Marel hf.

Condensed Consolidated Interim Financial Statements 30 June 2010

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The Board of Directors' and CEO's Report

According to our best knowledge it is our opinion that the condensed consolidated information gives a true and fair view of the consolidated financial performance of the Company for the six-month period ended 30 June 2010, its assets, liabilities and consolidated financial position as at 30 June 2010 and its consolidated cash flows for the six-month period ended 30 June 2010.

Further, in our opinion the condensed consolidated financial information and the endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Group's operations and its position and describes the principal risks and uncertainties faced by the Group.

The Board of Directors and the CEO have today discussed the condensed interim financial information of Marel hf. for the six-month period ended 30 June 2010 and confirm these by means of their signatures.

Garðabær, 28 July 2010

Board of Directors

Árni Oddur Þórðarson

Arnar Þór Másson Friðrik Jóhannsson

Helgi Magnússon Lars Grundtvig

Margrét Jónsdóttir Theo Bruinsma

Smári Rúnar Þorvaldsson Ásthildur Margrét Otharsdóttir

Chief Executive Officer

Theo G.M. Hoen

Condensed Consolidated Statement of Comprehensive Income

| N | otes | Q2 2010 | Q2 2009 | YTD 2010 | YTD 2009 |
|--|------|--------------------|----------------------|-------------|-------------|
| Revenue | 5 | 136.055 | 132.002 | 283.221 | 262.336 |
| Cost of sales | | (81.087) | (82.771) | (171.549) | (171.125) |
| Gross profit | _ | 54.968 | 49.231 | 111.672 | 91.211 |
| Other operating income (expenses) | 7 | (8.099) | 15.716 | (7.940) | 15.748 |
| Selling and marketing expenses | | (17.150) | (18.441) | (36.125) | (38.174) |
| Research and development expenses | | (8.837) | (7.330) | (17.545) | (16.359) |
| Administrative expenses | _ | (13.289) | (17.587) | (26.597) | (36.593) |
| Result from operations | | 7.592 | 21.589 | 23.465 | 15.833 |
| Finance expenses | 8 | (9.680) | (13.543) | (18.472) | (24.387) |
| Finance income | 8 | ` 160 [°] | `11.945 [°] | 414 | 19.382 |
| Net finance costs | 8 | (9.520) | (1.598) | (18.058) | (5.005) |
| Result before income tax | | (1.928) | 19.991 | 5.407 | 10.828 |
| Income tax | 9 | 2.045 | (2.651) | 324 | (453) |
| Profit (loss) for the period | _ | 117 | 17.340 | 5.731 | 10.375 |
| Other Comprehensive Income | | | | | |
| Currency translation differences | | 4.627 | (1.334) | 6.758 | (375) |
| Financial instruments | | (856) | 3.306 | (2.487) | (565) |
| Income tax relating to cash flow hedges | _ | 218 | (843) | 634 | 144 |
| Other comprehensive income for the year, net of tax | | 3.989 | 1.129 | 4.905 | (796) |
| Total comprehensive income for the year | = | 4.106 | 18.469 | 10.636 | 9.579 |
| Profit (loss) attributable to: | | | | | |
| Shareholders of the Company | _ | 117 | 17.340 | 5.731 | 10.375 |
| | = | 117 | 17.340 | 5.731 | 10.375 |
| Comprehensive income attributable to: | | | | | |
| Shareholders of the Company | _ | 4.106 | 18.469 | 10.636 | 9.579 |
| | = | 4.106 | 18.469 | 10.636 | 9.579 |
| Earnings per share for result attributable to equity holders of the company during the period (expressed in EUR cent per share): | | | | | |
| - basic | 15 | 0,02 | 2,99 | 0,79 | 1,79 |
| - diluted | 15 | 0,02 | 2,99 | 0,79 | 1,79 |
| Earnings per share for total comprehensive income attributable to equity holders of the company during the period (expressed in EUR cent per share): | | | | | |
| - basic | 15 | 0,56 | 3,18 | 1,46 | 1,65 |
| - diluted | 15 | 0,56 | 3,18 | 1,46 | 1,65 |

Condensed Consolidated Statement of Financial Position

| ASSETS | Notes | 30/06 2010 | 31/12 2009 |
|-----------------------------------|----------|--|---|
| Non-current assets | | | |
| | 10 | 114.070 | 115.332 |
| Property, plant and equipment | 10 11 | 114.070 381.422 | 377.959 |
| Other intangible assets | 11 | 93.237 | 85.433 |
| Investments in associates | 11 | 93.237 97 | 65.433 97 |
| Receivables | 20 | 5.290 | 150 |
| Deferred income tax assets | 16 | 12.435 | 14.850 |
| Deferred modific tax deserts | 10 | 606.551 | 593.821 |
| Current assets | | | |
| Inventories | 12 | 84.099 | 81.054 |
| Production contracts | | 20.680 | 11.992 |
| Trade receivables | | 74.312 | 67.184 |
| Assets held for sale | 19 | 598 | 33.330 |
| Other receivables and prepayments | | 27.633 | 23.597 |
| Restricted cash | | 14.956 | 25.882 |
| Cash and cash equivalents | | 66.321 | 46.022 |
| | | 288.599 | 289.061 |
| Total assets | | 895.150 | 882.882 |
| Share capital | 18 18 | 6.674 318.599 (6.545) 15.808 334.536 | 6.674 318.495 (11.450) 10.078 323.797 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 13 | 347.759 | 351.508 |
| Deferred income tax liabilities | 16 | 3.340 | 7.765 |
| Provisions | 14 | 9.925 | 8.797 |
| Derivative financial instruments | | 14.454 | 11.065 |
| | | 375.478 | 379.134 |
| Current liabilities | | | |
| Production Contracts | | 59.761 | 40.542 |
| Trade and other payables | | 103.709 | 75.739 |
| Liabilities held for sale | 19 | 0 | 43.693 |
| Current income tax liabilities | | 1.404 | 1.584 |
| Borrowings | 13 | 17.577 | 15.409 |
| Provisions | 14 | 2.685 | 2.983 |
| | | 185.136 | 179.950 |
| Total liabilities | | 560.614 | 559.085 |
| Total equity and liabilities | | 895.150 | 882.882 |

Condensed Consolidated Statement of Changes in Shareholders' Equity

| | Attributable to equity holders of the Company | | | | | | |
|--|---|------------------|------------------|---------------------|-------------------|-----------------|--|
| | Share capital | Share premium | Hedge reserve | Transl. reserves | Retained earnings | Total equity | |
| Balance at 1 January 2009 | 5.852 | 269.988 | (7.477) | (1.972) | 21.888 | 288.279 | |
| Total comprehensive income | | | (421) | (375) | 10.375 | 9.579 | |
| Sale (purchases) of treasury shares, gross Employee share option scheme: | (14) | (595) | | | | (609) | |
| Value of services provided | | 231 | | | | 231 | |
| Issue of share capital, gross | 148 | | | | | 7.864 | |
| Condensed consolidated Statement of Cash Flows | 134 | 7.352 | (421) | (375) | 10.375 | 17.065 | |
| Balance at 30 June 2009 | 5.986 | 277.340 | (7.898) | (2.347) | 32.263 | 305.344 | |
| Total comprehensive income | 0 | 0 | (345) | (860) | (22.186) | (23.391) | |
| Sale (purchases) of treasury shares, gross | 30 | 1.130 | | | | 1.160 | |
| Treasury shares, transaction costs Employee share option scheme: | | (5) | | | | (5) | |
| Value of services provided | | 214 | | | | 214 | |
| Issue of share capital, gross | 658 | 40.734 | | | | 41.392 | |
| Issue of share capital transaction cost | | (918) | | | | (918) | |
| · | 688 | 41.155 | (345) | (860) | (22.186) | 18.452 | |
| Balance at 31 December 2009 | 6.674 | 318.495 | (8.243) | (3.207) | 10.077 | 323.796 | |
| | | | | | | | |
| Total comprehensive income | 0 | 0 | (1.853) | 6.758 | 5.731 | 10.636 | |
| Employee share option scheme: | | | | | | | |
| Value of services provided | | 104 | | | | 104 | |
| | 0 | 104 | (1.853) | 6.758 | 5.731 | 10.740 | |
| Balance at 30 June 2010 | 6.674 | 318.599 | (10.096) | 3.551 | 15.808 | 334.536 | |

Dividend per share

No dividends were paid in 2009 and 2010.

Condensed Consolidated Statement of Cash Flows

| | Notes | Q2 2010 | Q2 2009 | YTD 2010 | YTD 2009 |
|---|-------|------------------|-------------------|------------------|------------------|
| Cash flows from operating activities | | | | | |
| Result from operations | | 7.592 | 21.590 | 23.465 | 15.833 |
| Adjustments to reconcile result from operations to net cash provided by operating activities: | | | | | |
| Depreciation and impairment of Property, Plant & Equipment | 10 | 2.929 | 3.306 | 6.534 | 7.165 |
| Amortisation and impairment of intangible assets | 11 | 3.060 | 3.104 | 6.134 | 5.754 |
| Gain on sale of subsidiary | | 0 | (10.415) | 0 | (10.479) |
| Gain on sale of property, plant and equipment | | (307) | (5.692) | (316) | (5.692) |
| Changes in non current receivables | _ | 115 | 1.384 | (1.034) | 2.038 |
| Working capital (used in) provided by operating activities | | 13.389 | 13.277 | 34.784 | 14.619 |
| Changes in working capital: | | | | | |
| Inventories and production contracts | | 39 | 18.354 | 9.203 | 26.320 |
| Trade and other receivables | | 6.329 | 10.006 | (6.238) | 12.232 |
| Trade and other payables | | (1.089) | (22.217) | 19.568 | (13.405) |
| Provisions | | 327 | (2.456) | 525 | 833 |
| Changes in operating assets and liabilities | _ | 5.606 | 3.687 | 23.057 | 25.980 |
| Cash generated from operating activities | | 18.995 | 16.964 | 57.841 | 40.599 |
| Currency fluctuations and indexation | | 147 | 10.465 | (90) | 8.728 |
| Income tax paid | | (319) | (1.563) | 42 | (1.962) |
| Interest and finance costs paid | | (8.247) | (17.675) | (16.164) | (27.761) |
| Net cash from operating activities | _ | 10.576 | 8.191 | 41.630 | 19.604 |
| | | 0 | 225 | 000 | 225 |
| Interest received Acquisition / divestment of subsidiary, net of cash | | 2 0 | 825 64 | 222 3.032 | 825 0 |
| Purchase of property, plant and equipment (PPE) | 10 | (770) | (2.734) | (1.729) | (6.392) |
| Investments in intangibles | 11 | (4.652) | (5.056) | (9.098) | (8.489) |
| Divestment of subsidiary, net of cash divested | | (4.032) | 16.038 | (5.050) | 16.038 |
| Proceeds from sale of property, plant and equipment (PPE) | | 1.074 | 17.760 | 1.276 | 18.587 |
| Other changes | | 0 | (95) | 0 | 4 |
| Net cash from investing activities | _ | (4.345) | 26.801 | (6.297) | 20.572 |
| | | | | | |
| Cash flows from financing activities | | | | | |
| Proceeds from issue of ordinary shares | | 0 | 7.956 | 0 | 7.843 |
| Proceeds from (purchase of) treasury shares, net | | 0 | (350) | 0 | (357) |
| Proceeds from borrowings | | 3.196 | 155.779 | 3.196 | 163.647 |
| Repayments of borrowings | | (12.865) | (144.762) | (27.530) | (147.119) |
| Loans to third parties | | 0 | (4.240) | (4.000) | 0 407 |
| Finance lease principal payments | | (69) 1.648 | (1.249) | (180) 1.648 | 137 |
| Other changes | | (1) | (24.481) (169) | 0 | (24.838) (72) |
| Net cash from financing activities | _ | (8.089) | (7.276) | (26.866) | (759) |
| g | | (0.000) | (1.2.3) | (20.000) | (. 55) |
| Net increase (decrease) in net cash | | (1.858) | 27.716 | 8.467 | 39.417 |
| Exchange losses on net cash | | 2.097 | (463) | 2.230 | (162) |
| Net cash at beginning of the period | _ | 78.340 | 33.041 | 67.882 | 21.038 |
| Net cash at end of the period | = | 78.579 | 60.294 | 78.579 | 60.293 |
| Cach and each equivalents | | 66 224 | 40 0c0 | 66 224 | 40.060 |
| Cash and cash equivalents | | 66.321 14.956 | 48.969 16.700 | 66.321 14.956 | 48.969 16.700 |
| Restricted cash Bankoverdrafts | | (2.698) | (5.375) | (2.698) | (5.375) |
| Net cash at end of the period | _ | 78.579 | 60.294 | 78.579 | 60.294 |
| at one of the portor | = | 7 0.07 0 | <u> </u> | 7 0.07 0 | 55.254 |

1. General information

Marel hf. (the Company) is a limited liability company incorporated and domiciled in Iceland. The Company has its listing on the OMX The Nordic Exchange in Iceland.

These condensed consolidated interim financial statements have been approved for issue by the board of directors on 28 July 2010. The information included herein is not audited.

All amounts are in thousands of EUR, unless otherwise stated.

2. Basis of preparation

These condensed consolidated interim financial statements of the Company and its subsidiaries (the Group) are for the six months ended 30 June 2010. These have been prepared in accordance with IAS 34 as adopted by the EU. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2009. The consolidated financial statements for the Group as for the period ended 31 December 2009 are available upon request from the Company's registered office at Austurhraun 9, Gardabær or at www.marel.com.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2009, as described in the annual Financial Statements for the year ended 31 December 2009. As of January 1st 2009 we have applied IAS 1 (amended) and IFRS 8.

4. Financial risk management

In the first quarter of 2010, the Group managed to limit the currency exposure caused by the ISK, by converting a major portion of the ISK debt into EUR. The amount involved is EUR 66 million. After this conversion and the bond conversion to shares in October 2009, the original exposure of EUR 135 million is reduced to EUR 39.4 million remaining.

More than 99% of Marel's revenues originate outside of Iceland and there is a good currency balance between the company's revenues and costs. The company's policy is to finance its operations in its revenue currencies to the maximum extent possible. Efforts have been made to systematically reduce currency risk in the company's financing and to reduce interest cost.

5. Segment information

Business segments

The segments comprise the industries, which form the basis for managerial decision taking.

The segment information for the period ended 30 June 2010 are as follows:

| | Fish | Poultry | Meat | Further Processing | Others | Total |
|--|-------------------|--------------------|--------------------|-----------------------|--------------------|-----------------------|
| Total gross segment revenues | 45.221 (411) | 145.061 (6.451) | 49.877 (8.501) | 48.369 (12.157) | 23.170 (957) | 311.698 (28.477) |
| | 44.810 | 138.610 | 41.376 | 36.212 | 22.213 | 283.221 |
| Result from operations | 4.294 | 20.195 | 3.199 | 2.167 | (6.389) | 23.465 |
| Finance costs - net | | | | | | (18.058) |
| Result before income tax Income tax Profit (loss) for the period | | | | | - | 5.407 324 5.731 |
| Assets Depreciation and amortisation | 77.055 (1.945) | 274.199 (5.006) | 132.806 (2.204) | 90.075 (2.068) | 321.015 (1.445) | 895.150 (12.668) |

Result from operations of the Other Segment include EUR 7.6 million pension recovery premium and EUR 0.7 million profit of the divested businesses of Carnitech A/S and the Stork Food & Dairy Systems group up to and including the closing of the divestment. Furthermore, the Others segment includes the holdings and a Food & Dairy company which was not part of the divestment.

The Group does not allocate financial income and expenses between business segments. The segments are held responsible for the result from operations. Decisions on Tax and Financing structures are taken on corporate level.

Inter-segment transfers or transactions are entered into under at arm's length terms and conditions comparable to those available to unrelated parties.

The segment information for the period ended 30 June 2009 are as follows¹⁾

| | Fish | Poultry | Meat | Further Processing | Others | Total |
|--|-------------------|--------------------|--------------------|-----------------------|--------------------|--------------------------------------|
| Total gross segment revenues | 45.977 | 104.738 | 44.642 | 36.506 | 48.524 | 280.387 |
| Inter-segment revenues | (653) 45.324 | (3.234) 101.504 | (3.979) 40.663 | (6.247) 30.259 | (3.939) 44.585 | (18.052) 262.335 |
| Result from operations | 1.700 | 7.638 | (1.089) | (1.776) | 9.360 | 15.833 |
| Finance costs - net Result before income tax Income tax Profit (loss) for the period | | | | | - - | (5.005) 10.828 (453) 10.375 |
| Assets Depreciation and amortisation | 85.077 (2.217) | 226.251 (4.572) | 104.209 (2.158) | 76.845 (1.885) | 405.061 (2.087) | 897.443 (12.919) |

¹⁾ For comparison purposes, the Q2 2009 numbers are restated for Carnitech to Others, as well as a transfer of assets from Meat to Further Processing, transfer of divestment profit to others and transfer of bank overdrafts.

6. Quarterly results

| | Q2 2010 | Q1 2010 | Q4 2009 | Q3 2009 | Q2 2009 |
|---|----------|----------|----------|----------|----------|
| Revenue | 136.055 | 147.166 | 135.685 | 133.659 | 132.002 |
| Cost of sales | (81.087) | (90.462) | (84.966) | (83.915) | (82.771) |
| Gross profit | 54.968 | 56.704 | 50.719 | 49.744 | 49.231 |
| Other operating income (expenses) | (8.099) | 159 | (24.577) | (339) | 15.715 |
| Selling and marketing expenses | (17.150) | (18.975) | (18.309) | (16.960) | (18.441) |
| Research and development expenses | (8.837) | (8.708) | (8.527) | (6.263) | (7.330) |
| Administrative expenses | (13.289) | (13.308) | (18.862) | (14.410) | (17.587) |
| Result from operations (EBIT) | 7.592 | 15.872 | (19.556) | 11.772 | 21.588 |
| Finance expenses | (9.680) | (8.792) | (10.640) | (10.437) | (14.301) |
| Finance income | 160 | 254 | 372 | (135) | 12.703 |
| Net finance costs | (9.520) | (8.538) | (10.268) | (10.572) | (1.598) |
| Profit (loss) before income tax | (1.928) | 7.334 | (29.824) | 1.200 | 19.990 |
| Income tax | 2.045 | (1.721) | 6.782 | (342) | (2.651) |
| Profit (loss) for the period | 117 | 5.613 | (23.042) | 858 | 17.339 |
| Profit before deprec. & amortisation (EBITDA) | 13.584 | 22.551 | 12.014 | 17.986 | 27.998 |

7. Other operating income (expenses)

The result of the divestments of Stork Food & Dairy systems and Carnitech A/S in the first quarter of 2010 are included in the other operating income for an amount of EUR 0.3 million.

During 2008 the Stork Pension Fund was in a situation of underfunding (coverage ratio end of 2008 was below the required 104.5%). As a consequence the pension fund was required by the Dutch Central Bank to make a recovery plan in 2009. To close the discussions, Marel has accepted the amount of recovery premium of EUR 8 million, to be paid in a 3 year period (2009 EUR 4 million, 2010 and 2011 EUR 2 million each). In Q2 2010 the full costs for the recovery plan are included in other operational income (expenses), of which up to end of June 2010 EUR 5 million is paid to the pension fund and EUR 3 milliom is provided for in the Balance sheet under current liabilities (EUR 2 million) and non-current liabilities (EUR 1 million).

8. Finance costs

| | Q2 2010 | Q2 2009 |
|---|----------|----------|
| Finance expenses: | | |
| Interest on borrowings | (12.138) | (19.469) |
| Interest on finance leases | (16) | (34) |
| Other finance expenses | (5.397) | (4.884) |
| Net foreign exchange transaction losses | (921) | 0 |
| Subtotal Finance expense | (18.472) | (24.387) |

| Finance income: | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Interest income | | | 414 | 435 |
| Result on financial derivatives | | | 0 | C |
| Net foreign exchange transaction gains | | | (0) | 18.947 |
| Subtotal Finance income | | | 414 | 19.382 |
| Net Finance costs | | | (18.058) | (5.005 |
| 9. Income tax | | | | |
| Current tax | | | | YTD 201 (850 |
| Deferred tax | | | | 1.174 324 |
| The tax on the Group's profit before tax differs from the theoretical amour applicable to profits of the consolidated companies as follows:. | nt that would | arise using the | weighted aver | |
| Reconciliation of effective income tax | | | 201 | 0 |
| Result before income tax | | | 5.407 | 9, |
| Income tax using Iceland rate | | | (973) | (18,00 |
| Effect tax rates other jurisdictions | | | (1.843) | (34,09 |
| Weighted average applicable tax | | | (2.816) | (52,09 |
| Effect of tax rate changes | | | 4 | 0,07 |
| Fx effect Iceland | | | 238 | 4,40 |
| R&D tax incentives | | | 767 | 14,19 |
| Permanent differences | | | 755 | 13,96 |
| Benefit from tax incentives | | | 1.657 | 30,65 |
| Effect of divestment | | | (333) | (6,16 |
| Others | | ••••• | <u>52</u> 324 | 0,96 |
| Tax charge in the Condensed Consolidated Statement of Comprehensive Ir | icome | | 324 | 5,99 |
| 10. Property, plant and equipment | | | | |
| | Land & | Plant & | Vehicles & | - |
| A4.4 January 2040 | buildings | machinery | equipment | Total |
| At 1 January 2010 Cost | 94.588 | 36.916 | 26.386 | 157.890 |
| Accumulated depreciation | | (18.487) | (15.786) | (42.558 |
| Net book amount | 86.303 | 18.429 | 10.600 | 115.332 |
| • | 00.000 | | | 1.0.002 |
| Six months ended 30 June 2010 | 00.000 | 40.400 | 40.000 | 445.000 |
| Opening net book amount | 86.303 | 18.429 | 10.600 | 115.332 |
| Business combination | (692) | 747 | 124 | 179 |
| Costprice changes 1-1 | 617 | (42) | (72) | 503 |
| Exchange differences | 2.071 | 1.210 | 539 | 3.820 |
| Additions | 438 | 307 | 984 | 1.729 |
| Disposals | (642) | (98) | (219) | (959 |
| Depreciation charge Closing net book amount | (1.607) 86.488 | (3.036) 17.517 | (1.891) 10.065 | (6.534 114.070 |
| At 30 June 2010 | <u></u> | | | |
| Cost | 96.244 | 38.920 | 27.454 | 162.618 |
| Accumulated depreciation | (9.756) | (21.403) | (17.389) | (48.548 |
| Net book amount | 86.488 | 17.517 | 10.065 | 114.070 |
| | | | | |
| Additions | | | Q2 2010 | Q2 2009 |

| Additions Disposals | 1.729 (959) | 6.392 (12.941) |
|--|----------------|-------------------|
| Depreciation of property, plant and equipment analyses as follows in the Condensed Consolidated Statement of Comprehensive Income: | | |
| Cost of sales | 4.212 | 4.054 |
| Selling and marketing expenses | 469 | 458 |
| Research and development expenses | 203 | 468 |
| Administrative expenses | 1.650 | 2.185 |
| | 6.534 | 7.165 |
| | | |

11. Intangible assets

| At 4 January 2040 | Goodwill | Developm. costs | Patents & Trade name | Other Intangible | Total other Intangibles |
|--|-----------------|--------------------|-------------------------|---------------------|----------------------------|
| At 1 January 2010 | 070.040 | F0 700 | 40.500 | 44 770 | 447440 |
| Cost Accumulated amortisation | 378.018 (59) | 58.786 (22.969) | 46.592 (3.469) | 11.770 (5.277) | 117.148 (31.715) |
| Net book amount | 377.959 | 35.817 | 43.123 | 6.493 | 85.433 |
| Net book amount | 311.939 | 33.017 | 45.125 | 0.493 | 65.455 |
| Six months ended 30 June 2010 | | | | | |
| Opening net book amount | 377.959 | 35.817 | 43.123 | 6.493 | 85.433 |
| Exchange differences | 3.462 | 249 | 4.119 | 350 | 4.718 |
| Business combination | (0) | 217 | 0 | (96) | 121 |
| Other acquisitions - internally developed | (0) | 7.722 | 0 | 1.376 | 9.098 |
| Amortisation charge | 0 | (4.112) | (1.550) | (471) | (6.133) |
| Closing net book amount | 381.421 | 39.893 | 45.692 | 7.652 | 93.237 |
| At 30 June 2010 | | | | | |
| Cost | 381.480 | 66.973 | 50.711 | 13.400 | 131.084 |
| Accumulated amortisation | (59) | (27.081) | (5.019) | (5.748) | (37.848) |
| Net book amount | 381.421 | 39.893 | 45.692 | 7.652 | 93.237 |
| | | | | Q2 2010 | Q2 2009 |
| Other acquisitions - internally developed | | | | 9.098 | 8.446 |
| Amortisation of intangible assets analyses as follows in the C Comprehensive Income: | ondensed Co | nsolidated Sta | tement of | | |
| Cost of sales | | | | 30 | 41 |
| Selling and marketing expenses | | | | 52 | 79 |
| Research and development expenses | | | | 4.761 | 4.354 |
| Administrative expenses | | | | 1.292 | 1.280 |
| | | | | 6.134 | 5.754 |

Impairment of Goodwill

The Group has tested end 2009 whether goodwill has suffered any impairment. At the closing of Q2 2010, there are no reasons to deviate from the conclusions taken at year-end.

12. Inventories

There were no material reversals of write-downs to fair value. The write-downs recognized following a recoverability analysis are included in Cost of sales.

| 13. Borrowings | 30/06 2010 | 31/12 2009 |
|---|------------|------------|
| Non-current: | | |
| Bank borrowings | 308.462 | 316.785 |
| Debentures | 38.912 | 33.648 |
| Finance lease liabilities | 385 | 1.075 |
| | 347.759 | 351.508 |
| Current: | | |
| Bank borrowings excluding bank overdrafts | 14.071 | 10.740 |
| Bank overdrafts | 2.698 | 4.022 |
| Debentures | 489 | 401 |
| Finance lease liabilities | 320 | 246 |
| | 17.577 | 15.409 |
| Total borrowings | 365.336 | 366.917 |

| Liabilities in currency recorded in EUR: | Finance lease liabilities | Capitalized finance charges | Other borrowings | Total 30/06 2010 | Total 31/12 2009 |
|--|---------------------------------|-----------------------------|------------------|---------------------|---------------------|
| Liabilities in CHF | 0 | 0 | 2.235 | 2.235 | 2.107 |
| Liabilities in DKK | 161 | 0 | 10.892 | 11.053 | 10.415 |
| Liabilities in EUR | 0 | (8.212) | 271.500 | 263.288 | 210.135 |
| Liabilities in GBP | 34 | 0 | 740 | 774 | 1.159 |
| Liabilities in ISK, partially index linked | 0 | (795) | 39.707 | 38.912 | 99.077 |
| Liabilities in JPY | 0 | 0 | 581 | 581 | 675 |
| Liabilities in NOK | 0 | 0 | 158 | 158 | 410 |
| Liabilities in USD | 325 | 0 | 46.561 | 46.886 | 42.708 |
| Liabilities in other currency | 184 | 0 | 1.265 | 1.449 | 231 |
| | 704 | (9.007) | 373.639 | 365.336 | 366.917 |
| Current maturates | (320) | 2.316 | (19.574) | (17.577) | (15.409) |
| | 384 | (6.691) | 354.066 | 347.759 | 351.508 |

14. Provisions

The major effects causing an increase of current provisions are: provisions for reorganisation costs were used for an amount of EUR 349 and ended at an amount of EUR 2.019 (end 2009 EUR 2.368); currency effect on the provisions in the US of EUR 512 because of the EUR/USD exchange rate; and additions to the provisions of Carnitech A/S after the asset deal of EUR 347 for management compensation.

15. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to share holders by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

| | 2010 | 2009 |
|--|---------|---------|
| Net profit (loss) attributable to share holders | 5.730 | 10.375 |
| Weighted average number of outstanding shares in issue (thousands) | 727.136 | 580.570 |
| Basic earnings per share (EUR cent per share) | 0,79 | 1,79 |

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

| Net profit (loss) used to determine diluted earnings per share | 2010 5.730 | 2009 10.375 |
|--|-------------------|----------------|
| Weighted average number of outstanding shares in issue (thousands) | 727.136 674 | 580.570 0 |
| Weighted average number of outstanding shares for diluted earnings per share (thousands) | 727.810 | 580.570 |
| Diluted earnings per share (EUR cent) | 0,79 | 1,79 |

16. Deferred income tax

Deferred income taxes are calculated in full on temporary differences under the liability method. The gross movement on the deferred income tax account is as follows:

| At 1 January 2010 | 7.085 |
|---|-------|
| Divestments / assets held for sale | (967) |
| Exchange differences and changes within the Group | 883 |
| Consolidated Statement of Comprehensive Income charge (excluding rate change) | 1.171 |
| Hedge reserve direct booked through equity | 1.148 |
| Rate change charged in comprehensive income | 4 |
| Others | (229) |
| Six months ended 30 June 2010 | 9.095 |

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

| | 30/06 2010 | 31/12 2009 |
|--------------------------|------------|------------|
| Deferred tax assets | 12.435 | 14.850 |
| Deferred tax liabilities | (3.340) | (7.765) |
| | 9.095 | 7.085 |

17. Contingencies

Contingent liabilities:

At 30 June 2010 the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business the Group has given guarantees amounting to EUR 10,342 (31/12/2009: EUR 10,775) to third parties.

The Group is involved in a dispute between Marel hf. and Glitnir bank hf. which can be traced to different calculation methods applied to settlement of five interest and currency swap agreements with the bank. The disputed difference is amounting to EUR 3.9 million, which Glitnir bank hf. has requested the Company to pay. Parties decided in mutual agreement to bring this disagreement to an Icelandic court to reach a settlement.

18. Shareholders' Equity

| Share Capital | Number of shares (thousands) | Ordinary shares | Treasury shares | Total amount in ISK |
|--|---|-----------------------------------|-------------------------------|---|
| At 1 January 2009 | 578.864 26.568 (2.127) 603.305 | 580.300 26.568 0 606.868 | (1.436) (2.127) (3.563) | 578.864 26.568 (2.127) 603.305 |
| Issue of shares Treasury shares sold At 1 January 2010 | 120.268 3.563 727.136 | 120.268 0 727.136 | 0 3.563 0 | 120.268 3.563 727.136 |
| Issue of shares Treasury shares sold At 30 June 2010 | 0 0 727.136 | 0 0 727.136 | 0 0 0 | 0 0 727.136 |
| Class of share capital: Nominal value Share premium | | 6.674 318.599 | 0 | 6.674 318.599 |

The total authorised number of ordinary shares is 727.1 million shares (2009: 727.1 million shares) with a par value of ISK 1 per share. All issued shares are fully paid.

19. Assets and liabilities held for sale

Assets and liabilities held for sale in relation to Stork Food & Dairy Systems and Carnitech A/S as reported in the annual report of 2009 have been divested in Q1 2010. The result of these divestments amounted to EUR (24,2) million, of which EUR (24.5) million was impaired in 2009. The 2010 result is reported in other operating income. Assets held for sale at the end of Q2 2010 contain the fair value of real estate for sale (EUR 598).

20. Receivables (non-current)

At the end of June the Non-Current receivables contain vendor loans of EUR 4 million in relation to the divestment of Stork Food & Dairy Systems.

21. Related party transactions

At the end of June 2010, there are no loans to directors (31 December 2009: EUR nil).