

# TOMRA

## **SECOND QUARTER and FIRST HALF 2011**

### **Highlights from second quarter 2011 include:**

- Robust revenue growth (local currencies) of 27%
  - ➔ 1059 MNOK in revenues
  - ➔ 13% organic growth in local currencies
- Gross margin of 42%, up from 41% in second quarter 2010
- 32% growth in EBITA to 188 MNOK (142 MNOK in second quarter 2010)
- EBITA margin of 18%, up from 16% in second quarter 2010,
- 14% organic growth in Collection Technology, currency adjusted
- 19% organic growth in Industrial Processing Technology and new all time high order backlog
- Cashflow from operations of 95 MNOK (11 MNOK in second quarter 2010)

### **Highlights from first half 2011 include:**

- Robust revenue growth (local currencies) of 25%
  - ➔ 1939 MNOK in revenues
  - ➔ 14% organic growth in local currencies
- Gross margin of 42%, up from 41% in first half 2010
- 32% growth in EBITA to 308 MNOK (233 MNOK in first half 2010)
- EBITA margin of 16%, up from 14% in first half 2010,
- 14% organic growth in Collection Technology, currency adjusted
- 26% organic growth in Industrial Processing Technology and new all time high order backlog
- Cashflow from operations of 135 MNOK (120 MNOK in first half 2010)

## TOMRA SECOND QUARTER 2011

### CONSOLIDATED FINANCIALS

#### Second quarter

Revenues in the second quarter 2011 amounted to 1059 MNOK compared to 880 MNOK in second quarter last year. After adjusting for currency changes and acquisitions (Odenberg, RSI and CBSI), revenue growth was 13 percent. The increase was driven by higher activity in all business segments.

Gross margin was 42 percent in the quarter, up from 41 percent in the corresponding period last year.

EBITA margin of 18% in second quarter 2011, up from 16% in second quarter 2010

EBITA was 188 MNOK in second quarter 2011 versus 142 MNOK in the second quarter 2010, driven by higher activity in all segments and improved margins in the Collection Technology segment.

Cashflow from operations in second quarter 2011 equaled 95 MNOK, compared to 11 MNOK in second quarter 2010.

#### First half

Revenues in the first half 2011 amounted to 1939 MNOK compared to 1611 MNOK in first half last year. After adjusting for currency changes and acquisitions (Odenberg, RSI and CBSI), as well as divestments (Presona sold in April 2010), revenue growth was 14 percent. The increase was driven by higher activity in all business segments.

Gross margin was 42 percent in the first half of 2011, up from 41 percent in the corresponding period last year.

EBITA margin of 16% in first half 2011, up from 14% in first half 2010

EBITA was 308 MNOK in first half 2011 versus 233 MNOK in the first half of 2010, driven by higher activity in all segments and improved margins in the Collection Technology segment.

Cashflow from operations in first half 2011 equaled 135 MNOK, compared to 120 MNOK in first half 2010.

Equity ratio decreased from 55 percent at the end of 2010 to 46 percent at the end of second quarter 2011 and net interest bearing debt increased by 470 MNOK during the same

period, both due to the Odenberg acquisition and dividend of 89 MNOK paid out in May 2011.

### SEGMENT REPORTING Collection Technology

#### Second quarter

Revenues in the segment equaled 500 MNOK in the second quarter, up from 446 MNOK in second quarter last year. After adjustment for currency changes and the acquisition of CBSI, revenues were up 14 percent.

Gross margin was 48%, compared to 46% last year, supported by the cost reduction program.

EBITA was 109 MNOK, up from 77 MNOK in second quarter 2010 (up from 75 MNOK currency adjusted).

#### First half

Revenue in the segment were 950 MNOK in the first half, up from 841 MNOK first half last year. TOMRA has maintained its market position in all major markets and after adjustment for currency changes and the acquisition of CBSI, revenues were up 14 percent.

Gross margin was 48%, compared to 47% last year. EBITA was 199 MNOK, up from 146 MNOK in first half 2010 (up from 140 MNOK currency adjusted).

| Amounts in NOK million | 2q11 | 2q10 | 1h11 | 1h10 |
|------------------------|------|------|------|------|
| Revenues               | 500  | 446  | 950  | 841  |
| - Nordic               | 125  | 125  | 254  | 239  |
| - Central Europe       | 270  | 200  | 502  | 404  |
| - Rest of Europe       | 1    | 1    | 2    | 2    |
| - US East & Canada     | 101  | 119  | 188  | 194  |
| - Rest of the world    | 3    | 1    | 4    | 2    |
| Gross contribution     | 238  | 205  | 457  | 397  |
| - in %                 | 48%  | 46%  | 48%  | 47%  |
| Operating expenses     | 129  | 128  | 258  | 251  |
| EBITA                  | 109  | 77   | 199  | 146  |
| - in %                 | 22%  | 17%  | 21%  | 17%  |

#### Europe

Strong performance in Central Europe, with 35% growth in revenues second quarter 2011 compared to second quarter 2010.

The increase is partly explained by the roll out of the 70 MEUR order signed by a European retailer in 2010 (to be completed by the end of 2012), as well as the start-up on the 500 machine order to the Dutch discount chain (to be completed by the end of third quarter 2011).

## **US East & Canada**

Revenue in second quarter 2011 was 101 MNOK, down from 119 MNOK last year. Measured in local currency, revenues were down 3 percent. Throughput volumes developed positively, but sales of new RVMs were down compared to second quarter 2010, which had high activity on machine sales in connection with the expansion of the bottle bills in New York and Connecticut.

In November 2010 Environmental Products Corporation (Envipco), a US based RVM manufacturer, filed a complaint against Tomra for alleged anti-trust violations.

The case was settled out of court in June 2011. Tomra has not paid any compensation in relation to the settlement and previously accrued legal expenses of 1 MUSD related to the case have been reversed. This is reflected in operating expenses in second quarter 2011.

## **Industrial Processing Technology Second quarter**

Revenues in the quarter increased by 74% compared to same quarter in 2010. Adjusted for Odenberg (acquired in February 2011) and currency effects, revenues increased 19%.

Gross margin decreased from 55% in second quarter 2010 to 48% in second quarter 2011.

The decrease was a consequence of change in product portfolio and geography-mix, somewhat lower margins in the food segment (Odenberg not consolidated in 2010), lower margins in Orwak (due to increased steel prices and stronger SEK), as well as a weaker USD (~40% of revenues in the segment is nominated in USD)

EBITA increased from 37 MNOK in second quarter 2010 to 52 MNOK in second quarter 2011 as a consequence of higher activity.

The order backlog in the segment increased from 216 MNOK at the end of second quarter 2010 to 297 MNOK at the end of second quarter 2011 (of which 59 MNOK relates to Odenberg).

### **First half**

Revenues in first half 2011 increased by 68% compared to the same period in 2010. Adjusted for the Odenberg acquisition and the divestment of Presona, revenues increased by 26% measured in local currencies.

Gross margin decreased from 54% in first half 2010 to 49% in first half 2011.

The decrease was a consequence of somewhat lower margins in the food segment (Odenberg not consolidated in 2010), lower margins in Orwak, as well as a weaker USD.

EBITA increased from 49 MNOK in first half 2010 to 77 MNOK in first half 2011 as a consequence of higher activity.

| <i>Amounts in NOK million</i> | <u>2q11</u> | <u>2q10</u> | <u>1h11</u> | <u>1h10</u> |
|-------------------------------|-------------|-------------|-------------|-------------|
| Revenues                      | 310         | 178         | 520         | 309         |
| - Nordic                      | 18          | 10          | 30          | 30          |
| - Central Europe & UK         | 113         | 66          | 196         | 114         |
| - Rest of Europe              | 10          | 17          | 30          | 44          |
| - US East & Canada            | 73          | 31          | 111         | 44          |
| - US West                     | 48          | 11          | 66          | 22          |
| - Rest of World               | 48          | 43          | 87          | 55          |
| Gross contribution            | 148         | 98          | 256         | 167         |
| - in %                        | 48%         | 55%         | 49%         | 54%         |
| Operating expenses            | 96          | 61          | 179         | 118         |
| EBITA before o. items         | 52          | 37          | 77          | 49          |
| - in %                        | 17%         | 21%         | 15%         | 16%         |

## **Recognition & sorting platform**

TITECH experienced good momentum in all segments, particularly the waste segment, which continued to benefit from higher commodity prices than last year.

The quarter ended with an all time high order backlog.

The geographic expansion continued, with 51% of revenues outside Europe in first half 2011, compared to 39% in first half 2010. TITECH has strengthened the sales force in Asia, Eastern Europe and South America during the last six months.

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 since 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 was finished during 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 half 2011, up 14% from first half 2010. Profitability was however weaker as Orwak, with a significant SEK cost base, is negatively influenced by currency fluctuations. In first half of 2011 the SEK strengthened 7% against EUR compared to first half 2010-rates. Higher steel prices have also negatively influenced margins.

## **Material Handling**

### **Second quarter**

Revenues in the business area were 45.8 MUSD in second quarter 2011, up from 41.1 MUSD last year. Adjusted for the RSI acquisition, revenues were up 6% in local currencies. Gross margin was 23%, down from 24% same period last year. EBITA improved from 5.1 MUSD in second quarter 2010 to 5.7 MUSD in second quarter 2011.

The improved performance was mainly due to higher volumes on the East Coast.

### **First half**

Revenues in the business area were 84.1 MUSD in first half 2011, up from 76.3 MUSD last year. Adjusted for the RSI acquisition, revenues were up 6% in local currencies. Gross margin was 20%, down from 22% same period last year. EBITA decreased from 7.7 MUSD in first half 2010 to 7.2 MUSD in first half 2011. The decrease was mainly explained by bad weather, particularly during 1<sup>st</sup> quarter, as well as higher diesel prices.

| <i>Amounts in NOK million</i> | 2q11 | 2q10 | 1h11 | 1h10 |
|-------------------------------|------|------|------|------|
| Revenues                      | 249  | 256  | 469  | 461  |
| - US East & Canada            | 142  | 137  | 266  | 247  |
| - US West                     | 107  | 119  | 203  | 214  |
| Gross contribution            | 58   | 61   | 96   | 100  |
| - in %                        | 23%  | 24%  | 20%  | 22%  |
| Operating expenses            | 27   | 29   | 56   | 54   |
| EBITA                         | 31   | 32   | 40   | 46   |
| - in %                        | 12%  | 12%  | 9%   | 10%  |

### **US East & Canada**

Revenues were 26.1 MUSD in second quarter 2011, compared to 22.0 MUSD in second quarter 2010. The increase was due to higher throughput volumes following the deposit expansion in Connecticut and New York, combined with revenues from RSI (a material pick-up and processing provider in Maine acquired in December 2010)

### **US West**

Revenues were 19.7 MUSD in second quarter 2011, up from 19.1 MUSD in second quarter 2010.

Performance was positively influenced by higher commodity prices, but negatively impacted by lower processing fees for plastic and lower handling fee rate per container, as well as somewhat lower volumes. A cool and wet spring has had a negative effect on drinking consumption.

## **MARKET OUTLOOK**

In Collection Technology, 2011 is expected to report higher activity than 2010, mainly due to an order from a Dutch discount chain to be installed during third quarter 2011 and the 70 MEUR order signed by a European retailer in 2010 for installation in 2011 and 2012 (though installations from this order are expected to be higher in 2012 than in 2011).

In Industrial Processing Technology, the momentum is in general good and activity is expected to be higher in 2011 than in 2010. Quarterly development might be somewhat volatile due to little recurring business in the segment - the overall performance is linked to macro drivers, particularly commodity prices.

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 first half of 2011 is expected to be temporary and

performance is expected to improve going into 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 second quarter 2011 was 148,020,078 shares, including 133,309 treasury shares.

The total number of shareholders increased from 7,299 at the end of first quarter 2011 to 7,326 at the end of second quarter 2011.

Norwegian residents held 42 percent of the shares at the end of second quarter 2011.

TOMRA's share price increased from NOK 45.20 to NOK 47.00 during second quarter 2011. The number of shares traded on the Oslo Stock Exchange in the period was 14 million shares compared to 33 million in the same period in 2010.

On 16 June 2011, Tomra Systems ASA entered into a NOK 500 million, 3 year extendable term loan agreement with Eksportfinans ASA.

The loan replaces a NOK 500 million loan facility that was due to expire in October 2011.

Asker, 14 July 2011

The Board of Directors  
TOMRA SYSTEMS ASA

Svein Rennemo  
Chairman of the Board

Stefan Ranstrand  
President & CEO

## Condensed consolidated interim financial statements – 2nd Quarter 2011

| STATEMENT OF COMPREHENSIVE INCOME<br><i>(Amounts in NOK million)</i> | Note | 2 <sup>nd</sup> Quarter |        | 1 <sup>st</sup> Half |        | Full year |
|--|------|-------------------------|--------|----------------------|--------|-----------|
|  |      | 2011                    | 2010   | 2011                 | 2010   | 2010      |
| Operating revenues   | 5)   | 1058.9                  | 879.5  | 1938.9               | 1610.8 | 3496.2    |
| Cost of goods sold   |      | 600.6                   | 500.2  | 1101.6               | 920.0  | 1981.4    |
| Depreciations/write-down   |      | 14.3                    | 14.8   | 28.1                 | 26.2   | 57.0      |
| <i>Gross contribution</i>  |      | 444.0                   | 364.5  | 809.2                | 664.6  | 1457.8    |
| Operating expenses   |      | 230.6                   | 199.6  | 451.7                | 386.3  | 827.5     |
| Depreciations/write-down   |      | 25.1                    | 23.3   | 49.1                 | 45.6   | 89.7      |
| <i>EBITA before other items</i>                                      | 5)   | 188.3                   | 141.6  | 308.4                | 232.7  | 540.6     |
| Amortization/write-down  |      | 9.0                     | 6.6    | 17.0                 | 13.2   | 26.2      |
| Loss on sale of Presona AB   |      | -                       | 18.5   | -                    | 18.5   | 18.5      |
| EU penalty   |      | -                       | -      | -                    | -      | 226.1     |
| <i>EBIT (Results from operating activities)</i>                      | 5)   | 179.3                   | 116.5  | 291.4                | 201.0  | 269.8     |
| Net financial income   |      | (9.0)                   | (3.3)  | (17.0)               | (6.3)  | (6.8)     |
| <i>Profit before income tax</i>                                      |      | 170.3                   | 113.2  | 274.4                | 194.7  | 263.0     |
| Taxes  |      | 52.8                    | 35.7   | 85.1                 | 61.4   | 149.5     |
| <i>Profit for the period</i>   |      | 117.5                   | 77.5   | 189.3                | 133.3  | 113.5     |
| Non-controlling interest (minority interest)                         |      | (9.4)                   | (13.1) | (16.1)               | (19.8) | (39.8)    |
| <i>Earnings per share (NOK)</i>                                      |      | 0.73                    | 0.44   | 1.17                 | 0.77   | 0.50      |

| STATEMENT OF OTHER COMPREHENSIVE INCOME<br><i>(Amounts in NOK million)</i> | 2 <sup>nd</sup> Quarter |       | 1 <sup>st</sup> Half |       | Full year |
|--|-------------------------|-------|----------------------|-------|-----------|
|  | 2011                    | 2010  | 2011                 | 2010  | 2010      |
| Net profit for the period  | 117.5                   | 77.5  | 189.3                | 133.3 | 113.5     |
| Other comprehensive income   |                         |       |                      |       |           |
| Translation differences  | (32.1)                  | 90.6  | (96.9)               | 122.6 | 0.3       |
| <i>Total comprehensive income</i>  | 85.4                    | 168.1 | 92.4                 | 255.9 | 113.8     |
| <i>Attributable to:</i>  |                         |       |                      |       |           |
| Non-controlling interest   | 7.8                     | 18.1  | 10.5                 | 26.9  | 40.6      |
| Shareholders of the parent company   | 77.6                    | 150.0 | 81.9                 | 229.0 | 73.2      |
| <i>Total comprehensive income</i>  | 85.4                    | 168.1 | 92.4                 | 255.9 | 113.8     |

| STATEMENT OF FINANCIAL POSITION<br><i>(Amounts in NOK million)</i> | 30 June |        | 31 Dec |
|--|---------|--------|--------|
|  | 2011    | 2010   | 2010   |
| <b>ASSETS</b>  |         |        |        |
| Intangible assets  | 1394.9  | 922.0  | 974.4  |
| Leasing equipment  | 156.9   | 180.8  | 163.3  |
| Other fixed assets   | 631.4   | 668.3  | 600.9  |
| Inventory  | 624.1   | 532.5  | 524.3  |
| Short-term receivables   | 1059.9  | 1099.3 | 985.8  |
| Cash and cash equivalents  | 115.8   | 23.9   | 56.6   |
| <i>TOTAL ASSETS</i>  | 3983.0  | 3426.8 | 3305.3 |
| <b>LIABILITIES &amp; EQUITY</b>                                    |         |        |        |
| Equity   | 1821.6  | 1988.1 | 1832.3 |
| Minority interests   | 73.8    | 83.1   | 68.4   |
| Deferred taxes   | 28.2    | 29.1   | 29.2   |
| Long-term interest-bearing liabilities                             | 789.8   | 406.7  | 233.9  |
| Short-term interest-bearing liabilities                            | 223.3   | 23.1   | 250.0  |
| Other liabilities  | 1046.3  | 896.7  | 891.5  |
| <i>TOTAL LIABILITIES &amp; EQUITY</i>                              | 3983.0  | 3426.8 | 3305.3 |

**Condensed consolidated interim financial statements – 2nd Quarter 2011**  
(Continued)

| STATEMENT OF CASH FLOWS<br><i>(Amounts in NOK million)</i> | Note | 2nd Quarter |              | 1st Half    |               | Full year     |
|--|------|-------------|--------------|-------------|---------------|---------------|
|  |      | 2011        | 2010         | 2011        | 2010          | 2010          |
| Profit before income tax                                   |      | 170.3       | 113.2        | 274.4       | 194.7         | 263.0         |
| Changes in working capital                                 |      | (111.9)     | (109.1)      | (145.5)     | (61.0)        | (18.3)        |
| Other operating changes                                    |      | 36.4        | 7.0          | 6.3         | (14.0)        | 280.7         |
| Total cash flow from operations                            |      | 94.8        | 11.1         | 135.2       | 119.7         | 525.4         |
| Cashflow from purchase of subsidiaries                     | 4)   | -           | -            | (407.0)     | -             | (78.5)        |
| Other cashflow from investments                            |      | (43.7)      | (79.4)       | (91.9)      | (119.6)       | (228.5)       |
| Total cash flow from investments                           |      | (43.7)      | (79.4)       | (498.9)     | (119.6)       | (307.0)       |
| Cashflow from repurchase of shares                         | 3)   | -           | -            | (3.9)       | (4.3)         | (4.3)         |
| Dividend paid out  | 2)   | (88.8)      | (81.4)       | (88.8)      | (81.4)        | (81.4)        |
| Other cashflow from financing                              |      | 43.8        | 145.8        | 513.2       | 45.1          | (146.0)       |
| Total cash flow from financing                             |      | (45.0)      | 64.4         | 420.5       | (40.6)        | (231.7)       |
| <i>Total cash flow for period</i>                          |      | <i>6.1</i>  | <i>(3.9)</i> | <i>56.8</i> | <i>(40.5)</i> | <i>(13.3)</i> |
| Exchange rate effect on cash                               |      | 1.2         | (1.0)        | 2.4         | (3.7)         | 1.8           |
| Opening cash balance                                       |      | 108.5       | 28.8         | 56.6        | 68.1          | 68.1          |
| Closing cash balance                                       |      | 115.8       | 23.9         | 115.8       | 23.9          | 56.6          |

| EQUITY<br><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                                |                 |                 | 173.2             | 173.2                 | 16.1              | 189.3        |
| Changes in translation difference         |                 | (91.2)          |                   | (91.2)                | (5.5)             | (96.7)       |
| Dividend minorities                       |                 |                 |                   | -                     | (5.2)             | (5.2)        |
| 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                  |                 |                 | (88.8)            | (88.8)                |                   | (88.8)       |
| <i>Balance per 30 June 2011</i>           | 1066.2          | (291.4)         | 1046.8            | 1821.6                | 73.8              | 1895.4       |

| EQUITY<br><i>(Amounts in NOK million)</i> | 2nd Quarter |        | 1st Half |        | Full year |
|---|-------------|--------|----------|--------|-----------|
|   | 2011        | 2010   | 2011     | 2010   | 2010      |
| <i>Opening balance</i>                    | 1832.7      | 1919.5 | 1832.3   | 1844.8 | 1844.8    |
| Net profit                                | 108.1       | 64.4   | 173.2    | 113.5  | 73.7      |
| Translation difference                    | (30.4)      | 85.6   | (91.2)   | 115.5  | (0.5)     |
| Dividend paid                             | (88.8)      | (81.4) | (88.8)   | (81.4) | (81.4)    |
| Net purchase of own shares                | -           | -      | (3.9)    | (4.3)  | (4.3)     |
| <i>Closing balance</i>                    | 1821.6      | 1988.1 | 1821.6   | 1988.1 | 1832.3    |

| INTERIM RESULTS<br><i>(Amounts in NOK million)</i> | 2 <sup>nd</sup> Quarter | 1 <sup>st</sup> Quarter | 4 <sup>th</sup> Quarter | 3 <sup>rd</sup> Quarter | 2 <sup>nd</sup> Quarter |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 2011                    | 2011                    | 2010                    | 2010                    | 2010                    |
| Operating revenues (MNOK)                          | 1058.9                  | 880.0                   | 939.6                   | 945.8                   | 879.5                   |
| EBITA (MNOK)                                       | 188.3                   | 120.1                   | 129.5                   | 178.6                   | 141.6                   |
| EBIT before other items (MNOK)                     | 179.3                   | 112.1                   | 122.9                   | 172.0                   | 135.0                   |
| Sales growth (year-on-year) (%)                    | 20.4                    | 20.3                    | 5.2                     | 10.5                    | 7.5                     |
| Gross margin (%)                                   | 41.9                    | 41.5                    | 41.9                    | 42.2                    | 41.4                    |
| EBITA margin (%)                                   | 17.8                    | 13.6                    | 13.8                    | 18.9                    | 16.1                    |
| EPS (NOK)  | 0.73                    | 0.44                    | 0.56                    | (0.83)                  | 0.44                    |
| EPS (NOK) fully diluted                            | 0.73                    | 0.44                    | 0.56                    | (0.83)                  | 0.44                    |

## NOTE 1 Disclosure

The 2011 and 2010 financial Amounts 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 Amounts 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 Amounts 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 30 June 2011, and have not been applied in preparing these consolidated financial statements:

Amendments to IFRS 7 – Disclosures – Transfers of Financial Assets  
Amendments to IAS 12 - Deferred tax: Recovery of Underlying Assets  
Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income  
IFRS 9 Financial Instruments  
IFRS 10 Consolidated Financial Statements  
IFRS 11 Joint Arrangements  
IFRS 12 Disclosure of Interests in Other Entities  
IFRS 13 Fair Value Measurement  
Amendments to IAS 19 - Employee Benefits  
Amendments to IAS 27 - Separate Financial Statements  
Amendments to IAS 28 - Investments in Associates and Joint Ventures

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 30 June 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 8 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 three 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 development and production + 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, Ultrasort and Odenberg, 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  
Paid out May 2011: 0.60 NOK x 148.0 million shares = NOK 88.8 million

## NOTE 3 Net purchase of own shares

|                      | # shares       | Average price    | TOTAL                  |
|----------------------|----------------|------------------|------------------------|
| 1h 2010              |                |                  |                        |
| Gross purchased      | 239,000        | NOK 29.65        | 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> |
| 1h 2011              |                |                  |                        |
| Gross purchased      | 251,000        | 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 153 MNOK in revenues and 26 MNOK in profit (before stamp duty and other acquisition costs of 7 MNOK). A consolidation from 1 January would have increased revenues with an additional 3 MNOK. A preliminary purchase price allocation shows;



| Amounts in EUR million                      | Acquirer's<br>carrying amount<br>before combination | Fair value<br>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 SEGMENT FINANCIALS

| SEGMENT<br><i>(Amounts in NOK million)</i> | Collection Technology   |      | Material Handling       |      | Industrial Processing Technology |      | Group Functions         |      | Total                   |      |
|--|-------------------------|------|-------------------------|------|----------------------------------|------|-------------------------|------|-------------------------|------|
|  | 2 <sup>nd</sup> Quarter |      | 2 <sup>nd</sup> Quarter |      | 2 <sup>nd</sup> Quarter          |      | 2 <sup>nd</sup> Quarter |      | 2 <sup>nd</sup> Quarter |      |
|  | 2011                    | 2010 | 2011                    | 2010 | 2011                             | 2010 | 2011                    | 2010 | 2011                    | 2010 |
| Revenues                                   | 500                     | 446  | 249                     | 256  | 310                              | 178  | -                       | -    | 1059                    | 880  |
| - Nordic                                   | 125                     | 125  | -                       | -    | 18                               | 10   | -                       | -    | 143                     | 135  |
| - Central Europe & UK                      | 270                     | 200  | -                       | -    | 113                              | 66   | -                       | -    | 383                     | 266  |
| - Rest of Europe                           | 1                       | 1    | -                       | -    | 10                               | 17   | -                       | -    | 11                      | 18   |
| - US East & Canada                         | 101                     | 119  | 142                     | 137  | 73                               | 31   | -                       | -    | 316                     | 287  |
| - US West                                  | -                       | -    | 107                     | 119  | 48                               | 11   | -                       | -    | 155                     | 130  |
| - Rest of World                            | 3                       | 1    | -                       | -    | 48                               | 43   | -                       | -    | 51                      | 44   |
| Gross contribution                         | 238                     | 205  | 58                      | 61   | 148                              | 98   | -                       | -    | 444                     | 364  |
| - in %                                     | 48%                     | 46%  | 23%                     | 24%  | 48%                              | 55%  | -                       | -    | 42%                     | 41%  |
| Operating expenses                         | 129                     | 128  | 27                      | 29   | 96                               | 61   | 4                       | 4    | 256                     | 222  |
| EBITA before o.i.                          | 109                     | 77   | 31                      | 32   | 52                               | 37   | (4)                     | (4)  | 188                     | 142  |
| - in %                                     | 22%                     | 17%  | 12%                     | 12%  | 17%                              | 21%  | -                       | -    | 18%                     | 16%  |
| Amortizations                              | 3                       | 4    | -                       | -    | 6                                | 3    | -                       | -    | 9                       | 7    |
| EBIT before o.i.                           | 106                     | 73   | 31                      | 32   | 46                               | 34   | (4)                     | (4)  | 179                     | 135  |
| - in %                                     | 21%                     | 16%  | 12%                     | 12%  | 15%                              | 19%  | -                       | -    | 17%                     | 15%  |

| SEGMENT<br><i>(Amounts in NOK million)</i> | Collection Technology |      | Material Handling    |      | Industrial Processing Technology |      | Group Functions      |      | Total                |      |
|--|-----------------------|------|----------------------|------|----------------------------------|------|----------------------|------|----------------------|------|
|  | 1 <sup>st</sup> Half  |      | 1 <sup>st</sup> Half |      | 1 <sup>st</sup> Half             |      | 1 <sup>st</sup> Half |      | 1 <sup>st</sup> Half |      |
|  | 2011                  | 2010 | 2011                 | 2010 | 2011                             | 2010 | 2011                 | 2010 | 2011                 | 2010 |
| Revenues                                   | 950                   | 841  | 469                  | 461  | 520                              | 309  | -                    | -    | 1939                 | 1611 |
| - Nordic                                   | 254                   | 239  | -                    | -    | 30                               | 30   | -                    | -    | 284                  | 269  |
| - Central Europe & UK                      | 502                   | 404  | -                    | -    | 196                              | 114  | -                    | -    | 698                  | 518  |
| - Rest of Europe                           | 2                     | 2    | -                    | -    | 30                               | 44   | -                    | -    | 32                   | 46   |
| - US East & Canada                         | 188                   | 194  | 266                  | 247  | 111                              | 44   | -                    | -    | 565                  | 485  |
| - US West                                  | -                     | -    | 203                  | 214  | 66                               | 22   | -                    | -    | 269                  | 236  |
| - Rest of World                            | 4                     | 2    | -                    | -    | 87                               | 55   | -                    | -    | 91                   | 57   |
| Gross contribution                         | 457                   | 397  | 96                   | 100  | 256                              | 167  | -                    | -    | 809                  | 664  |
| - in %                                     | 48%                   | 47%  | 20%                  | 22%  | 49%                              | 54%  | -                    | -    | 42%                  | 41%  |
| Operating expenses                         | 258                   | 251  | 56                   | 54   | 179                              | 118  | 8                    | 8    | 501                  | 431  |
| EBITA before o.i.                          | 199                   | 146  | 40                   | 46   | 77                               | 49   | (8)                  | (8)  | 308                  | 233  |
| - in %                                     | 21%                   | 17%  | 9%                   | 10%  | 15%                              | 16%  | -                    | -    | 16%                  | 14%  |
| Amortizations                              | 6                     | 7    | -                    | -    | 11                               | 6    | -                    | -    | 17                   | 13   |
| EBIT before o.i.                           | 193                   | 139  | 40                   | 46   | 66                               | 43   | (8)                  | (8)  | 291                  | 220  |
| - in %                                     | 20%                   | 17%  | 9%                   | 10%  | 13%                              | 14%  | -                    | -    | 15%                  | 14%  |
| Assets                                     | 1522                  | 1522 | 701                  | 835  | 1528                             | 927  | 232                  | 143  | 3983                 | 3427 |
| Liabilities                                | 534                   | 593  | 102                  | 103  | 276                              | 144  | 1176                 | 516  | 2088                 | 1356 |

## STATEMENT BY THE BOARD OF DIRECTORS AND THE CEO

We hereby confirm that the half-yearly financial statements for the Group for the period 1 January through 30 June 2011 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the company taken as a whole.

To the best of our knowledge, the half-yearly report gives a true and fair:

- overview of important events that occurred during the accounting period and their impact on the half-yearly financial statements
- description of the principal risks and uncertainties facing the Group over the next accounting period
- description of major transactions with related parties.

Asker, 14 July 2011

Svein Rennemo  
Chairman

Per A. Sørli  
Vice-chairman

Hege M. Norheim  
Board member

Aniela Gjøs  
Board member

Bernd Bothe  
Board member

Ingrid Solberg  
Board member  
Employee  
Representative

David Williamson  
Board member  
Employee  
representative

Stefan Ranstrand  
President and CEO