

1st  
Quarter  
2013



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23.04.2013



## FIRST QUARTER 2013

### Highlights from first quarter 2013 include:

- Revenues of 966 MNOK (836 MNOK in first quarter 2012). Organic, currency adjusted revenues were:
  - Down 4% for TOMRA Group
    - Stable in TOMRA Collection
    - Down 14% in TOMRA Sorting
  
- Gross margin 44%, down from 47% in first quarter 2012
  - Stable in TOMRA Collection
  - Down in TOMRA Sorting due to the BEST acquisition
  
- EBITA of 113 MNOK (133 MNOK in first quarter 2012).
  
- Cashflow from operations of 11 MNOK (25 MNOK in first quarter 2012)
  
- All time high order backlog in TOMRA Sorting of 560 MNOK at the end of first quarter 2013, up from 525 MNOK end fourth quarter 2012

## TOMRA FIRST QUARTER 2013

### CONSOLIDATED FINANCIALS

#### First quarter

First quarter 2013 came in as predicted, with a stable revenue performance in TOMRA Collection Solutions and a somewhat slow performance in TOMRA Sorting Solution, due to seasonality.

Revenues in first quarter 2013 amounted to 966 MNOK compared to 836 MNOK in first quarter last year.

In TOMRA Sorting Solutions revenues increased by 64% driven by the acquisition of Best Kwadraat NV (BEST) in the beginning of third quarter 2012. Adjusted for currency change and acquisitions, revenues decreased 14% in this business area.

In TOMRA Collection Solutions revenues were stable measured in local currencies (down 2% measured in NOK).

Gross margin was 44% in the quarter, down from 47% in the corresponding period last year, driven by the acquisition of BEST, which operates with somewhat lower gross margins.

Operating expenses increased from 256 MNOK in first quarter 2012 to 314 MNOK in first quarter 2013 due to the ongoing geographic expansion in TOMRA Sorting, as well as the consolidation of BEST.

EBITA was 113 MNOK in first quarter 2013 versus 133 MNOK in the first quarter 2012.

Ordinary cashflow from operations in first quarter 2013 equaled 11 MNOK, compared to 25 MNOK in first quarter 2012.

Equity ratio increased from 46 % at the end of December 2012 to 47% at the end of March 2013, mainly a consequence of higher equity (earnings in first quarter 2013)

At the end of first quarter 2013 NIBD/EBITDA on rolling 12 month basis was equal to 1.6.

### BUSINESS AREA REPORTING

#### TOMRA Collection Solutions

Revenues in the business area equaled 598 MNOK in the first quarter, down from 611 MNOK in first quarter last year. Adjusting for currency changes, revenues were stable.

Gross margin was unchanged compared to last year. The margin was positively supported by the ongoing cost reduction program, but offset by product/market mix effects and negative currency development.

Operating expenses were 163 MNOK in first quarter 2013 compared to 159 MNOK same period in 2012.

EBITA was 92 MNOK, down from 105 MNOK in first quarter 2012.

Amounts in NOK million	1q13	1q12
Revenues	598	611
- Nordic	127	134
- Central Europe	240	224
- Rest of Europe	3	3
- North America	225	244
- Rest of the world	3	6
Gross contribution	255	264
- in %	43%	43%
Operating expenses	163	159
EBITA	92	105
- in %	15%	17%

#### Europe

Somewhat lower activity in the Nordic region was offset by higher activity in Central Europe. Revenues increased currency adjusted by 2% in Europe.

#### North America

Revenues in North America were down from 244 MNOK in first quarter 2012 to 225 MNOK in first quarter 2013. Currency adjusted revenues were down 5%. Throughput volumes in the lease portfolio were lower, partly explained by severe weather in New England and New York.

#### TOMRA Sorting Solutions

Revenues in the quarter increased by 64% compared to same quarter in 2012. Adjusted for the acquisition of BEST and currencies, revenues were down 14%.

Gross margin decreased from 56% in first quarter 2012 to 47% in first quarter 2013, due to the inclusion of BEST (consolidated from third quarter 2012). BEST operates mainly via sales agents and consequently has somewhat lower gross margins than the rest of TOMRA Sorting Solutions.

First quarter operating expenses increased from 92 MNOK in 2012 to 145 MNOK in 2013 mainly due to the inclusion of BEST, but also due to the ongoing geographic expansion.

EBITA decreased from 33 MNOK in first quarter 2012 to 27 MNOK in first quarter 2013.

The order backlog in the segment increased from 525 MNOK at the end of fourth quarter 2012 to of 560 MNOK at the end of first quarter 2013.

Amounts in NOK million	1q13	1q12
Revenues	368	225
- Nordic	4	2
- Central Europe & UK	106	76
- Rest of Europe	28	27
- North America	137	87
- Rest of the World	93	33
Gross contribution	172	125
- in %	47%	56%
Operating expenses	145	92
EBITA	27	33
- in %	7%	15%

Business stream "Food", has its weakest period revenue wise in the beginning of the year, when winter in the Northern Hemisphere means that harvesting and food producing activities are low. Momentum is currently mixed with significant variations between geographies and product lines.

Business stream "Recycling" continues to experience low activity within the metals segment, as waste reports activity in line with last year.

In February 2013, the ODENBERG Freezing and Chilling product group was divested, concluded as non-core to TOMRA's future growth plans. The Freezing and Chilling business was active in the design and manufacturing of systems for the freezing and chilling of boxed products, like poultry, ice cream and ready-made meals. The business had been operated mostly on its own, with little overlap of customers and technology with other parts of the Food business stream. The product group recorded revenues of 7 MEUR in 2012. The transaction will not have any significant P/L or cash flow impact.

## MARKET OUTLOOK

### *TOMRA Collection*

In TOMRA Collection, 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.

As usual the second half of the year is expected to be stronger than the first half, for both revenues and profit.

### *Tomra Sorting*

Due to the acquisition of BEST in third quarter 2012, TOMRA Sorting is expected to report significantly higher revenues in second quarter 2013 than in second quarter 2012. Momentum is however mixed, both geographically as well as between the different segments.

As order intake has been strong during first quarter in lower margin products, and weaker in higher margin products, a temporary reduction in gross margin is consequently expected in second quarter 2013.

Both revenues and profit are expected to be stronger in the second half of 2013 than in the first half.

## FINANCING

The total number of issued shares at the end of first quarter 2013 was 148,020,078 shares, including 67,789 treasury shares.

The total number of shareholders decreased from 6,403 at the end of fourth quarter 2012 to 6,273 at the end of first quarter 2013. Norwegian residents held 24% of the shares at the end of first quarter 2013. TOMRA's share price increased from NOK 50.25 to NOK 57.00 during first quarter 2013. The number of shares traded on the Oslo Stock Exchange in the period was 11 million compared to 14 million in the same period in 2012.

Asker, 22 April 2013

The Board of Directors  
TOMRA SYSTEMS ASA

Svein Rennemo  
Chairman of the Board

Stefan Ranstrand  
President & CEO

## Condensed consolidated interim financial statements – 1st Quarter 2013

STATEMENT OF COMPREHENSIVE INCOME <i>(Amounts in NOK million)</i>	Note	1st Quarter		Full year
		2013	2012	2012
Operating revenues	5)	965.9	835.9	4073.1
Cost of goods sold		525.3	433.0	2141.8
Depreciations/write-down		14.0	13.7	60.0
<i>Gross contribution</i>		426.6	389.2	1871.3
Operating expenses		291.7	237.2	1040.3
Depreciations/write-down		22.2	18.8	91.6
<i>EBITA before other items</i>	5)	112.7	133.2	739.3
Amortization/write-down		25.7	13.1	77.4
<i>EBIT (Results from operating activities)</i>	5)	87.0	120.1	661.9
Net financial income		(9.2)	(6.9)	(31.5)
<i>Profit before income tax</i>		77.8	113.2	630.4
Taxes		20.2	33.4	152.7
<i>Net profit</i>		57.6	79.8	477.7
Non-controlling interest (minority interest)		(5.6)	(7.3)	(37.3)
<i>Earnings per share (NOK)</i>		0.35	0.49	2.98

STATEMENT OF OTHER COMPREHENSIVE INCOME <i>(Amounts in NOK million)</i>	1st Quarter		Full year
	2013	2012	2012
Net profit for the period	57.6	79.8	477.7
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss			
Translation differences	69.0	(79.7)	(142.9)
Other comprehensive income that will not be reclassified to profit or loss			
Defined benefit plan actuarial gains (loss)			25.8
<i>Total comprehensive income</i>	126.6	0.1	360.6
<i>Attributable to:</i>			
Non-controlling interest	9.0	3.5	31.9
Shareholders of the parent company	117.6	(3.4)	328.7
<i>Total comprehensive income</i>	126.6	0.1	360.6

STATEMENT OF FINANCIAL POSITION <i>(Amounts in NOK million)</i>	31 March		31 Dec
	2013	2012	2012
<b>ASSETS</b>			
Intangible non-current assets	2333.9	1407.8	2295.6
Tangible non-current assets	566.2	474.9	563.1
Financial non-current assets	227.9	263.3	256.6
Inventory	884.6	644.6	788.5
Receivables	1145.6	946.1	1078.0
Cash and cash equivalents	153.3	216.4	177.2
<i>TOTAL ASSETS</i>	5311.5	3953.1	5159.0
<b>EQUITY &amp; LIABILITIES</b>			
Equity	2412.1	2113.8	2284.3
Non-controlling interest	81.3	77.7	73.6
Deferred taxes	114.3	27.0	121.9
Long-term interest-bearing liabilities	1542.7	512.9	1546.1
Short-term interest-bearing liabilities	18.2	226.8	5.6
Other liabilities	1142.9	994.9	1127.5
<i>TOTAL EQUITY &amp; LIABILITIES</i>	5311.5	3953.1	5159.0

## Condensed consolidated interim financial statements – 1st Quarter 2013

(Continued)

STATEMENT OF CASH FLOWS <i>(Amounts in NOK million)</i>	Note	1 <sup>st</sup> Quarter		Full year
		2013	2012	2012
Profit before income tax		77.8	113.2	630.4
Changes in working capital		(81.8)	(36.8)	(161.1)
Other operating changes		15.4	(51.4)	80.5
<i>Total ordinary cash flow from operations</i>		11.4	25.0	549.8
EU penalty		-	-	(221.9)
<i>Total cash flow from operations</i>		11.4	25.0	327.9
Cashflow from purchase of subsidiaries		3.7	-	(886.7)
Cashflow from sales of subsidiaries		-	57.9	57.9
Other cashflow from investments		(40.4)	(39.9)	(208.9)
<i>Total cash flow from investments</i>		(36.7)	18.0	(1037.7)
Net cashflow from repurchase/sales of treasury shares	3)	10.2	0.9	(5.4)
Dividend paid out	2)	-	-	(155.3)
Other cashflow from financing		(12.6)	(4.5)	875.2
<i>Total cash flow from financing</i>		(2.4)	(3.6)	714.5
<i>Total cash flow for period</i>		(27.7)	39.4	4.7
Exchange rate effect on cash		3.8	(1.3)	(5.8)
Opening cash balance		177.2	178.3	178.3
Closing cash balance		153.3	216.4	177.2

EQUITY <i>(Amounts in NOK million)</i>	Paid in capital	Transl. reserve	Actuarial Gain (loss)	Retained earnings	Total majority equity	Minority interest	Total equity
<i>Balance per 31 December 2012</i>	1066.1	(318.3)	1.0	1535.5	2284.3	73.6	2357.9
Net profit				52.0	52.0	5.6	57.6
Changes in translation difference		65.6			65.6	3.4	69.0
Dividend non-controlling interest						(1.3)	(1.3)
Purchase of treasury shares							
Treasury shares sold to employees	0.2			10.0	10.2		10.2
Dividend to shareholders							
<i>Balance per 31 March 2013</i>	1066.3	(252.7)	1.0	1597.5	2412.1	81.3	2493.4

STATEMENT OF CHANGES IN EQUITY <i>(Amounts in NOK million)</i>	1 <sup>st</sup> Quarter		Full year
	2013	2012	2012
<i>Opening balance</i>	2284.3	2116.3	2116.3
Net profit	52.0	72.5	440.4
Translation difference	65.6	(75.9)	(137.5)
Defined benefit plan actuarial gains (losses)			25.8
Dividend paid		-	(155.3)
Net purchase of own shares	10.2	0.9	(5.4)
<i>Closing balance</i>	2412.1	2113.8	2284.3

INTERIM RESULTS <i>(Amounts in NOK million)</i>	1 <sup>st</sup> Quarter 2013	4 <sup>th</sup> Quarter 2012	3 <sup>rd</sup> Quarter 2012	2 <sup>nd</sup> Quarter 2012	1 <sup>st</sup> Quarter 2012
Operating revenues (MNOK)	965.9	1188.0	1101.6	947.6	835.9
EBITA (MNOK)	112.7	231.0	195.0	180.1	133.2
EBIT (MNOK)	87.0	203.2	171.8	166.8	120.1
Sales growth (year-on-year) (%)	15.6	27.1	8.1	-0.5	6.6
Gross margin (%)	44.2	45.9	44.5	47.1	46.6
EBITA margin (%)	11.7	19.4	17.7	19.0	15.9
EPS (NOK)	0.35	1.11	0.68	0.70	0.49
EPS (NOK) fully diluted	0.35	1.11	0.68	0.70	0.49

## 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 2012. 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 2012. 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 2012.

A number of new standards, amendments to standards and interpretations are not effective for the company for the period ending 31 March 2013, 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 9 Financial Instruments and related amendments to IFRS 7 regarding transition  
IAS 27 (Amended) Separate Financial Statements  
IAS 28 (Amended) Investments in Associates and Joint Ventures  
IAS 32 (Amended) Offsetting Financial Assets and Financial Liabilities

We do not expect any material effects in our financial statement of the new standards.

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 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) + Compaction (small and mid-size compaction machines)
- Sorting Solutions consists of the business lines food, recycling and mining, all providing 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. There are no material segment revenues from transactions with other segments. There are no material related party transactions in 2013.

### NOTE 2 Dividend paid

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
1 Quarter 2012			
Gross purchased	129,351	NOK 45.27	NOK 5.9 million
Sold to employees	-146,480	NOK 45.90	-NOK 6.7 million
<b>Net purchased</b>	<b>-17,129</b>	<b>NOK 50.66</b>	<b>- NOK 0.9 million</b>
1 Quarter 2013			
Gross purchased			
Sold to employees	-181,368	NOK 56.25	-NOK 10.2 million
<b>Net purchased</b>	<b>-181,368</b>	<b>NOK 56.25</b>	<b>- NOK 10.2 million</b>

#### NOTE 4 Change in accounting principles IAS 19R Defined benefit plans

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognized in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognized in profit or loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

IAS 19R has been applied retrospectively from 1 January 2012.

Impact of transition to IAS 19R:

Impact on interim condensed consolidated statement of financial position:

	<b>As at 1 January 2012</b>	<b>As at 31 December 2012</b>
Increase/(decrease) in the defined benefit plan obligation	34.4	(1.4)
(Decrease)/increase in deferred tax liabilities	(9.6)	0.4
Net impact on equity	(24.8)	1.0
Equity holders of the parent	(24.8)	1.0
Non-controlling interest	0.0	0.0

## NOTE 5 OPERATING SEGMENTS

SEGMENT <i>(Amounts in NOK million)</i>	Collection Solutions		Sorting Solutions		Group Functions		Total	
	1st Quarter		1st Quarter		1st Quarter		1st Quarter	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues	598	611	368	225	-	-	966	836
- Nordic	127	134	4	2	-	-	131	136
- Central Europe & UK	240	224	106	76	-	-	346	300
- Rest of Europe	3	3	28	27	-	-	31	30
- North America	225	244	137	87	-	-	362	331
- Rest of the World	3	6	93	33	-	-	96	39
Gross contribution	255	264	172	125	-	-	427	389
- in %	43%	43%	47%	56%	-	-	44%	47%
Operating expenses	163	159	145	92	6	5	314	256
EBITA	92	105	27	33	(6)	(5)	113	133
- in%	15%	17%	7%	15%	-	-	12%	16%
Amortizations	8	7	18	6	-	-	26	13
EBIT	84	98	9	27	(6)	(5)	87	120
- in%	14%	16%	2%	12%	-	-	9%	14%
Assets	2201	2206	2828	1427	283	320	5312	3953
Liabilities	616	661	470	223	1732	878	2818	1762