

KEMIRA GROUP

The figures are unaudited.

INCOME STATEMENT	EUR million	10-12/2004	10-12/2003	2004	2003
Net sales		391,0	683,8	2 533,4	2 738,2
Other income from operations		9,3	6,7	89,5	28,0
Cost of sales		-353,0	-625,6	-2 244,6	-2 446,5
Depreciation		-30,9	-45,5	-161,5	-171,0
Loss from spin-off of GrowHow		-22,9		-22,9	
Operating income		-6,5	19,4	193,9	148,7
Financial income and expenses		-47,2	-3,4	-67,8	-22,0
Share of associates' net income		-0,2	-4,6	-3,3	-5,7
Net financial income and expenses		-47,4	-8,0	-71,1	-27,7
Income before taxes and minority interests		-53,9	11,4	122,8	121,0
Income taxes		5,3	-8,5	-42,4	-40,5
Minority interests		-0,8	-1,5	-4,2	-4,5
Net income		-49,4	1,4	76,2	76,0

KEY FIGURES	10-12/2004	10-12/2003	2004	2 003
Earnings per share, EUR	-0,42	0,01	0,64	0,64
Earnings per share, diluted, EUR	-0,42	0,01	0,63	0,64
Cash flow from operations per share, EUR	0,58	0,74	2,20	1,85
Capital expenditure, EUR million	76	50	215	236
Capital expenditure / net sales, %	19,4	7,3	8,5	8,6
Average number of shares (1000), basic *)	120 237	118 170	119 187	118 170
Average number of shares (1000), diluted *)	120 641	119 586	120 202	119 270
Equity per share, EUR			7,69	8,77
Equity ratio, %			46,7	41,4
Gearing, %			21,1	67,8
Net liabilities, EUR million			201	725
Personnel (average)			9 714	10 536

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

EARNINGS BY BUSINESS AREA

EUR million	10-12/2004	10-12/2003	2004	2 003
Pulp & Paper Chemicals	143,7	136,9	565,5	521,0
Kemwater	79,9	66,5	285,3	215,4
Industrial Chemicals	79,1	96,4	388,9	409,8
Paints & Coatings	83,5	84,6	439,9	439,4
Other and Intra-Group sales	4,8	2,3	101,8	59,4
Total continuing operations	391,0	386,7	1 781,4	1 645,0
GrowHow	0,0	304,0	858,2	1 172,5
GrowHow and Intra-Group sales	0,0	-6,9	-106,2	-79,3
Total Group	391,0	683,8	2 533,4	2 738,2

OPERATING INCOME BY BUSINESS AREA

EUR million	10-12/2004	10-12/2003	2004	2 003
Pulp & Paper Chemicals	12,8	8,3	44,8	41,9
Kemwater	-4,0	6,9	14,4	23,8
Industrial Chemicals	7,3	11,5	95,8	41,4
Paints & Coatings	-3,0	-4,9	38,4	29,5
Other and eliminations	-1,6	-8,3	-8,3	-27,1
Total continuing operations	11,5	13,5	185,1	109,5
GrowHow	-22,9	5,7	12,0	44,7
GrowHow and eliminations	4,9	0,2	-3,2	-5,5
Total Group	-6,5	19,4	193,9	148,7

BALANCE SHEET	EUR million	31.12.2004	31.12.2003
ASSETS			
Non-current assets			
Intangible assets		221,1	227,6
Tangible assets		752,0	1 090,6
Holdings in associates		7,8	27,0
Available for-sale financial assets		124,3	75,8
Deferred tax assets		2,1	17,5
Defined benefit pension receivables		15,4	11,9
Other investments		12,6	83,5
Total non-current assets		1 135,3	1 533,9
Current assets			
Inventories		188,0	390,2
Receivables			
Interest-bearing receivables		2,9	13,0
Other interest-free receivables		331,9	570,7
Total receivables		334,8	583,7
Securities		356,0	29,5
Cash and bank		28,9	48,5
Total current assets		907,7	1 051,9
Total assets		2 043,0	2 585,8
LIABILITIES AND SHAREHOLDERS' EQUITY			
		31.12.2004	31.12.2003
Shareholders' equity			
		925,8	1 035,8
Minority interests			
		28,2	32,2
Long-term liabilities			
Interest-bearing long-term liabilities		415,8	506,4
Deferred tax liabilities		63,3	49,3
Retirement benefit obligations		50,2	161,0
Provisions		69,0	40,9
Total long-term liabilities		598,3	757,6
Current liabilities			
Interest-bearing short-term liabilities		170,4	296,1
Interest-free short-term liabilities		306,6	436,6
Provisions		13,7	27,5
Total current liabilities		490,7	760,2
Total liabilities		1 089,0	1 517,8
Total liabilities and shareholders' equity		2 043,0	2 585,8

CASH FLOW STATEMENT	EUR million	2004	2003
Cash flows from operations			
Capital expenditure		-215,0	-236,0
Proceeds from sale of fixed assets		190,9	36,3
Cash flows from investing activities		-24,1	-199,7
Cash flows before financing			
		238,0	19,4
Change in loans and short-term financing		119,7	23,5
Dividends paid		-41,3	-37,1
Other financing		-9,6	-8,5
Cash flows from financing activities		68,8	-22,1
Net change in cash and cash equivalent		306,8	-2,7

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share issue	Capital paid-in in excess of par value	Reserve fund	Valuation reserve and other funds	Translation reserve	Own shares	Accumulated profits/ losses	Total
Shareholders' equity at 1 January 2003	217,0	0,0	252,5	3,2	29,9	-33,0	-28,2	559,4	1 000,8
Net profit for the financial year	-	-	-	-	-	-	-	76,0	76,0
Dividends paid	-	-	-	-	-	-	-	-35,5	-35,5
Dividends paid to minority	-	-	-	-	-	-	-	-1,6	-1,6
Shares available for sale - change in valuation	-	-	-	-	18,3	-	-	-	18,3
Exchange differences	-	-	-	-	-	-31,7	-	-	-31,7
Hedge of net investments in foreign entities	-	-	-	-	-	9,9	-	-	9,9
Cash flow hedging: amount entered in shareholders' equity	-	-	-	-	0,9	-	-	-	0,9
Donations	-	-	-	-	-	-	-	-0,4	-0,4
Other changes	-	-	-	-	-	-	-	-0,9	-0,9
Shareholders' equity at 31 December 2003	217,0	0,0	252,5	3,2	49,1	-54,8	-28,2	597,0	1 035,8
Shareholders' equity at 1 January 2004	217,0	0,0	252,5	3,2	49,1	-54,8	-28,2	597,0	1 035,8
Net profit for the financial year	-	-	-	-	-	0,4	-	76,2	76,6
Dividends paid	-	-	-	-	-	-	-	-199,7	-199,7
Dividends paid to minority	-	-	-	-	-	-	-	-2,2	-2,2
Shares available for sale - change in valuation	-	-	-	-	-1,6	-	-	-	-1,6
Share issue	3,7	0,1	5,0	-	-	-	-	-	8,8
Exchange differences	-	-	-	0,0	-	4,4	-	-	4,4
Hedge of net investments in foreign entities	-	-	-	-	-	4,7	-	-	4,7
Cash flow hedging: amount entered in shareholders' equity	-	-	-	-	-0,2	-	-	-	-0,2
Transfer between restricted and non restricted equity	-	-	-	0,2	-	-	-	-0,2	0,0
Donations	-	-	-	-	-	-	-	-0,2	-0,2
The effect of the change in the tax rate	-	-	-	-	2,0	-	-	-	2,0
Other changes	-	-	-	-0,6	-0,3	-	-	-1,7	-2,6
Shareholders' equity at 31 December 2004	220,7	0,1	257,5	2,8	49,0	-45,3	-28,2	469,2	925,8

Kemira had in its possession, from previous years, 4,190,000 of its own shares at the 31st of December 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.

The Annual General Meeting has authorized the Board of Directors to decide on the transfer of Kemira shares owned by the Company.

The Kemira Oyj Board of Directors is not authorized to buy more of the company's own shares.

As of 31st of December a total of 2,136,000 shares have been subscribed based on Kemira's stock option scheme.

CONTINGENT LIABILITIES	EUR million	31.12.2004	31.12.2003
Mortgages		74,7	102,8
Assets pledged			
On behalf of own commitments		26,9	38,0
On behalf of others		2,2	0,8
Guarantees			
On behalf of associates		55,4	67,6
On behalf of others		1,7	1,8
Operating leasing			
Maturity within one year		2,9	5,3
Maturity after one year		13,3	23,9
Other obligations			
On behalf of others		-	1,6

DERIVATIVE INSTRUMENTS

EUR million

	31.12.2004		31.12.2003	
	Nominal value	Fair value	Nominal value	Fair value
Currency instruments				
Forward contracts	316,7	2,6	263,6	-1,6
of which hedges of net investment in a foreign operation	24,0	0,4	22,0	0,4
Currency options				
Bought	196,6	0,2	502,8	6,3
Sold	197,2	1,0	558,9	-1,9
Currency swaps	73,7	-16,3	80,0	-17,0
of which hedges of net investment in a foreign operation	-	-	-	-
Interest rate instruments				
Interest rate swaps	210,2	-3,2	198,1	-6,2
of which cash flow hedge	46,7	1,6	9,0	1,7
Interest rate options				
Bought	27,4	-0,1	27,9	-0,1
Sold	36,2	-0,3	36,9	-0,5
Forward rate agreements	0,0	0,0	250,0	0,0
of which open	-	-	-	-
Bond futures	10,0	0,0	7,5	0,0
of which open	10,0	-0,1	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 a fair view of the risk position of the Group.

Continuing Operations

INCOME STATEMENT	EUR million	10-12/2004	10-12/2003	2004	2003
Net sales		391,0	386,7	1 781,4	1 645,0
Other income from operations		4,4	6,1	79,8	23,8
Cost of sales		-352,7	-347,5	-1 552,0	-1 438,6
Depreciation		-31,2	-31,8	-124,1	-120,7
Operating income		11,5	13,5	185,1	109,5
Financial income and expenses		-47,3	0,0	-58,5	-10,8
Share of associates' net income		-0,2	-5,1	-3,6	-6,0
Net financial income and expenses		-47,5	-5,1	-62,1	-16,8
Income before taxes and minority interests		-36,0	8,4	123,0	92,7
Net income ^{*)}		-32,9	-23,0	78,2	32,8

KEY FIGURES	10-12/2004	10-12/2003	2004	2003
Earnings per share, EUR ^{*)}	-0,28	-0,19	0,66	0,28
Earnings per share, diluted, EUR ^{*)}	-0,28	-0,19	0,65	0,28
Earnings per share, EUR ^{**)}	-0,28	-0,07	0,65	0,40
Cash flow from operations per share, EUR	0,58	0,54	1,94	1,61
Capital expenditure, EUR million	75	34	170	185
Capital expenditure / net sales, %	19,3	8,7	9,6	11,2
Average number of shares (1000), basic ^{***)}	120 237	118 170	119 187	118 170
Average number of shares (1000), diluted ^{***)}	120 641	119 586	120 202	119 270
Equity per share, EUR			7,69	
Equity ratio, %			46,7	
Gearing, %			21,1	
Net liabilities, EUR million			201	
Personnel (average)			7 397	7 369

^{*)} Includes group contributions between Kemira and GrowHow

^{**) Excluding group contributions}

^{***)} Weighted average number of shares outstanding, adjusted by the number of shares bought back.

Continuing Operations

CASH FLOW STATEMENT	EUR million	2004	2003
Cash flows from operations		231,0	190,0
Capital expenditure		-170,3	-184,7
Proceeds from sale of fixed assets		190,8	34,0
Cash flows from investing activities		20,5	-150,7
Cash flows before financing		251,5	39,3
Change in loans and short-term financing		128,5	-19,2
Dividends paid		-41,3	-37,4
Other financing		-38,4	4,0
Cash flows from financing activities		48,8	-52,6
Net change in cash and cash equivalent		300,3	-13,3

Discontinuing operations, listed Kemira GrowHow

INCOME STATEMENT	EUR million	10-12/2004	10-12/2003	2004	2003
Net sales		0,0	304,0	858,2	1 172,5
Other income from operations		0,0	0,6	13,1	4,2
Cost of sales		0,0	-285,4	-798,8	-1 081,8
Depreciation		0,0	-13,5	-37,6	-50,2
Loss from spin-off of GrowHow		-22,9		-22,9	
Operating income		-22,9	5,7	12,0	44,7
Financial income and expenses		0,0	-3,4	-9,8	-16,1
Share of associates' net income		0,0	0,6	0,2	0,4
Net financial income and expenses		0,0	-2,8	-9,6	-15,7
Income before taxes and minority interests		-22,9	2,9	2,4	29,0
Net income ^{*)}		-21,3	18,9	0,8	43,6

*) Includes group contributions between Kemira and GrowHow

CASH FLOW STATEMENT

	2004	2003
Cash flows from operations	31,1	29,0
Capital expenditure	-54,7	-51,2
Proceeds from sale of fixed assets	10,0	2,2
Cash flows from investing activities	-44,7	-49,0
Cash flows before financing	-13,6	-20,0
Change in loans and short-term financing	10,2	43,1
Dividends paid	0,0	-0,1
Other financing	28,8	-12,1
Cash flows from financing activities	39,0	31,0
Net change in cash and cash equivalent	25,4	11,0

KEMIRA GROUP

EUR million

	1-3	4-6	7-9	10-12	2004 Total	1-3	4-6	7-9	10-12	2003 Total
Net Sales										
Pulp & Paper Chemicals	136,7	140,1	145,0	143,7	565,5	121,1	122,6	140,4	136,9	521,0
Kemwater	63,3	71,1	71,0	79,9	285,3	43,2	47,0	58,7	66,5	215,4
Industrial Chemicals	99,3	112,4	98,1	79,1	388,9	99,4	117,1	96,9	96,4	409,8
Paints & Coatings	103,4	130,5	122,5	83,5	439,9	105,8	126,9	122,1	84,6	439,4
Other and Intra-Group sales	33,3	29,3	34,4	4,8	101,8	14,7	7,1	35,3	2,3	59,4
Total continuing operations	436,0	483,4	471,0	391,0	1 781,4	384,2	420,7	453,4	386,7	1 645,0
GrowHow	314,8	281,3	262,1	0,0	858,2	336,9	280,1	251,5	304,0	1 172,5
GrowHow and Intra-Group sales	-33,5	-34,8	-37,9	0,0	-106,2	-21,6	-28,9	-21,9	-6,9	-79,3
Total Group	717,3	729,9	695,2	391,0	2 533,4	699,5	671,9	683,0	683,8	2 738,2
Operating income										
Pulp & Paper Chemicals	10,6	6,1	15,3	12,8	44,8	8,7	5,5	19,4	8,3	41,9
Kemwater	4,8	7,3	6,3	-4,0	14,4	3,9	4,8	8,2	6,9	23,8
Industrial Chemicals	10,3	12,7	65,5	7,3	95,8	8,2	13,2	8,5	11,5	41,4
Paints & Coatings	8,0	18,9	14,5	-3,0	38,4	5,9	13,6	14,9	-4,9	29,5
Other and eliminations	-4,8	-0,1	-1,8	-1,6	-8,3	-0,7	-10,9	-7,2	-8,3	-27,1
Total continuing operations	28,9	44,9	99,8	11,5	185,1	26,0	26,2	43,8	13,5	109,5
GrowHow	26,2	14,0	-5,3	-22,9	12,0	9,3	22,7	7,0	5,7	44,7
GrowHow and eliminations	-0,9	-4,1	-3,1	4,9	-3,2	-1,7	-2,0	-2,0	0,2	-5,5
Total Group	54,2	54,8	91,4	-6,5	193,9	33,6	46,9	48,8	19,4	148,7
Financial income and expenses	-10,1	-3,3	-7,2	-47,2	-67,8	-4,7	-5,4	-8,5	-3,4	-22,0
Share of associates' net income	-1,3	-0,7	-1,1	-0,2	-3,3	0,4	-0,3	-1,2	-4,6	-5,7
Net financial income and expenses	-11,4	-4,0	-8,3	-47,4	-71,1	-4,3	-5,7	-9,7	-8,0	-27,7
Income before taxes and minority interests	42,8	50,8	83,1	-53,9	122,8	29,3	41,2	39,1	11,4	121,0
Income taxes	-13,5	-15,5	-18,7	5,3	-42,4	-9,2	-11,3	-11,5	-8,5	-40,5
Minority interests	-1,4	-0,9	-1,1	-0,8	-4,2	-0,8	-0,3	-1,9	-1,5	-4,5
Net income	27,9	34,4	63,3	-49,4	76,2	19,3	29,6	25,7	1,4	76,0
Earnings per share, diluted, EUR	0,23	0,29	0,53	-0,42	0,63	0,16	0,25	0,22	0,01	0,64
Capital employed, rolling					1 704,4					1 901,6
ROCE, %					11 %					8 %

CONTINUING OPERATIONS WITHOUT FINE CHEMICALS, CALCIUM CHLORIDE BUSINESS AND ECOCAT

	1-3	4-6	7-9	10-12	2004 Total	1-3	4-6	7-9	10-12	2003 Total
Net Sales										
Pulp & Paper Chemicals	136,7	140,1	145,0	143,7	565,5	121,1	122,6	140,4	136,9	521,0
Kemwater	63,3	71,1	71,0	79,9	285,3	43,2	47,0	58,7	66,5	215,4
Industrial Chemicals	70,3	85,3	80,5	79,1	315,2	78,6	83,7	78,1	71,7	312,1
Paints & Coatings	103,4	130,5	122,5	83,5	439,9	105,8	126,9	122,1	84,6	439,4
Other and Intra-Group sales	20,7	29,3	34,4	4,8	89,2	5,7	-6,3	20,0	-11,7	7,7
Total	394,4	456,3	453,4	391,0	1 695,1	354,4	373,9	419,3	348,0	1 495,6
Operating income										
Pulp & Paper Chemicals	10,6	6,1	15,3	12,8	44,8	8,7	5,5	19,4	8,3	41,9
Kemwater	4,8	7,3	6,3	-4,0	14,4	3,9	4,8	8,2	6,9	23,8
Industrial Chemicals	4,2	9,4	12,1	7,3	33,0	6,1	8,8	12,2	9,2	36,3
Paints & Coatings	8,0	18,9	14,5	-3,0	38,4	5,9	13,6	14,9	-4,9	29,5
Others	-6,4	-11,0	-1,8	-1,6	-20,8	-0,1	-11,6	-10,0	-9,6	-31,3
Total	21,2	30,7	46,4	11,5	109,8	24,5	21,1	44,7	9,9	100,2
Capital employed, rolling					1 252,5					1 226,5
ROCE, %					8 %					8 %