



## **SECOND QUARTER and FIRST HALF 2010**

### **Highlights from second quarter 2010 include:**

- Revenues of 880 MNOK (818 MNOK in second quarter 2009).  
Up 15% after adjustment for currency change
- Gross margin of 41%, up from 38% in second quarter 2009, currency adjusted
- Operating profit before other items of 135 MNOK (80 MNOK in second quarter 2009)
- Operating margin of 15%, up from 8% in second quarter 2009, currency adjusted
- Flat development in Collection Technology, currency adjusted
- Strong improvement in Industrial Processing Technology with all time high order backlog
- Improved performance in Material Handling, both on East and West coast

### **Highlights from first half 2010 include:**

- Revenues of 1611 MNOK (1572 MNOK in first half 2009).  
Up 10 % after adjustment for currency change
- Gross margin of 40%, up from 37% in first half 2009, currency adjusted
- Operating profit before other items of 220 MNOK (131 MNOK in first half 2009)
- Operating margin 14%, up from 7% in first half 2009, currency adjusted
- Flat development in Collection Technology, currency adjusted
- Strong improvement in both Industrial Processing Technology and Material Handling

## TOMRA SECOND QUARTER 2010

### CONSOLIDATED FINANCIALS

#### Second quarter

Revenues in the second quarter 2010 amounted to 880 MNOK compared to 818 MNOK in second quarter last year. After adjustment for currency changes, revenue growth was 15 percent. The increase was driven by higher activity in Industrial Processing Technology and the Material Handling operations on the US East coast.

Gross margin was 41 percent in the quarter, up from 39 percent in the corresponding period last year (up from 38% adjusted for currency). The increase was mainly driven by improved margins in Material Handling West coast (California).

Operating profit before other items was 135 MNOK in second quarter 2010 versus 80 MNOK in the second quarter 2009.

Operating margin before other items of 15% in second quarter 2010, up from 10% in second quarter 2009 (up from 8% currency adjusted)

Loss of 18.5 MNOK booked as other items in second quarter 2010 related to the divestment of Presona AB.

Cashflow from operations in second quarter 2010 equaled 11 MNOK, compared to 24 MNOK in second quarter 2009. TOMRA usually experiences a somewhat weak cashflow during the second quarter, due to the seasonality in the US operations. The average cashflow from operations in 2Q has the last year 5 years been 12 MNOK.

Equity ratio remains strong at 58 percent, down from 59 percent at the end of 2009. Dividend of 81 MNOK paid out in May 2010.

#### First half

Revenues in the first half 2010 amounted to 1611 MNOK compared to 1572 MNOK in first half last year. After adjustment for currency changes, revenue growth was 10 percent. The increase was driven by higher activity in Industrial Processing Technology and the Material Handling operations on the US East coast.

Gross margin was 40 percent in the first half of 2010, up from 37 percent in the corresponding period last year. The increase was mainly driven by improved margins in Material Handling West coast (California).

Operating profit before other items was 220 MNOK in first half 2010 versus 131 MNOK in the first half of 2009.

Operating margin before other items was 14% in first half 2010, up from 8% in first half 2009 (up from 7% currency adjusted)

Loss of 18.5 MNOK booked as other items in first half 2010 related to the divestment of Presona AB.

Cashflow from operations in first half 2010 equaled 120 MNOK, compared to 28 MNOK in first half 2009.

### SEGMENT REPORTING

#### Collection Technology

##### Second quarter

Revenues in the segment equaled 446 MNOK in the second quarter, down from 473 MNOK in second quarter last year. After adjustment for currency change, revenues were up 2 percent. Gross margin was 45%, compared to 46% last year. Operating profit was 73 MNOK, down from 92 MNOK in second quarter 2009 (down from 78 MNOK currency adjusted).

##### First half

Revenue in the segment equaled 841 MNOK in the first half, down from 904 MNOK first half last year. Tomra has maintained its market position in all major markets and after adjustment for currency change, revenues were up 1%. Gross margin was 46%, down from 47% in first half last year (flat currency adjusted). Operating expenses were slightly up due to increased R&D and market activities, as well as the establishment of operations in China. Operating profit decreased from 174 MNOK in first half 2009 to 139 MNOK in first half 2010 (decreased from 148 MNOK, currency adjusted).

| Amounts in NOK million | 2q10 | 2q09 | 1h10 | 1h09 |
|------------------------|------|------|------|------|
| Revenues               | 446  | 473  | 841  | 904  |
| - Nordic               | 125  | 133  | 239  | 262  |
| - Central Europe       | 200  | 239  | 404  | 457  |
| - Rest of Europe       | 1    | 5    | 2    | 6    |
| - US East & Canada     | 119  | 95   | 194  | 177  |
| - Rest of the world    | 1    | 1    | 2    | 2    |
| Gross contribution     | 201  | 218  | 390  | 423  |
| - in %                 | 45%  | 46%  | 46%  | 47%  |
| Operating expenses     | 128  | 126  | 251  | 249  |
| Operating profit       | 73   | 92   | 139  | 174  |
| - in %                 | 16%  | 19%  | 17%  | 19%  |

## **Europe**

Somewhat weaker performance in Nordic partly offset by higher service revenues in Germany as more machines comes out of warranty period.

Service business in general continues to grow, and accounts now for more than 50% of revenues in Europe.

## **US East & Canada**

Revenue in second quarter 2010 was 119 MNOK, up 25 percent from 95 MNOK last year. Measured in local currency, revenues were up 31 percent. Sales of RVMS as well as throughput volumes developed positively.

During first half 2010, several of Tomra's accounts in the New England and New York area have been renewed. As part of the renewals, a total of 1,100 TX-3 machines have been placed out on operational lease, mainly replacing old TX-2 machines.

## **Material Handling**

### **Second quarter**

Revenues in the business area were 41.1 MUSD in second quarter 2010, up from 34.9 MUSD last year. In USD, revenues were up 18%. Gross margin was 24%, up from 15% same period last year. Operating profit improved from 0.4 MUSD in second quarter 2009 to 5.1 MUSD in second quarter 2010. The improved performance was due to higher volumes on the East Coast and better margins/lower costs on the West Coast.

### **First half**

Revenues in the business area were 76.3 MUSD in first half 2010, up from 66.3 MUSD last year. In USD, revenues were up 15%. Gross margin was 22%, up from 11% same period last year. Operating profit improved from minus 2.2 MUSD in first half 2009 to plus 7.7 MUSD in first half 2010. The improved performance was due to higher volumes on the East Coast and better margins/lower costs on the West Coast.

| <i>Amounts in NOK million</i> | 2q10 | 2q09 | 1h10 | 1h09 |
|-------------------------------|------|------|------|------|
| Revenues                      | 256  | 227  | 461  | 443  |
| - US East & Canada            | 137  | 122  | 247  | 239  |
| - US West                     | 119  | 105  | 214  | 204  |
| Gross contribution            | 61   | 34   | 100  | 48   |
| - in %                        | 24%  | 15%  | 22%  | 11%  |
| Operating expenses            | 29   | 31   | 54   | 63   |
| Operating profit              | 32   | 3    | 46   | (15) |
| - in %                        | 12%  | 1%   | 10%  | -    |

## **US East & Canada**

Revenues were 22.0 MUSD in second quarter 2010, compared to 18.8 MUSD in second quarter 2009. The increase was due to higher volumes following the deposit expansion in Connecticut and New York.

Higher volumes have also had a positive impact on margins, due to the fixed cost base within the segment.

## **US West**

Revenues were 19.1 MUSD in second quarter 2010, up 19 % from 16.1 MUSD in second quarter 2009. Performance has been significantly improved, due to a combination of higher aluminum prices and reduced costs/improved efficiencies.

In California TOMRA takes title to the aluminum collected through its recycling infrastructure. In second quarter 2010, TOMRA sold the collected aluminum at an average of USD 2370 /ton, up from USD 1485/ton in second quarter 2009. As a consequence, profit increased by almost 2 MUSD in the quarter.

As previously communicated, TOMRA streamlined the Californian operations during 2009. Cost has consequently been significantly reduced and operational efficiency improved in first half 2010.

## **Industrial Processing Technology**

### **Second quarter**

Revenues in the quarter increased to 178 MNOK from 118 MNOK last year. This represents a 51 percent increase, mainly due to higher activity within TiTech. Adjusted for currency change and the divestment of Presona, revenues were up 76 percent.

Gross margin was 53% in second quarter 2010, unchanged from 2009.

The business area made an operating profit before other items of 34 MNOK in the second quarter this year compared to a loss of 11 MNOK same period last year.

The rate of order intake has improved in both companies and the order book in the segment increased from 162 MNOK to 216 MNOK during second quarter 2010, which is an all time high.

### **First half**

Revenues in the first half 2010 increased to 309 MNOK from 225 MNOK last year. This represents a 37 percent increase, mainly due

to higher activity within TiTech. Adjusted for currency change and the divestment of Presona, revenues were up 59 percent.

Gross margin was 52% in first half 2010, unchanged from first half 2009.

The business area made an operating profit before other items of 43 MNOK in the first half of this year compared to a loss of 20 MNOK same period last year.

| Amounts in NOK million  | 2q10 | 2q09 | 1h10 | 1h09 |
|-------------------------|------|------|------|------|
| Revenues                | 178  | 118  | 309  | 225  |
| - Nordic                | 10   | 13   | 30   | 28   |
| - Central Europe & UK   | 66   | 55   | 114  | 95   |
| - Rest of Europe        | 17   | 21   | 44   | 42   |
| - US East & Canada      | 31   | 5    | 44   | 14   |
| - US West               | 11   | 9    | 22   | 17   |
| - Rest of World         | 43   | 15   | 55   | 29   |
| Gross contribution      | 95   | 63   | 161  | 117  |
| - in %                  | 53%  | 53%  | 52%  | 52%  |
| Operating expenses      | 61   | 74   | 118  | 137  |
| Operating profit b.o.i. | 34   | (11) | 43   | (20) |
| - in %                  | 19%  | -    | 14%  | -    |
| Loss sales of Presona   | 18   | -    | 18   | -    |
| Operating profit        | 16   | (11) | 25   | (20) |
| - in %                  | 19%  | -    | 14%  | -    |

### **Recognition & sorting platform**

Increasing commodity prices during the second half of 2009 and the beginning of 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 in all segments. Particularly the mining segment has developed positively during second quarter 2010, with several material orders signed for delivery in fourth quarter 2010 and the beginning of 2011.

### **Volume reduction platform**

Both Orwak and Presona experienced substantial falls in revenues during the first three quarters of 2009, with Presona being hit harder than Orwak. During first half 2010 activity has again gained momentum in Orwak, while Presona showed little progress, reporting lower turnover in first quarter 2010 than in first quarter of 2009. The lack of synergies, combined with challenging market conditions and the resulting uncertain outlook for the coming years led to the decision to divest Presona AB. TOMRA signed therefore in April an agreement to sell 100% of its shares in Presona AB to a group of Norwegian based

investors. A loss of 18.5 MNOK was recorded 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 and expansion into new markets. Activity levels and performance are therefore expected to improve throughout 2010. Due to the portfolio mix with more mining orders, the lead time before installation is expected to be longer, with part of the orderbook as of end June 2010 to be installed in fourth quarter 2010/beginning 2011. 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 aluminium 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 still at risk going into 2011.

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 EUR could negatively impact performance in Collection Technology and Industrial Processing Technology going into second half of 2010.

## **SHARES AND SHAREHOLDERS**

The total number of issued shares at the end of second quarter 2010 was 150,020,078, including 2,032,883 treasury shares, of which 2,000,000 shares were cancelled 8 July 2010.

The total number of shareholders decreased from 8,229 at the end of first quarter 2010 to 8,032 at the end of second quarter 2010. 48 percent of the shares were held by Norwegian residents at the end of second quarter 2010.

TOMRA's share price decreased from NOK 29.10 to NOK 27.30 during second quarter 2010. The number of shares traded on the Oslo Stock Exchange in the period was 33

million shares compared to 29 million in the same period in 2009.

Asker, 15 July 2010

The Board of Directors  
TOMRA SYSTEMS ASA

Svein Rennemo  
Chairman of the Board

Stefan Ranstrand  
President & CEO

## FINANCIAL STATEMENT – SECOND QUARTER 2010

| <b>INCOME STATEMENT</b><br><i>(Amounts in NOK million)</i> | Note | 2 <sup>nd</sup> Quarter |       | 1 <sup>st</sup> Half |        | Full year |
|--|------|-------------------------|-------|----------------------|--------|-----------|
|  |      | 2010                    | 2009  | 2010                 | 2009   | 2009      |
| Operating revenues   | 4)   | 879.5                   | 818.1 | 1610.8               | 1572.5 | 3321.3    |
| Cost of goods sold   |      | 500.2                   | 481.6 | 920.0                | 941.6  | 2001.3    |
| Depreciations/write-down                                   |      | 21.4                    | 20.8  | 39.4                 | 42.7   | 107.1     |
| <i>Gross contribution</i>                                  |      | 357.9                   | 315.7 | 651.4                | 588.2  | 1212.9    |
| Operating expenses   |      | 199.6                   | 213.6 | 386.3                | 412.9  | 830.2     |
| Depreciations/write-down                                   |      | 23.3                    | 21.6  | 45.6                 | 44.3   | 91.2      |
| <i>Operating profit before other items</i>                 | 4)   | 135.0                   | 80.5  | 219.5                | 131.0  | 291.5     |
| Loss on sale of Presona AB                                 |      | 18.5                    | -     | 18.5                 | -      | -         |
| <i>Operating profit</i>                                    |      | 116.5                   | 80.5  | 201.0                | 131.0  | 291.5     |
| Net financial income                                       |      | (3.3)                   | (5.0) | (6.3)                | 60.1   | 99.0      |
| <i>Profit before taxes</i>                                 |      | 113.2                   | 75.5  | 194.7                | 191.1  | 390.5     |
| Taxes  |      | 35.7                    | 25.9  | 61.4                 | 64.6   | 122.2     |
| <i>Net profit for the period</i>                           |      | 77.5                    | 49.6  | 133.3                | 126.5  | 268.3     |
| Minority interest  |      | (13.1)                  | (5.9) | (19.8)               | (9.4)  | (19.5)    |
| <i>Earnings per share (NOK)</i>                            |      | 0.44                    | 0.29  | 0.77                 | 0.78   | 1.67      |

| <b>BALANCE SHEET</b><br><i>(Amounts in NOK million)</i> | 30 June |        | 31 Dec |
|---|---------|--------|--------|
|   | 2010    | 2009   | 2009   |
| <b>ASSETS</b>   |         |        |        |
| Intangible assets                                       | 922.0   | 939.5  | 874.8  |
| Leasing equipment                                       | 180.8   | 107.5  | 111.8  |
| Other fixed assets                                      | 668.3   | 670.3  | 627.4  |
| Inventory   | 532.5   | 608.2  | 505.6  |
| Short-term receivables                                  | 1099.3  | 1100.1 | 923.8  |
| Cash and cash equivalents                               | 23.9    | 17.4   | 68.1   |
| <i>TOTAL ASSETS</i>                                     | 3426.8  | 3443.0 | 3111.5 |
| <b>LIABILITIES &amp; EQUITY</b>                         |         |        |        |
| Equity  | 1988.1  | 1881.8 | 1844.8 |
| Minority interests                                      | 83.1    | 66.7   | 57.9   |
| Deferred taxes  | 29.1    | 35.8   | 28.6   |
| Long-term interest-bearing liabilities                  | 406.7   | 607.1  | 350.0  |
| Short-term interest-bearing liabilities                 | 23.1    | 27.8   | 38.9   |
| Other liabilities                                       | 896.7   | 823.8  | 791.3  |
| <i>TOTAL LIABILITIES &amp; EQUITY</i>                   | 3426.8  | 3443.0 | 3111.5 |

| <b>CASH FLOW STATEMENT</b><br><i>(Amounts in NOK million)</i> | Note | 2 <sup>nd</sup> Quarter |        | 1 <sup>st</sup> Half |         | Full year |
|---|------|-------------------------|--------|----------------------|---------|-----------|
|   |      | 2010                    | 2009   | 2010                 | 2009    | 2009      |
| Profit before taxes   |      | 113.2                   | 75.5   | 194.7                | 191.1   | 390.5     |
| Changes in working capital                                    |      | (109.1)                 | 0.2    | (61.0)               | (100.2) | 47.0      |
| Other operating changes                                       |      | 7.0                     | (52.1) | (14.0)               | (63.1)  | 19.3      |
| Total cash flow from operations                               |      | 11.1                    | 23.6   | 119.7                | 27.8    | 456.8     |
| Total cash flow from investments                              |      | (79.4)                  | (38.2) | (119.6)              | (75.7)  | (162.6)   |
| Cashflow from repurchase of shares                            | 3)   | -                       | (11.3) | (4.3)                | (28.5)  | (47.0)    |
| Dividend paid out   | 2)   | (81.4)                  | (74.7) | (81.4)               | (74.7)  | (74.7)    |
| Other cashflow from financing                                 |      | 145.8                   | 91.2   | 45.1                 | 56.9    | (215.9)   |
| Total cash flow from financing                                |      | 64.4                    | 5.2    | (40.6)               | (46.3)  | (337.6)   |
| <i>Total cash flow for period</i>                             |      | (3.9)                   | (9.4)  | (40.5)               | (94.2)  | (43.4)    |
| Exchange rate effect on cash                                  |      | (1.0)                   | (1.0)  | (3.7)                | (2.5)   | (2.6)     |
| Opening cash balance  |      | 28.8                    | 28.2   | 68.1                 | 114.1   | 114.1     |
| Closing cash balance  |      | 23.9                    | 17.4   | 23.9                 | 17.4    | 68.1      |

**FINANCIAL STATEMENT – SECOND QUARTER 2010**  
(Continued)

| <b>EQUITY</b><br><i>(Amounts in NOK million)</i> | <b>2nd Quarter</b> |             | <b>1st Half</b> |             | <b>Full year</b> |
|--|--------------------|-------------|-----------------|-------------|------------------|
|  | <b>2010</b>        | <b>2009</b> | <b>2010</b>     | <b>2009</b> | <b>2009</b>      |
| <i>Opening balance</i>                           | 1919.5             | 1959.6      | 1844.8          | 2019.2      | 2019.2           |
| Net profit                                       | 64.4               | 43.6        | 113.5           | 117.0       | 248.8            |
| Translation difference                           | 85.6               | (35.4)      | 115.5           | (151.2)     | (301.5)          |
| Dividend paid                                    | (81.4)             | (74.7)      | (81.4)          | (74.7)      | (74.7)           |
| Net purchase of own shares                       | -                  | (11.3)      | (4.3)           | (28.5)      | (47.0)           |
| <i>Closing balance</i>                           | 1988.1             | 1881.8      | 1988.1          | 1881.8      | 1844.8           |

| <b>EQUITY</b><br><i>(Amounts in NOK million)</i> | <b>Paid in capital</b> | <b>Transl. reserve</b> | <b>Retained earnings</b> | <b>Total majority equity</b> | <b>Minority interest</b> | <b>Total equity</b> |
|--|------------------------|------------------------|--------------------------|------------------------------|--------------------------|---------------------|
| <i>Balance per 31 December 2009</i>              | 1066.4                 | (199.7)                | 978.1                    | 1844.8                       | 57.9                     | 1902.7              |
| Net profit                                       |                        |                        | 113.5                    | 113.5                        | 19.8                     | 133.4               |
| Changes in translation difference                |                        | 115.5                  |                          | 115.5                        | 7.1                      | 122.5               |
| Dividend minorities                              |                        |                        |                          |                              | (1.7)                    | (1.7)               |
| 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                         |                        |                        | (81.4)                   | (81.4)                       |                          | (81.4)              |
| <i>Balance per 30 June 2010</i>                  | 1066.3                 | (84.3)                 | 1006.1                   | 1988.1                       | 83.1                     | 2071.2              |

| <b>STATEMENT OF OTHER COMPREHENSIVE INCOME</b><br><i>(Amounts in NOK million)</i> | <b>2<sup>nd</sup> Quarter</b> |             | <b>1st Half</b> |             | <b>Full year</b> |
|---|-------------------------------|-------------|-----------------|-------------|------------------|
|   | <b>2010</b>                   | <b>2009</b> | <b>2010</b>     | <b>2009</b> | <b>2009</b>      |
| Net profit  | 77.6                          | 49.6        | 133.4           | 126.5       | 268.3            |
| Other comprehensive income  |                               |             |                 |             |                  |
| Translation differences   | 90.5                          | (38.3)      | 122.5           | (157.0)     | (313.0)          |
| <i>Total comprehensive income</i>   | 168.1                         | 11.3        | 255.9           | (30.5)      | (44.7)           |
| <i>Attributable to:</i>   |                               |             |                 |             |                  |
| Minority interest   | 18.1                          | 3.1         | 26.9            | 3.7         | 8.1              |
| Shareholders of the parent company  | 150.0                         | 8.2         | 229.0           | (34.2)      | (52.8)           |
| <i>Total comprehensive income</i>   | 168.1                         | 11.3        | 255.9           | (30.5)      | (44.7)           |

| <b>INTERIM RESULTS</b><br><i>(Amounts in NOK million)</i> | <b>2<sup>nd</sup> Quarter</b> | <b>1<sup>st</sup> Quarter</b> | <b>4<sup>th</sup> Quarter</b> | <b>3<sup>rd</sup> Quarter</b> | <b>2<sup>nd</sup> Quarter</b> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | <b>2010</b>                   | <b>2010</b>                   | <b>2009</b>                   | <b>2009</b>                   | <b>2009</b>                   |
| Operating revenues (MNOK)                                 | 879.5                         | 731.3                         | 893.2                         | 855.6                         | 818.1                         |
| EBITDA (MNOK)   | 179.7                         | 124.8                         | 98.1                          | 173.7                         | 122.9                         |
| Operating profit before other items (MNOK)                | 135.0                         | 84.5                          | 28.9                          | 131.6                         | 80.5                          |
| Sales growth (year-on-year) (%)                           | 7.5                           | (3.1)                         | (17.0)                        | (2.9)                         | (6.4)                         |
| Gross margin (%)  | 40.7                          | 40.1                          | 33.0                          | 38.5                          | 38.6                          |
| Operating margin before other items (%)                   | 15.4                          | 11.6                          | 3.2                           | 15.4                          | 9.8                           |
| EPS (NOK)   | 0.44                          | 0.33                          | 0.31                          | 0.58                          | 0.29                          |
| EPS (NOK) fully diluted                                   | 0.44                          | 0.33                          | 0.31                          | 0.58                          | 0.29                          |

**NOTE 1 Disclosure**

The 2010 and 2009 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 2009. 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 2009. 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 2009.

A number of new standards, amendments to standards and interpretations are not effective for the company for the period ending 30 June 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

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 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 2-4 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 30 June 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  
Paid out May 2010: 0.55 NOK x 148.0 million shares = NOK 81.4 million

## NOTE 3 Net purchase of own shares

|                      | # shares         | Average price    | TOTAL                   |
|----------------------|------------------|------------------|-------------------------|
| 2Q 2009              |                  |                  |                         |
| Gross purchased      | 522,650          | NOK 23.77        | NOK 12.4 million        |
| Sold to employees    | -41,160          | NOK 25.40        | NOK -1.0 million        |
| <b>Net purchased</b> | <b>481,490</b>   | <b>NOK 23.63</b> | <b>NOK 11.4 million</b> |
| 2Q 2010              |                  |                  |                         |
| Gross purchased      | 0                | -                | 0                       |
| Sold to employees    | 0                | -                | 0                       |
| <b>Net purchased</b> | <b>0</b>         | <b>-</b>         | <b>0</b>                |
| 1h 2009              |                  |                  |                         |
| Gross purchased      | 1,315,950        | NOK 23.72        | NOK 31.2 million        |
| Sold to employees    | -110,717         | NOK 24.02        | NOK -2.7 million        |
| <b>Net purchased</b> | <b>1,205,233</b> | <b>NOK 23.69</b> | <b>NOK 28.6 million</b> |
| 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>  |

## NOTE 4 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 |      |
|  | 2010                    | 2009 | 2010                    | 2009 | 2010                             | 2009 | 2010                    | 2009 | 2010                    | 2009 |
| Revenues                                   | 446                     | 473  | 256                     | 227  | 178                              | 118  | -                       | -    | 880                     | 818  |
| - Nordic                                   | 125                     | 133  | -                       | -    | 10                               | 13   | -                       | -    | 135                     | 146  |
| - Central Europe & UK                      | 200                     | 239  | -                       | -    | 66                               | 55   | -                       | -    | 266                     | 295  |
| - Rest of Europe                           | 1                       | 5    | -                       | -    | 17                               | 21   | -                       | -    | 18                      | 26   |
| - US East & Canada                         | 119                     | 95   | 137                     | 122  | 31                               | 5    | -                       | -    | 287                     | 222  |
| - US West                                  | -                       | -    | 119                     | 105  | 11                               | 9    | -                       | -    | 130                     | 114  |
| - Rest of World                            | 1                       | 1    | -                       | -    | 43                               | 15   | -                       | -    | 44                      | 16   |
| Gross contribution                         | 201                     | 218  | 61                      | 34   | 95                               | 63   | -                       | -    | 357                     | 315  |
| - in %                                     | 45%                     | 46%  | 24%                     | 15%  | 53%                              | 53%  | -                       | -    | 41%                     | 39%  |
| Operating expenses                         | 128                     | 126  | 29                      | 31   | 61                               | 74   | 4                       | 4    | 222                     | 235  |
| Operating profit before o.i.               | 73                      | 92   | 32                      | 3    | 34                               | (11) | (4)                     | (4)  | 135                     | 80   |
| - in%                                      | 16%                     | 19%  | 12%                     | 1%   | 19%                              | -    | -                       | -    | 15%                     | 10%  |

| 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 |      |
|  | 2010                  | 2009 | 2010                 | 2009 | 2010                             | 2009 | 2010                 | 2009 | 2010                 | 2009 |
| Revenues                                   | 841                   | 904  | 461                  | 443  | 309                              | 225  | -                    | -    | 1611                 | 1572 |
| - Nordic                                   | 239                   | 262  | -                    | -    | 30                               | 28   | -                    | -    | 269                  | 290  |
| - Central Europe & UK                      | 404                   | 457  | -                    | -    | 114                              | 95   | -                    | -    | 518                  | 552  |
| - Rest of Europe                           | 2                     | 6    | -                    | -    | 44                               | 42   | -                    | -    | 46                   | 48   |
| - US East & Canada                         | 194                   | 177  | 247                  | 239  | 44                               | 14   | -                    | -    | 485                  | 430  |
| - US West                                  | -                     | -    | 214                  | 204  | 22                               | 17   | -                    | -    | 236                  | 221  |
| - Rest of World                            | 2                     | 2    | -                    | -    | 55                               | 29   | -                    | -    | 57                   | 31   |
| Gross contribution                         | 390                   | 423  | 100                  | 48   | 161                              | 117  | -                    | -    | 651                  | 588  |
| - in %                                     | 46%                   | 47%  | 22%                  | 11%  | 52%                              | 52%  | -                    | -    | 40%                  | 37%  |
| Operating expenses                         | 251                   | 249  | 54                   | 63   | 118                              | 137  | 8                    | 8    | 431                  | 457  |
| Operating profit before o.i.               | 139                   | 174  | 46                   | (15) | 43                               | (20) | (8)                  | (8)  | 220                  | 131  |
| - in%                                      | 17%                   | 19%  | 10%                  | -    | 14%                              | -    | -                    | -    | 14%                  | 8%   |
| Assets                                     | 1522                  | 1586 | 835                  | 804  | 927                              | 927  | 143                  | 126  | 3427                 | 3443 |
| Liabilities                                | 593                   | 572  | 103                  | 86   | 144                              | 103  | 516                  | 734  | 1356                 | 1495 |

## **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 2010 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, 15 July 2010

Svein Rennemo  
Chairman

Bjørn Wiggen  
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