Interim report
January - June 2010

Kemira Oyj's Interim Report January–June 2010: Marked recovery in demand compared to last year, significant increase in operating profit

January–June:

- Revenue in January–June 2010 increased by 7% to EUR 1,059.9 million (January–June 2009: EUR 986.0 million).
- Operating profit excluding non-recurring items rose 49% to EUR 79.6 million (53.4). Operating profit rose 55% to EUR 82.9 million (53.4).
- Gearing was 48% (December 31, 2009: 53%).
- Profit before taxes improved by 140% to EUR 69.0 million (28.8)
- Earnings per share from continuing operations was EUR 0.35 (0.16).
- During the current year, Kemira expects the demand to develop favorably as our customer demand is getting stronger. Operating profit from continuing operations, excluding non-recurring items, is estimated to grow notably from last year (2009: EUR 124.9 million).
- Tikkurila Oyj was separated from Kemira on March 26, 2010 and is reported under Discontinued operations (see tables).

Second quarter:

- Revenue in April –June 2010 rose 12% to EUR 545.2 million (April–June 2009: EUR 488.5 million).
- Operating profit excluding non-recurring items rose 38% to EUR 40.5 million (29.3).
- Operating profit percentage excluding non-recurring items was 7.4% (6.0%).
- Operating profit rose 52% to EUR 44.5 million (29.3).
- Profit before taxes totalled EUR 37.3 million (20.8).
- Earnings per share from continuing operations was EUR 0.17 (0.11).

Kemira's President and CEO Harri Kerminen:

The recovery in demand which started at the end of the first quarter also continued in the second quarter. The 12% growth in revenue compared to the second quarter last year is a reflection of increased deliveries to our customer industries. The revenues of Oil & Mining and Paper segments rose over 10 %. The revenue of the Municipal & Industrial segment developed positively as well, especially regarding deliveries to Industrial customers.

The operating profit excl. non-recurring items in continuing operations improved in the second quarter by 38%. In addition to higher sales volumes, the result was boosted by lower costs. Operating profit as a share of revenue rose to 7.4% from 6.0% the previous year. Profit before tax was markedly better than last year.

We will continue to develop the company according to our strategy, focusing on water chemistry. As a part of this work, we announced the divestments of two non-water related Paper segment units. The globally growing water business offers Kemira opportunities to expand the utilisation of our current competencies in the water treatment sector. Furthermore, the cooperation with customers and research centers provides a strong basis for the profitable growth of Kemira.

Key Figures and Ratios

Figures in the text section of the interim report are for continuing operations excluding Tikkurila, unless otherwise mentioned. Tikkurila Oyj was separated from Kemira on March 26, 2010. It is reported under Discontinued operations (see tables).

EUR million	4–6/2010	4-6/2009	1-6/2010	1-6/2009	1–12/2009
Revenue	545.2	488.5	1,059.9	986.0	1,969.9
EBITDA	68.3	55.4	131.1	104.0	207.2
EBITDA, %	12.5	11.3	12.4	10.6	10.5
Operating profit, excluding non-recurring items	40.5	29.3	79.6	53.4	124.9
Operating profit	44.5	29.3	82.9	53.4	109.7
Operating profit, excluding non-recurring items, %	7.4	6.0	7.5	5.4	6.3
Operating profit, %	8.2	6.0	7.8	5.4	5.6
Financial income and expenses	-9.8	-7.3	-17.7	-19.6	-37.8
Profit before tax	37.3	20.8	69.0	28.8	76.5
Net profit from continuing operations	27.3	15.5	55.0	22.2	67.1
Net profit***	27.3	29.5	586.0**	35.6**	85.5**
EPS, EUR, from continuing operations	0.17	0.11	0.35	0.16	0.47
Capital employed *	1,631.7	1,722.6	1,631.7	1,722.6	1,659.3
ROCE %*	8.8	1.7	8.8	1.7	6.3
Cash flow after investments	1.9	83.9**	134.6**	49.5**	202.2**
Equity ratio, % at period-end	50**	35**	50**	35**	45**
Gearing, % at period-end	48**	104**	48**	104**	53**
Personnel at period-end	5,177	9,139**	5,177	9,139**	8,493**

* 12-month rolling average
**Includes Tikkurila until March 25, 2010
***Net profit January–March 2010 includes a non-recurring income of EUR 529.2 million from the separation of Tikkurila, consisting of the difference between the market price of Tikkurila on March 26, 2010 and the shareholder's equity of Tikkurila on March 25, 2010 less the transfer tax related to Tikkurila's listing as well as listing costs.

Definitions of key figures are available at www.kemira.com > Investors > Financial information. Due to the rights offering arranged in 2009, historical per share key figures have been adjusted with the following formula: average number of shares x 1.1.

Conference for analysts and the media:

Kemira will arrange a press conference for analysts and media today, July 29, 2010 starting at 10:30 a.m. at Kemira House, Porkkalankatu 3, Helsinki. The press conference will be held in Finnish. Harri Kerminen, Kemira's President and CEO, will present the interim report. The presentation material will be available on Kemira's website at www.kemira.com at 10:30 a.m.

A conference call in English will begin at 1:00 p.m. Finnish time. In order to participate in the call, please dial +44 (0)20 7162 0077, code 871463, ten minutes before the conference begins. The presentation material will be available on Kemira's website at www.kemira.com. A recording of the conference call will be available on Kemira's website later today.

Kemira Oyj will publish its January-September interim report on Thursday October 28, 2010 at 8:30 a.m.

Additional information:

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Kemira is a global two billion euro chemicals company that is focused on serving customers in water-intensive industries. The company offers water quality and quantity management that improve 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 2010

Kemira Group's revenue increased by 12% in April–June 2010 compared to the corresponding period in 2009. April–June 2010 revenue was EUR 545.2 million (April-June 2009: EUR 488.5 million). Demand continued to grow in April–June in most customer industries. Sales prices decreased in some products as a result of a drop in raw material prices seen in 2009. The exchange rate effect increased revenue by about EUR 29 million.

Revenue, EUR million	4-6/2010	4-6/2009	1-12/2009
Paper	247.4	221.6	906.4
Municipal & Industrial	163.7	160.7	607.5
Oil & Mining	78.1	55.2	235.0
Other	56.0	71.7	300.4
Eliminations	0.0	-20.7	-79.4
Total	545.2	488.5	1,969.9

Operating profit rose 52% in April–June 2010 compared to the corresponding period in 2009 and amounted to EUR 44.5 million (29.3). Operating profit excluding non-recurring items, main items being the divestments of two non-water related Paper segment units and a service company in Helsingborg, was EUR 40.5 million (29.3). Operating profit margin was 7.4% (6.0%). The operating profit was boosted by the about EUR 13 million lower cost and higher sales volumes. Fixed costs were at a higher level than last year, due to the negative effect of the exchange rate fluctuations.

Operating profit, excluding non-recurring items, EUR million	4-6/2010	4-6/2009	1-12/2009
Paper	18.3	8.0	44.9
Municipal & Industrial	15.6	18.2	66.4
Oil & Mining	6.9	3.2	14.2
Other	-0.3	-0.1	-0.6
Eliminations	0.0	0.0	0.0
Total	40.5	29.3	124.9

The share of associates' results was EUR 2.6 million (-1.2).

Profit before tax in April–June amounted to EUR 37.3 million (20.8), and net profit from continuing operations totalled EUR 27.3 million (15.5).

Earnings per share from continuing operations was EUR 0.17 (0.11).

Financial Performance in January–June 2010

Kemira Group's revenue of continuing operations increased by 7% in January–June 2010 compared to the corresponding period in 2009, due to the increase in demand in most customer industries. January-June 2010 revenue was EUR 1,059.9 million (January–June 2009: EUR 986.0 million). Sales volumes increased by about 10%. The growth was strongest in the Oil & Mining and Paper segments. The exchange rate effect increased revenue by about EUR 34 million. Sales prices decreased in some products as a result of a drop in raw material prices seen in 2009.

Revenue, EUR million	1-6/2010	1-6/2009	1-12/2009
Paper	481.4	446.6	906.4
Municipal & Industrial	312.1	311.4	607.5
Oil & Mining	144.7	109.6	235.0
Other	121.8	156.9	300.4
Eliminations	-0.1	-38.5	-79.4
Total	1,059.9	986.0	1,969.9

Operating profit in January-June 2010 amounted to EUR 82.9 million (53.4). Operating profit excluding non-recurring items, main items being the divestments of two non-water related Paper segment units and a service company in Helsingborg, rose by 49% to EUR 79.6 million (53.4). The positive growth in the sales volumes in the latter half of the period increased the operating profit markedly. The costs decreased by about EUR 49 million in January-June 2010 compared to the corresponding period in 2009. The exchange rate effect on operating profit was minor. Fixed costs were at the level of 2009, when excluding the negative effect from exchange rate.

Operating profit, excluding non-recurring items, EUR million	1-6/2010	1-6/2009	1-12/2009
Paper	33.5	15.5	44.9
Municipal & Industrial	32.3	28.6	66.4
Oil & Mining	13.3	5.2	14.2
Other	0.5	4.1	-0.6
Eliminations	0.0	0.0	0.0
Total	79.6	53.4	124.9

The share of associates' results was EUR 3.8 million (-5.0).
The January-June profit before tax was EUR 69.0 million (28.8). Net profit for the period from continuing operations totalled EUR 55.0 million (22.2). Net profit was EUR 586.0 million (35.6). This includes a non-recurring income of EUR 529.2 million from the separation of Tikkurila, consisting of the difference between the

market price of Tikkurila on March 26, 2010 and the shareholder's equity of Tikkurila on March 25, 2010 less the transfer tax related to Tikkurila’s listing as well as listing costs.

Financial position and cash flow

Cash flow from operating activities in January-June 2010 amounted to EUR 34.7 million (87.7). Cash flow includes Tikkurila until March 25, 2010. Compared to last year, cash flow was adversely affected by the separation of Tikkurila in the first quarter, as well as the increase of net working capital connected to the growth of revenue. Cash flow after investments amounted to EUR 134.6 million (49.5). Cash flow from investing activities includes the loan repayment from Tikkurila as well a cash and cash equivalents transferred to Tikkurila, and the effect of the transfer tax related to Tikkurila's listing, in total EUR 119.3. The cash flow effect of expansion, improvement and maintenance investments was EUR -31.2 million (-36.1). No acquisitions were carried out during the period. Acquisitions amounted to EUR 3.7 million last year relating to Tikkurila.

At the end of the period the Group’s net debt stood at EUR 611.0 million (December 31, 2009: EUR 675.6 million). The decrease in net debt was mainly due to the separation of Tikkurila (effect approximately EUR 160 million). Currency exchange rate fluctuations increased net debt by approximately EUR 54 million and in addition, during the second quarter Kemira Oyj paid out EUR 41 million in dividend.

At the end of the period, interest-bearing liabilities stood at EUR 723.6 million (December 31, 2009: 950.2). Fixed-rate loans accounted for 76% of total interest-bearing loans (December 31, 2009: 70%). The average interest rate on the Group’s interest-bearing liabilities was 4.4% (5.7%). At the end of June, the duration of the Group’s interest-bearing loan portfolio was 18 months (December 31, 2009: 19 months).

The unused amount of the EUR 500 million revolving credit facility that falls due in 2012 was EUR 437 million at the end of the period. The total limit of the revolving credit facility has been reduced from EUR 750 million to EUR 500 million. Short-term liabilities maturing in the next 12 months amounted to EUR 126.5 million, with commercial papers issued on the Finnish markets representing EUR 4.9 million and repayments of long-term loans representing EUR 110.3 million. Cash and cash equivalents totalled EUR 112.6 million on June 30, 2010. Based on its current structure, it is expected that the Group will not encounter any significant refinancing needs in 2010, since the current loan arrangements cover its financing needs. The terms of the revolving credit facility and other major bilateral loan arrangements require that the Group’s equity ratio must be more than 25%.

At the end of the period, the equity ratio stood at 50% (December 31, 2009: 45%), while gearing was 48% (December 31, 2009: 53%). Kemira’s gearing target is 40-80%. Shareholders’ equity decreased by approximately EUR 70 million due to the separation of Tikkurila. The net impact of currencies on shareholders’ equity was approximately EUR 45 million.

In January–June the Group’s net financial expenses were EUR 17.7 million (19.6). Net financial expenses decreased from the corresponding period in 2009, mainly due to lower debt and lower market rate levels; at the same time they increased due to the exchange rate effects.

Capital expenditure

Gross capital expenditure in January–June, excluding acquisitions, amounted to EUR 34.7 million (36.1). Gross capital expenditure of continuing operations, excluding acquisitions, totalled EUR 32.5 million (27.9). Expansion investments represented around 24% of gross capital investments, improvement investments around 40%, and maintenance investments around 36%. The depreciation of continuing operations amounted to EUR 48.2 million (50.6). Cash flow from the sale of assets in continuing operations was EUR 12.4 million (1.5) in January–June.

Research and Development

In continuing operations, research and development expenditure in January-June was EUR 20.4 million (19.9) i.e. 2.1% (2.1%) of all operating expenses.

In March Kemira and VTT announced the establishing of a large water research center in Finland. The total cost of the research, which will be performed at the centre, is estimated at EUR 120 million, including external funding. The investments are allocated over a period of 4 years, resulting in further investment activities in projects for piloting and proof of concept purposes. The centre will employ approximately 200 persons annually.

At the beginning of the year, about one third of the projects forming the water research program have been kicked off and new strategic partners (customers and other technology suppliers) are joining the program. Kemira has tightened cooperation with the University of Alberta (Canada). University of Alberta has long researched effective extraction of oil from oil sands. The focus of the cooperation will be on water treatment in particular.

In June, Kemira and Nanyang Technological University (Singapore) announced joint a R&D cooperation, with the aim to enhance used water treatment and purification. The goal of the 2-year project is to design a more efficient water treatment process with lower energy consumption and waste volume. The cooperation is part of a membrane research effort.

Human Resources

The number of Kemira Group employees at the end of the period was 5,177 (June 30, 2009: 9,139). The number of personnel declined mostly due to the separation of Tikkurila.

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	4-6/2010	4-6/2009	1-6/2010	1-6/2009	1-12/2009
Revenue	247.4	221.6	481.4	446.6	906.4
EBITDA	33.0	20.9	60.5	40.7	87.0
EBITDA, %	13.3	9.4	12.6	9.1	9.6
Operating profit, excluding non-recurring items	18.3	8.0	33.5	15.5	44.9
Operating profit	21.0	8.0	36.2	15.5	40.1
Operating profit, excluding non-recurring items, %	7.4	3.6	7.0	3.5	5.0
Operating profit, %	8.5	3.6	7.5	3.5	4.4
Capital employed*	780.8	818.3	780.8	818.3	782.6
ROCE %*	7.8	-0.9	7.8	-0.9	5.1
Capital expenditure, excluding acquisitions	9.7	13.4	17.9	18.5	37.8
Cash flow after investments, excluding interest and taxes	11.8	25.2	34.6	31.5	75.6

* 12-month rolling average

The Paper segment’s revenue in April–June 2010 rose by 12% to EUR 247.4 million (221.6). Strong pulp demand has kept the sales of pulp chemicals at a good level. Demand for packaging board has picked up in particular in Asia and Eastern Europe since the second half of last year, increasing chemical sales into these regions. The demand for paper used in magazines and newspapers and the number of printed advertising material has increased the demand for the products. In some products, sales prices declined as a result of a drop in raw material prices in 2009. The exchange rate effects had a EUR 16 million positive impact on revenue.

Operating profit excluding non-recurring items for April–June was EUR 18.3 million (8.0). The operating profit margin rose to 7.4% from 3.6 % last year. Costs decreased by some EUR 12 million in April–June compared to the corresponding period in 2009.

In January–June the Paper segment's revenue increased by 8% to EUR 481.4 million (446.6). The currency exchange effect had a positive impact on revenue of approximately EUR 19 million. Operating profit excluding non-recurring items was EUR 33.5 million (15.5). Operating profit as a share of revenue was 7.0% (3.5%). Costs in January–June were about EUR 30 million lower than in January–June 2009. Exchange rates had no significant effect on the result.

During this period Kemira announced the divestments of two non-water related Paper segment units.

Kemira sold the sulphuric acid plant in Kokkola to Boliden Kokkola Oy. The business operations were transferred to Boliden Kokkola Oy on May 1, 2010. Kemira continues chemical terminal operations in Kokkola including services to Boliden. The transaction has no significant impact on Kemira's financial result.

Kemira and German Catec GmbH financially supported by Fengler Beteiligungs GmbH have signed a contract, according to which Kemira sells its global Fluorescent Whitening Agents to Catec. Fluorescent whitening agents improve the whiteness and brightness of paper. The deal covers a production plant in Leverkusen, the global sales network and the associated support functions. The business employs about a 100 people, most of them in Germany. They will be transferred to Catec at the end of the third quarter, when the transaction is to be closed. The transaction has no significant impact on Kemira's financial result.

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	4-6/2010	4-6/2009	1-6/2010	1-6/2009	1-12/2009
Revenue	163.7	160.7	312.1	311.4	607.5
EBITDA	21.0	25.1	41.6	41.5	91.7
EBITDA, %	12.8	15.6	13.3	13.3	15.1
Operating profit, excluding non-recurring items	15.6	18.2	32.3	28.6	66.4
Operating profit	14.8	18.2	29.4	28.6	59.8
Operating profit, excluding non-recurring items, %	9.5	11.3	10.3	9.2	10.9
Operating profit, %	9.0	11.3	9.4	9.2	9.8
Capital employed*	352.1	356.5	352.1	356.5	349.4
ROCE %*	17.2	6.3	17.2	6.3	17.1
Capital expenditure, excluding acquisitions	4.5	3.4	8.2	5.5	21.0
Cash flow after investments, excluding interest and taxes	8.5	47.7	21.1	55.9	93.5

* 12-month rolling average

The Municipal & Industrial segment's revenue in April–June totalled EUR 163.7 million. A year earlier it was EUR 160.7 million. The delivery volumes were higher than in April–June 2009, but the average sales prices in some products decreased as a result of a drop in raw material prices. The exchange rate effects had a EUR 11 million positive impact on revenue. Healthy demand continued in the municipal water treatment business, and delivery volumes were slightly higher than a year ago. Also in the industrial water treatment business the volumes increased, especially in Europe and Asia.

Operating profit excluding non-recurring items was EUR 15.6 million (18.2). The decrease in some average sales prices due to the drop in raw material prices had a negative impact on the result. Costs decreased in April–June by some EUR 7 million compared to the corresponding period in 2009. Exchange rates had no significant effect on the result.

The segment's revenue in January–June was EUR 312.1 million (311.4). The average prices decreased in some products as a result of a drop in raw material prices seen in 2009. The sales volumes grew by about 5%. The exchange rate effect increased the revenue by about EUR 14 million. Operating profit excluding non-recurring items was EUR 32.3 million (28.6) and the operating profit margin was 10.3% (9.2%). Costs in January–June were about EUR 21 million lower than in January–June 2009. Exchange rates had no significant effect on the result.

Oil & Mining

We offer a large selection 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	4-6/2010	4-6/2009	1-6/2010	1-6/2009	1-12/2009
Revenue	78.1	55.2	144.7	109.6	235.0
EBITDA	12.6	5.4	21.3	9.9	23.6
EBITDA, %	16.1	9.8	14.7	9.0	10.1
Operating profit, excluding non-recurring items	6.9	3.2	13.3	5.2	14.2
Operating profit	10.3	3.2	16.7	5.2	19.9
Operating profit, excluding non-recurring items, %	8.8	5.8	9.2	4.7	6.0
Operating profit, %	13.2	5.8	11.5	4.7	8.5
Capital employed*	139.1	159.3	139.1	159.3	148.9
ROCE %*	22.6	0.6	22.6	0.6	13.4
Capital expenditure, excluding acquisitions	1.1	0.9	2.3	1.5	4.7
Cash flow after investments, excluding interest and taxes	7.1	16.3	15.0	8.9	20.8

* 12-month rolling average

The Oil & Mining segment's revenue in April–June rose by 41% to EUR 78.1 million (55.2). Overall sales volumes rose significantly from the corresponding period in 2009. Demand has been strong, in particular in the oil and gas markets in North America. Demand of chemicals for the mining industry recovered already during the first quarter 2010.

Operating profit excluding non-recurring items for April–June was EUR 6.9 million (3.2). The operating profit margin rose to 8.8% from 5.8% last year. In addition to the increase in sales volumes, the profit was improved by the slightly higher average sales prices of products. Costs increased by some EUR 5 million compared to the corresponding period in 2009.

The segment's revenue in January–June 2010 rose by 32% to EUR 144.7 million (109.6). The average sales prices of products maintained the same level as a year before. The sales volumes grew by about 25%. The currency exchange effect increased revenue by about EUR 2 million. Operating profit excluding non-recurring items was EUR 13.3 million (5.2). Operating profit as a share of revenue reached 9.2% (4.7%). Costs were at the same level in January–June as they were in the corresponding period in 2009. Exchange rates had no significant effect on the result.

Other

The Other segment consists of specialty chemicals such as organic salts and acids and the Group expenses not charged to the segments (some research and development costs and the costs of the CEO Office). The demand of specialty chemicals was at a good level in the Other segment. Products are delivered for instance to the food industry, feed industry and pharmaceutical industry, as well as for airport runway de-icing.

Separation of Tikkurila

Trading with Tikkurila Oyj's share began on NASDAQ OMX Helsinki Oy on March 26, 2010 when Tikkurila was separated from Kemira Oyj.

On March 16, 2010 Kemira's Annual General Meeting decided that each of the four Kemira's shares entitle their holder to receive one share of Tikkurila as a dividend. In total, Kemira distributed a total of 37,933,097 Tikkurila shares as dividend to its shareholders which corresponds with 86% of Tikkurila's shares and votes. Kemira continues to hold a 14% minority share in Tikkurila. The taxation value and purchase price for the Tikkurila shares distributed as dividend is the volume-weighted average price of the shares on the first trading day, March 26, 2010, which was EUR 15.80.

Kemira Oyj's shares and shareholders

On June 30, 2010, Kemira Oyj's share capital was EUR 221.8 million and the number of shares was 155,342,557. At the end of June, Kemira owned 3,600,225 own shares (December 31, 2009: 3,854,771), which corresponds with 2.3% (December 31, 2009: 2.5%) of Kemira Oyj's shares. Based on the Annual General Meeting decision on March 16, 2010, Kemira Oyj transferred 12,255 shares to the members of Kemira Oyj's Board as part of the remuneration of the Board on May 7, 2010.

The highest share price of Kemira Oyj's shares on NASDAQ OMX Helsinki Oy in January–June was EUR 13.19 and the lowest was EUR 7.89. The average share price was EUR 9.86. The company's market value less the shares held by Kemira was EUR 1,338.4 million at the end of June.

Members of the Nomination Committee

The Board of Directors of Kemira Oyj has assembled a Nomination Committee to prepare a proposal for the Annual General Meeting concerning the composition and remuneration of the Board of Directors. The Nomination Committee consists of representatives of the four largest shareholders of Kemira Oyj as of May 31, 2010 and the Chairman of the Board of Directors of the Company as an expert member. Members of the Nomination Committee are **Jari Paasikivi**, President and CEO of Oras Invest Oy; **Kari Järvinen**, Managing Director of Solidium Oy; **Risto Murto**, Deputy CEO, Varma Mutual Pension Insurance Company; **Timo Ritakallio**, Deputy CEO, Ilmarinen Mutual Pension Insurance Company; and **Pekka Paasikivi**, Chairman of Kemira's Board of Directors as an expert member.

Other events during the review period

Kemira sold the sulphuric acid plant in Kokkola to Boliden Kokkola Oy. The business operations were transferred to Boliden Kokkola Oy on May 1, 2010. Kemira continues chemical terminal operations in Kokkola including services to Boliden. The transaction has no significant impact on Kemira's financial result.

Kemira Oyj and a Swedish company Coor Service Management AB have May 21, 2010 signed a contract, according to which Kemira sold its IPOS service company to Coor. IPOS (Industry Park of Sweden AB) provides its customers maintenance, technical and other services in the Industry Park of Helsingborg. The IPOS legal entity and a staff of about 130 persons were transferred to Coor per July 1, 2010. The transaction had no significant impact on Kemira's financial result.

June 23, 2010, Kemira and German Catec GmbH financially supported by Fengler Beteiligungs GmbH signed a contract, according to which Kemira sells its global Fluorescent Whitening Agents to Catec. The deal covers a production plant in Leverkusen, the global sales network and the associated support functions. The business employs about a 100 people, most of them in Germany. They will be transferred to Catec at the end of the third quarter, when the transaction is to be completed. The transaction has no significant impact on Kemira's financial result.

On June 29, 2010, Kemira announced that it will start joint a R&D cooperation with Nanyang Technological University (Singapore), with the aim to enhance used water treatment and purification. The goal of the 2-year project is to design a more efficient water treatment process which produces more clean water with lower energy consumption and waste volume.

Randy Owens, President, Kemira Oil & Mining, will alongside his current role be the region head of North America. **Hannu Melarti**, SVP, Region North America has left the company to pursue career options outside Kemira as of July 1, 2010.

Kemira has received the European Commission's decision regarding anticompetitive activities of animal feed phosphates producers in Europe on **July 20**, 2010. The European Commission decided that Kemira should not pay any fine, since it was the first company to report these activities to the Commission. Kemira has cooperated with the European Commission during the investigation which began at the end of 2003. Kemira divested the animal feed phosphates business in 2004. Kemira informed the public about the Commission's investigations in 2004, in the prospectus of Kemira GrowHow. The decision of the European Commission will not have any financial impact on Kemira.

Short-term risks and uncertainties

Kemira’s main short-term risks and uncertainties are connected to raw material availability and prices.

Substantial fluctuations in the world market prices of electricity and oil are reflected in Kemira’s financial results, via raw material prices and logistics costs.

Introduction of REACH legislation may decrease the available raw material options and thus increase our raw material costs. REACH registration of Kemira’s own products may also be more expensive than estimated, in particular if we are not able to share the costs with other companies. Acrylamide, boric acid, borates and sodium dichromate have been added to the list of candidates for authorization under REACH. If acrylamide, which Kemira uses as a raw material for polymers, will be added to the list of substances subject to authorization under REACH, this would make its use more difficult. Boric acid, borates and sodium dichromate are mainly used in the production at Kemira Chemicals Oy.

Changes in the exchange rates of key currencies can affect Kemira’s financials.

A detailed account of Kemira’s risk management principles and organization is available on the company website at http://www.kemira.com. An account of financial risks is available in the Notes to the Financial Statements 2009. Environmental and hazard risks are discussed in Kemira’s environmental report.

Outlook

Kemira's goal is to be a leading water chemistry company. Implementation of Kemira's water strategy has progressed well and the company has improved its profitability significantly and strengthened the balance sheet with several measures. Kemira will continue to focus on improving profitability and reinforcing positive cash flow, and the company will also increase its actions to boost growth.

The basis for growth is the expanding water chemicals markets and Kemira's strong know-how in 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 new and current customers. Investment in research and development is a central part of Kemira's strategy. The focus of Kemira's R&D activities is on the development and commercialization of new innovative technologies both globally and locally.

During the current year, Kemira expects the demand to develop favorably as our customers' demand is getting stronger. Operating profit from continuing operations, excluding non-recurring items, is expected to grow notably from last year (2009: EUR 124.9 million).

Helsinki, 29 July 2010

Board of Directors

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

KEMIRA GROUP

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

This Interim Consolidated Financial Statement has been prepared in compliance with IAS 34.
The accounting policies adopted are consistent with those of the Group's annual financial statement, added with the following changes.

Changes to the accounting policies as of January 1, 2010:
- IFRS 3 Business Combinations - The standard change had no effect on the interim consolidated financial statement.
- IAS 27 Consolidated and Separete Financial Statements (amended 2008) - The standard change had no effect on the interim consolidated financial statement.
- IFRIC 17 Distributions of non-cash assets to owners - New interpretation has been followed in separation of Tikkurila Oyj.

The changes have been described in annual financial statement 2009.

INCOME STATEMENT	**4-6/2010**	4-6/2009	**1-6/2010**	1-6/2009	2009
EUR million					
Continuing operations					
Revenue	**545.2**	488.5	**1,059.9**	986.0	1,969.9
Other operating income	**10.5**	3.7	**13.5**	6.8	13.5
Expenses	**-487.4**	-436.8	**-942.3**	-888.8	-1,776.2
Depreciation, impairments and reversals of impairments	**-23.8**	-26.1	**-48.2**	-50.6	-97.5
Operating profit	**44.5**	29.3	**82.9**	53.4	109.7
Financial income and expenses, net	**-9.8**	-7.3	**-17.7**	-19.6	-37.8
Share of profit or loss of associates	**2.6**	-1.2	**3.8**	-5.0	-4.8
Group contribution	**-**	-	**-**	-	9.4
Profit before tax	**37.3**	20.8	**69.0**	28.8	76.5
Income tax	**-10.0**	-5.3	**-14.0**	-6.6	-9.4
Net profit for the period, continuing operations	**27.3**	15.5	**55.0**	22.2	67.1
Discontinued operations					
Net profit for the period, discontinued operations	**-**	14.0	**531.0**	13.4	18.4
Net profit for the period	**27.3**	29.5	**586.0**	35.6	85.5
Attributable to, continuing operations:					
Equity holders of the parent	**25.9**	14.4	**52.7**	20.7	63.4
Minority interest	**1.4**	1.1	**2.3**	1.5	3.7
Net profit for the period	**27.3**	15.5	**55.0**	22.2	67.1
Earnings per share, continuing operations					
basic and diluted, EUR	**0.17**	0.11	**0.35**	0.16	0.47
Earnings per share, basic and diluted, EUR	**0.17**	0.21	**3.85**	0.25	0.61

STATEMENT OF COMPREHENSIVE INCOME	4-6/2010	4-6/2009	1-6/2010	1-6/2009	2009
Net profit for the period	**27.3**	29.5	**586.0**	35.6	85.5
Other comprehensive income, net of tax:					
Available-for-sale - change in fair value	**1.0**	-	**-2.5**	-	3.7
Exchange differences	**16.8**	10.5	**53.8**	2.6	28.1
Hedge of net investment in foreign entities	**-4.1**	0.0	**-8.6**	-0.8	-3.0
Cash flow hedging	**3.8**	7.7	**2.1**	5.1	10.0
Other changes	**0.4**	0.5	**-0.3**	0.0	-0.4
Other comprehensive income, net of tax	**17.9**	18.7	**44.5**	6.9	38.4
Total comprehensive income	**45.2**	48.2	**630.5**	42.5	123.9
Attributable to:					
Equity holders of the parent	**43.7**	46.1	**627.0**	40.8	119.9
Minority interest	**1.5**	2.1	**3.5**	1.7	4.0
Total comprehensive income	**45.2**	48.2	**630.5**	42.5	123.9

BALANCE SHEET
EUR million

ASSETS	30.6.2010	31.12.2009 *
Non-current assets		
Goodwill	**612.7**	658.0
Other intangible assets	**69.5**	102.2
Property, plant and equipment	**679.8**	761.5
Holdings in associates	**134.2**	131.1
Available-for-sale investments	**260.6**	166.2
Deferred tax assets	**18.5**	18.8
Other investments	**11.4**	13.2
Defined benefit pension receivables	**35.7**	35.3
Total non-current assets	**1,822.4**	1,886.3
Current assets		
Inventories	**192.6**	246.5
Interest-bearing receivables	**1.0**	1.4
Accounts receivables and other receivables	**366.3**	400.6
Current tax assets	**8.5**	7.3
Money market investments	**78.9**	202.1
Cash and cash equivalents	**33.7**	72.5
Total receivables	**681.0**	930.4
Non-current assets held-for sale **	**14.7**	-
Total assets	**2,518.1**	2,816.7

EQUITY AND LIABILITIES	30.6.2010	31.12.2009 *
Equity attributable to equity holders of the parent	**1,237.0**	1,249.5
Minority interest	**24.0**	19.3
Total equity	**1,261.0**	1,268.8
Non-current liabilities		
Interest-bearing non-current liabilities	**597.1**	512.6
Deferred tax liabilities	**70.2**	90.1
Pension liabilities	**55.9**	70.4
Provisions	**55.4**	55.6
Total non-current liabilities	**778.6**	728.7
Current liabilities		
Interest-bearing current liabilities	**126.5**	437.6
Interest-free current liabilities	**312.2**	369.1
Current tax liabilities	**15.3**	0.5
Provisions	**11.7**	12.0
Total current liabilities	**465.7**	819.2
Non-current liabilities classified as held for sale **	**12.8**	-
Total liabilities	**1,257.1**	1,547.9
Total equity and liabilities	**2,518.1**	2,816.7

* Includes Tikkurila
** Non-current assets held-for sale consist of assets and liabilities of IPOS (Industry Park of Sweden AB) located in Sweden, which are transferred in the company sale to Coor Service Management AB per July 1, 2010. Kemira Oyj and Coor Service Management AB signed the contract on May 21, 2010.

CONSOLIDATED CASH FLOW STATEMENT EUR million Includes Tikkurila until March 25, 2010	4-6/2010	4-6/2009	1-6/2010	1-6/2009	2009
Cash flow from operating activities					
Profit for the period	**25.9**	28.5	**583.7**	34.2	81.8
Total adjustments	**31.3**	52.5	**-455.0**	101.0	206.9
	57.2	81.0	**128.7**	135.2	288.7
Change in net working capital	**-21.9**	52.1	**-52.0**	-11.2	74.4
	35.3	133.1	**76.7**	124.0	363.1
Financing items	**-15.5**	-13.7	**-32.0**	-20.6	-49.0
Taxes paid	**-4.6**	-9.6	**-10.0**	-15.7	-26.3
Net cash generated from operating activities	**15.2**	109.8	**34.7**	87.7	287.8
Cash flow from investing activities					
Capital expenditure for acquisitions	**-**	-3.7	**-**	-3.7	-3.7
Other capital expenditure	**-15.1**	-23.4	**-31.2**	-36.1	-82.2
Proceeds from sale of assets *	**1.9**	1.2	**-17.0**	1.6	2.4
Change in other investments *	**-0.1**	-	**148.1**	-	-2.1
Net cash used in investing activities	**-13.3**	-25.9	**99.9**	-38.2	-85.6
Cash flow before financing activities	**1.9**	83.9	**134.6**	49.5	202.2
Cash flow from financing activities					
Proceeds from non-current interest-bearing liabilities	**4.2**	4.3	**49.4**	56.6	228.3
Repayments from non-current interest-bearing liabilities	**-13.9**	-26.1	**-25.2**	-18.2	-249.7
Short-term financing, net (increase +, decrease -)	**-24.1**	2.2	**-254.8**	-10.9	-183.6
Dividends paid	**-44.7**	-33.0	**-44.7**	-33.0	-33.5
Share issue	**-**	-	**-**	-	200.0
Other financing items	**19.4**	6.4	**-22.7**	-0.6	-11.3
Net cash used in financing activities	**-59.1**	-46.2	**-298.0**	-6.1	-49.8
Net change in cash and cash equivalents	**-57.2**	37.7	**-163.4**	43.4	152.4
Cash and cash equivalents at end of period	**119.7**	161.4	**119.7**	161.4	274.6
Exchange gains (+) / losses (-) on cash and cash equivalents	**-4.2**	1.7	**-8.5**	1.4	-2.8
Cash and cash equivalents at beginning of period	**172.7**	125.4	**274.6**	119.4	119.4
Net change in cash and cash equivalents	**-57.2**	37.7	**-163.4**	43.4	152.4

* 1-6/2010 include cash and cash equivalents transferred to Tikkurila as well as the loan repayment from Tikkurila

STATEMENT OF CHANGES IN EQUITY
EUR million

	Equity attributable to equity holders of the parent								
	Share capital	Capital paid-in in excess of par value	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Minority interests	Total
Shareholders' equity at January 1, 2009	221.8	257.9	81.4	-	-104.6	-25.9	532.2	13.2	976.0
Net profit for the period	-	-	-	-	-	-	34.1	1.5	35.6
Other comprehensive income, net of tax	-	-	5.1	-	1.5	-	0.1	0.2	6.9
Total comprehensive income	-	-	5.1	-	1.5	-	34.2	1.7	42.5
Dividends paid	-	-	-	-	-	-	-30.3	-2.7	-33.0
Share-based compensations	-	-	-	-	-	-	0.4	-	0.4
Changes due to business combinations	-	-	-	-	-	-	-	5.5	5.5
Transfers in equity	-	-	0.1	-	-	-	-0.1	-	0.0
Shareholders' equity at June 30, 2009	**221.8**	**257.9**	**86.6**	**-**	**-103.1**	**-25.9**	**536.4**	**17.7**	**991.4**
Shareholders' equity at January 1, 2010	221.8	257.9	95.8	196.3	-79.9	-25.9	583.6	19.2	**1,268.8**
Net profit for the period	-	-	-	-	-	-	583.7	2.3	**586.0**
Other comprehensive income, net of tax	-	-	-0.5	-	43.7	-	0.1	1.2	**44.5**
Total comprehensive income	-	-	-0.5	-	43.7	-	583.8	3.5	**630.5**
Dividends paid	-	-	-	-	-	-	-640.3	-3.7	**-644.0**
Treasury shares issued to target group of share-based incentive plan	-	-	-	-	-	1.7	-	-	**1.7**
Share-based compensations	-	-	-	-	-	-	-0.7	-	**-0.7**
Changes due to business combinations	-	-	-	-	-	-	-0.3	5.0	**4.7**
Shareholders' equity at June 30, 2010	**221.8**	**257.9**	**95.3**	**196.3**	**-36.2**	**-24.2**	**526.1**	**24.0**	**1,261.0**

Kemira had in its possession 3,600,225 of its treasury shares on June 30, 2010. The average share price of treasury shares was EUR 6.73 and they represented 2.3% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 5.1 million.

The capital paid-in in excess of par value is a reserve accumulating through subscriptions entitled by the Management stock option program 2001 and is based on the Finnish Companies Act (734/1978), which does no longer change. 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 are required by local legislation. The unrestricted equity reserve includes other equity type investments and the subscription price of shares to the extent that it will not, based on a specific decision, be recognized in share capital.

KEY FIGURES	4-6/2010	4-6/2009	1-6/2010	1-6/2009	2009
Earnings per share, continuing operations, basic and diluted, EUR **	**0.17**	0.11	**0.35**	0.16	0.47
Earnings per share, discontinued operations, basic and diluted, EUR **	**-**	0.10	**3.50**	0.09	0.14
Cash flow from operations per share, EUR **	**0.10**	0.82	**0.23**	0.66	2.13
Capital expenditure, EUR million	**18.6**	27.1	**34.7**	39.8	85.9
Capital expenditure / revenue, %	**3.4**	4.2	**3.0**	3.2	3.4
Average number of shares (1000), basic *	**151,647**	133,309	**151,647**	133,309	134,824
Average number of shares (1000), diluted *	**151,734**	133,309	**151,734**	133,309	135,085
Number of shares at end of period (1000), basic *	**151,722**	133,309	**151,722**	133,309	151,488
Number of shares at end of period (1000), diluted *	**151,722**	133,309	**151,722**	133,309	151,748
Equity per share, attributable to equity holders of the parent, EUR **			**8.15**	7.30	8.25
Equity ratio, %			**50.2**	35.0	45.1
Gearing, %			**48.5**	104.3	53.2
Interest-bearing net liabilities, EUR million			**611.0**	1,033.7	675.6
Personnel (average)			**6,259**	9,052	8,843

* Number of shares outstanding, excluding the number of shares bought back.
** Rights offering restatement year 2009

REVENUE BY BUSINESS AREA EUR million	4-6/2010	4-6/2009	1-6/2010	1-6/2009	2009
Paper external	**247.4**	222.2	**481.4**	446.1	905.2
Paper Intra-Group	**-**	-0.6	**-**	0.5	1.2
Municipal & Industrial external	**163.7**	160.4	**312.1**	311.1	607.3
Municipal & Industrial Intra-Group	**-**	0.3	**-**	0.3	0.2
Oil & Mining external	**78.1**	52.3	**144.7**	109.3	234.4
Oil & Mining Intra-Group	**-**	2.9	**-**	0.3	0.6
Other external	**56.0**	53.6	**121.7**	119.5	223.0
Other Intra-Group	**-**	18.1	**0.1**	37.4	77.4
Eliminations	**-**	-20.7	**-0.1**	-38.5	-79.4
Total, continuing operations	**545.2**	488.5	**1,059.9**	986.0	1,969.9
Tikkurila, external, discontinued operations	**-**	162.4	**108.2**	273.6	530.2
Total	**545.2**	**650.9**	**1,168.1**	**1,259.6**	**2,500.1**

OPERATING PROFIT BY BUSINESS AREA EUR million	4-6/2010	4-6/2009	1-6/2010	1-6/2009	2009
Paper	**21.0**	8.0	**36.2**	15.5	40.1
Municipal & Industrial	**14.8**	18.2	**29.4**	28.6	59.8
Oil & Mining	**10.3**	3.2	**16.7**	5.2	19.9
Other	**-1.6**	-0.1	**0.6**	4.1	-10.1
Eliminations	**-**	-	**-**	-	-
Total, continuing operations	**44.5**	29.3	**82.9**	53.4	109.7
Tikkurila, discontinued operations	**-**	22.1	**5.3**	26.1	47.7
Total	**44.5**	51.4	**88.2**	79.5	157.4

CHANGES IN PROPERTY, PLANT AND EQUIPMENT EUR million	1-6/2010	1-6/2009	2009
Carrying amount at beginning of year	**761.5**	765.7	765.7
Acquisitions of subsidiaries	**-**	-	0.1
Increases	**27.9**	34.7	76.1
Decreases	**-2.1**	-1.7	-2.0
Disposal of subsidiaries	**-115.9**	-	-
Depreciation, impairments and reversals of impairments	**-44.6**	-48.6	-88.9
Exchange rate differences and other changes	**53.0**	4.1	10.5
Net carrying amount at end of period	**679.8**	754.2	761.5

CHANGES IN INTANGIBLE ASSETS EUR million	1-6/2010	1-6/2009	2009
Carrying amount at beginning of year	**760.2**	766.7	766.7
Acquisitions of subsidiaries	**-**	2.4	2.4
Increases	**6.8**	6.4	11.6
Decreases	**-**	-	-0.1
Disposal of subsidiaries	**-101.3**	-	-
Depreciation and impairments	**-8.3**	-11.2	-27.6
Exchange rate differences and other changes	**24.8**	3.8	7.2
Net carrying amount at end of period	**682.2**	768.1	760.2

CONTINGENT LIABILITIES

EUR million	30.6.2010	31.12.2009
Mortgages	**13.9**	37.5
Assets pledged		
On behalf of own commitments	**5.9**	5.5
Guarantees		
On behalf of own commitments	**47.4**	45.2
On behalf of associates	**0.9**	1.0
On behalf of others	**5.0**	9.2
Operating leasing liabilities		
Maturity within one year	**22.2**	26.0
Maturity after one year	**125.9**	137.3
Other obligations		
On behalf of own commitments	**1.0**	1.7
On behalf of associates	**1.7**	1.8

Major off-balance sheet investment commitments

There were no major contractual commitments for the acquisition of property, plant and equipment on June 30, 2010.

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 states 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. Such alleged overcharge, together with accrued interest until December 31, 2008, is stated to be approximately EUR 641.3 million. The process is currently pending in the Regional Court of Dortmund, Germany. Kemira defends against the claim of Cartel Damage Claims Hydrogen Peroxide SA. However, Kemira is currently not in a position to make any estimate regarding the duration or the likely outcome of the process. No assurance can be given as to the outcome of the process, and an unfavorable judgment 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 CDC claim, is involved in a number of other legal proceedings incidental to these operations and it does not expect the outcome of these other currently pending legal proceedings to have materially adverse effect upon its consolidated results or financial position.

RELATED PARTY

Transactions with related parties have not changed materially after annual closing 2009.

DERIVATIVE INSTRUMENTS

EUR million	30.6.2010		31.12.2009	
	Nominal value	**Fair value**	Nominal value	Fair value
Currency instruments				
Forward contracts	**498.2**	**3.2**	549.5	1.5
of which hedges of net investment in a foreign operation	**-**	**-**	-	-
Currency options				
Bought	**-**	**-**	-	-
Sold	**-**	**-**	-	-
Currency swaps	**-**	**-**	29.3	-3.9
Interest rate instruments				
Interest rate swaps	**353.2**	**-9.6**	354.7	-9.4
of which cash flow hedge	**315.1**	**-7.8**	307.8	-7.4
Interest rate options				
Bought	**10.0**	**-**	10.0	-
Sold	**-**	**-**	-	-
Bond futures	**10.0**	**-**	10.0	0.2
of which open	**10.0**	**-**	10.0	0.2
Other instruments	**GWh**	**Fair value**	GWh	Fair value
Electricity forward contracts, bought	**1,036.1**	**4.5**	1,156.7	1.2
of which cash flow hedge	**966.0**	**4.4**	1,051.6	1.1
Electricity forward contracts, sold	**70.1**	**-0.1**	-	-
of which cash flow hedge	**-**	**-**	-	-
	K tons	**Fair value**	K tons	Fair value
Natural gas hedging	**12.5**	**-0.4**	14.8	-0.2
of which cash flow hedge	**12.5**	**-0.4**	14.8	-0.2
Salt derivatives	**-**	**-**	160.0	-

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 do not therefore give a fair view of the risk position of the Group.

QUARTERLY INFORMATION

EUR million	2010	2010	2009	2009	2009	2009
Continuing operations	Q2	Q1	Q4	Q3	Q2	Q1
Revenue						
Paper external	**247.4**	**234.0**	229.2	229.9	222.2	223.9
Paper Intra-Group	**-**	**-**	0.4	0.3	-0.6	1.1
Municipal & Industrial external	**163.7**	**148.4**	140.6	155.6	160.4	150.7
Municipal & Industrial Intra-Group	**-**	**-**	-	-0.1	0.3	-
Oil & Mining external	**78.1**	**66.6**	69.2	55.9	52.3	57.0
Oil & Mining Intra-Group	**-**	**-**	0.2	0.1	2.9	-2.6
Other external	**56.0**	**65.7**	57.2	46.3	53.6	65.9
Other Intra-Group	**-**	**0.1**	20.6	19.4	18.1	19.3
Eliminations	**-**	**-0.1**	-21.2	-19.7	-20.7	-17.8
Total	**545.2**	**514.7**	496.2	487.7	488.5	497.5
Operating profit						
Paper	**21.0**	**15.2**	9.8	14.8	8.0	7.5
Municipal & Industrial	**14.8**	**14.6**	6.3	24.9	18.2	10.4
Oil & Mining	**10.3**	**6.4**	11.2	3.5	3.2	2.0
Other	**-1.6**	**2.2**	-10.0	-4.2	-0.1	4.2
Eliminations	**-**	**-**	-	-	-	-
Total	**44.5**	**38.4**	17.3	39.0	29.3	24.1
Operating profit, excluding non-recurring items						
Paper	**18.3**	**15.2**	14.6	14.8	8.0	7.5
Municipal & Industrial	**15.6**	**16.7**	12.9	24.9	18.2	10.4
Oil & Mining	**6.9**	**6.4**	5.5	3.5	3.2	2.0
Other	**-0.3**	**0.8**	-0.5	-4.2	-0.1	4.2
Eliminations	**-**	**-**	-	-	-	-
Total	**40.5**	**39.1**	32.5	39.0	29.3	24.1

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 - money market investments
- 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) Net working capital + property, plant and equipment available for use + intangible assets available for use + investments in associates

DISCONTINUED OPERATIONS

Trading with Tikkurila Oyj's share began on NASDAQ OMX Helsinki Oy on March 26, 2010 and Tikkurila was separated from Kemira Oyj. Tikkurila comprised own segment in Kemira.

On March 16, 2010 Kemira's Annual General Meeting decided that each four Kemira's shares entitle their holder to receive one share of Tikkurila as a dividend. Kemira distributed a total of 37,933,097 Tikkurila shares as dividend to its shareholders which corresponds with 86% of Tikkurila's shares and votes. Kemira held a 14% minority share in Tikkurila.

INCOME STATEMENT **EUR million**	**1.1.- 25.3.2010**	1.1. - 31.12.2009
Revenue	**108.2**	530.2
Other operating income	**0.4**	1.5
Expenses	**-98.6**	-465.2
Depreciation, impairments and reversals of impairments	**-4.7**	-18.8
Operating profit	**5.3**	47.7
Financial income and expenses, net	**-1.6**	-12.0
Share of profit or loss of associates	**-**	0.1
Group contribution	**-**	-9.4
Profit before tax	**3.7**	26.4
Income tax	**-1.9**	-8.0
Net profit for the period	**1.8**	18.4
Profit for Tikkurila spin off	**529.2**	
Net profit for the period, discontinued operations	**531.0**	
Attributable to, discontinued operations:		
Equity holders of the parent	**1.8**	
Minority interest	**0.0**	
Net profit for the period	**1.8**	
Earnings per share, discontinued operations, basic and diluted, EUR	**3.50**	0.14

CASH FLOW **EUR million**	**1.1.- 25.3.2010**	**1.1. - 31.12.2009**
Cash flow from operating activities	**-29.0**	62.5
Cash flow from investing activities	**-1.9**	-17.1
Cash flow from financing activities	**24.9**	-53.1
Net change in cash and cash equivalents	**-6.0**	-7.7

The effect of paying Tikkurila as dividend on Group's financial position	**25.3.2010**	31.12.2009
Non-current assets	**230.0**	224.6
Receivables	**222.1**	178.5
Non-current liabilities	**-164.0**	-140.6
Current liabilities	**-132.6**	-118.6
Assets and liabilities, net	**155.5**	143.9
Expenses paid in cash [1)]	**-10.4**	
Cash and cash equivalents of discontinued operations	**-19.2**	
The effect on cash flow	**-29.6**	

[1)] Expenses paid in cash include transfer tax and other expenses of EUR 10.3 million paid during the second quarter in 2010.