



THIRD QUARTER 2002

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FINANCIAL STATEMENT - THIRD QUARTER 2002

INCOME STATEMENT <i>(Figures in NOK million)</i>	3rd Quarter				Accumulated 30 September						Full year		
	2002	2001			2002			2001			2001		
	Total	Cont.	Disc.	Total	Cont.	Disc.	Total	Cont.	Disc.	Total	Cont.	Disc.	Total
Operating revenues	715.7	696.8	87.1	783.9	2015.6	7.1	2022.7	1895.0	297.4	2192.4	2591.5	332.9	2924.4
Cost of goods sold	421.7	383.7	98.8	482.5	1167.2	5.4	1172.6	984.8	308.2	1293.0	1489.4	340.9	1830.3
Lease depreciation	16.9	24.2	0.0	24.2	56.2	0.0	56.2	65.8	0.0	65.8	89.1	0.0	89.1
<i>Gross contribution</i>	<i>277.1</i>	<i>288.9</i>	<i>(11.7)</i>	<i>277.2</i>	<i>792.2</i>	<i>1.7</i>	<i>793.9</i>	<i>844.4</i>	<i>(10.8)</i>	<i>833.6</i>	<i>1013.0</i>	<i>(8.0)</i>	<i>1005.0</i>
Operating expenses	145.9	132.5	2.3	134.8	453.1	1.0	454.1	430.0	8.1	438.1	597.7	10.0	607.7
Depreciation & write-downs	27.0	44.0	1.7	45.7	91.4	0.5	91.9	101.7	5.0	106.7	432.1	5.6	437.7
<i>Operating profit</i>	<i>104.2</i>	<i>112.4</i>	<i>(15.7)</i>	<i>96.7</i>	<i>247.7</i>	<i>0.2</i>	<i>247.9</i>	<i>312.7</i>	<i>(23.9)</i>	<i>288.8</i>	<i>(16.8)</i>	<i>(23.6)</i>	<i>(40.4)</i>
Affiliated companies	0.5	(0.3)	0.0	(0.3)	0.4	0.0	0.4	(1.5)	0.0	(1.5)	(2.4)	0.0	(2.4)
Net financial items	11.8	31.4	(5.3)	26.1	59.1	(0.2)	58.9	79.4	(14.1)	65.3	119.7	(14.4)	105.3
<i>Ord. profit before tax</i>	<i>116.5</i>	<i>143.5</i>	<i>(21.0)</i>	<i>122.5</i>	<i>307.2</i>	<i>0.0</i>	<i>307.2</i>	<i>390.6</i>	<i>(38.0)</i>	<i>352.6</i>	<i>100.5</i>	<i>(38.0)</i>	<i>62.5</i>
Losses related to WMG	0.0	(27.1)	0.0	(27.1)	0.0	0.0	0.0	(27.1)	0.0	(27.1)	(42.1)	0.0	(42.1)
Losses related to Pacific	0.0	0.0	54.2	54.2	0.0	0.0	0.0	0.0	54.2	54.2	0.0	54.2	54.2
Taxes	36.1	59.7	(30.1)	29.6	95.2	0.0	95.2	137.7	(36.8)	100.9	70.8	(36.8)	34.0
<i>Net profit</i>	<i>80.4</i>	<i>110.9</i>	<i>(45.1)</i>	<i>65.8</i>	<i>212.0</i>	<i>0.0</i>	<i>212.0</i>	<i>280.0</i>	<i>(55.4)</i>	<i>224.6</i>	<i>71.8</i>	<i>(55.4)</i>	<i>16.4</i>
Minority interest	(5.7)	(4.9)	0.0	(4.9)	(15.3)	0.0	15.3	(18.0)	0.0	(18.0)	(31.1)	0.0	(31.1)

BALANCE SHEET <i>(Figures in NOK million)</i>	30 September		
	2002	2001	31 December 2001
ASSETS			
Intangible assets	389.2	631.6	579.4
Leasing equipment	193.0	262.7	263.4
Other fixed assets	836.0	912.3	981.9
Other current assets	1038.7	1187.4	970.7
Cash and cash equivalents	813.7	490.8	697.6
TOTAL ASSETS	3270.6	3484.8	3493.0
LIABILITIES & EQUITY			
Equity	2509.4	2838.7	2630.5
Minority interests	114.3	80.7	160.5
Deferred taxes	81.4	78.1	86.5
Long-term interest-bearing liabilities	37.5	42.5	37.8
Short-term interest-bearing liabilities	15.2	18.5	18.4
Other short-term liabilities	512.8	426.3	559.3
TOTAL LIABILITIES & EQUITY	3270.6	3484.8	3493.0

CASH FLOW STATEMENT <i>(Figures in NOK million)</i>	3rd Quarter		Accumulated 30 September		Full Year
	2002	2001	2002	2001	2001
Ordinary profit before taxes	116.6	122.5	307.3	352.6	62.5
Changes in working capital	30.3	(17.1)	(175.0)	(101.9)	113.2
Other operating changes	19.5	72.8	122.8	8.1	383.8
<i>Total from operations</i>	<i>166.4</i>	<i>178.2</i>	<i>255.1</i>	<i>258.8</i>	<i>559.5</i>
<i>Total from investments</i>	<i>(28.4)</i>	<i>(50.1)</i>	<i>(114.2)</i>	<i>(568.1)</i>	<i>(652.6)</i>
<i>Total from financing</i>	<i>2.4</i>	<i>23.8</i>	<i>(22.9)</i>	<i>86.5</i>	<i>83.3</i>

INTERIM RESULTS	2nd	3rd	4th	1st	2nd	3rd
	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter
(Continuing operations)	2001	2001	2001	2002	2002	2002
Operating revenues	647.6	696.8	696.5	629.5	670.4	715.7
EBITDA	161.2	180.6	127.4	107.2	140.0	148.1
Operating profit	111.6	112.4	(329.5)	52.8	90.7	104.2
Sales growth (%)	15.4	14.1	9.3	14.3	3.5	2.7
Operating margin (%)	17.2	16.1	(47.3)	8.4	13.5	14.6
Earnings per share (NOK)	0.46	0.34	(1.24)	0.29	0.39	0.42

HIGHLIGHTS THIRD QUARTER

- Revenues from continuing operations 716 MNOK (+3%)
 - Europe 233 MNOK (+13%)
 - North America 363 MNOK (-6%)
 - South America 120 MNOK (+14%)
- Adjusted for currency impact, revenue growth in the third quarter equaled 19% relative to the third quarter 2001 (continuing operations)
- Operating profit 104 MNOK compared to 112 MNOK in third quarter 2001
- The German elections were won by the incumbent government, which firmly supports the implementation of deposit on non-refillable containers as of 1 January 2003
- Danish deposit system implemented – TOMRA installed/upgraded nearly 600 machines in the third quarter
- Successful large scale roll-out of TOMRA 83 HcP in Michigan
- Improved profitability in California with an operating profit of 6.8 MNOK
- New machine – TOMRA 710 – introduced to service high-end market in Europe

FINANCIALS

Revenues from continuing operations in the third quarter 2002 amounted to 716 MNOK, up 3% from 697 MNOK in 2001. Operating profit came out at 104 MNOK for the quarter, while profit before tax equaled 117 MNOK. The strengthening of NOK against USD (19.7% NOK appreciation against USD in the third quarter 2002 versus third quarter 2001) and EUR (8.3%) in the third quarter has negatively impacted revenue by 110 MNOK and operating profit by approximately 33 MNOK.

Earnings per share equaled NOK 0.42 for the third quarter 2002. Total assets have increased by 1% since the end of the second quarter to 3,271 MNOK. Strong cash flow from operations contributed to improved liquidity. The equity ratio remains stable at 77%.

MARKETS

EUROPE

Revenues in Europe amounted to 715 MNOK in the first nine months of 2002 against 625 MNOK in 2001 - an increase of 14%. Adjusted for currency fluctuations over the past nine months, revenue growth equaled 21%.

Sales by market

Figures in NOK million	9m02	9m01
Norway	45	60
Sweden	100	88
Finland	80	62
Denmark	214	44
The Netherlands	54	136
Germany	137	142
Austria	40	35
Switzerland	25	28
Belgium	14	27
Others	6	3
Total Europe	715	625

Sales by activity

Figures in NOK million	9m02	9m01
Sales, lease	494	411
Service	211	202
Adm. & Promotion	10	12
Total Europe	715	625

Germany

On 22 September 2002 the incumbent Social Democratic/Green government won the German election by securing a majority in the Lower House. The Green Party, which among other holds the position of Minister of Environment in the current Government and will do so in the new Government, had a particularly strong showing. Both parties are strong supporters of the current Packaging Ordinance, which stipulates the implementation of deposit on non-refillable containers as of 1 January 2003.

The beverage and retail industries have continued their campaign to stop the implementation of deposit through legal complaints. Recently however, members of the retail industry suggested that all court cases, with the exception of one case at the Federal Administrative Court in Leipzig, would be either dropped or included in the case at the Federal Administrative Court in Leipzig. The legal proceeding at the Federal Administrative Court does not have a suspensive effect on the implementation of deposit. The Federal Government most recently stated in its new coalition paper that deposit will be implemented as planned.

The implementation and execution of an effective deposit system requires the establishment of an efficient infrastructure and the definition of system specifications including technical requirements for reverse vending machines. Recently, industry stakeholders confirmed increased activity to prepare for deposit. These activities combined with continued political support for deposit, indicate an increased probability for a deposit system start-up.

The German market continued its flat development in the third quarter of 2002. With the exception of potential orders related to the establishment of deposit

on non-refillable containers in Germany, TOMRA expects the flat trend to continue in the fourth quarter 2002.

Denmark

The new deposit system for non-refillable containers in Denmark was implemented on 23 September 2002. Revenues in Denmark during the first nine months of 2002 increased by 386% to 214 MNOK driven by deliveries for the start-up. In the third quarter TOMRA installed and upgraded close to 600 machines in Danish supermarkets, bringing the total number of installations and upgrades this year to approximately 2,100 machines.

TOMRA has now completed the machine installation and upgrade phase in Denmark. The working capital tied up in the Danish operations has significantly declined as most of the trade receivables were paid during the third quarter.

Remaining work expected in Denmark includes installation of back-room equipment and compactors representing a total market opportunity of approximately 200 MNOK over a two to three year period. These investments will be tied to the future volumes of non-refillable containers in Denmark, and are expected to start early 2003. As a consequence, TOMRA expects a significantly lower activity level in Denmark in the fourth quarter.

Finland

Finland had a strong third quarter with revenues of 38 MNOK, up 81 percent from last year. Openings of several new retail outlets with a private deposit system on one-way PET is the main driver. Additional retail outlet openings are expected in the fourth quarter of 2002.

NORTH AMERICA

Revenues from continuing operations in North America amounted to 995 MNOK in the first nine months of 2002 - a decrease of 5% from 1,047 MNOK in the same period in 2001. However, measured in USD revenues increased 5% to 121 MUS\$ in the first nine months of 2002, and 13% to 48.2 MUS\$ in the third quarter 2002 relative to 2001.

Sales by market (continuing operations)

Figures in NOK million	9m02	9m01
New York	325	365
Connecticut	64	68
Massachusetts	82	83
Michigan	206	181
California	239	271
Canada	71	75
Others	8	4
Total North America	995	1047

Sales by activity (continuing operations)

Figures in NOK million	9m02	9m01
Sales, lease	160	130
Service	83	99
Recycling Centers	151	196
Materials Handling	550	546
Adm. & Promotion	51	76
Total North America	995	1047

U.S. West

Operations in California were profitable during the third quarter 2002 with an operating profit in line with the forecast of 6.8 MNOK. Recycling center volumes were 2.6% higher during the third quarter, while aluminum prices and commercial volumes were slightly lower than plan. TOMRA anticipates break-even operations in California for the year.

U.S. East

TOMRA installed close to 200 TOMRA 83 HCP machines during the third quarter, most of them in Michigan. An additional 200 TOMRA 83 HCP machines are expected to be installed the remainder of the year. In total, TOMRA anticipates installing approximately 1,800 machines in North America in 2002.

Canada

The full integration of the Quebec Soft Drink Association (QSDA) volumes into our processing plant in Montreal was completed by mid-August. The QSDA volumes contributed to more than a doubling of processing volumes, but the revenue impact has been moderate. The contract with QSDA is structured as a fee based processing agreement, while in other contracts, TOMRA performs a total service for the beverage companies including marketing of materials. In addition, a strengthened NOK versus CAD and lower than anticipated technology sales further impacted revenue growth negatively.

Based on a greater need for technology in several Canadian provinces and our ability to offer an integrated service concept, we are optimistic about future growth opportunities in Canada.

SOUTH AMERICA

Revenues in South America during the first nine months of 2002 amounted to 306 MNOK. As TOMRA's revenues in Brazil are denominated in USD and the majority of costs are in local currency, the further weakening of the Brazilian currency, Real, against USD has positively impacted the profitability in the third quarter. The strengthening NOK versus USD has however, negatively impacted revenue, which for reporting purposes is converted to NOK.

Sales by market

Figures in NOK million	9m02	7m01
Brazil	304	220
Others	2	3
Total South America	306	223

Sales by activity

Figures in NOK million	9m02	7m01
Sales, lease	2	3
Recycling Centers	178	127
Materials Handling	126	93
Total South America	306	223

The integration of Imco Recycling's ten collection centers into Tomra Latasa's operations was successfully completed at the beginning of August and has positively impacted revenues during the third quarter. Volumes collected in Argentina on the other hand, have been dramatically reduced over the past six months due to lower consumption of beverages in aluminum containers, which can be explained by the economic downturn in the country.

TECHNOLOGY

TOMRA has received the first orders for its new machine, TOMRA 710, which was recently introduced to strengthen TOMRA's existing high-end product line. The new machine can handle non-refillable and refillable containers, as well as crates, and will further strengthen TOMRA's competitive advantage in all-container type markets as it offers improved recognition speed and a modern, compact design. The primary market for TOMRA 710 is Europe.

MARKET OUTLOOK

The Board remains optimistic to the long-term market opportunities. However, given lower short-term activity in Europe except for any potential opportunities in Germany, fourth quarter revenues will be between first and second quarter 2002 levels.

SHAREHOLDERS

The total number of shares outstanding at the end of the third quarter 2002 was 178,486,559 shares. The total number of shareholders increased from 10,977 at the end of the second quarter 2002 to 11,882 at the end of third quarter 2002. The distribution by country of TOMRA shareholders at the end of third quarter shows: Norway 39.8%, United Kingdom 13.7%, United States 11.9%, Denmark 7.6% and Luxembourg 7.4%.

TOMRA's share price decreased from NOK 59.00 to NOK 45.20 during third quarter 2002. The number of shares traded at the Oslo Stock Exchange in the first nine months 2002 was 309.2 million shares, compared to 360.4 million in the same period last year.

Asker, 16 October 2002

The Board of Directors
TOMRA SYSTEMS ASA

Jan Chr. Opsahl
Chairman

Erik Thorsen
President & CEO