

Perstorp Holding AB (Publ.)

Interim report 1 January - 30 June 2015



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Interim report 1 January - 30 June 2015

Perstorp Holding AB (Publ.), corporate reg. no. 556667-4205. Parent company for Perstorp.

Perstorp is an international specialty chemicals group and a global leader in high growth niches. The Group has around 1,500 employees and manufacturing companies in Europe, North America and Asia. The Perstorp Group is controlled by the European private equity company PAI partners.

Important events, January – June 2015

- ➔ For the Perstorp Group's continuing operations, sales in January to June 2015 amounted to SEK 5,940 m (5,640), which is an increase of 5% compared to the same period previous year and is mainly explained by a combination of increased volumes and positive foreign exchange effects but partly offset by lower sales prices following the decline in raw material prices.
- ➔ Operating earnings before depreciation and amortization (EBITDA) relating to continuing operations was SEK 1,006 m (593). Excluding non-recurring items, the corresponding figure was SEK 1,007 m (653), an increase of 54% and the 8th quarter of consecutive EBITDA growth.
- ➔ The new production plant for Valeraldehyde and its derivatives 2-PH, Emoltene™ 100 and Valeric Acid was successfully started early January 2015, ahead of time schedule and below budget. The plant has been built to the highest environmental and safety standards and Perstorp is now one of the few fully integrated suppliers of plasticizers. The production has been ramped up during the first six months of 2015. The official inauguration was held in May with attendance from important stakeholders, co-partners, customers, suppliers and media.
- ➔ The Board of Directors decided to realign Perstorp's organizational structure as part of its transformation. The biofuel business will be operated and managed in a separate and new business area – **BioProducts**. At the same time the business area Intermediate & Derivatives changed name to **Advanced Chemicals & Derivatives**. Therefore, beginning in the second quarter 2015, Perstorp will report its financial performance based on the three reportable segments Specialties & Solutions, Advanced Chemicals & Derivatives and BioProducts.
- ➔ The off-balance, non-recourse, long-term trade receivables financing program was extended to also include our legal entities in the US, Germany and UK.
- ➔ In May, Perstorp announced the sale of its remaining part of shares, approximately 30%, in Polygiene AB to Pooily Holding AB. The divestment is in line with Perstorp's strategy to focus on and expand its core specialty chemicals activities.

Key figures in summary

SEK m unless otherwise stated	Quarter 2		Quarter 1	Quarter 1-2		Latest	Full year
	2015	2014	2015	2015	2014	12 months	2014
Net sales	2,991	2,867	2,949	5,940	5,640	11,384	11,084
Operating earnings before depreciation (EBITDA)	481	317	525	1,006	593	1,682	1,269
% of net sales	16.1	11.1	17.8	16.9	10.5	14.8	11.4
EBITDA excluding non-recurring items	476	329	531	1,007	653 ¹⁾	1,672	1,318 ¹⁾
% of net sales	15.9	11.5	18.0	17.0	11.6	14.7	11.9
Operating earnings (EBIT)	290	160	347	637	278	992	633
% of net sales	9.7	5.6	11.8	10.7	4.9	8.7	5.7
Net earnings/loss	109	-345	-290	-181	-534	-1,433	-1,786
Free Cash Flow	477	444	335	812	366	1,647	1,201
% of net sales	15.9	15.5	11.4	13.7	6.5	14.5	10.8
Number of full-time employees, end of period	1,477	1,477	1,469	1,477	1,477	1,477	1,455

¹⁾ Non-recurring items are mainly attributable to restructuring costs.



President's Comments

"We have continued implementing our strategic goals and considerably improved our margins during the second quarter of 2015."

Continued growth in a dynamic environment

The markets have been somewhat unstable during the second quarter however we have been able to deliver a robust performance. The transformation of Perstorp from good to GREAT is continuing with strong focus on commercial excellence, to further support our market driven approach in how we run our business.

Safe operation and high plant availability are also key elements of our ambitious plan. We prioritize process development and staff training to make sure we meet the objectives we have set. This has also progressed satisfactorily in the second quarter.

Financial progress

We delivered strong financial results in the second quarter. Our EBITDA increased with 45% to SEK 476 m on the back of a healthy growth of 4.3% reaching SEK 2,991 m in net sales. Despite a somewhat increasing raw material market, we were able to increase the quarterly contribution margins to 31.6% this year from 25.4% a year ago. The foreign exchange rates were fluctuating in the quarter and have contributed positively to the result in comparison with last year.

Continuous investments

The new production plant for Valeraldehyde and its derivatives 2-PH, Emoltene™ 100 and Valeric Acid was successfully started early January 2015, ahead of time schedule and below budget. During the second quarter the new plant was officially opened and it provided an excellent platform for further discussions and valuable exchange with our customers and partners of the developments in our industry. As always this gives further insights in to our customer's expectations and needs.

Perstorp achieved several sales and production records across many products. Capa™ sales volumes were strong, with a sales record in March. Emoltene™ 100 volumes progressed above expectations with a strong sales record in June. Production also progressed well, answering to updated routines implemented by our new organization, with production records for TMP both in Perstorp and Zibo, as well as for Neo in Zibo. Minor disturbances in the Penta production plants were addressed, but led to a slight decrease in sales.

Moving forward

The results of the second quarter of 2015 show that our commitment to this industry is long-term and that our goals are clear and realistic. We are moving ahead with confidence in the next quarter, focusing on continuing to increase the quality of our margins and this is the 8th quarter of consecutive earnings growth.

One example of this was the important step toward a strengthened position in the Asian market with the acquisition of the Penta, Di-Penta and sodium formate businesses from Koei Chemical Company Ltd., a Japanese chemicals producer. As part of the business transfer, Koei Chemical Company Ltd. will act as Perstorp's agent in Japan, securing continuous high service and reliable partnership with our customers in the Japanese market.

Jan Secher
President and CEO

Economic conditions & markets

Global overview

Although that the second quarter was somewhat turbulent, notably due to the Greece exit discussions, the Euro area economy continues to be on the growth path with quarterly growth rates around 0.3% to 0.4%. The key growth drivers are the still low oil price along with favorable exchange rate developments, a broadly neutral stance of fiscal policy and the ECB's very expansive monetary policy. On the other hand, the high level of public and private debt is still holding back growth.

Recent data improvements for the US economy suggest that the economic weakness in the first quarter was indeed largely a result of temporary factors and statistical noise. The strong May jobs report, a rebound in construction and exports, tentative signs of a stabilization in the number of oil and gas rigs plus robust May retail sales point to a clear pick-up in growth in second quarter.

The Chinese property market reacted positive to the property-easing measures adopted by policy makers and the Chinese economy stabilized somewhat during the second quarter. Although the housing market improved the structural challenges like overcapacity and debt overload continued to drag down the manufacturing activities.

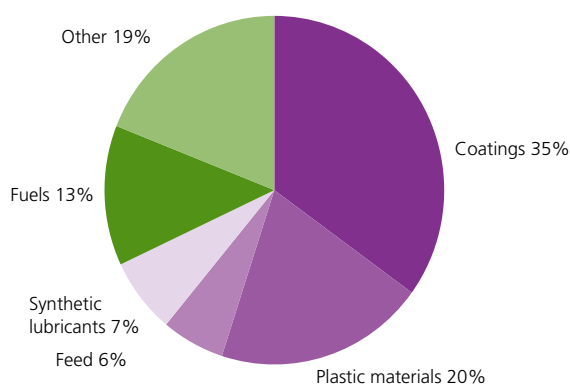
The Economic Sentiment Indicator (ESI) in Europe flattened out somewhat at the end of the second quarter. Lower industry confidence resulted from more pessimistic views on expected production and the current level of overall order books. Consumer confidence remained stable, reflecting a marked improvement of the assessment of future unemployment which was counterbalanced by more negative views on the future general economic situation and future savings. Construction confidence rose driven by upward revisions in both managers' employment expectations and their assessment of the level of order books.

Raw materials

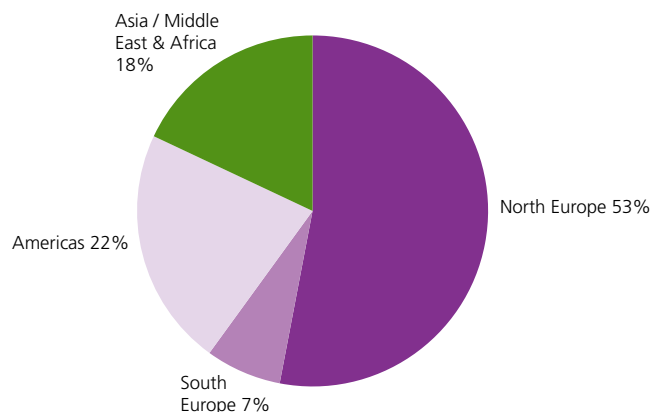
Crude oil prices (Dated Brent) fluctuated between 55 and 65 \$/bbl throughout the second quarter of 2015. First signs of higher than expected demand growth together with lowering shale oil drilling activity gave some support to crude oil price, although crude oil supply seemed to exceed demand.

Olefins, Benzene and Methanol saw a decrease in price for the second quarter 2015 compared to the same period last year. Average prices for the second quarter 2015, was for Propylene 978 Eur/Mt (-15% vs Q2 2014), Benzene 733 Eur/Mt (-28%) and Methanol 359 Eur/Mt (-13%).

Sales by market segments, January-June 2015



Sales by geography, January-June 2015



Financial overview

Net sales

The Perstorp Group's net sales amounted to SEK 5,940 m during the period January to June 2015, compared with SEK 5,640 m for the same period in 2014, an increase of 5%.

Volumes increased 2% compared to last year following improved volumes for some of our key businesses. The increase should be seen in the light of the first six months 2014 showed double digit growth. The start-up and ramp-up of our new Valeraldehyde production facility in Stenungsund and our acquisition of Chemko has contributed positively to the growth. During the second quarter of 2015 we experienced some production disturbances which led to some lost volumes, corresponding to approximately 2% of our YTD volumes.

Sales prices were 8% lower than last year, attributable to the substantially lower raw material prices, although the low raw material prices contributed positively to the strengthened unit margin. Brent crude oil price was 45% lower during the first six months 2015 than corresponding period last year, which has affected downstream derivatives like propylene, ethylene and benzene.

Especially the USD but also the Euro has strengthened versus the Swedish Krona since early 2014. Average rates for the first six months 2015 were 28% and 4% higher respectively, compared to the same period last year. This has led to a positive effect on sales of 11% compared to last year.

Earnings

Operating earnings before depreciation and amortization (EBITDA) reached SEK 1,006 m (593) for the first six months in 2015. This is the 8th quarter of consecutive growth. Excluding non-recurring items, earnings amounted to SEK 1,007 m (653). The improved earnings compared to last year have been the result of a combination of positive currency effects, positive effects from improved margins and increased volumes.

The depreciation of the Swedish krona positively affected results when comparing with last year. Currency effects on EBITDA amounts to around SEK 160 m relating to both translational and transactional effects from flows in USD and Euro.

Non-recurring items included in result for the first six months of 2015 amounted to SEK -1 m, where the divestment of the remaining part of Polygiene AB was offset by a combination of some minor extra ordinary costs and a settlement in connection to a supplier dispute.

Operating earnings before interest and taxes (EBIT) amounted to SEK 637 m (278) for the first six months of 2015. Depreciation increased by SEK 54 m compared to last year mainly linked to the start-up of the Valerox project. Depreciation was reported at SEK 369 m (315).

Earnings before tax amounted to SEK -203 m (-647). Higher financial expenses were to a large extent offset by less negative currency effects when revaluating financial liabilities in foreign currencies. In the first six months 2014, participation in associated companies contributed with a loss of SEK 97 m.

Tax amounted to SEK 22 m in the first six months of 2015 compared to SEK 113 m in 2014. The positive tax is primarily explained by reversal of deferred tax liabilities related to depreciation and amortization of tangible and intangible assets.

For the first six months of 2015, the net loss amounted to SEK -181 m, compared to a loss of SEK -534 m last year.



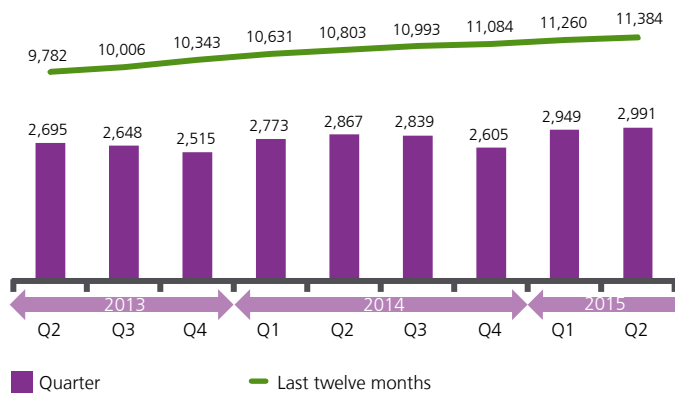
Financial overview

Income statement						
SEK m	Quarter 2		Quarter 1-2		Latest	Full year
	2015	2014	2015	2014	12 months	2014
Net sales	2,991	2,867	5,940	5,640	11,384	11,084
Cost of goods sold	-2,487	-2,547	-4,935	-4,977	-9,749	-9,791
Gross earnings	504	320	1,005	663	1,635	1,293
Selling, administration and R&D costs	-204	-184	-402	-366	-759	-723
Other operating income and expenses ¹⁾	-12	23	30	-23	109	56
Write-down of assets	0	0	0	0	0	0
Result from participations in associated companies	2	1	4	4	7	7
Operating earnings (EBIT)	290	160	637	278	992	633
Exchange-rate effects on net debt	224	-194	-39	-195	-679	-835
Other financial income and expenses	-400	-330	-801	-633	-1,584	-1,416
Result from participations in associated companies	-	-60	-	-97	-45	-142
Earnings/loss before tax	114	-424	-203	-647	-1,316	-1,760
Tax	-5	79	22	113	-117	-26
Net earnings/loss	109	-345	-181	-534	-1,433	-1,786

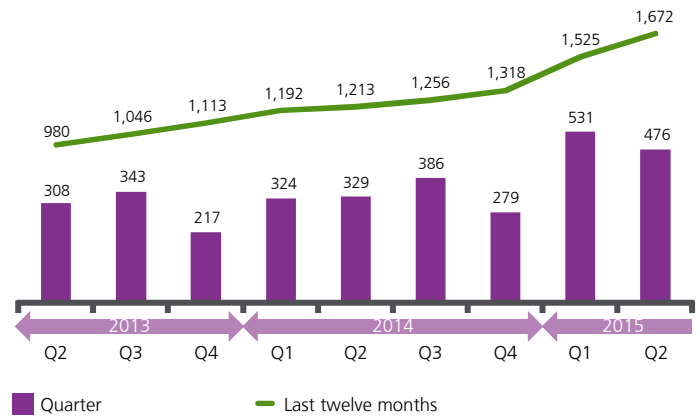
Write-down of assets	0	0	0	0	0	0
Depreciations	-191	-157	-369	-315	-690	-636
Operating earnings before depreciation (EBITDA)	481	317	1,006	593	1,682	1,269
EBITDA excl. non-recurring items	476	329	1,007	653	1,672	1,318

¹⁾ Other operating income and expenses primarily includes exchange rate effects on operational net receivables and non-recurring income and costs.

Sales, SEKm



EBITDA excl non recurring items, SEKm



Segment information

Segment data						
	Quarter 2		Quarter 1-2		Latest	Full year
	2015	2014	2015	2014	12 months	2014
Net sales						
Specialties & Solutions	620	611	1,246	1,172	2,412	2,338
Advanced Chemicals & Derivatives ²⁾	1,986	1,890	3,950	3,713	7,574	7,337
BioProducts ²⁾	315	305	628	620	1,205	1,197
Other/eliminations	70	61	116	135	193	212
Total Group ¹⁾	2,991	2,867	5,940	5,640	11,384	11,084
EBITDA						
Specialties & Solutions	143	118	297	205	493	401
Advanced Chemicals & Derivatives ²⁾	314	205	691	432	1,158	899
BioProducts ²⁾	5	20	18	34	44	60
Other/eliminations	19	-26	0	-78	-13	-91
Total Group	481	317	1,006	593	1,682	1,269
EBITDA excluding non-recurring items						
Specialties & Solutions	143	117	297	204	494	401
Advanced Chemicals & Derivatives ²⁾	314	206	691	433	1,159	901
BioProducts ²⁾	5	20	18	34	44	60
Other/eliminations	14	-14	1	-18	-25	-44
Total Group	476	329	1,007	653	1,672	1,318

1) The group is domiciled in Sweden. The result of its revenue from external customers in Sweden is 16% (16%), and the total of revenue from external customers from other countries is 84% (84%). No sales above 10% derived from a single external customer.

2) Restated according to new segment structure.

The Board of Directors has decided to realign Perstorp's organizational structure as part of its transformation. Therefore, as of second quarter 2015, Perstorp will report its financial performance based on the three reportable segments Specialties & Solutions, Advanced Chemicals & Derivatives and BioProducts. This change only impacts the previously reported Intermediate & Derivatives segment - our Specialties & Solutions segment remains unchanged. There is no change to the Group's reported total revenues, EBITDA, operating profit or net result. Previously published 2014 and 2015 financial information for the Group's Intermediate & Derivatives segment has been restated and presented under the Advanced Chemicals & Derivatives and BioProducts segments. For Quarter 1 restated segment information, please refer to page 14.

Specialties & Solutions consisting of business units Caprolactones, Feed & Food and Specialty Polyols.

Advanced Chemicals & Derivatives consisting of the business units Penta, Oxo, TMP & Neo and Formates.

BioProducts consisting of the business unit BioFuels.

Specialties & Solutions

During the first half of 2015, Business Area Specialties & Solutions net sales amounted to SEK 1,246 m, which was 6% higher than the corresponding period of 2014. Net sales were positively impacted by a weaker Swedish krona which to a small extent was offset by lower sales prices due to decrease in raw material prices. The Specialties & Solutions EBITDA in the first six months of 2015 improved to SEK 297 m (205), corresponding to an EBITDA margin of 23.8% (17.5). The underlying improvement compared with the first six months of 2014 was a result of stronger unit margins due to lower raw material costs and a favorable currency development.

Advanced Chemicals & Derivatives

During the first six months of 2015, Business Area Advanced Chemicals & Derivatives net sales amounted to SEK 3,950 m, which was 6% higher than the same period of 2014. Net sales were positively impacted by a weaker Swedish krona and higher volumes, which to a large extent was offset by lower sales price due to decrease in raw material prices. The Advanced Chemicals & Derivatives EBITDA in the first six months improved to SEK 691 m (432), corresponding to an EBITDA margin of 17.5% (11.6). The underlying improvement compared with 2014 was a result of a favorable currency development, stronger unit margins and higher volumes. The lower raw materials costs, primarily propylene and ethylene, contributed positively to the strengthened unit margins. Ramping up of the Valeraldehyde plant in Stenungsund during the second quarter 2015 had a positive effect on both sales and earnings.

BioProducts

During the first six months of 2015, BioProducts net sales amounted to SEK 628 m, which was 1% higher than the first six months of 2014. Net sales were positively impacted by a weaker Swedish krona and higher volumes, which was offset by lower sales price due to lower in raw material prices. The EBITDA for BioProducts amounted to SEK 18 m (34), corresponding to an EBITDA margin of 2.8% (5.4) for the period January to June 2015. The lower result compared with the first half 2014 was primarily a result of unfavorable timing effects linked to sales price formulas to customers vs. raw material costs.

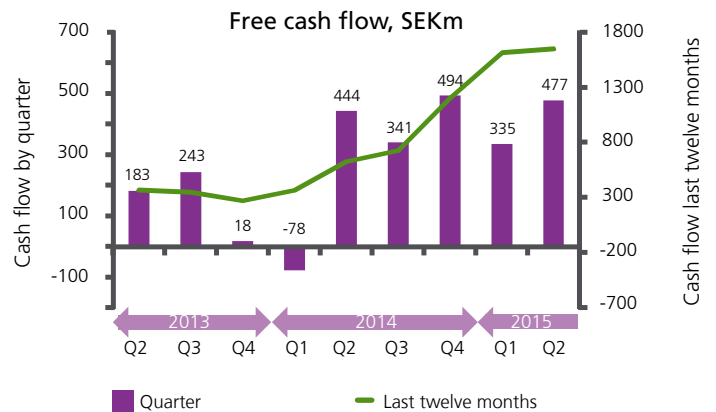
The deviation in EBITDA related to Other/eliminations can primarily be explained by restructuring charges, that affected 2014's figures negatively.

Cash flow

Free cash flow amounted to SEK 812 m (366) for the period January to June 2015. The improved cash flow compared to the same period last year can primarily be explained by a combination of higher earnings and lower strategic capex.

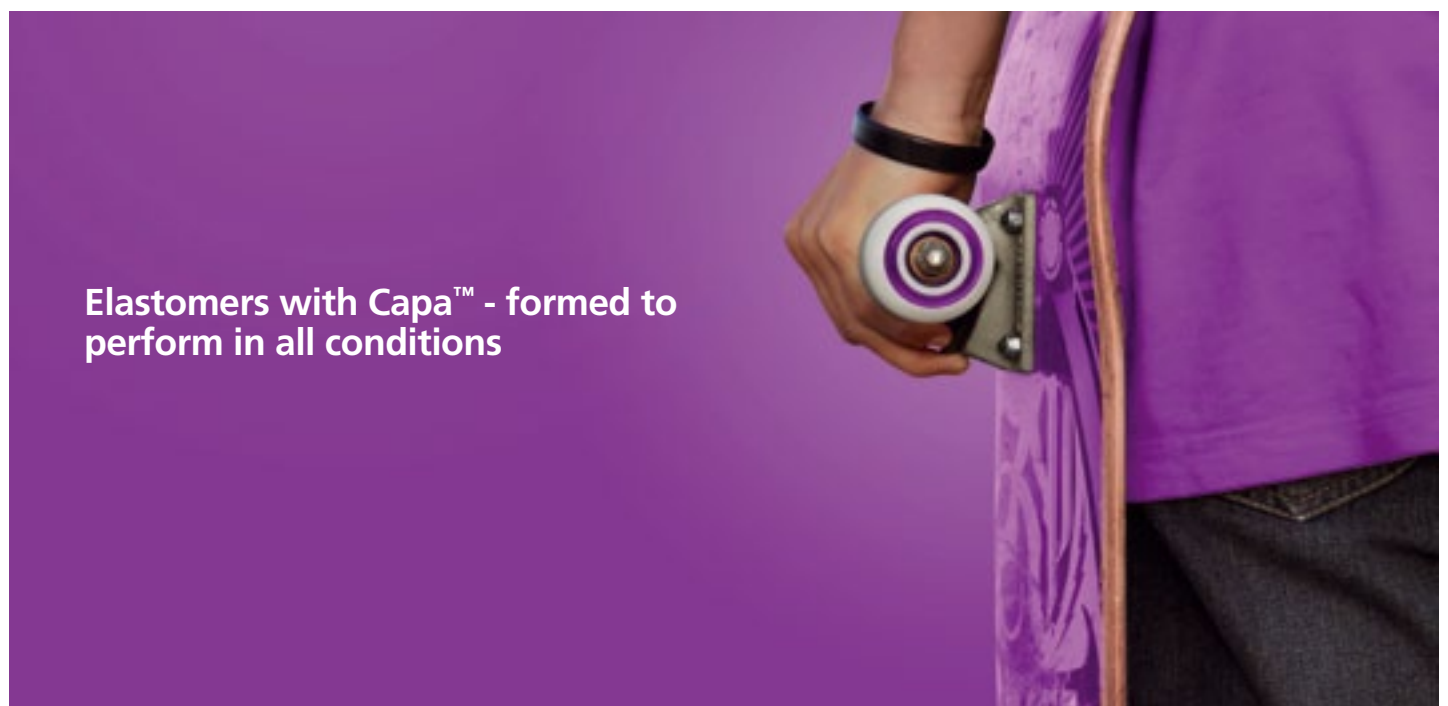
In June 2014, Perstorp implemented an off-balance, non-recourse, long-term trade receivables financing program related to its Swedish entities. During the first six months of 2015 the program was extended to also include the legal entities in Germany, US and the UK. The total credit line was increased to Euro 125 m during the first quarter 2015 and by the end of June 2015 around Euro 116 m was utilized, compared to Euro 62 m by the end of June 2014 and Euro 79 m by the end of December 2014. The corresponding amount has reduced account receivables.

Cash flow from investment activities amounted to SEK -227 m (-420) for the first six months of 2015. The decrease compared to last year reflects our reduced spending rate connected to the Valeraldehyde project in Stenungsund.



Free cash flow analysis ¹⁾						
SEK m	Quarter 2		Quarter 1-2		Latest	Full year
	2015	2014	2015	2014	12 months	2014
EBITDA excl non-recurring items	476	329	1,007	653	1,672	1,318
Change in Working capital ²⁾	123	368	32	133	619	720
Maintenance capex	-60	-70	-101	-110	-277	-286
Free cash flow before strategic capex	539	627	938	676	2,014	1,752
% of EBITDA excluding non-recurring items	113	191	93	104	120	133
Strategic capex	-62	-183	-126	-310	-367	-551
Free cash flow	477	444	812	366	1,647	1,201
% of EBITDA excluding non-recurring items	100	135	81	56	99	91

¹⁾ For further details on total cash flow, please see page 12
²⁾ Excluding exchange rate effects and provisions



Financial position

Working capital increased by SEK 5 m (-153) during the first six months of 2015. The extended trade receivable financing program had a positive effect on working capital with SEK 435 m. Adjusted for the trade receivables financing program, working capital increased SEK 440 m (374). Change in working capital excluding exchange rate effects and provisions amounted to SEK 32 m during the first six months of 2015.

Accounts receivable and other current assets decreased by SEK 176 m compared to December last year following higher utilization of the trade receivables financing program, which was partly offset by higher sales. Accounts payable and other current liabilities decreased SEK 148 m during the first six months, primarily affected by lower capital expenditure and timing effects. Inventory levels increased with SEK 34 m compared to December 2014.

Working capital amounted to SEK 696 m at the end of June 2015 compared to SEK 691 m at the end of December 2014 and SEK 1,226 m at the end of June 2014.

The Group's available funds, liquid funds and unutilized credit facilities, were SEK 1,246 m at the end of the period, compared with SEK 1,119 m at the end of Q4 2014 and SEK 859 m in Q2 2014.

Assets and liabilities			
SEK m	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Working capital			
Inventories	1,239	1,246	1,205
Accounts receivable	751	1,306	859
Other current assets	286	294	354
Accounts payable	681	741	912
Other current liabilities	899	880	816
Total Working capital	696	1,226	691

Capital employed			
Total assets	14,056	14,151	14,194
Deferred tax liability	874	892	908
Accounts payable	681	741	912
Other liabilities	1,412	1,376	1,456
Total Capital employed	11,089	11,142	10,918

Other key figures			
Available funds	1,246	859	1,119
Net debt	11,273	10,078	10,970
Net debt excl. parent company loan and pension liabilities	10,799	9,747	10,514

Our star products, like Capa™ are designed to make a difference and prolong longevity



Consolidated financial statements

Income statement						
SEK m	Quarter 2		Quarter 1-2		Latest	Full year
	2015	2014	2015	2014	12 months	2014
Net sales	2,991	2,867	5,940	5,640	11,384	11,084
Cost of goods sold	-2,487	-2,547	-4,935	-4,977	-9,749	-9,791
Gross earnings	504	320	1,005	663	1,635	1,293
Selling, administration and R&D costs	-204	-184	-402	-366	-759	-723
Other operating income and expenses ¹⁾	-12	23	30	-23	109	56
Write-down of assets	0	0	0	0	0	0
Result from participations in associated companies	2	1	4	4	7	7
Operating earnings (EBIT)	290	160	637	278	992	633
Exchange-rate effects on net debt	224	-194	-39	-195	-679	-835
Other financial income and expenses	-400	-330	-801	-633	-1,584	-1,416
Result from participations in associated companies	-	-60	-	-97	-45	-142
Earnings/loss before tax	114	-424	-203	-647	-1,316	-1,760
Tax	-5	79	22	113	-117	-26
Net earnings/loss	109	-345	-181	-534	-1,433	-1,786

Operating earnings before depreciation (EBITDA)	481	317	1,006	593	1,682	1,269
EBITDA excluding non-recurring items	476	329	1,007	653	1,672	1,318

¹⁾ Other operating income and expenses primarily includes exchange-rate effects on operational net receivables and non-recurring income and costs.

Comprehensive income report						
SEK m	Quarter 2		Quarter 1-2		Latest	Full year
	2015	2014	2015	2014	12 months	2014
Net result for the period	109	-345	-181	-534	-1,433	-1,786
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Remeasurements of defined benefit plan	0	-	-16	-	-109	-93
<i>Items that may be subsequently reclassified to profit or loss</i>						
Currency translation effect	28	33	-22	34	-84	-28
Market valuation of currency hedge	1	-	4	-	4	-
Market valuation of forward contracts	1	1	3	3	7	7
Other comprehensive income net after tax	30	34	-31	37	-182	-114
Total comprehensive income	139	-311	-212	-497	-1,615	-1,900
Comprehensive results attributable to:						
Parent company's shareholder	144	-316	-215	-502	-1,629	-1,916
Non controlling interest	-5	5	3	5	14	16

Perstorp has food preservatives protecting what nature has created



Consolidated financial statements

Balance sheet			
SEK m	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Tangible fixed assets	4,837	4,684	4,903
Intangible fixed assets	5,007	4,888	4,997
Participation in associated companies	58	434	56
Other non-current assets	739	439	736
Inventories	1,239	1,246	1,205
Other current assets	1,076	1,685	1,278
Cash & cash equivalents, incl. short-term investments	1,100	775	1,019
Total assets	14,056	14,151	14,194
Total equity	-1,262	353	-1,050
Loan from parent company	5	1	4
Pension liability, others	470	330	451
Other non-current liabilities	12,733	11,322	12,368
Current liabilities	2,110	2,145	2,421
Total equity & liabilities	14,056	14,151	14,194
Working capital	696	1,226	691
Net debt	11,273	10,078	10,970
Net debt excl. parent company loan and pension liabilities	10,798	9,747	10,515
Capital employed	11,089	11,142	10,918
Number of full-time employees, end of period	1,477	1,477	1,455

Total equity, 2015			
SEK m	Equity attributable to owners of the parent	Non controlling interest	Total equity
Opening balance, January 1, 2015	-1,112	62	-1,050
Total comprehensive income	-215	3	-212
Closing balance, June 30, 2015	-1,327	65	-1,262

Total equity, 2014			
SEK m	Equity attributable to owners of the parent	Non controlling interest	Total equity
Opening balance, January 1, 2014	171	46	217
Total comprehensive income	-502	5	-497
Shareholders contribution	633	-	633
Closing balance, June 30, 2014	302	51	353

Neopentyl glycol makes powder coatings an excellent sustainable solution for indoor and outdoor applications



Consolidated financial statements

Cash flow analysis, Consolidated group						
SEK m	Quarter 2		Quarter 1-2		Latest 12 months	Full year 2014
	2015	2014	2015	2014		
<i>Operating activities</i>						
Operating earnings	290	160	637	278	992	633
Adjustments:						
Depreciation and write-down	191	157	369	315	690	636
Other	-49	-33	-52	-5	-35	-5
Interest received	1	2	3	4	6	7
Interest paid	-309	-251	-637	-469	-1,199	-1,031
Income tax paid	-2	3	-21	12	-16	17
Cash flow from operating activities before change in working capital	122	38	299	135	438	257
<i>Changes in working capital</i>						
Increase (-) Decrease (+) in inventories	-100	41	-20	8	65	93
Increase (-) Decrease (+) in current receivables ¹⁾	256	395	190	62	621	493
Increase (+) Decrease (-) in current liabilities	-31	-9	-138	63	-67	134
Cash flow from operating activities	247	465	331	268	1,057	977
<i>Investing activities</i>						
Acquisition of shares in associated companies	-	-	-	-	-27	-27
Investments in other participations	-	-	-33	-	-33	-
Acquisition of tangible and intangible fixed assets ²⁾	-122	-253	-227	-420	-644	-837
Sale of tangible and intangible fixed assets	-	-	-	24	0	24
Sale of shares in non-controlling interests	17	-	17	-	17	-
Change in financial assets, external	-	-5	-	1	-5	-4
Cash flow from investing activities	-105	-258	-243	-395	-709	-844
<i>Financing activities</i>						
Change in credit utilization	-5	-9	-12	-9	-35	-32
Cash flow from financing activities	-5	-9	-12	-9	-35	-32
Change in liquid funds, incl. short-term investments	137	198	76	-136	313	101
Liquid fund opening balance, incl. short-term investments	969	573	1,019	905	775	905
Translation difference in liquid funds	-6	4	5	6	12	13
Liquid funds, end of period	1,100	775	1,100	775	1,100	1,019

¹⁾ Including trade receivables financing program

²⁾ Whereof paid interest

From whatever angle
you look at it, Capa™
coatings give products
lifelong performance
and premium looks

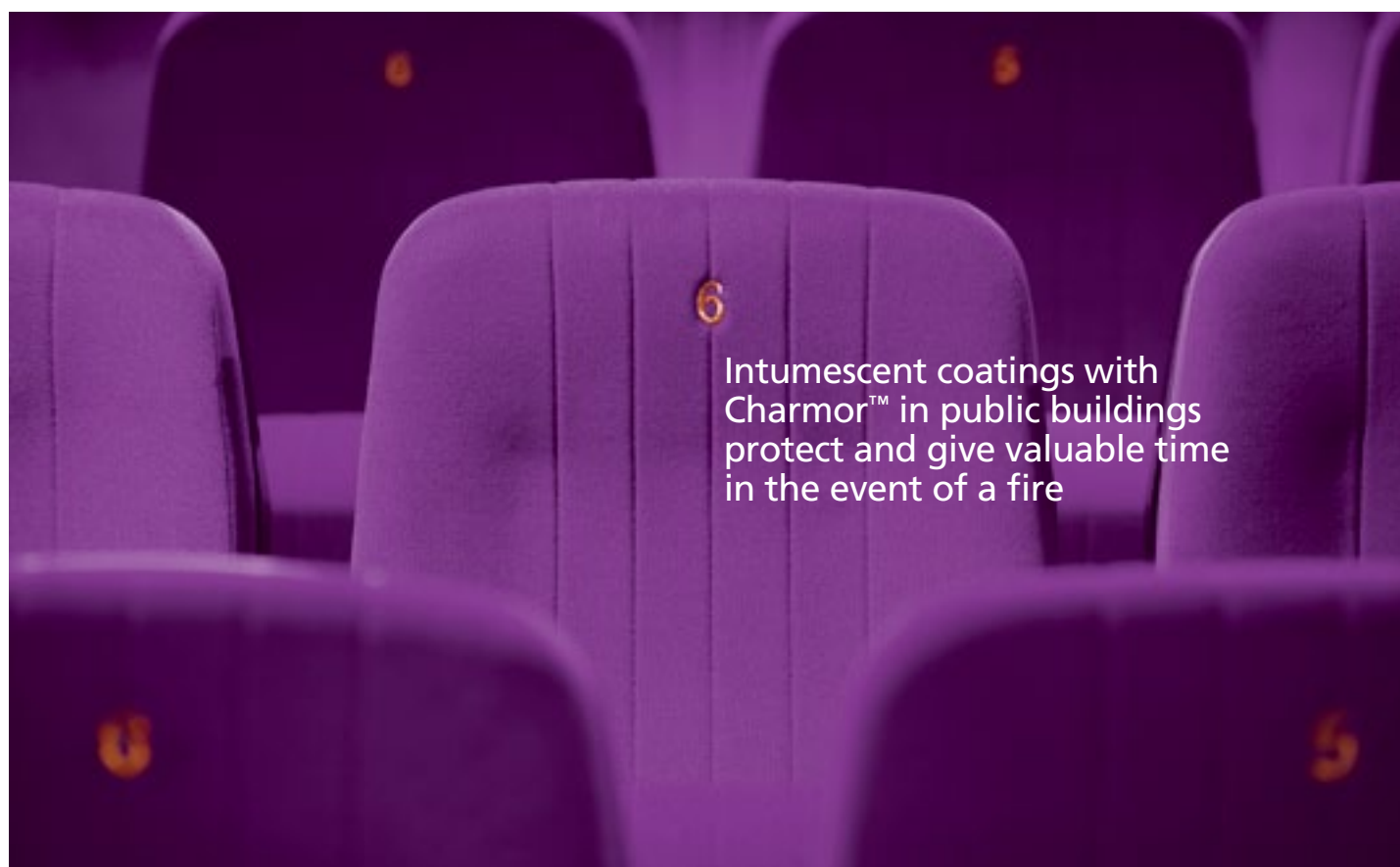


Segment information

Segment data								
	Quarter 2		Quarter 1		Quarter 1-2		Latest	Full year
	2015	2014	2015	2014	2015	2014	12 months	2014
Net sales								
Specialties & Solutions	620	611	626	561	1,246	1,172	2,412	2,338
Advanced Chemicals & Derivatives ²⁾	1,986	1,890	1,964	1,823	3,950	3,713	7,574	7,337
BioProducts ²⁾	315	305	313	315	628	620	1,205	1,197
Other/eliminations	70	61	46	74	116	135	193	212
Total Group ¹⁾	2,991	2,867	2,949	2,773	5,940	5,640	11,384	11,084
EBITDA								
Specialties & Solutions	143	118	154	87	297	205	493	401
Advanced Chemicals & Derivatives ²⁾	314	205	377	227	691	432	1,158	899
BioProducts ²⁾	5	20	13	14	18	34	44	60
Other/eliminations	19	-26	-19	-52	0	-78	-13	-91
Total Group	481	317	525	276	1,006	593	1,682	1,269
EBITDA excluding non-recurring items								
Specialties & Solutions	143	117	154	87	297	204	494	401
Advanced Chemicals & Derivatives ²⁾	314	206	377	227	691	433	1,159	901
BioProducts ²⁾	5	20	13	14	18	34	44	60
Other/eliminations	14	-14	-13	-4	1	-18	-25	-44
Total Group	476	329	531	324	1,007	653	1,672	1,318

1) The group is domiciled in Sweden. The result of its revenue from external customers in Sweden is 16% (16%), and the total of revenue from external customers from other countries is 84% (84%). No sales above 10% derived from a single external customer.

2) Restated according to new segment structure.



Intumescent coatings with Charmor™ in public buildings protect and give valuable time in the event of a fire

Other

Accounting & valuation principles

The consolidated financial statements for Perstorp Holding AB have been prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The same accounting principles and calculation methods used in the interim reports were used in the annual accounts for 2014. The accounting principles of the Group and parent company are stated in Note 2 of the 2014 annual report.

The Board of Directors has decided to realign Perstorp's organizational structure as part of its transformation. The biofuel business will be operated and managed in a separate and new business area – BioProducts. At the same time the business area Intermediate & Derivatives will change name to Advanced Chemicals & Derivatives. Therefore, beginning in the second quarter 2015, Perstorp will report its financial performance based on the three reportable segments Specialties & Solutions, Advanced Chemicals & Derivatives and BioProducts. This change only impacts the previously reported Intermediate & Derivatives segment - our Specialties & Solutions segment remains unchanged. There is no change to the Group's reported total revenues, EBITDA, operating profit or net result. Previously published 2014 and 2015 financial information for the Group's Intermediate & Derivatives segment has been restated and presented under the Advanced Chemicals & Derivatives and BioProducts segments, please refer to page 14.

During the second quarter 2014, Perstorp implemented an off-balance, non-recourse, long-term trade receivables financing program. Trade receivables, for which substantially all risks and rewards have been transferred are de-recognized and excluded from the reported figures. This program was expanded during first six months of 2015, to also include legal entities in US, Germany and UK.

During January 2015, put options equivalent to approximately 50% of the annual transaction exposure were purchased against the price risk of a weaker USD/SEK and EUR/SEK foreign exchange rate. The maximum cost for the hedge is approximately SEK 18 million. The strike price of the put options are 7.80 for USD/SEK and 9.30 for EUR/SEK.

Perstorp Holding AB (publ.)

Perstorp Holding AB (publ.) is wholly owned by Financière Forêt S.a.r.l and is the parent company of the Perstorp Holding Group. Perstorp Holding AB (publ.) had no external sales. Operating loss for the first six month amounted to SEK -52 m compared to an operating loss of SEK -72 m for the same period in 2014. The loss before taxes amounted to SEK -90 m compared to a loss before taxes of SEK -687 m for the same period in 2014 including dividend from shares in subsidiaries of SEK 450 m (0). Shareholder equity as at June 30, 2015 amounted to SEK 872 m compared to SEK 1.040 m for the same period 2014, including a shareholder contribution of SEK 0 m (633). At December 31, 2014 the Shareholders equity amounted to SEK 962 m.

Divested units 2015

During the second quarter Perstorp announces the sale of its remaining part in Polygiene AB, approximately 30%. The divestment is in line with Perstorp's strategy to focus on and expand its core specialty chemicals activities.

Transactions with related parties

The net amount borrowed from the Luxembourg-based parent company Financière Forêt S.á.r.l. amounted to SEK 5 (1) million.

Risk and uncertainty

Perstorp is exposed to a number of risks and uncertainty factors, which are reviewed in the Annual Report for 2014.

Important events after reporting period

In July Perstorp acquired the Penta, Di-Penta and sodium formate businesses, related technology and certain assets from Koei Chemical Company Ltd., a Japanese chemicals producer. As part of the business transfer, Koei Chemical Company Ltd. will act as Perstorp's agent in Japan, which will secure continuous high service and reliable partnership with our customers in the Japanese market.

No other major events have occurred since the balance sheet date and up to the publication of this report.

Other information

Following the Company's positive development, Perstorp, together with its shareholders, is assessing a range of strategic options for the business, including a potential stock exchange listing.

Perstorp's financial information comprises interim reports and an annual & social responsibility report. The complete annual report is available in English and can be ordered in print format. It can also be downloaded from the Group's website at www.perstorp.com.

Perstorp, August 2015



Jan Secher
President and CEO

The report has not been reviewed by Perstorp's auditors.



A global leader in high growth niches

The Perstorp Group, a trusted world industrial leader, places focused and market-driven innovation at your fingertips. Our culture of performance builds on 130 years of experience and represents a complete chain of solutions in organic chemistry, process technology and application development.

As the global leader in high growth niches, such as powder and UV cured coatings, plasticizers, synthetic lubricants and grain preservation, we are committed to develop products providing essential properties to enhance the quality, performance and profitability of your products and processes. This is how we enable you to meet market demands for safer, lighter, more durable, economical effective and sustainable end-products for the transportation, construction, industrial, animal health and consumer goods sectors.

Our unique integrated production platform is backed by reliable business practices and a global commitment to responsiveness and flexibility. Consistent high quality, capacity and delivery security are ensured through strategic production plants in Asia, Europe and North America, as well as sales offices in all major markets. Likewise, we combine product and application assistance with the very best in technical support.

As we look to the future, we strive for the development of smarter and safer products and sustainable processes that reduce environmental impact and create real value in end-products. This principle of proactive innovation and responsibility applies not only to our own business, but also to our work with yours. In fulfilling it, we partner with you to create a winning formula that benefits your business – as well as the people it serves.

Discover your winning formula at www.perstorp.com