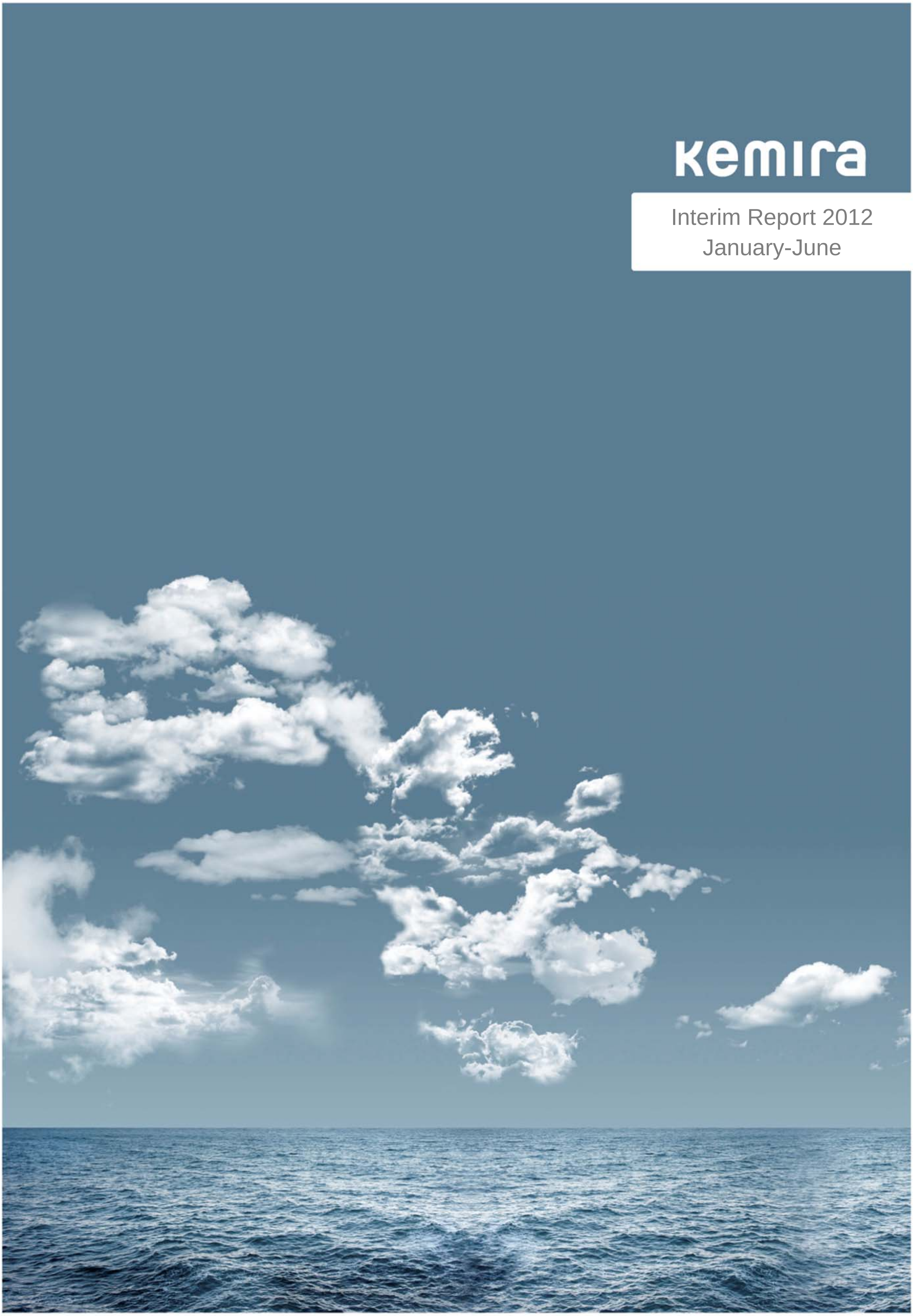
kemira

Interim Report 2012
January-June



Kemira
Water is the connection

Sales volumes and prices improved from Q1, fixed cost pressure continued

Second quarter:

- Revenue grew 2% to EUR 562.3 million (548.8) supported by favourable currency exchange.
- Operative EBIT decreased 4% to EUR 35.7 million (37.3) with a margin of 6.3% (6.8%) mainly due to higher fixed costs.
- Earnings per share remained at EUR 0.20 (0.20).

January-June:

- Revenue increased 1% to EUR 1,115.2 million (1,105.6).
- Operative EBIT decreased 10% to EUR 73.9 million (82.2) with a margin of 6.6% (7.4%).
- Earnings per share decreased 11% to EUR 0.39 (0.44).
- Kemira outlook for 2012 remains unchanged with expected revenue and operative EBIT in 2012 to be approximately at the same level as in 2011.
- To accelerate growth and improve profitability, Kemira has launched a global restructuring program “Fit for Growth” aimed to save EUR 60 million on an annualized basis.

Kemira’s President and CEO Wolfgang Büchele:

“In the second quarter Kemira once again was able to compensate the lower sales volumes and higher raw material prices with sales price increases. In Paper, as well as in Municipal & Industrial, sales volumes recovered slightly. Fixed costs, however, continued to increase in all segments and resulted in a decrease in the operative EBIT. ChemSolutions operative EBIT decreased substantially mainly due to an extended maintenance shutdown of ChemSolutions’ Oulu plant in Finland as well as higher variable costs.

After the first half of 2012, Kemira’s operative EBIT is below the comparable period of 2011.
Our profitability is the fundamental issue we need to improve in order to continue to be a relevant player within the water quality and quantity management business, and to meet our guidance for 2012.

Therefore, Kemira announced today its global restructuring program “Fit for Growth” to improve the company’s profitability, internal efficiency and to accelerate growth in emerging markets. The cost savings target with the planned program is EUR 60 million on an annualized basis. The ultimate goal of the program is to reach Kemira’s financial targets in an accelerated mode. Revenue growth target for Kemira is above 3% in the mature markets and 7% in the emerging markets. Kemira’s EBIT margin target is at least 10%.

The “Fit for Growth” restructuring program is based on the following measures:
- Reducing internal complexity by renewing and simplifying the organizational structure in order to foster accelerated growth, innovation and application focus.
- Improving internal efficiency by reducing organizational layers and by placing substantial responsibility into the regions by implementing regional business units reporting to the segment heads with full profit and loss responsibility.
- Optimizing and rebalancing the manufacturing network.

The implementation of these measures may ultimately lead to a reduction of up to 600 positions globally, from which approximately 250 could be in Finland. Kemira will initiate the co-determination negotiations according to each country’s local legislation. Kemira had 5,181 employees worldwide at the end of June 2012.

Non-recurring charges related to the restructuring program are estimated to be around EUR 85 million. These charges are expected to be accounted for within the next four quarters.”

Key figures and ratios

EUR million	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jan-Dec 2011
Revenue	562.3	548.8	1,115.2	1,105.6	2,207.2
EBITDA	57.6	61.1	119.4	129.5	259.6
EBITDA, %	10.2	11.1	10.7	11.7	11.8
Operative EBIT	35.7	37.3	73.9	82.2	157.3
EBIT	32.8	37.3	68.9	82.2	158.3
Operative EBIT, %	6.3	6.8	6.6	7.4	7.1
EBIT, %	5.8	6.8	6.2	7.4	7.2
Share of profit or loss of associates	5.8	7.3	16.6	14.8	31.0
Financing income and expenses	1.4	-3.9	-8.9	-7.7	-20.9
Profit before tax	40.0	40.7	76.6	89.3	168.4
Net profit	31.1	31.7	61.0	69.6	140.3
EPS, EUR	0.20	0.20	0.39	0.44	0.89
Capital employed*	1,722.4	1,684.1	1,722.4	1,684.1	1,705.0
ROCE, %*	10.3	10.4	10.3	10.4	11.1
Cash flow after investing activities	24.2	65.2	16.1	85.9	115.3
Capital expenditure	51.0	20.1	70.4	34.5	201.1
Equity ratio, % at period-end	52	55	52	55	51
Gearing, % at period-end	44	37	44	37	38
Personnel at period-end	5,181	5,065	5,181	5,065	5,006

* 12-month rolling average

Definitions of key figures are available at www.kemira.com > Investors > Financial information. Comparative 2011 figures are provided in parentheses for some financial results, where appropriate. Operating profit, excluding non-recurring items, is referred to as Operative EBIT. Operating profit is referred to as EBIT.

Additional information:

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Kemira is a global over two billion euro water chemistry company that is focused on serving customers in water-intensive industries. The company offers water quality and quantity management that improves customers' energy, water, and raw material efficiency. Kemira's vision is to be a leading water chemistry company.

www.kemira.com
www.waterfootprintkemira.com

Financial performance in April-June 2012

Kemira Group's **revenue** increased 2% to EUR 562.3 million (548.8). The negative impact of lower sales volumes year-on-year was slightly smaller than in the previous quarter and was fully compensated by sales price increases. Despite the difficult financial situation in Europe, the sales volumes recovered slightly in the Paper and Municipal & Industrial segments and also in ChemSolutions. In the Oil & Mining segment, sales volumes continued to decline mainly due to the exit from some low margin products. Currency exchange had +3% and divestments -1% impact on revenues.

In the Paper segment, revenues increased 3% to EUR 249.2 million (242.2). Sales price increases could more than offset the lower sales volumes. Currency exchange impacted revenues by +4% and divestment by -2%.

In the Municipal & Industrial segment, revenues increased 4% to EUR 173.7 million (166.6). Organic growth, mainly derived from sales price increases was 3%. Sales volumes were close to a level of the comparable period last year. Currency exchange impacted revenues by +2% and divestments by -1%.

In the Oil & Mining segment, revenues remained stable at EUR 84.5 million (84.8). Implemented sales price increases could partly compensate for the lower sales volumes. Sales volumes were lower due to the continued exit of some low margin product sales coupled with decreased natural gas price in North America which slowed down demand for some products. Exited low margin product sales impacted revenues by -6%. Currency exchange impacted revenues by +6%.

Revenue, EUR million	Apr-Jun 2012	Apr-Jun 2011	∆%
Paper	249.2	242.2	3
Municipal & Industrial	173.7	166.6	4
Oil & Mining	84.5	84.8	0
Other	54.9	55.2	0
of which ChemSolutions	44.2	43.7	1
Eliminations	-	-	-
Total	562.3	548.8	2

EBIT decreased 12% to EUR 32.8 million (37.3). **Operative EBIT** decreased 4% to EUR 35.7 million (37.3). Higher sales prices could more than offset the lower sales volumes and increased variable costs. Fixed costs were EUR 7 million higher than in the second quarter of 2011 due to higher maintenance, personnel and sales and marketing related expenses. In total, divestments, currency exchange and other items had a minor positive impact on operative EBIT (see variance analysis on page 4). The operative EBIT margin decreased to 6.3% (6.8%).

Non-recurring items affecting EBIT in the second quarter of 2012 totaled EUR -2.9 million (0), mainly relating to the manufacturing optimization in the Municipal & Industrial segment.

Operative EBIT	Apr-Jun 2012 EUR, million	Apr-Jun 2011 EUR, million	Δ%	Apr-Jun 2012 %-margin	Apr-Jun 2011 %-margin
Paper	20.3	20.0	2	8.1	8.3
Municipal & Industrial	12.7	10.9	17	7.3	6.5
Oil & Mining	10.0	8.1	23	11.8	9.6
Other	-7.3	-1.7	-	-13.3	-3.1
of which ChemSolutions	0.3	3.8	-92	0.7	8.7
Total	35.7	37.3	-4	6.3	6.8

Income from associated companies decreased 21% to EUR 5.8 million (7.3). The specialty TiO2 producer JV Sachtleben, (Kemira owns 39% of the company) continued its good performance, although not as strong as in the second quarter of 2011.

Financing income and expenses totaled EUR 1.4 million (-3.9) positively impacted by EUR 7.6 million dividend from Pohjolan Voima Oy (PVO), Finnish electricity-generating company.

Profit before tax remained stable at EUR 40.0 million (40.7). Financing income partly compensated the decreased EBIT and the lower income from associated companies.

Net profit attributable to the owners of the parent company was EUR 29.8 million (30.7) and earnings per share EUR 0.20 (0.20).

Variance analysis, EUR million	Apr-Jun
Operative EBIT, 2011	**37.3**
Sales volumes and prices	13.7
Variable costs	-8.8
Fixed costs	-7.0
Currency impact	1.7
Others, incl. acquisitions and divestments	-1.2
Operative EBIT, 2012	**35.7**

Financial performance in January-June 2012

Kemira Group's **revenue** increased 1% to EUR 1,115.2 million (1,105.6). Revenue remained stable in local currencies. Currency exchange impacted revenues by +2% and divestments by -1%.

In the Paper segment, revenues were EUR 493.8 million (495.4). Revenues declined 1% in local currencies. Currency exchange impacted revenues by +3% and divestment by -2%.

In the Municipal & Industrial segment, revenues increased 3% to EUR 334.7 million (324.4). Revenue growth was 3% in local currencies. Currency exchange impacted revenues by +1% and divestments by -1%.

In the Oil & Mining segment, revenues increased 1% to EUR 169.6 million (168.5). Revenue declined 3% in local currencies. Currency exchange impacted revenues by +4%.

Revenue, EUR million	Jan-Jun 2012	Jan-Jun 2011	Δ%
Paper	493.8	495.4	0
Municipal & Industrial	334.7	324.4	3
Oil & Mining	169.6	168.5	1
Other	117.1	117.3	0
of which ChemSolutions	93.4	93.2	0
Eliminations	-	-	-
Total	1,115.2	1,105.6	1

EBIT decreased 16% to EUR 68.9 million (82.2). **Operative EBIT** decreased 10% to EUR 73.9 million (82.2). Higher sales prices could more than offset the lower sales volumes and increased variable costs. Fixed costs were EUR 13 million higher than in the comparable period in 2011 mainly due to higher maintenance and personnel expenses. Kemira's headcount increased in the APAC region compared to the end of June, 2011. Maintenance expenses increased in Paper, Municipal & Industrial and ChemSolutions. In total, currency exchange, divestments and other items had a minor negative impact on the operative EBIT (see variance analysis on page 6). The operative EBIT margin decreased to 6.6% (7.4%).

Non-recurring items affecting EBIT in January-June 2012 totaled EUR -5 million (0) mainly relating to the manufacturing optimization in the Municipal & Industrial segment.

Operative EBIT	Jan-Jun 2012 EUR, million	Jan-Jun 2011 EUR, million	∆%	Jan-Jun 2012 %-margin	Jan-Jun 2011 %-margin
Paper	41.3	42.7	-3	8.4	8.6
Municipal & Industrial	18.8	22.5	-16	5.6	7.0
Oil & Mining	22.1	17.5	26	13.0	10.4
Other	-8.3	-0.5	-	-7.1	-0.4
of which ChemSolutions	5.9	12.2	-52	6.3	13.1
Total	73.9	82.2	-10	6.6	7.4

Income from associated companies increased 12% to EUR 16.6 million (14.8). Performance of the specialty TiO2 producer JV Sachtleben, (Kemira owns 39% of the company) was strongly supported by the high titanium dioxide prices.

Financing income and expenses totaled EUR -8.9 million (-7.7). Financing expenses were higher mainly due to EUR 4.8 million changes in fair values of electricity derivatives and to the currency exchange differences of EUR -1.0 million (2.5). Financing income included dividends of EUR 7.6 million received from PVO in the second quarter of 2012.

Profit before tax decreased 14% to EUR 76.6 million (89.3). Higher income from associated companies partly compensated the decreased EBIT and increased financing expenses.

Net profit attributable to the owners of the parent company decreased 13% to EUR 58.7 million (67.3) and earnings per share decreased 11% to EUR 0.39 (0.44).

Variance analysis, EUR million	Jan-Jun
Operative EBIT, 2011	**82.2**
Sales volumes and prices	25.1
Variable costs	-19.4
Fixed costs	-13.0
Currency impact	2.2
Others, incl. acquisitions and divestments	-3.2
Operative EBIT, 2012	**73.9**

Financial position and cash flow

Cash flow from operating activities in the period January-June 2012 increased to EUR 57.9 million (22.5) and the cash flow after investing activities decreased to EUR 16.1 million (85.9). Cash flow included EUR 5.3 million dividends and EUR 27.3 million paid-in-capital from JV Sachtleben, both received in the second quarter of 2012. The comparable period in 2011 included a EUR 97 million cash flow from the sale of Kemira's remaining Tikkurila shares. Net working capital (ratio) increased to 14.0% (13.4% on December 31, 2011) of revenue mainly due to lower payables.

At the end of the period, Kemira Group's net debt was EUR 592.5 million (515.8 on December 31, 2011). Net debt increased due to the dividend payment in March 2012.

At the end of the period, interest-bearing liabilities totaled EUR 748.0 million (701.6 on December 31, 2011). Fixed-rate loans accounted for 49% of the net interest-bearing liabilities (64%). The average interest rate of the Group's interest-bearing liabilities was 1.8% (2.1%). The duration of the Group's interest-bearing loan portfolio was 15 months (17 months in December 31, 2011).

Short-term liabilities maturing in the next 12 months amounted to EUR 272.5 million, with commercial papers issued on the Finnish market representing EUR 196.0 million and repayments on the long-term loans representing EUR 76.5 million. Cash and cash equivalents totaled EUR 155.4 million on June 30, 2012.

At the end of the period, the equity ratio was 52% (51% on December 31, 2011), while the gearing was 44% (38% on December 31, 2011). Shareholder's equity decreased to EUR 1,352.0 million (1,370.8 on December 31, 2011).

Capital expenditure

Capital expenditure more than doubled to EUR 70.4 million (34.5) in January-June, 2012 (expansion capex 45% (11%), improvement capex 27% (47%), and maintenance capex 28% (42%)). Expansion investments were mainly focused on China.

The Group's depreciation was EUR 50.5 million (47.3) in January-June, 2012.

Research and development

Research and development related expenses and depreciations totaled EUR 19.7 million (19.5) in January-June, 2012, representing 1.8% (1.8%) of Kemira Group's revenue.

Human Resources

At the end of the period, the number of employees in Kemira Group was 4,966 permanent employees (4,846 on December, 2011) and 215 temporary employees (160). Kemira employed 1,259 people in Finland (1,179), 1,774 people elsewhere in EMEA (1,776), 1,389 in North America (1,384), 405 in South America (398) and 354 in Asia Pacific (269).

Segments

Paper

We offer chemical products and integrated systems that help customers in the water-intensive pulp and paper industry to improve their profitability as well as their water, raw material and energy efficiency. Our solutions support sustainable development.

EUR million	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jan-Dec 2011
Revenue	249.2	242.2	493.8	495.4	973.3
EBITDA	30.2	31.1	61.8	64.8	126.0
EBITDA, %	12.1	12.8	12.5	13.1	12.9
Operative EBIT	20.3	20.0	41.3	42.7	75.4
EBIT	19.4	20.0	39.6	42.7	79.5
Operative EBIT, %	8.1	8.3	8.4	8.6	7.7
EBIT, %	7.8	8.3	8.0	8.6	8.2
Capital employed*	771.9	783.1	771.9	783.1	773.2
ROCE, %*	9.9	9.6	9.9	9.6	10.3
Capital expenditure	27.9	9.8	35.3	16.3	43.5
Cash flow after investing activities, excluding interest and taxes	14.5	9.9	21.9	30.8	90.9

*12-month rolling average

Second quarter

The Paper segment's **revenue** increased 3% to EUR 249.2 million (242.2) mainly due to the implemented sales price increases. Paper segment sales volumes recovered slightly and the year-on-year negative impact on revenues was slightly smaller than in the previous quarter. Kemira's sales volumes for the Pulp customer sub-segment were lower than in the comparable quarter in 2011. This was partially due to the divestment made in November, 2011. Sales volume growth for the Packaging & Board customer sub-segment accelerated especially in the Asian markets, and together with increased sales volumes for the Tissue & Specialties customer sub-segment could partly offset the lower pulp sales volumes. Sales volumes to the Printing and Writing customer sub-segment remained stable. Currency exchange impacted revenues by +4% and the divestment in November, 2011 of the hydrogen peroxide plant in Maitland, Canada by -2%.

Operative EBIT increased 1% to EUR 20.3 million (20.0). Lower sales volumes and higher raw material prices were more than compensated by the respective sales price increases. Fixed costs were EUR 2 million higher than in the comparable period in 2011 mainly due to increased sales and marketing related expenses. The operative EBIT margin remained almost stable at 8.1% (8.3%).

January-June

The Paper segment's **revenue** remained stable at EUR 493.8 million (495.4). Revenues in local currencies and excluding divestment decreased 1% mainly due to lower sales volumes. Sales price increases had a positive impact. Currency exchange impacted revenues by +3% and the divestment of the hydrogen peroxide plant in Maitland, Canada in November 2011 by -2%.

Operative EBIT decreased 3% to EUR 41.3 million (42.7). Higher sales prices could offset the lower sales volumes and higher variable costs. Fixed costs were EUR 4 million higher than in the comparable period in 2011 mainly due to increased sales and marketing activity and maintenance related expenses. The operative EBIT margin was 8.4% (8.6%).

Municipal & Industrial

We offer water treatment chemicals for municipalities and industrial customers.
Our strengths are high-level application know-how, a comprehensive range of water treatment chemicals, and reliable customer deliveries.

EUR million	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jan-Dec 2011
Revenue	173.7	166.6	334.7	324.4	664.7
EBITDA	18.7	18.0	32.1	36.4	74.3
EBITDA, %	10.8	10.8	9.6	11.2	11.2
Operative EBIT	12.7	10.9	18.8	22.5	46.9
EBIT	10.6	10.9	15.6	22.5	43.7
Operative EBIT, %	7.3	6.5	5.6	7.0	7.1
EBIT, %	6.1	6.5	4.7	7.0	6.6
Capital employed*	405.8	389.1	405.8	389.1	403.4
ROCE, %*	9.0	12.6	9.0	12.6	10.8
Capital expenditure	9.5	4.6	14.0	7.9	28.8
Cash flow after investing activities, excluding interest and taxes	2.4	-8.0	-5.1	-1.6	41.9

*12-month rolling average

Second quarter

The Municipal & Industrial segment's **revenue** increased 4% to EUR 173.7 million (166.6). Higher average sales prices continued to have a positive impact on revenues. Sales volumes were close to the level of the comparable period in 2011. Sales volumes for the Municipal customer sub-segment continued to recover, especially in North America, and together with the higher sales prices impacted the M&I segment revenue positively by +3%. In some Southern European countries sales volumes for the municipal customers have not recovered materially and remained some 15% lower than in the second quarter of 2011. In the Industrial customer sub-segment, revenues remained stable. Currency exchange impacted revenues by +2% and divestments by -1%.

Operative EBIT increased 17% to EUR 12.7 million (10.9). Sales price increases could more than offset the higher variable costs. Raw material prices remained stable, although still on a high level during the second quarter. Higher fixed costs had EUR -2 million year-on-year impact, mainly related to increased personnel expenses. In total, currency exchange and divestment had a small positive impact on the operative EBIT. The operative EBIT margin increased to 7.3% (6.5%).

January-June

The Municipal & Industrial segment's **revenue** increased 3% to EUR 334.7 million (324.4). Revenues in local currencies and excluding divestment increased 3% mainly due to higher sales prices. Currency exchange impacted revenues by +1% and divestments by -1%.

Operative EBIT decreased 16% to EUR 18.8 million (22.5). Increased sales prices could fully offset the higher variable costs and the impact of somewhat lower sales volumes. Fixed costs were EUR 6 million higher than in the comparable period in 2011, mainly due to higher maintenance and personnel expenses. Currency exchange and divestment did not have a material impact on the operative EBIT. The operative EBIT margin declined to 5.6% (7.0%).

Oil & Mining

We offer a large portfolio of innovative chemical extraction and process solutions for the oil and mining industries, where water plays a central role. Utilizing our expertise, we enable our customers to improve efficiency and productivity.

EUR million	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jan-Dec 2011
Revenue	84.5	84.8	169.6	168.5	335.7
EBITDA	12.5	10.5	27.0	22.3	45.7
EBITDA, %	14.8	12.4	15.9	13.2	13.6
Operative EBIT	10.0	8.1	22.1	17.5	36.2
EBIT	10.0	8.1	22.0	17.5	34.9
Operative EBIT, %	11.8	9.6	13.0	10.4	10.8
EBIT, %	11.8	9.6	13.0	10.4	10.4
Capital employed*	162.5	144.0	162.5	144.0	150.1
ROCE, %*	24.3	22.7	24.3	22.7	23.3
Capital expenditure	6.6	2.2	8.6	4.1	9.6
Cash flow after investing activities, excluding interest and taxes	1.9	-0.3	-0.4	-0.2	28.7

*12-month rolling average

Second quarter

The Oil & Mining segment's **revenue** remained stable at EUR 84.5 million (84.8). Implemented sales price increases had a positive impact on revenues. Sales volumes were lower due to a decreased natural gas price in North America that slowed down demand for some products. Exited low margin product sales impacted revenues by -6%. Currency exchange impacted revenues by +6%.

Operative EBIT increased 23% to EUR 10.0 million (8.1). Sales price increases could more than offset the impact of the lower sales volumes. Variable costs were slightly lower than in the second quarter of 2011. This positive impact was offset by slightly higher fixed costs. The operative EBIT margin increased to 11.8% (9.6%) leading to the fourth consecutive quarter with an operative EBIT margin above 10%.

January-June

The Oil & Mining segment's **revenue** increased 1% to EUR 169.6 million (168.5). Revenues in local currencies increased 4% excluding the -7% impact related to some exited low margin product sales. Currency exchange impacted revenues by +4%. Acquisitions and divestments did not have an impact on the revenues.

Operative EBIT increased 26% to EUR 22.1 million (17.5). The operative EBIT improvement was driven mainly by the higher sales prices partially offset by increased fixed costs. The operative EBIT margin increased to 13.0% (10.4%).

Other

Specialty chemicals (ChemSolutions), such as organic salts and acids, and the Group expenses not charged to the business segments (some research and development costs and the costs of the CEO Office) are included in “Other”. Specialty chemicals products are delivered mainly to the food and feed, the chemicals and the pharmaceutical industries, as well as for the airport runway de-icing.

Second quarter

The Other **revenue** remained stable at EUR 54.9 million (55.2). Specialty chemicals share of the Other revenues was EUR 44.2 million (43.7). Sales price increases had positive impact on revenues. Sales volumes were negatively impacted by the maintenance shutdown of ChemSolutions’ Oulu plant in Finland.

Operative EBIT decreased to EUR -7.3 million (-1.7). Specialty chemicals’ share of the Other operative EBIT was EUR 0.3 million (3.8). Specialty chemicals’ operative EBIT decreased mainly due to EUR 3 million higher variable costs that could not fully be compensated by the respective sales price increases. Fixed costs were slightly higher than in the second quarter of 2011. Specialty chemicals’ operative EBIT margin declined to 0.7% (8.7%).

January-June

The Other **revenue** remained stable at EUR 117.1 million (117.3). Specialty chemicals share of the Other revenues was EUR 93.4 million (93.2). Revenues other than Specialty chemicals are service revenues in Sweden and in Finland.

Operative EBIT decreased to EUR -8.6 million (-0.6). Specialty chemicals share of the other operative EBIT was EUR 5.9 million (12.2). Specialty chemicals’ operative EBIT margin declined to 6.3% (13.1%).

Kemira Oyj’s shares and shareholders

On June 30, 2012, Kemira Oyj’s share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles to one vote at the Annual General Meeting.

At the end of June, Kemira Oyj had 32,755 registered shareholders (31,294 at the end of December, 2011). Foreign shareholders held 12.6% of the shares (13.8%) including nominee registered holdings. Households owned 16.9% of the shares (16.3%). Kemira held 3,301,769 treasury shares (3,312,660) representing 2.1% (2.1%) of all company shares.

Kemira Oyj’s share closed at EUR 9.22 on the NASDAQ OMX Helsinki at the end of June, 2012 (9.18 at the end of December, 2011). Shares registered a high of EUR 10.43 and a low of EUR 8.00. The average share price was EUR 9.19. The company’s market capitalization, excluding treasury shares, was EUR 1,402 million at the end of June, 2012.

In addition to NASDAQ OMX Helsinki, Kemira shares are traded on the several alternative market places or multilateral trading facilities (MTF), for example at Chi-X Europe, BATS and Turquoise. In January-June 2012, a total of 19.0 million (7.5) Kemira Oyj’s shares were traded on the alternative market places or approximately 26.8% (16.2%) of the total amount of traded shares. Source: Fidessa.

Authorizations

The Annual General Meeting 2012 authorized the Board of Directors to decide upon the repurchase of a maximum of 4,500,000 Company's own shares. The share repurchase authorization is valid until the end of the next Annual General Meeting.

The Annual General Meeting 2012 authorized the Board of Directors to decide to issue a maximum of 15,600,000 new shares and/or transfer a maximum of 7,800,000 Company's own shares held by the Company. The share issue authorization is valid until May 31, 2013.

Short-term risks and uncertainties

There have been no significant changes in Kemira's short-term risks or uncertainties compared to December 31, 2011.

A detailed account of Kemira's risk management principles and organization is available on the company's website at http://www.kemira.com. An account of the financial risks is available in the Notes to the Financial Statements 2011. Environmental and hazard risks are discussed in Kemira's Sustainability Report that was published in connection with Kemira's Annual Report 2011. The web versions of the Annual Report and of the Sustainability Report are available at: www.kemiraannualreport2011.com.

Outlook and restructuring program

Kemira's vision is to be a leading water chemistry company. Kemira will continue to focus on improving profitability and reinforcing positive cash flow. The company will also continue to invest in order to secure the future growth in the water quality and quantity management business.

Kemira's financial targets remain as earlier communicated. The company's medium term financial targets are:

- revenue growth in mature markets > 3% per year, and in emerging markets > 7% per year
- EBIT, % of revenue > 10%
- positive cash flow after investments and dividends
- gearing level < 60%.

The basis for growth is the expanding water chemicals market and Kemira's strong know-how in the water quality and quantity management. Increasing water shortage, tightening legislation and customers' needs to increase operational efficiency create opportunities for Kemira to develop new water applications for both current and new customers. Investment in research and development is a central part of Kemira's strategy. The focus of Kemira's research and development activities is on the development and commercialization of the new innovative technologies for Kemira's customers globally and locally.

Today, Kemira Oyj announced a global restructuring program "Fit for Growth" to improve the company's profitability, its internal efficiency and to accelerate growth in emerging markets without sacrificing business opportunities in the mature markets. The cost savings target with the planned program is EUR 60 million on an annualized basis. The ultimate goal of the program is to reach Kemira Group's targets for revenue growth and EBIT margin.

The program is based on the following measures:

- Reducing internal complexity by renewing and simplifying the organizational structure in order to foster accelerated growth, innovation and application focus.
- Improving internal efficiency by reducing organizational layers and by placing substantial responsibility into the regions by implementing regional business units reporting to the segment heads with full profit and loss responsibility.
- Optimizing and rebalancing the manufacturing network.

The implementation of these measures may ultimately lead to a reduction of up to 600 positions globally, from which approximately 250 could be in Finland. Kemira will initiate the co-determination negotiations according to each country's local legislation. Kemira had 5,181 employees worldwide at the end of June 2012.

Non-recurring charges related to the restructuring program are estimated to be around EUR 85 million. These charges are expected to be accounted for within the next four quarters.

In 2012, Kemira expects the revenue and operative EBIT to be at approximately the same level as in 2011. In the near term, an uncertainty in Europe and a slowdown in global economic growth may affect the demand for our products in the customer industries. This guidance assumes current currency exchange rates and oil price level.

Helsinki, July 25, 2012

Kemira Oyj
Board of Directors

Financial calendar 2012 and 2013

Interim Report January-September 2012	October 24, 2012
Financial results for the year 2012	February 6, 2013
Interim Report January-March 2013	April 23, 2013
Interim Report January-June 2013	July 23, 2013
Interim Report January-September 2013	October 22, 2013

The Annual General Meeting 2013 is scheduled for Tuesday, March 26, 2013 at 1.00 pm (CET+1).

All forward-looking statements in this review are based on the management's current expectations and beliefs about future events, and actual results may differ materially from the expectations and beliefs such statements contain.

KEMIRA GROUP

Basis of preparation

This unaudited consolidated interim financial report has been prepared in accordance with IAS 34 'Interim financial reporting'. The interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with IFRS. The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2011, except described below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable total annual earnings.

The following standards, amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2012 but not currently relevant to the Group:
- Amendments to IFRS 7 Financial instruments: Disclosures

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

CONSOLIDATED INCOME STATEMENT **EUR million**	**4-6/2012**	4-6/2011	**1-6/2012**	1-6/2011	2011
Revenue	**562.3**	548.8	**1,115.2**	1,105.6	2,207.2
Other operating income	**2.4**	3.4	**5.7**	7.0	22.5
Operating expenses	**-507.1**	-491.1	**-1,001.5**	-983.1	-1,970.1
Depreciation, amortization and impairment	**-24.8**	-23.8	**-50.5**	-47.3	-101.3
Operating profit	**32.8**	37.3	**68.9**	82.2	158.3
Finance costs, net	**1.4**	-3.9	**-8.9**	-7.7	-20.9
Share of profit or loss of associates	**5.8**	7.3	**16.6**	14.8	31.0
Profit before tax	**40.0**	40.7	**76.6**	89.3	168.4
Income tax expense	**-8.9**	-9.0	**-15.6**	-19.7	-28.1
Net profit for the period	**31.1**	31.7	**61.0**	69.6	140.3
Net profit attributable to:					
Equity holders of the parent	**29.8**	30.7	**58.7**	67.3	135.6
Non-controlling interests	**1.3**	1.0	**2.3**	2.3	4.7
Net profit for the period	**31.1**	31.7	**61.0**	69.6	140.3
Earnings per share, basic and diluted, EUR	**0.20**	0.20	**0.39**	0.44	0.89

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**4-6/2012**	**4-6/2011**	**1-6/2012**	1-6/2011	2011
Net profit for the period	**31.1**	31.7	**61.0**	69.6	140.3
Other comprehensive income:					
Available-for-sale financial assets	**0.0**	0.0	**0.0**	-4.4	-24.1
Exchange differences on translating foreign operations	**2.0**	-6.7	**3.8**	-11.1	-4.6
Net investment hedge in foreign operations	**0.0**	0.8	**0.0**	0.7	0.4
Cash flow hedges	**-0.3**	-4.1	**0.5**	-7.2	-14.5
Other comprehensive income for the period, net of tax	**1.7**	-10.0	**4.3**	-22.0	-42.8
Total comprehensive income for the period	**32.8**	21.7	**65.3**	47.6	97.5
Total comprehensive income attributable to:					
Equity holders of the parent	**31.7**	20.8	**62.5**	45.9	93.8
Non-controlling interests	**1.1**	0.9	**2.8**	1.7	3.7
Total comprehensive income for the period	**32.8**	21.7	**65.3**	47.6	97.5

CONSOLIDATED BALANCE SHEET
EUR million

ASSETS	30.6.2012	31.12.2011
Non-current assets		
Goodwill	**606.1**	606.0
Other intangible assets	**64.9**	67.5
Property, plant and equipment	**681.5**	656.0
Investments in associates	**142.9**	158.8
Available-for-sale financial assets	**256.9**	256.5
Deferred income tax assets	**27.2**	47.3
Other investments	**9.8**	9.7
Defined benefit pension receivables	**45.4**	44.3
Total non-current assets	**1,834.7**	1,846.1
Current assets		
Inventories	**225.1**	228.2
Interest-bearing receivables	**0.5**	0.5
Trade and other receivables	**384.0**	391.2
Current income tax assets	**21.4**	24.7
Cash and cash equivalents	**155.4**	185.8
Total current assets	**786.4**	830.4
Total assets	**2,621.1**	2,676.5

EQUITY AND LIABILITIES	30.6.2012	31.12.2011
Equity		
Equity attributable to equity holders of the parent	**1,341.1**	1,358.5
Non-controlling interests	**10.9**	12.3
Total Equity	**1,352.0**	1,370.8
Non-current liabilities		
Interest-bearing liabilities	**475.5**	464.5
Deferred income tax liabilities	**64.1**	86.5
Pension liabilities	**52.8**	52.4
Provisions	**50.6**	50.3
Total non-current liabilities	**643.0**	653.7
Current liabilities		
Interest-bearing current liabilities	**272.5**	237.1
Trade payables and other liabilities	**324.0**	383.8
Current income tax liabilities	**23.3**	24.8
Provisions	**6.3**	6.3
Total current liabilities	**626.1**	652.0
Total liabilities	**1,269.1**	1,305.7
Total equity and liabilities	**2,621.1**	2,676.5

CONDENSED CONSOLIDATED CASH FLOW STATEMENT EUR million	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Cash flow from operating activities					
Net profit for the period	**31.1**	31.7	**61.0**	69.6	140.3
Total adjustments	**25.4**	24.3	**58.4**	53.7	92.3
Operating profit before change in working capital	**56.5**	56.0	**119.4**	123.3	232.6
Change in net working capital	**-0.6**	-49.8	**-43.2**	-73.1	-2.7
Cash generated from operations	**55.9**	6.2	**76.2**	50.2	229.9
Finance expenses, net and dividends received	**0.0**	-4.6	**-1.4**	0.6	-14.8
Income taxes paid	**-8.4**	-13.1	**-16.9**	-28.3	-37.4
Net cash generated from operating activities	**47.5**	-11.5	**57.9**	22.5	177.7
Cash flow from investing activities					
Purchases of subsidiaries, net of cash acquired	**-**	-	**-**	-	-
Other capital expenditure	**-51.0**	-20.1	**-70.4**	-34.5	-201.1
Proceeds from sale of assets and paid in capital	**28.1**	96.5	**28.6**	97.3	137.1
Change in long-term loan receivables decrease (+) / increase (-)	**-0.4**	0.3	**0.0**	0.6	1.6
Net cash used in investing activities	**-23.3**	76.7	**-41.8**	63.4	-62.4
Cash flow from financing activities					
Proceeds from non-current interest-bearing liabilities (+)	**0.8**	4.4	**1.2**	13.3	16.0
Repayments from non-current interest-bearing liabilities (-)	**-7.9**	-17.6	**-8.1**	-42.9	-103.3
Short-term financing, net increase (+) / decrease (-)	**19.2**	-20.2	**45.3**	27.4	154.6
Dividends paid	**-8.3**	-7.4	**-84.8**	-77.1	-77.8
Purchase of non-controlling interests	**-**	-	**-**	-	-13.2
Other finance items	**0.5**	-1.8	**0.2**	-1.1	-0.5
Net cash used in financing activities	**4.3**	-42.6	**-46.2**	-80.4	-24.2
Net increase (+) / decrease (-) in cash and cash equivalents	**28.5**	22.6	**-30.1**	5.5	91.1
Cash and cash equivalents at end of period	**155.4**	94.0	**155.4**	94.0	185.8
Exchange gains (+) / losses (-) on cash and cash equivalents	**-1.3**	1.8	**0.3**	3.3	-2.9
Cash and cash equivalents at beginning of period	**125.6**	73.2	**185.8**	91.8	91.8
Net increase (+) / decrease (-) in cash and cash equivalents	**28.5**	22.6	**-30.1**	5.5	91.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EUR million

	Equity attributable to equity holders of the parent									
	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Equity at January 1, 2011	221.8	257.9	125.0	196.3	-21.3	-24.2	584.4	1,339.9	25.9	1,365.8
Net profit for the period	-	-	-	-	-	-	67.3	67.3	2.3	69.6
Other comprehensive income, net of tax	-	-	-11.6	-	-9.8	-	-	-21.4	-0.6	-22.0
Total comprehensive income	-	-	-11.6	-	-9.8	-	67.3	45.9	1.7	47.6
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-73.0 *)	-73.0	-4.1	-77.1
Treasury shares issued to target group of share-based incentive plan	-	-	-	-	-	2.1	-	2.1	-	2.1
Share-based payments	-	-	-	-	-	-	-1.1	-1.1	-	-1.1
Changes due to business combinations	-	-	-	-	-	-	-	0.0	0.8	0.8
Transfers in equity	-	-	0.1	-	-	-	-0.1	0.0	-	0.0
Transactions with owners	-	-	0.1	-	-	2.1	-74.2	-72.0	-3.3	-75.3
Equity at June 30, 2011	221.8	257.9	113.5	196.3	-31.1	-22.1	577.5	1,313.8	24.3	1,338.1
Equity at January 1, 2012	**221.8**	**257.9**	**89.3**	**196.3**	**-24.6**	**-22.3**	**640.1**	**1,358.5**	**12.3**	**1,370.8**
Net profit for the period	-	-	-	-	-	-	58.7	**58.7**	2.3	**61.0**
Other comprehensive income, net of tax	-	-	0.5	-	3.3	-	-	**3.8**	0.5	**4.3**
Total comprehensive income	**-**	**-**	**0.5**	**-**	**3.3**	**-**	**58.7**	**62.5**	**2.8**	**65.3**
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-80.6 *)	**-80.6**	-4.2	**-84.8**
Treasury shares issued to target group of share-based incentive plan	-	-	-	-	-	0.1	-	**0.1**	-	**0.1**
Share-based payments	-	-	-	-	-	-	0.6	**0.6**	-	**0.6**
Transfers in equity	-	-	-	-	-0.1	-	0.1	**0.0**	-	**0.0**
Transactions with owners	**-**	**-**	**-**	**-**	**-0.1**	**0.1**	**-79.9**	**-79.9**	**-4.2**	**-84.1**
Equity at June 30, 2012	**221.8**	**257.9**	**89.8**	**196.3**	**-21.4**	**-22.2**	**618.9**	**1,341.1**	**10.9**	**1,352.0**

*) A dividend was EUR 73.0 million in total (EUR 0.48 per share) in respect of the financial year ended December 31, 2010. The dividend record date was March 25, 2011, and the payment date April 1, 2011.

*) A dividend was EUR 80.6 million in total (EUR 0.53 per share) in respect of the financial year ended December 31, 2011. The dividend record date was March 26, 2012, and the payment date April 2, 2012.

Kemira had in its possession 3,301,769 of its treasury shares on June 30, 2012. The average share price of treasury shares was EUR 6.73 and they represented 2.1% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 4.7 million.

The share premium is a reserve accumulating through subscriptions entitled by the management stock option program 2001. This reserve based on the old Finnish Companies Act (734/1978), which does not change anymore. According to IFRS, the Fair Value reserve is a reserve accumulating based on available-for-sale financial assets (shares) measured at fair value and hedge accounting. Other reserves originate from local requirements of subsidiaries. The unrestricted equity reserve includes other equity type investments and the subscription price of shares to the extent that they will not, based on a specific decision, be recognized in share capital.

KEY FIGURES	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Earnings per share, basic and diluted, EUR *	**0.20**	0.20	**0.39**	0.44	0.89
Cash flow from operations per share, EUR *	**0.31**	-0.07	**0.38**	0.15	1.17
Capital expenditure, EUR million	**51.0**	20.1	**70.4**	34.5	201.1
Capital expenditure / revenue, %	**9.1**	0.5	**6.3**	3.1	9.1
Average number of shares, basic (1,000) *	**152,037**	152,050	**152,034**	151,945	151,994
Average number of shares, diluted (1,000) *	**152,187**	152,176	**152,173**	152,157	152,152
Number of shares at end of period, basic (1,000) *	**152,041**	152,050	**152,041**	152,050	152,030
Number of shares at end of period, diluted (1,000) *	**152,190**	152,176	**152,190**	152,176	152,030
Equity per share, EUR *			**8.82**	8.64	8.94
Equity ratio, %			**51.6**	54.7	51.3
Gearing, %			**43.8**	37.4	37.6
Interest-bearing net liabilities, EUR million			**592.5**	500.0	515.8
Personnel (average)			**5,074**	4,975	5,006

* Number of shares outstanding, excluding the number of shares bought back.

REVENUE BY BUSINESS AREA EUR million	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Paper external	**249.2**	242.2	**493.8**	495.4	973.3
Paper Intra-Group	**-**	-	**-**	-	-
Municipal & Industrial external	**173.7**	166.6	**334.7**	324.4	664.7
Municipal & Industrial Intra-Group	**-**	-	**-**	-	-
Oil & Mining external	**84.5**	84.8	**169.6**	168.5	335.7
Oil & Mining Intra-Group	**-**	-	**-**	-	-
Other external	**54.9**	55.2	**117.1**	117.3	233.5
Other Intra-Group and eliminations	**-**	-	**-**	-	-
Total	**562.3**	548.8	**1,115.2**	1,105.6	2,207.2

OPERATING PROFIT BY BUSINESS AREA EUR million	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Paper	**19.4**	20.0	**39.6**	42.7	79.5
Municipal & Industrial	**10.6**	10.9	**15.6**	22.5	43.7
Oil & Mining	**10.0**	8.1	**22.0**	17.5	34.9
Other and eliminations	**-7.2**	-1.7	**-8.3**	-0.5	0.2
Total	**32.8**	37.3	**68.9**	82.2	158.3

CHANGES IN PROPERTY, PLANT AND EQUIPMENT **EUR million**	**1-6/2012**	1-6/2011	2011
Carrying amount at beginning of year	**656.0**	661.2	661.2
Acquisitions of subsidiaries	**-**	-	-
Increases	**62.1**	30.3	94.2
Decreases	**-1.3**	-0.5	-17.2
Disposal of subsidiaries	**-**	-	-
Depreciation and impairments	**-44.3**	-41.4	-86.1
Exchange rate differences and other changes	**9.0**	-22.1	3.9
Net carrying amount at end of period	**681.5**	627.5	656.0

CHANGES IN INTANGIBLE ASSETS **EUR million**	**1-6/2012**	1-6/2011	2011
Carrying amount at beginning of year	**673.5**	682.9	682.9
Acquisitions of subsidiaries	**-**	-	-
Increases	**4.4**	4.2	8.2
Decreases	**-**	-	-0.5
Disposal of subsidiaries	**-**	-	-0.4
Depreciation and impairments	**-6.2**	-5.9	-15.2
Exchange rate differences and other changes	**-0.7**	-9.6	-1.5
Net carrying amount at end of period	**671.0**	671.6	673.5

CONTINGENT LIABILITIES **EUR million**	**30.6.2012**	31.12.2011
Mortgages	**0.5**	0.5
Assets pledged		
On behalf of own commitments	**6.4**	6.3
Guarantees		
On behalf of own commitments	**54.6**	48.9
On behalf of associates	**0.9**	0.7
On behalf of others	**3.3**	4.4
Operating leasing liabilities		
Maturity within one year	**27.5**	27.8
Maturity after one year	**145.9**	146.0
Other obligations		
On behalf of own commitments	**1.3**	1.3
On behalf of associates	**1.2**	1.4

Major off-balance sheet investment commitments

Major amounts of contractual commitments for the acquisition of property, plant and equipment on June 30, 2012 were about EUR 43.5 million for plant investments in China, India and Europe.

Litigation

On August 19, 2009, Kemira Oyj received a summons stating that Cartel Damage Claims Hydrogen Peroxide SA (CDC) had filed an action against six hydrogen peroxide manufacturers, including Kemira, for violations of competition law applicable to the hydrogen peroxide business. In its claim, Cartel Damage Claims Hydrogen Peroxide SA seeks an order from the Regional Court of Dortmund in Germany to obtain an unabridged and full copy of the decision of the European Commission, dated May 3, 2006, and demands that the defendants, including Kemira, are jointly and severally ordered to pay damages together with accrued interest on the basis of such decision.

Cartel Damage Claims Hydrogen Peroxide SA has stated that it will specify the amount of the damages at a later stage after the full copy of the decision of the European Commission has been obtained by it. In order to provide initial guidance as to the amount of such damages, Cartel Damage Claims Hydrogen Peroxide SA presents in its claim a preliminary calculation of the alleged overcharge having been paid to the defendants as a result of the violation of the applicable competition rules by the parties which have assigned and sold their claim to Cartel Damage Claims Hydrogen Peroxide SA. In the original summons such alleged overcharge, together with accrued interest until December 31, 2008, was stated to be EUR 641.3 million.

Thereafter Cartel Damage Claims Hydrogen Peroxide SA has delivered to the attorneys of the defendants an April 14, 2011 dated brief addressed to the court and an expert opinion. In the said brief the minimum damage including accrued interest until December 31, 2010, based on the expert opinion, is stated to be EUR 475.6 million. It is further stated in the brief that the damages analysis of the expert does not include lost profit.
The process is currently pending in the Regional Court of Dortmund, Germany. Kemira defends against the claim of Cartel Damage Claims Hydrogen Peroxide SA.

Kemira Oyj has additionally been served on April 28, 2011 a summons stating that Cartel Damage Claims Hydrogen Peroxide SA has filed an application for summons in the municipal court of Helsinki on April 20, 2011 for violations of competition law applicable to the hydrogen peroxide business claiming from Kemira Oyj as maximum compensation EUR 78.0 million as well as overdue interest starting from November 10, 2008 as litigation expenses with overdue interest. The referred violations of competition law are the same as those on basis of which CDC has taken legal action in Germany in Dortmund. Kemira defends against the claim of Cartel Damage Claims Hydrogen Peroxide SA.

Kemira Oyj's subsidiary Kemira Chemicals Oy (former Finnish Chemicals Oy) has on June 9, 2011 received documents where it is stated that CDC Project 13 SA has filed an action against four companies, including Kemira, asking damages for violations of competition law applicable to the sodium chlorate business. The European Commission set on June 2008 a fine of EUR 10.15 million on Finnish Chemicals Oy for antitrust activity in the company's sodium chlorate business during 1994-2000. Kemira Oyj acquired Finnish Chemicals in 2005. Kemira defends against the claim of CDC Project 13 SA.

Kemira is currently not in a position to make any estimate regarding the duration or the likely outcome of the processes started by Cartel Damage Claims Hydrogen Peroxide SA and CDC Project 13 SA. No assurance can be given as to the outcome of the processes, and unfavourable judgments against Kemira could have a material adverse effect on Kemira’s business, financial condition or results of operations. Due to its extensive international operations the Group, in addition to the above referred claims, is involved in a number of other legal proceedings incidental to these operations and it does not expect the outcome of these other currently pending legal proceedings to have materially adverse effect upon its consolidated results or financial position.

RELATED PARTY

In June 2012 Kemira Oyj received dividends EUR 5.3 million and paid in capital EUR 27.3 million from the associated company Sachtleben. Other transactions with related parties have not changed materially after annual closing 2011.

DERIVATIVE INSTRUMENTS

	30.6.2012		31.12.2011	
	Nominal value	**Fair value**	Nominal value	Fair value
Currency instruments				
Forward contracts	**402.4**	**4.0**	554.6	-1.7
Interest rate instruments				
Interest rate swaps	**235.8**	**-6.0**	213.5	-5.3
of which cash flow hedge	**225.8**	**-5.8**	193.5	-4.9
Bond futures	**10.0**	**0.4**	10.0	-0.3
of which open	**10.0**	**0.4**	10.0	-0.3
Other instruments	**GWh**	**Fair value**	GWh	Fair value
Electricity forward contracts, bought	**1,303.5**	**-7.5**	1,092.0	-4.6
of which cash flow hedge	**1,167.4**	**-5.6**	1,092.0	-4.6
	K tons	**Fair value**	K tons	Fair value
Salt derivatives	**0.0**	**0.0**	53.3	0.3

The fair values of the instruments which are publicly traded are based on market valuation on the date of reporting. Other instruments have been valuated based on net present values of future cash flows. Valuation models have been used to estimate the fair values of options.

Nominal values of the financial instruments do not necessarily correspond to the actual cash flows between the counterparties, and individual items do not therefore give a fair view of the Group's risk position.

QUARTERLY INFORMATION

EUR million	**2012 4-6**	**2012 1-3**	2011 10-12	2011 7-9	2011 4-6	2011 1-3
Revenue						
Paper external	**249.2**	**244.6**	234.5	243.4	242.2	253.2
Paper Intra-Group	**-**	**-**	-	-	-	-
Municipal & Industrial external	**173.7**	**161.0**	166.6	173.7	166.6	157.8
Municipal & Industrial Intra-Group	**-**	**-**	-	-	-	-
Oil & Mining external	**84.5**	**85.1**	80.0	87.2	84.8	83.7
Oil & Mining Intra-Group	**-**	**-**	-	-	-	-
Other external	**54.9**	**62.2**	62.2	54.0	55.2	62.1
Other Intra-Group and eliminations	**-**	**-**	-	-	-	-
Total	**562.3**	**552.9**	543.3	558.3	548.8	556.8
Operating profit						
Paper	**19.4**	**20.2**	18.3	18.5	20.0	22.7
Municipal & Industrial	**10.6**	**5.0**	5.8	15.4	10.9	11.6
Oil & Mining	**10.0**	**12.0**	7.2	10.2	8.1	9.4
Other and eliminations	**-7.2**	**-1.1**	4.0	-3.3	-1.7	1.2
Total	**32.8**	**36.1**	35.3	40.8	37.3	44.9
Operating profit, excluding non-recurring items						
Paper	**20.3**	**21.0**	14.2	18.5	20.0	22.7
Municipal & Industrial	**12.7**	**6.1**	9.0	15.4	10.9	11.6
Oil & Mining	**10.0**	**12.1**	8.5	10.2	8.1	9.4
Other and eliminations	**-7.3**	**-1.0**	2.6	-3.3	-1.7	1.2
Total	**35.7**	**38.2**	34.3	40.8	37.3	44.9

DEFINITIONS OF KEY FIGURES

Earnings per share (EPS)

$$\frac{\text{Net profit attributable to equity holders of the parent}}{\text{Average number of shares}}$$

Cash flow from operations

Cash flow from operations, after change in net working capital and before investing activities

Cash flow from operations per share

$$\frac{\text{Cash flow from operations}}{\text{Average number of shares}}$$

Equity per share

$$\frac{\text{Equity attributable to equity holders of the parent at end of period}}{\text{Number of shares at end of period}}$$

Equity ratio, %

$$\frac{\text{Total equity x 100}}{\text{Total assets - prepayments received}}$$

Gearing, %

$$\frac{\text{Interest-bearing net liabilities x 100}}{\text{Total equity}}$$

Interest-bearing net liabilities

Interest-bearing liabilities - cash and cash equivalents

Return on capital employed (ROCE), %

$$\frac{\text{Operating profit + share of profit or loss of associates x 100}}{\text{Capital employed}^{1)\,2)}}$$

1) Average

2) Capital Employed = Net working capital + property, plant and equipment available for use + intangible assets + investments in associates