Third Quarter 2010 Results

19 October 2010

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Highlights from the quarter include

- Improved Group-performance:
  - Revenues up 15% (local currencies)
  - All time high operating margins in both IPT (21%) and material handling (14%)
  - Group margin up from 14% to 18% (local currencies)
  - Operating profit before other items of 172 MNOK (132 MNOK in third quarter 2009). Up 46% currency adjusted.
- Strong cash flow from operations of 180 MNOK (194 MNOK in third quarter 2009)
- Signed EUR 70 million contract for reverse vending systems with European retailer
- Accrued NOK 226 million for EU penalty. Decision to be appealed

Financial highlights – profit and loss statement

	3rd Quarter			Year to date		
Amounts in NOK million	**2010**	**2009**	**09 Adj***	**2010**	**2009**	**09 Adj***
Revenues	946	856	826	2557	2428	2284
• Collection Technology	*471*	*494*	*466*	*1312*	*1398*	*1299*
• Material Handling	*280*	*236*	*238*	*741*	*679*	*651*
• Industrial Processing Technology	*195*	*126*	*122*	*504*	*351*	*334*
Gross contribution	394	330	312	1045	918	850
Gross margin	*42%*	*39%*	*38%*	*41%*	*38%*	*37%*
Operating expenses	222	198	194	653	655	631
Operating profit before other items	172	132	118	392	263	219
Operating margin	*18%*	*15%*	*14%*	*15%*	*11%*	10%
Loss on sale of Presona AB	-	-	-	18	-	-
EU penalty	226	-	-	226	-	-
Operating profit	(54)	132	118	148	263	219

*2009 actual restated at 2010 exchange rates - Estimated

Financial highlights – balance sheet, cash flow and capital structure

Amounts in NOK million	**30 Sep 2010**	**30 Sep 2009**
ASSETS	3385	3281
• Intangible assets	925	923
• Leasing equipment	167	98
• Other fixed assets	623	666
• Inventory	531	556
• Short-term receivables	1082	1034
• Cash and cash equivalents	57	4
LIABILITIES AND EQUITY	3385	3281
• Equity	1749	1818
• Interest bearing liabilities	569	509
• Non-interest bearing liabilities	1067	954

- **Cash flow from operations**
  - 180 MNOK in 3Q 2010 versus 194 MNOK in 3Q 2009
  - YTD: 300 MNOK in 2010 versus 222 MNOK in 2009
  - Seasonality in material handling operations
- **Cash flow form investments**
  - Investments of 52 MNOK in 3Q quarter 2010, versus 46 MNOK in 3Q2009
- **Interest bearing debt**
  - Increased due to accrual for EU penalty of 226 MNOK
- **Strong financial position**
  - 52% equity

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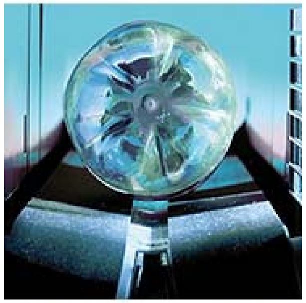
Collection technology



Highlights Collection technology



Overall

- Total revenues measured in local currencies stable
- Higher activity in US offsetting somewhat lower activity in the Nordic region
- Maintaining market position in all major markets
- Stable gross margin at 47%
- Operating expenses slightly up, primarily due to increased R&D and market activities including establishment of operations in China

Europe

- Signed EUR 70 million order for reverse vending solution to European retail chain – to be installed by the end of 2012
- Positive momentum in UK on deposit introduction

US

- Revenue increase of 26% in local currency (USD), due to higher throughput volumes and additional machine sales in New York and Connecticut

Other

- The European General Court confirmed 9th September the European Commission's decision of March 2006 which imposed a fine of EUR 24 million plus interest on Tomra for alleged abuse of a dominant position
- The decision will be appeal to the European Court of Justice
- An accrual of NOK 226 million has been made in 3Q10, covering 100% of the exposure

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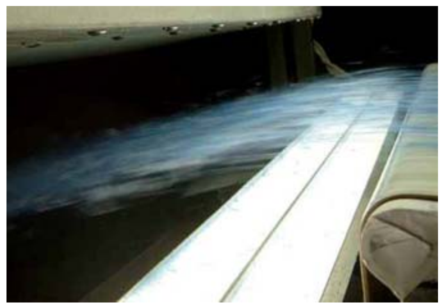
Collection technology financials

	3rd Quarter			Year to date		
Amounts in NOK million	**2010**	**2009**	**09 Adj***	**2010**	**2009**	**09 Adj***
Revenues	471	494	466	1312	1398	1299
• Nordic	*109*	*124*		*348*	*386*	
• Central Europe & UK	*247*	*279*		*651*	*736*	
• Rest of Europe	*1*	*1*		*3*	*7*	
• US East/Canada	*113*	*89*		*307*	*266*	
• Rest of the world	*1*	*1*		*3*	*3*	
Gross contribution	*220*	233	217	*610*	656	603
in %	*47%*	*47%*	*47%*	*46%*	*47%*	*46%*
Operating expenses	124	110	106	375	359	344
Operating profit**	*96*	123	111	*235*	397	259
in %	*20%*	*25%*	*24%*	*18%*	*21%*	*20%*

* 2009 actual restated at 2010 exchange rates - Estimated

** Before other items

Industrial processing technology



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Highlights Industrial processing technology

Recognition & sorting platform (TiTech Group)

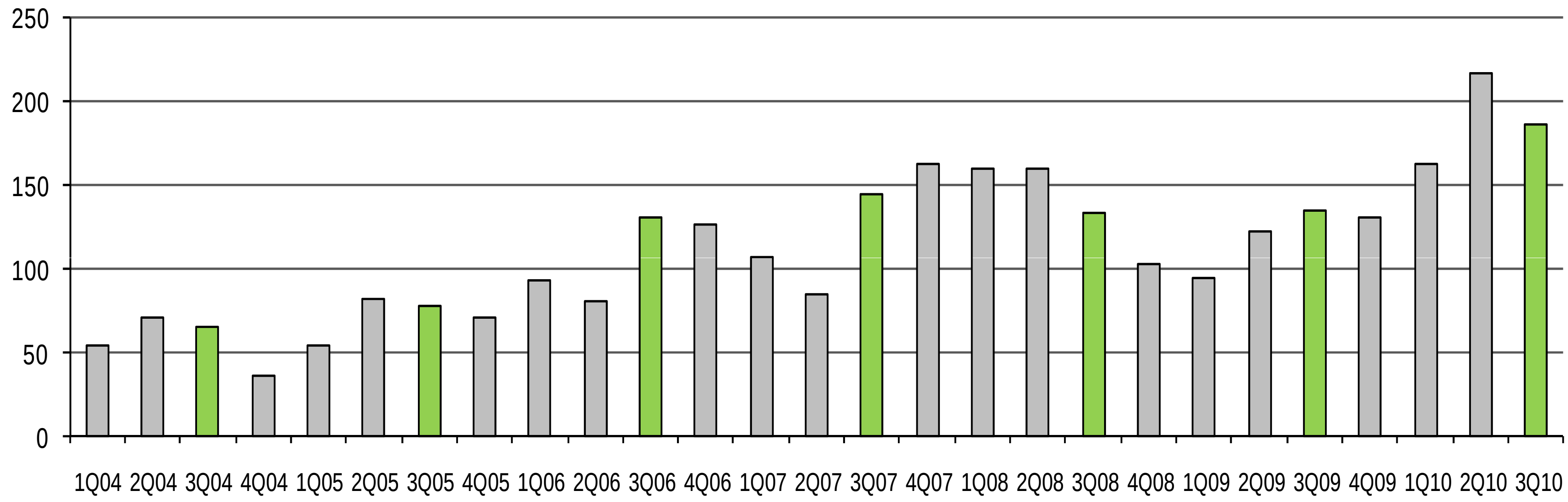
- Revenues up by 80% (currency adjusted)
- Order back log still strong at NOK 168 million, compared to NOK 105 million at the end of 3Q09
- Positive momentum in all segments, particularly within mining
- Geographic expansion continues
- Terra Vision, a small Canadian developer of ore-sorting solutions, acquired during third quarter

Volume reduction (Orwak)

- Revenues up by 30% (currency adjusted)
- Closer integration with Collection Technology
- Presona AB divested in 2Q10, not included in 3Q10 figures

Industrial processing technology order book

NOK million



Industrial processing technology financials

	3rd Quarter			Year to date		
Amounts in NOK million	**2010**	**2009**	**09 Adj***	**2010**	**2009**	**09 Adj***
Revenues	195	126	122	504	351	334
• Nordic	8	*12*		*38*	*40*	
• Central Europe & UK	89	*75*		*203*	*170*	
• Rest of Europe	8	*14*		*52*	*56*	
• US/Canada	42	*5*		*86*	*19*	
• US West	9	*9*		*31*	*26*	
• Rest of the World	39	*11*		*94*	*40*	
Gross contribution	101	66	63	262	183	170
in %	*52%*	*52%*	*52%*	*52%*	*52%*	*51%*
Operating expenses	61	56	54	179	*193*	187
Operating profit	40	10	9	83	(10)	(17)
in %	*21%*	*8%*	*7%*	*16%*	-	-

* 2009 actual restated at 2010 exchange rates - Estimated

** Before other items

Our Mission – better use of global resources

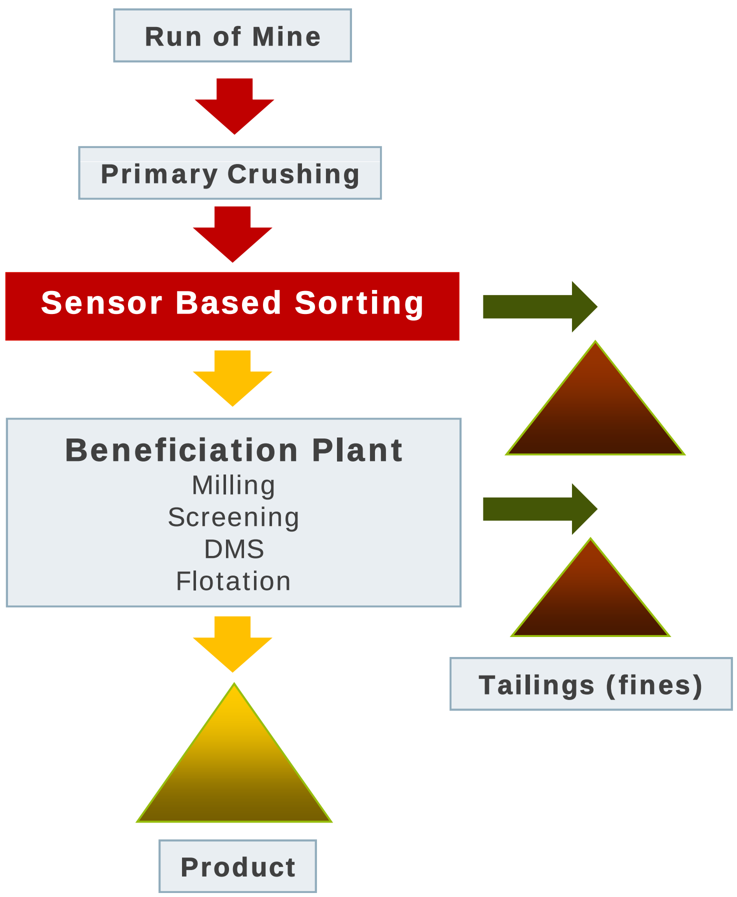
Waste Rock Sorting and Pre- Concentration

Natural Resources
- Better utilization of existing deposits
- Lower head grade can be processed
- Old Dumps turn into resources

Economical Benefits
- Significant capacity increase of the traditional beneficiation plant
- Energy costs savings
- Less Wear&Tear and chemicals costs

Environmental Benefits
- Better carbon footprint
- Reduction of acid mine drainage
- Less pollution

Smart Flow Sheet



Mining market segments

Industrial Minerals	Ferrous Metals	Base Metals	Fuel	Precious Metals	Diamonds & Gems	Slag
Calcite	**Iron**	**Copper**	**Coal**	Gold	Diamonds	Stainless Steel
Feldspar	Manganese	Zinc	Uranium	Platinum	Tanzanite	Copper
Dolomite	Cromite	Nickel			Emeralds	Cromite
Talc		Tungsten				
Quartz		Lead				
Magnesite						
Salt						

Bold = High Volume Mining





Product lines

Run of Mine (*ROM*) Series

- Extremely rugged belt sorters
- +6..-300mm covered by two models
- Feed rate range: 80 - 300 tons/hr
- Sensors RM, PM, EM and XRT

Industrial Processing (*PRO*) Series

- Simple and efficient free fall sorters
- +3..-300mm covered by three models
- Feed rate range: 3 - 250 tons/hr
- Sensors COLOR, XRT and NIR

Gem Stone (*GEM*) Series

- Sophisticated wet/dry sorters
- Precon, Recon and SPS systems
- Feed rate Range: 2 kg/hr – 30 tons/hr
- Sensors XRF, XRT and COLOR

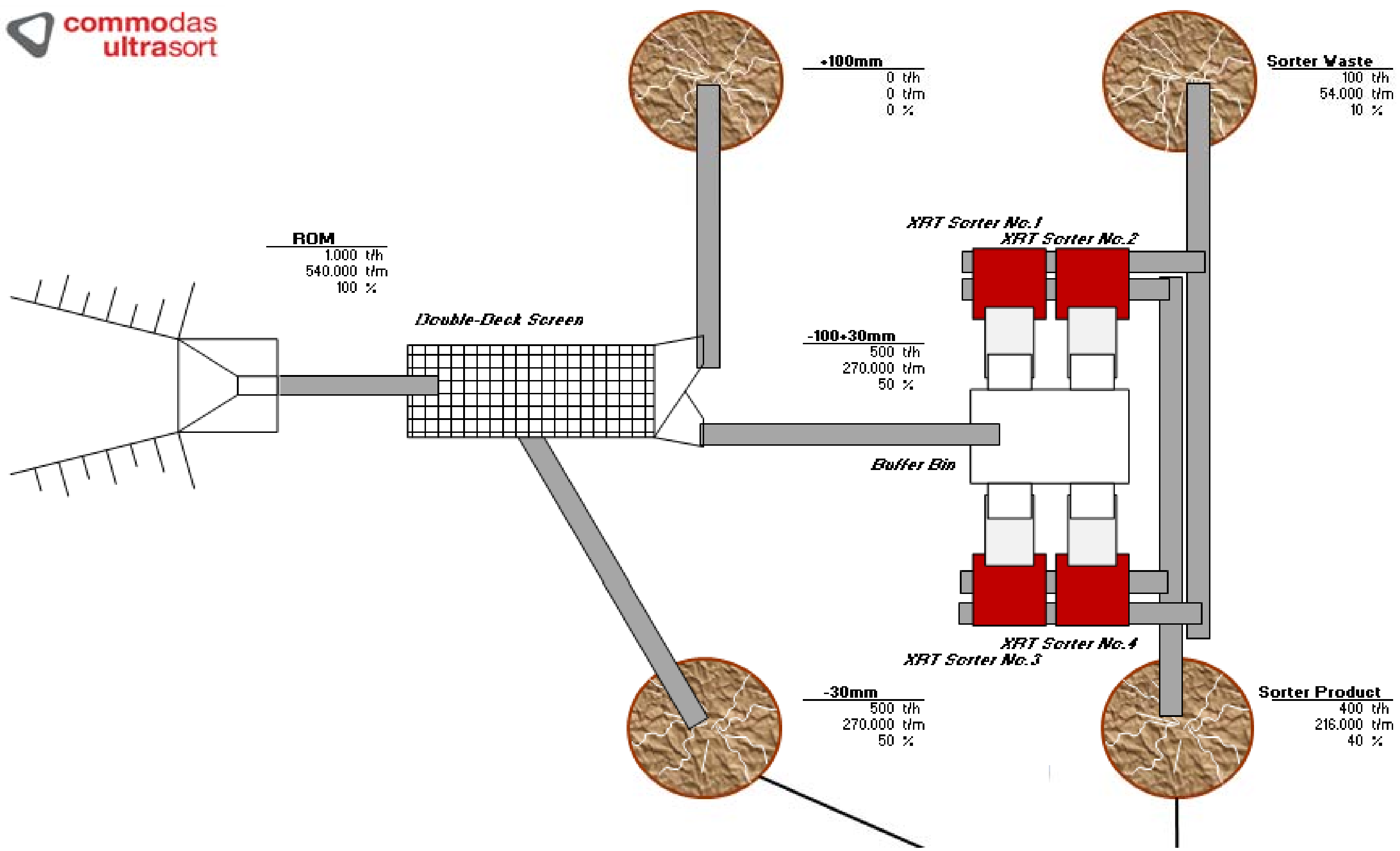
Metal Slag Processing (*SLAG*) Series

- Special Purpose Belt Sorters
- +8..-80mm covered by two models
- Feed rate range: 6 – 80 tons/hr
- Hi resolution EM sensor

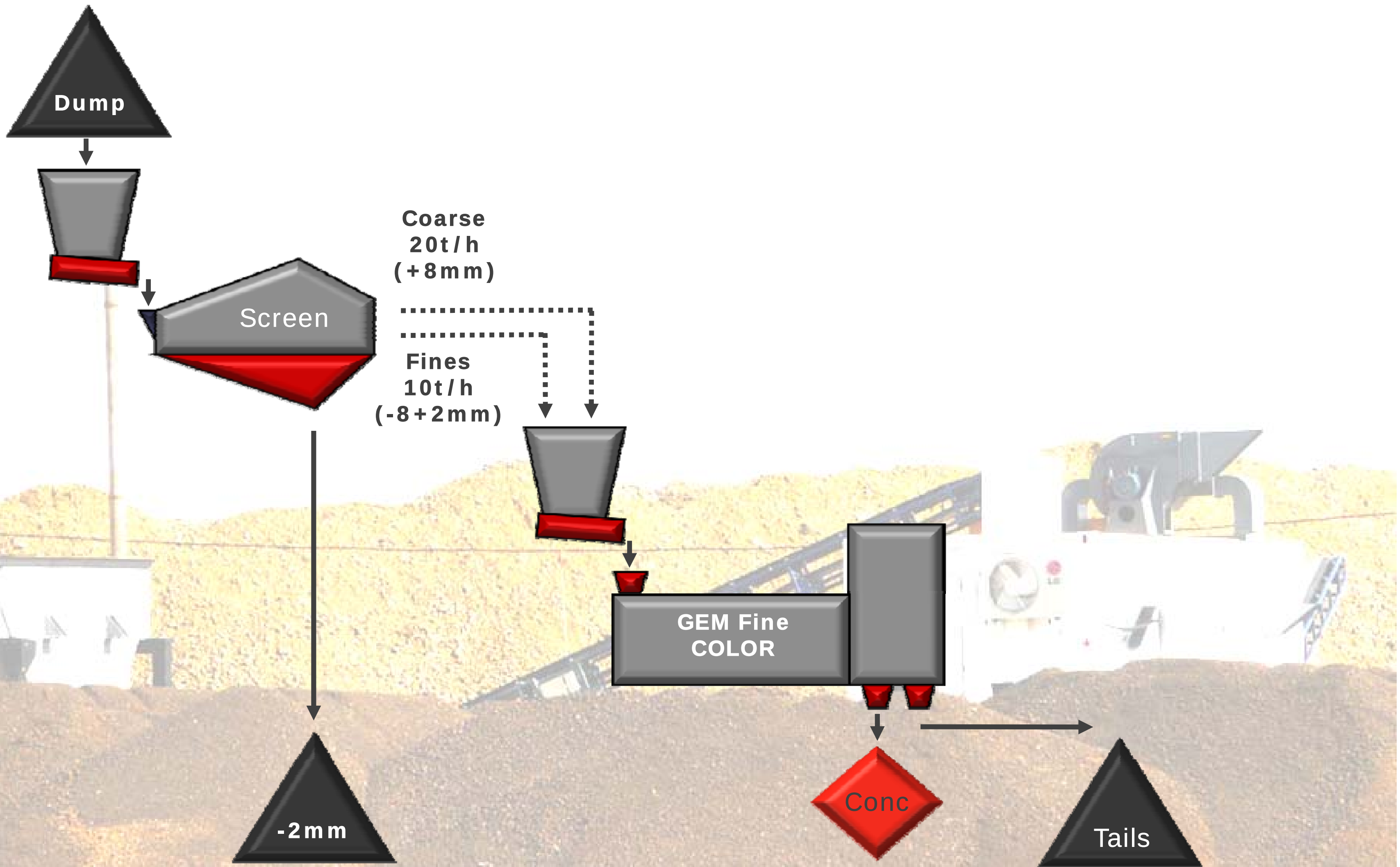
Example – Destoning of coal

Pro Secondary XRT Sorter

Coal De-Stoning Plant - 1000 tph capacity



Flow sheet for Recovery Tailings Dump Re-Treatment



Mining - drivers and risks

Drivers

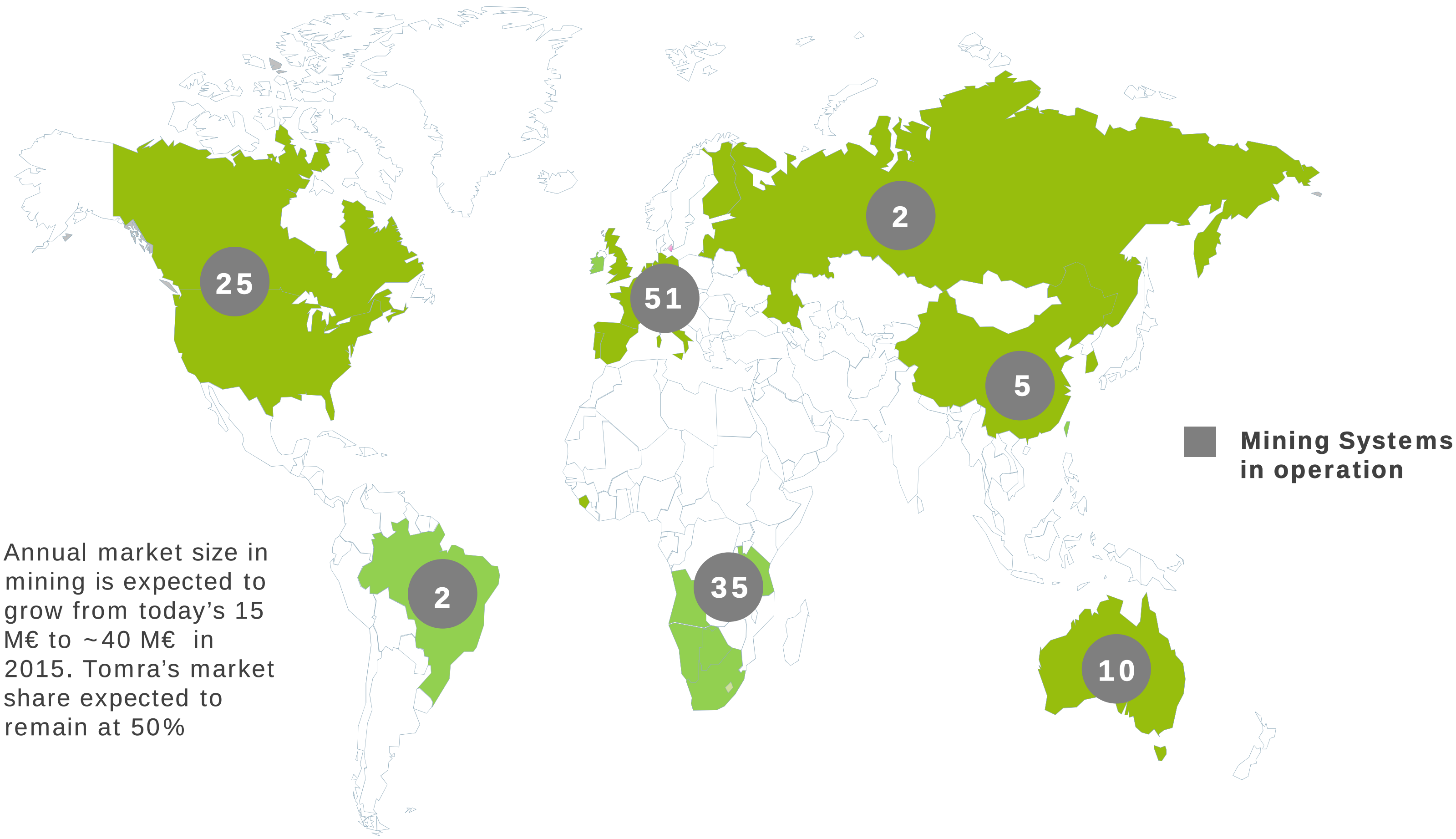
- Increasing demand for commodities from emerging markets
- High/increasing energy and water costs
- Lower head grade
- Tougher environmental regulation
- Increased pressure on costs

Risks

- For most applications/segments technology is still unproven
- Slowdown in global economy; low/falling commodity prices
- Slow adoption of new technology – conservative industry

**Macro trends seen as favorable,
but risk factors can affect the potential**

Mining - installed base by region



Annual market size in mining is expected to grow from today's 15 M€ to ~40 M€ in 2015. Tomra's market share expected to remain at 50%

Installed base today: ~ 130 Machines with CommodasUltrasort technology

Material handling

Highlights Material handling

Overall

- Solid growth in revenues
- Segment reported all time high operating margin of 14%, up from 1% in 3Q09

East Coast / Canada

- Revenue up from 21.6 MUSD to 25.0 MUSD due to more water bottles being returned
- Volumes of water bottles peaked during 3Q10, and will decrease as winter, and lower consumption, approaches
- Improved margins as a consequence of higher volumes

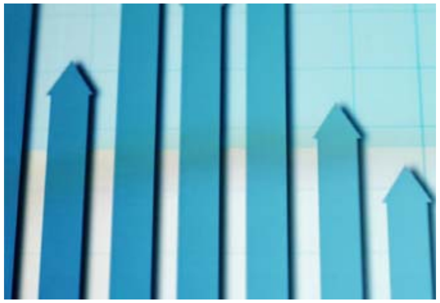
California

- Performance improvements driven by:
  - Higher aluminum prices
    - LME 3Q2009 => $1831/ton
    - LME 3Q2010 => $2445/ton
    - Positive EBIT impact of 1.2 MUSD in the quarter
  - Handling fees reinstated – awaiting confirmation on future financing of bottle fund
  - Streamlined operations with 5 MUSD in annual savings/efficiency gains
- New improvement programs launched, aimed at further improving performance and increasing efficiency by an additional 3 MUSD

Material handling financials

Amounts in USD million	3Q 2010	3Q 2009	YTD 2010	YTD 2009
Revenues	45.4	38.6	121.8	104.6
• US East/Canada	*25.0*	*21.6*	*65.9*	*57.1*
• US West (California)	*20.4*	*17.0*	*55.9*	*47.4*
Gross contribution	11.8	5.1	28.4	12.2
in %	*26%*	*13%*	*23%*	*12%*
Operating expenses	5.3	4.6	14.3	14.0
Operating profit	6.5	0.5	14.1	(1.8)
in %	*14%*	*1%*	*12%*	-

Outlook




Outlook

- Collection Technology: Somewhat slower development in Europe into 4Q10, but increased activity in 2011 due to higher product sales
- Industrial Processing Technology: Activity expected to increase in 2011, quarterly development might be somewhat volatile due to little recurring business in the segment. Overall performance linked to macro drivers, particularly commodity prices. Evaluating expansion into new segments in sensor based sorting, which could increase activity in the segment
- Material handling East Coast: Year over year, still some positive impact from more water bottle volume, but 4Q10 will be down compared to 3Q10 due to seasonality
- Material handling West Coast: Continues to gain from higher aluminum prices, reinstated handling fees and efficiency improvements. However, a long term fix for financing of the bottle fund is not in place and handling fee revenues are therefore still exposed
- Increased activity in R&D (IPT and Coll Tech), Sales and marketing (IPT) and the establishment of China operations will slightly increase operating expenses

Addendum slides

Major shareholders

1	Orkla ASA	23 000 000	15.5%
2	Folketrygdfondet	14 023 851	9.5%
3	The Northern Trust C Treaty Account	10 399 376	7.0%
4	JP Morgan Chase Bank Nordea Treaty Account	6 720 639	4.5%
5	Bank of New York MEL S/A Mellon Nominee 1	3 210 769	2.2%
6	Varma Mutual Pension Company	3 138 000	2.1%
7	Ferd AS Invest	2 984 094	2.0%
8	State Street Bank AN A/C Client Omnibus F	2 905 623	2.0%
9	Bank of New York MEL ADR Department	2 699 840	1.8%
10	Clearstream Banking CID Dept, Frankfurt	2 683 552	1.8%
	SUB-TOTAL	**71 765 744**	**48.5%**
	Other Shareholders	**76 254 334**	**51.5%**
	TOTAL (7,905 shareholders)	**148 020 078**	**100%**
	Total foreign ownership		**53.2%**

Shareholders by nationality

1	Norway	46.8%	7 227
2	Great Britain	19.0%	55
3	USA	11.9%	151
4	Luxembourg	6.2%	30
5	Finland	4.0%	22
6	France	2.6%	19
7	Belgium	2.0%	10
8	Denmark	1.3%	36
9	Switzerland	1.2%	15
10	Holland	1.1%	57
	TOTAL	**96.1%**	**7 622**

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