

# Third Quarter 2009

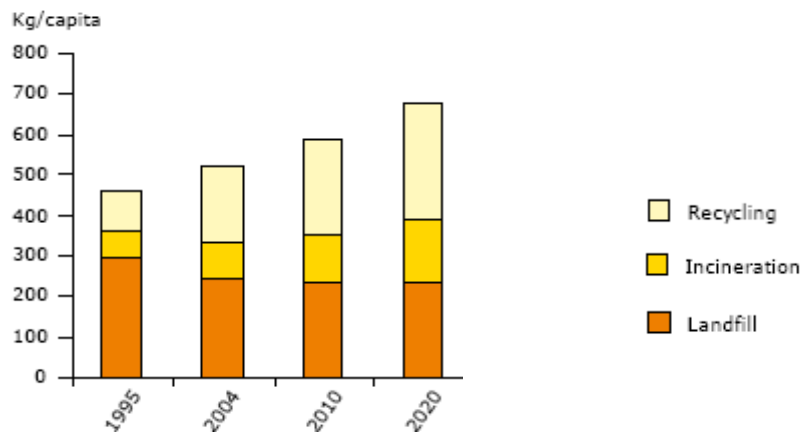
15 October 2009



**TOMRA**  
Helping the world recycle

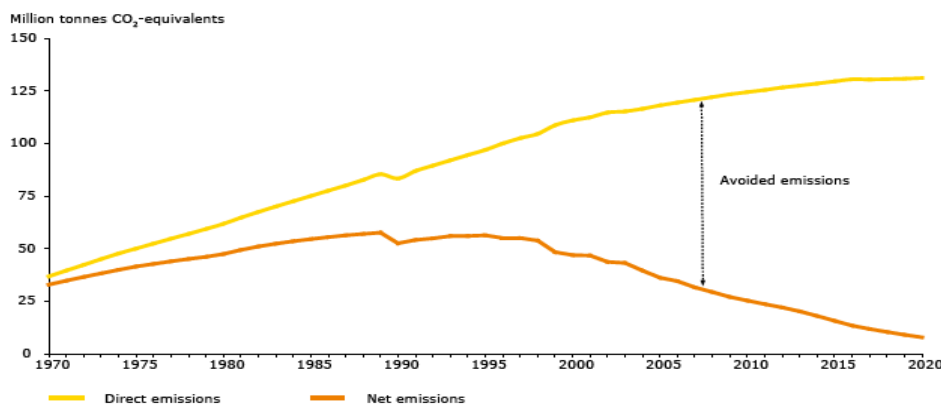
# Better Management of municipal waste will reduce green house gas emissions

## Generation and management of municipal waste in Europe (per capita)



- Growth rate by 25% until 2020
- Recycling key growth sector

## Trends and projections of greenhouse gas emissions from management of municipal waste in the European Union



Source: ETC/RWM.

- Management of municipal waste can reduce the CO<sub>2</sub> emissions from 55 down to 10 million tons
- Recycling contributes 75% of the reduction in emissions

## Market development, Collection Technology

### W. Europe →

Process of evaluating harmonization of Nordic deposit systems ongoing.

Non-deposit opportunities continue to materialize in France, Holland, Portugal, Spain, Italy and UK.

### N. America →

Final hearing for inclusion of water bottles in deposit legislation in New York scheduled for Oct. 22<sup>nd</sup>.

Water bottles included in deposit legislation in Connecticut as of Oct. 1<sup>st</sup>.

Expansion of deposit legislation proposed in Massachusetts.

### E. Europe →

Early government-led discussions on introduction of container deposit legislation in a range of markets including Serbia, Czech Republic, Latvia and Romania.

### Asia / Australia →

Non-deposit opportunities increasingly starting to materialize in Asia also outside Japan.

Deposit discussions continuing in Australia (at state and national level)

## Market development, Industrial Processing

### W. Europe →

Political efforts to meet EU Packaging Waste Directive recycling targets have a positive effect on market situation in UK and Spain.

### N. America →

Increasing number of states introducing legislation for recycling of electronics waste creates new opportunities.

Single stream recycling continues to represent the leading segment in terms of volume.

### General outlook

Material pricing slowly recovering

Financing now more readily available for customers from financial institutions.

Evidence of a slow recovery after financial crisis.

### E. Europe →

EU Waste Packaging Directive and Landfill Directive requirements coming closer for member states, resulting in increased interest for cost-effective solutions.

### Asia →

Increasing acceptance of the benefits of automated processing, particularly in Korea.

## Non-financial highlights from the quarter include:

- Strong performance in Collection Technology Deposit
- Improved performance and outlook in Industrial Processing Technology
- California negatively influenced by reduced handling fees – the legislation and framework for defining the handling fee was not ratified
- A project was started to establish a sourcing and sales unit in China

## Financial Highlights – Profit and loss statement

<i>Amounts in NOK million</i>	<b>3Q 2009</b>	<b>3Q 2008</b>	<b>YTD 2009</b>	<b>YTD 2008</b>
<b>Revenues</b>	856	881	2428	2546
• Collection Technology, Deposit Solutions	481	420	1351	1201
• Material Handling	236	274	679	700
• Industrial Processing Technology	126	181	351	580
• Collection Technology, Non-Deposit Solutions	13	6	47	65
<b>Gross contribution</b>	330	338	918	995
<b>Gross margin</b>	39%	38%	38%	39%
<b>Operating expenses</b>	198	223	655	675
<b>Operating profit</b>	132	115	263	320
<b>Operating margin</b>	15%	13%	11%	13%

# Financial Highlights – Balance sheet, cash flow and capital structure

<i>Amounts in NOK million</i>	<b>30 Sept. 2009</b>	<b>30 Sept. 2008</b>
<b>ASSETS</b>	3281	3248
• Intangible assets	923	857
• Leasing equipment	98	88
• Other fixed assets	666	617
• Inventory	556	595
• Short-term receivables	1034	1079
• Cash and cash equivalents	4	12
<b>LIABILITIES AND EQUITY</b>	3281	3248
• Equity	1818	1660
• Interest bearing liabilities	509	646
• Non-interest bearing liabilities	954	942

- **Cash flow from operations**
  - 194 MNOK in 3Q 2009 versus 106 MNOK in 3Q 2008
  - Seasonality in material handling operations
- **Cash flow from finance**
  - Net interest bearing debt decreased by 113 MNOK during 3Q 2009
- **Strong financial position**
  - >50% equity
  - Currently holding 1,563,979 treasury shares
- **Currency gain of 17 MNOK**
  - Related to strengthening of NOK vs USD/EUR

## Collection Technology - Deposit Solutions



# Collection Technology – Deposit Solutions

## Financials

<i>Amounts in NOK million</i>	<b>3Q 2009</b>	<b>3Q 2008</b>	<b>YTD 2009</b>	<b>YTD 2008</b>
<b>Revenues</b>	481	420	1351	1201
• Nordic	124	134	386	443
• Central Europe & UK	268	210	699	554
• US East/Canada	89	75	266	203
• Rest of World	-	1	-	1
<b>Gross contribution</b>	230	187	647	551
<b>in %</b>	48%	45%	48%	46%
<b>Operating expenses</b>	101	111	328	334
<b>Operating profit</b>	129	76	319	217
<b>in %</b>	27%	18%	24%	18%

# Highlights Collection Technology - Deposit



## Overall

- Exceptionally strong performance in third quarter
- High machine volumes across all markets
- Improved gross margin from 45% to 48% due to currency effects and operational efficiencies
- 2008 restructuring efforts continue to pay off

## Europe

- Revenue increase in Germany of 27% (in Euro) in 3<sup>rd</sup> quarter
- German one-way race expected slow down during 2010
- As a result, margins and volumes might be negatively impacted going forward

## US

- Revenue increase of 5% in local currency (USD)
- New York and Connecticut introducing deposit on water bottles

## Material Handling



## Material Handling - Financials

<i>Amounts in USD million</i>	<b>3Q 2009</b>	<b>3Q 2008</b>	<b>YTD 2009</b>	<b>YTD 2008</b>
<b>Revenues</b>	38.6	51.0	104.6	133.2
• US East/Canada	21.6	20.7	57.1	57.1
• US West (California)	17.0	30.3	47.4	76.1
<b>Gross contribution in %</b>	5.1 13%	10.8 21%	12.2 12%	25.9 19%
<b>Operating expenses</b>	4.6	5.0	14.0	14.8
<b>Operating profit in %</b>	0.5 1%	5.8 11%	(1.8) -	11.1 8%

### Currency impact

Third quarter 2009 compared to third quarter 2008: +14%

# Highlights Material Handling

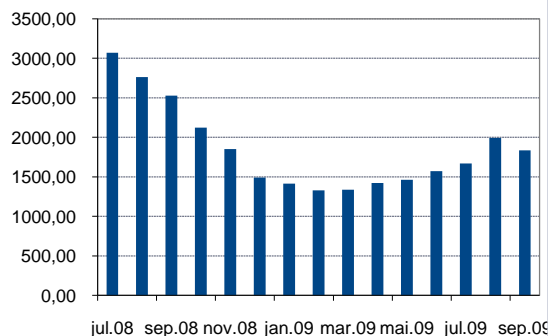
## East Coast/Canada

- Revenue slightly up measured in USD, due to marginally higher volumes
- Improved efficiency gives increased gross margin, mainly from fuel

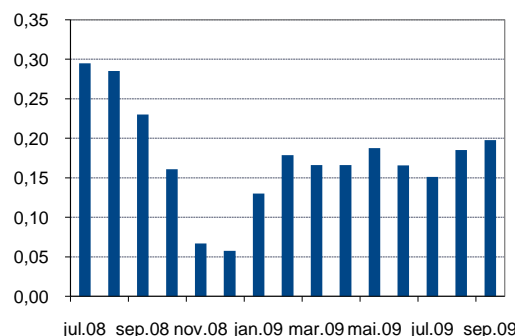
## California

- Revenues down 44% as a consequence of
  - Lower aluminum prices
  - Reduced handling fees
- Fees to recyclers reduced, starting July 2009
- Amendments to deposit law vetoed by the Governor
- Efficiency programs initiated
- Strategic options are being evaluated

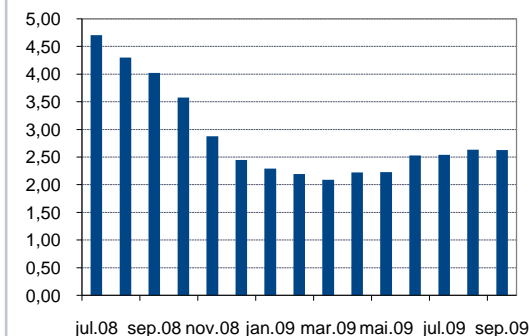
Primary Aluminium \$ per tonne



PET \$ per lb



Diesel \$ per gallon



## Industrial Processing Technology



# Industrial Processing Technology - Financials

<i>Amounts in NOK million</i>	<b>3Q 2009</b>	<b>3Q 2008</b>	<b>YTD 2009</b>	<b>YTD 2008</b>
<b>Revenues</b>	126	181	351	580
• Nordic	12	32	40	81
• Central Europe & UK	75	87	170	261
• Rest of Europe	14	29	56	103
• US/Canada	5	11	19	35
• US West	9	10	26	26
• Rest of World	11	12	40	74
<b>Gross contribution</b>	66	91	183	292
<b><i>in %</i></b>	52%	50%	52%	50%
<b>Operating expenses</b>	56	57	193	183
<b>Operating profit</b>	10	34	(10)	109
<b><i>in %</i></b>	8%	19%	-	19%

# Highlights Industrial Processing Technology



## Recognition & sorting platform (TiTech Group)

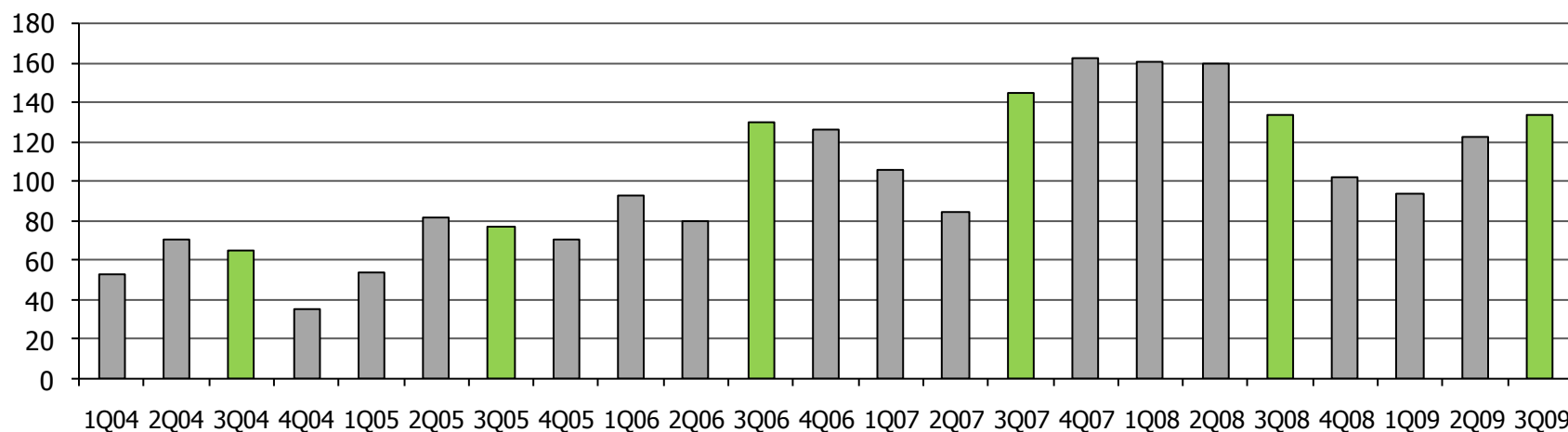
- Revenues materially down compared to third quarter 2008
- Stable gross margin
- Volumes to recycling industry now starting to pick up
- Positive order development during third quarter
- Positive trend expected to continue, but rebound will take time

## Volume reduction (Orwak & Presona)

- Modest market recovery
- Restructuring of Orwak operations completed and starting to pay off
- Investment in automated production line in Orwak targeted to improve efficiency by up to 25 percent

# Industrial Processing Technology – Order book

NOK million



## Collection Technology – Non-Deposit Solutions



# Collection Technology - Non-deposit Financials

<i>Amounts in NOK million</i>	<b>3Q 2009</b>	<b>3Q 2008</b>	<b>YTD 2009</b>	<b>YTD 2008</b>
<b>Revenues</b>	13	6	47	65
• Central Europe & UK	11	4	37	32
• Rest of Europe	1	-	7	4
• US East & Canada	-	-	-	24
• Rest of World	1	2	3	5
<b>Gross contribution in %</b>	3 23%	2 33%	9 19%	16 25%
<b>Operating expenses</b>	9	24	31	68
<b>Operating profit in %</b>	(6) -	(22) -	(22) -	(52) -

## Organizational changes

- Stefan Ranstrand new President/CEO as of August 10
- Adrian White appointed new president of US West as of August 14 reporting to Espen Gundersen, appointed SEVP/CFO
- Anne-Marthe Løken appointed VP HR as of September 24
- Michael Liess hired as new President of US East as of October 5
- Fredrik Nordh appointed new VP Nordic as of November 1

## The Road Forward

### Collection Technology

- Make further investments to develop the technology platform, reduce the cost level and take actions to cement the market leadership position as well as invest in developing new markets and concepts
- We anticipate a somewhat slower demand in Europe in 2010 but the medium/long term perspective is optimistic.

### Material Handling East Coast

- Focus on operational excellence and customer satisfaction and in parallel tap in to new opportunities such as water bottle bill in NYC and Connecticut.

### IPT

- Opportunities are arising. Take actions to grow also through a better geographic coverage.

## The Road Forward

### General:

- Actions to reduce the cost level – and to expand into new geographic areas. An operation in China is under evaluation and planning – a project was started.
- During the last four weeks we have again experienced a stronger NOK measured against our most important currencies; EUR and USD. This strengthening of NOK is not positive for TOMRA, since we have activities in foreign currencies which become less profitable when measured in NOK, and because certain costs related to development activities and head office functions are in NOK.
- However, at the same time we now experience somewhat higher commodity prices. Higher commodity prices have a direct positive impact on Tomra in California and also drives the investment climate for Industrial Processing Technologies.
- Some of the negative effect from stronger NOK might be offset by higher commodity prices.

## A positive contribution

**TOMRA also provides a positive contribution to the environment,**

**So far in 2009, TOMRA has:**

- Collected 22,504,998,327 used beverage containers through RVMs, ~3 % of world consumption
- Processed 207,588 metric tons of beverage container material in the US
- Sorting of around 13.5 million metric tons of mixed waste through optical scanners from TiTech
- Compaction of about 23 million metric tons of waste in Orwak and Presona compactors



Net avoidance of about 10 million metric tons of CO<sub>2</sub> equivalents each year, more than 15% of the annual emissions of Norway

**Thank You**

**TOMRA**  
Helping the world recycle

## Addendum slides



## Addendum slide

# Major shareholders

1	Orkla ASA	23 000 000	15.3%
2	Folketrygdfondet	16 571 200	11.0%
3	The Northern Trust C Treaty Account	12 765 224	8.5%
4	JP Morgan Chase Bank Nordea Treaty Account	8 455 464	5.6%
5	Clearstream Banking CID Dept., Frankfurt	2 537 660	1.7%
6	Bank of New York MEL ADR Department	2 322 696	1.5%
7	Skagen Vekst	2 150 000	1.4%
8	Holberg Norge v/Holberg Forndsforvaltning	1 995 000	1.3%
9	State Street Bank AN A/C Client Omnibus F	1 981 201	1.3%
10	Euroclear Bank S.A./25% Clients	1 934 029	1.3%
<b>SUB-TOTAL</b>		<b>73 712 474</b>	<b>49.1%</b>
<b>Other Shareholders</b>		<b>76 307 604</b>	<b>50.9%</b>
<b>TOTAL (8,711 shareholders)</b>		<b>150 020 078</b>	<b>100.0%</b>
<b>Total foreign ownership</b>		<b>73 772 457</b>	<b>49.7%</b>

## Addendum slide

# Shareholders by nationality

1	Norway	50.3%	8 001
2	Great Britain	18.9%	66
3	USA	8.6%	151
4	Luxembourg	5.6%	28
5	Sweden	2.1%	113
6	Finland	2.1%	23
7	Denmark	1.9%	46
8	France	1.9%	21
9	Belgium	1.8%	11
10	Italy	1.8%	9
<b>TOTAL</b>		<b>94.9%</b>	<b>8 469</b>