

Jari Rosendal, President and CEO | March 23, 2015

kemira

Where water
meets chemistry™

Kemira's Annual General Meeting 2015

Focusing on growth



Kemira Management Board



Jari Rosendal
President & CEO



Petri Castrén
CFO



Petri Helsky
Paper
(until March 31, 2015)



Antti Salminen
Municipal &
Industrial



Tarjei Johansen
Oil & Mining



Heidi Fagerholm
CTO



Eeva Salonen
HR



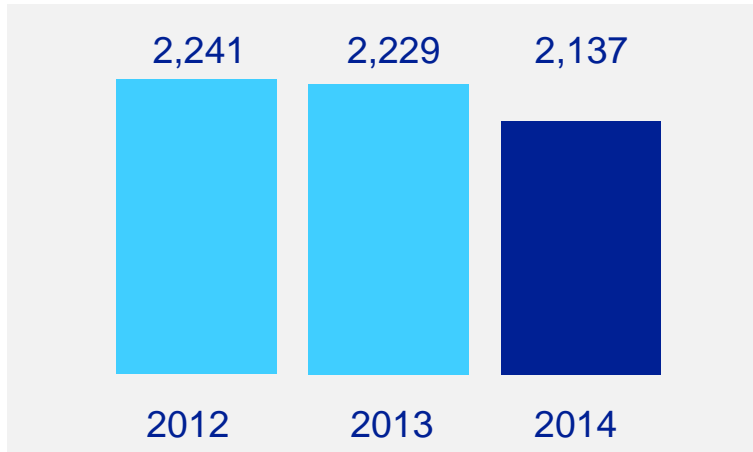
Michael Löffelmann
Projects &
Manufacturing
Technology



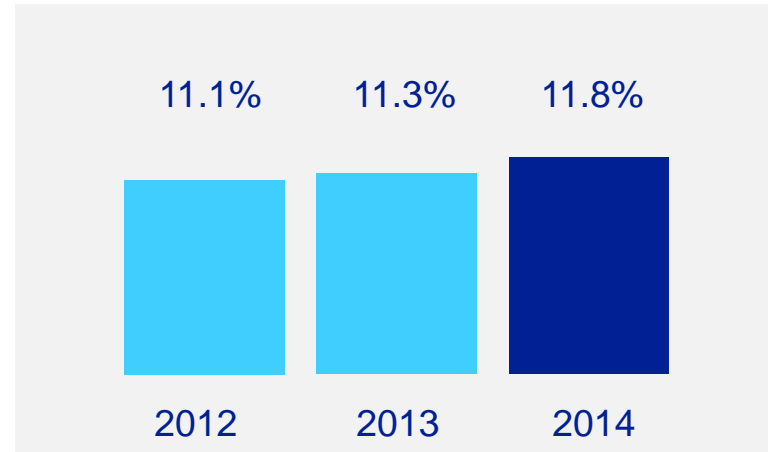
Esa-Matti Puputti
Operational
Excellence
(as of May 18, 2015)

Focusing on growth after restructuring

Revenue,
EUR million

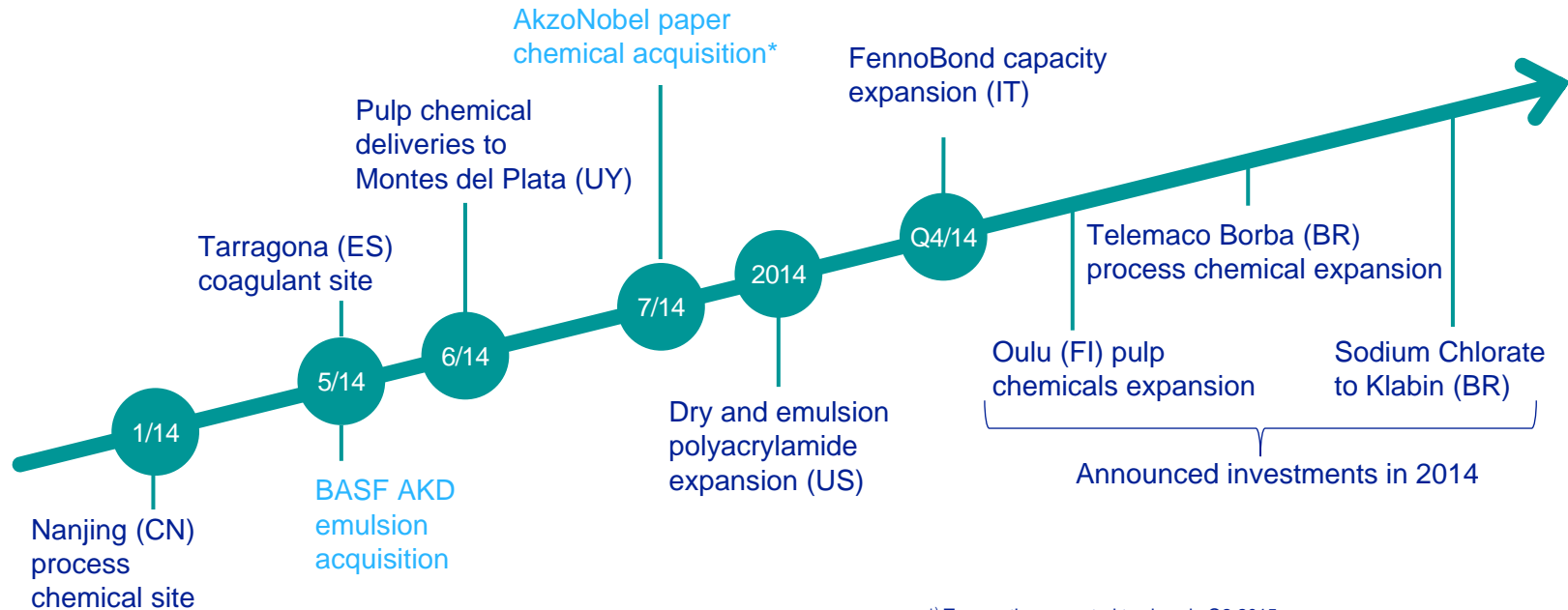


Operative EBITDA margin



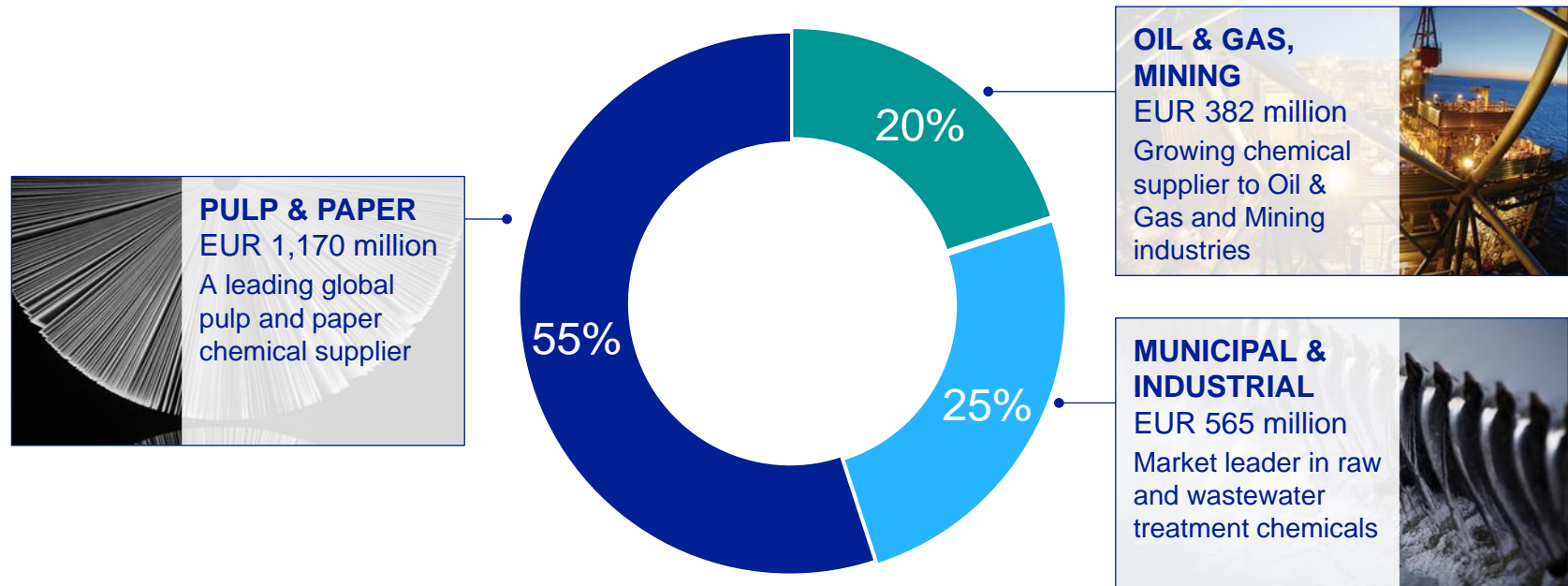
Investing in growth

Kemira's organic growth was 3% in 2014 (Paper 6%, Oil & Mining 15%)



*) Transaction expected to close in Q2 2015

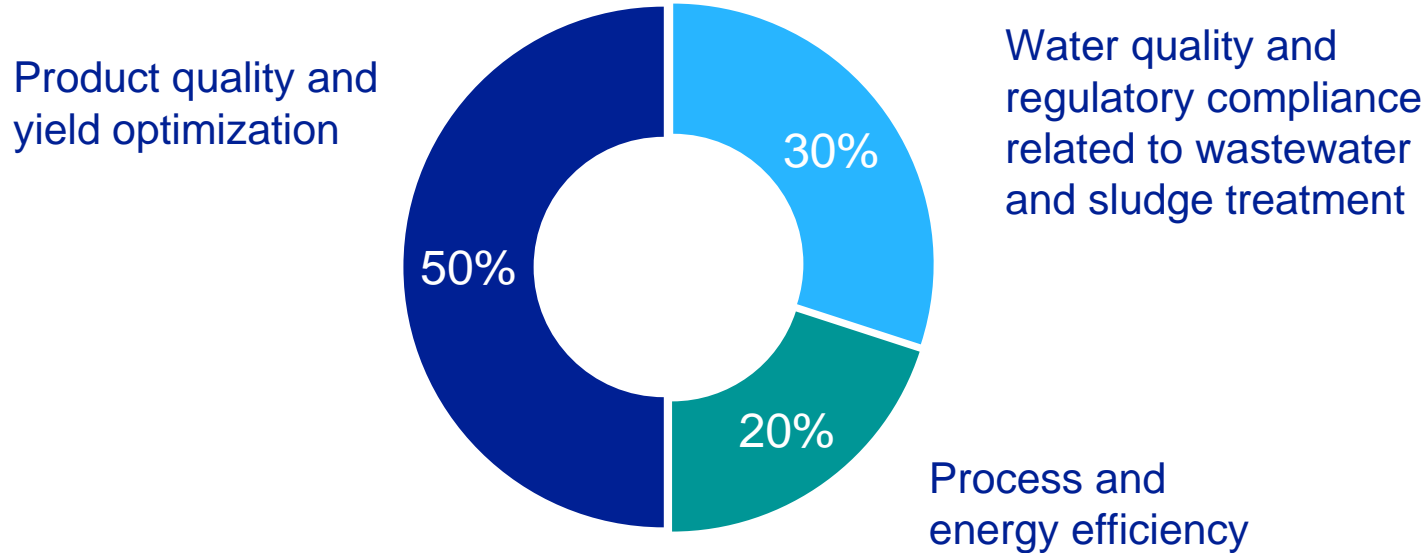
Our business is divided into three segments to best meet our customers' needs



SALES BY SEGMENT (2014)

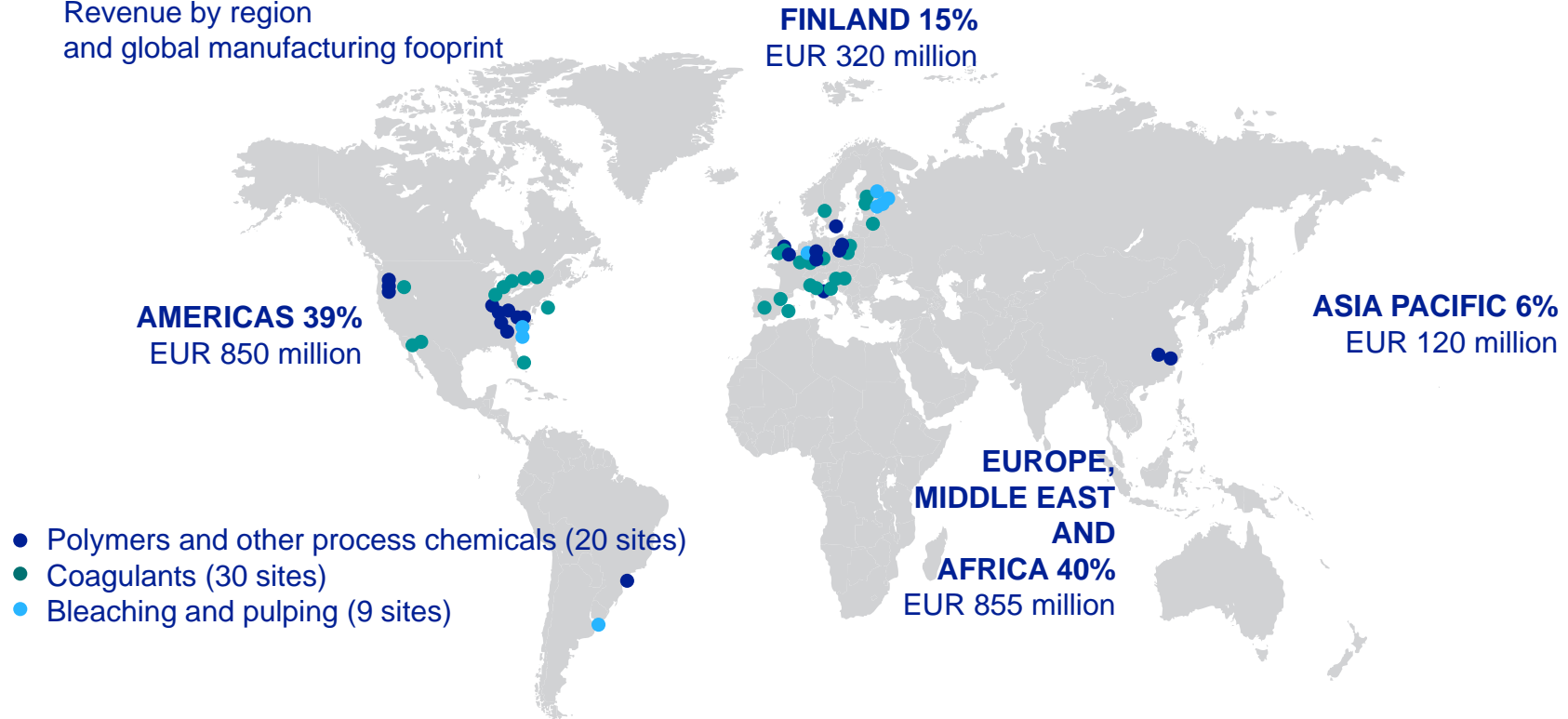
Bringing sustainable value to our customers in water intensive process industries

Kemira revenue split by customer benefit, %



Reliable worldwide supply is guaranteed by a global manufacturing network

Revenue by region
and global manufacturing footprint



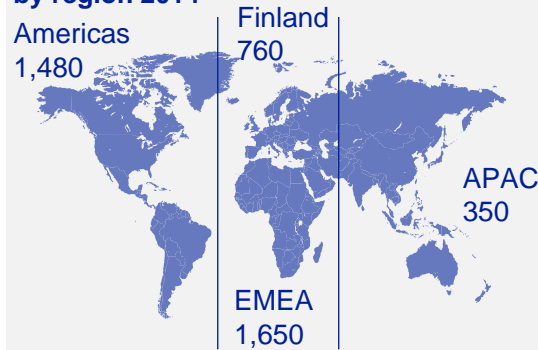
Values guide our way of working

Ensuring the necessary knowhow, engaged people, strong leadership and a safe workplace

Our values have been created together by all our employees:

- We are dedicated to customer success
- We care for people and the environment
- We drive performance and innovation
- We succeed together

Total number of employees by region 2014



Employee educational level all employees

PhD/Doctor	5%
Masters degree	25%
Bachelors degree	30%
Other	40%

Employees by age group 2014

<30	12%
30-50	57%
>50	31%

Innovating together with our customers' to improve water, energy and raw material efficiency

We are attentive to the current and long-term needs of our customers

- 250 R&D experts create new innovations in R&D centers in Finland, China and the USA
- 300 patent families and 1,300 patents
- R&D spend approximately EUR 30 million / year

Achievements in 2014:

- New product launches: 8
- Invention notifications: 107
- Patents: 44
- Publications: 111



INNOVATION

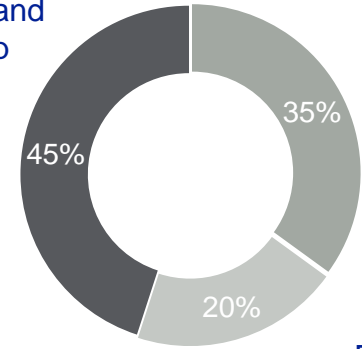
INNOVATION REVENUE
TARGET IS 10% (2014: 8%)
OF TOTAL REVENUE BY 2016

Paper segment delivering on its growth strategy

Leveraging its leading market position
Executing investment projects successfully
Commercializing new products and solutions
Continuing to evaluate bolt-on acquisitions

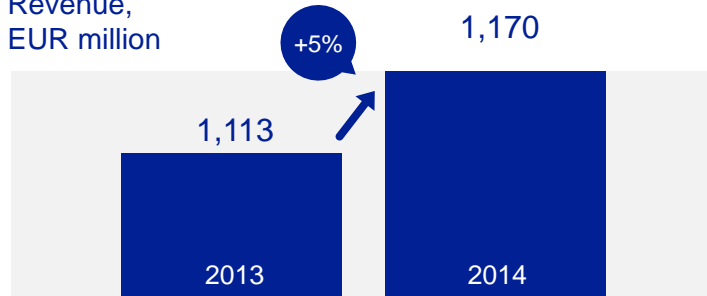
Chemical,
mechanical and
recycled pulp

Packaging,
board and
tissue grades

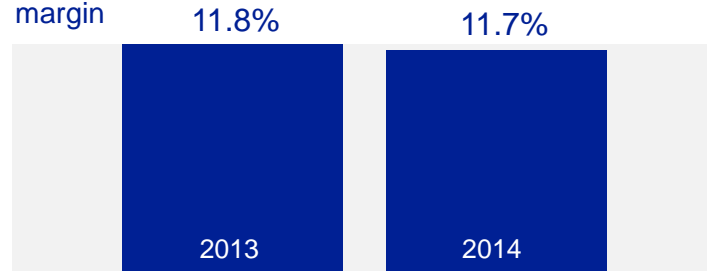


Paper grades

Revenue,
EUR million



Operative
EBITDA
margin



The AkzoNobel paper chemical acquisition will strengthen us especially in the growing Asian paper markets

Strategic rationale

- Consolidating capacity
- Strengthening market position in all regions, especially in APAC
- Gaining new competencies and technologies

Expected revenues of more than EUR 200 million on an annualized basis (at closing)

Closing expected in Q2 2015

Transaction is expected to result in EUR 15 million annual net synergies

Transaction price EUR 153 million





Long-term commitment to the pulp and paper industry

Kemira pulp and paper revenues have more than doubled since 2004

2015

Kemira* (pulp and paper) #1

BASF (paper) #2

AkzoNobel (pulp) #3

Solenis (paper) #4

Ecolab (paper) #5

2004

Ciba #1

AkzoNobel #2

BASF #3

Hercules #4

Kemira #5

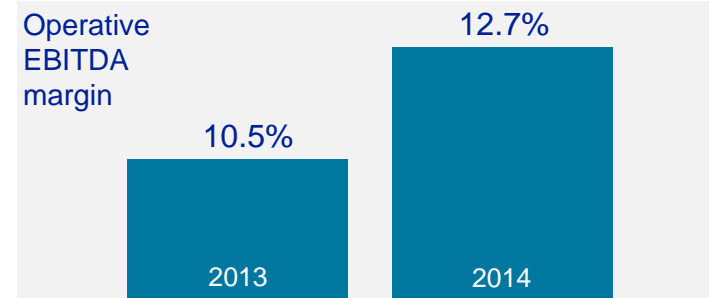
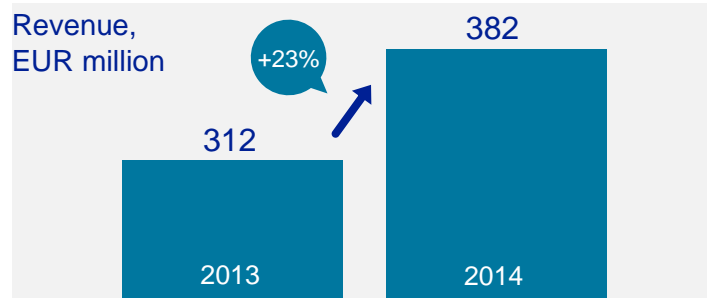
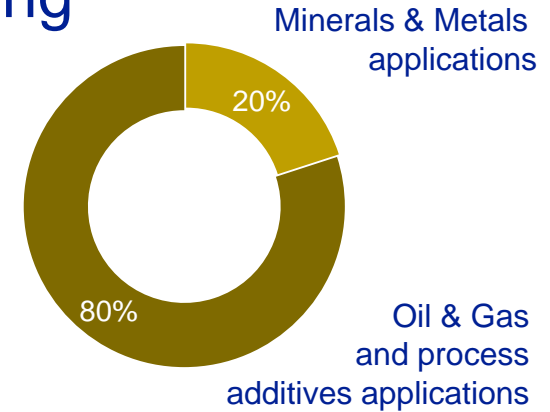
Nalco #6

*Including AkzoNobel paper chemicals acquisition

Oil & Mining segment improving cost efficiency in oil and gas production and recovery yield in mining

Investing in innovation, people and polyacrylamide technologies

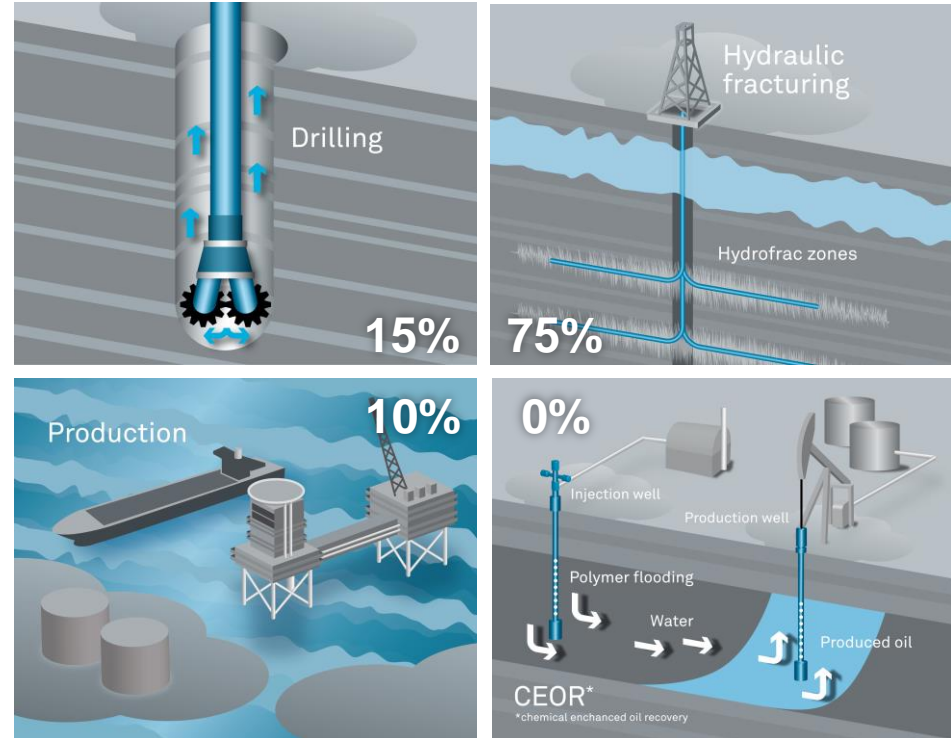
Strengthening and expanding customer relationships focusing more on oil & gas and field service companies



Oil & Mining is a growing partner to the oil, gas and mining industry

- Business is driven by cyclical oil, gas and metals prices
- Less than 50% of Oil & Mining revenue is related to shale operations
- Kemira is the world's second largest dry and emulsion polyacrylamide producer
- Market leader in friction reducers in the US for shale fracking
- Polymer technology is a growing trend in the shale operations, CEOR a new innovation area

Kemira's revenue split in oil and gas applications

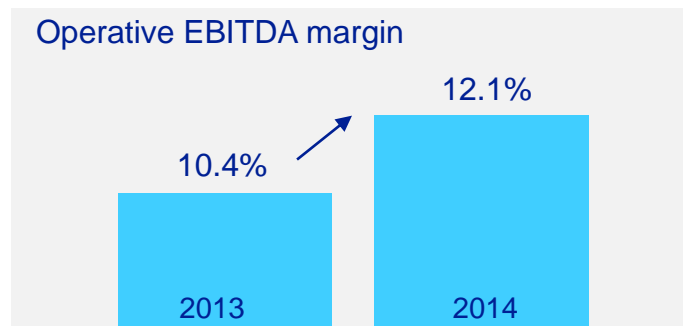
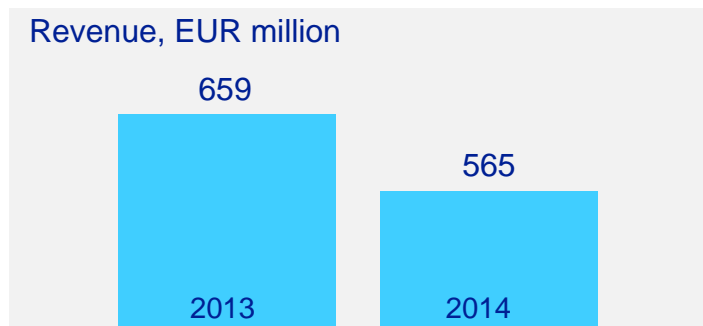
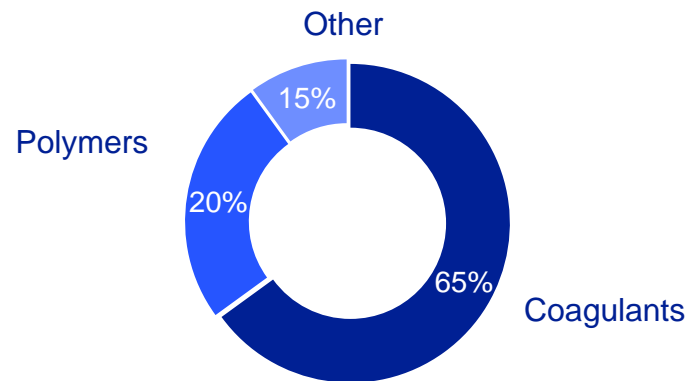


Municipal & Industrial segment delivering strong cashflow after restructuring and profitability improvement

Leveraging leading market position

Developing new solutions for raw and waste water management

Focusing on cash flow maximization



Corporate responsibility

We base our corporate responsibility approach and target setting on Kemira's strategy, stakeholder expectations and commitment to international principles.

KEMIRA STRATEGY

→ Business and value creation model



STAKEHOLDER EXPECTATIONS

→ Customers
→ Investors and lenders
→ Employees
→ Suppliers
→ Society



COMMITMENTS, GUIDELINES AND PRINCIPLES

→ UN Global Compact
→ Responsible Care
→ Kemira Code of Conduct



Corporate responsibility

Focus areas and examples of achievements

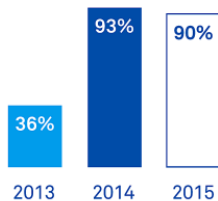


Responsible business practises



Suppliers

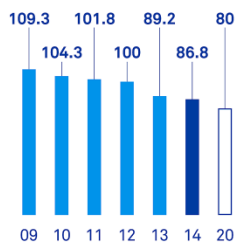
Target: ≥ 90% of supplier contracts with signed Code of Conduct for Suppliers, Distributors and Agents as attachment by 2015



Climate change

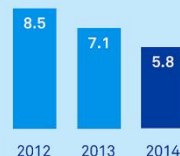
Target:
Kemira Carbon Index ≤ 80 by 2020

The Kemira Carbon Index covers CO2 emissions of Scope 1 and Scope 2, excluding direct emissions from chemical processing, and is not dependent on production structure or volumes.



Employees

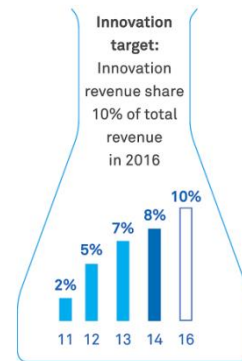
Safety target:
Achieve zero injuries



Number of Total Recordable Injuries (TRI) per million hours, Kemira + contractor, 1 year rolling average.

Sustainable Products and Solutions

Innovation target:
Innovation revenue share 10% of total revenue in 2016





Market environment

Global growth estimate 2015 (2014)*:

World: 3.5% (3.3%)

Developed markets 2.5% (1.8%)

Emerging markets 4.4% (4.3%)

US dollar has appreciated against Euro:

March 16, 2014 EUR/USD rate: 1.05 (1.39), -24%

Oil Price (March 16, 2015):

WTI: USD 47 (99), -53%

Brent: USD 55 (108), -49%

2015 outlook and mid-term financial targets

In 2015, Kemira will focus on profitable growth organically and inorganically. Kemira expects its revenue in 2015 to increase compared to 2014 and operative EBITDA in 2015 to be approximately at the same level or increase compared to 2014. The outlook excludes the impact of AkzoNobel paper chemical business (acquisition expected to close in the second quarter of 2015). At closing, AkzoNobel paper chemical business is expected to add revenue of more than EUR 200 million on an annualized basis.

	2014	2015 outlook	2017 target
Revenue	EUR 2.1 billion	Increase	EUR 2.7 billion
Operative EBITDA	EUR 253 million	At the same level or increase	
Operative EBITDA margin	11.8%		15%
Gearing	42%		<60%



Financials

January-December 2014

Petri Castrén, CFO



Financial Highlights

January-December 2014

Revenue EUR 2,137 (2,229) million

- Divestment impact EUR -200 million
- Acquisition impact EUR 70 million

Operative EBITDA EUR 253 million (252)

Operative EBITDA margin improved to
11.8% (11.3%)



CONSOLIDATED INCOME STATEMENT

January-December 2014

EUR million

	2014	2013
Revenue	2,136.7	2,229.1
Other operating income	55.2	15.2
Operating expenses	-1,939.0	-2,102.4
Depreciation, amortization and impairment	-100.3	-99.3
Operating profit	152.6	42.6
Financing costs, net	-30.7	-39.0
Share of profit or loss of associates	0.2	-1.1
Profit before tax	122.1	2.5
Income tax expense	-26.3	-28.4
Net profit for the period	95.8	-25.9
Net profit attributable to:		
Equity owners of the parent	89.9	-31.6
Non-controlling interests	5.9	5.7
Earnings per share for net profit attributable to the equity owners of the parent company (EUR per share):		
Basic and diluted	0.59	-0.21


CONSOLIDATED BALANCE SHEET

As at December 31, 2014

EUR million	2014	2013
Goodwill	486	472
Other intangible assets	76	75
Property, plant and equipment	706	644
Shares and other investments	345	309
Inventories	197	170
Receivables	366	333
Cash & cash equivalents	119	102
Non-current assets classified as held-for-sale		105
Total assets	2,296	2,211
Equity	1,163	1,126
Interest-bearing liabilities	605	558
Interest-free liabilities	527	507
Liabilities directly associated with the assets classified held-for-sale		20
Total equity and liabilities	2,296	2,211

KEY FIGURES AND RATIOS

EUR million, except ratios	2014	2013
Net debt	486.1	456.3
Equity	1,163.3	1,125.5
Equity ratio, %	51%	51%
Gearing, %	42%	41%
Net debt / operative EBITDA	1.9	1.8
ROCE, %	10.7%	2.8%
Earnings per share, EUR	0.59	-0.21



Board of Directors proposes EUR 0.53 (0.53) dividend

Kemira Oyj's distributable funds totaled
EUR 600 million on Dec 31, 2014

Dividend amounts to EUR 81 million, 84% of the
2014 operative net profit

Dividend yield 4.6% (March 16, 2015)

NASDAQ OMX Helsinki (25) dividend yield 3.6%

European chemicals average dividend yield 2.7%

Kemira Board of Directors revised the dividend policy
aiming at paying a stable and competitive dividend