Profit and loss statement

Tomra Systems ASA NGAAP					Group IFRS		
2008	2007	2006	**Amounts in NOK million**	Note	**2008**	2007	2006
926.7	**836.2**	**1,531.6**	**Operating revenues**	**1**	**3,621.9**	**3,489.5**	**3,965.0**
534.9	530.9	1,135.0	Cost of goods sold	2	1,648.3	1,635.4	1,966.3
159.7	132.7	127.3	Employee benefits expenses	3,16	990.2	906.8	862.2
8.8	13.1	9.8	Ordinary depreciation	8,9	146.2	154.0	162.2
–	–	–	Writedown of non−current assets	8,9	9.8	6.9	11.2
104.0	112.4	53.7	Other operating expenses	7	371.2	341.3	308.1
807.4	**789.1**	**1,325.8**	**Total operating expenses**		**3,165.7**	**3,044.4**	**3,310.0**
119.3	**47.1**	**205.8**	**Operating profit**		**456.2**	**445.1**	**655.0**
–	–	–	Profit from associates	15	2.7	1.9	1.6
110.0	202.5	30.8	Dividend from subsidiaries		–	–	–
46.2	67.1	52.0	Financial income		11.4	17.5	5.6
51.8	20.5	10.5	Financial expenses		38.2	22.2	6.0
104.4	**249.1**	**72.3**	**Net financial items**	**4**	**(24.1)**	**(2.8)**	**1.2**
223.7	**296.2**	**278.1**	**Ordinary profit before taxes**		**432.1**	**442.3**	**656.2**
31.5	27.0	60.6	Taxes	10	140.3	150.6	216.3
192.2	**269.2**	**217.5**	**Net profit for the period**		**291.8**	**291.7**	**439.9**
			Attributable to:				
			Shareholders of the Parent Company		278.2	279.6	427.2
			Minority interest		13.6	12.1	12.7
			Net profit for the period		**291.8**	**291.7**	**439.9**
			Allocated as follows:	20			
75.0	69.9	65.8	Dividend				
117.2	199.3	151.7	Other equity				
192.2	**269.2**	**217.5**	**Total allocated**				
			Earnings per share	20	1.82	1.76	2.48
			Earnings per share, fully diluted	20	1.82	1.76	2.48

Balance sheet as of 31 December

	Tomra Systems ASA NGAAP				Group IFRS	
	2008	2007	**Amounts in NOK million**	Note	**2008**	2007
ASSETS	63.0	22.5	Deferred tax assets	10	100.2	52.8
	–	–	Goodwill	9,22	741.8	565.9
	–	–	Development costs	9	47.9	50.9
	–	–	Other intangible assets	9	51.5	32.2
	63.0	**22.5**	**Total intangible non-current assets**		**941.4**	**701.8**
	14.9	19.4	Property, plant and equipment	8	491.3	392.3
	–	–	Leasing equipment	8	110.6	80.1
	14.9	**19.4**	**Total tangible non-current assets**		**601.9**	**472.4**
	1,601.7	1,592.1	Investment in subsidiaries	14,22	–	–
	374.3	419.3	Loan to subsidiaries	14	–	–
	–	–	Investments in associates	15	42.2	35.6
	–	–	Other investments		0.9	0.7
	–	2.9	Pensions	16	–	2.9
	–	–	Long term receivables		169.0	134.3
	1,976.0	**2,014.3**	**Total financial non-current assets**		**212.1**	**173.5**
	2,053.9	**2,056.2**	**Total non-current assets**		**1,755.4**	**1,347.7**
	35.4	**61.1**	**Inventory**	**2**	**624.4**	**529.1**
	17.5	13.1	Trade receivables		841.3	732.8
	843.9	625.0	Intra-group receivables		–	–
	16.3	24.7	Other short-term receivables		258.6	151.8
	877.7	**662.8**	**Total receivables**	**7**	**1,099.9**	**884.6**
	20.7	**116.4**	**Cash and cash equivalents**	**17**	**114.1**	**190.8**
	933.8	**840.3**	**Total current assets**		**1,838.4**	**1,604.5**
	2,987.7	**2,896.5**	**Total assets**		**3,593.8**	**2,952.2**
LIABILITITES AND EQUITY	155.0	164.7	Share capital		155.0	164.7
	(5.0)	(9.3)	Treasury shares		(5.0)	(9.3)
	918.3	1,418.3	Share premium reserve		918.3	1,418.3
	1,068.3	**1,573.7**	**Paid-in capital**		**1,068.3**	**1,573.7**
	731.2	**299.9**	**Retained earnings**		**950.9**	**50.1**
	–	**–**	**Minority interest**		**65.2**	**56.3**
	1,799.5	**1,873.6**	**Total equity**	**20**	**2,084.4**	**1,680.1**
	–	–	Deferred tax liabilities	10	38.3	30.3
	8.9	–	Pension liabilities	16	8.9	–
	558.1	389.9	Interest-bearing liabilities	6	567.1	410.1
	–	–	Other long-term liabilities		5.9	3.0
	567.0	**389.9**	**Total non-current liabilities**		**620.2**	**443.4**
	9.1	5.8	Interest-bearing liabilities	6	23.4	7.1
	20.1	24.5	Trade payables		230.4	241.5
	295.7	355.5	Intra-Group debt		–	–
	71.8	31.8	Income tax payable	10	140.9	103.3
	17.6	25.3	Provisions	12	95.8	91.8
	206.9	190.1	Other current liabilities	11	398.7	385.0
	621.2	**633.0**	**Total current liabilities**		**889.2**	**828.7**
	1,188.2	**1,022.9**	**Total liabilities**		**1,509.4**	**1,272.1**
	2,987.7	**2,896.5**	**Total liabilities and equity**		**3,593.8**	**2,952.2**
	420.1	360.8	Warranty liabilities		423.9	363.4

Asker, 19 February 2009

Jo Lunder Chairman
Bjørn M. Wiggen Board member
Jørgen Randers Board member
Hege Marie Norheim Board member
Aniela Gabriela Gjøs Board member
David Williamson Employee representative
Karen Michelet Employee representative
Amund Skarholt President & CEO

Statement of recognized income and expense

	Group IFRS	
Amounts in NOK million	**2008**	2007
Foreign exchange translation differences	395.0	(170.3)
Net income recognized directly in equity	**395.0**	**(170.3)**
Profit for the period	291.8	291.7
Total recognized income and expense for the period	**686.8**	**121.4**
Attributable to:		
Shareholders of the Parent Company	656.7	118.1
Minority interest	30.1	3.3
Total recognized income and expense for the period	**686.8**	**121.4**
Reported minority interest	13.6	12.1
Exchange variations, minority interest	16.5	(8.8)
Total	**30.1**	**3.3**

Cash flow analysis

Tomra Systems ASA NGAAP				Group IFRS		
2008	2007	2006	**Amounts in NOK million**	**2008**	2007	2006
			CASH FLOW FROM OPERATIONS			
223.7	296.2	278.1	Ordinary profit before taxes	432.1	442.3	656.2
(32.0)	(28.2)	(9.2)	Income taxes paid	(149.9)	(144.4)	(91.5)
–	–	–	(Gains)/losses from sales of fixed assets	(0.6)	–	(8.2)
8.8	13.1	9.8	Ordinary depreciations	146.2	154.0	162.2
–	–	–	Write-down non-current assets	9.8	6.9	11.2
25.7	(43.6)	(14.3)	Net change in inventory	2.1	(36.8)	(198.4)
4.0	(12.5)	(16.5)	Net change in receivables	(14.7)	28.4	(316.0)
(4.4)	(2.4)	12.1	Net change in payables	(49.9)	3.3	45.0
11.8	(10.6)	(6.4)	Difference between booked costs on pension funds and actual cash payments to these funds	11.8	(10.6)	(6.4)
–	–	–	Exchange rate effects	29.2	18.7	(6.0)
–	–	–	Profit before tax from affiliated companies	(2.7)	(1.9)	(1.7)
–	–	–	Dividend from affiliated companies	2.0	1.4	1.3
33.1	126.1	(25.2)	Changes in other balance sheet items	(64.0)	49.9	98.4
(13.8)	(35.7)	(43.0)	Interest income/expense	23.4	14.9	(1.8)
256.9	**302.4**	**185.4**	**Net cash flow from operating activities**	**374.8**	**526.1**	**344.3**
			CASH FLOW FROM INVESTING ACTIVITIES			
–	–	–	Proceeds from sales of non-current assets	32.2	14.4	89.5
–	–	–	Disposal of subsidiaries	–	–	3.2
(9.6)	–	2.0	Acquisition of subsidiaries	(144.0)	–	(112.8)
(4.3)	(8.8)	(14.4)	Net investments in non-current assets	(214.1)	(157.3)	(234.9)
–	–	–	Proceeds from sales of shares	–	–	2.6
(13.9)	**(8.8)**	**(12.4)**	**Net cash flow from investing activities**	**(325.9)**	**(142.9)**	**(252.4)**
			CASH FLOW FROM FINANCING ACTIVITIES			
(266.2)	(6.2)	(78.6)	Loan payments (to)/from subsidiaries	–	–	–
–	–	–	Payment of long-term loans	–	–	–
–	–	(2.5)	Repayment of long-term loans	(0.9)	(18.0)	(13.0)
175.0	50.0	325.0	Proceeds from issuance of long-term debt	177.4	50.0	325.0
–	–	–	Dividend minority interest	(21.2)	(12.7)	(16.7)
–	–	–	Net change bank overdraft	1.2	–	(25.7)
(202.1)	(408.3)	(421.7)	Purchase of treasury shares	(202.1)	(408.3)	(421.7)
10.6	7.1	6.4	Sale of treasury shares	10.6	7.1	6.4
46.2	54.3	51.2	Interest received	9.4	4.7	4.8
(32.4)	(18.6)	(8.2)	Interest paid	(32.8)	(19.6)	(3.0)
–	–	(33.5)	Option payments	–	–	(93.8)
(69.8)	(64.7)	(60.8)	Dividend payments	(69.8)	(64.7)	(60.8)
(338.7)	**(386.4)**	**(222.7)**	**Net cash flow from financing activities**	**(128.2)**	**(461.5)**	**(298.5)**
–	–	–	Currency effect on cash	2.6	(17.3)	1.6
(95.7)	(92.8)	(49.7)	Net change in cash and cash equivalents	(76.7)	(95.6)	(205.0)
116.4	209.2	258.9	Cash and cash equivalents per 1 January	190.8	286.4	491.4
20.7	116.4	209.2	Cash and cash equivalents per 31 December	114.1	190.8	286.4

As of 1 January 2007 TOMRA changed its principle for classification of interests in the cash flow statement. In accordance with IFRS 7.31 and NRS(F) Cash Flow 2.6 we have chosen to show interest as cash flow from financing activities. The amounts from 2006 have been reclassified with the following effects:

2006		2006
	Cash flow from operating activities:	
(43.0)	Interest income/expense	(1.8)
	Cash flow from financing activities:	
51.2	Interest received	4.8
(8.2)	Interest paid	(3.0)

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 designs and operates cost-effective systems for recovering packaging and other used material for reuse and recycling. 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 2008 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, statement of recognized income and expense, balance sheet, cash flow statement and notes to the accounts.

The financial statements were authorized for issue by the Directors on 19 February 2009, and will be presented for final approval at the general meeting on 21 April 2009. Until the final approval by the general meeting, the board can authorize changes in the financial report.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and appropriate interpretations as adopted by EU, The Norwegian Accounting Act and stock exchange regulations.

(b) Basis of preparation

The financial statements are presented in NOK, rounded to the nearest one hundred thousand. They are prepared based on the fundamental principles governing historical cost accounting, comparability, continuing operations and congruence. Transactions are recorded at their value at the time of transaction. Income is recognized at the time of delivery of goods or services sold. Costs are expensed in the same period as the income to which they relate is recognized.

The financial statements are prepared based on historical cost, except for financial instruments recognized at fair value through profit or loss.

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 Butikksystemer AS (N)
Tomra Systems AB (S)
OY Tomra AB (FIN)
Tomra Systems AS (DK)
Tomra Systems BV (NL)
Tomra Systems GmbH (D)
Tomra Leergutsysteme GmbH (A)
Tomra Systems SA (F)
Tomra AG (SWI) (50,5 %)
Tomra Systems NV (BEL)
B-burken AB (S)
Tomra s.r.o (CZE) (40 %)
Halton Systems GmbH (D)
Tomra Baltic OÜ (EST) (40 %)
Tomra Production AS (N)
Retail Services GmbH (D)
Titech AS (N)
Titech GmbH (D)
Titech Visionsort Espana S.L. (E)
Titech Visionsort Limited (UK)
Titech sp. Z.O.O. (P)
QVision AS (N)
Commodas Mining GmbH (D)
Orwak Group AB (S)
AB Orwak (S)
Presona AB (S)
Morinders Verkstäder AB (S)
Compactus AB (S)
Presona GmbH (D)
Orwak Danmark AS (DK)
Orwak Polen ZPZOO (P)
Tomra Systems Ltd. (UK)

North America
Tomra of North America Inc. (CT)
Tomra Systems Inc. (CAN)
Tomra Metro LLC (CT, NY)
Mobile Redemp. Inc. (CT, MA)
BICS LLC (72%) (NY)
TNYR LLC (70%) (NY)
Upstate Tomra LLC (55%)
Tomra Mass. (55%) (MA)
Halton System Inc. (ME)
Tomra Quebec Inc. (CAN)
Camco Recycling Inc. (CAN)
Tomra Canada Inc. (CAN)
Tomra Pacific Inc. (CA)
UBCR (51%) (MI)
UltrePET LLC (49%)
Orwak USA LLC (CT)
Commodas Inc. (CAN)

Rest of the world
Tomra Japan Asia Pacific KK (JAP)
Tomra Japan Ltd. (50%) (JAP)
Titech Visionsort Co,. Ltd. (KOR)
Commodas (PTY) Ltd. (South Africa)
UltraSort PTY Ltd. (Australia)

Tomra AG (SWI) was discontinued in 2006, see also note 14. B-burken AB (S) was liquidated in 2007 and Orwak Danmark AS (DK) was liquidated in 2008.

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 profit and loss statement as of the date of purchase, or up to and including the date of sale.

(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 directly to the Group's equity.

When foreign subsidiaries are sold, completely or partially, the associated translation difference is recognized in the profit and loss.

(d) Minority interests
The minority interests' share of the net profit and equity are classified as separate items in the profit and loss statement and balance sheet.

(e) Changed ownership in subsidiaries
With successive acquisitions in subsidiaries, fair values of assets and liabilities are established the first time consolidation takes place. Fair values of assets and liabilities are not adjusted on subsequent acquisitions, with the exception of goodwill, which is analyzed at the time of each purchase. Additional goodwill is charged to equity.

(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 profit and loss and balance sheet.

(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.

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, 3) assumptions for calculation of pension obligation.

(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.

(b) Cost recognition
Costs are expensed in the same period as 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.

(d) Derivative financial instruments
When qualifying for hedge accounting in accordance with IAS 39, the effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while any ineffective portion is recognized immediately in the income statement. Amounts taken to equity are transferred to the income statement when the hedging transaction affects the income statement, such as when the hedged sale occurs. Cash flow hedging in accordance with IAS 39 has only been applied once in 2006, see disclosure note 18.

All other derivative 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 or loss.

(e) Property, plant and equipment
Owned assets
Items of property, plant and equipment are entered in the accounts at original cost, with deductions for accumulated depreciation and impairment losses. If the fair value of an item of property, plant and equipment is lower than book value, and the decline in value is not temporary, the asset will be written down to fair value. Based on the acquisition cost, straight-line depreciation is applied over the economic life of the non-current assets. When relevant, the acquisition cost includes future dismantling cost.

Where 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.

Leased assets
Leases in terms of which 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
All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. With respect to business acquisitions that have occurred since 1 January 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. With respect to acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP. The classification and accounting treatment of business combinations that occurred prior to 1 January 2004 has not been reconsidered in preparing the Group's opening IFRS balance sheet at 1 January 2004.

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

Negative goodwill arising on an acquisition is recognized immediately in profit or loss.

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 labor 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 9.

Expenditure on internally generated goodwill and brands is recognized in the income statement 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) Receivables and liabilities in foreign currencies
Receivables and liabilities are booked at the exchange rate at the date of the balance sheet.

(j) Cash and cash equivalents
Cash and cash equivalents include cash on 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
Pension obligations related to insured pension, as well as the pension premium reserve, are included in the balance sheet using the net principle. See Note 16 for further details concerning pension obligations.

Defined benefit plans
The Group's net obligation with respect to defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. This benefit is discounted to determine its present value, and any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is equal to the recommendation from the Norwegian Accounting Standards Board, since there are no factors indicating a deviation from the recommendation. The calculation is performed 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 net total of any unrecognized past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

Actuarial gains and losses are required to be recognized when the cumulative unrecognized amount thereof at the beginning of the period exceeds a "corridor." The corridor is 10 percent of the greater of the present value of the obligation and the fair value of the assets. The corridor is calculated separately for each plan.

Defined contribution plans
A defined contribution plan is a plan where TOMRA pays a fixed contribution to a pension fund and where TOMRA has no obligation to pay anything more than the contribution. The contribution is recognized as employee benefits expenses in profit and loss.

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 above.

(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 10 "Taxes."

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 have 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, ref. note 9.

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 income statement.

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 relative to goodwill is not 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 income statement over the period of the borrowings on an effective interest basis.

(s) Share-based payment transactions
The share option program allows Group employees to acquire shares of the Company. The fair value of options granted is recognized as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model based on the Black & Scholes-formula, taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

(t) 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.

(u) Trade and other payables
Trade and other payables are stated at cost.

(v) Segment reporting
A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented for both business segments and geographical segments, with business segments as the primary segment.

(w) 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 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 or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

(x) Business combinations involving entities under common control
A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

In the absence of more specific guidance, the Group consistently applied the book value measurement method to all common control transactions.

(y) Share capital
Ordinary shares
Incremental costs directly attributable to issue of ordinary shares and share options are recognized as a deduction from equity.

Preference share capital
Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss.

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.

(z) 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 2008, and have not been applied in preparing these consolidated financial statements:

IFRS 8 Operating Segments
Amendments to IAS 23 Borrowing costs
Amendments to IAS 1 Presentation of Financial Statements – a revised presentation
Amendments to IFRS 2 Share-based payment – Vesting Conditions and Cancellations
Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements
Revised IFRS 3 Business Combinations and amended IAS 27 Consolidated and Separate Financial Statements
Amendments to IFRS 1 First-time adoption of IFRSs and IAS 27 Consolidated and Separate Financial Statements
IFRIC 15 Agreements for the Construction of Real Estate
IFRIC 16 Hedges of a Net Investment in a Foreign Operation
Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
IFRIC 17 Distributions of Non-Cash assets to Owners
IFRIC 18 Transfer of assets from Customers

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 profit and loss 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 same period as 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
Machines and parts are sold Ex–works, and revenues are recognized when risk is transferred to the customer. Other service revenue is recognized when services are provided.

COST RECOGNITION
Costs are expensed in the same period as 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. Long term loans to subsidiaries in foreign currency are considered part of the net investment, and are booked at cost in NOK.

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
Pension obligations related to insured pensions, as well as the pension premium reserve, are included in the balance sheet using the net principle. Ref. note 16.

Actuarial gains and losses are required to be recognized when the cumulative unrecognized amount thereof at the beginning of the period exceeds a "corridor." The corridor is 10 percent of the greater of the present value of the obligation and the fair value of the assets. The corridor is calculated separately for each plan.

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.

SHARE–BASED PAYMENTS
The share option program allows Group employees to acquire shares of the Company. The fair value of options granted is recognized as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model based on the Black & Scholes–formula, taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting.

NOTE 1 SEGMENT INFORMATION

TOMRA GROUP – IFRS

Amounts in NOK million	Collection Technology Deposit Solutions	Material Handling	Industrial Processing Technology	Collection Technology Non–Deposit Solutions	Group functions	TOTAL	Assets	Investments
2006								
Nordic	422		65			487	1,214	195
Central Europe	1,616		262	7		1,885	624	14
Rest of Europe			87			87	0	0
US East & Canada	391	500	31			922	942	148
US West		521				521	172	9
Rest of the world			59	4		63	9	5
Operating revenues	**2,429**	**1,021**	**504**	**11**	**0**	**3,965**		
Gross contribution	981	221	240	(9)	0	1,433		
– in %	40 %	22 %	48 %			36 %		
Operating expenses	417	120	161	64	16	778		
Operating profit	**564**	**101**	**79**	**(73)**	**(16)**	**655**		
– in %	23 %	10 %	16 %			17 %		
Share of profit from associates	2	0	0	0	0	2		
Investments	109	103	155	5	0	371		
Investments in associates	0	41	0	0	0	41		
Assets	1,545	700	698	18	349	3,310		
Liabilities	564	93	114	2	500	1,273		
Depreciations	98	49	15	1	0	162		
Impairment losses recognized in P&L	11	0	0	0	0	11		
Other significant non–cash expenses	0	0	0	0	0	0		
2007								
Nordic	611		78			689	1,345	45
Central Europe	792		300	38		1,130	345	4
Rest of Europe			107			107	0	0
US East & Canada	326	463	34			823	809	96
US West		601	24			625	194	9
Rest of the world	2		104	10		116	15	3
Operating revenues	**1,731**	**1,064**	**647**	**48**	**0**	**3,490**		
Gross contribution	754	220	321	(13)	0	1,282		
– in %	44 %	21 %	50 %			37 %		
Operating expenses	409	115	220	77	16	837		
Operating profit	**345**	**105**	**101**	**(90)**	**(16)**	**445**		
– in %	20 %	10 %	16 %			13 %		
Share of profit from associates	2	0	0	0	0	2		
Investments	71	69	14	3	0	157		
Investments in associates	1	35	0		0	36		
Assets	1,297	623	696	92	244	2,952		
Liabilities	550	59	133	21	509	1,272		
Depreciations	94	44	15	1	0	154		
Impairment losses recognized in P&L	0	0	7	0	0	7		
Other significant non–cash expenses	0	0	0	0	0	0		
2008								
Nordic	601		120			721	1,688	60
Central Europe	834		355	55		1,244	478	7
Rest of Europe			132	8		140	0	0
US East & Canada	289	465	51	24		829	968	138
US West		545	39	0		584	227	9
Rest of the world	1		96	7		104	19	152
Operating revenues	**1,725**	**1,010**	**793**	**94**	**0**	**3,622**		
Gross contribution	773	175	403	25	0	1,376		
– in %	45 %	17 %	51 %	27 %		38 %		
Operating expenses	451	109	259	85	16	920		
Operating profit	**322**	**66**	**144**	**(60)**	**(16)**	**456**		
– in %	19 %	7 %	18 %			13 %		
Share of profit from associates	3	0	0	0	0	3		
Investments	103	84	179	0	0	366		
Investments in associates	2	40	0	0	0	42		
Assets	1,526	796	986	72	214	3,594		
Liabilities	559	63	131	25	731	1,509		
Depreciations	83	45	18	0	0	146		
Impairment losses recognized in P&L	10	0	0	0	0	10		
Other significant non–cash expenses	0	0	0	0	0	0		

TOMRA has divided its primary reporting format into four business segments: Collection Technology Deposit Solutions, Material Handling, Industrial Processing Technology and Collection Technology Non-Deposit Solutions. In addition the corporate overhead costs are reported in a separate column. 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.

Collection Technology Deposit Solutions consists of the sale, lease and servicing of RVMs to stores in Europe and North America, and data management systems, which monitor container collection volumes and related cash flow.

Material Handling consists of pick-ups, transport and processing of empty beverage containers on behalf of beverage producers/fillers in US East and Canada. In addition the segment includes the collection activities in California, where TOMRA owns and operates collection centers outside stores.

Industrial Processing Technology consists of TiTech/Commodas and Ultrasort, which produce optical sorting systems, and Orwak Group, a leading provider of compaction solutions for recyclables such as cardboard, paper and plastics.

Collection Techonology Non-Deposit Solutions consists of other non-deposit development areas such as Japan and UK. The segment includes activities related to the development of the Tomra Automated Recycling Center (ARC), a fully automated low cost recycling center for non-deposit markets.

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

Assets and liabilities are distributed to the different reporting segments, except for cash, interest-bearing debt and tax positions, which are allocated to Group functions.

There is no material segment revenue from transactions with other segments.

The income from service activities was NOK 927 million of total NOK 3,622 million in 2008. The income from service activities was NOK 850 million and NOK 772 million in 2007 and 2006 respectively of total income of NOK 3,490 million and 3,965 million respectively.

NOTE 2 INVENTORY/COST OF GOODS SOLD

Tomra Systems ASA NGAAP 2008	2007	2006	Amounts in NOK million	Group IFRS 2008	2007	2006
			COST OF GOODS SOLD			
534.9	530.9	1,135.0	Cost of goods sold, gross	1,572.9	1,633.7	1,809.7
–	–	–	Change in inventory	75.4	1.7	156.6
534.9	**530.9**	**1,135.0**	**Cost of goods sold, net**	**1,648.3**	**1,635.4**	**1,966.3**

Cost of goods sold includes adjustment of inventory writedown of NOK 1.1 million
(2007: minus NOK 1.2 million) for the Parent Company and minus NOK 4.2 million (2007: NOK 4.4 million) for the group.

2008	2007	Amounts in NOK million	2008	2007
		INVENTORY		
–	–	Raw materials	143.9	124.1
–	–	Work in progress	16.4	10.2
35.4	61.1	Finished goods	254.7	235.7
–	–	Spare parts	209.4	159.1
35.4	**61.1**	**Total inventory**	**624.4**	**529.1**
–	–	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 2008	2007	2006	Amounts in NOK million	Group IFRS 2008	2007	2006
121.8	100.7	97.7	Salary	802.7	733.1	695.7
19.8	16.6	15.7	Social security tax	128.5	119.8	117.1
12.9	11.1	9.9	Pension cost	31.9	26.2	23.8
–	–	–	Equity-settled transactions[1]	–	–	(1.0)
5.2	4.3	4.0	Other social expenses	27.1	27.7	26.6
159.7	**132.7**	**127.3**	**Total employee benefits expenses**	**990.2**	**906.8**	**862.2**
132	137	132	Number of man-years	2 099	2 020	2 006

1) Ref. note 19

Salary includes accruals for restructuring of NOK 15 million for Tomra Systems ASA and NOK 22 million
for the Group in Collection Technology Deposit and Non Deposit segments in 3Q 2008.

NOTE 4 FINANCIAL ITEMS

Tomra Systems ASA NGAAP 2008	2007	2006	Amounts in NOK million	Group IFRS 2008	2007	2006
110.0	202.5	30.8	Dividend from subsidiaries	–	–	–
–	–	–	Group contributions from subsidiaries	–	–	–
110.0	**202.5**	**30.8**	**Dividend from subsidiaries**	**0.0**	**0.0**	**0.0**
46.2	54.3	51.2	Interest income[1]	9.4	4.7	4.8
–	12.8	0.8	Foreign exchange gain	2.0	12.8	0.8
46.2	**67.1**	**52.0**	**Total financial income**	**11.4**	**17.5**	**5.6**
32.4	18.6	8.2	Interest expenses[1]	32.8	19.6	3.0
4.9	1.9	2.3	Other financial expenses	5.4	2.6	3.0
14.5	–	–	Foreign exchange loss	–	–	–
51.8	**20.5**	**10.5**	**Total financial expenses**	**38.2**	**22.2**	**6.0**

1) Interest income and expenses for the Parent Company includes interest income and expenses from subsidiaries
of NOK 22.5 million (2007: NOK 44.0 million) and NOK 2.6 million (2007: NOK 4.2 million) respectively.

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

NOTE 5 CONTINGENT LIABILITIES

EU Commission
In September 2004, TOMRA received the EU Commission's Statement of Objections (SO) relating to the EU Commission investigation in 2001. The Commission was of the opinion that TOMRA had exploited its dominant market position in several European markets by entering into certain supply agreements with customers. The alleged abuse is partly due to having entered into exclusive purchase agreements with customers and partly due to use of loyalty rebate schemes.

In November 2004, TOMRA filed its written response to the Statement of Objections where TOMRA rejected the Commission's arguments.

The EU Commission concluded in March 2006 that TOMRA, in their opinion, had foreclosed competition in the period 1998 to 2002 on the market for reverse vending machines in Austria, Germany, the Netherlands, Norway and Sweden by implementing an exclusionary strategy. Consequently, the Commission decided to fine TOMRA EUR 24 million.

TOMRA has appealed the decision to the European Court of Justice. The court case is expected to take place during 2009.

Supported by legal opinions, TOMRA believes it is more likely than not that we will win the appeal. Consequently, no accrual has been made in the balances as of December 31st related to the penalty.

Sale of Tomra South America SA
Tomra Systems ASA has in connection to the sale of Tomra South America SA in 2005 given warranties in line with what is normal in such transactions. If the warranties are breached, Tomra Systems ASA has to indemnify the buyer, up to a USD 5 million limit. At the end of 2008 there were two pending cases regarding VAT that could possibly result in a payment for Tomra. This is accrued for under provisions, see disclosure note 12.

NOTE 6 INTEREST–BEARING LIABILITIES

Tomra Systems ASA NGAAP			Group IFRS	
2008	2007	**Amounts in NOK million**	**2008**	2007
		Non–current liabilities		
550.0	375.0	Unsecured bank loans	550.0	375.8
–	–	Finance lease obligation	–	–
8.1	14.9	Other non–current interest–bearing liabilities	17.1	34.3
558.1	**389.9**	**Total non–current interest–bearing liabilities**	**567.1**	**410.1**
0.0	0.0	Due more than 5 years after balance day	0.0	0.0
		Current liabilities		
–	–	Current portion of finance lease liabilities		–
–	–	Current portion of unsecured bank loans		–
9.1	5.8	Other current interest–bearing liabilities	23.4	7.1
9.1	**5.8**	**Total current interest–bearing liabilities**	**23.4**	**7.1**

In October 2006, Tomra Systems ASA established a revolving bilateral five–year credit facility of NOK 500 million. In June 2008 an additional NOK 250 million credit facility was established, with the same maturity date as the first credit facility. As of 31 December 2008, NOK 550 million was drawn on these facilities. The loan has a floating rate of interest, and has been given with a negative pledge commitment. The loan agreement is conditional upon an equity covenant of at least 40% of total assets, as measured at the end of each quarter.

NOTE 7 RECEIVABLES

Tomra Systems ASA NGAAP			Group IFRS	
2008	2007	**Amounts in NOK million**	**2008**	2007
17.5	13.1	Trade receivables, gross	855.9	739.3
926.5	675.1	Intra group short–term receivables	–	–
16.3	24.7	Other short–term receivables, gross[1)]	258.6	151.8
(82.6)	(50.1)	Provision for bad debt	(14.6)	(6.5)
877.7	**662.8**	**Total receivables**	**1,099.9**	**884.6**
50.1	0.4	Provision for bad debt 1.1.	6.5	10.2
32.5	49.7	Provisions made during the year	8.4	7.1
–	–	Provisions used during the year	(0.3)	(10.8)
82.6	**50.1**	**Provision for bad debt 31.12.**	**14.6**	**6.5**

1) Other short–term receivables includes forward contracts of NOK 2.2 million.

Bad debt writeoffs are 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	**2008**	2007
Not due yet	641.0	422.7
0 – 30 days	114.5	229.7
31– 60 days	44.8	41.2
61 – 90 days	19.7	13.5
Older than 90 days	35.9	32.2
Total trade receivables	**855.9**	**739.3**

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

GROUP – IFRS Amounts in NOK million	Land & buildings[4]	Machinery & Fixtures	Vehicles	Leasing equipment	Total
Cost					
Balance at 1 January 2006	244.7	466.4	84.9	481.1	1,277.1
Acquisitions through business combinations	0.0	7.2	0.1	0.0	7.3
Other acquisitions	5.8	114.4	19.9	47.0	187.1
Disposals	(42.3)	(28.4)	(11.2)	(52.3)	(134.2)
Effect of movements in foreign exchange[1]	(10.9)	(22.8)	(4.9)	(37.5)	(76.1)
Balance at 31 December 2006	**197.3**	**536.8**	**88.8**	**438.3**	**1,261.2**
Balance at 1 January 2007	197.3	536.8	88.8	438.3	1,261.2
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0
Other acquisitions	7.1	82.5	14.2	29.2	133.0
Disposals	(9.8)	(3.3)	(3.4)	(11.3)	(27.8)
Effect of movements in foreign exchange[2]	(15.3)	(44.6)	(10.4)	(62.2)	(132.5)
Balance at 31 December 2007	**179.3**	**571.4**	**89.2**	**394.0**	**1,233.9**
Balance at 1 January 2008	179.3	571.4	89.2	394.0	1,233.9
Acquisitions through business combinations	0.0	0.3	0.0	0.0	0.3
Other acquistions	4.1	107.2	18.0	52.6	181.9
Disposals	(2.3)	(50.2)	(6.3)	(34.4)	(93.2)
Effect of movements in foreign exchange[3]	28.5	110.3	26.0	125.4	290.2
Balance at 31 December 2008	**209.6**	**739.0**	**126.9**	**537.6**	**1,613.1**
Depreciation and impairment losses					
Balance at 1 January 2006	45.8	270.5	49.6	327.1	693.0
Depreciation charge for the year	9.4	62.0	11.2	50.4	133.0
Disposals	(4.4)	(10.9)	(4.6)	(32.0)	(51.9)
Effect of movements in foreign exchange[1]	(3.0)	(11.0)	(3.0)	(25.1)	(42.1)
Balance at 31 December 2006	**47.8**	**310.6**	**53.2**	**320.4**	**732.0**
Balance at 1 January 2007	47.8	310.6	53.2	320.4	732.0
Depreciation charge for the year	7.4	65.2	11.4	44.3	128.3
Disposals	(8.6)	(0.7)	(3.4)	(5.2)	(17.9)
Effect of movements in foreign exchange[2]	(4.7)	(23.9)	(6.7)	(45.6)	(80.9)
Balance at 31 December 2007	**41.9**	**351.2**	**54.5**	**313.9**	**761.5**
Balance at 1 January 2008	41.9	351.2	54.5	313.9	761.5
Depreciation charge for the year	9.1	56.0	14.7	40.1	119.9
Writedown	0.0	1.3	0.0	0.0	1.3
Disposals	(2.8)	(18.2)	(6.3)	(22.6)	(49.9)
Effect of movements in foreign exchange[3]	9.4	56.9	16.5	95.6	178.4
Balance at 31 December 2008	**57.6**	**447.2**	**79.4**	**427.0**	**1,011.2**
Depreciation rate[5]	2–4 %	10–33 %	15–33 %	10–20 %	
Useful life	50 yrs	10 yrs	7 yrs	5–10 yrs	
Carrying amounts					
1 January 2007	149.5	226.2	35.6	117.9	529.2
31 December 2007	137.4	220.2	34.7	80.1	472.4
31 December 2008[4]	**152.0**	**291.8**	**47.5**	**110.6**	**601.9**
Finance leases carrying amounts (as included in total carrying amounts)					
1 January 2007	0.0	0.0	0.0	0.0	0.0
31 December 2007	0.0	0.0	0.0	0.0	0.0
31 December 2008	0.0	0.0	0.0	0.0	0.0

1) Exchange rates as of 31 December 2006 are used in calculating tangible assets of foreign subsidiaries.
2) Exchange rates as of 31 December 2007 are used in calculating tangible assets of foreign subsidiaries.
3) Exchange rates as of 31 December 2008 are used in calculating tangible assets of foreign subsidiaries.
4) Including land of NOK 22.4 million as of 31 December 2008.
5) All depreciation plans are linear.

Minimum lease payments under operational lease of offices	2008	2007
Not later than one year	51.8	39.6
Between one and five years	131.8	128.2
More than five years	95.3	98.4

Leasing equipment
The companies within the Tomra Group had 6,935 reverse vending machines leased to customers at the end of 2008.

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	2008	2007
Not later than one year	53.2	41.1
Between one and five years	88.1	84.1
More than five years	0.1	0.1

NOTE 8 cont.

PROPERTY, PLANT AND EQUIPMENT

TOMRA SYSTEMS ASA – NGAAP Amounts in NOK million	Machinery & Fixtures	Vehicles	Total
Cost			
Balance at 1 January 2006	93.9	0.2	94.1
Acquisitions	12.7	1.7	14.4
Disposals	0.0	0.0	0.0
Balance at 31 December 2006	**106.6**	**1.9**	**108.5**
Balance at 1 January 2007	106.6	1.9	108.5
Acquisitions	8.2	0.6	8.8
Disposals	0.0	(0.2)	(0.2)
Balance at 31 December 2007	**114.8**	**2.3**	**117.1**
Balance at 1 January 2008	114.8	2.3	117.1
Acquisitions	4.3	0.0	4.3
Disposals	0.0	0.0	0.0
Balance at 31 December 2008	**119.1**	**2.3**	**121.4**
Depreciation and impairment losses			
Balance at 1 January 2006	74.8	0.2	75.0
Depreciation charge for the year	9.7	0.1	9.8
Disposals	0.0	0.0	0.0
Balance at 31 December 2006	84.5	0.3	84.8
Balance at 1 January 2007	84.5	0.3	84.8
Depreciation charge for the year	12.7	0.4	13.1
Disposals	0.0	(0.2)	(0.2)
Balance at 31 December 2007	**97.2**	**0.5**	**97.7**
Balance at 1 January 2008	97.2	0.5	97.7
Depreciation charge for the year	8.4	0.4	8.8
Disposals	0.0	0.0	0.0
Balance at 31 December 2008	**105.6**	**0.9**	**106.5**
Depreciation rate[1]	10–33 %	15–33 %	
Useful life	10 yrs	7 yrs	
Carrying amounts			
1 January 2007	22.1	1.6	23.7
31 December 2007	17.6	1.8	19.4
31 December 2008	**13.5**	**1.4**	**14.9**

1) All depreciation plans are linear.

Minimum lease payments under operational lease of offices	2008	2007
Not later than one year	8.0	10.6
Between one and five years	34.5	33.0
More than five years	49.2	54.6

GROUP – IFRS Amounts in NOK million	Goodwill	Development costs	Patents	Other	Total
Cost					
Balance at 1 January 2006	680.7	118.0	10.0	44.9	853.6
Acquisitions through business combinations	124.6	0.0	4.8	0.0	129.4
Other acquisitions –internally developed	0.0	29.1	0.0	18.6	47.7
Disposals	0.0	0.0	0.0	0.0	0.0
Effect of movements in foreign exchange[4)]	(29.5)	0.5	0.0	(2.5)	(31.5)
Balance at 31 December 2006	**775.8**	**147.6**	**14.8**	**61.0**	**999.2**
Balance at 1 January 2007	775.8	147.6	14.8	61.0	999.2
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0
Other acquisitions –internally developed	0.0	12.1	2.0	10.1	24.2
Disposals[3)]	(31.3)	0.0	0.0	0.0	(31.3)
Effect of movements in foreign exchange[5)]	(26.7)	0.0	0.0	(5.1)	(31.8)
Balance at 31 December 2007	**717.8**	**159.7**	**16.8**	**66.0**	**960.3**
Balance at 1 January 2008	717.8	159.7	16.8	66.0	960.3
Acquisitions through business combinations	129.1	0.0	17.0	5.2	151.3
Other acquisitions –internally developed	0.0	23.1	0.0	9.2	32.3
Disposals	0.0	0.0	0.0	(0.2)	(0.2)
Effect of movements in foreign exchange[6)]	66.6	(0.1)	(1.6)	10.6	75.5
Balance at 31 December 2008	**913.5**	**182.7**	**32.2**	**90.8**	**1 219.2**
Depreciation and impairment losses					
Balance at 1 January 2006	179.9	51.1	1.5	38.5	271.0
Depreciation charge for the year	0.0	24.1	1.5	3.7	29.3
Impairment losses[1)]	0.0	11.2	0.0	0.0	11.2
Disposals	0.0	0.0	0.0	0.0	0.0
Effect of movements in foreign exchange[4)]	(23.5)	0.3	0.0	(1.9)	(25.1)
Balance at 31 December 2006	**156.4**	**86.7**	**3.0**	**40.3**	**286.4**
Balance at 1 January 2007	156.4	86.7	3.0	40.3	286.4
Depreciation charge for the year	0.0	20.0	1.7	4.0	25.7
Impairment losses[1)]	5.0	1.9	0.0	0.0	6.9
Disposals	0.0	0.0	0.0	(0.9)	(0.9)
Effect of movements in foreign exchange[5)]	(9.5)	0.2	0.0	2.5	(6.8)
Balance at 31 December 2007	**151.9**	**108.8**	**4.7**	**45.9**	**311.3**
Balance at 1 January 2008	151.9	108.8	4.7	45.9	311.3
Depreciation charge for the year	0.0	17.5	2.7	6.1	26.3
Impairment losses[1)]	0.0	8.5	0.0	0.0	8.5
Disposals	0.0	0.0	0.0	4.5	4.5
Effect of movements in foreign exchange[6)]	19.8	0.0	(0.1)	7.7	27.4
Balance at 31 December 2008	**171.7**	**134.8**	**7.3**	**64.2**	**378.0**
Depreciation rate[2)]	0 %	14–33 %	10 %	5–33 %	
Useful life	Indefinite	3–7 yrs	10 yrs	3–20 yrs	
Carrying amounts					
1 January 2007	619.4	60.9	11.8	20.7	712.8
31 December 2007	565.9	50.9	12.1	20.1	649.0
31 December 2008	**741.8**	**47.9**	**24.9**	**26.6**	**841.2**

1) Impairment losses are specified as a separate line item in the Income Statement. Impairment losses consist of R&D projects that are no longer in production, and do not give inflow to the Group anymore. For impairment loss on goodwill see below.
2) All depreciation plans are linear.
3) The disposal of goodwill is reduction of earnout for the aquisition of Commodas.
4) Exchange rate as of 31 December 2006 are used in calculating intangible assets of foreign subsidiaries.
5) Exchange rate as of 31 December 2007 are used in calculating intangible assets of foreign subsidiaries.
6) Exchange rate as of 31 December 2008 are used in calculating intangible assets of foreign subsidiaries.

Other intangible assets mainly consist of capitalized customer relations from aquisitions of businesses and investments in software.

Spesification of goodwill impairment losses	**2008**	2007	2006
Presona (included in Orwak Group)	–	5.0	–
Total impairment losses recognized	**0.0**	**5.0**	**0.0**

Impairment tests for cash–generating units containing goodwill
The following units have significant carrying amounts of goodwill:

Amounts in NOK million	**2008**	2007
MATERIAL HANDLING		
– US East	64.4	50.1
COLLECTION TECHNOLOGY – DEPOSIT		
– Nordic	18.0	16.5
– Central Europe	73.6	64.9
– US East	78.2	60.7
INDUSTRIAL PROCESSING TECHNOLOGY		
– Titech	182.4	182.7
– Commodas (part of TiTech Group)	99.0	99.0
– Ultrasort (part of TiTech Group)	132.7	–
– Orwak	73.2	72.1
– Presona	20.3	19.9
Total	**741.8**	**565.9**

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 and the five–year business plan including a residual value. A pre–tax discount rate of 10.4 percent was used in 2008 compared to 10.1 percent in 2007. A growth rate has not been used on the predicted cash flows. Ultrasort has a higher predicted cash flow in the terminal year than previous years to reflect the long term perspective of this purchase, where the cash flows are expected to materialize over a longer time period once the technology for sensor based ore–sorting gets a breakthrough.

Exchange rates as of 31 December 2008 were used in calculating carrying values (see note 18). In calculating the predicted cash flows, the following exchange rates were used EUR/NOK: 8.10 – USD/NOK: 5.60 – SEK/NOK: 0.85 – AUD/NOK 4.60.

An impairment loss of NOK 5 million was recognized for the goodwill of Presona AB in 2007. In 2008 the recoverable amounts exceed the carrying amounts and as budgets and forecasts for the coming years support the remaining carrying amount, no additional impairment losses need to be recognized.

An interest rate increase of 1 percent point will not trigger a writedown of goodwill.
An interest rate increase of 2 percent points will trigger a writedown of goodwill for Presona AB of NOK 6 million.

A reduction in forecasted cash flows of 10 percent will not trigger a writedown of goodwill, while a reduction of 20 percent will trigger a writedown of goodwill for Presona AB of NOK 7 million.

Research and development expenditure
Research and development expenditure of NOK 144.4 million has been recognized as an expense (2007: NOK 156.9 million) and NOK 23.1 million has been capitalized (2007: NOK 12.1 million).

NOTE 10 TAXES

Tomra Systems ASA NGAAP 2008	2007	2006	Amounts in NOK milion	Group IFRS 2008		2007		2006	
			TAX BASIS						
223.7	296.2	278.1	Profit before taxes						
(110.0)	(202.5)	(30.8)	Dividend from subsidiaries						
(1.9)	(1.9)	(33.2)	Permanent differences						
144.7	21.8	(87.2)	Change in temporary differences						
256.5	**113.6**	**126.9**	**Basis for taxes payable**						
			TAXES						
71.8	31.8	35.5	Taxes payable	179.7		129.9		176.7	
0.2	1.3	0.6	Over accrued tax last year	–		–		–	
(40.5)	(6.1)	24.5	Net change in deferred taxes	(39.4)		20.7		39.6	
31.5	**27.0**	**60.6**	**Tax expense**	**140.3**		**150.6**		**216.3**	
			Effective tax rate						
			Taxes based upon actual tax rates	128.7	29.8 %	140.5	31.8 %	202.4	30.9 %
			Taxes on equity settled transactions	–	0.0 %	–	0.0 %	31.8	4.8 %
			Tax effect from permanent differences	11.6	2.7 %	10.1	2.3 %	(17.9)	–2.7 %
			Actual tax expense	**140.3**	**32.5 %**	**150.6**	**34.0 %**	**216.3**	**33.0 %**

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 which represent future tax deductions or taxes payable and consist of the following as of 31 December.

Tomra Systems ASA NGAAP 2008	2007	Amounts in NOK million	Group IFRS 2008	2007
		DEFERRED TAX ASSETS		
0.6	0.3	Inventory	41.1	34.9
27.1	11.9	Other current assets	28.8	13.0
21.0	20.7	Intangible non–current assets	7.8	6.3
1.4	1.1	Tangible non–current assets	2.5	3.0
1.0	(22.9)	Financial non–current assets	1.0	(23.0)
4.9	7.1	Provisions	6.6	8.2
4.5	5.1	Other current liabilities	7.6	8.5
2.5	(0.8)	Pension reserves	2.5	(0.8)
–	–	Loss carried forward	2.3	2.7
63.0	**22.5**	**Total tax advantage**	**100.2**	**52.8**
		DEFERRED TAX LIABILITIES		
		Inventory	–	(2.0)
		Other current assets	0.5	17.0
		Intangible non–current assets	43.4	25.6
		Tangible non–current assets	16.4	5.4
		Financial non–current assets	(9.6)	–
		Provisions	2.3	(9.8)
		Current liabilities	(5.0)	–
		Pension reserves	(9.7)	–
		Loss carried forward	–	(5.9)
		Total deferred tax liabilities	**38.3**	**30.3**

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 we have taxable profit in 2008, and expect taxable profit in the future as well.

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 11 OTHER CURRENT LIABILITIES

Tomra Systems ASA NGAAP 2008	2007	Amounts in NOK million	Group IFRS 2008	2007
18.3	17.7	Tax deductions, social security tax, holiday pay	130.6	142.1
30.7	48.7	Advances from customers	72.4	122.2
75.0	69.9	Dividend accruals	–	–
82.9	53.8	Non interest–bearing debt[1)]	195.7	120.7
206.9	**190.1**	**Total other current liabilities**	**398.7**	**385.0**

1) Non interest–bearing debt includes forward contracts of NOK 16.6 million and accrual for restructuring of NOK 12.6 million for Tomra Systems ASA and NOK 18.4 million for the Group.

NOTE 12 PROVISIONS

TOMRA SYSTEMS ASA – NGAAP

Amounts in NOK million	Warranty	Other	Total
Balance at 1 January 2008	23.0	2.3	25.3
Provisions made during the year	12.7	0.4	13.1
Provisions used during the year	(15.5)	0.0	(15.5)
Provisions reversed during the year	(4.8)	(0.5)	(5.3)
Balance at 31 December 2008	**15.4**	**2.2**	**17.6**

GROUP – IFRS

Amounts in NOK million	Warranty	Other	Total
Balance at 1 January 2008	88.7	3.1	91.8
Provisions made during the year	124.7	2.3	127.0
Provisions used during the year	(114.5)	0.0	(114.5)
Provisions reversed during the year	(8.0)	(0.5)	(8.5)
Balance at 31 December 2008	**90.9**	**4.9**	**95.8**

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 other provisions for contractual obligations with business partners, accrued social security taxes related to vested, not exercised share options and provisions for known claims covered by TOMRA in connection with the sale of its Brazilian operations in 2005.

NOTE 13 RELATED PARTIES

Amounts in NOK, if not stated otherwise

Identification of related parties
The Group has a related party relationship with its subsidiaries and associates (see disclosure note 14 and 15) and with its directors and executive officers. All transactions with related parties are based on arms length principles.

The tables below show all benefits that were received by board members and group management for the stated years.

2008 Board members	Share–holding[1]	Board fees[4]	Committee fees[5]	Options vested[6]	Salary[7]	Other benefits[10]	Other fees[11]
Jo Olav Lunder (Chairman and Compensation Comittee)[12]		385,000	30,000				
Jørgen Randers (Board member, Compensation– and CR Comittee)	32,100	385,000	45,000				
Hege Marie Norheim (Board member, Audit– and CR Comittee)	6,150	385,000					
Bjørn M. Wiggen (Board member and Audit Comittee)	10,000						
Aniela Gabriela Gjøs (Board member, Compensation– and Audit Comittee)							
Karen Michelet (Employee representative)	2,020				374,881	11,040	
David Williamson (Employee representative and CR Comittee)	540				353,804	7,549	
Tom Knoff (Nomination Comittee)			30,000				
Ole Dahl (Nomination Comittee)	2,600		30,000				
Hild Kinder (Nomination Comittee)							
Jan Chr. Opsahl	n/a	720,000					
Hanne de Mora	n/a	385,000	30,000				
Rolf Kåre Nilsen	n/a		45,000				
Svein Jacobsen	n/a		45,000				
Klaus Nærø	n/a	225,000		2,400	354,915	7,431	
Marit Christensen	n/a	450,000			518,519	8,770	

2008 Group Management	Share holding[1]	Loan[3]	Salary[7]	Variable salary[8]	Pension premiums[9]	Other benefits[10]
Amund Skarholt (CEO)[2]	35,000		3,402,000	1,377,000	340,158	229,445
Gregory Knoll (President, BU North America)			USD 410,000	USD 201,150		USD 14,940
Espen Gundersen (CFO)	12,000		1,980,000	837,000	404,835	434,717
Harald Henriksen (SVP Technology)	8,000	1,400,000	1,620,000	543,000	305,536	736,266
Håkan Erngren (VP, Tomra Nordic)			SEK 1,764,000	SEK 840,000	SEK 358,992	SEK 395,556
Heiner Bevers (MD, Tomra Systems GmbH)	6,235		EUR 254,000	EUR 49,000	EUR 4,708	EUR 7,131
Rune Marthinussen (MD, TiTech)	15,000		1,662,000	775,000	313,395	177,036
Ton Klumper (VP, Tomra Western and Eastern Europe)	13,000		EUR 190,000	EUR 72,500	EUR 47,820	EUR 37,158
Håkon Volldal (SVP Business Development)			USD 209,769	NOK 367,503	69,516	NOK 126,400
Trond Johannessen (SVP Business Development until 1 November 2008)	n/a		1,632,000	697,500	188,256	486,751

2007 Board members	Share–holding[1]	Board fees[4]	Committee fees[5]	Options vested[6]	Salary[7]	Other benefits[10]	Other fees[11]
Jan Chr. Opsahl (Chairman and Nomination Comittee)	90,000	680,000	30,000				
Jørgen Randers (Board member and Compensation Comittee)	32,100	365,000	35,000				
Hanne de Mora (Board member and Audit Comittee)	6,000	365,000	30,000				
Rune Bjerke (Board member and Compensation Comittee)		365,000	30,000				
Grete Aasved (Board member)		365,000					
Hege Marie Norheim (Board member)	1,000						
Jo Lunder (Board member)[12]							
Svein Jacobsen (Audit Comittee)			35,000				
Halvor Løken (Nomination Comittee)			35,000				200,000
Tom Knoff (Nomination Comittee)			30,000				
Klaus Nærø (Employee representative)	3,112	210,000		3,600	409,882	7,006	
Karen Michelet (Employee representative)	2,020	210,000		960	396,762	11,967	
Marit Christensen (Employee representative)				3,600	522,474	7,554	

2007 Group Management	Share–holding[1]	Loan[3]	Salary[7]	Variable salary[8]	Pension premiums[9]	Other benefits[10]
Amund Skarholt (CEO)[2]	30,000		3,240,000	1,560,000	324,000	156,565
Gregory Knoll (President, BU North America)			USD 393,000	USD 210,000	–	USD 16,309
Espen Gundersen (CFO)	10,000		1,860,000	900,000	427,011	228,286
Harald Henriksen (SVP Technology)		1,400,000	1,550,000	684,000	386,612	301,046
Håkan Erngren (VP, Tomra Nordic)			SEK 1,680,000	SEK 650,000	SEK 348,484	SEK 189,319
Heiner Bevers (MD, Tomra Germany)	2,000		EUR 242,000	EUR 118,000	EUR 4,447	EUR 6,528
Rune Marthinussen (MD, TiTech)	10,000		1,550,000	732,000	331,021	151,689
Trond Johannessen (SVP Business Development)	15,000	500,000	1,550,000	750,000	210,331	203,062
Fredrik Witte (CFO, BU North America)	1,100		USD 204,712	USD 84,500	194,044	62,536
Ton Klumper (VP, Tomra Western and Eastern Europe)			EUR 138,000	–	EUR 45,173	EUR 21,212

Before 2006 TOMRA had option programs for employees and managers. In 2008 the option program for managers expired, while the option program for the employees expires in 2011. For further details about the option progams, see disclosure note 19.

Loans to employees as of 31 December amount to NOK 2.6 million (2007: NOK 3.1 million) for the parent company and NOK 2.6 million (2007: NOK 3.1 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
Amund Skarholt could in 2008 earn a variable salary up to 50% 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 2007 and 31 December 2008. The loans are secured by mortgages in real estate or motor vehicles and are interest and installment free.

4) Board fees
The column comprises Board member fees paid out in the year for the previous year.

5) Committee fees
The column contains fees related to participation in the Audit, Compensation, CR and Nomination Comittees paid out in the year for the previous year.

6) Options vested
Employee representatives' vested, but not exercised options as of year–end.

NOTE 13 cont. RELATED PARTIES

7) Salary
The column comprises ordinary salary received in the year.

8) Variable salary
The column contains bonus payments to Group Management members received at the start of the year, based upon the previous years performance. The amounts do not include payments from the LTIP–program, described below.

9) Pension premiums
The Group Management members participated in the same pension plans as other employees in the jurisdiction they were employed. The CEO was not included in the defined benefit plan and received a fixed compensation instead. For further description of the pension plan, see disclosure note 16.

10) Other benefits
The column comprises the value of other benefits received by Group Management members during the year, including value of interest–free loans, car allowance, health insurance etc.

11) Other fees
In 2008 there were no costs related to other fees (2007: NOK 200,000 in compensation for recruiting new board members)

12) Shareholding Board member
During 2008, Board member Jo Lunder held the position of President in Ferd Industrial Holding, which had a holding of 2,900,000 shares in TOMRA at 31 December 2008.

Extract from principles for remuneration of Group Management
Salary should include both a fixed and a variable part. The variable salary may amount to a maximum of 50% of the fixed salary. Fringe benefits should be moderate and only account for a limited part of the remuneration package. There should be no special pension plans for Group Management members. In 2006 the option program in TOMRA was replaced by a long term incentive plan for Group Management members (see below). The entire principles for remuneration of Group Management are found under the Corporate Governance section of the annual report.

Long Term Incentive Plans (LTIP)
At the end of 2005 TOMRA established a long term cash–based incentive plan, where managers receive bonuses based upon annual growth in the Group's and local unit's profit and performance. The bonus for each year is placed in an interest–bearing account in a virtual bonus bank, from which individual holdings will be paid over a period of three years. If a manager resigns, his or her remaining holding is lost. For 2009, the maximum bonus each Group manager can earn is capped at NOK 3,693,000.

	Balance 31.12.2007	Paid out 2008	Earned 2008	Balance 31.12.2008
Amund Skarholt (CEO)	3,420,574	1,401,286	1,803,634	3,822,923
Gregory Knoll (President, BU North America)	USD 597,770	USD 240,998	USD 319,773	USD 676,545
Espen Gundersen (CFO)	3,420,574	1,401,286	1,803,634	3,822,923
Harald Henriksen (SVP Technology)	3,420,574	1,401,286	1,803,634	3,822,923
Håkan Erngren (VP, Tomra Nordic)	SEK 3,928,054	SEK 1,595,890	SEK 2,108,472	SEK 4,440,636
Heiner Bevers (MD, Tomra Systems GmbH)	EUR 423,843	EUR 172,975	EUR 219,661	EUR 470,529
Rune Marthinussen (MD, TiTech)	2,731,253	1,040,965	1,784,355	3,474,643
Ton Klumper (VP, Tomra Western and Eastern Europe)	EUR 64,123	EUR 21,374	EUR 207,465	EUR 250,214
Håkon Volldal (SVP Business Development)	1,710,287	700,643	901,817	1,911,461
Trond Johannessen (SVP Business Development)	3,420,574	1,401,286	1,803,634	3,822,923

The collective compensation for key management personnel is as follows (21 managers in 2008, 17 in 2007 and 16 in 2006):

Amounts in NOK million	**2008**	2007	2006
Short–term employee benefits	44.9	35.9	27.1
Post–employment benefits	2.5	2.6	2.3
Total	**47.4**	**38.5**	**29.5**

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

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

Auditors' fees

	2008		2007		2006	
Amounts in NOK million	**Parent**	**Group**	**Parent**	**Group**	**Parent**	**Group**
Statutory audit	1.2	6.0	1.0	6.1	1.1	6.0
Other attestation services	–	0.3	–	0.1	–	–
Tax consulting	–	3.1	–	1.7	–	1.0
Other services	–	0.9	0.1	0.5	0.2	0.1
Total	**1.2**	**10.3**	**1.1**	**8.4**	**1.3**	**7.1**

Statutory audit fees to KPMG for the Group were NOK 5.4 million, and fees to other auditors were NOK 0.6 million.

NOTE 14 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 Systems Inc	Canada	1988	100.0 %	42.5
Tomra Europe AS	Norway	1998	100.0 %	10.0
Tomra Production AS	Norway	1998	100.0 %	15.0
Tomra Canada Inc	Canada	2000	100.0 %	37.3
Tomra Japan Asia Pacific KK	Japan	2000	100.0 %	0.0
Tomra Japan Ltd.[1)]	Japan	2008	50.0 %	9.6
Orwak Group AB	Sweden	2005	100.0 %	110.6
TiTech AS	Norway	2004	100.0 %	208.2
Tomra Systems Ltd.	United Kingdom	2006	100.0 %	2.3
Total shares in subsidiaries				**1 601.7**

1) Tomra Systems ASA owns 50% 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 about 1% of the total capital of the Group.

A long–term loan to the subsidiary Tomra North America Inc. of NOK 374 million/USD 54 million, is treated as part of net investments in the parent company. In the Parent Company it is booked at cost and reported under loans to subsidiaries.

On 30 November 2006, the Group sold its subsidiary Tomra AG. Tomra AG is included in the P/L with revenues of NOK 3.5 million and a loss before tax of NOK 3.6 million in 2006.

Tomra AG was in 2006 sold at a price equal to the book value of NOK 6.7 million.

NOTE 15 INVESTMENTS IN ASSOCIATES

GROUP – IFRS

Amounts in NOK million	**Ultre-PET**	**Tomra s.r.o.**	**Tomra Baltic**	**Total**
Book value 31 December 2007	34.9	–	0.7	35.6
Profit 2008	–	2.0	0.7	2.7
Dividends and equity infusions	–	(2.0)	–	(2.0)
Currency translation difference	5.5	–	0.4	5.9
Book value 31 December 2008	**40.4**	**0.0**	**1.8**	**42.2**
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	49.0 %	40.0 %	40.0 %	

Summary financial information for associates on 100% basis:

2008				**Total**
Assets	89.1	13.2	13.0	115.3
Liabilities	32.1	1.4	8.6	42.1
Equity	57.0	11.8	4.4	73.2
Revenues	165.7	25.4	13.1	204.2
Profit/(loss)	0.0	8.7	1.2	9.9

2007				**Total**
Assets	51.5	9.5	9.3	70.3
Liabilities	31.8	3.3	7.4	42.5
Equity	19.7	6.1	1.8	27.6
Revenues	157.9	16.2	20.8	194.9
Profit/(loss)	0.0	4.6	1.6	6.2

NOTE 16 PENSION AND PENSION OBLIGATIONS

Tomra Systems ASA NGAAP				Group IFRS		
2008	2007	2006	**Amounts in NOK million**	**2008**	2007	2006
			EXPENSE RECOGNIZED IN THE INCOME STATEMENT			
12.4	13.3	12.5	Current service cost	12.4	13.3	12.5
6.0	5.3	5.9	Interest cost of pension obligations	6.0	5.3	5.9
(6.1)	(4.7)	(6.3)	Expected return on plan assets	(6.1)	(4.7)	(6.3)
–	(7.1)	–	Effect from closed plan	–	(7.1)	–
0.7	2.4	0.8	Actuarial gains and losses	0.7	2.4	0.8
1.8	1.1	1.8	Social security tax included in pension cost	1.8	1.1	1.8
14.8	**10.3**	**14.7**	**Net pension costs**	**14.8**	**10.3**	**14.7**
			FINANCIAL STATUS AS OF 31 DECEMBER			
166.3	130.6	142.5	Present value of funded pension obligations	166.3	130.6	142.5
(105.1)	(106.0)	(93.3)	Fair value of plan assets	(105.1)	(106.0)	(93.3)
(52.3)	(27.5)	(41.5)	Unrecognized actuarial gains & losses	(52.3)	(27.5)	(41.5)
8.9	**(2.9)**	**7.7**	**Pension liability**	**8.9**	**(2.9)**	**7.7**
			BASIS FOR CALCULATION			
3.80 %	4.70 %	4.35 %	Discount rate	3.80 %	4.70 %	4.35 %
4.00 %	4.50 %	4.50 %	Expected wage increase	4.00 %	4.50 %	4.50 %
3.75 %	4.25 %	4.25 %	Expected increase of base amount	3.75 %	4.25 %	4.25 %
5.80 %	5.75 %	5.45 %	Expected return on plan assets 31 December	5.80 %	5.75 %	5.45 %
			MOVEMENTS IN THE NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AS RECOGNIZED IN THE BALANCE SHEET			
(2.9)	7.7	14.2	Net liability at 1 January	(2.9)	7.7	14.2
(3.0)	(20.9)	(21.2)	Contributions received	(3.0)	(20.9)	(21.2)
14.8	10.3	14.7	Expense recognized in the Income Statement (*)	14.8	10.3	14.7
8.9	**(2.9)**	**7.7**	**Net liability at 31 December**	**8.9**	**(2.9)**	**7.7**
			(*) The expense is recognized in the following line item in the income statement			
14.8	10.3	14.7	Employee benefits expenses defined benefit plan	14.8	10.3	14.7
3.4	5.8	–	Employee benefits expenses defined contribution plan	17.1	15.9	9.1
18.2	**16.1**	**14.7**	**Total employee benefits expenses[1)]**	**31.9**	**26.2**	**23.8**

1) NOK 5.3 million of total employee benefits for Tomra Systems ASA was charged to subsidiaries in 2008 (2007: NOK 5.0 milllion and 2006: NOK 4.8 million). 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.

GROUP – IFRS

Until the end of 2006 all employees in Norway were covered by a collective pension plan, where the insured pension plans covered all employees in Norway 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% of salary, if they had full contribution time, limited upwards to 12G (12 times the base amount "G" established by the Norwegian national insurance and pension plan).

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 recently established 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 benefit 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.

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 employees 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, Titech AS and Q-vision AS include 271 employees and 22 retirees at year-end 2008.

Actual return on plan assets was NOK 2.6 million in 2007.

The table above shows total pension cost for the Parent Company and the Group's defined benefit plans, 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 2008 are split between net pension obligations for the defined benefit plans of NOK 8.3 million, and net pension obligations for the defined contribution plans of NOK 0.6 million.

NOTE 16 cont.

PENSION AND PENSION OBLIGATIONS

SENSITIVITY ANALYSIS

The sensitivity analysis below shows how changes in the basis for calculation will affect the numbers.

Basis for calculation							
Discount rate	3.80%	4.20%	5.20%	4.70%	4.70%	4.70%	4.70%
Expected wage increase	4.00%	4.50%	4.50%	4.50%	4.50%	4.00%	5.00%
Expected increase of base amount	3.75%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
Expected pension regulation	1.50%	2.25%	2.25%	2.50%	2.00%	2.25%	2.25%
Interest	2.27%	1.91%	2.89%	2.15%	2.65%	2.40%	2.40%
Expected return on plan assets	5.80%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Results							
Amounts in NOK million							
Service costs	14.5	15.2	11.8	13.8	13.0	11.8	15.1
Accumulated benefit obligation	104.8	83.7	67.4	77.3	72.7	75.0	75.0
Present benefit obligation	158.7	167.4	133.6	153.8	144.9	136.8	162.5
Total benefit obligation	355.3	379.5	286.3	338.6	319.8	285.2	376.7
Plan assets	105.1	105.1	105.1	105.1	105.1	105.1	105.1

TOMRA SYSTEMS ASA - NGAAP

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

TOMRA has in accordance with NRS 6A.3 used the option to convert to IAS 19 for its pensions. The change was implemented with effect from 1 January 2004, and unrecognized actuarial gains and losses are reset.

NOTE 17

CASH AND CASH EQUIVALENTS

Tomra Systems ASA NGAAP			GROUP IFRS	
2008	2007	**Amounts in NOK million**	**2008**	2007
20.7	116.4	Cash and cash equivalents	114.1	190.8
20.7	**116.4**	**Cash and cash equivalents in the statement of cash flows[1)]**	**114.1**	**190.8**

1) Includes restricted bank deposits totaling NOK 5.7 million for the Parent company and NOK 5.7 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 towards Tomra Systems ASA, and the transactions are classified as such in the financial statement.

NOTE 18

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 at least once a year. 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 cash surplus is primarily placed in NOK with short maturities. In accordance with the adopted financial strategy, the duration of the portfolio should not exceed six months.

Interest-bearing liabilities are primarily related to a revolving, bilateral credit facility of NOK 750 million which was established in October 2006 (NOK 500 million) and June 2008 (NOK 250 million). Interest is payable on the two facilities at a rate of NIBOR (Norwegian Interbank Offered Rate) plus 27 basis points and NIBOR plus 80 basis points respectively. The balance as of December 2008 was NOK 550 million. The credit facilities mature in October 2011. In addition TOMRA has an overdraft facility of NOK 50 million (not currently utilised). A change in the interest rate of 100 basis points, calculated on the loan amount as pr 31 December 2008, increases/decreases the annual financial costs by NOK 5.5 million. At year end cash and cash equivalents had a duration of zero (mainly bank holdings), and the average duration of the credit facility was two months.

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 2008. However, TOMRA's customers include the largest retail chains in the world, as well as large scrap material processors, 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 equaled total receivables in the balance sheet.

In accordance with the Group's financial strategy, placement of surplus cash requires the counterpart to have at least a rating of AA- (S&P rating) and 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 NOR, where TOMRA's short- and long-term loan facilities are located in addition to the international cash pool. TOMRA also has a few local banks for a full cash management solution. The tables below shows the balance at TOMRA's main bank Dnb NOR ASA which has a credit rating of Aa1 from Moody's and AA- from S&P.

31 December 2008		31 December 2007	
Credit limit	**Amount withdrawn**	**Credit limit**	**Amount withdrawn**
NOK 750 million	NOK 550 million	NOK 500 million	NOK 375 million

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 - 56% equity ratio of 31 December 2008 - that will enable a higher debt ratio if necessary.

Liquidity per 31 December 2008 was NOK 364 million (including unused credit lines).

Commodity risk
The price of a number of raw materials fell at the end of 2008 and in the first months of 2009. This affects both TOMRA's income and costs.

Income
In California TOMRA owns the materials collected through our recycling centers. Accordingly, we are exposed to fluctuations in commodity prices, particularly aluminum. A reduction in USD 100/mt in LME (aluminium price) on an annual basis will entail a reduction of USD 1 million in operating income. In addition TOMRA is indirectly exposed to fluctuations in commodity prices in the IPT-segment; for customers within waste-management, the value of the material that TOMRA scanners sort out is a source of income. When commodity prices fall, the income to customers in this segment is affected, which may affect the willingness to invest.

Costs
A reduction in fuel prices is positive for TOMRA due to lower transportation costs. First and foremost, this applies to material handling operations, where a drop of USD 1 per gallon diesel increases operating income by USD 1.3 million a year. TOMRA uses a variety of raw materials in production, however, the volume of material components were 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 currencies. With 97 percent of its income in foreign currencies, a strengthening of the Norwegian crown will lead to reduced earnings for the Group when measured in NOK. The most significant risk is associated with fluctuations in the EUR and USD. In accordance with the financial strategy, TOMRA can secure up to 12 months of expected future net cash flow. The Group primarily uses forward contracts as a hedging instrument.

FINANCIAL INSTRUMENTS

The split of revenues and the balancesheet as of 31 December 2008 in currencies, was distributed as follows:

	Revenues			Balance sheet	
	2008	**2007**	**2006**	**2008**	**2007**
USD	34 %	37 %	34 %	39 %	39 %
EUR	42 %	42 %	51 %	22 %	26 %
SEK	10 %	9 %	7 %	8 %	6 %
NOK	3 %	3 %	3 %	19 %	22 %
OTHER	11 %	9 %	5 %	12 %	7 %

The split of the balance sheet as of 31 December 2008 in currencies was distributed between the balance lines as follows:

	USD	**EUR**	**NOK**	**SEK**	**OTHER**
Total intangible non-current assets	16 %	19 %	35 %	12 %	18 %
Total tangible non-current assets	69 %	6 %	14 %	3 %	8 %
Total financial non-current assets	87 %	10 %	1 %	0 %	2 %
Inventory	24 %	29 %	27 %	10 %	10 %
Total receivables	46 %	29 %	7 %	7 %	11 %
Cash and cash equivalents	0 %	40 %	25 %	8 %	27 %
Total assets	39 %	22 %	19 %	8 %	12 %
Total non-current liabilities	1 %	0 %	96 %	2 %	1 %
Total current liabilities	20 %	25 %	46 %	0 %	9 %
Total liabilities	12 %	15 %	67 %	1 %	5 %

A 10 percent weaker/stronger NOK will normally lead to a 15-20 percent increase/decrease in operating profit. Currency fluctuations will 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 Norwegian crown would have increased/decreased equity by NOK 245 million as per balance 31 December 2008. (This analysis assumes all other variable remain constant). Such changes in value will however not have a P/L impact as they are booked as translation differences against equity.

Sensitivity analysis - isolated currency rates changes' impact on the result and equity:

	Result effect		Equity effect	
Amounts in NOK million	Income	Cost	Increase	Decline
10% currency change USD/NOK	148	(95.0)	123	(123.0)
10% currency change EUR/NOK	130	(108.0)	57	(57.0)
10% currency change SEK/NOK	33	(38.0)	27	(27.0)

The following exchange rates were applied during the year[1]:	Average rate (P/L rate)			Reporting date rate (Balance rate)	
	2008	**2007**	**2006**	**2008**	**2007**
USD/NOK	5.639	5.861	6.414	6.999	5.411
EUR/NOK	8.223	8.018	8.047	9.865	7.961
SEK/NOK	0.855	0.867	0.870	0.904	0.846
AUD/NOK	4.731	n/a	n/a	4.850	n/a

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 2008 the value was recognized in other current receivables at NOK 2.2 million and in other current liabilities at NOK 16.6 million (per 31 December 2007: NOK 9.1 million and NOK 1.9 million respectively). Changes in fair value of forward contracts were recognized in the income statement in 2008. Change in fair value of forward contracts and currency gains on cash flows in 2008, amounted to 2.0 million (see note 4).

Outstanding forward foreign exchange contracts, as of 31 December:

	2008			2007		
Amount forward (sold) / bought	**Currency (million)**	**Exch.rate**	**Due date**	**Currency (million)**	**Exch.rate**	**Due date**
EUR/NOK	(78.0)	9.865	2009	(13.0)	7.961	2008
USD/NOK	19.0	6.999	2009	16.0	5.411	2008
GBP/NOK	(5.5)	10.121	2009	(6.7)	10.810	2008
JPY/NOK	(1,285.0)	0.078	2009	(1,140.0)	0.048	2008
CAD/NOK	–	5.774	2009	(7.8)	5.530	2008
SEK/NOK	(40.0)	0.904	2009	(72.0)	0.846	2008
AUD/NOK	(16.8)	4.850	2009	–	–	–
DKK/NOK	(29.0)	1.324	2009	–	–	–

TOMRA has not entered into any commodity contracts as of 31 December 2008.

Hedge accounting under IAS39
Tomra Systems ASA has not applied hedge accounting in 2008 for the cash flow in accordance with IAS39.

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

	2008		2007	
Amounts in NOK million	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Long term receivables	169.0	163.7	134.4	126.5
Receivables	841.3	841.3	732.8	732.8
Cash and cash equivalents	114.1	114.1	190.8	190.8
Forward exchange contracts	(14.4)	(14.4)	7.2	7.2
Finance lease liabilities	0.0	0.0	0.0	0.0
Unsecured bank facilities	(550.0)	(553.2)	(375.9)	(376.0)
Other interest-bearing liabilities	(17.1)	(15.3)	(41.4)	(41.4)
Payables	(230.4)	(230.4)	(241.5)	(241.5)
Total	**312.5**	**305.8**	**406.4**	**398.4**

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 equaled the fair value.

Financial derivatives
The fair value of forward currency contracts represented quoted market price, ie the exchange rate at 31 December 2008 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 31.12.2008. Future interest payments and repayments with a time to maturity of more than 1 year, were 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.

Interest rates used for determining fair value	**2008**	**2007**
Loans and borrowings	5.0 %	6.0 %
Receivables/payables	4.0 %	5.0 %

NOTE 18 cont. FINANCIAL INSTRUMENTS

Financial assets and liabilities per 31 December 2008 –maturity analysis:

Amounts in NOK million	Carrying amount	1 quarter 2009	2–4 quarter 2009	2010	2011 –
Long-term receivables	169.0			112.0	57.0
Receivables	841.3	841.3			
Cash and cash equivalents	114.1	114.1			
Forward exchange contracts	(14.4)	(14.4)			
Finance lease liabilities	0.0				
Unsecured bank facilities[1)]	(550.0)	(550.0)			
Other interest-bearing liabilities	(17.1)			(11.8)	(5.3)
Payables	(230.4)	(230.4)			
Total	**312.5**	**160.6**	**0.0**	**100.2**	**51.7**

1) Total bank loans in the balance sheet per 31.12.2008 were redeemed in 1st quarter of 2009. We have not taken up the option of carrying the loan forward, neither entirely nor in part.

NOTE 19 SHARE-BASED PAYMENTS

GROUP – IFRS

Share option plans for employees
TOMRA previously had a share bonus program for all employees in wholly-owned TOMRA companies. Under the plan, all employees were granted up to 1,200 options each year with a strike price equal to the market price at the beginning of the respective year. Share options were granted under a service condition and a non-market performance condition in the form of entities achieving the agreed budget. The vesting period was one year. Vested options could be kept for up to 5 years after vesting. No options have been granted under this plan since 2005.

Share option plans for management
TOMRA also had a share bonus program for management where vesting conditions were tied to specific non-market performance targets (variable plans) in addition to service conditions. Vesting period was one year. Vested options could be exercised up to 2 years after vesting. The strike price was based upon the average closing price on the Oslo Stock Exchange on the three days following granting of the options. The share bonus program included about 110 managers and other key personnel in the Group, with an average of about 20,000 share options per manager each year. No options have been granted under this plan since 2005.

Exercise February 2008
In February 2008, 3,776 employee options and 103,000 management options were exercised. All options were settled using treasury shares held by the company.

The terms and conditions of vested options still not expired:

Plan	Strike	Remaining number of options	Vested	Termination
2003-2008 Employees[1)]	45.10	336,062	February 2004	February 2009
2004-2009 Employees[1)]	40.10	86,867	February 2005	February 2010
2005-2010 Employees[1)]	33.30	235,763	February 2006	February 2011
Total		**658,692**		

1) Vesting conditions: One year of service and entity achieving the agreed budget. Contractual life of options: 5 years.

The number and weighted average exercise prices of share options for **employees** are as follows:

	2008		2007	
	Weighted average strike price	Number of options	Weighted average strike price	Number of options
Outstanding at the beginning of the period	64.59	1,427,782	71.10	1,719,226
Forfeited during the period	85.73	(765.314)	129.75	(207,859)
Exercised during the period	36.47	(3.776)	45.59	(83,585)
Granted during the period	n/a	–	n/a	–
Outstanding and exercisable at the end of the period	**40.22**	**658.692**	**64.59**	**1,427,782**

The options outstanding at 31 December 2008 have a strike price of NOK 33.30, NOK 40.10 and NOK 45.10 and a weighted average remaining contractual life of 1 year.

The number and weighted average exercise prices of share options for **management** are as follows:

	2008		2007	
	Weighted average strike price	Number of options	Weighted average strike price	Number of options
Outstanding at the beginning of the period	27.73	103,000	28.60	242,500
Forfeited during the period	n/a	–	n/a	–
Exercised during the period	36.47	(103,000)	46.43	(139,500)
Granted during the period	n/a	–	n/a	–
Outstanding and exercisable at the end of the period	**0.00**	**0**	**27.73**	**103,000**

TOMRA SYSTEMS – NGAAP

The share option program for employees in Tomra Systems ASA is identical to those for the rest of the Group, and has been calculated using the same principles under IFRS described above.

The number and weighted average exercise prices of share options for **employees** are as follows:

	2008		2007	
	Weighted average strike price	Number of options	Weighted average strike price	Number of options
Outstanding at the beginning of the period	60.13	259,335	59.60	283,815
Forfeited during the period	86.00	(112,711)	72.37	(11,880)
Exercised during the period	n/a	–	45.57	(12,600)
Granted during the period	n/a	–	n/a	–
Outstanding and exercisable at the end of the period	**40.24**	**146,624**	**60.13**	**259,335**

The options outstanding at 31 December 2008 have a strike price of NOK 33.30 and NOK 45.10 and a weighted average remaining contractual life of 1 year. Total expense recognized as employee cost in 2008 is NOK zero.

The number and weighted average exercise prices of share options for **management** are as follows:

	2008		2007	
	Weighted average strike price	Number of options	Weighted average strike price	Number of options
Outstanding at the beginning of the period	27.73	88,000	28.68	223,500
Forfeited during the period	n/a	–	n/a	–
Exercised during the period	36.47	(88,000)	46.41	(135,500)
Granted during the period	n/a	–	n/a	–
Outstanding and exercisable at the end of the period	**0.00**	**0**	**27.73**	**88,000**

Total expense recognized as employee costs in 2008 is NOK zero.

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 1 bonus share per 5 invested shares, provided that the shares are kept for at least 1 year and the employee is still employed by TOMRA. The employee can buy shares up to a maximum of 30% of his/her gross salary. In 2008 employees bought 206,696 shares at a market share price of NOK 37.10 and NOK 36.00 with a corresponding 41,339 bonus shares to be allocated in 2009. TOMRA will use its treasury shares in order to fulfill the share purchase program. Total expense recognized in 2008 was NOK 0.7 million.

NOTE 20 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 31 December 2006	173.6	(9.2)	1 418.3	1 582.7	491.7	2,074.4	173,641,864
Net profit					269.2	269.2	
Deleted shares	(9.0)	9.0				0.0	(8,951,647)
Purchase of own shares		(9.2)		(9.2)	(399.1)	(408.3)	
Own shares sold to employees		0.2		0.2	6.9	7.1	
Received dividend on own shares					1.1	1.1	
Dividend to shareholders					(69.9)	(69.9)	
Balance per 31 December 2007	**164.7**	**(9.3)**	**1 418.3**	**1 573.7**	**299.9**	**1,873.6**	**164,690,217**
Net profit					192.2	192.2	
Deleted shares	(9.7)	9.7				0.0	(9,670,139)
Reduction of share premium			(500.0)	(500.0)	500.0	0.0	
Purchase of own shares		(5.7)		(5.7)	(196.4)	(202.1)	
Own shares sold to employees		0.3		0.3	10.3	10.6	
Received dividend on own shares					0.2	0.2	
Dividend to shareholders					(75.0)	(75.0)	
Balance per 31 December 2008	**155.0**	**(5.0)**	**918.3**	**1 068.3**	**731.2**	**1,799.5**	**155,020,078**

Shares par value is 1 NOK. Free equity at the end of 2008 equaled NOK 668.1 million. In 2008 Tomra Systems ASA purchased 5,700,042 own shares at an average price of NOK 35.45 per share. At shareholders meeting on 23 April 2008, it was decided to amortize 9,670,139 treasury shares. The amortization took place after the two months notification period expired in July 2008. At the shareholders meeting on 23 April 2008 it was also decided to reduce the share premium by NOK 500 million. Total shareholding of treasury shares is 4,996,246 as of year end 2008.

GROUP – IFRS

Amounts in NOK million	Paid–in capital	Translation reserve	Retained earnings	Total Majority Equity	Minority Interest	Total Equity
Balance per 31 December 2006	**1,582.7**	**(115.1)**	**504.0**	**1 971.6**	**65.8**	**2,037.4**
Net profit			279.6	279.6	12.1	291.7
Changes in translation difference		(161.5)		(161.5)	(8.8)	(170.3)
Disposal of subsidiaries/dividend minorities					(12.8)	(12.8)
Purchase of own shares	(9.2)		(399.1)	(408.3)		(408.3)
Own shares sold to employees	0.2		6.9	7.1		7.1
Dividend to shareholders			(64.7)	(64.7)		(64.7)
Balance per 31 December 2007	**1,573.7**	**(276.6)**	**326.7**	**1 623.8**	**56.3**	**1,680.1**
Net profit			278.2	278.2	13.6	291.8
Reduction of share premium	(500.0)		500.0	0.0		0.0
Changes in translation difference		378.5		378.5	16.5	395.0
Disposal of subsidiaries/dividend minorities				0.0	(21.2)	(21.2)
Purchase of own shares	(5.7)		(196.4)	(202.1)		(202.1)
Own shares sold to employees	0.3		10.3	10.6		10.6
Dividend to shareholders[1)]			(69.8)	(69.8)		(69.8)
Balance per 31 December 2008	**1,068.3**	**101.9**	**849.0**	**2 019.2**	**65.2**	**2,084.4**

1) Dividend payment was NOK 0.45 per share in 2008, as proposed in the 2007 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.

Dividends
After the balance sheet date the following dividends were proposed by the Directors:

Amounts in NOK million	2008	2007
NOK 0.50 per qualifying share (2007: NOK 0.45)	75.0	69.9

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

Earnings per share	2008	2007
Average number of shares	158,013,847	166,182,158
Average number of shares, adjusted for own shares	152,954,054	159,773,955
Average number of shares, adjusted for own shares, fully diluted	152,954,054	159,868,886
Majority equity 31 December (MNOK)	2,019.2	1,623.8
Equity per share (NOK)	13.20	10.16
Net profit after minority interest (MNOK)	278.2	279.6
Earnings per share	1.82	1.76

As of 31 December 2008 there were 658,692 options that were not "in the money" and therefore had no effect on earnings per share.

Purchase of own shares
The board's goal is to have a strong financial capacity, to maintain the confidence of investors, creditors and the market, and to aid the further development of TOMRA. Both the solvency and liquidity of TOMRA are strong and the Board finds the financial capacity sufficient to implement the company's plans and strategies. In order to secure flexibility regarding adjustment of the capital structure of the company, the company was authorized to acquire treasury shares at the annual general meeting 23 April 2008, limited to a total of 15,000,000 shares. At the end of 2008 5,202,942 shares had been purchased and 206,696 shares were sold to employees in accordance with the authorization. Total shareholding of treasury shares was 4,996,246 as of year–end 2008.

Share purchase program
To motivate employees to become long–term owners in TOMRA, the board established a share purchase program in 2008, where employees could buy shares at market price. For every five shares the employee bought, TOMRA would give one free share after a year, provided that the employee was still employed by TOMRA and had kept the shares for the entire year. In 2008 206,696 shares were sold to employees as part of this share purchase program.

NOTE 21 SHAREHOLDERS

The amounts shown are based upon information from The Norwegian Central Securities Depository.
On nominee accounts, information regarding beneficial ownership has been collected and presented where possible.

	Registered at 31 December 2008	Number of shares	Ownership
1.	Orkla ASA	24,000,000	15.48 %
2.	Folketrygdfondet	15,349,700	9.90 %
3.	Taube, Hodson. Stonex Partners Ltd.	10,440,700	6.74 %
4.	Jupiter Asset Management Ltd.	9,520,830	6.14 %
5.	Impax Asset Management Ltd.	5,144,267	3.32 %
6.	Tomra Systems ASA	4,996,246	3.22 %
7.	New Jersey Division of Investment	4,500,000	2.90 %
8.	Nordea Investment Management ASA	3,846,119	2.48 %
9.	Templeton Investment Counsel LLC	3,151,826	2.03 %
10.	Ferd Invest	2,900,000	1.87 %
11.	KLP Kapitalforvaltning	2,400,000	1.55 %
12.	Skagen AS	2,285,600	1.47 %
13.	Russell Investment Group	2,034,000	1.31 %
14.	Vital Forsikring AS	1,844,186	1.19 %
15.	F&C Asset Managers PLC	1,476,489	0.95 %
16.	Fondsmæglerselskabet LD Invest A/S	1,435,333	0.93 %
17.	Manning & Napier Advisors. Inc.	1,253,390	0.81 %
18.	DnB Nor Kapitalforvaltning ASA	1,193,729	0.77 %
19.	Holberg Fondsforvaltning AS	1,119,400	0.72 %
20.	Nordea Investment Management (Norway)	1,019,115	0.67 %
	Total	**99,910,930**	**64.45 %**
	Other shareholders	55,109,148	35.55 %
	Total (8.772 shareholders)	**155,020,078**	**100.00 %**
	Shares owned by Norwegian shareholders	83,578,470	53.91 %
	Shares owned by foreign shareholders	71,441,608	46.09 %
	Total	**155,020,078**	**100.00 %**

NOTE 22 ACQUISITIONS

UltraSort
On 1 July 2008, TOMRA acquired 100 percent of the business and assets of UltraSort Group in Australia. The Group consists of UltraSort Pty Limited and Fynsort Technology Limited. The purchase price was NOK 158.9 million in cash. The purchase has been booked with effect from 1 July 2008.

UltraSort is a leading provider of advanced technology for identification and sorting of minerals for the mining industry.

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

Amounts in NOK million	Acquiree's carrying amount before combination	Fair value adjustments	Fair value
Net assets acquired:			
Patents and technology	0.0	17.0	17.0
Customer relations	0.0	5.2	5.2
Goodwill	0.0	129.1	129.1
Property, plant and equipment	0.3	0.0	0.3
Inventories	7.2	0.0	7.2
Cash and cash equivalents	14.9	0.0	14.9
Prepayments	(14.8)	0.0	(14.8)
	7.6	151.3	158.9
Goodwill			0.0
Total consideration satisfied by cash			**158.9**
Company's goodwill			0.0
Group goodwill			129.1
Total goodwill related to the transaction			**129.1**
Net cash outflow arising on aquisition:			
Cash consideration paid			(158.9)
Cash and cash equivalents acquired			14.9
Net cash outflow			**(144.0)**

The goodwill arising on the transaction is attributable to predicted future cash flows.

The aquired company contributed NOK 25.6 million in revenue and NOK 14.9 million to the Group's net operating profit for the period between the date of aquisition and 31 December 2008.

If the acquisition had been completed on 1 January 2008, total group revenue for 2008 would have increased by NOK 16.0 million, and net operating profit for the year would have increased by NOK 7.8 million.

If EBIT in the coming three years exceeds NOK 30 million, NOK 20 million and NOK 20 million respectively, a conditional payment would be required, equal to the part of EBIT that exceeds the given limits.

NOTE 22 cont. ACQUISITIONS

Commodas GmbH
On 1 July 2006, TOMRA's subsidiary Titech Visionsort AS acquired 100 percent of the shares of Commodas GmbH. The purchase price was estimated at NOK 133.8 million satisfied in cash of NOK 98.5 million and possible additional payment of up to NOK 35.3 million, depending on the company's earnings in 2007.
The purchase price included goodwill of NOK 129.1 million.

Commodas is a leading provider of technology solutions for identification and sorting of high–value material fractions, such as minerals and metals.

The net assets aquired in the transaction, and the goodwill arising as recorded in 2006, are as follows:

Amounts in NOK million	Acquiree's carrying amount before combination	Fair value adjustments	Fair value
Net assets acquired:			
Patents	0.0	4.8	4.8
Property, plant and equipment	8.0	(0.7)	7.3
Inventories	5.5	(1.1)	4.4
Trade receivables	19.8	0.0	19.8
Other short–term receivables	1.6	0.0	1.6
Trade payables	(4.4)	0.0	(4.4)
Tax payables	(0.2)	0.0	(0.2)
Other short–term liabilities	(28.6)	0.0	(28.6)
	1.7	3.0	4.7
Goodwill			129.1
Total consideration satisfied by cash			98.5
Earn out, booked under interest–bearing liabilities			35.3
Company's goodwill			0.0
Group goodwill			129.1
Total goodwill related to the transaction			**129.1**
Net cash outflow arising on aquisition:			
Cash consideration paid			(98.5)
Cash and cash equivalents acquired			0.0
Net cash outflow			**(98.5)**

The goodwill arising on the aquisition of Commodas is attributable to predicted future cash flows.

The aquired company contributed NOK 57.5 million in revenue and NOK 10.2 million to the Group's profit before tax for the period between the date of aquisition and 31 December 2006.

If the acquisition had been completed on 1 January 2006, total group revenue for 2006 would have increased by NOK 31.0 million, but the profit for the year would not have changed.

Earnout calculation in 2007
The company's earnings in 2007 showed that no earnout will be paid. The earnout booked as interest–bearing liabilities of NOK 35.3 million is removed and the goodwill is decreased by NOK 31.3 million, see note 9.
The difference between the two amounts is accumulated interest and exchange variations that is also decreased.

Titech Visionsort AS
In 2006 we paid out NOK 18.4 million related to the final payment to the former owners of Real Vision Systems GmbH.

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 2008 (Annual Report 2008).

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 2008.
- the separate financial statements are prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31 December 2008.
- 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 2008.
- 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 2008 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, 19 February 2009

Jo Lunder Chairman	**Bjørn M. Wiggen** Board member	**Jørgen Randers** Board member	**Hege Marie Norheim** Board member
Aniela Gabriela Gjøs Board member	**David Williamson** Employee representative	**Karen Michelet** Employee representative	**Amund Skarholt** President & CEO

Auditor's Report

To the Annual Shareholders' Meeting of Tomra Systems ASA

AUDITOR'S REPORT FOR 2008

Respective Responsibilities of Directors and Auditors

We have audited the annual financial statements of Tomra Systems ASA as of 31 December 2008, showing a profit of NOK 192.2 million for the Parent Company and a profit of NOK 291.8 million for the Group. We have also audited the information in the Board of Directors' Report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the Parent Company's financial statements and the group accounts. The Parent Company's financial statements comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The Group accounts comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The rules of the Norwegian accounting act and good accounting practice in Norway have been applied to prepare the Parent Company's financial statement. The rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU have been applied to prepare the Group accounts. These financial statements and the Board of Directors' Report are the responsibility of the Company's Board of Directors and CEO. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion

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 the Parent Company as of 31 December 2008, the results of its operations and its cash flows for the year then ended, in accordance with the rules of the Norwegian accounting act and good accounting practice in Norway.
- the Group accounts are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Group as of 31 December 2008, the results of its operations, its cash flows and the changes in equity for the year then ended, in accordance with the rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU.
- the Company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information.
- the information in the Board of Directors' Report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and comply with the law and regulations.

Oslo, 19 February 2009
KPMG AS

Henning Aass
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only