

OFFER DOCUMENT

Offer to acquire all or part of outstanding MARL 06 1 bonds in

ISK 6,000 million Bond Issue [ISIN No: IS0000012177]

made by

MAREL HF.



Offer Price:

100% of face value (plus accrued interest and CPI) per Bond
adjusted as stated in this Offer Document

Acceptance Period:

From and including 1 November 2010 to and including 16 November 2010 at 16:00 (GMT)
(subject to extension)

Advisors in the repurchase process



H.F. SECURITIES

1 NOVEMBER 2010

TERMS AND CONDITIONS OF THE OFFER

Marel hf. ("Marel") offers to repurchase bonds issued by the company and listed on the Nasdaq OMX Nordic Exchange Iceland under the name MARL 06 1 (ISIN No: IS0000012177) (the "Bonds") at par on the date of repurchase (the "Offer").

Offer price:

The offer price for each Bond (the "Offer Price") is 100% of the face value adjusted for changes in the Icelandic Consumer Price Index, as set out in the Bond Issue Description, plus any unpaid interest accrued on the date of settlement according to the Bond Issue Description.

Bondholders who accept the Offer will receive the Offer Price for each Bond tendered in the Offer. The Offer Price will be paid in cash, according to the terms set out in this Offer Document.

Acceptance period:

The Offer can be accepted from and including 1 November 2010 to and including 16 November 2010 at 16:00 (GMT) (the "Acceptance Period"). Marel may, at its sole discretion, extend the Acceptance Period. Reference to the Acceptance Period in this Offer Document includes any extensions that may be made.

Conditions for completion of the Offer:

Completion of the Offer is conditional upon Marel obtaining satisfactory financing prior to settlement of the Offer. Marel reserves the right to withdraw the Offer in the event that it is clear that the above condition is not fulfilled.

Acceptance:

Bondholders who wish to accept the Offer must, during the Acceptance Period, submit a duly completed acceptance form to:

H.F. Verðbréf hf.
Skólavordustig 11
IS-101 Reykjavik
Iceland
Fax: +354 585 1701

The acceptance form must be handed in, faxed or mailed in sufficient time so that it is received by H.F. Verðbréf prior to the end of the Acceptance Period.

Bondholders whose holdings are registered in the name of a nominee will not receive this offer document or an acceptance form. Acceptance is instead to be made in accordance with instructions from the nominee.

Marel reserves the right to deem and treat any form of acceptance that is filled in due to error as being a valid acceptance of the Offer. However, please note that incomplete or improperly filled out acceptance forms may be disregarded.

Acceptance of the Offer is irrevocable, and may not be withdrawn, in whole or in part, once H.F. Verðbréf hf. has received the Acceptance Form.

Tax:

Bondholders accepting the Offer are themselves responsible for any tax or tax liability arising as a result of the settlement, as well as any costs incurred in obtaining advice in this matter.

Settlement:

Settlement will occur three (3) business days after Marel announces that the conditions to the Offer have been satisfied. Settlement will be such that the Offer amount will be paid to any bond holder who has validly accepted the Offer, into the bank account defined in the Offer acceptance form. If the bondholding is registered in the name

of a nominee, the Offer amount and statement will be sent to the nominee. For the purpose of this clause, a business day shall mean a day when banks are generally open for business in Iceland.

Jurisdiction and Choice of Law:

This Offer, the Offer Document, as well as any communications in relation to this Offer, shall be governed by Icelandic law. Any dispute arising out of or in connection with the Offer shall be brought before the District Court of Reykjanes as exclusive legal venue.

For further information, please contact:

Einar Pálmi Sigmundsson
H.F. Verðbréf hf.
Skolavordustig 11
IS-101 Reykjavik
Iceland
Tel: +354 585 1700
Email: einarpalmi@hfverdbref.is

Notices

The release, publication or distribution of this acceptance form and the Offer Document in certain jurisdictions may be restricted by law or regulation and therefore persons in such jurisdictions into which this acceptance form or the offer document is released, published or distributed must inform themselves about and observe such restrictions.

Acceptance form

Marel's offer to the bondholders of MARL 06 1

In accordance with the terms and conditions set out in the Offer Document, announced on 1 November 2010, Marel offers the bondholders of MARL 06 1 (ISIN: IS0000012177) to tender the number of bonds set out and in accordance with the below.

Bondholder	ID No.
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Address

Telephone	Country
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The above bondholder ("Bondholder") hereby accepts the Offer to sell Bonds with the nominal value of

(the "Bonds")

at the Offer Price, being the Nominal Value of each Bond, adjusted for changes in the Icelandic Consumer Price Index plus any unpaid interest accrued as described in the Offer Document, in accordance with the terms set out in the Offer Document.

I am/we are fully aware of and agree and confirm that:

Incomplete and/or incorrect acceptance forms may be disregarded.

The Offer amount will be paid out to me/us, if I/we have validly accepted the Offer, into the bank account defined below.

_____ - _____ - _____
Bank branch Ledger Account No.

I am/we are the legal owner(s) of the Bonds, the Bonds are free of any mortgage or encumbrance and I/we hereby authorise H.F. Verðbréf hf. to examine whether the transfer of title can be accomplished as provided for in Act No. 131/1997, on Electronic Registration of Title to Securities.

I/we instruct and authorise H.F. Verðbréf hf. to distribute cash payment, transfer my/our bonds to Marel and take all the necessary measures concerning my/our VS account under the Offer.

I/we have reviewed and understood the information in this acceptance form and Offer Document and I/we confirm that I/we are not subject to the restrictions set out therein and that the Offer is not being accepted in breach of restrictions, regulations or law applicable in our jurisdiction.

For complete terms and conditions, please see the offer document. The Offer and this Acceptance Form shall be governed by Icelandic law. Any disputes regarding the Offer, the Acceptance Form or the Agreement constituted thereby, which cannot be solved amicably, shall be referred to the ordinary courts of Iceland with District Court of Reykjanes as legal venue.

Please return a duly completed acceptance form to H.F. Verdbref hf., Skolavordustig 11, 101 Reykjavik, by hand, mail or fax to the number +354 585 1701 no later than 16:00 GMT, 16 November 2010.

Place and date

Bondholder's signature

Witnesses to the correct date and the Shareholder's signature and financial legal competency:

Name and Id. No.

Name and Id. No.