

Kemira Oyj
Stock exchange release
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Kemira Capital Markets Day, “Fit for Growth” timeline set, outlook for 2012 and financial targets unchanged

Kemira held its Capital Markets Day (CMD) 2012 in London today.

Kemira retained its existing outlook for 2012. In 2012, Kemira expects revenue and operative EBIT to be approximately at the same level as in 2011. In the near term, uncertainty in Europe and a slowdown in global economic growth may affect the demand for our products in our customer industries. This guidance assumes current currency exchange rates and an oil price level of 115 \$ per barrel.

Kemira's financial targets remain as communicated earlier. 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 theme of the CMD was the “Fit for Growth” restructuring program, launched on July 26th, 2012. **Wolfgang Büchele**, President and CEO gave an update on the implementation of the program:

“The expected EUR 60 million cost saving impact of the program will occur as follows: EUR 10 million in 2012, EUR 50 million in 2013 and EUR 60 million in 2014. The ultimate goal of the program is to reach at least 10% EBIT margin in 2014. Redundancies will account for 50% of the expected savings, and the remaining 50% will be achieved through manufacturing network consolidation and leaner operations. Currently 14 manufacturing sites are under review as part of the ongoing manufacturing consolidation.”

Wolfgang Büchele also gave an update on the ongoing work to sharpen Kemira's strategy. “Our main focus is on delivering our ‘Fit for Growth’ program, but we have also started to analyze how the company should look in 2020. The highest growth in our accessible markets is focused on Asia-Pacific and South America. Our oil and gas business is expected to grow strongly in all regions. One of Kemira's key strengths is the capability to tailor products and applications to customers' needs based on innovation and extensive manufacturing capability. We are also a leading global chemical supplier to the paper industry with long-term commitment. The strategy will be communicated, once approved, in connection with the Q1 results in 2013”.

Jyrki Mäki-Kala, CFO, also gave further details on the “Fit for Growth” restructuring program: “The expected restructuring charges connected to the program amounts to EUR 85 million of which EUR 35 million will be cash cost and EUR 50 million being write-downs. EUR 55 million of the restructuring charges will be booked in the second half of 2012, and the balance in the first half of 2013. Our cost savings estimates for the different segments, based on the detailed action plan, are: Paper EUR 22 million, Municipal & Industrial EUR 22 million, Oil & Mining EUR 12 million and ChemSolutions EUR 4 million.”

Other Kemira speakers at the Capital Markets Day included **Petri Helsky**, President, Paper

segment, **Hannu Virolainen**, President, Municipal & Industrial segment, **Randy Owens**, President Oil & Mining segment, **Frank Wegener**, Managing Director of ChemSolutions, **Joe Chan**, Region head, APAC and **Hilton Casas de Almeida**, Region head, SA.

All Kemira Capital Markets Day 2012 presentations are available at www.kemira.com at around 2.00 pm (CET+1).

For more information, please contact

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

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