

Full-Year Results 2006

**Focus to
Profitability Improvement**

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February 6, 2007



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Contents

- Full Year 2006 and Q4 Group Highlights
- Q4 Business Area Highlights
- Outlook for 2007

Full Year 2006 and Q4 Group Highlights

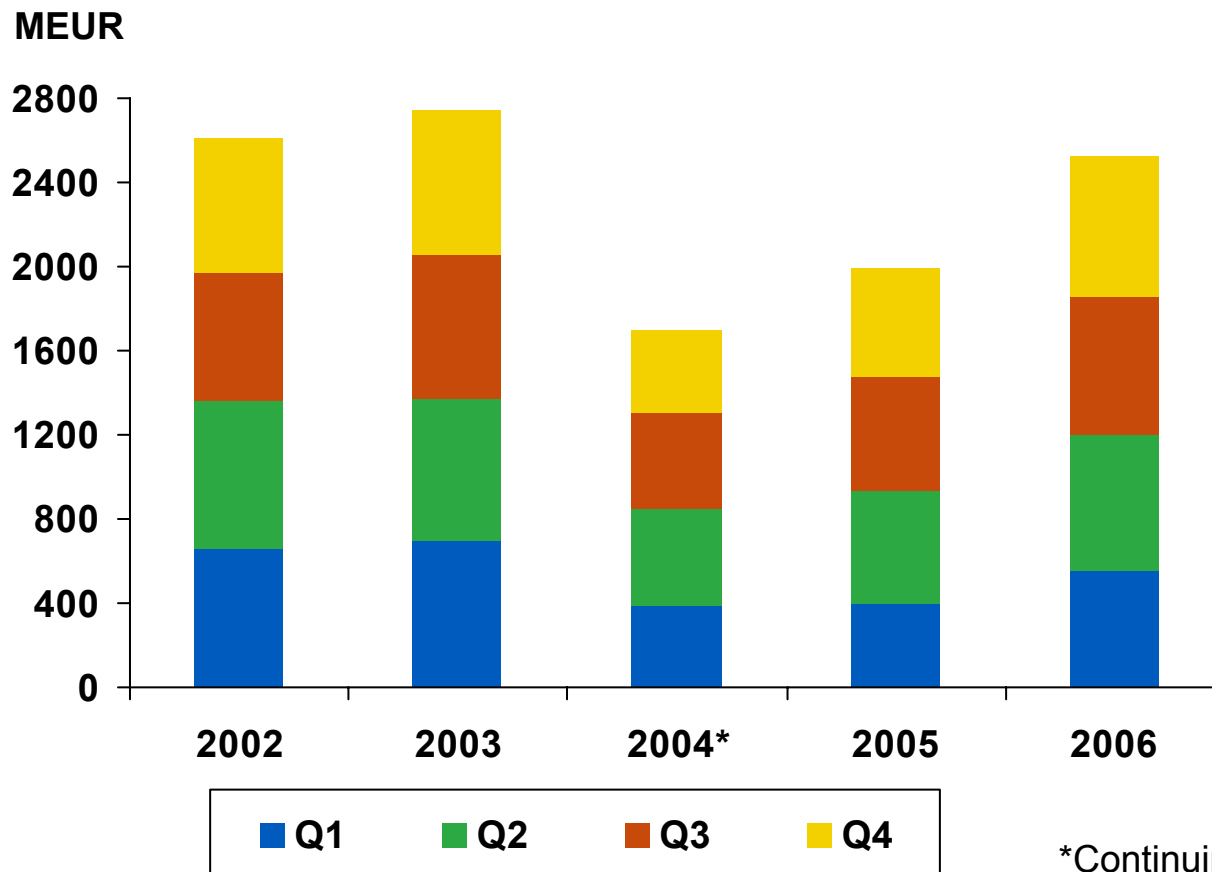
Key Figures and Ratios for 2006

	2006	2005	Change	Organic growth
Revenue (MEUR)	2,522.5	1,994.4	26%	5%
EBIT (MEUR)	201.7	165.5	22%	
EBIT, %	8.0	8.3		
EPS (EUR)	0.96	0.73	32%	
ROCE, %	10.6	9.9		
Cash flow after CapEx, excl. acquisitions (MEUR)	155.0	170.8		

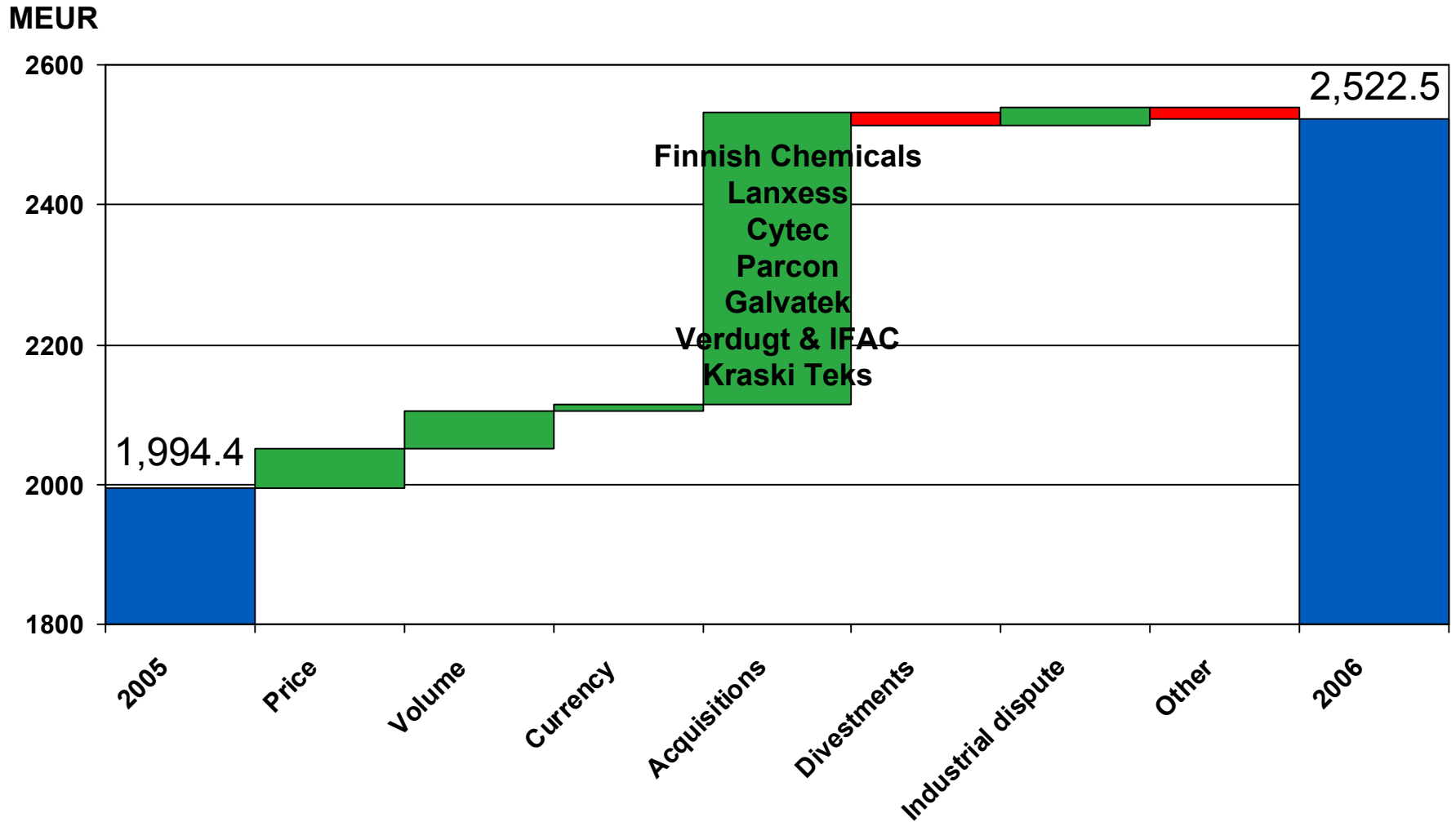
Dividend proposal EUR 0.48 (0.36), dividend payout ratio 50%

Revenue Development 2002-2006

2006: 2,522.5 MEUR, +26%
(2005: 1,994.4 MEUR)

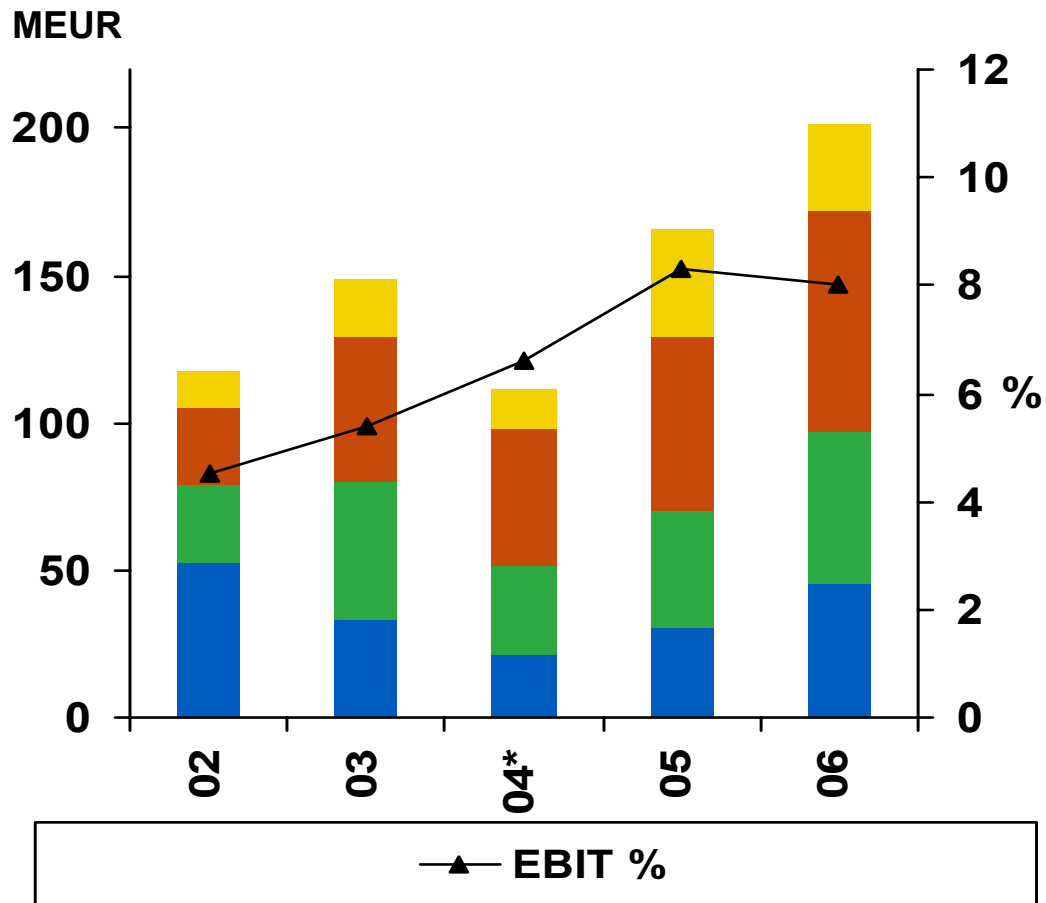


Revenue up 26% in 2006



EBIT by Quarter

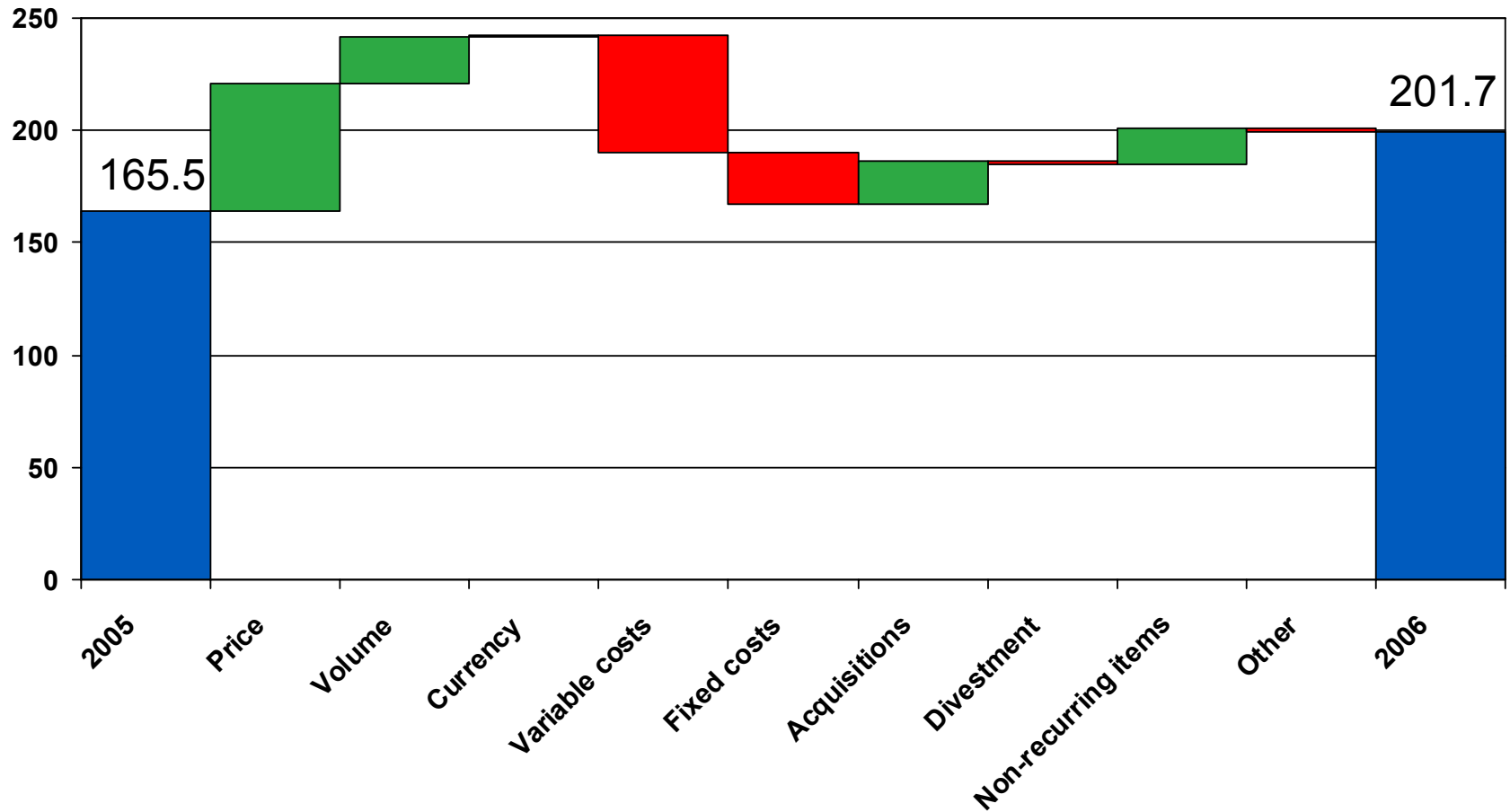
2006: 201.7 MEUR, +22%
(2005: 165.5 MEUR)



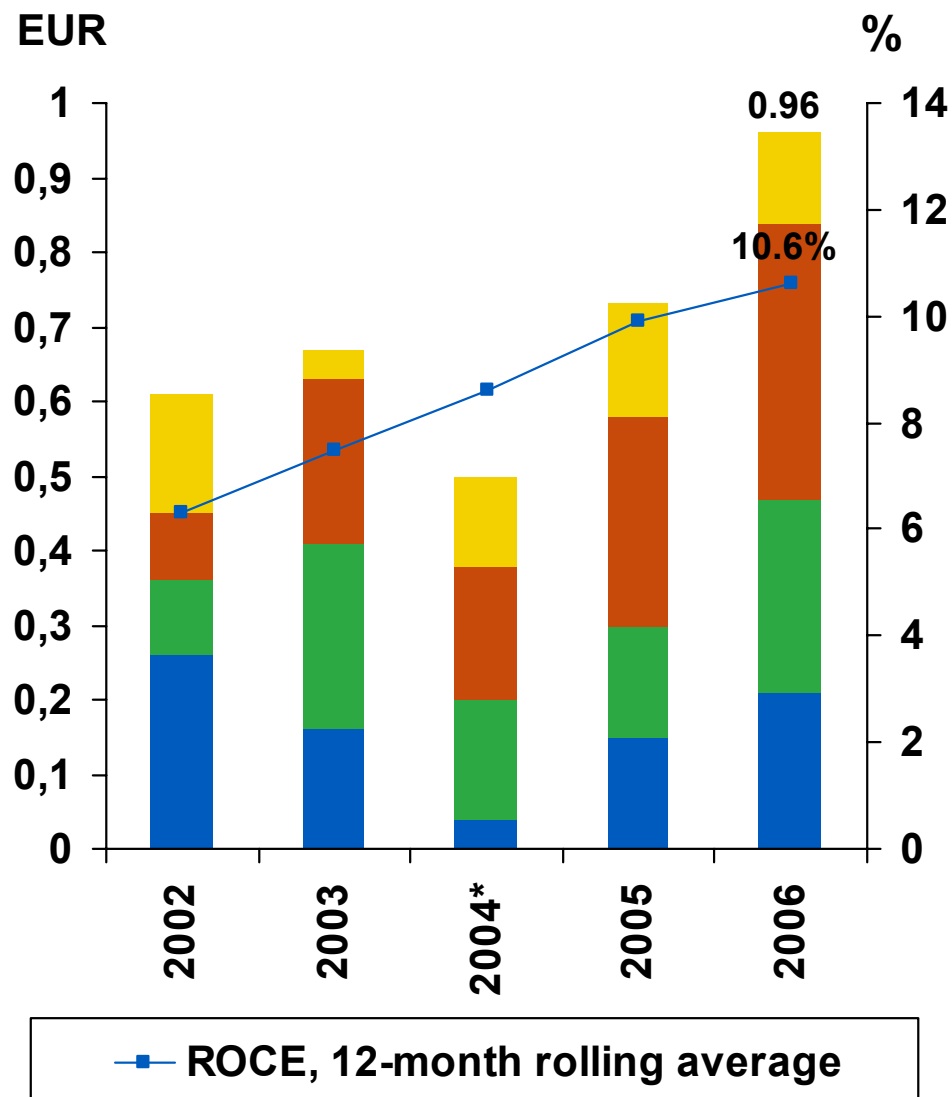
*Continuing operations.
Excluding a write-down
of 78 MEUR in Q4/02

EBIT up 22% in 2006

MEUR



EPS up by 32% in 2006



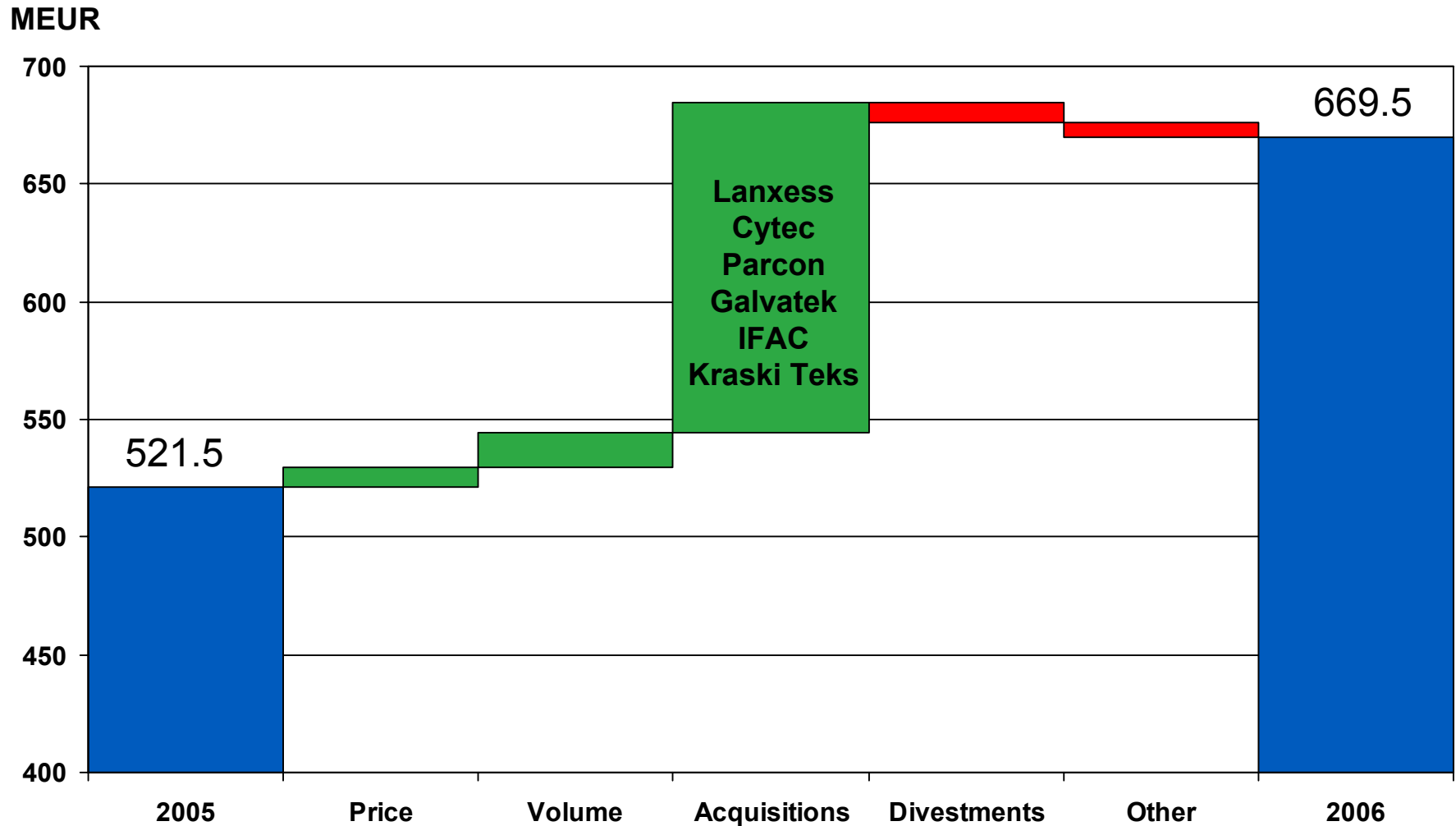
* Continuing operations excluding a non-recurring charge of 44.2 MEUR in Q4/04. Q4/02 excludes a write-down of 78 MEUR.

Growth Continued in October-December

	Q4/06	Q4/05	Change	Organic growth
Revenue (MEUR)	669.5	521.5	28%	3%
EBIT (MEUR)	29.6*	36.4*	-19%	
EBIT, %	4.4	7.0		
EPS (EUR)	0.12	0.15	-20%	
ROCE, %	10.6	9.9		
Cash flow after CapEx, excl. acquisitions (MEUR)	79.5	106.8		

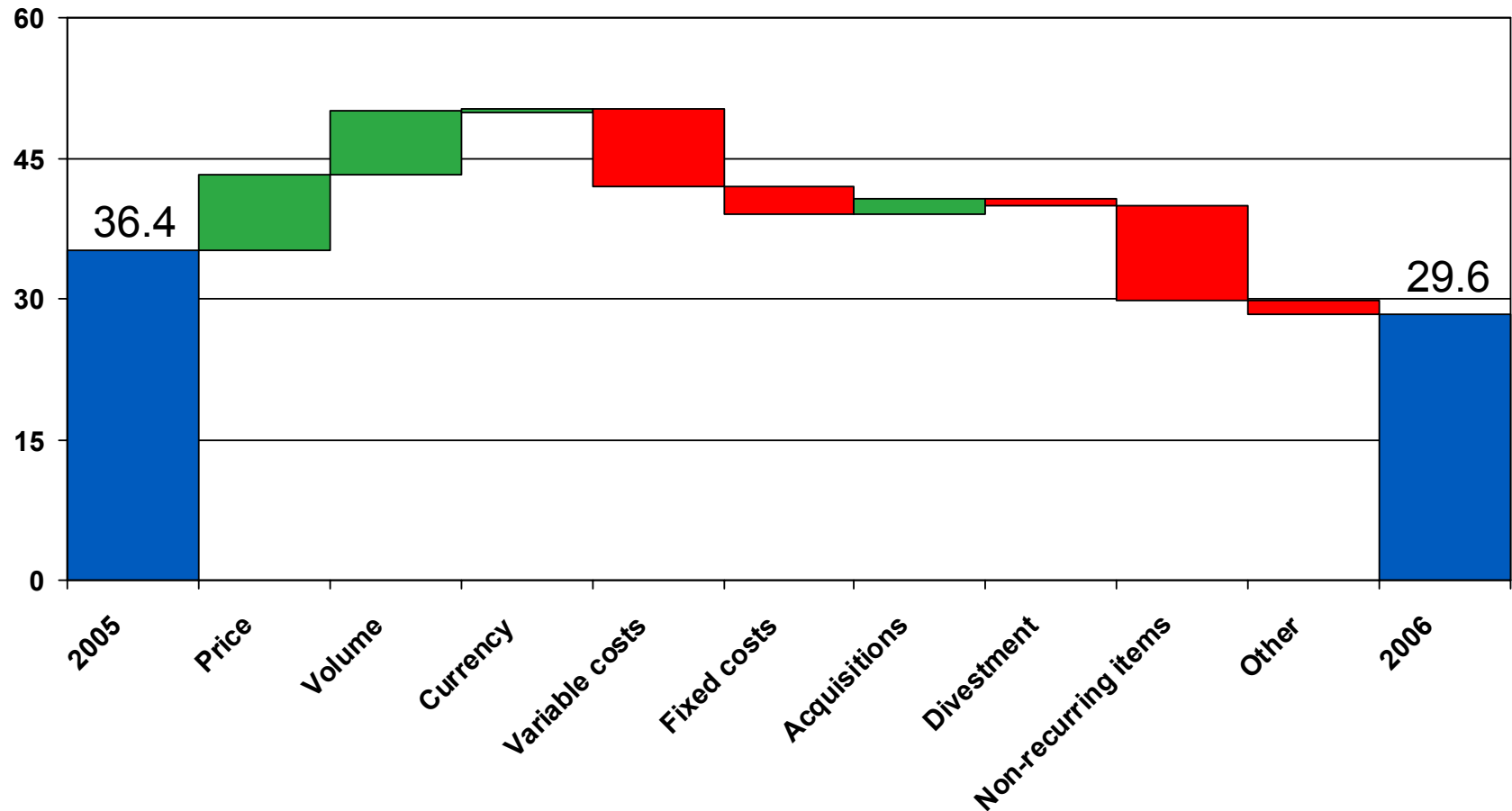
* Non-recurring items in Q4/06 were +1.0 MEUR, in Q4/05 11.1 MEUR

Revenue up 28% in Q4



EBIT from 36.4 MEUR to 29.6 MEUR in October-December

MEUR



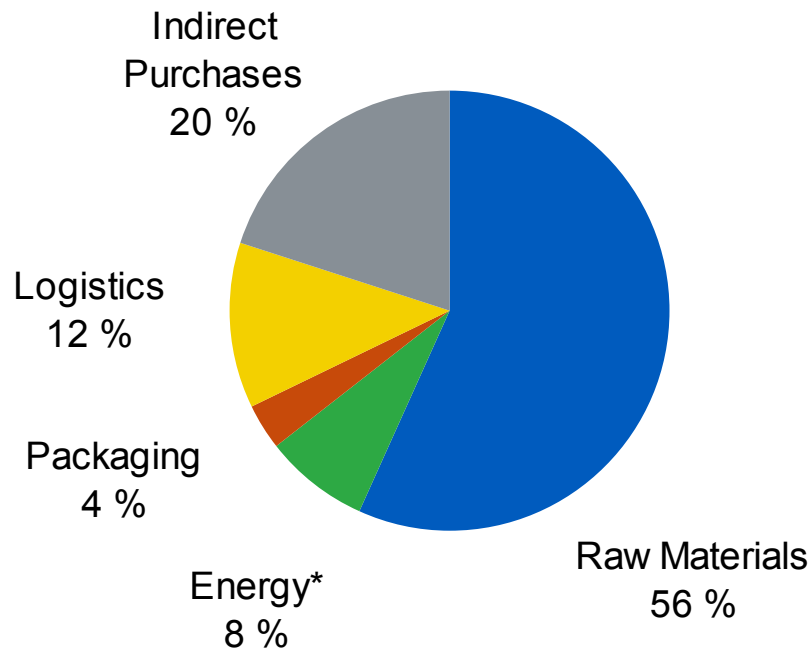
EBIT from 36.4 MEUR to 29.6 MEUR in October-December

- 10.1 MEUR higher non-recurring income in 2005
 - Production losses at the Pori titanium dioxide plant due to a power failure
 - The acquired Lanxess (1 April) and Cytec (1 October) had lower than average profitability
 - Integration costs
- Pro forma EBIT-% at previous year's level

Non-Recurring Items

MEUR	Q4/06	Q4/05	2006	2005
Kemira Pulp&Paper	0.4	0.1	11.0	-3.4
Kemira Water	-0.5	2.2	-0.2	2.2
Kemira Specialty	1.5	6.2	3.6	6.1
Kemira Coatings	-	9.5	16.4	9.5
Other	-0.4	-7.0	0.4	0.2
Total	1.0	11.1	31.2	14.6

Kemira Spend 2006: EUR 1.84 billion



■ Raw material and energy prices as well as transportation costs are projected to behave moderately in 2007

*Electricity appr. 5%; appr. 3% hedged

Balance Sheet

	31 Dec 06	31 Dec 05
Net debt (MEUR)	827.4	619.7
Equity (MEUR)	1,090.5	1,019.2
Equity ratio, %	39	44
Gearing, %	76	61
Capital employed (MEUR)	1,893.4	1,766.2
Personnel	9,327	7,670

Cash Flows

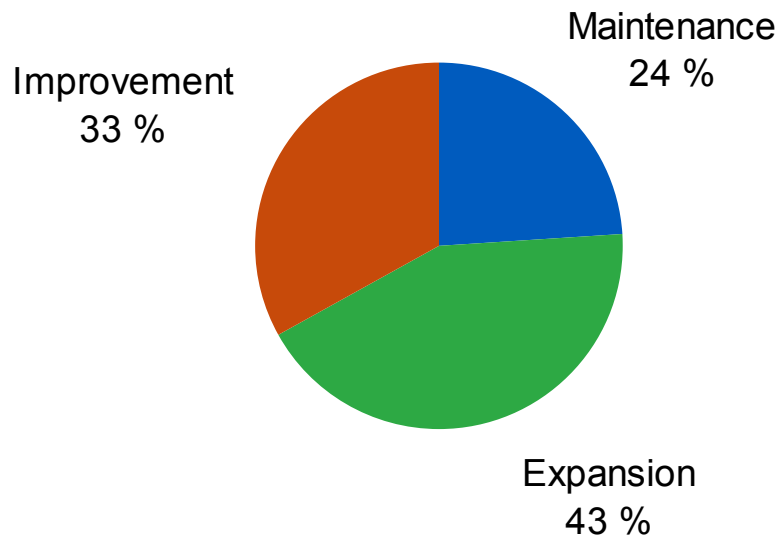
MEUR	2006	2005
Cash flows from operations	216.8	115.6
Acquisitions	-297.3	-285.5
CapEx excl. acquisitions	-164.7	-116.4
Sale of fixed assets	102.8	131.5
Cash flows from investing activities	-359.1	-270.4
Free cash flow	-142.3	-114.8

Operative CapEx on the Level of Depreciation

CapEx 2006: 164.7 MEUR (116.4)

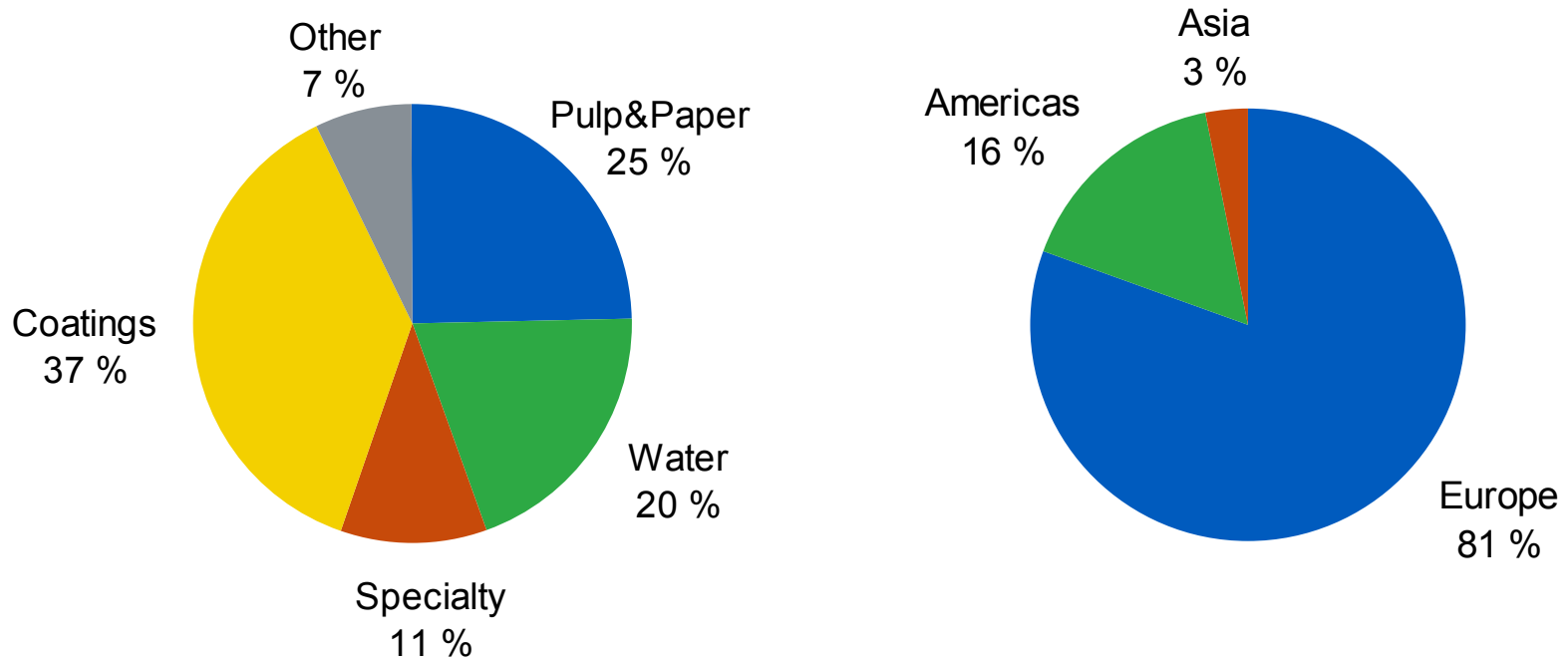
- Investment in the chemical plant in Uruguay 41.2 MEUR

Depreciation in 2006: 123.5 MEUR (118.9)



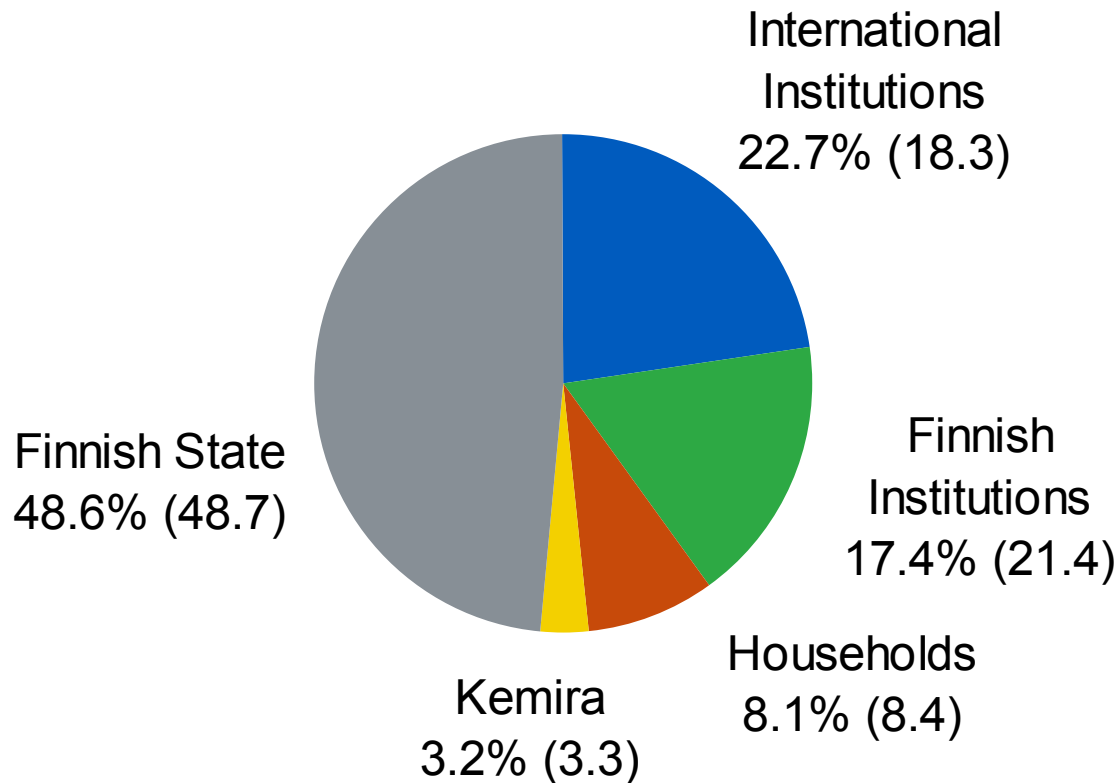
Personnel

Personnel 31 December 2006: 9,327 (7,670)



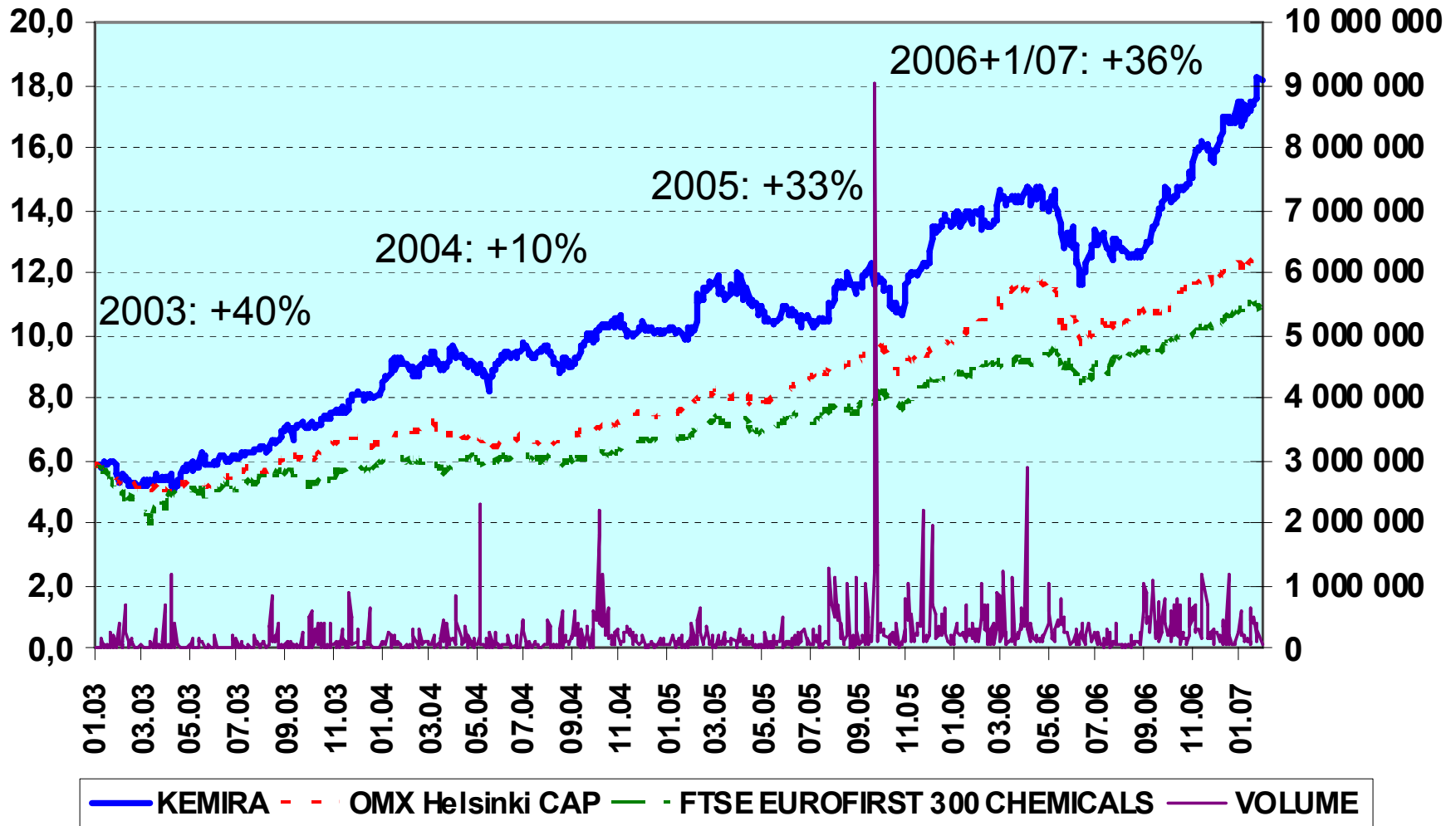
Shareholders 31 January 2007

(31 January 2006)



Minimum state ownership 15%

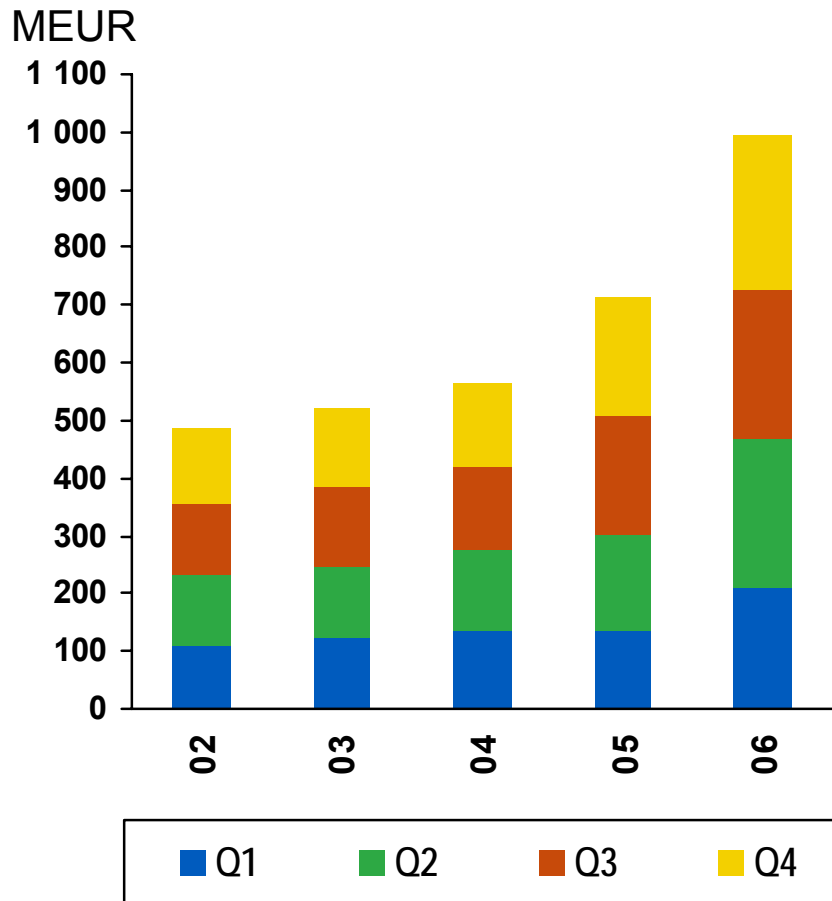
Share Price and Volume 2003-2006



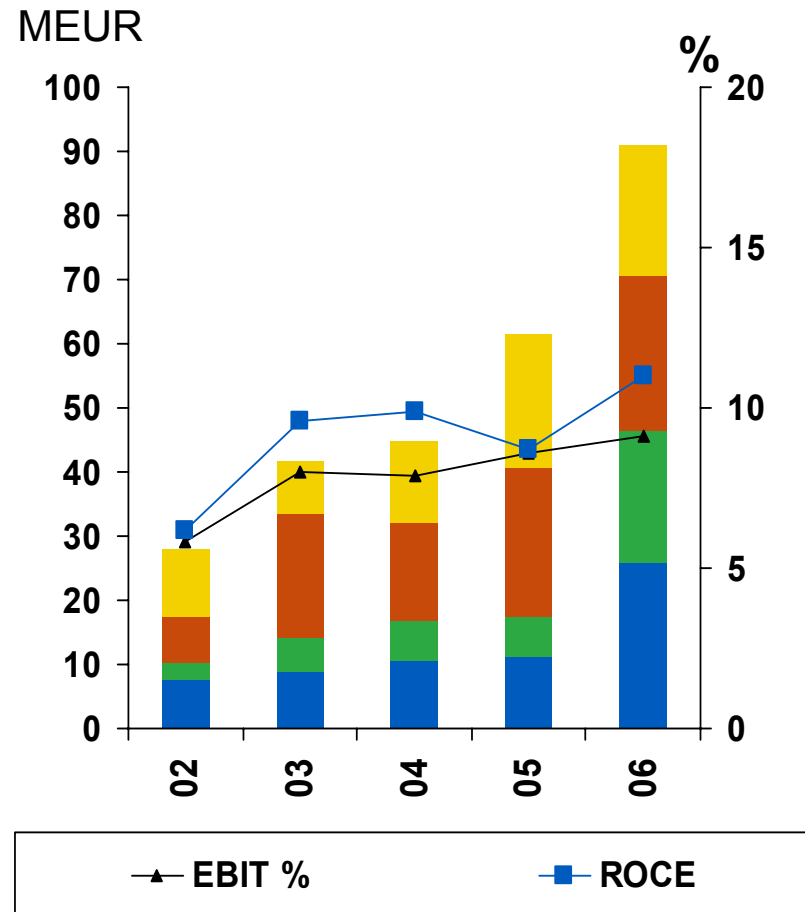
Q4 Business Area Highlights

Kemira Pulp&Paper

Revenue



EBIT & ROCE



The figures are not fully comparable.

Kemira Pulp&Paper in Q4

Revenue up 27%

- Organic growth 4%
- High forest-industry capacity utilization rates
- Integration of Lanxess paper chemicals progressing well

EBIT down 4%, ROCE 11.0% (8.7%)

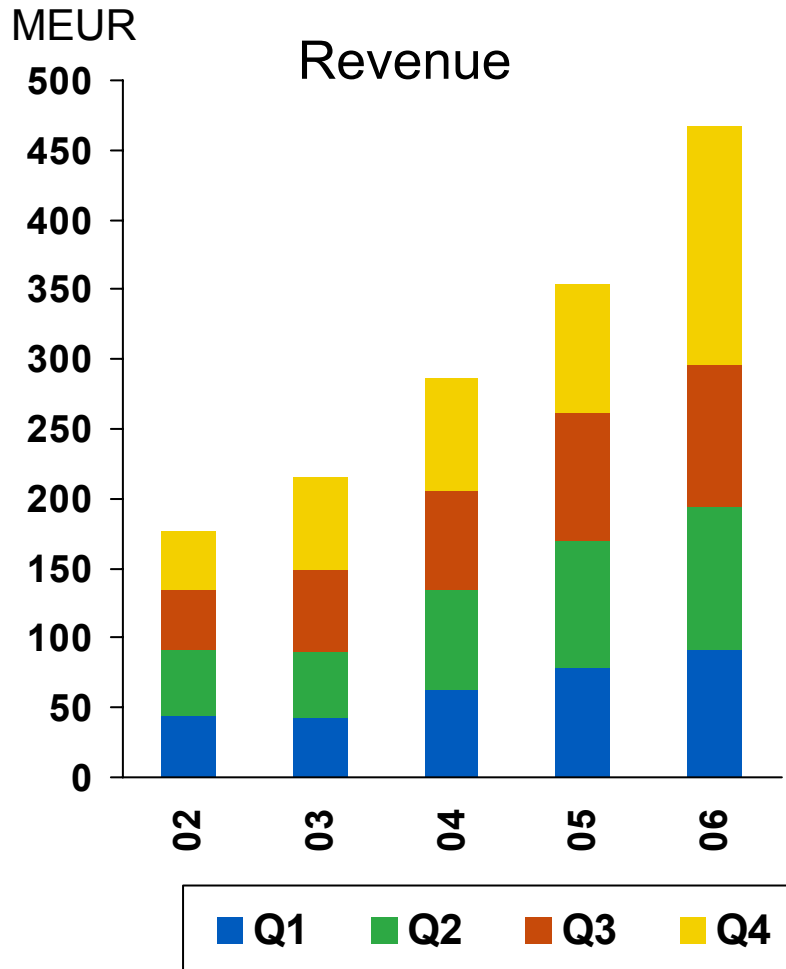
- Lanxess paper chemicals -2.1 MEUR due to integration costs
- Divestment of the South Korean hydrogen peroxide business

A chlorine dioxide unit to be built in Argentina, production scheduled to begin in early 2008

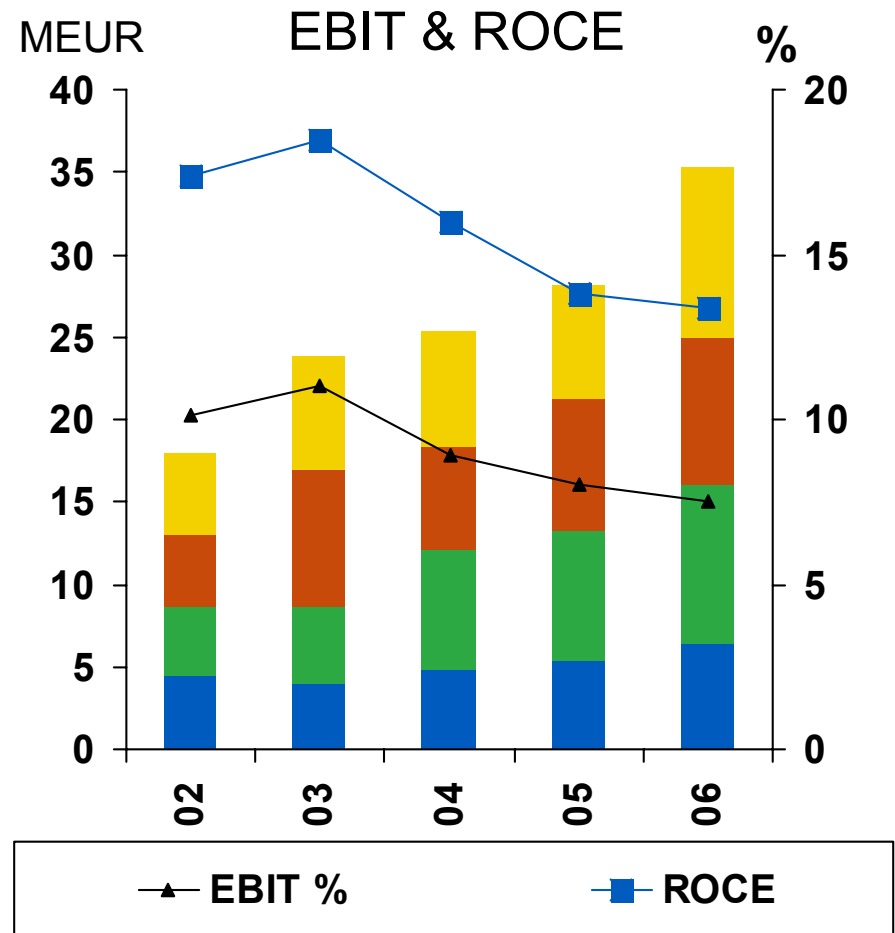
Uruguay project proceeding according to plan

	Q4/06	Q4/05	Ch%	2006	2005	Ch%
Revenue, MEUR	264.0	209.0	27	993.3	715.3	39
EBIT, MEUR	20.1	20.9	-4	90.8	61.5	48
EBIT, %	7.6	10.0		9.1	8.6	

Kemira Water



The figures are not fully comparable.



Q4/04 excluding extra write-downs and costs of 11 MEUR.

Kemira Water in Q4

Revenue up 88%

- Organic growth 6%, sales increased in all market areas

EBIT up 49%, ROCE 13.4% (13.8%)

- Cytec water chemicals' profitability lower than Kemira Water's
- One-time expenses of 0.5 MEUR (income of 2.2 MEUR)

Integration of Cytec water treatment chemicals progressing

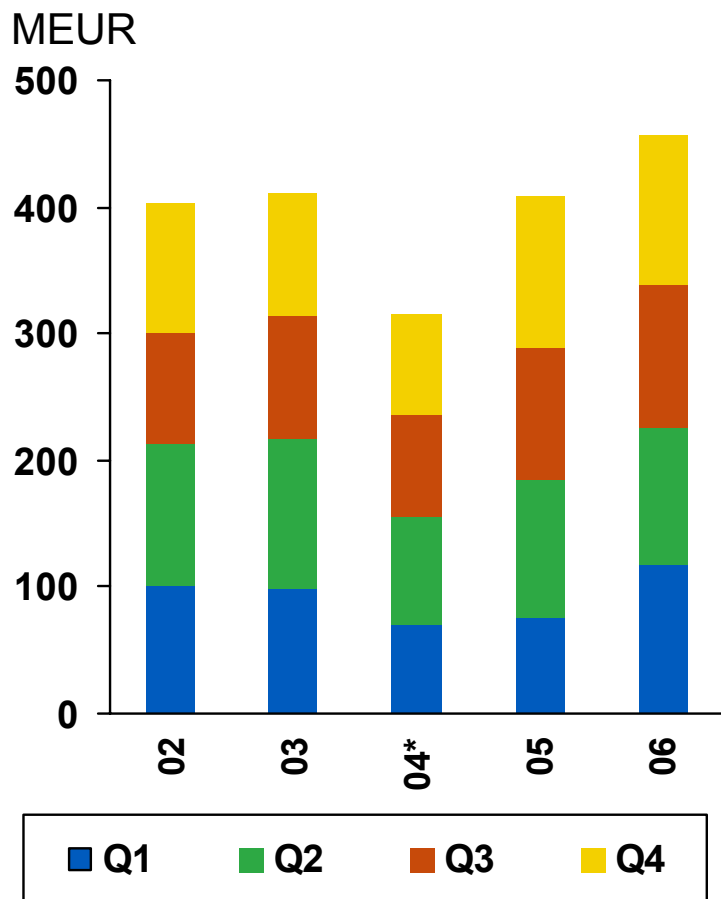
- Projected to raise EPS from 2007

Agreements on buying the Chinese Chongqing (80%) and two companies from the Brazilian Dalquim

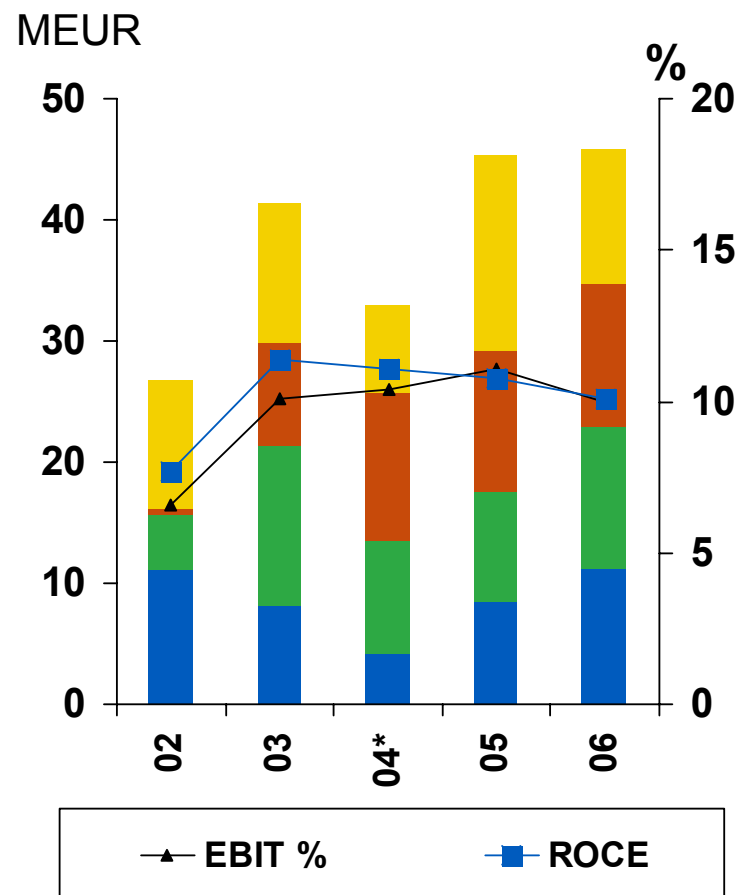
	Q4/06	Q4/05	Ch%	2006	2005	Ch%
Revenue, MEUR	171.5	91.2	88	467.6	353.2	32
EBIT, MEUR	10.3	6.9	49	35.3	28.2	25
EBIT, %	6.0	7.6		7.5	8.0	

Kemira Specialty

Revenue



EBIT & ROCE



The figures are not fully comparable.

*Continuing operations

Kemira Specialty in Q4

Revenue down 2%

- Low demand for deicer chemicals due to mild weather in Europe
- US dollar impact

EBIT down to 11.1 MEUR from 16.2 MEUR

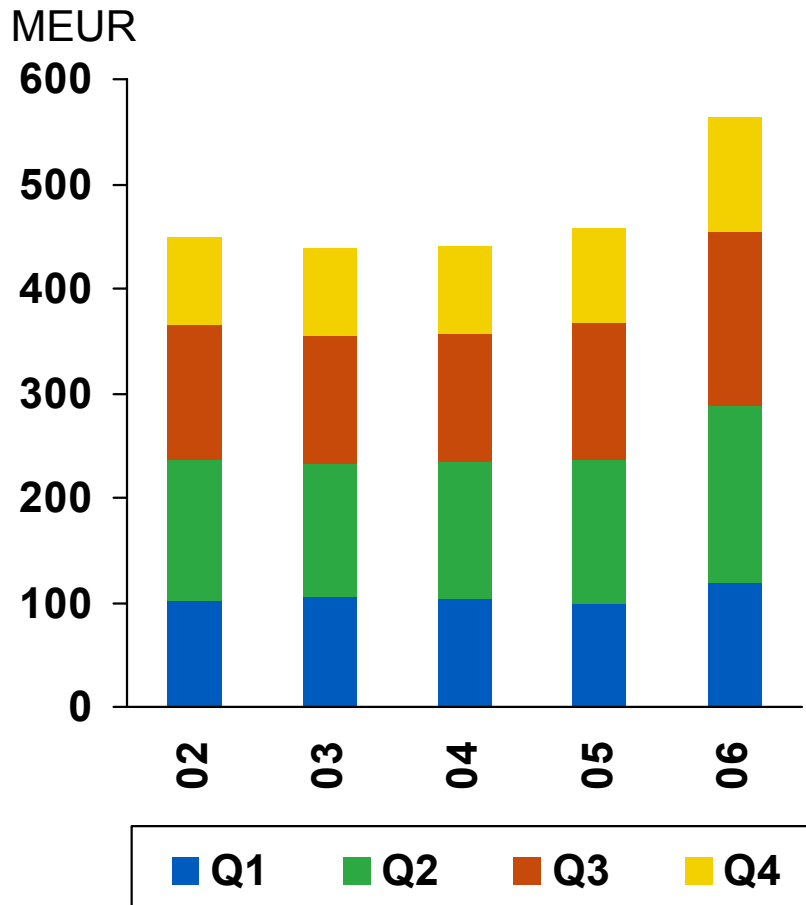
- Production losses in TiO₂ caused by a power failure
- One-time income of 1.5 MEUR (6.2 MEUR)

ROCE 10.1% (10.8%)

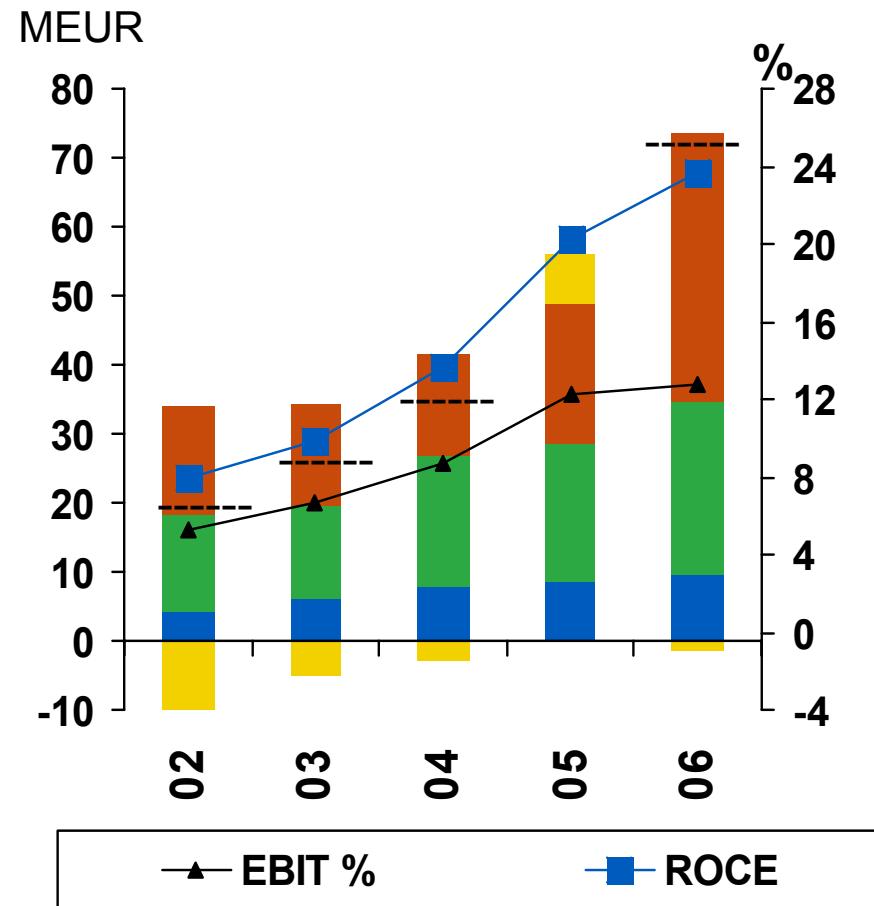
	Q4/06	Q4/05	Ch%	2006	2005	Ch%
Revenue, MEUR	117.2	119.1	-2	456.2	408.4	12
EBIT, MEUR	11.1	16.2	-31	45.8	45.4	1
EBIT, %	9.5	13.6		10.0	11.1	

Kemira Coatings

Revenue



EBIT & ROCE



Kemira Coatings in Q4

Revenue up 21%

- Organic growth 8%
- Integration of Kraski Teks progressing well

Operating loss -1.5 MEUR

- Q4 typically the weakest for Kemira Coatings
- Q4/2005 EBIT includes one-time income of 9.5 MEUR
- Acquisition of Kraski Teks -0.6 MEUR

ROCE 23.7% (20.2%)

Agreement on buying 70% holding in OOO Gamma and OOO Ohtinski zavod poroshkovyh krasok in Russia

	Q4/06	Q4/05	Ch%	2006	2005	Ch%
Revenue, MEUR	109.3	90.3	21	562.8	457.5	23
EBIT, MEUR	-1.5	6.8	-	72.1	55.9	29
EBIT, %	-	7.5		12.8	12.2	

Outlook for 2007

Outlook

- Revenue expected to grow in 2007
 - Previous acquisitions and organic growth
 - Demand for Kemira's products is projected to remain at a healthy level

- Operating profit and earnings per share for 2007 are expected to show an increase from 2006 levels
 - Raw material and energy prices and transportation costs are projected to behave moderately
 - The largest production plants' capacity utilization rates will remain high
 - Efficiency improvements in production and other operations
 - Introduction of new products
 - Integration of Lanxess and Cytec
 - Kemira – from Good to Great development program
 - Water soluble fertilizer business divested

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.

Primary Focus in Profitability

- Economies of scale, utilizing the leading position also towards customers and suppliers
 - Streamlining the production network
 - Idle / low productive capital out
 - Business concept change from products to solutions
 - More new products and solutions to the market
 - Internal synergies to use
- **World class internal efficiency**
- **Towards great ROCE**

Strategic Goal

Global group of **leading** chemical businesses with **unique** positions and a high degree of mutual **synergy**

- Great **profitability**, continuous profitability improvement (EPS, ROCE)
- Continuous **growth**, organic and through M&A
 - Expansion into emerging markets
 - Solution provider leadership driven by customer needs
- Participative, entrepreneurial corporate **culture**
- Continuous increase in shareholder value

→ Primary focus in profitability

Strategic goal 2004 in black

New emphasis in blue, August 2006

Just add

Kemira