

## KEMIRA GROUP

The figures are unaudited.

The comparative figures for 2004 in the Interim report's income statement cover continuing operations, excluding GrowHow, Fine Chemicals, the calcium chloride business and Ecocat. The figures furthermore exclude non-recurring items arising from disposals of these units. The post-tax profit of discontinued operations together with the non-recurring items arising from the disposals are shown as a separate line item. The classification is based on IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), that has been followed after 1st January 2005.

Due to the retrospective application of IFRS 2 (Share-based Payment) costs have decreased and profit increased by EUR 1.8 million in 2004. The profit for the period 1-3/2004 did not change.

INCOME STATEMENT	EUR million	1-3/2005	1-3/2004	2004
<b>Continuing operations</b>				
<b>Revenue</b>		<b>403,7</b>	394,4	1 695,1
Other income from operations		5,2	0,8	13,8
Cost of sales		<b>-351,9</b>	-344,5	-1 476,9
Depreciation		<b>-26,7</b>	-29,5	-120,4
<b>Operating profit</b>		<b>30,3</b>	21,2	111,6
Financial income and expenses		<b>-3,4</b>	-7,2	-56,8
Share of associates' profit		<b>-0,2</b>	-2,0	-3,7
<b>Profit before tax</b>		<b>26,7</b>	12,0	51,1
Income tax		<b>-7,5</b>	-6,4	-31,5
<b>Profit from continuing operations</b>		<b>19,2</b>	5,6	19,6
<b>Discontinued operations</b>				
Profit from discontinued operations			23,7	62,6
<b>Net profit</b>		<b>19,2</b>	29,3	82,2
<b>Attributable to:</b>				
Equity holders of the parent		18,2	27,9	78,0
Minority interest		1,0	1,4	4,2
<b>Net profit</b>		<b>19,2</b>	29,3	82,2

The interim financial statement is prepared in accordance with the same (IFRS) accounting principles as the annual financial statement. Exceptions are changes due to the implementation of new or restated standards and IFRIC interpretations. Changes include ceasing of goodwill depreciation and treatment of emission rights. Changes in accounting principles beginning from 1 January 2005 are described in more detail in the annual financial statement.

KEY FIGURES	1-3/2005	1-3/2004	2004
Equity holders of the parent:			
Earnings per share, EUR	0,15	0,24	0,65
Earnings per share, diluted, EUR	0,15	0,23	0,65
Earnings per share, basic and diluted, continuing operations, EUR	0,15	0,04	0,13
Cash flow from operations per share, EUR	-0,22	0,08	2,20
Cash flow from operations per share, continuing operations, EUR	-0,22	0,00	1,94
Capital expenditure, continuing operations, EUR million	20,3	21,7	165,1
Capital expenditure / net sales, continuing operations, %	5,0	5,5	9,7
Average number of shares (1000), basic *)	120 431	118 170	119 187
Average number of shares (1000), diluted *)	120 838	119 129	120 202
Number of shares at the end of the period (1000), basic *)	120 680	118 170	120 306
Number of shares at the end of the period (1000), diluted *)	121 089	119 814	120 707
Equity per share, attributable to equity holders of the parent, EUR	8,03	9,02	7,71
Equity ratio, %	43,7	41,7	46,8
Gearing, %	24,8	68,6	21,1
Net liabilities, EUR million	248	754	201
Personnel (average)	7 120	10 455	9 714

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

<b>REVENUE BY BUSINESS AREA</b>	<b>EUR million</b>	<b>1-3/2005</b>	<b>1-3/2004</b>	<b>2004</b>
Pulp & Paper Chemicals		<b>143,1</b>	136,7	565,5
Kemwater		<b>82,8</b>	63,3	285,3
Industrial Chemicals		<b>79,0</b>	70,3	315,2
Paints & Coatings		<b>99,1</b>	103,4	439,9
Other and Intra-Group sales		<b>-0,3</b>	20,7	89,2
Total Group		<b>403,7</b>	394,4	1 695,1
<b>OPERATING PROFIT BY BUSINESS AREA</b>		<b>1-3/2005</b>	<b>1-3/2004</b>	<b>2004</b>
Pulp & Paper Chemicals		<b>11,6</b>	10,6	44,8
Kemwater		<b>6,4</b>	4,8	14,4
Industrial Chemicals		<b>7,7</b>	4,2	33,0
Paints & Coatings		<b>8,4</b>	8,0	38,4
Other and eliminations		<b>-3,8</b>	-6,4	-19,0
Total Group		<b>30,3</b>	21,2	111,6

**BALANCE SHEET**

EUR million

<b>ASSETS</b>	<b>31.3.2005</b>	<b>31.12.2004</b>
<b>Non-current assets</b>		
Goodwill	191,8	190,4
Other intangible assets	59,2	30,7
Property, plant and equipment	737,8	752,0
Investments in associates	7,6	7,8
Available for-sale investments	137,8	124,3
Deferred tax assets	1,1	2,1
Defined benefit pension receivables	15,4	15,4
Other investments	12,2	12,6
<b>Total non-current assets</b>	<b>1 162,9</b>	<b>1 135,3</b>

<b>Current assets</b>		
Inventories	196,6	188,0
Receivables		
Interest-bearing receivables	0,9	2,9
Interest-free receivables	363,7	331,9
<b>Total receivables</b>	<b>364,6</b>	<b>334,8</b>
Short-term placements	529,9	356,0
Cash and cash equivalents	22,8	28,9
<b>Total current assets</b>	<b>1 113,9</b>	<b>907,7</b>
Non-current assets held for sale	9,4	
<b>Total assets</b>	<b>2 286,2</b>	<b>2 043,0</b>

<b>EQUITY AND LIABILITIES</b>	<b>31.3.2005</b>	<b>31.12.2004</b>
<b>Equity attributable to equity holders of the parent</b>	<b>969,4</b>	<b>927,8</b>
<b>Minority interests</b>	<b>29,1</b>	<b>28,2</b>
<b>Total equity</b>	<b>998,5</b>	<b>956,0</b>

<b>Non-current liabilities</b>		
Interest-bearing long-term liabilities	414,2	415,8
Deferred tax liabilities	59,2	63,3
Pension liabilities	48,3	50,2
Provisions	68,6	69,0
<b>Total non-current liabilities</b>	<b>590,3</b>	<b>598,3</b>

<b>Current liabilities</b>		
Interest-bearing short-term liabilities	386,4	170,4
Interest-free short-term liabilities	293,6	304,6
Provisions	17,4	13,7
<b>Total current liabilities</b>	<b>697,4</b>	<b>488,7</b>
<b>Total liabilities</b>	<b>1 287,7</b>	<b>1 087,0</b>

<b>Total equity and liabilities</b>	<b>2 286,2</b>	<b>2 043,0</b>
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Other intangible assets include emission rights at EUR 23.7 million. They are accounted at market price according to a revaluation model allowed by IFRIC 3.

The carrying amount of Kemira house in Helsinki is included in non-current assets held for sale.

<b>CASH FLOW STATEMENT</b>	<b>EUR million</b>	<b>1-3/2005</b>	<b>1-3/2004</b>	<b>2004</b>
<b>Cash flows from operations</b>				
Continuing operations		-26,0	0,2	231,0
Discontinued operations			8,7	31,1

<b>Total cash flows from operations</b>	<b>-26,0</b>	<b>8,9</b>	<b>262,1</b>
<b>Capital expenditure</b>			
Continuing operations	-20,3	-21,7	-165,1
Discontinued operations		-13,5	-49,9
<b>Total capital expenditure</b>	<b>-20,3</b>	<b>-35,2</b>	<b>-215,0</b>
<b>Proceeds from sale of fixed assets</b>			
Continuing operations	2,8	1,1	41,7
Discontinued operations		4,7	149,2
<b>Total proceeds from sale of fixed assets</b>	<b>2,8</b>	<b>5,8</b>	<b>190,9</b>
<b>Cash flows from investing activities</b>	<b>-17,5</b>	<b>-29,4</b>	<b>-24,1</b>
<b>Cash flow after capital expenditures</b>	<b>-43,5</b>	<b>-20,5</b>	<b>238,0</b>
Change in loans and short-term financing	213,4	-5,8	119,7
Dividends paid	-0,7	-2,0	-41,3
Other financing	-1,4	14,6	-9,6
<b>Cash flows from financing activities</b>	<b>211,3</b>	<b>6,8</b>	<b>68,8</b>
<b>Net change in cash and cash equivalent</b>	<b>167,8</b>	<b>-13,7</b>	<b>306,8</b>

CONTINGENT LIABILITIES	EUR million	31.3.2005		31.12.2004	
Mortgages		75,0		74,7	
Assets pledged					
On behalf of own commitments		27,0		26,9	
On behalf of others		-		2,2	
Guarantees					
On behalf of associates		56,4		55,4	
On behalf of others		3,8		1,7	
Operating leasing					
Maturity within one year		3,6		2,9	
Maturity after one year		14,4		13,3	
Other obligations					
On behalf of others		-		-	

Statement of Objections and other proceedings with respect to hydrogen peroxide

Kemira Oyj disclosed in a separate release and in the annual accounts for 2004 to have received from European Commission at the end of January 2005 a Statement of Objections concerning hydrogen peroxide and persalts, with regard to alleged antitrust activities during 1994-2001 in Europe. Kemira has given its response and the proceedings continue.

Kemira Chemicals, Inc. has received a grand jury subpoena seeking documents in connection with an investigation by the United States Department of Justice Antitrust Division relating to the hydrogen peroxide business in the U.S. Kemira Oyj and Kemira Chemicals, Inc. have recently been named in class action lawsuits filed in U.S. federal and state courts by direct and indirect purchasers of hydrogen peroxide and persalts. In these civil actions it is alleged that the U.S. plaintiffs suffered damages resulting from a cartel among hydrogen peroxide and persalts suppliers. The existence of the European Commission's investigation is relied upon in support of the allegations, but Kemira Oyj and Kemira Chemicals, Inc. have not been informed of any allegation that relates specifically to the U.S. market.

DERIVATIVE INSTRUMENTS	EUR million	31.3.2005		31.12.2004	
		Nominal value	Fair value	Nominal value	Fair value
<b>Currency instruments</b>					
Forward contracts		297,1	-1,5	316,7	2,6
of which hedges of net investment in a foreign operation		24,7	-0,5	24,0	0,4
Currency options					
Bought		175,7	-1,2	196,6	0,2
Sold		196,0	0,6	197,2	1,0
Currency swaps		39,0	-2,9	73,7	-16,3
of which hedges of net investment in a foreign operation		-	-	-	-
<b>Interest rate instruments</b>					
Interest rate swaps		152,4	2,1	210,2	-3,2
of which cash flow hedge		45,4	2,8	46,7	1,6
Interest rate options					
Bought		20,0	0,0	27,4	-0,1
Sold		25,0	-0,3	36,2	-0,3
Forward rate agreements		0,0	0,0	0,0	0,0
of which open		-	-	-	-
Bond futures		10,0	-0,1	10,0	0,0
of which open		10,0	-0,1	10,0	-0,1

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.