It all springs from knowledge.

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Contents

European KnowHow

Kemira GrowHow is one of the leading producers of fertilizers and feed phosphates in Europe with production facilities in eight countries and about 2,100 employees. Its products are sold in over 100 countries. Kemira GrowHow focuses on providing customized fertilizers and related services for crop cultivation, feed phosphates for use in animal feed, as well as process chemicals for selected industrial segments. Kemira GrowHow has two strategic business units: Crop Cultivation and Industrial Solutions.

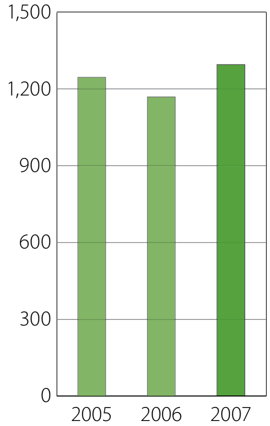
Crop Cultivation produces fertilizers for agriculture, horticulture and home gardening. Industrial Solutions is divided into two businesses, phosphates and process chemicals. The phosphates business operation offers feed phosphates and feed acids to the animal feed industry, while process chemicals are sold to the electronics, pharmaceutical and other industries. The two business units have strong synergies, as many of the products of Industrial Solutions are raw materials or intermediate.

Kemira GrowHow's Key Figures	2007	2006
Net sales, EUR million	1,294.7	1,168.7
Share of export and foreign operations, %	83%	81%
Operating profit, EUR million	83.0	13.2
% of net sales	6.4%	1.1%
Net result attributable to equity holders of the parent company, EUR million	69.7	-6.8
Earnings per share, EUR	1.26	-0.12
Equity attributable to equity holders of the parent company per share, EUR	6.98	6.18
Dividend per share, EUR	0.35 [1]	0.15
Equity attributable to equity holders of the parent company, EUR million	386.9	342.2
Interest-bearing net debt, EUR million	130.5	185.9
Balance sheet total, EUR million	825.5	842.3
Gross capital expenditure, EUR million	56.9	58.9
Cash flow after investing activities, EUR million	69.0	-36.2
Return on investment, %	15.4%	2.6%
Return on equity, %	19.4%	-1.6%
Equity ratio, %	47.5%	41.1%
Gearing, %	33.4%	54.0%
Average number of personnel	2,435	2,600

[1] *Proposal of the Board of Directors*

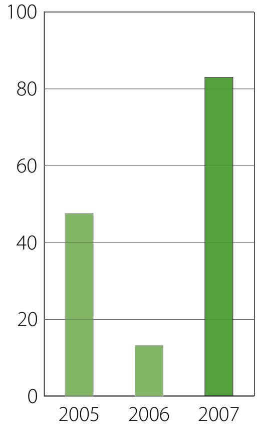
NET SALES

EUR million



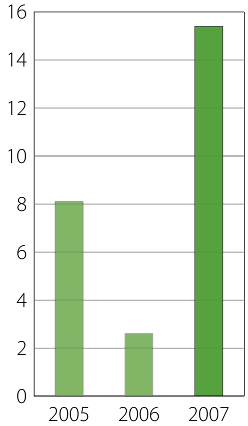
OPERATING PROFIT

EUR million



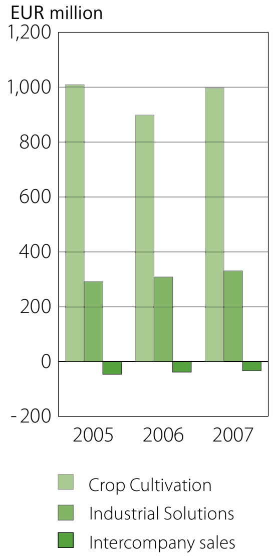
RETURN ON INVESTMENT

%

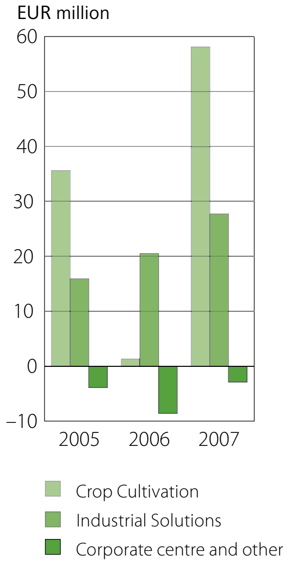


2007 – Year of Changes

NET SALES BY STRATEGIC BUSINESS UNIT



OPERATING PROFIT / LOSS BY STRATEGIC BUSINESS UNIT



For Kemira GrowHow the year 2007 was a year of changes. On 24 May Yara Nederland B.V. acquired 30.05 percent of all shares and votes in Kemira GrowHow from the Government of Finland. This initiated a European Union Competition Commission process and a mandatory tender offer for the remaining shares.

On 21 September, the European Commission approved the acquisition, after which Kemira GrowHow became a subsidiary of Yara. At this point, Yara Nederland B.V. had acquired 97.46 percent of Kemira GrowHow's shares. For the rest of the shares, a redemption process was started. At the same time, Kemira GrowHow started a delisting process to end the quotations of its shares from the Helsinki Stock Exchange. This is expected to be finished during the second quarter of 2008. The integration of the businesses of the two companies was set forth in the end of 2007, and the organizational blueprint of the new company was announced before the end of the year.

In September 2007, the lengthy Competition Commission process in the United Kingdom, where Kemira GrowHow and Terra applied for a permission to establish a joint venture was solved, following which, the companies formed a joint venture, GrowHow UK Limited. The JV is owned 50/50 by Kemira GrowHow and Terra. The annual turnover of the operations included in the joint venture was more than EUR 500 million in 2007.

Yara – the Biggest in the Industry

Yara International ASA that also owns Yara Nederland B.V. is a leading chemical company that converts energy, natural minerals and nitrogen from air into essential products for farmers and industrial customers. As the number one global supplier of mineral fertilizers and agronomic solutions, the company helps provide food for a growing world population. Its industrial product portfolio includes environmental protection agents that safeguard air and water purity and preserve food quality. Yara's global workforce of around 8,200 employees represents great diversity and talent enabling Yara to remain a leading performer in its industry.

Yara International ASA is listed in the Oslo Stock Exchange and with its headquarters in Norway. The CEO and President of the company is Thorleif Enger. Yara holds a 7 percent market share of the mineral fertilizer market, and it has 27 sites and over 50 sales offices around the world including Kemira GrowHow's operations.

Read more: www.yara.com.

Management

Board of Directors
1 January – 3 April 2007

OSSI VIROLAINEN, Chairman
b. 1944
M. Sc. (Econ.), LL.M.

LAURI RATIA, Vice Chairman
b. 1946
M. Sc. (Eng.)

SARI AITOKALLIO
b. 1960
LL.M.

ARTO HONKANIEMI
b. 1946
M. Sc. (Econ.), LL.M.

SATU RAISKI
b. 1954
MBA, M. Sc. (Agriculture and Forestry)

ESA TIRKKONEN
b. 1949
M. Sc. (Eng.)

HELENA TERHO
b. 1948
M. Sc. (Eng.), information specialist, eMBA

Board of Directors
3 April – 22 October 2007

OSSI VIROLAINEN, Chairman
b. 1944
M. Sc. (Econ.), LL.M.

LAURI RATIA, Vice Chairman
b. 1946
M. Sc. (Eng.)

MAIJA TORKKO
b. 1946
LL.M., B. Sc. (Econ.)

ARTO HONKANIEMI
b. 1946
M. Sc. (Econ.), LL.M.

SATU RAISKI
b. 1954
MBA, M. Sc. (Agriculture and Forestry)

ESA TIRKKONEN
b. 1949
M. Sc. (Eng.)

HELENA TERHO
b. 1948
M. Sc. (Eng.), information specialist, eMBA

Board of Directors
22 October 2007 –

THORLEIF ENGER, Chairman
b. 1943
Yara's President and Chief Executive Officer 2004–
Ph.D. (Structural Engineering)

SVEN OMBUDSTVEDT
b. 1966
Yara's Chief Financial Officer and
Head of Strategy 2006–
Master of International Management

KEN WALLACE
b. 1945
Yara's Chief Legal Counsel 2003–
Juris Doctor degree, Bachelor of Arts

Management Board
31.12.2007

HEIKKI SIRVIÖ
b. 1955
Chief Executive Officer of Kemira GrowHow Oyj 2000 –
M. Sc. (Eng.)

KAJ FRIMAN
b. 1953
Deputy Chief Executive Officer and Chief Financial Officer of Kemira GrowHow Oyj 2004 –
M. Sc. (Econ.), LL.M.

TIMO LAINTO
b. 1949
President of the Crop Cultivation Strategic business unit at Kemira GrowHow Oyj 2004–
M. Sc. (Eng.)

ANTTI ORKOLA
b. 1956
President of the Industrial Solutions strategic business unit at Kemira GrowHow Oyj 2004–
M. Sc. (Eng.)

OLAVI MÄÄTTÄ
b. 1950
Senior Vice President, Crop Cultivation, Kemira GrowHow Oyj 2004–
M. Sc. (Agriculture)

MICHAEL CHRISTENSSON
b. 1955
Senior Vice President of the Phosphates business unit at Kemira GrowHow Oyj 2001–
MBA

ILKKA KRUUS
b. 1959
Senior Vice President, Research and Development, Kemira GrowHow Oyj 2000 – 2007
M. Sc. (Eng.)

JUKKA-PEKKA NIEMINEN
b. 1947
Senior Vice President, Strategic Planning, Kemira GrowHow Oyj 2000 – 2007
M. Sc. (Eng.)

Corporate Governance

Corporate governance in Kemira GrowHow Oyj is based on the Finnish Companies Act and on Kemira GrowHow Oyj's Articles of Association. Responsibility for the control and management of Kemira GrowHow is divided between the General Meeting of Shareholders, the Board of Directors and the Chief Executive Officer. The other administrative groups have an assisting role. Kemira GrowHow complies, with certain exceptions, with the guidelines for the corporate governance of publicly traded companies approved by the Helsinki Stock Exchange.

General Meeting of Shareholders

The General Meeting of Shareholders is the highest decision-making body of Kemira GrowHow Oyj. The Annual General Meeting shall be held annually before the last day of May. An Extraordinary General Meeting is held whenever it is to be convened under the law.

The Annual General Meeting passes resolutions on the approval of the financial statements and decides on the distribution of profits, the date of the dividend payout, if any, and the granting of release from liability to the members of the Board of Directors and the CEO. The Annual General Meeting elects the Chairman and other members of the Board of Directors as well as the auditors. In addition, the General Meeting decides on the remuneration of the Board of Directors and the fees to be paid to the auditors.

Board of Directors

The duties of Kemira GrowHow's Board of Directors are to attend to tasks in its competence under the Companies Act.

As an exception to the guidelines for the corporate governance of publicly traded companies approved by the Helsinki Stock Exchange, Kemira GrowHow does not have nomination committee, audit committee nor compensation committee of the Board since 22 October 2007. In addition, Kemira GrowHow diverges from the guidelines in relation to the charter of the Board, the number and independence of the board members, reporting the number of meetings as well as the attendance rate and assessment of the working methods of the Board since 22 October 2007.

The Board of Directors is presented on page 6. All the members of the Board are employees of the main owner.

Chief Executive Officer and Management Board

Kemira GrowHow Oyj's Board of Directors appoints the CEO. The duties of the CEO are to manage the business operations of the Group in accordance with the Finnish Companies Act and the Company's Articles Association.

The Group's Management Board had eight members, and its duties were to assist the CEO and prepare matters to be dealt with at meetings of the Board of Directors.

The Management Board is presented on page 7.

Compensation

According to the decision of Kemira GrowHow Oyj's Extraordinary General Meeting of Shareholders on 22 October 2007, the board members belonging to Yara's top management shall not be paid compensation for their membership in the Board of Directors of Kemira GrowHow Oyj.

The Board of Directors decides the remuneration of the CEO, the deputy CEO and other members of the Management Board.

Auditors

According to the Articles of Association, Kemira GrowHow shall have at least one and no more than three auditors. One of the auditors must be an auditing firm authorized by the Central Chamber of Commerce. The auditors are elected by the General Meeting of Shareholders for a term of one year. Kemira GrowHow's auditor is KPMG Oy Ab, responsible auditor Petri Kettunen (Authorized Public Accountant).

Risk Management and Internal Audit

The Group's risk management is based on a comprehensive program approved by Kemira GrowHow's Board of Directors. Risk management is linked to the Company's strategic, operational and financial objectives. The goals of management as well as the responsibilities and risk limits of business units are defined in the risk management policy and guidelines.

The Group's internal audit is outsourced to PricewaterhouseCoopers Oy.

Insiders

Kemira GrowHow complies with the guidelines of the Securities Markets Act regarding Insider Announcements, maintenance of the public Insider Register and the company specific Insider Register as well as the Guidelines for Insiders issued by the Helsinki Stock Exchange.

Information about the Share

Trading in Kemira GrowHow Oyj's share began on the Pre-list of the Helsinki Stock Exchange on 14 October 2004 and on the Main List on 18 October 2004. The share is now listed on the OMX Nordic List under the Materials sector, Mid Cap. Kemira GrowHow has one series of shares. The shares are registered in the book-entry securities system maintained by the Finnish Central Securities Depository (APK).

Trading code on the
Helsinki Stock Exchange: KGH1V
ISIN code: FI0009012843

The Board of Directors' Review and Financial Statements 2007

Board of Directors' Review 1 January – 31 December 2007

Net Sales and Operating Profit

Kemira GrowHow's consolidated net sales in 2007 were EUR 1,294.7 (1,168.7) million.

Consolidated operating profit for the financial year was EUR 83.0 (13.2) million. Operating profit excluding the effect of unrealized gas derivatives and non-recurring items was EUR 63.6 (11.5) million. Operating profit includes the share of the results of joint ventures and associated companies, totalling EUR - 5.9 (0.1) million.

Operating profit for 2007 was particularly impacted by the more stable prices for the most important raw material, natural gas, compared with the strong gas price volatility particularly during the first half of 2006. Moreover, the capacity utilization of plants and fertilizer prices were higher than in 2006. Fair value changes of natural gas derivatives, EUR - 16.2 (- 6.9) million, weakened operating profit. The majority of the fair value changes were unrealized. Operating profit was improved by non-recurring items totalling EUR 31.8 (9.6) million, the most significant of which (EUR 30.8 million) was related to establishing the joint venture in the UK.

EUR million	2007	2006	2005
Net sales	1,294.7	1,168.7	1,254.2
Operating profit	83.0	13.2	47.6
Operating profit, as a percentage of net sales	6.4	1.1	3.8
Operating profit, non-recurring items and unrealized gas derivatives excluded	63.6	11.5	42.9
Result attributable to equity holders of the parent company	69.7	- 6.8	31.3
Earnings per share, EUR	1.26	- 0.12	0.55
Return on equity, %	19.4	- 1.6	9.1
Return on investment, %	15.4	2.6	8.1
Equity ratio, %	47.5	41.1	40.3
Gearing, %	33.4	54.0	46.3

Quarterly net sales, EUR million	Q1	Q2	Q3	Q4
2007	351.2	333.3	322.0	288.2
2006	273.7	305.7	306.6	282.7

Quarterly operating result, EUR million	Q1	Q2	Q3	Q4
2007	23.0	18.4	23.4	18.2
2006	- 16.0	3.6	16.8	8.8

Operating profit includes non-recurring items that mainly consist of capital gains and losses from the sale of assets, impairment losses, provisions and releases of provisions and restructuring expenses.

Non-recurring items, net, EUR million	Q1	Q2	Q3	Q4	2007
Crop Cultivation	3.0	1.2	4.3	- 5.7	2.9
Industrial Solutions	0.6	1.2	1.1	- 0.4	2.5
Other	-	0.2	- 1.2	27.4	26.4
Total	**3.6**	**2.6**	**4.2**	**21.3**	**31.8**

Non-recurring items, net, EUR million	Q1	Q2	Q3	Q4	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**

Financial Income and Expenses

Kemira GrowHow's net financial expenses, excluding the expected return on defined benefit plan assets and interest on defined benefit obligations, were EUR - 12.2 (- 11.0) million. Net foreign exchange losses were EUR - 5.3 (- 2.0) million.

Income Taxes

Income taxes for the financial year were EUR - 0.3 (- 7.6) million. Income tax expense is calculated separately for each country in which the Group operates. In the last quarter Kemira GrowHow recognized EUR 13.2 million deferred tax assets from confirmed tax losses.

Result Attributable to Equity Holders of the Parent Company

The profit attributable to equity holders of the parent company for the 2007 financial year was EUR 69.7 million (loss of EUR - 6.8 million in 2006).

Earnings per share were EUR 1.26 (- 0.12). Kemira GrowHow Oyj has not issued options, warrants, convertible bonds or similar instruments that would dilute the earnings per share.

Dividend

The distributable funds of Kemira GrowHow Oyj, the parent company of Kemira GrowHow Group, are EUR 168,547,304 of which EUR 30,019,270 represents the net profit for the financial year.

The Board of Directors proposes to the Annual General Meeting that EUR 0.35 per share be distributed as dividend from the distributable funds. The total dividend would amount to EUR 20,023,100. EUR 16,193,900 would be left in retained earnings and EUR 132,330,304 in other non-restricted equity. The dividend paid for 2006 was EUR 0.15 per share.

Kemira GrowHow Oyj's distributable funds (FAS), EUR	2007
Other non-restricted equity	142,184,338
Paid-up unrestricted equity reserve	721,408
Treasury shares	- 10,575,442
Retained earnings	6,197,730
Net profit for the year	30,019,270
Total	**168,547,304**

The financial position of the company has not materially changed after the balance sheet date, and it is the Board of Directors' opinion that the proposed distribution of funds does not compromise the company's liquidity.

Strategic Business Units in 2007

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 states, the Benelux countries and France.

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 with sales in more than 80 countries.

CROP CULTIVATION

Net sales of the Crop Cultivation business unit increased in January – December 2007 by 11 percent compared with 2006 and were EUR 997.0 (898.4) million. Operations in the UK were transferred to a joint venture in the last quarter of 2007 and thus they no longer belonged to Kemira GrowHow Group. Comparable net sales, excluding the effect of the UK operations, increased by 13 percent.

Operating profit for January – December was EUR 58.1 (1.3) million. Operating profit includes the share of the results of joint ventures and associated companies, totalling EUR - 0.2 (0.1) million. Operating profit excluding the effect of unrealized gas derivatives and non-recurring items was EUR 65.9 (- 3.9) million.

The operating profit for 2007 compared with the previous year 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. Non-recurring items improved operating profit by EUR 2.9 (12.4) million.

One of the three nitric acid factories of Kemira GrowHow's plant in Tertre, Belgium, suffered from a fire in early February. There were no human casualties or environmental damages. The production shutdown in the nitric acid plant lasted approximately 4 months during which the fertilizer production at Tertre fell by approximately 25 percent. The nitric acid plant is insured for property damage and business interruptions. Impairment losses of tangible assets, totalling EUR 0.9 million, were recorded due to the fire. EUR 0.7 million of the impairment losses were allocated to the Crop Cultivation business unit. In total EUR 7.9 million of insurance compensation was recognized due to the fire in 2007, and EUR 7.1 million of the compensation was allocated to the Crop Cultivation business unit.

EUR million	2007	2006	2005
Net sales	997.0	898.4	1,009.1
Operating profit	58.1	1.3	35.6

Quarterly net sales, EUR million	Q1	Q2	Q3	Q4
2007	278.2	262.5	245.9	210.3
2006	209.5	242.6	238.9	207.5

Quarterly operating result, EUR million	Q1	Q2	Q3	Q4
2007	17.4	14.3	21.6	4.8
2006	- 16.0	0.9	10.6	5.8

Sales volumes in thousands of metric tons	Q1	Q2	Q3	Q4	Total
2007	1,125	1,023	978	782	3,908
2006	881	1,013	1,045	875	3,814

The total sales volumes in 2007 were higher than in the previous year even though the last quarter sales volumes of the UK market were no longer included. The total sales volumes in the other market areas in January – December were up by approximately 6 percent compared with the corresponding period in the previous year. The sales volumes grew in all the market areas except in Continental Europe.

The sales prices of nitrogen fertilizers were in January – December slightly higher in Continental Europe than in 2006. The sales prices for NPK fertilizers were significantly higher in Continental Europe than in the last year.

The price of natural gas was on average less expensive than in 2006 due to lower prices particularly in the first half of the year. Thanks to less expensive natural gas and higher price of ammonia, ammonia plants were, unlike in 2006, in full production throughout the winter, and there were no additional costs due to shutdowns and restarts of ammonia plants in 2007. There was also no need to purchase as much ammonia as in 2006. Lower natural gas prices, stable operation of the ammonia plants and lower ammonia purchases together with higher sales volumes contributed the most to the improvement in operating profit.

At the end of October, Kemira GrowHow signed an agreement to sell 100 percent of the shares in Verdera Oy to the Canadian Lallemand Group. The closing of the agreement took place in February 2008. Verdera Oy produces biological plant protection products for forestry, horticulture and amenity needs. Verdera's turnover was approximately EUR 2.2 million in 2007 and the company has 13 employees.

INDUSTRIAL SOLUTIONS

Net sales of the Industrial Solutions business unit grew by approximately 7 percent in 2007 compared with the previous year and were EUR 330.6 (308.3) million. Comparable net sales, excluding the effect of the UK operations, increased by 8 percent.

Operating profit was EUR 27.7 (20.5) million. Operating profit excluding the effect of unrealized gas derivatives and non-recurring items was EUR 27.0 (20.8) million. Operating profit includes the share of the results of joint ventures and associated companies, EUR 0.1 (0.0) million.

EUR 0.2 million of impairment losses due to the fire at Tertre plant was allocated to the Industrial Solutions business unit. The allocated insurance compensation was EUR 0.8 million.

EUR million	2007	2006	2005
Net sales	330.6	308.3	291.3
Operating profit	27.7	20.5	15.9

Quarterly net sales, EUR million	Q1	Q2	Q3	Q4
2007	81.1	79.8	85.6	84.0
2006	76.0	72.0	75.9	84.4

Quarterly operating profit, EUR million	Q1	Q2	Q3	Q4
2007	7.6	7.7	8.5	4.0
2006	1.7	5.8	6.7	6.3

During January – December, feed phosphate volumes in Europe exceeded the previous year's level and prices increased clearly.

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

In May, Kemira GrowHow sold its Danish hydrochloric acid, sulphuric acid and canning businesses to Gropa A/S. Kemira GrowHow continues, however, to supply 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 the 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, which will result in improved competitiveness of Kemira GrowHow's phosphoric acid production at the plant. Crystalis Oy has started the preparations to build the production facilities in Siilinjärvi and it will start operations in the fourth quarter of 2008. The planned annual production of PPA is 30,000 tons (P_2O_5).

Kemira GrowHow, the Finnish energy company Fortum and the local energy company Savon Voima Lämpö agreed in May that Fortum would provide district heat in Siilinjärvi 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 are utilized in district heating. The project utilizes the investment to increase production of sulphuric acid and energy at Kemira GrowHow's Siilinjärvi plant, that was decided in autumn 2006 by Kemira GrowHow and Fortum.

In December 2007, Kemira GrowHow acquired the remaining 26 percent of the shares in the South-African subsidiary Kemira Phosphates (Pty) Ltd. from the minority owner.

Financing

At 31 December 2007, the Group's net interest-bearing liabilities amounted to EUR 130.5 (185.9) million. The proportion of the total amount of the Group's interest-bearing loans represented by fixed interest loans was about 11 (34) percent at the end of the financial year. Pension loans are considered as floating rate loans.

The Group's equity ratio was 47.5 (41.1) percent at the end of the financial year, 31 December 2007. The gearing ratio was 33.4 (54.0) percent.

Kemira GrowHow's main liquidity reserve is a syndicated revolving credit facility. The EUR 150 million credit facility is in place until 2010. At the end of 2007, the EUR 150 million revolving credit facility was in not use. At the end of 2006, EUR 80 million of the credit facility was in use. 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.

At the end of the financial year, 31 December 2007, liquid funds amounted to EUR 53.9 (20.0) million.

	2007	2006	2005
Net debt, EUR million	130.5	185.9	164.9
Liquid funds, EUR million	53.9	20.0	57.0
Equity ratio, %	47.5	41.1	40.3
Gearing, %	33.4	54.0	46.3

Cash flow during 2007 was significantly better than in the previous year, with cash flow from operations amounting to EUR 123.9 (3.9) million and to EUR 69.0 (-36.2) million after investing activities. The main reasons for the increase in cash flow compared with the previous year were improved profitability and a decrease in net working capital.

Cash flow, EUR million	2007	2006	2005
Cash flow from operations	123.9	3.9	69.4
Proceeds from disposal of tangible assets and subsidiaries	6.9	25.0	1.9
Capital expenditure	-61.7	-65.1	-50.5
Cash flow after investing	69.0	-36.2	20.7

Capital Expenditure

Gross capital expenditure was EUR 56.9 (58.9) million during 2007. The most significant investments made in 2007 were related to the automation of the fertilizer plant and building a sulphur burning unit at the Siilinjärvi site in Finland.

In 2007, depreciation and amortization were EUR 41.4 (44.2) million and impairment losses EUR 3.1 (0.2) million net. Impairment losses totalling 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 mainly of property, plant and equipment and they were mainly related to assets destroyed in the fire at the Tertre plant. In addition, impairment losses were recognized of a building and machinery no longer in use.

Proceeds from sales of fixed assets were EUR 6.9 (25.0) million. Net gains from the sale of assets were EUR 4.4 (12.5) million. In addition, a net gain of EUR 30.8 million was recognized from the transfer of the UK subsidiary to the joint venture.

Cash flow from investing activities in January – December was EUR -54.9 (-40.1) million.

Capital expenditure, EUR million	2007	2006	2005
Gross capital expenditure	56.9	58.9	57.6
Gross capital expenditure, as a percentage of net sales	4.4	5.0	4.6
Proceeds from sale of assets	6.9	25.0	1.9
Net gains from sale of assets	4.4	12.5	4.3
Depreciation and amortization	41.4	44.2	46.3
Cash flow from investing activities	-54.9	-40.1	-48.7

Research and Development

The primary task of Kemira GrowHow's research and development is to develop products, services and solutions. The most important research and development efforts during 2007 focused on expanding product applications for animal nutrition (lactate utilizer for beef segment), improving the production and quality of Greenox® AdBlue®, fertilizer raw material cost savings and developing products for decreasing phosphorus leaching from farms to waterways. A significant multi-year license agreement was signed on iSeed® technology and brand for grass seed with the largest grass seed company in the world, DLF-Trifolium. These efforts will result immediately (raw material cost savings) or within 2 – 5 years in significant profit enhancement, cost avoidance or market retention potential.

	2007	2006	2005
Research and development expenses, EUR million	4.0	3.4	5.7
Research and development expenses, as a percentage of net sales	0.3	0.3	0.5

Personnel and Occupational Safety

As at 31 December 2007 Kemira GrowHow had 2,093 (2,507) employees. The average number of personnel during 2007 was 2,435 (2,600). The number of personnel has decreased mainly due to the transfer of the UK operations to a joint venture during the last quarter.

The number of personnel in Finland was 1,041 (1,043) at the end of December and 1,066 (1,080) on average during 2007.

Number of personnel	2007	2006	2005
31 December			
Finland	1,041	1,043	1,083
Other countries	1,052	1,464	1,600
Total	2,093	2,507	2,683
Average			
Finland	1,066	1,080	1,134
Other countries	1,369	1,520	1,731
Total	2,435	2,600	2,865
Gender of permanent personnel, %			
Female	25.4	22.0	21.6
Male	74.6	78.0	78.4
Salaries and wages, EUR million	111.7	101.6	105.8

When measured in terms of loss time accidents (LTA), Kemira GrowHow's occupational safety results deteriorated slightly in 2007 compared with the previous year. Three production sites out of ten achieved the zero-target as regards to loss time accidents for own employees and four production sites reached the zero-target for contractors. However, the result is significantly better than the average performance for the European Chemical Industry.

Kemira GrowHow revised the safety content in the Group's management systems. All production sites are required to be certified for the international safety standard OHSAS 18001 in 2008.

Lost Time Accidents per million working hours

	2007	2006	2005	2004	2003	2002
Own personnel	4.0	3.2	2.0	2.6	7.8	6.9
Contractors	25.7	23.3	10.3	14.6	20.3	28.3

Yara's Tender Offer for Shares in Kemira GrowHow Oyj

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

As a result of the acquisition of the shares, 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 expired on 7 September 2007. However, the tender offer period was extended until 27 September 2007. Yara received the approval from the European Commission on 21 September 2007 to acquire Kemira GrowHow shares. The tender offer was completed on 4 October 2007 and the ownership of the shares was transferred on 9 October 2007. After the completion of the tender offer Yara Nederland B.V.'s ownership, 54,019,653 shares, represented 97.46 percent of the shares and votes in Kemira GrowHow Oyj, excluding the shares held by Kemira GrowHow Oyj.

European Commission approval was subject to certain conditions that Yara International ASA is committed to fulfil. The approval of the European Commission is subject to the following commitments, that in aggregate correspond to less than 3 percent of Kemira GrowHow's revenues:

- Divestment of part of Yara's nitrogen chemicals business in Köping, Sweden
- Divestment of part of Kemira GrowHow's nitrogen chemicals business in Tertre, Belgium
- Dissolution of Yara's FertiSupply distribution joint venture in Denmark
- Sale of Yara's share in the Zemnor distribution joint venture in Latvia
- Divestment of the CO_2 liquefaction plant in Billingham, UK, currently owned and operated by Kemira GrowHow's newly established joint venture GrowHow UK Ltd.

Yara International ASA/Yara Nederland B.V. has elected to fulfil the abovementioned commitments within six months from the completion date in order to finalize the tender offer.

The tender offer was completed with respect to all Kemira GrowHow's shareholders who had validly accepted the tender offer by the end of the offer period. The offered cash consideration in the tender offer was EUR 12.12 per share. The offer valued Kemira GrowHow at EUR 671.8 million on an equity value basis. The cash consideration corresponded 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 represented 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 paid interest accruing at an annual rate of 5 percent from date on which an account operator or a custodian had 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.

On 11 October 2007, Yara Nederland B.V. announced that it had initiated a redemption proceeding concerning the remaining minority shares in Kemira GrowHow Oyj in accordance with the Finnish Companies Act. Yara Nederland B.V. may also acquire more Kemira GrowHow Oyj shares from the market.

On 2 November 2007, Kemira GrowHow Oyj filed an application with the Helsinki Stock Exchange listing committee for the purpose of ending the quotation of its shares and delisting its shares from the Helsinki Stock Exchange main list. The listing committee approved in its meeting on 16 November 2007 the delisting as conditional and subject to the fact that as a result of the redemption proceeding in accordance with the Companies Act, Yara International B.V. owns 100 percent of Kemira GrowHow's shares.

In the beginning of February, Kemira GrowHow Oyj received an exemption from the Financial Supervision not to publish the interim reports for 1 January – 31 March 2008 and for 1 January – 30 June 2008.

Shares and Share Capital

At the end of the year, 31 December 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 surrendered on 15 March 2007 77,320 shares to persons involved in the 2004 share-based incentive plan.

At 31 December 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 year, the quoted price for Kemira GrowHow Oyj shares stood at EUR 12.20. The highest quoted price in January – December 2007 was EUR 12.51 and the lowest was EUR 6.67. The volume-weighted average quoted price in January – December 2007 was EUR 10.81. The share capital had a market value of EUR 676.2 million at the end of December 2007. The volume of shares traded during the January – December period was equivalent to 248 percent of the average number of shares outstanding.

Equity attributable to equity holders of the parent company was EUR 6.98 (6.18) per share at 31 December 2007. The number of shares used in calculating this key ratio has been reduced by the number of treasury shares.

	2007	2006	2005
Equity attributable to equity holders of the parent company per share, EUR	6.98	6.18	6.24

As of 31 December 2007, Kemira GrowHow's ownership structure was:	
Yara International B.V.	95.1%
Kemira GrowHow Oyj	3.1%
Finnish households	0.9%
International institutions and nominee registered shareholders	0.8%
Finnish institutions	0.2%

Authorizations of the Board of Directors

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. The Board of Directors is authorized to dispose a maximum number of 1,860,700 company's own shares through a share issue. The Board of Directors is also authorized 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 authorizations are effective until 31 May 2008. These authorizations have not been used.

The Board of Directors of Kemira GrowHow Oyj has no authorization to issue convertible bonds or warrants or options.

Risks Related to Kemira GrowHow's Operations and Risk Management

RISK MANAGEMENT

Kemira GrowHow's risk management principle is a comprehensive risk management (Enterprise Risk Management, ERM). ERM is a systematic approach to identifying, evaluating and managing different risk areas such as strategic, operational, hazard and financial risks. The aim of risk management is to ensure and optimize the continuity of development of the business without exceeding the Group's risk capacity.

Kemira GrowHow's Risk Management Team is a support function of the Management Board. The role of the Risk Management Team is to develop and co-ordinate Kemira GrowHow's risk management. ERM statement approved by the Board of Directors defines risks, describes risk management targets and responsibilities and explains how risk management relates to the strategic, operational and financial objectives of the Group. The ERM process is included in the strategy process of Kemira GrowHow and the relevant roles and responsibilities have been designated. Using the Group's management systems, ERM is integrated into the daily business and decision-making processes of the business units and corporate support functions. Each employee is thus responsible for identifying risks that might threaten the objectives of the Group. The process to identify the major business risks is a self-assessment process that yields risk maps and catalogues. These documents are used to highlight the most important risks requiring further actions.

In 2007, the work to identify major business risks in all relevant business units was completed. The major risks concerning the whole Group were worked on and action plans are in place. Risk maps have been used in the annual company strategy review as well as in the business planning processes. The work to include ERM approach into normal business operation was concluded, and it is now an integral part of Kemira GrowHow's continuous improvement process.

The business units and corporate support functions are responsible for the management of the risks assigned to them.

OPERATIONAL AND STRATEGIC RISKS

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.

Kemira GrowHow aims to decrease the negative impact of natural gas price volatility by improving the efficiency of those production units that use natural gas. Increasing efficiency reduces consumption of natural gas. In addition, Kemira GrowHow aims to increase the relative share of the Group's operations accounted for by businesses that do not use natural gas and to enter into contracts in which the price of future natural gas purchases is partly indexed to the oil price.

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. As Kemira GrowHow does not apply hedge accounting – as defined in IFRS – to these contracts, changes in their market value are recognized in the income statement immediately, which can lead to significant result volatility as the contracts are mainly related to future years. In the long run, however, the use of oil indexation in natural gas pricing decreases price volatility.

Continuously increasing competition can have a negative effect on Kemira GrowHow. The sourcing of traded products might become more difficult, decreasing the Group's net sales and margin of the traded products. 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. A possible decrease in EU agricultural subsidies in Western Europe may reduce fertilizer consumption. In addition, certain fertilizers contain components that, under specific conditions, can cause damage and lead to a liability for damages.

The identified risks also include retaining key employees in the Group as well as the project management of large investments. Changes in legislation can cause additional costs or limit operations in the future.

HAZARD RISKS

Kemira GrowHow's production is capital-intensive meaning that a major part of the Group's capital is tied up in the production sites. Kemira GrowHow's production is a continuous process. Therefore, a fire, explosion or machinery breakdown can cause material interruption damages and other indirect losses. Kemira GrowHow manages these risks by evaluating production sites and processes within the framework of Enterprise Risk Management.

The Group takes out insurance policies against risks for which it is prudent to do so for financial or other reasons. The Group's insurance programs are reviewed regularly. Kemira GrowHow also dedicates constant attention and consideration to other risk management.

Litigations with material claims for compensation and other potential risks related to legal risks or risks arising from the actions of public authorities are disclosed in Note 28 to the consolidated financial statements.

FINANCIAL RISK MANAGEMENT AND FINANCING WITH SPECIAL CONDITIONS

The management of financial risks at Kemira GrowHow Group is based on the treasury policy accepted by the Board of Directors of Kemira GrowHow Oyj. The policy outlines operating principles and sets limits for maximum open risk positions. The objective of financial risk management is to protect Kemira GrowHow Group from adverse changes in the financial markets. The Group uses various derivative instruments in order to manage financial risks in accordance with the limits set by the treasury policy. Derivative instruments are used only for hedging purposes. Fair value changes of derivative instruments are mainly recorded immediately in the income statement, but the Group has some derivative contracts that have been classified as cash flow hedges and which fulfil hedge accounting criteria.

The international nature of its operations exposes Kemira GrowHow to foreign exchange rate risk, which affect the income statement and balance sheet. The foreign exchange rate risk arises when Group companies both within and outside the euro-area have net currency flows in a currency other than their domestic currency. The Group is also exposed to foreign exchange rate risk when income statement and balance sheet items are translated into euros from other currencies. Currency flow risk is hedged using currency options and forwards.

The Group measures interest rate risk with duration and sensitivity analysis. The Group's floating rate loans are exposed to cash flow interest rate risk that the Group can hedge with swaps, options and forwards.

Financial credit risk arises when the counterparty of a financial transaction cannot fulfil its obligations. The Group hedges its financial credit risk by accepting only such counterparties that have an acceptable credit rating and by investing liquidity into money market instruments with low risk and good liquidity.

The Group's trade receivables are spread among numerous clients and different geographical areas. Customers' credit limits are monitored systematically. Commercial credit risk is also minimized with the use of document payments such as Letters of Credit.

To hedge itself against liquidity risk the Group has spread its funding into different sources.

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. Based on the information received the fact that Yara Nederland B.V. has gained control in Kemira GrowHow Oyj, does not cause the loans to be declared due and payable and does not change the terms of the facilities.

Financial risks are disclosed in more detail in Note 2 to the consolidated financial statements.

Environmental Issues

Updating the environmental permits continues within the integrated pollution prevention and control scheme (IPPC) of the European Union. Permit applications for the plants in Kedainiai, Kokkola, Tertre and Uusikaupunki are proceeding with the environmental authorities.

Environmental investments have mainly been focused on decreasing the impact on environment, improving efficiency and maintaining facilities. More than two thirds of all investment projects were carried out in Siilinjärvi, Finland. Examples of these are a larger storage area for gypsum, enlargement of the concentration sand banking area in the mine, a new pump house to circulate pond water and a new chimney for the NPK plant. Investments have been made at Uusikaupunki to improve the waste water deposit land fill. A new chimney was built at the Kokkola plant, and Tertre invested in NO_X scrubbing storages for the nitric acid plant. The total of environmental investments in 2007 was EUR 6.1 million compared with EUR 6.8 million in 2006 and EUR 2.7 in 2005.

Kemira GrowHow has continued to make preparations to comply with the EU regulation on chemicals, REACH. The registration obligation starting in June 2008 will impact roughly 50 chemical substances manufactured or imported by Kemira GrowHow. The joint effort within the European Fertilizer Manufacturers' Association, EFMA, regarding REACH is ongoing.

Emission levels in 2007 decreased somewhat compared with 2006 with the exception of nitrogen into water, which slightly increased. The nitrogen content in the water effluent in Siilinjärvi doubled because of an additional extraction from the pond; for safety reasons, the pond enlargement required the water level to be lowered. No permit level for this is in place but the target level was exceeded. The Ince plant in the UK is included in the environmental data for the first three quarters of 2007. From the beginning of the fourth quarter Ince is part of the new joint venture GrowHow UK Ltd.

The amount of non-hazardous waste was three times highger when compared with the previous years. Almost 90 percent of the non-hazardous waste amount was generated in Uusikaupunki and was stored on site. The main component of this waste was sediment from the wastewater treatment plant and solids from the circulation water.

Environmental operating costs decreased from the previous year, totalling EUR 12.9 million. Environmental operating costs were EUR 18.8 million in 2006 and EUR 17.7 million in 2005. The main part of the costs was due to treatment of exhaust gases and water discharges.

Most of Kemira GrowHow's production sites and business units have implemented quality, environmental and safety management systems based on ISO 9001 and ISO 14001 quality and environmental standards as well as international safety standards.

Kemira GrowHow has evaluated the environmental liabilities related to its operations and made provisions that management considers necessary for any future remedial costs relating to environmental damage. Provisions for environmental remedial costs totalled EUR 4.3 million at the end of 2007 (EUR 3.4 million in 2006 and EUR 2.4 million in 2005).

Kemira GrowHow carbon dioxide emission right allowances for 2008 are 11 percent less compared with 2007. Kemira GrowHow estimates that it has to purchase a small amount of emission rights in 2008, but that the emission right quotas for the 2009 – 2012 are sufficient to cover the emissions. Detailed information concerning Kemira GrowHow's carbon dioxide emission rights is given in Note 13 to the consolidated financial statements. N_2O emissions are not included in EU emission trading scheme for the period 2008 – 2012.

A new environmental and water management permit was issued in October 2006 to Kemira GrowHow's Siilinjärvi (Finland) mine and plants. The enforcement of the permit is pending due to an appeal. The current permit is valid until the appeal process ends. The new permit, after being enforced, will remain in force until further notice and the terms of the permit will be reviewed in 2015. Kemira GrowHow estimates that the new environmental permit will not create any new material obligations.

Environment: Key indicators

	2007	2006	2005	2004	2003	2002	2001
Energy consumption (1,000 TJ)	38.6	38.4	38.8	39.7	40.1	39.9	41.3
Air emissions							
CO_2 (1,000 t)	1,331	1,338	1,319	1,333	1,528	1,458	1,444
N_2O (1,000 t eq CO_2)	2,110	2,269	2,656	2,440	2,759	2,341	2,317
SO_2 (t)	1,658	1,962	1,556	1,697	1,630	1,811	1,585
NO_2 (t)	2,010	2,003	2,271	2,281	2,863	2,687	3,305
Discharges into water							
P (t)	8.1	10.3	9.1	8.2	11.5	7.5	8.0
N (t)	626	619	592	590	599	657	615
Metals (t)	1.43	1.38	1.24	1.07	1.54	0.70	1.03
Wastes							
Non-hazardous waste (1,000 t)	40.5	13.6	17.4	13.5	20.5	14.0	17.0
Hazardous waste (t)	813	967	423	469	985	507	613

Kemira GrowHow does not publish a separate printed environmental report. Environmental and safety issues are described in detail on the Internet at www.kemira-growhow.com.

Board of Directors, Management Team and Auditor

The Annual General Meeting held on 3 April 2007 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 Extraordinary General Meeting of Kemira GrowHow Oyj held on 22 October 2007 amended the Articles of Association so that the number of members in the Board of Directors was reduced to three and that the office of Vice Chairman of the Board of Directors no longer existed.

The previous Board of Directors resigned on 22 October 2007, and the Extraordinary General Meeting elected a new Board of Directors. Thorleif Enger was elected as the Chairman and Sven Ombudstvedt and Ken Wallace as members of the Board of Directors.

The Extraordinary General Meeting granted discharge from liability to the resigned members of the Board of Directors.

Kemira GrowHow's Management Team consisted in 2007 of the following persons: Heikki Sirviö, Chief Executive Officer; Kaj Friman, Deputy Chief Executive Officer; Timo Lainto, President, Crop Cultivation Business Unit; Antti Orkola, President, Industrial Solutions Business Unit; Ilkka Kruus, Senior Vice President, Research and Development (until 31 December 2007); Olavi Määttä, Senior Vice President, Crop Cultivation Business Unit; Michael Christensson, Senior Vice President, Industrial Solutions Business Unit and Jukka-Pekka Nieminen, Senior Vice President, Strategic Planning (until 31 December 2007).

The persons responsible for steering Kemira GrowHow's support processes were: Heikki Liukas, Senior Vice President, Finance and Treasury; Pirjo Nordman, Senior Vice President, Human Resources; Tuomo Orpana, Senior Vice President, Information Technology; Annica Söderström, Senior Vice President, Risk Management and Veli-Matti Tarvainen, General Counsel.

Share-based Incentive Plan

The shares earned in Kemira GrowHow's share-based incentive plan during the 2004 performance period (77,320 shares) were surrendered in March 2007. The shares earned from 2005 performance period (2,747 shares) were paid in cash in their entirety due to the tender offer made by Yara. Due to the tender offer made by Yara, the reward payment for 2007 was paid in cash in its entirety mainly in November – December 2007. In accordance with the terms of the plan, the cash payment was 2.5 times the offer price in Yara's tender offer (EUR 12.12 per share).

More information of the share-based incentive plan is given in Note 30 to the consolidated financial statements.

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 that 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) gave final approval to the joint venture in September and the operations began on 1 October 2007.

The joint venture, GrowHow UK Ltd., is held 50/50 by Kemira GrowHow and Terra and it owns and operates the site of Kemira GrowHow UK Ltd. 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 2007. 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.

GrowHow UK Ltd. announced in early October that it would close its Severnside manufacturing facility. Production at the site ended at the end of January 2008, affecting 127 jobs.

Other Events during the Review Period

The Finnish Ministry of Trade and Industry made in June a decision concerning 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. Yara announced in February 2008 that the Sokli feasibility study was underway. Yara is interested to opening the Sokli mine if a commercially sustainable means of implementation will be found.

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

Events after the Balance Sheet Date

Yara International ASA announced in February 2008 that it intends to expand Siilinjärvi phosphate rock mining. During phase one, capacity will be increased by 150,000 tons of rock per year to 1,000,000 tons, whereas today the annual capacity of Siilinjärvi is 850,000 tons of rock per year. This increase can be achieved with the modification of the existing grinding and flotation facilities. The expansion is expected to be operational during the second half of 2009.

The second phase is planned for 2010 – 2011. It is planned to increase the potential capacity by 300,000 tons of rock per year raising the total capacity to 1.3 million tons per year. If phase two is carried out, it will require investment in new crushers and grinding and flotation facilities.

Kemira GrowHow's operations in Germany were sold in the beginning of 2008 to Yara GmbH at arm's length price.

Information in Accordance with the Ordinance 153/2007 of the Ministry of Finance of Finland

Information concerning Kemira GrowHow Oyj's shares and authorizations of the Board of Directors as required by the Ordinance 153/2007 are given in the consolidated financial statements in the section "Shares and Shareholders". Key ratios concerning shares are presented in the consolidated financial statements in the section "Per Share Data" and definition of key ratios in section "Definition of Key Ratios".

Material agreements in which Kemira GrowHow is a party and which will take effect or can change if a change of control takes place are described in this Board of Directors' Review in the section "Financial Risk Management and Financing with Special Conditions". 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. Based on the information received the fact that Yara Nederland B.V. has gained control in Kemira GrowHow Oyj, does not cause the loans to be declared due and payable and does not change the terms of the facilities.

Agreements between Kemira GrowHow and members of the Board of Directors and CEO concerning the remuneration to be paid if their employment ceases are disclosed in Note 8 to the consolidated financial statements.

According to the Articles of Association of Kemira GrowHow, the General Meeting of Shareholders elects the Board of Directors as well as the Chairman of the Board. The term of office of the Board members ends at the conclusion of the next Annual General Meeting of Shareholders. The Board of Directors nominates and dismisses the CEO and Deputy CEO.

In accordance with the Companies' Act, any amendments to the Articles of Association are to be decided by the General Meeting of Shareholders. Kemira GrowHow Oyj's Articles of Association do not include any specific regulations concerning amendments to the Articles of Association.

Parent Company Financial Statements

The parent company of Kemira GrowHow Group, Kemira GrowHow Oyj, prepares its separate financial statements in accordance with Finnish Accounting Standards (FAS). Kemira GrowHow Oyj applies in its separate financial statements the same accounting principles as Kemira GrowHow Group to the extent possible within the framework of Finnish accounting practice. The main differences in the accounting principles employed in Kemira GrowHow Oyj's separate financial statements and Kemira GrowHow Group's consolidated financial statements are presented in the notes to the parent company financial statements.

Parent company net sales in 2007 were EUR 461.7 (409.0) million and operating profit was EUR 95.9 (22.9) million. Net financial expenses were EUR -70.2 (-6.0) million in 2007. Net financial expenses included EUR -67.5 (-5.8) million impairment losses of non-current investments. The result before extraordinary items, the change in untaxed reserves and income taxes was EUR 25.7 (16.9) million, and the profit for the financial year was EUR 30.0 (15.0) million.

EUR million	2007	2006	2005
Net sales	461.7	409.0	436.0
Operating profit	95.9	22.9	29.1
Operating profit, as a percentage of net sales	20.8	5.6	6.7
Net result	30.0	15.0	-7.0
Return on equity, %	7.9	3.7	-1.0
Equity ratio, %	47.2	44.8	50.4

Personnel key ratios	2007	2006	2005
Number of personnel, 31 December	624	631	658
Number of personnel, average	645	652	689
Salaries and wages, EUR million	41.0	29.3	30.9

Kemira GrowHow Oyj has no branch offices.

Market Overview

During the latter half of 2007, fertilizer deliveries of European fertilizer producers grew by up to 14 percent compared with the previous season. This was due mainly to a shift of 2006 autumn's fertilizer purchases to the spring 2007. 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 4 percent in the 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 partly compensated for by increasing consumption in the eastern part of the Union. Global nitrogen fertilizer production capacity is estimated to have increased last year at a slower pace than anticipated. European fertilizer supply has decreased due to plant closures.

The European Union has agreed to abolish the 10 percent mandatory set aside agricultural area for the 2007/08 season. This is expected to increase fertilizer consumption.

Global cereal stocks continue to be the main driver of the fertilizer market. 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, which were already at historically low levels, are estimated to have decreased further during the 2006/07 season by more than 10 percent. Due to increasing demand, the stocks are now expected to continue decreasing during this season by up to 5 percent.

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 have increased to record high levels during last summer and autumn. The high cereal prices improve the farmers' financial situation. Historically, improving cereal prices have increased fertilizer consumption.

The feed phosphate market in Europe has remained stable. The supply and demand balance of phosphoric acid has lately tightened further. Market prices are substantially influenced by the price of phosphoric acid annually agreed with India. This price in US dollars is expected to increase further. Also the price of DAP has risen strongly supporting the price of phosphoric acid.

Current Outlook

Fertilizer demand is expected to continue on a good level during the first half of 2008. All raw materials for fertilizers are expected to be significantly more expensive than in 2007, but higher fertilizer prices are expected to compensate for the increase in costs.

The operations of the Industrial Solutions business unit are expected to continue to develop favourably mostly based on higher phosphoric acid prices.

Kemira GrowHow's operating profit for 2008, excluding non-recurring items, is estimated to remain at a good level.

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.

Changes in Presentation of Financial Statements and New Standards

Because Kemira GrowHow Oyj became in October 2007 a subsidiary of Yara International ASA, Kemira GrowHow had to change the accounting principles of its consolidated financial statements to correspond with those of Yara Group.

An explanation of the changes and the effects of the changes to the previously published figures are presented in Note 32 to the consolidated financial statements.

The new and amended IFRS standards and interpretations applied by Kemira GrowHow are presented in Note 1 to the consolidated financial statements, "Summary of Significant Accounting Policies".

Auditing

The quarterly information presented in this Board of Directors' Review is unaudited.

Consolidated Financial Statements

Consolidated Income Statement

Financial year ended 31 December, EUR million	Note	2007	2006
Net sales		**1,294.7**	**1,168.7**
Other operating income	6	55.4	20.9
Changes in inventories of finished goods and work in process		-16.9	25.8
Own work capitalized		2.3	0.8
Materials	7	-715.5	-709.2
Personnel expenses	8	-145.5	-133.8
Other operating expenses	7	-324.9	-309.0
Fair value changes of commodity derivatives, net	27	-16.2	-6.9
Share of results of joint ventures	15	-6.2	0.2
Share of results of associated companies	14	0.3	-0.1
Depreciation, amortization and impairment charges	11	-44.5	-44.4
Operating profit		**83.0**	**13.2**
Defined benefit plans, expected return on plan assets	9, 22	21.7	22.8
Defined benefit plans, interest on obligation	9, 22	-20.9	-22.9
Financial income	9	2.8	1.6
Financial expenses	9	-15.0	-12.6
Net financial expenses		-11.3	-11.0
Profit before income taxes		**71.6**	**2.1**
Income tax expense	10	-0.3	-7.6
Profit / loss for the period		**71.3**	**-5.4**
Attributable to minority interest		1.6	1.3
Attributable to equity holders of the parent company		**69.7**	**-6.8**
Total		71.3	-5.4
Earnings per share, EUR	19	**1.26**	**-0.12**

Consolidated Balance Sheet

At 31 December, EUR million	Note	2007	2006
ASSETS			
Non-current assets			
Goodwill	13	4.6	5.4
Intangible assets	13	7.0	9.4
Property, plant and equipment	12	232.7	306.4
Biological assets	12	0.2	0.2
Holdings in joint ventures	15	127.6	17.8
Holdings in associated companies	14	2.9	2.6
Available-for-sale shares	16	15.3	15.3
Other investments	16	4.5	4.5
Deferred tax assets	10	18.5	24.8
Defined benefit pension assets	23	21.9	25.1
Total non-current assets		**435.3**	**411.6**
Current assets			
Inventories	17	149.3	211.5
Tax receivables	10	4.8	0.6
Receivables			
Interest-bearing receivables	18	32.7	3.2
Trade receivables and other interest-free receivables	18	179.0	195.6
Cash and cash equivalents			
Current investments		5.2	3.3
Cash and bank		18.4	16.7
Assets held for sale	4	0.8	-
Total current assets		**390.2**	**430.8**
Total assets		**825.5**	**842.3**
EQUITY AND LIABILITIES			
Equity			
Share capital		156.0	156.0
Share premium account		8.5	8.5
Other reserves		0.5	0.5
Other non-restricted equity		142.2	142.2
Paid-up unrestricted equity reserve		0.7	-
Treasury shares		-10.6	-11.0
Hedging reserve		0.4	1.5
Retained earnings and translation differences		19.5	51.3
Net result attributable to equity holders of the parent company		69.7	-6.8
Attributable to equity holders of the parent company		**386.9**	**342.2**
Minority interest		3.5	2.2
Total equity		**390.4**	**344.3**
Non-current liabilities			
Non-current interest-bearing liabilities	23	47.4	103.9
Non-current interest-free liabilities	25	-	0.3
Provisions	24	15.4	2.7
Deferred tax liabilities	10	14.9	17.3
Defined benefit pension and other long-term employee benefit liabilities	22	12.3	60.5
Total non-current liabilities		**90.1**	**184.8**
Current liabilities			
Current interest-bearing liabilities	23	136.8	102.0
Provisions	24	7.6	5.4
Accounts payable and other current interest-free liabilities	25	198.8	199.5
Income tax payables	10	1.5	6.3
Liabilities held for sale	4	0.4	-
Total current liabilities		**345.1**	**313.2**
Total liabilities		**435.1**	**498.0**
Total equity and liabilities		**825.5**	**842.3**

Consolidated Statement of Recognized Income and Expenses

Financial year ended 31 December, EUR million	2007	2006
Profit / loss for the period	71.3	-5.4
Other comprehensive income		
Total exchange differences on translating foreign operations	-12.9	0.3
Hedging of net investment in foreign operations	0.0	0.3
Effective portion of fair value changes of cash flow hedges recorded in equity	0.4	1.8
Fair value changes of cash flow hedges transferred to income statement, effective portion	-1.9	0.1
Fair value changes of available-for-sale shares	-	0.1
Fair value changes of available-for-sale shares, transferred to income statement	-	-0.1
Share of other comprehensive income of associates and joint ventures	0.4	1.1
Actuarial gains and losses on defined benefit plans	-4.9	22.7
Other reclassifications	0.5	0.0
Income tax on income and expenses recognized directly in equity	1.7	-7.0
Other comprehensive income for the year	-16.7	19.4
Total comprehensive income for the year	54.6	13.9
Attributable to		
Equity holders of the parent company	52.9	12.6
Minority interest	1.7	1.3
Total comprehensive income	54.6	13.9

Consolidated Cash Flow Statement

Financial year ended 31 December, EUR million	2007	2006
Cash flows from operating activities		
Net result attributable to equity holders of the parent company	54.6	-6.8
Adjustments to net result attributable to equity holders of the parent company [1]	-1.5	4.6
Depreciation, amortization and impairment	44.5	44.4
Interest received	3.2	0.9
Interest paid	-10.3	-9.2
Dividends received	0.9	0.3
Proceeds from disposal of available-for-sale shares	0.0	0.2
Other financing items	-4.9	-1.7
Income taxes paid	-17.6	-3.7
Total funds from operations	**69.0**	**29.0**
Change in net working capital		
Change in inventories	21.9	-13.1
Change in current receivables	-16.8	-11.8
Change in interest-free current liabilities	49.8	-0.2
Change in net working capital, total	**54.9**	**-25.1**
Net cash flow from operating activities	**123.9**	**3.9**
Cash flows from investing activities		
Acquisition of subsidiaries net of cash acquired	-1.3	-0.8
Acquisition of associated companies and joint ventures	-12.6	-3.4
Acquisition of available-for-sale shares	-	-14.6
Capital expenditure in tangible and intangible assets	-47.9	-46.2
Proceeds from disposal of subsidiary shares	0.6	5.6
Proceeds from disposal of shares in associated companies	-	0.0
Proceeds from sale of tangible and intangible assets	6.3	19.4
Net cash used in investing activities	**-54.9**	**-40.1**
Cash flow before financing	**69.0**	**-36.2**
Cash flows from financing activities		
Change in non-current loans, increase (+), decrease (-)	-87.2	-37.5
Change in non-current loan receivables, decrease (+), increase (-)	0.0	-1.8
Short-term financing, net increase (+), decrease (-)	38.1	65.3
Treasury shares	-	-11.0
Dividends paid	-8.7	-16.7
Other financing	-2.9	0.4
Net cash used in financing activities	**-60.7**	**-1.3**
Effect of exchange rate fluctuations	**-0.1**	**0.5**
Net increase (- decrease) in cash and cash equivalents	**8.2**	**-37.0**
Cash and cash equivalents at end of period	23.6	20.0
Cash and cash equivalents decreased due the establishment of a joint venture	4.6	-
Cash and cash equivalents transferred to assets held for sale	0.0	-
Cash and cash equivalents at beginning of period	20.0	57.0
Net increase (- decrease) in cash and cash equivalents	**8.2**	**-37.0**

[1] *Non-cash flow items included in net result attributable to equity holders of the parent company (e.g. gains / losses on the sale of non-current assets).*

The above figures cannot be directly delivered from the balance sheets.

Supplemental cash flow information, 31 December, EUR million	2007	2006
Acquisition of subsidiaries		
Purchase consideration on acquisitions	0.5	-
Cash and cash equivalents in acquired companies	-	-
	0.5	-
Purchase price of acquisitions made in previous years	0.8	0.8
Cash flow on acquisitions net of cash acquired	**1.3**	**0.8**
Acquired net assets		
Net working capital	-	-
Property, plant, equipment, intangible assets and shares	-	-
Goodwill	0.5	-
Income tax receivables / payables	-	-
Interest-bearing liabilities	-	-
Deferred taxes (net)	-	-
Minority share of net assets	-	-
Total net assets of acquired subsidiaries	**0.5**	**-**
Purchase price of acquisitions made in previous years	0.8	0.8
Cash flow on acquisitions net of cash acquired	**1.3**	**0.8**
Disposal of subsidiaries		
Cash flow on disposals	-	0.3
Costs related to disposal	-	-
Cash and cash equivalents in disposed companies	-	0.0
	-	0.3
Money received from the previous years' disposals of group companies	0.6	5.3
Cash and cash equivalents of sold companies presented in cash flow in other financing	-	-
Total cash flow on disposals of subsidiaries	**0.6**	**5.6**
Net assets disposed		
Net working capital	-	0.0
Property, plant, equipment, intangible assets, shares and other long-term investments	-	0.2
Deferred taxes (net)	-	-
Income tax receivables / payables	-	-
Interest-bearing receivables less cash and cash equivalents	-	-
Interest-free receivables	-	-
Interest-bearing liabilities	-	-
Other interest-free liabilities	-	-
Total disposed net assets	**-**	**0.2**
Money received from the previous years' disposals of group companies	0.6	5.3
Net gain on sale of net assets, net of costs of disposals	-	0.1
Cash and cash equivalents of sold companies presented in cash flow in other financing	-	-
Total cash flow on disposals of subsidiaries	**0.6**	**5.6**

Per Share Data

	2007	2006 Restated	2005 Restated	2004 Not restated
Earnings per share, EUR	1.26	- 0.12	0.55	0.72
Cash flow from operations per share, EUR	2.24	0.07	1.21	1.59
Dividend per share, EUR (1	0.35	0.15	0.30	0.30
Dividend payout ratio, % (1	27.8	- 123.3	54.8	41.7
Dividend yield (1	2.9	2.2	5.0	5.3
Equity attributable to equity holders of the parent company per share, EUR	6.98	6.18	6.24	5.73
Price per earnings per share (P/E) ratio	9.69	- 55.80	10.92	7.82
Price per equity attributable to equity holders of the parent company per share	1.75	1.10	0.96	0.98
Price per cash flow per share	5.46	96.17	4.93	3.54
Dividend paid, EUR million (1	20.0	8.3	16.6	17.2
Number of shares at the end of the year, treasury shares excluded	55,425,477	55,348,157	56,930,957	57,208,857
Weighted average number of shares, treasury shares excluded	55,409,801	55,519,098	57,207,225	57,208,857

Share price and turnover	2007	2006	2005	2004
Share price, year high, EUR	12.51	6.82	8.00	5.74
Share price, year low, EUR	6.67	4.11	5.48	5.22
Share price, year average, EUR	10.81	5.59	6.36	5.38
Share price, end of year, EUR	12.20	6.79	5.98	5.63
Number of shares traded (1,000)	137,228	56,797	78,663	43,053
% of average number of shares	248	102	138	75
Market capitalization, end of year, EUR million	676.2	375.8	340.4	322.1

(1 *The 2007 dividend is the Board of Directors' proposal to the Annual General Meeting.*

Per share data of 2004 is calculated based on the total number of shares, 57,208,857, after the share split registered on 16 September 2004.

Financial Ratios

Income statement and profitability	2007	2006 Restated	2005 Restated	2004 Not restated
Net sales, EUR million	1,294.7	1,168.7	1,254.2	1,202.2
Share of joint ventures' and associates' net results	- 5.9	0.1	- 1.3	0.3
Operating profit, share of joint ventures' and associates' results included, EUR million	83.0	13.2	47.6	61.2
% of net sales	6.4	1.1	3.8	5.1
Operating profit, share of joint ventures' and associates' results excluded, EUR million	88.9	13.0	48.9	60.9
% of net sales	6.9	1.1	3.9	5.1
Defined benefit plans, excpected return on plan assets and interest on obligation, net, EUR million	0.9	- 0.1	- 4.0	-
Other financial income and expenses (net), EUR million	- 12.2	- 11.0	- 9.0	- 12.9
% of net sales	- 0.9	- 0.9	- 0.7	- 1.1
Interest cover	11.0	5.2	10.7	8.4
Profit before income taxes and minority interests, EUR million	71.6	2.1	34.5	109.2
% of net sales	5.5	0.2	2.8	9.1
Net profit / loss attributable to equity holders of the parent company, EUR million	69.7	- 6.8	31.3	41.2
% of net sales	5.4	- 0.6	2.5	3.4
Return on investment, %	15.4	2.6	8.1	11.3
Return on equity, %	19.4	- 1.6	9.1	17.4
Research and development expenses, EUR million	4.0	3.4	5.7	6.3
% of net sales	0.3	0.3	0.5	0.5
Gross capital expenditure, EUR million	56.9	58.9	57.6	76.9
% of net sales	4.4	5.0	4.6	6.4

Cash flow	2007	2006 Restated	2005 Restated	2004 Not restated
Cash flow from operations, EUR million	123.9	3.9	69.4	91.1
Cash flow from sale of property, plant and equipment, intangible assets, subsidiaries and associates, EUR million	6.9	25.0	1.9	31.8
Capital expenditure, EUR million	- 61.7	- 65.1	- 50.5	- 71.1
Cash flow after capital expenditure, EUR million	69.0	- 36.2	20.7	51.8
Cash flow return on investment, % (CFROI)	22.3	0.7	12.2	16.0

Balance sheet and solvency	2007	2006 Restated	2005 Restated	2004 Not restated
Tangible and intangible assets, EUR million	394.9	361.7	351.8	343.4
Non-current assets, EUR million	435.3	411.6	395.7	389.2
Equity attributable to equity holders of the parent company, EUR million	386.9	342.2	355.4	327.6
Equity (includes minority interest), EUR million	390.4	344.3	356.4	328.4
Liabilities, EUR million	435.1	498.0	530.9	517.4
Balance sheet total, EUR million	825.5	842.3	887.3	845.8
Invested capital, EUR million	575.1	550.2	578.2	558.6
Net liabilities, EUR million	130.5	185.9	164.9	154.1
Equity ratio, %	47.5	41.1	40.3	38.9
Gearing, %	33.4	54.0	46.3	46.9

Personnel

Personnel	2007	2006	2005	2004
Personnel, average	2,435	2,600	2,865	3,015
In Finland	1,066	1,080	1,134	1,185
Personnel, at the end of the period	2,093	2,507	2,683	2,877
In Finland	1,041	1,043	1,083	1,110

Exchange rates

Key exchange rates (31 December)				
USD	1.42617	1.31700	1.17970	1.36210
GBP	0.69789	0.67150	0.68530	0.70505
PLN	3.71681	3.83100	3.86000	4.08450
SEK	9.24833	9.04040	9.38850	9.02060
HUF	252.94171	251.76867	252.87008	245.97221
DKK	7.45277	7.45600	7.46050	7.43880

Definitions of Key Ratios

Per share data

Earnings per share (EPS)
Net result attributable to equity holders of the parent company
Adjusted average number of shares

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

Dividend per share
Dividends paid
Adjusted number of issued shares at year end

Dividend payout ratio
Dividend per share x 100
Earnings per share

Dividend yield
Dividend per share x 100
Share price at year end

Equity attributable to equity holders of the parent company per share
Equity attributable to equity holders of the parent company at year end
Adjusted number of shares at year end

Average trading price
Shares traded (EUR)
Shares traded (volume)

Price per earnings per share (P/E)
Share price at year end
Earnings per share (EPS)

Price per equity per share
Share price at year end
Equity attributable to equity holders of the parent company per share

Price per cash flow per share
Share price at year end
Cash flow from operations per share

Share turnover
The proportion of number of shares traded during the year to weighted average number of shares

Market capitalization
Number of shares at year end x share price at year end

Number of shares at year end
Number of issued shares - treasury shares

Financial ratios

EBITDA
Profit before depreciation, amortization and impairment, share of joint ventures' and associates' results included

Operating profit
Profit after depreciation, amortization and impairment, share of joint ventures' and associates' results included

Liquid funds
Cash and bank + current investments + interest-bearing receivables from Yara

Net liabilities
Interest-bearing liabilities - cash and bank - current investments - interest-bearing receivables from Yara

Equity ratio, %
Equity
(Equity attributable to equity holders of the parent company + minority interest) x 100
Balance sheet total - advance payments received

Gearing, %
Net liabilities x 100
Equity (Equity attributable to equity holders of the parent company + minority interest)

Interest cover
Operating profit + depreciation, amortization and impairment
Net financial expenses, excluding expected return on plan assets and interest on obligation of defined benefit plans

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 31 December)

(* *Excluding expected return on plan assets and interest on obligation of defined benefit plans*

Return on equity, % (ROE)
Profit before income taxes - income taxes x 100
Equity (Equity attributable to equity holders of the parent company + minority interest)
(average of 1 January and 31 December)

Cash flow return on investments (CFROI), %
Cash flow from operations x 100
Balance sheet total - interest-free liabilities
(average of 1 January and 31 December)

Shares and Shareholders

Shares and voting rights

Kemira GrowHow Oyj has one class of shares. The number of outstanding shares is 57,208,857 (treasury shares are not excluded from the number of shares) and each share, with the exception of treasury shares, carries one vote at general meetings of shareholders. There are no restrictions as far as assigning shares is concerned. According to the Articles of Association, the share capital of Kemira GrowHow Oyj can be in the range of EUR 150 – 600 million. The share capital can be changed within these limits without amending the Articles of Association. At the end of 2007 and 2006, Kemira GrowHow Oyj's share capital amounted to EUR 155,973,000. The share has no nominal value. Kemira GrowHow's shares are registered in the book-entry securities system maintained by Finnish Central Securities Depository Ltd.

Share trading and delisting of shares

During 2007 the highest price of the Kemira GrowHow share was EUR 12.51 (in 2006 EUR 6.82) and the lowest price EUR 6.67 (4.11). The average volume-weighted share price was EUR 10.81 (5.59). At the end of 2007, the share price stood at EUR 12.20 (6.79). The turnover of the share in Helsinki Stock Exchange in 2007 was 137,228,031 (56,797,229) shares and in euro-terms EUR 1,503 (319) million. Number of shares traded was 248 percent (102 percent) of the average share stock. Market capitalization was at the end of 2007 approximately EUR 676 (376) million.

Yara Nederland B.V. notified in accordance with Chapter 18 Section 2 of the Companies Act that by 9 October 2007, it had acquired 54,019,653 shares in Kemira GrowHow Oyj, which represented approximately 97.46 percent of the shares and votes attached thereto, excluding, however, those shares possessed by the company itself, in Kemira GrowHow. As Yara held more than nine tenths (9/10) of the shares and votes attached thereto in Kemira GrowHow, it had, pursuant to Chapter 18 Section 1 of the Companies Act, the right to redeem the shares held by other shareholders of Kemira GrowHow at the fair price.

Kemira GrowHow Oyj filed on 2 November 2007 an application with the Helsinki Stock Exchange listing committee for the purpose of ending the quotation of its shares and delisting its shares from the Helsinki Stock Exchange. The listing committee approved in its meeting on 16 November 2007 the delisting as conditional and subject to the fact that as a result of the redemption proceeding in accordance with the Companies Act, Yara International B.V. owns 100 percent of Kemira GrowHow 's shares.

Authorizations of the Board of Directors and treasury shares

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 surrendered on 15 March 2007 77,320 shares to persons involved in the 2004 share-based incentive plan. At 31 December 2007, Kemira GrowHow Oyj held 1,783,380 own shares, representing in total 3.12 percent of the number of issued shares.

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. The Board of Directors is authorized to dispose a maximum number of 1,860,700 company's own shares through a share issue. The Board of Directors is also authorized 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 authorizations are effective until 31 May 2008. These authorizations have not been used.

The Board of Directors of Kemira GrowHow Oyj has no authorization to issue convertible bonds or warrants or options.

Dividend policy

Kemira GrowHow has aimed to distribute dividends representing about one-half of earnings per share on average over the business cycle. The company's Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.35 per share, or about EUR 20 million, be paid for the 2007 financial year.

Notifications as per Section 9 of Chapter 2 of the Securities Markets Act

The holding of the Government of Finland fell below three-tenths (3/10) of the share capital and voting rights in Kemira GrowHow Oyj on 24 May 2007 and decreased to zero.

The holding of Yara Nederland B.V., a fully-owned subsidiary of Yara International ASA, exceeded three-tenths (3/10) of the share capital and voting rights in Kemira GrowHow Oyj on 24 May 2007. The number of Kemira GrowHow Oyj shares owned by Yara rose to 17,188,480 representing 30.05 percent of the shares and voting rights. The purchase price paid for the shares was EUR 12.12 per share. As a result, Yara launched a mandatory tender offer for the remaining shares in the company at the same price of EUR 12.12 per share in accordance with the Finnish Securities Markets Act.

On 26 July 2007, Skagen AS, Stavanger, Norway, 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 were able to exercise any voting rights in Kemira GrowHow Oyj.

As a result of the share transaction concluded on 27 July 2007 and acceptances to the mandatory tender offer, the holdings of Yara Nederland B.V., a fully owned subsidiary of Yara International ASA, exceeded five-tenths (5/10) of the voting rights and share capital in Kemira GrowHow Oyj on 27 July 2007. Total number of shares and acceptances to a mandatory tender offer held by Yara Nederland B.V. were 30,277,884 and the proportion of the share capital and the voting rights was 52.93 percent.

As a result of the share transaction concluded on 24 May 2007 and acceptances to the mandatory tender offer, the holdings of Yara Nederland B.V., a fully owned subsidiary of Yara International ASA, exceeded two-thirds (2/3) of the voting rights and share capital in Kemira GrowHow Oyj on 9 August 2007. The total number of shares and acceptances to the mandatory tender offer held by Yara Nederland B.V. were 38,556,443 and the proportion of the share capital and the voting rights was 67.40 percent.

The extended offer period ended on 27 September 2007. On 24 September 2007, Yara International ASA announced that the conditions for the completion of the tender offer had been fulfilled. Yara Nederland B.V.'s ownership, after the completion of the tender offer, increased to 97.46 percent of the shares and votes in Kemira GrowHow Oyj, excluding the shares held by Kemira GrowHow Oyj. The ownership share referred above includes the shares acquired by Yara Nederland B.V. on 24 May 2007 from the Covernment of Finland, representing 30.05 percent of all shares and votes in Kemira GrowHow Oyj.

As Yara Nederland B.V.'s ownership in Kemira GrowHow Oyj, after the completion of the tender offer, exceeded 9/10 of the shares and votes in Kemira GrowHow Oyj, Yara Nederland B.V. initiated a redemption proceeding concerning the remaining minority shares in Kemira GrowHow Oyj in accordance with the Finnish Companies Act.

Insider rules

Kemira GrowHow Group has observed the insider regulations issued by the Helsinki Stock Exchange on 28 October 1999 and since 1 January 2006 the regulations issued in December 2005.

Share-based incentive plan and management's shareholding

Kemira GrowHow's share-based incentive plans aimed to align the goals of the company's shareholders and key executives in the Group in order to raise the value of the company. The shares allocated based on the incentive plans could have been in Kemira GrowHow's treasury or they may have been purchased in public trading. Consequently, the share-based incentive plans had no dilution effect on the value of shares. Kemira GrowHow Oyj had no share-based incentive plans at the end of 2007.

The terms and conditions of the share-based incentive plans are described in Note 30 to the consolidated financial statements.

Directors' and Management Board's share ownership is presented in detail in Note 30.

Largest shareholders 31 December 2007

	Shareholder	Number of shares 1,000 pcs	% of shares and votes
1	Yara Nederland B.V.	54,389,012	95.07
2	Kemira GrowHow Oyj	1,783,380	3.12
3	The Skinnari Katri Emilia estate	57,000	0.10
4	Kiilto Oy	27,250	0.05
5	Vazguez Vigo Rolf Mikael	17,600	0.03
6	Epoca Oy	14,000	0.02
7	Svenska Skolan För Synskadade	11,000	0.02
8	Korhosen Metalli Oy	9,177	0.02
9	Style-Invest Oy	6,000	0.01
10	Väänänen Jorma	5,000	0.01
11	Neppius Olavi	3,950	0.01
12	Finska Hushållningssällskapet	3,850	0.01
13	Opintotoiminnan Keskusliitto Ry	3,825	0.01
14	Suominen Aarne	3,308	0.01
15	Simola Terttu Helmi Marjatta	3,300	0.01
16	Mäkelä Orvo Allan	3,233	0.01
17	Stenholm Stig	3,200	0.01
18	Vasa Övningsskolas Stipendiefonder	3,000	0.01
19	Lassila Asta Irene	2,803	0.00
20	Malkki Irma Helena	2,520	0.00
	20 largest shareholders, total	56,352,408	98.50
	Nominee-registered shares	433,522	0.76
	Others, total	422,927	0.74
	Total	57,208,857	100.00

Ownership distribution 31 December 2007

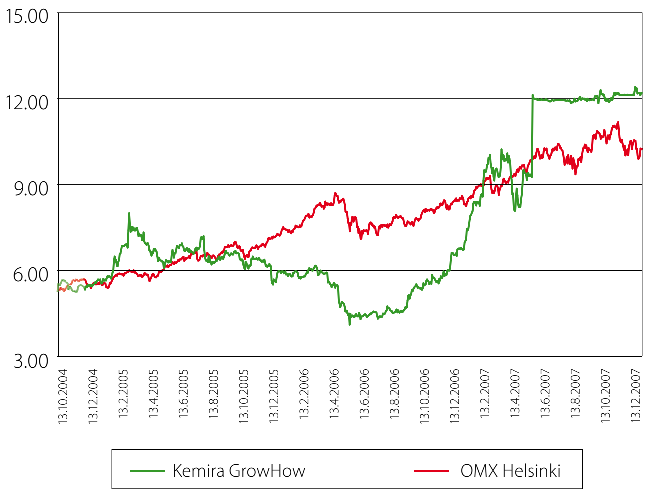
	Number of shareholders	% of shareholders	Shares total	% of shares and votes
Kemira GrowHow Oyj	1	0.04	1,783,380	3.12
Corporations	54	1.95	77,866	0.14
Public institutions	1	0.04	11,000	0.02
Non-profit institutions	26	0.94	20,813	0.04
Households	2,635	95.26	489,441	0.86
Foreign owners and nominee-registered	49	1.77	54,826,357	95.84
Total	2,766	100.00	57,208,857	100.00

Shareholders by share ownership 31 December 2007

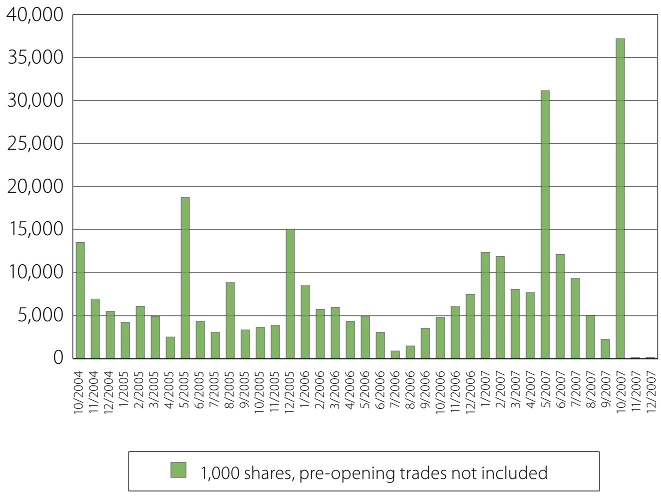
	Number of shareholders	% of shareholders	Shares total	% of shares and votes
1 – 100	1,705	61.64	68,458	0.12
101 – 500	868	31.38	202,282	0.35
501 – 5,000	173	6.25	190,176	0.33
5,001 – 100,000	7	0.25	142,027	0.25
100,001 – 500,000	-	-	-	-
500,001 –	2	0.07	56,172,392	98.19
Total	2,755	99.60	56,775,335	99.24
Nominee-registered	11	0.40	433,522	0.76
Total	2,766	100.00	57,208,857	100.00

SHARE PRICE

from selling price in the share offering



MONTHLY SHARE TURNOVER



Principal Activities

Kemira GrowHow Oyj is a public limited liability company organized under the laws of the Republic of Finland and domiciled in Helsinki and whose shares are publicly traded in the Nordic list of OMX in Mid Cap in Helsinki, Finland. Kemira GrowHow Oyj is the parent company of Kemira GrowHow Group and its registered office is at Mechelininkatu 1 a, 00180 Helsinki, Finland. The parent company of Kemira GrowHow Oyj is Yara Nederland B.V., which is a fully-owned subsidiary of Yara International ASA. The registered office of Yara Nederland B.V. is Sluiskil, the Netherlands, and of Yara International ASA, Oslo, Norway. The fourth quarter figures of Kemira GrowHow Group are included in Yara Group's 2007 figures.

Kemira GrowHow is a leading European provider of fertilizer products for use in agriculture with a particular focus on customized fertilizing solutions. Kemira GrowHow Group's primary products include compound and nitrogen fertilizers, horticultural and specialty fertilizers, industrial chemicals for various industries, and animal nutrition products. The operations of Kemira GrowHow Group are organized in two strategic business units, Crop Cultivation and Industrial Solutions. These strategic business units are also Kemira GrowHow's business segments. Supporting activities include Corporate Centre.

Basis of Presentation

The consolidated financial statements of Kemira GrowHow Group are prepared in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and Interpretations issued by the International Financial Reporting Interpretations Committee (SIC and IFRIC). International Financial Reporting Standards are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The Notes to the Financial Statements are also in accordance with the Finnish Accounting Act and Ordinance and the Finnish Companies Act.

Kemira GrowHow's date of transition to IFRS reporting was 1 January 2004. IFRS 1 was applied in the transition.

The consolidated financial statements include the financial statements of Kemira GrowHow Oyj and its subsidiaries. The functional and reporting currency of the parent company is euro, which is also the reporting currency of the consolidated financial statements. The financial year of Kemira GrowHow Group as well as of the parent company and group companies is the calendar year ending 31 December.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The figures in Kemira GrowHow's consolidated financial statements are mainly presented in EUR millions. Due to rounding differences the figures presented in tables do not necessarily add up to the totals of the tables.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

In addition, management uses judgement in applying the accounting principles and in choosing the applicable accounting policies, if IFRS allows alternative methods.

The most significant management estimates relate to impairment tests, which require use of estimates in the calculations. In impairment testing management estimates recoverable amount of an asset or a cash generating unit. Recoverable amount is the higher of fair value less costs to sell and value in use. When calculating value in use, management estimates the future cash flows as well as the discount rates used in discounting the cash flows. Discount rates reflect current market assessments of the time value of money at the time of impairment testing and the risks related to the tested assets. Estimated cash flows include assumptions of, among other things, future prices, production levels, costs and development of the markets. Impairment loss is recorded if the carrying amount exceeds the recoverable amount.

In business combinations the net identifiable assets of the acquired companies are measured at fair value. In the case of a major acquisition, estimated fair values of tangible and intangible assets acquired in an acquisition and their estimated useful lives may have a significant effect on Kemira GrowHow's result and balance sheet.

Useful life of intangible and tangible assets is based on management's best estimate of the period the asset is expected to be available for use by Kemira GrowHow. The actual useful life can, however, differ from the expected useful life resulting in adjustment of annual depreciation or amortization of the asset or in recording of impairment loss.

Calculation of defined benefit pensions and other defined long-term employee benefits requires choosing certain assumptions which actuaries use in calculation of the obligations arising from defined benefit plans. These assumptions include, among other things, discount rates used in the measurement of plan assets and liabilities as well as other actuarial assumptions such as future salary increases and mortality rate. Actual results, which differ from the initial estimates and assumptions, are recorded immediately. In the case of defined benefit pension plans, actuarial gains and losses are recorded in equity net of tax, and in the case of other defined benefit plans, in income statement.

Kemira GrowHow records remedial environmental expenditure caused by past operations as an expense. Based on environmental laws and regulations, environmental provisions are recognized if it is probable, that an obligation has arisen and the amount of the obligation can be reliably estimated. Making precise estimates of environmental obligations is difficult, so the estimate of the amount of each obligation is based on the opinion of management and external consultants.

Measurement of inventories includes some management estimates. Inventories are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value is used in testing the recoverable amount of inventories in order to avoid the inventories being carried in excess of the amount expected to be realized from their sale or use.

Deferred tax liabilities and assets include management estimates, especially deferred tax assets arising from confirmed tax losses of group companies or from other temporary differences. Deferred tax assets are recognized for deductible temporary differences and tax losses to the extent that it is probable that taxable profit will be available against which tax credits and deductible temporary differences can be utilized. All tax liabilities and assets are reviewed at balance sheet date and adjusted if necessary.

Consolidation Principles

The consolidated financial statements include the parent company and its subsidiaries. Subsidiaries are companies in which the parent company has, based on its holding, more than half of the voting rights directly or via its subsidiaries or over which it otherwise has control. Divested companies are included in the income statement until the time of sale, and companies acquired during the year are included from the time of acquisition.

Joint ventures, in which the Group exercises control together with other parties, are accounted for using the equity method in the consolidated financial statements. Also associated companies, where the Group has a significant influence (holding normally 20–50%), are accounted for using the equity method. The Group's share of the joint ventures' and associated companies' net results for the financial year is presented as a separate item in the consolidated income statement. The Group's interest in a joint venture or an associated company is carried in the balance sheet at an amount that reflects its share of the net assets of the joint venture or associated company together with goodwill on acquisition, if such goodwill exists. When the Group's share of losses exceeds the carrying amount of the joint venture or an associated company, the carrying amount is reduced to nil and recognition of further losses ceases unless the Group is committed to satisfy obligations of the joint venture or associated company by guarantees or otherwise.

Other shares (shares in companies in which Kemira GrowHow owns less than 20% of voting rights) are presented at the lower of cost and fair value in the balance sheet, and dividends received from them are included in the income statement.

All inter-company transactions are eliminated as part of the consolidation process. Minority interests are presented separately in arriving at the net result attributable to equity holders of the parent company. They are also shown separately within equity. Unrealized gains arising from transactions with associated companies and joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Goodwill

Acquisitions of subsidiaries are accounted for under the purchase method. Goodwill represents the excess of the acquisition cost over fair value of the assets less liabilities of the acquired company. Goodwill arising from the acquisition of foreign companies of acquisitions made after 1 January 2004 is treated as an asset of the foreign entity and translated at the closing rate. Goodwill arising from the acquisitions of foreign companies made before 1 January 2004 has been translated into euros at the foreign exchange rate prevailing on the acquisition date.

Acquisitions made after 1 January 2004 have been recorded in accordance with IFRS 3. Purchase consideration has been allocated to intangible assets, if they have met the recognition criteria stated in IAS 38 (Intangible Assets). Acquisitions made before 1 January 2004 have not been restated.

In accordance with IFRS 3 Business Combinations, goodwill is not amortized. The carrying amount of goodwill is tested annually for impairment. The testing is made more frequently if there are indications of impairment of the goodwill. Any possible impairment loss is recorded immediately in the income statement.

Foreign Subsidiaries

In the consolidated financial statements, the income statements and cash flows of foreign subsidiaries have been translated into euros using the average exchange rates and the balance sheets have been translated using the year-end exchange rates.

The translation difference arising from translating the income statement and balance sheet using the different exchange rates is entered in equity in cumulative translation difference. Exchange differences arising from the translation of the net investments in foreign subsidiaries, joint ventures and associated companies in non-euro-area are also recorded directly in equity in cumulative translation difference. Kemira GrowHow applied the exemption allowed in IFRS 1 for recording of cumulative translation differences. In accordance with the exemption, the cumulative translation differences for all foreign operations were deemed to be zero on 1 January 2004.

On the disposal of all or part of a foreign subsidiary, a joint venture or an associate, the cumulative amount or proportionate share of the translation difference is recognized in the income statement in the same period in which the gain or loss on disposal is recognized.

Transactions in Foreign Currency

In their own day-to-day accounting the Group companies translate transactions in foreign currencies into their own reporting currency at the exchange rates prevailing on the dates of the transactions. At the end of the accounting period, the unsettled balances of foreign currency transactions are valued at the exchange rates prevailing on the balance sheet date. All foreign exchange gains and losses, also related to accounts receivable and payable, are recorded in financial income and expenses. Also fair value changes of the currency derivatives which hedge sales or purchases and for which hedge accounting is not applied, are recorded immediately in the income statement in financial income and expenses.

Financial Assets and Liabilities

Financial assets and liabilities of Kemira GrowHow have been classified as financial assets and liabilities at fair value through profit and loss, loans and receivables and available-for-sale financial assets.

Kemira GrowHow has classified other shares as available-for-sale financial assets, which are measured at fair value. Kemira GrowHow records changes in fair value of available-for-sale assets into the fair value reserve in equity until the assets are disposed, at which time the cumulative gain or loss is recognized in the income statement. Certain unlisted equities for which fair values cannot be measured reliably are reported at cost less impairment. Trade date accounting is used in recognizing regular way purchases and sales of financial assets.

Derivatives, which do not meet hedge accounting criteria, are financial assets and liabilities at fair value through profit and loss, and changes in the fair values of these derivative instruments are recognized immediately in the income statement.

Fair values of other financial assets and liabilities are assumed to approximate their carrying amounts because of their short maturities or because their fair values cannot be measured reliably.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are recorded in the balance sheet at their fair values. Fair values of publicly traded derivatives are calculated based on quoted market rates at the balance sheet date. Interest rate swaps are valued by using discounted cash flow analyses. Fair values of foreign exchange forward contracts are determined using forward market rates at the balance sheet date. Fair values of interest rate and currency options are calculated at the balance sheet date using market rates together with option pricing models. Commodity derivatives are recorded at market value at the balance sheet date.

Most of the Group's derivative transactions, while providing economic hedges, do not qualify for hedge accounting under IAS 39, and therefore changes in the fair values of these derivative instruments are recognized immediately in the income statement. Group companies mainly hedge their sales and purchases in foreign currency, in which the hedging instruments used are forward contracts mainly made with Group Treasury and to some extent with banks. These hedges are recognized in the income statement in financial income and expenses.

In addition to currency derivatives, the Group hedges some of its raw material purchases with commodity derivatives. Most of these derivatives do not qualify for hedge accounting under IAS 39. When hedge accounting is not applied, the fair value changes of commodity derivatives are recognized immediately in the income statement as a separate item in other operating income and expenses. If the hedge accounting criteria are fulfilled, commodity derivatives are reported in accordance with IAS 39 hedge accounting principles. In that case the changes in fair value of the derivatives are recorded directly into the hedging reserve in equity. Ineffective part of the hedge is recognized immediately in the income statement. The cumulative gain or loss of the derivative deferred in equity is transferred to the income statement in the same period in which the hedged item affects the income statement.

The future cash flows arising from the interest rate payments of Kemira GrowHow's non-current liabilities are partly hedged with interest rate derivatives, and the hedge fulfills the hedge accounting criteria of IAS 39. Changes in the fair value of these derivatives, which are designated and qualifying as cash flow hedges and which are effective hedges, are recognized in the hedging reserve in equity. Ineffective part of the hedge is recognized immediately in the income statement. The cumulative gain or loss of the derivative deferred in equity is transferred to the income statement in the same period in which the hedged item affects the income statement.

Changes in the fair value of foreign currency derivatives designated as hedges of net investment in foreign entities and which are effective hedges, are recorded in the equity in cumulative translation difference. Ineffective part of the hedge is recognized immediately in the income statement. Hedging of net investment in foreign entities included hedging of subordinated loans given to the entities. There were no net investment hedges in foreign entities at the end of 2007.

INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs.

Interest expenses are accrued for and recorded in the income statement for each period.

ACCOUNTS RECEIVABLE

Accounts receivable are carried at the original invoice amount less an estimate made for doubtful receivables. Estimate made for doubtful receivables is based on a periodic review of all outstanding amounts. Bad debts are written off when identified.

FACTORING

The Group has used factoring in certain countries where it operates as a means to improve collectibility of trade receivables with long payment terms. The sold trade receivables are derecognized from the balance sheet only to the extent of which the risks and rewards of the ownership have been transferred.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and at bank and highly liquid investments with remaining maturities at the date of acquisition of three months or less. Bank overdrafts are included in short-term interest-bearing liabilities.

Revenue Recognition

Net sales include the total invoicing value of products sold and services provided less sales tax, cash discounts and rebates. Foreign exchange differences in accounts receivable are recorded in financial income and expenses.

Revenue is recognized in the income statement when the significant risks and rewards connected with the ownership of goods sold are transferred to the buyer. The Group's net sales do not include long-term projects.

Income Taxes

The consolidated financial statements include income taxes, which are based on the taxable results of the Group companies for the accounting period together with tax adjustments for previous periods, calculated in accordance with the local tax rules, and the change in the deferred tax liabilities and assets.

Income taxes which relate to items recognized directly in equity are recognized in equity.

The Group's deferred tax liabilities and assets have been calculated for temporary differences, which have been obtained by comparing the carrying amount of each balance sheet item with their tax bases. Deferred tax assets are recognized for deductible temporary differences and tax losses to the extent that it is probable that taxable profit will be available, against which tax credits and deductible temporary differences can be utilized. In calculating deferred tax liabilities and assets, the tax rate used is the tax rate in force at the time of preparing the financial statements or which has been enacted by the balance sheet date.

Principal temporary differences arise from depreciation and amortization of property, plant and equipment and intangible assets, defined benefit pensions, recognition of net assets of acquired companies at fair value, valuation of available-for-sale assets and derivative instruments to fair value, intercompany inventory profits, untaxed reserves and confirmed tax losses.

Temporary differences for accumulated depreciation and untaxed reserves, mainly relevant only for Finnish and Swedish group companies, are recorded in equity and deferred tax liability in the consolidated balance sheet.

Pensions and Other Long-term Employee Benefits

The Group has various pension plans in accordance with the local conditions and practices in the countries where it operates. The pension plans are classified as defined contribution plans or defined benefit plans. The schemes are generally funded through payments to trustee-administered funds or to insurance companies as determined by actuarial calculations.

The contributions to defined contribution plans are charged to the income statement in the period to which the contributions relate.

The obligations for defined benefit pension plans have been calculated separately for each plan. Defined benefit pension liabilities or assets, which have arisen from the difference between the present value of pension obligations and the fair value of plan assets, have been entered in the balance sheet.

The defined benefit pension obligation is measured as the present value of the estimated future cash flows using interest rates of government securities that have maturity terms approximating the terms of related liabilities.

For the defined benefit plans, pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement so as to spread over the service lives of employees. Expected return on plan assets and interest on obligation is recorded below operating profit in financial items.

As allowed by IFRS 1, the cumulative actuarial gains and losses from the defined benefit pension plans were recognized in the balance sheet at the date of transition 1 January 2004. Kemira GrowHow records actuarial gains and losses of defined benefit pension plans directly to equity net of tax.

In addition to defined benefit pensions, Kemira GrowHow has other long-term employee benefits, such as long-service benefits and termination benefits, for which the timing of the payments is uncertain. These benefits are accounted for as post-employment benefits, and they are presented separately from defined benefit pensions. Actuarial gains and losses as well as past service costs of all these long-term employee benefits are recognized immediately.

Intangible Assets

Expenditures on acquired patents and licenses are stated at historical cost and amortized on a straight-line basis over expected useful lives, which usually vary between 3 – 10 years.

Acquired intangible assets recognized as assets separately from goodwill consist of customer related intangible assets and licenses, which are recorded at fair value at the time of the acquisition of the subsidiary.

Carbon dioxide emission right allowances are recorded in intangible assets only if they have been purchased from an external party. Emission rights received as government grants are not recorded in the balance sheet. Carbon dioxide emission right allowances recorded in the intangible assets are not amortized.

Research costs are expensed as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development and to use or sell the intangible asset. The majority of the Group's development expenditure do not meet the above-mentioned capitalization requirements and are expensed for the year. Capitalized development costs are included in the item "Other capitalized expenditure" and amortized over their economic life, not exceeding, however, five years.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Assets from acquisition of a subsidiary are stated at their fair values at the date of the acquisition. Depreciation is recorded on a straight-line basis over expected useful lives. Land is not depreciated since it is deemed to have indefinite useful life.

The most common estimated useful lives are as follows:

machinery and equipment	3 – 15 years
buildings and constructions	25 years

Gain on the sale of property, plant and equipment is included in other operating income and loss in operating expenses. Borrowing costs have not been capitalized as part of the acquisition cost, but capitalization begins on 1 January 2008. The costs of major inspections or the overhaul of property, plant and equipment items, that occur at regular intervals and are identified as separate components, are capitalized and depreciated over their useful lives. Ordinary maintenance and repair charges are expensed as incurred.

Biological Assets

The Group has minor biological assets (forests), which are included in land and recognized and measured at their fair value less estimated point-of-sale costs separately from the land. Gain or loss from the change of fair value of biological assets is recognized in the income statement in the period in which it arises.

Non-current Assets Held for Sale

Non-current assets are classified as held for sale and shown separately in the balance sheet if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. In order to be classified as held for sale the asset must be available for immediate sale in its present condition and the sale must be highly probable. In addition, the sale should qualify for recognition of a complete sale within one year from the date of the classification.

An asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell and it is not depreciated.

IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) is not applied retrospectively if the valuations and other information required by the standard were not obtainable at the time the classification criteria were met.

Impairment of Assets

Annual impairment tests are performed during the fourth quarter of the year. Other assets of the Group are evaluated at each balance sheet date or at any other time, if events or circumstances indicate that the value of an asset has been impaired.

If there are indications of impairment, the asset's recoverable amount is estimated, based on the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognized in the income statement whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. If subsequently recording the impairment loss a positive change has occurred in the estimates of the recoverable amount, the impairment loss made in previous years is reversed no more than up to the value which would have been determined for the asset item if an impairment loss had not been booked on it in previous years. For goodwill, a recognized impairment loss is not reversed.

Cash flow projections have been calculated on the basis of reasonable and supportable assumptions. They are based on the most recent financial plans and forecasts that have been approved by management. Estimated cash flows are used for a maximum of five years. Cash flow projections beyond the period covered by the most recent plans and forecasts are estimated by extrapolating the projections using a steady or declining growth rate. The discount rate is the weighted average cost of capital. It is a pre-tax rate and reflects current market assessments of the time value of money at the time of review and the risks related to the assets.

Government Grants

The most significant government grants are the carbon dioxide emission right allowances received for the Group's main production facilities. Kemira GrowHow applies so-called net method in recognition and measurement of carbon dioxide emission right allowances received as government grant. Applying the net method means that neither the received emission right allowances nor the obligation to deliver allowances equal to emissions are recorded in balance sheet. If emission right allowances are purchased from an external party, these emission rights are recorded in the balance sheet. The acquired emission rights are valued at the lower of acquisition cost and fair value at the balance sheet date. If the obligation to deliver allowances equal to emissions made exceeds the total of received and acquired emission right allowances, this difference is recorded, at fair value at the balance sheet date, as a liability in the balance sheet and as an expense in the income statement.

Government grants received to acquire property, plant and equipment have been reduced from the acquisition cost of the assets in question. From 1 January 2008, received government grants are recorded as deferred income in liabilities in the balance sheet and are recognized as income over the useful life of the related asset. Government grants received by Kemira GrowHow to acquire property, plant and equipment are not material.

Accounting for Leases

Kemira GrowHow Group has entered into various operating leases, the payments under which are treated as rentals and charged to income statement over the lease term.

Leases of property, plant and equipment where Kemira GrowHow has substantially all the rewards and risks of ownership, are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are allocated between liability and finance charges. The rental obligations, net of finance charges, are included in interest-bearing liabilities, with the interest element taken to the income statement over the lease period. Property, plant and equipment acquired under finance lease contracts are depreciated over the shorter of the useful life of the asset and the lease period.

IFRIC 4 Determining whether an Arrangement Contains a Lease is applied to such agreements, which are not leases in legal form, but which in substance convey the right to use an asset for an agreed period of time in return for a payment. If an arrangement or part of it is determined to be a lease, it or part of it is classified as finance or operating lease and accounted for under the guidance in IAS 17 Leases.

Inventories

Inventories are reported at the lower of cost and net realisable value. Cost is determined on a first in first out (FIFO) basis or, alternatively, weighted average cost. Net realisable value is the amount which can be realized from the sale of the asset in the normal course of business, after allowing for the estimated costs of completion and the costs necessary to make the sale. The cost of finished goods and work in process includes allocated proportion of production overhead, but excludes interest expenses.

Provisions

A provision is recognized when as a consequence of some previous event there has arisen a legal or constructive obligation and it is probable that this will cause future expenses and the amount of the obligation can be evaluated reliably. A restructuring provision is booked only when a detailed and fully compliant plan has been prepared for it and implementation of the plan has been started or notification of it has been made known to those whom the arrangement concerns. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the time value of money is material, provisions are discounted.

Share-based Incentive Plan

The share-based incentive plan of Kemira GrowHow was a combination of shares and a cash payment. Kemira GrowHow had the option to settle the possible reward in cash in its entirety. The granted amount of the incentive plan settled in shares was measured at fair value at grant date, and the cash-settled part of the plan was measured at fair value at the reporting date. The expenses arising from the incentive plan has been recorded in the income statement during the vesting period. The unpaid cash-settled part of the incentive plan was recorded as a liability in the balance sheet and the part to be settled in shares was recorded in retained earnings in equity net of tax. Kemira GrowHow has recorded the other personnel costs arising from the share-based incentive plan to the extent it is liable to pay them. Kemira GrowHow had no share-based incentive plans at the end of 2007. The share-based incentive plans are described in Note 30 to the consolidated financial statements.

Dividends
Dividends proposed by the Board of Directors are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

Treasury Shares
Treasury shares acquired by the company and the related costs are presented as a deduction of equity. Gain on surrender of treasury shares has been recorded in paid-up unrestricted equity reserve.

Earnings per Share
Basic earnings per share is calculated by dividing the net result attributable to shareholders of the parent company by the weighted average number of shares in issue during the year, excluding shares purchased by the Group and held as treasury shares. Kemira GrowHow Oyj has no potential ordinary shares which would dilute earnings per share.

Changes in Accounting Principles and in Presentation of Financial Statements
Because Kemira GrowHow Oyj became in October 2007 a subsidiary of Yara International ASA, Kemira GrowHow had to change the accounting principles of its consolidated financial statements to correspond with those of Yara Group.

The most significant changes apply to defined benefit pension plans. Currently, in accordance with the revised accounting principles, the actuarial gains and losses of those plans are recorded net of tax in equity instead of using the corridor method which was applied previously. Expected return of plan assets and interest on obligation is recorded below operating profit in financial income and expenses. Previously these items were included in pension and other personnel costs.

In accordance with the revised presentation principles of financial statements, all foreign exchange differences are recorded in financial income and expenses. Previously exchange rate differences arising from accounts receivable were recorded as adjustment of net sales and exchange rate differences arising from accounts payable were recorded as adjustment of purchases. In addition, fair value changes of the currency derivatives which hedge sales or purchases and for which hedge accounting is not applied, are recorded in financial income and expenses. Previously, they were recorded as a separate item above operating profit.

Gains and losses from sale of shares classified as available-for-sale are presented in financial income and expenses. Previously gains were presented in other operating income and losses in other expenses.

Share of net results of joint ventures and associated companies is presented in operating profit. Previously it was presented in financial items.

Previously Kemira GrowHow applied so-called gross method in recognition and measurement of carbon dioxide emission right allowances. Both received emission right allowances and the obligation to deliver allowances equal to emissions made were measured initially at their fair value and recorded in the balance sheet. If the obligation to deliver allowances equal to emissions made exceeded the received emission right allowances, this difference was recorded at fair value at the balance sheet date. Currently Kemira GrowHow applies the so-called net method in recognition and measurement of carbon dioxide emission right allowances received as government grant. The so-called net method is described in more detail in the accounting principles in "Government Grants".

Government grants received to acquire property, plant and equipment have been reduced from the acquisition cost of the assets in question. From 1 January 2008, received government grants are recorded as deferred income in liabilities in the balance sheet and are recognized as income over the useful life of the related asset. Previous years' figures have not been restated.

Capitalization of borrowing costs in the acquisition cost of tangible assets begins on 1 January 2008.

The previous years' figures presented in these financial statements have been restated to correspond the changed accounting principles, unless otherwise mentioned. The effects of the changes on the previously published figures are presented in Note 32 to the consolidated financial statements.

New Accounting Standards
Kemira GrowHow has applied the following new or revised or amended standards and interpretations 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 or interpretations mainly had 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 2008:

- IAS 23 (revised) Borrowing Costs
- IFRIC 12 Service Concession Arrangements
- IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

Applying revised IAS 23 Borrowing Costs will change Kemira GrowHow's accounting principles from 1 January 2008. From that date on, the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset will be capitalized to the acquisition cost of the asset. The capitalization will apply mainly to property, plant and equipment.

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:

- IAS 1 (revised) Presentation of Financial Statements
- IFRS 8 Operating Segments
- IFRIC 13 Customer Loyalty Programmes

Applying revised IAS 1 standard will change the presentation of income statement, balance sheet and statement of changes in equity in the financial statements.

Kemira GrowHow estimates that applying IFRS 8 as such will not have any material effect on the financial information of Kemira GrowHow. However, Kemira GrowHow's segments will change from 1 January 2008 to correspond with Yara's segments. For this reason Kemira GrowHow's financial information will change materially from 1 January 2008.

Other new or amended standards or interpretations are not material for Kemira GrowHow Group.

Until autumn 2007 the management of financial risks at Kemira GrowHow was based on the treasury policy accepted by the Board of Directors of Kemira GrowHow Oyj. The policy outlined operating principles and set limits for maximum open risk positions. The finance and treasury management of the Group is responsible for the daily management of financial risks.

Towards the end of 2007 Kemira GrowHow started to adopt the treasury principles of Yara International ASA. Risk exposures were calculated using Yara's calculation model and hedges were changed based on these calculations.

The goal for financial risk management is to protect Kemira GrowHow from adverse movements in financial markets. The Group uses various derivative instruments to manage financial risks in accordance with the limits set by the treasury policy. Derivative instruments are used only for hedging purposes. Fair value changes of derivative instruments are mainly recognized immediately through income statement, but the Group has also some derivative contracts, which have been classified as cash flow hedges and which fulfil the criteria for hedge accounting. The fair value changes of those derivative instruments are recorded in equity and transferred to income statement when the cash flows of the hedged instruments affect the income statement.

Credit risk

The carrying amounts of financial assets equal their maximum credit risk.

FINANCIAL CREDIT RISK

Credit risk arises when the counterparty of a financial transaction cannot fulfil its obligations. Treasury credit risks are usually linked to money market investments and derivative contracts. The Group hedges the credit risk arising from derivative instruments by accepting such counterparties that have an acceptable credit rating. According to the treasury policy, counterparties must to have a rating A or better. The deputy CEO can grant an exception to this rule. Since the end of 2007, derivative contracts have been made mainly with Yara International ASA.

Credit risk arising from investing activity is managed by investing Kemira GrowHow Group's liquidity primarily in the parent company, Yara. In accordance with the investment limits, only overnight liquidity is invested into money market instruments with low risk and good liquidity. The investment policy outlines the maximum amount and duration of investments by counterparty.

COMMERCIAL CREDIT RISK

The credit risk policy requires the subsidiaries to monitor and report their credit risks on a continuous basis. Subsidiaries must have their own local credit risk policies accepted by the management board of the subsidiary.

The Group's trade receivables are spread among numerous clients and into different geographical areas. Customers have credit limits, which are monitored systematically, and any deviations are reported to the management boards of the subsidiary as well as to the Group's finance and treasury management. The credit policy requires, that a credit risk of a new customer has to be investigated before any sales are done, and that the credit risk of existing customers is followed continuously. Commercial credit risk is also minimized by the use of document payments such as letters of credits.

Liquidity risk

The Group has spread its funding into different sources in order to hedge itself from liquidity risk. The main funding sources are a EUR 150 million revolving credit facility and a EUR 300 million domestic commercial paper program. In addition, the Group has a bilateral bank loan and pension loans. Other funding sources are loans from the parent company Yara, financial leasing arrangements and credit facilities with local house banks.

EUR 170 million of the committed credit facilities of the Group, whether drawn or undrawn, include covenants or other terms and conditions concerning equity ratio or gearing and / or profitability of the Group. These terms and conditions do not directly 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 include also a condition, which 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. Based on the information received, the fact that Yara Nederland B.V. has gained control of Kemira GrowHow Oyj does not cause the loans to be declared due and payable and does not change the terms of the facilities.

The Group's liquidity is mainly invested in the parent company, Yara, and in special cases in short-tem commercial papers, which are tradable on the secondary market.

At the end of 2007, the liquidity of the Group was approximately EUR 54 million and unused committed credit facilities were EUR 150 million. In total the Group had approximately EUR 225 million unused liquidity reserves (EUR 120 million at the end of 2006).

Market risk

FOREIGN EXCHANGE RISK

The international nature of its operations exposes Kemira GrowHow to foreign exchange risk. Foreign exchange rate risk arises when Group companies have net currency flows in other currencies than their domestic currency. The Group is also exposed to foreign exchange risk when income statement and balance sheet items are translated into euros from other currencies.

Until autumn 2007, Group companies were reporting their currency positions on a regular basis to the Group's finance and treasury management. Based on the currency positions of the group companies, the Group's finance and treasury management calculated the total currency risk position of the Group and hedged it. At the end of 2007, the management of foreign exchange risk was changed to be in accordance with the treasury policy of Yara International ASA. According to Yara's policy, the group companies should hedge their balance sheet risk instead of the rolling 12 months' foreign exchange risk. Kemira GrowHow has significant exposures in the following currencies: USD, GBP, PLN and THB.

Accounts payable and receivable are hedged by currency options and forwards. The fair value changes of these instruments were earlier recognized as a separate item in other operating income and expenses but now, after the change in presentation of financial statements, they are presented in financial items together with exchange differences arising from accounts receivable and payable.

In the beginning of 2008, the treasury policy concerning the management of foreign exchange risk was changed to be in accordance with Yara International ASA's policy. The group companies started to hedge their short-term balance sheet exposure themselves. Hedges are mainly done with Yara Finance but in certain special cases the group companies can make hedging contracts with local banks.

Foreign exchange risk arises from net investments made in foreign entities outside euro-area. This risk can be hedged by currency loans, forwards and options. As the carrying amount of net investments in foreign entities outside the euro-area is not significant, these exposures are no longer hedged.

INTEREST RATE RISK

Kemira GrowHow's floating rate loans are exposed to cash flow interest rate risk, which the Group may hedge by swaps, options and forwards. When Kemira GrowHow Oyj repaid its revolving credit facility at the end of 2007, the hedges related to this loan were closed. At the end of 2007, the amount of floating rate loans converted to fixed interest rate loans with interest rate swaps was EUR 20 million. These transactions mature in 2009.

Kemira GrowHow's interest bearing debts are mainly managed by the Group's finance and treasury management. At the end of 2007, the proportion of fixed rate loans was 11 (34) percent.

PRICE RISK

The most important raw material for nitrogen based fertilizers is natural gas. Annual gas cost for Kemira GrowHow is approximately EUR 130 million. Kemira GrowHow set up a team to manage price risk of gas purchases. The team was responsible for co-ordinating at the Group level the gas purchases and hedging. The team started its work during 2006. At the end of 2007, the organization was merged with Yara International ASA's energy team.

According to the previous policy, Kemira GrowHow's target was to have roughly 50 percent of gas purchases linked to oil indexes. Short-term price risk of gas was hedged mainly by fixing the price of gas with commodity derivatives. Yara's strategy is to purchase mainly hub-priced gas without any long-term price agreements. Kemira GrowHow will adopt this strategy when the open gas derivatives expire.

As Kemira GrowHow does not apply hedge accounting as defined in the IFRS standards to its commodity derivative contracts, changes in their fair values are recognized in the income statement immediately, which can lead into significant result volatility as the contracts are mainly related to future years.

Risks and sensitivity analyses

FOREIGN EXCHANGE RISK

Currency risk exposure 2007 EUR million	USD	GBP	PLN	DKK	THB	MYR	HUF	SEK	ZAR	RUR	UAH	Total exposure
Balance sheet exposure												
Accounts receivable	18.6	2.2	-	0.7	-	-	-	1.4	-	-	-	22.8
Accounts payable	20.7	0.2	-	1.1	-	-	-	0.4	0.0	-	-	22.4
Other loans receivable	-	-	-	18.1	-	0.0	-	-	-	-	-	18.1
Net balance sheet exposure	-2.1	2.0	-	17.7	-	0.0	-	1.0	0.0	-	-	18.6
Forecasted exposure (*	-80.7	-49.9	43.0	-6.1	28.5	15.3	15.9	-2.2	-	2.4	0.9	-32.9
Total risk exposure	**-82.8**	**-47.9**	**43.0**	**11.6**	**28.5**	**15.3**	**15.9**	**-1.2**	**0.0**	**2.4**	**0.9**	**-14.3**
Hedges												
Forwards	-	-	-7.4	-	-3.3	-	-	-	-	-	-	-10.7
Options (**	9.2	7.2	-	-	-	-	-	-	-	-	-	16.4
Total hedges	9.2	7.2	-7.4	-	-3.3	-	-	-	-	-	-	5.7
Open risk exposure	**-73.5**	**-40.8**	**35.6**	**11.6**	**25.3**	**15.3**	**15.9**	**-1.2**	**0.0**	**2.4**	**0.9**	**-8.6**

(* *12 months' expected currency flow* (** *Delta-weighted nominal value*

Sensitivity analysis 2007 Effect of 10 percent strengthening of euro EUR million	USD	GBP	PLN	DKK	THB	MYR	HUF	SEK	ZAR	RUB	UAH	Total exposure
Total risk exposure	-74.5	-43.1	38.7	10.4	25.7	13.8	14.3	-1.0	0.0	2.1	0.8	-12.9
Change	8.3	4.8	-4.3	-1.2	-2.9	-1.5	-1.6	0.1	0.0	-0.2	-0.1	1.4
Open risk exposure	-67.4	-36.7	32.0	10.4	22.7	13.8	14.3	-1.0	0.0	2.1	0.8	-7.8
Change	6.1	4.1	-3.6	-1.2	-2.5	-1.5	-1.6	0.1	0.0	-0.2	-0.1	0.9

Currency risk exposure 2006 EUR million	USD	GBP	PLN	DKK	THB	MYR	HUF	SEK	ZAR	RUB	UAH	Total exposure
Balance sheet exposure												
Accounts receivable	31.2	2.2	0.0	1.2	-	-	-	1.2	-	-	-	35.8
Accounts payable	12.3	0.6	0.0	0.1	-	-	-	1.5	-	-	-	14.5
Other loans	2.7	-	-	-	-	-	-	-	-	-	-	2.7
Net balance sheet exposure	16.2	1.6	0.0	1.1	-	-	-	-0.3	-	-	-	18.6
Forecasted exposure (*	-81.6	-93.8	30.3	-13.5	22.2	-0.6	8.0	-7.5	-	-	-	-136.6
Total risk exposure	**-65.4**	**-92.2**	**30.3**	**-12.3**	**22.2**	**-0.6**	**8.0**	**-7.9**	**-**	**-**	**-**	**-117.9**
Hedges												
Forwards	7.6	-	-5.1	-	-	-	-1.9	4.4	-	-	-	5.0
Options (**	7.4	29.7	-5.7	-	-	-	-	-	-	-	-	31.4
Total hedges	15.0	29.7	-10.8	-	-	-	-1.9	4.4	-	-	-	36.4
Open risk exposure	**-50.4**	**-62.5**	**19.5**	**-12.3**	**22.2**	**-0.6**	**6.1**	**-3.5**	**-**	**-**	**-**	**-81.6**

(* *12 months' expected currency flow* (** *Delta-weighted nominal value*

Sensitivity analysis 2006 Effect of 10 percent strengthening of euro EUR million	USD	GBP	PLN	DKK	THB	MYR	HUF	SEK	ZAR	RUB	UAH	Total exposure
Total risk exposure	-58.9	-83.0	27.3	-11.1	20.0	-0.6	7.2	-7.1	-	-	-	-106.1
Change	6.5	9.2	-3.0	1.2	-2.2	0.1	-0.8	0.8	-	-	-	11.8
Open risk exposure	-45.4	-56.3	17.5	-11.1	20.0	-0.6	5.5	-3.1	-	-	-	-73.4
Change	5.0	6.3	-1.9	1.2	-2.2	0.1	-0.6	0.3	-	-	-	8.2

INTEREST RATE RISK, SENSITIVITY ANALYSIS

Impact on income statement, EUR million	2007	2006
Gross interest-bearing debt	184.3	205.9
Interest rate swaps	20.0	70.0
Options	0.0	10.0
Unhedged exposure	164.3	125.9
Cash and deposits and interest-bearing receivables	-53.9	-20.0
Net exposure	110.4	105.9
Impact of 1 percentage point change of interest rates on result	1.1	1.1

Impact on equity, EUR million	2007	2006
Market value of swaps	0.5	1.7
Market value of options	-	0.3
Total	0.5	2.0
1 percentage point increase of interests, impact on equity	0.3	2.3
Tax effect	-0.1	-0.6
Net equity impact	0.2	1.7

Calculation is based on a parallel shift in yield curve on global basis.

OTHER PRICE RISK

Commodity price risk and sensitivity analysis, EUR million	2007	2006
Commodity price risk		
Gas derivatives		
Market value of gas derivatives	-7.4	-7.9
Sensitivity analysis		
1 percent rise in oil price	-0.3	-0.6
1 percent rise in gas price	0.2	0.5
1 percent strengthening of GBP against USD	-	0.4

LIQUIDITY RISK: CASH FLOWS ARISING FROM LIABILITIES AND UNUSED CREDIT LIMITS

Cash flows from interest-bearing liabilities, EUR million	2007	2006
Following year	141.6	108.3
Over 1 year	2.4	4.3
Over 2 year	14.9	4.8
Over 3 year	21.8	53.6
Over 4 year	0.7	22.5
Over 4 year	14.2	38.1
Total	**195.6**	**231.7**
Current interest-bearing liabilities	132.7	102.0
Future interests during the following year	8.9	6.4
Total	**141.6**	**108.3**
Total interest-bearing liabilities	180.2	205.9
Total future interests	15.4	25.8
Total	**195.6**	**231.7**

Cash flows from other liabilities, EUR million	2007	2006
Following year	128.9	144.9
Over 1 year	-	-
Over 2 year	-	-
Over 3 year	-	-
Over 4 year	-	-
Over 5 year	-	-
Total	**128.9**	**144.9**

The cash flows from liabilities represent contractual undiscounted cash flows.

Financial guarantees, EUR million	2007	2006
On behalf of others	0.2	29.5

Cash flows from derivative liabilities, EUR million

2007	Due date					
	Less than 3 months	3 to 6 months	6 to 12 months	Over 1 year	Over 2 years	Over 3 years
Foreign exchange forwards, inflow	9.0	3.0	-	-	-	-
Foreign exchange forwards, outflow	-9.3	-3.0	-	-	-	-
Foreign exchange options, inflow	0.8	-	-	-	-	-
Foreign exchange options, outflow	-0.9	-	-	-	-	-
Commodity swaps, inflow	1.3	0.8	1.6	0.1	-	-
Commodity swaps, outflow	-1.3	-0.8	-1.6	-7.5	-	-

2006	Due date					
	Less than 3 months	3 to 6 months	6 to 12 months	Over 1 year	Over 2 years	Over 3 years
Foreign exchange forwards, inflow	124.1	54.0	1.2	-	-	-
Foreign exchange forwards, outflow	-126.3	-54.7	-1.3	-	-	-
Foreign exchange options, inflow	29.9	7.4	-	-	-	-
Foreign exchange options, outflow	-29.4	-7.2	-	-	-	-
Commodity swaps, inflow	0.6	-	-	-	-	-
Commodity swaps, outflow	-	-1.2	-1.7	-4.8	-1.0	-

Unused credit limits and cash and cash equivalents

At the end of 2007, the Group had EUR 171.1 (99.5) million unused credit facililities.

The Group's liquid funds at the end of the year EUR million	2007	2006
Interest-bearing receivables from Yara	30.3	-
Current investments	5.2	3.3
Cash and bank	18.4	16.7
Total	**53.9**	**20.0**

MANAGEMENT OF CAPITAL

Kemira GrowHow's capital includes interest-bearing net debt and equity. Kemira GrowHow monitors its capital structure mainly using two key ratios: equity ratio and gearing.

Interest-bearing net debt is calculated by deducting cash and bank and current investments as well as interest-bearing receivables from Yara from interest-bearing liabilities. Equity ratio is the ratio of equity (equity attributable to equity holders of the parent company + minority interest) to balance sheet total, from which advances received have been deducted, at the balance sheet date. Gearing is the ratio of interest-bearing net debt to equity at the balance sheet date.

EUR million	31.12.2007	31.12.2006
Interest-bearing net debt		
Non-current interest-bearing liabilities	47.5	103.9
Current interest-bearing liabilities	136.8	102.0
Interest-bearing receivables from Yara	- 30.3	-
Current investments	- 5.2	- 3.3
Cash and bank accounts	- 18.4	- 16.7
Total	**130.5**	**185.9**
Equity		
Attributable to equity holders of the parent company	386.9	342.2
Minority interest	3.5	2.2
Total	**390.4**	**344.3**
Balance sheet total	825.5	842.3
Advances received	- 2.9	- 4.9
Total	**822.6**	**837.5**
Equity ratio, %	47.5	41.1
Gearing, %	33.4	54.0

The consolidated equity and thus the capital structure is decreased by dividends paid and repurchase of Kemira GrowHow Oyj's own shares. The equity can be increased by disposal of own shares and share issues. The authorizations of the Board of Directors to repurchase and dispose own shares and to issue new shares are disclosed in "Shares and Shareholders" -part of the consolidated financial statements. Equity is also affected by the result for the financial year as well as by changes in hedging and fair value reserves and translation differences included in equity.

The objective of managing Kemira GrowHow's capital structure before the tender offer made by Yara International ASA was to ensure financially the continuity of the Group's business under all circumstances. The Board of Directors of Kemira GrowHow Oyj monitored the Group's capital structure on a regular basis.

Before the tender offer made by Yara International ASA, Kemira GrowHow aimed at maintaining gearing in a range of 60 – 100 percent and equity ratio at a minimum of 30 percent. Kemira GrowHow Oyj's dividend policy was to distribute as dividends 50 percent of the average consolidated result over the cycle.

The Group's interest-bearing liabilities include covenants, which are related to in total EUR 170 (170) million committed credit facilities (including both drawn and undrawn credit facilities). Failing to meet the conditions as stated by the covenants can affect financing of the Group in the future or 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. Based on the information received, the fact that Yara Nederland B.V. has gained control in Kemira GrowHow Oyj does not cause the loans to be declared due and payable and does not change the terms of the facilities.

Note 3 | Segment Information

The business segments of Kemira GrowHow are Crop Cultivation and Industrial Solutions. The business segments apply the same accounting principles as described in Note 1 to the consolidated financial statements.

The Crop Cultivation business unit produces and markets a broad range of fertilizers and related services for agriculture, horticulture and home gardening in selected markets in Northern, Western and Eastern Europe and overseas. Kemira GrowHow is the market leader in Finland, the Baltic Region, Denmark, Northern Ireland and Belgium. It is a second to the market leader in the Netherlands. In addition, the business unit has a strong presence in Northern France and Northern Germany. Main overseas markets are in focused areas in Asia and in Africa.

The Industrial Solutions business unit provides high-performance products and innovative solutions, such as feed phosphates and feed acidifiers for animal feed industry and a range of nitrogen-based chemicals and phosphoric acid to various other industries. The Industrial Solutions business unit is divided into phosphates business and process chemicals. The phosphates business is further divided into animal feed phosphates, animal feed acids and phosphoric acid businesses. The process chemicals business sells a variety of nitrogen-based intermediates to industrial customers.

The Industrial Solutions business unit has strong synergies with the Crop Cultivation business unit in production and sourcing. The Industrial Solutions business unit is a leading producer of inorganic feed phosphates offering the animal feed industry a wide selection of high quality feed minerals ranging from calcium phosphates to sodium and magnesium-containing products. These products for animal feed industry are sold in over 80 countries.

Kemira GrowHow follows the same commercial terms in transactions between segments as with third parties.

NET SALES, OPERATING PROFIT AND INVESTMENT IN JOINT VENTURES AND ASSOCIATES BY SEGMENT

Net sales by segment, EUR million	2007	2006
Net sales		
Crop Cultivation		
External sales	994.9	897.5
Internal sales	2.1	0.9
Crop Cultivation total	997.0	898.4
Industrial Solutions		
External sales	299.8	271.2
Internal sales	30.8	37.1
Industrial Solutions total	330.6	308.3
Elimination of internal sales	-32.8	-38.0
Total net sales	1,294.7	1,168.7

Operating profit / loss and reconciliation to consolidated result, EUR million	2007	2006
Operating profit / loss before share of joint ventures' and associates' results		
Crop Cultivation	58.3	1.1
Industrial Solutions	27.6	20.5
Business segments total	85.9	21.6
Corporate centre and other	3.0	-8.6
Total operating profit / loss before share of joint ventures' and associates' results	88.9	13.0
Share of joint ventures' and associates' results		
Crop Cultivation	-0.2	0.1
Industrial Solutions	0.1	0.0
Non-allocated	-5.9	-
Share of joint ventures' and associates' results total	-5.9	0.1
Total operating profit		
Crop Cultivation	58.1	1.3
Industrial Solutions	27.7	20.5
Business segments total	85.9	21.8
Corporate centre and other	-2.9	-8.6
Total operating profit	83.0	13.2
Financial income and expenses	-11.3	-11.0
Result before income taxes	71.6	2.1

Non-recurring items included in operating profit by segment (*, EUR million		
Crop Cultivation	2.9	12.4
Industrial Solutions	2.5	0.4
Business segments total	5.4	12.7
Corporate centre and other	26.4	-3.1
Total non-recurring items	31.8	9.6

(* *Impairment losses and reversals are included in non-recurring items.*

Non-cash income and expenses included in operating profit (*, EUR million		
Crop Cultivation	-5.2	3.1
Industrial Solutions	-0.3	0.3
Business segments total	-5.5	3.4
Corporate centre and other	31.5	0.7
Total non-cash income and expenses	26.0	4.1

(* *Excluding impairment.*

Investment in joint ventures and associates, EUR million		
Crop Cultivation	12.2	12.0
Industrial Solutions	9.7	8.5
Business segments total	22.0	20.4
Non-allocated	108.5	0.0
Total investment in joint ventures and associates	130.5	20.4

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, DEPRECIATION, AMORTIZATION AND IMPAIRMENT AND CAPITAL EXPENDITURE BY SEGMENT

Property, plant and equipment and intangible assets, incl. biological assets, EUR million	2007	2006
Crop Cultivation	141.2	227.3
Industrial Solutions	96.8	93.0
Business segments total	238.0	320.3
Corporate centre and other	7.0	1.1
Total	245.0	321.4
Crop Cultivation: property, plant and equipment and intangible assets held for sale	-0.4	-
Total property, plant and equipment and intangible assets	244.6	321.4

Goodwill (included in intangible assets), EUR million	2007	2006
Crop Cultivation	0.6	2.0
Industrial Solutions	4.0	3.5
Business segments total	4.6	5.4
Corporate centre and other	-	-
Total goodwill	4.6	5.4

Depreciation and amortization by segment, EUR million		
Crop Cultivation	27.4	33.2
Industrial Solutions	10.5	10.6
Business segments total	37.9	43.8
Corporate centre and other	3.5	0.4
Total depreciation and amortization	41.4	44.2

Impairment losses of goodwill, EUR million		
Crop Cultivation	1.3	-
Industrial Solutions	-	-
Business segments total	1.3	-
Corporate centre and other	-	-
Total impairment losses of goodwill	1.3	-

Impairment losses of tangible and intangible assets, EUR million (*	2007	2006
Crop Cultivation	2.5	0.7
Industrial Solutions	0.2	-
Business segments total	2.7	0.7
Corporate centre and other	0.4	-
Total impairment losses	**3.1**	**0.7**

(* *Includes impairment of goodwill.*

Reversals of impairment losses of tangible assets, EUR million	2007	2006
Crop Cultivation	-	0.6
Industrial Solutions	-	-
Business segments total	-	0.6
Corporate centre and other	-	-
Total reversals of impairment losses	**-**	**0.6**

Capital expenditure in property, plant, equipment, intangible and biological assets, EUR million		
Crop Cultivation	27.9	25.5
Industrial Solutions	19.7	10.3
Business segments total	47.7	35.9
Corporate centre and other	-	-
Total capital expenditure	**47.7**	**35.9**

Including intangible and tangible assets of acquired companies at the time of acquisition.

Gross capital expenditure by segment, EUR million		
Crop Cultivation	30.5	45.5
Industrial Solutions	20.7	13.4
Business segments total	51.2	58.9
Corporate centre and other	5.7	-
Total gross capital expenditure	**56.9**	**58.9**

ASSETS AND LIABILITIES BY SEGMENT AND RECONCILIATION TO CONSOLIDATED BALANCE SHEET

Assets, EUR million	2007	2006
Crop Cultivation	415.2	581.1
Industrial Solutions	201.2	194.3
Corporate centre and non-allocated	137.6	25.1
Intra-group eliminations	-8.0	-6.7
	745.9	793.8
Interest-bearing receivables	32.7	3.2
Current investments and cash and bank	23.6	20.0
Tax receivables	4.8	0.6
Deferred tax assets	18.5	24.8
Total assets	**825.5**	**842.3**

Liabilities, EUR million	2007	2006
Crop Cultivation	165.5	219.5
Industrial Solutions	59.1	53.7
Corporate centre and non-allocated	17.2	7.1
Intra-group eliminations	-7.3	-11.8
	234.5	268.4
Interest-bearing liabilities	184.3	205.9
Tax liabilities	1.5	6.3
Deferred tax liabilities	14.9	17.3
Total liabilities	**435.1**	**498.0**

PERSONNEL

Number of personnel at the end of the year by segment	2007	2006
Crop Cultivation	1,346	1,887
Industrial Solutions	726	601
Corporate centre	21	19
Total number of personnel	**2,093**	**2,507**

Number of personnel at the end of the year by location	2007	2006
Finland	1,041	1,043
United Kingdom (**	-	400
Belgium	320	333
Baltic countries	161	154
Other EU-countries (*	292	308
Other Europe	96	109
South-Africa	144	123
Asia	39	37
Total number of personnel	**2,093**	**2,507**

(* *EU member states at the end of the year.*

(** *Personnel was transferred to the joint venture GrowHow UK Ltd.*

NET SALES BY GEOGRAPHICAL AREA

Net sales by country by destination, %	2007	2006
Finland	17	19
United Kingdom	12	16
Belgium	5	5
Other EU-countries (*	46	44
Other Europe	5	4
Asia	7	6
Africa	7	5
Other countries	1	1
Total	**100**	**100**

(* *EU member states at the end of the year.*

Net sales by country by destination, EUR million	2007	2006
Finland	222.2	223.6
United Kingdom	159.4	186.2
Belgium	66.3	57.4
Other EU-countries (*	590.9	512.4
Other Europe	65.0	46.2
Asia	87.8	73.4
Africa	89.3	56.5
Other countries	13.8	12.9
Total	**1,294.7**	**1,168.7**

(* *EU member states at the end of the year.*

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, DEPRECIATION, AMORTIZATION AND IMPAIRMENT AND CAPITAL EXPENDITURE BY LOCATION

Property, plant and equipment and intangible assets, incl. biological assets, EUR million	2007	2006
Finland	158.7	150.3
United Kingdom	4.1	84.8
Belgium	54.9	55.0
Other EU-countries (*	23.5	26.4
Other Europe	2.1	3.6
Other countries	1.7	1.4
Total property, plant and equipment and intangible assets	**245.0**	**321.4**

(* *EU member states at the end of the year.*

Includes property, plant and equipment and intangible assets held for sale.

Goodwill (included in intangible assets), EUR million	2007	2006
Finland	4.1	4.2
Other Europe	-	1.2
Other countries	0.5	-
Total goodwill	**4.6**	**5.4**

Depreciation, amortization and impairment, EUR million		
Finland	18.1	19.3
United Kingdom	9.4	11.3
Belgium	9.0	9.2
Other EU-countries(*	6.0	3.6
Other Europe	1.8	0.6
Other countries	0.3	0.4
Total depreciation, amortization and impairment	**44.5**	**44.4**

(* *EU member states at the end of the year.*

Capital expenditure in property, plant, equipment, intangible and biological assets, EUR million		
Finland	26.6	14.6
United Kingdom	6.0	13.1
Belgium	10.4	5.6
Other EU-countries (*	3.6	1.2
Other Europe	0.5	1.1
Other countries	0.7	0.3
Total capital expenditure	**47.7**	**35.9**

(* *EU member states at the end of the year.*

Including intangible and tangible assets of acquired companies at the time of acquisition.

Note 4 | Assets Held for Sale

Kemira GrowHow's assets held for sale consist mainly of the assets of Verdera Oy. Verdera Oy produces biological plant protection products for forestry, horticulture and amenity needs. Verdera's turnover was approximately EUR 2.2 million in 2007 and the company has 13 employees. The assets and liabilities of Verdera Oy were classified as held for sale because Kemira GrowHow signed at the end of October 2007 an agreement to sell 100 percent of the shares in Verdera Oy to the Canadian Lallemand Group. The closing of the agreement took place in February 2008.

Other assets held for sale are property, plant and equipment, which are expected to be sold within a year. These items are not material.

Assets held for sale are measured at the lower of their carrying amounts and fair value less costs to sell.

Kemira GrowHow did not have any assets held for sale in 2006.

Assets classified as held for sale, EUR million	
Intangible assets	0.3
Property, plant and equipment	0.1
Inventories	0.2
Trade receivables and other interest-free receivables	0.2
Cash and bank	0.0
Total	**0.8**

Liabilities classified as held for sale, EUR million	
Non-current interest-bearing liabilities	0.1
Accounts payable and other current interest-free liabilities	0.3
Total	**0.4**

Note 5 | Acquisitions and Disposals

Acquisitions in 2007

Kemira GrowHow acquired in December 2007 the remaining 26 percent of the shares in the South-African subsidiary Kemira Phosphates (Pty) Ltd. from the minority owner. As Kemira GrowHow had already previously consolidated 100 percent of Kemira Phosphates (Pty) Ltd. in the consolidated financial statements, the purchase consideration, EUR 0.5 million, was recorded in its entirety as goodwill.

There were no other acquisitions in 2007.

The establishment of the joint venture GrowHow UK Ltd. is described in Note 15.

Acquisitions in 2006

The only acquisition of Kemira GrowHow in 2006 was the acquisition of the joint venture CetPro Ltd. More details of the acquisition are disclosed in Note 15.

Disposals in 2007

There were no disposals in 2007. Kemira GrowHow Oyj surrendered the shares in Kemira GrowHow Holdings Ltd. This is described in more detail in Note 15.

Disposals in 2006

Kemira GrowHow Oyj sold in August 2006 100 percent of the shares in Estonian AS Fertimix with a sales consideration of EUR 0.3 million.

DISPOSALS, DISPOSAL OF NET ASSETS

Net assets sold, EUR million	2007	2006
Cash and cash equivalents	-	0.0
Property, plant and equipment	-	0.2
Intangible assets	-	-
Other long-term investments	-	-
Net working capital	-	0.0
Interest-bearing assets less cash and cash equivalents	-	-
Other interest-free receivables	-	-
Deferred taxes and income taxes	-	-
Interest-bearing liabilities	-	-
Interest-free liabilities	-	-
Sold net assets in divested companies	**-**	**0.2**
Capital gain on sale of net assets	-	0.1
Total sales consideration	**-**	**0.3**

Note 6 | Other Operating Income

Other operating income , EUR million	2007	2006
Capital gains on sale of assets	4.4	11.7
Gain from transfer of a subsidiary to a joint venture	30.8	-
Gains on sale of long-term investments	-	0.1
Gains on sale of emission right allowances	-	0.8
Insurance compensation	10.2	0.1
Rents	0.6	0.5
Consulting	0.1	0.2
Sale of scrap and waste	0.8	0.3
Gain from sale of ammonia business	2.0	-
Gain from sale of timber	0.4	-
Other income	6.1	7,4
Other operating income total	**55.4**	**20.9**

Other operating income includes in 2007 EUR 0.5 (0.5) million release of provisions. In addition, a provision of EUR 14.4 million was offset against other operating income.

Kemira GrowHow continued in 2007 to release capital employed by selling the precious metals used in nitric acid production. After the sale the precious metals are acquired as services. The majority of the gain from sale of assets in 2007 arose from the sale of the precious metals. Other material asset sale was the sale of a recrectional area in Siilinjärvi, Finland.

The most significant sales of assets during 2006 were real estate sales in the UK, Denmark and Finland.

The gain from transfer of a subsidiary to a joint venture, EUR 30.8 million, is related to establishing of the joint venture in the UK. More details of the joint venture in UK are disclosed in Note 15 Joint Ventures.

The ammonia business related to the ammonia tank in Rozenburg, the Netherlands, was sold to Yara.

The majority of the insurance compensation relate to the fire in the nitric acid plant in Tertre, Belgium.

The gain from sale of timber is not related to biological assets.

Kemira GrowHow Group had during 2007 and 2006 enough emission rights to fulfil the obligation to deliver allowances equal to emissions, so emission right allowances did not burden the result. Instead, Kemira GrowHow Group recorded a gain from the sale of excess emission right allowances in 2006. More details of the emission right allowances are disclosed in Note 13 Intangible assets.

Note 7 | Materials and Other Operating Expenses

Materials , EUR million	2007	2006
Materials and supplies, purchases during the period	715.1	705.4
Change in inventories of materials and supplies	0.4	3.8
Total materials	**715.5**	**709.2**

Other operating expenses, EUR million		
Rents and leases	10.4	10.0
Losses on sale of assets	0.0	0.1
Other expenses	314.4	298.9
Total other operating expenses	**324.9**	**309.0**

In 2007 expenses include a net increase in long and short-term provisions amounting to EUR 3.3 (1.3) million.

Fees for professional services rendered by auditors, EUR million	2007	2006
Auditing, KPMG	0.8	0.7
Auditing, other auditors	0.0	0.0
Tax consulting, KPMG	0.2	0.1
Other consulting, KPMG	0.2	0.0
Other consulting, other auditors	0.1	0.1
Total	**1.2**	**0.9**

The principal independent auditor of Kemira GrowHow Group is KPMG. Joint ventures can have other auditors.

Principal auditor's fees of the audit of the financial year	0.7	0.7

Research and development costs		
EUR million	4.0	3.4
As a percentage of net sales	0.31	0.29

Personnel expenses, EUR million	2007	2006
Salaries and other remuneration of members of boards of directors and managing directors	4.1	2.2
Other wages and salaries	107.7	99.4
Pension expenses	15.3	13.9
Other personnel expenses	18.5	18.3
Total personnel expenses	**145.5**	**133.8**

Remuneration of the CEO and deputy CEO, EUR		
CEO Heikki Sirviö		
Salaries	395,325	320,794
Share-based incentive plans, settled in cash	792,399	-
Share-based incentive plans, settled in shares, value of shares	114,280	-
Bonuses	-	3,647
Total	1,302,004	324,441
Fringe benefits	33,558	31,833
Total	**1,335,562**	**356,274**
Compulsory pension payments (Finnish TyEL or similar plan)	72,052	59,854
Other pensions	12,866	10,688
Deputy CEO Kaj Friman		
Salaries	393,079	264,672
Share-based incentive plans, settled in cash	624,614	-
Share-based incentive plans, settled in shares, value of shares	85,710	-
Bonuses	-	2,645
Total	1,103,403	267,317
Fringe benefits	480	480
Total	**1,103,883**	**267,797**
Compulsory pension payments (Finnish TyEL or similar plan)	66,118	44,990
Other pensions	11,807	8,034

Pension expenses, EUR million	2007	2006
Defined benefit plans	5.9	5.4
Defined contribution plans	9.4	8.5
Total pension expenses	**15.3**	**13.9**

Pension benefits are described in more detail in Note 22.

Remuneration of other members of the Management Board, EUR		
Salaries	956,382	770,513
Share-based incentive plans, settled in cash	2,113,335	-
Share-based incentive plans, settled in shares, value of shares	235,701	-
Bonuses	104,807	24,517
Total	3,410,225	795,030
Fringe benefits	59,775	63,217
Total	**3,470,000**	**858,247**
Compulsory pension payments (Finnish TyEL or similar plan)	212,038	132,289
Other pensions	30,792	24,575

The CEO's and the deputy CEO's period of notice is 6 months. In case the company would give notice to the CEO and the deputy CEO, they will receive an additional remuneration equaling 12 months' salary. The CEO and the deputy CEO receive an additional remuneration equaling 18 months' salary if they resign or they are given notice as a result of a public tender offer.

Compensation of the CEO and other members of the Management Board is made up of a fixed monthly salary, an annual bonus and a share-based incentive plan intended as a long-term incentive (described in more detail in Note 30). The criteria for bonus payments were among others, earnings per share (EPS), EBITDA, net cash flow and Economic Profit (EP).

The CEO and the deputy CEO of Kemira GrowHow Oyj are entitled to retire at the age of 60. Also other members of the Management Board are entitled to retire at the age of 60.

The maximum pension remuneration for the CEO and the deputy CEO is 66 percent of the pension salary. The possibility is based on the benefits of the supplementary pension foundation that has been closed to new members since 1 January 1991. The supplementary pension foundation's benefits concern all the personnel in Finland whose years of service and other conditions concerning the granting of a pension have been fulfilled.

Remuneration of the Board of Directors, EUR	2007	2006
Ossi Virolainen, Chairman of the Board (*	47,500	59,500
Lauri Ratia, Vice Chairman of the Board (*	38,500	47,700
Sari Aitokallio (**	9,200	38,800
Arto Honkaniemi (*	31,000	40,300
Satu Raiski (*	30,500	39,800
Esa Tirkkonen (*	31,500	37,800
Helena Terho (*	31,000	39,800
Maija Torkko (***	22,300	-
Thorleif Enger, Chairman of the Board (****	-	-
Sven Ombudstvedt (****	-	-
Ken Wallace (****	-	-
Total	**241,500**	**303,700**

(* *Member of the Board until 22 October 2007.*
(** *Member of the Board until 3 April 2007.*
(*** *Member of the Board from 3 April 2007 and until 22 October 2007.*
(**** *Member of the Board from 22 October 2007.*

The members of Kemira GrowHow Oyj's Board of Directors were paid a monthly remuneration and a meeting fee; other compensation was not paid. The Chairman of Kemira GrowHow Oyj's Board of Directors was paid EUR 4,000 (4,000) monthly, the Vice Chairman EUR 3,100 (3,100) monthly and each of the members EUR 2,400 (2,400) monthly. In addition, a meeting fee of EUR 500 (500) per meeting was paid. The meeting fee was also paid for the board committee meetings. The members of the Board of Directors did not receive any shares or share derivatives as remuneration during the year. The members of the Board of Directors did not receive any compensation when they resigned as a result of the public tender offer made by Yara. The members of the Board of Directors, who are employed by Yara International ASA (Thorleif Enger, Sven Ombudstvedt and Ken Wallace), do not receive any remuneration based on their membership in the Board of Directors of Kemira GrowHow Oyj.

Number of personnel	2007	2006
Personnel in Finland, average	1,066	1,080
Personnel outside Finland, average	1,369	1,520
Total	**2,435**	**2,600**

	2007	2006
Personnel in Finland, end of the period	1,041	1,043
Personnel outside Finland, end of the period	1,052	1,464
Total	**2,093**	**2,507**

Average number of personnel in joint ventures was 426 (219 in 2006). Kemira GrowHow Group's number of personnel does not include the number of personnel in joint ventures.

Note 9 | Financial Income and Expenses

Recognized in income statement, EUR million	2007	2006
Interest income		
Interest income on assets held for trading	0.4	0.1
Interest income on loans and receivables	1.6	1.2
Other interest income	0.2	0.2
Total interest income	2.2	1.4
Dividend income		
Dividend income on available-for-sale assets	0.6	0.0
Gains on sale of available-for-sale assets	-	0.1
Other financial income		
Guarantee provisions	0.0	-
Interest expenses		
Interest expenses on financial liabilities measured at amortized cost	-9.4	-9.0
Change in fair value of cash flow hedges, effective part, transferred from equity	1.9	-0.1
Interest expenses on loans and receivables (among others, on bank accounts)	-1.3	-0.4
Other interest expenses	0.0	-0.3
Total interest expenses	-8.8	-9.8
Other financial expenses		
On financial liabilities measured at amortized cost	-0.2	-0.3
Bank fees	-0.6	-0.5
Total other financial expenses	-0.8	-0.8
Foreign exchange losses, net		
On financial liabilities measured at amortized cost	1.1	1.4
On loans and receivables	-5.8	0.4
Fair value changes of currency derivatives measured at fair value through profit and loss	-1.3	-3.9
Other foreign exchange gains	0.7	-
Total foreign exchange losses	-5.3	-2.0
Total financial income and expenses	**-12.2**	**-11.0**
Defined benefit plans, expected return on assets	21.7	22.8
Defined benefit plans, interest on obligation	-20.9	-22.9
Net financial items	**-11.3**	**-11.0**
Other income and expenses		
Fair value changes of commodity derivatives measured at fair value through profit and loss	-16.2	-6.9
Total in other income and expenses	**-16.2**	**-6.9**
Total recognized in income statement	**-27.5**	**-17.9**

Recognized in equity, EUR million	2007	2006
Fair value changes of available-for-sale assets	-	0.1
Fair value changes of available-for-sale assets, transfer to income statement	-	-0.1
Change in fair value of cash flow hedges, effective part	0.4	1.8
Change in fair value of cash flow hedges, effective part, transferred to income statement	-1.9	0.1
Translation differences arising from net investment in foreign entity	-0.2	-0.5
Hedging of net investment in foreign entity	0.0	0.3
Total in equity	**-1.7**	**1.7**
Recognized in cumulative translation difference	-0.2	-0.2
Recognized in hedging reserve	-1.5	1.9
Total	-1.7	1.7

Derivatives included in the financial items are described in more detail in Note 27.

	2007	2006
Net financial items, excluding the expected return on assets and interest on obligation, as a percentage of net sales	0.9	0.9
Net interests as percentage of net sales	0.5	0.7

Interest expenses have not been capitalized in Kemira GrowHow Group.

Net exchange gains and losses, EUR million		
Realized	-3.0	-1.3
Unrealized	-2.3	-0.7
Net	**-5.3**	**-2.0**

Impairment losses on trade receivables have been described in Note 18.

Income tax charge in income statement, EUR million	2007	2006
Current income tax charge	- 9.2	- 9.4
Adjustments in respect of current income tax of previous years	0.1	0.0
Deferred tax charge	8.9	2.1
Other	- 0.1	- 0.3
Total income tax charge in income statement	**- 0.3**	**- 7.6**

Income taxes charged to equity during the financial year, EUR million		
Deferred taxes		
Share-based incentive plan	-	0.1
Cash flow hedge, net losses on changes in fair value	0.4	- 0.5
Acturial gains and losses	1.3	- 6.5
Net investments in foreign entity and hedging of it, net	0.1	0.1
Total income taxes charged to equity	**1.7**	**- 6.9**
Current taxes		
Share-based incentive plan	0.1	- 0.1
Total income taxes charged to equity	**1.8**	**- 7.0**

Reconciliation of income tax expense calculated at statutory tax rates with income tax expense in the income statement, EUR million	2007	2006
Profit before taxes	71.6	2.1
Tax at domestic rates applicable to profits in the country concerned	- 22.2	0.0
Tax exempt income and non-deductible expenses	8.8	- 1.1
Effect of changes in tax rates and tax laws	- 0.1	0.1
Losses, where no deferred tax benefit is recognized	- 4.0	- 11.1
Deferred taxes recognized during the financial year in respect of previous years' temporary differences	- 3.6	0.2
Withholding taxes and adjustments in respect of current income tax of previous periods	0.0	0.0
Use of losses, where no deferred tax asset was recognized	5.8	3.0
Deferred tax assets recognized of confirmed losses	13.0	-
Other	2.0	1.3
Income taxes in the income statement	**- 0.3**	**- 7.6**
Effective tax rate	0.45%	354.4%

The Group companies have tax losses, totalling roughly EUR 186 million (roughly EUR 283 million in 2006), which can be applied against future taxable income. Deferred tax asset has not been recognized for all tax losses, because there is uncertainty regarding the extent to which they can be used. Approximately 92 percent (appr. 33 percent) of tax losses are such losses, for which deferred tax asset has been recognized to some extent.

The limited right to make deductions concerns 0.4 percent (1.1 percent) of the tax losses and the unlimited deduction right 99.6 percent (98.9 percent) of the tax losses.

Deferred tax assets are recognized for deductible temporary differences and tax losses to the extent that it is probable that taxable profit will be available, against which tax credits and deductible temporary differences can be utilized. Changes in tax rates have been taken into account when calculating deferred taxes. Corporate tax rate in Finland is 26 percent.

Deferred tax liability has not been recognized in 2007 or 2006 of the undistributed earnings of Finnish or foreign subsidiaries as the majority of such earnings can be transferred to the parent company without any tax consequences. Deferred tax liability of undistributed earnings of associates and joint ventures has not been recognized either, because the majority of such earnings can be transferred to the equity holder of the associate or joint venture without any tax consequences.

Tax losses, for which there is a limited right to make deductions, last year to use (as a percentage of the total amount of tax losses):	2007	2006
Last year to use 2008 (2007)	-	0.1%
Last year to use 2009 – 2013 (2008 – 2012)	-	0.9%
Last year to use 2014 – (2013 –)	0.4%	0.1%
	0.4%	1.1%

Tax assets and tax liabilities, EUR million	2007	2006
Deferred tax assets	18.5	24.8
Other tax receivables	4.8	0.6
Deferred tax liabilities	14.9	17.3
Other tax liabilities	1.5	6.3

RECONCILIATION OF DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

2007 Deferred tax assets, EUR million	1 January	Translation difference	Acquisitions and disposals	Charge in income statement (- tax expense)	Charged to equity	31 December
Defined benefit employee benefits	17.9	-	-14.4	-1.5	1.3	3.3
Other temporary differences concerning depreciation and amortization	6.1	0.0	-	-5.0	-	1.2
Unrealized internal profits	1.3	-	-	0.2	-	1.5
Confirmed tax losses carried forward (*	7.6	-0.2	-7.2	13.0	-	13.2
Share-based incentive plan	0.0	-	-	-	-	0.0
Hedging of net investment in foreign entity	-	-	-	-0.1	0.1	-
Other temporary differences	4.0	0.0	-1.9	5.3	-	7.4
	36.9	-0.2	-23.5	11.9	1.3	26.6
Offset with deferred tax liabilities	-12.1					-8.1
Deferred tax assets in balance sheet	**24.8**					**18.5**

(* *EUR 13.2 million of previously unrecognized deferred tax asset arising from tax losses of prior years has been recognized during the financial year.*

Deferred tax liabilities, EUR million	1 January	Translation difference	Acquisitions and disposals	Charge in income statement (+ tax expense)	Charged to equity	31 December
Untaxed reserves and depreciation difference	12.1	-	-	0.5	-	12.6
Other temporary differences concerning depreciation and amortization	9.1	-	-9.1	-	-	-
Defined benefit employee benefits	6.5	-	-	-0.8	0.0	5.7
Tangible and intangible assets and biological assets carried at fair value	0.1	0.0	-	0.0	-	0.1
Other temporary differences	1.6	0.0	-	3.3	-0.4	4.6
	29.4	0.0	-9.1	3.0	-0.4	23.0
Offset with deferred tax assets	-12.1					-8.1
Deferred tax liabilities in balance sheet	**17.3**					**14.9**
Change in deferred taxes in income statement (- tax expense)				**8.9**		

2006 Deferred tax assets, EUR million	1 January	Translation difference	Acquisitions and disposals	Charge in income statement (- tax expense)	Charged to equity	31 December
Defined benefit employee benefits	22.3	0.4	-	-0.2	-4.5	17.9
Other temporary differences concerning depreciation and amortization	6.1	0.0	-	0.0	-	6.1
Unrealized internal profits	1.3	-	-	0.0	-	1.3
Confirmed tax losses carried forward (*	5.8	0.1	-	1.6	-	7.6
Share-based incentive plan	0.1	-	-	-0.2	0.1	0.0
Hedging of net investment in foreign entity	-	-	-	-0.1	0.1	-
Other temporary differences	2.6	0.0	-	1.3	0.0	4.0
	38.2	0.5	-	2.5	-4.4	36.9
Offset with deferred tax liabilities	-10.8					-12.1
Deferred tax assets in balance sheet	**27.5**					**24.8**

(* *EUR 1.6 million of previously unrecognized deferred tax asset arising from tax losses of prior years has been recognized during the financial year.*

Deferred tax liabilities, EUR million	1 January	Translation difference	Acquisitions and disposals	Charge in income statement (+ tax expense)	Charged to equity	31 December
Untaxed reserves and depreciation difference	11.8	-	-	0.2	-	12.1
Other temporary differences concerning depreciation and amortization	8.6	0.2	-	0.3	-	9.1
Defined benefit employee benefits	4.3	-	-	0.3	2.0	6.5
Tangible and intangible assets and biological assets carried at fair value	0.8	0.0	-	-0.6	-	0.1
Other temporary differences	0.9	0.0	-	0.2	0.5	1.6
	26.4	0.1	-	0.4	2.5	29.4
Offset with deferred tax assets	-10.8					-12.1
Deferred tax liabilities in balance sheet	**15.6**					**17.3**
Change in deferred taxes in income statement (- tax expense)				**2.1**		

Depreciation, amortization and impairment, EUR million	2007	2006
Depreciation and amortization		
Intangible assets		
Intangible rights	2.1	2.2
Other intangible assets	1.1	1.1
Property, plant and equipment		
Buildings and constructions	6.0	5.4
Machinery and equipment	31.1	34.3
Other tangible assets	1.2	1.3
Total depreciation and amortization	**41.4**	**44.2**
Impairment losses		
Intangible assets		
Goodwill	1.3	-
Intangible rights	0.1	-
Property, plant and equipment		
Buildings and constructions	0.3	0.6
Machinery and equipment	1.4	0.2
Reversals of impairment losses		
Property, plant and equipment		
Machinery and equipment	-	-0.6
Total impairment	**3.1**	**0.2**
Total depreciation, amortization and impairment	**44.5**	**44.4**

Impairment of assets

Kemira GrowHow's cash generating units are business units within strategic business units (segments), generating cash flows which are largely independent of the cash flows of other business units. Cash generating units tested for impairment are mainly defined based on market areas.

Goodwill and intangible assets with indefinite useful life are tested annually in accordance with IAS 36 for impairment. Kemira GrowHow does not have other intangible assets than goodwill with indefinite useful life and which is not amortized, with the exception of a trademark included in the carrying amount of a joint venture.

Impairment testing is performed also always when there is indication that the recoverable amount of an asset or cash generating unit is lower than the carrying amount.

Goodwill has been tested for impairment by comparing the recoverable amount of the cash generating unit, to which the goodwill has been allocated, with the carrying amount of the cash generating unit. Impairment loss has been recorded if the recoverable amount is lower than the carrying amount. Similar method has been used in testing property, plant and equipment and intangible assets.

The recoverable amount of a cash generating unit is its value in use, based on its discounted future cash flows. These cash flows are based on the budgets and estimates approved by the management. Budgets and estimates are used as a basis of the future cash flows for a maximum of five years. Subsequent cash flows are estimated by extrapolating the cash flow estimates. Terminal values have been calculated using steady or zero growth rate.

If the asset has been classified as held for sale, the recoverable amount used is the fair value of the asset less costs of sale.

The assumptions used in value in use calculations are mainly the same as used in budgets. Cash flows based on the assumptions have, however, been adjusted so that the future cash flows used in impairment testing exclude any cash flows from uncommitted future restructuring and cash flows arising from improving or enhancing the asset's performance. If the phase of the cycle of the business has a material effect on the cash flows, the final (fifth) year cash flows used in impairment testing are average cash flows over the cycle. Otherwise the terminal value would be too high or too low, depending on the phase of the cycle at the time of impairment testing.

The most significant assumptions used in impairment calculations, such as development of fertilizer markets and price development of products and the most important raw materials, are based on information gathered from various external sources. Based on this information and past experience Kemira GrowHow has arrived at the assumptions used in estimates. Also the phases of the cycle during the forecast period have had an impact on the assumptions.

The discount rate used in arriving in recoverable amount is the pre-tax weighted average cost of capital, which reflects the market assessment of time value of money and risks specified to the assets, such as currency risk. Discount rates have been calculated separately for each market area, and they can vary between the market areas. The discount rates used were mainly in the range of 9 and 11 percent. Discount rates used for certain market areas, in which country and currency risks are high, varied between 12 and 30 percent. Discount rates used in 2006 were between 9 and 24 percent.

Also the terminal year growth rate used in impairment testing varies depending on the market area. The used terminal year growth rates varied between 0 and 3 percent. In the cases where growth rate was higher, also the used discount rate was high thus decreasing the present value of terminal value.

Impairment testing of goodwill

Kemira GrowHow's goodwill has been allocated in its entirety to cash generating units, which are lower than segments. Goodwill arising from an acquisition of a cash generating unit has mainly been allocated to that cash generating unit. Goodwill within the Phosphates business unit, which belongs to the Industrial Solutions segment, has, however, been allocated to the whole business unit, because all cash generating units within the Phosphates business unit are considered to benefit from the goodwill.

Goodwill, EUR million

Segment	Cash generating unit / group of cash generating units	2007	2006
Crop Cultivation	ZAO Agropromchimija	-	1.2
Crop Cultivation	Other	0.6	0.8
Industrial Solutions	Phosphates business unit	3.2	3.2
Industrial Solutions	Other	0.8	0.3
Total		**4.6**	**5.5**

Goodwill and intangible assets with indefinite useful life included in the carrying amount of a joint venture, EUR million

Segment			
Industrial Solutions	Joint ventures	1.1	1.1

Impairment losses totalling EUR 1.3 million, consisting of impairment of goodwill and intangible assets allocated to ZAO Agropromchimija, Russia, were recorded due to redirection of business. In addition, an impairment loss of EUR 0.1 million was recorded of the other goodwill based on the impairment test. Kemira GrowHow recorded no impairment losses of goodwill in 2006.

The recoverable amounts used in impairment testing might change if the assumptions used in calculation of the recoverable amounts change.

THE MOST SIGNIFICANT ASSUMPTIONS USED IN TESTING OF GOODWILL

	Phosphates business unit	Industrial Solutions -joint venture
Assumption	Development of EBITDA during the forecast period (5 years).	Development of EBITDA during the forecast period (5 years).
Basis of assumption	Forecast EBITDA development is based on estimated sales volumes, price development of products and raw materials and forecast development of USD currency rate. The development of the production costs is based mainly on the forecast price development of the most important raw material, phosphoric acid. The increase in production costs is reflected in the sales prices.	Forecast EBITDA development is based on estimated sales volumes, price development of products and raw materials.

Used growth rates do not exceed the long-term average growth rates of the market areas.

SENSITIVITY ANALYSIS

The management estimates, that a reasonably possible change in a key assumption does not, in most of the cases, cause the cash generating unit's carrying amount to exceed its recoverable amount. The cases, in which a reasonably possible change in a key assumption would cause the carrying amount of a cash generating unit to exceed its recoverable amount, are presented below. The recoverable amounts of these cash generating units exceed their carrying amounts by 65 – 132 percent.

Phosphates business unit

A change in an assumption which, other things being equal, would cause the recoverable amount to equal the carrying amount:

Assumption	Value assigned to the assumption	Change
EBITDA development	3 percent annual increase in production costs and sales prices.	The increase in sales prices is less than 1 percentage point lower or increase in production costs is less that 1 percentage point higher than estimated.

Industrial Solutions -joint venture

A change in an assumption which, other things being equal, would cause the recoverable amount to equal the carrying amount:

Assumption	Value assigned to the assumption	Change
EBITDA development	The increase in production prices is compensated by the increase in sales prices.	The production costs increase is less than 1 percentage points higher than estimated, no increase in sales prices.

Impairment of property, plant and equipment

The impairment losses of Kemira GrowHow's property, plant and equipment in 2007 were EUR 1.7 million. The majority of the losses, EUR 0.9 million, consist of the impaiment losses recorded due to the fire in the nitric acid plant in Tertre. In addition, impairment losses were recorded of a building and machinery no longer in use.

Impairment losses of property, plant and equipment in 2006 related to, among other things, replacing machinery with new machinery, which led to the carrying amounts of the old machinery to exceed their recoverable amounts and thus to impairment losses. In addition, an impairment loss was recorded of a building, which is no longer in use.

Reversal of impairment losses of machinery in 2006 related to a production line, which was previously impaired because it was not in use, but which was taken back to production use in another group company.

Kemira GrowHow has not pledged property, plant and equipment as security of liabilities. Real estate mortgages given as security of liabilities are presented in Note 28.

At the end of 2007, Kemira GrowHow had EUR 10.2 (1.3) million of contractual commitments for acquisition of property, plant and equipment.

In 2007 Kemira GrowHow received EUR 7.9 million as insurance compensation for the machinery destroyed in the fire at Tertre plant. Kemira GrowHow had in 2006 no material compensation from third parties for items of property, plant and equipment that were impaired, lost or given up.

Biological assets

Kemira GrowHow has some minor forest areas in Finland. These forest areas are valued at fair value less estimated point-of-sale costs. There were no material changes in the fair value of forest areas during 2007 and 2006.

2007

EUR million	Land and water areas	Biological assets	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and assets under construction	2007 total
Acquisition cost at beginning of year	19.1	0.2	54.6	573.0	32.0	9.8	688.7
Other increases	0.0	-	1.7	14.2	1.4	29.1	46.4
Decreases	-0.1	-	-2.3	-24.8	-1.1	-	-28.3
Disposal of subsidiaries	-1.6	-	-17.5	-246.8	-9.5	-8.4	-283.8
Reclassifications and other changes	0.2	-	28.0	116.3	0.4	-8.8	136.2
Transfer to assets held for sale	-	-	-	-0.4	-	-	-0.4
Exchange differences	-0.1	-	-0.8	-18.1	-0.4	-0.4	-19.7
Acquisition cost at end of year	**17.6**	**0.2**	**63.6**	**413.5**	**22.8**	**21.2**	**539.0**
Accumulated depreciation and impairment at beginning of year	-	-	-2.6	-362.8	-16.6	-	-382.0
Accumulated depreciation relating to decreases and transfers	-	-	2.3	23.1	1.0	-	26.4
Disposal of subsidiaries	-	-	13.4	187.6	8.7	-	209.8
Depreciation during the financial year	-	-	-6.0	-31.1	-1.2	-	-38.2
Reclassifications and other changes	-	-	-25.8	-110.7	0.0	-	-136.5
Transfer to assets held for sale	-	-	-	0.3	-	-	0.3
Impairment losses	-	-	-0.3	-1.4	-	-	-1.7
Reversals of impairment losses	-	-	-	-	-	-	-
Exchange differences	-	-	0.6	15.0	0.4	-	16.1
Accumulated depreciation and impairment at end of year	**-**	**-**	**-18.4**	**-279.9**	**-7.6**	**-**	**-306.0**
Carrying amount at end of year	**17.6**	**0.2**	**45.2**	**133.6**	**15.1**	**21.2**	**233.0**

2006

EUR million	Land and water areas	Biological assets	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and assets under construction	2006 total
Acquisition cost at beginning of year	19.4	0.2	70.9	594.6	31.5	40.1	756.8
Other increases	-	-	0.4	9.9	0.4	24.5	35.2
Decreases	-0.4	-	-17.8	-89.2	-0.6	-	-108.0
Disposal of subsidiaries	-	-	-0.2	0.0	-	-	-0.2
Reclassifications and other changes	0.1	-	0.8	51.2	0.5	-55.1	-2.5
Exchange differences	0.0	-	0.4	6.5	0.2	0.3	7.5
Acquisition cost at end of year	**19.1**	**0.2**	**54.6**	**573.0**	**32.0**	**9.8**	**688.7**
Accumulated depreciation and impairment at beginning of year	-	-	-11.3	-411.3	-15.8	-	-438.4
Accumulated depreciation relating to decreases and transfers	-	-	14.8	86.0	0.6	-	101.3
Disposal of subsidiaries	-	-	-	0.0	-	-	0.0
Depreciation during the financial year	-	-	-5.4	-34.3	-1.3	-	-41.0
Reclassifications and other changes	-	-	0.1	2.0	0.1	-	2.2
Impairment losses	-	-	-0.6	-0.2	-	-	-0.7
Reversals of impairment losses	-	-	-	0.6	-	-	0.6
Exchange differences	-	-	-0.3	-5.5	-0.2	-	-6.1
Accumulated depreciation and impairment at end of year	**-**	**-**	**-2.6**	**-362.8**	**-16.6**	**-**	**-382.0**
Carrying amount at end of year	**19.1**	**0.2**	**51.9**	**210.2**	**15.4**	**9.8**	**306.6**

Kemira GrowHow has no other intangible assets than goodwill with indefinite useful life. All intangible assets with the exception of goodwill are amortized over their useful life.

2007 EUR million	Intangible rights	Goodwill	Other capitalized expenditure	Advances paid	2007 total
Acquisition cost at beginning of year	19.7	5.5	10.9	0.0	36.1
Acquisition of subsidiaries	-	0.5	-	-	-
Other increases	0.5	-	0.1	0.2	0.8
Additions as a result of internal development	-	-	-	-	-
Decreases	0.0	-	-	-	0.0
Reclassifications and other changes	0.6	-	-1.6	-0.2	-1.2
Transfer to assets held for sale	-0.3	-	-0.2	-	-0.5
Exchange differences	0.0	0.0	-0.1	-	-0.2
Acquisition cost at end of year	**20.5**	**6.0**	**9.0**	**-**	**35.5**
Accumulated amortization and impairment at beginning of year	-14.3	-0.1	-7.0	-	-21.3
Accumulated amortization relating to decreases and transfers	-	-	-	-	-
Amortization during the financial year	-2.1	-	-1.1	-	-3.2
Impairment charges	-0.1	-1.3	-	-	-1.4
Reclassifications and other changes	-	-	1.6	-	1.6
Transfer to assets held for sale	0.1	-	0.1	-	0.2
Exchange differences	0.0	-	0.1	-	0.2
Accumulated amortization and impairment at end of year	**-16.2**	**-1.4**	**-6.3**	**-**	**-23.8**
Carrying amount at end of year	**4.3**	**4.6**	**2.7**	**-**	**11.6**

2006 EUR million	Intangible rights	Goodwill	Other capitalized expenditure	Advances paid	2006 total
Acquisition cost at beginning of year	12.2	5.5	17.4	0.0	35.1
Acquisition of subsidiaries	-	-	-	-	-
Other increases	0.5	-	0.0	0.2	0.7
Additions as a result of internal development	-	-	-	-	-
Decreases	-	-	-	-	-
Reclassifications and other changes	7.0	-	-6.6	-0.2	0.3
Exchange differences	0.0	0.0	0.0	0.0	0.0
Acquisition cost at end of year	**19.7**	**5.5**	**10.9**	**0.0**	**36.1**
Accumulated amortization and impairment at beginning of year	-6.9	-0.1	-11.0	-	-18.0
Accumulated amortization relating to decreases and transfers	-	-	-	-	-
Amortization during the financial year	-2.2	-	-1.1	-	-3.3
Reclassifications and other changes	-5.2	-	5.2	-	0.0
Exchange differences	0.0	-	0.0	-	0.0
Accumulated amortization and impairment at end of year	**-14.3**	**-0.1**	**-7.0**	**-**	**-21.3**
Carrying amount at end of year	**5.4**	**5.5**	**3.9**	**0.0**	**14.8**

Emission right allowances

Accounting principles concerning emission right allowances are described in the Summary of Significant Accounting Policies of the Consolidated Financial Statements, section "Government Grants". Kemira GrowHow records emission right allowances using the so-called net method.

Kemira GrowHow had in 2007 and in 2006 enough emission right allowances to cover the emissions.

Kemira GrowHow sold in 2006 excess emission right allowances, and a gain of EUR 0.8 million was recorded from the sale.

If Kemira GrowHow would not have enough emission right allowances to cover the obligation to deliver allowances equal to emissions, the difference would be measured at fair value at the balance sheet date and recorded as a provision.

KEMIRA GROWHOW GROUP'S EMISSION RIGHT ALLOWANCES FOR THE PERIODS OF 2005 – 2007 AND 2008 – 2012

At the end of 2007, two production sites of Kemira GrowHow were included in emission trading.

Kemira GrowHow's emission right quotas (tons)

2005 (*	2006 (*	2007	2008 – 2012
431,770	409,936	325,065	290,658

(* *In 2005 and 2006 also the Fredericia site, which was closed in 2004, received emission right allowances.*

The figures for 2005 and 2006 include also the quota given to the Ince plant (the UK). The Ince plant belongs to the joint venture of Kemira GrowHow from 1 October 2007, so Ince's quota is no longer included in the figure for 2007.

Kemira GrowHow estimates, that it had in 2007 sufficiently emission right allowances to cover the obligation to deliver allowances equal to emissions. The final verified emissions are not expected to change the situation materially.

Kemira GrowHow estimates that it has to purchase a small amount of emission rights in 2008, but that the emission right quotas for the 2009 – 2012 are sufficient to cover the emissions.

The 2007 CO_2 emission rights were practically worthless at the end of 2007.

Investment in associated companies, EUR million	2007	2006
Carrying amount 1 January	2.6	1.4
Exchange differences	0.0	0.0
Additions	0.0	0.1
Disposals	0.0	0.0
Share of net results of associated companies	0.4	-0.1
Impairment	-0.1	-
Dividends received	0.0	-0.1
Transfer from available-for-sale shares	-	0.1
Share of changes recognized directly in associates' equity	0.0	1.2
Other changes	-0.1	-
Carrying amount 31 December	**2.9**	**2.6**

Carrying amount of associated companies does not include goodwill. Impairment loss has been recorded of the shares in Nitrex AG, because likvidation process of the company has been started.

			Group ownership, %		Carrying amount of shares, EUR million	
Most significant associated companies			2007	2006	2007	2006
A/S Ammonia	Fredericia	Denmark	33	33	0.3	0.3
Indkoebsselskabet for Kali	Fredericia	Denmark	-	50	0.0	0.0
Farmit Website Oy	Helsinki	Finland	50	50	0.1	0.1
Movere Oy	Lahti	Finland	33	33	0.4	0.3
PK Düngerhandelsgesellschaft m.b.H.	Hannover	Germany	50	50	0.0	0.1
Societe des Engrais Chimiques et Organic S.A.	Ribécourt	France	49.7	49.7	2.1	1.6
Nitrex AG	Zürich	Switzerland	25	25	0.0	0.1
Kemira GrowHow Soucing Oy	Helsinki	Finland	49	-	0.0	-
Other					0.0	0.1
					2.9	2.6

Associated company balances, EUR million	2007	2006
Receivables		
Loan receivables	2.3	2.3
Accounts receivable and other interest-free receivables	15.3	13.4
Liabilities		
Accounts payable and other interest-free liabilities	6.4	0.6

No bad debts have been recorded from receivables from associates.

Summarized financial information of the significant associated companies, EUR million	2007	2006
Net sales	223.7	194.1
Profit / loss	1.2	4.5
Assets	75.4	52.1
Liabilities	54.0	34.8

Transactions with associated companies, EUR million	2007	2006
Sales to associated companies	97.2	86.7
Purchases from associated companies	-11.2	-9.0
Other expenses charged by associated companies	-5.9	-5.5
Other income from associated companies	0.1	0.1
Interest income from associated companies	0.1	0.1
Interest expenses to associated companies	0.0	0.0
Dividend income from associated companies	0.0	0.1
Acquisition of property, plant and equipment, purchase price	0.0	-

Joint ventures of Kemira GrowHow

2007

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) gave a final approval of the joint venture in September and the operations began on 1 October 2007.

The joint venture, GrowHow UK Ltd., is held 50/50 by Kemira GrowHow and Terra. Both companies surrendered to GrowHow UK Ltd. their subsidiaries in the UK as a payment of the new shares issued by GrowHow UK Ltd. For Kemira GrowHow, this meant surrendering the shares in Kemira GrowHow Holdings Ltd. The gain arising from the transaction, EUR 30.8 million, is included in other operating income.

Kemira GrowHow Holdings Ltd. Group has been consolidated in its entirety to the 2007 financial statements of Kemira GrowHow for the period of 1 January – 30 September. The net result of the joint venture, GrowHow UK Ltd. Group, in the result attributable to equity holders of the parent company was EUR -5.9 million in 2007.

2006

Kemira GrowHow acquired at the end of March 2006 shares in Irish CetPro Limited. Kemira GrowHow consolidates CetPro Group in its financial statements as a joint venture using the equity method from the end of March 2006 as it had obtained 50 percent of control of CetPro by virtue of a shareholders' agreement. Ownership of the shares in CetPro, 49 percent, was transferred to Kemira GrowHow in January 2007. The purchase consideration, EUR 3 million, was paid in January 2007 and it was recorded as a liability in the balance sheet at the end of 2006.

The amount of goodwill included in acquisition cost of the shares is EUR 0.2 million. Goodwill consists of, among others, value added to raw materials produced by Kemira GrowHow when it expands to a new market. In total EUR 2.5 million of purchase consideration was allocated to intangible assets (customer relationships and trademark).

CetPro Group had not had activities and thus no net sales or result from the period before acquisition and consolidation in Kemira GrowHow Group. The net profit of the acquired companies in the result attributable to equity holders of the parent company since the acquisition date was EUR 0.2 million in 2006.

Investment in joint ventures, EUR million	2007	2006
Carrying amount 1 January	17.8	9.4
Exchange differences	-5.8	0.2
Additions	74.6	6.4
Disposals	0.0	-
Share of net results of joint ventures	-4.5	0.2
Impairment	-1.8	-
Reclassifications	47.1	2.0
Dividends received	-0.2	-0.2
Share of changes recognized directly in joint venturers' equity	0.4	-0.2
Carrying amount 31 December	**127.6**	**17.8**

Assets and liabilities of the surrendered subsidiaries at the date of transition, 1 October 2007, EUR million	
Cash and cash equivalents	4.8
Property, plant and equipment	74.1
Net working capital	25.4
Interest-bearing assets excluding cash and cash equivalents	0.2
Deferred taxes and income taxes	13.2
Defined benefit pension liabilities	-46.4
Interest-bearing liabilities	-0.4
Provisions	0.0
Net assets of surrendered subsidiaries, 1 October 2007	**71.0**

The major addition in investments in joint ventures is related to the joint venture GrowHow UK Ltd., which started its operations on 1 October 2007.

An impairment loss has been recorded of the shares in UAB Kemira GrowHow based on impairment test results.

Carrying amount of investment in joint ventures includes EUR 0.5 (0.5) million goodwill. Goodwill and purchase consideration allocated to intangible assets, which are not amortized, have been tested for impairment. Carrying amount of investment in joint ventures includes EUR 2.5 (2.7) million purchase consideration allocated to tangible assets and EUR 1.8 (2.2) million purchase consideration allocated to intangible assets.

			Group ownership, %		Carrying amount of shares, EUR million	
Joint ventures			2007	2006	2007	2006
GrowHow UK Ltd. (*	Ince	United Kingdom	50	-	108.5	-
Alufluor AB	Helsingborg	Sweden	50	50	4.7	5.4
Agrowline A/S	Fredericia	Denmark	50	50	0.4	0.5
Crystalis Oy	Helsinki	Finland	50	-	1.0	-
AS Kemira GrowHow (*	Tallinn	Estonia	50	50	4.0	4.2
SIA Kemira GrowHow (*	Riga	Latvia	50	50	3.1	2.5
UAB Kemira GrowHow	Vilna	Lithuania	50	50	2.2	1.9
CetPro Ltd. (*	Dublin	Ireland	49	49	3.7	3.4
					127.6	**17.8**

(* *These joint ventures have subsidiaries.*

KEMIRA GROWHOW'S SHARE OF ASSETS AND LIABILITIES AND INCOME AND EXPENSES OF JOINT VENTURES AND TRANSACTIONS WITH JOINT VENTURES

Share of assets and liabilities of joint ventures, EUR million	2007	2006
Non-current assets	166.8	9.7
Current assets	162.2	45.6
	329.0	55.3
Non-current liabilities	81.2	5.3
Current liabilities	117.5	36.2
	198.7	41.5

Share of income and expenses of joint ventures, EUR million	2007	2006
Net sales	**228.8**	**104.2**
Other operating income	2.5	0.3
Changes in inventories of finished goods and work in process	42.9	3.1
Materials	-231.7	-93.7
Personnel expenses	-11.5	-3.2
Other operating expenses	-29.4	-7.8
Depreciation and amortization	-6.0	-1.1
Operating profit / loss	**-4.3**	**1.8**
Financial income and expenses	-1.6	-0.4
Result before income taxes	**-5.9**	**1.4**
Income taxes	2.6	-0.3
Net result	**-3.2**	**1.1**

The 2007 figures include GrowHow UK Ltd. Group's figures for October – December 2007.

Joint venture balances, EUR million		
Receivables		
Non-current loan receivables	3.9	3.9
Loan receivables	0.1	0.6
Accounts receivable	9.4	6.3
Other receivables	0.5	0.1
Liabilities		
Current liabilities	-	0.3
Accounts payable	0.1	0.6

No bad debts have been recorded from receivables from joint ventures.

Transactions with joint ventures, EUR million		
Sales to joint ventures	57.0	49.6
Purchases from joint ventures	-0.1	-0.3
Other expenses charged by joint ventures	-1.2	1.5
Interest income from joint ventures	0.2	0.4
Interest expenses to joint ventures	0.0	-
Other financial income	0.0	-
Dividend income from joint ventures	0.2	0.2
Property, plant and equipment sold to a joint venture, sales price	-	0.6

ACQUISITION OF JOINT VENTURES

Acquired net assets, EUR million	2007	2006
Cash and cash equivalents	-	0.2
Property, plant and equipment	-	0.2
Intangible assets	-	2.5
Net working capital	-	0.3
Deferred taxes and income taxes	-	-0.3
Fair value of net assets in acquired companies	**-**	**2.9**
Goodwill	-	0.2
Total purchase consideration on acquisitions	**-**	**3.1**

Acquired companies, carrying amount of acquired net assets before the business combination, EUR million	2007	2006
Cash and cash equivalents	-	0.2
Property, plant and equipment	-	0.2
Intangible assets	-	0.0
Net working capital	-	0.3
Deferred taxes and income taxes	-	0.0
Carrying amount of acquired net assets before the business combination	**-**	**0.8**

Note 16 | Available-for-sale Shares and Other Long-term Investments

2007, EUR million	Available-for-sale shares	Other investments
Acquisition cost 1 January		
Listed securities	-	-
Unlisted securities	15.3	4.5
Measurement at fair value	-	-
Carrying amount 1 January	15.3	4.5
Translation difference	-	0.0
Additions	-	0.1
Disposals	0.0	0.0
Reclassifications	0.0	-0.1
Carrying amount 31 December	**15.3**	**4.5**

2006, EUR million	Available-for-sale shares	Other investments
Acquisition cost 1 January		
Listed securities	0.0	-
Unlisted securities	0.8	4.7
Measurement at fair value	-	-
Carrying amount 1 January	0.9	4.7
Translation difference	0.0	0.0
Additions	14.6	1.9
Disposals	-0.1	-0.1
Reclassifications	-0.1	-2.0
Change in fair values recorded in equity	0.1	-
Transfer of fair value from equity to income statement on disposal	-0.1	-
Carrying amount 31 December	**15.3**	**4.5**

Kemira GrowHow has classified its non-current investments as available-for-sale (shares) and loans and receivables. Kemira GrowHow records changes in fair value of available-for-sale shares directly into the fair value reserve in equity until the shares are disposed, at which time the cumulative gain or loss is recognized in the income statement. Certain unlisted equities, for which fair values can not be measured reliably, are reported at cost less impairment.

EUR 3.9 (3.9) million of other investments were non-current loan receivables from joint ventures. Approximately one half of the receivables is euro-denominated and the other half currency-denominated. Interest on the loan receivables is based on market rates. The loan receivables fall due for repayment in 2011. The loans are not secured.

The most significant of the available-for-sale investments is the 19 percent ownership in Hankkija-Maatalous Oy, which was acquired in April 2006.

Note 17 | Inventories

Inventories, EUR million	**2007**	**2006**
Materials and supplies	44.5	52.2
Transfer to assets held for sale	-0.1	-
Materials and supplies	44.5	52.2
Work in process	0.1	0.1
Transfer to assets held for sale	0.0	-
Work in process	0.0	0.1
Finished goods	103.0	158.9
Transfer to assets held for sale	-0.1	-
Finished goods	102.9	158.9
Advances paid	1.9	0.3
Total inventories	**149.3**	**211.5**
Inventory write-downs during the period	1.1	0.4
Reversals of inventory write-downs during the period (*	-0.4	-0.4
Total write-downs and reversals of write-downs during the period	**0.8**	**0.0**
Carrying amount of inventories carried at fair value less costs to sell	0.5	0.7

(* *Inventory write-down was reversed due to increase in net realisable value.*

Note 18 | Current Receivables

Current receivables, EUR million	**2007**	**2006**
Interest-free current receivables		
Trade receivables	155.2	166.8
Transfer to assets held for sale	-0.2	-
Trade receivables	155.0	166.8
Advance payments	2.3	0.8
Prepaid expenses and accrued income	9.7	14.6
Transfer to assets held for sale	0.0	-
Prepaid expenses and accrued income	9.7	14.6
Other interest-free receivables	12.0	13.4
Total	**179.0**	**195.6**
Interest-bearing current receivables		
Loan receivables	32.7	3.1
Loan receivables, falling due after 12 months	0.0	0.0
Total	**32.7**	**3.2**
Total current receivables	**211.7**	**198.7**

Prepaid expenses and accrued income consist mainly of accruals of financial items, fair values of derivative instruments, accruals related to sales, accruals related to insurances and other accruals.

Prepaid expenses and accrued income recorded of derivative instruments are disclosed in more detail in Note 27.

Ageing analysis of trade receivables at 31 December, EUR million			Past due				
	Carrying amount of trade receivables in the balance sheet	Not past due	< 30 days	31–90 days	91–180 days	> 181 days	Bad debt provision
2007	155.0	117.8	28.3	7.7	1.5	6.2	-6.6
2006	166.8	135.9	21.9	5.5	0.8	7.7	-5.1

Carrying amount of trade receivables, which would be past due, but whose terms have been renegotiated, was EUR 0.4 (1.4) million.

Changes in bad debt provision of trade receivables, EUR million	
Bad debt provision 1 January 2006	**5.1**
Charge for the year	1.0
Utilized	-0.7
Unused amounts reversed	-0.3
Bad debt provision 31 December 2006	**5.1**
Translation difference	-0.1
Charge for the year	2.1
Utilized	-0.2
Unused amounts reversed	-0.3
Bad debt provision 31 December 2007	**6.6**

Impairment losses of trade receivables recognized in the income statement, net, EUR million	
2007	1.7
2006	0.6

Note 19 | Number of Shares and Earnings per Share

Earnings per share (EPS)	2007	2006
Net result attributable to equity holders of the parent company, EUR million	69.7	- 6.8
Number of shares	55,409,801	55,519,098
Earnings per share (EPS), EUR	**1.26**	**- 0.12**

Kemira GrowHow Oyj has no potential ordinary shares which would dilute earnings per share.

Equity attributable to equity holders of the parent company per share	2007	2006
Equity attributable to equity holders of the parent company, EUR million	386.9	342.2
Number of shares	55,425,477	55,348,157
Equity attributable to equity holders of the parent company per share, EUR	**6.98**	**6.18**

Number of shares		
Number of shares 31 December	57,208,857	57,208,857
Treasury shares 31 December	-1,783,380	-1,860,700
Number of shares 31 December, excluding treasury shares	**55,425,477**	**55,348,157**
Average number of shares 31 December, excluding treasury shares	**55,409,801**	**55,519,098**

Acquisition and disposal of treasury shares		
Treasury shares 1 January, shares	1,860,700	277,900
Acquired during the year, shares	-	1,582,800
Surrendered during the year, shares	-77,320	-
Treasury shares 31 December, shares	**1,783,380**	**1,860,700**
Treasury shares 1 January, EUR million	11.0	1.7
Acquired during the year, EUR million	-	9.4
Surrendered during the year, EUR million	-0.5	-
Treasury shares 31 December, EUR million	**10.6**	**11.0**

Dividend		
Dividend per share, EUR	0.35	0.15

The 2007 dividend is the Board of Directors' proposal to the Annual General Meeting.

Note 20 | Statement of Changes in Equity

EUR million	Share capital	Share premium account	Other reserves	Other non-restricted equity	Paid-up unrestricted equity reserve	Hedging reserve	Fair value reserve	Treasury shares	Retained earnings	Cumulative translation difference	Attributable to equity holders of the parent company	Minority interest	Total equity
Equity 1 January 2006 as published	**156.0**	**8.5**	**0.5**	**154.4**	**-**	**0.1**	**-**	**-1.7**	**23.3**	**-0.2**	**340.9**	**1.0**	**341.9**
Effect of restatement	-	-	-	-	-	-	-	-	14.5	0.0	14.5	-	14.5
Equity 1 January 2006	**156.0**	**8.5**	**0.5**	**154.4**	**-**	**0.1**	**-**	**-1.7**	**37.9**	**-0.2**	**355.4**	**1.0**	**356.4**
Total comprehensive income for the year	-	-	0.0	-	-	1.4	0.0	-	10.5	0.7	12.6	1.3	13.9
Acquisition / disposal of treasury shares	-	-	-	-	-	-	-	-9.4	-	-	-9.4	-	-9.4
Changes in minority interest	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Divested subsidiaries	-	-	0.0	-	-	-	-	-	0.0	-	-	-	-
Share-based incentive plan	-	-	-	-	-	-	-	-	0.1	-	0.1	-	0.1
Share-based incentive plan, tax effect	-	-	-	-	-	-	-	-	0.0	-	0.0	-	0.0
Dividends paid	-	-	-	-12.2	-	-	-	-	-4.4	-	-16.6	-0.1	-16.7
Equity 31 December 2006	**156.0**	**8.5**	**0.5**	**142.2**	**-**	**1.5**	**-**	**-11.0**	**44.1**	**0.4**	**342.2**	**2.2**	**344.3**
Equity 1 January 2007	**156.0**	**8.5**	**0.5**	**142.2**	**-**	**1.5**	**-**	**-11.0**	**44.1**	**0.4**	**342.2**	**2.2**	**344.3**
Total comprehensive income for the year	-	-	0.0	-	-	-1.1	-	-	67.0	-13.0	52.9	1.7	54.6
Acquisition / disposal of treasury shares	-	-	-	-	0.7	-	-	0.5	-0.5	-	0.7	-	0.7
Changes in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Divested subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based incentive plan	-	-	-	-	-	-	-	-	-0.7	-	-0.7	-	-0.7
Share-based incentive plan, tax effect	-	-	-	-	-	-	-	-	0.2	-	0.2	-	0.2
Dividends paid	-	-	-	-	-	-	-	-	-8.3	-	-8.3	-0.4	-8.7
Equity 31 December 2007	**156.0**	**8.5**	**0.5**	**142.2**	**0.7**	**0.4**	**-**	**-10.6**	**101.8**	**-12.5**	**386.9**	**3.5**	**390.4**

Parent company distributable equity (FAS) EUR million	2007	2006
Other non-restricted equity	142.2	142.2
Paid-up unrestricted equity reserve	0.7	-
Retained earnings	6.2	-
Treasury shares	-10.6	-11.0
Net profit for the period	30.0	15.0
Total	**168.5**	**146.1**

Note 21 | Total Comprehensive Income for the Year in Equity

TOTAL COMPREHENSIVE INCOME FOR THE YEAR

EUR million	Other reserves
Equity 1 January 2006	**0.5**
Other reclassifications	0.0
Total comprehensive income for the year recorded in other reserves	**0.0**
Divested subsidiaries	0.0
Equity 31 December 2006	**0.5**
Other reclassifications	0.0
Total comprehensive income for the year recorded in other reserves	**0.0**
Equity 31 December 2007	**0.5**

EUR million	Hedging reserve
Equity 1 January 2006	**0.1**
Effective portion of changes in fair value of cash flow hedges	1.8
Change in fair value of cash flow hedges transferred to income statement	0.1
Tax effect	-0.5
Total comprehensive income for the year recorded in hedging reserve	**1.4**
Equity 31 December 2006	**1.5**
Effective portion of changes in fair value of cash flow hedges	0.4
Change in fair value of cash flow hedges transferred to income statement	-1.9
Tax effect	0.4
Total comprehensive income for the year recorded in hedging reserve	**-1.1**
Equity 31 December 2007	**0.4**

EUR million	Fair value reserve
Equity 1 January 2006	**-**
Change in fair value of available-for-sale shares	0.1
Change in fair value of available-for-sale shares, transferred to income statement	-0.1
Tax effect	0.0
Total comprehensive income for the year recorded in fair value reserve	**0.0**
Equity 31 December 2006	**-**
Change in fair value of available-for-sale shares	-
Change in fair value of available-for-sale shares, transferred to income statement	-
Tax effect	-
Total comprehensive income for the year recorded in fair value reserve	**-**
Equity 31 December 2007	**-**

EUR million	Retained earnings
Equity 1 January 2006	**37.9**
Share of other comprehensive income of associates and joint ventures	1.1
Other reclassification	0.0
Acturial gains (losses) on defined benefit pension plans	22.7
Tax effect	-6.5
Profit / loss attributable to equity holders of the parent company	-6.8
Total comprehensive income for the year recorded in retained earnings	**10.5**
Divested subsidiaries	0.0
Share-based incentive plan	0.1
Share-based incentive plan, tax effect	0.0
Dividends paid	-4.4
Equity 31 December 2006	**44.1**
Share of other comprehensive income of associates and joint ventures	0.4
Other reclassification	0.0
Disposal of group companies	0.5
Acturial gains (losses) on defined benefit pension plans	-4.9
Tax effect	1.3
Profit / loss attributable to equity holders of the parent company	69.7
Total comprehensive income for the year recorded in retained earnings	**67.0**
Disposal of treasury shares	-0.5
Share-based incentive plan	-0.7
Share-based incentive plan, tax effect	0.2
Dividends paid	-8.3
Equity 31 December 2007	**101.8**

EUR million	Cumulative translation difference
Equity 1 January 2006	**-0.2**
Exchange differences on translating foreign operations	0.3
Hedge of net investment in foreign entities	0.3
Tax effect	0.1
Total comprehensive income for the year recorded in cumulative translation diference	**0,7**
Equity 31 December 2006	**0.4**
Exchange differences on translating foreign operations	-12.5
Disposal of group companies	-0.5
Hedge of net investment in foreign entities	0.0
Tax effect	0.1
Total comprehensive income for the year recorded in cumulative translation diference	**-13.0**
Equity 31 December 2007	**-12.5**

EUR million	Minority interest
Equity 1 January 2006	**1.0**
Exchange differences on translating foreign operations	0.0
Net income attributable to minority interest	1.3
Other reclassifications	0.0
Tax effect	-
Total comprehensive income for the year recorded in minority interest	**1.3**
Change in minority interest	0.0
Dividends paid	-0.1
Equity 31 December 2006	**2.2**
Exchange differences on translating foreign operations	0.1
Net income attributable to minority interest	1.6
Other reclassifications	0.0
Tax effect	-
Total comprehensive income for the year recorded in minority interest	**1.7**
Change in minority interest	-
Dividends paid	-0.4
Equity 31 December 2007	**3.5**

Principal minority interests, EUR million		2007	2006
Kemira GrowHow (Thailand) Ltd.	Thailand	2.8	1.1
Viljavuuspalvelu Oy	Finland	0.6	0.9
UAB Movere	Lithuania	0.1	0.1
Kemira GrowHow (M) Sdn. Bhd.	Malaysia	0.0	0.0
Kemira Agro Sdn. Bhd.	Malaysia	0.0	0.0
Total		**3.5**	**2.2**

Cumulative translation difference

Kemira GrowHow Group is an international group and is thus exposed to exchange rate fluctuations in relation to its net investments in non-euro-area subsidiaries, joint ventures and associates. Net investments in foreign entities include also subordinated loans to these companies.

Translation differences arise from converting the equity, results, distributed dividends and subordinated loans of foreign subsidiaries, joint ventures and associates into euros. Translation differences are recorded as a separate item in equity. On the disposal of all or part of a foreign subsidiary, a joint venture or an associate, the cumulative amount or proportionate share of the translation difference is recognized in the income statement in the same period in which the gain or loss on disposal is recognized.

The net investments in foreign entities are not hedged. Some subordinated loans have, however, earlier been hedged with derivatives. Changes in the fair value of foreign currency derivatives designated as hedges of net investment in foreign entities and which were effective hedges, were recorded in equity in cumulative translation difference. Ineffective part of the hedge was recognized immediately in the income statement.

Kemira GrowHow applied the exemption allowed in IFRS 1 for recording of cumulative translation differences. In accordance with the exemption, the cumulative translation differences for all foreign operations were deemed to be zero on 1 January 2004.

The effect, net of tax, of the hedging of net investment in foreign entity is offset against the translation difference, net of tax, arising from the hedged net investment in foreign entity. Kemira GrowHow did not have any net investment hedges at the end of 2007.

Note 22 | Pensions and Other Long-term Employee Benefits

Pensions

The Group has various pension schemes in the countries where it operates. In Finland the pension cover is mainly arranged through own trustee-administrated pension funds. The Group also used to have an own pension fund in the United Kingdom, but due to the establishment of the joint venture in the UK with Terra Industries Inc. in early October 2007, that pension fund no longer is part of the Group's pension funds. The pension arrangements elsewhere are made in accordance with local regulations and practice. The Group has defined benefit pension plans also in Belgium and the Netherlands. The plans include retirement, disability, death and termination benefits.

The Group has also defined contribution pension plans, of which the charge to the income statement was EUR 9.3 million (EUR 8.8 million in 2006). Belgian defined contribution pension plan has defined benefit aspects as the Belgian pension legislation changed in the beginning of 2005. However, these defined benefit aspects have no effect on the net defined benefit pension liability or pension expenses, so they are not included in assets and liabilities of the defined benefit pension plans.

The funded part of the Finnish pensions, including the disability pensions, belonging to the Finnish statutory employment pension scheme TyEL (retirement and unemployment pensions), is treated as defined benefit pension plan when the pensions are managed in the Group's own pension funds.

Kemira GrowHow's Finnish pension funds are legal units of their own and they manage part of the pension assets of the Group's personnel in Finland. The assets included in 2006 Kemira GrowHow Oyj shares which represented 0.27 percent of the company's shares outstanding. In 2006 Kemira GrowHow's subsidiary sold to the pension fund a property consisting of land and a building with a total consideration of EUR 3.0 million. The sales price was the fair value of the sold property. The subsidiary has leased back the sold property with market terms. The lease term is 5 years and the period of notice for the lease is 12 months.

Other long-term employee benefits

In addition to defined benefit pensions Kemira GrowHow has other long-term employee benefits, such as long-service benefits and termination benefits, for which the timing of the payments is uncertain. These termination benefits are accounted for as post-employment benefits, and they are presented separately from defined benefit pensions. Actuarial gains and losses as well as past service costs of all these long-term employee benefits are recognized immediately. In addition, the Group has a minor medical plan, which is closed to new members, in one of the countries it operates. Actuarial gains and losses of the medical plan are recognized immediately in the income statement.

Amounts in the balance sheet relating to defined benefit pension plans, EUR million	2007	2006
Fair value of plan assets	272.0	470.9
Present value of funded obligations	253.9	496.8
Net liability (- asset)	**-18.0**	**26.0**
Amounts in the balance sheet		
Liabilities	3.9	51.0
Assets	21.9	25.1
Net liability (-asset)	**-18.0**	**26.0**

Amounts in the balance sheet relating to other long-term employee benefits, EUR million	2007	2006
Fair value of plan assets	-	-
Present value of funded obligations	-	-
	-	-
Present value of unfunded obligations	8.4	9.5
Net liability	**8.4**	**9.5**
Amounts in the balance sheet		
Liabilities	8.4	9.5
Assets	-	-
Net liability	**8.4**	**9.5**

Benefit plan summary by country, defined benefit pensions and other long-term employee benefits			
	2007	2006	
Total assets by country, EUR million	Finland	Finland	Other countries
Fair value of plan assets	194.7	201.1	6.0
Present value of funded obligations	172.8	176.1	6.0
	21.9	25.0	0.0
Present value of unfunded obligations	-	-	-
Defined benefit pension asset in the balance sheet	**21.9**	**25.0**	**0.0**

	2007		2006		
Total liabilities by country, EUR million	Finland	Other countries	Finland	UK	Other countries
Fair value of plan assets	65.2	12.0	59.7	197.7	6.3
Present value of funded obligations	68.2	12.9	61.9	245.9	7.0
	3.0	0.9	2.2	48.1	0.7
Present value of unfunded obligations	-	8.4	0.0	0.0	9.5
Defined benefit pension and other long-term employee benefit liabilities in the balance sheet	**3.0**	**9.3**	**2.2**	**48.1**	**10.2**

Changes in the fair value of plan assets, defined benefit pensions, EUR million	2007	2006
Fair value of plan assets 1 January	470.9	536.8
Exchange differences on foreign plans	-7.5	4.0
Divestments of subsidiaries	-195.3	-
Expected return on plan assets	21.7	22.8
Actuarial (losses -) gains	-5.4	10.9
Benefits paid	-20.7	-22.2
Effect of curtailment	-	0.0
Settlement	-	-89.3
Contributions by employer	7.1	6.1
Contributions by employees	1.1	1.7
Fair value of plan assets 31 December	**272.0**	**470.9**

2006 settlements include transfer of the majority of the defined benefit plan in the Netherlands to an insurance company.

Changes in the present value of defined benefit pension obligation, EUR million	2007	2006
Present value of defined benefit obligation 1 January	496.8	585.1
Exchange differences on foreign plans	-9.3	5.3
Divestments of subsidiaries	-240.0	-
Current service cost	5.9	6.6
Past service cost	-	-
Interest cost	20.5	22.5
Actuarial losses (gains -)	-0.5	-11.8
Effect of curtailment	-	0.0
Settlement	-	-90.5
Benefits paid	-20.7	-22.2
Contributions by employees	1.1	1.7
Present value of defined benefit obligation 31 December	**253.9**	**496.8**

2006 settlements include transfer of the majority of the defined benefit plan in the Netherlands to an insurance company.

Changes in the fair value of plan assets, other long-term employee benefits, EUR million		
Fair value of plan assets 1 January	-	-
Benefits paid	-1.8	-1.8
Contributions by employer	1.8	1.8
Fair value of plan assets 31 December	**-**	**-**

Changes in the present value of other long-term employee benefit obligation, EUR million		
Present value of defined benefit obligation 1 January	9.5	10.0
Current service cost	0.0	0.0
Interest cost	0.3	0.4
Actuarial losses (gains -)	0.3	1.0
Effect of curtailment	-	-
Benefits paid	-1.8	-1.8
Present value of defined benefit obligation 31 December	**8.4**	**9.5**

Amounts recognized in income statement, defined benefit pensions, EUR million		
Current service cost	5.9	6.6
Effect of curtailment (gain -)	-	0.0
Settlement	-	-1.2
Total included in pension expenses (gain -)	**5.9**	**5.4**
Expected return on plan assets	-21.7	-22.8
Interest on obligation	20.5	22.5
Total included in financial items (- income)	**-1.2**	**-0.3**
Total in the income statement (- income)	**4.7**	**5.1**

The Group expects to contribute EUR 7.1 million to its defined benefit pension plans in 2008.

Amounts recognized in income statement, other long-term employee benefits, EUR million		
Current service cost	0.0	0.0
Net actuarial gains (-) / losses recognized	0.3	1.0
Total included in other personnel expenses (gain -)	**0.3**	**1.0**
Interest on obligation	0.3	0.4
Total included in financial items (- income)	**0.3**	**0.4**
Total in the income statement (- income)	**0.6**	**1.4**

The Group expects to contribute EUR 1.6 million to its other long-term employee benefit plans in 2008.

Actual return on plan assets, pensions, EUR million	**2007**	**2006**
Expected return on plan assets	21.7	22.8
Actuarial gains / losses (-) on plan assets	-8.3	10.9
Actual return on plan assets	**13.4**	**33.7**

Actuarial gains and losses recognized in retained earnings, defined benefit pensions, EUR million		
Actuarial gains and losses recognized in retained earnings 1 January	41.8	16.8
Related deferred tax 1 January	-12.4	-5.2
Net amount recognized in equity 1 January	29.4	11.6
Exhange difference on foreign plans, actuarial gains and losses	-1.3	0.4
Exchange difference on foreign plans, deferred taxes	0.4	-0.1
Actuarial gains and losses, change during the year	-4.9	22.7
Related deferred tax	1.3	-6.5
Actuarial gains and losses, settlements	-	1.8
Related deferred tax	-	-0.5
Disposals	-34.2	-
Related deferred tax	10.3	-
Net change	-28.5	17.8
Actuarial gains and losses recognized in retained earnings 31 December	1.3	41.8
Related deferred tax 31 December	-0.4	-12.4
Net amount recognized in equity 31 December	**0.9**	**29.4**

	2007		2006		
Actuarial assumptions, all plans	**Finland**	**Other countries**	**Finland**	**UK**	**Other countries**
Discount rate, %	4.5 – 5.0	3.75 – 4.97	4.5	5.12	3.75 – 4.25
Expected return on plan assets, %	4.55 – 4.9	4.6 – 4.75	4.55 – 4.9	6.04	4.60 – 4.75
Future salary increase, %	3.0	2.0 – 3.5	2.0	3.02	2.0 – 3.5
Future pension increases, %	2.1 – 2.7	1.0 – 2.0	1.9 – 2.1	2.25 – 3.02	1.0 – 2.0
Inflation, %	2.0	2.0	2.0	3.02	2.0
Expected remaining working years of staff	7 – 17	11	7 – 16	11	11 – 13

The major categories of plan assets as a percentage of total plan assets	**2007**	**2006**
Equity instruments	38%	48%
Debt instruments	39%	45%
Property	3%	2%
Other assets	20%	5%

Amounts included in the fair value of plan assets, EUR million	**2007**	**2006**
Kemira GrowHow Oyj shares	-	1.0
Property occupied / other assets used by Kemira GrowHow	7.0	6.6
Loan receivables from Kemira GrowHow	25.9	31.3
Total	**32.9**	**38.9**

To develop the expected rate of return, the current level of expected returns on risk free investments has been considered as well as the historical level of the risk premium associated with other asset classes and the expectations for future returns of each asset class. The expected return for each asset class has been weighted based on the asset allocation to develop the expected rate of return on asset assumption for the portfolio.

Amounts for the current and previous periods, defined benefit pensions, EUR million	**2007**	**2006**	**2005**	**2004**
Defined benefit pension obligation	253.9	496.8	585.1	556.6
Plan assets	272.0	470.9	536.8	490.1
Surplus / (deficit)	18.0	-26.0	-48.3	-66.6
Experience adjustments on plan assets, as a percentage of the plan assets	-3	2	5	2
Experience adjustments on plan liabilities, as a percentage of the plan liabilities	4	5	-1	-2

EUR million	2007	2006
Non-current interest-bearing liabilities		
Loans from financial institutions	20.4	70.5
Pension loans	25.9	31.3
Finance leasing liabilities	1.2	1.9
Other non-current liabilities	0.0	0.2
Total	47.5	103.9
Loans from financial institutions, transfer to held for sale	-0.1	-
Total non-current interest-bearing liabilities	**47.4**	**103.9**
Maturity of non-current interest-bearing liabilities		
2009 (2008)	0.5	0.8
2010 (2009)	13.1	0.4
2011 (2010)	20.3	50.4
2012 (2011)	0.2	20.4
2013 (2012) or later	13.4	32.0
Total	**47.4**	**103.9**
Interest-bearing net liabilities (*		
Non-current interest-bearing liabilities	47.5	103.9
Current interest-bearing liabilities	136.8	102.0
Current investments	-5.2	-3.3
Cash and bank accounts	-18.4	-16.7
Interest-bearing receivables from Yara	-30.3	-
Total	**130.5**	**185.9**

(* *2007 figure includes also the liabilities transferred to held for sale -liabilities.*

EUR million	2007	2006
Current interest-bearing liabilities		
Loans from financial institutions	0.1	30.2
Current portion of other long-term loans	0.1	1.9
Bills of exchange	1.7	3.0
Finance leasing liabilities	0.6	1.2
Other current interest-bearing liabilities	134.3	65.7
Total current interest-bearing liabilities	**136.8**	**102.0**
Non-current liabilities by currency, %		
EUR	97	98
USD	0	1
GBP	2	1
HUF	1	0
Other currencies	0	0
Total	**100**	**100**
Non-current interest-bearing loans maturing after 5 years		
Loans from financial institutions	0.0	0.6
Pension loans	13.2	31.3
Other non-current liabilities	0.2	0.1
Total	**13.4**	**32.0**

Kemira GrowHow's main liquidity reserve is a syndicated revolving credit facility. The EUR 150 million credit facility is in place until 2010. At the end of 2007, the EUR 150 million revolving credit facility was in not use. At the end of 2006, EUR 80 million of the EUR 150 million revolving credit facility was in use.

Kemira GrowHow Oyj has a domestic commercial paper programme of EUR 300 million. Under the commercial paper programme Kemira GrowHow is able to issue commercial papers up to one year's maturity. By using the commercial paper programme Kemira GrowHow Oyj aims to broaden its funding sources in accordance with its treasury policy.

Kemira GrowHow has no convertible bonds or debentures or other bond loans.

The liquidity and currency risk related to interest-bearing debt is described in more detail in Note 2.

Finance leasing

Kemira GrowHow has several finance lease agreements concerning machinery and equipment, but no significant individual agreements in 2007 or 2006.

The capital cost of machinery and equipment financed with finance leasing was EUR 2.8 (3.8) million, and depreciation thereon was EUR 0.8 (1.0) million.

EUR million	2007	2006
Minimum lease payments, maturing in		
Less than 1 year	0.7	1.3
2–5 years	1.2	1.6
Over 5 years	0.2	0.6
Total minimum lease payments	**2.2**	**3.5**
Future finance charge	-0.3	-0.4
Present value of minimum lease payments	**1.8**	**3.1**
Present value of minimum lease payments, maturing in		
Less than 1 year	0.6	1.2
2–5 years	1.0	1.4
Over 5 years	0.2	0.6
Total present value of minimum lease payments	**1.8**	**3.1**

EUR million	2007	2006
Aggregated finance lease payments		
Interest element	0.1	1.0
Reduction in leasing liabilities	1.2	28.8
Total	**1.3**	**29.8**

Note 24 | Provisions

LONG-TERM PROVISIONS

2007 EUR million	Environmental and damage provisions	Restructuring provisions	Other provisions	Pension liabilities	Total
Carrying amount 1 January	-	2.2	0.1	0.5	2.7
Translation difference	-	-	-	0.0	0.0
Reclassification	-	-1.3	-	0.0	-1.3
Increase in provisions	0.6	-	13.6	0.3	14.5
Provisions used during the period	-	-0.4	0.0	-	-0.4
Provisions released during the period	-	-	-	0.0	0.0
Carrying amount 31 December	**0.6**	**0.5**	**13.7**	**0.6**	**15.4**
2006					
Carrying amount 1 January	-	2.1	0.1	0.5	2.7
Translation difference	-	-	-	-0.1	-0.1
Reclassification	-	-0.2	-	0.0	-0.3
Increase in provisions	-	-	0.0	0.0	0.7
Provisions used during the period	-	-0.1	0.0	-	-0.1
Provisions released during the period	-	-0.3	0.0	-	-0.3
Carrying amount 31 December	**-**	**2.2**	**0.1**	**0.5**	**2.7**

SHORT-TERM PROVISIONS

2007 EUR million	Environmental and damage provisions	Restructuring provisions	Other provisions	Pension liabilities	Total
Carrying amount 1 January	3.4	1.6	0.5	0.0	5.4
Translation difference	-	-	0.0	-	0.0
Reclassification	-	1.7	0.0	0.0	1.7
Increase in provisions	0.6	-	0.1	-	3.0
Provisions used during the period	-0.2	-1.5	-	0.0	-1.7
Provisions released during the period	-	-0.3	-0.5	-	-0.8
Carrying amount 31 December	**3.7**	**3.7**	**0.1**	**0.0**	**7.6**
2006					
Carrying amount 1 January	2.4	2.1	-	0.0	4.5
Translation difference	-	-	-	-	-
Reclassification	-	0.2	-	0.0	0.3
Increase in provisions	1.3	-	0.5	-	1.8
Provisions used during the period	-0.4	-0.5	-	0.0	-0.9
Provisions released during the period	-	-0.3	-	-	-0.3
Carrying amount 31 December	**3.4**	**1.6**	**0.5**	**0.0**	**5.4**

Environmental and damage provisions

Kemira GrowHow has evaluated the environmental liabilities related to its past actions and made provisions that the management considers necessary for any future remedial cost relating to environmental damage. Kemira GrowHow estimates that a significant part of the environmental provisions will be realized in 2008 or during 2009 the latest. For some of the environmental provisions it is not possible to estimate the timing of the outflow of economic benefits.

Restructuring provisions

Kemira GrowHow has recorded restructuring provisions when it has made rationalization measures by closing production plants or reducing activities at the plants. Restructuring provisions include only expenses which are necessarily entailed by the restructuring and which are not associated with the on-going activities. The restructuring provision relates mainly to Kemira GrowHow's activities in Belgium, the Netherlands and Germany, and they include, among others, estimated demolition costs and provisions for employee benefits related to personnel whose employment has been terminated. Kemira GrowHow estimates that a significant part of the restructuring provisions will be realized in 2008. For some of the provisions it is not possible to estimate timing of the outflow of economic benefits, for example because the timing is dependent on the actions of an external party.

Other provisions

Kemira GrowHow Oyj has given indemnity for the future possible pension liabilities of the pension fund of the established joint venture in the UK, GrowHow UK Ltd. This indemnity is given to Terra Industries Inc. The management of Kemira GrowHow has estimated the future liability to be GBP 10 million, EUR 13.6 million. It is estimated that this provision will be realized in 2011.

Pension liabilities

Pension liabilities relate to additional future contributions to defined contribution plans due to personnel reductions.

Note 25 | Interest-free Liabilities

EUR million	2007	2006
Non-current interest-free liabilities		
Other non-current interest-free liabilities	-	0.3
Current interest-free liabilities		
Accounts payable	117.5	127.8
Transfer to liabilities held for sale	-0.1	-
Accounts payable	117.4	127.8
Advances received	2.9	4.9
Accrued expenses and deferred income	70.1	54.9
Transfer to liabilities held for sale	-0.2	-
Accrued expenses and deferred income	69.9	54.9
Other current interest-free liabilities	8.6	12.0
Transfer to liabilities held for sale	0.0	-
Other current interest-free liabilities	8.6	12.0
Total current interest-free liabilities	**198.8**	**199.5**

Accruals consist mainly of accrued personnel expenses, accruals related to net sales and purchases, accruals of interests, fair values of derivative instruments and other accruals.

Accrued expenses and deferred income recorded of derivative instruments are disclosed in more detail in Note 27.

Note 26 | Financial Assets and Liabilities

31 December 2007, EUR million	Note	Assets available-for-sale	Financial assets and liabilities at fair value through profit and loss	Loans and receivables	Financial liabilities at amortized cost	Other liabilities	Derivatives, hedge accounting applies	Total carrying amounts	Total fair value
Cash and bank				18.4				18.4	18.4
Current investments			5.2					5.2	5.2
Derivatives (in assets)	27		3.9				0.5	4.4	4.4
Trade receivables	18			155.0				155.0	155.0
Advance payments	18			2.3				2.3	2.3
Other interest-free receivables	18			12.0				12.0	12.0
Interest-bearing current receivables	18			32.7				32.7	32.7
Available-for-sale shares	16	15.3						15.3	15.3
Other investments	16			4.5				4.5	4.5
Non-current interest-bearing liabilities	23				-47.4			-47.4	-47.4
Current interest-bearing liabilities	23				-136.8			-136.8	-136.8
Accounts payable	25					-117.4		-117.4	-117.4
Advances received	25					-2.9		-2.9	-2.9
Other current interest-free liabilities	25					-8.6		-8.6	-8.6
Derivatives (in liabilities)	27		-12.6					-12.6	-12.6
		15.3	-3.5	224.9	-184.3	-128.9	0.5	-76.1	-76.1

31 December 2007, EUR million	Note	Assets available-for-sale	Financial assets and liabilities at fair value through profit and loss	Loans and receivables	Financial liabilities at amortized cost	Other liabilities	Derivatives, hedge accounting applies	Total carrying amounts	Total fair value
Cash and bank				16.7				16.7	16.7
Current investments			3.3					3.3	3.3
Derivatives (in assets)	27		1.3				2.1	3.5	3.5
Trade receivables	18			166.8				166.8	166.8
Advance payments	18			0.8				0.8	0.8
Other interest-free receivables	18			13.4				13.4	13.4
Interest-bearing current receivables	18			3.2				3.2	3.2
Available-for-sale shares	16	15.3						15.3	15.3
Other investments	16			4.5				4.5	4.5
Non-current interest-bearing liabilities	23				-103.9			-103.9	-103.9
Current interest-bearing liabilities	23				-102.0			-102.0	-102.0
Accounts payable	25					-127.8		-127.8	-127.8
Advances received	25					-4.9		-4.9	-4.9
Other non-current interest-free liabilities	25				-0.3			-0.3	-0.3
Other current interest-free liabilities	25					-12.0		-12.0	-12.0
Derivatives (in liabilities)	27		-9.1				-0.2	-9.3	-9.3
		15.3	-4.4	205.3	-206.2	-144.6	1.9	-132.7	-132.7

Note 27 | Derivative Instruments

The majority of the Group's derivative transactions, while providing economic hedges, do not qualify for hedge accounting under IAS 39. The Group has hedged itself against currency fluctuation mainly by hedging the net currency position with derivative instruments. Because hedge accounting is not applied for currency derivatives, changes in the fair values of derivative instruments are immediately recognized in the income statement under financial items.

Some of the future cash flows arising from the interest rate payments of Kemira GrowHow's liabilities are hedged with interest rate derivatives, and the hedge fulfils the hedge accounting criteria of IAS 39. Changes in the fair value of these derivatives are recognized in the hedging reserve in equity to the extent that the hedge is effective. Ineffective part of the hedge is recognized immediately in the income statement. The cumulative gain or loss of the derivative deferred in equity is transferred to the income statement in the same period in which the hedged item affects the income statement.

Changes in the fair value of foreign currency derivatives designated as hedges of net investment in foreign entities, and which are effective hedges, are recorded in equity in cumulative translation difference. When the net investment is disposed, the cumulative translation difference relating to the net investment is recorded in the income statement. At the end of 2007 Kemira GrowHow did not have hedges of net investment in foreign entities.

Kemira GrowHow's commodity derivatives in 2007 and 2006 were natural gas derivatives, with which Kemira GrowHow hedges its natural gas purchases. These hedges do not qualify for hedge accounting under IAS 39, thus fair value changes of these derivatives are recorded immediately in the income statement.

Valuation methods of derivative instruments are presented in the Summary of Significant Accounting Policies.

	2007		2006	
Nominal and fair values of derivative instruments, EUR million	Nominal value	Fair value	Nominal value	Fair value
Currency derivatives				
Forward contracts	58.0	-0.6	181.9	-2.4
of which hedging net investment in foreign entity	-	-	1.2	-0.1
Currency options				
Bought	17.8	0.0	61.7	0.7
Sold	17.8	-0.8	61.7	-0.2
Interest rate derivatives				
Interest rate options				
Bought	-	-	10.0	0.3
Sold	-	-	10.0	0.0
all interest rate options were used in hedging of cash flows				
Interest rate swaps	20.0	0.5	70.0	1.7
all interest rate swaps are used in hedging of cash flows				
Commodity derivatives				
Swaps	296.3	-7.4	136.2	-7.9

CHANGE IN FAIR VALUES OF DERIVATIVES RECORDED IN EQUITY

EUR million	Hedging reserve
Equity 1 January 2006	**0.1**
Cash flow hedges, recognized in equity	1.8
Cash flow hedges, transferred to income statement	0.1
Deferred taxes	-0.5
Cash flow hedges recorded in equity, net	**1.4**
Equity 31 December 2006	**1.5**
Cash flow hedges, recognized in equity	0.4
Cash flow hedges, transferred to income statement	-1.9
Deferred taxes	0.4
Cash flow hedges recorded in equity, net	**-1.1**
Equity 31 December 2007	**0.4**

EUR million	Cumulative translation difference
Equity 1 January 2006	**-0.4**
Hedging of net investment in foreign entity	0.3
Deferred taxes	-0.1
Net income recognized directly in equity	**0.2**
Equity 31 December 2006	**-0.2**
Hedging of net investment in foreign entity	0.0
Deferred taxes	0.0
Net income recognized directly in equity	**0.0**
Equity 31 December 2007	**-0.1**

Interest rate swaps and interest rate options are used as hedging instruments.

Derivative instruments in the income statement, EUR million	2007	2006
Items included in operating profit		
Fair value changes of commodity derivatives, net	-16.2	-6.9
Total	**-16.2**	**-6.9**
Items included in financial items		
Currency differences		
Fair value changes of currency derivatives, net	-1.3	-3.9
Interest expenses		
Interest rate derivatives, hedge accounting, effective part	1.9	0.1
Total	**0.6**	**-3.7**
Items included in financial items	**-15.5**	**-10.6**

Derivative instruments in the balance sheet, receivables and liabilities, EUR million	2007	2006
Prepaid expenses and accrued income		
Currency derivatives	0.3	1.3
Commodity derivatives	3.6	-
Interest rate derivatives, cash flow hedge	0.5	2.1
Total	**4.4**	**3.5**
Accrued expenses and deferred income		
Currency derivatives	1.7	1.1
Currency derivatives, hedging net investment in foreign entity	-	0.1
Interest rate derivatives, cash flow hedge	-	0.1
Commodity derivatives	11.0	7.9
Total	**12.6**	**9.3**

Note 28 | Contingencies

Loans secured with mortgages or pledges, EUR million	2007	2006
Loans from financial institutions	0.4	0.6
Mortgages given	1.6	1.6
Loans from pension institutions	13.2	18.6
Mortgages given	15.1	20.1
Total loans secured with mortages	**13.6**	**19.2**
Mortgages given	**16.7**	**21.8**
Other loans secured with pledges	**-**	**0.8**
Pledges given	**-**	**2.3**

Contingent liabilities, EUR million		
Mortgages		
On behalf of own commitments	21.9	27.0
Assets pledged		
On behalf of own commitments	-	2.3
Guarantees		
On behalf of joint ventures	6.0	-
On behalf of others (*	0.2	29.5
Total contingent liabilities	**28.1**	**58.8**

(* *EUR 0.0 (29.2) million of this obligation is related to the guarantees for which Kemira Oyj has issued a counter indemnity to Kemira GrowHow Oyj.*

Operating leases

Kemira GrowHow has various non-cancellable operating leases. The minimum future payments of these leasing contracts are presented in the table below.

Minimum future payments of operating lease commitments, EUR million	2007	2006
Maturity within one year	6.8	9.3
Maturity later than one year and not later than five years	10.2	17.8
Maturity later than five years	5.9	9.8
Total minimum future payments of operating lease commitments	**22.9**	**37.0**

Operating leases as a lessor

Kemira GrowHow has some operating lease agreements in which the Group acts as a lessor. The minimum future payments to be received from non-cancellable operating lease agreements are presented in the table below.

Minimum future payments of operating leases, EUR million	2007	2006
Maturity within one year	0.1	0.3
Maturity later than one year and not later than five years	0.2	0.8
Maturity later than five years	-	0.3
Total minimum future payments of operating leases	**0.3**	**1.3**

Other contingent liabilities and litigations

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 the Siilinjärvi mine and plants. The enforcement of the permit is pending due to an appeal. The current permit is valid until the appeal process is completed. The new permit, after being enforced, will remain in force until further notice and the terms of the permit will be reviewed in 2015. Kemira GrowHow estimates that the new environmental permit will not create new material obligations.

Kemira GrowHow Group has international operations and is a defendant or plaintiff in a number of legal proceedings incidental to those operations. The Group does not expect the outcome of any legal proceedings currently pending, either individually or in the aggregate, to have material adverse effect upon the Group's consolidated financial position or results of operations.

The Finnish Ministry of Trade and Industry made in June 2007 a decision concerning 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.

Note 29 | Shares and Holdings

Group companies			Group holding %	Parent company holding %
Kemira GrowHow Oyj	Helsinki	Finland		
Kemira GrowHow Ltd.	Ince	United Kingdom	100	100
H.A. Butts & Son Ltd.	Ince	United Kingdom	100	
GrowHow Fertilisers Ltd.	Ince	United Kingdom	100	
Kemira GrowHow S.A./N.V.	Wavre	Belgium	100	
Battaille S.A.	Basecles	Belgium	100	
S.G.A. S.A.	Wavre	Belgium	100	
Engrais Battaille S.A.	Fresness / Escaut	France	100	
Kemira GrowHow B.V.	Rozenburg	Netherlands	100	100
Kemira GrowHow Rozenburg B.V.	Rozenburg	Netherlands	100	
Kemira GrowHow GmbH	Hannover	Germany	100	
Kemira GrowHow Holding A/S	Fredericia	Denmark	100	100
Kemira GrowHow Danmark Oy	Helsinki	Finland	100	100
Agroprom Oy	Lohja	Finland	100	100
Kemira Phosphates Oy	Helsinki	Finland	100	100
Kemphos Oy	Helsinki	Finland	100	
KPP, Inc.	Wilmington	United States	100	
Sokli Oy	Helsinki	Finland	100	100
Kemira GrowHow CIS Oy	Helsinki	Finland	100	100
Limited Liability Company Kemira GrowHow	Kiev	Ukraine	100	
Viljavuuspalvelu Oy	Mikkeli	Finland	80	80
Verdera Oy	Helsinki	Finland	100	100
Kemira GrowHow AB	Helsingborg	Sweden	100	
Kemira Phosphates (Pty) Ltd.	Umbogintwini	South Africa	100	
KK Animal Nutrition (Pty) Ltd.	Umbogintwini	South Africa	100	
Kynoch Feeds (Pty) Ltd.	Umbogintwini	South Africa	100	
Kemira GrowHow (M) Sdn. Bhd.	Kuala Lumpur	Malaysia	70	70
Kemira Agro Sdn. Bhd. (*	Kuala Lumpur	Malaysia	30	30
ZAO Kemira Agro	Moscow	Russia	100	100
OOO Mineralresurs	Moscow	Russia	100	100
ZAO Agropromchimija	Vyborg	Russia	100	
Kemira GrowHow Sp.z.o.o.	Gdynia	Poland	100	100
Kemira GrowHow Kft.	Berhida	Hungary	100	99
UAB Kemira Lifosa	Kedainiai	Lithuania	100	100
UAB Movere	Kedainiai	Lithuania	80	80
Kemira GrowHow (Thailand) Ltd. (*	Bangkok	Thailand	49	49

(* *Kemira GrowHow Group has control in the company.*

Joint ventures			Group holding %	Parent company holding %
Alufluor AB	Helsingborg	Sweden	50	
Agrowline A/S	Fredericia	Denmark	50	
UAB Kemira GrowHow	Vilnius	Lithuania	50	50
SIA Kemira GrowHow Group				
SIA Kemira GrowHow	Riga	Latvia	50	50
SIA Agro Stende	Stende	Latvia	50	
Saldus Labiba	Saldus	Latvia	47	
AS Kemira GrowHow Group				
AS Kemira GrowHow	Tallinn	Estonia	50	50
Põllumajandusteenuste Oü	Tallinn	Estonia	50	
CetPro Limited Group				
CetPro Limited	Dublin	Ireland	49	
CetProbel S.A.	Wavre	Belgium	49	
Crystalis Oy	Helsinki	Finland	50	
GrowHow UK Ltd. Group				
GrowHow UK Ltd.	Ince	United Kingdom	50	50
Kemira GrowHow Holdings Ltd.	Ince	United Kingdom	50	
Kemira GrowHow UK Ltd.	Ince	United Kingdom	50	
Kemira GrowHow N.I. Ltd.	Hillsborough	United Kingdom	50	
GrowHow N.I. Ltd.	Hillsborough	United Kingdom	50	
Kemira GrowHow Ireland Ltd.	Dublin	Ireland	50	
Terra Nitrogen Ltd.	Stockton on Tees	United Kingdom	50	

Associated companies			Group holding %	Parent company holding %
A/S Ammonia	Fredericia	Denmark	33	
Nitrex AG	Zürich	Switzerland	25	25
Farmit Website Oy	Helsinki	Finland	50	50
Movere Oy	Lahti	Finland	33	33
PK Düngerhandelsgesellschaft m.b.H.	Hannover	Germany	50	
Société des Engrais Chimiques et Organic S.A.	Ribécourt	France	49.7	
AB Gustoniu Zemes Ukio Chemija	Panevezio raj.	Lithuania	47	
Kemira GrowHow Sourcing Oy	Helsinki	Finland	49	49

Changes in group structure in 2007

ACQUISITIONS AND ESTABLISHED COMPANIES

- A joint venture, GrowHow UK Ltd., was established in the UK in July 2007. Kemira GrowHow Oyj transferred on 1 October 2007 its shares in Kemira GrowHow Holdings Ltd. (UK) to the joint venture. Due to the transaction, also shares in Kemira GrowHow UK Ltd., Kemira GrowHow N.I. Ltd., GrowHow N.I. Ltd. and Kemira GrowHow Ireland Ltd. were transferred to the joint venture. Also the other owner of the joint venture, Terra Industries Inc., transferred on 1 October 2007 shares in its subsidiary, Terra Nitrogen Ltd., to the joint venture.
- A Finnish joint venture, Crystalis Oy, was established on 10 May 2007.
- Kemira GrowHow Oyj acquired in September 2007 49 percent of shares in a Finnish associated company Kemira GrowHow Sourcing Oy.
- A subsidiary, KPP, Inc., was established on 14 June 2007 in the United States.
- A Finnish subsidiary, Kemira GrowHow Danmark Oy, was established on 1 October 2007.
- In December 2007, the remaining 26 percent of the shares in the South-African company Kemira Phosphates (Pty) Ltd. were acquired from the minority owner. With the transaction, Kemira GrowHow's ownership also in KK Animal Nutrition (Pty) Ltd. and Kynoch Feed (Pty) Ltd. increased to 100 percent.
- The Latvian joint venture, SIA Kemira GrowHow, acquired 94.8 percent holding in the Latvian company Saldus Labiba.

OTHER CHANGES WITHIN KEMIRA GROWHOW GROUP

- The name of Kemira GrowHow UK Ltd.'s subsidiary, GrowHow UK Ltd., was changed to GrowHow Fertiliser Ltd.
- Kemira GrowHow Ltd. (the UK) was transferred at the end of June 2007 to the direct ownership of Kemira GrowHow Oyj. The previous owner was Kemira GrowHow UK Ltd. At the same time, the ownership in the companies H.A. Butts & Son Ltd. and GrowHow Fertiliser Ltd. was transferred to Kemira GrowHow Ltd.
- Kemira Agro (HK) Ltd. (China) and Kemira GrowHow Latinoamerica S.A. (Argentina) were dissolved.
- The Danish company Kemira GrowHow Danmark A/S merged in a cross-border merger to a Finnish company Kemira GrowHow Danmark Oy on 31 December 2007. The business in Denmark continues in the branch office of Kemira GrowHow Danmark Oy.
- The Danish associated company, Indkoebsselskabet for Kali was dissolved.

Changes in group structure in 2006

ACQUISITIONS AND ESTABLISHED COMPANIES

- In January 2006 a joint venture, Agrowline A/S, was established in Denmark with the Danish agricultural distributor co-operative DLA Agro Group.
- Kemira GrowHow S.A. / N.V. acquired in March 2006 49 percent of shares in the Irish company CetPro Limited. CetPro Limited has a 98 percent holding in the Belgium company CetProbel S.A.
- Nitrex AG (Switzerland) became an associated company when the holding of Kemira GrowHow Oyj was increased to 25 percent in the beginning of 2006.
- The Latvian joint venture, SIA Kemira GrowHow, acquired in June 2006 100 percent share in the Latvian company SIA Agro Stende.
- The Estonian joint venture, AS Kemira GrowHow, acquired in November 2006 100 percent share in the Estonian company Põllumajandusteenuste Oü.

DIVESTED COMPANIES

- Kemira GrowHow Oyj sold in August 2006 100 percent of its holding in the Estonian subsidiary AS Fertimix.
- Kemira GrowHow Oyj sold in September 30 percent of its holding in the Malaysian subsidiary Kemira GrowHow (M) Sdn. Bhd. The Group's holding in Kemira GrowHow (M) Sdn. Bhd. decreased from 100 percent to 70 percent.
- OOO Mineralresurs (Russia) sold its holding in the Russian subsidiary ZAO Agropromchimija to the Finnish subsidiary Kemira GrowHow CIS Oy.
- Associated company ZAO Kemikrona (Russia) was dissolved in May 2006.
- The Group's wholly-owned subsidiaries Agtek Ltd. (UK), Kemira Cropcare Ltd. (UK), Shellstar Ltd. (UK) and Westward & Yorkshires Fertilizers Ltd. (UK) were dissolved in November 2006.

OTHER CHANGES WITHIN KEMIRA GROWHOW GROUP

- Hungarian companies Transcenter Kft. and Komission Kft. were merged in Kemira GrowHow Kft. in January 2006.

Note 30 | Share-based Incentive Plans and Directors´ and Management´s Ownership

Share-based incentive plans

Kemira GrowHow's share-based incentive plans were directed to the Group's key personnel as part of the Group's incentive schemes. The plans aimed to align the interests of the company's shareholders and key personnel in the Group, in order to raise the value of Kemira GrowHow. The shares could have been in Kemira GrowHow Oyj's own treasury or they may have been purchased in public trading. Therefore, the incentive plans did have no dilution effect on the share value.

The share-based incentive plans of Kemira GrowHow were combinations of shares and cash payments. Kemira GrowHow had the option to settle the possible reward in cash in its entirety. The granted amount of the incentive plans settled in shares was measured at fair value at grant date, and the cash-settled part of the plan was measured at fair value at the reporting or payment date. The expenses arising from the incentive plans have been recorded in the income statement during the vesting periods. The cash-settled part of the incentive plan is recorded as a liability in the balance sheet, if it has not been paid, and the part settled in shares has been recorded in retained earnings in equity net of tax. Kemira GrowHow has recorded the personnel costs arising from the share-based incentive plans to the extent it is liable to pay them.

Share-based incentive plan 2004–2006

Kemira GrowHow's Board of Directors decided on 26 August 2004 to adopt a share-based incentive plan which was based on three performance periods: 2004, 2005 and 2006. The criteria for reward payments for 2004 were based on return on capital employed (ROCE) and cash flow after capital expenditure. For the years 2005 and 2006 cash flow was replaced by earnings per share (EPS). The possible reward was paid as a combination of shares and a cash payment two years after each performance period. The cash payment was 1.5 times the value of the shares. In order to be entitled to receive the shares and the cash payment, the persons had to be employed by Kemira GrowHow Group at the time the payment took place.

The maximum number of shares that could have been allocated through the incentive plan was 315,000 shares. The shares earned from the 2004 performance period (77,320 shares) were surrendered in March 2007. The shares earned from 2005 performance period (2,747 shares) were paid in cash in their entirety in November 2007 due to the tender offer made by Yara. No shares were allocated from the 2006 performance period because reward criteria were not met.

The expenses arising from the 2004 share-based incentive plan have been recorded in the income statement during the 40-month vesting period. The expenses arising from the 2005 share-based incentive plan, which were not previously recognized, were recognized when the payment was made. The expenses recorded in 2007 from the 2004 and 2005 plans were in total EUR 0.5 (0.5) million. EUR 0.2 (0.1) million of the expense, net of tax, has been recorded in equity.

Share-based incentive plan 2007–2009

Kemira GrowHow's Board of Directors decided on 19 December 2006 to adopt a new share-based incentive plan which was based on three performance periods: 2007, 2008 and 2009. The criteria for reward payments were based on the Group's key ratios earnings per share (EPS) and Economic Profit (EP). Due to the tender offer made by Yara, the reward payment for the year 2007 was paid in cash in its entirety mainly in November–December 2007. In accordance with the terms of the plan, the cash payment was 2.5 times the offer price in Yara's tender offer (EUR 12.12 per share).

The total number of key persons included in the plan for the 2007 performance period was 50. The expenses, personnel costs included, recorded in 2007 from the 2007 performance period were EUR 10.9 million. The unpaid part, EUR 1.3 million, has been recorded as a liability and will be paid in early 2008. The share-based payment plans are no longer in force in 2008 and 2009.

	Kemira GrowHow shares	
Board of Directors, share ownership	31.12.2007	31.12.2006 (1
Thorleif Enger, Chairman of the Board (*	-	-
Sven Ombudstvedt (*	-	-
Ken Wallace (*	-	-
Ossi Virolainen, Chairman of the Board (**	-	3,001
Lauri Ratia, Vice Chairman of the Board (**	-	2,282
Sari Aitokallio (***	-	700
Arto Honkaniemi (**	-	-
Satu Raiski (**	-	540
Esa Tirkkonen (**	-	3,296
Helena Terho (**	-	1,000

(Member of the Board from 22 October 2007.*
*(** Member of the Board until 22 October 2007.*
*(*** Member of the Board until 3 April 2007.*
(1 Share ownership included also the ownership of Kemira GrowHow Oyj shares by the related parties of the person in question and entities controlled by the person in question.

	Kemira GrowHow shares	
Management Board, share ownership	31.12.2007	31.12.2006 (1
Heikki Sirviö, CEO	-	14,603
Kaj Friman, Deputy CEO and CFO	-	13,325
Timo Lainto	-	8,553
Antti Orkola	-	6,242
Olavi Määttä	-	7,743
Michael Christensson	-	-
Ilkka Kruus	-	-
Jukka-Pekka Nieminen	-	115

(1 Share ownership included also the ownership of Kemira GrowHow Oyj shares by the related parties of the person in question and entities controlled by the person in question.

Kemira GrowHow shares, based on share-based incentive plan (number of shares earned from performance period)	2007	2005	2004
Heikki Sirviö, CEO	20,000	434	12,249
Kaj Friman, Deputy CEO and CFO	16,000	326	9,187
Timo Lainto	14,000	217	6,124
Antti Orkola	14,000	217	6,124
Olavi Määttä	8,000	136	3,828
Michael Christensson	8,000	109	3,062
Ilkka Kruus	7,000	109	3,062
Jukka-Pekka Nieminen	7,000	109	3,062

The shares earned from the 2004 performance period were surrendered in March 2007. The shares earned from the 2005 and 2007 performance periods were paid in cash.

Note 31 | Related Parties

Parties are considered to be related parties if one party is able to exercise control over the other or substantially influence in decision-making concerning its finances and business operations. Kemira GrowHow Group's related parties include the parent company of the Group (Kemira GrowHow Oyj), subsidiaries, associated companies and joint ventures. In addition, related parties include the parent company of Kemira GrowHow Oyj, Yara Nederland B.V., and other companies in Yara Group. Kemira GrowHow Group has belonged to Yara Group since 9 October 2007.

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. There were no loans granted to management of the parent company or subsidiaries in 2007 (EUR 2,000 in 2006). Details of management compensation are given in Note 8 and details of management's share ownership in Note 30.

The remaining 26 percent of the shares in the South-African subsidiary were acquired from the managing director of the company. The purchase price, EUR 0.5 million, was fair value of the shares at the time of the acquisition. No other material transactions were made with the management.

Loans granted to minority shareholders of subsidiaries in 2007 were EUR 43,000 (EUR 41,000 in 2006).

Kemira GrowHow follows the same commercial terms in transactions with associated companies, joint ventures and other related parties as with third parties. Associated companies are described in more detail in Note 14 and joint ventures in Note 15.

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. The assets included in 2006 Kemira GrowHow Oyj shares representing 0.27 percent of the company's shares outstanding. The pension foundations and funds did not own any shares in Kemira GrowHow Oyj at the end of 2007.

In 2006 Kemira GrowHow's subsidiary sold to the pension fund a property consisting of land and a building with a total consideration of EUR 3.0 million. The sales price was the fair value of the sold property. The subsidiary has leased back the sold property with market terms. The lease term is 5 years and the period of notice for the lease is 12 months.

The Finnish pension foundations own 1.76 percent of the outstanding Pohjolan Voima shares. Pohjolan Voima shareholders have the right to purchase electricity with preferential price. Kemira GrowHow Oyj pays compensation to the pension foundations for utilization of this right to purchase electricity. This electricity price covers its production costs and it has generally been below the average market prices.

Balances with Yara Group companies, which do not belong to Kemira GrowHow Group

EUR million	2007
Receivables	
Loan receivables	30.3
Accounts receivable	12.7
Other receivables	0.1
Liabilities	
Interest-bearing current liabilities	4.1
Current interest-free liabilities	0.1
Accounts payable	0.9

Tranactions with Yara Group companies, which do not belong to Kemira GrowHow Group

EUR million	2007 (*
Sales	17.9
Purchases	0.8
Other expenses charged	0.0
Other operating income (**	2.0
Interest income	0.1
Interest expenses	0.0
Exchange rate differences, currency derivatives	0.0

(* *From 1 October to 31 December 2007.*

(** *The ammonia business related to the ammonia tank in Rozenburg, the Netherlands, was sold to Yara.*

Kemira GrowHow's operations in Germany were sold in the beginning of 2008 to Yara GmbH at arm's length price.

Note 32 | Changes in Accounting Principles, Presentation of Financial Statements and the Effects of the Changes

Because Kemira GrowHow Oyj became in October 2007 a subsidiary of Yara International ASA, Kemira GrowHow had to change the accounting principles of its consolidated financial statements to correspond with those of Yara Group.

The most significant changes apply to defined benefit pension plans. Currently, in accordance with the revised accounting principles, the actuarial gains and losses of those plans are recorded net of tax in equity instead of using the corridor method which was applied previously. Expected return of plan assets and interest on obligation is recorded below operating profit in financial income and expenses. Previously, these items were included in pension and other personnel costs.

In accordance with the revised presentation principles of the financial statements, all foreign exchange differences are recorded in financial income and expenses. Previously exchange rate differences arising from accounts receivable were recorded as adjustment of net sales and exchange rate differences arising from accounts payable were recorded as adjustment of purchases. In addition, fair value changes of the currency derivatives which hedge sales or purchases and for which hedge accounting is not applied, are recorded in financial income and expenses. Previously they were recorded as a separate item above operating profit.

Share of net results of joint ventures and associated companies is presented in operating profit. Previously it was presented in financial items.

Gains and losses from sale of shares classified as available-for-sale are presented in financial income and expenses. Previously, gains were presented in other operating income and losses in other expenses.

Previously, Kemira GrowHow applied so-called gross method in recognition and measurement of carbon dioxide emission right allowances. Both received emission right allowances and the obligation to deliver allowances equal to emissions made were measured initially at their fair value and recorded in the balance sheet. If the obligation to deliver allowances equal to emissions made exceeded the received emission right allowances, this difference was recorded at fair value at the balance sheet date. Currently Kemira GrowHow applies the so-called net method in recognition and measurement of carbon dioxide emission right allowances received as government grant.

In accordance with the net method, neither the received emission right allowances nor the obligation to deliver allowances equal to emissions are recorded in balance sheet. If emission right allowances are purchased from an external party, these emission rights are recorded in the balance sheet. The acquired emission rights are valued at the lower of acquisition cost and fair value at the balance sheet date. If the obligation to deliver allowances equal to emissions made exceeds the total of received and acquired emission right allowances, this difference is recorded, at fair value at the balance sheet date, as a liability in the balance sheet and as an expense in the income statement.

Restated condensed income statement 1 January–31 December 2006

Condensed income statament EUR million	Before restatement 1–12/2006	Effect of restatement	Restated 1–12/2006
Net sales	**1,166.2**	**2.5**	**1,168.7**
Other operating income	29.6	-8.7	20.9
Cost of sales	-1,134.2	9.0	-1,125.2
Fair value changes of currency derivatives, net	0.8	-0.8	-
Fair value changes of commodity derivatives, net	-6.9	-	-6.9
Depreciation, amortization and impairment	-44.4	-	-44.4
Share of the net results of associated companies and joint ventures	-	0.1	0.1
Operating profit / loss	**11.1**	**2.0**	**13.2**
Financial income and expenses	-11.0	-0.1	-11.0
Share of the net results of associated companies and joint ventures	0.1	-0.1	-
Net financial items	-10.8	-0.2	-11.0
Result before income taxes	**0.3**	**1.8**	**2.1**
Income taxes	-6.8	-0.7	-7.6
Net result	**-6.5**	**1.1**	**-5.4**
Attributable to minority interests	1.3	-	1.3
Attributable to equity holders of the parent company	**-7.8**	**1.1**	**-6.8**
Total	-6.5	1.1	-5.4
Earnings per share, EUR	**-0.14**	0.02	**-0.12**
Operating profit / loss, % of net sales	**1.0**	0.2	**1.1**
Net result for the period attributable to equity holders of the parent company, % of net sales	**-0.7**	0.1	**-0.6**
Equity ratio, %	**37.2**	3.9	**41.1**
Gearing, %	**59.5**	-5.5	**54.0**

Restated condensed balance sheet 31 December 2006

Condensed balance sheet EUR million	Before restatement 31.12.2006	Effect of restatement	Restated 31.12.2006
Assets			
Non-current assets			
Intangible assets and goodwill	14.9	-0.1	14.8
Property, plant and equipment and biological assets	306.6	-	306.6
Holdings in associated companies and joint ventures	20.4	-	20.4
Available-for-sale shares	15.3	-	15.3
Other investments	4.5	-	4.5
Deferred tax assets	33.1	-8.3	24.8
Defined benefit pension assets	19.1	5.9	25.1
Total non-current assets	**414.0**	**-2.4**	**411.6**
Current assets			
Inventories	211.5	-	211.5
Receivables			
Interest-bearing receivables	3.2	-	3.2
Accounts receivable and other interest-free receivables	195.6	-	195.6
Tax receivables	0.6	-	0.6
Total receivables	199.3	-	199.3
Securities	3.3	-	3.3
Cash and bank	16.7	-	16.7
Total current assets	**430.8**	**-**	**430.8**
Total assets	**844.7**	**-2.4**	**842.3**

Condensed balance sheet EUR million	Before restatement 31.12.2006	Effect of restatement	Restated 31.12.2006
Equity and liabilities			
Equity			
Share capital	156.0	-	156.0
Share premium account	8.5	-	8.5
Other reserves	0.5	-	0.5
Other non-restricted equity	142.2	-	142.2
Treasury shares	-11.0	-	-11.0
Hedging reserve	1.5	-	1.5
Retained earnings and translation difference	20.3	31.0	51.3
Net result for the period attributable to equity holders of the parent company	-7.8	1.1	-6.8
Attributable to equity holders of the parent company	**310.1**	**32.1**	**342.2**
Minority interest	**2.2**	**-**	**2.2**
Total equity	**312.2**	**32.1**	**344.3**
Non-current liabilities			
Non-current interest-bearing liabilities	103.9	-	103.9
Non-current interest-free liabilities	0.3	-	0.3
Provisions for liabilities and charges	2.7	-	2.7
Deferred tax liabilities	15.9	1.4	17.3
Defined benefit pension and other long-term employee benefit liabilities	96.3	-35.8	60.5
Total non-current liabilities	**219.2**	**-34.4**	**184.8**
Current liabilities			
Current interest-bearing liabilities	102.0	-	102.0
Short-term provisions	5.4	0.0	5.4
Accounts payable and other current interest-free liabilities	199.6	-0.1	199.5
Income tax payables	6.3	-	6.3
Total current liabilities	**313.3**	**-0.1**	**313.2**
Total liabilities	**532.5**	**-34.5**	**498.0**
Total equity and liabilities	**844.7**	**-2.4**	**842.3**

Effect of restatement on cash flow statement 1 January–31 December 2006

Cash flow statement EUR million	Before restatement 1–12/2006	Effect of restatement	Restated 1–12/2006
Cash flows from operating activities			
Cash flows from operating activities before change in net working capital	28.9	0.2	29.0
Change in net working capital	-25.1	-	-25.1
Net cash flow from operating activities	**3.7**	**0.2**	**3.9**
Net cash flow from investing activities	**-39.9**	**-0.2**	**-40.1**
Cash flow before financing activities	**-36.1**	**0.0**	**-36.2**
Net cash flow from financing	**-1.3**	**0.0**	**-1.3**
Effect of exchange rate fluctuations	**0.5**	**0.0**	**0.5**
Net change in cash and cash equivalents	**-37.0**	**0.0**	**-37.0**
Cash and cash equivalents at beginning of the period	57.0	-	57.0
Cash and cash equivalents at end of the period	20.0	-	20.0
Net change in cash and cash equivalents	**-37.0**	**-**	**-37.0**

Effect of restatement quarterly and by segment

Net sales, EUR million	7–9/2007	4–6/2007	1–3/2007	10–12/2006	7–9/2006	4–6/2006	1–3/2006	1–12/2006
Crop Cultivation								
Before restatement	244.1	261.8	276.7	206.7	238.7	240.9	208.9	895.3
Effect of restatement	1.8	0.8	1.5	0.8	0.1	1.6	0.6	3.2
Net sales	**245.9**	**262.5**	**278.2**	**207.5**	**238.9**	**242.6**	**209.5**	**898.4**
Industrial Solutions								
Before restatement	85.9	79.8	80.9	84.9	76.0	72.2	75.8	309.0
Effect of restatement	-0.2	0.0	0.2	-0.5	-0.1	-0.2	0.2	-0.7
Net sales	**85.6**	**79.8**	**81.1**	**84.4**	**75.9**	**72.0**	**76.0**	**308.3**
Internal eliminations	-9.6	-9.0	-8.1	-9.1	-8.2	-8.9	-11.8	-38.0
Kemira GrowHow total net sales								
Before restatement	320.4	332.6	349.5	282.5	306.6	304.2	272.9	1,166.2
Effect of restatement	1.6	0.8	1.7	0.2	0.0	1.5	0.8	2.5
Total net sales	**322.0**	**333.3**	**351.2**	**282.7**	**306.6**	**305.7**	**273.7**	**1,168.7**

Operating profit / loss, EUR million	7–9/2007	4–6/2007	1–3/2007	10–12/2006	7–9/2006	4–6/2006	1–3/2006	1–12/2006
Crop Cultivation								
Before restatement	19.3	14.1	16.3	5.4	13.3	-0.7	-18.4	-0.4
Effect of restatement	2.3	0.2	1.1	0.5	-2.7	1.6	2.3	1.7
Operating profit / loss	21.6	14.3	17.4	5.8	10.6	0.9	-16.0	1.3
Industrial Solutions								
Before restatement	9.3	7.1	7.2	6.3	6.3	6.4	0.9	19.9
Effect of restatement	-0.8	0.6	0.4	0.0	0.4	-0.6	0.8	0.5
Operating profit / loss	8.5	7.7	7.6	6.3	6.7	5.8	1.7	20.5
Segments total								
Before restatement	28.6	21.2	23.5	11.7	19.5	5.7	-17.4	19.5
Effect of restatement	1.6	0.8	1.5	0.5	-2.3	1.0	3.1	2.2
Segments total, operating profit / loss	30.1	21.9	25.0	12.1	17.3	6.7	-14.4	21.8
Corporate centre and other								
Before restatement	-6.8	-3.6	-2.1	-3.2	-0.5	-3.1	-1.7	-8.4
Effect of restatement	0.1	0.0	0.2	-0.2	0.0	0.0	0.0	-0.2
Operating profit / loss	-6.8	-3.6	-1.9	-3.4	-0.5	-3.1	-1.7	-8.6
Kemira GrowHow total operating profit / loss								
Before restatement	21.8	17.6	21.4	8.5	19.1	2.6	-19.1	11.1
Effect of restatement	1.6	0.8	1.7	0.3	-2.3	1.0	3.1	2.0
Operating profit / loss	23.4	18.4	23.0	8.8	16.8	3.6	-16.0	13.2

Note 33 | Events after the Balance Sheet Date

Yara announced in February 2008 that the Sokli feasibility study was underway. Yara is interested to opening the Sokli mine if a commercially sustainable means of implementation will be found.

Yara International ASA announced in February 2008 that it intends to expand Siilinjärvi phosphate rock mining. During phase one, capacity will be increased by 150,000 tons of rock per year to 1,000,000 tons, whereas today the annual capacity of Siilinjärvi is 850,000 tons of rock per year. This increase can be achieved with the modification of the existing grinding and flotation facilities. The expansion is expected to be operational during the second half of 2009.

The second phase is planned for 2010–2011. It is planned to increase the potential capacity by 300,000 tons of rock per year, raising the total capacity to 1.3 million tons per year. If phase two is carried out, it will require also investment in new crushers, grinding and flotation facilities.

Kemira GrowHow signed at the end of October 2007 an agreement to sell 100 percent of the shares in Verdera Oy to the Canadian Lallemand Group. The closing of the agreement took place in February 2008. Verdera Oy produces biological plant protection products for forestry, horticulture and amenity needs. Verdera's turnover was approximately EUR 2.2 million in 2007 and the company has 13 employees.

Kemira GrowHow's operations in Germany were sold in the beginning of 2008 to Yara GmbH at arm's length price.

Parent Company Financial Statements (FAS)

Income Statement

Financial year ended 31 December, EUR million	Note	2007	2006
Net sales	2	**461.7**	**409.0**
Other operating income	3	111.6	15.4
Cost of sales	4, 5	-459.9	-390.0
Depreciation and amortization and impairment	6	-17.6	-11.6
Operating profit	7	**95.9**	**22.9**
Financial income and expenses		-2.7	-0.2
Impairment losses of the investments in non-current assets		-67.5	-5.8
Total financial income and expenses	8	**-70.2**	**-6.0**
Profit before extraordinary items, change in untaxed reserves and taxes		**25.7**	**16.9**
Extraordinary items	9	12.3	6.3
Profit before change in untaxed reserves and taxes		**38.0**	**23.1**
Change in untaxed reserves	10	-1.6	-1.2
Profit before taxes		**36.5**	**21.9**
Income taxes	11	-6.5	-6.9
Net profit for the financial year		**30.0**	**15.0**

Balance Sheet

At 31 December, EUR million	Note	2007	2006
ASSETS			
Non-current assets			
Intangible assets	12	4.8	6.3
Property, plant and equipment	13	74.8	71.5
Investments	14		
Holdings in subsidiaries		175.8	215.8
Holdings in joint ventures		170.9	5.1
Holdings in associates		0.3	0.4
Other shares and holdings		15.2	15.2
Other investments		59.0	70.1
Total investments		421.2	306.5
Total non-current assets		**500.8**	**384.3**
Current assets			
Inventories	15	36.5	44.5
Receivables			
Deferred tax assets		2.0	1.9
Interest-bearing receivables		81.1	178.0
Interest-free receivables		88.1	86.6
Total receivables	16	171.3	266.6
Current investments		4.1	0.0
Cash and bank		0.6	1.2
Total current assets		**212.5**	**312.2**
Total assets		**713.4**	**696.5**
EQUITY AND LIABILITIES			
Equity			
Share capital		156.0	156.0
Share premium account		8.5	8.5
Other non-restricted equity		142.2	142.2
Paid-up unrestricted equity reserve		0.7	-
Fair value reserve		0.4	1.5
Treasury shares		-10.6	-11.0
Retained earnings		6.2	0.0
Net profit for the financial year		30.0	15.0
Total equity	17	**333.4**	**312.1**
Untaxed reserves	18	**25.9**	**24.3**
Provisions	19	**16.4**	-
Non-current liabilities			
Deferred tax liabilities		3.1	0.5
Interest-bearing non-current liabilities		41.2	93.8
Interest-free non-current liabilities		-	0.3
Total non-current liabilities	20	**44.3**	**94.7**
Current liabilities			
Interest-bearing current liabilities		213.5	187.5
Interest-free current liabilities		79.9	77.9
Total current liabilities	21	**293.3**	**265.4**
Total liabilities		**337.7**	**360.1**
Total equity and liabilities		**713.4**	**696.5**

Cash Flow Statement

Financial year ended 31 December, EUR million	2007	2006
Cash flows from operating activities		
Profit before extraordinary items, change in untaxed reserves and taxes	25.7	16.9
Adjustments to operating profit [1]	-18.7	6.5
Depreciation, amortization and impairment	10.4	11.6
Interest received	10.6	8.5
Interest paid	-12.0	-7.8
Dividends received	2.2	1.3
Other financing items	-4.9	-0.9
Income taxes	-12.7	-2.2
Total funds from operations	**0.6**	**33.9**
Change in net working capital		
Inventories	8.0	-1.1
Current receivables	3.8	-4.1
Interest-free current liabilities	11.5	17.2
Change in net working capital, total	**23.3**	**12.1**
Net cash from operating activities	**23.9**	**46.0**
Cash flows from investing activities		
Acquisitions of subsidiaries and additional investments in subsidiaries	-15.8	-4.0
Acquisitions of associated companies and joint ventures	-10.3	-2.6
Purchase of other shares	-	-14.6
Purchase of property, plant and equipment	-13.1	-7.3
Disposal of subsidiaries	0.0	5.6
Distribution of assets from unrestricted equity reserves of subsidiaries	0.5	-
Disposal of associated companies	-	0.0
Proceeds from disposal of other shares	0.0	0.1
Proceeds from disposal of property, plant and equipment	2.6	3.5
Net cash used in investing activities	**-36.1**	**-19.3**
Cash flow before financing	**-12.2**	**26.7**
Cash flows from financing activities		
Change in non-current loans (increase +, decrease -)	-46.3	12.9
Change in non-current loan receivables (decrease +, increase -)	-53.5	-30.9
Short-term financing, net (increase +, decrease -)	117.6	-13.5
Dividends paid	-8.3	-16.6
Group contributions	6.3	-2.8
Own shares	-	-11.0
Net cash used in financing activities	**15.8**	**-61.9**
Net increase / decrease (-) in cash and cash equivalents	**3.6**	**-35.2**
Cash and cash equivalents at end of year	4.7	1.2
Cash and cash equivalents at beginning of year	1.2	36.4
Net increase / decrease (-) in cash and cash equivalents	**3.6**	**-35.2**

(1 *Non-cash flow items included in profit before extraordinary items, change in untaxed reserves and taxes (e.g. gains / losses on the sale of fixed assets).*

The above figures cannot be directly delivered from the balance sheets.

Note 1 | Summary of Significant Accounting Policies

Kemira GrowHow Oyj is a public limited liability company organized under the laws of the Republic of Finland and domiciled in Helsinki and whose shares are publicly traded in Nordic list of OMX in Mid Cap in Helsinki, Finland. Kemira GrowHow Oyj is the parent company of Kemira GrowHow Group and its registered office is at Mechelininkatu 1 a, 00180 Helsinki, Finland. The parent company of Kemira GrowHow Oyj is Yara Nederland B.V., which is a fully-owned subsidiary of Yara International ASA. The registered office of Yara Nederland B.V. is Sluiskil, the Netherlands, and of Yara International ASA, Oslo, Norway.

Basis of Presentation

Kemira GrowHow Oyj's separate financial statements are prepared in accordance with Finnish Accounting Standards (FAS).

The consolidated financial statements of Kemira GrowHow Group are prepared in accordance with International Financial Reporting Standards (IFRS), and Kemira GrowHow Oyj applies in its separate financial statements the same accounting principles as Kemira GrowHow Group to the extent it is possible within the framework of Finnish accounting practice. The accounting policies of Kemira GrowHow Group are presented in the Notes to the Consolidated Financial Statements (Note 1).

The main differences in the accounting principles between Kemira GrowHow Oyj's separate financial statements and Kemira GrowHow Group's consolidated financial statements are presented below.

PENSION ARRANGEMENTS

Kemira GrowHow Oyj's pension cover is mainly arranged through own trustee-administrated pension funds. The pension cost for the financial year consists of the contributions paid to the pension funds.

FINANCIAL ASSETS, FINANCIAL LIABILITIES AND DERIVATIVE INSTRUMENTS

Financial assets and liabilities with the exception of derivative instruments are recorded at cost or at cost less impairment losses. Derivatives are recorded at their fair values. Valuation methods and recognition principles of derivatives are presented in the accounting policies of Kemira GrowHow Group.

Fair value changes of commodity derivatives are recorded in financial items.

Foreign currency differences arising from trade receivables are recorded as adjustments of net sales and foreign currency differences arising from trade payables are recorded as adjustments of purchases.

LEASING

Finance lease payments are recorded as expenses during the financial year. Property leased under finance leasing contracts is not capitalized in tangible assets.

SHARE-BASED INCENTIVE PLAN

The share-based incentive plan of Kemira GrowHow Oyj was a combination of shares and a cash payment. Kemira GrowHow had the option to settle the possible reward in cash in its entirety. Of the granted amount of the incentive plan, both the part settled in shares and the cash-settled part were measured at fair value at the reporting date. The expenses arising from the incentive plan were recorded in the income statement during the vesting period or at payment. Kemira GrowHow Oyj had no share-based incentive plans at the end of 2007.

EXTRAORDINARY INCOME AND EXPENSES

The parent company's extraordinary income and expenses consist of group contributions received from and given to subsidiaries. Group contributions are eliminated in the consolidated financial statements.

INTANGIBLE ASSETS

Kemira GrowHow Oyj amortizes goodwill recorded in intangible assets over expected useful life in 5 years.

UNTAXED RESERVES

Untaxed reserves consist of a depreciation difference. This difference between scheduled depreciation and amortization and the depreciation and amortization deducted in arriving to taxable profit is presented as a separate item in the equity and liabilities. The depreciation difference, net of deferred tax, is recorded in retained earnings in the consolidated financial statements.

Note 2 | Net Sales

Net sales by strategic business unit, EUR million	2007	2006
Crop Cultivation	433.8	386.4
Industrial Solutions	28.0	22.6
Total	**461.7**	**409.0**

Net sales by market area (by destination), % of net sales		
Finland	46	51
Other EU countries (*	31	28
Other Europe	3	2
Asia	9	13
Africa	10	6
Other countries	1	0
Total	**100**	**100**

(* *EU member states at the end of the year.*

Note 3 | Other Operating Income

Gains on sale of fixed assets	0.0	1.4
Gains on disposal of shares	96.3	0.1
Gains on sale of emission right allowances	-	0.0
Service fees to group companies	2.7	2.4
Service fees to other companies	1.7	2.3
Insurance compensation	0.0	0.1
Sales of scrap and waste	0.1	0.0
Sale of shipping services	7.6	7.4
Rent income	0.3	0.3
Other income	2.9	1.4
Total	**111.6**	**15.4**

Note 4 | Cost of Sales

Change in inventories of finished goods	6.8	-2.8
Own work capitalized (1	-0.2	-0.1
Materials and services		
Materials and supplies		
Purchases during the financial year	300.3	264.2
Change in inventories of materials and supplies	1.2	1.7
External services	48.6	43.5
Total materials and services	350.1	309.4
Personnel expenses	50.0	37.5
Rents and leases	3.4	3.2
Losses on sale of fixed assets	0.0	-
Losses on sale of shares	-	1.2
Losses on sale of emission right allowances	-	0.0
Other expenses related to emission rights	0.0	0.0
Service fees from other group companies	12.3	11.2
Other expenses	37.4	30.3
Total	**459.9**	**390.0**

(1 *Own work capitalized comprises mainly wages, salaries and other personnel expenses and changes in inventories relating to self-constructed fixed assets for own use.*

Fees paid to auditors		
Auditing	0.1	0.2
Statements of opinion	0.0	0.0
Tax consulting	0.1	0.1
Other consulting	0.1	0.0
Total	**0.4**	**0.3**

Total research and development expenses	3.1	2.6

Note 5 | Personnel Expenses and Number of Personnel

Personnel expenses, EUR million	2007	2006
Salaries and other remuneration of Board of Directors, CEO and deputy CEO		
Salaries	2.2	0.9
Share payments	0.2	-
Other wages and salaries	38.6	28.4
Pension expenses	5.3	5.2
Other personnel expenses	3.7	3.0
Total	**50.0**	**37.5**

The remuneration of the Board of Directors, CEO and deputy CEO as well as their pension arrangements and termination benefits are described in more detail in Note 8 to the Consolidated Financial Statements.

Share-based incentive plan

The share-based incentive plan is described in Note 30 to the Consolidated Financial Statements.

Number of personnel at the end of the year by strategic business unit		
Crop Cultivation	527	539
Industrial Solutions	78	73
Corporate Centre	19	19
Total	**624**	**631**

Average number of personnel	645	652
Number of personnel at the end of the year	624	631

Note 6 | Depreciation, Amortization and Impairment of Assets

Scheduled depreciation and amortization		
Intangible assets		
Intangible rights	1.7	1.6
Goodwill	0.1	0.1
Other capitalized expenditure	0.4	0.4
Property, plant and equipment		
Buildings and constructions	1.5	1.7
Machinery and equipment	6.5	7.5
Other tangible assets	0.3	0.3
Total scheduled depreciation and amortization	**10.4**	**11.6**
Impairment losses		
Current assets		
Loan receivables from subsidiaries	7.2	-
Total impairment losses	**7.2**	**-**
Total scheduled depreciation and amortization and impairment of assets	**17.6**	**11.6**

Impairment of assets is described in Note 11 to the Consolidated Financial Statements.

Note 7 | Operating Profit by Strategic Business Unit

Crop Cultivation	20.9	29.0
Industrial Solutions	-1.1	0.6
Corporate Centre	76.1	-6.7
Total	**95.9**	**22.9**

Note 8 | Financial Income and Expenses

EUR million	2007	2006
Financial income		
Dividend income		
From group companies	1.6	1.2
From others	0.6	0.1
Total dividend income	2.2	1.3
Interest income		
From non-current investments in group companies	4.2	3.5
From non-current investments in joint ventures	0.2	0.1
From current investments in group companies	4.9	5.3
From current investments in joint ventures	0.0	0.3
From current investments in others	0.1	0.1
Total interest income	9.4	9.2
Other financial income from group companies	0.2	0.1
Other financial income from joint ventures	0.0	-
Total financial income	**11.8**	**10.7**
Financial expenses		
Interest expenses		
From non-current loans from others	-3.6	-3.6
From current loans from group companies	-3.9	-1.8
From current loans from joint ventures	-	0.0
From current loans from others	-2.9	-3.6
Total interest expenses	-10.5	-8.9
Other financial expenses	-0.3	-0.3
Exchange losses	-3.7	-1.6
Total financial expenses	**-14.5**	**-10.9**
Impairment losses of investments in non-current assets	**-67.5**	**-5.8**
Net financial items	**-70.2**	**-6.0**
Net exchange gains and losses		
Realized	-4.9	-0.7
Unrealized	1.2	-0.9
Total	**-3.7**	**-1.6**

Note 9 | Extraordinary Items

Group contributions received	15.5	13.4
Group contributions given	-3.2	-7.1
Net extraordinary items	**12.3**	**6.3**

Note 10 | Changes in Untaxed Reserves

Intangible rights	-0.2	0.0
Other capitalized expenditure	0.0	0.0
Buildings and constructions	-0.1	-0.3
Machinery and equipment	1.6	1.4
Other tangible assets	0.2	0.1
Total	**1.6**	**1.2**

Note 11 | Income Taxes

Income taxes, current year	-0.2	-4.9
Income taxes from extraordinary items, current year	-3.2	-1.6
Income taxes, previous years	0.0	0.0
Deferred taxes	-2.9	-0.2
Other taxes	-0.2	-0.2
Total	**-6.5**	**-6.9**

Note 12 | Intangible Assets

2007 EUR million	Intangible rights	Emission right allowances	Goodwill	Other capitalized expenditure	Advance payments	Total
Acquisition cost at beginning of year	13.0	0.0	0.3	3.4	-	16.7
Increases	0.4	0.0	-	-	-	0.4
Decreases	-	-	-	-	-	0.0
Other changes	-	0.0	-	-	-	0.0
Reclassifications	0.2	-	-	-	-	0.2
Acquisition cost at end of year	**13.7**	**0.0**	**0.3**	**3.4**	**-**	**17.4**
Accumulated amortization at beginning of year	-8.6	-	-0.2	-1.6	-	-10.4
Accumulated amortization from decreases and transfers	-	-	-	-	-	-
Amortization during the financial year	-1.7	-	-0.1	-0.4	-	-2.1
Accumulated amortization at end of year	**-10.3**	**-**	**-0.2**	**-2.0**	**-**	**-12.6**
Carrying amount at end of year	**3.3**	**0.0**	**0.1**	**1.4**	**-**	**4.8**
2006						
Acquisition cost at beginning of year	6.1	-	0.3	9.5	-	16.0
Increases	0.7	1.0	-	-	-	1.7
Decreases	-	-0.9	-	-	-	-0.9
Other changes	-	-0.1	-	-	-	-0.1
Reclassifications	6.2	-	-	-6.2	-	0.0
Acquisition cost at end of year	**13.0**	**0.0**	**0.3**	**3.4**	**-**	**16.7**
Accumulated amortization at beginning of year	-2.2	-	-0.1	-6.1	-	-8.4
Accumulated amortization from decreases and transfers	-4.8	-	-	4.8	-	0.0
Amortization during the financial year	-1.6	-	-0.1	-0.4	-	-2.0
Accumulated amortization at end of year	**-8.6**	**-**	**-0.2**	**-1.6**	**-**	**-10.4**
Carrying amount at end of year	**4.4**	**0.0**	**0.1**	**1.8**	**-**	**6.3**

Note 13 | Property, Plant and Equipment

2007 EUR million	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and assets under construction	Total
Acquisition cost at beginning of year	1.2	37.6	125.9	9.5	3.2	177.4
Increases	0.0	1.6	7.8	1.3	1.2	11.9
Decreases	-	-	-0.4	-	-	-0.4
Reclassifications	-	0.0	1.9	-	-2.2	-0.2
Acquisition cost at end of year	**1.2**	**39.2**	**135.3**	**10.8**	**2.2**	**188.7**
Accumulated depreciation and impairment losses at beginning of year	-	-20.6	-80.2	-5.0	-	-105.9
Accumulated depreciation from decreases and transfers	-	-	0.4	-	-	0.4
Depreciation during the financial year		-1.5	-6.5	-0.3	-	-8.3
Accumulated depreciation and impairment losses at end of year	**-**	**-22.1**	**-86.4**	**-5.3**	**-**	**-113.8**
Carrying amount at end of year	**1.2**	**17.1**	**48.9**	**5.5**	**2.2**	**74.8**
2006						
Acquisition cost at beginning of year	1.2	36.9	125.5	9.2	1.4	174.1
Increases	-	0.7	2.2	0.3	1.8	5.0
Decreases	-	-	-1.7	-	-	-1.7
Reclassifications	-	-	-0.1	0.1	-	-
Acquisition cost at end of year	**1.2**	**37.6**	**125.9**	**9.5**	**3.2**	**177.4**
Accumulated depreciation at beginning of year	-	-19.0	-73.2	-4.7	-	-96.8
Accumulated depreciation from decreases and transfers	-	-	0.5	-	-	0.5
Depreciation during the financial year	-	-1.7	-7.5	-0.3	-	-9.5
Accumulated depreciation at end of year	**-**	**-20.6**	**-80.2**	**-5.0**	**-**	**-105.9**
Carrying amount at end of year	**1.2**	**17.0**	**45.7**	**4.5**	**3.2**	**71.5**

The carrying amounts of land and water areas and buildings and constructions do not include revaluations.

The carrying amount of production machinery and equipment was EUR 44.6 million (EUR 40.9 million in 2006).

Note 14 | Investments

2007 EUR million	Holdings in group companies	Holdings in joint ventures	Holdings in associated companies	Other shares and holdings	Other investments	Total
Carrying amount at beginning of year	215.8	5.1	0.4	15.2	-	236.4
Increases	15.8	120.6	0.0	-	-	136.4
Decreases	0.0	-	-	0.0	-	0.0
Reclassifications	-47.1	47.1	-	-	-	0.0
Repayment of invested capital	-0.5	-	-	-	-	-0.5
Impairment losses	-8.0	-1.9	-0.2	-	-	-10.1
Loan receivables from group companies	-	-	-	-	55.1	55.1
Loan receivables from joint ventures	-	-	-	-	3.9	3.9
Other loan receivables	-	-	-	-	0.0	0.0
Carrying amount at end of year	**175.8**	**170.9**	**0.3**	**15.2**	**59.0**	**421.2**
2006						
Carrying amount at beginning of year	218.9	0.6	0.2	0.7	-	220.5
Increases	4.0	2.5	0.1	14.6	-	21.2
Decreases	-1.5	-	-	0.0	-	-1.5
Reclassifications	0.1	2.0	0.1	-0.1	-	2.1
Impairment losses	-5.8	-	-	-	-	-5.8
Loan receivables from group companies	-	-	-	-	66.1	66.1
Loan receivables from joint ventures	-	-	-	-	3.9	3.9
Other loan receivables	-	-	-	-	0.1	0.1
Carrying amount at end of year	**215.8**	**5.1**	**0.4**	**15.2**	**70.1**	**306.5**

Detailed information of the shares and holdings is in Note 29 to the Consolidated Financial Statements.

Note 15 | Inventories

EUR million	2007	2006
Materials and supplies	18.2	19.4
Finished products	18.4	25.1
Total	**36.5**	**44.5**

Note 16 | Receivables

EUR million	2007	2006
Deferred tax assets		
Confirmed tax losses	-	-
Other temporary differences	2.0	1.9
Total	**2.0**	**1.9**
Current receivables		
Current interest-bearing receivables		
From group companies	81.1	178.0
Total	**81.1**	**178.0**
Current interest-free receivables		
From group companies		
Accounts receivable	25.8	18.9
Prepaid expenses and accrued income	24.1	18.8
Total	49.9	37.7
From joint ventures		
Accounts receivable	0.3	0.6
Prepaid expenses and accrued income	4.1	0.1
Total	4.4	0.7
From associated companies		
Accounts receivable	0.0	0.0
Total	0.0	0.0

EUR million	2007	2006
From others		
Accounts receivable	25.8	36.5
Advances paid	0.2	0.3
Prepaid expenses and accrued income	7.0	9.4
Other receivables	0.7	2.0
Total	33.8	48.1
Total current interest-free receivables	**88.1**	**86.6**
Total current receivables	**169.2**	**264.6**
Total receivables	**171.3**	**266.6**
Prepaid expenses and accrued income		
Interests	1.3	2.4
Exchange rate differences	0.3	0.1
Group contributions	15.5	13.4
Options	0.2	1.4
Sale of shares	-	0.0
Commodity derivatives	11.0	3.2
Income taxes	4.4	-
Other	2.6	7.7
Total	**35.1**	**28.3**

Note 17 | Equity

EUR million	2007	2006
Share capital 1 January	156.0	156.0
Share capital 31 December	156.0	156.0
Share premium account 1 January	8.5	8.5
Share premium account 31 December	8.5	8.5
Other non-restricted equity 1 January	142.2	154.4
Dividends paid from other non-restricted equity	-	-12.2
Other non-restricted equity 31 December	142.2	142.2
Paid-up unrestricted equity reserve 1 January	-	-
Paid-up unrestricted equity reserve 31 December	0.7	-
Fair value reserve 1 January	1.5	0.1
Changes in fair value during the period	0.4	1.8
Tax effect	-0.1	-0.5
Transfer to income statement	-1.9	0.1
Tax effect	0.5	0.0
Fair value reserve 31 December	0.4	1.5
Treasury shares 1 January	-11.0	-1.7
Acquired during the period	-	-9.4
Disposed during the period	0.5	-
Treasury shares 31 December	-10.6	-11.0
Retained earnings 1 January	15.0	4.4
Dividends paid	-8.3	-4.4
Disposal of treasury shares	-0.5	-
Net profit for the period	30.0	15.0
Retained earnings 31 December	36.2	15.0
Total equity	**333.4**	**312.1**
Distributable funds		
Retained earnings	36.2	15.0
Other non-restricted equity	142.2	142.2
Paid-up unrestricted equity reserve	0.7	-
Treasury shares	-10.6	-11.0
Total	**168.5**	**146.1**

Note 18 | Untaxed Reserves

Depreciation difference		
Intangible rights	0.7	0.9
Goodwill	0.1	0.1
Other capitalized expenditure	0.3	0.3
Buildings and constructions	0.2	0.3
Machinery and equipment	24.7	23.1
Other tangible assets	0.0	-0.2
Total	**25.9**	**24.3**

Note 19 | Provisions

Provisions, EUR million	2007	2006
Environmental provisions	0.6	-
Other provisions	15.8	-
Total	**16.4**	**-**

Note 20 | Non-current Liabilities

Deferred tax liabilities		
Temporary differences	3.1	0.5
Non-current interest-bearing liabilities		
Loans from financial institutions	20.0	70.1
Pension loans	21.2	23.8
Other non-current loans from group companies	0.0	0.0
Other non-current loans	-	-
Total non-current interest-bearing liabilities	**41.2**	**93.8**
Non-current interest-free liabilities	**-**	**0.3**
Total non-current liabilities	**44.3**	**94.7**
Maturity of non-current interest-bearing liabilities		
2009 (2008)	-	0.1
2010 (2009)	-	-
2011 (2010)	12.7	50.0
2012 (2011)	20.0	20.0
2013 (2012) or later	8.5	23.8
Total	**41.2**	**93.8**
Non-current interest-bearing liabilities maturing after 5 years		
Pension loans	8.5	23.8
Other non-current loans from group companies	0.0	0.0
Total	**8.5**	**23.8**

Note 21 | Current Liabilities

EUR million	2007	2006
Current interest-bearing liabilities		
Loans from financial institutions	-	30.0
Current interest-bearing loans from group companies	109.1	107.0
Other current interest-bearing liabilities	104.4	50.6
Total current interest-bearing liabilities	**213.5**	**187.5**
Current interest-free liabilities		
To group companies		
Accounts payable	10.3	12.7
Accrued expenses and prepaid income	5.1	8.0
Total	15.4	20.7
To joint ventures		
Accounts payable	0.0	0.1
Total	0.0	0.1
To associated companies		
Accounts payable	5.9	0.5
Accrued expenses and prepaid income	0.0	0.0
Total	5.9	0.5
To others		
Advances received	0.4	0.5
Accounts payable	24.5	31.2
Accrued expenses and prepaid income	32.5	23.4
Other current interest-free liabilities	1.2	1.6
Total	58.5	56.7
Total current interest-free liabilities	**79.9**	**77.9**
Current liabilities total	**293.3**	**265.4**
Accrued expenses and prepaid income		
Personnel expenses	6.8	5.4
Interests and exchange rate differences	1.2	4.7
Group contributions	3.2	7.1
Income taxes	-	4.8
Options	0.9	0.9
Commodity derivatives	11.0	3.2
Other items	14.5	5.4
Total	**37.6**	**31.4**

Note 22 | Contingencies

EUR million	2007	2006
Loans secured with mortgages or pledges		
Pension loans	8.5	11.1
Mortgages	9.9	15.4
Other loans	-	0.8
Pledges	-	2.3
Contingent liabilities		
Mortgages		
On behalf of own commitments	15.1	20.1
Assets pledged		
On behalf of own commitments	-	2.3
Guarantees		
On behalf of group companies	82.7	68.0
On behalf of joint ventures	6.0	-
On behalf of others (*	-	29.2
Total	**88.6**	**97.2**
Minimum future payments of leases		
Maturity within one year	2.2	3.1
Maturity after one year	1.1	2.2
Total	**3.3**	**5.3**
Total contingent liabilities	**91.9**	**125.0**

There were no collaterals or contingent liabilities related to the CEO, the deputy CEO or the members of the Board of Directors during 2007 and 2006.

(* *EUR 0 million (EUR 29.2 million) of this obligation is related to the guarantees for which Kemira Oyj has issued a counter indemnity to Kemira GrowHow Oyj.*

Note 23 | Derivative Instruments

EUR million	2007 Nominal value	2007 Fair value	2006 Nominal value	2006 Fair value
Currency derivatives				
Forward contracts	42.6	-0.3	163.6	-2.1
Currency options				
Bought	17.0	0.0	61.7	0.7
Sold	17.0	-0.8	61.7	-0.2
Interest derivatives				
Interest rate options				
Bought	-	-	10.0	0.3
Sold	-	-	10.0	0.0
Interest rate swaps	20.0	0.5	70.0	1.7
Commodity derivatives				
Swaps	296.3	-7.4	30.5	-3.2
Intra-group currency derivatives				
Forward contracts	1.9	0.2	20.5	-0.1
Intra-group commodity derivatives				
Swaps	33.3	7.4	30.5	3.2

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 company. The fair values are based on market valuation on the date of reporting.

Proposal for the Distribution of Profits

The distributable funds of Kemira GrowHow Oyj, the parent company of Kemira GrowHow Group, are EUR 168,547,304 of which EUR 30,019,270 represents the net profit for the financial year.

The Board of Directors proposes to the Annual General Meeting that EUR 0.35 per share be distributed as dividend from the distributable funds. The total dividend would amount to EUR 20,023,100. EUR 16,193,900 would be left in retained earnings and EUR 132,330,304 in other non-restricted equity.

Kemira GrowHow Oyj's distributable funds (FAS), EUR	2007
Other non-restricted equity	142,184,338
Paid-up unrestricted equity reserve	721,408
Retained earnings	6,197,730
Treasury shares	- 10,575,442
Net profit for the year	30,019,270
Total	**168,547,304**

The financial position of the company has not materially changed after the balance sheet date, and it is the Board of Directors' opinion, that the proposed distribution of funds does not compromise the company's liquidity.

Helsinki, 21 February 2008

Thorleif Enger
Chairman

Sven Ombudstvedt **Ken Wallace**

Heikki Sirviö
CEO

Auditors´ Report (translation)

To the shareholders of Kemira GrowHow Oyj

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Kemira GrowHow Oyj for the period 1.1. – 31.12.2007. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, containing the consolidated balance sheet, income statement, cash flow statement, statement of recognised income and expense and notes to the financial statements, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Limited Liability Companies Act.

Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Limited Liability Companies Act.

Helsinki, 21 February 2008
KPMG OY AB

Petri Kettunen
Authorized Public Accountant

Stock Exchange and Press Releases 2007

26 January	Terra Industries Inc. and Kemira GrowHow Oyj's joint venture in the UK referred to the Competition Commission (UK)
29 January	Share-based incentive plan for Kemira GrowHow's key personnel
01 February	Nomination Committee's proposal for Kemira GrowHow Oyj's Board of Directors
06 February	Fire at Kemira GrowHow's nitric acid plant in Belgium
07 February	Kemira GrowHow's financial statement bulletin 2006 on Tuesday 13 February , at 9 am
13 February	Financial Statements 1 January – 31 December 2006
13 February	Kemira GrowHow Oyj's Board's proposals to the Annual General Meeting
28 February	Kemira GrowHow's Annual Summary 2006
12 March	Notice of General Meeting of Shareholders
15 March	Kemira GrowHow Oyj's surrender of company's own shares
22 March	Kemira GrowHow's Annual Report 2006 published
03 April	Kemira GrowHow Oyj's General Meeting of Shareholders – CEO Heikki Sirviö's business overview
03 April	The decisions of Kemira GrowHow Oyj's General Meeting of Shareholders
13 April	Kemira GrowHow sells part of its chemicals business in Denmark to Gropa
23 April	Invitation to a press conference and conference call: Kemira GrowHow Q1 result
03 May	Interim Report 1 January – 31 March
24 May	Yara will launch a Mandatory Tender Offer to acquire Kemira GrowHow
24 May	Notification referred to in Chapter 2 Section 10 of the Finnish Securities Markets Act on a change in ownership – the ownership of the Government of Finland decreased to zero
24 May	Notification referred to in Chapter 2 Section 10 of the Finnish Securities Markets Act on a change in ownership – the ownership of Yara Nederland B.V. increased to 30.05 percent
01 June	Kemira GrowHow and Thermphos establish Crystalis, a joint venture company in Siilinjärvi
25 June	Kemira GrowHow has two years to start the mining operations in Sokli
12 July	Planned joint venture by Kemira GrowHow Oyj and Terra Industries Inc. for UK operations approved by Competition Commission
13 July	Statement of the Board of Directors of Kemira GrowHow Oyj with regard to Yara International ASA's Mandatory Tender Offer
16 July	Invitation to a press conference: Kemira GrowHow Q2 result
27 July	Notification referred to in Chapter 2 Section 9 of the Securities Markets Act – Skagen AS has accepted the Tender Offer made by Yara
30 July	Notification referred to in Chapter 2 Section 9 of the Securities Markets Act on a change in holdings – the ownership of Yara in Kemira GrowHow Oyj exceedes five-tenths (5/10)
31 July	Interim Report 1 January – 30 June
10 August	Notification referred to in Chapter 2 Section 9 of the Securities Markets Act on a change in holdings – the ownership of Yara in Kemira GrowHow Oyj exceedes two-thirds (2/3)
14 September	Completion of UK joint venture between Terra Industries Inc. and Kemira GrowHow Oyj
21 September	European Commission approved Kemira GrowHow acquisition by Yara
24 September	European Commission approved Kemira GrowHow acquisition by Yara
28 September	Preliminary result relating to the Tender Offer for shares in Kemira GrowHow Oyj by Yara Nederland B.V.
05 October	Notice of Extraordinary General Meeting of Shareholders
05 October	Final result relating to the Tender Offer for shares in Kemira GrowHow Oyj by Yara Nederland B.V.
11 October	Notice in accordance with Chapter 18 Section 2 of the Companies Act regarding commencement of the right of redemption – the ownership of Yara exceedes nine-tenths (9/10)
22 October	The decisions of Kemira GrowHow Oyj's Extraordinary General Meeting of Shareholders
30 October	Kemira GrowHow sells Verdera
31 October	Interim Report 1 January – 30 September
02 November	Kemira GrowHow Oyj files a delisting application
20 November	Yara announces synergies of Kemira GrowHow Oyj acquisition
11 December	Financial Calendar Q1 2008