Kemira

FINANCIAL STATEMENTS 2010

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BOARD OF DIRECTORS' REVIEW 2010

Revenue in 2010 increased 10% to EUR 2,160.9 million (2009: EUR 1,969.9 million). During the year, demand recovered in all the main customer industries and drove sales volumes higher. The exchange rate fluctuations had a 5% positive effect on revenue growth. Operative EBIT increased 30% to EUR 162.3 million (124.9) and the margin was 7.5% (6.3%). EBIT increased 42% to EUR 156.1 million (109.7). Cash flow after investments decreased to EUR 168.6 million (202.2). Continued strong cash flow generation, successful listing of the paints and coatings business, Tikkurila, and reduced net debt strengthened the balance sheet and gearing fell to 39% (53%). Earnings per share from continuing operations increased 83% to EUR 0.73 (0.40). The Board of Directors proposes a cash dividend of EUR 0.48 per share, equaling approximately EUR 73 million (41).

KEY FIGURES AND RATIOS

Figures in the tables and in the text provided in the text section of the report are for continuing operations excluding Tikkurila, unless otherwise mentioned. Tikkurila Oyj was separated from Kemira on March 26, 2010. It is reported under Discontinued operations (see tables).

EUR million	**Jan-Dec 2010**	Jan-Dec 2009
Revenue	**2,160.9**	1,969.9
EBITDA	**265.7**	207.2
EBITDA, %	**12.3**	10.5
Operative EBIT	**162.3**	124.9
EBIT	**156.1**	109.7
Operative EBIT, %	**7.5**	6.3
EBIT, %	**7.2**	5.6
Financial income and expenses	**-27.4**	-37.8
Profit before tax	**137.9**	67.1
Net profit from continuing operations	**115.9**	57.7
Net profit	**646.9*****	85.5**
EPS, EUR, from continuing operations	**0.73**	0.40
Capital employed*	**1,665.1**	1,659.3
ROCE, %*	**9.9**	6.3
Cash flow after investments	**168.6****	202.2**
Capital expenditure	**107.8**	68.7
Equity ratio, % at period-end	**54****	45**
Gearing, % at period-end	**39****	53**
Personnel at period-end	**4,935**	8,493**

* 12-month rolling average
** Includes Tikkurila until March 25, 2010
*** Net profit January–December 2010 includes a non-recurring income of EUR 529.2 million from the separation of Tikkurila, consisting of the difference between the market price of Tikkurila on March 26, 2010 and the shareholder's equity of Tikkurila on March 25, 2010 less the transfer tax related to Tikkurila's listing as well as listing costs.

Definitions of key figures can be found on www.kemira.com > Investors > Financial information. Due to the rights offering arranged in 2009, historical per share key figures have been adjusted with the following calculation formula: average number of shares x 1.1. In this report, comparative figures are provided in parentheses following the operational and financial results and refer to the same item in the full year 2009, unless otherwise stated. Operating profit excluding, non-recurring items, is referred to as Operative EBIT in the text section and in the tables of this report, and operating profit is referred to as EBIT.

FINANCIAL PERFORMANCE, FULL YEAR 2010

In 2010, Kemira continued to improve its operational efficiency and successfully implement the water business focused strategy that was launched in 2008. The main focus areas in 2010 were to further improve profitability and strengthen the cash flow and the balance sheet. A stronger balance sheet will give Kemira flexibility to execute its strategy and to enable future growth both, organically and through acquisitions.

Kemira Group's **revenue** increased by 10% to EUR 2,160.9 million (1,969.9) due to the recovered demand in the biggest customer industries; paper, oil, gas and mining. Higher demand grew volumes by 8% and together with the average price effect increased organic revenue by 5%. Revenues were positively impacted by acquisitions of approximately EUR 14 million. The acquisitions made during the year were the Albemarle UK Ltd (Teesport) acquisition in the United Kingdom and Water Elements in the U.S. Divestments of the Kokkola sulphuric acid plant in Finland, Industry Park of Sweden (IPOS) in Sweden and fluorescent whitening agents (FWA) business in Germany decreased revenue by approximately EUR 19 million. The divestments made in 2010 will have a negative effect of some EUR 50 million on revenues in 2011. The effect from the exchange rate fluctuations increased revenue by 5% or about EUR 100 million.

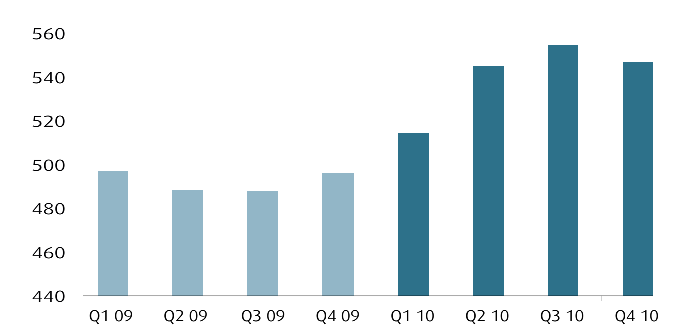
In the Paper segment, revenues increased by 9% to EUR 984.3 million (906.4). Organic revenue growth was 4% and the positive effect of exchange rate fluctuations was 6%.

In the Municipal & Industrial segment, revenues increased by 6% to EUR 643.6 million (607.5). Excluding the positive 6% effect of the exchange rate fluctuations, revenues were at the same level as in the previous year.

In the Oil & Mining segment, revenues increased by 27% to EUR 297.5 million (235.0). Organic revenue growth was 23%, and the positive effect from exchange rate fluctuations was 4%.

KEMIRA GROUP REVENUE

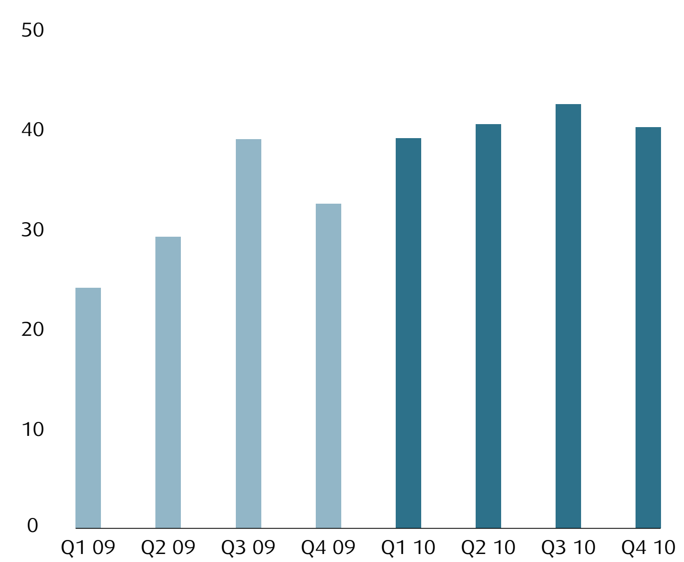
EUR million



Geographically revenue was divided as follows: EMEA 56% (56%), North America 31% (29%), South America 7% (8%), and Asia Pacific 6% (7%). Revenues increased 10% in the mature markets and 8% in the emerging markets in 2010. Kemira Group's mid-term revenue target set at the end of 2008 was revised in September 2010 from the 5% organic revenue growth to increase revenues by 3% in the mature markets and by 7% in the emerging markets.

EBIT increased by 42% to EUR 156.1 million (109.7). Operative EBIT increased by 30% to EUR 162.3 million (124.9). The operative EBIT margin rose to 7.5% (6.3%). In 2008, Kemira set a mid-term target for the operative EBIT margin to be above 10%.

KEMIRA GROUP OPERATIVE EBIT
EUR million



The improved operative EBIT was fueled by 8% higher sales volumes. Variable costs decreased and affected the operative EBIT positively by some 25% in 2010, as raw material prices, especially in the first half of 2010 were at a lower level than in the same period in 2009. As a result of the decreased raw material prices in the second half of 2009, average sales prices were lower in 2010 and affected the operative EBIT negatively, especially in the Paper and Municipal & Industrial segments. During the second half of 2010, raw material prices started to rise and Kemira took actions to offset the negative effect by announcing price increases mainly affecting the Paper segment, but also the Municipal & Industrial and Oil & Mining segments. Price increases had a positive effect already in the fourth quarter in 2010. Efficiency measures in 2010 resulted in lower fixed costs and supported the higher operative EBIT. The exchange rate fluctuations had a 5% positive effect, while acquisitions and divestments had a minimal effect.

The annual savings target of Kemira's global cost savings program is about EUR 60 million. The savings materialized faster than planned since all the targeted savings had been achieved by the end of 2010. The full annualized savings effect will materialize from 2011 onwards.

Non-recurring items affecting EBIT totaled EUR -6.2 million (-15.2) and were mainly related to a non-cash write-down of EUR 12.9 million at a calcium sulphate plant (Paper segment) in Siilinjärvi, Finland, as well as the divestments of a sulphuric acid plant in Finland, a service company in Sweden and the FWA business in Germany. The comparable period last year included non-recurring items of EUR -15.2 million mainly related to Kemira Oyj's employees' pension insurance arrangements.

Income from associated companies increased to EUR 9.2 million (-4.8) as a result of higher net profits of the Sachtleben (Kemira owns 39%) titanium dioxide business.

Profit before tax increased to EUR 137.9 million (67.1).

Taxes were EUR 22.0 million (9.4) and the effective tax rate was 16.0% (14.0%). Income taxes increased due to higher profits, especially in North America. Tax rates were influenced by the changes in deferred tax assets.

Net profit from continued operations attributable to the owners of the parent company doubled to EUR 110.9 million (54.0), and earnings per share from continuing operations increased 83% to EUR 0.73 (0.40). Higher EBIT and income from associated companies and lower finance expenses contributed to the improved result.

FINANCIAL POSITION AND CASH FLOW

Figures in this chapter include Tikkurila.

The financial position and liquidity remained good.

Cash flow from operating activities in 2010 decreased to EUR 133.1 million (287.8) and cash flow after investments to EUR 168.6 million (202.2). The positive effect of higher EBITDA was offset by higher gross capital expenditure and higher net working capital. However, the share of net working capital of revenue decreased to 11.4 % (14.5%). The Group's gross capital expenditure increased to EUR 110.0 million (85.9).

The Tikkurila spin-off from Kemira took place in late March as 86% Tikkurila's shares were distributed as dividend to Kemira's shareholders. Cash flow from investing activities includes a total of EUR 119.3 million effect from the loan repayment from Tikkurila as well as the cash equivalents transferred to Tikkurila, and the transfer tax related to Tikkurila's listing. Kemira Oyj's shareholders were paid a cash dividend of about EUR 41 million (30) during the second quarter.

At the end of 2010, Kemira group's net debt stood at EUR 535.6 million (675.6). The decrease in net debt was mainly due to the separation of Tikkurila (effect approximately EUR 160 million) and positive cash flow. Exchange rate fluctuations increased net debt by approximately EUR 30 million.

At the end of the year, interest-bearing liabilities stood at EUR 627.4 million (950.2). Fixed-rate loans accounted for 77% of total interest-bearing liabilities (70%). The average net financial cost rate on the Group's interest-bearing liabilities was 4.5% (4.6%). The duration of the Group's interest-bearing loan portfolio was 15 months (19 months).

The unused amount of the EUR 500 million revolving credit facility that falls due in July 2012 was EUR 490 million at the end of December. Short-term liabilities maturing in the next 12 months amounted to EUR 128.3 million at year end, with repayments of long-term loans representing EUR 105.1 million. Cash and cash equivalents totaled EUR 91.8 million on December 31, 2010. The terms of the revolving credit facility and other major bilateral loan arrangements require that the Group's equity ratio must be above 25%.

At the end of the year, the equity ratio stood at 54% (45%), while gearing was 39% (53%). Kemira's gearing target is below 60%. Shareholder's equity increased by 8% to EUR 1,365.8 million (1,268.8). Profit for the period, exchange rate fluctuations and change in fair value had approximately EUR 205 million positive effect to the shareholder equity, while the cash dividend paid in May and the separation of Tikkurila had about EUR 110 million negative effect.

The Group's net financial expenses, excluding Tikkurila, decreased to EUR 27.4 million (37.8). The decrease in net financial expenses can be attributed to reduced liabilities and a lower market interest level compared to 2009. Currency exchange rate losses were EUR 0.6 million (1.8).

In October 2010, Kemira Oyj signed and drew a 7-year EUR 40 million long-term loan with Nordic Investment Bank (NIB).

The Group's most significant transaction currency risk arises from the U.S. dollar, mainly as a result of U.S. dollar denominated exports from the euro area. At the end of the year, the U.S. dollar denominated 12-month exchange rate risk had an equivalent value of approximately EUR 76 million. On average, 39% of this transaction exposure was hedged. In addition, Kemira is exposed to smaller transaction risks in relation to the Canadian dollar and the Brazilian, real with the annual exposure in both of these currencies being approximately EUR 20 million.

Because Kemira's consolidated financial statements are compiled in euros, Kemira is also subject to currency translation risk to the extent that the income statement and balance sheet items of subsidiaries located outside Finland are reported in some other currency than the euro. The most significant translation exposure currencies are the US dollar, Swedish krona, Canadian dollar and Brazilian real. A weakening of the above-mentioned currencies against the euro would decrease Kemira's revenue and EBIT through a translation risk. A more detailed report on the Group's financial risks and their management is published in the notes to the financial statements.

CAPITAL EXPENDITURE

Gross capital expenditure in 2010 increased to EUR 107.8 million (68.7). Acquisitions totaled EUR 31.6 million (0). Excluding the acquisitions, capital expenditure was divided as follows: expansion investments represented around 19% (31%), improvement investments around 39% (32%), and maintenance investments around 42% (37%).

The Group's depreciation, non-recurring impairment and reversals of impairments were EUR 109.6 million (97.5). The figure includes non-recurring impairment of EUR 12.9 million (5.7) and reversals of impairments of EUR 0 million (8.9).

RESEARCH AND DEVELOPMENT

In continuing operations, research and development expenditure in 2010 was EUR 41.6 million (37.0) i.e. 2.0% (2.0%) of all operating expenses.

In January, Metso Oyj and Kemira signed a three-year research and development partnership agreement, by which Kemira will handle the chemical control of Metso's pilot paper machines.

In March, Kemira and VTT, Technical Research Centre of Finland, announced the establishment of a Center of Water Efficiency Excellence in Finland. The total cost of the research, which will be performed at the centre, is estimated at EUR 120 million, including external funding. The investments are allocated over a period of 4 years, resulting in further investment activities in projects for piloting and proof of concept purposes. The centre will employ approximately 200 persons.

In June, Kemira and Nanyang Technological University (Singapore) announced a joint R&D cooperation, with the aim to enhance water treatment and purification. The goal of the 2-year project is to design a more efficient water treatment process with lower energy consumption and waste volume. The cooperation is part of a membrane research effort.

In September, Kemira and Outotec Oyj signed a strategic cooperation agreement to develop, promote and support the companies' businesses in mining applications and oil sands processing as well as associated industrial water treatment solutions. As part of this cooperation, Kemira joined an industrial research program at the University of Alberta, which aims to foster sustainable water use in Canadian oil sands extraction. Kemira collaborates with Outotec as well as with Suncor Energy Services, the Government of Canada and the Alberta Water Research Institute.

In October, Kemira announced that VTT and Kemira Oyj are opening a new joint R&D center in São Paulo, Brazil. The R&D center will focus primarily on water chemistry and biomass utilization applications. The new center is an extension of the Center of Water Efficiency Excellence, which Kemira initially established together with VTT in Finland. The center in São Paulo aims to implement the newest water technology research in the growing South American market. Important focus areas will be biomass, bioethanol, pulp and applications for the oil and mining industries. The center started operating at the end of 2010. Later in the same month, Kemira Oyj and PUB, Singapore's national water agency, agreed to enter into a strategic alliance to conduct research and development in water research. Kemira and PUB will collaborate in the areas of raw water, used water, effluent and sludge treatment. Under the Memorandum of Understanding (MOU), Kemira and PUB will conduct applied research, share knowledge and build joint capabilities that leverage one another's resources.

HUMAN RESOURCES

The number of employees in Kemira group at the end of 2010 was 4,935 (2009: 8,493, 2008: 9,405). In 2009 and 2008, the number of employees included Tikkurila. The cost savings program launched in 2008 continued in 2010, and personnel decreased mainly in Sweden and Germany. Good local practices were applied to support people affected by the cost savings program.

At the end of the year, Kemira employed 1,105 persons in Finland (1,829), 1,771 persons elsewhere in EMEA (4,615), 1,386 in North America (1,298), 414 in South America (405) and 259 in Asia Pacific (346). The Paper segment employed 1,516 persons, Municipal & Industrial 1,256, Oil & Mining 520 and the segment Other 264 persons. A total of 1,379 persons worked for Kemira functions and joint operations.

Total salaries and wages paid, excluding Tikkurila, in 2010 were EUR 251.3 million (2009: 231.5, 2008: 265.3). Rewarding at Kemira is based on performance and external competitiveness. Compliance of the principle is ensured by exploiting consistent job evaluation. Basic pay is supplemented by performance-based bonus schemes, which cover a large share of Kemira employees.

Kemira conducted a personnel survey in October. The response rate of 87% is a positive sign of the personnel's willingness to express their views on Kemira as a workplace. The survey showed that people found their work to be challenging and interesting, and they were satisfied with their closest managers. Further improvement is needed in employees' perception of the fairness of the rewarding and recognition and also in implementing the value of succeeding together.

The Kemira Code of Conduct specifies the Group's principles governing equality. Accordingly, Kemira treats all people equally in recruitment and provides equal working conditions irrespective of race, gender, religious beliefs, political opinions and national and social origin. Kemira's aim is to enhance the equal opportunities for women and men in competence development and career progression on various organizational levels following with equality in pay and other employment terms and conditions. Kemira aims towards achieving an equal number of applications for vacancies by women and men. At the end of 2010, men represented 76% (2009 68%, 2008: 71%) of Kemira's employees and women 24% (2009: 32%, 2008: 29%).

ENVIRONMENT AND SAFETY

Chemical products, their use, applications and manufacturing are governed by numerous international agreements, as well as regional and national legislation all over the world. In its financial statements, Kemira treats its environmental liabilities and risks in accordance with IFRS. The Kemira Code of Conduct contains up-to-date environmental and health and safety guidelines, compliance with law setting the minimum requirement. The company performs regular internal and external audits to improve environmental and safety performance.

In 2010, capital expenditure on environmental protection at company sites totaled EUR 2.9 million (EUR 2.3 million) and operating costs EUR 12.8 million (EUR 14.9 million). The reduction of operating costs was caused mainly by the listing of Tikkurila. No major environmental investment projects are in progress or being planned.

Provisions for environmental remediation measures of EUR 19.6 million (EUR 21.1 million) were mainly related to a landfill closure in Pori, Finland, and a sediment remediation project in Vaasa, Finland. Both projects are progressing as planned. The provision at Vaasa was increased by EUR 0.9 million in accordance with new authority requirements. The demolition project of old factory buildings is being completed successfully in Helsingborg, Sweden. There were no acquisitions or divestments that altered Kemira's overall environmental liabilities significantly.

The implementation of the new EU chemicals regulation (REACH) progressed as planned and the registration of substances in the phase 1 group was completed successfully. Kemira made 93 registrations for 49 manufactured and/or imported substances. None of the substances which are candidates for authorization are manufactured by Kemira. The implementation of REACH is not expected to have major effects on Kemira's competitiveness, even though the registration costs are expected to accumulate over the next few years. In 2010, the costs of REACH compliance amounted to approximately EUR 3 million.

The frequency of occupational incidents (LTA1) was again lower than in the previous year, 3.1 incidents per million working hours (3.5), which is the best result Kemira has achieved thus far. There were no significant process accidents in 2010.

Kemira publishes an annual Environmental Report verified by a third party. The report is prepared in accordance with IFRS and the guidelines issued by the European Chemical Industry Council (CEFIC). The report deals, for example with emissions and effluents, waste, environmental costs, safety and product safety as well as the use of natural resources.

SEGMENTS

PAPER

We offer chemical products and integrated systems that help customers in the water-intensive pulp and paper industry to improve their profitability as well as their water, raw material and energy efficiency. Our solutions support sustainable development.

EUR million	**Jan-Dec 2010**	Jan-Dec 2009
Revenue	**984.3**	906.4
EBITDA	**129.0**	87.0
EBITDA, %	**13.1**	9.6
Operative EBIT	**75.6**	44.9
EBIT	**68.4**	40.1
Operative EBIT, %	**7.7**	5.0
EBIT, %	**6.9**	4.4
Capital employed*	**796.4**	782.6
ROCE, %*	**8.6**	5.1
Capital expenditure, excluding acquisitions	**33.3**	37.8
Cash flow after investments, excluding interest and taxes	**85.9**	75.6

* 12-month rolling average

The Paper segment's **revenue** increased by 9% to EUR 984.3 million (906.4) as demand in customer industries increased markedly. The exchange rate fluctuations affected revenues positively by EUR 53 million. Acquisitions and divestments made during the year had a negative net effect of some EUR 9 million.

The global demand for pulp was strong in 2010, and this kept pulp prices high, which enabled cardboard manufacturers to raise their prices. Paper prices remained relatively low, although the demand for paper recovered. The demand growth rate was exceptionally high because of restocking after the recession, which supported demand for Paper segment products. Chemical deliveries to the cardboard and packaging sectors in particular increased. The demand for printing paper and newsprint also recovered but was to a certain extent pressured by the increased use of electronic media, especially in mature markets like Europe and North America.

Operative EBIT increased by 68% to EUR 75.6 million (44.9). The significant increase in operative EBIT resulted from higher sales volumes and lower variable and fixed costs. Lower variable costs were driven by lower raw material prices especially in the first half of 2010, and a more focused product portfolio. Successfully implemented efficiency measures lowered fixed costs. Average sales prices were lower than the year before and had a negative effect on the operative EBIT. The net effect of exchange rate fluctuations and acquisitions and divestments had only a minor impact on the operative EBIT. The operative EBIT margin rose nearly three percentage points to 7.7% (5.0%).

During the year, Kemira announced the divestments of two non-water related Paper segment units.

Kemira sold the sulphuric acid plant in Kokkola to Boliden Kokkola Oy. The business operations were transferred to Boliden Kokkola Oy on May 1, 2010. Kemira continues chemical terminal operations in Kokkola including providing services to Boliden.

In June, Kemira and Blankophor GmbH & Co. KG (previously German Catec GmbH), financially supported by Fengler Beteiligungs GmbH, signed a contract, according to which Kemira sold its global fluorescent whitening agents to Blankophor. Fluorescent whitening agents improve the whiteness and brightness of paper. The deal covered a production plant in Leverkusen, the global sales network and the associated support functions. The business employs about 100 people, most of them in Germany. They were transferred to Blankophor at the end of the third quarter, when the transaction was closed.

MUNICIPAL & INDUSTRIAL

We offer water treatment chemicals for municipalities and industrial customers. Our strengths are high-level application know-how, a comprehensive range of water treatment chemicals, and reliable customer deliveries.

EUR million	**Jan-Dec 2010**	Jan-Dec 2009
Revenue	**643.6**	607.5
EBITDA	**81.4**	91.7
EBITDA, %	**12.6**	15.1
Operative EBIT	**59.0**	66.4
EBIT	**55.8**	59.8
Operative EBIT, %	**9.2**	10.9
EBIT, %	**8.7**	9.8
Capital employed*	**373.9**	349.4
ROCE, %*	**14.9**	17.1
Capital expenditure, excluding acquisitions	**22.5**	21.0
Cash flow after investments, excluding interest and taxes	**25.6**	93.5

*12-month rolling average

The Municipal & Industrial segment's **revenue** increased by 6% to EUR 643.6 million (607.5). Steady demand continued in the municipal water treatment business despite challenging economic conditions in some countries. In the industrial water treatment business, sales volumes increased in the main customer industries especially in Europe. In total, Municipal & Industrial delivery volumes increased revenue by about EUR 35 million, but average prices declined. The exchange rate fluctuations increased revenue by about EUR 35 million. Acquisitions had only a minor impact on the revenues.

Operative EBIT decreased by 11% to EUR 59.0 million (66.4). The decline compared to 2009 was mainly due to exceptionally high average sales prices in the second half of 2009, which were still affected by the record-high raw material prices at the end of 2008. Recovered sales volumes, especially in the industrial water treatment business, partly offset the negative price effects. Variable costs decreased by approximately EUR 12 million compared to last year. More efficient use of by-product raw materials contributed positively to this development. Exchange rate fluctuations had an approximately EUR 3 million positive impact on operative EBIT. The operative EBIT margin was 9.2% (10.9%).

In September, Kemira Oyj acquired through its North American subsidiary Kemira Water Solutions, Inc., Water Elements, LLC, ("WE") a North American manufacturer of inorganic coagulants for municipal and industrial water treatment. WE operations started in 2007, and it has one production plant in Baltimore, Maryland. In 2009, the company revenue was approximately USD 10 million (about EUR 7 million). WE is a subsidiary of Kemira Water Solutions, Inc. and has been integrated into Kemira's Municipal & Industrial business segment in the U.S.

OIL & MINING

We offer a large selection of innovative chemical extraction and process solutions for oil and mining industries, where water plays a central role. Utilizing our expertise, we enable our customers to improve efficiency and productivity.

EUR million	**Jan-Dec 2010**	Jan-Dec 2009
Revenue	**297.5**	235.0
EBITDA	**41.2**	23.6
EBITDA, %	**13.8**	10.1
Operating profit excluding, non-recurring items	**28.6**	14.2
Operating profit	**31.9**	19.9
Operating profit excluding non-recurring items, %	**9.6**	6.0
Operating profit, %	**10.7**	8.5
Capital employed*	**138.1**	148.9
ROCE, %*	**23.1**	13.4
Capital expenditure, excluding acquisitions	**6.8**	4.7
Cash flow after investments, excluding interest and taxes	**30.9**	20.8

*12-month rolling average

The Oil & Mining segment's **revenue** increased by 27% to EUR 297.5 million (235.0). The increase was a result of strong demand in all customer industries. Higher sales volumes and prices had a combined positive impact of over EUR 50 million on the revenue. The exchange rate fluctuations affected revenues positively by some EUR 9 million. Acquisition and divestment had only a minor effect on revenues.

The oil and gas industries, as well as the mining industry, have increased their investments, as the demand for energy, minerals and metals has increased since the financial crisis. Growing economies, such as China have led the recovery. In water treatment and industrial expertise, Kemira shifted focus from individual products to application sales. In the mining industry, in particular, a profound understanding of customers' needs and environmental pressures has led to positive results. Growth was also supported by increased sales from emerging markets.

Operative EBIT more than doubled to EUR 28.6 million (14.2). Increased sales volumes and higher average sales prices more than offset the approximately EUR 13 million higher variable costs. Fixed costs were at the same level as the year before. The net effect of exchange rate fluctuations and acquisitions and divestments was minimal. Operative EBIT margin rose to 9.6% (6.0%).

In January, Kemira announced that it had reversed the decision to shut down the polymer manufacturing site in Columbus, Georgia, USA as the demand for water treatment chemicals in the oil and gas industries was expected to increase. Previously, the site was primarily serving customers in the paper industry. The 2008 decision to shut down the Columbus site was part of the refocusing of Kemira's paper chemicals business, where the offering of paper chemicals is being adapted regionally to local customer needs. The operations at the site have now been retooled to offer a tailored product mix to meet the needs of customers in the oil and gas industry.

In August, Kemira closed a deal with Albemarle to acquire the legal entity located in Teesport, Middlesbrough, United Kingdom. The negotiations were completed on July 30, 2010. The site employs approximately 30 persons. The main range of the Teesport products consists of corrosion inhibitors and drilling emulsifiers, enhancing the Kemira's product offering to the oil and gas industry in the North Sea and Russia.

OTHER

The Other segment consists of specialty chemicals such as organic salts and acids and the Group expenses not charged to the segments (some research and development costs and the costs of the CEO Office).

Other segment revenue in 2010 was EUR 235.6 million (300.4) and the operative EBIT was EUR -0.9 million (-0.6). Specialty chemicals operative EBIT margin improved in 2010 compared to the previous year and was 15.0% (14.3%).

The demand for specialty chemicals was stable in 2010 and price levels were satisfying. Products are delivered mainly to the food industry, feed industry and pharmaceutical industry, as well as for airport runway de-icing. The demand for de-icing products was particularly strong in Western Europe where extreme weather conditions increased the demand for our products.

In July 2010, Kemira sold its IPOS (Industry Park of Sweden AB) service company in Helsingborg to the Swedish company Coor Service Management AB.

PARENT COMPANY'S FINANCIAL PERFORMANCE

The revenue of the parent company was EUR 322.3 million (296.9). EBIT was EUR 159.3 million (14.1). The parent company bears the cost of Group management and administration as well as a portion of research costs. The parent company's net financial expenses were EUR 11.9 million positive (-14.9). Net profit totaled EUR 194.4 million (23.2). Capital expenditure totaled EUR 20.9 million (12.6), excluding investments in subsidiaries.

KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On December 31, 2010, Kemira Oyj's share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles to one vote at the general meeting.

At the end of 2010, Kemira Oyj had 30,170 registered shareholders (26,495). Foreign shareholders held 14.0% of the shares (10.9%), including nominee registered holdings. Households owned 16.2% of the shares (15.5%).

At year-end, Kemira held 3,607,162 treasury shares (3,854,711), representing 2.3% (2.5%) of all company shares. A total of 9,246 shares granted as share-based incentives were returned to Kemira during the year in accordance with the terms of the incentive plan as employment ended.

Kemira Oyj's share closed at EUR 11.70 (10.39) on NASDAQ OMX Helsinki Stock Exchange at the end of 2010. The share price rose 13% during the year while OMX Helsinki Cap index rose 25%. The share price of Kemira included Tikkurila Oyj until March, 26, 2010, when it was listed and 86% of its shares were distributed as a dividend to Kemira shareholders. Shares registered a high of EUR 13.19 (11.63) and a low of EUR 7.89 (3.87). The average share price, including Tikkurila until March, 26, 2010, was EUR 10.15 (7.64). The company's market capitalization, excluding treasury shares, was EUR 1,775 million at year-end (1,574).

In 2010, Kemira Oyj's share trading volume on NASDAQ OMX Helsinki Stock Exchange totaled 115.9 million (77.2) and was valued at EUR 1,164.7 million (634.2). The average daily trading volume was 459,723 (307,657) shares.

OWNERSHIP DEC. 31, 2010	
Corporations	**40.9%**
Financial and incurance corporations	**5.9%**
General government	**18.9%**
Households	**16.2%**
Non-profit institutions	**4.1%**
Non-Finnish institutions	**0.6%**
Nominee registered	**13.4%**

SHAREHOLDING BY NUMBER OF SHARES HELD DECEMBER 31, 2010

NUMBER OF SHARES	Number of shareholders	% of shareholders	Shares total	% of shares and votes
1 - 100	5,182	17.2	326,344	0.2
101 - 500	13,047	43.2	3,540,119	2.3
501 - 1,000	5,236	17.4	3,897,011	2.5
1,001 - 5,000	5,687	18.9	11,498,181	7.4
5,001 - 10,000	517	1.7	3,699,755	2.4
10,001 - 50,000	376	1.3	7,494,489	4.8
50,001 - 100,000	53	0.2	3,616,422	2.3
100,001 - 500,000	54	0.2	10,419,238	6.7
500,001 - 1,000,000	8	0.0	5,565,137	3.6
1,000,001 -	10	0.0	105,285,861	67.8
Total	**30,170**	**100.0**	**155,342,557**	**100.0**
Including nominee-registered shares	**11**	**0.0**	**20,803,470**	**13.4**

SHARE-BASED INCENTIVE PLAN FOR THE STRATEGIC MANAGEMENT BOARD

In February, 2009, Kemira Oyj's Board of Directors decided on a new share-based incentive plan aimed at Strategic Management Board members. The plan is divided into three one-year performance periods: 2009, 2010 and 2011. Payment depends on the achievement of the set EBIT targets. In January 2011, The Board of Directors decided to cancel the three-year goal included in the program, which was tied to the development of EBIT as a percentage of revenue by the end of 2011. Any payments will be paid as a combination of Kemira shares and cash payments covering the payable taxes, in accordance with the achievement of set goals. The combined value of shares and cash payments paid out during the course of the three-year share-based incentive plan may not exceed the individual's gross salary for the same period. Shares transferable under the plan comprise treasury shares or Kemira Oyj shares available in public trading.

In addition to the share-based incentive plan aimed at Strategic Management Board members, Kemira has a share-based incentive plan for key personnel, from which the members of the Strategic Management Board are excluded. The share-based incentive plans aim at aligning the goals of Kemira's shareholders and key personnel in order to increase the company's value, motivate key personnel and provide them with competitive, shareholding-based incentives.

AGM DECISIONS

ANNUAL GENERAL MEETING

The Annual General Meeting decided that a dividend on the basis of the adopted balance sheet for the financial year ended December 31, 2009 was paid as follows:

Each four Kemira shares entitled their holder to receive one share of Tikkurila Oyj as a dividend. The number of shares of Tikkurila that a shareholder was entitled to receive was calculated on a book-entry account basis. Kemira distributed a total of 37,933,097 Tikkurila shares to its shareholders as dividend, which represents 86 % of the shares in Tikkurila and the number of voting rights carried by them. The record date was March 19, 2010 and the dividend was paid on March 26, 2010.

The AGM authorized the Board to decide on a dividend payable in cash of a maximum of EUR 0.27 per share on the basis of the adopted balance sheet for the financial year ended December 31, 2009. The authorization to decide upon a dividend payable in cash was valid until May 31, 2010. The Board of Directors decided to pay a cash dividend of EUR 0.27 on April, 29, 2010.

The AGM authorized the Board of Directors to decide on a repurchase of a maximum of 4,156,957 Company's own shares ("Share repurchase authorization"). Shares will be repurchased by using unrestricted equity either through a tender offer with equal terms to all shareholders at a price determined by the Board of Directors or otherwise than in proportion to the existing shareholdings of the Company's shareholders, in public trading on the Helsinki Stock Exchange at the market price quoted at the time of the repurchase. Shares shall be acquired and paid for in accordance with the Rules of the Helsinki Stock Exchange and Euroclear Finland Ltd. The price paid for the shares repurchased through a tender offer under the authorization shall be based on the market price of the company's shares in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period. Shares may be repurchased to be used in implementing or financing mergers and acquisitions, developing the Company's capital structure, improving the liquidity of the Company's shares or to be used for the payment of the annual fee payable to the members of the Board of Directors or implementing the Company's share-based incentive plans. In order to realize the aforementioned purposes, the shares acquired may be retained, transferred further or cancelled by the Company. The Board of Directors will decide on other terms related to share repurchase. The Share repurchase authorization is valid until the end of the next Annual General Meeting. The authorization has not been exercised.

The Annual General Meeting authorized the Board of Directors to decide to issue a maximum of 15,534,256 new shares and/or transfer a maximum of 7,767,128 Company's own shares held by the Company ("Share issue authorization"). The new shares may be issued and the Company's own shares held by the Company may be transferred either for consideration or without consideration. The new shares may be issued and the Company's own shares held by the Company may be transferred to the Company's shareholders in proportion to their current shareholdings in the Company, or by disapplying the shareholders' pre-emption right, through a directed share issue, if the Company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the capital structure of the Company, improving the liquidity of the Company's shares or if this is justified for the payment of the annual fee payable to the members of the Board of Directors or implementing the Company's share-based incentive plans. The directed share issue may be carried out without consideration only in connection with the payment of the annual fee payable to the members of the Board of Directors or implementation of the Company's share-based incentive plan. The subscription price of new shares shall be recorded in the invested unrestricted equity reserves. The consideration payable for the Company's own shares shall be recorded in the invested unrestricted equity reserves. The Board of Directors will decide on other terms related to the share issues. The Share issue authorization is valid until the end of the next Annual General Meeting. The authorization has not been exercised.

The AGM elected KPMG Oy Ab to serve as the Company's auditor, with Pekka Pajamo, Authorized Public Accountant, acting as the principal auditor.

OTHER EVENTS DURING THE REVIEW PERIOD

In September, Kemira announced that it will establish a manufacturing facility in Nanjing, China to enhance customer service in the growing Chinese water treatment markets. The investment is expected to be EUR 25 million. The facility will be a state-of-the-art regional production hub for a range of specialty process chemicals serving all of Kemira's customer segments. The plant will be located in the Nanjing Chemical Industry Park (NCIP) about 300 kilometers northwest of Shanghai. Construction will start during 2011 and the facility is expected to be operational in 2012. The facility will be 100% owned by Kemira.

CORPORATE GOVERNANCE AND GROUP STRUCTURE

Kemira Oyj's corporate governance is based on the Articles of Association, the Finnish Companies Act and NASDAQ OMX Helsinki Ltd's rules and regulations on listed companies. Furthermore, the Company complies with the Finnish Corporate Governance Code, with the exception that the Nomination Committee primarily consists of members outside the company's Board of Directors which is not in line with the Governance Code's recommendation 22. According to the view of the company's Board of Directors, it is in the best interest of the company and its shareholders that the biggest shareholders participate in preparing nomination and compensation issues related to the Board of Directors. The company's corporate governance is presented as a separate statement on the company's website. The statement is also attached to this financial statements bulletin.

BOARD OF DIRECTORS

On March 16, 2010, the AGM elected seven Board members. The AGM reelected members Elizabeth Armstrong, Wolfgang Büchele, Juha Laaksonen, Pekka Paasikivi, Kaija Pehu-Lehtonen and Jukka Viinanen to the Board of Directors and elected Kerttu Tuomas as a new member. Pekka Paasikivi was elected to continue as the Board's chairman and Jukka Viinanen was elected as vice chairman. The remuneration paid to the members of the Board remained unchanged. In 2010, the Board of Directors met ten times.

Kemira Oyj's Board of Directors has appointed three committees: the Audit Committee, the Compensation Committee and the Nomination Committee. The Audit Committee is chaired by Juha Laaksonen and has Kaija Pehu-Lehtonen and Jukka Viinanen as members. In 2010, the Audit Committee met five times. The Compensation Committee is chaired by Pekka Paasikivi and has Kerttu Tuomas and Jukka Viinanen as members. In 2010, the Compensation Committee met four times.

The Board of Directors of Kemira Oyj invited the representatives of the four largest shareholders as of May 31, 2010, and the Chairman of Kemira Oyj's Board of Directors as an expert member to the Nomination Committee. The Nomination Committee prepares a proposal for the next Annual General Meeting concerning the composition and remuneration of the Board of Directors. The members of the Nomination Committee are Jari Paasikivi, President and CEO of Oras Invest Oy; Kari Järvinen, Managing Director of Solidium Oy; Risto Murto, Chief Investment Officer, Varma Mutual Pension Insurance Company; Timo Ritakallio, Deputy CEO, Ilmarinen Mutual Pension Insurance Company and the Chairman of the Board of Directors Pekka Paasikivi as an expert member. In 2010, the Nomination Committee met two times.

CHANGES TO COMPANY MANAGEMENT

In March, Leena Lie was appointed vice president, marketing and communications.

In December, Antti Salminen was appointed executive vice president to supply chain management, replacing Petri Boman. In the end of December, Heidi Fagerholm was appointed executive vice president in R&D and technology, succeeding Johan Grön.

STRUCTURE

The acquisitions and divestments made during the year are discussed under segment information.

SHORT-TERM RISKS AND UNCERTAINTIES

Kemira's main short-term risks and uncertainties are connected to raw material availability and prices.

Substantial fluctuations in the world market prices of electricity and oil are reflected in Kemira's financial results,via raw material prices and logistics costs.

Introduction of the new EU chemicals regulation (REACH) may decrease the available raw material options and thus increase our raw material costs. REACH registration of Kemira's own products may also be more expensive than estimated, especially if we are unable to share the costs with other companies. Boric acid and borate have been added to the REACH Candidate List for authorization. If the above-mentioned chemicals are added to the substances subject to REACH authorization procedure, it makes their usage more complicated. Boric acid and borate are mainly used for producing pulp chemicals in Finland.

Changes in the exchange rates of key currencies can affect Kemira's financials.

A detailed account of Kemira's risk management principles and organization is available on the company website at http://www.kemira.com. An account of financial risks is available in the Notes to the Financial Statements 2010. Environmental and hazard risks are discussed in Kemira's environmental report that will be published in the spring 2011.

EVENTS AFTER THE REVIEW PERIOD

To be able to serve the European markets better, Kemira legal structure has been changed on January 1, 2011. Kemira Oyj will act as a principal in the new structure.

DIVIDEND

On December 31, 2010, Kemira Oyj's distributable funds totaled EUR 458,476,077 of which net profit for the period accounted for EUR 194,353,402. No material changes have taken place in the company's financial position after the balance sheet date.

Kemira Oyj's Board of Directors proposes to the Annual General Meeting to be held on March 22, 2011 that a dividend of EUR 0.48 on the basis of the adopted balance sheet for the financial year ended December 31, 2010 shall be paid, totaling approximately EUR 73 million.

OUTLOOK

Kemira's vision is to be a leading water chemistry company. Kemira will continue to focus on improving profitability and reinforcing positive cash flow. The company will also make investments to secure the future growth in the water treatment business.

Kemira's financial targets remain as communicated in connection with the Capital Markets Day in September 2010. The company's medium-term financial targets are:

- revenue growth in mature markets > 3% per year, and in emerging markets > 7% per year
- EBIT, % of revenue > 10%
- positive cash flow after investments and dividends
- gearing level < 60%.

The basis for growth is the growing water chemicals markets and Kemira's strong know-how in water quality and quantity management. Increasing water shortage, tightening legislation and customers' needs to increase operational efficiency create opportunities for Kemira to develop new water applications for both new and current customers. Investment in research and development is a central part of Kemira's strategy. The focus of Kemira's research and development activities is on the development and commercialization of new innovative technologies for Kemira's customers globally and locally.

Kemira expects the volume recovery that was seen in 2010 to continue in 2011 and Kemira's revenue is expected to be slightly higher than in 2010. Despite the rising raw material prices, Kemira expects the operative EBIT in 2011 to be higher than in 2010.

Helsinki, February 8, 2011

Kemira Oyj
Board of Directors

FINANCIAL CALENDAR 2011

Annual General Meeting 2011, Helsinki, Finland	March 22, 2011
Interim Report January–March 2011	May 3, 2011
Interim Report January–June 2011	July 28, 2011
Interim Report January–September 2011	October 27, 2011

Financial key figures, definitions of key figures as well as information on shareholders, management shareholding and related parties' events are presented in the financial statements and in the notes to the financial statements.

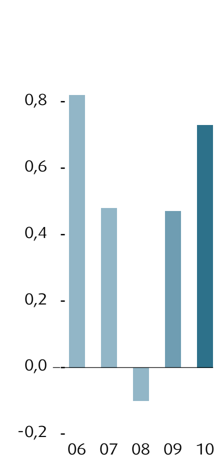
All forward-looking statements in this review are based on the management's current expectations and beliefs about future events, and actual results may differ materially from the expectations and beliefs such statements contain.

GROUP KEY FIGURES

FINANCIAL FIGURES	2010	2009	2008	2007	2006 2)
INCOME STATEMENT AND PROFITABILITY					
Revenue, EUR million 3)	**2,161**	1,970	2,833	2,810	2,523
Foreign operations, EUR million 3)	**1,767**	1,586	2,109	2,370	2,159
Sales in Finland, %	**13**	14	15	15	17
Exports from Finland, %	**5**	6	10	12	16
Sales generated outside Finland, %	**82**	80	75	73	67
Operating profit, EUR million 1) 3)	**156**	110	74	143	194
% of revenue	**7**	6	3	5	8
Share of profit or loss of associates, EUR million 1) 3)	**9**	-5	-3	2	-2
Financial income and expenses (net), EUR million 3)	**27**	38	69	52	37
% of revenue	**1**	2	2	2	1
Interest cover 1) 3)	**10**	5	4	6	9
Profit before tax, EUR million 3)	**138**	67	2	93	154
% of revenue	**6**	3	0	3	6
Net profit for the period (attributable to equity holders of the parent), EUR million 3)	**111**	54	-2	64	109
Return on investment (ROI), %	**7**	7	4	8	11
Return on equity (ROE), %	**9**	7	0	6	10
Return on capital employed (ROCE), %	**10**	8	3	7	10
Research and development expenses, EUR million 3)	**42**	37	71	66	55
% of revenue	**2**	2	3	2	2
CASH FLOW					
Net cash generated from operating activities, EUR million	**133**	288	90	172	217
Disposals of subsidiaries and property, plant and equipment, EUR million	**-6**	2	254	-	103
Capital expenditure, EUR million	**107**	86	342	321	462
% of revenue	**5**	3	12	11	18
Cash flow after capital expenditure, EUR million	**169**	202	3	-149	-142
Cash flow return on capital invested (CFROI), %	**6**	12	4	8	12
BALANCE SHEET AND SOLVENCY					
Non-current assets, EUR million	**1,862**	1,886	1,906	1,877	1,811
Shareholders' equity (attributable to equity holders of the parent), EUR million	**1,340**	1,250	963	1,072	1,070
Shareholders' equity including non-controlling interest, EUR million	**1,366**	1,269	976	1,087	1,083
Liabilities, EUR million	**1,178**	1,548	1,884	1,741	1,687
Total assets, EUR million	**2,544**	2,817	2,860	2,828	2,769
Interest-bearing net liabilities, EUR million	**536**	676	1,049	1,003	827
Equity ratio, %	**54**	45	34	39	39
Gearing, %	**39**	53	107	92	76
Interest-bearing net liabilities / EBITDA	**1.9**	2.5	4.3	3.2	2.6
PERSONNEL					
Personnel (average)	**5,608**	8,843	9,954	10,008	9,186
of whom in Finland	**1,241**	1,929	2,659	3,033	3,150
EXCHANGE RATES					
Key exchange rates (31 December)					
USD	**1.336**	1.441	1.392	1.472	1.317
SEK	**8.966**	10.252	10.870	9.442	9.040
BRL	**2.217**	2.511	3.244	2.583	2.810

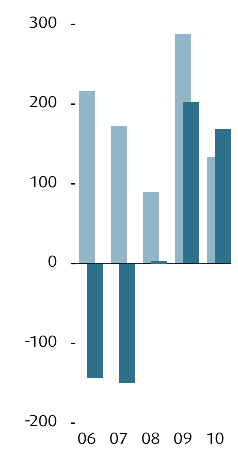
1) The share of profit or loss of associates is presented after financial expenses.
2) Year 2006 error has been corrected.
3) The financial figures for 2010 and 2009 are presented without effect of Tikkurila.

EARNINGS PER SHARE *

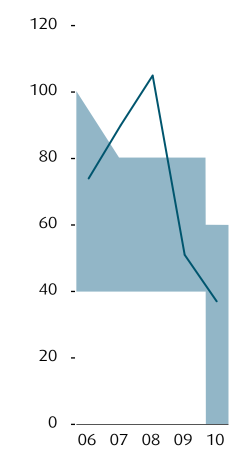


* Excluding Tikkurila 2009 and 2010

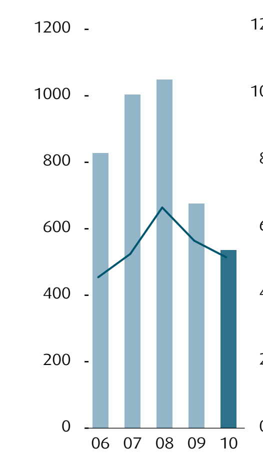
CASH FLOW



GEARING

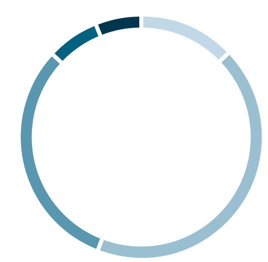


NET LIABILITIES AND FINANCIAL EXPENSES*



* Excluding Tikkurila 2009 and 2010

REVENUE BY REGION*



13% Finland, domicile of the parent company
43% Europe, Middle-East, Africa
31% North America
7% Latin America
6% Asia Pacific

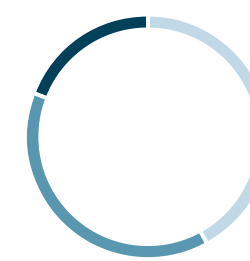
* Excluding Tikkurila

CAPITAL EXPENDITURE BY SEGMENT*

44% Paper
30% Municipal & Industrial
9% Oil & Mining
17% Other

* Excluding Tikkurila and acquisitions

CAPITAL EXPENDITURE BY CHARACTER*



42% Maintenance
39% Improvement
19% Expansion

* Excluding Tikkurila and acquisitions

GROUP KEY FIGURES

PER SHARE FIGURES	2010	2009	2008	2007	2006
PER SHARE FIGURES					
Earnings per share, continuing operations, basic, EUR [1,3,4]	**0.73**	0.40			
Earnings per share, basic, EUR [1,3,4]	**4.23**	0.61	-0.01	0.48	0.82
Earnings per share, continuing operations, diluted, EUR [1,3,4]	**0.73**	0.40			
Earnings per share, diluted, EUR [1,3,4]	**4.23**	0.61	-0.01	0.48	0.82
Cash flow from operations per share, EUR [1,4]	**0.88**	2.13	0.68	1.29	1.63
Dividend per share, EUR [1,2,4,5]	**0.48**	0.27	0.23	0.45	0.44
Dividend payout ratio, % [1,2,3,4,5]	**65.7**	44.3	-1 634.2	95.2	53.4
Dividend yield [1,2,5]	**4.1**	2.6	4.2	3.5	2.8
Equity per share, EUR [1,3]	**8.83**	8.25	7.94	8.85	8.85
Price per earnings per share (P/E ratio) [1,3,4]	**16.01**	17.14	-388.28	27.41	18.95
Price per equity per share [1,4]	**1.33**	1.26	0.75	1.63	1.93
Price per cash flow per share [1,4]	**13.34**	4.87	7.98	10.14	9.49
Dividend paid, EUR million [2,5]	**72.8**	41.0	30.3	60.6	58.1
SHARE PRICE AND TURNOVER					
Share price, year high, EUR [4]	**13.19**	11.63	13.43	17.45	15.61
Share price, year low, EUR [4]	**7.89**	3.87	4.93	11.92	10.06
Share price, year average, EUR [4]	**10.15**	7.64	7.91	14.93	12.90
Share price, end of year, EUR [4]	**11.70**	10.39	5.40	13.09	15.48
Number of shares traded (1,000)	**115,850**	83,792	117,397	151,643	76,252
% of number of shares	**75**	54	97	125	63
Market capitalization, end of year, EUR million	**1,775.3**	1,574.0	719.9	1,745.1	2,060.4
INCREASE IN SHARE CAPITAL					
Average number of shares, basic, (1,000) [1]	**151,697**	134,824	121,191	121,164	120,877
Average number of shares, diluted (1,000) [1]	**152,017**	135,085	121,191	121,194	121,051
Number of shares at end of year, basic, (1,000) [1]	**151,735**	151,488	121,191	121,191	120,988
Number of shares at end of year, diluted (1,000) [1]	**152,055**	151,748	121,191	121,191	121,204
Increase in number of shares (1,000)	**247**	30,298	-	203	274
Share capital, EUR million	**221.8**	221.8	221.8	221.8	221.6
Increase in share capital - share options, EUR million	**-**	-	-	0.2	0.3

1) Number of shares outstanding, excluding the number of shares bought back.
2) The total cash dividend payout during 2010 for the 2009 financial year was EUR 41.0 million (EUR 0.27 per share), in addition to Tikkurila shares which were distributed as a dividend to a total amount of EUR 599.3 million (EUR 3.95 per shares). Kemira distributed to its shareholders as dividend to a total of 37,933,097 shares in Tikkurila. The purchase price of Tikkurila's share was EUR 15.80. Tikkurila's shares were distributed as a dividend to the shareholders. Each Kemira's four shares entitled one Tikkurila's share as dividend.
The share figures based on dividend are calculated in accordance with cash dividend.
3) Year 2006 error has been corrected
4) Rights offering restatement
5) The dividend 2010 is the Board of Directors' proposal to the Annual General Meeting.

DEFINITIONS OF KEY FIGURES

PER SHARE FIGURES

EARNINGS PER SHARE (EPS)
Net profit attributable to equity holders of the parent
/ Average number of shares

CASH FLOW FROM OPERATIONS
Cash flow from operations, after change in net working capital and before investing activities

CASH FLOW FROM OPERATIONS PER SHARE
Cash flow from operations
/ Average number of shares

DIVIDEND PER SHARE
Dividends paid
/ Number of shares at end of year

DIVIDEND PAYOUT RATIO
Dividend per share x 100
/ Earnings per share (EPS)

DIVIDEND YIELD
Dividend per share x 100
/ Share price at end of year

EQUITY PER SHARE
Equity attributable to equity holders of the parent at end of year
/ Number of shares at end of year

SHARE PRICE, YEAR AVERAGE
Shares traded (EUR)
/ Shares traded (volume)

PRICE PER EARNINGS PER SHARE (P/E)
Share price at end of year
/ Earnings per share (EPS)

PRICE PER EQUITY PER SHARE
Share price at end of year
/ Equity per share attributable to equity holders of the parent

PRICE PER CASH FLOW PER SHARE
Share price at end of year
/ Cash flow from operations per share

SHARE TURNOVER, %
Number of shares traded x 100
/ Weighted average number of shares

FINANCIAL FIGURES

INTEREST-BEARING NET LIABILITIES
Interest-bearing liabilities - money market investments - cash and cash equivalents

EQUITY RATIO, %
Total equity x 100
/ Total assets - prepayments received

GEARING, %
Interest-bearing net liabilities x 100
/ Total equity

INTEREST COVER
Operating profit + depreciation, impairments and reversal of impairments
/ Net financial expenses

RETURN ON INVESTMENT (ROI), %
(Profit before taxes + interest expenses +other financial expenses) x 100
/ Total assets - interest-free liabilities [1]

RETURN ON EQUITY (ROE), %
Net profit attributable to equity holders of the parent x 100
/ Equity attributable to equity holders of the parent [1]

CASH FLOW RETURN ON INVESTMENT (CFROI), %
Cash flow from operations x 100
/ (Total assets - interest-free liabilities) [1]

RETURN ON CAPITAL EMPLOYED (ROCE), %
Operating profit + share of profit or loss of associates x 100
/ Capital employed [1,2]

CAPITAL TURNOVER
Revenue
/ Capital employed [1,2]

INTEREST-BEARING NET LIABILITIES / EBITDA
Interest-bearing net liabilities
/ Operating profit + depreciation, impairments and reversal of impairments

NET FINANCIAL COST, %
(Net financial expenses - dividend income - exchange rate differences) x 100
/ Interest-bearing net liabilities [1]

1) Average
2) Capital employed = Net working capital + property, plant and equipment available for use + intangible assets + investments in associates

CONSOLIDATED INCOME STATEMENT (IFRS)

(EUR million)

CONTINUING OPERATIONS	Note	1.1.-31.12.2010	1.1.-31.12.2009
Revenue	2	**2,160.9**	1,969.9
Other operating income	3	**25.4**	13.5
Cost of sales	4, 5, 6, 7	**-1,920.6**	-1,776.2
Depreciation, amortization, impairments and reversal of impairments	8, 15	**-109.6**	-97.5
Operating profit		**156.1**	109.7
Financial income	9	**250.4**	201.7
Financial expense	9	**-277.8**	-239.5
Financial expenses, net	9	**-27.4**	-37.8
Share of profit or loss of associates	2, 9	**9.2**	-4.8
Profit before tax		**137.9**	67.1
Income tax	10	**-22.0**	-9.4
Net profit for the period, continuing operations		**115.9**	57.7
DISCONTINUED OPERATIONS			
Net profit for the period, discontinued operations	11	**531.0**	27.8
Net profit fot the period		**646.9**	85.5
ATTRIBUTABLE TO, CONTINUING OPERATIONS:			
Equity holders of the parent		**110.9**	54.0
Non-controlling interest		**5.0**	3.7
Net profit for the period, continuing operations		**115.9**	57.7
Earnings per share, continuing operations, basic and diluted, EUR	12	**0.73**	0.40
Earnings per share, basic and diluted, EUR	12	**4.23**	0.61

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

(EUR million)

	Note	1.1.-31.12.2010	1.1.-31.12.2009
Net profit for the period		**646.9**	85.5
Other comprehensive income, net of tax:			
Available-for-sale financial assets - change in fair value		**16.9**	3.7
Exchange differences		**71.5**	28.1
Hedge of net investment in foreign entities		**-11.3**	-3.0
Cash flow hedging		**12.2**	10.0
Other changes		**-0.6**	-0.4
Other comprehensive income, net of tax	10, 21	**88.7**	38.4
Total comprehensive income		**735.6**	123.9
ATTRIBUTABLE TO:			
Equity holders of the parent		**729.4**	119.9
Non-controlling interest		**6.2**	4.0
Total comprehensive income		**735.6**	123.9

CONSOLIDATED BALANCE SHEET (IFRS)

(EUR million)

ASSETS	Note	31.12.2010	31.12.2009 *)
NON-CURRENT ASSETS			
Goodwill	13	**607.9**	658.0
Other intangible assets	13	**75.0**	102.2
Property, plant and equipment	14	**661.2**	761.5
Holdings in associates	16, 35	**139.5**	131.1
Available-for-sale investments	16, 18	**284.7**	166.2
Deferred tax assets	23	**43.7**	18.8
Other investments		**10.3**	13.2
Defined benefit pension receivables	28	**39.5**	35.3
Total non-current assets		**1,861.8**	1,886.3
CURRENT ASSETS			
Inventories	17	**202.8**	246.5
Interest-bearing receivables	18,19	**0.4**	1.4
Trade receivables and other receivables	18,19	**380.0**	400.6
Current tax assets	19	**6.9**	7.3
Money market investments	34	**58.5**	202.1
Cash and cash equivalents	34	**33.3**	72.5
Total current assets		**681.9**	930.4
Total assets		**2,543.7**	2,816.7

EQUITY AND LIABILITIES	Note	31.12.2010	31.12.2009 *)
EQUITY	21		
Share capital		**221.8**	221.8
Other equity		**1,118.1**	1,027.7
Equity attributable to equity holders of the parent		**1,339.9**	1,249.5
Non-controlling interest		**25.9**	19.3
Total equity		**1,365.8**	1,268.8
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	18, 22, 26, 27	**499.1**	512.6
Deferred tax liabilities	23	**99.5**	90.1
Pension liabilities	28	**55.2**	70.4
Provisions	24	**54.7**	55.6
Total non-current liabilites		**708.5**	728.7
CURRENT LIABILITIES			
Interest-bearing current liabilities	18, 25, 26, 27	**128.3**	437.6
Trade payables and other liabilities	25	**316.6**	369.1
Current tax liabilities	25	**14.7**	0.5
Provisions	24	**9.8**	12.0
Total current liabilities		**469.4**	819.2
Total liabilities		**1,177.9**	1,547.9
Total equity and liabilities		**2,543.7**	2,816.7

*) Includes Tikkurila

CONSOLIDATED STATEMENT OF CASH FLOW (IFRS)

(EUR million)

CASH FLOW FROM OPERATING ACTIVITIES	Note	2010 **)	2009
Profit for the period		**641.9**	81.8
Adjustments for			
Depreciation, amortization, impairments and reversal of impairments	8	**114.3**	116.3
Taxes	10	**24.0**	17.4
Financial expenses, net	9	**29.0**	49.8
Share of profit or loss of associates	9	**-9.2**	4.7
Other non-cash income and expenses		**-546.7**	18.7
Operating profit before net working capital		**253.3**	288.7
Change in working capital			
Increase (-) / decrease (+) in inventories		**-33.6**	75.6
Increase (-) / decrease (+) in trade and other receivables		**-65.8**	81.1
Increase (+) / decrease (-) in trade payables and other liabilities		**36.0**	-82.3
Change in working capital		**-63.4**	74.4
Cash generated from operations		**189.9**	363.1
Interest and other financing cost paid		**-39.8**	-58.9
Interest and other income received		**6.1**	11.5
Realized exchange gains and losses		**-0.3**	-1.8
Dividends received		**0.1**	0.2
Income taxes paid		**-22.9**	-26.3
Net cash generated from operating activities		**133.1**	287.8
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of subsidiaries, net of cash acquired	29	**-31.6**	-3.7
Purchases of other shares		**-0.4**	-1.5
Purchases of property, plant, equipment and intangible assets		**-75.2**	-80.7
Proceeds from sale of subsidiaries, net of cash disposed *)	29	**-20.0**	0.6
Proceeds from sale of property, plant, equipment and intangible assets		**13.9**	1.8
Change in other investments		**148.8**	-2.1
Net cash used in investing activities		**35.5**	-85.6
Cash flow before financing activities		**168.6**	202.2
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from non-current interest-bearing liabilities		**101.7**	228.3
Repayments from non-current interest-bearing liabilities		**-72.5**	-249.7
Short-term financing, net (increase +, decrease -)		**-330.2**	-183.6
Dividends paid		**-45.2**	-33.5
Share issue		**-**	200.0
Other financial items		**-13.0**	-11.3
Net cash used in financing activities		**-359.2**	-49.8
Net increase (+) / decrease (-) in cash and cash equivalents		**-190.6**	152.4
Cash and cash equivalents at end of period		**91.8**	274.6
Exchange gains (+) / losses (-) on cash and cash equivalents		**-7.8**	-2.8
Cash and cash equivalents at beginning of the period		**274.6**	119.4
Net increase (+) / decrease (-) in cash and cash equivalents		**-190.6**	152.4

*) 1-12/2010 include cash and cash equivalents transferred to Tikkurila as well as the loan repayment from Tikkurila.
**) Includes Tikkurila until March 25, 2010.

The above figures cannot be directly derived from the balance sheet.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

(EUR million)

	Equity attributable to equity holders of the parent								
	Share capital	Capital paid-in in excess of par value	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Non-controlling interests	Total
Shareholders' equity at January 1, 2009	221.8	257.9	81.4	-	-104.6	-25.9	532.2	13.2	976.0
Net profit for the period	-	-	-	-	-	-	81.8	3.7	85.5
Other comprehensive income, net of tax	-	-	13.8	-	24.7	-	-0.3	0.2	38.4
Total comprehensive income	-	-	13.8	-	24.7	-	81.5	3.9	123.9
Dividends paid	-	-	-	-	-	-	-30.3	-3.2	-33.5
Rights offering	-	-	-	196.3	-	-	-	-	196.3
Share-based compensations	-	-	-	-	-	-	0.8	-	0.8
Changes due to business combinations	-	-	-	-	-	-	-	5.3	5.3
Transfers in equity	-	-	0.6	-	-	-	-0.6	-	0.0
Shareholders' equity total at December 31, 2009	221.8	257.9	95.8	196.3	-79.9	-25.9	583.6	19.2	1,268.8
Shareholders' equity at January 1, 2010	221.8	257.9	95.8	196.3	-79.9	-25.9	583.6	19.2	**1,268.8**
Net profit for the period	-	-	-	-	-	-	641.9	5.0	**646.9**
Other comprehensive income, net of tax	-	-	29.1	-	58.6	-	-0.2	1.2	**88.7**
Total comprehensive income	-	-	29.1	-	58.6	-	641.7	6.2	**735.6**
Dividends paid *)	-	-	-	-	-	-	-640.3	-4.2	**-644.5**
Treasury shares issued to target group of share-based incentive plan	-	-	-	-	-	1.7	-	-	**1.7**
Share-based compensations	-	-	-	-	-	-	-0.3	-	**-0.3**
Changes due to business combinations	-	-	-	-	-	-	-0.2	4.7	**4.5**
Transfers in equity	-	-	0.1	-	-	-	-0.1	-	**0.0**
Shareholders' equity total at December 31, 2010	**221.8**	**257.9**	**125.0**	**196.3**	**-21.3**	**-24.2**	**584.4**	**25.9**	**1,365.8**

*) Total dividend payout during 2010 was EUR 640.3 million, of which cash dividend EUR 41.0 million. In addition, EUR 599.3 million was distributed as Tikkurila shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(EUR million)

1. COMPANY PROFILE

Kemira is an international chemicals group that has four business areas during the period under review: Paper, Municipal & Industrial, Oil & Mining and Other. The Group's main clients are industries that use a lot of water. Kemira offers solutions for water quality and volume management that help improve customers' energy, water and raw material efficiency. Kemira's vision is to be a leading water chemicals company.

The Group's parent company is Kemira Oyj. The parent company is domiciled in Helsinki, Finland, and its registered address is Porkkalankatu 3, FI-00180 Helsinki, Finland. The parent company is listed on NASDAQ OMX Helsinki. A copy of the consolidated financial statements is available for viewing at www.kemira.com. The Board of Directors of Kemira Oyj has approved the financial statements for publication at its meeting of February 8, 2011. The annual general meeting can change the financial statements after their approval.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

Kemira has prepared its consolidated financial statements in accordance with IAS and IFRS (International Financial Reporting Standards), issued by the IASB (International Accounting Standards Board), and the related SIC and IFRIC interpretations. In the Finnish Accounting Act and its provisions, the International Financial Reporting Standards refer to the approved standards and their interpretations under European Union Regulation No. 1606/2002, regarding the application of the International Financial Reporting Standards applicable within the Community. The consolidated financial statements also comply with Finnish accounting principles and corporate legislation.

The consolidated financial statements have been prepared based on historical cost unless otherwise stated in the accounting policies below. Among the items measured at fair value are available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, and share-based payments on their grant date. The consolidated financial statements are presented in Euro, which is the parent company's operating currency, and in million Euro.

As of 1 January 2010, the Group has applied the following standards and interpretations:

- IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2010. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.
- IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit or loss. IFRS 3 (revised) and IAS 27 (revised) has had impact on business combinations that occurred in 2010.
- IFRIC 17 Distributions of non-cash assets to owners. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends.The change of the interpretation has an effect on future financial statements in those cases when dividends are distributed to owners in some other form than cash.The interpretation has effect on financial statements when the shares of Tikkurila distributed as dividend to Kemira's shareholders.

The adoption of the following standards and interpretations has had no effect on the consolidated financial statements:

- IAS 39 Financial Instruments: Recognition and measurement – standard amendment (Items accepted as hedge items).
- Amendments to IFRS 2 Share-based payment – Share-based operations in a Group paid as cash. The standard amendment provides additional guidelines for the accounting treatment of share-based operations between Group companies.
- IFRIC 18 Transfers of assets from customers. The interpretation clarifies the requirements for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network (e.g. electrical network) or to provide the customer with ongoing access to a supply of goods or services.

CONSOLIDATION AND SUBSIDIARIES

The consolidated financial statements include the parent company and its subsidiaries. In these companies, the parent company holds, on the basis of its shareholdings, more than half of the voting rights directly or through its subsidiaries, or otherwise exercises control. Divested companies are consolidated until the date on which control ceases, and companies acquired during the year are included from the date on which control transfers to the Group.

All intra-Group transactions are eliminated. The purchase method is used to eliminate intra-Group shareholdings. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

(EUR million)

Profit or loss for the financial year and other comprehensive income attributable to the holders of parent company equity and non-controlling interests is presented in the income statement and other comprehensive income. The portion of equity attributable to non-controlling interests is stated as an individual item under equity in the balance sheet. Total comprehensive income for the financial year shows separately the total amounts attributable to owners of the parent and to non-controlling interests. The Group recognizes negative non-controlling interests, unless non-controlling interests have a binding obligation to cover losses up to the amount of their investment.

If the parent company's ownership interest in subsidiary is reduced but the control is retained, the transactions are treated with equity owners of the Group.

Prior to 1 January 2010, the Group has applied IFRS 3 Business Combinations (2008) in accounting for the business combinations.

ASSOCIATES

Associated companies are companies over which the Group exercises significant influence (shareholding of 20-50 percent). Holdings in associated companies are presented in the consolidated financial statements using the equity method. The Group's share of the associated companies' net profit for the financial year is stated as a separate item in the consolidated income statement, in proportion to the Group's holdings. The Group's share of its associates' post-acquisition movements in other comprehensive income is recognized in Group's other comprehensive income.

If the Group's share of an associate's losses exceeds the carrying amount of the investment, the exceeding losses will not be consolidated unless the Group has a commitment to fulfill obligations on behalf of the associate.

JOINT VENTURES

Joint ventures are companies over which the Group shares control with other parties. They are included in the consolidated financial statements line by line, using the proportionate consolidation method.

FOREIGN SUBSIDIARIES

In the consolidated financial statements, the income statements of foreign subsidiaries are translated into euro using the financial year's average foreign currency exchange rates and the balance sheets using the exchange rates quoted on the balance sheet date. Recalculating the profit for the period and the other comprehensive income using different exchange rates in the income statements and the balance sheet causes a translation difference recognized in equity in the balance sheet, the change in this translation difference is presented under other comprehensive income. Goodwill and fair value adjustments to assets and liabilities that arise upon the acquisition of a foreign entity are accounted for as part of the assets and liabilities of the acquired entity, and translated into euro at the rate quoted on the balance sheet date.

The "Hedge accounting" section describes hedging of net investment in the Group's foreign units. In the consolidated financial statements, the exchange rate gains and losses of such loans and forward and currency swap contracts are credited or charged to equity, as required by hedge accounting requirements, against the translation differences arising from the translation of the shareholders' equity amounts of the balance sheets of the subsidiaries. These translation differences from hedge accounting are presented under other comprehensive income. Other translation differences affecting shareholders' equity are stated as an increase or decrease in other comprehensive income. When the Group ceases to have a control in the subsidiary, the accumulated translation difference is transferred into the sales gain or loss in the income statement.

ITEMS DENOMINATED IN FOREIGN CURRENCY

In their day-to-day accounting, Group companies translate foreign currency transactions into their functional currency at the exchange rates quoted on the transaction date. In the financial statements, foreign currency-denominated receivables and liabilities are measured at the exchange rates quoted on the balance sheet date, and non-monetary items using the rates quoted on the transaction date. Any foreign exchange gains and losses related to business operations are treated as adjustments to sales and purchases. Exchange rate differences associated with the hedging of financing transactions and the Group's overall foreign currency position are stated in foreign exchange gains or losses under financial income and expenses. Subsidiaries mainly hedge sales and purchases in foreign currencies, primarily using forward contracts taken out with the Group Treasury as hedging instruments. The effects of subsidiaries' hedging transactions are recognized as adjustments to business units' revenue and purchases.

REVENUE

Revenue includes the total invoicing value of products sold and services rendered less, as adjusting items, sales tax, discounts and foreign exchange differences in accounts receivable.

REVENUE RECOGNITION

The sale of goods is recognized as revenue in the income statement when major risks and rewards of ownership of the goods have been transferred to the buyer. Service and rent income account for an insignificant share of consolidated sales.

PENSION OBLIGATIONS

The Group has both defined contribution and defined benefit pension plans, in accordance with the local conditions and practices in the countries in which it operates. Pension plans are generally funded through contributions to insurance companies or separate pension fund. Contributions under defined contribution plans are recognized in the income statement for the period when an employee has rendered service.

The Group calculates obligations under defined benefit plans separately for each plan. The amount recognized as a defined benefit liability (or asset) equals the difference between the present value of the defined benefit

obligation and the fair value of plan assets. The effect of possible past service costs and actuarial gains and losses are also taken into account in the net liability. Defined benefit plans are calculated by using the Projected Unit Credit Method to arrive at an estimate of the amount of benefit that employees have earned. Pension costs are recognized as expenses over the employee's service period, using actuarial calculations. The rate used to discount the present value of post-employment benefit obligations is determined by reference to market yields on high-quality corporate bonds. If the country in question does not have deep bond markets, the expected return of government bonds is used.

Actuarial gains or losses are recognized to the income statement over the average remaining working lives of the participating employees to the extent that they exceed the higher of the following: 10% of the pension obligation or 10% of the fair value of plan assets, so-called corridor method.

SHARE-BASED PAYMENTS

The Group operates a number of equity-settled share-based compensation plans. These are measured at fair value on their grant date and expensed over the instrument's vesting period. On each balance sheet date, the Group updates the assumed final number of shares and the amounts of the related cash payment. Notes 7 and 20 provide information on this arrangement and its measurement factors.

BORROWING COSTS

Borrowing costs are entered as expenses in the financial year in which they occur. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset if the recognition requirements are met.

INCOME TAXES

The income taxes presented in the consolidated financial statements include taxes based on the taxable profit of the Group companies for the financial period, and changes in deferred tax assets and liabilities. If the taxes are directly connected to equity or items included in the other comprehensive income, they are included in the said items.

Deferred tax liability is calculated on all temporary differences arising between the carrying amount and the taxable value. Deferred tax assets, related e.g. to accumulated losses, are recognized to the extent that it is probable that taxable profit will be available in the future, against which the Group companies are able to utilize these deferred taxes. The tax bases in force on the date of the preparation of the financial statements, or adopted by the balance sheet date for the following financial year, are used in calculating deferred tax assets and liabilities.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Research costs are expensed in the income statement. Development costs, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources to complete its development and use or sell the intangible asset. Since most of the Group's development costs do not meet the above-mentioned capitalization criteria, they are expensed as annual costs. Capitalized development costs are presented as separate item in "Other intangible assets" and amortized over the asset's useful life of a maximum of eight years.

Other intangible assets include for instance software and software licenses as well as brands and customer bases acquired in connection with acquisitions.

Goodwill is generated in connection with acquisitions. Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is measured at cost less accumulated impairment losses.

Property, plant and equipment (PPE) and intangible assets (with definite useful lives) are measured at cost less accumulated depreciation and amortization and any impairment losses. The Group has no intangible assets with a definite useful life.

Depreciation/amortization is calculated on a straight-line basis over the asset's useful life. The most commonly applied depreciation/amortization periods according to the Group's accounting policies are as follows:

Machinery and equipment	3-15 years
Buildings and constructions	25 years
Intangible assets	5-10 years

The residual values and useful lives of all assets are checked at least at the end of each financial year. Gains and losses on the sale of non-current assets are included in operating income and expenses, respectively. The loan costs arising from the acquisition, construction or production of an asset that meets the requirements are activated as part of the acquisition costs of the asset in question when it is probable that they will generate future financial benefit and the costs can be reliably measured. The costs of major inspections or the overhaul of PPE performed at regular intervals and identified as separate components are capitalized and depreciated over their useful lives. Depreciation on fixed assets discontinues when they are re-classified as available for sale assets.

GOVERNMENT GRANTS

Government grants related to the purchase of PPE are presented in the balance sheet by deducting the grant from the carrying amount of these assets. These grants are recognized in the income statement in the form of smaller depreciation during the asset's useful life. Government grants related to research are deducted from expenses.

LEASES

Leases involving tangible assets, in which the Group acts as a lessee, are classified as finance leases if substantially all of the risks and rewards of ownership transfer to the Group.

Upon their inception, finance lease assets are recognized at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Finance leases and related rent obligations are presented as part of non-current assets and interest-bearing liabilities. In respect of finance lease contracts, depreciation on the leased asset and interest expenses from the related liability are shown in the income statement.

(EUR million)

Rents paid based on other lease agreements are recognized as costs in equal amounts over the rent period.

When the Group is a lessor, it recognizes assets held under a finance lease as receivables in the balance sheet. Assets held under other operating leases are included in PPE.

In accordance with IFRIC 4 (standard interpretation "Determining whether an Arrangement Contains a Lease"), the Group treats as leases arrangements that do not take the legal form of a lease but which convey rights to use assets in return for a payment or series of payments.

INVENTORIES

Inventories are measured at the lower of cost and net realization value. Cost is determined on a first-in first-out (FIFO) basis or using a weighted average cost formula, depending on the nature of the inventory. The cost of finished goods and work in progress include proportion of production overheads of normal level of activity. The net realization value is the sales price received in normal operations less the estimated costs for completing the asset and the sales costs.

FINANCIAL ASSETS, FINANCIAL LIABILITIES AND DERIVATIVE CONTRACTS

When financial assets or liabilities are initially accounted for on the trade date, they are measured at cost, which equals the fair value of the consideration given or received. Following their initial measurement, financial assets are classified as financial assets at fair value through profit or loss, loans given by the company and other receivables, and available-for-sale financial assets.

Category	Financial instruments	Measurement
Financial assets at fair value through profit or loss	Forward contracts, currency options, currency swaps, forward rate agreements, interest rate futures, interest rate options, interest rate swaps, electricity forwards, natural gas hedges, propane futures, certificates of deposit, commercial papers, mutual funds, embedded derivatives	Fair value
Loans and other receivables	Long-term loan receivables, bank deposits, trade receivables and other receivables	(Amortized) acquisition cost
Available-for-sale financial assets	Shares, bond investments	Fair value

Financial assets at fair value through profit or loss are measured at fair value. Fair value is the amount for which an asset could be exchanged or loans paid between knowledgeable, willing parties in an arm's length transaction. Derivative contracts not fulfilling the criteria set for hedge accounting under IAS 39 are classified as financial assets held for trading. These are classified as financial assets at fair value through profit or loss. In the balance sheet, these items are shown under prepaid expenses and accrued income and accrued expenses and prepaid income. Any gains or losses arising from changes in fair value are recognized through profit or loss on the transaction date in financial items.

Loans and receivables include long-term receivables carried at amortized cost using the effective interest rate method and accounting for any impairment.

Available-for-sale financial assets are measured at fair value if it is considered that the fair value can be determined reliably. Unrealized changes in value of assets available for sale are recognized in other comprehensive income and presented under equity in the fair value reserve taking into account the tax effect. Accumulated changes in fair value are transferred to the income statement as a classification revision when the investment is divested or its value has been impaired to the extent that an impairment loss has to be recognized. Available-for-sale financial assets include bond investments and shares in listed and non-listed companies, the shareholdings in Pohjolan Voima Oy ('PVO') and Teollisuuden Voima Oy ('TVO') representing the largest investments.

Pohjolan Voima Oy and its subsidiary Teollisuuden Voima Oyj comprise an electricity-generating company owned by Finnish manufacturing and power companies, to which it supplies electricity at cost. Pohjolan Voima Group owns and operates two nuclear power plants in Olkiluoto in the municipality of Eurajoki. Kemira Group has A and C series shares in TVO and A, B, C, G and I series shares in PVO. Different share series entitle the shareholder to electricity generated by different power plants. The owners of each share series are responsible for the fixed costs of the series in question regardless of whether they use their power or energy share or not, and for variable costs in proportion to the amount of energy used.

Kemira PLC's holding in Pohjolan Voima Group that entitles to electricity from completed power plants is valued at fair value based on the discounted cash flow resulting from the difference between the market price of electricity and the cost price. The spot price electricity published by the Nordic Electricity Exchange has been used as the market price for electricity. The cost prices are share series specific. Future cash flow has been discounted based on the limited useful life of the plants related to each share series. When calculating the discount rate, the average weighted cost of capital that is determined annually has been used. The note on management of financial risks discusses how changes in the evaluation assumptions affect fair values.

The portion of the holding entitling to electricity from the nuclear power plant currently under construction in Finland was re-measured in 2008. In earlier financial statements, these shares entitling to the nuclear power plant under construction were measured at cost. The re-measurement made in 2008 was based on the market price of the shares, which was determined in May 2008 in an external third-party share transaction. In the 2009 and 2010 financial statements, the measurement of shares related to the nuclear power plant currently under construction was not changed. According to an announcement by the supplier, the new plant will be completed during 2012.

Cash, cash equivalents and money market investments consist of cash in hand, demand deposits and other short-term, highly liquid investments. Items classified as cash and cash equivalents have a maximum maturity of three months from the date of purchase. Binding credit facilities are included in current interest-bearing liabilities.

The company assesses any impairment losses on its financial instruments on each balance sheet date. An impairment of a financial asset occurs when the company has identified an event with a negative effect on the future cash flow from the investment. For items measured at amortized cost, the amount of the impairment loss equals the difference between the asset's carrying amount and the present value of estimated future cash flow from the receivable. This is discounted at the financial asset's original effective interest rate. For items measured at fair value, the fair value determines the amount of impairment. Impairment charges are recognized under financial items in the income statement.

The Group sells certain trade receivables to finance companies within the framework of limits stipulated in the agreement. The credit risk associated with these sold receivables and contractual rights to the financial assets in question is transferred from the company on the selling date. The related expenses are charged to financial expenses.

Financial liabilities are classified as financial liabilities at fair value through profit or loss and other financial liabilities. Financial liabilities at fair value through profit and loss include derivatives not fulfilling the criteria set for hedge accounting.

Category	Financial instruments	Measurement
Financial assets at fair value through profit or loss	Forward contracts, currency options, currency swaps, forward rate agreements, interest rate futures, interest rate options, interest rate swaps, electricity forwards, natural gas hedges, propane forwards, embedded derivatives	Fair value
Other liabilities	Short- and long-term loans, pension loans, accounts payable	(Amortized) acquisition cost

The fair values of currency, interest rate and commodity derivatives and units in mutual funds as well as publicly traded shares are based on prices quoted in active markets on the balance sheet date. The value of other financial instruments measured at fair value is determined on the basis of valuation models using information available in the financial market. For value determination, Kemira uses values calculated on the basis of market data entered in the Twin treasury management system.

Changes in the value of forward contracts are calculated by measuring the contracts against the forward exchange rates on the balance sheet date and comparing these with the countervalues calculated through the forward exchange rates on the date of entry into the forward contracts. The fair value of currency options is calculated using the Black & Scholes valuation model for options as adapted to Kemira's currency environment. Input data required for valuation, such as the exchange rate of the destination country's currency, the contract exchange rate, volatility and the risk-free interest rate are based on public market information. Moreover, the fair value of interest rate derivatives is determined using the market value of similar instruments on the balance sheet date. Other derivatives are measured at the market price on the balance sheet date.

All of the derivatives open on the balance sheet date are measured at their fair value. As a rule, open derivative contracts at fair value are recognized through profit or loss under financial items in the consolidated financial statements. The number of embedded derivatives used by the Group is low.

Other liabilities are booked to balance sheet at original value of received net assets deducted with direct costs. Later, the financial liabilities are valued to balance sheet at amortized acquisition cost, and the difference of received net assets and amortizations is booked to interest costs during the exercise period of the loan.

HEDGE ACCOUNTING

According to IAS 39, hedge accounting refers to a method of accounting aimed at allocating one or more hedging instruments in such a way that their fair value offsets, in full or in part, changes in the fair value of the hedged item or cash flows. Hedge accounting is used to hedge against the interest rate risk and the currency risk associated with a net investment in a foreign unit, as well as the commodity risk. The hedge accounting models used include cash flow hedging and the hedging of a net investment in a foreign operation.

Cash flow hedging is used to hedge against cash flow changes attributable to a particular risk associated with a recognized asset or liability in the balance sheet or a highly probable future transaction. Interest rate and commodity derivatives are used as investment instruments in cash flow hedging. The Group applies only selected hedging items to its cash-flow hedge accounting, as specified by IAS 39. Changes in the fair value of derivative instruments associated with cash flow hedge are recognized in other comprehensive income (including the tax effect) and presented under equity, provided that they fulfill the criteria set for hedge accounting and are based on effective hedging. The ineffective portion of the gain or loss on the hedging instrument is recognized under financial items in the income statement. Derivatives not fulfilling the hedge accounting criteria are recognized in financial items through profit or loss.

A net investment made in a foreign operation is hedged against interest rate fluctuations by raising long-term loans in foreign currency and by entering into forward rate agreements and currency swaps. Changes in the value of the effective portion of the fair value of derivative contracts fulfilling the criteria for hedging a net investment in a foreign operation are recognized under other comprehensive income and presented under equity including their tax effect. In forward exchange contracts, the interest rate difference to be left outside the change in value of the hedging relationship is recognized as financial income or expenses. Any gains or losses arising from hedging a net investment are recorded in the income statement when the net investment is sold. The ineffective portion of the hedging is recognized immediately under financial items in the income statement.

Hedge effectiveness is monitored as required by IAS 39. Effectiveness refers to the capacity of a hedging instrument to offset changes in the fair value of the hedged item or cash flow from a hedged transaction, which are due to the realization of the risk being hedged. A hedging relationship is considered to be highly effective when the change in the fair value of the hedging instrument offsets changes in the cash flow attributable to the hedged risk in the range of 80-125 percent. Hedge effectiveness is assessed on an ongoing basis, prospectively and retrospectively. Testing for hedge effectiveness is repeated on each balance sheet date.

Hedge accounting discontinues when the criteria for hedge accounting are no longer fulfilled. Gains or losses recognized in other comprehensive income and presented under equity are derecognized and transferred immediately under financial income or expenses in the income statement, if the hedged item is sold or falls due. However, gains or losses arising from changes in the fair value of those derivatives not fulfilling the hedge accounting criteria under IAS 39 are recognized directly in the income statement.

At the inception of a hedge, the Group has documented the existence of the hedging relationship, including the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, the objectives of risk management and the strategy for undertaking hedging as well as a description of how hedge effectiveness is assessed.

TREASURY SHARES

Purchases of own shares (treasury shares), including the related costs, are deducted directly from equity in the consolidated financial statements.

PROVISIONS

Provisions are recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of this obligation can be made. A restructuring provision is recognized if a detailed and appropriate plan has been prepared for it and the plan's implementation has begun or it has been notified to those whom the restructuring concerns. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation on the balance sheet date. If the time value of money is material, provisions will be discounted.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets held for sale and assets connected with discontinued operations are classified as held for sale, under IFRS 5. They are measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Depreciation on these assets discontinues at the time of classification.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

The profit or loss of the discontinued operation is stated as a separate item in the consolidated income statement.

IMPAIRMENT OF ASSETS

On each balance sheet date, the Group's assets are assessed to determine whether there is any indication of an asset's impairment. If any indication of an impaired asset exists, the recoverable amount of the asset or the cash-generating unit must be calculated on the basis of the value in use or the net selling price. Annual impairment tests cover goodwill and intangible assets with indefinite useful lives, or intangible assets not yet ready for use.

The cash-generating unit has been defined as the customer segment. The level of a customer segment is one notch down from a segment. Goodwill impairment is tested by comparing the customer segment's recoverable amount with its carrying amount. Kemira does not have material intangible assets with indefinite useful lives other than goodwill. All goodwill has been allocated to the customer segments.

The recoverable amount of a customer segment is defined as its value in use, which consists of the discounted future cash flow to the unit. Estimates of future cash flows are based on continuing use of an asset and on the latest five-year forecasts by the business unit's management. The growth rate used to extrapolate cash flows subsequent to the forecast period is assumed to be zero. Cash flow estimates do not include the effects of improved asset performance, investments or future reorganizations. The Kemira Corporate Center's expenses are allocated to the strategic business units in proportion to EBITDA.

An impairment loss is recognized in the income statement, whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the income statement. Note 15 provides more detailed information on impairment testing.

If there has been a positive change in the estimates used to determine an asset's recoverable amount since the last impairment loss was recognized, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized. An impairment loss for goodwill is never reversed.

EMISSIONS ALLOWANCES

Kemira holds assigned emissions allowances, under the EU emissions trading system, only at its Helsingborg site in Sweden. Carbon dioxide allowances are accounted for as intangible assets measured at cost. Carbon dioxide allowances received free of charge are measured at their nominal value (zero). Provisions for the fulfillment of the obligation to return allowances must be recognized if free-of-charge allowances are not sufficient to cover actual emissions. Kemira's balance sheet shows no items related to emissions allowances when the volume of actual emissions is lower than that of the free-of-charge emissions allowances and the Group has not bought allowances in the market. Note 33, Environmental Risks and Liabilities, provides information on emissions allowances.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The impairment tests of goodwill and other assets include determining

future cash flows which, with regard to the most significant assumptions, are based on gross margin levels, discount rates and the projected period. Major adverse developments in cash flows and interest rates may necessitate the recognition of an impairment loss.

Kemira's investments include non-listed shares, holdings in Pohjolan Voima Group representing the largest of these. Kemira's shareholding in the company is measured at fair value, based on the discounted cash flow resulting from the difference between the market price of electricity and the cost price. Developments in the actual fair value may differ from the estimated value, due e.g. to electricity prices, the forecast period or the discount rate.

Determining pension liabilities under defined benefit pension plans includes assumptions, and significant changes in these assumptions may affect the amounts of pension liabilities and expenses. Actuarial calculations include assumptions by the management, such as expected long-term return on assets in pension funds, the discount rate and assumptions of salary increases and the termination of employment contracts. Actual share price changes in the market, among other things, may differ from the management's assumptions.

Recognizing provisions requires the management's estimates, since the precise euro amount of obligations related to provisions is not known when preparing the financial statements.

For the recognition of tax losses and other deferred tax assets, the management assesses the probability of a future taxable profit against which unused tax losses and unused tax credits can be utilized. Actual profits may differ from the forecasts and, in such a case, the change will affect the taxes in future periods.

CHANGES TO THE ACCOUNTING POLICIES AFTER DECEMBER 31, 2010

The Group estimates that the adoption of the following standards and interpretations will have no effect on future financial statements:

- Amendment to IAS 32 Financial Instruments: Presentation – Classification of rights issues (effective for financial year beginning on or after 1 February 2010). The amendment relates to accounting (classification) for share, option or rights issues denominated in a foreign currency.
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments' Clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. (Effective date 1 July 2010 or later).
- Amendment to IFRIC 14, 'IAS 19 – The limit on a defined benefit assets, minimum funding requirements and their interaction. Removes unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. Results in prepayments of contributions in certain circumstances being recognized as an asset rather than an expense. (Effective date 1 January 2011 or later).
- IAS 24, 'Related party disclosures' (revised 2009) Amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. (Effective date 1 January 2011 or later).
- IFRS 9, 'Financial instruments' IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. Prior periods need not be restated if an entity adopts the standard for reporting periods beginning before 1 January 2012. The standard has not yet been approved to be applied in the EU. (Effective date 1 January 2013 or later).
- Amendments to IFRS 7 Financial Instruments: Disclosures (effective for financial year beginning on or after 1 July 2011). The amendments require disclosures that enable the users of financial statements to understand the relationship between transferred financial assets that are not entirely derecognized and the associated liabilities; and to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognized financial assets. The amendment has not yet been endorsed by the European Union.
- Amendments to IAS 12 - Deferred Tax: Recovery of Underlying Asset (effective for financial year beginning on or after 1 January 2012). The amendment adds an exception to the standard, according to which the recognition of deferred taxes relating to investment properties measured at fair value in accordance with IAS 40 Investment Property depends on whether the entity expects to recover the carrying amount of the assets in full through sale. The amendment has not yet been endorsed by the European Union.

(EUR million)

2. OPERATING SEGMENT INFORMATION

Kemiras's business is divided into customer-oriented segments with P/L responsibility: Paper, Municipal & Industrial, Oil & Mining, and Other.

Paper provides customers in the pulp and paper industry with products and product packages that improve their profitability, raw material and energy efficiency, and promote sustainable development.

The Municipal & Industrial segment offers water treatment chemicals for municipal and industrial water treatment. The strengths are high-level process know-how, a comprehensive range of water treatment chemicals, and reliable customer deliveries.

The Oil & Mining segment offers a large selection of innovative chemical extraction and process solutions for the oil and mining industries, where water plays a central role. Utilizing its expertise, the segment enables its customers to improve efficiency and productivity.

The Other segment consists of organic salts and acids of the ChemSolutions operations and the Group expenses not charged to the segments (some research and development costs and the costs of CEO Office).

Tikkurila is reported under Discontinued operations. Tikkurila's product range consists of decorative paints and coatings for the wood and metal industries. Tikkurila provides consumers, professional painters and industrial customers with branded products and expert services. Trading with Tikkurila Oyj's shares began on NASDAQ OMX Helsinki Oy on March 26, 2010 when Tikkurila was separated from Kemira Oyj.

The market-based principle has been applied to transfer pricing between Group companies.

The assets and liabilities of segments comprise assets and liabilities which can be allocated, directly or justifiably, to the segment in question. The assets of the segments include property, plant and equipment, intangible assets, interest in associated companies, inventories and interest-free receivables. Current interest-free liabilities are included in the liabilities of the segments.

2010	Paper	Municipal & Industrial	Oil & Mining	Other	Eliminations	**Continuing operations**	Dis-continued operations	**Group**
INCOME STATEMENT								
External revenue	984.3	643.6	297.5	235.5		**2,160.9**	108.2	**2,269.1**
Intra-Group revenue				0.1	-0.1	**0.0**	0.0	**0.0**
Total revenue	984.3	643.6	297.5	235.6	-0.1	**2,160.9**	108.2	**2,269.1**
Operating profit	68.4	55.8	31.9	0.0		**156.1**	5.3	**161.4**
Financial income and expenses, net						**-27.4**	-1.6	**-29.0**
Share of profit or loss of associates						**9.2**		**9.2**
Profit before tax						**137.9**	3.7	**141.6**
Income tax						**-22.0**	-1.9	**-23.9**
Profit for Tikkurila spin-off							529.2	**529.2**
Net profit for the period						**115.9**	531.0	**646.9**
Depreciation and amortization	-47.7	-25.6	-9.3	-14.1		**-96.7**	-4.7	**-101.4**
Impairments and reversal of impairments	-12.9					**-12.9**		**-12.9**
Other non-cash items	2.0	1.2	0.7	0.2		**4.1**		**4.1**
Capital expenditure	-33.2	-47.6	-13.3	-13.7		**-107.8**	-2.2	**-110.0**
OTHER INFORMATION								
Capital employed by segments (net)	781.1	393.3	140.6	365.0		**1,680.0**		**1,680.0**
Assets by segments	911.9	495.3	171.0	264.1		**1,842.3**		**1,842.3**
Holdings in associates	0.2			139.3		**139.5**		**139.5**
Deferred tax assets								**43.7**
Other investments								**10.3**
Defined benefit pension receivables								**39.5**
Other assets								**376.6**
Money market investments								**58.5**
Cash and cash equivalents								**33.3**
Consolidated assets, total						**1,981.8**		**2,543.7**
Liabilities by segments	131.0	102.0	30.4	38.4		**301.8**		**301.8**
Interest-bearing non-current liabilities								**499.1**
Interest-bearing current liabilities								**128.3**
Other liabilities								**248.7**
Consolidated liabilities, total								**1,177.9**

(EUR million)

2009	Paper	Municipal & Industrial	Oil & Mining	Other	Eliminations	Continuing operations	Dis-continued operations	Group
INCOME STATEMENT								
External revenue	905.2	607.3	234.4	223.0		1,969.9	530.2	2,500.1
Intra-Group revenue	1.2	0.2	0.6	77.4	-79.4	0.0		
Total revenue	906.4	607.5	235.0	300.4	-79.4	1,969.9	530.2	2,500.1
Operating profit	40.1	59.8	19.9	-10.1		109.7	47.7	157.4
Financial income and expenses, net								-49.8
Share of profit or loss of associates								-4.7
Profit before tax								102.9
Income tax								-17.4
Net profit for the period								85.5
Depreciation and amortization	-49.4	-26.4	-9.5	-15.4		-100.7	-18.8	-119.5
Impairments and reversal of impairments	2.5	-5.5	6.2			3.2		3.2
Other non-cash items	7.3	1.8	0.5	9.5		19.1		19.1
Capital expenditure	-37.8	-21.0	-4.7	-5.2		-68.7	-17.2	-85.9
OTHER INFORMATION								
Capital employed by segments (net)	768.1	333.8	147.0	356.8		1,605.7	288.8	1,894.5
Assets by segments	890.1	420.1	175.2	277.9	-16.4	1,746.9	363.0	2,110.9
Holdings in associates	0.5	0.7		129.1		130.3	0.8	131.1
Available-for-sale investments								166.2
Deferred tax assets								18.8
Other investments								13.2
Defined benefit pension receivables								35.3
Other assets								67.6
Money market investments								202.1
Cash and cash equivalents								72.5
Consolidated assets, total						1,877.2	363.8	2,816.7
Liabilities by segments	122.5	86.3	28.2	50.2	-16.4	270.8	75.0	345.8
Interest-bearing non-current liabilities								512.6
Interest-bearing current liabilities								437.6
Other liabilities								251.9
Consolidated liabilities, total						270.8	75.0	1,547.9

(EUR million)

GEOGRAPHICAL INFORMATION	**Continuing operations 2010**	**Dis-continued operations 2010**	**Group 2010**	Continuing operations 2009	Dis-continued operations 2009	Group 2009
REVENUE						
Finland, domicile of the parent company	**279.5**	**29.2**	**308.7**	271.4	107.0	378.4
Other Europe, Middle East and Africa	**927.7**	**77.6**	**1,005.3**	839.2	412.9	1,252.1
North America	**659.8**	**-**	**659.8**	578.3	-	578.3
South America	**157.2**	**-**	**157.2**	149.8	-	149.8
Asia Pacific	**136.7**	**1.4**	**138.1**	131.2	10.3	141.5
Total	**2,160.9**	**108.2**	**2,269.1**	1,969.9	530.2	2,500.1
NON-CURRENT ASSETS						
Finland, domicile of the parent company			**847.5**			785.2
Other Europe, Middle East and Africa			**456.6**			627.4
North America			**277.7**			240.3
South America			**167.2**			154.8
Asia Pacific			**28.4**			20.6
Total			**1,777.4**			1,828.3

The revenue of geographical areas is based on the location of customers, and the total carrying amount of assets is based on the geographical location of assets.
Revenues of 10% or more are not derived from a single external customer amount.

3. OTHER OPERATING INCOME

	2010	2009
Gains on sale of property, plant and equipment	**12.3**	0.4
Rental income	**1.4**	1.5
Insurance compensation	**0.0**	0.5
Consulting	**0.4**	1.7
Services	**4.0**	4.3
Sale of scrap and waste	**0.1**	0.1
Income from royalties, know-how and licences	**0.5**	0.2
Other income from operations	**6.7**	4.8
Total	**25.4**	13.5

The gains on sale of property, plant and equipment in 2010 include EUR 11.9 million (EUR 0 million) from the gains on sale of subsidiaries, associated companies and gains on sale of property and production facilities.

(EUR million)

4. COSTS OF SALES

	2010	2009
Change in inventories of finished goods (inventory increase + / decrease -)	**15.1**	-53.6
Own work capitalized [1]	**-1.8**	-1.8
Materials and services		
Materials and supplies		
Purchases during the financial year	**1,136.6**	1,070.6
Change in inventories of materials and supplies (inventory increase + / decrease -)	**14.7**	-9.6
External services	**18.5**	34.8
Total materials and services	**1,169.8**	1,095.8
Employee benefit	**302.1**	307.2
Rents	**37.0**	36.3
Loss on sales of property, plant and equipment	**0.3**	0.5
Other expenses	**398.1**	391.8
Total	**1,920.6**	1,776.2

[1] Own work capitalized comprises mainly wages, salaries and other personnel expenses and changes in inventories relating to self-constructed property, plant and equipment for own use.

In 2010, the income statement included a net decrease in non-current and current provisions amounting to EUR 2.7 million (net decrease EUR 5.0 million).

FEES AND SERVICES OF AUDITORS FEES PAID TO KPMG	2010	2009
Audit fees	**1.3**	1.3
Ancillary audit services	**0.0**	0.0
Tax services	**0.4**	0.2
Other services	**0.3**	0.7
Total	**2.0**	2.2

The audit fees relate to statutory audit or other common audit-related services. The tax service fees relate to tax advising and planning.

Fees for services paid to auditing companies other than KPMG amounting to EUR 2.7 million (EUR 2.5 million) were mainly consultation not related to statutory audit.

5. RESEARCH AND DEVELOPMENT EXPENSES

	2010	2009
Research and development expenses total	**41.6**	37.0

The total research and development expenses for 2010 include EUR 2.4 million (EUR 2.7 million) of depreciations on capitalized research and development expenses. The research and development costs are reduced by EUR 3.4 million (EUR 1.6 million) with received subsidies.

Research and development expenses include in 2010 one-time items EUR 0.7 million. (EUR 0 million).

6. EMPLOYEE BENEFITS AND NUMBER OF PERSONNEL

	2010	2009
Emoluments of boards of directors and managing directors	**12.7**	11.1
Wages and salaries	**238.6**	220.5
Pension expenses for defined benefit plans	**4.5**	21.4
Pension expenses for defined contribution plans	**14.5**	17.1
Other personnel expenses	**31.8**	37.1
Total	**302.1**	307.2

Employee benefits include restructuring costs EUR 1.4 million (EUR 1.4 million).

On December 31, 2009 Kemira Oyj's statutory emplyees' pension insurance (TyEL) was transferred from Kemira's Pension Fund to Varma Mutual Pension Insurance Company. The transfer had no effect on the level of employee pension security or its coverage. Due to the transfer, Kemira recorded non-recurring expenses of EUR 13.7 million in its October-December result in 2009.

PERSONNEL AVERAGE *)	2010	2009
Europe, Middle East and Africa	**3,569**	6,678
North America	**1,359**	1,325
South America	**409**	410
Asia Pacific	**271**	430
Total	**5,608**	8,843
Personnel in Finland, average	**1,241**	1,929
Personnel outside Finland, average	**4,367**	6,914
Total	**5,608**	8,843
Personnel at year end *)	**4,935**	8,493

*) Includes Tikkurila until March 25, 2010

The personnel of joint ventures consolidated according to the proportionate method of accounting totaled in 2010 an average of 0 (14).

7. SHARE-BASED PAYMENTS

SHARE-BASED INACTIVE PLAN FOR KEY PERSONEL

The Board of Directors of Kemira Oyj has decided on a share-based incentive plan directed to the company's key personnel as part of the Group's incentive schemes. The plan aims to align the goals of the Group's shareholders and key executives in the Group in order to raise the value of the company. A competitive, ownership-based incentive plan has been designed as a means to achieve the goal and to ensure the commitment of key management.

The incentive plans are based on a one year performance period during 2007-2012. The potential reward will be paid out during the year following the performance period. The criteria for reward payments shall be based on financials targets that must be reached. The potential reward shall be paid as a combination of Kemira shares and cash payment. The value of these shares is determined by their closing price quoted on the grant date. Cash payments are measured at fair value on the basis of the share price on the closing date or on the balance sheet date, and the payments is approximately 1.1-fold the value of transferred shares.

For the incentive plan of 2007 and 2008, the earnings period were ended and the financial targets were not achieved. In 2009, the financial targets were achieved, and a total of 134,577 shares were allocated to the key personnel in March 2010. A total of 3,694 of these shares were returned to Kemira Oyj due to the fact that reward conditions of the key personnel were not met.

The shares transferable under the plan comprise treasury shares or Kemira Oyj shares available in public trading.

SHARE-BASED INCENTIVE PLAN 2009	
Earnings period	2009
Fair value of the reward paid as shares, EUR million	0.6
Fair value of the reward paid in cash, EUR million	1.8
Estimated realization on closing date, shares	130,883
Release date of shares	03/2012
Number of persons	59

SHARE-BASED INCENTIVE PLAN 2010	
Earnings period	2010
Fair value of the reward paid as shares, EUR million	1.9
Fair value of the reward paid in cash, EUR million	3.3
Estimated realization on closing date, shares	230,400
Release date of shares	04/2013
Number of persons	68

SHARE-BASED INCENTIVE PLAN FOR STRATEGIC MANAGEMENT BOARD MEMBERS

The Kemira Board of Directors has decided a share-based incentive plan aimed at Strategic Management Board members, as part of the company's incentive and commitment schemes. The plan is divided into three one-year performance periods: 2009, 2010, and 2011. Payment depends on achievement of the set operating profit targets. The program also includes a three-year goal, which is tied to the development of the operating profit as a percentage of revenue by the end of 2011.

Any payments will be paid as a combination of Kemira shares and cash payments covering the taxes, according to the achievement of set goals. The combined value of shares and cash payments paid out in the course of the three-year share-based incentive plan may not exceed the individual's gross salary for the same period.

Shares earned through the share-based incentive plan must be held for a minimum of two years following the date of each payment. In addition, members of the Strategic Management Board must retain shares obtained through the share-based incentive programs at least to the value of their gross annual salary for as long as they remain in the company's employment.

In 2009, the financial targets were achieved, and a total of 111,408 shares were allocated to the Strategic Management Board members in March 2010. A total of 5,552 of these shares were returned to Kemira Oyj due to the fact that reward conditions of the members were not met

The shares transferable under the plan comprise treasury shares or Kemira Oyj shares available in public trading.

SHARE-BASED INCENTIVE PLAN 2009	
Earnings period	2009
Fair value of the reward paid as shares, EUR million	1.4
Fair value of the reward paid in cash, EUR million	1.5
Estimated realization on closing date, shares	105,856
Release date of shares	03/2012
Number of persons	12

SHARE-BASED INCENTIVE PLAN 2010	
Earnings period	2010
Fair value of the reward paid as shares, EUR million	1.0
Fair value of the reward paid in cash, EUR million	1.0
Release date of shares	03/2013
Number of persons	12

LONG-TERM SHARE-BASED INCENTIVE PLAN 2009-2011	
Earnings period	2009-2011
Fair value of the reward paid as shares, EUR million	0.4
Fair value of the reward paid in cash, EUR million	0.4
Release date of shares	03/2014
Number of persons	12

The long-term, share-based incentive plan 2009-2011 is cancelled in 2011.

THE EFFECT OF SHARE-BASED INCENTIVE PLANS ON OPERATING PROFIT	Key personnel	Strategic Management Board members	Total
Share component	0.6	0.7	1.3
Cash component	1.3	0.7	2.0
Total	**1.9**	**1.4**	**3.3**

THE EFFECT OF SHARE-BASED INCENTIVE PLANS ON BALANCE SHEET	Key personnel	Strategic Management Board members	Total
Share component, equity	0.7	0.7	**1.4**
Cash component, liability	0.0	-0.2	**-0.2**
Total	**0.7**	**0.5**	**1.2**

8. DEPRECIATION, AMORTIZATION, IMPAIRMENTS AND REVERSAL OF IMPAIRMENTS

DEPRECIATION AND AMORTIZATION	2010	2009
INTANGIBLE ASSETS		
Intangible assets, finite lifetime	**9.0**	14.2
Intangible assets from internal development	**3.8**	3.8
PROPERTY, PLANT AND EQUIPMENT		
Buildings and constructions	**15.6**	14.4
Machinery and equipment	**66.7**	65.8
Other property, plant and equipment	**1.6**	2.5
Total	**96.7**	100.7
IMPAIRMENTS		
INTANGIBLE ASSETS		
Intangible assets	**0.1**	-
Goodwill	**0.0**	5.0
PROPERTY, PLANT AND EQUIPMENT		
Land and water	**-**	-
Buildings and constructions	**3.2**	-
Machinery and equipment	**9.6**	0.3
Other tangible assets	**-**	0.4
Total	**12.9**	5.7
Depreciation, amortizations and impairments total	**109.6**	106.4
REVERSAL OF IMPAIRMENTS		
PROPERTY, PLANT AND EQUIPMENT		
Machinery and equipment	**0.0**	-8.9
Total	**0.0**	-8.9
Depreciation, amortization, impairments and reversal of impairments total	**109.6**	97.5

For more information on impairments and reversal of impairments see note 15.

(EUR million)

9. FINANCIAL INCOME AND EXPENSES

	2010	2009
FINANCIAL INCOME		
Dividend income	0.1	0.1
Interest income		
Interest income from loans and other receivables	2.8	1.0
Interest income from financial assets valued through profit or loss	3.3	5.7
Interest income from hedge accounting instruments, ineffective portion	-	-
Other financial income	0.7	0.5
Exchange gains		
Exchange gains from financial assets valued through profit or loss	183.3	144.0
Exchange gains from financial liabilities valued through profit or loss	-	-
Exchange gains from other liabilities	60.2	50.4
Exchange gains from loans and other receivables	-	-
Total	**250.4**	201.7
FINANCIAL EXPENSES		
Interest expenses		
Interest expenses from other liabilities	-17.6	-23.5
Interest expenses from financial assets valued through profit or loss	-11.7	-15.8
Interest expenses from hedge accounting instruments, ineffective portion	-	-
Other financial expenses	-4.4	-4.0
Exchange losses		
Exchange losses from financial assets valued through profit or loss	-	-
Exchange losses from financial liabilities valued through profit or loss	-151.6	-142.1
Exchange losses from other liabilities	-92.5	-54.1
Exchange losses from loans and other receivables	-	-
Total	**-277.8**	-239.5
Total financial income and expenses	**-27.4**	-37.8
Net financial expenses as a percentage of revenue	1.3	1.9
Net interests as a percentage of revenue	1.1	1.7
CHANGE IN COMPREHENSIVE INCOME STATEMENT FROM HEDGE ACCOUNTING INSTRUMENTS		
Hedge of net investments in foreign entities*	-11.3	-3.0
Cash flow hedge accounting: Amount booked in comprehensive income statement	12.2	10.0
Total	**0.9**	7.0
EXCHANGE GAINS AND LOSSES		
Realized	13.8	-15.2
Unrealized	-14.4	13.4
Total	**-0.6**	-1.8
SHARE OF PROFIT OR LOSS OF ASSOCIATES		
Share of profit of associates	9.2	-
Share of loss of associates	-	-4.8
Total	**9.2**	-4.8

* The exchange rate differences on foreign currency loans and foreign currency derivatives have been credited or charged directly to shareholders´ equity and hedged against the translation differences arising from the consolidation of foreign subsidiaries according to the so-called hedge of investment in foreign entities method.

Financial income and expenses do not include income or expenses from associates.
EUR 0.0 million (EUR -2.0 million) has been recorded as an income related to embedded derivatives 2010.

10. INCOME TAX

	2010	2009
Income taxes, current year	43.7	12.1
Income taxes, previous year	-1.5	6.4
Change in deferred taxes	-20.2	-9.1
Total	**22.0**	9.4

The taxes are significantly lower than the Finnish tax rate, because deferred tax assets were recognized. Subsidiaries have still tax losses EUR 28.7 million (EUR 191.0 million), which are not recognized any deferred tax benefits.

TAX RATE RECONCILIATION		
Profit before taxes	137.9	67.1
Income taxes at Finnish tax rate on consolidated profit before tax, 26%	35.9	17.4
Effect on different tax rates outside Finland	7.8	2.3
Non-deductible expenses and tax exempt profits	2.1	-5.7
Tax effect on current year's losses for which no deferred tax benefit is recognized	5.3	8.8
Tax effect on utilized losses for which no deferred tax assets in prior years	-0.6	-8.0
Changes in the carrying amounts of deferred tax assets from prior years	-31.4	-10.1
Tax effect of net results of associated companies	-2.4	-1.4
Impact of the changes in the tax rates on deferred tax balances	-	-0.3
Taxes from prior years	-1.5	6.4
Other	6.8	-
Total	**22.0**	9.4

THE TAX (CHANGE)/CREDIT RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME IS AS FOLLOWS:	2010			2009		
	Before tax	Tax charge/ credit	After tax	Before tax	Tax charge/ credit	After tax
Available-for-sale financial assets - change in fair value	21.3	-4.4	16.9	5.0	-1.3	3.7
Exchange differences	71.5	-	71.5	28.1	-	28.1
Hedge of net investment in foreign entities	-15.2	3.9	-11.3	-4.0	1.0	-3.0
Cash flow hedging	16.5	-4.3	12.2	13.5	-3.5	10.0
Other changes	-0.6	-	-0.6	-0.4	-	-0.4
Other comprehensive income	**93.5**	**-4.8**	**88.7**	42.2	-3.8	38.4

(EUR million)

11. DISCONTINUED OPERATIONS

On March 16, 2010, Kemira's Annual General Meeting decided that every four Kemira shares entitle their holder to receive one share of Tikkurila as a dividend. Kemira distributed a total of 37,933,097 Tikkurila shares as dividend to its shareholders which corresponds to 86% of Tikkurila's shares and votes. Kemira held a 14% non-controlling interest share in Tikkurila.

Trading of Tikkurila Oyj's shares began on NASDAQ OMX Helsinki Oy on March 26, 2010, and Tikkurila was separated from Kemira Oyj. As a result of the spin-off, Tikkurila have been treated as discontinued operations for the year ended December, 31, 2010. A single amount is shown on the face of the consolidated income statement comprising the discontinued operations, and it is reported separately from the continuing operation of Kemira's Group. The consolidated income statement for the prior period has been restated to conform to this style of presentation.

INCOME STATEMENT, DISCONTINUED OPERATIONS	1.1.- 25.3.2010	1.1. - 31.12.2009
Revenue	108.2	530.2
Other operating income	0.4	1.5
Expenses	-98.6	-465.2
Depreciation, impairments and reversal of impairments	-4.7	-18.8
Operating profit	5.3	47.7
Financial income and expenses, net	-1.6	-12.0
Share of profit or loss of associates	-	0.1
Profit before tax	3.7	35.8
Income tax	-1.9	-8.0
Net profit for the period, discontinued operations	1.8	27.8
Profit for Tikkurila spin-off	538.8	
Tax of spin-off	-9.6	
Net profit for the period, discontinued operations	531.0	
ATTRIBUTABLE TO, DISCONTINUED OPERATIONS:		
Equity holders of the parent	531.0	
Non-controlling interest	0.0	
Net profit for the period	531.0	
Earnings per share, discontinued operations, basic and diluted, EUR	3.50	0.21

CASH FLOW	1.1.- 25.3.2010	1.1. - 31.12.2009
Cash flow from operating activities	-29.0	62.5
Cash flow from investing activities	-1.9	-17.1
Cash flow from financing activities	24.9	-53.1
Net change in cash and cash equivalents	-6.0	-7.7

THE EFFECT OF PAYING TIKKURILA AS DIVIDEND ON GROUP'S FINANCIAL POSITION	25.3.2010	31.12.2009
Non-current assets	230.0	224.6
Receivables	222.1	178.5
Non-current liabilities	-164.0	-140.6
Current liabilities	-132.6	-118.6
Assets and liabilities, net	155.5	143.9
Expenses paid in cash	-10.4	
Cash and cash equivalents of discontinued operations	-19.2	
The effect on cash flow	-29.6	

12. EARNINGS PER SHARE

EARNINGS PER SHARE, BASIC	2010	2009
Profit attributable to equity holders of the parent, continuing operations	110.9	54.0
Profit attributable to equity holders of the parent, discontinued operations	531.0	27.8
Total	641.9	81.8
Weighted average number of shares [1) 2)]	151,697,441	134,824,130
Earnings per share, continuing operations, EUR	0.73	0.40
Earnings per share, discontinued operations, EUR	3.50	0.21
Basic earnings per share, EUR	4.23	0.61
EARNINGS PER SHARE, DILUTED		
Profit attributable to equity holders of the parent, continuing operations	110.9	54.0
Profit attributable to equity holders of the parent, discontinued operations	531.0	27.8
Total	641.9	81.8
Weighted average number of shares [1) 2)]	151,697,441	134,824,130
Adjustments for:		
Treasury shares possibly subject to emission in share-based arrangement	319,192	260,478
Weighted average number of shares for diluted earnings per share	152,016,633	135,084,608
Earnings per share, continuing operations, EUR	0.73	0.40
Earnings per share, discontinued operations, EUR	3.50	0.21
Diluted earnings per share, EUR	4.23	0.61

1) Weighted average number of shares outstanding, excluding the number of shares bought back.

2) Rights offering restatement

13. INTANGIBLE ASSETS

	Goodwill	Internal development	Intangible assets	Prepayments	2010 total
Acquisition cost at beginning of year	670.4	30.6	211.3	7.2	**919.5**
Acquisition of subsidiaries	7.7	-	3.2	-	**10.9**
Additions	-	-	4.7	10.7	**15.4**
Additions - internal development	-	-	-	-	**-**
Disposal of subsidiaries *)	-71.7	-	-60.5	-1.1	**-133.3**
Decreases	-	-	-1.7	-	**-1.7**
Other changes	3.5	-	1.1	-0.6	**4.0**
Reclassifications	-	16.6	-16.6	-	**0.0**
Exchange rate differences	-	-	3.3	0.1	**13.8**
Acquisition cost at end of year	620.3	47.2	144.8	16.3	**828.6**
Accumulated amortization at beginning of year	-12.4	-5.9	-141.0	-	**-159.3**
Accumulated amortization relating to decreases and transfers	-	-16.6	46.4	-	**29.8**
Amortization during the financial year	-	-	-	-	**-**
Continuing operations	-	-3.8	-9.0	-	**-12.8**
Discontinued operations	-	-	-1.2	-	**-1.2**
Impairments	-	-	-0.1	-	**-0.1**
Exchange rate differences	-	-	-2.1	-	**-2.1**
Accumulated amortization at end of year	**-12.4**	**-26.3**	**-107.0**	**-**	**-145.7**
Net carrying amount at end of year	**607.9**	**20.9**	**37.8**	**16.3**	**682.9**

*) Goodwill decreases of EUR 68.3 million relating to Tikkurila spin-off. Note 11 provides additional information on the Tikkurila spin-off.

	Goodwill	Internal development	Intangible assets	Prepayments	2009 total
Acquisition cost at beginning of year	661.6	30.3	206.9	2.8	901.6
Acquisition of subsidiaries	0.4	-	2.0	-	2.4
Additions	-	-	6.9	4.4	11.3
Additions - internal development	-	0.3	-	-	0.3
Disposal of subsidiaries	-	-	-	-	0.0
Decreases	-	-	-2.4	-	-2.4
Other changes	-	-	-3.1	-	-3.1
Reclassifications	-	-	-	-	0.0
Exchange rate differences	8.4	-	1.0	-	9.4
Acquisition cost at end of year	670.4	30.6	211.3	7.2	919.5
Accumulated amortization at beginning of year	-6.5	-2.1	-126.3	-	-134.9
Accumulated amortization relating to decreases and transfers	-	-	2.3	-	2.3
Amortization during the financial year	-	-	-	-	
Continuing operations	-	-3.8	-14.2	-	-18.0
Discontinued operations	-	-	-4.6	-	-4.6
Impairments	-5.0	-	-	-	-5.0
Exchange rate differences	-0.9		1.8	-	0.9
Accumulated amortization at end of year	-12.4	-5.9	-141.0		-159.3
Net carrying amount at end of year	658.0	24.7	70.3	7.2	760.2

There was no goodwill related to associated companies in 2010 and 2009. Apart from goodwill, the Group does not have intangible assets with indefinite useful lives.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EUR million)

14. PROPERTY, PLANT AND EQUIPMENT

	Land and water	Buildings and constructions	Machinery and equipment	Other property, plant and equipment	Prepayments and non-current assets under construction	2010 total
Acquisition cost at beginning of year	49.5	463.3	1,214.9	37.7	43.9	**1,809.3**
Acquisition of subsidiaries	4.9	3.5	8.5	1.2	0.0	**18.1**
Increases	1.7	8.2	38.2	2.8	12.3	**63.2**
Disposal of subsidiaries	-7.9	-120.6	-179.9	-8.3	-4.8	**-321.5**
Decreases	-	-2.0	-15.8	-0.2	-0.2	**-18.2**
Non-current assets held for sale	-	-	-	-	-	**-**
Other changes	-0.3	4.9	-7.6	-	-0.2	**-3.2**
Reclassifications	0.6	5.3	9.1	-2.1	-12.9	**0.0**
Exchange rate differences	3.6	25.3	63.6	2.8	2.9	**98.2**
Acquisition cost at end of year	52.1	387.9	1,131.0	33.9	41.0	**1,645.9**
Accumulated depreciation at beginning of year	-8.3	-231.5	-786.8	-21.1	-	**-1,047.7**
Accumulated depreciation relating to decreases and transfers		69,8	143,8	4,3		**217,9**
Depreciation during the financial year						
Continuing operations	-	-15.6	-66.7	-1.6	-	**-83.9**
Discontinued operations	-	-1.1	-2.1	-0.3	-	**-3.5**
Impairments	-	-3.2	-9.6	-	-	**-12.8**
Reversal of impairments	-	-	-	-	-	**-**
Other changes	-	-5.7	6.7	-0.3	-	**0.7**
Exchange rate differences	-	-13.7	-40.1	-1.6	-	**-55.4**
Accumulated depreciation at end of year	-8.3	-201.0	-754.8	-20.6	**-**	**-984.7**
Net carrying amount at end of year	**43,8**	**186,9**	**376,2**	**13,3**	**41,0**	**661,2**

(EUR million)

	Land and water	Buildings and constructions	Machinery and equipment	Other property, plant and equipment	Prepayments and non-current assets under construction	2009 total
Acquisition cost at beginning of year	48.2	433.3	1,169.1	36.1	56.0	1,742.6
Acquisition of subsidiaries	-	-	0.1	-	-	0.1
Increases	0.2	27.9	49.4	2.3	-3.7	76.1
Disposal of subsidiaries	-	-	-	-	-	0.0
Decreases	-	-6.5	-29.4	-2.1	-	-38.0
Non-current assets held for sale	-	-	-	-	-	0.0
Other changes	-	0.7	5.1	-0.1	-7.5	-1.8
Reclassifications	-	-	-	-	-	0.0
Exchange rate differences	1.1	7.9	20.6	1.5	-0.9	30.2
Acquisition cost at end of year	49.5	463.3	1,214.9	37.7	43.9	1,809.2
Accumulated depreciation at beginning of year	-8.3	-214.7	-734.5	-19.4	-	-976.9
Accumulated depreciation relating to decreases and transfers	-	6.0	28.0	2.0	-	36.0
Depreciation during the financial year						
Continuing operations	-	-14.5	-66.0	-2.5	-	-83.0
Discontinuefd operations	-	-4.0	-9.6	-0.5	-	-14.1
Impairments	-	-	-0.3	-0.4	-	-0.7
Reversal of impairments	-	-	8.9	-	-	8.9
Other changes	-	-	0.1	0.2	-	0.3
Exchange rate differences	-	-4.3	-13.4	-0.5	-	-18.2
Accumulated depreciation at the end of the year	-8.3	-231.5	-786.8	-21.1	-	-1,047.7
Net carrying amount at end of year	41.2	231.8	428.1	16.6	43.9	761.5

There were no long-term construction projects in the Group whose interest for the construction period was capitalized in 2010 and 2009.

FINANCE LEASE AGREEMENTS

Property, plant and equipments include assets acquired using finance lease agreements as follows:

	2010	2009
Acquisition cost	**3.9**	7.3
Accumulated depreciations	**-1.4**	-2.7
Carrying amount	**2.5**	4.6

15. IMPAIRMENT TESTING

The Group's Accounting Policies set out the principles and process of testing assets for impairment.

The impairment testing performed on September 30, 2010 does not reveal any need to recognize impairment losses. After the impairment testing, no material changes in cash generating units nor assumptions used in impairment testing have been realized. The segments are Paper, Municipal & Industrial, Oil & Mining and Other. The customer segment has been defined as a cash generating unit. The level of a customer segment is one notch down from a segment. There are ten (year 2009: twelve) customer segments in the Group. 2010, the impairment test calculations are transferred to cash flow projections for a five-year period; the period used in the previous years was three. Other basis for testing are the same as in previous years.

The carrying amounts of non-current assets and goodwill are the following:

SEGMENTS ON DECEMBER 31, 2010	**Carrying amount**	**of which goodwill**
CONTINUING OPERATIONS		
Paper	**661**	**310**
Municipal & Industrial	**324**	**135**
Oil & Mining	**110**	**54**
Other	**164**	**109**
Total, continuing operations	**1,259**	**608**
DISCONTINUED OPERATIONS	**-**	**-**
Total	**1,259**	**608**

SEGMENTS ON DECEMBER 31, 2009	Carrying amount	of which goodwill
CONTINUING OPERATIONS		
Paper	663	308
Municipal & Industrial	283	123
Oil & Mining	113	50
Other	167	109
Total, continuing operations	1,226	590
DISCONTINUED OPERATIONS	213	68
Total	1,439	658

Forecasts for cash flow growth reflect the management's perception of developments in sales and cost items during the forecast period. The growth rate used to extrapolate cash flows subsequent to the five-year (2009 three-year) forecast period was assumed to be zero.

The discount rates were based on the Group's adjusted weighted average cost of capital (WACC). The risk-adjusted WACC rate was determined to every segment.

DISCOUNT RATES BY SEGMENTS, %	**2010**	2009
CONTINUING OPERATIONS		
Paper	**9**	9
Municipal & Industrial	**8**	10
Oil & Mining	**9**	9
Other	**9**	10
DISCONTINUED OPERATIONS	**-**	9

The sensitivity analysis was made under the assumption that there would be a decline in the cash flows' growth rate both during and after the forecasting period. A general increase in interest rates has also been taken into consideration as well as a decrease in profitability. A decrease of 10% in generated cash flow or an increase of 1% in discount rate would not result in any impairment losses being recorded on the customer segment level. If the discount rate would increase by 2%, impairment losses are required to be recorded only to one customer segment. This impairment loss would constitute approximately 4% of the goodwill recorded in the Group.

(EUR million)

IMPAIRMENTS RECOGNIZED ON DECEMBER 31, 2010

In December, 2010, an impairment loss of EUR 12,9 million was recognized, related to a Calcium Sulphate plant at Siilinjärvi, Finland. The impairment loss was recognized in the income statement in the row of depreciation, impairment and reversal of impairments. The impairment loss was related to the plant at Siilinjärvi concerning the Paper segment that is considered to have a lower fair value than its book value and it was allocated to property, plant and equipment and intangible assets.

IMPAIRMENTS RECOGNIZED ON DECEMBER 31, 2009

The fair value of a Finnish entity, which designs systems and devices, was estimated to be substantially lower than its carrying value. The fair value was determined based on a value in use. Therefore, in the financial statement for the year ended December 31, 2009, an impairment loss of EUR 5.0 million concerning this business operation was recorded. The entity is part of the Municipal & Industrial segment, and the fair value was estimated based on the revised strategy of the segment.

A production plant was closed in Brazil based on the plan scheduled earlier. Due to this, an impairment loss of EUR 0.7 million was recorded in the financial statement for the year 2009.

REVERSAL OF IMPAIRMENTS RECOGNIZED ON DECEMBER 31, 2009

The closing of the polymer plant located in Columbus North America has been cancelled. Therefore, the impairment loss recorded in 2008 has been reversed partially and a EUR 8.9 million reversal has been recorded in the financial statement of the year 2009. In the note 8, the allocation of the reversal of impairment to the assets has been presented in more detail.

16. INVESTMENTS

2010	**Holdings in associates**	**Available-for-sale investments**
Carrying amount at beginning of year	**131.1**	**166.2**
Share of profit or loss of associates	**9.2**	**0.0**
Increases	**0.0**	**97.9**
Decreases	**-0.6**	**-0.9**
Change in fair value	**0.0**	**21.3**
Exchange rate differences	**-0.2**	**0.2**
Net carrying amount at end of year	**139.5**	**284.7**

2009	Holdings in associates	Available-for-sale investments
Carrying amount at beginning of year	135.6	159.8
Share of profit or loss of associates	-4.7	-
Increases	-	1.5
Decreases	-	-
Change in fair value	-	5.0
Exchange rate differences	0.2	-0.1
Net carrying amount at end of year	131.1	166.2

Associated companies are specified in note 35.

In 2010, available-for-sale investments contain Tikkurila Oyj shares listed in NASDAQ OMX Helsinki Oy.

Available-for-sale financial assets include shares in Pohjolan Voima Group as well; their valuation principles is described in the Group's accounting policies. The discount rate used to calculate the current value is an annually defined average weighted capital cost. The discount rate in 2010 was 6.40% (7.31 %).

Kemira Oyj and Pension Fund Neliapila together own 3.94% of Pohjolan Voima Oy and 4.1% of Teollisuuden Voima Oyj. The following table summarizes the shares of the Group of Pohjolan Voima owned by Kemira Oyj. Note 20 provides additional information on the shares of Pohjolan Voima Oy owned by Pension Fund Neliapila.

THE SHARES OF THE GROUP OF POHJOLAN VOIMA	Class of share	Holding %	Class of property	**2010 Market value**	2009 Market value
Pohjolan Voima Oy	B2	6.8	nuclear power	**81.2**	81.2
Teollisuuden Voima Oyj	A	1.9	nuclear power	**76.2**	58.4
Other Pohjolan Voima Oy and Teollisuuden Voima Oyj	A, B, C, C2, G5, G6, I	several	several	**24.0**	24.4
Total				**181.4**	164.0

17. INVENTORIES

	2010	2009
Materials and supplies	**76.0**	84.7
Work in progress	**0.0**	1.9
Finished goods	**122.2**	158.1
Prepayments	**4.6**	1.8
Total	**202.8**	246.5

In the financial year, EUR 2.8 million (EUR 4.4 million) of inventory value was recognized as expense in order to decrease the book value of inventories to correspond with their net capitalization value.

18. CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORIES

2010	Note	Financial instruments under hedge accounting	Financial assets at fair value through profit and loss	Loans and other receivables	Available-for-sale investments	Other liabilities	**Total carrying amounts by balance sheet item**	**Total fair value**
NON-CURRENT FINANCIAL ASSETS								
Investments								
Available-for-sale investments	16				284.7		**284.7**	**284.7**
Other investments							**0.0**	**0.0**
CURRENT FINANCIAL ASSETS								
Receivables								
Interest-bearing receivables	19			0.4			**0.4**	**0.4**
Interest-free receivables	19							
Trade receivables				295.0			**295.0**	**295.0**
Other receivables		15.0	11.0				**26.0**	**26.0**
Money market investments			57.5	1.0			**58.5**	**58.5**
Cash and cash equivalents				33.3			**33.3**	**33.3**
Total		**15.0**	**68.5**	**329.7**	**284.7**	**0.0**	**697.9**	**697.9**
NON-CURRENT FINANCIAL LIABILITIES								
Interest-bearing non-current liabilities	22, 25							
Loans from financial institutions						484.7	**484.7**	**494.4**
Pension loans						9.8	**9.8**	**10.0**
Other non-current liabilities						4.6	**4.6**	**4.6**
CURRENT FINANCIAL LIABILITIES								
Interest-bearing current liabilities	25, 26							
Loans from financial institutions						16.0	**16.0**	**16.3**
Pension loans								
Current portion of other non-current liabilities						95.1	**95.1**	**95.1**
Other interest-bearing current liabilities						17.2	**17.2**	**17.2**
Interest-free current liabilities								
Trade payables						143.4	**143.4**	**143.4**
Other liabilities		4.7	4.1				**8.8**	**8.8**
Interest-free current liabilities								
Total		**4.7**	**4.1**	**0.0**	**0.0**	**770.8**	**779.6**	**789.8**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EUR million)

2009	Note	Financial instruments under hedge accounting	Financial assets at fair value through profit and loss	Loans and other receivables	Available-for-sale investments	Other liabilities	**Total carrying amounts by balance sheet item**	**Total fair value**
NON-CURRENT FINANCIAL ASSETS								
Investments								
Available-for-sale investments	16				166.2		166.2	166.2
Other investments					8.9		8.9	8.9
CURRENT FINANCIAL ASSETS								
Receivables								
Interest-bearing receivables	19			1.4			1.4	1.4
Interest-free receivables	19							
Trade receivables				344.3			344.3	344.3
Other receivables		1.1	5.3				6.4	6.4
Money market investments			193.2				193.2	193.2
Cash and cash equivalents				72.5			72.5	72.5
Total		1.1	198.5	418.2	175.1	0.0	792.9	792.9
NON-CURRENT FINANCIAL LIABILITIES								
Interest-bearing non-current liabilities	22, 25							
Loans from financial institutions						494.2	494.2	498.3
Pension loans						11.3	11.3	11.4
Other non-current liabilities						7.1	7.1	7.1
CURRENT FINANCIAL LIABILITIES								
Interest-bearing current liabilities	25, 26							
Loans from financial institutions						338.8	338.8	341.8
Pension loans						16.5	16.5	16.5
Current portion of the non-current liabilities						66.5	66.5	66.5
Other interest-bearing current liabilities						15.8	15.8	15.8
Interest-free current liabilities								
Trade payables						160.3	160.3	160.3
Other liabilities		7.6	9.3				16.9	16.9
Interest-free current liabilities							0.0	0.0
Total		7.6	9.3	0.0	0.0	1,110.5	1,127.4	1,134.6

Available for sale investments in 2010 contain the shares of the Group of Pohjolan Voima, and Tikkurila Oyj shares listed in NASDAQ OMX Helsinki Oy.
The carrying amount represents the maximum credit risk.
Other receivables and liabilities are financial assets at fair value through profit and loss or financial instruments under hedge accounting.

(EUR million)

HIERARCHY	2010 Level 1	Level 2	Level 3	Total net	2009 Level 1	Level 2	Level 3	Total net
Available-for-sale financial assets	102.0	-	182.7	**284.7**	-	-	166.2	166.2
Other investments		-	-		-	8.9	-	8.9
Currency instruments	-	-8.1	-	**-8.1**	-	-2.3	-	-2.3
Interest rate instruments, hedge accounting		-4.7	-	**-4.7**	0.2	-7.4	-	-7.2
Interest rate instruments, no hedge accounting	-	-1.3	-	**-1.3**	-	-2.0	-	-2.0
Other instruments	-	15.0	-	**15.0**	-	1.0	-	1.0
Money market instruments	1.0	57.5	-	**58.5**	-	193.2	-	193.2
Total	**103.0**	**74.6**	**182.7**	**360.3**	0.2	191.4	166.2	357.8

Level 1: Exchange traded securities
Level 2: Fair value determined by discernable parameters
Level 3: Fair value determined by non discernable parameters

LEVEL 3 SPECIFICATION INSTRUMENT	Level 3 Total net 2010	Level 3 Total net 2009
Balance value 1.1.	**166.2**	159,8
Realized gain/loss	**-**	-0,1
Result impact	**16.9**	5,0
Purchased	**0.4**	1,5
Sold	**-0.8**	-
Unrealized result impact	**-**	-
Balance value 31.12.	**182.7**	166,2

19. RECEIVABLES

	2010	2009
INTEREST-BEARING RECEIVABLES		
Loan receivables	**0.1**	0.2
Finance lease receivables	**0.1**	0.3
Other receivables	**0.2**	0.9
Total interest-bearing receivables	**0.4**	1.4
TRADE AND OTHER RECEIVABLES		
Trade receivables	**295.0**	344.3
Prepayments	**10.8**	5.6
Accrued income	**58.3**	39.4
Other receivables	**15.9**	11.3
Total trade and other receivables	**380.0**	400.6
Current tax asset	**6.9**	7.3
Total receivables	**387.3**	409.3

Items that are due over one year include trade receivables of EUR 6.0 million (EUR 3.0 million), prepayments of EUR 0.3 million (EUR 0 million), prepaid expenses and accrued income of EUR 0.6 million (EUR 2.9 million) and other interest-free receivables of EUR 0.1 million (EUR 1.1 million) as well as loan receivables of EUR 0.1 million (EUR 0.1 million), finance lease receivables of EUR 0.0 million (EUR 0.1 million) and other interest-bearing receivables of EUR 0.0 million (EUR 0.6 million).

	2010	2009
FINANCE LEASE RECEIVABLES - TOTAL MINIMUM LEASES		
No later than 1 year	**0.1**	0.2
Later than 1 year and no later that 5 years	**0.0**	0.1
Total	**0.1**	0.3
FINANCE LEASE RECEIVABLES - THE PRESENT VALUE OF MINIMUM LEASE PAYMENTS		
No later than 1 year	**0.1**	0.2
Later than 1 year and no later that 5 years	**0.0**	0.1
Total	**0.1**	0.3
Future finance income	**-**	-
Total finance lease receivables	**0.1**	0.3

20. RELATED PARTIES DISCLOSURE

Parties are considered belonging to each other's related parties if one party is able to exercise control over the other or substantial influence in decision-making concerning its finances and business operations. The Group's related parties include the parent company, subsidiaries, associated companies, joint-ventures and pension funds. Related parties also include the members of the Board of Directors and the Group's Management Boards, the CEO and his deputy and their immediate family members. Key management persons are the members of the Group Management Boards.

KEY MANAGEMENT COMPENSATION

	2010	2009
Wages, salaries and other short-term employee benefits	**4.6**	3.9
Post-employment benefits	**-**	-
Share-based payment	**2.9**	-
Total	**7.5**	3.9

(EUR million)

The emolument of Kemira Oyj's managing director was EUR 1,568,080 (EUR 734,730), including bonuses of EUR 912,628 (EUR 79,278). The emolument of Kemira Oyj's deputy managing director was EUR 554,435 (EUR 360,835) including bonuses of EUR 314,412 (EUR 23,889) .

No loans had been granted to management in the end of 2010 and 2009, nor were there any contingency items and contingent liabilities on behalf of key personnel. Persons belonging to the Company's key management, including parties closely associated with them, are not involved in substantial business relationships with the Company.

MANAGEMENT'S PENSION COMMITMENTS AND TERMINATION BENEFITS

Harri Kerminen is managing director of Kemira Oyj. His contract period is until 2013, when he will be 62 years old. Jyrki Mäki-Kala was appointed new Deputy CEO as of September 1, 2009. The former Deputy CEO, Esa Tirkkonen, retired from Kemira on August 31, 2009.

The maximum remuneration for the managing director, Harri Kerminen, is 66% of the pension-based salary. Both age of retirement and amount of pension are based on voluntary pension fund's (closed to new members since January 1, 1991) benefits. The pension fund's benefits concern all the personnel who have been in service before the year 1991. The pension fund's benefits concern all the personnel whose years of service and other conditions for granting of pension have been fulfilled. Similar arrangements have been made also in other Group companies.

The period of notice of Kemira Oyj's managing director is 6 months. In case the company would give notice to the managing director, he will receive an emolument equaling 12 months' salary. The respective periods for the deputy managing director are 6 months and 6 months.

THE BOARD OF DIRECTORS EMOLUMENTS

Based on the decision in the Annual General Meeting on March 16, 2010, the annual fee be paid as combination of the shares and cash in such manner that 40% of the annual fee is paid with company's shares, and 60% is paid in cash.

OTHER RELATED PARTY DISCLOSURE

Sales and purchases of goods and services to and from associates as well as receivables from associates are specified in note 35. The amount of contingent liabilities on behalf of associates are presented in note 31.

Kemira has Finnish pension funds (Kemira's Pension Fund and Pension Fund Neliapila) that are legal units of their own. On December 31, 2009, Kemira transferred its TyEL pension obligation from Kemira's Pension Fund to Varma Mutual Pension Insurance Company. Kemira's Pension Fund will be liquidated during 2010.

Pension Fund Neliapila manages part of the pension assets of the Group's personnel in Finland. The assets include Kemira shares representing 0.15% of the company's outstanding shares.

Pension Fund Neliapila owns 2.6% of Pohjolan Voima's shares. Kemira Oyj buys electricity from Pohjolan Voima in proportion to the pension fund's share of ownership for Group use and also for selling it to external parties. The shareholders can buy electricity from the company at a price that covers its production expenses. This price has been clearly below the average market price.

TRANSACTION WITH OTHER RELATED PARTIES	2010	2009
Sales	**27.9**	96.7
Purchases	**4.7**	72.4
Financial income and expenses	**0.0**	-1.3
Receivables	**4.4**	19.5
Liabilities	**7.2**	43.8

MEMBER OF THE BOARD DIRECTORS	Number of shares	Share value, EUR	Cash compensation, EUR	2010 Total, EUR	2009 Total, EUR
Pekka Paasikivi, Chairman	2,930	24,700	65,600	**90,300**	75,000
Jukka Viinanen, Vice Chairman	1,865	15,722	45,778	**61,500**	50,400
Elizabeth Armstrong	1,492	12,578	51,022	**63,600**	60,000
Wolfgang Büchele (since April 8, 2009)	1,492	12,578	40,222	**52,800**	34,100
Juha Laaksonen	1,492	12,578	37,222	**49,800**	43,200
Ove Matsson (until april 8 2009)					17.640
Kaija Pehu-Lehtonen	1,492	12,578	37,822	**50,400**	43,800
Kerttu Tuomas (since March16, 2010)	1,492	12,578	25,222	**37,800**	-
Jarmo Väisänen (until March 16, 2010)			11,400	**11,400**	43,800

21. NOTES TO SHAREHOLDER'S EQUITY

CHANGES IN NUMBER OF SHARES AND SHARE CAPITAL

	Number of shares outstanding (1 000)	Share capital
January 1, 2009	121,191	221.8
Share issue	30,298	-
Shares from the share-based arrangement given back	-1	-
December 31, 2009	151,488	221.8
January 1, 2010	151,488	221.8
Treasury shares issued to Key personnel and Strategic Management Board members	245	-
Treasury shares issued to Board of Directors	12	-
Acquisition of treasure shares	-1	-
Shares from the share-based arrangement given back	-9	-
December 31, 2010	151,735	221.8

Kemira Oyj has one class of shares. Each share entitles their holder to one vote at General Meetings. On December 31, 2010, the share capital was EUR 221.8 million and the total of shares issued was 155,342,557 including 3,607,162 treasury shares. Under the Articles of Association of Kemira Oyj, the Company does not have a minimium or maximum share capital or a par value of a share. All issued shares have been fully paid.

CAPITAL PAID-IN IN EXCESS OF PAR VALUE

The capital paid-in in excess of par value is a reserve accumulated through subscriptions entitled by the Management stock option program 2001. This non-changing reserve, based on the Finnish Companies Act (734/1978) which does, no longer change.

FAIR VALUE AND OTHER RESERVES

According to IFRS, the Fair Value reserve is a reserve accumulated based on available-for-sale financial assets (shares) measured at fair value and hedge accounting. Other reserves originate from local requirements of subsidiaries.

UNRESTRICTED EQUITY RESERVE

The unrestricted equity reserve includes other equity type investments and the subscription price of share to the extent that it will not, based on the specific decision, be recognized in share capital. On November 23, 2009, the Board of Directors decided on a rights offering based on an authorization given by the Extraordinary General Meeting on the same day. As a result of the offering, Kemira's total number of shares increased to 155,342,557 shares. The funds generated from the rights offering less the costs related to the offering amounting to EUR 196.3 million was included in the unrestricted equity reserve.

TREASURY SHARES

Kemira had in its possession 3,607,162 of its treasury shares on December 31, 2010. The average share price of treasury shares was EUR 6.73, and they represented 2.3% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 5.1 million.

EXCHANGE DIFFERENCES

The currency translation differences arise from the translation of foreign subsidiaries' financial statements. Also, the gains and losses arising from net investment hedges in foreign subsidiaries are included in currency translation differences, provided that hedge accounting requirements are fulfilled.

(EUR million)

OTHER COMPREHENSIVE INCOME IN THE STATEMENT OF CHANGES IN EQUITY

December 31, 2010	Share capital	Capital paid-in in excess of par value	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Non-controlling interests	**Total**
	Equity attributable to equity holders of the parent								
Net profit for the period	-	-	-	-	-	-	641.9	5.0	**646.9**
Other comprehensive income, net of tax:									
Available-for-sale financial assets - change in fair value	-	-	16.9	-	-	-	-	-	**16.9**
Exchange differences - Continuing operations	-	-	-	-	60.8	-	-	1.2	**62.0**
Exchange differences - Discontinued operations	-	-	-	-	9.1	-	-	-	**9.1**
Hedge of net investment in foreign entities	-	-	-	-	-11.3	-	-	-	**-11.3**
Cash flow hedging	-	-	12.2	-	-	-	-	-	**12.2**
Other changes	-	-	-	-	-	-	-0.2	-	**-0.2**
Other comprehensive income, net of tax	-	-	29.1	-	58.6	-	-0.2	1.2	**88.7**
Total comprehensive income	**-**	**-**	**29.1**	**-**	**58.6**	**-**	**641.7**	**6.2**	**735.6**

December 31, 2009	Share capital	Capital paid-in in excess of par value	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Non-controlling interests	Total
	Equity attributable to equity holders of the parent								
Net profit for the period	-	-	-	-	-	-	81.8	3.7	85.5
Other comprehensive income, net of tax:									
Available-for-sale financial assets - change in fair value	-	-	3.7	-	-	-	-	-	3.7
Exchange differences	-	-	-	-	27.7		-	0.2	27.9
Hedge of net investment in foreign entities	-	-	-	-	-3.0	-	-	-	-3.0
Cash flow hedging	-	-	10.1	-	-	-	-	-	10.1
Other changes	-	-	-	-	-	-	-0.3	-	-0.3
Other comprehensive income, net of tax	-	-	13.8	-	24.7	-	-0.3	0.2	38.4
Total comprehensive income	**-**	-	13.8	-	24.7	-	81.5	3.9	123.9

22. NON-CURRENT INTEREST-BEARING LIABILITIES

	2010	2009
Loans from financial institutions	**484.7**	494.3
Loans from pension institutions	**9.8**	11.2
Other non-current liabilities to others	**4.6**	7.1
Total	**499.1**	512.6
NON-CURRENT INTEREST-BEARING LIABILITIES MATURING IN		
2012 (2011)	**85.6**	81.1
2013 (2012)	**59.7**	72.9
2014 (2013)	**74.2**	53.4
2015 (2014)	**83.4**	59.5
2016 (2015) or later	**196.2**	245.7
Total	**499.1**	512.6
INTEREST-BEARING LIABILITIES MATURING IN 5 YEARS OR LONGER PERIOD OF TIME		
Loans from financial institutions	**196.2**	245.7
Loans from pension institutions	**-**	-
Other non-current interest-bearing liabilities	**-**	-
Total	**196.2**	245.7

The foreign currency breakdown of non-current loans is presented in Management of financial risks, note 34.
The Group's liabilities include neither debentures nor convertible or other bonds.

23. DEFERRED TAX LIABILITIES AND ASSETS

	Jan. 1, 2010	Recognized in the income statement	Other comprehensive income	Recognized in equity	Acquired / disposed subsidiaries	**Dec. 31, 2010**
DEFERRED TAX LIABILITIES						
Depreciation difference and untaxed reserves	58.5	-5.2	-	-	-0.9	**52.4**
Available-for-sale investments	35.2	-	4.4	-	-	**39.6**
Pensions	8.2	1.6	-	-	-	**9.8**
Fair value of acquired subsidiaries [1]	11.7	-0.5	-	-	-6.6	**4.6**
Other	5.5	10.2	4.3	0.8	-	**20.8**
Total	119.1	6.1	8.7	0.8	-7.5	**127.2**
Deferred tax assets deducted	-29.0					**-27.6**
Total deferred tax liabilities in the balance sheet	**90.1**					**99.6**
DEFERRED TAX ASSETS						
Inventories internal margins	1.8	-1.4	-	-	-0.4	**0.0**
Provisions	8.8	-2.0	-	-	-0.5	**6.3**
Tax losses	32.0	-5.6	-	-	-1.6	**24.8**
Pensions	2.2	0.1	-	-	-	**2.3**
Fair value of financial liabilities		35.4			-	**35.4**
Other	3.1	-0.3	-	-	-0.3	**2.5**
Total	47.9	26.2			-2.8	**71.3**
Deferred tax liabilities deducted	-29.0					**-27.6**
Total	**18.9**					**43.7**

(EUR million)

	Jan. 1, 2009	Recognized in the income statement	Recognized in equity	Recognized in equity	Acquired / disposed subsidiaries	Dec. 31, 2009
DEFERRED TAX LIABILITIES						
Depreciation difference and untaxed reserves	51.1	7.4	-	-	-	58.5
Available-for-sale investments	33.7	0.2	1.3	-	-	35.2
Pensions	13.8	-5.6	-	-	-	8.2
Fair value of acquired subsidiaries [1]	15.0	-3.3	-	-	-	11.7
Other	6.9	-3.8	3.7	-1.3	-	5.5
Total	120.5	-5.1	5.0	-1.3	-	119.1
Deferred tax assets deducted	-30.6					-29.0
Total deferred tax liabilities in the balance sheet	89.9					90.1
DEFERRED TAX ASSETS						
Inventories internal margins	2.5	-0.7	-	-	-	1.8
Provisions	12.3	-3.5	-	-	-	8.8
Tax losses	21.6	10.4	-	-	-	32.0
Pensions	3.2	-1.0	-	-	-	2.2
Other	3.7	-0.7	-	-	-	3.0
Total	43.3	4.5	-	-	-	47.8
Deferred tax liabilities deducted	-30.6					-29.0
Total	12.7					18.8

[1] The increase in deferred taxes relating to the fair value measurement of acquired subsidiaries was recognized under goodwill.

24. PROVISIONS

	Personnel related provisions	Restructuring provisions	Environmental and damage provisions	Other provisions	**2010**
NON-CURRENT PROVISIONS					
Balance at beginning of year	1.1	4.2	16.2	34.1	**55.6**
Exchange rate differences	-	-	-	0.1	**0.1**
Increase in provisions	0.1		4.5		**4.6**
Provisions used during the period	-0.4		-3.3	-	**-3.7**
Provisions released during the period		0.1	-		**0.1**
Changes in subsidiaries		-0.2	-0.2		**-0.4**
Reclassification	-0.2	-0.7	-0.7	-	**-1.6**
Balance at end of year	**0.6**	**3.4**	**16.5**	**34.2**	**54.7**
CURRENT PROVISIONS					
Balance at beginning of year	3.0	2.0	4.9	2.1	**12.0**
Exchange rate differences		-	0.7	0.3	**1.0**
Increase in provisions	1.7	0.6	0.5	-	**2.8**
Provisions used during the period	-1.0	-1.2	-1.3	-0.2	**-3.7**
Provisions released during the period	-0.7	-0.7	-2.1	-	**-3.5**
Changes in subsidiaries	-0.1		-0.3	-	**-0.4**
Reclassification	0.2	0.7	0.7	-	**1.6**
Balance at end of year	**3.1**	**1.4**	**3.1**	**2.2**	**9.8**

Other provisions relate mainly to the establishment of an associated company in 2008. There is more information about environmental provisions in note 33, Environmental risks and liabilities.

(EUR million)

25. CURRENT LIABILITIES

	2010	2009
INTEREST-BEARING CURRENT LIABILITIES		
Loans from financial institutions	**105.1**	267.8
Loans from pension institutions	**0.0**	16.5
Current portion of other non-current loans	**16.8**	14.8
Finance lease liabilities	**1.8**	4.2
Other interest-bearing current liabilities	**4.6**	134.3
Total interest-bearing current liabilities	**128.3**	437.6
TRADE PAYABLES AND OTHER LIABILITIES		
Prepayments received	**6.8**	3.0
Trade payables	**143.4**	160.3
Accrued expenses	**145.5**	179.7
Other interest-free current liabilities	**20.9**	26.1
Total trade payables and other liabilities	**316.6**	369.1
Current provisions	**9.8**	12.0
Current tax liabilities	**14.7**	0.5
Total current liabilities	**469.4**	819.2

Finance lease liabilities include items that are due over one year of EUR 1.2 million (EUR 3.4 million).

	2010	2009
ACCRUED EXPENSES		
Employee benefits	**43.5**	63.1
Items related to revenues and purchases	**55.0**	51.1
Interest	**10.0**	15.7
Exchange rate differences	**2.9**	6.7
Other	**34.1**	43.1
Total	**145.5**	179.7

26. FINANCE LEASE LIABILITIES - MATURITY

	2010	2009
FINANCE LEASE LIABILITIES - MINIMUM LEASE PAYMENTS		
No later than 1 year	**0.6**	0.9
Later than 1 year but no later than 5 years	**1.2**	1.9
Later than 5 years	**0.0**	1.4
Total	**1.8**	4.2
FINANCE LEASE LIABILITIES - PRESENT VALUE OF MINIMUM LEASE PAYMENTS		
No later than 1 year	**0.5**	0.7
Later than 1 year but no later than 5 years	**1.2**	1.7
Later than 5 years	**0.0**	1.4
Total	**1.7**	3.8
Future finance charges	**0.1**	0.4
Total finance lease liabilities	**1.8**	4.2

27. NET LIABILITIES

	2010	2009
Interest-bearing non-current liabilities	**499.1**	512.6
Interest-bearing current liabilities	**128.3**	437.6
Money market investments	**-58.5**	-202.1
Cash and cash equivalents	**-33.3**	-72.5
Total	**535.6**	675.6

28. DEFINED BENEFIT PENSION PLANS

The Group has various pension plans in accordance with the local conditions and practices of the countries in which it operates. Under defined benefit plan, pension benefits are determined by salary, retirement age, disability, mortality or termination of employment. The pension liability of Kemira's Pension Fund treated as defined benefit plan was transferred to Varma Mutual Pension Insurance Company on December 31, 2009. The TyEL plans managed by insurance companies are treated as defined contribution plans. The following table shows the effect of both the defined benefit and defined contribution plans on the Group's income statement and balance sheet. Pension liabilities, plan assets and actuarial gains and losses of the businesses acquired and divested have changed obligations and assets.

BALANCE SHEET	2010	2009
Liability for defined contribution plans	**0.4**	0.8
Liability for defined benefit plans	**54.8**	69.6
Total liability for defined benefit and contribution plans	**55.2**	70.4
Receivable for defined benefit plans	**-39.5**	-35.3
Net liability for defined benefit and contribution plans	**15.7**	35.1

DEFINED BENEFIT PLANS	2010	2009
BALANCE SHEET		
Liability for defined benefit plans	**54.8**	69.6
Receivable for defined benefit plans	**-39.5**	-35.3
Net liability for defined benefit plans	**15.3**	34.3
INCOME STATEMENT		
Defined benefit pension plans	**-5.9**	-22.8
AMOUNTS RECOGNIZED IN THE BALANCE SHEET		
Present value of funded obligations	**310.5**	295.4
Present value of unfunded obligations	**47.8**	71.8
Fair value of plan assets	**-382.9**	-363.6
Net asset (-) / liability (+)	**-24.7**	3.6
Unrecognized past service costs	**-0.5**	-0.5
Unrecognized actuarial gains (+) and losses (-)	**40.5**	31.2
Net liability (+) for defined benefit plans	**15.3**	34.3
MOVEMENTS IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS		
Liability at beginning of year	**367.2**	412.1
Current service cost	**4.5**	6.7
Interest costs	**17.2**	23.4
Actuarial gains (-) / losses (+)	**5.9**	37.6
Exchange rate differences on foreign plans	**6.8**	4.8
The effect of companies acquired and divested during the period	**-22.3**	0.0
Benefits paid	**-20.4**	-24.5
Curtailments and settlements	**-0.8**	-96.0
Past service costs	**0.0**	3.0
Liability at end of year	**358.3**	367.2
MOVEMENTS IN THE FAIR VALUE OF PLAN ASSETS		
Plan assets at beginning of year	**363.6**	427.8
Expected return on plan assets	**18.1**	21.4
Employer contribution	**8.9**	3.1
Actuarial gains (+) / losses (-)	**13.3**	30.1
Exchange differences on foreign plans	**1.6**	1.6
Effect of companies acquired and divested during the period	**-1.3**	0.0
Benefits paid	**-20.4**	-24.5
Settlements	**-0.9**	-95.9
Plans assets at end of year	**382.9**	363.6

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EUR million)

	2010	2009
AMOUNTS RECOGNIZED IN THE INCOME STATEMENT*		
Current service cost	**4.5**	6.7
Interest costs	**17.2**	23.4
Expected return on plan assets	**-18.1**	-21.4
Past service costs	**0.0**	3.0
Net actuarial gains (-) / losses (+) for financial year	**1.9**	0.4
Curtailments	**0.3**	10.7
Income statement (-) / expense (+)	**5.9**	22.8

*The Income Statement includes the effect on Tikkurila of EUR 1.4 million.

The above amount, EUR 5.9 million (EUR 22.8 million), is included in the employee benefits in the income statement.

	2010	2009
ACTUAL RETURN ON PLAN ASSETS		
Actual income (+) / expense (-) on plan assets	**31.4**	51.5
PRINCIPAL ACTUARIAL ASSUMPTIONS, %		
Discount rate	**4.0 - 5.6**	4.0 - 5.8
Expected return on plan assets	**2.8 - 7.5**	2.8 - 7.5
Inflation	**2.0 - 3.7**	1.5 - 3.6
Future salary increases	**2.0 - 4.3**	1.5 - 4.3
Future pension increases	**1.3 - 3.0**	0.5 - 3.8
PLAN ASSETS CONSIST OF:		
Equity instruments	**207.0**	198.0
Debt finance instruments	**39.1**	31.4
Asset in insurance companies*	**121.5**	119.1
Kemira Oyj treasury shares	**1.3**	1.2
Real estate in Group use	**14.0**	14.0
Total	**382.9**	363.6

* Funds managed by insurance companies, under the defined benefit pension plan, form part of the investment assets of the insurance companies, which bear the associated investment risk. For this reason, more detailed information on the individual plans' asset allocation is not available.

The total expected long-term rate of return on plan assets is 5.0%. This rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

Expected contributions to the post-employment benefit plans for 2011 total EUR 6.0 million.

31.12.	2010	2009	2008	2007	2006
Present value of defined benefit obligation	**358.3**	367.2	412.2	573.4	536.8
Fair value of plan assets	**382.9**	363.6	427.8	622.9	552.3
Surplus / deficit	**-24.7**	3.6	-15.6	-49.5	-15.5
Experience adjustments on plan liabilities	**-0.3**	0.1	-3.4	-3.4	4.0
Experience adjustments on plan assets	**36.2**	31.6	-88.2	45.9	19.5

(EUR million)

29. SUPPLEMENTARY CASH FLOW INFORMATION

ACQUISITION OF SUBSIDIARIES	2010	2009
Acquisition	31.6	3.7
Cash and cash equivalents at acquisition date	-	-
Cash flow on acquisition net of cash acquired	**31.6**	3.7
ACQUIRED ASSETS AND LIABILITIES		
Net working capital	3.0	1.1
Property, plant and equipment	21.3	2.1
Interest-bearing receivables, cash and cash equivalents deducted	0.1	-
Interest-bearing liabilities	-0.3	-
Interest-free liabilities	-	-0.4
Non-controlling interest	-	0.5
Goodwill on acquisition	7.5	0.4
Total assets and liabilities of acquired subsidiaries	**31.6**	3.7

DISPOSAL OF SUBSIDIARIES	2010	2009
Proceeds from the disposals	8.1	2.0
Cash and cash equivalent in disposed companies	-28.1	-1.4
Total cash flow on disposals of subsidiaries	**-20.0**	0.6
ASSETS AND LIABILITIES DISPOSED		
Net working capital	119.7	1.6
Property, plant and equipment	228.3	-
Shares	1.8	-
Interest-bearing receivables, excluding cash	3.5	-
Other interest-free receivables	5.6	-
Interest-bearing liabilities	-50.6	-1.2
Interest-free liabilities	-36.1	0.1
Total assets and liabilities of disposed subsidiaries	**272.2**	0.6

30. BUSINESS COMBINATIONS

2010: ACQUISITION OF WATER ELEMENTS LLC IN THE USA

On September 6, 2010, Kemira announced that it had acquired Water Elements, LCC ('WE'), through its North American subsidiary Kemira Water Solutions Inc. WE started its operations in 2007 and has one production plant in Baltimore, Maryland, USA.

WE is a manufacturer of inorganic coagulants in the USA. Kemira acquired 100% of the share capital of WE for EUR 25.9 million and obtained control of WE. The goodwill of EUR 4.0 million arising from the acquisition is representing the acquired coagulant market share in Municipial & Industrial business.

The following table summarises the consideration paid for WE and the amounts of the assets acquired and liabilites assumed recognized at the acquisition date.

CONSIDERATION	
Cash	25.9
Total consideration	**25.9**
Acquisition-related costs	**0.4**

RECOGNIZED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED	
Cash and cash equivalents	0.1
Property, plant and equipment	17.7
Intangible assets	2.8
Inventories	1.6
Trade and other receivables	1.1
Trade and other payables	1.4
Total identifiable net assets	**21.9**
Goodwill	4.0
	25.9

Acquisition-related costs included in other expenses in the consolidated income statement for the year ended 31 December, 2010.

The fair value of trade and other receivables is EUR 1.1 million and includes trade receivables with a fair value of EUR 0.9 million. The gross contractual amount for trade receivables is EUR 0.9 million, of which all the amount expected to be collected.

Revenue included in the consolidated income statement since September 2, 2010 contributed by WE was EUR 2.8 million. WE also contributed operating profit of EUR 0.3 million over the same period. Had WE been consolidated from January 1, 2010, the consolidated income statement would show pro forma revenue of EUR 8.4 million and pro forma operating profit of EUR 1.0 million.

The pro forma amounts is provided for comparative purposes only and does not necessarily reflect the actual results that would have occured, nor is it necessarily indicative of future results of operations of the combined companies.

2010: ACQUISITION OF ALBEMARLE UK LIMITED

On August 2, 2010, Kemira announced that it has completed the negotiations with Albamarle on July 30, 2010 and closed a deal to acquire the legal entity located in Teesport, Middlesbrough, United Kingdom. The site employs approximately 30 persons.

2009: TIKKURILA JUB ROMANIA

Tikkurila announced its intentions to acquire the 50% stake of the Slovenian JUB coatings company in the trading company Tikkurila JUB Romania S.R.L. Ownership was transferred on September 1, 2009, with 100% ownership now by Tikkurila. The name of the company was changed to Tikkurila S.R.L. Acquisition was not significant to the Group and no goodwill was recorded.

2009: AKZO NOBEL

Kemira acquired Akzo Nobel's iron coagulant business in the Nordic countries (Sweden, Norway and Denmark). Iron coagulants are used in water treatment. The transaction represents approximately 20% of the Swedish iron coagulant markets. The agreement took force on November 2, 2009. No personnel or production facilities were transferred under the agreement. Acquisition was not significant to the Group and no goodwill was recorded.

2009: ACQUISITION OF SHARES FOR NON-CONTROLLING INTEREST

On 15 May, 2009, Tikkurila Oy acquired 30% of a non-controlling interest in Dickursby Holding AB, Sweden and its two subsidiaries. A goodwill of EUR 0.4 million was recorded for this acquistion.

(EUR million)

31. COLLATERAL AND CONTINGENT LIABILITIES

LOANS SECURED BY MORTGAGES IN THE BALANCE SHEET AND FOR WHICH MORTGAGES ARE GIVEN AS COLLATERAL	2010	2009
Loans from financial institutions	0.5	0.5
Mortgages given	0.9	1.0
Loans from pension institutions	9.8	27.8
Mortgages given	12.2	35.7
Other loans	0.3	0.3
Mortgages given	0.8	0.8
Total mortgage loans	**10.6**	28.6
Total mortgages given	**13.9**	37.5
CONTINGENT LIABILITIES		
Assets pledged		
On behalf of own commitments	6.3	5.5
Guarantees		
On behalf of own commitments	45.2	45.2
On behalf of associates	0.8	1.0
On behalf of others	4.4	9.2
Operating leasing liabilities		
Maturity within one year	21.3	26.0
Maturity after one year but within five years	64.9	64.9
Maturity after five years	104.9	72.4
Other obligations		
On behalf of own commitments	1.1	1.7
On behalf of associates	1.6	1.8

MAJOR OFF-BALANCE SHEET INVESTMENTS COMMITMENTS

There were no contractual commitments for the acquisition of property, plant and equipment on December 31, 2010.

LITIGATION

On August 19, 2009, Kemira Oyj received a summons stating that Cartel Damage Claims Hydrogen Peroxide SA (CDC) had filed an action against six hydrogen peroxide manufacturers, including Kemira, for violations of competition law applicable to the hydrogen peroxide business. In its claim, Cartel Damage Claims Hydrogen Peroxide SA seeks an order from the Regional Court of Dortmund in Germany to obtain an unabridged and full copy of the decision of the European Commission, dated May 3, 2006, and demands that the defendants, including Kemira, are jointly and severally ordered to pay damages together with accrued interest on the basis of such decision. Cartel Damage Claims Hydrogen Peroxide SA states that it will specify the amount of the damages at a later stage after the full copy of the decision of the European Commission has been obtained by it. In order to provide initial guidance as to the amount of such damages, Cartel Damage Claims Hydrogen Peroxide SA presents in its claim a preliminary calculation of the alleged overcharge having been paid to the defendants as a result of the violation of the applicable competition rules by the parties which have assigned and sold their claim to Cartel Damage Claims Hydrogen Peroxide SA.

Such alleged overcharge, together with accrued interest until December 31, 2008, is stated to be approximately EUR 641.3 million. The process is currently pending in the Regional Court of Dortmund, Germany. Kemira defends against the claim of Cartel Damage Claims Hydrogen Peroxide SA. However, Kemira is currently not in a position to make any estimate regarding the duration or the likely outcome of the process. No assurance can be given as to the outcome of the process, and an unfavorable judgment against Kemira could have a material adverse effect on Kemira's business, financial condition or results of operations. Due to its extensive international operations the Group, in addition to the CDC claim, is involved in a number of other legal proceedings incidental to these operations and it does not expect the outcome of these other currently pending legal proceedings to have materially adverse effect upon its consolidated results or financial position.

32. DERIVATIVE INSTRUMENTS

	2010			2009		
NOMINAL VALUES	**<1 year**	**>1 year**	**Total**	<1 year	>1 year	Total
CURRENCY INTRUMENTS						
Forward contracts	607.7		607.7	549.5	-	549.5
Cross currency swaps	-	-	-	29.3	-	29.3
INTEREST RATE INSTRUMENTS						
Interest rate swaps	246.9	58.4	305.3	69.0	285.7	354.7
of which cash flow hedge	236.9	38.4	275.3	52.1	255.7	307.8
Interest rate options	-	-	-	-	-	-
Bought	-	10.0	10.0	-	10.0	10.0
Sold	-	-	-	-	-	-
Bond futures	-	10.0	10.0	-	10.0	10.0
of which open	-	10.0	10.0	-	10.0	10.0
OTHER INSTRUMENTS						
Electricity forward contracts, bought (GWh)	403.0	421.3	824.3	630.7	526.0	1,156.7
of which cash flow hedge (GWh)	403.0	421.3	824.3	525.6	526.0	1,051.6
Electricity forward contracts, sold (GWh)	-	-	-	-	-	-
of which cash flow hedge (GWh)	-	-	-	-	-	-
Propane swap contracts (k tons)	4.7	5.4	10.1	-	14.8	14.8
of which cash flow hedge (k tons)	4.7	5.4	10.1	-	14.8	14.8
Salt derivatives (k tons)	160.0	53.0	213.0	160.0	-	160.0

Nominal values of the financial instruments do not necessarily correspond to the actual cash flows between the counterparties, and individual items do not therefore give a fair view of the Group's risk position.

(EUR million)

FAIR VALUES	2010 Assets gross	Liabilities gross	Total net	2009 Assets gross	Liabilities gross	Total net
CURRENCY INSTRUMENTS						
Forward contracts	**10.9**	**-2.8**	**8.1**	5.0	-3.4	1.6
Currency swaps	**-**	**-**	**-**	-	-3.9	-3.9
INTEREST RATE INSTRUMENTS						
Interest rate swaps	**-**	**-6.0**	**-6.0**	-	-9.4	-9.4
of which cash flow hedge	**-**	**-4.7**	**-4.7**	-	-7.4	-7.4
Interest rate options	**-**	**-**	**-**	-	-	-
Bought	**-**	**-**	**-**	-	-	-
Sold	**-**	**-**	**-**	-	-	-
Bond futures	**-**	**-**	**-**	0.2	-	0.2
of which open	**-**	**-**	**-**	0.2	-	0.2
OTHER INSTRUMENTS						
Electricity forward contracts, bought	**14.9**	**-**	**14.9**	2.0	-0.8	1.2
of which cash flow hedge	**14.9**	**-**	**14.9**	1.9	-0.8	1.1
Electricity forward contracts, sold	**-**	**-**	**-**	-	-	-
of which cash flow hedge	**-**	**-**	**-**	-	-	-
Propane swap contracts	**0.1**	**-**	**0.1**	-	-0.2	-0.2
of which cash flow hedge	**0.1**	**-**	**0.1**	-	-0.2	-0.2
Salt derivatives	**-**	**-**	**-**	-	-	-

(EUR million)

FAIR VALUES	2010 Assets gross < 1 year	> 1 year	Liabilities gross < 1 year	> 1 year	2009 Assets gross < 1 year	> 1 year	Liabilities gross < 1 year	> 1 year
CURRENCY INSTRUMENTS								
Forward contracts	**10.9**	**-**	**-2.8**	**-**	5.0	-	-3.4	-
Currency swaps	**-**	**-**	**-**	**-**	-	-	-3.9	-
INTEREST RATE INSTRUMENTS								
Interest rate swaps	**-**	**-**	**-2.7**	**-3.3**	-	-	-1.3	-8.1
of which cash flow hedge	**-**	**-**	**-2.4**	**-2.3**	-	-	-1.0	-6.4
Interest rate options	**-**	**-**	**-**	**-**	-	-	-	-
Bought	**-**	**-**	**-**	**-**	-	-	-	-
Sold	**-**	**-**	**-**	**-**	-	-	-	-
Bond futures	**-**	**-**	**-**	**-**	-	0.2	-	-
of which open	**-**	**-**	**-**	**-**	-	0.2	-	-
OTHER INSTRUMENTS								
Electricity forward contracts, bought (GWh)	**11.1**	**3.8**	**-**	**-**	0.1	1.9	-0.8	-
of which cash flow hedge (GWh)	**11.1**	**3.8**	**-**	**-**	-	1.9	-0.8	-
Electricity forward contracts, sold (GWh)	**-**	**-**	**-**	**-**	-	-	-	-
of which cash flow hedge (GWh)	**-**	**-**	**-**	**-**	-	-	-	-
Propane swap contracts (k tons)	**0.1**	**-**	**-**	**-**	-	-	-	-0.2
of which cash flow hedge (k tons)	**0.1**	**-**	**-**	**-**	-	-	-	-0.2
Salt derivatives (k tons)	**-**	**-**	**-**	**-**	-	-	-	-

33. ENVIRONMENTAL RISKS AND LIABILITIES

The bulk of Kemira's business is in the chemical industry, whose products and operations are governed by numerous international agreements and regional and national legislation all over the world. The Group treats its environmental liabilities and risks in financial statements in accordance with IFRS and observes established internal principles and procedures.

Divestments and acquisitions did not change the Group's environmental liabilities considerably. Provisions for environmental remediation totaled EUR 19.6 million (21.1). The major provisions apply to the closing of the former waste piling area in Pori, and limited reconditioning of the sediment of a lake adjacent to the Vaasa plant. At Pori, the remedial work was proceeding as planned. At Vaasa, preparations were made for starting the dredging works, and the provision was increased in accordance with the new authority requirements. In Helsingborg, demolition of old plant buidings was continued and a limited area of contaminated soil was cleaned up.

EMISSIONS ALLOWANCES

The Group holds assigned emissions allowances under the EU Emissions Trading System at one site in Sweden. In net volumes, these allowances at Group level showed a surplus of 2,365 (2,037) carbon dioxide tons in 2010.

34. MANAGEMENT OF FINANCIAL RISKS

The Group Treasury manages financial risks in accordance with the treasury policy in force. Approved by the Board of Directors, the treasury policy defines treasury management principles. The Board of Directors approves the annual Treasury plan and the maximum permissible financial risk levels.

Financial risk management aims to protect the Company from unfavorable changes in financial markets, thus contributing to safeguarding the Company's profit performance and shareholders' equity. Kemira employs various financial instruments within the set limits. The Group uses only instruments whose market values and risks can be monitored continuously and reliably. It uses derivative instruments only for hedging purposes, not for speculative gain. Management of foreign exchange and interest rate risk is centralized in the Group treasury.

FOREIGN EXCHANGE RISK

Foreign currency transaction risk arises from net currency flows denominated in currencies other than the domestic currency within and outside the eurozone. The Group's most significant transaction currency risk arises from the U.S. dollar, mainly as a result of U.S. dollar denominated exports from the euro area to overseas. At the end of the year, the U.S. dollar denominated 12-month exchange rate risk had an equivalent value of approximately EUR 76 million. On average, 39% of this transaction exposure was hedged. In addition, Kemira is exposed to smaller transaction risks in relation to the Brazilian real and Canadian dollar with the annual exposure in both of these currencies being approximately EUR 20 million.

Kemira mainly uses forwards and currency options in hedging against foreign exchange risks, which had less than a one year maturity at the end of 2010. At Group level, the impacts of the subsidiaries' hedging operations are eliminated. The table below shows an estimate of the largest group-level foreign currency cash flow risks.

TRANSACTION AND TRANSLATION EXPOSURE, EUR MILLIONS — 2010

	USD	CAD	BRL	Others
Operative cash flow forecast*	**76.0**	**24.9**	**-22.4**	**44.5**
Loans**	**132.6**	**14.5**	**16.6**	**-10.3**
Derivatives, transaction hedging	**-26.9**	**-12.0**	**0.0**	**-13.4**
Derivatives, translation hedging	**-130.9**	**-11.5**	**-16.3**	**-30.8**
Total	**50.8**	**15.9**	**-22.1**	**-10.0**
Loans, hedging investment in a foreign entity				**-41.3**

TRANSACTION AND TRANSLATION EXPOSURE, EUR MILLIONS — 2009

	USD	CAD	BRL	Others
Operative cash flow forecast*	42.3	14.4	-7.1	65.0
Loans**	127.3	-4.8	13.5	-25.7
Derivatives, transaction hedging	-37.5	-5.3	0.0	6.8
Derivatives, translation hedging	-126.9	4.8	-13.5	36.3
Total	5.2	9.1	-7.1	82.4
Loans, hedging investment in a foreign entity	-28,5			-86,4

* Based on 12 months operative cash flow forecast
** Does not include hedging of a net investment in a foreign entity

At the turn of 2010/2011, the foreign currency operative cash flow forecast for 2011 was EUR 173 million of which 30% was hedged (39%). The hedge ratio is monitored daily. In hedging the total cash flow risk, a neutral level is achieved when 50% of the forecasted net foreign currency cash flow is hedged. A minimum of 30% and a maximum of 100% of the forecast flow must always be hedged. A 10% fall in foreign exchange rates against the euro, based on the exchange rates quoted on the balance sheet date, and without hedging would reduce earnings before taxes by about EUR 11.2 million (8.9).

Since Kemira's consolidated financial statements are compiled in euros, Kemira is also subject to currency translation risk to the extent that the income statement and balance sheet items of subsidiaries located outside Finland are reported in some other currency than the euro. Most significant translation risk currencies are the US dollar, Swedish krona, Canadian dollar and Brazilian real.

In hedging the net investment in its units abroad, Kemira monitors the equity ratio. In accordance with the Group's policy, Kemira must take equity hedging measures if a change of +/- 5% in foreign exchange rates causes a change of more than 1.5 percentage points in the equity ratio.

On the balance sheet date, part of the equity denominated in the Swedish krona was hedged with a long-term Swedish krona denominated loan. At the end of 2010, the nominal amount of hedge of net investments in foreign operations totaled EUR 41.3 million (114.8). All in all, this transaction corresponds to a 3% hedge ratio (2009: 9%). At the end of 2010, all net investments in foreign entities were hedged with long-term loans, which was also the case at the end of 2009. A 10% fall in foreign exchange rates against the euro, based on the exchange rates quoted on the balance sheet date, would have a positive impact on the valuation of equity hedging instruments of about EUR 3.8 million in equity (before taxes).

INTEREST RATE RISK

In accordance with the treasury policy, the Group's interest rate risk is measured with the duration which describes average repricing moment of the loan portfolio. The duration, must be in the range of 6–24 months. The Group may borrow by way of either fixed or floating rate instruments and use both interest rate swaps and interest rate options as well as forward rate agreements and interest rate futures, in order to meet the goal set under the related policy.

The duration of the Group's interest-bearing loan portfolio was 15 months at the end of 2010 (19 months). Excluding interest rate derivatives, the duration is 11 months (12 months). At the end of 2010, 76.8% of the Group's entire net debt portfolio, including derivatives and pension loans, consisted of fixed-interest borrowings (70%). Pension loans are classified as fixed rate loans. The net financing cost of the Group's was 4.5% (4.6%). This figure is attained by dividing yearly net interest and other financing expenses excluding exchange rate differences and dividends by the average interest bearing net debt figure for the corresponding period. The most significant impact on the net financing cost arises from variation in the interest rate levels of the euro and the US dollar denomineted debt.

Fixed-interest financial assets and liabilities are exposed to price risks arising from changes in interest rates. Floating rate financial assets and liabilities, whose interest rate changes alongside market interest rates are exposed to cash flow risks due to interest rates.

The table below shows the time to interest rate fixing of the loan portfolio.

TIME TO INTEREST RATE FIXING DEC. 31, 2010

	<1 year	1-5 years	>5 year	Total
Floating net liabilities	**124**			**124**
Fixed net liabilities	**247**	**118**	**47**	**412**
Total	**371**	**118**	**47**	**536**

TIME TO INTEREST RATE FIXING DEC. 31, 2009

	<1 year	1-5 years	>5 year	Total
Floating net liabilities	201			201
Fixed net liabilities	83	297	95	475
Total	284	297	95	676

The proportion of fixed-interest loans in the loan portfolio has been increased by means of interest rate derivatives. As a consequence of this treasury policy, the Group's average interest rate is generally higher than short-term market interest rates when low rates prevail and, on the other hand, lower than market interest rates when high rates prevail. If interest rates rose by one percentage point on January 1, 2011, the resulting interest expenses before taxes incurred by the Group over the next 12 months would increase by about EUR 2.1 million (1.6 million). During 2011, Kemira will re-price 68% (40%) of the Group's net debt portfolio, including derivatives.

On the balance sheet date, the Group had outstanding interest rate derivatives with a market value of EUR -6.0 million (-9.4). A majority of the interest rate swaps are used to hedge the Group's loan portfolio, and are accounted for in accordance with the principles of hedge accounting set out in IAS 39. The market value of the interest rate swaps designated as cash flow hedge accounting instruments was -4.7 million at the end of 2010 (-7.4). The Group's accounting policies section describes the Group policy regarding hedge accounting. A one percentage point increase in interest rates would result in a positive impact of EUR 1.2 million (2.6 million) in equity (before taxes) from hedge accounting interest rate swaps.

PRICE RISK

The price of electricity varies greatly according to the market situation. Kemira Group takes hedging measures with respect to its electricity purchases in order to even out raw material costs. In line with its hedging policy, the Group hedges its existing sales agreements in such a way that the hedges cover the commitments made. The company primarily uses electricity forwards on the power exchange as hedging instruments. Currency and regional price risks connected with hedges are mainly hedged by making agreements in HELEUR amounts. The majority of outstanding electricity derivatives are treated in accordance with cash flow hedge accounting, as discussed above. The forecast physical deliveries of the underlying asset, or purchases, are not recorded until the delivery period. A 10% increase in the price of electricity hedging contracts would impact the valuation of these contracts in equity (before taxes) by EUR 4.9 million (4.6).

Kemira has an exposure to the price of natural gas in conjunction with raw material purchases. Pricing of Natural Gas is based on FuelOil and GasOil. A portion of this risk is hedged with commodity swap contracts with total hedge volumes of 4510 metric tons FuelOil and 5630 metric tons of GasOil over the years 2011–2013; the valuation of which is subject to cash flow hedge accounting. A simultaneous 10% change in FuelOil and GasOil price would result in a EUR 0.5 million change in the market value of the swaps in equity (before taxes) assuming EUR/USD levels of December 31, 2010.

Kemira Oyj owns shares in Pohjolan Voima Group (PVO). The fair value of PVO shares is based on the discounted cash flow resulting from the difference between the market price and the production cost of electricity. A decrease in the electricity market future price of 10% would lower fair value of shares by approximately 19%. A one percentage point change in the discounted rate would change the fair value by 10%.

Kemira's salt purchase agreement from 2010 includes an embedded derivative. The variable pricing component is dependent on the development of LFSO (Low Sulphur Fuel Oil) index in euros, thus there is an exposure both to the oil price and the EUR/USD exchange rate. A 10% increase in the euro value of the LFSO index would impact the valuation of the embedded derivative in the result (before taxes) by approximately EUR 0.2 million.

CREDIT AND COUNTERPARTY RISK

The Group's treasury policy defines the credit rating requirements for counterparties to investment activities and derivative agreements as well as the related investment policy. The Group seeks to minimize its counterparty risk by dealing solely with counterparties which are financial institutions with a good credit rating as well as by spreading agreements among them.

Group Treasury approves the new banking relationships of subsidiaries. At present, there are 15 approved financial institution counterparties used by Group Treasury, all of which have a credit rating of at least A, based on Standard & Poor's credit rating information. A counterparty with a credit rating below A or an unrated counterparty requires the separate approval of the Board of Directors. The maximum risk assignable to the Group's financial institution counterparties on the balance sheet date amounted to EUR 117.8 million on the balance sheet date (281.0). Kemira monitors its counterparty risk on a monthly basis by defining the maximum risk associated with each counterparty, based on the market value of receivables. For each financial institution, Kemira has defined an approved limit. Credit risks associated with financing transactions did not result in credit losses during the financial year.

The counterparty risk in treasury operations is due to the fact that a contractual party to a financing transaction is not necessarily able to fulfill its contractual obligations. Risks are mainly related to investment activities and the counterparty risks associated with derivative contracts. Group Treasury may invest a maximum of EUR 150 million in liquid assets in the commercial papers of Finnish companies. The maximum investment in a single company totals EUR 30 million for a period of up to six months.

Kemira has a Group wide credit policy in place. Products are sold only to companies whose credit information does not indicate payment irregularities. The Group does not have any significant credit risk concentrations because of its extensive customer base spread across the world. Credit limits apply to most customers and are monitored systematically. In some cases, documentary payments are in use, such as letters of credit. The age distribution of trade receivables outstanding at the end of 2010 is shown in the following table.

AGING OF TRADE RECEIVABLES

	2010	2009
Undue trade receivables	**254.4**	285.8
Trade receivables 1–90 days overdue	**33.5**	44.6
Trade receivables more than 91 days overdue	**7.1**	13.9
Total	**295.0**	344.3

Impairment loss of trade receivables amounted to EUR 5.2 million (EUR 9.6 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EUR million)

LIQUIDITY AND REFINANCING RISKS

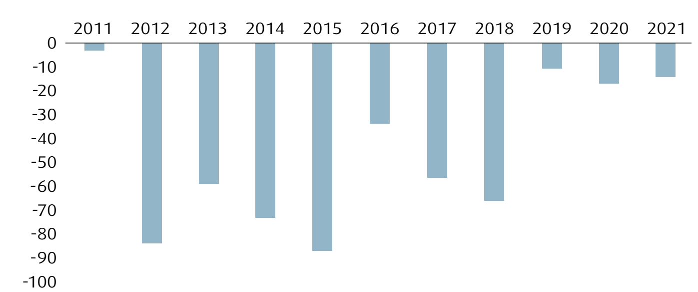
In order to safeguard its liquidity, the Group uses account overdrafts, money market investments and a revolving credit facility. The Group's cash and cash equivalents at the end of 2010 stood at EUR 91.8 million (274.6), of which short-term investments accounted for EUR 58.5 million (202.1) and bank deposits EUR 33.3 million (72.5). The unused revolving credit facility was EUR 490 million (548.7). The size of revolving credit facility was decreased from EUR 750 million to EUR 500 million at June 2010.

The Group diversifies its refinancing risk by raising financing from various sources. The Group has bank loans, pension loans, insurance company loans as well as short-term domestic commercial paper program, with the objective of balancing the maturity schedule of the loan portfolio and maintaining a sufficiently long maturity for long-term loans.

In accordance with the Group Treasury policy, the average maturity of outstanding loans should always be at least 3 years. The Group must have committed credit facilities to cover planned funding needs, the current portion of long term debt, commercial paper borrowings and other uncommitted short-term loans in the next 12 months. Moreover, the maturity profile of the long term debt portfolio and refinancing should be planned so that a maximum of 30% of the total debt portfolio will mature during the next 12 month period. The average maturity of debt at the end of 2010 was 5 years.

The Group has a EUR 600 million domestic commercial paper program enabling it to issue commercial papers with a maximum maturity of one year. At the end of 2010, there were no drawn funds from commercial paper markets. Simultaneously, the group had EUR 58.5 million of outstanding liquid short- and long-term investments. In addition, the Group has a 500 million euro revolving credit facility, which matures in July 2012. At the turn of the year 2010/2011, EUR 10.0 million of revolving credit facility was in use (201.3). The revolving credit facility allows for borrowing at terms specified in the original agreement from 2005 and represents a flexible form of both short-term and long-term financing with a predictable fee-structure.

REVOLVING CREDIT FACILITY (tranche shown to be maturing 2012)
EUR million



CAPITAL STRUCTURE MANAGEMENT

The Group's long-term objective is to maintain the gearing ratio below 60 percent. To calculate the gearing ratio, interest-bearing net liabilities (interest-bearing liabilities less cash and cash equivalents) are divided by shareholders' equity.

Besides gearing, the revolving credit facility and certain other bilateral loan agreements contain a covenant according to which the Company represents and warrants that its financial standing will remain such that the consolidated shareholders' equity is always at least 25 percent of the consolidated total assets (equity ratio).

The Board of Directors will propose a per-share dividend of EUR 0.48 for 2010 (0.27), corresponding to a dividend payout ratio of 66% (44%). The long-term objective is to distribute more than 50 percent of the net operating income in dividends to the shareholders.

EUR million	2010	2009
Interest-bearing liabilities	**627.4**	950.2
Cash and cash equivalents	**91.8**	274.6
Interest-bearing net liabilities	**535.6**	675.6
Equity	**1,365.8**	1,268.8
Total assets	**2,543.7**	2,816.7
Gearing	**39 %**	53%
Equity ratio	**54 %**	45%

(EUR million)

CASH AND CASH EQUIVALENTS	2010 Book value	Fair value	2009 Book value	Fair value
Cash and cash equivalents	**33.3**	**33.3**	72.5	72.5
Money market investments	**50.1**	**50.1**	193.2	193.2
Investments for the interest funds	**8.4**	**8.4**	8.9	8.9
Total	**91.8**	**91.8**	274.6	274.6

Money market investments are short term. Fair value of investment for interest funds are based on valuation received from contracting parties.

NON-CURRENT INTEREST-BEARING LOANS AND AMORTIZATIONS OF NON-CURRENT INTEREST-BEARING LOANS

CURRENCY	31.12.2010 Fair value	Book value	Maturity 2011*)	2012	2013	2014	2015	2016-
EUR*	**282.5**	**272.6**	**36.8**	16.6	20.2	24.7	74.6	99.7
SEK	**61.6**	**61.4**	**61.4**	-	-	-	-	-
USD	**260.5**	**259.6**	**8.9**	59.8	39.4	46.3	8.9	96.3
Other	**27.5**	**27.3**	**14.8**	9.2	-	3.3	-	-
Total	**632.1**	**620.9**	**121.9**	85.6	59.6	74.3	83.5	196.0

CURRENCY	31.12.2009 Fair value	Book value	Maturity 2010*)	2011	2012	2013	2014	2015-
EUR*	457.5	451.9	227.0	31.3	16.8	16.1	16.0	144.7
SEK	75.5	75.1	39.0	36.1	-	-	-	-
USD	256.0	254.9	8.9	9.0	56.1	37.3	43.6	100.0
Other	29.9	29.8	24.3	4.8	-	-	-	0.7
Total	818.9	811.7	299.2	81.2	72.9	53.4	59.6	245.4

* Includes EUR 10.0 million (EUR 201.3 million) raised from the revolving credit facility agreement that matures in July 2012. The tranches have been reported as a short-term loan.

Figures include the amortizations planned for 2010 (2009) excluding commercial papers, finance lease liabilities and other current loans.

CASH FLOW FROM ALL FINANCIAL LIABILITIES

Loan type	31.12.2010 Drawn	Undrawn	Maturity 2011	2012	2013	2014	2015	2016-
Long-term interest-bearing liabilities	**610.9**	**-**	111.9	85.6	59.6	74.3	83.5	196.0
financial expenses	**-**	**-**	2.2	1.7	1.2	1.5	1.7	3.9
Revolving credit facility	**10.0**	**490.0**	10.0	-	-	-	-	-
financial expenses	**-**	**-**	0.1	-	-	-	-	-
Finance lease liabilities	**1.8**	**-**	0.6	-	-	-	-	-
financial expenses	**-**	**-**	0.1	-	-	-	-	-
Commercial paper program	**0.0**	**600.0**	0.0	-	-	-	-	-
financial expenses	**-**	**-**	0.0	-	-	-	-	-
Other interest-bearing current loans	**5.5**	**-**	5.9	-	-	-	-	-
financial expenses	**-**	**-**	0.1	-	-	-	-	-
Interest-bearing loans	**628.2**	**1,090.0**	130.9	88.5	60.8	75.8	85.2	199.9
Trade payables	**143.4**	**-**	143.4	-	-	-	-	-
Derivatives								
Derivative liabilities	**607.7**	**-**	607.7	-	-	-	-	-
Derivative assets	**-615.8**	**-**	-615.8	-	-	-	-	-
Other derivatives*	**-9.0**	**-**	-8.5	-1.8	0.4	0.9	0.0	0.0
Trade payables and derivatives	**126.3**	**-**	126.8	-1.8	0.4	0.9	0.0	0.0
Total	**754.5**	**1,090.0**	257.7	86.7	61.2	76.7	85.2	199.9
Guarantees	**-**	**-**	4,4	-	-	-	-	-

Loan type	31.12.2009 Drawn	Undrawn	Maturity 2010	2011	2012	2013	2014	2015-
Loans from financial institutions	610.3	-	97.8	81.2	72.9	53.4	59.6	245.4
financial expenses			1.7	1.4	1.3	0.9	1.0	4.3
Revolving credit facility	201.3	548.7	201.3	-	-	-	-	-
financial expenses			1.7	-	-	-	-	-
Finance lease liabilities	4.2	-	4.2	-	-	-	-	-
financial expenses			0.3	-	-	-	-	-
Commercial paper program	125.4	474.6	125.4	-	-	-	-	-
financial expenses			1.4	-	-	-	-	-
Other interest-bearing current loans	9.0		8.8	-	-	-	-	-
financial expenses			0.4	-	-	-	-	-
Interest-bearing loans	950.2	1,023.3	443.0	82.6	74.2	54.3	60.6	249.7
Trade payables	160.3		160.3	-	-	-	-	-
Derivatives								
Derivative liabilities	-550.9		-550.9	-	-	-	-	-
Derivative assets	552.5		552.5	-	-	-	-	-
Other derivatives*	-12.1		-5.8	-4.3	-1.2	-0.5	-0.3	0.2
Trade payables and derivatives	149.8		156.1	-4.3	-1.2	-0.5	-0.3	0.2
Total	1,100.0	1,023.3	599.1	78.3	73.0	53.8	60.3	249.9
Guarantees			9.2	-	-	-	-	-

* Interest rate swaps, currency swaps and electricity forwards

35. ASSOCIATED COMPANIES

			Group holding %
Ekomuovi Oy	Lahti	Finland	22.4
FC Energia Oy	Ikaalinen	Finland	34.0
FC Power Oy	Ikaalinen	Finland	34.0
Galvatek Technology Oy	Lahti	Finland	39.9
Haapaveden Ympäristöpalvelut Oy	Haapavesi	Finland	40.5
Honkalahden Teollisuuslaituri Oy	Joutseno	Finland	50.0
Kemwater Phil., Corp.	Manila	Philippines	40.0
Sachtleben GmbH	Frankfurt am Main	Germany	39.0
White Pigment LLC	Princeton NJ	United States	39.0

SUMMARIZED FINANCIAL INFORMATION OF ASSOCIATES (COMPANIES' TOTAL AMOUNTS)	2010	2009
Assets	**685.8**	676.1
Liabilities	**452.3**	614.6
Revenue	**581.5**	486.1
Net profit for the period	**23.2**	-5.3

THE FOLLOWING TRANSACTIONS TOOK PLACE WITH ASSOCIATED COMPANIES:	2010	2009
Sale of goods	**28.0**	96.5
Total sales	**28.0**	96.5
Purchase of goods	**4.7**	67.2
Total purchases	**4.7**	67.2

No services were sold to associates in 2010, nor were any services acquired from associates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EUR million)

36. JOINT VENTURES

Kemira did not have joint ventures December 31, 2010. Alcro-Parti AB was separated from Kemira together with Tikkurila in March 2010.

The Group's joint venture on December 31, 2009 was Alcro-Parti AB. Tikkurila JUB Romania S.R.L. was a joint venture until August 31, 2009. The Group has a 50% voting right in joint ventures. The consolidated financial statements include shares of the joint ventures' assets, liabilities, income and expenses as follows:

	2010	2009
Non-current assets	-	-
Current assets	-	0.9
Total assets	-	0.9
Non-current liabilities	-	0.1
Current liabilities	-	0.3
Total liabilities	-	0.4
Revenue	-	3.2
Costs	-	-3.1
Depreciation	-	-
Income taxes	-	-
Net profit for the period	-	0.1

37. CHANGES IN GROUP STRUCTURE IN 2010

ACQUISITIONS OF GROUP COMPANIES AND NEW SUBSIDIARIES THAT HAVE BEEN FOUNDED

- Kemmwater Brasil S.A. became fully owned by Kemira when Millenium Inorganic Chamicals do Brazil transferred its shares (32.54 %) to Kemira Kemi AB in March.
- Kemira established a new company, Kemira Polar A/S, in Denmark in June.
- Kemira established a new company, Kemira Iberica Sales and Marketing S.L., in Spain in July.
- Kemira incorporated a new company, Kemira Indus Limited, in India in July.
- Kemira acquired a new company, Albemarle UK Limited, in the UK in August.
- Kemira acquired Water Elements, LLC, Chesapeake Agro-Iron, LLC, Clean Water Logistics, LLC, LA Water, LLC and Riverside Divelopment Partners, LLC in North America in September.
- Kemira Established two new companies in September: Kemira Germany Sales GmbH in Germany and Kemira France SAS in France.

DIVESTMENTS OF GROUP COMPANIES

- Tikkurila Oyj with its subsidiaries was listed to NASDAQ OMX Helsinki in March 26 2010. 86% of Tikkurila's shares were distributed to Kemira Oyj's shareholders as dividend. Kemira's holding of the shares and voting rights in Tikkurila were reduced to 14%.
- Industry Park of Sweden AB was sold in July.
- Kemira Japan K.K. was sold in September.

CHANGES IN THE HOLDINGS OF GROUP COMPANIES WITHIN THE GROUP

- Industry Park of Sweden AB tranferred its shares in Kemira Kopparverket KB and Industry Park i Helsingborg Förvaltning AB to Kemira Kemi AB in June.
- Kemira Oyj sold its 100% ownership in the the following companies to Kemira Europe Oy in November: Kemira Chemicals Oy, Kemira Chimie S.A.S.U., Kemira Iberica S.A., Kemira Kemi AB, Kemira Specialty Chemicals, Inc. and Kemira Chemicals AS.

NAME CHANGES

Old name	New name
Kemira Chamicals Holding Oy	Kemira Europe Oy
Albemarle UK Limited	Kemira Teesport Limited

38. EVENTS AFTER THE BALANCE SHEET DATE

The Group has no significant events after the balance sheet date.

KEMIRA OYJ INCOME STATEMENT (FAS)

(EUR million)

	1.1.-31.12.2010	1.1.-31.12.2009
Revenue	**322.3**	296.9
Change in inventories of finished goods	**1.0**	5.0
Own work capitalized	**0.7**	0.1
Other operating income	**306.3**	59.3
Materials and services	**-211.1**	-183.9
Personnel expenses	**-66.7**	-60.4
Depreciation	**-34.1**	-28.1
Other operating expenses	**-159.0**	-74.8
Operating profit / loss	**159.3**	14.1
Financial income and expenses	**11.9**	-14.9
Profit / loss before extraordinary items	**171.2**	-0.8
Extraordinary items	**16.9**	19.5
Profit / loss before appropriations and taxes	**188.1**	18.7
Appropriations	**3.0**	5.1
Income tax	**3.3**	-0.6
Net profit / loss for the period	**194.4**	23.2

Kemira has sent a copy of the full official financial statements to the Trade Register. The official financial statements are also available on Kemira's internet pages.

KEMIRA OYJ BALANCE SHEET (FAS)

(EUR million)

ASSETS	31.12.2010	31.12.2009
NON-CURRENT ASSETS		
Intangible assets	**45.8**	41.1
Property, plant and equipment	**77.6**	98.6
Investments		
Holdings in subsidiaries	**1,531.0**	1,344.9
Holdings in associates	**137.5**	137.5
Other shares and holdings	**47.8**	32.7
Total investments	**1,716.3**	1,515.1
Total non-current assets	**1,839.7**	1,654.8
CURRENT ASSETS		
Inventories	**20.1**	20.2
Non-current receivables	**112.1**	355.1
Current receivables	**94.3**	182.6
Money market investments - cash equivalents	**37.8**	186.6
Cash and cash equivalents	**61.2**	56.1
Total current assets	**325.5**	800.6
Total assets	**2,165.2**	2,455.3
EQUITY AND LIABILITIES		
EQUITY		
Share capital	**221.8**	221.8
Capital paid-in in excess of par value	**257.9**	257.9
Reserve for unrestricted capital invested	**200.0**	200.0
Retained earnings	**64.2**	171.0
Net profit / loss for the period	**194.4**	23.2
Total equity	**938.1**	873.8
Appropriations	**33.1**	36.1
Obligatory provisions	**43.9**	47.1
LIABILITIES		
Non-current liabilities	**525.8**	485.1
Current liabilities	**624.4**	1,013.2
Total liabilities	**1,150.1**	1,498.3
Total equity and liabilities	**2,165.2**	2,455.3

KEMIRA OYJ CASH FLOW STATEMENT (FAS)

(EUR million)

CASH FLOW FROM OPERATING ACTIVITIES	2010	2009
Operating result	194.4	23.2
Adjustments to operating result		
Depreciation	34.1	28.1
Taxes	-3.3	1.2
Financial expenses	-11.9	14.9
Other non-cash income and expenses	-273.1	-9.3
Change in net working capital, total	90.0	-27.9
Interest paid	-53.6	-74.7
Interest received	7.3	14.4
Realized exchange rate differences	11.8	-10.5
Dividend received	61.1	49.2
Income taxes paid	0.0	-0.6
Total funds from operations	**56.8**	8.0
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions of subsidiaries	-817.5	-6.5
Acquisitions of associated companies, and other shares	-0.4	-1.5
Purchase of intangible assets	-11.2	-5.4
Purchase of other plant, property and equipment	-9.3	-5.7
Proceeds from sale of subsidiaries and other shares	769.6	1.0
Proceeds from sale of other plant, property and equipment and intangible assets	3.0	0.1
Change in loan receivables, net (decrease +, increase -)	243.0	-130.0
Total capital expenditure	**177.2**	-148.0
Cash flow before financing	**234.0**	-140.0
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in non-current loans	40.6	328.6
Decrease in non-current loans	-65.0	-327.7
Change in current loans (increase +, decrease -)	-331.9	102.1
Dividends paid	-41.0	-30.3
Rights issue	0.0	200.0
Received group contribution	19.6	36.0
Net cash used in financing activities	**-377.7**	308.7
Net change in cash and cash equivalents	**-143.7**	168.7
Cash and cash equivalents at end of year	242.7	74.0
Cash and cash equivalents at beginning of year	99.0	242.7
Net change in cash and cash equivalents	**-143.7**	168.7
CHANGE IN NET WORKING CAPITAL		
Change in inventories	0.1	6.7
Change in current receivables	92.8	-14.2
Change in interest-free current liabilities	-2.9	-20.4
	90.0	**-27.9**

KEMIRA OYJ STATEMENT OF CHANGES IN EQUITY (FAS)

(EUR million)

	31.12.2010	31.12.2009
Share capital at Jan. 1	221.8	221.8
Share capital at Dec. 31	**221.8**	221.8
Capital paid-in in excess of par value at Jan. 1	257.9	257.9
Capital paid-in in excess of par value at Dec. 31	**257.9**	257.9
Reserve for unrestricted capital invested at Jan. 1	200.0	-
Share issue at Dec. 30	0.0	200.0
Reserve for unrestricted capital invested at Dec. 31	**200.0**	200.0
Retained earnings at Jan. 1	194.2	201.3
Net profit / loss for the period	194.4	23.2
Share-based incentive plan	1.7	-
Dividends paid	-131.7	-30.3
Retained earnings and net profit for the period at Dec. 31	**258.5**	194.2
Total equity at Dec. 31	**938.1**	873.8

The company owns 3,607,162 treasury shares, the acquisition costs of which total EUR 24.3 million.

CHANGE IN TREASURY SHARES	EUR million	shares
Acquisition cost / no. of shares Jan. 1	25.9	3,854,771
Change	-1.7	-247,609
Acquisition cost / no. of shares Dec. 31	**24.3**	3,607,162

SHARES AND SHAREHOLDERS

SHARES AND SHARE CAPITAL

On December 31, 2010, Kemira Oyj's share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles to one vote at the general meeting. Kemira Oyj's shares are registered in the book-entry system maintained by Euroclear Finland Ltd.

SHAREHOLDERS

At the end of 2010, Kemira Oyj had 30,170 registered shareholders (26,495). Foreign shareholders held 14.0% of the shares (10.9), including nominee registered holdings. Households owned 16.2% of the shares (15.5). At the year-end, Kemira held 3,607,162 treasury shares (3,854,711), representing 2.3% (2.5) of all company shares. A list of Kemira's largest shareholders that is updated monthly can be found on the company website at www.kemira.com > investors.

LISTING AND TRADING

Kemira Oyj's shares are listed on NASDAQ OMX Helsinki Ltd. The trading code for the shares is KRA1V and the ISIN code is FI0009004824.

Kemira Oyj's share closed at EUR 11.70 at the NASDAQ OMX Helsinki Ltd at the end of 2010 (10.39). The share price rose 13% during the year while OMX Helsinki Cap index rose 25%. The share price of Kemira included Tikkurila Oyj until March, 26, 2010, at the date it was listed and 86% of its shares were distributed as a dividend to Kemira shareholders. Shares registered a high of EUR 13.19 (11.63) and a low of EUR 7.89 (3.87). The average share price, including Tikkurila until March, 26, 2010, was EUR 10.15 (7.64). The company's market capitalization, excluding treasury shares, was EUR 1,775 million at the year-end (1,574).

In 2010, Kemira Oyj's share trading volume on NASDAQ OMX Helsinki Ltd totaled 115.9 million (83.7) and was valued at EUR 1,164.7 million (634.2). The average daily trading volume was 459,723 (307,657) shares.

Up-to-date information on Kemira's share price is available on the company's website at www.kemira.com > Investors.

DIVIDEND POLICY AND DIVIDEND DISTRIBUTION

Kemira aims to distribute a dividend that accounts for 40-60% of its operative net income.

The company's Board of Directors will propose to the Annual General Meeting that a per-share dividend of EUR 0.48 be paid for the financial year 2010, accounting for a dividend payout of about 60% of operative net income. Dividend record date is March 25, 2011 and payout April 1, 2011.

In March, 2010, each four Kemira's shares entitled their holder to receive one share of Tikkurila Oyj as a dividend. Kemira distributed to its shareholders as dividend an aggregate of 37,933,097 shares of Tikkurila, which represented 86% of the shares in Tikkurila and the number of voting rights carried by them.

The dividend payable in Tikkurila's shares was paid to each shareholder who was registered in the Company's Shareholder Register maintained by Euroclear Finland Ltd on the record date, March 19, 2010. Dividend was paid on March 26, 2010.

The distribution of the dividend was conditional upon the approval of Tikkurila's shares to trading on the official list of NASDAQ OMX Helsinki by May 31, 2010. The condition was fulfilled.

In May, 2010, a dividend of EUR 0.27 per share was paid for the financial year ended December 31, 2009. The dividend record date was May 12, 2010, and the payment (EUR 41 million in total) date May 20, 2010.

BOARD AUTHORIZATIONS

The Annual General Meeting on March 16, 2010 authorized the Board of Directors to decide upon repurchase of a maximum of 4,156,957 Company's own shares ("Share repurchase authorization"). Shares will be repurchased by using unrestricted equity either through a tender offer with equal terms to all shareholders at a price determined by the Board of Directors or otherwise than in proportion to the existing shareholdings of the Company's shareholders in public trading on the Helsinki Stock Exchange at the market price quoted at the time of the repurchase. Shares shall be acquired and paid for in accordance with the Rules of the Helsinki Stock Exchange and Euroclear Finland Ltd. The price paid for the shares repurchased through a tender offer under the authorization shall be based on the market price of the company's shares in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period. Shares may be repurchased to be used in implementing or financing mergers and acquisitions, developing the Company's capital structure, improving the liquidity of the Company's shares or to be used for the payment of the annual fee payable to the members of the Board of Directors or implementing the Company's share-based incentive plans. In order to realize the aforementioned purposes, the shares acquired may be retained, transferred further or cancelled by the Company. The Board of Directors will decide upon other terms related to share repurchase.
The Share repurchase authorization is valid until the end of the next Annual General Meeting. The Board had not exercised its authorization by December 31, 2010.

The Annual General Meeting on March 16, 2010 authorized the Board of Directors to decide to issue a maximum of 15,534,256 new shares and/or transfer a maximum of 7,767,128 Company's own shares held by the Company ("Share issue authorization").

The new shares may be issued and the Company's own shares held by the Company may be transferred either for consideration or without consideration. The new shares may be issued and the Company's own shares held by the Company may be transferred to the Company's shareholders in proportion to their current shareholdings in the Company, or by displying the shareholders' pre-emption right, through a directed share issue, if the Company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the capital structure of the Company, improving the liquidity of the Company's shares or if this is justified for the payment of the annual fee payable to the members of the Board of Directors or implementing the Company's share-based incentive plans. The directed share issue may be carried out without consideration only in connection with the payment of the annual fee payable to the members of the Board of Directors or implementation of the Company's share-based incentive plan. The subscription price of new shares shall be recorded to the invested unrestricted equity reserves. The consideration payable for Company's own shares shall be recorded to the invested unrestricted equity reserves. The Board of Directors will decide upon other terms related to the share issues. The Share issue authorization is valid until the end of the next Annual General Meeting. The Board had not exercised its authorization by December 31, 2010.

MANAGEMENT SHAREHOLDING

The members of the Board of Directors as well as the President and CEO and his Deputy held 471,621 Kemira Oyj shares on December 31, 2010, or 0.30% (0.78%) of all outstanding shares and voting rights (including treasury shares and shares held by the related parties and controlled corporations). Harri Kerminen, President and CEO, held 181,357 shares on December 31, 2010 (158,252). Board members are not covered by the share-based incentive plan. Members of the Management Boards, excluding the President and CEO and his Deputy, held a total of 485,644 shares on December 31, 2010 (488,255), representing 0.31% (0.31%) of all outstanding shares and voting rights (including treasury shares and shares held by the related parties and controlled corporations). Updated information regarding the shareholdings of the Board of Directors and management is available at Kemira's website at www.kemira.com > Investors.

SHARES AND SHAREHOLDERS

LARGEST SHAREHOLDERS DECEMBER 31, 2010

	SHAREHOLDER	Number of shares	% of shares and votes
1	Oras Invest Ltd	28,278,217	18.2
2	Solidium Oy	25,896,087	16.7
3	Varma Mutual Pension Insurance Company	15,185,836	9.8
4	Ilmarinen Mutual Pension Insurance Company	8,073,495	5.2
5	Mandatum Life	2,374,978	1.5
6	Tapiola Mutual Pension Insurance Company	2,095,625	1.3
7	The State Pension Fund	1,021,210	0.7
8	Kaleva Mutual Insurance Company	732,337	0.5
9	Veritas Pension Insurance Company	705,000	0.5
10	OP-Finland Value Fund	700,000	0.5
11	Etera	620,998	0.4
12	OP-Delta Fund	600,000	0.4
13	SEB Gyllenberg Finlandia Fund	512,397	0.3
14	OP-Finland Small Firms Fund	457,860	0.3
15	Mutual Insurance Company Pension Fennia	446,250	0.3
16	Oy Ingman Finance Ab	370,000	0.2
17	FIM Fenno Investment Fund	361,387	0.2
18	Nordea Fennia Investment Fund	351,288	0.2
19	SEB Gyllenberg Small Firm Fund	320,000	0.2
20	Jenny and Antti Wihuri's Foundation	311,250	0.2
	Kemira Oyj	3,607,162	2.3
	Nominee-registered shares	20,803,470	13.4
	Others, total	41,517,710	26.7
	Total	**155,342,557**	**100.0**

SHAREHOLDING BY NUMBER OF SHARES HELD DECEMBER 31, 2010

NUMBER OF SHARES	Number of shareholders	% of shareholders	Shares total	% of shares and votes
1 - 100	5,182	17.2	326,344	0.2
101 - 500	13,047	43.2	3,540,119	2.3
501 - 1,000	5,236	17.4	3,897,011	2.5
1,001 - 5,000	5,687	18.9	11,498,181	7.4
5,001 - 10,000	517	1.7	3,699,755	2.4
10,001 - 50,000	376	1.3	7,494,489	4.8
50,001 - 100,000	53	0.2	3,616,422	2.3
100,001 - 500,000	54	0.2	10,419,238	6.7
500,001 - 1,000,000	8	0.0	5,565,137	3.6
1,000,001 -	10	0.0	105,285,861	67.8
Total	**30,170**	**100.0**	**155,342,557**	**100.0**
Including nominee-registered shares	**11**	**0.0**	**20,803,470**	**13.4**

BOARD PROPOSAL FOR PROFIT DISTRIBUTION

On December 31, 2010, Kemira Oyj's distributable funds totaled EUR 458,476,077 of which net profit for the period accounted for EUR 194,353,402.

No material changes have taken place in the company's financial position after the balance sheet date.

The Board of Directors proposes to the Annual General meeting that distributable funds would be allocated as follows:

- Distributing a per-share dividend of EUR 0.48 for the financial year, or a total of EUR 72,832,990.
- Retaining EUR 385,643,087 under unrestricted equity.

Helsinki, February 8, 2011

Pekka Paasikivi

Jukka Viinanen

Elizabeth Armstrong

Wolfgang Büchele

Juha Laaksonen

Kaija Pehu-Lehtonen

Kerttu Tuomas

Harri Kerminen
CEO

AUDITORS' REPORT

TO THE ANNUAL GENERAL MEETING OF KEMIRA OYJ

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of KemiraOyjfor the year ended December 31, 2010. The financial statements comprise the consolidated statement of financial position, consolidated income statement, statement of comprehensive income, statement of changes in equity,statementof cash flows and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President and CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the President and CEO are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

OTHER OPINIONS

We support the adoption of the financial statements. The proposal by the Board of Directors regarding the treatment of distributable funds is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the President and CEO be discharged from liability for the financial period audited by us.

Helsinki, February 8, 2011
KPMG OY AB
Pekka Pajamo
Authorized Public Accountant

QUARTERLY EARNINGS PERFORMANCE

(EUR million)

(The figures are unaudited)

CONTINUING OPERATIONS	1-3	4-6	7-9	10-12	2010 Total	1-3	4-6	7-9	10-12	2009 Total
REVENUE										
Paper	234.0	247.4	259.9	243.0	**984.3**	225.0	221.6	230.2	229.6	906.4
Municipal & Industrial	148.4	163.7	164.0	167.5	**643.6**	150.7	160.7	155.5	140.6	607.5
Oil & Mining	66.6	78.1	80.2	72.6	**297.5**	54.4	55.2	56.0	69.4	235.0
Other	65.7	56.0	50.3	63.5	**235.5**	67.4	51.0	46.0	56.6	221.0
Total	**514.7**	**545.2**	**554.4**	**546.6**	**2,160.9**	497.5	488.5	487.7	496.2	1,969.9
OPERATING PROFIT										
Paper	15.2	21.0	24.0	8.2	**68.4**	7.5	8.0	14.8	9.8	40.1
Municipal & Industrial	14.6	14.8	14.5	11.9	**55.8**	10.4	18.2	24.9	6.3	59.8
Oil & Mining	6.4	10.3	8.8	6.4	**31.9**	2.0	3.2	3.5	11.2	19.9
Other including eliminations	2.2	-1.6	-1.3	0.7	**0.0**	4.2	-0.1	-4.2	-10.0	-10.1
Total	**38.4**	**44.5**	**46.0**	**27.2**	**156.1**	24.1	29.3	39.0	17.3	109.7
Financial income and expenses, net	-7.9	-9.8	-3.0	-6.7	**-27.4**	-12.3	-7.2	-7.8	-10.5	-37.8
Share of profit or loss of associates	1.2	2.6	3.0	2.4	**9.2**	-3.8	-1.3	-0.5	0.8	-4.8
Profit before tax	31.7	37.3	46.0	22.9	**137.9**	8.0	20.8	30.7	7.6	67.1
Income tax	-4.0	-10.0	-10.2	2.2	**-22.0**	-1.3	-5.3	-6.6	3.8	-9.4
Net profit for the period, continuing operations	**27.7**	**27.3**	**35.8**	**25.1**	**115.9**	6.7	15.5	24.1	11.4	57.7
DISCONTINUED OPERATIONS										
Net profit for the period, discontinued operations	531.0	-	-		**531.0**	-0.6	14.0	16.5	-2.1	27.8
Net profit for the period	**558.7**	**27.3**	**35.8**	**25.1**	**646.9**	6.1	29.5	40.6	9.3	85.5
ATTRIBUTABLE TO, CONTINUING OPERATIONS										
Equity holders of the parent	26.8	25.9	34.5	23.7	**110.9**	6.3	14.4	22.8	10.5	54.0
Non-controlling interests	0.9	1.4	1.3	1.4	**5.0**	0.4	1.1	1.3	0.9	3.7
Net profit for the period, continuing operarions	**27.7**	**27.3**	**35.8**	**25.1**	**115.9**	6.7	15.5	24.1	11.4	57.7
Earnings per share, continuing operations basic and diluted, EUR	0.18	0.17	0.23	0.15	**0.73**	0.05	0.11	0.17	0.07	0.40
Earnings per share, basic and diluted, EUR	3.68	0.17	0.23	0.15	**4.23**	0.04	0.21	0.30	0.06	0.61
Capital employed, rolling					**1,665.1**					1,659.3
Return on capital employed (ROCE), %					**9.9**					6.3

INFORMATION FOR INVESTORS

FINANCIAL REPORTS IN 2011

May 3, 2011 Interim report for January-March
July 28, 2011 Interim report for January-June
October 27, 2011 Interim report for January-September

The interim reports and related presentation material are available on Kemira's website at www.kemira.com. Here you can also find Kemira's press releases, Annual Reports, Environmental Report and other investor information. On this site, visitors can register to receive press releases by e-mail and order the company's Annual Reports. Annual Reports can also be ordered from Kemira Oyj, Group Communications, tel. +358 10 8611.

INVESTOR RELATIONS

The purpose of Kemira's investor relations is to provide capital markets with information on the company and its operating environment, and to serve Kemira's shareholders and other operators in the capital markets. In these activities, the objective is to provide reliable and up-to-date information on a regular and equal basis in order to give those operating in the markets a factual view of Kemira as an investment.

Kemira's investor relations function is responsible for investor relations and daily communications. The Group's top management is actively involved in investor relations and regularly meets with capital market representatives.

The company observes a 30-day closed period before it publishes its financial statements bulletin and interim reports. During this period, Kemira's management does not discuss the result or factors affecting the result with capital market representatives.

Contact information of analysts monitoring Kemira is listed on the company website at www.kemira.com > Investors > Share Information > Analysts.

ANNUAL GENERAL MEETING

Date: Tuesday March 22, 2011 at 1:00 pm
Venue: Marina Congress Center, Katajanokanlaituri 6, Helsinki, Finland.

Attendance is open to shareholders who have been entered in Kemira Oyj's Shareholder Register, maintained by Euroclear Finland Ltd, by March, 10, 2011. Shareholders wishing to attend the meeting must register their attendance by 4 p.m. Finnish time on March 17, 2011, using one of the following means:

- On Kemira's website at www.kemira.com
- By letter to the address Kemira Oyj, Tea Salminen, P.O. Box 330, FI-00101 Helsinki;
- By fax +358 (0)10 862 1197 or
- By telephone +358 (0)10 862 1703 on weekdays between 9:00 am and noon, and between 1:00 and 4:00 pm.

Shareholders wishing to be represented by proxy are requested to provide a Power of Attorney together with their registration.
Any shareholder has the right to submit an issue pertaining to the Company's industry and a statutory issue for discussion by the shareholders' meeting, if (s)he requests this in writing from the Board of Directors well in advance, so that the issue can be incorporated into the Notice of Meeting. Kemira will release a stock exchange release on the Annual General Meeting's decisions immediately after the meeting.

DIVIDEND DISTRIBUTION

Dividend proposal, please see page 81.

CHANGE OF ADDRESS

Kemira's shareholders are kindly requested to report any change of address to the bank or brokerage firm in which they have their book-entry account. This will also update information in registers, maintained by Euroclear Finland Ltd, which Kemira uses to send mail to its shareholders. If the book-entry account is held by Finnish Central Securities Depository Ltd, changes of address should be reported there directly.

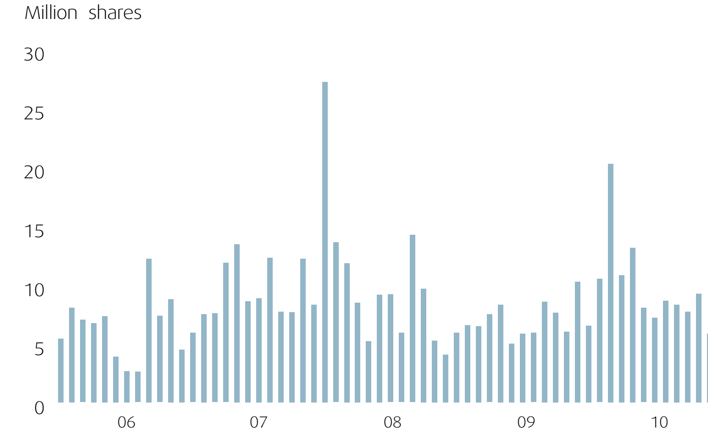
INVESTOR RELATIONS

Tero Huovinen, Director, Investor Relations
tel. +358 10 862 1980, e-mail: tero.huovinen@kemira.com

BASIC SHARE INFORMATION

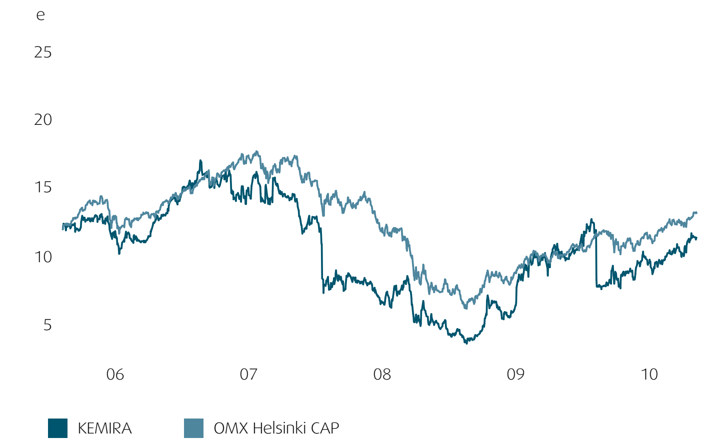
Listed on:	NASDAQ OMX Helsinki Ltd
Trading code:	KRA1V
ISIN code:	FI0009004824
Industry group:	Materials
Industry:	Chemicals
Number of shares, December 31, 2010:	155,342,557
Listing date:	November 10, 1994

MONTHLY TRADING VOLUME ON THE NASDAQ OMX HELSINKI 2006–2010

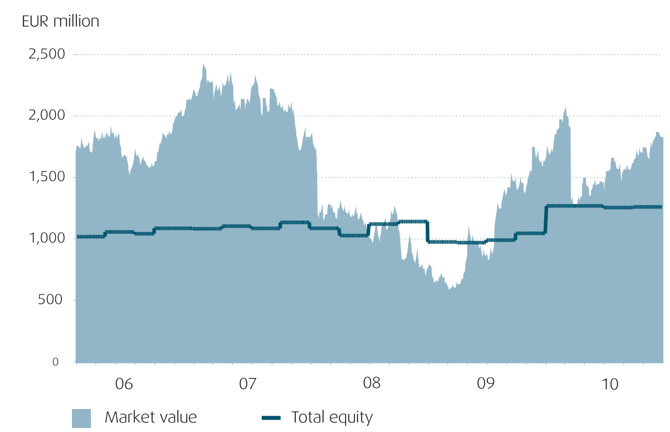


* Excluding 40,097,420 shares sold by the State of Finland in August 2007

SHARE PRICE 2006–2010

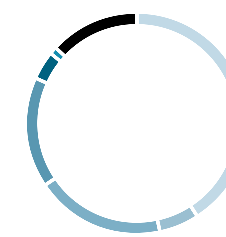


MARKET VALUE 2006–2010



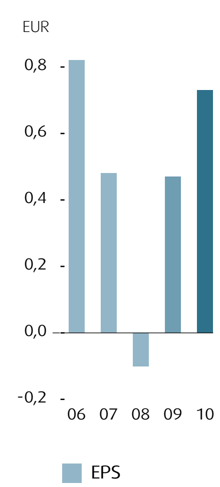
* Excluding Tikkurila

OWNERSHIP DEC. 31, 2010



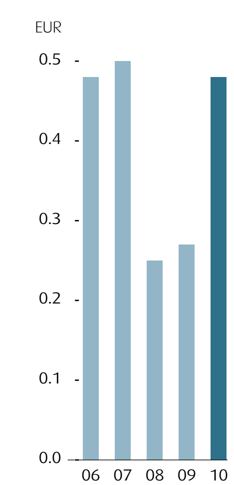
40.9%	Corporations
5.9%	Financial and insurance corporations
18.9%	General government
16.2%	Households
4.1%	Non-profit institutions
0.6%	Non-Finnish shareholders
13.4%	Nominee registered

EARNINGS PER SHARE *



* Excluding Tikkurila 2009 and 2010

DIVIDEND PER SHARE *



* Excluding Tikkurila
* Board of directprs' dividend proposal, please see page 81.

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