial Performance by Reporting Segments

SBU West

EUR million	**7–9/2015**	7–9/2014	Change %	**1–9/2015**	1–9/2014	Change %	1–12/2014
Revenue	**108.7**	100.4	8.2%	**327.2**	314.2	4.1%	382.5
Operating profit (EBIT), excluding non-recurring items	**21.8**	18.4	18.8%	**59.0**	53.9	9.3%	45.8
Operating profit (EBIT) margin, excluding non-recurring items, %	**20.1%**	18.3%		**18.0%**	17.2%		12.0%
Operating profit (EBIT)	**21.7**	18.1	19.9%	**61.1**	54.7	11.8%	47.5
Operating profit (EBIT) margin, %	**20.0%**	18.0%		**18.7%**	17.4%		12.4%
Capital expenditure excluding acquisitions	**3.6**	1.9	90.4%	**10.7**	6.2	72.1%	10.8

Financial Performance in July–September 2015

SBU West's third quarter revenue increased by 8 percent from the comparison period. The higher sales volumes increased revenue by 6 percent. Sales volumes grew particularly in Sweden and Poland. Acquisitions increased revenue by 4 percent. Exchange rate fluctuations, primarily the weakened Swedish krona, decreased revenue by 2 percent. Changes in the sales mix and price increases did not have an impact on the revenue. Among the key markets, in Sweden revenue grew to EUR 41.5 (37.2) million, in Finland to EUR 25.3 (24.3) million, and in Poland to EUR 20.1 (18.8) million.

SBU West's third quarter profitability improved clearly. Increase in revenue had a positive impact on profitability. Production efficiency improved and costs were managed meticulously. Investments in sales and marketing were slightly higher than in the comparison period.

Financial Performance in January–September 2015

SBU West's revenue in January–September increased by 4 percent from the comparison period. The higher sales volumes increased revenue by 3 percent. Acquisitions increased revenue by 3 percent. Exchange rate fluctuations, primarily the weakened Swedish krona, decreased revenue by 2 percent. Sales price increases and changes in the sales mix did not have an impact on revenue.

SBU West's operating profit in January–September improved from the comparison period. The increase in revenue improved profitability.

SBU East

EUR million	**7–9/2015**	7–9/2014	Change %	**1–9/2015**	1–9/2014	Change %	1–12/2014
Revenue	**59.3**	79.2	-25.1%	**153.5**	199.8	-23.2%	236.0
Operating profit (EBIT), excluding non-recurring items	**5.0**	14.4	-65.1%	**14.9**	26.2	-43.0%	21.3
Operating profit (EBIT) margin, excluding non-recurring items, %	**8.5%**	18.2%		**9.7%**	13.1%		9.0%
Operating profit (EBIT)	**5.0**	13.8	-64.1%	**14.9**	25.7	-42.0%	19.2
Operating profit (EBIT) margin, %	**8.4%**	17.5%		**9.7%**	12.8%		8.1%
Capital expenditure excluding acquisitions	**2.0**	2.1	-5.3%	**4.0**	4.7	-16.3%	6.6

Financial Performance in July–September 2015

SBU East's third quarter revenue decreased by 25 percent from the comparison period. Exchange rate fluctuations reduced revenue by 27 percent due to the weak Russian ruble, in particular. The lower sales volumes decreased revenue by 9 percent. The challenging situation continued in Russia's neighboring areas as well. The good sales volume development continued in China. Sales prices were not increased in Russia in the third quarter but the sales price increases carried out at the beginning of the year and changes in the sales mix increased SBU East's revenue by 10 percent. Revenue in Russia decreased to EUR 40.6 (59.8) million.

SBU East’s profitability weakened clearly in the third quarter. Profitability was burdened by the decline in revenue as well as the Russian ruble, which declined steeply during the period under review and affected the costs of raw materials being exported to Russia.

Financial Performance in January–September 2015

SBU East's revenue in January–September decreased by 23 percent from the comparison period. Exchange rate fluctuations reduced revenue by 24 percent due to the weak Russian ruble, in particular. The lower sales volumes decreased revenue by 11 percent. Sales price increases, carried out at the beginning of the year to offset the impact of the weakening ruble, and changes in the sales mix increased SBU East's revenue by 12 percent. Acquisitions increased revenue by one percent.

SBU East's operating profit in January–September decreased from the comparison period. Profitability was burdened by the decline in revenue, and weak currencies which affected the costs of raw materials exported to Russia.

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 in January–September totaled EUR 45.2 (52.0) million. Cash flow was weakened by lower profitability and change in net working capital. At the end of the review period net working capital totaled EUR 96.6 (99.4) million. The net cash flow from the investing activities was EUR -11.0 (-9.7) million, when taking into account the acquisitions and divestments. Cash flow after capital expenditure totaled EUR 34.2 (42.2) million at the end of the review period.

Interest-bearing debt amounted to EUR 99.2 (92.9) million at the end of the review period, and net debt was EUR 46.8 (46.1) million. At the end of the review period, cash and cash equivalents amounted to EUR 52.4 (46.8) million, and short-term interest-bearing debt totaled EUR 49.1 (32.5) million, including the company’s issued commercial papers for a total nominal amount of EUR 45.0 (30.0) million. Moreover, the Group had long-term interest-bearing debt totaling EUR 50.1 (60.4) million. At the end of September, the Group had a total of EUR 110.0 (155.8) million of unused committed credit facilities or credit limits.

The Group´s net financial expense was EUR 5.8 (4.9) million, of which interest expenses totaled EUR 0.7 (0.9) million and other financing expenses EUR 0.4 (3.0) million. The average capital-weighted interest rate of interest-bearing debt was 1.2 (1.6) percent. The net profit was negatively affected by a total of EUR 4.6 (1.0) million based on the impact of realized and unrealized exchange rate differences recognized during the review period.

At the end of September, the equity ratio was 46.1 (46.8) percent, and gearing was 22.4 (21.2) percent.

At the end of 2014, the Board of Directors decided to change the exchange rate risk management so that the company will not carry out forward exchange agreements as of the beginning of the 2015 financial period or apply other financial instruments to hedge risks; instead, exchange rate risk management will, as applicable, involve operative measures such as the coordination of currency allocation of incoming and outgoing cash flows. At the end of the review period, Tikkurila had no open foreign exchange rate forward agreements. At the comparison period, the nominal value of open foreign exchange rate forward agreements was EUR 83.2 million and the corresponding market value was EUR 1.1 million.

In June 2015, Tikkurila Group signed the new EUR 150 million long-term credit facility and term loan agreement with three banks. This new loan arrangement replaced the loan arrangement EUR 180 million signed in September 2011 as well as the EUR 25 million revolving credit facility agreed in October 2011. The new debt credit facility consists of EUR 100 million five-year revolving credit facility and EUR 50 million term loan, which matures in January 2021. The financial agreement includes one financial covenant, which is based on Tikkurila Group's net gearing and which sets the ratio of net liabilities to equity to a maximum of 1.30.

After the review period, Tikkurila Oyj signed a new commercial paper frame agreement with a nominal value of EUR 150 million. Based on this new program, Tikkurila Oyj can issue unsecured debt with a maturity of less than one year. This will replace the previous EUR 100 million commercial paper program.

Capital Expenditure

In January–September 2015, gross capital expenditure excluding acquisitions amounted to EUR 14.7 (11.0) million. Investments in the period under review were mainly related to the optimization and automation of production and warehousing, as well as the implementation of new IT applications throughout the Group.

The Group’s depreciation, amortization and impairment losses amounted to EUR 12.9 (14.2) million in January–September. The Group performs impairment tests in accordance with the IAS 36 standard.

Research, Development and Innovation

In January–September 2015, Tikkurila’s research and development expenses totaled EUR 8.4 (7.8) million or 1.7 (1.5) percent of revenue.

Human Resources

At the end of September 2015, the Tikkurila Group employed 3,189 (3,212) people. The average number of employees in January–September was 3,220 (3,232).

Tikkurila Group's number of employees at the end of each quarter is presented below split by SBU, starting from the first quarter of 2014.

	Q1/2014	Q2/2014	Q3/2014	Q4/2014	Q1/2015	Q2/2015	**Q3/2015**
SBU West	1,536	1,683	1,587	1,606	1,626	1,717	**1,645**
SBU East	1,621	1,628	1,594	1,505	1,558	1,553	**1,515**
Group functions	29	29	31	31	31	30	**29**
Total	3,186	3,340	3,212	3,142	3,215	3,300	**3,189**

Shares and Shareholders

At the end of September 2015, Tikkurila's share capital was EUR 35.0 million, and the total number of registered shares was 44,108,252. At the end of September 2015, Tikkurila held 2,461 treasury shares.

According to Euroclear Finland Oy's register, Tikkurila had a total of some 20,800 shareholders on September 30, 2015. A list of the largest shareholders registered in the book-entry account system is regularly updated and is available on Tikkurila's website at www.tikkurilagroup.com/investors/share_information/shareholders.

At the end of September, the closing price of Tikkurila's share was EUR 14.85. In January–September, the volume-weighted average share price was EUR 17.04, the lowest price EUR 14.15, and the highest price EUR 19.50. At the end of September, the market value of Tikkurila Oyj's shares was EUR 655.0 million. During January–September, a total of 9.7 million Tikkurila shares, corresponding to approximately 21.9 percent of the number of shares, were traded on NASDAQ OMX Helsinki Ltd. The value of the traded volume was EUR 165.0 million. Tikkurila's shares are traded also outside of NASDAQ OMX Helsinki, but the company does not have detailed statistics available on this external trading.

Co-operation negotiations to adjust operations

After the review period in October, Tikkurila concluded the co-operation negotiations with all of Tikkurila Oyj's personnel in Finland, totaling about 600 persons. As a result of the negotiations, a total of 41 persons, working in various functions of the company, were dismissed. The negotiated outcome included an agreement to commence local collective bargaining on flexible working time allowing for seasonal and other factors, and to modify staff remuneration with a view to supporting the company's strategic objectives more effectively. The personnel reductions and related support activities are estimated to result in non-recurring expenses of some EUR 1.5 million during the financial year 2015. On the other hand, Tikkurila Oyj will change certain benefits related to the duration of the employment by the end of the year, which will decrease future personnel related obligations.

In Flen, Sweden, Tikkurila is planning to close down a small production unit during 2016 and relocate the production to another Tikkurila Group site.

Near-term risks and uncertainties

Tikkurila's business operations are affected by various strategic, operational, financial, and accident risks. Tikkurila endeavors to identify and evaluate risks and respond to them as proactively as possible and constrain their possible adverse effects.

Tikkurila's Financial Statements Release for the 2014 financial period describes the key short-term risk areas related to the geopolitical and macroeconomic situation in Russia and Ukraine, exchange rate development as well as competitive situation and changes in the value chain and product split. No significant changes have taken place compared to the situation stated in the Financial Statement release.

Tikkurila's risk management principles can be viewed on Tikkurila's website at www.tikkurilagroup.com. Additional information on the short- and long-term risks of Tikkurila's business operations has been published in the Corporate Governance Statement. More information on financial risks is provided in the Notes to the 2014 Consolidated Financial Statements.

Outlook for 2015

The geopolitical tensions, low oil prices and the weak ruble will make a difficult operating environment for 2015. The Russian economy is anticipated to weaken considerably, and the EU region is expected to see a slow recovery. The demand for paint is anticipated to reduce in Russia, with a relative increase expected in the market share of the lower price and quality grade products. Demand in the EU region is expected to remain close to last year’s level. As in the previous years, Tikkurila will continue investing in sales and marketing in order to strengthen its market position. The level of costs is being continuously monitored.

Guidance for 2015 intact

Tikkurila expects its revenue and EBIT excluding non-recurring items for the financial year 2015 to be below the 2014 level.

Summary Financial Statements and Notes

This interim financial report is prepared in accordance with IAS 34 Interim Financial Reporting standard. The same accounting policies have been applied in this interim financial report as in the annual financial statements for 2014, with the exception of the following new or revised or amended standards and interpretations which have been applied from the beginning of 2015.

This interim financial report is unaudited.

As a result of rounding differences, the figures presented in the tables may not add up to the total.

The following new or revised or amended standards and interpretations have been applied from January 1, 2015:

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions (effective for financial years beginning on or after July 1, 2014)
- Annual Improvements to IFRSs 2010-2012 and 2011-2013, December 2013 (effective for financial years beginning on or after July 1, 2014)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Revenue	**168.0**	179.6	**480.7**	514.0	618.4
Other operating income	**0.5**	1.8	**4.0**	3.5	6.0
Expenses	**-138.5**	-145.0	**-399.8**	-425.7	-539.7
Depreciation, amortization and impairment losses	**-4.2**	-5.1	**-12.9**	-14.2	-21.0
Operating profit	**25.8**	31.3	**72.0**	77.6	63.7
Total financial income and expenses	**-5.7**	-0.7	**-5.8**	-4.9	-0.8
Share of profit or loss of equity-accounted investees	**0.1**	0.1	**0.3**	0.3	0.3
Profit before taxes	**20.2**	30.7	**66.5**	72.9	63.3
Income taxes	**-4.1**	-6.5	**-14.1**	-16.5	-15.0
Net result for the period	**16.1**	24.3	**52.4**	56.5	48.3
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements on defined benefit plans	**1.3**	-3.0	**0.2**	-4.1	-3.6
Income taxes relating to items that will not be reclassified to profit or loss	**-0.3**	0.7	**0.0**	0.9	0.8
Total items that will not be reclassified to profit or loss	**1.0**	-2.3	**0.1**	-3.2	-2.8
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets	**-**	-0.4	**-2.4**	-0.7	-0.3
Foreign currency translation differences for foreign operations	**-7.0**	-3.8	**0.4**	-5.8	-23.1
Income taxes relating to items that may be reclassified subsequently to profit or loss	**0.1**	0.0	**0.5**	0.1	0.0
Total items that may be reclassified subsequently to profit or loss	**-6.9**	-4.3	**-1.5**	-6.5	-23.4
Total comprehensive income for the period	**10.2**	17.6	**51.1**	46.8	22.0
Net result attributable to:					
Owners of the parent	**16.1**	24.3	**52.4**	56.5	48.3
Non-controlling interest	**-**	-	**-**	-	-
Net result for the period	**16.1**	24.3	**52.4**	56.5	48.3
Total comprehensive income attributable to:					
Owners of the parent	**10.2**	17.6	**51.1**	46.8	22.0
Non-controlling interest	**-**	-	**-**	-	-
Total comprehensive income for the period	**10.2**	17.6	**51.1**	46.8	22.0
Earnings per share of the net profit attributable to owners of the parent					
Basic earnings per share (EUR)	**0.37**	0.55	**1.19**	1.28	1.10
Diluted earnings per share (EUR)	**0.37**	0.55	**1.19**	1.28	1.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

ASSETS	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
Non-current assets			
Goodwill	**72.2**	67.5	72.5
Other intangible assets	**19.1**	18.4	18.4
Property, plant and equipment	**90.3**	97.4	90.3
Equity-accounted investees	**1.1**	1.1	0.8
Available-for-sale financial assets	**1.1**	2.8	3.2
Non-current receivables	**3.5**	4.3	4.3
Deferred tax assets	**8.0**	9.5	7.8
Total non-current assets	**195.2**	201.1	197.3
Current assets			
Inventories	**78.5**	82.3	73.7
Interest-bearing receivables	**0.1**	1.1	0.6
Non-interest-bearing receivables	**126.3**	134.1	92.5
Cash and cash equivalents	**52.4**	46.8	25.8
Non-current assets held for sale	**-**	-	-
Total current assets	**257.3**	264.3	192.6
Total assets	**452.5**	465.4	389.8

EQUITY AND LIABILITIES	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
Share capital	**35.0**	35.0	35.0
Other reserves	**0.0**	0.0	0.0
Fair value reserve	**-**	1.5	1.9
Reserve for invested unrestricted equity	**40.0**	40.0	40.0
Treasury shares	**0.0**	-2.0	-1.6
Translation differences	**-39.2**	-22.3	-39.6
Retained earnings	**172.5**	165.4	157.0
Equity attributable to owners of the parent	**208.3**	217.6	192.7
Non-controlling interest	**-**	-	-
Total equity	**208.3**	217.6	192.7
Non-current liabilities			
Interest-bearing non-current liabilities	**50.1**	60.4	60.3
Other non-current liabilities	**0.1**	0.3	0.0
Defined benefit pension and other long-term employee benefit liabilities	**27.7**	28.8	27.6
Provisions	**0.4**	0.5	0.5
Deferred tax liabilities	**7.3**	7.7	8.1
Total non-current liabilities	**85.6**	97.7	96.5
Current liabilities			
Interest-bearing current liabilities	**49.1**	32.5	12.8
Non-interest-bearing current liabilities	**108.8**	117.1	87.4
Provisions	**0.7**	0.5	0.4
Liabilities classified as held for sale	**-**	-	-
Total current liabilities	**158.6**	150.1	100.6
Total equity and liabilities	**452.5**	465.4	389.8

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CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS

EUR million	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
CASH FLOW FROM OPERATING ACTIVITIES					
Net result for the period	**16.1**	24.3	**52.4**	56.5	48.3
Adjustments for:					
Non-cash transactions	**5.0**	5.8	**12.0**	15.9	22.4
Interest and other financial expenses	**5.2**	0.9	**6.5**	6.1	6.4
Interest income and other financial income	**0.6**	-0.2	**-0.7**	-1.2	-5.7
Income taxes	**4.1**	6.5	**14.1**	16.5	15.0
Funds from operations before change in net working capital	**30.9**	37.2	**84.3**	93.7	86.4
Change in net working capital	**34.7**	28.5	**-25.7**	-21.4	6.2
Interest and other financial expenses paid	**-0.4**	-2.1	**-2.5**	-4.8	-7.0
Interest and other financial income received	**-0.9**	0.4	**0.8**	1.0	9.6
Income taxes paid	**-4.3**	-6.5	**-11.6**	-16.6	-19.3
Total cash flow from operations	**60.1**	57.5	**45.2**	52.0	75.9
CASH FLOW FROM INVESTING ACTIVITIES					
Business combinations	**-**	0.0	**0.2**	-2.3	-14.4
Other capital expenditure	**-5.5**	-4.3	**-15.1**	-11.0	-16.3
Proceeds from sale of assets	**0.1**	0.8	**2.8**	2.6	3.3
Non-current loan receivables decrease (+), increase (-)	**0.4**	-	**1.0**	0.8	1.0
Dividends received	**-**	-	**0.1**	0.1	0.4
Net cash used in investing activities	**-5.0**	-3.4	**-11.0**	-9.7	-26.1
Cash flow before financing	**55.1**	54.1	**34.2**	42.2	49.9
CASH FLOW FROM FINANCING ACTIVITIES					
Non-current borrowings, increase (+), decrease (-)	**-**	-	**-10.0**	-	-2.4
Current financing, increase (+), decrease (-)	**-25.6**	-23.2	**34.1**	14.4	-5.9
Dividends paid	**-**	-	**-35.3**	-35.3	-35.3
Acquisition of own shares	**-**	-0.2	**0.0**	-2.0	-2.0
Other	**-0.3**	-2.8	**1.6**	-1.9	-7.6
Net cash used in financing activities	**-26.0**	-26.2	**-9.7**	-24.9	-53.2
Net change in cash and cash equivalents	**29.1**	27.9	**24.6**	17.4	-3.3
Cash and cash equivalents at the beginning of period	**21.2**	19.0	**25.8**	29.2	29.2
Effect of exchange rate fluctuations on cash held	**0.5**	-0.1	**0.5**	-0.4	0.1
Cash and cash equivalents at the end of period	**49.8**	47.0	**49.8**	47.0	25.8
Net change in cash and cash equivalents	**29.1**	27.9	**24.6**	17.4	-3.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EUR million

	Equity attributable to the owners of the parent								Non-controlling interest	Total equity
	Share capital	Other reserves	Fair value reserve	Reserve for invested unrestricted equity	Treasury shares	Translation differences	Retained earnings	Total		
Equity at Jan 1, 2014	35.0	0.0	2.1	40.0	-	-16.4	147.4	208.1	-	208.1
Total comprehensive income for the period	-	-	-0.6	-	-	-5.9	53.3	46.8	-	46.8
Share-based compensation	-	-	-	-	-	-	0.7	0.7	-	0.7
Adjustment arising from hyperinflation	-	-	-	-	-	-	-0.6	-0.6	-	-0.6
Acquisition of treasury shares	-	-	-	-	-2.0	-	-	-2.0	-	-2.0
Dividends paid	-	-	-	-	-	-	-35.3	-35.3	-	-35.3
Equity at Sep 30, 2014	35.0	0.0	1.5	40.0	-2.0	-22.3	165.4	217.6	-	217.6
Equity at Jan 1, 2015	**35.0**	**0.0**	**1.9**	**40.0**	**-1.6**	**-39.6**	**157.0**	**192.7**	**-**	**192.7**
Total comprehensive income for the period	**-**	**-**	**-1.9**	**-**	**-**	**0.4**	**52.6**	**51.1**	**-**	**51.1**
Share-based compensation	**-**	**-**	**-**	**-**	**1.6**	**-**	**-1.4**	**0.2**	**-**	**0.2**
Adjustment arising from hyperinflation	**-**	**-**	**-**	**-**	**-**	**-**	**-0.3**	**-0.3**	**-**	**-0.3**
Acquisition of treasury shares	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**	**0.0**	**-**	**0.0**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-35.3**	**-35.3**	**-**	**-35.3**
Equity at Sep 30, 2015	**35.0**	**0.0**	**-**	**40.0**	**0.0**	**-39.2**	**172.5**	**208.3**	**-**	**208.3**

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REPORTABLE SEGMENTS

Tikkurila reports its business activities in two segments: SBU West and SBU East. Transactions related to the Group headquarters operations are presented in separate section called Tikkurila common.

The segment split is based on Tikkurila Group's strategy to be the leading provider of paint-related architectural solutions for consumers and professionals in the Nordic area as well as in Russia and other selected Eastern European countries. The segment definition is based on the differences in operating environments in the geographical areas, on valid legislation and regulations, and the management systems.

The evaluation of profitability and decision making concerning resource allocation are primarily based on operating profit of each segment. Segment assets are items on the statement of financial position that the segment employs in its business activities or which can reasonably be allocated to the 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. 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 million**	**7-9/2015**	7-9/2014	**1-9/2015**	1-9/2014	1-12/2014
SBU West	**108.7**	100.4	**327.2**	314.2	382.5
SBU East	**59.3**	79.2	**153.5**	199.8	236.0
Eliminations	**0.0**	0.0	**-0.1**	0.0	0.0
Total	**168.0**	179.6	**480.7**	514.0	618.4

EBIT by segment **EUR million**	**7-9/2015**	7-9/2014	**1-9/2015**	1-9/2014	1-12/2014
SBU West	**21.7**	18.1	**61.1**	54.7	47.5
SBU East	**5.0**	13.8	**14.9**	25.7	19.2
Tikkurila common	**-0.9**	-0.7	**-4.1**	-2.8	-2.9
Eliminations	**0.0**	0.0	**0.0**	0.0	0.0
Total	**25.8**	31.3	**72.0**	77.6	63.7
Non-allocated items:					
Total financial income and expenses	**-5.7**	-0.7	**-5.8**	-4.9	-0.8
Share of profit or loss of equity-accounted investees	**0.1**	0.1	**0.3**	0.3	0.3
Profit before taxes	**20.2**	30.7	**66.5**	72.9	63.3

Assets by segment **EUR million**	**Sep 30, 2015**	Sep 30, 2014	Dec 31, 2014
SBU West	**329.4**	307.3	296.4
SBU East	**113.8**	151.4	97.4
Assets, non-allocated to segments	**83.5**	77.7	59.3
Eliminations	**-74.1**	-71.0	-63.4
Total assets	**452.5**	465.4	389.8

Non-recurring items by segment

EUR million	SBU West	SBU East	**Total 1-9/2015**
Personnel related	-0.4	-0.1	**-0.4**
Gain on sale of available-for-sale financial assets	2.4	-	**2.4**
Total	**2.1**	**-0.1**	**2.0**

EUR million	SBU West	SBU East	**Total 1-9/2014**
Personnel related	-0.9	-	**-0.9**
Gain on sale of held for sale assets	0.8	-	**0.8**
Gain on sale of available-for-sale financial assets	1.2	-	**1.2**
Impairment losses	-0.3	-0.6	**-0.9**
Total	0.8	-0.6	**0.2**

EUR million	SBU West	SBU East	**Total 1-12/2014**
Personnel related	-0.9	-	**-0.9**
Expenses related to dismantle of facilities	-0.1	-	**-0.1**
Gain on sale of held for sale assets	0.8	-	**0.8**
Gain on sale of available-for-sale financial assets	1.2	-	**1.2**
Decrease on accrual of fine, set on Tikkurila for breach of competition law in Poland	1.8	-	**1.8**
Impairment losses	-1.1	-2.1	**-3.2**
Total	1.7	-2.1	**-0.5**

CHANGES IN PROPERTY, PLANT AND EQUIPMENT **EUR million**	**1-9/2015**	1-9/2014	1-12/2014
Carrying amount at the beginning of period	**90.3**	104.2	104.2
Additions	**11.1**	10.2	16.2
Business combinations	**-**	0.1	3.0
Disposals	**-0.2**	-0.3	-0.4
Depreciation, amortization and impairment losses	**-10.3**	-11.7	-17.0
Exchange rate differences and other changes	**-0.6**	-5.1	-15.6
Carrying amount at the end of period	**90.2**	97.4	90.3

Tikkurila Group had contractual commitments for purchase of property, plant and equipment EUR 0.7 (6.0) million at the end of September 2015.

CHANGES IN INTANGIBLE ASSETS **EUR million**	**1-9/2015**	1-9/2014	1-12/2014
Carrying amount at the beginning of period	**90.8**	87.2	87.2
Additions	**3.3**	0.8	1.1
Business combinations	**-0.2**	2.5	13.7
Disposals	**-**	0.0	0.0
Depreciation, amortization and impairment losses	**-2.6**	-2.5	-4.0
Exchange rate differences and other changes	**-0.1**	-2.0	-7.3
Carrying amount at the end of period	**91.2**	86.0	90.8

Tikkurila Group had contractual commitments for intangible assets EUR 2.3 (0.0) million at the end of September 2015.

INVENTORIES

Write-down of inventory for a total amount of EUR 1.0 (1.7) million was recognized until end of September 2015.

RELATED PARTY TRANSACTIONS

Parties are considered as each other's related parties if one party is able to control or has significant influence over financial and operating decision making of another party. Tikkurila Group has related party relationships with the parent company of the Group (Tikkurila Oyj), subsidiaries, associates and joint ventures.

Related parties include members of Board of Directors and the Group's Board of Management, CEO as well as their family members.

Related party transactions are presented below

EUR million

Joint ventures	**1-9/2015**	1-9/2014	1-12/2014
Sales	**4.4**	4.1	5.2
Other operating income	**0.6**	0.7	0.9
Receivables	**0.4**	0.5	0.4
Liabilities	**0.1**	0.1	0.0
Associates			
Sales	**-**	2.5	2.5
Purchases	**-**	0.2	0.2
Receivables	**-**	-	-

Share-based Commitment and Incentive Plan

In order to commit and motivate key personnel, the Board of Directors of Tikkurila Oyj decided on a share-based plan in 2012, and it also selected key persons, each of which has a right to participate in this plan. In order to participate, each person has to buy Tikkurila Oyj's shares from the market. The maximum amount of shares under this plan has been individually defined for each participant. On September 30, 2015, a total of nine key employees selected by the Board participated in the share-based plan.

Based on the commitment and incentive plan, and stemming from the performance periods 2013-2015 and 2014-2016, no personnel expenses were recognized during the third quarter. In the comparison period 7-9/2014, a total of EUR 0.4 million was recognized from all three performance periods. From the beginning of the review period, expenses totaling around EUR 0.8 (1.1) million have been booked.

The estimated total value for the performance periods 2013–2015 and 2014–2016 totaled EUR 0.0 million at the end of the review period. The total value will be expensed over a three-year period until when the time of payments will take place as per the terms and conditions of the plan. About half of the payments will be in shares, and about half will be settled in cash. Share price changes as well as the terms and conditions of the plan will determine the value and corresponding liability in relation to the cash-settled portion.

COMMITMENTS AND CONTINGENT LIABILITIES EUR million	**Sep 30, 2015**	Sep 30, 2014	Dec 31, 2014
Mortgages given as collateral for liabilities in the statement of financial position			
Loans from financial institutions	**-**	-	-
Mortgages given	**0.2**	-	-
Other loans	**-**	-	0.0
Mortgages given	**0.1**	0.1	0.3
Total loans	**-**	-	0.0
Total mortgages given	**0.3**	0.1	0.3
Contingent liabilities			
Guarantees			
On behalf of own commitments	**0.4**	0.3	0.3
On behalf of others	**1.7**	2.2	1.8
Other obligations of own behalf	**0.0**	0.1	0.1
Lease obligations	**26.8**	32.7	30.2
Total contingent liabilities	**28.9**	35.3	32.4

DERIVATIVE INSTRUMENTS EUR million	**Sep 30, 2015**		Sep 30, 2014		Dec 31, 2014	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency derivatives						
Currency forwards	**-**	**-**	83.2	1.1	27.8	3.2

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CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORIES
EUR million

Sep 30, 2015	Financial assets and liabilities at fair value through profit or loss	Loans and other receivables	Available-for-sale financial assets	Other financial liabilities	Carrying amounts	Fair values
Non-current financial assets						
Available-for-sale financial assets	-	-	1.1	-	1.1	1.1
Non-current receivables	-	3.0	-	-	3.0	3.0
Current financial assets						
Interest-bearing receivables	-	0.1	-	-	0.1	0.1
Derivatives	-	-	-	-	-	-
Cash equivalents	-	52.4	-	-	52.4	52.4
Trade and other non-interest-bearing receivables	-	117.9	-	-	117.9	117.9
Total	**-**	**173.3**	**1.1**	**-**	**174.5**	**174.5**
Non-current financial liabilities						
Non-current interest-bearing liabilities	-	-	-	50.1	50.1	50.2
Current financial liabilities						
Current interest-bearing liabilities	-	-	-	49.1	49.1	49.1
Derivatives	-	-	-	-	-	-
Trade payables	-	-	-	54.3	54.3	54.3
Total	**-**	**-**	**-**	**153.5**	**153.5**	**153.7**

Sep 30, 2014	Financial assets and liabilities at fair value through profit or loss	Loans and other receivables	Available-for-sale financial assets	Other financial liabilities	Carrying amounts	Fair values
Non-current financial assets						
Available-for-sale financial assets	-	-	2.8	-	2.8	2.8
Non-current receivables	-	4.2	-	-	4.2	4.2
Current financial assets						
Interest-bearing receivables	-	1.1	-	-	1.1	1.1
Derivatives	1.2	-	-	-	1.2	1.2
Cash equivalents	-	46.8	-	-	46.8	46.8
Trade and other non-interest-bearing receivables	-	122.4	-	-	122.4	122.4
Total	**1.2**	**174.5**	**2.8**	**-**	**178.6**	**178.6**
Non-current financial liabilities						
Non-current interest-bearing liabilities	-	-	-	60.4	60.4	60.5
Current financial liabilities						
Current interest-bearing liabilities	-	-	-	32.5	32.5	32.5
Derivatives	0.1	-	-	-	0.1	0.1
Trade payables	-	-	-	56.9	56.9	56.9
Total	**0.1**	**-**	**-**	**149.8**	**149.9**	**150.0**

Dec 31, 2014	Financial assets and liabilities at fair value through profit or loss	Loans and other receivables	Available-for-sale financial assets	Other financial liabilities	Carrying amounts	Fair values
Non-current financial assets						
Available-for-sale financial assets	-	-	3.2	-	3.2	3.2
Non-current receivables	-	4.1	-	-	4.1	4.1
Current financial assets						
Interest-bearing receivables	-	0.6	-	-	0.6	0.6
Derivatives	3.2	-	-	-	3.2	3.2
Cash equivalents	-	25.8	-	-	25.8	25.8
Trade and other non-interest-bearing receivables	-	73.6	-	-	73.6	73.6
Total	**3.2**	**104.1**	**3.2**	**-**	**110.6**	**110.6**
Non-current financial liabilities						
Non-current interest-bearing liabilities	-	-	-	60.3	60.3	60.4
Current financial liabilities						
Current interest-bearing liabilities	-	-	-	12.8	12.8	12.8
Derivatives	-	-	-	-	-	-
Trade payables	-	-	-	42.1	42.1	42.1
Total	-	**-**	**-**	**115.3**	**115.3**	**115.3**

FAIR VALUE HIERARCHY
EUR million

Sep 30, 2015	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Available-for-sale financial assets	**-**	**-**	**1.1**	**1.1**
Sep 30, 2014				
Recurring fair value measurements				
Available-for-sale financial assets	-	2.0	0.8	2.8
Derivatives (in assets)	-	1.2	-	1.2
Recurring fair value measurements				
Derivatives (in liabilities)	-	0.1	-	0.1
Dec 31, 2014				
Recurring fair value measurements				
Available-for-sale financial assets	-	2.4	0.8	3.2
Derivatives (in assets)	-	3.2	-	3.2
Recurring fair value measurements				
Derivatives (in liabilities)	-	-	-	-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Reconciliation of Level 3 fair value measured financial assets and liabilities

Available-for-sale financial assets	**Sep 30, 2015**	Sep 30, 2014	Dec 31, 2014
Carrying amount at Jan 1	**0.8**	0.9	0.9
Translation differences in other comprehensive income	**0.0**	0.0	0.0
Disposals	**-**	0.0	0.0
Transfers	**0.3**	-	-
Carrying amount at end of review period	**1.1**	0.8	0.8

In review period, there was no gain or losses recognized in profit or loss on available-for-sale financial assets in fair value hierarchy level 3.

Available-for-sale financial assets in level 3 include unquoted shares that are measured at amortized cost. These shares are of business supportive nature and personnel's recreational activities related long-term investments that Tikkurila is not intending to sell. These shares have no quoted market price in an active market and their fair values cannot be measured reliably by using any valuation techniques. Therefore, according assessment of Tikkurila's management, the cost of shares is the best available estimate for fair value.

KEY PERFORMANCE INDICATORS	**7-9/2015/ Sep 30, 2015**	7-9/2014/ Sep 30, 2014	**1-9/2015/ Sep 30, 2015**	1-9/2014/ Sep 30, 2014	1-12/2014 Dec 31, 2014
Earnings per share / basic, EUR	**0.37**	0.55	**1.19**	1.28	1.10
Earnings per share / diluted, EUR	**0.37**	0.55	**1.19**	1.28	1.09
Cash flow from operations, EUR million	**60.1**	57.5	**45.2**	52.0	75.9
Cash flow from operations / per share, EUR	**1.36**	1.31	**1.03**	1.18	1.72
Capital expenditure, EUR million	**5.5**	4.3	**14.9**	13.2	30.7
of revenue %	**3.3%**	2.4%	**3.1%**	2.6%	5.0%
Shares (1,000), average *)	**44,106**	44,008	**44,088**	44,068	44,054
Shares (1,000), at the end of the reporting period *)	**44,106**	44,008	**44,106**	44,008	44,029
Weighted average number of shares, adjusted for dilutive effect (1,000) 1) *)	**44,106**	44,150	**44,106**	44,191	44,177
Number of shares at the end of period, adjusted for dilutive effect (1,000) 1) *)	**44,106**	44,150	**44,106**	44,150	44,105
Equity attributable to the owners of the parent / per share, EUR	**4.72**	4.95	**4.72**	4.95	4.38
Equity ratio, %	**46.1%**	46.8%	**46.1%**	46.8%	49.5%
Gearing, %	**22.4%**	21.2%	**22.4%**	21.2%	24.6%
Interest-bearing financial liabilities (net), EUR million	**46.8**	46.1	**46.8**	46.1	47.4
Return on capital employed (ROCE), % p.a.	**20.9%**	25.5%	**20.9%**	25.5%	22.9%
Personnel (average)	**3,236**	3,268	**3,220**	3,232	3,212

1) When calculating the dilution effect for the number of shares, it has been assumed that all the remuneration to be paid in shares would be issued as new shares, even though it is also possible that those shares might be acquired from the markets. Moreover, the number of shares adjusted for dilutive effect is based on estimates for Tikkurila Group's future financial performance, and its impact on the outcome of the share-based commitment and incentive plan.

*) Number of shares outstanding, treasury shares excluded

DEFINITIONS OF KEY FIGURES

Earnings per share (EPS), basic

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

Earnings per share (EPS), diluted

$$\frac{\text{Net profit of the period attributable to the owners of the parent}}{\text{Weighted average number of shares, adjusted for dilutive effect}}$$

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 liabilities - money market investments - cash and cash equivalents

Net working capital

Inventories + interest-free receivables, excluding current tax assets, accrued interest income and other prepaid financial items - interest-free liabilities, excluding current tax liabilities, accrued interest expenses and other accrued financial items

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

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

* 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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SEGMENT INFORMATION BY QUARTER

Revenue by segment	1-3/2014	4-6/2014	7-9/2014	10-12/2014	1-3/2015	4-6/2015	7-9/2015
EUR million							
SBU West	98.8	114.9	100.4	68.3	102.2	116.3	108.7
SBU East	42.6	78.0	79.2	36.2	31.0	63.2	59.3
Eliminations	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Total	141.5	192.9	179.6	104.4	133.2	179.5	168.0

EBIT by segment	1-3/2014	4-6/2014	7-9/2014	10-12/2014	1-3/2015	4-6/2015	7-9/2015
EUR million							
SBU West	16.1	20.5	18.1	-7.3	16.8	22.6	21.7
SBU East	-1.6	13.4	13.8	-6.5	0.1	9.8	5.0
Tikkurila common	-0.7	-1.4	-0.7	-0.1	-1.7	-1.5	-0.9
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	13.8	32.5	31.3	-13.9	15.2	30.9	25.8
Non-allocated items:							
Total financial income and expenses	-2.0	-2.2	-0.7	4.1	2.1	-2.2	-5.7
Share of profit or loss of equity-accounted investees	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Profit / loss before taxes	11.8	30.4	30.7	-9.7	17.5	28.9	20.2

Assets by segment	Mar 31, 2014	Jun 30, 2014	Sep 30, 2014	Dec 31, 2014	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015
EUR million							
SBU West	312.9	322.8	307.3	296.4	323.5	341.4	329.4
SBU East	137.1	161.6	151.4	97.4	119.8	133.3	113.8
Assets, non-allocated to segments	66.5	89.5	77.7	59.3	83.8	107.9	83.5
Eliminations	-66.7	-87.1	-71.0	-63.4	-83.3	-98.3	-74.1
Total assets	449.7	486.9	465.4	389.8	443.8	484.3	452.5

Vantaa, November 4, 2015

TIKKURILA OYJ
BOARD OF DIRECTORS