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**4th QUARTER 2000**

**TOMRA - GROUP**

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TOMRA SYSTEMS ASA  
Drengsrudhagen 2  
P.O.Box 278  
N-1372 Asker  
Telephone: 66 79 91 00  
Telefax: 66 79 91 11

**THE TOMRA GROUP**  
**4th QUARTER 2000**

<b>PROFIT &amp; LOSS</b> (Figures in NOK million)	<b>4th QUARTER</b>		<b>Full year</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
Operating revenues	746.3	565.9	2718.0	2169.4
Other income	-	5.0	-	5.0
Cost of goods sold	394.5	320.2	1521.6	1192.0
Lease depreciation	26.2	14.9	80.2	66.3
Gross contribution	325.6	235.8	1116.2	916.1
Operating expenses	180.1	124.1	550.1	458.6
Ordinary depreciation	24.0	21.0	100.5	76.7
Operating profit	121.5	90.7	465.6	380.8
Net profit affil. companies	(9.5)	(2.4)	0.6	13.2
Net financial items	26.4	4.1	26.3	12.0
Ordinary profit before tax	138.4	92.4	492.5	406.0
Losses related to WMG	383.4	-	383.4	-
Taxes related to loss WMG	(121.0)	-	(121.0)	-
Taxes on ordinary profit	37.1	16.8	154.0	122.7
Net profit	(161.1)	75.6	76.1	283.3
Minority interest	(6.4)	(0.2)	(15.5)	(6.0)

<b>BALANCE SHEET</b> (Figures in NOK million)	<b>31.12.00</b>	<b>31.12.99</b>
<b>ASSETS</b>		
Intangibles	405.3	351.4
Lease equipment	253.3	250.5
Other fixed assets	784.2	627.1
Other current assets	1117.4	848.4
Cash and cash equivalents	712.0	270.1
<b>TOTAL ASSETS</b>	<b>3272.2</b>	<b>2347.5</b>
<b>LIABILITIES &amp; EQUITY</b>		
Equity	2636.5	1559.4
Minority interest	72.9	45.0
Deferred taxes	77.0	123.8
Long-term, interest bearing debt	39.0	40.5
Short-term, interest bearing liabilities	-	210.6
Other short-term liabilities	446.8	368.2
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3272.2</b>	<b>2347.5</b>

<b>CASH FLOW</b> (Figures in MNOK)	<b>4Q2000</b>	<b>4Q1999</b>	<b>2000</b>	<b>1999</b>
Ordinary profit before taxes	138.4	92.4	492.5	406.0
Changes in working capital	(121.6)	34.5	(491.7)	(133.0)
Other operating changes	61.3	31.1	20.1	31.9
Total from operations	78.1	158.0	20.9	304.9
From investing	(126.3)	(118.3)	(396.3)	(202.5)
From financing	5.1	69.3	840.3	128.6

<b>INTERIM RESULTS</b> <b>BY QUARTER</b>	<b>1 Quarter</b> <b>2000</b>	<b>2 Quarter</b> <b>2000</b>	<b>3 Quarter</b> <b>2000</b>	<b>4 Quarter</b> <b>2000</b>
Operating revenues	583.3	658.9	729.5	746.3
Operating profit	89.6	114.8	139.7	121.5
Earnings per share (NOK)	0.37	0.43	0.56	(1.00)*
Sales growth (%)	33.7	9.8	28.6	31.9
Operating margin (%)	15.4	17.4	19.2	16.3

\* Earnings per share excluding losses related to Wise were NOK 0.57.

## HIGHLIGHTS

- Operating revenues of 2,718 MNOK (up 25%)
  - Europe 895 MNOK (down 6%)
  - America 1,823 MNOK (up 50%)
- Ordinary profit before tax of 493 MNOK (up 21%)
- Losses reserve related to Wise of 383 MNOK
- New deposit system in progress in Germany
- Frame contract with FDB in Denmark
- The Netherlands evaluates deposit introduction
- Signed Letter of Intent to acquire a 70% ownership in Brazilian aluminum collection and recycling company

## FINANCIALS 2000

Operating revenues for 2000 amounted to 2,718 MNOK, up from 2,169 MNOK in 1999 (up 25%). The operating profit increased to 466 MNOK from 381 MNOK in 1999 (up 22%). Ordinary profit before tax increased by 21%, from 406 MNOK in 1999 to 493 MNOK in 2000.

January 29, 2001 TOMRA announced that the signed agreement to sell its 50% ownership interest in Wise Recycling LLC (WR) to its joint venture partner Wise Metals Group LLC (WMG) had failed to receive consent from the WMG bank financing group. As a consequence, TOMRA identified a total financial exposure related to WMG and WR of USD 45 million, including the earlier communicated gain from the sales transaction of USD 1.5 million. The Board of Directors has concluded that the entire financial exposure, given the uncertainty of the situation, should be written off representing a loss of 383.4 MNOK or USD 43.5 million.

Net financial income for 2000 of 26.3 MNOK consists of net interest income of 13.0 MNOK and net currency exchange gains of 13.3 MNOK. Profit from affiliated companies for the fourth quarter 2000 was negatively impacted by the reversal of equity contribution from Wise Recycling LLC booked in the first quarter.

The 2000 ordinary profit after taxes showed 339 MNOK against 283 MNOK in 1999. Earnings per share from ordinary operations showed NOK 1.90 compared to 1.67 for 1999. The tax rate for ordinary operations was 31.3% compared to 30.2% in 1999. Net profit after losses for year 2000 came out at 76 MNOK compared to 283 MNOK in 1999. Earnings per share showed NOK 0.36 for the year.

Total assets increased by 39% during the year to 3,272 MNOK at December 31, 2000. A separate cash flow analysis has been included in this quarterly statement and will be included also in future quarterly reporting. The liquidity remains good at 712 MNOK and the equity ratio was 80.6% at year-end.

## MARKETS

### EUROPE

Year 2000 was a year of consolidation for Business Unit Europe. Revenues amounted to 895 MNOK for 2000 - a decrease of 6% from 952 MNOK in 1999. TOMRA has maintained its strong market position in Europe during the year with an estimated market share above 95%. Growth

outside Norway was 13%, primarily driven by Germany and Switzerland.

### Revenues by market

Figures in NOK million	2000	1999
Germany	258	220
The Netherlands	136	123
Sweden	125	117
Finland	81	94
Norway	80	233
Austria	72	66
Denmark	71	69
Switzerland	54	16
Others	18	14
Total Europe	895	952

### Revenues by activity

Figures in NOK million	2000	1999
Sales, Lease	630	697
Service	250	240
Adm. & Promotion	15	15
Total Europe	895	952

### Denmark

The Danish Brewers Association announced in June 2000 that they had formed Dansk ReturSystem AS (DRS) with an initial responsibility to introduce and organize handling fee payments and to upgrade the existing collection system for refillable bottles. It was also announced that DRS planned to financially support the upgrade program with up to DKK 250 million. These financial subsidies have not yet formally been offered to the market, which has caused delays in the retailers purchasing decisions.

On February 7, 2001 TOMRA signed a preferred supplier agreement with the Danish retail group FDB. The frame contract has a targeted sales value for TOMRA of DKK 120 million up to the end of 2002, and was initiated in response to the DRS upgrade program for refillable container machines. Start of installations will be tied to the formal acceptance of the formation of DRS by the Danish Parliament, expected to take place early May 2001. FDB has a retail market share in Denmark of 38%.

### The Netherlands

The Dutch Environmental Minister announced February 1, 2001 that the Dutch retail and bottling industry had been given a deadline of March 15, 2001 to come up with a solution to the increasing environmental problems related to non-refillable beverage containers. If no satisfactory solution is presented, Dutch authorities is prepared to introduce mandatory deposit for these containers on short notice.

### Germany

Waiting for a final conclusion of the potential new deposit system for non-refillable containers, Germany experienced very slow growth during fourth quarter 2000. Sales increased by 17% to 258 MNOK for the year, substantially below the original target.

On January 31, 2001 the German government announced the decision to propose new legislation to introduce deposit for non-refillable containers. This

announcement followed the Environmental Minister Trittin's speech late October 2000 expressing the same intentions. The January announcement included a quantification of necessary investments in RVM equipment to operate the system efficiently. The officially expected investments were maximized to 80,000 Reverse Vending Machines equal to approximately EURO 1 billion. The expected start-up date was indicated to be January 1, 2002.

Our previously communicated potentials in Germany of 20-25,000 machines for the first three years after startup might seem to be on the low side in light of the recent assessments made by the German government. TOMRA is currently preparing to supply significant number of machines from third quarter 2001 by expanding own production capacity and utilizing outside partners.

#### **NORTH-AMERICA**

Revenues in North America for the year amounted to 1,823 MNOK - an increase of 50% over the 1 217 MNOK in 1999. The growth was largely driven by California (up 86%), Massachusetts (up 63%) and Canada (up 44%). Other significant markets as New York and Michigan also had good growth for the year.

#### **Revenues by market**

Figures in NOK million	2000	1999
California	736	396
New York	465	358
Michigan	228	171
Non deposit states	137	125
Massachusetts	98	60
Connecticut	84	82
Canada	71	13
Others	4	12
Total America	1,823	1,217

#### **Revenues by activity**

Figures in NOK million	2000	1999
Sales, Lease	154	142
Service	134	129
Recycling Centers	240	175
Adm. & Promotion	99	97
Materials Handling	1,196	674
Total America	1,823	1,217

#### **rePlanet, California**

TOMRA expanded its rePlanet branded recycling centers to 175 stores in California during 2000 and plans to convert all viable sites by 2001, some 400 locations in all. Consumers continue to positively respond to the new centers, evidenced by volume and transaction increases of 60% and 250% respectively. The test of gradual reductions of manning of the centers was started during fourth quarter. Results so far are good, but substantially more data is needed to conclude the viability of the unmanned center concept.

#### **Aluminum Sales**

In order to avoid further financial exposure related to sale of aluminum, TOMRA stopped supplies to Wise Metals Group as of January 26, 2001. TOMRA has since then, been working with WMG to ensure that

TOMRA will not be exposed to any credit risks in a future relationship. TOMRA is committed to find solutions, including a clarification of the future involvement in WMG, in order to maximize recovery of losses recorded in 2000. In case a future supply arrangement with WMG can not be satisfactory secured, TOMRA will approach alternative customers for this material. Since June 2000, TOMRA installed aluminum bailers in addition to its shredding capacity in the West Coast operations in order to secure a larger potential market for the material. Approximately 70% of the collected aluminum can today be bailed.

#### **SOUTH-AMERICA**

TOMRA signed November 20, 2000 a Letter of Intent with the publicly traded Brazilian company Latas de Alumínio S/A - LATASA, to establish a strategic alliance. LATASA is the largest Latin American can manufacturer and operates the most successful aluminum container collection system in Brazil, Argentina and Chile. Annual revenues generated in the collection and recycling business was estimated to be in the range of USD 40 million for 2001.

The final agreement was expected to be executed by the end of January 2001 but the due diligence process has been delayed by extended permitting and licensing issues for the newly formed entity. A final conclusion is expected during first quarter 2001.

#### **MARKET OUTLOOK**

The Board remains optimistic regarding market prospects, and expects growth in line with the long-term growth target of 30% for 2001. Due to the present uncertainty in several European markets created by the possible introduction of deposit on non-refillable containers, the first quarter growth is expected to be low.

#### **SHAREHOLDERS**

The distribution of shareholders by country at the end of 2000 shows: USA 24.9%, Norway 23.1%, UK 18.2%, Luxembourg 9.6% and France 7.1%.

In November 2000, TOMRA split each share in two, increasing the number of shares to 176.03 million with a new par value of NOK 1.00. TOMRA's share price increased 151% during 2000, from NOK 68 to NOK 171. The highest price noted during the year was NOK 200 in November, while the lowest price was 53 in January. The number of TOMRA shares traded during 2000 was 230 million compared to 144 million in 1999. The Board recommends payment of NOK 0.20 in share dividend for 2000, which is unchanged from last year.

Asker, February 15, 2001

The Board of Directors of TOMRA SYSTEMS ASA

Jan Chr. Opsahl  
Chairman

Erik Thorsen  
President & CEO