

## KEMIRA GROUP

The figures are unaudited.

INCOME STATEMENT	EUR million	4-6/2004	4-6/2003	1-6/2004	1-6/2003	2003
<b>Net sales</b>		<b>729,9</b>	671,9	<b>1 447,2</b>	1 371,4	2 738,2
Other income from operations		17,2	3,8	23,6	9,6	28,0
Cost of sales		-648,7	-588,0	-1 274,4	-1 217,9	-2 446,5
Depreciation		-43,6	-40,8	-87,4	-82,6	-171,0
<b>Operating income</b>		<b>54,8</b>	46,9	<b>109,0</b>	80,5	148,7
Financial income and expenses		-3,3	-5,4	-13,3	-10,1	-22,0
Share of associates' net income		-0,7	-0,3	-2,0	0,1	-5,7
Net financial income and expenses		-4,0	-5,7	-15,3	-10,0	-27,7
<b>Income before taxes and minority interests</b>		<b>50,8</b>	41,2	<b>93,7</b>	70,5	121,0
Income taxes *)		-15,5	-11,3	-29,0	-20,5	-40,5
Minority interests		-0,9	-0,3	-2,4	-1,1	-4,5
<b>Net income</b>		<b>34,4</b>	29,6	<b>62,3</b>	48,9	76,0

\*) Interim period tax expense is accrued using the tax rate that is estimated to be applicable to expected annual earnings.

KEY FIGURES	4-6/2004	4-6/2003	1-6/2004	1-6/2003	2003
Earnings per share, EUR	<b>0,29</b>	0,25	<b>0,53</b>	0,41	0,64
Earnings per share, diluted, EUR	<b>0,29</b>	0,25	<b>0,52</b>	0,41	0,64
Cash flow from operations per share, diluted, EUR	<b>0,74</b>	0,40	<b>0,81</b>	0,03	1,85
Capital expenditure, EUR million	<b>55</b>	41	<b>90</b>	70	236
Capital expenditure / net sales, %	<b>7,5</b>	6,1	<b>6,2</b>	5,1	8,6
Average number of shares (1000) **)	<b>118 170</b>	118 170	<b>118 170</b>	118 170	118 170
Average number of shares (1000), diluted **)	<b>119 498</b>	118 170	<b>119 498</b>	118 170	118 170
Equity per share, diluted, EUR			<b>8,93</b>	8,44	8,77
Equity ratio, %			<b>42,0</b>	39,0	41,4
Gearing, %			<b>65,2</b>	82,2	67,8
Net liabilities, EUR million			<b>718</b>	832	725
Personnel (average)			<b>10 708</b>	10 339	10 536

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

### EARNINGS BY BUSINESS AREA

EUR million	4-6/2004	4-6/2003	1-6/2004	1-6/2003	2003
Pulp & Paper Chemicals	<b>140,1</b>	122,6	<b>276,8</b>	243,7	521,0
Kemwater	<b>71,1</b>	47,0	<b>134,4</b>	90,2	215,4
Paints & Coatings	<b>130,5</b>	126,9	<b>233,9</b>	232,7	439,4
Industrial Chemicals	<b>112,4</b>	117,1	<b>211,7</b>	216,5	409,8
GrowHow	<b>296,7</b>	288,5	<b>620,9</b>	631,8	1 205,4
Other and Intra-Group sales	<b>-20,9</b>	-30,2	<b>-30,5</b>	-43,5	-52,8
<b>Total Group</b>	<b>729,9</b>	671,9	<b>1 447,2</b>	1 371,4	2 738,2

### OPERATING INCOME BY BUSINESS AREA

EUR million	4-6/2004	4-6/2003	1-6/2004	1-6/2003	2003
Pulp & Paper Chemicals	<b>6,1</b>	5,5	<b>16,7</b>	14,2	41,9
Kemwater	<b>7,3</b>	4,8	<b>12,1</b>	8,7	23,8

Paints & Coatings	<b>18,9</b>	13,6	<b>26,9</b>	19,5	29,5
Industrial Chemicals	<b>12,7</b>	13,2	<b>23,0</b>	21,4	41,4
GrowHow	<b>13,5</b>	18,9	<b>38,8</b>	26,5	31,1
Other	<b>-3,7</b>	-9,1	<b>-8,5</b>	-9,8	-19,0
<b>Total Group</b>	<b>54,8</b>	46,9	<b>109,0</b>	80,5	148,7

\*\*\*) The following corrections have been made to the published IFRS comparison figures for the 12 months of 2003:

Industrial Chemicals' operating income +3.3 EUR million, Paints & Coatings' operating income -2.4 EUR million and financial expenses -0.9 EUR million. The changes had no effect on Kemira Group's IFRS net income or balance sheet.

<b>BALANCE SHEET</b>	<b>EUR million</b>	<b>30.6.2004</b>	<b>31.12.2003</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		223,9	227,6
Tangible assets		1 103,3	1 090,6
Deferred tax assets		9,5	17,5
Other shares		73,7	75,8
Other investments		110,0	122,4
<b>Total non-current assets</b>		<b>1 520,4</b>	<b>1 533,9</b>
<b>Current assets</b>			
Inventories		370,9	390,2
Receivables			
Interest-bearing receivables		11,1	13,0
Other interest-free receivables		649,3	570,7
<b>Total receivables</b>		<b>660,4</b>	<b>583,7</b>
Securities		37,1	29,5
Cash and bank		41,8	48,5
<b>Total current assets</b>		<b>1 110,2</b>	<b>1 051,9</b>
<b>Total assets</b>		<b>2 630,6</b>	<b>2 585,8</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Shareholders' equity</b>			
Share capital		217,0	217,0
Capital paid-in in excess of par value		252,5	252,5
Valuation and other reserves		55,0	52,3
Own shares		-28,2	-28,2
Accumulated profit / loss		508,9	466,2
Net profit		62,3	76,0
<b>Total shareholders' equity</b>		<b>1 067,5</b>	<b>1 035,8</b>
<b>Minority interests</b>		<b>33,1</b>	<b>32,2</b>
<b>Long-term liabilities</b>			
Interest-bearing long-term liabilities		499,2	506,4
Deferred tax liabilities		44,1	49,3
Provisions		200,8	201,9
<b>Total long-term liabilities</b>		<b>744,1</b>	<b>757,6</b>
<b>Current liabilities</b>			
Interest-bearing short-term liabilities		297,8	296,1
Interest-free short-term liabilities		459,7	436,6
Provisions		28,4	27,5
<b>Total current liabilities</b>		<b>785,9</b>	<b>760,2</b>
<b>Total liabilities</b>		<b>1 530,0</b>	<b>1 517,8</b>
<b>Total liabilities and shareholders' equity</b>		<b>2 630,6</b>	<b>2 585,8</b>

<b>CASH FLOW STATEMENT</b>	<b>EUR million</b>	<b>1-6/2004</b>	<b>1-6/2003</b>	<b>2003</b>
<b>Cash flows from operating activities</b>		<b>96,5</b>	<b>3,0</b>	<b>219,1</b>
Capital expenditure		-90,2	-70,3	-236,0

Proceeds from sale of fixed assets	47,9	8,1	36,3
<b>Cash flows from investing activities</b>	<b>-42,3</b>	<b>-62,2</b>	<b>-199,7</b>
<b>Cash flows before financing</b>	<b>54,2</b>	<b>-59,2</b>	<b>19,4</b>
Change in loans and short-term financing	-15,6	108,5	23,5
Dividends paid	-41,2	-35,5	-37,1
Other financing	3,4	-19,8	-8,5
<b>Cash flows from financing activities</b>	<b>-53,4</b>	<b>53,2</b>	<b>-22,1</b>
<b>Net change in cash and cash equivalent</b>	<b>0,8</b>	<b>-6,0</b>	<b>-2,7</b>

## STATEMENT OF CHANGES IN EQUITY

	Capital paid-in		Reserve fund	Valuation		Accumulated		Total
	Share capital	in excess of par value		reserve and other funds	Translation reserve	Own shares	profits/ losses	
Shareholders' equity at 1 January 2003	217,0	252,5	3,2	29,9	-33,0	-28,2	559,4	1 000,8
Net profit for the financial year	-	-	-	-	0,6	-	48,9	49,5
Dividends paid	-	-	-	-	-	-	-35,5	-35,5
Exchange differences	-	-	0,0	-	-20,0	-	-	-20,0
Equity hedging	-	-	-	-	3,0	-	-	3,0
Cash flow hedging: amount entered in shareholders' equity	-	-	-	-	-0,6	-	-	-0,6
Donations	-	-	-	-	-	-	-0,1	-0,1
Other changes	0,0	-	0,0	-	-	-	-0,6	-0,6
<b>Shareholders' equity at 30 June 2003</b>	<b>217,0</b>	<b>252,5</b>	<b>3,2</b>	<b>29,9</b>	<b>-50,0</b>	<b>-28,2</b>	<b>572,1</b>	<b>996,5</b>
Shareholders' equity at 1 January 2004	217,0	252,5	3,2	49,1	-54,8	-28,2	597,0	1 035,8
Net profit for the financial year	-	-	-	-	0,3	-	62,3	62,6
Dividends paid	-	-	-	-	-	-	-39,0	-39,0
Dividends paid to minority	-	-	-	-	-	-	-2,1	-2,1
Available-for-sale shares, valuation	-	-	-	0,7	-	-	-	0,7
Exchange differences	-	-	-	-	8,6	-	-	8,6
Equity hedging	-	-	-	-	-2,8	-	-	-2,8
Transfer between restricted and non restricted equity	-	-	0,3	-	-	-	-0,3	0,0
Donations	-	-	-	-	-	-	-0,1	-0,1
The effect of the change in the tax rate	-	-	-	2,0	-	-	-	2,0
Other changes	-	-	-0,2	-0,1	-	-	2,1	1,8
<b>Shareholders' equity at 30 June 2004</b>	<b>217,0</b>	<b>252,5</b>	<b>3,3</b>	<b>51,7</b>	<b>-48,7</b>	<b>-28,2</b>	<b>619,9</b>	<b>1 067,5</b>

Kemira had in its possession, from previous years, 4,190,000 of its own shares at the 30th of June 2004. Their average acquisition 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.

CONTINGENT LIABILITIES	EUR million	30.6.2004	31.12.2003
Mortgages		<b>94,0</b>	102,8
Assets pledged			
On behalf of own commitments		<b>19,9</b>	38,0
On behalf of others		<b>0,8</b>	0,8
Guarantees			
On behalf of associates		<b>79,7</b>	67,6
On behalf of others		<b>2,2</b>	1,8
Operating leasing			
Maturity within one year		<b>5,8</b>	5,3
Maturity after one year		<b>19,5</b>	23,9
Other obligations			
On behalf of associates		-	-
On behalf of others		<b>0,0</b>	1,6

**DERIVATIVE INSTRUMENTS**

EUR million

	30.6.2004		31.12.2003	
	Nominal value	Fair value	Nominal value	Fair value
<b>Currency instruments</b>				
Forward contracts	372,9	1,5	263,6	5,0
of which hedges of net investment in a foreign operation	45,7	-0,4	22,0	0,4
Currency options				
Bought	383,3	-3,5	502,8	6,3
Sold	531,3	4,2	558,9	-1,9
Currency swaps	80,0	-14,6	80,0	-17,0
of which hedges of net investment in a foreign operation	-	-	-	0,0
<b>Interest rate instruments</b>				
Interest rate swaps	210,1	-1,0	198,1	-6,2
of which cash flow hedge	41,1	3,0	9,0	1,7
Interest rate options				
Bought	28,2	-0,1	27,9	-0,1
Sold	37,3	-0,4	36,9	-0,5
Forward rate agreements	100,0	0,0	250,0	0,0
of which open	-	-	-	-
Bond futures	10,0	0,0	7,5	0,0
of which open	10,0	0,0	7,5	0,0

The 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.

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