Kemira Group Interim Report for January–September 2007
KEMIRA'S REVENUE UP BY 12% IN Q3

- Revenue in **July-September**: EUR 729.5 million (Q3/2006: EUR 652.6 million), up 12%.
- Operating profit: EUR 79.5 million (EUR 75.1 million), up 6%; up 12% when excluding the effect of non-recurring items.
- Earnings per share: EUR 0.43 (EUR 0.37), up 16%.
- Full-year revenue, operating profit, and earnings per share are expected to show an increase from their 2006 levels.

KEY FIGURES AND RATIOS

EUR million	7-9/2007	7-9/2006	Change %	1-9/2007	1-9/2006	Change %	1-12/2006**
REVENUE	729.5	652.6	12	2 155.8	1 853.0	16	2 522.5
EBITDA	113.0	105.6	7	285.5	262.0	9	317.2
EBITDA, %	15.5%	16.2%		13.2%	14.1%		12.6%
OPERATING PROFIT	79.5	75.1	6	186.0	172.1	8	193.7
Operating profit, %	10.9%	11.5%		8.6%	9.3%		7.7%
Operating profit, excluding non-recurring items	65.8	59.0	12	170.5	141.9	20	170.5
Financial income and expenses	-11.8	-11.6		-36.6	-24.5		-37.2
PROFIT BEFORE TAX	68.3	63.8	7	151.3	146.4	3	154.2
Profit before tax, %	9.4%	9.8%		7.0%	7.9%		6.1%
NET PROFIT	52.9	45.9	15	113.5	104.5	9	112.2
EPS, EUR	0.43	0.37	16	0.91	0.84	8	0.90
Capital employed*	2 018.6	1 832.8		2 018.9	1 832.8		1 876.6
ROCE, %*	10.3%	11.2%		10.3%	11.2%		10.2%
Cash flow after investments, excluding acquisitions	47.7	73.0		-76.2	75.5		155.0
Personnel at period-end	10 048	9 119		10 048	9 119		9 327

* 12-month rolling average
** Prior year correction included (see page 8)

REVENUE AND OPERATING PROFIT FOR JULY–SEPTEMBER

Kemira Group's revenue for July-September 2007 rose by 12% year on year, to EUR 729.5 million (Q3/2006: EUR 652.6 million). Acquisitions contributed to EUR 83.1 million of the growth in revenue while divestments decreased revenue by EUR 6.4 million. Organic growth in local currencies was 1%. The currency effect had a EUR 9 million, or 1%, negative impact on revenue.

Revenue by business area:

EUR million	7-9/2007	7-9/2006	1-9/2007	1-9/2006	1-12/2006
Kemira Pulp&Paper	253.1	261.9	768.5	729.3	993.3
Kemira Water	187.4	101.7	542.5	296.1	467.6
Kemira Specialty	109.8	112.8	323.9	339.0	456.2
Kemira Coatings	182.3	164.6	506.8	453.5	562.8
Other, including eliminations	-3.1	11.6	14.1	35.1	42.6
Total	729.5	652.6	2 155.8	1853.0	2522.5

Operating profit for July-September grew by 6%, to EUR 79.5 million. Operating profit included non–recurring income of EUR 13.7 million (EUR 75.1 million, including EUR 16.1 million in non-recurring income). Excluding the effect of non-recurring items, operating profit increased by 12%. The weakened US dollar had a negative impact on both revenue and operating profit.

Operating profit by business area:

EUR million	7-9/2007	7-9/2006	1-9/2007	1-9/2006	1-12/2006
Kemira Pulp&Paper	23.6	24.3	70.0	70.7	90.8
Kemira Water	14.9	9.0	39.8	25.0	35.3
Kemira Specialty	10.0	11.7	27.4	34.7	45.8
Kemira Coatings	38.9	39.0	79.0	73.6	72.1
Other	-7.9	-8.9	-30.1	-31.9	-50.3
Total	79.5	75.1	186.0	172.1	193.7

Non-recurring items included in operating profit:

EUR million	7-9/2007	7-9/2006	1-9/2007	1-9/2006	1-12/2006
Kemira Pulp&Paper	1.2	3.0	2.5	10.6	11.0
Kemira Water	-	-	-	0.3	-0.2
Kemira Specialty	1.3	-	1.3	2.1	3.6
Kemira Coatings	11.2	13.1	11.2	16.4	16.4
Other	-	-	0.5	0.8	-7.6
Total	13.7	16.1	15.5	30.2	23.2

Profit before tax came to EUR 68.3 million (63.8) and net profit totaled EUR 52.9 million (45.9). The Group's full-year tax rate is expected to fall to 25 per cent, which is why less tax has been recorded for the third quarter than for previous quarters.

REVENUE AND OPERATING PROFIT FOR JANUARY–SEPTEMBER

In January–September 2007, Kemira Group's revenue rose by 16% year on year, to EUR 2,155.8 million (1,853.0). This growth can be primarily attributed to acquisitions, which contributed EUR 301.7 million to revenue growth, while divestments depressed revenue by EUR 22.4 million. Organic growth in local currencies was 3%. The currency effect had a 2% negative impact on revenue.

Operating profit for January-September grew by 8%, to EUR 186.0 million (172.1). Operating profit includes non-recurring items, with their net effect on operating profit amounting to EUR +15.5 million, compared with the EUR +30.2 million reported a year ago. Excluding the effect of non-recurring items, operating profit increased by 20%. Operating profit as a percentage, excluding non-recurring items, rose to 7.9% (7.7).

RESEARCH AND DEVELOPMENT

In January-September, reported research and development expenditure totaled EUR 46.4 million (38.0) accounting for 2.2% of revenue (2.1%).

CAPITAL EXPENDITURE

Gross capital expenditure, excluding acquisitions, amounted to EUR 178.7 million (96.8) in January–September. The largest ongoing investments involve a chemical plant under construction at the site of the Botnia pulp mill in Uruguay (EUR 32.9 million), a paint factory under construction in the Stockholm area (EUR 11.7 million), the introduction of a new ERP system for the entire Group (EUR 15.9

million), and the environmental investment in Pori (EUR 11.2 million). Maintenance investments represented 26% of capital expenditure, excluding acquisitions.

In the January–September period, Group depreciation came to EUR 99.5 million (89.9).

Gross capital expenditure, including acquisitions worth EUR 47.2 million (108.1), totaled EUR 225.9 million (204.9). Cash flow from the sale of assets, including the repayment of Kemapco loans, was EUR 11.4 million negative (proceeds of 64.2). The Group's net capital expenditure totaled EUR 237.3 million.

FINANCIAL POSITION AND CASH FLOWS

In January–September, the Group reported positive cash flows of EUR 113.9 million from operating activities (108.1). The Group generated a negative net cash flow of EUR 237.3 million from investing activities, of which acquisitions accounted for an outflow of EUR -47.2 million. Kemira showed a free cash flow of EUR -123.4 million (-32.6).

On September 30, 2007, the Group's net liabilities stood at EUR 998.9 million (December 31, 2006: EUR 827.4 million), this growth being primarily due to investments and acquisitions carried out during the period.

At the period-end, interest-bearing liabilities stood at EUR 1,059.1 million. Fixed-rate loans accounted for roughly 24% of total interest-bearing net loans. The average interest rate on the Group's interest-bearing liabilities was 5.15%. The duration of the Group's interest-bearing loan portfolio on September 30, 2007, was 14 months (December 31, 2006: 16 months).

The amount of the revolving credit facility that falls due in 2012, in use on September 30, 2007, was EUR 168.8 million.

At the end of September, the equity ratio stood at 39% (December 31, 2006: 39%), while gearing was 88% (December 31, 2006: 76%).

In the January–September period, net financial expenses increased to EUR 36.6 million (24.5), due to increases in loans raised and higher market interest rates.

In October 2006, Kemira signed a credit facility enabling six Group companies to sell certain account receivables to a finance company. The related credit risk transfers to the finance company and the receivables are derecognized from the Group companies' balance sheets. The amount of outstanding sold receivables on September 30, 2007, was EUR 23 million (December 31, 2006: EUR 15.7 million).

The Group's most important exchange rate risk arises from USD denominated exports from the euro area. Approximately 70% of the exchange rate risk, equivalent annually to EUR 50 million, due to exposure to the US dollar, was hedged during the quarter. In addition, the company is exposed to a USD risk when USD denominated items are converted into euro in the financial statements. Revenue for Kemira's US-based business accounted for 20% of the Group's revenue.

HUMAN RESOURCES

The number of Group employees totaled 10,048 on September 30 (December 31, 2006: 9,327)

KEMIRA PULP&PAPER

Kemira Pulp&Paper is the world's leading supplier of pulp and paper chemicals, its extensive solutions spanning the pulp and paper industry's value chain from pulp to paper coating.

EUR million	7-9/2007	7-9/2006	Change %	1-9/2007	1-9/2006	Change %	1-12/2006
REVENUE	253.1	261.9	-3	768.5	729.3	5	993.3
EBITDA	35.7	36.2	-1	106.1	105.1	1	137.1
EBITDA, %	14.1%	13.8%		13.8%	14.4%		13.8%
OPERATING PROFIT	23.6	24.3	-3	70.0	70.7	-1	90.8
Operating profit, %	9.3%	9.3%		9.1%	9.7%		9.1%
Operating profit, excluding non-recurring items	22.4	21.3	5	67.5	60.1	12	79.8
Capital employed *	804.1	813.7		804.1	813.7		819.5
ROCE, %*	11.2%	11.2%		11.2%	11.2%		11.0%
Capital expenditure, excluding acquisitions	19.2	15.1		62.3	47.1		77.6
Cash flow after investments, excluding acquisitions	11.5	18.8		-7.3	39.9		65.1
Personnel at period-end	2 334	2 306		2 334	2 306		2 304

* 12-month rolling average

In **July–September**, Kemira Pulp&Paper reported revenue of EUR 253.1 million (261.9). This decrease in revenue was primarily due to the downtime in the pulp mills in Finland during the report period, and the raw material delivery problems experienced at the Maitland hydrogen peroxide plant, which the supplier was able to fix at the end of the period. As a result, there was no organic growth in the period. Furthermore, the exchange rate of the US dollar decreased revenue by 2%.

Operating profit for the period totaled EUR 23.6 million (24.3), including EUR 1.2 million in non-recurring income. In 2006, this item amounted to EUR 3.0 million. Operating costs during the construction of the chemical plant in Uruguay had a negative effect, because the plant was not introduced for production use during the period. The weakened US dollar had a negative effect on both revenue and operating profit. Excluding the effect of non-recurring items, operating profit totaled EUR 22.4 million (21.3). Efforts made to improve profitability raised operating profit as a percentage of revenue to 8.8% (8.1), excluding non-recurring items.

In August, Finnish Chemicals Oy, a subsidiary of the Kemira Group, received an EU Commission Statement of Objections concerning the selling of sodium chlorate, with regard to alleged antitrust activities during 1994-2000. Kemira Oyj acquired Finnish Chemicals Oy in 2005. Finnish Chemicals has given its reply to the Statement of Objections.

In **January–September**, Kemira Pulp&Paper's revenue grew by 5%, to EUR 768.5 million (729.3) Organic growth in local currencies was 3%. The currency effect had a 3% negative impact on revenue. Revenue was also lowered by the Korean hydrogen peroxide business, divested in 2006. Reported operating profit for January-September 2007 was EUR 70.0 million (70.7), including EUR 2.5 million (10.6) in non–recurring income. Boosted by efficiency-enhancing measures and the successful integration work performed after acquisitions, operating profit excluding the effect of non-recurring items rose by 12%. Excluding the effect of non-recurring items, operating profit as a percentage of revenue rose to 8.8% (8.2).

KEMIRA WATER

Kemira Water is the world's leading supplier of inorganic coagulants, and ranks third in water treatment polymers. Kemira Water offers customized water treatment and sludge treatment solutions to municipal and private water treatment plants and industry.

EUR million	7-9/2007	7-9/2006	Change %	1-9/2007	1-9/2006	Change %	1-12/2006
REVENUE	187.4	101.7	84	542.5	296.1	83	467.6
EBITDA	22.1	12.9	71	60.9	37.0	65	53.4
EBITDA, %	11.8%	12.6%		11.2%	12.5%		11.4%
OPERATING PROFIT	14.9	9.0	66	39.8	25.0	59	35.3
Operating profit, %	7.9%	8.8%		7.3%	8.4%		7.5%
Operating profit, excluding non-recurring items	14.9	9.0	65	39.8	24.7	61	35.5
Capital employed *	423.4	231.7		423.4	231.7		269.2
ROCE, %*	11.9%	14.2%		11.9%	14.2%		13.4%
Capital expenditure, excluding acquisitions	10.8	3.7		29.6	10.7		19.4
Cash flow after investments, excluding acquisitions	-6.9	5.8		-1.2	6.8		26.7
Personnel at period-end	2 245	1 501		2 245	1 501		1 846

* 12-month rolling average

In **July–September**, Kemira Water's revenue improved by 84% year on year, to EUR 187.4 million (101.7). The acquisition of Cytec, Galvatek, and Parcon in October 2006 increased revenue by a total of EUR 78.0 million. Organic growth in local currencies was 11%. The currency effect had a 3% negative impact on revenue.

During the **July-September** period, operating profit grew by 66% to EUR 14.9 million (9.0). Raw material prices developed moderately during the period.

In the beginning of October, Kemira announced it had agreed to acquire Nheel Química Ltda, Brazilia's leading water treatment chemicals company. With this acquisition Kemira, will strengthen its position in the Brazilian and Latin American water treatment market. Nheel Química's production plant is located in Rio Claro, Sao Paulo state. The plant produces the full range of coagulants, which are mainly used for the treatment of drinking water and wastewater. In 2006, Nheel Química's revenue was around EUR 24 million. This acquisition fits well with Kemira's strategy to enhance its position in the fast growing emerging markets. Anti-trust approval and the fulfillment of other terms and conditions are required to close the deal.

In the beginning of October, the Finnish city of Oulu introduced a sludge treatment solution based on Kemira's Kemicond concept. Kemicond is a patented sludge treatment solution developed by Kemira. The solution enables a considerable reduction in sludge volume, which generates significant cost savings to Kemira's customers.

In **January–September**, Kemira Water reported year-on-year revenue growth of 83%, to EUR 542.5 million (296.1). Organic growth in the January-September period in local currencies was 7%. The currency effect had a 3% negative impact on revenue. Operating profit grew by 59%, to EUR 39.8 million (25.0). Operating profit as a percentage of revenue fell from 8.4% to 7.3%, due to the lower profitability of the acquired Cytec water treatment chemicals business compared to that of Kemira's other water treatment chemicals business.

KEMIRA SPECIALTY

Kemira Specialty is the leading supplier of specialty chemicals in selected customer segments, serving customers in a wide array of industries, such as the cosmetics, printing ink, food, feed and detergent industries, through its customer-driven solutions.

EUR million	7-9/2007	7-9/2006	Change %	1-9/2007	1-9/2006	Change %	1-12/2006
REVENUE	109.8	112.8	-3	323.9	339.0	-4	456.2
EBITDA	17.9	19.6	-9	50.9	58.0	-12	77.0
EBITDA, %	16.3%	17.4%		15.7%	17.1%		16.9%
OPERATING PROFIT	10.0	11.7	-15	27.4	34.7	-21	45.8
Operating profit, %	9.1%	10.4%		8.5%	10.2%		10.0%
Operating profit, excluding non-recurring items	8.7	11.7	-26	26.1	32.6	-20	42.2
Capital employed *	439.6	457.1		439.6	457.1		451.6
ROCE, %*	8.8%	11.1%		8.8%	11.1%		10.1%
Capital expenditure, excluding acquisitions	11.0	9.3		35.6	19.6		30.8
Cash flow after investments, excluding acquisitions	12.4	6.0		-12.0	26.0		53.6
Personnel at period-end	1 039	1 042		1 039	1 042		1 011

* 12-month rolling average

In **July–September**, Kemira Specialty’s revenue totaled EUR 109.8 million (112.8). Competition in the titanium dioxide market remained fierce and the average sales price for titanium dioxide was clearly lower than in the previous year. Due to development of the US housing market, American companies have increased the export of titanium dioxide to Europe, which has increased the price competition. In addition, the development of the US dollar has further improved the competitive position of American companies in Europe. Downtime in the production of formic acid due to the expansion of the production line reduced the formic acid sales volume. Due to the decrease in sales prices and sales volumes, organic growth in the period was negative. Furthermore, the currency effect had a 1% negative impact on revenue.

Operating profit in **July-September** came to EUR 10.0 million (11.7), including EUR 1.3 million in non-recurring income, chiefly due to lower titanium dioxide sales prices and the weak US dollar.

In August, Kemira announced that it had concluded the evaluation of ownership alternatives for its business unit Pigments. Based on the evaluation, Kemira will remain the owner of Pigments and continue to run it as part of the Kemira Specialty business area along with the ChemSolutions and Chemidet businesses. The ChemSolutions business unit was not integrated into Kemira Pulp&Paper as stated earlier, but will continue in the Kemira Specialty business area. The preliminary outcome of the evaluation process showed that the market value of the Pigments business unit in the current business and financial environment did not correspond to the expected future value of the business. A decision was therefore taken to halt the evaluation process and concentrate on improving the profitability and cash flow of Pigments. The process to assess different ownership alternatives continues for the Chemidet business unit.

In the beginning of October, Kemira’s subsidiary Kemira Pigments Oy announced it had initiated negotiations under the Act on Codetermination within Undertakings with its personnel. The company is pursuing annual savings of around EUR 4.5 million. The objective is to generate these savings through structural reorganization and operational efficiency enhancement. To generate the targeted savings, the company may need to reduce its personnel by 70 employees. The Pori facility currently employs approximately 650 personnel.

In **January–September**, Kemira Specialty's revenue fell to EUR 323.9 million (339.0). Operating profit was EUR 27.4 million (34.7), including EUR 1.3 million (2.1) in non–recurring income.

KEMIRA COATINGS

Kemira Coatings is the leading supplier of paints in Northern and Eastern Europe, providing consumers and professionals with branded products. Its products consist of decorative paints and coatings for the woodworking and metal industries.

EUR million	7-9/2007	7-9/2006	Change %	1-9/2007	1-9/2006	Change %	1-12/2006
REVENUE	182.3	164.6	11	506.8	453.5	12	562.8
EBITDA	43.1	43.2	0	91.6	86.0	7	88.9
EBITDA, %	23.6%	26.2%		18.1%	19.0%		15.8%
OPERATING PROFIT	38.9	39.0	0	79.0	73.6	7	72.1
Operating profit, %	21.3%	23.7%		15.6%	16.2%		12.8%
Operating profit, excluding non-recurring items	27.7	25.9	7	67.8	57.2	19	55.7
Capital employed *	306.5	303.3		306.5	303.3		310.5
ROCE, %*	25.8%	26.9%		25.8%	26.9%		23.7%
Capital expenditure, excluding acquisitions	10.7	4.9		32.9	12.2		22.5
Cash flow after investments, excluding acquisitions	58.0	67.8		34.1	51.6		71.2
Personnel at period-end	3 889	3 587		3 889	3 587		3 494

* 12-month rolling average

In **July–September**, Kemira Coatings increased its revenue by 11% to EUR 182.3 million (164.6). Sales development was favorable in all market areas, particularly in Russia and other CIS countries. Organic growth was 8%. Revenue was further boosted by the acquisition of two Russian industrial coatings companies completed in April 2007, and the launch of operations of the Beijing-based sales company in June.

Operating profit for **July-September** 2007 was EUR 38.9 million (39.0), including EUR 11.2 million (13.1) in non–recurring income. Excluding the effect of non-recurring items, operating profit increased by 7% year on year.

In August, Kemira announced that it was pursuing its strategy and strengthening its position in the Russian coatings markets. Kemira Coatings (Tikkurila) decided to build a logistics and customer service center in Moscow, in order to be able to respond to the challenges presented by powerful growth and demand. The value of the investment is approximately EUR 20 million. The center will be built in Mytish, Moscow, and its opening is scheduled for the summer of 2008. Kemira Coatings has been exporting paints and coatings to Russia for decades under the Tikkurila brand name. The company also has local production in the country, totaling six paint factories. These products are sold under brands such as Finncolor and Teks. The objective of the new logistics and customer service center is to bring about a considerable improvement in Tikkurila's customer services in the rapidly growing market in the Moscow area. The center will also include facilities for comprehensive customer training, which is an essential part of Kemira Coatings' marketing.

In August, Alcro-Beckers AB, part of Kemira's paints and coatings business, announced its intention to sell its 50% stake in the Swedish filler producer, Scanspac, to Gyproc AB, part of Saint-Gobain. Scanspac's revenue in 2006 totaled approximately SEK 241 million (EUR 26 million). Scanspac is the leading filler producer in the Nordic area with production units in Glanshammar and Sala in Sweden. Since Alcro-Beckers AB focuses on paint manufacturing, this divestment supports the unit's strategy. The divestment was completed at the end of September.

Alcro-Beckers AB, part of the Kemira Coatings business, is building a new paint factory in Nykvarn, south of Stockholm, in connection with the company's logistics center. Production in the new factory will be launched during the remainder of the year. Alcro-Beckers has been manufacturing paint in the Lövholmen area in central Stockholm since 1902. It sold its production facility in Stockholm city center last year and will relocate its production operations to Nykvarn in early 2008.

In **January–September**, Kemira Coatings' revenue went up by 12%, to EUR 506.8 million (453.5), with organic growth at 9%. Operating profit rose by 7% to EUR 79.0 million (73.6), including EUR 11.2 million (16.4) in non–recurring income. Excluding the effect of non-recurring items, operating profit increased by 19%. Operating profit as a percentage of revenue increased from 12.6 to 13.4%, excluding non-recurring items. The increase in operating profit was due to favorable sales performance and efficient cost management.

OTHER OPERATIONS

Other operations include corporate expenses not charged to the business areas, such as some research and development costs and the costs of the Kemira Corporate Center. During the current year, the Group is particularly investing in harmonizing and enhancing its purchasing and logistics processes, and the ERP system and IT services. Development programs and investments of several million euro are aimed at generating cost savings in the forthcoming years as well as increasing agility and flexibility in order to respond to changes in the business environment.

Other operations also include the water-soluble fertilizers unit, which is not part of Kemira's core business operations. In February, Kemira sold its shareholding (50%) in Kemira Arab Potash Company Ltd (Kemapco), part of Water Soluble, to Arab Potash Company Ltd (APC). Kemira will continue selling potassium nitrate, produced by the Jordanian plant, for a one-year transition period.

During the first quarter of the current year, an error was detected and reported in the calculation of the provision recognized in 2006 due to the closure of the Water Soluble unit. This prior year's error was corrected retrospectively in the last quarter figures of 2006 in accordance with IAS 8. The provision was increased by EUR 8 million, decreasing the result for the last quarter by the same amount. The financial statement section in this interim report provides more detailed information on the correction of this error.

KEMIRA OYJ SHARES AND SHAREHOLDERS

During January–September, Kemira Oyj shares registered a high of EUR 19.20 and a low of EUR 15.22, the share price averaging EUR 16.96. On September 30, the company's market capitalization, excluding treasury shares, totaled EUR 1,985 million.

On September 30, 2007, the company's share capital totaled EUR 221.8 million and the number of registered shares 125,045,000.

On August 29, 2007, the State of Finland sold 40,097,420 Kemira Oyj shares to Finnish investors. The sold shares represented 32.1 per cent of Kemira Oyj shares. As a result of this transaction, the State of Finland's shareholding and voting rights fell to 16.52 per cent. In its press release, the State of Finland announced that the shares sold were divided between buyers as follows:

- Oras Invest Oy 15.6 per cent
- Jari, Jukka and Pekka Paasikivi 1.5 per cent (0.5 per cent each)
- Varma Mutual Pension Insurance Company 8.00 per cent
- Ilmarinen Mutual Pension Insurance Company 3.60 per cent
- Suomi Mutual Life Assurance Company 1.92 per cent
- Sampo Life 1.45 per cent.

After the transaction, Kemira issued a notification under chapter 2, section 10 of the Finnish Securities Market Act on a change of ownership. The following owners notified Kemira of a change of ownership on August 29, 2007:

- Oras Invest Oy's holding in Kemira Oyj increased to 15.60 per cent
- The State of Finland's holding in Kemira Oyj decreased to 16.52 per cent
- Varma Mutual Pension Insurance Company's holding in Kemira Oyj increased to 9.71 per cent
- Ilmarinen Mutual Pension Insurance Company's holding in Kemira Oyj increased to 5.32 per cent

After the transaction, Kemira's main shareholder is Oras Invest Oy and its owners, members of the Paasikivi family.

Kemira holds 3,852,323 treasury shares, accounting for 3.1% of outstanding company shares and voting rights.

EXTRAORDINARY GENERAL MEETING

The extraordinary general meeting of Kemira Oyj was held on October 4, 2007. The EGM elected members of the Board of Directors, the number of whom remained at seven. Honorary Mining Counsellor Pekka Paasikivi was elected as the Chairman and new member of the Board of Directors, and CFO Juha Laaksonen was elected as a new member of the Board of Directors. The current members Elizabeth Armstrong, Eija Malmivirta, Ove Mattsson, Kaija Pehu-Lehtonen and Markku Tapio will continue as members of the Board of Directors until the end of their current term.

The EGM decided to dissolve the Supervisory Board and to amend the Articles of Association as follows:

1. Articles 5 and 8 of the Articles of Association regarding Supervisory Board were deleted; and
2. Articles 4, 7 and 18, items 3 and 7-10 of the Articles of Association were amended so that references to the Supervisory Board and its Chairman, Vice Chairmen and members were deleted.

At its constitutive meeting, the Board of Directors of Kemira Oyj elected members from among the Board for the Audit Committee and the Nomination and Compensation Committee.

The Board's Audit Committee members are Juha Laaksonen, Eija Malmivirta and Kaija Pehu-Lehtonen. The Audit Committee is chaired by Juha Laaksonen.

The Board's Nomination and Compensation Committee members are Pekka Paasikivi, Ove Mattsson and Markku Tapio. The Committee is chaired by Pekka Paasikivi.

APPOINTMENT IN KEMIRA MANAGEMENT

In October, Kemira Group's Board of Directors appointed Harri Kerminen, M.Sc. (Eng.), MBA, 56, as the new CEO of Kemira Group as of January 1, 2008. Mr Kerminen is currently President of Pulp&Paper, Kemira's largest business area.

With effect from the same date, Kemira's current President and CEO, Lasse Kurkilahti will become Senior Adviser to the Board of Kemira Group. Mr. Kurkilahti will remain as Senior Adviser for the first quarter of 2008, after which his contract as President and CEO will come to an end in line with a prior agreement.

Harri Kerminen has held his current position as President of Kemira Pulp&Paper since 2006. Prior to that, he was responsible for the Kemira Specialty business. In his earlier career with Kemira, he has acted as e.g. Vice President HR of Kemira Chemicals Oy, Manager of the Kemira Oulu plants as well as working on various challenging production site projects both in Finland and abroad.

OUTLOOK

Full-year revenue, operating profit and earnings per share for 2007 are expected to increase from their 2006 levels. Raw material and energy prices, as well as transportation costs, are projected to behave more moderately than in 2006 although the prices of some oil-based raw materials and of energy appear to be on the rise.

Operational risks were presented in the Annual Report and no significant changes have occurred.

Since the production-capacity utilization rates of **Kemira Pulp&Paper's** customers are expected to be high, the business area's revenue and operating profit are anticipated to grow from the previous year's levels. Kemira has successfully integrated companies acquired in 2006 as part of the Group's global pulp and paper chemicals operations, and their favorable contribution to profit performance will be reflected in the growing Far Eastern and South American markets. A chemical plant under construction at the site of a pulp mill in Uruguay will be phased in as the customer's pulp production begins.

Kemira Water is expected to increase its revenue and operating profit from 2006 levels, due in particular to the previous acquisitions, and demand for its water treatment chemicals is anticipated to remain at a good level. During 2007, Kemira Water will focus on the integration of acquirees in particular and on the development of new products.

Kemira Specialty's revenue and operating profit are anticipated to remain lower than their 2006 levels. Competition is expected to remain tough in the titanium dioxide market. The sales forecast for the remainder of the year is based on stable volumes versus 2006, but with a continuing negative impact on sales revenue from currency and USD based European imports. The business area's sales of organic acids and acid derivatives are anticipated to continue favorably in most areas. Sales revenue from sodium percarbonate, used in detergents, is forecast to be slightly lower than the prior year, with stable volumes and slightly lower prices. The evaluation process for various ownership alternatives for Chemidet is expected to conclude during 2007.

Kemira Coatings is expected to generate higher revenue due to demand remaining at a good level in all market areas, with the strongest growth anticipated in Russia and other CIS countries. Operating profit for 2007 is expected to grow year on year spurred by favorable developments in sales and the restructuring undertaken in recent years.

Helsinki, October 31, 2007

Board of Directors

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.

For further information, please contact:

Kemira Oyj
Timo Leppä, Executive Vice President, Group Communications
Tel. +358 10 862 1700

Kemira Oyj
Andreas Langhoff, Investor Relations Manager
Tel. +358 10 862 1140

Kemira will hold a press conference on its January-September 2007 results for the media and analysts at its head office (Porkkalankatu 3) today, starting at 10.30 a.m. A conference call in English will be held at 1:00 p.m. We kindly request that participants call us around 10 minutes before the conference begins, on +44 (0)20 7162 0025.

Kemira is a chemicals group made up of four business areas: Kemira Pulp&Paper, Kemira Water, Kemira Specialty and Kemira Coatings. Kemira is a global group of leading chemical businesses with a unique competitive position and a high degree of mutual synergy.

In 2006, Kemira recorded revenue of around EUR 2.5 billion and had a payroll of 9,000 employees. The company operates in 40 countries.