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Tittel:	RenoNorden ASA: Operational and financial update and announcement of fully underwritten rights issue
Meldingstekst:	This announcement is not for release, publication or distribution (directly or indirectly) in or to the United States, Canada, Australia or Japan. It is not an offer of securities for sale in or into the United States, Canada, Australia, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan. This announcement is not an offer of securities for sale in the United States. The new shares to which this announcement relates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will not be a public offering of shares in the United States. RENO - Operational and financial update and announcement of fully underwritten rights issue As a consequence of the operational issues announced by RenoNorden ASA (the "Company") in recent quarters, in combination with increased competition and price pressure observed in the market, the Board of Directors and the new management of the Company have taken significant measures to improve the operations of the Company: - New routines implemented to reduce risks in tender calculations. - Cost reduction and efficiency programs initiated across all business units and departments. - Truck delivery issues in Denmark solved, and procurement function improved with more stringent routines and extended management involvement. - Successful start-up of new customer contracts demonstrated, but at somewhat higher cost than expected. Although significant improvement measures have been taken, the operational issues continue to put pressure on the Company's results, financial position and covenants.

The Company expects revenue in Q4 2016 slightly below the level of Q4 2015 and a weaker seasonal development in EBITDA margin in Q4 2016 compared to the previous year, and total capex in Q4 2016 slightly above the level in Q3 2016. Going forward, the Company expects stabilizing group EBITDA margins in the short term and thereafter slightly improving in the medium term, and management will apply a disciplined approach to new contracts. At the same time, large expected starts-ups in 2017, mainly related to already committed contracts, are expected to lead to capital expenditures in 2017 above the 2016 level.

The Board of Directors has resolved to restate the Company's interim financial statements for Q2 and Q3 2016. As a result of this, the Company will be required to make further goodwill impairments in Norway and Denmark as of 30 June 2016, mainly due to higher weighted average cost of capital (WACC) requirements. In addition, changed technological requirements have reduced the useful life for the vehicles. This requires the Group to reduce the depreciation period for the vehicles from 12 to 10 years. The effect of this will be a combination of write-downs to the expected recoverable amount and increased yearly depreciation going forward.

The Company has previously announced recognized provisions in the period ended 30 June 2016 for lossmaking contracts in Norway and Denmark of NOK 159 million in total. This has also triggered a goodwill impairment of NOK 90.9 million in Norway. The total combined additional impairments, write-downs and increased depreciation, mainly to be recognized in the three months period ended on 30 June 2016, and which will be reflected in the restated interim financial statements for Q2 2016, amounts to NOK 242 million, of which NOK 23 million relates to the effect of shortened depreciation periods for the vehicles. Going forward, the effect of these increased depreciations is expected to be approximately NOK 6 to 8 million in Q4 2016, while in 2017 and over the next 10 years, the total effect is expected to be approximately NOK 50 million, of which approximately NOK 15 million will be effective in 2017 and thereafter deceasing.

As a consequence of the increased investments mainly related to already committed contracts, in combination with the margin development, the Company expects a further increase in the NIBD/EBITDA ratio and that continued compliance with the Company's maximum NIBD/EBITDA covenant of 5.0x under the Company's financing agreements will be challenging over the coming quarters unless a share capital increase is conducted.

To strengthen the Company's balance sheet and create headroom with respect to its maximum NIBD/EBITDA covenant, thus providing a better platform for the business going forward and increased refinancing flexibility, the Board of Directors has decided to propose a rights issue of new ordinary shares in the Company with gross proceeds of NOK 350 million (the "Rights Issue"). The Company has appointed Carnegie as manager (the "Manager") for the Rights Issue.

The Rights Issue is fully underwritten by a syndicate consisting of existing shareholders and new investors. Three members of the Company's group management

have
agreed to underwrite for the following amounts:
- Harald Rafdal (CEO): NOK 1,000,000
- Øystein Disch Olsrød (CFO): NOK 500,000
- Ingrid Therese Tjøsvold (COO and Country Manager of Norway): NOK 500,000

CapVest, the Company's largest shareholder, which is represented on the Board of Directors, has agreed to underwrite for an amount equal to NOK 21 million.

The underwriting is subject to customary conditions, including the Company's continued compliance with its disclosure obligations as a company listed on Oslo Børs and that no change occur which, in the good faith opinion of the Manager is so material and adverse as to make it impracticable or inadvisable to proceed with the Rights Issue or the delivery of the new shares.

The Rights Issue is subject to being resolved by an extraordinary general meeting of the Company, which is expected to be held in late January or early February 2017 (the "EGM"). A notice of the EGM is expected to be distributed in the beginning of January 2017.

The subscription price in the Rights Issue will be determined by the Company in consultation with the Manager and will imply a minimum discount of 25% to the theoretical ex-rights price for the shares (i.e. the calculated price for the Company's shares after issuing the new shares in the Rights Issue, assuming that the Rights Issue is subscribed for the full amount and based on a pre-transaction share price equal to the volume weighted share price for the Company's shares quoted on Oslo Børs in the period from and including 20 December 2016 to and including the last trading day prior to the date of the EGM notice) and maximum NOK 4 per new share.

The number of new shares to be issued in the Rights Issue will be determined on the basis of the subscription price and the gross proceeds of NOK 350 million.

Shareholders in the Company as of the date of the EGM (as recorded in VPS at the end of the second trading date thereafter (the "Record Date")), other than shareholders who are excluded from participating in the Rights Issue due to applicable securities laws, will receive subscription rights in proportion to their shareholding in the Company at such time. The subscription rights will be tradable and listed on Oslo Børs in the subscription period, and will give the holders preferential right to subscribe for and be allotted new shares in the Rights Issue. Oversubscription and subscription without subscription rights will be permitted.

The subscription period in the Rights Issue will be two weeks. The subscription period is expected to commence in the first half of February 2017 (following the EGM and the approval by the Financial Supervisory Authority of Norway of a prospectus to be prepared in connection with the Rights Issue).

Attached hereto is an updated Investor Presentation as of December 2016.

The restated interim financial statements for Q2 and Q3 2016 are expected to be published later today.

For further queries, please contact:
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This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

About RenoNorden:
RenoNorden is the market leader in waste management and
transportation in the Nordic countries, serving more than 300 municipalities. The group has about 2,000 employees and 2015 revenues of NOK 1.8 billion. The company is listed on the Oslo Stock Exchange with the ticker RENO. More information at www.renonorden.com.

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