Kemira

Where water meets chemistry™

Interim Report January-September 2016

PROFITABILITY IMPROVEMENT CONTINUED, OPERATIVE EBITDA OUTLOOK CONFIRMED, REVENUE OUTLOOK REDUCED

Third quarter

- Revenue decreased 5% to EUR 596.3 million (625.1) due to lower sales prices and continued challenging market impacting Oil & Mining compared to prior year. Revenue in local currencies, excluding acquisitions and divestments, decreased 4%.
- Operative EBITDA increased 3% to EUR 80.8 million (78.2) driven by improved gross margin and lower fixed costs. Operative EBITDA margin improved to 13.6% (12.5%).
- Earnings per share were EUR 0.16 (0.17).

January-September

- Revenue remained at approximately prior year level and was EUR 1,766.8 million (1,772.9) as decline in sales prices and challenging market in Oil & Mining offset the growth from acquisitions and increased sales volumes. Revenue in local currencies, excluding acquisitions and divestments, decreased 2% as volume growth was not able to offset declining sales prices.
- Operative EBITDA increased 6% to EUR 232.5 million (219.3) as a result of improved gross margin and sales volume growth. Operative EBITDA margin improved to 13.2% (12.4%).
- Earnings per share increased 9% to EUR 0.49 (0.45).
- Outlook (changed): Kemira expects its revenue to be at approximately prior year level (previously: “to increase”) and operative EBITDA to increase in 2016 compared to 2015.

Kemira’s President and CEO Jari Rosendal:

“We continued to improve our operative EBITDA in Q3 while organic revenue growth in today’s market situation is a challenge. Group’s operative EBITDA margin improved to 13.6%, partly helped by normal seasonality. Our organic growth was negative due to lower sales prices and decline in Oil & Mining market. We also experience a currency exchange headwinds. As a sum of these elements, we now expect the full-year revenue to be at approximately prior year level. There is no change to the profitability outlook, operative EBITDA is expected to increase in 2016.

Pulp & Paper continued its strong improvement in profitability. Operative EBITDA margin improved to 14.2% from 12.3%. Revenue development was below expectations due to lower sales prices leading to a 4% decline in revenue in local currencies, excluding acquisitions and divestments.

In Oil & Mining, the market situation in shale oil & gas has improved somewhat as the segment’s volume growth was 11% compared to the second quarter of 2016 while prices remain under pressure. However, the profitability improvement comes with a lag as the market remains competitive and estimated growth in Chemical Enhanced Oil Recovery has a dilutive impact on the margin during the ramp-up phase.

Municipal & Industrial also was impacted by lower sales prices but operative EBITDA margin reached again more than 16%. This is an excellent level, partly supported by normal seasonality.

I am satisfied with the continued profitability improvement. We have again taken another step towards reaching our mid- to long-term target of 14-16% for operative EBITDA.”

KEY FIGURES AND RATIOS

EUR million	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Revenue	**596.3**	625.1	**1,766.8**	1,772.9	2,373.1
Operative EBITDA	**80.8**	78.2	**232.5**	219.3	287.3
Operative EBITDA, %	**13.6**	12.5	**13.2**	12.4	12.1
EBITDA	**78.3**	74.8	**218.7**	206.1	263.8
EBITDA, %	**13.1**	12.0	**12.4**	11.6	11.1
Operative EBIT	**46.5**	46.1	**134.0**	130.0	163.1
Operative EBIT, %	**7.8**	7.4	**7.6**	7.3	6.9
EBIT	**43.7**	42.7	**117.8**	114.8	132.6
EBIT, %	**7.3**	6.8	**6.7**	6.5	5.6
Finance costs, net	**-6.9**	-8.2	**-13.2**	-25.0	-30.8
Profit before taxes	**36.8**	34.5	**104.7**	90.1	102.1
Net profit for the period	**27.3**	27.1	**79.7**	72.8	77.2
Earnings per share, EUR	**0.16**	0.17	**0.49**	0.45	0.47
Capital employed*	**1,711.5**	1,601.6	**1,711.5**	1,601.6	1,659.5
Operative ROCE*	**9.8**	10.6	**9.8**	10.6	9.8
ROCE*, %	**7.9**	10.0	**7.9**	10.0	8.0
Cash flow from operating activities	**85.0**	80.9	**168.2**	135.0	247.6
Capital expenditure excl. acquisition	**48.5**	49.1	**123.2**	120.4	181.7
Capital expenditure	**48.5**	55.5	**121.3**	241.8	305.1
Cash flow after investing activities	**36.9**	27.6	**84.4**	-103.6	-53.8
Equity ratio, % at period-end	**45**	46	**45**	46	46
Equity per share, EUR	**7.48**	7.55	**7.48**	7.55	7.76
Gearing, % at period-end	**58**	59	**58**	59	54
Personnel at period-end	**4,843**	4,692	**4,843**	4,692	4,685

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

Kemira provides certain financial performance measures (alternative performance measures) on non-GAAP basis. Kemira believes that alternative performance measures, like operative EBITDA and operative EBIT, followed by Kemira management, provide useful and more comparable information of its operative business performance.

Kemira's alternative performance measures should not be viewed in isolation to the equivalent IFRS measures and alternative performance measures should be read in conjunction with the most directly comparable IFRS measures. Definitions of the alternative performance measures can be found in the Definitions of the key figures in this report, as well as at www.kemira.com >Investors > Financial information.

FINANCIAL PERFORMANCE IN Q3 2016

Revenue decreased 5% to EUR 596.3 million (625.1) due to lower sales prices. Revenue in local currencies, excluding acquisitions and divestments, decreased 4%.

Revenue, EUR million	**Jul-Sep 2016**	Jul-Sep 2015	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	**365.2**	379.1	-4	-4	0	0
Oil & Mining	**79.6**	90.1	-12	-12	-1	0
Municipal & Industrial	**151.5**	155.9	-3	-2	-1	0
Total	**596.3**	625.1	-5	-4	-1	0

* Revenue growth in local currencies, excluding acquisitions and divestments

Operative EBITDA increased 3% to EUR 80.8 million (78.2) driven by improved gross margin and lower fixed costs. Operative EBITDA margin improved to 13.6% (12.5%).

Variance analysis, EUR million	**Jul-Sep**
Operative EBITDA, 2015	**78.2**
Sales volumes	+0.4
Sales prices	-25.8
Variable costs	+22.7
Fixed costs	+1.8
Currency exchange	+0.3
Others	+3.2
Operative EBITDA, 2016	**80.8**

Operative EBITDA	**Jul-Sep 2016 EUR, million**	Jul-Sep 2015 EUR, million	Δ%	**Jul-Sep 2016 %-margin**	Jul-Sep 2015 %-margin
Pulp & Paper	**51.8**	46.7	+11	**14.2**	12.3
Oil & Mining	**4.2**	7.4	-43	**5.3**	8.2
Municipal & Industrial	**24.8**	24.1	+3	**16.4**	15.5
Total	**80.8**	78.2	+3	**13.6**	12.5

EBITDA increased 5% to EUR 78.3 million (74.8). **Items affecting comparability in EBITDA** were EUR -2.5 million (-3.4) and partly resulted from the integration costs of acquisitions as well as restructuring costs related to the manufacturing plants.

Depreciation, amortization and impairments increased to EUR 34.6 million (32.1) due to increased investments including EUR 4.6 million (3.7) amortization of purchase price allocation. **Items affecting comparability within depreciation, amortization and impairments** were EUR -0.3 million (0.0).

Items affecting comparability, EUR million	Jul-Sep 2016	Jul-Sep 2015
Within EBITDA	**-2.5**	-3.4
Pulp & Paper	-1.3	-1.8
Oil & Mining	-0.6	-0.4
Municipal & Industrial	-0.6	-1.2
Within depreciation, amortization and impairments	**-0.3**	0.0
Pulp & Paper	-0.2	0.0
Oil & Mining	-0.1	0.0
Municipal & Industrial	0.0	0.0
Total items affecting comparability in EBIT	**-2.8**	-3.4

Operative EBIT increased 1% to EUR 46.5 million (46.1) driven by improved gross margin. **Operative EBIT margin** was 7.8% (7.4%). **EBIT** increased 2% to EUR 43.7 million (42.7) with a margin of 7.3% (6.8%).

Finance costs, net totaled EUR -6.9 million (-8.2). Currency exchange differences were EUR -0.5 million (0.5).

Income taxes increased to EUR -9.5 million (-7.4) as a result of higher profit before taxes and country mix.

Net profit attributable to equity owners of the parent company was EUR 25.6 million (25.5) and earnings per share were EUR 0.16 (0.17).

FINANCIAL PERFORMANCE IN JANUARY-SEPTEMBER 2016

Revenue remained at approximately prior year level and was EUR 1,766.8 million (1,772.9) as the growth from acquisitions offset the decline in sales prices, while sales volumes grew. Revenue in local currencies, excluding acquisitions and divestments, decreased 2% as the volume growth was not able to offset the declining sales prices.

Revenue, EUR million	**Jan-Sep 2016**	Jan-Sep 2015	**∆%**	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	**1,088.7**	1,045.0	+4	0	-1	+5
Oil & Mining	**227.8**	273.7	-17	-16	-1	0
Municipal & Industrial	**450.3**	454.2	-1	+1	-1	0
Total	**1,766.8**	1,772.9	0	-2	-1	+3

* Revenue in local currencies, excluding acquisitions and divestments

Operative EBITDA increased 6% to EUR 232.5 million (219.3) as a result of improved gross margin and sales volume growth. Operative EBITDA margin improved to 13.2% (12.4%).

Variance analysis, EUR million	**Jan-Sep**
Operative EBITDA, 2015	**219.3**
Sales volumes	+7.1
Sales prices	-53.1
Variable costs	+63.4
Fixed costs	-6.5
Currency exchange	-3.7
Others	+6.0
Operative EBITDA, 2016	**232.5**

Operative EBITDA	**Jan-Sep 2016 EUR, million**	Jan-Sep 2015 EUR, million	**∆%**	**Jan-Sep 2016 %-margin**	Jan-Sep 2015 %-margin
Pulp & Paper	**149.0**	124.1	+20	**13.7**	11.9
Oil & Mining	**15.2**	29.9	-49	**6.7**	10.9
Municipal & Industrial	**68.3**	65.3	+5	**15.2**	14.4
Total	**232.5**	219.3	+6	**13.2**	12.4

EBITDA increased 6% to EUR 218.7 million (206.1). **Items affecting comparability in EBITDA** were EUR -13.8 million (-13.2) and resulted mainly from integration costs of acquisitions, as well as restructuring costs related to manufacturing plants.

Depreciation, amortization and impairments increased to EUR 100.9 million (91.3) due to increased investments including EUR 13.7 million (8.8) amortization of purchase price allocation. **Items affecting comparability within depreciation, amortization and impairments** were EUR -2.4 million (-2.0) and were mostly related to write-downs due to restructuring of manufacturing plants.

Items affecting comparability, EUR million	**Jan-Sep 2016**	Jan-Sep 2015
Within EBITDA	**-13.8**	-13.2
Pulp & Paper	-5.6	-9.8
Oil & Mining	-5.9	-2.4
Municipal & Industrial	-2.3	-1.0
Within depreciation, amortization and impairments	**-2.4**	-2.0
Pulp & Paper	-0.2	-0.1
Oil & Mining	-1.5	-1.7
Municipal & Industrial	-0.7	-0.2
Total items affecting comparability in EBIT	**-16.2**	-15.2

Operative EBIT increased 3% to EUR 134.0 million (130.0). **Operative EBIT margin** improved to 7.6% (7.3%). **EBIT** increased 3% to EUR 117.8 million (114.8) with a margin of 6.7% (6.5%).

Finance costs, net totaled EUR million -13.2 (-25.0) including a EUR 5 million capital gain from the sale of electricity production assets (Pohjolan Voima Oy) recognized in the second quarter of 2016. Changes in fair values of electricity derivatives were EUR 2.2 million (-0.4). The currency exchange differences had EUR -1.5 million (-3.0) impact.

Income taxes increased to EUR -25.0 million (-17.3) as a result of higher profit before taxes. The comparison period included some returns from previous years.

Net profit attributable to equity owners of the parent company increased 10% to EUR 75.1 million (68.1) and earnings per share increased 9% to EUR 0.49 (0.45).

FINANCIAL POSITION AND CASH FLOW

Cash flow from the operating activities in January-September 2016 increased to EUR 168.2 million (135.0) due to improved profitability and change in working capital. Cash flow after investing activities increased to EUR 84.4 million (-103.6) supported by the sale of electricity production assets (Pohjolan Voima Oy). In the previous year, the acquisition of AkzoNobel paper chemical business had a material impact on the figures.

At the end of the period, interest-bearing liabilities totaled EUR 828 million (794 on December 31, 2015). Group's interest-bearing net liabilities were EUR 666 million (642). Fixed-rate loans accounted for 70% (80%) of the net interest-bearing liabilities. The average interest rate of the Group's interest-bearing liabilities was 2.0% (2.0%). The duration of the Group's interest-bearing loan portfolio was 26 months (31).

Short-term liabilities maturing in the next 12 months amounted to EUR 171 million, the short-term part of the long-term loans represented EUR 74 million. On September 30, 2016, cash and cash equivalents totaled EUR 162 million. The Group has an undrawn EUR 400 million revolving credit facility.
At the end of the period, the equity ratio was 45% (46% on December 31, 2015), while gearing was 58% (54%). Shareholders' equity was EUR 1,151.3 million (1,193.2).

CAPITAL EXPENDITURE

In January-September 2016, capital expenditure decreased to EUR 121.3 million (241.8) including the impact of acquisitions. Capital expenditure, excluding the impact of acquisitions, increased to EUR 123.2 million (120.4) and can be broken down as follows: expansion capex 44% (47%), improvement capex 30% (30%), and maintenance capex 26% (23%). The new sodium chlorate plant in Brazil was the single largest investment within the expansion capex.

RESEARCH AND DEVELOPMENT

In January-September 2016, Research and Development expenses totaled EUR 23.7 million (23.8), representing 1.3% (1.3%) of the Group's revenue.

HUMAN RESOURCES

At the end of the period, Kemira Group had 4,843 employees (December 31, 2015: 4,685). Kemira employed 804 people in Finland (785), 1,806 people elsewhere in EMEA (1,786), 1,587 in the Americas (1,578), and 646 in APAC (536).

Kemira
Where water meets chemistry™

CORPORATE RESPONSIBILITY

FOCUS AREA	KPI'S, TARGET VALUES AND STATUS

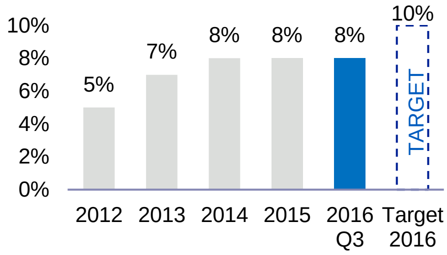
Sustainable products & solutions

Innovation sales

Share of innovation revenue of total revenue, %

→ 10% by the end of 2016

→ Reported quarterly



Behind target | In progress | Achieved

COMMENTS
The current outlook shows that due to delays in commercialization of new products in the pipeline, our 10% innovation sales target is unlikely to be reached in 2016.

Responsible supply chains

Direct supplier management

Number of onsite audits for suppliers
(with lowest sustainability assessment score)

→ 5 suppliers audited every year during 2016-2020, average

→ Reported annually

Behind target | In progress | Achieved

COMMENTS
Supplier audits continue according to plan. Reports from the first two onsite audits received and processed.

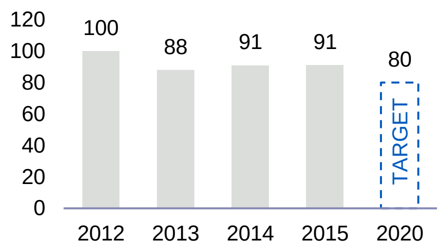
Responsible manufacturing

Climate change

Carbon index

→ Kemira Carbon Index ⩽ 80 by end of 2020 (2012 = 100)

→ Reported annually



Behind target | In progress | Achieved

COMMENTS
Äetsä and Joutseno sites successfully completed Energy Management System certification to ISO 50001 during Q3. To identify and implement the energy savings projects, E3 Energy Reviews at the production sites continue as part of our Energy Efficiency Enhancement Program (E3plus), focusing on the biggest energy consuming sites. In 2016, a total of 13 sites have been reviewed.

FOCUS AREA	KPI'S, TARGET VALUES AND STATUS

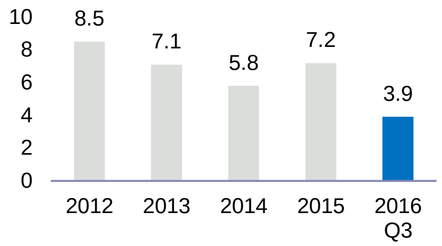
Responsibility towards the employees

Occupational Health and Safety

Number of Total Recordable Injuries (TRI)
(per million hours, Kemira + contractor, 1 year rolling average)

→ Achieve zero injuries
→ Reported quarterly

Behind target | **In progress** | Achieved



COMMENTS
The Behaviour Based Safety program continues according to plan with the first phase of management interviews and survey completed during Q3.

Employee engagement

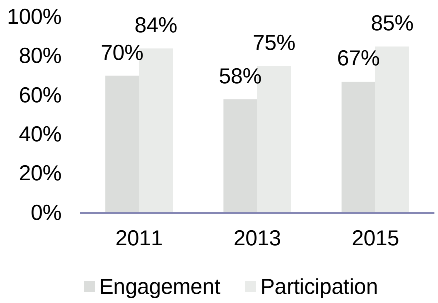
Employee engagement index based on Voices@Kemira biennial survey

→ The index at or above the external industry norm

Participation rate in Voices@Kemira

→ 75% or above
→ Reported biennaly

Behind target | In progress | **Achieved**



COMMENTS
The results of Pulse survey Q2, 2016 indicate that our positive trends are continuing with regard to overall employee engagement at Kemira.
Next biennial Voices@Kemira survey is being planned for 2017.

Leadership development

Leadership development activities provided, average

→ Two (2) leadership development activities per people manager position during 2016-2020[1]
→ Reported annually

Behind target | **In progress** | Achieved

COMMENTS
Continued good level of leadership development activities during Q3. Year-to-date we are more than 50% above the target level (355 vs target 225) using the best practice 70:20:10 model[2] for Learning and Development (including job rotations, coaching and mentoring, and development programs).

[1] Based on the current number of people manager positions, the cumulative amount of leadership development required to reach two (2) leadership development activities per people manager position during 2016-2020 equals approximately a total of 1500 leadership activities during 2016-2020 (or average 75 activities per quarter).
[2] The 70:20:10 Model for Learning and Development continues to be widely employed by organizations throughout the world. It holds that individuals obtain 70 percent of their knowledge from job-related experiences, 20 percent from interactions with others, and 10 percent from formal educational events.

SEGMENTS

PULP & PAPER

Pulp & Paper has unique expertise in applying chemicals and supporting pulp & paper producers in innovating and constantly improving 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. Pulp & Paper leverages its strong application portfolio in North America and EMEA and builds a strong position in the emerging Asian and South American markets.

EUR million	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Revenue	**365.2**	379.1	**1,088.7**	1,045.0	1,417.3
Operative EBITDA	**51.8**	46.7	**149.0**	124.1	171.0
Operative EBITDA, %	**14.2**	12.3	**13.7**	11.9	12.1
EBITDA	**50.5**	44.9	**143.4**	114.3	157.1
EBITDA, %	**13.8**	11.8	**13.2**	10.9	11.1
Operative EBIT	**30.0**	27.0	**87.1**	70.9	96.8
Operative EBIT, %	**8.2**	7.1	**8.0**	6.8	6.8
EBIT	**28.5**	25.2	**81.3**	61.0	82.6
EBIT, %	**7.8**	6.6	**7.5**	5.8	5.8
Capital employed*	**1,108.4**	1,020.2	**1,108.4**	1,020.2	1,068.6
Operative ROCE*, %	**10.2**	9.1	**10.2**	9.1	9.1
ROCE*, %	**9.3**	8.2	**9.3**	8.2	7.7
Capital expenditure excl. M&A	**28.1**	33.4	**70.6**	81.7	118.9
Capital expenditure incl. M&A	**28.1**	39.6	**68.7**	202.9	240.1
Cash flow after investing activities	**27.3**	32.2	**85.9**	-106.9	-63.2

*12-month rolling average

Third quarter

Segment's **revenue** decreased 4% to EUR 365.2 million (379.1). Revenue in local currencies, excluding acquisitions and divestments, decreased also 4% driven by lower sales prices while sales volumes remained at prior year level.

In **EMEA**, revenue decreased 3%. Revenue in local currencies, excluding acquisitions and divestments, decreased driven by lower sales prices. Demand for sodium chlorate continued on high level.

In the **Americas**, revenue decreased 1%. Revenue in local currencies, excluding acquisitions and divestments, was below prior year level. In North America, paper chemicals market continues to decline. Double-digit growth in South America continued driven by the new chlorate plant in Brazil.

In **APAC**, revenue decreased 13%. Revenue in local currencies, excluding acquisitions and divestments, decreased due to competitive pressure, especially in sizing. In addition, Chinese safety and environmental authorities are inspecting chemicals industry which impacted our production indirectly.

Operative EBITDA increased 11% to EUR 51.8 million (46.7), mainly due to improved gross margin, lower fixed costs, and higher volumes driven by product mix. Operative EBITDA margin improved to 14.2% (12.3%). **EBITDA** increased 12% to EUR 50.5 million (44.9) with a margin of 13.8% (11.8%). **Items affecting comparability** were EUR -1.3 million (-1.8).

January-September

Segment's **revenue** increased 4% to EUR 1,088.7 million (1,045.0). Revenue in local currencies, excluding divestments and acquisitions, remained at prior year level as a result of volume growth and decline in sales prices. Currency exchange rates had a -1% impact and acquisitions had an impact of +5% on revenue.

Operative EBITDA increased 20% to EUR 149.0 million (124.1) mainly due to improved gross margin, sales volume growth, and acquisitions. Currencies had a negative impact on profitability. Operative EBITDA margin improved to 13.7% (11.9%). **EBITDA** increased 25% to EUR 143.4 million (114.3) with a margin of 13.2% (10.9%). **Items affecting comparability** were EUR -5.6 million (-9.8) and were mostly related to the integration costs.

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	**Jul-Sep 2016**	Jul-Sep 2015	**Jan-Sep 2016**	Jan-Sep 2015	Jan-Dec 2015
Revenue	**79.6**	90.1	**227.8**	273.7	350.1
Operative EBITDA	**4.2**	7.4	**15.2**	29.9	33.5
Operative EBITDA, %	**5.3**	8.2	**6.7**	10.9	9.6
EBITDA	**3.6**	7.0	**9.3**	27.5	30.8
EBITDA, %	**4.5**	7.8	**4.1**	10.0	8.8
Operative EBIT	**-1.6**	1.7	**-1.9**	13.5	11.1
Operative EBIT, %	**-2.0**	1.9	**-0.8**	4.9	3.2
EBIT	**-2.3**	1.3	**-9.3**	9.4	2.9
EBIT, %	**-2.9**	1.4	**-4.1**	3.4	0.8
Capital employed*	**274.6**	265.3	**274.6**	265.3	271.4
Operative ROCE*, %	**-1.6**	7.8	**-1.6**	7.8	4.1
ROCE*, %	**-5.7**	7.1	**-5.7**	7.1	1.1
Capital expenditure excl. M&A	**10.3**	7.5	**23.4**	19.5	28.5
Capital expenditure incl. M&A	**10.3**	7.5	**23.4**	19.5	30.7
Cash flow after investing activities	**2.4**	-9.3	**-11.0**	3.5	10.7

*12-month rolling average

Third quarter

Segment's **revenue** decreased 12% to EUR 79.6 million (90.1). Currency exchange rate fluctuations had an impact of -1% on revenue. Sales volumes were almost at prior year level, while the sales prices declined. Revenue in local currencies, excluding acquisitions and divestments, decreased 12%.

In the **Americas**, revenue decreased 23%, mainly due to lower fracking activity in shale oil & gas compared to the prior year. However, the sequential development shows 9% growth as the rig count has increased since May 2016.

In **EMEA**, revenue increased 14% due to polymers delivered for Chemical Enchanced Oil Recovery in India. The revenue increase is partly related to a timing shift of these deliveries between quarters.

Operative EBITDA decreased to EUR 4.2 million (7.4) and the margin to 5.3% (8.2%) mostly due to the lower revenue driven by decline in sales prices. **EBITDA** decreased to EUR 3.6 million (7.0) with a margin of 4.5% (7.8%). **Items affecting comparability** were EUR -0.6 million (-0.4).

January-September

Segment's **revenue** decreased 17% to EUR 227.8 million (273.7). Revenue in local currencies, excluding acquisitions and divestments, decreased 16% mainly as a result of lower sales volumes and prices in the U.S. shale fracking activity. Currency exchange rates had an impact of -1%.

Operative EBITDA decreased 49% to EUR 15.2 million (29.9) as a result of the lower revenue. Operative EBITDA margin was 6.7% (10.9%). **EBITDA** decreased 66% to EUR 9.3 million (27.5) with a margin of 4.1% (10.0%). **Items affecting comparability** were EUR -5.9 million (-2.4) and were mainly related to the restructuring of the manufacturing plant in Botlek, Netherlands. In the previous year, the items affecting comparability included the closure of a manufacturing plant in Longview, WA, United States.

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	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Revenue	151.5	155.9	450.3	454.2	605.7
Operative EBITDA	24.8	24.1	68.3	65.3	82.8
Operative EBITDA, %	16.4	15.5	15.2	14.4	13.7
EBITDA	24.2	22.9	66.0	64.3	75.9
EBITDA, %	16.0	14.7	14.7	14.2	12.5
Operative EBIT	18.1	17.4	48.8	45.6	55.2
Operative EBIT, %	11.9	11.2	10.8	10.0	9.1
EBIT	17.5	16.2	45.8	44.4	47.1
EBIT, %	11.6	10.4	10.2	9.8	7.8
Capital employed*	327.4	317.0	327.4	317.0	320.2
Operative ROCE*, %	17.8	17.6	17.8	17.6	17.2
ROCE*, %	14.8	18.3	14.8	18.3	14.7
Capital expenditure excl. M&A	10.0	8.4	29.2	19.4	34.2
Capital expenditure incl. M&A	10.0	8.4	29.2	19.4	34.2
Cash flow after investing activities	19.9	14.0	39.9	30.2	38.2

*12-month rolling average

Third quarter

Segment's **revenue** decreased 3% and totaled EUR 151.5 million (155.9). Revenue in local currencies, excluding acquisitions and divestments, decreased 2% as decline in sales prices was not offset by the sales volume growth. Currency exchange rate fluctuations had an impact of -1%.

In **EMEA**, revenue decreased 3% due to negative currency effect and lower sales prices, while sales volumes were above prior year level. Both the sales volumes and prices of coagulants, the largest product group, increased in the third quarter.

In the **Americas**, revenue decline was 1%. Currency exchange rates had a minor negative impact. Revenue in local currencies was below prior year level driven by lower sales prices.

In **APAC**, revenue decreased 9% mainly due to a slowdown of our industrial customers' demand in China. In other countries, organic growth continued at double-digit growth rate.

Operative EBITDA increased 3% to EUR 24.8 million (24.1) with a margin of 16.4% (15.5%). Profitability improvement resulted mainly from improved gross margin. **EBITDA** increased 6% to EUR 24.2 million (22.9) with a margin of 16.0% (14.7%). **Items affecting comparability** were EUR -0.6 million (-1.2).

January-September

Segment's **revenue** decreased 1% and was EUR 450.3 million (454.2). Revenue in local currencies increased by 1% due to higher sales volumes. Currency exchange rates had an impact of -1%.

Operative EBITDA increased 5% to EUR 68.3 million (65.3) mostly as a result of improved gross margin and higher sales volumes. Operative EBITDA margin improved to 15.2% (14.4%). **EBITDA** increased 3% to EUR 66.0 million (64.3) with a margin of 14.7% (14.2%). **Items affecting comparability** were EUR -2.3 million (-1.0) and were mainly related to the closure of a manufacturing plant in Ottawa, Canada.

KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On September 30, 2016, 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 September, Kemira Oyj had 31,574 registered shareholders (32,601 on December 31, 2015). Non-Finnish shareholders held 25.0% of the shares (21.4%) including nominee registered holdings. Households owned 15.5% of the shares (16.1%). Kemira held 2,975,327 treasury shares (3,280,602) representing 1.9% (2.1%) of all company shares.

Kemira Oyj's share price increased 13% during January-September and closed at EUR 12.05 on the Nasdaq Helsinki at the end of September 2016 (10.88 at the end of December 2015). Shares registered a high of EUR 12.09 and a low of EUR 8.92 in January-September 2016. The volume-weighted average share price was EUR 10.59. The company's market capitalization, excluding treasury shares, was EUR 1,836 million at the end of September 2016 (1,654 at the end of December 2015).

In January-September 2016, Kemira Oyj's share trading volume on Nasdaq Helsinki was 48 million shares (Jan-Sep 2015: 60). The average daily trading volume was 251,430 (320,572) shares. Source: Nasdaq. The total volume of Kemira Oyj's share trading in January-September 2016 was 71 million (88), of which 33% (32%) was executed on other trading platforms (BATS, Chi-X, Turquoise). Source: Kemira.com.

AUTHORIZATIONS

The AGM 2016 authorized the Board of Directors to decide on the repurchase of a maximum of 4,800,000 company's own shares ("Share Repurchase Authorization"). The Share Repurchase Authorization is valid until the end of the next Annual General Meeting.

The AGM 2016 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, 2017. 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 the Kemira's short-term risks or uncertainties compared to December 31, 2015. A detailed account of Kemira's risk management principles is available on the company's website at http://www.kemira.com. Financial risks are also described in the Notes to the Financial Statements for the year 2015.

EVENTS AFTER THE REVIEW PERIOD

Kemira has entered into a partnership with Odyssey Logistics & Technology (Odyssey) as part of its BOOST program to optimize its transportation management. Odyssey is a US based global logistics solutions provider with an over USD 2 billion freight network. Odyssey will start to operate Kemira's external road transportation activities during first quarter of 2017. The new transportation management operation model will be implemented in EMEA and North America. Kemira is planning to have the new transportation management operation model implemented by the end of 2017.

MID- AND LONG-TERM FINANCIAL TARGETS (UPDATED ON SEPTEMBER 14, 2016) AND OUTLOOK FOR 2016 (CHANGED)

Kemira updated its mid- to long-term financial targets prior to the company's Capital Markets Day, emphasizing its continued goal of above-the-market revenue growth with improving profitability. The company has progressed well towards the previous targets of EUR 2.7 billion in revenue and operative EBITDA margin of 15%, despite the weak developments in oil & gas markets, which started in 2015.

Kemira aims at above-the-market revenue growth with operative EBITDA margin of 14-16%. The gearing target is maintained at below 60%.

Main drivers for Kemira's profitable growth are:

- In Pulp & Paper: above-the-market growth arising from new Total Chemistry Management (TCM) contracts and bleaching chemical capacity additions, as well as synergy capture from acquisitions
- In Oil & Mining: profitable growth in newer applications such as Chemical Enhanced Oil Recovery (CEOR) and Oil Sands, as well as potential oil market recovery
- In Municipal & Industrial: increasing revenue from Advanced Water Treatment (AWT) applications, as well as continuing growth in current business driven by selective geographic expansion
- Group-wide operational efficiencies with new BOOST program.

Kemira has launched an operational excellence program 'BOOST' to improve efficiency. Estimated annual savings run-rate from the program are EUR 20-30 million in 2-3 years. BOOST will focus on supply chain process optimization and improved asset utilization.

The integration of the acquired AkzoNobel paper chemicals business has progressed better than expected and Kemira has raised the synergy target from EUR 15 million to EUR 20 million.

In addition, Kemira continues to evaluate acquisition opportunities to enhance profitable growth.

Outlook for 2016 (changed)

Kemira continues to focus on profitable growth. Kemira expects its revenue to be at approximately prior year level (previously: "to increase") and operative EBITDA to increase in 2016 compared to 2015.

Kemira expects its capital expenditure, excluding acquisitions, to be around EUR 200 million in 2016.

Helsinki, October 24, 2016

Kemira Oyj
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.

FINANCIAL CALENDAR 2016 AND 2017

Financial Statements Bulletin 2016	February 8, 2017
Interim report January-March 2017	April 26, 2017
Interim report January-June 2017	July 21, 2017
Interim report January-September 2017	October 25, 2017

The Annual General meeting will be held on March 24, 2017 at 10.00 Marina Congress Center, Helsinki.

PRESS AND ANALYST CONFERENCE AND CONFERENCE CALL

Kemira will arrange a press conference for analysts, investors and media starting at 10.30 am (8.30 am UK time) at **GLO Hotel Kluuvi, Kluuvikatu 4, 2nd floor, Helsinki**. In the conference, Kemira's President and CEO Jari Rosendal and CFO Petri Castrén will present the results. The press conference will be held in English and will be webcasted at www.kemira.com/investors. The presentation material and the webcast recording will be available on the above mentioned company website.

You can attend the Q&A session via a conference call. In order to participate in the call, please dial ten minutes before the conference begins:

FI: +358 9 7479 0361
SE: +46 8 5033 6574
UK: +44 203 043 2002
US: +1 719 4572086

Conference id: 7817960

KEMIRA GROUP

CONSOLIDATED INCOME STATEMENT

EUR million	7-9/2016	7-9/2015	1-9/2016	1-9/2015	2015
Revenue	**596.3**	625.1	**1,766.8**	1,772.9	2,373.1
Other operating income	**1.3**	1.2	**4.3**	5.2	7.1
Operating expenses	**-519.3**	-551.5	**-1,552.4**	-1,572.0	-2,116.4
EBITDA	**78.3**	74.8	**218.7**	206.1	263.8
Depreciation, amortization and impairments	**-34.6**	-32.1	**-100.9**	-91.3	-131.2
Operating profit (EBIT)	**43.7**	42.7	**117.8**	114.8	132.6
Finance costs, net	**-6.9**	-8.2	**-13.2**	-25.0	-30.8
Share of profit or loss of associates	**0.0**	0.0	**0.1**	0.3	0.3
Profit before taxes	**36.8**	34.5	**104.7**	90.1	102.1
Income taxes	**-9.5**	-7.4	**-25.0**	-17.3	-24.9
Net profit for the period	**27.3**	27.1	**79.7**	72.8	77.2
Net profit attributable to:					
Equity owners of the parent	**25.6**	25.5	**75.1**	68.1	71.0
Non-controlling interests	**1.7**	1.6	**4.6**	4.7	6.2
Net profit for the period	**27.3**	27.1	**79.7**	72.8	77.2
Earnings per share, basic and diluted, EUR	**0.16**	0.17	**0.49**	0.45	0.47

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	7-9/2016	7-9/2015	1-9/2016	1-9/2015	2015
Net profit for the period	**27.3**	27.1	**79.7**	72.8	77.2
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets	**0.0**	0.0	**-38.8**	0.0	-21.0
Exchange differences on translating foreign operations	**-3.2**	-16.7	**-1.2**	14.0	26.2
Cash flow hedges	**5.0**	-3.3	**3.7**	-4.5	-2.5
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements on defined benefit pensions	**0.3**	0.0	**0.3**	0.0	35.9
Other comprehensive income for the period, net of tax	**2.1**	-20.0	**-36.0**	9.5	38.6
Total comprehensive income for the period	**29.4**	7.1	**43.7**	82.3	115.8
Total comprehensive income attributable to:					
Equity owners of the parent	**27.6**	5.7	**39.3**	77.6	109.6
Non-controlling interests	**1.8**	1.4	**4.4**	4.7	6.2
Total comprehensive income for the period	**29.4**	7.1	**43.7**	82.3	115.8

CONSOLIDATED BALANCE SHEET

EUR million	9/30/2016	9/30/2015	12/31/2015
ASSETS			
Non-current assets			
Goodwill	**514.4**	519.7	518.3
Other intangible assets	**117.9**	131.5	134.7
Property, plant and equipment	**843.2**	778.2	815.3
Investments in associates	**1.3**	1.2	1.2
Available-for-sale financial assets	**193.4**	293.8	271.6
Deferred tax assets	**32.6**	38.8	29.5
Other investments	**4.9**	7.0	5.8
Defined benefit pension receivables	**49.3**	6.6	48.9
Total non-current assets	**1,757.0**	1,776.8	1,825.3
Current assets			
Inventories	**214.0**	226.1	207.0
Interest-bearing receivables	**18.3**	0.2	0.2
Trade receivables and other receivables	**398.9**	399.8	389.8
Current income tax assets	**22.3**	17.8	21.4
Cash and cash equivalents	**161.9**	125.2	151.5
Total current assets	**815.4**	769.1	769.9
Total assets	**2,572.4**	2,545.9	2,595.2
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity owners of the parent	**1,139.8**	1,148.1	1,180.3
Non-controlling interests	**11.5**	11.4	12.9
Total equity	**1,151.3**	1,159.5	1,193.2
Non-current liabilities			
Interest-bearing liabilities	**656.8**	680.3	670.9
Other liabilities	**21.4**	21.4	21.4
Deferred tax liabilities	**54.5**	59.2	55.9
Defined benefit pension liabilities	**75.0**	74.9	77.3
Provisions	**30.4**	24.9	28.1
Total non-current liabilities	**838.1**	860.7	853.6
Current liabilities			
Interest-bearing current liabilities	**170.7**	134.8	122.7
Trade payables and other liabilities	**377.5**	365.8	388.7
Current income tax liabilities	**20.8**	15.1	22.1
Provisions	**14.0**	10.0	14.9
Total current liabilities	**583.0**	525.7	548.4
Total liabilities	**1,421.1**	1,386.4	1,402.0
Total equity and liabilities	**2,572.4**	2,545.9	2,595.2

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	7-9/2016	7-9/2015	1-9/2016	1-9/2015	2015
Cash flow from operating activities					
Net profit for the period	**27.3**	27.1	**79.7**	72.8	77.2
Total adjustments	**48.5**	48.8	**137.0**	130.4	189.1
Operating profit before change in net working capital	**75.8**	75.9	**216.7**	203.2	266.3
Change in net working capital	**22.0**	14.3	**-18.1**	-37.8	20.7
Cash generated from operations before financing items and taxes	**97.8**	90.2	**198.6**	165.4	287.0
Finance expenses, net and dividends received	**-2.5**	0.0	**-8.7**	-20.1	-27.1
Income taxes paid	**-10.3**	-9.3	**-21.7**	-10.3	-12.3
Net cash generated from operating activities	**85.0**	80.9	**168.2**	135.0	247.6
Cash flow from investing activities					
Purchases of subsidiaries and asset acquisitions, net of cash acquired	**0.0**	-6.4	**1.9**	-121.4	-123.4
Other capital expenditure	**-48.5**	-49.1	**-123.2**	-120.4	-181.7
Proceeds from sale of assets	**0.4**	2.2	**36.9**	2.8	3.3
Change in long-term loan receivables decrease (+) / increase (-)	**0.0**	0.0	**0.6**	0.4	0.4
Net cash used in investing activities	**-48.1**	-53.3	**-83.8**	-238.6	-301.4
Cash flow from financing activities					
Proceeds from non-current interest-bearing liabilities (+)	**0.0**	0.0	**50.0**	250.0	250.0
Repayments from non-current interest-bearing liabilities (-)	**-12.1**	-10.1	**-24.5**	-72.7	-86.0
Short-term financing, net increase (+) / decrease (-)	**-16.7**	7.5	**-12.3**	22.0	9.9
Dividends paid	**-0.5**	-3.9	**-86.5**	-86.5	-86.6
Other finance items	**0.0**	-0.2	**0.0**	-0.1	0.1
Net cash used in financing activities	**-29.3**	-6.7	**-73.3**	112.7	87.4
Net decrease (-) / increase (+) in cash and cash equivalents	**7.6**	20.9	**11.1**	9.1	33.6
Cash and cash equivalents at end of period	**161.9**	125.2	**161.9**	125.2	151.5
Exchange gains (+) / losses (-) on cash and cash equivalents	**0.0**	-5.0	**-0.7**	-3.0	-1.2
Cash and cash equivalents at beginning of period	**154.3**	109.3	**151.5**	119.1	119.1
Net decrease (-) / increase (+) in cash and cash equivalents	**7.6**	20.9	**11.1**	9.1	33.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million

	Equity attributable to equity owners of the parent									
	Share capital	Share premium	Fair value and other reserves	Un-restricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Equity at January 1, 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	-	-	-	-	-	-	68.1	68.1	4.7	72.8
Other comprehensive income, net of tax	-	-	-4.5	-	14.0	-	-	9.5	0.0	9.5
Total comprehensive income	-	-	-4.5	-	14.0	-	68.1	77.6	4.7	82.3
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-80.6 [1)]	-80.6	-5.9	86.5
Treasury shares issued to the Board of Directors	-	-	-	-	-	0.1	-	0.1	-	0.1
Share-based payments	-	-	-	-	-	-	0.6	0.6	-	0.6
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	-80.4	-80.2	-5.9	-86.1
Equity at September 30, 2015	221.8	257.9	113.0	196.3	-24.6	-22.0	405.7	1,148.1	11.4	1,159.5

1) A dividend was EUR 80.6 million in total (EUR 0.53 per share) with respect to 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.

	Share capital	Share premium	Fair value and other reserves	Un-restricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Equity at January 1, 2016	**221.8**	**257.9**	**94.2**	**196.3**	**-12.4**	**-22.0**	**444.5**	**1,180.3**	**12.9**	**1,193.2**
Net profit for the period	-	-	-	-	-	-	**75.1**	**75.1**	**4.6**	**79.7**
Other comprehensive income, net of tax	-	-	**-35.1**	-	**-1.0**	-	**0.3**	**-35.8**	**-0.2**	**-36.0**
Total comprehensive income	-	-	**-35.1**	-	**-1.0**	-	**75.4**	**39.3**	**4.4**	**43.7**
Transactions with owners										
Dividends paid	-	-	-	-	-	-	**-80.7** [2)]	**-80.7**	**-5.8**	**-86.5**
Treasury shares issued to the target group of share-based incentive plan	-	-	-	-	-	**1.9**	-	**1.9**	-	**1.9**
Treasury shares issued to the Board of Directors	-	-	-	-	-	**0.1**	-	**0.1**	-	**0.1**
Share-based payments	-	-	-	-	-	-	**-1.1**	**-1.1**	-	**-1.1**
Transfers in equity	-	-	**1.1**	-	-	-	**-1.1**	**0.0**	-	**0.0**
Transactions with owners	-	-	**1.1**	-	-	**2.0**	**-82.9**	**-79.8**	**-5.8**	**-85.6**
Equity at September 30, 2016	**221.8**	**257.9**	**60.2**	**196.3**	**-13.4**	**-20.0**	**437.0**	**1,139.8**	**11.5**	**1,151.3**

2) A dividend was EUR 80,7 million in total (EUR 0.53 per share) with respect to the financial year ended December 31, 2015. The annual general meeting approved EUR 0.53 dividend on March 21, 2016. The dividend record date was March 23, 2016, and the payment date April 6, 2016.

Kemira had in its possession 2,975,327 of its treasury shares on September 30, 2016. The average share price of treasury shares was EUR 6,73 and they represented 1.9% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 4.2 million.

The share premium is a reserve accumulated 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.

Kemira
Where water meets chemistry™

GROUP KEY FIGURES

Kemira provides certain financial performance measures (alternative performance measures) on non-GAAP basis. Kemira believes that alternative performance measures, like operative EBITDA and operative EBIT, followed by Kemira management, provide useful and more comparable information of its operative business performance. Kemira's alternative performance measures should not be viewed in isolation to the equivalent IFRS measures and alternative performance measures should be read in conjunction with the most directly comparable IFRS measures. Definitions of the alternative performance measures can be found from the Definitions of the key figures in this report as well as www.kemira.com >Investors > Financial information.

	2016 7-9	2016 4-6	2016 1-3	2015 10-12	2015 7-9	2015 4-6	2015 1-3	**2016 1-9**	2015 1-9	2015 1-12
Income statement and profitability										
Revenue, EUR million	**596.3**	587.8	582.7	600.2	625.1	594.8	553.0	**1,766.8**	1,772.9	2,373.1
Operative EBITDA, EUR million	**80.8**	78.9	72.8	68.0	78.2	74.7	66.4	**232.5**	219.3	287.3
Operative EBITDA, %	**13.6**	13.4	12.5	11.3	12.5	12.6	12.0	**13.2**	12.4	12.1
EBITDA, EUR million	**78.3**	69.3	71.1	57.7	74.8	66.1	65.2	**218.7**	206.1	263.8
EBITDA, %	**13.1**	11.8	12.2	9.6	12.0	11.1	11.8	**12.4**	11.6	11.1
Items affecting comparability in EBITDA, EUR million	**-2.5**	-9.6	-1.7	-10.3	-3.4	-8.6	-1.2	**-13.8**	-13.2	-23.5
Operative EBIT, EUR million	**46.5**	46.6	40.9	33.1	46.1	44.8	39.1	**134.0**	130.0	163.1
Operative EBIT, %	**7.8**	7.9	7.0	5.5	7.4	7.5	7.1	**7.6**	7.3	6.9
Operating profit (EBIT), EUR million	**43.7**	34.9	39.2	17.8	42.7	34.3	37.8	**117.8**	114.8	132.6
Operating profit (EBIT), %	**7.3**	5.9	6.7	3.0	6.8	5.8	6.8	**6.7**	6.5	5.6
Items affecting comparability in EBIT, EUR million	**-2.8**	-11.7	-1.7	-15.3	-3.4	-10.5	-1.3	**-16.2**	-15.2	-30.5
Return on investment (ROI), %	**8.4**	7.2	7.8	3.9	8.1	6.5	7.8	**7.7**	7.7	6.6
Capital employed, EUR million	**1,711.5**	1,709.6	1,697.8	1,659.5	1,601.6	1,534.0	1,466.2	**1,711.5**	1,601.6	1,659.5
Operative ROCE, %	**9.8**	9.8	9.7	9.8	10.6	11.0	11.0	**9.8**	10.6	9.8
ROCE, %	**7.9**	7.9	7.9	8.0	10.0	10.5	9.3	**7.9**	10.0	8.0
Cash flow										
Net cash generated from operating activities, EUR million	**85.0**	57.0	26.2	112.6	80.9	11.7	42.4	**168.2**	135.0	247.6
Capital expenditure, EUR million	**48.5**	43.3	29.5	63.3	55.5	159.3	27.0	**121.3**	241.8	305.1
Capital expenditure excl. acquisitions, EUR million	**48.5**	43.3	31.4	61.3	49.1	44.3	27.0	**123.2**	120.4	181.7
Capital expenditure excl. acquisitions / revenue, %	**8.1**	7.4	5.4	10.2	7.9	7.4	4.9	**7.0**	6.8	7.7
Cash flow after investing activities, EUR million	**36.9**	49.8	-2.3	49.8	27.6	-147.2	16.0	**84.4**	-103.6	-53.8
Balance sheet and solvency										
Equity ratio, %	**44.8**	44.3	42.5	46.0	45.6	45.5	48.3	**44.8**	45.6	46.0
Gearing, %	**57.8**	61.5	60.0	53.8	59.5	61.5	48.6	**57.8**	59.5	53.8
Interest-bearing net liabilities, EUR million	**665.7**	689.9	644.1	642.1	689.9	711.4	561.8	**665.7**	689.9	642.1
Personnel										
Personnel at end of period	**4,843**	4,873	4,711	4,685	4,692	4,739	4,285	**4,843**	4,692	4,685
Personnel (average)	**4,856**	4,815	4,715	4,686	4,703	4,593	4,256	**4,796**	4,517	4,559
Key exchange rates at end of period										
USD	**1.116**	1.110	1.139	1.089	1.120	1.119	1.076	**1.116**	1.120	1.089
CAD	**1.469**	1.438	1.474	1.512	1.503	1.384	1.374	**1.469**	1.503	1.512
SEK	**9.621**	9.424	9.225	9.190	9.408	9.215	9.290	**9.621**	9.408	9.190
CNY	**7.446**	7.376	7.351	7.061	7.121	6.937	6.671	**7.446**	7.121	7.061
BRL	**3.621**	3.590	4.117	4.312	4.481	3.470	3.496	**3.621**	4.481	4.312
Per share figures, EUR										
Earnings per share (EPS), basic and diluted [1)]	**0.16**	0.17	0.16	0.02	0.17	0.12	0.16	**0.49**	0.45	0.47
Net cash generated from operating activities per share [1)]	**0.55**	0.38	0.17	0.74	0.54	0.07	0.28	**1.10**	0.89	1.63
Equity per share [1)]	**7.48**	7.30	6.96	7.76	7.55	7.51	7.51	**7.48**	7.55	7.76
Number of shares (1,000)										
Average number of shares, basic [1)]	**152,367**	152,363	152,160	152,062	152,062	152,062	152,051	**152,297**	152,058	152,059
Average number of shares, diluted [1)]	**152,547**	152,557	152,548	152,437	152,384	152,384	152,373	**152,551**	152,380	152,395
Number of shares at end of period, basic [1)]	**152,367**	152,367	152,356	152,062	152,062	152,062	152,051	**152,367**	152,062	152,062
Number of shares at end of period, diluted [1)]	**152,518**	152,561	152,550	152,544	152,384	152,384	152,373	**152,518**	152,384	152,544

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

DEFINITIONS OF KEY FIGURES

Operative EBITDA

Operating profit (EBIT) + depreciation and amortization + impairments - items affecting comparability

Items affecting comparability [1)]

Restructuring and streamlining programs + transaction and integration expenses in acquisitions + divestment of businesses and other disposals + other items

Operative EBIT

Operating profit (EBIT) - items affecting comparability

Return on investment (ROI), %

(Profit before tax + interest expenses + other financial expenses) x 100
/ (Total assets - non-interest-bearing liabilities) [2)]

Operative return on capital employed (Operative ROCE), %

Operative EBIT + share of profit or loss of associates x 100 [3)]
/ Capital employed [4) 5)]

Return on capital employed (ROCE), %

Operating profit (EBIT) + share of profit or loss of associates x 100 [3)]
/ Capital employed [4) 5)]

Net working capital

Inventories + trade receivables + other receivables, excluding derivatives, accrued interest income and other financing items - trade payables - other liabilities, excluding derivatives, accrued interest expenses and other financing items

Cash flow after investing activities

Net cash generated from operating activities + net cash used in investing activities

Equity ratio, %

Total equity x 100
/ Total assets - prepayments received

Gearing, %

Interest-bearing net liabilities x 100
/ Total equity

Interest-bearing net liabilities

Interest-bearing liabilities - cash and cash equivalents

Earnings per share (EPS)

Net profit attributable to equity owners of the parent
/ Average number of shares

Net cash generated from operating activities per share, EUR

Net cash flow from operating activities
/ Average number of shares

Equity per share

Equity attributable to equity owners of the parent at end of period
/ Number of shares at end of period

[1)] Non-GAAP measures excludes the effects of significant items of income and expenses which may have an impact on the comparability in the financial reporting of Kemira Group. Restructuring and streamlining programs; transaction and integration expenses in acquisition; divestments of businesses and other disposals are considered to be the most common items affecting comparability.

[2)] Average

[3)] Operating profit and share of profit or loss of associates taken into account for a rolling twelve month period ending at the end of the review period.

[4)] 12-month rolling average

[5)] Capital Employed = property, plant and equipment + intangible assets + net working capital + investments in associates

RECONCILIATION OF IFRS FIGURES

EUR million	2016 7-9	2016 4-6	2016 1-3	2015 10-12	2015 7-9	2015 4-6	2015 1-3	2016 1-9	2015 1-9	2015 1-12
ITEMS AFFECTING COMPARABILITY IN EBITDA AND IN EBIT										
Operative EBITDA	**80.8**	78.9	72.8	68.0	78.2	74.7	66.4	**232.5**	219.3	287.3
Restructuring and streamlining programs	**-0.4**	-4.3	0.0	-3.4	-1.6	-0.7	0.0	**-4.7**	-2.3	-5.7
Transaction and integration expenses in acquisition	**-0.5**	-1.9	-1.4	-4.0	-1.1	-6.9	-1.0	**-3.8**	-9.0	-13.0
Divestment of businesses and other disposals	**0.2**	0.0	0.3	-1.5	-0.2	-0.2	0.1	**0.5**	-0.3	-1.8
Other items	**-1.8**	-3.4	-0.6	-1.4	-0.5	-0.8	-0.3	**-5.8**	-1.6	-3.0
Total Items affecting comparability	**-2.5**	-9.6	-1.7	-10.3	-3.4	-8.6	-1.2	**-13.8**	-13.2	-23.5
EBITDA	**78.3**	69.3	71.1	57.7	74.8	66.1	65.2	**218.7**	206.1	263.8
Operative EBIT	**46.5**	46.6	40.9	33.1	46.1	44.8	39.1	**134.0**	130.0	163.1
Total Items affecting comparability in EBITDA	**-2.5**	-9.6	-1.7	-10.3	-3.4	-8.6	-1.2	**-13.8**	-13.2	-23.5
Items affecting comparability in depreciation, amortization and impairments	**-0.3**	-2.1	0.0	-5.0	0.0	-1.9	-0.1	**-2.4**	-2.0	-7.0
Operating profit (EBIT)	**43.7**	34.9	39.2	17.8	42.7	34.3	37.8	**117.8**	114.8	132.6
ROCE AND OPERATIVE ROCE										
Operative EBIT	**46.5**	46.6	40.9	33.1	46.1	44.8	39.1	**134.0**	130.0	163.1
Operating profit (EBIT)	**43.7**	34.9	39.2	17.8	42.7	34.3	37.8	**117.8**	114.8	132.6
Share of profit or loss of associates	**0.0**	0.0	0.1	0.0	0.0	0.1	0.2	**0.1**	0.3	0.3
Capital Employed	**1,711.5**	1,709.6	1,697.8	1,659.5	1,601.6	1,534.0	1,466.2	**1,711.5**	1,601.6	1,659.5
Operative ROCE, %	**9.8**	9.8	9.7	9.8	10.6	11.0	11.0	**9.8**	10.6	9.8
ROCE, %	**7.9**	7.9	7.9	8.0	10.0	10.5	9.3	**7.9**	10.0	8.0
NET WORKING CAPITAL										
Inventories	**214.0**	214.0	215.4	207.0	226.1	236.0	220.0	**214.0**	226.1	207.0
Trade receivables and other receivables	**398.9**	404.9	404.6	389.8	399.8	404.8	365.4	**398.9**	399.8	389.8
Excluding financing items in other receivables	**-15.3**	-19.3	-26.0	-13.1	-12.5	-7.9	-10.0	**-15.3**	-12.5	-13.1
Trade payables and other liabilities	**377.5**	359.1	462.3	388.7	365.8	354.0	348.8	**377.5**	365.8	388.7
Excluding financing items in other liabilities	**-16.7**	-20.4	-119.1	-22.8	-23.3	-16.7	-22.5	**-16.7**	-23.3	-22.8
Net working capital	**236.8**	260.9	250.8	217.8	270.9	295.6	249.1	**236.8**	270.9	217.8
INTEREST-BEARING NET LIABILITIES										
Non-current interest bearing liabilities	**656.8**	676.8	666.6	670.9	680.3	692.4	462.4	**656.8**	680.3	670.9
Current interest bearing liabilities	**170.7**	167.4	133.7	122.7	134.8	128.3	224.9	**170.7**	134.8	122.7
Interest bearing liabilities	**827.5**	844.2	800.3	793.6	815.1	820.7	687.3	**827.5**	815.1	793.6
Cash and cash equivalents	**161.9**	154.3	156.2	151.5	125.2	109.3	125.5	**161.9**	125.2	151.5
Interest bearing net liabilities	**665.6**	689.9	644.1	642.1	689.9	711.4	561.8	**665.6**	689.9	642.1

QUARTERLY SEGMENT INFORMATION

EUR million	2016 7-9	2016 4-6	2016 1-3	2015 10-12	2015 7-9	2015 4-6	2015 1-3	2016 1-9	2015 1-9	2015 1-12
Revenue										
Pulp & Paper	**365.2**	361.1	362.4	372.3	379.1	351.3	314.6	**1,088.7**	1,045.0	1,417.3
Oil & Mining	**79.6**	72.7	75.5	76.4	90.1	89.7	93.9	**227.8**	273.7	350.1
Municipal & Industrial	**151.5**	154.0	144.8	151.5	155.9	153.8	144.5	**450.3**	454.2	605.7
Total	**596.3**	587.8	582.7	600.2	625.1	594.8	553.0	**1,766.8**	1,772.9	2,373.1
Operative EBITDA										
Pulp & Paper	**51.8**	49.3	47.9	46.9	46.7	41.3	36.1	**149.0**	124.1	171.0
Oil & Mining	**4.2**	4.5	6.5	3.6	7.4	11.4	11.1	**15.2**	29.9	33.5
Municipal & Industrial	**24.8**	25.1	18.4	17.5	24.1	22.0	19.2	**68.3**	65.3	82.8
Total	**80.8**	78.9	72.8	68.0	78.2	74.7	66.4	**232.5**	219.3	287.3
Items affecting comparability in EBITDA										
Pulp & Paper	**-1.3**	-3.1	-1.2	-4.1	-1.8	-6.9	-1.1	**-5.6**	-9.8	-13.9
Oil & Mining	**-0.6**	-4.9	-0.4	-0.3	-0.4	-1.9	-0.1	**-5.9**	-2.4	-2.7
Municipal & Industrial	**-0.6**	-1.6	-0.1	-5.9	-1.2	0.2	0.0	**-2.3**	-1.0	-6.9
Total	**-2.5**	-9.6	-1.7	-10.3	-3.4	-8.6	-1.2	**-13.8**	-13.2	-23.5
EBITDA										
Pulp & Paper	**50.5**	46.2	46.7	42.8	44.9	34.4	35.0	**143.4**	114.3	157.1
Oil & Mining	**3.6**	-0.4	6.1	3.3	7.0	9.5	11.0	**9.3**	27.5	30.8
Municipal & Industrial	**24.2**	23.5	18.3	11.6	22.9	22.2	19.2	**66.0**	64.3	75.9
Total	**78.3**	69.3	71.1	57.7	74.8	66.1	65.2	**218.7**	206.1	263.8
Operative EBIT										
Pulp & Paper	**30.0**	28.9	28.2	25.9	27.0	23.2	20.7	**87.1**	70.9	96.8
Oil & Mining	**-1.6**	-1.1	0.8	-2.4	1.7	6.0	5.8	**-1.9**	13.5	11.1
Municipal & Industrial	**18.1**	18.8	11.9	9.6	17.4	15.6	12.6	**48.8**	45.6	55.2
Total	**46.5**	46.6	40.9	33.1	46.1	44.8	39.1	**134.0**	130.0	163.1
Items affecting comparability in EBIT										
Pulp & Paper	**-1.5**	-3.1	-1.2	-4.3	-1.8	-7.0	-1.1	**-5.8**	-9.9	-14.2
Oil & Mining	**-0.7**	-6.3	-0.4	-4.1	-0.4	-3.6	-0.1	**-7.4**	-4.1	-8.2
Municipal & Industrial	**-0.6**	-2.3	-0.1	-6.9	-1.2	0.1	-0.1	**-3.0**	-1.2	-8.1
Total	**-2.8**	-11.7	-1.7	-15.3	-3.4	-10.5	-1.3	**-16.2**	-15.2	-30.5
Operating profit (EBIT)										
Pulp & Paper	**28.5**	25.8	27.0	21.6	25.2	16.2	19.6	**81.3**	61.0	82.6
Oil & Mining	**-2.3**	-7.4	0.4	-6.5	1.3	2.4	5.7	**-9.3**	9.4	2.9
Municipal & Industrial	**17.5**	16.5	11.8	2.7	16.2	15.7	12.5	**45.8**	44.4	47.1
Total	**43.7**	34.9	39.2	17.8	42.7	34.3	37.8	**117.8**	114.8	132.6

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	1-9/2016	1-9/2015	2015
Net book value at beginning of period	815.3	706.2	706.2
Purchases of subsidiaries and asset acquisitions	0.0	21.6	22.6
Increases	117.3	112.3	166.0
Decreases	-1.2	-0.6	-0.8
Depreciation and impairments	-78.6	-73.1	-100.9
Exchange rate differences and other changes	-9.6	11.8	22.2
Net book value at end of period	843.2	778.2	815.3

CHANGES IN GOODWILL AND OTHER INTANGIBLE ASSETS

EUR million	1-9/2016	1-9/2015	2015
Net book value at beginning of period	653.0	561.9	561.9
Purchases of subsidiaries and asset acquisitions	-0.8	92.0	96.8
Increases	5.9	8.0	11.4
Decreases	-	-	-
Amortization	-22.3	-18.2	-30.3
Exchange rate differences and other changes	-3.5	7.5	13.2
Net book value at end of period	632.3	651.2	653.0

BUSINESS COMBINATIONS

2015: Acquisition of AkzoNobel paper chemicals business

On May 4, 2015 Kemira acquired 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 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 127.1 million was paid in cash and it does not involve the contingent consideration. Kemira acquired a 100% interest in acquired business and the acquired business has been consolidated into Pulp & Paper segment. A goodwill of EUR 21.3 million arises from the expected synergy in the business combination.

Based on the acquisition calculation under IFRS 3 EUR 62.0 million was allocated to intangible assets as customer relationships, non-compete agreements, patents and technologies. Acquired intangible assets will be amortized within an average of six years.

The following table summarizes the consideration paid for AkzoNobel paper chemicals business, and the amounts of the assets acquired and liabilities assumed recognized on the acquisition date:

EUR million	
Purchase consideration, paid in cash, total	127.1
The assets and liabilities recognized as a result of the acquisition	
Intangible assets	62.0
Property, plant and equipment	21.9
Inventories	14.8
Trade receivables	8.1
Other receivables	3.5
Cash and cash equivalents	13.6
Deferred tax liabilities	-3.9
Provisions, trade payables and other liabilities	-14.2
Net assets acquired in fair value	105.8
Goodwill	21.3
Total	127.1

Acquisition-related costs of EUR 7.7 million have been included in other operating expenses in the Consolidated Income Statement 2015.

The revenue included in the Consolidated Income Statement 2015 since 4 May 2015 contributed by AkzoNobel paper chemicals business was EUR 146 million. It also contributed EBITDA of EUR 13 million over the same period.

Had AkzoNobel paper chemicals business been consolidated from 1 January 2015, the Consolidated Income Statement 2015 would show pro forma revenue of EUR 219 million and EBITDA of EUR 19 million. The pro forma amounts are provided for comparative purposes only and do not necessarily reflect the actual result that would have occurred, nor is it necessarily indicative of future results of operations of the combined companies.

2015: Acquisitions of Soto Industries LLC and Polymer Services LLC

On September 2, 2015, Kemira announced that it has acquired certain assets of Soto Industries, LLC, a privately owned company, headquartered in Charlotte, North Carolina. Soto specializes in the application of scale control products, defoamers, and settling agents for the pulp and paper industry. The acquisition is consolidated to Pulp & Paper segment.

On December 8, 2015, Kemira acquired certain assets of Polymer Services, LLC, a privately owned company, headquartered in Plainville, Kansas. Polymer Services, LLC is a highly specialized company focusing on the field application of polymer gel treatments for enhanced or improved oil recovery. The acquisition is consolidated to Oil & Mining segment. The calculations under IFRS 3 related to the acquisition is provisional and it will be finalized when the 12-month period ends.

Kemira
Where water meets chemistry™

DERIVATIVE INSTRUMENTS

EUR million	9/30/2016 Nominal value	9/30/2016 Fair value	12/31/2015 Nominal value	12/31/2015 Fair value
Currency instruments				
Forward contracts	**241.7**	**-3.2**	402.3	3.1
Interest rate instruments				
Interest rate swaps	**301.4**	**-0.6**	348.8	1.6
of which cash flow hedge	**201.4**	**-3.1**	248.8	-1.7
of which fair value hedge	**100.0**	**2.8**	100.0	3.3
Other instruments	**GWh**	**Fair value**	GWh	Fair value
Electricity forward contracts, bought	**1,880.7**	**-2.0**	1,455.7	-10.5
of which cash flow hedge	**1,880.7**	**-2.0**	1,455.7	-10.5

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.

FAIR VALUE OF FINANCIAL ASSETS

EUR million	9/30/2016				12/31/2015			
Fair value hierarchy	**Level 1**	**Level 2**	**Level 3**	**Total net**	Level 1	Level 2	Level 3	Total net
Available-for-sale financial assets	**-**	**-**	**193.4**	**193.4**	-	-	271.6	271.6
Other investments	**-**	**5.0**	**-**	**5.0**	-	5.8	-	5.8
Currency instruments	**-**	**2.2**	**-**	**2.2**	-	5.2	-	5.2
Interest rate instruments, hedge accounting	**-**	**2.8**	**-**	**2.8**	-	3.3	-	3.3
Other receivables	**-**	**18.3**	**-**	**18.3**	-	0.2	-	0.2
Trade receivables	**-**	**301.7**	**-**	**301.7**	-	295.4	-	295.4
Total	**0.0**	**330.0**	**193.4**	**523.4**	-	309.9	271.6	581.5

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 includes mainly the shares of Pohjolan Voima Group.

Level 3 specification	**Total net 9/30/2016**	Total net 12/31/2015
Instrument		
Carrying value at beginning of period	**271.6**	293.7
Effect on the statement of comprehensive income	**-48.6**	-26.3
Increases	**0.0**	4.2
Decreases	**-29.6**	0.0
Carrying value at end of period	**193.4**	271.6

FAIR VALUE OF FINANCIAL LIABILITIES

EUR million	9/30/2016				12/31/2015			
Fair value hierarchy	**Level 1**	**Level 2**	**Level 3**	**Total net**	Level 1	Level 2	Level 3	Total net
Non-current interest-bearing liabilities	**-**	**684.7**	**-**	**684.7**	-	695.1	-	695.1
Repayments from non-current interest-bearing liabilities	**-**	**76.9**	**-**	**76.9**	-	38.1	-	38.1
Non-current other liabilities	**-**	**21.4**	**-**	**21.4**	-	21.4	-	21.4
Finance lease liabilities	**-**	**0.6**	**-**	**0.6**	-	1.2	-	1.2
Loans from financial institutions	**-**	**100.8**	**-**	**100.8**	-	88.6	-	88.6
Other liabilities	**-**	**35.4**	**-**	**35.4**	-	33.6	-	33.6
Currency instruments	**-**	**5.4**	**-**	**5.4**	-	2.1	-	2.1
Interest rate instruments	**-**	**3.1**	**-**	**3.1**	-	1.7	-	1.7
Other instruments	**-**	**2.0**	**-**	**2.0**	-	10.5	-	10.5
Trade payables	**-**	**156.4**	**-**	**156.4**	-	162.4	-	162.4
Total	**-**	**1,086.7**	**-**	**1,086.7**	-	1,054.7	-	1,054.7

CONTINGENT LIABILITIES

EUR million	**9/30/2016**	9/30/2015	12/31/2015
Assets pledged			
On behalf of own commitments	**5.9**	6.0	6.1
Guarantees			
On behalf of own commitments	**51.9**	51.2	52.9
On behalf of others	**3.1**	3.0	3.0
Operating leasing liabilities			
Maturity within one year	**36.7**	34.3	37.5
Maturity after one year	**166.5**	180.7	184.7
Other obligations			
On behalf of own commitments	**1.1**	1.2	1.1
On behalf of associates	**0.5**	0.4	0.6

Major off-balance sheet investment commitments

Major amounts of contractual commitments for the acquisition of property, plant and equipment on September 30, 2016 were about EUR 64 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 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 presented 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 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, was 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. Thereafter, on request by Regional Court of Dortmund, the parties have filed their briefs on admissibility of the proceedings. In its brief responding to the said request of the court Cartel Damage Claims Hydrogen Peroxide SA has additionally waived seeking an order to obtain an unabridged and full copy of the decision of the European Commission, dated May 3, 2006, and demanded from Kemira and the three other defendants jointly and severally damages an amount to be decided by the court but at least EUR 196.2 million together with accrued interest calculated from August 24, 2009 at an interest rate exceeding by 5 per cent the base rate at a time, and other interest of EUR 97.6 million. 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 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. The proceedings now continue at the municipal court of Amsterdam where Kemira is the only defendant after the other defendants have settled the claim with CDC Project 13 SA. CDC Project 13 SA claims from Kemira in its brief filed to the municipal court of Amsterdam EUR 61,1 million as damages and interested calculated until December 2, 2015 from which amount CDC Project 13 SA asks the court to deduct the share of the earlier other defendants for other sales than made by them directly, and statutory interest on so defined amount starting from December 2, 2015. 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.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited consolidated interim financial statements has been prepared in accordance with IAS 34 ´Interim financial reporting´. The same accounting policies have been applied as in the annual financial statements. The interim financial statements should be read in conjunction with the annual financial statements 2015. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial statements requires management to make judgments, 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.