



Norsk
Gjenvinning

3rd Quarter Interim Financial Report

2015

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DISCLAIMER

VV Holding AS is providing the following interim financial statements for Q3 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.

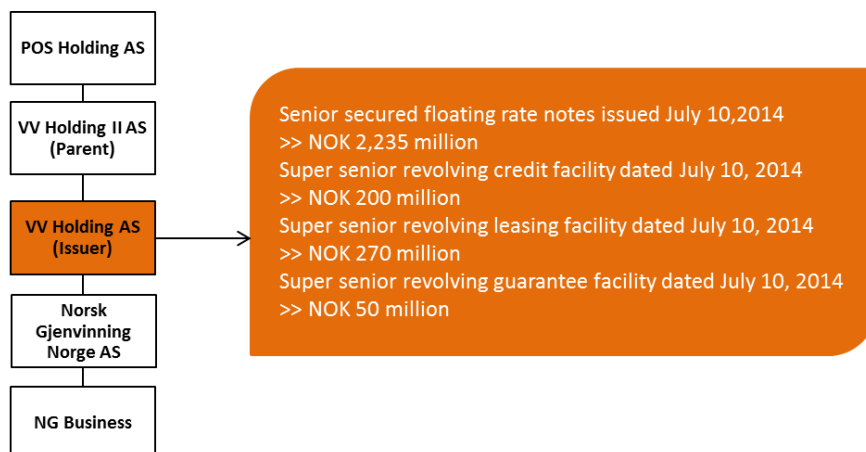
Norsk Gjenvinning is present in two markets; upstream and downstream;

- 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 Miljøprosjekt AS 100%
 Norsk Gjenvinning Offshore AS 100%
 Norsk Gjenvinning Plast 100%
 Norsk Gjenvinning Renovasjon AS 100%
 Norsk Makulering AS 100%
 Nordisk Genanvendelse AS (DK) 100%
 Nordisk Återvinning Trading AB (SE) 100%
 Nordisk Återvinning Service AB (SE) 100%
 NG Startup V AS 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%
 Metall & Gjenvinning AS 100%
 Rivningsspesialisten AS 100%
 Tomwil Miljø 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 %

Ownership <100%

R3 Entreprenør Holding AS 81.25%
 R3 Entreprenør AS 81.25%
 R3 Entreprenør Innland AS 81.25%
 13 Byggentreprenør AS 69.06%
 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 nine months ended September 30, 2015 and September 30, 2014 respectively.

COMMENTS BY THE CEO



Challenging markets are putting pressure on our profits. Therefore, our focus on cost reductions is continuing unabated and significant progress was achieved in Q3, thus maintaining gross margins and a flat EBITDA yoy.

HIGHLIGHTS Q3 2015

- A reduction in operating revenue of 6.1% compared to Q3 2014
- 3.3% reduction in waste volumes compared to Q3 2014
- Flat gross margins
- Adjusted EBITDA of NOK 126.6 million
- NG200 cost and productivity initiatives being implemented according to plan – operating costs reduced by net NOK 19,1 million (NOK 25,6 million adjusted for M&A's and new household collection contracts)

We experienced challenging markets in Q3 with plummeting metal prices, lower demand from incineration plants based on high inventories due to mild winters and upward pressure on gate fees fueled by UK RDF exports and a strong GBP. Thanks to our focus on cost reductions and productivity initiatives including increased quality of finished products, better pricing, more efficient freight solutions to downstream customers and increased sales of ancillary solutions we were able, to a large extent, to offset these negative market pressures in Q3, thus maintaining a flat EBITDA yoy.

Growth in volumes in the first half of the year leveled off in Q3. Overall, sales volumes from our main fractions in Division Recycling and Division Metal decreased by 2,922 thousand tons year over year in Q3, from 362,245 tons in 2014 to 359,323 tons in 2015. Group operating revenues fell by 6.1% for the quarter and are approximately flat YTD at NOK 3,062.6 million. Although we see increased activity from export oriented customers following a weakening of the NOK, it is not enough to outweigh reduced activity and reduced volumes from customers in the Oil and Offshore sector, certain industrial sectors in south-east of Norway and a weakening retail sector.

We experienced a large drop in metal prices during the quarter. Scrap ferrous metal prices fell by more than 40% during the quarter and were over 50% lower compared to the same period last year. Non-ferrous metal prices were also lower. A reduction in 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 we were able to offset falling commodity prices by reducing the prices we pay upstream and maintain stable gross profit per ton. Volumes did however suffer as less metal was offered for collection, as usually is the case when prices are extremely low. We would like to see metals prices increase if we are to maintain gross profit per ton in the Metals Division.

RDF markets were challenging in Q3. Incineration gate fees were slightly higher than a year earlier due to lower demand in lieu of a mild winter and UK exports that are fueled by a strong GBP. Furthermore, inventories at incineration plants are record high and some plants are not accepting any more waste in 2015. This will put further pressure on gate fees in 2016. To outweigh these negative developments we plan to increase upstream prices and will start to seek downstream solutions outside of Scandinavia. We will also continue to focus on increased quality of finished products, more efficient freight solutions to downstream customers and increased sales of ancillary services.

Overall, we are pleased with the progress we have made this quarter related to our cost cutting and productivity measures. We were able to reduce our operating costs by a net of NOK 19.1 million, NOK 25.6 adjusted for M&A's and new household collection contracts. We are determined to continue our aggressive drive to cut costs and increase productivity, combined with efforts to maintain and improve gross margins in these challenging market conditions. This will be our major focus in the remainder of 2015 and 2016.

Erik Osmundsen
CEO

KEY FINANCIAL FIGURES

(NOK'000)	Q3 2015	Q3 2014	Variance	YTD Q3 2015	YTD Q3 2014	Variance
Operating revenue	990 759	1 054 694	(63 935)	3 062 609	3 060 811	1 798
Gross profit	499 925	531 354	(31 429)	1 560 252	1 563 078	(2 826)
Gross margin	50.5 %	50.4 %	0.1 %	50.9 %	51.1 %	(0.1 %)
EBITDA ⁽¹⁾	128 947	129 594	(647)	310 727	290 956	19 771
EBITDA margin	13.0 %	12.3 %	0.7 %	10.1 %	9.5 %	0.6 %
Adjusted EBITDA ⁽²⁾	126 614	139 592	(12 978)	308 394	312 484	(4 090)
Adjusted EBITDA margin	12.8 %	13.2 %	(0.5 %)	10.1 %	10.2 %	(0.1 %)
Net cash flow from operating activities				225 982	185 732	40 250
Capital expenditures				(129 907)	(145 225)	15 318
Net interest bearing debt ⁽³⁾				2 348 700	2 367 202	(18 502)
Total assets				3 451 683	3 475 356	(23 673)

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 134 million as of September 30, 2015 (including accrued interest). The shareholder loan is subordinated to all secured senior obligations.

RESULTS OF OPERATIONS

Operating revenue decreased by NOK 63.9 million or 6.1% from NOK 1,054.7 in Q3 2014 to NOK 990.8 million in Q3 2015. This was primarily due to falling prices for ferrous metals and lower activity in division Industry & Offshore. Scrap ferrous metal prices fell by more than 40% during the quarter and were over 50% lower compared to the same period last year. This has reduced revenues both in the Metals and Recycling divisions.

Gross profit decreased by NOK 31.4 million, or 5.9% from 531.4 in Q3 2014 to NOK 499.9 million in Q3 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. Furthermore, incineration gate fees were slightly higher than a year earlier due to lower demand in lieu of a mild winter. 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. The gross margin is stable at 50.5% compared to 50.4% in the same period previous year.

Our cost reduction initiatives are being implemented according to plan, lowering operating costs by NOK 18.4 million in Q3 2015 compared to Q3 2014. Consequently, adjusted EBITDA decreased by NOK 13.0 million or 9.3% from NOK 139.6 million in Q3 2014 to NOK 126.6 million in Q3 2015.

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

(NOK'000)	YTD Q3 2015 Consolidated unaudited	YTD Q3 2014 Consolidated unaudited
EBITDA	310 727	290 956
Restructuring costs ⁽¹⁾	-	13 599
Gains from sale of subsidiary ⁽²⁾	(2 333)	-
Lawsuit against former employee ⁽³⁾	-	3 249
Costs related to dispute with Scomi ⁽⁴⁾	-	3 083
Other non-recurring costs	-	1 597
Adjusted EBITDA	308 394	312 484

(1) Restructuring costs in 2014 include severance payments and costs for discontinuing operations.

(2) See note 6 to the interim financial statements for further description.

(3) After first winning in District Court (Salten Tingrett), the Court of Appeal (Hålogaland Lagmannsrett) ordered Norsk Gjenvinning Metall AS to pay NOK 3.2 million in severance and legal costs for unlawful dismissal to Arnold Midthun, former CEO of Metall og Gjenvinning AS.

(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 11 million of the claim is recognized per September 30, 2015.

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 15.3 million, or 10.5%, from NOK 145.2 million in the first nine months of 2014 to NOK 129.9 million in the first nine months of 2015. Year to date 2015 growth capital investments was NOK 5.0 million related to new collection vehicles in Division Household collection. Capital expenditures are according to plan.

CASH FLOW

Cash from operating activities in the first nine months of 2015 showed an inflow of NOK 226.0 million, which was NOK 40.3 million higher than in the same period of last year. During the period, there was a negative cash effect from net working capital, due to the seasonal increase in trade receivables and decrease in trade payables.

Cash outflow from investing activities in the first nine months of 2015 was NOK 115.7 million compared to NOK 142.0 million in the same period last year.

Cash outflow from financing activities was NOK 137.7 million in the first nine months of 2015 compared to NOK 89.0 million in the same period previous year. The primary reason for the increased cash outflow was higher interest payments during the first nine months of 2015 compared to the same period of 2014, and net cash inflow from borrowings in 2014 compared to net cash outflow in 2015.

Cash and cash equivalents decreased by NOK 27.3 million year to date 2015 from NOK 161.1 million per December 31, 2014 to NOK 133.7 million as of September 30, 2015. This is a normal seasonal pattern.

(NOK'000)	YTD Q3 2015 Consolidated, unaudited
Net cash flow from operating activities	225 982
Net cash flow from investing activities	(115 656)
Net cash flow from financing activities	(137 659)
Net change in cash and cash equivalents for the period	(27 332)
Cash and cash equivalents at the beginning of the period	161 068
Cash and cash equivalents at the end of the period	133 736

FINANCIAL POSITION

NET INTEREST BEARING LIABILITIES

Net interest bearing debt of the Issuer and its subsidiaries, on a consolidated basis was NOK 2,348.7 million as of September 30, 2015, compared to NOK 2,309.1 as of December 31, 2014. Net interest bearing debt has increased due to capitalization of interest on shareholder loan and a seasonal increase in working capital.

As of September 30, 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.

<i>(NOK '000)</i>	As of September 30, 2015	As of December 31, 2014
Cash and cash equivalents	133 736	161 068
Indebtedness:		
Revolving credit facility ⁽¹⁾	491	483
Leasing facility ⁽²⁾	67 111	64 162
NOK Senior secured notes ⁽³⁾	2 273 938	2 270 452
Senior bank debt	7 315	9 575
Total third-party indebtedness	2 348 855	2 344 672
Shareholder loan	133 580	125 474
Total equity	210 022	220 617
Total capitalization	2 826 193	2 851 831

(1) The Issuer has entered into a new 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 September 30, 2015, the Revolving Credit Facility is undrawn. Accrued, unpaid interest amounted to NOK 0.5 million.

(2) The Issuer has entered into a new 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 September 30, 2015, the Leasing facility is drawn by NOK 67.1 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 September 30, 2015 the total amount outstanding, including accrued unpaid interest and unpaid amounts on interest rate swaps are NOK 2,273.9 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)	Q3 2015	Q3 2014	Variance	YTD Q3 2015	YTD Q3 2014	Variance
Total revenue	507 373	507 633	(260)	1 469 236	1 457 822	11 415
Adjusted EBITDA (before internal charges)	66 931	62 983	3 949	142 027	165 932	(23 905)
Adjusted EBITDA margin	13.2 %	12.4 %	0.8 %	9.7 %	11.4 %	(1.7 %)
				YTD Q3 2015	YTD Q3 2014	Variance
Collection assignments				2 537 203	2 499 442	1.5%
Total waste treated (tons)				883 480	869 766	1.6%

Total revenues in Division Recycling decreased by NOK 0.3 million, or 0.1%, from NOK 507.6 in Q3 2014 to NOK 507.4 million in Q3 2015. Year to date total revenues increased by NOK 11.4 million, or 0.8%, from NOK 1,457.8 in 2014 to NOK 1,469.2 million in 2015. The growth in revenues year to date is driven by increased waste volumes and collection assignments.

Adjusted EBITDA before internal charges increased with NOK 3.9 million, from NOK 63.0 million in Q3 2014 to NOK 66.9 million in Q3 2015. The increased EBITDA is due to NG200 measures coming in to effect, in spite of negative pressure on gross profit from falling scrap metal ferrous prices and increased incineration gate fees.

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)	Q3 2015	Q3 2014	Variance	YTD Q3 2015	YTD Q3 2014	Variance
Total revenue	177 390	211 145	(33 755)	625 524	627 872	(2 348)
Adjusted EBITDA (before internal charges)	25 203	28 071	(2 868)	88 774	66 105	22 669
Adjusted EBITDA margin	14.2 %	13.3 %	0.9 %	14.2 %	10.5 %	3.7 %
				YTD Q3 2015	YTD Q3 2014	Variance
Ferrous volumes (tons)				153 589	152 373	0.8 %
Non-ferrous volumes (tons)				24 247	23 247	4.3 %

Total revenues in Division Metal decreased by NOK 33.8 million, or 16.0%, from NOK 211.1 million in Q3 2014 to NOK 177.4 million in Q3 2015. This was mainly due to falling commodity prices for both ferrous and non-ferrous metals in Q3 2015, together with lower production in July. Year to date total operating revenues fell by NOK 2.3 million, or 0.4%, from NOK 627.9 million in 2014 to NOK 625.5 million in 2015.

Adjusted EBITDA before internal charges decreased with NOK 2.9 million, from NOK 28.1 million in Q3 2014 to NOK 25.2 million in Q3 2015, while the adjusted EBITDA margin increased from 13.3% in Q3 2014 to 14.2% in Q3 2015. The reduction in adjusted EBITDA is due to reduced volumes and slightly lower production. Cost reduction and productivity initiatives are being implemented according to plan.

Going forward, we would like to see metals prices increase if we are to maintain gross profit per ton in the Metals Division. Furthermore, a metals price increase is necessary for volumes to increase since less metal is usually offered for collection when prices are extremely low.

DIVISION INDUSTRY & OFFSHORE

<i>(NOK'000)</i>	Q3 2015	Q3 2014	Variance	YTD Q3 2015	YTD Q3 2014	Variance
Total revenue	144 811	178 641	(33 829)	440 721	521 587	(80 865)
Adjusted EBITDA (before internal charges)	20 804	33 047	(12 243)	55 103	76 442	(21 339)
<i>Adjusted EBITDA margin</i>	<i>14.4 %</i>	<i>18.5 %</i>	<i>(4.1 %)</i>	<i>12.5 %</i>	<i>14.7 %</i>	<i>(2.2 %)</i>

Total revenues in Division Industry & Offshore decreased by NOK 33.8 million, or 18.9%, from NOK 178.6 million in Q3 2014 to NOK 144.8 million in Q3 2015. Year to date total revenues fell by NOK 80.9 million, or 15.5%, from NOK 521.6 million in 2014 to NOK 440.7 million in 2015. Although we did see increased activity from export oriented customers towards the end of the quarter, it was not enough to outweigh reduced activity and reduced volumes from customers in the Oil and Offshore sector, certain industrial sectors in south-east of Norway and a weakening retail sector. Furthermore, a decline in oil prices of more than 50% and shut down of our plant in Fredrikstad in December 2014 had negative effect on our profitability in Q3.

Adjusted EBITDA before internal charges decreased by NOK 12.2 million, from NOK 33.0 million in Q3 2014 to NOK 20.8 million in Q3 2015, as a consequence of lost revenues. The adjusted EBITDA margin decreased from 18.5% in Q3 2014 to 14.4% in Q3 2015.

DIVISION HOUSEHOLD COLLECTION

<i>(NOK'000)</i>	Q3 2015	Q3 2014	Variance	YTD Q3 2015	YTD Q3 2014	Variance
Total revenue	93 189	88 251	4 938	264 487	250 507	13 980
Adjusted EBITDA (before internal charges)	14 417	14 723	(305)	36 549	38 117	(1 567)
<i>Adjusted EBITDA margin</i>	<i>15.5 %</i>	<i>16.7 %</i>	<i>(1.2 %)</i>	<i>13.8 %</i>	<i>15.2 %</i>	<i>(1.4 %)</i>

Total operating revenue in Division Household Collection increased by NOK 4.9 million, or 5.6%, from NOK 88.3 million in Q3 2014 to NOK 93.2 million in Q3 2015. Year to date total operating revenues increased by NOK 14.0 million, or 5.6%, from NOK 250.5 million in 2014 to NOK 264.5 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 Q3 2015 was partly offset by increased costs which reduced adjusted EBITDA before internal charges by NOK 0.3 million, from NOK 14.7 million in Q3 2014 to NOK 14.4 million in Q3 2015.

In 2015 the Household Collection Division has been awarded new contracts by the municipal companies ROAF, Follo Ren IKS, Renovasjon i Grenland IKS (RIG) 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.

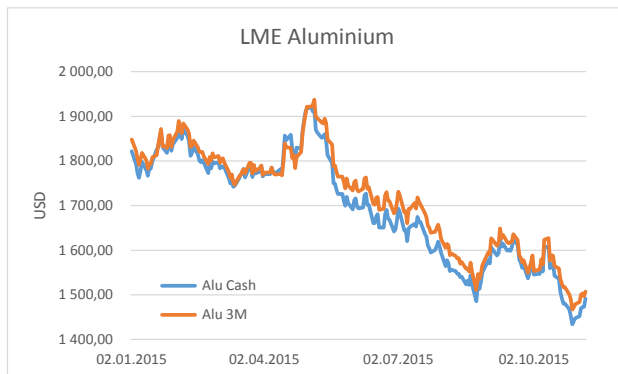
MARKET CONDITIONS

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 remained under pressure in Q3. Supply overhang due to overproduction, combined with slow growth and weak demand, has led to uncertainty among market participants and downside risk. Spot Aluminium prices on the London Metal Exchange (LME) fell to a six-year low of \$1440.



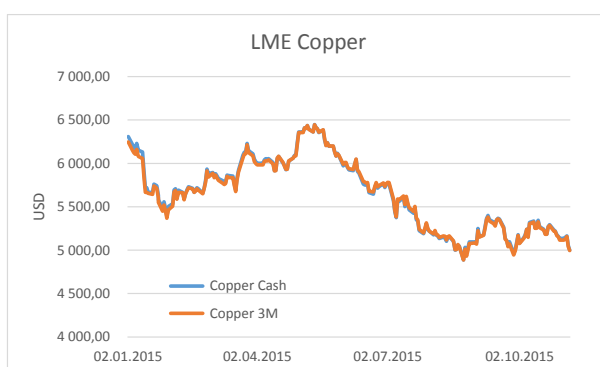
LME Aluminium - 2015

COPPER

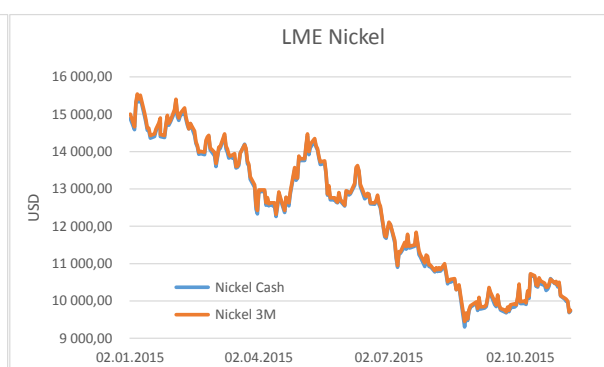
Copper market remained weak during Q3 as the market continues to be oversupplied. Production cuts and supply disruptions have provided short-term support, but weak demand fundamentals, especially in China, continue to weigh on prices.

NICKEL

Nickel prices have fallen more than expected this year. Lowest listing was 9100 \$ per MT in August, thus the lowest since the financial crisis in 2009. Relatively high demand in Asia for stainless steel products was met with rather high flexibility of Chinese Nickel Pig iron producers to blend ores of different qualities. Still nickel stocks are extremely high, which suggests no further price increase in the near future.



LME Copper - 2015



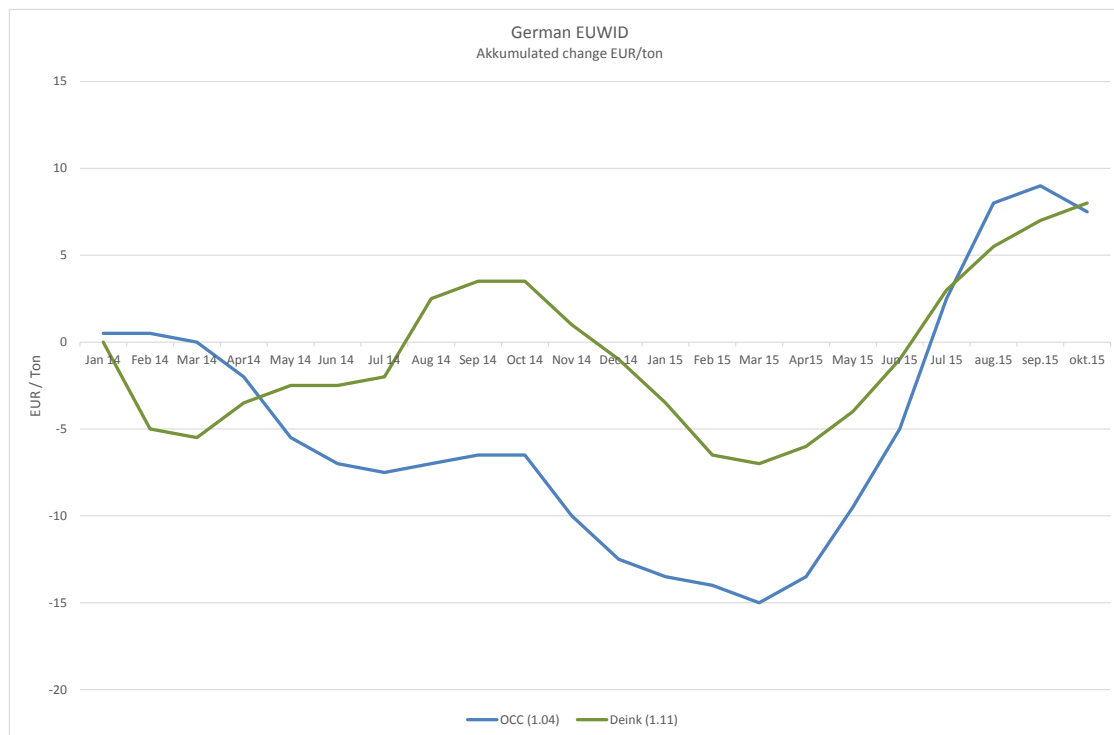
LME Nickel - 2015

IRON ORE & STEEL

Iron ore prices reached a low in July, before they climbed back to around 60 USD in September. Broadly steel scrap prices have fallen to past 2009 lows, and fundamentals for most finished products seems to be negative. Some slight adjustments up or down may be expected, but no larger changes. Cheap Chinese billet exports started to disturb the steel scrap trade from September onwards.

DEVELOPMENT IN PAPER PRICES

As expected, recovered paper prices increased in Q3 in the European market. Market prices in Europe have decreased compared to the Asian market. In Q3 market price of OCC decreased 20 USD in China. We expect a further decrease in Q4 in the European market.



Accumulated change in Recovered paper prices,
YTD 2015 Euwid index

DEVELOPMENT WASTE-TO-ENERGY

WOODCHIPS

The market has been influenced by the summer season, where heating plants have low demand for raw materials. High inventories from Q2, combined with continued low demand put pressure on prices through Q3. Quality of the wood waste has been good, resulting in maintenance of our price levels.

REFUSE DERIVED FUEL (RDF)

Due to high inventories at the waste-to-energy plants and low demand for RDF, we saw a continued increase in gate fees in Q3. A strong GBP/SEK exchange rate has favored import of RDF from the UK.

Continued low demand from incineration plants in lieu of mild weather and high incineration plant inventories will limit our deposition options short term. We are therefore exploring opportunities for new downstream solutions outside of Scandinavia.

UPDATE OF MATERIAL RISK FACTORS AND EVENTS AFTER REPORTING PERIOD

No significant changes in risk factors have been identified which will affect the Group through the coming quarter. 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

LITIGATION PROCEEDINGS KLP SKADEFORSIKRING AS

As disclosed in the annual report for 2014 the District Court in Stavanger ruled in favor of KLP and ordered Norsk Gjenvinning Miljøeiendommer to pay the sum of NOK 10.7 million including legal costs and interest to KLP. This was presented as a non-recurring charge of NOK 10.7 million in Q4 2014.

In October 2015 the higher court overturned the ruling from the District Court in Stavanger, and ruled in favor of Norsk Gjenvinning Miljøeiendommer and ordered KLP to cover the sum of NOK 0.6 million in legal costs. We will book a non-recurring income (reverse the non-recurring charge of Q4 2014) of NOK 10.6 million in Q4 2015.

SALE OF SHARES IN ASSOCIATED COMPANY

An agreement for sale of the groups share in the associated company Retura AS was reached in October 2015. Upon completion of the agreement in November 2015, a total consideration of NOK 8.5 million was received. Consequently, we will book a financial gain on sale of NOK 6 million in Q4 2015.

THE STATOIL TENDER

Norsk Gjenvinning Industri was not awarded any contracts in the Statoil waste management and tank-cleaning tender. The Norsk Gjenvinning Group is currently operating parts of these contracts; waste management and supply ship tank cleaning at Statoil's facility at Mongstad, and will continue to do so until expiry in April 2016.

The current Norsk Gjenvinning Industri part of the contracts represent volume of 7.400 tons and slightly below NOK 50 million in revenues on an annual basis. These contracts are not pivotal for the Group as a whole. The Group will continue its ongoing focus to grow profitably and intensify efforts to increase revenues and replace the lost volumes with other customers.

DEATH ACCIDENT AT NORSK GJENVINNING'S PLANT IN OSLO

As disclosed in our Q2 interim report, on Tuesday morning, 30 June, an industrial accident at Groruddalen Environmental Park in Oslo occurred, and resulted in the death of an 18 years old man who was a summer temporary worker at the plant. The man died as a result of a crushing accident.

The police have conducted their investigations into the case and concluded that Norsk Gjenvinning is to be fined by NOK 2 million due to violation of the Norwegian Working Environmental Act and the Civil Penal Code. Norsk Gjenvinning will accept the fine and take a non-recurring charge in Q4 2015.

We deeply regret this tragic event. Our thoughts are with the families.

CONDENSED INTERIM FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>(NOK'000)</i>	Q3 2015	Q3 2014	YTD Q3 2015	YTD Q3 2014
Revenue	990 067	1 053 897	3 057 656	3 059 177
Other income	691	797	4 952	1 634
Total operating revenue	990 759	1 054 694	3 062 609	3 060 811
Cost of goods sold	490 834	523 340	1 502 357	1 497 733
Employee benefits expense	205 253	220 956	715 401	710 364
Depreciation and amortization expense	62 415	56 161	184 700	170 430
Other expenses	168 123	184 511	538 438	564 338
Other gains and losses	(2 399)	(3 708)	(4 315)	(2 580)
Operating profit	66 533	73 434	126 028	120 526
Finance income	397	3 196	1 706	5 079
Finance costs	57 200	132 039	167 559	228 046
Net income from associated companies	2 020	(196)	2 020	(196)
Profit / (loss) before income tax	11 750	(55 606)	(37 806)	(102 637)
Income tax expense	(5 187)	(33 324)	(18 567)	(50 566)
Profit / (loss) for the period from continuing operations	16 937	(22 282)	(19 239)	(52 071)
Profit / (loss) attributable to:				
Owners of the parent	15 702	(23 417)	(22 001)	(55 106)
Non-controlling interests	1 235	1 135	2 762	3 035

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(NOK'000)</i>	Q3 2015	Q3 2014	YTD Q3 2015	YTD Q3 2014
Profit / (loss) for the period	16 937	(22 282)	(19 239)	(52 071)
Items that may be subsequently reclassified to profit and loss				
Foreign currency translation differences	4 389	(1 784)	3 334	(761)
Interest rate swaps - cash flow hedges	(16 084)	1 266	7 272	47 073
Net other comprehensive income / (loss) for the period	(11 695)	(518)	10 606	46 312
Comprehensive income / (loss) for the period	5 242	(22 800)	(8 633)	(5 759)
Comprehensive income attributable to:				
Owners of the parent	4 007	(23 935)	(11 395)	(8 794)
Non-controlling interests	1 235	1 135	2 762	3 035

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**ASSETS**

<i>(NOK'000)</i>	30.09.2015	Restated 31.12.2014	31.12.2014
Non-current assets			
Property, plant & equipment	1 065 005	1 089 001	1 089 001
Intangible assets	152 438	195 688	195 688
Goodwill	1 229 559	1 229 559	1 221 812
Deferred tax assets	67 550	61 684	61 684
Investments in associates	14 822	12 802	12 802
Other non-current receivables	27 470	27 829	27 829
Total non-current assets	2 556 844	2 616 563	2 608 816
Current assets			
Inventory	93 317	120 475	120 475
Trade and other receivables	667 786	633 913	635 778
Derivative financial instruments	-	1 818	1 818
Cash and cash equivalents	133 736	161 068	161 068
Total current assets	894 839	917 274	919 139
Total assets	3 451 683	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

<i>(NOK'000)</i>	30.09.2015	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	(187 467)	(176 930)	(176 930)
Total equity attributable to owners of the parent	195 863	206 399	206 399
Non-controlling interest	14 159	14 218	14 218
Total equity	210 022	220 617	220 617
Non-current liabilities			
Loans and borrowings	2 375 222	2 360 610	2 360 610
Derivative financial instruments	63 398	73 360	73 360
Deferred income tax liabilities	59 387	56 697	56 697
Post-employment benefits	7 164	5 658	5 658
Provisions for other liabilities and charges	100 324	109 408	109 408
Total non-current liabilities	2 605 496	2 605 733	2 605 733
Current liabilities			
Trade and other payables	560 203	621 958	616 076
Current income tax	3 457	3 240	3 240
Loans and borrowings	61 847	58 737	58 737
Derivative financial instruments	2 906	6 379	6 379
Provisions for other liabilities and charges	7 752	17 173	17 173
Total current liabilities	636 165	707 487	701 605
Total liabilities	3 241 661	3 313 220	3 307 338
Total equity and liabilities	3 451 683	3 533 837	3 527 955

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(NOK'000)</i>	YTD Q3 2015	YTD Q3 2014
Profit / (Loss) before income tax	(37 806)	(102 637)
Adjustments for:		
Income tax paid	(2 693)	(2 106)
Depreciation and amortization charges	184 700	170 430
Net financial items	134 748	166 011
Other P&L items without cash effect	14 812	61 138
Changes in other short term items	(67 779)	(107 104)
Net cash flow from operating activities	225 982	185 732
Payments for purchases of non-current assets	(129 907)	(145 225)
Proceeds from sale of non-current assets	6 289	3 191
Proceeds from sale of subsidiaries	7 962	-
Net cash flow from investing activities	(115 656)	(142 034)
Proceeds from borrowings	-	2 235 000
Repayment of borrowings	(882)	(2 202 206)
Transaction fees	-	(60 117)
Net change in credit facility	(3 376)	(565)
Dividend paid to non-controlling interest	(1 575)	-
Net group contributions received / (paid)	2 546	-
Net interest paid	(134 372)	(61 138)
Net cash flow from financing activities	(137 659)	(89 026)
Net increase in cash and cash equivalents	(27 332)	(45 328)
Cash and cash equivalents at beginning of period	161 068	136 196
Cash and cash equivalents at end of period	133 736	90 868

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**CONDENSED STATEMENT OF CHANGES IN EQUITY – Q3 2015**

<i>(NOK'000)</i>	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	(22 001)	2 762	(19 239)
Net other comprehensive income / (loss)	10 606	-	10 606
Transactions with non-controlling interest	795	(2 820)	(2 025)
Group contributions	64	-	64
At 30 September 2015	195 863	14 160	210 023

CONDENSED STATEMENT OF CHANGES IN EQUITY – Q3 2014

<i>(NOK'000)</i>	Attributable to the owners of the parent	Non-controlling interest	Total equity
At 1 January 2014	329 333	(981)	328 352
Profit / (loss) YTD	(55 106)	3 035	(52 071)
Net income/(loss) OCI	46 312	-	46 312
Group contributions	99	-	99
At 30 September 2014	320 639	2 054	322 693

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 September 30, 2015, are consistent with those applied in the annual consolidated financial statements for 2014. Comparative prior period information have 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 note 5. The restated statement of financial position has not been audited or subject to a review by the auditors.

NOTE 2 - FINANCIAL ITEMS

(NOK'000)	Q3 2015	Q3 14	YTD Q3 15	YTD Q3 14
Interest income	397	1 194	1 706	2 946
Other financial income	-	2 002	-	2 133
Financial income	397	3 196	1 706	5 079
Non cash interest expenses	8 861	44 726	20 306	72 405
Cash interest expenses	44 594	36 667	136 078	97 283
Other financial expenses	3 745	50 646	11 175	58 358
Financial expenses	57 200	132 039	167 559	228 046
Net financial income (expenses)	(56 803)	(128 843)	(165 853)	(222 967)

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

<i>(NOK'000)</i>	External revenues		Inter segment revenues		Total segment revenues	
	Q3 2015	YTD Q3 2015	Q3 2015	YTD Q3 2015	Q3 2015	YTD Q3 2015
Recycling	404 116	1 197 664	103 258	271 572	507 373	1 469 236
Metal	177 146	618 758	244	6 765	177 390	625 524
Household collection	93 062	264 146	128	341	93 189	264 487
Industry & Offshore	139 686	429 126	5 125	11 595	144 811	440 721
Other businesses	174 137	542 969	74 709	215 220	248 846	758 189
HQ and eliminations	1 921	4 992	(183 464)	(505 493)	(181 543)	(500 501)
Total	990 067	3 057 656	0	0	990 067	3 057 656

<i>(NOK'000)</i>	External revenues		Inter segment revenues		Total segment revenues	
	Q3 2014	YTD Q3 2014	Q3 2014	YTD Q3 2014	Q3 2014	YTD Q3 2014
Recycling	458 494	1 347 824	49 140	109 997	507 633	1 457 822
Metal	210 255	624 195	890	3 676	211 145	627 872
Household collection	88 063	250 133	189	374	88 251	250 507
Industry & Offshore	183 488	516 139	(4 848)	5 448	178 641	521 587
Other businesses	112 176	315 951	71 328	195 715	183 504	511 666
HQ and eliminations	1 422	4 934	(116 699)	(315 211)	(115 277)	(310 277)
Total	1 053 897	3 059 177	0	0	1 053 897	3 059 177

EBITDA BEFORE INTERNAL CHARGES

<i>(NOK'000)</i>	Q3 2015	YTD Q3 2015	Q3 2014	YTD Q3 2014
Recycling	66 931	142 027	60 326	161 703
Metal	25 203	88 774	23 582	58 071
Household collection	14 417	36 549	14 723	38 117
Industry & Offshore	20 804	55 103	32 488	73 359
Other businesses	11 008	36 223	16 295	30 433
HQ and eliminations	(9 415)	(47 948)	(17 819)	(70 727)
Total	128 949	310 728	129 595	290 956
Depreciation and amortization expense	(62 415)	(184 700)	(56 161)	(170 430)
Finance income	397	1 706	3 196	5 079
Finance costs	(57 200)	(167 559)	(132 039)	(228 046)
Net income from associated companies	2 020	2 020	(196)	(196)
Profit before tax	11 750	(37 806)	(55 605)	(102 637)

NOTE 5 – MEASUREMENT PERIOD ADJUSTMENT

As a result of new information regarding facts and circumstances that existed as of the acquisition date (October 15, 2014), the purchase price allocation for the business combination with “13 Gruppen” have been adjusted retrospectively. The statement of financial position as of December 31, 2014 have been restated to reflect the measurement period adjustments.

<i>(NOK'000)</i>	Provisional purchase price allocation	Measurement period adjustments	Final purchase price allocation
Customer relationships	11 316	-	11 316
Property, plant and equipment	2 760	-	2 760
Trade and other receivables	19 669	(1 865)	17 804
Deferred tax liability	289	-	289
Bank borrowings	9 343	-	9 343
Trade and other payables	18 169	5 882	24 051
Total identifiable net assets	5 944	(7 747)	(1 803)
Goodwill	4 069	7 747	11 816
Total consideration	10 013	0	10 013

The adjusted purchase price allocation also affect the previously reported interim consolidated statements of financial position as at March 30, 2015 and June 30, 2015. In both cases trade and other receivables would be reduced with 1.9 MNOK, trade and other payables would increase with 5.9 MNOK and recognized goodwill would increase with 7.8 MNOK.

NOTE 6 – LOSS OF CONTROL OVER SUBSIDIARY

During the third quarter of 2015, the group received a consideration of NOK 8.0 million for the sale of shares in the former subsidiary Tomwil Transport AS. The consideration consisted of cash and cash equivalents in full, and is presented on a separate line in the investing category in the statement of cash flows.

At the point for loss of control, the subsidiary had a total of 0.2 in cash and cash equivalents. When control was lost net assets, other than cash and cash equivalents, of NOK 5.6 million relating to property, plant and equipment (6.3 million), trade and other receivables (2.3 million) and trade and other payables (3.0 million), was derecognized from the consolidated accounts. The group has recorded a gain on sale of NOK 2.3 million that is presented as other income in the interim consolidated statement of profit or loss. In the second quarter of 2015, the gain on sale was presented as finance income.

NOTE 7 - 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 first nine 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, November 26, 2015

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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