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FINANCIAL STATEMENTS BULLETIN 2013

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Fourth quarter: Major steps in strategic redesign accomplished. Organic growth and profitability improvement continues in the Paper segment

- Organic revenue growth was 1% in local currencies. Reported revenue decreased 2% to EUR 545.2 million (558.5), due to unfavorable currency exchange rates.
- Operative EBIT was EUR 34.5 million (34.1) with a margin of 6.3% (6.1%).
- Divestment of coagulant business in Brazil closed and divestment of formic acid business as well as Danish distribution business signed.
- The reported earnings per share were reduced to EUR -0.33 (-0.27) largely due to non-recurring items of EUR 76.5 million (61.1).

Full year: Sales volume growth and improved profitability, EUR 0.53 dividend proposed

- Organic revenue growth was 3% in local currencies. Reported revenue was EUR 2,229 million (2,241).
- Operative EBIT increased 6% to EUR 164.2 million (155.5) with a margin of 7.4% (6.9%).
- Earnings per share, excluding non-recurring items decreased to EUR 0.70 (0.77) mainly due to the lower income from the associated companies.
- Reported earnings per share were reduced to EUR -0.21 (0.12) mainly due to a write-down of EUR 23 million related to the divestment of the shares of Kemira's JV Sachtleben, lower income from associated companies and higher taxes.
- The Board of Directors proposes a cash dividend of EUR 0.53 per share (0.53) to the Annual General Meeting 2014, totaling EUR 81 million (81), equivalent to 76% (69%) of the operative net profit.
- In 2014, Kemira expects the revenue in local currencies, excluding acquisitions and divestments to be slightly higher than in 2013 and the operative EBIT to be higher than in 2013. Kemira's outlook for 2014 is detailed on page 28.

Kemira's President and CEO Wolfgang Büchele:

"Kemira's organic revenue and operative EBIT increased slightly in the fourth quarter. Of the two growth focused segments, Paper with more than 10% organic revenue growth was able to improve its operative EBIT by more than 20%. By showing only modest 3% of organic growth at a disappointing profitability, Oil & Mining has not met our expectations. Thus, we have taken steps to bring Oil & Mining business back to its strategic path. In addition, we closed the acquisition of 3F, which will significantly strengthen our position in the polymer market. The profitability contribution of 3F in Q4 was lower than expected, due to a temporary shutdown in one of the production sites and higher costs mainly related to integration. The acquisition is expected to result in substantial synergies through raw material, logistics and fixed cost savings.

The revenue of Municipal & Industrial was partly impacted by the implementation of several strategic initiatives, including a new business model in EMEA and several divestments, which are all expected to improve the segment's profitability. The divestment of ChemSolutions' formic acid business is expected to close during the first quarter of 2014. In the fourth quarter, the organic revenue of ChemSolutions was impacted by the weak de-icing season.

Divestments, combined with the Fit for Growth measures have significantly reduced complexity and strengthened our balance sheet in 2013. These measures were required to be able to compete effectively in our core businesses, as well as to support our long-term profitability. Once the divestments are completed, Kemira has been transformed into a pure play company focusing on water quality and quantity management."

KEY FIGURES AND RATIOS (FIGURES FOR 2012 WERE RESTATED ON MARCH 25, 2013)

EUR million	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Revenue	**545.2**	558.5	**2,229.1**	2,240.9
Operative EBITDA	**58.0**	57.4	**251.9**	249.4
Operative EBITDA, %	**10.6**	10.3	**11.3**	11.1
EBITDA	**-11.2**	15.7	**141.9**	179.9
EBITDA, %	**-2.1**	2.8	**6.4**	8.0
Operative EBIT	**34.5**	34.1	**164.2**	155.5
Operative EBIT, %	**6.3**	6.1	**7.4**	6.9
EBIT	**-38.9**	-37.1	**42.6**	33.1
EBIT, %	**-7.1**	-6.6	**1.9**	1.5
Share of profit or loss of associates	**-0.1**	-5.7	**-1.1**	11.2
Financing income and expenses	**-7.7**	-4.1	**-39.0**	-15.7
Profit before tax	**-46.7**	-46.9	**2.5**	28.6
Net profit	**-48.7**	-40.4	**-25.9**	22.4
Earnings per share, EUR	**-0.33**	-0.27	**-0.21**	0.12
Operative earnings per share, EUR	**0.17**	0.13	**0.70**	0.77
Capital employed*	**1,366.5**	1,673.0	**1,366.5**	1,673.0
ROCE*	**3.0**	2.6	**3.0**	2.6
Capital expenditure	**105.0**	18.5	**197.5**	134.1
Cash flow after investing activities	**-18.5**	9.4	**195.7**	71.8
Equity ratio, % at period-end	**51**	51	**51**	51
Gearing, % at period-end	**41**	42	**41**	42
Personnel at period-end	**4,453**	4,857	**4,453**	4,857

*12-month rolling average (ROCE, % based on the reported EBIT)

Definitions of key figures are available at www.kemira.com > Investors > Financial information. Comparative 2012 figures are provided in parentheses for some financial results, where appropriate. Operating profit, excluding non-recurring items, is referred to as Operative EBIT. Operating profit is referred to as EBIT.

FINANCIAL PERFORMANCE IN Q4 2013

Kemira Group's **revenue** decreased 2% to EUR 545.2 million (558.5). Organic revenue increased by 1%. Sales volumes grew in Paper and Oil & Mining, while in the Municipal & Industrial and ChemSolutions sales volumes declined. Sales prices were at the Q4 2012 level in Paper and Municipal & Industrial, but somewhat lower in Oil & Mining and ChemSolutions. Acquisitions had 3% and divestments an -3% impact on revenues. Currency exchange impact was -3%.

In the Paper segment, revenues increased 8% to EUR 272.5 million (251.7). Revenue growth in local currencies, excluding acquisitions and divestments was 12%. The growth was driven by higher sales volumes in all regions. Sales prices increased slightly compared to the fourth quarter in 2012. Currency exchange impacted revenues by -3%. Acquisition of Soto Industries in September 2013 did not have material impact on revenues.

In the Municipal & Industrial segment, revenues decreased 13% to EUR 152.4 million (175.4). Revenue in local currencies, excluding acquisitions and divestments decreased 11%, mainly due to the lower sales volumes in EMEA, NAFTA and SA. Divestments in Denmark, Romania and Brazil impacted revenue by -4% and the acquisition of 3F by 4%. Currency exchange impacted revenues by -2%.

In the Oil & Mining segment, revenues increased 9% to EUR 78.5 million (72.1). Revenue in local currencies, excluding acquisitions and divestments, increased 3%, as continued sales volume growth in NAFTA offset the impact of slightly lower sales prices. Acquisition of 3F impacted revenues by 10%. Currency exchange had -4% impact.

In the ChemSolutions segment, revenues decreased 30% to EUR 41.8 million (59.3) mainly due to the impact of the divested food and pharmaceuticals businesses (-22%). Revenue in local currencies, excluding divestments, decreased 7% as due to the mild weather in Europe, sales volumes of de-icing products to airports was significantly decreased when compared to the same period in 2012.

Revenue, EUR million	Oct-Dec 2013	Oct-Dec 2012	∆%
Paper	**272.5**	251.7	8
Municipal & Industrial	**152.4**	175.4	-13
Oil & Mining	**78.5**	72.1	9
ChemSolutions	**41.8**	59.3	-30
Total	**545.2**	558.5	-2

EBIT was EUR -38.9 million (-37.1) mainly due to the higher non-recurring items.

Non-recurring items affecting the EBIT were EUR -73 million (-71). A write-down related to the divestment of Kemira's iron and aluminium coagulants business in Brazil amounted to EUR 43 million. Restructuring charges, related to continuous efficiency measures in the Municipal & Industrial, Oil & Mining and support functions, amounted to approximately EUR 20 million. Provision, related to the closure of the Vaasa process chemicals site amounted to EUR 8 million. Establishment of the multifunction Business Service Center related restructuring charges amounted to EUR 3 million.

The operative EBIT was EUR 34.5 million (34.1). Increased sales volumes had a positive impact of EUR 10 million and more than compensated for the unfavorable pricing related impact of EUR -3 million. "Fit for Growth" -related cost savings were EUR 14 million (7), nearly reaching the full run rate of the program's earlier announced EUR 60 million annual savings target.

Fixed costs decreased in the fourth quarter mainly due to Fit for Growth cost savings and other efficiency measures. Variable costs were close to a level of the comparable period in 2012 as prices for some of the Kemira's most relevant raw materials like electricity, acrylonitrile and hydrochloric acid, stabilized during the second half of 2013.

Other items, impacting operative EBIT by some EUR -9 million, were mainly related to the acquisition of 3F, divestment of the food and pharmaceuticals businesses, manufacturing related costs and lower other operating income. Currency exchange had an impact of EUR -2 million on the operative EBIT (see variance analysis on page 5). The operative EBIT margin reached 6.3% (6.1%).

Variance analysis, EUR million	Oct-Dec
Operative EBIT, 2012	**34.1**
Sales volumes	10.1
Sales prices	-3.4
Variable costs	-0.4
Fixed costs	4.9
Currency exchange	-2.0
Others, incl. acquisitions and divestments	-8.8
Operative EBIT, 2013	**34.5**

Operative EBIT	Oct-Dec 2013 EUR, million	Oct-Dec 2012 EUR, million	∆%	Oct-Dec 2013 %-margin	Oct-Dec 2012 %-margin
Paper	23.7	19.5	22	**8.7**	7.7
Municipal & Industrial	6.9	6.3	10	**4.5**	3.6
Oil & Mining	2.1	3.4	-38	**2.7**	4.7
ChemSolutions	1.8	4.9	-63	**4.3**	8.3
Total	**34.5**	34.1	1	**6.3**	6.1

Financing income and expenses totaled EUR -7.7 million (-4.1), positively impacted by the currency exchange differencies of EUR 0.8 million (-0.3). Changes in fair values of electricity derivatives had EUR -1.2 million (1.5) impact on financing expenses.

Net profit attributable to the owners of the parent company decreased to EUR -50.1 million (-41.5) and the earnings per share to EUR -0.33 (-0.27), largely due to non-recurring items of EUR 76.5 million (61.1). Earnings per share, excluding non-recurring items, increased 31% to EUR 0.17 (0.13) as the comparable period in 2012 included EUR -5.7 million share of loss from the associated companies.

FINANCIAL PERFORMANCE, FULL YEAR 2013

Kemira Group's **revenue** was EUR 2,229.1 million (2,240.9). Organic revenue growth was 3% driven by higher sales volumes. Sales price changes did not have material impact on revenues.

Some of the main foreign currencies affecting Kemira's financials depreciated against the euro in 2013, such as the US dollar (-3%), Brazilian real (-14%), and Canadian dollar (-7%). The negative currency exchange rate related translation impact on Kemira's revenue was -2% or approximately EUR 50 million. Kemira made two acquisitions in 2013 of which 3F was closed on October 1 and Soto Industries on September 19. The impact of the acquisitions on Kemira's revenue was close to EUR 20 million (less than 1%).

During the year, Kemira shifted its focus towards differentiated product lines according to the company's strategy. This resulted in the divestments of several commodity product line based businesses, like chemicals to food and pharmaceutical industries (closed on March 1), aluminium and coagulant business in Brazil (closed on December 11), chemical distribution business in Denmark (closed on January 2, 2014, after the review period), formic acid and its derivatives business in Finland (closing expected in the first quarter of 2014) and some other small commodity chemical businesses in Denmark and Romania. The impact of the divestments on Kemira's revenue was -2% or approximately EUR 50 million.

In the Paper segment, revenues increased 6% to EUR 1,067.6 million (1,005.6). Revenue growth in local currencies, excluding acquisitions and divestments, was 8%, driven by higher sales volumes. Sales price changes had a negligible impact on revenues. Currency exchange impacted revenues by -2%.

In the Municipal & Industrial segment, revenues decreased 4% to EUR 659.4 million (686.6). Revenue in local currencies, excluding acquistions and divestments, decreased 2%, driven by lower sales volumes. Sales price changes did not have a material impact on revenues. Acquisition had 1% impact and divestments -1% impact on revenues. Currency exchange impacted by -2%.

In the Oil & Mining segment, revenues decreased 3% to EUR 311.5 million (321.1). Revenue in local currencies, excluding acquisitions and divestments decreased 2% mainly due to the -3% impact of continued exit of some low margin product sales. The termination of low margin products was completed at the end of the third quarter of 2013. Sales volumes of differentiated products like polymers recovered, especially in the NAFTA region and could partly compensate for the negative impact of unfavorable pricing. The impact of the 3F acquisition on revenue was 2% and the impact of currency exchange -3%.

In the ChemSolutions segment, revenues decreased 16% to EUR 190.6 million (227.6). The divestment of the food and pharmaceuticals businesses had an impact of -18% on revenues. Revenues in local currencies, excluding divestments increased slightly as higher sales volumes could more than offset the impact of the somewhat lower sales prices. Currency exchange had a -1% impact on revenue.

Geographically, the revenue was split as follows: EMEA 57% (55%), North America 30% (31%), South America 7% (8%), and Asia Pacific 6% (6%). According to the sharpened strategy presented in April 2013, mature markets continue to be important for Kemira's all segments, whereas the focus in the emerging markets is on selective expansion. In the emerging markets, China and Indonesia are the key markets for the paper wet-end chemistry. Brazil and Uruguay will remain important markets for the bleaching chemicals used in pulp industry. Oil & Mining is targeting expansion in selected countries in South America as well as in the Middle East and Africa.

Revenue, EUR million	**Jan-Dec 2013**	**Jan-Dec 2012**	**∆%**
Paper	**1,067.6**	1,005.6	6
Municipal & Industrial	**659.4**	686.6	-4
Oil & Mining	**311.5**	321.1	-3
ChemSolutions	**190.6**	227.6	-16
Total	**2,229.1**	2,240.9	-1

The EBIT increased 29% to EUR 42.6 million (33.1) as lower EBITDA of EUR 141.9 million (179.9) was more than offset by lower depreciations of EUR 99.3 million (146.8).

Non-recurring items affecting the EBIT were EUR 121.6 million (122.4). Write-down related to the divestment of Kemira's iron and aluminium coagulants business in Brazil amounted to EUR 43 million. Restructuring charges, related to continuous efficiency improvement measures amounted to approximately EUR 30 million. Restructuring charges and provisions related to the closure of the Vaasa process chemicals site amounted to EUR 24 million. Restructuring charges related to the establishment of the multifunction Business Service Center in Gdansk, Poland, amounted to EUR 13 million. Write-downs related to smaller disposals in Municipal & Industrial amounted to EUR 9 million. "Fit for Growth"-related write-downs, severance payments, and external service costs amounted to EUR 5 million. The comparable period in 2012 included "Fit for Growth" severance payments and costs related to external services of EUR 41 million and asset write-downs of EUR 30 million. Other, non "Fit for Growth" related, non-recurring items included the write-down of EUR 18 million from the divestment of Kemira's food and pharmaceutical businesses and charges of EUR 33 million related to environmental liabilities, efficiency improvements, as well as streamlining of Kemira's operations (see non-recurring items table on page 7).

Non-recurring items, EUR million	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Within EBITDA	**69.3**	41.9	**110.1**	69.5
Paper	**13.3**	11.6	**32.6**	24.1
Municipal & Industrial	**53.7**	21.3	**68.8**	30.0
Oil & Mining	**3.1**	5.8	**8.1**	9.4
ChemSolutions	**-0.8**	3.2	**0.6**	6.0
Within depreciations, amortization and impairment losses	**4.1**	29.4	**11.5**	52.9
Paper	**0.8**	-2.1	**8.2**	6.4
Municipal & Industrial	**0.5**	13.5	**0.5**	25.8
Oil & Mining	**2.8**	-	**2.8**	2.3
ChemSolutions	**-**	18.0	**-**	18.4
Total	**73.4**	71.3	**121.6**	122.4

The operative EBIT increased 6% to EUR 164.2 million (155.5), mainly due to a positive sales volumes impact of EUR 32 million. Sales price changes had EUR -9 million impact on operative EBIT.

Variable costs increased by EUR 8 million mainly due to higher propylene and electricity-related raw material costs. Fixed costs decreased EUR 11 million mainly due to the Fit for Growth-related savings and other efficiency measures.

Currency exchange had a negative impact of EUR 6 million on the operative EBIT. Divestments in ChemSolutions and Municipal & Industrial had a EUR -6 million and other items EUR -7 million impact on the operative EBIT (see variance analysis on page 8). Acquisition of 3F and increased manufacturing related costs were main reasons for the negative impact.

The operative EBIT margin improved to 7.4% (6.9%).

“Fit for Growth”-related cost savings were EUR 46 million and almost reached the full cost savings run rate of EUR 60 million on an annualized basis at the end of 2013. “Fit for Growth” related savings will not be reported separately anymore in the coming Kemira interim reports.

Variance analysis, EUR million	Jan-Dec
Operative EBIT, 2012	**155.5**
Sales volumes	31.7
Sales prices	-8.7
Variable costs	-7.8
Fixed costs	11.3
Currency exchange	-5.5
Others, incl. acquisitions and divestments	-12.3
Operative EBIT, 2013	**164.2**

Operative EBIT	Jan-Dec 2013 EUR, million	Jan-Dec 2012 EUR, million	∆%	Jan-Dec 2013 %-margin	Jan-Dec 2012 %-margin
Paper	**86.5**	75.3	15	**8.1**	7.5
Municipal & Industrial	**45.8**	39.2	17	**6.9**	5.7
Oil & Mining	**17.4**	25.9	-33	**5.6**	8.1
ChemSolutions	**14.5**	15.1	-4	**7.6**	6.6
Total	**164.2**	155.5	6	**7.4**	6.9

Income from associated companies decreased to EUR -1.1 million (11.2) as a result of lower net profits of the specialty titanium dioxide producer Joint Venture Sachtleben GmbH. Kemira divested its shares in the JV Sachtleben in February 2013.

Financing income and expenses totaled EUR -39.0 million (-15.7). Financing expenses included the non-recurring write-down of EUR 23 million related to the divestment of Kemira’s shares (39%) in the JV Sachtleben. The changes of EUR 3.2 million (-2.3) in fair values of electricity derivatives and the currency exchange differences of EUR 2.5 million (0.0) had positive impacts on the financing income and expenses. The comparable period in 2012 included a EUR 7.6 million dividend from Pohjolan Voima Oy (PVO), the Finnish electricity company.

Total **taxes** increased to EUR 28.4 million (6.2), mainly due to non-deductible write-downs. The tax rate, excluding non-recurring items affecting the EBIT and income from associated companies increased to 24.9% (20.6%). Comparable period in 2012 included positive impacts related to changes in deferred tax assets and liabilities. Income taxes decreased to EUR 25.6 million (29.8).

Net profit attributable to the owners of the parent company decreased to EUR -31.6 million (17.7) and the earnings per share to EUR -0.21 (0.12) mainly due to a write-down of EUR 23 million related to the divestment of the shares of Kemira's JV Sachtleben, lower income from associated companies and higher taxes. Earnings per share, excluding non-recurring items, decreased 9% to EUR 0.70 (0.77), mainly due to the lower income from the associated companies.

FINANCIAL POSITION AND CASH FLOW

Cash flow from the operating activities in 2013 increased to EUR 200.3 million (176.3) mainly due to favorable changes in net working capital and lower interest and tax payments. The comparable period included in total EUR 15 million dividends received from PVO and JV Sachtleben. Cash flow after investing activities increased to EUR 195.7 million (71.8), mainly due to the proceeds of EUR 98 million received from the divestment of the shares in JV Sachtleben, EUR 80 million received from the divestment of the food and pharmaceuticals businesses and EUR 8 million received from the divestment of coagulant business in Brazil. The acquisition of 3F in Italy and USA had a cash flow impact of EUR -59 million. The comparable period of 2012 included EUR 27 million paid-in-capital from JV Sachtleben. The net working capital ratio decreased to 10.9% of the revenue (12.8% on December 31, 2012), mainly due to lower receivables and inventories as well as higher payables.

At the end of the period, Kemira Group's net debt was EUR 456 million (532 on December 31, 2012). Net debt decreased mainly due to the total proceeds of the divestments. Acquisition of 3F and the dividend payment of EUR 81 million in April increased the net debt.

At the end of the period, interest-bearing liabilities totaled EUR 558 million (665 on December 31, 2012). Fixed-rate loans accounted for 60% of the net interest-bearing liabilities (56% on December 31, 2012). The average interest rate of the Group's interest-bearing liabilities was 1.5% (1.6% on December 31, 2012). The duration of the Group's interest-bearing loan portfolio was 14 months (16 months on December 31, 2012). In August 2013, Kemira signed a 5+1+1-year revolving credit facility of EUR 400 million, which replaced an undrawn EUR 300 million credit facility. In addition, Kemira signed EUR 45 million term loan with European Investment Bank (EIB). The new credit facility and loan with EIB remains undrawn at the end of the period.

Short-term liabilities maturing in the next 12 months amounted to EUR 278 million, the commercial papers of which, issued in the Finnish market, represented EUR 164 million and the short term part of the long-term loans represented EUR 58 million. Cash and cash equivalents totaled EUR 102 million on December 31, 2013 (133).

At the end of the period, the equity ratio was 51% (51% on December 31, 2012), while the gearing was 41% (42% on December 31, 2012). Shareholder's equity decreased to EUR 1,125.5 million (1,260.6 on December 31, 2012) mainly due to the EUR 81 million dividend distribution and EUR -27 million change in the fair value of Kemira's ownership in Pohjolan Voima Group shares. Fair value decreased mainly as a consequence of the lower electricity price in Finland in 2013.

The Group's most significant transaction currency risk arises from the Swedish krona and the Canadian dollar. At the end of the year, the denominated 12-month exchange rate risk of Swedish krona had an equivalent value of approximately EUR 33 million, 79% of which was hedged on an average basis. Correspondingly, the CAD denominated exchange rate risk was approximately EUR 30 million, 42% of which was hedged on an average basis. In addition, Kemira is exposed to smaller transaction risks in relation to the

British pound and the Norwegian krona and the U.S. dollar with the total annual exposure in these currencies being approximately EUR 30 million, 60% of which was hedged on an average basis.

Because Kemira's consolidated financial statements are compiled in euros, Kemira is also a subject to currency translation risk to the extent that the income statement and balance sheet items of subsidiaries located outside Finland are reported in a currency other than euro. The most significant translation exposure derives from the US dollar, the Swedish krona and the Brazilian real. A weakening of the above mentioned currencies against the euro would decrease Kemira's revenue and EBIT through a translation risk. 10% depreciation of the above mentioned currencies against the euro would decrease Kemira's EBIT by some EUR 10 million on an annual basis through a translation risk.

CAPITAL EXPENDITURE

Capital expenditure, including an acquisition of 3F and an EUR 4 million investment into PVO shares, increased 47% to EUR 197.5 million (134.1) in 2013.

Capex (excl. the 3F acquisition and investment into PVO shares) was EUR 134.8 million (134.1) in 2013 and can be broken down as follows: expansion capex 52% (44%), improvement capex 26% (29%), and maintenance capex 22% (27%). Expansion investments were mainly focused on the greenfield sites Nanjing, Dormagen and Tarragona. Prior to the launch of the "Fit for Growth" restructuring program in July 2012, the number of Kemira's manufacturing sites was 74. Including the decided closures of manufacturing sites related to the "Fit for Growth" program, as well as acquisitions and divestments announced in 2013, the number of Kemira's manufacturing sites has decreased from 74 to 59. Maintenance and improvement capex decreased due to the site closures.

In January-December 2013, the Group's depreciation and impairments decreased to EUR 99.3 million (146.8). Comparable period in 2012 included non-recurring impairments and write-downs of EUR 53 million mainly related to "Fit for Growth" restructuring program.

RESEARCH AND DEVELOPMENT

The Research and Development expenses totaled EUR 32.1 million (36.7) in 2013, representing 1.4% (1.6%) of Kemira Group's revenue.

Kemira's research and development is a critical enabler for organic growth and further differentiation. New product launches contribute both to the efficiency and sustainability of Kemira's customers' processes as well as to the improved profitability. Both Kemira's future market position and profitability depend on its ability to understand and meet current as well as future customer needs and market trends, and on its ability to innovate new differentiated products and applications.

Kemira Group's target is to increase the revenue from new products and products for new applications. The share of innovation revenue (revenue from new products or from products to new applications launched within the past five years) in Kemira's revenue increased to approximately 7% (5%) in 2013.

During the year, Kemira completed the expansion of its Fennobind binder production capacity in continental

Europe. With the increased capacity, Kemira is preparing the launch of its second-generation Fennobind products. Fennobind's patented technology allows lower manufacturing costs for paper and board producers.

Other recently launched products in the Paper segment that contributed to Kemira's innovation sales include FennoBond product family. FennoBond gives board makers the cost advantages of either going to a lower grammage, while retaining strength, or using a higher percentage of lower-quality recycled fiber. For graphical papermakers FennoBond offers the opportunity to increase filler loading while maintaining runnability and printability. FennoBond is also used in tissue and towel manufacturing to achieve an optimal wet/dry balance. The extra strength from FennoBond can also be utilized to reduce refining, resulting in improved softness and less dust.

Oil & Mining segment focused on stimulation and squeeze applications in the Oil and Gas sector, including friction reducers and microbial control enhancements. Kemira also launched its first tagged scale inhibitor products that enable on-site measurement of residual scale inhibitor levels at oil and gas wells. The new technology is targeting offshore wells where an accurate, timely control of inhibitor concentrations is vital in maintaining efficient operation. In mining, Kemira's ability to tailor make binders that minimize the need for bentonite is well received by the industry.

Many other innovation projects are reaching the commercialization phases, and we are focusing on finalization and commercialization of such products.

SUSTAINABILITY

In 2013, Kemira will publish its third annual corporate responsibility report in connection with its Annual Report. The corporate responsibility report 2013 is verified by a third party and prepared in accordance with the GRI (Global Reporting Initiative) framework. It deals with economic, environmental and social aspects defined material for Kemira, as well as reflects on Kemira's performance in relation to the sustainability targets published in Kemira's Annual & Sustainability Report 2012. The performance against targets is displayed in the following table.

Sustainability commitment	Sustainability target	KPI for performance measurement	2013 status
Suppliers			
We work together with responsible suppliers, distributors and agents	Effective use of Code of Conduct for Suppliers, Distributors and Agents (CoC-SDA) in all relevant supplier relationships by the end of 2013	Supplier contracts with signed CoC-SDA as attachement, %	36%
	Active Supplier Performance management program in place by the end of 2013	Average performance of core suppliers (75% of spend), performance rate, %	94%
		Share of reviewed suppliers under certain performance level (corrective actions agreed), %	11%
		Number of supplier audits per year	29
Employees			
We require ethical behaviour from our employees	All Kemira employees covered by Kemira Code of Conduct (CoC) training by the end of 2013	Kemira employees completed Kemira CoC training, %	90%*
We enhance performance management	All Kemira employees covered by the global Performance Management process by the end of 2014	Kemira employees covered by the global Performance Management process, %	56%**
We promote leadership development	Every people manager participates in leadership development programs at least once every 3 years, first target period 2013-2015	People managers covered by global leadership programs, cumulative, %	39%

*) Active employees, excluding employees who are in the scope of divested businesses.
**) All white collars are covered by the global Performance Management process.

Sustainability commitment	Sustainability target	KPI for performance measurement	2013 status
Operations			
We improve occupational health & safety	Achieve zero accidents	Total Recordable Injuries (TRI) employees and contractors	7.1
We improve water efficiency in manufacturing	Baseline analyzed and water efficiency program defined by the end of 2014	To be defined by the end of 2014	Data collected, analysis started
We improve energy efficiency in manufacturing	Baseline set and the energy efficiency index defined by the end of 2013	To be defined by the end of 2013	Kemira Energy Efficiency Index and Kemira Carbon Index defined
			E3 efficiency program status since its start in 2010: - 388 improvement cases implemented - Achieved energy savings of 174,000 MWh/a - Achieved savings EUR 7.2 million
Customers			
We develop and propose sustainable solutions for our customers	Sustainability and safety aspects considered in all New Product Development (NPD) projects by the end of 2014	All new projects apply the sustainability check in Gate 1, %	100%
		Existing projects apply the sustainability check in Gates 2-4, %	92%
Local communities			
We are involved in communities where we operate	Each Kemira site with over 50 employees has participated in local community involvment initiatives at least once by the end of 2015	Kemira sites (over 50 employees) with local community initiatives, cumulative %	48%

Kemira updated the corporate responsibility focus areas and targets in 2013 based on Kemira's sharpened strategy and stakeholder feedback. The updated corporate responsibility focus areas and targets were approved by the Kemira Management Board in January 2014. The focus areas, targets and Key Performance Indicators (KPI) will be discussed in more detail in Kemira's Corporate Responsibility Report that will be published as part of the Kemira Annual Report 2013 during the week beginning on February 25, 2013.

Kemira was recognized for the first time in the CDP Nordic Climate Disclosure Leadership Index in 2013. Kemira achieved a score of 96 out of 100 in the index that measures the disclosure of information regarding climate change.

In 2013, provisions for environmental remediation totaled EUR 22.2 million (19.7). The biggest provisions relate to the waste piling area in Pori, sites closures and to the limited reconditioning of the sediment of a lake adjacent to the Vaasa plant.

Kemira registered 29 substances under EU Chemical regulation (REACH) in 2013. Preparations for the third deadline of REACH of 2018 have started. The preparation for Globally Harmonized System of Classification and Labelling of Chemicals (GHS) proceeded according to plans. New requirements of supply chain product safety communication have significantly intensified the information exchange with the customers and suppliers. The implementation of REACH or ensuring other product compliance is not expected to have a major impact on Kemira's financial results, and the registration costs are expected to stay on the level of 2013 over the next few years. In 2013, the costs of product compliance were related mostly to the REACH registrations.

HUMAN RESOURCES

At the end of the year, Kemira Group had 4,350 permanent employees (4,762 on December 2012) and 103 temporary employees (95). Kemira employed 961 people in Finland (1,114), 1,634 people elsewhere in EMEA (1,690), 1,281 in North America (1,279), 237 in South America (423), and 340 in Asia Pacific (351).

SEGMENTS

PAPER

Paper has unique expertise in applying chemicals and supporting pulp & paper producers to innovate and constantly improve their operational efficiency. We develop and commercialize new products to fulfill customer needs and to ensure the leading portfolio of products and services for paper wet-end, focusing on packaging and board, as well as tissue. We leverage our strong pulp & paper application portfolio in North America and EMEA and build a strong position in China, Indonesia and Brazil.

EUR million	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Revenue	**272.5**	251.7	**1,067.6**	1,005.6
Operative EBITDA	**34.8**	30.1	**130.3**	117.5
Operative EBITDA, %	**12.8**	12.0	**12.2**	11.7
EBITDA	**21.5**	18.4	**97.7**	93.3
EBITDA, %	**7.9**	7.3	**9.1**	9.3
Operative EBIT	**23.7**	19.5	**86.5**	75.3
Operative EBIT, %	**8.7**	7.7	**8.1**	7.5
EBIT	**9.7**	10.0	**45.7**	44.7
EBIT, %	**3.6**	4.0	**4.3**	4.4
Capital employed*	**758.0**	777.2	**758.0**	777.2
ROCE*	**6.0**	5.8	**6.0**	5.8
Capital expenditure	**24.4**	7.6	**75.2**	72.2
Cash flow after investing activities	**14.7**	-3.9	**55.9**	8.1

*12-month rolling average

Fourth quarter

Paper segment's **revenue** increased 8% to EUR 272.5 million (251.7) mainly due to the sales volume growth in all regions. Sales price changes and acquisitions also had small positive impacts on revenues. Currency exchange had -3% impact.

Paper segment's revenue in **EMEA** increased by 13% as sales volumes continued to grow. Sales volumes increased especially in the two biggest differentiated product lines, polymers and sizing agents, as well as in bleaching chemicals.

In **NAFTA**, revenues increased by 5%, despite the unfavorable currency exchange. Polymer and sizing driven sales volume growth accelerated and was the main reason for increased revenue. In addition, sales price changes had a positive impact on the revenue. In **SA**, increased chlorate sales volumes and higher sales prices more than compensated for the negative impact of currency exchange and drove revenues 4% higher compared to the fourth quarter of 2012. In **APAC**, sales volumes were somewhat higher than in the comparable period in 2012, but revenues declined 6% mainly due to lower sales prices and unfavorable currency exchange rates.

Operative EBIT increased 22% to EUR 23.7 million (19.5) mainly due to the continued growth of sales volumes. Slightly higher sales prices and lower fixed as well as variable costs also contributed to the increased operative EBIT. Variable costs decreased due to lower sulphur, sodium hydroxide and fatty acid prices. “Fit for Growth” savings were the main reason for lower fixed costs. Currency exchange had a small negative impact on the operative EBIT. The operative EBIT margin improved to 8.7% (7.7%).

Full year

Paper segment’s **revenue** increased 6% to EUR 1,067.6 million (1,005.6). The revenues in local currencies and excluding acquisitions and divestments grew 8% due to the sales volume growth, especially in polymers, sizing agents and other differentiated process chemicals. Sales price changes did not have a material impact on revenues. Currency exchange had a -2% impact.

Paper segment’s revenues in **EMEA** increased 11% to EUR 606.3 million (546.5) driven by increased sales volumes of the two biggest differentiated product lines, polymers and sizing, as well as other process chemicals and bleaching chemicals. During the year, Kemira started four new AKD sizing production lines of which two in the EMEA region, one in NAFTA and one in APAC. New production lines support Kemira to better serve its big sizing customers in the various regions. Growth of other process chemicals sales volumes was supported by increased Fennobind binder capacity that was succesfully ramped up in the continental Europe in 2013.

In **NAFTA**, revenues, excluding the -4% currency exchange impact, increased 7% to EUR 294.7 million (286.2). Growth was mainly driven by the increased differentiated chemicals sales volumes, as well as somewhat higher sales prices. In September, Kemira announced the acquisition of Soto Industries Inc. (Vancouver, Canada). Soto supplies a broad range of differentiated chemicals including digester scale control, silicone and oil-based defoamers, as well as polymers used in green liquor clarification and effluent treatment for pulp and papermaking.

In **SA**, revenues in local currencies grew nearly 7% to EUR 75.8 million (77.3), supported by sales volume growth in all main product lines. In July, Kemira completed the expansion of its hydrogen peroxide plant in Fray Bentos, Uruguay to serve the growing demand of the product in the SA region.

In **APAC**, sales volumes recovered during the year, but revenues declined approximately 5% to EUR 90.8 million (95.6), mainly due to lower market prices for fatty acid and thus lower sales prices for AKD wax, as well as unfavorable currency exchange. In December, Kemira started the test production of defoamer and deinking agents in its new production site in Nanjing, China. Production of the most important product line at the site, ASA sizing, is expected to start in the first quarter of 2014 and full scale production capacity is expected during the second quarter of 2014.

Operative EBIT increased 15% to EUR 86.5 million (75.3) as a result of higher sales volumes. Variable and fixed costs remained at the level of 2012. Currency exchange had EUR -4 million impact. The operative EBIT margin improved to 8.1% (7.5%).

MUNICIPAL & INDUSTRIAL

M&I is a leading water chemicals supplier for raw and waste water applications in EMEA and North America, and aims to capture selected growth opportunities in emerging markets. We enable our municipal and industrial customers to improve their water treatment efficiency by supplying them with competitive, high-performing products and value adding application support.

EUR million	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Revenue	**152.4**	175.4	**659.4**	686.6
Operative EBITDA	**13.6**	12.3	**68.3**	64.0
Operative EBITDA, %	**8.9**	7.0	**10.4**	9.3
EBITDA	**-40.1**	-9.1	**-0.5**	34.0
EBITDA, %	**-26.3**	-5.2	**-0.1**	5.0
Operative EBIT	**6.9**	6.3	**45.8**	39.2
Operative EBIT, %	**4.5**	3.6	**6.9**	5.7
EBIT	**-47.3**	-28.5	**-23.4**	-16.5
EBIT, %	**-31.0**	-16.3	**-3.6**	-2.4
Capital employed*	**309.2**	374.4	**309.2**	374.4
ROCE*	**-7.6**	-4.4	**-7.6**	-4.4
Capital expenditure	**17.6**	5.5	**46.9**	31.7
Cash flow after investing activities	**10.3**	17.1	**36.7**	39.2

*12-month rolling average

Fourth quarter

The Municipal & Industrial segment's **revenue** decreased 13% to EUR 152.4 million (175.4) due to lower sales volumes, an unfavorable currency exchange impact of -2% and a divestment impact of -4%. Acquisition of 3F had a 4% impact on revenues. Sales price changes did not have material impact on revenues.

The revenues in EMEA decreased 8% partly due to the divestments in Denmark and Romania, as well as due to to the implementation of a new customer segmentation based business model, which are all expected to improve the segment's profitability through improved product mix.

In NAFTA and in SA, the revenue decline continued due to lower sales volumes and unfavorable currency exchanges. The coagulant business divestment in Brazil had a small negative impact on revenues.

The operative EBIT increased 10% to EUR 6.9 million (6.3) mainly due to EUR 5 million lower fixed costs. Fixed costs were lower due to "Fit or Growth" cost savings. Raw material costs, mainly related to acrylonitrile, increased slightly and were the main reason for the increased variable costs. Sales volumes and changes in sales prices had only marginal impacts on operative EBIT. The operative EBIT margin improved to 4.5% (3.6%).

Full year

The Municipal & Industrial segment's **revenue** decreased 4% to EUR 659.4 million (686.6). The revenues in local currencies and excluding acquisitions and divestments decreased by 2% due to the lower sales volumes, that could only partly be compensated by the higher sales prices. Currency exchange had an impact of -2%. Acquisition had a 1% impact and divestments a -1% impact on revenues.

In **EMEA,** revenue remained nearly unchanged and was EUR 405.0 million (407.3). Sales volumes of water treatment chemicals grew slightly and could partly compensate for the somewhat lower sales prices. In September, Kemira announced that in line with its strategy, Municipal & Industrial has started the implementation of a new business model, driven by a more streamlined organization. The new organization has resulted in a reduction of approximately 50 employees and in a more focused R&D portfolio. The new business model includes customer segmentation based on customer needs and buying behaviour. The streamlined organization and the new business model are expected to result in more than EUR 5 million annual savings once fully implemented. In addition, Kemira sold some small commodity chemical product lines in Romania, and some small commodity chemical product lines, including a chemical distribution business in Denmark (closed on January 2, 2014) in the second half of 2013.

In **NAFTA**, revenue decreased 7% in local currencies to EUR 189.7 million (212.1). Lower sales volumes had negative impact on revenue while operative EBIT margin improved through a better product mix.

In December, Kemira divested its iron and aluminium coagulant business in Brazil. The divestment of the coagulant business in Brazil is in line with the Municipal & Industrial strategic focus on profitability improvement and cash flow maximization.

In April, Kemira decided to close its office in Hyderabad, India. At the same time, together with its joint venture partner, Kemira started to evaluate the possible future options for coagulant manufacturing joint venture facility in Vizag, India.

Operative EBIT increased 17% to EUR 45.8 million (39.2). "Fit for Growth" savings were the main reason for the improved profitability. Higher sales volumes and changes in sales prices also had positive impacts on the operative EBIT. Variable costs increased EUR 10 million, driven mainly by the higher propylene based raw material costs. The operative EBIT margin improved to 6.9% (5.7%). In November 2013, Kemira started test production in its coagulant plant in Dormagen, Germany. The investment will further strengthen Kemira's manufacturing network in Western Europe and secure a long-term, cost-efficient access to hydrochloric acid, the key raw material for coagulants.

OIL & MINING

O&M provides a unique combination of innovative chemicals and application knowledge that improves process efficiency and yield in oil, gas and metals recovery. We use our in-depth understanding of extraction processes to tailor solutions for water management and re-use. Expanding from our position in North America and EMEA, we continue to build a strong base for growth in South America, Middle East, and Africa.

EUR million	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Revenue	**78.5**	72.1	**311.5**	321.1
Operative EBITDA	**6.3**	7.1	**32.7**	40.6
Operative EBITDA, %	**8.0**	9.9	**10.5**	12.6
EBITDA	**3.2**	1.3	**24.6**	31.2
EBITDA, %	**4.1**	1.8	**7.9**	9.7
Operative EBIT	**2.1**	3.4	**17.4**	25.9
Operative EBIT, %	**2.7**	4.7	**5.6**	8.1
EBIT	**-3.9**	-2.3	**6.5**	14.2
EBIT, %	**-5.0**	-3.2	**2.1**	4.4
Capital employed*	**188.2**	177.7	**188.2**	177.7
ROCE*	**3.5**	8.0	**3.5**	8.0
Capital expenditure	**59.5**	4.1	**69.8**	20.2
Cash flow after investing activities	**-52.4**	2.3	**-60.6**	-5.3

*12-month rolling average

Fourth quarter

Oil & Mining segment's **revenue** increased 9% to EUR 78.5 million (72.1). The revenues in local currencies increased 13%, supported by the 10% impact of the acquisition of 3F and recovered sales volumes. Currency exchange had -4% impact. Sales price changes had a small negative impact on revenues.

In NAFTA, revenue increased more than 30%, including the positive 18% impact of 3F acquisition and -7% currency exchange impact. Organic revenue increased as a result of sales volumes growth in differentiated process chemicals, especially in polymers in North America. In EMEA, the revenues declined by approximately 10% due to the continued market softness, especially related to water treatment chemicals used in the mining industry.

Operative EBIT decreased 38% to EUR 2.1 million (3.4) mainly due to EUR 3 million higher variable costs. Variable costs increased mainly due to higher inventory related costs, especially in South America region, and propylene price-driven raw material costs. Sales volume growth could partly compensate for higher costs. The operative EBIT margin was 2.7% (4.7%).

Full year

Oil & Mining segment's **revenue** decreased 3% to EUR 311.5 million (321.1) including the impact of 3% of the previously reported carryover on the termination of low margin product sales. The revenue in local currencies, excluding the impact of exited product sales and acquisitions, remained at the same level as in

2012. Acquisition of 3F had 2% positive impact and currency exchange -3% impact on revenues.

In **NAFTA**, revenue in local currencies increased close to 10% to EUR 175.4 million (167.8), mainly due to the sales volume growth of polymers and other process chemicals. The acquisition of 3F in October 2013 had a 4% positive impact on revenues. 3F produces dry and emulsion polyacrylamide polymers and related process chemicals, supported by backward integrated key intermediates, such as bio-acrylamide and cationic monomers. Oil & Mining segment uses the 3F products in drilling, extraction and stimulation in the oil & gas industry and in production optimization in the mining industry.

In **EMEA**, revenue declined 9% to EUR 104.6 million (115.3) as a result of lower sales volumes and sales prices. Continued softness of the mining industry was the main reason for the lower sales activity.

The operative EBIT decreased 33% to EUR 17.4 million (25.9) as a result of lower revenue and higher fixed as well as variable costs. The operative EBIT margin declined to 5.6% (8.1%).

CHEMSOLUTIONS

ChemSolutions reliably provides customers with formic acid and high-performing derivatives as well as environmentally sound bleaching agents. Our economy of scale, based on our world-class operations in EMEA in combination with our people's dedication to quality and efficiency, enable us to continuously improve our competitiveness.

EUR million	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Revenue	**41.8**	59.3	**190.6**	227.6
Operative EBITDA	**3.4**	7.9	**20.7**	27.3
Operative EBITDA, %	**8.1**	13.3	**10.9**	12.0
EBITDA	**4.1**	4.8	**20.0**	21.3
EBITDA, %	**9.8**	8.1	**10.5**	9.4
Operative EBIT	**1.8**	4.9	**14.5**	15.1
Operative EBIT, %	**4.3**	8.3	**7.6**	6.6
EBIT	**2.6**	-16.3	**13.8**	-9.3
EBIT, %	**6.2**	-27.5	**7.2**	-4.1
Capital employed*	**99.1**	192.6	**99.1**	192.6
ROCE*	**13.9**	-4.8	**13.9**	-4.8
Capital expenditure	**3.4**	1.2	**5.5**	10.0
Cash flow after investing activities	**6.1**	7.2	**82.3**	23.6

*12-month rolling average

Fourth quarter

ChemSolutions segment's **revenue** decreased 30% to EUR 41.8 million (59.3) mainly due to divestment of the food and pharmaceuticals businesses. Revenue in local currencies, excluding divestments, decreased 7% as due to mild weather in Europe, sales volumes of de-icing products to airports were significantly less than in the comparable period in 2012. Currency exchange had a -2% impact.

Operative EBIT decreased 63% to EUR 1.8 million (4.9) mainly due to the divestment of the food and pharmaceuticals businesses and a very weak de-icing season. Variable costs decreased mainly as a result of the “Fit for Growth” cost savings program. The operative EBIT margin was 4.3% (8.3%).

Full year

ChemSolutions segment’s **revenue** decreased 16% to EUR 190.6 million (227.6). The revenue in local currencies and excluding divestments increased 2%, mainly due to the higher sales volumes in all main product lines. Sales prices were slightly lower than in 2012. The divestment of the food and pharmaceuticals businesses had an impact of -18% on revenues.

In December, Kemira signed an agreement to sell its formic acid business, including the feed and the airport runway de-icing product lines, to Taminco Corporation. The transaction includes a manufacturing asset for formic acid in Oulu, Finland and approximately 160 employees. The closing of the transaction is expected during the first quarter in 2014. Sodium percarbonate, the remaining business within the ChemSolutions segment, will stay within Kemira and will be reported as part of the Paper segment after closing. After the transaction is closed, the ChemSolutions segment will be discontinued.

Operative EBIT decreased 4% to EUR 14.5 million (15.1) mainly due to the divestment of the food and pharmaceuticals businesses. The operative EBIT margin increased to 7.6% (6.6%).

PARENT COMPANY’S FINANCIAL PERFORMANCE

Kemira Oyj’s revenue increased to EUR 1,382.1 million (1,356.0) in 2013. The EBIT was EUR -10.3 million (-38.2). EBIT increased mainly due to higher revenue and other operating income while variable and fixed costs decreased. The parent company’s net financial income was EUR 147.0 million (86.9). Net profit totaled EUR 141.2 million (68.7). Capital expenditure totaled EUR 28.3 million (13.4) excluding investments in subsidiaries.

KEMIRA OYJ’S SHARES AND SHAREHOLDERS

On December 31, 2013, 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 Annual General Meeting.

At the end of December, 2013, Kemira Oyj had 30,640 registered shareholders (30,601 at the end of December 2012). Foreign shareholding of Kemira’s shares increased 26% during the year and was 21.6% (17.1% at the end of December 2012), including nominee registered holdings. Households owned 14.9% of the shares (15.4% at the end of December 2012). Kemira held 3,301,006 treasury shares (3,301,769 at the end of December, 2012) representing 2.1% (2.1% at the end of December 2012) of all company shares. On the basis of Kemira’s share-based incentive scheme, Kemira has received a return of 7,389 Kemira’s shares during January-December 2013. Based on the decision of the Annual General Meeting of Kemira Oyj on March 26, 2013, Kemira Oyj has transferred 8,152 shares on May 5, 2013, to the members of the Board of Directors as part of the Board’s remuneration.

Kemira Oyj’s share closed at EUR 12.16 at the NASDAQ OMX Helsinki at the end of 2013 (2012: 11.81). The share price increased 3% during the year while OMX Helsinki Cap index increased 26%. STOXX

Chemicals (Europe), chemical sector benchmark index for Kemira, increased 15% in 2013 (2012: 30%). Shares registered a high of EUR 13.02 (12.00) and a low of EUR 10.55 (8.00). The average share price of Kemira increased 16% and was EUR 11.76 (10.10). The volatility of Kemira's share price in 2013 was 24% (3 year volatility: 34%, 5 year: 37%). (Source: Factset)

Kemira's market capitalization, excluding treasury shares, was EUR 1,849 million at the end of the year 2013 (2012: 1,796).

In 2013, Kemira Oyj's share trading volume on NASDAQ OMX Helsinki decreased 27% to 65 million (2012: 89) shares. Share turnover value decreased 15% and was EUR 757.2 million (886.7). The average daily trading volume was 259,748 (352,397) shares. On NASDAQ OMX Helsinki stock exchange, the total trading volume decreased 4% in 2013 to EUR 95.3 billion (98.7).

In addition to NASDAQ OMX Helsinki, Kemira shares are traded on several alternative market places or multilateral trading facilities (MTF), for example at BATS Chi-X and Turquoise. In 2013, a total of 28 million (29) Kemira Oyj shares were traded at alternative market places, i.e. approximately 30% (26%) of the total amount of traded shares executed on-book. (Source: Fidessa)

The total amount of traded Kemira shares, including trade on NASDAQ OMX Helsinki and multilateral trading facilities decreased 21% in 2013 compared to 2012.

Share-based incentive plan for the strategic management

In February 2012, Kemira's Board of Directors decided to establish a new share-based incentive plan that follows the already terminated 2009–2011 plan aimed at the company's strategic management for the years 2012–2014, as part of the company's incentive and commitment schemes. The delivery of share rewards within the plan is subject to the achievement of performance targets set by the Board of Directors, which include both internal and external performance targets. The internal target-setting is divided into three one-year performance periods: 2012, 2013, and 2014. Payment depends on the achievement of the set intrinsic value targets calculated from the development of the EBITDA and the development of the net debt. The program also includes a three-year external goal, which is tied to the relative total shareholder return (TSR) performance during 2012–2014. As a guiding principle, rewards will only be paid based on excellent performance.

The value of the aggregate reward paid out in the course of the three-year plan may not exceed 120% of CEO's and 100% of the other participants' gross salary for the same period. The applicable taxes will be deducted from the gross earning and the remaining net value is delivered to the participants in Kemira shares.

Shares earned through the plan must be held for a minimum of two years following each payment. In addition, participants of the plan must retain fifty per cent of the shares obtained under the plan until their ownership of Kemira shares based on shares obtained through the share-based incentive programs of Kemira has reached a share ownership level which in value equals at least their gross annual salary for as long as they remain participants in the plan.

The 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 the strategic management, Kemira has a share-based incentive plan aimed at other key employees. The participants in the strategic management plan will not participate in this plan for the key employees.

The share-based incentive plan for the strategic management aims to align the goals of shareholders and strategic management in order to increase the value of the company, motivate the strategic management, and provide competitive shareholder-based incentives.

AGM DECISIONS

Annual General Meeting

Kemira Oyj's Annual General Meeting, held on March 26, 2013, confirmed a dividend of EUR 0.53 per share for 2012 (0.53). The dividend was paid out on April 9, 2013.

The AGM 2013 authorized the Board of Directors to decide upon the repurchase of a maximum of 4,500,000 company's own shares ("Share repurchase authorization"). The Share repurchase authorization is valid until the end of the next Annual General Meeting. The Board has not exercised its authority by December 31, 2013.

The AGM 2013 also authorized the Board of Directors to decide to issue a maximum of 15,600,000 new shares and/or transfer a maximum of 7,800,000 of the company's own shares held by the company ("Share issue authorization"). The Share issue authorization is valid until May 31, 2014. The share issue authorization has been used in connection with the remuneration of the Board of Directors.

The AGM elected Deloitte & Touche Oy, to serve as the company's auditor, with Jukka Vattulainen, Authorized Public Accountant, acting as the principal auditor.

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. The company's corporate governance is presented as a separate statement on the company's website.

Board of Directors

On March 26, 2013, the AGM elected five Board members. The AGM reelected Winnie Fok, Juha Laaksonen, Jari Paasikivi, Kerttu Tuomas and Jukka Viinanen to the Board of Directors. Jukka Viinanen was elected to continue as the Board's Chairman and Jari Paasikivi as the Vice Chairman. In 2013, Kemira's Board of Directors met 16 times with 98% attendance rate.

Kemira Oyj's Board of Directors has appointed two committees: the Audit Committee and the Compensation Committee. The Audit Committee is chaired by Juha Laaksonen and has Jari Paasikivi as a member. In 2013, the Audit Committee met 6 times with a 100% attendance rate. The Compensation Committee is chaired by Jukka Viinanen and has Jari Paasikivi and Kerttu Tuomas as members. In 2013, the Compensation Committee met 5 times with a 100% attendance rate.

Changes to company management

On May 1, 2013, Frank Wegener was appointed as the President of Municipal & Industrial segment (previously President, ChemSolutions) and Hannu Virolainen as the President of ChemSolutions segment (previously the President of Municipal & Industrial).

On May 6, 2013, Jukka Hakkila, Group General Counsel was appointed as a new deputy CEO.

On June 5, 2013, Petri Castrén was appointed as Chief Financial Officer and member of the Management Board as of September 1, 2013.

On September 27, 2013, Kemira announced that Kemira's President and CEO Wolfgang Büchele will resign from his position. It has been agreed that Büchele will continue as Kemira's President and CEO until April 30, 2014. On January 7, 2014, Kemira Board of Directors appointed Jari Rosendal as Kemira Oyj's President and Chief Executive Officer as of May 1, 2014.

On January 30, 2014, Kemira announced that Randy Owens, President of the Oil & Mining segment and region North America will leave Kemira as of April 30, 2014. In addition, Kemira announced that Hilton Casas, President of the region South America will leave Kemira as of March 31, 2014.

Structure

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

SHORT-TERM RISKS AND UNCERTAINTIES

At Kemira, a risk is defined as an event or circumstance, which, if it materializes, may affect Kemira's ability to meet its strategic, operational and financial goals in a sustainable and ethical way. Kemira's risk management policy and principles proactively protect and help Kemira to reach the desired aggregate risk level and ensure the continuity of Kemira's operations.

Changes in customer demand

Significant and rapid decline in the use of certain chemicals (e.g. chemicals for packaging and board production) or in the demand of customers' products (e.g. certain paper qualities) could have a negative impact on Kemira's business, especially in the Paper segment. Also increased awareness of and concern towards climate change and more sustainable products may change customers' demands, for instance towards water treatment technologies with lower chemical consumption, and this may impact negatively especially on Kemira Municipal & Industrial segment's ability to compete. Failure from Kemira's side to be prepared to meet and manage these changed expectations could result in loss of market share.

In order to manage and mitigate this risk, Kemira systematically monitors leading indicators and early warning indicators that focus on market development. Kemira has also increased its focus on sustainability and is further improving coordination and cooperation between Business Development, R&D and Sales units in order to better understand the future needs and expectations of its customers. Kemira's geographic and customer-industry diversity also provides partial protection against this risk.

Changes in laws and regulations

Kemira's business is subject to various laws and regulations which are relevant in developing and implementing Kemira's strategy. Although laws and regulations can generally be considered as an opportunity for Kemira, certain new legislative initiatives supporting for instance the use of biodegradable raw materials or biological water treatment, limiting the use of aluminium or phosphates, or relating to recovery or recycling of phosphorus, may also have a negative impact on Kemira's business. Significant changes, for instance in chemical, environmental or transportation laws and regulations (e.g. REACH, EU sulphur directive) may generate an excessive amount of administrative work and create a risk of not fulfilling customers' compliance requirements on time. Such regulatory changes may also impact on Kemira's profitability through increase in production and transportation costs. At the same time such changes may also create new business opportunities for Kemira.

Kemira is continuously following regulatory discussions in order to maintain the awareness of the contents and planned changes of those laws and regulations which may have an impact, for instance, on its sales, production planning and product development needs. Regulatory effects are systematically considered in strategic decision-making. Kemira also participates actively in regulatory discussions whenever possible and justified from the industry or business perspective.

Competition

Kemira operates in a rapidly changing and competitive business environment, which represents a considerable risk to meeting its goals. New players seeking for a foothold in Kemira's key business segments may use aggressive means as a competitive tool, which could affect Kemira's financial results. Major competitor consolidations are considered to be risks which may result in weakening of Kemira's market position.

Kemira is seeking growth in segments that are less familiar and where new competitive situations prevail. In the long-term, completely new types of technology may considerably change the current competitive situation. This risk is managed both at the Group and segment levels through continuous monitoring of the competition. The company aims at responding to competition with active management of customer relationships and continuous development of its products and services to further differentiate itself from the competitors.

Price and availability of raw materials and commodities

Continuous improvement of profitability is a crucial part of Kemira's strategy. Significant and sudden increase in the costs of raw materials, commodity or logistic costs could place Kemira's profitability targets at risk if Kemira was unable to pass such increase to product prices without delay. For instance, high oil and electricity prices could materially weaken Kemira's profitability.

Changes in the field of raw material suppliers, such as consolidation or decreasing capacity, may increase raw material prices. Also changes in material demand in industries that are main users of certain raw materials may lead to significant raw material price fluctuations. Poor availability of certain raw materials may affect Kemira's production if Kemira fails to prepare for this by mapping out alternative suppliers or opportunities for process changes. Raw material and commodity risks can be effectively monitored and managed with Kemira's centralized Supply Chain Management function (SCM). Risk management includes, for instance forward-looking forecasting of key raw materials and commodities, synchronization of raw material purchase agreements and sales agreements, strategic investment in energy generating companies and hedging a portion of the energy and electricity spend.

Economic conditions

Uncertainties in the global economic development are considered to include risks, such as low-growth period in the global GDP, which could have a negative impact on the demand of Kemira's products. Further, weak economic development may also have serious effects on the liquidity of Kemira's customers, which could result in increased credit losses for Kemira. Unfavorable market conditions may also increase the availability and price risk of certain raw materials. Kemira's geographical and customer-industry diversity provides only partial protection against this risk.

A detailed account of Kemira's risk management principles and organization is available on the company's website at http://www.kemira.com. An account of the financial risks is available in the Notes to the Financial Statements 2013. Environmental, hazard, supplier and talent manangement risks are discussed in Kemira's Kemira's corporate responsibility report that will be published as part of the Kemira Annual Report 2013 during the week beginning on February 24, 2014.

OTHER EVENTS DURING THE REVIEW PERIOD

On April, 23, 2013, Kemira started to establish a multifunction Business Service Center in Gdansk, Poland to serve all of Kemira's businesses in the EMEA region. The scope of the new center is planned to include all transactional activities in the support functions. Once fully implemented, the annual cost savings target for the support functions re-organizing in EMEA will be close to EUR 10 million and the related restructuring charges are expected to amount to approximately EUR 20 million.

On April, 23, 2013, Kemira announced a closure of its production facility in Vaasa, Finland, belonging to the Paper segment. The purpose of the closure is to optimize the utilization of Kemira's global process chemicals production network. The annual cost saving target for the site closure is EUR 5 million and the related restructuring charges approximately EUR 25 million.

EVENTS AFTER THE REVIEW PERIOD

Proposals of the Nomination Board to the Annual General Meeting 2014

Kemira Nomination Board proposed to the Annual General Meeting of Kemira Oyj that six members be elected to the Board of Directors and that the present members Winnie Fok, Juha Laaksonen, Jari Paasikivi and Kerttu Tuomas be re-elected as members of the Board of Directors. Nomination Board proposes that Wolfgang Büchele and Timo Lappalainen be elected as new members of the Board of Directors. In addition, the Nomination Board proposes Jari Paasikivi to be elected as the Chairman of the Board of Directors and Kerttu Tuomas to be elected as the Vice Chairman. Jukka Viinanen informed the Nomination Board, that he is not available as a candidate to continue in Kemira’s Board of Directors.

The Nomination Board proposed to the Annual General Meeting that the remuneration paid to the members of the Board of Directors will remain unchanged. The remuneration paid to the members of the Board of Directors would thus be as follows. The annual fees: for the Chairman EUR 74,000 per year, for the Vice Chairman and the Chairman of the Audit Committee EUR 45,000 per year and for the other members EUR 36,000 per year. A fee payable for each meeting of the Board of Directors and the Board Committees would be for the members residing in Finland EUR 600, for the members residing in rest of Europe EUR 1,200 and for the members residing outside Europe EUR 2,400. Travel expenses are proposed to be paid according to Kemira's travel policy.

In addition, the Nomination Board proposed to the Annual General Meeting that the annual fee be paid as a combination of the company's shares and cash in such a manner that 40% of the annual fee is paid with the company's shares owned by the company or, if this is not possible, shares purchased from the market, and 60% is paid in cash. The shares will be transferred to the members of the Board of Directors and, if necessary, acquired directly on behalf of the members of the Board of Directors within two weeks from the release of Kemira's interim report January 1-March 31, 2014. The meeting fees are proposed to be paid in cash.

The Nomination Board has consisted of the following representatives: Pekka Paasikivi, Chairman of the Board of Oras Invest Oy as the Chairman of the Nomination Board; Kari Järvinen, Managing Director of Solidium Oy; Risto Murto, President and CEO of Varma Mutual Pension Insurance Company and Timo Ritakallio, Deputy CEO of Ilmarinen Mutual Pension Insurance Company as members of the Nomination Board and Jukka Viinanen, Chairman of Kemira's Board of Directors as an expert member.

DIVIDEND

On December 31, 2013, Kemira Oyj’s distributable funds totaled EUR 681,978,945 net profit, which accounted for EUR 141,177,720 for the period. 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 24, 2014 that a dividend of EUR 0.53 totaling EUR 81 million shall be paid on the basis of the adopted balance sheet for the financial year ended December 31, 2013.

KEMIRA'S FINANCIAL TARGETS, RESTRUCTURING PROGRAM "FIT FOR GROWTH" AND OUTLOOK 2014

Kemira will continue to focus on improving its profitability and reinforcing the positive cash flow. The company will also continue to invest in order to secure future growth in the water quality and quantity management business.

Kemira's financial targets have been revised in connection with its strategy update on April 23, 2013. The company's financial targets for 2016 are:

- revenue EUR 2.6-2.7 billion
- EBITDA-% of revenue 15%
- gearing level < 60%.

In addition, Kemira expects its medium-term operative tax rate to be in the range of 22%-24%. The operative tax rate excludes non-recurring items and the impact of the income from associated companies.

The basis for growth is the expanding market for chemicals related to water quality and quantity management and Kemira's strong expertise in this field. The need to increase operational efficiency in our customer industries creates opportunities for Kemira to develop new products and services for both current and new customers. Research and Development is a critical organic growth enabler for Kemira and it provides differentiation capabilities in the water quality and quantity management markets. Kemira will invest in innovation, technical expertise, and competencies in the targeted focus areas.

Restructuring program "Fit for Growth"

Kemira Oyj has continued to implement its global restructuring program "Fit for Growth", launched at the end of July 2012 in order to improve the company's profitability, its internal efficiency and to accelerate the growth in emerging markets without sacrificing business opportunities in the mature markets. In 2012, the cost savings impact of "Fit for Growth" was EUR 10 million. In 2013, "Fit for Growth"-related cost savings were EUR 46 million nearly reaching the full cost savings run rate of EUR 60 million on an annualized basis at the end of 2013. "Fit for Growth" related savings will not be reported separately anymore in the coming Kemira interim reports.

Outlook

In 2014, Kemira expects its revenue in local currencies and excluding acquisitions and divestments to be slightly higher than in 2013 and its operative EBIT to be higher than in 2013.

The guidance for 2014 is defined as follows.

Kemira guidance	Definition
Slightly higher/lower	**from 0% to 5% or from 0% to -5%**
Higher/lower	**from 5% to 15% or from -5% to -15%**
Significantly higher/lower	**more than 15% or less than -15%**

Helsinki, February 7, 2014

Kemira Oyj
Board of Directors

FINANCIAL CALENDAR 2014

Interim report January-March 2014	April 23, 2014
Interim report January-June 2014	July 22, 2014
Interim report January-September 2014	October 22, 2014

Kemira Oyj's Annual Report 2013 will be published during the week beginning on February 24, 2014.

The Annual General Meeting is scheduled for Monday, March 24, 2014 at 1.00 pm (CET+1).

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.

KEMIRA GROUP

CONSOLIDATED INCOME STATEMENT

EUR million	10-12/2013	10-12/2012	2013	2012
Revenue	545.2	558.5	2,229.1	2,240.9
Other operating income	5.9	5.6	15.2	13.8
Operating expenses	-562.3	-548.4	-2,102.4	-2,074.8
Depreciation, amortization and impairment	-27.7	-52.8	-99.3	-146.8
Operating profit (EBIT)	-38.9	-37.1	42.6	33.1
Finance costs, net	-7.7	-4.1	-39.0	-15.7
Share of profit or loss of associates	-0.1	-5.7	-1.1	11.2
Profit before tax	-46.7	-46.9	2.5	28.6
Income tax expense	-2.0	6.5	-28.4	-6.2
Net profit for the period	-48.7	-40.4	-25.9	22.4
Net profit attributable to:				
Equity owners of the parent	-50.1	-41.5	-31.6	17.7
Non-controlling interests	1.4	1.1	5.7	4.7
Net profit for the period	-48.7	-40.4	-25.9	22.4
Earnings per share, basic and diluted, EUR	-0.33	-0.27	-0.21	0.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12/2013	10-12/2012	2013	2012
Net profit for the period	-48.7	-40.4	-25.9	22.4
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets	-27.0	5.4	-27.0	5.4
Exchange differences on translating foreign operations	-5.6	-8.5	-17.7	2.3
Cash flow hedges	-3.1	-0.7	-2.3	-1.0
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements on defined benefit pensions	19.7	-38.9	22.6	-38.6
Other comprehensive income for the period, net of tax	-16.0	-42.7	-24.4	-31.9
Total comprehensive income for the period	-64.7	-83.1	-50.3	-9.5
Total comprehensive income attributable to:				
Equity owners of the parent	-66.1	-84.2	-55.4	-14.9
Non-controlling interests	1.4	1.1	5.1	5.4
Total comprehensive income for the period	-64.7	-83.1	-50.3	-9.5

CONSOLIDATED BALANCE SHEET

EUR million	12/31/2013	12/31/2012
ASSETS		
Non-current assets		
Goodwill	**471.9**	522.5
Other intangible assets	**75.3**	60.5
Property, plant and equipment	**644.5**	655.9
Investments in associates	**0.8**	122.8
Available-for-sale financial assets	**233.6**	264.0
Deferred income tax assets	**36.0**	30.1
Other investments	**9.2**	9.8
Defined benefit pension receivables	**29.8**	16.5
Total non-current assets	**1,501.1**	1,682.1
Current assets		
Inventories	**169.9**	181.9
Interest-bearing receivables	**0.5**	0.3
Trade and other receivables	**320.9**	353.1
Current income tax assets	**11.2**	18.9
Cash and cash equivalents	**102.0**	132.7
Total current assets	**604.5**	686.9
Non-current assets classified as held-for-sale	**105.4**	93.3
Total assets	**2,211.0**	2,462.3
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity owners of the parent	**1,112.5**	1,247.4
Non-controlling interests	**13.0**	13.2
Total equity	**1,125.5**	1,260.6
Non-current liabilities		
Interest-bearing liabilities	**279.9**	387.5
Other liabilities	**21.4**	21.4
Deferred income tax liabilities	**43.5**	39.1
Defined benefit pension liabilities	**73.8**	87.1
Provisions	**27.3**	21.8
Total non-current liabilities	**445.9**	556.9
Current liabilities		
Interest-bearing current liabilities	**278.4**	277.2
Trade payables and other liabilities	**302.6**	315.5
Current income tax liabilities	**13.6**	17.3
Provisions	**25.2**	23.8
Total current liabilities	**619.8**	633.8
Liabilities directly associated with the assets classified as held-for-sale	**19.8**	11.0
Total liabilities	**1,085.5**	1,201.7
Total equity and liabilities	**2,211.0**	2,462.3

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	**10-12/2013**	10-12/2012	**2013**	2012
Cash flow from operating activities				
Net profit for the period	**-48.7**	-40.4	**-25.9**	22.4
Total adjustments	**85.5**	75.8	**228.1**	196.9
Operating profit before change in net working capital	**36.8**	35.3	**202.2**	219.3
Change in net working capital	**40.8**	6.6	**24.8**	-21.1
Cash generated from operations	**77.6**	41.9	**227.0**	198.2
Finance expenses, net and dividends received	**-0.2**	-7.1	**-0.2**	8.3
Income taxes paid	**-5.4**	-9.0	**-26.5**	-30.2
Net cash generated from operating activities	**72.0**	25.8	**200.3**	176.3
Cash flow from investing activities				
Purchases of subsidiaries, net of cash acquired	**-56.1**	-	**-58.6**	-
Other capital expenditure	**-48.9**	-18.5	**-138.9**	-134.1
Proceeds from sale of assets and paid in capital	**11.8**	1.5	**193.4**	29.8
Change in long-term loan receivables decrease (+) / increase (-)	**2.7**	0.6	**-0.5**	-0.2
Net cash used in investing activities	**-90.5**	-16.4	**-4.6**	-104.5
Cash flow from financing activities				
Proceeds from non-current interest-bearing liabilities (+)	**-0.9**	-0.5	**0.0**	1.6
Repayments from non-current interest-bearing liabilities (-)	**-31.4**	-7.9	**-95.1**	-81.5
Short-term financing, net increase (+) / decrease (-)	**-10.0**	-18.8	**-32.6**	43.3
Dividends paid	**0.0**	0.0	**-85.1**	-85.1
Other finance items	**-1.6**	-0.8	**-1.1**	-0.9
Net cash used in financing activities	**-43.9**	-28.0	**-213.9**	-122.6
Net decrease (-) / increase (+) in cash and cash equivalents	**-62.4**	-18.6	**-18.2**	-50.8
Cash and cash equivalents at end of period	**102.0**	132.7	**102.0**	132.7
Exchange gains (+) / losses (-) on cash and cash equivalents	**-0.5**	-1.2	**-3.4**	-2.3
Cash and cash equivalents at beginning of period	**164.9**	152.5	**123,6*)**	185.8
Net decrease (-) / increase (+) in cash and cash equivalents	**-62.4**	**-18.6**	**-18.2**	**-50.8**

*) Investment of EUR 9.1 million is part of Cash and cash equivalents at year ended 31 December, 2012 has now been reclassified to Available-for-sale investments.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million

	Equity attributable to equity owners of the parent									
	Share capital	Share premium	Fair value and other reserves	Un-restricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Reported equity at January 1, 2012	221.8	257.9	89.3	196.3	-24.6	-22.3	640.1	1,358.5	12.3	1,370.8
Effect of application of IAS 19 revised	-	-	-	-	-	-	-16.5	-16.5	-	-16.5
Restated equity at January 1, 2012	221.8	257.9	89.3	196.3	-24.6	-22.3	623.6	1,342.0	12.3	1,354.3
Net profit for the period	-	-	-	-	-	-	17.7	17.7	4.7	22.4
Other comprehensive income, net of tax	-	-	4.4	-	1.6	-	-38.6	-32.6	0.7	-31.9
Total comprehensive income	-	-	4.4	-	1.6	-	-20.9	-14.9	5.4	-9.5
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-80.6 *)	-80.6	-4.5	-85.1
Treasury shares issued to the Board of Directors	-	-	-	-	-	0.1	-	0.1	-	0.1
Share-based payments	-	-	-	-	-	-	0.8	0.8	-	0.8
Transfers in equity	-	-	-	-	-0.1	-	0.1	0.0	-	0.0
Transactions with owners	-	-	-	-	-0.1	0.1	-79.7	-79.7	-4.5	-84.2
Equity at December 31, 2012	221.8	257.9	93.7	196.3	-23.1	-22.2	523.0	1,247.4	13.2	1,260.6

*) A dividend was EUR 80.6 million in total (EUR 0.53 per share) in respect of the financial year ended December 31, 2011. The annual general meeting approved EUR 0.53 dividend on March 21, 2012. The dividend record date was March 26, 2012, and the payment date April 2, 2012.

	Share capital	Share premium	Fair value and other reserves	Un-restricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Reported equity at December 31, 2012	**221.8**	**257.9**	**93.7**	**196.3**	**-23.1**	**-22.2**	**577.2**	**1,301.6**	**13.2**	**1,314.8**
Effect of application of IAS 19 revised	-	-	-	-	-	-	-54.2	**-54.2**	-	**-54.2**
Restated equity at January 1, 2013	**221.8**	**257.9**	**93.7**	**196.3**	**-23.1**	**-22.2**	**523.0**	**1,247.4**	**13.2**	**1,260.6**
Net profit for the period	-	-	-	-	-	-	-31.6	**-31.6**	5.7	**-25.9**
Other comprehensive income, net of tax	-	-	-29.3	-	-17.1	-	22.6	**-23.8**	-0.6	**-24.4**
Total comprehensive income	**-**	**-**	**-29.3**	**-**	**-17.1**	**-**	**-9.0**	**-55.4**	**5.1**	**-50.3**
Transactions with owners										
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	-80.6 *)	**-80.6**	-4.5	**-85.1**
Returned treasury shares	**-**	**-**	**-**	**-**	**-**	-0.1	**-**	**-0.1**	**-**	**-0.1**
Treasury shares issued to the Board of Directors	**-**	**-**	**-**	**-**	**-**	0.1	**-**	**0.1**	**-**	**0.1**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	0.2	**0.2**	**-**	**0.2**
Changes due to business combinations	**-**	**-**	-0.5	**-**	**-**	**-**	1.3	**0.8**	-0.8	**0.0**
Transfers in equity	**-**	**-**	0.1	**-**	**-**	**-**	-0.1	**0.0**	**-**	**0.0**
Other changes	**-**	**-**	**-**	**-**	**-**	**-**	0.1	**0.1**	**-**	**0.1**
Transactions with owners	**-**	**-**	**-0.4**	**-**	**-**	**0.0**	**-79.1**	**-79.5**	**-5.3**	**-84.8**
Equity at December 31, 2013	**221.8**	**257.9**	**64.0**	**196.3**	**-40.2**	**-22.2**	**434.9**	**1,112.5**	**13.0**	**1,125.5**

*) A dividend was EUR 80.6 million in total (EUR 0.53 per share) in respect of the financial year ended December 31, 2012. The annual general meeting approved EUR 0.53 dividend on March 26, 2013. The dividend record date was April 2, 2013, and the payment date April 9, 2013.

Kemira had in its possession 3,301,006 of its treasury shares on December 31, 2013. The average share price of treasury shares was EUR 6.73 and they represented 2.1% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 4.7 million.

The share premium is a reserve accumulating through subscriptions entitled by the management stock option program 2001. This reserve based on the old Finnish Companies Act (734/1978), which does not change anymore. The fair value reserve is a reserve accumulating based on available-for-sale financial assets (shares) measured at fair value and hedge accounting. Other reserves originate from local requirements of subsidiaries. The unrestricted equity reserve includes other equity type investments and the subscription price of shares to the extent that they will not, based on a specific decision, be recognized in share capital.

KEY FIGURES

	10-12/2013	10-12/2012	2013	2012
Earnings per share, basic and diluted, EUR *)	**-0.33**	-0.27	**-0.21**	0.12
Cash flow from operations per share, EUR *)	**0.48**	0.17	**1.32**	1.16
Capital expenditure, EUR million	**105.0**	18.5	**197.5**	134.1
Capital expenditure / revenue, %	**19.3**	3.3	**8.9**	6.0
Average number of shares, basic (1,000) *)	**152,042**	152,041	**152,039**	152,037
Average number of shares, diluted (1,000) *)	**152,167**	152,156	**152,179**	152,173
Number of shares at end of period, basic (1,000) *)	**152,042**	152,041	**152,042**	152,041
Number of shares at end of period, diluted (1,000) *)	**152,091**	152,090	**152,091**	152,090
Equity per share, EUR *)			**7.32**	8.20
Equity ratio, %			**50.9**	51.2
Gearing, %			**40.6**	42.2
Interest-bearing net liabilities, EUR million			**456.3**	532.0
Personnel (average)			**4,632**	5,043

*) Number of shares outstanding, excluding the number of shares bought back.

REVENUE BY BUSINESS AREA

	10-12/2013	10-12/2012	2013	2012
EUR million				
Paper	**272.5**	251.7	**1,067.6**	1,005.6
Municipal & Industrial	**152.4**	175.4	**659.4**	686.6
Oil & Mining	**78.5**	72.1	**311.5**	321.1
ChemSolutions	**41.8**	59.3	**190.6**	227.6
Total	**545.2**	558.5	**2,229.1**	2,240.9

OPERATING PROFIT (EBIT) BY BUSINESS AREA

	10-12/2012	10-12/2012	2013	2012
EUR million				
Paper	**9.7**	10.0	**45.7**	44.7
Municipal & Industrial	**-47.3**	-28.5	**-23.4**	-16.5
Oil & Mining	**-3.9**	-2.3	**6.5**	14.2
ChemSolutions	**2.6**	-16.3	**13.8**	-9.3
Total	**-38.9**	-37.1	**42.6**	33.1

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	2013	2012
Carrying amount at beginning of year	**655.9**	656.0
Acquisitions of subsidiaries	**30.4**	-
Increases	**116.3**	135.3
Decreases	**-1.8**	-2.8
Disposal of subsidiaries	**-17.9**	-
Depreciation and impairments	**-86.0**	-113.0
Transferred to non-current assets classified as held-of-sale	**-33.9**	-17.2
Exchange rate differences and other changes	**-18.5**	-2.4
Net carrying amount at end of period	**644.5**	655.9

CHANGES IN INTANGIBLE ASSETS

EUR million	2013	2012
Carrying amount at beginning of year	**583.0**	673.5
Acquisitions of subsidiaries	**53.3**	-
Increases	**9.9**	8.0
Decreases	**0.0**	-0.1
Disposal of subsidiaries	**-41.1**	-
Depreciation and impairments	**-13.3**	-33.8
Transferred to non-current assets classified as held-of-sale	**-36.6**	-57.6
Exchange rate differences and other changes	**-8.0**	-7.0
Net carrying amount at end of period	**547.2**	583.0

BUSINESS COMBINATIONS

On 1 July 2013, Kemira announced that it had acquired 3F Chimica S.p.A. ("3F"), a privately owned company, headquartered in Sandrigo, Italy, excluding a certain part of their assets in the US. Kemira acquired 100% of the share capital of 3F and obtained control of 3F. The provisional goodwill of EUR 32.5 million arising from the acquisition is attributable to acquired production capacities from manufacturing sites in Italy and USA and the expected synergy benefits.

3F produces dry and emulsion polyacrylamide polymers and related process chemicals. Their polymer production is supported by backward integrated key intermediates, such as bio-acrylamide and cationic monomers. The acquisition includes two manufacturing sites in Italy (San Giorgio and Sandrigo) and one manufacturing site in USA (Aberdeen, Mississippi). 3F products are used in retention and drainage in paper production, in drilling, extraction and stimulation in the oil & gas industry, in production optimization in the mining industry as well as in wastewater treatment and sludge dewatering.

The following table summarizes the consideration paid for 3F, and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

Consideration at 1 October 2013	
Cash	**59.5**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Technologies, customer relationships and other intangible assets	**20.8**
Property, plant and equipment	**30.4**
Inventories	**8.7**
Trade and other receivables	**12.1**
Cash and cash equivalents	**0.9**
Interest-bearing liabilities	**-26.0**
Deferred tax liabilities	**-6.6**
Trade and other payables	**-13.3**
Total identifiable net assets	**27.0**
Goodwill	**32.5**
	59.5

The fair value of the acquired net assets is provisional pending on the final valuations.

Acquisition-related costs of EUR 1.6 million have been charged to other operating expenses in the consolidated income statement for the year ended 31 December 2013.

Had 3F been consolidated from 1 January 2013, the consolidated income statement would show pro-forma revenue of EUR 72.5 million and operating profit of EUR 2.9 million. The pro forma amounts are provide for comparative purposes only and do not necessarily reflect the actual result that would have occurred, nor is it necessarily indicative of future results of operations of the combined companies.

DERIVATIVE INSTRUMENTS

EUR million	12/31/2013 Nominal value	12/31/2013 Fair value	12/31/2012 Nominal value	12/31/2012 Fair value
Currency instruments				
Forward contracts	**604.8**	**0.7**	611.2	1.7
Interest rate instruments				
Interest rate swaps	**194.6**	**-3.6**	173.2	-6.2
of which cash flow hedge	**194.6**	**-3.6**	173.2	-6.2
Bond futures	**10.0**	**0.2**	10.0	-0.1
of which open	**10.0**	**0.2**	10.0	-0.1
Other instruments	**GWh**	**Fair value**	GWh	Fair value
Electricity forward contracts, bought	**1,450.5**	**-7.8**	1,301.1	-6.7
of which cash flow hedge	**1,450.5**	**-7.8**	1,257.3	-5.9

The fair values of the instruments which are publicly traded are based on market valuation on the date of reporting. Other instruments have been valuated based on net present values of future cash flows. Valuation models have been used to estimate the fair values of options.

FAIR VALUE OF FINANCIAL ASSETS

EUR million	12/31/2013				12/31/2012			
Fair value hierarchy	**Level 1**	**Level 2**	**Level 3**	**Total net**	Level 1	Level 2	Level 3	Total net
Available-for-sale financial assets	**6.6**	**-**	**227.0**	**233.6**	-	-	264.0	264.0
Currency instruments	**-**	**4.0**	**-**	**4.0**	-	3.4	-	3.4
Interest rate instruments, hedge accounting	**-**	**-**	**-**	**0.0**	-	0.0	-	0.0
Other instruments	**-**	**0.2**	**-**	**0.2**	-	0.0	-	0.0
Trade receivables	**-**	**255.4**	**-**	**255.4**	-	292.5	-	292.5
Cash and cash equivalents	**-**	**-**	**-**	**-**	7.1	-	-	7.1
Total	**6.6**	**259.6**	**227.0**	**493.2**	7.1	295.9	264.0	567.0

Level 1: Fair value is determined based on quoted market prices in markets.

Level 2: Fair value is determined by using valuation techniques. The fair value refers to the value that is observable from the market value of elements of financial instrument or from the market value of corresponding financial instrument; or the value that is observable by using commonly accepted valuation models and techniques, if the market value can be measured reliably with them.

Level 3: Fair value is determined by using valuation techniques, which use inputs which have a significant effect on the recorded fair value, and inputs are not based on observable market data.

Level 3 specification	**Total net 12/31/2013**	Total net **12/31/2012**
Instrument		
Carrying value at beginning of period	**264.0**	256.5
Effect on the statement of comprehensive income	**-41.1**	6.9
Transfers	**0.0**	0.0
Increases	**4.1**	0.6
Decreases	**0.0**	0.0
Carrying value at end of period	**227.0**	264.0

FAIR VALUE OF FINANCIAL LIABILITIES

EUR million	12/31/2013				12/31/2012			
Fair value hierarchy	Level 1	Level 2	Level 3	Total net	Level 1	Level 2	Level 3	Total net
Non-current interest-bearing liabilities	-	284.1	-	284.1	-	415.9	-	415.9
Repayments from non-current interest-bearing liabilities	-	59.2	-	59.2	-	53.8	-	53.8
Loans from financial institutions	-	57.2	-	57.2	-	10.8	-	10.8
Other liabilities	-	185.2	-	185.2	-	213.6	-	213.6
Currency instruments	-	3.3	-	3.3	-	1.7	-	1.7
Interest rate instruments	-	3.6	-	3.6	-	6.2	-	6.2
Other instruments	-	7.8	-	7.8	-	6.8	-	6.8
Trade payables	-	143.3	-	143.3	-	157.6	-	157.6
Total	-	743.7	-	743.7	-	866.4	-	866.4

CONTINGENT LIABILITIES

EUR million	12/31/2013	12/31/2012
Mortgages	0.0	0.5
Assets pledged		
On behalf of own commitments	6.4	6.6
Guarantees		
On behalf of own commitments	50.4	52.9
On behalf of associates	0.0	0.7
On behalf of others	3.1	3.0
Operating leasing liabilities		
Maturity within one year	26.4	29.0
Maturity after one year	139.9	132.4
Other obligations		
On behalf of own commitments	1.6	1.3
On behalf of associates	0.7	1.0

Major off-balance sheet investment commitments

Major amounts of contractual commitments for the acquisition of property, plant and equipment on December 31, 2013 were about EUR 12.3 million for plant investments in China and Europe.

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 has stated 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. In the original summons such alleged overcharge, together with accrued interest until December 31, 2008, was stated to be EUR 641.3 million.

Thereafter Cartel Damage Claims Hydrogen Peroxide SA has delivered to the attorneys of the defendants an April 14, 2011 dated brief addressed to the court and an expert opinion. In the said brief the minimum damage including accrued interest until December 31, 2010, based on the expert opinion, is stated to be EUR 475.6 million. It is further stated in the brief that the damages analysis of the expert does not include lost profit.

The process is currently pending in the Regional Court of Dortmund, Germany. It has on April 29, 2013 decided to suspend the case and to ask a preliminary ruling on jurisdiction from the Court of Justice of the European Union. Kemira defends against the claim of Cartel Damage Claims Hydrogen Peroxide SA.

Kemira Oyj has additionally been served on April 28, 2011 a summons stating that Cartel Damage Claims Hydrogen Peroxide SA has filed an application for summons in the municipal court of Helsinki on April 20, 2011 for violations of competition law applicable to the hydrogen peroxide business claiming from Kemira Oyj as maximum compensation EUR 78.0 million as well as overdue interest starting from November 10, 2008 as litigation expenses with overdue interest. The referred violations of competition law are the same as those on basis of which CDC has taken legal action in Germany in Dortmund. The municipal court has on July 4, 2013 made a decision which can not be appealed separately. In its decision the municipal court considers to have jurisdiction and that the claims made by the claimant are at least not totally time-barred. The next phase of the case is the consideration of the principal claim at the municipal court. Kemira defends against the claim of Cartel Damage Claims Hydrogen Peroxide SA.

Kemira Oyj's subsidiary Kemira Chemicals Oy (former Finnish Chemicals Oy) has on June 9, 2011 received documents where it is stated that CDC Project 13 SA was filed an action against four companies in municipal court of Amsterdam, including Kemira, asking damages for violations of competition law applicable to the sodium chlorate business. The European Commission set on June 2008 a fine of EUR 10.15 million on Finnish Chemicals Oy for antitrust activity in the company's sodium chlorate business during 1994-2000. Kemira Oyj acquired Finnish Chemicals in 2005. Next the municipal court of Amsterdam will decide in respect to its jurisdiction. Kemira defends against the claim of CDC Project 13 SA.

Kemira is currently not in a position to make any estimate regarding the duration or the likely outcome of the processes started by Cartel Damage Claims Hydrogen Peroxide SA and CDC Project 13 SA. No assurance can be given as to the outcome of the processes, and unfavorable judgments 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 above referred claims, 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.

RELATED PARTY

Transactions with related parties have not changed materially.

QUARTERLY INFORMATION

EUR million	2013 10-12	2013 7-9	2013 4-6	2013 1-3	2012 10-12	2012 7-9	2012 4-6	2012 1-3
Revenue								
Paper	**272.5**	271.0	265.0	259.1	251.7	256.9	249.1	247.9
Municipal & Industrial	**152.4**	164.2	178.0	164.8	175.4	176.5	173.7	161.0
Oil & Mining	**78.5**	76.8	79.9	76.3	72.1	79.4	84.5	85.1
ChemSolutions	**41.8**	41.7	46.4	60.7	59.3	54.4	55.0	58.9
Total	**545.2**	553.7	569.3	560.9	558.5	567.2	562.3	552.9
Operating profit (EBIT)								
Paper	**9.7**	18.5	-0.3	17.8	10.0	0.8	15.7	18.2
Municipal & Industrial	**-47.3**	4.6	11.5	7.8	-28.5	-1.7	9.5	4.2
Oil & Mining	**-3.9**	4.3	1.8	4.3	-2.3	1.1	7.2	8.2
ChemSolutions	**2.6**	1.6	0.3	9.3	-16.3	0.5	0.8	5.8
Total	**-38.9**	29.0	13.3	39.2	-37.1	0.7	33.2	36.4
Operating profit (EBIT), excluding non-recurring items								
Paper	**23.7**	23.6	19.5	19.7	19.5	20.9	16.1	18.8
Municipal & Industrial	**6.9**	14.4	15.9	8.6	6.3	15.2	12.0	5.7
Oil & Mining	**2.1**	6.7	3.5	5.1	3.4	7.0	7.2	8.3
ChemSolutions	**1.8**	2.8	1.1	8.8	4.9	3.7	0.7	5.8
Total	**34.5**	47.5	40.0	42.2	34.1	46.8	36.0	38.6

DEFINITIONS OF KEY FIGURES

Earnings per share (EPS)

$$\frac{\text{Net profit attributable to equity owners of the parent}}{\text{Average number of shares}}$$

Cash flow from operations

Cash flow from operations, after change in net working capital and before investing activities

Cash flow from operations per share

$$\frac{\text{Cash flow from operations}}{\text{Average number of shares}}$$

Equity per share

$$\frac{\text{Equity attributable to equity owners of the parent at end of period}}{\text{Number of shares at end of period}}$$

Equity ratio, %

$$\frac{\text{Total equity} \times 100}{\text{Total assets - prepayments received}}$$

Gearing, %

$$\frac{\text{Interest-bearing net liabilities} \times 100}{\text{Total equity}}$$

Interest-bearing net liabilities

Interest-bearing liabilities - cash and cash equivalents

Return on capital employed (ROCE), %

$$\frac{\text{Operating profit + share of profit or loss of associates} \times 100}{\text{Capital employed}^{1)\ 2)}}$$

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

BASIS OF PREPARATION

This audited consolidated interim financial statements has been prepared in accordance with IAS 34 ´Interim financial reporting´. The same accounting policies have been applied as in the annual financial statements. The interim financial statements should be read in conjunction with the annual financial statements.

All the figures in this interim financial statements have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except as described below.

- Amendment to IAS 1 Presentation of Financial Statements (effective for reporting periods beginning on or after 1 July 2012). The main change is the requirement for grouping items in ‘other comprehensive income’ based on whether they are potentially reclassifiable to profit or loss as certain conditions are fulfilled. The amendments only have an impact on the presentation of the Kemira’s Consolidated Financial Statements.

- IFRS 13 Fair Value Measurement (effective for reporting periods beginning on or after 1 January 2013). The standard aims to increase uniformity by providing specific definition for fair value. It also provides both requirements for determining fair value and the required disclosures under the same standard. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards.

- In the beginning of 2013, Kemira Group has applied revised *Employee Benefits*. The amendments to IAS 19 change the accounting for defined benefit plans. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the ´corridor approach’ permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated balance sheet to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets in the previous version of IAS 19 are replaced with a ‘net interest’ amount under IAS 19 revised, which is calculated by applying the discount rate to the net defined benefit liability or asset. IAS 19 revised introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures in the Kemira's Financial Statements.

- Q1/2013 Interim financial statements is the first financial report in which the Group has applied IAS 19 revised. Consequently, the Group has adjusted opening equity as of 1 January 2012 and the figures for 2012 have been restated as if IAS 19 revised had always been applied.

The effect on the balance sheet was as follows:	Liabilities for defined benefits plans	Deferred tax assets	Assets for defined benefits plans	Deferred tax liabilities	Equity
Balance as reported at 1 January 2012	52.0	2.0	44.3	10.3	1,370.8
Effect of application of IAS 19 revised	13.6	0.2	-2.7	0.4	-16.5
Restated balance at 1 January 2012	**65.6**	**2.2**	**41.6**	**10.7**	**1,354.3**
Balance as reported at 31 December 2012	54.9	2.7	43.6	10.7	1,314.8
Effect of application of IAS 19 revised	13.6	0.2	-2.7	0.4	-16.5
Effect on total comprehensive income for the period	18.6	0.2	-24.4	-5.1	-37.7
Restated balance at 31 December 2012	**87.1**	**3.1**	**16.5**	**6.0**	**1,260.6**

The effect on defined benefit expenses on the consolidated income statement was as follows:	2012 1-3	2012 4-6	2012 7-9	2012 10-12	2012 1-12
Reported defined benefit expense (+) / income (-)	1.6	1.6	1.6	4.7	9.5
Effect of application of IAS 19 revised	-0.3	-0.4	-0.3	-0.4	-1.4
Restated defined benefit expense (+) / income (-)	**1.3**	**1.2**	**1.3**	**4.3**	**8.1**

The effect on total comprehensive income was as follows:	2012 1-3	2012 4-6	2012 7-9	2012 10-12	2012 1-12
Reported total comprehensive income for the period	32.5	32.8	7.3	-44.4	28.2
Effect of application of IAS 19 revised	0.3	0.4	0.3	-38.7	-37.7
Restated total comprehensive income for the period	**32.8**	**33.2**	**7.6**	**-83.1**	**-9.5**

The effect on earnings per share, EUR was as follows:	2012 1-3	2012 4-6	2012 7-9	2012 10-12	2012 1-12
Reported earnings per share	0.19	0.20	0.00	-0.28	0.11
Effect of application of IAS 19 revised	0.00	0.00	0.00	0.01	0.01
Restated earnings per share	**0.19**	**0.20**	**0.00**	**-0.27**	**0.12**

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.