TOMRA

PRODUCTIVITY INTO PURPOSE

ANNUAL REPORT 2015

Contents

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Additional information about TOMRA's organization is available at **www.tomra.com.**
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As part of the 2014-15 European Business Awards program, TOMRA was named European Business of the Year in the category of companies having turnover of €150m or higher.

Key figures

		2015 Continuing operations	2014 Continuing operations	2013 Continuing operations	2013	2012	2011
Operating revenues	NOK million	6,143	4,749	4,421	4,602	4,073	3,690
EBITA	NOK million	1,015	737	701	706	739	669
Profit before other items	NOK million	891	628	597	601	662	625
Ordinary profit before taxes	NOK million	866	603	557	561	630	604
Net profit	NOK million	648	394	412	412	478	419
Total assets	NOK million	7,317	6,625	5,623	5,623	5,159	3,999
Equity	NOK million	3,945	3,244	2,741	2,741	2,283	2,141
Return on equity, ex. other items	%	16.9	14.1	15.3	15.4	19.9	20.3
Return on total assets, ex. other items	%	13.0	10.6	11.4	11.4	14.8	17.5
Earnings per share	NOK	4.11	2.85	2.59	2.62	2.98	2.72
Earnings per share fully diluted	NOK	4.11	2.85	2.59	2.62	2.98	2.72
Net cash flow from operating activities	NOK million	914	696	567	567	550	567
Number of employees as of 31 December		2,622	2,448	2,406	2,520	2,470	1,982
Female employees	%	16	18	18	18	17	18
Female managers (of all managers)	%	20	18	16	16	17	18
Number of reportable injuries		95	74	107	116	81	109
Carbon dioxide emissions	Metric tons	25,000	24,300	25,700	25,800	27,700	25,400

CHIEF EXECUTIVE OFFICER'S REVIEW

PURPOSE INTO PROFITS

At TOMRA our aspiration is to make a difference and generate substantial contributions to a better world. We provide transformative solutions for our customers, create exciting and meaningful jobs within and around TOMRA and deliver strong shareholder value. In sum, we deliver on the duality "better business for a better environment."

Transformative trends such as population growth, continued urbanization, fast emerging middle-class consumers, and resource scarcity are creating challenges, but also opportunities.

With our customer-focused strategy, we have carefully carved out our position in the business landscape and have placed TOMRA as a market leader in all niches we serve. With sensor-based solutions for optimal resource productivity, we demonstrate that it is possible to transform traditional methods in obtaining resources in the mining industry, using resources in the food industry and re-using resources in the recycling industry. Our solutions generate substantial productivity and quality gains for our customers.

OUR BEST YEAR EVER

Year 2015 turned out to be a highly successful year and the best ever in TOMRA's history. Revenues increased by 29% to NOK 6.1 billion, resulting in EBITA of NOK 1 billion, which was an increase of 38% compared to 2014. Earnings per share rose by 66%.

Both business areas, Collection Solutions and Sorting Solutions, demonstrated strong discipline in strategic execution and delivered solid short- and long-term value generation. Collection Solutions grew its top line by 35% (ending at NOK 3.8 billion) at an EBITA margin of 20%. Sorting Solutions increased revenues by 21% (ending at NOK 2.3 billion) and EBITA by 42%.

For Collection Solutions, the most important growth contribution is attributed to the German reverse vending replacement market and our new technology platform, the T-9. We delivered more than 4,000 T-9s in 2015, a remarkable increase over year 2014.

The food sorting business showed significant growth, as did the recycling business. The order intake in the mining business, however, experienced headwinds as a result of low commodity prices and capital expenditure cuts in the sector.

SUSTAINABLE BUSINESS MODEL

Following divestments and acquisitions made over recent years, the business portfolio has become much better balanced and now consists of a mix of non-cyclical and cyclical as well as recurring and new businesses. Whereas TOMRA's growth profile historically was more event-driven, the company is now more geared for continuous growth with a broader portfolio and a wider set of drivers.

A large share of our business is generated in North America and Europe. We are confident that our business model, with adaptations, can be expanded globally. Our ambition is to continue a path of profitable growth with targeted investments in emerging markets while continuing to support our long-term partners in existing markets. In parallel, we will continue to explore opportunities to make strategically sound acquisitions for accelerated growth and even more relevance.

We aim to apply a holistic business model that serves diverse stakeholders, while fully living up to the legal and moral aspects of business ethics. As a member of the UN Global Compact since 2009, TOMRA continues to support and integrate the principles of this program as part of our business strategy and operations. The 2015 Annual Report contains our sixth Communication on Progress to the UN Global Compact, which includes a review of the activities we are focused on as part of our Corporate Responsibility Program. We delivered fully on our CR objectives set for the period 2010-2015, and are now at a stage of defining our targets for the next five-year period.

KEY SUCCESS FACTORS

We recognize that our employees are our most important assets, and have invested a great deal in building a stronger and unified culture. As a part of this we have put significant effort over the past year in engaging employees in a process to further identify and adapt the elements that makes our company culture unique. Further, to assess employee satisfaction and drive improvements, we bi-annually request their participation in a survey as part of our involvement with the Great Place to Work® program. Together with our employees, we analyze the feedback and work out improvement programs. In 2015, almost 80% of our employees stated, "TOMRA is a great place to work."

Innovative and leading product technologies are key success factors for TOMRA's business. Our products must provide our customers a competitive edge, leading quality and significant productivity gains. We will continue to invest in research and in cutting-edge product developments. To name a few, we successfully launched the T-9 and T-90 reverse vending platforms, the EasyPac backroom solution, the

Stefan Ranstrand
President and CEO TOMRA Systems ASA

food sorting products Nimbus BSI and Blizzard, and the Autosort Flake for the recycling industry. We further launched the high volume XRT for the diamond industry and continued developing our common sorting platform for the sorting business.

Some highlights in 2015 include:

- Nimbus BSI won the 2015 World Nut and Dried Fruit Congress Innovation Award
- TOMRA Common User Interface received international design excellence award
- Our XRT sorter discovered several large diamonds, including one sized 1,111 carat – the largest diamond found in more than 100 year (and the second largest ever)
- Significant sales of our new RVM flagship, the T-9
- TOMRA won the prestigious European Business Award as best European large company 2014/2015.
- Further progress in integrating legacy brands, optimizing internal processes and developing our unified company culture

INVESTING FOR FURTHER GROWTH

To immediately beat the very strong financial results achieved in 2015 will be somewhat challenging. We believe that Collection Solutions will remain on a similarly high level over the next two to three years. Sorting Solutions will launch a number of new products in 2016, but the growth effect of these will not be immediately visible. The reason is that our customers need to test, integrate and verify our new launches in their processing value chain. As part of this process, we will normally also need to do some final adjustments and adaptations.

Our ambition to grow in emerging markets is high on the agenda, but also for this, we need to adapt. For example, in the food sorting segment we traditionally serve large and very sophisticated customers in Western countries such as the USA. New customers, in markets such as China, can have different requirements. In China for example we encounter smaller farms, smaller distributors and processing companies. Further, only some 20-25% of food is currently being processed there, whereas in the US some 60-65% of the food is processed.

Building a competent sales and service organization to serve these areas is also necessary, and we have invested in new operations in Lithuania, Croatia, China and other countries in the Asia Pacific region. We see opportunities in these areas and are committed to executing on our strategy and aim for a leading position.

We are confident that our leading product technologies and services will bring greater value to our customers, contribute to better business and a better environment, and generate sound financial results for TOMRA and its shareholders in 2016 and the years thereafter.

Business overview

It is clear that the linear "take, make, and dispose" economic model which has dominated since the start of the industrial revolution, is headed for extinction. The transition to a circular economy aims to keep resources at their highest utility and value at all times within a regenerative system of use and reuse – a continuous cycle that preserves and enhances natural capital, optimizes resource yields and minimizes system risks by managing finite stocks and renewable flows.

Providing products and services that complement and enable processes within the circular economy is central to TOMRA's business.

LEADING THE RESOURCE REVOLUTION

For TOMRA leading the resource revolution is about creating partnerships for transforming how we obtain, use and reuse resources for sustainable economic growth and improved quality of life for all.

35 billion used beverage containers are captured by our reverse vending machines every year.

The avoided greenhouse gas emissions equal the annual emissions of 2 million cars - each driving 10,000 kilometers.

Our metal recycling solutions recover 715,000 tons of metal every year.

That's the equivalent of 4,035 Boeing 747 airplanes.

The mining industry consumes 2%-3% of the world's energy. Our sensor-based sorters can reduce that consumption by 15%.

A 15% reduction in the mining industry's energy use is equivalent to turning off 52.8 billion CFL lightbulbs.

Our food sorting solutions inspect millions of individual produce pieces per hour, helping to divert 5-10% of this material from going to waste.

That's approximately 25,000 trucks per year in potatoes alone.

TOMRA Group Management

STEFAN RANSTRAND (B. 1960)

President and CEO TOMRA Group

M.Sc. Industrial and Management Engineering, Linköping (Sweden) and Darmstadt (Germany)

Career history: August 2009: Joined TOMRA as President & CEO, 1991–2009: ABB Ltd., various management positions, 1988–1991: Data General AG, Sales Executive Industrial Markets,
1985-1988: Ikea Lager und Service AG

Number of TOMRA shares held: 81,269

HEINER BEVERS (B. 1960)

Senior VP and Head of Central & Eastern Europe Collection Solutions

MBA, Westfälische Wilhelms-Universität, Münster

Career history: 2001: Joined TOMRA as General Manager, Tomra Systems GmbH (Tomra Germany), 1999-2001: General Manager, Consumer Division Werner & Mertz Group, 1986-1999: Marketing & Sales, Procter & Gamble

Number of TOMRA shares held: 37,975

FREDRIK NORDH (B. 1974)

Senior VP and Head of Nordic Collection Solutions

M.Sc. Business and Economics, University of Uppsala

Career history: 2003: Joined TOMRA as Finance Manager Tomra Systems AB (Tomra Sweden), 2001-2003: Business Controller, LG Electronics, 1999-2001: Business Controller and Supply Chain Manager, S.C. Johnson, 1998-1999: Accounting Manager, S.C. Johnson

Number of TOMRA shares held: 19,735

ESPEN GUNDERSEN (B. 1964)

Deputy CEO and CFO TOMRA Group

MBA, Norwegian School of Management, Oslo

CPA, Norwegian School of Economics and Business Administration, Bergen

Career history: 1999: Joined TOMRA, 1995–1999: Selmer ASA, VP Business development, 1989-1995: Arthur Andersen

Number of TOMRA shares held: 37,714

VOLKER REHRMANN (B. 1961)

Executive VP and Head of Business Area TOMRA Sorting Solutions

PhD in Computer Science, University of Koblenz, Master in Computer Science, University of Paderborn

Career history: 2013: TOMRA Group Chief Technology Officer, 2002: Joined TITECH through acquisition of Real Vision Systems, 1998–2002: Founder and Managing Director of Real Vision Systems GmbH, 1994–1998: Assistant Professor for Computer Vision at University of Koblenz

Number of TOMRA shares held: 5,147

HÅKON VOLLDAL (B. 1976)

Executive VP and Head of Business Area Collection Solutions

Master of Science Norwegian University of Science and Technology (NTNU), Norway

Career history: 2008: Senior Vice President Business Development, TOMRA, 2007-08: Executive Vice President Business Development North America, TOMRA, 2005-07: Vice President Investor Relations and Business Development, TOMRA, 2004-05: Director M&A, TOMRA, 2000-2004: McKinsey & Company

Affiliations: Chairman of the Board, Bright Future AS

Number of TOMRA shares held: 22,533

HARALD HENRIKSEN (B. 1963)

Senior VP and Head of North America Collection Solutions

B.Sc. Electronics, University of Salford, Manchester

Career history: 2004: Joined TOMRA in 2004 as Senior VP Technology, 2000-2004: VP Business Unit Tactical Radio, Kongsberg Defence and Communications AS, 1997-2000: VP Product Management, VP R&D, Kongsberg Ericsson Communications ANS, 1990-1997: Technical management and project management, NFT-Ericsson ANS

Number of TOMRA shares held: 30,886

ASHLEY HUNTER (B. 1959)

Senior VP and Head of TOMRA Sorting Solutions, Food

B.Sc. Engineering, Trinity College, Dublin

Career History: 2013: Senior VP and Head of TOMRA Sorting Solutions, Food, 2010: Became Head of TOMRA Food – Americas & Oceania following TOMRA's acquisition of Odenberg, 1997-2010: President, Odenberg Inc., 1994-97: Engineering Manager – US, Odenberg Inc., 1987-94: Technicial Director, Lister Machine Tools Ltd., 1983-87: Industrial Engineering Manager, Hyster Automated Handling

Number of TOMRA shares held: 7,265

TOM ENG (B. 1965)

Senior VP and Head of TOMRA Sorting Solutions Recycling

Master of Arts in European Business, Fribourg, Switzerland

Career history: 2012: Head of TOMRA Sorting Solutions Recycling, 1998 - 2012: Marketing Manager, Sales and Marketing Manager, Sales Director Titech AS, 1995-1998: Product and Export Manager, Noral As, Norway, 1993-1995: Marketing Manager, Noral SA, France, 1991-1992: Marketing Assistant, Cub Cadet, USA, 1983-1984: Trainee, First Wisconsin National Bank of Milwaukee, USA

Number of TOMRA shares held: 0

CORPORATE
Responsibility

TOMRA was one of the first to recognize that a better environment is better for business and has been a leader in creating solutions for resource productivity for more than four decades. TOMRA is still constantly striving to improve its own practices and optimize its own resources - led by the spirit of innovation.

TOMRA signed the UN Global Compact at the end of 2009 as it prepared to expand its environmental program to include other topics. It was, therefore, natural that the Corporate Responsibility (CR) Program should be linked to the ten principles of the United Nations Global Compact. The topics covered by the CR Program and the relevant area of the UN Global Compact are shown in the table below.

As a member of the UN Global Compact, TOMRA aims to consistently support doing business responsibly and implement the principles of the UN Global Compact. The following pages form part of TOMRA's annual Communication on Progress.

TOMRA's current CR Program expired at the end of 2015 and its overall objectives have been met, as shown in the summary of main achievements. Much has changed in TOMRA since the program was developed in 2009. TOMRA now has a different spread of activities following the move into food sorting and out of compaction, and the transformation process that started in 2011 has resulted in ONE TOMRA with a new vision and mission statement. TOMRA is no longer simply looking to "help the world recycle;" it now aims to "Lead the Resource Revolution."

The process of developing a new Corporate Responsibility program started during the summer with several internal sessions looking at the status and discussing what the focus should be for the next five years to ensure that TOMRA continues to promote sustainable business.

The next step is to agree which areas are the most significant for TOMRA and its stakeholders and then determine the actions required. TOMRA has also noted that its activities can support the UN Sustainable Development Goals and therefore intends to reflect this in the final program. The review process will be completed in Q1 2016 and the final 2016–2020 CR program will be presented to the Board for approval in Q2 2016.

In 2015, TOMRA continued developing its culture program following its review of TOMRA's values and culture during the previous year. The aim is to shape a culture that will build a stronger organization that can support and deliver TOMRA's long-term goals. TOMRA's values of Innovation, Passion, Responsibility are reflected in its CR Statement and Codes of Conduct for employees and other business partners. More details of TOMRA's Culture Program can be found on page 16 of this report.

At TOMRA, it is the role of the Board of Directors to ensure that the Group's corporate governance, environmental, social and ethical practices are sufficient. The Corporate Responsibility Committee assists the Board by monitoring and reviewing TOMRA's practices and policies in this area.

TOPICS	UN GLOBAL COMPACT AREAS
25% reduction in eco-intensity by 2015	Environment
Anti-bribery program for TOMRA Group	Anti-corruption
Employment opportunities and working conditions	Human Rights, Labor
Managing risks in TOMRA's operations	Labor, Anti-corruption
Meeting stakeholder expectations	All

Corporate Responsibility Program 2011-2015 – Main achievements

Identified and implemented actions to achieve 25% reduction in eco-intensity (CO_2 emissions) by 2015
+ Eco-intensity target was achieved in 2013

Implement and follow-up TOMRA's ethical guidelines and other policies
+ Awareness sessions and workshops held throughout TOMRA each year

Implement Risk Management procedure including additional safety and security considerations
+ Risk review process introduced in 2012
+ Travel guidelines for Service employees introduced in 2013

Continued focus on employee satisfaction and being an attractive employer
+ Employment satisfaction survey rolled-out to all locations
+ 80% response rate in 2015
+ 77% agreed that TOMRA was a Great Place to Work®

Analysis of TOMRA's carbon footprint
+ Vehicle fleet identified as primary source of CO_2 emissions and actions taken to reduce emissions
+ Assessment of environmental impact of new products has shown a positive effect versus prior models

Reduce accident rate per employee
+ Accident rate of 3.8/FTE in 2015 significantly lower than 6.7/FTE in 2010
+ Specific focus in Material Recovery where most incidents tend to occur

THE GLOBAL COMPACT
WE SUPPORT

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact.**

We welcome feedback on its contents.

ENVIRONMENTAL
Review

TOMRA's mission is to create sensor-based solutions for optimal resource productivity so that its products and services contribute to better use of the world's limited resources.

Over the past few years, TOMRA has implemented a number of initiatives to reduce its direct emissions as part of meeting its objective of reducing eco-intensity by 25% by the end of 2015. As previously reported and shown in the graphs (below), TOMRA achieved the target for energy consumption and CO_2 emissions in 2013.

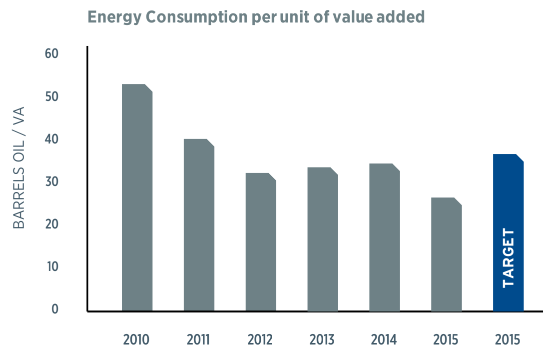
Targets for 2016 and future years will be established as part of the new CR Program that is currently being finalised.

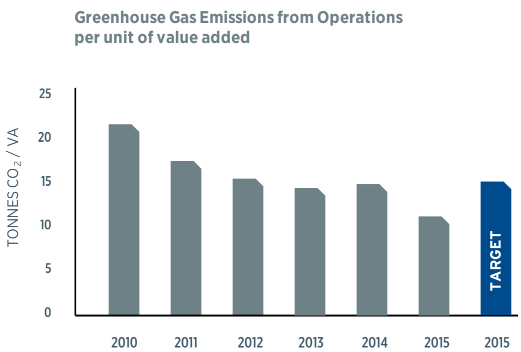
The 2015 target was achieved partly from a move out of carbon-intensive activities, and partly through other initiatives.

The most significant initiatives related to TOMRA's vehicle fleet in the United States which is a major source of our emissions. The US team established a group to analyze the emissions and consider actions to reduce fuel consumption and total emissions. The actions implemented included use of alternative fuels, changes to vehicle routing and reduction in engine-idling time.

There have also been a number of initiatives related to TOMRA's facilities, such as LED-lighting and movement sensors to reduce energy consumption, and the provision of charging stations for electric vehicles. New facilities in Slovakia, Germany and the United States have also been recognised for being "green" and environmentally friendly.

This year's climate change account shows a slight increase in direct emissions (scope 1 + 2) from TOMRA's operations. This primarily reflects the high activity level during 2015. The complete environmental report is available on the following pages.





Environmental
REVIEW 2015

1. CLIMATE CHANGE ACCOUNT

CARBON DIOXIDE EMISSIONS FROM OPERATIONS

TONNES CARBON DIOXIDE		2015	2014
Emission from stationary sources	**(Scope 1)**	**1 900**	**3 300**
Heating oil		0	400
Natural gas		1 300	1 800
Propane		600	1 100
Emission from purchased grid electricity	**(Scope 2)**	**3 400**	**3 100**
Norway		0	0
Europe EU25		800	800
North America		2 400	2 100
Rest of World		200	200
Certified low-carbon or renewable		0	0
Emission from transportation		**19 700**	**17 900**
Petrol vehicles	(Scope 1)	3 400	3 700
Diesel vehicles	(Scope 1)	13 900	12 900
LPG vehicles	(Scope 1)	600	0
Employee-owned vehicles	(Scope 3)	100	100
Air travel	(Scope 3)	1 700	1 200
Total direct emissions (tonnes CO2)		**25 000**	**24 300**
Emission from products during use-phase	**(Scope 3)**	**68 500**	**67 900**
RVMs owned and operated by TOMRA and customers		62 700	62 700
Scanners owned by customers		5 800	5 200
Total direct and indirect emissions		**94 000**	**92 000**

AVOIDED CARBON DIOXIDE EMISSIONS THROUGH PRODUCT USE

TONNES CARBON DIOXIDE	2015	2014
Beverage container collection through RVMs and ARCs (1)	**2 773 000**	**2 773 000**
Plastic bottles	758 000	758 000
Glass bottles	517 000	517 000
Aluminium cans	1 464 000	1 464 000
Steel cans	34 000	34 000
Packaging material transport and handling (2)	**848 000**	**824 000**
Glass bottles	64 000	64 000
Aluminium cans	655 000	636 000
Plastic bottles, PET	124 000	120 000
Plastic bottles, HDPE	1 000	0
Cardboard and fiber	4 000	4 000
Material sorted for recycling from mixed sources (3)	**22 423 000**	**20 384 000**
Glass	101 000	92 000
Aluminium	4 529 000	4 117 000
PET	2 742 000	2 493 000
HDPE	480 000	437 000
Fiber	276 000	250 000
Non-ferrous metal	12 298 000	11 180 000
Other	1 997 000	1 815 000
Total emission avoidance	**26 040 000**	**23 980 000**
Net carbon dioxide emission/(avoidance)	**(25 900 000)**	**(23 900 000)**

NOTES

Reported data for continuing operations only.

Emissions have been calculated using the GHG Protocol calculation tools(www.ghgprotocol.org), and 'Waste Management Options and Climate Change' (ec.europa.eu/environment/waste/studies/pdf/climate_change.pdf).

1. Beverage container collection through RVMs, TOMRA Collection (Reverse Vending)
Calculated carbon dioxide savings based on the total number of beverage containers collected through TOMRA's over 70,000 RVM installations; more than 35 billion units annually. All glass beverage containers are assumed to be non-refillable, giving significantly lower assumed weight. Split between packaging types is based on beverage consumption data and TOMRA estimates.

The full benefit of collecting and recycling the beverage containers into new material, versus landfill, is included in the calculation.

2. Packaging material transport and handling, TOMRA Collection (Material Handling)
Carbon dioxide saving based on the tonnage of beverage container material transported and handled by TOMRA in USA. The full benefit of collecting and recycling beverage containers

2. ENERGY CONSUMPTION

ENERGY USED IN MANUFACTURING, SALES, SERVICE AND OPERATIONAL PROCESSES

BARRELS OIL EQUIVALENT		2015	2014
Energy consumption, stationary sources	**(Scope 1)**	**400**	**1 600**
Heating oil		0	900
Natural gas		200	300
Propane		200	400
Energy consumption, purchased grid electricity	**(Scope 2)**	**10 800**	**10 100**
Norway		2 400	2 300
Europe EU25		2 100	2 000
North America		6 100	5 600
Rest of World		200	200
Energy consumption, transportation		**48 600**	**42 300**
Petrol vehicles	(Scope 1)	9 300	9 200
Diesel vehicles	(Scope 1)	32 500	30 200
LPG vehicles	(Scope 1)	2 700	0
Employee-owned vehicles	(Scope 3)	0	0
Air travel	(Scope 3)	4 100	2 900
Total direct energy consumption		**59 800**	**54 000**
Energy consumption, products during use-phase	**(Scope 3)**	**82 000**	**81 200**
RVMs owned and operated by TOMRA and customers		75 000	75 000
Scanners owned by customers		7 000	6 200
Total direct and indirect energy consumption		**141 800**	**135 200**

3. WASTE GENERATION

WASTE FROM MANUFACTURING, SALES, SERVICE AND OPERATIONS

TONNES WASTE	2015	2014
Waste generation	**3 490**	**3 380**
Paper	0	0
Cardboard	225	175
Plastics	700	870
Wood	125	195
Electric and electronic waste (incl. TOMRA products)	40	40
Expanded polystyrene	0	0
Metal scrap	300	250
Batteries	0	0
Hazardous waste	0	0
Unsorted	2 100	1 850

4. WATER CONSUMPTION

WATER USED BY MANUFACTURING, SALES, SERVICE AND OPERATIONS

CUBIC METRES WATER	2015	2014
Water consumed	**15 700**	**15 700**
Norway	2 500	2 500
Europe EU25	9 900	9 900
North America	3 100	3 100
Rest of World	200	200

Scope 1: All direct GHG emissions
Scope 2: Indirect GHG emissions from purchased electricity, heat or steam
Scope 3: Other indirect emissions from purchased goods or services

into new material, as opposed to landfill, is included in the calculation, meaning that some of the saving is also included under "Beverage container collection through RVMs."

3. Material sorted for recycling from mixed sources, TOMRA Sorting (Recycling)
Estimated material throughput in TSS Recycling installations is used in the calculation of avoided carbon dioxide emission. The full benefit of sorting materials and recycling into new is included in the calculation.

The provision of information on carbon dioxide emission avoidance is illustrative only, and intended solely as an aid to illustrate the benefit to society supported by the TOMRA Group. The above information does not constitute a full Life Cycle Analysis. The methodology and assumptions used in calculating carbon dioxide avoidance are available upon request.

Social and ethical
REVIEW

RESPONSIBLE BUSINESS
TOMRA is committed to doing business ethically and operates with zero-tolerance for corruption. TOMRA respects internationally recognized human rights principles and does not accept any form of discrimination or harassment.

TOMRA has developed a Corporate Responsibility Statement and Code of Conduct along with other policies and guidelines that apply to TOMRA's employees and business practices worldwide. Policies that apply to TOMRA Group have been published on the company intranet and local versions of selected policies are also available.

Information on company policies is also regularly included in internal company presentations. In addition, further information sessions and/or in-depth workshops are held throughout the year.

Awareness of and compliance with TOMRA's policies is monitored as part of internal audit and the non-financial reporting process. This is part of ensuring that the TOMRA team promotes the core values by acting responsibly at all times.

TOMRA's Code of Conduct details how employees can raise concerns or report violations of TOMRA's policies. Some of these channels, including ethics@tomra.com, are also available externally and it is possible to remain anonymous. During 2015, three concerns were raised via the email channel, which were mainly HR-related.

FOCUS ON EMPLOYEES
TOMRA aims to be an attractive employer and promotes equal employment opportunity.

The Group Talent Programme was initiated in 2012 to support TOMRA's strategic goal of developing and retaining key employees in the organization, and preparing them for leadership/next-generation positions. The second program will finish in June 2016 with presentations to Group Management and the management teams of Collection Solutions and Sorting Solutions.

TOMRA also recognizes the importance of attracting the best people and being an employer of choice. TOMRA's policies ensure that TOMRA recruits and promotes individuals on the basis of their qualifications and performance. When recruiting, TOMRA shall prioritize attracting and recruiting women and ethnic minorities to positions in which they may be historically under-represented to achieve a better workplace balance over time.

TOMRA measures employee satisfaction through a regular online survey. The results of the 2015 survey were similar to recent years with 77% of employees reporting that they were satisfied overall with working at TOMRA.

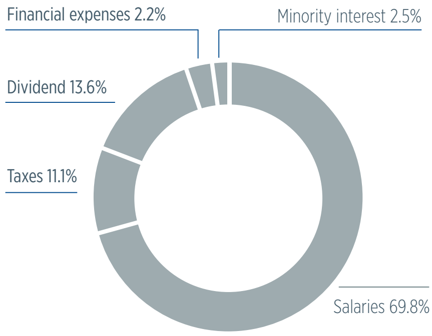
TOMRA CULTURE
Culture, and what that means in practice, was the focus of a three-day meeting of over 90 TOMRA leaders in May 2015. The outcomes from that meeting and other sessions helped to define TOMRA's Culture House built on the foundations of leadership principles, brand promise, values/behaviors, corporate responsibility and TOMRA's vision and mission.

The resulting workshop on culture and values was held in a number of US and European locations during the last quarter of 2015, and workshops will take place across the rest of the organization during 2016.

ECONOMIC IMPACT
TOMRA reports the value distributed to different stakeholder groups as a means of measuring the impact of its activities. These stakeholders include employees, shareholders and society in general.

In 2015, TOMRA created added value of over 2,200 MNOK, an increase of around 30% compared to 2014 (continuing operations). This was distributed to stakeholders as shown in the chart below.

VALUE DISTRIBUTED 2015



IMPACT ON PEOPLE WITHIN TOMRA GROUP

		2015	2014	2013
Number of employees	(#)	2,622	2,448	2,406
Female employees	(%)	16	18	18
Female managers	(%)	20	18	16
Reportable injuries	(#)	95	74	107
-- per 100 FTE	(#)	3.8	3.1	4.6

Corporate Governance
REPORT

IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE

At TOMRA, corporate governance is defined as the processes and control features that have been established to protect the interests of TOMRA's shareholders and other stakeholders such as employees, suppliers and customers.

TOMRA's Corporate Governance Policy has been approved by the Board of Directors and is available on TOMRA's corporate website (www.tomra.com).

The Board of Directors has decided that TOMRA will comply with the Norwegian Code of Practice for Corporate Governance. As a result, this section is structured in the same way as the Code of Practice (which is available on www.nues.no.) The only known deviation from the Code is described under "General Meetings" below.

TOMRA's values are described in its corporate vision, mission, core values and policies, which can be found on the TOMRA website.

TOMRA aims to lead the resource revolution, enabling better utilization of the world's natural resources, and is committed to doing business ethically and with zero tolerance for corruption. To support these aims, TOMRA has developed and implemented a Code of Conduct and Corporate Responsibility Statement. These and further information on TOMRA's CR program can be found under "ABOUT US / Corporate Responsibility" on the TOMRA website.

BUSINESS DESCRIPTION

TOMRA is a leading global creator of

sensor-based solutions for optimal resource productivity within the business streams of reverse vending, material recovery, recycling, mining, and food. The Directors' Report describes the Group's activities in more detail, including goals and main strategies, and the market is kept informed through investor presentations in connection with the quarterly reports and other events.

EQUITY AND DIVIDENDS

As of 31 December 2015, Group equity totaled NOK 4,108 million, an increase of 22 percent from last year. The equity percent was 54 percent. TOMRA's policy is to distribute 40 to 60 percent of the Group's earnings per share as dividend. When deciding the annual dividend level, the Board takes into consideration expected cash flows, capital expenditure plans, financing requirements and the need for appropriate financial flexibility. For 2014, a dividend of NOK 1.45 was paid out per share. For 2015, the Board has proposed a dividend of NOK 1.75 per share.

The Board's authorizations to increase share capital and to buy back shares are limited to specific purposes and are granted for a period no longer than the next general meeting. The authorization is given by the Annual General Meeting. At the 2015 Annual General Meeting, the Board was granted the right to acquire and dispose of up to 0.5 million treasury shares, for the purpose of fulfilling the employee share purchase program. In addition, the Board was granted the right to issue up to 14.8 million shares in connection with any mergers and acquisitions.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

TOMRA has only one class of shares and each share entitles the holder to one vote.

All transactions in own shares are performed on the market at market price, in accordance with good stock exchange practice in Norway.

Related party transactions are covered by TOMRA's Code of Conduct, which also applies to Board members. Any member of the Board or Group management should immediately notify the relevant person if a potential conflict of interest occurs. There were no material transactions between the company and related parties that required a third party evaluation during 2015.

FREELY TRADED SHARES

The shares of TOMRA Systems ASA are listed on the Oslo Stock Exchange and are freely negotiable.

GENERAL MEETINGS

In accordance with TOMRA's Articles of Association, the AGM shall be held no later than the end of June each year, with at least 21 days written notice given to each shareholder. The 2015 AGM was held on 23rd April.

The Norwegian Code of Practice for Corporate Governance also recommends that appropriate arrangements are made for the annual general meeting to vote separately on each candidate nominated for election to the company's corporate bodies. The Nomination Committee and the Board have decided (in line with most Norwegian companies) not to follow this recommendation, as the composition of these bodies is meant to cover an appropriate range of skills and backgrounds, and a separate election of each member could interfere with this intention. In addition, according to Norwegian law, the Board has to comprise of at least 40% female directors.

NOMINATION COMMITTEE

The Nomination Committee consists of three members elected for one year at a time by the General Meeting, as required by the Articles of Association. The charter for the Nomination Committee was last approved by the General Meeting in April 2011. The membership of the committee and details of how to submit proposals for new board members are available on TOMRA.com under "TOMRA Leadership."

BOARD OF DIRECTORS

The TOMRA Board is composed of five shareholder elected directors and two employee representatives (who are not part of senior management). The shareholder elected directors are proposed by the Nomination Committee based on a number of criteria to ensure a broad range of abilities and experience.

The shareholder elected directors are ultimately selected by the shareholders. Four of the five shareholder elected directors are independent. The fifth is Jan Svensson, CEO of Latour, TOMRA's largest shareholder. The Board Committees consist of members of TOMRA's Board, chosen by the Board to reflect a balance of abilities and interests.

The Board meets at least four times a year. In 2015, seven board meetings were held, of which two were by phone, and the attendance at the meetings was 100 percent. Instructions for the Board and charters for each of the Board committees have been prepared and duly approved by the relevant body. An Audit Committee, a Compensation and Organizational Development Committee and a Corporate Responsibility Committee have been established to assist the Board of Directors in fulfilling its responsibilities. The Audit Committee held four meetings during 2015, the Corporate Responsibility Committee met three times, and the Compensation and Organizational development Committee met twice during the year.

RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control Environment and Risk Management Systems

The Board is ultimately responsible for TOMRA's systems of internal control and for reviewing their effectiveness. Responsibility for individual areas of control has been allocated through the CEO down to the respective member of Group Management. The system is designed to manage, rather than eliminate, the risk of failing to achieve business and financial reporting objectives. The system can therefore only provide a reasonable, but never absolute, assurance against material errors, flaws or losses.

Processes exist for identifying, evaluating and managing material risks. Methods used by the Board and the Audit Committee to evaluate the quality of the company's internal control include:

- Review of the auditing plans for both the external and internal audit
- Review of reports from management as well as internal and external auditors on the systems of internal control and any weaknesses identified
- Discussions with management concerning the actions to be taken to address problem areas

The Audit Committee includes two board members and all Board members receive minutes from each Audit Committee meeting. The main features of the risk and control framework are outlined below:

Risk Management

The Board is responsible for approving the Group's strategy, its principal markets and the level of acceptable risk. It has ensured that appropriate risk management processes to identify the key risks facing the business have been implemented and that those risks are managed effectively.

Control Environment

An organizational structure with defined levels of responsibility and delegation of authority to appropriately qualified management has been established. A chart of authority documents each level of authority throughout the organization. Matters reserved for the Board are clearly defined and appropriate authorization limits and reporting procedures have been implemented.

TOMRA's quality and environmental management systems are based on the international ISO 9001 and ISO 14001 management systems standards. TOMRA's primary R&D and production units have been certified according to these standards. This ensures that its internal systems and procedures are aligned with international "best practice" and that responsibility and authority for all important tasks are appropriately allocated.

Control Activities

Internal control procedures have been tailored to the requirements of individual business activities. Controls for areas possessing particularly high inherent risk include clear guidelines for delegation of authority, segregation of duties, and requirements for regular reporting and reviews.

The Audit Committee assists the Board in monitoring the process for identifying, evaluating and managing risks, considering internal and external audit reports, and reviewing the Group's financial statements.

Monitoring Systems

Line management is responsible for the operation of internal control routines and these routines are subject to independent review by internal audit and, where appropriate, by the company's external auditor and external regulators. The reports of all these bodies on internal control are reviewed by the Audit Committee on behalf of the Board. The Audit Committee ensures that, where necessary, appropriate corrective action is taken.

Internal audits are performed by the Group Controller and the Group Accounting Manager. In their roles as internal auditors they report directly to the Audit Committee. The internal audit team carries out independent assessments of risk and the adequacy of related internal controls within the corporation. Findings and recommendations for strengthening the control framework are agreed with local management and the implementation of agreed changes is monitored by the internal audit team. The Audit Committee reviews the internal audit findings and proposals concerning improvements to material areas, coverage and performance, and considers significant findings and recommendations.

The internal audit team has unrestricted access to all records, personnel and property of the corporation to collect such information as is necessary for the performance of its work.

The Audit Committee, on behalf of the Board, has reviewed the effectiveness of the corporation's systems of internal control for 2015 and the period leading up to the presentation of the 2015 financial statements. As might be expected in a corporation of TOMRA's size and complexity, a small number of deviations were identified during the period under review. Actions to rectify identified inconsistencies have been taken.

FINANCIAL REPORTING

TOMRA Group prepares and presents its financial statements in accordance with current standards and interpretations under IFRS as adopted by the EU. Each company prepares monthly accounts and the financial data is consolidated and checked at several levels before being presented for review by Group Management. Additional reporting is required for the preparation of quarterly and annual financial statements. Information and training on accounting issues and TOMRA's reporting process is provided through TOMRA's Finance seminar and local events.

REMUNERATION TO MEMBERS OF THE BOARD

The General Meeting sets the Board's annual remuneration based on a proposal from the Nomination Committee. Note 14 of the Financial Statements discloses all remuneration to board members and senior executives.

PRINCIPLES FOR REMUNERATION OF SENIOR EXECUTIVES 2015-2016

The term "senior executives" applies to the CEO and other members of Group management. Salary and other employment terms for senior executives shall be competitive to ensure that TOMRA can attract and retain skilled leaders. Salary should include both fixed and variable elements. The fixed salary should reflect the individual's area of responsibility and performance over time. Principles for remuneration shall be allowed to vary in accordance with local conditions. The remuneration structure shall be based on such factors as position, expertise, experience, conduct and performance. The variable salary shall not exceed 50% of the fixed annual salary and be based on the achievement of specific performance targets by TOMRA Group and/or the respective manager's unit.

The Board has appointed a Compensation and Organizational Development Committee, headed by the Chairman of the Board, to monitor decisions on matters regarding remuneration, terms and conditions for senior executives. The performance goals for the CEO are proposed by the Chairman of the Board and approved by the Board. Goals for the other senior executives are determined by the CEO and reviewed by the Compensation Committee. The goals are operational and related to financial targets, such as profit from operating activities, return on capital employed and market related performance objectives.

The CEO's remuneration package, and any adjustments thereof, are agreed between the CEO and the Chairman and approved by the Board. The remuneration packages for the other senior executives, including adjustments of these, are agreed between the CEO and the respective manager. The terms of these agreements are reviewed first by the Compensation Committee and finally by the Board of TOMRA.

The Board established in 2014 a new Long Term Incentive Plan (LTIP), replacing the prior plan, which was based upon the TOMRA share price development measured against NASDAQ. The new plan is based upon improvements in the Group's reported EPS. The rationale for changing the plan in 2014 was to make the performance metric more relevant for management by measuring success based upon improvements in profit (which management can influence), instead of share price development (which is less influenced by individual performance, particularly when measured against NASDAQ).

Under the new system, the Board has established EPS targets for 2015, 2016 and 2017. The targets are established as intervals, where the participants can earn from 30% (if the minimum target is met) up to 100% (if the maximum target is met) of one year's salary. The plan is consequently capped at one year's salary. Fifty percent of earnings after tax has to be invested in TOMRA shares and must be kept for at least three years. If sold earlier, all proceeds from the sale belong to TOMRA.

The first measurement was at the end of 2015, when actual performance for the fiscal year 2015 was measured against the targets for the year. Management gained full earnings under the LTIP-plan in 2015. A detailed calculation of the 2015 performance is included in disclosure note 14.

For 2016, management will be measured against the combined targets for 2015 and 2016. If the combined actual performance for 2015 and 2016 is equal to the minimum targets, management is entitled to 30% of one year's salary. If the maximum target is met, the bonus will be 100% of one year's salary. Fifty percent of earnings after tax has to be invested in TOMRA shares and must be kept for at least three years. If sold earlier, all proceeds from the sale belong to TOMRA. A detailed calculation of the 2016 performance will be included in the 2016 annual report.

In addition to fixed and variable salary, other benefits such as company car, health insurance, interest- and installment free loans, newspaper and telephone might be provided. The total value of these benefits should be modest and only account for a limited part of the total remuneration package.

Senior Executives participate in the same pension plans as other employees within the unit in which they are employed. No special pension plans have been established for senior executives.

The notification period for senior executives shall be three to six months, with the exception of members employed in the US, where fixed length contracts may be utilized.

The CEO is entitled to 12 months' severance pay due to termination by the company. No agreements shall be established that provide members of senior executives any automatic right to more than 24 months of severance pay. A detailed account of the remuneration of each senior executive is available in note 14 in the financial statements.

The principles and guidelines for management remuneration for 2016 have not changed materially from those approved in 2015, which were presented to the general assembly in April 2015. The policies concerning remuneration of senior executives and the setting of salaries have been in line with the established guidelines throughout 2015.

INFORMATION AND COMMUNICATION

TOMRA provides investors with financial and other information in the quarterly reports and other presentations. This information is freely available to interested parties in the "Investor Relations" section of the TOMRA website along with the financial calendar for 2016.

TAKEOVERS

TOMRA's guidelines and practices are in line with the Norwegian Code of Practice for Corporate Governance.

AUDITOR

The independent auditor is elected by the general meeting and is responsible for auditing the Group accounts. The independent auditor attends the meetings of the Audit Committee and presents a plan for each year's audit. The independent auditor also meets with the Board of Directors at least once each year without the presence of TOMRA Group Management.

2016 SUMMARY AND
Highlights

+ **REVENUES** in 2015 of NOK 6,143 million represent a growth of 29 percent compared to 2014. Adjusted for currency effects, growth was 16 percent.
  - Up 20 percent in TOMRA Collection Solutions
  - Up 10 percent in TOMRA Sorting Solutions

+ **GROSS MARGIN** was down from 43 percent in 2014 to 42 percent in 2015
  - Down in TOMRA Collection Solutions
  - Stable in TOMRA Sorting Solutions

+ **OPERATING EXPENSES** increased 6 percent, adjusted for currencies
  - Up 6 percent in TOMRA Collection Solutions
  - Up 5 percent in TOMRA Sorting Solutions

+ **EBITA** was up from NOK 737 million in 2014 to NOK 1,015 million in 2015
  - Up 25 percent in TOMRA Collection Solutions (adjusted for currencies)
  - Up 31 percent in TOMRA Sorting Solutions (adjusted for currencies)

+ **EPS** up from NOK 2.44 in 2014 to NOK 4.06 in 2015
  - Positively influenced by currencies and reduction in loss from discontinuing operations (NOK 61 million in 2014)
  - EPS from continuing operations up from NOK 2.85 in 2014 to NOK 4.11 in 2015

+ **CASH FLOW** from operations of NOK 913 million in 2015, up from NOK 696 million in 2014

+ **TOMRA COLLECTION SOLUTIONS**
  - TOMRA maintained a strong position in all traditional markets.
  - Strong performance in Germany due to replacement of old machines
  - The flagship product T-9 well received in the market, with more than 4,000 machines sold in 2015 (up from ~1,000 machines in 2014)
  - Order for ~1,000 machines to the newly established deposit market in Lithuania

+ **TOMRA SORTING SOLUTIONS**
  - Order intake increased from NOK 2,108 million in 2014 to NOK 2,342 million in 2015
  - Order backlog increased during the year from NOK 657 million to NOK 659 million, but down 8% currency adjusted
  - Several new products were launched, cross-utilizing technologies developed within the different business streams
  - Improved performance in Food sorting
  - Good momentum in Recycling, despite reduced commodity prices
  - Mining ended the year with low order backlog due to challenging markets

+ **SHARE PRICE** increased from NOK 57.50 to NOK 95.50 during 2015
  - Adjusted for dividend, TOMRA stock provided a shareholder return of 70 percent in 2015
  - 41 million shares traded at Oslo Stock Exchange in 2015, up from 39 million in 2014

+ **THE GROUP** ended 2015 with a strong balance sheet and a solid foundation for further growth
  - 54% equity
  - 0.7x Net Interest Bearing Debt / EBITDA (improved from 1.4x at the end of 2014)
  - The Board has proposed a dividend of NOK 1.75 for 2015, up from NOK 1.45 last year


Revenues
6 000
5 500
5 000
4 500
4 000
3 500
3 000
2 500
2 000
MNOK
2009
2010
2011
2012
2013
2014
2015
Gross contribution and margin
2 600
2 400
2 200
2 000
1 800
1 600
1 400
1 200
1 000
MNOK
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
2009
2010
2011
2012
2013
2014
2015
EBITA and margin
1000
800
600
400
200
0
MNOK
20%
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
2009
2010
2011
2012
2013
2014
2015

TOMRA Board of Directors

JAN SVENSSON (B. 1956)

CEO of Investment AB Latour

Board member since 2012.

M.Sc. Economics and Business Administration, Stockholm School of Economics, 1981.

Previous experience: Various positions within the Stenberg Group, CEO (1986-2003).

Number of TOMRA shares: 7,000 (In addition Investment AB Latour holds 36,560,000 shares)

Other board memberships: Publicly listed: Nederman Holding AB (Chairman), Fagerhult AB (Chairman), Assa Abloy AB (member), Loomis AB (member). Not listed: Oxeon (Chairman)

ANIELA GABRIELA GJØS (B. 1959)

Senior VP Supply Chain TINE SA

Board member since 2008.

Master of Science in Industrial Organization & Management, Silesian University of Technology, and BI Norwegian School of Management.

Previous experience: CEO at Ontime Logistics AS (2008-2013), Project Director at South-Eastern Norway Regional Health Authority (2008-2008), SVP Supply Chain and Operations, Norway Post (2002-2008), Managing Director Logistics, Ringnes/Carlsberg (1996-2002)

Number of TOMRA shares: 11,500

BODIL SONESSON (B. 1968)

VP Global Sales, Axis Communications

Board member since 2013.

Master's degree in International Finance, University of Lund and Konstanz University in Germany.

Previous experience includes employment with Lars Weibull AB.

Number of shares in TOMRA: 0

Other board memberships: The Swedish Chamber of Commerce in Paris

PIERRE COUDERC (B. 1959)

CEO and Chairman Executive Committee, Groupe Euralis

Board member since 2014.

Engineering degree, Ecole Nationale Superieure des Mines de Paris

Previous experience:

Several management positions within the Danone Group (1987 to 2008) including General Manager Asia Pacific (2005-08), General Manager Danone Mexico (2004-05), and General Manager Danone Argentina (2002-04).

Executive General Manager at Jose Cuervo (2008-09)

Number of TOMRA shares: 0

Other board memberships: Non listed CIC Bank S.O

DR. LINDA BELL (B. 1957)

CEO of PhosphonicS Ltd.

Board member since 2015

Doctor of Philosophy, Inorganic Chemistry (Oxford University), MBA (Open University), BA Natural Sciences (Oxford University).

Previous experience include: Managing Director Liquid Packaging and Dispensing, DSSmith Plc (2012-13), CEO, Inca Digital Printers Ltd. (2009-12), Managing Director, Hadham Associates Ltd. (2008), Managing Director, SERVOMEX Group Ltd. (2001-07), Managing Director, Hadham Associates Ltd. (2000-01), ICI Plc (1983-2000)

Number of TOMRA shares: 0

Other board memberships: PhosphonicS Ltd.

INGRID SOLBERG (B. 1972)

Employee representative

Board member since 2009.

Number of TOMRA shares: 5,479

Other board memberships: None.

DAVID WILLIAMSON (B. 1959)

Employee representative

Board member since 2008.

Number of TOMRA shares: 1,137

Other board memberships: None.

DIRECTORS'
Report 2015

FINANCIAL PERFORMANCE
Revenues amounted to NOK 6,143 million in 2015, an increase of 29 percent in relation to 2014. Adjusted for currency effects, revenues increased by 16 percent; up 20 percent in TOMRA Collection Solutions and up 10 percent in TOMRA Sorting Solutions.

Gross margin was down from 43 percent in 2014 to 42 percent in 2015, with reduced margins in TOMRA Collection Solutions and slightly improved margins in TOMRA Sorting Solutions.

Operating expenses were NOK 1,548 million, up from NOK 1,313 million in 2014. Adjusted for currency, operating expenses were up 6 percent.

EBITA was NOK 1,015 million in 2015, up from NOK 737 million in 2014. During 2015, NOK weakened against both EUR and USD, and this combination had a positive effect on EBITA, estimated at about NOK 65 million compared to 2014. Adjusted for currencies, EBITA increased by 27 percent.

Net financial items decreased from minus NOK 28 million in 2014 to minus NOK 33 million in 2015, mainly loss from currencies of NOK 15 million in 2015, partly offset by reduction in net interest bearing debt and lower interest rates.

Taxes increased from NOK 148 million in 2014 to NOK 212 million in 2015, due to higher earnings. The effective tax rate decreased from 24.6% in 2014 to 24.4% in 2015.

Loss from discontinued operations decreased from NOK 61 million in 2014 to NOK 7 million in 2015. The 2014 figures included a divestment loss of NOK 64 million related to the sale of TOMRA Compaction (Orwak).

EPS was NOK 4.06 in 2015, up from NOK 2.44 in 2014. EPS from continuing business increased by 44 percent.

Exceptionally strong cash flow from operations of NOK 913 million in 2015, compared to NOK 696 million in 2014.

Cash flow from investments was negative NOK 280 million compared to negative NOK 286 million last year, positively influenced by the sale of TOMRA Compaction, but negatively influenced by investment in lease machines in Lithuania.

Cash flow from financing ended at negative NOK 811 million, including dividend payments of NOK 214 million.

Total assets as of 31 December 2015 were NOK 7,317 million. This represents a currency-adjusted increase of 1 percent in relation to total assets at the beginning of the year.

The equity ratio increased during 2015 from 49% to 54%, positively influenced by 2015 earnings and positive translation differences of NOK 331 million (as increased value of assets in foreign currencies improves equity when measured in NOK), but negatively influenced by dividend of NOK 214 million.

Net Interest Bearing Debt / EBITDA (rolling 12 months basis) improved from 1.4x at the end of 2014 to 0.7x at the end of 2015.

DIVIDEND
TOMRA aims to distribute 40 percent to 60 percent of the Group's earnings per share. When deciding the annual dividend level, the Board has taken into consideration expected cash flows, capital expenditure plans, financing requirements and the need for appropriate financial flexibility. The Board of Directors recommends consequently a dividend distribution of NOK 1.75 per share (43 percent of EPS), up from NOK 1.45 in 2014.

TOMRA SYSTEMS ASA
Tomra Systems ASA reported an increase in revenues from NOK 892 million in 2014 to NOK 1,611 million in 2015.

Reverse Vending Machines (RVMs) are developed in Norway and mainly produced by third parties in Poland and at the wholly owned subsidiary Tomra Production AS in Norway, combined with a sourcing model that includes high focus on low cost countries such as China, Taiwan and Eastern Europe. The machines are sold via the parent company to subsidiaries and distributors, primarily in Europe and North America. Activity within the parent company reflects therefore the level of sales of machines and parts to end-customers within the RVM segment. The number of RVMs sold in 2015 increased from 2014, mainly due to the increase in sales to Germany.

Operating profit in Tomra Systems ASA was up from NOK 174 million in 2014 to NOK 418 million in 2015, a result of higher sales.

Net financial items was NOK 3 million, positively influenced by dividend from subsidiaries of NOK 155 million and negatively influenced by an exchange rate

TOMRA GROUP REPORTED AN INCREASE IN REVENUES FROM NOK 4,749 MILLION IN 2014 TO NOK 6,143 MILLION IN 2015.

loss of NOK 131 million. The exchange loss was mainly related to loss on bank loans nominated in EUR. At Group level these loans work as a hedge against investments in foreign (EUR-nominated) subsidiaries, and has consequently no profit and loss impact in the consolidated accounts.

Profit after taxes was NOK 344 million in 2015, compared to negative NOK 55 million in 2014. The main improvements from 2015 came from higher operating profit (more sales), dividend from subsidiaries and no loss from divestments (NOK 50 million booked as loss in 2014).

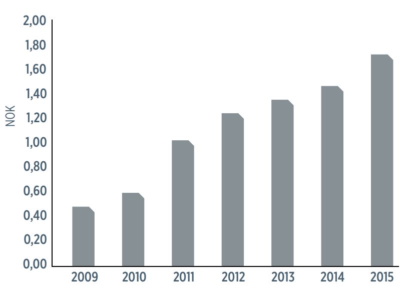
In December 2015, Tomra Systems ASA entered into a EUR 50 million multicurrency revolving credit facility with a tenor of 5+1+1 years with DNB.

ALLOCATION OF 2015 PROFIT

The 2015 net profit should be allocated as follows:

Dividend:	NOK 258.4 million
To retained earnings:	NOK 85.3 million
Profit after tax:	NOK 343.7 million

Dividend



The Board of Directors believes that there is no reasonable cause to question the ability of TOMRA Group and the parent company to continue its operations in the foreseeable future and hence confirms that the accounts have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU for TOMRA Group and Norwegian accounting principles (NGAAP) for Tomra Systems ASA, and that the Group, after the dividend payment, has sufficient equity and liquidity to fulfill both its short term and long term obligations.

THE FRAMEWORK GOVERNING TOMRA'S OPERATIONS

TOMRA's reverse vending technology provides an efficient collection and handling system for deposit of beverage containers in retail locations. Correct recognition as well as automated sorting and storage of empty containers reduces retailers' handling costs to a minimum. This idea formed the basis for the establishment of TOMRA in 1972. The company's growth since its inception has mainly been driven by the implementation of beverage container deposit systems in new markets, either through legislatively or voluntary enforced arrangements.

Early in the 1990s TOMRA expanded its activities with the addition of integrated solutions for covering a greater part of the beverage container recycling value chain. Automated compaction of used non-refillable containers contributes to the reduction of transport costs and subsequent handling. Electronic collection and processing of transaction data from the reverse vending machines also assures secure and cost effective administration of the deposit funds and materials.

This expansion of the business model has been instrumental to TOMRA's growth in the North American market.

Despite all the documented advantages of a deposit system, few markets have implemented deposit schemes in recent years. The recognition that it could take time before new markets accepted deposit as an effective system for recycling, led in 2004 to the decision that TOMRA would expand its operations by moving into other areas within the value chain for collecting and processing waste. As a consequence, TOMRA acquired Titech, which provided efficient industrial solutions for recognizing and sorting of waste.

After first mainly operating in the market of plastic and paper recycling, TOMRA expanded in 2006 into metal recycling, and in 2008 into mining (ore-sorting), where TOMRA technology now increases the efficiency and lifetime of mines. In 2011 and 2012, based on the strategy of resource productivity, industry automation and leading position in sensor based sorting, TOMRA took a further step forward with its entry into the food sorting industry, where its proven recognition technology is utilized to sort food based on quality, size and other characteristics. TOMRA has consequently gone through several stages of transformation, where the recycling industry now is only one of several industries where TOMRA has a presence.

In order to maximize synergies among

the acquired entities and meet its customers' and the world's challenges and opportunities, TOMRA has merged the existing brands under one strong and unified brand – One TOMRA, under the mission to create sensor-based solutions for optimal resource productivity, focused on the optimization of customers' resource use. With increasing world population and higher consumption levels, it is clear that resource productivity must increase on a global scale to ensure sustainable development. Society is at the dawn of a resource revolution, and TOMRA's vision statement, "Leading the resource revolution," is what the company is doing by extending its reach to include business streams that create solutions within food sorting, mining, recycling and material recovery. Focusing on resource optimization, process efficiency, and interconnectivity of systems that help customers improve financial results and reduce environmental impact.

TOMRA's path forward is to improve the world's understanding of the benefits of creating and investing in solutions that can move us past the false choice between earth and economy (change mindsets to act and move), producing new work opportunities to ensure competitiveness, growth and work with purpose while fostering a culture that both inspires and motivates its people and customers.

In 2015, TOMRA operated with two business areas and five business streams:

TOMRA COLLECTION SOLUTIONS (TCS):

+ Reverse Vending (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)

TOMRA SORTING SOLUTIONS (TSS):

+ Food (Sorting and processing technology for the fresh and processed food industries)
+ Recycling (Sorting systems for waste and metal material streams)
+ Mining (Ore sorting systems for the mining industry)

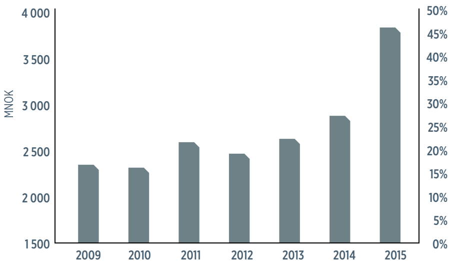
In 2015, the TSS business area accounted for 38 percent of the Group's total operating revenue. The percentage is expected to increase in the years to come, as TOMRA pursues a strategy of expanding its sorting technology and competence into new areas.

TOMRA COLLECTION SOLUTIONS

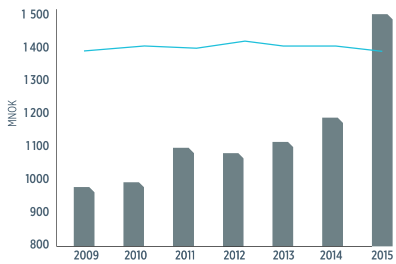
TOMRA's activities within this business area include primarily the development, production, sale, lease and service of automated recycling systems in Europe and North America, including data administration systems that monitor the volume of collected materials and associated deposit transactions. In 2015 revenues within this business area amounted to NOK 3,803 million, up from NOK 2,823 million in 2014. Adjusted for currency changes, revenues increased 20 percent, mainly due to higher activity in Germany. TOMRA is positioned as the world leader in the RVM business.

Gross contribution was 40 percent, down from 42 percent in 2015, a result of more product sales and USD-nomi-

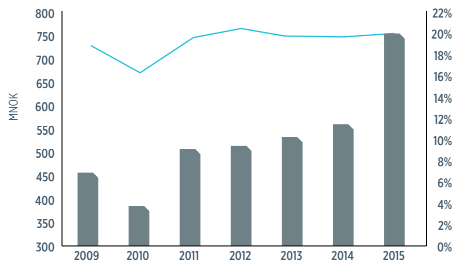
TCS
Revenues



TCS
Gross contribution and margin



TCS
EBITA and margin



nated revenues. EBITA increased from NOK 561 million to NOK 761 million. Adjusted for currencies, profit was up 25 percent.

TOMRA's customers within this segment are primarily in the food retail industry in Europe and USA, an industry that is relatively unaffected by financial downturns since the consumption of food and beverages remains fairly stable through economic cycles. Food retail chains in general consider a well-functioning container return system to be an important competitive advantage, as consumers tend to choose which store they go to based upon the convenience and reliability of a store's return facilities. This applies both in times of economic upturn and downturn. With almost 50 percent of the segment's revenues originating from service, and a significant part of the new machine sales being replacement, the year over year change in activities will normally be limited.

EUROPE

In Germany, which introduced deposit legislation in 2006, retail has started replacing RVMs installed during the first years after the deposit introduction. TOMRA has been well positioned to serve the German customers with economical and technically versatile RVM solutions and the number of machines sold in the German market increased from ~2,300 machines in 2014 to ~3,600 machines in 2015.

In Sweden, new requirements will make some of the older machines obsolete from 31 December 2016, generating a higher replacement activity in the second half of 2015 and into 2016.

In Lithuania, deposit has been introduced with effect from 1 February 2016. In September 2015, TOMRA entered into an agreement with USAD (the Lithuanian deposit administrator) to place up to ~1,000 machines in the Lithuanian market. The machines are owned by TOMRA and rented out on a volume-based lease. The placement started in fourth quarter 2015 and will continue during 2016.

In Croatia, a deposit system for one-way beverage containers was established back in 2006. The system was however unsuitable for automation as barcodes could not be used for identification of containers and compaction was not permitted. These hurdles were removed in third quarter 2015, allowing for more extensive use of reverse vending machines. TOMRA has formed a joint venture with a local distributor in the Croatian market to capture a share of what is believed to be an opportunity for up to 1,000 machines over time.

The development in the other European markets was stable in 2015 and TOMRA has maintained its market share.

NORTH AMERICA

Within Reverse Vending, TOMRA operates with two different business models in North America. One is a sales model, where machines are sold to the food retail stores in the same way as in Europe; the other is a through-put lease model, where TOMRA maintains ownership of the installed machines and receives payment based on the number of containers handled by the machines. The installed base at the end of 2015 was close to 8,000 machines on operational lease and a somewhat higher number for machines sold.

In addition to the Reverse Vending business, TOMRA picks up, transports, processes, and sells used beverage containers on behalf of beverage producers in the north-eastern United States and in Canada (Material recovery). In 2015, this business segment contributed total revenues of USD 111 million.

The volumes of drinking containers handled by TOMRA's Material Recovery infrastructure was slightly up in 2015, but the throughput volumes in the Reverse Vending machines were slightly down. The lower volumes in the RVMs are explained by more containers being redeemed at conventional sites that do not utilize standard reverse vending technology. The North American organization has launched a volume builder project to offset these effects. TOMRA is also capturing a higher share of conventional volumes by leveraging the recently developed depot solution. As part of this plan, TOMRA acquired 14 redemption centers in 2015, where the depot solution is being implemented over time.

NEW MARKETS

The existence of deposit systems is a crucial driver for most of the activities within TOMRA Collection Solutions. The creation of new systems, and changes to established systems, will consequently impact TOMRA's performance significantly.

In 2015, the Lithuanian and Croatian processes ended with positive outcomes, generating revenues for TOMRA in the years to come.

In New South Wales (Australia), the Government released a discussion paper on deposit in December 2015, and according to the current timeline, there will be a final decision at the end of June 2016 on whether a statewide deposit system will be introduced, starting July 2017.

In 2015, TOMRA also launched a new operation in China to monitor and prepare for potential market opportunities in the region.

TECHNOLOGY

In fourth quarter 2013, TOMRA launched the T-9, the first of a new generation of reverse vending machines (RVM) based on TOMRA Flow Technology. T-9 features the first ever 360 degree recognition system applied inside an RVM and enables faster and cleaner collection of beverage containers, including containers that until now could not be collected in RVMs. The T-9 is improving consumer experience due to its increased capacity, which leads to shorter queues during peak hours in the stores.

The technology has been well received by customers, and more than 4000 T-9 machines were installed in 2015, up from ~1200 machines the previous year. The core modules, such as the ring, infeed system and the user-interface, are being deployed into additional machines, upgrading the entire product offering. A cost reduction program was executed during 2014 to improve the product cost structures (high initial costs) and the cost targets were met in 2015.

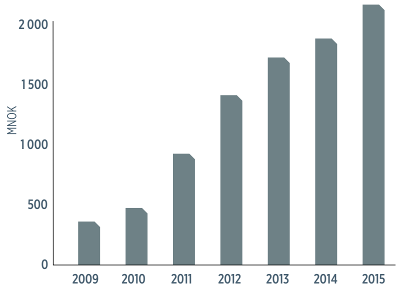
TOMRA COMPACTION

As part of a strategy to become a leading global provider of recycling technology equipment and solutions, TOMRA acquired Orwak Group in 2005. Orwak Group, a provider of compaction solutions for recyclables such as cardboard, paper and plastics, sold large horizontal balers under the brand name Presona and smaller vertical balers under the brand name Orwak. Orwak Group, together with TiTech (a provider of sensor based sorting systems for the recycling industry acquired in 2004), formed the basis for the newly established business area “Industrial Processing Technology”.

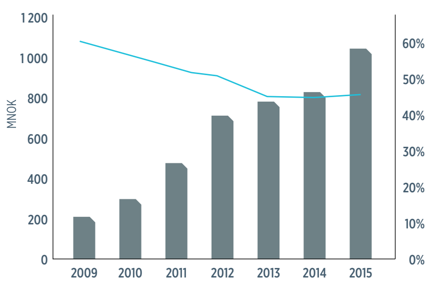
The synergies between TiTech and Orwak Group were, however, limited and TiTech became instead the first building block of what is today known as TOMRA Sorting Solutions. After divesting Presona in 2010, the remaining parts of Orwak Group were integrated with TOMRA Collection Solutions. The main reason was to integrate sale and service of vertical balers with sale and service of reverse vending systems, hence leveraging potential front-end synergies based on overlapping customer segments.

In retrospect, the actual synergies between compaction and reverse vending proved to be insignificant. Moreover, TOMRA’s former strategy of providing recycling technology equipment changed to creating sensor-based solutions for optimal resource productivity and selling compaction equipment did not fill a natural role in this strategy. As a consequence of TOMRA’s strategic shift and the lack of tangible synergies between compaction solutions and reverse vending solutions, TOMRA divested TOMRA Compaction (Orwak) in December 2014. The transaction was closed in January 2015, and TOMRA received a total consideration of NOK 110 million, free of cash and interest bearing debt (classified as proceeds from sale of subsidiaries in the 2015 cash flow statement). The transaction generated a

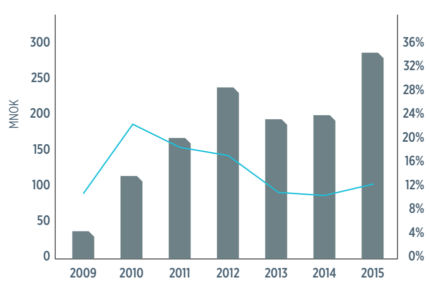
TSS
Revenues



TSS
Gross contribution and margin



TSS
EBITA and margin



loss of NOK 64 million in 2014, and the activities from TOMRA Compaction were classified as discontinued operations in the profit and loss statement. The assets and liabilities following the transaction was classified as held for sale in the balance sheet as of 31 December 2014.

TOMRA SORTING SOLUTIONS

Sorting solutions offers significant economic and environmental benefits for major industries such as food processing, mining and recycling for increasing their productivity, yield, access to resources and reducing their costs. It is well positioned to respond to short and long term increases in resource demands required to construct living and working spaces for an ever growing and increasingly urbanized global population, demands for more and higher quality food products and requirements for a less carbon intense society. TOMRA is positioned as worldwide leader in all the segments served.

Revenues within TSS were up 16% in 2015, compared to 2014 (up 6% currency adjusted) and the overall market situation remained favorable, but with significant variation between the different business streams.

Food sorting is the largest business stream within Sorting, and performance has been robust in 2015 with increases in revenues and order intake, despite a low activity within Tobacco (which is reported under the Food segment). The market is driven by more stringent food safety and quality requirements, consumption of more packaged and processed food products, as well as more healthy food such as nuts and dried fruits. Several new product launches have fueled growth, particularly in the important potato and nut-segments.

The Recycling business stream also developed positively in 2015, increasing revenues and order intake despite somewhat challenging commodity markets. Recycling rates, and consequently demand for recycling equipment, are exposed to fluctuations in commodity prices for materials like pulp, plastic and metal. So far, TOMRA has managed to offset this effect by expanding into new markets and identifying new opportunities.

The Mining business stream started the year with a significant order backlog (the Ma'aden project), but has only to a limited extent managed to replace the backlog with new orders during 2015. Low mineral and metal prices are currently affecting the mining industry, negatively influencing TOMRA's sales into this industry.

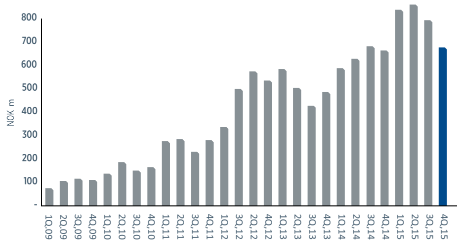
The exception is the demand for diamond sorters, where the interest in TOMRA's solution has increased (see separate box).

With a somewhat higher number of orders delivered than recognized as order intake during 2015 (revenues up 6% and order intake up 1%, both currency adjusted), the order backlog is down 8% in TOMRA Sorting Solutions in local currency (up from NOK 657 million to NOK 659 million, measured in NOK), primarily due to the Mining business stream.

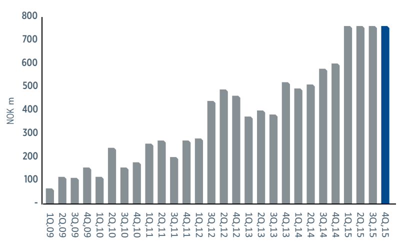
LEVERAGING TECHNOLOGY LEADERSHIP

Leveraging technology synergies, increasing adaptability and shortening the time-to-market are core elements of TOMRA's strategy to merge several sensor-based sorting activities under one brand. This will enable TOMRA to better serve global markets and respond to the variations in needs and cross-breed sensor technologies, allowing for new cutting-edge solutions and sorting

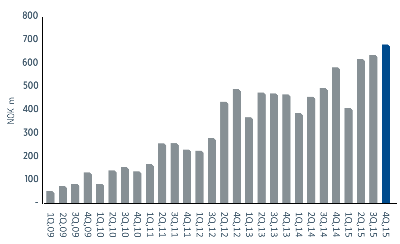
TSS
Order backlog



TSS
Order intake



TSS
Revenues



capabilities. The common sorting platform (CSP) is the strategy TOMRA applies to leverage synergies between the business segments Food, Recycling and Mining. The basic sorting principles are conceptually the same across the segments, enabling TOMRA to develop a set of building blocks that are used again and again. Benefits include increased productivity and speed in product development, reduced development and after-market costs and more efficient use of human resources. The development phase of the CSP has been completed and all new products are now launched on this platform.

As the food business is expanding into new geographic domains, we encounter new requirements that are driven by differences in market structure and customer requirements. The North-American market, for example, is driven by large scale farming, distribution and processing channels. Many Asian markets, on the contrary, are structured with smaller farms and processors.

Several new products based on CSP have been launched recently, including:

+ The Blizzard free-fall sorter, a cost effective alternative to the high-end sorters (Helius and Nimbus). The Blizzard detects and removes unwanted discolorations, foreign material (FM) and misshapen produce from the product stream. The Blizzard is equipped with pulsed LED technology and multiple infrared (IR) wavelengths, combined with a specially designed color capabilities camera, tailor-made for IQF (Individually Quick Frozen) fruit and vegetables.

+ The Falcon, a pre-sorter for the fresh cut industry. The Falcon removes unwanted material brought on to the productionline from the field such as droppings, rodents, bugs, plastic, wood, soil clumps and stones. Supported by LED illumination, the high-resolution cameras also detect different characteristics such as the chlorophyll level of the produce.

+ The Sentinel II, a flexible solution for tomato and peach processors. Sentinel II covers a capacity range of 40-200 tons/hour making it an ideal solution for the seasonal processor seeking off-color, defect and foreign material control.

+ The Zea, a sensor based seed corn sorter. Zea sorts and grades corn by husk, defect, disease and size by using both color and NIR (Near-Infra Red) sensors to scan the surface of each item to analyze size, shape and color.

RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development activities are a high priority at TOMRA. R&D has a central role in the development of the individual technology units, and is closely connected to the local markets in order to ensure that TOMRA maintains its technological advantage. Research and development activities, including other future oriented projects, were expensed at NOK 232 million in 2015. The comparative figure for 2014 was NOK 198 million. In addition NOK 46 million was capitalized (2014: NOK 43 million). These activities were directed primarily toward the development of automated return systems (TOMRA Collection Solutions) in addition to further development of recognition and sorting technology in TOMRA Sorting Solutions.

FINANCIAL RISK

The Board of Directors is focused on ensuring that there is a systematic and considered approach to managing risk within all segments of the corporation, and views this as a prerequisite for long-term value creation for the company's shareholders, employees, and other stakeholders. Opportunities for growth shall always be assessed against the associated risks. TOMRA faces normal business risks related to contractual agreements with, for example, customers and suppliers. In addition there are several macro trends that can affect the industry in which TOMRA operates. A reduction in recycling targets and ambitions, as well as falling material commodity prices would negatively influence TOMRA as the need for advanced recycling technology would become less obvious.

TOMRA's operations are also influenced by political decisions, specifically with regard to deposit legislation. If a country or state decides to remove its existing deposit system, there will be limited incentives for TOMRA's customers to maintain current or invest in new TOMRA equipment. In some markets, like for example in the United States, an elimination of the deposit legislation would immediately dissolve the foundation for TOMRA's daily operations. On the other hand, the implementation or expansion of deposit systems in a country or state would create new growth opportunities for TOMRA.

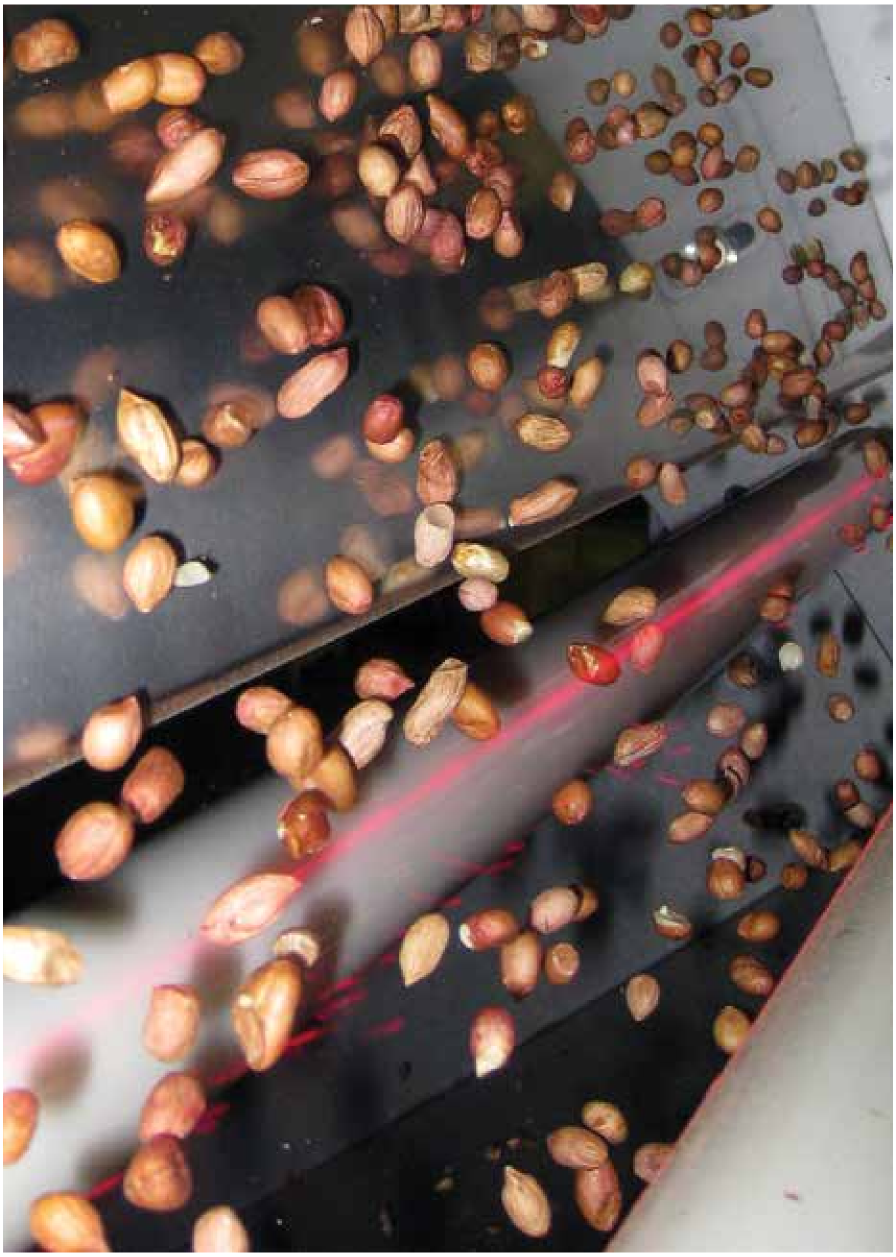
Responsibility for financing, cash management and financial risk management is handled by the Finance Department within Tomra Systems ASA. Historically, TOMRA has seldom experienced losses on accounts receivable, and the corporation's routines concerning credit approval are considered satisfactory. TOMRA's surplus cash is placed primarily in NOK with duration of less than six months. Interest-bearing debt is normally denominated in NOK or EUR, at interest rates fixed for a period of less than six months.

TOMRA is exposed to fluctuations in currency exchange rates. With more than 95 percent of its income in foreign currencies, a strengthening of NOK will lead to reduced earnings for the Group when measured in this currency. The majority of risk is connected to fluctuations in EUR and USD. TOMRA takes advantage of forward exchange contracts to hedge future cash flows in foreign currencies.

With 90 percent of the balance sheet denominated in foreign currencies, TOMRA's equity will also be exposed to changes in currency exchange rates (most importantly EUR). To partly offset this effect, TOMRA aims to place external bank debt in the same currencies. In addition TOMRA has implemented the financial risk management systems one would expect given the size and complexity of the company's operations. A more extensive description of TOMRA's internal control procedures and systems for evaluating financial risk are provided on page 20 in this report.

CORPORATE RESPONSIBILITY AND GOVERNANCE - OUR SOCIAL AND ENVIRONMENTAL ENGAGEMENT

TOMRA makes a significant contribution to a cleaner and more sustainable world



through its products and services.

As a result, TOMRA has always had a significant focus on the environment, measuring and reporting its environmental performance since 1998. As TOMRA expands its focus to address the other corporate responsibility (CR) areas, the Board supports TOMRA's membership of the UN Global Compact, which provides a recognized framework for integrating CR principles into operations and strategies. This annual report forms the basis of TOMRA's Communication on Progress, required annually by the UN Global Compact.

Tomra Systems ASA is also certified according to the ISO 14001 standard for environmental leadership. TOMRA's five-year environmental program has been expanded to include other CR topics, with particular focus on corruption and other risk areas. Further details of TOMRA's corporate responsibility targets and impact on the environment are presented in TOMRAs Corporate Responsibility report on pages 10 to 17 of this report.

In 2015, TOMRA was named the winner of the European Business of the Year Award in the category for companies with a turnover of EUR 150 million or higher. TOMRA was one of ten finalists for this award category, being recognized as one of the best European companies in terms of demonstrating innovation, business ethics and financial success.

ORGANIZATION, HEALTH AND SAFETY

The number of employees in the TOMRA Group was 2,622 at the end of 2015, up from 2,448 at the end of 2014. In Norway the number of employees increased from 268 at year-end 2014 to 272 at the end of 2015.

TOMRA facilitates equal opportunity for professional and personal development for all employees and does not discriminate on the basis of race, color, religion, gender, natural origin, age, disability, sexual orientation or veteran status.

These are important principles that are firmly anchored in the company's Corporate Responsibility Statement and Code of Conduct and communicated to all employees.

TOMRA uses an international survey coordinated by the organization "Great Place to Work" that also rates how well employees consider the company lives up to its principles. The participation rate has been above 80% and the feedback from employees is in general encouraging. In 2015, 77% of the participating employees stated that TOMRA is a Great Place to Work®.

The Board of Directors considers the principles and guidelines the company has in place for discrimination and equal access to be sufficient, and that no further actions are necessary to satisfy legal requirements.

Female employees made up 16 percent of TOMRA's work force and held 20 percent of its management positions at the end of 2015, a change from 18 and 18 percent respectively in 2014. Four out of TOMRA's seven board directors are women.

The number of job-related injuries in TOMRA requiring medical attention beyond basic first aid was 95, up from

74 in 2014. Most of these instances occurred within TOMRA's material recovery activities in the USA, which involve handling crushed glass and heavy lifting. TOMRA continuously strives to reduce the injury rate and has implemented further preventative measures after identifying more contributing factors. The absence rate due to illness in Tomra Systems ASA decreased from 3.2 percent in 2014 to 2.3 percent in 2015.

Tomra Systems ASA is certified according to ISO 9001 and this standard is used to guide the company's quality assurance procedures. TOMRA also applies an internal management system that incorporates goal- and result-orientation throughout the entire organization, including performance and leadership evaluation.

CORPORATE GOVERNANCE - BOARD DEVELOPMENTS

TOMRA defines corporate governance as those processes and control structures that are established to protect the interests of the company's shareholders and other stakeholder groups. TOMRA's guidelines for corporate governance, core values and leadership principles are aligned to ensure sustainable development of the company. These guidelines include the role of the Board and its various committees, requirements concerning the impartiality of its board members, and board compensation. TOMRA's corporate governance report can be found on pages 18 to 21 in this report. TOMRA's corporate governance policy can be found on www.tomra.com.

At the ordinary general meeting 23 April 2015, Jan Svensson was elected as Chairman of the Board, replacing Svein Rennemo, who resigned after six years' service as Chairman. Linda Bell was elected as new Board member at the same meeting and all the other Board members were re-elected. No other changes were made to the composition of the Board during 2015.

The Board held seven board meetings in 2015 and the attendance at the meetings was 100 percent. In addition, the Audit Committee held four meetings, the Corporate Responsibility Committee met three times, and the Compensation and Organizational Development Committee met twice during the year.

PROSPECTS FOR THE FUTURE

Due to the recent expansion, the Group's operations today are more robust and less dependent on individual markets than previously. Even if short-run fluctuations in the demand for TOMRA's solutions may occur, the company will in the long run be able to capitalize on strong favorable macro trends both in the food processing and the recycling industry as well as other "machine vision" related industries. These trends include increased population, higher food prices, increased focus on food safety, limited resources, increasing per capita waste levels, higher energy prices, stricter waste recycling regulations, greater environmental awareness, and rising demand for commodities.

TOMRA COLLECTION SOLUTIONS

Almost all supermarkets in the established deposit markets have automated their return of bottles and cans. These markets therefore represent mainly replacement opportunities and after-markets with regard to service. The global installed base of more than 75,000 machines generates a steady income stream with a high percentage of recurring revenues. In addition to this, new markets will from time to time materialize. Timing is however not possible to predict, as they are heavily dependent upon the outcome of political processes.

The 2016 development is expected to be stable overall, on the back of a very strong 2015. The new deposit systems in Lithuania and Croatia are expected to contribute positively in 2016, but as both markets are small, the effect will be limited at Group level.

TOMRA SORTING SOLUTIONS

This segment sells sorting and processing solutions. Important customer groups include leading food processing companies, waste management companies and various types of industries (including mining). With Food sorting being the most important business stream, the volatility in the segment is expected to be somewhat less cyclical than previously, when TOMRA was not present in Food sorting. The demand for food will in general be fairly stable through the cycles, consequently not significantly influencing customers, although margins can fluctuate between the markets and product lines within this business stream. Emerging markets are assumed to provide the strongest growth opportunities.

The order backlog at the end of 2015 was down 8% in local currencies compared to the backlog at the end of 2014. With a somewhat lower backlog at the beginning of the year and a depressed

Mining market, the Board believes that it is less likely that TOMRA will experience a significant increase in revenues in 2016, compared to 2015.

CURRENCY

A weaker NOK is positive for TOMRA, both because the Group has significant activities abroad that are denominated in foreign currencies and appears therefore more profitable measured in NOK, and because TOMRA has a certain cost base in NOK tied to development activities and headquarter functions. For a broader review of currency sensitivities, refer to note 19.

THE TOMRA SHARE

The number of TOMRA shareholders increased from 5,763 at the end of 2014 to 5,875 at the end of 2015. The amount of shares held by Norwegian residents at the end of 2015 was 27 percent, unchanged from 2014. The TOMRA share price rose from NOK 57.50 at the end of 2014 to NOK 95.50 at the end of 2015. Taking into account the dividend of NOK 1.45 paid out in May 2015, the total return on the TOMRA share was 70 percent in 2015. The return on the Oslo Stock Exchange in 2015 amounted to 6 percent.

A total of 41 million TOMRA shares were traded on the Oslo Stock Exchange in 2015, up from 39 million shares the year before. TOMRA's largest shareholder, Investment AB Latour held 24.7 percent of the shares at the end of 2015, unchanged from last year.

TOMRA values having a good dialogue with the investor market and has in recent years been named the best Nordic and/or Norwegian IR-company in its class several times in the annual awards presented by REGI/ Burson-Marsteller (which are based on interviews of analysts and investors).

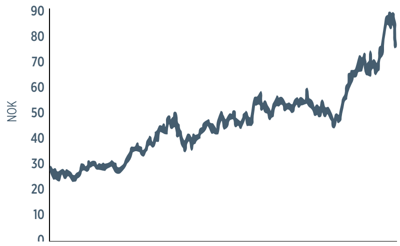
The nominal value of each share is NOK 1. The total number of outstanding shares at year-end 2015 was 148,020,078, including 391,082 treasury shares held by TOMRA. The Board wishes to encourage the company's employees to invest in the company's shares. A share purchase program was therefore established in 2008 that offers employees the opportunity to buy shares at current market rates, and for every five shares held for at least one year, one share is given free of charge. The Board will recommend at the general assembly that the program should be continued, limited to a total of 500,000 shares per year.

FINANCING

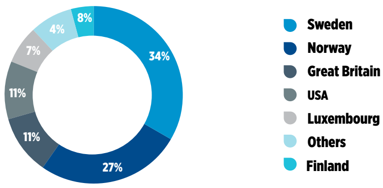
At year-end TOMRA had committed credit lines of EUR 170 million, of which 125 EUR million was utilized. The first loan to expire is a EUR 60 million loan, which is due in April 2018. At the end of 2015, TOMRA had a gearing ratio equal to 0.7x (Net interest-bearing debt/ EBITDA, measured on 2015 performance).

Taking the company's relatively stable cash flow, solid balance sheet and unrealized credit facility into consideration, the Board of Directors is of the opinion that the company has the necessary financial flexibility to take advantage of possible growth opportunities.

TOMRA share price



Shareholders by country of residence



Asker, 17 February 2016

Jan Svensson Chairman	**Aniela Gjøs** Board member	**Bodil Sonesson** Board member	**Pierre Couderc** Board member
Linda Bell Board member	**David Williamson** Employee representative	**Ingrid Solberg** Employee representative	**Stefan Ranstrand** President & CEO

Financial
Statements

INCOME STATEMENT

Tomra Systems ASA NGAAP 2015	2014	Amounts in NOK million	Note	Group IFRS 2015	2014
1,610.5	**892.2**	**Operating revenues**	**1**	**6,142.9**	**4,749.0**
910.2	487.8	Cost of goods sold	2	2,749.2	2,055.1
183.4	148.1	Employee benefits expenses	3,17	1,666.2	1,350.8
11.6	10.9	Ordinary depreciation	9,10	303.3	260.1
87.6	71.2	Other operating expenses	7	533.5	455.5
1,192.8	**718.0**	**Total operating expenses**		**5,252.2**	**4,121.5**
417.7	**174.2**	**Operating profit**		**890.7**	**627.5**
155.0	-	Dividend from subsidiaries		-	-
8.7	5.5	Financial income		9.7	18.6
160.9	225.1	Financial expenses		42.5	46.1
2.8	**(219.6)**	**Net financial items**	**4**	**(32.8)**	**(27.5)**
-	-	Profit from associates	16	8.1	3.4
420.5	**(45.4)**	**Result before taxes from continuing operations**		**866.0**	**603.4**
76.8	9.2	Taxes	11	211.6	148.4
		Loss from discontinued operations	23	6.7	60.7
343.7	**(54.6)**	**Profit for the period**		**647.7**	**394.3**
		Attributable to:			
		Shareholders of the parent		600.8	360.9
		Non-controlling interest		46.9	33.4
		Profit for the period		**647.7**	**394.3**
		Allocated as follows:	21		
258.4	214.3	Dividend			
85.3	(268.9)	Other equity			
343.7	**(54.6)**	**Total allocated**			
		Earnings per share, basic (NOK)	21	4.06	2.44
		Earnings per share, diluted (NOK)	21	4.06	2.44
		Earnings per share from continuing operations, basic (NOK)		4.11	2.85
		Earnings per share from continuing operations, diluted (NOK)		4.11	2.85

OTHER COMPREHENSIVE INCOME

	Group IFRS	
Amounts in NOK million	**2015**	2014
Profit for the period	**647.7**	**394.3**
Other comprehensive income that may be reclassified to profit or loss		
Foreign exchange translation differences	352.2	368.3
Other comprehensive income that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (assets)	(0.5)	(13.8)
Tax on remeasurements of defined benefit liability (assets)	0.1	3.7
Total comprehensive income for the period	**999.5**	**752.5**
Attributable to:		
Shareholders of the parent company	931.2	700.8
Non-controlling interest	68.3	51.7
Total comprehensive income for the period	**999.5**	**752.5**

BALANCE SHEET AS OF 31 DECEMBER

	Tomra Systems ASA NGAAP				Group IFRS	
	2015	2014	**Amounts in NOK million**	Note	**2015**	2014
ASSETS	**51.9**	**40.5**	**Deferred tax assets**	**11**	**219.6**	**156.0**
	-	-	Goodwill	10,23	2,211.5	2,051.0
	-	-	Development costs	10	98.8	85.6
	27.7	14.6	Other intangible assets	10	360.6	330.0
	27.7	**14.6**	**Total intangible non-current assets**		**2,670.9**	**2,466.6**
	19.3	17.8	Property, plant and equipment	9	529.6	474.9
	-	-	Leasing equipment	9	308.3	208.0
	19.3	**17.8**	**Total tangible non-current assets**		**837.9**	**682.9**
	3,177.0	3,259.3	Investment in subsidiaries	15,23	-	-
	578.3	431.4	Loan to subsidiaries	15	-	-
	9.6	9.6	Investment in associates	16	68.5	55.5
	-	-	Other investments		1.9	3.7
	20.2	18.7	Long term receivables	8	245.3	248.1
	3,785.1	**3,719.0**	**Total financial non-current assets**		**315.7**	**307.3**
	3,884.0	**3,791.9**	**Total non-current assets**		**4,044.1**	**3,612.8**
	7.5	**14.3**	**Inventory**	**2**	**1,209.0**	**912.9**
	17.7	12.1	Trade receivables		1,363.4	1,188.2
	454.1	267.2	Intra-group receivables		-	-
	42.1	39.2	Other short-term receivables		387.8	348.7
	513.9	**318.5**	**Total receivables**	**7**	**1,751.2**	**1,536.9**
	0.2	**169.8**	**Cash and cash equivalents**	**18**	**312.9**	**436.3**
	-	**-**	**Assets held for sale**	**23**	**-**	**125.8**
	521.6	**502.6**	**Total current assets**		**3,273.1**	**3,011.9**
	4,405.6	**4,294.5**	**Total assets**		**7,317.2**	**6,624.7**

	Tomra Systems ASA NGAAP 2015	Tomra Systems ASA NGAAP 2014	Amounts in NOK million	Note	Group IFRS 2015	Group IFRS 2014
LIABILITIES AND EQUITY	148.0	148.0	Share capital		148.0	148.0
	(0.4)	(0.2)	Treasury shares		(0.4)	(0.2)
	918.3	918.3	Share premium reserve		918.3	918.3
	1,065.9	**1,066.1**	**Paid-in capital**		**1,065.9**	**1,066.1**
	390.5	**321.1**	**Retained earnings**		**2,879.2**	**2,177.9**
	-	**-**	**Non-controlling interest**		**160.4**	**115.4**
	1,456.4	**1,387.2**	**Total equity**	**21**	**4,105.5**	**3,359.4**
	-	-	Deferred tax liabilities	11	124.2	140.3
	58.1	57.5	Pension liabilities	17	87.8	83.2
	1,202.4	1,536.2	Interest-bearing liabilities	6	1,206.4	1,558.2
	-	-	Other long-term liabilities		62.3	34.8
	153.8	144.6	Loan from subsidiaries		-	-
	1,414.3	**1,738.3**	**Total non-current liabilities**		**1,480.7**	**1,816.5**
	-	-	Interest-bearing liabilities	6	-	90.4
	58.0	26.6	Trade payables		498.8	439.5
	989.1	796.8	Intra-group debt		-	-
	93.7	8.8	Income tax payable	11	179.2	57.2
	14.0	10.0	Provisions	13	146.0	96.8
	380.1	326.8	Other current liabilities	12	907.0	740.5
	-	-	Liabilities held for sale	23	-	24.4
	1,534.9	**1,169.0**	**Total current liabilities**		**1,731.0**	**1,448.8**
	2,949.2	**2,907.2**	**Total liabilities**		**3,211.7**	**3,265.3**
	4,405.6	**4,294.5**	**Total liabilities and equity**		**7,317.2**	**6,624.7**

Asker, 17 February 2016

Jan Svensson	**Aniela Gjøs**	**Bodil Sonesson**	**Pierre Couderc**	**Linda Bell**	**David Williamson**	**Ingrid Solberg**	**Stefan Ranstrand**
Chairman	Board member	Board member	Board member	Board member	Employee representative	Employee representative	President & CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP IFRS Amounts in NOK million	Paid-in capital	Translation reserve	Remeasurements of defined benefit liability (assets)	Retained earnings	Total equity attributable to the owners of the company	Non-controlling Interest	Total Equity
Balance per 1 January 2014	**1,066.1**	**(24.8)**	**(27.0)**	**1,726.6**	**2,740.9**	**82.6**	**2,823.5**
Profit for the period				360.9	360.9	33.4	394.3
Changes in translation differences		350.0			350.0	18.3	368.3
Remeasurements of defined benefit liability (assets)			(10.1)		(10.1)		(10.1)
Total comprehensive income for the period	**0.0**	**350.0**	**(10.1)**	**360.9**	**700.8**	**51.7**	**752.5**
Transactions with shareholders							
Dividend non-controlling interest					0.0	(18.9)	(18.9)
Purchase of own shares	(0.1)			(4.9)	(5.0)		(5.0)
Own shares sold to employees	0.1			6.8	6.9		6.9
Dividend to shareholders				(199.6)	(199.6)		(199.6)
Total transactions with shareholders	**0.0**	**0.0**	**0.0**	**(197.7)**	**(197.7)**	**(18.9)**	**(216.6)**
Balance per 31 December 2014	**1,066.1**	**325.2**	**(37.1)**	**1,889.8**	**3,244.0**	**115.4**	**3,359.4**
Profit for the period				600.8	600.8	46.9	647.7
Changes in translation differences		330.8			330.8	21.4	352.2
Remeasurements of defined benefit liability (assets)			(0.4)		(0.4)		(0.4)
Total comprehensive income for the period	**0.0**	**330.8**	**(0.4)**	**600.8**	**931.2**	**68.3**	**999.5**
Transactions with shareholders							
Dividend non-controlling interest					0.0	(43.9)	(43.9)
Purchase of own shares	(0.3)			(22.5)	(22.8)		(22.8)
Own shares sold to employees	0.1			7.0	7.1		7.1
Non-controlling interest new consolidated companies					0.0	20.6	20.6
Dividend to shareholders				(214.4)	(214.4)		(214.4)
Total transactions with shareholders	**(0.2)**	**0.0**	**0.0**	**(229.9)**	**(230.1)**	**(23.3)**	**(253.4)**
Balance per 31 December 2015	**1,065.9**	**656.0**	**(37.5)**	**2,260.7**	**3,945.1**	**160.4**	**4,105.5**

CASH FLOW STATEMENT

Tomra Systems ASA NGAAP			Group IFRS	
2015	2014	**Amounts in NOK million**	**2015**	2014
		CASH FLOW FROM OPERATING ACTIVITIES		
420.5	(45.4)	Ordinary profit/(loss) before taxes [1)]	859.3	542.7
(3.1)	(27.7)	Income taxes paid	(157.5)	(102.8)
-	-	(Gains)/losses from sales of fixed assets	(0.9)	(2.2)
11.6	10.9	Depreciation	299.5	257.9
-	47.1	Write-down non-current assets	3.8	46.4
6.7	(1.3)	Net change in inventory	(215.2)	3.7
(9.8)	(35.5)	Net change in receivables	(51.3)	(200.7)
31.4	13.4	Net change in payables	12.8	99.8
(0.0)	(4.4)	Difference between booked costs on pension funds and actual cash payments to these funds	(0.3)	(0.2)
-	-	Exchange rate effects	(6.0)	(56.8)
-	-	Profit before tax from affiliated companies	(8.1)	(3.4)
-	-	Dividend from affiliated companies	2.9	-
104.1	158.5	Changes in other balance sheet items	164.7	89.4
3.9	10.2	Interest expense/(income)	9.8	22.6
565.3	**125.8**	**Net cash flow from operating activities**	**913.5**	**696.2**
		CASH FLOW FROM INVESTING ACTIVITIES		
-	-	Proceeds from sales of non-current assets	60.1	47.7
82.3	-	Proceeds from sale of subsidiary	101.4	-
-	(31.5)	Acquisition of subsidiary / Capital infusion	(42.1)	(19.6)
(26.4)	(12.3)	Investment in non-current assets	(401.9)	(313.8)
-	-	Proceeds from sales of shares	2.3	-
55.9	**(43.8)**	**Net cash flow from investing activities**	**(280.2)**	**(285.7)**
		CASH FLOW FROM FINANCING ACTIVITIES		
(132.2)	230.7	Loan payments (to)/from subsidiaries	-	-
(567.7)	(1,000.7)	Repayment of long-term loans	(669.8)	(927.3)
143.1	1,002.3	Proceeds from issuance of long term debt	143.1	1,002.3
-	-	Dividend non-controlling interest	(43.9)	(18.9)
(22.8)	(5.0)	Purchase of treasury shares	(22.8)	(5.0)
7.1	6.9	Sale of treasury shares	7.1	6.9
8.7	5.5	Interest received	9.7	14.0
(12.6)	(15.7)	Interest paid	(19.5)	(36.6)
(214.4)	(199.6)	Dividend paid	(214.4)	(199.6)
(790.8)	**24.4**	**Net cash flow from financing activities**	**(810.5)**	**(164.2)**
-	-	Currency effect on cash	53.8	25.9
(169.6)	106.4	Net change in cash and cash equivalents	(123.4)	272.2
169.8	63.4	Cash and cash equivalents per 1 January	436.3	164.1
0.2	169.8	Cash and cash equivalents per 31 December	312.9	436.3

The Cash flow analysis contains cash flow from continuing and discontinued operations. Se note 23 for cash flow from discontinued operations.

1) Including loss from discontiuned operations.

CONSOLIDATION AND ACCOUNTING PRINCIPLES

GROUP - IFRS

GENERAL

Business concept and customers
Tomra Systems ASA (the "Company") is a company domiciled in Norway. The registered office is Drengsrudhagen 2, Asker.

TOMRA's goal is to create sensor-based solutions for optimal resource productivity, making sustainability profitable – with increased relevance and meaning. In parallel, TOMRA fosters a culture that inspires and motivates its people and customers.

Added value is created for each customer through excellence in service and innovation.

TOMRA's customers are mainly located in Europe and North America.

Significant accounting policies
The consolidated financial statements of the Company for the year ended 31 December 2015 comprise the Company and its subsidiaries and joint ventures (together referred to as the "Group") and the Group's interest in associates. The financial statements consist of the income statement, other comprehensive income, balance sheet, cash flow statement, consolidated statement of changes in equity and notes to the accounts.

The financial statements were authorized for issue by the Directors on 17 February 2016, and will be presented for final approval at the general meeting on 25 April 2016. Until the final approval by the general meeting, the board can authorize changes to the financial statements.

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU, and the additional disclosure requirements of the Norwegian accounting act as at 31 December 2015.

(b) Basis of preparation
The financial statements are presented in NOK, rounded to the nearest one hundred thousand.

The financial statements are prepared based on historical cost, except for the following material items:

- Derivative financial instruments recognized at fair value through profit and loss.
- Defined benefit obligation recognized as the net total of the plan assets and the present value of the defined benefit obligation.

The financial statements are prepared on a going concern basis.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of determining carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that
period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by each Group entity.

REPORTING STRUCTURE

The Group's consolidated amounts comprise the following units:

Tomra Systems ASA

Europe
Tomra Europe AS (N)
Tomra Butikksystemer AS (N)
Tomra Systems AB (S)
OY Tomra AB (F)
Tomra Systems AS (DK)
Tomra Holding OÜ (EN) (57,5%)
Tomra Baltic OÜ (EN) (57,5%)
Tomra Service OÜ (EN) (57,5 %)
Tomra Systems UAB (LH) (57,5%)
Tomra Systems BV (NL)
Tomra Systems GmbH (DE)
Retail Services GmbH (DE)
Tomra Leergutsysteme GmbH (AU)
Tomra Systems SA (FR)
Tomra Systems NV (BEL)
Tomra s.r.o (CZE) (40 %)
Tomra Systems D.O.O (HR) (70%)
Tomra Production AS (N)
Tomra Systems Ltd. (UK)
Tomra Sorting AS (N)
Tomra Sorting GmbH (DE)
Tomra Sorting S.L. (E)
Tomra Sorting Ltd. (UK)
Tomra Sorting Sp. Z.o.o. (P)
Tomra Sorting S.a.r.l. (FR)
Tomra Sorting SRO (SK)
Tomra Sorting Ltd (IE)
Tomra Sorting SRL (IT)
Odenberg Engineering BV (NL)
Van den Berg & Partners (UK)
Best Sorting Spain S.L. (E)
Tomra Sorting NV (BEL)
Tomra Sorting BV (NL)
Belgian Electronic Sorting Technology TR Mak. San. Tic. A.S. (TR)
Best Vastgoed (NL)
Tomra Compaction Group AB (S)
Tomra Compaction AB (S)
Morinders Verkstäder AB (S)
Orwak Polen ZPZOO (P)
Fastighetsbolaget TFAB i Tommelilla AB (S)

North-America
Tomra of North America Inc. (DE)
Tomra of North America Finance Company LLC (DE)
Tomra Metro LLC (CT)
Western New York Beverage Industry Collection and Sorting LP (74%) (NY)
Tomra New York Recycling LLC (68%) (NY)
Upstate Tomra LLC (55%) (NY)
Tomra Mass. (55%) (MA)
Tomra Canada Inc. (CAN)
Tomra Pacific Inc. (DE)
UBCR (51%) (MI)
UltrePET LLC (49%) (NY)
Tomra Compaction LLC (DE)
TOMRA/CBSI LLC (DE)
Returnable Services LLC (DE)
Synergistics LLC (51%) (MI)
Tomra Sorting (CAN)
Tomra Sorting, Inc. (USA)

Rest of the world
Tomra Sorting Japan KK (JAP)
Tomra Japan Ltd. (50%) (JAP)
Orwak Tomra Compaction KK (JAP)
Tomra Sorting Co, Ltd. (KOR)
Tomra Sorting (Pty) Ltd. (South Africa)
Tomra Sorting (Pty) Ltd. (Australia)
Tomra Sorting Technology (Xiamen) Co. Ltd. (China)
Tomra (Xiamen) Imp. & Exp. Co. Ltd. (China)
Tomra Brasil Solucoes EM segregacao LTDA (Brazil)
Tomra Sorting JLT (Dubai)
Tomra Sorting Chile SpA (Chile)
Tomra Sorting India Private Limited (India)
Tomra Sorting OOO (Russia)
Best Hong Kong Int. Ltd. (Hong Kong)
Tomra Claims Resolution Company (Cayman Islands)

Commodas Ultrasort GmbH was merged into Tomra Sorting GmbH in 2014. Odenberg Inc was merged into Tomra Sorting Inc in 2014.

In 2014 an agreement was signed for the sale of Tomra Compaction Group AB and its subsidiaries Tomra Compaction AB, Morinders Verkstäder AB, Orwak Polen ZPZOO and Orwak Tomra Compaction KK. The sale was completed in January 2015. See note 23 for more details.

Tomra Systems Ltd. (UK) was liquidated in 2015.

CONSOLIDATION PRINCIPLES

(a) Consolidated companies

The consolidated accounts include the parent company Tomra Systems ASA and companies in which the parent company has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries acquired or sold during the course of the year are included in the income statement as of the date that control commenced until the date that control ceased.

(b) Elimination of shares in subsidiaries

Shares in subsidiaries are eliminated on the basis of the past equity method. The difference between the book value of shares in subsidiaries and book value of the subsidiaries' equity at the time such shares were acquired is analyzed and posted to the balance sheet items to which the excess amounts relate. Goodwill represents the excess of the purchase price paid for acquisitions above net assets acquired and is tested for impairment at least annually.

(c) Currency translation for foreign subsidiaries

The profit and loss statements for foreign subsidiaries prepared in foreign currencies are translated on the basis of average exchange rates for the year. The balance sheet is converted on the basis of the exchange rates on December 31. Translation differences are shown as a separate item and charged to other comprehensive income (OCI).

When foreign subsidiaries are sold, completely or partially, the associated translation difference is recognized in the profit and loss.

(d) Non-controlling interest

The non-controlling interest's share of the net profit and equity are classified as separate items in the income statement and balance sheet.

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Previously, goodwill was recognized on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

(e) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date when control is transferred to the Group.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit and loss.

For accounting of goodwill see Valuation and Classification principles (f) Goodwill.

(f) Internal transactions/intercompany items

All purchases and sales between Group companies, intra Group expenses, as well as receivables and liabilities have been eliminated in the consolidated statements.

(g) Joint Ventures

Joint Ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Jointly controlled entities are accounted for using the equity method, see note 16.

(h) Associates

Associates, in which TOMRA has an ownership interest of 20-50% and significant influence over operational and financial decisions, are included in the consolidated accounts based on the equity method. The Group's share of the profit from associates is reported under financial items in the income statement and as operating activities in the statement of cash flow.

VALUATION AND CLASSIFICATION PRINCIPLES

Estimations

The preparation of the annual accounts of TOMRA involves the use of estimates. The estimates are based on a number of assumptions and forecasts that, by their nature, involve uncertainty. Various factors could cause TOMRA's actual results to differ materially from those projected in the estimates. This includes, but is not limited to, 1) cash flow forecast from business units supporting the carrying amount of goodwill and deferred tax assets, 2) provisions for warranty and 3) assumptions for calculation of pension obligation.

In performing the impairment test of goodwill, the recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates including, but not limited to estimates of future performance of the CGU's, assumptions of the future market conditions, and discount rate. Changes in circumstances and in management's evaluations and assumptions may give rise to changes in the outcome of impairment testing.

(a) Revenue recognition
Revenue on product sales and sales-type leases of the company's products is generally recognized at the time of installation. Revenue on service contracts and operating leases of the company's products is recognized over the terms of the related agreements. Other service revenue is recognized when services are provided.

Construction contract revenue has been determined based on the percentage of completion method. The amount of revenue recognized results from the development of sorters for the Group's customers in the Sorting Solution segment. These sorters are constructed based on specifically negotiated contracts with each customer.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a construction contract can be estimated reliably, contract revenue is recognized in profit and loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed and cost incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit and loss.

(b) Cost recognition
Costs are expensed in the period that the income to which they relate is recognized. Costs that can not be directly related to income are expensed as incurred.

(c) Expenses
Operating lease payments
Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized in the income statement as an integral part of the total lease expense.

Finance lease payments
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs
Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in the income statement.

Interest income is recognized in the income statement as it accrues, using the effective interest method. Dividend income is recognized in the income statement on the date the entity's right to receive payments is established. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

Hedge of a net Investment in foreign operation
The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Group's currency (NOK).

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized in other comprehensive income to the extent that the hedge is effective, and are presented in the translation reserve within equity. The tax effect is charged to equity. To the extent that the hedge is ineffective, such differences are recognized in profit and loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit and loss as part of the gain or loss on disposal.

(d) Derivative financial instruments
Financial instruments are recognized initially at cost and are subsequently stated at fair value. The gain or loss on remeasurement to fair value is recognized immediately in profit and loss.

(e) Property, plant and equipment
Owned assets
Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Land is not depreciated.

If the recoverable amount of an item of property, plant and equipment is lower than carrying amount the asset will be written down to fair value.

Leased assets
Leases where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent costs
The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

(f) Intangible assets
Intangibles consist of goodwill, development cost, entitlement to trademarks and non-competition agreements.

Goodwill
Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

For acquisitions, the Group measures goodwill at the acquisition date as the fair value of the consideration transferred plus the recognized amount of any non-controlling interests in the acquisition less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit and loss.

Goodwill is allocated to cash-generating units and is tested annually at 31 December for impairment. With respect to associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Adjustments to estimated contingent consideration are included in the income statement.

Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labour and overhead costs directly attributable to preparing the asset for use. Other development expenditure is recognized in the income statement as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses. Straight-line depreciation is applied over the economic life of the asset.

The company has not received any material government grants.

Other intangibles

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization and impairment losses. Other intangibles are amortized over the term of the contract. Impairment-testing was performed at year end where there were indications of impairment, see note 10.

Expenditure on internally generated goodwill and brands is recognized in profit and loss as an expense as incurred.

Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(g) Shares

Shares intended for long-term ownership are recorded in the balance sheet under long-term investments. These are valued at acquisition cost, unless circumstances, which cannot be regarded as of a temporary nature, exist which necessitate a lower valuation.

(h) Inventory

Inventories of raw materials are valued at the lower of the cost of acquisition and the fair value. Work in progress and finished products are valued at the lower of the cost to manufacture or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Spare parts and parts held by service agents are valued at cost. A deduction is made for obsolescence where necessary.

The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

(i) Transactions, receivables and liabilities in foreign currencies

Receivables and liabilities are booked at the exchange rate at the date of the balance sheet. Transactions in profit and loss are booked at monthly average exchange rates.

Material single transactions are booked at the transaction date exchange rate.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits, money market funds, and other short-term investments with original maturity of three months or less. The parent company presents total bank deposits in the international cash pool, while the subsidiaries present their share of the international cash pool as intra-group balances.

(k) Pension obligations

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefits expenses in profit and loss as the related service is provided.

TOMRA's defined contribution plan also includes the right to a paid up policy, an element of which is a defined benefit. This part of the defined contribution plan is accounted for as a defined benefit plan as described below.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss and presented as a financial item.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit and loss. TOMRA Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(l) Warranty allocations
A general provision has been made for future warranty costs based on the previous year's turnover in all Group companies.

(m) Taxes
The tax charge in the income statement includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year's activities. Deferred taxes are determined based on the accumulated result, which falls due for payment in future periods. Deferred taxes are calculated on net positive timing differences between accounting and tax balance sheet values, after offsetting negative timing differences and losses carried forward under the liability method. See Note 11.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Earnings per share
Earnings per share has been computed based upon the weighted average number of common shares and share equivalents outstanding during each period. Common share equivalent recognizes the potential dilutive effects of future exercises of common share warrants and employee incentive programs payable in company shares.

(o) Cash flow statement
The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term investments with terms not exceeding three months that can immediately, and with no material exchange rate exposure, be exchanged for cash.

(p) Impairment
The carrying amounts of the Group's assets, other than inventory and deferred tax assets (see separate accounting policies), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated on an annual basis, see note 10.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then to reduce the carrying amount of the other assets in the unit (group of units), on a pro rata basis.

Calculation of recoverable amount
The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment
An impairment loss relating to goodwill can not be reversed.

With respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(q) Dividends
Dividends are recognized as a liability in the period in which they are declared.

(r) Interest-bearing borrowings
Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss over the period of the borrowings on an effective interest basis.

(s) Provisions
A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Expected incremental legal costs where there is a past obligation event with respect to the underlying claim are accrued for as provisions.

(t) Trade and other payables
Trade and other payables are stated at cost.

(u) Segment reporting
A segment is a distinguishable component of the Group that is engaged in providing products or services that is subject to risks and rewards that are different from those of other segments.

Segment information is presented in the same format that TOMRA Group's management uses to manage the business.

(v) Discontinued operations
A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

On initial classification as discontinued operations, non-current assets are classified as held for sale and recognized at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit and loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

(w) Share Capital
Ordinary shares
Incremental costs directly attributable to issue of ordinary shares and share options are recognized as a deduction from equity.

Repurchase of share capital
When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

(x) New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations are not effective for the year ended 31 December 2015 and have not been applied in preparing these consolidated financial statements. Those that may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

IFRS 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers
Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations
Amendments to IFRS 16 and 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

TOMRA is considering the effects of the future adoption of these standards. The current assessment is that TOMRA does not expect any material effects in the financial statements from the new standards.

ACCOUNTING PRINCIPLES

TOMRA SYSTEMS ASA - NGAAP

GENERAL

BASIC PRINCIPLES

The financial statements, which have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles, consist of the income statement, balance sheet, cash flow statement and notes to the accounts.

The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations and congruence. Transactions are recorded at their value at the time of the transaction. Income is recognized at the time of delivery of goods or services sold. Costs are expensed in the period that the income to which they relate is recognized.

Estimates and assumptions that may affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period, are prepared by management based upon their best knowledge at reporting date. Actual results may differ from those estimates.

VALUATION AND CLASSIFICATION PRINCIPLES

REVENUE RECOGNITION

Revenues for machines and parts are recognized when risk is transferred to the customer. Other service revenue is recognized when services are provided.

Dividend income is recognized in profit and loss when the entity's right to receive payments is established.

COST RECOGNITION

Costs are expensed in the period that the income to which they relate is recognized. Costs that can not be directly related to income are expensed as incurred.

START-UP AND DEVELOPMENT COSTS

Start-up and research and development costs are expensed as they are incurred.

TANGIBLE FIXED ASSETS

Fixed assets are entered in the accounts at original cost, with deductions for accumulated depreciation and write-down. If the fair value of a fixed asset is lower than book value, and the decline in value is not temporary, the fixed asset will be written down to fair value.

Based on the acquisition cost, straight-line depreciation is applied over the economic life of the fixed assets.

SHARES

Shares intended for long-term ownership are recorded in the balance sheet under long-term investments. These are valued at acquisition cost unless circumstances, which cannot be regarded as of a temporary nature, exist which necessitate a lower valuation.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities are booked at the exchange rate at the date of the balance sheet.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank deposits, money market funds, and other short-term investments with original maturity of three months or less.

Tomra Systems ASA presents total bank deposits in the international cash pool, while subsidiaries present their share of the international cash pool as intra-group balances.

PENSION OBLIGATIONS

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefits expenses in profit and loss as the related service is provided.

Tomra Systems ASA's defined contribution plan also includes the right to a paid up policy, an element of which is a defined benefit. This part of the defined contribution plan is accounted for as a defined benefit plan as described below.

Defined benefit plans

Tomra Systems ASA's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to Tomra Systems ASA, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Equity. Tomra Systems ASA determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit and loss. Tomra Systems ASA recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

TAXES

The tax charge in the profit and loss account includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year's activities. Deferred taxes are determined based on the accumulated result, which falls due for payment in future periods. Deferred taxes are calculated on net positive timing differences between accounting and tax balance sheet values, after offsetting negative timing differences and losses carried forward under the liability method in accordance with the rules set out in the Norwegian Accounting Standard.

CASH FLOW STATEMENT

The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term investments with terms not exceeding three months that immediately, and with no material exchange rate exposure, can be exchanged for cash.

NOTES

NOTE 1 SEGMENT INFORMATION

TOMRA GROUP- IFRS

Amounts in NOK million	Collection Solutions	Sorting Solutions	Group Functions	TOTAL
2014				
Nordic	417			417
Europe (ex Nordic) [1]	1,280			1,280
North America [2]	1,094			1,094
Rest of the world	32			32
Europe [1]		887		887
North America[2]		576		576
South America		75		75
Asia		238		238
Oceania		87		87
Africa		63		63
Operating revenues	**2,823**	**1,926**	**0**	**4,749**
Gross contribution	1,189	861		2,050
- in %	42 %	45 %		43 %
Operating expenses	628	657	28	1,313
EBITA	**561**	**204**	**(28)**	**737**
- in %	20 %	11 %		16 %
Amortizations	34	75		109
EBIT	**527**	**129**	**(28)**	**628**
- in %	19 %	7 %		13 %
Share of profit from associates	3	0	0	3
Investments	194	120	0	314
Investments in associates	56	0	0	56
Assets	2,422	3,484	719	6,625
Liabilities	826	532	1,907	3,265
Depreciation and amortization	161	92	0	253
Impairment losses recognized in P&L	7	0	0	7
Other significant non-cash expenses	0	0	0	0

NOTE 1 SEGMENT INFORMATION (CONT.)

Amounts in NOK million	Collection Solutions	Sorting Solutions	Group Functions	TOTAL
2015				
Nordic	526			526
Europe (ex Nordic) 1)	1,809			1,809
North America 2)	1,393			1,393
Rest of the world	75			75
Europe 1)		1,089		1,089
North America 2)		685		685
South America		92		92
Asia		366		366
Oceania		52		52
Africa		56		56
Operating revenues	**3,803**	**2,340**	**0**	**6,143**
Gross contribution	1,510	1,053		2,563
- in %	40 %	45 %		42 %
Operating expenses	749	763	36	1,548
EBITA	**761**	**290**	**(36)**	**1,015**
- in %	20 %	12 %		17 %
Amortizations	41	83		124
EBIT	**720**	**207**	**(36)**	**891**
- in %	19 %	9 %		15 %
Share of profit from associates	8	0	0	8
Investments	297	105	0	402
Investments in associates	69	0	0	69
Assets	2,992	3,793	532	7,317
Liabilities	1,063	588	1,561	3,212
Depreciation and amortization	180	119	0	299
Impairment losses recognized in P&L	4	0	0	4
Other significant non-cash expenses	0	0	0	0

1) Includes revenues from Germany of NOK 1,704 million in 2015 (NOK 1,342 million in 2014)
2) Includes revenues from USA of NOK 1,795 million in 2015 (NOK 1,467 million in 2014)

TOMRA is organized as two business areas. TOMRA Collection Solutions and TOMRA Sorting Solutions. 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 to the Board and Management Group.

Collection Solutions - three business streams:

Reverse Vending- development, production, sale 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- production and sale of small and mid size compaction machines. The business stream, which was part of the Collection segment, was held for sale in 2014, and all figures are presented excluding discontinued operations. See also disclsoure note 23.

Sorting Solutions is a provider of advanced optical sorting systems with three business streams; Food, Recycling and Mining.

Group Functions consists of corporate functions at TOMRA's head office.

Assets and liabilities are distributed to the different reporting segments. Cash, interest-bearing debt and tax positions are allocated to Group Functions.

There is no material segment revenue from transactions between the business areas.

Revenue from service activities was NOK 1,803 million (2014: NOK 1,495 million) out of total revenue of NOK 6,143 million (2014: NOK 4,749 million).

NOTE 2 INVENTORY/COST OF GOODS SOLD

Tomra Systems ASA NGAAP			Group IFRS	
2015	2014	**Amounts in NOK million**	**2015**	2014
		COST OF GOODS SOLD		
910.2	487.8	Cost of goods sold, gross	2,653.0	2,098.2
-	-	Change in inventory	96.2	(43.1)
910.2	**487.8**	**Cost of goods sold, net**	**2,749.2**	**2,055.1**

Cost of goods sold includes adjustment of inventory write-down of NOK 0.0 million (2014: NOK 0.0 million) for the Parent Company and NOK 18.5 million (2014: NOK 2.1 million) for the Group.

		INVENTORY		
-	-	Raw materials	558.8	358.9
-	-	Work in progress	85.0	53.3
7.5	14.3	Finished goods	336.1	273.5
-	-	Spare parts	229.1	227.2
7.5	**14.3**	**Total inventory**	**1,209.0**	**912.9**
-	-	Inventory stated at fair value less costs to sell	-	-

Inventories are not subject to retention of title clauses.

NOTE 3 EMPLOYEE BENEFITS EXPENSES

Tomra Systems ASA NGAAP			Group IFRS	
2015	2014	**Amounts in NOK million**	**2015**	2014
136.3	108.3	Salaries	1,326.3	1,068.7
27.2	21.8	Social security tax	191.9	161.8
12.5	13.0	Pension cost	44.5	42.2
7.4	5.0	Other labor cost	103.5	78.1
183.4	**148.1**	**Total employee benefits expenses**	**1,666.2**	**1,350.8**
144	134	Number of man-years	2,475	2,380

All Norwegian companies in the Tomra Group have chosen to utilize bank guarantee instead of restricted accounts for employee tax deductions.

NOTE 4 FINANCIAL ITEMS

Tomra Systems ASA NGAAP			Group IFRS	
2015	2014	**Amounts in NOK million**	**2015**	2014
155.0	-	Dividend from subsidiaries	-	-
155.0	**-**	**Dividend from subsidiaries**	**-**	**-**
8.7	5.5	Interest income 1)	9.7	14.0
-	-	Foreign exchange gain	-	4.6
8.7	**5.5**	**Total financial income**	**9.7**	**18.6**
12.6	15.7	Interest expenses 1)	19.5	36.6
17.3	72.8	Other financial expenses 2)	7.9	9.5
131.0	136.6	Foreign exchange loss	15.1	-
160.9	**225.1**	**Total financial expenses**	**42.5**	**46.1**

1) Interest income and expenses for the Parent Company include interest income and expenses from subsidiaries of NOK 7.3 million (2014: NOK 5.1 million) and NOK 0.6 million (2014: NOK 0.1 million) respectively.

2) Other financial expenses in Tomra Systems ASA include NOK 13.8 million in Group Relief to Tomra UK.

The foreign exchange loss in Tomra Systems ASA relates mainly to loans in EUR. At Group level, these loans are to a large extent hedged against the net assets in EUR exposed subsidiaries.

Borrowing costs are recognized as an expense in the period in which they are incurred.

NOTE 5 CONTINGENT LIABILITIES

Sale of Tomra Compaction Group AB

On 12 December 2014, Tomra Systems ASA signed an agreement to sell all its shares in Tomra Compaction Group AB (Orwak). TOMRA has given representations and warranties in line with what is considered normal in connection with such transactions. See also note 23 “Discontinued operations”. As part of the agreement, TOMRA has committed to continue as distributor for Orwak in five markets for a period of up to two years and continue to buy products from Orwak during this period in line with recent years (~SEK 32 million per year). In 2015, TOMRA met the purchase obligation.

Warranty liabilities

TOMRA has warranty liabilities of NOK 94.6 million (2014: NOK 85.6 million) for the Parent Company and NOK 172.2 million (2014: NOK 150.1 million) for the Group.

NOTE 6 INTEREST-BEARING LIABILITIES

Tomra Systems ASA NGAAP 2015	Tomra Systems ASA NGAAP 2014	Amounts in NOK million	Group IFRS 2015	Group IFRS 2014
		NON-CURRENT LIABILITIES		
1,202.4	1,536.2	Unsecured bank loans [1)]	1,202.4	1,549.0
-	-	Other non-current interest-bearing liabilities	4.0	9.2
1,202.4	**1,536.2**	**Total non-current interest-bearing liabilities**	**1,206.4**	**1,558.2**
-	-	Due more than 5 years after balance sheet date	-	-
		CURRENT LIABILITIES		
-	-	Other current interest-bearing liabilities	-	90.4
0.0	**0.0**	**Total current interest-bearing liabilities**	**0.0**	**90.4**

1) Tomra Systems ASA has a five-year revolving credit facility of EUR 50 million, or NOK/USD equivalent, entered into in December 2015, a four-year revolving credit facility of EUR 60 million, or NOK/SEK/USD equivalent, entered into in April 2014 and a six-year revolving credit facility of EUR 60 million, or NOK/SEK/USD equivalent, entered into in April 2014. As of 31 December 2015, EUR 125 million was drawn on these three facilities. The loans have floating interest, and negative pledge commitment. The loan agreements are conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. See also note 19.

NOTE 7 SHORT TERM RECEIVABLES

Tomra Systems ASA NGAAP 2015	Tomra Systems ASA NGAAP 2014	Amounts in NOK million	Group IFRS 2015	Group IFRS 2014
18.3	12.4	Trade receivables, gross	1,419.7	1,222.8
454.1	267.2	Intra group short-term receivables	-	-
42.1	39.2	Other short-term receivables, gross [1)]	387.8	348.7
(0.6)	(0.3)	Provision for bad debt	(56.3)	(34.6)
513.9	**318.5**	**Total receivables**	**1,751.2**	**1,536.9**
0.3	0.3	Provision for bad debt per 1 January	34.6	33.7
0.3	-	Provisions made during the year	25.4	24.0
-	-	Provisions used during the year	(3.7)	(23.1)
0.6	**0.3**	**Provision for bad debt per 31 December**	**56.3**	**34.6**

1) Other short-term receivables includes forward contracts of NOK 3.7 million.

Bad debt written-off is reported as other operating expenses.
Receivables with due dates more than one year after the balance date are reported as non-current assets.

NOTE 7 SHORT TERM RECEIVABLES (CONT.)

	Group IFRS	
Trade receivables fall due:	**2015**	2014
Amounts in NOK million		
Not due yet	1,034.8	803.1
0- 30 days	192.4	245.9
31- 60 days	44.4	59.2
61- 90 days	34.5	37.4
Older than 90 days	113.6	77.2
Total trade receivables	**1,419.7**	**1,222.8**

NOTE 8 LONG TERM RECEIVABLES

Tomra Systems ASA NGAAP			Group IFRS	
2015	2014	**Amounts in NOK million**	**2015**	2014
-	-	Deposits	8.5	6.2
-	-	Capital lease	146.5	160.2
2.0	3.3	Loans to employees	2.0	5.3
18.2	15.4	Other long term receivables	88.3	76.4
20.2	**18.7**	**Total receivables**	**245.3**	**248.1**

Capital lease relates to machines (mainly RVMs in USA and Germany) sold to customers on financial lease contracts.

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

GROUP - IFRS Amounts in NOK million	Land & Buildings 3)	Machinery & Fixtures	Vehicles	Leasing Equipment	Total
Cost					
Balance at 1 January 2014	274.0	512.3	90.7	630.3	1,507.3
Other acquisitions	36.6	89.5	15.6	80.2	221.9
Disposals	(11.1)	(39.4)	4.6	(285.4)	(331.3)
Transferred to discontinued operations	0.0	(42.4)	(0.5)	0.0	(42.9)
Effect of movements in foreign exchange 1)	27.8	58.7	21.3	112.5	220.3
Balance at 31 December 2014	**327.3**	**578.7**	**131.7**	**537.6**	**1,575.3**
Balance at 1 January 2015	327.3	578.7	131.7	537.6	1,575.3
Other acquisitions	14.6	93.7	36.8	160.8	305.9
Disposals	(21.4)	(91.4)	(16.9)	(130.1)	(259.8)
Effect of movements in foreign exchange 2)	26.7	50.4	20.7	111.8	209.6
Balance at 31 December 2015	**347.2**	**631.4**	**172.3**	**680.1**	**1,831.0**
Depreciation and impairment losses					
Balance at 1 January 2014	71.8	325.8	57.9	443.9	899.4
Depreciation charge for the year 5)	13.8	55.3	15.4	68.1	152.6
Write-down	2.3	0.0	0.0	0.0	2.3
Disposals	(3.6)	(14.0)	(3.4)	(240.9)	(261.9)
Transferred to discontinued operations	0.0	(24.1)	(0.1)	0.0	(24.2)
Effect of movements in foreign exchange 1)	9.4	40.3	16.0	58.5	124.2
Balance at 31 December 2014	**93.7**	**383.3**	**85.8**	**329.6**	**892.4**
Balance at 1 January 2015	93.7	383.3	85.8	329.6	892.4
Depreciation charge for the year	20.3	66.9	19.0	73.1	179.3
Write-down	0.0	0.0	0.0	0.0	0.0
Disposals	(17.8)	(74.8)	(14.2)	(94.4)	(201.2)
Effect of movements in foreign exchange 2)	9.1	37.8	12.2	63.5	122.6
Balance at 31 December 2015	**105.3**	**413.2**	**102.8**	**371.8**	**993.1**
Depreciation rate 4)	2-4%	10-33%	15-33%	10-20%	
Useful life	50 yrs	10 yrs	7 yrs	5-10 yrs	
Carrying amounts					
31 December 2014	233.6	195.4	45.9	208.0	682.9
31 December 2015	**241.9**	**218.2**	**69.5**	**308.3**	**837.9**
Finance lease carrying amounts (as included in total carrying amounts)					
31 December 2014	0.0	0.0	0.0	0.0	0.0
31 December 2015	0.0	0.0	0.0	0.0	0.0

1) Exchange rates as of 31 December 2014 were used in calculating tangible assets of foreign subsidiaries.
2) Exchange rates as of 31 December 2015 were used in calculating tangible assets of foreign subsidiaries.
3) Including land of NOK 40.0 million as of 31 December 2015.
4) All depreciation plans are linear.
5) Depreciation includes depreciation from discontinued operations of NOK 3.8 million.

Minimum lease payments under operational lease	2015	2014
Not later than one year	122.9	109.4
Between one and five years	326.3	253.3
More than five years	339.3	235.1

TOMRA does not have any major property, plant and equipment purchase commitments as of 31 December 2015.

NOTE 9 PROPERTY, PLANT AND EQUIPMENT (CONT.)

Leasing equipment

The companies within TOMRA Group had 7,656 reverse vending machines and 269 sorters leased to customers at the end of 2015. The table below shows the minimum leasing income from today's lease portfolio. In addition to this income, TOMRA will receive income from material handling, service contracts etc.

Minimum lease income from operating leasing equipment	2015	2014
Not later than one year	133.9	87.6
Between one and five years	307.9	166.0
More than five years	0.0	0.0

TOMRA SYSTEMS ASA - NGAAP Amounts in NOK million	Machinery & Fixtures	Vehicles	Total
Cost			
Balance at 1 January 2014	55.6	1.2	56.8
Acquisitions	4.6	0.0	4.6
Disposals	0.0	0.0	0.0
Balance at 31 December 2014	**60.2**	**1.2**	**61.4**
Balance at 1 January 2015	60.2	1.2	61.4
Acquisitions	7.3	0.3	7.6
Disposals	0.0	0.0	0.0
Balance at 31 December 2015	**67.5**	**1.5**	**69.0**
Depreciation and impairment losses			
Balance at 1 January 2014	37.2	0.4	37.6
Depreciation charge for the year	5.8	0.2	6.0
Disposals	0.0	0.0	0.0
Balance at 31 December 2014	**43.0**	**0.6**	**43.6**
Balance at 1 January 2015	43.0	0.6	43.6
Depreciation charge for the year	5.9	0.2	6.1
Disposals	0.0	0.0	0.0
Balance at 31 December 2015	**48.9**	**0.8**	**49.7**
Depreciation rate [1)]	10-33%	15-33%	
Useful life	10 yrs	7 yrs	
Carrying amounts			
31 December 2014	17.2	0.6	17.8
31 December 2015	**18.6**	**0.7**	**19.3**

1) All depreciation plans are linear.

Minimum lease payments under operational lease of offices	2015	2014
Not later than one year	7.8	7.7
Between one and five years	33.6	24.5
More than five years	69.2	0.0

NOTE 10 INTANGIBLE ASSETS

GROUP - IFRS Amounts in NOK million	Goodwill	Development costs [6]	Other [4]	Total
Cost				
Balance at 1 January 2014	2,131.6	322.5	561.6	3,015.7
Acquisitions through business combinations	0.0	0.0	19.6	19.6
Other acquisitions / internally developed	0.0	42.8	46.4	89.2
Disposals	0.0	0.0	(1.2)	(1.2)
Transferred to discontinued operations	(89.6)	(4.2)	(8.0)	(101.8)
Effect of movements in foreign exchange [2]	179.5	3.6	68.4	251.5
Balance at 31 December 2014	**2,221.5**	**364.7**	**686.8**	**3,273.0**
Balance at 1 January 2015	2,221.5	364.7	686.8	3,273.0
Acquisitions through business combinations [8]	21.8	0.0	43.3	65.1
Other acquisitions / internally developed	0.0	45.8	49.7	95.5
Disposals	0.0	0.0	(14.8)	(14.8)
Effect of movements in foreign exchange [3]	156.6	4.2	68.2	229.0
Balance at 31 December 2015	**2,399.9**	**414.7**	**833.2**	**3,647.8**
Depreciation and impairment losses				
Balance at 1 January 2014	166.3	245.5	251.4	663.2
Depreciation charge for the year [5]	0.0	30.1	75.1	105.4
Impairment losses [7]	39.0	5.2	(0.0)	44.2
Disposals	0.0	0.0	(0.8)	(0.8)
Transferred to discontinued operations	(52.6)	(3.3)	(6.4)	(62.3)
Effect of movements in foreign exchange [2]	17.8	1.6	37.5	56.9
Balance at 31 December 2014	**170.5**	**279.1**	**356.8**	**806.4**
Balance at 1 January 2015	170.5	279.1	356.8	806.4
Depreciation charge for the year	0.0	30.5	89.7	120.2
Impairment losses	0.0	3.8	(0.0)	3.8
Disposals	0.0	0.0	(15.2)	(15.2)
Effect of movements in foreign exchange [3]	17.9	2.5	41.3	61.7
Balance at 31 December 2015	**188.4**	**315.9**	**472.6**	**976.9**
Depreciation rate [1]	0 %	14-33%	5-33%	
Useful life	Indefinite	3-7 yrs	3-20 yrs	
Carrying amounts				
31 December 2014	2,051.0	85.6	330.0	2,466.6
31 December 2015	**2,211.5**	**98.8**	**360.6**	**2,670.9**

1) All depreciation plans are linear except for customer relations and technology from the purchase price allocation of BEST that have a declining depreciation profile.

2) Exchange rates as of 31 December 2014 were used in calculating intangible assets of foreign subsidiaries.

3) Exchange rates as of 31 December 2015 were used in calculating intangible assets of foreign subsidiaries.

4) Other intangibles comprises patents, software and other intangibles + purchase price allocations from acquisitions (including customer relations, agent network and trademarks).

5) Amortization of intangibles are classified as depreciation in the profit and loss statement. Amortization includes NOK 1.4 million from discontinued operations, see note 23.

6) Capitalized development costs comprises mainly salaries to engineers and parts utilized in development projects related to new sorters and reverse vending machines. The carrying amount at 31 December 2015 was NOK 29.0 million for Tomra Sorting and NOK 69.8 million for Tomra Collection.

7) Goodwill of NOK 39 million has been written down in connection with the divestment of Compaction. See also disclosure note 23.

8) Aquisitions of NOK 21.8 million in Goodwill is related to acquiring the majority stake in the Estonian RVM distributor.

NOTE 10 INTANGIBLE ASSETS (CONT.)

Impairment tests for cash-generating units containing goodwill
The following units have significant carrying amounts of goodwill (each area comprises several CGU. Impairment tests are performed at CGU level):

Amounts in NOK million	2015	2014
TOMRA COLLECTION SOLUTIONS		
- Reverse vending	205.7	168.4
- Material recovery	114.2	96.4
TOMRA SORTING SOLUTIONS	1,891.6	1,786.2
Total	**2,211.5**	**2,051.0**

TOMRA tests goodwill and other intangible assets with infinite useful life annually or more frequently if there are impairment indicators. As of 31 December 2015 and 2014 the Group had no intangible assets with infinite useful life, other than goodwill. Property, plant and equipment and other tangible assets with finite useful life are tested if there are indicators that assets might be impaired.

The recoverable amount of the cash-generating units is based on value in use calculations. These calculations use cash flow projections based on actual operating results (EBITA) and a five-year business plan including a residual value.

Significant assumptions
Based on an overall assessment, TOMRA has identified the following assumptions as most sensitive to the value in use calculations.

Growth rate
TOMRA has experienced significant growth for several years. The Sorting segment has grown revenues organically by ~18 percent per year and the Collection segment by ~9 percent the last 10 years on average, excluding acquisitions. The growth used in the impairment tests is consequently significantly lower than those experienced historically. In prediction of cash flows, management has utilized a conservative approach, and the predicted development is in general lower then what has been utilized in the strategic plan, approved by the Board in 2015. It's also lower than the financial targets (more than 4 percent yearly revenue growth in TOMRA Collection and more than 10 percent yearly revenue growth in TOMRA Sorting). The growth in the terminal year is set to 1.5 percent in the analysis.

Operating profit (EBITA)
The future operating profit is dependent on a number of factors, but primarily volumes/market growth, and operating expenses/cost of production. In the impairment tests, TOMRA has estimated EBITA based on management's experience, expectations of future market development and the already implemented cost saving initiatives.

Discount rates
The discount rates are based on the Weighted Average Cost of Capital (WACC) formula derived from the CAPM model. When calculating the WACC (which has been done individually for each CGU), rates of 6.5 percent to 7.5 percent have been used for the different CGUs. The pre tax rate is between 8.6 percent and 8.8 percent.

Capital expenditure and capital employed
Capital employed is generally assumed to develop in line with revenues, and sales prices are in general assumed to be stable, following inflation. Capital expenditure is generally equal to depreciation in the calculation of terminal value as it is assumed depreciation equals capital expenditure in the long run.

Below is a further description of the different cash generating units and consideration around the impairment tests.

Reverse Vending
The business stream comprises the development, production, sales and service of reverse vending machines and related data management systems in the deposit markets in Europe and USA, in total 20 markets. The main customer group is food retail chains. With a high market share and significant service business, the business stream represents a steady recurring cashflow, with limited risk, as TOMRA has been the global market leader in this business stream for more than 40 years. Terminal growth rate is assumed to be 1.5 percent, and a WACC of 6.5 percent has been utilized.

NOTE 10 INTANGIBLE ASSETS (CONT.)

Material Recovery

The business stream comprises the pick-up, transportation and processing of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada. The activity in the business stream mirrors the drinking consumption in the US deposit states, which is usually stable year over year. TOMRA is the market leader in this business stream in regions where it is present, and has been so for over 20 years. Terminal growth rate is assumed to be 1.5 percent, and a WACC of 6.5 percent has been utilized.

Tomra Sorting

The business area comprises the development, production, sale and service of sorting and processing technology for different customer segments.

In the Food business stream, the customers are the fresh and processed food industries. TOMRA is the global market leader in sorting mid-sized objects. With main customers being the food producing companies, the cyclicality in the business stream is low, due to the global dependency on a steady stream of food. Recurring revenue is however low (as for all sorting entities), as the installed base is rather new (less replacements sales) and service only accounts for a smaller fraction of revenues. The business has however been growing for many years, and has still a significant untapped potential, as many sorting tasks still are performed manually and new technology enables sorting of fragments / sorting with a quality that previously was not possible.

In the recycling business stream, the customers are waste management companies or plant builders operating on behalf of them, where TOMRA provides sorting systems for waste and metal material streams. TOMRA is the global market leader in the business stream and has been so for more than 10 years. The business stream experiences some cyclicality due to fluctuations in material prices.

In the mining business stream, the customers are mining companies, where TOMRA provides ore sorting systems. Current penetration in the mining industry is more limited, but with significant potential, as the acceptance of optical sorting solutions is increasing within the industry.

Due to reorganizations, where synergies are taken out by merging units and technology is cross utilized between previously separate business streams and companies, the allocation of assets and cash flow within TOMRA Sorting has been difficult and in many cases arbitrary. The impairment test in 2013 was the last year performed as a bottom up exercise per business stream, where the allocated goodwill was tested. Further integration and restructuring in 2014 added to this complexity and it is no longer possible to follow the cashflow from each of the initial acquisitions within TOMRA Sorting. Consequently TOMRA Sorting from 2014 is treated as one CGU. TOMRA Collection has not been influenced by the restructuring and cross utilization of technologies, and the number of cash generating units has consequently not been changed within this business area.

Sensitivity analysis

In connection with the impairment testing of CGU's containing goodwill, a sensitivity analysis has been performed. A reasonably possible change in key assumptions on which management has based its determination of the unit's recoverable amount would not cause the unit's carrying amount to exceed its recoverable amount.

Neither an interest rate increase of 2 percentage points, nor a reduction in forecasted cashflow of 10 percent would trigger a write-down of goodwill.

Exchange rates as of 31 December 2015 were used in calculating carrying values (see note 19). In calculating the predicted cash flows, the following exchange rates were used EUR/NOK: 9.00- USD/NOK: 8.00.

Research and development expense

Research and development expense of NOK 232.2 million has been recognized as an expense (2014: NOK 197.5 million) and NOK 45.8 million has been capitalized (2014: NOK 42.8 million).

NOTE 10 INTANGIBLE ASSETS (CONT.)

TOMRA SYSTEMS ASA - NGAAP Amounts in NOK million	Other	Patents	Total
Cost			
Balance at 1 January 2014	21.8	0.0	21.8
Other acquisitions-internally developed	3.4	4.4	7.8
Balance at 31 December 2014	**25.2**	**4.4**	**29.6**
Balance at 1 January 2015	25.2	4.4	29.6
Other acquisitions-internally developed	18.7	0.0	18.7
Balance at 31 December 2015	**43.9**	**4.4**	**48.3**
Depreciation and impairment losses			
Balance at 1 January 2014	10.2	0.0	10.2
Depreciation charge for the year	4.7	0.1	4.8
Balance at 31 December 2014	**14.9**	**0.1**	**15.0**
Balance at 1 January 2015	14.9	0.1	15.0
Depreciation charge for the year	4.9	0.7	5.6
Balance at 31 December 2015	**19.8**	**0.8**	**20.6**
Depreciation rate	20 %	20 %	
Useful life	5 yrs	5 yrs	
Carrying amounts			
31 December 2014	11.6	0.0	14.6
31 December 2015	**24.1**	**3.6**	**27.7**

Other consists of investment in ERP systems and web-site.

NOTE 11 TAXES

Tomra Systems ASA NGAAP 2015	Tomra Systems ASA NGAAP 2014	Amounts in NOK miliion	Group IFRS 2015		Group IFRS 2014	
		TAX BASIS				
424.2	(45.4)	Profit before taxes				
(155.0)	-	Dividend from subsidiaries				
12.8	65.6	Permanent differences				
24.5	12.6	Change in temporary differences				
306.5	32.8	Basis for taxes payable				
		TAXES				
82.7	8.8	Taxes payable	266.7		93.1	
11.0	-	Adjustment previous years tax	-		-	
-	-	Taxes on Group contribution	-		-	
93.7	**8.8**	**Total taxes payable**	**266.7**		**93.1**	
82.7	8.8	Taxes payable	266.7		93.1	
5.4	-	Tax over accrued last year	-		-	
0.1	3.7	Tax effect of equity transactions	24.6		34.1	
(11.4)	(3.4)	Net change in deferred taxes	(79.7)		21.2	
76.8	**9.2**	**Tax expense**	**211.6**		**148.4**	
		Effective tax rate				
		Taxes based upon actual tax rates	215.9	25.1 %	151.8	25.2 %
		Tax effect from permanent differences	(4.3)	-0.5 %	(3.4)	-0.6 %
		Actual tax expense	**211.6**	**24.6 %**	**148.4**	**24.6 %**

NOTE 11 TAXES (CONT.)

Deferred tax represents the net change in deferred tax assets and liabilities through changes in timing differences and loss carried forward. Deferred tax assets and liabilities are presented net of their respective tax effect using tax rate of the applicable jurisdiction applied to amounts representing future tax deductions or taxes payable and consist of the following as of 31 December.

Tomra Systems ASA NGAAP			Group IFRS	
2015	2014	**Amounts in NOK miliion**	**2015**	2014
		DEFERRED TAX ASSETS		
0.5	0.6	Inventory	105.2	73.6
4.7	4.4	Other current assets	30.9	4.1
21.3	20.0	Intangible non-current assets	38.4	53.2
0.8	1.1	Tangible non-current assets	1.6	1.7
-	(9.0)	Financial non-current assets	-	(9.0)
3.5	2.7	Provisions	13.6	4.9
6.6	5.2	Other current liabilities	12.9	7.5
14.5	15.5	Pension reserves	15.1	15.5
-	-	Loss carried forward	1.9	4.4
51.9	**40.5**	**Total deferred tax assets**	**219.6**	**156.0**
		DEFERRED TAX LIABILITIES		
		Inventory	(20.4)	(5.1)
		Other current assets	(19.6)	(15.4)
		Intangible non-current assets	148.8	136.3
		Tangible non-current assets	74.4	61.3
		Financial non-current assets	(11.1)	(10.9)
		Provisions	1.5	2.7
		Current liabilities	(37.5)	(18.4)
		Pension reserves	(11.9)	(10.2)
		Total deferred tax liabilities	**124.2**	**140.3**

Negative and positive timing differences, which reverse or may reverse in the same period, are offset. Deferred taxes are calculated on the basis of timing differences and losses carried forward that are offset. Timing differences between different subsidiaries have not been offset. During the period that these differences reverse, the companies will have a taxable net income that is sufficient to realize the deferred tax allowance. The losses carried forward are all in countries where future taxable profits are expected.

There have not been any material effects in either deferred tax or tax expenses for the year that relate to changes in tax rates in the jurisdictions where TOMRA operates.

NOTE 12 OTHER CURRENT LIABILITIES

Tomra Systems ASA NGAAP			Group IFRS	
2015	2014	**Amounts in NOK million**	**2015**	2014
24.2	22.6	Tax deductions, social security tax, holiday pay	261.1	191.0
0.9	0.5	Advances from customers	160.2	193.7
258.4	214.3	Dividend accruals	-	-
96.6	89.4	Non interest-bearing debt [1)]	485.7	355.8
380.1	**326.8**	**Total other current liabilities**	**907.0**	**740.5**

1) Non interest-bearing debt includes forward contracts of NOK 22.4 million (NOK 33.4 million in 2014).

NOTE 13 PROVISIONS

TOMRA SYSTEMS ASA - NGAAP

Amounts in NOK million	Warranty	Other	Total
Balance at 1 January 2015	10.0	0.0	10.0
Provisions made during the year	6.1	0.0	6.1
Provisions used during the year	(2.1)	0.0	(2.1)
Provisions reversed during the year	0.0	0.0	0.0
Balance at 31 December 2015	**14.0**	**0.0**	**14.0**

GROUP - IFRS

Amounts in NOK million	Warranty	Other	Total
Balance at 1 January 2015	91.0	5.8	96.8
Provisions made during the year	139.7	1.1	140.8
Provisions used during the year	(72.5)	0.0	(72.5)
Provisions reversed during the year	(19.1)	0.0	(19.1)
Balance at 31 December 2015	**139.1**	**6.9**	**146.0**

Warranty provisions relate to accruals for service expenses assumed to occur during the period sold machines are covered by warranties given to the customer.

Other provisions comprise of provisions for contractual obligations with business partners, and provisions for known claims covered by TOMRA in connection with previous divestments.

NOTE 14 RELATED PARTIES

GROUP - IFRS

Amounts in NOK, unless stated otherwise

Identification of related parties

The Group has a related party relationship with its subsidiaries and associates (see disclosure note 15 and 16) and with its directors and executive officers. All transactions with related parties are based on arms length principles.

The tables in this note show all benefits that were received by Board members and Group Management for the stated years.

2015 Board members	Share-holding 1)	Board fees 4)	Committee fees 4) 5)	Salary 6)	Variable salary 7)	Other benefits 9)
Jan Svensson (Chairman from April 2015 and Compensation Committee) 10)	5,000	497,500	62,500			
Svein Rennemo (Chairman and Compensation Committee until April 2015)		295,000	23,500			
Aniela Gabriela Gjøs (Board member and Audit Committee)	11,500	415,000	31,500			
Pierre Couderc (Board member and Audit Committee)		415,000	39,000			
Bodil Sonesson (Board member and CR Committee)		415,000	46,500			
Linda Bell (Board member and Compensation Committee)		205,000	15,500			
Ingrid Solberg (Employee representative)	5,479	225,000		915,370	185,220	31,116
David Williamson (Employee representative)	1,137	225,000		426,392	32,109	18,093
Tom Knoff (Nomination Committee)			63,000			
Eric Douglas (Nomination Committee) 11)			41,500			
Hild Kinder (Nomination Committee)			41,500			

NOTE 14 RELATED PARTIES (CONT.)

2015 Group Management	**Share-holding [1]**	**Loan [3]**	**Salary [6]**	**Variable salary [7]**	**Pension premiums [8]**	**Other benefits [9]**
Stefan Ranstrand (President & CEO) [2]	81,269		4,631,530	1,892,900	612,289	783,617
Espen Gundersen (Deputy CEO & CFO)	37,714		2,520,888	1,028,750	977,744	901,028
Håkon Volldal (EVP, Head of Business Area Collection Solutions)	22,533		2,259,636	1,076,625	615,877	646,319
Volker Rehrmann (EVP and CTO, Head of Business area Sorting Solutions)	5,147		EUR 295,960	EUR 108,913		EUR 15,760
Harald Henriksen (SVP, Head of North America Collection Solutions)	30,886	1,400,000	3,523,361	USD 156,200	698,478	592,423
Fredrik Nordh (SVP, Head of Nordic Collection Solutions)	19,735		SEK 1,675,972	SEK 757,107	SEK 445,000	SEK 93,381
Heiner Bevers (SVP, Head of Central and Eastern Europe Collection Solutions)	37,975		EUR 303,275	EUR 140,264	EUR 6,066	EUR 20,988
Tom Eng (SVP and Head of Tomra Sorting Solutions, Recycling)			1,258,911	544,632	351,812	167,867
Ashley Hunter (SVP and Head of Tomra Sorting Solutions, Food)	7,265		EUR 293,567	EUR 122,612	EUR 9,566	EUR 19,430

2014 Board members	**Share-holding [1]**	**Board fees [4]**	**Committee fees [4] [5]**	**Salary [6]**	**Variable salary [7]**	**Other benefits [9]**
Svein Rennemo (Chairman and Compensation Committee)		570,000	45,000			
Jan Svensson (Board member, Compensation and Audit Committee) [10]	5,000	407,500	75,000			
Aniela Gabriela Gjøs (Board member and Audit Committee)	11,500	407,500	45,000			
Pierre Couderc (Board member and Audit Committee from April 2014)		200,000	15,000			
Bernd H.J. Bothe (Board member and CR Committee until April 2014)		207,500	22,500			
Bodil Sonesson (Board member and CR Committee)		407,500	37,500			
Ingrid Solberg (Employee representative)	5,479	225,000		892,856	172,560	26,498
David Williamson (Employee representative and CR Committee)	1,056	225,000		419,403	24,014	12,338
Tom Knoff (Nomination Committee)			60,000			
Eric Douglas (Nomination Committee) [11]			40,000			
Hild Kinder (Nomination Committee)			40,000			

2014 Group Management	**Share-holding [1]**	**Loan [3]**	**Salary [6]**	**Variable salary [7]**	**Pension premiums [8]**	**Other benefits [9]**
Stefan Ranstrand (President & CEO) [2]	81,269		4,359,939	1,460,065	539,027	752,897
Espen Gundersen (Deputy CEO & CFO)	37,714	1,400,000	2,399,506	805,243	618,343	597,646
Håkon Volldal (EVP, Head of Business Area Collection Solutions)	22,533		2,056,848	900,668	440,868	480,823
Volker Rehrmann (EVP and CTO, Head of Business area Sorting Solutions)	5,147		EUR 280,000	EUR 72,170		EUR 12,000
Harald Henriksen (SVP, Head of North America Collection Solutions)	30,886	1,400,000	2,783,445	USD 115,800	748,692	408,106
Fredrik Nordh (SVP, Head of Nordic Collection Solutions)	19,735		SEK 1,689,428	SEK 713,995	SEK 444,000	SEK 100,955
Heiner Bevers (SVP, Head of Central and Eastern Europe Collection Solutions)	37,975		EUR 294,441	EUR 128,303	EUR 5,889	EUR 9,304
Tom Eng (SVP and Head of Tomra Sorting Solutions, Recycling)	0		1,215,500	275,721	274,363	108,016
Ashley Hunter (SVP and Head of Tomra Sorting Solutions, Food)	4,998		EUR 250,748	USD 42,980	EUR 9,717	EUR 19,026

Loans to employees as of 31 December amounted to NOK 2.0 million (2014: NOK 3.3 million) for the parent company and NOK 2.0 million (2014: NOK 5.3 million) for the Group.

NOTE 14 RELATED PARTIES (CONT.)

1) Shareholding
The column shows number of shares owned by the Board members, officers and companies controlled by them and their families.

2) Remuneration CEO
Stefan Ranstrand could in 2015 earn a variable salary up to 50 percent of his fixed salary, based upon the Group's performance. He also participated in the Long Term Incentive Plan (see below). The CEO is entitled to 12 months salary as severance pay, in the case of dismissal.

3) Loans to management
Loans in NOK as of 31 December 2015 and 31 December 2014. The loans are secured by mortgages in real estate, motor vehicles or securities and are interest and installment free.

4) Board fees
The Board receives 50 percent of the estimated fees after six months, and the remaining after an additional six months, when the fees have been formally approved by the annual general assembly. The column shows actual payout in 2015.

5) Committee fees
The column contains fees related to participation in the Audit, Compensation, CR and Nomination Committees.

6) Salary
The column comprises ordinary salary received in the year.

7) Variable salary
The column contains estimated bonus payments for the current year, based upon the current years performance. The amounts do not include payments from the LTIP-program described below.

8) Pension premiums
Group Management members participated in the same pension plans as other employees in the jurisdiction they are employed. The CEO does not participate in the defined benefit plan and receives a fixed compensation instead. For further description of the pension plan, see note 17.

9) Other benefits
The column comprises the value of other benefits received by Group Management and Board members during the year, including value of interest-free loans, car allowance, health insurance etc.

10) Shareholding Board member
Board member Jan Svensson holds the position of CEO in Investment AB Latour that had a holding of 36,560,000 shares in TOMRA at 31 December 2015.

11) Shareholding Committee member
Committee member Eric Douglas' family controls Investment AB Latour that had a holding of 36,560,000 shares in TOMRA at 31 December 2015.

Extract from principles for remuneration of Group Management
Salary and other employment terms for senior executives shall be competitive to ensure that TOMRA can attract and retain skilled leaders. Salary should include both fixed and variable elements. The fixed salary should reflect the individual's area of responsibility and performance over time. Principles for remuneration shall be allowed to vary in accordance with local conditions. The remuneration structure shall be based on such factors as position, expertise, experience, conduct and performance. The variable salary shall not exceed 50 percent of the fixed annual salary and be based on the achievement of specific performance targets by TOMRA Group and/or the respective manager's unit.

Long Term Incentive Plans (LTIP)
The Board established in 2014 a new LTIP-plan, replacing the prior plan, which was based upon the TOMRA share price development measured against NASDAQ. The new plan is based upon improvements in the Group's reported EPS. The rationale for changing the plan in 2014 was to make the performance metric more relevant for management by measuring success based upon improvements in profit (which management can influence), instead of share price development (which is less influenced by individual performance, particularly when measured against NASDAQ).

Under the new system, the Board established at the end of 2014 EPS targets for 2015, 2016 and 2017. The targets are established as intervals, where the participants can earn from 30 percent (if the minimum target is met) up to 100 percent (if the maximum target is met) of one year's salary. The plan is consequently capped at one year's salary. Fifty percent of earnings after tax has to be invested in TOMRA shares and must be kept for at least three years. If sold earlier, all proceeds from the sale belong to TOMRA.
The first measurement was at the end of 2015, when actual performance for the fiscal year 2015 was measured against the targets for the year. The range where management could gain earnings was from 3.25 NOK (min) to 3.55 NOK (max), up from an actual EPS of 2.44 NOK in 2014. As the actual EPS for 2015 came in at 4.06 NOK, management gained full earnings under the LTIP-plan in 2015.

NOTE 14 RELATED PARTIES (CONT.)

	Earned in 2015	To be invested in shares in 2016
Stefan Ranstrand (President & CEO)	4,600,000	1,150,000
Espen Gundersen (Deputy CEO & CFO)	2,500,000	625,000
Håkon Volldal (EVP, Head of Business Area Collection Solutions)	2,250,000	562,500
Volker Rehrmann (EVP and CTO, Head of Business area Sorting Solutions)	EUR 295,960	EUR 73,990
Harald Henriksen (SVP, Head of North America Collection Solutions)	USD 426,195	USD 106,549
Fredrik Nordh (SVP, Head of Nordic Collection Solutions)	SEK 1,573,210	SEK 393,302
Heiner Bevers (SVP, Head of Central and Eastern Europe Collection Solutions)	EUR 303,275	EUR 75,819
Tom Eng (SVP, and Head of Tomra Sorting Solutions, Recycling)	1,246,741	311,685
Ashley Hunter (SVP, and Head of Tomra Sorting Solutions, Food)	USD 310,000	USD 77,500

For 2016, management will be measured against the combined targets for 2015 and 2016. If the combined actual performance for 2015 and 2016 is equal to the minimum targets, management is entitled to 30 percent of one year's salary. If the maximum target is met, the bonus will be 100 percent of one year's salary. Fifty percent of earnings after tax has to be invested in TOMRA shares and must be kept for at least three years. If sold earlier, all proceeds from the sale belong to TOMRA. A detailed calculation of the 2016 performance will be included in the 2016 annual report.

The collective compensation for key management personnel was as follows (20 managers in 2015 and 20 in 2014):

Amounts in NOK million	**2015**	2014
Short-term employee benefits	63.9	34.7
Severance payments	0.0	0.0
Post-employment benefits	3.8	3.2
Total	**67.7**	**37.8**

Total remuneration is included in "employee benefit expenses" (see note 3).

Transactions with subsidiaries
Transactions between Group companies, which are related parties, have been eliminated in the consolidation and are not disclosed in this note.

Auditors' fees

	2015		2014	
Amounts in NOK million	**Parent**	**Group**	**Parent**	**Group**
Statutory audit	1.1	7.7	1.2	7.1
Other attestation services	0.0	0.1	0.0	0.0
Tax consulting	0.0	2.9	0.0	2.6
Other services	0.0	0.1	0.0	0.3
Total	**1.1**	**10.8**	**1.2**	**10.1**

Statutory audit fees to KPMG for the Group were NOK 6.4 million (NOK 6.2 million in 2014), and fees to other auditors were NOK 1.2 million (NOK 0.9 million in 2014).

Non-audit fees to KPMG for the Group were NOK 3.0 million (NOK 2.9 million in 2014), and non-audit fees to other auditors were NOK 0.1 million (NOK 0.1 million in 2014).

NOTE 14 RELATED PARTIES (CONT.)

TOMRA SYSTEMS ASA - NGAAP

Tomra Systems ASA's transactions with related parties

Tomra Systems ASA has several transactions with related parties. All transactions are performed as part of ordinary business and executed at arms length principles.

The significant transactions are as follows:

Sales of RVMs, spare parts and service manuals/support of NOK 1,548.6 million in 2015 (NOK 859.8 million in 2014) to:

Tomra Butikksystemer AS
Tomra Systems AB
Tomra Systems AS
OY Tomra AB
Tomra Systems GmbH
Tomra Systems BV
Tomra Sorting Technology (Xiamen) Co. Ltd.
Tomra Leergutsysteme GmbH
Tomra of North America Inc.
Tomra Baltic OÜ
Tomra Systems UAB
Tomra Japan Ltd.
Tomra Systems d.o.o

Purchase of RVMs and spare parts from Tomra Production AS of NOK 396.4 million in 2015 (NOK 267.6 million in 2014).

Management fee of NOK 5.7 million in 2015 (NOK 5.4 million in 2014).

Interest income on loans of NOK 7.3 million in 2015 (NOK 5.1 million in 2014), and interest expenses on loans of NOK 0.6 million in 2015 (NOK 0.1 million in 2014).

The Balance sheet includes the following amounts from transactions with related parties:

Amounts in NOK million	2015	2014
Loans to subsidiaries	578.3	431.4
Intra-group receivables	454.1	267.2
Loan from subsidiaries	(153.8)	(144.6)
Intra-group debt	(989.1)	(796.8)
Total	**(110.5)**	**(242.8)**

NOTE 15 SHARES AND INVESTMENTS

TOMRA SYSTEMS ASA - NGAAP

Amounts in NOK million	Country	Year of acquisition	Vote and owner share	Book value
Tomra North America Inc	USA	1992	100.0 %	1,166.2
Tomra Europe AS	Norway	1998	100.0 %	10.0
Tomra Production AS	Norway	1998	100.0 %	15.0
Tomra Canada Inc	Canada	2000	100.0 %	79.8
Titech Sorting Japan KK	Japan	2000	100.0 %	7.0
Tomra Sorting AS	Norway	2004	100.0 %	1,817.6
Tomra Systems Ltd. 1)	United Kingdom	2006	100.0 %	-
Tomra Sorting Technology (Xiamen) Co. Ltd.	China	2010	100.0 %	81.4
Total shares in subsidiaries				**3,177.0**
Tomra Japan Ltd.	Japan	2008	50.0 %	9.6
Total shares in associates				**9.6**

1) The activity in Tomra System Ltd. was closed down and the shares was written down to zero in 2014. The company was liquidated in 2015.

NOTE 16 INVESTMENTS IN ASSOCIATES

GROUP - IFRS

Amounts in NOK million	Ultre-PET	Tomra s.r.o.	Tomra Baltic	Tomra Japan Ltd.	Total
Book value 31 December 2014	51.2	-	2.4	1.9	55.5
Profit 2015	5.2	2.9	-	-	8.1
Other equity transactions	-	-	(2.4)	-	(2.4)
Dividend	-	(2.9)	-	-	(2.9)
Currency translation difference	9.9	-	-	0.3	10.2
Book value 31 December 2015	**66.3**	**0.0**	**0.0**	**2.2**	**68.5**
Equity at date of acquisition	41.0	0.0	0.0	0.0	
Country	USA	Czech Republic	Estonia	Japan	
Year of acquisition	1999	1998	2005	2008	
Vote and share ownership	49 %	40 %	40 %	50 %	

Summary financial information for associates on 100% basis:

2015					**Total**
Assets	183.0	17.8		126.2	327.0
Liabilities	51.3	7.9		118.0	177.2
Equity	131.7	9.9		8.2	149.8
Revenues	240.3	15.3		78.8	334.4
Profit/(loss)	5.2	7.3		1.8	14.3

2014					**Total**
Assets	137.2	10.9	10.0	107.7	265.8
Liabilities	32.8	1.5	4.0	101.8	140.1
Equity	104.4	9.4	6.0	5.9	125.7
Revenues	221.7	9.8	8.1	68.4	308.0
Profit/(loss)	3.3	3.0	0.8	0.0	7.1

During 2015 TOMRA acquired more of Tomra Baltic, meaning that it is now a subsidiary and fully consolidated. See note 24.

In accordance with IFRS 11, TOMRA has changed accounting principles for joint arrangements. Tomra Japan Ltd. was proportionally consolidated in the Group accounts until 2013. From 2014, the equity method has been applied. When making the assessment, the structure of the arrangement, the legal form, the contractual terms of the arrangement and other relevant facts and circumstances have been taken into consideration.

NOTE 17 PENSION AND PENSION OBLIGATIONS

Total Pension costs and pension liability for Tomra Group

Amounts in NOK million	Group IFRS 2015	Group IFRS 2014
Net pension cost Norwegian plans	0.5	13.8
Taxes	(0.1)	(3.7)
Net pension costs in Other Comprehensive Income	**0.4**	**10.1**
Pension liability Norwegian plans	58.1	57.5
Pension liability US plans	29.6	25.7
Total Pension liability	**87.7**	**83.2**

Norwegian plans

Tomra Systems ASA NGAAP 2015	Tomra Systems ASA NGAAP 2014	Amounts in NOK million	Group IFRS 2015	Group IFRS 2014
		EXPENSE RECOGNIZED IN THE INCOME STATEMENT		
11.9	10.6	Current service cost	11.9	10.6
1.5	1.7	Interest cost (income)	1.5	1.7
1.9	1.8	Social security tax included in pension cost	1.9	1.8
15.3	**14.1**	**Net pension costs in Income Statement**	**15.3**	**14.1**
		EXPENSE RECOGNIZED IN OTHER COMPREHENSIVE INCOME		
23.1	45.9	Actuarial loss (gain) - change in discount rate	23.1	45.9
(18.2)	(23.0)	Actuarial loss (gain) - change in other financial assumptions	(18.2)	(23.0)
(8.2)	(9.1)	Actuarial loss (gain) - experience DBO	(8.2)	(9.1)
1.9	(3.4)	Loss (gain) - experience Assets	1.9	(3.4)
1.8	1.7	Investment management cost	1.8	1.7
0.1	1.7	Social security tax included in pension cost	0.1	1.7
0.5	**13.8**	**Net pension costs in Other Comprehensive Income**	**0.5**	**13.8**
		FINANCIAL STATUS AS OF 31 DECEMBER		
218.8	206.7	Present value of funded pension obligations	218.8	206.7
(160.7)	(149.2)	Fair value of plan assets	(160.7)	(149.2)
0.0	0.0	Unrecognized actuarial gains & losses	0.0	0.0
58.1	**57.5**	**Pension liability**	**58.1**	**57.5**
		BASIS FOR CALCULATION		
2.50 %	3.00 %	Discount rate	2.50 %	3.00 %
2.50 %	3.25 %	Expected wage increase	2.50 %	3.25 %
2.25 %	3.00 %	Expected increase of base amount	2.25 %	3.00 %
2.50 %	3.00 %	Expected return on plan assets 31 December	2.50 %	3.00 %
12 yrs	**12 yrs**	**Average remaining service period**	**12 yrs**	**12 yrs**
		MOVEMENTS IN NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AS RECOGNIZED IN THE BALANCE SHEET		
57.5	48.1	Net liability at 1 January	57.5	48.1
(15.2)	(18.5)	Contributions received	(15.2)	(18.5)
0.5	13.8	Remeasurement recognized in Other Comprehensive Income	0.5	13.8
15.3	14.1	Expense recognized in the Income Statement (*)	15.3	14.1
58.1	**57.5**	**Net liability at 31 December**	**58.1**	**57.5**
		(*) The expense is recognized in the following line item in the income statement		
15.3	14.1	Employee benefits expenses defined benefit plan	15.3	14.1
4.1	5.4	Employee benefits expenses defined contribution plan	29.2	28.1
19.4	**19.5**	**Total employee benefits expenses** [1]	**44.5**	**42.2**

NOTE 17 PENSION AND PENSION OBLIGATIONS (CONT.)

1) NOK 6.9 million of total employee benefits for Tomra Systems ASA was charged to subsidiaries in 2015 (2014: NOK 6.5 million), and the interest of NOK 1.5 million is classified as financial expense.
The cost of the defined benefit plan includes a premium for the right to a paid up defined contribution policy based on an actuarial valuation.

Total employee benefits expenses for the Group is split as NOK 11.6 million in the Sorting Solutions segment (2014 NOK 11.0 million) and NOK 32.9 million in the Collection Solutions segment (2014 NOK 31.2 million).

TOMRA's best estimate of contributions expected to be paid into the plan for 2016 is NOK 1.9 million.

The discount rate is in accordance with guidelines from Norsk Regnskapsstiftelse at 31 August 2015, which was the best estimate of the rate at the time the basis for the calculation was set in October 2015. The effect of the increase in the long term interest rates towards the end of this year and the new guidelines at 31 December 2015 have been considered immaterial.

Due to the financial turmoil in Europe, the 10 year state bond interest has been unnaturally low. For this reason, Norsk Regnskapsstiftelse (NRS) in their 2014 and 2015 guidelines has recommended that the interest used for pension calculations should be set based upon preference bonds with sufficient liquidity (known as OMF-bonds). Over time it's assumed that the wage increase should not exceed the discount rate. TOMRA has consequently since 2013 calculated its pension liabilities based upon the implicit interest in OMF-bonds.

GROUP - IFRS

Until the end of 2006 all employees in Norway were covered by a collective pension plan, where the insured pension plans covered employees in permanent positions of at least 50 percent of full time employment and below an age of 57 years at the employment date. The pension plan was structured as a retirement net agreement in that it guaranteed a supplement to the State benefits. There has not been any agreements for compensation of reductions in State benefits. The plan gives a right to defined future benefits (defined benefit plan). The benefit is mainly dependent upon years within the plan, salary at date of retirement and compensation from the State. The obligations are covered through Storebrand insurance company. The plan should ensure that the employees would get a pension of about 65 percent of salary, if they had full contribution time, limited upwards to 12G.

In 2007, TOMRA established a defined contribution plan, where TOMRA contributes 5% of salary between 1 and 6G and 8% of salary between 6 and 12G. The old defined benefit plan for salary up to 12G was closed for new members at the same time, so all new employees from January 2007 are members of the defined contribution plan.

Employees that were members of the defined benefit plan, could choose if they wanted to stay in this plan or join the new defined contribution plan. Employees that chose to change pension plan got a paid up policy for the benefit they had earned under the old plan. In total 65 employees chose to change pension plan.

In addition TOMRA had a separate pension plan for benefits over 12G, with the same coverage as the plan up to 12G. Until the end of 2006 the pension premium for such plans was not taxable for the beneficiary, but it would be taxable when the pension was paid out. The pension premium was not tax deductible for the company.

Due to changes in the tax regulations the pension premium paid is taxable from 1 January 2007 for the employee, while only the return of the pension is taxable when it is paid out. The pension premium is also tax deductible for the company.

To eliminate the effect of the changes in tax regulation for employees, the pension plan was adjusted to keep the benefit after tax unchanged for the employee. This was done by adjusting the pension premium down to a level where the employee would get the same benefit after tax as under the former pension plan. In addition TOMRA compensates the employee's tax on the pension premium.

The pension plans have been treated for accounting purposes in accordance with IAS 19. The parent company's plan, which also covers employees in Tomra Butikksystemer AS, Tomra Production AS and Tomra Sorting AS, included 100 employees and 38 retirees at year-end 2015.

Actual return on plan assets was NOK 7.5 million in 2014.

The table above shows total pension cost of defined benefit plans for the parent company and the Group, and total pension obligations at 31 December for the parent company and the Group's defined benefit plans and defined contribution plans. Net pension obligations at 31 December 2015 are split between net pension obligations for the defined benefit plans of NOK 49.5 million, and net pension obligations for the defined contribution plans of NOK 8.5 million.

NOTE 17 PENSION AND PENSION OBLIGATIONS (CONT.)

Life expectancy

Assumptions regarding future mortality have been based on published statistics and mortality tables K2013BE. The current life expectancy underlying the values of the defined benefit obligation at the reporting date were as follows.

	Men	Women
Life expectancy currently aged 65	20.7	23.9
Life expectancy at 65 currently aged 40	23.0	26.3

Plan assets comprise of

	2015	2014
Shares	7.9 %	12.2 %
Short-term bonds	13.4 %	9.8 %
Credit	24.0 %	21.7 %
Long-term bonds	39.0 %	43.6 %
Property	11.5 %	9.2 %
Other	4.2 %	3.5 %
Total	**100.0 %**	**100.0 %**

Change in plan assets

Amounts in NOK million	2015	2014
Fair value of assets at beginning of year	149.1	128.5
Expected return on plan assets	4.1	4.9
Remeasurement	(3.8)	1.7
Employer contribution	13.6	16.2
Benefits paid	(2.3)	(2.1)
Fair value of assets at end of year	**160.7**	**149.2**

SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would change the amounts shown below.

Basis for calculation	Assump-tions 2015	Assump-tions 2014	Discount rate +0.5	Discount rate -0.5	Wage increase +0.5	Wage increase -0.5	Pension regulation +0.10
Discount rate	2.50 %	3.00 %	3.00 %	2.00 %	2.50 %	2.50 %	2.50 %
Expected wage increase	2.50 %	3.25 %	2.50 %	2.50 %	3.00 %	2.00 %	2.50 %
Expected increase of base amount	2.25 %	3.00 %	2.25 %	2.25 %	2.25 %	2.25 %	2.25 %
Expected pension regulation	0.00 %	0.10 %	0.00 %	0.00 %	0.00 %	0.00 %	0.10 %
Interest	2.50 %	2.90 %	3.00 %	2.00 %	2.50 %	2.50 %	2.40 %
Expected return on plan assets	2.50 %	3.00 %	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %

Results

Amounts in NOK million							
Service costs	11.4	11.3	10.2	12.9	12.5	10.4	11.5
Accumulated benefit obligation	169.3	155.7	153.9	187.1	169.3	169.3	171.3
Present benefit obligation	211.6	206.7	190.9	235.6	227.0	197.5	214.0
Total benefit obligation	355.6	349.7	315.7	402.3	390.2	324.0	359.6
Plan assets	160.7	149.2	160.7	160.7	160.7	160.7	160.7

Although the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTE 17 PENSION AND PENSION OBLIGATIONS (CONT.)

US plans

Tomra North America participates in two multi-employer pension plans in the US, the "Metro-plan" and the "TNYR-plan". Both plans are Defined Benefit plans (DB) under IAS 19. As there has been limited financial information available for these pension plans, TOMRA applied Defined Contribution plan (DC) accounting for both plans up until 31 December 2012.

The TNYR-plan comprises 40 TOMRA employees, out of a total of approximately 2,250 employees. Similar to prior years, there is still not sufficient financial information available in order to account for this plan as a DB plan. Consequently, TOMRA continues to account for this plan as a DC plan by direct expensing of premiums paid. Premiums paid in 2015 amounted to USD 204,166, compared to USD 187,663 in 2014. Received information from the plan indicates an underfunding of USD 3.6 million on TOMRA's part. TOMRA is jointly and severally liable for the plan's underfunding with other participants in the plan.

The Metro plan comprises 50 TOMRA employees. In 2013 the Metro-plan was restructured, and the fund provided TOMRA with information about TOMRA's net liabilities under the plan. TOMRA entered into an agreement with the fund to settle the underfunding in the plan though annual payments of USD 0.2 million per year over a 25 years period. Consequently, a net pension liability of USD 3.5 million (net present value) was recognized in other comprehensive income as a change in estimate in 2013. The agreement with the fund also included a reentry into the restructured DB-plan based on direct attribution, where TOMRA is responsible for funding of liabilities directly attributable to TOMRA employees only. The reentry into the Metro plan is accounted for as a DC plan as updated financial information on the funding has not been received. The premium paid under this plan was USD 154,411 in 2015 compared to USD 168,551 in 2014.

TOMRA SYSTEMS ASA - NGAAP

From 1 January 2006 Tomra Systems ASA was obliged to have a pension plan for its employees, and its pension plan meets this requirement.

TOMRA has applied IAS 19 under NRS 6 since the Group's conversion to IFRS in 2004. Tomra Systems ASA changed to IAS 19R in 2013 following the same approach and consideration as described above for the Group.

NOTE 18 CASH AND CASH EQUIVALENTS

Tomra Systems ASA NGAAP			Group IFRS	
2015	2014	**Amounts in NOK million**	**2015**	2014
0.2	169.8	Cash and cash equivalents	312.9	436.3
0.2	169.8	Cash and cash equivalents in the statement of cash flows [1)]	312.9	436.3

1) Includes restricted bank deposits totaling NOK 0.0 million for the Parent company and NOK 0.6 million for the Group.

Tomra Systems ASA and its fully owned subsidiaries participate in an international multi-currency cash-pool, operated by DNB. All the subsidiaries deposit to and withdraw from the pool through the cash-pool agreement as an Intra-Group receivable/payable against Tomra Systems ASA, and the transactions are classified as such in the financial statement.

NOTE 19 FINANCIAL INSTRUMENTS

Responsibility for funding, cash management and financial risk management is handled centrally by the finance department in Tomra Systems ASA. Guidelines for the finance activities are determined by the financial strategy, which is reviewed and approved by the Board. The central treasury department acts as the corporate bank and is responsible for all external borrowing and hedging transactions in interest rates and currencies. TOMRA aims to limit its exposure to financial risk.

Interest rate risk

TOMRA's surplus cash is primarily used to reduce the loan amount on the revolving credit facilities. It may also be placed in NOK with short maturities. In accordance with the adopted financial strategy, the duration of the portfolio should not exceed six months.

Non-current interest-bearing liabilities relates to a five-year revolving credit facility of EUR 50 million or NOK/USD equivalent (established in December 2015), a four-year revolving credit facility of EUR 60 million, or NOK/SEK/USD equivalent (established in April 2014) and a six-year revolving credit facility of EUR 60 million, or NOK/SEK/USD equivalent (established in April 2014). On the EUR 50 million revolving credit facility, interest is payable at a rate of NIBOR/EURIBOR/LIBOR plus a margin, dependent on TOMRA's NIBD/EBITDA ratio. On the EUR 60 million four-year revolving credit facility, interest is payable at a rate of NIBOR/EURIBOR/LIBOR/STIBOR plus a margin dependent on TOMRA's NIBD/EBITDA and leverage ratio. On the EUR 60 million six-year revolving credit facility, interest is payable at a rate of NIBOR/EURIBOR/LIBOR/STIBOR plus a margin dependent on TOMRA's NIBD/EBITDA and leverage ratio. In addition TOMRA has an overdraft facility of NOK 50 million. A change in the interest rate of 100 basis points, calculated on the loan amount as per 31 December 2015, increases/decreases the annual financial costs by NOK 16.5 million. At year end cash and cash equivalents had a duration of zero (mainly bank holdings), and the duration of the three loan facilities was 3.81 years.

Capital management

TOMRA's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. TOMRA monitors return on capital as well as the level of dividends to shareholders. TOMRA seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantage and security afforded by a sound capital position. TOMRA's target is to achieve a high return on capital and an equity ratio above 30 percent.

Credit risk

Credit risk is the risk of loss that may arise on outstanding contracts should a counterparty default on its obligations. Historically the Group has limited bad debt on receivables. The Group has sufficient routines for credit checks on clients and credit risk is not considered to be significant on outstanding receivables as of 31 December 2015. However, TOMRA's customers include the largest retail chains in the world, as well as large scrap material processors and food producers, where outstanding receivables globally can be significant. In a situation where one of these systems collapses, TOMRA could be exposed. The maximum exposure to credit risk at year-end equalled total receivables in the balance sheet plus any unrealized gain on financial contracts.

In accordance with the Group's financial strategy, placement of surplus cash requires the counterpart to have a strong rating, with investments limited to NOK 100 million per bank. Surplus liquidity can also be placed in certificates issued by states or municipalities, as well as in short term security markets that require a safe investment structure.

TOMRA's main bank is DNB Bank, where TOMRA's EUR 50 million, or NOK/USD equivalent, credit facility is located in addition to the international cash pool. The two EUR 60 million credit facilities are provided by DNB and SEB. In order to have a full cash management solution, TOMRA has a few additional banks in some local markets. The tables below show TOMRA's outstanding loan per 31 December and respective counterpart's credit rating.

	31 December 2015			31 December 2014		
	Credit limit	Loan balance	Rating Moody/ S&P	Credit limit	Loan balance	Rating Moody/ S&P
DNB Bank ASA	EUR 50 million [3)]	EUR 15 million	A1/A+			
DNB Bank ASA				NOK 500 million [1)]	EUR 50 million	A1/A+
DNB Bank ASA & SEB	EUR 60 million [2)]	EUR 50 million	A1/A+	EUR 60 million [2)]	EUR 60 million	A1/A+
DNB Bank ASA & SEB	EUR 60 million [2)]	EUR 60 million	A1/A+	EUR 60 million [2)]	EUR 60 million	A1/A+

1) or EUR equivalent
2) or NOK/SEK/USD equivalent
3) or NOK/USD equivalent

NOTE 19 FINANCIAL INSTRUMENTS (CONT.)

Liquidity risk

Liquidity risk is the risk that TOMRA will not be able to meet its financial obligations as they fall due. TOMRA has a limited exposure to liquidity risk on the basis of a strong cash flow in addition to a solid balance sheet- 56.1 percent equity ratio at 31 December 2015- that will enable a higher debt ratio if necessary. Liquidity per 31 December 2015 was NOK 790 million (including unused credit lines).

Commodity risk

The volatility of raw materials impacts both TOMRA's income and costs.

Income

TOMRA is indirectly exposed to fluctuations in commodity prices in the business area Sorting Solutions; for customers within waste-management, the value of the material that TOMRA scanners sort out is a source of income. When commodity prices increase, the income to customers in this segment is affected, which affects the willingness to invest positively. Same effect applies in the Mining segment, where customers are very exposed to fluctuations in commodity prices, which again influences their willingness to invest.

Costs

The increase in fuel prices is negative for TOMRA due to higher transportation costs. First and foremost, this applies to material handling operations, where an increase of USD 1 per gallon diesel decreases operating profit by USD 1.3 million a year. TOMRA uses a variety of raw materials in production, however, the volume of material components is not so significant that it has a material impact on profitability.

Foreign currency risk

TOMRA is exposed to changes in the value of NOK relative to other currencies. With ~97 percent of its income in foreign currencies, a strengthening of NOK will lead to reduced earnings for the Group when measured in NOK. The most significant risk is associated with fluctuations in EUR and USD. In accordance with the financial strategy, TOMRA can secure up to 12 months of expected future net cash flow. TOMRA primarily uses forward contracts as an economic instrument to hedge the cash flow. TOMRA has not applied hedge accounting in accordance with IAS39 for the cash flow.

Hedge accounting under IAS 39

In order to reduce the profit and loss volatility arising from currency fluctuations, a portion of TOMRA's EUR denominated debts amounting to EUR 170 million is designated as hedge of the net investment in European subsidiaries. The fair value of the borrowing at 31 December 2015 was EUR 125 million (NOK 1,202.4 million), which represents 88 percent of the net investment. The hedge has been highly effective for the period (100%). The foreign exchange loss of NOK 94.6 million on translating the borrowing to functional currency at the end of the reporting period is recognized in retained earnings, in shareholders' equity, of which NOK 66.3 million is included in translation differences in the equity reconciliation.

The split of revenues and the balance sheet as of 31 December in currencies, was distributed as follows:

	Revenues		Assets	
	2015	2014	**2015**	2014
USD	30 %	31 %	27 %	22 %
EUR	45 %	52 %	54 %	59 %
NOK	4 %	3 %	10 %	9 %
OTHER	21 %	14 %	9 %	10 %

The split of the balance sheet as of 31 December in currencies was distributed between the balance lines as follows:

	2015			
	USD	**EUR**	**NOK**	**OTHER**
Total intangible non-current assets	19 %	71 %	2 %	8 %
Total tangible non-current assets	46 %	35 %	9 %	10 %
Total financial non-current assets	75 %	2 %	15 %	8 %
Inventory	26 %	51 %	14 %	9 %
Total receivables	28 %	54 %	6 %	12 %
Cash and cash equivalents	0 %	0 %	100 %	0 %
Total assets	**27 %**	**54 %**	**10 %**	**9 %**
Total non-current liabilities	6 %	90 %	4 %	0 %
Total current liabilities	17 %	32 %	39 %	12 %
Total liabilities	**12 %**	**58 %**	**23 %**	**7 %**

* The above matrix does not include Assets and Liabilities held for sale, which is mainly nominated in SEK

NOTE 19 FINANCIAL INSTRUMENTS (CONT.)

	2014			
	USD	EUR	NOK	OTHER
Total intangible non-current assets	10 %	77 %	4 %	10 %
Total tangible non-current assets	49 %	28 %	10 %	13 %
Total financial non-current assets	35 %	0 %	62 %	3 %
Inventory	27 %	52 %	12 %	9 %
Total receivables	25 %	62 %	2 %	10 %
Cash and cash equivalents	17 %	51 %	14 %	18 %
Total assets	**22 %**	**59 %**	**9 %**	**10 %**
Total non-current liabilities	6 %	94 %	0 %	1 %
Total current liabilities	26 %	31 %	28 %	15 %
Total liabilities	**14 %**	**66 %**	**12 %**	**7 %**

A 10 percent weaker/stronger NOK would normally lead to a 8-12 percent increase/decrease in operating profit. Currency fluctuations would in addition affect the book value of assets and liabilities in TOMRA's foreign subsidiaries. A 10 percent weakening/strengthening in the value of the NOK would have increased/decreased equity by NOK 295 million as per balance 31 December 2015. (This analysis assumes all other variables remain constant). Such changes in value would however only have limited P/L impact as they are mainly booked as translation differences against equity.

Sensitivity analysis - isolated currency rate changes' impact on operating profit before other items:

	2015		2014	
Amounts in NOK million	**Income**	**Cost**	**Income**	**Cost**
10% currency change USD/NOK	187	(161)	147	(101)
10% currency change EUR/NOK	277	(259)	248	(205)

Sensitivity analysis - isolated currency rate changes' impact on equity:

	2015		2014	
Amounts in NOK million	**Increase**	**Decline**	**Increase**	**Decline**
10% currency change USD/NOK	160	(160)	92	(92)
10% currency change EUR/NOK	204	(204)	159	(159)

The following exchange rates were applied during the year [1]:

	Average rate (P/L rate)		**Reporting date rate (Balance rate)**	
	2015	2014	**2015**	2014
USD/NOK	8.064	6.301	8.809	7.433
EUR/NOK	8.941	8.355	9.619	9.037
SEK/NOK	0.956	0.919	1.048	0.960
AUD/NOK	6.059	5.677	6.447	6.088

1) Exchange rates distributed by the Norwegian Central Bank

The fair value of forward contracts is calculated at the end of each period, and at 31 December 2015 the value was recognized in other short term receivables at NOK 3.7 million and in other current liabilities at NOK 22.4 million (per 31 December 2014: NOK 17.0 million and NOK 33.4 million respectively). Changes in fair value of forward contracts were recognized in the income statement in 2015. Change in fair value of forward contracts and currency loss on cash flows in 2015 amounted to a loss of NOK 15.1 million (see note 4). The currency contracts are accounted for at fair value according to IFRS 7, level 2. IFRS 13 has been applied effective 1 January 2013.

NOTE 19 FINANCIAL INSTRUMENTS (CONT.)

Outstanding forward foreign exchange contracts, as of 31 December:

	2015			2014		
Amount forward (sold) / bought	**Currency (million) 1)**	**Exch.rate**	**Due date**	**Currency (million) 1)**	**Exch.rate**	**Due date**
EUR/NOK	(91.0)	9.449	2016	(43.5)	8.860	2015
GBP/NOK	0.6	13.072	2016	(0.6)	10.704	2015
JPY/NOK	(427.0)	0.071	2016	(422.0)	0.059	2015
SEK/NOK	(25.0)	1.028	2016	(127.0)	0.963	2015
AUD/NOK	(5.9)	6.278	2016	(6.9)	5.886	2015
ZAR/NOK	(36.6)	0.578	2016	(29.0)	0.609	2015
USD/NOK	7.0	8.582	2016	(21.9)	7.214	2015
DKK/NOK	(2.0)	1.274	2016	9.6	1.137	2015
KRW/NOK	(750.0)	0.007	2016	(1 000.0)	0.006	2015
PLN/NOK	(14.3)	2.189	2016	(14.2)	2.023	2015
CAD/NOK	5.3	6.323	2016	0.7	5.993	2015

1) Face value

TOMRA has not entered into any commodity contracts as of 31 December 2015.

Overview of financial assets and liabilities - carrying and fair values:

	2015		2014	
Amounts in NOK million	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Long term receivables	245.3	245.3	248.2	248.2
Receivables	1,363.4	1,363.4	1,188.2	1,188.2
Cash and cash equivalents	312.9	312.9	436.3	436.3
Forward exchange contracts	(18.7)	(18.7)	(16.4)	(16.4)
Finance lease liabilities	0.0	0.0	(0.2)	(0.2)
Unsecured bank facilities	(1,202.4)	(1,202.4)	(1,549.0)	(1,549.0)
Other interest-bearing liabilities	(4.0)	(4.0)	(99.6)	(99.6)
Payables	(498.8)	(498.8)	(439.5)	(439.5)
Total	**197.7**	**197.7**	**(231.9)**	**(231.9)**

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments in the table:

Cash and cash equivalents
The carrying amounts of cash and cash equivalents equalled the fair value due to their short maturities.

Financial derivatives
The fair value of forward currency contracts represented quoted market price, i.e. the exchange rate at 31 December 2015 and the interest points obtained from the different market institutions.

Interest-bearing loans and borrowings
The fair value of the unsecured bank loan was based on loan amounts and accrued interest per 31. December 2015. Future interest payments and repayments with a time to maturity of more than one year are discounted.

Receivables/payables
For receivables/payables with a remaining life of less than one year, the notional amount was deemed to reflect the fair value. All other receivables/payables were discounted to determine the fair value.

There has not been any transfer of assets between the different valuation levels in 2015 compared to 2014.

NOTE 19 FINANCIAL INSTRUMENTS (CONT.)

Interest rates used for determining fair value	2015	2014
Loans and borrowings	1.8 %	2.0 %
Receivables/payables	1.3 %	1.5 %

Financial assets and liabilities per 31 December 2015 - maturity analysis (discounted values) using nominal cash flows:

Amounts in NOK million	Carrying amount	Quarter 1 2016	Quarter 2-4 2016	2017	2018+
Long term receivables	245.3			98.1	147.2
Receivables	1 363.4	1 363.4			
Cash and cash equivalents	312.9	312.9			
Forward exchange contracts	(18.7)	(18.7)			
Unsecured bank facilities	(1 202.4)				(1 202.4)
Other interest-bearing liabilities	(4.0)				(4.0)
Payables	(498.8)	(498.8)			
Total	**197.7**	**1 158.8**	**0.0**	**98.1**	**(1 059.2)**

NOTE 20 SHARE-BASED PAYMENTS

GROUP - IFRS

Share Purchase Program

In 2008 TOMRA established a share purchase program for permanent employees. In this program TOMRA invites employees to buy shares in TOMRA at market price and receive one bonus share per five invested shares, provided that the shares are kept for at least one year and the employee is still employed by TOMRA. The employee can buy shares up to a maximum of 30 percent of his/her gross salary. The share purchase program uses own shares acquired by TOMRA as authorized by the Annual General Meeting. The shares are purchased on the Oslo Stock Exchange.

	2015	2014
Number of shares purchased by employees	84,949	93,470
Share price (closing market share price, the day before the allotment date)	68.56	56.50
Number of bonus shares, distributed one year after investment	18,654	29,634
Total expenses recognized	1.5 mill	1.0 mill

NOTE 21 EQUITY

TOMRA SYSTEMS ASA - NGAAP

Amounts in NOK million	Share capital	Treasury shares	Share premium	Paid-in capital	Retained earnings	Total equity	Number of shares
Balance per 1 January 2014	**148.0**	**(0.2)**	**918.3**	**1,066.1**	**598.3**	**1,664.4**	**148,020,078**
Profit for the period					(54.6)	(54.6)	
Pensions					(10.1)	(10.1)	
Purchase of own shares		(0.1)		(0.1)	(4.9)	(5.0)	
Own shares sold to employees		0.1		0.1	6.8	6.9	
Dividend to shareholders					(214.4)	(214.4)	
Balance per 31 December 2014	**148.0**	**(0.2)**	**918.3**	**1,066.1**	**321.1**	**1,387.2**	**148,020,078**
Profit for the period					343.7	343.7	
Pensions					(0.4)	(0.4)	
Purchase of own shares		(0.3)		(0.3)	(22.5)	(22.8)	
Own shares sold to employees		0.1		0.1	7.0	7.1	
Dividend to shareholders					(258.4)	(258.4)	
Balance per 31 December 2015	**148.0**	**(0.4)**	**918.3**	**1,065.9**	**390.5**	**1,456.4**	**148,020,078**

Share par value is 1 NOK.
In 2015 Tomra Systems ASA purchased 250,000 own shares at an average price of NOK 91.16 per share.
Total shareholding of treasury shares was 391,082 as of year end 2015.

NOTE 21 EQUITY (CONT.)

GROUP - IFRS

Amounts in NOK million	Paid-in capital	Translation reserve	Remeasurements of defined benefit liability (assets)	Retained earnings	Total equity attributable to the owners of the company	Non-controlling Interest	Total Equity
Balance per 1 January 2014	**1,066.1**	**(24.8)**	**(27.0)**	**1,726.6**	**2,740.9**	**82.6**	**2,823.5**
Profit for the period				360.9	360.9	33.4	394.3
Changes in translation differences		350.0			350.0	18.3	368.3
Remeasurements of defined benefit liability (assets)			(10.1)		(10.1)		(10.1)
Total comprehensive income for the period	**0.0**	**350.0**	**(10.1)**	**360.9**	**700.8**	**51.7**	**752.5**
Transactions with shareholders							
Dividend non-controlling interest					0.0	(18.9)	(18.9)
Purchase of own shares	(0.1)			(4.9)	(5.0)		(5.0)
Own shares sold to employees	0.1			6.8	6.9		6.9
Dividend to shareholders				(199.6)	(199.6)		(199.6)
Total transactions with shareholders	**0.0**	**0.0**	**0.0**	**(197.7)**	**(197.7)**	**(18.9)**	**(216.6)**
Balance per 31 December 2014	**1,066.1**	**325.2**	**(37.1)**	**1,889.8**	**3,244.0**	**115.4**	**3,359.4**
Profit for the period				600.8	600.8	46.9	647.7
Changes in translation differences		330.8			330.8	21.4	352.2
Remeasurements of defined benefit liability (assets)			(0.4)		(0.4)		(0.4)
Total comprehensive income for the period	**0.0**	**330.8**	**(0.4)**	**600.8**	**931.2**	**68.3**	**999.5**
Transactions with shareholders							
Dividend non-controlling interest					0.0	(43.9)	(43.9)
Purchase of own shares	(0.3)			(22.5)	(22.8)		(22.8)
Own shares sold to employees	0.1			7.0	7.1		7.1
Minority new consolidated companies					0.0	20.6	20.6
Dividend to shareholders [1)]				(214.4)	(214.4)		(214.4)
Total transactions with shareholders	**(0.2)**	**0.0**	**0.0**	**(229.9)**	**(230.1)**	**(23.3)**	**(253.4)**
Balance per 31 December 2015	**1,065.9**	**656.0**	**(37.5)**	**2,260.7**	**3,945.1**	**160.4**	**4,105.5**

1) Dividend payment was NOK 1.45 per share in 2015, as proposed in the 2014 financial statements.

NOTE 21 EQUITY (CONT.)

Translation reserve
The translation reserve includes all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the company.

See also comments on IAS 39 hedge accounting under disclosure note 19.

Dividends
After the balance sheet date the following dividends were proposed by the directors:

Amounts in NOK million	2015	2014
NOK 1.75 per qualifying share (2014: NOK 1.45)	258.4	214.3

The dividend has not yet been provided for and there are no income tax consequences.

Earnings per share - Group	2015	2014
Average number of shares	148,020,078	148,020,078
Average number of shares, adjusted for own shares	147,821,972	147,908,962
Average number of shares, adjusted for own shares, fully diluted	147,821,972	147,908,962
Majority equity 31 December (MNOK)	3,945.1	3,244.0
Equity per share (NOK)	26.69	21.94
Net profit attributable to the shareholders of the parent (MNOK)	600.8	360.9
Earnings per share, basic	4.06	2.44
Earnings per share, fully diluted	4.06	2.44

Purchase of own shares
TOMRA was granted authority to acquire treasury shares at the annual general meeting on 23 April 2015, limited to a total of 500,000 shares. At the end of 2015, 250,000 shares had been purchased under this proxy.

NOTE 22 SHAREHOLDERS

The amounts shown are based upon information from Verdipapirsentralen.
On nominee accounts, information regarding beneficial ownership has been collected and presented where possible.

	Registered at 31 December 2015	Number of shares	Ownership
1	Investment AB Latour	36,560,000	24.70 %
2	Folketrygdfondet	12,152,055	8.21 %
3	Nordea Investment Management (Nor+ Swe+DK)	7,318,711	4.94 %
4	Lannebo Fonder	5,400,629	3.65 %
5	SEB Investment Management	2,929,277	1.98 %
6	Verdipapirfondet DNB	2,851,740	1.93 %
7	BMO Global Asset Management	2,668,627	1.80 %
8	Storebrand Asset Management	2,480,873	1.68 %
9	ODIN Norge	2,246,781	1.52 %
10	Templeton Investment Counsel, LLC	2,266,720	1.53 %
11	Alfred Berg Kapitalforvaltning AS	1,823,779	1.23 %
12	Dimensional Fund Advisors, L.P. (U.S.)	1,740,931	1.18 %
13	Sundt AS	1,621,500	1.10 %
14	Artemis Fund Managers, LTD	1,573,043	1.06 %
15	Jupiter Asset Management, LTD (U.K.)	1,557,349	1.05 %
16	Impax Asset Management LTD	1,480,275	1.00 %
17	Fidelity International Limited- FIL Investissements SAS	1,446,004	0.98 %
18	Odey Asset Management, LLP	1,360,625	0.92 %
19	Statoils Pensjonskasse	1,346,346	0.91 %
20	Oslo Pensjonsforsikring	1,200,000	0.81 %
	Total 20 largest shareholders	**92,025,265**	**62.17 %**
	Other shareholders	55,994,813	37.83 %
	Total (5,875 shareholders)	**148,020,078**	**100.00 %**
	Shares owned by Norwegian residents	40,111,790	27.10 %
	Shares owned by others	107,908,288	72.90 %
	Total	**148,020,078**	**100.00 %**

NOTE 23 DISCONTINUED OPERATIONS

Amounts in NOK million	2015	2014
TOMRA Compaction	(6.7)	(60.7)
Total loss from discontinued operations	**(6.7)**	**(60.7)**
Earnings per share from discontinued operations, basic (NOK)	(0.05)	(0.41)
Earnings per share from discontinued operations, diluted (NOK)	(0.05)	(0.41)

TOMRA Compaction (ORWAK)

TOMRA signed 12th December 2014 an agreement with San Sac Nordic AB to sell 100 percent of the shares in TOMRA Compaction Group AB for a consideration of SEK 110 million (free of cash and interest bearing debt). Closing took place 30 January 2015. TOMRA has given representations and warranties in line with what's considered normal in such transactions. TOMRA Compaction was a separate business stream within the TOMRA Collection business area and was defined as a separate CGU. The profit and loss figures are reported as discontinued operations. In the balance sheet, the assets and liabilities related to the Collection business at the end of 2014 were classified as "held for sale". As part of the transaction, TOMRA should for a period of up to two years remain distributor in up to 5 markets. The 2015 revenues and expenses relate to this activity.

Analysis of the loss on sale of discontinued operation

Amounts in NOK million	2015	2014
Operating revenues	**50.6**	**204.1**
Cost of goods sold	44.4	136.5
Employee benefits expenses	11.9	34.5
Ordinary depreciations	0.0	3.8
Other operating expenses	3.5	23.3
Total operating expenses	**59.8**	**198.1**
EBITA	**(9.2)**	**6.0**
Amortizations	0.0	1.4
EBIT	**(9.2)**	**4.6**
Taxes	(2.5)	1.3
Profit from discontinued operations (before divestment loss)	**(6.7)**	**3.3**
After tax loss on divestment	0.0	64.0
Total discontinued operations	**(6.7)**	**(60.7)**
Net cashflow from operating activities	(6.7)	2.1
Net cashflow from investing activities	0.0	(2.1)
Net cashflow for the year	**(6.7)**	**0.0**

NOTE 24 ACQUISITIONS

During 2015 TOMRA made several minor material recovery acquisitions in US, including the acquisition of 14 redemption centers, and acquired a majority stake in its Estonian RVM distributor. The total net consideration for these acquisitions was NOK 42 million.

DIRECTORS' RESPONSIBILITY STATEMENT

Today, the Chief Executive Officer and the Board of Directors reviewed and approved the Board of Directors' Report and the consolidated and separate annual financial statements for Tomra Systems ASA as of 31 December 2015 (annual report 2015).

To the best of our knowledge:

- the consolidated financial statements are prepared in accordance with IFRS and IFRIC as adopted by the EU and additional Norwegian disclosure requirements in the Norwegian Accounting act, and that were effective as of 31 December 2015.
- the separate financial statements are prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31 December 2015.
- the Board of Directors' Report for the Group and the Parent Company is in accordance with the requirements in the Norwegian Accounting Act and Norwegian accounting standard no 16, as of 31 December 2015.
- the consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 31 December 2015 for the Group and the Parent Company.
- the Board of Directors' Report for the Group and the Parent Company includes a true and fair view of;
  - the development and performance of the business and the position of the Group and the Parent Company.
  - the principal risks and uncertainties the Group and the Parent Company face.

Asker. 17 February 2016

Jan Svensson
Chairman

Aniela Gjøs
Board member

Bodil Sonesson
Board member

Pierre Couderc
Board member

Linda Bell
Board member

David Williamson
Employee representative

Ingrid Solberg
Employee representative

Stefan Ranstrand
President & CEO

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To the Annual Shareholders' Meeting of Tomra Systems ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Tomra Systems ASA, which comprise the financial statements of the parent company Tomra Systems ASA and the consolidated financial statements of Tomra Systems ASA and its subsidiaries. The parent company's financial statements comprise the balance sheet as at 31 December 2015, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the balance sheet as at 31 December 2015, and the income statement and the statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the separate financial statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Tomra Systems ASA as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Tomra Systems ASA and its subsidiaries as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 24 February 2016
KPMG AS

Bjørn Kristiansen
State Authorized Public Accountant

LEADING THE RESOURCE REVOLUTION

TOMRA

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