

Kemira Capital Markets Day: Financial targets unchanged, more than EUR 5 million additional savings in Municipal & Industrial

Kemira will hold its 2013 Capital Markets Day (CMD) in London today.

Kemira is maintaining its existing outlook for 2013. Revenue in local currencies and excluding divestments is expected to be slightly higher (0%-5%) than in 2012, and operative EBIT is expected to be significantly higher (>15%) than in 2012.

Kemira's medium-term financial targets for 2016 remain as previously communicated.

- revenue EUR 2.6 – 2.7 billion
- EBITDA-% of revenue 15%
- gearing level < 60%

In addition, Kemira expects its medium-term operative tax rate to be in the range of 22%-24%. This rate excludes non-recurring items and the contribution of income from associated companies.

The theme of the CMD is "Delivering a profitable water pure-play". Wolfgang Büchele, President and CEO, will comment on the structural changes that are contributing to meeting the financial targets and improving Kemira's return on capital employed.

"Kemira is targeting an operative EBIT margin of 10% in 2014. The target is expected to be achieved through a number of factors, including the Fit for Growth cost savings, additional efficiency measures, like the Vaasa process chemicals site closure and the establishment of a global Business Service Center, as well as synergies relating to the recent 3F acquisition (closure of the transaction expected on October 1, 2013). In addition, the reorganization and changes in the business model in Municipal & Industrial are expected to result in more than EUR 5 million savings once fully implemented.

As previously communicated, our capex-to-sales ratio is expected to decrease from 6% in 2012 to 5% in 2016. Capital expenditure is focused on growth markets and differentiated product lines. Acquisitions are also expected to contribute to Kemira's mid-term growth targets. M&A criteria require that M&A targets must strengthen Kemira's market position and/or technologies and/or competencies, as well as being EBIT accretive in the second full year after closing.

Kemira's business portfolio focus is shifting from commodity to differentiated businesses. Consequently, we are evaluating exit options for the ChemSolutions business, which include formic acid and its derivative product lines. Together with the ongoing Fit for Growth cost-saving measures, continuous efficiency measures, the introduction of LEAN manufacturing and the implementation of our SKU (Stock Keeping Unit) reduction program, the company's business portfolio restructuring is expected to also improve

return on capital employed. Our ambition in 2016 is for return on capital employed to be in line with the European chemical sector average, i.e. more than 15%.

Innovation is the key organic growth driver, and Kemira is targeting EUR 250 million revenue from innovation sales (i.e. sales from new products or existing products for new applications launched within the previous 5 years) in 2016 (EUR 106 million in 2012). Our next generation Fennobind product for the paper and board market and new products for wet shale applications in the oil and gas industry are all examples of the growing relevance of our innovation pipeline,” says Büchele.

Other Kemira speakers at the CMD include **Petri Castrén**, CFO, **Frank Wegener**, President, Municipal & Industrial segment, **Heidi Fagerholm**, CTO, **Michael Löffelmann**, SVP, Restructuring, **Louis Rosati**, VP, R&D and technology and **Reetta Strengell**, Senior manager, R&D and technology.

All Kemira CMD 2013 presentations are available at www.kemira.com at around 2.00 pm (12.00 pm UK). The CMD can be followed via webcast at <http://view-w.tv/p/381-1046-13251/en> and Twitter at #capitalmarketsday.

For more information, please contact

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Kemira is a global chemicals company serving customers in water-intensive industries. We provide expertise and chemicals that improve our customers' water, energy and raw material efficiency. Our focus is on pulp & paper, oil & gas, mining and water treatment. In 2012, Kemira had annual revenue of EUR 2.2 billion and around 4,900 employees. Kemira shares are listed on the NASDAQ OMX Helsinki Ltd.
www.kemira.com