



Perstorp Holding AB (Publ.)

Interim report 1 January - 30 September 2015

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Interim report 1 January - 30 September 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 facilities in Europe, North America and Asia. The Perstorp Group is controlled by the European private equity company PAI Partners.

Key figures in summary

July 1 – September 30, 2015

- ➔ Net sales decreased with 2% to SEK 2,778 m (2,838). Excluding exchange-rate effects net sales decreased with 9%.
- ➔ Organic volume-based sales growth was -3%. Adjusted for the scheduled maintenance shutdown in Stenungsund the organic volume-based sales growth was about 3%.
- ➔ EBITDA excluding non-recurring items rose 9% to SEK 422 (386). The improvement was primarily due to improved margins and positive FX-effects, partly offset by the scheduled maintenance shutdown in Stenungsund.
- ➔ EBITDA-margin excluding non-recurring items was 15.2% (13.6).
- ➔ Adjusted EBIT¹⁾ rose 22% to SEK 329 m (276).
- ➔ The adjusted EBIT-margin was 11.9% (9.7).
- ➔ Free cash flow amounted to SEK 109 m (341).

January 1 – September 30, 2015

- ➔ Net sales rose with 3% to SEK 8,718 m (8,478). Excluding exchange-rate effects net sales decreased with 7%.
- ➔ Organic volume-based sales growth was 1%. Adjusted for the scheduled maintenance shutdown organic volume-based sales growth was about 4%.
- ➔ EBITDA excluding non-recurring items rose 38% to SEK 1,429 (1,039).
- ➔ EBITDA-margin excluding non-recurring items was 16.4% (12.3).
- ➔ Adjusted EBIT¹⁾ rose 52% to SEK 1,062 m (705).
- ➔ The adjusted EBIT-margin was 12.2% (8.3).
- ➔ Free cash flow amounted to SEK 921 m (707).

Key figures in summary

SEK m unless otherwise stated	Quarter 3		Quarter 1-3		Latest	Full year
	2015	2014	2015	2014	12 months	2014
Net sales	2,778	2,838	8,718	8,478	11,324	11,084
EBITDA	420	385	1,426	978	1,717	1,269
% of net sales	15.1	13.6	16.4	11.5	15.2	11.4
EBITDA excluding non-recurring items	422	386	1,429	1,039 ²⁾	1,708	1,318 ²⁾
% of net sales	15.2	13.6	16.4	12.3	15.1	11.9
Operating earnings (EBIT)	268	223	905	501	1,037	633
% of net sales	9.6	7.9	10.4	5.9	9.2	5.7
Net earnings/loss	-252	-372	-433	-985	-1,234	-1,786
Free cash flow	109	341	921	707	1,415	1,201
Number of full-time employees, end of period	1,477	1,458	1,477	1,458	1,477	1,455

¹⁾ Adjusted for non-recurring items, amortization and depreciation and impairment of assets related to PAI's acquisition of Perstorp.

²⁾ Non-recurring items are mainly attributable to restructuring costs.



President's Comments

"I look forward with confidence to continue to deliver in line with the established strategy"

Financial progress

Despite some changes in the overall market conditions, we put another quarter of strong performance behind us, and delivered the ninth consecutive quarter with increased operating earnings. The third quarter was marked by decreasing raw material prices. This has impacted purchasing behavior and resulted in a degree of restraint, since customers have made an assessment that lower prices will be possible to negotiate moving forward. We have noted similar market dynamics before and have no reason to reevaluate the long-term underlying demand for our products and view this instead as a question of timing.

The quarter was also impacted by the scheduled maintenance shutdown at our site in Stenungsund, Sweden, that was initiated in September. This is performed every third year and normally means a close down of production for a period of four to six weeks depending on facility in order to perform maintenance and productivity improving investments. For our ethylene and propylene trains the shutdown lasted five weeks and was completed mid-October, slightly behind plan. For our new butene based valerox facility the shutdown is forecasted at ten weeks, about four weeks longer than planned. The extended shutdown period is primarily caused by our supplier Borealis being delayed in the start-up following their scheduled shutdown. We have been producing Emoltene™ 100 based on purchased 2-PH to minimize impact for our customers but have lost some volumes. The scheduled shutdown reduced EBITDA with approximately SEK 55 m in the third quarter 2015.

Altogether, our net sales declined 2% in the quarter and amounted to SEK 11.3 billion last twelve months, compared with SEK 11.1 billion for the full-year 2014. More importantly, for the ninth consecutive quarter, we have posted increased operating earnings. Accordingly, for the past four quarters, our earnings measured as EBITDA amounted to SEK 1,717 m. The EBITDA-margin last twelve months was 15.2 %, an increase of 35% compared with the full-year 2014 of 11.4%. The growth was attributable to our focus on operational excellence, which has delivered the desired result and continued favorable currency effects. The contribution margin for the quarter increased to 30.6% from 26.6% one year ago.

Continuous investments

We continuously evaluate complementary acquisitions that strengthen our position and contribute to profitable growth. In July we announced acquisition of the Penta, Di-Penta and sodium formate businesses, related technology and certain assets from the Japanese firm Koei Chemical Company Ltd. Koei Chemical will act as Perstorp's agent in Japan, which will secure continuous high service and reliable partnerships with the customers in the Japanese market.

After the period we have also acquired a biodiesel plant in Fredrikstad in Norway, which increases our capacity by some 100,000 tons per year and opens a new geographic market. Closing of the acquisition is planned to the fourth quarter.

The new production facility for valeraldehyde and its derivative 2-PH, Emoltene™ 100 and valeric acid, which was started successfully at the beginning of January 2015, is progressing as planned. During the shutdown in Stenungsund, we have invested in further capacity for valeric acid and 2-PH, which means we can process new application areas in lubricants and the pharmaceutical industry as we get back on stream.

Continued growth in a dynamic environment

Perstorp holds globally leading positions in consolidated niches with high growth. The transformation of Perstorp from Good to Great is continuing with strong focus on professionalism and commercial excellence. We have a number of ongoing activities in the supply chain that will generate considerable annual savings moving forward. Efforts are continuing, not least with regard to continuous training, to provide further support to our market-driven approach and sales team.

Furthermore, our new pricing tool is a key factor in the sustainable margin management initiative, particularly in times with volatile raw material prices.

To sum up, we have unique global production platforms with a competitive cost base, a healthy pipeline of new applications, committed employees and a broad customer base. I look forward with confidence to continue to deliver in line with the established strategy.

Jan Secher
President and CEO

Financial overview

Net sales and earnings July-September 2015

Net sales amounted to SEK 2,778 m during the period July to September 2015, compared with SEK 2,838 m for the same period in 2014, a decrease of 2%. Volumes decreased 4% compared to last year following negative effects from the scheduled maintenance shutdown in Stenungsund and somewhat lower net sales during the latter part of the quarter following customers postponing orders in anticipation of lower sales prices in the fourth quarter on the back of falling raw material prices. Organic volume-based sales growth amounted to -3% for the third quarter. Adjusted for the scheduled maintenance shutdown the organic volume-based sales growth was about 3%.

The scheduled maintenance shutdown in Stenungsund, which takes place every third year, comprises the Oxo and BioProducts facilities and usually lasts for a period of four to six weeks depending on production facility. The shutdown was completed mid October for our facilities, slightly behind plan. For the Valerox related facilities the delay of the start-up will be somewhat longer.

Sales prices were 6% lower than last year, attributable to the lower raw material prices, although the low raw material prices contributed positively to the strengthened unit margin. Dated Brent price was c. 50% lower during the third quarter 2015 than corresponding period last year, which has decreased prices of downstream derivatives like propylene, ethylene and benzene, whereas the methanol prices were somewhat higher compared to third quarter last year.

The depreciation of the Swedish krona positively affected net sales when comparing to last year. Average rates for USD and EUR in the third quarter 2015 were 22% and 2% higher respectively, compared to the same period last year. This has led to a positive effect on net sales of 7% compared to last year.

EBITDA excluding non-recurring items, earnings amounted to SEK 422 m (386), corresponding to an EBITDA margin of 15.2% (13.6). This was the 9th quarter of consecutive growth in operating earnings. The improved earnings compared to last year have been the result of a combination of positive effects from improved margins, positive currency effects and sales of emission rights, partly offset by lower volumes.

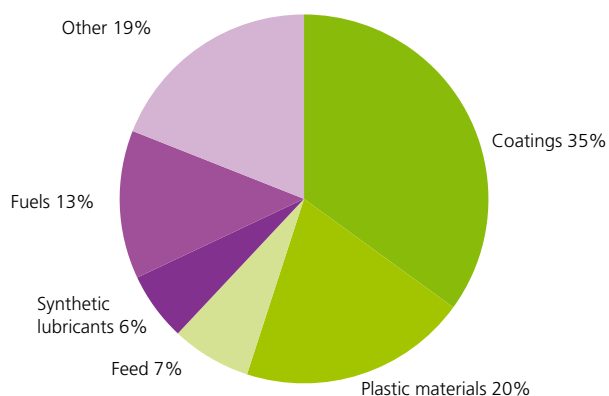
The depreciation of the Swedish krona positively affected results when comparing with last year. Currency effects on EBITDA amounts to approximately SEK 35 m during the third quarter relating to both translational and transactional effects from flows in USD and EUR. Non-recurring items included in the result in the third quarter 2015 amounted to SEK -2 m.

EBIT amounted to SEK 268 m (223) during the third quarter of 2015. Depreciation amounts to SEK 153 m compared to SEK 162 m for the corresponding period 2014. Depreciation was somewhat lower in the third quarter 2015 compared to the corresponding period 2014. This is mainly explained by the change in depreciation period of tangible asset, which to some extent was offset with the depreciations from the Valerox project.

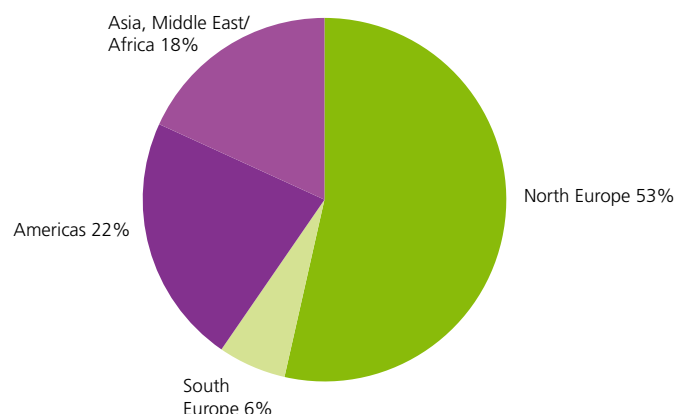
Net financial expenses, including exchange-rate effect and result from participations in associated companies amounted to SEK -537 m (-601) and earnings before tax amounted to SEK -269 m (-378).

Tax amounted to SEK 17 m in the third quarter of 2015 compared to SEK 6 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. Net result for the third quarter amounted to SEK -252 m (-372).

Net sales by market segments, last twelve months



Net sales by geography, last twelve months

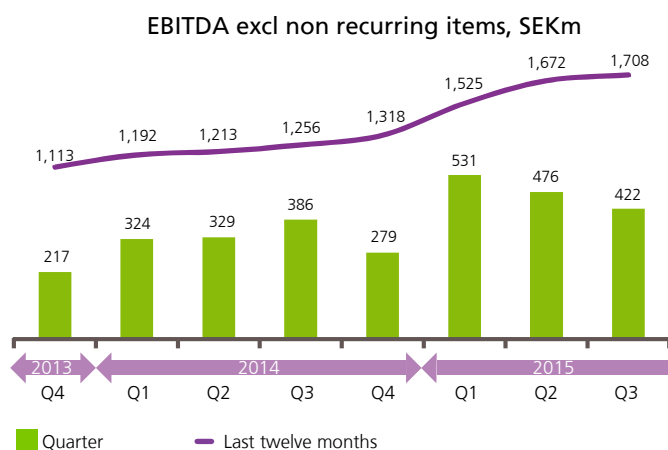
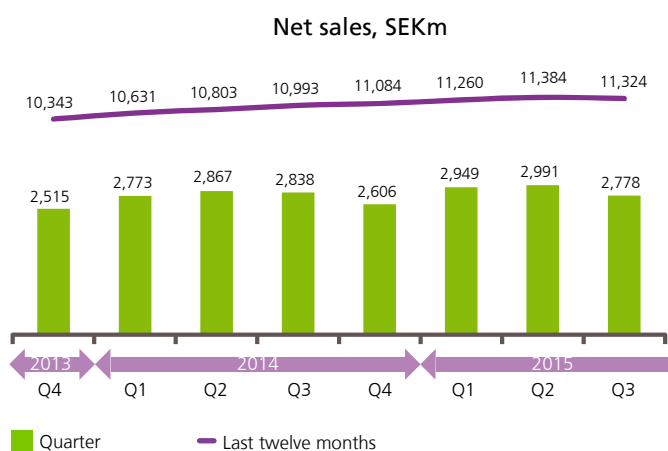


Financial overview

Net sales and earnings January-September 2015

Net sales amounted to SEK 8,718 m during the period January to September 2015, compared with SEK 8,478 m for the same period in 2014, an increase of 3%. Organic volume-based sales growth amounted to 1% for the period January to September compared to the same period last year. The organic volume-based sales growth has been negatively affected by both the production issue in the second quarter as well as the scheduled maintenance shutdown in Stenungsund in the third quarter. Adjusted for the scheduled maintenance shutdown the organic volume-based sales growth was about 4%.

Sales prices were 7% lower than last year, attributable to lower raw material prices, although the low raw material prices contributed positively to the strengthened unit margin. Dated Brent price was c. 48% lower during the first nine months 2015 than corresponding period last year, which has decreased prices of downstream derivatives like propylene, ethylene and benzene.



Both the USD and the EUR has strengthened versus the SEK since early 2014. Average rates for the first nine months 2015 were 26% and 4% higher respectively, compared to the same period last year. This has led to a positive effect on net sales of 10% compared to last year.

EBITDA excluding non-recurring items, earnings amounted to SEK 1,429 m (1,039), corresponding to an EBITDA margin of 16.4% (12.3). The improved earnings compared to last year have been the result of a combination of positive effects from improved margins and positive currency effects.

The depreciation of the SEK positively affected results when comparing with last year. Currency effects on EBITDA amounts to around SEK 195 m relating to both translational and transactional effects from flows in USD and EUR. Non-recurring items included in result for the first nine months of 2015 amounted to SEK -3 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.

EBIT amounted to SEK 905 m (501) for the nine months of 2015. Depreciation amounts to SEK 522 m compared to SEK 477 m for the corresponding period 2014. Depreciation increased compared to last year mainly explained by the depreciations of the Valerox project, and to some extent offset by the change in depreciation period of fixed assets during the third quarter.

Net financial expenses amounted to SEK 1,377 m compared to SEK 1,526 m for the corresponding period 2014 and earnings before tax amounted to SEK -472 m (-1,025).

Tax amounted to SEK 39 m in the nine months of 2015 compared to SEK 40 m in 2014. The tax consists mainly of reversal of deferred tax liabilities related to depreciation and amortization of tangible and intangible assets.

For the first nine months of 2015, the net loss amounted to SEK -433 m, compared to SEK -985 m last year.

Financial overview

Cash flow and financing July-September 2015

Free cash flow amounted to SEK 109 m (341) for the period July to September 2015. The decrease in cash flow compared to the same period last year can primarily be explained by change in working capital but also higher investments. The negative effect from working capital can primarily be explained by lower utilization of the long term trade receivables program.

Cash flow from investment activities amounted to SEK -188 m (-176) during the third quarter. The increase compared to last year reflects our scheduled maintenance shutdown in Stenungsund .

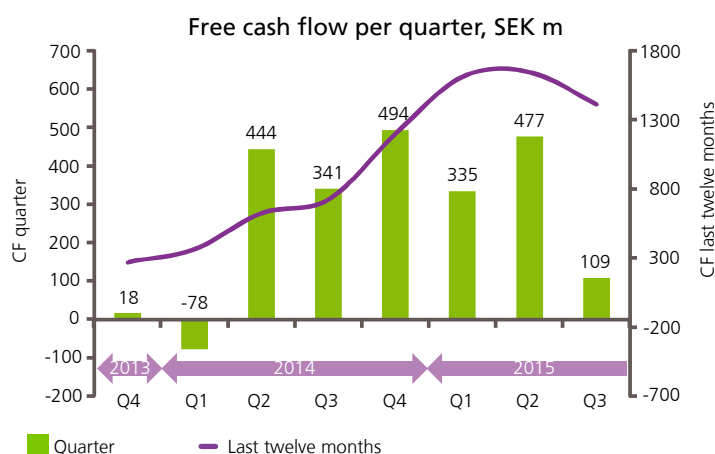
At the end of the third quarter 2015, around EUR 98 m (67) of the long-term trade receivables program was utilized compared to EUR 116 m (62) by the end of June 2015. The corresponding amount has reduced account receivables.

The Group's available funds, liquid funds and unutilized credit facilities, were SEK 1,066 m at the end of the period, compared with SEK 1,246 m at the end of Q2 2015 and SEK 949 m in the third quarter 2014.

Cash flow and financing January-September 2015

Free cash flow amounted to SEK 921 m (707) for the period January to September 2015. The improved cash flow compared to the same period last year can primarily be explained by higher earnings and lower strategic capex although offset by changes in working capital.

Cash flow from investment activities amounted to SEK -415 m (-596) for the first nine months of 2015. The decrease compared to last year primarily reflects our reduced spending rate connected to the Valerox project in Stenungsund.



Free cash flow analysis¹⁾

SEK m	Quarter 3		Quarter 1-3		Latest 12 months	Full year 2014
	2015	2014	2015	2014		
EBITDA excl non-recurring items	422	386	1,429	1,039	1,708	1,318
Change in Working Capital ²⁾	-125	131	-93	264	363	720
Maintenance Capex	-98	-70	-199	-180	-305	-286
Free Cash Flow before strategic capex	199	447	1,137	1,123	1,766	1,752
% of EBITDA excluding non-recurring items	47	116	80	108	103	133
Strategic Capex	-90	-106	-216	-416	-351	-551
Free Cash Flow	109	341	921	707	1,415	1,201
% of EBITDA excluding non-recurring items	26	88	64	68	83	91

¹⁾ For further details on total cash flow, please see page 18.

²⁾ Excluding exchange rate effects and provisions.

Financial overview

Working capital July-September 2015

Working capital increased by SEK 126 m (-108) during the third quarter 2015. Lower sales in the end of the quarter affected the utilization rate of the trade receivables program negatively. Adjusted for the trade receivables program, working capital decreased SEK -21 m (-28). Change in working capital excluding exchange-rate effects and provisions amounted to SEK 125 m during the third quarter of 2015.

Accounts receivable and other current assets decreased by SEK -71 m (-166) during the third quarter of 2015, following lower sales in September offset by lower utilization of the trade receivables program. Accounts payable and other current liabilities decreased SEK -182 m (-141) during the third quarter of 2015, primarily affected by lower purchases following the scheduled maintenance shutdown in Stenungsund. Inventory levels increased with SEK 16 m (-83) during the third quarter to SEK 1,255m (1,239).

Working capital January-September 2015

Working capital increased by SEK 131 m (-261) during the first nine months of 2015. Adjusted for the trade receivables program, working capital increased SEK 418 m (346). Change in working capital excluding exchange rate effects and provisions amounted to SEK 93 m during the first nine months of 2015.

Accounts receivable and other current assets decreased by SEK 248 m compared to December last year mainly due to higher utilization of the trade receivables program. Accounts payable and other current liabilities decreased SEK 329 m during the first nine months, primarily affected by the shutdown in Stenungsund and timing effects.

Inventory levels increased with SEK 50 m compared to December 2014. Working capital amounted to SEK 822 m at the end of September 2015 compared to SEK 1,118 m at the end of September 2014 and SEK 691 m at the end of December 2014.

Equity

At the end of September 2015, consolidated equity amounts to SEK -1,608 m (-174) excluding non-controlling interest and Consolidated equity, including non-controlling interest, amounts to SEK -1,542 (-117) m.

Assets and Liabilities			
SEK m	Sept 30, 2015	Sept 30, 2014	Dec 31, 2014
Working Capital			
Inventories	1,255	1,164	1,205
Accounts receivable	685	1,114	859
Other current assets	280	320	354
Accounts payable	649	716	912
Other current liabilities	750	764	816
Total Working capital	822	1,118	691
Capital employed			
Total assets	13,929	13,932	14,194
Deferred tax liability	867	895	908
Accounts payable	649	716	912
Other liabilities	1,362	1,277	1,456
Total capital employed	11,051	11,043	10,918
Other key figures			
Available funds	1,066	949	1,119
Net debt	11,737	10,401	10,970
Net debt excl. Parent company loan and pension liabilities	11,261	10,067	10,515

Events during the period

Change to the Board of Directors

As a result of the current transformation and to widen the knowledge and experience, Tore Bertilsson has been appointed new Chairman of the Board and Brendan Cummins as new Director of the Board. Both Mr. Bertilsson and Mr. Cummins have vast experience from executive management, corporate governance and board work. Former Chairman, Fabrice Fouletier, will continue to play an important role in the Board as a Director. Michael Paris, Carl Settergren and Bertrand Monier have resigned as member of the Board of Directors but will continue as board observers. Jan Secher, Karin Markides, Claes Gard and Ragnar Hellenius will continue as board members. Joakim Hansson has been appointed new employee representative in the Board of Directors, replacing Ronny Nilsson.

Perstorp strengthens the position in Asia by acquiring Koei's Penta business

In July, Perstorp announced the acquisition of 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 the customers in the Japanese market. For Perstorp, this is an important part of an ambitious plan to strengthen the position in the Asian Market and to add a platform for investment in order to expand the Penta business long term.

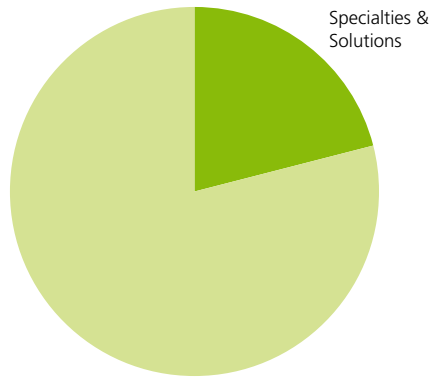


ProSid™ MI 700 provides maximum protection for stored grains.

Specialties & Solutions

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

Share of Group net sales



July-September 2015

During the third quarter 2015, Business Area Specialties & Solutions net sales amounted to SEK 602 m, which was 4% lower than the corresponding period of 2014. Net sales were impacted by positive FX-effects, 6%, offset by an organic volume-based sales growth of -7%, and lower sales prices, -3%, due to lower raw material prices. The weaker volumes were primarily attributable to certain Capa accounts, mainly within the shoe- and UV-segment.

Specialties & Solutions EBITDA in the third quarter 2015 improved to SEK 142 m (118), corresponding to an EBITDA margin of 23.6% (18.8). The underlying improvement compared with last year was a result of stronger unit margins due to successful margin management when raw material prices declined and a favorable currency development.

January-September 2015

During the period January to September of 2015, Specialties & Solutions net sales amounted to SEK 1,848 m, which was 3% higher than the corresponding period of 2014. Net sales were impacted by positive FX-effects, 9%, partly offset by an organic volume-based sales growth of -4% and lower sales prices due to decrease in raw material prices, -2%.

Specialties & Solutions EBITDA in the first nine months of 2015 improved to SEK 439 m (323), corresponding to an EBITDA margin of 23.8% (18.0). The underlying improvement compared with the first nine months of 2014 was a result of stronger unit margins due to successful margin management when raw material prices declined and positive FX-effects.

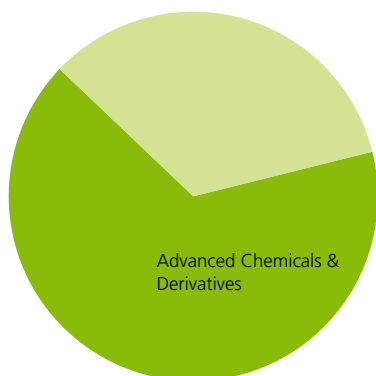


**Charmor™ in
intumescent paint
protects people and
property in case of fire**

Advanced Chemicals & Derivatives

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

Share of Group net sales



July-September 2015

During the third quarter 2015, Business Area Advanced Chemicals & Derivatives net sales amounted to SEK 1,840 m, which was 2% lower than the same period of 2014. Net sales were positively impacted by a weaker Swedish krona 8%, but a negative organic volume-based sales growth, -1%, and lower sales prices, -10%, due to decrease in raw material prices. The negative organic growth was primarily attributable to the scheduled maintenance shutdown in Stenungsund in September.

Advanced Chemicals & Derivatives EBITDA in the third quarter improved to SEK 317 m (252), corresponding to an EBITDA margin of 17.3% (13.4). The underlying improvement compared with the third quarter last year was stronger unit margins, favorable currency development and sales of emissions rights. The lower raw materials costs, primarily propylene and ethylene, contributed positively to the strengthened unit margins.

January-September 2015

During the period January to September of 2015, Advanced Chemicals & Derivatives net sales amounted to SEK 5,790 m, which was 3% higher than the same period of 2014. Net sales were positively impacted by an organic volume-based sales growth of 3% and positive FX-effects, 11%, which was offset by lower sales prices, -11%, due to decrease in raw material prices.

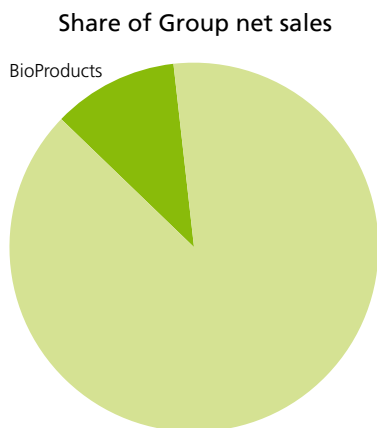
Advanced Chemicals & Derivatives EBITDA in the first nine months of 2015 improved to SEK 1,008 m (684), corresponding to an EBITDA margin of 17.4% (12.2). The underlying improvement compared with the first nine months of 2014 was a result of stronger unit margins and and positive FX-effects partly due to lower raw material prices.

2-PH is an important ingredient in surfactants used in both home care applications and industrial settings



BioProducts

BioProducts consists of the business unit BioProducts.



July-September 2015

During the third quarter 2015, Business Area BioProducts net sales amounted to SEK 286 m, which was 1% higher than the corresponding period of 2014. Higher sales prices of 4% and positive FX-effects, 2%, were offset by an organic volume-based sales growth of -5%. The lower volumes were a result of the volume shortage related to the scheduled shutdown in September 2015, whereas the higher prices were mainly driven by the higher rape seed oil index in the quarter compared to same period of last year.

BioProducts EBITDA in the third quarter 2015 amounted to SEK 1 m (19), corresponding to an EBITDA-margin of 0.3% (7). The significant deterioration compared with the third quarter last year was mainly a result of weaker unit margins and certain non-recurring costs as a result of the scheduled maintenance shutdown.

January-September 2015

During the period January to September of 2015, BioProducts net sales amounted to SEK 914 m, which was 1% higher than the corresponding period of 2014. Net sales was positively affected by an organic volume-based sales growth of 1% and positive FX-effects, 4%, partly offset by lower sales prices, -3%.

BioProducts EBITDA in the first nine months of 2015 ended at SEK 19 m (53), corresponding to an EBITDA margin of 2% (6). The deterioration compared with the first nine months of 2014 was a mainly a result of weaker unit margins together with shutdown related costs in September 2015.

Verdis Polaris™ Aura reduces carbon dioxide emissions with over 60%



Segment information

Segment data						
	Quarter 3		Quarter 1-3		Latest 12 months	Full year 2014
	2015	2014	2015	2014		
Net sales						
Specialties & Solutions	602	627	1,848	1,799	2,387	2,338
Advanced Chemicals & Derivatives ²⁾	1,840	1,886	5,790	5,599	7,528	7,337
BioProducts ²⁾	286	282	914	902	1,209	1,197
<i>Internal sales</i>						
Specialties & Solutions	-1	-1	-1	-3	-3	-5
Advanced Chemicals & Derivatives	-10	-10	-38	-37	-48	-47
Other/eliminations	61	54	205	218	251	264
Total Group ¹⁾	2,778	2,838	8,718	8,478	11,324	11,084
EBITDA						
Specialties & Solutions	142	118	439	323	517	401
Advanced Chemicals & Derivatives ²⁾	317	252	1,008	684	1,223	899
BioProducts ²⁾	1	19	19	53	26	60
Other/eliminations	-40	-4	-40	-82	-49	-91
Total Group	420	385	1,426	978	1,717	1,269
EBITDA excluding non-recurring items						
Specialties & Solutions	142	118	439	322	518	401
Advanced Chemicals & Derivatives ²⁾	317	253	1,008	686	1,223	901
BioProducts ²⁾	1	19	19	53	26	60
Other/eliminations	-38	-4	-37	-22	-59	-44
Total Group	422	386	1,429	1,039	1,708	1,318

¹⁾ The Group is domiciled in Sweden. The result of its net sales from external customers in Sweden is 15% (15%), and the total of net sales from external customers from other countries is 85% (85%). No sales above 10% derived from a single external customer.

²⁾ Restated according to new segment structure.

Valeric Acid is used in esters for high quality synthetic lubricants



Consolidated income statement

Income statement						
SEK m	Quarter 3		Quarter 1-3		Latest	Full year
	2015	2014	2015	2014	12 months	2014
Net sales	2,778	2,838	8,718	8,478	11,324	11,084
Cost of goods sold	-2,332	-2,475	-7,267	-7,452	-9,606	-9,791
Gross earnings	446	363	1,451	1,026	1,718	1,293
Selling, administration and R&D costs	-198	-175	-600	-541	-782	-723
Other operating income and expenses ¹⁾	18	33	48	10	94	56
Write-down of assets	0	0	0	0	0	0
Result from participations in associated companies	2	2	6	6	7	7
Operating earnings (EBIT)	268	223	905	501	1,037	663
Exchange-rate effects on net debt	-171	-225	-210	-420	-625	-835
Other financial income and expenses	-366	-359	-1,167	-992	-1,591	-1,416
Result from participations in associated companies	0	-17	0	-114	-28	-142
Earnings/loss before tax	-269	-378	-472	-1,025	-1,207	-1,760
Tax	17	6 ²⁾	39	40 ²⁾	-27	-26
Net earnings/loss	-252	-372	-433	-985	-1,234	-1,786
Earnings/loss per share, SEK	-2,513	-3,719	-4,326	-9,851	-12,334	-17,859

Operating earnings before depreciation (EBITDA)	420	385	1,426	978	1,717	1,269
EBITDA excl. non-recurring items	422	386	1,429	1,039	1,708	1,318

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

²⁾ Deferred tax assets relating to tax losses carry forward have been adjusted by SEK 141 m as of September 30, 2014. This write-down was performed during Q4 2014, but should have been done already as of September 30, 2014.

Comprehensive income report						
SEK m	Quarter 3		Quarter 1-3		Latest	Full year
	2015	2014	2015	2014	12 months	2014
Net result for the period	-252	-372	-433	-985	-1,234	-1,786
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Remeasurements of defined benefit plan	0	0	-16	0	-109	-93
<i>Items that may be subsequently reclassified to profit or loss</i>						
Currency translation effect	-26	-21	-48	13	-89	-28
Market valuation of currency hedge	-4	-	0	-	0	-
Market valuation of forward contracts	2	2	5	5	7	7
Other comprehensive income net after tax	-28	-19	-59	18	-191	-114
Total comprehensive income	-280	-391	-492	-967	-1,425	-1,900
Attributable to:						
Parent company's shareholder	-281	-397	-496	-978	-1,434	-1,916
Non controlling interest	1	6	4	11	9	16

Consolidated Balance sheet

Balance sheet			
SEK m	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
Tangible fixed assets	4,904	4,743	4,903
Intangible fixed assets	5,040	4,928	4,997
Participation in associated companies	60	57	56
Other non-current assets	777	707 ¹⁾	736
Inventories	1,255	1,164	1,205
Other current assets	1,013	1,522	1,278
Cash & cash equivalents, incl. short-term investments	880	811	1,019
Total assets	13,929	13,932	14,194
Total equity	-1,542	-117	-1,050
Loan from parent company	5	3	4
Pension liability, others	471	331	451
Other non-current liabilities	13,006	11,699	12,368
Current liabilities	1,989	2,016	2,421
Total equity & liabilities	13,929	13,932	14,194
Working capital	822	1,118	691
Net debt	11,737	10,401	10,970
Net debt excl. parent company loan and pension liabilities	11,261	10,067	10,515
Capital employed	11,051	11,043	10,918
Number of full-time employees, end of period	1,477	1,458	1,455

¹⁾ Deferred tax assets relating to tax losses carry forward have been adjusted by SEK 141 m as of September 30, 2014. This write-down was performed during Q4 2014, but should have been done already as of September 30, 2014.

Shoes with Capa™ elastomers
keep their shape and
functionality longer



Consolidated statement of changes in Equity

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	-496	4	-492
Closing balance, September 30, 2015	-1,608	66	-1,542

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	-978	11	-967
Shareholders contribution	633	-	633
Closing balance, September 30, 2014	-174	57	-117



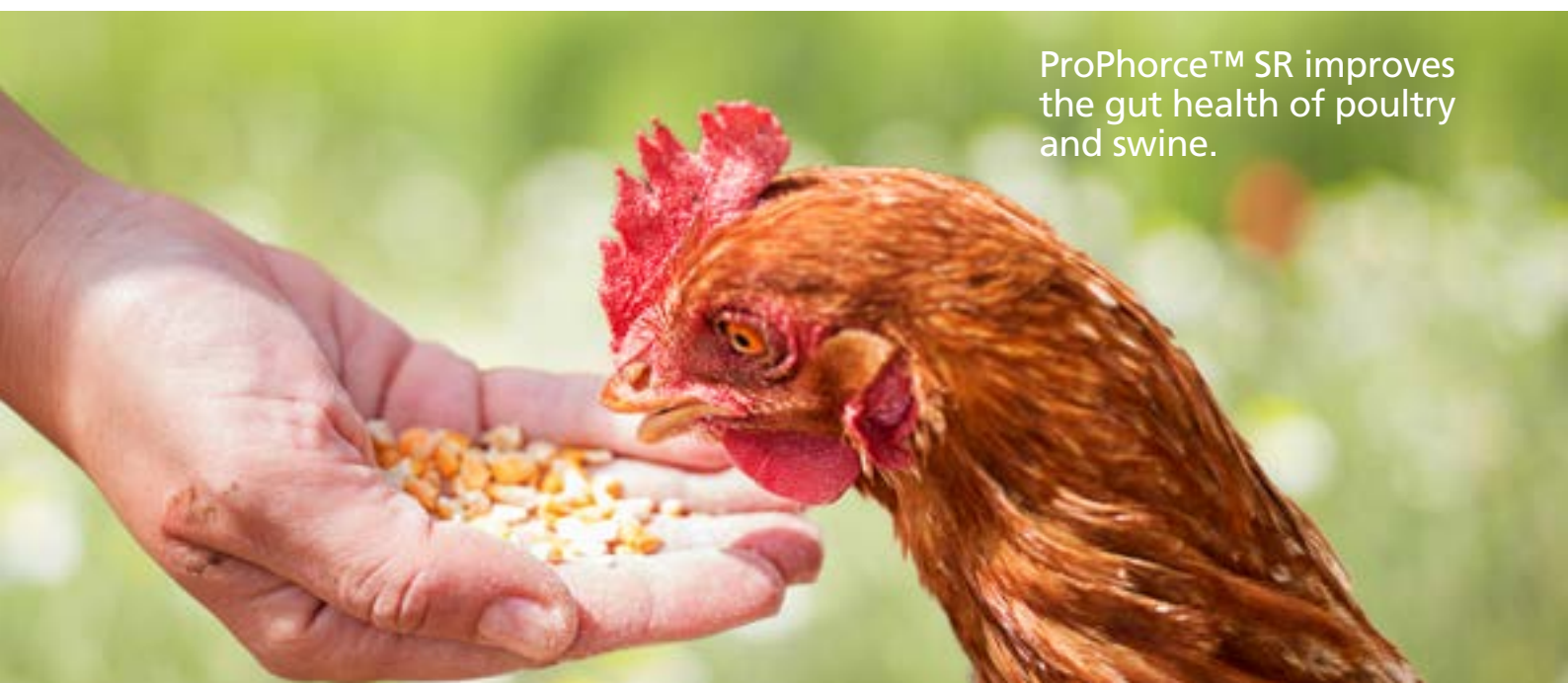
Penta gives alkyds improved drying abilities as well as very good durability, water and thermal resistance

Consolidated Cash flow statement

Cash Flow analysis, Consolidated Group						
SEK m	Quarter 3		Quarter 1-3		Latest	Full year
	2015	2014	2015	2014	12 months	2014
<i>Operating activities</i>						
Operating earnings	268	223	905	501	1,037	633
Adjustments:						
Depreciation and write-down	153	162	522	477	681	636
Other	-2	8	-54	3	-62	-5
Interest received	1	2	4	6	5	7
Interest paid	-291	-281	-928	-750	-1,209	-1,031
Income tax paid	-4	5	-25	17	-25	17
Cash flow from operating activities before change in working capital	125	119	424	254	427	257
<i>Changes in working capital</i>						
Increase (-) Decrease (+) in inventories	-12	103	-32	111	-50	93
Increase (-) Decrease (+) in current receivables ¹⁾	72	184	262	246	509	493
Increase (+) Decrease (-) in current liabilities	-185	-156	-323	-93	-96	134
Cash flow from operating activities	0	250	331	518	790	977
<i>Investing activities</i>						
Acquisition of shares in associated companies	-	-27	-	-27	-	-27
Investments in other participations	-28	-	-61	-	-61	-
Acquisition of tangible and intangible fixed assets ²⁾	-188	-176	-415	-596	-656	-837
Sale of tangible and intangible fixed assets	-	-	-	24	0	24
Sale of shares in non-controlling interests	-	-	17	-	17	-
Change in financial assets, external	-	4	-	5	-9	-4
Cash flow from investing activities	-216	-199	-459	-594	-709	-844
<i>Financing activities</i>						
Change in credit utilization	-1	-17	-13	-26	-19	-32
Cash flow from financing activities	-1	-17	-13	-26	-19	-32
Change in liquid funds, incl. short-term investments	-217	34	-141	-102	62	101
Liquid fund opening balance, incl. short-term investments	1,100	775	1,019	905	811	905
Translation difference in liquid funds	-3	2	2	8	7	13
Liquid funds, end of period	880	811	880	811	880	1,019

¹⁾ Including trade receivable financing program.

²⁾ Whereof paid interest.



ProPhorce™ SR improves the gut health of poultry and swine.

Parent company

Perstorp Holding AB (publ.) is wholly owned by Financière Forêt S.á.r.l and is the parent company of the Perstorp Holding Group. Perstorp Holding AB (publ.) had no external sales. Operating loss for the nine month amounted to SEK -90 m compared to an operating loss of SEK -92 m for the same period in 2014. The earnings before taxes amounted to SEK 257 m compared to a loss before taxes of SEK -1,095 m for the same period in 2014, including

dividend from shares in subsidiaries of SEK 450 m (0) and reversal of write-down of shares in subsidiaries of SEK 768 m. Shareholder equity as at September 30, 2015 amounted to SEK 1,219 m compared to SEK 536 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.

Income statement						
SEK m	Quarter 3		Quarter 1-3		Latest 12 months	Full year 2014
	2015	2014	2015	2014		
Net sales	10	6	42	40	51	49
Cost of goods sold	0	0	0	0	0	0
Gross earnings	10	6	42	40	51	49
Sales, marketing and admin costs	-34	-28	-116	-107	-153	-144
Other operating income and expenses	-14	2	-16	-25	-23	-32
Operating earnings (EBIT)	-38	-20	-90	-92	-125	-127
Financial income and expenses	385 ¹⁾	-388	347 ²⁾	-1,003	-403	-1,753
Earnings/loss before tax	347	-408	257	-1,095	-528	-1,880
Appropriations	0	0	0	0	1,210	1,210
Tax	0	0	0	0	1	1
Net earnings/loss ³⁾	347	-408	257	-1,095	683	-669

¹⁾ Including reversal of write-down SEK 768 m.

²⁾ Including reversal of write-down SEK 768 m and dividend from shares in subsidiaries of SEK 450 m.

³⁾ Comprehensive income equals Net earnings/loss for the year.

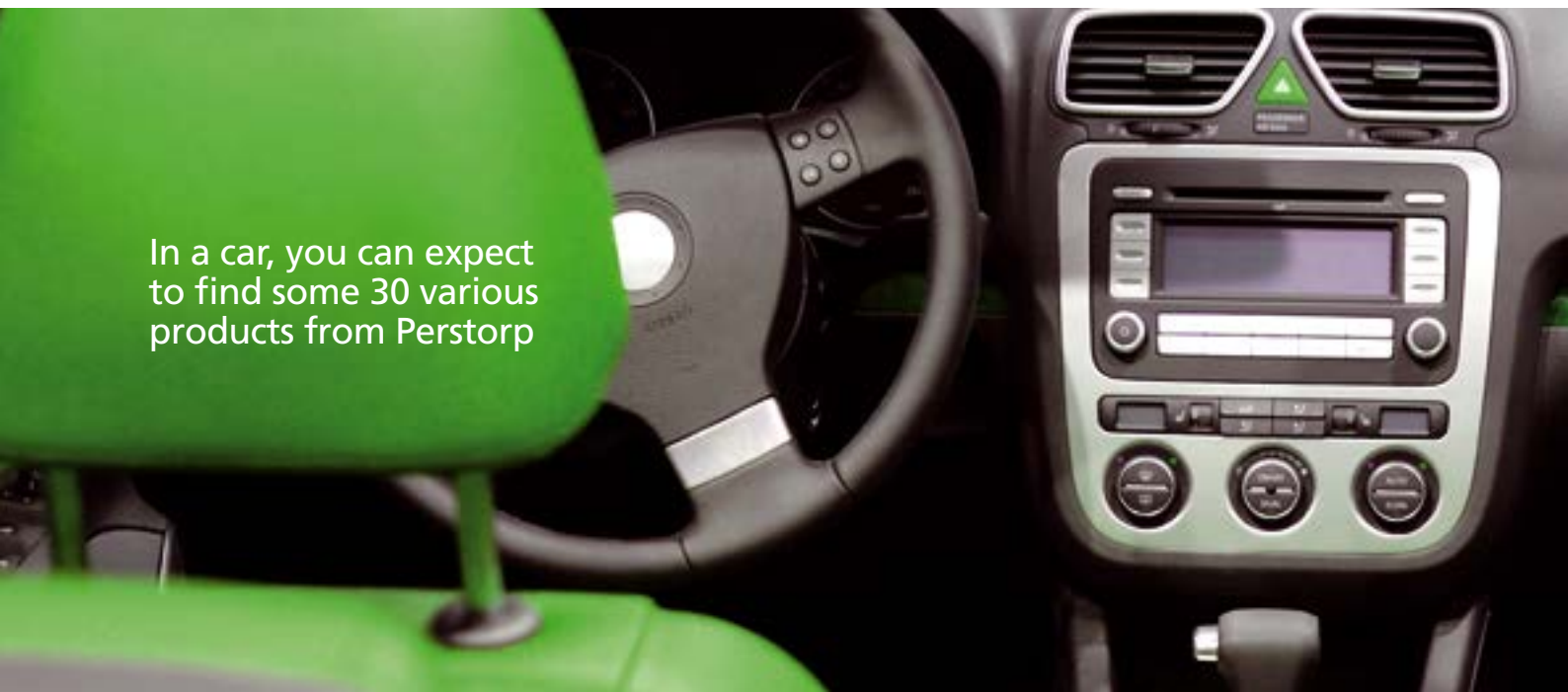
Balance sheet			
SEK m	Sept 30, 2015	Sept 30, 2014	Dec 31, 2014
Tangible fixed assets	5	6	6
Intangible fixed assets	5	5	5
Participation in associated companies	-	482	-
Shares in group companies	7,715	6,947	6,947
Long term receivables, group	5,508	5,507	5,315
Other non-current assets	505	78	444
Other current assets	256	268	1,310
Cash & cash equivalents	115	176	179
Total assets	14,109	13,019	14,206
Total equity	1,219	536	962
Loan from parent company	5	3	4
Other non-current liabilities	12,035	10,729	11,385
Current liabilities	850	1,751	1,855
Total equity & liabilities	14,109	13,019	14,206

Key figures and FX-rates

Key figures								
SEK m	2015			2014				2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Sales	2,778	2,991	2,949	2,606	2,838	2,867	2,773	2,515
Organic Growth,%	-3	2	3	0	5	5	13	19
Marginal contribution	851	946	920	692	755	727	723	614
EBITDA excluding non-recurring items	422	476	531	279	386	329	324	217
% of net sales	15.2	15.9	18.0	10.7	13.6	11.5	11.7	8.6
Adjusted EBIT	329	332	400	162	276	217	212	98
% of net sales	11.9	11.1	13.6	6.2	9.7	7.6	7.6	3.9
Net earnings/loss	-252	109	-290	-801	-372	-411	-202	-1,031
Earnings, per share, diluted, SEK	-2,513	1,087	-2,900	-8,008	-3,719	-4,115	-2,016	-10,270
Adjusted ROCE	19.5	18.5	16.1	13.5	11.9	10.8	10.2	9.9
Cash conversion, % of EBITDA excluding non-recurring items	26	100	63	177	88	135	-24	8
Net debt excluding pension liabilities and shareholder loans.	11,261	10,798	11,250	10,515	10,067	9,747	9,636	9,092
Net debt/EBITDA ¹⁾	6,8	6,7	7,7	8,6	8,8	8,9	8,8	9,2
Net debt/EBITDA ¹⁾ excluding pension liabilities and shareholder loans.	6,6	6,4	7,4	8,3	8,5	8,6	8,6	8,3

¹⁾ EBITDA reflects the latest twelve months.

Currency rates								
Closing rate								
USD	8.39	8.24	8.62	7.81	7.24	6.74	6.51	6.51
EUR	9.41	9.22	9.29	9.52	9.18	9.20	8.95	8.94
GBP	12.70	12.95	12.74	12.14	11.77	11.47	10.83	10.73
Average rate								
USD	8.48	8.42	8.34	7.41	6.95	6.60	6.46	6.51
EUR	9.43	9.30	9.38	9.26	9.21	9.05	8.86	8.85
GBP	13.15	12.89	12.62	11.74	11.60	11.10	10.70	10.53



In a car, you can expect to find some 30 various products from Perstorp

Notes

The consolidated financial statements for Perstorp Holding AB have been prepared in accordance with IAS 34, Interim Financial Reporting, and the applicable regulations of the Swedish Annual Accounts Act. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting. 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.

1. 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 Oxymer™ HD range helps to create paints that can withstand the toughest weather conditions



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 12 and 13.

During the second quarter 2014, Perstorp implemented an off-balance, non-recourse, long-term trade receivables 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 the third quarter a review of the period that tangible fixed assets are depreciated over has been performed to better reflect the useful life of tangible fixed assets and also to adjust to the industry that Perstorp is active in. The updated useful life is affected from the 1st of July 2015.

During the end of the third quarter an impairment test was performed based on estimates of future cash flow, in accordance with the strategic five-year plans that have been approved by Board of Directors. Cash flows beyond this five-year period are extrapolated using an estimated growth rate of 2% (2). The discount interest rate amounts to 11% (11%) after tax. No impairment has been identified for the cash-generating units. In the Parent company, Perstorp Holding AB, the impairment test resulted in an reversal of write-down of shares in subsidiaries in Perstorp Holding AB amounting to SEK 768 m.

Notes

2. Definitions non IFRS measures

”**Marginal contribution**” is calculated as the difference between net sales and the variable elements of the Group’s cost of goods sold, being variable production and distribution cost, freight and commission costs.

”**EBITDA**” represents the Group’s operating earnings (or loss) (EBIT) before depreciation and amortization.

”**EBITDA (adjusted for non-recurring items)**” represents reported EBITDA as adjusted to exclude restructuring costs, capital gains/losses on divestment of companies and disposal of fixed assets and other non-recurring income and cost.

”**EBITDA margin (adjusted for non-recurring items)**” is calculated as EBITDA (adjusted for non-recurring items) divided by net sales.

”**EBIT**” is calculated as the Group’s reported operating earnings (loss).

”**Adjusted EBIT**” represents reported EBIT adjusted for non-recurring items, amortization and depreciation and impairment of assets related to PAI’s acquisition of Perstorp.

”**Free cash flow**” is calculated as EBITDA (excluding non-recurring items) less change in working capital excluding exchange rate effects and provisions and investments.

”**Cash conversion**” is calculated as free cash flow divided by EBITDA (adjusted for non-recurring items).

”**Adjusted capital employed**” is calculated as reported capital employed adjusted for net assets related to PAI’s acquisition of Perstorp and assets related to the Valerox Facilities.

”**Adjusted return on capital employed**” (“**ROCE**”) is calculated as Adjusted EBIT divided by average adjusted capital employed, adjusted for assets and liabilities related to PAI’s acquisition of Perstorp.

”**Organic volume-based sales growth**” is defined as change in organic production volume sold (i.e., sold production volume times product price) between successive periods assuming a constant price over the relevant period and excluding foreign exchange effects and the impact of acquisitions.

3. Acquisitions 2015

During the third quarter Perstorp, acquired the Penta, Di-Penta and sodium formate businesses, related technology and certain

assets from Koei Chemical Company Ltd., a Japanese chemicals producer. The transaction is fully in line with the companies’ strategies going forward and adds a platform for investment in order to long term expand the Penta business. The assets arising from the acquisition is attributable to non-separable client relationships and synergies in the Asian market.

In order to meet the rapid development in the biofuel market and to be able to grow the business, Perstorp acquired a biodiesel plant in Fredrikstad, Norway. The demand for biofuels has increased in order to meet the global climate challenges and with the new facility, Perstorp can almost double the current production capacity. The plant in Fredrikstad produces biodiesel from rapeseed oil just like Perstorp’s current biofuel plant in Stenungsund, Sweden and the ambition is to be up and running at the end of 2015.

4. Divested units 2015

During the second quarter Perstorp sold 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.

5. Transactions with related parties

The net amount borrowed from the Luxembourg-based parent company Financière Forêt S.à.r.l. amounted to SEK 5 (3) million.

6. Risk and uncertainty

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

7. Financial instruments

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.

Notes

8. 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.

The scheduled maintenance shutdown in Stenungsund was slightly behind plan and the start-up was further delayed due to a force majeure at our supplier Borealis. The full impact of the scheduled maintenance shutdown including delays are estimated to around SEK 115 - 125 m for the second half 2015.

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

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, 4 November 2015



Jan Secher, President and CEO

9. Segment data

	2015			2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales							
Specialties & Solutions	602	620	626	539	627	611	561
Advanced Chemicals & Derivatives	1,840	1,986	1,964	1,738	1,886	1,890	1,823
BioProducts	286	315	313	295	282	305	315
<i>Internal sales</i>							
Specialties & Solutions	-1	0	0	-2	-1	-1	-1
Advanced Chemicals & Derivatives	-10	-14	-14	-10	-10	-14	-13
Other/eliminations	61	84	60	46	54	76	88
Total Group	2,778	2,991	2,949	2,606	2,838	2,867	2,773
EBITDA							
Specialties & Solutions	142	143	154	78	118	118	87
Advanced Chemicals & Derivatives	317	314	377	215	252	207	227
BioProducts	1	5	13	7	19	20	14
Other/eliminations	-40	19	-19	-9	-4	-26	-52
Total Group	420	481	525	291	385	317	276
EBITDA excluding non-recurring items							
Specialties & Solutions	142	143	154	79	118	117	87
Advanced Chemicals & Derivatives	317	314	377	215	253	206	227
BioProducts	1	5	13	7	19	20	14
Other/eliminations	-38	14	-13	-22	-4	-14	-4
Total Group	422	476	531	279	386	329	324
Depreciation, Amortization and write-down	-152	-191	-178	-159	-162	-157	-158
Operating earnings (EBIT)	268	290	347	132	223	160	118
Financial income and expenses	-537	-176	-664	-867	-601	-584	-341
Earnings/loss before tax	-269	114	-317	-735	-378	-424	-223
Tax	17	-5	27	-66	6	13	21
Net earnings/loss	-252	109	-290	-801	-372	-411	-202



Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information of Perstorp Holding AB as of 30 September 2015 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 4 November 2015

PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant
Auditor in charge

Mats Åkerlund
Authorized Public Accountant



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 a 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 automotive, construction, agriculture, packaging, transportation and consumer goods.

Our unique integrated production platforms are 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