

Annual General Meeting March 19, 2008

President and CEO Harri Kerminen

kemira



Year 2007

Kemira



Business Areas



**Kemira
Pulp&Paper**



**Kemira
Water**



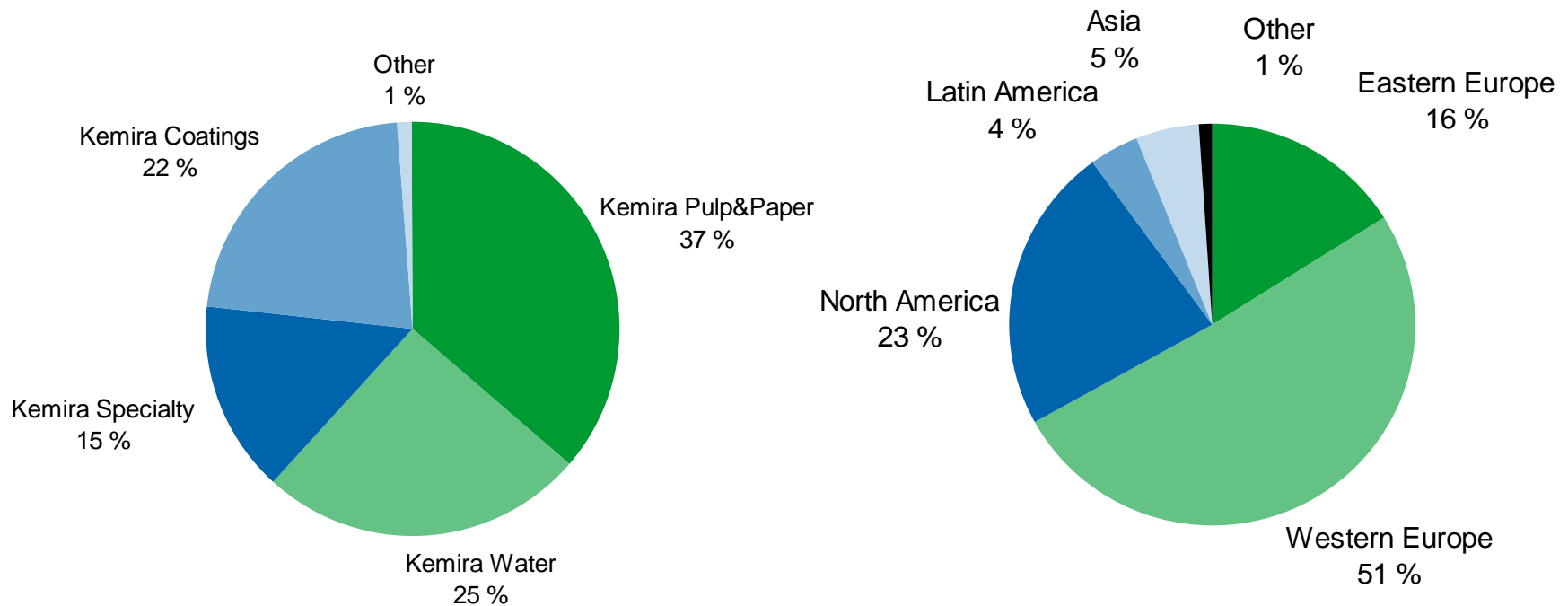
**Kemira
Specialty**



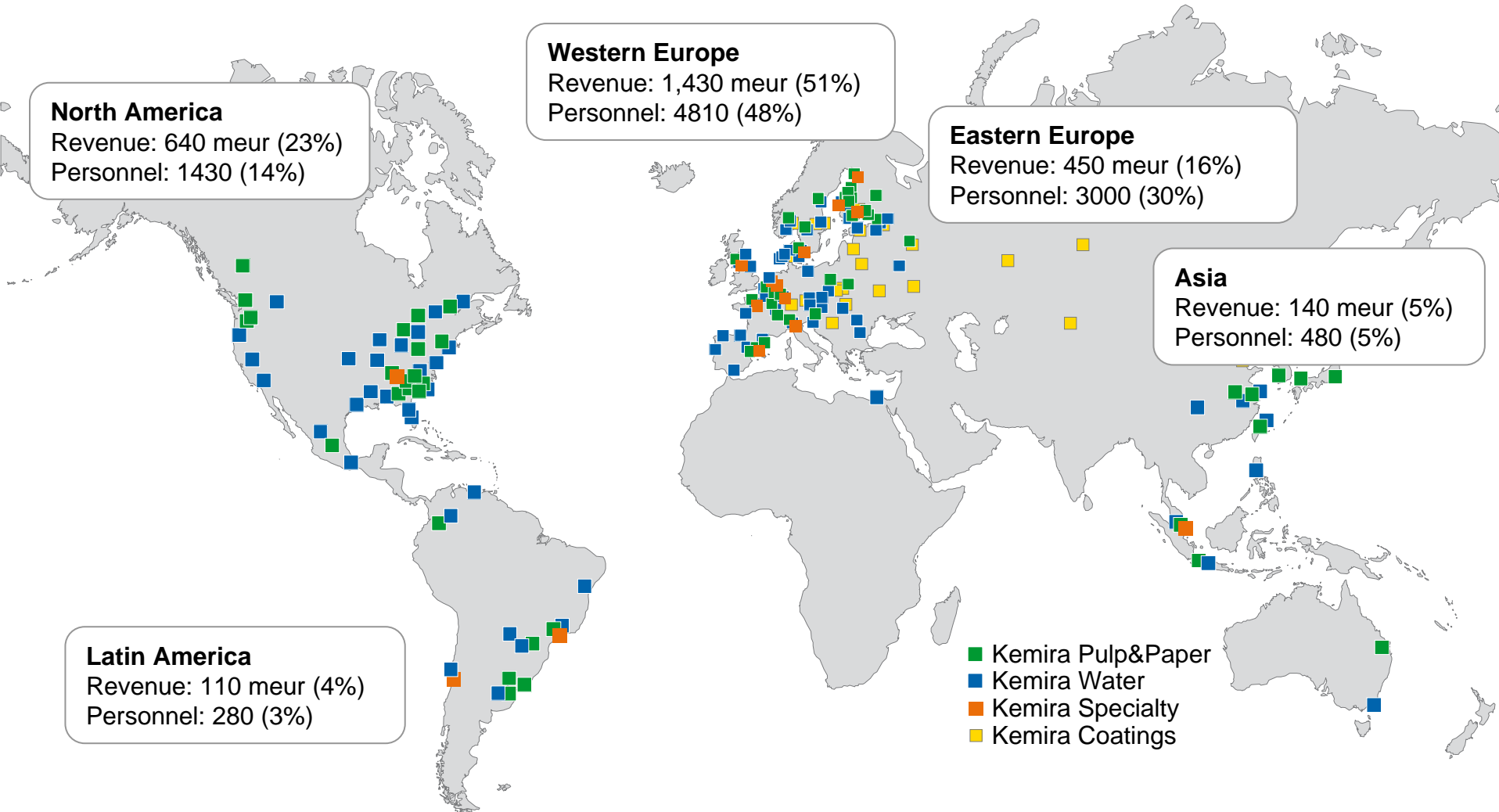
**Kemira
Coatings**

2007 - All-Time High in Revenue

- Revenue 2007 ~ EUR 2.8 Billion

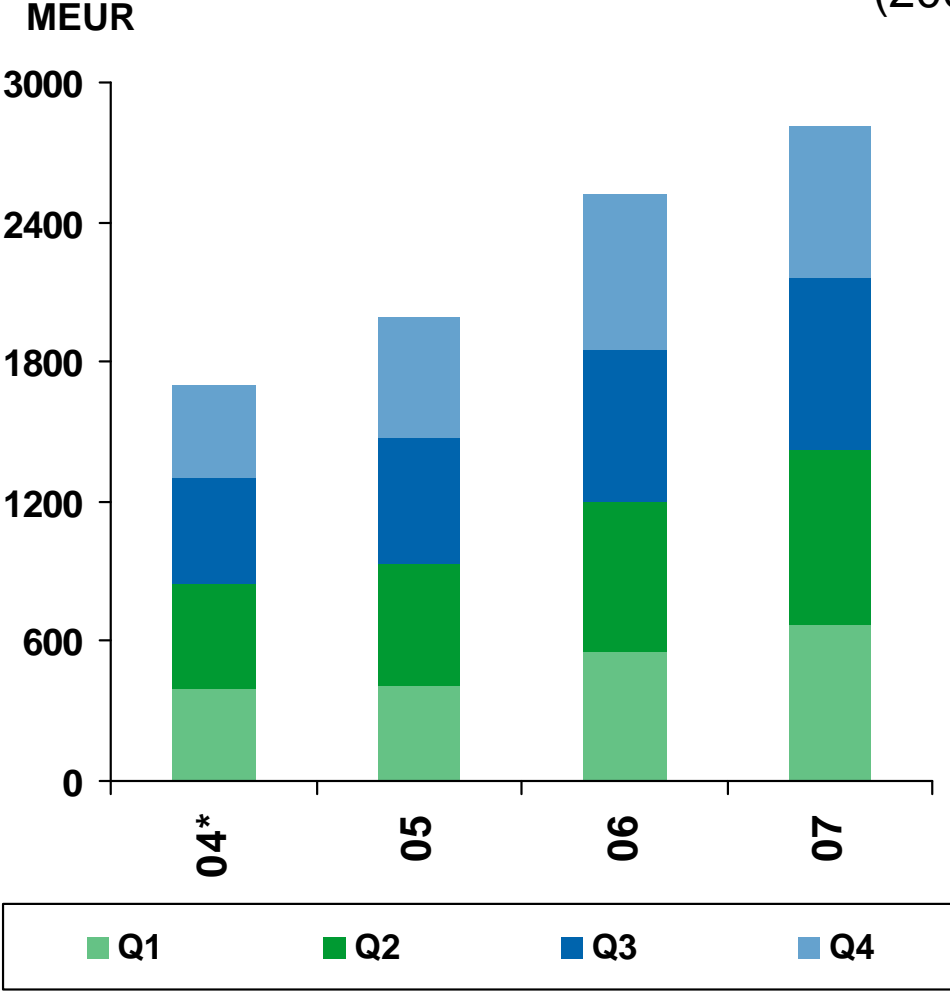


Kemira 2007



Revenue Development 2004-2007

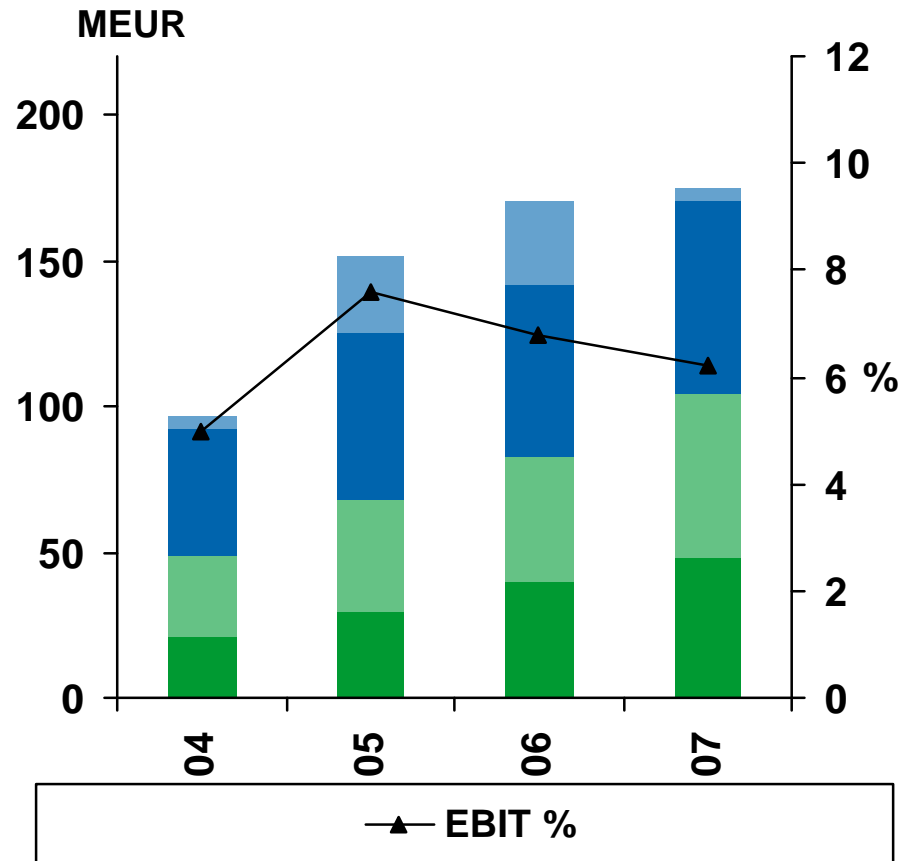
2007: 2,810 MEUR, +11 %
(2006: 2,522 MEUR)



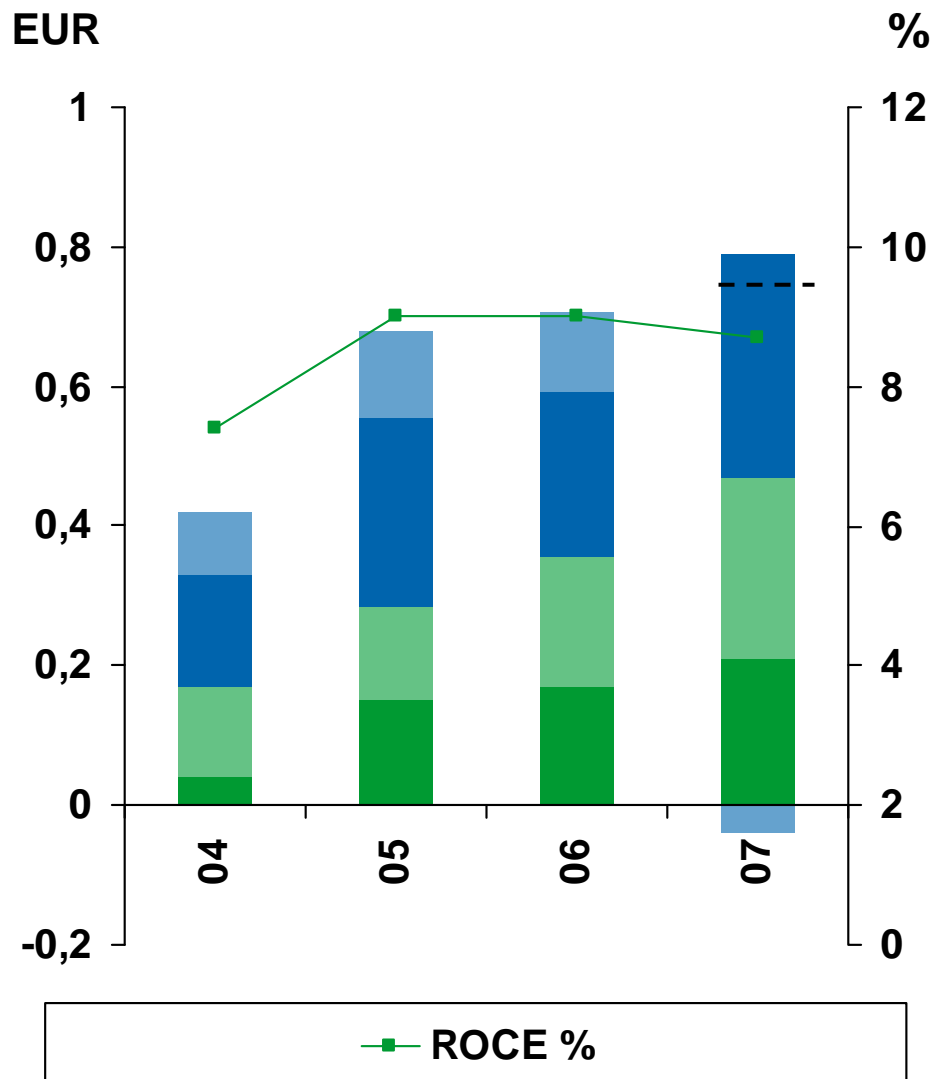
* Continuing operations

Operative EBIT by Quarter

2007: 175 MEUR, +2 %
(2006: 171 MEUR)



Operative EPS by Quarter



Balance Sheet

	31 Dec 07	31 Dec 06	Change%
Net debt (MEUR)	1,003.4	827.4	+21
Equity (MEUR)	1,087.3	1,082.5	
Equity ratio, %	39	39	
Gearing, %	92	76	
Capital employed (MEUR)	1,978.0	1,893.4	+4
Personnel	10,007	9,327	+7

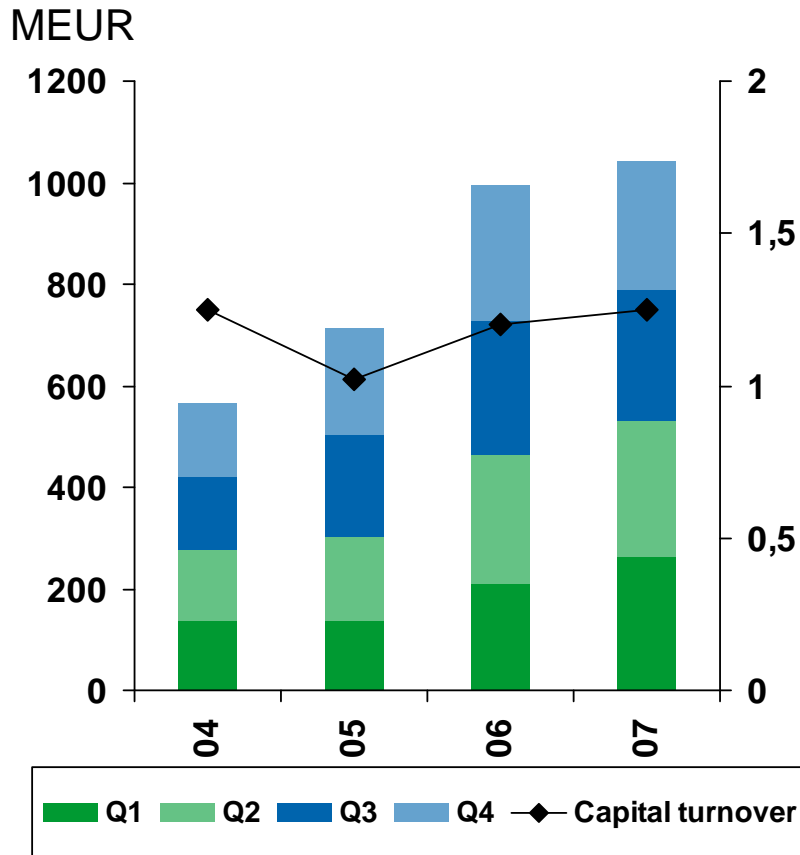
Cash Flows

MEUR	2007	2006
Funds from operations	211.2	157.2
Change in net working capital	-39.1	59.6
Cash flows from operations	172.1	216.8
Acquisitions	-66.6	-297.4
CapEx excl. acquisitions	-254.4	-164.6
Sale of assets	-0.2*	102.9
Cash flows from investing activities	-321.2	-359.1
Free cash flow	-149.1	-142.3

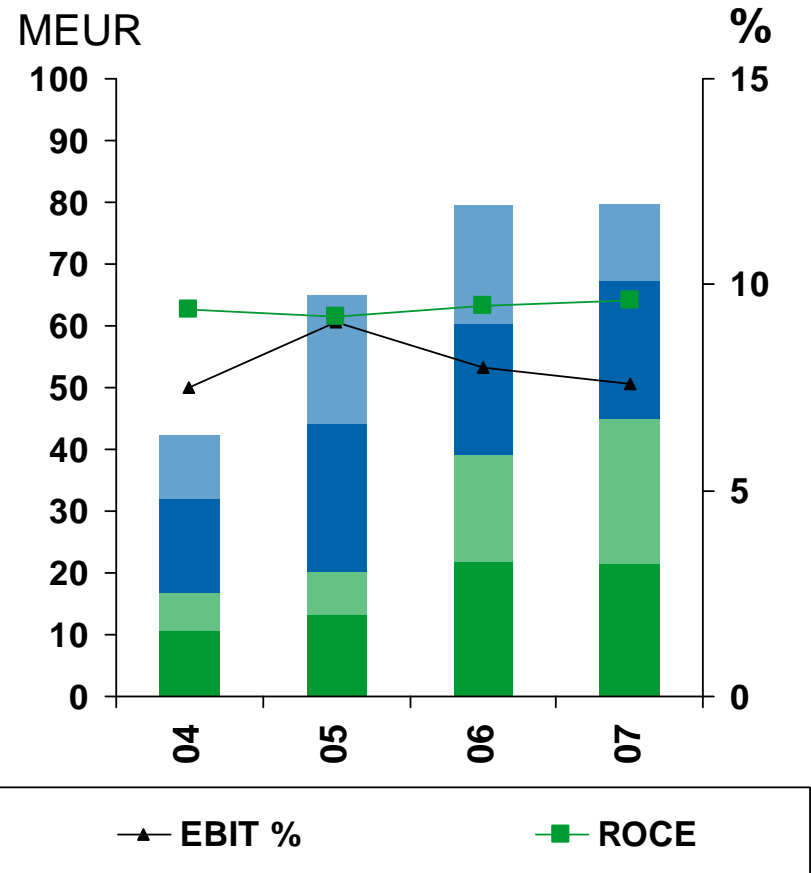
* incl. Kemapco loan repayment

Kemira Pulp&Paper

Revenue & Capital turnover



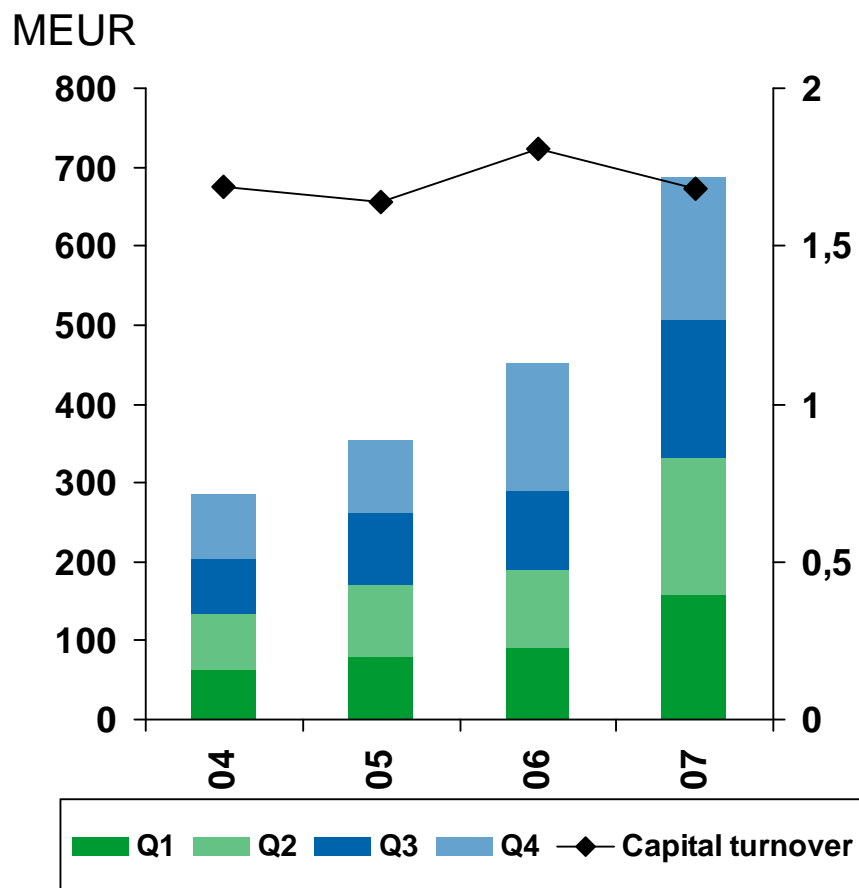
Operative EBIT & ROCE



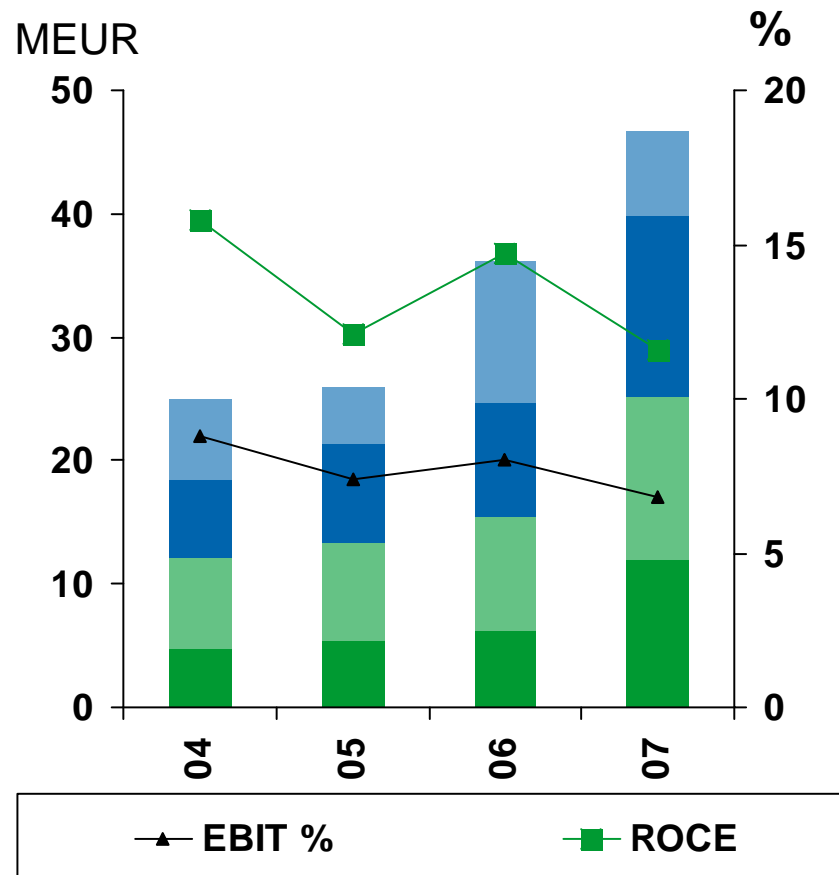
The figures are not fully comparable.

Kemira Water

Revenue & Capital turnover



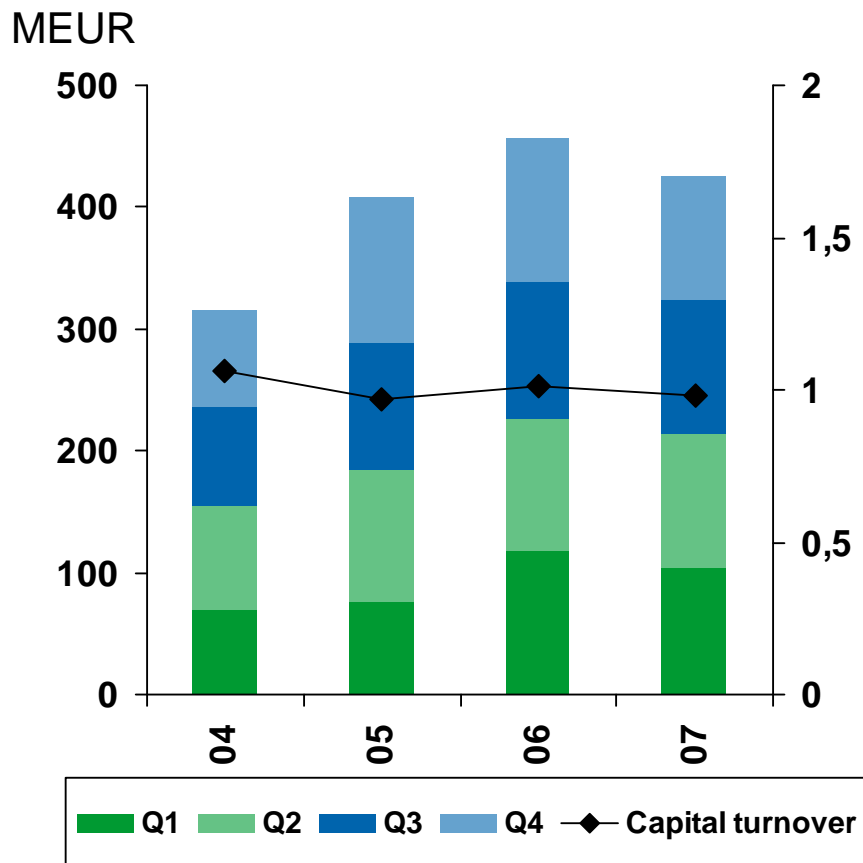
Operative EBIT & ROCE



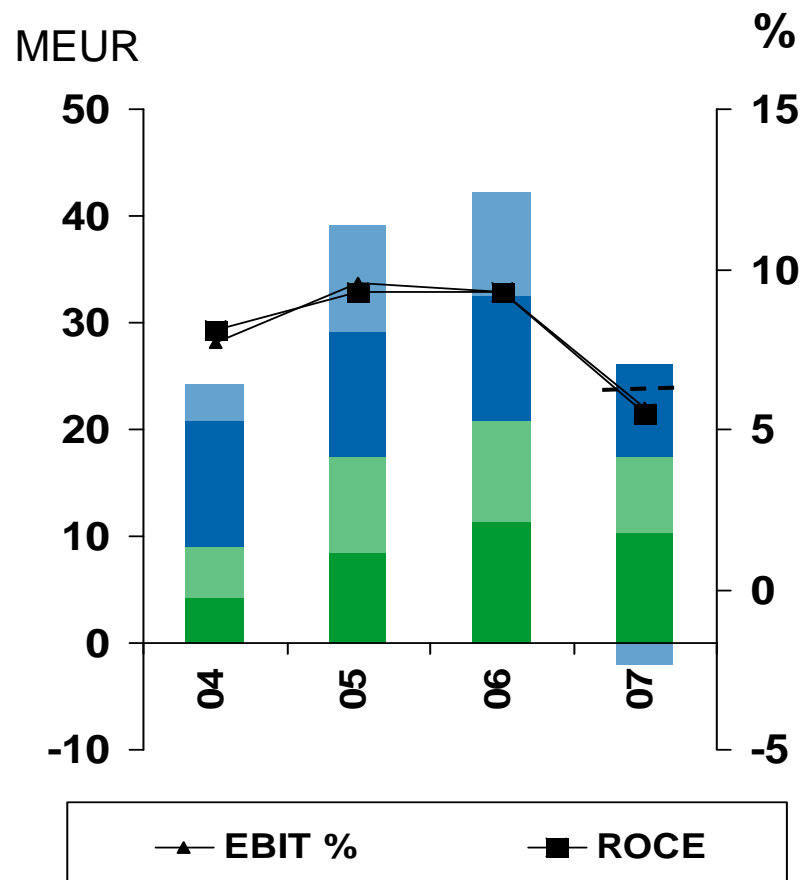
The figures are not fully comparable.

Kemira Specialty

Revenue & Capital turnover



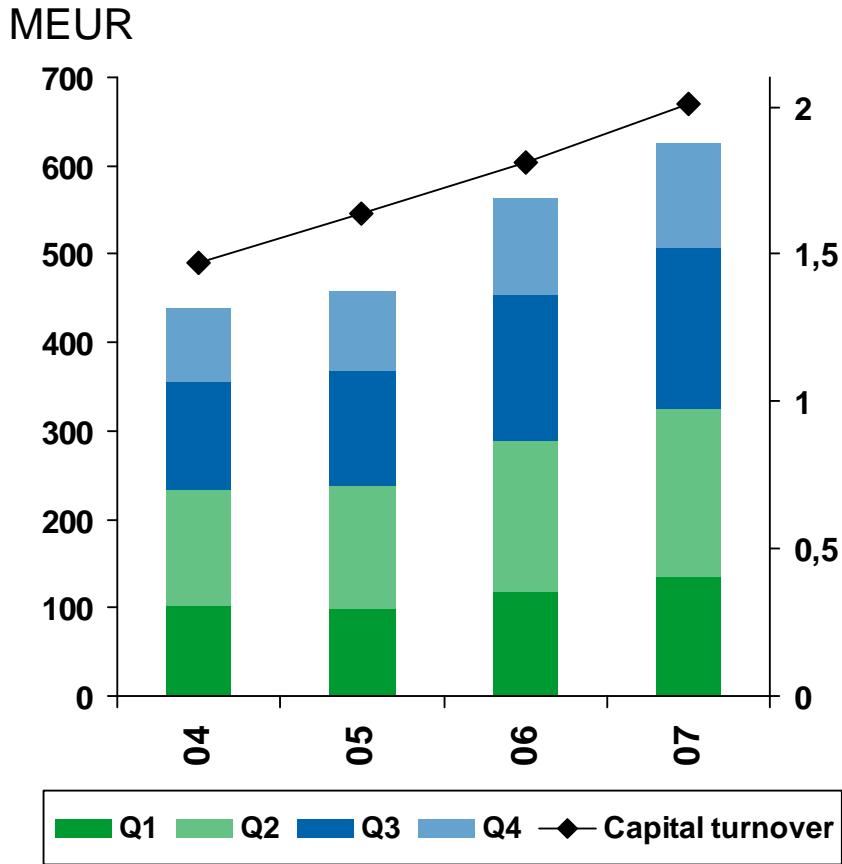
Operative EBIT & ROCE



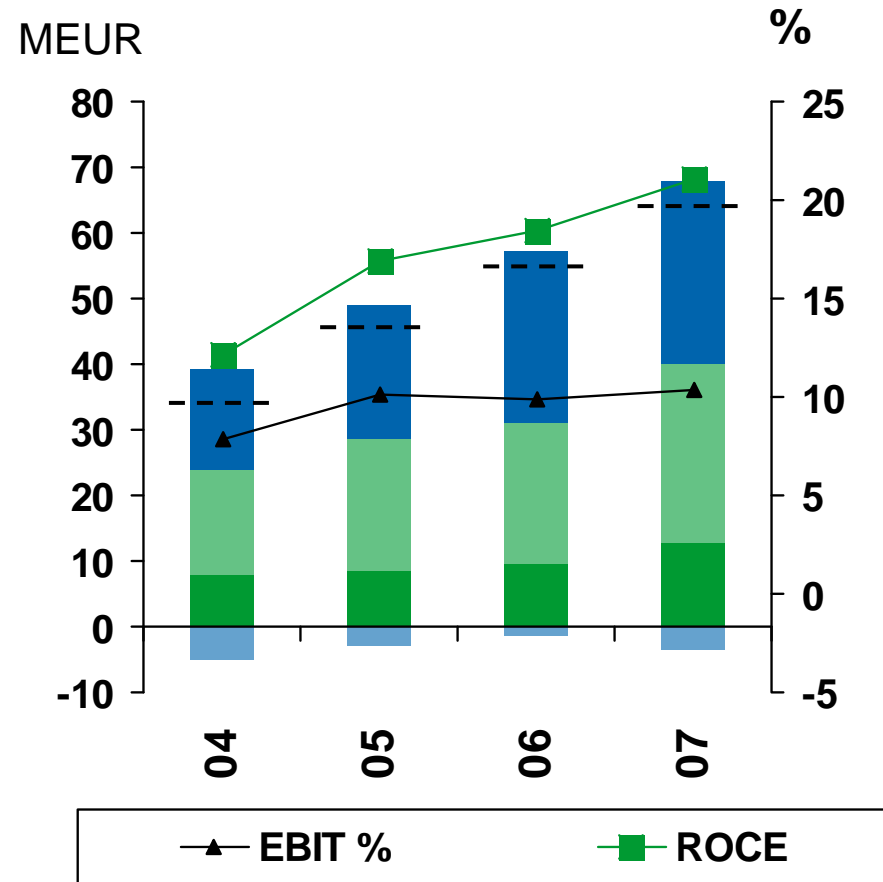
The figures are not fully comparable.

Kemira Coatings

Revenue & Capital turnover

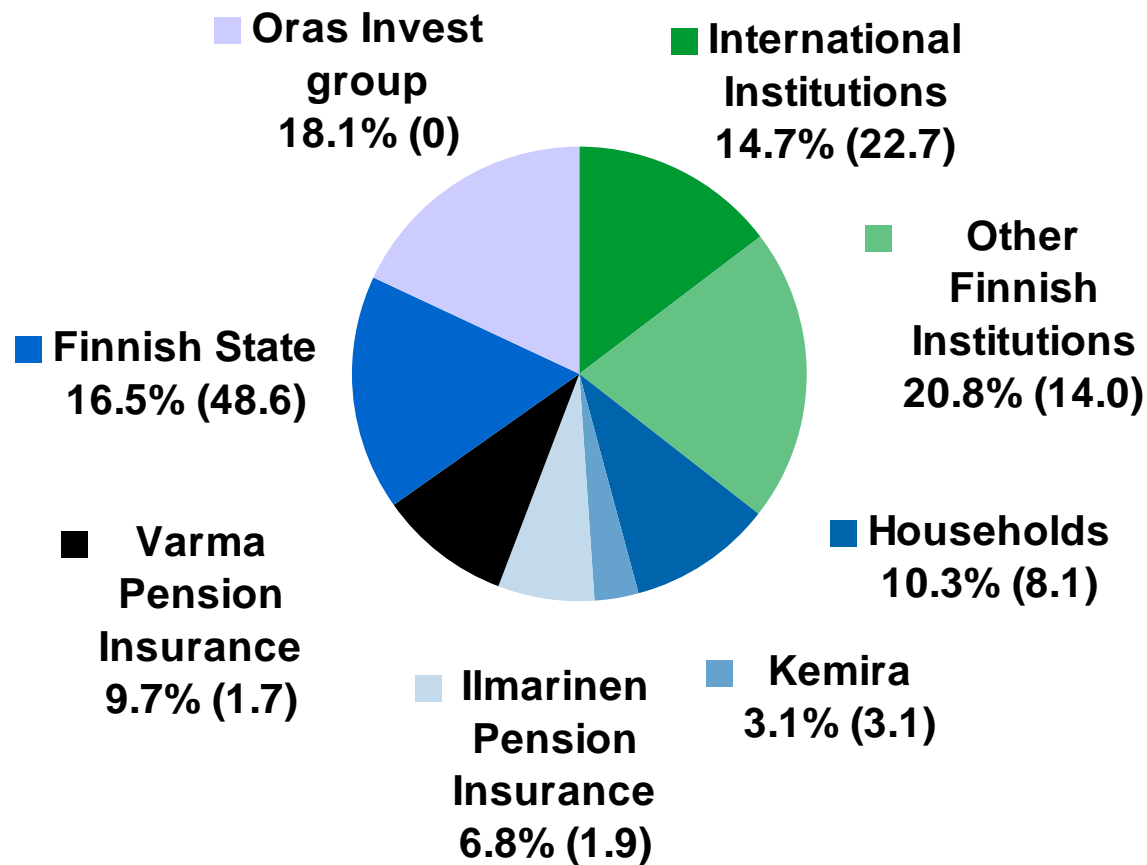


Operative EBIT & ROCE



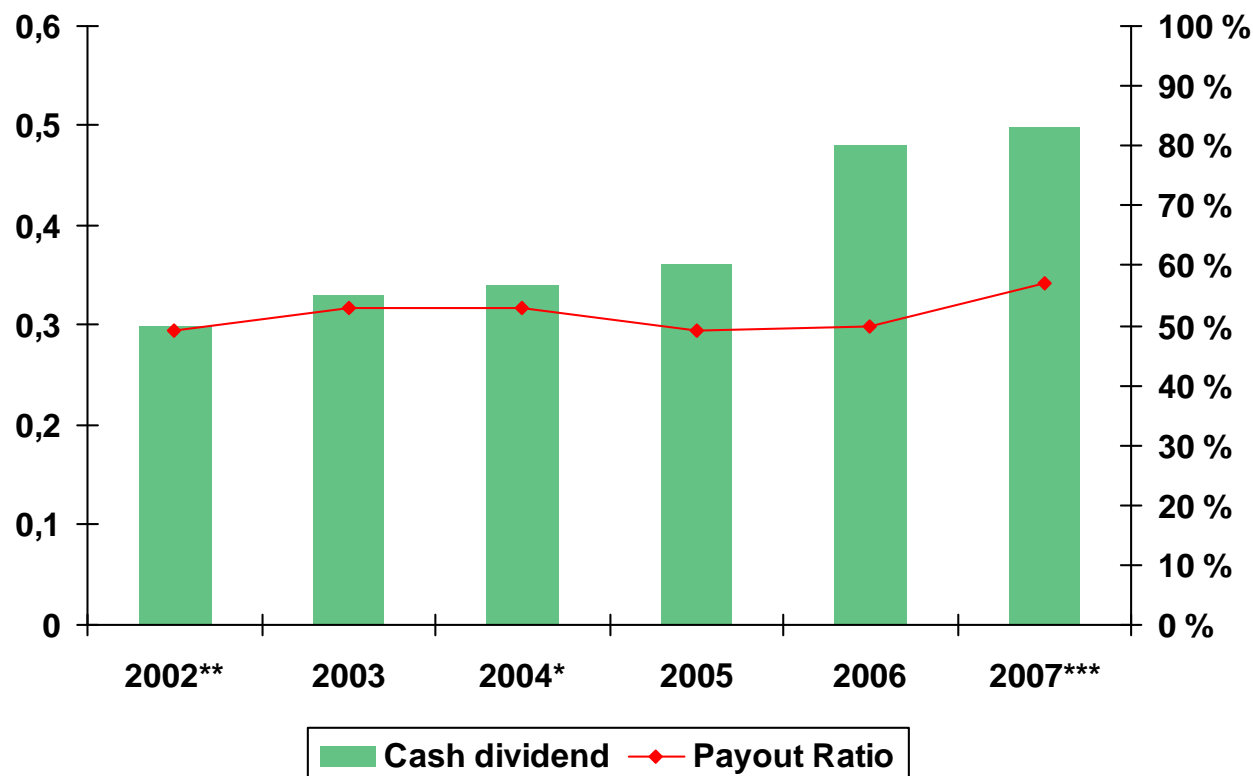
Shareholders February 29, 2008

(February 28, 2007)



Dividend Policy

Dividend policy: 40-60% of operational net income



* Additional dividend worth of 1.34 EUR / share was distributed in form of Kemira GrowHow shares

** Payout ratio excluding a write down of 78 MEUR within the fertilizer business

*** Payout ratio excluding write down of assets 47.1 MEUR

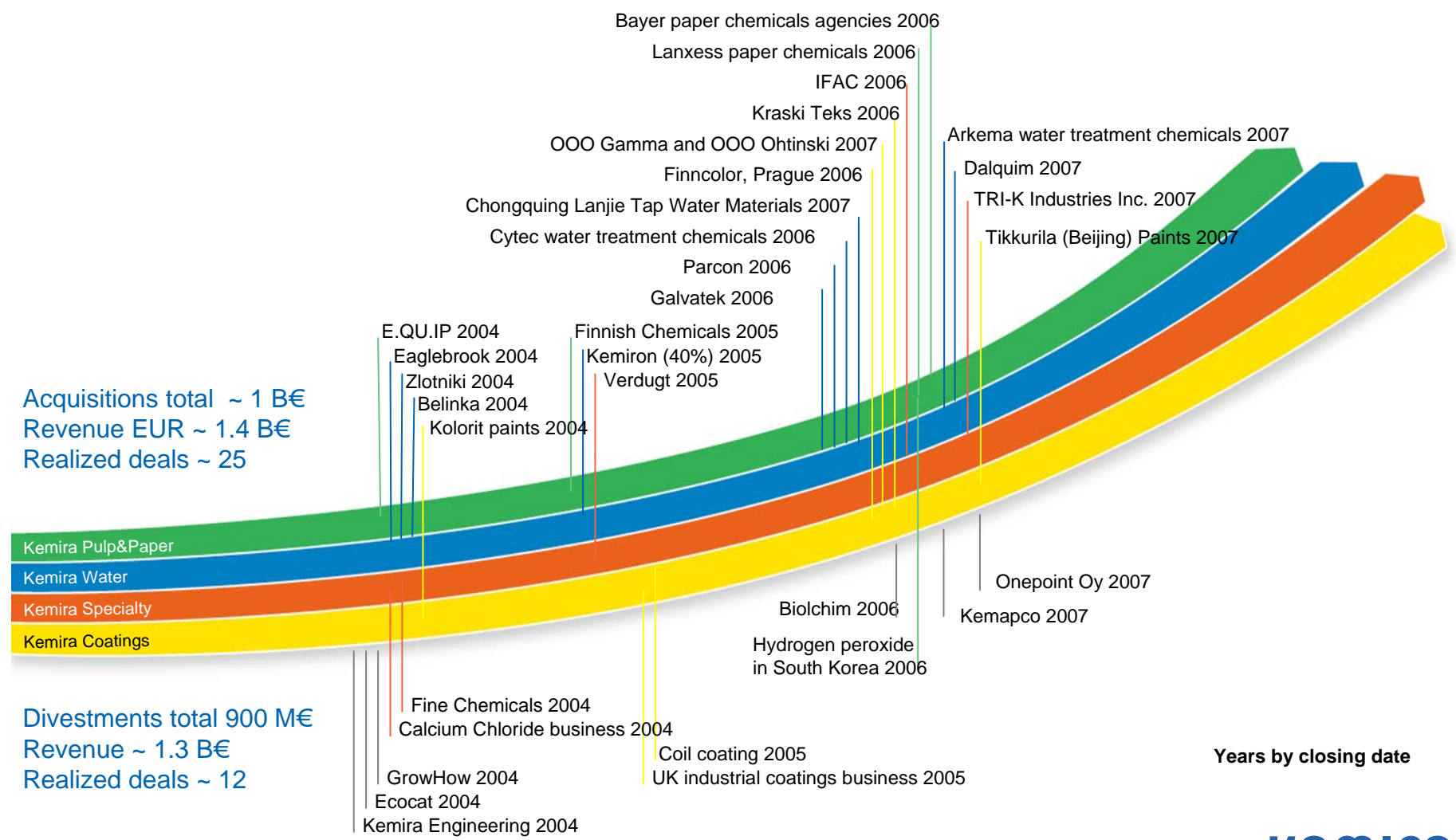
Strategy and Outlook for 2008

Kemira



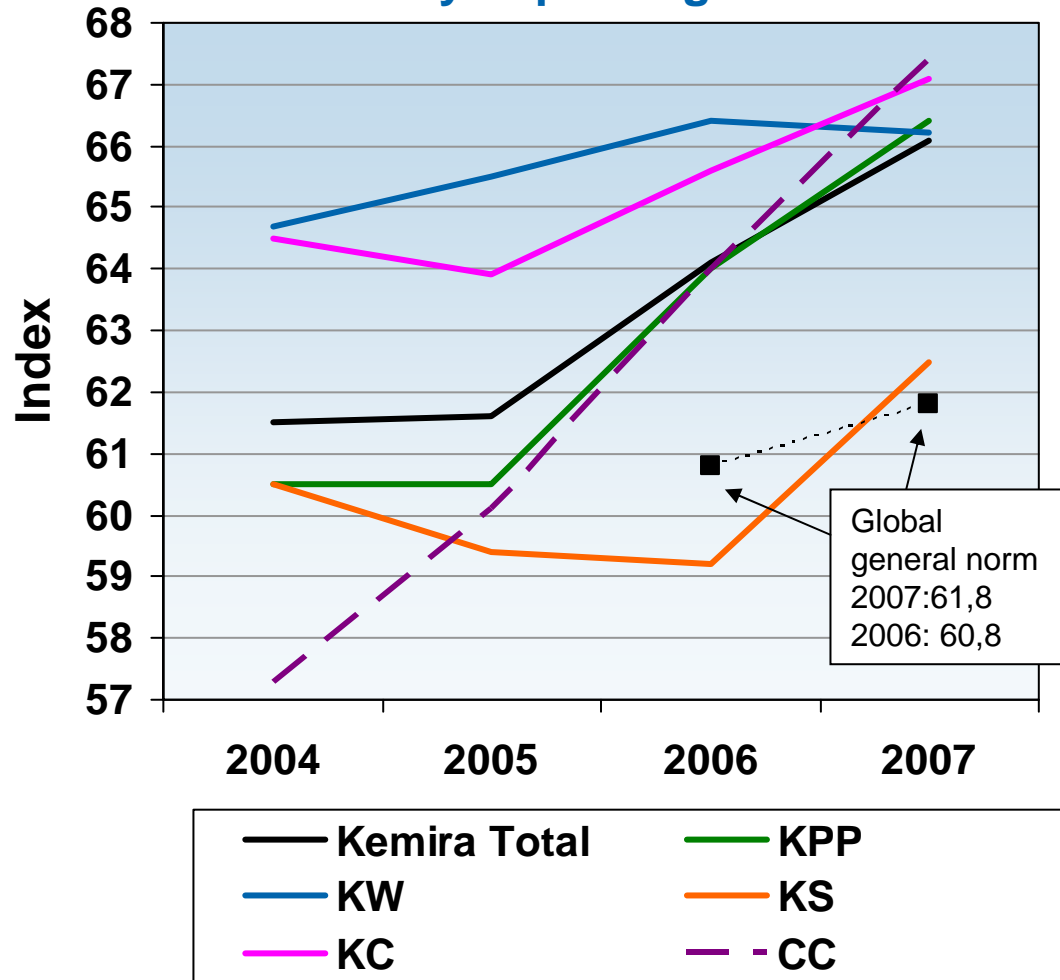
Focus From Restructuring to Profitability

2004 Focus on Portfolio Restructuring Towards Leading Positions **2006** Focus on Integration & Efficiency **2007** Focus Towards Profitability



Progress Towards Strong Corporate Culture

Kemira Global Climate Index continuously improving



Response rate:

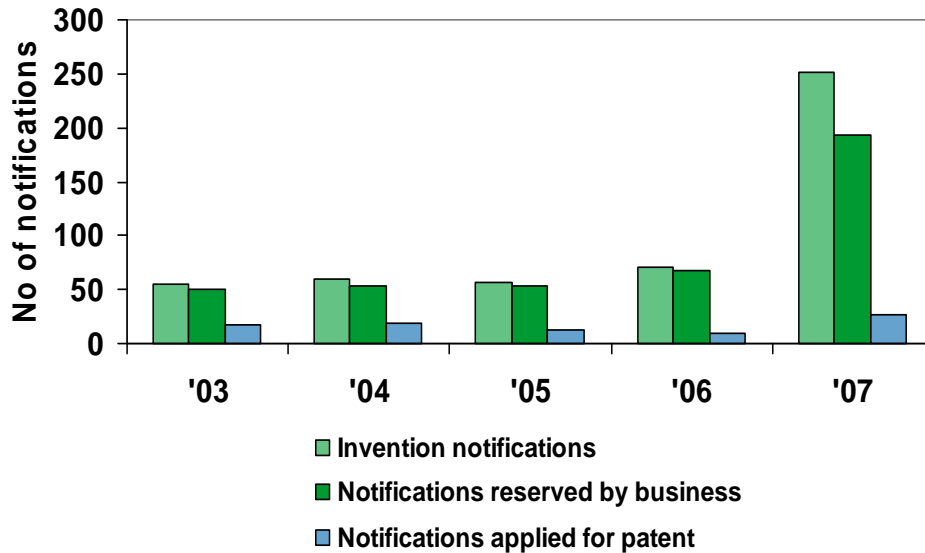
2007: 87.6%

2006: 79.6%

2005: 66.5%

2004: 52.5%

Innovation Productivity Speeding-Up

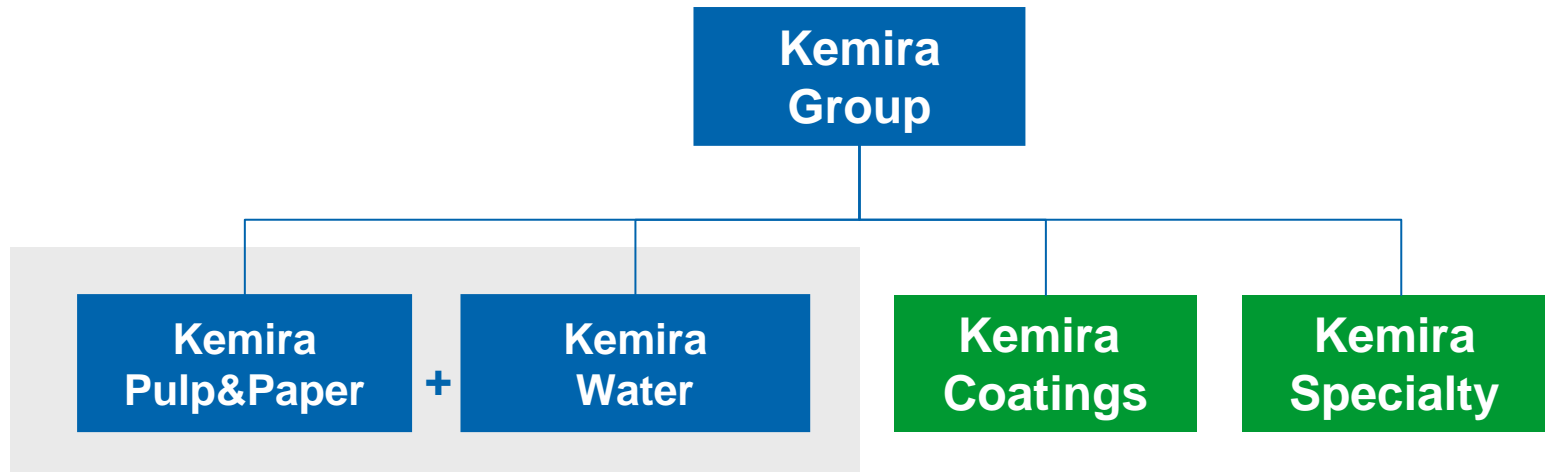


R&D Spending and Resources		
BA	% of Revenue	FTE
■ KPP	2,2	210
■ KW	1,5	70
■ KC	1,8	180
■ KS	2,0	80
■ CC		190*
Total	2,3	730

* Shared resources

- An innovation contest opened in 2007 nearly quadrupled the number of inventions on the previous year

New Roles of Businesses to Create Value



Joint development

- Growth through utilization of common competences, technology and product platforms
- Generation of new business opportunities
- Maximized efficiency through utilization of common global business processes, shared infrastructure and optimised organization

Business specific development

- Kemira Coatings through expansion towards the East
- Kemira Specialty through maximization of profitability and cash flow

New Financial Targets

New Financial Targets

- **Organic growth** > 5%
- **EBIT** > 10%
- **Cash flow** Positive*
- **ROCE** Continuous improvement
- **Gearing** Comfort zone 40-80%

*after investments and dividend payments

Growth

- **Value added products and services**
 - Strengthening of current customer segments
 - Capturing new business opportunities and new segments based on present product base, core technologies and competences
 - Focus on organic growth
- **Stronger presence in emerging markets**

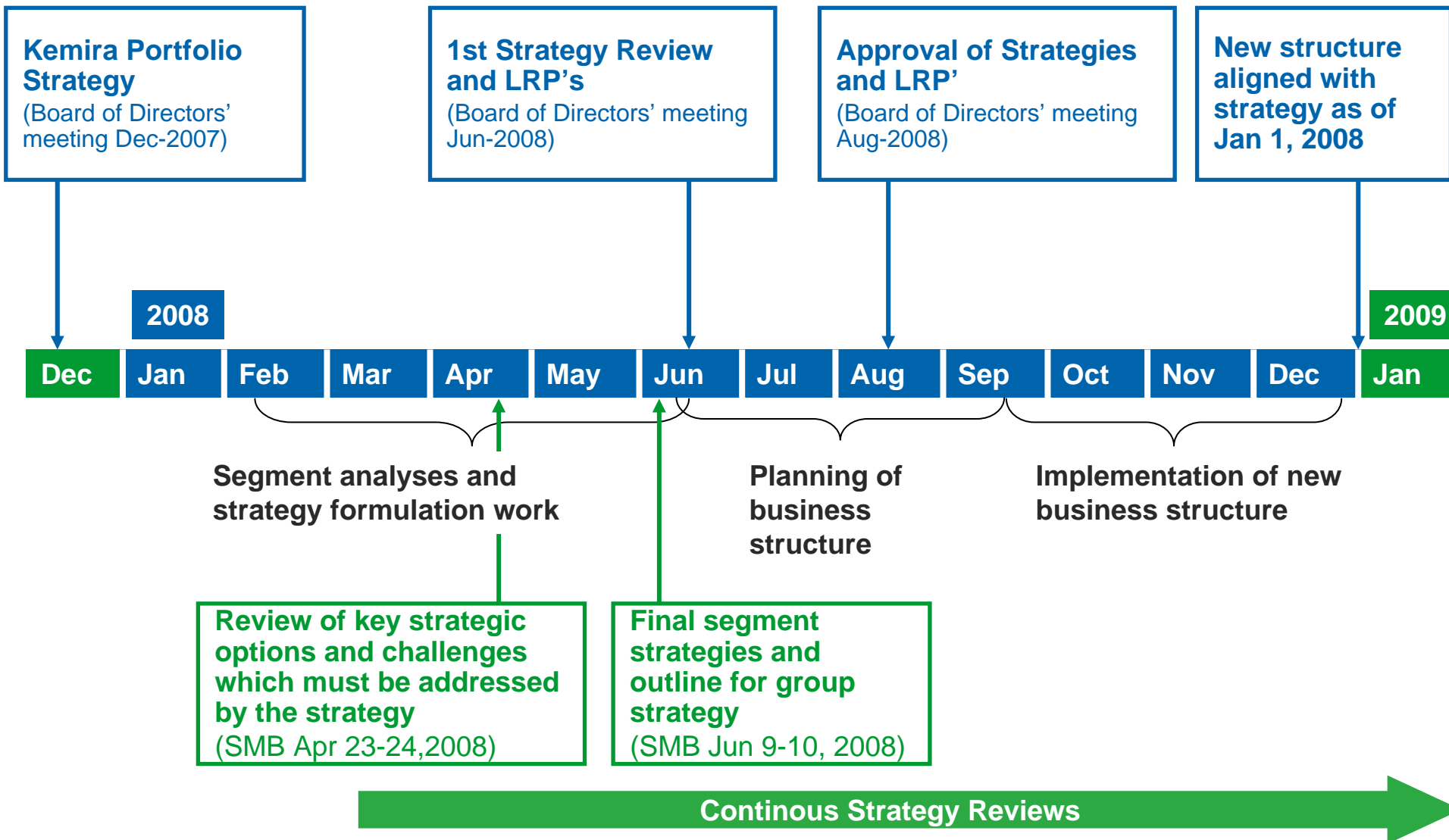
Efficiency Improvement

- **Reshaping the company structures**
 - Functions and regions to serve all businesses
 - Integration of KPP and KW
- **Complete integration of past acquisitions**
- **Disciplined cost, NWC, asset and CAPEX management**

Cash for growth

More efficient platform for businesses to grow

Strategy Review Schedule in 2008



Kemira Group's Outlook

- Growth is expected to continue moderately
 - Mainly through organic growth
- Operating profit and EPS are expected to increase from 2007 (excluding non-recurring items)
 - Increase in prices of oil-based raw materials and energy puts challenges at least to first quarter profits
 - Rationalization of production and other operations will be implemented to enhance profitability

All forward-looking statements in this report are based on the management's present expectations and beliefs about future events, and the actual results may differ materially from the expectations and beliefs contained in the forward-looking statements.

Thank You

Kemira

