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Additional information about TOMRA's organization is available at www.tomra.com.
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KEY FIGURES

		2013	2012	2011 Continuing operations	2010 Continuing operations	2010	2009
Operating revenues	NOK million	4,602	4,073	3,690	3,050	3,496	3,321
EBITA	NOK million	706	739	669	496	541	352
Profit before other items	NOK million	601	662	625	470	514	292
Ordinary profit before taxes	NOK million	561	630	604	463	508	391
Net profit	NOK million	412	478	419	114	114	268
Total assets	NOK million	5,623	5,159	3,999	3,305	3,305	3,112
Equity	NOK million	2,741	2,283	2,141	1,832	1,832	1,845
Return on equity, ex. other items	%	15.4	19.9	20.3	15.8	17.3	12.9
Return on total assets, ex. other items	%	11.4	14.8	17.5	15.1	16.5	12.5
Earnings per share	NOK	2.62	2.98	2.72	0.32	0.50	1.67
Earnings per share fully diluted	NOK	2.62	2.98	2.72	0.32	0.50	1.67
Net cash flow from operating activities	NOK million	567	550	567	525	525	457
Number of employees as of 31 December		2,520	2,470	1,982	1,419	2,027	1,952
Female employees	%	18	17	18	19	19	18
Female managers (of all managers)	%	16	17	18	19	19	21
Number of reportable injuries		116	81	109	92	137	138
Carbon dioxide emissions	Metric tons	25,800	27,700	25,400	22,000	23,300	30,200
Waste generation	Metric tons	3,520	3,390	3,320	3,130	3,135	3,100

OPTIMAL RESOURCE PRODUCTIVITY

TOMRA's mission is to create sensor-based solutions for optimal resource productivity, and in doing so, contribute to a better environment, better resource utilization, and a better economy.

We want to be a driving force and enabler for sustainable development, an aspiration reflected by our vision statement "Leading the Resource Revolution." In essence this means creating opportunities for our customers and business partners to increase resource productivity and value generation while minimizing environmental impact.

In 2013 our solutions enabled the efficient recovery of billions of used materials, and helped keep some 20 million tons of CO₂ from being released into the atmosphere. This is a significant contribution and a great source of pride for TOMRA employees.

DOING BUSINESS RESPONSIBLY

TOMRA is a member of the UN Global Compact, a strategic platform for advancing our commitment to sustainability and corporate citizenship. During 2013 we continued to focus on implementing our Code of Conduct and other policies as part of the ongoing process to integrate the Food segment and build "ONE TOMRA." This is an essential part of ensuring that TOMRA operates responsibly on a global basis. TOMRA will continue to support and promote the principles of the Global Compact during 2014.

BUSINESS REVIEW 2013

Overall 2013 was a mixed year for TOMRA; the Collection Solutions business area continued to perform well and delivered growth. We brought to market the T-9, the first of a new generation of reverse vending machines based on TOMRA Flow Technology—featuring the first ever 360-degree recognition system applied inside an RVM. This technology enables a number of unique benefits both for our customers and consumers, including the possibility for accepting containers that until now could not be collected in RVMs such as TetraPak cartons.

Sorting Solutions experienced growth within the food segment, launching new products for important application segments based on a common technology platform. Sorting however faced challenges particularly within the recycling segment where the business climate was negatively influenced by falling commodity prices. Although TOMRA maintained its market share, the drop in sales volume for metal recycling was significant. The waste recycling sector also experienced a period of more moderate growth. Mining, an area where TOMRA has a market share of 40-60%, also experienced challenges and to accelerate growth more emphasis has been given to the segments industrial minerals and gem stones in addition to developing more frequent smaller projects.

THE OPPORTUNITIES AHEAD

The TOMRA Group is favorably positioned to support global macro trends in relation to resource optimization. By 2030, there will be three billion more middle class consumers driving consumption and the need for resources. The continuous global trend towards urbanization also drives the need for resources—in China alone, an estimated 300 million people will migrate from the countryside to cities in the coming 15 years. Global warming and the supply of food, water, and raw materials also pose a constant challenge to which we offer solutions.

Within Reverse Vending the potential exists for significant replacement sales in Germany in the coming 1-5 years. With the addition of the T-9 to our successful reverse vending portfolio and our comprehensive after-sales service offering, I believe we are particularly well positioned to capitalize on the opportunities in Germany and our other markets. Further initiatives within our cost-saving program will also be executed to maintain solid margin levels.

Our Compaction business has recently invigorated its product portfolio with the addition of ORWAK POWER, a family of balers with an innovative new hydraulic system and design concept enabling denser bales, greater durability and increased convenience in use.

In 2013 our solutions enabled the efficient recovery of billions of used materials, and helped keep some 20 million tons of CO₂ from being released into the atmosphere.

We will continue our work to integrate operations within TOMRA Sorting to address overlaps and dualities, reduce costs and make the company fit for the future. A new assembly plant is being built in Pezinok, Slovakia which will serve as Sorting's global production hub. A common sorting technology platform has been defined and will form the base for all new Sorting Solutions products, allowing us to capitalize on synergies, shorten time to market, and reduce development costs. After a period of slower order intake in 2013, the focus on sales of our many new products and securing orders will also be a priority focus area in 2014. The increased focus on food safety and inline inspection will favorably support our food business stream.

Given the global macro trends and increasing demand for greater resource productivity, there is every reason to believe that TOMRA's unique position, broad product offering and deep application know-how will enable us to continue developing favorably.

S. Ponschard



TOMRA's solutions, in use around the globe, helped keep up to 22 million tons of CO₂ from being released into the atmosphere in 2013, equivalent to the annual emissions from 14 million cars driving 10,000 km. This allows our customers to increase their financial results while reducing their environmental impact.

The Resource Revolution is about transforming how we obtain, use, and reuse resources for sustainable economic growth and improved quality of life for all. TOMRA's solutions help our customers increase their financial results and reduce their environmental impact.

Together, we are

LEADING THE RESOURCE REVOLUTION

We know that as a planet, we're running to the end of our leash. The world population will increase by 30% in the next forty years. Global resources are under unprecedented pressure. For example, today it takes one and a half years to reproduce the biomass that the world consumes in just one year. Something needs to change.

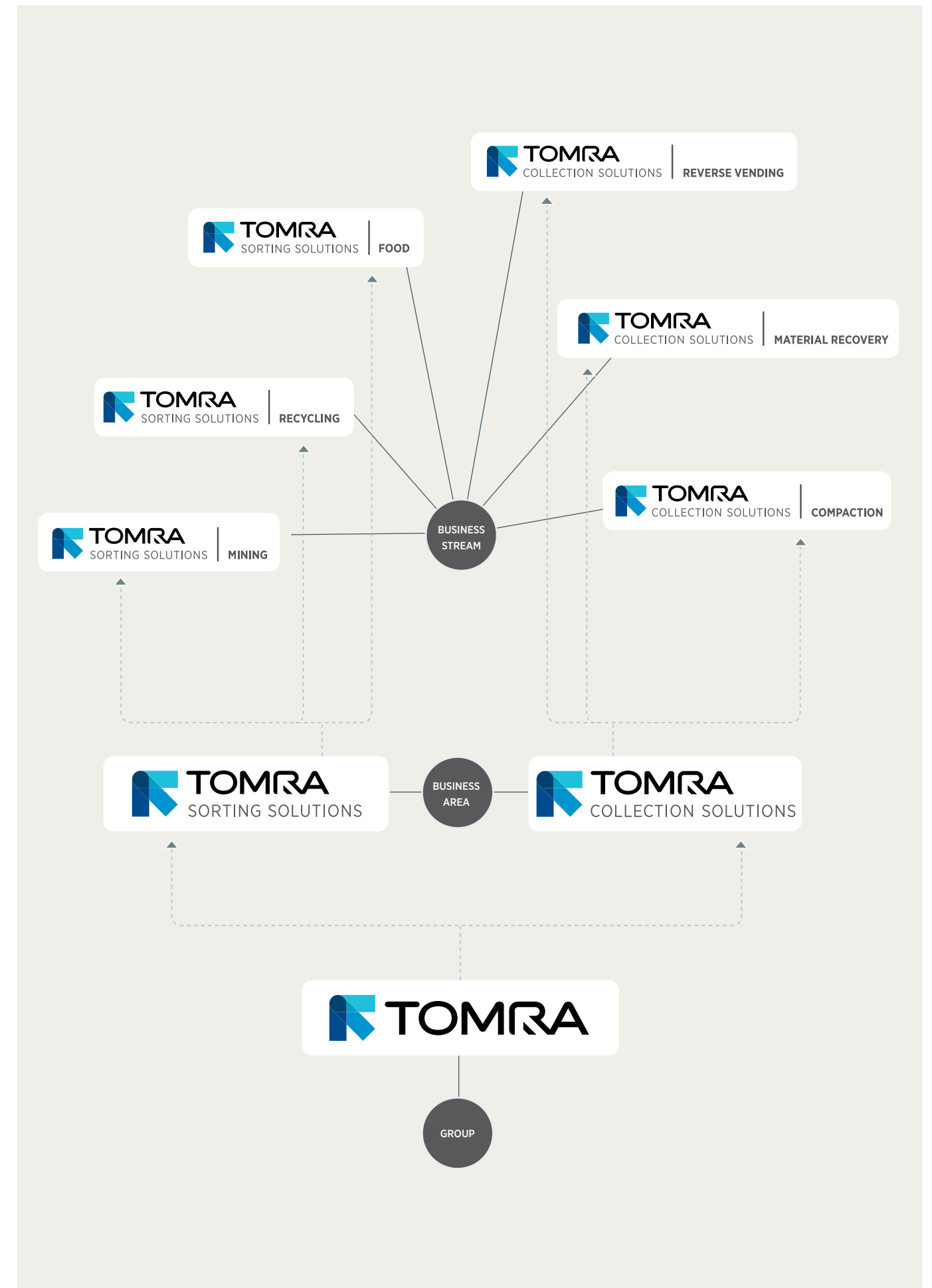
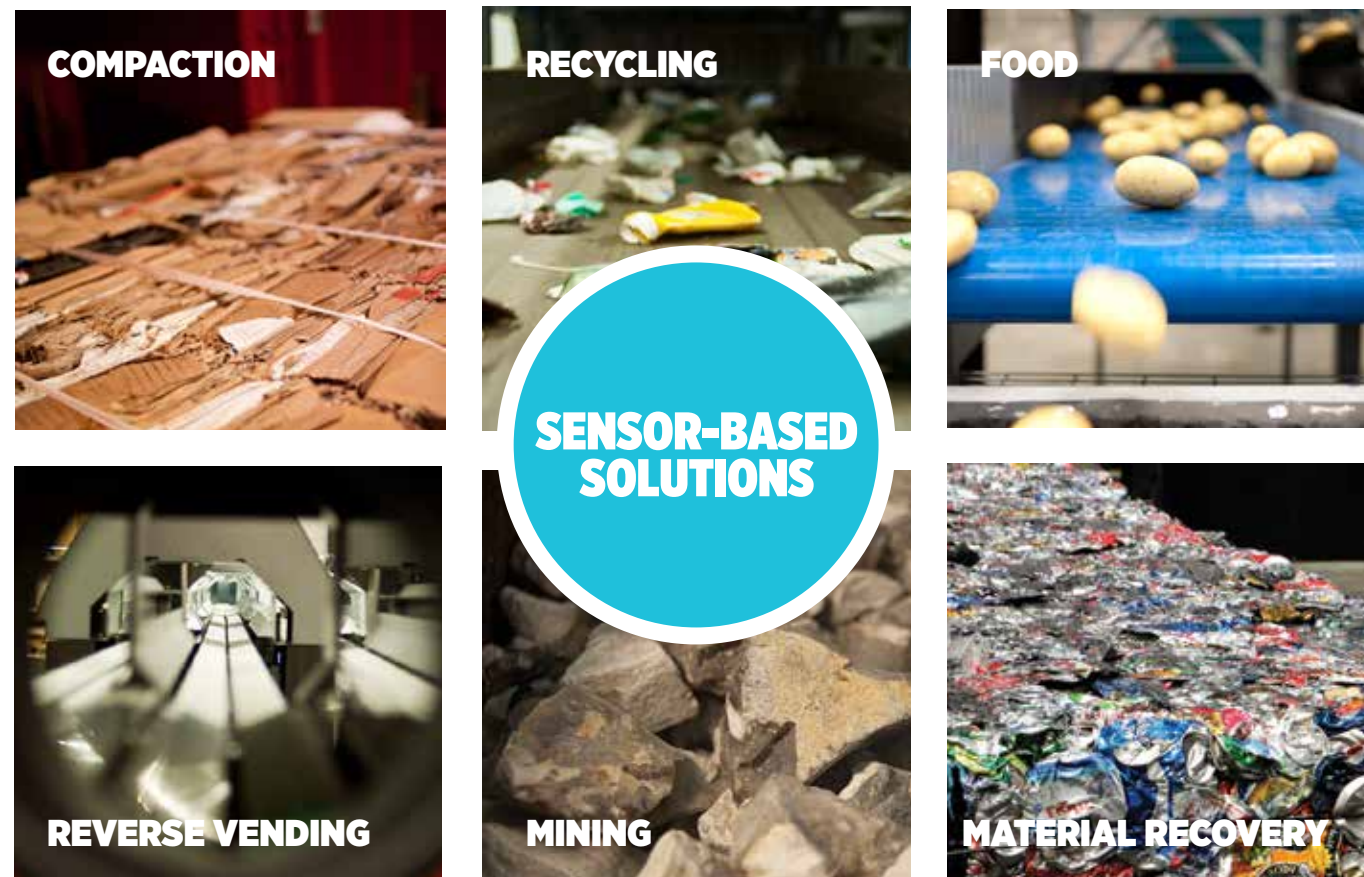
Resource productivity and optimization are the best ways of ensuring sustainable development today and in the future. That's why we're focused on transforming how the world obtains, uses, and reuses its precious resources. From the invention of the world's first reverse vending machine in 1972 to the creation of the most innovative sensor-based sorting solutions today, we are proud to be among the first to recognize that what's better for the environment can also be better for business.

TOMRA continues to take a larger role in leading the Resource Revolution by extending our reach to include food sorting, mining, compaction, recycling, and material recovery. The more we collaborate in developing opportunities for resource-optimizing innovation, the greater our impact will be on our future.

ONE TOMRA

Creating one TOMRA has been about leveraging existing brand equities and combining them to complement the whole —creating an ecosystem of sensor-based solutions focused on the optimization of our customers resource use.

By becoming one TOMRA we have positioned ourselves as a unified brand that can lead the resource revolution toward sustained economic growth and improved quality of life for all.



TOMRA COLLECTION SOLUTIONS

REVERSE VENDING

TOMRA is the undeniable leader in the field of reverse vending of used beverage containers.

TOMRA is the undeniable leader in the field of reverse vending of used beverage containers. We pioneered this industry more than 40 years ago and we continue to nurture the spirit of innovation necessary to address today’s new challenges. We’re proud of our efforts. We have more than 70,000

machines installed across 30 markets worldwide, and we know that customers and stakeholders alike recognize and appreciate our position as the worldwide expert in this important field.

With a solutions portfolio that’s able to fit almost any need, we’re able to optimize the handling of used containers in a wide range of business environments. And our continuous research, development, and innovation ensures that our customers will have the benefit of the best lifetime value and highest operational ease of any system out there. When choosing TOMRA as a partner, you can rest assured that the quality, technology, and service you expect will be there when you need it.

OUR REVERSE VENDING BUSINESS STREAM HAS AN ESTIMATED 65% MARKET SHARE.



REDUCED COSTS

- + Reverse vending machines reduce the need for manual labor and typically have a payback period of just 12-18 months for medium-size stores.
- + Improved logistics and handling.

CLEARING OF DEPOSITS

- + RVMs keep track of all deposit transactions. In Germany alone the total transaction volume has an annual value in excess of 4 billion EUR.
- + RVMs have several fraud detection features to prevent paying out deposits on non-eligible containers.

High consumer convenience

- + RVMs make it convenient and easy for consumers to return their empty containers.
- + RVMs are clean and efficient, while ensuring correct redemption of containers.

COMPACTION

TOMRA Compaction is a world leader in compaction and baler solutions for solid waste materials at their source.

We offer a comprehensive range of compaction systems that add to a cleaner environment and make waste management more efficient and profitable. Highly compacted waste means less volume to transport, which contributes to reduced

transportation costs and lower CO₂ emissions. Since the early 1970s, we’ve been designing, developing, and manufacturing high-performance systems that have set the standard for cost-effective waste recycling and disposal.

Over the years we’ve delivered more than 70,000 machines to customers in more than 40 countries around the globe. In a world of commerce and consumption responsible for generating mountains of waste material, we’re truly dedicated to sustainable waste management and maximizing the productivity of the world’s precious resources. Our solutions represent an indispensable link at the very beginning of the waste management chain.

OUR COMPACTION BUSINESS STREAM HAS AN ESTIMATED 15-20% MARKET SHARE IN ACTIVE MARKETS.



ENHANCED PRODUCTIVITY

- + Significant reduction in time spent on manual waste handling and internal waste transportation. That means staff can spend more time concentrating on core tasks instead.
- + Waste volume reduction contributes to more productive use of space for stock in trade and production.

COST SAVINGS AND INCREASE VALUE

- + Lower transport costs due to highly compacted waste, requiring fewer transport pick-ups.
- + Sorting at source yields a higher quality of waste materials for recycling.

ENVIRONMENTAL BENEFITS

- + About 30 million tons of material are compacted and recycled per year using TOMRA’s equipment. The savings are equivalent to 10.8 million truck transports annually. Assuming each short distance transport is about 20 km, that’s reducing CO₂ emissions by 270,000 tons per year.

MATERIAL RECOVERY

The complex requirements of the deposit return system that created the need for reverse vending machines also created the need and opportunity for Material Recovery Services.

From logistics management to materials processing, and materials marketing and trading to recycling, our Materials

Recovery business stream is integrated throughout the container recycling value chain.

Using sorting and compaction through RVM technology, in partnership with an integrated logistics and processing system, is providing cost savings of between 30% and 60%. And maintaining the material quality throughout the process increases the value of these materials to recycling companies. PET alone is, on average, 10 cents more valuable when collected and processed through TOMRA’s systems. TOMRA’s Material Recovery Services demonstrates its value every step of the way.

OUR MATERIAL RECOVERY BUSINESS STREAM HAS AN ESTIMATED 60% MARKET SHARE IN MARKETS SERVED.



SUPPLY CHAIN MANAGEMENT

- + Product management through the value chain.
- + Engineer cost efficiencies through logistics.
- + Material sorting and compaction for efficient transport to processing facilities.
- + 5-10% cost savings opportunity using TOMRA’s systems approach.

ACCOUNTABILITY AND INTEGRITY

- + Clearinghouse services coordinate financial transactions in excess of \$500 million annually.
- + A 5-10% reduction in shrink.

ENVIRONMENTAL BENEFITS

- + Reduced carbon footprint.
- + High-quality and valued materials for reuse in manufacturing.
- + 10% pricing improvement

TOMRA SORTING SOLUTIONS

FOOD

ODENBERG and BEST are now under the umbrella of TOMRA Sorting Solutions to design and supply innovative world-class sorting, peeling, and process analytics solutions for a wide range of applications.

Through continued investment in research, development, staff, and education, ODENBERG and BEST continue to lead in several sectors of the food sorting industry, including dried fruit, nuts, fresh cut, fruit, potato, seafood, and vegetables markets.

Developing state-of-the-art technologies, optimizing customers’ production flow, and helping to deliver consistent, high-quality output have been our strengths for more than 30 years in the food industry. We offer customers an integrated approach that maximizes yield, quality, and efficiency—collecting real-time information from farm to fork.

With more than 7,000 machines installed worldwide and a comprehensive support and service network, TOMRA provides global presence and excellent customer service. Additionally, customers can rely on eight test and demonstration centers worldwide where they’re able to test their own products to ensure that our sorting solutions meet their specific needs.

OUR FOOD BUSINESS STREAM HAS AN ESTIMATED 25% MARKET SHARE.

OPERATIONAL EFFICIENCY REDUCES COSTS

- + Up to 100% reduction on manual labor alternative.
- + Productivity increases of approximately 20%.
- + In many cases sorting cannot be completed manually due to product size or types of defects.
- + Yield improvements greater than 1.5%.

ASSURED CONSUMER FOOD QUALITY AND SAFETY

- + Automated control helps safeguard against undesirable or harmful items entering the food chain.
- + Helps protect against the potential costs and damage to our customers’ reputations due to food quality issues, safety failures, and recalls.
- + Legislation for food quality is becoming more and more demanding with full traceability.

INCREASES REVENUE

- + High precision and multiple sort grades by size and quality maximize raw product as well as product sales value. Easy to achieve customer requirements regardless of incoming product quality.
- + Analyzes the crop quality, size, and line efficiency as it sorts. Provides real-time data to customers in order to become more productive, maximizing yield and selecting and monitoring suppliers.



RECYCLING

Today, there are around 3,500 TOMRA TITECH sensor-based sorting machines operating in more than 40 countries.

From the beginning, we’ve invested substantially in developing sorting technology geared to the needs of a changing world. Our systems reduce the need for the extraction of primary raw materials, making them an important part of the Resource Revolution. They do this by recovering pure fractions for material and energy recycling, which simultaneously delivers the best possible solution for regulators, waste management organizations, and the environment.

We offer more than 25 different sorting applications that separate a wide range of valuable fractions, including plastics, metals, and paper from waste. Our systems also recover clean material fractions, delivering significantly higher yields and increased value from the input material.

TOMRA’s technology increases the waste stream yield by ensuring consistent quality of output, enhances production line flexibility, and allows material composition to be monitored to improve grading of fractions. The automated systems also reduce manual labor, operation, and service costs. Our expert engineers in the field of recycling understand the complex nature of processing raw waste and metal material and know how to develop and implement bespoke recycling solutions for your particular business.

OUR RECYCLING BUSINESS STREAM HAS AN ESTIMATED 50%-60% MARKET SHARE.

REDUCES COSTS

- + Reduces manual labor by up to 75%.
- + Low operating and maintenance costs and reduced space requirements.
- + Avoids high turnover of personnel.

INCREASES REVENUES

- + High precision.
- + Easy to adapt to changing needs and sorting tasks.

ENSURES CONSISTENT, STABLE AND FAST OPERATION

- + High-volume sorting.
- + Machines enable longer hours of operation.
- + Reduced accidents and less strain on staff.
- + Consistent quality and performance.
- + Some sorting tasks are difficult or even impossible for manual sorters.



MINING

Most of the material moving through the mining sorting process is heavy, dusty, and abrasive. These types of high demands on the equipment require special and specific technology.

Material handling, product recognition, and pressurized air ejection are brought together by TOMRA Sorting Solutions Mining, previously known as CommodasUltrasort, in a robust and tested system, which reliably separates valuable mineral ores from waste rock. This technology provides top efficiency, precision, and speed.

Regardless of whether it is the processing of diamonds, gold, limestone, or coal, our sensors recognize the target material on the basis of typical characteristics, such as color, atomic density, transparency, or conductivity. The valuable mineral-bearing rock is then selectively expelled using a precise pulse of pressurized air from the high-performance nozzle system, regardless of whether it’s a small diamond or a heavy lump of ore.

Worldwide, over 200 TOMRA sorting systems are already contributing to more energy-efficient and cost-effective pre-concentrations, as well as to material recovery. TOMRA’s sensor-based solutions help to extend the life of mining operations and increase the overall value of the deposit.

OUR MINING BUSINESS STREAM HAS AN ESTIMATED 40%-60% MARKET SHARE.

INCREASED ACCESS TO RESOURCES

- + Lower head grade can be processed.
- + Better utilization of existing deposits.
- + Old dumps turn into new resources

COST SAVINGS

- + Significant capacity increase of the traditional beneficiation plant.
- + Energy cost savings.
- + Less wear and tear, as well as lower chemical costs.

ENVIRONMENTAL BENEFITS

- + Better carbon footprint.
- + Reduction of acid mine drainage.
- + Less pollution.



GROUP MANAGEMENT

STEFAN RANSTRAND (B. 1960)



President and CEO TOMRA Systems ASA
M.Sc. Industrial and Management Engineering, Linköping (Sweden) and Darmstadt (Germany)
Career history:
August 2009: Joined TOMRA as President & CEO
1991–2009: ABB Ltd., various management positions
1988–1991: Data General AG, Sales Executive Industrial Markets
1985–1988: Ikea Lager und Service AG
Number of TOMRA shares held: 81,269

HÅKON VOLLDAL (B. 1976)



Executive VP TOMRA Systems ASA, Head of Business Area Collection Solutions
Master of Science Norwegian University of Science and Technology (NTNU), Norway
Career history:
2008: Senior Vice President Business Development, TOMRA
2007–08: Executive Vice President Business Development North America, TOMRA
2005–07: Vice President Investor Relations and Business Development, TOMRA
2004–05: Director M&A, TOMRA
2000–2004: McKinsey & Company
Affiliations:
Chairman of the Board, Bright Future AS
Number of TOMRA shares held: 22,474

TON KLUMPER (B. 1955)



Senior VP TOMRA Systems ASA, Head of Western and Southern Europe Collection Solutions
Career history:
2007: Vice President, Western and Eastern Europe
2005: Vice President, Western Europe
2003–2005: Managing Director, Tomra Systems BeNeLux
1997–2003: Managing Director, Tomra Systems Netherlands
1987–1997: Managing Director, Halton Systems Netherlands
1985–1986: Account Manager, Tomra Systems Netherlands
Number of TOMRA shares held: 41,200

ESPEN GUNDERSEN (B. 1964)



Senior EVP and CFO TOMRA Systems ASA
MBA, Norwegian School of Management, Oslo
CPA, Norwegian School of Economics and Business Administration, Bergen
Career history:
1999: Joined TOMRA
1995–1999: Selmer ASA, VP Business development
1989–1995: Arthur Andersen
Number of TOMRA shares held: 37,714

HEINER BEVERS (B. 1960)



Senior VP TOMRA Systems ASA, Head of Central & Eastern Europe Collection Solutions
MBA, Westfälische Wilhelms-Universität, Münster
Career history:
2001: Joined TOMRA as General Manager, Tomra Systems GmbH (Tomra Germany)
1999–2001: General Manager, Consumer Division Werner & Mertz Group
1986–1999: Marketing & Sales, Procter & Gamble
Number of TOMRA shares held: 37,375

STEFAN EK (B. 1969)



Senior VP TOMRA Systems ASA, Head of TOMRA Collection Solutions, Compaction
Career history:
2006–2008: Director of Sales and Marketing, AB Orwak
2004–2006: OEM Business Development Manager, Sanmina-SCI Modular Division
2000–2004: Nordic Business Development Manager, Viking Interworks, Sweden
1998–2000: Area Sales Manager, Pullmax Ltd, Ireland
1995–1998: Area Sales Manager, Herber Industrier AB, Sweden
1990–1995: Production Planner, Gunnebo Troax AB, Sweden
Number of TOMRA shares held: 20,046

HARALD HENRIKSEN (B. 1963)



Senior VP TOMRA Systems ASA, Head of North America Collection Solutions
B.Sc. Electronics, University of Salford, Manchester
Career history:
2004: Joined TOMRA in 2004 as Senior VP Technology
2000–2004: VP Business Unit Tactical Radio, Kongsberg Defence and Communications AS
1997–2000: VP Product Management, VP R&D, Kongsberg Ericsson Communications ANS
1990–1997: Technical management and project management, NFT-Ericsson ANS
Number of TOMRA shares held: 30,886

ASHLEY HUNTER (B. 1959)



Senior VP and Head of TOMRA Sorting Solutions, Food
B.Sc. Engineering, Trinity College, Dublin
Career History:
2013: Senior VP and Head of TOMRA Sorting Solutions, Food
2010: Became Head of TOMRA Food – Americas & Oceania following TOMRA's acquisition of Odenberg.
1997–2010: President, Odenberg Inc.
1994–97: Engineering Manager – US, Odenberg Inc.
1987–94: Technical Director, Lister Machine Tools Ltd.
1983–87: Industrial Engineering Manager, Hyster Automated Handling
Number of TOMRA shares held: 4,998

FREDRIK NORDH (B. 1974)



Senior VP TOMRA Systems ASA, Head of Nordic Collection Solutions
M.Sc. Business and Economics, University of Uppsala
Career history:
2003: Joined TOMRA as Finance Manager Tomra Systems AB (Tomra Sweden)
2001–2003: Business Controller, LG Electronics
1999–2001: Business Controller and Supply Chain Manager, S.C. Johnson
1998–1999: Accounting Manager, S.C. Johnson
Number of TOMRA shares held: 19,735

VOLKER REHRMANN (B. 1961)



Executive VP and Head of Business Area TOMRA Sorting Solutions
PhD in Computer Science, University of Koblenz
Master in Computer Science, University of Paderborn
Career history:
2013: TOMRA Group Chief Technology Officer
2002: Joined TITECH through acquisition of Real Vision Systems
1998–2002: Founder and Managing Director of Real Vision Systems GmbH
1994–1998: Assistant Professor for Computer Vision at University of Koblenz
Number of TOMRA shares held: 4,501

TOM ENG (B. 1965)



Senior VP TOMRA Systems ASA, Head of TOMRA Sorting Solutions Recycling
Master of Arts in European Business, Fribourg, Switzerland
Career history:
2012: Head of TOMRA Sorting Solutions Recycling
1998 – 2012: Marketing Manager, Sales and Marketing Manager, Sales Director Titech AS
1995–1998: Product and Export Manager, Noral As, Norway
1993–1995: Marketing Manager, Noral SA, France
1991–1992: Marketing Assistant, Cub Cadet, USA
1983–1984: Trainee, First Wisconsin National Bank of Milwaukee, USA
Number of TOMRA shares held: 0

CORPORATE RESPONSIBILITY

TOMRA introduced its first five-year Corporate Responsibility program in 2011 in recognition of the need to widen its focus from mainly environmental issues. TOMRA’s first environmental program was approved by the Board in 1998.

It was natural that the Corporate Responsibility (CR) Program should be linked to the ten principles of the United Nations Global Compact (UNGC) as TOMRA had signed the Global Compact at the end of 2009. The topics covered by the CR Program and the relevant area of the UN Global Compact are shown in the table below.

As a member of the UN Global Compact, TOMRA aims to consistently promote doing business responsibly and implement the principles of the UN Global Compact. The following pages form part of TOMRA’s annual Communication on Progress.

TOMRA is now more than halfway through the period covered by the CR Program, and it is pleasing to note that significant progress has been made in the areas where

TOMRA has had most focus. In particular, the reduction in CO₂ eco-intensity (emissions relative to activity), and the implementation of the risk management and anti-bribery programs have been high priorities.

In 2014 TOMRA will continue to address these areas as experience has shown that a constant focus is required to build the common culture and understanding necessary to fully integrate TOMRA’s policies throughout the organization.

It is the role of the Corporate Responsibility Committee to monitor TOMRA’s CR activities and performance. The CR Committee was established by the Board of Directors in 2008 to assist the Board in fulfilling its responsibilities. The Committee usually meets twice a year and currently consists of three members of TOMRA’s Board. TOMRA’s CR & Compliance Officer also participates in the meetings. All Group policies are reviewed by the CR Committee and approved by the Board at least annually. Further information, including the Charter for the CR Committee and details of TOMRA’s policies, is available on the website tomra.com.

Topics	UN Global Compact Areas
25% reduction in eco-intensity by 2015	Environment
Anti-bribery program for TOMRA Group	Anti-corruption
Employment opportunities and working conditions	Human Rights, Labor
Managing risks in TOMRA's operations	Labor, Anti-corruption
Meeting stakeholder expectations	All

TOMRA is now more than halfway through the period covered by the CR Program, and it is pleasing to note that significant progress has been made in the areas where TOMRA has had most focus.

CORPORATE RESPONSIBILITY TARGETS AND CURRENT STATUS

- Identify and implement additional actions to achieve 25% reduction in eco-intensity (CO₂ emissions) by 2015
+ Complete: 2013 eco-intensity was below the 2015 target
- Continue analysis of TOMRA’s carbon footprint
+ Ongoing: Measured energy consumption of selected “bestselling” machines in all business streams
- Continue implementation and follow-up of TOMRA’s ethical and other policies
+ Ongoing: Regular awareness sessions and workshops
- Implement Risk Management procedure including additional safety and security considerations
+ Complete: Travel guidelines implemented for Service employees in 2013
- Continued focus on employee satisfaction and being an attractive employer
+ Ongoing: Slight decrease in employee satisfaction versus 2012
- Reduce accident rate per employee
+ Ongoing: Slight increase in 2013 versus prior year

SELECTED KEY PERFORMANCE INDICATORS

	2013	2012	2011
Direct emissions (scope 1 & 2)	24,200	25,500	24,700
CO ₂ emission per unit of Value Added	14	15	17
Employee satisfaction	80%	83%	81%
Reportable injuries per FTE	4.7	4.1	6.3



WE SUPPORT

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

ENVIRONMENTAL REPORT

TOMRA's mission is to create sensor-based solutions for optimal resource productivity so that its products and services contribute to better use of the world's limited resources.

Over the past few years, TOMRA has implemented a number of initiatives to reduce its direct emissions as part of meeting its objective of reducing eco-intensity by 25% by the end of 2015. As shown in the graphs (below), TOMRA has already achieved the target for energy consumption and CO₂ emissions.

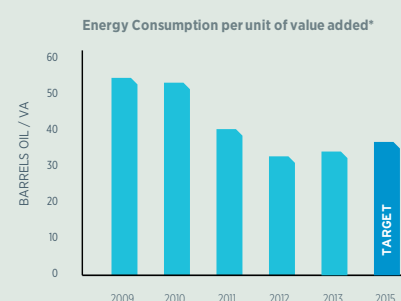
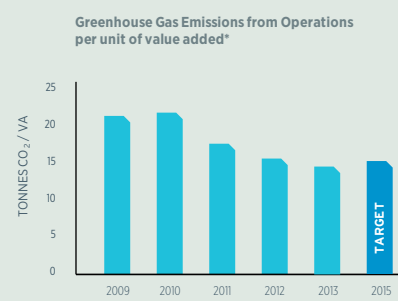
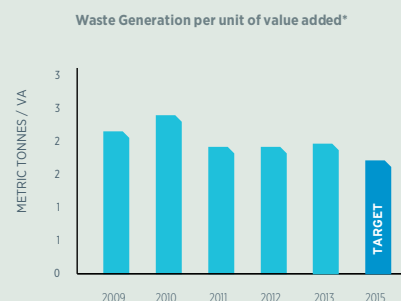
However, TOMRA recognizes that actions to reduce its indirect emissions will have a greater global benefit. Therefore, the 2011-2015 Corporate Responsibility Program also includes reducing the energy usage of TOMRA's products as an objective.

The past year has seen the successful launch of key products in most business streams and TOMRA is proud to see that the new models require less energy than the previous generation. For example, the new Nimbus sorter in business stream Food uses about 75% less energy than the prior version, mainly due to changing the scanning and recognition technology.

In addition to designing its products with a goal of reducing the energy consumption required in use, TOMRA endeavors to reduce the amount of materials used to produce the machines where possible without sacrificing performance. Some examples include the T-9 RVM, which incorporates significantly less mechanical components than comparative earlier models, and the new line of compactors, which uses significantly less steel than previous versions.

This year's environmental data shows an increase in energy consumption, which reflects higher activities following the recent acquisitions. However, direct emissions have gone down, mainly due to increased use of alternative fuels in the US.

Water consumption has also been reported this year. Although TOMRA does not consume a significant amount, it recognizes that water is a valuable commodity that many stakeholders are interested in and as a result, TOMRA has decided to include it going forward.



MORE INTO LESS

TOMRA ENVIRONMENTAL REPORT 2013

CLIMATE CHANGE ACCOUNT

CARBON DIOXIDE EMISSIONS FROM OPERATIONS

TONNES CARBON DIOXIDE	2013	2012
Emission from stationary sources (Scope 1)	3,200	2,900
Heating oil	400	800
Natural gas	1,800	1,100
Propane	1,000	1,000
Emission from purchased grid electricity (Scope 2)	3,000	2,900
Norway	0	0
Europe EU25	900	900
North America	2,000	2,000
Rest of World	0	0
Certified low-carbon or renewable	100	0
Emission from transportation	19,600	21,900
Petrol vehicles (Scope 1)	3,300	3,800
Diesel vehicles (Scope 1)	14,700	15,800
LPG vehicles (Scope 1)	0	100
Employee-owned vehicles (Scope 3)	700	1,300
Air travel (Scope 3)	900	900
Total direct emissions (tonnes CO2)	25,800	27,700
Emission from products during use-phase (Scope 3)	133,700	129,000
RVMs owned and operated by TOMRA and customers	59,700	58,100
Compactors owned by customers	69,400	66,800
Scanners owned by customers	4,600	4,100
Total direct and indirect emissions	160,000	157,000

AVOIDED CARBON DIOXIDE EMISSIONS THROUGH PRODUCT USE

TONNES CARBON DIOXIDE	2013	2012
Beverage container collection through RVMs (1)	2,715,000	2,581,000
Plastic bottles	742,000	705,000
Glass bottles	506,000	481,000
Aluminium cans	1,434,000	1,363,000
Steel cans	33,000	32,000
Packaging material transport and handling (2)	913,000	852,000
Glass bottles	64,000	74,000
Aluminium cans	712,000	637,000
Plastic bottles, PET	132,000	135,000
Plastic bottles, HDPE	0	0
Cardboard and fiber	5,000	6,000
Material sorted for recycling from mixed sources (3)	18,531,000	16,847,000
Glass	83,000	76,000
Aluminium	3,743,000	3,403,000
PET	2,266,000	2,060,000
HDPE	397,000	361,000
Fiber	228,000	207,000
Non-ferrous metal	10,164,000	9,240,000
Other	1,650,000	1,500,000
Reduction of transport due to material compaction (4)	336,000	320,000
Total emission avoidance	22,500,000	20,600,000
Net carbon dioxide emission/(avoidance)	(22,300,000)	(20,400,000)

WASTE GENERATION

WASTE FROM MANUFACTURING, SALES, SERVICE AND OPERATIONS

TONNES WASTE	2013	2012
Waste generation	3,520	3,390
Paper	0	0
Cardboard	170	140
Plastics	850	970
Wood	190	420
Electric and electronic waste (incl. TOMRA products)	40	25
Expanded polystyrene	0	0
Metal scrap	450	125
Batteries	0	0
Hazardous waste	0	0
Unsorted	1,820	1,710

WATER CONSUMPTION

WATER USED BY MANUFACTURING, SALES, SERVICE AND OPERATIONS

CUBIC METRES WATER	2013	2012
Water consumed	16,800	16,200
Norway	2,600	2,500
Europe EU25	10,800	10,400
North America	3,150	3,100
Rest of World	250	200

ENERGY CONSUMPTION

ENERGY USED IN MANUFACTURING, SALES, SERVICE AND OPERATIONS

BARRELS OIL EQUIVALENT	2013	2012
Energy consumption, stationary sources (Scope 1)	2,900	2,300
Heating oil	900	1,900
Natural gas	1,600	0
Propane	400	400
Energy consumption, purchased grid electricity (Scope 2)	11,600	10,500
Norway	2,400	2,400
Europe EU25	3,400	2,600
North America	5,700	5,500
Rest of World	100	0
Energy consumption, transportation	46,900	45,900
Petrol vehicles (Scope 1)	8,900	10,200
Diesel vehicles (Scope 1)	34,500	32,000
LPG vehicles (Scope 1)	0	700
Employee-owned vehicles (Scope 3)	1,300	900
Air travel (Scope 3)	2,200	2,100
Total direct energy consumption	61,400	58,700
Energy consumption, products during use-phase (Scope 3)	160,100	154,500
RVMs owned and operated by TOMRA and customers	71,500	69,600
Compactors owned by customers	83,100	80,000
Scanners owned by customers	5,500	4,900
Total direct and indirect energy consumption	221,500	213,200

Scope 1: All direct GHG emissions
Scope 2: Indirect GHG emissions from purchased electricity, heat or steam
Scope 3: Other indirect emissions from purchased goods or services

NOTES

Emissions have been calculated using the GHGProtocol calculation tools (www.ghgprotocol.org), and 'Waste Management Options and Climate Change' (ec.europa.eu/environment/waste/studies/pdf/climate_change.pdf).

1. Beverage container collection through RVMs, TOMRA Collection (Reverse Vending)
Calculated carbon dioxide savings based on the total number of beverage containers collected through TOMRA's over 70.000 RVM installations; more than 35 billion units annually. All glass beverage containers are assumed to be non-refillable, giving significantly lower assumed weight. Split between packaging types is based on beverage consumption data and TOMRA estimates. The full benefit of collectiing and recycling the beverage containers into new material, versus landfill, is included in the calculation.

2. Packaging material transport and handling, TOMRA Collection (Material Recovery)
Carbon dioxide saving based on the tonnage of beverage container material transported and handled by TOMRA in USA. The full benefit of collecting and recycling beverage containers into new material, as opposed to landfill, is included in the calculation, meaning that some of the saving is also included under 'Beverage container collection through RVMs.

3. Material sorted for recycling from mixed sources, TOMRA Sorting (Recycling)
Estimated material throughput in Titech installations is used in the calculation of avoided carbon dioxide emission. The full benefit of sorting materials and recycling into new is included in the calculation.

4. Reduction of transport due to material compaction, TOMRA Collection (Compaction)
It is estimated that the installed base of ORWAK products can compact around 10 million tonnes of material daily, reducing both transport kilometers and fuel usage each year. This is estimated to save over 20 000 transport movements each day. This calculation does not take into account the carbon dioxide benefit of material recycling.

The provision of information on carbon dioxide emission avoidance is illustrative only, and intended solely as an aid to illustrate the benefit to society generated by the TOMRA Group. The above information does not constitute a full Life Cycle Analysis. The methodology and assumptions used in calculating carbon dioxide avoidance are available upon request.

SOCIAL AND ETHICAL REVIEW

RESPONSIBLE BUSINESS

TOMRA is committed to doing business ethically and operates with zero-tolerance for corruption. As TOMRA continues to expand globally, it recognizes the importance of preparing for the new challenges that it is likely to meet in its growing business activities.

In 2013 amended guidelines were issued to employees who potentially face the highest risks when travelling for business reasons. The guidelines include travel restrictions and the precautions necessary when preparing to travel to areas defined as higher risk. TOMRA will continue to identify and implement other preventive measures to mitigate risk in its activities.

MEETING EMPLOYEE EXPECTATIONS

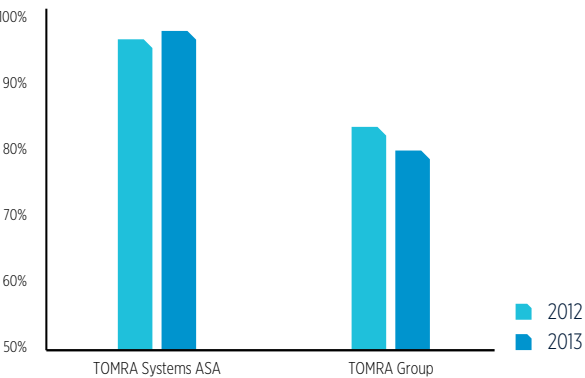
The TOMRA management team aims to attract and retain the best people to ensure the continued success of the company in the future.

As part of investing in the continuous development of employees, TOMRA launched its Group Talent Programme at the end of 2012. The selected candidates participate in four modules, focusing on different aspects of leadership, strategy, innovation and technology – generic skills for managing and leading the business as it grows. The first group will complete the program in June 2014. As a living brand, developing and retaining its talents is of great importance to TOMRA’s success and the Group Talent Programme aims to ensure continuous and sustainable business for TOMRA while enabling its people to progress and develop.

TOMRA also measures employee satisfaction to see if the expectations of current employees are being met. The results of the 2013 employee survey indicated that 80% of employees view TOMRA as a “great place to work,” a slight decrease from 2012. TOMRA has been transformed over the last couple of years by the move into Food sorting and the launch of “ONE TOMRA.” The integration process and related organizational changes have impacted a significant number of employees outside of Norway and this is reflected in the

2013 results for the Group. TOMRA continues to focus on building a shared culture based on its core values of Passion, Responsibility and Innovation, and its Group policies.

EMPLOYEE SATISFACTION

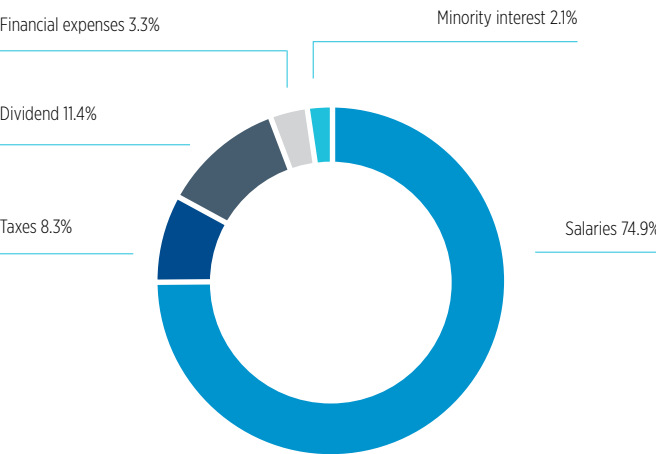


ECONOMIC IMPACT

TOMRA reports the value distributed to different stakeholder groups as a means of measuring the impact of its activities. These stakeholders include employees, shareholders and society in general.

In 2013 TOMRA created added value of over 1,800 MNOK and this was distributed to stakeholders as shown in the chart below.

VALUE DISTRIBUTED 2013



TOMRA continuously strives to reduce the injury rate and has implemented additional measures to increase safety awareness over the past few years. The injury rate per full time equivalent continues to be low, although there was an increase in the number of incidents during 2013 – most of this was due to the adverse winter weather that resulted in more falls and car accidents.

IMPACT ON PEOPLE WITHIN TOMRA GROUP

		2013	2012	2011
Number of employees	(#)	2,520	2,470	1,982
Female employees	(%)	18	17	18
Female managers	(%)	16	17	18
Reportable injuries	(#)	116	81	109
- per 100 FTE	(#)	4.7	4.1	6.3

CORPORATE GOVERNANCE REPORT

IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE

At TOMRA, corporate governance is defined to include those processes and control features which have been established to protect the interests of TOMRA's shareholders and other stakeholders such as employees, suppliers and customers. TOMRA's Corporate Governance Policy has been approved by the Board of Directors and is available on TOMRA's corporate website (www.tomra.com).

The Board of Directors has decided that TOMRA will comply with the Norwegian Code of Practice for Corporate Governance. As a result, this section is structured in the same way as the Code of Practice (which is available on www.nues.no.) The only known deviation from the Code is described under "General Meetings" below.

TOMRA's values are described in its corporate vision, mission, core values and policies – which can be found on the TOMRA website.

TOMRA aims to lead the resource revolution, enabling better utilization of the world's natural resources, and is committed to doing business ethically and with zero-tolerance for corruption. To support these aims, TOMRA has developed and implemented a Code of Conduct and Corporate Responsibility Statement. These and further information on TOMRA's CR program can be found under "ABOUT US / Corporate Responsibility" on the TOMRA website.

BUSINESS DESCRIPTION

TOMRA is a leading global creator of sensor-based solutions for optimal resource productivity within the business streams of reverse vending, material recovery, compaction, recycling, mining, and food. The directors' report describes the Group's activities in more detail, including goals and main strategies, and the market is kept informed through investor presentations in connection with the quarterly reports and other events.

EQUITY AND DIVIDENDS

As of 31 December 2013, Group equity totaled NOK 2,823 million, an increase of 20 percent from last year. The equity percent is 50 percent.

TOMRA's policy is to distribute 40 to 60 percent of the Group's earnings per share as dividend. When deciding the annual dividend level, the Board takes into consideration expected cash flows, capital expenditure plans, financing requirements and the need for appropriate financial flexibility. For 2012, a dividend of NOK 1.25 was paid out per share (42 percent of EPS). For 2013, the Board has proposed a dividend of NOK 1.35 per share.

The Board's authorizations to increase share capital and to buy back shares are limited to specific purposes and are granted for a period no longer than the next general meeting.

The authorization is given by the Annual General Meeting. At the 2013 Annual General Meeting, the Board was granted the right to acquire and dispose up to 0.5 million treasury shares, for the purpose of fulfilling the employee share purchase program.

In addition, the Board was granted the right to issue up to 14.8 million shares in connection with any mergers and acquisitions.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

TOMRA has only one class of shares and each share entitles the holder to one vote.

All transactions in own shares are performed on the market at market price, in accordance with good stock exchange practice in Norway.

Related party transactions are covered by TOMRA's Code of Conduct, which also applies to Board members. Any member of the Board or Group management should immediately notify the relevant person, if a potential conflict of interest occurs. There were no material transactions between the company and related parties that required a third party evaluation during 2013.

FREELY TRADED SHARES

The shares of TOMRA Systems ASA are listed on the Oslo Stock Exchange and are freely negotiable.

GENERAL MEETINGS

In accordance with TOMRA's Articles of Association, the AGM shall be held no later than the end of June each year, with at least 21 days written notice given to each shareholder. The 2013 AGM was held on 22nd April.

The Norwegian Code of Practice for Corporate Governance also recommends that appropriate arrangements are made for the annual general meeting to vote separately on each candidate nominated for election to the company's corporate bodies. The Nomination Committee and the Board has decided (in line with most Norwegian companies) not to follow this recommendation, as the composition of these bodies is meant to cover an appropriate range of skills and backgrounds, and a separate election of each member could interfere with this intention. In addition, according to Norwegian law, the Board has to comprise of at least 40% female directors.

NOMINATION COMMITTEE

The nomination committee consists of three members elected for one year at a time by the General Meeting, as required by the Articles of Association. The charter for the Nomination Committee was last approved by the General Meeting in April 2011.

BOARD OF DIRECTORS

The TOMRA Board is composed of five shareholder elected directors and two employee representatives (who are not part of senior management). The shareholder elected directors are proposed by the Nomination Committee based on a number of criteria to ensure a broad range of abilities and experience. The shareholder elected directors are ultimately selected by the shareholders.

Four out of the five shareholder elected directors are independent. The fifth is Jan Svensson, CEO of Latour, TOMRA's largest shareholder. The Board Committees consist of members of TOMRA's Board, chosen by the board to reflect a balance of abilities and interests.

The Board held seven board meetings in 2013 and the attendance at the meetings was 100 percent. In addition, the audit committee held four meetings and the compensation and organizational development committee and the corporate responsibility committee both met twice during the year.

BOARD ACTIVITIES

The Board meets at least four times a year. In 2013 seven board meetings were held, of which two were by phone. Instructions for the Board and charters for each of the Board committees have been prepared and duly approved by the relevant body. An Audit Committee, a Compensation and Organizational Development Committee and a Corporate Responsibility Committee have been established to assist the Board of Directors in fulfilling its responsibilities.

RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control Environment and Risk Management Systems

The Board is ultimately responsible for TOMRA's systems of internal control and for reviewing their effectiveness. Responsibility for individual areas of control has been allocated through the CEO down to the respective member of Group Management. The system is designed to manage, rather than eliminate, the risk of failing to achieve business and financial reporting objectives. The system can therefore only provide a reasonable, but never absolute, assurance against material errors, flaws or losses.

Processes exist for identifying, evaluating and managing material risks. Methods used by the Board and the Audit Committee to evaluate the quality of the corporation's internal control include:

- Review of the auditing plans for both the external and internal audit
- Review of reports from management as well as internal and external auditors on the systems of internal control and any weaknesses identified
- Discussions with management concerning the actions to be taken to address problem areas

The Audit Committee includes two board members and all Board members receive minutes from each Audit Committee meeting. The main features of the risk and control framework are outlined below:

Risk Management

The Board is responsible for approving the Group’s strategy, its principal markets and the level of acceptable risk. It has ensured that appropriate risk management processes to identify the key risks facing the business have been implemented and that those risks are managed effectively.

Control Environment

An organizational structure with defined levels of responsibility and delegation of authority to appropriately qualified management has been established. A chart of authority documents each level of authority throughout the organization.

Matters reserved for the Board are clearly defined and appropriate authorization limits and reporting procedures have been implemented.

TOMRA’s quality and environmental management systems are based on the international ISO 9001 and ISO 14001 management systems standards. TOMRA’s primary R&D and production units have been certified according to these standards. This ensures that its internal systems and procedures are aligned with international “best practice” and that responsibility and authority for all important tasks is appropriately allocated.

Control Activities

Internal control procedures have been tailored to the requirements of individual business activities.

Controls for areas possessing particularly high inherent risk, include clear guidelines for delegation of authority, segregation of duties, and requirements for regular reporting and reviews.

The Audit Committee assists the Board in monitoring the process for identifying, evaluating and managing risks, considering internal and external audit reports, and reviewing the Group’s financial statements.

Monitoring Systems

Line management is responsible for the operation of internal control routines and these routines are subject to independent review by internal audit and, where appropriate, by the corporation’s external auditor and external regulators. The reports of all these bodies on internal control are reviewed by the Audit committee on behalf of the Board. The Audit Committee ensures that, where necessary, appropriate corrective action is taken.

Internal audits are performed by the Group Controller and the Group Accounting Manager. In their roles as internal auditors they report directly to the Audit Committee. The internal audit team carries out independent assessments of risk and the adequacy of related internal controls within the corporation. Findings and recommendations for strengthening the control framework are agreed with local management and the implementation of agreed changes is monitored by the internal audit team. The Audit Committee reviews the internal audit findings and proposals concerning improvements to material areas, coverage and performance and considers significant findings and recommendations. The internal audit team has unrestricted access to all records, personnel and property of the corporation to collect such information as is necessary for the performance of its work.

The Audit Committee, on behalf of the Board, has reviewed the effectiveness of the corporation’s systems of internal control for 2013 and the period leading up to the presentation of the 2013 financial statements. As might be expected in a corporation of TOMRA’s size and complexity, a small number of deviations were identified during the period under review. Actions to rectify identified inconsistencies have been taken.

FINANCIAL REPORTING

TOMRA Group prepares and presents its financial statements in accordance with current IAS/IFRS rules. Each company prepares monthly accounts and the financial data is consolidated and checked at several levels before being presented for review by Group Management. Additional reporting is required for the preparation of quarterly and annual financial statements. Information and training on accounting issues and TOMRA’s reporting process is provided through TOMRA’s Finance seminar and local events.

REMUNERATION TO MEMBERS OF THE BOARD

The General Meeting sets the Board’s annual remuneration based on a proposal from the Nomination Committee. Note 14 of the Financial Statements discloses all remuneration to board members and senior executives.

PRINCIPLES FOR REMUNERATION OF SENIOR EXECUTIVES 2013-2014

The term “senior executives” applies to the CEO and other members of Group management.

Salary and other employment terms for senior executives shall be competitive to ensure that TOMRA can attract and retain skilled leaders. Salary should include both fixed and variable elements. The fixed salary should reflect the individual’s area of responsibility and performance over time. Principles for remuneration shall be allowed to vary in accordance with local conditions. The remuneration structure shall be based on such factors as position, expertise, experience, conduct and performance. The variable salary shall not exceed 50% of the fixed annual salary and be based on the achievement of specific performance

targets by TOMRA Group and/or the respective manager’s unit. The Board has appointed a Compensation Committee that is headed by the Chairman of the Board and monitors decisions on matters regarding remuneration and terms and conditions for senior executives. The performance goals for the CEO are proposed by the Chairman of the Board and approved by the Board. Goals for the other senior executives are determined by the CEO and reviewed by the Compensation Committee. The goals are operational related to financial targets, such as profit from operating activities, return on capital employed and market related performance objectives.

The CEO’s remuneration package, and any adjustments thereof, are agreed between the CEO and the Chairman and approved by the Board. The remuneration packages for the other senior executives, including adjustments of these, are agreed between the CEO and the respective manager. The terms of these agreements are reviewed first by the Compensation Committee and finally by the Board of TOMRA.

In April 2010, TOMRA established a cash-based Long Term Incentive Plan (LTIP), where managers could receive a bonus based upon the return rate that the company generates for its shareholders measured against NASDAQ. Earnings should only be applied to the LTIP if TOMRA, dividend adjusted, exceeded NASDAQ by at least 9 percent, during the period 22 April 2010 to 31 December 2012. Earnings were capped at one times the fixed salary level per year which was reached at 13.5 percent over-performance. 25 percent of the earnings before tax (~50 percent of earnings after tax) must be placed in TOMRA stock when realized, as long as the manager’s total shareholding is less than 75 percent of his/her yearly base salary. The shares have to be kept for a minimum of three years. If sold before, all proceeds from the sale belong to TOMRA. The over-performance in the period 22 April 2010 to 31 December 2012 was 62.5 percent. Management had consequently full earnings under this plan in 2012. For 2013 the dividend adjusted performance of the TOMRA share needed to exceed NASDAQ by at least 2.5 percent in the period 31 December 2010 to 31 December 2013 to generate earnings under the plan (full earnings if over performance exceeded 20.0 percent). Dividend adjusted, TOMRA underperformed by 4.3% in the period between 31 December 2010 to 31 December 2013, consequently no earnings were paid out under this plan in 2013.

For 2014, the dividend adjusted performance of the TOMRA share needs to exceed NASDAQ by at least 2.5 percent in the period 31 December 2011 to 31 December 2014 to generate earnings under the plan. Full earnings will be achieved if the over-performance exceeds 20 percent. Earnings are calculated linearly between 2.5 percent and 20 percent.

The Board is currently evaluating whether the system will be modified starting 2015 to an EPS based system, where

earnings are made based upon improvement in the EPS.

In addition to fixed and variable salary, other benefits such as company car, health insurance, interest- and installment free loans, newspaper and telephone might be provided. The total value of these benefits should be modest and only account for a limited part of the total remuneration package.

Senior Executives participate in the same pension plans as other employees within the unit in which they are employed. No special pension plans are established for senior executives, except in the event a pension plan had been established in a company prior to being acquired by TOMRA, and the senior executive participated in the plan on the date of acquisition. The notification period for senior executives shall be three to six months, with the exception of members employed in the US, where fixed length contracts may be utilized.

The CEO is entitled to 12 months’ severance pay due to termination by the company. No agreements shall be established that provide members of senior executives any automatic right to more than 24 months of severance pay. A detailed account of the remuneration of each member of senior executives, including the LTIP, is available in note 14 in the financial statements.

The principles and guidelines for management remuneration for 2014 have not changed materially from those approved in 2013, which were presented to the general assembly in April 2013. The policies concerning remuneration of senior executives and the setting of salaries have been in line with the established guidelines throughout 2013.

INFORMATION AND COMMUNICATION

TOMRA provides investors with financial and other information in the quarterly reports and other presentations. This information is freely available to interested parties in the “Investor Relations” section of the TOMRA website along with the financial calendar for 2014.

TAKEOVERS

TOMRA’s guidelines and practices are in line with the Norwegian Code of Practice for Corporate Governance.

AUDITOR

The independent auditor is elected by the general meeting and is responsible for auditing the Group accounts. The independent auditor attends the meetings of the Audit Committee and also presents a plan for each year’s audit. The independent auditor also meets with the Board of Directors at least once each year without the presence of TOMRA Group Management.

TOMRA BOARD OF DIRECTORS

SVEIN RENNEMO (B. 1947)



Chairman of the Board since 2009
Master's degree Economics, University of Oslo 1971.
Previous experience: Petroleum Geo-Services ASA (CEO), Borealis A/S (CEO, CFO), Statoil (President Petrochemicals).
Number of TOMRA shares: 0
Other board memberships: Statoil ASA (Chairman)

JAN SVENSSON (B. 1956)



CEO of Investment AB Latour
Board member since 2012. M.Sc. Economics and Business Administration, Stockholm School of Economics, 1981.
Previous experience: Various positions within the Stenberg Group, CEO (1986-2003).
Number of TOMRA shares: 3,000
Other board memberships: Publicly listed: Nederman Holding AB (Chairman), Fagerhult AB (Chairman), Assa Abloy AB (member), Loomis AB (member). Not listed: Oxeon (Chairman)

BODIL SONESSON (B. 1968)



VP Global Sales, Axis Communications
Board member since 2013.
Master's degree in International Finance, University of Lund and Konstanz University in Germany
Previous experience includes employment with Lars Weibull AB.
Number of shares in TOMRA: 0
Other board memberships: The Swedish Chamber of Commerce

DAVID WILLIAMSON (B. 1959)



Employee representative
Board member since 2008.
Number of TOMRA shares: 648
Other board memberships: None.

BERND H.J. BOTHE (B. 1944)



Senior Partner, Horn & Company GmbH
Board member since 2010.
Diplom Betriebswirt, College for Trade and Industry, Cologne.
Previous experience: CEO, Droege & Company (2002-09); Chairman and CEO of Metro Cash & Carry division, Metro AG (1992-2002); Member, Exec. BoD, Kaufhof Holding AG (1988-2002); Vice Chairman of Kienbaum Consulting Group and Chairman of the Management Consulting division and various positions (1973-88).
Number of TOMRA shares: 0
Other board memberships: Member, Industrial Advisory Board, Industri Kapital AB; Member, Supervisory Board, Spar Österreichische Warenhandels-AG; Vice Chairman, Supervisory Board, H&E Reinert Group; Non-Executive Member of the Board and Member of the Audit & Finance Committee, Sonae SGPS, SA.

ANIELA GABRIELA GJØS (B. 1959)



Senior VP Supply Chain TINE SA
Board member since 2008.
Master of Science in Industrial Organization & Management, Silesian University of Technology, and BI Norwegian School of Management
Previous experience: CEO at Ontime Logistics AS (2008-2013), Project Director at South-Eastern Norway Regional Health Authority (2008-2008), SVP Supply Chain and Operations, Norway Post (2002-2008), Managing Director Logistics, Ringnes/Carlsberg (1996-2002)
Number of TOMRA shares: 11,500
Other board memberships: Member of Nomination Committee NHO

INGRID SOLBERG (B. 1972)



Employee representative
Board member since 2009.
Number of TOMRA shares: 5,479
Other board memberships: None.

2013 SUMMARY AND HIGHLIGHTS

- + After three consecutive years with significant revenue growth, TOMRA continued to grow in 2013, mainly due to the full year effect of the BEST acquisition completed in July 2012.
- + Operating revenues of NOK 4,602 million represent a growth of 13 percent compared 2012. Adjusted for currency effects and acquisitions, growth was 1 percent.
- + Gross margin decreased from 46 percent in 2012 to 43 percent in 2013, mainly due to product and market mix effects in both business areas.
- + EBITA was down from NOK 739 million in 2012 to NOK 706 million in 2013, due to lower gross margins.
- + Ordinary cash flow from operations of NOK 567 million, up from NOK 550 million in 2012.
- + TOMRA maintained a strong position in the deposit markets. Revenues in TOMRA Collection Solutions increased from NOK 2,649 million in 2012 to NOK 2,818 million in 2013, equal to 3 percent growth after adjusting for currency changes.
- + At the end of third quarter 2013, TOMRA announced the launch of T-9, the first of a new generation of reverse vending machines (RVM) based on TOMRA Flow Technology. T-9 features the first ever 360-degree recognition system applied inside an RVM.

- + Adjusted for currencies and acquisitions, TOMRA Sorting Solutions reported 4 percent lower revenues in 2013 than in 2012. During the year, Best has been integrated and the business area has been organized into three business streams: Food, Recycling and Mining.
- + Several new products were launched, cross-utilizing technologies developed within the different business streams.
- + Order backlog in TOMRA Sorting Solutions decreased from NOK 525 million at the end of 2012 to NOK 475 million at the end of 2013.
- + The share price increased from NOK 50.25 to NOK 56.50 during 2013. Adjusted for dividend, the TOMRA stock provided a shareholder return of 15 percent in 2013. During the year, 37 million TOMRA shares were traded on the Oslo Stock Exchange, compared to 48 million in 2012.
- + The Group finished 2013 with a strong balance sheet and a solid foundation for further growth.
- + The Board has proposed a dividend of NOK 1.35 for 2013, up from NOK 1.25 last year.

DIRECTORS' REPORT 2013

FINANCIAL PERFORMANCE

Operating revenues amounted to NOK 4,602 million in 2013, an increase of 13 percent in relation to 2012. Adjusted for acquisitions and currency effects, operating revenues increased by 1 percent.

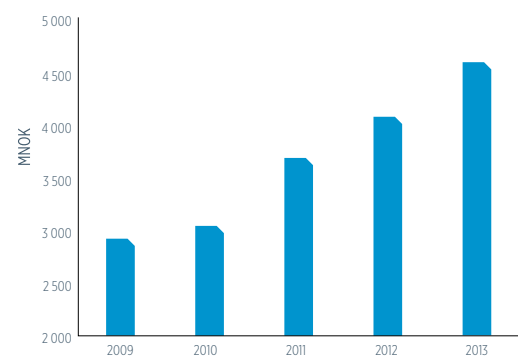
EBITA was NOK 706 million in 2013, down from NOK 739 million in 2012. During 2013, NOK weakened against both EUR and USD, and this combination had a positive effect on EBITA, estimated at about NOK 27 million compared to 2012. Adjusted for currencies and the BEST acquisition, EBITA decreased 14 percent.

Net financial items changed from minus NOK 39 million in 2012 to minus NOK 47 million in 2013, due to the full-year effect of financing the BEST acquisition. Taxes decreased from NOK 153 million in 2012 to NOK 139 million in 2013. Tax rate increased from 24.2% in 2012 to 24.8% in 2013, influenced by NOK 16 million one-time tax income in 2012.

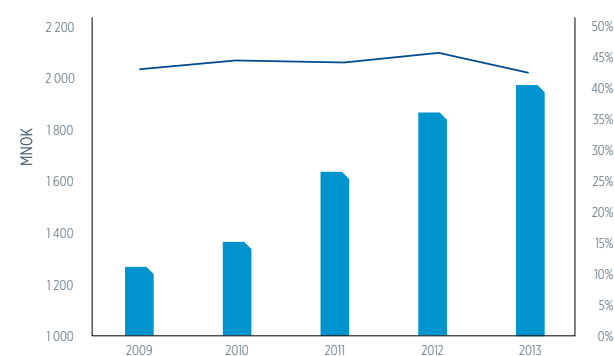
Net profit after taxes (profit from continued operations) was NOK 422 million in 2013, down from NOK 478 million in 2012. Ordinary cash flow from operations was NOK 567 million in 2013, compared to NOK 550 million in 2012. Cash flow from regular investments (not including acquisitions and divestments) was negative NOK 234 million, compared to negative NOK 209 million in 2012.

Cash flow from financing ended at negative NOK 362 million, including dividend payments of NOK 185 million. Total assets as of 31 December 2013 amounted to NOK 5,623 million. This represents an increase of 9 percent in relation to total assets at the beginning of the year. The increase is explained by the fluctuation in currency exchange rates, as more than 90 percent of TOMRA's assets are nominated in foreign currencies – USD (up 9 percent in 2013) and EUR (up 14 percent in 2013) being the most important ones. The equity ratio increased during 2013 from 46 percent to 50 percent, partly due to 2013 earnings, but also positively influenced by positive translation differences of NOK 300 million (as increased value of assets in foreign currencies improves the equity when measured in NOK).

Group
- Revenues



Group
- Gross contribution and margin

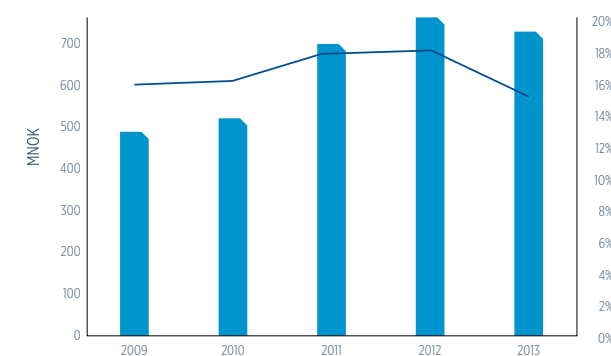


The Board of Directors recommends a dividend distribution of NOK 1.35 per share (53 percent of EPS), up from NOK 1.25 in 2012.

DIVIDEND

The aim is to distribute 40 percent to 60 percent of the Group's earnings per share. When deciding the annual dividend level, the Board has taken into consideration expected cash flows, capital expenditure plans, financing requirements and the need for appropriate financial flexibility. The Board of Directors recommends consequently a dividend distribution of NOK 1.35 per share (53 percent of EPS), up from NOK 1.25 in 2012.

Group
- EBITA and margin



TOMRA SYSTEMS ASA

Tomra Systems ASA reported a slight increase in operating revenues from NOK 860 million in 2012 to NOK 863 million in 2013.

Reverse Vending Machines are produced by third parties in Poland and at the wholly owned subsidiary Tomra Production AS in Norway. The machines are sold via the parent company to subsidiaries and distributors, primarily in Europe and North America. Activity within the parent company reflects therefore the level of sales of machines and parts to end-customers within the Reverse Vending segment. The number of RVMs sold in 2013 was stable, compared to 2012.

Profit before taxes was down from NOK 252 million in 2012 to NOK 154 million in 2013, mainly due to no dividend taken from subsidiaries in 2013 (compared to NOK 48 million in 2012) and higher interest expenses (full year financing of the BEST acquisition).

Tomra Sorting AS, a subsidiary of Tomra Systems ASA and holding company for the Sorting entities within TOMRA Group, was in November 2013 given a capital injection of NOK 1,588 million, by reducing intra-Group loans. The injections were motivated by the upcoming legal changes in Norway that limit the deduction for intra-Group interest charges and a need for stronger capitalization of the subsidiary, following the acquisitions in recent years.

Disposition of 2013 profit

The 2013 net profit should be allocated as follows:

Dividend:	NOK	199.5 million
From retained earnings:	NOK	89.3 million
Total allocation:	NOK	110.2 million

The Board of Directors believes that there is no reasonable cause to question the ability of TOMRA Group and the parent

company to continue its operations in the foreseeable future and hence confirms that the accounts have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) for TOMRA Group and Norwegian accounting principles (NGAAP) for Tomra Systems ASA.

THE FRAMEWORK GOVERNING TOMRA'S OPERATIONS

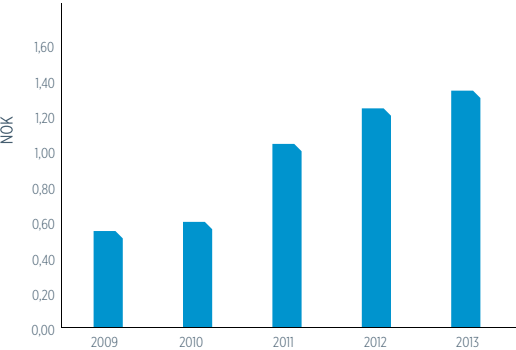
TOMRA's reverse vending technology provides an efficient collection and handling system for deposit of beverage containers in retail locations. Correct recognition as well as automated sorting and storage of empty containers reduces retailers' handling costs to a minimum. This idea formed the basis for the establishment of TOMRA in 1972. The company's growth since its inception has mainly been driven by the implementation of beverage container deposit systems in new markets, either through voluntary or legislatively enforced arrangements.

Early in the 1990s TOMRA expanded its activities with the addition of integrated solutions for covering a greater part of the beverage container recycling value chain. Automated compaction of used non-refillable containers contributes to the reduction of transport and subsequent handling costs. Electronic collection and processing of transaction data from the reverse vending machines also assures secure and cost effective administration of the deposit funds and materials. This expansion of the business model has been instrumental to TOMRA's growth in the North American market.

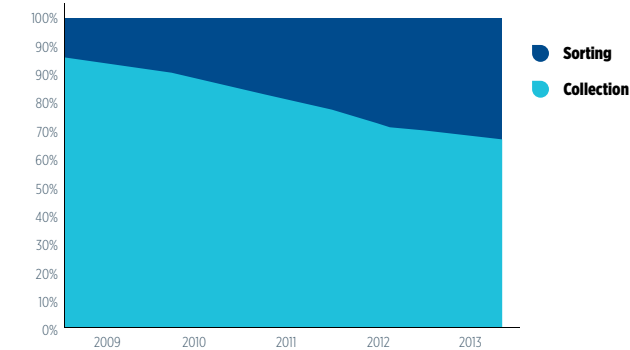
Despite all the documented advantages of a deposit system, few markets have implemented deposit schemes in recent years. The recognition that it could take time before new markets accepted deposit as an effective system for recycling, led in 2004 to the decision that TOMRA would expand its operations by moving into other areas within the value chain for collecting and processing waste. As a consequence, TOMRA acquired Titech, which provided efficient industrial solutions for recognizing and sorting of waste.

In 2013 revenues within the Collection Solutions business area amounted to NOK 2,818 million, up from NOK 2,649 million in 2012.

Dividend



Business area revenue split



In 2013, the TOMRA Sorting Solutions business area accounted for 39 percent of the Group's total operating revenues, up from 35 percent in 2012 and 25 percent in 2011.

After first mainly operating in the market of plastic and paper recycling, TOMRA expanded in 2006 into metal recycling, and in 2008 into mining (ore-sorting), where TOMRA technology now increases the efficiency and lifetime of mines. In 2011 and 2012, in line with this strategy, TOMRA took a new step forward with its entry into the food sorting industry, where our proven recognition technology is now utilized to sort food based on quality, size and other characteristics. TOMRA has consequently gone through several stages of transformation; where the recycling industry now is only one out of several industries where TOMRA will have a presence going forward.

In order to maximize synergies among the acquired entities and meet its customers' and the world's challenges and opportunities, TOMRA has merged the existing brands under one strong and unified brand – One TOMRA, under the redefined mission to create sensor-based solutions for optimal resource productivity, focused on the optimization of customers' resource use. With increasing world population and higher consumption levels, it is clear that resource productivity must increase on a global scale to ensure sustainable development. Society is at the dawn of a resource revolution, and TOMRA's vision statement, "Leading the resource revolution," is what the company is doing by extending its reach to include business streams that create solutions within food sorting, mining, compaction, recycling and material recovery. Focusing on resource optimization, process efficiency, and interconnectivity of systems that help customers improve financial results and reduce environmental impact.

TOMRA's path forward is to improve the world's understanding of the benefits of creating and investing

in solutions that can move us past the false choice between earth and economy (change mindsets to act and move), producing new work opportunities to ensure competitiveness, growth and work with purpose while fostering a culture that both inspires and motivates its people and customers.

2013 has been the first full year of operating with the new structure comprising two business areas and six business streams:

TOMRA Collection Solutions (TCS):

- + **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)
- + **Compaction** (Small and mid-size compaction machines)

TOMRA Sorting Solutions (TSS):

- + **Food** (Sorting and processing technology for the fresh and processed food industries)
- + **Recycling** (Sorting systems for waste and metal material streams)
- + **Mining** (Ore sorting systems for the mining industry)

In 2013, the TSS business area accounted for 39 percent of the Group's total operating revenues, up from 35 percent in 2012 and 25 percent in 2011. The percentage is expected to increase in the years to come, as TOMRA pursues a strategy of expanding its recognition and sorting technology and competence into new areas.

TOMRA COLLECTION SOLUTIONS

TOMRA's activities within this business area are primarily the development, production, sale, lease and service of automated recycling systems in Europe and North America, including data administration systems which monitor the volume of collected materials and associated deposit transactions. In 2013 revenues within this business area amounted to NOK 2,818 million, up from NOK 2,649 million in 2012. Adjusted for currency changes, revenues increased by 3 percent.

Gross contribution decreased from 43 percent to 42 percent, due to changes in both product and market mix. EBITA increased from NOK 516 million to NOK 531 million. Currency adjusted, profit was down 2 percent.

TOMRA's customers within this segment are primarily in the food retail industry in Europe and USA, an industry that is relatively unaffected by financial downturns since the consumption of food and beverages remains fairly stable through economic cycles. Food retail chains in general consider a well-functioning container return system to be an important competitive advantage, as consumers tend to choose which store they go to based upon the convenience and reliability of a store's return facilities. This applies both in times of economic upturn and downturn. With approximately 50 percent of the segment's revenues originating from service, and a significant part of the new machine sales being replacement, the year over year change in activities will normally be limited.

Within Reverse Vending, TOMRA operates with two different business models in North America. One is a sales model, where machines are sold to the food retail stores in the same way as in Europe; the other is a through-put lease model, where TOMRA maintains ownership of the installed machines and receives payment based on the number of containers handled by the machines. The installed base for the two models at the end of 2013 was close to 9,000 machines on operational lease and a somewhat lower number for machines sold.

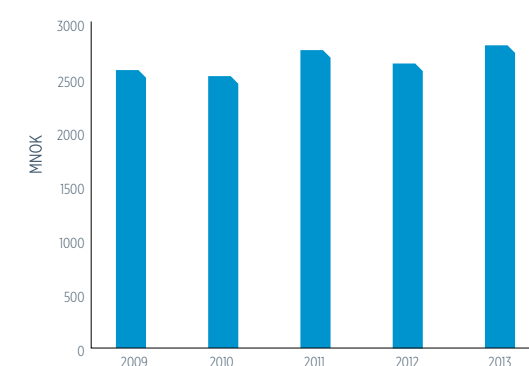
In addition to the Reverse Vending business, TOMRA picks up, transports, processes, and sells used beverage containers on behalf of beverage producers in the eastern United States and in Canada (Material Recovery). In 2013 this business segment contributed total revenues of USD 107 million. The volumes of drinking containers going through TOMRA's infrastructure (Material Recovery and through-put lease models within Reverse Vending combined) was stable during 2013. Including the sale of new machines, North American revenues were up 2 percent overall, measured in local currency.

In September, TOMRA announced the launch of T-9, the first of a new generation of reverse vending machines (RVM) based on TOMRA Flow Technology. T-9 features the first ever 360-degree recognition system applied inside an RVM and enables faster and cleaner collection of beverage containers, including containers that until now could not be collected in RVMs.

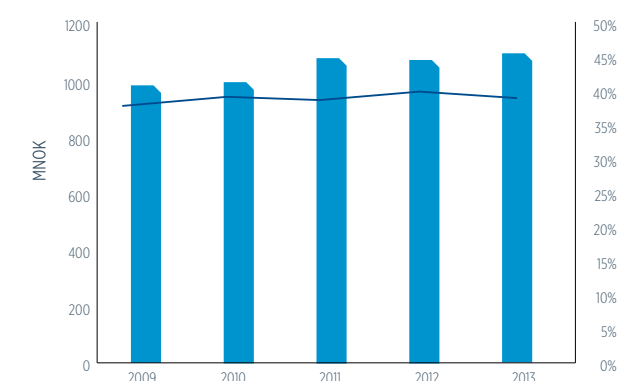
The machine is improving consumer experience due to its increased capacity and leads consequently to shorter queues during peak hours in the stores.

The market for smaller vertical balers, where TOMRA Compaction is a key player in Europe, was relatively stable in 2013. Revenues were slightly up and profit for the unit was unchanged from 2012.

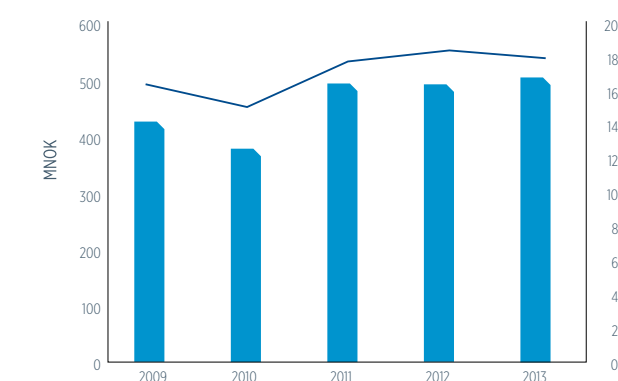
TCS - Revenues



TCS - Gross contribution and margin



TCS - EBITA and margin

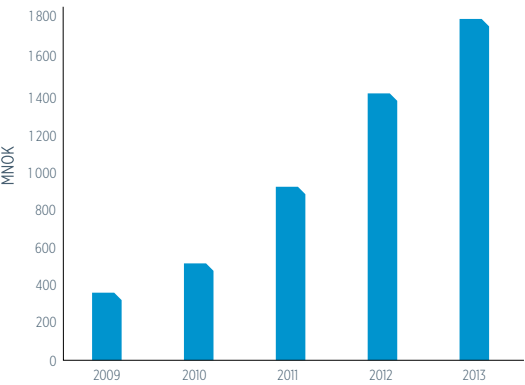


TOMRA SORTING SOLUTIONS

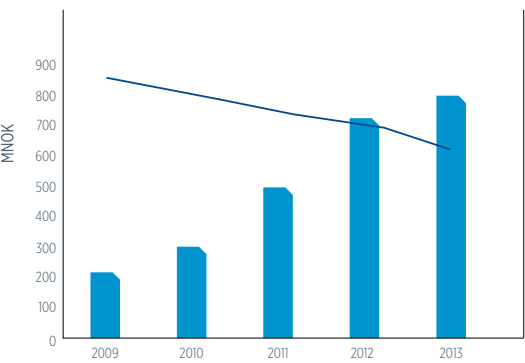
TOMRA Sorting Solutions is a global market leader in sensor-based sorting solutions. The technology is currently applied in the food, recycling and mining industries. In Food, our scanners sort items based on size and quality in addition to removing foreign objects – increasing the yield and improving food safety. Within Recycling, TOMRA’s solutions allow material processing facilities to sort larger amounts of materials such as plastic and paper at a lower cost and with greater precision than with traditional labor-intensive methods. In Mining, TOMRA’s machines enable the customer to perform advanced recognition and sorting of high value materials such as metals, minerals and gem stones.

TOMRA has historically been the market leader within Recycling and Mining, a position it also achieved within food sorting by acquiring Odenberg Engineering (ODENBERG) in January 2011 and Best Kwadraat (BEST) in June 2012. TOMRA Sorting Solutions is now the world’s leading provider of sensor-based systems for material recognition and sorting. At the end of 2013, more than 10,000 systems had been installed in 80 countries on all continents.

TSS
- Revenues



TSS
- Gross contribution and margin

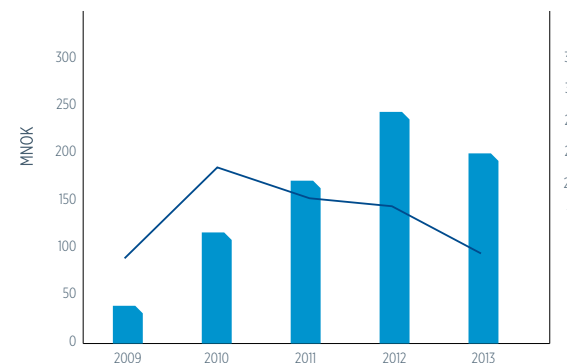


TOMRA Sorting Solutions experienced a significant decline in revenues and profits in 2009. Back then, the most important customer group in this segment was waste management companies that have business models which to a certain degree are focused on extracting the commodity value which waste material represents. During times of falling commodity prices, sorting and recycling become less profitable and consequently the demand for equipment to execute these tasks also declines. Access to capital also became more difficult for many customers in 2009, which also negatively impacted their ability to invest in equipment. During 2010, the segment experienced a strong rebound, as commodity prices again climbed. The rebound continued through 2011 and 2012. In 2013, revenues for business area Sorting equaled NOK 1,784 million, up from NOK 1,424 million in 2012. Adjusted for currency changes and the BEST acquisition, revenues were however down 4 percent. The reduced revenue is mainly explained by lower activity within Recycling, which has been negatively influenced by lower material prices.

Gross margins were down from 51 percent in 2012 to 45 percent in 2013. This is explained by full year effect of BEST (which has mainly sold via agents and has consequently had a slightly lower gross margin), combined with change in product, and market mix. As a result, EBITA was NOK 199 million, down from NOK 243 million in 2012.



TSS
- EBITA and margin



TOMRA Food signed in 2012 contracts with a total value of USD 18.5 million for optical sorting and peeling equipment for a new high capacity food processing plant in the US. The order was mainly delivered in 2013. TOMRA Sorting started consequently 2013 with a high order backlog, which included this order. Throughout the second and third quarter 2013, the order backlog decreased as new orders did not compensate for the reduction when this order was being delivered. Order intake improved however during fourth quarter 2013, and the backlog at the end of 2013 was NOK 475 million, down from NOK 525 million at the beginning of the year.

After several acquisitions, the main focus in 2013 has been to consolidate and streamline activities, leveraging synergies and harmonizing the use of technologies. As part of this process, the ODENBERG Freezing and Chilling product group was divested in February 2013, concluded as non-core to TOMRA’s future growth plans. The Freezing and Chilling business was active in the design and manufacturing of systems for the freezing and chilling of boxed products; like poultry, ice cream and ready-made meals. The business had been operated mostly on its own, with little overlap of customers and technology with other parts of the Food business stream. The product group recorded revenues of EUR 7 million in 2012. The transaction did not have any significant P/L, B/S or cash flow impact, and has been reported under continued operations in both 2012 and 2013.

Cross-utilizing technologies between the business streams is a key to success within TOMRA Sorting, and during 2013 several new products were launched, where cross-utilization has been instrumental in achieving the quality, speed and functionality targeted. Some examples are:

+ Field potato sorter: NIR recognition system (from the Titech recycling portfolio) is utilized in potato sorters (from Odenberg food portfolio), allowing efficient removal of rocks, dirt and rotten potatoes before the potatoes are stored.

+ PRO Laser Duo sorter: Laser technology (from the BEST food portfolio) is utilized in mining sorters, allowing detection of all colors of quarts, including gold bearing quartz mineralization.
+ Nimbus BSI: NIR sensors have been added to the existing portfolio of Nimbus machines (from the BEST food portfolio), increasing competitiveness in the nuts segment.

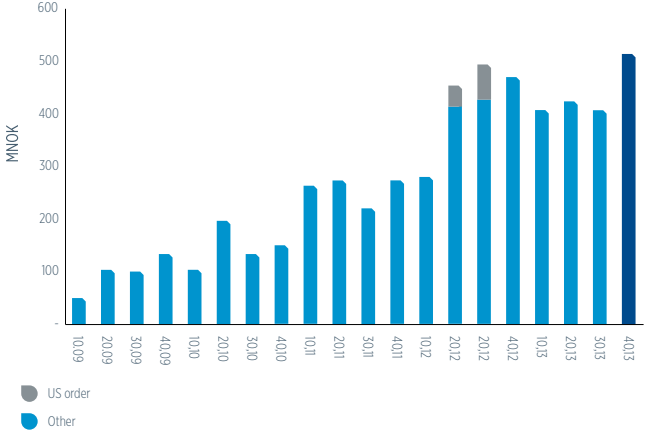
Other important projects have been to establish a common sorting platform, standardizing software, hardware and modules across business streams and product lines. When finished, machines shall be based on the same platform, regardless of sorting task, enabling TOMRA to take advantage of synergies and economies of scale in the development, production and service of its sorters.

To further improve operational efficiency and productivity, the integration program will continue in 2014. This includes centralizing all process analytics activities in Belgium (moving it from Ireland, Germany and Norway), relocating F&A activities from Ireland to Belgium, centralizing Service for BeNeLux in Belgium and a proposal to move production activities from Belgium to Slovakia. The process should be completed by the end of 2014.

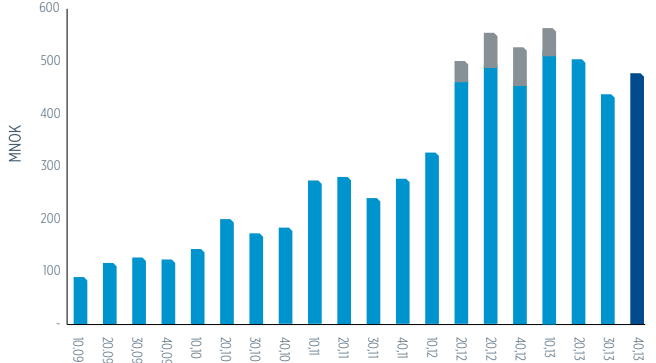
RESEARCH AND DEVELOPMENT ACTIVITIES

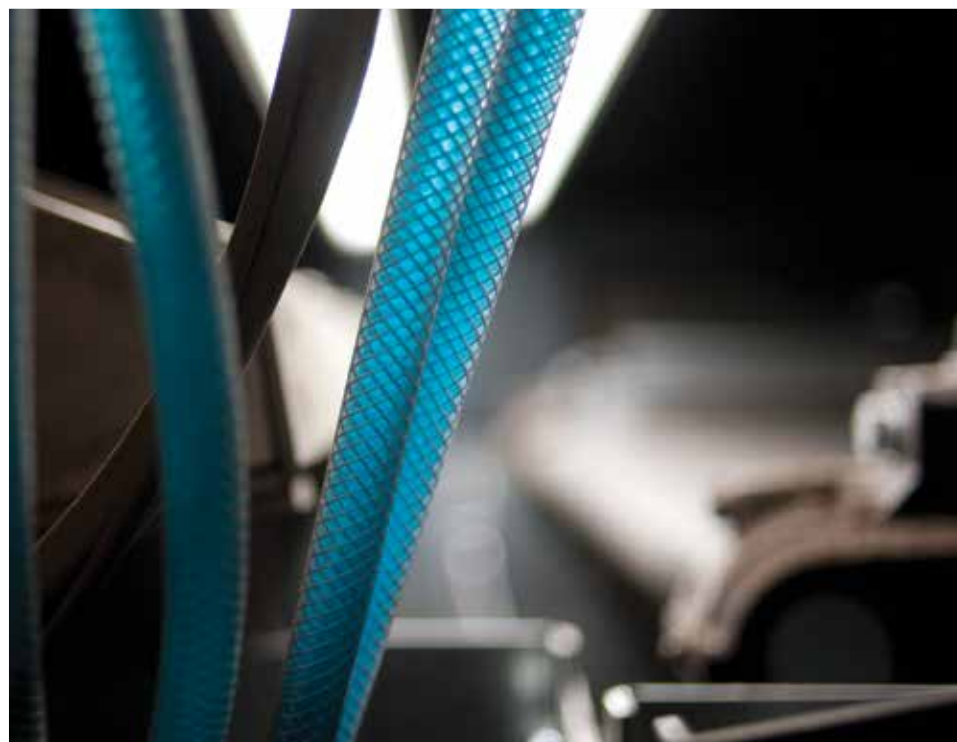
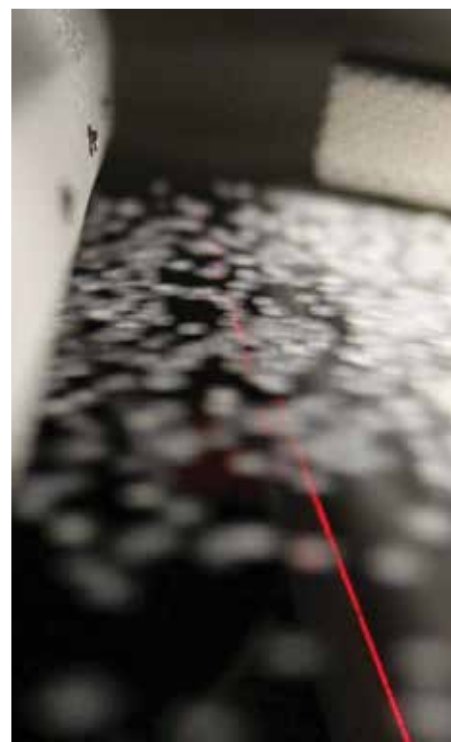
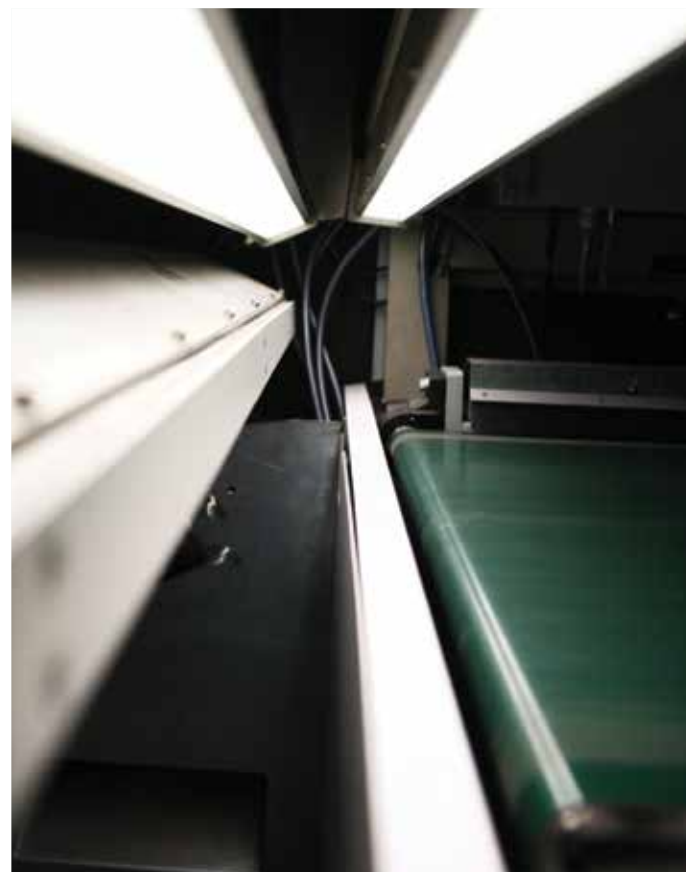
Research and development activities are a high priority at TOMRA. R&D has a central role in the development of the individual technology units, and is closely connected to the local markets in order to ensure that TOMRA maintains its technological advantage. Research and development activities of NOK 211 million were expensed in 2013. The comparative figure for 2012 was NOK 205 million. In addition NOK 43 million was capitalized (2012: NOK 26 million). These activities were directed primarily toward the development of automated return systems (TOMRA Collection Solutions) in addition to further development of recognition and sorting technology in TOMRA Sorting Solutions.

Order intake



Order backlog





FINANCIAL RISK

The Board of Directors is focused on ensuring that there is a systematic and considered approach to managing risk within all segments of the corporation, and views this as a prerequisite for long-term value creation for the company's shareholders, employees, and other stakeholders. Opportunities for growth shall always be weighed up against the associated risks. TOMRA faces normal business risks related to contractual agreements with, for example, customers and suppliers. In addition there are several macro trends that can affect the industry in which TOMRA operates. A reduction in recycling targets and ambitions, as well as falling material commodity prices, would negatively influence TOMRA as the need for advanced recycling technology would become less obvious.

TOMRA's operations are also influenced by political decisions, specifically with regard to deposit legislation. If a country or state decides to remove its existing deposit system there will be limited incentives for TOMRA's customers to maintain current or invest in new TOMRA equipment. In some markets, like for example in the United States, an elimination of the deposit legislation would immediately dissolve the foundation for TOMRA's daily operations. On the other hand, the implementation or expansion of deposit systems in a country or state would create new growth opportunities for TOMRA.

TOMRA makes a significant contribution to a cleaner and more sustainable world through its products and services.

Responsibility for financing, cash management and financial risk management is handled by the Finance Department within Tomra Systems ASA. Historically, TOMRA has seldom experienced losses on accounts receivable, and the corporation's routines concerning credit approval are considered satisfactory. TOMRA's surplus cash is placed primarily in NOK with duration of less than six months. Interest-bearing debt is normally denominated in NOK or EUR, at interest rates fixed for a period of less than six months.

TOMRA is exposed to fluctuations in currency exchange rates. With 95 percent of its income in foreign currencies, a strengthening of NOK will lead to reduced earnings for the Group when measured in this currency. The majority of risk is connected to fluctuations in EUR and USD. TOMRA takes advantage of forward exchange contracts to hedge future cash flows in foreign currencies.

With 90 percent of the balance sheet denominated in foreign currencies, TOMRA's equity will also be exposed to changes in currency exchange rates (most importantly EUR). To partly offset this effect, TOMRA aims to place external bank debt in the same currencies. In addition TOMRA has implemented the financial risk management systems one would expect given the size and complexity of the company's operations. A more extensive description of TOMRA's internal control procedures and systems for evaluating financial risk are provided on pages 25-26 in this report.

CORPORATE RESPONSIBILITY AND GOVERNANCE - OUR SOCIAL AND ENVIRONMENTAL ENGAGEMENT

TOMRA makes a significant contribution to a cleaner and more sustainable world through its products and services. As a result, TOMRA has always had a significant focus on the environment, measuring and reporting its environmental performance since 1998. As TOMRA expands its focus to address the other corporate responsibility (CR) areas, the Board supports TOMRA's membership of the UN Global Compact, which provides a recognized framework for integrating CR principles into operations and strategies. This annual report forms the basis of TOMRA's Communication on Progress, required annually by the UN Global Compact.

Tomra Systems ASA is also certified according to the ISO 14001 standard for environmental leadership. TOMRA's five-year environmental program has been expanded to include other CR topics, with particular focus on corruption and other risk areas. Further details of TOMRA's corporate responsibility targets and impact on the environment are presented in TOMRA's Corporate Responsibility report on pages 16-23 of this report.

ORGANIZATION, HEALTH AND SAFETY

The number of employees in the TOMRA Group was 2,520 at the end of 2013, up from 2,470 at the end of 2012. In Norway the number of employees increased from 269 at year-end 2012 to 270 at the end of 2013.

TOMRA facilitates equal opportunity for professional and personal development for all employees and does not discriminate on the basis of race, color, religion, gender, natural origin, age, disability, sexual orientation or veteran status. These are important principles which are firmly anchored in the company's Corporate Responsibility Statement and the Code of Conduct and communicated to all employees.

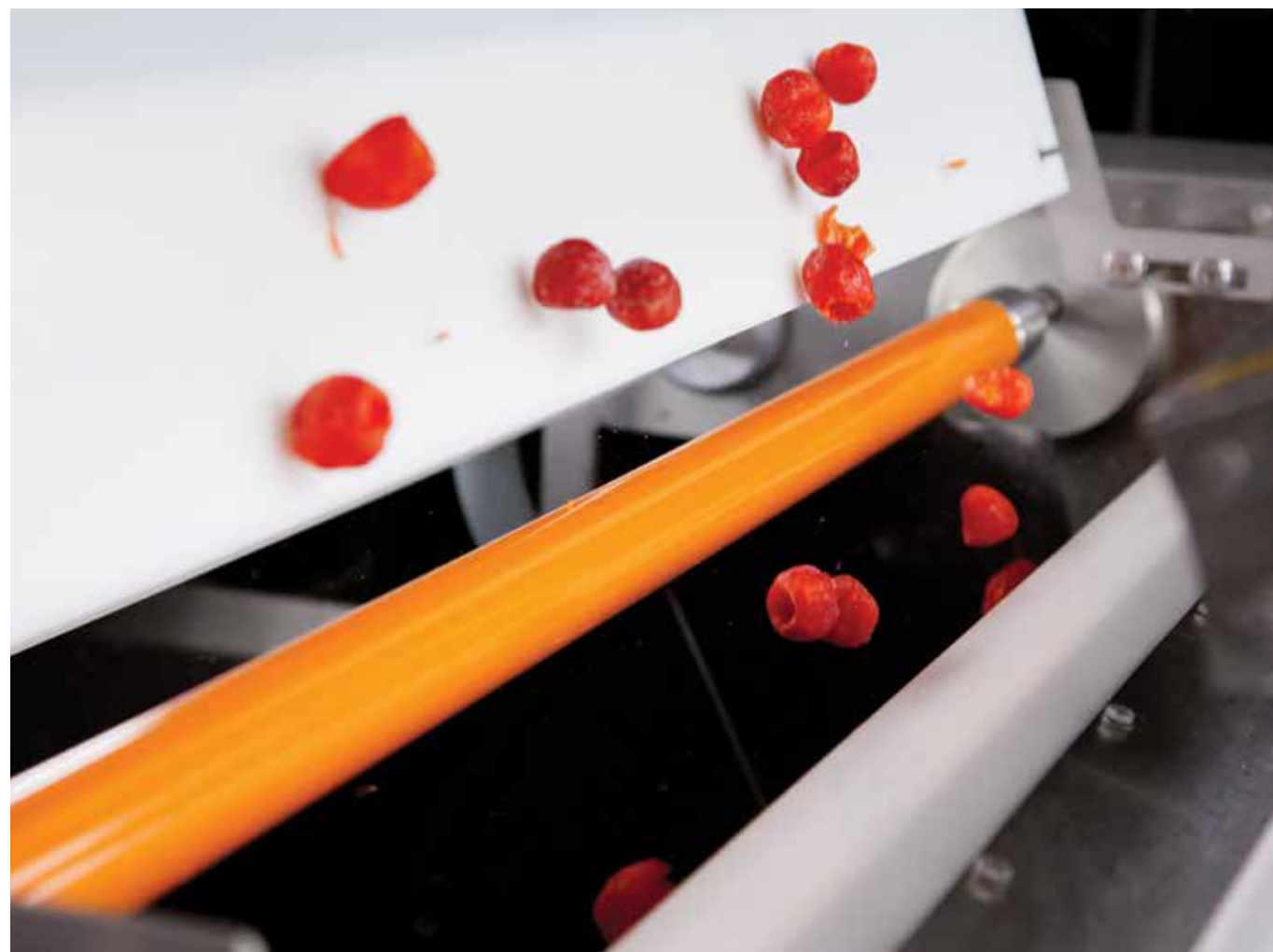
Over 80% of TOMRA's employees chose to participate in an international survey coordinated by the organization "Great Place to Work" in 2013, which also rates how well employees consider the company lives up to its principles. The feedback from employees is in general encouraging.

The Board of Directors considers the principles and guidelines the company has in place for discrimination and equal access to be sufficient, and that no further actions are necessary to satisfy legal requirements.

Female employees made up 18 percent of TOMRA's work force and held 16 percent of its management positions at the end of 2013, a change from 17 and 17 percent respectively in 2012. Three of TOMRA's seven board directors are women.

The number of job-related injuries in TOMRA requiring medical attention beyond basic first aid was 116, up from 81 in 2012. Most of these instances occurred within TOMRA's material recovery activities in the USA, which involve handling crushed glass and heavy lifting, although the increase versus 2012 can be attributed to adverse winter weather. TOMRA continuously strives to reduce the injury rate and has implemented further preventative measures after identifying more contributing factors. The absence rate due to illness in Tomra Systems ASA went down from 3.6 percent in 2012 to 2.4 percent in 2013.

Tomra Systems ASA is certified according to ISO 9001 and this standard is used to guide the company's quality assurance procedures. TOMRA also applies an internal management system that incorporates goal- and result-orientation throughout the entire organization, including performance and leadership evaluation.



CORPORATE GOVERNANCE - BOARD DEVELOPMENTS

TOMRA defines corporate governance as those processes and control structures which are established to protect the interests of the company's shareholders and other stakeholder groups. TOMRA's guidelines for corporate governance, core values and leadership principles are aligned to ensure sustainable development of the company. These guidelines include the role of the Board and its various committees, requirements concerning the impartiality of its board members, and board compensation. TOMRA's corporate governance report can be found on pages 24-27 in this report. TOMRA's corporate governance policy can be found on www.tomra.com.

At the ordinary general meeting 22 April 2013 Hege Norheim resigned after six year's service and was replaced by Bodil Sonesson. The other Board members were re-elected. No other changes have been made to the composition of the Board during 2013.

The Board held seven board meetings in 2013 and the attendance at the meetings was 100 percent. In addition, the audit committee held four meetings and the compensation and organizational development committee and the corporate responsibility committee both met twice during the year.

PROSPECTS FOR THE FUTURE

Due to the recent expansion, the Group's operations today are more robust and less dependent on individual markets than previously. Even if short-run fluctuations in the demand for TOMRA's solutions may occur, the company will in the long run be able to capitalize on strong favorable macro trends both in the food processing and the recycling industry as well as other "machine vision" related industries. These trends include increased population, higher food prices, increased focus on food safety, limited resources, increasing per capita waste levels, higher energy prices, stricter waste recycling regulations, greater environmental awareness, and rising demand for commodities.

But even if the macro environment is assumed to work in TOMRA's favor, short-term fluctuations should also be expected. In the global recession in 2009, with falling economic activity in many of TOMRA's principal markets, TOMRA experienced lower activity in TOMRA Sorting Solutions. In 2010 and 2011 there was a rebound with increased activity. In 2012 and 2013 there were regional differences with slower development in the more traditional European markets, offset by higher activity outside Europe. At the start of 2014 the outlook is mixed, both geographically and by segment.

TOMRA's guidelines for corporate governance, core values and leadership principles are aligned to ensure sustainable development of the company.



TOMRA COLLECTION SOLUTIONS

Almost all supermarkets in the established deposit markets have automated their return of bottles and cans. These markets therefore represent mainly replacement opportunities and significant after-markets with regard to service. The global installed base of more than 70,000 machines generates a steady income stream with a high percentage of recurring revenues. In addition, new markets will materialize from time to time. Timing is not possible to predict, as they are heavily dependent upon the outcome of political processes. The Board is currently not aware of any new process that has the potential to generate significant new revenues in 2014, but in a 2-3 year horizon, new markets might open up. Without any significant new external triggers, the 2014 activity is assumed to mirror 2013 in this business area.

TOMRA SORTING SOLUTIONS

This segment sells sorting and processing solutions. Important customer groups include food processing companies, waste management companies and various types of industries (including mining). With food sorting being the most important business stream, the volatility in the segment is expected to be somewhat less cyclical than previously. The demand for food will in general be fairly stable through the cycles, consequently not significantly influencing our customers, even though margins can fluctuate between the markets and product lines within this business stream. As long as the regions TOMRA operates in do not experience significant recessions, it is assumed that Sorting Solutions will continue to grow in the years to come, though with quarterly and yearly fluctuations.



CURRENCY

A weaker NOK is positive for TOMRA, both because the Group has significant activities abroad that are denominated in foreign currencies and appear therefore more profitable measured in NOK, and because TOMRA has a certain cost base in NOK tied to development activities and headquarter functions. For a broader review of currency sensitivities, refer to note 19.

THE TOMRA SHARE

The number of TOMRA shareholders decreased from 6,403 at the end of 2012 to 6,014 at the end of 2013. The amount of shares held by Norwegian residents at the end of 2013 was 23 percent, down from 24 percent at the end of 2012. The TOMRA share price rose from NOK 50.25 at the end of 2012 to NOK 56.50 at the end of 2013. Taking into account the dividend of NOK 1.25 paid out in May 2013, the total return on the TOMRA share was 15 percent in 2013. The return on the Oslo Stock Exchange in 2013 amounted to 24 percent.

A total of 37 million TOMRA shares were traded on the Oslo Stock Exchange in 2013, down from 48 million shares the year before. In December 2011, the Swedish company Investment AB Latour acquired Orkla's 15.5 percent stake in TOMRA, becoming TOMRA's largest shareholder. Latour continued to acquire shares during 2012 and 2013 and at the end of the year held 21.2 percent of the shares.

TOMRA values having a good dialogue with the investor market and has in recent years, including 2013, been named the best Nordic and/or Norwegian IR-company in its class several times in the annual awards presented by REGI/ Burson-Marsteller (which are based on interviews of analysts and investors).

The nominal value of each share is NOK 1. The total number of outstanding shares at year-end 2013 was 148,020,078, including 267,789 treasury shares held by TOMRA.

The Board wishes to encourage the company's employees to invest in the company's shares. A share purchase program was therefore established in 2008 that offers employees the opportunity to buy shares at current market rates, and for every five shares held for at least one year, one share is given free of charge. The Board will recommend at the general assembly that the program should be continued, limited to a total of 500,000 shares per year.

FINANCING

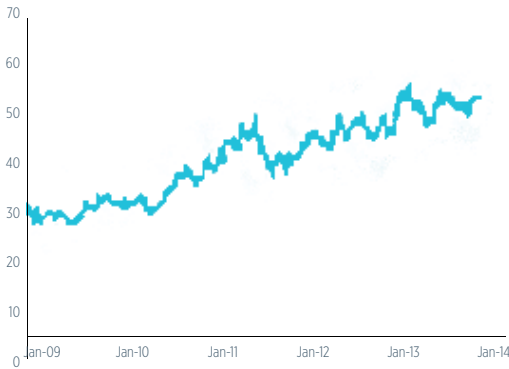
At year end TOMRA had committed credit lines of NOK 1,944 million, of which NOK 1,527 million was utilized. Beyond this the Group has an ongoing credit limit of NOK 50 million on its operating cash account. The first loan to expire is a NOK 500 million three-year term loan with Eksportfinans ASA, which is due in July 2014. At the end of 2013 TOMRA had a gearing ratio equal to 1.8 (Net interest-bearing debt/EBITDA, measured on 2013 performance).

Taking the company's relatively stable cash flow, solid balance sheet and unrealized credit facility into consideration, the Board of Directors is of the opinion that the company has the necessary financial flexibility to take advantage of possible growth opportunities.

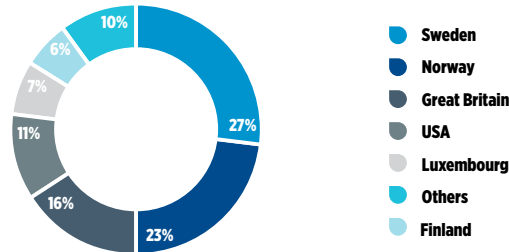
Asker, 18 February 2014

Svein Rennemo Chairman	Bodil Sonesson Board member
Jan Svensson Board member	David Williamson Employee representative
Aniela Gjøs Board member	Ingrid Solberg Employee representative
Bernd H.J. Bothe Board member	Stefan Ranstrand President & CEO

TOMRA share price



Shareholders by country of residence



Total foreign ownership 76.7

FINANCIAL STATEMENTS

INCOME STATEMENT

Tomra Systems ASA NGAAP				Group IFRS	
2013	2012	Amounts in NOK million	Note	2013	2012
862.8	860.4	Operating revenues	1,25	4,602.1	4,073.1
473.3	438.3	Cost of goods sold	2	2,018.6	1,605.5
144.7	152.9	Employee benefits expenses	3,17	1,262.0	1,143.8
9.6	9.0	Ordinary depreciation	9,10	258.3	229.0
60.5	62.8	Other operating expenses	7	462.2	432.9
688.1	663.0	Total operating expenses		4,001.1	3,411.2
174.7	197.4	Operating profit		601.0	661.9
–	48.2	Dividend from subsidiaries		–	–
37.7	57.6	Financial income		8.0	10.0
58.8	51.4	Financial expenses		54.5	48.6
(21.1)	54.4	Net financial items	4	(46.5)	(38.6)
–	–	Profit from associates	16	6.6	7.1
153.6	251.8	Result before taxes from continuing operations		561.1	630.4
43.4	40.9	Taxes	11	139.0	152.7
		Loss from discontinued operations	24	9.7	0.0
110.2	210.9	Profit for the period		412.4	477.7
		Attributable to:			
		Shareholders of the parent		376.7	440.4
		Non-controlling interest		35.7	37.3
		Profit for the period		412.4	477.7
		Allocated as follows:	21		
199.5	184.7	Dividend			
(89.3)	26.2	Other equity			
110.2	210.9	Total allocated			
		Earnings per share, basic (NOK)	21	2.55	2.98
		Earnings per share, diluted (NOK)	21	2.55	2.98
		Earnings per share from continuing operations, basic (NOK)		2.62	2.98
		Earnings per share from continuing operations, diluted (NOK)		2.62	2.98

Other comprehensive income

Amounts in NOK million		Group IFRS	
2013	2012	2013	2012
Profit for the period	412.4	477.7	
Other comprehensive income that may be reclassified to profit or loss			
Foreign exchange translation differences	300.3	(142.9)	
Other comprehensive income that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability (assets)	(40.9)	0.0	
Tax on remeasurements of defined benefit liability (assets)	13.9	0.0	
Total comprehensive income for the period	685.7	334.8	
Attributable to:			
Shareholders of the parent company	643.2	302.9	
Non-controlling interest	42.5	31.9	
Total comprehensive income for the period	685.7	334.8	

BALANCE SHEET AS OF 31 DECEMBER

Tomra Systems ASA NGAAP				Group IFRS	
2013	2012	Amounts in NOK million	Note	2013	2012
ASSETS	37.1	39.8		134.3	127.3
–	–	Deferred tax assets	11	134.3	127.3
–	–	Goodwill	10,23	1,965.3	1,793.1
11.6	12.1	Development costs	10	77.0	56.4
11.6	12.1	Other intangible assets	10	310.2	318.8
		Total intangible non-current assets		2,352.5	2,168.3
19.4	16.8	Property, plant and equipment	9	421.5	381.5
–	–	Leasing equipment	9	186.4	181.6
19.4	16.8	Total tangible non-current assets		607.9	563.1
3,284.5	1,661.1	Investment in subsidiaries	15,23	–	–
300.4	1,695.3	Loan to subsidiaries	15	–	–
–	–	Investment in associates	16	42.1	36.1
–	–	Other investments		0.8	0.7
5.0	8.4	Long term receivables	8	223.7	219.8
3,589.9	3,364.8	Total financial non-current assets		266.6	256.6
3,658.0	3,433.5	Total non-current assets		3,361.3	3,115.3
13.0	12.5	Inventory	2	873.5	788.5
3.1	4.2	Trade receivables		931.1	845.8
136.5	277.9	Intra-group receivables		–	–
26.6	39.3	Other short-term receivables		293.2	232.2
166.2	321.4	Total receivables	7	1,224.3	1,078.0
63.3	40.4	Cash and cash equivalents	18	164.1	177.2
242.5	374.3	Total current assets		2,261.9	2,043.7
3,900.5	3,807.8	Total assets		5,623.2	5,159.0
LIABILITIES AND EQUITY	148.0	148.0		148.0	148.0
(0.2)	(0.2)	Share capital		(0.2)	(0.2)
918.3	918.3	Treasury shares		918.3	918.3
1,066.1	1,066.1	Share premium reserve		1,066.1	1,066.1
598.3	702.6	Paid-in capital		1,674.8	1,217.2
–	–	Retained earnings		82.6	73.6
1,664.4	1,768.7	Non-controlling interest		2,823.5	2,356.9
–	–	Total equity	21	2,823.5	2,356.9
48.1	32.6	Deferred tax liabilities	11	97.4	121.5
877.2	1,402.9	Pension liabilities	17	69.6	32.6
50.2	44.1	Interest-bearing liabilities	6	1,004.4	1,546.1
975.5	1,479.6	Loan from subsidiaries		–	–
		Total non-current liabilities		1,171.4	1,700.2
544.9	–	Interest-bearing liabilities	6	552.1	5.6
13.2	18.4	Trade payables		321.6	294.5
398.8	220.3	Intra-group debt		–	–
27.7	47.1	Income tax payable	11	64.7	65.6
11.3	14.7	Provisions	13	132.4	129.8
264.7	259.0	Other current liabilities	12	557.5	606.4
1,260.6	559.5	Total current liabilities		1,628.3	1,101.9
2,236.1	2,039.1	Total liabilities		2,799.7	2,802.1
3,900.5	3,807.8	Total liabilities and equity		5,623.2	5,159.0

Asker, 18 February 2014

Svein Rennemo Chairman	Jan Svensson Board member	Bernd H.J. Bothe Board member	Aniela Gjøs Board member	Bodil Sonesson Board member	David Williamson Employee representative	Ingrid Solberg Employee representative	Stefan Ranstrand President & CEO
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP IFRS Amounts in NOK million	Paid-in capital	Translation reserve	Remeasure- ments of defined benefit lia- bility (assets)	Retained earnings	Total equity attributable to the owners of the company	Non- controlling Interest	Total Equity
Balance per 1 January 2012	1,066.2	(180.8)	0.0	1,255.7	2,141.1	75.8	2,216.9
Profit for the period				440.4	440.4	37.3	477.7
Changes in translation differences		(137.5)			(137.5)	(5.4)	(142.9)
Total comprehensive income for the period	0.0	(137.5)	0.0	440.4	302.9	31.9	334.8
Transactions with shareholders							
Dividend non-controlling interest					0.0	(34.1)	(34.1)
Purchase of own shares	(0.3)			(11.8)	(12.1)		(12.1)
Own shares sold to employees	0.2			6.5	6.7		6.7
Dividend to shareholders				(155.3)	(155.3)		(155.3)
Total transactions with shareholders	(0.1)	0.0	0.0	(160.6)	(160.7)	(34.1)	(194.8)
Balance per 31 December 2012	1,066.1	(318.3)	0.0	1,535.5	2,283.3	73.6	2,356.9
Profit for the period				376.7	376.7	35.7	412.4
Changes in translation differences		293.5			293.5	6.8	300.3
Remeasurements of defined benefit liability (assets)			(27.0)		(27.0)		(27.0)
Total comprehensive income for the period	0.0	293.5	(27.0)	376.7	643.2	42.5	685.7
Transactions with shareholders							
Dividend non-controlling interest					0.0	(33.5)	(33.5)
Purchase of own shares	(0.2)			(10.7)	(10.9)		(10.9)
Own shares sold to employees	0.2			10.0	10.2		10.2
Dividend to shareholders				(184.9)	(184.9)		(184.9)
Total transactions with shareholders	0.0	0.0	0.0	(185.6)	(185.6)	(33.5)	(219.1)
Balance per 31 December 2013	1,066.1	(24.8)	(27.0)	1,726.6	2,740.9	82.6	2,823.5

CASH FLOW STATEMENT

Tomra Systems ASA NGAAP		Amounts in NOK million	Group IFRS	
2013	2012		2013	2012
		CASH FLOW FROM OPERATING ACTIVITIES		
153.6	251.8	Ordinary profit/(loss) before taxes	561.1	630.4
(46.4)	(45.4)	Income taxes paid	(136.4)	(194.2)
9.6	9.0	Depreciation	258.3	229.0
(0.5)	1.4	Net change in inventory	7.7	(25.3)
17.1	(16.3)	Net change in receivables	(14.0)	(50.0)
(5.2)	0.2	Net change in payables	(2.0)	(10.2)
		Difference between booked costs on pension funds and actual cash payments to these funds	(4.0)	2.1
(3.9)	2.1	Exchange rate effects	13.4	12.6
-	-	Profit before tax from affiliated companies	(6.6)	(7.1)
-	-	Dividend from affiliated companies	3.7	5.6
(12.4)	(33.4)	Changes in other balance sheet items	(142.0)	(68.5)
(11.6)	(28.2)	Interest expense/(income)	27.8	25.4
100.3	141.2	Ordinary cash flow from operating activities	567.0	549.8
-	(221.9)	EU penalty	-	(221.9)
100.3	(80.7)	Net cash flow from operating activities	567.0	327.9
		CASH FLOW FROM INVESTING ACTIVITIES		
-	-	Proceeds from sales of non-current assets	39.8	12.4
-	-	Proceeds from sale of subsidiary	-	57.9
(14.0)	(13.9)	Acquisition of subsidiary / Capital infusion	3.7	(886.7)
(11.7)	(7.3)	Investment in non-current assets	(274.2)	(221.3)
(25.7)	(21.2)	Net cash flow from investing activities	(230.7)	(1,037.7)
		CASH FLOW FROM FINANCING ACTIVITIES		
231.3	(699.9)	Loan payments (to)/from subsidiaries	-	-
(109.0)	(3.1)	Repayment of long-term loans	(115.5)	(3.9)
-	902.9	Proceeds from issuance of long term debt	-	938.6
-	-	Dividend non-controlling interest	(33.5)	(34.1)
-	-	Net change bank overdraft	-	-
(10.8)	(12.1)	Purchase of treasury shares	(10.8)	(12.1)
10.2	6.7	Sale of treasury shares	10.2	6.7
37.7	57.6	Interest received	8.0	10.0
(26.1)	(29.4)	Interest paid	(35.7)	(35.4)
(184.9)	(155.3)	Dividend paid	(184.9)	(155.3)
(51.6)	67.4	Net cash flow from financing activities	(362.2)	714.5
-	-	Currency effect on cash	12.8	(5.8)
23.0	(34.5)	Net change in cash and cash equivalents	(13.1)	(1.1)
40.4	74.9	Cash and cash equivalents per 1 January	177.2	178.3
63.4	40.4	Cash and cash equivalents per 31 December	164.1	177.2

CONSOLIDATION AND ACCOUNTING PRINCIPLES

Group - IFRS

GENERAL

Business concept and customers

Tomra Systems ASA (the “Company”) is a company domiciled in Norway. The registered office is Drengsrudhagen 2, Asker. TOMRA's goal is to create sensor-based solutions for optimal resource productivity, making sustainability profitable - with increased relevance and meaning. In parallel, TOMRA fosters a culture that inspires and motivates its people and customers.

Added value is created for each customer through excellence in service and innovation.

TOMRA's customers are mainly located in Europe and North America.

Significant accounting policies

The consolidated financial statements of the Company for the year ended 31 December 2013 comprise the Company and its subsidiaries and joint ventures (together referred to as the “Group”) and the Group's interest in associates. The financial statements consist of the income statement, other comprehensive income, balance sheet, cash flow statement, consolidated statement of changes in equity and notes to the accounts.

The financial statements were authorized for issue by the Directors on 18 February 2014, and will be presented for final approval at the general meeting on 30 April 2014. Until the final approval by the general meeting, the board can authorize changes to the financial statements.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU, and the additional disclosure requirements of the Norwegian accounting act as at 31 December 2013.

(b) Basis of preparation

The financial statements are presented in NOK, rounded to the nearest one hundred thousand.

The financial statements are prepared based on historical cost, except for the following material items:

• Derivative financial instruments recognized at fair value through profit and loss.

• Defined benefit obligation recognized as the net total of the plan assets and the present value of the defined benefit obligation.

The financial statements are prepared on a going concern basis.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of determining carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by each Group entity.

REPORTING STRUCTURE

The Group's consolidated amounts comprise the following units:

Tomra Systems ASA

Europe

Tomra Europe AS (N)
Tomra Butikkssystemer AS (N)
Tomra Systems AB (S)
OY Tomra AB (FIN)
Tomra Systems AS (DK)
Tomra Systems BV (NL)
Tomra Systems GmbH (D)
Tomra Leergutssysteme GmbH (A)
Tomra Systems SA (F)
Tomra Systems NV (BEL)
Tomra s.r.o (CZE) (40 %)
Tomra Baltic OÜ (EST) (40 %)
Tomra Production AS (N)
Retail Services GmbH (D)
Tomra Sorting AS (N)
Tomra Sorting GmbH (D)
Tomra Sorting S.L. (E)
Tomra Sorting Ltd. (UK)
Tomra Sorting Sp. Z.o.o. (P)
Tomra Sorting S.a.r.l. (F)
Tomra Sorting SRO (Slovakia)
Tomra Sorting Ltd (Ireland)
Tomra Sorting SRL (Italia)
Odenberg Engineering BV (NL)
Commodas Ultrasort GmbH (D)

Tomra Compaction Group AB (S)
Tomra Compaction AB (S)
Morinders Verkstäder AB (S)
Orwak Polen ZPZOO (P)
Tomra Systems Ltd. (UK)
Van den Berg & Partners (UK)
Best Sorting Spain S.L. (E)
Tomra Sorting NV (BEL)
Tomra Sorting BV (NL)
Belgian Electronic Sorting Technology TR Mak. San. Tic. A.S. (TR)

North-America

Tomra of North America Inc. (DE)
Tomra of North America Finance Company LLC (DE)
Tomra Metro LLC (CT)
Western New York Beverage Industry Collection and Sorting LP (74%) (NY)
Tomra New York Recycling LLC (70%) (NY)
Upstate Tomra LLC (54%) (NY)
Tomra Mass. (55%) (MA)
Tomra Canada Inc. (CAN)
Tomra Pacific Inc. (DE)
UBCR (51%) (MI)
UltrePET LLC (49%) (NY)
Tomra Compaction LLC (DE)

Tomra Sorting (CAN)
TOMRA/CBSI LLC (DE)
Returnable Services LLC (DE)
Synergistics LLC (51%) (MI)
Odenberg Inc (USA)
Belgian Electronic Sorting Technology USA, Inc.

Rest of the world

Tomra Sorting Japan KK (JAP)
Tomra Japan Ltd. (50%) (JAP)
Orwak Tomra Compaction KK (JAP)
Tomra Sorting Co, Ltd. (KOR)
Tomra Sorting (Pty) Ltd. (South Africa)
Tomra Sorting (Pty) Ltd. (Australia)
Tomra Environmental Protection Technology (Xiamen) Co.Ltd. (China)
Tomra Brasil Solucoes EM segregacao LTDA (Brazil)
Tomra Sorting JLT (Dubai)
Best Sorting K.K. (JAP)
Best Sorting (Hangzhou) Trading Limited (China)

In 2012 Odenberg AS was merged with Tomra Sorting AS.
In 2012 Camco Recycling Inc and Tomra Systems Inc. was merged with Tomra Canada Inc.

CONSOLIDATION PRINCIPLES

(a) Consolidated companies

The consolidated accounts include the parent company Tomra Systems ASA and companies in which the parent company has a controlling influence. Subsidiaries acquired or sold during the course of the year are included in the income statement as of the date that control commenced until the date that control ceased.

(b) Elimination of shares in subsidiaries

Shares in subsidiaries are eliminated on the basis of the past equity method. The difference between the book value of shares in subsidiaries and book value of the subsidiaries' equity at the time such shares were acquired is analyzed and posted to the balance sheet items to which the excess amounts relate. Goodwill represents the excess of the purchase price paid for acquisitions above net assets acquired and is tested for impairment at least annually.

(c) Currency translation for foreign subsidiaries

The profit and loss statements for foreign subsidiaries prepared in foreign currencies are translated on the basis of average exchange rates for the year. The balance sheet is converted on the basis of the exchange rates on December 31. Translation differences are shown as a separate item and charged to other comprehensive income (OCI).

Loans to subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are accounted for as part of net investment in that foreign operation. Translation differences on such loans are initially recognized in OCI/equity, and reclassified from equity to profit and loss on disposal of the net investment. There is no specific accounting guidance in IAS 21 regarding subsequent down-payment of net investment loans. TOMRA's accounting policy is that down-payment of such loans, fully or partially, does not alone constitute a partial divestment of the net investment in that subsidiary. Consequently, there is no reclassification from equity to profit and loss, unless there is also a change in TOMRA's ownership.

When foreign subsidiaries are sold, completely or partially, the associated translation

difference is recognized in the profit and loss.

(d) Non-controlling interest

The non-controlling interest's share of the net profit and equity are classified as separate items in the income statement and balance sheet.

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Previously, goodwill was recognized on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

(e) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit and loss.

For accounting of goodwill see Valuation and Classification principles (f) Goodwill.

(f) Internal transactions/intercompany items

All purchases and sales between Group companies, intra Group expenses, as well as receivables and liabilities have been eliminated in the consolidated statements.

(g) Joint Ventures

Joint Ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Jointly controlled entities are accounted for using proportionate consolidation line by line in the consolidated income statement and balance sheet and statement of cash flow.

(h) Associates

Associates, in which TOMRA has an ownership interest of 20-50% and significant influence over operational and financial decisions, are included in the consolidated accounts based on the equity method. The Group's share of the profit from associates is reported under financial items in the income statement and as operating activities in the statement of cash flow.

VALUATION AND CLASSIFICATION PRINCIPLES

Estimations

The preparation of the annual accounts of TOMRA involves the use of estimates. The estimates are based on a number of assumptions and forecasts that, by their nature, involve uncertainty. Various factors could cause TOMRA's actual results to differ materially from those projected in the estimates. This includes, but is not limited to, 1) cash flow forecast from business units supporting the carrying amount of goodwill and deferred tax assets, 2) provisions for warranty and 3) assumptions for calculation of pension obligation.

In performing the impairment test of goodwill, the recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates including, but not limited to estimates of future performance of the CGU's, assumptions of the future market conditions, and discount rate. Changes in circumstances and in management's

evaluations and assumptions may give rise to changes in the outcome of impairment testing.

(a) Revenue recognition

Revenue on product sales and sales-type leases of the company's products is generally recognized at the time of installation. Revenue on service contracts and operating leases of the company's products is recognized over the terms of the related agreements. Other service revenue is recognized when services are provided.

Construction contract revenue has been determined based on the percentage of completion method. The amount of revenue recognized results from the development of a number of peelers for one of the Group's customers in the Sorting Solution segment. These peelers are constructed based on specifically negotiated contracts with this customer.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a construction contract can be estimated reliably, contract revenue is recognized in profit and loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed and cost incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit and loss.

(b) Cost recognition

Costs are expensed in the period that the income to which they relate is recognized. Costs that can not be directly related to income are expensed as incurred.

(c) Expenses

Operating lease payments

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in the income statement.

Interest income is recognized in the income statement as it accrues, using the effective interest method. Dividend income is recognized in the income statement on the date the entity's right to receive payments is established. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

Hedge of a net investment in foreign operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Group's currency (NOK).

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized in other comprehensive income to the extent that the hedge is effective, and are presented in

the translation reserve within equity. The tax effect is charged to equity. To the extent that the hedge is ineffective, such differences are recognized in profit and loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit and loss as part of the gain or loss on disposal.

(d) Derivative financial instruments

Financial instruments are recognized initially at cost and are subsequently stated at fair value. The gain or loss on remeasurement to fair value is recognized immediately in profit and loss.

(e) Property, plant and equipment Owned assets

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Land is not depreciated.

If the recoverable amount of an item of property, plant and equipment is lower than carrying amount the asset will be written down to fair value.

Leased assets

Leases where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent costs

The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

(f) Intangible assets

Intangibles consist of goodwill, development cost, entitlement to trademarks and non-competition agreements.

Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

For acquisitions, the Group measures goodwill at the acquisition date as the fair value of the consideration transferred plus the recognized amount of any non-controlling interests in the acquisition less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit and loss.

Goodwill is allocated to cash-generating units and is no longer amortized but tested annually at 31 December for impairment. With respect to associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

For acquisitions from 2010 onwards, adjustments to estimated contingent consideration are included in the income statement. Previously such adjustments

resulted in a corresponding increase or decrease to goodwill.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labour and overhead costs directly attributable to preparing the asset for use. Other development expenditure is recognized in the income statement as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses. Straight-line depreciation is applied over the economic life of the asset.

The company has not received any material government grants.

Other intangibles

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Other intangibles are amortized over the term of the contract. Impairment-testing was performed at year end where there were indications of impairment, see note 10.

Expenditure on internally generated goodwill and brands is recognized in profit and loss as an expense as incurred.

Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(g) Shares

Shares intended for long-term ownership are recorded in the balance sheet under long-term investments. These are valued at acquisition cost, unless circumstances, which cannot be regarded as of a temporary nature, exist which necessitate a lower valuation.

(h) Inventory

Inventories of raw materials are valued at the lower of the cost of acquisition and the fair value. Work in progress and finished products are valued at the lower of the cost to manufacture or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Spare parts and parts held by service agents are valued at cost. A deduction is made for obsolescence where necessary.

The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

(i) Transactions, receivables and liabilities in foreign currencies

Receivables and liabilities are booked at the exchange rate at the date of the balance sheet. Transactions in profit and loss are booked at monthly average exchange rates.

Material single transactions are booked at the transaction date exchange rate.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits, money market funds, and other short-term investments with original maturity of three months or less. The parent company presents

total bank deposits in the international cash pool, while the subsidiaries present their share of the international cash pool as intra-group balances.

(k) Pension obligations

As a result of IAS 19 (2011) the accounting policy with respect to the basis for determining the income or expense related to its post-employment defined benefit plans has changed.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefits expenses in profit and loss as the related service is provided.

TOMRA's defined contribution plan also includes the right to a paid up policy, an element of which is a defined benefit. This part of the defined contribution plan is accounted for as a defined benefit plan as described below.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss and presented as a financial item.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit and loss. The TOMRA Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(l) Warranty allocations

A general provision has been made for future warranty costs based on the previous year's turnover in all Group companies.

(m) Taxes

The tax charge in the income statement includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year's activities. Deferred taxes are determined based on the accumulated result, which falls due for payment in future periods. Deferred taxes are calculated on net positive timing differences between accounting and tax balance sheet values, after offsetting negative timing differences and losses carried forward under the liability method. See Note 11.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Earnings per share

Earnings per share has been computed based

upon the weighted average number of common shares and share equivalents outstanding during each period. Common share equivalent recognizes the potential dilutive effects of future exercises of common share warrants and employee incentive programs payable in company shares.

(o) Cash flow statement

The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term investments with terms not exceeding three months that can immediately, and with no material exchange rate exposure, be exchanged for cash.

(p) Impairment

The carrying amounts of the Group's assets, other than inventory and deferred tax assets (see separate accounting policies), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated on an annual basis, see note 10.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then to reduce the carrying amount of the other assets in the unit (group of units), on a pro rata basis.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss relating to goodwill can not be reversed.

With respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(q) Dividends

Dividends are recognized as a liability in the period in which they are declared.

(r) Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss over the period of the borrowings on an effective interest basis.

(s) Provisions

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Expected incremental legal costs where there is a past obligation event with respect to the underlying claim are accrued for as provisions.

(t) Trade and other payables

Trade and other payables are stated at cost.

(u) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services that is subject to risks and rewards that are different from those of other segments.

Segment information is presented in the same format that TOMRA Group's management uses to manage the business.

(v) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

On initial classification as discontinued operations, non-current assets are classified as held for sale and recognized at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit and loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

(w) Share Capital Ordinary shares

Incremental costs directly attributable to issue of ordinary shares and share options are recognized as a deduction from equity.

Repurchase of share capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

(x) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not effective for the year ended 31 December 2013 and have not been applied in preparing these consolidated financial statements. Those that 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 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 9 Financial Instruments and subsequent amendments
IAS 27 (Amended) Separate Financial Statements
IAS 28 (Amended) Investments in Associates and Joint Ventures
IAS 32 (Amended) Offsetting Financial Assets and Financial Liabilities

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

TOMRA does not expect any material effects in the financial statements from the new standards. IFRS 10, 11 and 12, and the amendments to IAS 27 and 28, are mandatory effective 1 January 2014. The main implementation consequence for TOMRA will be that the equity method will be applied for one jointly controlled entity currently being proportionately consolidated. The expected effect is not material for the financial statements.

ACCOUNTING PRINCIPLES

Tomra Systems ASA - NGAAP

GENERAL

BASIC PRINCIPLES

The financial statements, which have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles, consist of the income statement, balance sheet, cash flow statement and notes to the accounts.

The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations and congruence. Transactions are recorded at their value at the time of the transaction. Income is recognized at the time of delivery of goods or services sold. Costs are expensed in the period that the income to which they relate is recognized.

Estimates and assumptions that may affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period, are prepared by management based upon their best knowledge at reporting date. Actual results may differ from those estimates.

VALUATION AND CLASSIFICATION PRINCIPLES

REVENUE RECOGNITION

Revenues for machines and parts are recognized when risk is transferred to the customer. Other service revenue is recognized when services are provided.

Dividend income is recognized in profit and loss when the entity's right to receive payments is established.

COST RECOGNITION

Costs are expensed in the period that the income to which they relate is recognized. Costs that can not be directly related to income are expensed as incurred.

START-UP AND DEVELOPMENT COSTS

Start-up and research and development costs are expensed as they are incurred.

TANGIBLE FIXED ASSETS

Fixed assets are entered in the accounts at original cost, with deductions for accumulated depreciation and write-down. If the fair value of a fixed asset is lower than book value, and the decline in value is not temporary, the fixed asset will be written down to fair value.

Based on the acquisition cost, straight-line depreciation is applied over the economic life of the fixed assets.

SHARES

Shares intended for long-term ownership are recorded in the balance sheet under long-term investments. These are valued at acquisition cost unless circumstances, which cannot be regarded as of a temporary nature, exist which necessitate a lower valuation.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities are booked at the exchange rate at the date of the balance sheet.

One long term loan to Tomra North America Inc in foreign currency was considered part of the net investment, and was booked at cost. The loan was paid down in 2012. See note 15.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank deposits, money market funds, and other short-term investments with original maturity of three months or less.

Tomra Systems ASA presents total bank deposits in the international cash pool, while subsidiaries present their share of the international cash pool as intra-group balances.

PENSION OBLIGATIONS

TOMRA use IAS 19 in accordance with NRS 6. As a result of IAS 19 (2011) the accounting policy with respect to the basis for determining the income or expense related to its post-employment defined benefit plans has changed.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefits expenses in profit and loss as the related service is provided.

Tomra Systems ASA's defined contribution plan also includes the right to a paid up policy, an element of which is a defined benefit. This part of the defined contribution plan is accounted for as a defined benefit plan as described below.

Defined benefit plans

Tomra Systems ASA's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a

benefit to Tomra Systems ASA, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Equity. Tomra Systems ASA determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit and loss. Tomra Systems ASA recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

TAXES

The tax charge in the profit and loss account includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year's activities. Deferred taxes are determined based on the accumulated result, which falls due for payment in future periods. Deferred taxes are calculated on net positive timing differences between accounting and tax balance sheet values, after offsetting negative timing differences and losses carried forward under the liability method in accordance with the rules set out in the Norwegian Accounting Standard.

CASH FLOW STATEMENT

The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term investments with terms not exceeding three months that immediately, and with no material exchange rate exposure, can be exchanged for cash.

NOTES

NOTE 1 SEGMENT INFORMATION

TOMRA GROUP – IFRS

Excluding discontinued operations

Amounts in NOK million	Collection Solutions	Sorting Solutions	Group Functions	TOTAL
2012				
Nordic	539	22		561
Central Europe & UK ¹⁾	1,059	419		1,478
Rest of Europe	11	112		123
North America ²⁾	1,011	493		1,504
Rest of the world	29	378		407
Operating revenues	2,649	1,424	0	4,073
Gross contribution	1,151	720		1,871
– in %	43 %	51 %		46 %
Operating expenses	635	477	20	1,132
EBITA	516	243	(20)	739
– in %	19 %	17 %		18 %
Amortizations	30	47		77
EBIT	486	196	(20)	662
– in %	18 %	14 %		16 %
Share of profit from associates	7	0	0	7
Investments	150	1,126	0	1,276
Investments in associates	36	0	0	36
Assets	2,110	2,744	305	5,159
Liabilities	611	459	1,732	2,802
Depreciation and amortization	153	76	0	229
Impairment losses recognized in P&L	0	0	0	0
Other significant non-cash expenses	0	0	0	0
2013				
Nordic	524	33		557
Central Europe & UK ¹⁾	1,225	554		1,779
Rest of Europe	12	135		147
North America ²⁾	1,032	577		1,609
Rest of the world	25	485		510
Operating revenues	2,818	1,784	0	4,602
Gross contribution	1,181	798		1,979
– in %	42 %	45 %		43 %
Operating expenses	650	599	24	1,273
EBITA	531	199	(24)	706
– in %	19 %	11 %		15 %
Amortizations	34	71		105
EBIT	497	128	(24)	601
– in %	18 %	7 %		13 %
Share of profit from associates	7	0	0	7
Investments	188	86	0	274
Investments in associates	42	0	0	42
Assets	2,292	3,033	298	5,623
Liabilities	696	393	1,711	2,800
Depreciation and amortization	151	107	0	258
Impairment losses recognized in P&L	0	0	0	0
Other significant non-cash expenses	0	0	0	0

1) Includes revenues from Germany of NOK 1,042 million in 2013 (NOK 901 million in 2012)
2) Includes revenues from USA of NOK 1,277 million in 2013 (NOK 1,264 million in 2012)

TOMRA changed its reporting in 2012, dividing the Group's activity into two business areas. 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 to the Board and Management Group.

Collection Solutions - three business streams:

Reverse Vending - development, production, sale 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.

Compaction - production and sale of small and mid size compaction machines.

Sorting Solutions is a provider of advanced optical sorting systems with three business streams; Food, Recycling and Mining.

Group Functions consists of corporate functions at TOMRA's head office.

Assets and liabilities are distributed to the different reporting segments. Cash, interest-bearing debt and tax positions are allocated to Group Functions.

There is no material segment revenue from transactions between the business areas.

Revenue from service activities was NOK 1,382 million (2012: NOK 1,216 million) out of total revenue of NOK 4,602 million (2012: NOK 4,073 million).

NOTE 2 INVENTORY/COST OF GOODS SOLD

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
473.3	438.3	COST OF GOODS SOLD	1,882.1	1,564.5
–	–	Cost of goods sold, gross	136.5	41.0
473.3	438.3	Cost of goods sold, net	2,018.6	1,605.5
Cost of goods sold includes adjustment of inventory write-down of NOK 0.0 million (2012: NOK 0.0 million) for the Parent Company and NOK 8.0 million (2012: NOK 0.2 million) for the Group.				
–	–	INVENTORY	276.4	328.0
–	–	Raw materials	38.7	46.8
13.0	12.5	Work in progress	312.6	251.0
–	–	Finished goods	245.8	162.7
13.0	12.5	Total inventory	873.5	788.5
–	–	Inventory stated at fair value less costs to sell	–	–

Inventories are not subject to retention of title clauses.

NOTE 3 EMPLOYEE BENEFITS EXPENSES

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
108.7	110.5	Salaries	1,021.2	949.6
22.1	21.8	Social security tax	175.0	130.2
8.1	15.0	Pension cost	34.2	37.0
5.8	5.6	Other social expenses	31.6	27.0
144.7	152.9	Total employee benefits expenses	1,262.0	1,143.8
139	138	Number of man-years	2,453	2,212

All Norwegian companies in the Tomra Group have chosen to utilize bank guarantee instead of restricted accounts for employee tax deductions.

NOTE 4 FINANCIAL ITEMS

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
–	48.2	Dividend from subsidiaries	–	–
37.7	57.6	Interest income ¹⁾	8.0	10.0
37.7	57.6	Total financial income	8.0	10.0
26.1	29.4	Interest expenses ¹⁾	35.7	35.4
2.4	2.3	Other financial expenses	9.8	7.0
30.3	19.7	Foreign exchange loss	9.0	6.2
58.8	51.4	Total financial expenses	54.5	48.6

1) Interest income and expenses for the Parent Company include interest income and expenses from subsidiaries of NOK 33.2 million (2012: NOK 53.9 million) and NOK 0.2 million (2012: NOK 2.4 million) respectively.

Borrowing costs are recognized as an expense in the period in which they are incurred.

NOTE 5 CONTINGENT LIABILITIES

Sale of Tomra Pacific

On 31 December 2011, Tomra sold the assets of Tomra Pacific, Inc., a wholly owned subsidiary of Tomra of North America, Inc, to rePlanet LLC. Tomra has given representations and warranties in line with what is considered normal in connection with such transactions. See also note 24 “Discontinued operations”.

Warranty liabilities

TOMRA has warranty liabilities of NOK 116.4 million (2012: NOK 129.5 million) for the Parent Company and NOK 161.1 million (2012: NOK 136.3 million) for the Group.

NOTE 6 INTEREST-BEARING LIABILITIES

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
877.2	1,402.9	NON-CURRENT LIABILITIES	888.4	1,443.9
–	–	Unsecured bank loans ¹⁾	116.0	102.2
877.2	1,402.9	Other non-current interest-bearing liabilities	1,004.4	1,546.1
–	–	Total non-current interest-bearing liabilities	–	–
–	–	Due more than 5 years after balance sheet date	–	–
544.9	–	CURRENT LIABILITIES	546.4	–
–	–	Current portion of unsecured bank loans	5.7	5.6
544.9	–	Other current interest-bearing liabilities	552.1	5.6
		Total current interest-bearing liabilities		

1) Tomra Systems ASA has a three-year revolving credit facility of EUR 100 million, entered into in July 2012, a three-year term loan of NOK 500 million, entered into in July 2011, and a five-year revolving credit facility of NOK 500 million, or EUR equivalent, entered into in January 2011. As of 31 December 2013, NOK 500 million and EUR 110 million were drawn on these three facilities. The loans have floating interest, and negative pledge commitment. The loan agreements are conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. See also note 19.

NOTE 7 SHORT TERM RECEIVABLES

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
3.4	4.2	Trade receivables, gross	964.8	879.9
136.5	277.9	Intra group short-term receivables	–	–
26.6	39.3	Other short-term receivables, gross ¹⁾	293.2	232.2
(0.3)	–	Provision for bad debt	(33.7)	(34.1)
166.2	321.4	Total receivables	1,224.3	1,078.0
–	–	Provision for bad debt per 1 January	34.1	21.5
0.3	–	Provisions made during the year	7.1	16.1
–	–	Provisions used during the year	(7.5)	(3.5)
0.3	0.0	Provision for bad debt per 31 December	33.7	34.1

1) Other short-term receivables includes forward contracts of NOK 3.7 million.

Bad debt written-off is reported as other operating expenses. Receivables with due dates more than one year after the balance date are reported as non-current assets.

Trade receivables fall due: Amounts in NOK million	2013	2012
Not due yet	579.4	563.6
0 – 30 days	225.8	209.3
31– 60 days	58.7	35.1
61 – 90 days	34.1	18.0
Older than 90 days	66.8	53.9
Total trade receivables	964.8	879.9

NOTE 8 LONG TERM RECEIVABLES

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
–	–	Deposits	12.4	4.4
–	–	Capital lease	148.5	152.5
3.3	4.7	Loans to employees	5.2	6.4
1.7	3.7	Other long term receivables	57.6	56.5
5.0	8.4	Total receivables	223.7	219.8

Capital lease relates to machines (mainly RVMs in USA and Germany) sold to customers on financial lease contracts.

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

GROUP – IFRS Amounts in NOK million	Land & Buildings ³⁾	Machinery & Fixtures	Vehicles	Leasing Equipment	Total
Cost					
Balance at 1 January 2012	170.6	508.6	87.8	574.3	1,341.3
Acquisitions through business combinations	73.1	7.2	0.2	0.0	80.5
Other acquisitions	6.9	72.1	15.5	89.2	183.7
Transfer to intangible assets ⁵⁾	0.0	(54.9)	0.0	0.0	(54.9)
Disposals	(1.4)	(78.8)	(23.9)	(56.2)	(160.3)
Effect of movements in foreign exchange ¹⁾	(8.2)	(24.4)	(5.4)	(49.4)	(87.4)
Balance at 31 December 2012	241.0	429.8	74.2	557.9	1,302.9
Balance at 1 January 2013	241.0	429.8	74.2	557.9	1,302.9
Other acquisitions	28.0	78.0	16.3	67.2	189.5
Disposals	(14.4)	(27.2)	(7.5)	(48.5)	(97.6)
Effect of movements in foreign exchange ²⁾	19.4	31.7	7.7	53.7	112.5
Balance at 31 December 2013	274.0	512.3	90.7	630.3	1,507.3
Depreciation and impairment losses					
Balance at 1 January 2012	49.8	320.0	60.7	383.7	814.2
Depreciation charge for the year	10.3	66.1	12.4	62.8	151.6
Transfer to intangible assets ⁵⁾	0.0	(28.9)	0.0	0.0	(28.9)
Disposals	(1.3)	(83.5)	(21.4)	(41.6)	(147.8)
Effect of movements in foreign exchange ¹⁾	(2.1)	(15.0)	(3.6)	(28.6)	(49.3)
Balance at 31 December 2012	56.7	258.7	48.1	376.3	739.8
Balance at 1 January 2013	56.7	258.7	48.1	376.3	739.8
Depreciation charge for the year	14.1	63.1	11.7	64.5	153.4
Disposals	(2.6)	(17.5)	(6.9)	(31.2)	(58.2)
Effect of movements in foreign exchange ²⁾	3.6	21.5	5.0	34.3	64.4
Balance at 31 December 2013	71.8	325.8	57.9	443.9	899.4
Depreciation rate ⁴⁾	2–4 %	10–33 %	15–33 %	10–20 %	
Useful life	50 yrs	10 yrs	7 yrs	5–10 yrs	
Carrying amounts					
31 December 2012	184.3	171.1	26.1	181.6	563.1
31 December 2013	202.2	186.5	32.8	186.4	607.9
Finance lease carrying amounts (as included in total carrying amounts)					
31 December 2012	0.0	0.0	0.0	0.0	0.0
31 December 2013	0.0	0.0	0.0	0.0	0.0

- 1) Exchange rates as of 31 December 2012 are used in calculating tangible assets of foreign subsidiaries.
2) Exchange rates as of 31 December 2013 are used in calculating tangible assets of foreign subsidiaries.
3) Including land of NOK 26.3 million as of 31 December 2013.
4) All depreciation plans are linear.
5) Reclassification of capitalized software to intangibles, see note 10.

Minimum lease payments under operational lease	2013	2012
Not later than one year	92.4	73.1
Between one and five years	193.7	180.4
More than five years	129.1	95.4

TOMRA does not have any major property, plant and equipment purchase commitments as of 31 December 2013.

Leasing equipment

The companies within TOMRA Group had 9,031 reverse vending machines and 207 sorters leased to customers at the end of 2013. The table below shows the minimum leasing income from today's lease portfolio. In addition to this income, TOMRA will receive income from material handling, service contracts etc.

Minimum lease income from leasing equipment	2013	2012
Not later than one year	62.9	51.6
Between one and five years	100.9	95.0
More than five years	0.2	0.0

TOMRA SYSTEMS ASA – NGAAP Amounts in NOK million	Machinery & Fixtures	Vehicles	Total
Cost			
Balance at 1 January 2012	40.7	1.1	41.8
Acquisitions	6.5	0.9	7.4
Disposals	0.0	0.0	0.0
Balance at 31 December 2012	47.2	2.0	49.2
Balance at 1 January 2013	47.2	2.0	49.2
Acquisitions	8.4	0.0	8.4
Disposals	0.0	(0.8)	(0.8)
Balance at 31 December 2013	55.6	1.2	56.8
Depreciation and impairment losses			
Balance at 1 January 2012	26.3	0.8	27.1
Depreciation charge for the year	5.2	0.1	5.3
Disposals	0.0	0.0	0.0
Balance at 31 December 2012	31.5	0.9	32.4
Balance at 1 January 2013	31.5	0.9	32.4
Depreciation charge for the year	5.7	0.1	5.8
Disposals	0.0	(0.6)	(0.6)
Balance at 31 December 2013	37.2	0.4	37.6
Depreciation rate ¹⁾	10–33%	15–33%	
Useful life	10 yrs	7 yrs	
Carrying amounts			
31 December 2012	15.7	1.1	16.8
31 December 2013	18.6	0.8	19.4

- 1) All depreciation plans are linear.

Minimum lease payments under operational lease of offices	2013	2012
Not later than one year	8.2	8.0
Between one and five years	35.5	34.4
More than five years	0.0	9.3

NOTE 10 INTANGIBLE ASSETS

GROUP – IFRS Amounts in NOK million	Goodwill	Development costs ⁷⁾	Patents	Other ⁵⁾	Total
Cost					
Balance at 1 January 2012	1,251.8	250.1	90.6	133.4	1,725.9
Acquisitions through business combinations	769.9	0.0	76.3	127.6	973.8
Other acquisitions –internally developed	0.0	26.3	0.2	11.1	37.6
Transfer from machinery and fixtures ⁴⁾	0.0	0.0	0.0	54.9	54.9
Disposals	0.0	0.0	0.0	(0.1)	(0.1)
Effect of movements in foreign exchange ²⁾	(71.8)	(0.3)	(6.5)	(10.5)	(89.1)
Balance at 31 December 2012	1,949.9	276.1	160.6	316.4	2,703.0
Balance at 1 January 2013	1,949.9	276.1	160.6	316.4	2,703.0
Other acquisitions –internally developed	0.8	43.5	1.5	38.9	84.7
Effect of movements in foreign exchange ³⁾	180.9	2.9	16.7	27.5	228.0
Balance at 31 December 2013	2,131.6	322.5	178.8	382.8	3,015.7
Depreciation and impairment losses					
Balance at 1 January 2012	164.0	197.6	27.7	42.6	431.9
Depreciation charge for the year ⁶⁾	0.0	22.1	19.0	36.3	77.4
Transfer from machinery and fixtures ⁴⁾	0.0	0.0	0.0	28.9	28.9
Effect of movements in foreign exchange ²⁾	(7.2)	0.0	(1.4)	5.1	(3.5)
Balance at 31 December 2012	156.8	219.7	45.3	112.9	534.7
Balance at 1 January 2013	156.8	219.7	45.3	112.9	534.7
Depreciation charge for the year ⁶⁾	0.0	24.5	26.6	53.8	104.9
Effect of movements in foreign exchange ³⁾	9.5	1.3	2.1	10.7	23.6
Balance at 31 December 2013	166.3	245.5	74.0	177.4	663.2
Depreciation rate ¹⁾	0 %	14–33%	10 %	5–33%	
Useful life	Indefinite	3–7 yrs	10 yrs	3–20 yrs	
Carrying amounts					
31 December 2012	1,793.1	56.4	115.3	203.5	2,168.3
31 December 2013	1,965.3	77.0	104.8	205.4	2,352.5

- 1) All depreciation plans are linear except for customer relations and technology from the purchase price allocation of BEST that have a declining depreciation profile.
2) Exchange rates as of 31 December 2012 are used in calculating intangible assets of foreign subsidiaries.
3) Exchange rates as of 31 December 2013 are used in calculating intangible assets of foreign subsidiaries.
4) Reclassification from property, plant and equipment see note 9.
5) Other intangibles comprises software, and other intangibles from purchase price allocations including customer relations, agent network and trademarks.
6) Amortizations of intangibles are classified as depreciation in the profit and loss statement.
7) Capitalized development costs comprises mainly of salaries to engineers and parts utilized in development projects.

Impairment tests for cash-generating units containing goodwill

The following units have significant carrying amounts of goodwill:

Amounts in NOK million	2013	2012
TOMRA COLLECTION SOLUTIONS		
– Reverse vending	156.4	145.6
– Material recovery	78.9	72.2
– Compaction	71.3	63.4
TOMRA SORTING SOLUTIONS		
– Food	1,228.0	1,071.7
– Recycling	282.1	283.4
– Mining	148.6	156.8
Total	1,965.3	1,793.1

TOMRA tests goodwill and other intangible assets with infinite useful life annually or more frequently if there are impairment indicators. As of 31 December 2013 and 2012 the Group had no intangible assets with infinite useful life, other than goodwill. Property, plant and equipment and other tangible assets with finite useful life are tested if there are indicators that assets might be impaired.

The recoverable amount of the cash-generating units is based on value in use calculations. These calculations use cash flow projections based on actual operating results (EBITA) and a five-year (for TOMRA Collection) or six-year (for TOMRA Sorting) business plan including a residual value.

Significant assumptions
Based on an overall assessment, TOMRA has identified the following assumptions as most sensitive to the value in use calculations:

Growth rate
TOMRA has experienced significant growth for several years. The Sorting segment has grown organically ~20 percent per year for 10 years in a row, excluding acquisitions. The growth used in the impairment tests is consequently significantly lower than those experienced historically. In prediction of cash flows, management has utilized a conservative approach, and the predicted development is in general lower than what's utilized in the strategic plan, approved by the Board in 2013, and communicated to the market at the Capital Markets Day in November 2013 (4 to 8 percent yearly revenue growth in TOMRA Collection and 10–15 percent yearly revenue growth in TOMRA Sorting).

Operating profit (EBIT)
The future operating profit is dependent on a number of factors, but primarily volumes/market growth, and operating expenses/cost of production. In the impairment tests TOMRA has estimated EBIT based on management's experience, expectations of future market development and the already implemented cost saving initiatives.

Discount rates
The discount rates are based on the Weighted Average Cost of Capital (WACC) formula derived from the CAPM model. In addition the WACC has been calculated conservatively (for each CGU), using 8.0 percent to 11.9 percent for the different CGUs. A survey performed in January 2014, showed that analysts covering Tomra on average used a 7.3 percent WACC.

Capital expenditure and capital employed
Capital employed is generally assumed to develop in line with revenues, and sales prices are in general assumed to be stable, following inflation. Capital expenditure is generally equalled to depreciation in the calculation of terminal value as it is assumed depreciation equals capital expenditure in the long run.

Below follows a further description of the different cash generating units and consideration around the impairment tests.

Reverse Vending
The business stream comprises the development, production, sale and service of reverse vending machines and related data management systems in the deposit markets in Europe

and USA, in total 20 markets. The main customer group is food retail chains. With a high market share and significant service business, the business stream represents a steady recurring cashflow with limited risk, as TOMRA has been the global market leader in this business stream for more than 40 years. Terminal growth rate is assumed to be 2.5 percent, and a WACC of 8.0 percent has been utilized.

Material Recovery
The business stream comprises the pick-up, transportation and processing of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada. The activity in the business stream mirrors the drinking consumption in the US deposit states, which normally grows by only a few percent annually. TOMRA is the market leader in this business stream in regions where we are present, and has been for more than 20 years. Terminal growth rate is assumed to be 2.0 percent, and a WACC of 8.0 percent has been utilized.

Compaction
The business stream comprises the development, production, sale and service of small and mid-sized horizontal bailers. TOMRA is one of the market leaders in Europe in this business stream with significant installed base and more than 40 years of experience. The customer group is mainly industry and retail stores. Due to some cyclicity formed by changes in material prices (demand for compaction equipment will to some extent be dependent upon the price of the material being compacted for recycling), the WACC is set to 8.5 percent. Terminal growth rate is assumed to be 2.5 percent.

Food
The business stream comprises the development, production, sale and service of sorting and processing technology for the fresh and processed food industries. TOMRA is the global market leader in sorting of mid-sized and large objects. With main customers being the food producing companies, the cyclicity in the business stream is low, due to the world dependency upon a steady stream of food. Recurring revenues is however (as for all sorting entities) low, as the installed base is rather new (less replacements sales) and service only account for a smaller fraction of revenues. The business is however been growing for many years, and has still a significant untapped potential, as many sorting tasks still are performed manually and new technology enables sorting of fragments / sorting with a quality that previously was not possible. Based upon this a 3 percent terminal growth rate and a 10.5 percent WACC has been utilized.

Recycling
The business stream comprises the development, production, sale and service of sorting systems for waste and metal material streams. TOMRA is the global market leader in the business stream and has been so for more than 10 years. The main customer group is waste management companies or plant builders operating on behalf of them. Due to cyclicity formed by changes in material prices, a 10.5 percent WACC has been utilized. The business stream has been growing for many years, and is assumed to continue to grow, a 3 percent terminal growth rate is consequently utilized.

Mining
The business stream comprises the development, production, sale and service of ore sorting systems for the mining industry. TOMRA is the global market leader in the business stream. The development is still at an immature stage, where only approximately

NOTE 10 INTANGIBLE ASSETS (cont.)

200 out the world's ~30,000 mines currently utilize optical sorters. The development of the business stream is tied to the development of metal prices, as the main customer group is mining companies. The unit has proven technology for industrial minerals, and small scale base metal (e.g. Iron and Copper) sorting. A real breakthrough in the business stream is however dependent upon growth into bigger scale base metal sorting. Due to higher risk in this segment, the WACC is set at 11.9 percent. The terminal growth is however conservatively set to 3 percent.

Due to reorganizations, where synergies are taken out by merging units and technology is cross utilized between previously separate business streams and companies, the allocation of assets and cash flow within TOMRA Sorting has been difficult and in many cases arbitrary in 2013. The impairment test in 2013 has therefore been performed as a bottom up exercise per cash generating unit, where the allocated goodwill has been tested. Thereafter corporate assets have been allocated and impairment-tested at TOMRA Sorting Group level.

Further integration and restructuring planned for 2014 will add to this complexity and it will no longer be possible to follow the cashflow from each of the initial acquisitions within TOMRA Sorting. Consequently there will only be one cash generating unit within TOMRA Sorting going forward. TOMRA Collection

has not been affected by the restructuring and cross utilization of technologies, and the number of cash generating units will consequently not be changed within this business area.

Sensitivity analysis

In connection with the impairment testing of CGU's containing goodwill, a sensitivity analysis has been performed. A reasonably likely change in a key assumption on which management has based its determination of the unit's recoverable amount would not cause the unit's carrying amount to exceed its recoverable amount.

Neither an interest rate increase of 2 percent points, nor a 10 percent reduction in forecasted cashflow would trigger a write-down of goodwill.

Exchange rates as of 31 December 2013 were used in calculating carrying values (see note 19). In calculating the predicted cash flows, the following exchange rates were used EUR/NOK: 8.00 – USD/NOK: 6.00 – SEK/NOK: 0.90 – AUD/NOK 5.65.

Research and development expenses

Research and development expenses of NOK 211.2 million has been recognized as an expense (2012: NOK 205.2 million) and NOK 43.5 million has been capitalized (2012: NOK 26.3 million).

TOMRA SYSTEMS ASA – NGAAP		Other
Amounts in NOK million		
Cost		
Balance at 1 January 2012	18.5	
Other acquisitions –internally developed	0.0	
Balance at 31 December 2012	18.5	
Balance at 1 January 2013	18.5	
Other acquisitions –internally developed	3.3	
Balance at 31 December 2013	21.8	
Depreciation and impairment losses		
Balance at 1 January 2012	2.7	
Depreciation charge for the year	3.7	
Balance at 31 December 2012	6.4	
Balance at 1 January 2013	6.4	
Depreciation charge for the year	3.8	
Balance at 31 December 2013	10.2	
Depreciation rate	20 %	
Useful life	5 yrs	
Carrying amounts		
31 December 2012	12.1	
31 December 2013	11.6	

Other consists of investment in a new ERP system that was implemented in 2011, and a new website that was implemented in 2013.

NOTE 11 TAXES

Tomra Systems ASA NGAAP			Group IFRS			
2013	2012	Amounts in NOK million	2013	2012		
TAX BASIS						
153.6	251.8	Profit before taxes				
–	(48.2)	Dividend from subsidiaries				
(19.6)	(51.6)	Permanent differences				
(5.0)	16.3	Change in temporary differences				
129.0	168.3	Basis for taxes payable				
TAXES						
36.1	47.1	Taxes payable	123.2	102.0		
(8.4)	–	Taxes on Group contribution	–	–		
27.7	47.1	Total taxes payable	123.2	102.0		
36.1	47.1	Taxes payable	123.2	102.0		
(0.6)	(15.9)	Tax over accrued last year	–	–		
5.2	14.2	Tax effect of equity transactions	46.9	–		
2.7	(4.5)	Net change in deferred taxes	(31.1)	50.7		
43.4	40.9	Tax expense	139.0	152.7		
Effective tax rate						
Taxes based upon actual tax rates			151.5	27.0 %	162.0	25.7 %
Tax effect from permanent differences			(12.5)	–2.2 %	(9.3)	–1.5 %
Actual tax expense			139.0	24.8 %	152.7	24.2 %

Deferred tax represents the net change in deferred tax assets and liabilities through changes in timing differences and loss carried forward. Deferred tax assets and liabilities are presented net of their respective tax effect using tax rate of the applicable jurisdiction applied to amounts representing future tax deductions or taxes payable and consist of the following as of 31 December.

NOTE 11 TAXES (cont.)

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
DEFERRED TAX ASSETS				
0.5	0.6	Inventory	69.7	65.2
(0.6)	(0.4)	Other current assets	(4.5)	0.3
17.7	14.7	Intangible non-current assets	20.1	26.1
1.3	1.7	Tangible non-current assets	0.7	3.0
(1.9)	5.9	Financial non-current assets	(1.9)	6.0
3.0	4.2	Provisions	30.8	6.6
4.1	4.0	Other current liabilities	5.8	6.3
13.0	9.1	Pension reserves	13.3	9.4
–	–	Loss carried forward	0.3	4.4
37.1	39.8	Total deferred tax assets	134.3	127.3
DEFERRED TAX LIABILITIES				
		Inventory	(8.3)	(0.6)
		Other current assets	(10.5)	(7.1)
		Intangible non-current assets	117.6	126.1
		Tangible non-current assets	48.6	34.7
		Financial non-current assets	(9.8)	(10.5)
		Provisions	3.2	1.9
		Current liabilities	(34.8)	(18.1)
		Pension reserves	(8.6)	(4.9)
		Loss carried forward	–	–
		Total deferred tax liabilities	97.4	121.5

Negative and positive timing differences, which reverse or may reverse in the same period, are offset. Deferred taxes are calculated on the basis of timing differences and losses carried forward which are offset. Timing differences between different subsidiaries have not been offset. During the period that these differences reverse, the companies will have a taxable net income that is sufficient to realize the deferred tax allowance. The losses carried forward are all in countries where future taxable profits are expected.

There have not been any material effects in either deferred tax or tax expenses for the year, related to changes in tax rates in the jurisdictions where TOMRA operates.

NOTE 12 OTHER CURRENT LIABILITIES

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
22.2	21.6	Tax deductions, social security tax, holiday pay	196.5	227.9
–	–	Advances from customers	116.7	103.7
199.5	184.7	Dividend accruals	–	–
43.0	52.7	Non interest-bearing debt ¹⁾	244.3	274.8
264.7	259.0	Total other current liabilities	557.5	606.4

1) Non interest-bearing debt includes forward contracts of NOK 1.6 million.

NOTE 13 PROVISIONS

TOMRA SYSTEMS ASA – NGAAP

Amounts in NOK million	Warranty	Other	Total
Balance at 1 January 2013	10.4	4.3	14.7
Provisions made during the year	1.1	0.0	1.1
Provisions used during the year	(1.2)	(2.5)	(3.7)
Provisions reversed during the year	0.0	(0.8)	(0.8)
Balance at 31 December 2013	10.3	1.0	11.3

GROUP – IFRS

Amounts in NOK million	Warranty	Other	Total
Balance at 1 January 2013	119.9	9.9	129.8
Provisions made during the year	92.5	1.4	93.9
Provisions used during the year	(42.4)	(4.7)	(47.1)
Provisions reversed during the year	(43.4)	(0.8)	(44.2)
Balance at 31 December 2013	126.6	5.8	132.4

Warranty provisions relate to accruals for service expenses assumed to occur during the period sold machines are covered by warranties given to the customer.

Other provisions comprise of provisions for contractual obligations with business partners, and provisions for known claims covered by TOMRA in connection with previous divestments. Other provisions also include an obligation for a lease agreement of an office building in Germany that is only partially used by the TOMRA Group.

NOTE 14 RELATED PARTIES
GROUP – IFRS

Amounts in NOK, unless stated otherwise

Identification of related parties

The Group has a related party relationship with its subsidiaries and associates (see disclosure note 15 and 16) and with its directors and executive officers. All transactions with related parties are based on arms length principles.

The tables in this note show all benefits that were received by Board members and Group Management for the stated years.

2013 Board members	Share- holding ¹⁾	Board fees ⁴⁾	Committee fees ^{4b)}	Salary ⁶⁾	Variable salary ⁷⁾	Other benefits ⁹⁾
Svein Rennemo (Chairman and Compensation Committee)		540,000	45,000			
Jan Svensson (Board member, Compensation and Audit Committee) ¹⁰⁾	3,000	385,000	75,000			
Hege Marie Norheim (Board member, Audit and CR Committee until April 2013)	N/A	192,500	37,500			
Aniela Gabriela Gjøs (Board member, Compensation and Audit Committee)	11,500	385,000	60,000			
Bernd H.J. Bothe (Board member and CR Committee)		385,000	37,500			
Bodil Sonesson (Board member and CR Committee from April 2013)		192,500	15,000			
Ingrid Solberg (Employee representative)	5,479	225,000		851,891	148,500	34,036
David Williamson (Employee representative and CR Committee)	648	225,000		407,281	32,370	11,693
Tom Knoff (Nomination Committee)			60,000			
Eric Douglas (Nomination Committee) ¹¹⁾			40,000			
Hild Kinder (Nomination Committee)			40,000			

2013 Group Management	Share- holding ¹⁾	Loan ³⁾	Salary ⁶⁾	Variable Salary ⁷⁾	Pension premiums ⁸⁾	Other benefits ⁹⁾
Stefan Ranstrand (President&CEO) ²⁾	81,269		4,344,469	1,836,825	544,625	736,151
Espen Gundersen (Deputy CEO&CFO)	37,714	1,400,000	2,344,482	1,008,844	682,595	681,534
Håkon Vollidal (EVP, Head of Business Area Collection Solutions)	22,474		1,857,923	727,755	336,391	497,444
Volker Rehrmann (EVP and CTO, Head of Business Area Sorting Solutions from March 2013)	4,501		EUR 281,599	EUR 97,700		EUR 21,707
Harald Henriksen (SVP, Head of North America Collection Solutions)	30,886	1,400,000	2,541,538	878,127	704,498	793,190
Fredrik Nordh (SVP, Head of Nordic Collection Solutions)	19,735		SEK 1,454,520	SEK 668,261	SEK 440,000	SEK 443,870
Heiner Bevers (SVP, Head of Central and Eastern Europe Collection Solutions)	37,375		EUR 285,865	EUR 112,951	EUR 5,717	EUR 17,245
Rune Marthinussen (EVP, Head of Business Area Sorting Solutions until March 2013) ¹²⁾	N/A		1,992,924	663,303	968,106	820,960
Ton Klumper (SVP, Head of Western and Southern Europe Collection Solutions)	41,200	EUR 221,649	EUR 212,794	EUR 98,091	EUR 132,902	EUR 29,900
Stefan Ek (SVP, Head of TOMRA Collection Solutions, Compaction)	20,046		SEK 1,243,545	SEK 262,224	SEK 427,251	SEK 195,127
Tom Eng (SVP, Head of Tomra Sorting Solutions, Recycling)	0		1,211,095	553,065	277,988	136,243
Ashley Hunter (SVP, Head of Tomra Sorting Solutions, Food)	4,998		EUR 280,000	EUR 102,510	EUR 9,731	EUR 36,972

2012 Board members	Share- holding ¹⁾	Board fees ⁴⁾	Committee fees ^{4b)}	Salary ⁶⁾	Variable salary ⁷⁾	Other benefits ⁹⁾
Svein Rennemo (Chairman and Compensation Committee)		540,000	45,000			
Jan Svensson (Board member, Compensation and Audit Committee from January 2012) ¹⁰⁾	2,000	296,439	57,748			
Per A. Sørlie (Deputy chairman and Audit Committee until January 2012)		88,561	10,351			
Hege Marie Norheim (Board member, Audit and CR Committee)	14,350	385,000	75,000			
Aniela Gabriela Gjøs (Board member, Compensation and Audit Committee)	11,500	385,000	60,000			
Bernd H.J. Bothe (Board member and CR Committee)		385,000	30,000			
Ingrid Solberg (Employee representative)	5,305	225,000		807,350	117,000	35,974
David Williamson (Employee representative and CR Committee)	648	225,000		397,003	31,351	11,769
Tom Knoff (Nomination Committee)			60,000			
Hild Kinder (Nomination Committee)			40,000			
Eric Douglas (Nomination Committee from January 2012) ¹¹⁾			30,799			

2012 Group Management	Share- holding ¹⁾	Loan ³⁾	Salary ⁶⁾	Variable Salary ⁷⁾	Pension premiums ⁸⁾	Other benefits ⁹⁾
Stefan Ranstrand (President&CEO) ²⁾	81,269		4,202,394	2,018,250	535,967	967,220
Espen Gundersen (Deputy CEO&CFO)	37,714	1,400,000	2,215,877	1,034,000	532,407	546,829
Rune Marthinussen (EVP, Head of Business Area Sorting Solutions)	29,091	1,400,000	1,859,994	890,188	649,954	319,826
Håkon Vollidal (EVP, Head of Business Area Collection Solutions)	20,403		1,703,023	815,063	219,820	385,208
Harald Henriksen (SVP, Head of North America Collection Solutions)	30,886	1,400,000	2,062,404	1,183,068	663,724	658,811
Fredrik Nordh (SVP, Head of Nordic Collection Solutions)	18,702		SEK 1,588,793	SEK 608,548	SEK 396,457	SEK 172,617
Heiner Bevers (SVP, Head of Central and Eastern Europe Collection Solutions)	33,113		EUR 278,893	EUR 123,972	EUR 5,578	EUR 23,018
Ton Klumper (SVP, Head of Western and Southern Europe Collection Solutions)	31,200	EUR 221,649	EUR 207,604	EUR 200,091	EUR 139,171	EUR 30,558
Stefan Ek (SVP, Head of TOMRA Collection Solutions, Compaction)	16,906		SEK 1,278,058	SEK 341,284	SEK 433,540	SEK 185,846
Volker Rehrmann (SVP, Technical Director Sorting Solutions from June 2012)	1,270		EUR 210,511	EUR 90,361		

Loans to employees as of 31 December amounted to NOK 3.3 million (2012: NOK 4.7 million) for the parent company and NOK 5.2 million (2012: NOK 6.4 million) for the Group.

1) Shareholding

The column shows number of shares owned by the Board members, officers and companies controlled by them and their families.

2) Remuneration CEO

Stefan Ranstrand could in 2013 earn a variable salary up to 50 percent of his fixed salary, based upon the Group's performance. He also participated in the Long Term Incentive Plan (see below). The CEO is entitled to 12 months salary as severance pay, in the case of dismissal.

3) Loans to management

Loans in NOK as of 31 December 2013 and 31 December 2012. The loans are secured by mortgages in real estate, motor vehicles or securities and are interest and installment free.

NOTE 14 RELATED PARTIES (cont.)

4) Board fees

The Board receives 50 percent of the estimated fees after six months, and the remaining after an additional six months, when the fees have been formally approved by the annual general assembly.

5) Committee fees

The column contains fees related to participation in the Audit, Compensation, CR and Nomination Committees.

6) Salary

The column comprises ordinary salary received in the year.

7) Variable salary

The column contains bonus payments received at the start of the year, based upon the previous year's performance. The amounts do not include payments from the LTIP-program described below.

8) Pension premiums

Group Management members participate in the same pension plans as other employees in the jurisdiction they are employed. The CEO does not participate in the defined benefit plan and receives a fixed compensation instead. For further description of the pension plan, see note 17.

9) Other benefits

The column comprises the value of other benefits received by Group Management and Board members during the year, including value of interest-free loans, car allowance, health insurance etc.

10) Shareholding Board member

Board member Jan Svensson holds the position of CEO in Investment AB Latour that had a holding of 31,320,000 shares in TOMRA at 31 December 2013.

11) Shareholding Committee member

Committee member Eric Douglas' family controls Investment AB Latour that had a holding of 31,320,000 shares in TOMRA at 31 December 2013.

12) Severance

Rune Marthinussen is entitled to an additional salary and other benefits with a total value of NOK 1,534,090 in 2014.

Extract from principles for remuneration of Group Management

Salary and other employment terms for senior executives shall be competitive in order to ensure that TOMRA can attract and retain skilled leaders. Salary should include both fixed and variable elements. The fixed salary should reflect the individual's area of responsibility and performance over time. Principles for remuneration shall be allowed to vary in accordance with local conditions. The remuneration structure shall be based on such factors as position, expertise, experience, conduct and performance. The variable salary shall not exceed 50 percent of the fixed annual salary and is based on the achievement of specific performance targets by TOMRA Group and/or the respective manager's unit. The entire principles for remuneration of Group Management are found under the Corporate Governance section of the annual report.

Long Term Incentive Plans (LTIP)

In April 2010, TOMRA established a cash based Long Term Incentive Plan (LTIP), where managers could receive a bonus based upon the return rate that the company generated for its shareholders measured against NASDAQ. Earnings should only be applied to the LTIP if TOMRA, dividend adjusted, exceeded NASDAQ by at least 9 percent, during the period 22 April 2010 to 31 December 2012. Earnings were capped at one times the fixed salary level per year which was reached at 13.5 percent over-performance. 25 percent of the earnings before tax (~50 percent of earnings after tax) must be placed in TOMRA stock when realized, as long as the manager's total shareholding is less than 75 percent of his/her yearly base salary. The shares have to be kept for a minimum of three years. If sold before, all proceeds from the sale belong to Tomra. The over-performance in the period 22 April 2010 to 31 December 2012 was 62.5 percent. Management had consequently full earnings under this plan in 2012. For 2013 the dividend adjusted performance of the Tomra share needed to exceed NASDAQ by at least 2.5 percent in the period 31 December 2010 to 31 December 2013 to generate earnings under the plan (full earnings if over performance exceeded 20.0 percent). The Tomra share underperformed (dividend adjusted) by 4.3 percent in period between 31 December 2010 to 31 December 2013, consequently no earnings were paid out under this plan in 2013.

For 2014, the dividend adjusted performance of the Tomra share needs to exceed NASDAQ by at least 2.5 percent in the period 31 December 2011 to 31 December 2014 to generate earnings under the plan. Full earnings will be achieved if the over-performance exceeds 20 percent. Earnings are calculated linearly between 2.5 percent and 20 percent. TOMRA is currently evaluating the LTIP plan, and changes to the plan should be expected from 2015, where earnings would be closer tied to the Groups reported profit

	Earned 2011*	Invested in shares 2012	Earned 2012*	Invested in shares 2013	Earned 2013*
Stefan Ranstrand (President & CEO)	4,036,500	0	4,157,595	0	0
Espen Gundersen (Deputy CEO & CFO)	2,121,026	0	2,193,140	0	0
Harald Henriksen (SVP, Head of North America Collection Solutions)	1,882,462	0	2,145,297	0	0
Fredrik Nordh (SVP, Head of Nordic Collection Solutions)	SEK 1,371,375	SEK 284,210	SEK 1,412,516	0	0
Heiner Bevers (SVP, Head of Central and Eastern Europe Collection Solutions)	EUR 272,091	EUR 38,901	EUR 278,893	0	0
Rune Marthinussen (EVP, Head of Business Area Sorting Solutions until March 2013)	1,780,376	23,185	1,840,909	0	0
Ton Klumper (SVP, Head of Western and Southern Europe Collection Solutions)	EUR 203,533	0	EUR 207,603	0	0
Håkon Vollidal (EVP, Head of Business Area Collection Solutions)	1,630,125	407,531	1,685,549	16,650	0
Stefan Ek (SVP, Head of Orwak Collection Solutions)	SEK 1,254,420	SEK 313,605	SEK 1,292,053	0	0
Volker Rehrmann (EVP and CTO, Head of Business area Sorting Solutions from March 2013)	0	0	EUR 95,000	EUR 24,425	0
Tom Eng (SVP, Head of Tomra Sorting Solutions, Recycling)	n/a	n/a	n/a	n/a	0
Ashley Hunter (SVP, Head of Tomra Sorting Solutions, Food)	n/a	n/a	n/a	n/a	0

* 25 percent (~50 percent after tax) is to be invested in shares the following year, provided the shareholding is less than 75 percent of the base salary.

The collective compensation for key management personnel was as follows (23 managers in 2013 and 22 in 2012):

Amounts in NOK million	2013	2012
Short-term employee benefits	62.0	55.4
Severance payments	2.9	0.0
Post-employment benefits	5.3	4.7
Total	70.3	60.1

Total remuneration is included in "employee benefit expenses" (see note 3).

Transactions with subsidiaries

Transactions between Group companies, which are related parties, have been eliminated in the consolidation and are not disclosed in this note.

NOTE 14 RELATED PARTIES (cont.)

Auditors' fees

Amounts in NOK million	2013		2012	
	Parent	Group	Parent	Group
Statutory audit	1.1	6.8	1.1	6.7
Other attestation services	0.1	0.6	–	1.1
Tax consulting	0.1	2.6	–	2.8
Other services	–	0.3	–	0.7
Total	1.3	10.3	1.1	11.3

Statutory audit fees to KPMG for the Group were NOK 5.9 million (NOK 5.8 million in 2012), and fees to other auditors were NOK 0.9 million (NOK 0.9 million in 2012).

Non–audit fees to KPMG for the Group were NOK 3.4 million (NOK 3.9 million in 2012), and non–audit fees to other auditors were NOK 0.1 million (NOK 0.7 million in 2012).

TOMRA SYSTEMS ASA – NGAAP

Tomra Systems ASA's transactions with related parties

Tomra Systems ASA has several transactions with related parties. All transactions are performed as part of ordinary business and executed at arms length principles.

The significant transactions are as follows:

Sales of RVMs, spare parts and service manuals/support of NOK 851.4 million in 2013 (NOK 846.5 million in 2012) to:

Tomra Butikksystemer AS
Tomra Systems AB
Tomra Systems AS
OY Tomra AB
Tomra Systems GmbH
Tomra Systems BV
Tomra Environmental Protection Technology (Xiamen) Co. Ltd.
Tomra Leergutsysteme GmbH
Tomra Orwak Polska SP.z.o.o
Tomra of North America Inc.
Tomra Baltic OU
Tomra Systems Ltd.
Tomra Japan Ltd.
Tomra Compaction AB
Tomra Sorting GmbH
Tomra Sorting NV

Purchase of RVM's and spare parts from Tomra Production AS of NOK 262.7 million in 2013 (NOK 234.6 million in 2012).

Management fee of NOK 5.2 million in 2013 (NOK 5.9 million in 2012).

Interest income on loans of NOK 33.2 million in 2013 (NOK 53.9 million in 2012), and interest expenses on loans of NOK 0.24 million in 2013 (NOK 2.4 million in 2012).

The Balance sheet includes the following amounts from transactions with related parties:

Amounts in NOK million	2013	2012
Loans to subsidiaries	300.5	1,695.3
Intra–group receivables	136.5	277.9
Loan from subsidiaries	(50.2)	(44.1)
Intra–group debt	(398.8)	(220.3)
Total	12.0	1,708.8

NOTE 15 SHARES AND INVESTMENTS

TOMRA SYSTEMS ASA – NGAAP

Amounts in NOK million	Country	Year of acquisition	Vote and owner share	Book value
Tomra North America Inc	USA	1992	100.0 %	1,166.2
Tomra Europe AS	Norway	1998	100.0 %	10.0
Tomra Production AS	Norway	1998	100.0 %	15.0
Tomra Canada Inc ²⁾	Canada	2000	100.0 %	79.8
Tomra Sorting Japan KK	Japan	2000	100.0 %	7.0
Tomra Japan Ltd. ¹⁾	Japan	2008	50.0 %	9.6
Tomra Compaction Group AB	Sweden	2005	100.0 %	127.1
Tomra Sorting AS	Norway	2004	100.0 %	1,817.6
Tomra Systems Ltd.	United Kingdom	2006	100.0 %	2.3
Tomra Environmental Protection Technology (Xiamen) Co.Ltd	China	2010	100.0 %	49.9

Total shares in subsidiaries **3,284.5**

1) Tomra Systems ASA owns 50 percent of Tomra Japan Ltd. The company is a joint venture and is proportionately consolidated in the Group. TOMRA's share of the joint venture accounts for less than 1 percent of the total capital of the Group.

2) Tomra Systems Inc. was merged into Tomra Canada Inc from 1 January 2013.

Long term loan to the subsidiary Tomra North America Inc of NOK 374 million/USD 54 million was treated as part of net investments in the parent company until it was paid down in 2012. In the parent company it was booked at cost and reported under loans to subsidiaries.

The down payment in 2012 resulted in an exchange loss of NOK 59.8 million, net of tax. NOK 36.5 million of the loss (related to the effect up until 31 December 2011) has been charged equity in Tomra Systems ASA, and NOK 23.3 million has been booked as foreign exchange loss under financial expenses (the 2012 effect). The transaction has no impact on the Groups consolidated figures. See also note 21 and note 4.

NOTE 16 INVESTMENTS IN ASSOCIATES

GROUP – IFRS

Amounts in NOK million	Ultre–PET	Tomra s.r.o.	Tomra Baltic	Total
Book value 31 December 2012	34.4	–	1.7	36.1
Profit 2013	2.5	4.0	0.1	6.6
Dividend	–	(4.0)	–	(4.0)
Currency translation difference	3.3	–	0.1	3.4
Book value 31 December 2013	40.2	0.0	1.9	42.1
Equity at date of acquisition	41.0	0.0	0.0	
Country	USA	Czech Republic	Estonia	
Year of acquisition	1999	1998	2005	
Vote and share ownership	49%	40%	40%	

Summary financial information for associates on 100% basis:

2013	Ultre–PET	Tomra s.r.o.	Tomra Baltic	Total
Assets	113.9	10.0	8.0	131.9
Liabilities	31.9	2.0	3.2	37.1
Equity	82.0	8.0	4.8	94.8
Revenues	186.1	13.3	8.3	207.7
Profit/(loss)	2.5	6.2	0.1	8.8
2012				Total
Assets	100.8	12.3	7.6	120.7
Liabilities	30.5	0.8	3.4	34.7
Equity	70.3	11.5	4.2	86.0
Revenues	217.6	18.0	10.2	245.8
Profit/(loss)	3.8	10.1	0.1	14.0

NOTE 17 PENSION AND PENSION OBLIGATIONS

Change in accounting principles IAS 19R defined benefit plans

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognized in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognized in profit and loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit and loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognized in profit and loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

Impact of transition to IAS 19R for both Tomra Systems ASA and Tomra Group on the Balance sheet:

	1/1/2012	12/31/2012
Increase / (decrease) in the defined benefit plan obligation	34.4	(1.4)
(Decrease) / increase in deferred tax liabilities	(9.6)	0.4
Net impact on equity	(24.8)	1.0
Equity holders of the parent	(24.8)	1.0
Non-controlling interest	–	–

The above figures illustrate net actuarial gain/loss on an accumulated basis. Consequently the equity effect of transition 1 January 2012 would have been net NOK -24.8 million, and 31 December 2012 would have been NOK 1.0 million. We have considered the impact of transition to IAS 19R to be immaterial, and we have therefore not restated 2012 figures.

The net effect of transition was NOK 1.0 million as per 31 December 2012 and this effect is included in the net remeasurement effect of NOK 27.0 million recorded in OCI in 2013.

Total Pension costs and pension liability for The Tomra Group

Amounts in NOK million		Group IFRS	
2013	2012	2013	2012
Net pension cost Norwegian plans	19.4	–	–
Net pension cost US plans	21.5	–	–
Taxes	(13.9)	–	–
Net pension costs in Other Comprehensive Income	27.0	0.0	
Pension liability Norwegian plans	48.1	32.6	
Pension liability US plans	21.5	–	
Total Pension liability	69.6	32.6	

Norwegian plans

Tomra Systems ASA NGAAP		Group IFRS	
2013	2012	2013	2012
10.6	13.0	EXPENSE RECOGNIZED IN THE INCOME STATEMENT	
1.1	1.3	Current service cost	10.6
–	1.0	Interest cost (income)	1.1
1.7	2.1	Actuarial gains and losses	–
13.4	17.4	Social security tax included in pension cost	1.7
		Net pension costs in Income Statement	13.4
		EXPENSE RECOGNIZED IN OTHER COMPREHENSIVE INCOME	
(6.0)	–	Actuarial loss (gain) – change in discount rate	(6.0)
10.2	–	Actuarial loss (gain) – change in other financial assumptions	10.2
9.1	–	Actuarial loss (gain) – change in mortality table	9.1
(2.8)	–	Actuarial loss (gain) – experience DBO	(2.8)
6.1	–	Loss (gain) – experience Assets	6.1
1.6	–	Investment management cost	1.6
(1.4)	–	Adjustment of opening balance – effect new IAS 19	(1.4)
2.6	–	Social security tax included in pension cost	2.6
19.4	0.0	Net pension costs in Other Comprehensive Income	19.4
		FINANCIAL STATUS AS OF 31 DECEMBER	
176.6	149.9	Present value of funded pension obligations	176.6
(128.5)	(118.7)	Fair value of plan assets	(128.5)
–	1.4	Unrecognized actuarial gains & losses	–
48.1	32.6	Pension liability	48.1

NOTE 17 PENSION AND PENSION OBLIGATIONS (cont.)

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
4.10%	3.90%	BASIS FOR CALCULATION	4.10%	3.90%
3.75%	3.50%	Discount rate	3.75%	3.50%
3.50%	3.25%	Expected wage increase	3.50%	3.25%
4.10%	3.90%	Expected increase of base amount	4.10%	3.90%
13 yrs	13 yrs	Expected return on plan assets 31 December	13 yrs	13 yrs
		Average remaining service period		
		MOVEMENTS IN NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AS RECOGNIZED IN THE BALANCE SHEET		
32.6	30.5	Net liability at 1 January	32.6	30.5
(17.3)	(15.3)	Contributions received	(17.3)	(15.3)
19.4	-	Remeasurement recognized in Other Comprehensive Income	19.4	-
13.4	17.4	Expense recognized in the Income Statement (*)	13.4	17.4
48.1	32.6	Net liability at 31 December	48.1	32.6
		(*) The expense is recognized in the following line item in the income statement		
13.4	17.4	Employee benefits expenses defined benefit plan	13.4	17.4
5.2	4.9	Employee benefits expenses defined contribution plan	20.8	19.6
18.6	22.3	Total employee benefits expenses ¹⁾	34.2	37.0

1) NOK 9.4 million of total employee benefits for Tomra Systems ASA was charged to subsidiaries in 2013 (2012: NOK 7.3 million), and the interest of NOK 1.1 million is classified as financial expense.

The cost of the defined benefit plan includes a premium for the right to a paid up defined contribution policy based on an actuarial valuation.

Total employee benefits expenses for the Group consists of NOK 6.7 million for the TOMRA Sorting Solutions segment (2012 NOK 5.3 million) and NOK 27.5 million for the TOMRA Collection Solution segment (2012 NOK 31.7 million).

TOMRA's best estimate of contributions expected to be paid into the plan for 2014 is NOK 17.7 million.

The discount rate is in accordance with guidelines from Norsk Regnskapsstiftelse as of 31 August 2013, which was the best estimate of the rate at the time the basis for the calculation was set in October 2013.

Due to the financial turmoil in Europe, the 10 year state bond interest has been unnaturally low. For this reason, Norsk Regnskapsstiftelse (NRS) in their 2012 and 2013 guidelines recommended that the interest used for pension calculations should be set based upon preference bonds with sufficient liquidity (known as OMF-bonds). Over time it's assumed that the wage increase should not exceed the discount rate. TOMRA has consequently calculated its pension liabilities based upon the implicit interest in OMF-bond.

GROUP – IFRS

Until the end of 2006 all employees in Norway were covered by a collective pension plan, where the insured pension plans covered employees in permanent positions of at least 50 percent of full time employment and below an age of 57 years at the employment date. The pension plan was structured as a retirement net agreement in that it guaranteed a supplement to the State benefits. There has not been any agreements for compensation of reductions in State benefits. The plan gives a right to defined future benefits (defined benefit plan). The benefit is mainly dependent upon years within the plan, salary at date of retirement and compensation from the State. The obligations are covered through Storebrand insurance company. The plan should ensure that the employees would get a pension of about 65 percent of salary, if they had full contribution time, limited upwards to 12G.

In 2007, TOMRA established a defined contribution plan, where TOMRA contributes 5% of salary between 1 and 6G and 8% of salary between 6 and 12G. The old defined benefit plan for salary up to 12G was at the same time closed for new members, so all new employees from January 2007 are members of the defined contribution plan instead.

Employees that were members of the defined benefit plan, could choose if they wanted to stay in this plan or join the new defined contribution plan. Employees that chose to change pension plan got a paid up policy for the benefit they had earned under the old plan. In total 65 employees chose to change pension plan.

In addition TOMRA had a separate pension plan for benefits over 12G, with the same coverage as the plan up to 12G. Until the end of 2006 the pension premium for such plans was not taxable for the receiver, but it would be taxable when the pension was paid out. The pension premium was not tax deductible for the company.

Life expectancy

Assumptions regarding future mortality have been based on published statistics and mortality tables K2013BE. The current life expectancy underlying the values of the defined benefit obligation at the reporting date were as follows.

	Men	Women
Life expectancy currently aged 65	20.7	23.9
Life expectancy at 65 currently aged 40	23.0	26.3

Due to changes in the tax regulations the pension premium paid is taxable from 1 January 2007 for the employee, while only the return of the pension is taxable when it is paid out. The pension premium is also tax deductible for the company.

To eliminate the effect of the changes in tax regulation for employees, the pension plan was adjusted to keep the benefit after tax unchanged for the employee. This was done by adjusting the pension premium down to a level where the employee would get the same benefit after tax as under the former pension plan. In addition TOMRA compensates the employee's tax on the pension premium.

The pension plans have been treated for accounting purposes in accordance with IAS 19. The parent company's plan, which also covers employees in Tomra Butikksystemer AS, Tomra Production AS and Tomra Sorting AS includes 109 employees and 35 retirees at year-end 2013.

Actual return on plan assets was NOK 7.2 million in 2012.

The table above shows total pension cost of defined benefit plans for the parent company and the Group, and total pension obligations at 31 December for the parent company and the Group's defined benefit plans and defined contribution plans. Net pension obligations at 31 December 2013 are split between net pension obligations for the defined benefit plans of NOK 42.6 million, and net pension obligations for the defined contribution plans of NOK 5.5 million.

NOTE 17 PENSION AND PENSION OBLIGATIONS (cont.)

Plan assets comprise of			Change in plan assets		
	2013	2012	Amounts in NOK million	2013	2012
Shares	11.3 %	13.3 %	Fair value of assets at beginning of year	118.7	107.5
Short-term bonds	11.3 %	13.4 %	Expected return on plan assets	4.3	4.2
Credit	20.2 %	17.0 %	Remeasurement	(7.7)	(4.7)
Long-term bonds	40.4 %	36.9 %	Acquisition	-	(0.2)
Property	11.5 %	14.9 %	Employer contribution	15.2	13.4
Other	5.3 %	4.5 %	Benefits paid	(2.0)	(1.5)
Total	100.0 %	100.0 %	Fair value of assets at end of year	128.5	118.7

SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would change the amounts shown below.

		Discount rate +0.5	Discount rate -0.5	Pension regulation +0.25	Pension regulation -0.25	Wage increase +0.5	Wage increase -0.5
Basis for calculation							
Discount rate	4.10%	4.60%	3.60%	4.10%	4.10%	4.10%	4.10%
Expected wage increase	3.75%	3.75%	3.75%	3.75%	3.75%	4.25%	3.25%
Expected increase of base amount	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Expected pension regulation	0.60%	0.30%	0.60%	0.85%	0.35%	0.60%	0.60%
Interest	3.48%	3.98%	2.98%	3.22%	3.74%	3.48%	3.48%
Expected return on plan assets	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%

Results

Amounts in NOK million							
Service costs	10.3	9.2	11.6	10.6	10.0	11.3	9.4
Accumulated benefit obligation	122.5	112.0	134.5	126.1	119.1	122.5	122.5
Present benefit obligation	170.6	154.2	189.5	175.6	165.8	183.7	158.4
Total benefit obligation	304.1	270.4	343.5	313.1	295.6	334.8	275.3
Plan assets	128.5	128.5	128.5	128.5	128.5	128.5	128.5

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

US plans

Tomra North America (TNA) participates in multi-employer pension plans in the US. Currently TOMRA participates in two plans, the Metro-plan and the "TNYR-plan". Both plans are Defined Benefit plans (DB) under IAS 19. As there has been limited financial information available for these pension plans, TOMRA has until 31 December 2012 applied Defined Contribution plan (DC) accounting for both plans.

The TNYR-plan comprises approximately 35 TOMRA employees, out of a total of approximately 2,250 employees. Similar to prior years, there is still not sufficient financial information available in order to account for this plan as a DB plan. Consequently, Tomra continues to account for this plan as a DC plan by direct expensing of premiums paid. Premiums paid in 2013 amounts to USD 145,018, compared to USD 150,762 in 2012. Received information from the plan indicates an underfunding of USD 2.8 million on TOMRA's part. TOMRA is jointly and severally liable for the plans underfund with other participants within the plan.

The Metro plan comprises approximately 65 workers. In 2013 the Metro-plan was restructured, and the fund has provided TOMRA with information about TOMRA's net liabilities under the plan. On this basis, TOMRA has, effective 4Q 2013, determined it has sufficient information to account for this plan as a DB plan going forward. Consequently, a net pension liability of USD 3.5 million (net present value) has been recognized in other comprehensive income as a change in estimate in 2013. Further, TOMRA has entered into an agreement with the fund to settle the current underfunding in the plan. The underfunding will be settled though annual payments of USD 0.2 million over 25 years. The agreement with the fund also includes a reentry into the restructured DB-plan based on direct attribution, where TOMRA will be responsible for funding of liabilities directly attributable to TOMRA employees only.

TOMRA SYSTEMS ASA – NGAAP

From 1 January 2006 Tomra Systems ASA was obliged to have a pension plan for its employees, and its pension plan meets this requirement.

TOMRA has applied IAS 19 under NRS 6 since the Group's conversion to IFRS in 2004. Tomra Systems ASA changed to IAS 19R in 2013 following the same approach and consideration as described above for the Group.

NOTE 18 CASH AND CASH EQUIVALENTS

Tomra Systems ASA NGAAP			Group IFRS	
2013	2012	Amounts in NOK million	2013	2012
63.3	40.4	Cash and cash equivalents	164.1	177.2
63.3	40.4	Cash and cash equivalents in the statement of cash flows ¹⁾	164.1	177.2

1) Includes restricted bank deposits totaling NOK 3.5 million for the Parent company and NOK 4.0 million for the Group.

Tomra Systems ASA and its fully owned subsidiaries participate in an international multi-currency cash-pool, operated by DNB. All the subsidiaries deposit to and withdraw from the pool through the cash-pool agreement as an Intra-Group receivable/payable against Tomra Systems ASA, and the transactions are classified as such in the financial statement.

NOTE 19 FINANCIAL INSTRUMENTS

Responsibility for funding, cash management and financial risk management is handled centrally by the finance department in Tomra Systems ASA. Guidelines for the finance activities are determined by the financial strategy, which is reviewed and approved by the Board. The central treasury department acts as the corporate bank and is responsible for all external borrowing and hedging transactions in interest rates and currencies. TOMRA aims to limit its exposure to financial risk.

Interest rate risk

TOMRA's surplus cash is primarily used to reduce the loan amount on the revolving credit facilities. It may also be placed in NOK with short maturities. In accordance with the adopted financial strategy, the duration of the portfolio should not exceed six months.

Non current interest-bearing liabilities relates to a five-year revolving credit facility of NOK 500 million or EUR equivalent (established in January 2011), and a three-year revolving credit facility of EUR 100 million (established in July 2012). Current interest-bearing liabilities relates to a NOK 500 million three-year term loan facility (established in July 2011). Total charge for the term loan is NIBOR (Norwegian Interbank Offered Rate) plus 52 basis points in margin. On the NOK 500 million revolving credit facility, interest is payable at a rate of NIBOR/EURIBOR plus 60-90 basis points, dependent on TOMRA's NIBD/EBITDA ratio. On the EUR 100 million revolving credit facility, interest is payable at a rate of EURIBOR plus 95-195 basis points dependent on TOMRA's NIBD/EBITDA and leverage ratio. The EUR 17 million facility terms is EURIBOR plus 100 basis points. In addition TOMRA has an overdraft facility of NOK 50 million. A change in the interest rate of 100 basis points, calculated on the loan amount as per 31 December 2013, increases/decreases the annual financial costs by NOK 14.3 million. At year end cash and cash equivalents had a duration of zero (mainly bank hold-ings), and the duration of the four loan facilities was 1.38 years.

Capital management

TOMRA's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. TOMRA monitors the return on capital as well as the level of dividends to the shareholders. TOMRA seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantage and security afforded by a sound capital posi-tion. TOMRA's target is to achieve a high return on capital and an equity ratio above 30 percent.

Credit risk

Credit risk is the risk of loss that may arise on outstanding contracts should a counter party default on its obligations. Historically the Group has limited bad debt on receivables. The Group has sufficient routines for credit checks on clients and credit risk is not considered to be significant on outstanding receivables as of 31 December 2013. However, TOMRA's customers include the largest retail chains in the world, as well as large scrap material proces-sors and food producers, where outstanding receivables globally can be significant. In a situation where one of these systems collapses, TOMRA could be exposed. The maximum exposure to credit risk at year-end equalled total receivables in the balance sheet plus any unrealized gain on financial contracts.

In accordance with the Group's financial strategy, placement of surplus cash requires the counterpart to have a strong rating, with investments limited to NOK 100 million per bank. Surplus liquidity can also be placed in certificates issued by states or municipalities, as well as in short term security markets which require a safe investment structure.

TOMRA's main bank is DNB Bank, where TOMRA's NOK 500 million, or EUR equivalent, credit facility is located in addition to the international cash pool. The loan facility of NOK 500 million is a term loan at Exportfinans ASA, with DNB as a guarantor. The club deal EUR 100 million credit facility is provided by DNB and SEB. TOMRA also has a facility with KBC Bank of EUR 1.7 million. In order to have a full cash management solution, TOMRA has a few addi-tional banks in some local markets. The tables below show TOMRA's outstanding loans per 31 December and respective counterpart's credit rating.

	31 December 2013			31 December 2012		
	Credit limit	Loan balance	Rating Moody/S&P	Credit limit	Loan balance	Rating Moody/S&P
DNB Bank ASA	NOK 500 million ¹⁾	EUR 65 million	A1/ A+	NOK 500 million	EUR 65 million	A1/ A+
DNB Bank ASA	EUR 50 million	EUR 22.5 million	A1/ A+	EUR 50 million	EUR 29 million	A1/ A+
Eksporthfinans ASA	NOK 500 million	NOK 500 million	Ba3 / BB+	NOK 500 million	NOK 500 million	Ba3 / BB+
Skandinaviska Enskilda Banken AB, publ (SEB)	EUR 50 million	EUR 22.5 million	A1/ A+	EUR 50 million	EUR 29 million	A1/ A+
KBC Bank NV	EUR 1.7 million	EUR 1.5 million	A3 / A-	EUR 5.6 million	EUR 5.6 million	A3 / A-

1) or EUR equivalent

Liquidity risk

Liquidity risk is the risk that TOMRA will not be able to meet its financial obligations as they fall due. TOMRA has a limited exposure to liquidity risk on the basis of a strong cash flow in addition to a solid balance sheet - 51.7 percent equity ratio at 31 December 2013 - that will enable a higher debt ratio if necessary. Liquidity per 31 December 2013 was NOK 632 million (including unused credit lines).

Commodity risk

The volatility of raw materials impacts both TOMRA's income and costs.

Income

TOMRA is indirectly exposed to fluctuations in commodity prices in the business area TOMRA Sorting Solutions; for customers within waste-manage-ment, the value of the material that TOMRA scanners sort out is a source of income. When commodity prices increase, the income to customers in this segment is affected, which affects the willingness to invest positively.

Costs

The increase in fuel prices is negative for TOMRA due to higher transporta-tion costs. First and foremost, this applies to material recovery operations, where an increase of USD 1 per gallon diesel decreases operating profit by USD 1.3 million a year. TOMRA uses a variety of raw materials in production, however, the volume of material components was not large enough for changes in commodity prices to significantly impact the results.

Foreign currency risk

TOMRA is exposed to changes in the value of NOK relative to other curren-cies. With ~97 percent of its income in foreign currencies, a strengthening of NOK will lead to reduced earnings for the Group when measured in NOK. The most significant risk is associated with fluctuations in EUR and USD. In accordance with the financial strategy, TOMRA can secure up to 12 months of expected future net cash flow. TOMRA primarily uses forward contracts as an economic instrument to hedge the cash flow. TOMRA has not applied hedge accounting in accordance with IAS39 for the cash flow.

Hedge accounting under IAS 39

In order to reduce the profit and loss volatility arising from currency fluctu-ations, a portion of TOMRA's EUR denominated debts amounting to EUR 110 million is designated as hedge of the net investment in TOMRA's subsidiary BEST Kwadraat N.V. The fair value of the borrowing at 31 December 2013 was EUR 110 million (NOK 922 million), which represents 69 percent of the net investment. The hedge has been highly effective for the period (100%). The foreign exchange loss of NOK 120.9 million on translating the borrow-ing to functional currency at the end of the reporting period is recognized in retained earnings, in shareholders' equity. The foreign exchange gain of NOK 120.9 million on hedging relationship during 2013, is recognized in retained earnings, in shareholders equity.

NOTE 19 FINANCIAL INSTRUMENTS (cont.)

The split of the balance sheet as of 31 December in currencies was distributed between the balance lines as follows:

	USD	EUR	2013 NOK	SEK	OTHER
Total intangible non-current assets	8%	79%	9%	4%	1%
Total tangible non-current assets	44%	25%	12%	4%	15%
Total financial non-current assets	69%	21%	7%	0%	3%
Inventory	22%	52%	12%	5%	9%
Total receivables	30%	49%	5%	5%	11%
Cash and cash equivalents	15%	25%	28%	1%	32%
Total assets	22%	58%	9%	4%	7%

Total non-current liabilities	4%	87%	6%	0%	3%
Total current liabilities	17%	16%	46%	2%	19%
Total liabilities	11%	47%	28%	1%	12%

	USD	EUR	2012 NOK	SEK	OTHER
Total intangible non-current assets	7%	67%	14%	4%	8%
Total tangible non-current assets	57%	25%	1%	3%	14%
Total financial non-current assets	57%	34%	3%	0%	6%
Inventory	16%	49%	14%	4%	17%
Total receivables	26%	52%	6%	5%	11%
Cash and cash equivalents	17%	41%	11%	0%	31%
Total assets	21%	54%	10%	4%	11%

Total non-current liabilities	1%	65%	32%	0%	3%
Total current liabilities	20%	41%	22%	3%	14%
Total liabilities	9%	56%	28%	1%	6%

A 10 percent weaker/stronger NOK would normally lead to a 10–20 percent increase/decrease in operating profit. Currency fluctuations would in addition affect the book value of assets and liabilities in TOMRA's foreign subsidiaries. A 10 percent weakening/strengthening in the value of the NOK would have increased/decreased equity by NOK 241 million as per balance 31 December 2013. (This analysis assumes all other variables remain constant). Such changes in value would however not have a P/L impact as they are booked as translation differences against equity.

Sensitivity analysis – isolated currency rate changes' impact on operating profit before other items:

Amounts in NOK million	2013		2012	
	Income	Cost	Income	Cost
10% currency change USD/NOK	145	(101)	112	(91)
10% currency change EUR/NOK	232	(178)	215	(144)
10% currency change SEK/NOK	27	(28)	25	(22)

Sensitivity analysis – isolated currency rate changes' impact on equity:

Amounts in NOK million	2013		2012	
	Increase	Decline	Increase	Decline
10% currency change USD/NOK	92	(92)	84	(84)
10% currency change EUR/NOK	109	(109)	122	(122)
10% currency change SEK/NOK	19	(19)	15	(15)

The following exchange rates were applied during the year ¹⁾:

	Average rate (P/L rate)		Reporting date rate (Balance rate)	
	2013	2012	2013	2012
USD/NOK	5.875	5.817	6.084	5.566
EUR/NOK	7.805	7.475	8.383	7.341
SEK/NOK	0.902	0.859	0.947	0.855
AUD/NOK	5.679	6.025	5.426	5.778

1) Exchange rates distributed by the Norwegian Central Bank

The fair value of forward contracts is calculated at the end of each period, and at 31 December 2013 the value was recognized in other short term receivables at NOK 3.7 million and in other current liabilities at NOK 1.6 million (per 31 December 2012: NOK 1.8 million and NOK 0.3 million respectively). Changes in fair value of forward contracts were recognized in the income statement in 2013. Change in fair value of forward contracts and currency loss on cash flows in 2013 amounted to NOK 9 million (see note 4). The currency contracts are accounted for at fair value according to IFRS 7, level 2.

Outstanding forward foreign exchange contracts, as of 31 December:

Amount forward (sold) / bought	2013			2012		
	Currency (million)	Exch.rate	Due date	Currency (million)	Exch.rate	Due date
EUR/NOK	(25.0)	8.389	2014	(15.0)	7.340	2013
GBP/NOK	2.3	9.950	2014	-	-	2013
JPY/NOK	(540.0)	0.061	2014	(811.1)	0.065	2013
SEK/NOK	(16.0)	0.936	2014	8.0	0.855	2013
AUD/NOK	(6.7)	5.432	2014	(6.0)	5.777	2013
ZAR/NOK	(23.9)	0.585	2014	(23.8)	0.656	2013
USD/NOK	(22.5)	6.130	2014	(15.0)	5.565	2013
DKK/NOK			2014	6.0	0.984	2013
KRW/NOK	(2,100.0)	0.006	2014	(3,100.0)	0.005	2013
PLN/NOK	(9.5)	2.009	2014	(3.0)	1.799	2013
CAD/NOK	9.0	5.755	2014	3.0	5.596	2013

TOMRA has not entered into any commodity contracts as of 31 December 2013.

Overview of financial assets and liabilities – carrying and fair values:

Amounts in NOK million	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Long term receivables	223.7	223.7	219.8	223.2
Receivables	931.1	931.1	845.8	845.8
Cash and cash equivalents	164.1	164.1	177.2	177.2
Forward exchange contracts	2.1	2.1	1.5	1.5
Finance lease liabilities	(29.5)	(29.5)	(26.5)	(26.5)
Unsecured bank facilities	(1,434.8)	(1,434.8)	(1,443.8)	(1,443.0)
Other interest-bearing liabilities	(92.2)	(92.2)	(81.4)	(83.8)
Payables	(321.6)	(321.6)	(294.5)	(294.5)
Total	(557.1)	(557.1)	(601.9)	(600.1)

NOTE 19 FINANCIAL INSTRUMENTS (cont.)

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments in the table:

Cash and cash equivalents

The carrying amounts of cash and cash equivalents equalled the fair value due to their short maturities.

Financial derivatives

The fair value of forward currency contracts represented quoted market price, i.e. the exchange rate at 31 December 2013 and the interest points obtained from the different market institutions.

Interest-bearing loans and borrowings

The fair value of the unsecured bank loan was based on loan amounts and accrued interest per 31 December 2013. Future interest payments and repayments with a time to maturity of more than one year are discounted.

Receivables/payables

For receivables/payables with a remaining life of less than one year, the notional amount was deemed to reflect the fair value. All other receivables/payables were discounted to determine the fair value.

There has not been any transfer of assets between the different valuation levels in 2013 compared to 2012.

Interest rates used for determining fair value	2013	2012
Loans and borrowings	2.5 %	2.5 %
Receivables/payables	2.0 %	2.0 %

Financial assets and liabilities per 31 December 2013 – maturity analysis (discounted values):

Amounts in NOK million	Carrying amount	Quarter 1 2014	Quarter 2-4 2014	2015	2016+
Long term receivables	223.7			113.8	109.9
Receivables	931.1	931.1			
Cash and cash equivalents	164.1	164.1			
Forward exchange contracts	2.1	2.1			
Finance lease liabilities	(29.5)			(5.9)	(23.6)
Unsecured bank facilities	(1,434.8)	(46.4)	(500.0)	(388.4)	(500.0)
Other interest-bearing liabilities	(92.2)			(92.2)	
Payables	(321.6)	(321.6)			
Total	(557.1)	729.3	(500.0)	(372.7)	(413.7)

NOTE 20 SHARE-BASED PAYMENTS

GROUP – IFRS

Share Purchase Program

In 2008 TOMRA established a share purchase program for permanent employees. In this program TOMRA invites employees to buy shares in TOMRA at market price and receive one bonus share per five invested shares, provided that the shares are kept for at least one year and the employee is still employed by TOMRA. The employee can buy shares up to a maximum of 30 percent of his/her gross salary. The share purchase program uses own shares acquired by TOMRA as authorized by the Annual General Meeting. The shares are purchased on the Oslo Stock Exchange.

	2013	2012
Number of shares purchased by employees	157,651	119,313
Share price (closing market share price, the day before the allotment date)	56.25	45.90
Number of bonus shares, distributed one year after investment	31,530	23,717
Total expenses recognized	1.8 mill	1.5 mill

NOTE 21 EQUITY

TOMRA SYSTEMS ASA – NGAAP

Amounts in NOK million	Share capital	Treasury shares	Share premium	Paid-in capital	Retained earnings	Total equity	Number of shares
Balance per 1 January 2012	148.0	(0.1)	918.3	1,066.2	718.2	1,784.4	148,020,078
Profit for the period					210.9	210.9	
Foreign exchange loss ¹⁾					(36.5)	(36.5)	
Purchase of own shares		(0.3)		(0.3)	(11.8)	(12.1)	
Own shares sold to employees		0.2		0.2	6.5	6.7	
Dividend to shareholders					(184.7)	(184.7)	
Balance per 31 December 2012	148.0	(0.2)	918.3	1,066.1	702.6	1,768.7	148,020,078
Profit for the period					110.2	110.2	
Pensions					(14.2)	(14.2)	
Purchase of own shares		(0.2)		(0.2)	(10.6)	(10.8)	
Own shares sold to employees		0.2		0.2	10.0	10.2	
Dividend to shareholders					(199.7)	(199.7)	
Balance per 31 December 2013	148.0	(0.2)	918.3	1,066.1	598.3	1,664.4	148,020,078

Shares par value is 1 NOK.

In 2013 Tomra Systems ASA purchased 200,000 own shares at an average price of NOK 54.10 per share.

Total shareholding of treasury shares was 267,789 as of year end 2013.

1) Foreign exchange loss, net of tax, on down payment of long term intra Group loan, see also note 15.

NOTE 21 EQUITY (cont.)

GROUP – IFRS

Amounts in NOK million	Paid-in capital	Translation reserve	Remeasurements of defined benefit liability (assets)	Retained earnings	Total equity attributable to the owners of the company	Non-controlling Interest	Total Equity
Balance per 1 January 2012	1,066.2	(180.8)	0.0	1,255.7	2,141.1	75.8	2,216.9
Profit for the period				440.4	440.4	37.3	477.7
Changes in translation differences		(137.5)	0.0		(137.5)	(5.4)	(142.9)
Total comprehensive income for the period	0.0	(137.5)	0.0	440.4	302.9	31.9	334.8
Transactions with shareholders							
Dividend non-controlling interest					0.0	(34.1)	(34.1)
Purchase of own shares	(0.3)			(11.8)	(12.1)		(12.1)
Own shares sold to employees	0.2			6.5	6.7		6.7
Dividend to shareholders				(155.3)	(155.3)		(155.3)
Total transactions with shareholders	(0.1)	0.0	0.0	(160.6)	(160.7)	(34.1)	(194.8)
Balance per 31 December 2012	1,066.1	(318.3)	0.0	1,535.5	2,283.3	73.6	2,356.9
Profit for the period				376.7	376.7	35.7	412.4
Changes in translation differences		293.5			293.5	6.8	300.3
Remeasurements of defined benefit liability (assets)			(27.0)		(27.0)		(27.0)
Total comprehensive income for the period	0.0	293.5	(27.0)	376.7	643.2	42.5	685.7
Transactions with shareholders							
Dividend non-controlling interest					0.0	(33.5)	(33.5)
Purchase of own shares	(0.2)			(10.7)	(10.9)		(10.9)
Own shares sold to employees	0.2			10.0	10.2		10.2
Dividend to shareholders ¹⁾				(184.9)	(184.9)		(184.9)
Total transactions with shareholders	0.0	0.0	0.0	(185.6)	(185.6)	(33.5)	(219.1)
Balance per 31 December 2013	1,066.1	(24.8)	(27.0)	1,726.6	2,740.9	82.6	2,823.5

1) Dividend payment was NOK 1.25 per share in 2013, as proposed in the 2012 financial statements.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the company.

Tomra Systems ASA had a USD 54 million loan to the 100 percent owned subsidiary Tomra North America (TNA). The loan was accounted for as part of the net investment in TNA, ref. IAS 21.15. The loan was settled in 2012. There is no change in Tomra Systems ASA's ownershare in TNA. Reference is made to Consolidation and accounting policies for the Group, item c). Accumulated exchange rate loss of NOK 74 million related to this loan was included in the translation reserve per 31 December 2012.

Dividends

After the balance sheet date the following dividends were proposed by the directors:

Amounts in NOK million	2013	2012
NOK 1.35 per qualifying share (2012: NOK 1.25)	199.5	184.7

The dividend has not yet been provided for and there are no income tax consequences.

Earnings per share – Group	2013	2012
Average number of shares	148 020 078	148 020 078
Average number of shares, adjusted for own shares	147 908 962	147 877 361
Average number of shares, adjusted for own shares, fully diluted	147 908 962	147 877 361
Majority equity 31 December (MNOK)	2,740.9	2,283.3
Equity per share (NOK)	18.53	15.44
Net profit attributable to the shareholders of the parent (MNOK)	376.7	440.3
Earnings per share	2.55	2.98
Earnings per share, fully diluted	2.55	2.98

Purchase of own shares

TOMRA was granted authority to acquire treasury shares at the annual general meeting 22 April 2013, limited to a total of 500,000 shares.

At the end of 2013 200,000 shares had been purchased under this proxy.

NOTE 22 SHAREHOLDERS

The amounts shown are based on information from Verdipapirsentralen. On nominee accounts, information regarding beneficial ownership has been collected and presented where possible.

Registered at 31 December 2013	Number of shares	Ownership
1. Investment AB Latour	31,320,000	21.16%
2. Folketrygdfondet	16,137,053	10.90%
3. Jupiter Asset Management Ltd. (UK)	10,910,031	7.37%
4. Nordea Investment Management	4,418,693	2.99%
5. Lannebo Fonder AB	4,168,660	2.82%
6. SEB Investment Management AB	2,848,330	1.92%
7. Fondita Fund Management Co. Ltd.	2,690,000	1.82%
8. F&C Asset Managers Ltd.	2,578,291	1.74%
9. Odin Forvaltning AS	2,368,905	1.60%
10. RWC Partners Ltd.	2,311,820	1.56%
11. Templeton Investment Counsel LLC	2,245,310	1.52%
12. Impax Asset Management Ltd.	1,887,711	1.28%
13. Lasard Frères Gestion	1,745,075	1.18%
14. Dimensional Fund Advisors LP	1,678,530	1.13%
15. Odey Asset Management LLP	1,677,248	1.13%
16. Fidelity International Limited – FIL Investissements SAS	1,610,067	1.09%
17. Eton Park Capital Management LP	1,489,532	1.01%
18. DNB Asset Management AS	1,375,855	0.93%
19. Oslo Pensjonsforsikring AS	1,200,000	0.81%
20. Flinvest SAS	1,111,388	0.75%
Total 20 largest shareholders	95,772,499	64.70%
Other shareholders	52,247,579	35.30%
Total (6,014 shareholders)	148,020,078	100.00%
Shares owned by Norwegian residents	34,474,111	23.29%
Shares owned by others	113,545,967	76.71%
Total	148,020,078	100.00%

NOTE 23 ACQUISITIONS AND DIVESTURES

BEST

On 2 July 2012, TOMRA closed an agreement with the owners of the Belgian technology manufacturer BEST Kwadraat NV, acquiring 100 percent of the shares in the company. TOMRA paid on the same day 125.5 MEUR in cash. Final purchase price after pro/con settlements is assumed to be 124.5 MEUR. There is no earn-out or other conditional payments related to the acquisition.

BEST is a leading provider of advanced sorting and processing technology to the international food processing industry. The purpose of the acquisition was to enter into parts of the food sorting industry where TOMRA had no existing presence.

BEST has been consolidated in the TOMRA Group from 2 July 2012.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

Amounts in EUR million	Acquiree's carrying amount before combination	Fair value adjustments	Fair value
Net assets acquired:			
Deferred tax assets	2.2		2.2
Patents and technology	0.5	26.6	27.1
Goodwill	45.1	57.2	102.3
Property, plant and equipment	9.4	1.3	10.7
Financial non-current assets	0.1		0.1
Inventories	21.9		21.9
Accounts Receivable	12.7		12.7
Cash equivalents	7.6		7.6
Prepayments / Other Assets	4.8		4.8
Interest bearing debt	(16.8)		(16.8)
Deferred tax liabilities	0.0	(8.2)	(8.2)
Accrued Expenses / Liabilities	(36.7)	(3.2)	(39.9)
Total consideration to be satisfied by cash	50.8	73.7	124.5
Total goodwill related to the transaction			102.3
Net cash outflow arising on acquisition:			
Cash consideration paid			125.5
Cash and cash equivalents acquired			(7.6)
Net cash outflow in 2012			117.9
Pro/con settlement 2013			(0.5)
Total net cash outflow			117.4

The goodwill arising on the transaction was attributable to predicted future cash flows, know-how and some synergies.

The acquired company contributed EUR 52.2 million in revenue and EUR 4.8 million to the Group's net operating profit for the period between the date of acquisition and 31 December 2012.

If the acquisition had been completed on 1 January 2012, total group revenue for 2012 would have increased by additional EUR 40.5 million, and net operating profit for the year would have increased by EUR 2.3 million.

Acquisition cost of NOK 7.0 million was booked as other operating expenses in 2012.

Divestment of Freezing and Chilling

In February 2013, the ODENBERG Freezing and Chilling product group was divested, concluded as non-core to TOMRA's future growth plans. The Freezing and Chilling business was active in the design and manufacture of systems for the freezing and chilling of boxed products, like poultry, ice cream and ready-made meals. The business had been operated mostly on its own, with little overlap of customers and technology with other parts of the Food business stream. The product group recorded revenues of EUR 7 million in 2012. The transaction did not have any significant P/L, B/S or cash flow impact.

NOTE 24 DISCONTINUED OPERATIONS

On 31 December 2011, Tomra sold the assets of Tomra Pacific, Inc., a wholly owned subsidiary of Tomra of North America, Inc, to rePlanet, LLC. Total consideration for the transaction was USD 28.4 million, of which USD 11.0 million was paid at closing, another USD 15.0 million was paid in 2012 and the remaining 2.4 million as a seller note, due in 2015. Tomra has given representations and warranties in line with whats assumed normal in connection with transactions like this, and the seller note works as an Escrow account in this context. In 2013, an after tax cost of NOK 9,7 million has been recognized, mainly due to workers comp claims, which is sellers responsibility.

The business of Tomra Pacific was a separate major line of business for the Group and has previously been reported as a separate geographical area. The comparative consolidated Income Statement was restated to show the discontinued operations separately from continuing operations, starting 2011.

Analysis of the loss on sale of discontinued operation

Amounts in NOK million	2013	2012	2011
Operating revenues			433.0
Operating expenses			403.8
Net operating profit	0.0	0.0	29.2
Income tax expense			9.2
Profit from discontinued operations after tax	0.0	0.0	20.0
After tax loss on divestment	9.7		40.3
Currency loss on divested entity equity*			1.1
Total discontinued operations	(9.7)	0.0	(21.4)
Earnings per share from discontinued operations, basic (NOK)	(0.07)	0.00	(0.14)
Earnings per share from discontinued operations, diluted (NOK)	(0.07)	0.00	(0.14)

* From implementation of IFRS in 2004

NOTE 25 CONSTRUCTION CONTRACTS

A small part of TOMRA's activities consist of developing and manufacturing products and systems to order. One project is accounted for in accordance with IAS 11 and the percentage of completion method.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. Contract revenue is recognized in profit and loss in proportion to the percentage of completion of the contract. The percentage of completion is assessed by reference to surveys of work performed and cost incurred relative to expected total production costs.

Expected total production costs are estimated using a combination of historical figures, systematic estimation procedures, monitoring of efficiency and best judgment.

Contract expenses are recognized as incurred.

Projects under construction is the amount of work in progress presented as inventory in the balance sheet.

Advances from customers is the net amount of accumulated earned revenue minus accumulated billing for all ongoing contracts where accumulated billing exceeds cumulative revenue. It is presented as other current liabilities in the balance sheet. There is no construction contracts open at year end 2013.

Amounts in NOK million	2013	2012
Projects under construction	-	0.3
Advances from customers	-	2.1
Net Projects under construction	0.0	(1.8)
Reported revenue (not invoiced) included in customer receivables	-	-
Share of outstanding receivables withheld in accordance with contract terms	-	-
Remaining production on loss-making projects	-	-
Revenue from projects in progress	22.6	15.0
Costs from projects in progress	13.3	9.4
Net result from projects in progress	9.3	5.6

DIRECTORS' RESPONSIBILITY STATEMENT

Today, the Chief Executive Officer and the Board of Directors reviewed and approved the Board of Directors' Report and the consolidated and separate annual financial statements for Tomra Systems ASA as of 31 December 2013 (annual report 2013).

To the best of our knowledge:

- the consolidated financial statements are prepared in accordance with IFRS and IFRIC as adopted by the EU and additional Norwegian disclosure requirements in the Norwegian Accounting act, and that were effective as of 31 December 2013.
- the separate financial statements are prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31 December 2013.
- the Board of Directors' Report for the Group and the Parent Company is in accordance with the requirements in the Norwegian Accounting Act and Norwegian accounting standard no 16, as of 31 December 2013.
- the consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 31 December 2013 for the Group and the Parent Company.
- the Board of Directors' Report for the Group and the Parent Company includes a true and fair view of;
 - the development and performance of the business and the position of the Group and the Parent Company.
 - the principal risks and uncertainties the Group and the Parent Company face.

Asker, 18 February 2014

Svein Rennemo Chairman	Jan Svensson Board member	Bernd H.J. Bothe Board member	Bodil Sonesson Board member
Aniela Gjør Board member	David Williamson Employee representative	Ingrid Solberg Employee representative	Stefan Ranstrand President & CEO



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Independent auditor's report 2013
Tomra Systems ASA

To the Annual Shareholders' Meeting of Tomra Systems ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Tomra Systems ASA, which comprise the financial statements of the parent company Tomra Systems ASA and the consolidated financial statements of Tomra Systems ASA and its subsidiaries. The parent company's financial statements comprise the balance sheet as at 31 December 2013, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the balance sheet as at 31 December 2013, and the income statement and the statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the separate financial statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Tomra Systems ASA as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Tomra Systems ASA and its subsidiaries as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 7 March 2014

KPMG AS

Bjørn Kristiansen

State Authorized Public Accountant

Offices in:

Oslo	Haugesund	Sandnessjøen
Alta	Knarvik	Stavanger
Arendal	Kristiansand	Stord
Bergen	Larvik	Straume
Bodo	Mo i Rana	Tromsø
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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening



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