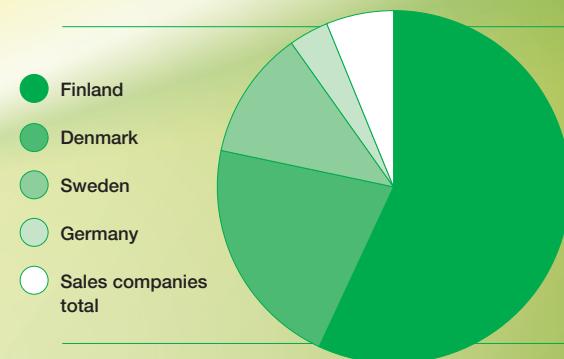


The Teknos Group in Figures

Sales, EUR. million



Personnel



Review

	2008	2007	2006	2005	2004
Sales, EUR. million	235	254	236	202	193
Operating profit EUR. million	16.4	40.2 *)	18.7	14.0	13.5
Personnel	922	987	951	896	888
Solvency ratio %	44.1 %	39.2 %	34.8 % **)	32.7 % **)	34.9 % **)

*) Operating profit including non-recurring items.

***) Solvency ratio include subordinated loans and a minority interest.

Teknos is the leading supplier of industrial coatings in Scandinavia with a strong position in retail and architectural coatings, too.

Teknos subsidiaries operate in Scandinavia, Germany, the UK, Ireland, Poland, Slovenia and Russia, and the company has a network of well-established sales agents and representatives in around 20 other European countries. Teknos is one of Finland's largest family-owned businesses.

Paint with Pride



2008 in Brief

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CEO's Review

For the Teknos Group, the year 2008 was one of growth despite the banking crisis, which began to reduce paint consumption in the last quarter of 2008.

Teknos' turnover reached EUR 228 million and grew by about +2 % compared to 2007, based on a comparable structure. This sales result can be regarded as fairly good in today's very unstable and challenging business environment. Our main growth was achieved in Eastern Europe's emerging markets, but sales in Western Europe and Scandinavia also grew, especially in the metal industry segment and architectural coatings in Finland.

The business kept growing until October 2008, but during the last two months of the year business was very difficult because of the economic recession, which affected market demand simultaneously in almost all of Teknos' main markets. Teknos' operative EBITD

result was EUR 26.7 million, which represented about 11.7 % percent of turnover. Based on a comparable business structure, Teknos' EBITD improved by about 8 % on the previous year.

The average number of employees was 920, compared with 990 in the previous year.

During the year, Teknos continued with the design and permits of the Russian plant investment. We also finalised our investment in increasing the capacity of Teknos Denmark. Furthermore, Teknos began negotiations to acquire GORI Industry from Danish paint manufacturer Dyrup A/S. These acquisition negotiations were concluded in January 2009 with the signature of the acquisition, with Teknos buying the GORI industrial wood business from Dyrup. This acquisition includes only the business without the plant, while production will be transferred to Teknos' fac-

tory in Vamdrup, Denmark and the Teknos factory in Finland. The deal will be closed on 1st May 2009. This will improve Teknos' capacity utilisation in its existing plants and, in particular, the position and productivity of the Vamdrup plant.

To strengthen our positions in the Swedish architectural coatings market, Teknos opened a new paint shop for professional paint customers in Stockholm Västberga. Teknos now has three paint shops in Sweden, two units in the Stockholm area and one – Ljungdahls Färg – in Gothenburg.

In the autumn of 2008, Teknos acquired long-time partner Do-Ral in Slovenia. This acquisition will strengthen Teknos' position in the Balkans area, especially in Slovenia. The former management of Do-Ral joined the Teknos team. In the summer of 2008, Teknos also opened a new Representative office in Minsk,

Belarus and in Kiev, Ukraine. Both sales offices will enhance Teknos' presence in the important CIS market. Teknos' Russian sales company continued growing, both in terms of turnover and the number of personnel.

Teknos' modern high-solids polyurethane paints gained more industrial customers while a breakthrough was achieved in high-solids paints in the windmill industry segment. These products are marketed as part of the TEKNO-DUR COMBI and TEKNODUR AQUA families, and this year they constituted our main growth products.

Within the wood industry, Teknos strengthened its position with its environmentally friendly, water-borne product series. The Teknos and GORI Industry merger will improve our position and product portfolio in the industrial wood segment in the European market. Moreover, in several Northern European

markets Teknos is the market leader in this segment.

In 2008, demand for powder coatings was rather stable in the EU, but the Russian market began to suffer from low demand. Nevertheless, Teknos was able to win several new customers as well as launching totally new, more energy-efficient powder coating solutions.

In architectural coatings, Teknos' NOR-DICA and WOODEX series for exterior painting continued to achieve a greater market share. In the autumn, Teknos launched a new TeknosPro product range for professional painters. These products pay special attention to professionals' needs in terms of work flow and speed.

To help run its business more effectively and cost-consciously in the long run, Teknos embarked on an ERP project. The new system will replace old systems in

Many companies operating in the metal and wood industry have improved their painting processes with Teknos coating systems, in order to meet growing profitability and environmental requirements. More news on our website: www.teknos.com, Publications/Newsletters



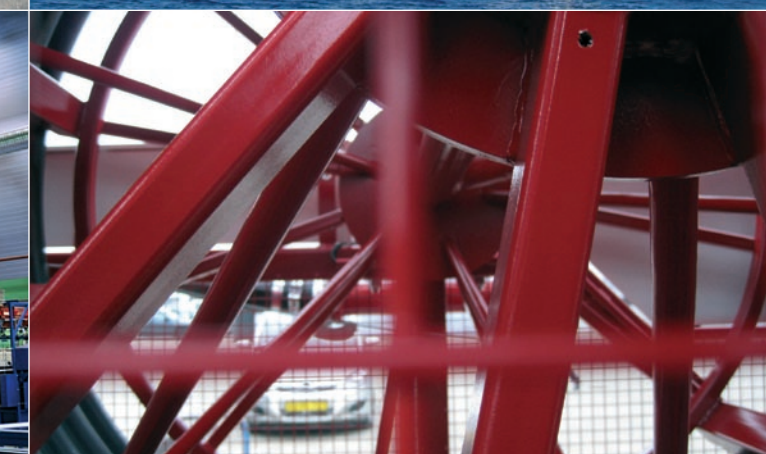
MSK Group Oy, Wet Paint 1/2008



Levator Oy, Painting Metal Newsletter 3/2008



Mäkelä Alu, Painting Metal Newsletter 2/2009



ArmaCoat A/S, Painting Metal Newsletter 2/2009



Koskisen Oy House Industry, Wet Paint 1/2008



Free time house, Wet Paint 1/2008

Pekka Rantamäki, CEO