

31 August 2001

KEMIRA, DYNEA AND SYDSVENSKA KEMI TO BE COMBINED

- **Industri Kapital and the State of Finland have agreed in principle to combine Kemira, Dynea and Sydsvenska Kemi.**
- **In order to complete the proposed combination, Dynea will acquire the State of Finland's shares in Kemira and make a public tender offer to the minority shareholders of Kemira.**
- **The above transactions are subject to certain conditions.**

Industri Kapital and the State of Finland have agreed in principle to create a strong global specialty chemicals group by combining the businesses of Kemira Oyj, Dynea Oy and Sydsvenska Kemi AB. Prior to a combination of Dynea and Kemira, Dynea will acquire Sydsvenska Kemi, containing, inter alia, the operations of Perstorp AB and Neste Oxo AB. Dynea and Sydsvenska Kemi are both companies controlled by Industri Kapital. The State of Finland is the majority shareholder of Kemira through a shareholding of approximately 56 per cent.

Dynea will pay EUR 9.10 per Kemira share. The State of Finland will receive its consideration through the receipt of 34 per cent of the shares in the new group and a consideration of EUR 100 million.

Following finalisation of the agreement between the State of Finland and Industri Kapital, Dynea will launch a public tender offer to acquire all outstanding shares in Kemira for a consideration of EUR 9.10 per Kemira share. The offer values the outstanding shares in Kemira at approximately EUR 1.1 billion. The offer price represents a premium of 33 per cent compared to the weighted average trading price of Kemira shares during the last 30 trading days, 51 per cent during the last 12 months and 53 per cent during the last 3 years. Prior to the commencement of the offer, a prospectus including the terms and conditions of the offer will be published and made available to the shareholders and holders of instruments entitling to shares in Kemira. The completion of the public tender offer will be subject to, inter alia, the completion of the agreement between the State of Finland and Industri Kapital. Following completion of the public tender offer and the minority redemption, Kemira will be delisted.

The completion of the agreement between Industri Kapital and the State of Finland is conditional upon obtaining an approval from the Finnish Parliament, satisfactory due diligence, securing guaranteed financing for the acquisition of Kemira by Dynea, finalisation of necessary documentation, the receipt of necessary regulatory approvals and other approvals under applicable competition laws including that of the European Commission, Dynea obtaining a shareholding in Kemira of more than 90 per cent as well as completion of the acquisition of Sydsvenska Kemi by Dynea.

Following completion of the agreement between Industri Kapital and the State of Finland as well as the public tender offer to the shareholders of Kemira, the new group will be owned by the State of Finland, holding 34 per cent of the shares, and Industri Kapital together with management and co-investors, holding 66 per cent of the shares.

The new group will have strong market positions in its core businesses and the necessary critical mass to facilitate further growth with an annual revenue of approximately EUR 4.3 billion (pro forma combined revenues of the financial year 2000). The new group will have operations in over 40 countries, and its major business products areas will be adhesive resins, coating chemicals, pulp and paper as well as water treatment chemicals. The new group's

parent company is domiciled in Finland. Mr Tauno Pihlava, CEO of Kemira, is proposed to be nominated CEO of the combined group.

"Our goal is to build a world-class specialty chemicals group and we are convinced that we have found an excellent partner in Kemira to achieve this. The operations of Kemira are a good complement to the operations of Dyno Chemicals, Neste Chemicals and Perstorp", says Björn Savén, Chairman and Chief Executive of the Industri Kapital Group.

"The combination will create a leading Nordic based specialty chemicals group with its focus to serve, on a global basis, its customers operating within the pulp and paper, wood working, panel and coating industries", comments Michael Rosenlew, Deputy Managing Director of Industri Kapital AB.

A press conference concerning the transaction described above will be held today at 1.30 pm at Hotel Strand Inter-Continental (address: John Stenbergin rantaa 4, Helsinki).

For further information:

Björn Savén, Chairman and Chief Executive, Industri Kapital Group, tel. + 46 8 678 95 00
Michael Rosenlew, Deputy Managing Director, Industri Kapital AB, tel. + 46 8 678 95 00,
mob. +46 70 378 95 25

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Kemira

Kemira is a leading chemicals industry group operating world-wide as a leading supplier in its core businesses. Kemira's growth areas include pulp and paper chemicals, water treatment chemicals and paints as well as coatings. Other areas of focus include specialty fertilisers and industrial chemicals, including titanium dioxide pigments.

In 2000, Kemira had net sales of approximately EUR 2.5 billion, production facilities in over thirty countries and a global customer base. Kemira has some 10,000 employees.

Kemira is listed on the main list of the Helsinki Exchanges.

www.kemira.com

Dynea

Dynea is one of the world's leading providers of industrial adhesive systems. Adhesive resins are used in a variety of applications by the panel board industry, laminated beam and structural wood manufacturers, the mineral and glass fibre industry, the paper impregnating industry, and many others. Dynea also produces paper overlays and oil field chemicals.

In 2000, Dynea had combined revenues of approximately EUR 1.0 billion. With over 50 production units in 25 countries in Europe, the Americas and Asia Pacific, Dynea has some 3,000 employees. Dynea Oy is controlled by the Industri Kapital 1997 Fund and the Industri Kapital 2000 Fund.

www.dynea.com

Sydsvenska Kemi

Sydsvenska Kemi AB consists i.a. of the former businesses of Perstorp AB and Neste Oxo AB. Today, Sydsvenska Kemi AB is a Nordic based, international specialty chemicals group with 2000 net sales of approximately EUR 850 million and close to 3,000 employees. Sydsvenska Kemi AB is presently controlled by the Industri Kapital 2000 Fund.

www.perstorp.com

www.nesteoxo.com

Industri Kapital

Industri Kapital is one of the leading private equity firms in Europe with equity capital under management in excess of EUR 3 billion from Nordic, European and international investors. Since its formation in 1989, Industri Kapital has, through its four funds, carried out 43 strategic investments. Industri Kapital's funds are currently the main owners of 25 companies with a total turnover close to EUR 12 billion. Industri Kapital has offices in London, Hamburg, Oslo and Stockholm.

Industri Kapital's objective is to build long-term value in its businesses. Such value is often created through fundamental performance improvements based on a focused strategy, excellence in operations and sound business and industry restructuring steps. A combination of sustainable growth and earnings improvement is always the goal.

Examples of companies in which Industri Kapital's funds have invested are CPS Color Group Oy, Enermet Group Oy, KCI Konecranes International Oyj, and Noviant Oy in Finland, Alfa Laval International AB, MacGregor International AB and Nobia AB in Sweden, Dyno Nobel ASA in Norway and Superfos a/s in Denmark, as well as Intrum Justitia N.V. and Oriflame S.A., the two latter were earlier listed on the London Stock Exchange.

The fund investors are generally large Nordic, European and American institutional investors such as pension funds, investment and insurance companies.

www.industrikapital.com