Norsk Gjenvinning

4th Quarter Interim Financial Report

2015

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DISCLAIMER

VV Holding AS is providing the following interim financial statements for Q4 2015 to holders of its NOK 2,235,000,000 Senior Secured Floating Rate Notes due 2019.

This report is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy the notes or any other security.

This report includes forward-looking statements that are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements.

Words such as “believe,” “expect,” “anticipate,” “may,” “assume,” “plan,” “intend,” “will,” “should,” “estimate,” “risk” and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

PRESENTATION OF THE GROUP

The Norsk Gjenvinning Group is Norway's leading recycling company offering a wide range of sustainable waste management services and providing secondary raw materials.

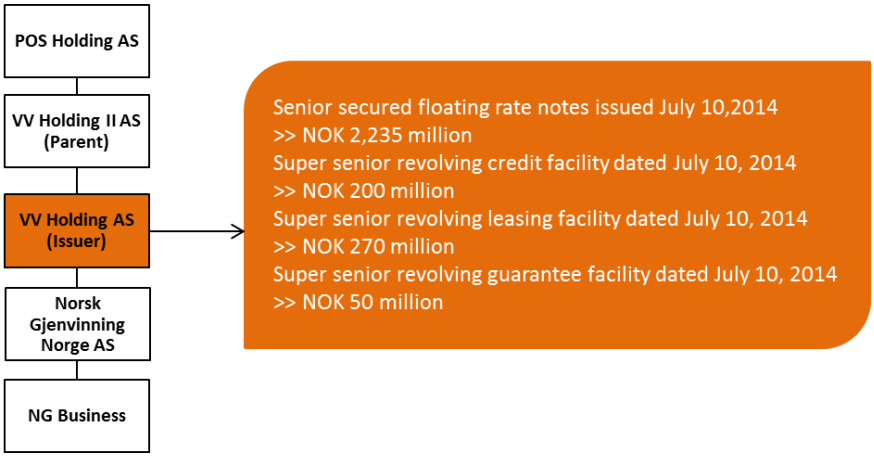
Norsk Gjenvinning is present in two markets; upstream and downstream;

- In the upstream market, Norsk Gjenvinning provides waste management services to local businesses, the municipal sector and private households in Norway, Sweden, Denmark and the United Kingdom
- The downstream markets consist of production/pre-treatment and sales of (i) secondary raw materials, such as recovered paper, plastic and metals to commodity producers in Scandinavia, Europe and Asia and (ii) fuels to waste-to-energy customers in Norway and Sweden

The Group's vision is to turn waste into the resources needed for the future - supporting the circular economy. The Group's mission is to work tirelessly to become the most influential recycling company in the Nordic region. Four key values constitute the base of this effort. These four are team spirit, responsibility, proactivity and salesmanship.

The Group has approximately 1,350 employees, 44,000 customers and handles 1.8 million tonnes of waste per year – 41% of which goes to material recycling, 45% to energy recycling and 13% to landfill and other.

The following illustrates the Group Structure:



The Group's businesses consist of the following divisions:

- **Division Recycling:** Operations include collection, sorting and treatment/recycling of mixed industrial waste, paper, plastics, wood chips and other non-hazardous waste fractions, and operation of municipal recycling stations
- **Division Metal:** Operations include collection, sorting and treatment/recycling of all kinds of ferrous and non-ferrous metals, including vehicles, cables, and electrical waste
- **Division Industry & Offshore:** Operations include (i) Collection and treatment of hazardous waste, (ii) Industrial services, including tank cleaning, plant maintenance stops, cleaning of sand traps and oil separators, pipe inspection and high-pressure suction, and (iii) Emergency services (oil spills, etc.)
- **Division Household Collection:** Operations consist of collection of household waste on behalf of Norwegian and Swedish municipalities.
- **Other Business areas:** Operations include (i) Downstream sales of processed waste and trading, (ii) Secure handling and destruction of documents, (iii) Development and operation of Landfill projects for low level contaminated soil, (iv) Demolition and restoration of buildings and (v) all other businesses

Norsk Gjenvinning Norge AS (formerly Veolia Miljø AS) is owned by VV Holding AS, and POS Holding AS as the ultimate parent. POS Holding AS is controlled by Altor Fund III.

In this report, the Norsk Gjenvinning business has been consolidated at the VV Holding level. Consolidation of financial statements at this level, with compiled comparative figures for 2013, has only been performed since Q3 2014.

Consolidated companies:

VV Holding AS (Issuer)
Norsk Gjenvinning Norge AS 100%
Norsk Gjenvinning AS 100%
Norsk Gjenvinning Downstream AS 100%
Norsk Gjenvinning Fellestjenester AS 100%
Norsk Gjenvinning Industri AS 100%
Norsk Gjenvinning Metall AS 100%
Norsk Gjenvinning Miljøeiendommer AS 100%
Norsk Gjenvinning Offshore AS 100%
Norsk Gjenvinning Plast 100%
Norsk Gjenvinning Renovasjon AS 100%
Norsk Makulering AS 100%
Nordisk Genanvendelse aps (DK) 100%
Nordisk Återvinning Trading AB (SE) 100%
Nordisk Återvinning Service AB (SE) 100%
NG Startup VI AS 100%
NG Vekst AS 100%
Eivind Koch Rørinspeksjon AS 100%
Humlekjær og Ødegaard AS 100%
Hurum Energigjenvinning AS 100%
IBKA A/S (DK) 100%
IBKA AB (SE) 100%
IBKA UK Ltd (UK) 100%
Løvås Transportfirma AS 100%
Tomwil Miljø AS 100%
Metall & Gjenvinning AS 100%
Rivningsspesialisten AS 100%
Wilhelmsen Containerservice AS 100%
Ødegaard Gjenvinning AS 100%
Bingsa AS 100%
Hegstadmoen 7 AS 100%
Taranrødveien 85 AS 100%
Opphaugveien 6 AS 100%
Øra Eiendom Utvikling AS 100 %
Norsk Gjenvinning M3 AS 100%
Asak Massemottak AS 100%
Løvenskiold Massemottak AS 100%
Kopstad Massemottak AS 100%
Borge Massemottak AS 100%
Skjørten Massemottak AS 100%
Solli Massemottak AS 100%

Ownership <100%
R3 Entreprenør Holding AS 81.25%
R3 Entreprenør AS 81.25%
R3 Entreprenør Innland AS AS 81.25%
SRM Eiendom AS 81,25%
Østfold Gjenvinning AS 66%
iSekk AS 55%

If not explicitly mentioned otherwise, the financial information contained in this report relates to the unaudited financial information on a consolidated basis at the Issuer level for the three and twelve months ended December 31, 2015 and December 31, 2014 respectively.

COMMENTS BY THE CEO

Challenging markets put short-term pressure on profits in Q4. In response, our relentless focus on cost reductions is continuing unabated combined with our efforts to increase upstream prices to normalize margins. The NG group has now been repositioned and when market conditions stabilize, we expect a positive development for the group.

HIGHLIGHTS Q4 2015

- A reduction in operating revenue of 4.4% compared to Q4 2014
- 4.6% reduction in waste volumes compared to Q4 2014
- 1.6% drop in gross margins
- Adjusted EBITDA of NOK 57.1 million
- NG200 cost and productivity initiatives being implemented according to plan, but offset by increased costs due to disturbances in incineration markets – operating costs reduced by net NOK 8.0 million

In Q4, we experienced very challenging market conditions with plummeting metal prices, lower demand from incineration plants, upward pressure on gate fees and competitors underbidding each other in an attempt to secure volumes in shrinking markets. In spite of challenging market conditions, we managed to maintain a comfortable level of earnings in 2015. This was made possible by large and successful cost cuts, avoidance of compliance costs, a successful metals hedging policy, successful carve out of other businesses, and increased sales of ancillary products and services.

Overall, sales volumes from our main fractions in Division Recycling and Division Metal decreased by 17,747 thousand tons year over year in Q4, from 385,791 tons in 2014 to 368,044 tons in 2015. Recycling fractions were slightly up, while the reduction in ferrous volumes was of 29.7%. Group operating revenues fell by 4.4% for the quarter compared to Q4 2015 and are down approximately 1% YTD vs 2015 at NOK 4,091 million. Although we saw a slight increase in activity from export oriented customers following a weakening of the NOK, it was not enough to outweigh reduced activity and volumes from customers in the Oil and Offshore sector, certain industrial sectors in south-east of Norway and a weakening retail sector.

Scrap metal prices fell another 20% during the quarter, and year-end prices ended 36,6% lower than mid-year 2015 and at levels not seen since the Lehman crash in 2008. Non-ferrous metal prices were also lower. In spite of plummeting prices we are happy to report that we were able to maintain healthy metal margins thanks to our successful policy of reducing metal price risk through high throughput and low inventories, back-to-back pricing, and active hedging of residual metal price risk. Nevertheless, the large market drop caused a reduction in profitability in Q4 in the Metal division due to the market withholding volumes resulting in lower production, lower utilization of the asset base and lower downstream sales, and in the Recycling division where metals are sorted out from waste at zero cost of goods sold.

The waste for energy markets were also very challenging in Q4. The combination of increased UK exports due to the UK landfill tax and lower Scandinavian demand in lieu of three mild winters drove incineration gate fees higher and reduced our gross margins. Inventories at several incineration plants were record high and some plants declined any further waste deliveries in Q4. Consequently, we processed and stored approximately 40,000 tons of waste in anticipation of colder weather, which increased our logistics and operational costs by 4-6 MNOK in Q4. Incineration plants opened for deliveries again in January following colder weather and inventories are getting back to normal. During the quarter, we were able to increase our upstream prices to partly offset increased gate fees. As we see competitors following suit with similar price increases, we remain positive for a normalization of margins in the industry.

Division Industry and Offshore experienced a drop in revenues of 11.7% in Q4 due to lower activity from the oil and gas sector and other sectors influenced by the oil and gas slowdown. Activity levels were stable from exporters and the industrial services segments in South-East of Norway. As we do not expect a quick pick up in activity from our offshore customers, we have decided to reduce capacity by closing our Mongstad facility in Spring 2016.

The result from our focused businesses (other operations) was a bright spot in 2015. All four businesses were carved out from the main operating divisions and restructured some years back. Together these four businesses saw an increase in EBITDA of 31% from 31.3 MNOK in 2014 to 41.1 MNOK in 2015.

All in all, our results in Q4 were weak and we expect the market in 2016 to remain challenging. On the other hand, we have entered the year with a stable and strong leadership team, top motivated employees, and a very strong score in customer polls. We will continue our aggressive drive to cut costs and increase productivity, combined with efforts to maintain and improve gross margins and build our sales, logistics and manufacturing expertise. This will be our major focus in 2016. The NG group is now repositioned in a very positive way and when market conditions improve we expect to be able to ripe the full benefits of our reduced cost base and strong position.

Erik Osmundsen
CEO

KEY FINANCIAL FIGURES

(NOK'000)	**Q4 2015**	**Q4 2014**	**Variance**	**YTD Q4 2015**	**YTD Q4 2014**	**Variance**
Operating revenue	1 028 385	1 075 504	(47 119)	4 090 994	4 136 315	(45 321)
Gross profit	504 077	543 785	(39 708)	2 064 329	2 106 863	(42 534)
Gross margin	*49,0 %*	*50,6 %*	*(1,5 %)*	*50,5 %*	*50,9 %*	*(0,5 %)*
EBITDA [(1)]	51 640	54 979	(3 339)	362 367	345 935	16 432
EBITDA margin	*5,0 %*	*5,1 %*	*(0,1 %)*	*8,9 %*	*8,4 %*	*0,5 %*
Adjusted EBITDA [(2)]	57 084	89 145	(32 061)	365 478	401 621	(36 143)
Adjusted EBITDA margin	*5,6 %*	*8,3 %*	*(2,7 %)*	*8,9 %*	*9,7 %*	*(0,8 %)*
Net cash flow from operating activities				382 118	385 878	(3 760)
Capital expenditures				(164 683)	(258 779)	94 096
Net interest bearing debt [(3)]				2 263 459	2 309 078	(45 619)
Total assets				3 434 157	3 533 837	(99 680)

Consolidated unaudited figures.

(1) EBITDA represents operating results before depreciation and amortization, adjusted for changes in accounting principles.
(2) Adjusted EBITDA represents EBITDA as adjusted for certain non-recurring and/or non-cash costs. Adjusted EBITDA is presented because it may be a relevant measure for assessing underlying performance for a given period. This measure is not a defined financial indicator under IFRS.
(3) Net interest bearing debt includes a shareholder loan from the parent in the amount of NOK 136 million as of December 31, 2015 (including accrued interest). The shareholder loan is subordinated to all secured senior obligations.

RESULTS OF OPERATIONS

Operating revenue decreased by NOK 47.1 million or 4.4% from NOK 1,075.5 in Q4 2014 to NOK 1,028.4 million in Q4 2015. This was primarily due to falling prices and reduced volumes in metals and lower activity in division Industry & Offshore.

Gross profit decreased by NOK 39.7 million, or 7.3% from 543.8 in Q4 2014 to NOK 504.1 million in Q4 2015. The gross margin fell from 50.6% in Q4 2014 to 49.0% in Q4 2015. A reduction in ferrous metals prices has a direct negative effect on gross profit in the Recycling division, since these metals are sorted out from the processing of waste. In the Metals Division extremely low prices lead to less metal being offered for collection and a lower utilization of the fixed cost base in production. Furthermore, incineration gate fees were slightly higher than a year earlier due to lower demand in lieu of a mild winter. Several incineration plants in Sweden were closed for deliveries in November/December due to high inventories. As a consequence we had to bale and store approximately 40.000 tons of waste in anticipation of colder weather. This increased both our logistics and operational costs. We continue our focus on increased quality of finished products, better pricing, more efficient freight solutions to downstream customers and increased sales of ancillary solutions to counteract negative pressures on gross profit in division Recycling. In Division Industry and Offshore gross profit fell as a result of lower activity.

Our cost reduction initiatives are being implemented according to plan, lowering adjusted operating costs by NOK 8.0 million in Q4 2015 compared to Q4 2014. This in spite of cost increases from disturbances in deliveries of waste to incineration plants. Consequently, reported EBITDA decreased by NOK 3.3 million or 6.1% from NOK 55 million in Q4 2014 to NOK 51.6 million in Q4 2015.

Reported EBITDA for the whole year increased by NOK 16.4 million or 4.8% from NOK 345.9 million in 2014 to NOK 362.4 million in 2015.

The following table reconciles EBITDA to adjusted EBITDA for the periods indicated:

(NOK'000)	**YTD Q4 2015 Consolidated unaudited**	**YTD Q4 2014 Consolidated unaudited**
EBITDA	**362 367**	**345 935**
Restructuring costs [1]	-	37 638
Gains from sale of subsidiary[2]	(2 333)	-
Lawsuits[3]	(9 561)	13 949
Costs related to dispute with Scomi [4]	1 426	3 315
Provision for onerous contract[5]	9 200	-
Net other non-recurring items[6]	4 379	784
Adjusted EBITDA	**365 478**	**401 621**

(1) Restructuring costs in 2014 include severance payments and costs for discontinuing operations.
(2) Gain on sale of former subsidiary Tomwil Transport AS as described in the Q3 report.
(3) The non-recurring charges from 2014 relates to the KLP case and payment of severance and legal cost to former CEO of Metall og Gjenvinning AS. Amounts for 2015 is the net effect of reversal of the non-recurring charge from 2014 (KLP case) and incurred legal cost.
(4) Incurred costs related to arbitral proceedings in dispute between Norsk Gjenvinning Offshore AS (NGO) and Scomi Oiltools Europe Ltd (Scomi). NGO and Scomi were parties to a contract which was terminated in February 2012. Following the termination of that contract, NGO raised arbitration proceedings against Scomi in June 2012. In March 2014, the arbitral tribunal found in favor of NGO and ordered Scomi to pay to NGO the sum of NOK 56.6 million plus legal costs and the tribunal's costs. NGO is contesting potentially challengeable transactions conducted by Scomi in the period from May 2012 to June 2014 in an attempt to recover as much as possible of the claim. NOK 10.1 million of the claim is recognized per December 31, 2015.
(5) During the fourth quarter 2015, an onerous contract was identified in the Household collection division. A provision of NOK 9.2 million has been recognized as other operating expenses in the three and twelve-month periods ending December 31, 2015. The contract in question runs until August 2019, with a two-year option for the counterpart. An assumption of total duration of contract of five years and eight months has been used in the calculation of the estimated loss.
(6) Net other non-recurring items include a fine as described in the third quarter report and cost incurred in the restructuring process of the real estate portfolio.

The adjustments reconciling EBITDA and adjusted EBITDA represent an illustration of how underlying operational EBITDA has been affected by, what the company perceives to be one-time items.

CAPITAL EXPENDITURES

Capital expenditures decreased by NOK 94.1 million, or 36.4%, from NOK 258.8 million in the twelve months of 2014 to NOK 164.7 million in the twelve months of 2015. Growth capital investments in 2015 was NOK 17.0 million related to new collection vehicles in Division Household collection. Capital expenditures are according to plan.

CASH FLOW

(NOK'000)	**YTD Q4 2015 Consolidated, unaudited**
Net cash flow from operating activities	382 118
Net cash flow from investing activities	(136 244)
Net cash flow from financing activities	(188 071)
Net change in cash and cash equivalents for the period	**57 803**
Effect of exchange rate changes	948
Cash and cash equivalents at the beginning of the period	161 068
Cash and cash equivalents at the end of the period	**219 819**

Cash from operating activities in the twelve months of 2015 showed an inflow of NOK 382.1 million, which was NOK 3.8 million lower than previous year. During the year, there was a positive cash effect from net working capital, driven by reductions in trade receivables and inventory.

Cash outflow from investing activities in 2015 was NOK 136.2 million compared to NOK 244.2million in previous year. The change in cash outflow was caused by reduced capital expenditures.

Cash outflow from financing activities was NOK 188.1 million in the twelve months of 2015 compared to NOK 116.8 million in the same period previous year. The primary reason for the variation in cash flow from financing activities was higher interest payments in 2015 compared to 2014, payment of transaction fees in 2014 and a net cash inflow from borrowings in 2014 compared to net cash repayment in 2015.

Cash and cash equivalents increased by NOK 58.7 million year to date 2015 from NOK 161.1 million per December 31, 2014 to NOK 219.8 million as of December 31, 2015.

FINANCIAL POSITION

NET INTEREST BEARING LIABILITIES

Net interest bearing debt of the Issuer and its subsidiaries, on a consolidated basis was NOK 2,263.5 million as of December 31, 2015, compared to NOK 2,309.1 as of December 31, 2014. Net interest bearing debt has decreased due to an increase in cash and cash equivalents and repayment of senior bank debt.

As of December 31, 2015 NOK 1,400 million of the interest bearing debt is swapped from floating to fixed interest rate and will remain at this level until maturity of the bond.

CAPITALISATION

The following table sets forth the cash and cash equivalents and capitalization of the Issuer and its subsidiaries, on a consolidated basis.

(NOK '000)	**As of December 31, 2015**	**As of December 31, 2014**
Cash and cash equivalents	**219 819**	**161 068**
Indebtedness:		
Revolving credit facility [1]	529	483
Leasing facility [2]	68 558	64 162
NOK Senior secured notes [3]	2 272 737	2 270 452
Senior bank debt	5 228	9 575
Total third-party indebtedness	**2 347 052**	**2 344 672**
Shareholder loan	136 226	125 474
Total equity	166 086	220 617
Total capitalization	**2 869 183**	**2 851 831**

(1) The Issuer has entered into a Revolving Credit Facility Agreement on July 10, 2014 to provide for a Revolving Credit Facility in the amount of NOK 200.0 million to finance or refinance the general corporate and ongoing working capital needs of the Group. As of December 31, 2015, the Revolving Credit Facility is undrawn. Accrued, unpaid interest amounted to NOK 0.5 million.

(2) The Issuer has entered into a Leasing Facility Agreement on July 10, 2014 in the amount of NOK 270.0 million to finance the needs of the Group and for investments in collection vehicles in Division Household collection. As of December 31, 2015, the Leasing facility is drawn by NOK 68.6 million.

(3) On July 10, 2014 the Issuer conducted a successful placement of a senior secured floating rate note in the amount of NOK 2,235.0 million. As of December 31, 2015 the total amount outstanding, including accrued unpaid interest and unpaid amounts on interest rate swaps are NOK 2,272.7 million. The issuer may, provided that an incurrence test is met, at one or more occasions issue additional bonds under the existing bond agreement up to the amount of NOK 500 million.

OPERATING AND FINANCIAL REVIEW

DIVISION RECYCLING

(NOK'000)	Q4 2015	Q4 2014	Variance	YTD Q4 2015	YTD Q4 2014	Variance
Total revenue	495 946	491 938	4 008	1 965 182	1 949 760	15 423
Adjusted EBITDA (before internal charges)	34 946	42 625	(7 680)	176 973	208 558	(31 585)
Adjusted EBITDA margin	*7,0 %*	*8,7 %*	*(1,6 %)*	*9,0 %*	*10,7 %*	*(1,7 %)*

	YTD Q4 2015	YTD Q4 2014	Variance
Collection assignments	3 365 745	3 336 860	0,9 %
Total waste treated (tons)	1 194 024	1 179 437	1,2 %

Total revenues in Division Recycling increased by NOK 4.0 million, or 0.8%, from NOK 491.9 in Q4 2014 to NOK 495.9 million in Q4 2015. Year to date total revenues increased by NOK 15.4 million, or 0.8%, from NOK 1,949.8 in 2014 to NOK 1965.2 million in 2015. The growth in revenues year to date was driven by increased waste volumes and collection assignments.

Adjusted EBITDA before internal charges decreased with NOK 7.7 million, from NOK 42.6 million in Q4 2014 to NOK 34.9 million in Q4 2015. The decreased EBITDA is due to pressure on gross profit from falling scrap metal ferrous prices, increased incineration gate fees and cost increases due to the reorganization of certain central functions that are moved from group overhead to Division Recycling. The decline is partly offset by NG200 measures.

From January 2015, paper sales to Europe and sales of plastics are managed by Division Downstream and recognized as internal revenue in Division Recycling.

DIVISION METAL

(NOK'000)	Q4 2015	Q4 2014	Variance	YTD Q4 2015	YTD Q4 2014	Variance
Total revenue	180 213	237 413	(57 200)	805 737	865 285	(59 548)
Adjusted EBITDA (before internal charges)	15 571	39 130	(23 559)	104 345	105 236	(891)
Adjusted EBITDA margin	*8,6 %*	*16,5 %*	*(7,8 %)*	*13,0 %*	*12,2 %*	*0,8 %*

	YTD Q4 2015	YTD Q4 2014	Variance
Ferrous volumes (tons)	201 499	220 485	-8,6 %
Non-ferrous volumes (tons)	33 837	31 255	8,3 %

Total revenues in Division Metal decreased by NOK 57.2 million, or 24.1%, from NOK 237.4 million in Q4 2014 to NOK 180.2 million in Q4 2015. This was due to lower commodity prices for both ferrous and non-ferrous metals in Q4 2015 compared to Q4 2014, paired with lower production in December due to less metal being offered for collection towards the end of the year. Year to date total operating revenues fell by NOK 59.5 million, or 6.9%, from NOK 865.3 million in 2014 to NOK 805.7 million in 2015.

Adjusted EBITDA before internal charges decreased with NOK 23.6 million, from NOK 39.1 million in Q4 2014 to NOK 15.6 million in Q4 2015, while the adjusted EBITDA margin fell from 16.5% in Q4 2014 to 8.6% in Q4 2015. The reduction in adjusted EBITDA is due to reduced volumes in ferrous products paired with steeply falling commodity prices throughout the second half of 2015. Cost reduction and productivity initiatives are being implemented according to plan.

Going forward, we would like to see metals prices increase both on ferrous and non ferrous products to increase upstream volumes. When prices are extremely low, the market holds back volumes resulting in lower production, lower utilization of the asset base and lower downstream sales. Furthermore, increased metal prices are needed to maintain gross margins from shredder processing in Øra.

DIVISION INDUSTRY & OFFSHORE

(NOK'000)	Q4 2015	Q4 2014	Variance	YTD Q4 2015	YTD Q4 2014	Variance
Total revenue	150 571	170 460	(19 888)	591 292	692 046	(100 754)
Adjusted EBITDA (before internal charges)	5 380	11 445	(6 065)	60 483	87 887	(27 404)
Adjusted EBITDA margin	*3,6 %*	*6,7 %*	*(3,1 %)*	*10,2 %*	*12,7 %*	*(2,5 %)*

Total revenue in Division Industry & Offshore decreased by NOK 19.9 million, or 11.7%, in Q4 2015 from NOK 170.4 in Q4 2014 to NOK 150.6 million in Q4 2015. Year to date total revenues fell by 100.8 million, or 14.6%, from NOK 692.0 in 2014 to NOK 591.3 million in 2015. The decrease is due to lower activity in the offshore sector on the south-west coast of Norway, and in the Industrial Services segment in South-East of Norway.

Adjusted EBITDA before internal charges fell by NOK 6.1 million from NOK 11.4 million in Q4 2014 to NOK 5.4 million in Q4 2015. The EBITDA margin of 3,6% in Q4 4015 is weak compared to the full year EBITDA margin due to seasonality.

DIVISION HOUSEHOLD COLLECTION

(NOK'000)	Q4 2015	Q4 2014	Variance	YTD Q4 2015	YTD Q4 2014	Variance
Total revenue	88 233	84 333	3 900	352 720	334 840	17 880
Adjusted EBITDA (before internal charges)	7 105	11 025	(3 920)	43 654	49 142	(5 488)
Adjusted EBITDA margin	*8,1 %*	*13,1 %*	*(5,0 %)*	*12,4 %*	*14,7 %*	*(2,3 %)*

Total operating revenue in Division Household Collection increased by NOK 3.9 million, or 4.6%, from NOK 84.3 million in Q4 2014 to NOK 88.2 million in Q4 2015. Year to date total operating revenues increased by NOK 17.9 million, or 5.3%, from NOK 334.8 million in 2014 to NOK 352.7 million in 2015. The increase in revenues relates to higher activity on existing contracts, start up of new contracts and index adjustments.

The growth in revenues in Q4 2015 was offset by increased costs which reduced adjusted EBITDA before internal charges by NOK 3.9 million, from NOK 11.0 million in Q4 2014 to NOK 7.1 million in Q4 2015. Adjusted EBITDA for Q4 2015 excludes the provision for an onerous contract, please see the section on results of operations above for further details.

In Q4 2015 the municipal company Øvre Romerike Avfallsselskap AS (ØRAS) announced its intent to award the Household Collection Division the contract for collection of municipal waste in Eidsvoll Kommune. Earlier in 2015 the Household Collection Division was awarded new contracts by the municipal companies ROAF, Follo Ren IKS, Renovasjon i Grenland (IKS) and Hässleholm (Sweden). The Division was not awarded any contracts in the Oslo tender. The Division is currently operating two out of four areas in Oslo and will continue operating these contracts until expiry in September 2016.

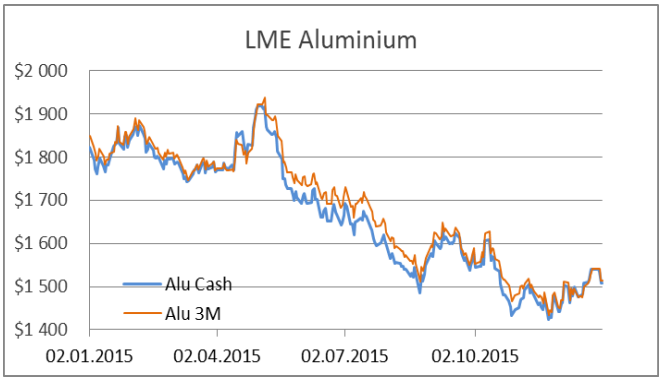
MARKET CONDITIONS

The inventory price risk is related to paper and metals that are discovered in the sorting process of waste (it is not possible to predict these volumes) and the estimation of throughput timing. Inventory positions on Aluminium, Copper and Nickel are being hedged.

DEVELOPMENT IN METAL PRICES

ALUMINIUM

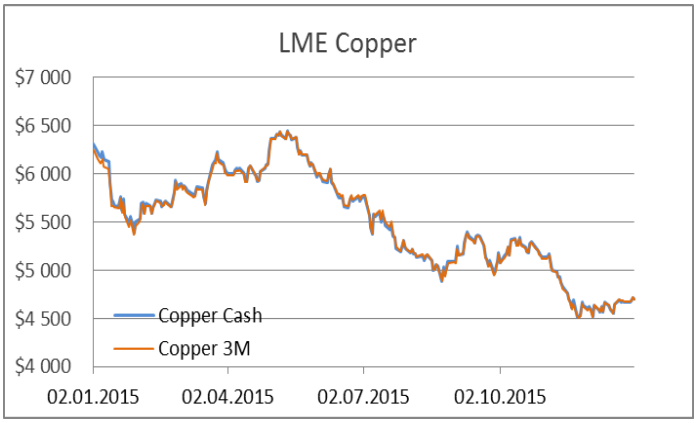
Aluminium prices moved sideways in Q4, trading around $1500–level. Demand for aluminium is still robust, however with all the new capacity on the way, the supply side needs to be limited to rebalance the market. We have seen several production cuts in 2015, mainly in China, and the market is expecting further reductions in the coming months ahead. Global aluminium stocks remain at a high level.



LME Aluminium - 2015

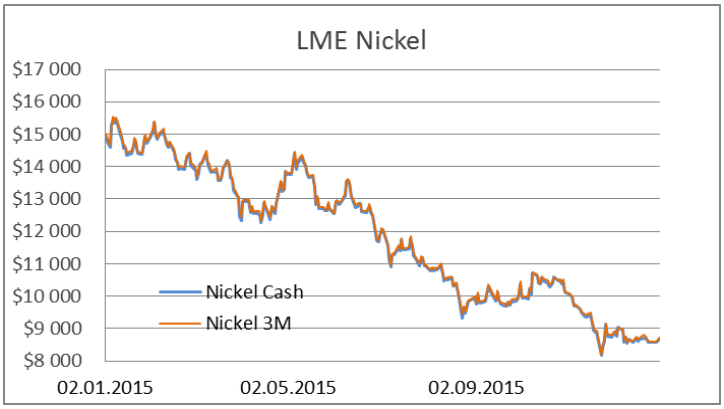
COPPER

Copper continues to sell off in Q4, with prices trading at a low of $4350 per ton. Production cuts and supply disruption could help balance the market, however the weak demand outlook is still weighing on market prices.



NICKEL

Nickel prices dropped below the 2008 low to $8,145 per ton during November, a level last seen in 2003. At current price level, further production cuts are expected.

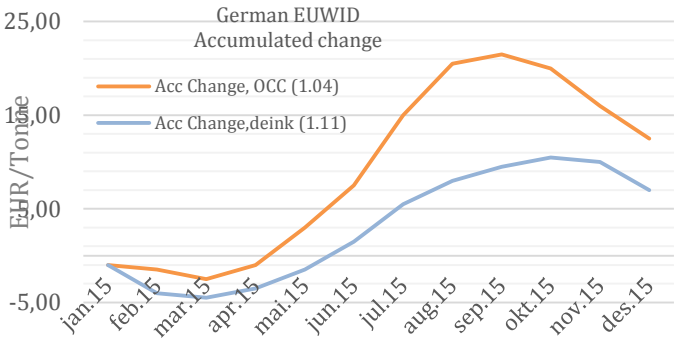


IRON ORE & STEEL

Iron ore prices have fallen to a new low of $38.30 per ton. Steel prices for finished products are under pressure – demand is weaker, especially in China. Falling raw material prices postpone necessary production cuts.

DEVELOPMENT IN PAPER PRICES

As expected, recovered paper prices decreased in Q4 in the European market, especially for OCC and unsorted household paper. In Q4 market price of OCC decreased 15 USD in China. The Asian mills have increased domestic fiber combustion, which have tended to be cheaper in order to enable them to compete amid weakening prices of finished goods. We expect a further decrease in Q1 in the Asian market. Scandinavian paper mills prices remained stable in Q4.



DEVELOPMENT WASTE-TO-ENERGY

WOODCHIPS

Mild weather and lack of cold spells continued to put pressure on the prices in Q4. Inventories are high and withdrawal levels are low due to the mild weather. Wood waste quality has been good, resulting in retained price levels.

REFUSE DERIVED FUEL (RDF)

A saturated market in Scandinavia continued to influence and put pressure on prices during Q4. Mild weather also had a negative impact on demand. Storage levels are high across Scandinavia in general and several incineration plants did not accept deliveries in November/December 2015.

UPDATE OF MATERIAL RISK FACTORS AND EVENTS AFTER REPORTING PERIOD

No significant changes in risk factors have been identified. For additional explanations regarding risks and uncertainties, please refer to the Board of Directors Report section Risk and Risk Management and Note 23 Financial Risk Management in the 2014 Annual Report.

MATERIAL CHANGES IN LIQUIDITY AND CAPITAL RESOURCES

The Group continually analyses its liquidity and capital resources position. The Group has assessed its currently available capital resources and its current liquidity position as satisfactory and not noted any material changes in the current period.

EVENTS AFTER REPORTING PERIOD

No significant events.

CONDENSED INTERIM FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(NOK'000)	Q4 2015	Q4 2014	YTD Q4 2015	YTD Q4 2014
Revenue	1 026 926	1 069 326	4 084 582	4 128 503
Other income	1 459	6 178	6 412	7 812
Total operating revenue	**1 028 385**	**1 075 504**	**4 090 994**	**4 136 315**
Cost of goods sold	524 308	531 719	2 026 665	2 029 452
Employee benefits expense	263 432	287 976	978 833	998 340
Depreciation and amortization expense	71 116	86 184	255 815	256 614
Other operating expenses	187 932	211 069	726 370	775 407
Other (gains)/losses - net	1 073	(10 239)	(3 242)	(12 819)
Operating profit	**(19 476)**	**(31 205)**	**106 552**	**89 321**
Finance income	484	(1 007)	2 190	4 072
Finance costs	53 743	50 944	221 302	278 990
Net income from associated companies	7 579	2 727	9 599	2 531
Profit / (loss) before income tax	**(65 156)**	**(80 429)**	**(102 962)**	**(183 066)**
Income tax expense	(17 515)	(4 470)	(36 081)	(55 036)
Profit / (loss) for the period from continuing operations	**(47 642)**	**(75 959)**	**(66 881)**	**(128 030)**
Profit / (loss) attributable to:				
Owners of the parent	(48 476)	(80 299)	(70 476)	(135 405)
Non-controlling interests	834	4 340	3 596	7 375

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK'000)	**Q4 2015**	**Q4 2014**	**YTD Q4 2015**	**YTD Q4 2014**
Profit / (loss) for the period	**(47 642)**	**(75 959)**	**(66 881)**	**(128 030)**
Items that will not be reclassified to profit and loss				
Actuarial gain / (loss) on post-employment benefit obligations	50	(319)	50	(319)
Items that may be subsequently reclassified to profit and loss				
Foreign currency translation differences	1 086	4 235	4 420	3 474
Interest rate swaps - cash flow hedges	2 632	(30 032)	9 904	17 041
Net other comprehensive income / (loss) for the period	**3 768**	**(26 116)**	**14 374**	**20 196**
Comprehensive income / (loss) for the period	**(43 874)**	**(102 075)**	**(52 507)**	**(107 834)**
Comprehensive income attributable to:				
Owners of the parent	(44 708)	(106 415)	(56 102)	(115 209)
Non-controlling interests	834	4 340	3 596	7 375

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(NOK'000)	31.12.2015	Restated 31.12.2014	31.12.2014
Non-current assets			
Property, plant & equipment	1 031 968	1 089 001	1 089 001
Intangible assets	152 007	195 688	195 688
Goodwill	1 229 559	1 229 559	1 221 812
Deferred tax assets	76 226	61 684	61 684
Investments in associated companies	12 393	12 802	12 802
Other non-current receivables	28 338	27 829	27 829
Total non-current assets	**2 530 492**	**2 616 563**	**2 608 816**
Current assets			
Inventories	87 536	120 475	120 475
Trade and other receivables	596 309	633 913	635 778
Derivative financial instruments	-	1 818	1 818
Cash and cash equivalents	219 819	161 068	161 068
Total current assets	**903 664**	**917 274**	**919 139**
Total assets	**3 434 157**	**3 533 837**	**3 527 955**

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES

(NOK'000)	31.12.2015	Restated 31.12.2014	31.12.2014
Equity attributable to owners of the parent			
Ordinary shares	45 348	45 348	45 348
Share premium	330 011	330 011	330 011
Additional paid in capital	7 970	7 970	7 970
Retained earnings	(232 009)	(176 930)	(176 930)
Total equity attributable to owners of the parent	**151 321**	**206 399**	**206 399**
Non-controlling interest	14 765	14 218	14 218
Total equity	**166 086**	**220 617**	**220 617**
Non-current liabilities			
Loans and borrowings	2 380 419	2 360 610	2 360 610
Derivative financial instruments	59 635	73 360	73 360
Deferred income tax liabilities	41 174	56 697	56 697
Post-employment benefits	7 265	5 658	5 658
Provisions for other liabilities and charges	102 312	109 408	109 408
Total non-current liabilities	**2 590 804**	**2 605 733**	**2 605 733**
Current liabilities			
Trade and other payables	602 335	621 958	616 076
Current income tax	1 960	3 240	3 240
Loans and borrowings	60 519	58 737	58 737
Derivative financial instruments	3 999	6 379	6 379
Provisions for other liabilities and charges	8 454	17 173	17 173
Total current liabilities	**677 267**	**707 487**	**701 605**
Total liabilities	**3 268 071**	**3 313 220**	**3 307 338**
Total equity and liabilities	**3 434 157**	**3 533 837**	**3 527 955**

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK'000)	**YTD Q4 2015**	**YTD Q4 2014**
Profit / (Loss) before income tax	**(102 962)**	**(183 066)**
Adjustments for:		
Income tax paid	(10 101)	(2 106)
Depreciation and amortization charges	255 815	256 614
Items reclassified to investing and financing activities	171 475	177 080
Other P&L items without cash effect	16 360	100 306
Changes in other short term items	51 531	37 050
Net cash flow from operating activities	**382 118**	**385 878**
Proceeds from sale of share in associates	10 008	5 670
Payments for purchases of non-current assets	(164 683)	(258 779)
Proceeds from sale of non-current assets	10 982	8 875
Proceeds from sale of subsidiaries	7 449	-
Net cash flow from investing activities	**(136 244)**	**(244 234)**
Proceeds from borrowings	-	2 235 000
Repayment of borrowings	(3 250)	(2 198 209)
Transaction fees	-	(60 117)
Net change in credit facility	(2 808)	1 860
Dividend paid to non-controlling interest	(1 575)	-
Net group contributions received / (paid)	2 458	-
Net interest paid	(182 896)	(95 306)
Net cash flow from financing activities	**(188 071)**	**(116 772)**
Net increase in cash and cash equivalents	**57 803**	**24 872**
Effect of exchange rate changes	948	-
Cash and cash equivalents at beginning of period	161 068	136 196
Cash and cash equivalents at end of period	**219 819**	**161 068**

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONDENSED STATEMENT OF CHANGES IN EQUITY – Q4 2015

(NOK'000)	Attributable to the owners of the parent	Non-controlling interest	Total equity
At 1 January 2015	**206 399**	**14 218**	**220 617**
Profit / (loss) YTD	(70 476)	3 596	(66 881)
Net other comprehensive income / (loss)	14 374	-	14 374
Transactions with non-controlling interest	1 024	(3 049)	(2 025)
At 31 December 2015	**151 321**	**14 765**	**166 085**

CONDENSED STATEMENT OF CHANGES IN EQUITY – Q4 2014

(NOK'000)	Attributable to the owners of the parent	Non-controlling interest	Total equity
At 1 January 2014	**329 333**	**(981)**	**328 352**
Profit / (loss) YTD	(135 405)	7 375	(128 030)
Net income/(loss) OCI	20 196	-	20 196
Non-controlling interest arising from business combination	(7 824)	7 824	-
Group contributions	99	-	99
At 31 December 2014	**206 399**	**14 218**	**220 617**

The interim financial information has not been subject to audit.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ACCOUNTING PRINCIPLES

VV Holding AS is a wholly owned subsidiary of POS Holding AS (and is part of the Norsk Gjenvinning-group).

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the Annual Report 2014. These condensed consolidated interim financial statements have not been audited or subject to a review by the auditors.

Accounting principles applied in the preparation of these condensed consolidated interim financial statements for the period ended December 31, 2015, are consistent with those applied in the annual consolidated financial statements for 2014. Comparative prior period information has been prepared on the same basis as current period information. All figures refer to thousands of Norwegian kroner (NOK'000) unless otherwise specified

These interim consolidated financial statements include a restated consolidated statement of financial position as of December 31 2014, which is a result of measurement period adjustments, as described in the Q3 report. The restated statement of financial position has not been audited or subject to a review by the auditors.

NOTE 2 - FINANCIAL ITEMS

(NOK'000)	**Q4 15**	**Q4 14**	**YTD Q4 15**	**YTD Q4 14**
Interest income	484	374	2 190	3 320
Other financial income	-	(1 381)	-	752
Financial income	**484**	**(1 007)**	**2 190**	**4 072**
Non cash interest expenses	2 646	5 398	22 952	77 803
Cash interest expenses	44 963	47 870	181 041	145 153
Other financial expenses	6 134	(2 324)	17 309	56 034
Financial expenses	**53 743**	**50 944**	**221 302**	**278 990**
Net financial income (expenses)	**(53 259)**	**(51 951)**	**(219 112)**	**(274 918)**

NOTE 3 - SENIOR SECURED FLOATING RATE NOTES

On July 10 (the Issue Date), 2014 VV Holding AS (the Issuer) issued Senior Secured Floating Rate Notes (the Bond) in the amount of NOK 2,235 million. The Bond matures on July 10, 2019 (the Maturity Date) and is to be repaid in full at the Maturity Date. Interest is set quarterly at NIBOR + 525 bp. The Issuer may, provided that the incurrence test is met, at one or more occasions issue additional bonds under the Bond agreement, in the amount of up to NOK 500 million, up to five (5) business days prior to the Maturity Date. The incurrence test is met if the ratio of Net Interest Bearing Debt to EBITDA, as defined in the Bond agreement, is not greater than:

- 5.00 prior to the date falling 18 months after the Issue Date
- 4.50 from and including the date falling 18 months after the Issue Date to, but not including, the date falling 48 months after the Issue Date
- 4.00 from and including the date falling 48 months after the Issue Date to, but not including the Maturity Date.

The bonds are listed on the Oslo Stock Exchange. For further information about the Bond, we refer to the Bond agreement.

NOTE 4 - SEGMENT NOTE

	External revenues		Inter segment revenues		Total segment revenues	
(NOK'000)	**Q4 2015**	**YTD Q4 2015**	**Q4 2015**	**YTD Q4 2015**	**Q4 2015**	**YTD Q4 2015**
Recycling	415 870	1 613 534	80 076	351 649	495 946	1 965 182
Metal	178 896	797 654	1 318	8 083	180 213	805 737
Household collection	87 468	351 614	765	1 106	88 233	352 720
Industry & Offshore	144 800	573 927	5 771	17 366	150 571	591 292
Other businesses	197 994	740 962	76 074	291 294	274 068	1 032 257
HQ and eliminations	1 899	6 891	(164 005)	(669 498)	(162 106)	(662 606)
Total	**1 026 926**	**4 084 582**	**-**	**-**	**1 026 926**	**4 084 582**

	External revenues		Inter segment revenues		Total segment revenues	
(NOK'000)	**Q4 2014**	**YTD Q4 2014**	**Q4 2014**	**YTD Q4 2014**	**Q4 2014**	**YTD Q4 2014**
Recycling	464 428	1 812 252	27 511	137 508	491 938	1 949 760
Metal	235 456	859 652	1 957	5 633	237 413	865 285
Household collection	84 111	334 244	222	597	84 333	334 840
Industry & Offshore	155 886	672 024	14 574	20 022	170 460	692 046
Other businesses	127 964	443 915	70 036	265 751	198 000	709 666
HQ and eliminations	1 483	6 417	(114 300)	(429 511)	(112 817)	(423 094)
Total	**1 069 327**	**4 128 503**	**-**	**-**	**1 069 327**	**4 128 504**

EBITDA BEFORE INTERNAL CHARGES

(NOK'000)	**Q4 2015**	**YTD Q4 2015**	**Q4 2014**	**YTD Q4 2014**
Recycling	32 946	174 973	45 590	207 293
Metal	15 571	104 345	25 004	83 076
Household collection	(2 095)	34 454	11 025	49 142
Industry & Offshore	3 954	59 057	(3 534)	69 825
Other businesses	4 857	41 080	902	31 335
HQ and eliminations	(3 593)	(51 541)	(24 009)	(94 735)
Total	**51 639**	**362 367**	**54 978**	**345 934**
Depreciation and amortization expense	(71 116)	(255 815)	(86 184)	(256 614)
Finance income	484	2 190	(1 007)	4 072
Finance costs	(53 743)	(221 302)	(50 944)	(278 990)
Net income from associated companies	7 579	9 599	2 727	2 531
Profit before tax	**(65 158)**	**(102 962)**	**(80 430)**	**(183 067)**

NOTE 5 - EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period have been described on page 14 under the heading “Update of material risk factors and events after the reporting period”.

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the condensed interim financial statements for the twelve months of 2015 which have been prepared in accordance with IAS 34 Interim Financial Reporting give a true and fair view of the Group's consolidated assets, liabilities, financial position and results of operations, and that the interim report includes a fair review of the information under the Norwegian Securities Trading Act section 5–6 fourth paragraph.

Oslo, February 29, 2016

Reynir Kjær Indahl
Chairman of the Board
(sign.)

Pål Stampe
Director
(sign.)

Håkon Jahr
Director
(sign.)

Ylva Lindberg
Director
(sign.)

Erik Osmundsen
Chief Executive Officer
(sign.)

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