Interim Report | Q3
January-September 2009

Kemira Oyj's Interim Report January–September 2009: Operating profit excluding non-recurring items up by 22%, very strong cash flow

January–September:

- Revenue in January–September 2009 amounted to EUR 1,905.4 million (January–September 2008: EUR 2,205.1 million). Revenue from continuing business operations decreased by 7%.
- Operating profit excluding non-recurring items rose by 22% to EUR 147.2 million (EUR 120.9 million). Operating profit excluding non-recurring items in continuing business operations was up by 28%.
- Cash flows after investments grew significantly to EUR 175.3 million (EUR 65.7 million). Strong cash flow strengthened the balance sheet and gearing fell to 87% (Dec. 31, 2008: 107%).
- Earnings per share: EUR 0.61 (EUR 0.55).
- Kemira's revenue for October–December 2009 is expected to remain behind the previous year due to reduced demand in customer industries. Operating profit excluding non-recurring items is expected to grow from the EUR 11.7 million recorded a year earlier.

Third quarter:

- Revenue in July–September 2009 amounted to EUR 645.8 million (July–September 2008: EUR 780.0 million). Revenue from continuing business operations decreased by 13%.
- Operating profit excluding non-recurring items rose by 16% to EUR 65.3 million (EUR 56.5 million). Operating profit excluding non-recurring items in continuing business operations was up by 22%.
- Cash flows after investments were EUR 125.8 million (EUR 131.4 million, including the EUR 96.1 million associated with the set-up of the joint venture in the titanium dioxide business).
- Earnings per share: EUR 0.33 (EUR 0.28).

Key Figures and Ratios

EUR million	7–9/2009	7–9/2008	1–9/2009	1–9/2008	1–12/2008
Revenue	645.8	780.0	1,905.4	2,205.1	2,832.7
EBITDA	96.0	101.9	235.3	241.2	243.3
EBITDA, %	14.9	13.1	12.3	10.9	8.6
Operating profit, excluding non-recurring items	65.3	56.5	147.2	120.9	132.6
Operating profit	65.3	69.8	144.8	142.1	74.0
Operating profit, excluding non-recurring items, %	10.1	7.2	7.7	5.5	4.7
Operating profit, %	10.1	8.9	7.6	6.4	2.6
Financial income and expenses	-11.0	-20.7	-37.7	-45.8	-69.5
Profit before tax	53.8	48.8	101.6	96.3	1.8
Profit before tax, %	8.3	6.3	5.3	4.4	0.1
Net profit	40.6	35.4	76.2	70.3	1.8
EPS, EUR	0.33	0.28	0.61	0.55	-0.02
Capital employed*	2,009.2	2,043.2	2,009.2	2,043.2	2,062.8
ROCE %*	3.4	4.9	3.4	4.9	3.5
Cash flows after investments	125.8	131.4	175.3	65.7	2.7
Equity ratio, % at period-end	37	40	37	40	34
Gearing, % at period-end	87	87	87	87	107
Personnel at period-end	8,561	9,392	8,561	9,392	9,405

* 12-month rolling average

Kemira’s President and CEO Harri Kerminen:

“This year, Kemira has sharply focused on improving its cash flow. In January–September, cash flows after investments were very strong, EUR 175 million. Reasons for this were, among other things, effective working capital management, higher EBITDA, and smaller capital expenditure. With the strong cash flow, our gearing fell considerably and reached 87% at the end of September, which is already close to our target level of 40−80%.

Sales volumes have declined this year as demand has shrunk in several customer industries, but this downward trend appears to have halted. Despite the fall in revenue, operating profit excluding non-recurring items in continuing businesses rose by 22% in the third quarter from the same period a year earlier. This is due in large part to efficiency improvement measures, fixed cost management, and lower variable costs compared to the same period last year. The Municipal & Industrial segment (previously Water) was able to significantly strengthen its operating profit and cash flow. In July–September, Kemira's operating profit excluding non-recurring items accounted for 10% of revenue compared with 7% a year earlier. Our medium-term target level for operating profit as a percentage of revenue is 10%.

Kemira's vision is to be a leading water chemistry company. Operational efficiency enhancement, profitability improvement and stronger cash flows and balance sheet continue to be our key focus areas, but we are gradually taking steps to also accelerate revenue growth. Our organic growth objective is 5% per year."

A conference for analysts and the media:

Kemira will arrange a press conference for analysts and the media today on October 28, 2009 starting at 1:00 p.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 results. Presentation material will be available on Kemira's website at www.kemira.com at 1:00 p.m.

A conference call in English will begin at 3:00 p.m. Helsinki time. In order to participate in the call, please dial +44 (0) 20 7162 0125 ten minutes before the conference begins, code 848374. Presentation material will be available on Kemira's website. A recording of the conference call will be available on Kemira's website later today.

Kemira Oyj will publish its results for 2009 on Tuesday, February 9, 2010 at 8:30 a.m.

For further information, please contact:

Jyrki Mäki-Kala, CFO
Tel. +358 10 86 21589

Päivi Antola, Senior Manager, IR & Financial Communications
Tel. +358 10 86 21140

Kemira is a global 2.8 billion euro chemicals 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. Its paints and coatings business, Tikkurila, aims to be the market leader in decorative paints and selected wood and metal coatings in chosen markets.

www.kemira.com

The new strategy announced in June 2008 resulted in some changes to Kemira's business structure. Financial reporting reflects the new structure from the beginning of 2009. Kemira's new reporting segments are Paper, Municipal & Industrial (previously "Water"), Oil & Mining, Tikkurila, and 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). Kemira aims to have Tikkurila listed on the Helsinki Stock Exchange once market conditions permit.

Financial Performance in July–September 2009

Revenue from Kemira Group's continuing business operations fell by 13% in July–September 2009 compared to the same period a year earlier due to weaker demand in several customer industries.

July–September, EUR million	7–9/2009	7–9/2008 Continuing business operations	7–9/2008
Revenue	645.8	741.9	780.0
Operating profit, excluding non-recurring items	65.3	53.4	56.5
Operating profit, excluding non-recurring items, %	10.1	7.2	7.2

The impact of the titanium dioxide business transferred to a joint venture has been eliminated in the continuing business operations.

Revenue in July–September 2009 amounted to EUR 645.8 million (July–September 2008: EUR 780.0 million). In the Paper segment, sales declined following weaker demand in customer industries. In Municipal & Industrial, demand decreased in some customer industries due to lower capacity utilization rates, and delivery volumes to municipal customers also fell in certain market areas. The Oil & Mining segment experienced a decline in demand and revenue. In Tikkurila, demand decreased considerably as new construction, building material sales, and housing sales slowed down in all key markets. In the segment Other, the demand and price of specialty chemicals supplied to the food, feed, and pharmaceutical industries remained healthy.

Acquisitions had an approximately EUR 18 million positive impact on revenue. The currency exchange effect had an approximately EUR 27 million negative impact on revenue, and the establishment of the joint venture in the titanium dioxide business in 2008 decreased revenue by approximately EUR 38 million.

Revenue, EUR million	7–9/2009	7–9/2008	1–12/2008
Paper	230.2	267.7	1,003.3
Municipal & Industrial	155.5	156.0	583.7
Oil & Mining	56.0	74.5	275.4
Tikkurila	158.1	193.7	648.1
Other*	65.7	104.3	414.8
Eliminations	-19.7	-16.2	-92.6
Total*	**645.8**	**780.0**	**2,832.7**

*2008 includes the titanium dioxide business for the period of January–August.

Operating profit for July–September 2009 was EUR 65.3 million (EUR 69.8 million, including EUR 13.3 million in non-recurring items). Operating profit from continuing business, excluding non-recurring items, increased by 22%, and mostly from lower costs. Variable costs decreased by about EUR 36 million in July–September 2009 compared to the same period a year earlier. Fixed costs decreased by about EUR 3 million compared to the same period a year earlier.

Acquisitions contributed approximately EUR 4 million to operating profit. The currency exchange effect had an approximately EUR 3 million negative impact on operating profit. As of September 1, 2008 Kemira's share of the titanium dioxide joint venture's results is being reported below operating profit. In the corresponding period a year earlier, the titanium dioxide business made an operating profit of approximately EUR 3 million.

Operating profit, excluding non-recurring items, EUR million	7–9/2009	7–9/2008	1–12/2008
Paper	14.8	11.7	41.5
Municipal & Industrial	24.9	7.3	25.0
Oil & Mining	3.5	3.5	8.4
Tikkurila	26.3	30.4	59.2
Other*	-4.2	3.3	-1.6
Eliminations	-	0.3	0.1
Total*	**65.3**	**56.5**	**132.6**

*2008 includes the titanium dioxide business for the period of January–August.

The share of associates' results was EUR -0.5 million (EUR -0.3 million).

The Group's net financial expenses in July–September totaled EUR 11.0 million (EUR 20.7 million). Net financial expenses decreased from the corresponding period a year earlier mainly due to lower interest costs.

Profit before tax in July–September amounted to EUR 53.8 million (EUR 48.8 million) and net profit totaled EUR 40.6 million (EUR 35.4 million). Earnings per share were EUR 0.33 (EUR 0.28).

Financial Performance in January–September 2009

Revenue from Kemira Group's continuing business operations fell by 7% in January–September 2009 compared to the same period a year earlier due to weaker demand in several customer industries.

January–September, EUR million	1–9/2009	1–9/2008 Continuing business operations	1–9/2008
Revenue	1,905.4	2,057.6	2,205.1
Operating profit, excluding non-recurring items	147.2	114.7	120.9
Operating profit, excluding non-recurring items, %	7.7	5.6	5.5

The impact of the titanium dioxide business transferred to a joint venture has been eliminated in the continuing business operations.

Revenue in January–September 2009 amounted to EUR 1,905.4 million (January–September 2008: EUR 2,205.1 million). Acquisitions had an approximately EUR 46 million positive impact on revenue. The currency exchange effect had an approximately EUR 49 million negative impact on revenue, and the establishment of the joint venture in the titanium dioxide business in 2008 decreased revenue in January–September by approximately EUR 148 million.

Operating profit for January–September 2009 was EUR 144.8 million (EUR 142.1 million). Operating profit excluding non-recurring items amounted to EUR 147.2 million (EUR 120.9 million). Operating profit excluding non-recurring items in continuing business operations was up by 28%. Sales price increases were implemented in the second half last year in response to the significant increase in raw material prices. This contributed to the increase in operating profit in January–September compared to the same period a year earlier and compensated for the impact of declined sales volumes on operating profit. Other factors contributing to the improvement in operating profit included lower variable and fixed costs, and the healthy demand for specialty chemicals. Fixed costs in January–September were approximately EUR 28 million lower than a year earlier. Variable costs decreased by about EUR 6 million compared to the same period a year earlier. Acquisitions contributed approximately EUR 9 million to operating profit. The currency exchange effect had an approximately EUR 7 million negative impact on operating profit. As of September 1, 2008 Kemira's share of the titanium dioxide joint venture's results is being reported below operating profit. In the corresponding period a year earlier, the titanium dioxide business made an operating profit of approximately EUR 6 million.

The annual savings target of Kemira's global cost savings program is more than EUR 85 million, with Tikkurila accounting for EUR 25 million. The savings are expected to materialize in 2008–2010 and the full annual impact is expected to be felt from 2011 onwards. These savings will affect the entire Group and will be achieved by streamlining the Group structure, organization, and operating models.

The share of associates' results was EUR -5.5 million (EUR 0.0 million).

In January–September, profit before tax came to EUR 101.6 million (EUR 96.3 million) and net profit totaled EUR 76.2 million (EUR 70.3 million). Taxes totaled EUR -25.4 million (EUR -26.0 million), representing an effective tax rate of around 25% (27%). Earnings per share were EUR 0.61 (EUR 0.55).

Financial Position and Cash Flows

In January–September 2009, the Group reported cash flows of EUR 226.8 million (EUR 77.1 million) from operating activities. Inventories declined from the year-end by 23%, or by EUR 74.9 million. Cash flows after investments were EUR 175.3 million (EUR 65.7 million). The cash flow effect from expansion and improvement investments was EUR -35.1 million (EUR -87.2 million). Cash flow from acquisitions was EUR -3.6 million (EUR -140.4 million).

At the end of September, the Group's net debt stood at EUR 906.2 million (December 31, 2008: EUR 1,049.1 million). Net debt declined mainly due to the stronger cash flows. Currency exchange rates fluctuations reduced net debt by some EUR 8 million.

At the period-end, interest-bearing liabilities stood at EUR 1,119.0 million. Fixed-rate loans accounted for 56% of total interest-bearing loans. The average interest rate on the Group's interest-bearing liabilities was 5.1% (5.5%). At the end of September, the duration of the Group's interest-bearing loan portfolio was 17 months (December 31, 2008: 17 months).

The unused amount of the EUR 750 million revolving credit facility that falls due in 2012 was EUR 424.0 million at the end of September, or 57% of the total amount. Short-term liabilities maturing in the next 12 months amounted to EUR 204.5 million at the end of September, with commercial papers issued in the Finnish markets representing EUR 146.6 million and repayments of long-term loans representing EUR 43.1 million. Cash and cash equivalents totaled EUR 212.9 million on September 30, 2009. Based on its current structure, it is expected that the Group will not encounter any significant refinancing needs in 2009–2010, since the current loan arrangements cover its financing needs. The terms of the revolving credit facility and other major bilateral loan agreements require that the Group's equity ratio must be more than 25%.

At the end of September, the equity ratio stood at 37% (December 31, 2008: 34%), while gearing was 87% (December 31, 2008: 107%). Gearing declined as a result of the decrease in interest-bearing net liabilities and the increase in equity. The net impact of currencies on shareholders' equity was approximately EUR 20 million. In April, after the Annual General Meeting, Kemira Oyj paid out EUR 30.3 million in dividends.

The Group's net financial expenses for January–September totaled EUR 37.7 million (EUR 45.8 million). The decrease in net financial expenses can be attributed to the lower market interest level and smaller liabilities.

Capital Expenditure

Gross capital expenditure, excluding acquisitions, amounted to EUR 50.5 million (EUR 116.3 million). Expansion investments represented around 34% of capital expenditure excluding acquisitions, improvement investments around 35%, and maintenance investments around 31%. Full-year capital expenditure excluding acquisitions is expected to total less than EUR 100 million.

The Kemira Group's depreciation came to EUR 90.5 million (99.1 million).

Cash flow from the sale of assets was EUR 2.5 million (EUR 245.3 million). Cash flow from acquisitions was EUR 3.6 million (EUR 140.4 million). The Group's net capital expenditure totaled EUR 51.5 million (EUR 11.4 million).

Research and Development

In January–September, research and development expenditure totaled EUR 35.6 million (EUR 44.4 million), accounting for 2% (2%) of revenue.

In September, Kemira opened its North American research and development center located at Technology Enterprise Park on the campus of the Georgia Institute of Technology in Atlanta. The Atlanta facility will have global responsibility in Kemira's R&D network for paper tissue and recycled fiber research, oil and mining research as well as defoamer and polymer chemistry research. Operations at the center were launched in June 2009. Kemira's other R&D centers are located in Espoo, Finland; Leverkusen, Germany and Shanghai, China. A fifth center will be established in São Paulo, Brazil during 2010.

Human Resources

The number of Group employees at the end of September was 8,561 (9,392).

Kemira conducted a personnel survey in May–June. The objective of the survey was to assess personnel satisfaction and commitment and to identify the organization’s strengths and development areas. The response rate of 87% is very high, which is a positive sign of the personnel's willingness to express their views on Kemira as a workplace. The survey showed that people found their work challenging and interesting, and were satisfied with their work. When asked to name key organizational strengths, employees mentioned supervisory work and leadership. Supervisors were found to be easy to approach, and trust and recognition for achievements were also considered strengths. According to the survey, further development was needed in communicating Kemira's strategy, objectives and structure.

Kemira participates in Baltic Sea Action Group’s Commitment to Act

Kemira participates in the pro-Baltic Sea work carried out by the Baltic Sea Action Group and announced its commitment to act in August. The Commitment to Act was initiated by the Baltic Sea Action Group, a neutral Finland-based organization founded in March 2008 to rescue the Baltic Sea. Kemira's business plays a direct role in decreasing the wastewater load in the Baltic Sea, as a significant share of the communities and cities within the Baltic Sea watershed clean their waste water using chemicals supplied by Kemira. In its Commitment to Act, Kemira agrees to lend its expertise and research efforts to returning sludge-borne valuable nutrients, nitrogen and phosphorus, safely into the natural cycle without causing eutrophication in waterways.

Near-Term Risks and Uncertainty Factors

The key risks and uncertainty factors affecting Kemira's business are related to general economic developments and their impact on the demand for Kemira’s products.

Sharp fluctuations in global electricity and oil prices will affect raw material prices and the cost of logistics and, therefore, be reflected in Kemira’s performance.

If the industrial by-products Kemira uses as raw materials were to be in short supply or even run out entirely, this could have a negative effect on Kemira's results, particularly in the Municipal & Industrial segment. Similarly, capacity reductions in the raw material supplier chain may affect Kemira’s production costs. As a result of the general economic development, some of our partners such as companies in the logistics business may experience difficulties, which may affect Kemira’s operations temporarily.

With progressive implementation of the REACH legislation, the number of raw materials and their suppliers may be reduced, which could raise Kemira’s raw material costs. Also, registration of Kemira's own products under REACH may be more expensive than anticipated, especially if costs cannot be shared with other companies.

Furthermore, currency exchange rate volatility in Kemira’s key currencies may affect the Group’s figures.

A detailed account of Kemira’s risk management principles and practices is available at the company’s website, www.kemira.com. An account of financial risks was published in the Notes to the Accounts section of the Financial Statements for 2008. Kemira’s environmental report discusses environmental and accident risks.

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	7–9/2009	7–9/2008	1–9/2009	1–9/2008	1–12/2008
Revenue	230.2	267.7	676.8	756.5	1,003.3
EBITDA	26.9	23.0	67.6	66.8	69.4
EBITDA, %	11.7	8.6	10.0	8.8	6.9
Operating profit, excluding non-recurring items	14.8	11.7	30.3	31.7	41.5
Operating profit	14.8	10.9	30.3	30.9	-2.6
Operating profit, excluding non-recurring items, %	6.4	4.4	4.5	4.2	4.1
Operating profit, %	6.4	4.1	4.5	4.1	-0.3
Capital employed*	806.5	806.3	806.5	806.3	826.7
ROCE %*	-0.4	3.5	-0.4	3.5	-0.3
Capital expenditure, excluding acquisitions	6.0	9.9	24.5	41.1	51.7
Cash flow after investments, excluding interest and taxes	25.3	-8.3	56.8	27.9	15.5

* 12-month rolling average

The Paper segment’s revenue in July–September 2009 shrank by 14% to EUR 230.2 million (EUR 267.7 million) as demand in customer industries has decreased markedly. The currency exchange effect had a EUR 2 million negative impact on revenue.

The consumption of paper used in magazines and newspapers and the number of printed merchandizing items have fallen, particularly in the traditional markets in Europe and North America. Management estimates that demand has decreased by 10−25%, depending on the paper grade. To adapt production to weaker demand, the Paper segment’s customers in the paper industry have cut back and shut down capacity, and cleared stocks. The demand for packaging boards has also become more sluggish, although Asia and Eastern Europe are showing signs of recovery in demand.

Operating profit excluding non-recurring items for July–September was EUR 14.8 million (EUR 11.7 million). Operating profit as a percentage of revenue rose to 6.4% from 4.4% last year (excluding non-recurring items). Lower fixed and variable costs compensated for the decline in sales volumes. Variable costs decreased by about EUR 12 million in July–September 2009 compared to the same period a year earlier.

At the beginning of the year, Kemira and the Chinese company Tiancheng Ltd. set up a joint venture, Kemira-Tiancheng Chemicals (Yanzhou) Co., Ltd, to produce AKD wax, and adhesives derived from this wax, for the paper and board industry. The company’s operations have started out as planned, and the company's home market in China shows a healthy demand for the products.

Kemira has been taking measures over a period of several years to adjust its paper and pulp chemicals business to the increasingly challenging market. In addition to temporary production shut-downs, AKD wax production in Vaasa, Finland, was shut down in March 2009. Over the last few years, six North American production facilities have been closed and this year Kemira will shut down its polymer production in Columbus, USA.

In January–September the Paper segment’s revenue fell by 11% to EUR 676.8 million (EUR 756.5 million). The currency exchange effect had a EUR 4 million positive impact on revenue. Operating profit excluding non-recurring items was EUR 30.3 million (EUR 31.7 million). Variable costs in January–September were approximately EUR 5 million higher than in the same period in 2008 while fixed costs decreased.

Municipal & Industrial

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

EUR million	7–9/2009	7–9/2008	1–9/2009	1–9/2008	1–12/2008
Revenue	155.5	156.0	466.9	436.7	583.7
EBITDA	32.6	13.6	74.1	36.3	41.0
EBITDA, %	21.0	8.7	15.9	8.3	7.0
Operating profit, excluding non-recurring items	24.9	7.3	53.5	18.1	25.0
Operating profit	24.9	7.3	53.5	18.6	5.3
Operating profit, excluding non-recurring items, %	16.0	4.7	11.5	4.1	4.3
Operating profit, %	16.0	4.7	11.5	4.3	0.9
Capital employed*	357.3	321.2	357.3	321.2	342.7
ROCE %*	11.2	7.7	11.2	7.7	1.6
Capital expenditure, excluding acquisitions	3.7	3.2	9.2	23.0	29.7
Cash flow after investments, excluding interest and taxes	28.2	-9.4	84.1	-10.5	-13.8

* 12-month rolling average

The Municipal & Industrial segment’s (formerly Water segment) revenue in July–September 2009 totaled EUR 155.5 million (EUR 156.0 million). The currency exchange effect had a EUR 2 million negative impact on revenue. Acquisitions had an approximately EUR 7 million positive impact on revenue.

Healthy demand continued in the municipal water treatment business despite a decrease in delivery volumes to municipal customers in certain market areas. In the industrial water treatment business, demand has decreased in some customer industries due to lower capacity utilization rates, but in other industries, such as the food industry and power production, demand for water treatment chemicals has been stable. Total delivery volumes fell slightly in July–September 2009 compared to the same period a year earlier.

Operating profit excluding non-recurring items was EUR 24.9 million (EUR 7.3 million). Operating profit as a percentage of revenue rose from 4.7% last year to 16.0%. Variable costs decreased by about EUR 18 million in July–September compared to the same period a year earlier. Fixed cost savings also boosted the operating profit. Acquisitions had an approximately EUR 2 million positive impact on operating profit.

In September, Kemira and Akzo Nobel agreed that Kemira will take over Akzo Nobel's water treatment iron coagulant business in Scandinavia (Sweden, Norway and Denmark). The business deal did not involve any transfer of personnel or production facilities.

In January–September the Municipal & Industrial segment’s revenue rose by 7% to EUR 466.9 million (EUR 436.7 million). Acquisitions had an approximately EUR 20 million positive impact on revenue. Delivery volumes were lower than in the same period a year earlier but average prices were higher. Operating profit excluding non-recurring items was EUR 53.5 million (EUR 18.1 million). Factors contributing to the improvement in operating profit included higher sales prices and lower variable and fixed costs. Acquisitions contributed approximately EUR 5 million to operating profit.

The business segment was renamed Municipal & Industrial in September to replace the previous name ”Water”. The new name describes the segment’s customer base, which ranges from small municipalities to big cities and various industries.

A reclassification will be made to revenue in the final quarter based on new customer assignments that will lower the Municipal & Industrial segment’s revenue for 2009 by less than EUR 10 million, and correspondingly will raise the Oil & Mining segment’s revenue by less than EUR 10 million.

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	7–9/2009	7–9/2008	1–9/2009	1–9/2008	1–12/2008
Revenue	56.0	74.5	165.6	208.8	275.4
EBITDA	5.7	5.9	15.6	17.4	15.3
EBITDA, %	10.2	7.9	9.4	8.3	5.6
Operating profit, excluding non-recurring items	3.5	3.5	8.7	7.8	8.4
Operating profit	3.5	3.4	8.7	9.6	1.9
Operating profit, excluding non-recurring items, %	6.3	4.7	5.3	3.7	3.1
Operating profit, %	6.3	4.6	5.3	4.6	0.7
Capital employed*	154.7	156.3	154.7	156.3	160.4
ROCE %*	0.6	-1.3	0.6	-1.3	1.2
Capital expenditure, excluding acquisitions	1.2	1.7	2.7	7.5	8.8
Cash flow after investments, excluding interest and taxes	4.3	5.1	13.2	16.8	14.3

* 12-month rolling average

The Oil & Mining segment's revenue in July–September dropped by 25% to EUR 56.0 million (EUR 74.5 million). Revenue fell as a result of weaker demand, particularly in the mining industry. The currency exchange effect had a EUR 2 million positive impact on revenue.

In the oil and gas industry, demand remained flat as a consequence of cuts in exploration, drilling, and production services. Demand recovery is expected with oil and gas as prices increase. In mining, some signs of improvement were seen in metals, where iron-ore production has increased significantly to feed steel mills. Improvement in aluminum consumption is also expected.

Operating profit excluding non-recurring items for July–September was EUR 3.5 million (EUR 3.5 million). Operating profit as a percentage of revenue rose to 6.3% from 4.7% last year (excluding non-recurring items). Lower sales volumes were compensated by lower variable costs which decreased by about EUR 7 million in July–September compared to the same period a year earlier.

In January–September, revenue fell by 21% to EUR 165.6 million (EUR 208.8 million) due to weak demand. The currency exchange effect had a EUR 10 million positive impact on revenue. Operating profit excluding non-recurring items was EUR 8.7 million (EUR 7.8 million). Variable costs in January–September were approximately EUR 12 million lower than in the same period in 2008.

Oil & Mining segment is based on Kemira's water competence and water treatment product range. Its strategy is to focus on extraction and process solution where water quality and quantity management plays a central role for the customers. Oil & Mining implements this strategy by leveraging Kemira's global presence, production footprint, and research network.

A reclassification will be made to revenue in the final quarter based on new customer assignments that will raise the Oil & Mining segment's revenue for 2009 by less than EUR 10 million, and correspondingly will lower the Municipal & Industrial segment's revenue by less than EUR 10 million.

Tikkurila

Our product range consists of decorative paints and coatings for the wood and metal industries. We provide consumers, professional painters, and industrial customers with branded products and expert services in approximately 40 countries.

EUR million	7–9/2009	7–9/2008	1–9/2009	1–9/2008	1–12/2008
Revenue	158.1	193.7	431.7	544.6	648.1
EBITDA	31.2	35.2	66.5	86.1	78.2
EBITDA, %	19.7	18.2	15.4	15.8	12.1
Operating profit, excluding non-recurring items	26.3	30.4	54.8	71.8	59.2
Operating profit	26.3	30.4	52.4	71.8	59.2
Operating profit, excluding non-recurring items, %	16.6	15.7	12.7	13.2	9.1
Operating profit, %	16.6	15.7	12.1	13.2	9.1
Capital employed*	306.5	324.2	306.5	324.2	323.6
ROCE %*	13.0	20.4	13.0	20.4	18.3
Capital expenditure, excluding acquisitions	2.7	3.9	11.0	17.9	32.1
Cash flow after investments, excluding interest and taxes	64.8	59.0	52.5	56.0	52.2

* 12-month rolling average

Tikkurila’s revenue in July–September decreased by 18% and totaled EUR 158.1 million (EUR 193.7 million). The decrease is associated with the general economic recession, which caused a slowdown in both new construction and the sales of building materials and resulted in more sluggish housing sales in all key markets. The currency exchange effect had a EUR 24 million negative impact on revenue. Acquisitions had an approximately EUR 3 million positive impact on revenue.

Operating profit excluding non-recurring items for July–September was EUR 26.3 million (EUR 30.4 million). Operating profit decreased as sales volumes declined, even though the average price of sold products was higher than in the comparison period. Variable costs increased by about EUR 5 million compared to the same period a year earlier while fixed costs decreased. The currency exchange effect had a EUR 3 million negative impact on operating profit.

The operations of the logistics and service center in Mytishchi near Moscow, which came on stream in February, have started out well. The center now houses all of Tikkurila's decorative paints and industrial paints operations in the Moscow region and features facilities for customer training. This center will further improve Tikkurila’s customer services in Moscow and the surrounding area.

In August, Tikkurila announced its intentions to acquire the 50% stake of the Slovenian JUB coatings company in the trading company Tikkurila JUB Romania SRL. The ownership was transferred on September 1, 2009, with 100% ownership now by Tikkurila. The name will change to Tikkurila SRL. Tikkurila JUB Romania SRL was established in May 2008 for marketing, selling and distributing Tikkurila's and JUB's decorative paints in Romania. In addition to decorative paints, the service concept of Tikkurila SRL will also include Tikkurila's industrial coatings. With an office and a warehouse in Bucharest, the company employs around 10 people.

Due to lower sales volumes, Tikkurila’s revenue in January–September fell by 21% to EUR 431.7 million (EUR 544.6 million). The currency exchange effect had a EUR 65 million negative impact on revenue. Acquisitions had an approximately EUR 7 million positive impact on revenue. Operating profit excluding non-recurring items was EUR 54.8 million (EUR 71.8 million). Variable costs in January–September were approximately EUR 18 million higher than in the same period in 2008. The currency exchange effect had a EUR 6 million negative impact on operating profit.

The key elements of Tikkurila’s strategy are customer focus, profitable growth, geographic focus, strong brands, and one unified Tikkurila. To improve customer services and efficiency, Tikkurila will change its organization as of January 1, 2010 to reflect the geographic division. The four new strategic business units are East, Finland, Scandinavia, and Central Eastern Europe.

Kemira Oyj’s Shares and Shareholders

In January–September, the Kemira Oyj share price registered a high of EUR 11.90 and a low of EUR 4.26, the average price being EUR 7.23. On September 30, the company’s market capitalization, excluding treasury shares, totaled EUR 1,325.8 million.

On September 30, the company’s share capital totaled EUR 221.8 million and the number of registered shares was 125,045,000. Kemira holds 3,854,771 treasury shares, accounting for 3.1% of outstanding company shares and voting rights.

Changes in Group management

In August, Kemira Oyj's CFO Jyrki Mäki-Kala was appointed new Deputy CEO as of September 1, 2009 following the retirement of the previous Deputy CEO Esa Tirkkonen. Esa Tirkkonen was the Deputy CEO since 2000 and employed by the company since 1974.

Damage Claim for Violation of Competition Laws

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. Kemira Oyj reported on the damage claim in the interim report for January–June 2009.

Kemira Pension Fund’s pension liability will be transferred

Kemira Oyj’s statutory employees’ pension insurance (TyEL) will be transferred from Kemira Pension Fund to Varma Mutual Pension Insurance Company on December 31, 2009. The transfer will not affect the level of employees’ pension security or its coverage. Due to the transfer, Kemira will record non-recurring expenses of EUR 11 million in the result to October–December. Kemira Oyj also has employees' pension insurance in the Ilmarinen Mutual Pension Insurance Company.

Kemira to undertake a rights offering

The Board of Directors of Kemira has decided to undertake a share offering to raise gross proceeds of approximately EUR 200 million through an issue of new shares with pre-emptive rights for existing shareholders. The four largest shareholders of the company support the rights offering. The proceeds of the rights offering will be used to support Kemira’s growth strategy and vision to become a leading water chemistry company, to enable the separation and listing of Tikkurila and to strengthen Kemira’s balance sheet. The rights offering is subject to shareholder approval at an extraordinary general meeting of shareholders scheduled to be held on November 23, 2009.

Listing of Tikkurila

Kemira aims to have the shares of Tikkurila listed on the Helsinki Stock Exchange once market conditions permit. Kemira’s Board of Directors has approved a planned structure for the listing. According to the planned structure Kemira would distribute a substantial majority of the shares of Tikkurila as dividend to Kemira’s shareholders with Kemira retaining a minority holding in Tikkurila. Kemira does not intend to raise cash proceeds for Kemira in connection with Tikkurila’s separation.

Outlook

Kemira’s progress in January−September 2009 was very good. However, the market situation is expected to remain challenging. Kemira will continue its efficiency improvement measures launched earlier.

The annual savings target of the announced global cost savings program is more than EUR 85 million, with Tikkurila accounting for EUR 25 million. The savings are expected to materialize in 2008–2010 and the full annual impact is expected to be felt from 2011 onwards.

Kemira's revenue for October–December 2009 is expected to remain behind the previous year due to reduced demand in customer industries. Operating profit excluding non-recurring items is expected to grow from the EUR 11.7 million recorded a year earlier.

Helsinki, October 28, 2009

Kemira Oyj
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 contained in the forward-looking statements.

KEMIRA GROUP

The 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, 2009:

- IFRS 8 Operating Segments. The adoption of the standard has changed the way in which segment information is presented. The segment information in the financial statements changed at the beginning of 2009 owing to the reorganization of the Group. The comparative figures have been published with separate release March 2009.
- IAS 23 Borrowing costs. The adoption of the amended standard will mean a change to the consolidated financial statements' accounting policies but will not have any material effect on the future financial statements.
- IAS 1 Presentation of Financial Statements. The amendment of the standard has changed the presentation of the income statement and the statement of changes in equity.

INCOME STATEMENT **EUR million**	**7-9/2009**	7-9/2008	**1-9/2009**	1-9/2008	2008
Revenue	**645.8**	780.0	**1,905.4**	2,205.1	2,832.7
Other operating income	**3.7**	18.6	**11.2**	39.9	51.5
Expenses	**-553.5**	-696.7	**-1,681.3**	-2,003.8	-2,640.8
Depreciation and impairments	**-30.7**	-32.1	**-90.5**	-99.1	-169.4
Operating profit	**65.3**	69.8	**144.8**	142.1	74.0
Financial income and expenses, net	**-11.0**	-20.7	**-37.7**	-45.8	-69.5
Share of profit or loss of associates	**-0.5**	-0.3	**-5.5**	-	-2.7
Profit before tax	**53.8**	48.8	**101.6**	96.3	1.8
Income tax	**-13.2**	-13.4	**-25.4**	-26.0	-
Net profit for the period	**40.6**	35.4	**76.2**	70.3	1.8
Attributable to:					
Equity holders of the parent	**39.3**	34.4	**73.4**	66.8	-1.8
Minority interest	**1.3**	1.0	**2.8**	3.5	3.6
Net profit for the period	**40.6**	35.4	**76.2**	70.3	1.8
Earnings per share, basic and diluted, EUR	**0.33**	0.28	**0.61**	0.55	-0.02

STATEMENT OF COMPREHENSIVE INCOME	**7-9/2009**	7-9/2008	**1-9/2009**	1-9/2008	2008
Net profit for the period	**40.6**	35.4	**76.2**	70.3	1.8
Other comprehensive income, net of tax:					
Available-for-sale - change in fair value	**-**	-	**-**	59.2	35.3
Exchange differences	**19.9**	-5.7	**22.5**	-12.9	-74.2
Hedge of net investment in foreign entities	**-1.7**	-	**-2.5**	2.3	9.1
Cash flow hedging: amount entered in shareholders' equity	**-3.1**	-8.0	**2.0**	-0.7	-22.0
Other changes	**-0.2**	-	**-0.2**	0.1	2.1
Other comprehensive income, net of tax	**14.9**	-13.7	**21.8**	48.0	-49.7
Total comprehensive income	**55.5**	21.7	**98.0**	118.3	-47.9
Attributable to:					
Equity holders of the parent	**54.1**	21.2	**94.9**	114.9	-49.4
Minority interest	**1.4**	0.5	**3.1**	3.4	1.5
Total comprehensive income	**55.5**	21.7	**98.0**	118.3	-47.9

BALANCE SHEET
EUR million

ASSETS	30.9.2009	31.12.2008
Non-current assets		
Goodwill	**659.6**	655.1
Other intangible assets	**104.8**	111.6
Property, plant and equipment	**742.6**	765.7
Investments		
Holdings in associates	**130.0**	135.6
Available-for-sale financial assets	**161.3**	159.8
Deferred tax assets	**13.0**	12.7
Other investments	**12.9**	11.5
Total investments	**317.2**	319.6
Defined benefit pension receivables	**54.3**	54.0
Total non-current assets	**1,878.5**	1,906.0
Current assets		
Inventories	**244.4**	319.3
Receivables		
Interest-bearing receivables	**4.2**	7.6
Interest-free receivables	**458.5**	507.4
Total receivables	**462.7**	515.0
Money market investments - cash equivalents	**166.1**	87.1
Cash and cash equivalents	**46.8**	32.3
Total current assets	**920.0**	953.7
Total assets	**2,798.5**	2,859.7

EQUITY AND LIABILITIES	30.9.2009	31.12.2008
Equity attributable to equity holders of the parent	**1,028.0**	962.8
Minority interest	**18.3**	13.2
Total equity	**1,046.3**	976.0
Non-current liabilities		
Interest-bearing non-current liabilities	**914.3**	609.2
Deferred tax liabilities	**87.7**	89.9
Pension liabilities	**70.1**	67.5
Provisions	**57.3**	61.8
Total non-current liabilities	**1,129.4**	828.4
Current liabilities		
Interest-bearing current liabilities	**204.7**	559.3
Interest-free current liabilities	**411.3**	485.2
Provisions	**6.8**	10.8
Total current liabilities	**622.8**	1,055.3
Total liabilities	**1,752.2**	1,883.7
Total equity and liabilities	**2,798.5**	2,859.7

CONSOLIDATED CASH FLOW STATEMENT **EUR million**	**7-9/2009**	7-9/2008	**1-9/2009**	1-9/2008	**2008**
Cash flows from operating activities					
Adjusted operating profit	**92.1**	83.1	**227.3**	207.4	217.0
Interests and other financing items	**-5.3**	-14.8	**-26.1**	-47.6	-75.2
Dividend income	**-**	0.1	**0.2**	0.1	1.0
Income taxes paid	**-7.1**	0.4	**-22.8**	-18.2	-23.9
Total funds from operations	**79.7**	68.8	**178.6**	141.7	118.9
Change in net working capital	**59.4**	-6.3	**48.2**	-64.6	-28.7
Total cash flows from operating activities	**139.1**	62.5	**226.8**	77.1	90.2
Cash flows from investing activities					
Capital expenditure for acquisitions	**0.1**	-136.5	**-3.6**	-140.4	-180.8
Other capital expenditure	**-14.4**	-28.8	**-50.5**	-116.3	-161.0
Proceeds from sale of assets	**1.0**	234.2	**2.6**	245.3	254.3
Net cash used in investing activities	**-13.3**	68.9	**-51.5**	-11.4	-87.5
Cash flow after investing activities	**125.8**	131.4	**175.3**	65.7	2.7
Cash flows from financing activities					
Change in non-current loans (increase +, decrease -)	**-120.2**	68.0	**-81.8**	203.1	426.6
Change in non-current loan receivables (decrease +, increase -)	**-0.9**	-6.5	**-1.7**	-8.6	-7.1
Short-term financing, net (increase +, decrease -)	**47.7**	-164.9	**36.8**	-174.4	-282.1
Dividends paid	**-0.5**	-0.3	**-33.5**	-64.2	-64.2
Other	**-0.4**	-20.0	**-1.6**	-12.3	-9.1
Net cash used in financing activities	**-74.3**	-123.7	**-81.8**	-56.4	64.1
Net change in cash and cash equivalents	**51.5**	7.7	**93.5**	9.3	66.8
Cash and cash equivalents at end of period	**212.9**	61.9	**212.9**	61.9	119.4
Cash and cash equivalents at beginning of period	**161.4**	54.2	**119.4**	52.6	52.6
Net change in cash and cash equivalents	**51.5**	7.7	**93.5**	9.3	66.8

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	Exchange differences	Treasury shares	Retained earnings	Minority interests	Total
Shareholders' equity at January 1, 2008	221.8	257.9	68.2	-41.1	-25.9	591.1	15.3	1,087.3
Net profit for the period	-	-	-	-	-	66.8	3.5	70.3
Other comprehensive income, net of tax	-	-	58.3	-10.7	-	0.5	-0.1	48.0
Total comprehensive income	-	-	58.3	-10.7	-	67.3	3.4	118.3
Dividends paid	-	-	-	-	-	-60.6	-3.6	-64.2
Share-based compensations	-	-	-	-	-	0.6	-	0.6
Transfer between restricted and non-restricted equity	-	-	0.9	-	-	-0.9	-	0.0
Shareholders' equity at September 30, 2008	**221.8**	**257.9**	**127.4**	**-51.8**	**-25.9**	**597.5**	**15.1**	**1,142.0**
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	-	-	-	-	-	73.4	2.8	**76.2**
Other comprehensive income, net of tax	-	-	2.1	19.5	-	-0.1	0.3	**21.8**
Total comprehensive income	-	-	2.1	19.5	-	73.3	3.1	**98.0**
Dividends paid	-	-	-	-	-	-30.3	-3.2	**-33.5**
Share-based compensations	-	-	-	-	-	0.6	-	**0.6**
Changes due to business combinations	-	-	-	-	-	-	5.2	**5.2**
Transfer between restricted and non-restricted equity	-	-	0.2	-	-	-0.2	-	**0.0**
Shareholders' equity at September 30, 2009	**221.8**	**257.9**	**83.7**	**-85.1**	**-25.9**	**575.6**	**18.3**	**1,046.3**

Kemira had in its possession 3,854,465 of its treasury shares at December 31, 2008. 306 shares granted according share-based incentive plan were returned 2009. Kemira had in its possession 3,854,771 of its treasury shares at September 30, 2009. Their average acquisition share price was EUR 6.73 and the treasury shares represented 3.1% of the share capital and of the aggregate number of votes conferred by all the shares. The equivalent book value of the treasury shares is EUR 6.8 million.

KEY FIGURES	7-9/2009	7-9/2008	1-9/2009	1-9/2008	2008
Earnings per share, basic and diluted, EUR	**0.33**	0.28	**0.61**	0.55	-0.02
Cash flow from operations per share, EUR	**1.15**	0.52	**1.87**	0.64	0.74
Capital expenditure, EUR million	**14.3**	165.3	**54.1**	256.7	341.8
Capital expenditure / revenue, %	**2.2**	21.2	**2.8**	11.6	12.1
Average number of shares (1000), basic *	**121,190**	121,191	**121,190**	121,191	121,191
Average number of shares (1000), diluted *	**121,190**	121,191	**121,190**	121,191	121,191
Number of shares at end of period (1000), basic *	**121,190**	121,191	**121,190**	121,191	121,191
Number of shares at end of period (1000), diluted *	**121,190**	121,191	**121,190**	121,191	121,191
Equity per share, attributable to equity holders of the parent, EUR			**8.48**	9.30	7.94
Equity ratio, %			**37.4**	39.7	34.1
Gearing, %			**86.6**	86.7	107.5
Interest-bearing net liabilities, EUR million			**906.2**	990.5	1,049.1
Personnel (average)			**8,954**	10,145	9,954

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

REVENUE BY BUSINESS AREA EUR million	7-9/2009	7-9/2008	1-9/2009	1-9/2008	2008
Paper external	**229.9**	263.0	**676.0**	741.2	987.6
Paper Intra-Group	**0.3**	4.7	**0.8**	15.3	15.7
Municipal & Industrial external	**155.6**	155.9	**466.7**	435.4	582.2
Municipal & Industrial Intra-Group	**-0.1**	0.1	**0.2**	1.3	1.5
Oil & Mining external	**55.9**	73.6	**165.2**	207.3	273.3
Oil & Mining Intra-Group	**0.1**	0.9	**0.4**	1.5	2.1
Tikkurila external	**158.1**	193.7	**431.7**	544.6	648.1
Tikkurila Intra-Group	**-**	-	**-**	-	-
Other external	**46.3**	93.9	**165.8**	276.7	341.5
Other Intra-Group	**19.4**	10.4	**56.8**	56.2	73.3
Eliminations	**-19.7**	-16.2	**-58.2**	-74.4	-92.6
Total	**645.8**	780.0	**1,905.4**	2,205.1	2,832.7

OPERATING PROFIT BY BUSINESS AREA EUR million	7-9/2009	7-9/2008	1-9/2009	1-9/2008	2008
Paper	**14.8**	10.9	**30.3**	30.9	-2.6
Municipal & Industrial	**24.9**	7.3	**53.5**	18.6	5.3
Oil & Mining	**3.5**	3.4	**8.7**	9.6	1.9
Tikkurila	**26.3**	30.4	**52.4**	71.8	59.2
Other	**-4.2**	17.5	**-0.1**	11.1	10.1
Eliminations	**-**	0.3	**-**	0.1	0.1
Total	**65.3**	69.8	**144.8**	142.1	74.0

CHANGES IN PROPERTY, PLANT AND EQUIPMENT EUR million	1-9/2009	1-9/2008	2008
Carrying amount at beginning of year	**765.7**	984.3	984.3
Acquisitions of subsidiaries	**0.1**	-	6.3
Increases	**46.9**	97.0	127.9
Decreases	**-2.2**	-5.3	-9.4
Disposal of subsidiaries	**-**	-168.4	-168.1
Depreciation and impairments	**-73.8**	-83.6	-144.5
Exchange rate differences and other changes	**5.9**	5.5	-30.8
Net carrying amount at end of period	**742.6**	829.5	765.7

CHANGES IN INTANGIBLE ASSETS EUR million	1-9/2009	1-9/2008	2008
Carrying amount at beginning of year	**766.7**	738.9	738.9
Acquisitions of subsidiaries	**2.4**	3.1	36.3
Increases	**8.6**	19.4	24.3
Decreases	**-**	-0.1	-
Disposal of subsidiaries	**-**	-8.1	-8.1
Depreciation and impairments	**-16.7**	-15.5	-24.9
Exchange rate differences and other changes	**3.4**	5.8	0.2
Net carrying amount at end of period	**764.4**	743.5	766.7

CONTINGENT LIABILITIES

EUR million	30.9.2009	31.12.2008
Mortgages	**41.5**	43.3
Assets pledged		
On behalf of own commitments	**5.6**	5.2
Guarantees		
On behalf of own commitments	**11.0**	14.1
On behalf of associates	**1.1**	1.2
On behalf of others	**9.6**	5.5
Operating leasing liabilities		
Maturity within one year	**22.3**	20.9
Maturity after one year	**122.8**	115.0
Other obligations		
On behalf of own commitments	**1.3**	2.6
On behalf of associates	**1.8**	1.9

Major off-balance sheet investment commitments

There were no major contractual commitments for the acquisition of property, plant and equipment on September 30, 2009.

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. 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 2008.

DERIVATIVE INSTRUMENTS

EUR million	30.9.2009 Nominal value	Fair value	31.12.2008 Nominal value	Fair value
Currency instruments				
Forward contracts	**394.9**	**0.9**	427.6	11.7
of which hedges of net investment in a foreign operation	**-**	**-**	-	-
Currency options				
Bought	**-**	**-**	-	-
Sold	**-**	**-**	-	-
Currency swaps	**29.3**	**-3.8**	27.6	-5.6
Interest rate instruments				
Interest rate swaps	**350.9**	**-9.2**	338.8	-6.9
of which cash flow hedge	**304.0**	**-7.1**	304.4	-6.5
Interest rate options				
Bought	**110.0**	**-**	110.0	-0.1
Sold	**-**	**-**	-	-
Bond futures	**10.0**	**-0.1**	10.0	-
of which open	**10.0**	**-0.1**	10.0	-
Other instruments	**GWh**		GWh	
Electricity forward contracts, bought	**1,204.1**	**-8.7**	1,431.5	-10.7
of which cash flow hedge	**1,134.0**	**-8.3**	1,378.9	-9.7
Electricity forward contracts, sold	**52.6**	**0.4**	52.6	1.2
of which cash flow hedge	**-**	**-**	-	-
	K tons		K tons	
Natural gas hedging	**15.6**	**-1.0**	15.6	-2.0
of which cash flow hedge	**15.6**	**-1.0**	15.6	-2.0
Salt derivatives	**160.0**	**0.3**	212.8	2.0

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.

BUSINESS COMBINATION

Tikkurila acquired 50% share of Tikkurila JUB Romania SRL on September 2009. After the acquisition the company is wholly owned by Tikkurila. The business combination is individually immaterial.

QUARTERLY INFORMATION

EUR million	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2008 Q2	2008 Q1
Revenue							
Paper external	**229.9**	**222.2**	**223.9**	246.4	263.0	234.7	243.5
Paper Intra-Group	**0.3**	**-0.6**	**1.1**	0.4	4.7	6.4	4.2
Municipal & Industrial external	**155.6**	**160.4**	**150.7**	146.8	155.9	143.7	135.8
Municipal & Industrial Intra-Group	**-0.1**	**0.3**	**-**	0.2	0.1	0.7	0.5
Oil & Mining external	**55.9**	**52.3**	**57.0**	66.0	73.6	66.7	67.0
Oil & Mining Intra-Group	**0.1**	**2.9**	**-2.6**	0.6	0.9	0.1	0.5
Tikkurila external	**158.1**	**162.4**	**111.2**	103.5	193.7	205.7	145.2
Tikkurila Intra-Group	**-**	**-**	**-**	-	-	-	-
Other external	**46.3**	**53.6**	**65.9**	64.8	93.9	90.7	92.1
Other Intra-Group	**19.4**	**18.1**	**19.3**	17.1	10.4	21.1	24.7
Eliminations	**-19.7**	**-20.7**	**-17.8**	-18.2	-16.2	-28.3	-29.9
Total	**645.8**	**650.9**	**608.7**	627.6	780.0	741.5	683.6
Operating profit							
Paper	**14.8**	**8.0**	**7.5**	-33.5	10.9	7.6	12.4
Municipal & Industrial	**24.9**	**18.2**	**10.4**	-13.3	7.3	4.7	6.6
Oil & Mining	**3.5**	**3.2**	**2.0**	-7.7	3.4	2.4	3.8
Tikkurila	**26.3**	**22.1**	**4.0**	-12.6	30.4	29.7	11.7
Other	**-4.2**	**-0.1**	**4.2**	-1.0	17.5	-4.9	-1.5
Eliminations	**-**	**-**	**-**	-	0.3	-0.2	-
Total	**65.3**	**51.4**	**28.1**	-68.1	69.8	39.3	33.0
Operating profit, excluding non-recurring items							
Paper	**14.8**	**8.0**	**7.5**	9.8	11.7	7.6	12.4
Municipal & Industrial	**24.9**	**18.2**	**10.4**	6.9	7.3	4.6	6.2
Oil & Mining	**3.5**	**3.2**	**2.0**	0.6	3.5	2.4	1.9
Tikkurila	**26.3**	**24.5**	**4.0**	-12.6	30.4	29.7	11.7
Other	**-4.2**	**-0.1**	**4.2**	7.0	3.3	-6.9	-5.0
Eliminations	**-**	**-**	**-**	-	0.3	-0.2	-
Total	**65.3**	**53.8**	**28.1**	11.7	56.5	37.2	27.2

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), %

$$\frac{\text{Operating profit + share of profit or loss of associates x 100}}{\text{(Net working capital + property, plant and equipment available for use + intangible assets + investments in associates) *}}$$

* Average