Committed to Clean Water

Harri Kerminen, President & CEO
February 25, 2009

Good Development Continued into Q4

- Growth in continuing operations 5%
  - Demand for municipal water treatment chemicals remained good
  - Demand for specialty chemicals was strong
  - At the year-end, demand in paints and coatings as well as pulp and paper chemicals weakened

- Operating profit excluding one-time items rose to 11.7 M€ (4.1)
  - Sales price increases, fixed cost savings

- 79.8 M€ one-time items
  - Will bring cost savings in 2009-2010

- Tikkurila listing to be postponed due to market conditions
- Dividend proposal 0.25 EUR (0.50)

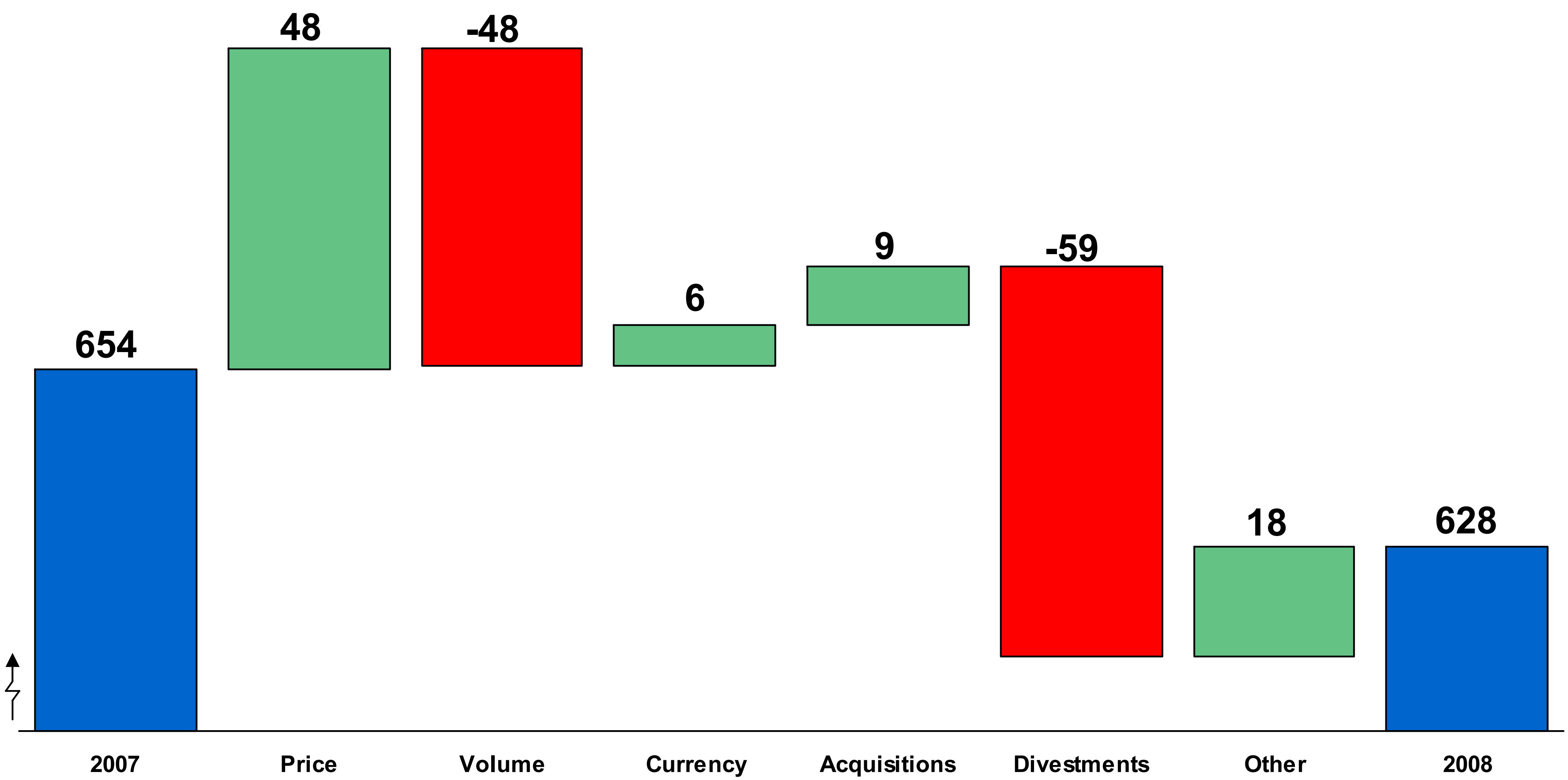
Key Figures for Q4

(M€)	**10-12/08**	10-12/07	**2008**	2007
Revenue	**627.6**	654.4	**2,832.7**	2,810.2
Operative EBIT	**11.7**	4.1	**132.6**	174.6
Operative EBIT, %	**1.9**	0.6	**4.7**	6.2
Operative EPS (EUR)	**-0.08**	-0.04	**0.29**	0.75
EPS (EUR)	**-0.57**	-0.39	**-0.02**	0.53
Equity ratio			**34**	39
Gearing			**107**	92
Free cash flow after investments	**-63.0**	-25.7	**2.7**	-149.1

- Net financial items in Q4 rose to 23.7 M€ (15.3): higher interest expenses, currency exchange losses in financial expenses
- Equity declined due to translation differences and one-time costs → affected both equity ratio and gearing

Group Revenue Q4/2008 vs. Q4/2007

MEUR



Group Operative EBIT Q4/2008 vs. Q4/2007

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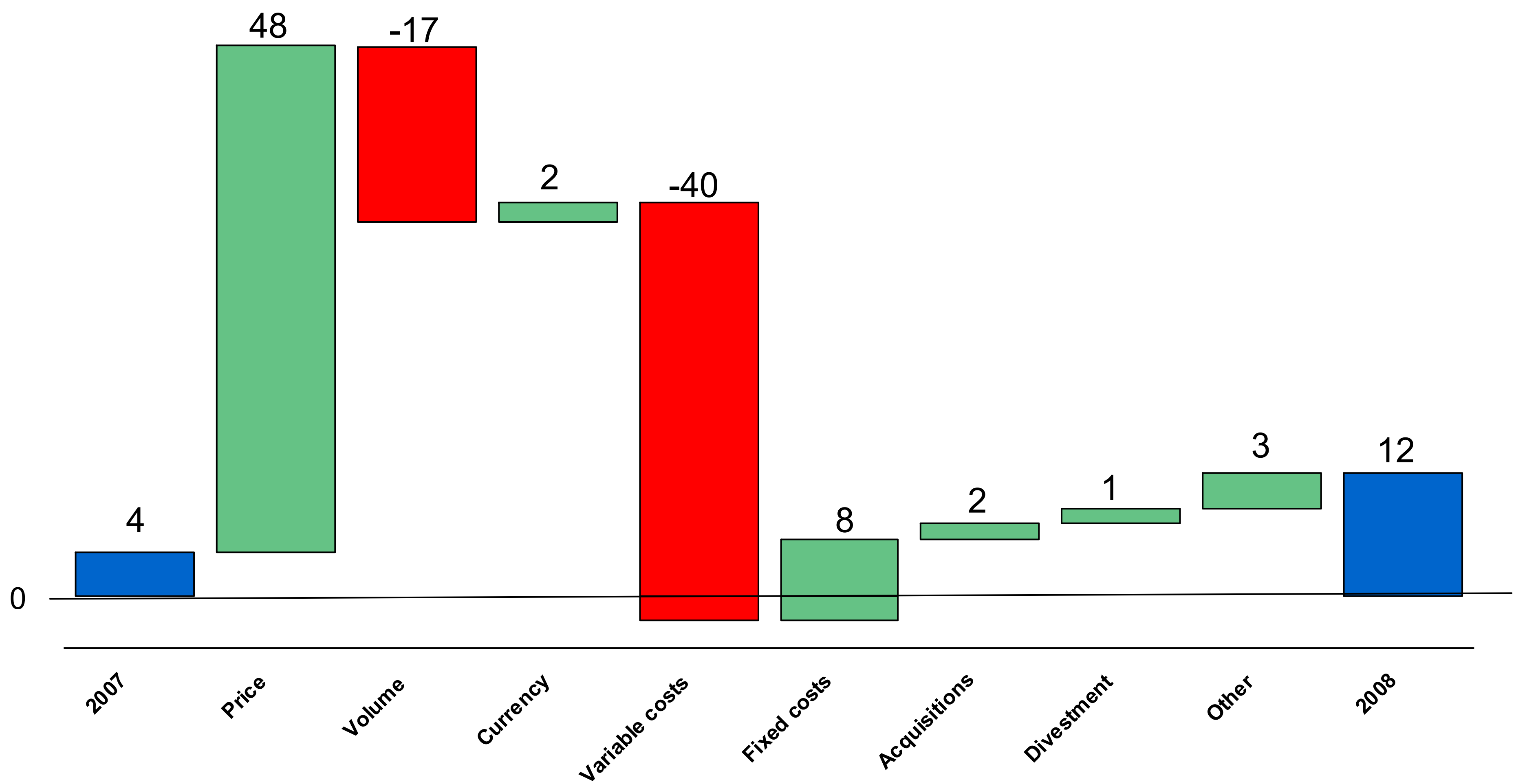


Cash Flows

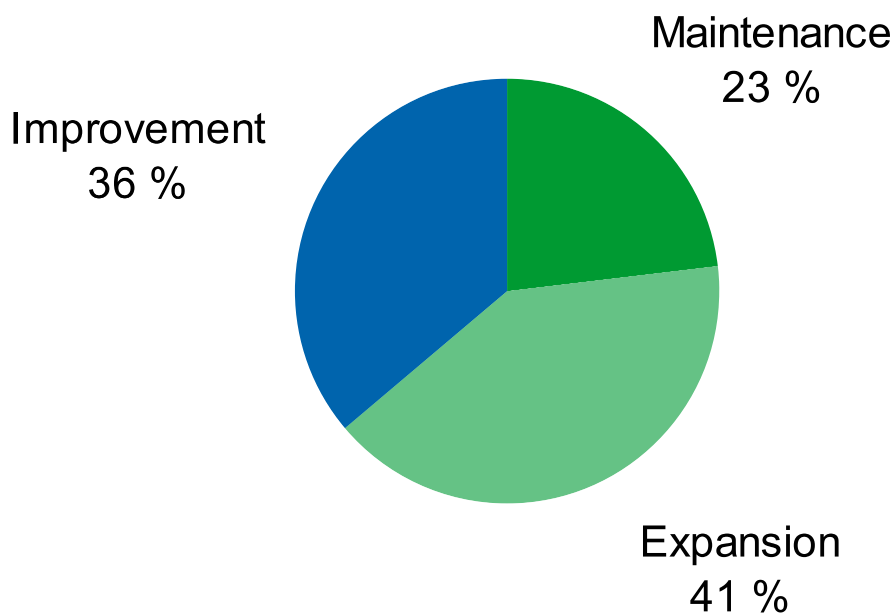
M€	**2008**	2007
Funds from operations	**118.9**	211.2
Change in net working capital	**-28.7**	-39.1
Cash flows from operations	**90.2**	172.1
CapEx excl. acquisitions	**-161.0**	-254.4
Acquisitions	**-180.8**	-66.6
Sale of assets	**254.3**	-0.2*
Free cash flow	**2.7**	-149.1

*** incl. Kemapco loan repayment**

CapEx excluding Acquisitions

CapEx 2008: 161.0 M€ (254.4)

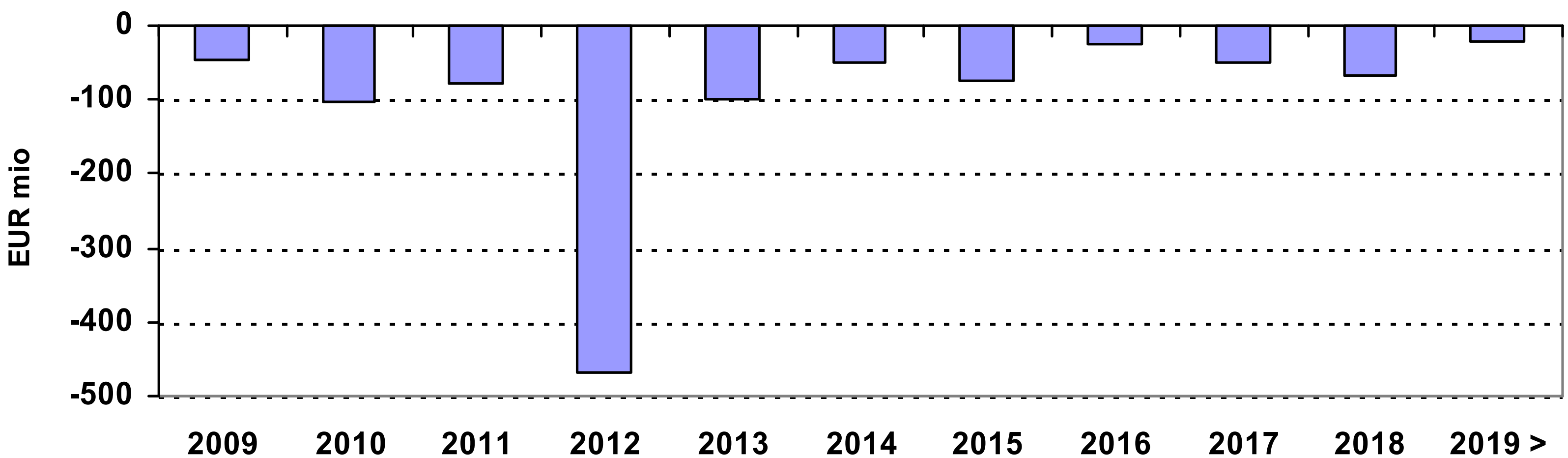
Depreciation 2008: 130.8 M€ (135.9)



No Refinancing Needs within 2009-2011

- Kemira has diversified loan portfolio from different sources.
- No refinancing needs with the existing group structure during years 2009 and 2010. The unused amount of the RCF is 354 M€.
- The existing RCF 750 M€ will be renegotiated in 2011.

Maturity of External Loans:



Businesses – Q4 Highlights

Kemira Pulp&Paper in Q4

- Revenue growth 2%
  - Currency exchange impact +6 M€
  - Sales declined towards the year-end as customer demand weakened

- Operative EBIT 9.4 M€ (12.3)
  - Sales price increase 13 M€
  - Variable cost increase 15 M€
  - Volume decrease 4 M€

- In short term, customer demand is expected to be weak

- 6 production plants in NA have been shut down. The 7th will be shut down in 2009.
- The AKD wax production line in Vaasa, Finland will be shut down.

M€	Q4/08	Q4/07	Ch-%	2008	2007
Revenue	258.3	253.6	2	1,057.7	1,043.0
Operative EBIT	9.4	12.3	-24	50.4	79.8
Operative EBIT, %	3.6	4.9		4.8	7.6

Kemira Water in Q4

- Revenue up by 6%
  - Demand in municipal water treatment remained good
  - Signs of weakening demand in industrial water treatment towards the year-end
  - Acquisitions had a 9 M€ positive impact on revenue
- Operative EBIT 7.4 M€ (6.9)
  - Sales price increase 22 M€
  - Variable cost increase 17 M€
  - Volume decrease 7 M€
  - Acquisitions +2 M€
- Acquisition of Nheel Química in Brazil → Kemira is #1 in coagulants and flocculants for water treatment in Brazil

M€	Q4/08	Q4/07	Ch-%	2008	2007
Revenue	190.6	180.3	6	760.0	686.4
Operative EBIT	7.4	6.9	7	28.7	46.7
Operative EBIT, %	3.9	3.8		3.8	6.8

Kemira Specialty in Q4

- Revenue from continuing business operations up by 28%
- EBIT from continuing business increased markedly
  - Demand for formic acid and its price level remained healthy
  - High demand in de-icers for airports

- TiO_2 JV with Rockwood Holdings started operations in September
  - Impact on Q4 revenue -53 M€, on operative EBIT +3 M€

M€	Q4/08	Q4/07	2008	2007
Revenue	63.7	102.0	375.3	425.9
Operative EBIT	11.4	-2.0	23.9	24.1
Operative EBIT, %	17.9	-2.0	6.4	5.7

Kemira Coatings in Q4

- Revenue declined by 13%
  - Decline in new construction, sales of construction materials and in property sales in all key markets
- Operative EBIT -12.6 M€ (-3.5)
  - Volume decrease -7 M€
  - Variable cost increase 6 M€
  - Sales price increase 2 M€
- Targeted fixed cost savings 25 M€ for 2009-2010: Tikkurila will be in a good position when the market picks up again
- New President & CEO Erkki Järvinen started in January 2009
- Spin-off process postponed due to market conditions

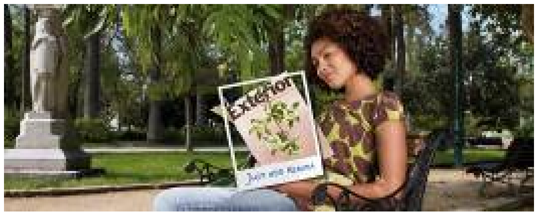
M€	Q4/08	Q4/07	Ch-%	2008	2007
Revenue	103.5	118.4	-13	648.1	625.2
Operative EBIT	-12.6	-3.5		59.2	64.3
Operative EBIT, %	-12.2	-3.0		9.1	10.3

Kemira Group’s Outlook

- In 2009, Kemira will continue the efficiency-boosting work underway. Its key focus areas in 2009 will be improving profitability and reinforcing its cash flow and balance sheet.
- In many of Kemira’s customer industries, the market situation is challenging. General economic trends are generating big uncertainty in customers' and Kemira's business operations.
- During Q1, Kemira’s **revenue** is expected to fall due to reduced demand amongst customer industries. **Operating profit** excluding non-recurring items is expected to decrease in Kemira Coatings, but rise in the rest of the Group due to the efficiency-boosting measures.

Building New Kemira on Water

Paper



Water

Oil & Mining

Customer segments

Paper	Water	Oil & Mining
Pulp	Municipal Water	Oil and Gas
Printing & Writing	Industrial Water	Minerals and Metals
Packaging & Board		Formulation Technology
Tissue		

Common product and technology platform
- Product technologies
- Application technologies

Strategy Implementation Moving Ahead

- Strategy implementation started in 2008 continues:
  - From a fragmented company into one **unified Kemira**
  - **Simplifying** the company structure
  - **Capacity cuts** and **business closures**

→ **Fully utilizing the water know-how**

- Global cost savings program proceeding: In Q4, fixed costs were already down by 8 M€

Building a New Culture

- Building a new, unified Kemira
- Goal: a **global culture** focused on
  - Profitability
  - Performance
  - Implementation of the strategy
- Integrating businesses, functions and geographical areas

2009 Focus

- Improving cash flow and profitability
  - Fixed cost savings
  - Gross margin improvement
  - Net working capital, capex

→ Strengthening the balance sheet

Our goal is to make Kemira into a leading water chemicals company with better profitability.


JUST ADD KEMIRA