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Interim Report 1 January - 30 June 2007

- The second quarter result improved considerably from the corresponding period in the previous year.
- Net sales of the second quarter increased by 9 percent and were EUR 332.6 (304.2) million.
- The second quarter EBIT was EUR 17.6 (2.6) million and EBIT excluding the effect of unrealized gas derivatives and non-recurring items was EUR 24.6 (0.2) million.
- Earnings per share were EUR 0.24 (-0.02) for the second quarter and EUR 0.51 (-0.42) for the first six months.
- January - June net sales were EUR 682.0 (577.1) million.
- January - June EBIT was EUR 38.9 (-16.4) million and EBIT excluding the effect of unrealized gas derivatives and non-recurring items was EUR 45.3 (-20.2) million.
- Yara International ASA acquired in May 30.05 percent of all shares and votes in Kemira GrowHow Oyj from the Government of Finland. As a result Yara launched 20 July a mandatory tender offer for the remaining shares in Kemira GrowHow.
- Competition Commission approved in early July Kemira GrowHow's and Terra Industries' joint venture in the United Kingdom.

Key figures	**Q2/2007**	**Q2/2006**	**Q1 - Q2/2007**	**Q1 - Q2/2006**
Net sales, EUR million	332.6	304.2	682.0	577.1
EBIT, EUR million	17.6	2.6	38.9	-16.4
EBIT excluding unrealized gas derivatives and non-recurring items, EUR million	24.6	0.2	45.3	-20.2
Result before taxes, EUR million	15.9	1.0	35.5	-20.1
Net result attributable to equity holders of the parent company, EUR million	13.1	-1.0	28.3	-23.3
Earnings per share, EUR	0.24	-0.02	0.51	-0.42
Equity ratio, %			38.7	34.0
Gearing, %			47.4	75.6

Kemira GrowHow Group in April - June

Kemira GrowHow's second quarter was clearly better than in the previous year. Net sales increased by 9 percent and were EUR 332.6 (304.2) million.

Consolidated operating profit during the second quarter of 2007 was EUR 17.6 (2.6) million. EBIT as a percentage of net sales improved during the second quarter from approximately 1 percent in 2006 to 5.3 percent in 2007. EBIT as a percentage of net sales, the effect of unrealized gas derivatives and non-recurring items excluded, was 7.4 (0.1) percent.

Net sales, EUR million	**Q1**	**Q2**	**Q3**	**Q4**	**Q1-Q4**
2007	349.5	332.6			
2006	272.9	304.2	306.6	282.5	1,166.2

EBIT, EUR million	**Q1**	**Q2**	**Q3**	**Q4**	**Q1-Q4**
2007	21.4	17.6			
2006	-19.1	2.6	19.1	8.5	11.1

A table of net non-recurring items is presented in the interim financial statements part of this interim report (page 29).

Kemira GrowHow's net financial expenses, excluding the share of the results of joint ventures and associated companies, were EUR -2.8 (-2.8) million during the second quarter of 2007. Net losses on foreign exchange were EUR -1.1 (0.0) million during the second quarter. Kemira GrowHow's share of the results of joint ventures and associated companies was EUR 1.1 (1.2) million.

Income taxes for the second quarter were EUR -2.5 (-1.7) million and result attributable to equity holders of the parent company was EUR 13.1 (-1.0) million.

Earnings per share in April - June were EUR 0.24 (-0.02).

Kemira GrowHow Group in January - June

Kemira GrowHow's first six months was clearly better than in the previous year. Net sales increased by 18 percent and were EUR 682.0 (577.1) million.

Consolidated operating result of the first six months of 2007 was EUR 38.9 (-16.4) million. EBIT as a percentage of net sales improved from -2.8 percent in 2006 to 5.7 percent in 2007. EBIT as a percentage of net sales, the effect of unrealized gas derivatives and non-recurring items excluded, was 6.6 (-3.5) percent.

Kemira GrowHow's net financial expenses, excluding the share of the results of joint ventures and associated companies, were EUR -5.6 (-5.0) million in January - June. Net losses on foreign exchange were EUR -1.4 (-0.2) million. Kemira GrowHow's share of the results of joint ventures and associated companies was EUR 2.3 (1.3) million.

Income taxes for the first six months were EUR -6.0 (-2.5) million. Income tax expense for the interim period is calculated separately for each country in which the Group operates and it is based on an estimated average annual effective tax rate in each country. In accordance with prudence principle, deferred tax assets have not been recorded from the results of loss-making units.

The result attributable to equity holders of the parent company for the January - June period was EUR 28.3 (-23.3) million and earnings per share were EUR 0.51 (-0.42). Kemira GrowHow Oyj has not issued options, warrants, convertible bonds or similar instruments which would dilute the earnings per share.

The second quarter of the strategic business units

Crop Cultivation

Net sales of the Crop Cultivation business unit increased during the second quarter by 9 percent compared with the corresponding period in 2006 and were EUR 261.8 (240.9) million.

The second quarter operating result was EUR 14.1 (-0.7) million. EBIT excluding the effect of unrealized gas derivatives and non-recurring items was EUR 21.7 (-4.5) million. The second quarter operating result of 2007 was improved especially by less expensive natural gas and higher sales prices of fertilizers. EBIT as percentage of net sales, gas derivatives and non-recurring items excluded, increased from approximately -2 percent in the second quarter of 2006 up to more than 8 percent in 2007.

Net sales, EUR million	**Q1**	**Q2**	**Q3**	**Q4**	**Q1-Q4**
2007	276.7	261.8			
2006	208.9	240.9	238.7	206.7	895.3

EBIT, EUR million	**Q1**	**Q2**	**Q3**	**Q4**	**Q1-Q4**
2007	16.3	14.1			
2006	-18.4	-0.7	13.3	5.4	-0.4

The fertilizer business in Europe is highly seasonal in nature. Typically the sales and profitability of European fertilizer producers are stronger during the first and the second quarters of the year compared with the third and the fourth quarters of the year, since spring is the main application season for fertilizers in Europe. The year 2006 was, however, exceptional, because high natural gas prices substantially weakened the first half-year results and producers were not able to pass on the gas price increases fully to fertilizer prices. As the gas markets normalized during the latter half of 2006, it seems that the seasonality of the European fertilizer business is returning to the typical pattern.

Sales volumes in thousands of metric tons

Q2/2007	Q2/2006	Q1 - Q2/2007	Q1 - Q2/2006	Q1-Q4/2006
1,023	1,013	2,148	1,894	3,814

The second quarter sales volumes were up by approximately one percent compared with the corresponding period in the previous year. The sales volumes increased compared with the previous year in Finland, the British Isles and Eastern Europe. Also overseas export grew from the corresponding period in the previous year. The sales volumes in Continental Europe fell, however, from the previous year.

The second quarter sales prices of nitrogen fertilizers were approximately 2 - 4 percent higher in Continental Europe and approximately 5 percent lower in the UK than last year. Sales prices of NPK fertilizers were approximately 2 - 6 percent higher than last year in Continental Europe and in the UK they remained nearly at the same level as in last year. The total effect of higher sales prices on operating profit was, however, positive.

The price of natural gas was on average about 20 -25 percent less expensive than in the corresponding period in the previous year. Less expensive natural gas and higher sales prices contributed the most to the operating profit improvement.

Industrial Solutions

The second quarter net sales of the Industrial Solutions business unit grew by 10 percent in 2007 and were EUR 79.8 (72.2) million.

The second quarter operating profit was EUR 7.1 (6.4) million. EBIT excluding the effect of unrealized gas derivatives and non-recurring items was EUR 6.7 (6.4) million. EBIT as a percentage of net sales, gas derivatives and non-recurring items excluded, fell from approximately 9 percent in the second quarter of 2006 to 8.4 percent in the second quarter of 2007.

Net sales, EUR million	**Q1**	**Q2**	**Q3**	**Q4**	**Q1-Q4**
2007	80.9	79.8			
2006	75.8	72.2	76.0	84.9	309.0

EBIT, EUR million	**Q1**	**Q2**	**Q3**	**Q4**	**Q1-Q4**
2007	7.2	7.1			
2006	0.9	6.4	6.3	6.3	19.9

During the second quarter, feed phosphate volumes in Europe were above the previous year’s level and prices increased on average by 5 percent.

The major contributors to improvement of operating profit were higher phosphoric acid and feed phosphates prices and sales volumes as well as less expensive natural gas.

Kemira GrowHow sold in May its Danish hydrochloric acid, sulphuric acid and canning businesses to Gropa A/S. Kemira GrowHow will, however, continue to provide its nitric acid and ammonia based products in Denmark. The sale had no material effect on Kemira GrowHow's net sales or operating profit.

Kemira GrowHow and Thermphos Trading GmbH, a fully-owned subsidiary of a Dutch company Thermphos International B.V., signed a contract in June to set up a joint venture company, Crystalis Oy, to produce purified phosphoric acid (PPA). The joint venture is located at Kemira GrowHow’s site in Siilinjärvi, Finland.

Crystalis Oy's production facility will be integrated into Kemira GrowHow's Siilinjärvi operations and the new company will use Thermphos' and Kemira GrowHow's proprietary production technology. The basic raw material for PPA is the phosphoric acid produced at Siilinjärvi by Kemira GrowHow. Crystalis' production process will be closely integrated into existing operations at Siilinjärvi, resulting in improvement of competitiveness of Kemira GrowHow's phosphoric acid production at Siilinjärvi plant. Crystalis Oy has started planning its production facilities in Siilinjärvi and will start operations in the fourth quarter of 2008. The planned annual production of PPA is 30,000 tons (P_2O_5).

Kemira GrowHow, a Finnish energy company Fortum and a local energy company Savon Voima Lämpö agreed in May that Fortum will provide district heat in Siilinjärvi starting from the beginning of 2008. Heat generated at Kemira GrowHow's Siilinjärvi plant by Fortum’s sulphur burning unit and Kemira GrowHow’s sulphuric acid plant processes will be utilized in district heating. The project will utilize the investment to increase production of sulphuric acid and energy at Kemira GrowHow's Siilinjärvi plant, which was decided last autumn by Kemira GrowHow and Fortum.

The agreement, with a capacity of some 55 - 60 GWh for district heating per year, is for 12 years and covers the needs of some 2,500 households. Heat is generated in sulphuric acid production and sulphur burner in an environmentally friendly way. This project will decrease the amount of oil used in the district heat production by some 2,500 tons per year. Fortum and Savon Voima will make the necessary investments in the autumn of 2007.

January - June of the strategic business units

Crop Cultivation

Net sales of the Crop Cultivation business unit increased during the first six months by 20 percent compared with the corresponding period in 2006 and were EUR 538.4 (449.8) million.

The operating result in January - June was EUR 30.3 (-19.0) million. EBIT excluding the effect of unrealized gas derivatives and non-recurring items was EUR 37.7 (-24.3) million. The operating result of the first six months of 2007 was improved especially by less expensive natural gas and thanks to that, higher utilization rate of ammonia plants, as well as by higher fertilizer sales volumes. EBIT as percentage of net sales, gas derivatives and non-recurring items excluded, improved from -5.4 percent in the previous year to 7.0 percent.

One of the three nitric acid factories of Kemira GrowHow's plant in Tertre, Belgium, suffered a fire in early February. There were no human injuries or environmental damages. The production shut-down in the nitric acid plant was approximately 4 months. During the production shut-down the fertilizer production at Tertre was reduced by approximately 25 percent. The nitric acid plant is insured for property damage and business interruptions. Impairment losses of tangible assets, totalling to EUR 0.9 million, were recorded due to the fire. EUR 0.7 million of the impairment losses were allocated to Crop Cultivation business unit. In total EUR 3.5 million of insurance compensations were recognized due the fire during the first six months, and EUR 3.0 million of the compensations were allocated to Crop Cultivation business unit.

The first half-year sales volumes were up by approximately 13 percent compared with the corresponding period in the previous year. The sales volumes increased in all the market areas, but especially in the British Isles and Central Eastern Europe.

The sales prices of nitrogen fertilizers were in January - June approximately 3 percent higher in Continental Europe and approximately 8 percent lower in the UK than last year. Sales prices of NPK fertilizers were approximately 3 percent higher in Continental Europe and approximately 3 percent lower in the UK than last year. The total effect of higher sales prices on operating profit was, however, positive.

The price of natural gas was on average about 30 - 35 percent less expensive than in the corresponding period in the previous year. Thanks to less expensive natural gas and higher price of ammonia, ammonia plants were, unlike last year, in full production through the whole winter, and there were no additional costs due to shut-downs and restarts of ammonia plants. There was also no need to purchase as much ammonia as last year. Lower natural gas prices, stable operation of the ammonia plants and lower ammonia purchases together with higher sales volumes contributed the most to operating profit improvement.

Industrial Solutions

Industrial Solutions business unit's net sales of the first six months increased by 9 percent in 2007 and were EUR 160.7 (148.1) million.

January - June operating profit was EUR 14.3 (7.3) million. EBIT excluding the effect of unrealized gas derivatives and non-recurring items was EUR 13.6 (7.4) million. EBIT as a percentage of net sales, gas derivatives and non-recurring items excluded, increased from approximately 5 percent in the first six months of 2006 to 8.5 percent in the corresponding period of 2007.

EUR 0.2 million of impairment losses due to the fire at Tertre plant were allocated to Industrial Solutions business unit. Allocated insurance compensations were EUR 0.5 million.

During January - June, feed phosphate volumes in Europe were above the previous year's level and prices increased on average by 5 percent.

The major contributors to improvement of operating profit were higher phosphoric acid and feed phosphates prices, less expensive natural gas and higher utilization rate of ammonia plants.

Financing

At 30 June 2007, the Group's net interest-bearing liabilities amounted to EUR 158.5 million, compared with EUR 224.0 million at 30 June 2006 and EUR 185.9 at 31 December 2006. The proportion which fixed-interest loans represented within the total amount of the Group's interest-bearing loans was about 35 percent at the end of the review period. Pension loans are considered to be floating rate loans. At the end of the review period 30 June 2007 liquid funds amounted to EUR 40.4 million (EUR 43.7 million at 30 June 2006 and EUR 20.0 million at 31 December 2006).

The Group's equity ratio was 38.7 percent at the end of the review period 30 June 2007 (34.0 percent at 30 June 2006 and 37.2 percent at 31 December 2006). The gearing ratio was 47.4 percent (75.6 percent at 30 June 2006 and 59.5 percent at 31 December 2006).

Kemira GrowHow's main liquidity reserve is a syndicated revolving credit facility that is used for general corporate purposes. The EUR 150 million credit facility is in place until the year 2010. The utilization of the revolving credit facility as of 30 June 2007 was EUR 80 million. Kemira GrowHow also has a EUR 300 million domestic commercial paper program, a long-term bilateral bank loan and pension loans. Other funding sources are financial leasing arrangements and credit facilities with local house banks.

Cash flow during January - June 2007 was clearly better than in the previous year as cash flow from operations was EUR 53.4 (-43.3) million and EUR 35.9 (-74.9) million after investing activities. The main reason for the increase in cash flow compared with the previous year was better operating result and a decrease in net working capital.

Capital expenditure

Gross capital expenditure was EUR 19.8 (48.2) million during the first six months of 2007. Carbon dioxide emission right allowances, EUR 0.5 (9.4) million, are included in gross capital expenditure. Emission rights have been recorded at fair value when received. There were no major investments made during the first quarter of 2007. Previous year's gross investments include the acquisition of 19 percent of Hankkija-Maatalous Oy shares.

Depreciation and amortization in January - June were EUR 22.7 (22.3) million and impairment losses EUR 2.4 (0.1) million. Impairment losses totalling to EUR 1.3 million, consisting of impairment of goodwill and intangible assets allocated to ZAO Agroprochimija, Russia, were recorded in the second quarter due to redirection of business. Other impairment losses were recognized of property, plant and equipment and they are mainly related to assets destroyed at the fire at Tertre plant. Proceeds from sales of fixed assets were EUR 5.8 (12.8) million. Net gains from sales of assets were EUR 3.5 (6.6) million.

Cash flow from investing activities in January - June was EUR -17.6 (-31.6) million.

In 2007, capital expenditure excluding possible acquisitions is estimated to be approximately EUR 50 million, including maintenance investments of approximately EUR 30 million. The most significant capital expenditure in 2007 are investments in energy efficiency improvement and scheduled maintenance of the ammonia plant at Tertre, Belgium and investments in sulphur burning unit and automatization of fertilizer plant at Siilinjärvi, Finland.

Personnel

As at 30 June 2007, Kemira GrowHow had 2,567 (2,659) employees. The average number of personnel was 2,514 (2,652). The number of personnel in Finland was 1,142 (1,149) at the end of June and 1,080 (1,101) on average.

Shares and share capital

At the end of the review period, 30 June 2007, the share capital of Kemira GrowHow Oyj amounted to EUR 155,973,000 consisting of 57,208,857 shares (before the deduction of treasury shares). Each share, with the exception of the treasury shares, entitles its holder to one vote at the General Meetings of Shareholders of Kemira GrowHow Oyj. The share has no nominal value.

The Board of Directors of Kemira GrowHow Oyj used the authorizations issued by the Annual General Meeting of 2006 to dispose of the Company's own shares. Based on the Board of Directors' decision, Kemira GrowHow Oyj transferred on 15 March 2007 77,320 shares to persons involved in the 2004 share-based incentive plan.

At 30 June 2007, Kemira GrowHow Oyj held 1,783,380 own shares, representing in total 3.12 percent of the number of issued shares.

At the end of the review period, the quoted price of Kemira GrowHow Oyj shares stood at EUR 11.91 The highest quoted price in January - June 2007 was EUR 12.21 and the lowest was EUR 6.67. The volume weighted average quoted price in January - June 2007 was EUR 9.76. The share capital had a market value of EUR 660.1 million at the end of June 2007. The volume of shares traded during the January - June period was equivalent to 150 percent of the average number of shares outstanding.

Equity attributable to equity holders of the parent company was EUR 5.97 (5.33) per share at 30 June 2007. The number of shares used in calculating this key ratio has been reduced by the number of treasury shares.

As of 30 June 2007, Kemira GrowHow's ownership structure was the following:

International institutions and nominee registered shareholders (*	74.2%

Finnish institutions	14.0%
Finnish households	8.7%
Kemira GrowHow Oyj	3.1%

(* Yara Nederland B.V. acquired 24 May 2007 30.05 percent of the shares in Kemira GrowHow Oyj from the Government of Finland. Pursuant to article 7(2)(b) of the EC Council Regulation EC 139/2004 an acquirer is not allowed to exercise the voting rights attached to the purchased securities during the proceedings of the European Commission. In accordance with regulation, save with the prior consent of the European Commission, Yara will not exercise the voting rights related to the shares purchased in connection with the share purchase until the European Commission has approved the share purchase and the tender offer.

Yara Nederland B.V. announced on 30 July, that as a result of a share transaction concluded on 24 May 2007 and acceptances to a mandatory tender offer, the holdings of Yara Nederland B.V. have exceeded five-tenths (5/10) of the voting rights and share capital in Kemira GrowHow Oyj on 27July 2007. The acceptances to the tender offer represent 22.88 percent of shares in Kemira GrowHow Oyj, i.e. 13.089.404 shares.

Skagen AS, Stavanger, Norway, reported to Kemira GrowHow Oyj on 26 July 2007 that it has for its part accepted the mandatory public tender offer by Yara Nederland B.V. for all shares held in Kemira GrowHow Oyj. With effect immediately funds managed by Skagen AS no longer may exercise any voting rights in Kemira GrowHow Oyj. Based on the information that Kemira GrowHow Oyj has, the funds managed by Skagen AS had more then 5 percent of the shares in Kemira GrowHow Oyj (the shares were nominee-registered).

The Board of Directors of Kemira GrowHow Oyj has no authorization to issue convertible bonds or warrants or options. The Annual General Meeting held on 3 April 2007 authorized the Board of Directors to dispose of the Company's own shares through a share issue and to issue new shares through a subscribed issue. These authorizations have not been used.

Annual general meeting

The Annual General Meeting of Kemira GrowHow Oyj held at 3 April 2007, approved the financial statements and consolidated financial statements for the financial year of 1 January - 31 December 2006 and granted discharge from liability to the members of the Board of Directors as well as the managing director and the deputy managing director.

The Annual General Meeting decided to distribute as dividend for the financial year of 2006 EUR 0.15 per share, as proposed by the Board of Directors. No dividend was paid to treasury shares held by Kemira GrowHow Oyj, so the paid dividend amounted to EUR 8.3 million. The dividend record date was 10 April 2007 and the dividend was paid on 17 April 2007.

The Annual General Meeting re-elected Ossi Virolainen, Lauri Ratia, Arto Honkaniemi, Satu Raiski, Helena Terho and Esa Tirkkonen as members of the Board of Directors and

Maija Torkko as a new member. The Annual General Meeting re-elected Ossi Virolainen as the Chairman and Lauri Ratia as the Vice Chairman of the Board of Directors.

KPMG Oy Ab was re-elected as auditor, with Petri Kettunen, APA, as responsible auditor, and Pekka Pajamo, APA, as deputy auditor.

The Annual General Meeting decided to authorize the Board of Directors to dispose of a maximum number of 1,860,700 Company's own shares through a share issue. The authorization is effective until 31 May 2008.

The Annual General Meeting decided to authorize the Board of Directors to issue a maximum of 6,000,000 new shares through one or more subscribed issues. In accordance with the authorization, the Board of Directors may deviate from the shareholders' pre-emptive rights to subscribe for Company shares if there is a persuasive economic reason for the company to do so. The authorization is effective until 31 May 2008.

The Annual General Meeting decided to establish a Nomination Committee to prepare proposals for the next Annual General Meeting on the composition and remuneration for the Board of Directors.

Efficiency improvements

During 2007 Kemira GrowHow aims to carry out efficiency improvement projects, which would improve result in total by more than EUR 10 million. These projects include projects to improve production efficiency, cutting down fixed costs, savings in logistics and development of business in Eastern Europe. The most significant on-going project is the project to increase efficiency of the ammonia plant in Tertre. The project is estimated to be finished in spring 2008.

Yara's tender offer of shares in Kemira GrowHow Oyj

Yara Nederland B.V., a fully-owned subsidiary of Yara International ASA, acquired 24 May 2007 17,188,480 shares in Kemira GrowHow Oyj from the Government of Finland. The purchase price paid for the shares was EUR 12.12 per share. The acquired shares represent 30.05 percent of all shares and votes in Kemira GrowHow.

As a result of the acquisition of the shares, Yara's holding exceeded three-tenths (3/10) of the votes in Kemira GrowHow and Yara was under the obligation to launch a mandatory tender offer under the Chapter 6 Section 10 of the Finnish Securities Markets Act for the remaining shares in Kemira GrowHow. The tender offer began on 20 July and expires at 16.00 on 7 September 2007. Yara reserves the right to extend or interrupt the tender offer period in accordance with the terms and conditions of the tender offer.

The offered cash consideration in the tender offer is EUR 12.12 per share. The offer values Kemira GrowHow at EUR 671.8 million on an equity value basis. The cash consideration of EUR 12.12 per share corresponds to a premium of 30.7 percent over the closing price of EUR 9.27 per share on 23 May 2007, the last trading day prior to the tender offer obligation, and a premium of 30.8 percent over the volume-weighted average price during the previous 3 months preceding the tender offer obligation, i.e. from 24 February to 23 May 2007. The offer price also represents a premium of 17.1 percent over

Kemira GrowHow’s all-time high traded share price prior to the tender offer, EUR 10.35 per share. Additionally Yara will pay interest accruing at an annual rate of 5.00 percent from date on which an account operator or a custodian has received the acceptance of the tender offer by a shareholder of Kemira GrowHow until and including the payment day of the offer price pursuant to the tender offer to such shareholder.

The tender offer is conditional on the relevant regulatory approvals. However, Yara and Kemira GrowHow do not anticipate any problems with the regulatory process. Yara and Kemira GrowHow have entered into a combination agreement, and in accordance with the agreement, Yara is prepared to accommodate any concerns of the authorities to a large extent to assure such approval. Until such conditions are met and the deal is finalized, Kemira GrowHow continues its business operations as usual and there are no effects on the personnel. The CEO and the management team of Kemira GrowHow continue to run the business according to its current strategy and report to the Board of Directors as before.

Yara will fund the offer consideration from its existing cash balances and credit lines. Accordingly, the tender offer is not subject to any financing conditions.

The Board of Directors of Kemira GrowHow has assessed the tender offer and, to support its evaluation, acquired a fairness opinion from Lehman Brothers Europe Limited. Based on its assessment the Board has concluded that the offer price is fair from a financial point of view to Kemira GrowHow’s shareholders. Therefore, the Board unanimously recommends that the shareholders accept the tender offer by Yara.

The joint venture in the UK with Terra Industries

In October 2006 Kemira GrowHow Oyj and Terra Industries Inc. entered into a Memorandum of Understanding which set out their agreement to create a joint venture to operate the fertilizer and associated process chemicals businesses of both companies in the United Kingdom. The Competition Commission (UK) approved the proposed joint venture 11 July 2007. The approval is conditional upon the divestment of certain process chemicals businesses (which account for less than 3 per cent of the net sales of the joint venture) as well as upon amendment of certain terms in the agreements for supply of carbon dioxide at Ince plant.

The joint venture will be held 50/50 by Kemira GrowHow and Terra and will own and operate the site of Kemira GrowHow UK Limited at Ince and the sites of Terra Nitrogen (UK) Limited on Teesside and Severnside. The annual net sales of the combined operations included in the joint venture exceeded EUR 500 million in 2006.

Both companies produce ammonium nitrate, which is the main nitrogen fertilizer consumed in the UK, and Kemira GrowHow produces also compound fertilizers. The joint venture will therefore provide a complete fertilizer offering for agricultural customers. Through the joint venture, Kemira GrowHow and Terra expect to create significant cost and operational synergies that would enhance their ability to service and compete in increasingly challenging markets.

Other events during the review period

The Finnish Ministry of Trade and Industry made in June a decision about the mining rights in Sokli and issued Kemira GrowHow a two year time period to start the mining operations in the Sokli area. If the period of two years is not long enough and Kemira GrowHow believes that it is possible to develop the deposit and pursue the opening of the mine, Kemira GrowHow may again apply for the mining rights.

The Sokli mine area is located in Eastern Lapland in Finland, where it is possible to extract niobium and phosphorus.

Market overview

During the latter half of last year, fertilizer deliveries of European fertilizer producers fell by up to 10 percent compared with the previous season. This was due mainly to a shift of last autumn's fertilizer purchases to this spring, although the total fertilizer deliveries of European fertilizer producers in the 2006/07 season, which ended in June, are estimated to have decreased compared with the previous season. Globally fertilizer consumption is estimated to have grown by nearly 5 percent during the 2006/07 season and it is expected to further increase by 3 percent in the new 2007/08 season. In a longer term, the average annual growth in global consumption is expected to remain at about 2 - 3 percent. The decline in consumption in the western part of the European Union is compensated for by increasing consumption in the eastern part of the Union. Global nitrogen fertilizer production capacity is estimated to increase at a slower pace than was anticipated last year. European fertilizer supply has decreased due to plant closures.

As a result of the reform of the common agricultural policy of the European Union in 2003, farm subsidies were mostly decided to be decoupled from production. The reform is estimated to cut down cereal production and on the other hand to increase energy crop production, but the full long-term impact of these reforms is still difficult to assess. However, the expanding cultivation of energy crops is assumed to increase fertilizer consumption. The European Commission forecasts, that in a longer term, farm income in the whole EU will grow at an average annual rate of over 2 percent.

The European Commission intends to suggest, that the 10 percent mandatory set aside agricultural area would be abolished for the 2007/08 season. This would increase fertilizer consumption.

Global cereal stocks continue to be the main driver of the fertilizer market. According to the FAO global cereal production in 2006 was more than 2 percent lower than in 2005, but it is expected to increase by over 5 percent this year thanks to the more favourable crop outlook. In the European Union, cereal production dropped by almost 5 percent in 2006 compared with 2005. This year cereal production in the EU is estimated to increase regardless of the unfavourable weather conditions.

The recovery of world meat production, the surge in bio-ethanol production in the United States and the currently prevailing rather favourable global economic conditions are expected to result in continuous growth in global cereal demand. Cereal stocks are at a historically record low level and they are estimated to have decreased during the 2006/07 season further by more than 14 percent. Because the demand for grain increases, the stocks are not, however, expected to grow materially, despite of the good crop outlook

Global market prices of commodity fertilizers such as urea and diammonium phosphate (DAP) have strengthened substantially during this year, decreasing the pressure of fertilizer imports from outside of Europe.

The prices of wheat and other cereals increased strongly during late 2006 and they have remained at a high level. High cereal prices improve the farmers' financial situation. Historically, improving cereal prices have increased fertilizer consumption.

The gas infrastructure in Northwest Europe has improved significantly from last year. During the autumn and winter a number of new gas pipelines connecting the United Kingdom to the Dutch gas network and to a new gas field in the North Sea were completed. This has increased the supply of natural gas, which has decreased gas prices and price volatility. Combined with the activities of the European Union to open up the European gas markets, this is expected to improve effectiveness of the gas markets in the long run. After the mild winter European gas stocks were larger than usually, and thanks to that, the market prices in North-Western Europe during the spring and early summer did not follow the firm increases in oil prices. During the summer the gas markets in North-Western Europe have tightened due to exceptional weather and pipeline damages.

The feed phosphate market in Europe has remained stable. The supply and demand balance of phosphoric acid has lately tightened further. The market prices are substantially influenced by the price of phosphoric acid annually agreed by India. This price has been announced to increase approximately 30 percent this year. Also the price of DAP has risen strongly supporting the price of phosphoric acid.

Current outlook

Fertilizer demand and prices are expected to remain at a good level also during the latter half of 2007 and prices are expected to remain high. The price of the most important raw material, natural gas, is expected to rise from the second half of 2006. Also the prices of potash and sulphur are rising. Thanks to strong demand during the spring, the producers' fertilizer inventories have declined from the year end strengthening the initial fertilizer prices of the new season, which began in July. Also the high world market prices of DAP and urea support fertilizer prices for the new season. The profitability of the latter part of the year depends essentially on the price level of fertilizers in relation to the natural gas prices during the second half year. The most important external factors affecting the development of fertilizer business are estimated to continue to be positive.

The positive development of the Industrial Solutions business unit's operations is expected to continue. The world US dollar-based market price of phosphoric acid has increased by approximately 30 percent. The price increases are expected to be partly, with a delay, reflected also on the prices of feed phosphates, because Kemira GrowHow's competitors are sourcing the phosphoric acid to be used as raw material from the markets. Kemira GrowHow has own phosphoric acid production thanks to own mine.

In addition to positive development of fertilizer business, also Kemira GrowHow's own actions, efficiency improvements and utilization of new business opportunities, create additional possibilities for result improvement in both Crop Cultivation and Industrial Solutions business units.

Kemira GrowHow's operating profit of the whole year 2007, non-recurring items excluded, is estimated to improve clearly from 2006. Due to the seasonality of the fertilizer business in Europe, the second half-year of European fertilizer producers is, however, typically weaker than the first.

All forecasts and estimates mentioned in this report are based on current judgments of the economic environment and the actual result may be significantly different.

Material risks and uncertainties

Kemira GrowHow’s business is cyclical in nature due to the general economic conditions of the fertilizer business and the cyclical nature of the end-user markets. In addition, seasonal weather conditions can have a negative effect on Kemira GrowHow's operations and result.

Adverse changes in the supply and prices of natural gas and other essential raw materials can also negatively affect Kemira GrowHow's result if the cost increases cannot be passed on to end product prices. The fluctuation between natural gas and oil derivative prices has an effect on the market value of the contracts for the Group's natural gas purchases and they can lead to significant result volatility as the contracts are mainly related to future years.

Imports from Russia and Eastern Europe could create an imbalance in supply and demand in Western European fertilizer markets unless the EU maintains adequate protective measures especially to compensate for the price differences of natural gas. Urea or other nitrogen products manufactured in the low-price natural gas area can replace part of the nitrate fertilizers traditionally used in Europe. Global market prices of commodity fertilizers have an effect on fertilizer imports from outside of Europe.

The nature of Kemira GrowHow's businesses exposes Kemira GrowHow to risks of environmental costs and liabilities arising from the manufacture, use, storage, transport and sale of materials that may be considered to be harmful to nature or health and safety when released into the environment. Many of Kemira GrowHow's operations require environmental and other regulatory permits that are subject to modification, renewal or revocation by issuing authorities.

EUR 170 million of the committed credit facilities of Kemira GrowHow, whether drawn or undrawn, include covenants or other terms and conditions. These terms and conditions do not restrict the use of the respective credit facilities, but they can affect financing of the Group in the future or may require negotiations with the providers of funds. These credit facilities also include a condition that allows the lenders to cancel the facilities and declare outstanding loans due and payable if there is a change of control in Kemira GrowHow Oyj.

If the tender offer made by Yara for the shares in Kemira GrowHow is not accepted, it can affect significantly Kemira GrowHow's share price.

Kemira GrowHow's operational and strategic risks are described in the Board of Directors' Review for 2006.

Kemira GrowHow Oyj
Board of Directors

Additional information:
Kemira GrowHow Oyj
Heikki Sirviö, CEO
tel. +358 10 215 2442

Kemira GrowHow Oyj
Kaj Friman, Deputy CEO, CFO
tel. +358 (0)50 62 626

Distribution:
Helsinki Stock Exchange
Media

KEMIRA GROWHOW GROUP

INTERIM FINANCIAL STATEMENTS 1 JANUARY - 30 JUNE 2007

These condensed interim financial statements are unaudited. As a result of rounding differences, the figures presented in the tables may not add up to the total.

Condensed income statement

EUR million	4-6/2007	4-6/2006	1-6/2007	1-6/2006	1-12/2006
Net sales	**332.6**	**304.2**	**682.0**	**577.1**	**1,166.2**
Other operating income	6.8	9.3	13.1	15.6	29.6
Cost of sales	-297.6	-301.0	-616.6	-587.3	-1,134.2
Fair value changes of currency derivatives, net	0.7	1.2	0.4	0.2	0.8
Net result of realized commodity derivatives	-2.2	0.2	-2.3	0.2	1.0
Fair value changes of unrealized commodity derivatives, net	-9.7	0.1	-12.6	0.1	-7.9
Depreciation, amortization and impairment	-13.0	-11.4	-25.1	-22.4	-44.4
Operating profit/loss	**17.6**	**2.6**	**38.9**	**-16.4**	**11.1**
Financial income and expenses	-2.8	-2.8	-5.6	-5.0	-11.0

Share of the net result of associated companies and joint ventures	1.1	1.2	2.3	1.3	0.1
Net financial items	-1.7	-1.6	-3.4	-3.7	-10.8
Result before income taxes	**15.9**	**1.0**	**35.5**	**-20.1**	**0.3**
Income taxes	-2.5	-1.7	-6.0	-2.5	-6.8
Net result	**13.4**	**-0.7**	**29.5**	**-22.7**	**-6.5**
Attributable to minority interests	0.3	0.3	1.2	0.6	1.3
Attributable to equity holders of the parent company	**13.1**	**-1.0**	**28.3**	**-23.3**	**-7.8**
Total	13.4	-0.7	29.5	-22.7	-6.5
Earnings per share, EUR	**0.24**	**-0.02**	**0.51**	**-0.42**	**-0.14**
Operating profit/loss, % of net sales	**5.3**	**0.9**	**5.7**	**-2.8**	**1.0**
Net result attributable to equity holders of the parent company, % of net sales	**3.9**	**-0.3**	**4.1**	**-4.0**	**-0.7**

Condensed balance sheet

EUR million	30 June 2007	30 June 2006	31 December 2006
Assets			
Non-current assets			
Intangible assets and goodwill	13.1	25.2	14.9
Property, plant and equipment and biological assets	301.2	310.2	306.6
Holdings in associated companies and joint ventures	22.3	21.5	20.4
Available-for-sale shares	15.3	15.3	15.3
Other investments	4.5	2.6	4.5
Deferred tax assets	33.3	31.2	33.1
Defined benefit pension assets	19.1	19.6	19.1
Total non-current assets	**408.8**	**425.5**	**414.0**
Current assets			
Inventories	178.1	184.3	211.5
Receivables			
Interest-bearing receivables	2.7	5.4	3.2
Accounts receivable and other interest-free receivables	237.9	218.1	195.6
Tax receivables	0.3	0.4	0.6
Total receivables	240.9	223.9	199.3

Securities	10.4	23.4	3.3
Cash and bank	30.0	20.2	16.7
Total current assets	**459.4**	**451.8**	**430.8**
Total assets	**868.2**	**877.3**	**844.7**

EUR million	30 June 2007	30 June 2006	31 December 2006
Equity and liabilities			
Equity			
Share capital	156.0	156.0	156.0
Share premium account	8.5	8.5	8.5
Other reserves	0.5	0.5	0.5
Other non-restricted equity	142.2	142.2	142.2
Paid-up unrestricted equity reserve	0.7	-	-
Treasury shares	-10.6	-11.0	-11.0
Fair value reserve	-	0.0	-
Hedging reserve	2.0	1.5	1.5
Retained earnings and translation difference	3.5	20.6	20.3
Net result for the period attributable to equity holders of the parent company	28.3	-23.3	-7.8
Attributable to equity holders of the parent company	**331.1**	**294.9**	**310.1**
Minority interest	**3.1**	**1.5**	**2.2**
Total equity	**334.2**	**296.4**	**312.2**
Non-current liabilities			
Non-current interest-bearing liabilities	103.5	111.1	103.9
Non-current interest-free liabilities	0.0	1.1	0.3
Provisions for liabilities and charges	2.5	2.4	2.7
Deferred tax liabilities	16.3	16.6	15.9
Defined benefit pension and other long-term employee benefit liabilities	96.0	95.0	96.3
Total non-current liabilities	**218.3**	**226.1**	**219.2**
Current liabilities			
Current interest-bearing liabilities	95.4	156.6	102.0
Short-term provisions	6.0	8.4	5.4
Accounts payable and other current interest-free liabilities	210.2	186.9	199.6
Income tax payables	4.1	2.9	6.3
Total current liabilities	**315.7**	**354.8**	**313.3**
Total liabilities	**534.0**	**580.9**	**532.5**
Total equity and liabilities	**868.2**	**877.3**	**844.7**

Statement of changes in equity

EUR million	Share capital	Share premium account	Other reserves	Other non-restricted equity	Paid-up unrestr. equity reserve	Hedging reserve	Fair value reserve
Equity at 1 January, 2006	**156.0**	**8.5**	**0.5**	**154.4**	**-**	**0.1**	**-**
Cash flow hedges, recognized in equity	-	-	-	-	-	1.6	-
Cash flow hedges, transfer to income statement	-	-	-	-	-	0.3	-
Available-for-sale shares, change in fair value	-	-	-	-	-	-	0.1
Other changes	-	-	0.0	-	-	-	-
Tax effect of net income recognized directly in equity	-	-	-	-	-	-0.5	0.0
Net income recognized directly in equity	**-**	**-**	**0.0**	**-**	**-**	**1.4**	**0.0**
Recognized income and expense for the period	**-**	**-**	**0.0**	**-**	**-**	**1.4**	**0.0**
Dividends paid	-	-	-	-12.2	-	-	-
Equity at 30 June, 2006	**156.0**	**8.5**	**0.5**	**142.2**	**-**	**1.5**	**0.0**

EUR million	Share capital	Share premium account	Other reserves	Other non-restricted equity	Paid-up unrestr. equity reserve	Hedging reserve	Fair value reserve
Equity at 1 January, 2007	**156.0**	**8.5**	**0.5**	**142.2**	**-**	**1.5**	**-**
Cash flow hedges, recognized in equity	-	-	-	-	-	1.0	-
Cash flow hedges, transfer to income statement	-	-	-	-	-	-0.3	-
Other changes	-	-	0.0	-	-	-	-
Acquisition / disposal of treasury shares	-	-	-	-	0.7	-	-
Tax effect of net income recognized directly in equity	-	-	-	-	-	-0.2	-
Net income recognized directly in equity	**-**	**-**	**0.0**	**-**	**0.7**	**0.5**	-
Recognized income and expense for the period	**-**	**-**	**0.0**	**-**	**0.7**	**0.5**	-
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	-
Equity at 30 June, 2007	**156.0**	**8.5**	**0.5**	**142.2**	**0.7**	**2.0**	**-**

EUR million	Treasury shares	Retained earnings	Cumulative translation difference	Attributable to equity holders of the parent company	Minority interest	Total equity
Equity at 1 January, 2006	**-1.7**	**23.3**	**-0.2**	**340.9**	**1.0**	**341.9**
Exchange rate differences	-	-	0.3	0.3	0.0	0.3
Hedging of net investment in foreign entity	-	-	0.3	0.3	-	0.3
Cash flow hedges, recognized in equity	-	-	-	1.6	-	1.6
Cash flow hedges, transfer to income statement	-	-	-	0.3	-	0.3
Available-for-sale shares, change in fair value	-	-	-	0.1	-	0.1
Share of changes recognized directly in associates' and joint ventures' equity	-	1.1	-	1.1	-	1.1
Other changes	-	0.0	-	0.0	-	0.0
Acquisition of treasury shares	-9.4	-	-	-9.4	-	-9.4
Tax effect of net income recognized directly in equity	-	-	0.1	-0.5	-	-0.5
Net income recognized directly in equity	**-9.4**	**1.1**	**0.7**	**-6.1**	**0.0**	**-6.1**
Share-based incentive plan	-	0.1	-	0.1	-	0.1
Share-based incentive plan, tax effect	-	0.0	-	0.0	-	0.0
Net profit for the period	-	-23.3	-	-23.3	0.6	-22.7
Recognized income and expense for the period	**-9.4**	**-22.2**	**0.7**	**-29.4**	**0.6**	**-28.7**
Dividends paid	-	-4.4	-	-16.6	-0.1	-16.7
Equity at 30 June, 2006	**-11.0**	**-3.2**	**0.5**	**294.9**	**1.5**	**296.4**

EUR million	Treasury shares	Retained earnings	Cumulative translation difference	Attributable to equity holders of the parent company	Minority interest	Total equity
Equity at 1 January, 2007	**-11.0**	**12.3**	**0.1**	**310.1**	**2.2**	**312.2**
Exchange rate differences	-	-	0.1	0.1	0.1	0.2
Hedging of net investment in foreign entity	-	-	0.0	0.0	-	0.0
Cash flow hedges, recognized in equity	-	-	-	1.0	-	1.0
Cash flow hedges, transfer to income statement	-	-	-	-0.3	-	-0.3
Changes in minority interest	-	0.0	-	0.0	0.0	-
Share of changes recognized directly in associates' and joint ventures' equity	-	-0.1	-	-0.1	-	-0.1
Other changes	-	0.0	-	0.0	-	0.0
Acquisition / disposal of treasury shares	0.5	-0.5	-	0.7	-	0.7
Tax effect of net income recognized directly in equity	-	-	0.0	-0.2	-	-0.2
Net income recognized directly in equity	**0.5**	**-0.6**	**0.1**	**1.3**	**0.1**	**1.4**
Share-based incentive plan	-	-0.4	-	-0.4	-	-0.4
Share-based incentive plan, tax effect	-	0.1	-	0.1	-	0.1
Net profit for the period	-	28.3	-	28.3	1.2	29.5
Recognized income and expense for the period	**0.5**	**27.5**	**0.1**	**29.3**	**1.4**	**30.7**
Dividends paid	-	-8.3	-	-8.3	-0.4	-8.7
Equity at 30 June, 2007	**-10.6**	**31.5**	**0.3**	**331.1**	**3.1**	**334.2**

Cash flow statements

EUR million	1-6/2007	1-6/2006	1-12/2006
Cash flows from operating activities			
Cash flows from operating activities before change in net working capital	42.2	-6.4	28.9
Change in net working capital	11.2	-36.9	-25.1
Net cash flow from operating activities	**53.4**	**-43.3**	**3.7**
Cash flows from investing activities			
Acquisition of subsidiary shares	-0.8	-0.8	-0.8
Acquisition of associated company and joint venture shares	-3.0	-3.3	-3.4
Other purchases of non-current assets	-19.6	-40.2	-60.9
Proceeds from sale of non-current assets	5.8	12.8	25.2
Net cash used in investing activities	**-17.6**	**-31.6**	**-39.9**
Cash flow before financing	**35.9**	**-74.9**	**-36.1**
Cash flows from financing activities			
Changes in non-current liabilities (increase + / decrease -)	-1.5	-2.8	-37.5
Changes in non-current loan receivables (increase - / decrease +)	0.0	0.1	-1.8
Short-term financing, net (increase + / decrease -)	-4.2	91.5	65.3
Dividends paid	-8.7	-16.7	-16.7
Acquisition of own shares	0.0	-11.0	-11.0
Other financing	0.2	-2.4	0.4
Net cash used in financing activities	**-14.2**	**58.5**	**-1.3**
Effect of exchange rate fluctuations	**-1.3**	**3.1**	**0.5**
Net change in cash and cash equivalents	**20.4**	**-13.3**	**-37.0**
Cash and cash equivalents at the beginning of the period	20.0	57.0	57.0
Cash and cash equivalents at the end of the period	40.4	43.7	20.0
Net change in cash and cash equivalents	**20.4**	**-13.3**	**-37.0**

Key figures

	30 June 2007	30 June 2006	31 December 2006
EBITDA, % of net sales (1	9.4	1.0	4.8
Operating profit/loss, % of net sales	5.7	-2.8	1.0
Net result for the period attributable to equity holders of the parent company, % of net sales	4.1	-4.0	-0.7
Gross capital expenditure, EUR million	19.8	48.2	68.3
Gross capital expenditure, % of net sales	2.9	8.4	5.9
Equity ratio, %	38.7	34.0	37.2
Gearing, %	47.4	75.6	59.5

Interest-bearing net liabilities, EUR million	158.5	224.0	185.9
Invested capital, EUR million	533.1	564.1	518.1
Return on equity, %	9.1	-7.1	-2.0
Return on equity, %, annualized	18.3	-14.2	-2.0
Return on investment, %	8.1	-2.5	2.4
Return on investment, %, annualized	16.2	-5.1	2.4
Number of personnel during the period, average	2,514	2,652	2,589
Number of personnel at the end of the period	2,567	2,659	2,489

1) EBITDA = operating profit / loss + depreciation, amortization and impairment

Per share data

	30 June 2007	**30 June 2006**	**31 December 2006**
Number of shares at the end of the period, treasury shares excluded (1,000)	55,425	55,348	55,348
Weighted average number of shares, treasury shares excluded (1,000)	55,394	55,693	55,519
Earnings/share (EPS), EUR (*	0.51	-0.42	-0.14
Equity attributable to equity holders of the parent company /share, EUR	5.97	5.33	5.60
Cash flow from operations/share, EUR	0.96	-0.78	0.07
P/E ratio, price per earnings per share of the review period	23.32	-10.64	-48.14
Market capitalization, EUR million	660.1	246.3	375.8
Number of shares traded, % of average number of shares	150	58	102
Number of shares traded, (1,000)	83,184	32,544	56,797
Closing price for the share, EUR	11.91	4.45	6.79
Highest quoted price, EUR	12.21	6.21	6.82
Lowest quoted price, EUR	6.67	4.11	4.11
Volume weighted average quoted price, EUR	9.76	5.49	5.59

(* Kemira GrowHow Oyj has not issued options or warrants or similar instruments which would dilute the earnings per share.

Definitions of key ratios

Financial ratios

Operating profit = Profit after depreciation, amortization and impairment

EBITDA = operating profit / loss + depreciation, amortization and impairment

Interest-bearing net liabilities = Interest-bearing liabilities - cash and bank - current investments

Equity = Equity attributable to equity holders of the parent company + minority interest

Invested capital = Balance sheet total - interest-free liabilities

Equity ratio, % = Equity x 100 / (Balance sheet total - advance payments received)

Gearing, % = Net liabilities x 100 / Equity

Return on investments, % (ROI) = (Profit before taxes + interest expenses + other financial expenses) x 100 / (Balance sheet total - interest-free liabilities) (average of 1 January and end of the review period)

Return on equity, % (ROE) = (Profit before income taxes - income taxes) x 100 / Equity (average of 1 January and end of the review period)

Per share data

Earnings per share (EPS) = Net result attributable to equity holders of the parent company for the review period / Adjusted average number of shares during the review period

Cash flow from operations = Cash flow from operations, after change in net working capital and before capital expenditure

Cash flow from operations per share = Cash flow from operations / Adjusted average number of shares

Equity attributable to equity holders of the parent company per share = Equity attributable to equity holders of the parent company at the end of the review period / Adjusted number of shares at the end of the review period

Price per earnings per share (P/E) = Share price at the end of the review period / Earnings per share (EPS) for the review period

Share turnover = The proportion of number of shares traded during the review period to weighted average number of shares

Market capitalization = Number of shares at the end of the review period x share price at the end of review period

Number of shares at the end of review period = Number of issued shares - treasury shares

CONDENSED NOTES TO THE INTERIM REPORT

Accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as approved by the European Union. They do not include all of the information required for full annual financial statements.

The accounting principles applied in these condensed interim consolidated financial statements are the same as those applied by Kemira GrowHow in its consolidated financial statements as at and for the year ended 31 December 2006, with the exception of the following new or revised or amended standards and interpretations, which have been applied from 1 January 2007:

- IFRS 7 Financial Instruments: Disclosures
- Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 10 Interim Financial Reporting and Impairment
- IFRIC 11 IFRS 2 Group and Treasury Share Transactions

The new and amended standards will mainly have an effect on the disclosures of the consolidated financial statements. Other new or amended standards or interpretations are not material for Kemira GrowHow Group.

Kemira GrowHow will apply the following new or revised or amended standards and interpretations from 1 January 2009:

- IFRS 8 Operating Segments
- IAS 23 Borrowing Costs

Kemira GrowHow estimates that applying IFRS 8 will not have any material effect on the financial information of Kemira GrowHow. Applying revised IAS Borrowing Costs will change Kemira GrowHow's accounting principles from 1 January 2009. From that date on the borrowing costs that are directly attributable to the acquisition, construction or production of an asset will be capitalized to the acquisition cost of the asset. The capitalization will apply mainly to property, plant and equipment.

Contingent liabilities

EUR million	**30 June 2007**	**30 June 2006**	**31 December 2006**
Mortgages	27.0	24.4	27.0
Assets pledged			
On behalf of own commitments	-	2.4	2.3
Guarantees			
On behalf of others (*	0.3	30.7	29.5
Operating leasing commitments			
Maturity within one year	5.0	5.2	9.3
Maturity after one year	30.2	33.2	27.7

(* EUR 0.0 (30.0) million of this obligation is related to the guarantees for which Kemira Oyj has issued a counter indemnity to Kemira GrowHow Oyj.

The Finnish Supreme Administrative Court gave a decision in April 2004 on Kemira GrowHow's appeal concerning the waste management permit for Kemira GrowHow's Siilinjärvi plant in Finland. Although the Court's decision was negative, the opinion of the management is that this will not have an impact on Kemira GrowHow's financial position. A new environmental and water management permit was issued in October 2006 to Siilinjärvi mine and plants. The enforcement of the permit is pending due to appeal. Kemira GrowHow estimates that the new environmental permit will not create any new material obligations.

Derivative instruments

EUR million	30 June 2007 Nominal value	Fair value	30 June 2006 Nominal value	Fair value	31 December 2006 Nominal value	Fair value
Currency derivatives						
Forward contracts	157.1	-0.6	116.9	1.9	181.9	-2.4
of which hedging net investment in foreign entity	1.3	-0.1	1.4	0.2	1.2	-0.1
Currency options						
Bought	81.4	0.1	131.3	0.6	61.7	0.7
Sold	11.4	0.0	130.7	-0.5	61.7	-0.2
Interest rate derivatives						
Interest rate swaps	70.0	2.1	70.0	1.7	70.0	1.7
Interest rate options						
Bought	10.0	0.3	10.0	0.3	10.0	0.3
Sold	10.0	0.0	10.0	0.0	10.0	0.0
Commodity derivatives						
Swaps	143.9	-20.6	47.0	0.0	136.2	-7.9
Options						
Bought	-	-	1.7	0.0	-	-
Sold	-	-	3.3	0.0	-	-

Derivative instruments are used only for hedging purposes. Nominal values of derivative instruments do not necessarily correspond with the actual cash flows between the counterparties and do not therefore give a fair view of the risk position of the Group. The fair values are based on market valuation on the date of reporting.

Segment information

Kemira GrowHow's operations are organized under two strategic business units: Crop Cultivation and Industrial Solutions. The Industrial Solutions business unit has strong synergies with the Crop Cultivation business unit in production and sourcing.

The Crop Cultivation strategic business unit produces and markets a broad range of fertilizers and other related products and services for agriculture, horticulture and home gardening in selected markets in Northern, Western and Eastern Europe and overseas. Kemira GrowHow has a significant market position in fertilizer business in Finland, Denmark, the Baltic countries, the Benelux countries, France and the United Kingdom.

The Industrial Solutions strategic business unit provides high performance products and innovative solutions, such as feed phosphates and feed acidifiers, a range of nitrogen-based chemicals and phosphoric acid. The Industrial Solutions business unit focuses on selected customer segments, that, in addition to the animal feed industry, include the chemical, pharmaceutical, metal, electronics and food industries. Industrial Solutions is one of the leading global suppliers of inorganic feed phosphates having sales in more than 80 countries. Kemira GrowHow's Process Chemicals business is one of the two biggest suppliers in the Benelux countries, the United Kingdom, Finland and Denmark.

Kemira GrowHow's primary segment is business segment. Kemira GrowHow Group's business segments are Crop Cultivation and Industrial Solutions strategic business units. Segment information is presented in the tables below.

Net sales by segment

EUR million					
Net sales	**4-6/2007**	**4-6/2006**	**1-6/2007**	**1-6/2006**	**1-12/2006**
Crop Cultivation					
External sales	261.6	240.7	537.0	449.4	894.3
Internal sales	0.2	0.2	1.5	0.4	0.9
Total	261.8	240.9	538.4	449.8	895.3
Industrial Solutions					
External sales	71.0	63.5	145.1	127.7	271.9
Internal sales	8.8	8.7	15.6	20.3	37.1
Total	79.8	72.2	160.7	148.1	309.0
Internal eliminations	-9.0	-8.9	-17.1	-20.7	-38.0
Kemira GrowHow total	**332.6**	**304.2**	**682.0**	**577.1**	**1,166.2**

Result by segment

EUR million	**4-6/2007**	**4-6/2006**	**1-6/2007**	**1-6/2006**	**1-12/2006**
Operating profit/loss					
Crop Cultivation	14.1	-0.7	30.3	-19.0	-0.4
Industrial Solutions	7.1	6.4	14.3	7.3	19.9
Segments total	21.2	5.7	44.7	-11.7	19.5
Corporate centre and other	-3.6	-3.1	-5.7	-4.7	-8.4
Operating profit/loss total	**17.6**	**2.6**	**38.9**	**-16.4**	**11.1**
Share of joint ventures' and associates' result					
Crop Cultivation	1.0	1.4	2.2	1.5	0.1
Industrial Solutions	0.2	-0.2	0.1	-0.2	0.0
Share of joint ventures' and associates' result total	**1.1**	**1.2**	**2.3**	**1.3**	**0.1**
Total segment result					
Crop Cultivation	15.1	0.7	32.5	-17.6	-0.3
Industrial Solutions	7.3	6.3	14.4	7.2	19.9
Segments total	22.3	7.0	46.9	-10.4	19.7
Corporate centre and other	-3.6	-3.1	-5.7	-4.7	-8.4
Total segment result	**18.7**	**3.9**	**41.2**	**-15.1**	**11.3**
Financial income and expenses	**-2.8**	**-2.8**	**-5.6**	**-5.0**	**-11.0**
Result before income taxes	**15.9**	**1.0**	**35.5**	**-20.1**	**0.3**

Depreciation, amortization and impairment
EUR million

	4-6/2007	4-6/2006	1-6/2007	1-6/2006	1-12/2006
Crop Cultivation	9.4	8.6	17.9	16.8	33.4
Industrial Solutions	2.6	2.7	5.5	5.4	10.6
Segments total	12.1	11.3	23.4	22.2	44.0
Corporate centre and other	0.9	0.1	1.7	0.2	0.4
Total depreciation, amortization and impairment	**13.0**	**11.4**	**25.1**	**22.4**	**44.4**

Assets
EUR million

	30 June 2007	30 June 2006	31 December 2006
Crop Cultivation	566.9	588.0	575.9
Industrial Solutions	198.4	191.6	193.6
Corporate centre and unallocated	35.9	24.8	25.1
Eliminations	-9.8	-7.8	-6.7
Interest-bearing receivables	2.7	5.4	3.2
Tax receivables	0.3	0.4	0.6
Deferred tax assets	33.3	31.2	33.1
Cash and bank and current investments	40.4	43.7	20.0
Total assets	**868.2**	**877.3**	**844.7**

Liabilities
EUR million

	30 June 2007	30 June 2006	31 December 2006
Crop Cultivation	252.7	244.7	253.5
Industrial Solutions	64.7	51.6	55.6
Corporate centre and unallocated	5.9	4.5	7.1
Eliminations	-8.6	-7.2	-11.9
Interest-bearing liabilities	198.9	267.7	205.9
Tax liabilities	4.1	2.9	6.3
Deferred tax liabilities	16.3	16.6	15.9
Total liabilities	**534.0**	**580.9**	**532.5**

Gross capital expenditure
EUR million

	1-6/2007	1-6/2006	1-12/2006
Crop Cultivation	12.6	39.1	53.2
Industrial Solutions	7.2	9.1	15.2
Corporate centre and unallocated	-	-	-
Total	**19.8**	**48.2**	**68.3**

Quarterly development by strategic business unit

EUR million

Net sales	4-6/ 2007	1-3/ 2007	10-12/ 2006	7-9/ 2006	4-6/ 2006	1-3/ 2006
Crop Cultivation						
External sales	261.6	275.4	206.4	238.5	240.7	208.7
Internal sales	0.2	1.3	0.3	0.2	0.2	0.2
Total	261.8	276.7	206.7	238.7	240.9	208.9
Industrial Solutions						
External sales	71.0	74.1	76.1	68.1	63.5	64.2
Internal sales	8.8	6.8	8.8	8.0	8.7	11.6
Total	79.8	80.9	84.9	76.0	72.2	75.8
Internal eliminations	-9.0	-8.1	-9.1	-8.2	-8.9	-11.8
Kemira GrowHow total	**332.6**	**349.5**	**282.5**	**306.6**	**304.2**	**272.9**

Operating profit/loss	4-6/ 2007	1-3/ 2007	10-12/ 2006	7-9/ 2006	4-6/ 2006	1-3/ 2006
Crop Cultivation	14.1	16.3	5.4	13.3	-0.7	-18.4
Industrial Solutions	7.1	7.2	6.3	6.3	6.4	0.9
Segments total	21.2	23.5	11.7	19.5	5.7	-17.4
Corporate centre and other	-3.6	-2.1	-3.2	-0.5	-3.1	-1.7
Operating profit/loss total	**17.6**	**21.4**	**8.5**	**19.1**	**2.6**	**-19.1**

Non-recurring items

Non-recurring items include mainly capital gains and losses from sale of assets, impairment losses, releases of provisions and restructuring expenses.

Non-recurring items, net, EUR million	1 - 3	4 - 6	7 - 9	10 - 12	2007
Crop Cultivation	3.0	1.2			4.3
Industrial Solutions	0.6	1.2			1.8
Other	-	0.2			0.2
Total	3.6	2.6			6.2

Non-recurring items, net, EUR million	1 - 3	4 - 6	7 - 9	10 - 12	2006
Crop Cultivation	1.4	3.7	6.0	1.2	12.4
Industrial Solutions	-0.1	0.0	0.3	0.2	0.4
Other	0.0	-1.5	0.0	-1.7	-3.1
Total	1.3	2.3	6.3	-0.3	9.6

Property, plant and equipment

EUR million

Changes in property, plant and equipment	1-6/2007	1-6/2006	1-12/2006
Carrying amount at beginning of the period	306.4	318.1	318.1
Additions	18.9	15.7	35.2
Disposals	-1.7	-1.4	-6.9
Depreciations	-21.1	-20.7	-41.0
Impairment losses and reversals of impairment losses	-1.1	-0.1	-0.2
Reclassification and other changes	-0.1	0.0	-0.3
Exchange differences	-0.3	-1.7	1.4
Carrying amount at end of the period	301.0	309.9	306.4

The amount of contractual commitments for the acquisition of property, plant and equipment were EUR 17.7 million at the end of June 2007.

Impairment losses of tangible assets are related mainly to property which was damaged in the fire at Tertre plant.

Related party transactions

Kemira GrowHow Group's related parties include the parent company, subsidiaries, associated companies and joint ventures. Related parties also include the members of the Board of Directors and the Group's Management Team, the CEO and his deputy and their family members. Kemira GrowHow's Finnish pension foundations and funds are legal units of their own and they manage part of the pension assets of the Group's personnel in Finland.

Kemira GrowHow follows the same commercial terms in transactions with associated companies, joint ventures and other related parties as with third parties.

During the review period Kemira GrowHow's related party transactions were mainly sales to associated companies and joint ventures. During the review period there were no related party transactions whose terms would differ from the terms in transactions with third parties.

Yara Nederland B.V., a fully-owned subsidiary of Yara International ASA, has acquired 30.05 percent of shares and votes in Kemira GrowHow Oyj from the Government of Finland. Based on its ownership in Kemira GrowHow, Yara would be a related party to Kemira GrowHow. However, pursuant to article 7(2)(b) of the EC Council Regulation EC 139/2004 an acquirer is not allowed to exercise the voting rights attached to the purchased securities during the proceedings of the European Commission. Because Yara will not use the voting rights related to the shares purchased in connection with the share purchase until the European Commission has approved the share purchase, Yara is not yet considered a related party to Kemira GrowHow.

Based on the 2004 share-based incentive plan, Kemira GrowHow Oyj transferred in March own shares to persons who are considered to be related parties. The shares were transferred to the CEO (12,249 shares), the deputy CEO (9,187 shares) and other members of the Management Board (in total 25,262 shares).

Transactions with associated companies and joint ventures
EUR million

	1-6/2007	1-6/2006	1-12/2006
Sales to associated companies and joint ventures	71.1	48.2	136.3
Purchases from associated companies and joint ventures	5.0	5.6	9.3
Other expenses charged by associated companies and joint ventures	2.9	2.3	4.0
Other income from associated companies and joint ventures	0.1	0.1	0.1
Interest income from associated companies and joint ventures	0.2	0.4	0.5
Interest expenses to associated companies and joint ventures	0.0	0.0	0.0
Dividend income from associated companies and joint ventures	0.1	0.1	0.3
Property, plant and equipment sold to associated companies and joint ventures, sales price	0.0	-	0.6

Associated company and joint venture balances
EUR million

	1-6/2007	1-6/2006	1-12/2006
Receivables			
Loan receivables	6.4	7.1	6.7
Accounts receivable	16.0	11.5	19.7
Other receivables	0.5	0.1	0.1
Liabilities			
Long-term liabilities	-	-	-
Accounts payable	0.3	1.4	1.2
Other current liabilities	-	0.8	0.3