
THIRD QUARTER 2016

RESULTS ANNOUNCEMENT

Q3: Another Solid Quarter

Revenues in the third quarter 2016 amounted to 1,715 MNOK compared to 1,748 MNOK in third quarter last year. Revenues in TOMRA Collection decreased by 3% (down 5% currency adjusted), while revenues in TOMRA Sorting were stable (down 2% currency adjusted).

Gross margin was 43% in the quarter, up from 41% corresponding period last year. This is explained by improved margins in TOMRA Collection (currency- and product-mix related). Gross margin in TOMRA Sorting Solutions was stable.

Operating expenses increased from 393 MNOK in third quarter 2015 to 408 MNOK in third quarter 2016. This represents an increase of 2% currency adjusted.

EBITA was 331 MNOK in third quarter 2016 compared to 324 MNOK third quarter 2015.

Net finance was 32 MNOK positive, influenced by currency gains (NOK strengthened against most other currencies during the quarter, creating gains on forward contracts in EUR and USD)

Cash flow from operations in third quarter 2016 equaled 348 MNOK, compared to 384 MNOK in third quarter 2015.

Collection Solutions: Continued High Activity Level due to Replacement

Revenues in the business area equaled 1,079 MNOK in the third quarter, down from 1,110 MNOK in third quarter last year. After adjustment for currency changes, revenues were down 5%.

Gross margin was 42%, up from 39% same period last year, positively influenced by product mix and currency effects.

EBITA was MNOK 261, up from 247 MNOK last year due to higher gross margins.

"It has been another quarter with high activity", says Stefan Ranstrand, TOMRA President and CEO. "The replacement demand in Germany and Sweden is driving the topline, but Lithuania has also contributed to the good sales in the quarter. We believe that the replacement demand will continue into 2017 for Germany, but as the new requirements is put into play from 1st of January the replacement in Sweden is coming to an end, Ranstrand comments.

Sorting Solutions: Confirming our Leading Position within Food Sorting

The overall performance in TOMRA Sorting was stable in third quarter 2016, with increased order intake and unchanged revenues.

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Revenues in the quarter were stable compared to same quarter in 2015. Adjusted for currency effects, revenues were down 2%.

Gross margin was stable at 45%. Paired with reduced operating expenses by 3% (currency adjusted), EBITA margins came in on 14%, same level as same period last year.

EBITA decreased from 87 MNOK in third quarter 2015 to 86 MNOK in third quarter 2016.

"Food continues to perform well and we saw an increased order intake this quarter compared to same quarter last year. Despite challenging market conditions for our Recycling segment the order intake in the segment matched the order intake year on year. Simultaneously, the same challenging market conditions is still the reason for continued depressed sales in our Mining segment", Ranstrand comments

TOMRA to acquire Compac

TOMRA signed 11 October a sales and purchase agreement with the owners of Compac Holding Ltd (Compac), acquiring 100 per cent of the shares in the company. TOMRA will pay a consideration of NZD 70m, free of cash and interest bearing debt. In addition to the initial purchase price, the sellers are entitled to an earn-out linked to the financial performance for the period July 2016 to June 2019.

Compac is a leading provider of lane sorting within the fresh fruit and vegetable segment. The company designs, manufactures, sells and services packhouse automation systems that sort fresh produce based on weight, size, shape, color, surface blemishes and internal quality.

"With the acquisition of Compac, TOMRA will reinforce its leading position within the food segment and we will be the first player to offer its customers both lane and bulk sorting of fresh and processed foods", says Ranstrand.

Closing of the transaction is expected to take place during first quarter 2017 subject to approval by the New Zealand Overseas Investment Office.

Asker, 21 October 2016

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Webcast link: <http://presenter.qbrick.com/?pguid=0cb4888b-652b-4728-b979-774730113e17>

We will open up for Q&A after the presentation and the recorded webcast will be made available on our webpage www.tomra.com after broadcast is concluded.

TOMRA was founded on an innovation in 1972 that began with design, manufacturing and sale of reverse vending machines (RVMs) for automated collection of used beverage containers. Today, TOMRA has ~86,000 installations in over 80 markets worldwide and had total revenues of ~6.1 billion NOK in 2015. The Group employs ~2,600 globally, and is publicly listed on the Oslo Stock Exchange. (OSE: TOM). The TOMRA Group continues to innovate and provide cutting-edge solutions for optimal resource productivity within two main business areas: Collection Solutions (reverse vending and material recovery) and Sorting Solutions (recycling, mining and food sorting). For further information about TOMRA, please see www.tomra.com

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