Kemira
Where water meets chemistry™

Interim Report

JANUARY-JUNE 2015

REVENUE GROWTH WITH IMPROVED PROFITABILITY

Second quarter

- Revenue increased 15% to EUR 594.8 million (518.2) supported by the acquisition of AkzoNobel’s paper chemicals business, completed on May 4, and favorable currency exchange rates. Revenues in local currencies, excluding acquisitions and divestments remained largerly unchanged.
- Operative EBITDA increased 24% to EUR 74.7 million (60.2) with an improved margin of 12.6% (11.6%).

January-June

- Revenue increased 10% to EUR 1,147.8 million (1,048.1).
- Operative EBITDA increased 20% to EUR 141.1 million (117.7) with a margin of 12.3% (11.2%).
- Operative earnings per share increased 10% to EUR 0.32 (0.29).
- Kemira’s outlook for 2015 is updated to include the acquisition of AkzoNobel’s paper chemicals business. Kemira expects its revenue and operative EBITDA in 2015 to increase compared to 2014.

Kemira’s President and CEO Jari Rosendal:

“We had a strong second quarter with 15% revenue growth and improved operative EBITDA margin of 12.6%. Favorable currency exchange rates continued to contribute to the revenue growth. The acquired AkzoNobel’s paper chemicals business has been consolidated since May 2015. We have succeeded well with business continuity and integration has started according to plan. Earlier communicated synergies are expected to start showing towards the end of the year.

Organic growth in the Paper segment continued above-the-market at 4%. Growth was driven mainly by higher sales volumes across continental Europe and increasing pulp chemical deliveries to the new Montes del Plata pulp mill in Uruguay. I am glad to note that in the second quarter, Paper segment’s profitability improved notably, despite the significant efforts put on the integration of a major acquisition.

In the Oil & Mining segment sales volumes have been impacted by the significant reduction of shale drilling and fracking activity in the US. However, despite the decline of sales volumes, absolute operative EBITDA contribution remained at the level of the comparable quarter. In EMEA, we started first polyacrylamide shipments for the chemically enhanced oil recovery.

The Municipal & Industrial segment’s turnaround and revenue recovery continued and the segment delivered profitable growth in line with its strategic objective. Organic growth reached 3% driven by higher sales volumes in all regions and the operative EBITDA margin was more than 14%.

I am satisfied with Kemira’s progress in the first half of the year. Our businesses delivered solid results, despite the current slowdown of activity in shale operations in US.”

KEY FIGURES AND RATIOS

EUR million	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Revenue	**594.8**	518.2	**1,147.8**	1,048.1	2,136.7
Operative EBITDA	**74.7**	60.2	**141.1**	117.7	252.9
Operative EBITDA, %	**12.6**	11.6	**12.3**	11.2	11.8
EBITDA	**66.1**	34.9	**131.3**	112.6	252.9
EBITDA, %	**11.1**	6.7	**11.4**	10.7	11.8
Operative EBIT	**44.8**	37.0	**83.9**	73.3	158.3
Operative EBIT, %	**7.5**	7.1	**7.3**	7.0	7.4
EBIT	**34.3**	10.0	**72.1**	64.3	152.6
EBIT, %	**5.8**	1.9	**6.3**	6.1	7.1
Share of profit or loss of associates	**0.1**	0.0	**0.3**	0.0	0.2
Financing income and expenses	**-9.3**	-8.5	**-16.8**	-13.8	-30.7
Profit before tax	**25.1**	1.5	**55.6**	50.5	122.1
Net profit	**19.3**	1.8	**45.7**	44.9	95.8
Earnings per share, EUR	**0.12**	0.00	**0.28**	0.28	0.59
Operative earnings per share, EUR	**0.19**	0.14	**0.32**	0.29	0.63
Capital employed*	**1,534.0**	1,442.3	**1,534.0**	1,442.3	1,427.7
Operative ROCE*	**11.0**	10.8	**11.0**	10.8	11.1
ROCE*	**10.5**	3.8	**10.5**	3.8	10.7
Capital expenditure	**159.3**	34.0	**186.3**	59.6	145.1
Cash flow after investing activities	**-147.2**	-39.5	**-131.2**	90.8	75.2
Equity ratio, % at period-end	**46**	49	**46**	49	51
Gearing, % at period-end	**62**	41	**62**	41	42
Personnel at period-end	**4,739**	4,296	**4,739**	4,296	4,248

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

Definitions of key figures are available at www.kemira.com > Investors > Financial information. Comparative 2014 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 Q2 2015

Kemira Group's **revenue** increased 15% to EUR 594.8 million (518.2). Revenue in local currencies, excluding acquisitions and divestments remained largerly unchanged. Acquisitions had an impact of 7% and favorable currency exchange rates an impact of 9% on the revenues.

In the Paper segment, revenues increased 25% to EUR 351.3 million (282.0). Revenue growth in local currencies, excluding acquisitions and divestments was 4%, driven by higher sales volumes, especially in EMEA and in the Americas. Sales prices remained at the level of the second quarter in 2014. Acquisitions had an impact of 12% and currency exchange rates an impact of 9% on revenues.

In the Oil & Mining segment, revenues decreased 8% to EUR 89.7 million (97.6). Revenue in local currencies, excluding acquisitions and divestments, decreased 20% mainly due to lower sales volumes of polyacrylamides used in the US shale operations. Sales prices were somewhat lower compared to the second quarter in 2014. Currency exchange had a positive impact of 12%.

In the Municipal & Industrial segment, revenues increased 11% to EUR 153.8 million (138.6). Revenue in local currencies, excluding acquisitions and divestments, increased 3% driven by higher sales volumes in all regions. Sales prices were somewhat lower than in the comparable period. Currency exchange impacted revenues by 8%.

Revenue, EUR million	**Apr-Jun 2015**	Apr-Jun 2014	Δ%
Paper	**351.3**	282.0	25
Oil & Mining	**89.7**	97.6	-8
Municipal & Industrial	**153.8**	138.6	11
Total	**594.8**	518.2	15

EBITDA increased to EUR 66.1 million (34.9), mainly due to non-recurring items impacting the comparable period in 2014. **Non-recurring items affecting the EBITDA** were EUR -9 million (-25), mainly related to the acquisition of AkzoNobel's paper chemical business as well as the closure of our manufacturing plant in Longview, WA, United States. The comparable period in 2014 included approximately EUR 20 million settlement compensation related to the old alleged infringement of the competition law.

The operative EBITDA increased 24% to EUR 74.7 million (60.2). Favorable currency exchange rates, especially U.S. dollar, continued to impact positively. Lower variable costs were the main reason for higher operative EBITDA in local currencies. In addition, improvements in the product mix across the segments had positive impacts. Sales prices were lower, especially for products based on oil related raw materials. Fixed costs increased by EUR 6 million, mainly as a result of increased sales and marketing efforts in the Paper segment. Acquisition had a small positive impact on the operative EBITDA. The operative EBITDA margin improved to 12.6% (11.6%).

Variance analysis, EUR million	Apr-Jun
Operative EBITDA, 2014	**60.2**
Sales volumes	2.7
Sales prices	-6.4
Variable costs	11.0
Fixed costs	-6.0
Currency exchange	9.2
Others, incl. acquisitions and divestments	4.0
Operative EBITDA, 2015	**74.7**

Operative EBITDA	Apr-Jun 2015 EUR, million	Apr-Jun 2014 EUR, million	∆%	Apr-Jun 2015 %-margin	Apr-Jun 2014 %-margin
Paper	**41.3**	30.8	34	**11.8**	10.9
Oil & Mining	**11.4**	11.7	-3	**12.7**	12.0
Municipal & Industrial	**22.0**	17.7	24	**14.3**	12.8
Total	**74.7**	60.2	24	**12.6**	11.6

Financing income and expenses totaled EUR -9.3 million (-8.5), including EUR 2.3 million write down of shareholders loan related to Kemira's ownership in TVO (Teollisuuden Voima Oy), a Finnish power company. Changes in the fair value of electricity derivatives were EUR 0.0 (-0.7). Currency exchange differences were EUR 0.0 (-1.6).

Net profit attributable to the owners of the parent company was EUR 17.6 million (0.2) and the earnings per share EUR 0.12 (0.00). Operative earnings per share increased 36% to EUR 0.19 (0.14).

FINANCIAL PERFORMANCE IN JANUARY-JUNE 2015

Kemira Group's **revenue** increased 10% to EUR 1,147.8 million (1,048.1). Revenue in local currencies, excluding acquisitions and divestments, remained flat. Higher sales volumes in the Paper and Municipal & Industrial segments could compensate for the lower sales volumes in the Oil & Mining segment. Sales prices were lower in the Municipal & Industrial and Oil & Mining segments. Acquisitions had an impact of 3% and divestments an impact of -2% on the revenues. Currency exchange had a positive impact of 8%.

In the Paper segment, revenues increased 18% to EUR 665.9 million (562.4). Revenue growth in local currencies, excluding acquisitions and divestments, was 4% driven by higher sales volumes. Sales price changes had negligible impact on revenues. Currency exchange impacted revenues positively by 8%. Acquisitions had an impact of 6% on the revenue.

In the Oil & Mining segment, revenues decreased 3% to EUR 183.6 million (189.6). Revenue in local currencies, excluding acquisitions and divestments, declined 16% mainly due to the decreased sales volumes in the Americas region. Currency exchange had a positive impact of 12%.

In the Municipal & Industrial segment, revenues increased 8% to EUR 298.3 million (276.3). Revenue in local currencies, excluding acquisitions and divestments increased by 1% driven by higher sales volumes in all regions. Higher sales volumes could more than compansate for lower sales prices. Currency exchange impacted revenues positively by 7%.

Revenue, EUR million	Jan-Jun 2015	Jan-Jun 2014	∆%
Paper	665.9	562.4	18
Oil & Mining	183.6	189.6	-3
Municipal & Industrial	298.3	276.3	8
ChemSolutions	-	19.8	-
Total	**1,147.8**	1,048.1	10

The EBITDA increased 17% to EUR 131.3 million (112.6). **Non-recurring items affecting the EBITDA** were EUR -10 million (-5), mainly related to the acquisition of AkzoNobel's paper chemicals business, as well as the closure of our manufacturing plant in Longview, WA, United States. The comparable period in 2014 included a capital gain of EUR 37 million related to the divestment of the formic acid business and a capital gain of EUR 4 million related to the divestment of the distribution business in Denmark. In addition, the comparable period in 2014 included approximately EUR 20 million settlement compensation related to an old alleged infringement of competition law.

The operative EBITDA increased 20% to EUR 141.1 million (117.7) due to the favorable currency exchange rate impact of EUR 16 million, EUR 15 million lower variable costs, higher sales volumes, and a contribution from acquisitions. Higher fixed costs of EUR 9 million and lower sales prices partly offset the positive impacts.

Operative EBITDA	Jan-Jun 2015 EUR, million	Jan-Jun 2014 EUR, million	∆%	Jan-Jun 2015 %-margin	Jan-Jun 2014 %-margin
Paper	77.4	63.9	21	**11.6**	11.4
Oil & Mining	22.5	22.4	0	**12.3**	11.8
Municipal & Industrial	41.2	32.2	28	**13.8**	11.6
ChemSolutions	-	-0.8	-	**-**	-
Total	**141.1**	117.7	20	**12.3**	11.2

The operative EBIT increased 14% to EUR 83.9 million (73.3) with a margin of 7.3% (7.0%). Higher operative EBITDA was partly offset by EUR 13 million higher depreciation, amortization and impairments. The completion of construction activities on greenfield sites in Nanjing, China and Tarragona, Spain in 2014, and the currency exchange rate fluctuations drove higher depreciation. In addition, depreciation and amortization related to the acquisition of the paper chemicals business in Q2 2015 had approximately EUR 2 million impact.

Financing income and expenses totaled EUR -16.8 million (-13.8) including changes of EUR -0.2 million (-1.1) in fair values of electricity derivatives and EUR 2.3 million write down of a shareholder's loan related to Kemira's ownership in TVO (Teollisuuden Voima Oy), a Finnish power company. Currency exchange differences, mainly related to the U.S dollar had EUR -3.5 million (-1.4) impact on the financing income and expenses.

Net profit attributable to the owners of the parent company was EUR 42.6 million (42.1) and the earnings per share EUR 0.28 (0.28). Earnings per share, excluding non-recurring items, increased 10% to EUR 0.32 (0.29).

FINANCIAL POSITION AND CASH FLOW

Cash flow from the operating activities in January-June 2015 was EUR 54.1 million (10.2). Cash flow after investing activities decreased to EUR -131.2 million (90.8) including an impact of approximately EUR -115 million from the acquisition. The comparable period included proceeds of EUR 141 million related to the divestments. The net working capital ratio of the revenue increased to 10.7% (9.9% on December 31, 2014).

At the end of the period, Kemira Group's net debt was EUR 711 million (486 on December 31, 2014). Net debt increased due to AkzoNobel's paper chemical business acquisition and the dividend payment.

At the end of the period, interest-bearing liabilities totaled EUR 821 million (605 on December 31, 2014). Fixed-rate loans accounted for 75% of the net interest-bearing liabilities (82% on December 31, 2014). The average interest rate of the Group's interest-bearing liabilities was 1.9% (2.1% on December 31, 2014). The duration of the Group's interest-bearing loan portfolio was 32 months (23 months on December 31, 2014). Kemira issued a senior unsecured bond of EUR 150 million in May 13, 2015. The seven-year bond will mature on May 13, 2022 and it carries a fixed annual interest of 2.250 percent.

Short-term liabilities maturing in the next 12 months amounted to EUR 128 million, with commercial papers issued in the Finnish market, representing EUR 20 million. The short term part of the long-term loans represented EUR 36 million. On June 30, 2015, cash and cash equivalents totaled EUR 109 million.

At the end of the period, the equity ratio was 46% (51% on December 31, 2014), while the gearing was 62% (42% on December 31, 2014). Shareholder's equity was EUR 1,156.1 million (1,163.3 on December 31, 2014).

CAPITAL EXPENDITURE

In January-June 2015, capital expenditure, including the acquisition of AkzoNobel's paper chemicals business, increased to EUR 186.3 million (59.6).

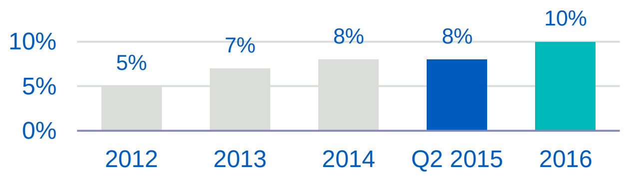
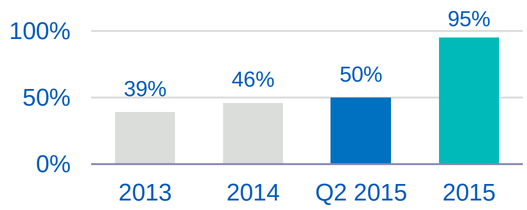
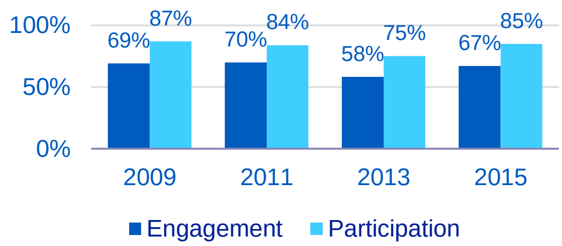
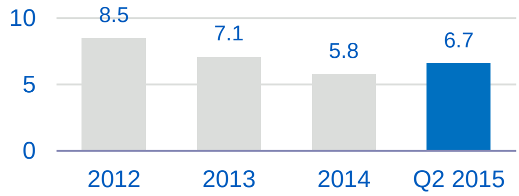
Capex, excluding the impact of acquisitions increased 20% to EUR 71.3 (59.6) and can be broken down as follows: expansion capex 44% (55%), improvement capex 34% (19%), and maintenance capex 22% (26%). Expansion investments related mainly to a greenfield investment in a sodium chlorate plant in Brazil. Improvement capex increased partly due to the start of the integration of AkzoNobel's paper chemicals business.

In January-June 2015, the Group's depreciation, amortization and impairments, excluding non-recurring items increased to EUR 57.3 million (44.5).

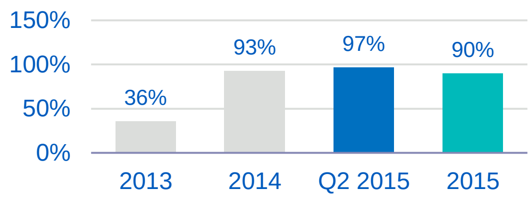
RESEARCH AND DEVELOPMENT

In January-June 2015, the Research and Development expenses increased 12% to EUR 15.5 million (13.9), representing 1.4% (1.3%) of Kemira Group's revenue.

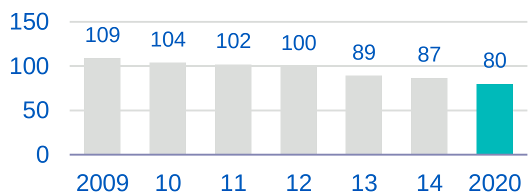
CORPORATE RESPONSIBILITY

Responsibility focus areas	KPI's and KPItarget values	Status Q2 2015
Sustainable products and solutions		
Innovation sales	Share of innovation revenue of total revenue → 10% by the end of 2016	
Responsibility for employees		
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	 Survey results are communicated to all employees, managers are trained on how to work with the results, and 76% of managers have completed action planning by June 30th
Occupational health and safety	Number of Total Recordable Injuries (TRI) (per million hours, Kemira + contractor, 1 year rolling average) → Achieve zero injuries	

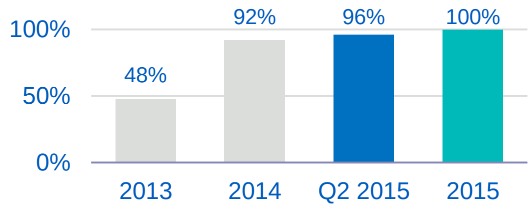
Responsible supply chain

Code of Conduct for Suppliers, Distributors and Agents	Supplier contracts with signed CoC-SDA as attachments → 90% by the end of 2015	

Responsible manufacturing

Climate change	Kemira Carbon Index performance → Index ≤ 80 by end of 2020 (baseline year 2012 = 100)	 Kemira Carbon index is calculated and reported on annual basis.

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 period, Kemira Group had 4,739 employees (4,248 on December 2014). Kemira employed 836 people in Finland (759), 1,799 people elsewhere in EMEA (1,654), 1,569 in the Americas (1,483), and 535 in APAC (352).

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, ensuring 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 the emerging Asian and South American markets.

EUR million	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Revenue	351.3	282.0	665.9	562.4	1,170.0
Operative EBITDA	41.3	30.8	77.4	63.9	137.2
Operative EBITDA, %	11.8	10.9	11.6	11.4	11.7
EBITDA	34.4	7.5	69.4	38.2	109.9
EBITDA, %	9.8	2.7	10.4	6.8	9.4
Operative EBIT	23.2	18.2	43.9	40.1	85.8
Operative EBIT, %	6.6	6.4	6.6	7.1	7.3
EBIT	16.2	-5.1	35.8	14.3	57.6
EBIT, %	4.6	-1.8	5.4	2.5	4.9
Capital employed*	963.0	859.8	963.0	859.8	881.2
ROCE*	8.2	5.0	8.2	5.0	6.5
Capital expenditure	145.6	23.6	163.3	35.9	83.0
Cash flow after investing activities	-148.7	-21.3	-139.1	-23.5	-10.1

*12-month rolling average

Second quarter

The Paper segment's **revenue** increased 25% to EUR 351.3 million (282.0), mainly as a result of the acquisition impact of 12% and the impact of the currency exchange rate fluctuations of 9%. Organic revenue growth continued above-the-market at 4%. Sales volumes continued to grow driven by bleaching chemicals in South America and by both, differentiated and commodity products in EMEA. Sales prices were on the same level as in the comparable period in 2014.

In **EMEA**, revenue increased 12% driven by the acquisition of AkzoNobel's paper chemicals business and higher sales volumes. Sales volumes growth of differentiated product lines contributed to the growth as demand for such products remained stable, especially in packaging board and tissue paper markets. In addition, stable demand for sodium chlorate and other pulping and bleaching chemicals contributed to the sales volumes growth.

In **Americas**, revenue growth continued to accelerate and reached nearly 40%. Growth was supported by the paper chemical business acquisition, pulp chemical deliveries to Montes del Plata, a new 1.3 million ton pulp mill in Uruguay, and favorable currency exchange rate fluctuations.

In **APAC**, the acquisition of AkzoNobel's paper chemical business had a significant positive impact and drove revenue over 60% higher compared to the corresponding period in 2014. Kemira's sales focus in the APAC region has traditionally been in China, Indonesia, Taiwan and South Korea. The acquisition gives Kemira also a local presence in the paper chemicals markets in Japan, Thailand, Malaysia, Vietnam, New Zealand, and Australia. Besides the new sales channels as well as experienced sales, service and application experts, Kemira also gained four new prodution plants in the region.

The operative EBITDA increased 34% to EUR 41.3 million (30.8), mainly due to lower variable costs, higher sales volumes and continued favorable translational currency effect. The acquisition also had a positive impact on operative EBITDA. Variable costs were negatively impacted by the continued global shortage of alpha olefin used in certain sizing products. In addition, colorant product line related changes in supply chain drove variable costs higher. Lower price of electricity as well as decreased oil related raw material prices had positive impacts. Continued focus on sales and marketing, as well as R&D, drove EUR 4 million higher fixed costs. The utilization rate of Kemira's new manufacturing site in Nanjing, China improved, but continued to be impacted by the shortage of alpha olefin. The operative EBITDA margin improved to 11.8% (10.9%), despite of the dilutive impact of the recently completed acquisition of AkzoNobel's paper chemicals business.

January – June

The Paper segment's **revenue** increased 18% to EUR 665.9 million (562.4). The revenues in local currencies, excluding divestments and acquisitions grew 4% due to the sales volume growth in EMEA and in the Americas, especially in Uruguay. Sales price changes had a negligible impact on revenues. Currency exchange had a 8% impact and acquisitions an impact of 6% on the revenue.

The operative EBITDA increased 21% to EUR 77.4 million (63.9), mainly due to solid sales volumes growth and favorable currency exchange rate fluctuations. Operative EBITDA margin improved to 11.6% (11.4%). The operative EBIT margin was 6.6% (7.1%).

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, Oil & Mining continues to build a strong base for growth in South America, Middle East, and Africa.

EUR million	**Apr-Jun 2015**	Apr-Jun 2014	**Jan-Jun 2015**	Jan-Jun 2014	Jan-Dec 2014
Revenue	**89.7**	97.6	**183.6**	189.6	382.2
Operative EBITDA	**11.4**	11.7	**22.5**	22.4	48.4
Operative EBITDA, %	**12.7**	12.0	**12.3**	11.8	12.7
EBITDA	**9.5**	11.2	**20.5**	20.1	46.2
EBITDA, %	**10.6**	11.5	**11.2**	10.6	12.1
Operative EBIT	**6.0**	7.1	**11.8**	13.4	29.9
Operative EBIT, %	**6.7**	7.3	**6.4**	7.1	7.8
EBIT	**2.4**	6.7	**8.1**	11.2	27.7
EBIT, %	**2.7**	6.9	**4.4**	5.9	7.2
Capital employed*	**257.5**	222.7	**257.5**	222.7	239.5
ROCE*	**9.6**	5.2	**9.6**	5.2	11.5
Capital expenditure	**7.4**	4.5	**12.0**	8.9	26.3
Cash flow after investing activities	**7.7**	-3.0	**12.8**	8.0	20.6

*12-month rolling average

Second quarter

Oil & Mining segment's **revenue** decreased 8% to EUR 89.7 million (97.6). Favorable currency exchange rate fluctuations had an impact of 12% on the revenue and could partly compensate for the impact of declined sales volumes. Revenue in local currencies declined by 20%, mainly due to continued slowdown of horizontal drilling and fracking activity in the US region. The slowdown became more visible in Kemira's pricing as well, especially compared to the previous quarter in 2015. The demand of Kemira's polymers used in horizontal drilling and fracking in the US showed signs of stabilization.

In the **Americas**, revenue decreased 12% mainly due to declined sales volumes of polyacrylamides used in the US shale operations, partly compensated by the strengthened US dollar. The majority of the revenue in the Americas region is related to polyacrylamides used in horizontal drilling and stimulation. The recent deep decline in oil prices has negatively impacted horizontal drilling and stimulation activity and thus driven lower demand for Kemira's polyacrylamides. During the quarter, Kemira entered into new applications with its comprehensive polyacrylamide offering and gained business in the Canadian oil sand markets.

In **EMEA**, revenue increased 4%, partly as a result of first polyacrylamide deliveries into certain conventional oil fields using new polyacrylamide based chemically enhanced oil recovery technology.

The operative EBITDA was EUR 11.4 million (11.7) with improved margin of 12.7% (12.0%). Efficiency measures and lower variable costs resulted in higher operative EBITDA margin and largely unchanged absolute operative EBITDA contribution, despite the notable decline of sales volumes. Variable costs were lower due to decreases in certain oil price-driven raw material prices. Currency exchange rate fluctuations had a positive impact on the operative EBITDA.

January-June

The Oil & Mining segment's **revenue** decreased 3% to EUR 183.6 million (189.6). The revenue in local currencies, excluding acquisitions and divestments decreased 16% as a result of lower sales volumes in the Americas region. Sales price changes had a small negative impact on revenues. Currency exchange had a 12% impact.

The operative EBITDA remained stable at EUR 22.5 million (22.4) with an improved margin of 12.3% (11.8%). Operative EBIT margin was 6.4% (7.1%).

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	**Apr-Jun 2015**	Apr-Jun 2014	**Jan-Jun 2015**	Jan-Jun 2014	Jan-Dec 2014
Revenue	**153.8**	138.6	**298.3**	276.3	564.7
Operative EBITDA	**22.0**	17.7	**41.2**	32.2	68.1
Operative EBITDA, %	**14.3**	12.8	**13.8**	11.6	12.1
EBITDA	**22.2**	16.1	**41.4**	18.7	61.3
EBITDA, %	**14.4**	11.6	**13.9**	6.8	10.9
Operative EBIT	**15.6**	11.7	**28.2**	20.5	43.3
Operative EBIT, %	**10.1**	8.4	**9.5**	7.4	7.7
EBIT	**15.7**	8.4	**28.2**	3.2	31.7
EBIT, %	**10.2**	6.1	**9.5**	1.2	5.6
Capital employed*	**313.5**	327.9	**313.5**	327.9	309.4
ROCE*	**18.1**	-12.0	**18.1**	-12.0	10.2
Capital expenditure	**6.3**	5.9	**11.0**	14.2	35.2
Cash flow after investing activities	**8.0**	5.4	**16.2**	8.5	34.3

*12-month rolling average

Second quarter

The Municipal & Industrial segment's **revenue** increased 11% to EUR 153.8 million (138.6) as a result of the favorable currency exchange rate impact of 8% and an organic growth of 3%. Organic growth was driven by recovered sales volumes in all regions. Sales volume growth was particularly strong in the Americas. Sales prices were somewhat lower than in the comparable period in 2014.

In **EMEA**, revenue increased by 4%, driven by accelerated sales volume growth of polymers, particularly related to waste water treatment in Southern Europe as well as sludge treatment in Eastern Europe. Sales prices of coagulants and polymers were lower due to continued tight competition, and as a consequence of lower raw material prices.

In the **Americas**, solid revenue growth continued and was 25% as a result of the favorable currency exchange rates and higher sales volumes of coagulants used in municipal and industrial water treatment. Sales volumes were higher mainly due to increased sales and marketing efforts focused on strengthening Kemira's leading market position in certain regions in North America. As a consequence, sales prices were somewhat lower than in the comparable period in 2014.

Revenue growth in **APAC** accelerated and increased 40% (from a low base) due to increased sales volumes and favorable currency exchange rates.

The operative EBITDA increased 24% to EUR 22.0 million (17.7) with an improved margin of 14.3% (12.8%) mainly due to continued sales volume growth and lower operating costs. Currency exchange rate fluctuations contributed positively to the operative EBITDA.

January-June

The Municipal & Industrial segment's **revenue** increased 8% to EUR 298.3 million (276.3). The revenues in local currencies, excluding acquisitions and divestments, increased by 1% due to the higher sales volumes, especially in the Americas that more than compensated for the impacts of somewhat lower sales prices. Currency exchange had a positive impact of 7%.

The operative EBITDA increased 28% to EUR 41.2 million (32.2) as a result of higher sales volumes and lower operating costs. Operating costs were positively impacted by lower raw material prices and logistic costs as well as synergies and savings related to previous acquisition and investments into an optimized manufacturing network. The operative EBITDA margin improved to 13.8% (11.6%). The operative EBIT margin reached 9.5% (7.4%).

KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On June 30, 2015, Kemira Oyj's share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles to one vote at the Annual General Meeting.

At the end of June, Kemira Oyj had 32,934 registered shareholders (33,164 at the end of December 2014). Non-Finnish shareholders held 20.7% of the shares (18.9% at the end of December 2014), including nominee registered holdings. Households owned 16% of the shares (16.1% at the end of December 2014). Kemira held 3,280,602 treasury shares (3,291,185 at the end of December, 2014) representing 2.1% (2.1% at the end of December 2014) of all company shares.

Kemira Oyj's share price closed at EUR 10.19 on the NASDAQ OMX Helsinki at the end of June 2015 (9.89 at the end of December 2014). Shares registered a high of EUR 12.27 and a low of EUR 9.13 in January-June 2015. The average share price was EUR 10.74. The company's market capitalization, excluding treasury shares, was EUR 1,550 million at the end of June 2015 (1,504 at the end of December 2014). In January-June 2015, Kemira Oyj's share trading volume on NASDAQ OMX Helsinki was 45.5 million (40.9). The average daily trading volume was 372,519 (335,543) shares. Source: NASDAQ OMX. The total value of Kemira Oyj's share trading in January-June 2015 was EUR 596 million (509), of which 35% (34%) was executed on other trading facilities than on NASDAQ OMX Helsinki. Source: Fidessa.

Authorizations

The AGM 2015 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 AGM 2015 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, 2016. The share issue authorization has been used in connection with the Board of Directors' remuneration.

SHORT-TERM RISKS AND UNCERTAINTIES

There have been no significant changes in Kemira's short-term risks or uncertainties compared to December 31, 2014.

A detailed account of Kemira's risk management principles and organization is available on the company's website at http://www.kemira.com. An account of the financial risks is available in the Notes to the Financial Statements 2014. Risks are discussed in detail in Kemira's Annual Report 2014 that was published on February 25, 2015.

Changes to company management

On May 18, 2015, Esa-Matti Puputti started as an Executive Vice President, Operational Excellence and a member of the Kemira Management Board.

OTHER EVENTS DURING THE REVIEW PERIOD

On May 6, Kemira issued a senior unsecured bond of EUR 150 million. The seven-year bond matures on May 13, 2022.

On May 4, Kemira completed the acquisition of AkzoNobel's paper chemicals business announced on July 8, 2014.

KEMIRA'S FINANCIAL TARGETS 2017 AND UPDATED OUTLOOK FOR 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 to serve 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, excluding acquisitions 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 (updated to include the acquisition completed in May, 2015)

Updated outlook for 2015: In 2015, Kemira will focus on profitable growth both organically and inorganically. Kemira's revenue and operative EBITDA in 2015 are expected to increase compared to 2014. The outlook includes the impact of AkzoNobel's paper chemicals business.

Previous 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 to increase compared to 2014. The outlook excludes the impact of AkzoNobel's paper chemical business (acquisition expected to close in the second quarter of 2015). At closing, AkzoNobel's paper chemical business is expected to add revenue of more than EUR 200 million on an annualized basis.

Helsinki, July 22, 2015

Kemira Oyj
Board of Directors

FINANCIAL CALENDAR 2015 AND 2016

Interim Report January-September 2015	October 23, 2015
Financial Statements Bulletin 2015	February 11, 2016
Interim Report January-March 2016	April 26, 2016
Interim Report January-June 2016	July 21, 2016
Interim Report January-September 2016	October 25, 2016

Kemira Capital Markets Day will be held in Espoo R&D Center, Finland on September 17, 2015.

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	4-6/2015	4-6/2014	1-6/2015	1-6/2014	2014
Revenue	**594.8**	518.2	**1,147.8**	1,048.1	2,136.7
Other operating income	**2.0**	4.9	**4.0**	48.4	55.2
Operating expenses	**-530.7**	-488.2	**-1,020.5**	-983.9	-1,939.0
Depreciation, amortization and impairment	**-31.8**	-24.9	**-59.2**	-48.3	-100.3
Operating profit (EBIT)	**34.3**	10.0	**72.1**	64.3	152.6
Finance costs, net	**-9.3**	-8.5	**-16.8**	-13.8	-30.7
Share of profit or loss of associates	**0.1**	0.0	**0.3**	0.0	0.2
Profit before tax	**25.1**	1.5	**55.6**	50.5	122.1
Income tax expense	**-5.8**	0.3	**-9.9**	-5.6	-26.3
Net profit for the period	**19.3**	1.8	**45.7**	44.9	95.8
Net profit attributable to:					
Equity owners of the parent	**17.6**	0.2	**42.6**	42.1	89.9
Non-controlling interests	**1.7**	1.6	**3.1**	2.8	5.9
Net profit for the period	**19.3**	1.8	**45.7**	44.9	95.8
Earnings per share, basic and diluted, EUR	**0.12**	0.00	**0.28**	0.28	0.59

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	2014
Net profit for the period	**19.3**	1.8	45.7	44.9	95.8
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets	**0.0**	0.0	**0.0**	0.0	50.0
Exchange differences on translating foreign operations	**-17.8**	0.0	**30.7**	-4.4	1.2
Cash flow hedges	**0.0**	4.3	**-1.2**	2.5	3.4
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements on defined benefit pensions	**0.0**	0.0	**0.0**	0.0	-26.6
Other comprehensive income for the period, net of tax	**-17.8**	4.3	**29.5**	-1.9	28.0
Total comprehensive income for the period	**1.5**	6.1	**75.2**	43.0	123.8
Total comprehensive income attributable to:					
Equity owners of the parent	**0.1**	4.5	**71.9**	40.2	118.3
Non-controlling interests	**1.4**	1.6	**3.3**	2.8	5.5
Total comprehensive income for the period	**1.5**	6.1	**75.2**	43.0	123.8

CONSOLIDATED BALANCE SHEET

	6/30/2015	12/31/2014
EUR million		
ASSETS		
Non-current assets		
Goodwill	**523.3**	485.6
Other intangible assets	**130.7**	76.3
Property, plant and equipment	**772.3**	706.2
Investments in associates	**1.2**	0.9
Available-for-sale financial assets	**293.8**	293.7
Deferred tax assets	**42.7**	33.7
Other investments	**6.9**	9.2
Defined benefit pension receivables	**7.0**	7.5
Total non-current assets	**1,777.9**	1,613.1
Current assets		
Inventories	**236.0**	197.3
Interest-bearing receivables	**0.2**	0.1
Trade and other receivables	**404.8**	343.7
Current income tax assets	**14.0**	22.4
Cash and cash equivalents	**109.3**	119.1
Total current assets	**764.3**	682.6
Total assets	**2,542.2**	2,295.7
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity owners of the parent	**1,142.2**	1,150.7
Non-controlling interests	**13.9**	12.6
Total equity	**1,156.1**	1,163.3
Non-current liabilities		
Interest-bearing liabilities	**692.4**	448.3
Other liabilities	**21.4**	21.4
Deferred tax liabilities	**60.4**	46.4
Defined benefit pension liabilities	**76.2**	73.1
Provisions	**24.6**	23.6
Total non-current liabilities	**875.0**	612.8
Current liabilities		
Interest-bearing current liabilities	**128.3**	156.9
Trade payables and other liabilities	**354.0**	327.7
Current income tax liabilities	**17.8**	17.9
Provisions	**11.0**	17.1
Total current liabilities	**511.1**	519.6
Total liabilities	**1,386.1**	1,132.4
Total equity and liabilities	**2,542.2**	2,295.7

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	4-6/2015	4-6/2014	**1-6/2015**	1-6/2014	2014
EUR million					
Cash flow from operating activities					
Net profit for the period	**19.3**	1.8	**45.7**	44.9	95.8
Total adjustments	**44.8**	24.0	**81.6**	24.5	92.8
Operating profit before change in net working capital	**64.1**	25.8	**127.3**	69.4	188.6
Change in net working capital	**-38.2**	-10.0	**-52.1**	-31.2	-19.4
Cash generated from operations	**25.9**	15.8	**75.2**	38.2	169.2
Finance expenses, net and dividends received	**-10.0**	-11.9	**-20.1**	-14.5	-61.6
Income taxes paid	**-4.2**	-6.8	**-1.0**	-13.5	-33.4
Net cash generated from operating activities	**11.7**	-2.9	**54.1**	10.2	74.2
Cash flow from investing activities					
Purchases of subsidiaries, net of cash acquired	**-115.0**	-	**-115.0**	-	0.6
Other capital expenditure	**-44.3**	-34.0	**-71.3**	-59.6	-145.7
Proceeds from sale of assets and paid in capital	**0.4**	-1.7	**0.6**	140.9	145.5
Change in long-term loan receivables decrease (+) / increase (-)	**0.0**	-0.9	**0.4**	-0.7	0.6
Net cash used in investing activities	**-158.9**	-36.6	**-185.3**	80.6	1.0
Cash flow from financing activities					
Proceeds from non-current interest-bearing liabilities (+)	**250.0**	200.0	**250.0**	200.0	245.0
Repayments from non-current interest-bearing liabilities (-)	**-62.5**	-15.5	**-62.6**	-27.6	-62.6
Short-term financing, net increase (+) / decrease (-)	**-46.5**	-21.7	**14.5**	-83.3	-152.9
Dividends paid	**-7.2**	-84.0	**-82.6**	-84.0	-86.0
Other finance items	**-0.1**	1.0	**0.1**	1.1	0.1
Net cash used in financing activities	**133.7**	79.8	**119.4**	6.2	-56.4
Net decrease (-) / increase (+) in cash and cash equivalents	**-13.5**	40.3	**-11.8**	97.0	18.8
Cash and cash equivalents at end of period	**109.3**	199.9	**109.3**	199.9	119.1
Exchange gains (+) / losses (-) on cash and cash equivalents	**-2.7**	1.2	**2.0**	0.9	-1.7
Cash and cash equivalents at beginning of period	**125.5**	158.4	**119.1**	102.0	102.0
Net decrease (-) / increase (+) in cash and cash equivalents	**-13.5**	40.3	**-11.8**	97.0	18.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
	Equity attributable to equity owners of the parent									
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	-	-	-	-	-	-	42.1	42.1	2.8	44.9
Other comprehensive income, net of tax	-	-	2.5	-	-4.4	-	-	-1.9	0.0	-1.9
Total comprehensive income	-	-	2.5	-	-4.4	-	42.1	40.2	2.8	43.0
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-80.6 *)	-80.6	-3.4	-84.0
Treasury shares issued to the Board of Directors	-	-	-	-	-	0.1	-	0.1	-	0.1
Share-based payments	-	-	-	-	-	-	0.2	0.2	-	0.2
Other changes	-	-	-	-	-	-	0.3	0.3	-	0.3
Transactions with owners	-	-	-	-	-	0.1	-80.1	-80.0	-3.4	-83.4
Equity at June 30, 2014	221.8	257.9	66.5	196.3	-44.6	-22.1	396.9	1,072.7	12.4	1,085.1

*) 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.

EUR million	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Equity at January 1, 2015	**221.8**	**257.9**	**117.4**	**196.3**	**-38.6**	**-22.1**	**418.0**	**1,150.7**	**12.6**	**1,163.3**
Net profit for the period	-	-	-	-	-	-	42.6	**42.6**	3.1	**45.7**
Other comprehensive income, net of tax	-	-	-1.1	-	30.4	-	-	**29.3**	0.2	**29.5**
Total comprehensive income	**-**	**-**	**-1.1**	**-**	**30.4**	**-**	**42.6**	**71.9**	**3.3**	**75.2**
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-80.6 *)	**-80.6**	-2.0	**-82.6**
Treasury shares issued to the Board of Directors	-	-	-	-	-	0.1	-	**0.1**	-	**0.1**
Share-based payments	-	-	-	-	-	-	0.4	**0.4**	-	**0.4**
Transfers in equity	-	-	0.1	-	-	-	-0.1	**0.0**	-	**0.0**
Other changes	-	-	-	-	-	-	-0.3	**-0.3**	-	**-0.3**
Transactions with owners	**-**	**-**	**0.1**	**-**	**-**	**0.1**	**-80.6**	**-80.4**	**-2.0**	**-82.4**
Equity at June 30, 2015	**221.8**	**257.9**	**116.4**	**196.3**	**-8.2**	**-22.0**	**380.0**	**1,142.2**	**13.9**	**1,156.1**

*) A dividend was EUR 80.6 million in total (EUR 0.53 per share) in respect of the financial year ended December 31, 2014. The annual general meeting approved EUR 0.53 dividend on March 23, 2015. The dividend record date was March 25, 2015, and the payment date April 1, 2015.

Kemira had in its possession 3,280,602 of its treasury shares on June 30, 2015. 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

	4-6/2015	4-6/2014	1-6/2015	1-6/2014	2014
Earnings per share, basic and diluted, EUR [1)]	**0.12**	0.00	**0.28**	0.28	0.59
Cash flow from operations per share, EUR [1)]	**0.07**	-0.02	**0.35**	0.07	0.49
Capital expenditure, EUR million	**159.3**	34.0	**186.3**	59.6	145.1
Capital expenditure / revenue, %	**26.8**	6.6	**16.2**	5.7	6.8
Average number of shares, basic (1,000) [1)]	**152,062**	152,048	**152,057**	152,045	152,048
Average number of shares, diluted (1,000) [1)]	**152,384**	152,186	**152,379**	152,189	152,203
Number of shares at end of period, basic (1,000) [1)]	**152,062**	152,051	**152,062**	152,051	152,051
Number of shares at end of period, diluted (1,000) [1)]	**152,384**	152,189	**152,384**	152,189	152,373
Equity per share, EUR [1)]			**7.51**	7.05	7.57
Equity ratio, %			**45.5**	48.5	50.7
Gearing, %			**61.5**	41.4	41.8
Interest-bearing net liabilities, EUR million			**711.4**	449.5	486.1
Personnel (average)			**4,425**	4,315	4,285

[1)] Number of shares outstanding, excluding the number of shares bought back.

REVENUE BY BUSINESS AREA

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	2014
Paper [2)]	**351.3**	282.0	**665.9**	562.4	1,170.0
Oil & Mining	**89.7**	97.6	**183.6**	189.6	382.2
Municipal & Industrial	**153.8**	138.6	**298.3**	276.3	564.7
ChemSolutions [2)]	**-**	-	**-**	19.8	19.8
Total	**594.8**	518.2	**1,147.8**	1,048.1	2,136.7

EBITDA BY BUSINESS AREA

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	2014
Paper [2)]	**34.4**	7.5	**69.4**	38.2	109.9
Oil & Mining	**9.5**	11.2	**20.5**	20.1	46.2
Municipal & Industrial	**22.2**	16.1	**41.4**	18.7	61.3
ChemSolutions [2)]	**-**	-	**-**	35.5	35.5
Total	**66.1**	34.8	**131.3**	112.5	252.9

OPERATING PROFIT (EBIT) BY BUSINESS AREA

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	2014
Paper [2)]	**16.2**	-5.1	**35.8**	14.3	57.6
Oil & Mining	**2.4**	6.7	**8.1**	11.2	27.7
Municipal & Industrial	**15.7**	8.4	**28.2**	3.2	31.7
ChemSolutions [2)]	**-**	-	**-**	35.6	35.6
Total	**34.3**	10.0	**72.1**	64.3	152.6

[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.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	1-6/2015	1-6/2014	2014
Book value at beginning of year	**706.2**	644.5	644.5
Acquired of subsidiaries	**21.9**	-	-
Increases	**65.5**	50.3	124.5
Decreases	**-0.4**	-1.6	-5.7
Depreciation and impairments	**-48.9**	-40.6	-84.1
Exchange rate differences and other changes	**28.0**	-1.8	27.0
Net book value at end of period	**772.3**	650.8	706.2

CHANGES IN INTANGIBLE ASSETS

EUR million	1-6/2015	1-6/2014	2014
Book value at beginning of year	**561.9**	547.2	547.2
Acquired of subsidiaries	**86.2**	-	-0.1
Increases	**5.5**	9.4	16.0
Depreciation and impairments	**-10.3**	-7.7	-16.2
Exchange rate differences and other changes	**10.7**	1.4	15.0
Net book value at end of period	**654.0**	550.3	561.9

BUSINESS COMBINATIONS

On May 4, 2015 Kemira completed the acquisition of AkzoNobel paper chemicals business. As a result of the acquisition, six AkzoNobel paper chemicals production sites and about 350 employees transferred to Kemira. The transferred production sites to Kemira are located in South Korea, Thailand, Indonesia, Australia, Spain and Italy. The acquisition strengthens Kemira's market position especially in the APAC region. It also enables efficiency improvements in global paper chemicals manufacturing network.

The consideration of EUR 129 million was paid in cash and the acquired business has been consolidated into Paper segment. The calculations under IFRS 3 related to the acquisition are ongoing and the presented values of assets, liabilities and goodwill may change when the accounting will be finalized.

The preliminary values of acquired assets and liabilities at time of acquisition were as follows:

EUR million	
Purchase consideration, paid in cash, total	129
Recognized amounts of identifiable assets acquired liabilities assumed	
Intangible assets	58
Property, plant and equipment	22
Inventories	14
Trade and other receivables	11
Cash and cash equivalents	14
Deferred tax liabilities	-4
Provisions, trade payables and other liabilities	-14
Total identifiable net assets	101
Goodwill	28
Total	129

DERIVATIVE INSTRUMENTS

EUR million	6/30/2015 Nominal value	6/30/2015 Fair value	12/31/2014 Nominal value	12/31/2014 Fair value
Currency instruments				
Forward contracts	**335.9**	**1.1**	304.7	1.5
Currency options	**0.0**	**0.0**	65.2	0.0
Bought	**0.0**	**0.0**	32.6	0.0
Sold	**0.0**	**0.0**	32.6	0.0
Interest rate instruments				
Interest rate swaps	**363.9**	**-0.1**	324.5	0.5
of which cash flow hedge	**263.9**	**-1.5**	224.5	-2.5
of which fair value hedge	**100.0**	**1.4**	100.0	3.0
Other instruments	**GWh**	**Fair value**	GWh	Fair value
Electricity forward contracts, bought	**1,567.5**	**-8.5**	1,503.6	-5.9
of which cash flow hedge	**1,567.5**	**-8.5**	1,503.6	-5.9

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

FAIR VALUE OF FINANCIAL ASSETS

EUR million	6/30/2015				12/31/2014			
Fair value hierarchy	**Level 1**	**Level 2**	**Level 3**	**Total net**	Level 1	Level 2	Level 3	Total net
Available-for-sale financial assets	**-**	**-**	**293.8**	**293.8**	-	-	293.7	293.7
Currency instruments	**-**	**3.2**	**-**	**3.2**	-	2.9	-	2.9
Interest rate instruments, hedge accounting	**-**	**1.4**	**-**	**1.4**	-	3.0	-	3.0
Trade receivables	**-**	**305.8**	**-**	**305.8**	-	265.3	-	265.3
Total	**-**	**310.4**	**293.8**	**604.2**	-	271.2	293.7	564.9

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 6/30/2015**	Total net 12/31/2014
Instrument		
Carrying value at beginning of period	**293.7**	227.0
Effect on the statement of comprehensive income	**0.0**	62.5
Increases	**0.1**	4.4
Decreases	**0.0**	-0.2
Carrying value at end of period	**293.8**	293.7

FAIR VALUE OF FINANCIAL LIABILITIES

EUR million	6/30/2015				12/31/2014			
Fair value hierarchy	Level 1	Level 2	Level 3	Total net	Level 1	Level 2	Level 3	Total net
Non-current interest-bearing liabilities	**-**	**718.6**	**-**	**718.6**	-	461.7	-	461.7
Repayments from non-current interest-bearing liabilities	**-**	**37.8**	**-**	**37.8**	-	88.1	-	88.1
Loans from financial institutions	**-**	**74.6**	**-**	**74.6**	-	63.2	-	63.2
Other liabilities	**-**	**45.3**	**-**	**45.3**	-	41.0	-	41.0
Currency instruments	**-**	**2.1**	**-**	**2.1**	-	1.4	-	1.4
Interest rate instruments	**-**	**1.5**	**-**	**1.5**	-	2.5	-	2.5
Other instruments	**-**	**8.5**	**-**	**8.5**	-	5.9	-	5.9
Trade payables	**-**	**149.0**	**-**	**149.0**	-	135.2	-	135.2
Total	**-**	**1,037.4**	**-**	**1,037.4**	-	799.0	-	799.0

CONTINGENT LIABILITIES

EUR million	6/30/2015	12/31/2014
Assets pledged		
On behalf of own commitments	**6.1**	6.0
Guarantees		
On behalf of own commitments	**51.6**	48.4
On behalf of others	**3.0**	3.3
Operating leasing liabilities		
Maturity within one year	**33.8**	31.1
Maturity after one year	**182.7**	161.8
Other obligations		
On behalf of own commitments	**1.2**	1.2
On behalf of associates	**0.5**	0.6

Major off-balance sheet investment commitments

Major amounts of contractual commitments for the acquisition of property, plant and equipment on June 30, 2015 were about EUR 22.4 million for plant investments.

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. By its decision on April 29, 2013 it decided to suspend the case and to ask a preliminary ruling on jurisdiction from the Court of Justice of the European Union which has given its ruling on May 21, 2015. 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 on jurisdiction was appealed by Kemira to the court of appeal of Amsterdam. According to the decision by the court of appeal on July 21, 2015, the municipal court of Amsterdam has jurisdiction over the case. 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 said processes. 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.

Kemira
Where water
meets chemistry ™

QUARTERLY INFORMATION

EUR million	2015 4-6	2015 1-3	2014 10-12	2014 7-9	2014 4-6	2014 1-3
Revenue						
Paper [1)]	**351.3**	314.6	307.0	300.6	282.0	280.4
Oil & Mining	**89.7**	93.9	96.7	95.9	97.6	92.0
Municipal & Industrial	**153.8**	144.5	143.4	145.0	138.6	137.7
ChemSolutions [1)]	**-**	-	-	-	-	19.8
Total	**594.8**	553.0	547.1	541.5	518.2	529.9
EBITDA						
Paper [1)]	**34.4**	35.0	37.7	34.0	7.5	30.7
Oil & Mining	**9.5**	11.0	14.4	11.7	11.2	8.9
Municipal & Industrial	**22.2**	19.2	21.1	21.5	16.1	2.6
ChemSolutions [1)]	**-**	-	-	-	-	35.5
Total	**66.1**	65.2	73.2	67.2	34.8	77.7
Operative EBITDA, excluding non-recurring items						
Paper [1)]	**41.3**	36.1	36.3	37.0	30.8	33.1
Oil & Mining	**11.4**	11.1	12.2	13.8	11.7	10.7
Municipal & Industrial	**22.0**	19.2	16.8	19.1	17.7	14.5
ChemSolutions [1)]	**-**	-	-	-	-	-0.8
Total	**74.7**	66.4	65.3	69.9	60.2	57.5
Operating profit (EBIT)						
Paper [1)]	**16.2**	19.6	22.4	20.9	-5.1	19.4
Oil & Mining	**2.4**	5.7	9.3	7.2	6.7	4.5
Municipal & Industrial	**15.7**	12.5	13.7	14.8	8.4	-5.2
ChemSolutions [1)]	**-**	-	-	-	-	35.6
Total	**34.3**	37.8	45.4	42.9	10.0	54.3
Operating profit (EBIT), excluding non-recurring items						
Paper [1)]	**23.2**	20.7	21.9	23.8	18.2	21.9
Oil & Mining	**6.0**	5.8	7.2	9.3	7.1	6.3
Municipal & Industrial	**15.6**	12.6	10.4	12.4	11.7	8.8
ChemSolutions [1)]	**-**	-	-	-	-	-0.7
Total	**44.8**	39.1	39.5	45.5	37.0	36.3

[1)] 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 unaudited consolidated interim financial statements has been prepared in accordance with IAS 34 *Interim financial reporting* . The condensed interim financial statements should be read in conjunction with the annual financial statements 2014, which have been prepared in accordance with IFRSs.

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.

- Kemira Group has adopted IFRIC 21 *Levies* . The interpretation provides guidance on when to recognize a liability for a levy imposed by a government. The application of IFRIC 21 has not had any material impact on the amounts reported on the interim financial statements.

- Other amendments to IFRSs have not had any material impact on the amounts reported on the interim financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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