



SECOND QUARTER 1999

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THE TOMRA GROUP

PROFIT & LOSS STATEMENT.	2nd Quarter		Accumulated 30.06.		Full year
(Figures in NOK million)	1999	1998	1999	1998	1998
Operating revenues	683.9	410.6	1 188.2	743.0	1 728.0
Cost of goods sold	420.7	227.9	710.5	404.6	999.6
Leasing depreciation	17.9	16.6	35.4	32.9	60.3
Gross contribution	245.3	166.1	442.3	305.5	668.1
Operating expenses	117.3	75.7	219.1	153.7	321.3
Ordinary depreciation	18.0	15.0	34.3	25.1	55.8
Operating profit	110.0	75.4	188.9	126.7	290.6
Net profit affiliated companies	7.0	0.8	8.5	1.3	7.6
Net financial items	5.8	(6.6)	6.9	(9.0)	(24.6)
Minority interest	(2.8)	(2.3)	(3.9)	(3.8)	(8.6)
Profit before tax	120.0	67.3	200.4	115.2	265.0
Taxes	40.9	20.6	68.2	36.9	85.3
Net profit	79.1	46.7	132.2	78.3	179.7

BALANCE SHEET

(Figures in NOK million)	30 June		
	1999	1998	31 Dec. 1998
ASSETS			
Intangible assets	357.8	311.0	338.9
Leasing equipment	245.5	275.4	262.9
Other fixed assets	497.9	394.4	453.2
Other current assets	876.4	580.9	722.9
Cash and cash equivalents	129.4	75.2	56.0
TOTAL ASSETS	2 107.0	1 636.9	1 833.9
LIABILITIES & EQUITY			
Equity	1 426.3	1 146.5	1 275.3
Minority interests	28.0	19.8	21.3
Deferred taxes	79.4	52.4	77.4
Long-term, interest-bearing liabilities	45.1	56.0	48.5
Short-term, interest-bearing liabilities	181.8	112.0	104.9
Other short-term liabilities	346.4	250.2	306.5
TOTAL LIABILITIES & EQUITY	2 107.0	1 636.9	1 833.9

INTERIM RESULTS BY QUARTER	2 Quarter 1998	3 Quarter 1998	4 Quarter 1998	1 Quarter 1999	2 Quarter 1999
Operating revenues	410.6	497.9	487.1	504.3	683.9
Operating profit	75.4	87.4	76.5	78.9	110.0
Sales growth (%)	41.4	40.1	39.0	51.7	66.6
Operating margin (%)	18.4	17.6	15.7	15.6	16.1
Earnings per share (NOK)	1.14	1.33	1.15	1.29	1.90

HIGHLIGHTS 2nd QUARTER

- Revenues of 684 MNOK (up 67%).
- Profit before tax of 120 MNOK (up 78%).
- Can deposit in Norway, 1 390 machines installed during the first 6 months of 1999.
- Sale of 22% ownership interest in Tomra New York Recycling, gain of 1.6 MUSD.

FINANCIALS

Revenues in the second quarter 1999 amounted to 684 MNOK, up 67% from 411 MNOK in 1998. The operating profit showed an increase of 46% to 110 MNOK with an operating margin of 16.1%. Profit before tax increased from 67 MNOK to 120 MNOK. Net financial income of 5.8 MNOK included 12.1 MNOK of gains from selling back 22% ownership interest in Tomra New York Recycling to beverage distributors.

Sales for the first half-year was 1 188 MNOK against 743 MNOK in 1998 (up 60%), while the operating profit increased from 127 MNOK to 189 MNOK (up 49%).

Earnings per share increased by 66% to NOK 3.19 for the first half-year. Total assets have increased by 15% since the beginning of the year to 2 107 MNOK. The liquidity remains good and the equity ratio stands at 67.7%.

EUROPE

Revenues in Europe amounted to 513 MNOK for the first half-year of 1999 against 275 MNOK in the same period of 1998 - an increase of 87%. The sales growth outside Norway was 28% for the first half-year.

Sales by market

Figures in NOK million	1h99	1h98
Norway	179.5	14.8
Sweden	54.7	50.4
Finland	48.6	22.1
Denmark	28.6	24.6
The Netherlands	62.7	44.5
Germany	91.0	67.7
Austria	31.4	31.3
Others	16.7	19.6
Total Europe	513.2	275.0

Sales by activity

Figures in NOK million	1h99	1h98
Sales, lease	408.8	181.7
Service	96.7	85.5
Adm. & Promotion	7.7	7.8
Total Europe	513.2	275.0

Norway

The sales development in Europe was very much impacted by the introduction of deposit on cans in Norway at May 3, 1999. A total of 1 390 machines were installed over the first half-year with a market share above 90%.

Preliminary figures from the market indicate that cans today have a 25% market share in the beer segment. TOMRA expects that a continued market share at this level or higher will require additional machine investments during the second half of 1999. Machine sales are expected to slow down during the next quarters, but will remain well above last year.

Other markets

The German market developed well in the second quarter with growth of 55% and an aggregated growth for the first half-year of 34%. Both Finland and the Netherlands continued to perform well and are both expected to have annual growth above average for the European markets.

AMERICA

Revenues in America for the first half-year amounted to 675 MNOK - an increase of 44% over the 468 MNOK reported in the same period 1998. The growth was mainly generated in Consumer Collection services in California and Materials Handling in Michigan.

Sales by market

Figures in NOK million	1h99	1h98
New York	227.6	223.5
Connecticut	62.3	62.8
Massachusetts	49.6	52.4
Michigan	83.1	41.0
California	181.5	41.4
Non deposit states	60.5	33.8
Others	10.4	13.1
Total America	675.0	468.0

Sales by activity

Figures in NOK million	1h99	1h98
Sales, Lease	92.5	89.0
Service	50.8	48.9
Consumer Collection	242.0	75.2
Materials Handling	251.9	220.4
Adm. & Promotion	37.8	34.5
Total America	675.0	468.0

California

Preparations for the California pilot program have been completed. RVM technology components have been field tested and finalized together with physical site engineering including architectural design. A comprehensive marketing plan has been developed to address both in store promotion and community based marketing.

The actual launch of the pilot program has been rescheduled until August 1999 due to unexpected delays in local permitting and landlord approvals. This delay was mainly a result of the California retailer, Ralphs, being acquired by the national Kroger chain earlier this year. The pilot will now have two phases with a 10-store launch in Riverside County in August followed by an additional 10-store pilot in San Diego during the fourth quarter. Original plans for a roll out of the reengineered concept during year 2000 have not been changed.

The new legislation for handling deposit beverage containers passed the California Senate in early June. The proposal provides for increased convenience center handling fees and extension of the legislation without sunset provisions that mandate re-enactment of the legislation. It also provides for inclusion of new bottle types, increasing the container volumes by an estimated 18%. Final legislation is expected to pass the State House and be signed by the Governor in September 1999.

Tomra New York Recycling

As a part of the Carco acquisition in 1997, TOMRA communicated that the plan was to reorganize the Upstate New York activities into a larger integrated entity. The new company, Tomra New York Recycling LLC (TNYR), committed then to offer a maximum 45% minority interest to the beverage distributors based on their container volumes.

The offering was completed in June 1999 and 13 beer and softdrink distributors elected to participate in the offering taking a 22% ownership in TNYR. As part of participating in the offering, each distributor signed 5 year processing contracts with TNYR including both RVM and manually collected containers. TOMRA is pleased with the participation and confident about the long-term profitability prospects for the venture.

MARKET OUTLOOK

The Board remains optimistic regarding market opportunities, but expects slower growth in Europe in the second half-year due to the extraordinary high activity in Norway during the first half-year.

REPORTING PRINCIPLES

TOMRA has clarified the issue regarding reporting of option plans with the Oslo Stock Exchange. In short there will be no major change of past practice and all minor adjustments have been implemented in this quarterly report.

SHAREHOLDERS

During the second quarter TOMRA issued a total of 436 833 new shares to management related to execution of options at a strike price ranging from NOK 63.10 to NOK 251.00. The total number of shares increased to 41 673 833.

In April 1999 the Annual General Meeting approved a new three-year option plan for management totaling 1.1 million shares.

The largest shareholders of the company at the end of June 1999 were: State Street Bank (US) 9.4%; Chase Manhattan Bank (UK) 5.9%; KLP (N) 3.9%; Folketrygdfondet (N) 3.4% and Caisse des Depots et Consignations (F) 3.3%. The distribution by country of TOMRA shareholders shows: Norway 34.7%, United States 21.8%, United Kingdom 13.4%, Sweden 5.7% and France 5.6%.

TOMRA's share price increased from NOK 288 to NOK 296 during the second quarter 1999. The number of shares traded in the first six months were 35 million, compared with 36 million in the same period last year.

Asker, 15 July 1999

The Board of Directors
TOMRA SYSTEMS ASA

Jan Chr. Opsahl
Chairman

Erik Thorsen
President & CEO