

## KEMIRA GROUP

The figures are audited.

All figures in this financial report have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

This Financial Statement has been prepared in compliance with IFRS standards. Kemira Group has corrected a previous year error in accordance with IAS 8. The nature of the error is described in the end of the report.

Changes to the accounting policies as of January 1, 2007:

- IFRS 7 (Financial Instruments: Disclosures) has been adopted by the Group in 2007

- Revised IAS 1 (Disclosures about capital) has been adopted by the Group in 2007

The Group assesses that the adoption of the revised standards will not have any material effect on its future financial statements. However, the resulting changes will add disclosures to the Financial Statements.

INCOME STATEMENT	EUR million	10-12/2007	10-12/2006*	2007	2006*
<b>Revenue</b>		<b>654.4</b>	669.5	<b>2,810.2</b>	2,522.5
Other operating income		13.0	17.6	45.9	59.2
Expenses		-636.0	-631.9	-2,539.2	-2,264.5
Depreciation and impairments		-74.3	-33.6	-173.8	-123.5
<b>Operating profit</b>		<b>-42.9</b>	21.6	<b>143.1</b>	193.7
Financial income and expenses		-15.3	-12.7	-51.9	-37.2
Income from associates		0.2	-1.1	2.1	-2.3
<b>Profit before tax</b>		<b>-58.0</b>	7.8	<b>93.3</b>	154.2
Income tax		12.0	-0.1	-25.8	-42.0
<b>Net profit for the period</b>		<b>-46.0</b>	7.7	<b>67.5</b>	112.2
<b>Attributable to:</b>					
Equity holders of the parent		-46.8	6.8	63.7	108.6
Minority interest		0.8	0.9	3.8	3.6
<b>Net profit for the period</b>		<b>-46.0</b>	7.7	<b>67.5</b>	112.2

BALANCE SHEET	EUR million	31.12.2007	31.12.2006*
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		626.6	581.0
Other intangible assets		112.3	108.9
Property, plant and equipment		984.3	987.1
Holdings in associates		5.5	8.1
Available-for-sale investments		102.2	84.3
Deferred tax assets		5.2	7.7
Defined benefit pension receivables		34.6	24.6
Other investments		6.4	9.5
<b>Total non-current assets</b>		<b>1,877.1</b>	1,811.2
<b>Current assets</b>			
Inventories		311.2	293.2
Receivables			
Interest-bearing receivables		3.2	9.1
Interest-free receivables		548.1	565.4
<b>Total receivables</b>		<b>551.3</b>	574.5
Money market investments - cash equivalents		21.4	35.0
Cash and cash equivalents		31.2	41.1
<b>Total current assets</b>		<b>915.1</b>	943.8
Non-current assets held for sale		35.7	14.4
<b>Total assets</b>		<b>2,827.9</b>	2,769.4
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>		<b>1,072.0</b>	1,069.9
<b>Minority interest</b>		<b>15.3</b>	12.6
<b>Total equity</b>		<b>1,087.3</b>	1,082.5
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities		431.1	395.1
Deferred tax liabilities		105.5	105.9
Pension liabilities		74.2	66.8
Provisions		18.8	63.3
<b>Total non-current liabilities</b>		<b>629.6</b>	631.1
<b>Current liabilities</b>			
Interest-bearing current liabilities		625.0	508.5
Interest-free current liabilities		473.6	522.9
Provisions		6.2	15.5
<b>Total current liabilities</b>		<b>1,104.8</b>	1,046.9
Liabilities directly associated with non-current assets classified as held for sale		6.2	8.9
<b>Total liabilities</b>		<b>1,740.6</b>	1,686.9
<b>Total equity and liabilities</b>		<b>2,827.9</b>	2,769.4

In connection with the strategic review process, it was decided to classify the assets and liabilities of strategic business unit Chemidet as assets held for sale. The strategic business unit belongs to Kemira Specialty Business Area. There are negotiations on going for disposal. The loss recognised in the income statement amounts to EUR 9.2 million.

The non-current assets held for sale includes also a land area in Porkkala Finland. The sale contract was signed in 2007 but the ownership of the land will transfer in 2008.

\* Year 2006 error has been corrected.

CONSOLIDATED CASH FLOW STATEMENT	EUR million	2007	2006
<b>Cash flows from operating activities</b>			
Adjusted operating profit		281.1	232.0
Interests		-36.3	-30.4
Dividend income		2.0	2.0
Other financing items		-	-1.3
Income taxes paid		-35.6	-45.1
<b>Total funds from operations</b>		<b>211.2</b>	<b>157.2</b>
Change in net working capital		-39.1	59.6
<b>Total cash flows from operating activities</b>		<b>172.1</b>	<b>216.8</b>
<b>Cash flows from investing activities</b>			
Capital expenditure for acquisitions		-66.6	-297.4
Other capital expenditure		-254.4	-164.6
Proceeds from sale of assets		-0.2	102.9
Net cash used in investing activities		-321.2	-359.1
<b>Cash flow after investing activities</b>		<b>-149.1</b>	<b>-142.3</b>
<b>Cash flows from financing activities</b>			
Change in long-term loans (increase +, decrease -)		53.7	173.4
Change in long-term loan receivables (decrease +, increase -)		2.5	1.5
Short-term financing, net (increase +, decrease -)		117.8	33.8
Dividends paid		-60.8	-46.3
Other		12.3	-0.2
<b>Net cash used in financing activities</b>		<b>125.5</b>	<b>162.2</b>
<b>Net change in cash and cash equivalents</b>		<b>-23.6</b>	<b>19.9</b>
Cash and cash equivalents at end of period		52.6	76.2
Cash and cash equivalents at beginning of period		76.2	56.3
<b>Net change in cash and cash equivalents</b>		<b>-23.6</b>	<b>19.9</b>

#### STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent								Total
	Share capital	Capital paid-in in excess of par value	Fair value reserve	Exchange differences	Treasury shares	Retained earnings	Minority interests		
Shareholders' equity at January 1, 2006	221.3	257.8	67.1	-33.9	-27.5	520.7	13.7	1,019.2	
Net profit for the financial year *	-	-	-	-	-	108.6	3.6	112.2	
Dividends paid	-	-	-	-	-	-43.6	-2.8	-46.4	
Treasury shares issued to target group	-	-	-	-	0.7	-0.7	-	0.0	
Share-based compensation	-	-	-	-	-	1.1	-	1.1	
Options subscribed for shares	0.3	0.1	-	-	-	-	-	0.4	
Exchange differences	-	-	-	-1.5	-	-	0.4	-1.1	
Hedge of net investments in foreign entities	-	-	-	4.5	-	-	-	4.5	
Cash flow hedging: amount entered in shareholders' equity	-	-	-4.7	-	-	-	-	-4.7	
Acquired minority interest	-	-	-	-	-	-	-2.3	-2.3	
Transfer between restricted and non-restricted equity	-	-	0.3	-	-	-0.3	-	0.0	
Other changes	-	-	-	-	-	-0.4	-	-0.4	
<b>Shareholders' equity at December 31, 2006</b>	<b>221.6</b>	<b>257.9</b>	<b>62.7</b>	<b>-30.9</b>	<b>-26.8</b>	<b>585.4</b>	<b>12.6</b>	<b>1,082.5</b>	
Shareholders' equity at January 1, 2007	221.6	257.9	62.7	-30.9	-26.8	585.4	12.6	1082.5	
Net profit for the financial year	-	-	-	-	-	63.7	3.8	67.5	
Dividends paid	-	-	-	-	-	-58.2	-2.6	-60.8	
Available-for-sale assets - change in fair value	-	-	7.2	-	-	-	-	7.2	
Treasury shares issued to target group	-	-	-	-	0.8	-0.8	-	0.0	
Share-based compensation	-	-	-	-	-	1.1	-	1.1	
Options subscribed for shares	0.2	-	-	-	-	-	-	0.2	
Exchange differences	-	-	-	-16.2	-	-	0.9	-15.3	
Hedge of net investments in foreign entities	-	-	-	6.0	-	-	-	6.0	
Cash flow hedging: amount entered in shareholders' equity	-	-	-1.9	-	-	-	-	-1.9	
Acquired minority interest	-	-	-	-	-	-	0.4	0.4	
Transfer between restricted and non-restricted equity	-	-	0.2	-	-	-0.2	-	0.0	
Other changes	-	-	-	-	0.1	0.1	0.2	0.4	
<b>Shareholders' equity at December 31, 2007</b>	<b>221.8</b>	<b>257.9</b>	<b>68.2</b>	<b>-41.1</b>	<b>-25.9</b>	<b>591.1</b>	<b>15.3</b>	<b>1,087.3</b>	

At the end of the year 2006 there were 3,979,670 treasury shares. Of the shares that were granted in connection with the share-based incentive plan 18,938 were returned to Kemira in 2007. A total of 144,143 shares were issued to key persons based on the incentive plan on February 23, 2007. The total equivalent book value of the shares issued amounted to approx. EUR 255,133. The issue does not materially affect the distribution of ownership and voting power in the company.

Kemira had in its possession 3,854,465 of its treasury shares at December 31, 2007. Their average acquisition share price was EUR 6.73 and the treasury shares represented 3.1% of the share capital and of the aggregate number of votes conferred by all the shares. The equivalent book value of the treasury shares is EUR 6.8 million.

\* Year 2006 error has been corrected.

<b>KEY FIGURES</b>	<b>10-12/2007</b>	<b>10-12/2006*</b>	<b>2007</b>	<b>2006*</b>
Earnings per share, basic and diluted, EUR	<b>-0.39</b>	0.06	<b>0.53</b>	0.90
Earnings per share excluding write-downs, basic and diluted, EUR	<b>-0.05</b>	0.06	<b>0.87</b>	0.90
Cash flow from operations per share, EUR	<b>0.48</b>	0.90	<b>1.42</b>	1.79
Capital expenditure, EUR million	<b>95.1</b>	257.1	<b>321.0</b>	462.0
Capital expenditure / revenue, %	<b>14.5</b>	38.4	<b>11.4</b>	18.3
Average number of shares (1000), basic <sup>1)</sup>	<b>121,191</b>	120,950	<b>121,164</b>	120,877
Average number of shares (1000), diluted <sup>1)</sup>	<b>121,191</b>	121,099	<b>121,194</b>	121,051
Number of shares at the end of the period (1000), basic <sup>1)</sup>	<b>121,191</b>	120,988	<b>121,191</b>	120,988
Number of shares at the end of the period (1000), diluted <sup>1)</sup>	<b>121,191</b>	121,204	<b>121,191</b>	121,204
Equity per share, attributable to equity holders of the parent, EUR			<b>8.85</b>	8.85
Equity ratio, %			<b>38.6</b>	39.2
Gearing, %			<b>92.3</b>	76.4
Interest-bearing net liabilities, EUR million			<b>1,003.4</b>	827.4
Personnel (average)			<b>10,008</b>	9,186

1) Number of shares outstanding, excluding the number of shares bought back.

\* Year 2006 error has been corrected.

<b>REVENUE BY BUSINESS AREA</b>	<b>EUR million</b>	<b>10-12/2007</b>	<b>10-12/2006*</b>	<b>2007</b>	<b>2006</b>
Kemira Pulp&Paper		<b>249.8</b>	264.0	<b>1,018.3</b>	993.3
Kemira Water		<b>188.0</b>	171.5	<b>730.5</b>	467.6
Kemira Specialty		<b>102.0</b>	117.2	<b>425.9</b>	456.2
Kemira Coatings		<b>118.4</b>	109.3	<b>625.2</b>	562.8
Other and Intra-Group sales		<b>-3.8</b>	7.5	<b>10.3</b>	42.6
<b>Total Group</b>		<b>654.4</b>	669.5	<b>2,810.2</b>	2,522.5
<b>OPERATING PROFIT BY BUSINESS AREA</b>		<b>10-12/2007</b>	<b>10-12/2006*</b>	<b>2007</b>	<b>2006*</b>
Kemira Pulp&Paper		<b>-3.2</b>	20.1	<b>66.8</b>	90.8
Kemira Water		<b>5.2</b>	10.3	<b>45.0</b>	35.3
Kemira Specialty		<b>-13.9</b>	11.1	<b>13.5</b>	45.8
Kemira Coatings		<b>-5.9</b>	-1.5	<b>73.1</b>	72.1
Other and eliminations		<b>-25.1</b>	-18.4	<b>-55.3</b>	-50.3
<b>Total Group</b>		<b>-42.9</b>	21.6	<b>143.1</b>	193.7

\* Year 2006 error has been corrected.

<b>CHANGES IN PROPERTY, PLANT AND EQUIPMENT</b>	<b>EUR million</b>	<b>2007</b>	<b>2006</b>
Carrying amount at beginning of year		<b>987.1</b>	865.0
Acquisitions of subsidiaries		<b>14.3</b>	151.9
Increases		<b>215.7</b>	154.4
Decreases		<b>-2.5</b>	-42.0
Depreciation and impairments		<b>-133.2</b>	-106.3
Exchange rate differences and other changes		<b>-89.3</b>	-35.9
<b>Net carrying amount at end of period</b>		<b>984.3</b>	987.1
<b>CHANGES IN INTANGIBLE ASSETS</b>	<b>EUR million</b>	<b>2007</b>	<b>2006</b>
Carrying amount at beginning of year		<b>689.9</b>	629.7
Acquisitions of subsidiaries		<b>32.2</b>	71.8
Increases		<b>30.4</b>	18.1
Decreases		<b>-0.3</b>	-0.4
Depreciation and impairments		<b>-40.6</b>	-17.2
Exchange rate differences and other changes		<b>27.4</b>	-12.1
<b>Net carrying amount at end of period</b>		<b>738.9</b>	689.9

CONTINGENT LIABILITIES	EUR million	31.12.2007	31.12.2006
Mortgages		62.1	64.8
Assets pledged			
On behalf of own commitments		6.0	19.5
Guarantees			
On behalf of own commitments		8.3	6.4
On behalf of associates		1.4	32.6
On behalf of others		2.8	1.4
Operating leasing liabilities			
Maturity within one year		22.4	14.9
Maturity after one year		129.0	118.1
Other obligations			
On behalf of own commitments		0.4	0.4
On behalf of associates		2.3	2.3

#### Major off-balance sheet investment commitments

Major amounts of contractual commitments for the acquisition of property, plant and equipment on December 31, 2007 were EUR 16 million for the investment of Kemira Coatings in Russia and EUR 3 million for the environmental investment in Pori.

#### Litigation

The Group has extensive international operations and is involved in a number of legal proceedings incidental to these operations.

Kemira Oyj, Kemira Chemicals, Inc. and Kemira Chemicals Canada, Inc. have received claims or were named in class action lawsuits filed by direct and indirect purchasers of hydrogen peroxide and persalts in US federal and state courts and in Canada.

In these civil actions it is alleged that the US plaintiffs suffered damages resulting from a cartel among hydrogen peroxide suppliers.

To avoid further litigation costs Kemira Oyj and Kemira Chemicals Canada Inc. have made a settlement agreement, pending court approval, in the US direct purchaser class action. As regards the other claims and suits, the proceedings continue.

Finnish Chemicals Oy has received in August 2007 from the European Union Commission a statement of objections in respect to competition law infringements by sodium chlorate producers during 1994-2000 to which statement of objections Finnish Chemicals Oy has given its reply.

#### RELATED PARTY

Related party transactions have decreased due to the sale of Kemira's 50 % stake in Swedish filler producer Scanspac (joint venture) in September 2007.

Transactions with Scanspac represented about 80 % of the Group's related party transactions. Other than that the related party transactions have not changed materially after annual closing 2006.

DERIVATIVE INSTRUMENTS	EUR million		31.12.2007		31.12.2006	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
<b>Currency instruments</b>						
Forward contracts	942.9	-1.4	389.4	5.5		
of which hedges of net investment in a foreign operation	-	-	19.6	2.2		
Currency options	123.3	0.3	88.1	0.2		
Bought	65.5	0.1	42.8	-		
Sold	57.8	0.2	45.3	0.2		
Currency swaps	147.2	6.5	115.9	8.4		
<b>Interest rate instruments</b>						
Interest rate swaps	174.0	2.3	109.2	4.7		
of which cash flow hedge	164.0	2.0	83.8	4.2		
Interest rate options	10.0	-	-	-		
Bought	10.0	-	-	-		
Sold	-	-	-	-		
Bond futures	10.0	0.2	10.0	-0.2		
of which open	10.0	0.2	10.0	-0.2		
<b>Other instruments</b>		<b>Fair value</b>		<b>Fair value</b>		<b>Fair value</b>
Electricity forward contracts	GWh	833.6	10.0	GWh	1,227.0	10.4
of which cash flow hedge	GWh	833.6	10.0	GWh	1,227.0	10.4
Propane swap contracts	Tons	-	-	Tons	1,000.0	-0.1

The fair values of the instruments which are publicly traded are based on market valuation on the date of reporting. Other instruments have been valuated 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.

## BUSINESS COMBINATIONS

### The Cytec water treatment business

Kemira acquired the Cytec Industries, Inc.'s water treating and acryl amide business on October 1, 2006. Cytec's water treatment business consists of water treatment solutions for industrial and municipal water treatment plants. The acquisition includes five production plants of which three are located in the US (Mobile/Alabama, Longview/Washington, and Fortier/Louisiana), and two in Europe (Bradford /UK and Botlek/the Netherlands).

The acquisition of Cytec's water treatment chemicals business is in line with Kemira's growth strategy. It also allows the Group to significantly broaden its current product portfolio and gain greater geographical presence in key markets and inside key customer segments. The acquired business' market regions include the US, South America, Asia and Europe.

The total price of the acquisition is approx. EUR 198.5 million. The acquisition was financed with Kemira Group's own existing financing agreements.

In addition to the purchase of the business through the asset purchase agreement which was closed October 1, 2006, Kemira signed a share purchase agreement to buy the shares of Cytec Manufacturing BV. The closing and payment of the share purchase agreement took place on January 11, 2007. Kemira has also signed transition service agreements with nine Cytec companies concerning certain transactional services with respect of the products of the business (Overseas units). The assets related to these transition service agreements was transferred to Kemira and paid gradually starting on April 1, 2007. One of these asset transfers was in the form of a share purchase of an existing company.

The control over the whole Cytec water treatment business was transferred to Kemira on October 1, 2006. The preliminary purchase price allocation was pending finalization of overseas units, working capital and liabilities. These matters have been finalized since then, resulting in an increase of goodwill mainly from indentified defined benefit pensions according to IAS 19.

	Fair values recorded on business combination	Carrying amounts prior to business combination
Intangible assets	15.5	-
Property, plant and equipment	91.0	54.7
Inventories	28.8	27.1
Trade receivables and other receivables	40.6	40.6
Cash and cash equivalents	2.0	2.0
<b>Total assets</b>	<b>177.9</b>	<b>124.4</b>
Interest bearing current liabilities	5.4	5.4
Other liabilities	18.2	18.2
Deferred tax liabilities	1.7	-
<b>Total liabilities</b>	<b>25.3</b>	<b>23.6</b>
Net assets	152.6	100.8
Cost of business combination (net)	198.5	
Goodwill	45.9	
Acquisition cost	198.5	
Cash and cash equivalents in subsidiary acquired	-2.0	
<b>Cash outflow on acquisition</b>	<b>196.5</b>	
Cash outflow on acquisition 2006	166.2	
Cash outflow on acquisition 2007	30.3	
<b>Cash outflow on acquisition</b>	<b>196.5</b>	

The revenue of the acquired unit for January 1 - December 31, 2007 totaled EUR 291.3 million and operating profit EUR 12.3 million.

### The Dalquim coagulant business

Kemira acquired on April 20, 2007 100% of the shares of two companies (Empresa Lajeana Ltda. & Arapoti Saneamento Ltda.) conducting the coagulant business of Dalquim Industria e Comercio Ltda. Dalquim is one of the leading manufacturers of aluminum based coagulants in the South of Brazil. The revenue of the coagulant business is approximately EUR 12 million.

The target companies are located in the south of Brazil and have two production units. Main customer base is the paper industry and municipalities for potable and wastewater treatment. The company will be targeting the fast expanding paper industry and potable and waste water treatment sector in the Southern states of Brazil.

The acquisition fits extremely well in Kemira's strategy to enhance its position and mutual synergies as a world leader in chemicals supply for both pulp&paper and water treatment customers on fast growing emerging markets.

Kemira Water is already present with production in the Bahia region (North East of Brazil) and in the Sao Paulo state. With this acquisition Kemira will significantly broaden its current product portfolio in Brazil and gain strong geographical presence in the southern Brazilian market.

The total price of the acquisition is approx. EUR 10.8 million. Capitalized acquisition costs directly attributable to the combination has not yet been finalized. The acquisition was financed with Kemira Group's own existing financing agreements.

Of the total purchase price of EUR 10.8 million, EUR 1.2 million was allocated to intangible assets coming from existing customer list. The acquisition then results in EUR 9.0 million in goodwill, based on the acquired business's expected future earnings and attainable synergies.

	Fair values recorded on business combination	Carrying amounts prior to business combination
Intangible assets	1.2	-
Property, plant and equipment	0.8	0.8
Inventories	0.2	0.2
Trade receivables and other receivables	1.4	1.4
Cash and cash equivalents	0.1	0.1
<b>Total assets</b>	<b>3.7</b>	<b>2.5</b>
Deferred tax liabilities	0.4	-
Other liabilities	1.5	1.5
<b>Total liabilities</b>	<b>1.9</b>	<b>1.5</b>
<b>Net assets</b>	<b>1.8</b>	<b>1.0</b>
Cost of business combination (net)	10.8	
<b>Goodwill</b>	<b>9.0</b>	
Acquisition cost	10.8	
Cash and cash equivalents in subsidiaries acquired	-0.1	
<b>Cash outflow on acquisition</b>	<b>10.7</b>	

The revenue of the acquired units for April 21 – December 31, 2007 totaled EUR 7.5 million and operating profit EUR 1.7 million.

### Aggregate of other business acquisitions

Kemira made the following acquisitions in 2007: TRI-K Industries Inc. (100%), Sustainable Nutrition B.V. (100%), Dickursby Holding AB (70%), OOO Gamma Industrial Coatings (70%), OOO Tikkurila Powder Coatings (70%), Chongqing Lanjie Tap Water Materials Co. (80%) and the Arkema coagulant business.

These business combinations are individually immaterial.

	Fair values recorded on business combination	Carrying amounts prior to business combination
Trademarks and trade names	3.9	-
Other intangible assets	5.4	4.7
Property, plant and equipment	5.6	4.5
Inventories	4.7	4.7
Trade receivables and other receivables	3.1	2.9
Cash and cash equivalents	0.2	0.2
<b>Total assets</b>	<b>22.9</b>	<b>17.0</b>
Deferred tax liabilities	1.4	-
Long-term liabilities	0.3	0.3
Other liabilities	4.8	4.8
<b>Total liabilities</b>	<b>6.5</b>	<b>5.1</b>
Net assets	16.4	11.9
<b>Cost of business combination (net)</b>	<b>24.0</b>	
Goodwill	7.6	
Acquisition cost	24.0	
Cash and cash equivalents in subsidiaries acquired	-0.2	
Cash outflow on acquisition	23.8	

### Effect of business combinations on revenue and profit

Kemira's revenue for Jan. 1-Dec. 31, 2007 would have been EUR 3,159 million and operating profit EUR 159 million if all of the business combinations carried out during the period had been completed on January 1, 2007.

### DEFINITIONS OF KEY FIGURES

#### Earnings per share (EPS)

$$\frac{\text{Net profit attributable to equity holders of the parent}}{\text{Average number of shares}}$$

#### Cash flow from operations

Cash flow from operations, after change in net working capital and before investing activities

#### Cash flow from operations per share

$$\frac{\text{Cash flow from operations}}{\text{Average number of shares}}$$

#### Equity per share

$$\frac{\text{Equity attributable to equity holders of the parent at end of year}}{\text{Number of shares at end of year}}$$

#### Equity ratio, %

$$\frac{\text{Total equity} \times 100}{\text{Total assets} - \text{prepayments received}}$$

#### Gearing, %

$$\frac{\text{Interest-bearing net liabilities} \times 100}{\text{Total equity}}$$

#### Interest-bearing net liabilities

Interest-bearing liabilities - cash - money market investments

#### Return on capital employed (ROCE), %

$$\frac{\text{Operating profit} + \text{share of profit or loss of associates} \times 100}{(\text{Net working capital} + \text{property, plant and equipment available for use} + \text{intangible assets} + \text{investments in associates})}^{*)}$$

<sup>\*)</sup> Average

## PRIOR PERIOD ERROR

An error was discovered related to the financial statements of 2006 and has been corrected retrospectively according to IAS 8. The error was related to the calculation of the provision made for the closure of the Water Soluble business unit and as a result of this the provision was reported 8 million euro too low. This has been corrected to the fourth quarter result of 2006. The income statement of full year 2006 and the balance sheet at December 31, 2006 were changed as follows:

INCOME STATEMENT	EUR million	Reported 2006	Corrected 2006
<b>Revenue</b>		2,522.5	2,522.5
Other income from operations		59.2	59.2
Expenses		-2,256.5	-2,264.5
Depreciation		-123.5	-123.5
<b>Operating profit</b>		<b>201.7</b>	<b>193.7</b>
Financial income and expenses		-37.2	-37.2
Income from associates		-2.3	-2.3
<b>Profit before tax</b>		<b>162.2</b>	<b>154.2</b>
Income tax		-42.0	-42.0
<b>Net profit for the period</b>		<b>120.2</b>	<b>112.2</b>
<b>Attributable to:</b>			
Equity holders of the parent		116.6	108.6
Minority interest		3.6	3.6
<b>Net profit for the period</b>		<b>120.2</b>	<b>112.2</b>

KEY FIGURES	Reported 2006	Corrected 2006
Earnings per share, basic and diluted, EUR	0.96	0.90

BALANCE SHEET	EUR million	Reported 31.12.2006	Corrected 31.12.2006
Equity attributable to equity holders of the parent		1,077.9	1,069.9
<b>Total equity</b>		<b>1,090.5</b>	<b>1,082.5</b>
Provisions		55.3	63.3
<b>Total non-current liabilities</b>		<b>623.1</b>	<b>631.1</b>

Retrospective restated quarterly figures are presented as appendix to this interim report.

## QUARTERLY EARNINGS PERFORMANCE

(Unaudited figures)	1–3	4–6	7–9	10–12	2006 Total
<b>Revenue</b>					
Kemira Pulp&Paper	209.5	257.9	261.9	264.0	993.3
Kemira Water	92.3	102.1	101.7	171.5	467.6
Kemira Speciality	118.6	107.6	112.8	117.2	456.2
Kemira Coatings	118.6	170.3	164.6	109.3	562.8
Other and intra-Group sales	13.9	9.6	11.6	7.5	42.6
<b>Total</b>	<b>552.9</b>	<b>647.5</b>	<b>652.6</b>	<b>669.5</b>	<b>2,522.5</b>
<b>Operating profit</b>					
Kemira Pulp&Paper	26.0	20.4	24.3	20.1	90.8
Kemira Water	6.4	9.6	9.0	10.3	35.3
Kemira Speciality	11.3	11.7	11.7	11.1	45.8
Kemira Coatings	9.6	25.0	39.0	-1.5	72.1
Other including eliminations	-7.8	-15.2	-8.9	-18.4	-50.3
<b>Total</b>	<b>45.5</b>	<b>51.5</b>	<b>75.1</b>	<b>21.6</b>	<b>193.7</b>
Financial income and expenses	-7.1	-5.8	-11.6	-12.7	-37.2
Share of associates' results	-0.9	-0.6	0.3	-1.1	-2.3
<b>Profit before tax</b>	<b>37.5</b>	<b>45.1</b>	<b>63.8</b>	<b>7.8</b>	<b>154.2</b>
Income tax	-10.9	-13.1	-17.9	-0.1	-42.0
<b>Net Profit</b>	<b>26.6</b>	<b>32.0</b>	<b>45.9</b>	<b>7.7</b>	<b>112.2</b>
<b>Attributable to</b>					
Equity holders of the parent	25.8	31.0	45.0	6.8	108.6
Minority interests	0.8	1.0	0.9	0.9	3.6
<b>Net Profit</b>	<b>26.6</b>	<b>32.0</b>	<b>45.9</b>	<b>7.7</b>	<b>112.2</b>
Earnings per share, diluted, EUR	0.21	0.26	0.37	0.06	0.90
Capital employed, rolling					1,876.6
ROCE, %					10.2 %