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**TOMRA<sup>®</sup>**

*2000*

# Wise Write-Off

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- **43.5 MUSD Total Write-off**
  - 9.2 MUSD equity WR
  - 15.8 MUSD receivable WR
  - 5.35 MUSD WR bank guarantee and expenses
  - 13.2 MUSD receivable WMG
- **Additional P/L Adjustments**
  - Reversal of 1.0 MUSD equity distribution Q1'00

# Wise - History

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- **1998 investments in California and 4 non-deposit markets built on a strategic partnership for aluminum supplies with Reynolds Listerhill plant**
- **July 1998, Tomra and Wise Metals Group (WMG) form Wise Recycling 50-50 JV to operate remaining non-deposit markets acquired from Reynolds**
- **Reynolds Recycling division's value chain was built on an aluminum shredding infrastructure**

# Wise - History

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- **March 1999, Reynolds Aluminum sold the Listerhill mill to WMG in a leveraged transaction**
- **1999 develops well for WMG. At year-end TOMRA decides to exit Wise Recycling joint venture. LOI signed February 2000**
- **Transaction closing Q1 2000 delayed**
- **Late May, operational challenges in Wise Recycling and WMG communicated to Tomra. Financial implications causing further delay in closing transaction**

# Wise - Exposure

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- **Financial exposure of 16.0 MUSD at beginning of year starts to increase and continues until 34 MUSD at end, not including WR equity**
- **Monthly supplies to WMG; ~10 MUSD**
- **Decision to extend credit driven by:**
  - **TOMRA desire to complete WR transaction**
  - **WMG commitment to honor LOI**
  - **Operational/financial issues of WR/WMG viewed as temporary**

# Wise - Exposure

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- **Signed agreement with WMG Dec. 27. 2000**
- **Bank will not consent to execute agreement on January 26. '01**
- **TOMRA acts by terminating supply arrangements**
- **Key Issues**
  - **Sale of mill changed strategic partners financial strength**
  - **Failure to rigidly enforce credit policy**

# Wise - Consequences

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- **Strengthen corporate functions to improve capacity for future projects and extraordinary events**
- **Top Management Accountability**
  - **No Bonuses in 2000**
  - **Strict credit policy enforcement**
- **Commitment to recover maximum of losses**
  - **Participation in restructuring of WMG**
  - **No credit risk on future shipments**



# Financial Highlights 2000

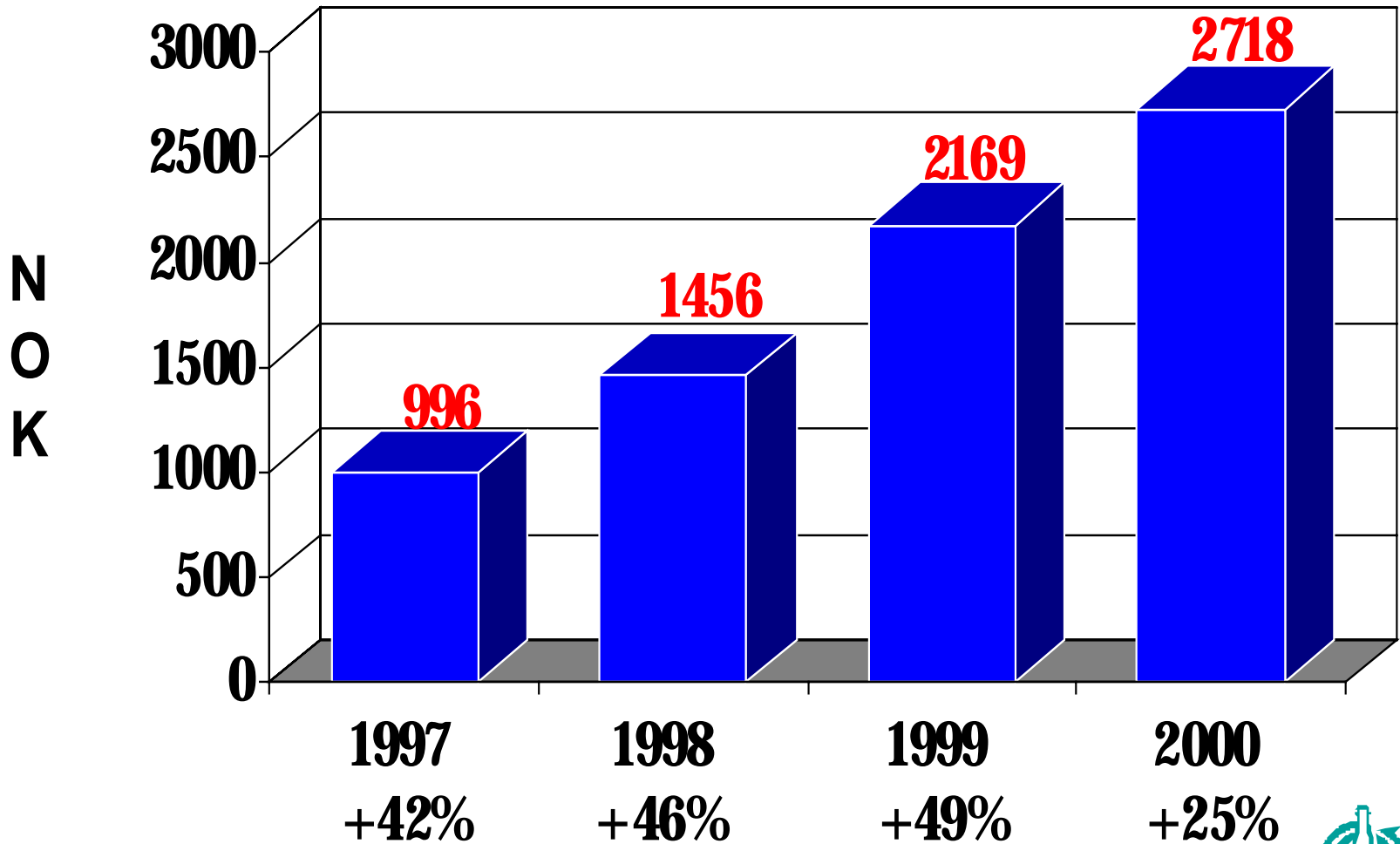
## TOMRA Group

Figures in MNOK	2000	1999	Growth
<b>Group Revenues</b>	<b>2 718</b>	<b>2 169</b>	<b>25%</b>
Sales Europe	894	952	- 6%
Sales America	1 823	1 217	50%
<b>Operating Profit</b>	<b>466</b>	<b>381</b>	<b>22%</b>
<b>Loss reserve; WMG</b>	<b>383</b>		
<b>Profit Before Taxes</b>			
Ordinary Operations	492	406	21%
Including Wise Write-off	109	406	- 73%
<b>EPS ex. Wise</b>	<b>1.90</b>	<b>1.67</b>	<b>14%</b>
<b>EPS, incl Wise</b>	<b>0.36</b>	<b>1.67</b>	<b>- 78%</b>
<b>Total Assets</b>	<b>3 272</b>	<b>2 348</b>	<b>39%</b>

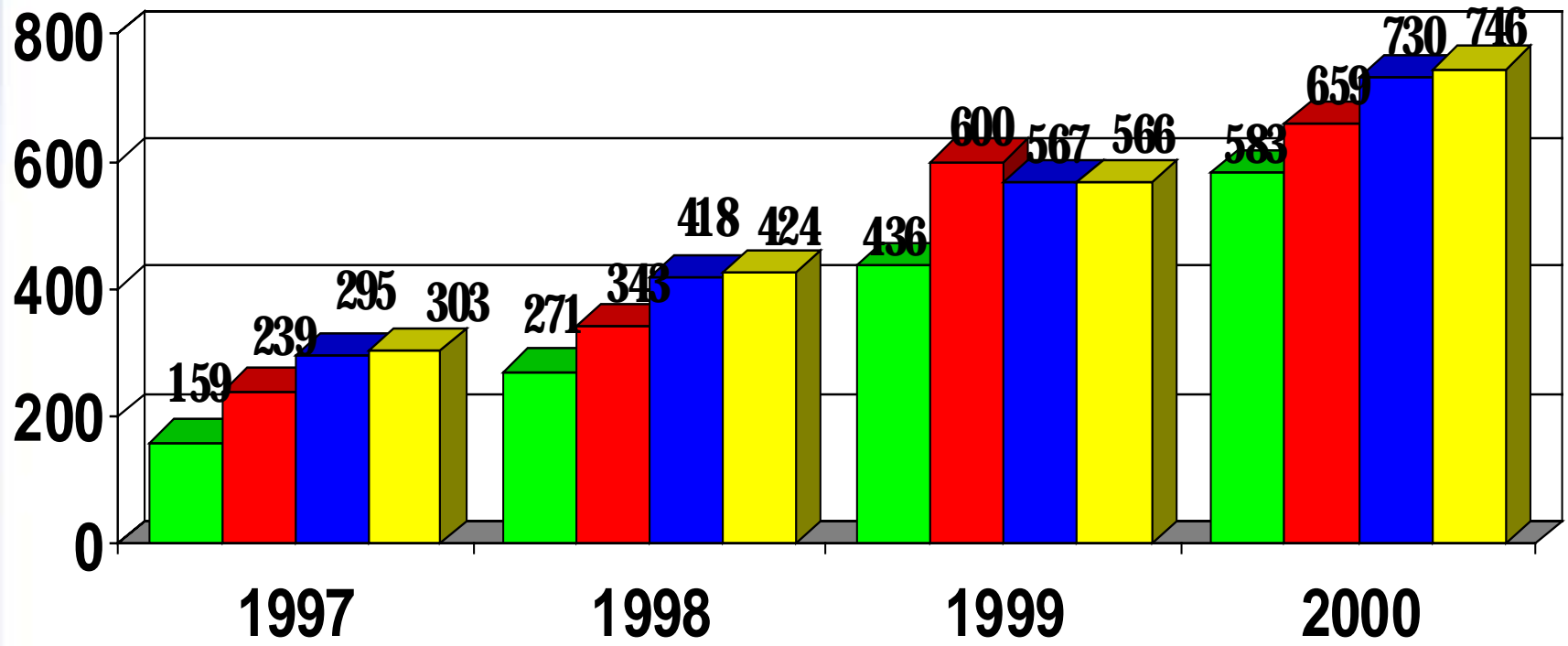
*Share price from NOK 68 to NOK 171*



# Tomra Group Revenues by Year



# Revenues by Quarter TOMRA Group



■ 1st quarter ■ 2nd quarter ■ 3rd quarter ■ 4th quarter

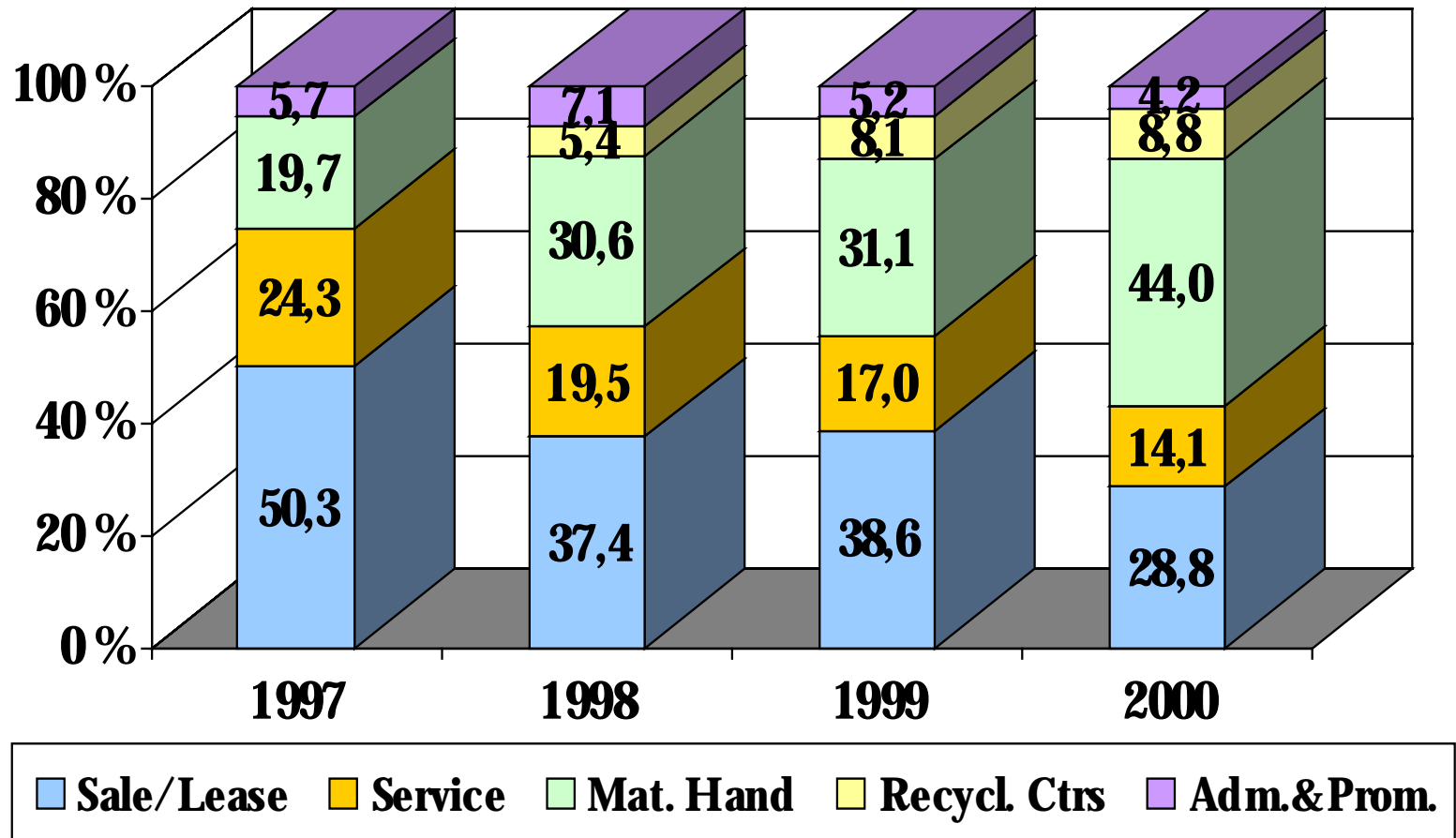
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# Revenues by Activity

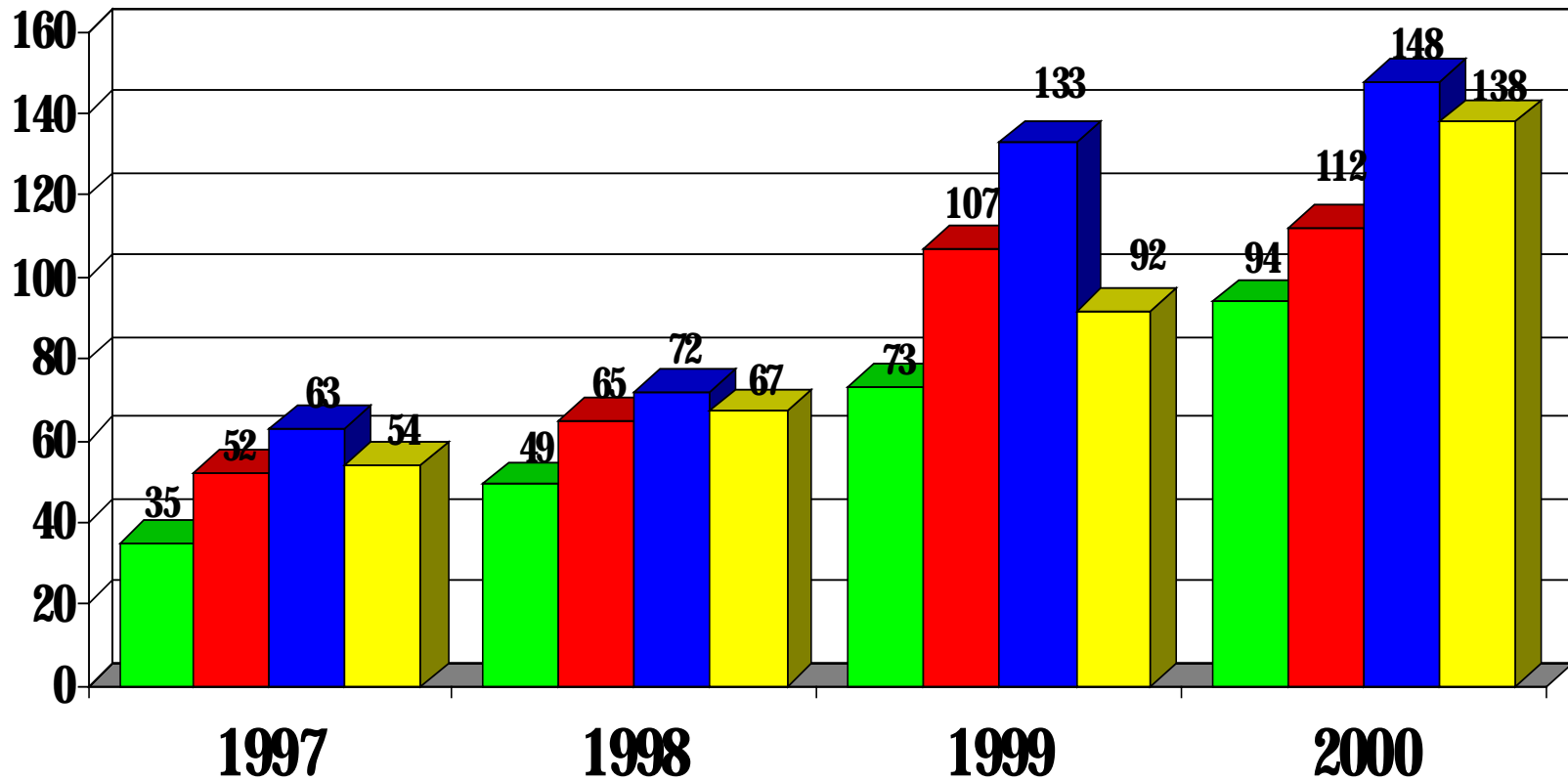
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	<b>BU Europe</b>		<b>BU America</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
<b>Sales, Lease</b>	<b>630</b>	<b>697</b>	<b>154</b>	<b>142</b>
<b>Service</b>	<b>250</b>	<b>240</b>	<b>134</b>	<b>129</b>
<b>Recycling Centers</b>	<b>-</b>	<b>-</b>	<b>240</b>	<b>175</b>
<b>Adm. &amp; Prom.</b>	<b>15</b>	<b>15</b>	<b>99</b>	<b>97</b>
<b>Mat. Handling</b>	<b>-</b>	<b>-</b>	<b>1,196</b>	<b>674</b>
<b>Total</b>	<b>895</b>	<b>952</b>	<b>1,823</b>	<b>1,217</b>

# Business Activities

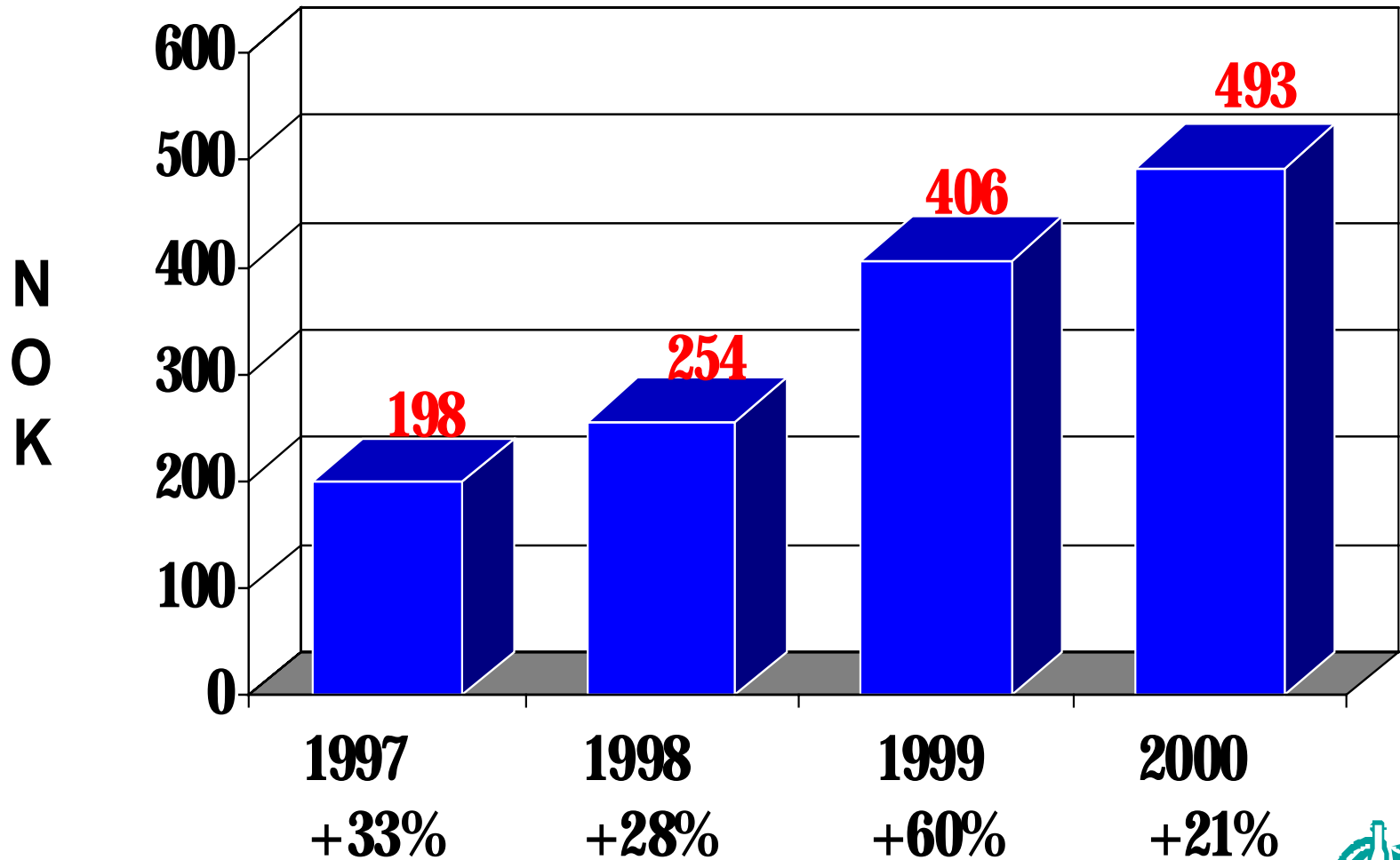


# Ordinary Profit Before Taxes TOMRA Group



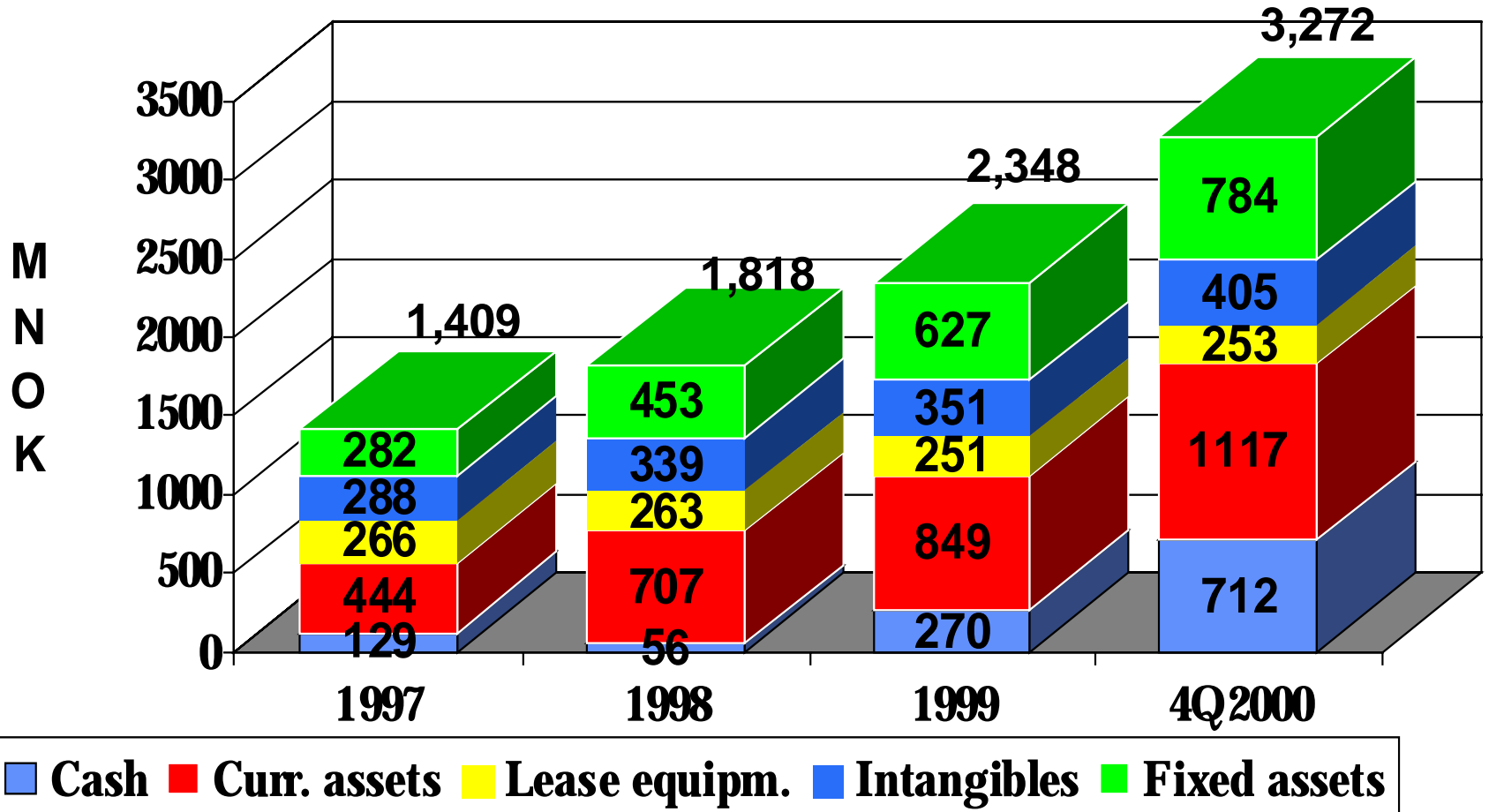
■ 1st quarter ■ 2nd quarter ■ 3rd quarter ■ 4th quarter

# Tomra Group Ordinary Profit Before Taxes





# Total Assets TOMRA Group



# The Company's Major Shareholders

Registered 28.12.2000

	Shares	Ownership
1. Chase Manhattan Bank - UK Clients	21.287.526	12.09%
2. State Street Bank - Clients	16.953.559	9.63%
3. Caisse des Depots et Consignations	6.483.151	3.68%
4. Chase Manhattan Bank - US Clients	6.031.801	3.42%
5. Folketrygdfondet	4.000.000	2.27%
6. Chase Manhattan Bank - Luxembourg	3.888.220	2.20%
7. Storebrand Life Insurance	3.456.600	1.96%
8. Boston Safe Dep.	3.310.316	1.88%
9. KLP Forsikring Aksje	3.242.700	1.84%
10. ABN Amro Bank - Danish Clients	3.170.400	1.80%
<b>TOTAL</b>	<b>71.824.273</b>	<b>40.80%</b>
<b>Other shareholders</b>	<b>104.202.391</b>	<b>59.20%</b>
<b>Total (4.468 shareholders)</b>	<b>176.026.664</b>	<b>100.00%</b>

**Total foreign ownership 76.86%**

# The Company's Shares & Shareholders

Registered 28.12.2000

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		Shares	%	Shareholders
1.	USA	43.818.525	24.89	3711
2.	NORWAY	40.730.860	23.13	232
3.	GREAT BRITAIN	32.022.581	18.19	69
4.	LUXEMBOURG	16.836.773	9.56	45
5.	FRANCE	12.337.953	7.00	17
6.	BELGIUM	7.410.041	4.20	17
7.	DENMARK	6.843.387	3.88	39
8.	SWEDEN	3.874.108	2.20	73
9.	ITALY	2.642.610	1.50	5
10.	GERMANY	2.490.042	1.41	55
	<b>TOTAL</b>	<b>169.006.880</b>	<b>95.96</b>	<b>4.263</b>

# Highlights - Europe

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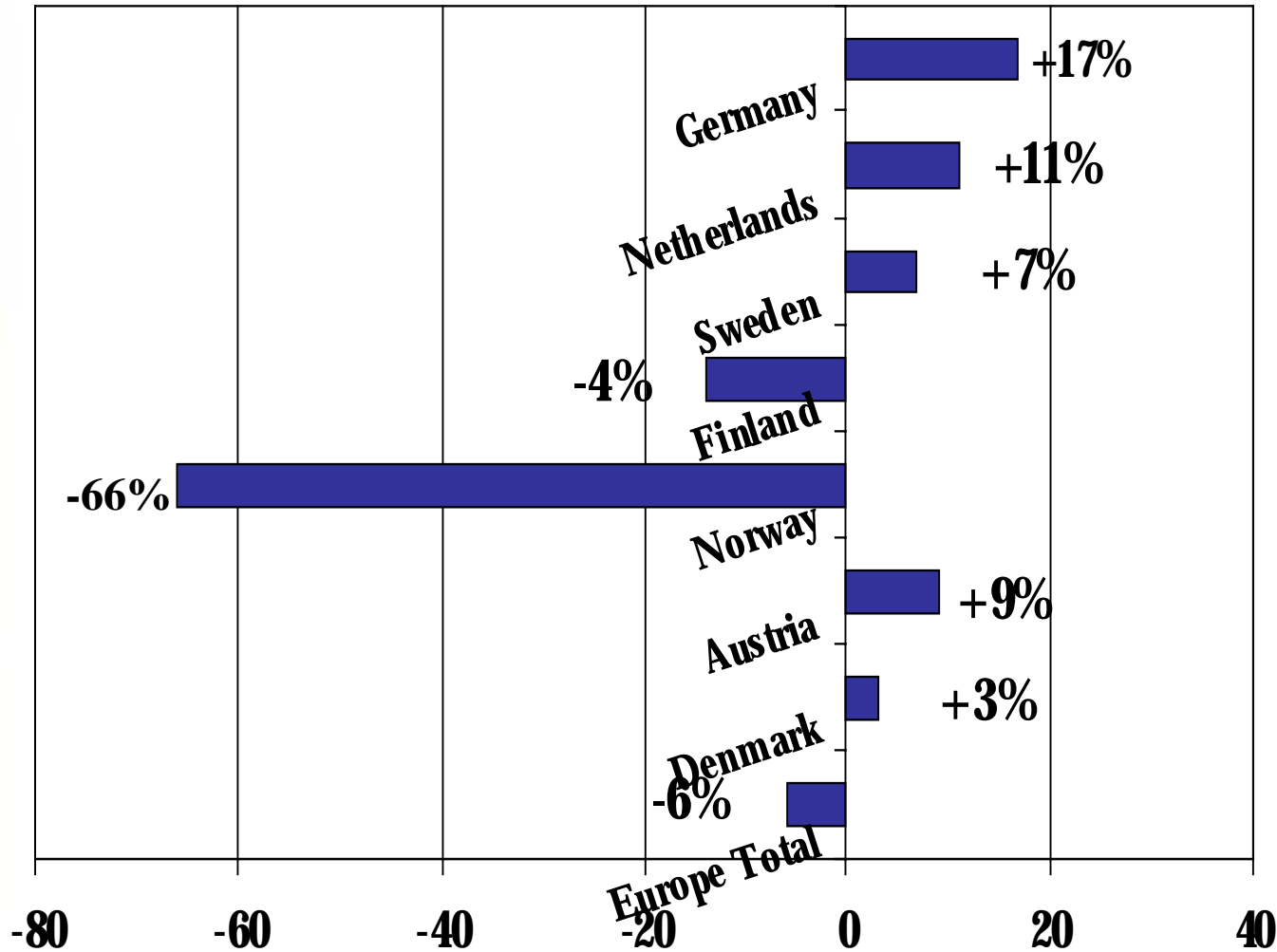
- **Revenues of 895 MNOK (-6%)**
  - 13% Growth outside Norway
- **German Government Decided to Propose New Deposit Legislation on Non-Refillables**
- **Netherlands Consider Introducing Deposit on Non-Refillable containers**
- **120 MDKK Preferred Supplier Contract with FDB Denmark**

# BU Europe Revenues by Market

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<b>Figures in NOK million</b>	<b>2000</b>	<b>1999</b>
<b>Germany</b>	<b>258</b>	<b>220</b>
<b>The Netherlands</b>	<b>136</b>	<b>123</b>
<b>Sweden</b>	<b>125</b>	<b>117</b>
<b>Finland</b>	<b>81</b>	<b>94</b>
<b>Norway</b>	<b>80</b>	<b>233</b>
<b>Denmark</b>	<b>72</b>	<b>66</b>
<b>Austria</b>	<b>71</b>	<b>69</b>
<b>Switzerland</b>	<b>54</b>	<b>16</b>
<b>Others</b>	<b>18</b>	<b>14</b>
<b>Total BU Europe</b>	<b>895</b>	<b>952</b>

# Europe Growth by Market 2000



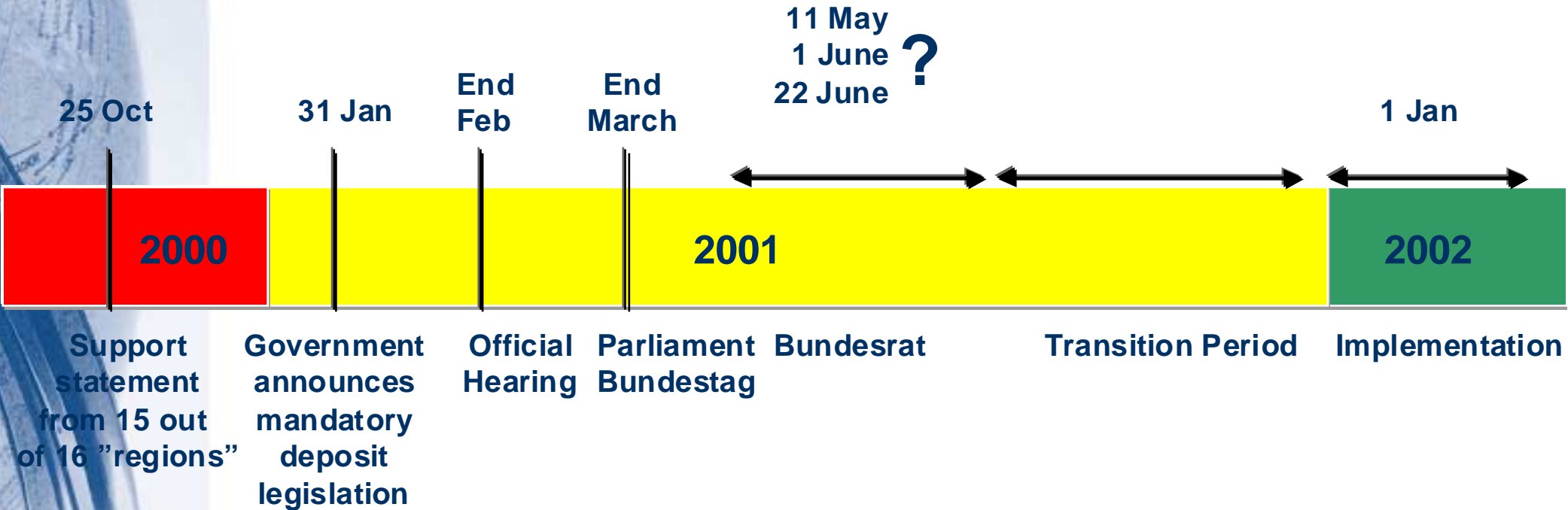


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# GERMANY UPDATE



# Milestones in the political process



# The Government's Main Assumptions

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<b>Product categories to be included:</b>	<b>Beer, Soft drinks, mineral water, fruit juices</b>
<b>Deposit:</b>	<b>Euro 0,25 &lt; 1,5 liter, Euro 0,50 ≥ 1,5 liter</b>
<b>No. of stores that require RVM's:</b>	<b>41.625</b>
<b>Total no. of RVM's needed:</b>	<b>83.000</b>
<b>Total RVM investment:</b>	<b>DEM 2,08 billion</b>
<b>Total additional cost of mandatory deposit</b>	<b>DEM 265 million</b>
<b>Cost per container</b>	<b>1,84 pfennings</b>



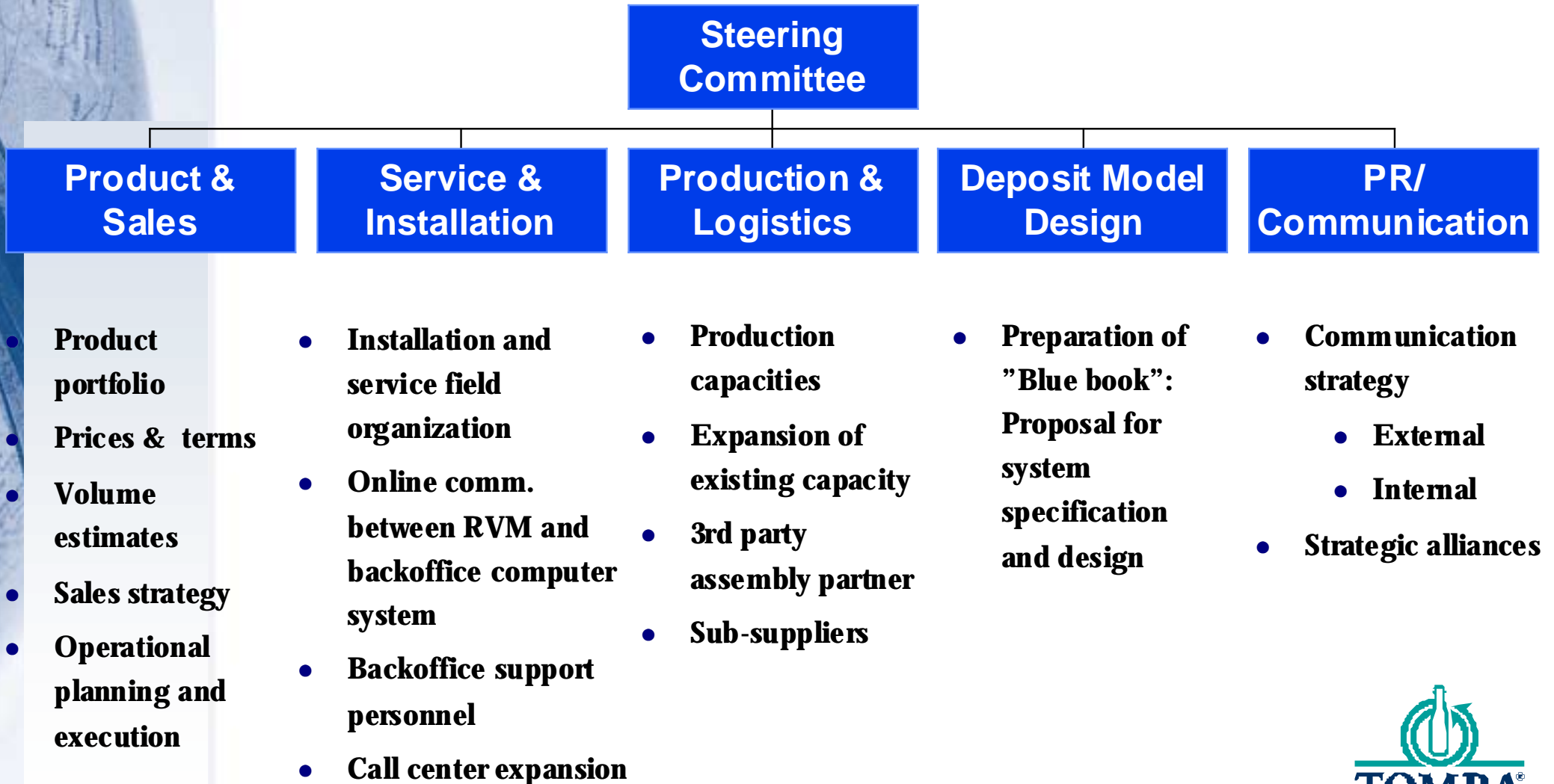
# The Government's assumptions on RVM equipment

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Store Category	(% to be automated)	Number	No. to be automated)
Outlets < 100 sq.m.	10	32,630	3,263
Outlets 100 - 200 sq.m.	25	10,930	3,732
Outlets 200 - 400 sq.m.	75	5,530	4,147
Outlets 400 - 800 sq.m.	75	6,747	5,060
Supermarkets > 800 sq.m.	100	6,750	6,750
Discounters (incl. Aldi)	100	13,208	13,208
Drive-in drink markets	60	9,380	5,628
Petrol filling stations	5	16,740	837
Kiosks	0	3,940	0
Bakeries	0	15,590	0
<b>Total</b>		<b>121,445</b>	<b>41,625</b>

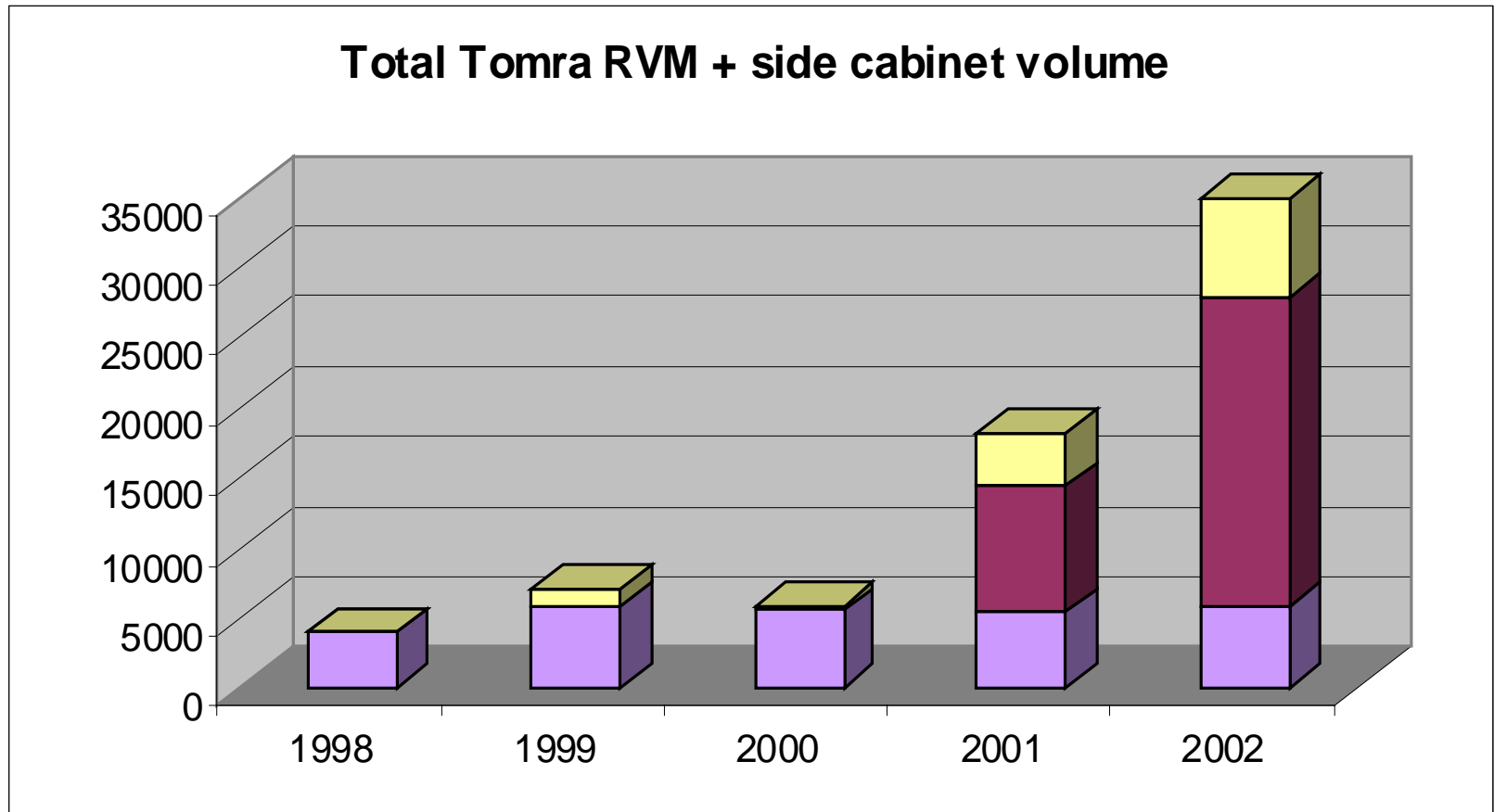
**2 RVM's per store = 83.000 RVM's**

# Tomra's "Project Germany": Preparing for execution





# Production and logistics group



# Holland

## ”The Covenant”

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- **Producers and importers have main responsibility**
- **Local authorities retain responsibility on collection**
- **Target to diminish landfill and incineration**
- **Recycling in average should be a least 65% in 2001. It is now about 55% whereas plastics is about 12%**
- **Industry has guaranteed to reach 27% recycling of plastics in 2001**
- **Reuse has to be maintained unless it is proved (by LCA's) that one way packaging is better for the environment**
- **The Covenant expires end 2001, and new targets and initiatives will have to be in place by 2002**

**The Minister of Environment now calls for action ...**

# Holland

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**Significantly increased volumes of non-refillable containers behind renewed focus on potential deposit**

	<u>1997</u>	<u>2000</u>
<b>Non-refillable % of mix: (soft drink &amp; Min.water)</b>	<b>20%</b>	<b>30%</b>

- **On Jan 31 '01 Minister of Environment, Mr. Jan Pronk informed the Government that he has given the industry time until end of March to propose a solution for return of non-refillables**
- **Mr. Pronk said he would propose a deposit on non-refillables if the industry didn't agree on an acceptable solution/system.**

# Holland Potential?

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- **Current RVM base is approx. 3.400 machines**
- **Deposit on non-refillables could initiate ...**
  - **1.500 - 2.000 upgrades of T-600/T-610**
  - **Replacement of 1.000 - 1.200 RVM's with vertical infeed**
  - **1.500 - 2.500 minima solutions for petrol station, convenience stores, schools, etc.**

***A decision on deposit is expected late Q2 '01***

# Denmark

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- **DRS established in June 2000**
- **DRS approval by Parliament expected May '01**
- **A) DRS will financially support retailers in upgrading and current system for handling of refillables**  
**B) DRS will prepare for future handling of one-way/ cans**
- **Feb. 7 '01 Tomra signed a preferred supplier agreement with FDB to upgrade stores during Q3/Q4 '01/2002. Estimated investment of DKK 120 million. FDB represents 38% of Danish grocery trade.**
- **Discussions with remaining retailers Feb-Apr. '01**

# Europe Legislation

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- **Revised EU directive expected to be finalized Q1 '01**
- **Germany impacting on other European markets**
- **Belgium evaluating initiatives to strengthen refillables**
- **Decision on cans in Denmark during 2001 (?)**
- **Israel; Knesset approved deposit law Aug. '00.No decision on implementation yet taken.**



# Highlights - America

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- **Revenues of 1 823 MNOK (+50%)**
- **1,390 RVM Placed With 90% Market Share**
- **Exclusive Supply Contract Signed With Royal Ahold – 600 RVM's In U.S. during next 3 years**
- **175 rePlanet sites in California**

## Highlights – America cont.

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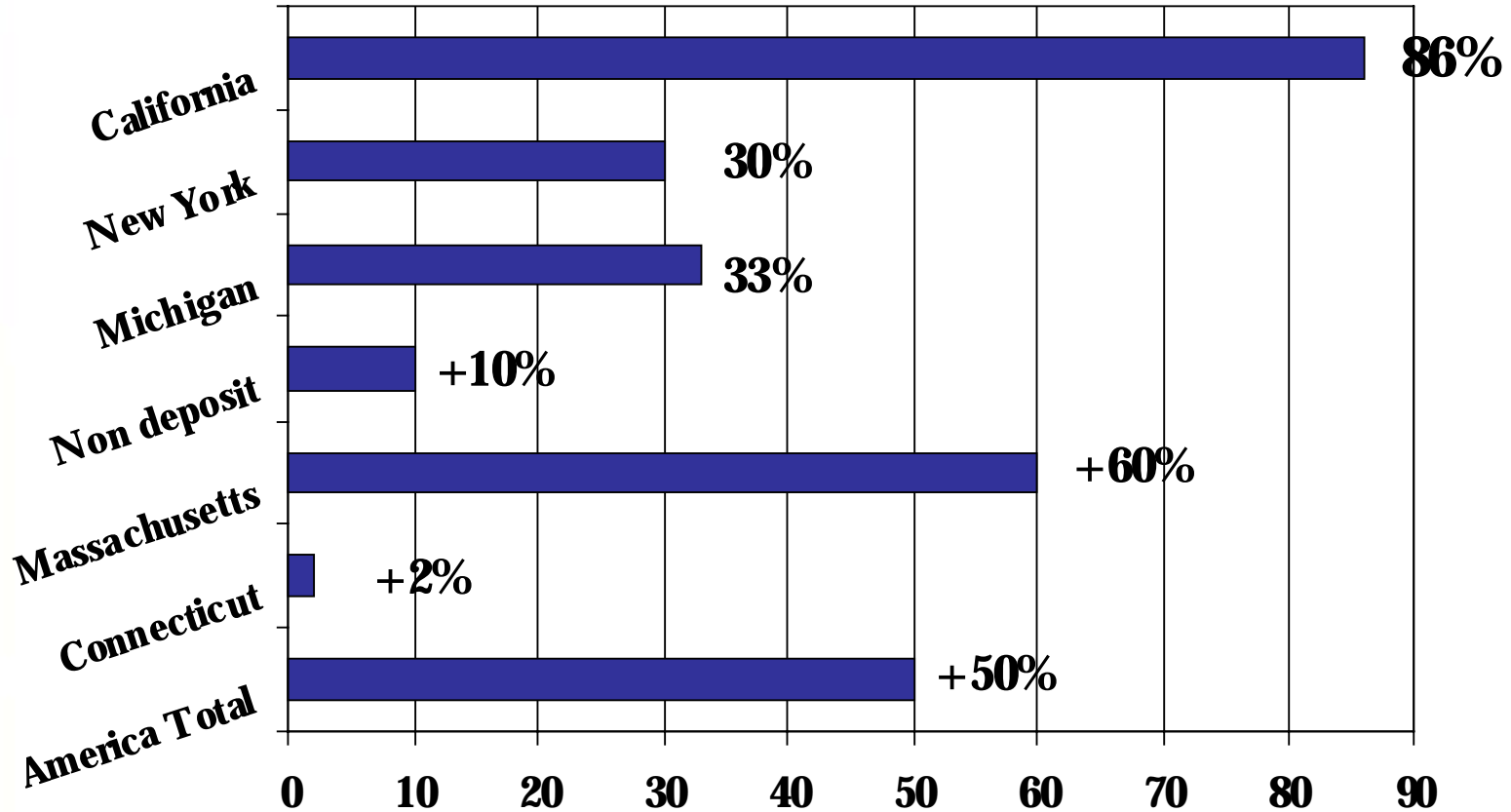
- **First Small Store RVM Platform “DUO” Successfully Launched in the Fourth Quarter**
- **Secured a 10 Site Pilot in Two Non-deposit States for a Version of the rePlanet Center With a Major International Retailer Late in the Fourth Quarter**
- **Increased Activity Addressing Declining Recycling Rates**
  - **Expanded Bottle Deposit in California 1/01/2000**
  - **BEAR (Businesses & Environmentalists Allied for Recycling) Alliance Formed**
  - **New or Expansion of Bottle Deposit Legislation Initiatives in Several States**

# BU America Sales by Market

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<b>Figures in NOK million</b>	<b>2000</b>	<b>1999</b>
<b>California</b>	<b>736</b>	<b>396</b>
<b>New York</b>	<b>465</b>	<b>358</b>
<b>Michigan</b>	<b>228</b>	<b>171</b>
<b>Non deposit states</b>	<b>137</b>	<b>125</b>
<b>Massachusetts</b>	<b>98</b>	<b>60</b>
<b>Connecticut</b>	<b>84</b>	<b>82</b>
<b>Canada</b>	<b>71</b>	<b>13</b>
<b>Others</b>	<b>4</b>	<b>12</b>
<b>Total BU America</b>	<b>1,823</b>	<b>1,217</b>

# America Growth by Market 2000



# Market Summary - America

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## ● New York

- Over 1 Billion Containers Processed in TNYR
- Increased RVM Penetration of the the Beer Wholesaler Redemption Channel

## ● Massachusetts/Connecticut

- Profits Doubled in Mass
- New Service Contract With PBG in Mass Adds 150 Million Units Annually
- JV With Polar Beverages Adds 120 Million Units Annually

## ● Michigan

- 400 New Machines Placed With a 3,300 Total Installed Base
- UBCR, Michigan Third Party Pick-up Fully Formed
  - Serves 450 Customers With 1.5 Billion Annual Containers
  - Rate Structure Enhanced



re PLANET

Recycling Center

Operating Hours  
7am - 11pm

Operating Hours  
7am - 11pm  
Machines



Recycling Center





# California

- **Positive Response to Replanet Continues**
  - Volume +60% Vs Traditional Sites
  - Transactions +250% Vs Traditional Sites
- **Increased Volumes Driven by Bottle Law Expansion**
- **Start-up Costs Relating to Pick-up and Processing Contract Serving 400 Additional Sites**
- **Opportunities Exist for Continued Efficiencies and Operational Improvements**

# Brazil Market Update

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## Market Opportunity

- **150 million people**
- **Fast growing non-ref. market**
- **High aluminium recycling rate**
- **PET recycling challenges**
- **PET mandatory deposit momentum**
- **Strong base to penetrate South America**

# Brazil Acquisition Update

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- **LOI with LATASA on Strategic Alliance**
  - Largest Latin America Can Manufacturer
  - Operating the most Successful Aluminum UBC Collection System
- **TOMRA & LATASA Forming a New Company 70%/30%**
  - To Operate LATASA's Current Activities in Brazil, Chile & Argentina
  - To Pursue New Collection Schemes that Includes PET
  - Current Revenues for 2001 ~40 MUSD
- **28 MUSD Investment by Tomra**
- **January '01 Closing delayed**

# Technology - 2000

- **Significant investments (~100 MNOK) in R&D projects**
- **80+ employees in Norway, USA and Finland, of which**
  - **60 in RVM & collection point technology**
  - **15 in software development**
  - **15 in logistics and support**
  - **3 in environmental management and LCA**
- **Tomra holds more than 30 patents World Wide**

# Technology





*Helping the World recycle!*

