



## FIRST QUARTER 2011

### Highlights from first quarter 2011 include:

- Robust revenue growth (local currencies) of 23%
  - ➔ 880 MNOK in revenues (731 in first quarter 2010)
  - ➔ 16% organic growth in local currencies
- Gross contribution 41%, unchanged from first quarter 2010
- 32% growth in EBITA to 120 MNOK (91 MNOK first quarter 2010)
- 32% growth in EBIT to 112 MNOK (85 MNOK in first quarter 2010)
- Cashflow from operations of 40 MNOK (109 MNOK first quarter 2010)
- Acquired Odenberg, a Dublin based provider of food sorting technology
- All time high order backlog in IPT

## TOMRA FIRST QUARTER 2011

### CONSOLIDATED FINANCIALS

Revenues in the first quarter 2011 amounted to 880 MNOK compared to 731 MNOK in first quarter last year. After adjusting for currency changes and acquisitions/divestments, organic revenue growth was 16 percent. The increase was mainly driven by higher revenues in Collection Technology and Industrial Processing Technology.

Gross margin was 41% in the quarter, equal to the corresponding period last year.

Operating expenses increased from 209 MNOK in first quarter 2010 to 245 MNOK first quarter 2011, mainly as a consequence of new entities (Odenberg consolidated from February 2011, CBSI and RSI from December 2010)

EBITA was 120 MNOK in first quarter 2011 versus 91 MNOK in the first quarter 2010.

Net financial income was minus 8 MNOK in first quarter 2011, up from minus 3 MNOK last year, due to higher gearing following acquisitions.

Cashflow from operations in first quarter 2011 equaled 40 MNOK – down from 109 MNOK in first quarter 2010, which was positively influenced by customer prepayments.

Investments of 48 MNOK in first quarter 2011 (excluding Odenberg), up from 40 MNOK first quarter last year.

Equity ratio decreased from 55 percent at the end of 2010 to 48 percent at the end of first quarter 2011 and net interest-bearing debt increased from 427 MNOK to 849 MNOK during the same period, both due to the Odenberg acquisition.

### SEGMENT REPORTING

#### Collection Technology – Deposit Solutions

Revenues in the segment equaled 450 MNOK in the first quarter 2011, up from 395 MNOK in first quarter last year. After adjusting for currency change and the acquisition of CBSI, revenues were up 14%. Gross margin was 49%, unchanged from last year.

Amounts in NOK million	1Q11	1Q10
Revenues	450	395
- Nordic	129	114
- Central Europe	232	204
- Rest of Europe	1	1
- US East & Canada	87	75
- Rest of the world	1	1
Gross contribution	219	192
- in %	49%	49%
Operating expenses	129	123
EBITA	90	69
- in %	20%	17%

#### Europe

In Europe, Collection Technology reported strong sales in both the Nordic- and the central European region. This was partly explained by the start of the roll-out of the 70 MEUR order signed by a European retailer in 2010.

#### US East & Canada

Revenues in first quarter 2011 were 87 MNOK, up 16 percent from 75 MNOK last year. Measured in local currency, revenues were up 19 percent. The increase was mainly explained by higher throughput volumes in the operational lease portfolio, and the effect of the integration of CBSI (acquired in fourth quarter 2010)

#### Industrial Processing Technology

Revenues in the quarter increased by 60%, compared to same quarter in 2010. Adjusted for Odenberg (acquired in first quarter 2011), Presona (divested in second quarter 2010) and currency effects, revenues increased with 38%.

Gross margin decreased as expected from 53% in first quarter 2010 to 51% in first quarter 2011, due to somewhat lower gross margin in Odenberg.

The EBITA margin increased from 9% to 12% in the same period, as a consequence of higher activities.

Operating expenses in first quarter 2011 included stamp duty and other acquisition costs at a total of 7 MNOK.

The order backlog in the segment increased from 162 MNOK at the end of first quarter 2010 to 280 MNOK at the end of first quarter 2011, of which 98 MNOK related to the food sorting segment (Odenberg).

The geographic expansion has continued, with 45% of revenues outside Europe in first

quarter 2011, compared to 27% in first quarter 2010.

Amounts in NOK million	1Q11	1Q10
Revenues	210	131
- Nordic	12	20
- Central Europe & UK	83	48
- Rest of Europe	20	27
- US East & Canada	38	13
- US West	18	11
- Rest of the World	39	12
Gross contribution	108	69
- in %	51%	53%
Operating expenses	83	57
EBITA	25	12
- in %	12%	9%
Including onetime costs -in operating expenses	7	

### **Recognition & sorting platform**

TITECH experienced good momentum in all segments, particularly the mining business, which continued to increase its relative share of the unit's revenues.

TOMRA acquired 100 percent of the shares in Odenberg at the end of January 2011, and the company has been consolidated into the Group accounts starting from 1 February 2011.

Odenberg is a leading provider of advanced sorting and processing technology to the international food processing industry. Established in 1968, Odenberg today has 171 people employed across locations in Dublin (Ireland), Sacramento (California), Pezinok (Slovakia) and Ijsselstein (The Netherlands) and serves several of the world's top 10 food manufacturers. More than 2,000 Odenberg optical sorting systems have been sold worldwide. The company generated an EBIT of 4.3 MEUR in 2010 on total revenue of 38 MEUR. The acquisition of Odenberg represents another important step towards realizing TOMRA's strategy of strengthening its market position and product offering within sensor based sorting. In addition to representing an interesting growth case on its own, Odenberg is a strong strategic fit with TOMRA. Odenberg brings to the table both unique, patented technology and leading market positions in several fast-growing segments of the food sorting and processing industry. Together, TOMRA and Odenberg will have a strong market presence and an unrivalled technology base from which to grow further. The integration process focusing on technology, sales and marketing and operations is well underway and should be finished by June 2011.

TOMRA paid a consideration corresponding to an enterprise value of EUR 55 million. In addition conditional payments of up to 2.5 MEUR might be triggered based on 2011 financial performance. TOMRA paid the purchase price in cash. Acquisition costs of 7 MNOK were expensed in first quarter 2011, including a stamp duty of 5 MNOK.

### **Volume reduction platform**

Orwak reported increased revenues in first quarter 2011, up 14% from first quarter 2010. Profitability was however weaker, as Orwak, with a significant SEK cost base, is negatively influenced by currency fluctuations. In first quarter 2011 the SEK has strengthened 7% against EUR compared to average 2010-rates and 17% against average 2009-rates.

### **Material Handling**

Revenues in the business area were 220 MNOK in first quarter 2011, up from 205 MNOK last year. In USD, revenues were up 10%, or up 5% adjusted for the acquisition of RSI. Gross margin was 17%, down from 19% in the same period last year, due to weaker performance in California and somewhat higher diesel prices.

Amounts in NOK million	1Q11	1Q10
Revenues	220	205
- US East & Canada	124	110
- US West	96	95
Gross contribution	38	39
- in %	17%	19%
Operating expenses	29	25
EBITA	9	14
- in %	4%	7%

### **US East & Canada**

Revenues were 21.7 MUSD in first quarter 2011, compared to 18.8 MUSD in first quarter 2010. The 15% increase was a combination of higher volumes in Maine (due to the acquisition of RSI), somewhat higher volumes following the deposit expansion in Connecticut and New York, and somewhat higher volumes from third party recyclers.

### **US West**

Revenues were 16.8 MUSD in first quarter 2011, up 3% from 16.2 MUSD in first quarter 2010 due to higher commodity prices. Volumes measured in number of drinking containers were however down due to bad weather in first quarter 2011.

Margins were positively influenced by higher aluminum prices, but the effect was offset by lower processing fees for plastic as well as lower handling fee rate per container. Lower

volumes of containers also have a negative influence on margins due to a high fixed cost base.

## MARKET OUTLOOK

In Collection Technology, TOMRA expects that 2011 will report somewhat higher activity than in 2010, mainly due to the 70 MEUR order signed by a European retailer in 2010, for installation in 2011 and 2012.

However, installations are expected to be higher in 2012 than in 2011. The margin improvement program in Collection Technology continues, targeting reduced cost on machines.

In Industrial Processing Technology, activities are assumed to increase in 2011. The overall performance is linked to macro drivers, particularly commodity prices. The entity has some seasonality, with higher activity during the summer in the northern hemisphere. Synergies from the acquisition, mainly related to increased sales, are expected to materialize from 2012.

In the Material Handling East Coast unit, growth will mainly come from the new entity in Maine (RSI), which is expected to contribute approximately 7 MUSD in revenues in 2011.

The West Coast operations within Material Handling are expected to benefit from higher aluminium prices and efficiency gains. The drop in volumes in California in 1Q11 is expected to be temporary and performance is expected to improve during second and third quarter.

A stronger NOK relative to both EUR and USD will negatively impact performance in all segments.

## FINANCING/OTHER

The total number of issued shares at the end of first quarter 2011 was 148,020,078 shares, including 133,309 treasury shares.

The total number of shareholders decreased from 7,549 at the end of fourth quarter 2010 to 7,299 at the end of first quarter 2011. Norwegian residents held 43 percent of the shares at the end of first quarter 2011. TOMRA's share price increased from NOK 38.80 to NOK 45.20 during first quarter 2011. The number of shares traded on the Oslo Stock Exchange in the period was 16 million shares compared to 28 million in the same period in 2010.

On 26 January 2011, Tomra Systems ASA entered into a new 500 MNOK five year revolving debt facility with DnBNOR, replacing the previous 250 MNOK debt facility which would have expired in October 2011.

TOMRA's 2011 Capital Markets day will take place on 20 May in Oslo. Prime focus will be the business units Collection Technology and Industrial Processing Technology, with management from the different segments within the units in attendance.

Asker, 27 April 2011

The Board of Directors  
TOMRA SYSTEMS ASA

Svein Rennemo  
Chairman of the Board

Stefan Ranstrand  
President & CEO

## Condensed consolidated interim financial statements – 1st Quarter 2011

STATEMENT OF COMPREHENSIVE INCOME <i>(Amounts in NOK million)</i>	Note	1 <sup>st</sup> Quarter		Full year
		2011	2010	2010
Operating revenues	5)	880.0	731.3	3496.2
Cost of goods sold		501.0	419.8	1981.4
Depreciations/write-down		13.8	11.5	57.0
<i>Gross contribution</i>		365.2	300.1	1457.8
Operating expenses		221.1	186.7	827.5
Depreciations/write-down		24.0	22.3	89.7
<i>EBITA before other items</i>	5)	120.1	91.1	540.6
Amortization/write-down		8.0	6.6	26.2
Loss on sale of Presona AB		-	-	18.5
EU penalty		-	-	226.1
<i>EBIT (Results from operating activities)</i>	5)	112.1	84.5	269.8
Net financial income		(8.0)	(3.0)	(6.8)
<i>Profit before income tax</i>		104.1	81.5	263.0
Taxes		32.3	25.7	149.5
<i>Profit for the period</i>		71.8	55.8	113.5
Non-controlling interest (minority interest)		(6.7)	(6.7)	(39.8)
<i>Earnings per share (NOK)</i>		0.44	0.33	0.50

STATEMENT OF OTHER COMPREHENSIVE INCOME <i>(Amounts in NOK million)</i>	1 <sup>st</sup> Quarter		Full year
	2011	2010	2010
Net profit for the period	71.8	55.8	113.5
Other comprehensive income			
Translation differences	(64.8)	32.0	0.3
<i>Total comprehensive income</i>	7.0	87.8	113.8
<i>Attributable to:</i>			
Non-controlling interest	2.7	8.8	40.6
Shareholders of the parent company	4.3	79.0	73.2
<i>Total comprehensive income</i>	7.0	87.8	113.8

STATEMENT OF FINANCIAL POSITION <i>(Amounts in NOK million)</i>	31 March		31 Dec
	2011	2010	2010
<b>ASSETS</b>			
Intangible assets	1394.2	904.6	974.4
Leasing equipment	157.6	123.8	163.3
Other fixed assets	615.5	605.9	600.9
Inventory	614.1	568.8	524.3
Short-term receivables	941.2	891.2	985.8
Cash and cash equivalents	108.5	28.8	56.6
<i>TOTAL ASSETS</i>	3831.1	3123.1	3305.3
<b>LIABILITIES &amp; EQUITY</b>			
Equity	1832.7	1919.5	1832.3
Minority interests	70.8	65.3	68.4
Deferred taxes	39.3	28.9	29.2
Long-term interest-bearing liabilities	731.9	255.9	233.9
Short-term interest-bearing liabilities	225.0	12.8	250.0
Other liabilities	931.4	840.7	891.5
<i>TOTAL LIABILITIES &amp; EQUITY</i>	3831.1	3123.1	3305.3

**Condensed consolidated interim financial statements – 1st Quarter 2011**  
(Continued)

STATEMENT OF CASH FLOWS <i>(Amounts in NOK million)</i>	Note	1 <sup>st</sup> Quarter		Full year
		2011	2010	2010
Profit before income tax		104.1	81.5	263.0
Changes in working capital		(33.6)	48.1	(18.3)
Other operating changes		(30.1)	(21.0)	280.7
Total cash flow from operations		40.4	108.6	525.4
Cashflow from purchase of subsidiaries	4)	(407.0)	-	(78.5)
Other cashflow from investments		(48.2)	(40.2)	(228.5)
Total cash flow from investments		(455.2)	(40.2)	(307.0)
Cashflow from repurchase of shares	3)	(3.9)	(4.3)	(4.3)
Dividend paid out	2)	-	-	(81.4)
Other cashflow from financing		469.4	(100.7)	(146.0)
Total cash flow from financing		465.5	(105.0)	(231.7)
<i>Total cash flow for period</i>		<i>50.7</i>	<i>(36.6)</i>	<i>(13.3)</i>
Exchange rate effect on cash		1.2	(2.7)	1.8
Opening cash balance		56.6	68.1	68.1
Closing cash balance		108.5	28.8	56.6

EQUITY <i>(Amounts in NOK million)</i>	Paid in capital	Transl. reserve	Retained earnings	Total majority equity	Minority interest	Total equity
<i>Balance per 31 December 2010</i>	1066.3	(200.2)	966.2	1832.3	68.4	1900.7
Net profit			65.1	65.1	6.7	71.8
Changes in translation difference		(60.8)		(60.8)	(4.0)	(64.8)
Dividend non-controlling interest				-	(0.3)	(0.3)
Purchase of treasury shares	(0.1)		(10.0)	(10.1)		(10.1)
Treasury shares sold to employees			6.2	6.2		6.2
Dividend to shareholders				-		-
<i>Balance per 31 March 2011</i>	<i>1066.2</i>	<i>(261.0)</i>	<i>1027.5</i>	<i>1832.7</i>	<i>70.8</i>	<i>1903.5</i>

STATEMENT OF CHANGES IN EQUITY <i>(Amounts in NOK million)</i>	1 <sup>st</sup> Quarter		Full year
	2011	2010	2010
<i>Opening balance</i>	1832.3	1844.8	1844.8
Net profit	65.1	49.1	73.7
Translation difference	(60.8)	29.9	(0.5)
Dividend paid	-	-	(81.4)
Net purchase of own shares	(3.9)	(4.3)	(4.3)
<i>Closing balance</i>	<i>1832.7</i>	<i>1919.5</i>	<i>1832.3</i>

INTERIM RESULTS <i>(Amounts in NOK million)</i>	1 <sup>st</sup> Quarter 2011	4 <sup>th</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2010	1 <sup>st</sup> Quarter 2010
Operating revenues (MNOK)	880.0	939.6	945.8	879.5	731.3
EBITA (MNOK)	120.1	129.5	178.6	141.6	91.1
EBIT before other items (MNOK)	112.1	122.9	172.0	135.0	84.5
Sales growth (year-on-year) (%)	20.3	5.2	10.5	7.5	(3.1)
Gross margin (%)	41.5	41.9	42.2	41.4	41.0
EBITA margin (%)	13.6	13.8	18.9	16.1	12.5
EPS (NOK)	0.44	0.56	(0.83)	0.44	0.33
EPS (NOK) fully diluted	0.44	0.56	(0.83)	0.44	0.33

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### NOTE 1 Disclosure

The 2011 and 2010 financial figures have been prepared and presented based upon International Financial Reporting Standards (IFRS). This quarterly report has been prepared in accordance with IAS34, and in accordance with the principles used in the annual accounts for 2010. The quarterly figures do not however include all information required for a full annual financial statement of the Group and should be read in conjunction with the annual financial statement for 2010. The quarterly figures have not been audited. The quarterly reports require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ending 31 December 2010.

A number of new standards, amendments to standards and interpretations are not effective for the company for the period ending 31 March 2011, and have not been applied in preparing these consolidated financial statements:

IFRS 9 Financial Instruments

IFRS 7 (Amended 2010) Financial instruments: Disclosures

IAS 12 (Amended 2010) Deferred tax: Recovery of Underlying Assets

Revenue recognition: Revenues from sales and sales-type leases of the company's products are generally recognized at the time of installation. Revenues from service contracts and operating leases of the company's products are recognized over the duration of the related agreements. Other service revenues are recognized when services are provided.

Use of financial instruments: The Group does not apply hedge accounting in accordance with IAS39 on any contracts as of 31 March 2011.

Seasonality: The Material Handling operations, and to some extent the US Collection Technology operations, are influenced by seasonality. The seasonality mirrors the beverage consumption pattern in the US, which normally is higher during the summer (2Q and 3Q) than during the winter (1Q and 4Q). Also the food segment within IPT is influenced by seasonality, with somewhat higher activity during the summer in the northern hemisphere.

Financial exposures: TOMRA is exposed to currency risk, as only ~3% of its income is nominated in NOK. A strengthening/weakening of NOK toward other currencies of 10% would normally decrease/increase operating profit with 15-25%. An increase in NIBOR with 1 percentage point, would increase financial expenses with NOK 7 million per year.

Commodity exposures: TOMRA is exposed to the change in commodity prices. Most important are aluminum, where a USD100 decrease in the LME will have an USD 800,000 to 1,000,000 negative impact on operating profit per year.

Oil prices: Even though high energy prices in general benefits recycling, TOMRA is hit, particularly with higher operating costs in the Material Handling Segment, when oil prices increase due to the cost of diesel to the truck fleet. 1 USD increase in the price per gallon of diesel, will reduce the EBIT by USD 1,300,000 per year.

Segment reporting: TOMRA has divided its primary reporting format into four business segments: Collection Technology, Material Handling and Industrial Processing Technology. In addition, the corporate overhead costs are reported in a separate column. The split is based upon the risk- and return profile of the Group's different activities; also taking into consideration TOMRA's internal reporting structure.

- Collection Technology consists of the sale, lease and servicing of RVMs to retail stores in Europe and North America plus related data management systems, which monitor container collection volumes and related cash flows.
- Material Handling consists of pick-up, transportation and processing of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada. In addition, this segment includes the collection activities in California, where TOMRA owns and operates a number of collection centers outside retail stores.
- Industrial Processing Technology consists of TiTech, CommoDaS and Ultrasort, which provide advanced optical sorting systems, and Orwak Group, a leading provider of compaction solutions for recyclables such as cardboard, paper and plastic.
- Group Functions consist of costs related to corporate functions at TOMRA's headquarters.

Assets and liabilities are distributed on the different business segments, except for cash, interest-bearing debt and tax-positions, which are allocated to Group Functions. There are no material segment revenues from transactions with other segments. There are no material related party transactions in 2011.

### NOTE 2 Dividend paid

Paid out May 2010: 0.55 NOK x 148.0 million shares = NOK 81.4 million

### NOTE 3 Net purchase of own shares

	# shares	Average price	TOTAL
<b>1Q 2010</b>			
Gross purchased	239,000	NOK 28.12	NOK 6.7 million
Sold to employees	-87,096	NOK 28.00	-NOK 2.4 million
<b>Net purchased</b>	<b>151,904</b>	<b>NOK 28.20</b>	<b>NOK 4.3 million</b>
<b>1Q 2011</b>			
Gross purchased	251,634	NOK 40.14	NOK 10.1 million
Sold to employees	-151,208	NOK 40.97	-NOK 6.2 million
<b>Net purchased</b>	<b>100,426</b>	<b>NOK 38.89</b>	<b>NOK 3.9 million</b>

#### NOTE 4 Acquisitions

Titech AS entered on 14 December 2010 into a put/call option agreement with the owners of Dublin based technology manufacturer Odenberg Investment Ltd, enabling Titech to acquire 100 percent of the shares in Odenberg by the end of January 2011. Odenberg is a leading provider of advanced sorting and processing technology to the international food processing industry. The purpose of the acquisition was to enter into the food sorting industry, enabling TOMRA to utilize its recognition and sorting technology in this segment. The option was exercised in January 2011 and Titech paid in the beginning of February 2011 a consideration corresponding to an enterprise value of EUR 55 million. In addition conditional payments of up to EUR 2.5 million might be triggered based on 2011 financial performance. Odenberg is consolidated into the Group Accounts from 1 February 2011, and has contributed with 51 MNOK in revenues and 7MNOK in profit (before stamp duty and other acquisition costs of 7 MNOK). A consolidation from 1 February would have increased revenues with an additional 3 MNOK. A preliminary purchase price allocation shows;

Amounts in EUR million	Acquirer's carrying amount before combination	Fair value adjustments	Fair value
Net assets acquired:			
Intangibles	0,2	9,7*	9,8
Goodwill	0,0	43,7	43,7
Property, plant and equipment	2,0	0,0	2,0
Inventories	6,6	0,0	6,6
Accounts Receivable	1,6	0,0	1,6
Cash equivalents	3,0	0,0	3,0
Prepayments / Other Assets	1,2	0,0	1,2
Deferred Service Contracts	0,0	0,0	0,0
Accrued Expenses / Liabilities	-11,8	-1,1	-12,9
Total consideration to be satisfied by cash	2,8	52,2	55,0

\*Fair value adjustment on Intangible assets comprise customer related intangibles of 3.3 MEUR, Marketing related of 0.6 MEUR and Technology related of 5.8 MEUR

Goodwill includes synergies expected to be realized when merging with Tomra, as well as a general expectation of increased activity within a growing segment globally.

## NOTE 5 OPERATING SEGMENTS

SEGMENT <i>(Amounts in NOK million)</i>	Collection Technology		Material Handling		Industrial Processing Technology		Group Functions		Total	
	1 <sup>st</sup> Quarter		1 <sup>st</sup> Quarter		1 <sup>st</sup> Quarter		1 <sup>st</sup> Quarter		1 <sup>st</sup> Quarter	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenues	450	395	220	205	210	131	-	-	880	731
- <i>Nordic</i>	129	114	-	-	12	20	-	-	141	134
- <i>Central Europe &amp; UK</i>	232	204	-	-	83	48	-	-	315	252
- <i>Rest of Europe</i>	1	1	-	-	20	27	-	-	21	28
- <i>US East &amp; Canada</i>	87	75	124	110	38	13	-	-	249	198
- <i>US West</i>	-	-	96	95	18	11	-	-	114	106
- <i>Rest of World</i>	1	1	-	-	39	12	-	-	40	13
Gross contribution	219	192	38	39	108	69	-	-	365	300
- <i>in %</i>	49%	49%	17%	19%	51%	53%	-	-	41%	41%
Operating expenses	129	123	29	25	83	57	4	4	245	209
EBITA	90	69	9	14	25	12	(4)	(4)	120	91
- <i>in %</i>	20%	17%	4%	7%	12%	9%	-	-	14%	12%
Amortizations	3	3	-	-	5	3	-	-	8	6
EBIT	87	66	9	14	20	9	(4)	(4)	112	85
- <i>in %</i>	19%	17%	4%	7%	10%	7%	-	-	13%	12%
Assets	1472	1373	702	707	1438	905	219	138	3831	3123
Liabilities	534	542	89	94	205	126	1099	376	1927	1138