Kemira

Interim report

January - September 2011

Kemira Oyj's interim report January-September 2011: Stable performance

Third quarter:

- Revenue was EUR 558.3 million (554.4).
- Operative EBIT decreased 4% to EUR 40.8 million (42.5) with a margin of 7.3% (7.7%).
- Profit before tax decreased 8% to EUR 42.1 million (46.0).
- Cash flow after investments increased to EUR 56.7 million (6.6).

January-September:

- Revenue increased 3% to EUR 1,663.9 million (1,614.3).
- Operative EBIT increased 1% to EUR 123.0 million (122.1) with a margin of 7.4% (7.6%).
- Profit before taxes increased 14% to EUR 131.4 million (115.0).
- Earnings per share from continuing operations increased 12% to 0.65 (0.58).
- Gearing improved to 35% (39% as of December 31, 2010).

Kemira's President and CEO Harri Kerminen:

"Kemira's organic revenue growth in the third quarter was 6%. Sales prices were higher and sales volumes remained at the same level as in the comparable period last year. Operative EBIT improved 9% compared to the second quarter, 2011.

Raw material prices have stabilized during the quarter, but looking at the first nine months of 2011, we have seen a substantial increase in raw material prices. So far, we have been successful in offsetting higher costs with sales prices. Reasons for decreased operative EBIT compared to the third quarter in 2010 were the FWA divestment made in the latter part of 2010 and negative currency exchange effect.

Paper segment successfully implemented sales price increases to cover higher raw material costs. Operative EBIT margin was close to the level of comparable quarter last year. The Municipal & Industrial segment's revenue growth picked up in the third quarter driven by both volume growth and sales price increases. Operative EBIT margin improved significantly compared to the previous quarter. The Oil & Mining segment's organic revenue growth was over 10% with an operative EBIT margin of nearly 12% being the highest quarterly margin to date for the segment.

Kemira owns a minority stake (39%) in Sachtleben, a major titanium dioxide producer. The performance of Sachtleben continued to be very strong. Kemira's share of the Sachtleben profits tripled compared to the third quarter last year and was close to EUR 10 million in the quarter.

The visibility for upcoming quarters is not as clear as when compared to the first half of 2011. However, outlook for the full year 2011 revenue and operative EBIT remains unchanged. Kemira's revenue is expected to be slightly higher and operative EBIT higher than in 2010.

Key figures and ratios

The figures for 2010 are for continuing operations excluding Tikkurila, unless otherwise stated. Tikkurila Oyj was separated from Kemira on March 26, 2010.

EUR million	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010	Jan-Dec 2010
Revenue	558.3	554.4	1,663.9	1,614.3	2,160.9
EBITDA	64.2	70.5	193.7	201.6	265.7
EBITDA, %	11.5	12.7	11.6	12.5	12.3
Operative EBIT	40.8	42.5	123.0	122.1	162.3
EBIT	40.8	46.0	123.0	128.9	156.1
Operative EBIT, %	7.3	7.7	7.4	7.6	7.5
EBIT, %	7.3	8.3	7.4	8.0	7.2
Share of profit or loss of associates	9.0	3.0	23.8	6.8	9.2
Financial income and expenses	-7.7	-3.0	-15.4	-20.7	-27.4
Profit before tax	42.1	46.0	131.4	115.0	137.9
Net profit from continuing operations	32.9	35.8	102.5	90.8	115.9
Net profit	32.9	35.8	102.5	621.8***	646.9***
EPS, EUR, from continuing operations	0.21	0.23	0.65	0.58	0.73
Capital employed*	1,696.3	1,643.3	1,696.3	1,643.3	1,665.1
ROCE, %*	10.4	9.4	10.4	9.4	9.9
Cash flow after investing activities	56.7	6.6	142.6	141.2**	168.6**
Capital expenditure	37.3	46.6	71.8	79.1	107.8
Equity ratio, % at period-end	52	52**	52	52**	54**
Gearing, % at period-end	35	43**	35	43**	39**
Personnel at period-end	5,033	4,985	5,033	4,985	4,935

* 12-month rolling average
**Includes Tikkurila until March 25, 2010
***Net profit January–December 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 the listing costs.

Definitions of key figures are available at www.kemira.com > Investors > Financial information. Comparative 2010 figures are provided in parentheses for some financial results, where appropriate. Operating profit, excluding non-recurring items, is referred to as Operative EBIT. Operating profit is referred to as EBIT.

Additional information:

Tero Huovinen, Director, Investor Relations
Tel. +358 10 862 1980

Kemira is a global over two 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.

www.kemira.com
www.waterfootprintkemira.com

Financial performance in July-September 2011

Kemira Group's **revenue** was EUR 558.3 million (554.4). Organic revenue growth was 6% and the negative impact of currency exchange was 3%. Acquisitions had 1% positive impact and divestments 3% negative impact on revenues.

In the Paper segment, revenues decreased 6% to EUR 243.4 million (259.9). Organic revenue growth was 2% and the negative impact of currency exchange was 3%. Divestments had 5% negative impact on revenues.

In the Municipal & Industrial segment, revenues increased 6% to EUR 173.7 million (164.0). Organic revenue growth was 8% and the negative impact of currency exchange was 3%. Acquisition had 1% positive impact on revenues.

In the Oil & Mining segment, revenues increased 9% to EUR 87.2 million (80.2). Organic revenue growth was 11% and the negative impact of currency exchange was 4%. Acquisition had 2% positive impact on revenues.

Revenue, EUR million	Jul-Sep 2011	Jul-Sep 2010	Δ%
Paper	243.4	259.9	-6
Municipal & Industrial	173.7	164.0	6
Oil & Mining	87.2	80.2	9
Other	54.0	50.3	7
Eliminations	0.0	0.0	-
Total	558.3	554.4	1

EBIT decreased 11% to EUR 40.8 million (46.0). **Operative EBIT** decreased 4% to EUR 40.8 million (42.5). As a result of sales price increases and volume growth, the higher revenues could more than offset the increased costs of raw material, freight and energy. Fixed costs were EUR 7 million higher than in the third quarter last year. In total, divestments and currency exchange affected operative EBIT negatively by EUR 3 million (see variance analysis table on page 4). The operative EBIT margin decreased to 7.3% (7.7%).

There were no **non-recurring items** affecting EBIT in the third quarter 2011. Non-recurring items in the comparable period last year included a EUR 3.0 million capital gain from the sale of Fluorescent Whitening Agents (FWAs) business in Germany.

Operative EBIT	Jul-Sep 2011 EUR, million	Jul-Sep 2010 EUR, million	Δ%	Jul-Sep 2011 %-margin	Jul-Sep 2010 %-margin
Paper	18.5	20.5	-10	7.6	7.9
Municipal & Industrial	15.4	14.5	6	8.9	8.8
Oil & Mining	10.2	8.8	16	11.7	11.0
Other	-3.3	-1.3	-	-	-
Total	40.8	42.5	-4	7.3	7.7

Income from associated companies tripled to EUR 9.0 million (3.0). Compared to the previous quarter, the income from associated companies increased 23%. Performance of JV Sachtleben, (Kemira owns 39% of the company) was strongly supported by the rising titanium dioxide prices and tight capacity in the industry.

Profit before tax decreased to EUR 42.1 million (46.0). Higher income from associated companies could only partly offset the higher financial expenses and lower EBIT.

Net profit from the continuing operations attributable to the owners of the parent company decreased to EUR 31.5 million (34.5) and earnings per share from continuing operations decreased to EUR 0.21 (0.23).

Variance analysis, EUR million	Jul-Sep
Operative EBIT, 2010	**42.5**
Sales volumes and prices	22.0
Variable costs	-13.6
Fixed costs	-6.6
Currency impact	-2.4
Others, incl. acquisitions and divestments	-1.1
Operative EBIT, 2011	**40.8**

Financial performance in January-September 2011

Kemira Group's **revenue** increased 3% to EUR 1,663.9 million (1,614.3). Organic revenue growth was 6% and the negative impact of currency exchange was 1%. Acquisitions had a positive impact of 1% and divestments 3% negative impact on the revenue.

In the Paper segment, revenue was EUR 738.8 million (741.3). Organic revenue growth was 6%. Divestments had 5% and currency exchange 1% negative impact on revenues.

In the Municipal & Industrial segment, revenues increased 5% to EUR 498.1 million (476.1). Organic revenue growth was 5%. Acquisition and currency exchange had only a marginal impact on revenues.

In the Oil & Mining segment, revenues increased 14% to EUR 255.7 million (224.9). Organic revenue growth was 13%. Acquisition had a positive impact of 5% and currency exchange 3% negative impact on revenues.

Revenue, EUR million	Jan-Sep 2011	Jan-Sep 2010	∆%
Paper	738.8	741.3	0
Municipal & Industrial	498.1	476.1	5
Oil & Mining	255.7	224.9	14
Other	171.3	172.1	0
Eliminations	-	-0.1	-
Total	1,663.9	1,614.3	3

EBIT decreased 5% to EUR 123.0 million (128.9). Operative EBIT was EUR 123.0 million (122.1). Increased sales prices and volumes could more than offset higher raw material, freight and energy costs. Fixed costs increased by EUR 9 million. The currency exchange had a marginal effect on operative EBIT (see variance analysis table on page 5). The operative EBIT margin was 7.4% (7.6%).

There were no non-recurring items affecting EBIT in January-September 2011. Non-recurring items in the comparable period last year totaled EUR 6.8 million, mainly related to the divestment of the sulphuric acid plant in Finland, a service company in Sweden and the sale of the FWA business in Germany.

Operative EBIT	**Jan-Sep 2011 EUR, million**	**Jan-Sep 2010 EUR, million**	**Δ%**	**Jan-Sep 2011 %-margin**	**Jan-Sep 2010 %-margin**
Paper	61.2	54.0	13	8.3	7.3
Municipal & Industrial	37.9	46.8	-19	7.6	9.8
Oil & Mining	27.7	22.1	25	10.8	9.8
Other	-3.8	-0.8	-	-	-
Total	123.0	122.1	1	7.4	7.6

Income from associated companies increased to EUR 23.8 million (6.8).

Profit before tax increased 14% to EUR 131.4 million (115.0). Higher income from associated companies and lower financial expenses have contributed to the improved profit.

Net profit from the continuing operations attributable to the owners of the parent company increased 13% to EUR 98.8 million (87.2) and earnings per share from continuing operations increased to EUR 0.65 (0.58).

Variance analysis, EUR million	**Jan-Sep**
Operative EBIT, 2010	**122.1**
Sales volumes and prices	73.1
Variable costs	-61.7
Fixed costs	-9.3
Currency impact	-3.6
Others, incl. acquisitions and divestments	2.4
Operative EBIT, 2011	**123.0**

Financial position and cash flow

Cash flow from operating activities in the period January-September 2011 increased to EUR 107.5 million (79.4) and the cash flow after investing activities to EUR 142.6 million (141.2). Cash flow from the sale of remaining Tikkurila shares in April 2011 was EUR 97 million. The comparable period of last year included a loan repayment from Tikkurila, as well as cash and cash equivalents transferred to Tikkurila and the effect of the transfer tax related to Tikkurila's listing, totaling EUR 119.3 million. Net working capital (ratio) increased to 12.9% (11.2%) of revenue mainly due to the higher inventories.

At the end of the period, Kemira Group’s net debt was EUR 464.7 million (535.6 in December 31, 2010). Net debt decreased due to the strong positive cash flow.

At the end of the period, interest-bearing liabilities stood at EUR 672.7 million (627.4 in December 31, 2010). Fixed-rate loans accounted for 46% of the net interest-bearing liabilities (75%). The average net interest rate of the Group’s interest-bearing liabilities was 3.7% (4.4%). The duration of the Group’s interest-bearing loan portfolio was 17 months (15 months in December 31, 2010).

Short-term liabilities maturing in the next 12 months amounted to EUR 211.1 million, with commercial papers issued on the Finnish market representing EUR 100.0 million and repayments on the long-term loans representing EUR 86.6 million. Cash and cash equivalents totaled EUR 208.0 million on September 30, 2011.

At the end of the period, the equity ratio was 52% (54% in December 31, 2010), while gearing was 35% (39%). Shareholder’s equity decreased to EUR 1,345.8 million (1,365.8 in December 31, 2010).

The Group’s net financial expenses in the period January-September 2011 were EUR 15.4 million (20.7). Net financial expenses decreased mainly due to lower interest rate levels.

Capital expenditure

Capital expenditure was EUR 71.8 million (79.1) in January-September, 2011, and can be broken down as follows; new business opportunity capex 18% (40%), expansion capex 11% (12%), improvement capex 36% (24%), and maintenance capex 35% (24%). Kemira expects capital expenditure to be between EUR 100-110 million in 2011.

The Group’s depreciation, non-recurring impairment and reversals of impairments were EUR 70.7 million (72.7).

Research and development

Research and development expenses were EUR 28.2 million (30.8) in the period January-September, 2011, representing 1.9% (2.1%) of all Kemira Group operating expenses. Kemira has a total of four research and development centers in Espoo (Finland), Atlanta (USA), Shanghai (China) and São Paulo (Brazil).

These four R&D centers are all part of the Kemira Center of Water Efficiency Excellence (SWEET), which was established in March 2010. Currently, SWEET employs 350 water chemistry experts worldwide and has already generated new revenue from water chemistry products used in shale gas and desalination processes.

Human Resources

At the end of the period the number of employees in Kemira Group was 5,033 (4,985). Kemira employed 1,148 people in Finland (1,110), 1,787 people elsewhere in EMEA (1,839), 1,396 in North America (1,375), 413 in South America (409) and 289 in Asia Pacific (252).

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	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010	Jan-Dec 2010
Revenue	243.4	259.9	738.8	741.3	984.3
EBITDA	29.3	35.9	94.1	96.4	129.0
EBITDA, %	12.0	13.8	12.7	13.0	13.1
Operative EBIT	18.5	20.5	61.2	54.0	75.6
EBIT	18.5	24.0	61.2	60.2	68.4
Operative EBIT, %	7.6	7.9	8.3	7.3	7.7
EBIT, %	7.6	9.2	8.3	8.1	6.9
Capital employed*	777.4	788.0	777.4	788.0	796.4
ROCE, %*	8.9	8.9	8.9	8.9	8.6
Capital expenditure	23.2	6.1	39.5	24.0	33.3
Cash flow after investing activities, excluding interest and taxes	21.3	22.5	52.1	57.1	85.9

*12-month rolling average

Third quarter

The Paper segment's **revenue** decreased 6% to EUR 243.4 million (259.9). The divestment of the fluorescent whitening agents business in Germany in 2010 affected revenues negatively by EUR 14 million. The currency exchange had a negative effect of EUR 7 million on revenues. Implemented sales price increases had a positive impact on revenues and could more than offset the negative impact of somewhat lower sales volumes. The sales volumes and price mix together had a positive impact of EUR 3 million on revenues.

Kemira's sales volumes to the pulp customer segment were slightly lower than in the previous quarter due to maintenance stoppages at some Finnish pulp mills. Packaging board customer segment's volumes grew compared to the previous quarter. Sales volumes of our products for printing paper and newsprint grades remained stable. Tissues and specialties customer segment's sales volumes increased nearly 10% compared to the previous quarter.

Operative EBIT decreased 10% to EUR 18.5 million (20.5). Sales volumes and prices had altogether approximately a EUR 7 million positive impact on the operative EBIT. Raw material, freight and energy costs increased and drove variable costs EUR 4 million higher. Fixed costs were slightly higher than in the comparable period last year and together with currency exchange and divestment had a negative impact of EUR 4 million on the operative EBIT. The operative EBIT margin was 7.6% (7.9%).

In July, Kemira bought the remaining shares (49%) of Kemira Tiancheng Chemicals Co., Ltd in Yanzhou, China. Previously, Kemira held 51% share of the company and after this transaction owns the entire company. The transaction will further strengthen Kemira's position in China.

January-September

The Paper segment's revenue was EUR 738.8 million (741.3). Increased sales volumes and prices had a total of EUR 45 million positive impact on revenues. The divestments of the Kokkola sulphuric acid plant in Finland and the fluorescent whitening agents (FWA) business in Germany in 2010 affected revenues negatively by EUR 40 million. The currency exchange had a negative effect of EUR 7 million.

Operative EBIT increased 13% to EUR 61.2 million (54.0). Higher revenues from increased sales volumes and prices could more than offset the higher variable cost. The operative EBIT margin improved to 8.3% (7.3%).

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	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010	Jan-Dec 2010
Revenue	173.7	164.0	498.1	476.1	643.6
EBITDA	22.4	21.0	58.9	62.6	81.4
EBITDA, %	12.9	12.8	11.8	13.1	12.6
Operative EBIT	15.4	14.5	37.9	46.8	59.0
EBIT	15.4	14.5	37.9	43.9	55.8
Operative EBIT, %	8.9	8.8	7.6	9.8	9.2
EBIT, %	8.9	8.8	7.6	9.2	8.7
Capital employed*	398.2	360.7	398.2	360.7	373.9
ROCE, %*	12.5	13.9	12.5	13.9	14.9
Capital expenditure	7.1	29.2	15.0	33.9	44.8
Cash flow after investing activities, excluding interest and taxes	19.2	-11.3	17.6	9.8	25.6

*12-month rolling average

Third quarter

The Municipal & Industrial segment's **revenue** increased 6% to EUR 173.7 million (164.0). Implemented sales price increases had a positive impact on revenues. Average sales prices were higher than in the previous quarter. Sales volumes of polymer and coagulant based water chemistry products and applications were higher than in the comparable quarter last year. Currency exchange affected revenues negatively by 3%.

Operative EBIT increased 6% to EUR 15.4 million (14.5) driven by higher sales volumes and prices. Higher variable and fixed costs affected operative EBIT negatively by some EUR 7 million. The operative EBIT margin was 8.9% (8.8%). Operative EBIT margin improved significantly compared to the previous quarter 6.5% margin. This was mainly due to higher sales prices, but lower variable costs had also a positive impact.

January-September

The Municipal & Industrial segment's revenue increased 5% to EUR 498.1 million (476.1) as a result of higher sales volumes in both the municipal and industrial water treatment business. Higher average sales prices also positively contributed to the segment's revenues. Operative EBIT decreased 19% to EUR 37.9 million (46.8), mainly due to higher variable costs of EUR 16 million. Fixed costs were EUR 3 million higher than in the comparable period of 2010. Operative EBIT margin decreased to 7.6% (9.8%).

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	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010	Jan-Dec 2010
Revenue	87.2	80.2	255.7	224.9	297.5
EBITDA	12.5	11.1	34.8	32.5	41.2
EBITDA, %	14.3	14.0	13.6	14.5	13.8
Operative EBIT	10.2	8.8	27.7	22.1	28.6
EBIT	10.2	8.8	27.7	25.5	31.9
Operative EBIT, %	11.7	11.0	10.8	9.8	9.6
EBIT, %	11.7	11.0	10.8	11.3	10.7
Capital employed*	147.8	137.9	147.8	137.9	138.1
ROCE, %*	23.1	26.6	23.1	26.6	23.1
Capital expenditure	2.1	8.0	6.2	10.3	13.3
Cash flow after investing activities, excluding interest and taxes	15.5	4.8	15.3	19.8	30.9

*12-month rolling average

Third quarter

The Oil & Mining segment's **revenue** increased 9% to EUR 87.2 million (80.2). Pricing continued to develop favorably. Sales volumes growth was seen in water treatment applications in North America, especially in oil and gas business. The currency exchange had a negative effect of EUR 4 million.

Operative EBIT increased 16% to EUR 10.2 million (8.8). The operative EBIT improvement was mainly driven by higher sales, partly offset by the increased costs of raw material, unfavorable currency effect and slightly higher fixed costs. The Operative EBIT margin in the Oil & Mining segment reached its highest quarterly level of 11.7% (11.0%).

January-September

The Oil & Mining segment's revenue increased 14% to EUR 255.7 million (224.9). Pricing was favorable for water treatment chemicals in both, the Oil & Gas and the Minerals & Metals customer segments. The acquisition made in the third quarter of 2010 also had a positive impact. The Operative EBIT increased 25% to EUR 27.7 million (22.1) and the margin improved to 10.8% (9.8%).

Other

Specialty chemicals, such as organic salts and acids, and the Group expenses not charged to the business segments (some research and development costs and the costs of the CEO Office) are included in “Other”.

Revenue in the third quarter increased 7% to EUR 54.0 million (50.3). The demand and price levels for specialty chemicals remained stable. Specialty chemicals products are delivered mainly to the food, feed and pharmaceutical industries, as well as for airport runway de-icing.

Operative EBIT decreased to EUR -3.3 million (-1.3) mainly due to significantly increased raw material costs in the specialty chemicals business. Specialty chemicals operative EBIT margin fell to 8.1% (12.7%).

Kemira Oyj’s shares and shareholders

On September 30, 2011, Kemira Oyj’s share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles to one vote at the General Meeting.

At the end of September, Kemira Oyj had 30,675 registered shareholders (29,866 at the end of June, 2011). Foreign shareholders held 13.9% of the shares (14.5%) including nominee registered holdings. Households owned 16.1% of the shares (15.8%). Kemira held 3,292,659 treasury shares (3,292,659) representing 2.1% (2.1%) of the all company shares.

The highest share price of Kemira Oyj's shares on NASDAQ OMX Helsinki Oy in the period January-September, 2011 was EUR 12.67 and the lowest was EUR 7.94. The average share price was EUR 10.95. The company’s market value less the shares held by Kemira was EUR 1,259 million at the end of September, 2011.

Other events during the review period

In March, 2011, the Annual General Meeting of Kemira Oyj decided to establish a Nomination Board to prepare a proposal for the Annual General Meeting concerning the composition and remuneration of the Board of Directors. The Nomination Board consists of representatives of the four largest shareholders of Kemira Oyj as of August 31, 2011 and the Chairman of the Board of Directors of the Company as an expert member.

Members of the Nomination Board are Jari Paasikivi, President and CEO of Oras Invest Oy; Kari Järvinen, Managing Director of Solidium Oy; Risto Murto, Executive Vice-President, 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 after the review period

On October 13, Kemira sold Oy Galvatek Ab to Finnish capital investment company Folmer. Galvatek's services include surface and wastewater treatment plants design, project management and maintenance services. The transaction does not have any significant impact on Kemira's financial figures. The parties have agreed not to disclose the transaction price.

On October 26, Kemira Board of Directors appointed Wolfgang Büchele (PhD, Chemistry) Kemira Oyj’s President and Chief Executive Officer as of April 1, 2012. Büchele has been a member of Kemira’s Board of Directors since 2009. He succeeds the current president and CEO, Harri Kerminen who will retire.

On October 26, Hannu Virolainen MSc (Econ), MSc (Agriculture) appointed President, Municipal & Industrial and member of Kemira’s Strategic Management Board as of November 1, 2011. He is currently leading the Industrial customer segment. Current President, Municipal & Industrial Pekka Ojanpää starts as the President and CEO of Lassila &Tikanoja Oyj on November 1, 2011.

Short-term risks and uncertainties

Kemira's main short-term risks and uncertainties are related to uncertainties in the global economic development. A potential low-growth period in the global GDP would have a negative impact on the demand for Kemira's products, especially in the Paper segment, and it could also delay some future growth projects.

Other important short-term risks and uncertainties are related to the raw material availability and prices. Substantial fluctuations in the world-market prices of electricity and oil are reflected in Kemira's financial results via energy and raw material prices as well as logistics costs.

The substances that were registered under EU chemicals regulation (REACH) in 2010 may require further information and additional testing, depending on the decisions of the European Chemicals Association (ECHA) on the testing proposals and overall dossier evaluation ongoing for the registered substances. This may create additional cost for keeping the substances on the market. The preparation for 2013 registration deadline is ongoing, and some raw materials may gradually become unavailable on the market if companies decide not to pursue the registration. ECHA is continuously updating the candidate list of substances for authorization. Substances from Kemira's portfolio (products or raw materials) may be proposed for inclusion in the list, which may also generate extra work and cost to avoid an authorization process and, if unsuccessful, further cost impact from authorization applications.

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 the financial risks is available in the Notes to the Financial Statements 2010. Environmental and hazard risks are discussed in Kemira's environmental report that was published on April 8, 2011.

Outlook

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

Kemira's financial targets remain as communicated in connection with the Capital Markets Day in September 2010. The company's medium term financial targets are:

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

The basis for growth are the growing 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 research and development activities is on the development and commercialization of new innovative technologies for Kemira's customers globally and locally.

Kemira expects the volume recovery that was seen in 2010 to continue in 2011, and Kemira's revenue is expected to be slightly higher than in 2010. Despite the rising raw material prices, Kemira expects the operative EBIT in 2011 to be higher than in 2010. Kemira expects capital expenditure to be between EUR 100-110 million in 2011.

Helsinki, October 26, 2011

Kemira Oyj
Board of Directors

Financial calendar 2012

Financial results for the year 2011	February 8, 2012
Interim report January-March 2012	April 24, 2012
Interim report January-June 2012	July 26, 2012
Interim report January-September 2012	October 25, 2012

The Annual General Meeting 2012 is scheduled for Wednesday, March 21, 2012 at 1.00 p.m. (CET+1).

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

KEMIRA GROUP

Basis of preparation

This unaudited consolidated interim financial report has been prepared in accordance with IAS 34 'Interim financial reporting'. The interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRS. The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2010, except described below.

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

The following standards, amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2011 but not currently relevant to the Group:
- Revision of IAS 24 Related Party Disclosures
- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues
- Amendment to IFRIC 14, IAS 19 – The limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Annual improvement of IFRS standards

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

INCOME STATEMENT	**7-9/2011**	7-9/2010	**1-9/2011**	1-9/2010	2010
EUR million					
Continuing operations					
Revenue	**558.3**	554.4	**1,663.9**	1,614.3	2,160.9
Other operating income	**2.0**	6.9	**9.0**	20.4	25.4
Cost of sales	**-496.1**	-490.8	**-1,479.2**	-1,433.1	-1,920.6
Depreciation, amortization, impairments and reversal of impairments	**-23.4**	-24.5	**-70.7**	-72.7	-109.6
Operating profit	**40.8**	46.0	**123.0**	128.9	156.1
Financial expenses, net	**-7.7**	-3.0	**-15.4**	-20.7	-27.4
Share of profit or loss of associates	**9.0**	3.0	**23.8**	6.8	9.2
Profit before tax	**42.1**	46.0	**131.4**	115.0	137.9
Income tax	**-9.2**	-10.2	**-28.9**	-24.2	-22.0
Net profit for the period, continuing operations	**32.9**	35.8	**102.5**	90.8	115.9
Discontinued operations					
Net profit for the period, discontinued operations	**-**	-	**-**	531.0	531.0
Net profit for the period	**32.9**	35.8	**102.5**	621.8	646.9
Attributable to, continuing operations:					
Equity holders of the parent	**31.5**	34.5	**98.8**	87.2	110.9
Non-controlling interest	**1.4**	1.3	**3.7**	3.6	5.0
Net profit for the period, continuing operations	**32.9**	35.8	**102.5**	90.8	115.9
Earnings per share, continuing operations basic and diluted, EUR	**0.21**	0.23	**0.65**	0.58	0.73
Earnings per share, basic and diluted, EUR	**0.21**	0.23	**0.65**	4.08	4.23

STATEMENT OF COMPREHENSIVE INCOME	**7-9/2011**	7-9/2010	**1-9/2011**	1-9/2010	2010
Net profit for the period	**32.9**	35.8	**102.5**	621.8	646.9
Other comprehensive income:					
Available-for-sale - change in fair value	**0.0**	3.1	**-4.4**	0.6	16.9
Exchange differences	**-8.9**	5.8	**-20.0**	59.6	71.5
Hedge of net investment in foreign entities	**0.3**	-2.4	**1.0**	-11.0	-11.3
Cash flow hedging	**-3.4**	1.4	**-10.6**	3.5	12.2
Other changes	**0.0**	-0.3	**0.0**	-0.6	-0.6
Other comprehensive income, net of tax	**-12.0**	7.6	**-34.0**	52.1	88.7
Total comprehensive income	**20.9**	43.4	**68.5**	673.9	735.6
Attributable to:					
Equity holders of the parent	**19.7**	42.4	**65.6**	669.4	729.4
Non-controlling interest	**1.2**	1.0	**2.9**	4.5	6.2
Total comprehensive income	**20.9**	43.4	**68.5**	673.9	735.6

BALANCE SHEET
EUR million

ASSETS	30.9.2011	31.12.2010
Non-current assets		
Goodwill	**600.4**	607.9
Other intangible assets	**70.2**	75.0
Property, plant and equipment	**635.6**	661.2
Holdings in associates	**157.5**	139.5
Available-for-sale investments	**182.8**	284.7
Deferred tax assets	**49.1**	43.7
Other investments	**9.3**	10.3
Defined benefit pension receivables	**43.4**	39.5
Total non-current assets	**1,748.3**	1,861.8
Current assets		
Inventories	**242.1**	202.8
Interest-bearing receivables	**0.6**	0.4
Trade receivables and other receivables	**391.3**	380.0
Tax assets	**17.6**	6.9
Money market investments	**61.3**	58.5
Cash and cash equivalents	**146.7**	33.3
Total current assets	**859.6**	681.9
Total assets	**2,607.9**	2,543.7

EQUITY AND LIABILITIES	30.9.2011	31.12.2010
Equity		
Equity attributable to equity holders of the parent	**1,333.8**	1,339.9
Non-controlling interest	**12.0**	25.9
Total equity	**1,345.8**	1,365.8
Non-current liabilities		
Interest-bearing liabilities	**461.6**	499.1
Deferred tax liabilities	**102.4**	99.5
Pension liabilities	**54.6**	55.2
Provisions	**52.5**	54.7
Total non-current liabilities	**671.1**	708.5
Current liabilities		
Interest-bearing liabilities	**211.1**	128.3
Trade payables and other liabilities	**351.9**	316.6
Tax liabilities	**21.5**	14.7
Provisions	**6.5**	9.8
Total current liabilities	**591.0**	469.4
Total liabilities	**1,262.1**	1,177.9
Total equity and liabilities	**2,607.9**	2,543.7

CONDENSED CASH FLOW STATEMENT **EUR million**	**7-9/2011**	7-9/2010	**1-9/2011**	1-9/2010	2010
Cash flow from operating activities					
Profit for the period	**32.9**	34.5	**102.5**	618.2	641.9
Total adjustments	**28.3**	31.0	**82.0**	-424.0	-388.6
Operating profit before net working capital	**61.2**	65.5	**184.5**	194.2	253.3
Change in net working capital	**32.9**	-23.3	**-40.2**	-75.3	-63.4
Cash generated from operations	**94.1**	42.2	**144.3**	118.9	189.9
Financing items	**-7.4**	8.7	**-6.8**	-23.3	-33.9
Taxes paid	**-1.7**	-6.2	**-30.0**	-16.2	-22.9
Net cash generated from operating activities	**85.0**	44.7	**107.5**	79.4	133.1
Cash flow from investing activities					
Capital expenditure for acquisitions	**-13.2**	-31.6	**-13.2**	-31.6	-31.6
Other capital expenditure	**-24.1**	-15.2	**-58.6**	-46.4	-75.6
Proceeds from sale of assets *	**8.8**	8.4	**106.1**	-8.6	-6.1
Change in other investments *	**0.2**	0.3	**0.8**	148.4	148.8
Net cash used in investing activities	**-28.3**	-38.1	**35.1**	61.8	35.5
Cash flow from financing activities					
Proceeds from non-current interest-bearing liabilities	**1.9**	6.6	**15.2**	56.0	101.7
Repayments from non-current interest-bearing liabilities	**-13.9**	-15.4	**-56.8**	-40.6	-72.5
Short-term financing, net (increase +, decrease -)	**63.1**	-24.9	**90.5**	-279.7	-330.2
Dividends paid	**-0.4**	-0.2	**-77.5**	-44.9	-45.2
Share issue	**-**	-	**-**	-	-
Other financing items	**4.8**	8.5	**3.7**	-14.2	-13.0
Net cash used in financing activities	**55.5**	-25.4	**-24.9**	-323.4	-359.2
Net change in cash and cash equivalents	**112.2**	-18.8	**117.7**	-182.2	-190.6
Cash and cash equivalents at end of period	**208.0**	98.7	**208.0**	98.7	91.8
Exchange gains (+) / losses (-) on cash and cash equivalent	**-1.8**	2.2	**1.5**	-6.3	-7.8
Cash and cash equivalents at beginning of period	**94.0**	119.7	**91.8**	274.6	274.6
Net change in cash and cash equivalents	**112.2**	-18.8	**117.7**	-182.2	-190.6

* 1-12/2010 include cash and cash equivalents transferred to Tikkurila as well as the loan repayment from Tikkurila

Includes Tikkurila until March 25, 2010

STATEMENT OF CHANGES IN EQUITY
EUR million

	Equity attributable to equity holders of the parent								
	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Non-controlling interests	Total
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	-	-	-	-	-	-	618.2	3.6	**621.8**
Other comprehensive income, net of tax	-	-	4.0	-	47.5	-	-0.3	0.9	**52.1**
Total comprehensive income	-	-	4.0	-	47.5	-	617.9	4.5	**673.9**
Cash dividends paid	-	-	-	-	-	-	-640.3 *)	-3.9	**-644.2**
Treasury shares issued to target group of share-based incentive plan	-	-	-	-	-	1.7	-	-	**1.7**
Share-based compensations	-	-	-	-	-	-	-0.3	-	**-0.3**
Changes due to business combinations	-	-	-	-	-	-	-0.3	4.6	**4.3**
Shareholders' equity at September 30, 2010	**221.8**	**257.9**	**99.8**	**196.3**	**-32.4**	**-24.2**	**560.6**	**24.4**	**1,304.2**

*) The dividends paid in 2010 was 640.3 million of which cash dividend EUR 41.0 million in total (EUR 0.27 per share) in respect of the financial year ended December 31, 2009. The dividend record date was May 12, 2010, and the payment date May 20, 2010. In addition EUR 599.3 million was distributed as Tikkurila shares.

	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Non-controlling interests	Total
Shareholders' equity at January 1, 2011	221.8	257.9	125.0	196.3	-21.3	-24.2	584.4	25.9	**1,365.8**
Net profit for the period	-	-	-	-	-	-	98.8	3.7	**102.5**
Other comprehensive income, net of tax	-	-	-15.1	-	-18.1	-	-	-0.8	**-34.0**
Total comprehensive income	-	-	-15.1	-	-18.1	-	98.8	2.9	**68.5**
Dividends paid	-	-	-	-	-	-	-73.0 *)	-4.5	**-77.5**
Treasury shares issued to target group of share-based incentive plan	-	-	-	-	-	2.1	-	-	**2.1**
Share-based compensations	-	-	-	-	-	-	-0.8	-	**-0.8**
Changes due to business combinations	-	-	-	-	-	-	-	-12.3	**-12.3**
Transfers	-	-	0.1	-	-	-	-0.1	-	**0.0**
Shareholders' equity at September 30, 2011	**221.8**	**257.9**	**110.0**	**196.3**	**-39.4**	**-22.1**	**609.3**	**12.0**	**1,345.8**

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

Kemira had in its possession 3,292,659 of its treasury shares on September 30, 2011. The average share price of treasury shares was EUR 6.73 and they represented 2.1% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 4.7 million.

The share premium is a reserve accumulating through subscriptions entitled by the Management stock option program 2001 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	**7-9/2011**	7-9/2010	**1-9/2011**	1-9/2010	2010
Earnings per share, continuing operations basic and diluted, EUR	**0.21**	0.23	**0.65**	0.58	0.73
Earnings per share, discontinued operations, basic and diluted, EUR				3.50	3.50
Cash flow from operations per share, EUR	**0.56**	0.29	**0.71**	0.52	0.88
Capital expenditure, EUR million	**37.3**	46.6	**71.8**	81.3	110.0
Capital expenditure / revenue, %	**1.2**	8.4	**4.3**	4.7	4.8
Average number of shares (1000), basic *	**151,980**	151,684	**151,980**	151,684	151,697
Average number of shares (1000), diluted *	**152,163**	151,741	**152,163**	151,741	152,017
Number of shares at end of period (1000), basic *	**152,050**	151,741	**152,050**	151,741	151,735
Number of shares at end of period (1000), diluted *	**152,176**	151,741	**152,176**	151,741	152,055
Equity per share, attributable to equity holders of the parent, EUR			**8.77**	8.43	8.83
Equity ratio, %			**51.7**	52.5	53.8
Gearing, %			**34.5**	42.9	39.2
Interest-bearing net liabilities, EUR million			**464.7**	559.4	535.6
Personnel (average)			**5,001**	5,833	5,608

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

REVENUE BY BUSINESS AREA EUR million	**7-9/2011**	7-9/2010	**1-9/2011**	1-9/2010	2010
Paper external	**243.4**	259.9	**738.8**	741.3	984.3
Paper Intra-Group	**-**	-	**-**	-	-
Municipal & Industrial external	**173.7**	164.0	**498.1**	476.1	643.6
Municipal & Industrial Intra-Group	**-**	-	**-**	-	-
Oil & Mining external	**87.2**	80.2	**255.7**	224.9	297.5
Oil & Mining Intra-Group	**-**	-	**-**	-	-
Other external	**54.0**	50.3	**171.3**	172.0	235.5
Other Intra-Group	**-**	0.0	**-**	0.1	0.1
Eliminations	**-**	0.0	**-**	-0.1	-0.1
Total, continuing operations	**558.3**	554.4	**1,663.9**	1,614.3	2,160.9
Tikkurila, external, discontinued operations	**-**	-	**-**	108.2	108.2
Total	**558.3**	554.4	**1,663.9**	1,722.5	2,269.1

OPERATING PROFIT BY BUSINESS AREA EUR million	**7-9/2011**	7-9/2010	**1-9/2011**	1-9/2010	2010
Paper	**18.5**	24.0	**61.2**	60.2	68.4
Municipal & Industrial	**15.4**	14.5	**37.9**	43.9	55.8
Oil & Mining	**10.2**	8.8	**27.7**	25.5	31.9
Other	**-3.3**	-1.3	**-3.8**	-0.7	0.0
Eliminations	**-**	-	**-**	-	-
Total, continuing operations	**40.8**	46.0	**123.0**	128.9	156.1
Tikkurila, discontinued operations	**-**	-	**-**	5.3	5.3
Total	**40.8**	46.0	**123.0**	134.2	161.4

CHANGES IN PROPERTY, PLANT AND EQUIPMENT **EUR million**	**1-9/2011**	1-9/2010	2010
Carrying amount at beginning of year	**661.2**	761.5	761.5
Acquisitions of subsidiaries	**-**	19.4	18.1
Increases	**52.9**	40.1	63.2
Decreases	**-3.4**	-4.9	-2.8
Disposal of subsidiaries	**-**	-116.3	-118.9
Depreciation, impairments and reversals of impairments	**-61.7**	-66.2	-100.0
Exchange rate differences and other changes	**-13.4**	30.5	40.1
Net carrying amount at end of period	**635.6**	664.1	661.2

CHANGES IN INTANGIBLE ASSETS **EUR million**	**1-9/2011**	1-9/2010	2010
Carrying amount at beginning of year	**682.9**	760.2	760.2
Acquisitions of subsidiaries	**-**	6.7	10.9
Increases	**5.7**	9.2	15.3
Decreases	**-0.2**	-3.4	-
Disposal of subsidiaries	**-**	-101.4	-104.8
Depreciation and impairments	**-9.0**	-11.1	-14.2
Exchange rate differences and other changes	**-8.8**	10.2	15.5
Net carrying amount at end of period	**670.6**	670.4	682.9

CONTINGENT LIABILITIES **EUR million**	**30.9.2011**	31.12.2010
Mortgages	**0.9**	13.9
Assets pledged		
On behalf of own commitments	**6.1**	6.3
Guarantees		
On behalf of own commitments	**47.0**	45.2
On behalf of associates	**0.7**	0.8
On behalf of others	**4.3**	4.4
Operating leasing liabilities		
Maturity within one year	**23.2**	21.3
Maturity after one year	**151.8**	169.8
Other obligations		
On behalf of own commitments	**1.0**	1.1
On behalf of associates	**1.4**	1.6

Major off-balance sheet investment commitments

Major amounts of contractual commitments for the acquisition of property, plant and equipment on September 30, 2011 were about EUR 3 million for plant investment in China.

Litigation

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

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

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

The process is currently pending in the Regional Court of Dortmund, Germany. Kemira defends against the claim of Cartel Damage Claims Hydrogen Peroxide SA.

Kemira Oyj has additionally been served on April 28, 2011 a summons stating that Cartel Damage Claims Hydrogen Peroxide SA has filed an application for summons in the municipal court of Helsinki on April 20, 2011 for violations of competition law applicable to the hydrogen peroxide business claiming from Kemira Oyj as maximum compensation EUR 78.0 million as well as overdue interest starting from November 10, 2008 as litigation expenses with overdue interest. The referred violations of competition law are the same as those on basis of which CDC has taken legal action in Germany in Dortmund. Kemira defends against the claim of Cartel Damage Claims Hydrogen Peroxide SA and requires that the claim shall not be considered.

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

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

RELATED PARTY

Transactions with related parties have not changed materially after annual closing 2010.

DERIVATIVE INSTRUMENTS

EUR million	**30.9.2011**		31.12.2010	
	Nominal value	**Fair value**	Nominal value	Fair value
Currency instruments				
Forward contracts	**589.6**	**-1.3**	607.7	8.1
Currency options				
Bought	**6.8**	**0.0**	-	-
Sold	**7.3**	**-0.2**	-	-
Interest rate instruments				
Interest rate swaps	**219.1**	**-4.8**	305.3	-6.0
of which cash flow hedge	**189.1**	**-4.4**	275.3	-4.7
Interest rate options				
Bought	**10.0**	**-**	10.0	-
Sold	**-**	**-**	-	-
Bond futures	**10.0**	**-**	10.0	-
of which open	**10.0**	**-**	10.0	-
Other instruments	**GWh**	**Fair value**	GWh	Fair value
Electricity forward contracts, bought	**966.0**	**1.3**	824.3	14.9
of which cash flow hedge	**966.0**	**1.3**	824.3	14.9
Electricity forward contracts, sold	**-**	**-**	-	-
of which cash flow hedge	**-**	**-**	-	-
	K tons	**Fair value**	K tons	Fair value
Natural gas hedging	**6.6**	**0.4**	10.1	0.1
of which cash flow hedge	**6.6**	**0.4**	10.1	0.1
Salt derivatives	**93.3**	**0.4**	213.0	-

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	**2011**	**2011**	**2011**	2010	2010	2010	2010
Continuing operations	**7-9**	**4-6**	**1-3**	10-12	7-9	4-6	1-3
Revenue							
Paper external	**243.4**	**242.2**	**253.2**	243.0	259.9	247.4	234.0
Paper Intra-Group	**-**	**-**	**-**	-	-	-	-
Municipal & Industrial external	**173.7**	**166.6**	**157.8**	167.5	164.0	163.7	148.4
Municipal & Industrial Intra-Group	**-**	**-**	**-**	-	-	-	-
Oil & Mining external	**87.2**	**84.8**	**83.7**	72.6	80.2	78.1	66.6
Oil & Mining Intra-Group	**-**	**-**	**-**	-	-	-	-
Other external	**54.0**	**55.2**	**62.1**	63.5	50.3	56.0	65.7
Other Intra-Group	**-**	**-**	**-**	-	-	-	0.1
Eliminations	**-**	**-**	**-**	-	-	-	-0.1
Total	**558.3**	**548.8**	**556.8**	546.6	554.4	545.2	514.7
Operating profit							
Paper	**18.5**	**20.0**	**22.7**	8.2	24.0	21.0	15.2
Municipal & Industrial	**15.4**	**10.9**	**11.6**	11.9	14.5	14.8	14.6
Oil & Mining	**10.2**	**8.1**	**9.4**	6.4	8.8	10.3	6.4
Other	**-3.3**	**-1.7**	**1.2**	0.7	-1.3	-1.6	2.2
Eliminations	**-**	**-**	**-**	-	-	-	-
Total	**40.8**	**37.3**	**44.9**	27.2	46.0	44.5	38.4
Operating profit, excluding non-recurring items							
Paper	**18.5**	**20.0**	**22.7**	21.6	20.5	18.3	15.2
Municipal & Industrial	**15.4**	**10.9**	**11.6**	12.2	14.5	15.6	16.7
Oil & Mining	**10.2**	**8.1**	**9.4**	6.5	8.8	6.9	6.4
Other	**-3.3**	**-1.7**	**1.2**	-0.1	-1.3	-0.3	0.8
Eliminations	**-**	**-**	**-**	-	-	-	-
Total	**40.8**	**37.3**	**44.9**	40.2	42.5	40.5	39.1

DEFINITIONS OF KEY FIGURES

Earnings per share (EPS)

Net profit attributable to equity holders of the parent
/ 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

Cash flow from operations
/ Average number of shares

Equity per share

Equity attributable to equity holders of the parent at end of period
/ Number of shares at end of period

Equity ratio, %

Total equity x 100
/ Total assets - prepayments received

Gearing, %

Interest-bearing net liabilities x 100
/ Total equity

Interest-bearing net liabilities

Interest-bearing liabilities - money market investments - Cash and cash equivalents

Return on capital employed (ROCE), %

Operating profit + share of profit or loss of associates x 100
/ 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