January-September 2018 Interim Report

REVENUE AND EARNINGS GROWTH CONTINUED

Third quarter

- Revenue increased by 8% to EUR 669.6 million (622.2), as all businesses continued to grow, especially Oil & Gas. Revenue in local currencies, excluding acquisitions and divestments, increased by 9%.
- Operative EBITDA increased by 5% to EUR 89.0 million (84.5) mainly due to sales volumes and higher sales prices, which offset continuing increases in variable costs. Operative EBITDA margin was 13.3% (13.6%). EBITDA increased by 18% to EUR 82.8 million (70.2) and the difference to operative EBITDA growth is explained by items affecting comparability.
- EPS increased by 12% to EUR 0.14 (0.12) mainly due to higher operative EBITDA.

January-September

- Revenue increased by 4% to EUR 1,931.0 million (1,849.4), driven by Oil & Gas. Revenue in local currencies, excluding acquisitions and divestments, increased by 8% with all businesses demonstrating organic growth.
- Operative EBITDA increased by 3% to EUR 238.6 million (230.6) as higher sales prices more than offset the increase in variable costs. Operative EBITDA margin was 12.4% (12.5%). EBITDA increased by 15% to EUR 233.5 million (203.9) and the difference to operative EBITDA growth is explained by items affecting comparability.
- EPS increased by 17% to EUR 0.42 (0.36) mainly due to higher operative EBITDA and lower items affecting comparability.

Outlook for 2018 (unchanged)

Kemira expects its operative EBITDA to increase from the prior year (2017: EUR 311.3 million).

Kemira's President and CEO Jari Rosendal:

"Revenue growth continued and earnings increased in the third quarter. Sales price increases are coming through, although I would like the increases to materialize faster.

In the third quarter, Pulp & Paper demonstrated strong organic growth of 7%, which is well above pulp and paper chemicals market growth. Growth is driven by healthy volume growth and increasing sales prices. Pulp, board and tissue markets have seen good growth driven by e-commerce and growing middle class in APAC. These trends are fueling growth for our customers and our investments follow this. We have decided to direct more hydrogen peroxide capacity to pulp customers, resulting in the closure of the sodium percarbonate production line in Sweden by the end of the year. During 2018, we have also debottlenecked one of our bleaching chemical plants in Finland.

Industry & Water recorded organic growth of 11% in the third quarter. After the exceptionally strong growth recently in the oil and gas business, we expect growth rates to moderate in the coming quarters. However, long-term market trends continue to be positive. During the summer we delivered polymers and coagulants for water treatment to a major Canadian oil sands operator, combining our unique expertise regarding these two water treatment chemicals. This creates a substantial long-term business opportunity as oil sands operators are required to treat their tailings ponds.

We continue to drive for higher profitability and are implementing measures to support that. In 2018, Kemira expects its operative EBITDA to increase from the prior year."

KEY FIGURES AND RATIOS

EUR million	**Jul-Sep 2018**	Jul-Sep 2017	**Jan-Sep 2018**	Jan-Sep 2017	Jan-Dec 2017
Revenue	**669.6**	622.2	**1,931.0**	1,849.4	2,486.0
Operative EBITDA	**89.0**	84.5	**238.6**	230.6	311.3
Operative EBITDA, %	**13.3**	13.6	**12.4**	12.5	12.5
EBITDA	**82.8**	70.2	**233.5**	203.9	282.4
EBITDA, %	**12.4**	11.3	**12.1**	11.0	11.4
Operative EBIT	**50.0**	47.7	**129.0**	126.3	170.3
Operative EBIT, %	**7.5**	7.7	**6.7**	6.8	6.9
EBIT	**35.9**	33.4	**107.1**	99.6	141.4
EBIT, %	**5.4**	5.4	**5.5**	5.4	5.7
Finance costs, net	**-7.9**	-7.4	**-19.2**	-21.8	-28.9
Profit before taxes	**28.1**	26.1	**87.9**	78.0	112.6
Net profit for the period	**22.1**	20.0	**68.7**	59.5	85.2
Earnings per share, EUR	**0.14**	0.12	**0.42**	0.36	0.52
Capital employed*	**1,759.5**	1,759.9	**1,759.5**	1,759.9	1,763.2
Operative ROCE*, %	**9.8**	9.2	**9.8**	9.2	9.7
ROCE*, %	**8.5**	7.3	**8.5**	7.3	8.0
Cash flow from operating activities	**64.2**	92.9	**122.1**	133.7	205.1
Capital expenditure excl. acquisition	**34.3**	43.8	**97.3**	125.9	190.1
Capital expenditure	**36.3**	43.8	**96.1**	125.9	190.1
Cash flow after investing activities	**28.8**	50.4	**32.3**	9.2	13.0
Equity ratio, % at period-end	**43**	43	**43**	43	44
Equity per share, EUR	**7.44**	7.26	**7.44**	7.26	7.61
Gearing, % at period-end	**65**	63	**65**	63	59
Personnel at period-end	**4,798**	4,749	**4,798**	4,749	4,732

*12-month rolling average (ROCE, % based on the EBIT)

Kemira provides certain financial performance measures (alternative performance measures) on a non-GAAP basis. Kemira believes that alternative performance measures followed by capital markets and Kemira management, such as organic growth**, EBITDA, operative EBITDA, cash flow after investing activities as well as gearing, provide useful information about Kemira's comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.

Kemira's alternative performance measures should not be viewed in isolation to the equivalent IFRS measures and alternative performance measures should be read in conjunction with the most directly comparable IFRS measures. Definitions of the alternative performance measures can be found in the definitions of the key figures in this report, as well as at www.kemira.com > Investors > Financial information.

All the figures in this interim report have been individually rounded, and consequently the sum of the individual figures may deviate slightly from the sum figure presented.

** Revenue growth in local currencies, excluding acquisitions and divestments

FINANCIAL PERFORMANCE IN Q3 2018

Revenue increased by 8%, driven by higher sales prices. Revenue in local currencies, excluding acquisitions and divestments, increased by 9%.

Revenue	Jul-Sep 2018 EUR million	Jul-Sep 2017 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. and div. impact, %
Pulp & Paper	**385.2**	363.0	+6	+7	-1	0
Industry & Water	**284.4**	259.2	+10	+11	-1	0
Total	**669.6**	**622.2**	+8	+9	-1	0

* Revenue growth in local currencies, excluding acquisitions and divestments

Operative EBITDA increased by 5% mainly due to sales volumes and higher sales prices, which offset increases in variable costs.

Variance analysis, EUR million	Jul-Sep
Operative EBITDA, 2017	**84.5**
Sales volumes	+8.0
Sales prices	+42.4
Variable costs	-38.1
Fixed costs	-4.0
Currency exchange	-1.7
Others	-2.0
Operative EBITDA, 2018	**89.0**

Operative EBITDA	Jul-Sep 2018 EUR million	Jul-Sep 2017 EUR million	Δ%	Jul-Sep 2018 %-margin	Jul-Sep 2017 %-margin
Pulp & Paper	**52.3**	48.5	+8	**13.6**	13.4
Industry & Water	**36.7**	36.0	+2	**12.9**	13.9
Total	**89.0**	84.5	+5	**13.3**	13.6

EBITDA increased by 18% and the difference to operative EBITDA is explained by items affecting comparability. **Items affecting comparability within EBITDA** mainly included organizational restructuring costs. In the previous year the figure mainly resulted from the organizational restructuring costs and the EUR -12.7 million settlement for the damage claim relating to the alleged old infringement of competition law in the hydrogen peroxide business between 1994-2000.

Items affecting comparability, EUR million	Jul-Sep 2018	Jul-Sep 2017
Within EBITDA	**-6.2**	-14.3
Pulp & Paper	-4.1	-13.9
Industry & Water	-2.1	-0.4
Within depreciation, amortization and impairments	**-7.9**	0.0
Pulp & Paper	-7.9	0.0
Industry & Water	0.0	0.0
Total items affecting comparability in EBIT	**-14.1**	-14.3

Depreciation, amortization and impairments were EUR -46.9 million (-36.8) including the EUR -3.9 million (-4.2) amortization of purchase price allocation. Depreciation and amortization included **items affecting comparability** amounting to EUR -7.9 million (0.0) and were related to the upcoming closure of a production line in Sweden. The write-down was part of the decision to direct more hydrogen peroxide capacity to pulp customers.

Operative EBIT increased by 5% mainly due to sales volumes and higher sales prices, which offset increases in variable costs. **EBIT** increased by 7% and the difference between the two is explained by items affecting comparability.

Finance costs, net totaled EUR -7.9 million (-7.4). **Income taxes** were EUR -5.9 million (-6.1). **Net profit for the period** increased by 10%, mainly due increased operative EBITDA.

FINANCIAL PERFORMANCE JANUARY-SEPTEMBER 2018

Revenue increased by 4%, driven by growth in sales prices and volumes. Revenue in local currencies, excluding acquisitions and divestments, increased by 8%.

Revenue	Jan-Sep 2018 EUR, million	Jan-Sep 2017 EUR, million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	1,129.8	1,104.1	+2	+6	-4	0
Industry & Water	801.1	745.3	+7	+12	-4	0
Total	**1,931.0**	1,849.4	+4	+8	-4	0

* Revenue in local currencies, excluding acquisitions and divestments

Operative EBITDA increased by 3% mainly due to higher sales prices, which more than offset increased variable costs. The EUR 19.5 million volume growth benefit was offset by the EUR 17.2 million negative currency impact.

Variance analysis, EUR million	Jan-Sep
Operative EBITDA, 2017	**230.6**
Sales volumes	+19.5
Sales prices	+112.4
Variable costs	-99.9
Fixed costs	-5.6
Currency exchange	-17.2
Others	-1.2
Operative EBITDA, 2018	**238.6**

Operative EBITDA	Jan-Sep 2018 EUR million	Jan-Sep 2017 EUR million	Δ%	Jan-Sep 2018 %-margin	Jan-Sep 2017 %-margin
Pulp & Paper	140.5	142.4	-1	12.4	12.9
Industry & Water	98.1	88.3	+11	12.3	11.8
Total	**238.6**	230.6	+3	**12.4**	12.5

EBITDA increased by 15%, the difference to operative EBITDA is explained by items affecting comparability. **Items affecting comparability within EBITDA** included organizational restructuring costs and a gain on sale. In the previous year the figure mainly resulted from the organizational restructuring costs and the EUR -12.7 million settlement for the damage claim relating to the alleged old infringement of competition law in the hydrogen peroxide business between 1994-2000.

Items affecting comparability, EUR million	Jan-Sep 2018	Jan-Sep 2017
Within EBITDA	**-5.1**	-26.7
Pulp & Paper	-5.7	-17.6
Industry & Water	0.6	-9.2
Within depreciation, amortization and impairments	**-16.8**	0.0
Pulp & Paper	-7.9	0.0
Industry & Water	-8.8	0.0
Total	**-21.9**	-26.7

Depreciation, amortization and impairments increased to EUR -126.4 million (-104.3), including the EUR -11.9 million (-12.6) amortization of purchase price allocation. Depreciation and amortization included **items affecting comparability** of EUR -16.8 million (0.0) related to the write-downs of production units. The write-downs were part of the long-term polymer manufacturing optimization in Industry & Water and the decision to direct more hydrogen peroxide capacity to pulp customers in Pulp & Paper.

Operative EBIT increased by 2% as higher sales prices and volumes more than offset the increase in variable costs and the negative currency impact. **EBIT** increased by 8% and the difference between the two is explained by items affecting comparability.

Finance costs, net totaled EUR -19.2 million (-21.8) and included a gain from the sale of shares in power plant companies. **Income taxes** were EUR -19.2 million (-18.6).

Net profit for the period increased by 16% mainly due to items affecting comparability and higher operative EBITDA.

FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities in the period January-September decreased to EUR 122.1 million (133.7) due to higher net working capital while cash flow after investing activities increased to EUR 32.3 million (9.2) mainly due to lower capital expenditure.

At the end of the period, interest-bearing liabilities totaled EUR 889 million (861). The average interest rate of the Group’s interest-bearing liabilities was 2.0% (1.9%). The duration of the Group’s interest-bearing loan portfolio was 33 months (34). Fixed-rate loans accounted for 76% of the net interest-bearing liabilities (75%).

Short-term liabilities maturing in the next 12 months amounted to EUR 236 million (187), the short-term part of the long-term loans represented EUR 110 million (76). On September 30, 2018, cash and cash equivalents totaled EUR 145 million (161). The Group has a total of EUR 440 million of undrawn committed credit facilities.

At the end of the period, Kemira Group’s net debt was EUR 744 million (701). The equity ratio was 43% (43%) while the gearing was 65% (63%).

CAPITAL EXPENDITURE

January to September's capital expenditure, excluding acquisitions, decreased by 23% to EUR 97.3 million (125.9). Capital expenditure can be broken down as follows: expansion capital expenditure 34% (43%), improvement capex 36% (30%) and maintenance capex 30% (27%).

RESEARCH AND DEVELOPMENT

January to September's total research and development expenses were EUR 21.8 million (22.4), representing 1.1% (1.2%) of the Group's revenue.

HUMAN RESOURCES

At the end of September 2018, Kemira Group had 4,798 employees (4,749). Kemira had 800 employees in Finland (811), 1,773 people elsewhere in EMEA (1,791), 1,554 in the Americas (1,505) and 671 in APAC (642).

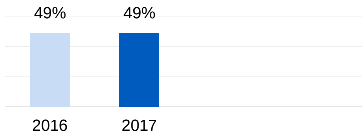
Kemira
Where water meets chemistry™

CORPORATE RESPONSIBILITY

Sustainable products and solutions

Target | **Performance** | **Comments**

Sustainable products
Share of revenue from products used for use-phase resource efficiency. At least 50% of Kemira's revenue generated through products that improve customers resource efficiency.



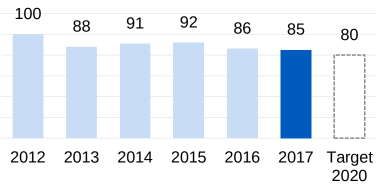
During January-September 2018, ten new products and concepts that aim to improve customer material efficiency were commercialized, and ten new projects started with the same target.

IN PROGRESS

Responsible operations and supply chain

Target | **Performance**

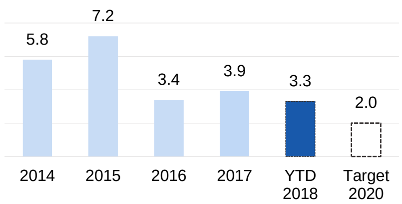
Climate change
Kemira Carbon Index ⩽ 80 by end of 2020 (2012 = 100). This KPI is reported once a year.



Comments
Sourcing of low carbon energy continued as planned. At two manufacturing sites, E3 Energy Reviews were performed, as part of the Energy Efficiency Enhancement (E3plus) program. The work to upgrade the Energy Management System at sodium chlorate sites in the US was accelerated. The performed E3 energy reviews now cover more than 90% of Kemira's total energy consumption. At the Äetsä sodium chlorate site, projects to save steam continued, aiming at carbon free steam production.

IN PROGRESS

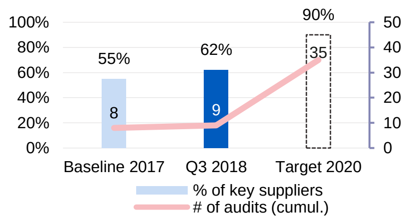
People Safety
Achieve zero injuries on long term; TRIF* 2.0 by end of 2020.



Comments
We have been able to reduce the number of employee incidents but unfortunately we have not been able to improve our performance in contractor safety. The behavior-based safety program has been implemented at all our sites in EMEA, APAC and South America.

IN PROGRESS

Supplier Management
% of direct key suppliers screened through sustainability assessments and audits (cumulative %). The target includes 5 sustainability audits for highest risk** suppliers every year, and cumulatively 25 by 2020.



Comments
Sustainability screening of key suppliers continues as planned. In total 16 new assessments and one on-site follow-up audit have been conducted so far this year. For the last quarter of 2018 there are around 12 assessments in progress and one to three audits in the pipeline.

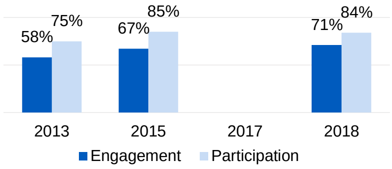
IN PROGRESS

Kemira
Where water meets chemistry™

People and integrity

Target	Performance	Comments

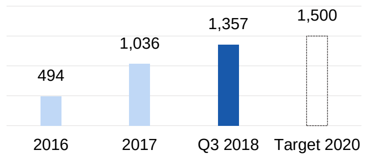
Employee engagement index based on Voices@Kemira biennial survey
The index at or above the external industry norm. The participation rate in Voices@Kemira 75% or above.



Comments
Employee engagement index was 2 ppts and the participation rate 9 ppts above the external norm. Action planning is ongoing at manager level. Company wide communication on refreshed strategy has been completed and this will be the Kemira focus area based on the survey.

IN PROGRESS

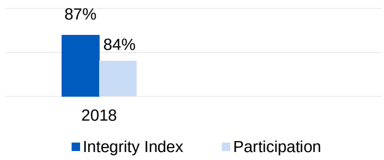
Leadership development activities provided, average
Two (2) leadership development activities per people manager position during 2016-2020, the cumulative target is 1,500 by 2020.



Comments
Continued good level of leadership development activities during the third quarter. In cumulative terms, we are at 1,357 (69 activities during the third quarter).

IN PROGRESS

Integrity index
New KPI to measure compliance with the Kemira Code of Conduct. The target is to maintain the Integrity Index level above the industry benchmark.



Comments
Updated Code of Conduct E-learning training was launched and the target is to have all employees trained by the end of fourth quarter. All sales directors were trained on the new third party Due Diligence process to be conducted with all new agents and distributors to assure that third parties are organized in accordance with local laws, have the correct approach to public entities and are not involved in corruption.

IN PROGRESS

* TRIF = Number of Total Recordable Injury Frequency per million hours, Kemira + contractor, year-to-date
** suppliers with lowest sustainability assessment score

SEGMENTS

PULP & PAPER

Pulp & Paper has unique expertise in applying chemicals and supporting pulp & paper producers in innovating and constantly improving their operational efficiency. The segment develops and commercializes new products to fulfill customer needs, ensuring the leading portfolio of products and services for paper wet-end, focusing on packaging and board, as well as on tissue. Pulp & Paper is leveraging its strong application portfolio in North America and EMEA, while also building a strong position in the emerging Asian and South American markets.

EUR million	**Jul-Sep 2018**	Jul-Sep 2017	**Jan-Sep 2018**	Jan-Sep 2017	Jan-Dec 2017
Revenue	**385.2**	363.0	**1,129.8**	1,104.1	1,476.9
Operative EBITDA	**52.3**	48.5	**140.5**	142.4	197.7
Operative EBITDA, %	**13.6**	13.4	**12.4**	12.9	13.4
EBITDA	**48.2**	34.6	**134.8**	124.8	179.9
EBITDA, %	**12.5**	9.5	**11.9**	11.3	12.2
Operative EBIT	**26.6**	24.4	**67.5**	73.9	104.8
Operative EBIT, %	**6.9**	6.7	**6.0**	6.7	7.1
EBIT	**14.6**	10.4	**54.0**	56.4	86.9
EBIT, %	**3.8**	2.9	**4.8**	5.1	5.9
Capital employed*	**1,162.9**	1,155.4	**1,162.9**	1,155.4	1,165.2
Operative ROCE*, %	**8.5**	8.5	**8.5**	8.5	9.0
ROCE*, %	**7.3**	6.6	**7.3**	6.6	7.5
Capital expenditure excl. M&A	**20.7**	32.3	**56.3**	97.3	138.3
Capital expenditure incl. M&A	**22.7**	32.3	**55.2**	97.3	138.3
Cash flow after investing activities	**20.6**	25.3	**43.4**	11.3	15.7

*12-month rolling average

Third quarter

The segment's **revenue** increased by 6%. Currency exchange rates had a -1% impact on revenue. Revenue in local currencies, excluding acquisitions and divestments, increased by 7% and was mainly driven by higher sales prices following the increase in raw material and transportation costs.

In **EMEA**, revenue increased by 5% mainly due to higher sales prices reflecting the underlying increases in raw material prices. The new bleaching chemical capacity addition in Joutseno, Finland, also had a positive impact on revenue growth. In the **Americas**, revenue increased by 2% mainly due to higher prices. In North America, revenue in local currencies increased mainly due to higher prices in bleaching and strength chemicals. In South America, prices increased across the product portfolio. In **APAC**, revenue increased by 20%, driven by higher sales volumes, especially in sizing chemicals.

Operative EBITDA increased by 8% as higher sales prices more than offset increased variable costs. **EBITDA** increased by 39% and the difference to operative EBITDA is explained by items affecting comparability.

January-September

The segment's **revenue** increased by 2%, driven by higher sales prices. Revenue in local currencies, excluding divestments and acquisitions, increased by 6%.

Operative EBITDA decreased by 1% mainly due to the negative currency impact, particularly during the first half of 2018, while higher sales prices offset the increase in variable costs. **EBITDA** increased by 8% and the difference to operative EBITDA is explained by items affecting comparability.

INDUSTRY & WATER

Industry & Water supports municipalities and water intensive industries in the efficient and sustainable use of resources. In water treatment, we provide assistance in optimizing every stage of the water cycle. In oil and gas applications, our chemistries enable improved yield from existing reserves and reduced water and energy use.

EUR million	**Jul-Sep 2018**	Jul-Sep 2017	**Jan-Sep 2018**	Jan-Sep 2017	Jan-Dec 2017
Revenue	**284.4**	259.2	**801.1**	745.3	1,009.1
Operative EBITDA	**36.7**	36.0	**98.1**	88.3	113.6
Operative EBITDA, %	**12.9**	13.9	**12.3**	11.8	11.3
EBITDA	**34.6**	35.7	**98.7**	79.1	102.5
EBITDA, %	**12.2**	13.8	**12.3**	10.6	10.2
Operative EBIT	**23.4**	23.4	**61.4**	52.4	65.5
Operative EBIT, %	**8.2**	9.0	**7.7**	7.0	6.5
EBIT	**21.3**	23.0	**53.2**	43.2	54.4
EBIT, %	**7.5**	8.9	**6.6**	5.8	5.4
Capital employed*	**596.2**	603.2	**596.2**	603.2	596.7
Operative ROCE*, %	**12.5**	10.6	**12.5**	10.6	11.0
ROCE*, %	**10.8**	8.6	**10.8**	8.6	9.1
Capital expenditure excl. M&A	**13.6**	11.5	**40.9**	28.6	51.7
Capital expenditure incl. M&A	**13.6**	11.5	**40.9**	28.6	51.7
Cash flow after investing activities	**26.8**	26.1	**28.8**	38.6	46.9

*12-month rolling average

Third quarter

The segment's **revenue** increased by 10%. Revenue in local currencies, excluding acquisitions and divestments, increased by 11%, driven by higher sales prices. Currency exchange rate fluctuations had an impact of -1%.

Within the segment, the revenue of the Oil & Gas business increased by 28% to EUR 73.4 million (57.2) as a result of strong demand in the North American shale oil and gas market and seasonal deliveries of polymers and coagulants to a Canadian oil sands operator. In the water treatment business, growth continued driven by higher sales prices following the increase in raw material and logistic costs.

In **EMEA**, revenue increased by 3%, driven by higher sales prices in polymers and coagulants. In the **Americas**, revenue increased by 18% mainly due to the growth in the oil and gas business while water treatment also demonstrated good growth. In **APAC**, revenue decreased by 23% as customers resisted price increases, which led to a decline in sales volumes.

Operative EBITDA increased by 2% as growth in sales prices and volumes more than offset the increase in variable costs. Profitability is impacted by margin-dilutive growth areas (CEOR and oil sands) but these are expected to contribute positively to the margin once businesses are scaled up and optimized.

EBITDA decreased by 3% and the difference to operative EBITDA is explained by items affecting comparability.

January-September

The segment's **revenue** increased by 7%. Revenue in local currencies, excluding acquisitions and divestments, increased by 12%. Growth was driven by higher sales prices. Currency exchange rates had an impact of -4%.

Within the segment, the revenue for the Oil & Gas business increased by 26% to EUR 176.2 million (140.1). In the water treatment business, sales volumes and prices increased in Europe while sales price increases more than offset the decline in sales volumes in North America.

Operative EBITDA increased by 11% as a result of higher sales prices offsetting increased variable costs despite headwind from currencies. **EBITDA** increased by 24% and the difference to operative EBITDA is explained by items affecting comparability.

KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On September 30, 2018, Kemira Oyj's share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles one vote at the Annual General Meeting.

At the end of September, Kemira Oyj had 34,259 registered shareholders (35,571 on December 31, 2017). Non-Finnish shareholders held 27.2% of the shares (24.0%), including nominee-registered holdings. Households owned 17.6% of the shares (18.6%). Kemira held 2,832,297 treasury shares (2,980,196), representing 1.8% (1.9%) of all company shares.

Kemira Oyj's share price increased by 1% from the beginning of the year and closed at EUR 11.61 on the Nasdaq Helsinki at the end of September 2018 (11.50 on December 31, 2017). Shares registered a high of EUR 12.03 and a low of EUR 10.08 for January-September 2018. The average share price was EUR 11.16. The company's market capitalization, excluding treasury shares, was EUR 1,771 million at the end of September 2018 (1,752 on December 31, 2017).

In January-September 2018, Kemira Oyj's share trading turnover on Nasdaq Helsinki was EUR 361 million (January-September 2017: 450). The average daily trading volume was 171,833 (210,435) shares. The total volume of Kemira Oyj's share trading for January-September 2018 was 51 million shares (64), 36% (38%) of which was executed on other trading platforms (BATS, Chi-X, Turquoise). Source: Nasdaq and Kemira.com.

AUTHORIZATIONS

The AGM 2018 authorized the Board of Directors to decide on the repurchase of a maximum of 4,950,000 company's own shares ("Share Repurchase Authorization"). The Share Repurchase Authorization is valid until the end of the next Annual General Meeting.

The AGM 2018 also authorized the Board of Directors to decide to issue a maximum of 15,600,000 new shares and/or transfer a maximum of 7,800,000 of the company's own shares held by the company ("Share Issue Authorization"). The Share Issue Authorization is valid until May 31, 2019. The Share Issue authorization has been used in connection with the Board of Directors' remuneration.

SHORT-TERM RISKS AND UNCERTAINTIES

On January 30, 2017, an extensive fire occurred at the Huntsman Pigments (currently Venator) plant in Pori, Finland. Kemira's facilities at the site were not directly exposed, and nobody was injured. On September 12, 2018, Venator announced its intention to close its Pori TiO_2 manufacturing facility by 2021. Venator is a key raw material supplier for Kemira's iron coagulant production. Venator also purchases chemicals and energy from Kemira.

For Kemira, the incident and closure means revenue loss, extra costs and risks related to the availability and usability of alternative raw materials. Kemira estimates that the revenue loss will be approximately EUR 20 million and the negative EBITDA impact (before insurance coverage) is expected to be up to EUR 1-2 million per quarter in 2018. Kemira has a limit of business interruption insurance coverage of EUR 10 million / 18 months per incident for critical suppliers, which was used up substantially already by the end of the second quarter 2018. Kemira is currently reviewing options for supply of raw materials.

A detailed account of Kemira's risk management principles is available on the company's website at http://www.kemira.com. Financial risks are also described in the Notes to the Financial Statements for the year 2017.

OUTLOOK FOR 2018 (UNCHANGED)

Kemira expects its operative EBITDA to increase from the prior year (2017: EUR 311.3 million).

MID- AND LONG-TERM FINANCIAL TARGETS (UNCHANGED)

Kemira aims at above-the-market revenue growth with operative EBITDA margin of 14-16%. The gearing target is below 60%.

Helsinki, October 23, 2018

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 such statements contain.

FINANCIAL REPORTING 2018 AND 2019

Financial Statements Bulletin 2018	February 8, 2019
Interim Report January-March 2019	April 26, 2019
Half-Year Financial Report January-June 2019	July 19, 2019
Interim Report January-September 2019	October 24, 2019

Annual General Meeting will be held in Marina Congress Center on March 21, 2019.

PRESS AND ANALYST CONFERENCE AND CONFERENCE CALL

Kemira will arrange a press conference for analysts, investors and the media on Wednesday, October 24, 2018, starting at 10.30 am (8.30 am UK time) at GLO Hotel Kluuvi, Kluuvikatu 4, 2nd Floor, Helsinki. During the conference, Kemira's President and CEO Jari Rosendal and CFO Petri Castrén will present the results. The press conference will be held in English and will be webcasted at www.kemira.com/investors. The presentation material and the webcast recording will be available on the above-mentioned company website.

You can attend the Q&A session via a conference call. In order to participate in the conference, please call ten minutes before the conference begins:

FI: +358 9 81710310, UK: +44 3333000804, SE: +46 8 56642651, US: +1 6319131422

PIN Code: 99718567#

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CONSOLIDATED INCOME STATEMENT

EUR million	**7-9/2018**	7-9/2017	**1-9/2018**	1-9/2017	2017
Revenue	**669.6**	622.2	**1,931.0**	1,849.4	2,486.0
Other operating income	**1.6**	1.9	**9.5**	4.1	6.8
Operating expenses	**-588.5**	-553.8	**1,706.9**	-1,649.6	-2,210.4
EBITDA	**82.8**	70.2	**233.5**	203.9	282.4
Depreciation, amortization and impairments	**-46.9**	-36.8	**-126.4**	-104.3	-141.0
Operating profit (EBIT)	**35.9**	33.4	**107.1**	99.6	141.4
Finance costs, net	**-7.9**	-7.4	**-19.2**	-21.8	-28.9
Share of profit or loss of associates	**0.0**	0.1	**0.0**	0.2	0.2
Profit before taxes	**28.1**	26.1	**87.9**	78.0	112.6
Income taxes	**-5.9**	-6.1	**-19.2**	-18.6	-27.4
Net profit for the period	**22.1**	20.0	**68.7**	59.5	85.2
Net profit attributable to					
Equity owners of the parent	**20.6**	18.4	**63.7**	54.3	78.6
Non-controlling interests	**1.5**	1.7	**5.0**	5.1	6.6
Net profit for the period	**22.1**	20.0	**68.7**	59.5	85.2
Earnings per share, basic and diluted, EUR	**0.14**	0.12	**0.42**	0.36	0.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	**7-9/2018**	7-9/2017	**1-9/2018**	1-9/2017	2017
Net profit for the period	**22.1**	20.0	**68.7**	59.5	85.2
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Other shares	**-**	0.0	**-**	0.0	24.0
Exchange differences on translating foreign operations	**2.8**	-10.7	**-3.6**	-39.0	-46.4
Cash flow hedges	**-3.7**	3.5	**12.2**	0.8	3.4
Items that will not be reclassified subsequently to profit or loss					
Other shares	**-17.1**	-	**-17.1**	-	-
Remeasurements on defined benefit plans	**0.0**	0.0	**0.0**	0.0	9.6
Other comprehensive income for the period, net of tax	**-18.0**	-7.2	**-8.5**	-38.2	-9.4
Total comprehensive income for the period	**4.1**	12.9	**60.2**	21.3	75.8
Total comprehensive income attributable to					
Equity owners of the parent	**2.3**	11.3	**55.6**	15.9	68.7
Non-controlling interests	**1.8**	1.6	**4.6**	5.4	7.2
Total comprehensive income for the period	**4.1**	12.9	**60.2**	21.3	75.8

CONSOLIDATED BALANCE SHEET

EUR million	9/30/2018	9/30/2017	12/31/2017
ASSETS			
Non-current assets			
Goodwill	**509.1**	506.7	505.0
Other intangible assets	**89.2**	101.8	100.5
Property, plant and equipment	**893.2**	904.3	922.9
Investments in associates	**0.7**	1.4	0.7
Other shares	**214.3**	205.7	235.8
Deferred tax assets	**26.0**	25.1	24.8
Other investments	**2.4**	4.0	3.8
Receivables of defined benefit plans	**48.1**	31.6	48.0
Total non-current assets	**1,783.0**	1,780.6	1,841.5
Current assets			
Inventories	**268.6**	224.4	223.8
Interest-bearing receivables	**4.8**	0.2	5.3
Trade receivables and other receivables	**457.3**	398.6	418.8
Current income tax assets	**18.7**	22.3	18.7
Cash and cash equivalents	**144.9**	160.5	166.1
Total current assets	**894.3**	806.2	832.8
Non-current assets classified as held-for-sale	**-**	-	0.6
Total assets	**2,677.3**	2,586.7	2,674.9
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity owners of the parent	**1,133.9**	1,106.2	1,159.0
Non-controlling interests	**11.9**	12.0	13.8
Total equity	**1,145.8**	1,118.2	1,172.8
Non-current liabilities			
Interest-bearing liabilities	**653.1**	674.5	669.1
Other liabilities	**21.4**	21.4	21.4
Deferred tax liabilities	**63.5**	51.9	62.4
Liabilities of defined benefit plans	**82.1**	79.5	82.3
Provisions	**27.3**	28.5	27.2
Total non-current liabilities	**847.3**	855.8	862.5
Current liabilities			
Interest-bearing current liabilities	**236.1**	186.6	191.4
Trade payables and other liabilities	**421.5**	385.6	422.8
Current income tax liabilities	**16.8**	15.8	14.2
Provisions	**9.8**	24.7	11.3
Total current liabilities	**684.2**	612.6	639.7
Total liabilities	**1,531.5**	1,468.5	1,502.1
Total equity and liabilities	**2,677.3**	2,586.7	2,674.9

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	7-9/2018	7-9/2017	1-9/2018	1-9/2017	2017
Cash flow from operating activities					
Net profit for the period	**22.1**	20.0	**68.7**	59.5	85.2
Total adjustments	**65.8**	60.9	**161.1**	166.7	203.5
Operating profit before change in net working capital	**87.9**	80.9	**229.7**	226.1	288.7
Change in net working capital	**-5.2**	13.0	**-67.8**	-51.8	-33.9
Cash generated from operations before financing items and taxes	**82.7**	93.9	**162.0**	174.3	254.8
Finance expenses, net and dividends received	**-11.3**	2.3	**-23.6**	-19.4	-25.0
Income taxes paid	**-7.2**	-3.3	**-16.3**	-21.2	-24.7
Net cash generated from operating activities	**64.2**	92.9	**122.1**	133.7	205.1
Cash flow from investing activities					
Purchases of subsidiaries and business acquisitions, net of cash acquired *)	**-2.0**	0.0	**1.2**	0.0	0.0
Other capital expenditure	**-34.3**	-43.8	**-97.3**	-125.9	-190.1
Proceeds from sale of assets	**0.9**	1.2	**6.3**	1.4	3.0
Change in loan receivables decrease (+) / increase (-)	**0.1**	0.0	**0.0**	0.0	-5.1
Net cash used in investing activities	**-35.4**	-42.5	**-89.8**	-124.5	-192.2
Cash flow from financing activities					
Proceeds from non-current interest-bearing liabilities (+)	**0.0**	0.0	**90.0**	100.0	100.0
Repayments from non-current interest-bearing liabilities (-)	**-10.2**	-11.7	**-63.9**	-52.5	-62.1
Short-term financing, net increase (+) / decrease (-)	**1.9**	10.5	**7.9**	24.6	36.3
Dividends paid	**-4.7**	0.0	**-87.4**	-86.9	-86.9
Net cash used in financing activities	**-13.0**	-1.2	**-53.3**	-14.7	-12.7
Net decrease (-) / increase (+) in cash and cash equivalents	**15.9**	49.2	**-21.0**	-5.5	0.3
Cash and cash equivalents at end of period	**144.9**	160.5	**144.9**	160.5	166.1
Exchange gains (+) / losses (-) on cash and cash equivalents	**-0.3**	-2.4	**-0.2**	-7.4	-7.5
Cash and cash equivalents at beginning of period	**129.3**	113.7	**166.1**	173.4	173.4
Net decrease (-) / increase (+) in cash and cash equivalents	**15.9**	49.2	**-21.0**	-5.5	0.3

*) Includes cash flow effect of currency derivatives related to acquisition of AKD wax producer in China.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to equity owners of the parent									
	Share capital	Share premium	Fair value and other reserves	Un-restricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Equity at January 1, 2017	221.8	257.9	72.2	196.3	-0.8	-20.0	442.6	1,170.0	12.9	1,182.9
Net profit for the period	-	-	-	-	-	-	54.3	54.3	5.1	59.5
Other comprehensive income, net of tax	-	-	0.7	-	-39.1	-	-	-38.4	0.2	-38.2
Total comprehensive income	-	-	0.7	-	-39.1	-	54.3	15.9	5.4	21.3
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-80.7 [1)]	-80.7	-6.2	-86.9
Treasury shares given back	-	-	-	-	-	-0.1	-	-0.1	-	-0.1
Treasury shares issued to the Board of Directors	-	-	-	-	-	0.1	-	0.1	-	0.1
Share-based payments	-	-	-	-	-	-	1.0	1.0	-	1.0
Transfers in equity	-	-	-0.8	-	-	-	0.8	0.0	-	0.0
Transactions with owners	-	-	-0.8	-	-	0.0	-78.9	-79.7	-6.2	-85.9
Equity at September 30, 2017	221.8	257.9	72.1	196.3	-39.9	-20.0	418.0	1,106.2	12.0	1,118.2

[1)] A dividend was EUR 80,7 million in total (EUR 0.53 per share) with respect to the financial year ended December 31, 2016. The annual general meeting approved EUR 0.53 dividend on March 24, 2017. The dividend record date was March 28, 2017, and the payment date April 11, 2017.

	Share capital	Share premium	Fair value and other reserves	Un-restricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Equity at January 1, 2018	**221.8**	**257.9**	**98.7**	**196.3**	**-47.7**	**-20.1**	**452.1**	**1,159.0**	**13.8**	**1,172.8**
Change in accounting policy	**-**	**-**	**-**	**-**	**-**	**-**	**-0.2** [2)]	**-0.2**	**-**	**-0.2**
Restated equity at January 1, 2018	**221.8**	**257.9**	**98.7**	**196.3**	**-47.7**	**-20.1**	**451.9**	**1,158.8**	**13.8**	**1,172.6**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**63.7**	**63.7**	**5.0**	**68.7**
Other comprehensive income, net of tax	-	-	**-5.0**	**-**	**-3.1**	-	-	**-8.1**	**-0.5**	**-8.5**
Total comprehensive income	**-**	**-**	**-5.0**	**-**	**-3.1**	**-**	**63.7**	**55.6**	**4.6**	**60.2**
Transactions with owners										
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-80.8** [3)]	**-80.8**	**-6.5**	**-87.3**
Treasury shares issued to the target group of share-based incentive plan	**-**	**-**	**-**	**-**	**-**	**1.0**	**-**	**1.0**	**-**	**1.0**
Treasury shares issued to the Board of Directors	**-**	**-**	**-**	**-**	**-**	**0.1**	**-**	**0.1**	**-**	**0.1**
Treasury shares given back	**-**	**-**	**-**	**-**	**-**	**0.0**	**-**	**0.0**	**-**	**0.0**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**-0.7**	**-0.7**	**-**	**-0.7**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**1.1**	**-81.5**	**-80.4**	**-6.5**	**-86.9**
Equity at September 30, 2018	**221.8**	**257.9**	**93.7**	**196.3**	**-50.8**	**-19.1**	**434.1**	**1,133.9**	**11.9**	**1,145.8**

[2)] Kemira has adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments standards and the amendments to IFRS 2 Share-based Payments. As a result of the changes in the standards, retained earnings in equity have been adjusted on 1 January 2018. IFRS 15 did not change Kemira's revenue recognition principles and thus did not result any adjustments in retained earnings. IFRS 9 mainly impacts to Kemira's valuation of loan receivables and credit losses recognition of trade receivables. Due to the change in the accounting policy, retained earnings have been adjusted for a total of EUR -1.0 million. When adopting the amendments to IFRS 2, Kemira has classified share-based payment arrangements as equity-settled in its entirety and liability related to the share-based payment arrangement has reclassified to retained earnings in equity. As a result of the change in the accounting policy, adjustment of EUR 0.8 million has been recognized in retained earnings. The total effect on equity from loan receivables, trade receivables and share-based payments is EUR -0.2 million including deferred tax effect. Comparative financial periods have not been restated.

[3)] A dividend was EUR 80,8 million in total (EUR 0.53 per share) with respect to the financial year ended December 31, 2017. The annual general meeting approved EUR 0.53 dividend on March 21, 2018. The dividend record date was March 23, 2018, and the payment date April 5, 2018.

Kemira had in its possession 2,832,297 of its treasury shares on September 30, 2018. The average share price of treasury shares was EUR 6.73 and they represented 1.8% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 4.0 million.

The share premium is a reserve accumulated through subscriptions entitled by the management stock option program 2001. This reserve based on the old Finnish Companies Act (734/1978), which does not change anymore. 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 originate from local requirements of subsidiaries. The unrestricted equity reserve includes other equity type investments and the subscription price of shares to the extent that they will not, based on a specific decision, be recognized in share capital.

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GROUP KEY FIGURES

Kemira provides certain financial performance measures (alternative performance measures) on non-GAAP basis. Kemira believes that alternative performance measures, such as organic growth*, EBITDA, operative EBITDA, cash flow after investing activities, and gearing, followed by capital markets and Kemira management, provide useful information of its comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.

Kemira's alternative performance measures should not be viewed in isolation to the equivalent IFRS measures and alternative performance measures should be read in conjunction with the most directly comparable IFRS measures. Definitions of the alternative performance measures can be found in the Definitions of the key figures in this report, as well as at www.kemira.com > Investors > Financial information.

* Revenue growth in local currencies, excluding acquisitions and divestments

	2018 7-9	2018 4-6	2018 1-3	2017 10-12	2017 7-9	2017 4-6	2017 1-3	**2018 1-9**	2017 1-9	2017 1-12
Income statement and profitability										
Revenue, EUR million	**669.6**	647.6	613.7	636.5	622.2	617.2	610.0	**1,931.0**	1,849.4	2,486.0
Operative EBITDA, EUR million	**89.0**	80.2	69.4	80.7	84.5	77.1	69.0	**238.6**	230.6	311.3
Operative EBITDA, %	**13.3**	12.4	11.3	12.7	13.6	12.5	11.3	**12.4**	12.5	12.5
EBITDA, EUR million	**82.8**	82.5	68.2	78.4	70.2	67.0	66.7	**233.5**	203.9	282.4
EBITDA, %	**12.4**	12.7	11.1	12.3	11.3	10.9	10.9	**12.1**	11.0	11.4
Items affecting comparability in EBITDA, EUR million	**-6.2**	2.3	-1.2	-2.2	-14.3	-10.1	-2.3	**-5.1**	-26.7	-28.9
Operative EBIT, EUR million	**50.0**	45.1	33.9	44.0	47.7	43.6	34.9	**129.0**	126.3	170.3
Operative EBIT, %	**7.5**	7.0	5.5	6.9	7.7	7.1	5.7	**6.7**	6.8	6.9
Operating profit (EBIT), EUR million	**35.9**	38.5	32.7	41.8	33.4	33.5	32.6	**107.1**	99.6	141.4
Operating profit (EBIT), %	**5.4**	5.9	5.3	6.6	5.4	5.4	5.3	**5.5**	5.4	5.7
Items affecting comparability in EBIT, EUR million	**-14.1**	-6.6	-1.2	-2.2	-14.3	-10.1	-2.3	**-21.9**	-26.7	-28.9
Return on investment (ROI), %	**6.5**	6.8	6.6	7.8	6.2	6.4	6.2	**6.8**	6.2	6.6
Capital employed, EUR million	**1,759.5**	1,754.6	1,753.9	1,763.2	1,759.9	1,749.7	1,736.8	**1,759.5**	1,759.9	1,763.2
Operative ROCE, %	**9.8**	9.7	9.7	9.7	9.2	9.2	9.5	**9.8**	9.2	9.7
ROCE, %	**8.5**	8.3	8.1	8.0	7.3	8.0	8.1	**8.5**	7.3	8.0
Cash flow										
Net cash generated from operating activities, EUR million	**64.2**	23.4	34.5	71.4	92.9	28.6	12.2	**122.1**	133.7	205.1
Capital expenditure, EUR million	**36.3**	37.4	22.4	64.2	43.8	45.2	36.9	**96.1**	125.9	190.1
Capital expenditure excl. acquisitions, EUR million	**34.3**	39.8	23.2	64.2	43.8	45.2	36.9	**97.3**	125.9	190.1
Capital expenditure excl. acquisitions / revenue, %	**5.1**	6.1	3.8	10.1	7.0	7.3	6.0	**5.0**	6.8	7.6
Cash flow after investing activities, EUR million	**28.8**	-12.9	16.4	3.7	50.4	-16.5	-24.6	**32.3**	9.2	13.0
Balance sheet and solvency										
Equity ratio, %	**42.8**	43.0	40.5	43.9	43.3	42.9	42.7	**42.8**	43.3	43.9
Gearing, %	**65.0**	67.4	61.5	59.2	62.7	68.6	59.1	**65.0**	62.7	59.2
Interest-bearing net liabilities, EUR million	**744.3**	772.6	677.9	694.4	700.7	758.0	660.9	**744.3**	700.7	694.4
Personnel										
Personnel at end of period	**4,798**	4,858	4,740	4,732	4,749	4,849	4,771	**4,798**	4,749	4,732
Personnel (average)	**4,844**	4,820	4,736	4,736	4,791	4,820	4,775	**4,800**	4,795	4,781
Exchange rates at end of period										
USD	**1.158**	1.166	1.232	1.199	1.181	1.141	1.069	**1.158**	1.181	1.199
CAD	**1.506**	1.544	1.590	1.504	1.469	1.478	1.427	**1.506**	1.469	1.504
SEK	**10.309**	10.453	10.284	9.844	9.649	9.639	9.532	**10.309**	9.649	9.844
CNY	**7.966**	7.717	7.747	7.804	7.853	7.738	7.364	**7.966**	7.853	7.804
BRL	**4.654**	4.488	4.094	3.973	3.764	3.760	3.380	**4.654**	3.764	3.973
Per share figures, EUR										
Earnings per share (EPS), basic and diluted [1]	**0.14**	0.14	0.14	0.16	0.12	0.12	0.12	**0.42**	0.36	0.52
Net cash generated from operating activities per share [1]	**0.42**	0.15	0.23	0.47	0.61	0.19	0.08	**0.80**	0.88	1.35
Equity per share [1]	**7.44**	7.42	7.13	7.61	7.26	7.18	7.24	**7.44**	7.26	7.61
Number of shares (1,000)										
Average number of shares, basic [1]	**152,510**	152,510	152,403	152,357	152,362	152,360	152,358	**152,475**	152,360	152,359
Average number of shares, diluted [1]	**152,754**	152,755	152,753	152,564	152,595	152,605	152,611	**152,754**	152,604	152,594
Number of shares at end of period, basic [1]	**152,510**	152,514	152,503	152,354	152,362	152,362	152,354	**152,510**	152,362	152,354
Number of shares at end of period, diluted [1]	**152,752**	152,758	152,747	152,512	152,595	152,595	152,606	**152,752**	152,595	152,512

[1] Number of shares outstanding, excluding the number of shares bought back.

DEFINITIONS OF KEY FIGURES

Operative EBITDA
Operating profit (EBIT) + depreciation and amortization + impairments +/- items affecting comparability

Items affecting comparability [1)]
Restructuring and streamlining programs + transaction and integration expenses in acquisitions + divestment of businesses and other disposals + other items

Operative EBIT
Operating profit (EBIT) +/- items affecting comparability

Return on investment (ROI), %
$$\frac{\text{(Profit before tax + interest expenses + other financial expenses)} \times 100}{\text{(Total assets - non-interest-bearing liabilities)}^{2)}}$$

Operative return on capital employed (Operative ROCE), %
$$\frac{\text{(Operative EBIT + share of profit or loss of associates)} \times 100^{3)}}{\text{Capital employed}^{4)\,5)}}$$

Return on capital employed (ROCE), %
$$\frac{\text{(Operating profit (EBIT) + share of profit or loss of associates)} \times 100^{3)}}{\text{Capital employed}^{4)\,5)}}$$

Net working capital
Inventories + trade receivables + other receivables, excluding derivatives, accrued interest income and other financing items - trade payables - other liabilities, excluding derivatives, accrued interest expenses and other financing items

Cash flow after investing activities
Net cash generated from operating activities + net cash used in investing activities

Equity ratio, %
$$\frac{\text{Total equity} \times 100}{\text{Total assets - prepayments received}}$$

Gearing, %
$$\frac{\text{Interest-bearing net liabilities} \times 100}{\text{Total equity}}$$

Interest-bearing net liabilities
Interest-bearing liabilities - cash and cash equivalents

Earnings per share (EPS)
$$\frac{\text{Net profit attributable to equity owners of the parent}}{\text{Average number of shares}}$$

Net cash generated from operating activities per share
$$\frac{\text{Net cash flow from operating activities}}{\text{Average number of shares}}$$

Equity per share
$$\frac{\text{Equity attributable to equity owners of the parent at end of period}}{\text{Number of shares at end of period}}$$

[1)] Non-GAAP measures excludes the effects of significant items of income and expenses which may have an impact on the comparability in the financial reporting of Kemira Group. Restructuring and streamlining programs; transaction and integration expenses in acquisition; divestments of businesses and other disposals are considered to be the most common items affecting comparability.
[2)] Average
[3)] Operating profit and share of profit or loss of associates taken into account for a rolling 12-month period ending at the end of the review period.
[4)] 12-month rolling average
[5)] Capital employed = property, plant and equipment + intangible assets + net working capital + investments in associates

RECONCILIATION OF IFRS FIGURES

EUR million	2018 7-9	2018 4-6	2018 1-3	2017 10-12	2017 7-9	2017 4-6	2017 1-3	2018 1-9	2017 1-9	2017 1-12
ITEMS AFFECTING COMPARABILITY IN EBITDA AND IN EBIT										
Operative EBITDA	**89.0**	80.2	69.4	80.7	84.5	77.1	69.0	**238.6**	230.6	311.3
Restructuring and streamlining programs	**-5.5**	-0.8	0.0	-2.4	-1.2	-7.5	-1.9	**-6.2**	-10.6	-13.1
Transaction and integration expenses in acquisition	**0.0**	0.0	-0.2	-0.2	0.3	0.2	0.1	**-0.3**	0.5	0.3
Divestment of businesses and other disposals	**0.0**	5.7	0.0	0.8	0.0	-2.6	0.0	**5.7**	-2.6	-1.9
Other items	**-0.8**	-2.6	-1.0	-0.3	-13.4	-0.1	-0.5	**-4.4**	-14.0	-14.4
Total Items affecting comparability	**-6.2**	2.3	-1.2	-2.2	-14.3	-10.1	-2.3	**-5.1**	-26.7	-28.9
EBITDA	**82.8**	82.5	68.2	78.4	70.2	67.0	66.7	**233.5**	203.9	282.4
Operative EBIT	**50.0**	45.1	33.9	44.0	47.7	43.6	34.9	**129.0**	126.3	170.3
Total items affecting comparability in EBITDA	**-6.2**	2.3	-1.2	-2.2	-14.3	-10.1	-2.3	**-5.1**	-26.7	-28.9
Items affecting comparability in depreciation, amortization and impairments	**-7.9**	-8.9	0.0	0.0	0.0	0.0	0.0	**-16.8**	0.0	0.0
Operating profit (EBIT)	**35.9**	38.5	32.7	41.8	33.4	33.5	32.6	**107.1**	99.6	141.4
ROCE AND OPERATIVE ROCE										
Operative EBIT	**50.0**	45.1	33.9	44.0	47.7	43.5	34.9	**129.0**	126.3	170.3
Operating profit (EBIT)	**35.9**	38.5	32.7	41.8	33.4	33.5	32.6	**107.1**	99.6	141.4
Share of profit or loss of associates	**0.0**	0.0	0.0	-0.1	0.1	0.0	0.1	**0.0**	0.2	0.2
Capital employed	**1,759.5**	1,754.6	1,753.9	1,763.2	1,759.9	1,749.7	1,736.8	**1,759.5**	1,759.9	1,763.2
Operative ROCE, %	**9.8**	9.7	9.7	9.7	9.2	9.2	9.5	**9.8**	9.2	9.7
ROCE, %	**8.5**	8.3	8.1	8.0	7.3	8.0	8.1	**8.5**	7.3	8.0
NET WORKING CAPITAL										
Inventories	**268.6**	254.9	237.1	223.8	224.4	227.1	230.2	**268.6**	224.4	223.8
Trade receivables and other receivables	**457.3**	449.2	423.7	418.8	398.6	419.5	412.8	**457.3**	398.6	418.8
Excluding financing items in other receivables	**-33.1**	-33.4	-22.2	-21.4	-18.3	-21.2	-15.1	**-33.1**	-18.3	-21.4
Trade payables and other liabilities	**421.5**	405.4	495.2	422.8	385.6	384.2	490.3	**421.5**	385.6	422.8
Excluding financing items in other liabilities	**-9.9**	-12.3	-96.5	-12.0	-11.1	-5.6	-98.4	**-9.9**	-11.1	-12.0
Net working capital	**281.1**	277.6	240.0	210.5	230.3	246.8	236.0	**281.1**	230.3	210.5
INTEREST-BEARING NET LIABILITIES										
Non-current interest-bearing liabilities	**653.1**	658.4	758.8	669.1	674.5	690.9	592.1	**653.1**	674.5	669.1
Current interest-bearing liabilities	**236.1**	243.5	148.9	191.4	186.6	180.8	200.3	**236.1**	186.6	191.4
Interest-bearing liabilities	**889.2**	902.0	907.7	860.5	861.2	871.7	792.4	**889.2**	861.2	860.5
Cash and cash equivalents	**144.9**	129.3	229.9	166.1	160.5	113.7	131.5	**144.9**	160.5	166.1
Interest-bearing net liabilities	**744.3**	772.6	677.8	694.4	700.7	758.0	660.9	**744.3**	700.7	694.4

QUARTERLY SEGMENT INFORMATION

EUR million	2018 7-9	2018 4-6	2018 1-3	2017 10-12	2017 7-9	2017 4-6	2017 1-3	2018 1-9	2017 1-9	2017 1-12
Revenue										
Pulp & Paper	**385.2**	376.0	368.7	372.8	363.0	368.9	372.2	**1,129.8**	1,104.1	1,476.9
Industry & Water	**284.4**	271.7	245.0	263.8	259.2	248.3	237.8	**801.1**	745.3	1,009.1
Total	**669.6**	647.6	613.7	636.5	622.2	617.2	610.0	**1,931.0**	1,849.4	2,486.0
Operative EBITDA										
Pulp & Paper	**52.3**	45.4	42.7	55.4	48.5	47.8	46.0	**140.5**	142.4	197.7
Industry & Water	**36.7**	34.8	26.6	25.3	36.0	29.3	22.9	**98.1**	88.3	113.6
Total	**89.0**	80.2	69.4	80.7	84.5	77.1	69.0	**238.6**	230.6	311.3
Items affecting comparability in EBITDA										
Pulp & Paper	**-4.1**	-0.9	-0.7	-0.3	-13.9	-2.7	-0.9	**-5.7**	-17.6	-17.9
Industry & Water	**-2.1**	3.2	-0.5	-1.9	-0.4	-7.4	-1.4	**0.6**	-9.2	-11.0
Total	**-6.2**	2.3	-1.2	-2.2	-14.3	-10.1	-2.3	**-5.1**	-26.7	-28.9
EBITDA										
Pulp & Paper	**48.2**	44.6	42.1	55.1	34.6	45.1	45.1	**134.8**	124.8	179.9
Industry & Water	**34.6**	38.0	26.1	23.4	35.7	22.0	21.5	**98.7**	79.1	102.5
Total	**82.8**	82.5	68.2	78.4	70.2	67.0	66.7	**233.5**	203.9	282.4
Operative EBIT										
Pulp & Paper	**26.6**	22.0	18.9	30.9	24.4	25.7	23.8	**67.5**	73.9	104.8
Industry & Water	**23.4**	23.0	15.0	13.1	23.4	17.9	11.1	**61.4**	52.4	65.5
Total	**50.0**	45.1	33.9	44.0	47.7	43.6	34.9	**129.0**	126.3	170.3
Items affecting comparability in EBIT										
Pulp & Paper	**-12.0**	-1.0	-0.7	-0.3	-13.9	-2.7	-0.9	**-13.6**	-17.6	-17.9
Industry & Water	**-2.1**	-5.6	-0.5	-1.9	-0.4	-7.4	-1.4	**-8.3**	-9.2	-11.0
Total	**-14.1**	-6.6	-1.2	-2.2	-14.3	-10.1	-2.3	**-21.9**	-26.7	-28.9
Operating profit (EBIT)										
Pulp & Paper	**14.6**	21.1	18.2	30.6	10.4	23.0	22.9	**54.0**	56.4	86.9
Industry & Water	**21.3**	17.4	14.5	11.2	23.0	10.5	9.7	**53.2**	43.2	54.4
Total	**35.9**	38.5	32.7	41.8	33.4	33.5	32.6	**107.1**	99.6	141.4

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	1-9/2018	1-9/2017	2017
Net book value at beginning of period	**922.9**	915.6	915.6
Purchases of subsidiaries and asset acquisitions	**0.0**	0.0	0.0
Increases	**85.7**	114.4	172.7
Decreases	**-0.3**	-0.4	-1.2
Depreciation and impairments	**-105.9**	-84.7	-114.8
Exchange rate differences and other changes	**-9.2**	-40.6	-49.4
Net book value at end of period	**893.2**	904.3	922.9

CHANGES IN GOODWILL AND OTHER INTANGIBLE ASSETS

EUR million	1-9/2018	1-9/2017	2017
Net book value at beginning of period	**605.5**	638.3	638.3
Purchases of subsidiaries and asset acquisitions	**0.0**	0.0	0.0
Increases	**9.3**	8.1	13.8
Decreases	**0.0**	0.0	0.0
Amortization and impairments	**-20.5**	-19.6	-26.2
Exchange rate differences and other changes	**4.0**	-18.3	-20.3
Net book value at end of period	**598.3**	608.5	605.5

DERIVATIVE INSTRUMENTS

	9/30/2018		12/31/2017	
EUR million				
	Nominal value	**Fair value**	Nominal value	Fair value
Currency derivatives				
Forward contracts	**383.4**	**-0.3**	341.4	1.0
of which cash flow hedge	**43.3**	**-0.1**	43.5	0.8
Interest rate derivatives				
Interest rate swaps	**245.0**	**-0.6**	270.0	1.0
of which cash flow hedge	**145.0**	**-1.6**	170.0	-1.6
of which fair value hedge	**100.0**	**1.0**	100.0	2.7
Other derivatives	**GWh**	**Fair value**	GWh	Fair value
Electricity forward contracts, bought	**2,391.8**	**20.0**	1,704.5	6.2
of which cash flow hedge	**2,391.8**	**20.0**	1,704.5	6.2
Electricity future contracts, bought	**-**	**-**	157.6	-0.1
of which cash flow hedge	**-**	**-**	157.6	-0.1

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.

FAIR VALUE OF FINANCIAL ASSETS

EUR million	9/30/2018				12/31/2017			
Fair value hierarchy	Level 1	Level 2	Level 3	Total net	Level 1	Level 2	Level 3	Total net
Other shares	-	-	214.3	214.3	-	-	235.8	235.8
Other investments	-	2.4	-	2.4	-	3.8	-	3.8
Currency derivatives	-	3.3	-	3.3	-	4.7	-	4.7
Interest rate derivatives	-	1.0	-	1.0	-	2.7	-	2.7
Other derivatives	-	20.0	-	20.0	-	6.2	-	6.2
Other receivables	-	4.8	-	4.8	-	5.3	-	5.3
Trade receivables	-	339.5	-	339.5	-	315.2	-	315.2
Total	-	371.0	214.3	585.3	-	337.9	235.8	573.7

Level 1: Fair value is determined based on quoted market prices in markets.

Level 2: Fair value is determined by using valuation techniques. The fair value refers to the value that is observable from the market value of elements of financial instrument or from the market value of corresponding financial instrument; or the value that is observable by using commonly accepted valuation models and techniques, if the market value can be measured reliably with them.

Level 3: Fair value is determined by using valuation techniques, which use inputs which have a significant effect on the recorded fair value, and inputs are not based on observable market data. Level 3 includes mainly the shares of Pohjolan Voima Group.

Level 3 specification	Total net 9/30/2018	Total net 12/31/2017
Instrument		
Carrying value at beginning of period	235.8	202.5
Effect on the statement of comprehensive income	-21.4	30.0
Increases	-	3.6
Decreases	-	-0.3
Carrying value at end of period	214.3	235.8

FAIR VALUE OF FINANCIAL LIABILITIES

EUR million	9/30/2018				12/31/2017			
Fair value hierarchy	Level 1	Level 2	Level 3	Total net	Level 1	Level 2	Level 3	Total net
Non-current interest-bearing liabilities	-	679.8	-	679.8	-	697.2	-	697.2
Current portion of non-current interest-bearing liabilities	-	110.6	-	110.6	-	74.8	-	74.8
Non-current other liabilities	-	21.4	-	21.4	-	21.4	-	21.4
Finance lease liabilities	-	0.1	-	0.1	-	0.1	-	0.1
Loans from financial institutions	-	131.4	-	131.4	-	126.8	-	126.8
Other liabilities	-	26.9	-	26.9	-	31.0	-	31.0
Currency derivatives	-	3.6	-	3.6	-	3.7	-	3.7
Interest rate derivatives	-	1.6	-	1.6	-	1.6	-	1.6
Other derivatives	-	-	-	0.0	-	0.1	-	0.1
Trade payables	-	187.9	-	187.9	-	187.2	-	187.2
Total	-	1,163.3	-	1,163.3	-	1,143.9	-	1,143.9

CONTINGENT LIABILITIES

EUR million	9/30/2018	9/30/2017	12/31/2017
Assets pledged			
On behalf of own commitments	**5.5**	5.9	5.7
Guarantees			
On behalf of own commitments	**49.6**	50.9	50.2
On behalf of others	**2.9**	3.9	3.9
Operating leasing liabilities			
Maturity within one year	**31.0**	35.3	32.2
Maturity after one year	**159.0**	161.2	165.4
Other obligations			
On behalf of own commitments	**0.9**	1.0	1.0
On behalf of others	**6.1**	-	-
On behalf of associates	**-**	0.4	0.2

Major off-balance sheet investment commitments

Major amounts of contractual commitments for the acquisition of property, plant and equipment on September 30, 2018 were about EUR 15.8 million for plant investments.

LITIGATION

On May 19, 2014 Kemira announced that it had signed an agreement with Cartel Damage Claims Hydrogen Peroxide SA and CDC Holding SA (together "CDC") to settle the lawsuit in Helsinki, Finland relating to alleged old violations of competition law applicable to the hydrogen peroxide business. Based on the settlement CDC withdrew the damages claims and Kemira paid to CDC a compensation of EUR 18.5 million and compensated CDC for its legal costs. The settlement also included significant limitations of liabilities for Kemira regarding the then pending legal actions filed by CDC entities in Dortmund, Germany (mentioned and settled as below) and in Amsterdam, the Netherlands (mentioned and pending as below).

On October 16, 2017 Kemira entered into a settlement with Cartel Damage Claims Hydrogen Peroxide SA settling -for its part- fully and finally the Dortmund lawsuit filed by Cartel Damage Claims Hydrogen Peroxide SA in 2009 against six hydrogen peroxide manufacturers, including Kemira, for alleged old violations of competition law in the hydrogen peroxide business. Based on the settlement Cartel Damage Claims Hydrogen Peroxide SA withdrew the damages claims against Kemira and Kemira paid to Cartel Damage Claims Hydrogen Peroxide SA as compensation and costs an amount of EUR 12.7 million.

On June 9, 2011 Kemira Oyj's subsidiary Kemira Chemicals Oy (former Finnish Chemicals Oy) has received documents where it was stated that CDC Project 13 SA has filed an action against four companies in municipal court of Amsterdam, including Kemira, asking damages for violations of competition law applicable to the old sodium chlorate business. The European Commission 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. The municipal court of Amsterdam decided on June 4, 2014 to have jurisdiction over the case. The said decision on jurisdiction was appealed by Kemira to the court of appeal of Amsterdam. According to the decision by the court of appeal on July 21, 2015, the municipal court of Amsterdam has jurisdiction over the case. The proceedings now continue at the municipal court of Amsterdam where Kemira is the only defendant after the other defendants have settled the claim with CDC Project 13 SA. CDC Project 13 SA claims from Kemira in its brief filed to the municipal court of Amsterdam EUR 61.1 million as damages and interests calculated until December 2, 2015 from which amount CDC Project 13 SA asks the court to deduct the share of the earlier other defendants for other sales than made by them directly, and statutory interest on so defined amount starting from December 2, 2015. Kemira defends against the claim of CDC Project 13 SA. On May 10, 2017, the municipal court of Amsterdam rendered an interim decision on certain legal aspects relating to the claims of CDC Project 13 SA. The interim decision was favorable to Kemira on matters as to applicable statute of limitations, though not supporting Kemira's view that assignments made to CDC (allegedly giving CDC rights to present damage claims against the defendants) were invalid. CDC Project 13 SA has appealed against said interim decision and likewise Kemira has decided to file a cross-appeal accordingly.

As mentioned above the settlement between Kemira and CDC relating to the Helsinki litigation also includes significant limitations of liabilities for Kemira regarding the remaining pending legal action filed by CDC Project 13 SA in Amsterdam, the Netherlands. However, regardless of such limitations of liabilities, Kemira is currently not in a position to make any estimate regarding the duration or the likely outcome of the said process. No assurance can be given as to the outcome of the process, and unfavorable judgments against Kemira could have an 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.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited consolidated interim financial statements has been prepared in accordance with IAS 34 Interim financial reporting -standard. The same accounting policies have been applied as in the annual financial statements. The interim financial statements should be read in conjunction with the annual financial statements 2017.

On January 1, 2018, Kemira has adopted IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and the amendments to IFRS 2 Share-based Payments -standards. The nature of the changes in IFRS-standards are disclosed in the annual financial statements 2017 in Note 1. The Group's accounting policies for the consolidated financial statements. Total effect of these changes on equity is EUR -0.2 million which is disclosed in the consolidated statement of changes in equity in this interim report. The IFRS-standards changes did not have a material impact on the interim financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

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

Coming IFRS 16 standard

Kemira is implementing IFRS 16 leases on January 1, 2019. The implementation project involves the relevant Group functions and it considers e.g. accounting process and control changes, collecting and maintaining lease data as well as training the organization. As a part of the project, Kemira is implementing lease administration tool for contract administration and lease calculation purposes. Tool implementation is in the user acceptance testing phase.

IFRS 16 will affect primarily the accounting for Kemira Group's operating leases. On the reporting date September 30, 2018, the Group's operating lease commitments were EUR 190 million. Some of the commitments are covered by the short-term and low-value leases exemptions and some commitments relate to arrangements that will not qualify as leases under IFRS 16. In the P&L current operating lease expenses are replaced by the depreciation of the right-of-use asset and interest cost associated with lease liability. As a result, it is estimated that impact on net profit in P&L is immaterial.

Kemira currently estimates that the adaptation of IFRS 16 will increase total amount of balance sheet by approximately 5% and EBITDA margin will increase by approximately 1 percentage point. IFRS 16 will also have an impact on key figures such as gearing, net debt and ROCE. More information on impact of IFRS 16 will be presented in Q4 2018 bulletin.

Kemira will adopt IFRS 16 using modified retrospective transition approach. The information from the prior years will not be restated.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.