



***Third Quarter 2003***

# Financial highlights

## 3rd quarter 2003

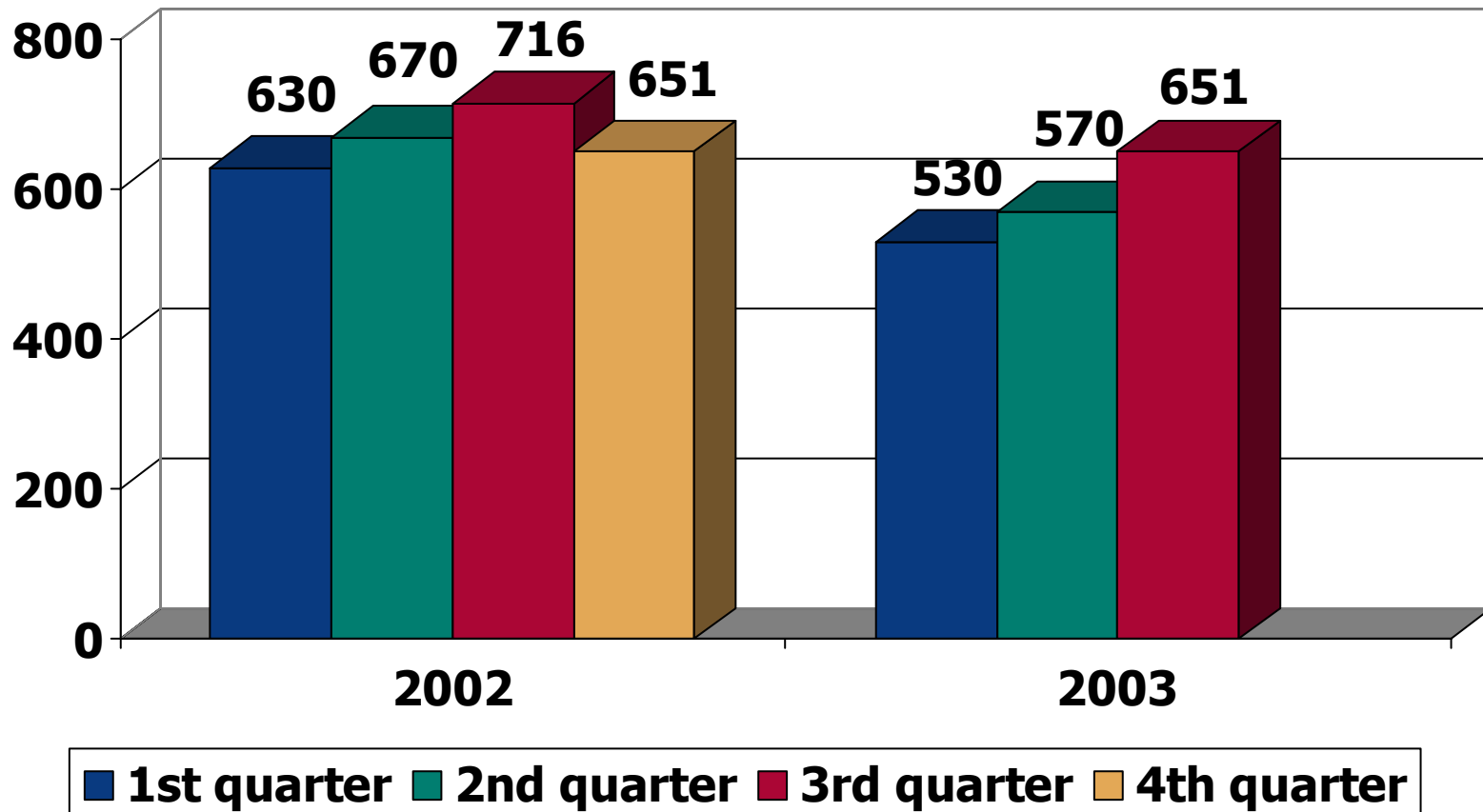


- Revenues of 651 MNOK
  - Europe 225 MNOK
  - North America 328 MNOK
  - South America 98 MNOK
- Operating profit 85 MNOK
- Profit before tax 93 MNOK
- Cash flow from operations 91 MNOK



# Revenue by quarter

(Continuing operations)



# Revenues by activity

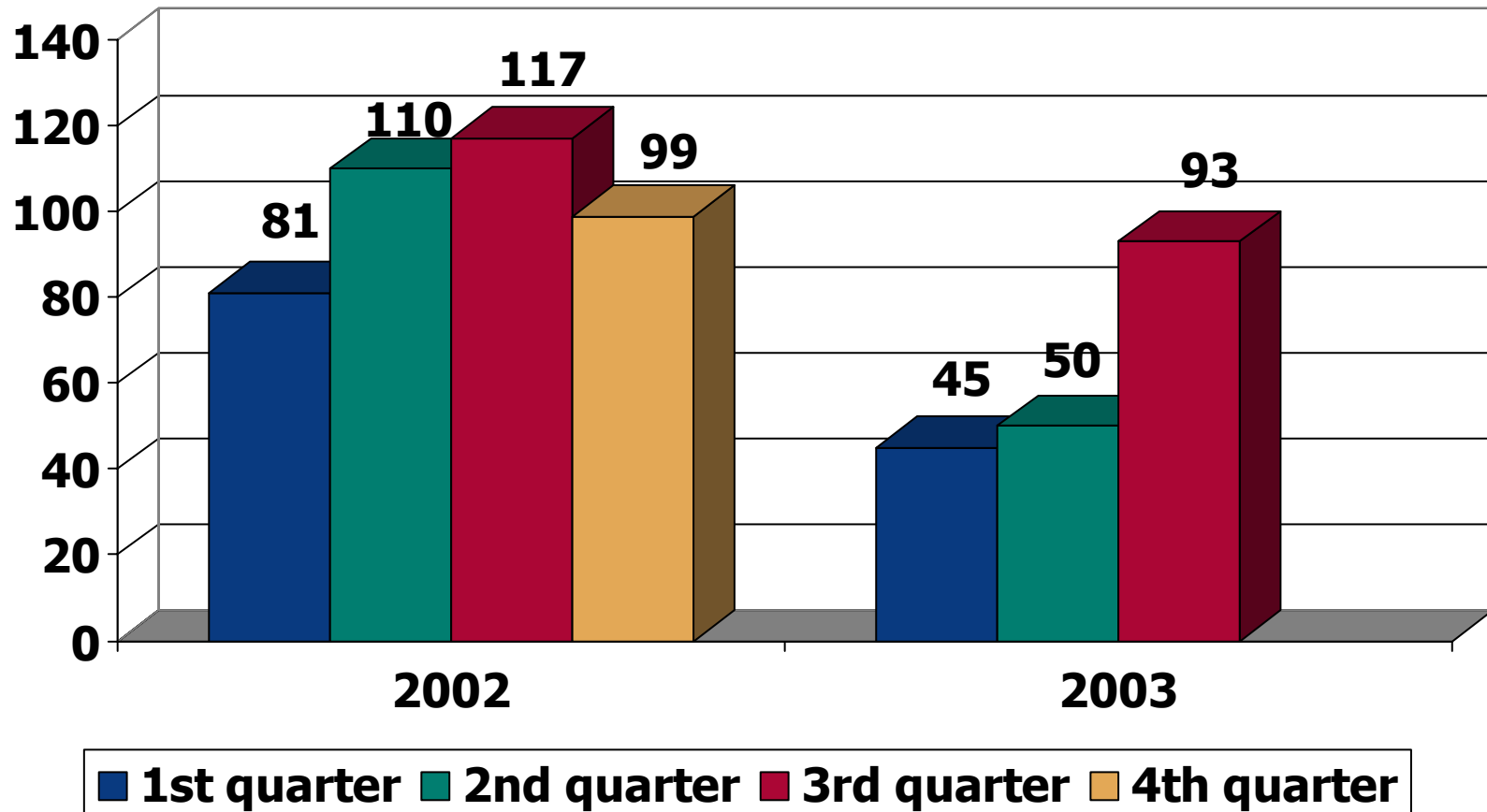
(Continuing operations)



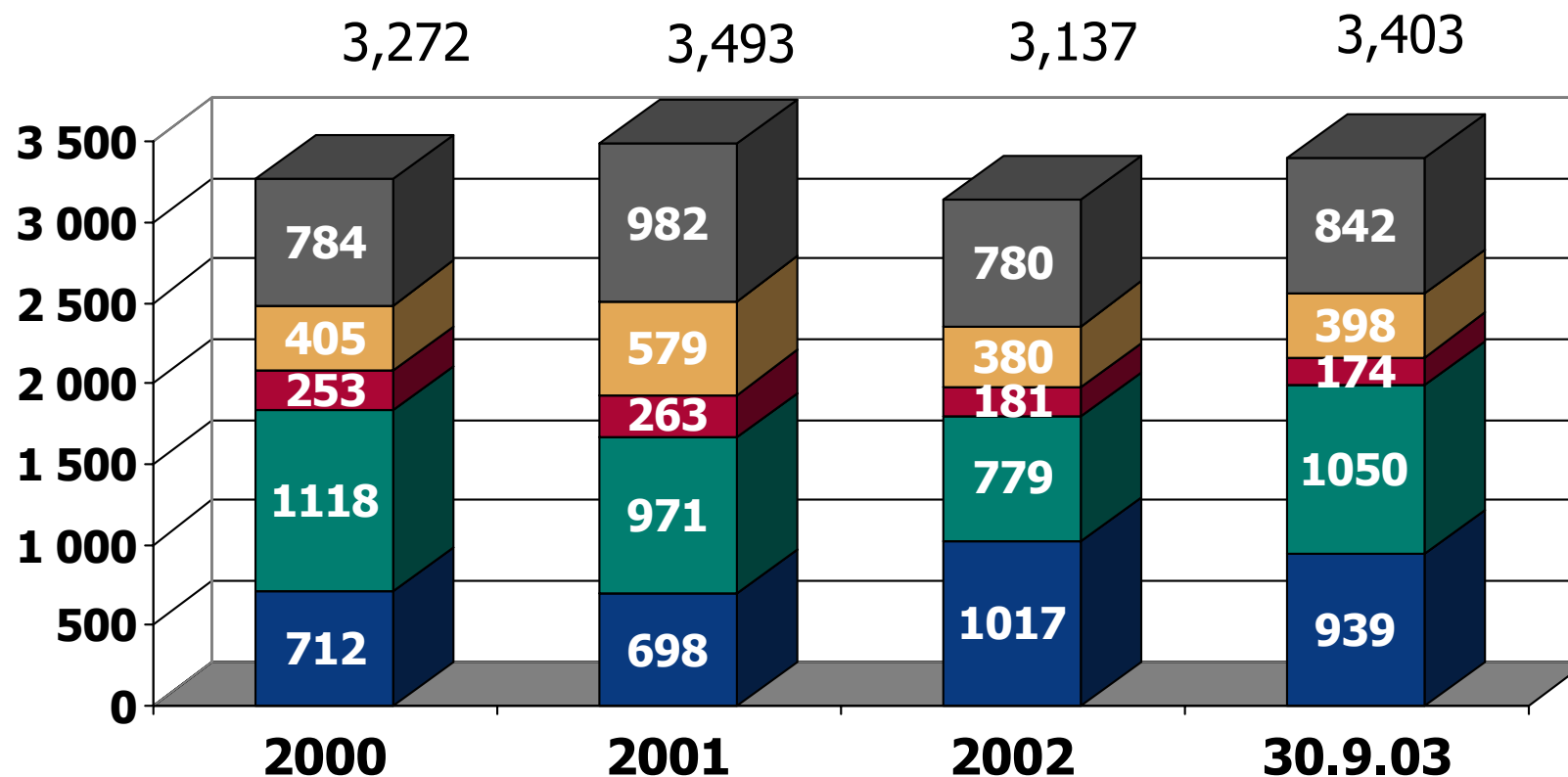
	Europe		North America		South America	
	9m03	9m02	9m03	9m02	9m03	9m02
<b>Sales/lease</b>	<b>329</b>	<b>494</b>	<b>178</b>	<b>160</b>	<b>1</b>	<b>2</b>
<b>Service</b>	<b>232</b>	<b>211</b>	<b>58</b>	<b>83</b>	<b>-</b>	<b>-</b>
<b>Rec. Centers</b>	<b>-</b>	<b>-</b>	<b>134</b>	<b>151</b>	<b>164</b>	<b>178</b>
<b>Adm./Prom.</b>	<b>11</b>	<b>10</b>	<b>44</b>	<b>51</b>	<b>-</b>	<b>-</b>
<b>Mat. Handl.</b>	<b>-</b>	<b>-</b>	<b>483</b>	<b>550</b>	<b>117</b>	<b>126</b>
<b>Total</b>	<b>572</b>	<b>715</b>	<b>897</b>	<b>995</b>	<b>282</b>	<b>306</b>

# Pre-tax profit by quarter

(Continuing operations)

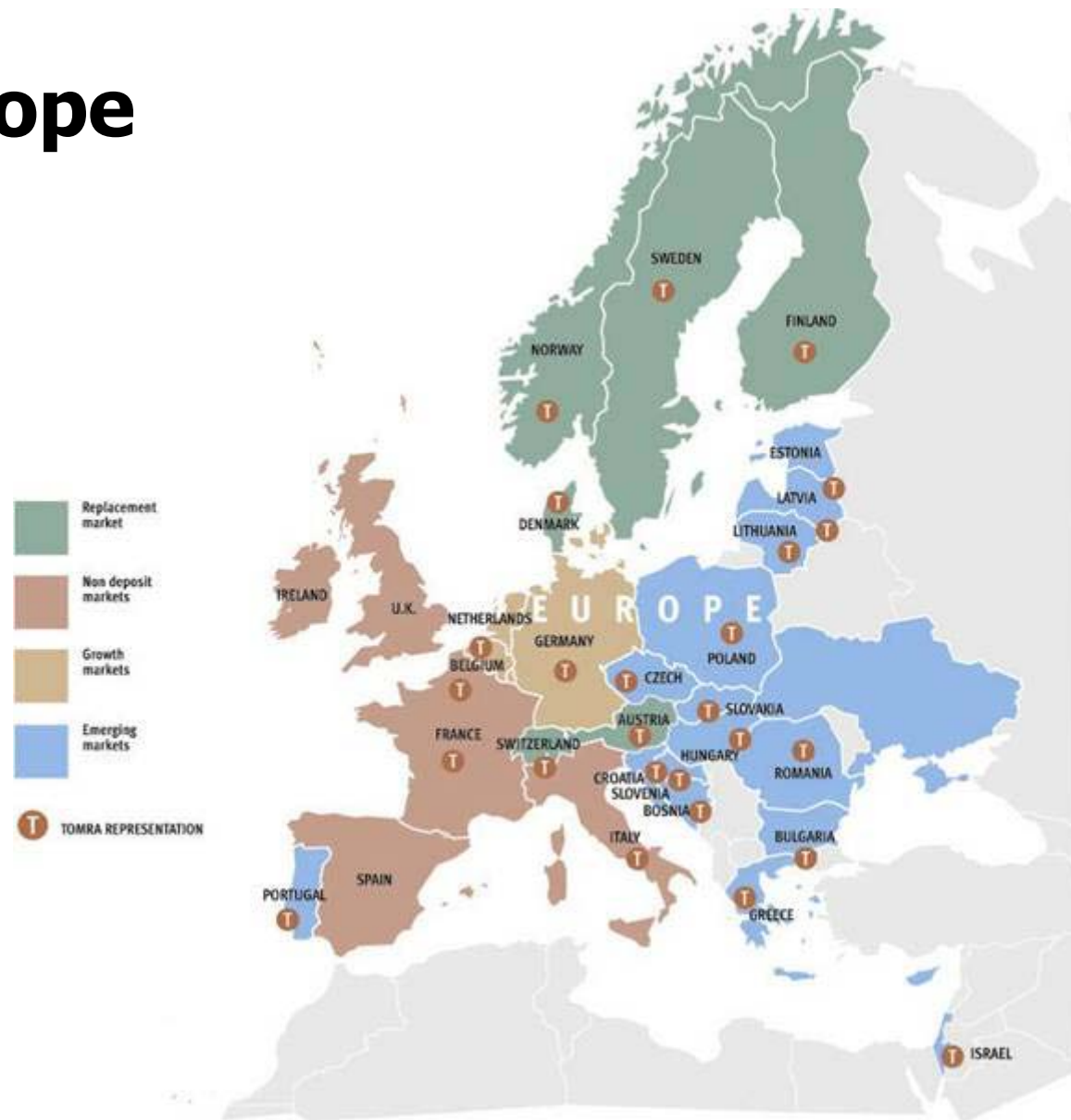


# Total assets



■ Cash ■ Curr. assets ■ Lease equip. ■ Intangibles ■ Fixed assets

# BU Europe





## BU Europe - Highlights

- 20% revenue decline to 572 MNOK during 9m03
- Signed frame agreements with two retailers in Germany worth ~90 MNOK
- 71% yr-on-yr growth in Sweden during 3rd quarter to 48 MNOK
- Signed frame agreement with Royal Ahold in Europe worth up to 250 MNOK
  - Confirms TOMRA's existing position as Royal Ahold's leading supplier of reverse vending technology
- Signed contract for 30 machines to Dubai



# Sales by market

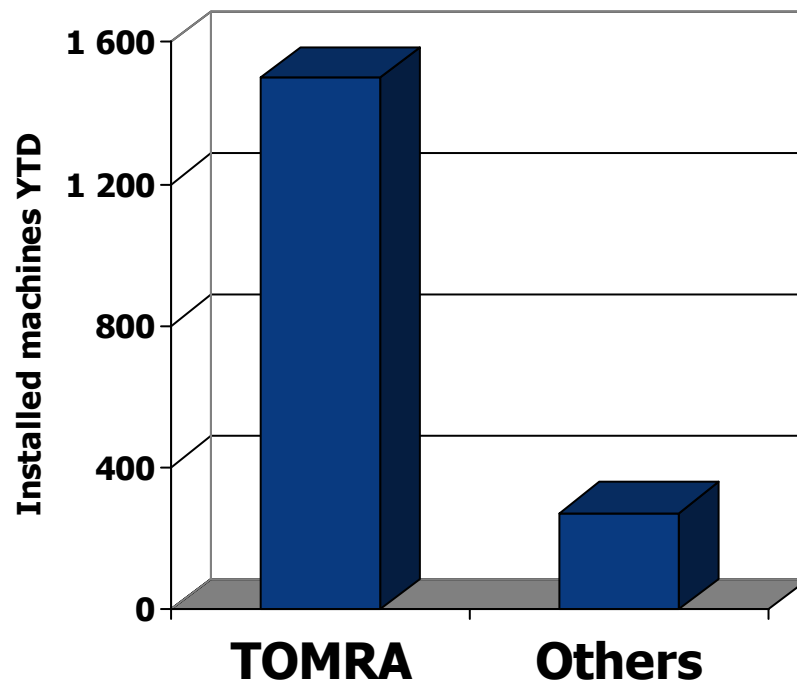


<b>Figures in MNOK</b>	<b>9m03</b>	<b>9m02</b>	<b>9m01</b>
<b>Norway</b>	<b>59</b>	<b>45</b>	<b>60</b>
<b>Sweden</b>	<b>112</b>	<b>100</b>	<b>88</b>
<b>Finland</b>	<b>78</b>	<b>80</b>	<b>62</b>
<b>Denmark</b>	<b>54</b>	<b>214</b>	<b>44</b>
<b>The Netherlands</b>	<b>64</b>	<b>54</b>	<b>136</b>
<b>Germany</b>	<b>126</b>	<b>137</b>	<b>142</b>
<b>Austria/CEE</b>	<b>42</b>	<b>40</b>	<b>35</b>
<b>Switzerland</b>	<b>12</b>	<b>25</b>	<b>28</b>
<b>Belgium</b>	<b>17</b>	<b>14</b>	<b>27</b>
<b>Others</b>	<b>8</b>	<b>6</b>	<b>3</b>
<b>Total BU Europe</b>	<b>572</b>	<b>715</b>	<b>625</b>

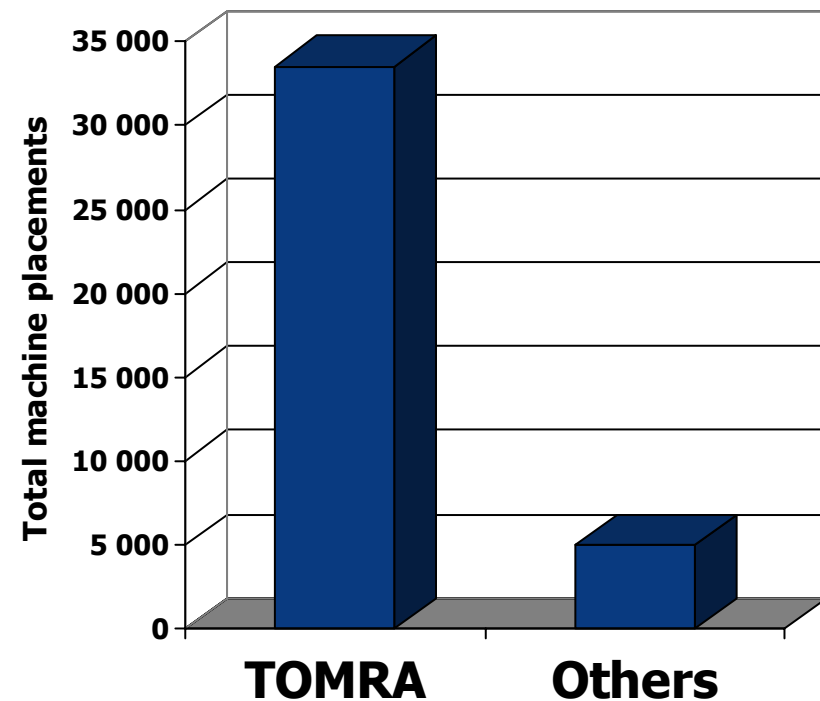
# Technology market share in Europe



**TOMRA's YTD market share equals ~86%**



**TOMRA has ~90% market share of the installed technology base in Europe\***



\*Figures exclude placements in distributor countries

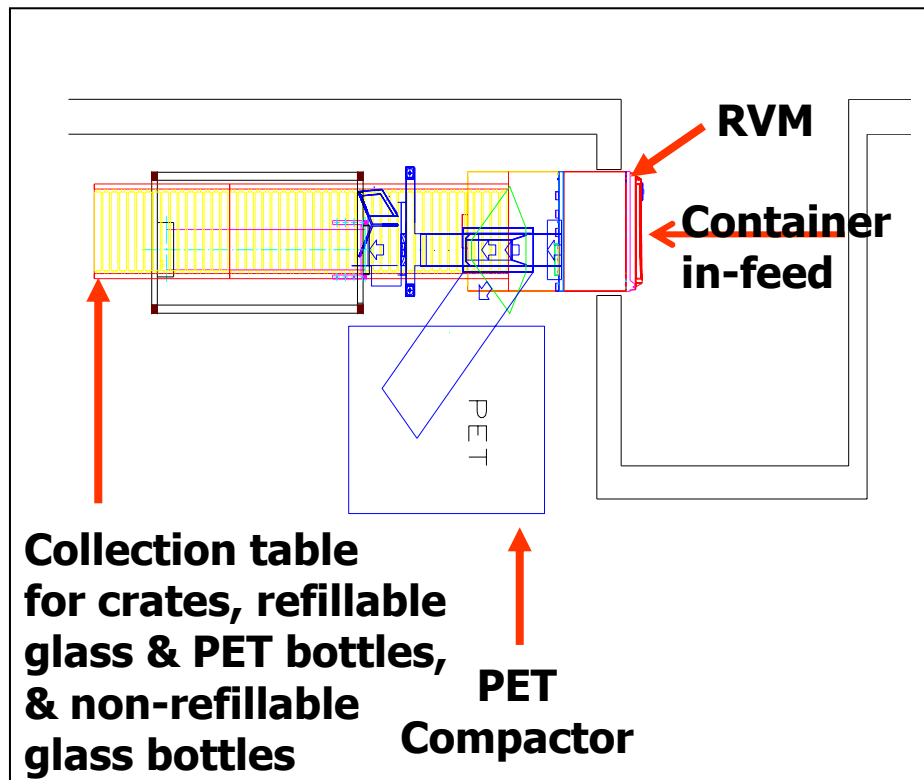


# Highlights - Germany

- National deposit system for non-refillable containers established as of 1 October
  - Complaint to EU Commission regarding deposit system's compatibility with EU free trade law under consideration
  - MoE determined to keep deposit in place
- 64 MNOK in revenue in Germany during 3Q03 vs. 62 MNOK in 1H03 based on installations & service of machines for refillable containers
- TOMRA has signed two frame agreements in Germany worth ~90 MNOK with installations commencing in October
- TOMRA continues to test installations at 10 chains & maintains its organizational capacity related to the implementation



# Typical German back-room solution with non-refillable handling capacity



Back-room test installation

# Three main systems in Germany for the time being



- Lekkerland's P-system covers over 70,000 points-of-sale, mainly gas stations & kiosks
- VfW's coupon-based system with Spar as a member
- Discounters representing 13,000 stores have established independent deposit systems based on unique forms of packaging



Manual handling in stores  
Picture: *Dagens Næringsliv*



Advertisement for P-system



VfW's coupon system



Lekkerland's P-system

# Strong growth in Sweden driven by installations at Coop Sweden



- Installations commenced in August
- ~50% of installations expected to be completed during 4Q03 & remaining ~30% in 1Q04
- New technology configurations include:
  - External belt compactor (PET & can)
  - Soft-drop solution (replacing the table)
  - Inter-face to store's computer network



**T-710**



**External Belt Compactor**



**Soft drop solution**



# BU North America





# BU North America - Highlights

- 10% revenue decline to 897 MNOK during 9m03
  - 3% revenue increase measured in USD
- ~1,200 machines placed during 9m03
  - Strong fourth quarter placement program expected
- 500 machine order from Shaw's Markets worth ~85 MNOK over 5 year period
  - Increases TOMRA's market share to ~85%
- Legislation approved in California increasing deposit from 2.5 cents to 4 cents
- Lower than anticipated machine placement rate in Canada caused by increased competitive price dumping in Quebec & delayed test launches in other provinces
  - Business potential in Canada remains in tact





# Sales by market



## Figures in MNOK

9m03

9m02

New York	268	325
Connecticut	77	64
Massachusetts	72	82
Michigan	183	206
California	219	239
Canada	72	71
Others	6	8
Total BU North America	897	995

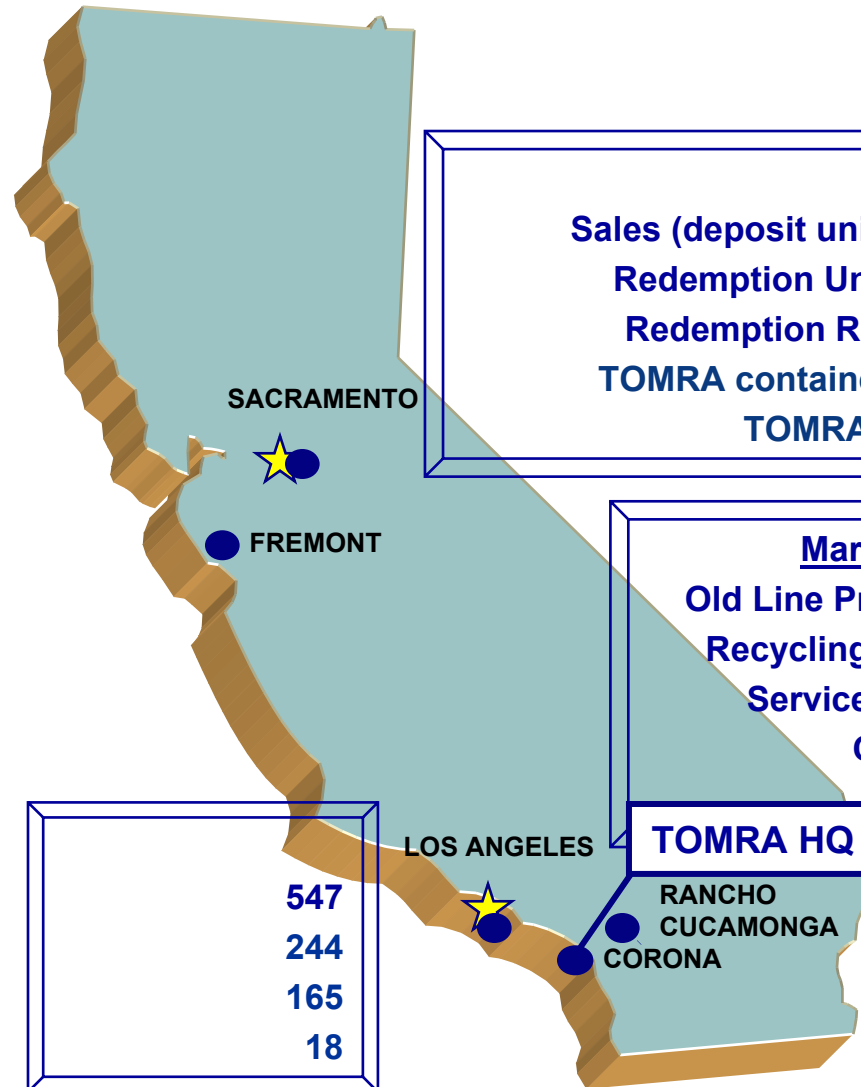
# Changes in CA legislation approved



- Increase in deposit from 2.5 cents to 4 cents for containers < 24 ounces & from 5 cents to 8 cents for containers  $\geq$  24 ounces
  - Increase in deposit to 5 & 10 cents in 2007 if a 75% recycling rate is not achieved
- Reduced labor hours per center from 30 to 20 hours per week for 50 automated recycling centers
- Improved payment structure from the state of California



# TOMRA in California



Sales (deposit units):	18,852m
Redemption Units:	10,878m
Redemption Rate:	57,5%
TOMRA containers:	934m
TOMRA %:	7%

<u>2003 (TOMRA est.)</u>	
Sales (deposit units):	18,852m
Redemption Units:	10,878m
Redemption Rate:	57,5%
TOMRA containers:	934m
TOMRA %:	7%

<u>Market share</u>	
Old Line Processor:	55%
Recycling centers:	18%
Service centers:	8%
Curbside:	16%
Other:	3%

<u>2003 estimate</u>	
Old Line Processor:	55%
Recycling centers:	18%
Service centers:	8%
Curbside:	16%
Other:	3%

<u>TOMRA statistics</u>	
Employees:	547
Manual CZ centers:	244
rePlanet locations:	165
Store RVM's:	18

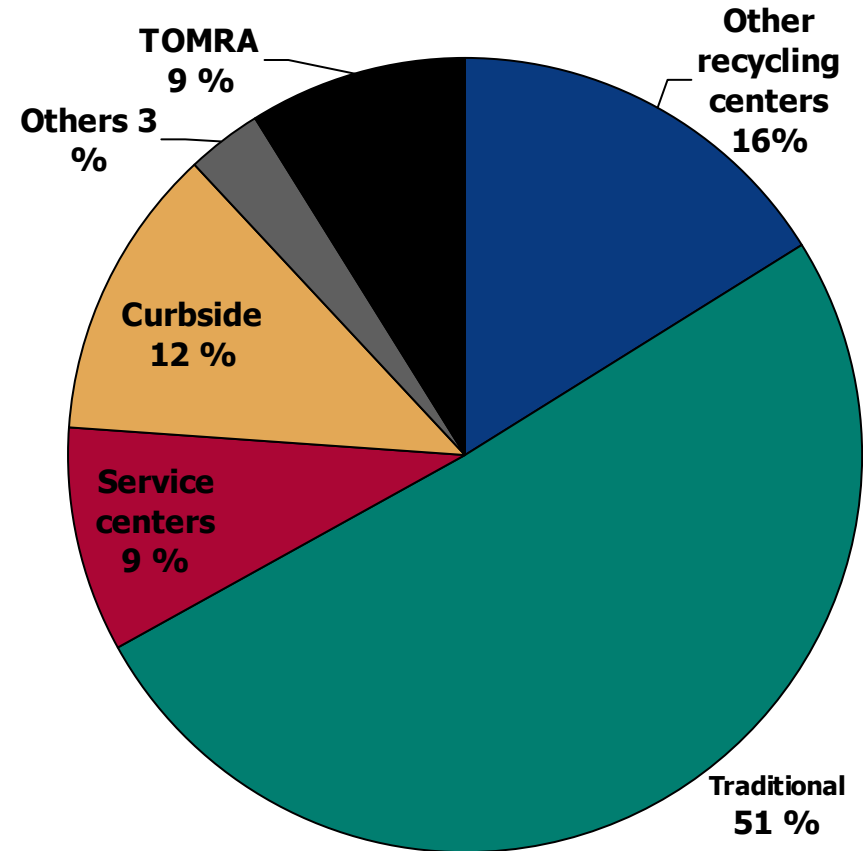
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# TOMRA anticipates increase in deposit to impact volumes by +30% in 2004



## Assumptions for 2004

- 66% recycling rate
- 13,000 million total redeemed containers
- 1,225 million TOMRA containers
- Curbside market share loss
- Recycling centers pick up disproportionate share of incremental containers



Note: Analysis based on TOMRA's preliminary estimates



# California competitive landscape



<b>Total recycling centers in operation:</b>	<b>1178</b>
▪ TOMRA	409
– Albertsons, Ralphs, Vons	
▪ Nexcycle	242
– Safeway, Vons, Raleys, Savemart	
▪ MSCZ (processor)	62
– Stater Bros.	
▪ All others	465
– Independent grocers	



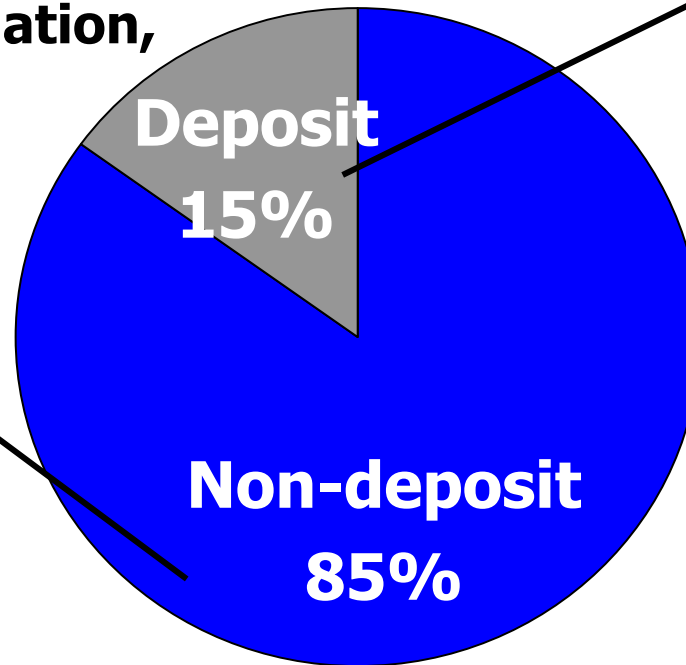
# Executing on new opportunities...



# TOMRA handles <5% of the world's beverage containers



**World UBC legislation,  
% containers**



TOMRA  
~35%  
global  
market  
share

TOMRA  
~0%  
global  
market  
share

Estimated  
global UBC  
consumption  
~800 billion  
p.a.

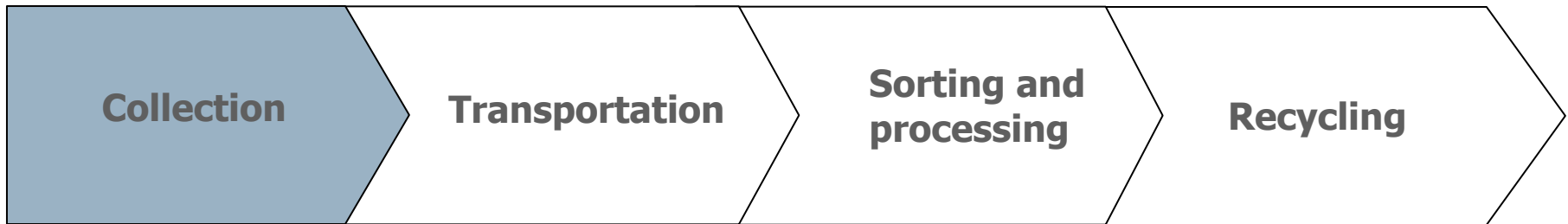
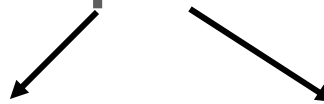
# Strengthened strategic focus



Traditional high-  
technology focus  
- deposit heavy



Traditional  
operations focus  
– deposit heavy



Collection technology  
focus beyond deposit  
based solutions



Technology focus  
beyond collection area

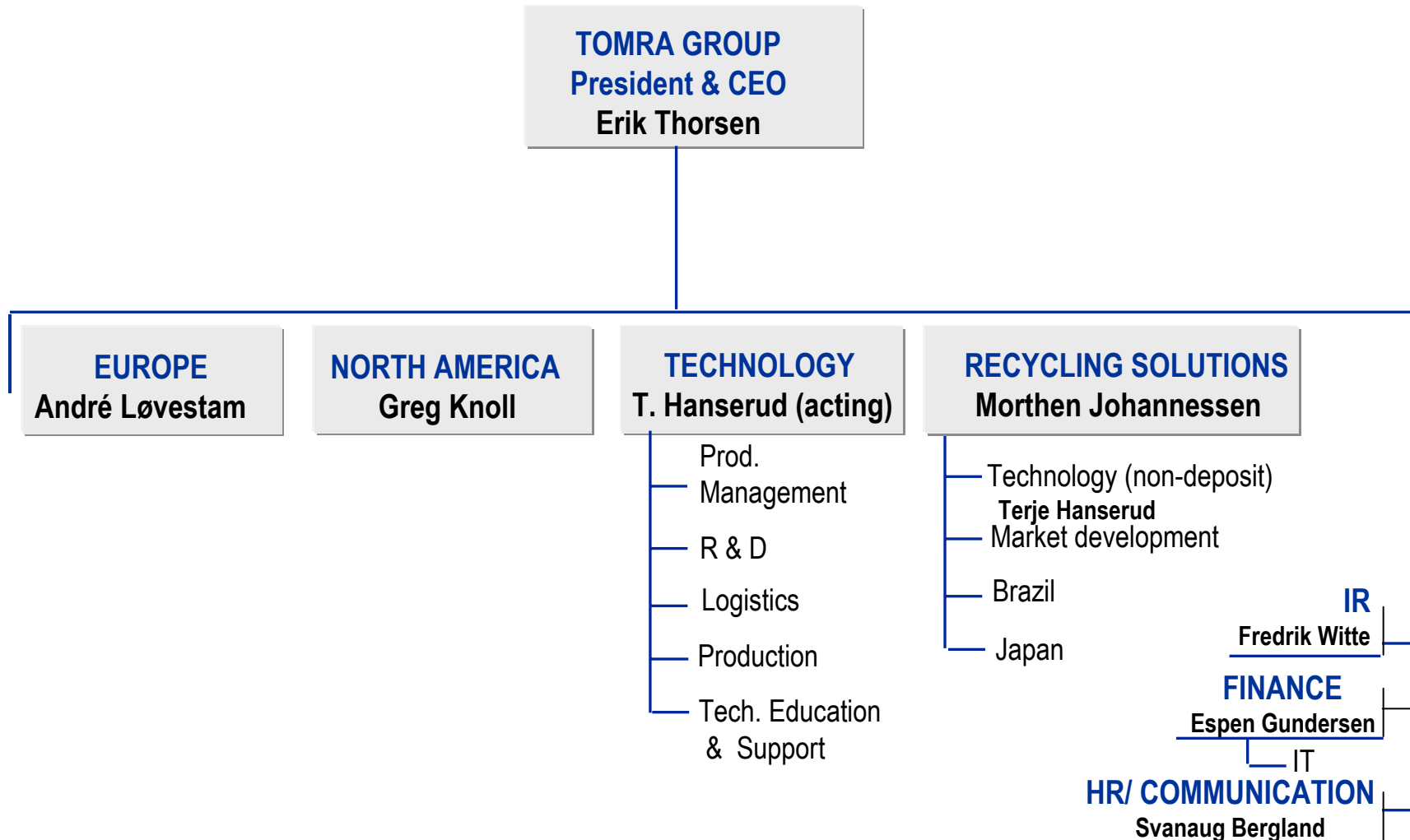


**STRENGTHENED STRATEGIC FOCUS**





# TOMRA group organization



## Emerging markets - Brazil

- Revenues of 282 MNOK during 9m03, down 8%
- 10%+ reduction in can beverage sales in Brazil expected in 2003
- Can beverage sales expected to return to 2002 levels in 2004
- Continued focus on expanding the automated collection model



# Emerging markets - Japan



- TOMRA has received order for 26 machines to Mizuho municipality in southern Japan
- Promising progress with respect to development of municipality model





**TOMRA<sup>®</sup>**

*Helping the world recycle*

# Addendum slides



# Major shareholders\*



	<u>Shares</u>	<u>Ownership</u>
1. Folketrygdfondet	17,600,300	9.86%
2. JP Morgan Chase Bank Clients Treaty Account	8,902,142	8.98%
3. State Street Bank & Client Cmnibus D	7,890,380	7.96%
4. Nordea Bank Denmark S/A Nordea (DK) CCA	5,284,975	5.33%
5. Clearstream Banking CID Dept, Frankfurt	3,508,366	3.54%
6. ABN Amro Bank – Danish clients	3,405,900	3.43%
7. Danske Bank A/S 3887 Operations Sec.	3,369,811	3.40%
8. J.P. Morgan Bank Lux S/A Carnegie FCP's	3,347,200	3.38%
9. Nordea Bank Sweden A C17	3,277,294	3.31%
10. Vital Forsikring ASA v/DnB Asset Management	3,135,340	3.16%
<b>SUB-TOTAL</b>	<b>59,721,708</b>	<b>33.46%</b>
Other shareholders	116,059,094	66.54%
<b>TOTAL (13,646 shareholders)</b>	<b>178,486,559</b>	<b>100.00%</b>
Total foreign ownership	93,488,263	52.38%

**\*Registered 30 September 2003**

# Shares & shareholders\*



	<u>Country</u>	<u>Shares</u>	<u>Ownership</u>	<u>Number of shareholders</u>
1.	Norway	84,998,296	47.62%	12,786
2.	USA	19,804,007	11.09%	190
3.	Great Britain	19,414,167	10.87%	70
4.	Denmark	14,397,442	8.06%	59
5.	Luxembourg	13,885,031	7.77%	46
6.	Sweden	7,101,217	3.97%	121
7.	Netherlands	4,037,404	2.26%	71
8.	Switzerland	3,170,799	1.77%	27
9.	Finland	2,897,356	1.62%	23
10.	Germany	1,883,694	1.05%	94
<b>TOTAL</b>		<b>171,589,413</b>	<b>96.08%</b>	<b>13,487</b>

**\*Registered 30 September 2003**

