

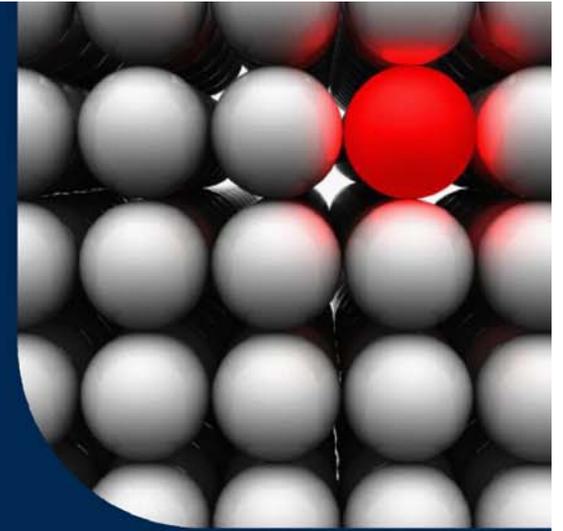
Q2 2009 Presentation

Theo Hoen, CEO of Marel Food Systems hf.

Erik Kaman, CFO of Marel Food Systems hf.

Sigsteinn Grétarsson, MD of Marel ehf.

August 7, 2009



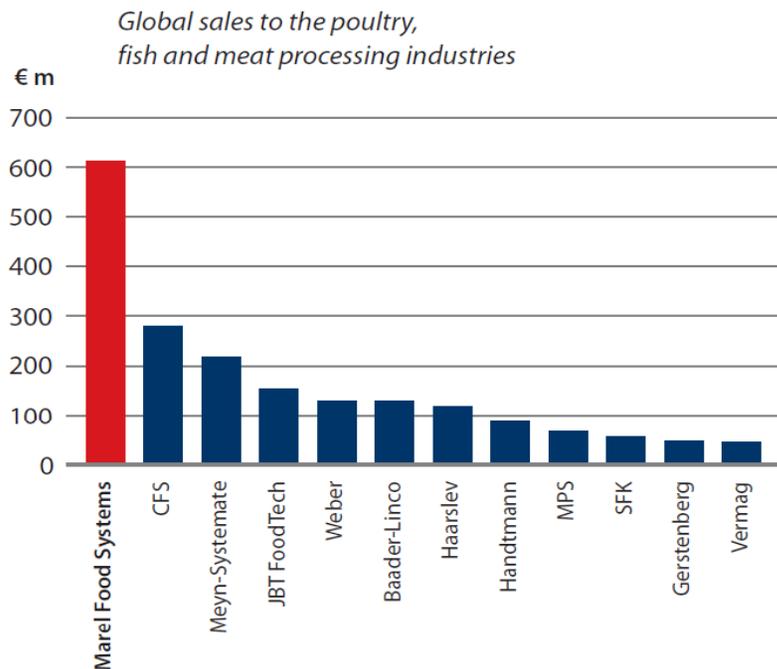
Theo Hoen

CEO of Marel Food Systems hf.



- 1** Introduction
- 2 Pro forma operations of core business
- 3 Consolidated financial statements
- 4 Prospects

Market leader in an attractive and fast growing industry



Proforma turnover of Marel Food Systems' core business in 2008. Turnover of other companies based on estimates by Marel Food Systems' management.

- Our core business is providing advanced equipment and systems for the protein segment of the food processing industry
- Marel operates in a highly fragmented **€4 billion market** and leads with a **market share of 15%**
- The market has been growing steadily by **5-6%** annually for the last two decades

Global leader in advanced equipment and systems



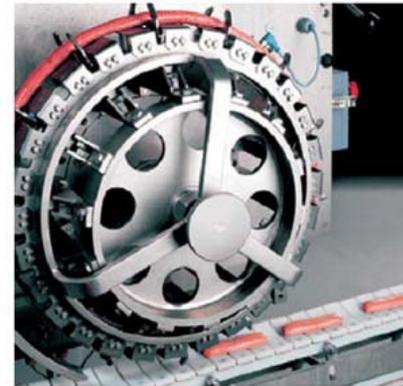
**Number 1
globally**

In advanced
equipment and
systems for
poultry
processing



**Number 1
globally**

In advanced
equipment and
systems for
seafood
processing



**Number 1
globally**

In advanced
equipment and
systems for
further
processing



**Major
global**

provider of
advanced
equipment and
systems for
meat
processing

JIH3

spurning hvort eigi ekki að vera lítið "i" í "in advanced equipment..."

Jón Ingi Herbertsson; 6.8.2009

Highlights of the quarter

- Cost efficiency
 - Rationalization measures have driven the company's cost base down to sustainable lower levels
 - €25 million estimated total savings on an annualized basis
 - Continuing focus on cost reduction and new measures introduced as required
- Cash flow
 - One of the main objectives for 2009
 - Working capital programme showing results
 - Will continue to generate cash



Sale of spare parts and services is a valuable source of income during economic downturns

Highlights of the quarter (2)

● Financing

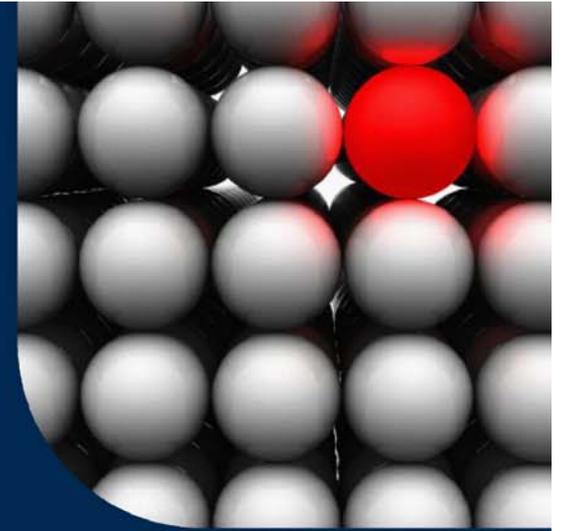
- Successful refinancing of all major short-term debt
- The refinancing shifts focus to our long-term objectives
- Successful closing of derivative contracts and strong support by the Icelandic banks

● Selling non-core assets

- Sale of real estate in Amsterdam and the non-core Scanvaegt Nordic A/S unit completed during the quarter
- Other options still under consideration but delayed due to current market conditions

● Integration

- Significant progress has been made in laying out a roadmap for the integration of Stork and Marel



Erik Kaman

CFO of Marel Food Systems hf.



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Consolidation vs. pro forma core operations

Revenues in € millions	Q2 2009	Share
Consolidated revenue	132.0	100%
Non-core operations	(24.8)	19%
Pro forma core business	107.2	81%

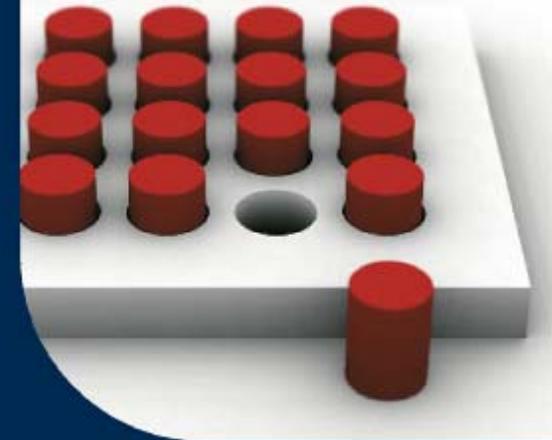
Non core operations

- Stork Food & Dairy Systems
 - The company has defined it as non-core operation since acquisition
- Carnitech A/S
 - Carnitech Salmon and Carnitech US have been placed under Marel's management
- Scanvaegt Nordic
 - Sale concluded in Q2 2009

Pro forma income statement of core business* for Q2 of 2009

<u>In EUR thousands</u>	Q2 2009	Q1 2009	Q2 2008
Sales	107,208	103,174	143,186
Cost of sales	(64,584)	(69,075)	(89,141)
Gross profit	42,624	34,099	54,045
Other operating income	(324)	47	16
Selling and marketing expenses	(14,890)	(16,211)	(17,517)
Research and development expenses .	(6,269)	(7,835)	(7,416)
Administrative expenses	(14,619)	(15,320)	(14,074)
Profit from operations (EBIT)	6,496	(5,220)	15,053
EBIT, excluding one-off restructuring costs		(1,720)	
Gross profit margin	40%	33%	38%
EBITDA	12,192	391	19,861
EBITDA, excluding one-off restructuring costs		3,891	

* Marel Food Systems' core business is to provide equipment and systems for the poultry, fish and meat processing industries worldwide. The salmon and freezing parts of Carnitech, as well as its U.S. operations, are now operated under the Marel name and management. Defined now as non-core business are Food and Dairy Systems, Scanvaegt Nordic (now sold) and the remaining operations of Carnitech.

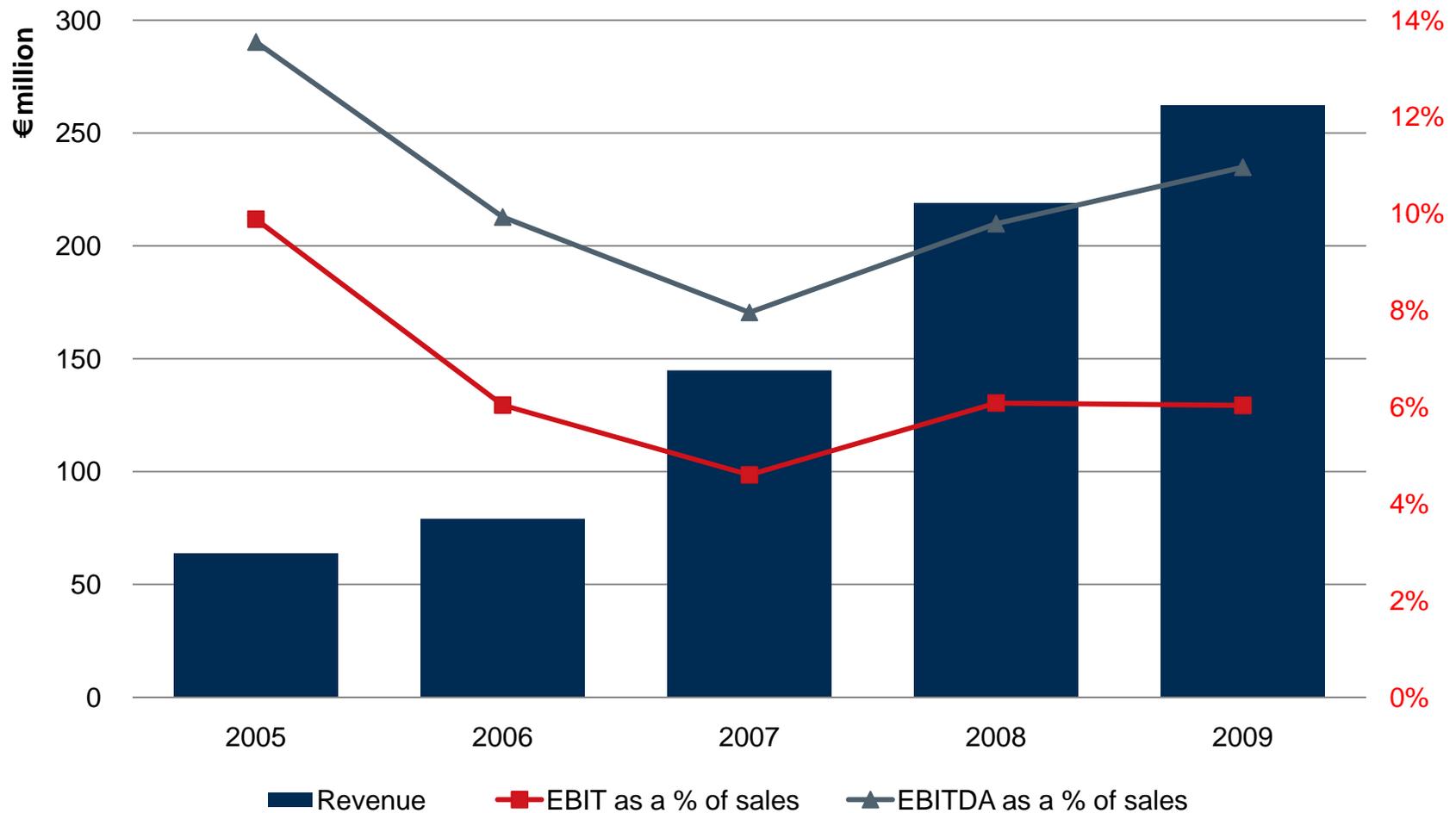


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Consolidated income statement for the second quarter of 2009

	EUR thousands		% of sales	
	Q2 2009	Q2 2008	Q2 2009	Q2 2008
Revenue	132,002	144,979		
Cost of sales	(82,771)	(93,285)		
Gross profit	49,231	51,694	37.3%	35.7%
Other operating income	15,716	465		
Selling and marketing expenses	(18,441)	(18,651)	14.0%	12.9%
Research and development expenses	(7,330)	(7,363)	5.6%	5.1%
Administrative expenses	(17,587)	(14,997)	13.3%	10.3%
Result from operations	21,590	11,148	16.4%	7.7%
Finance costs - net	(1,598)	564		
Share of results of associates	0	0		
Result before income tax	19,991	11,712		
Income tax expense	(2,651)	(1,655)		
Net result	17,340	10,057	13.1%	6.9%
EBITDA	27,998	16,368	21.2%	11.3%
Depreciation and amortization	6,409	5,220	4.9%	3.6%

Five year comparison – first half of the year



Consolidated balance sheet

	EUR thousands	
	June 30, 2009	Dec 31, 2008
ASSETS		
Non-current assets		
Property, plant and equipment	130,092	145,420
Goodwill	393,937	394,978
Other intangible assets	88,587	85,459
Investments in associates	305	305
Available-for-sale investments	28	28
Receivables	712	2,683
Deferred income tax assets	7,877	5,620
	<u>621,538</u>	<u>634,493</u>
Current assets		
Inventories	98,011	113,636
Production contracts	13,877	26,473
Trade receivables	77,493	85,603
Assets held for sale	0	0
Other receivables and prepayments	20,850	34,652
Derivative financial instruments	3	4,364
Cash and cash equivalents	60,294	21,038
	<u>270,528</u>	<u>285,766</u>
Total assets	<u><u>892,066</u></u>	<u><u>920,259</u></u>

Consolidated balance sheet (continued)

	EUR thousands	
	June 30, 2009	Dec 31, 2008
EQUITY		
Total equity	305,344	288,279
LIABILITIES		
Non-current liabilities		
Borrowings	373,930	265,807
Deferred income tax liabilities	5,829	10,362
Provisions	10,655	8,563
Derivative financial instruments	10,601	35,542
	401,015	320,274
Current liabilities		
Trade and other payables	141,229	156,203
Liabilities held for sale	0	0
Derivative financial instruments	1,058	8,261
Current income tax liabilities	2,988	6,703
Borrowings	35,777	134,636
Provisions	4,655	5,902
	185,707	311,706
Total liabilities	586,722	631,980
Total equity and liabilities	892,066	920,259

Net interest bearing debt

In € millions	End of Q2 2009	End of Q1 2009	End of Q4 2008	Change from end of Q4 2008
Non-current debt	373.9	272.9	266.0	107.9
Current debt	35.8	133.6	134.8	-99.0
	409.7	406.5	400.8	8.9
- Cash and cash equivalents	60.3	33.0	21.0	39.3
Net interest bearing debt	349.4	373.5	379.8	-30.4

Statement of Cash Flows

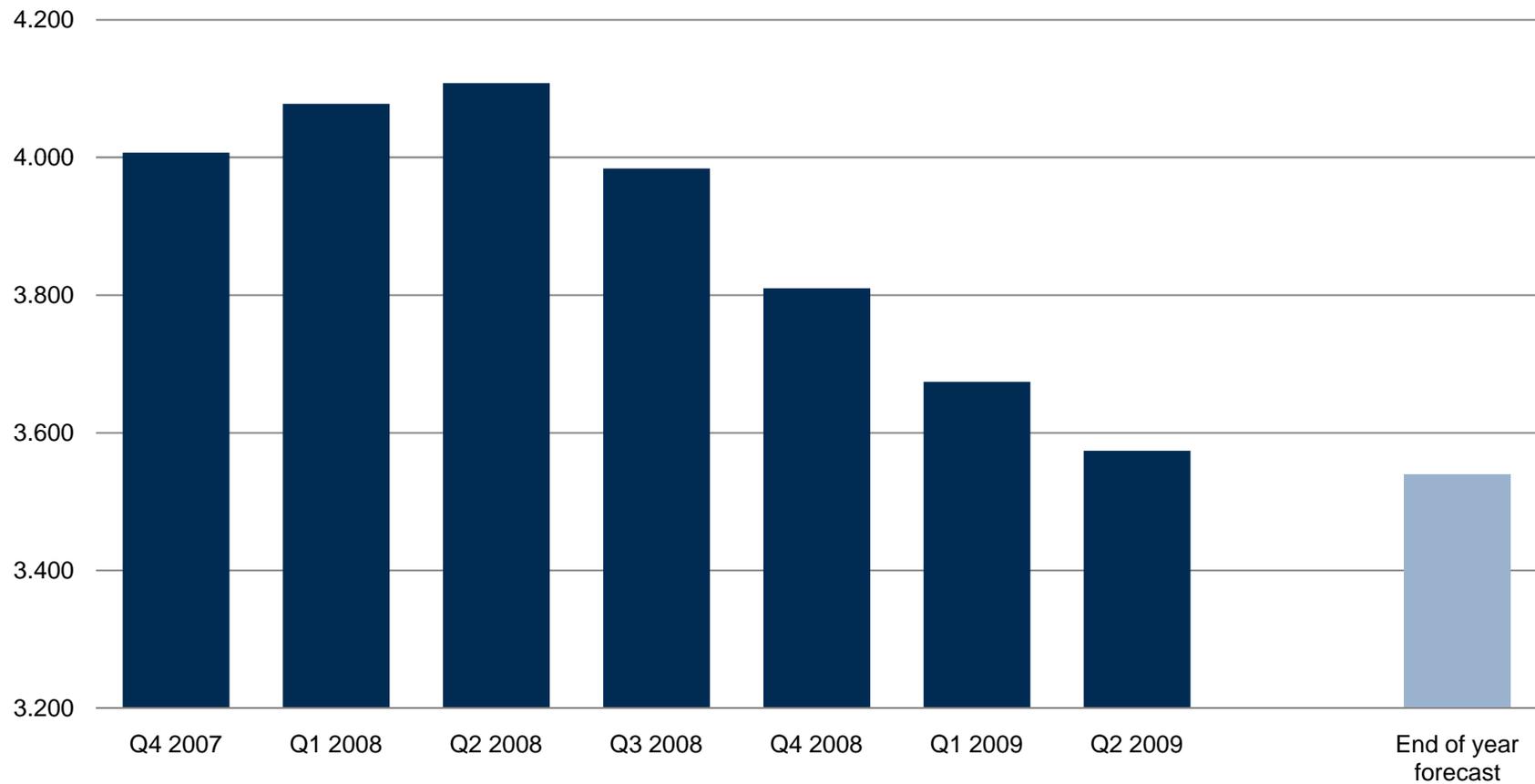
	EUR thousands	
	YTD 2009	YTD 2008
Net cash from operating activities	19,604	11,139
Net cash used in investing activities	20,573	(394,351)
Net cash from financing activities	(759)	377,566
Net increase /(decrease) in cash	39,418	(5,645)
Cash at beginning of period	21,038	30,438
Currency fluctuations affecting cash	(162)	1,217
Cash at end of period	60,294	26,010

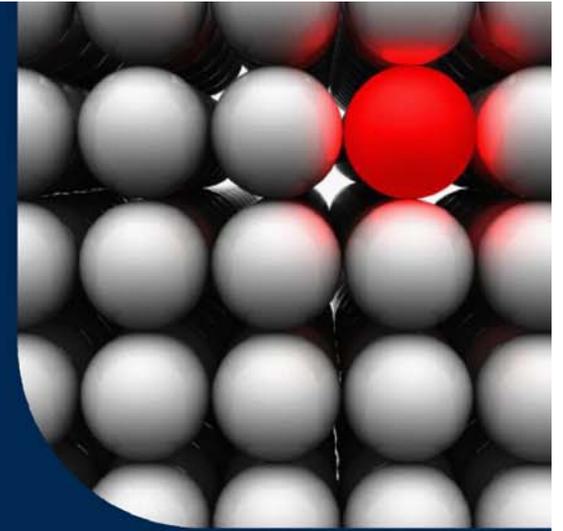
Financial highlights

- Contraction in sale of large systems (1/3 of sales) in Q4 2008, which also continues in Q1 and Q2 2009 and is expected in Q3 and Q4 for 2009, although to a lesser extent
- Actions have been taken to respond to changed market conditions
 - 13% reduction in the number of employees from a year ago
 - Rationalization measures in Q1 have been reflected in lower costs in Q2 and will be fully reflected by year-end
 - €25 million in annualised savings to be achieved
- Focus on cash flow
 - Target to reduce operational working capital by €25-30 million in 2009
 - Limited need for CAPEX in 2009 and 2010 – company is very well invested
- Asset sales of €35 million achieved, €10-20 million asset sales in progress
 - The target for 2009 was set at €30-50 million

13% reduction in employees from a year ago

Employees (excluding Scanvaegt Nordic A/S)





Theo Hoen

CEO of Marel Food Systems hf.

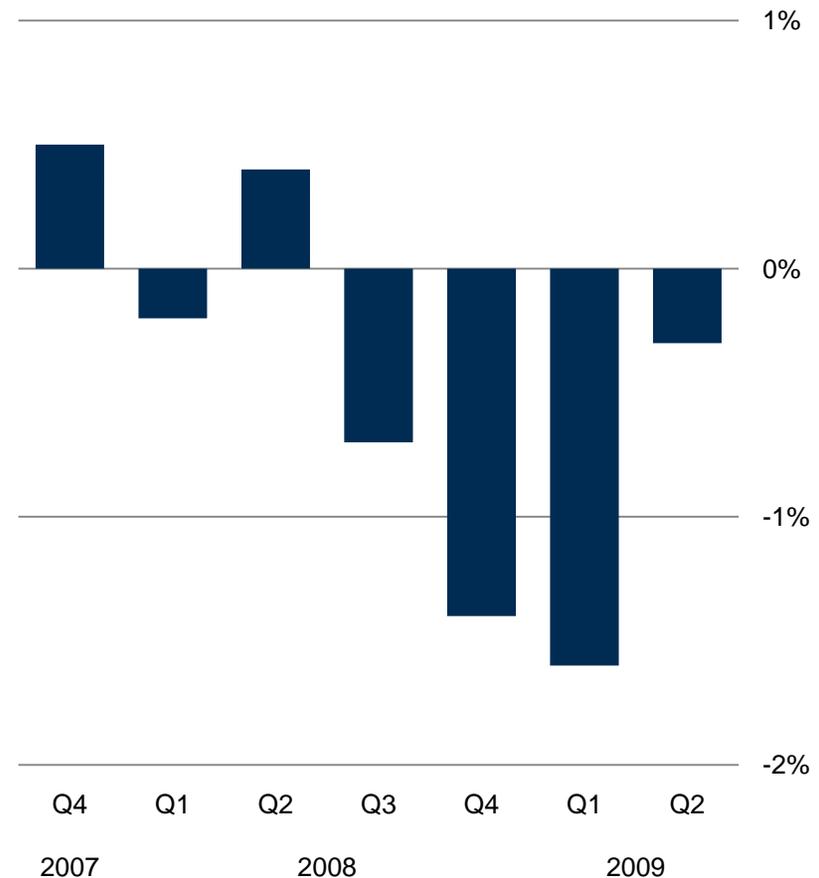


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Key markets gradually stabilizing

- Indications of slow but gradual improvements
 - Increasing order intake reflects Marel’s strong position as an industry leader
- Most customers doing reasonably well but finding it difficult to obtain financing for larger projects
 - Sale of spare parts and services unaffected by economic slowdown
 - Limited effect on the sale of smaller systems
- Prevailing trends in consumer behaviour favourable for Marel
 - Consumers opting for fast food and low-cost ready-meals at discount stores

Real GDP growth by quarter in USA



Poultry is showing the strongest signs of recovery

- The strongest signs of recovery of all the protein segments
- Consumption of less expensive proteins has increased due to the global economic slowdown
- Several large-scale projects concluded in Europe and South America
- Strong evidence that the US market is finally turning



The fish industry is picking up with processors looking to invest

- Markets are picking up after a slow start
- Customers are investing again
- Intelligent trimming of salmon fillets
- Several key markets doing well
- Major contracts concluded



First signs of improvement emerging in the fresh meat market

- Fresh meat still behind
- High feed conversion ratio
- First signs of improvement emerging
- Growing interest in StreamLine and Innova



Further processing benefits from changes in consumer behaviour

- Rise in popularity of fast food and 'eat at home' trend
- Processors investing in RevoPortioners, bacon slicers and QX systems
- Pre-cooked bacon becoming more important with McDonald's and Burger King being major users





Customer focus: Salm Partners, LLC



- This US-based company has in a relatively short time become a major producer of “cooked in package” sausages
- It recently invested in their third **QX Coextrusion System**
- With it, sausage casing is produced by spinning collagen around the meat dough, reducing the cost by at least 10%



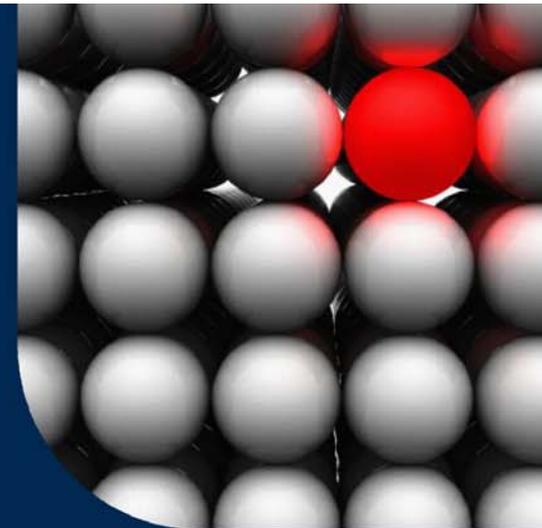
“Because we have a strong belief in the consumer benefits of the QX technology, we have built our business on it.”

- Chris Salm, President and CEO

Future outlook remains favourable

- Cash flow expected to remain strong throughout the year
 - Sales expected to increase in the second half of the year
 - The market is expected to return to 2008 levels in 2010
 - Expected to grow after that
- **We will continue to strive to be the best, not only the biggest**





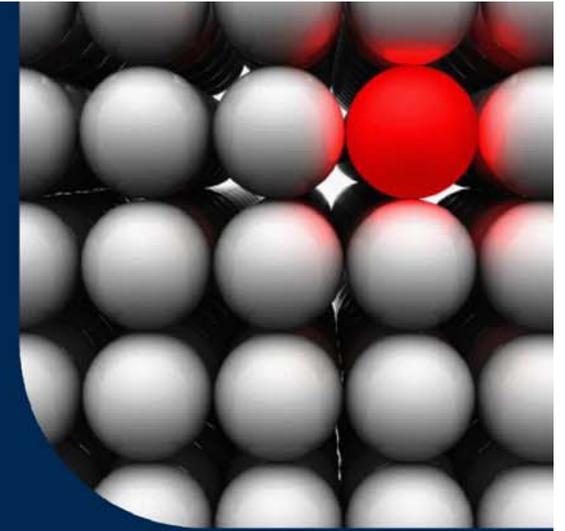
Q & A

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