

The logo for NG Norsk Gjenvinning, featuring the letters 'NG' in a bold, white, sans-serif font on an orange rectangular background.

NG

Norsk
Gjenvinning

The background of the slide is a photograph of a large industrial recycling facility. In the foreground and middle ground, there are massive, rectangular bales of compressed waste, primarily cardboard and paper, stacked in rows. The bales are light brown and white with some colorful debris visible. The facility has a high ceiling with a complex steel truss system and several industrial lights. Large windows or openings in the background show a bright, overcast sky. The floor is concrete and covered with some loose debris.

3rd Quarter Interim Financial Report

2016

A large, abstract graphic in the bottom right corner of the slide. It consists of several overlapping, curved shapes in shades of orange and white, creating a modern, dynamic feel.

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DISCLAIMER

VV Holding AS is providing the following interim financial statements for Q3 2016 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.

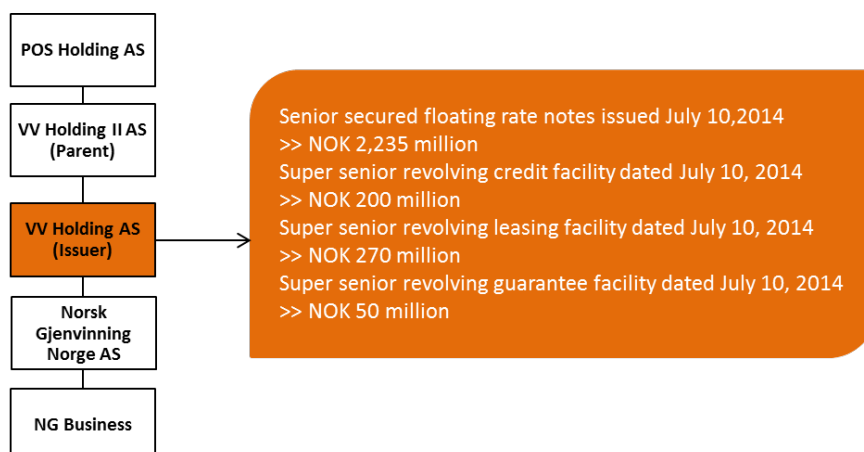
Norsk Gjenvinning is present in two markets; upstream and downstream;

- 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 solution for tomorrow's resource problems. The Group's mission is to work tirelessly to become the industry's most customer-oriented, efficient and profitable player, with the goal of being perceived as the most important recycling company in the Nordic region. The Group's operations are based on our four core values; salesmanship, proactivity, responsibility and team spirit.

The Group has approximately 1,400 employees, 44,000 customers and handles 1.8 million tonnes of waste per year – 39% of which goes to material recycling, 44% to energy recycling and 17% 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 is owned by VV Holding AS, and POS Holding AS as the ultimate parent. POS Holding AS is controlled by Altor Fund III.

Consolidated companies:

VV Holding AS (Issuer)

Norsk Gjenvinning Norge AS 100%
 Norsk Gjenvinning AS 100%
 Norsk Gjenvinning Downstream AS 100%
 Norsk Gjenvinning Industri AS 100%
 Norsk Gjenvinning Metall AS 100%
 Norsk Gjenvinning Miljøeiendommer AS 100%
 Norsk Gjenvinning Offshore AS 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%
 Norsk Gjenvinning Renovasjon Service AS 100%
 NG Fellestjenester AS 100%
 NG Vekst AS 100%
 Eivind Koch Rørinspeksjon AS 100%
 Humlekjær og Ødegaard 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%

Sortera Norge 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%
 NG Startup VII AS 100%
 NG Startup VIII AS 100%
 NG Startup IX AS 100%
 NG Startup X AS 100%
 NG Startup XI AS 100%

Ownership <100%

R3 Entreprenør Holding AS 81.25%
 R3 Entreprenør AS 81.25%
 R3 Entreprenør Innland 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 nine months ended September 30, 2016 and September 30, 2015 respectively.

COMMENTS BY THE CEO



Challenging markets continue to put pressure on profits. Our focus on cost reductions is continuing unabated in Q3, but as in Q1 and Q2 we were unable to offset negative market pressures by reducing costs, thus our gross margins and EBITDA declined year over year. On the positive side, we are continuing our efforts to increase upstream prices to normalize margins, and we continue to see competitors act correspondingly to pass on increased downstream costs to upstream customers. The NG group has now been repositioned and when market conditions stabilize, we expect a positive development for the group.

HIGHLIGHTS Q3 2016

- Core business increase in operating revenue of 1.8 % compared to Q3 2015
- 6.3% reduction in waste volumes compared to Q3 2015
- Core business 1.2% decline in gross margins
- Adjusted EBITDA of NOK 95.4 million
- NG200 cost and productivity initiatives being implemented according to plan operating costs reduced by NOK 35.7 million in NG core divisions

During the quarter, we continued to experience challenging markets. We saw a steep decline in metal prices, increased RDF gate fees compared to a year ago (stable compared to Q2), and as expected, a downstream deterioration of the woodchips market due to low demand from incineration plants based on high inventories due to mild winters.

Volumes in Q3 were down 6.3% compared to the same quarter of last year, from 393,373 tons in 2015 to 368,767 tons in 2016. Both recycling and metals fractions were down, while we saw an increase in ferrous volumes of 4.8%. We also continue to see reduced activity and reduced volumes from customers in the Oil and Offshore sector, certain industrial sectors in south-east of Norway and a weakening construction sector.

Scrap ferrous prices (CELSA index) fell in Q3 ending the quarter at historically low levels of NOK 665 per ton. Non-ferrous metal prices were flat to slightly positive. As mentioned in previous reports, low scrap ferrous prices have 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, low prices effect both volumes and gross margins although volumes have been maintained through imports. Furthermore, we have seen a continuation of decreased content of metals in ferrous scrap, putting additional pressure on margins in the metals division. We are continuously trying to adjust upstream prices to reflect the lower quality of ferrous volumes, but this has until now proven difficult to implement due to fierce competition in the upstream markets. We do however believe that the adjustment process has commenced, as we have seen movements in the positive direction newly.

RDF markets were stable in Q3 compared to Q2. Incineration gate fees were however higher than a year earlier by approximately NOK 100 per ton. Inventories at incineration plants are still high, but the situation has improved further during Q3. To mitigate increased downstream gate fees, we continued to increase upstream prices in Q3, without losing our competitive edge as competitors are acting correspondingly to pass on their increased downstream costs. We will continue to increase upstream prices and focus on increased quality of finished products, more efficient freight solutions to downstream customers and increased sales of ancillary services to outweigh the negative gross profit effects from increased gate fees.

Overall, our adjusted EBITDA fell by NOK 31.2 million year over year. We are not satisfied with these results and our response to these challenging market conditions is increased costs cutting and measures to increase productivity, combined with efforts to improve gross margins through increased upstream prices. In September we increased upstream prices where possible including significant price increases for woodchips. This will be our major focus in the remainder of 2016.

Our focused businesses incl. Division Household Collection continue to show improvement in Q3 2016.

All in all, our results in Q3 were weak and as mentioned in previous reports, we expect the market in 2016 to remain challenging. We do however expect a better Q4 in 2016 than in 2015 due to implemented price increases, reduced costs and an improved inventory situation. We will continue our aggressive drive to cut costs and increase productivity, combined with efforts to maintain and improve gross margins through increased upstream prices. This will be our major focus for the remainder of 2016 and in 2017. 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) | Q3 2016 | Q3 2015 | Variance | YTD Q3 2016 | YTD Q3 2015 | Variance |
|--|-----------|---------|----------|-------------|-------------|-----------|
| Total operating income | 1 025 728 | 990 759 | 34 969 | 2 997 714 | 3 062 609 | (64 895) |
| Gross profit | 512 469 | 499 925 | 12 544 | 1 512 566 | 1 560 252 | (47 686) |
| Gross margin | 50,0 % | 50,5 % | (0,5 %) | 50,5 % | 50,9 % | (0,5 %) |
| EBITDA ⁽¹⁾ | 113 457 | 128 947 | (15 490) | 255 950 | 310 727 | (54 777) |
| EBITDA margin | 11,1 % | 13,0 % | (2,0 %) | 8,5 % | 10,1 % | (1,6 %) |
| Adjusted EBITDA ⁽²⁾ | 95 407 | 126 614 | (31 207) | 236 992 | 308 394 | (71 402) |
| Adjusted EBITDA margin | 9,3 % | 12,8 % | (3,5 %) | 7,9 % | 10,1 % | (2,2 %) |
| Net cash flow from operating activities | | | | 103 438 | 225 982 | (122 545) |
| Capital expenditures | | | | (140 596) | (129 907) | (10 689) |
| Net interest bearing debt ⁽³⁾ | | | | 2 436 900 | 2 348 700 | 88 201 |
| Total assets | | | | 3 389 729 | 3 451 683 | (61 953) |

Consolidated unaudited figures.

- (1) EBITDA represents operating results before depreciation and amortization.
- (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 144 million as of September 30, 2016 (including accrued interest). The shareholder loan is subordinated to all secured senior obligations.

RESULTS OF OPERATIONS

Total operating income increased by NOK 35.0 million or 3.5% from NOK 990.8 in Q3 2015 to NOK 1,025.7 million in Q3 2016. Adjusted for the gain on sale of real estate in Q3 totaling NOK 17.3 million, operating income increased NOK 17.7 or 1.8%. Divisions Recycling and Metals had relatively stable revenue development compared to a year ago, divisions Industry and Offshore and Household Collection had a reduction in revenues by 18.4% and 5.6% respectively, while other businesses contributed to the growth in revenues.

Gross profit increased by NOK 12.5 million, or 2.5% from 499.9 in Q3 2015 to NOK 512.5 million in Q3 2016. The gross margin fell from 50.5% in Q3 2015 to 50.0% in Q3 2016. Adjusted for the gain on sale of real estate the gross profit fell by 4.8 million. A reduction in ferrous metals prices had 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 and UK exports. We saw an additional weakening of the downstream market for woodchips in Q3. 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 the Metals Division, ferrous prices fell sharply in Q3. We also saw a reduced metals content in ferrous scrap in Q3, a development we have seen in all quarters of this year. We are continuously trying to adjust upstream prices to reflect the lower quality of ferrous volumes. In Division Industry and Offshore gross profit fell as a result of lower activity. Other businesses continued to contribute positively to group EBITDA in Q3.

Our cost reduction initiatives are being implemented according to plan, lowering adjusted operating costs by NOK 35.7 million YTD Q3 2016 compared to YTD Q3 2015, unfortunately not enough to outweigh the reduction in gross profit. Consequently, adjusted EBITDA decreased by NOK 31.2 million or 24.6% from NOK 126.6 million in Q3 2015 to NOK 95.4 million in Q3 2016.

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

| (NOK'000) | YTD Q3 2016 Consolidated unaudited | YTD Q3 2015 Consolidated unaudited |
|---|--|--|
| EBITDA | 255 950 | 310 727 |
| Change in provision for onerous contract ⁽¹⁾ | (2 260) | - |
| Gains on sale of real estate ⁽²⁾ | (17 310) | - |
| Other non-recurring costs ⁽³⁾ | 612 | - |
| Gains on sale of subsidiary | - | (2 333) |
| Adjusted EBITDA | 236 992 | 308 394 |

- (1) During the fourth quarter 2015, an onerous contract was identified in the Household collection division. A provision of NOK 9.2 million was 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.
- (2) Three properties were sold for a total gain on sale of NOK 17.3 million. See note 5 to these interim condensed financial statements.
- (3) Legal fees in division household collection relating to proceedings against Karmøy municipality for loss of contract.

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 increased by NOK 10.7 million, or 8.2%, from NOK 129.9 million in the first nine months of 2015 to NOK 140.6 million in the first nine months of 2016. Growth capital investments in 2016 was NOK 22.9 million related to new collection vehicles in Division Household collection. Capital expenditures are according to plan.

CASH FLOW

| (NOK'000) | YTD Q3 2016 Consolidated, unaudited |
|---|--|
| Net cash flow from operating activities | 103 438 |
| Net cash flow from investing activities | (115 893) |
| Net cash flow from financing activities | (112 858) |
| Net change in cash and cash equivalents for the period | (125 313) |
| Effect of exchange rate changes | (4 291) |
| Cash and cash equivalents at the beginning of the period | 219 819 |
| Cash and cash equivalents at the end of the period | 90 215 |

Cash from operating activities in the first nine months of 2016 showed a net inflow of NOK 103.4 million, which was NOK 122.5 million lower than the same period previous year. The reduction compared to same period previous year is driven by weaker earnings and a positive working capital effect in 2015 resulting from significant reductions in inventory. Further there is a year to date build up of net working capital driven by increases in accounts receivables and other receivables, together with reductions in accounts payables.

Cash outflow from investing activities in the first nine months of 2016 was NOK 115.9 million compared to NOK 115.7 million in previous year. The net change in cash outflow was driven by higher capital expenditures paired with higher proceeds from sale of non-current assets and a purchase of shares in Sortera Norge AS in Q2 2016.

Cash outflow from financing activities was NOK 112.9 million in the first nine months of 2016 compared to NOK 137.7 million in the same period previous year. The primary reason for the variation in cash flow from financing activities was a net increase in the credit facility in the first nine months of 2016, driven by investments in new collection vehicles in Division Household collection and a drawdown on the revolving credit facility of NOK 20 million.

Cash and cash equivalents fell by NOK 129.6 million year to date 2016 from NOK 219.8 million per December 31, 2015 to NOK 90.2 million as of September 30, 2016.

FINANCIAL POSITION

NET INTEREST BEARING LIABILITIES

Net interest bearing debt of the Issuer and its subsidiaries, on a consolidated basis was NOK 2,437.0 million as of September 30, 2016, compared to NOK 2,263.5 as of December 31, 2015. Net interest bearing debt has increased due to the decrease in cash and cash equivalents, combined with an increase on the leasing and revolving credit facilities during the first three quarters of 2016.

As of September 30, 2016 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, 2016 | As of December 31, 2015 |
|--|---------------------------------|--------------------------------|
| Cash and cash equivalents | 90 215 | 219 819 |
| Indebtedness: | | |
| Revolving credit facility ⁽¹⁾ | 20 418 | 529 |
| Leasing facility ⁽²⁾ | 84 981 | 68 558 |
| NOK Senior secured notes ⁽³⁾ | 2 272 956 | 2 272 737 |
| Senior bank debt | 4 464 | 5 228 |
| Total third-party indebtedness | 2 382 819 | 2 347 052 |
| Shareholder loan | 144 296 | 136 226 |
| Total equity | 144 601 | 166 086 |
| Total capitalization | 2 671 717 | 2 649 364 |

- (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 September 30, 2016, the Revolving Credit Facility is drawn by NOK 20 million. Accrued, unpaid interest amounted to NOK 0.4 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 September 30, 2016, the Leasing facility is drawn by NOK 85.0 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, 2016 the total amount outstanding, including accrued unpaid interest and unpaid amounts on interest rate swaps are NOK 2,273.0 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

Adjusted EBITDA in the operating and financial review of the main divisions represents EBITDA as adjusted for certain non-recurring and/or non-cash costs and before allocation of overhead HQ costs. From 2016 all internal rent charges are allocated to the divisions. Furthermore, and as part of the NG200 program, hazardous waste and municipal technical services have been relocated from Division Industry & Offshore to Division Recycling. In order to be able to compare 2016 with 2015, Q3 2015 figures have been pro forma adjusted to reflect these changes.

DIVISION RECYCLING

| (NOK'000) | Q3 2016 | Q3 2015 Reported | Q3 2015 pro forma | Variance | YTD Q3 2016 | YTD Q3 2015 Reported | YTD Q3 2015 pro forma | Variance |
|----------------------------|---------|---------------------|----------------------|----------|----------------|----------------------------|-----------------------------|----------|
| Total revenue | 560 411 | 507 373 | 558 716 | 1 695 | 1 629 819 | 1 469 236 | 1 645 176 | (15 357) |
| Adjusted EBITDA | 53 276 | 66 931 | 76 857 | (23 581) | 140 306 | 142 027 | 170 188 | (29 883) |
| Adjusted EBITDA margin | 9,5 % | 13,2 % | 13,8 % | (4,2 %) | 8,6 % | 9,7 % | 10,3 % | (1,7 %) |
| | | | | | | YTD Q3 2016 | YTD Q3 2015 | Variance |
| Collection assignments | | | | | | 2 471 216 | 2 549 553 | -3,1 % |
| Total waste treated (tons) | | | | | | 876 423 | 916 607 | -4,4 % |

Total revenues in Division Recycling increased by NOK 1.7 million, or 0.3%, from NOK 558.7 million in Q3 2015 pro forma to NOK 560.4 million in Q3 2016. The increase in revenue is due to new contracts implemented during the period. Year to date total operating revenues declined by NOK 15.4 million or 0.9% from NOK 1,645.2 million in 2015 to NOK 1,629.8 million in 2016. The decline in revenue and EBITDA is due to a 3.1% pro forma decline in collection assignments and a 4.4% pro forma decline in waste volumes, due to loss of a few major contracts and overall market conditions. In addition, lower scrap metal prices reduced revenue.

Adjusted EBITDA before internal charges decreased with NOK 23.6 million, from NOK 76.9 million in Q3 2015 pro forma to NOK 53.3 million in Q3 2016. YTD EBITDA decreased with NOK 29.9 million from NOK 170.2 million in 2015 to 140.3 million in 2016. The decline in adjusted EBITDA is due to lower volumes and collection assignments, pressure on gross profit from falling scrap metal ferrous prices and increased incineration gate fees. From Q2 the downstream cost of wood chips has increased significantly compared to 2015, while a significant share of upstream volume is tied in fixed price contracts. The decline is partly offset by NG200 measures and upstream price increases where possible including significant price increases from September.

DIVISION METAL

| (NOK'000) | Q3 2016 | Q3 2015 Reported | Q3 2015 pro forma | Variance | YTD Q3 2016 | YTD Q3 2015 Reported | YTD Q3 2015 pro forma | Variance |
|----------------------------|---------|---------------------|----------------------|----------|----------------|----------------------------|-----------------------------|----------|
| Total revenue | 175 451 | 177 390 | 177 390 | (1 938) | 541 230 | 625 524 | 625 524 | (84 293) |
| Adjusted EBITDA | 1 197 | 25 203 | 17 563 | (16 365) | 8 688 | 88 774 | 65 852 | (57 164) |
| Adjusted EBITDA margin | 0,7 % | 14,2 % | 9,9 % | (9,2 %) | 1,6 % | 14,2 % | 10,5 % | (8,9 %) |
| | | | | | | YTD Q2 2016 | YTD Q2 2015 | Variance |
| Ferrous volumes (tons) | | | | | | 153 876 | 153 589 | 0,2 % |
| Non-ferrous volumes (tons) | | | | | | 22 266 | 24 247 | -8,2 % |

Total revenues in Division Metal fell by NOK 1.9 million, or 1.1%, from NOK 177.4 million in Q3 2015 pro forma to NOK 175.5 million in Q3 2016. Volumes have increased in Q3 2016 compared to Q3 2015. However, due to low scrap ferrous prices and changes in product mix for non-ferrous volumes, with less high value cable, total revenues have decreased. Year to date total revenues fell by NOK 84.3 million, or 13.5%, driven by extremely low volumes in Q1 and low prices compared to 2015. Prices picked up significantly in the first part of the second quarter, however these prices fell back sharply in the latter part of Q2 and have decreased further during Q3 2016.

Adjusted EBITDA before internal charges fell by NOK 16.3 million, from NOK 17.6 million in Q3 2015 pro forma to NOK 1.2 million in Q3 2016. The decline is driven by lower gross profit on both ferrous and non-ferrous metals, which is a result of lower and decreasing ferrous prices, as well as the product mix and non-ferrous volumes. The decline in both volumes and prices has resulted in a year to date adjusted EBITDA before internal charges which is NOK 57.2 million lower than in the comparable period of 2015.

DIVISION INDUSTRY & OFFSHORE

| (NOK'000) | Q3 2016 | Q3 2015 Reported | Q3 2015 pro forma | Variance | YTD Q3 2016 | YTD Q3 2015 Reported | YTD Q3 2015 pro forma | Variance |
|---------------------------|---------|---------------------|----------------------|----------|----------------|----------------------------|-----------------------------|----------|
| Total revenue | 74 999 | 144 811 | 91 928 | (16 929) | 238 492 | 440 721 | 291 411 | (52 919) |
| Adjusted EBITDA | 3 881 | 20 804 | 9 994 | (6 113) | 6 430 | 55 103 | 24 291 | (17 861) |
| Adjusted EBITDA margin | 5,2 % | 14,4 % | 10,9 % | (5,7 %) | 2,7 % | 12,5 % | 8,3 % | (5,6 %) |

Total revenue in Division Industry & Offshore decreased by NOK 16.9 million, or 18.4%, in Q3 2016 from NOK 91.9 in Q3 2015 pro forma to NOK 75.0 million in Q3 2016. The decrease was mainly due to the close down of the offshore activity at Mongstad, and reduced activity in the offshore sector located in Midwest Norway. On a year to date basis these events are the primary reason for the decrease in total operating revenue of NOK 52.9 million, or 18.2%.

Adjusted EBITDA before internal charges fell by NOK 6.1 million from NOK 10.0 million in Q3 2015 pro forma to NOK 3.9 million in Q3 2016. The reduction in EBITDA was due to a decrease in gross margins (combination of both price and product mix), lower volumes, and close down costs for Mongstad. Year to date adjusted EBITDA fell from 24.3 million to 6.4 million. The reduction of personnel and other operating costs compared to last year was not large enough to compensate for the lost revenue and gross margin.

DIVISION HOUSEHOLD COLLECTION

| (NOK'000) | Q3 2016 | Q3 2015 Reported | Q3 2015 pro forma | Variance | YTD Q3 2016 | YTD Q3 2015 Reported | YTD Q3 2015 pro forma | Variance |
|---------------------------|---------|---------------------|----------------------|----------|----------------|----------------------------|-----------------------------|----------|
| Total revenue | 87 939 | 93 189 | 93 189 | (5 250) | 262 262 | 264 487 | 264 487 | (2 225) |
| Adjusted EBITDA | 14 003 | 14 232 | 14 233 | (230) | 36 738 | 36 549 | 36 549 | 188 |
| Adjusted EBITDA margin | 15,9 % | 15,3 % | 15,3 % | 0,7 % | 14,0 % | 13,8 % | 13,8 % | 0,2 % |

Total operating revenue decreased by NOK 2.2 million, or 0.8%, from NOK 264.5 million YTD Q3 2015 to NOK 262.3 million YTD Q3 2016, and NOK 5.3 million or 5.6% comparing Q3 2015 and Q3 2016. Gross development in revenues relates to increased revenues due to higher activity on existing contracts, start up of new contracts and index adjustments. These effects are offset by expired contracts, leading to a net decrease in revenues YOY both Q3 and YTD Q3. Adjusted EBITDA margin increased both Q3 and YTD.

In Q1, Gothenburg municipality announced its intent to award Division Household Collection the contract for collection of municipal waste for the region defined as Northeast Gothenburg. In Q2, Västblekinge Miljö announced its intent to award Division Household Collection the contract for collection of municipal waste in sections of Blekinge municipality. Competitors have filed complaints over the awards and the final outcome for these contracts is still unknown as of report date. In Q3, Division Household Collection was awarded the contract for collection of municipal waste in Asker municipality. After the reporting period Division Household Collection was awarded the contract for collection of municipal waste in Sarpsborg municipality. The award has a stand still period until end of 24th November"

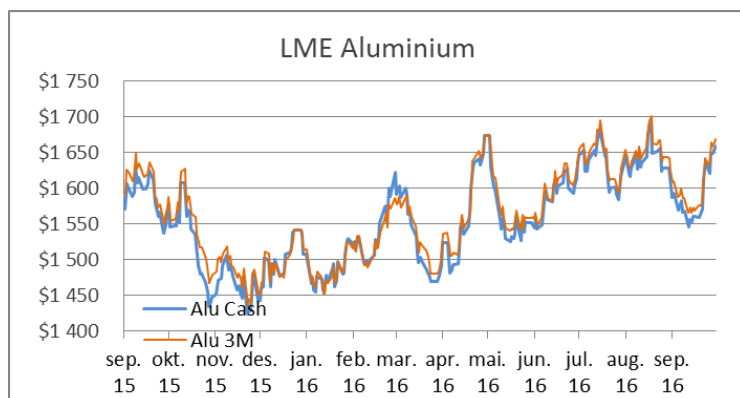
MARKET CONDITIONS

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

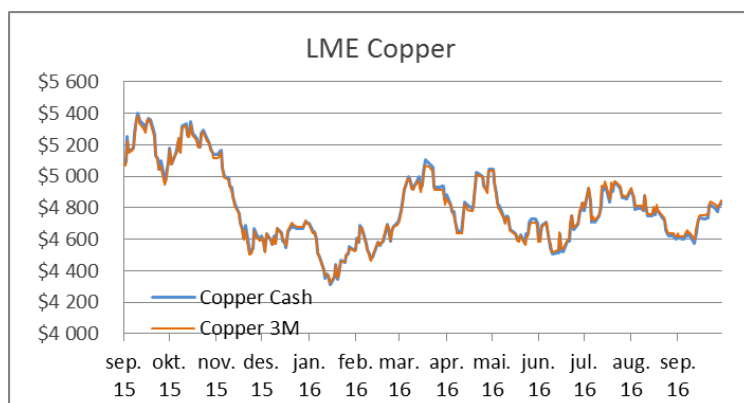
Aluminum continued to trade within the same range as Q2, trading between \$1500 and \$1700. Tighter supply/demand balance, and improved buying interest from investors continues to provide short-term price support. Risk remain on the downside as higher aluminum prices raise the probability of a supply response.



LME Aluminium – 2015 and 2016

COPPER

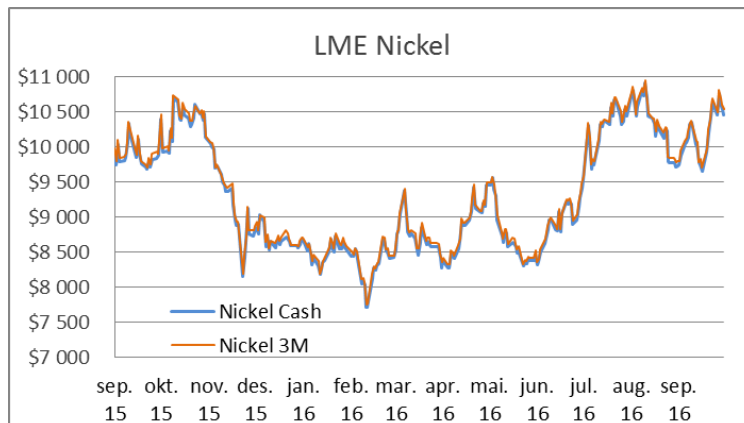
Copper prices have consolidated in Q3, but continue to be the worst performer among base metals. The prices picked up in the beginning of September due to strikes and prospects of production losses, but strikes were resolved without any major impact. The physical market remains weak, but the market seems to have priced in most of the negative fundamentals.



LME Copper – 2015 and 2016

NICKEL

Nickel had a strong performance in Q3. The market has been rebalancing this year with supply disruptions in the Philippines, China's production tightening and reports of stronger demand. The price still remains vulnerable as inventories remains high, and stronger than expected production from Indonesia could delay the rebalancing process.



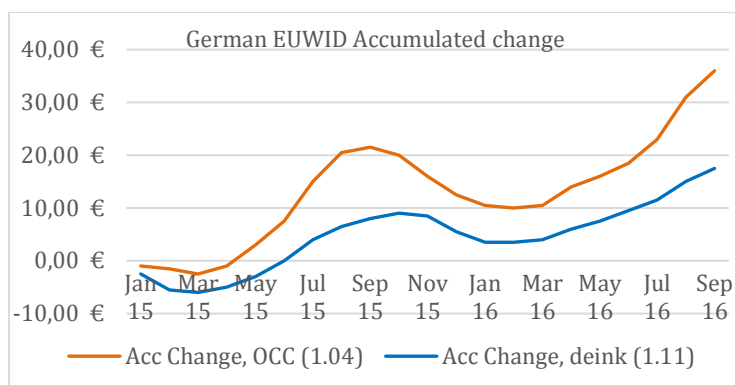
LME Nickel – 2015 and 2016

IRON ORE & STEEL

Iron ore prices picked up in Q3 and are trading around \$56 per ton. The price increase seems more sustainable this time, compared to the first quarter, as it's driven by improved fundamentals and not by speculative buying. Improved Chinese steel demand and some restraint in seaborne supply provides price support.

DEVELOPMENT IN PAPER PRICES

As expected, recovered paper prices increased in Q3 and we have seen strong demand for all our main grades. From Q4 prices are stabilizing and slightly down in Europe. Asian prices seems stable CIF main port, but increased sea freight will give reduction in Asian prices FAS European ports.



DEVELOPMENT WASTE-TO-ENERGY

WOODCHIPS

The market has been influenced by the summer season. Low demand combined with high inventories put pressure on downstream prices through Q3. We expect that the market will remain challenging as we move into the winter season due to high inventories in the whole value chain.

REFUSE DERIVED FUEL (RDF)

The market for RDF in Scandinavia continued to be stable during Q3. Warm weather caused challenges for suppliers due to low capacity at the incineration plants. Inventories remain high going into winter season. We do however expect stable prices due to lower UK supply.

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 2015 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

| <i>(NOK'000)</i> | Q3 2016 | Q3 2015 | YTD Q3 2016 | YTD Q3 2015 |
|--|------------------|----------------|--------------------|--------------------|
| Revenue | 1 007 271 | 990 067 | 2 977 077 | 3 057 656 |
| Other income | 18 457 | 691 | 20 637 | 4 952 |
| Total operating income | 1 025 728 | 990 759 | 2 997 714 | 3 062 609 |
| Cost of goods sold | 513 259 | 490 834 | 1 485 148 | 1 502 357 |
| Employee benefits expense | 222 915 | 205 253 | 722 221 | 715 401 |
| Depreciation and amortization expense | 55 658 | 62 415 | 170 138 | 184 700 |
| Other operating expenses | 175 398 | 168 123 | 531 732 | 538 438 |
| Other (gains)/losses - net | 701 | (2 399) | 2 663 | (4 315) |
| Operating profit | 57 799 | 66 533 | 85 812 | 126 028 |
| Finance income | 14 988 | 397 | 24 344 | 1 706 |
| Finance costs | 51 825 | 57 200 | 154 649 | 167 559 |
| Net income from associated companies | 1 381 | 2 020 | 2 815 | 2 020 |
| Profit / (loss) before income tax | 22 343 | 11 750 | (41 678) | (37 806) |
| Income tax expense | 7 765 | (5 187) | (16 158) | (18 567) |
| Profit / (loss) for the period from continuing operations | 14 578 | 16 937 | (25 520) | (19 239) |
| Profit / (loss) attributable to: | | | | |
| Owners of the parent | 13 148 | 15 702 | (29 768) | (22 001) |
| Non-controlling interests | 1 430 | 1 235 | 4 248 | 2 762 |

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| <i>(NOK'000)</i> | Q3 2016 | Q3 2015 | YTD Q3 2016 | YTD Q3 2015 |
|---|----------------|-----------------|--------------------|--------------------|
| Profit / (loss) for the period | 14 578 | 16 937 | (25 520) | (19 239) |
| Items that may be subsequently reclassified to profit and loss | | | | |
| Currency translation differences | (4 049) | 4 389 | (6 007) | 3 334 |
| Interest rate swaps - cash flow hedges (after tax) | 14 978 | (16 084) | 17 604 | 7 272 |
| Net other comprehensive income / (loss) for the period | 10 929 | (11 695) | 11 597 | 10 606 |
| Comprehensive income / (loss) for the period | 25 506 | 5 242 | (13 924) | (8 633) |
| Comprehensive income attributable to: | | | | |
| Owners of the parent | 24 076 | 4 007 | (18 172) | (11 395) |
| Non-controlling interests | 1 430 | 1 235 | 4 248 | 2 762 |

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**ASSETS**

| <i>(NOK'000)</i> | 30.09.2016 | 31.12.2015 |
|-------------------------------------|-------------------|-------------------|
| Non-current assets | | |
| Property, plant & equipment | 1 014 651 | 1 031 968 |
| Intangible assets | 126 599 | 152 007 |
| Goodwill | 1 235 986 | 1 229 559 |
| Deferred tax assets | 90 426 | 76 226 |
| Investments in associated companies | 15 558 | 12 393 |
| Other non-current receivables | 37 775 | 28 338 |
| Total non-current assets | 2 520 995 | 2 530 492 |
| Current assets | | |
| Inventories | 90 938 | 87 536 |
| Trade and other receivables | 671 384 | 596 309 |
| Derivative financial instruments | 16 197 | - |
| Cash and cash equivalents | 90 215 | 219 819 |
| Total current assets | 868 734 | 903 664 |
| Total assets | 3 389 729 | 3 434 157 |

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**EQUITY AND LIABILITIES**

| <i>(NOK'000)</i> | 30.09.2016 | 31.12.2015 |
|--|-------------------|-------------------|
| Equity attributable to owners of the parent | | |
| Ordinary shares | 45 348 | 45 348 |
| Share premium | 330 011 | 330 011 |
| Additional paid in capital | 9 314 | 7 970 |
| Retained earnings | (256 327) | (232 009) |
| Total equity attributable to owners of the parent | 128 346 | 151 321 |
| Non-controlling interest | 16 256 | 14 765 |
| Total equity | 144 601 | 166 086 |
| Non-current liabilities | | |
| Loans and borrowings | 2 413 317 | 2 380 419 |
| Derivative financial instruments | 36 163 | 59 635 |
| Deferred income tax liabilities | 46 085 | 41 174 |
| Post-employment benefits | 8 001 | 7 265 |
| Provisions for other liabilities and charges | 96 923 | 102 312 |
| Total non-current liabilities | 2 600 489 | 2 590 804 |
| Current liabilities | | |
| Trade and other payables | 555 656 | 602 335 |
| Current income tax | - | 1 960 |
| Loans and borrowings | 80 481 | 60 519 |
| Derivative financial instruments | 436 | 3 999 |
| Provisions for other liabilities and charges | 8 066 | 8 454 |
| Total current liabilities | 644 639 | 677 267 |
| Total liabilities | 3 245 128 | 3 268 071 |
| Total equity and liabilities | 3 389 729 | 3 434 157 |

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| <i>(NOK'000)</i> | YTD Q3 2016 | YTD Q3 2015 |
|--|--------------------|--------------------|
| Profit / (Loss) before income tax | (41 678) | (37 806) |
| Adjustments for: | | |
| Income tax paid | (2 457) | (2 693) |
| Depreciation and amortization charges | 170 138 | 184 700 |
| Items reclassified to investing and financing activities | 135 302 | 134 748 |
| Other P&L items without cash effect | (24 928) | 14 812 |
| Changes in other short term items | (132 939) | (67 779) |
| Net cash flow from operating activities | 103 438 | 225 982 |
| Payments for purchases of shares and businesses | (12 600) | - |
| Payments for purchases of non-current assets | (140 596) | (129 907) |
| Proceeds from sale of non-current assets | 37 303 | 6 289 |
| Proceeds from sale of subsidiaries | - | 7 962 |
| Net cash flow from investing activities | (115 893) | (115 656) |
| Repayment of borrowings | (834) | (882) |
| Net change in credit facility | 27 048 | (3 376) |
| Dividend paid to non-controlling interest | (2 757) | (1 575) |
| Net group contributions received/(paid) | - | 2 546 |
| Net interest paid | (136 315) | (134 372) |
| Net cash flow from financing activities | (112 858) | (137 659) |
| Net increase in cash and cash equivalents | (125 313) | (27 332) |
| Effect of exchange rate changes | (4 291) | - |
| Cash and cash equivalents at beginning of period | 219 819 | 161 068 |
| Cash and cash equivalents at end of period | 90 215 | 133 736 |

The interim financial information has not been subject to audit.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**CONDENSED STATEMENT OF CHANGES IN EQUITY – Q3 2016**

| <i>(NOK'000)</i> | Attributable to the owners of the parent | Non-controlling interest | Total equity |
|--|---|-----------------------------|----------------|
| At 1 January 2016 | 151 321 | 14 765 | 166 086 |
| Profit / (loss) | (29 768) | 4 248 | (25 520) |
| Net other comprehensive income / (loss) | 11 597 | - | 11 597 |
| Transactions with non-controlling interest | - | (2 757) | (2 757) |
| Group contributions | (4 803) | - | (4 803) |
| At 30 September 2016 | 128 346 | 16 256 | 144 601 |

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 |

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).

These 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 2015. 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, 2016, are consistent with those applied in the annual consolidated financial statements for 2015. 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

NOTE 2 - FINANCIAL ITEMS

| (NOK'000) | Q3 2016 | Q3 2015 | YTD Q3 2016 | YTD Q3 2015 |
|--|-----------------|-----------------|------------------|------------------|
| Interest income | 466 | 397 | 1 365 | 1 706 |
| Other financial income | 14 522 | - | 22 979 | - |
| Financial income | 14 988 | 397 | 24 344 | 1 706 |
| Non cash interest expenses | 2 835 | 2 624 | 8 070 | 8 110 |
| Cash interest expenses | 45 480 | 45 069 | 133 951 | 136 304 |
| Other financial expenses | 3 509 | 9 507 | 12 628 | 23 145 |
| Financial expenses | 51 825 | 57 200 | 154 649 | 167 559 |
| Net financial income (expenses) | (36 837) | (56 803) | (130 305) | (165 853) |

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

| REVENUE 2016 (NOK'000) | Revenue from external customers | | Inter segment revenue | | Total segment revenues | |
|----------------------------------|--|--------------------|------------------------------|--------------------|-------------------------------|--------------------|
| | Q3 2016 | YTD Q3 2016 | Q3 2016 | YTD Q3 2016 | Q3 2016 | YTD Q3 2016 |
| Recycling | 470 687 | 1 348 989 | 89 724 | 280 830 | 560 411 | 1 629 819 |
| Metal | 174 468 | 539 041 | 984 | 2 189 | 175 451 | 541 230 |
| Household collection | 86 675 | 259 221 | 1 264 | 3 041 | 87 939 | 262 262 |
| Industry & Offshore | 68 614 | 232 586 | 5 005 | 4 192 | 73 619 | 236 778 |
| Other businesses | 204 879 | 591 330 | 24 162 | 12 214 | 229 041 | 603 545 |
| HQ and eliminations | 1 949 | 5 909 | (121 140) | (302 467) | (119 191) | (296 558) |
| Total | 1 007 271 | 2 977 077 | - | - | 1 007 270 | 2 977 076 |

| REVENUE 2015 (NOK'000) | Revenue from external customers | | Inter segment revenue | | 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 | - | - | 990 067 | 3 057 656 |

EBITDA BEFORE INTERNAL CHARGES

| (NOK'000) | Q3 2016 | Q3 2015 | YTD Q3 2016 | YTD Q3 2015 |
|---------------------------------------|----------------|----------------|--------------------|--------------------|
| Recycling | 53 276 | 66 931 | 140 306 | 142 027 |
| Metal | 1 197 | 25 203 | 8 688 | 88 774 |
| Household collection | 14 742 | 14 417 | 38 386 | 36 549 |
| Industry & Offshore | 3 881 | 20 804 | 6 430 | 55 103 |
| Other businesses | 27 430 | 11 008 | 70 707 | 36 223 |
| HQ and eliminations | 12 932 | (9 417) | (8 564) | (47 949) |
| Total | 113 458 | 128 947 | 255 951 | 310 727 |
| Depreciation and amortization expense | (55 658) | (62 415) | (170 138) | (184 700) |
| Finance income | 14 988 | 397 | 24 344 | 1 706 |
| Finance costs | (51 825) | (57 200) | (154 649) | (167 559) |
| Net income from associated companies | 1 381 | 2 020 | 2 815 | 2 020 |
| Profit before tax | 22 343 | 11 749 | (41 678) | (37 806) |

NOTE 5 – SALE OF REAL ESTATE

During the third quarter three properties with a carrying value of NOK 8.2 million was sold for NOK 25.5 million. The resulting gain on sale of NOK 17.3 million is presented as other income in the profit or loss statement.

The gross proceeds of NOK 25.5 million is included in the statement of cash flow on the line for proceeds from sale of non-current assets.

NOTE 6 - 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 2016 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.

Lysaker, November 23, 2016

Per-Anders Hjort
Chairman of the Board
(sign.)

Erik Osmundsen
Chief Executive Officer
(sign.)

Hugo Lund Maurstad
Director
(sign.)

Maria Tallaksen
Director
(sign.)

Pål Stampe
Director
(sign.)

Yngve Longva Moland
Director
(sign.)

Lasse Stenskrog
Director
(sign.)

Cecilie Skauge
Director
(sign.)

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