

## KEMIRA GROUP

The figures are unaudited.

INCOME STATEMENT	EUR million	10-12/2003	10-12/2002	2003	2002
<b>Net sales</b>		<b>683,8</b>	637,4	<b>2 738,2</b>	2 612,3
Other income from operations		<b>6,7</b>	1,8	<b>28,1</b>	13,2
Cost of sales		<b>-623,7</b>	-579,0	<b>-2 452,4</b>	-2 331,2
Depreciation		<b>-45,1</b>	-47,2	<b>-169,8</b>	-176,1
One-time impairment in GrowHow		-	-78,2	-	-78,2
<b>Operating income</b>		<b>21,7</b>	-65,2	<b>144,1</b>	40,0
Financial income and expenses		<b>-4,0</b>	-5,9	<b>-23,4</b>	-29,5
Share of associates' profits		<b>-1,6</b>	5,3	<b>-2,7</b>	5,5
Net financial income and expenses		<b>-5,6</b>	-0,6	<b>-26,1</b>	-24,0
<b>Income before taxes and minority interests</b>		<b>16,1</b>	-65,8	<b>118,0</b>	16,0
Income taxes		<b>-9,3</b>	21,7	<b>-39,9</b>	-5,3
Minority interests		<b>-1,5</b>	-0,5	<b>-4,5</b>	-2,5
<b>Net income</b>		<b>5,3</b>	-44,6	<b>73,6</b>	8,2

KEY FIGURES	10-12/2003	10-12/2002	2003	2002
Earnings per share, EUR **)	<b>0,04</b>	-0,38	<b>0,62</b>	0,07
Earnings per share before one-time impairment, EUR **)	<b>0,04</b>	0,16	<b>0,62</b>	0,61
Cash flow from operations per share, EUR	<b>0,74</b>	0,61	<b>1,85</b>	2,45
Capital expenditure, EUR million	<b>50</b>	70	<b>236</b>	243
Capital expenditure / net sales, %	<b>7,3</b>	11,0	<b>8,6</b>	9,3
Average number of shares (1000) ***)	<b>118 170</b>	118 170	<b>118 170</b>	118 170
Equity per share, EUR			<b>9,04</b>	8,94
Equity ratio, %			<b>44,2</b>	43,3
Gearing, %			<b>69,1</b>	71,6
Net liabilities, EUR million			<b>760</b>	768
Personnel (average)			<b>10 536</b>	10 377

\*\*) Diluted earnings per share are the same

\*\*\*) Weighted average number of shares outstanding, adjusted by the number of shares bought back.

EARNINGS BY BUSINESS AREA	Net sales	10-12/2003	10-12/2002	2003	2002
EUR million					
Pulp & Paper		<b>136,9</b>	129,9	<b>521,0</b>	484,7
Kemwater		<b>66,5</b>	41,4	<b>215,4</b>	176,4
Paints & Coatings		<b>84,6</b>	84,8	<b>439,4</b>	449,6
Industrial Chemicals		<b>96,4</b>	103,0	<b>409,8</b>	403,7
GrowHow		<b>311,3</b>	293,9	<b>1 205,4</b>	1 165,2
Other and Intra-Group sales		<b>-11,9</b>	-15,6	<b>-52,8</b>	-67,3
<b>Total group</b>		<b>683,8</b>	637,4	<b>2 738,2</b>	2 612,3
	<b>Operating income</b>				
		<b>10-12/2003</b>	10-12/2002	<b>2003</b>	2002
Pulp & Paper		<b>8,4</b>	10,5	<b>42,5</b>	28,0
Kemwater		<b>6,8</b>	4,9	<b>23,7</b>	17,9
Paints & Coatings		<b>-4,7</b>	-10,1	<b>29,7</b>	23,9
Industrial Chemicals		<b>10,8</b>	10,7	<b>39,6</b>	26,8
GrowHow		<b>3,9</b>	-76,6	<b>24,8</b>	-31,8
Other		<b>-3,5</b>	-4,6	<b>-16,2</b>	-24,8
<b>Total group</b>		<b>21,7</b>	-65,2	<b>144,1</b>	40,0

**BALANCE SHEET**

EUR million

31.12.2003

31.12.2002

**ASSETS****Non-current assets**

Intangible assets	228,0	221,2
Tangible assets	1 086,2	1 072,0
Deferred tax assets	4,8	10,6
Investments	123,3	169,9
<b>Total non-current assets</b>	<b>1 442,3</b>	<b>1 473,7</b>

**Current assets**

Inventories	391,0	358,4
Receivables		
Interest-bearing receivables	13,0	7,8
Other interest-free receivables	570,8	570,5
<b>Total receivables</b>	<b>583,8</b>	<b>578,3</b>
Securities	29,5	40,1
Cash and bank	48,5	40,7
<b>Total current assets</b>	<b>1 052,8</b>	<b>1 017,5</b>

<b>Total assets</b>	<b>2 495,1</b>	<b>2 491,2</b>
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**LIABILITIES AND SHAREHOLDERS' EQUITY****Shareholders' equity**

Share capital	217,0	217,0
Own shares	-28,2	-28,2
Other shareholders' equity	879,0	867,5
<b>Total shareholders' equity</b>	<b>1 067,8</b>	<b>1 056,3</b>

<b>Minority interests</b>	<b>32,2</b>	<b>16,4</b>
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**Long-term liabilities**

Interest-bearing long-term liabilities	542,5	636,9
Deferred tax liabilities	39,3	41,8
Provisions for liabilities and charges	51,1	74,9
<b>Total long-term liabilities</b>	<b>632,9</b>	<b>753,6</b>

**Current liabilities**

Interest-bearing short-term liabilities	296,1	211,8
Interest-free short-term liabilities	438,6	406,6
Provisions for liabilities and charges	27,5	46,5
<b>Total current liabilities</b>	<b>762,2</b>	<b>664,9</b>
<b>Total liabilities</b>	<b>1 395,1</b>	<b>1 418,5</b>

<b>Total liabilities and shareholders' equity</b>	<b>2 495,1</b>	<b>2 491,2</b>
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**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium account	Other funds	Exchange differences	Valuation reserve	Own shares	Retained earnings	Total
Shareholders' equity at 1 January 2002	217,0	252,5	2,8	-7,7	-	-21,2	671,7	1 115,1
Net profit for the financial year	-	-	-	-	-	-	8,2	8,2
Dividends paid	-	-	-	-	-	-	-35,5	-35,5
Exchange differences	-	-	-	-34,7	-	-	-	-34,7
Equity hedging	-	-	-	9,4	-	-	-	9,4
Cash flow hedging: amount entered in shareholders' equity	-	-	-	-	0,6	-	-	0,6
Own shares repurchased	-	-	-	-	-	-7,0	-	-7,0
Other changes	-	-	0,4	-	-	-	-0,2	0,2
<b>Shareholders' equity at 31 December 2002</b>	<b>217,0</b>	<b>252,5</b>	<b>3,2</b>	<b>-33,0</b>	<b>0,6</b>	<b>-28,2</b>	<b>644,2</b>	<b>1 056,3</b>
Shareholders' equity at 1 January 2003	217,0	252,5	3,2	-33,0	0,6	-28,2	644,2	1 056,3
Net profit for the financial year	-	-	-	-	-	-	73,6	73,6
Dividends paid	-	-	-	-	-	-	-35,5	-35,5
Dividends paid to minority	-	-	-	-	-	-	-1,6	-1,6
Exchange differences	-	-	-	-33,0	-	-	-	-33,0
Equity hedging	-	-	-	9,9	-	-	-	9,9
Cash flow hedging: amount entered in shareholders' equity	-	-	-	-	-0,6	-	-	-0,6
Donations	-	-	-	-	-	-	-0,4	-0,4
Other changes	-	-	0,0	-	-	-	-0,9	-0,9
<b>Shareholders' equity at 31 December 2003</b>	<b>217,0</b>	<b>252,5</b>	<b>3,2</b>	<b>-56,1</b>	<b>-</b>	<b>-28,2</b>	<b>679,4</b>	<b>1 067,8</b>

Kemira had in its possession 4,190,000 of its own shares at the 31st of December 2003. Their average share price was 6.73 and proportion of the share capital 3.4%. They represented 3.4% of the aggregate number of votes conferred by all the shares.

<b>CONTINGENT LIABILITIES</b>	<b>EUR million</b>	<b>31.12.2003</b>	<b>31.12.2002</b>
Mortgages		<b>102,8</b>	111,1
Assets pledged			
On behalf of own commitments		<b>38,0</b>	46,3
On behalf of others		<b>0,8</b>	1,0
Guarantees			
On behalf of associates		<b>67,6</b>	63,9
On behalf of others		<b>1,8</b>	1,6
Operating leasing			
Maturity within one year		<b>5,3</b>	3,3
Maturity after one year		<b>23,9</b>	21,0
Other obligations			
On behalf of associates		-	-
On behalf of others		<b>1,6</b>	1,0

<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>EUR million</b>	<b>31.12.2003</b>		<b>31.12.2002</b>	
		<b>Nominal value</b>	<b>Fair value</b>	Nominal value	Fair value
<b>Currency instruments</b>					
Forward contracts		<b>256,6</b>	<b>0,0</b>	278,7	9,5
of which equity hedging		<b>19,2</b>	<b>0,4</b>	21,1	3,8
Currency options					
Bought		<b>502,8</b>	<b>6,3</b>	224,9	6,1
Sold		<b>558,9</b>	<b>-2,0</b>	418,6	-0,5
Currency swaps		<b>79,9</b>	<b>-15,9</b>	145,1	-14,1
of which equity hedging		<b>0,0</b>	<b>0,0</b>	12,5	-1,2
<b>Interest rate instruments</b>					
Interest rate swaps		<b>198,1</b>	<b>-6,2</b>	145,4	-8,8
Interest rate options				92,8	-1,1
Bought		<b>27,9</b>	<b>-0,5</b>	29,6	-0,2
Sold		<b>36,9</b>	<b>-0,1</b>	63,2	-0,9
Forward rate agreements		<b>250,0</b>	<b>0,0</b>	448,2	-0,2
Of which open		<b>0,0</b>	<b>0,0</b>	47,7	-0,2
Bond futures		<b>7,5</b>	<b>0,0</b>	25,0	-0,1
Of which open		<b>7,5</b>	<b>0,0</b>	5,0	-0,1

Nominal values of the financial instruments do not necessarily correspond with the actual cash flows between the counterparties and do not therefore give a fair view of the risk position of the Group.

Fair values are based on market valuation on the date of reporting for the instruments which are publicly traded. Other instruments have been valued based on net present values of future cash flows. Valuation models have been used to estimate the fair values of options.

Derivative instruments are used solely for hedging purposes, not for speculative gain.

<b>CASH FLOW STATEMENT</b>	<b>EUR million</b>	<b>2 003</b>	<b>2002</b>
<b>Cash flows from operating activities</b>		<b>219,1</b>	289,8
Capital expenditure		<b>-236,0</b>	-243,5
Proceeds from sale of fixed assets		<b>36,3</b>	20,9
<b>Cash flows from investing activities</b>		<b>-199,7</b>	-222,6
<b>Cash flows before financing</b>		<b>19,4</b>	67,2
Change in loans and short-term financing		<b>23,5</b>	25,0
Dividends paid		<b>-37,1</b>	-35,5
Other financing		<b>-8,5</b>	-45,7
<b>Cash flows from financing activities</b>		<b>-22,1</b>	-56,2
<b>Net change in cash and cash equivalent</b>		<b>-2,7</b>	11,0

**QUARTERLY FINANCIAL DEVELOPMENT**

EUR million

	I/2003	II/2003	III/2003	IV/2003	2003
<b>Net sales</b>					
Pulp & Paper	121,1	122,6	140,4	136,9	521,0
Kemwater	43,2	47,0	58,7	66,5	215,4
Paints & Coatings	105,8	126,9	122,1	84,6	439,4
Industrial Chemicals	99,4	117,1	96,9	96,4	409,8
GrowHow	343,3	288,5	262,3	311,3	1205,4
Other including eliminations	-13,3	-30,2	2,6	-11,9	-52,8
<b>Total</b>	<b>699,5</b>	<b>671,9</b>	<b>683,0</b>	<b>683,8</b>	<b>2738,2</b>
<b>Operating income</b>					
Pulp & Paper	8,8	5,7	19,6	8,4	42,5
Kemwater	4,1	4,8	8,0	6,8	23,7
Paints & Coatings	5,9	13,7	14,8	-4,7	29,7
Industrial Chemicals	7,9	12,8	8,1	10,8	39,6
GrowHow	4,6	16,1	0,2	3,9	24,8
Other	-0,3	-8,2	-4,2	-3,5	-16,2
<b>Total</b>	<b>31,0</b>	<b>44,9</b>	<b>46,5</b>	<b>21,7</b>	<b>144,1</b>
Financing expenses	-4,9	-5,7	-8,8	-4,0	-23,4
Share of associates' profits	0,4	-0,3	-1,2	-1,6	-2,7
<b>Net financial income and expenses</b>	<b>-4,5</b>	<b>-6,0</b>	<b>-10,0</b>	<b>-5,6</b>	<b>-26,1</b>
<b>Income before taxes</b>	<b>26,5</b>	<b>38,9</b>	<b>36,5</b>	<b>16,1</b>	<b>118,0</b>
<b>Net income</b>	<b>17,1</b>	<b>27,5</b>	<b>23,7</b>	<b>5,3</b>	<b>73,6</b>
<b>Earnings per share, e</b>	<b>0,14</b>	<b>0,24</b>	<b>0,20</b>	<b>0,04</b>	<b>0,62</b>