



TIKKURILA



INTERIM REPORT | Q2 | JANUARY-JUNE 2015

Tikkurila Oyj
Interim Report

August 4, 2015 at 9:00 a.m. (CET+1)

Tikkurila's Interim Report for January–June 2015
– Decreasing revenue due to Russia, Group profitability still high

April–June 2015 highlights

- Revenue for the second quarter decreased by 7.0 percent to EUR 179.5 million (4–6/2014: EUR 192.9 million).
- Operating profit (EBIT) excluding non-recurring items was EUR 28.6 (32.2) million, i.e. 15.9 (16.7) percent of revenue.
- Operating profit (EBIT) was EUR 30.9 (32.5) million, i.e. 17.2 (16.8) percent of revenue.
- EPS was EUR 0.52 (0.56).

January–June 2015 highlights

- Revenue decreased by 6.5 percent to EUR 312.7 million (1–6/2014: EUR 334.4 million).
- Operating profit (EBIT) excluding non-recurring items was EUR 43.9 (45.3) million, i.e. 14.0 (13.5) percent of revenue.
- Operating profit (EBIT) was EUR 46.2 (46.3) million, i.e. 14.8 (13.8) percent of revenue.
- EPS was EUR 0.82 (0.73).

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)	4–6/2015	4–6/2014	Change %	1–6/2015	1–6/2014	Change %	1–12/2014
Income statement							
Revenue	179.5	192.9	-7.0%	312.7	334.4	-6.5%	618.4
Operating profit (EBIT), excluding non-recurring items	28.6	32.2	-11.3%	43.9	45.3	-3.0%	64.2
Operating profit (EBIT) margin, excluding non-recurring items, %	15.9%	16.7%		14.0%	13.5%		10.4%
Operating profit (EBIT)	30.9	32.5	-4.7%	46.2	46.3	-0.2%	63.7
Operating profit (EBIT) margin, %	17.2%	16.8%		14.8%	13.8%		10.3%
Profit before taxes	28.9	30.4	-4.9%	46.3	42.2	9.7%	63.3
Net profit for the period	23.0	24.9	-7.6%	36.3	32.2	12.7%	48.3
Other key indicators							
EPS, EUR	0.52	0.56	-7.6%	0.82	0.73	12.8%	1.10
ROCE, %, rolling	22.8%	25.7%		22.8%	25.7%		22.9%
Cash flow after capital expenditure	-7.2	-7.0	-2.5%	-20.8	-11.9	-75.5%	49.9
Net interest-bearing debt at period-end				101.8	97.0	-5.0%	47.4
Gearing, %				51.4%	48.5%		24.6%
Equity ratio, %				40.9%	41.1%		49.5%
Personnel at period-end				3,300	3,340	-1.2%	3,142

Comments by Erkki Järvinen, President and CEO:

“There were no considerable changes in the market situation in the second quarter. Development in SBU West was steady, whereas in SBU East, the situation continued to be difficult. The entire Group's revenue decreased as a result of weak currencies and the low demand in Russia.

There were no changes in the situation in Russia in the second quarter. The weak Russian ruble still had a significant negative impact on SBU East's euro-denominated revenue. In addition, sales volumes continued to decline in both of our main brands. Due to the tight competitive situation and weak purchasing power, we decided to refrain from increasing sales prices in Russia during the second quarter. Despite strict management of costs, SBU East's profitability was clearly lower than in the comparison period, as the weak currencies increased our raw material costs.

In SBU West, demand was good in Sweden, Poland and the Baltic countries, whereas in Finland, the weak economic situation and declined construction reflected negatively on the demand for paints. The good development of our sales mix continued in Poland, but in Sweden, the relative share of lower-margin products in our revenue increased. Both our revenue and profitability in the second quarter were close to the comparison period level, even though we continued to increase our sales and marketing investments.

The slow but steady development in the Western market would seem to continue, whereas in the Eastern market, the difficult situation is likely to continue for a long time. Finding new, more effective and more flexible operating methods as well as implementing strict cost management will play an important role in the upcoming months.”



Press Conference and webcast

Tikkurila will hold a press conference regarding the Interim Report for January–June 2015 for the media and analysts today on August 4, 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 August 4, 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 9202 (Finnish callers)
+44 20 7162 0177 (UK callers)
+1 334 323 6203 (US callers)
Participant code: 953922

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 Interim Report for January–September 2015 on Thursday November 5, 2015, at around 9:00 a.m. (CET+1).

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

Minna Avellan, Manager, Investor Relations
Mobile +358 40 533 7932, minna.avellan@tikkurila.com

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–June 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 changes in the market situation in the second quarter. The situation continued to be difficult, particularly in Russia, where retail sales decreased considerably during the first half of the year as a result of the weak purchasing power of consumers. The demand for paints continued to be low, and consumer interest in products in the lower price and quality grade continued to grow. Consumer confidence strengthened slightly, but was still at a low level.

The economy in Sweden developed moderately, but consumers' economic outlook was still more pessimistic than usual, and price-consciousness strengthened. Paint demand in Finland was reduced by the challenging economic situation, low construction level, and rainy summer. In Poland, the demand for paints has remained unchanged so far, but the growth in the market of other construction materials and supplies may predict a growing paint demand in the future.

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 April–June 2015

Revenue and operating result by reporting segment in April–June are presented in the table below.

April–June (EUR million)	Revenue		Operating result (EBIT) excluding non-recurring items	
	4–6/2015	4–6/2014	4–6/2015	4–6/2014
SBU West	116.3	114.9	20.2	20.3
SBU East	63.2	78.0	9.8	13.4
Group common and eliminations	-0.1	0.0	-1.5	-1.4
Consolidated Group	179.5	192.9	28.6	32.2

Tikkurila Group's **revenue** decreased by 7 percent in the second quarter of 2015 due to the unfavorable exchange rate fluctuations and lower sales volumes. Exchange rate fluctuations reduced euro-denominated revenue by 7 percent, particularly due to the weakened Russian ruble, but also due to the weakened Swedish krona. Lower sales volumes decreased the Group revenue by 5 percent due to the weak development in Russia, in particular. Sales price increases and changes in the sales mix increased revenue by 2 percent and acquisitions increased revenue by 3 percent.

Operating profit (EBIT) excluding non-recurring items totaled EUR 28.6 (32.2) million, which accounts for 15.9 (16.7) percent of revenue. The decrease in revenue weakened profitability. Although cost management was strict, sales and marketing investments continued according to plan. The prices of raw materials decreased slightly, but the positive impact of the lower prices was largely offset by the exchange rates.

Operating profit (EBIT) totaled EUR 30.9 (32.5) million, equaling 17.2 (16.8) percent of revenue. The non-recurring items in the period under review improved the result by EUR 2.3 million net. They were related to the capital gain on available-for-sale financial assets in Finland and the costs of the restructuring carried out in Sweden.

The net financial expenses in April–June 2015 were EUR 2.2 (2.2) million. Profit before taxes was EUR 28.9 (30.4) million. Taxes totaled EUR 5.9 (5.5) million, equaling an effective tax rate of 20.4 (18.1) percent. Earnings per share were EUR 0.52 (0.56) in the review period.

Financial Performance in January–June 2015

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

January–June (EUR million)	Revenue		Operating result (EBIT) excluding non-recurring items	
	1–6/2015	1–6/2014	1–6/2015	1–6/2014
SBU West	218.5	213.7	37.2	35.6
SBU East	94.3	120.7	9.9	11.8
Group common and eliminations	-0.1	0.0	-3.2	-2.1
Consolidated Group	312.7	334.4	43.9	45.3

Tikkurila Group's **revenue** decreased by 7 percent in January–June 2015. Exchange rate fluctuations reduced revenue by 9 percent, particularly due to the weakened Russian ruble, but also due to the

weakened Swedish krona. Lower sales volumes decreased revenue by 4 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 43.9 (45.3) million, which accounts for 14.0 (13.5) percent of revenue. The decline in revenue had a negative impact on operating profit but cost savings improved the relative profitability.

Operating profit (EBIT) totaled EUR 46.2 (46.3) million, equaling 14.8 (13.8) percent of revenue.

The net financial expenses in January–June 2015 were EUR 0.1 (4.2) million. Profit before taxes was EUR 46.3 (42.2) million. Taxes totaled EUR 10.0 (10.0) million, equaling an effective tax rate of 21.6 (23.7) percent. Earnings per share were EUR 0.82 (0.73) in the review period.

Financial Performance by Reporting Segments

SBU West

EUR million	4–6/2015	4–6/2014	Change %	1–6/2015	1–6/2014	Change %	1–12/2014
Revenue	116.3	114.9	1.2%	218.5	213.7	2.2%	382.5
Operating profit (EBIT), excluding non-recurring items	20.2	20.3	-0.2%	37.2	35.6	4.4%	45.8
Operating profit (EBIT) margin, excluding non-recurring items, %	17.4%	17.6%		17.0%	16.6%		12.0%
Operating profit (EBIT)	22.6	20.5	10.1%	39.4	36.6	7.7%	47.5
Operating profit (EBIT) margin, %	19.4%	17.8%		18.0%	17.1%		12.4%
Capital expenditure excluding acquisitions	4.3	2.5	73.2%	7.1	4.3	64.2%	10.8

Financial Performance in April–June 2015

SBU West's second quarter revenue increased by one percent from the comparison period due to acquisitions, which increased revenue by 4 percent. The unfavorable changes in the sales mix decreased revenue by 2 percent, whereas the relative share of products with a lower margin, such as fillers, in sales increased in Sweden. Exchange rate fluctuations, primarily the weakened Swedish krona, decreased revenue by one percent. Sales volumes grew in Sweden, Poland, and the Baltic countries, but the weak development in Finland kept the sales volumes at the comparison period level in SBU West. The rainy summer decreased the demand for exterior paints to a level lower than usual in the Nordic countries. Among the key markets, in Sweden revenue totaled EUR 42.8 (42.1) million, while in Finland revenue decreased to EUR 30.0 (32.5) million, and in Poland revenue grew to EUR 20.6 (18.7) million.

SBU West's second quarter profitability was at the comparison period's level. Increase in revenue had a positive impact on profitability. The level of fixed costs was slightly higher than in the comparison period due to the increased investments in sales and marketing in Scandinavia and Poland, in particular. In addition, the unfavorable development of the sales mix had a negative impact on profitability.

Financial Performance in January–June 2015

SBU West's revenue in January–June increased by 2 percent from the comparison period. Acquisitions increased revenue by 3 percent. The higher sales volumes increased revenue by one 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 and relative profitability in January–June improved from the comparison period. The increase in revenue improved profitability. Expenses increased slightly mainly due to higher sales and marketing investments.

SBU East

EUR million	4–6/2015	4–6/2014	Change %	1–6/2015	1–6/2014	Change %	1–12/2014
Revenue	63.2	78.0	-19.0%	94.3	120.7	-21.9%	236.0
Operating profit (EBIT), excluding non-recurring items	9.8	13.4	-26.7%	9.9	11.8	-16.1%	21.3
Operating profit (EBIT) margin, excluding non-recurring items, %	15.5%	17.2%		10.5%	9.8%		9.0%
Operating profit (EBIT)	9.8	13.4	-26.7%	9.9	11.8	-16.1%	19.2
Operating profit (EBIT) margin, %	15.5%	17.2%		10.5%	9.8%		8.1%
Capital expenditure excluding acquisitions	0.7	1.6	-59.5%	1.9	2.6	-25.2%	6.6

Financial Performance in April–June 2015

SBU East's second quarter revenue decreased by 19 percent from the comparison period. Exchange rate fluctuations reduced revenue by 15 percent due to the weak Russian ruble, in particular.

The lower sales volumes in Russia and Ukraine decreased revenue by 13 percent, while the good sales volume development continued in China and the export markets. Sales prices were not increased in Russia in the second quarter but the sales price increases done previously and changes in the sales mix increased SBU East's revenue by 9 percent. Acquisitions increased revenue by one percent. Revenue in Russia decreased to EUR 44.6 (59.7) million.

Despite strict cost management, SBU East's profitability weakened clearly in the second quarter. Profitability was burdened by the decline in revenue, and weak currencies which affected the costs of raw materials exported to Russia.

Financial Performance in January–June 2015

SBU East's revenue in January–June decreased by 22 percent from the comparison period. Exchange rate fluctuations reduced revenue by 23 percent due to the weak Russian ruble, in particular. The lower sales volumes decreased revenue by 13 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 13 percent. Acquisitions increased revenue by one percent.

SBU East's operating profit in January–June 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. Foreign exchanges rate changes resulted in positive translation difference in equity, primarily caused by strengthening of the Russian ruble in comparison to the situation on December 31, 2014.

Cash flow from operations in January–June totaled EUR -14.8 (-5.6) million. Cash flow was weakened by the increased working capital due to the growth in trade receivables and decrease in trade payables. Net working capital totaled EUR 136.0 (128.6) million at the end of the review period. The net cash flow from the investing activities was EUR -6.0 (-6.3) million, when taking into account the acquisitions and divestments. Cash flow after capital expenditure totaled EUR -20.8 (-11.9) million at the end of the review period.

Interest-bearing debt amounted to EUR 126.6 (116.0) million at the end of the review period, and net debt was EUR 101.8 (97.0) million. At the end of the review period, cash and cash equivalents amounted to EUR 24.8 (19.0) million, and short-term interest-bearing debt totaled EUR 76.4 (55.6) million, including the company's issued commercial papers for a total nominal amount of EUR 70.0 (53.0) million. Moreover, the Group had long-term interest-bearing debt totaling EUR 50.2 (60.4) million. At the end of June, the Group had a total of EUR 109.1 (155.8) million of unused committed credit facilities or credit limits.

The Group's net financial expense was EUR -0.1 (-4.2) million, of which interest expenses totaled EUR -0.5 (-0.5) million and other financing expenses EUR -0.1 (-1.7) million. The average capital-weighted interest rate of interest-bearing debt was 1.4 (1.6) percent. The net profit was positively affected by a total of EUR 0.6 (-2.0) million based on the impact of realized and unrealized exchange rate differences recognized during the review period.

At the end of June, the equity ratio was 40.9 (41.1) percent, and gearing was 51.4 (48.5) percent.

At the end of the review period, the nominal value of open foreign exchange rate forward agreements was EUR 0.0 (95.6) million and the corresponding market value was EUR 0.0 (-2.1) million. 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.

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.

Capital Expenditure

In January–June 2015, gross capital expenditure excluding acquisitions amounted to EUR 9.1 (6.9) 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 8.7 (9.2) million in January–June. The Group performs impairment tests in accordance with the IAS 36 standard.

Research, Development and Innovation

In January–June 2015, Tikkurila's research and development expenses totaled EUR 6.0 (5.5) million or 1.9 (1.7) percent of revenue.

Human Resources

At the end of June 2015, the Tikkurila Group employed 3,300 (3,340) people. The average number of employees in January–June was 3,212 (3,214).

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
SBU West	1,536	1,683	1,587	1,606	1,626	1,717
SBU East	1,621	1,628	1,594	1,505	1,558	1,553
Group functions	29	29	31	31	31	30
Total	3,186	3,340	3,212	3,142	3,215	3,300

Shares and Shareholders

At the end of June 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 June 2015, Tikkurila held 2,461 treasury shares.

According to Euroclear Finland Oy's register, Tikkurila had a total of some 20,400 shareholders on June 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 June, the closing price of Tikkurila's share was EUR 17.83. In January–June, the volume-weighted average share price was EUR 17.32, the lowest price EUR 14.15, and the highest price EUR 19.50. At the end of June, the market value of Tikkurila Oyj's shares was EUR 786.4 million. During January–June, a total of 7.6 million Tikkurila shares, corresponding to approximately 17.2 percent of the number of shares, were traded on NASDAQ OMX Helsinki Ltd. The value of the traded volume was EUR 131.0 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.

Members of the Nomination Board

On June 12, 2015, Tikkurila Oyj's three largest registered shareholders on May 31, 2015, named their representatives for Tikkurila's Nomination Board. The members of the Nomination Board are Pekka Paasikivi, Chairman of the Board of Directors of Oras Invest Oy; Timo Ritakallio, President and CEO of Ilmarinen Mutual Pension Insurance Company; and Reima Rytsölä, Chief Investment Officer of Varma Mutual Pension Insurance Company. The fourth member of the Nomination Board is Jari Paasikivi, the Chairman of the Board of Directors of Tikkurila Oyj, who acts as an expert member.

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. Tikkurila will increase sales prices mainly in Russia to partly, not fully, compensate for the effects of the weak ruble. 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

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	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Revenue	179.5	192.9	312.7	334.4	618.4
Other operating income	2.9	0.8	3.5	1.7	6.0
Expenses	-147.0	-156.6	-261.3	-280.7	-539.7
Depreciation, amortization and impairment losses	-4.5	-4.6	-8.7	-9.2	-21.0
Operating profit	30.9	32.5	46.2	46.3	63.7
Total financial income and expenses	-2.2	-2.2	-0.1	-4.2	-0.8
Share of profit or loss of equity-accounted investees	0.1	0.1	0.2	0.1	0.3
Profit before taxes	28.9	30.4	46.3	42.2	63.3
Income taxes	-5.9	-5.5	-10.0	-10.0	-15.0
Net result for the period	23.0	24.9	36.3	32.2	48.3
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements on defined benefit plans	2.4	-0.1	-1.1	-1.1	-3.6
Income taxes relating to items that will not be reclassified to profit or loss	-0.5	0.0	0.2	0.3	0.8
Total items that will not be reclassified to profit or loss	1.8	0.0	-0.9	-0.9	-2.8
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets	-2.4	-0.4	-2.4	-0.3	-0.3
Foreign currency translation differences for foreign operations	0.4	1.6	7.4	-2.0	-23.1
Income taxes relating to items that may be reclassified subsequently to profit or loss	0.6	0.1	0.4	0.1	0.0
Total items that may be reclassified subsequently to profit or loss	-1.4	1.2	5.4	-2.2	-23.4
Total comprehensive income for the period	23.5	26.1	40.9	29.2	22.0
Net result attributable to:					
Owners of the parent	23.0	24.9	36.3	32.2	48.3
Non-controlling interest	-	-	-	-	-
Net result for the period	23.0	24.9	36.3	32.2	48.3
Total comprehensive income attributable to:					
Owners of the parent	23.5	26.1	40.9	29.2	22.0
Non-controlling interest	-	-	-	-	-
Total comprehensive income for the period	23.5	26.1	40.9	29.2	22.0
Earnings per share of the net profit attributable to owners of the parent					
Basic earnings per share (EUR)	0.52	0.56	0.82	0.73	1.10
Diluted earnings per share (EUR)	0.52	0.56	0.82	0.73	1.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

ASSETS	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Non-current assets			
Goodwill	72.8	67.9	72.5
Other intangible assets	19.9	20.0	18.4
Property, plant and equipment	94.2	100.1	90.3
Equity-accounted investees	1.0	0.9	0.8
Available-for-sale financial assets	0.8	3.3	3.2
Non-current receivables	3.9	4.2	4.3
Deferred tax assets	8.8	9.8	7.8
Total non-current assets	201.4	206.3	197.3
Current assets			
Inventories	84.4	89.7	73.7
Interest-bearing receivables	0.8	1.1	0.6
Non-interest-bearing receivables	172.6	170.8	92.5
Cash and cash equivalents	24.8	19.0	25.8
Non-current assets held for sale	0.3	-	-
Total current assets	282.9	280.6	192.6
Total assets	484.3	486.9	389.8
EQUITY AND LIABILITIES	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Share capital	35.0	35.0	35.0
Other reserves	0.0	0.0	0.0
Fair value reserve	-	1.9	1.9
Reserve for invested unrestricted equity	40.0	40.0	40.0
Treasury shares	0.0	-2.0	-1.6
Translation differences	-32.3	-18.4	-39.6
Retained earnings	155.4	143.3	157.0
Equity attributable to owners of the parent	198.1	199.8	192.7
Non-controlling interest	-	-	-
Total equity	198.1	199.8	192.7
Non-current liabilities			
Interest-bearing non-current liabilities	50.2	60.4	60.3
Other non-current liabilities	0.1	0.3	0.0
Defined benefit pension and other long-term employee benefit liabilities	29.1	25.5	27.6
Provisions	0.4	0.6	0.5
Deferred tax liabilities	7.8	8.1	8.1
Total non-current liabilities	87.6	94.8	96.5
Current liabilities			
Interest-bearing current liabilities	76.4	55.6	12.8
Non-interest-bearing current liabilities	121.7	136.1	87.4
Provisions	0.5	0.6	0.4
Liabilities classified as held for sale	-	-	-
Total current liabilities	198.7	192.3	100.6
Total equity and liabilities	484.3	486.9	389.8

CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
CASH FLOW FROM OPERATING ACTIVITIES					
Net result for the period	23.0	24.9	36.3	32.2	48.3
Adjustments for:					
Non-cash transactions	2.7	5.4	7.0	10.1	22.4
Interest and other financial expenses	0.7	2.8	1.3	5.1	6.4
Interest income and other financial income	1.5	-0.5	-1.2	-1.0	-5.7
Income taxes	5.9	5.5	10.0	10.0	15.0
Funds from operations before change in net working capital	33.8	38.0	53.3	56.5	86.4
Change in net working capital	-34.1	-33.0	-60.5	-49.9	6.2
Interest and other financial expenses paid	-1.0	-1.4	-2.0	-2.7	-7.0
Interest and other financial income received	1.5	-1.2	1.7	0.7	9.6
Income taxes paid	-5.1	-4.7	-7.4	-10.1	-19.3
Total cash flow from operations	-4.9	-2.4	-14.8	-5.6	75.9
CASH FLOW FROM INVESTING ACTIVITIES					
Business combinations	0.2	-2.3	0.2	-2.3	-14.4
Other capital expenditure	-5.2	-3.7	-9.6	-6.7	-16.3
Proceeds from sale of assets	2.6	0.8	2.7	1.8	3.3
Non-current loan receivables decrease (+), increase (-)	0.0	0.4	0.6	0.8	1.0
Dividends received	0.1	0.1	0.1	0.1	0.4
Net cash used in investing activities	-2.3	-4.7	-6.0	-6.3	-26.1
Cash flow before financing	-7.2	-7.0	-20.8	-11.9	49.9
CASH FLOW FROM FINANCING ACTIVITIES					
Non-current borrowings, increase (+), decrease (-)	-10.0	-	-10.0	-	-2.4
Current financing, increase (+), decrease (-)	59.8	37.6	59.7	37.5	-5.9
Dividends paid	-35.3	-35.3	-35.3	-35.3	-35.3
Acquisition of own shares	-	-1.8	0.0	-1.8	-2.0
Other	-1.7	1.2	1.9	0.9	-7.6
Net cash used in financing activities	12.8	1.8	16.3	1.4	-53.2
Net change in cash and cash equivalents	5.6	-5.3	-4.5	-10.5	-3.3
Cash and cash equivalents at the beginning of period	16.1	24.1	25.8	29.2	29.2
Effect of exchange rate fluctuations on cash held	0.4	-0.2	0.0	-0.3	0.1
Cash and cash equivalents at the end of period	21.2	19.0	21.2	19.0	25.8
Net change in cash and cash equivalents	5.6	-5.3	-4.5	-10.5	-3.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EUR million

	Equity attributable to the owners of the parent							Total	Non- controlling interest	Total equity
	Share capital	Other reserves	Fair value reserve	Reserve for invested unrestricted equity	Treasury shares	Translation differences	Retained earnings			
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	-	-	-0.2	-	-	-2.0	31.4	29.2	-	29.2
Share-based compensation	-	-	-	-	-	-	0.3	0.3	-	0.3
Adjustment arising from hyperinflation	-	-	-	-	-	-	-0.5	-0.5	-	-0.5
Acquisition of treasury shares	-	-	-	-	-2.0	-	-	-2.0	-	-2.0
Dividends paid	-	-	-	-	-	-	-35.3	-35.3	-	-35.3
Equity at Jun 30, 2014	35.0	0.0	1.9	40.0	-2.0	-18.4	143.3	199.8	-	199.8
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	-	-	7.3	35.5	40.9	-	40.9
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 Jun 30, 2015	35.0	0.0	--	40.0	0.0	-32.3	155.4	198.1	-	198.1

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	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
SBU West	116.3	114.9	218.5	213.7	382.5
SBU East	63.2	78.0	94.3	120.7	236.0
Eliminations	-0.1	0.0	-0.1	0.0	0.0
Total	179.5	192.9	312.7	334.4	618.4

EBIT by segment EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
SBU West	22.6	20.5	39.4	36.6	47.5
SBU East	9.8	13.4	9.9	11.8	19.2
Tikkurila common	-1.5	-1.4	-3.2	-2.1	-2.9
Eliminations	0.0	0.0	0.0	0.0	0.0
Total	30.9	32.5	46.2	46.3	63.7

Non-allocated items:

Total financial income and expenses	-2.2	-2.2	-0.1	-4.2	-0.8
Share of profit or loss of equity-accounted investees	0.1	0.1	0.2	0.1	0.3
Profit before taxes	28.9	30.4	46.3	42.2	63.3

Assets by segment EUR million	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
SBU West	341.4	322.8	296.4
SBU East	133.3	161.6	97.4
Assets, non-allocated to segments	107.9	89.5	59.3
Eliminations	-98.3	-87.1	-63.4
Total assets	484.3	486.9	389.8

Non-recurring items by segment

EUR million	SBU West	SBU East	Total 1-6/2015
Personnel related	-0.2	-	-0.2
Gain on sale of available-for-sale financial assets	2.4	-	2.4
Total	2.3	-	2.3

EUR million	SBU West	SBU East	Total 1-6/2014
Gain on sale of held for sale assets	0.8	-	0.8
Gain on sale of available-for-sale financial assets	0.6	-	0.6
Impairment losses	-0.3	-	-0.3
Total	1.0	-	1.0

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



18 (28)

CHANGES IN PROPERTY, PLANT AND EQUIPMENT EUR million	1-6/2015	1-6/2014	1-12/2014
Carrying amount at the beginning of period	90.3	104.2	104.2
Additions	7.1	6.4	16.2
Business combinations	-	0.1	3.0
Disposals	-0.1	-0.2	-0.4
Depreciation, amortization and impairment losses	-7.0	-7.5	-17.0
Exchange rate differences and other changes	3.9	-2.8	-15.6
Carrying amount at the end of period	94.2	100.1	90.3

Tikkurila Group had contractual commitments for purchase of property, plant and equipment EUR 2.3 (2.5) million at the end of June 2015.

CHANGES IN INTANGIBLE ASSETS EUR million	1-6/2015	1-6/2014	1-12/2014
Carrying amount at the beginning of period	90.8	87.2	87.2
Additions	2.0	0.5	1.1
Business combinations	-0.2	2.5	13.7
Disposals	-	0.0	0.0
Depreciation, amortization and impairment losses	-1.7	-1.7	-4.0
Exchange rate differences and other changes	1.8	-0.7	-7.3
Carrying amount at the end of period	92.7	87.8	90.8

Tikkurila Group had contractual commitments for intangible assets EUR 3.2 (0.0) million at the end of June 2015.

INVENTORIES

Write-down of inventory for a total amount of EUR 0.7 (1.5) million was recognized until end of June 2015.

BUSINESS COMBINATIONS

EUR million

The purchase price of the acquisition of ISO Paint Group, acquisition carried out in October 2014, was adjusted according to the share purchase agreement. Therefore the total consideration transferred at the acquisition date was decreased by EUR 0.2 million - as well as the amount of goodwill recognized at the acquisition. The consideration was received in cash and it is presented in consolidated statement of cash flows in line business combinations.

Purchase price allocation of ISO Paint Group is disclosed in the following table

Total purchase consideration	
Fixed consideration paid at closing in October 2014	11.6
Consideration received in May 2015	-0.2
Total consideration	11.4

Recognized amounts of identifiable assets acquired and liabilities assumed

	Fair values recognized on business combination
Property, plant and equipment	2.8
Intangible assets	
Customer relations	2.7
Trademarks	2.0
Inventory	2.6
Trade and other receivables	0.6
Cash and cash equivalents	1.1
Total assets	11.8
Deferred tax liabilities	1.6
Interest-bearing non-current liabilities	2.5
Interest-bearing current liabilities	0.1
Trade and other payables	1.5
Total liabilities	5.6
Total identifiable net assets	6.2
Goodwill	5.2
Total	11.4

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	1-6/2015	1-6/2014	1-12/2014
Sales	2.9	2.6	5.2
Other operating income	0.4	-	0.9
Receivables	0.6	0.6	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 June 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 second quarter. In the comparison period 4-6/2014, a total of EUR 0.7 million was recognized. From the beginning of the review period, expenses totaling around EUR 0.8 (0.7) 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.



21 (28)

COMMITMENTS AND CONTINGENT LIABILITIES EUR million	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Mortgages given as collateral for liabilities in the statement of financial position			
Loans from financial institutions	-	0.2	-
Mortgages given	0.2	1.0	-
Other loans	-	-	0.0
Mortgages given	0.1	0.1	0.3
Total loans	0.0	0.2	0.0
Total mortgages given	0.3	1.1	0.3

Contingent liabilities

Guarantees			
On behalf of own commitments	0.4	0.2	0.3
On behalf of others	1.8	2.3	1.8
Other obligations of own behalf	0.0	0.1	0.1
Lease obligations	30.0	33.0	30.2
Total contingent liabilities	32.3	35.6	32.4

DERIVATIVE INSTRUMENTS EUR million	Jun 30, 2015		Jun 30, 2014		Dec 31, 2014	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency derivatives						
Currency forwards	-	-	95.6	-2.1	27.8	3.2

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

	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
Jun 30, 2015						
Non-current financial assets						
Available-for-sale financial assets	-	-	0.8	-	0.8	0.8
Non-current receivables	-	3.2	-	-	3.2	3.2
Current financial assets						
Interest-bearing receivables	-	0.8	-	-	0.8	0.8
Derivatives	-	-	-	-	-	-
Cash equivalents	-	24.8	-	-	24.8	24.8
Trade and other non-interest-bearing receivables	-	162.2	-	-	162.2	162.2
Total	-	191.0	0.8	-	191.8	191.8
Non-current financial liabilities						
Non-current interest-bearing liabilities	-	-	-	50.2	50.2	50.2
Current financial liabilities						
Current interest-bearing liabilities	-	-	-	76.4	76.4	76.4
Derivatives	-	-	-	-	-	-
Trade payables	-	-	-	61.0	61.0	61.0
Total	-	-	-	187.6	187.6	187.7

	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
Jun 30, 2014						
Non-current financial assets						
Available-for-sale financial assets	-	-	3.3	-	3.3	3.3
Non-current receivables	-	4.1	-	-	4.1	4.1
Current financial assets						
Interest-bearing receivables	-	1.1	-	-	1.1	1.1
Derivatives	0.3	-	-	-	0.3	0.3
Cash equivalents	-	19.0	-	-	19.0	19.0
Trade and other non-interest-bearing receivables	-	160.8	-	-	160.8	160.8
Total	0.3	185.0	3.3	-	188.6	188.6
Non-current financial liabilities						
Non-current interest-bearing liabilities	-	-	-	60.4	60.4	60.5
Current financial liabilities						
Current interest-bearing liabilities	-	-	-	55.6	55.6	55.6
Derivatives	2.5	-	-	-	2.5	2.5
Trade payables	-	-	-	66.7	66.7	66.7
Total	2.5	-	-	182.6	185.1	185.2

	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
Dec 31, 2014						
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

Jun 30, 2015	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Available-for-sale financial assets	-	-	0.8	0.8
Jun 30, 2014				
Recurring fair value measurements				
Available-for-sale financial assets	-	2.4	0.8	3.3
Derivatives (in assets)	-	0.3	-	0.3
Recurring fair value measurements				
Derivatives (in liabilities)	-	2.5	-	2.5
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	Jun 30, 2015	Jun 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
Carrying amount at end of review period	0.8	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	4-6/2015/ Jun 30, 2015	4-6/2014/ Jun 30, 2014	1-6/2015/ Jun 30, 2015	1-6/2014/ Jun 30, 2014	1-12/2014 Dec 31, 2014
Earnings per share / basic, EUR	0.52	0.56	0.82	0.73	1.10
Earnings per share / diluted, EUR	0.52	0.56	0.82	0.73	1.09
Cash flow from operations, EUR million	-4.9	-2.4	-14.8	-5.6	75.9
Cash flow from operations / per share, EUR	-0.11	-0.05	-0.34	-0.13	1.72
Capital expenditure, EUR million	5.0	5.9	9.4	9.0	30.7
of revenue %	2.8%	3.1%	3.0%	2.7%	5.0%
Shares (1,000), average ¹⁾	44,106	44,088	44,080	44,098	44,054
Shares (1,000), at the end of the reporting period ¹⁾	44,106	44,008	44,106	44,008	44,029
Weighted average number of shares, adjusted for dilutive effect (1,000) ¹⁾	44,106	44,218	44,106	44,212	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	4.49	4.54	4.49	4.54	4.38
Equity ratio, %	40.9%	41.1%	40.9%	41.1%	49.5%
Gearing, %	51.4%	48.5%	51.4%	48.5%	24.6%
Interest-bearing financial liabilities (net), EUR million	101.8	97.0	101.8	97.0	47.4
Return on capital employed (ROCE), % p.a.	22.8%	25.7%	22.8%	25.7%	22.9%
Personnel (average)	3,252	3,283	3,212	3,214	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

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

Shares on average

Earnings per share (EPS), diluted

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

Weighted average number of shares, adjusted for dilutive effect

Equity per share

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

Number of shares at the end of the reporting period

Cash flow from operations / per share

Cash flow from operations

Shares on average

Equity ratio, %

Total equity x 100

Total assets - advances received

Gearing, %

Net interest-bearing financial liabilities x 100

Total equity

Interest-bearing financial liabilities (net)

Interest-bearing 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. **

Operating profit + share of profit or loss of equity-accounted investees x 100

(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



28 (28)

**SEGMENT INFORMATION
BY QUARTER**

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

EBIT by segment EUR million	1-3/2014	4-6/2014	7-9/2014	10-12/2014	1-3/2015	4-6/2015
SBU West	16.1	20.5	18.1	-7.3	16.8	22.6
SBU East	-1.6	13.4	13.8	-6.5	0.1	9.8
Tikkurila common	-0.7	-1.4	-0.7	-0.1	-1.7	-1.5
Eliminations	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

Non-allocated items:

Total financial income and expenses	-2.0	-2.2	-0.7	4.1	2.1	-2.2
Share of profit or loss of equity-accounted investees	0.0	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

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

Vantaa, August 3, 2015

TIKKURILA OYJ
BOARD OF DIRECTORS