

**2nd  
Quarter  
2016**



19.07.2016

## HIGHLIGHTS

### 2Q 2016

- Order intake of 667 MNOK in TOMRA Sorting, up from 646 MNOK same period last year (down 6% currency adjusted)
- Order backlog of 816 MNOK in TOMRA Sorting, down from 829 MNOK at the end of first quarter 2016
- Revenues of 1,769 MNOK (1,472 MNOK in second quarter 2015). Currency adjusted revenues were:
  - Up 12% for TOMRA Group
  - Up 18% in TOMRA Collection
  - Up 2% in TOMRA Sorting
- Gross margin 43%, up from 42% in second quarter 2015
  - Slightly improved margin in TOMRA Collection
  - Stable margin in TOMRA Sorting
- EBITA of 319 MNOK (240 MNOK in second quarter 2015)
- Cash flow from operations of 239 MNOK (137 MNOK in second quarter 2015)

### 1H 2016

- Revenues of 3,129 MNOK (2,579 MNOK in first half 2015). Currency adjusted revenues were:
  - Up 12% for TOMRA Group
  - Up 16% in TOMRA Collection
  - Up 5% in TOMRA Sorting
- Gross margin 43%, up from 42% in first half 2015
  - Stable margin in both business areas, currency adjusted
- EBITA of 472 MNOK (344 MNOK in first half 2015)
- Cash flow from operations of MNOK 357 (187 MNOK in first half 2015)
- Dividend of NOK 1.75 per share paid out in May 2016, up from NOK 1.45 per share in 2015
- Good momentum in TOMRA Collection, due to replacement demand in Germany and Sweden

## CONSOLIDATED FINANCIALS

### Second quarter

Revenues in the second quarter 2016 amounted to 1,769 MNOK compared to 1,472 MNOK in second quarter last year. Revenues in TOMRA Collection increased by 27% (up 18% currency adjusted), while revenues in TOMRA Sorting were up 10% (up 2% currency adjusted).

Gross margin was 43% in the quarter, up from 42% in the corresponding period last year, explained by slightly higher margins in TOMRA Collection (from product mix).

Operating expenses increased from 382 MNOK in second quarter 2015 to 439 MNOK in second quarter 2016, up 7% currency adjusted.

EBITA was 319 MNOK in second quarter 2016 versus 240 MNOK in the second quarter 2015, up 22% currency adjusted.

Net finance was positive by 8 MNOK in the quarter, positively influenced by currency gains of 12 MNOK.

Cash flow from operations in second quarter 2016 equaled 239 MNOK, up from 137 MNOK in second quarter 2015.

### First half

Revenues in first half 2016 amounted to 3,129 MNOK compared to 2,579 MNOK in first half last year. Revenues in TOMRA Collection increased by 26% (up 16% currency adjusted), while revenues in TOMRA Sorting were up 14% (up 5% currency adjusted).

Gross margin was 43% in first half 2016, up from 42% in the corresponding period last year.

Operating expenses increased from 751 MNOK in first half 2015 to 860 MNOK in first half 2016. Adjusted for currency effects, operating expenses increased by 6%.

EBITA was 472 MNOK in first half 2016 versus 344 MNOK in first half 2015, up 25% currency adjusted.

Cash flow from operations in first half 2016 equaled 357 MNOK, compared to 187 MNOK in same period last year.

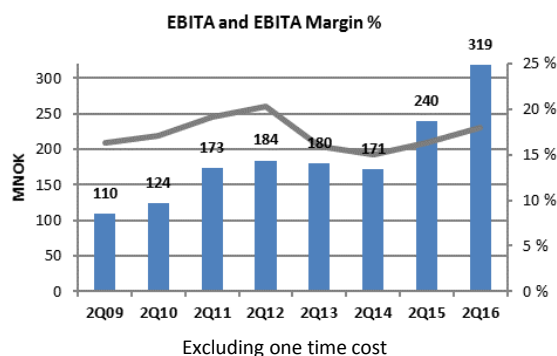
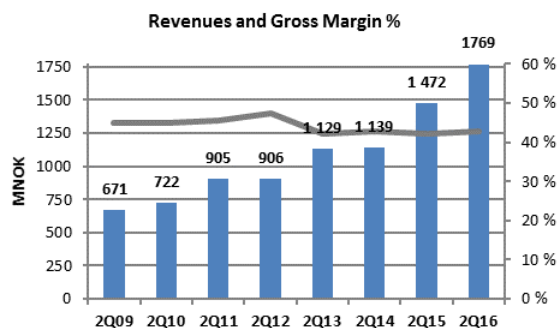
#### TOMRA Group

| (MNOK)             | 2Q16  | 2Q15  | YTD16 | YTD15 |
|--------------------|-------|-------|-------|-------|
| Revenues           | 1 769 | 1 472 | 3 129 | 2 579 |
| Gross contribution | 758   | 622   | 1 332 | 1 095 |
| - in %             | 43 %  | 42 %  | 43 %  | 42 %  |
| Operating expenses | 439   | 382   | 860   | 751   |
| EBITA              | 319   | 240   | 472   | 344   |
| - in %             | 18 %  | 16 %  | 15 %  | 13 %  |

The equity ratio decreased from 54% at year end 2015 to 52% at the end of June 2016, due to dividend of 259 MNOK paid out in May 2016.

Net interest bearing debt decreased by 34 MNOK during the same period, as the free cash flow more than offset the dividend payment. At the end of second quarter 2016 NIBD/EBITDA on a rolling 12 month basis was equal to 0.64.

Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, measured particularly against the EUR and somewhat against the USD. First half 2016 vs first half 2015, EUR and USD both strengthened 9% versus NOK, positively influencing revenues by approximately 9% points and EBITA by approximately 12% points.



## BUSINESS AREA REPORTING

### TOMRA Collection Solutions

#### Second quarter

Revenues in the business area equaled 1,089 MNOK in the second quarter, up from 855 MNOK in second quarter last year. After adjustment for currency changes, revenues were up 18%.

Gross margin was 42%, up from 41% same period last year, positively influenced by product mix effects.

EBITA was MNOK 237, up from 164 MNOK, due to higher revenues and positive currency impact.

#### First half

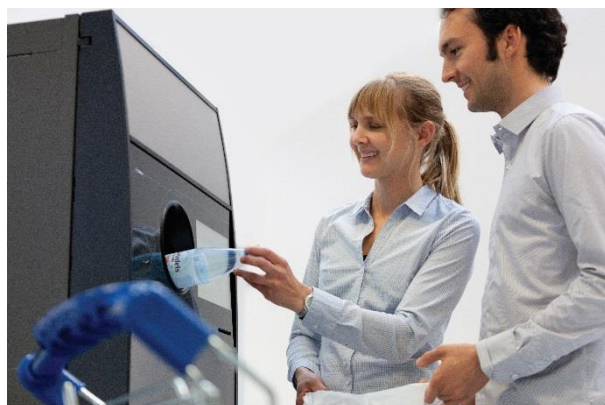
Revenues in the business area equaled 1,958 MNOK in first half 2016, up from 1,554 MNOK in first half last year. After adjustment for currency changes, revenues were up 16%.

Operating expenses were up 7% currency adjusted, due to higher activity.

EBITA was 384 MNOK, up from 272 MNOK last year, due to higher revenues and positive currency impact.

#### Europe

Currency adjusted revenues in Europe were up 31% in second quarter, compared to second quarter 2015. The increased activity was mainly fueled by replacement demand in Germany and Sweden. The start-up of the Lithuanian deposit system is progressing according to plan and also positively influenced revenues in the period.



## RETURNS INTO VALUE

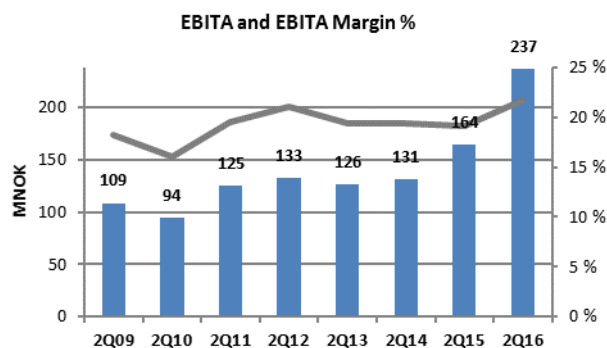
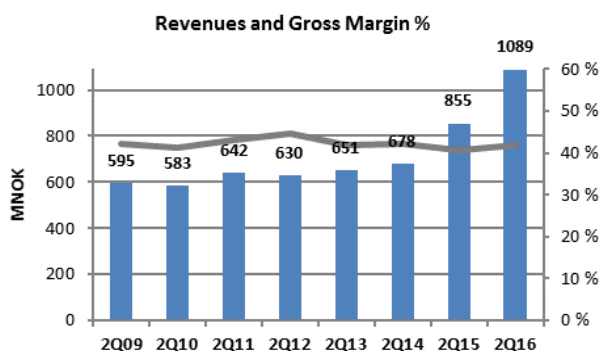


TOMRA Collection Solutions

| (MNOK)               | 2Q16         | 2Q15       | YTD16        | YTD15        |
|----------------------|--------------|------------|--------------|--------------|
| Revenues             |              |            |              |              |
| - Nordic             | 186          | 128        | 344          | 246          |
| - Europe (ex Nordic) | 488          | 358        | 862          | 630          |
| - North America      | 390          | 356        | 712          | 655          |
| - Rest of World      | 25           | 13         | 40           | 23           |
| Total revenues       | <b>1 089</b> | <b>855</b> | <b>1 958</b> | <b>1 554</b> |
| Gross contribution   | 455          | 347        | 807          | 638          |
| - in %               | 42 %         | 41 %       | 41 %         | 41 %         |
| Operating expenses   | 218          | 183        | 423          | 366          |
| EBITA                | <b>237</b>   | <b>164</b> | <b>384</b>   | <b>272</b>   |
| - in %               | 22 %         | 19 %       | 20 %         | 18 %         |

#### North America

Currency adjusted revenues were up 3% in second quarter, compared to same period last year. Increased machine sales compensated for somewhat reduced throughput volumes.



Excluding one time cost

## BUSINESS AREA REPORTING

### TOMRA Sorting Solutions

#### Second quarter

Revenues in the quarter increased by 10% compared to same quarter in 2015. Adjusted for currency effects, revenues were up 2%.

Gross margin was stable at 45%.

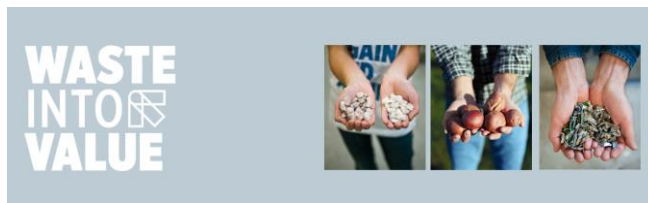
EBITA increased from 84 MNOK in second quarter 2015 to 92 MNOK in second quarter 2016, driven by higher volumes and positive currency effects.

#### First half

Revenues in first half 2016 increased by 14% compared to same period in 2015. Adjusted for currency effects, revenues were up 5%.

Gross margin was stable at 45%.

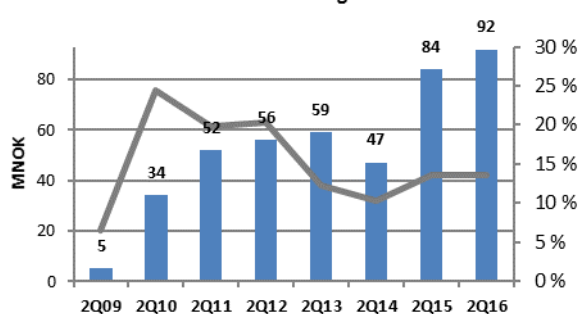
EBITA increased from 88 MNOK in first half 2015 to 108 MNOK in first half 2016, driven by higher volumes and positive currency effects.



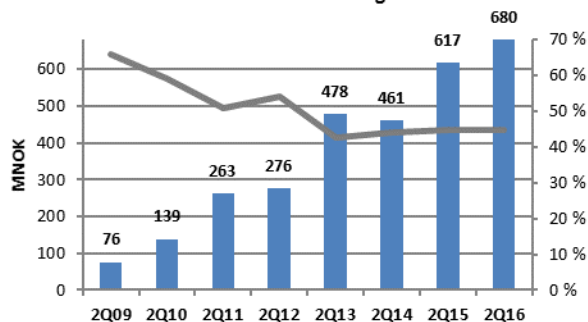
TOMRA Sorting Solutions

| (MNOK)             | 2Q16       | 2Q15       | YTD16        | YTD15        |
|--------------------|------------|------------|--------------|--------------|
| Revenues           |            |            |              |              |
| - Europe           | 303        | 280        | 508          | 488          |
| - North America    | 247        | 219        | 404          | 330          |
| - South America    | 13         | 9          | 17           | 22           |
| - Asia             | 67         | 81         | 157          | 140          |
| - Oceania          | 34         | 17         | 55           | 28           |
| - Africa           | 16         | 11         | 30           | 17           |
| Total revenues     | <b>680</b> | <b>617</b> | <b>1 171</b> | <b>1 025</b> |
| Gross contribution | 303        | 275        | 525          | 457          |
| - in %             | 45 %       | 45 %       | 45 %         | 45 %         |
| Operating expenses | 211        | 191        | 417          | 369          |
| EBITA              | <b>92</b>  | <b>84</b>  | <b>108</b>   | <b>88</b>    |
| - in %             | 14 %       | 14 %       | 9 %          | 9 %          |

EBITA and EBITA Margin %



Revenues and Gross Margin %



Excluding one time cost



The overall momentum in TOMRA Sorting has been satisfactory in second quarter 2016, where strong Food performance has compensated for a somewhat slower Recycling performance.

With both all time high order intake and all time high revenues (measured in NOK), the quarter ended with a healthy order backlog of NOK 816 MNOK, almost unchanged from end 1Q16.

**Business streams**

*Food*

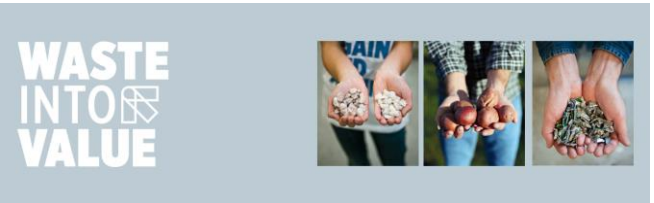
Revenues in the Food business stream were up in second quarter 2016 compared to second quarter 2015. The order intake was also up in the same period.

*Recycling*

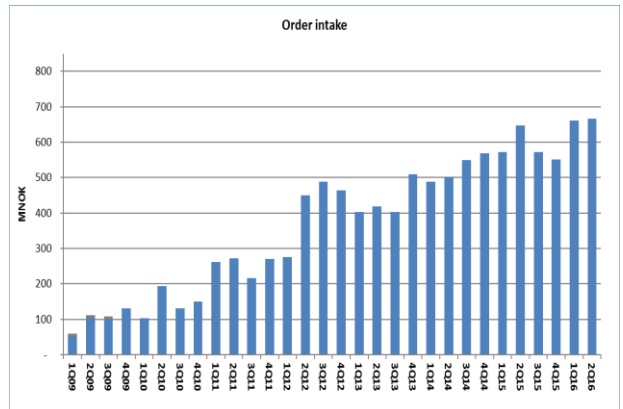
Continuing low prices on several commodities had a somewhat negative effect on the performance of the Recycling business stream. Both revenues and order intake was consequently down in second quarter 2016 compared to second quarter 2015.

*Mining*

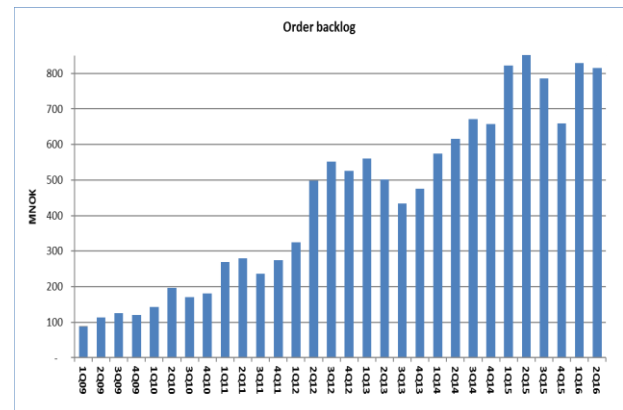
Revenues in Mining were unchanged in second quarter 2016 compared to same quarter last year. The order intake has been stable at a low level.



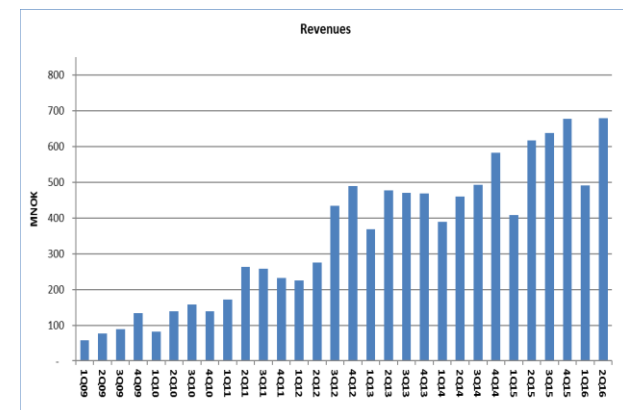
**Order intake TOMRA Sorting**



**Order backlog TOMRA Sorting**



**Revenues TOMRA Sorting**



## MARKET OUTLOOK

The long term demand for better resource productivity is a result of megatrends such as population increase, a growing middle class consumer base and greater urbanization. TOMRA, as a leader in sensor based solutions, is favorably positioned to capitalize on these trends.

### TOMRA Collection Solutions

The replacement demand in Germany is assumed to continue into 2017, but the replacement in Sweden is expected to come to an end during second half of 2016

### TOMRA Sorting Solutions

Currently good momentum in Food, but low commodity prices are negatively influencing Recycling and Mining

### Currency

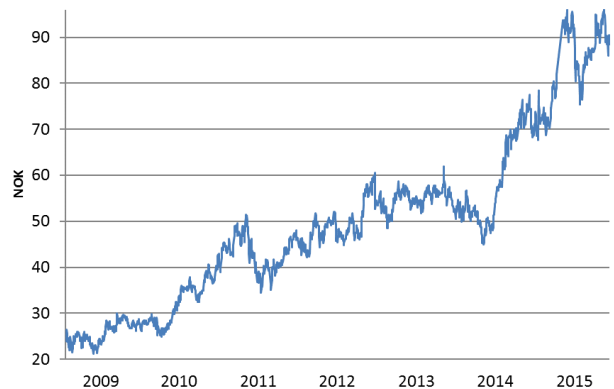
Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, measured particularly against EUR.

## ANNUAL GENERAL ASSEMBLY

The annual general assembly took place 25 April in Asker. All agenda points were approved, including a dividend of NOK 1.75 per share., which was paid out in May 2016.



## THE TOMRA SHARE



The total number of issued shares at the end of second quarter 2016 was 148,020,078 shares, including 148,946 treasury shares. The total number of shareholders decreased from 5,869 at the end of first quarter 2016 to 5,792 at the end of second quarter 2016. Norwegian residents held 29% of the shares at the end of second quarter 2016.

TOMRA's share price increased from NOK 86.25 to NOK 88.75 during second quarter 2016. The number of shares traded on the Oslo Stock Exchange in the period was 11 million, up from 8 million in the same period in 2015.

Asker, 18 July 2016

The Board of Directors  
TOMRA SYSTEMS ASA

Jan Svensson  
Chairman of the Board

Stefan Ranstrand  
President & CEO

## Condensed Consolidated interim financial statements

| STATEMENT OF PROFIT AND LOSS<br>(MNOK)         |      | 2nd Quarter    |                | 1st Half       |                | Full year      |
|--|------|----------------|----------------|----------------|----------------|----------------|
|  |      | 2016           | 2015           | 2016           | 2015           | 2015           |
|  | Note |                |                |                |                |                |
| <b>Operating revenues</b>                      | (5)  | <b>1 769,9</b> | <b>1 472,0</b> | <b>3 129,4</b> | <b>2 578,9</b> | <b>6 142,9</b> |
| Cost of goods sold                             |      | 987,5          | 829,9          | 1 748,9        | 1 443,8        | 3 500,5        |
| Depreciations/write-down                       |      | 24,7           | 19,9           | 48,7           | 40,2           | 79,5           |
| <b>Gross contribution</b>                      |      | <b>757,7</b>   | <b>622,2</b>   | <b>1 331,8</b> | <b>1 094,9</b> | <b>2 562,9</b> |
| Operating expenses                             |      | 412,8          | 357,8          | 805,5          | 700,4          | 1 448,4        |
| Depreciations/write-down                       |      | 26,4           | 24,4           | 54,6           | 50,1           | 99,5           |
| <b>EBITA</b>                                   | (5)  | <b>318,5</b>   | <b>240,0</b>   | <b>471,7</b>   | <b>344,4</b>   | <b>1 015,0</b> |
| Amortizations                                  |      | 33,4           | 29,1           | 65,2           | 57,9           | 124,3          |
| <b>EBIT</b>                                    | (5)  | <b>285,1</b>   | <b>210,9</b>   | <b>406,5</b>   | <b>286,5</b>   | <b>890,7</b>   |
| Net financial income                           |      | 8,1            | (7,2)          | 4,0            | (15,2)         | (24,7)         |
| <b>Profit before tax</b>                       |      | <b>293,2</b>   | <b>203,7</b>   | <b>410,5</b>   | <b>271,3</b>   | <b>866,0</b>   |
| Taxes  |      | 71,5           | 52,2           | 100,1          | 69,5           | 211,6          |
| <b>Profit from continuing operations</b>       |      | <b>221,7</b>   | <b>151,5</b>   | <b>310,4</b>   | <b>201,8</b>   | <b>654,4</b>   |
| Discontinued operations                        |      | (2,9)          | (1,8)          | (5,0)          | (3,0)          | (6,7)          |
| <b>Net profit</b>                              |      | <b>218,8</b>   | <b>149,7</b>   | <b>305,4</b>   | <b>198,8</b>   | <b>647,7</b>   |
| Non-Controlling interest (Minority interest)   |      | (14,2)         | (13,2)         | (21,0)         | (17,6)         | (46,9)         |
| Earnings per share (EPS)                       |      | 1,38           | 0,92           | 1,92           | 1,22           | 4,06           |
| Earnings per share (EPS) continuing operations |      | 1,40           | 0,94           | 1,96           | 1,25           | 4,11           |

| STATEMENT OF OTHER COMPREHENSIVE INCOME<br>(MNOK)                          |  | 2nd Quarter  |              | 1st Half     |              | Full year    |
|--|--|--------------|--------------|--------------|--------------|--------------|
|  |  | 2016         | 2015         | 2016         | 2015         | 2015         |
| Net profit for the period  |  | 218,8        | 149,7        | 305,4        | 198,8        | 647,7        |
| Other comprehensive income that may be reclass                             |  |              |              |              |              |              |
| Translation differences  |  | (14,9)       | (26,7)       | (152,3)      | 4,7          | 352,2        |
| Other comprehensive income that will not be reclassified to profit or loss |  |              |              |              |              |              |
| Remeasurements of defined benefit liability (asset)                        |  |              |              |              |              | (0,4)        |
| <b>Total comprehensive income</b>  |  | <b>203,9</b> | <b>123,0</b> | <b>153,1</b> | <b>203,5</b> | <b>999,5</b> |
| Attributable to:   |  |              |              |              |              |              |
| Non-controlling interest   |  | 15,3         | 9,6          | 13,5         | 24,3         | 68,3         |
| Shareholders of the parent company   |  | 188,6        | 113,4        | 139,6        | 179,2        | 931,2        |
| <b>Total comprehensive income</b>  |  | <b>203,9</b> | <b>123,0</b> | <b>153,1</b> | <b>203,5</b> | <b>999,5</b> |

| STATEMENTS OF FINANCIAL POSITION<br>(MNOK) |  | 30 June        |                | 31 Dec         |
|--|--|----------------|----------------|----------------|
|  |  | 2016           | 2015           | 2015           |
| <b>ASSETS</b>                              |  |                |                |                |
| Intangible non-current assets              |  | 2 809,7        | 2 609,8        | 2 890,5        |
| Tangible non-current assets                |  | 792,9          | 687,1          | 837,9          |
| Financial non-current assets               |  | 318,8          | 297,2          | 315,7          |
| Inventory                                  |  | 1 275,3        | 1 112,8        | 1 209,0        |
| Receivables                                |  | 1 766,0        | 1 736,2        | 1 751,2        |
| Cash and cash equivalents                  |  | 392,5          | 339,1          | 312,9          |
| <b>TOTAL ASSETS</b>                        |  | <b>7 355,2</b> | <b>6 782,2</b> | <b>7 317,2</b> |
| <b>EQUITY &amp; LIABILITIES</b>            |  |                |                |                |
| Equity                                     |  | 3 846,4        | 3 216,0        | 3 945,1        |
| Non-controlling interest                   |  | 185,8          | 138,1          | 160,4          |
| Deferred taxes                             |  | 246,8          | 139,8          | 124,2          |
| Long-term interest bearing liabilities     |  | 1 251,8        | 1 028,6        | 1 206,4        |
| Short-term interest bearing liabilities    |  | -              | 536,0          | -              |
| Other liabilities                          |  | 1 824,4        | 1 723,7        | 1 881,1        |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>      |  | <b>7 355,2</b> | <b>6 782,2</b> | <b>7 317,2</b> |



## Condensed Consolidated interim financial statements (continued)

| STATEMENT OF CASHFLOWS<br>(MNOK)                  | Note | 2nd Quarter    |               | 1st half       |                | Full year      |
|---|------|----------------|---------------|----------------|----------------|----------------|
|   |      | 2016           | 2015          | 2016           | 2015           | 2015           |
| Profit before income tax*                         |      | 290,3          | 201,9         | 405,5          | 268,3          | 859,3          |
| Changes in working capital                        |      | (63,8)         | (108,8)       | (37,8)         | (134,3)        | (88,9)         |
| Other operating changes                           |      | 12,8           | 43,9          | (10,3)         | 52,6           | 143,1          |
| <b>Total cash flow from operations</b>            |      | <b>239,3</b>   | <b>137,0</b>  | <b>357,4</b>   | <b>186,6</b>   | <b>913,5</b>   |
| Cashflow from (purchase)/sales of subsidiaries    |      | 0,0            | (11,0)        | 0,0            | 81,2           | 59,3           |
| Other cashflow from investments                   |      | (69,4)         | (64,5)        | (140,3)        | (128,7)        | (339,5)        |
| <b>Total cash flow from investments</b>           |      | <b>(69,4)</b>  | <b>(75,5)</b> | <b>(140,3)</b> | <b>(47,5)</b>  | <b>(280,2)</b> |
| Cashflow from sales/repurchase of treasury shares | (3)  | 1,3            | 0,0           | 20,4           | 7,1            | (15,7)         |
| Dividend paid out                                 | (2)  | (258,8)        | (214,3)       | (258,8)        | (214,3)        | (214,3)        |
| Other cashflow from financing                     |      | 132,0          | 200,6         | 99,3           | (29,8)         | (580,6)        |
| <b>Total cash flow from financing</b>             |      | <b>(125,5)</b> | <b>(13,7)</b> | <b>(139,1)</b> | <b>(237,0)</b> | <b>(810,6)</b> |
| <b>Total cash flow for period</b>                 |      | <b>44,4</b>    | <b>47,8</b>   | <b>78,0</b>    | <b>(97,9)</b>  | <b>(177,3)</b> |
| Exchange rate effect on cash                      |      | 2,7            | (2,0)         | 1,6            | 0,7            | 53,9           |
| Opening cash balance                              |      | 345,4          | 293,3         | 312,9          | 436,3          | 436,3          |
| Closing cash balance                              |      | 392,5          | 339,1         | 392,5          | 339,1          | 312,9          |

\* Including loss from discontinued operations

| EQUITY<br>(MNOK)                        | Paid in<br>capital | Transl.<br>reserve | Actuarial<br>Gain / | Retained<br>earnings | Total<br>majority | Minority<br>interest | Total<br>Equity |
|---|--------------------|--------------------|---------------------|----------------------|-------------------|----------------------|-----------------|
| <b>Balance per 31 December 2015</b>     | <b>1 065,9</b>     | <b>656,0</b>       | <b>(37,5)</b>       | <b>2 260,7</b>       | <b>3 945,1</b>    | <b>160,4</b>         | <b>4 105,5</b>  |
| Net profit                              |                    |                    |                     | 284,3                | 284,4             | 21,0                 | 305,4           |
| Changes in translation difference       |                    | (144,7)            |                     |                      | (144,7)           | (7,5)                | (152,2)         |
| Remeasurement defined benefit liability |                    |                    |                     |                      | 0,0               |                      | 0,0             |
| Dividend non-controlling interest       |                    |                    |                     |                      | 0,0               | 11,9                 | 11,9            |
| Purchase of treasury shares             |                    |                    |                     |                      | 0,0               |                      | 0,0             |
| Treasury shares sold to employees       | 0,2                |                    |                     | 20,2                 | 20,4              |                      | 20,4            |
| Minority new consolidated companies     |                    |                    |                     |                      | 0,0               |                      | 0,0             |
| Dividend to shareholders                |                    |                    |                     | (258,8)              | (258,8)           |                      | (258,8)         |
| <b>Balance per 30 June 2016</b>         | <b>1 066,1</b>     | <b>511,3</b>       | <b>(37,5)</b>       | <b>2 306,4</b>       | <b>3 846,4</b>    | <b>185,8</b>         | <b>4 032,2</b>  |

| EQUITY<br>(MNOK)                        | 2nd Quarter    |                | 1st half       |                | Full year      |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2016           | 2015           | 2016           | 2015           | 2015           |
| <b>Opening balance</b>                  | <b>3 914,5</b> | <b>3 316,9</b> | <b>3 945,1</b> | <b>3 244,0</b> | <b>3 244,0</b> |
| Net profit                              | 204,6          | 136,5          | 284,4          | 181,2          | 600,8          |
| Translation difference                  | (15,2)         | (23,1)         | (144,7)        | (2,0)          | 330,8          |
| Remeasurement defined benefit liability | 0,0            | 0,0            | 0,0            | 0,0            | (0,4)          |
| Dividend paid                           | (258,8)        | (214,3)        | (258,8)        | (214,3)        | (214,4)        |
| Net purchase of own shares              | 1,3            | 0,0            | 20,4           | 7,1            | (15,7)         |
| <b>Closing balance</b>                  | <b>3 846,4</b> | <b>3 216,0</b> | <b>3 846,4</b> | <b>3 216,0</b> | <b>3 945,1</b> |

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### NOTE 1 Disclosure

This interim report has been prepared in accordance with IAS34, and in accordance with the principles used in the annual accounts for 2015. The quarterly reports do not however include all information required for a full annual financial statement of the Group and should be read in conjunction with the annual financial statement for 2015. The quarterly reports have not been audited. The quarterly reports require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ending 31 December 2015.

A number of new standards, amendments to standards and interpretations are not effective for the period ending 30 June 2016 and have not been applied in preparing these consolidated financial statements. Those which 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

IFRS 19 Leases

Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses

Amendment to IAS 7 – Disclosure Initiative

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.

**Revenue recognition:** Revenues from sales and sales-type leases of the company's products are generally recognized at the time of installation. Revenues from service contracts and operating leases of the company's products are recognized over the duration of the related agreements. Other service revenues are recognized when services are provided.

**Seasonality:** The Material Recovery operations, and to some extent the US Reverse Vending operations, are influenced by seasonality. The seasonality mirrors the beverage consumption pattern in the US, which normally is higher during the summer (2Q and 3Q) than during the winter (1Q and 4Q). Also the Food business stream within Sorting Solutions is influenced by seasonality, with somewhat higher activity during the harvest season in the northern hemisphere.

**Financial exposures:** TOMRA is exposed to currency risk, as only ~4% of its income is nominated in NOK. A strengthening/weakening of NOK toward other currencies of 10% would normally decrease/increase operating profit by 8-12%. An increase in NIBOR and EURIBOR of 1 percentage point, would increase financial expenses by ~NOK 8 million per year.

**Segment reporting:** TOMRA has divided its primary reporting format into two business areas: Collection Solutions and Sorting Solutions. In addition, the corporate overhead costs are reported in a separate column. The split is based upon the risk- and return profile of the Group's different activities; also taking into consideration TOMRA's internal reporting structure.

- **Collection Solutions** consists of the business streams 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)
- **Sorting Solutions** consists of the business streams Food, Recycling and Mining, all providing advanced optical sorting systems
- **Group Functions** consists of costs related to corporate functions at TOMRA's headquarters

Assets and liabilities are distributed to the different business streams, except for cash, interest-bearing debt and tax-positions, which are allocated to Group Functions. There are no material revenues from transactions with other business areas. There are no material related party transactions in 2016.

## NOTE 1 Disclosure (cont.)

### Alternative performance measures:

Alternative performance measures used in this report are defined in the following way:

- EBITA is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses and (iii) amortization.
- Net interest bearing debt is calculated as the difference between interest-bearing debts and cash and cash equivalents. Interest-bearing debts include loans from financial institutions (current and non-current loans) and cash and cash equivalents include short-term deposits, cash funds and bank accounts.
- Currency adjusted revenues is the change in revenues, after adjusting for estimated currency effect.

The divested Compaction business is classified as discontinued operations in the profit and loss statement and as assets/liabilities held for sale in the balance sheet, and classified under Group Functions in the segment reporting.

## NOTE 2 Dividend paid

|                    |   |
|--------------------|---|
| Paid out May 2015: | 1.45 NOK x 147.8 million shares = NOK 214.3 million |
| Paid out May 2016: | 1.75 NOK x 147.9 million shares = NOK 258.8 million |

## NOTE 3 Purchase of treasury shares

| Net purchase of own shares | # shares       | Average price |       | Total (MNOK) |
|----------------------------|----------------|---------------|-------|--------------|
| <b>2015</b>                |                |               |       |              |
| Gross purchased            | 250 000        | NOK           | 91,16 | 22,8         |
| Sold to employees          | (103 603)      | NOK           | 68,59 | (7,1)        |
| <b>Net purchased</b>       | <b>146 397</b> |               |       | <b>15,7</b>  |
| <b>2016</b>                |                |               |       |              |
| Sold to employees          | 242 136        | NOK           | 84,25 | 20,4         |
| <b>Net purchased</b>       | <b>242 136</b> |               |       | <b>20,4</b>  |

## NOTE 4 Interim results

| (MNOK)                          | 2Q16  | 1Q16  | 4Q15  | 3Q15  | 2Q15  |
|---------------------------------|-------|-------|-------|-------|-------|
| Operating revenues (MNOK)       | 1 769 | 1 360 | 1 816 | 1 748 | 1 472 |
| EBITA (MNOK)                    | 318   | 153   | 347   | 324   | 240   |
| EBIT (MNOK)                     | 285   | 121   | 315   | 290   | 211   |
| Sales growth (year-on-year) (%) | 20 %  | 23 %  | 30 %  | 47 %  | 29 %  |
| Gross margin (%)                | 43 %  | 42 %  | 41 %  | 41 %  | 42 %  |
| EBITA margin (%)                | 18 %  | 9 %   | 19 %  | 19 %  | 16 %  |
| EPS (NOK)                       | 1,38  | 0,54  | 1,61  | 1,23  | 0,92  |
| EPS (NOK) fully diluted         | 1,40  | 0,54  | 1,61  | 1,23  | 0,92  |

## NOTE 5 Operating segments

| SEGMENT<br>(MNOK)  | Collection Solutions |            | Sorting Solutions |            | Group Functions |            | Group Total  |              |
|--------------------|----------------------|------------|-------------------|------------|-----------------|------------|--------------|--------------|
|                    | 2Q16                 | 2Q15       | 2Q16              | 2Q15       | 2Q16            | 2Q15       | 2Q16         | 2Q15         |
| <b>Revenues</b>    | <b>1 089</b>         | <b>855</b> | <b>680</b>        | <b>617</b> |                 |            | <b>1 769</b> | <b>1 472</b> |
| Gross contribution | 455                  | 347        | 303               | 275        |                 |            | 758          | 622          |
| - in %             | 42 %                 | 41 %       | 45 %              | 45 %       |                 |            | 43 %         | 42 %         |
| Operating expenses | 218                  | 183        | 211               | 191        | 10              | 8          | 439          | 382          |
| <b>EBITA</b>       | <b>237</b>           | <b>164</b> | <b>92</b>         | <b>84</b>  | <b>(10)</b>     | <b>(8)</b> | <b>319</b>   | <b>240</b>   |
| - in %             | 22 %                 | 19 %       | 14 %              | 14 %       |                 |            | 18 %         | 16 %         |
| Amortization       | 11                   | 9          | 22                | 20         |                 |            | 33           | 29           |
| <b>EBIT</b>        | <b>226</b>           | <b>155</b> | <b>70</b>         | <b>64</b>  | <b>(10)</b>     | <b>(8)</b> | <b>286</b>   | <b>211</b>   |
| - in %             | 21 %                 | 18 %       | 10 %              | 10 %       |                 |            | 16 %         | 14 %         |

| SEGMENT<br>(MNOK)  | Collection Solutions |              | Sorting Solutions |              | Group Functions |             | Group Total  |              |
|--------------------|----------------------|--------------|-------------------|--------------|-----------------|-------------|--------------|--------------|
|                    | YTD16                | YTD15        | YTD16             | YTD15        | YTD16           | YTD15       | YTD16        | YTD15        |
| <b>Revenues</b>    | <b>1 958</b>         | <b>1 554</b> | <b>1 171</b>      | <b>1 025</b> |                 |             | <b>3 129</b> | <b>2 579</b> |
| Gross contribution | 807                  | 638          | 525               | 457          |                 |             | 1 332        | 1 095        |
| - in %             | 41 %                 | 41 %         | 45 %              | 45 %         |                 |             | 43 %         | 42 %         |
| Operating expenses | 423                  | 366          | 417               | 369          | 20              | 16          | 860          | 751          |
| <b>EBITA</b>       | <b>384</b>           | <b>272</b>   | <b>108</b>        | <b>88</b>    | <b>(20)</b>     | <b>(16)</b> | <b>472</b>   | <b>344</b>   |
| - in %             | 20 %                 | 18 %         | 9 %               | 9 %          |                 |             | 15 %         | 13 %         |
| Amortization       | 22                   | 18           | 43                | 40           |                 |             | 65           | 58           |
| <b>EBIT</b>        | <b>362</b>           | <b>254</b>   | <b>65</b>         | <b>48</b>    | <b>(20)</b>     | <b>(16)</b> | <b>407</b>   | <b>286</b>   |
| - in %             | 18 %                 | 16 %         | 6 %               | 5 %          |                 |             | 13 %         | 11 %         |
| Assets             | 3 059                | 2 718        | 3 663             | 3 547        | 633             | 517         | 7 355        | 6 782        |
| Liabilities        | 1 073                | 949          | 674               | 647          | 1 576           | 1 832       | 3 323        | 3 428        |

## STATEMENT BY THE BOARD OF DIRECTORS AND THE CEO

We hereby confirm that the half-yearly financial statements for the Group for the period 1 January through 30 June 2016 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the company taken as a whole.

To the best of our knowledge, the half-yearly report gives a true and fair:

- Overview of important events that occurred during the accounting period and their impact on the half-yearly financial statements
- Description of the principal risks and uncertainties facing the Group over the next accounting period
- Description of major transactions with related parties.

Asker, 18 July 2016

**Jan Svensson**  
Chairman

**Aniela Gjøs**  
Board member

**Bodil Sonesson**  
Board member

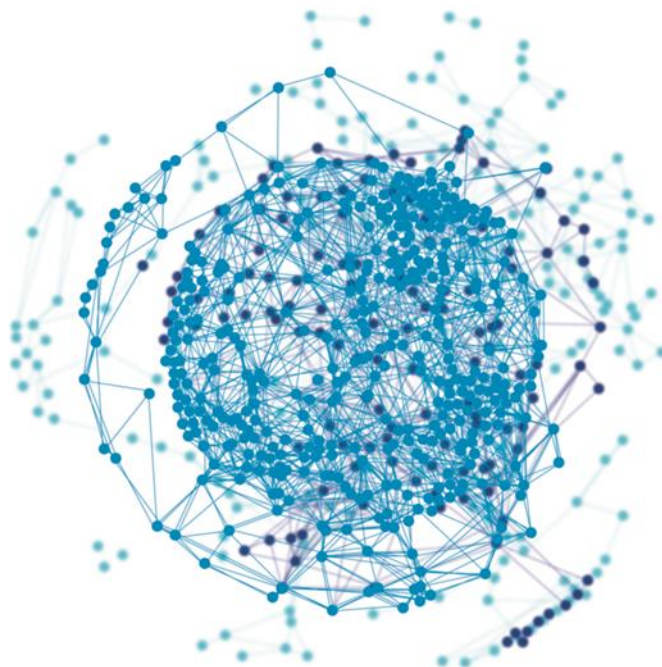
**Pierre Couderc**  
Board member

**Linda Bell**  
Board member

**David Williamson**  
Board member  
Employee  
Representative

**Ingrid Solberg**  
Board member  
Employee  
representative

**Stefan Ranstrand**  
President and CEO



## About TOMRA

TOMRA was founded on an innovation in 1972 that began with design, manufacturing and sale of reverse vending machines (RVMs) for automated collection of used beverage containers.

Today, TOMRA has ~86,000 installations in over 80 markets worldwide and had total revenues of ~6.1 billion NOK in 2015.

The Group employs ~2,600 globally, and is publicly listed on the Oslo Stock Exchange. (OSE: TOM)

The TOMRA Group continues to innovate and provide cutting-edge solutions for optimal resource productivity within two main business areas: Collection Solutions (reverse vending and material recovery) and Sorting Solutions (recycling, mining and food sorting).

For further information about TOMRA, please see [www.tomra.com](http://www.tomra.com)



| REVERSE VENDING   |                |
|-------------------|----------------|
| Nordic            | ~15,200        |
| Germany           | ~28,400        |
| Other Europe      | ~14,000        |
| North America     | ~15,500        |
| Rest of the world | ~2,700         |
| <b>TOTAL</b>      | <b>~75,800</b> |



| RECYCLING    |               | MINING       |            | FOOD         |               |
|--------------|---------------|--------------|------------|--------------|---------------|
| EMEA         | ~3,250        | Europe       | ~10        | EMEA         | ~2,750        |
| Americas     | ~650          | US / Canada  | ~30        | Americas     | ~2,600        |
| Asia         | ~550          | Australia    | ~5         | Asia         | ~510          |
| Other        | ~20           | South Africa | ~25        |              |               |
|              |               | Other        | ~20        |              |               |
| <b>TOTAL</b> | <b>~4,470</b> | <b>TOTAL</b> | <b>~90</b> | <b>TOTAL</b> | <b>~5,860</b> |

Not including machines sold on OEM agreements.  
2016 recount of TSS portfolio

The results announcement will be broadcasted Tuesday 19<sup>th</sup> of July at 08:00 CET via live webcast. Link to webcast for this and previous releases are available at <http://tomra.com/en/investor-relations/financial-information/quarterly-reports>

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Elisabet V. Sandnes, Vice President Investor Relations Officer / M&A, Tel: +47 97 55 79 15