



It all springs from knowledge





# Contents

2	Kemira GrowHow in Brief	26	Corporate Governance
4	Overview of 2006	32	Board
6	CEO's Review	34	Management
8	Market Overview	36	Glossary
10	Strategy	37	Contacts
12	Crop Cultivation	40	Information for Shareholders and Investors
16	Industrial Solutions		
20	Responsible Business Practice		
20	Research and Development		
22	Personnel		
24	Sustainability		

Annual Report of Kemira GrowHow is published both in English and in Finnish, and in two parts. The first part highlights the year 2006 and describes the strategic business operations of Kemira GrowHow. The second part contains the Financial Statements of year 2006. The Annual Report can be found from the internet [www.kemira-growhow.com](http://www.kemira-growhow.com) or you can order it by email [communications@kemira-growhow.com](mailto:communications@kemira-growhow.com).

Graphic design and production: Miltton Oy, Studio Kai Kujasalo  
Photographs: Petri Artturi Asikainen (Board and Management), Ilmari Kostiainen (cover)  
Picture agencies: Getty Images, Matton, Fennopress and Lehtikuva  
Printing: Lönnberg, Helsinki 2007  
Paper: cover Galerie Art Silk 250g, content pages Galerie Art Silk 125g  
Kemira GrowHow Corporation, registered domicile Helsinki, Business ID 0948865-5.

# Best solutions for growth

1

A winegrower in France, a potato farmer in Finland, a strawberry grower in Hungary and a mass producer of sugar beet in Tatarstan have one thing in common – the need to use plant nutrients. Everyone's needs are different – as are the special characteristics of the soil. A winegrower wants to know the exact effect of plant nutrients on grape maturation. A potato farmer seeks to choose the optimal farming technique, nutrients and potato variety for each field. [Page 14.](#)

**Kemira GrowHow's strategy** is based on the desire to create close partnerships with its customers. To this end, Kemira GrowHow has developed new operating models for long-term partnerships with for example many agricultural product distributors. [Strategy, page 10.](#)



**Over and above** its innovative products, Kemira GrowHow's strength is its soil and cultivation know-how – farmers reap the additional benefits of this expertise. [Research and development, page 20.](#)

**At its deepest level**, a focus on partnerships leads to the founding of joint ventures to bolster the market position of both founders. As from the beginning of 2006, the Danish DLA distribution chain (Den Lokale Andel) has worked as Kemira GrowHow's close partner in everything from product purchasing to distribution, marketing and sales in the Nordic and Baltic countries. This gives farmers the option of buying all that they need from the same outlet. Distribution cooperation emphasises the role of advisory services which generate important added value for farmers and foster closer customer relations. For more on [Crop Cultivation's business operations](#), see [page 12.](#)



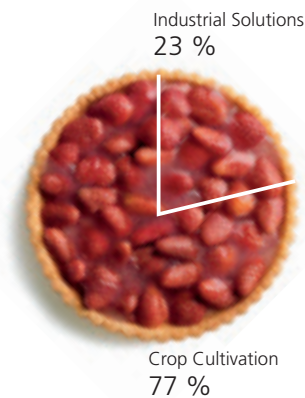
**Business development** that focuses on partnerships is also evident in the operations of Kemira GrowHow's second strategic business unit. Industrial Solutions is not just a reliable supplier of process chemicals and feed phosphates to its industrial customers, but also participates in controlling the whole supply chain of many of its customers as well as in the production and marketing of new products. One example is the joint venture CetPro and its [Micet product](#) – see [page 18.](#)

**Kemira GrowHow is speeding up** the implementation of its strategy by actively developing the leadership skills of its managers. In 2006, the Grow development programme collected 150 managers from all over the company to learn new business skills and concepts required by the strategy. [Personnel, page 22.](#)

## Two strategic business units

Kemira GrowHow is one of the leading producers of fertilizers and feed phosphates in Europe with production facilities in eight countries and about 2,500 employees. Its products are sold in over 100 countries. Kemira GrowHow focuses on providing customized fertilizers and related services for crop cultivation, feed phosphates for use in animal feed, as well as process chemicals for selected industrial segments. Kemira GrowHow has two strategic business units: Crop Cultivation and Industrial Solutions.

Net sales by business unit



Crop Cultivation produces fertilizers for agriculture, horticulture and home gardening. The business unit also offers agricultural customers services and solutions designed to intensify and facilitate crop production and seeks to promote cooperation in the entire food chain.

Industrial Solutions is divided into two businesses, phosphates and process chemicals. The phosphates business operation offers feed phosphates and feed acids to the animal feed industry, while process chemicals are sold to the electronics, pharmaceutical and other industries.

The two business units have strong synergies, as many of the products of Industrial Solutions are raw materials, intermediate or endproducts of the fertilizer production.

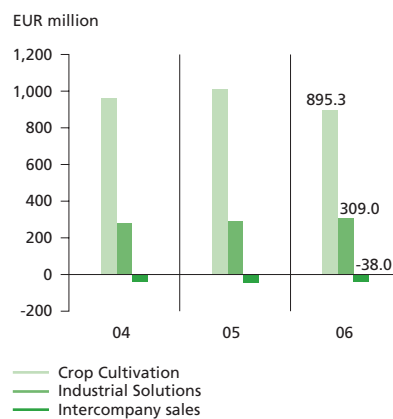
Kemira GrowHow has a robust market position in many European countries, especially the Nordic countries as well as in Western and Eastern Europe.

### Partnership. Knowledge. Solutions.

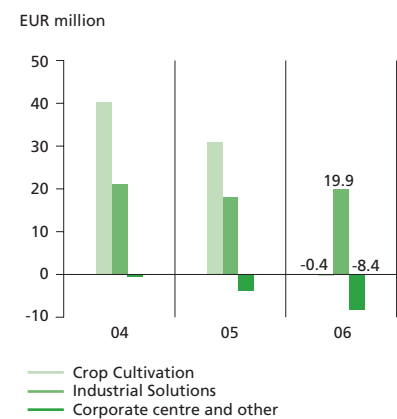
These three words are the essence of Kemira GrowHow's business concept. These are our firm promise to our customers and partners – both now and in the future.

The company seeks to develop partnerships that benefit all the parties in the food chain. To employ our expertise to ensure high quality and safety in food production. And to create new products and solutions that serve our extensive clientele all over the world.

Net sales by business unit



Operating profit/loss by business unit





**Mission**

We provide value adding and sustainable solutions to agriculture and industry

**Vision**

- We are the leading fertilizer and related chemicals company serving selected customer segments in Europe
- We are the preferred partner for our customers based on high quality products, integrated services and solutions
- We generate profitable growth, creating value for our shareholders

**Values****Respecting People**

- Focus on the knowledge and skills of individuals
- Freedom to act

**Innovations**

- Seeking new solutions enabled by open dialogue and continuous learning

**Working Together**

- Cooperation beyond traditional boundary lines
- Teamwork to support customer driven processes

**Goal Orientation**

- Clear targets derived from corporate goals
- Continual feedback

## New operating models for clients

Kemira GrowHow followed through its strategy during 2006 by concluding numerous major partnership agreements and providing new services for example for farmers. Consolidated net sales were EUR 1,166.2 million and comparable operating profit EUR 11.1 million.

After a tough first quarter, 2006 was a good year for Kemira GrowHow in financial terms. The Group's net sales in 2006 amounted to EUR 1,166.2 million, being 7 percent less than year before. However, net sales excluding the effect of the Baltic sales and marketing companies, of which 50 percent were sold to DLA Agro Group, remained at last year's level. Operating profit was EUR 11.1 million compared to last year's figure of EUR 45.3 million. Comparable operating profit, exclusive of non-recurring items, was EUR 1.6 (40.6) million. Profit before taxes in 2006 was EUR 0.3 (34.6) million. Earnings per share came in at EUR -0.14 (0.56).

Net sales of the Crop Cultivation strategic business unit amounted to EUR 895.3 (1,012.5) million and its operating profit to EUR -0.4 (30.9) million. Net sales of the Industrial Solutions strategic business unit were EUR 309.0 (291.9) million and its operating profit was EUR 19.9 (18.2) million.

2006 was also a good year for the implementation of the strategy. In addition to the good trend in fertilizer, feed phosphate and industrial chemical sales, Kemira GrowHow launched new operating models geared towards a more systematic approach to catering to the needs of partners and customers. The Group's new service products were also well-received on the market.

### 18 January 2006

Kemira GrowHow and DLA Agro sign an agreement on cooperation in the Nordic and Baltic countries.

### 28 March 2006

Kemira GrowHow and Maxam Chem agree on a joint venture for the production of cetane improver.

### 27 April 2006

Kemira GrowHow acquires a minority share in Hankkija-Maatalous Oy.

Jan Feb Mar Apr May Jun

### 13 February 2006

Kemira GrowHow is awarded the BCDTA Chemical Supplier of the Year award in the UK.

### 16 May 2006

The first workshop of the Grow programme for Kemira GrowHow managers takes place.

### Kemira GrowHow's key figures

	2006	2005
Net sales, EUR million	1,166.2	1,258.2
Share of export and foreign operations, %	81	83
Operating profit, EUR million	11.1	45.3
% of net sales	1.0	3.6
Net result attributable to equity holders of the parent company, EUR million	-7.8	31.8
Earnings per share, EUR	-0.14	0.56
Equity attributable to equity holders of the parent company per share, EUR	5.60	5.99
Dividend per share, EUR	0.15 <sup>(1)</sup>	0.30

	2006	2005
Equity attributable to equity holders of the parent company, EUR million	310.1	340.9
Interest-bearing net debt, EUR million	185.9	164.9
Balance sheet total, EUR million	844.7	895.4
Gross capital expenditure, EUR million	66.3	61.9
Cash flow after investing activities, EUR million	-36.1	22.3
Return on investment, %	2.4	8.3
Return on equity, %	-2.0	9.5
Equity ratio, %	37.2	38.3
Gearing, %	59.5	48.2
Average number of personnel	2,589	2,865

<sup>(1)</sup> As proposed by the Board of Directors



#### 19 October 2006

Kemira GrowHow and Terra Industries announce their plans to establish a joint venture in the UK.

Jul

Aug

Sep

Oct

Nov

Dec

#### 15 August 2006

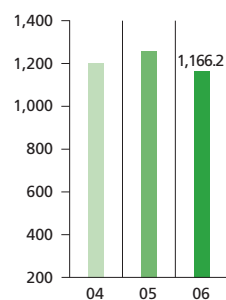
Kemira GrowHow opens a fertilizer plant in Tatarstan to serve its customers in the area.

#### 16 November 2006

The investment in the Belgian Tertre plant modernization and energy efficiency begins.

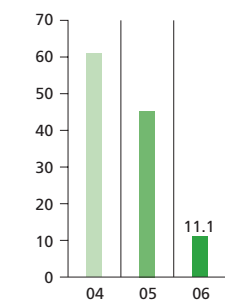
#### Net sales

EUR million



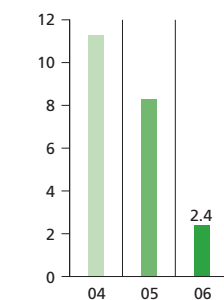
#### Operating profit

EUR million



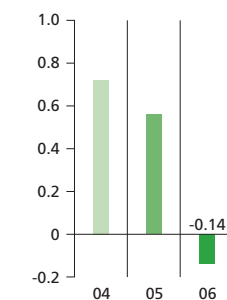
#### Return on investment

%



#### Earnings per share

EUR





## From a tough beginning grew a good year

6



2006 was a year of two halves for Kemira GrowHow's business operations. During the first half, operations and earnings were burdened by an unexpected all-time peak in natural gas prices and by delayed fertilizer demand in Western Europe. Demand then recovered, fertilizer prices held firm and the price of natural gas returned to normal. In the latter half of the year, this ensured an exceptionally favorable business environment for Kemira GrowHow in spite of a decline in demand towards the end of the year. On average, fertilizer prices were 10 percent higher than in 2005.

The use of fertilizers in Western Europe continued to decline by about one percent compared to previous year. This was due to EU's agricultural policy and the price improvement of farming products such as grain only after spring's seeding period. The agricultural income however developed favorably in the EU.

In the future, the rising share of agricultural production accounted for by energy crops will have an increasing effect on agricultural income. High oil prices make cultivation of energy crops a financially attractive proposition. Bioenergy production increases the need for agricultural production and supports the positive trend in prices of agricultural products. Kemira GrowHow is keeping a close eye on trends in agricultural income and cultivation alternatives in different markets, directing its operations and the development of its offerings accordingly.

Kemira GrowHow's comparable net sales remained at the last year level in 2006, even though fertilizer prices remained high

during the whole review period. Net sales fell because farmers delayed their fertilizer purchases, as a result of which sales volumes were down on 2005. Early in the year, purchases were postponed due to the weather conditions and towards the end of the year due to grain and fertilizer price speculation. Kemira GrowHow's full-year operating result also fell substantially, amounting to EUR 11.1 million. A major reason for this was that the company experienced the worst first quarter in its history – low fertilizer demand was coupled with a record high in the price of natural gas. However, the natural gas market normalized as the months went by, thanks to which the company was able to obtain good earnings in the latter part of the year.

### Going ahead in all areas of the strategy

Kemira GrowHow made progress in all core areas of its strategy in 2006. Our cost competitiveness has been improved by the introduction of a company-level Demand Fulfillment process – it enables us to save on the costs of capital and transport, simplify the product structure and boost the utilization rate of our plants. Moreover, at the Ince plant in the UK, we have modernized our ammonia production and started up large-scale programs to cut fixed costs.

We have forged ahead with organic growth. One example is our Micet partnership, in which we set up a joint venture with Maxam Chem to manufacture and market a diesel additive that

improves cetane number of diesel. The joint venture's production plant operates at Kemira GrowHow's Tertre plant in Belgium. Another example is the start-up of Greenox® AdBlue® additive production at our Harjavalta plant. In addition, we signed many new distribution agreements covering the growing markets for Greenox® AdBlue®.

Our organic growth has continued in Russia and Central Eastern Europe, focusing on special plants and cultivation programs. We opened a fertilizer blending plant in Tatarstan to serve its surrounding areas, the production of water-soluble fertilizers began in Russia and the modernization of the fertilizer plant in Lithuania was seen to completion.

### Customer relationships that generate added value

A key element of our strategy is to maximize value capture from the market and develop our customers approach. In line with this objective, we differentiate ourselves from our competitors by teaming up with other players in the agricultural cluster to generate added value for farmers with new service and product concepts.

This strategic thrust hinges on the EU's 500 million inhabitants – their high standard of living and demanding dietary habits ensure steady demand for European agricultural products. Furthermore, food produced in Europe will be needed to feed other growing parts of the world in the future. In this business environment, European agriculture needs its own local industry to support it and ensure the reliability, flexibility and quality of its operations.

The interdependency of European agriculture and the fertilizer industry increases the need for fertilizer producers to continuously upgrade their operating model. Fertilizers have to be developed and produced for regional needs that are dictated by soil and weather conditions, crop requirements and short usage periods. The regional fertilizer industry must be able to ensure the flexible availability of products in sufficient quantities. To this end, the European fertilizer industry must transform itself from a simple product supplier to an agricultural expert – and promote the competitiveness of European agriculture by working in cooperation with other players in the agricultural competence cluster, such as the agricultural trade and food industry.

In Industrial Solutions we seek to generate added value for the whole customer process. Our segmentation-based customer approach helps us to allocate our resources to selected branches of industry. By teaming up with our customers, uniting our strengths in basic chemicals and logistics, we upgrade our specialist expertise-based competitiveness and generate added value for our customers.

To ensure the progress of the strategy and speed up its implementation, Kemira GrowHow made outlays on the development of

in-house expertise in 2006: 150 of the company's managers completed the Grow program for developing shareholder value and customer relationships. Externally, we focused on implementing new cooperation models, especially with our distributor customers.

### Outlook for the future

Due to the low world grain inventories, agricultural production capacity will in all likelihood be maximized in the years ahead. Energy prices will probably remain high, which will promote investments in bioenergy. Worldwide demand for fertilizers is expected to keep riding high in 2007 and 2008.

The market for natural gas – which is required in the production of nitrogen – will become polarized in the near future: the price of gas will be high in the EU and North America, and low in the Middle East and Russia. Due to the good demand forecast for fertilizers, it seems that the nitrogen fertilizer capacity of both areas will be needed in upcoming years. The balance of total fertilizer demand and supply is strongly guided by the markets and national economies of China, India and Brazil.

The EU's new energy strategy, which will most likely be completed in 2007, will have a major effect on the fertilizer industry as well. The forging of a consistent and competitive gas market plays a major role in the energy strategy. We expect that the strategy will improve the competitiveness of European gas, even though this appears to be a challenging prospect.

There is a great need and plenty of opportunities for the consolidation of the fertilizer industry in the EU. There are still about 15 fertilizer producers in the EU, whereas there are only a handful in North America and Russia. Cost pressures in Europe – which are due to factors such as its energy situation and expensive labor – will promote the consolidation of the industry in the near future. Kemira GrowHow is keeping abreast of opportunities opened up by this trend.

In 2007, Kemira GrowHow will continue to focus on in-house expertise in support of its strategy. Working with partners to set up a business model that generates added value is a process in which Kemira GrowHow's employees are also required to learn new skills and renew themselves.

2006 was an eventful year both in terms of external market development and the internal evolution of the company. We nevertheless remained highly focused on meeting our own challenges and serving customers. For this, I would like to extend my thanks to all employees. I would also like to thank our customers and interest groups for their constructive cooperation. Let's keep on the same track.

Heikki Sirviö  
CEO

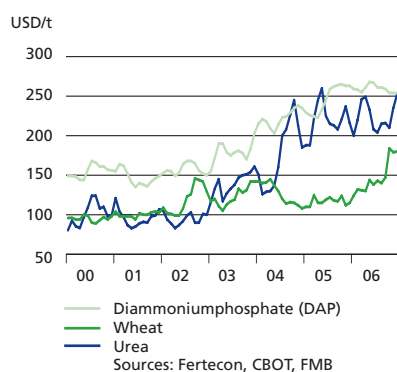
# Natural gas influences profitability



The natural gas markets are expected to stabilize in Europe thanks in part to new gas delivery infrastructure.

One of the major factors affecting profitability in Kemira GrowHow's business environment is the price of raw materials, particularly that of natural gas. Natural gas is used in ammonia production and fluctuations in its price have a great impact on the company's raw material costs and thereby its short-term earnings. Growth in grain consumption, the global grain inventories and factors such as the shift in dietary preferences in favor of meat support the long-term growth of the whole industry.

Wheat price vs. urea / DAP price



The fertilizer and animal feed industries are global growth fields. Population growth, the decline in arable land per capita and the effects of the rise in standards of living – such as on dietary preferences – increase the requirements set on the efficiency of agriculture worldwide. Plant nutrients and animal nutrition play a key role in the development of agricultural production and raising its efficiency.

Use of the most important plant nutrients, namely nitrogen, phosphorus and potassium, has grown tenfold over the last 50 years. Demand for feed phosphates in turn has more than doubled in 20 years.

Over the long term, the fertilizer industry is expected to grow by about two percent on average per year. However, this growth will not be geographically uniform: in Western Europe fertilizer consumption is predicted to decline by 1 percent per year, while it is expected to grow by as much in Eastern Europe. The difference in development stems from differing standards of living between market areas, as well as differences in agricultural farmer income trends.

### Price of natural gas will most likely stabilize

Natural gas accounts for most of the variable costs of ammonia needed in the production of nitrogen-based fertilizers. Its price therefore has a direct effect on fertilizer manufacturing costs and, thus, on the earnings trends of fertilizer producers. In 2006, the price of natural gas fluctuated dramatically. In the first half of the year, the increase in the price of gas significantly outpaced increase in other energy prices, especially in the UK and Belgium, as exceptional weather conditions and technical problems decreased the gas supply. In the autumn and winter, prices have already declined approaching their ordinary level. European gas markets are expected to stabilize, thanks in part to new gas transmission networks, such as the gas pipelines that will be completed between the UK, continental Europe and the North Sea gas fields and also at the Baltic Sea area. Also the new gas field, Ormen Lange, will be taken to use in the North Sea by the end of the year 2007. Moreover, price differences between Western and Eastern Europe are expected to decline.

### Small size of grain inventories strengthens fertilizer prices

In the short term, demand for fertilizers is affected by prices of agricultural products, in particular the price of grain, which is determined by global grain inventories when demand is on the rise. As supplies decrease, the price of grain goes up, which acts as an incentive to increase crop area and harvests, and consequently raises the demand for fertilizers. Growth in demand for fertilizers boosts fertilizer prices all over the world.

It is estimated that world grain inventories declined further in relation to consumption in 2006, reaching their lowest point in 25 years. Consequently grain product prices have continued to head upward, supporting the purchasing power of agricultural producers as well as fertilizer prices. In the short term, the pricing of fertilizers is also affected by the balance of supply and demand as well as relatively strong seasonal variations over the year.

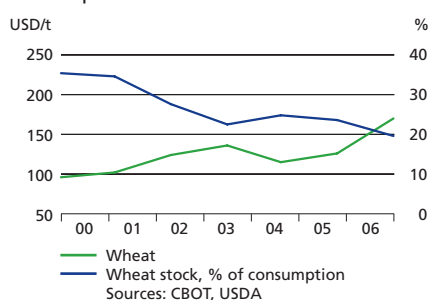
The balance in the European market is also affected by growing imports from outside Europe, from Russia in particular. However, the world market price of urea – which has a significant bearing on the pricing of nitrogen fertilizers – has been on the rise. For this reason, imports have not increased pressures in the European market.

### Steady market demand for process chemicals

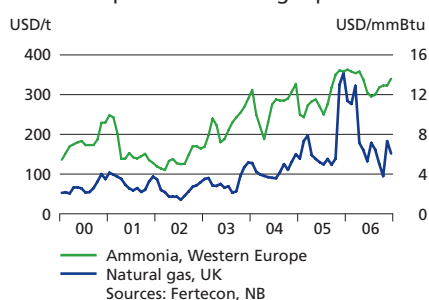
Variations in the demand for the process chemicals produced by Kemira GrowHow are quite small, for the most part remaining in step with general business cycles. Prices for process chemicals reflect the elevated cost levels for both ammonia – their main raw material – and energy. In recent years, production overcapacity in particular has pushed down prices of nitrogen-based chemicals.

Bioenergy production – especially that of biofuels – is expected to grow manyfold in the European Union in the years to come, in line with growing general need for energy and political support for more environmentally friendly forms of energy generation. Many EU initiatives support bioenergy measures – among them the EU energy strategy. These energy policy solutions are anticipated to affect the transfer of arable land and especially fallow into biofuel production. This is also expected to have a positive effect on fertilizer demand.

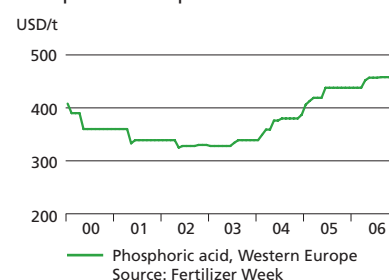
Wheat price vs. wheat stock



Ammonia price vs. natural gas price



Phosphoric acid price





## An expert partner for customers

10



One of the main success factors of Kemira GrowHow is close cooperation with both farmers and distributors.

Kemira GrowHow's strategy focuses on forming close partnerships with customers in both its strategic business areas. One of the major means to this end is to harness its expertise to develop added value services.

The cornerstones of Kemira GrowHow's strategy are to differentiate the company from its competitors by means of high quality and added value services, moving downstream in the value chain, a geographical focus on Europe as well as a balanced earnings portfolio. The four main themes in the implementation of our strategy are: Create Profitable Growth, Improve Cost Competitiveness, Maximize Value Capture from the Market and Improve Business and Customer Portfolio.

### Create Profitable Growth

The markets of Central Eastern Europe and Russia are to the fore in the organic growth of Kemira GrowHow's business operations. The company has expanded its geographical network and launched new products in these markets. We also intend to grow via acquisitions – one example is the joint venture we established with the Danish company DLA Agro in 2006. Kemira GrowHow also wishes to be actively involved in the consolidation of the European fertilizer industry.

### Improve Cost Competitiveness

Kemira GrowHow strives to continuously improve cost competitiveness by means such as seeking benefits of scale through various corporate cooperation and productivity boosting arrangements.

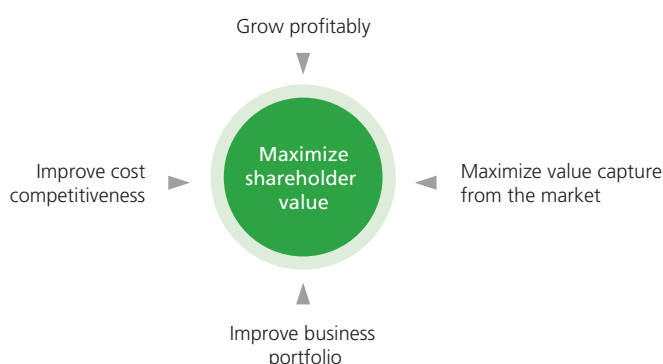
Key measures in this effort include sales and distribution cooperation arrangements in many countries, competitive procurement process for raw materials like gas and ammonia as well as the improvement of plant energy efficiency and production reliability. Since 2005, the Group has implemented the joint Demand Fulfillment process that is geared towards optimizing the internal product and service delivery chain: for instance, reducing logistics costs, decreasing inventories and optimizing production.

### Maximize Value Capture from the Market

The development of customer accounts and their management was the single most important project carried out in the implementation of Kemira GrowHow's strategy in 2006. Operating models for cooperation between the company and particularly its distributor customers were developed during the report year – the models are adapted for example according to the account size and customer needs.

### Improve Business and Customer Portfolio

Kemira GrowHow's business units continuously analyze the markets, their clientele and own offering and shift the focus of operational development efforts to the product and service areas that are seen to offer the best potential for improving profitability and dampening the effects of the industry that is cyclical by nature.



#### Kemira GrowHow's financial targets are:

- EBITDA margin on average over 10 percent as calculated over the business cycle
- Return on investment on average over 10 percent as calculated over the business cycle
- A gearing ratio of 60–100 percent
- Average level of net capital expenditure below the level of depreciation and amortization (excluding any possible acquisitions).

In 2006, the return on investment was 2.4 percent and the gearing ratio 59.5 percent. Net capital expenditure amounted to EUR 39.9 million, with depreciation and amortization at EUR 44.2 million. EBITDA margin was 4.8 percent in 2006.

## An open channel to farms

12

Kemira GrowHow's Crop Cultivation business unit produces customized fertilizers and services for farmers and continually develops new operational models for cooperation. Closer cooperation with distributors enables cost-effectiveness, increases expertise and helps up-to-date information flow between farms and Kemira GrowHow.

Agricultural producers use the Crop Cultivation business unit's products and services, which are there to help customers achieve their ever-tougher production targets while at the same time meeting environmental goals. Close cooperation with agricultural distributors, coupled with customized products and services for farmers, is the key to success in this business.

Crop Cultivation's home market is Europe, where the unit manufactures and markets fertilizers for agriculture, horticulture and home gardening, and also offers other integrated products such as seeds and plant protection and preserving agents. The product range includes various non-organic complex (NPK) and nitrogen fertilizers. An increasing number of products are customized for different types of crop, soil, climate and other specific conditions.

Services and solutions that make cultivation more effective, such as soil analyses, fertilization planning and a variety of farming software, are taking on an ever more important role in the company's offering.

### Eastern Europe an increasingly important market

Although the plant nutrient market in Western Europe is contracting by about one percent a year, the markets in Eastern Europe and Russia are growing. In Eastern Europe agricultural investments are often substantial and the solutions and operational models acquired leap over many of the usual developmental phases.

Kemira GrowHow continued to boost its operations in Central and Eastern Europe in 2006. In Russia, the company marketed primarily specialized fertilizers to both special plant cultivators and consumers. Kemira GrowHow is the best-known fertilizer brand among Russian consumers. A sales organization was established in Ukraine in 2006 on the basis of the favorable experiences in Russia.

Both fertilizer supply and plant nutrient related services have major commercial importance in Poland and Hungary, as well as in the neighboring markets. In the new EU countries of Romania and Bulgaria, field analyses and fertilizer recommendations are opening up opportunities for fertilizer deliveries from Kemira GrowHow's Hungarian plant.

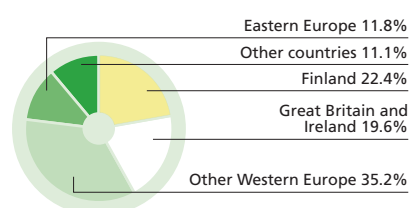
Cooperation with Danish company DLA Agro has led to an increase in expertise and the product range in the feed and grain trade, which significantly bolstered Kemira GrowHow's position in the Baltic markets in 2006. In Finland, Kemira GrowHow acquired a 19% holding in distributor Hankkija-Maatalous Ltd with the aim of improving services for farmers and closer expertise-based cooperation.



### Crop Cultivation's key figures

	2006	2005
Net sales, EUR million	895.3	1,012.5
Operating profit, EUR million	-0.4	30.9
% of net sales	0.0	3.1
Gross capital expenditure, EUR million	51.2	50.6
Personnel at the end of the year	1,869	2,064

### Crop Cultivation's net sales geographically in 2006







**Significant market position in the fertilizer business**

- Finland
- Denmark
- Baltic countries
- Benelux
- France
- Great Britain
- Poland
- Hungary
- Russia
- Ukraine

Kemira GrowHow is the market leader in many of the countries named above, and has an increasing role in Eastern Europe.

In July 2006, Kemira GrowHow opened a fertilizer blending plant in the Republic of Tatarstan to serve one gigantic 300,000-hectare farm. Kemira GrowHow is providing nutrients for sugar beet, which is grown in one third of the field area of the farm. The customer relationship deepened when cultivation tests proved the effectiveness of the customized fertilizers. The new plant also supplies plant nutrients to the surrounding areas.





## Eliminating bottlenecks in farming

For two years, potato contract farmers in western Finland have submitted reports on their exact farming techniques and yield at harvest time. They've had a good reason to do so: in return, they have had the opportunity to get recommendations on how to improve the yield of each field area from Kemira GrowHow's analysis tool.

Lapuan Peruna and Finnmyl, which are part of Ciba Specialty Chemicals, produce potato starch in Lapua and Kokemäki. Most of the starch is used as a raw material by the Finnish paper industry. The group of contract farmers growing potatoes for the starch plants includes about 600 farms. These plants have worked together with Kemira GrowHow on harvest and quality analysis since 2005.

Plant Manager Ossi Paakki says that the yield data analysis project was kicked off to improve per-field yields and quality. "In terms of yield per hectare and the crop starch content, we are lagging behind our competitors Sweden, Denmark and Germany to such an extent that improvements are in order."

### Optimal recommendations

In the system employed in this project, information reported by about 400 contract farmers is collected in a database. Kemira GrowHow analyzes this data using Loris® Expert – a program based on neural network technology – in order to come up with optimal fertility, fertilization and cultivation technique recommendations for each field area. The recommendations are based on a comparison of the data on the best field areas in the database. "An improvement of 10 percent in the starch crop yield is a lot – in theory, it's possible to improve it by as much as 20 percent, which means much more money for the farmer," says Ossi Paakki.

Starch potato farmers set out to grow the biggest potato crops and maximize their starch content. To help them achieve their goal, Kemira GrowHow's bottleneck analysis provides recommendations on how to grow balanced crops.

### Will Posmo do?

Matti Vanhakartano, a farmer in Pori, grows starch potatoes on about seven hectares of his 70-hectare farm. Vanhakartano will not have to take radical steps – such as switching potato varieties – to improve the yield of his potato fields. To date, he has been growing the Posmo variety, and experience has shown him that it is a good choice for his fields. Kemira GrowHow's bottleneck analysis supports this view.

Harvest data from a period of several years was analyzed, giving him useful guidelines: on the basis of the analysis, he has already modified his liming and fertilization plan for the 2007 growing season.

"I have to increase liming, as well as use more nitrogen fertilizer on certain fields," says Vanhakartano, satisfied with the precise information he received. "It would be useful to get information on the previous growing season earlier, at around the turn of the year, but I guess that's not going to happen – we farmers tend to be so busy that we don't get around to recording the data earlier."

Ossi Paakki of Finnmyl and Lapuan Peruna admits that recording the data is sometimes a real chore for the farmers. As an incentive, farmers receive a quality agreement bonus if, in addition to meeting the quality requirements, they fill out information on their field areas.



There are dozens of potato varieties, out of which only a few are suitable raw material for potato chips.

About four-fifths of Finland's starch potato crop is used as a raw material by the paper industry. Potato starch is used both in coating paper and as a binding ingredient. The rest of the potato starch output is used by the food industry – for instance, as potato flour and one of the ingredients in sausages.



## Solutions for industry

Kemira GrowHow's Industrial Solutions is an experienced manufacturer of feed phosphates and industrial chemicals, and a logistics expert. Combining our strengths with a customer's special know-how results in customized partnership solutions covering the customer's entire business process.



The Industrial Solutions business unit focuses on selected customer segments: the feed, chemical, pharmaceutical, metal, electronics and food industries. Alongside product deliveries, the unit is offering also an increasing number of services based on long-term cooperation and deep understanding of customers' needs.

Kemira GrowHow believes that this operating model will continue to bring both growth and opportunities to expand into new markets.

Kemira GrowHow's Industrial Solutions is one of the leading global suppliers of inorganic feed phosphates, selling feed minerals to over 80 countries. In most European countries, and place such as South Africa, Kemira GrowHow is either the market leader or second largest company in the market. Process chemical markets are by nature more localized. In this business, Kemira GrowHow is one of the top two suppliers in Belgium, the Netherlands, Luxembourg, the United Kingdom, Finland and Denmark.

The phosphate source for Kemira GrowHow is the largest open pit of Western Europe in Siilinjärvi, Finland.

### High production synergy

Kemira GrowHow's feed phosphate business bases on Western Europe's largest open pit, the Siilinjärvi phosphate mine. The apatite rock from Siilinjärvi is further processed into phosphoric acid and into high-quality fertilizers and inorganic phosphates to be used in animal feeds. These feed phosphates are primarily used in multifunctional feeds. The product portfolio also includes products containing sodium and magnesium.

Some of the chemicals sold to industry, such as ammonia, aqueous ammonia, nitric acid, nitrogen solutions, and carbon dioxide, are partly manufactured at the same production facilities as Crop Cultivation's fertilizers. In these nitrogen-based products production and sourcing synergies are significant between the two business units.

### The diesel market opens up

During the last two years, Kemira GrowHow has made major openings in the manufacture and marketing of diesel additives and the chemicals used to clean the exhaust emissions of heavy diesel vehicles.

In 2005, Kemira GrowHow launched its own urea-based Greenox® AdBlue® exhaust gas reducing agent used primarily for heavy, diesel-fueled vehicles. The product has achieved a notable market position in only a year. In 2006, Kemira GrowHow established a joint venture to manufacture and market Micet, a cetane improver for diesel. Read more about this cooperation on the following spread.

These projects are opening up major growth potential, as the popularity of diesel as a fuel is expected to grow as liquid fuel prices rise. Exhaust emissions norms are becoming stricter, forcing refineries to seek ways of reducing environmental impacts with the aid of fuel additives.

#### Significant market position in phosphates

- Baltic countries
- South Africa
- Middle East
- Western Europe
- Nordic countries

#### Significant market position in process chemicals:

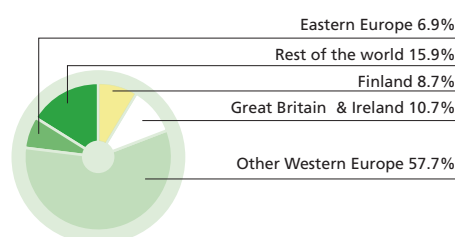
- Finland
- Denmark
- Great Britain
- Western Europe

Kemira GrowHow is the market leader in many of the countries named above.

### Industrial Solutions' key figures

	2006	2005
Net sales, EUR million	309.0	291.9
Operating profit, EUR million	19.9	18.2
% of net sales	6.5	6.3
Gross capital expenditure, EUR million	15.2	11.3
Personnel at the end of the year	601	600

### Industrial Solutions' net sales geographically in 2006







Micet additive improves diesel fuel ignition properties and reduces the combustion noise and smoke.

# Joint venture puts the fire into diesel

19

Spanish company Maxam Chem wanted to move the production of its Micet diesel additive closer to the diesel-hungry Central European markets. Meanwhile, Maxam's raw material supplier Kemira GrowHow was looking for a way to engage in closer cooperation with customers. The result was a successful joint venture and plant in Belgium.

Maxam Chem (formerly UEE Chem) and Kemira GrowHow's joint venture CetPro was established in spring 2006. The company manufactures and markets Micet – a 2-ethylhexyl nitrate-based (2EHN) cetane improver for diesel fuels. Micet improves diesel fuel ignition properties and reduces the combustion noise and smoke.

CetPro's production facility started up in spring 2006 on Kemira GrowHow's plant premises in Tertre, Belgium. Maxam Chem supplied the production equipment.

Diesel fuel improvers are commodities that refineries buy on the basis of price, reliability of supply and good availability. Because a significant proportion of European refinery capacity is centered on the North Sea coast, location is extremely important.

"We've received positive customer feedback on our location. That CetPro achieved its 2006 market share target, even though production start-up was slightly delayed, is another sign that the company has been well received," says Andres Soto, Director of Maxam Chem.

A successful joint venture is born on the customer's and supplier's ability to communicate about new business opportunities. The CetPro joint venture between Kemira GrowHow and Maxam Chem is a good example of this.

## Diesel is going strong

The joint venture has started out promisingly and the market outlook is extremely favorable. Global sales of cetane improvers are expected to increase as emission norms governing diesel engines become stricter.

In addition to emission restrictions, the high demand for diesel vehicles in Europe is also supporting sales of CetPro's Micet products. European motorists favor diesel, because many diesel car beats a gasoline one both economically and performance-wise.

Maxam Chem's Andres Soto sees plenty of growth potential in the CetPro joint venture, that bases on the company's competitive advantages: its low cost structure, availability of raw materials, proximity to key customers and logistical infrastructure. "And because cooperation with Kemira GrowHow is going so smoothly, further added value projects can be generated as well."

This year, diesel is predicted to overtake gasoline as the primary fuel for new cars.

According to European car manufacturers' statistics, diesel cars accounted for about half of the European car market at the end of 2005. In Austria, Belgium, France and Spain, the proportion of new diesel cars is in the 65–75 percent bracket.



Modern diesel-powered cars are becoming more and more popular in Europe.



A new fertilizer product needs to be tested on local soil to show its effectiveness to the market.



# Targeted product development generates results

21

Close cooperation with farmers suits Kemira GrowHow's team of approximately 30 researchers and product developers very well indeed. The decision to buy a fertilizer regularly comes full circle, as the idea for a new product or service often arises through cooperation with customers.

In 2006, Kemira GrowHow spent EUR 3.4 million, representing about 0.3% of net sales, on research and development. The amount is larger than average for companies in the industry, which shows that Kemira GrowHow takes customer-oriented product development seriously. R&D expenses are divided equally between the development of new products and services, and sales, marketing and production support.

## Long-term product development

Kemira GrowHow's ongoing research projects, including those for existing products, are by nature long-lasting. For example, developing a new fertilizer from idea into product usually takes from three to six years. After the primary development phase, the product is tested in the prospective market in situ, because farmers want to see the results of local trials before buying.

In 2006, Kemira GrowHow continued to commercialize its iSeed® product innovation by bringing to market seven new members of the product family. The Loris® family of precision farming applications was also upgraded during the year. For example, in order to raise the starch content of potatoes, field-specific yield information was collected in cooperation with farmers and the potato industry.

Product development in the Industrial Solutions business unit in 2006 focused on applications such as the productization of nutritional supplements for cattle and of solutions used in the electronics industry.

## Farming recommendations with the aid of IT

Field tests have traditionally been the most reliable method of obtaining data about the suitability of different varieties for various farming and other purposes, and for optimizing production inputs. The only problem has been the slowness of this method, as gathering reliable data on a variety of growing conditions requires the same tests to be carried out over several years and in many places.

To meet this challenge, Kemira GrowHow's research center has developed a new method that is already being used for a joint project between the Finnish starch potato industry and farmers (read more on page 14). A database containing field-specific yield, varieties and other information from farmers forms the core of the Loris® Expert modeling method. The modeling program, which is based on neural network technology, compares the data from each field area with the information from the highest yielding areas. On the basis of this analysis, recommendations can be made to farmers on how to raise yield and quality. A patent for the method has been applied for.

Kemira GrowHow's iSeed® is a seed coating solution focused especially on the improvement of nutrient utilisation during the early stages of plant growth. With iSeed®, every seed gets its own coating of phosphorus and other specified nutrients, such as kalium.



The last great innovation in the fertilizer industry occurred at the beginning of the 1990s, when the Haber-Bosch synthesis was invented for manufacturing ammonia. However, there are still plenty of challenges left to work on, such as the continual improvement of fertilizer efficiency. Many development projects have a strong environmental perspective. For example, one challenging task is to make the best possible use of the nitrogen and soluble phosphorus that dissolves from the cow manure spread over fields.



## Implementing the strategy through competence development

22

Kemira GrowHow's HR strategy is evident at the practical level in such issues as the active development of leadership skills. Leadership development and the small improvements that are made on the basis of the results of employee surveys are aimed at implementing the company's strategy.

In the first half of 2006, Kemira GrowHow started up a leadership development programme named Grow. It was created to mobilize the core areas of the strategy. A total of 150 of the company's managers participated in the programme. Its aim was simple: to accelerate the practical implementation of the new strategy by giving the key employees the opportunity to learn new business skills and concepts. The programme led to share competences and insights on how to implement the strategy and thus helped to accelerate to the process.

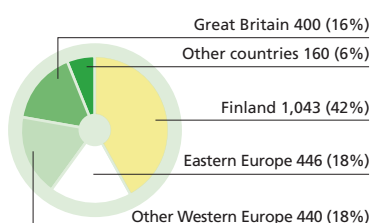


In practice the Grow programme in 2006 included all-day workshops for managers – for instance, they reviewed operating models with different customer segments planned by the company as well as examined profitability assessment methods for listed companies. As part of the programme, the company's incentive schemes were re-evaluated. The programme will continue in 2007.

The Grow programme is an example of Kemira GrowHow's approach to developing its employees' expertise in order to implement the company's strategy. Kemira GrowHow's strategic competence areas were redefined in 2006. One of the core competence areas is a customer account strategy that is based on cooperation models – those working with customers are required to have a broader range of skills than mere salesmanship.

Competence development at Kemira GrowHow is supported by a skill catalogue. For several years now, the catalogue has been used as an aid in performance development discussions between supervisors and their subordinates, for instance. In addition, the catalogue helps the planning of human resources and team-level competence development.

Personnel by market area  
December 31, 2006



## HR strategy

Kemira GrowHow's long-term HR strategy has five focus areas whose realization is monitored on a regular basis using a balanced scorecard system.

### Subareas and key content of the HR strategy in 2006

HR process	Objectives and content in 2006
Performance management	<ul style="list-style-type: none"> <li>• Personal or team-level objectives</li> </ul>
Competence development	<ul style="list-style-type: none"> <li>• Personal or team competence development programs</li> <li>• Definition of new core and critical competences</li> </ul>
Leadership development	<ul style="list-style-type: none"> <li>• 360 degrees evaluation for managers</li> <li>• Grow program</li> </ul>
Human resource planning	<ul style="list-style-type: none"> <li>• Key employee succession planning</li> </ul>
Compensation	<ul style="list-style-type: none"> <li>• Annual salary reviews</li> <li>• Bonus scheme</li> </ul>

## Ear to the ground

In the employee survey carried out at the turn of 2005–2006, personnel gave the highest ratings to their training opportunities and the commitment of employees. The areas most often mentioned as being in need of development were the clarity of task and responsibility areas and improving the flow of information. Employees' commitment to the company's strategy was evident in their free-form answers.

Kemira GrowHow performs employee satisfaction surveys at one and a half year intervals. The general impression after the two surveys that have now been carried out is that the employer is still viewed critically; however, the results of the latest study were more positive than those of the 2004 study, when Kemira GrowHow was still part of the Kemira Group.

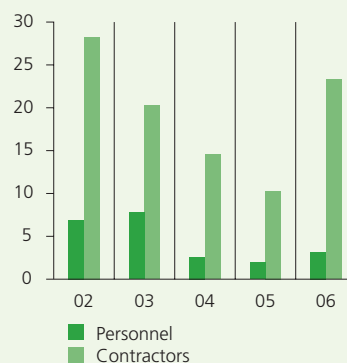
Employee survey results are reviewed during unit-specific discussions in which several concrete improvement measures are decided on. There are generally a total of 40–60 such measures at the Group level. Follow-up of improvement actions is regularly monitored in the Management Board meetings. Examples of the development measures that have been implemented include a decision to streamline the organization and responsibilities in Peremarton, Hungary, and to launch an internal newsletter at that plant as well as the Finnish organisation's resolution to include success stories as a regular topic at its internal briefings.

## Striving for safety, all the time

Kemira GrowHow focuses on the development of occupational safety. During the year 2006, the company revised its safety instructions for work permit procedures and the use of protective gear. Work to develop the company's safety management requirements got under way during the report year, as did the preparation of a tool that emphasizes human factors in preventative safety efforts.

In 2006, Kemira GrowHow's occupational safety level weakened in terms of lost time incidents. The company had long enjoyed a rising safety trend, but it now dipped, with the result for 2006 being at the same level as in 2003. Lost time incidents per million working hours amounted to 3.2 for Kemira GrowHow personnel and 23.3 for contractors. Two plants out of ten achieved the goal of zero lost time incidents. The company's safety level is nevertheless significantly better than the European chemical industry average.

Lost time incidents  
per million working hours 2002–2006



## Key goals: Excellence and sustainability

24

Kemira GrowHow's quality, environmental and safety management ensures the development of high-quality management practices and business processes. The company seeks to communicate openly and actively both in-house as well as with customers and other business partners.

Kemira GrowHow's business strategy is supported by a five-step quality, environmental and safety strategy. First of all, operations and functions must comply with legislation and other commitments. The reliability of operations is then ensured. Efficient and practical management systems are the main tools used in this. Proactive risk management and control tools are employed to prevent deviations and disturbances.





Smoothly functioning networks are vital for excellence and sustainability. To keep things running, the company needs well-defined business processes whose efficiency is assessed regularly. In addition, priority is given to continuous follow up of trends in the business sector and to benchmarking the company's own performance against those of others.

Kemira GrowHow contributes to sustainable development by increasing welfare in the food chain and amongst industrial customers. The company does this by providing tailored solutions in which economical, environmental and social aspects are in balance.

The development plan for responsible business practice is built on these goals. The plan contains elements for both development of practices and follow-up indicators. The current program includes, for example, implementation of a Group-wide deviation reporting system, development of business processes and their management systems as well as continuing the enterprise risk management process.

### Focus on improving business processes

Most of Kemira GrowHow's production sites and business units have implemented quality, environmental and safety management systems based on ISO 9001, ISO 14001 and international safety standards. The most recent certification updates are the environmental management system of British Isles operations and the quality and environmental management system of the Process Chemicals business operations.

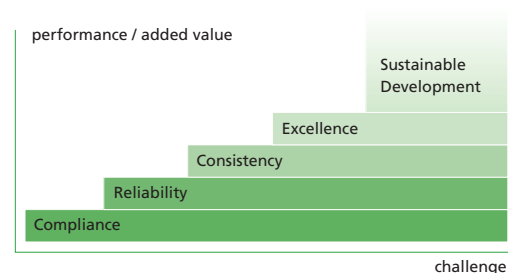
The focus of management system development is shifting from basic certification procedures to process improvement. New operational practices have been developed for the management of both products and services (Demand Creation) and sourcing and logistics (Demand Fulfillment). Implementation of the renewed occupational safety principles has continued. Means of accounting for the human factor and behavioral patterns in preventive safety work have been investigated. In addition, quality, environmental and safety audits and key performance indicators have been developed to support Group-wide processes and the achievement of strategic goals.

### Responsible Care Program promotes sustainable development

Kemira GrowHow is committed to the Responsible Care Program. Under Responsible Care, the chemical industry promotes sustainable development the world over – including continuous improvement of all aspects of health, safety and environmental performance. In product development, attention is paid to the whole life cycle. At its production sites, Kemira GrowHow has invested in improving energy efficiency and reducing air emissions. Kemira GrowHow does its part in reducing the environmental impacts of fertilizing by offering innovative products and services, thereby optimizing nutrient efficiency in cultivation. With the help of comprehensive Feed Safety GMP systems and the Fertilizer Product Stewardship Program, Kemira GrowHow ensures that customer solutions and products satisfy the requirements for food, feed production and industrial applications and are safe and functional through their lifecycle.

Kemira GrowHow kicked off the implementation of an extensive deviation reporting system in 2006. The system ensures that information on different operational deviations – like off-spec products, or near-miss incidents – reaches the responsible persons and other relevant parts of the organization quickly. Every employee has access to the system. This facilitates documentation and simplifies data transmission throughout the whole organization. The system makes it possible to systematically keep track of investigations, analyses and corrective actions. It provides real-time information for reliability and compliance indicators and serves as a benchmarking tool for sites and functions.

### The five-step quality, environmental and safety strategy of Kemira GrowHow



As part of chemical industry, Kemira GrowHow is implementing the Responsible Care Program, which is focused on all aspects of health, safety and environmental performance, and is based on the principles of sustainable development.





## Corporate Governance

Kemira GrowHow aims for an open, consistent and transparent style of management. Kemira GrowHow's values and ethical principles are the basis of corporate governance.

### Group structure

The Kemira GrowHow Group comprises of Kemira GrowHow Oyj and its subsidiaries. Kemira GrowHow Oyj is responsible for the overall management and development of the Group and for support processes such as accounting, financing, legal matters, human resources administration, risk management, information systems management, and communications. It additionally provides services to the Group companies. Kemira GrowHow's operations are divided into two strategic business units: Crop Cultivation and Industrial Solutions. Both units are accountable for their business operations and performance. Kemira GrowHow Oyj is domiciled in Helsinki and its Business ID is 0948865-5.

## Corporate governance

Corporate governance in the Kemira GrowHow Group is based on the Finnish Companies Act and on Kemira GrowHow Oyj's Articles of Association. General principles of performance and corporate governance, as well as the division of responsibilities, are laid down in the Kemira GrowHow Code of Business Practices and in the Corporate Governance Principles contained therein. The principles are based on the Finnish Companies Act and the Securities Markets Act.

Pursuant to the Helsinki Stock Exchange's recommendation, Kemira GrowHow complies with the guidelines on corporate governance of publicly traded companies that were issued by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers and which came into effect as of 1 July 2004 and as have been amended thereafter, with the exception that in place of a Nomination Committee of the Board of Directors, the Company has a Shareholders' Nomination Committee, established by the Annual General Meeting of Shareholders on 4 April 2006.

## Administrative bodies

Responsibility for the control and management of Kemira GrowHow is divided between the General Meeting of Shareholders, the Board of Directors and its two Board Committees, and the CEO with the assistance of the Management Board.

## General Meeting of Shareholders

The General Meeting of Shareholders is the highest decision-making body of Kemira GrowHow Oyj. The Annual General Meeting shall be held annually before the last day of May. An Extraordinary General Meeting is held whenever it is to be convened under the law.

The Annual General Meeting passes resolutions on the approval of the financial statements and decides on the distribution of profits, the date of the dividend payout, if any, and the granting of release from liability to the members of the Board of Directors and the CEO. The Annual General Meeting elects the Chairman, Vice Chairman and other members of the Board of Directors as well as the auditors. In addition, the General Meeting decides on the remuneration of the Board of Directors and the fees to be paid to the auditors.

Notice of a General Meeting shall be published in at least two nationwide newspapers specified by the Board of Directors. The notice is published no earlier than two months and no later than 17 days before the General Meeting.

A shareholder who has been entered in the Company's Shareholder Register ten days before the General Meeting is entitled to attend the meeting. Owners of nominee-registered shares can be entered into the Shareholder Register for a temporary period, thereby giving the owners of such shares the right to participate in the Meeting.

To have the right to participate, a shareholder must give prior notice to the Company before the registration deadline specified in the Notice of Meeting, which may not be earlier than ten days prior to the Meeting.

During the past two years, attendance at General Meetings has averaged 46.3% of the voting rights.

During the past two years, attendance at General Meetings has averaged 46.3% of the voting rights.

## Board of Directors

According to the Articles of Association, the duties of Kemira GrowHow Oyj's Board of Directors are to attend to the tasks in its competence under the Companies Act.

The principal tasks of the Board of Directors according to its charter are to:

- approve Kemira GrowHow's long-term goals and the strategy for achieving these goals
- confirm Kemira GrowHow's annual business plan
- confirm Kemira GrowHow's organizational structure and approve the main principles of incentive schemes

- appoint and dismiss the Company's CEO and members of the Management Board
- appoint the members of Board Committees and both approve and confirm the charters of the Board Committees
- evaluate the performance of the CEO and the members of the Management Board, decide on their remuneration and see to the planning of the successors of key employees
- define and confirm Kemira GrowHow's corporate policies in key management areas, such as occupational safety, corporate governance, investments, risk management, financing and financial control, internal control, information security, communications, human resources and the principles governing environmental matters, and to approve the ethical values
- ensure that the Company's accounting is duly organized, oversee the management of its funds and ensure proper preparation of the interim and year-end financial statements
- ensure the adequacy of planning, information and control systems
- make proposals to the General Meeting of Shareholders and convene the General Meeting.

In accordance with the Company's Articles of Association, the Board of Directors has a minimum of five and a maximum of seven members who are appointed by the General Meeting of Shareholders. Each member of the Board is appointed for a term of one year, ending at the conclusion of the next Annual General Meeting. A person who has reached the age of 68 may not be elected to the Board. A Board meeting shall have a quorum when more than half of its members are present.

The Annual General Meeting of Shareholders of Kemira GrowHow Oyj elected seven members to the Board of Directors on 4 April 2006. Ossi Virolainen was re-elected as the Chairman of the Board and Lauri Ratia as the Vice Chairman. The other members re-elected to the Board were Sari Aitokallio, Arto Honkaniemi, Satu Raiki and Esa Tirkkonen. Helena Terho was elected as a new member. Kemira GrowHow's Board of Directors as at 31 December 2006 is presented more extensively on pages 32–33.

In accordance with its charter, the Board of Directors meets at least eight times a year. In 2006, Kemira GrowHow's Board of Directors convened 17 times. The average rate of attendance at Board meetings was 96 percent. The CEO participates in Board meetings principally to present matters for discussion and the Deputy CEO acts as secretary. The other members of the Management Board participate when necessary. The Board of Directors has also met without the presence of management representatives, such as when handling matters concerning remuneration for management.

All the members of the Board of Directors are independent of the Company, and they do not participate in the Company's profit-linked or share-based incentive systems. Of the members, Arto Honkaniemi is in the service of the government of Finland, which has an over 30 percent holding in the Company. Arto Honkaniemi is thus dependent on a major shareholder.

In accordance with the charter of the Board of Directors, the performance and working methods of the Board of Directors are assessed annually. The evaluation is carried out by the Board itself.

### Board Committees

Kemira GrowHow has two permanent Board Committees: the Audit Committee and the Compensation Committee. The Board supervises their activities. The Committees have a written charter which defines their primary tasks. Upon its appointment, the Company's Board decides on the membership of the Committees for a term of one year. The Audit and Compensation Committees both have a Chairman, in addition to whom the Compensation Committee has three members and the Audit Committee two. The members of the committees must be independent of the Company. The committee members were appointed on 4 April 2006.

According to its charter, the task of the Audit Committee is to assess the correctness and uniformity of the information in the Group's financial statements and the adequacy and appropriateness of internal control, auditing and risk management as well as the independence and performance of the auditor. The Committee also assists the Board of Directors to ensure that Kemira GrowHow complies with laws and regulations

In 2006, Kemira GrowHow's Board of Directors convened 17 times. The average rate of attendance at Board meetings was 96 percent.

as well as the operating principles approved by the Company's Board of Directors. The Chairman on 31 December 2006 was Lauri Ratia and the members were Sari Aitokallio and Esa Tirkkonen. During 2006, the Audit Committee convened 5 times. The participation rate in committee meetings was 93 percent.

According to its charter, the task of the Compensation Committee is to prepare appointments to senior management positions, to make proposals to the Board of Directors concerning remuneration and long-term incentive schemes for the CEO, the Deputy CEO and the other members of the Management Board, as well as the compensation systems for personnel. Other tasks include planning the successors to senior management and evaluation of management performance. The Chairman of the Committee on 31 December 2006 was Ossi Virolainen and the members were Arto Honkaniemi, Satu Raiski and Helena Terho. In 2006, the Compensation Committee convened four times. The participation rate in committee meetings was 100 percent.

In addition to the Board committees, Kemira GrowHow has a Nomination Committee of Shareholders established by the Annual General Meeting held on 4 April 2006, instead of a Nomination Committee of the Board of Directors. In accordance with the resolution passed by the General Meeting, the task of the Committee is to prepare for the 2007 Annual General Meeting a proposal concerning the members and remuneration of the Board of Directors. The representatives of the three largest shareholders in the Company who are entered in the Shareholder Register on the first day of November preceding the Annual General Meeting form the Nomination Committee. The Chairman of the Board of Directors convenes a meeting of the Nomination Committee and serves as an expert member. The Committee submits its proposals to the Company's Board of Directors at latest on the first day of February preceding the Annual General Meeting of Shareholders.

The Nomination Committee of Shareholders until the 2007 Annual General Meeting of Shareholders comprises of the following persons announced to the Company: Pekka Timonen, Chief Counselor, the Ministry of Trade and Industry; Risto Murto, Senior Vice President, Chief Investment Officer, Varma Mutual Pension Insurance Company; and Jukka Venäläinen, President, Nordea Life Assurance Finland Ltd. The Chairman of the Board of Kemira GrowHow Oyj, Ossi Virolainen, acts as convener and expert member of the Nomination Committee.



### Chief Executive Officer

Kemira GrowHow Oyj's Board of Directors appoints the CEO. The duty of the CEO is to manage the business operations of the Group in accordance with the Finnish Companies Act and the Company's Articles of Association. The CEO is responsible for implementing the Company's strategy, as well as for the management and development of the Group in accordance with the guidelines and rules issued by the Board of Directors. The CEO serves as the Chairman of the Group's Management Board and reports to Kemira GrowHow Oyj's Board of Directors. The CEO of Kemira GrowHow Oyj is Heikki Sirviö. The CEO has a written CEO agreement. If Kemira GrowHow dismisses its CEO, he is entitled to receive compensation amounting to twelve months' salary. The period of notice for the CEO is six months. The CEO's retirement age is 60. The salary paid to the CEO and his other benefits in 2006 amounted to EUR 356,274. In addition, he was paid EUR 3,647 euros of bonuses.

### Management Board

The Group's Management Board has eight members. The members are Heikki Sirviö, CEO, Kaj Friman, Deputy CEO and CFO, Timo Lainto, President of Crop Cultivation, Antti Orkola, President of Industrial Solutions, Olavi Määttä, Senior Vice President (Crop Cultivation), Michael Christensson, Senior Vice President (Phosphates Business Unit), Ilkka Kruus, Senior Vice President (R&D), and Jukka-Pekka Nieminen, Senior Vice President (Strategic Planning).



The Management Board assists the CEO and prepares matters to be dealt with at meetings of the Board of Directors. It attends to the planning and implementation of strategy, the setting of business targets, business development, the allocation of resources, the utilization of synergies and the management of stakeholder relations. The CEO convenes meetings of the Management Board and acts as its chairman. The Management Board of the Kemira GrowHow Group is presented more extensively on pages 34–35.

The persons responsible for steering Kemira GrowHow's support processes are: Heikki Liukas, Senior Vice President, Finance and Treasury; Pirjo Nordman, Senior Vice President, Human Resources; Jussi Ollila, Senior Vice President, Communications (until 31 January 2007); Tuomo Orpana, Senior Vice President, Information Technology; Annica Söderström, Senior Vice President, Risk Management; and Veli-Matti Tarvainen, General Counsel.

### Compensation

#### The principles for compensation

The Board of Directors takes decisions on the compensation of the CEO, the Deputy CEO and the other members of the Management Board based on a proposal by the Compensation Committee. The Board of Directors may also authorize the Compensation Committee to decide on the compensation of Management Board members other than the CEO and the Deputy CEO.

#### Annual compensation

Compensation of members of the Management Board is made up of a fixed monthly salary, an annual bonus and a share-based incentive plan intended as a long-term incentive. The annual bonus is determined on the basis of the financial performance of Kemira GrowHow. The benchmarks used include the cash flow after investments in fixed assets during the financial year, return on capital employed in excess of the average weighted cost of capital (Economic Profit) and earnings per share. Salaries and compensation are specified in greater detail in the notes to the consolidated financial statements on page 34.

### External and internal audit

#### External audit

According to the Articles of Association, Kemira GrowHow has a minimum of one and a maximum of three auditors, one of which must be an auditing firm authorized by the Central Chamber of Commerce. The auditors are appointed for a term of one year by the Annual General Meeting of Shareholders. A person who has reached the age of 65 may not be appointed as an auditor.

Kemira GrowHow's auditor since 1993 has been KPMG Oy Ab. The responsible auditor is Petri Ket-tunen, APA and the deputy auditor is Pekka Pajamo, APA. In 2006, KPMG received payment of fees in the amount of EUR 0.7 million in payment for the statutory audit. Furthermore, fees to the sum of EUR 0.1 million were paid for other services provided by KPMG.

#### Internal audit and control

Kemira GrowHow maintains an internal control system to ensure the effectiveness and expediency of operations, including safeguarding assets, the reliability of financial reporting and compliance with applicable laws and regulations. Internal control is supported by approved policies and other control activities that are followed in all the companies within the Group. The Group's internal audit is outsourced to PricewaterhouseCoopers Oy. An internal audit action plan is drawn up each year including the selection of focus areas for that year.



## Insiders

Kemira GrowHow complies with the Guidelines for Insiders issued by the Helsinki Stock Exchange. The permanent insiders of Kemira GrowHow include the members of the Board of Directors, the CEO, the Deputy CEO, the auditor and the deputy auditor as well as senior executives, that is, members of the Management Board and other individuals who regularly have access to unpublished information that could have a material effect on the value of the Company's share.

The Company maintains project-specific insider registers in line with the Guidelines for Insiders issued by the Helsinki Stock Exchange, as and when necessary.

According to the Guidelines for Insiders issued by the Helsinki Stock Exchange, it is recommended that permanent insiders time their trading in the Company's shares to the greatest extent possible during periods when the markets have the fullest possible information on factors influencing the value of the security. In line with this principle, Kemira GrowHow's permanent insiders must not trade in securities issued by the Company during the 30 days prior to publication of the Company's interim report or financial statement information. The guidelines state that insiders must consult the Company's Deputy CEO or General Counsel about the existence of any restrictions to trading prior to making transactions.

Kemira GrowHow's Insider Register of insiders subject to the disclosure requirement is available for public inspection in the SIRE insider register system of Finnish Central Securities Depository Ltd and on the Company's Internet site. The Company's General Counsel serves as the person responsible for insider issues at Kemira GrowHow.

## Risk management

The Group's risk management is based on a comprehensive process – Enterprise Risk Management (ERM). Kemira GrowHow's Board of Directors approved an ERM Statement in January 2006. The statement specifies the objectives and responsibilities of risk management as well as describes how it is linked to the Company's strategic, operational and financial objectives. These principles have been published on the Company's Internet site at [www.kemira-growhow.com](http://www.kemira-growhow.com).

ERM involves the systematic and anticipatory identification, assessment and control of different risk areas, such as strategic, hazard, operational and financial risks. The aim is to ensure and optimize the continuity and development of operations without exceeding risk capacity. Each of the business functions is responsible for its own risks and their management.

The risks of the Group's and Company's strategic business units were identified and assessed in 2006 in line with the risk management principles. The ERM process was integrated into the Company's strategic process and the related responsibilities and tasks were defined.

Kemira GrowHow's risk management serves as a support process for the Group's Management Board. Its task is to develop and coordinate the Company's risk management. Its areas of responsibility also include quality, environmental and safety management as well as Group-level insurance policies.

### Insiders subject to the disclosure requirement, December 31, 2006

Insider	Shares <sup>(*)</sup>
Aitokallio Sari, Member of the Board	700
Christensson Michael, Senior Vice President, Phosphates	0
Friman Kaj, Deputy Chief Executive Officer, Chief Financial Officer	13,325
Honkaniemi Arto, Member of the Board	0
Kettunen Petri, Responsible Auditor	0
Kruus Ilkka, Senior Vice President, Research and Development	0
Lainto Timo, President, Crop Cultivation	8,553
Liukas Heikki, Senior Vice President, Finance & Treasury	3,780
Määttä Olavi, Senior Vice President, Crop Cultivation	7,743
Nieminen Jukka-Pekka, Senior Vice President, Strategic Planning	115
Nordman Pirjo, Senior Vice President, Human Resources	0
Ollila Jussi, Senior Vice President, Communications	0
Orkola Antti, President, Industrial Solutions	6,242
Orpana Tuomo, Senior Vice President, Information Technology	0
Pajamo Pekka, Deputy Auditor	0
Raiski Satu, Member of the Board	540
Ratia Lauri, Vice Chairman of the Board of Directors	2,282
Sirviö Heikki, Chief Executive Officer	14,603
Söderström Annica, Senior Vice President, Risk Management	150
Tarvainen Veli-Matti, General Counsel	0
Terho Helena, Member of the Board	1,000
Tirkkonen Esa, Member of the Board	3,296
Virolainen Ossi, Chairman of the Board of Directors	3,001

<sup>(\*)</sup> Share ownership at Dec. 31, 2006 also includes the ownership of Kemira GrowHow Oyj shares by the related parties of the person in question and entities controlled by the person in question.

## Board 31 December 2006

32



Ossi Virolainen, *Chairman*



Lauri Ratia, *Vice Chairman*



Sari Aitokallio

### **Ossi Virolainen**

*Chairman of the Board 2004–*

b. 1944, M.Sc. (Econ.), LL.M.

Chief Executive Officer of the AvestaPolarit Oyj Abp (2001–2003), Deputy Chief Executive Officer at Outokumpu and Vice Chairman of the Management Board (1992–2001).

Mr. Virolainen served in several positions in the Outokumpu Group since 1967.

Member of the Boards of Directors of Elisa Corporation and Oy Langh Ship Ab.

3,001 Kemira GrowHow Oyj shares.

### **Lauri Ratia**

*Vice Chairman of the Board 2004–*

b. 1946, M.Sc. (Eng.)

Chief Executive Officer of Lohja Rudus Oy Ab (1994–2006), carried out corporate restructuring assignments for Konecranes (1993–1994), partner in Euroventures Nordica (1990–1993), Managing Director of Nokia Robotics Oy (1989–1990), Director of Corporate planning at the Nokia Corporation (1987–1989), Managing Director of Nokia Inc. (1981–1987), employed by Stora Enso Oyj, UPM–Kymmene Group and Nokia Corporation in various product development and sales positions (1971–1981).

Chairman of the Boards of Directors of Oy Rudus Ab, Technomen Corporation, Medific Healthcare Oyj and Edita Plc as well as a member of the Boards of Olvi Plc, Paloheimo Oy and the Confederation of Finnish Construction Industries RT.  
2,282 Kemira GrowHow Oyj shares.

### **Sari Aitokallio**

*Member 2004–*

b. 1960, LL.M.

Director, Real estate investment company Renor Ltd. (2006–) Chief Financial Officer of Sponda Plc (2002–2005). Ms Aitokallio has held various legal and financial positions in Valmet Oyj/Metso Oyj Corporation (1989–2002). Member of the Board of Directors of The Finnish Maritime Administration and Aleksin alueen kehitys Oy.  
700 Kemira GrowHow Oyj shares.



Arto Honkaniemi



Satu Raiski



Esa Tirkkonen



Helena Terho

#### Arto Honkaniemi

*Member 2004–*

b. 1946, M.Sc. (Econ.), LL.M.

Industrial Counsellor at the Ministry of Trade and Industry (1998–).

He has held several positions at Yrityspankki Skop Oy in both Finland and Luxemburg (1989–1998), senior Legal Counsel for Perusyhtymä Oy (1976–1989).

Does not own Kemira GrowHow Oy shares.

#### Satu Raiski

*Member 2004–*

b. 1954, MBA and M.Sc.

(Agriculture and Forestry)

Managing Director of Oy Arla Foods Ab (2001–), several positions within the Arla Foods Group (1995–2001),

Marketing Manager for Semper Oy (1992–1995), Product Manager for Valio Ltd (1984–1992), worked in product development in Valio laboratories at the beginning of the 1980s. Member of the Board of Directors of the Altia Oyj. 540 Kemira GrowHow Oyj shares.

#### Esa Tirkkonen

*Member 2004–*

b. 1949, M.Sc. (Eng.)

Executive Vice President and CFO of Kemira (1995–), member of Kemira Oy's Management Group (2000–) and Board of Directors (1991–1999), Executive Vice President of Kemira Agro (current Kemira GrowHow) (1990–1993).

Mr. Tirkkonen has been employed by the Kemira Group in several positions since 1974. Member of the Boards of Directors of Teollisuuden Voima Oy and Pohjolan Voima Oy.

3,296 Kemira GrowHow Oyj shares.

#### Helena Terho

*Member 2006–*

b. 1948, M.Sc. (Eng.),

information specialist, eMBA

Vice President, Competence Development at KONE Corporation (2003–).

Terho has served in numerous management positions dealing with quality, safety, the environment and information services with KONE Corporation since 1977, both in Finland and the United States. Member of the Boards of Directors of Finnair Oy, ProCompetence Oy Inc. and Miinan Hoitolat Oy.

1,000 Kemira GrowHow Oyj shares.

---

Share ownership at 31 December 2006 includes also the ownership of Kemira GrowHow Oyj shares by the related parties of the person in question and entities controlled by the person in question.



## Management Board 31 December 2006

34



Heikki Sirviö



Kaj Friman



Timo Lainto



Antti Orkola

### Heikki Sirviö

b. 1955, M.Sc. (Eng.)

Chief Executive Officer, Kemira GrowHow Oyj, (2000–), Director of Kemphos business operations (1994–2000).

Mr. Sirviö has served in several positions in the Kemira Group since 1980.

His positions have included those of Technical Director and Site Manager.

Member of the Board of Directors of the Chemical Industry Federation of Finland, Member of the Management Group for the European Fertilizer Manufacturers Association (EFMA).

14,603 Kemira GrowHow Oyj shares.

### Timo Lainto

b. 1949, M.Sc. (Eng.)

President of the Crop Cultivation strategic business unit at Kemira GrowHow Oyj (2004–). Mr. Lainto has served in several positions in the Kemira Group since 1975 including management positions in Kemira Agro (current Kemira GrowHow) (1994–2001) and Kemira Group's fertilizer business (1987–1994). Chairman of the Chemical Pool of the Chemical Industry Federation of Finland and member of the Board of Management of European Fertilizer Manufacturers Association (EFMA) Trade and Economy Policy.  
8,553 Kemira GrowHow Oyj shares.

### Antti Orkola

b. 1956, M.Sc. (Eng.)

President of the Industrial Solutions strategic business unit at Kemira GrowHow Oyj (2004–). Mr. Orkola has served in several positions in the Kemira Group since 1980. He was the Managing Director of Kemira Chemicals Canada Inc and the Manager of the Formics business unit. Within Kemira GrowHow he has served as Vice President of both Kemphos and Process Chemicals business units as well as Manager of the Siilinjärvi plant. Member of the Board of Directors of Talvivaara Mining Company Ltd.  
6,242 Kemira GrowHow Oyj shares.

### Kaj Friman

b. 1953, M.Sc. (Econ.), LL.M.

Deputy Chief Executive Officer and CFO of Kemira GrowHow Oyj (2004–), Group Treasurer of the Kemira Group (1995–2004), General Counsel for the Kemira Group (2004), Group Controller at Kemira (1990–1995), employed by the Kemira Group since 1977, during which he worked in Mexico (1982–1984) and the United States (1985–1990).

Member of the Board of Directors of Garantia Insurance Company Ltd.

13,325 Kemira GrowHow Oyj shares.



Olavi Määttä



Michael Christensson



Ilkka Kruus



Jukka-Pekka Nieminen

**Olavi Määttä**

b. 1950, M.Sc. (Agriculture)

Senior Vice President, Crop Cultivation (2004–). Mr. Määttä has served in several positions in the Kemira Group since 1983, including as Manager of the Finnish fertilizer business. He also directed Kemira GrowHow's expansion into Eastern and Central Europe. Prior to this, he held managerial positions in sales and marketing at Kesko Oy from 1976–1983. Member of the Board of Directors of Hankkija-Maatalous Oy. 7,743 Kemira GrowHow Oyj shares.

**Michael Christensson**

b. 1955, MBA

Senior Vice President of the Phosphates business unit at Kemira GrowHow Oyj (2001–). Mr. Christensson has served in several positions in the Kemira Group since 1989, including as Vice President of Kemira Agro Animal Nutrition and Managing Director of Kemira GrowHow AB. Prior to this, he served in different positions in Boliden Kemi AB (1980–1989).

Does not own Kemira GrowHow Oyj shares.

**Ilkka Kruus**

b. 1959, M.Sc. (Eng.)

Senior Vice President, Research and Development, Kemira GrowHow Oyj (2000–). Mr. Kruus has served in Kemira Group since 1997. Prior to working for Kemira GrowHow, Mr. Kruus was employed as Director of Development at Genencor International BV in the Netherlands and the United States (1990–1997).

Does not own Kemira GrowHow Oyj shares.

**Jukka-Pekka Nieminen**

b. 1947 M.Sc. (Eng.)

Senior Vice President, Strategic Planning (2000–). Mr. Nieminen has served in several positions in the Kemira Group since 1974. He served as Assistant Vice President responsible for investments and strategic projects in Kemira Agro (current Kemira GrowHow).

115 Kemira GrowHow Oyj shares.

---

Share ownership at 31 December 2006 includes also the ownership of Kemira GrowHow Oyj shares by the related parties of the person in question and entities controlled by the person in question.

## Glossary



### Alkaline etching solution

A solution containing ammonia used in the manufacture of printed circuit boards for electronic devices and for other purposes.

### Ammonia

A basic chemical made from natural gas and nitrogen from the air, primarily used as a raw material in the production of nitrogen-containing fertilizers.

### Ammonium nitrate (AN)

A nitrogen fertiliser, which contains nitrogen only in ammonia and nitrate form. Used in fertilizers and for technical purposes.

### Apatite

A common phosphoric mineral found in nature.

### Diammonium phosphate (DAP)

Fertiliser containing nitrogen and phosphorus.

### Dicalcium phosphate (DCP)

A mineral made from pure phosphoric acid and limestone, used in feeds.

### Dicalcium phosphate (DCP)

A mineral made from pure phosphoric acid and limestone, used in feeds.

### EFMA

European Fertilizer Manufacturers' Association.

### ERM

Enterprise Risk Management.

### Fertiliser season

A 12-month period that starts on July 1st and ends on June 30th.

### GMP

Good Manufacturing Practices.

### HACCP

Hazard Analysis and Critical Control Points.

### Heavy metals

The most common of these are cadmium (Cd), mercury (Hg) and lead (Pb). Arsenic (As) is also often classed as a heavy metal.

### IFA

International Fertiliser Industry Association.

### IPPC

Integrated Pollution Prevention and Control.

### iSeed®

Seed coated with phosphoric fertiliser, developed by Kemira GrowHow.

### ISO

International Standardisation Organisation.

### ISRS

International Safety Rating System.

### Monocalcium phosphate (MCP)

A mineral used in feeds, manufactured from pure phosphoric acid and limestone.

### N Fertiliser

Fertiliser containing only nitrogen as a primary nutrient (i.e. no potassium or phosphorus). Examples are ammonium nitrate and urea.

### Nitric acid

A basic chemical manufactured from ammonia. An important intermediate product used in fertiliser manufacture. Has other technical applications.

### Nitrogen (N)

Primary nutrient essential for plant growth.

### NPK Fertiliser

Fertiliser, in which the primary nutrients are nitrogen, phosphorus and potassium. Can also contain secondary and micro-nutrients.

### Phosphate

A phosphoric compound occurring in natural minerals, which is used as a raw material in fertilizers, feed and detergent phosphates.

### Phosphoric acid

Acid prepared from apatite with the aid of sulphuric acid, used as a raw material in compound fertilizers, feed phosphates, detergents and further refined products in the food industry.

### Phosphorus (P)

An element essential to life. One of the three primary nutrients obtained by refining phosphate-containing ores.

### PK Fertiliser

Fertiliser containing phosphorus and potassium.

### Potassium (K)

An element essential to life. One of the three primary nutrients, mined as a salt from bedrock.

### Potassium nitrate

A fertiliser containing nitrogen and potassium, used by gardeners.

### Primary nutrients

Nitrogen (N), phosphorus (P) and potassium (K).

### Process chemicals

A term usually used to describe products sold to the chemical process industry, such as nitric acid, ammonia and technical urea.

### REACH

Registration, Evaluation and Authorisation of Chemicals. A proposal for new EU regulations related to chemicals.

### Urea

Single-nutrient fertiliser, rich in nitrogen, made from ammonia and carbon dioxide. Also used as a raw material for resins.

# Kemira GrowHow sites

**Kemira GrowHow Oyj**  
P.O.Box 900  
00181 Helsinki  
Finland  
Phone: +358 10 215 111  
Fax: +358 10 215 2126  
Operations: Head office

## BELGIUM

**Kemira GrowHow S.A./N.V.**  
Rue de la Carbo 10 BP 6  
B-7333 Tertre  
Belgium  
Phone: +32 65 712 211  
Fax: +32 6562 2560  
Operations: Production

**Kemira GrowHow S.A./N.V.**  
**Avenue Einstein 11**  
Avenue Einstein 11  
B-1300 Wavre  
Belgium  
Phone: +32 10 232 711  
Fax: +32 10 22 8988  
Operations: Sales and marketing

## CHINA

**Kemira GrowHow Oyj,**  
**Guangzhou Representative**  
**Office**  
Rm 1503 Yucai building 6th  
Yingcaimeiju, Zhongshan Dadao  
Tianhe District  
Guangzhou 510660  
China  
Phone: +86 20 3228 5022  
Fax: +86 20 3228 5021  
Operations: Sales and marketing

## DENMARK

**Kemira GrowHow**  
**Danmark A/S**  
Kastelsvej 5  
DK-7000 Fredericia  
Denmark  
Phone: +45 7922 3366  
Fax: +45 7922 3322  
Operations: Sales and marketing

## ESTONIA

**AS Kemira GrowHow**  
Peterburi tee 44  
EE-11415 Tallinn  
Estonia  
Phone: +372 606 2260  
Fax: +372 606 2278  
Productions: Sales office  
(joint venture)

## FINLAND

**Kemira GrowHow Oyj**  
29200 Harjavalta  
Phone: +358 10 215 111  
Fax: +358 10 215 4000  
Operations: Production

**Kemira GrowHow Oyj**  
P.O.Box  
23501 Uusikaupunki  
Phone: +358 10 215 111  
Fax: +358 10 215 3000  
Operations: Production

**Kemphos Oy**  
PL 20  
71801 Siilinjärvi  
Phone: +358 10 215 111  
Fax: +358 10 215 6000  
Operations: Production

**Kemira GrowHow Oyj**  
P.O.Box 74  
67101 Kokkola  
Phone: +358 10 861 217  
Fax: +358 10 862 8000  
Operations: Production

**Kemira GrowHow Oyj,**  
**Research centre**  
Luoteisrinne 2, P.O.Box 2  
02271 Espoo  
Phone: +358 10 215 111  
Fax: +358 10 215 2880  
Operations: Research centre

**Kotkaniemi Research station**  
Kotkaniementie 100  
03250 Ojakkala  
Phone: +358 10 215 8150  
Fax: +358 10 215 8151  
Operations: Research station

## FRANCE

**SECO Fertilisants S.A.**  
Rue Severine, P.O.Box 70039  
F-60772 Ribercourt Cedex  
France  
Phone: +33 3 44 757 500  
Fax: +33 3 44 757 510  
Operations: Production and ser-  
vices (joint venture)

## GERMANY

**Kemira GrowHow GmbH**  
Oldenburger Allee 4  
D-30659 Hannover  
Germany  
Phone: +49 511 647 640  
Fax: +49 511 647 4626  
Operations: Sales and marketing

## HUNGARY

P.O.Box 27  
H-8182 Peremarton  
Hungary  
Phone: +36 88 456 387  
Fax: +36 88 455 580  
Operations: Production and sales

## IRELAND

**Kemira GrowHow Ireland Ltd**  
A&L Goodbody  
International Financial Services  
Centre  
25-28 North Wall Quay  
Dublin 1  
Republic of Ireland  
Phone: +353 1 649 2000  
Fax: +353 1 649 2649  
Operations: Sales and marketing

## LATVIA

**SIA Kemira GrowHow**  
Akmenu celš 1, Cenu pagasts,  
Ozolnieku novads  
Jelgava rajons, Latvia  
Phone: +371 7 228 851  
Fax: +371 7 830 280  
Operations: Blending, packaging  
and customer service  
(joint venture)

**SIA Kemira GrowHow**  
Lielirbes street 32-A  
Riga  
LV-1046, Latvia  
Phone: +371 7 228 851  
Fax: +371 7 830 280  
Operations: Customer service  
(joint venture)

## LITHUANIA

**UAB Kemira GrowHow**  
Ateities str. 10  
LT-08303 Vilnius  
Lithuania  
Phone: +370 5 270 1187  
Fax: +370 5 270 1711  
Productions: Sales office  
(joint venture)

**UAB Kemira GrowHow**  
Maksvytiški km.  
Panevžio raj.  
LT-38417  
Lithuania  
Phone: +370 45 468 445  
Fax: +370 45 468 440  
Operations: Seed centre  
(joint venture)

**UAB Kemira Lifosa**  
Juodkiskio g. 50  
LT-57232 Kedainiai  
Lithuania  
Phone: +370 347 60 777  
Fax: +370 347 60 424  
Operations: Production



**MALAYSIA****Kemira GrowHow (M) Sdn Bhd**

Level 12 A, Lot 1202A,  
Uptown 3,  
3 Jalan SS21/39 Damansara  
Uptown  
47400 Petaling Jaya Selangor  
Darul Ehsan

Malaysia

Phone: +60 3 7726 4181

Fax: +60 3 7722 2479

Operations: Sales office

**THE NETHERLANDS****Kemira GrowHow B.V.**

Oude Bosscheweg 7

P.O.Box 91

NL-5300 AB Zaltbommel

The Netherlands

Phone: +31 418 577 730

Fax: +31 418 577 725

Operations: Sales and marketing

**POLAND****Kemira GrowHow Sp.z.o.o.**

10 Lutego 11 Street

81-366 Gdynia

Poland

Phone: +48 58 661 5513

Fax: +48 58 661 5553

Operations: Sales office

**RUSSIA****ZAO Kemira Agro**

Janichkin proezd

d.2, po Kotelniki-1,

140053 Moskovskaja oblastj

Russia

Phone: +7 095 5506 478

Fax: +7 095 5506 727

Productions: Sales office

**ZAO Kemira Agro**

Krasnoselskoe shosse d. 14/28,

office 312/313,

196603 St. Petersburg,

g. Pushkin

Russia

Phone: +7 812 467 05 42

Fax: +7 812 467 05 42

Operations: Side office

**ZAO Kemira Agro**

Ul. Gagarina, dom 36,

p. Privokzalnyj

Volokolamsky rajon

Moskovskaja oblast

Russia

Operations: Blending

**Zao Agropromchimija**

188880 Vyborg region,

p. Cherkasovo

Russia

Phone: +7 81378 54700

Fax: +7 81378 54750

Operations: Blending

**SOUTH AFRICA****KK Animal Nutrition (Pty) Ltd**

Umbogintwini Ind Complex

Moss Kolnik Drive, P.O. Box 449,

Umbogintwini ZA 4120

South Africa

Phone: +27 31 910 5100

Fax: +27 31 910 5172

Operations: Production and sales

**SWEDEN****Kemira GrowHow AB**

Industrigatan 70,

P.O. Box 902

SE-25109 Helsingborg

Sweden

Phone: +46 42 171 050

Fax: +46 42 171 620

Operations: Production and sales

**Alufluor AB**

Industrigatan 70

SE-25109 Helsingborg

Sweden

Phone: +46 42 171 020

Fax: +46 42 135 285

Operations: Production and sales  
(joint venture)

**THAILAND****Kemira GrowHow (Thailand) Ltd.**

Metro Building 180-184 Raja-

wongse Road

Bangkok 10100

Thailand

Phone: +66 2 226 3871

Fax: +66 2 224 5672

Productions: Sales office

Rajawongse Road

Bangkok 10100

Thailand

**UKRAINE****Kemira GrowHow LLC**

Chornomorska 1

04080 Kiev

Ukraine

Phone: +380 44 463 7012

Fax: +380 44 463 7089

Operations: Sales and marketing

**UNITED KINGDOM****Kemira GrowHow UK Ltd**

Ince, Chester CH2 4LB

United Kingdom

Phone: +44 151 357 2777

Fax: +44 151 357 1755

Operations: Production and  
services

**Kemira GrowHow Ltd**

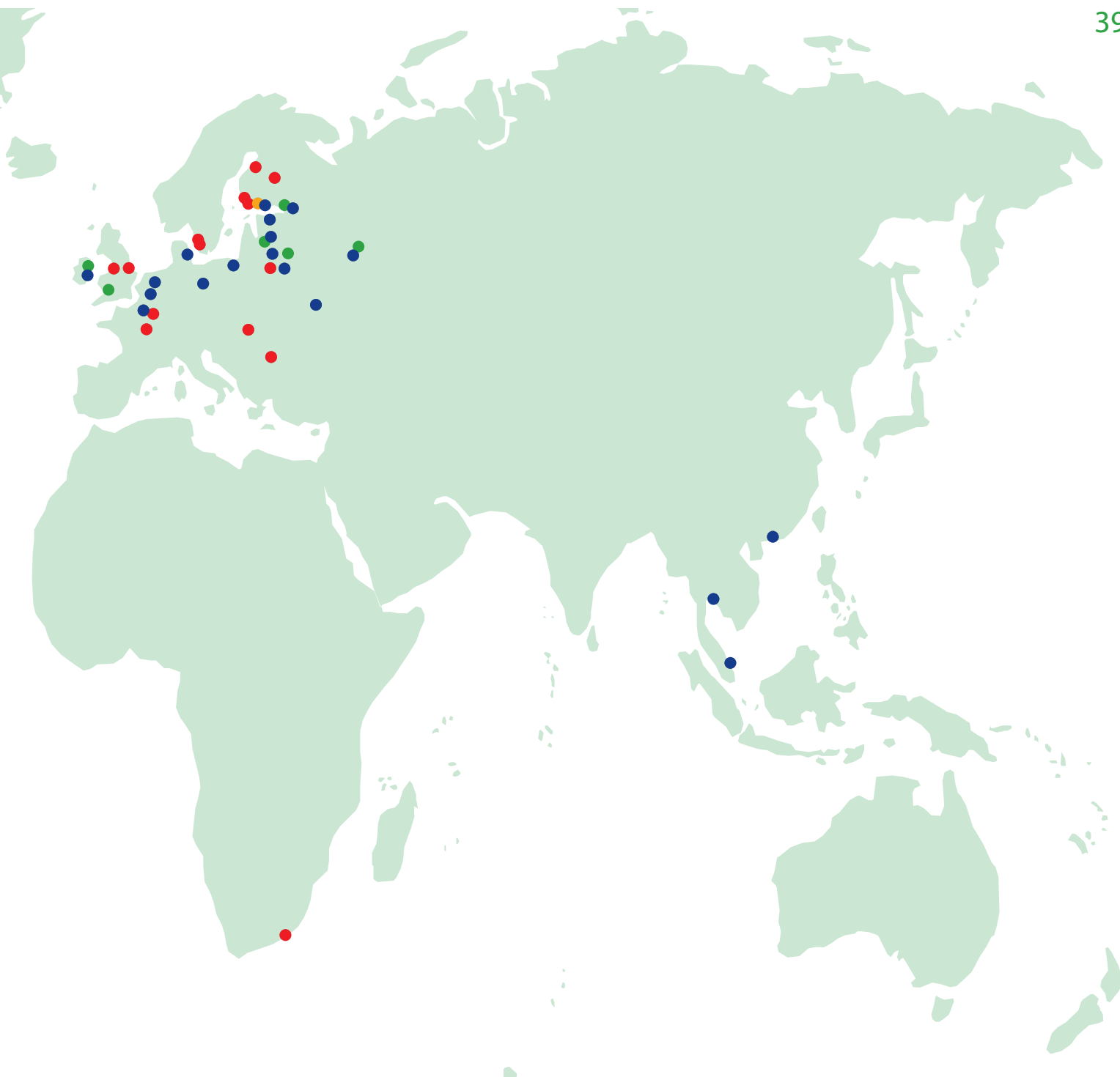
Saltend, Hull

United Kingdom

Phone: +44 151 357 2777

Fax: +44 151 357 1755

Operations: Production



● Production ● Sales and marketing ● Blenders, packaging and others ● Research

# Information for shareholders and investors

## Annual General Meeting

The 2007 Annual General Meeting of Kemira GrowHow Oyj will be held on Tuesday, 3 April 2007 at 4:00 p.m. in the Helsinki Hall of the Finlandia Hall, Mannerheimintie 13 e, Helsinki, Finland. Registration for attendance will begin at the meeting venue at 3:00 p.m.

The right to participate in the General Meeting is granted to a Kemira GrowHow Oyj shareholder who is registered on 23 March 2007 as a shareholder in the Company's Shareholder Register maintained by the Finnish Central Securities Depository (APK). In addition, the right to participate in the General Meeting is granted to a holder of a nominee-registered share who is entered temporarily into the Company's Shareholder Register maintained by the Finnish Central Securities Depository no later than on 23 March 2007 so that the shareholder can attend the meeting.

A shareholder who wishes to participate in the General Meeting should send notification of attendance by 28 March 2007 at 4:00 p.m. at the latest. Registration by letter to Kemira GrowHow Oyj, Marjatta Aarnio, P.O. Box 900, 00181 Helsinki, by fax on +358 10 215 2126 (Kemira GrowHow Oyj, Marjatta Aarnio), by phone on +358 10 215 2560 (Marjatta Aarnio) 9:00–11:00 a.m. or 1:00–3:00 p.m. or through the company's Internet site: [www.kemira-growhow.com](http://www.kemira-growhow.com). Possible proxies authorising a representative to vote at the meeting on behalf of a shareholder must be delivered before the close of the registration period.

## Payment of dividend

The Board of Directors of Kemira GrowHow Oyj proposes to the Annual General Meeting that a dividend of EUR x.xx per share be paid for the 2006 financial year. A shareholder who is entered in the Company's Shareholder Register maintained by the Finnish Central Securities Depository (APK) on the dividend payment record date of 10 April 2007 is entitled to receive payment of dividend. The proposed date for the dividend payment is 17 April 2007.

## Financial information for the 2007 financial year

Kemira GrowHow Oyj's publication schedule for its financial reports in the 2007 financial year:

- Interim report Q1 2007 on 3 May 2007 at 9:00 a.m.
- Interim report Q2 2007 on 31 July 2007 at 9:00 a.m.
- Interim report Q3 2007 on 31 October 2007 at 9:00 a.m.
- Financial statement bulletin in February 2008
- Annual Report in March 2008

The Annual Report and financial information are published in Finnish and English. Releases and other publications are available on Kemira GrowHow Oyj's Internet pages at [www.kemira-growhow.com](http://www.kemira-growhow.com) and on [www.kemira-growhow.fi](http://www.kemira-growhow.fi). Annual reports may be ordered on the Internet pages.

## Information about the share

Trading in Kemira GrowHow Oyj's share began on the Pre List of the Helsinki Stock Exchange on 14 October 2004 and on the Main List on 18 October 2004. The share is now listed on the OMX Nordic List under the Materials sector, Mid Cap. Kemira GrowHow has one series of shares. The shares are registered in the book-entry securities system maintained by the Finnish Central Securities Depository (APK).

Trading code on the Helsinki Stock Exchange: KGH1V

ISIN code: FI0009012843

Codes used by news agencies:

Bloomberg: KGH1V

Reuters: KGH1V.HE

Kemira GrowHow Oyj's shareholders are requested to notify the account management institution where the shareholder has a book-entry account of changes of address. Mail-outs to shareholders are sent according to the information available in the Shareholder Register maintained by the Finnish Central Securities Depository (APK).

## Investor relations

The aim of investor relations at Kemira GrowHow is to consistently and comprehensively provide the capital markets with accurate, sufficient and up-to-date information on the company's financial situation, development of business operations and strategy. The aim is to ensure that the value of Kemira GrowHow shares reflects as fully as possible the situation within the company and the outlook for the future.

## Closed period

Kemira GrowHow does not issue statements about the financial development of the company, nor is it in contact with capital market representatives for a period of 30 days prior to publishing interim or year-end financial reports.

## Contact information

Kemira GrowHow's Investor Relations Unit is responsible for communications with investors and analysts. The company arranges regular meetings with different market parties and holds press conferences.

## Investor relations contact persons:

Kaj Friman, Deputy CEO, CFO

Tel. +358 (0)10 215 2180

Email: [kaj.friman@kemira-growhow.com](mailto:kaj.friman@kemira-growhow.com)

Ritva Sipilä, Manager, Funding & IR

Tel. +358 (0)10 215 2181

Email: [ritva.sipila@kemira-growhow.com](mailto:ritva.sipila@kemira-growhow.com)

## Corporate communications contact persons:

Tuula Lehto, Communications Manager

Tel: +358 (0)10 215 2065

Email: [tuula.lehto@kemira-growhow.com](mailto:tuula.lehto@kemira-growhow.com)

Katri Kivioja, Communications Officer

Tel. +358 (0)10 215 2084

Email: [katri.kivioja@kemira-growhow.com](mailto:katri.kivioja@kemira-growhow.com)

## Analysts

At least the following banks and brokerage houses covered

Kemira GrowHow in 2006:

Carnegie

Enskilda Securities

E. Öhman J:or Fondkommission AB

FIM Securities

Handelsbanken Capital Markets

Kaupthing Bank

Mandatum

Opstock

The analysts cover Kemira GrowHow of their own initiative. Kemira GrowHow disclaims all responsibility for their views and opinions. Further information about Kemira GrowHow shares and shareholders is presented on pages 21–23 of the financial statements.



It all springs from knowledge



Kemira GrowHow Oyj  
Mechelininkatu 1a  
PO Box 900  
FI-00181 Helsinki  
Finland

[www.kemira-growhow.com](http://www.kemira-growhow.com)