TOMRA

Helping the world recycle

FIRST QUARTER 2010

Highlights from first quarter 2010:

- Steady performance in Collection Technology, currency adjusted
- Continued improved performance and strong order inflow in Industrial Processing Technology
- Significantly improved performance within Material Handling West Coast operations
- Strong cashflow
- Revenues of 731 MNOK (754 MNOK in first quarter 2009). Up 6% after adjustment for currency change
- Gross margin increased to 40% (36% in first quarter 2009)
- Operating expenses of 209 MNOK (222 MNOK in first quarter 2009). Unchanged after adjustment for currency.
- Operating profit of 85 MNOK (51 MNOK in first quarter 2009). Up 127% adjusted for currency.
- Cashflow from operations of 109 MNOK (4 MNOK in first quarter 2009)

TOMRA FIRST QUARTER 2010

CONSOLIDATED FINANCIALS

With a strengthening of NOK of 9% versus EUR and 15% versus USD in first quarter 2010 compared to first quarter 2009, currency movements are influencing performance materially. Revenues in the first quarter 2010 amounted to 731 MNOK compared to 754 MNOK in first quarter 2009. After adjusting for currency changes, revenue growth was 6 percent. The increase was mainly driven by higher activity in the IPT segment.

Gross margin was 40 percent in the quarter, up from 36 percent in first quarter 2009, a consequence of improved performance within the Material Handing segment

Operating expenses were down from 222 MNOK in first quarter 2009 to 209 MNOK in first quarter 2010, unchanged adjusting for currency movements.

Operating profit for the quarter was 85 MNOK versus 51 MNOK in the first quarter 2009, or up 127% adjusted for currency changes.

Net financial income was minus 3 MNOK for the quarter, down from plus 65 MNOK last year, which was positively influenced by a 70 MNOK currency gain.

Cashflow from operations in first quarter 2010 equaled 109 MNOK, compared to 4 MNOK in first quarter 2009. The strong cashflow is partly explained by more customer prepayments.

The equity ratio remained strong at 61 percent, up from 58 percent at the end of 2009. During first quarter 2010 TOMRA purchased 239,000 treasury shares, of which 87,096 were sold back to employees as part of TOMRAs share purchase program. Net interestbearing debt was 240 MNOK at the end of first quarter 2010, down from 321 MNOK at the end of 2009, a result of the strong cashflow in the quarter.

SEGMENT REPORTING

Collection Technology

Revenues in the segment were 395 MNOK in the first quarter, down from 431 MNOK in first quarter 2009. After adjustment for currency change, revenues were flat. Gross margin remained unchanged at 48%.

Operating expenses amounted to 123 MNOK, similar to first quarter 2009, but up 5% adjusted for currency change, due to increased development and market activities.

Figures in NOK million	1q10	1q09
Revenues	395	431
- Nordic	*114*	*129*
- Central Europe & UK	*204*	*218*
- Rest of Europe	*1*	*1*
- US East & Canada	*75*	82
- Rest of the world	*1*	*1*
Gross contribution	189	205
- in %	*48%*	*48%*
Operating expenses	123	123
Operating profit	66	82
- in %	*17%*	*19%*

Europe

The first quarter saw a similar performance in Europe, compared to first quarter 2009. Revenues were somewhat down in the Nordic region, but this was offset by slightly higher activity in Germany, where service revenues increased as a consequence of more machines coming out of warranty cover and into regular service modus. In the UK the contract for delivering TRCs to Tesco was completed.

US East & Canada

Revenues in first quarter 2010 were 75 MNOK, down from 82 MNOK last year. Measured in local currency, revenues were up 7 percent as through-put volumes developed positively.
In fourth quarter 2009, Connecticut and New York expanded their bottle-bills by including water bottles. Within these states, most installed reverse vending machines are on through-put leases, where Tomra's income is based on the number of containers going through the machines. As a result the expansion will gradually lead to higher volumes through the existing infrastructure, thereby increasing utilization and revenues during 2010.

Technology

The establishment of TOMRA's operations in China is progressing according to plan and will be operational during the second half of 2010. The entity will give the entire Group access to lower cost sourcing and assembly opportunities, as well as the opportunity to tap into the emerging Chinese market.

Material Handling

Revenues in the business area were 205 MNOK in first quarter 2010, down from 216 MNOK last year. In USD, revenues were up 5%. Gross margin was 19%, up from 6% in first quarter 2009. An operating loss of 18 MNOK in first quarter 2009 was turned into a 14 MNOK operating profit first quarter 2010.

Figures in NOK million	1q10	1q09
Revenues	205	216
- US East & Canada	*110*	*117*
- US West	*95*	*99*
Gross contribution	39	14
- in %	*19%*	*6%*
Operating expenses	25	32
Operating profit	14	(18)
- in %	*7%*	-

US East & Canada

Revenues were 18.8 MUSD in first quarter 2010, compared with 17.0 MUSD in first quarter 2009. The increase was due to higher volumes as a consequence of the deposit expansion in Connecticut and New York. Higher volumes have also had a positive impact on margins, due to the significant fixed cost base within the segment.

US West

Revenues were 16.2 MUSD in first quarter 2010, up from 14.4 MUSD in first quarter 2009. Performance has been significantly improved, due to a combination of higher aluminum prices, reinstated handlingfees and reduced costs/improved efficiencies.

In California TOMRA takes title to the aluminum collected through its recycling infrastructure. As LME has increased from USD1360/ton in first quarter 2009 to USD2175/ton in first quarter 2010, profit has improved by almost 2 MUSD.

TOMRA and other recyclers receive handling fees from the state's bottle fund for operating the Convenience Zone infrastructure.
Due to deficits within the bottle fund, mainly created by the state using the fund for other purposes combined with higher recyclingrates, Californian lawmakers reduced handlingfees by 85% effective 1 July 2009, and by 100 % from 1 November 2009. The reduction had a negative impact of almost 1 MUSD per month for Tomra.
From 1 January 2010, the state reinstated handlingfees at 0.98 cents per container, which is in line with the fee structure prior to 1 July 2009. The fees will stay at this level out June 2010.

As previously communicated, TOMRA streamlined the Californian operations during 2009. Cost has consequently been significantly reduced and operational efficiencies improved in first quarter 2010 compared to previous quarters.

Industrial Processing Technology

Revenues in the quarter increased to 131 MNOK from 107 MNOK last year, mainly due to higher activity within TiTech. This represents a 30% increase compared to same quarter in 2009, currency adjusted.

Order intake improved during the quarter and the order book was 162 MNOK at the end of first quarter 2010, up from 130 MNOK at the end of 2009.

As a result of higher revenues, a loss of 9 MNOK in first quarter 2009 was turned into 9 MNOK profit in first quarter 2010.

Figures in NOK million	1q10	1q09
Revenues	131	107
- Nordic	*20*	*15*
- Central Europe & UK	*48*	*40*
- Rest of Europe	*27*	*21*
- US East & Canada	*13*	*9*
- US West	*11*	*8*
- Rest of World	*12*	*14*
Gross contribution	66	54
- in %	*50%*	*50%*
Operating expenses	57	63
Operating profit	9	(9)
- in %	*7%*	-

Recognition & sorting platform

Increasing commodity prices during the second half of 2009 and first quarter 2010 have had a positive impact on both the recycling industry and the mining industry, with customers more willing to place orders.
The increased order intake indicates that a rebound is taking place, and TiTech has experienced increased activity both within traditional plastic and paper recycling, as well as within metal recycling and the mining segment.
With a more promising outlook and more momentum within the business unit, Titech will increase the number of employees slightly over the coming quarters, improving market presence in new geographic markets as well as strengthening central Research and Development functions.

Volume reduction platform

Orwak and Presona experienced substantial falls in revenues during the first three quarters

of 2009, with Presona being hit harder than Orwak. During first quarter 2010 activity has again gained momentum in Orwak, but no progress has so far been seen for Presona, which reported lower turnover in first quarter 2010 than in first quarter of 2009.
In first quarter 2010 Orwak received an order for 262 Orwak balers for installation throughout the Spanish supermarket chain Eroski. The order is part of a larger agreement in which FCC, a third party service provider, became responsible for the waste management of cardboard boxes generated by the Eroski chain. ORWAK views the contract as a good opportunity to improve market presence in the Spanish market.

SUBSEQUENT EVENTS

TOMRA has today signed an agreement to sell 100% of its shares in Presona AB to a group of Norwegian based investors. The lack of synergies, combined with challenging market conditions and the resulting uncertain outlook for the coming years has led to the decision to divest the entity. TOMRA will report a loss of approximately 20 MSEK in second quarter 2010 related to this transaction.

OUTLOOK

In Collection Technology Tomra expects that a somewhat slower development in Europe will be partly offset by the positive effect of the deposit expansions in the US.

In Industrial Processing Technology order intake has increased, partly fuelled by higher commodity prices. Activity levels and performance are therefore expected to improve throughout 2010, although second quarter may be somewhat slow since part of the orderbook as of end March 2010 will be installed in third quarter 2010.
The divesture of Presona will have a positive effect on margins within the segment.

Material Handling on the East Coast will also benefit from the deposit expansion, while the West Coast operations could gain from higher aluminum prices, reinstated handling fees and efficiency gains. A long term fix for the financing of the bottle fund is however currently not in place, and TOMRA’s handlingfee revenues are therefore at risk after second quarter 2010.

Increased activity in IPT markets as well as the establishment of operations in China will increase operating expenses somewhat in the coming quarters.

A stronger NOK relative to both EUR and USD could negatively impact performance in all segments going into second and third quarter 2010.

SHARES AND SHAREHOLDERS

The total number of issued shares at the end of first quarter 2010 was 150,020,078 shares, including 2,032,883 treasury shares. The Board will ask for a cancellation of 2,000,000 treasury shares at the Annual General Meeting tomorrow.

The total number of shareholders decreased from 8,464 at the end of fourth quarter 2009 to 8,229 at the end of first quarter 2010. 46 percent of the shares were held by Norwegian residents at the end of first quarter 2010.

TOMRA's share price increased from NOK 27.70 to NOK 29.10 during first quarter 2010. The number of shares traded at the Oslo Stock Exchange in the period was 28 million shares compared to 22 million in the same period in 2009.

Asker, 20 April 2010

The Board of Directors
TOMRA SYSTEMS ASA

Svein Rennemo Chairman of the Board	Stefan Ranstrand President & CEO

FINANCIAL STATEMENT – FIRST QUARTER 2010

INCOME STATEMENT (Amounts in NOK million)	Note		1st Quarter 2010	1st Quarter 2009	Full Year 2009
Operating revenues	4)		731.3	754.4	3321.3
Cost of goods sold			419.8	460.0	2001.3
Depreciations/write-down			18.0	21.9	107.1
Gross contribution			*293.5*	*272.5*	*1212.9*
Operating expenses			186.7	199.3	830.2
Depreciations/write-down			22.3	22.7	91.2
Operating profit	4)		*84.5*	*50.5*	*291.5*
Net financial income			(3.0)	65.1	99.0
Profit before taxes			*81.5*	*115.6*	*390.5*
Taxes			25.7	38.7	122.2
Net profit for the period			*55.8*	*76.9*	*268.3*
Minority interest			(6.7)	(3.5)	(19.5)
Earnings per share (NOK)			*0.33*	*0.49*	*1.67*

BALANCE SHEET (Amounts in NOK million)	31 March 2010	31 March 2009	31 Dec 2009
ASSETS			
Intangible assets	904.6	919.1	874.8
Leasing equipment	123.8	114.2	111.8
Other fixed assets	605.9	665.5	627.4
Inventory	568.8	596.1	505.6
Short-term receivables	891.2	1046.0	923.8
Cash and cash equivalents	28.8	28.2	68.1
TOTAL ASSETS	*3123.1*	*3369.1*	*3111.5*
LIABILITIES & EQUITY			
Equity	1919.5	1959.6	1844.8
Minority interests	65.3	66.6	57.9
Deferred taxes	28.9	37.3	28.6
Long-term interest-bearing liabilities	255.9	482.1	350.0
Short-term interest-bearing liabilities	12.8	53.8	38.9
Other liabilities	840.7	769.7	791.3
TOTAL LIABILITIES & EQUITY	*3123.1*	*3369.1*	*3111.5*

CASH FLOW STATEMENT (Amounts in NOK million)	Note		1st Quarter 2010	1st Quarter 2009	Full Year 2009
Profit before taxes			81.5	115.6	390.5
Changes in working capital			48.1	(100.4)	47.0
Other operating changes			(21.0)	(11.0)	19.3
Total cash flow from operations			108.6	4.2	456.8
Total cash flow from investments			(40.2)	(37.5)	(162.6)
Cashflow from repurchase of shares	3)		(4.3)	(17.2)	(47.0)
Dividend paid	2)		-	-	(74.7)
Other cashflow from financing			(100.7)	(34.3)	(215.9)
Total cash flow from financing			(105.0)	(51.5)	(337.6)
Total cash flow for period			*(36.6)*	*(84.7)*	*(43.4)*
Exchange rate effect on cash			(2.7)	(1.5)	(2.6)
Opening cash balance			68.1	114.4	114.1
Closing cash balance			28.8	28.2	68.1

FINANCIAL STATEMENT – FIRST QUARTER 2010
(Continued)

EQUITY *(Amounts in NOK million)*	**1st Quarter**		**Full Year**
	2010	**2009**	**2009**
Opening balance	*1844.8*	*2019.2*	*2019.2*
Net profit after minorities	49.1	73.4	248.8
Translation difference	29.9	(115.8)	(301.5)
Dividend paid	-	-	(74.7)
Net purchase of own shares	(4.3)	(17.2)	(47.0)
Closing balance	*1919.5*	*1959.6*	*1844.8*

EQUITY *(Amounts in NOK million)*	**Paid in capital**	**Transl. reserve**	**Retained earnings**	**Total majority equity**	**Minority interest**	**Total equity**
Balance per 31 December 2009	*1066.4*	*(199.7)*	*978.1*	*1844.8*	*57.9*	*1902.7*
Net profit			49.1	49.1	6.7	55.8
Changes in translation difference		29.9		29.9	2.1	32.0
Dividend minorities					(1.4)	(1.4)
Purchase of treasury shares	(0.2)		(6.5)	(6.7)		(6.7)
Treasury shares sold to employees	0.1		2.3	2.4		2.4
Dividend to shareholders						
Balance per 31 March 2010	*1066.3*	*(169.8)*	*1023.0*	*1919.5*	*65.3*	*1984.8*

STATEMENT OF OTHER COMPREHENSIVE INCOME *(Amounts in NOK million)*	**1st Quarter**		**Full Year**
	2010	**2009**	**2009**
Net profit	55.8	76.9	268.3
Other comprehensive income			
Translation differences	32.0	(118.7)	(313.0)
Total comprehensive income	*87.8*	*(41.8)*	*(44.7)*
Attributable to:			
Minority interest	8.8	0.6	8.1
Shareholders of the parent company	79.0	(42.4)	(52.8)
Total comprehensive income	*87.8*	*(41.8)*	*(44.7)*

INTERIM RESULTS *(Amounts in NOK million)*	**1st Quarter 2010**	**4th Quarter 2009**	**3rd Quarter 2009**	**2nd Quarter 2009**	**1st Quarter 2009**
Operating revenues (MNOK)	731.3	893.2	855.6	818.1	754.4
EBITDA (MNOK)	124.8	98.1	173.7	122.9	95.1
Operating profit (MNOK)	84.5	28.9	131.6	80.5	50.5
Sales growth (year-on-year) (%)	(3.1)	(17.0)	(2.9)	(6.4)	(4.6)
Gross margin (%)	40.1	33.0	38.5	38.6	36.1
Operating margin (%)	11.6	3.2	15.4	9.8	6.7
EPS (NOK)	0.33	0.31	0.58	0.29	0.49
EPS (NOK) fully diluted	0.33	0.31	0.58	0.29	0.49

NOTE 1 Disclosure
The 2010 and 2009 financial figures 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 2009. The quarterly figures 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 2009. The quarterly figures 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 2009.

A number of new standards, amendments to standards and interpretations are not effective for the company for the period ending 31 March 2010, and have not been applied in preparing these consolidated financial statements:

IAS 32 (R 2010) Classification of Rights Issues
IFRS 9 Financial Instruments
IFRIC 14 (amended 2010) Prepayments of a Minimum Funding Requirement
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
IAS 24 (R 2010) Related Party Disclosure
IFRS 1 (R 2010) Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters

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 31 March 2010.

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).

Financial exposures: TOMRA is exposed to currency risk, as only ~5% 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 percentagepoint, would increase financial expenses with NOK 2.5 million per year.

Commodity exposures: TOMRA are 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 energyprices in general benefits recycling, TOMRA is hit, particularly with higher operating costs in the Material Handling Segment, when oilprices 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.

EU Commission: In September 2004, TOMRA received the EU Commission's Statement of Objections (SO) relating to the EU Commission investigation in 2001. The Commission was of the opinion that TOMRA had exploited its dominant market position in several European markets by entering into certain supply agreements with customers. The alleged abuse is partly due to having entered into exclusive purchase agreements with customers and partly due to use of loyalty rebate schemes. In November 2004, TOMRA filed its written response to the Statement of Objections where TOMRA rejected the Commission's arguments. The EU Commission concluded in March 2006 that TOMRA in their opinion had foreclosed competition in the period 1998 to 2002 on the market for reverse vending machines in Austria, Germany, the Netherlands, Norway and Sweden by implementing an exclusionary strategy. Consequently, the Commission decided to fine TOMRA EUR 24 million. TOMRA has appealed the decision into the European Court of Justice. The hearing took place in January 2010, and it's expected that the Court will communicate its decision during 2010. Supported by legal opinions, TOMRA believe it is more likely than not that we will win the appeal. Consequently, no accrual has been made in the balances as of 31 March 2010 related to the penalty.

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 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 and Ultrasort, 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 2010.

NOTE 2 Dividend paid
Paid out May 2009: 0.50 NOK x 149.3 million shares = NOK 74.7 million

NOTE 3 Net purchase of own shares

	# shares	Average price	TOTAL
1q 2009			
Gross purchased*	793,300	NOK 23.70	NOK 18.8 million
Sold to employees	-69,557	NOK 23.20	NOK 1.6 million
Net purchased	**723,743**	**NOK 23.77**	**NOK 17.2 million**
1q 2010			
Gross purchased	239,000	NOK 29.65	NOK 6.7 million
Sold to employees	-87,096	NOK 28.00	-NOK 2.4 million
Net purchased	**151.904**	**NOK 28.20**	**NOK4.3 million**

NOTE 4 SEGMENT FINANCIALS

SEGMENT	**Collection Technology**		**Material Handling**		**Industrial Processing Technology**		**Group Functions**		**Total**	
(Amounts in NOK million)	**1st Quarter**		**1st Quarter**		**1st Quarter**		**1st Quarter**		**1st Quarter**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Revenues	395	431	205	216	131	107	-	-	731	754
- Nordic	*114*	*129*	-	-	*20*	*15*	-	-	*134*	*144*
- Central Europe & UK	*204*	*218*	-	-	*48*	*40*	-	-	*252*	*258*
- Rest of Europe	*1*	*1*	-	-	*27*	*21*	-	-	*28*	*22*
- US East & Canada	*75*	*82*	*110*	*117*	*13*	*9*	-	-	*198*	*208*
- US West	-	-	*95*	*99*	*11*	*8*	-	-	*106*	*107*
- Rest of World	*1*	*1*	-	-	*12*	*14*	-	-	*13*	*15*
Gross contribution	189	205	39	14	66	54	-	-	294	273
- in %	*48%*	*48%*	*19%*	*6%*	*50%*	*50%*	-	-	*40%*	*36%*
Operating expenses	123	123	25	32	57	63	4	4	209	222
Operating profit	66	82	14	(18)	9	(9)	(4)	(4)	85	51
- in%	*17%*	*19%*	*7%*	-	*7%*	-	-	-	*12%*	*7%*
Assets	1373	1497	707	836	905	905	138	131	3,123	3,369
Liabilities	542	487	94	64	126	97	376	695	1,138	1,343