

**KEMIRA'S DECEMBER RESULT DISAPPOINTING; GROWTH IN DIVIDEND PROPOSED**

Kemira's December result fell far short from expectations causing full year operating profits to fall below earlier guidance and showing no growth on previous year's operating profits excluding non-recurring items. In addition, Kemira will take approximately EUR 47 million write downs of assets in the final quarter of 2007. Despite of disappointing results in the fourth quarter, Kemira Oyj' Board of Directors proposes a dividend EUR 0.50 per share, an increase on 4% over prior year.

Full-year revenue, operating profit and earnings per share were earlier expected to improve from their 2006 levels. It is now estimated that only revenue will show growth.

Kemira Specialty caused major part of the shortfall and made an operating loss in the final quarter, primarily due to strikes at the Pori site, non-recurring costs associated with personnel cuts, the weak US dollar, and weak sales. The full-year operating profit excluding write-down will be significantly lower than a year earlier; approximately half of last year's profit.

Kemira Pulp&Paper also had a difficult December. The operating profit for Kemira Pulp&Paper will fall short of last year's figures even without the write-down, largely because of additional expenses associated with the delays in the start-up of the Uruguay mill, high price of energy at the year-end, and the weak US dollar. Write-down and other non-recurring items excluded, Kemira Pulp&Paper's full-year financial performance will be on a par with the previous year.

The operating profit for Kemira Water in the final quarter, excluding write-down, will be on the previous year's level. Kemira Coatings' performance reflected the seasonal nature of operations as in earlier years, and will show a loss in the final quarter. Full-year performance in both business areas will show reasonable growth from the previous year.

In connection with the strategic review process currently under way in Kemira, it was decided to take actions that will involve the write-downs of approximately EUR 47 million. The write-down will be recorded for the final quarter of 2007 and it will not affect the cash flow. The effect of the write-down on business areas is as follows: Kemira Pulp&Paper EUR 17 million, Kemira Water EUR 6 million, Kemira Specialty EUR 9 million, other business EUR 15 million.

"Despite the disappointing performance in the final quarter, we do not anticipate any dramatic changes in the outlook for our market areas. The uncertainty of the global economic development is naturally a challenge for all of our business areas, but we have a strong market and competitive position to meet our customers' global demand" says *Harri Kerminen*, Kemira's President and CEO since the beginning of the year.

Kemira will publish its financial statements bulletin on February 6, 2008.

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**Kemira** is a chemicals group made up of four business areas: Kemira Pulp&Paper, Kemira Water, Kemira Specialty and Kemira Coatings. Kemira is a global group of leading chemical businesses with a unique competitive position and a high degree of mutual synergy.

**In 2006**, Kemira recorded revenue of around EUR 2.5 billion and had a payroll of 9,000 employees. Kemira operates in 40 countries.