07:00 London, 09:00 Helsinki, 11 May 2016 - Afarak Group Plc (“Afarak” or “the Company”) (LSE: AFRK, NASDAQ: AFAGR) Interim Report

AFARAK GROUP PLC’S INTERIM REPORT FOR 1 JANUARY – 31 MARCH 2016

Q1 HIGHLIGHTS (January – March 2016):

- Revenue increased by 0.1% to EUR 40.8 (Q1/2015: 40.7) million
- Processed material sold increased by 20.0% to 26,952 (Q1/2015: 22,466) tonnes
- EBITDA was EUR 3.3 (Q1/2015: 4.6) million and the EBITDA margin was 8.0% (Q1/2015: 11.4%)
- EBIT was EUR 1.7 (Q1/2015: 2.9) million and the EBIT margin was 4.2% (Q1/2015: 7.2%)
- Profit for the period from continuing operations totalled EUR -0.2 (Q1/2015: 2.3) million
- Ferrochrome production increased by 0.7% to 27,631 (Q1/2015: 27,449) tonnes
- Tonnage mined decreased by 58.2% to 45,486 (Q1/2015: 108,773) tonnes
- Cash flow from operations was EUR 7.2 (Q1/2015: -2.7) million and liquid funds at 31 March were EUR 21.7 (31 March 2015: 11.5) (31 December 2015: 19.6) million

KEY FIGURES (EUR million)	Q1/16	Q1/15	Change	FY2015
Revenue	40.8	40.7	0.1%	187.7
EBITDA	3.3	4.6	-29.4%	17.2
EBITDA margin	8.0%	11.4%		9.2%
EBIT	1.7	2.9		9.9
EBIT margin	4.2%	7.2%		5.3%
Earnings before taxes	0.9	2.7		6.5
Earnings margin	2.1%	6.5%		3.5%
Profit from continuing operations	-0.2	2.3		7.8
Profit from discontinued operations	0.5	0.0		0.8
Profit	0.2	2.3		8.5
Earnings per share, basic, EUR	0.00	0.01		0.03

Commenting on the first quarter results, Alistair Ruiters, CEO, said:

“I am pleased that Afarak has managed to maintain positive EBIT and generate cash in a quarter that witnessed other producers filing for business rescue and with a market characterised by falling prices and weak demand.

Revenue and sales volumes increased considerably in the FerroAlloys segment. Sales volumes decreased in the Speciality segment, due to Afarak’s policy not to compromise on price. To mitigate against short term swings in prices Afarak has successfully continued on maintaining long term agreement.

Looking ahead, Afarak continues to strengthen its internal processes and functions. Today we have a streamlined organisation that is actively looking at opportunities that generate cash and increase profits. We are also focused on internal investments and, as the shaking table project has come on stream, we are expecting positive results from this investment. Afarak is committed to achieving long-run sustainability and growth and we are determined to continue creating value for all our stakeholders.”

Disclosure procedure

Afarak follows the disclosure procedure enabled by Disclosure obligation of the issuer (7/2013) published by the Finnish Financial Supervision Authority, and hereby publishes its Q1/2016 interim report enclosed to this stock exchange release. The Interim Report is attached to this release and is also available on the

Company's website at www.afarak.com.

AFARAK GROUP PLC
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Financial reports and other investor information are available on the Company's website: www.afarak.com.

Afarak Group is a chrome mining and minerals producer focused on delivering sustainable growth with a Speciality Alloys business in southern Europe and a FerroAlloys business in South Africa. The Company is listed on NASDAQ Helsinki (AFAGR) and the Main Market of the London Stock Exchange (AFRK).

Distribution:
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AFARAK GROUP PLC: Q1 INTERIM REPORT FOR 1 JANUARY – 31 MARCH 2016

This Interim Report is prepared in accordance with the IAS 34 standard and is unaudited. All the corresponding comparable figures of 2015 are presented in brackets, unless otherwise explicitly stated.

SALES

Processed material:

Tonnes	Q1/16	Q1/15	FY2015
Processing, Speciality Alloys	5,673	7,374	27,336
Processing, FerroAlloys	21,279	15,092	76,813
Processing, Total	26,952	22,466	104,150

The Group's sales from processing, which includes all the products produced at the Mogale Alloys and Elektrowerk Weisweiler processing plants, were 26,952 (Q1/2015: 22,466) tonnes, a substantial increase of 20.0% compared to the equivalent period in 2015. Sales volumes in the Speciality Alloys segment decreased by 23.1% due to lower ferrochrome sales volumes as a result of not compromising our selling prices for more volume. Ferrochrome pricing pressures mainly came from BRICS countries. On the other hand, sales volumes in the FerroAlloys segment increased by 41.0% as a result of an increase in sales volumes of charge chrome and medium carbon ferrochrome during the first quarter of 2016.

AFARAK GROUP'S FINANCIAL PERFORMANCE

REVENUE AND PROFITABILITY

EUR million	Q1/16	Q1/15	Change	FY2015
Revenue	40.8	40.7	0.1%	187.7
EBITDA	3.3	4.6	-29.4%	17.2
EBITDA margin	8.0%	11.4%		9.2%
EBIT	1.7	2.9		9.9
EBIT margin	4.2%	7.2%		5.3%
Profit from continuing operations	-0.2	2.3		7.8
Profit from discontinued operations	0.5	0		0.8
Profit	0.2	2.3		8.5

Revenue for the first quarter of 2016 increased marginally by 0.1% to EUR 40.8 (40.7) million compared to the equivalent period in 2015. Revenue in the Speciality Alloys segment decreased by 22.2% as a result of a decrease in trading volumes with prices remaining on the same level of the comparable quarter. In the FerroAlloys segment the situation was reversed wherein revenue increased by 32.8% due to an increase in trading volumes, prices though reduced significantly from the comparable quarter as a result of the weakening of the South Africa Rand. EBITDA for the first quarter of 2016 decreased compared to the equivalent period in 2015 to EUR 3.3 (4.6) million. EBITDA decreased mainly due to the lower trading volumes and higher overhead allocation cost per tonne due to lower production in the Speciality Alloys segment. EBITDA in the FerroAlloys segment was comparable with the comparative quarter, where the profit margins from the increase in sales volumes made up for the reduction in margins as a result of lower sales prices. The share of joint venture profit for the period amounted to EUR -0.3 (0.0) million. EBIT for the first quarter of 2016 amounted to EUR 1.7 (2.9) million. Profit for the first quarter was 0.2 (2.3) million, this include income tax expenses amounting to EUR 1.1 (0.4) million which mainly related to prior year tax adjustment and deferred tax. During the first quarter results were positively effect with profit from discontinued operations which related to the sale of saw mill equipment.

Earnings per share was EUR 0.00 (0.01).

BALANCE SHEET, CASH FLOW AND FINANCING

The Group's liquidity, as at 31 March 2016, was EUR 21.7 (11.5) (31 December 2015: 19.6) million. Operating cash flow in the first quarter was 7.2 (-2.7) million. Afarak's gearing at the end of the first quarter was -6.8% (0.7%) (31 December 2015: -2.6%). Net interest-bearing debt was EUR -11.7 (1.2) (31 December 2015: -4.5) million.

Total assets on 31 March 2016 were EUR 263.7 (299.4) (31 December 2015: 266.9) million. The equity ratio was 65.4% (63.2%) (31 December 2015: 64.2%).

INVESTMENTS, ACQUISITIONS AND DIVESTMENTS

Capital expenditure for the first quarter of 2016 totalled EUR 0.5 (2.1) million which relates primarily to the replacement of the furnace refractories and the acquisition of new plant vehicles at Mogale Alloys, as well as the new dust exhaustion at EWW.

During the first quarter of 2016 the Synergy Africa joint venture completed the shaking table plant at Ilitha mine which will enable the treatment of tailing dumps for chrome and increase the plant's mass yield from the 49% to 65%. The plant is expected to significantly reduce the operating cost per ton.

PERSONNEL

At the end of the first quarter 2016, Afarak had 767 (711) employees. The average number of employees during the first quarter of 2016 was 768 (687).

Number of employees by segment *:

	31.3.2016	**31.3.2015**	**Change**	**31.12.2015**
Speciality Alloys	411	350	17.4%	402
FerroAlloys	348	357	-2.5%	365
Other operations	8	4	100.0%	6
Group total	**767**	**711**	**7.9%**	**773**

*Including personnel of joint ventures.

SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT

Afarak has a Health Safety and Environment committee (HSEC) with the aim of integrating the Group operations to address the social, environment, health and safety position of all stakeholders. While continuing the programme focused on pro-active safety and environmental measurements as part of aiming to achieve "Zero Harm", the members of HSEC are defining Group standard protocols to ensure that all the Group activities are constantly managed, monitored and reported according to Group policies.

In the first quarter of 2016 we had 5 (3) injuries which caused loss of time. Afarak continues all efforts, including training, to further improve the safety performance.

Afarak aims to conduct its business in a sustainable way and to preserve the environment by minimising the environmental impact of its operations. The Group has programmes on all sites to monitor and address its impact on the environment.

Our aim is to guarantee our employees a safe working place and minimum impact towards the environment, and ensure that the sustainable development meets the present needs of Afarak without compromising the ability of present and future generations.

SEGMENT PERFORMANCE

SPECIALITY ALLOYS BUSINESS

The Speciality Alloys business consists of Türk Maadin Şirketi A.S (“TMS”), the mining and beneficiation operation in Turkey and Elektrowerk Weisweiler GmbH (“EWW”), the chromite concentrate processing plant in Germany. TMS supplies EWW with high quality chromite concentrate which produces speciality products including specialised low carbon and ultra low carbon ferrochrome. Chrome ore from TMS that is not utilised for the production of specialised low carbon ferrochrome is sold to the market.

Production:

Tonnes	**Q1/16**	**Q1/15**	**Change**	**FY2015**
Mining*	14,953	5,997	149.3%	49,152
Processing	7,114	7,863	-9.5%	26,234
Total	**22,067**	**13,860**	**59.2%**	**75,386**

* Including both chromite concentrate and lumpy ore production

Production increased to 22,067 (13,860) tonnes for the first quarter of 2016, representing an increase of 59.2% when compared to the equivalent period in 2015. The increase is primarily derived from having both Turkish mines operating at normal levels during the first quarter of 2016 as opposed to the comparative quarter during where mining activity at Kavak mine resumed only as from March 2015 following a strike and lockout. Processing levels at EWW decreased when compared to the comparative quarter as a result of a decrease in sales volumes.

EUR million	**Q1/16**	**Q1/15**	**Change**	**FY2015**
Revenue	18.4	23.7	-22.2%	95.6
EBITDA	2.3	3.4	-33.6%	12.7
EBITDA margin	12.3%	14.5%		13.3%
EBIT	1.7	2.9		10.1
EBIT margin	9.2%	12.1%		10.6%

Revenue for the first quarter decreased by 22.2% to EUR 18.4 (23.7) million. The decrease in revenue is mainly attributable to lower sales volumes of processed material as a result of not compromising our selling prices for more volume, prices in Euro terms remained at the same levels of the comparable quarter. EBITDA for the quarter amounted to 2.3 (3.4) million and EBIT amounted to EUR 1.7 (2.9) million. The lower sales volumes and production had a negative impact on EBITDA and EBIT which led margins to decrease when compared to the comparative quarter. The negative effect resulting from production during the first quarter of 2016 is due to the fixed overhead allocation cost per tonne at EWW processing plant where it was higher during the quarter as a result of lower production.

As at 31 March 2016, the Speciality Alloys business had 411 (350) employees.

FERROALLOYS BUSINESS

The FerroAlloys business consists of the processing plant Mogale Alloys, Vlakpoort mine and the joint ventures, the Stellite mine and the Mecklenburg mine in South Africa. The business produces chrome ore, charge chrome, medium carbon ferrochrome and silico manganese for sale to global markets.

Production:

Tonnes	**Q1/16**	**Q1/15**	**Change**	**FY2015**
Mining*	30,533	102,776	-70.3%	412,629
Processing	20,517	19,586	4.8%	77,357
Total	**51,049**	**122,362**	**-58.3%**	**489,986**

* Including both chromite concentrate and lumpy ore production by the joint ventures

Production decreased to 51,049 (122,362) tonnes in the first quarter of 2016, representing a decrease of 58.3% when compared to the same period in 2015. Mining operations decreased significantly as a result of the weak demand during the first quarter, as well as due to the depletion of the open cast mining activity at

Mecklenburg which ended in November 2015. Processing levels at Mogale Alloys during the first quarter of 2016 were marginally higher than those registered during the comparative quarter particularly due to higher processing of charge chrome material, providing continuity of the positive trend registered in the fourth quarter of 2015.

EUR million	Q1/16	Q1/15	Change	FY2015
Revenue	22.3	16.8	32.8%	91.8
EBITDA	1.9	1.8	8.4%	7.5
EBITDA margin	8.6%	10.5%		8.1%
EBIT	0.9	0.6		2.8
EBIT margin	4.2%	3.6%		3.0%

* Revenue of the joint ventures is not included in the Group's revenue

Revenue for the first quarter increased to EUR 22.3 (16.8) million compared to the equivalent period in 2015, representing an increase of 32.8%. Despite the FerroAlloys segment prices were significantly lower when compared to the same period last year as a result of the weak South African Rand, revenue increased due to higher trading volumes of charge chrome and medium carbon ferrochrome where volumes traded increased by 88.5% when compared equivalent period last year. The weaker South African Rand during the first quarter also reduced significantly the cost of production in Euro terms when compared to the comparative quarter which marginally improved our EBITDA to EUR 1.9 (1.8) million, and EBIT to EUR 0.9 (0.6) million. The joint venture share of profits included in EBITDA amounted to EUR -0.3 (0.0) million, this includes depreciation of EUR 0.1 (0.3) million and net finance expenses of EUR 0.2 (0.0) million

The share of profit from joint ventures is made up as follows:

EUR million	Q1/16	Q1/15	Change	FY2015
Revenue	**0.8**	2.2	-63.8%	**9.7**
EBITDA	**-0.1**	0.3	-130.4%	**1.3**
EBITDA margin	**-11.9%**	14.2%		**13.2%**
EBIT	**-0.2**	0.0		**0.3**
EBIT margin	**-20.6%**	-0.2%		**3.4%**
Financial income and expense	**-0.1**	0.0		**-0.6**
Profit for the period	**-0.3**	0.0		**-0.1**

Afarak's share of joint ventures revenue for the first quarter decreased to EUR 0.8 (2.2) million compared to the equivalent period in 2015, representing a decrease of 63.8%. Sales volumes decreased significantly at the Mecklenburg mine as open cast mining activity ended in November 2015. Sales volumes also decreased at the Stellite mine due to the weak demand during the first quarter. Lower trading volume together with higher allocation of cost per tonne mined, as a result of lower production, had a negative impact to the share of joint venture EBITDA for the first quarter which reduced to EUR –0.1 (0.3) million. Share of joint venture profit amounted to EUR -0.3 (0.0) million.

As at 31 March 2016, the FerroAlloys business had 348 (357) employees.

GLOBAL ECONOMY & MARKET

Global activity moderated at the turn of the year, and is expected to continue expanding at a modest pace. Low interest rates, improving labour markets and rising confidence support the outlook for advanced economies. By contrast, the medium-term outlook for emerging market economies remains more uncertain. Economic activity in China is expected to continue decelerating, with negative spill-overs to other emerging market economies, particularly in Asia, while commodity exporting countries need to adjust further to lower commodity prices. Overall, the outlook for global growth remains one of a gradual and uneven recovery. Risks to the outlook for global activity remain on the downside, most prominently for emerging market economies. A key downside risk is a stronger slowdown in emerging market economies, including China. Tightening financial conditions and heightened political uncertainty may exacerbate existing macroeconomic imbalances, denting confidence and slowing growth more than expected. Policy uncertainty about the economic transition in China may lead to an increase in global financial volatility. Geopolitical risks also continue to weigh on the outlook.

Stainless steel market
Despite expectations of a turnaround in the global stainless steel markets, the first quarter of 2016 continued to be challenging for stainless steel producers. With subdued global economic growth, demand remains weak and was further compounded by the curtailing of investment by the oil & gas sector due to the downward rally of oil prices. The European stainless steel market continued to contract notwithstanding the imposition of anti-dumping duties on Chinese and Taiwanese stainless steel products. Looking forward, prices are expected to continue to decline throughout the first half of 2016 as consumers are not expected to stock-up but to continue buying for their immediate requirements.

Ferrochrome market
The weak market conditions also impinged on the international ferrochrome spot prices as they continued to decrease driven mainly by destocking, weak demand and subdued trading activity. Market demand also slowed down as participants waited for the next quarterly South African benchmark settlements. Chinese market players also lowered their prices during quarter one. The strong US dollar weakened demand too. Although production was dampened on the back of several producers going into business rescue, this did not have a bearing on price movements. Most stainless steel mills are now geared towards their long-term contracts and are not expected to return to spot markets in the short-term.

Silico manganese market
Following the price collapse in 2015, participants were expecting an upswing in prices. However, prices for manganese ore continued to decline but seem to have bottomed out towards the end of February. Demand in China started to increase in March with Asian producers benefitting mostly from this upswing. Silico manganese prices did not follow the increases seen in manganese ore. In Europe, demand was not strong enough and did not lead to a sustained price increase especially since clients had mostly restocked for second quarter.

Chrome Ore Market
China remains the largest market for Chrome ore and South Africa continued to establish itself as the main supplier. During 2015, South Africa increased its tonnage to China by 24% and today it accounts for three-quarters of the Chinese import market. Quarter one 2016 was weaker than expected as prices were under pressure with exports from South Africa declining. However, ferrochrome sales to China increased during the quarter. The Indian government continued to increase the export duty on chrome ore export with a resulting contraction in exports of over 90%. Chrome ore prices are expected to increase in the second quarter of 2016.

UNALLOCATED ITEMS

For the first quarter of 2016 the EBITDA from unallocated items was EUR -0.9 (-0.5) million. During the first quarter of 2016, the Company sold part of the saw mill equipment that was acquired in 2008 for the now discontinued wood business. This transaction positively affected the Q1/2016 profit for the period by EUR 0.5 million. This profit includes a release EUR 0.1 million from the provision in relation to the discontinued wood business.

EVENTS DURING THE REVIEW PERIOD

On 5 January 2016, Afarak announced that the Company has signed further sale agreements in relation to parts of the saw mill equipment, acquired by the Company in 2008. The transaction from the discontinued operation positively affects the Q4/2015 profit.

On 14 January 2016, Afarak announced that its subsidiary Türk Maadin Şirketi A.S (TMS) has been granted the exploitation mining license for Eskisehir -Mihaliccik Karaagac "Eagle Field".

On 4 February 2016, Afarak announced that its wholly owned subsidiary Afarak Trading Limited (RCS) has entered into a long-term agreement with US company Carpenter Technology Corporation. Afarak Trading Limited will provide low carbon ferrochrome.

On 11 February 2016, Afarak announced that Ilitha Mine has completed a Shaking Table plant. Ilitha Mine is part of the Synergy Africa joint venture between Afarak and Kermas Limited. The Shaking Table technology, already used in the mines of Afarak's Turkish subsidiary TMS, will allow the company to treat the Tailing

Dump for chrome and increase Ilitha Mine's total plant mass yield from currently 49% to 65%.This in turn will drastically reduce the operating cost per ton. Full production is expected to be reached by Mid-March 2016.

EVENTS SINCE THE END OF THE REVIEW PERIOD

On 7 April 2016, Afarak announced that it entered into a long-term agreement with a world-leading developer and manufacturer of products made from advanced stainless steel and special alloys. Afarak will supply low carbon ferrochrome produced at its wholly-owned subsidiary Eschweiler-Weisweiler plant in Germany.

On 8 April 2016, Afarak announced that its subsidiary Mogale Alloys has successfully concluded Section 189 negotiations at its plant. As a result of the challenging economic environment the company had to take responsible decisions in the long-term interest of all its stakeholders. Having considered all available options, it was with regret that the company ended in a position where 23 jobs have been retrenched. The company had committed itself to assist these employees which at the conclusion of the discussions all have been either relocated or offered voluntary retirement schemes.

On 9 May 2016, Afarak announced that it finalized its EUR 3.0 million investment in a shaking table plant at Stellite. Shaking tables is an environmental-friendly technology which enables the treatment of tailing dumps for chrome. Results from the Stellite shaking table plant show that mass yield from the tailings will be up to 40% and the plant has a monthly capacity of 5,000 tonnes per month. 20 new jobs were created as a result of this investment project.

COMPANY’S SHARE

Afarak Group Plc's shares are listed on NASDAQ Helsinki (AFAGR) and on the Main Market of the London Stock Exchange (AFRK).

On 31 March 2016, the registered number of Afarak Group Plc shares was 263,040,695 (259,562,434) and the share capital was EUR 23,642,049.60 (23,642,049.60).

On 31 March 2016, the Company had 4,244,717 (4,244,717) own shares in treasury, which was equivalent to 1.61% (1.64%) of the issued share capital. The total amount of shares outstanding, excluding the treasury shares held by the Company on 31 March 2015, was 258,795,978 (255,317,717).

At the beginning of the period under review, the Company’s share price was EUR 0.40 on NASDAQ Helsinki and GBP 0.33 on the London Stock Exchange. At the end of the review period, the share price was EUR 0.43 and GBP 0.33 respectively. During the first quarter of 2016 the Company’s share price on NASDAQ Helsinki ranged from EUR 0.39 to 0.49 per share and the market capitalisation, as at 31 March 2016, was EUR 112.3 (1 January 2016: 105.7) million. For the same period on the London Stock Exchange the share price remained GBP 0.33 per share and the market capitalisation was GBP 85.5 (1 January 2016: 85.5) million, as at 31 March 2016.

Based on the resolution at the AGM on 8 May 2015, the Board is authorised to buy-back up to a maximum of 15,000,000 of its own shares. This authorisation is valid until 8 November 2016. The Company did not carry out any share buy-backs during the first quarter of 2016.

MOST SIGNIFICANT SHORT TERM RISKS AND UNCERTAINTIES, CHANGES DURING AND AFTER THE PERIOD UNDER REVIEW

The changes in the key risks and uncertainties are set out below. Further details of the risks and uncertainties have been published in the Group’s 2015 Financial Statements.

Afarak´s financial performance is dependent on the general market conditions of the mining, smelting and minerals processing business. Global financial markets have been very volatile and there is uncertainty as to how commodity prices will respond for the rest of 2016, which could considerably impact the Company’s revenue and financial performance in 2016.

Changes in foreign exchange rates, if adverse, could have a substantial negative impact on the Group’s profitability, in particular changes in US Dollar/South African Rand. In order to better manage its foreign exchange US Dollar/South African Rand exposure, the Group constantly evaluates the need to enter into forward contract arrangements.

Afarak's processing operations in Germany and South Africa are intensive users of energy, primarily electricity. Fuel and energy prices globally have been characterised by volatility and cost inflation. In South Africa the majority of the electricity supply, price and availability are controlled by one entity, Eskom. Increased electricity prices and/or reduced or uncertain electricity supply or allocation may negatively impact Afarak's current operations, which could have an impact on the Group's financial performance.

Helsinki, 11 May 2016

AFARAK GROUP PLC

BOARD OF DIRECTORS

FINANCIAL REPORTING IN 2016

	Closed period	Reporting date
Q2 Interim Report 2016	17.7.-16.8.2016	16 August 2016
Q3 Interim Report 2016	11.10.-11.11.2016	11 November 2016

FINANCIAL TABLES

FINANCIAL DEVELOPMENT AND ASSETS AND LIABILITIES BY SEGMENT

Q1/2016 3 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	18,438	22,318	76	-62	40,770
EBITDA	2,273	1,909	-901	0	3,281
EBIT	1,693	932	-902	0	1,723
Segment's assets	208,692	66,466	12,514	-23,958	263,714
Segment's liabilities	51,749	55,263	2,442	-18,244	91,210

Q1/2015 3 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	23,701	16,810	397	-195	40,713
EBITDA	3,425	1,760	-538	0	4,647
EBIT	2,859	605	-539	0	2,925
Segment's assets	174,396	122,516	9,517	-7,009	299,420
Segment's liabilities	59,881	57,334	3,319	-10,457	110,077

FY 2015 12 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Group total
Revenue	95,555	91,774	1,513	-1,130	187,711
EBITDA	12,740	7,467	-3,017	0	17,190
EBIT	10,123	2,789	-3,024	0	9,888
Segment's assets	150,216	129,187	12,519	-24,929	266,994
Segment's liabilities	52,367	58,855	2,565	-18,000	95,787

RESULTS DEVELOPMENT

	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16
Sales (tonnes)									
Mining	97,281	45,341	34,846	15,728	51,401	86,884	101,701	64,487	22,959
Processing	22,146	22,948	26,347	23,465	22,466	30,556	20,059	31,137	26,952
Trading	3,909	6,405	8,268	9,954	4,188	6,466	8,798	11,953	10,177
Total	**123,336**	**74,694**	**69,461**	**49,147**	**78,055**	**123,906**	**130,558**	**107,577**	**60,088**
Average rates									
EUR/USD	1.370	1.370	1.355	1.329	1.126	1.116	1.114	1.110	1.102
EUR/ZAR	14.887	14.676	14.536	14.404	13.228	13.305	13.701	14.172	17.455
Euro (million)	**Q1/14**	**Q2/14**	**Q3/14**	**Q4/14**	**Q1/15**	**Q2/15**	**Q3/15**	**Q4/15**	**Q1/16**
Revenue*	43.2	47.3	40.6	41.6	40.7	53.1	44.8	49.2	40.8
Extraordinary items*	0.0	0.0	1.2	-1.6	0.0	0.0	-0.3	0.0	0.0
EBITDA	3.0	3.3	2.1	0.0	4.6	7.6	1.3	3.7	3.3
EBITDA margin	6.9%	7.1%	5.1%	0.0%	11.4%	14.4%	2.8%	7.5%	8.0%
Adjusted EBITDA**	3.0	3.3	0.9	1.6	4.6	7.6	1.6	3.7	3.3
EBIT	0.9	1.4	0.5	-1.1	2.9	5.8	-0.7	1.8	1.7
EBIT margin	2.1%	3.0%	1.3%	-2.8%	7.2%	11.0%	-1.5%	3.7%	4.2%

*Extraordinary items in Q3/14 relate to profit on sale of land in Turkey. Extraordinary items in Q4/14 relates to net write-down of assets that are included in the joint venture share of profits. Extraordinary items in Q3/15 relate to loss on sale of investment in associate.
** Adjusted EBITDA is EBITDA excluding the extraordinary items.

CONSOLIDATED INCOME STATEMENT, SUMMARY

EUR '000	Q1/16	Q1/15	FY2015
Revenue	**40,770**	**40,713**	**187,711**
Other operating income	306	687	2,331
Operating expenses	-37,537	-36,786	-172,439
Depreciation and amortisation	-1,558	-1,723	-7,302
Items related to associates (core)	0	1	0
Share of profit from joint ventures	-257	32	-414
Operating profit	**1,723**	**2,924**	**9,888**
Financial income and expense	-862	-257	-3,367
Profit before tax	**861**	**2,667**	**6,520**
Income tax	-1,104	-395	1,236
Profit for the period from continuing operations	**-243**	**2,272**	**7,756**
Discontinued operations			
Profit for the period from discontinued operations	461	0	782
Profit for the period	**218**	**2,272**	**8,539**

Profit attributable to:			
Owners of the parent	290	2,369	8,854
Non-controlling interests	-72	-97	-315
Total	218	2,272	8,539
Earnings per share for profit attributable to the shareholders of the parent company, EUR			
Basic earnings per share, EUR	0.00	0.01	0.03
Diluted earnings per share, EUR	0.00	0.01	0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	**Q1/16**	**Q1/15**	**FY2015**
Profit for the period	**218**	**2,272**	**8,539**
Other comprehensive income			
Remeasurement of defined benefit pension plans	0	0	986
Exchange differences on translating foreign operations – Group	-1,059	6,261	-18,845
Exchange differences on translating foreign operations – Associate and JV	2,556	-1,464	-3,125
Income tax relating to other comprehensive income	-512	0	4,552
Other comprehensive income, net of tax	**985**	**4,797**	**-16,432**
Total comprehensive income for the period	**1,203**	**7,069**	**-7,894**
Total comprehensive income attributable to:			
Owners of the parent	1,237	6,825	-6,791
Non-controlling interests	-34	243	-1,103

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

EUR '000	**31.3.2016**	**31.3.2015**	**31.12.2015**
ASSETS			
Non-current assets			
Goodwill	58,681	65,107	58,349
Other intangible assets	16,784	22,755	17,014
Property, plant and equipment	43,110	51,530	43,559
Investments in associates	0	106	0
Other non-current assets	40,544	45,814	42,496
Non-current assets total	**159,120**	**185,313**	**161,418**
Current assets			
Inventories	44,991	65,143	45,152
Trade receivables	23,018	18,381	24,803
Other receivables	14,934	19,063	15,976
Cash and cash equivalents	21,651	11,521	19,644
Current assets total	**104,594**	**114,107**	**105,575**
Total assets	**263,714**	**299,420**	**266,994**

EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	23,642	23,642	23,642
Share premium reserve	25,740	25,740	25,740
Paid-up unrestricted equity reserve	240,315	243,424	240,240
Legal Reserve	185	211	187
Translation reserves	-27,745	-7,605	-28,692
Retained earnings	-93,444	-101,260	-93,755
Equity attributable to owners of the parent	**168,692**	**184,153**	**167,362**
Non-controlling interests	**3,811**	**5,191**	**3,845**
Total equity	**172,503**	**189,343**	**171,207**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	6,230	8,822	5,949
Provisions	9,493	10,669	9,309
Share of joint ventures' losses	20,916	20,979	23,218
Pension liabilities	18,624	19,892	18,734
Financial liabilities	1,976	10,696	4,946
Non-current liabilities total	**57,240**	**71,058**	**62,156**
Current liabilities			
Trade payables	15,018	15,552	9,875
Other current liabilities	18,953	23,468	23,756
Current liabilities total	**33,971**	**39,019**	**33,631**
Total liabilities	**91,210**	**110,077**	**95,787**
Total equity and liabilities	**263,714**	**299,420**	**266,994**

SUMMARY OF CASH, INTEREST-BEARING RECEIVABLES AND INTEREST-BEARING LIABILITIES

EUR '000	**31.3.2016**	**31.3.2015**	**31.12.2015**
Cash and cash equivalents	**21,651**	**11,521**	**19,644**
Interest-bearing receivables			
Current	3,517	5,014	3,519
Non-current	33,239	35,816	33,165
Interest-bearing receivables	**36,756**	**40,830**	**36,684**
Interest-bearing liabilities			
Current	9,951	2,671	12,133
Non-current	0	10,093	2,975
Interest-bearing liabilities	**9,951**	**12,764**	**15,108**
NET TOTAL	**48,456**	**39,587**	**41,220**

SUMMARY OF GROUP'S PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR '000	**Property, plant and equipment**	**Intangible assets**
Acquisition cost 1.1.2016	73,843	206,835
Additions	424	50
Reclass between items	177	0
Effect of movements in exchange rates	240	988
Acquisition cost 31.3.2016	74,683	207,874
Acquisition cost 1.1.2015	78,052	225,275
Additions	7,336	652
Disposals	-898	-310
Reclass between items	211	30
Effect of movements in exchange rates	-10,858	-18,811
Acquisition cost 31.12.2015	73,843	206,835

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

EUR '000	**Q1/16**	**Q1/15**	**FY2015**
Profit for the period	218	2,272	8,539
Adjustments to profit for the period	2,285	595	6,258
Changes in working capital	4,410	-5,562	-2,438
Discontinued operations	269	0	177
Net cash from operating activities	**7,183**	**-2,696**	**12,535**
Acquisition of subsidiaries and associates, net of cash acquired	0	0	-173
Disposal of subsidiaries and associates, net of cash sold	0	0	293
Capital expenditure and other investing activities	-248	-1,908	-7,555
Proceeds from repayments of loans and loans given	2	3,431	3,516
Net cash used in investing activities	**-247**	**1,524**	**-3,919**
Capital Redemption	0	0	-5,106
Proceeds from borrowings	1,931	825	8,728
Repayment of borrowings, and other financing activities	-6,875	-1,584	-5,720
Net cash used in financing activities	**-4,944**	**-759**	**-2,098**
Net increase in cash and cash equivalents	**1,993**	**-1,930**	**6,518**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital
B = Share premium reserve
C = Paid-up unrestricted equity reserve
D = Translation reserve
E = Retained earnings
F = Legal reserve
G = Equity attributable to owners of the parent, total
H = Non-controlling interests
I = Total equity

EUR '000	A	B	C	D	E	F	G	H	I
Equity at 31.12.2014	**23,642**	**25,740**	**243,424**	**-12,061**	**-103,657**	**210**	**177,298**	**4,947**	**182,244**
Profit for the period 1-3/2015 + comprehensive income				5,920	2,369		8,289	-97	8,192
Share of OCI in associates and JV				-1,464			-1,464	0	-1,464
Translation differences							0	341	341
Share-based payments					28		28	0	28
Other changes in equity						1	1	0	1
Equity at 31.3.2015	**23,642**	**25,740**	**243,424**	**-7,605**	**-101,260**	**211**	**184,152**	**5,190**	**189,343**
Profit for the period 4-12/2015 + comprehensive income				-19,425	6,485		-12,940	-218	-13,158
Share of OCI in associates and JV				-1,661			-1,661	0	-1,661
Translation differences							0	-1,129	-1,129
Share-based payments			183		63		246	1	247
Rights Issue			1,739				1,739	0	1,739
Capital redemption			-5,106				-5,106	0	-5,106
Acquisitions and disposals of subsidiaries					-29		-29	0	-29
Remeasurements of defined benefit pension plans					986		986	0	986
Other changes in equity						-24	-24	0	-24
Equity at 31.12.2015	**23,642**	**25,740**	**240,240**	**-28,691**	**-93,755**	**187**	**167,362**	**3,845**	**171,207**
Profit for the period 1-3/2016 + comprehensive income				-1,609	290		-1,319	-72	-1,391
Share of OCI in associates and JV				2,556			2,556	0	2,556
Translation differences							0	38	38
Share-based payments			75		21		95	0	95
Other changes in equity						-2	-2	0	-2
Equity at 31.3.2016	**23,642**	**25,740**	**240,315**	**-27,745**	**-93,444**	**185**	**168,692**	**3,811**	**172,503**

RELATED PARTY TRANSACTIONS DURING THE REVIEW PERIOD

EUR '000	**Q1/16**	**Q1/15**	**FY2015**
Sales to joint ventures	28	101	353
Sales to other related parties	6	8	30
Purchases from joint ventures	0	-661	-9,448
Financing income from joint ventures	204	246	958
Financing expense to other related parties	-13	317	296

Loan receivables from joint ventures	30,272	35,220	32,573
Loan receivables from other related parties	3,517	3,597	3,519
Trade and other receivables from joint ventures	7,954	6,907	7,913
Trade and other receivables from other related parties	62	9	62
Trade and other payables to joint ventures	309	251	209

FINANCIAL INDICATORS

	Q1/16	Q1/15	FY2015
Return on equity, % p.a.	0.0%	4.9%	4.4%
Return on capital employed, % p.a.	0.3%	12.6%	9.3%
Equity ratio, %	65.4%	63.2%	64.2%
Gearing, %	-6.8%	0.7%	-2.6%
Personnel at the end of the period	767	711	773

EXCHANGE RATES

The balance sheet date rate is based on exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of daily rates from the European Central Bank during the year.

The key exchange rates applied in the accounts:

Average rates

	Q1/16	Q1/15	FY2015
TRY	3.2470	2.7731	3.0255
USD	1.1020	1.1261	1.1095
ZAR	17.4552	13.2283	14.1723

Balance sheet rates

	31.3.2016	31.3.2015	31.12.2015
TRY	3.2118	2.8131	3.1765
USD	1.1385	1.0759	1.0887
ZAR	16.7866	13.1324	16.9530

FORMULAS FOR FINANCIAL INDICATORS

Financial ratios and indicators have been calculated with the same principles as applied in the 2014 financial statements. These principles are presented below.

Return on equity, % = Profit for the period / Total equity (average for the period) * 100

Return on capital employed, % = (Profit before taxes + financing expenses) / (Total assets - interest-free liabilities) average * 100

Equity ratio, % = Total equity / (Total assets - prepayments received) * 100

Gearing, % = (Interest-bearing debt - liquid funds) / Total equity * 100

Net interest-bearing debt = Interest-bearing debt - liquid funds

Earnings per share, basic, EUR = Profit attributable to owners of the parent company / Average number of shares during the period

Earnings per share, diluted, EUR = Profit attributable to owners of the parent company / Average number of shares during the period, diluted

Operating profit (EBIT) = Operating profit is the net of revenue plus other operating income, plus gain/loss on finished goods inventory change, minus employee benefits expense, minus depreciation, amortisation and impairment and minus other operating expense. Foreign exchange gains or losses are included in operating profit when generated from ordinary activities. Exchange gains or losses related to financing activities are recognised as financial income or expense.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) = Operating profit + depreciation + amortisation + impairment losses

ACCOUNTING POLICIES

This Interim Report is prepared in accordance with IAS 34 'Interim Financial Reporting' and should be read in conjunction with Afarak's financial statements for 2015. Afarak has applied the same accounting principles in the preparation of this Interim Report as in its financial statements for 2015, except for the adoption of new standards and interpretations that become effective in 2016. The changes did not have material impact on the Interim Report.

The preparation of the Interim Report in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

The figures in the tables have been rounded off, which must be considered when calculating totals. Average exchange rates for the period have been used for income statement conversions, and period-end exchange rates for balance sheet.

The Interim Report data are unaudited.

Share-related key figures

		Q1/16	Q1/15	FY2015
Share price development in London Stock Exchange				
Average share price*	EUR	0.42	0.40	0,45
	GBP	0.33	0.30	0,33
Lowest share price*	EUR	0.42	0.34	0,34
	GBP	0.33	0.25	0,25
Highest share price*	EUR	0.42	0.44	0,45
	GBP	0.33	0.33	0,33
Share price at the end of the period**	EUR	0.41	0.45	0,44
	GBP	0.33	0.33	0,33
Market capitalisation at the end of the period**	EUR million	108.0	116.0	116,5
	GBP million	85.5	84.4	85,5
Share trading development				
Share turnover	thousand shares	1	0	13
Share turnover	EUR thousand	1	0	6
Share turnover	GBP thousand	0	0	4
Share turnover	%	0.0%	0.0%	0,0 %
Share price development in NASDAQ Helsinki				

Average share price	EUR	0.41	0.38	0.44
Lowest share price	EUR	0.39	0.33	0.33
Highest share price	EUR	0.49	0.65	0.67
Share price at the end of the period	EUR	0.43	0.43	0.40
Market capitalisation at the end of the period	EUR million	112.3	112.4	105.7
Share trading development				
Share turnover	thousand shares	5,103	15,943	38,224
Share turnover	EUR thousand	2,080	6,100	16,936
Share turnover	%	1.9%	6.1%	14.5 %

* Share prices have been calculated on the average EUR/GBP exchange rate published by Bank of Finland.

** Share price and market capitalisation at the end of the period have been calculated on the EUR/GBP exchange rate published by Bank of Finland at the end of the period.

Formulas for share-related key indicators

Average share price = Total value of shares traded in currency / Number of shares traded during the period

Market capitalisation, million = Number of shares * Share price at the end of the period

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. Save as required by law (including the Finnish Securities Markets Acts (746/2012), as amended, or by the Listing Rules or the Disclosure and Transparency Rules of the UK Financial Services Authority), the Company undertakes no obligation to update any forward-looking statements in this report that may occur due to any changes in the Directors' expectations or to reflect events or circumstances after the date of this report.