



**TOMRA<sup>®</sup>**

*2002*

# Financial highlights - Financial Year 2002

- Revenues of 2,667 MNOK, up 3%
  - Europe 937 MNOK, up 3%
  - North America 1,303 MNOK, down 4%
  - South America 427 MNOK, up 99 MNOK
- 13% revenue growth adjusted for currency impact
- Operating profit 330 MNOK
  - ~(86) MNOK currency impact during 2002
- Strong cash flow from operations 501 MNOK
  - Year-ending cash balance > 1 billion NOK
- Total assets 3,137 MNOK, down 10% from prior year

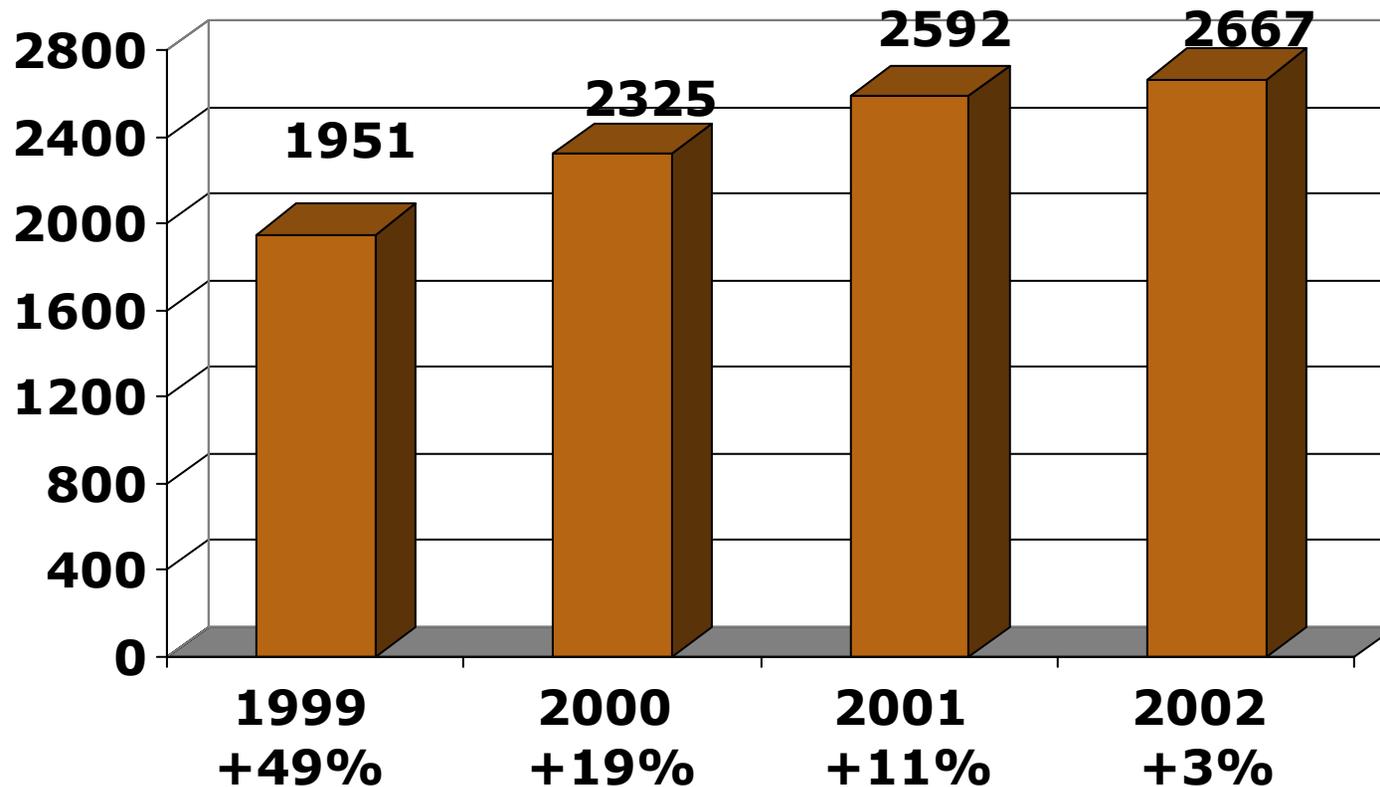
# The year of the NOK

## Currency impact on TOMRA during 2002

MNOK	Q1	Q2	Q3	Q4	2002
USD	0.7	(46.6)	(89.0)	(60.8)	(195.7)
CAD	(0.8)	(3.5)	(5.1)	(3.3)	(12.7)
EUR	(5.4)	(6.9)	(9.9)	(13.1)	(35.3)
SEK	(2.7)	(2.4)	(1.9)	(1.6)	(8.6)
DKK	(2.6)	(6.3)	(4.6)	(1.3)	(14.8)
CHF	(0.1)	(0.3)	(0.4)	(0.4)	(1.1)
Revenue impact	(10.9)	(66.0)	(110.9)	(80.5)	(268.2)
EBIT impact	(7.2)	(18.4)	(33.0)	(27.0)	(85.7)

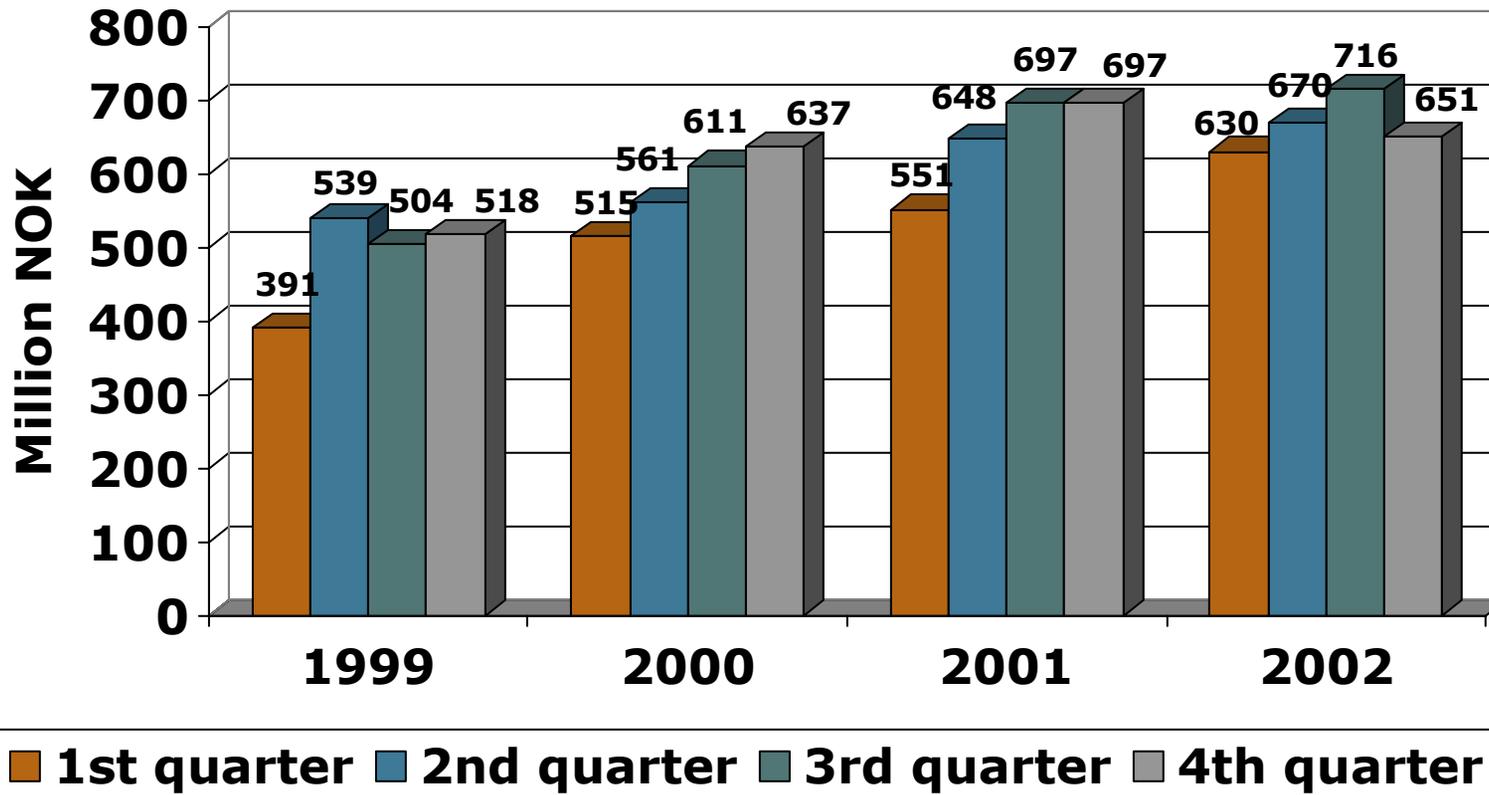
# Revenue by year

(Continuing operations)



# Revenue by quarter

(Continuing operations)



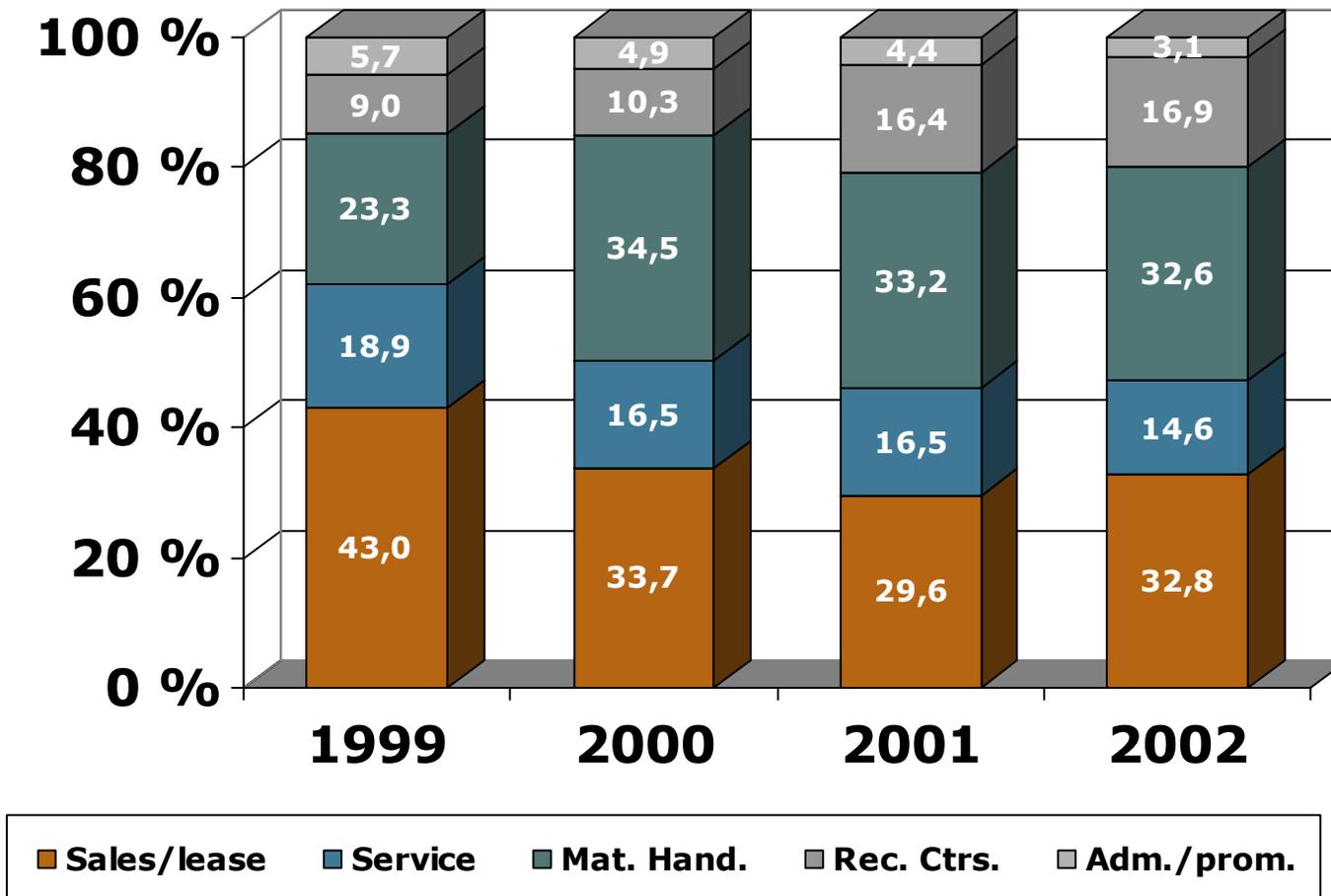
# Revenues by activity

(Continuing operations)

	Europe		North America		South America	
	2002	2001	2002	2001	2002	2001
<b>Sales/lease</b>	<b>637</b>	<b>597</b>	<b>235</b>	<b>166</b>	<b>2</b>	<b>4</b>
<b>Service</b>	<b>282</b>	<b>295</b>	<b>107</b>	<b>132</b>	<b>-</b>	<b>-</b>
<b>Rec. Centers</b>	<b>-</b>	<b>-</b>	<b>195</b>	<b>242</b>	<b>255</b>	<b>182</b>
<b>Adm./Prom.</b>	<b>18</b>	<b>18</b>	<b>65</b>	<b>96</b>	<b>-</b>	<b>-</b>
<b>Mat. Handl.</b>	<b>-</b>	<b>-</b>	<b>701</b>	<b>718</b>	<b>170</b>	<b>142</b>
<b>Total</b>	<b>937</b>	<b>910</b>	<b>1,303</b>	<b>1,354</b>	<b>427</b>	<b>328</b>

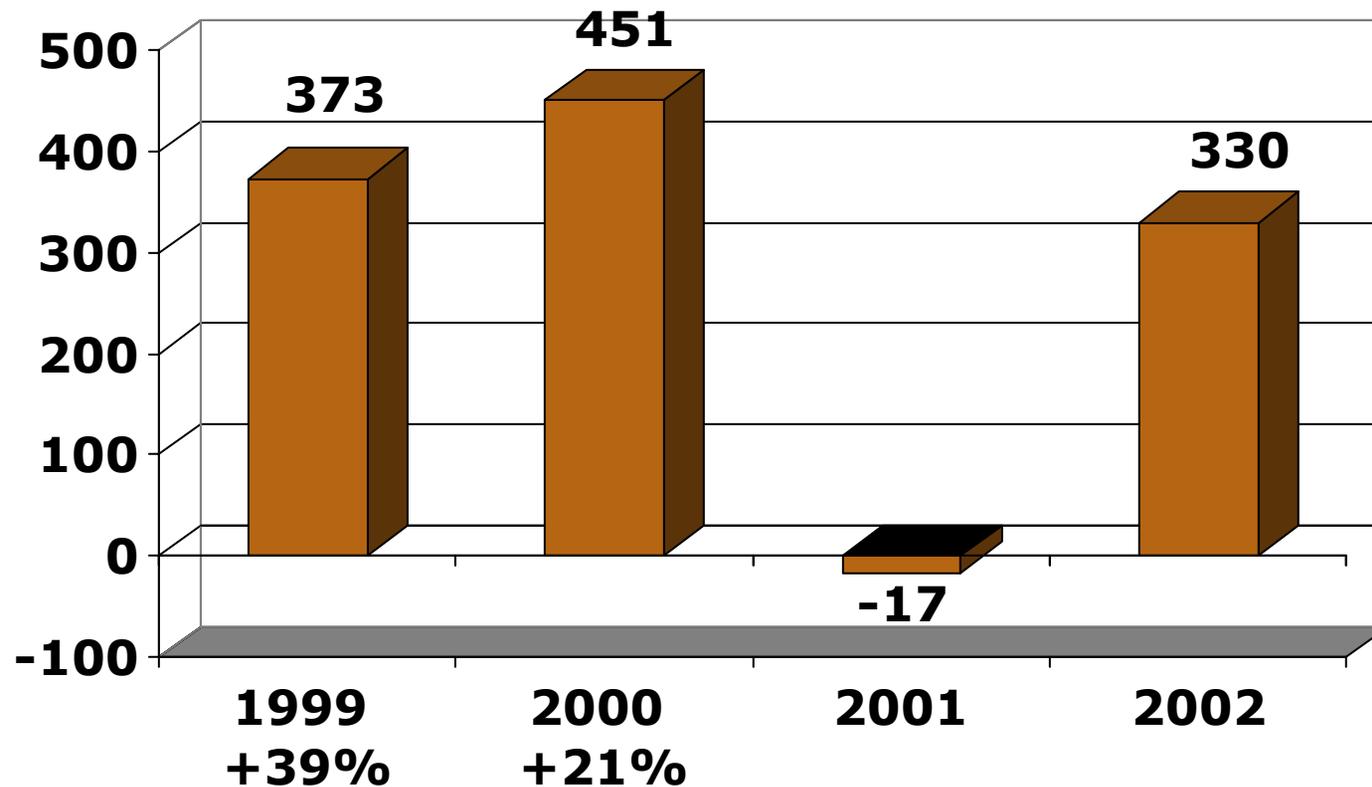
# Business activities revenue split

(Continuing operations)



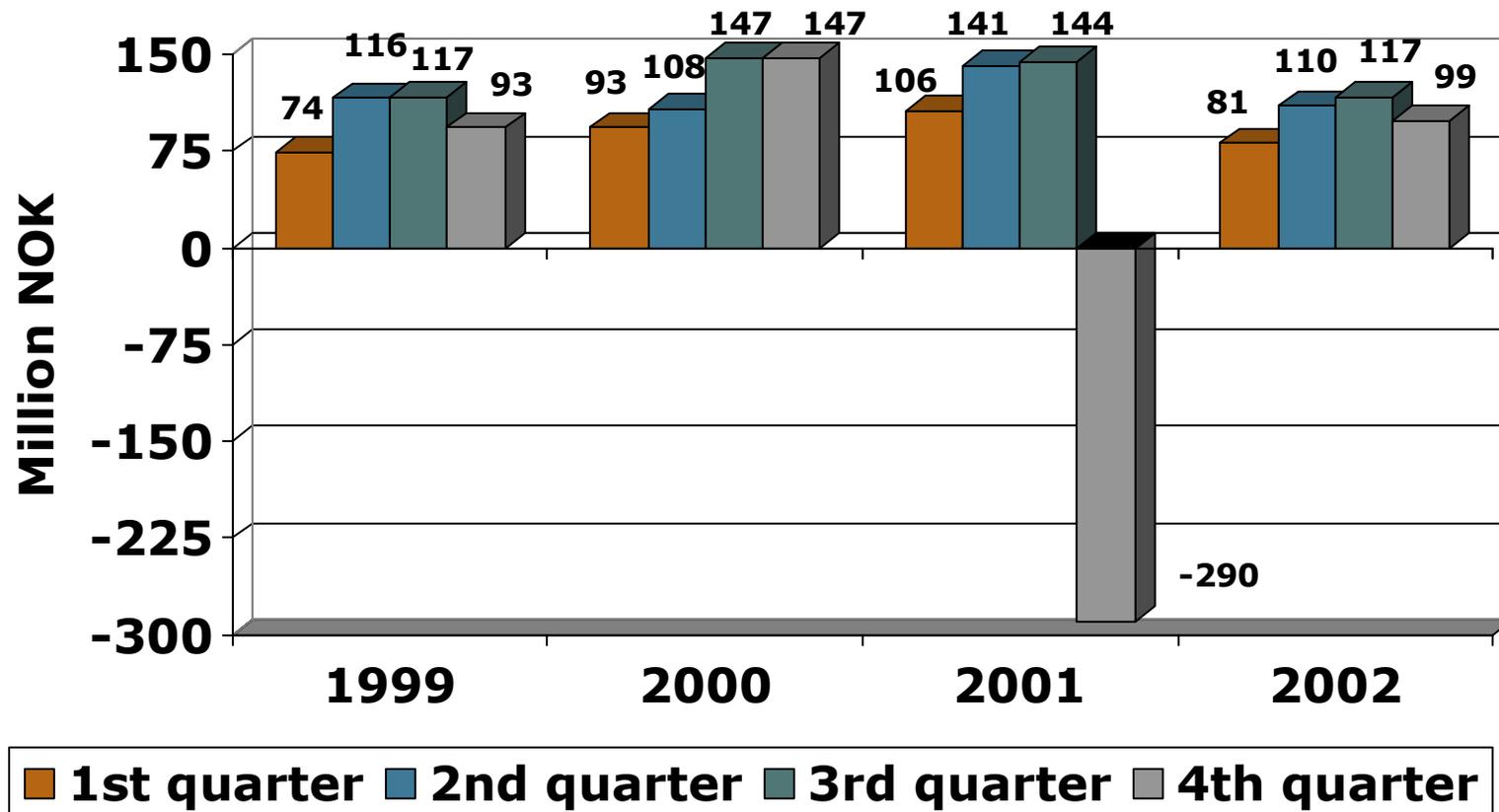
# Operating profit

(Continuing operations)

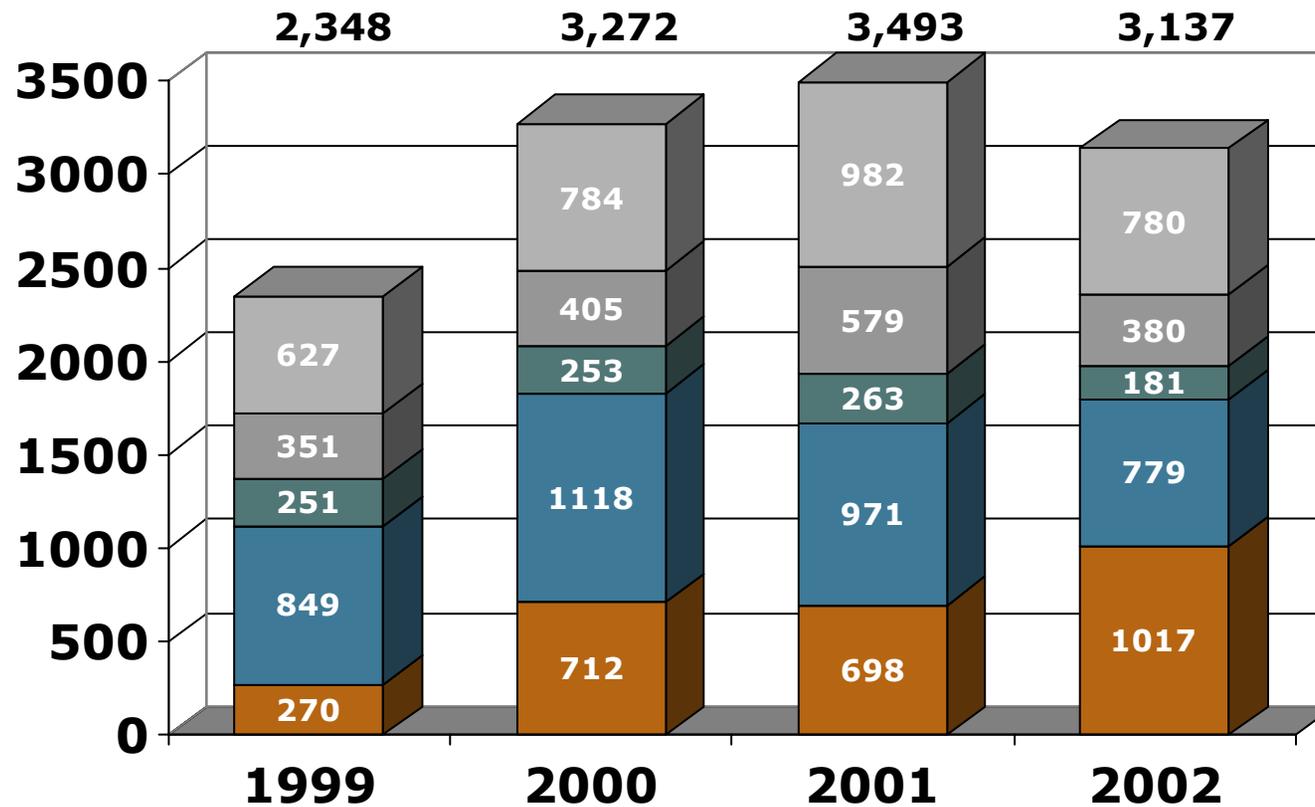


# Pre-tax profit by quarter

(Continuing operations)



# Total assets



# Major shareholders\*

	<u>Shares</u>	<u>Ownership</u>
1. Folketrygdfondet	17,650,300	9.89%
2. JP Morgan Chase Bank Clients Treaty Account	9,082,085	5.09%
3. State Street Bank & Client Omnibus Deposit Account	8,885,414	4.98%
4. CDC IXIS c/o Sparebanken NOR	6,090,000	3.41%
5. Clearstream Banking CID Dept, Frankfurt	3,831,228	2.15%
6. ABN Amro Bank – Danish Clients	3,586,124	2.01%
7. Danske Bank A/S 3887 Operations Sec.	3,456,571	1.94%
8. JP Morgan Bank Lux S/A Carnegie FCP's	3,448,200	1.93%
9. Nordea Bank Denmark S/A Nordea (DK) CCA	3,316,573	1.86%
10. Deutsche Bank AG Kundendepot	3,187,762	1.79%
<b>SUB-TOTAL</b>	<b>62,534,257</b>	<b>35.04%</b>
Other shareholders	117,119,551	65.62%
<b>TOTAL (12,291 shareholders)</b>	<b>178,486,559</b>	<b>100.00%</b>
Total foreign ownership	102,560,635	57.46%

**\*Registered 30 December 2002**

# Shares & shareholders\*

	<u>Country</u>	<u>Shares</u>	<u>Ownership</u>	<u>Number of shareholders</u>
1.	Norway	75,910,334	42.53%	11,437
2.	USA	23,988,594	13.44%	187
3.	Great Britain	22,060,939	12.36%	70
4.	Denmark	13,654,222	7.65%	58
5.	Luxembourg	11,583,778	6.49%	54
6.	France	6,371,970	3.57%	21
7.	Switzerland	5,604,478	3.14%	24
8.	Sweden	5,372,445	3.01%	114
9.	Germany	4,301,526	2.41%	89
10.	Finland	2,730,844	1.53%	23
	<b>TOTAL</b>	<b>171,579,130</b>	<b>96.13%</b>	<b>12,077</b>

\*Registered 30 December 2002

# BU Europe



# BU Europe - Highlights

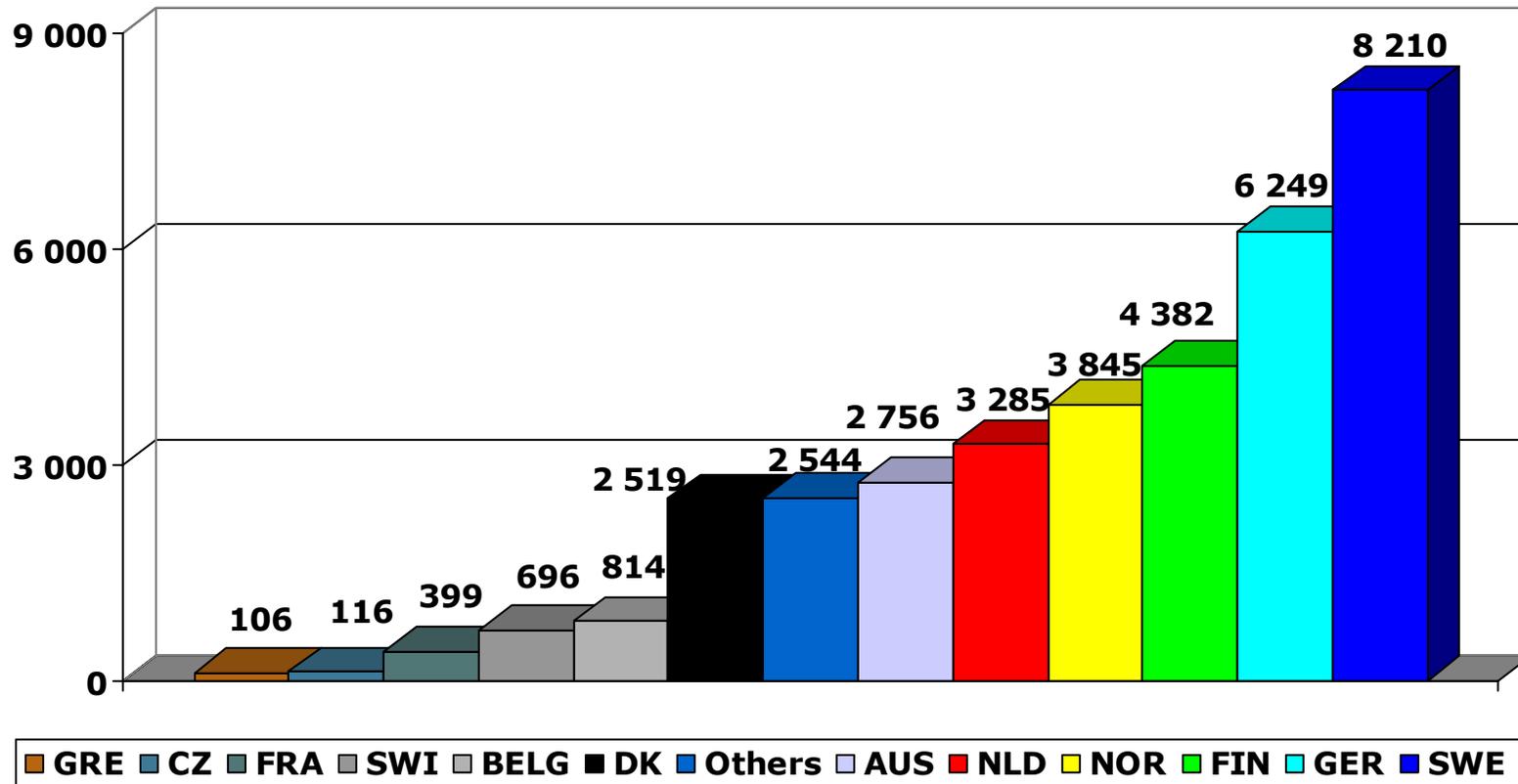
- 3% revenue growth during 2002
  - 10% growth when adjusted for currency impact
  - Main growth drivers DK, SWE, FIN & CEE
- Deposit in Germany implemented on 1 January 2003
- Continued high activity in Finland 4Q
- First order of 50 machines to Israel in 4Q

# BU Europe – Sales by market

<b>Figures in MNOK</b>	<b>2002</b>	<b>2001</b>	<b>Growth in local currency</b>
Norway	66	77	(14%)
Sweden	133	122	17%
Finland	113	105	15%
Denmark	227	58	316%
The Netherlands	81	180	(52%)
Germany	194	225	(8%)
Austria/CEE	55	52	14%
Switzerland	30	37	-
Belgium	20	42	-
Others	18	12	-
<b>Total BU Europe</b>	<b>937</b>	<b>910</b>	<b>10%*</b>

\*Adjusted for total currency impact in 2002

# 35,900 installed RVM's in Europe



# Germany update

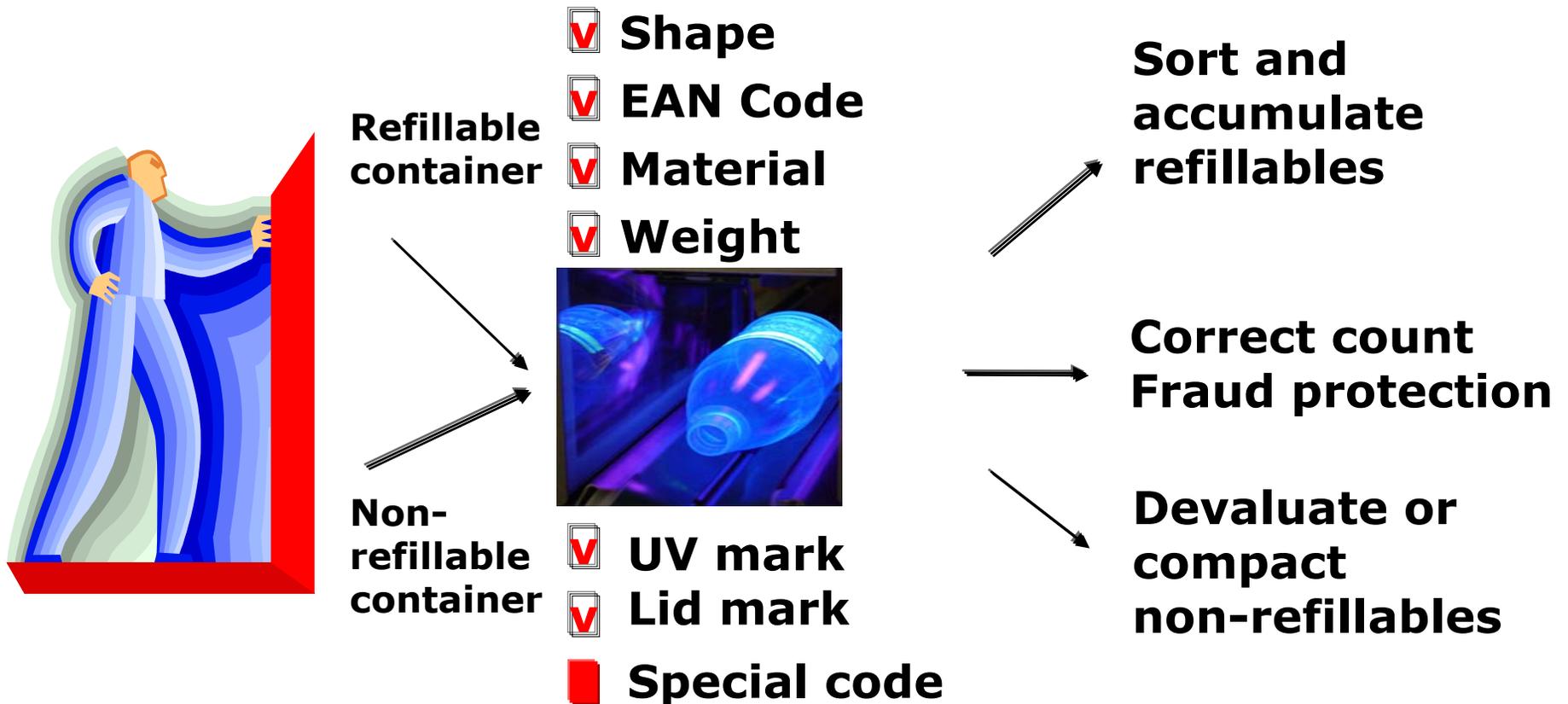
- Deposit implemented as planned
  - Interim, store- or chaine based manual solution
- Industry working on implementation of national deposit system set for 1 October 2003
  - Executive Committee decision on security on 24 January
  - DSD subsidiary chosen as clearinghouse
- Retailers stepped up activities for execution of automated solutions
- Government to propose changes in Packaging Ordinance

# Decision on security system in Germany

- Based on automated collection in all trade segments
  - Traditional RVMs in large & discount stores
  - Tailored small store solution for low volume handling
- Correct recognition of containers through
  - EAN bar codes
  - Special ink marking
  - Additional recognition devices which might be deemed necessary
- Cancellation of deposit containers through
  - Compaction in large & discount stores
  - New cancellation device for special marking
- TOMRA part of working technical group, which is developing new recognition & cancellation devices for special marking

# Container recognition

...a "small" piece of the complete system set-up



# The integrated RVM solution



Recognition system



Man Machine Interface & Automation

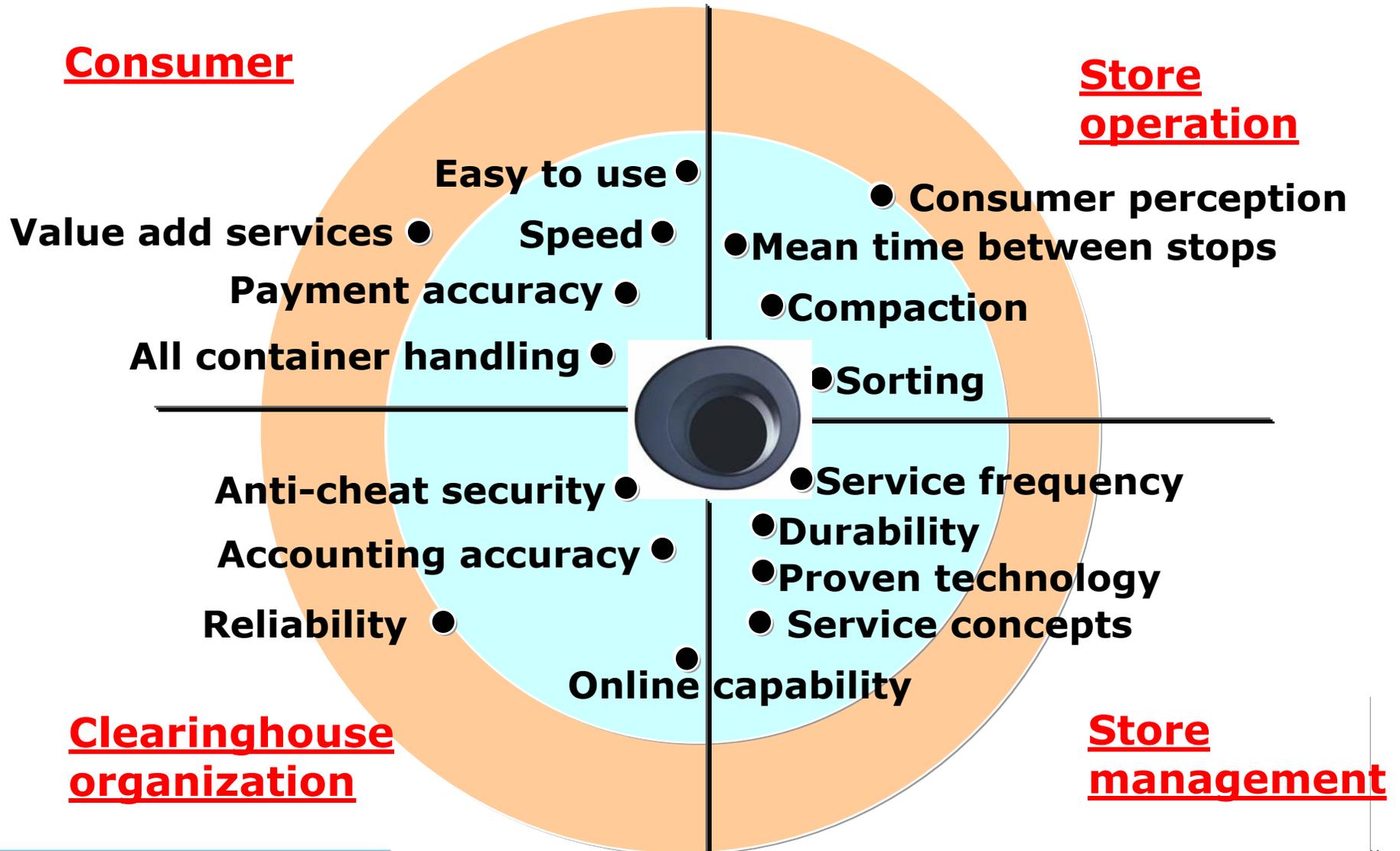


Data Administration & Online Services



Processing & In-store Logistics

# Basic requirements of RVMs

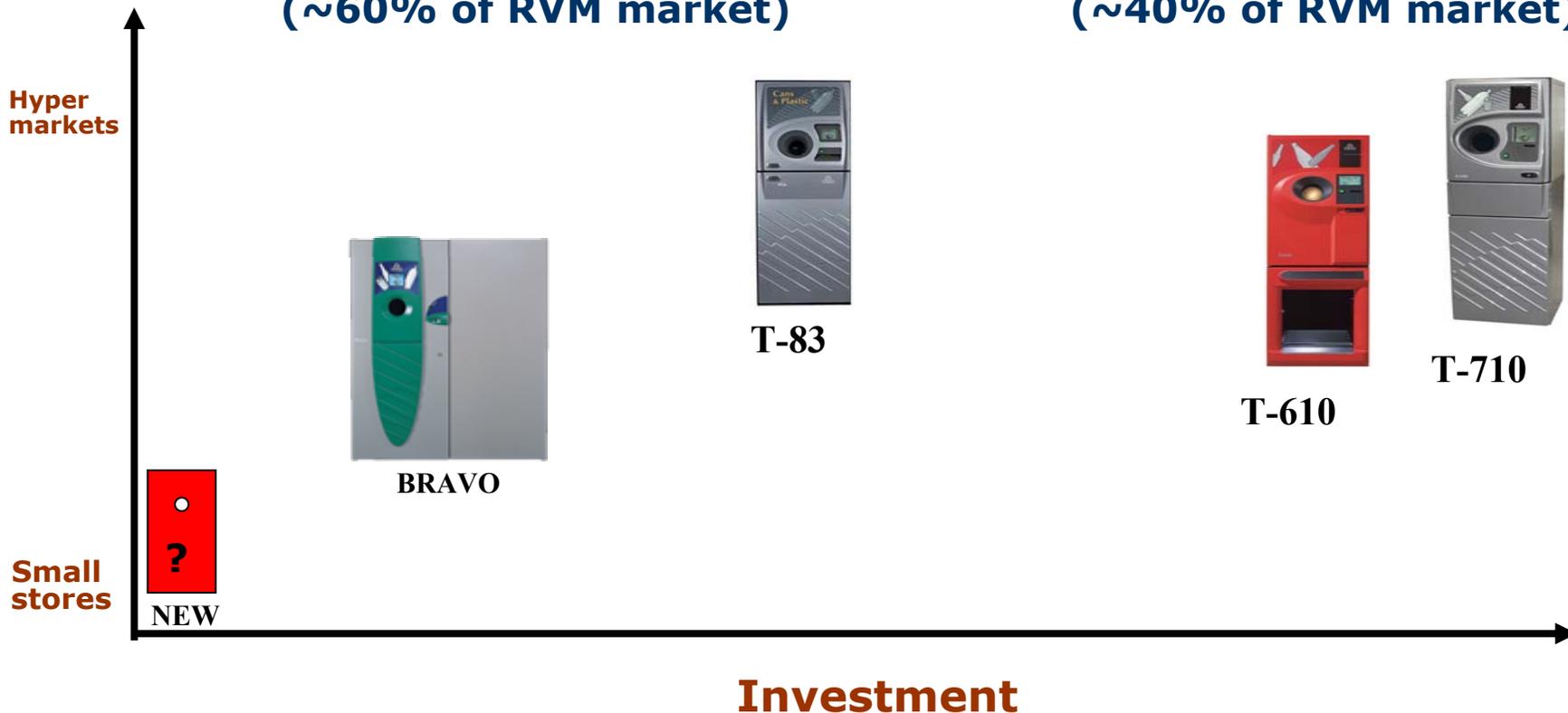


# German product portfolio

Need for RVMs = 40,000 without small store segment

Non-refillable container market  
(~60% of RVM market)

All container market  
(~40% of RVM market)



## **Government anticipates changes to Packaging Ordinance to be implemented before 1 October**

- Deposit on all drinks except on
  - wine
  - milk
  - Tetrapaks
- Deletion of 72% minimum refillable quota thereby making deposit permanent

**Simplified legal framework and more consumer friendly deposit system**

# BU North America



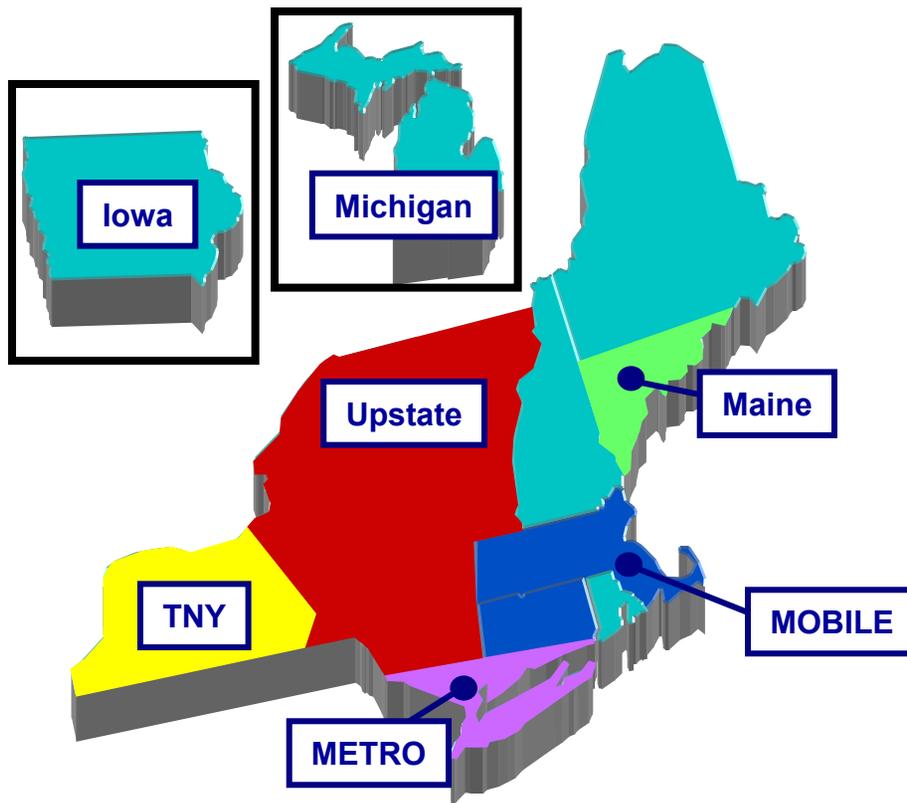
# BU North America - Highlights

- Revenue of 1,303 MNOK (-4%)
- 8% revenue growth in 2002 measured in USD
- 22% 4th quarter revenue growth measured in USD
- 1,900 machines installed in total during 2002
  - of which ~500 T-83 HcP
- Rationalization of materials handling capacity in MA/CT
- Profitable operations in California

# BU North America – Sales by market

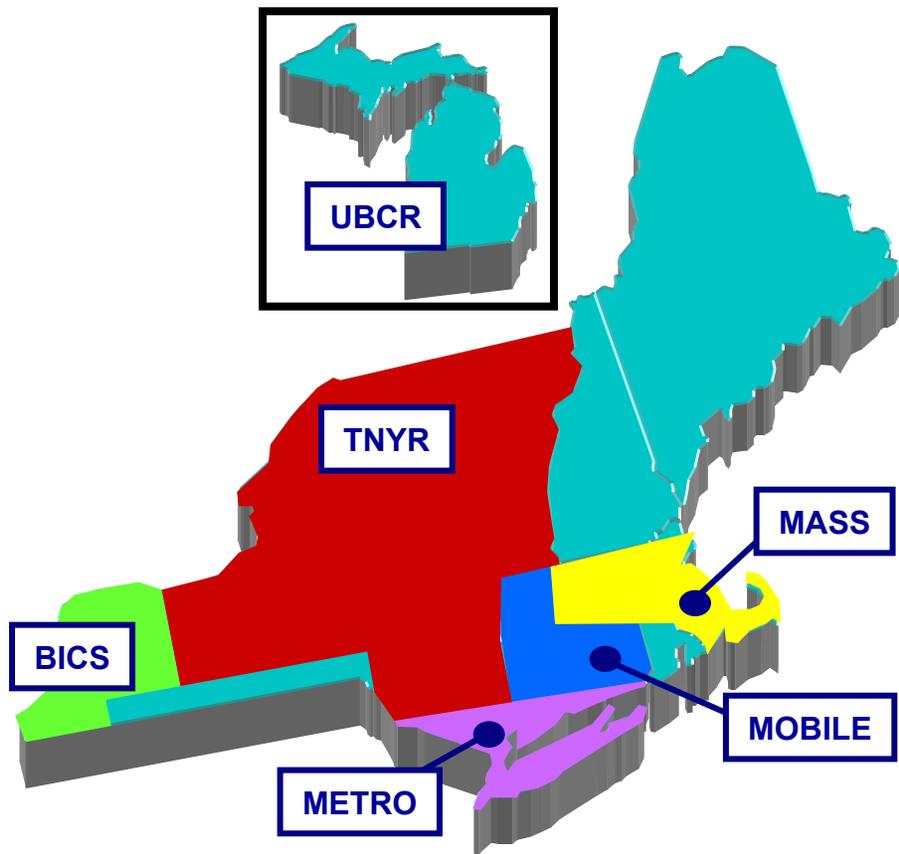
<b>Figures in MNOK</b>	<b>2002</b>	<b>2001</b>	<b>%Δ in USD/CAD</b>
New York	405	473	(4%)
Connecticut	92	85	22%
Massachusetts	104	108	9%
Michigan	289	236	38%
California	304	351	(2%)
Canada	94	97	11%
Others	15	4	327%
Total BU North America	1,303	1,354	8%

# U.S. East RVM market



# of RVMs	TOMRA	Others	TOMRA share
CT	939	500	65%
MA	1,346	995	57%
ME	369	0	100%
MI/IA	4,149	663	86%
NY/VT	4,733	560	89%
<b>Total</b>	<b>11,528</b>	<b>2,718</b>	<b>81%</b>

# U.S. East Materials Handling market

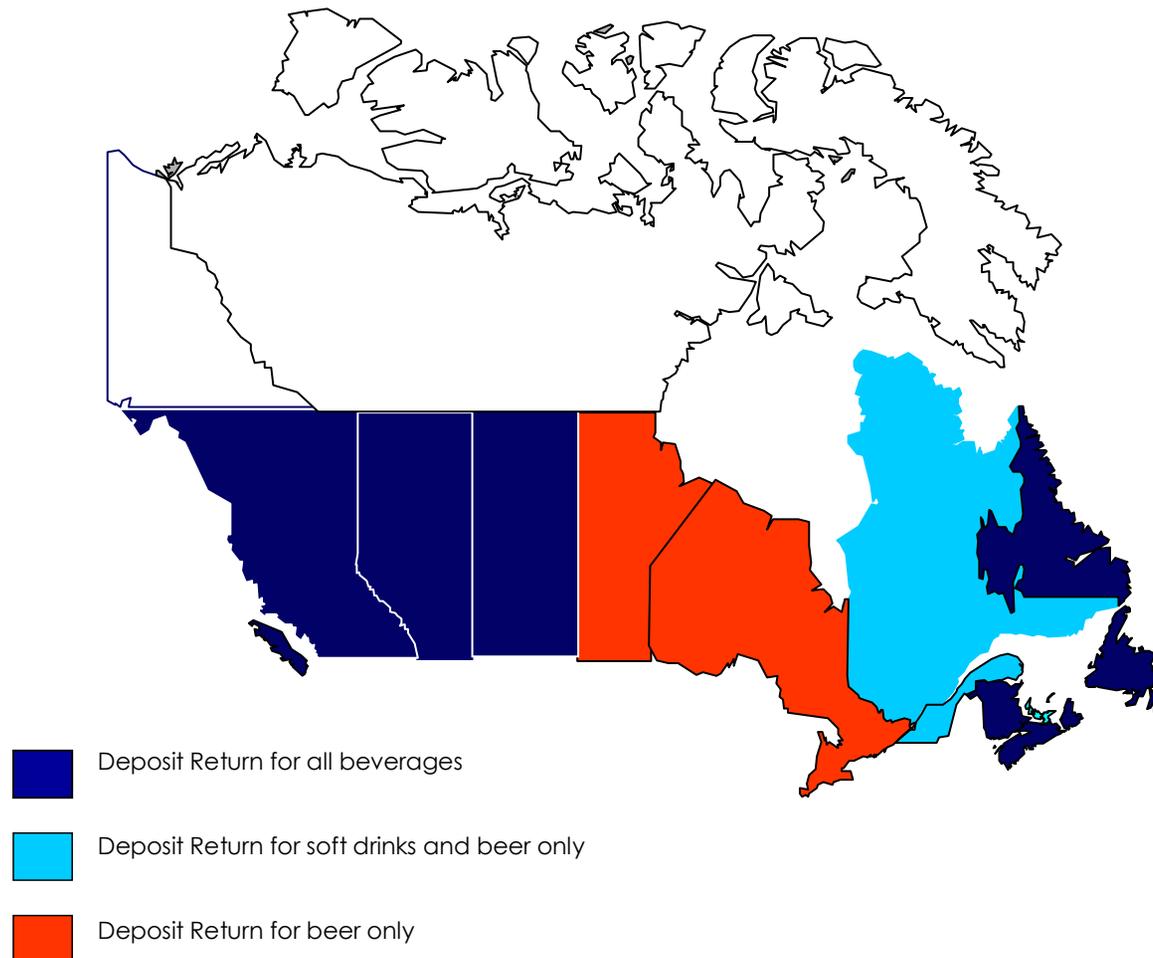


State	Units processed by TOMRA	TOMRA market share
CT	316,751,995	27%
MA	718,150,703	48%
ME	72,000,000	10%
MI/IA	2,523,000,000	48%
NY	2,027,628,237	50%

## California → looking ahead

- 1.5 MNOK operating profit in 2002
- 2003 initiatives
  - Goal of 4% volume growth
  - Continued cost reduction & improved operational efficiencies
- Increased interest from major retailers for TOMRA recycling center services
- Legislative amendments related to man-hour reduction & payment structure from state expected by mid-2003

# Canadian deposit markets



# Canadian beverage market

- Population: 31 million
- 14.3 billion containers sold per year
- Expanded deposit in 6 of 10 provinces
- 65.4% weighted average recycling rate
- Total containers recovered:
  - Deposit: 7.6 billion containers p.a.
  - Non-deposit: 1.75 billion containers p.a.
- Tomra handles 954 million containers p.a.
  - 10.2% market share

# Canadian RVM market

Typical retail configuration



Players	# of RVMs
TOMRA	950
USIPAC (TOMRA)	670
Other	150
Total	1,770

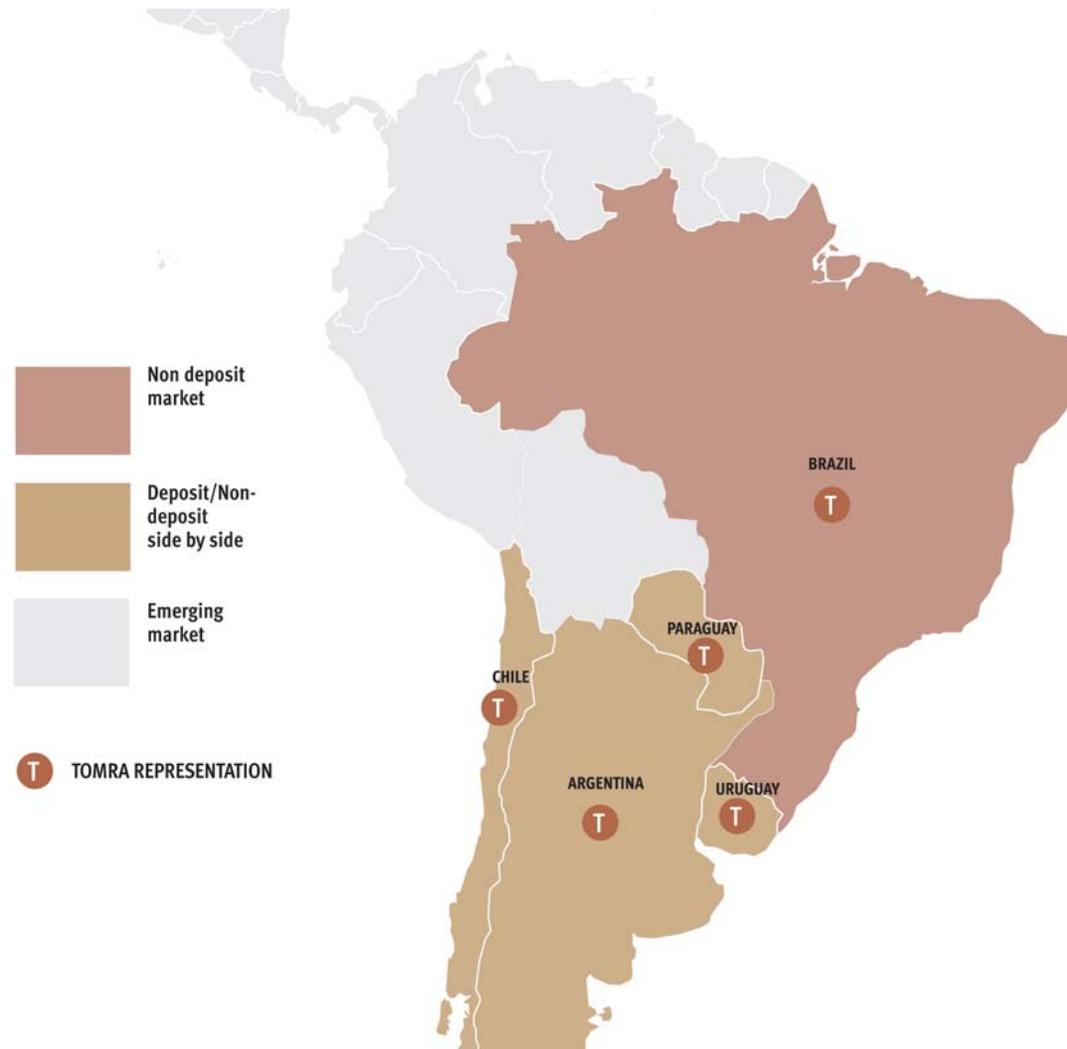
# TOMRA's processing facility outside Montreal



## 2003 key initiatives in Canada

- Cooperation with beer industry to improve handling efficiencies through automated collection at beer & liquor stores (Ontario in 2003 & Alberta in 2004)
- Replace existing, non-intelligent USIPAC RVMs in Quebec in order to gain cost efficiency & limit fraud
- Penetrate small store segment in Quebec
- Introduce TOMRA 83 HCp in large store segment in Quebec

# BU South America



# BU South America - Highlights

- Revenues of 427 MNOK, up 99 MNOK
- Currency impact on revenue (59) MNOK
- Integration and rationalization of Imco collection centers in completion phase
- TOMRA positioned with new business model to fulfill stakeholders' needs in connection with new PET law in the state of Rio de Janeiro

# Brazilian recycling context

<b>Overall</b>	Population: 173 million Container universe: 36 billion
<b>Environmental context</b>	Enormous beverage container littering problem related to PET containers
<b>Legal context</b>	Regulators are aware of the problem and several new regulations are currently being put into place <ul style="list-style-type: none"> <li>- PET law in Rio (25% recycling; practical solutions under dev.)</li> <li>- PET law in Sao Paulo</li> <li>- National solid waste policy</li> <li>- PET law in Pernambuco</li> <li>- PET law in Ceara</li> </ul>
<b>Consumer context</b>	<ul style="list-style-type: none"> <li>▪ High consumer sentiment towards recycling</li> <li>▪ Consumers expect a more active role from retail and beverage industry</li> </ul>

**All companies involved in the manufacturing, use and sale of beverage containers are experiencing increased pressure to step up recycling efforts**

**As retailers sell the majority of PET bottles, they are naturally expected to contribute strongly**

# rePlaneta history & results

## History

- A pilot for testing collection at the retail site
- Cooperation between Tomra, Ambev and Pao da Acucar
- Pilot initiated at 8 locations in Rio de Janeiro on June 4, 2001.



## Observations

- Some promising results in pilot period
  - 198 000 customers
  - 10 million containers collected
- Very well received by consumers and positive value realized for retailer
- Very positive signals from regulators
- Solid experience base established on how to operate retail collection infrastructure in Brazil

**The Replaneta concept and business model is a very cheap and effective way to significantly increase recycling rates for PET in Brazil**

# rePlaneta installations



**Extra Tijuca - 1°**



**Extra Barra da Tijuca - 2°**

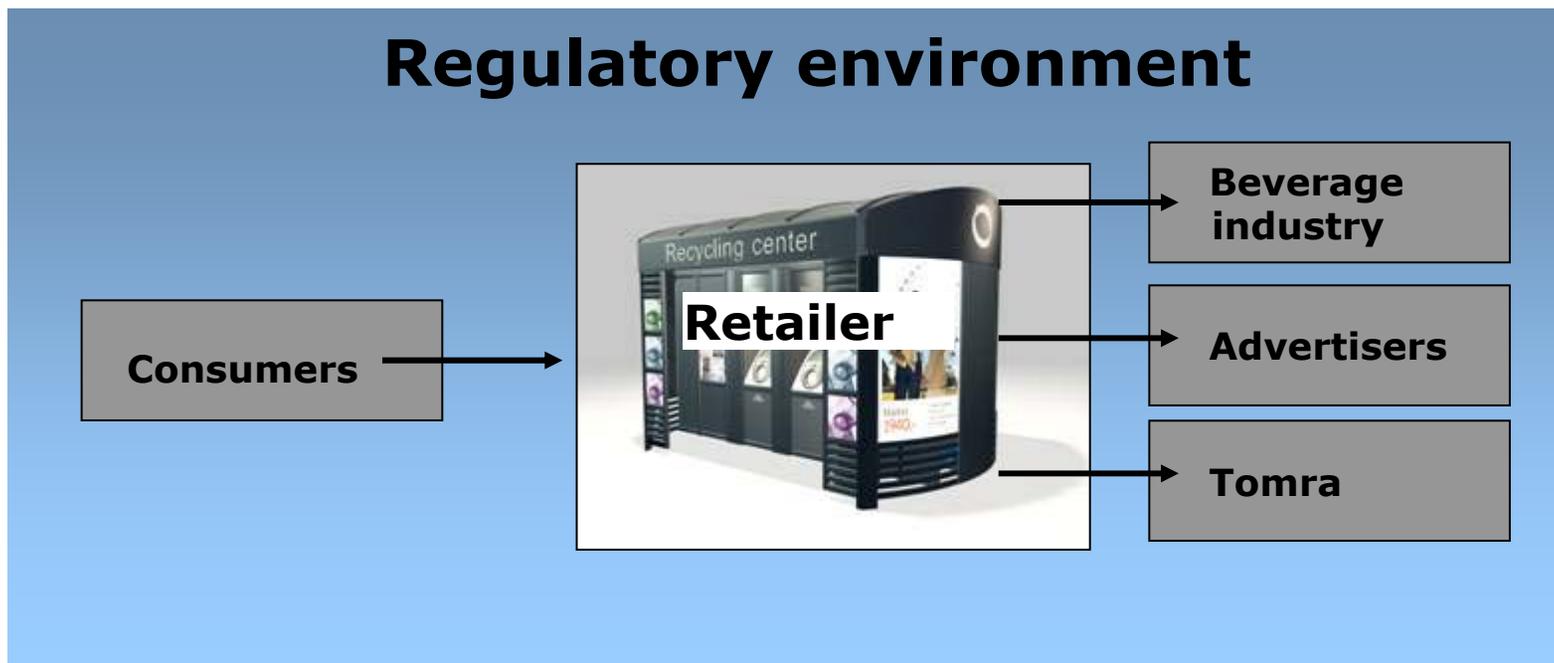


**Extra Boulevard - 3°**



**Extra Niterói - 4°**

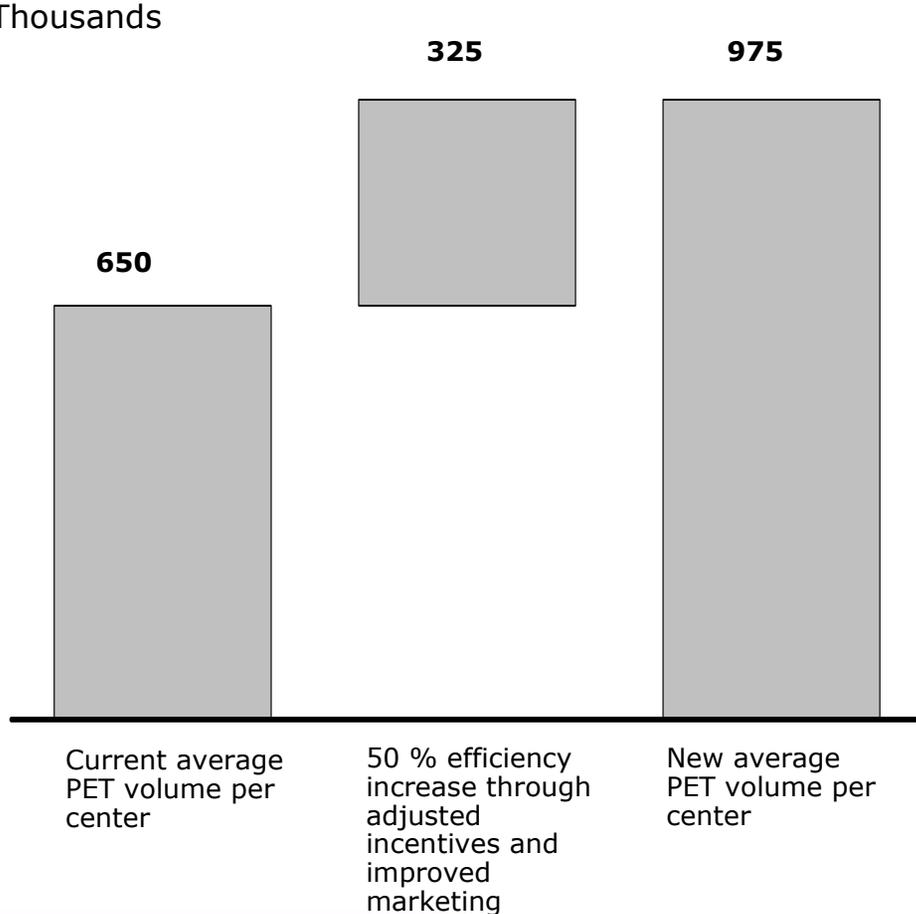
# In Brazil, the retailer is at the center of recycling



**The retailers are taking a lead in establishing an attractive/effective infrastructure and draw on other stakeholders for financing and support**

# Establishment of collection infrastructure will help solve PET problem

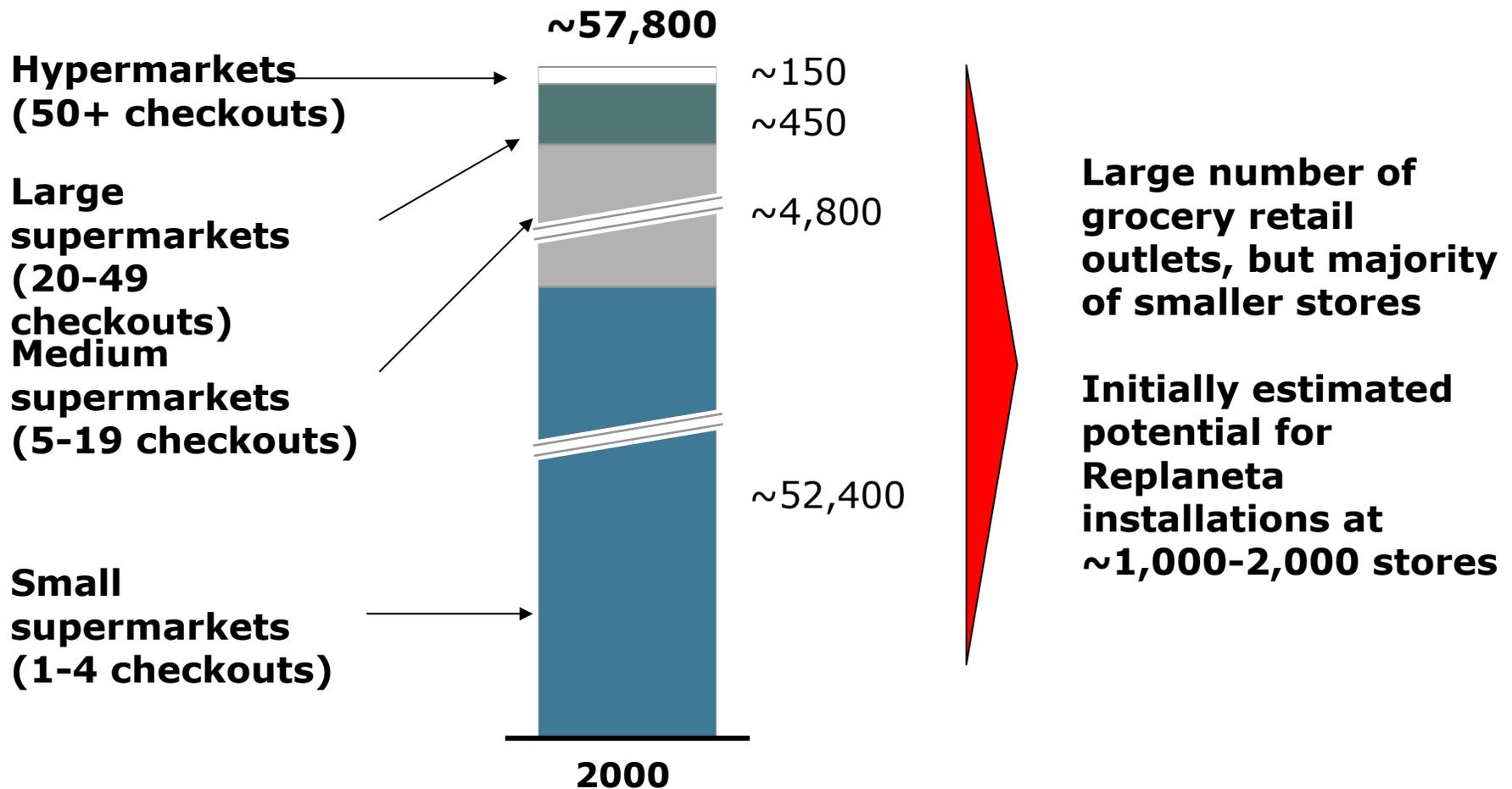
**Average number of PET containers collected per center per year**  
Thousands



**Approximately 100 centers in Rio de Janeiro state would collect ~100 million PET containers and increase recycling by 12-15% to above 30% total**

**Retail location is preferred and 100 centers in Rio de Janeiro State would likely be distributed at 28 Hypermarkets and 72 Supermarkets**

# Brazil – number of grocery stores by format



# Japan 2002

## Background

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- **No. of inhabitants: 127 million**
- **Container universe: 47.5 billion**
- **High consumer recycling activity (70-80% recycling rate for cans/glass and 15% for plastic)**
- **Existing municipal models run at extremely high costs**

## Developments

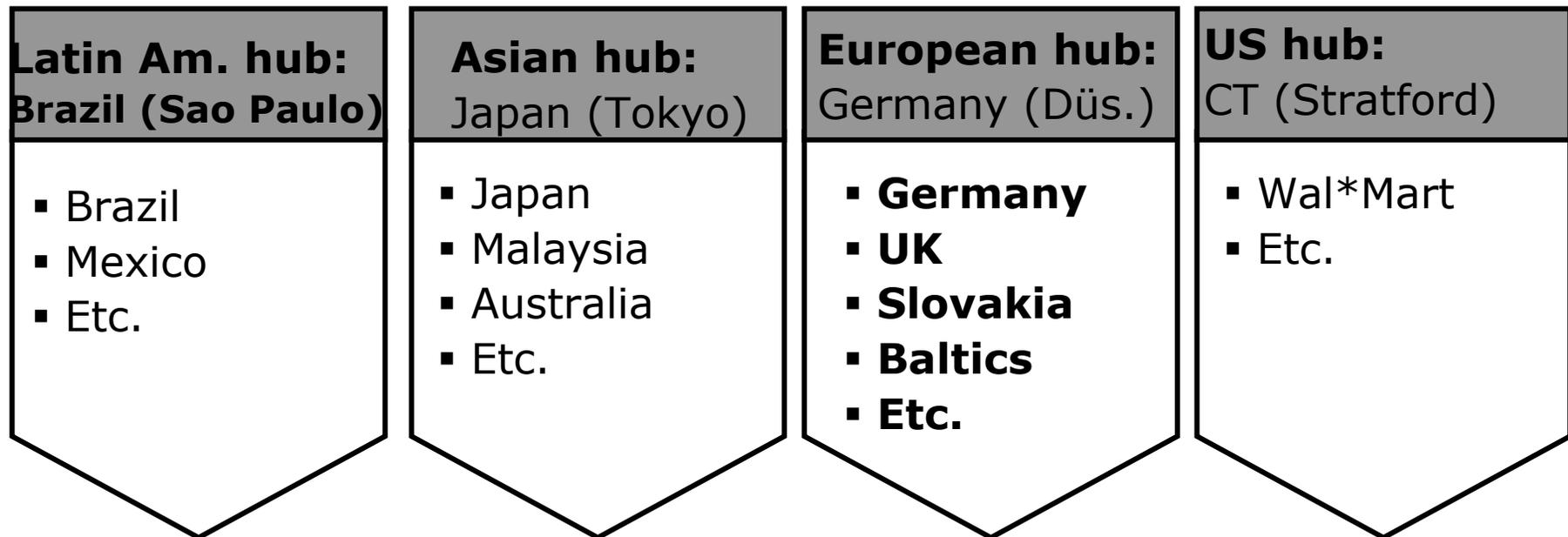
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- **Envipco's former distributor now a Tomra Partner**
- **Envipco equipment currently being replaced by Tomra recycling centers**
- **Municipality operated collection centers are very successful**
  - **Example from Hozumi Town municipality shows 73% resident participation with one collection center per 3000 inhabitants**
  - **Significant cost reduction for municipality**
- **4 MNOK in sales during 2002**
- **"Unlimited" potential through the municipality model – 3240 municipalities in Japan**

# Recent installations in Japan



# 2003-2005 business development priorities



**We will leverage current “hubs” to explore new regional opportunities**



**TOMRA®**

*Helping the world recycle*