



Perstorp Holding AB (Publ.)

Interim report 1 January - 31 March 2016

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Interim report 1 January - 31 March 2016

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

January 1 – March 31, 2016

- ➔ Net sales decreased 11% to SEK 2,616 m (2,949). The lower price on many of our key raw materials pushed down the general sales price for several of our businesses. Despite lower sales prices, unit margins have remained relatively stable for the main part of our businesses.
- ➔ Organic volume-based sales growth was flat year-on-year. Stronger volumes in our specialty area was offset by lower volumes in especially our BioProducts business.
- ➔ EBITDA excluding non-recurring items amounted to SEK 457 m in the first quarter compared to SEK 531 m in the corresponding period last year. EBITDA-margin excluding non-recurring items was 17.5% (18.0). The decrease in earnings can primarily be assignable to less favorable FX-rates amounting to SEK 65 m.
- ➔ Free cash flow improved compared to preceding quarters and matched the first quarter last year.
- ➔ Our sales of Emoltene™ 100 improved and reached the highest level for an individual quarter.

Key figures in summary

| SEK m unless otherwise stated | Quarter 1 | | Latest 12 months | Full year 2015 |
|--|-----------|-------|---------------------|-------------------|
| | 2016 | 2015 | | |
| Net sales | 2,616 | 2,949 | 10,816 | 11,149 |
| EBITDA | 443 | 525 | 1,571 | 1,653 |
| % of net sales | 16.9 | 17.8 | 14.5 | 14.8 |
| EBITDA excluding non-recurring items ¹⁾ | 457 | 531 | 1,593 | 1,667 |
| % of net sales | 17.5 | 18.0 | 14.7 | 15.0 |
| Operating earnings (EBIT) | 297 | 347 | 921 | 971 |
| % of net sales | 11.4 | 11.8 | 8.5 | 8.7 |
| Net earnings/loss | -79 | -290 | -449 | -660 |
| Free cash flow ²⁾ | 319 | 333 | 1,113 | 1,127 |

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

²⁾ Free cash flow is calculated as EBITDA excluding non-recurring items less change in working capital, excluding exchange rate effects, provisions and investments.

Pevalen™ is a true non-phthalate plasticizer for uncompromising performance





President's Comments

"Margins holding steady in a dynamic market sentiment"

Strong performance for our specialty businesses

Overall, underlying demand was stable in our major markets. From a regional point of view, the Americas and particularly Brazil weighed us down a bit during the quarter. Europe also had a slightly lower volume development, mainly due to BioDiesel and Oxo-alcohols products. However, APAC had an extremely strong first quarter, with a 25% volume increase.

Specialties & Solutions has developed very well and saw clear improvement over last year. According to plan, we successfully grew volumes in some of our key specialty products, setting an all-time sales record for Capa™ in March.

Within Advanced Chemicals & Derivatives, our Penta and TMP businesses developed well, whereas our Oxo-alcohols, NEO and Formates faced challenges during the quarter.

In summary our start was a bit slower compared to 2015's stellar first quarter, with less favorable exchange rates and raw material pricing.

Financial progress

We've been able to defend our overall margin position. The decrease in raw material prices have caused changed market dynamics for some of our product lines and have put a downward price pressure from our customers. Our marginal contribution has increased from 31% in the first quarter last year to 35% this year, mainly as a consequence of a generally lower price level.

We ended the first quarter 2016 with a result of EBITDA SEK 457 million compared to 531 in Q1 2015 – the major difference being less favorable foreign exchange rates.

Valerox gaining momentum

With last year's maintenance shutdown completed, we see progressively improved traction for sales volumes of our Valerox related product, Emoltene™ 100. We're also well on our way in getting our other new products, Valeric acid and 2PH, approved with customers.

With our second Valeraldehyde reactor up and running we are confident we'll achieve our targeted productivity and cost situation.

Outlook

We expect demand to continue to be stable for our main product lines in the second quarter of 2016. At the same time, we are experiencing a competitive market sentiment mainly for our Oxo alcohols and we have a number of minor scheduled maintenance shutdowns during the second quarter.

From 'Good to GREAT' to 'Leading Change'

We know strength lies not simply in individual achievements, but in the sum of all our parts and ability to collaborate. During the last two years, we have made great progress with our organizational transformation in focusing on achieving excellence in each of the individual functions. We now step into a new phase of fine-tuning the interfaces between functions and get the best yield out of our improvements, from operations to supply chain to marketing to innovation to support functions.

It's an exciting time for all of us, and I look forward to highlighting the continuous progress all our Perstorp people will make possible during the coming year.

Malmö, April 2016

Jan Secher
President and CEO

Financial overview

Net sales and earnings January-March 2016

Net sales amounted to SEK 2,616 m during the period January to March 2016, a decrease of SEK 333 m or 11%. Volumes decreased 1% compared to last year following less favorable market conditions for some of our product lines. Organic volume-based sales growth was flat in the first quarter. Sales prices were 11% lower than last year, primarily attributable to the lower raw material prices, but to some extent also a more competitive market sentiment for some product lines. Average Dated Brent oil price in the first quarter decreased by c. 20% vs. the last quarter in 2015 and was c. 40% lower than corresponding period last year. The lower price on Dated Brent oil has also impacted pricing on downstream derivatives like propylene, ethylene and benzene.

FX-markets were volatile during the first quarter. Especially the USD depreciated during the end of the quarter after appreciating earlier in the quarter. The Euro gained strength vs. both the USD and the SEK during the quarter. Average rates were however not far from Q1 2015, which resulted in very limited FX-effects on sales.

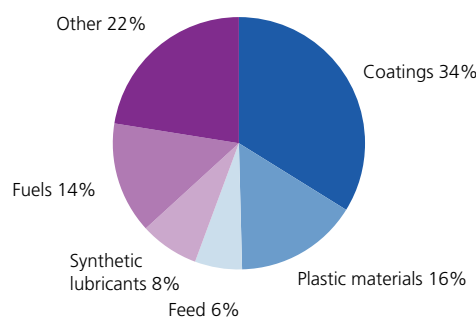
EBITDA excluding non-recurring items, earnings amounted to SEK 457 m (531), corresponding to an EBITDA margin of 17.5% (18.0). Earnings improved substantially vs. the last quarter 2015 but were 74 m below the corresponding period last year. The decrease in earnings of SEK 74 m was primarily attributable to negative FX revaluation effects of net receivables, -65 m, year-on-year. Especially the USD weakened vs. the SEK during the latter part of the quarter.

EBIT amounted to SEK 297 m (347) during the period. Depreciation amounted to SEK 146 m compared to SEK 178 m for the corresponding period 2015. The decrease in depreciation can primarily be attributable to the change in depreciation period of tangible assets, this change was implemented during Q3 2015.

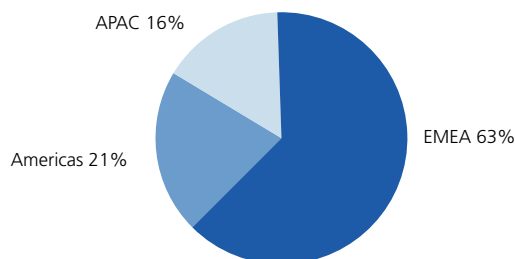
Net financial expenses, including exchange rate effects on net debt, decreased from SEK -664 m in Q1 2015 to SEK -367 m in Q1 2016, primarily due to more favorable FX-effects on net debt.

Tax amounted to SEK -9 m (27) in the first quarter of 2016 and net result amounted to SEK -79 m (-290).

Net sales by market segments, last twelve months



Net sales by geography, last twelve months



| Income statement | | |
|-------------------------------------|--------------|--------------|
| SEK m | Quarter 1 | |
| | 2016 | 2015 |
| Net sales | 2,616 | 2,949 |
| Cost of goods sold | -2,090 | -2,448 |
| Gross earnings | 526 | 501 |
| Operating earnings (EBIT) | 297 | 347 |
| Exchange-rate effects on net debt | 13 | -263 |
| Other financial income and expenses | -380 | -401 |
| Earnings/loss before tax | -70 | -317 |
| Tax | -9 | 27 |
| Net earnings/loss | -79 | -290 |

| | | |
|---|------------|------------|
| EBITDA | 443 | 525 |
| EBITDA excl. non-recurring items | 457 | 531 |

Financial overview

Free cash flow January-March 2016

Free cash flow amounted to SEK 319 m (333) for the period. The decrease in earnings was to a large extent offset by less build-up of working capital and slightly lower investments. Working capital was positively affected by higher payables, partly offset by higher inventory. Cash flow from investment activities amounted to SEK -99 m (-105) during the first quarter. Strategic investments reflected the finalization of the expanded capacity in Stenungsund as well as smaller debottleneck projects in other platforms.

At the end of the first quarter 2016, around EUR 101 m (105) of the long-term trade receivables program was utilized compared to EUR 89 m by the end of December 2015. The corresponding amount has reduced account receivables.

| Free cash flow analysis ¹⁾ | | | | |
|--|------------|------------|--------------|--------------|
| SEK m unless otherwise stated | Quarter 1 | | Latest | Full year |
| | 2016 | 2015 | 12 months | 2015 |
| EBITDA excl non-recurring items | 457 | 531 | 1,593 | 1,667 |
| Change in Working Capital ²⁾ | -39 | -93 | 174 | 120 |
| Maintenance Capex | -39 | -41 | -316 | -318 |
| Free Cash Flow before strategic capex | 379 | 397 | 1,451 | 1,469 |
| % of EBITDA excluding non-recurring items | 83 | 75 | 91 | 88 |
| Strategic Capex | -60 | -64 | -338 | -342 |
| Free Cash Flow | 319 | 333 | 1,113 | 1,127 |
| % of EBITDA excluding non-recurring items | 70 | 63 | 70 | 68 |

¹⁾ For further details on total cash flow, please see page 13.

²⁾ Excluding exchange rate effects and provisions.

Net debt and leverage

The Group's available funds, liquid funds and unutilized credit facilities, were SEK 896 m at the end of the period, compared with SEK 934 m at the end of Q4 2015.

Net debt increased by SEK 183 m during the period, following slightly negative cash flow after financial net and capitalization of mezzanine PIK interest, partly offset by positive translation effects from FX rates.

Leverage increased from 6.7x in fourth quarter last year to 7.1x in the first quarter 2016. The increase was explained by a combination of slightly higher net debt and somewhat lower earnings. In the corresponding quarter last year, leverage was at 7.4x.

| Available funds and net debt | | | |
|--|----------------|----------------|--------------|
| SEK m | March 31, 2016 | March 31, 2015 | Dec 31, 2015 |
| Available funds | 896 | 1,105 | 934 |
| Net debt | 11,792 | 11,732 | 11,609 |
| Net debt excl. Parent company loan and pension liabilities | 11,382 | 11,250 | 11,196 |
| Leverage ¹⁾ | 7.1x | 7.4x | 6.7x |

¹⁾ Net debt excluding pension liabilities and shareholder loans/EBITDA excluding non-recurring items.

Specialties & Solutions

Specialties & Solutions consists of Business Units Caprolactones, Feed & Food, Specialty Polyols and Business Development.

January-March 2016

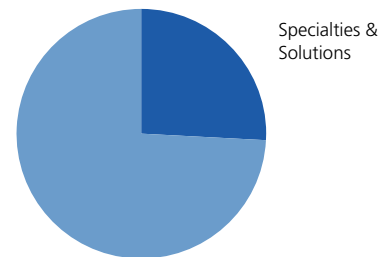
During the first quarter 2016, Business Area Specialties & Solutions net sales amounted to SEK 662 m, which was 6% higher than the corresponding period of 2015.

Net sales were impacted by an organic volume-based sales growth of 8%, partly offset by lower sales prices, -2%, due to lower raw material prices and price pressure in APAC. In the first quarter 2016 one product line was transferred from Business Area Advanced Chemicals & Derivatives and adjusted for this, the organic volume-based sales growth was 4%. The higher volumes were primarily attributable to Business Unit Caprolactones, mainly within the UV-segment.

Specialties & Solutions EBITDA in the first quarter 2016 improved to SEK 196 m (154), corresponding to an EBITDA margin of 29.6% (24.6). The underlying improvement, compared with last year, was mainly a result of stronger unit margins, due to successful margin management when raw material prices declined, and stronger volumes.

| Specialties & Solutions | | | | |
|---|-----------|------|---------------------|-------------------|
| SEK m | Quarter 1 | | Latest 12 months | Full year 2015 |
| | 2016 | 2015 | | |
| Net sales | 662 | 626 | 2,412 | 2,376 |
| EBITDA | 196 | 154 | 566 | 524 |
| EBITDA excluding non-recurring items | 196 | 154 | 566 | 524 |

Share of Group net sales



ProSid™ MI 700
offers stored
grains long lasting
protection against
molds



Advanced Chemicals & Derivatives

Advanced Chemicals & Derivatives consists of the Business Units Penta, Oxo, TMP & Neo and Formates.

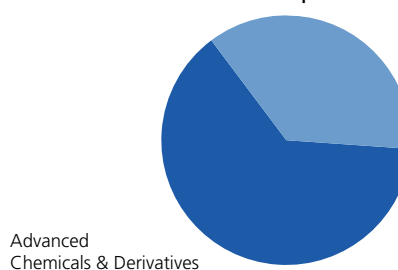
January-March 2016

During the first quarter 2016, Business Area Advanced Chemicals & Derivatives net sales amounted to SEK 1,632 m, which was 17% lower than the same period of 2015, fully assignable to lower sales prices, -17%, linked to decrease in raw material prices. Organic volume-based sales growth was flat and there were no FX-effects on net sales in the first quarter. In the first quarter 2016, one product line was transferred to Business Area Specialty & Solutions and adjusted for this, the organic volume-based sales growth was 1%.

Advanced Chemicals & Derivatives EBITDA in the first quarter decreased to SEK 266 m (377), corresponding to an EBITDA margin of 16.3% (19.2). The decrease compared with the first quarter last year was due to currency revaluation losses of net receivables and less favorable market situation on Oxo alcohols and Formates.

| Advanced Chemicals & Derivatives | | | | |
|--------------------------------------|-----------|-------|------------------|----------------|
| SEK m | Quarter 1 | | Latest 12 months | Full year 2015 |
| | 2016 | 2015 | | |
| Net sales | 1,632 | 1,964 | 6,944 | 7,276 |
| EBITDA | 266 | 377 | 1,030 | 1,141 |
| EBITDA excluding non-recurring items | 266 | 377 | 1,030 | 1,141 |

Share of Group net sales



Perstorp offers world leading coating technologies for high performing low VOC paint

BioProducts

BioProducts consists of the business unit BioProducts.

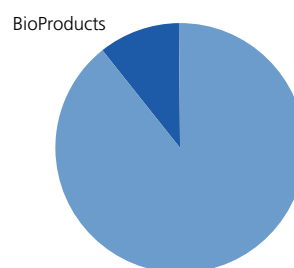
January-March 2016

During the first quarter 2016, Business Area BioProducts net sales amounted to SEK 270 m, which was 14% lower than the corresponding period of 2015. Organic volume-based sales growth amounted to -16%, higher sales prices 3% and FX-effects -1%. Sales prices were higher in Q1 2016 as increased rapeseed oil price was pushed forward to customers.

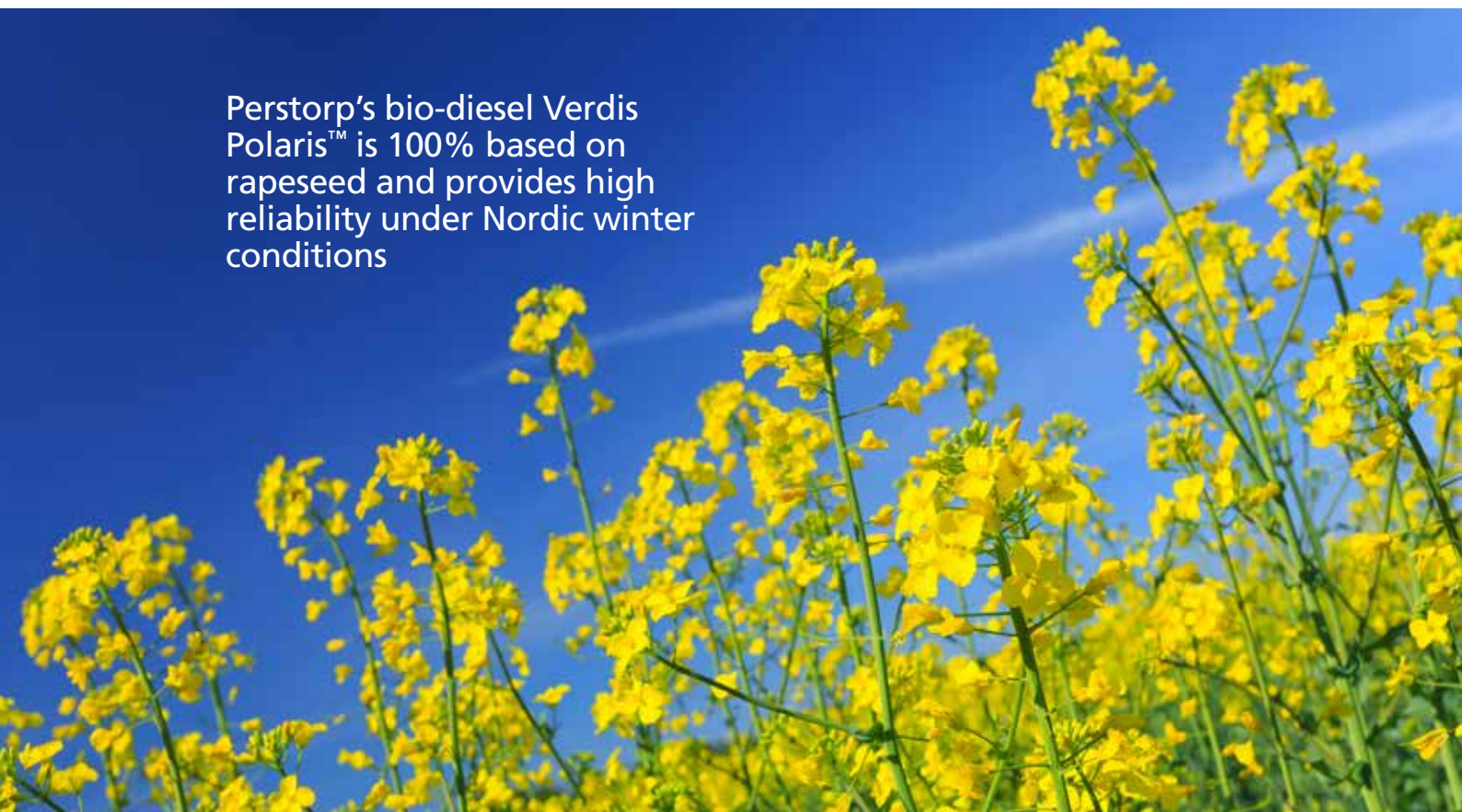
BioProducts EBITDA in the first quarter 2016 amounted to SEK 4 m (13), corresponding to an EBITDA-margin of 1,3% (4,1%). The deterioration compared to last year was a result of weaker volumes. The ramp up of the Norwegian plant progressed well with material on specification for the entire quarter.

| BioProducts | | | | |
|---|-----------|------|---------------------|-------------------|
| SEK m | Quarter 1 | | Latest 12 months | Full year 2015 |
| | 2016 | 2015 | | |
| Net sales | 270 | 313 | 1,236 | 1,279 |
| EBITDA | 4 | 13 | 7 | 16 |
| EBITDA excluding non-recurring items | 4 | 13 | 7 | 16 |

Share of Group net sales



Perstorp's bio-diesel Verdis
Polaris™ is 100% based on
rapeseed and provides high
reliability under Nordic winter
conditions



Consolidated income statement

| Income statement | | | | | |
|--|----------|--------------|--------------|---------------|---------------|
| SEK m | Note | Quarter 1 | | Latest | Full year |
| | | 2016 | 2015 | 12 months | 2015 |
| Net sales | 3 | 2,616 | 2,949 | 10,816 | 11,149 |
| Cost of goods sold | | -2,090 | -2,448 | -9,106 | -9,464 |
| Gross earnings | | 526 | 501 | 1,710 | 1,685 |
| Selling, administration and R&D costs | | -212 | -198 | -839 | -825 |
| Other operating income and expenses ¹⁾ | | -19 | 42 | 43 | 104 |
| Write-down of assets | | 0 | 0 | 0 | 0 |
| Result from participations in associated companies | | 2 | 2 | 7 | 7 |
| Operating earnings (EBIT) | | 297 | 347 | 921 | 971 |
| Exchange-rate effects on net debt | | 13 | -263 | 196 | -80 |
| Other financial income and expenses | | -380 | -401 | -1,522 | -1,543 |
| Earnings/loss before tax | | -70 | -317 | -405 | -652 |
| Tax | | -9 | 27 | -44 | -8 |
| Net earnings/loss | | -79 | -290 | -449 | -660 |
| Earnings/loss per share, SEK | | -790 | -2,900 | -4,488 | -6,598 |

| | | | | | |
|---|----------|------------|------------|--------------|--------------|
| EBITDA | 3 | 443 | 525 | 1,571 | 1,653 |
| EBITDA excl. non-recurring items | 3 | 457 | 531 | 1,593 | 1,667 |

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 1 | | Latest | Full year |
| | 2016 | 2015 | 12 months | 2015 |
| Net result for the period | -79 | -290 | -449 | -660 |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | | |
| Remeasurements of defined benefit plan | - | -16 | 38 | 22 |
| <i>Items that may be subsequently reclassified to profit or loss</i> | | | | |
| Currency translation effect | 9 | -50 | -5 | -64 |
| Market valuation of currency hedge | - | 3 | -3 | 0 |
| Market valuation of forward contracts | - | 2 | 4 | 6 |
| Other comprehensive income net after tax | 9 | -61 | 34 | -36 |
| Total comprehensive income | -70 | -351 | -415 | -696 |
| Attributable to: | | | | |
| Parent company's shareholder | -69 | -359 | -412 | -702 |
| Non controlling interest | -1 | 8 | -3 | 6 |

Consolidated Balance sheet

| Balance sheet | | | | |
|--|------|---------------|---------------|---------------|
| SEK m | Note | Mar 31, 2016 | Mar 31, 2015 | Dec 31, 2015 |
| Tangible fixed assets | | 4,922 | 4,888 | 4,993 |
| Intangible fixed assets | | 4,916 | 5,059 | 4,963 |
| Participation in associated companies | | 63 | 58 | 61 |
| Other non-current assets | | 711 | 777 | 731 |
| Inventories | | 1,314 | 1,158 | 1,215 |
| Other current assets | | 942 | 1,343 | 895 |
| Cash & cash equivalents, incl. short-term investments | | 702 | 969 | 742 |
| Total assets | | 13,570 | 14,252 | 13,600 |
| Total equity | 4 | -1,816 | -1,401 | -1,746 |
| Loan from parent company | | 5 | 4 | 5 |
| Pension liability, others | | 405 | 478 | 409 |
| Other non-current liabilities | | 12,965 | 13,065 | 12,818 |
| Current liabilities | | 2,011 | 2,106 | 2,114 |
| Total equity & liabilities | | 13,570 | 14,252 | 13,600 |
| Working capital | | 670 | 822 | 619 |
| Net debt | | 11,792 | 11,732 | 11,609 |
| Net debt excl. parent company loan and pension liabilities | | 11,382 | 11,250 | 11,196 |
| Capital employed | | 10,702 | 11,269 | 10,623 |
| Number of full-time employees, end of period | | 1,494 | 1,469 | 1,479 |
| Contingent liabilities | | 500 | 268 | 472 |
| Assets pledged | | 8,474 | 9,066 | 7,917 |

| Working capital | | | |
|---|--------------|--------------|--------------|
| SEK m | Mar 31, 2016 | Mar 31, 2015 | Dec 31, 2015 |
| Inventories | 1,314 | 1,158 | 1,215 |
| Accounts receivable | 637 | 857 | 563 |
| Other current assets | 283 | 446 | 296 |
| Accounts payable | 794 | 760 | 670 |
| Other current liabilities | 771 | 878 | 784 |
| Total Working capital | 670 | 822 | 619 |
| Provisions, exchange rate effects and other | 32 | 54 | 44 |
| Working capital for cash flow | 702 | 876 | 663 |

Consolidated statement of changes in Equity

| Total equity, 2016 | | | |
|---|---|--------------------------|---------------|
| SEK m | Equity attributable to owners of the parent company | Non controlling interest | Total equity |
| Opening balance, January 1, 2016 | -1,814 | 68 | -1,746 |
| Total comprehensive income | -69 | -1 | -70 |
| Closing balance, March 31, 2016 | -1,883 | 67 | -1,816 |

| Total equity, 2015 | | | |
|---|---|--------------------------|---------------|
| SEK m | Equity attributable to owners of the parent company | Non controlling interest | Total equity |
| Opening balance, January 1, 2015 | -1,112 | 62 | -1,050 |
| Total comprehensive income | -359 | 8 | -351 |
| Closing balance, March 31, 2015 | -1,471 | 70 | -1,401 |



Perstorp is a global leader in the supply of core components for high quality Cationic UV/EB curing formulations, used in 3D printing

Consolidated cash flow statement

| Cash Flow analysis, Consolidated Group | | | | |
|---|------------|-------------|-------------|-------------|
| SEK m | Quarter 1 | | Latest | Full year |
| | 2016 | 2015 | 12 months | 2015 |
| <i>Operating activities</i> | | | | |
| Operating earnings | 297 | 347 | 921 | 971 |
| Adjustments: | | | | |
| Depreciation and write-down | 146 | 178 | 650 | 682 |
| Other | -13 | -3 | -94 | -84 |
| Interest received | 1 | 2 | 5 | 6 |
| Interest paid | -307 | -328 | -1,175 | -1,196 |
| Income tax paid | -13 | -19 | -12 | -18 |
| Cash flow from operating activities before change in working capital | 111 | 177 | 295 | 361 |
| <i>Changes in working capital</i> | | | | |
| Increase (-) Decrease (+) in net working capital ¹⁾ | -39 | -93 | 174 | 120 |
| Cash flow from operating activities | 72 | 84 | 469 | 481 |
| <i>Investing activities</i> | | | | |
| Investments in other participations | - | -33 | -56 | -89 |
| Acquisition of tangible and intangible fixed assets | -99 | -105 | -653 | -659 |
| Sale of shares in non-controlling interests | - | - | 17 | 17 |
| Change in financial assets, external | 0 | 0 | -1 | -1 |
| Cash flow from investing activities | -99 | -138 | -693 | -732 |
| <i>Financing activities</i> | | | | |
| Change in credit utilization | -12 | -7 | -31 | -26 |
| Cash flow from financing activities | -12 | -7 | -31 | -26 |
| Change in liquid funds, incl. short-term investments | -39 | -61 | -255 | -277 |
| Liquid fund opening balance, incl. short-term investments | 742 | 1,019 | 969 | 1,019 |
| Translation difference in liquid funds | -1 | 11 | -12 | 0 |
| Liquid funds, end of period | 702 | 969 | 702 | 742 |

¹⁾ Including trade receivable financing program.

Capa™ Polyols
enable formulating
environmentally friendly
adhesives



Parent company

Perstorp Holding AB (publ.) is wholly owned by Financière Forêt S.à.r.l and is the parent company of the Perstorp Holding Group.

Perstorp Holding AB (publ.) had no external sales.

| Income statement | | | | |
|--|-------------|-------------|---------------------|-------------------|
| SEK m | Quarter 1 | | Latest 12 months | Full year 2015 |
| | 2016 | 2015 | | |
| Net sales | 21 | 20 | 52 | 51 |
| Cost of goods sold | 0 | 0 | 0 | 0 |
| Gross earnings | 21 | 20 | 52 | 51 |
| Sales, marketing and admin costs | -49 | -46 | -165 | -162 |
| Other operating income and expenses | -12 | 0 | -32 | -20 |
| Operating earnings (EBIT) | -40 | -26 | -145 | -131 |
| Financial income and expenses | -196 | -441 | 476 ¹⁾ | 231 ¹⁾ |
| Earnings/loss before tax | -236 | -467 | 331 | 100 |
| Appropriations | - | - | 350 | 350 |
| Tax | - | - | -1 | -1 |
| Net earnings/loss ²⁾ | -236 | -467 | 680 | 449 |

¹⁾ Including reversal of write-down SEK 768 m and dividend from shares in subsidiaries of SEK 450 m.

²⁾ Comprehensive income equals Net earnings/loss for the year.

| Balance sheet | | | |
|---------------------------------------|---------------|---------------|---------------|
| SEK m | Mar 31, 2016 | Mar 31, 2015 | Dec 31, 2015 |
| Tangible fixed assets | 4 | 6 | 5 |
| Intangible fixed assets | 5 | 5 | 5 |
| Shares in group companies | 7,715 | 6,947 | 7,715 |
| Long term receivables, group | 5,393 | 5,573 | 5,452 |
| Other non-current assets | 535 | 478 | 531 |
| Other current assets | 157 | 248 | 473 |
| Cash & cash equivalents | 86 | 144 | 86 |
| Total assets | 13,895 | 13,401 | 14,267 |
| Total equity | 1,175 | 495 | 1,411 |
| Loan from parent company | 5 | 4 | 5 |
| Other non-current liabilities | 12,056 | 12,103 | 11,885 |
| Current liabilities | 659 | 799 | 966 |
| Total equity & liabilities | 13,895 | 13,401 | 14,267 |

Key figures and FX-rates

| Key figures | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| SEK m | 2016 | 2015 | | | | 2014 | | |
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Net Sales | 2,616 | 2,431 | 2,778 | 2,991 | 2,949 | 2,606 | 2,838 | 2,867 |
| Organic volume-based sales growth,% | 0 | 0 | -3 | 2 | 3 | 0 | 5 | 5 |
| Marginal contribution | 910 | 698 | 851 | 946 | 920 | 692 | 755 | 727 |
| EBITDA excluding non-recurring items | 457 | 238 | 422 | 476 | 531 | 279 | 386 | 329 |
| % of net sales | 17.5 | 9.8 | 15.2 | 15.9 | 18.0 | 10.7 | 13.6 | 11.5 |
| Adjusted EBIT | 323 | 130 | 317 | 320 | 388 | 162 | 276 | 217 |
| % of net sales | 12.3 | 5.3 | 11.4 | 10.7 | 13.2 | 6.2 | 9.7 | 7.6 |
| Net earnings/loss | -79 | -227 | -252 | 109 | -290 | -801 | -372 | -411 |
| Earnings, per share, diluted, SEK | -790 | -2,272 | -2,513 | 1,087 | -2,900 | -8,008 | -3,719 | -4,115 |
| Adjusted ROCE | 17.5 | 19.3 | 18.8 | 18.0 | 15.9 | 13.5 | 11.9 | 10.8 |
| Cash conversion, % of EBITDA excluding non-recurring items | 70 | 87 | 26 | 100 | 63 | 177 | 88 | 135 |
| Net debt excluding pension liabilities and shareholder loans | 11,382 | 11,196 | 11,261 | 10,798 | 11,250 | 10,515 | 10,067 | 9,747 |
| Leverage ¹⁾ | 7.1 | 6.7 | 6.6 | 6.5 | 7.4 | 8.0 | 8.0 | 8.0 |

¹⁾ Net debt excluding pension liabilities and shareholder loans/EBITDA excluding non-recurring items.

| Currency rates | | | | | | | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Closing rate | | | | | | | | |
| USD | 8.15 | 8.35 | 8.39 | 8.24 | 8.62 | 7.81 | 7.24 | 6.74 |
| EUR | 9.23 | 9.14 | 9.41 | 9.22 | 9.29 | 9.52 | 9.18 | 9.20 |
| GBP | 11.69 | 12.38 | 12.70 | 12.95 | 12.74 | 12.14 | 11.77 | 11.47 |
| Average rate | | | | | | | | |
| USD | 8.46 | 8.50 | 8.48 | 8.42 | 8.34 | 7.41 | 6.95 | 6.60 |
| EUR | 9.32 | 9.31 | 9.43 | 9.30 | 9.38 | 9.26 | 9.21 | 9.05 |
| GBP | 12.10 | 12.91 | 13.15 | 12.89 | 12.62 | 11.74 | 11.60 | 11.10 |

A wide range of performance and resistance properties can be achieved using Capa™ in radiation curable formulations

Notes

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 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 2015. The accounting principles of the Group and parent company are stated in Note 2 of the 2015 annual report.

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.

Capa™ 6250 adds durability, excellent tear resistance and fast biodegradation to bioplastics.



Notes

3. Segment information

| Segment data | | | | |
|---|--------------|--------------|---------------|---------------|
| | Quarter 1 | | Latest | Full year |
| | 2016 | 2015 | 12 months | 2015 |
| Net sales | | | | |
| Specialties & Solutions | 662 | 626 | 2,412 | 2,376 |
| Advanced Chemicals & Derivatives | 1,632 | 1,964 | 6,944 | 7,276 |
| BioProducts | 270 | 313 | 1,236 | 1,279 |
| <i>Internal sales</i> | | | | |
| Specialties & Solutions | -1 | 0 | -5 | -4 |
| Advanced Chemicals & Derivatives | -18 | -14 | -51 | -47 |
| Other/eliminations | 71 | 60 | 280 | 269 |
| Total Group | 2,616 | 2,949 | 10,816 | 11,149 |
| EBITDA | | | | |
| Specialties & Solutions | 196 | 154 | 566 | 524 |
| Advanced Chemicals & Derivatives | 266 | 377 | 1,030 | 1,141 |
| BioProducts | 4 | 13 | 7 | 16 |
| Other/eliminations | -23 | -19 | -32 | -28 |
| Total Group | 443 | 525 | 1,571 | 1,653 |
| <i>Non allocated items</i> | | | | |
| Depreciation, Amortization and write-down | -146 | -178 | -650 | -682 |
| Operating earnings (EBIT) | 297 | 347 | 921 | 971 |
| Financial income and expenses | -367 | -664 | -1,326 | -1,623 |
| Earnings/loss before tax | -70 | -317 | -405 | -652 |
| Tax | -9 | 27 | -44 | -8 |
| Net result | -79 | -290 | -449 | -660 |

| EBITDA excluding non-recurring items | | | | |
|---|------------|------------|--------------|--------------|
| Specialties & Solutions | 196 | 154 | 566 | 524 |
| Advanced Chemicals & Derivatives | 266 | 377 | 1,030 | 1,141 |
| BioProducts | 4 | 13 | 7 | 16 |
| Other/eliminations | -9 | -13 | -10 | -14 |
| Total Group | 457 | 531 | 1,593 | 1,667 |

4. Equity

At the end of March 2016, consolidated equity amounts to SEK -1,883 m (-1,471) excluding non-controlling interest and Consolidated equity, including non-controlling interest, amounts to SEK -1,816 (-1,401) m.

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 (4) million.

6. Risk and uncertainty

Perstorp is exposed to a number of risks and uncertainty factors, which are reviewed in the Annual Report for 2015.

7. 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 or a refinancing of the capital structure.

No 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 & Sustainability 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, April 28, 2016



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 135 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