

4th
Quarter
2012



15.02.2013



FOURTH QUARTER 2012

Highlights from fourth quarter 2012 include:

- All time high revenues of 1188 MNOK (935 MNOK in fourth quarter 2011). Adjusted for acquisitions and currencies, revenues were:
 - Up 10% for TOMRA Group
 - Up 3% in TOMRA Collection Solutions
 - Up 32% in TOMRA Sorting Solutions
- Gross margin 46%, up from 45% in fourth quarter 2011
- All time high EBITA of 231 MNOK (167 MNOK in fourth quarter 2011). Up 31% in local currencies, adjusted for acquisitions
- EBITA margin of 19%, up from 18% in fourth quarter 2011
- Cashflow from operations of 235 MNOK (132 MNOK in fourth quarter 2011)
- Order backlog in Sorting of 525 MNOK at the end of fourth quarter 2012 (down from 551 in third quarter 2012)
- Proposed dividend of NOK 1.25, up from NOK 1.05

TOMRA FOURTH QUARTER 2012

CONSOLIDATED FINANCIALS

Fourth quarter

Revenues in fourth quarter 2012 amounted to 1,188 MNOK compared to 935 MNOK in fourth quarter last year.

In TOMRA Sorting Solutions revenues increased by 110% driven by the acquisition of Best Kwadraat NV (BEST) in the beginning of third quarter 2012. Adjusted for currency change and acquisitions, revenues increased 32% in this business area.

In TOMRA Collection Solutions revenues were stable measured in NOK (up 3% adjusted for currencies).

Gross margin was 46% in the quarter, up from 45% in the corresponding period last year, driven by better margins in TOMRA Collection.

Operating expenses increased from 257 MNOK in fourth quarter 2011 to 314 MNOK in fourth quarter 2012 due to the ongoing geographic expansion in TOMRA Sorting, as well as the consolidation of BEST.

EBITA was 231 MNOK in fourth quarter 2012 versus 167 MNOK in the fourth quarter 2011. Adjusted for currencies and acquisitions, EBITA increased 31%.

Ordinary cashflow from operations in fourth quarter 2012 equaled 235 MNOK, up from 132 MNOK in fourth quarter 2011 and positively influenced by prepayments from customers.

Equity ratio increased from 42 % at the end of September 2012 to 46% at the end of December 2012, a consequence of higher equity (earnings in fourth quarter) combined with reduced total balance (down from 5346 MNOK to 5159 MNOK)

By the end of fourth quarter 2012 NIBD/EBITDA on rolling 12 month basis was equal to 1.5.

The tax rate in fourth quarter 2012 was only 12%, positively influenced by a onetime tax item of 16 MNOK recorded in the period.

Full year

Revenues in 2012 amounted to 4073 MNOK compared to 3690 MNOK last year. After adjustment for currency changes and acquisitions, revenue growth was 1 percent, due to a decrease in TOMRA Collection

Solutions of 3% offset by an increase in TOMRA Sorting Solutions of 13%.

Gross margin was 46% in 2012, up from 45% in 2011. EBITA amounted to 739 MNOK, up from 669 MNOK last year. Adjusted for currencies and acquisitions, profit increased by 5%.

BUSINESS AREA REPORTING

TOMRA Collection Solutions

Revenues in the business area equaled 699 MNOK in the fourth quarter, down from 702 MNOK in fourth quarter last year. Adjusting for currency changes, revenues were up 3%.

Gross margin was 44%, compared to 42% last year, supported by the ongoing cost reduction program.

Operating expenses were 164 MNOK in fourth quarter 2012, unchanged from same period in 2011 (up 3% currency adjusted).

EBITA was MNOK 146, up from 131 MNOK in fourth quarter 2011 (up 19% currency adjusted), as a consequence of a better gross margin.

Amounts in NOK million	4q12	4q11	2012	2011
Revenues	699	702	2649	2764
- Nordic	140	132	539	536
- Central Europe & UK	322	325	1059	1186
- Rest of Europe	3	4	11	16
- North America	221	233	1011	981
- Rest of the world	13	8	29	45
Gross contribution	310	295	1151	1147
- in %	44%	42%	43%	41%
Operating expenses	164	164	635	633
EBITA	146	131	516	514
- in %	21%	19%	19%	19%

Europe

All major European markets reported somewhat higher activity in fourth quarter 2012 compared to fourth quarter 2011. Revenues increased currency adjusted by 7% in Nordic and 4% in Central Europe.

North America

Revenues in North America were down from 233 MNOK in fourth quarter 2011 to 221 MNOK in fourth quarter 2012. Currency adjusted revenues were down 4%.

TOMRA Sorting Solutions

Revenues in the quarter increased by 110% compared to same quarter in 2011. Adjusted

for the acquisition of BEST and currencies, revenues were up 32%.

Gross margin decreased from 55% in fourth quarter 2011 to 48% in fourth quarter 2012, due to the inclusion of BEST.

BEST operates mainly via sales agents and consequently has somewhat lower gross margins than the rest of TOMRA Sorting Solutions.

Fourth quarter operating expenses increased from 89 MNOK in 2011 to 145 MNOK in 2012 mainly due to the inclusion of BEST, but also due to the ongoing geographic expansion. EBITA increased from 40 MNOK in fourth quarter 2011 to 90 MNOK in fourth quarter 2012.

The order backlog in the segment decreased from 551 MNOK at the end of third quarter 2012 to of 525 MNOK at the end of fourth quarter 2012.

<i>Amounts in NOK million</i>	<u>4q12</u>	<u>4q11</u>	<u>2012</u>	<u>2011</u>
Revenues	489	233	1424	926
- Nordic	1	6	22	8
- Central Europe & UK	122	113	419	389
- Rest of Europe	44	26	112	72
- North America	164	31	493	284
- Rest of World	158	57	378	173
Gross contribution	235	129	720	496
- in %	48%	55%	51%	54%
Operating expenses	145	89	477	325
EBITA	90	40	243	171
- in %	18%	17%	17%	18%

The integration of BEST continues according to plan. The new Food organisation comprising the two previous entities Odenberg and BEST, is now effective.

MARKET OUTLOOK

In TOMRA Collection Solutions, no new markets are expected to generate significant revenues in the coming quarters and activity is consequently assumed to be stable and in line with previous quarters.

In TOMRA Sorting Solutions, momentum is mixed, both geographically as well as between the different segments.

Food has in general a good activity level and strong order intake. However first quarter is normally the weakest quarter revenue wise, due to winter in the Northern Hemisphere when harvesting and food producing activities are low.

Recycling during fourth quarter 2012 experienced a somewhat better order intake in waste but slower within metal. There are also significant regional differences.

A high conversion rate of the order book in fourth quarter led to a reduced order backlog for recycling at the end of the year.

Due to the acquisition of BEST in third quarter 2012, TOMRA Sorting is expected to report significantly higher revenues in first quarter 2013 than in first quarter 2012.

However, due to the seasonality in Food and a somewhat lower order book in recycling, revenues in first quarter 2013 are expected to be lower than in third and fourth quarter 2012. Based upon current momentum and outlook, the remaining quarters in 2013 are expected to report stronger performance than first quarter 2013.

FINANCING

The total number of issued shares at the end of fourth quarter 2012 was 148,020,078 shares, including 249,157 treasury shares.

The total number of shareholders decreased from 6,532 at the end of third quarter 2012 to 6,403 at the end of fourth quarter 2012.

Norwegian residents held 24% of the shares at the end of fourth quarter 2012.

TOMRA's share price decreased from NOK 50.75 to NOK 50.25 during fourth quarter 2012. The number of shares traded on the Oslo Stock Exchange in the period was 13 million shares compared to 40 million in the same period in 2011.

TOMRA aims to distribute 40% to 60% of its earnings per share. When deciding the annual dividend, The Board will take into consideration expected cashflow, capital expenditure plans, acquisitions, financing requirements and the need for appropriate financial flexibility.

Based on this, the Board will propose a dividend of 1.25 NOK per share (42% of EPS), up from 1.05 NOK per share last year.

Asker, 14 February 2013

The Board of Directors
TOMRA SYSTEMS ASA

Svein Rennemo
Chairman of the Board

Stefan Ranstrand
President & CEO

Condensed consolidated interim financial statements – 4th Quarter 2012

STATEMENT OF COMPREHENSIVE INCOME <i>(Amounts in NOK million)</i>	Note	4 th Quarter		Full year	
		2012	2011	2012	2011
Operating revenues	5)	1188.0	934.9	4073.1	3689.8
Cost of goods sold		624.7	495.6	2141.8	1989.8
Depreciations/write-down		18.0	15.3	60.0	57.4
<i>Gross contribution</i>		545.3	424.0	1871.3	1642.6
Operating expenses		287.4	235.9	1040.3	889.9
Depreciations/write-down		26.9	20.8	91.6	83.2
<i>EBITA before other items</i>	5)	231.0	167.3	739.3	669.5
Amortization/write-down		27.8	17.4	77.4	44.3
<i>EBIT (Results from operating activities)</i>	5)	203.2	149.9	661.9	625.2
Net financial income		(9.1)	3.3	(31.5)	(21.7)
<i>Profit before income tax</i>		194.1	153.2	630.4	603.5
Taxes		24.0	23.6	152.7	163.6
<i>Profit from continuing operations</i>		170.1	129.6	477.7	439.9
Profit/(loss) from discontinued operations		-	(40.3)	-	(21.4)
<i>Net profit</i>		170.1	89.3	477.7	418.5
Non-controlling interest (minority interest)		(5.8)	(5.9)	(37.3)	(36.5)
<i>Earnings per share (NOK)</i>		1.11	0.56	2.98	2.58

STATEMENT OF OTHER COMPREHENSIVE INCOME <i>(Amounts in NOK million)</i>	4 th Quarter		Full year	
	2012	2011	2012	2011
Net profit for the period	170.1	89.3	477.7	418.5
Other comprehensive income				
Translation differences	(18.2)	29.6	(142.9)	21.0
<i>Total comprehensive income</i>	151.8	118.9	334.8	439.5
<i>Attributable to:</i>				
Non-controlling interest	147.7	7.6	302.9	38.1
Shareholders of the parent company	4.1	111.3	31.9	401.4
<i>Total comprehensive income</i>	151.8	118.9	334.8	439.5

STATEMENT OF FINANCIAL POSITION <i>(Amounts in NOK million)</i>	31 December	
	2012	2011
ASSETS		
Intangible non-current assets	2295.6	1390.9
Tangible non-current assets	563.1	527.1
Financial non-current assets	256.6	264.0
Inventory	788.5	627.0
Short-term receivables	1078.0	1012.1
Cash and cash equivalents	177.2	178.3
<i>TOTAL ASSETS</i>	5159.0	3999.4
EQUITY & LIABILITIES		
Equity	2283.3	2141.1
Non-controlling (Minority) interest	73.6	75.8
Deferred taxes	121.5	40.4
Long-term interest-bearing liabilities	1546.1	514.7
Short-term interest-bearing liabilities	5.6	225.8
Other liabilities	1128.9	1001.6
<i>TOTAL EQUITY & LIABILITIES</i>	5159.0	3999.4

Condensed consolidated interim financial statements – 4th Quarter 2012 (Continued)

STATEMENT OF CASH FLOWS <i>(Amounts in NOK million)</i>	Note	4 th Quarter		Full year	
		2012	2011	2012	2011
Profit before income tax		194.1	153.2	630.4	603.5
Changes in working capital		(40.6)	(48.2)	(161.1)	(131.3)
Other operating changes		81.4	27.5	80.5	94.2
<i>Total ordinary cash flow from operations</i>		234.9	132.5	549.8	566.4
EU penalty		-	-	(221.9)	-
<i>Total cash flow from operations</i>		234.9	132.5	327.9	566.4
Cashflow from purchase of subsidiaries		6.5	-	(886.7)	(407.0)
Cashflow from sales of subsidiaries		-	65.9	57.9	65.9
Other cashflow from investments		(71.0)	(83.4)	(208.9)	(216.1)
<i>Total cash flow from investments</i>		(64.5)	(17.5)	(1037.7)	(557.2)
Net cashflow from repurchase of shares	3)	(6.3)	-	(5.4)	(3.9)
Dividend paid out	2)	-	-	(155.3)	(88.8)
Other cashflow from financing		(81.3)	(55.9)	875.2	204.7
<i>Total cash flow from financing</i>		(87.6)	(55.9)	714.5	112.0
<i>Total cash flow for period</i>		82.8	59.1	4.7	121.2
Exchange rate effect on cash		(1.5)	0.5	(5.8)	0.5
Opening cash balance		95.9	118.7	178.3	56.6
Closing cash balance		177.2	178.3	177.2	178.3

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 2011</i>	1066.2	(180.8)	1255.7	2141.1	75.8	2216.9
Net profit			440.4	440.4	37.3	477.7
Changes in translation difference		(137.5)		(137.5)	(5.4)	(142.9)
Dividend non-controlling interest					(34.1)	(34.1)
Purchase of treasury shares	(0.3)		(11.8)	(12.1)		(12.1)
Treasury shares sold to employees	0.2		6.5	6.7		6.7
Dividend to shareholders			(155.3)	(155.3)		(155.3)
<i>Balance per 31 December 2012</i>	1066.1	(318.3)	1535.5	2283.3	73.6	2356.9

STATEMENT OF CHANGES IN EQUITY <i>(Amounts in NOK million)</i>	4 th Quarter		Full year	
	2012	2011	2012	2011
<i>Opening balance</i>	2141.8	2029.8	2141.1	1832.3
Net profit	164.3	83.4	440.4	382.0
Translation difference	(16.5)	27.9	(137.5)	19.4
Dividend paid	-	-	(155.3)	(88.7)
Net purchase of own shares	(6.3)	-	(5.4)	(3.9)
<i>Closing balance</i>	2283.3	2141.1	2283.3	2141.1

INTERIM RESULTS <i>(Amounts in NOK million)</i>	4 th Quarter 2012	3 rd Quarter 2012	2 nd Quarter 2012	1 st Quarter 2012	4 th Quarter 2011
Operating revenues (MNOK)	1188.0	1101.6	947.6	835.9	934.9
EBITA (MNOK)	231.0	195.0	180.1	133.2	167.3
EBIT before other items (MNOK)	203.2	171.8	166.8	120.1	149.9
Sales growth (year-on-year) (%)	27.1	8.1	-0.5	6.6	12.2
Gross margin (%)	45.9	44.5	47.1	46.6	45.4
EBITA margin (%)	19.4	17.7	19.0	15.9	17.9
EPS (NOK)	1.11	0.68	0.70	0.49	0.56
EPS (NOK) fully diluted	1.11	0.68	0.70	0.49	0.56

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1 Disclosure

This quarterly report has been prepared in accordance with IAS34, and in accordance with the principles used in the annual accounts for 2011. The quarterly reports 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 2011. The quarterly reports 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 2011.

A number of new standards, amendments to standards and interpretations are not effective for the company for the period ending 31 December 2012, and have not been applied in preparing these consolidated financial statements:

IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
IFRS 9 Financial Instruments and related amendments to IFRS 7 regarding transition
IAS 1 (Amended) Presentation of Items of Other Comprehensive Income
IAS 19 (Amended 2011) Employee Benefits
IAS 27 (Amended) Separate Financial Statements
IAS 28 (Amended) Investments in Associates and Joint Ventures
IFRS 7 (Amended) Disclosures – Offsetting Financial Assets and Financial Liabilities
IAS 32 (Amended) Offsetting Financial Assets and Financial Liabilities
IFRS 1 (Amended) Government Loans
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

We do not expect any material effects in our financial statement of the new standards. According to the amendment of IAS 19 actuarial gains and losses should be booked in other comprehensive income. At 31 December 2012 this amounted to 1.4 Mnok.

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.

Seasonality: The Material Recovery operations, and to some extent the US Reverse Vending 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 Sorting Solutions is influenced by seasonality, with somewhat higher activity during the harvest season 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 15.5 million per year.

Segment reporting: TOMRA has divided its primary reporting format into two business segments: Collection Solutions and Sorting Solutions. 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 Solutions consists of the former Collection Technology (development, production, sales and service of Reverse Vending Machines and related data management systems) + Material Recovery (pick-up, transportation and processing of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada) + Orwak (small and mid size compaction machines)
- Sorting Solutions consists of TiTech, CommoDaS, Ultrasort, Odenberg and BEST, which provide advanced optical sorting systems
- 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, where also assets and liabilities related to discontinued operations are reported (TOMRA Pacific). There are no material segment revenues from transactions with other segments. There are no material related party transactions in 2012.

NOTE 2 Dividend paid

Paid out May 2011: 0.60 NOK x 148.0 million shares = NOK 88.7 million
Paid out May 2012: 1.05 NOK x 147.9 million shares = NOK 155.3 million

NOTE 3 Net purchase of own shares

	# shares	Average price	TOTAL
12 months 2011			
Gross purchased	251,634	NOK 40.14	NOK 10.1 million
Sold to employees	-151,208	NOK 40.97	-NOK 6.2 million
Net purchased	100,426	NOK 38.89	NOK 3.9 million
12 months 2012			
Gross purchased	262,328	NOK 46.06	NOK 12.1 million
Sold to employees	-146,480	NOK 45.90	-NOK 6.7 million
Net purchased	115,848	NOK 46.26	NOK 5.4 million

NOTE 4 Acquisition of BEST

On 2 July 2012, TOMRA closed an agreement with the owners of the Belgian technology manufacturer BEST Kwadraat NV, acquiring 100 percent of the shares in the company. TOMRA paid on the same day 125.5 MEUR in cash. Final purchase price after pro/con settlements is assumed to end at 124.5 MEUR. There is no earn-out or other conditional payments related to the acquisition.

BEST 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 parts of the food sorting industry, where TOMRA had no existing presence.

BEST is consolidated in the TOMRA Group from 2 July 2012.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

Amounts in EUR million	Acquiree's	Fair value	Fair value
	carrying amount	adjustments	
	<u>before combination</u>		
Net assets acquired:			
Deferred tax assets	2,2		2,2
Patents and technology	0,5	26,6	27,1
Goodwill	45,1	57,2	102,3
Property, plant and equipment	9,4	1,3	10,7
Financial non-current assets	0,1		0,1
Inventories	21,9		21,9
Accounts Receivable	12,7		12,7
Cash equivalents	7,6		7,6
Prepayments / Other Assets	4,8		4,8
Interest bearing debt	(16,8)		(16,8)
Deferred tax liabilities	0,0	(8,2)	(8,2)
Accrued Expenses / Liabilities	<u>(36,7)</u>	<u>(3,2)</u>	<u>(39,9)</u>
Total consideration to be satisfied by cash	50,8	73,7	124,5
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Total goodwill related to the transaction			102,3
Net cash outflow arising on acquisition:			
Cash consideration paid			125,5
Cash and cash equivalents acquired			<u>(7,6)</u>
Net cash outflow in 2012			117,9
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Pro/con Settlement (expected cash inflow 2013)			<u>(1,0)</u>
Total net cash outflow			116,9

The goodwill arising on the transaction was attributable to predicted future cash flows, know-how and some synergies.

The acquired company contributed EUR 52.2 million in revenue and EUR 4.8 million to the Group's EBIT for the period between the date of acquisition and 31 December 2012.

If the acquisition had been completed on 1 January 2012, total group revenue for 2012 would have increased by additional EUR 40.5 million, and EBIT for the year would have increased by EUR 2.3 million.

Acquisition cost of NOK 7.0 million and integration cost of NOK 5 million was booked as operating expenses in 2012.

The analysis is preliminary, final will be concluded during 2Q 2013.

NOTE 5 OPERATING SEGMENTS

SEGMENT <i>(Amounts in NOK million)</i>	Collection Solutions		Sorting Solutions		Group Functions		Total	
	4 th Quarter		4 th Quarter		4 th Quarter		4 th Quarter	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues	699	702	489	233	-	-	1188	935
- Nordic	140	132	1	6	-	-	141	138
- Central Europe & UK	322	325	122	113	-	-	444	438
- Rest of Europe	3	4	44	26	-	-	47	30
- North America	221	233	164	31	-	-	385	264
- Rest of the World	13	8	158	57	-	-	171	65
Gross contribution	310	295	235	129	-	-	545	424
- in %	44%	42%	48%	55%	-	-	46%	45%
Operating expenses	164	164	145	89	5	4	314	257
EBITA	146	131	90	40	(5)	(4)	231	167
- in%	21%	19%	18%	17%	-	-	19%	18%
Amortizations	10	10	18	7	-	-	28	17
EBIT	136	121	72	33	(5)	(4)	203	150
- in%	19%	17%	15%	14%	-	-	17%	16%

SEGMENT <i>(Amounts in NOK million)</i>	Collection Solutions		Sorting Solutions		Group Functions		Total	
	Full Year		Full Year		Full Year		Full Year	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues	2649	2764	1424	926	-	-	4073	3690
- Nordic	539	536	22	8	-	-	561	544
- Central Europe & UK	1059	1186	419	389	-	-	1478	1575
- Rest of Europe	11	16	112	72	-	-	123	88
- North America	1011	981	493	284	-	-	1504	1265
- Rest of the World	29	45	378	173	-	-	407	218
Gross contribution	1151	1147	720	496	-	-	1871	1643
- in %	43%	41%	51%	54%	-	-	46%	45%
Operating expenses	635	633	477	325	20	16	1132	974
EBITA	516	514	243	171	(20)	(16)	739	669
- in%	19%	19%	17%	18%	-	-	18%	18%
Amortizations	30	20	47	24	-	-	77	44
EBIT	486	494	196	147	(20)	(16)	662	625
- in%	18%	18%	14%	16%	-	-	16%	17%
Assets	2110	2252	2744	1382	305	365	5159	3999
Liabilities	611	708	459	179	1732	896	2802	1783
Depreciations	153	144	76	41	0	0	229	185