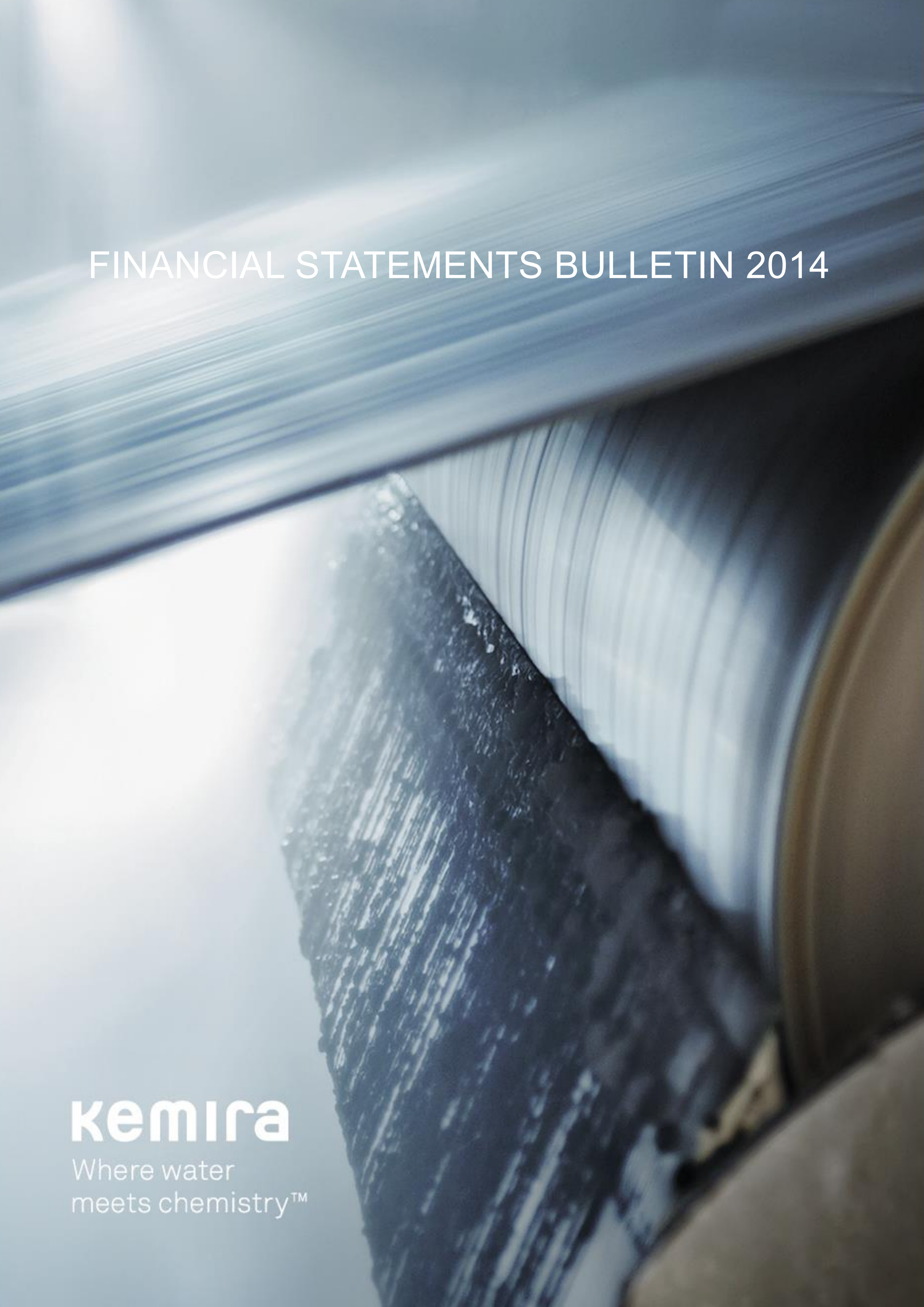
FINANCIAL STATEMENTS BULLETIN 2014



Kemira

Where water
meets chemistry™

ORGANIC GROWTH CONTINUED WITH IMPROVED PROFITABILITY

Fourth quarter

- Organic revenue growth was 6% due to sales volumes growth in all three segments. Reported revenue remained stable at EUR 547.1 million (545.2).
- Operative EBITDA increased 13% to EUR 65.3 million (58.0) with improved margin of 11.9% (10.6%).

Full year

- Organic revenue growth reached 3%. Reported revenue decreased 4% to EUR 2,136.7 million (2,229.1), mainly due to divestments of coagulant business in Brazil, formic acid business in Finland, as well as distribution business in Denmark.
- Operative EBITDA was EUR 252.9 million (251.9) with an improved margin of 11.8% (11.3%).
- Reported earnings per share increased to EUR 0.59 (-0.21) mainly as a result of lower non-recurring charges than in the comparable period. Operative earnings per share were EUR 0.63 (0.70).
- The Board of Directors proposes a cash dividend of EUR 0.53 per share (0.53) to the Annual General Meeting 2015, totaling EUR 81 million (81) equivalent to 84% (76%) of the operative net profit.
- Revised dividend policy aims at paying a stable and competitive dividend.
- In 2015, Kemira will focus on profitable growth organically and inorganically. Kemira expects its revenue in 2015 to increase compared to 2014 and operative EBITDA in 2015 to be approximately at the same level or increase compared to 2014. The outlook excludes the impact of AkzoNobel paper chemical business (acquisition expected to close in the first quarter of 2015). At closing, AkzoNobel paper chemical business is expected to add revenue of more than EUR 200 million on an annualized basis.

Kemira's President and CEO Jari Rosendal:

"Kemira's fourth quarter went according to plan with continued organic growth and improved operative EBITDA margin. Paper and Oil & Mining grew in line with their overall growth during the year, whereas Municipal & Industrial recovery became more visible toward the end of the year with the fourth quarter being segment's first quarter with organic growth since Q3 2013.

In 2014, all our three segments delivered results well in line with their strategic objectives. Paper delivered 6% and Oil & Mining 15% organic growth, exceeding their respective market growth rates. Operative EBITDA margin in Municipal & Industrial improved and cash flow was solid.

During the year, we made good progress in expanding our Paper business geographically. In South America, we started pulp chemicals deliveries to the new Montes del Plata pulp mill in Uruguay. Kemira was also selected as a sodium chlorate supplier to Klabin's new pulp mill in Brazil. In APAC, the ongoing ramp-up of our new manufacturing site in Nanjing, China supports growth in the region. In addition, we are doubling our revenue in the region with the acquisition of AkzoNobel's paper chemical business.

Looking forward, demand development for our products going into US shale operations - representing less than 50% of Oil & Mining revenue - is uncertain due to the steep drop in oil price. On the other hand, the present currency exchange rates, particularly the strengthened U.S. dollar, are expected to support our top line during 2015."

KEY FIGURES AND RATIOS

EUR million	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Revenue	**547.1**	545.2	**2,136.7**	2,229.1
Operative EBITDA	**65.3**	58.0	**252.9**	251.9
Operative EBITDA, %	**11.9**	10.6	**11.8**	11.3
EBITDA	**73.2**	-11.2	**252.9**	141.9
EBITDA, %	**13.4**	-2.1	**11.8**	6.4
Operative EBIT	**39.5**	34.5	**158.3**	164.2
Operative EBIT, %	**7.2**	6.3	**7.4**	7.4
EBIT	**45.4**	-38.9	**152.6**	42.6
EBIT, %	**8.3**	-7.1	**7.1**	1.9
Share of profit or loss of associates	**0.2**	-0.1	**0.2**	-1.1
Financing income and expenses	**-10.3**	-7.7	**-30.7**	-39.0
Profit before tax	**35.3**	-46.7	**122.1**	2.5
Net profit	**23.9**	-48.7	**95.8**	-25.9
Earnings per share, EUR	**0.15**	-0.33	**0.59**	-0.21
Operative earnings per share, EUR	**0.16**	0.17	**0.63**	0.70
Capital employed*	**1,427.7**	1,493.0	**1.427.7**	1,493.0
Operative ROCE*	**11.1**	10.9	**11.1**	10.9
ROCE*	**10.7**	2.8	**10.7**	2.8
Capital expenditure	**54.9**	105.0	**145.1**	197.5
Cash flow after investing activities	**-22.4**	-18.5	**75.2**	195.7
Equity ratio, % at period-end	**51**	51	**51**	51
Gearing, % at period-end	**42**	41	**42**	41
Personnel at period-end	**4,248**	4,453	**4,248**	4,453

*12-month rolling average

Definitions of key figures are available at www.kemira.com > Investors > Financial information. Definition of Capital employed has been changed and the respective numbers for 2013 and 2014 have been restated.

Comparative 2013 figures are provided in parentheses for some financial results, where appropriate. Operative EBITDA, operative EBIT, operative earnings per share and operative ROCE do not include non-recurring items.

FINANCIAL PERFORMANCE IN Q4 2014

Kemira Group's **revenue** was EUR 547.1 million (545.2). Revenue in local currencies, excluding acquisitions and divestments, increased 6% compared to the fourth quarter in 2013. Sales volumes grew in all three segments and were the main reason for the organic revenue growth. Sales price changes had also a small positive impact on revenue. Acquisitions had an impact of 1% and divestments an impact of -9% on the revenues. Currency exchange had 3% impact.

In the Paper segment, revenues increased 8% to EUR 307.0 million (283.2). Revenue growth in local currencies, excluding acquisitions and divestments, was 6% driven by higher sales volumes and sales prices. Currency exchange impacted revenues by 2%. Acquisitions had an impact of 1% and divestments an impact of -1% on the revenue.

In the Oil & Mining segment, revenues increased 23% to EUR 96.7 million (78.5). Revenue growth in local currencies, excluding acquisitions and divestments, was 17%. Sales volumes continued to increase in the Americas, especially supported by high demand of polyacrylamides used in the horizontal oil and gas drilling and stimulation. Sales prices were slightly higher compared to the fourth quarter in 2013. Currency exchange had an impact of 7% and divestments an impact of -1% on the revenue.

In the Municipal & Industrial segment, revenues decreased 6% to EUR 143.4 million (152.4). Revenue in local currencies, excluding acquisitions and divestments, increased 1%, due to higher sales volumes in all regions, especially in EMEA. Divestments had -9% impact and currency exchange 2% impact on the revenue.

Revenue, EUR million	Oct-Dec 2014	Oct-Dec 2013	∆%
Paper	**307.0**	283.2	8
Oil & Mining	**96.7**	78.5	23
Municipal & Industrial	**143.4**	152.4	-6
ChemSolutions	**-**	31.1	-
Total	**547.1**	545.2	0

EBITDA increased to EUR 73.2 million (-11.2) mainly due to non-recurring items in the comparable period in 2013. **Non-recurring items affecting the EBITDA** were EUR 8 million (-69) and related mainly to a pension benefit income.

The operative EBITDA increased 13% to EUR 65.3 million (58.0). Excluding the impacts of divested formic acid business and distribution business in Denmark in Q1 2014, as well as coagulant business in Brazil in Q4 2013, operative EBITDA increased nearly 20%. Organic revenue growth was the main reason for the improved operative EBITDA and it was driven by higher sales volumes and sales prices. In addition, favorable currency exchange rate development had a positive impact since euro, the reported currency, depreciated particularly against the U.S. dollar. Fixed costs increased by EUR 5 million, mainly due to increased sales and marketing efforts in Paper and costs related to the new manufacturing site in Nanjing, China. Variable costs decreased by some EUR 4 million driven especially by oil price dependent raw material costs (see variance analysis on page 5). The operative EBITDA margin improved to 11.9% (10.6%).

Variance analysis, EUR million	Oct-Dec
Operative EBITDA, 2013	**58.0**
Sales volumes	5.8
Sales prices	5.0
Variable costs	4.1
Fixed costs	-5.2
Currency exchange	3.6
Others, incl. acquisitions and divestments	-6.0
Operative EBITDA, 2014	**65.3**

Operative EBITDA	Oct-Dec 2014 EUR, million	Oct-Dec 2013 EUR, million	Δ%	Oct-Dec 2014 %-margin	Oct-Dec 2013 %-margin
Paper	**36.3**	34.7	5	**11.8**	12.3
Oil & Mining	**12.2**	6.3	94	**12.6**	8.0
Municipal & Industrial	**16.8**	13.6	24	**11.7**	8.9
ChemSolutions	**-**	3.4	-	**-**	10.9
Total	**65.3**	58.0	13	**11.9**	10.6

The operative EBIT increased 14% to EUR 39.5 million (34.5). Higher operative EBITDA was partly offset by higher depreciation. Depreciation increased by EUR 2 million compared to the fourth quarter in 2013 due to the new manufacturing sites in Nanjing, China; Dormagen, Germany and Tarragona, Spain.

Financing income and expenses totaled EUR -10.3 million (-7.7) including EUR -0.6 million (-1.2) changes in fair values of electricity derivatives and currency exchange differences of EUR 0.5 million (0.8). The overdue interest of approximately EUR 3 million on an old appealed tax verdict had negative impact on financing expenses in the fourth quarter in 2014. Increased interest costs, partly related to an interest component of currency exchange hedging had additional negative impacts.

Net profit attributable to the owners of the parent company increased to EUR 22.5 million (-50.1) and the earnings per share to EUR 0.15 (-0.33). Operative earnings per share were EUR 0.16 (0.17).

FINANCIAL PERFORMANCE, FULL YEAR 2014

Kemira Group's **revenue** decreased 4% to EUR 2,136.7 million (2,229.1). Revenue in local currencies, excluding acquisitions and divestments increased 3%, mainly due to continued sales volume growth in Paper and Oil & Mining. Sales price changes had no material impact on revenues.

In the Paper segment, revenues increased 5% to EUR 1,170.0 million (1,112.8). Revenue growth in local currencies, excluding acquisitions and divestments, was 6% driven by higher sales volumes as well as somewhat higher sales prices. Sales volumes of sizing and strength chemicals increased, driven mainly by increased demand in the packaging board industry. Pulp chemical deliveries to the new 1.3 million ton Montes del Plata pulp mill in Uruguay, also contributed to higher sales volumes. Sales prices were higher, mainly due to the corresponding increase of raw material prices.

In the Oil & Mining segment, revenues increased 23% to EUR 382.2 million (311.5). Revenue growth in local currencies, excluding acquisitions and divestments, was 15% due to strong sales volume growth in the Americas. The growth in the Americas was supported by high demand of polyacrylamides used in horizontal oil and gas drilling and stimulation. Sales price changes had a negligible impact on revenues.

In the Municipal & Industrial segment, revenues decreased 14% to EUR 564.7 million (659.4). Revenue in local currencies, excluding acquisitions and divestments decreased by -7% due to lower sales volumes and sales prices in the Americas and EMEA.

Following its strategy to shift focus towards growing differentiated product lines, Kemira finalized the integration of three acquisitions in 2014: 3F polymer business, Soto Industries paper chemical business and BASF AKD emulsion business. The impact of these acquisitions was 3% or approximately EUR 70 million on the Group's revenues in 2014. In addition, Kemira divested several commodity product businesses at the end of 2013 and in the beginning of 2014. The divestments included an aluminum and coagulant business in Brazil (closed on December 11, 2013), chemical distribution business in Denmark (closed on January 2, 2014), formic acid and its derivatives business in Finland (closed on March 6, 2014) and some other small commodity businesses in Denmark, Romania and Mexico. The impact of these divestments was -9% or approximately EUR 200 million on the Group's revenues in 2014. Currency exchange had a -1% impact.

Geographically, the revenue was split as follows: EMEA 55% (57%), the Americas 39% (37%), and Asia Pacific 6% (6%). According to Kemira's strategy, mature markets are important for all Kemira segments, whereas focus in the emerging markets is on selective expansion. In the emerging markets, Asia Pacific, especially China and Indonesia are the key markets for paper chemicals. Brazil and Uruguay are 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 2014	Jan-Dec 2013	∆%
Paper	**1,170.0**	1,112.8	5
Oil & Mining	**382.2**	311.5	23
Municipal & Industrial	**564.7**	659.4	-14
ChemSolutions	**19.8**	145.4	-
Total	**2,136.7**	2,229.1	-4

EBITDA increased 78% to EUR 252.9 million (141.9).

Non-recurring items affecting the EBITDA were EUR 0 million (-110.0), including a capital gain of EUR 37 million related to the divestment of formic acid business and capital gains of EUR 7 million related to other disposals. In addition, non-recurring items included approximately a EUR 20 million settlement related to an old alleged infringement of competition law. Provisions and restructuring charges related to streamlining Kemira's operations amounted to approximately EUR 30 million.

Non-recurring items, EUR million	Jan-Dec 2014	Jan-Dec 2013
Within EBITDA	**0.0**	-110.0
Paper	**-27.3**	-32.7
Oil & Mining	**-2.2**	-8.1
Municipal & Industrial	**-6.8**	-68.8
ChemSolutions	**36.3**	-0.6
Within depreciations, amortization and impairment losses	**-5.7**	-11.6
Paper	**-0.9**	-8.1
Oil & Mining	**0.0**	-2.8
Municipal & Industrial	**-4.8**	-0.4
ChemSolutions	**-**	-0.3
Total	**-5.7**	-121.6

Operative EBITDA increased slightly to 252.9 million (251.9). Operative EBITDA in local currencies, excluding acquisitions and divestments increased 2%, mainly due to higher sales volumes. The positive impact related to acquisitions was EUR 14 million and could largely compensate for the divestment impact of EUR -17 million. The operative EBITDA margin improved to 11.8% (11.3%). Margin improved mainly as a result of sales volume growth and divestments of margin dilutive businesses.

Operative EBITDA	Jan-Dec 2014 EUR, million	Jan-Dec 2013 EUR, million	∆%	Jan-Dec 2014 %-margin	Jan-Dec 2013 %-margin
Paper	**137.2**	131.1	5	**11.7**	11.8
Oil & Mining	**48.4**	32.7	48	**12.7**	10.5
Municipal & Industrial	**68.1**	68.3	0	**12.1**	10.4
ChemSolutions	**-0.8**	19.8	-	**-4.0**	13.6
Total	**252.9**	251.9	0	**11.8**	11.3

Operative EBIT decreased 4% to EUR 158.3 million (164.2) mainly due to higher depreciation related to acquisitions and new manufacturing sites in China and Europe.

Income from associated companies was EUR 0.2 million (-1.1).

Financing income and expenses totaled EUR -30.7 million (-39.0). The comparable period was impacted by a write-down of EUR 23 million related to the divestment of Kemira's shares (39%) of the titanium dioxide Joint Venture Sachtleben GmbH. The changes of EUR -1.0 million (3.2) in fair values of electricity derivatives and the currency exchange differences of EUR -1.3 million (2.5) had negative impacts on the financing income and expenses. The overdue interest of approximately EUR 3 million on an old appealed tax verdict had a negative impact on financing expenses. Increased interest costs, partly related to an interest component of currency exchange hedging had additional negative impacts.

Total **taxes** decreased to EUR 26.3 million (28.4), mainly due to tax-exempt capital gains. The tax rate, excluding non-recurring items decreased to 22.6% (24.9%). Income taxes increased to EUR 30.2 million (25.6).

Net profit attributable to the owners of the parent company increased to EUR 89.9 million (-31.6) and the earnings per share to EUR 0.59 (-0.21). The comparable period in 2013 was impacted mainly by a write-down of EUR 23 million related to the divestment of Kemira's shares (39%) in the titanium dioxide Joint Venture Sachtleben GmbH. Earnings per share, excluding non-recurring items, decreased 10% to EUR 0.63 (0.70).

FINANCIAL POSITION AND CASH FLOW

Cash flow from the operating activities in January-December 2014 decreased to EUR 74.2 million (200.3) mainly due to foreign currency hedging settlements, higher working capital and a settlement related to an old alleged infringement of competition law. Cash flow after the investing activities decreased to EUR 75.2 million (195.7) including proceeds of EUR 122 million related to the divestment of formic acid business. The comparable period included proceeds of EUR 98 million received from the divestment of shares in JV Sachtleben and EUR 81 million from the divestment of the food and pharmaceuticals businesses. 12-month rolling average net working capital ratio decreased to 9.9% of the revenue (10.9% on December 31, 2013). At the end of the period, Kemira Group's net debt increased to EUR 486 million (456 on December 31, 2013) as a result of lower cash flow and unfavorable currency exchange rates, especially related to the U.S. dollar.

At the end of the period, interest-bearing liabilities totaled EUR 605 million (558 on December 31, 2013). Fixed-rate loans accounted for 82% of the net interest-bearing liabilities (60%). The average interest rate of the Group's interest-bearing liabilities was 2.1% (1.5%). The duration of the Group's interest-bearing loan portfolio was 23 months (14 months). In May 2014, Kemira issued a senior unsecured bond of EUR 200 million. In addition, Kemira signed two EUR 50 million term loans in December, 2014. New loans remained undrawn at the end of the review period.

Short-term liabilities maturing in the next 12 months amounted to EUR 157 million, the commercial papers of which, issued in the Finnish market, represented EUR 10 million and the short-term part of the long-term loans represented EUR 86 million. Cash and cash equivalents totaled EUR 119 million (102 on December 31, 2013).

At the end of the review period, the equity ratio was 51% (51% on December 31, 2013), while the gearing was 42% (41% on December 31, 2013). Shareholder's equity increased to EUR 1,163.3 million (1,125.5 on December 31, 2013).

The Group's most significant transaction currency risks arise from the Canadian dollar and the Swedish krona. At the end of the year, the denominated 12-month exchange rate risk of the Canadian dollar had an equivalent value of approximately EUR 41 million, 52% of which was hedged on an average basis. Correspondingly, the Swedish krona's denominated exchange rate risk was approximately EUR 34 million, 76% of which was hedged on an average basis. In addition, Kemira is exposed to smaller transaction risks in relation to the Brazilian real, Norwegian krona, Polish zloty, and the U.S. dollar with the total annual exposure in these currencies at approximately EUR 69 million, 38% of which was hedged on an average basis.

As Kemira's consolidated financial statements are compiled in euros, Kemira is also subject to a 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 U.S. dollar, the Swedish krona, the Canadian dollar, the Chinese renminbi, and the Brazilian real. A strengthening of these currencies against the euro would increase Kemira's revenue and EBITDA through a translation effect. 10% appreciation of the above mentioned currencies against the euro would increase

Kemira's EBITDA by approximately EUR 15 million on an annual basis through the translation effect.

CAPITAL EXPENDITURE

Capital expenditure, including the acquisition of BASF AKD emulsion business and an EUR 4 million investment in Pohjolan Voima (PVO) shares, decreased 27% to EUR 145.1 million (197.5) in 2014.

Capex (excl. the BASF AKD emulsion business acquisition and investment in PVO shares) expenditure was EUR 135.9 million (134.8) and can be broken down as follows: expansion capex 43% (52%), improvement capex 27% (26%), and maintenance capex 30% (22%). Expansion capex was lower due to completion of build-out activities on greenfield sites in Dormagen, Germany; Nanjing, China and Tarragona, Spain. A greenfield investment in a sodium chlorate plant in Brazil amounted to EUR 6 million in 2014. Maintenance capex increased mainly due to a triennial maintenance break at the Helsinborg site in Sweden during the second quarter in 2014.

In January-December 2014, the Group's depreciation and impairments increased to EUR 100.3 million (99.3).

RESEARCH AND DEVELOPMENT

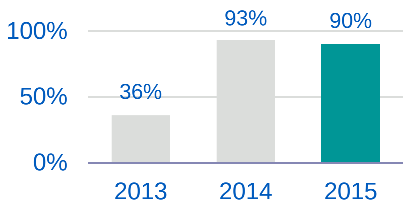
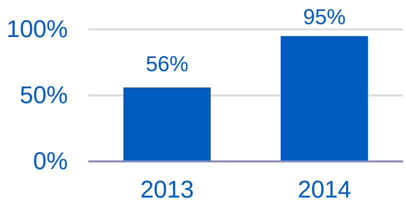
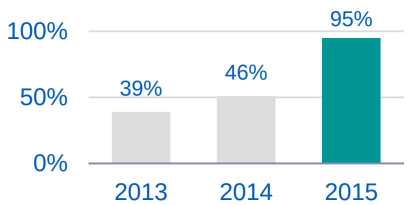
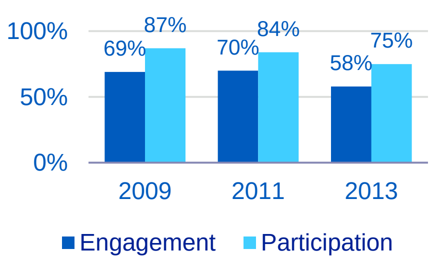
Research and Development expenses totaled EUR 28.0 million (32.1) in 2014, representing 1.3% (1.4%) of Kemira Group's revenue.

Kemira's Research and Development is a critical enabler of organic growth and further differentiation. New product launches contribute to the efficiency and sustainability of customer processes, and to improved profitability. Both Kemira's future market position and profitability depend on the company's ability to understand and meet current and future customer needs and market trends, and on its ability to innovate new differentiated products and applications. Revenue from differentiated products increased 9% to EUR 1,029 million (942) in 2014, representing 48% (42%) of Kemira Group's revenue.

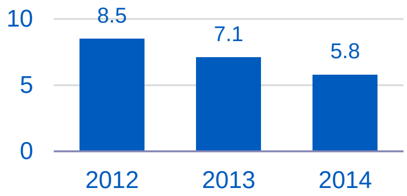
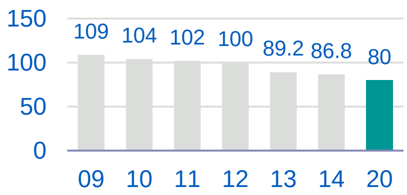
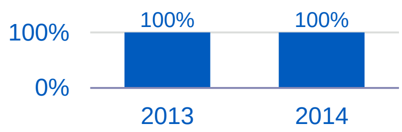
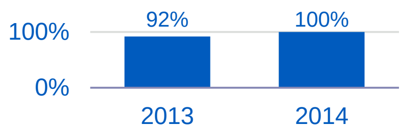
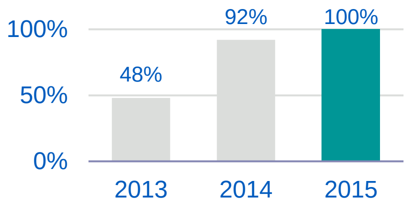
Kemira Group's target is to increase the revenue from new products and products for new applications. The share of innovation revenue (revenue from new products or from products to new applications launched within the past five years) in the Group revenue increased to 8% (7%) in 2014.

CORPORATE RESPONSIBILITY

In 2015, Kemira will publish its Corporate Responsibility Report in connection with its Annual Report. The corporate responsibility report 2014 will be verified by a third party and prepared in accordance with the GRI (Global Reporting Initiative) G4 framework. The report covers the economic, environmental and social aspects defined material for Kemira, as well as reflects on Kemira's performance in relation to the sustainability targets approved by Kemira's Management Board. The performance against targets is displayed in the following table.

Responsibility focus areas	KPI's and KPI target values	Status 2014
Responsible business practices		
Kemira Compliance program	Kemira Compliance program → Established by the end of 2014	The established Kemira Compliance program covers the Compliance Committee, a process for handling non-compliance issues and a complemented employee training portfolio.
Responsible supply chain		
Code of Conduct for Suppliers, Distributors and Agents	Supplier contracts with signed CoC-SDA as attachment → 90% by the end of 2015	
Supplier sustainability assessment	Number of core, strategic and critical suppliers covered by supplier sustainability assessment → 45 by end of 2014	49 suppliers have been assessed within the sustainability assessment program supported by an external assessment partner.
Responsibility for employees		
Performance management	Kemira employees covered by the global Performance Management process → > 95% by the end of 2014	
Leadership development	People managers participated in global leadership programs at least once in period 2013–2015, cumulative % → > 95% by the end of 2015	
Employee engagement	Employee Engagement Index → Index at or above the external industry norm by the end of 2015 Participation rate in Voices@Kemira → 75–85% by the end of 2015	 The results of the small scale employee survey Pulse conducted twice in 2014 show a clear improvement in engagement drivers.

Kemira
Where water
meets chemistry ™

Occupational health and safety	Number of Total Recordable Injuries (TRI) (per million hours, Kemira + contractor, 1 year rolling average) → Achieve zero injuries	
Responsible manufacturing		
Water efficiency	Baseline analyzed and water efficiency program defined by the end of 2014	Based on the assessment conducted in 2014, water risks are not material to Kemira on a global level. Water efficiency monitoring will be included in the existing ISO 14001 environmental management system. On the local level, four sites need to define specific management plans for the identified water-related risks.
Climate change	Kemira Carbon Index performance → Index ≤ 80 by end of 2020 (baseline year 2012 = 100)	
Sustainable products and solutions		
Sustainability aspects in New Product Development (NPD) process	New NPD projects apply the sustainability check in Gate 1, 100% by the end of 2014	
	Existing NPD projects apply the sustainability check in Gates 2–4, 100% by the end of 2014	
Responsibility toward the communities where we operate		
Participation in local community involvement activities	Kemira sites with over 50 employees participated in local community involvement initiatives at least once in period 2013–2015, cumulative % → 100% by the end of 2015	

HUMAN RESOURCES

At the end of the review period, Kemira Group had 4,248 employees (4,453 on December 2013). Kemira employed 759 people in Finland (961), 1,654 people elsewhere in EMEA (1,634), 1,483 in the Americas (1,518) and 352 in Asia Pacific (340).

SEGMENTS

PAPER

Paper has unique expertise in applying chemicals and supporting pulp & paper producers to innovate and constantly improve their operational efficiency. The segment develops and commercializes 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. Paper leverages its strong pulp & paper application portfolio in North America and EMEA and builds a strong position in China, Indonesia and Brazil.

EUR million	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Revenue	**307.0**	283.2	**1,170.0**	1,112.8
Operative EBITDA	**36.3**	34.7	**137.2**	131.1
Operative EBITDA, %	**11.8**	12.3	**11.7**	11.8
EBITDA	**37.7**	21.4	**109.9**	98.4
EBITDA, %	**12.3**	7.6	**9.4**	8.8
Operative EBIT	**21.9**	23.1	**85.8**	85.9
Operative EBIT, %	**7.1**	8.2	**7.3**	7.7
EBIT	**22.4**	9.1	**57.6**	45.1
EBIT, %	**7.3**	3.2	**4.9**	4.1
Capital employed*	**881.2**	859.8	**881.2**	859.8
ROCE*	**6.5**	5.2	**6.5**	5.2
Capital expenditure	**30.7**	24.4	**83.0**	75.5
Cash flow after investing activities	**-2.1**	23.4	**-10.1**	58.2

*12-month rolling average

Fourth quarter

The Paper segment's **revenue** increased 8% to EUR 307.0 million (283.2), impacted by a 2% currency exchange impact. Revenue in local currencies, excluding acquisitions and divestments, increased 6% due to continued sales volume growth and higher sales prices. Sales volume growth was driven by the major differentiated product lines like polymers, strength and biocides, as well as bleaching and pulping chemicals. Sales prices were higher and related partly to the corresponding increase of raw material prices. Acquisition of BASF AKD emulsion business had 1% and divestment of Brazilian coagulant business -1% impacts on the revenue.

In **EMEA**, revenue increased 5%, mainly due to continued sales volumes growth of differentiated product lines, like polymers and biocides, as well as bleaching and pulping chemicals. Acquisition of BASF AKD emulsion business also contributed to the increased revenues.

In the **Americas**, revenue increased 15% due to favorable currency exchange rates and continued sales volumes growth of differentiated product lines like strength chemicals as well as recently launched

Fennobind binder technologies. Pulp chemical deliveries to Montes del Plata, a new 1.3 million ton pulp mill in Uruguay, also contributed on the revenues.

In **APAC**, revenue increased 6% supported by euro depreciating against Chinese renminbi.

The operative EBITDA increased 5% to EUR 36.3 million (34.7), mainly due to continued sales volume growth, as well as favorable pricing. Fixed costs increased due to higher manufacturing expenses, increased sales and marketing efforts and R&D expenses, as well as fixed costs related to the greenfield manufacturing site in Nanjing, China. Favorable currency exchange rates and the acquisition of BASF AKD emulsion business had positive impacts on the operative EBITDA.

The operative EBITDA margin was 11.8% (12.3%).

Full year

The Paper segment's **revenue** increased 5% to EUR 1,170.0 million (1,112.8). Revenues in local currencies, excluding divestments and acquisitions, grew 6% due to sales volume growth, especially in polymers, sizing and strength agents, as well as in other differentiated process chemicals. Sales price changes had a small positive impact on revenues. Currency exchange had a -1% impact. Acquisitions had an impact of 2% and divestments an impact of -1% on the revenue.

In **EMEA**, revenue increased 4% to EUR 675.9 million (651.5) mainly due to the acquisition of the BASF AKD emulsion business and the continued growth of sales volumes of differentiated product lines. During the year, Kemira invested in a production line expansion of process and functional chemistries at San Giorgio site in Italy. The investment strengthens Kemira's position as a supplier for the tissue industry in the region. In addition, Kemira started a multi-million investment to expand its hydrogen peroxide plant in Oulu, Finland, in order to improve its capabilities to serve the growing demand for pulp chemicals in the Nordics.

In **the Americas**, revenue increased 7% to EUR 397.1 million (370.5) as a result of increased sizing, strength, polymer and sodium chlorate sales volumes in North America, as well as the acquisition of Soto Industries (Q3 2013). In South America, pulp chemical deliveries to the new Montes del Plata pulp mill in Uruguay compensated for the impacts of the divested coagulant business and the unfavorable currency exchange. In February, Kemira announced a two-year, multimillion euro investment in Telêmaco Borba, Brazil to support paper and board production in South America by rolling out new technologies for surface sizing, strength properties and surface treatment. In addition, in May, Kemira was selected as a supplier of sodium chlorate to Klabin's new 1.5 million ton pulp mill in Paraná, Brazil. Kemira will build, own and operate a sodium chlorate plant, which is expected to begin production during the first half of 2016.

In **APAC**, revenue increased 7% to EUR 97.0 million (90.7) mainly due to increased sales volumes. During the year, Kemira ramped-up its new production site in Nanjing, China. Production includes ASA sizing chemicals, defoamers and polymers.

In July, 2014 Kemira announced a preliminary agreement to acquire AkzoNobel's global paper chemicals business. The closing of the transaction is expected in the first quarter of 2015 and is subject to the customary closing conditions, including completion of employee consultation proceedings and approvals of competition authorities in certain countries. At closing, AkzoNobel's paper chemical business will be reported entirely in the Paper segment. The acquisition includes products for retention and sizing, as well as other paper chemicals, including wet strength and coating products. More than 50% of the business serves packaging board and tissue industries. The scope of the transaction includes 16 manufacturing sites of which 6 sites and approximately 400 employees will be transferred to Kemira.10 sites will remain as AkzoNobel sites with contract manufacturing to Kemira. Kemira will increase the capacity of its own paper chemical manufacturing sites during 2015-2016 in order to realize expected production synergies. Kemira expects the capital expenditure required for the capacity increase to range between EUR 20-30 million. The production sites to be transferred to Kemira are located in Spain, Italy, South Korea, Thailand, Indonesia, and Australia.

Operative EBITDA increased 5% to EUR 137.2 million (131.1), mainly due to higher sales volumes and favorable pricing. Acquisitions also had a small positive impact on the operative EBITDA. Sales price changes could more than compensate for the somewhat higher variable costs. Increased sales and marketing efforts drove higher fixed costs. Operative EBITDA margin was 11.7% (11.8%). Operative EBIT margin decreased to 7.3% (7.7%) as a result of EUR 6 million higher depreciations related to the acquisitions and the new manufacturing site in Nanjing, China.

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. The segment uses its in-depth understanding of extraction processes to tailor solutions for water management and re-use. Expanding from its position in North America and EMEA, O&M continues to build a strong base for growth in South America, Middle East, and Africa.

EUR million	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Revenue	96.7	78.5	382.2	311.5
Operative EBITDA	12.2	6.3	48.4	32.7
Operative EBITDA, %	12.6	8.0	12.7	10.5
EBITDA	14.4	3.2	46.2	24.6
EBITDA, %	14.9	4.1	12.1	7.9
Operative EBIT	7.2	2.1	29.9	17.4
Operative EBIT, %	7.4	2.7	7.8	5.6
EBIT	9.3	-3.9	27.7	6.5
EBIT, %	9.6	-5.0	7.2	2.1
Capital employed*	239.5	196.0	239.5	196.0
ROCE*	11.5	3.3	11.5	3.3
Capital expenditure	10.9	59.5	26.3	69.8
Cash flow after investing activities	3.0	-51.8	20.6	-60.0

*12-month rolling average

Fourth quarter

The Oil & Mining segment's **revenue** increased 23% to EUR 96.7 million (78.5). Revenue growth in local currencies, excluding acquisitions and divestments was 17%. Revenue was supported by the continued strong sales volume growth and somewhat higher sales prices in the Americas region. The currency exchange impact was 7% compared to the fourth quarter in 2013. Divestment of coagulant business in Brazil had a minor negative impact on revenue.

In the **Americas**, revenue grew 35% compared to the fourth quarter of 2013, mainly due to increased demand for Kemira's dry and emulsion polyacrylamide products. Demand for polymers and other process chemicals remained strong driven by horizontal drilling and stimulation activity in the oil & gas industry. Favorable currency exchange rates also contributed to the higher revenue.

In **EMEA**, revenue declined 4% compared to the fourth quarter of 2013. Continued market softness, especially in relation to the demand for chemicals used in the mining industry, was the main reason for the decline.

The operative EBITDA increased 94% to EUR 12.2 million (6.3) due to strong sales volume growth and favorable pricing. Variable costs decreased mainly due to lower directly and indirectly oil price related raw material costs. Currency exchange had also a positive impact on the operative EBITDA. Fixed costs increased in the comparable period in 2013, mainly due to higher manufacturing expenses, as well as increased sales and marketing efforts and R&D expenses. The operative EBITDA margin improved to 12.6% (8.0%).

Full year

The Oil & Mining segment's **revenue** increased 23% to EUR 382.2 million (311.5). Revenue in local currencies, excluding acquisitions and divestments increased 15% driven by higher sales volumes. Currency exchange had a -1% impact. The acquisition of 3F had an impact of 10% and the divestment of the coagulant business in Brazil an impact of -1% on the revenue.

In **the Americas**, revenue increased 40% to EUR 287.1 million (204.8) mainly due to strong growth of sales volumes of polymers and other process chemicals used in downstream applications like drilling, extraction and stimulation in the oil & gas industry. The acquisition of 3F, a producer of dry and emulsion polyacrylamide polymers also contributed substantially on the revenue growth. Favorable pricing had a positive impact on revenues and was supported by new innovative technologies like friction reducers and biocides. Friction reducers enable substantial performance improvements in the stimulation of oil & gas wells. Currency exchange had a small negative impact on revenues in the region. During the year, Kemira relocated its global Oil & Mining segment headquarters to Houston, Texas. In addition, Kemira is investing in a new technical service laboratory in the same area. The new headquarters increases Kemira's visibility and presence in the oil and gas industry. The technical laboratory enables faster local technical application service to Kemira's customers.

In **EMEA**, revenue decreased 9% to EUR 95.1 million (104.6) as a result of lower sales volumes. Sales volumes declined mainly due to soft demand for products used in extraction and water treatment in the mining industry.

Operative EBITDA increased 48% to EUR 48.4 million (32.7) as a result of the increased sales volumes and the positive impact of the 3F acquisition. Operative EBITDA margin improved to 12.7% (10.5%). Operative EBIT margin improved to 7.8% (5.6%).

MUNICIPAL & INDUSTRIAL

M&I is a leading water chemicals supplier for raw and wastewater applications in EMEA and North America, and aims to capture selected growth opportunities in emerging markets. The segment enables its 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 2014**	Oct-Dec 2013	**Jan-Dec 2014**	Jan-Dec 2013
Revenue	**143.4**	152.4	**564.7**	659.4
Operative EBITDA	**16.8**	13.6	**68.1**	68.3
Operative EBITDA, %	**11.7**	8.9	**12.1**	10.4
EBITDA	**21.1**	-40.1	**61.3**	-0.5
EBITDA, %	**14.7**	-26.3	**10.9**	-0.1
Operative EBIT	**10.4**	6.9	**43.3**	45.8
Operative EBIT, %	**7.3**	4.5	**7.7**	6.9
EBIT	**13.7**	-47.3	**31.7**	-23.4
EBIT, %	**9.6**	-31.0	**5.6**	-3.6
Capital employed*	**309.4**	350.9	**309.4**	350.9
ROCE*	**10.2**	-6.7	**10.2**	-6.7
Capital expenditure	**13.4**	17.6	**35.2**	46.9
Cash flow after investing activities	**8.8**	11.5	**34.3**	37.9

**12-month rolling average*

Fourth quarter

The Municipal & Industrial segment's **revenue** decreased 6% to EUR 143.4 million (152.4). Revenue in local currencies, excluding acquisitions and divestments, increased 1%, being a first quarter with organic growth after the Municipal & Industrial reorganization and the change of business model announced in Q3 2013. The divestments completed in Q4 2013 in Brazil and in Q1 2014 in Denmark continued to have an impact on the reported revenue. Currency exchange had 2% impact.

In **EMEA**, revenue decreased 4%, mainly due the divestments and lower sales prices. Sales prices decreased, mainly due to tightening competition and partly as a consequence of lower raw material prices. Sales volumes continued to recover. Recovery was driven mainly by sales volume growth of polymers used in municipal and industrial drinking and waste water treatment, as well as in sludge treatment.

In **the Americas**, revenue decreased 12% as a result of the divested coagulant business in Brazil (completed in December, 2013). Excluding the impact of the divestment, revenues increased slightly in the region. Increased sales volumes of coagulants together with favorable currency exchange rates were the main reasons for the positive development.

Revenue in **APAC** grew more than 15%, although from a low base, driven by higher sales volumes of polymers.

The operative EBITDA increased 24% to EUR 16.8 million (13.6) with an improved margin of 11.7% (8.9%). Operative fixed costs were more than 10% lower than in the fourth quarter in 2013 and together with increased sales volumes were the main reasons for the improved profitability. Fixed costs decreased due to the “Fit for Growth” cost savings and other efficiency measures implemented in EMEA and the Americas regions. Average sales prices decreased due to tightening competition and partly as a consequence of lower raw material prices. Divestments and currency exchange had negligible impact on the operative EBITDA.

Full year

The Municipal & Industrial segment’s **revenue** decreased 14% to EUR 564.7 million (659.4). Revenue in local currencies, excluding acquisitions and divestments, decreased by 7%, due to lower sales volumes and sales prices. Acquisitions had an impact of 3% and divestments an impact of -10% on the revenue. Currency exchange had a -1% impact.

In **EMEA**, revenue decreased 5% to EUR 383.9 million (405.0), mainly due to divestments and slightly lower sales prices. Sales prices decreased largely in line with the related raw material prices, e.g. hydrochloric acid. Sales volumes remained close to the level of the comparable period. The acquisition of 3F had an impact of 5% on the revenue. Currency exchange had a small negative impact on the revenue. In April, Kemira commenced production in its new coagulant plant in Tarragona, Spain. Production focuses on aluminum and iron-based coagulants used for drinking water and wastewater treatment. The plant is utilizing by-products derived from Bayer MaterialScience’s production as its raw material. The Tarragona plant, together with a similar Dormagen (Germany) plant, is one of the largest coagulant manufacturing plants in EMEA. The joint capacity of Tarragona and Dormagen is important for Kemira in order to sustain its leadership position in the municipal and industrial water treatment markets in EMEA.

In **the Americas**, revenue decreased 32% to EUR 159.2 million (234.3) mainly due to the divestment of coagulant businesses in Brazil and in Mexico. Excluding the impact of the divestments, revenues declined by some 15% as a result of lower sales volumes and sales prices, especially in North America, as well as unfavorable currency exchange rates. Sales volumes recovered towards the end of 2014 as a result of increased sales and marketing efforts, as well as leveraging the offering of high quality raw water and wastewater treatment chemicals to municipal customers.

Operative EBITDA remained at EUR 68.1 million (68.3), despite the year-on-year comparison being negatively impacted by several divestments. Operative EBITDA was positively impacted by the “Fit for Growth”-related savings and the implementation of other efficiency measures which together drew fixed costs some 15% lower than in the comparable period. Variable costs were lower mainly due to decreased raw material costs, which in turn were lower due to cost synergies related to the acquisition of 3F and a decline in certain raw material prices. Sales prices declined largely in line with the related raw material prices. Operative EBITDA margin improved to 12.1% (10.4%). Operative EBIT margin improved to 7.7% (6.9%).

PARENT COMPANY'S FINANCIAL PERFORMANCE

Kemira Oyj's revenue decreased to EUR 1,228.1 million (1,382.1) in 2014. EBITDA was EUR 34.0 million (23.8). EBITDA increased mainly due to lower variable and fixed costs. The parent company's financing income and expenses were EUR -9.3 million (147.0). Financing income and expenses decreased mainly due to lower financial income from Group companies. Net profit totaled EUR -1.3 million (141.2). Capital expenditure totaled EUR 25.7 million (28.3), excluding investments in subsidiaries.

KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On December 31, 2014, 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.

The number of registered Kemira Oyj shareholders increased 8% to 33,164 registered shareholders in 2014 (30,640 at the end of December 2013). Foreign shareholders held 18.9% of the shares (21.6%), including nominee registered holdings. Households owned 16.1% of the shares (14.9%). Kemira held 3,291,185 treasury shares (3,301,006) representing 2.1% (2.1%) of all company shares. Based on the decision of the Annual General Meeting of Kemira Oyj on March 24, 2014, Kemira Oyj has transferred 9,821 shares on May 5, 2014 to the members of the Board of Directors as a part of the remuneration to the Board.

Kemira Oyj's share closed at EUR 9.89 on the NASDAQ OMX Helsinki at the end of December 2014 (12.16 at the end of December 2013). Shares registered a high of EUR 12.27 and a low of EUR 9.11 in January-December 2014. The average share price was EUR 10.87. The company's market capitalization, excluding treasury shares, was EUR 1,504 million at the end of December 2014 (1,849 at the end of December 2013). In January-December 2014, Kemira Oyj's share trading volume on NASDAQ OMX Helsinki increased 15% to 75 million (65). The average daily trading volume was 300,072 (259,748) shares. Source: NASDAQ OMX.

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 January-December 2014, a total of 29 million (28) Kemira Oyj's shares were traded on the alternative market places or 28% (30%) of the total amount of traded shares. Source: Fidessa.

The total amount of traded Kemira shares, including the trade on NASDAQ OMX Helsinki and multilateral trading facilities increased by 12% in January-December 2014 compared to January-December 2013.

Share-based incentive plan for management and key employees

On December 15, 2014 the Board of Directors of Kemira Oyj decided to establish a new long-term share-based incentive plan targeted at a group of key employees in Kemira. The aim of the new plan is to combine the objectives of the shareholders and the persons participating in the plan in order to increase the value of Kemira, to commit the participants to Kemira, and to offer them a competitive reward plan based on earning Kemira's shares.

The new Performance Share Plan includes three performance periods: calendar years 2015, 2016 and 2017. The Board of Directors of Kemira will decide on the Plan's performance criteria and on the required performance levels for each criterion at the beginning of each performance period. The potential reward of the Plan from the performance period 2015 will be based on the Kemira Group's revenue and on the Group's operative EBITDA margin.

The potential reward from the performance period 2015 will be paid partly in Kemira's shares and partly in cash in 2016. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. As a rule, no reward will be paid, if a participant's employment or service ends before the reward payment.

The shares paid as reward may not be transferred during the restriction period, which will end two years after the end of the performance period. Should a participant's employment or service end during the restriction period, as a rule, he or she must gratuitously return the shares given as reward.

The Board of Directors recommends that a member of the Management Board will own such number of Kemira's shares that the total value of his or her shareholding corresponds to the value of his or her annual gross salary as long as the membership continues. If this recommendation is not yet fulfilled, the Board of Directors recommends that a member of the Management Board will hold 50 per cent of the net number of shares given on the basis of this plan also after the end of the restriction period, as long as the total value of his or her shareholding corresponds to the value of his or her annual gross salary.

The Performance Share Plan is directed at approximately 90 people. The rewards to be paid on the basis of the 2015 earning period of the Performance Share Plan correspond to the value of an approximate maximum total of 585,000 Kemira Oyj shares and additionally the cash proportion intended to cover taxes and tax-related costs.

AGM DECISIONS

Annual General Meeting

Kemira Oyj’s Annual General Meeting held on March 24, 2014 confirmed the dividend of EUR 0.53. The dividend was paid out on April 3, 2014.

The AGM 2014 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, 2014.

The AGM 2014 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, 2015. The share issue authorization has been used in connection with the Board of Directors remuneration.

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 24, 2014, the Annual General Meeting elected six members (previously five) to the Board of Directors. Annual General Meeting reelected Winnie Fok, Juha Laaksonen, Jari Paasikivi and Kerttu Tuomas and elected Wolfgang Büchele and Timo Lappalainen as new members. Jari Paasikivi was elected as the Board's Chairman and Kerttu Tuomas was elected as the Vice Chairman. In 2014, Kemira's Board of Directors met 13 times with 97.3% attendance rate.

Kemira Oyj's Board of Directors has appointed two committees: the Personnel and Remuneration Committee and the Audit Committee. The Personnel and Remuneration Committee is chaired by Jari Paasikivi and has Juha Laaksonen and Kerttu Tuomas as members. In 2014, the Compensation Committee met four times with a 100% attendance rate. The Audit Committee is chaired by Juha Laaksonen and has Timo Lappalainen and Jari Paasikivi as members. In 2014, the Audit Committee met five times with a 100% attendance rate.

Changes to company management

On May 1, 2014, Jari Rosendal started as Kemira Oyj's President and Chief Executive Officer.

On May 5, 2014, Tarjei Johansen started as President of the Oil & Mining segment and the Americas region.

On November 1, 2014 Antti Salminen started as President of the Municipal & Industrial segment and EMEA region and Michael Löffelmann started as Executive Vice President of Projects & Manufacturing Technology. Both are members of the Management Board.

On January 1, 2015, Joe Chan started as President, China. He reports to the President of Paper Segment and APAC region.

On January 12, 2015, Kemira announced that Petri Helsky, President of Paper Segment and APAC region will resign from his position to take up the position of CEO of Metsä Tissue Corporation. Petri Helsky will continue in his current position and as a member of Kemira's Management Board up until the end of June 2015. Kemira has started the process of finding a successor to lead the Paper segment and the Asia Pacific region.

Structure

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

SHORT-TERM RISKS AND UNCERTAINTIES

At Kemira, 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 or activity (e.g. drilling of oil) could have a negative impact on Kemira's business. Significant decline in oil, gas, and metal prices may shift customers' activities in areas, which can be exploited with fewer chemicals. Also increased awareness of and concern toward climate change and more sustainable products may change customers' demands, for instance, toward water treatment technologies with lower chemical consumption, and this may have a negative impact on especially Kemira Municipal & Industrial segment's ability to compete. On the other hand, customer's possible capacity expansions could increase the chemical consumption and challenge Kemira's current production capacity. 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 monitors systematically leading indicators and early warning indicators that focus on market development. Kemira has also continued to focus on the sustainability of its business and is further improving the coordination and cooperation between Business Development, R&D, and Sales units in order to better understand the future needs and expectations of its customers. Timely capital investments as well as continuous discussions and follow-ups with customers ensure Kemira's ability to respond to possible increase in demands. Kemira's geographic and customer-industry diversity also provides partial protection against the risk of changed customer demands.

Changes in laws and regulations

Kemira's business is subject to various laws and regulations, which have relevance in development and implementation of 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 aluminum 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 impact Kemira's profitability through the 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 the laws and regulations that 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 actively participates 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 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 that may result in the weakening of market position.

Kemira is seeking growth in segments that are less familiar and where new competitive situations will 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 its competition with active management of customer relationships and continuous development of its products and services to further differentiate itself from the competitors.

Economic conditions

Uncertainties in global economic and geopolitical development are considered to include direct or indirect risks, such as a continuation of low-growth period in the global GDP and negative development in Ukraine, which could both have unfavorable impacts on the demand for Kemira's products. Weak economic development may result in customer closures or consolidations diminishing customer base. Also, the liquidity of Kemira's customers could become weaker, resulting 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.

Hazard risks

Kemira's production activities involve many hazard risks, such as fires and explosions, natural catastrophes, environmental risks, as well as employee health and safety risks. Systematic focus on achieving set targets, certified management systems, efficient hazard prevention programs, and competent personnel play a central role in managing these hazard risks. In addition, Kemira has several insurance programs that protect the company against financial impacts of hazard risks.

Innovation and R&D

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 and future customer needs and market trends and its ability to innovate new differentiated products and applications. Failure to innovate or focus on new disruptive technologies and products may result in non-achievement of growth and profitability targets.

Innovation- and R&D-related risks are being managed through efficient R&D portfolio management in close collaboration between R&D and business segments. Kemira has further improved the coordination and cooperation between Business Development, R&D, and Sales units in order to better understand the future needs and expectations of its customers. Increased focus towards the development of more differentiated and sustainable products and processes has been continued through innovation training for management, innovation contest and the establishment of an internal Innovation Community. Kemira is also continuously monitoring the sales of its new products and applications (launched into the market within the last 5 years).

Acquisitions

Acquisitions can be considered as an important driver in the accomplishment of corporate goals and strategies. Consolidations are driven by, for instance, chemical manufacturers' interests in realizing synergies and establishing footholds in new markets. Kemira's market position may deteriorate if it is unable to find and take advantage of future acquisition opportunities. Inorganic growth through acquisitions also involves risks, such as the ability to integrate acquired operations and personnel successfully. If realized, this risk may result in a shortage in the set financial targets for such acquisitions.

Kemira has Group-level dedicated resources to actively manage merger and acquisition activities. In addition, external advisory services are being used to screen potential mergers and acquisitions and help execute transactions and post-merger integration. Kemira has also developed its M&A procedures to better support and improve the execution of its business transactions in the future.

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 raw material, commodity, or logistic costs could place Kemira's profitability targets at risk if Kemira is not able to pass on such increase to product prices without delay. For instance, remarkable changes in oil and electricity prices could materially impact Kemira's profitability.

Changes in the raw material supplier field, such as consolidation or decreasing capacity, may increase raw material prices. Also, material demand changes in industries that are the 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 Sourcing unit. Risk management measures include, 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.

Suppliers

The continuity of Kemira's business operations is dependent on accurate and a good-quality supply of products and services. Kemira has currently numerous partnerships and other agreements in place with third-party product and service suppliers to secure its business continuity. Certain products used as raw materials are considered critical as the purchase can be made economically only from a sole or single source. In the event of a sudden and significant loss or interruption of such raw material supply, Kemira's operations could be impacted, and this could have further effects on Kemira's ability to accomplish its profitability targets. Ineffective procurement planning, supply source selection, and contract administration, as well as inadequate supplier relationship management, create a risk of Kemira not being able to fulfill its promises to customers.

Kemira continuously aims to identify, analyze, and engage third-party suppliers in a way that ensures security of supply and competitive pricing of the end products and services. Collaborative relationships with key suppliers are being developed in order to uncover and realize new value and reduce risk. Supplier performance is also regularly monitored as a part of the supplier performance management process.

Talent management

To secure the competitiveness and growth, as well as to improve operative efficiency, it is essential to attract and retain personnel with the right skills and competences. Kemira is continuously identifying high potentials and key competencies for the future needs. By systematical development and improvement of compensation schemes, learning programs, and career development programs, Kemira aims to ensure the continuity of skilled personnel also in the future.

A detailed account of the 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 2014.

OTHER EVENTS DURING THE REVIEW PERIOD

On March 6, 2014, Kemira closed the divestment of formic acid business including the feed and airport runway de-icing product lines, which had formed the major part of the ChemSolutions segment. After the closure, the remaining sodium percarbonate business in ChemSolutions segment was transferred to Paper segment and ChemSolutions segment was discontinued at the beginning of Q2 2014. The figures for Q1 2013-Q1 2014 have been restated according to the new structure.

EVENTS AFTER THE REVIEW PERIOD

Proposals of the Nomination Board to the Annual General Meeting 2015

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 Wolfgang Büchele, Winnie Fok, Juha Laaksonen, Timo Lappalainen, Jari Paasikivi and Kerttu Tuomas be re-elected as 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.

The Nomination Board proposed to the Annual General Meeting that the annual fees paid to the members of the Board of Directors would increase. The annual fee is proposed to be increased to EUR 80,000 from EUR 74,000 per year to the Chairman, to EUR 49,000 from EUR 45,000 per year to the Vice Chairman and the Chairman of the Audit Committee and to EUR 39,000 from EUR 36,000 per year to the other members. A fee payable for each meeting of the Board of Directors and the Board Committees is proposed to remain unchanged. A fee payable for each meeting would thus be as follows; EUR 600 to members residing in Finland, EUR 1,200 to the members residing in rest of Europe and EUR 2,400 to the members residing outside Europe. 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 will be paid with the company's shares owned by the company or, if this is not possible, shares purchased from the market, and 60% will be 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 after the release of Kemira's Interim Report January 1-March 31, 2015. 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, CEO of Ilmarinen Mutual Pension Insurance Company as members of the Nomination Board and Jari Paasikivi, Chairman of Kemira's Board of Directors as an expert member.

DIVIDEND AND DIVIDEND POLICY (REVISED)

On December 31, 2014, Kemira Oyj's distributable funds totaled EUR 600,226,586 net profit, which accounted for EUR -1,279,154 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 23, 2015 that a dividend of EUR 0.53 per share totaling EUR 81 million shall be paid on the basis of the adopted balance sheet for the financial year ended December 31, 2014.

Kemira revised dividend policy aims at paying a stable and competitive dividend.

KEMIRA'S FINANCIAL TARGETS 2017 AND OUTLOOK 2015

Kemira will continue to focus on improving its profitability and operative cash flow. The company will also continue to invest in order to secure future growth serving selected water intensive industries.

The company's financial targets for 2017 are:

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

Kemira expects its capital expenditure-to-sales ratio to increase in the next few years from the 2014 level of 6.3%. In addition, Kemira expects its medium-term operative tax rate to be in the range of 22%-25%. This rate excludes non-recurring items.

The basis for growth is the expanding market for chemicals and Kemira's expertise that helps customers in water intensive industries to increase their water, energy and raw material efficiency. 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 enabler of organic growth for Kemira, providing differentiation capabilities in its relevant markets. Kemira will invest in innovation, technical expertise, and competencies in its selected focus areas.

Outlook for 2015

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

Helsinki, February 9, 2015

Kemira Oyj
Board of Directors

FINANCIAL CALENDAR 2015

Interim Report January-March 2015	April 24, 2015
Interim Report January-June 2015	July 22, 2015
Interim Report January-September 2015	October 23, 2015

Kemira Oyj's Annual Report 2014 will be published during the week starting on February 23, 2015. The Annual General Meeting is scheduled for Monday, March 23, 2015 at 1.00 pm (CET+1). The Board of Directors of the company will convene the meeting.

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	10-12/2014	10-12/2013	2014	2013
Revenue	**547.1**	545.2	**2,136.7**	2,229.1
Other operating income	**4.9**	5.9	**55.2**	15.2
Operating expenses	**-478.9**	-562.3	**-1,939.0**	-2,102.4
Depreciation, amortization and impairment	**-27.7**	-27.7	**-100.3**	-99.3
Operating profit (EBIT)	**45.4**	-38.9	**152.6**	42.6
Finance costs, net	**-10.3**	-7.7	**-30.7**	-39.0
Share of profit or loss of associates	**0.2**	-0.1	**0.2**	-1.1
Profit before tax	**35.3**	-46.7	**122.1**	2.5
Income tax expense	**-11.4**	-2.0	**-26.3**	-28.4
Net profit for the period	**23.9**	-48.7	**95.8**	-25.9
Net profit attributable to:				
Equity owners of the parent	**22.5**	-50.1	**89.9**	-31.6
Non-controlling interests	**1.4**	1.4	**5.9**	5.7
Net profit for the period	**23.9**	-48.7	**95.8**	-25.9
Earnings per share, basic and diluted, EUR	**0.15**	-0.33	**0.59**	-0.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12/2014	10-12/2013	2014	2013
Net profit for the period	**23.9**	-48.7	**95.8**	-25.9
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets	**50.0**	-27.0	**50.0**	-27.0
Exchange differences on translating foreign operations	**-1.5**	-5.6	**1.2**	-17.7
Cash flow hedges	**-1.0**	-3.1	**3.4**	-2.3
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements on defined benefit pensions	**-26.6**	19.7	**-26.6**	22.6
Other comprehensive income for the period, net of tax	**20.9**	-16.0	**28.0**	-24.4
Total comprehensive income for the period	**44.8**	-64.7	**123.8**	-50.3
Total comprehensive income attributable to:				
Equity owners of the parent	**43.7**	-66.1	**118.3**	-55.4
Non-controlling interests	**1.1**	1.4	**5.5**	5.1
Total comprehensive income for the period	**44.8**	-64.7	**123.8**	-50.3

CONSOLIDATED BALANCE SHEET

EUR million	12/31/2014	12/31/2013
ASSETS		
Non-current assets		
Goodwill	**485.6**	471.9
Other intangible assets	**76.3**	75.3
Property, plant and equipment	**706.2**	644.5
Investments in associates	**0.9**	0.8
Available-for-sale financial assets	**293.7**	233.6
Deferred tax assets	**33.7**	36.0
Other investments	**9.2**	9.2
Defined benefit pension receivables	**7.5**	29.8
Total non-current assets	**1,613.1**	1,501.1
Current assets		
Inventories	**197.3**	169.9
Interest-bearing receivables	**0.1**	0.5
Trade and other receivables	**343.7**	320.9
Current income tax assets	**22.4**	11.2
Cash and cash equivalents	**119.1**	102.0
Total current assets	**682.6**	604.5
Non-current assets classified as held-for-sale	**-**	105.4
Total assets	**2,295.7**	2,211.0
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity owners of the parent	**1,150.7**	1,112.5
Non-controlling interests	**12.6**	13.0
Total equity	**1,163.3**	1,125.5
Non-current liabilities		
Interest-bearing liabilities	**448.3**	279.9
Other liabilities	**21.4**	21.4
Deferred tax liabilities	**46.4**	43.5
Defined benefit pension liabilities	**73.1**	73.8
Provisions	**23.6**	27.3
Total non-current liabilities	**612.8**	445.9
Current liabilities		
Interest-bearing current liabilities	**156.9**	278.4
Trade payables and other liabilities	**327.7**	302.6
Current income tax liabilities	**17.9**	13.6
Provisions	**17.1**	25.2
Total current liabilities	**519.6**	619.8
Liabilities directly associated with the assets classified as held-for-sale	**-**	19.8
Total liabilities	**1,132.4**	1,085.5
Total equity and liabilities	**2,295.7**	2,211.0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	10-12/2014	10-12/2013	2014	2013
Cash flow from operating activities				
Net profit for the period	**23.9**	-48.7	**95.8**	-25.9
Total adjustments	**32.0**	85.5	**92.8**	228.1
Operating profit before change in net working capital	**55.8**	36.8	**188.6**	202.2
Change in net working capital	**1.4**	40.8	**-19.4**	24.8
Cash generated from operations	**57.2**	77.6	**169.2**	227.0
Finance expenses, net and dividends received	**-22.7**	-0.2	**-61.6**	-0.2
Income taxes paid	**-9.5**	-5.4	**-33.4**	-26.5
Net cash generated from operating activities	**25.0**	72.0	**74.2**	200.3
Cash flow from investing activities				
Purchases of subsidiaries, net of cash acquired	**0.6**	-56.1	**0.6**	-58.6
Other capital expenditure	**-55.5**	-48.9	**-145.7**	-138.9
Proceeds from sale of assets and paid in capital	**7.2**	11.8	**145.5**	193.4
Change in long-term loan receivables decrease (+) / increase (-)	**0.3**	2.7	**0.6**	-0.5
Net cash used in investing activities	**-47.4**	-90.5	**1.0**	-4.6
Cash flow from financing activities				
Proceeds from non-current interest-bearing liabilities (+)	**44.9**	-0.9	**245.0**	0.0
Repayments from non-current interest-bearing liabilities (-)	**-12.5**	-31.4	**-62.6**	-95.1
Short-term financing, net increase (+) / decrease (-)	**6.4**	-10.0	**-152.9**	-32.6
Dividends paid	**-0.5**	0.0	**-86.0**	-85.1
Other finance items	**-0.6**	-1.6	**0.1**	-1.1
Net cash used in financing activities	**37.7**	-43.9	**-56.4**	-213.9
Net decrease (-) / increase (+) in cash and cash equivalents	**15.3**	-62.4	**18.8**	-18.2
Cash and cash equivalents at end of period	**119.1**	102.0	**119.1**	102.0
Exchange gains (+) / losses (-) on cash and cash equivalents	**-4.4**	-0.5	**-1.7**	-3.4
Cash and cash equivalents at beginning of period	**108.2**	164.9	**102.0**	123.6
Net decrease (-) / increase (+) in cash and cash equivalents	**15.3**	-62.4	**18.8**	-18.2

Kemira

Where water
meets chemistry ™

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
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.

	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
Equity at January 1, 2014	**221.8**	**257.9**	**64.0**	**196.3**	**-40.2**	**-22.2**	**434.9**	**1,112.5**	**13.0**	**1,125.5**
Net profit for the period	-	-	-	-	-	-	89.9	**89.9**	5.9	**95.8**
Other comprehensive income, net of tax	-	-	53.4	-	1.6	-	-26.6	**28.4**	-0.4	**28.0**
Total comprehensive income	**-**	**-**	**53.4**	**-**	**1.6**	**-**	**63.3**	**118.3**	**5.5**	**123.8**
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-80.6 *)	**-80.6**	-5.4	**-86.0**
Treasury shares issued to the Board of Directors	-	-	-	-	-	0.1	-	**0.1**	-	**0.1**
Share-based payments	-	-	-	-	-	-	-0.1	**-0.1**	-	**-0.1**
Changes due to business combinations	-	-	-	-	-	-	0.5	**0.5**	**-0.5**	**0.0**
Transfers in equity	-	-	**0.0**	-	-	-	0.0	**0.0**	-	**0.0**
Transactions with owners	**-**	**-**	**0.0**	**-**	**-**	**0.1**	**-80.2**	**-80.1**	**-5.9**	**-86.0**
Equity at December 31, 2014	**221.8**	**257.9**	**117.4**	**196.3**	**-38.6**	**-22.1**	**418.0**	**1,150.7**	**12.6**	**1,163.3**

*) A dividend was EUR 80.6 million in total (EUR 0.53 per share) in respect of the financial year ended December 31, 2013. The annual general meeting approved EUR 0.53 dividend on March 24, 2014. The dividend record date was March 27, 2014, and the payment date April 3, 2014.

Kemira had in its possession 3,291,185 of its treasury shares on December 31, 2014. 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

	10-12/2014	10-12/2013	**2014**	2013
Earnings per share, basic and diluted, EUR *)	**0.15**	-0.33	**0.59**	-0.21
Cash flow from operations per share, EUR *)	**0.17**	0.48	**0.49**	1.32
Capital expenditure, EUR million	**54.9**	105.0	**145.1**	197.5
Capital expenditure / revenue, %	**10.0**	19.3	**6.8**	8.9
Average number of shares, basic (1,000) *)	**152,051**	152,042	**152,048**	152,039
Average number of shares, diluted (1,000) *)	**152,248**	152,167	**152,203**	152,179
Number of shares at end of period, basic (1,000) *)	**152,051**	152,042	**152,051**	152,042
Number of shares at end of period, diluted (1,000) *)	**152,373**	152,091	**152,373**	152,091
Equity per share, EUR *)			**7.57**	7.32
Equity ratio, %			**50.7**	50.9
Gearing, %			**41.8**	40.6
Interest-bearing net liabilities, EUR million			**486.1**	456.3
Personnel (average)			**4,285**	4,632

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

REVENUE BY BUSINESS AREA

EUR million	**10-12/2014**	10-12/2013	**2014**	2013
Paper *)	**307.0**	283.2	**1,170.0**	1,112.8
Oil & Mining	**96.7**	78.5	**382.2**	311.5
Municipal & Industrial	**143.4**	152.4	**564.7**	659.4
ChemSolutions *)	**-**	31.1	**19.8**	145.4
Total	**547.1**	545.2	**2,136.7**	2,229.1

EBITDA BY BUSINESS AREA

EUR million	**10-12/2014**	10-12/2013	**2014**	2013
Paper *)	**37.7**	21.4	**109.9**	98.4
Oil & Mining	**14.4**	3.2	**46.2**	24.6
Municipal & Industrial	**21.1**	-40.1	**61.3**	-0.5
ChemSolutions *)	**-**	4.3	**35.5**	19.4
Total	**73.2**	-11.2	**252.9**	141.9

OPERATING PROFIT (EBIT) BY BUSINESS AREA

EUR million	**10-12/2014**	10-12/2013	**2014**	2013
Paper *)	**22.4**	9.1	**57.6**	45.1
Oil & Mining	**9.3**	-3.9	**27.7**	6.5
Municipal & Industrial	**13.7**	-47.3	**31.7**	-23.4
ChemSolutions *)	**-**	3.2	**35.6**	14.4
Total	**45.4**	-38.9	**152.6**	42.6

*) On March 2014, Kemira closed the divestment of formic acid business which had formed the major part of ChemSolutions segment. After the closure, the remaining sodium percarbonate business in ChemSolutions segment was transferred to Paper segment and ChemSolutions segment was discontinued as of the beginning of Q2 2014.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	2014	2013
Carrying amount at beginning of year	**644.5**	655.9
Acquisitions of subsidiaries	**-**	30.4
Increases	**124.5**	116.3
Decreases	**-5.7**	-1.8
Disposal of subsidiaries	**-**	-17.9
Depreciation and impairments	**-84.1**	-86.0
Transferred to non-current assets classified as held-of-sale	**-**	-33.9
Exchange rate differences and other changes	**27.0**	-18.5
Net carrying amount at end of period	**706.2**	644.5

CHANGES IN INTANGIBLE ASSETS

EUR million	2014	2013
Carrying amount at beginning of year	**547.2**	583.0
Acquisitions of subsidiaries	**-0.1**	53.3
Increases	**16.0**	9.9
Decreases	**-**	0
Disposal of subsidiaries	**-**	-41.1
Depreciation and impairments	**-16.2**	-13.3
Transferred to non-current assets classified as held-of-sale	**-**	-36.6
Exchange rate differences and other changes	**15.0**	-8.0
Net carrying amount at end of period	**561.9**	547.2

DERIVATIVE INSTRUMENTS

	12/31/2014		**12/31/2013**	
EUR million	**Nominal value**	**Fair value**	Nominal value	Fair value
Currency instruments				
Forward contracts	**304.7**	**1.5**	604.8	0.7
Currency options	**65.2**	**0.0**	-	-
Bought	**32.6**	**0.0**	-	-
Sold	**32.6**	**0.0**	-	-
Interest rate instruments				
Interest rate swaps	**324.5**	**0.5**	194.6	-3.6
of which cash flow hedge	**224.5**	**-2.5**	194.6	-3.6
of which fair value hedge	**100.0**	**3.0**	-	-
Bond futures	**-**	**-**	10.0	0.2
of which open	**-**	**-**	10.0	0.2
Other instruments	**GWh**	**Fair value**	GWh	Fair value
Electricity forward contracts, bought	**1,503.6**	**-5.9**	1,450.5	-7.8
of which cash flow hedge	**1,503.6**	**-5.9**	1,450.5	-7.8

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	12/31/2014				12/31/2013			
Fair value hierarchy	**Level 1**	**Level 2**	**Level 3**	**Total net**	Level 1	Level 2	Level 3	Total net
Available-for-sale financial assets	**-**	**-**	**293.7**	**293.7**	6.6	-	227.0	233.6
Currency instruments	**-**	**2.9**	**-**	**2.9**	-	4.0	-	4.0
Interest rate instruments, hedge accounting	**-**	**3.0**	**-**	**3.0**	-	-	-	-
Other instruments	**-**	**-**	**-**	**-**	-	0.2	-	0.2
Trade receivables	**-**	**265.3**	**-**	**265.3**	-	255.4	-	255.4
Total	**-**	**271.2**	**293.7**	**564.9**	6.6	259.6	227.0	493.2

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 12/31/2014**	Total net **12/31/2013**
Instrument		
Carrying value at beginning of period	**227.0**	264.0
Effect on the statement of comprehensive income	**62.5**	-41.1
Increases	**4.4**	4.1
Decreases	**-0.2**	-
Carrying value at end of period	**293.7**	227.0

FAIR VALUE OF FINANCIAL LIABILITIES

EUR million	12/31/2014				12/31/2013			
Fair value hierarchy	**Level 1**	**Level 2**	**Level 3**	**Total net**	Level 1	Level 2	Level 3	Total net
Non-current interest-bearing liabilities	**-**	**461.7**	**-**	**461.7**	-	284.1	-	284.1
Repayments from non-current interest-bearing liabilities	**-**	**88.1**	**-**	**88.1**	-	59.2	-	59.2
Loans from financial institutions	**-**	**63.2**	**-**	**63.2**	-	57.2	-	57.2
Other liabilities	**-**	**41.0**	**-**	**41.0**	-	185.2	-	185.2
Currency instruments	**-**	**1.4**	**-**	**1.4**	-	3.3	-	3.3
Interest rate instruments	**-**	**2.5**	**-**	**2.5**	-	3.6	-	3.6
Other instruments	**-**	**5.9**	**-**	**5.9**	-	7.8	-	7.8
Trade payables	**-**	**135.2**	**-**	**135.2**	-	143.3	-	143.3
Total	**-**	**799.0**	**-**	**799.0**	-	743.7	-	743.7

CONTINGENT LIABILITIES

EUR million	12/31/2014	12/31/2013
Assets pledged		
On behalf of own commitments	**6.0**	6.4
Guarantees		
On behalf of own commitments	**48.4**	50.4
On behalf of others	**3.3**	3.1
Operating leasing liabilities		
Maturity within one year	**31.1**	26.4
Maturity after one year	**161.8**	139.9
Other obligations		
On behalf of own commitments	**1.2**	1.6
On behalf of associates	**0.6**	0.7

LITIGATION

On August 19, 2009, Kemira Oyj received a summons stating that Cartel Damage Claims Hydrogen Peroxide SA 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 asked 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 had 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 made on July 4, 2013 a decision which could not be appealed separately. In its decision the municipal court considered to have jurisdiction and that the claims made by the claimant were at least not totally time-barred. On May 19, 2014 Kemira announced that it had signed an agreement with Cartel Damage Claims Hydrogen Peroxide SA and CDC Holding SA (together “CDC”) to settle the lawsuit in Helsinki, Finland. Based on the settlement CDC withdrew the damages claims and Kemira paid to CDC a compensation of EUR 18.5 million and compensated CDC for its legal costs. The settlement also includes significant limitations of liabilities for Kemira regarding the pending legal actions filed by CDC entities in Dortmund, Germany (mentioned above) and in Amsterdam, the Netherlands (mentioned below).

Kemira Oyj's subsidiary Kemira Chemicals Oy (former Finnish Chemicals Oy) has on June 9, 2011 received documents where it was stated that CDC Project 13 SA has 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. The municipal court of Amsterdam decided on June 4, 2014 to have jurisdiction over the case. The said decision may be appealed separately and Kemira is making an appeal. Kemira defends against the claim of CDC Project 13 SA.

As mentioned above the settlement between Kemira and CDC relating the Helsinki litigation also includes significant limitations of liabilities for Kemira regarding the pending legal actions filed by CDC entities in Dortmund, Germany and in Amsterdam, the Netherlands. However, regardless of such limitations of liabilities, 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	2014 10-12	2014 7-9	2014 4-6	2014 1-3	2013 10-12	2013 7-9	2013 4-6	2013 1-3
Revenue								
Paper *)	**307.0**	300.6	282.0	280.4	283.2	283.7	278.0	267.9
Oil & Mining	**96.7**	95.9	97.6	92.0	78.5	76.8	79.9	76.3
Municipal & Industrial	**143.4**	145.0	138.6	137.7	152.4	164.2	178.0	164.8
ChemSolutions *)	**-**	-	-	19.8	31.1	29.0	33.4	51.9
Total	**547.1**	541.5	518.2	529.9	545.2	553.7	569.3	560.9
EBITDA								
Paper *)	**37.7**	34.0	7.5	30.7	21.4	30.6	17.3	29.1
Oil & Mining	**14.4**	11.7	11.2	8.9	3.2	8.0	5.4	8.0
Municipal & Industrial	**21.1**	21.5	16.1	2.6	-40.1	9.8	16.8	13.0
ChemSolutions *)	**-**	-	-	35.5	4.3	2.0	2.1	11.0
Total	**73.2**	67.2	34.8	77.7	-11.2	50.4	41.6	61.1
Operative EBITDA, excluding non-recurring items								
Paper *)	**36.3**	37.0	30.8	33.1	34.7	35.7	30.3	30.4
Oil & Mining	**12.2**	13.8	11.7	10.7	6.3	10.4	7.3	8.7
Municipal & Industrial	**16.8**	19.1	17.7	14.5	13.6	19.7	21.1	13.9
ChemSolutions *)	**-**	-	-	-0.8	3.4	3.1	2.8	10.5
Total	**65.3**	69.9	60.2	57.5	58.0	68.9	61.5	63.5
Operating profit (EBIT)								
Paper *)	**22.4**	20.9	-5.1	19.4	9.1	19.3	-0.7	17.4
Oil & Mining	**9.3**	7.2	6.7	4.5	-3.9	4.3	1.8	4.3
Municipal & Industrial	**13.7**	14.8	8.4	-5.2	-47.3	4.6	11.5	7.8
ChemSolutions *)	**-**	-	-	35.6	3.2	0.8	0.7	9.7
Total	**45.4**	42.9	10.0	54.3	-38.9	29.0	13.3	39.2
Operating profit (EBIT), excluding non-recurring items								
Paper *)	**21.9**	23.8	18.2	21.9	23.1	24.4	19.1	19.3
Oil & Mining	**7.2**	9.3	7.1	6.3	2.1	6.7	3.5	5.1
Municipal & Industrial	**10.4**	12.4	11.7	8.8	6.9	14.4	15.9	8.6
ChemSolutions *)	**-**	-	-	-0.7	2.4	2.0	1.5	9.2
Total	**39.5**	45.5	37.0	36.3	34.5	47.5	40.0	42.2

*) On March 2014, Kemira closed the divestment of formic acid business which had formed the major part of ChemSolutions segment. After the closure, the remaining sodium percarbonate business in ChemSolutions segment was transferred to Paper segment and ChemSolutions segment was discontinued as of the beginning of Q2 2014.

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, %

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

Gearing, %

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

Interest-bearing net liabilities

Interest-bearing liabilities - cash and cash equivalents

Return on capital employed (ROCE), %

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

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

BASIS OF PREPARATION

This audited consolidated financial statements bulletin 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 financial statements bulletin should be read in conjunction with the annual financial statements 2013.

All the figures in this financial statements bulletin 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.

- IFRS 10 Consolidated Financial Statements. The standard establishes control as the base for consolidation. Additionally, the standard provides further guidance on how to apply principles of control when it is challenging to assess. The new standard had no impact on the Group's financial figures.

- IFRS 11 Joint Arrangements. The standard emphases the rights and obligations of the joint arrangement rather than its legal form in the accounting. The arrangements are divided into two: joint operations and joint ventures. The standard requires joint ventures to be accounted for using equity method of accounting. Proportional consolidation of joint ventures is no longer allowed. The new standard had no impact on the Group's financial figures.

- IFRS 12 Disclosure of Interests in Other Entities. The standard includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other, off balance sheet vehicles. The new standard had no impact on the Group's financial figures.

- IAS 27 (revised 2011) Separate Financial Statements. The revised standard includes the requirements for separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. The revised standard had no impact on the Group's financial figures.

- IAS 28 (revised 2011) Investments in Associates and Joint Ventures. The revised standard includes requirements for both joint operations and associates to be accounted by using equity method of accounting after IFRS 11 was issued. The revised standard had no impact on the Group's financial figures.

- Amendment to IAS 32 Financial instruments: Presentation. The amendment clarifies the conditions for net presentation of financial assets and liabilities and introduces some additional application guidance. The amendment had no impact on the Group's financial figures.

- Amendment to IAS 36 Impairment of assets: Recoverable Amount Disclosures for Non-Financial Assets. The overall effect of the amendments is to clarify the disclosure requirements on those cash generating units which have been subject to impairment. The amendment had no impact on the Group's financial figures.

- Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting. The amendments allow the continuation of hedge accounting under IAS 39 when a derivative is novated to a clearing counterparty and certain conditions are met. The amendments had no impact on the Group's financial figures.

- Amendment to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendment provides additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendment had no impact on the Group's financial figures.

- Amendment to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements. The amendment provides 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 or IAS 39. The amendment had no impact on the Group's financial figures.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements bulletin 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.