

KEMIRA HAS COMPLETED ITS STRATEGIC REVIEW OF THE PIGMENTS BUSINESS UNIT

Kemira Oyj has concluded the evaluation of strategic alternatives for its business unit Pigments. Based on the review, 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. Evaluation process continues for Chemidet business unit.

The ChemSolutions business unit will not be integrated into Kemira Pulp&Paper as earlier stated but will instead rejoin the Kemira Specialty business area. Kemira Group will continue to report quarterly results according to its previous reporting structure, where Kemira Specialty consists of Pigments, ChemSolutions and Chemidet.

"The preliminary outcome of our evaluation process showed that the market value for Pigments business unit in the current business and financial environment does not correspond to the real value of the business. Therefore we decided to stop the evaluation process and concentrate on improving the profitability and cash flow of Pigments," states Esa Tirkkonen, deputy CEO of Kemira.

"Business unit ChemSolutions is in a dynamic development phase and we can steer its development in best possible way within Kemira Specialty business area", Tirkkonen says. "Pigments is a good business and I believe that our decision is the best way to continue to deliver the shareholder value", he continued.

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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. Kemira operates in 40 countries.

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