

Q1 2011 presentation

Theo Hoen, CEO
Erik Kaman, CFO

28 April 2011



Theo Hoen

CEO



- 1** Introduction
- 2 Financial results
- 3 Outlook

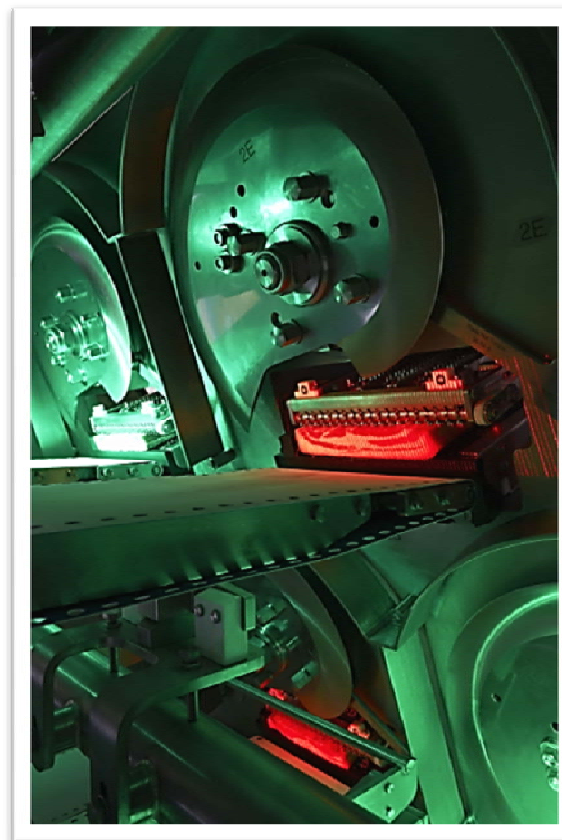


A good start to the year

- Once again, we delivered on our long-term target for return on revenues
- The order book continued to grow as a result of a strong product pipeline and improved market conditions
- Greenfield and other large projects are coming in at a steady pace and the sale of standard solutions remains healthy

Subsequent event

- Basic agreement with Stork Pension Fund has been signed with favourable outcome for employee and employer



The success of our new IBS 4600 bacon slicer shows how our strategy of investing in innovation is paying off.

Erik Kaman

CFO



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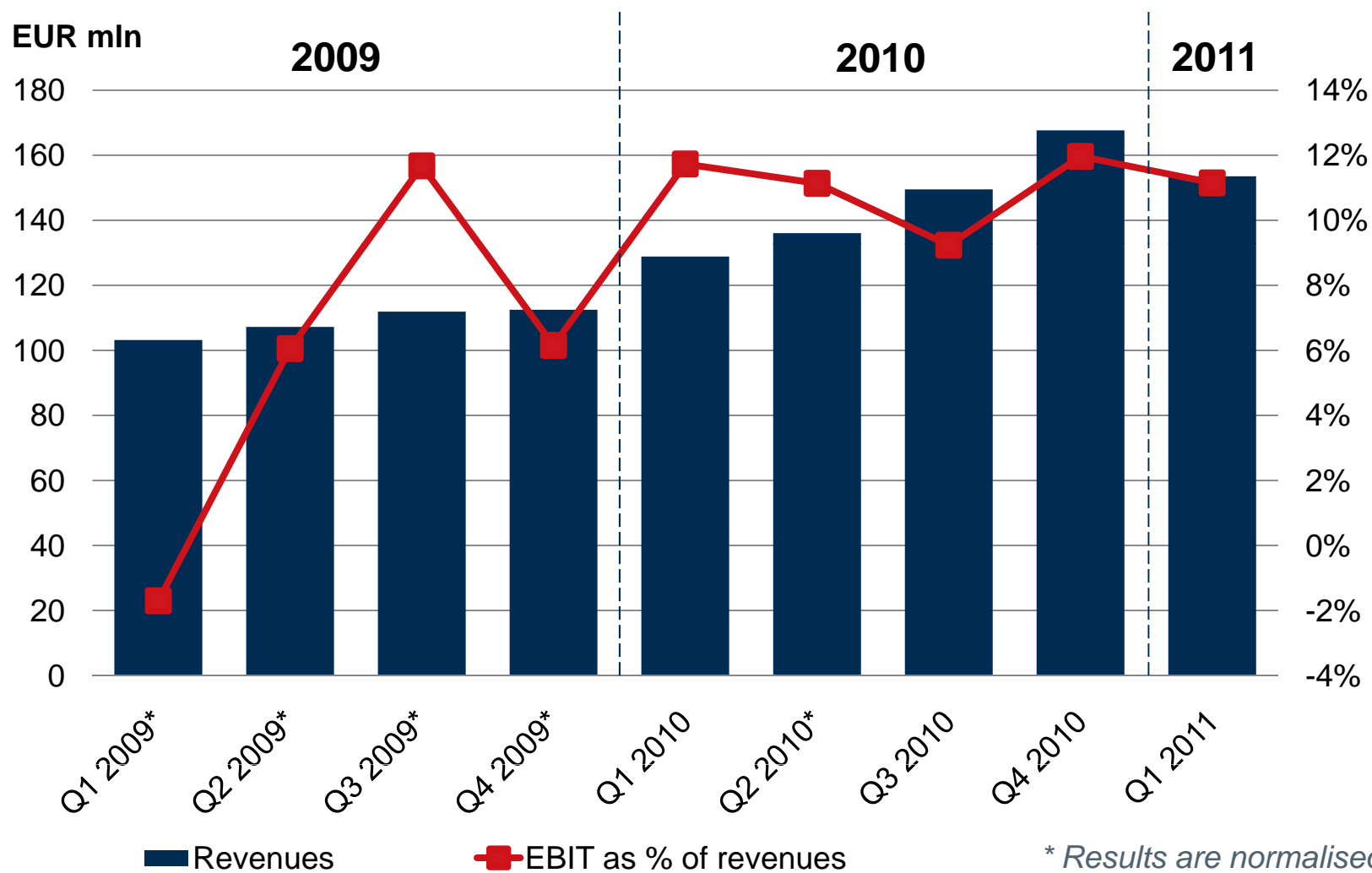


Business results

<i>EUR thousands</i>	Q1 2011	Q1 2010*	Full year 2010*
Revenues	153,537	128,875	582,130
Gross profit	58,918	51,040	221,410
<i>as a % of revenues</i>	38.4%	39.6%	38.0%
Result from operations (EBIT)	17,121	15,119	64,144
<i>as a % of revenues</i>	11.2%	11.7%	11.0%
EBITDA	23,323	20,870	88,060
<i>as a % of revenues</i>	15.2%	16.2%	15.1%
Orders received (incl. service revenues)	160,710	135,028	638,472
Order book	169,328	113,517	162,155

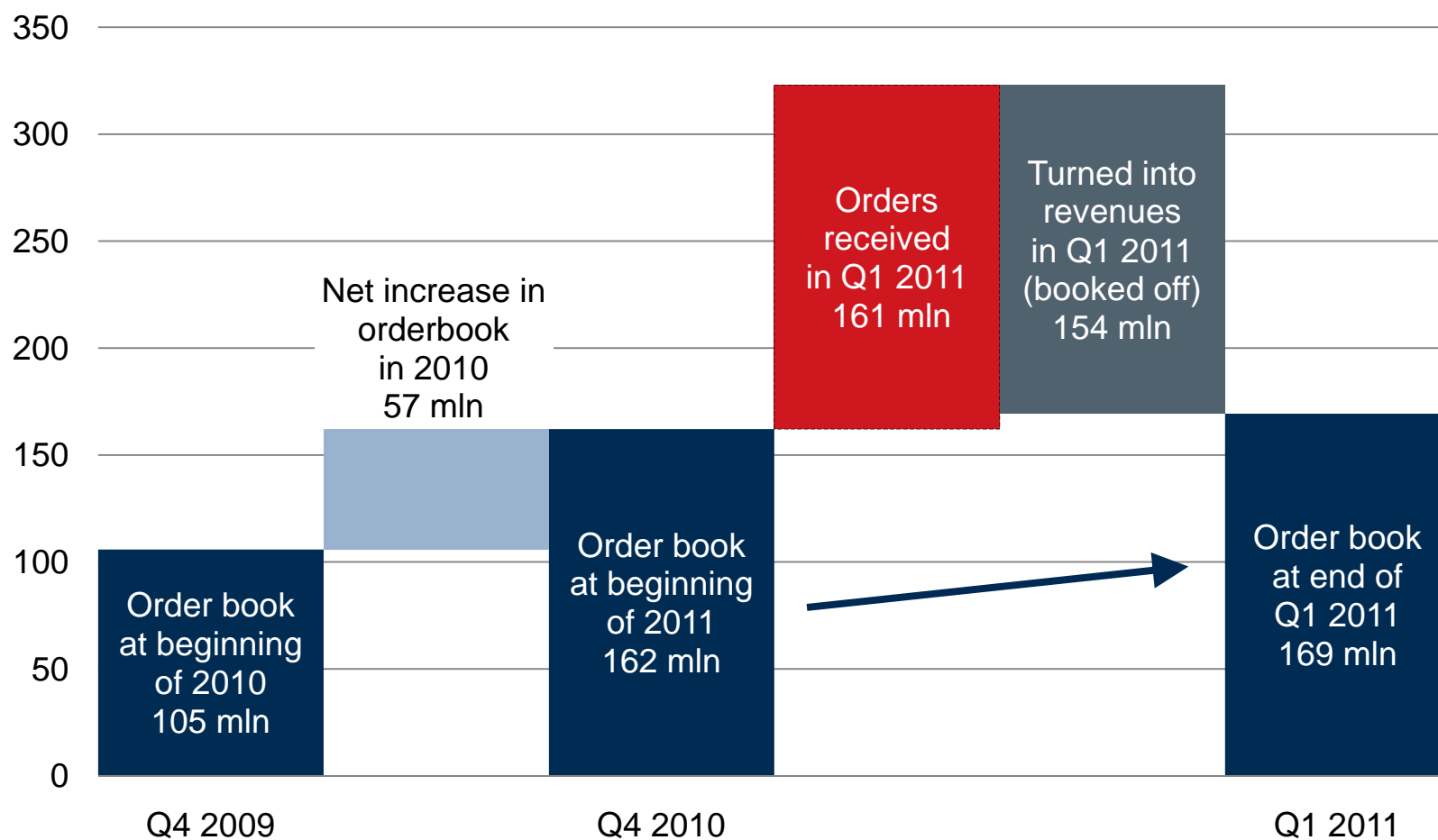
* Last year's results exclude the non-core operations of Carrnitech A/S and Food & Dairy Systems, which were sold off in the first quarter. Furthermore, the full year numbers are normalized for EUR 7.6m pension recovery premium, in order to provide a more useful comparison to 2011.

Development of business results



Order book continued to grow and now stands at a record level

EUR mln



Condensed consolidated balance sheet

ASSETS

EUR thousands

Non-current assets

Property, plant and equipment	106,828	109,418
Goodwill	378,166	379,879
Other intangible assets	92,656	92,884
Investments in associates	109	109
Receivables	3,610	3,669
Deferred income tax assets	10,899	12,619
	<u>592,268</u>	<u>598,578</u>

Current assets

Inventories	83,690	80,590
Production contracts	19,344	18,354
Trade receivables	73,405	87,780
Assets held for sale	598	598
Other receivables and prepayments	31,624	27,815
Restricted cash	5,823	12,509
Cash and cash equivalents	37,590	51,399
	<u>252,074</u>	<u>279,045</u>

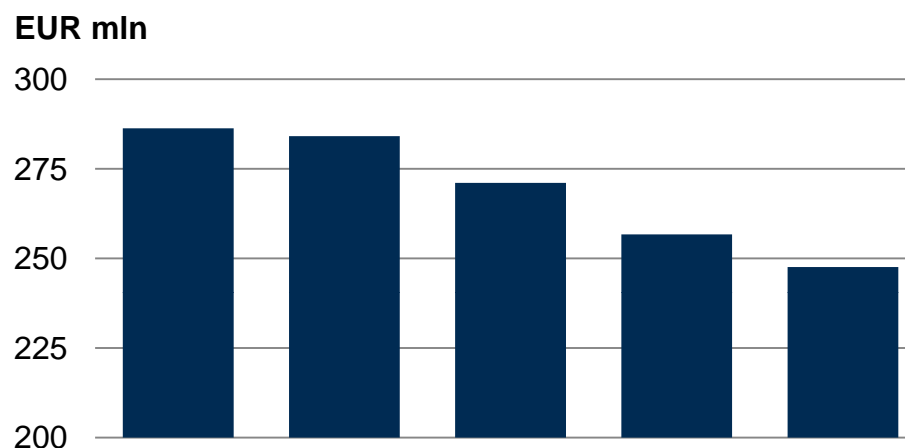
Total assets

	31/3 2011	31/12 2010
	<u>844,342</u>	<u>877,623</u>

Condensed consolidated balance sheet (continued)

EQUITY	31/3 2011	31/12 2010
<i>EUR thousands</i>		
Total equity	356,285	343,269
LIABILITIES		
Non-current liabilities		
Borrowings	274,311	310,751
Deferred income tax liabilities	5,997	4,925
Provisions	6,124	6,719
Derivative financial instruments	7,052	11,028
	<u>293,484</u>	<u>333,423</u>
Current liabilities		
Production contracts.....	66,670	78,306
Trade and other payables	106,356	107,783
Current income tax liabilities	1,325	1,624
Borrowings	16,724	9,898
Provisions	3,498	3,320
	<u>194,573</u>	<u>200,931</u>
Total liabilities	488,057	534,354
Total equity and liabilities	<u>844,342</u>	<u>877,623</u>

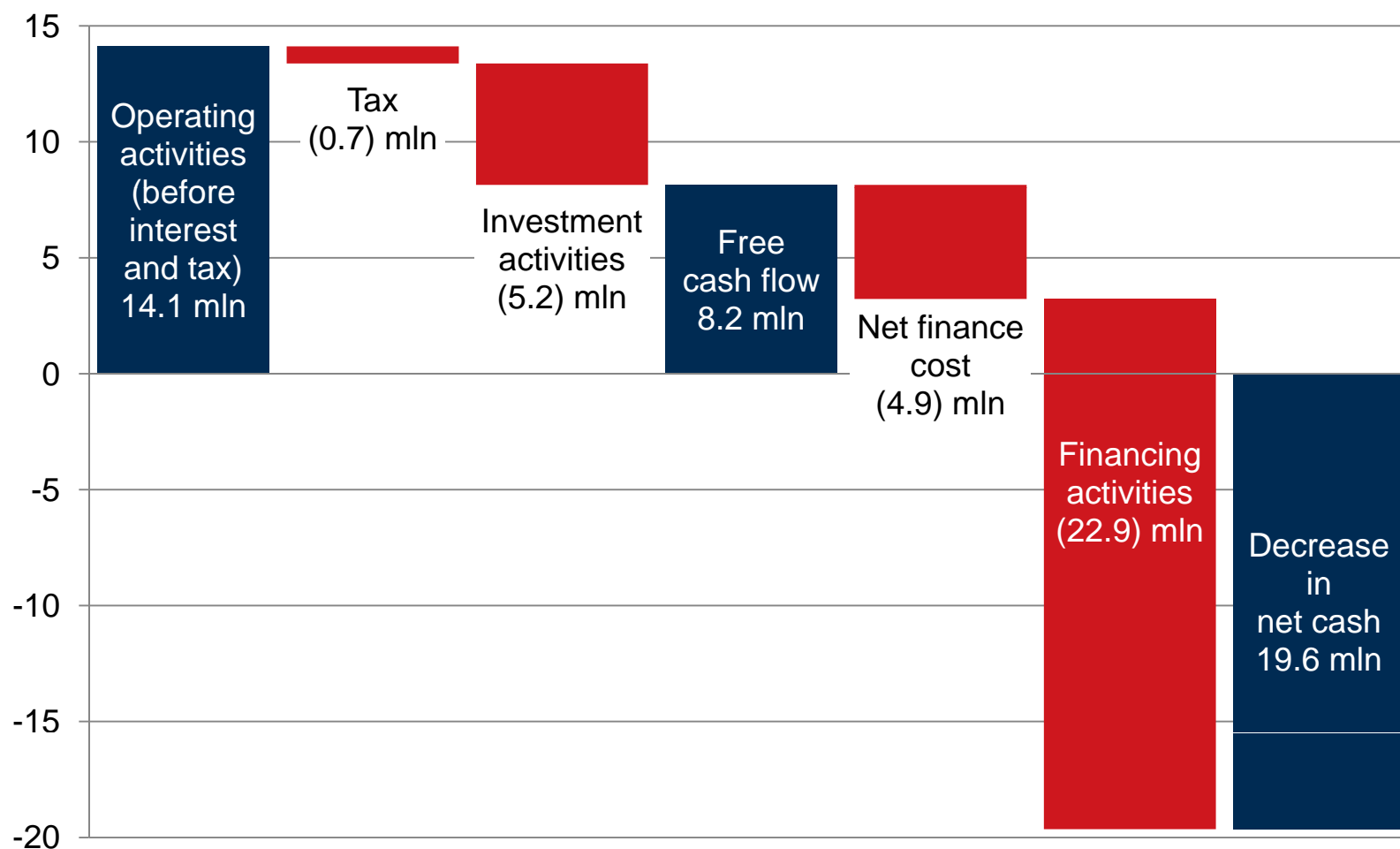
Net interest bearing debt continues to decrease



End of quarter in EUR mln	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Change from Q1 2010
Non-current borrowings	351.6	347.8	342.4	310.7	274.3	(77.3)
Current borrowings	17.9	17.6	15.4	9.9	16.7	(1.2)
Total borrowings	369.5	365.4	357.8	320.6	291.0	(78.5)
Cash and equivalents	83.2	81.3	86.7	63.9	43.4	(39.8)
Net interest bearing debt	286.3	284.1	271.1	256.7	247.6	(38.7)

Q1 2011 cash flow composition

EUR mln



Financial highlights

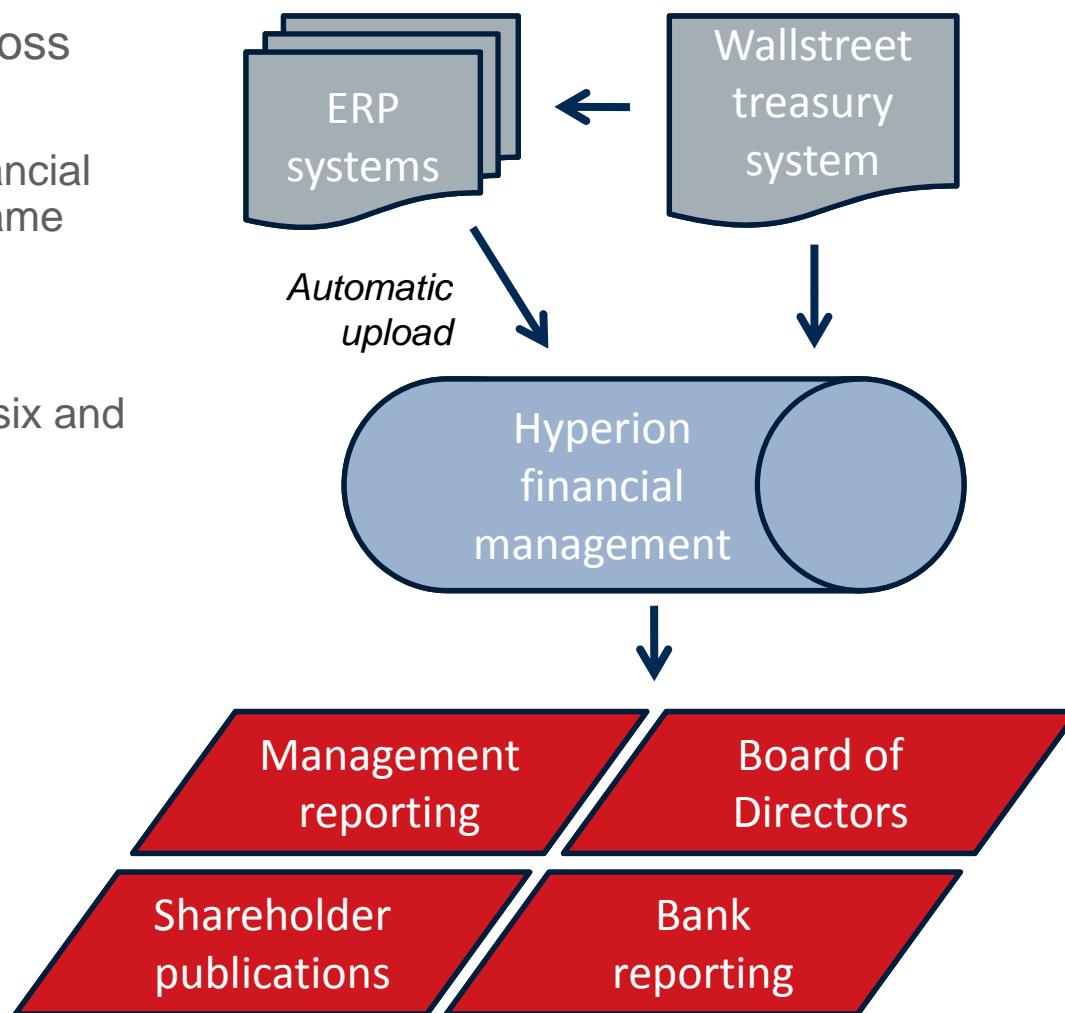
- Great effort invested in ensuring that the company's reduced cost base is sustainable despite the growth in activity
- The company's working capital programme continues to yield improvements in our working capital ratios
- Having reduced leverage, Marel has been able to reduce the average interest terms on the financing package
- The business remains well invested



Why waste high value proteins? Using our patented DMM technology, residual meat is harvested as high-quality meat. The machine above, DMM70, processes up to 3300 kg/hour.

Project example: Improvements in consolidation

- Hyperion implemented across the company
 - All external & internal financial reporting now from the same source
- Greatly improved timing
 - From six weeks down to six and eight working days
- Reporting instructions harmonised
- Improved consistency and quality of information
- Increased focus on forecasting
 - Enables steering towards a desired state of the future



Theo Hoen

CEO



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Poultry: Order flow reflecting positive attitude in the industry

- Major orders received from China, Latin America, Europe and Russia
- Marel has begun to capitalise on its latest innovations in breast de-boning with a number of sales in the quarter
- Seven new poultry solutions were presented at IPE in Atlanta in January, which attracted some 20,000 visitors



The VO-20 RS opening machine has set a new standard in poultry processing, offering reliable opening cut and preventing intestine damage and bare breast tips.

Fish: Good outlook in key markets

- The salmon industry in Norway continues to grow and increased quotas for Alaska pollock have revitalised the US market
- The outlook in other key markets remains good
- At this year's Salmon ShowHow, visitors received an exclusive preview of the Marel MS 2730, a next-generation filleting machine



The new Marel MS 2730, a next-generation filleting machine, was previewed at this year's Salmon ShowHow and is scheduled for launch later this year.

Meat: Order intake exceeding expectations

- Significant orders for boning hall equipment in New Zealand and bacon systems in North America
- Major US bacon processor has ordered multiple IBS 4600 slicers, after having tested this innovative new slicer last year
- Market activity in Europe and South America is strong, indicating that the upward trend will continue into the next quarter



This quarter we saw some significant orders for boning hall equipment, especially in New Zealand.

Further processing: Integration of the sales network paying off

- Several orders for large complete further processing lines were received in Europe during the quarter
- Interest in co-extrusion technology continues to grow in Europe and the US
- The company's heat treatment technology – spearheaded by the flagship ModularOven – continues to gain market share



With the ModularOven leading the way, Marel's Townsend Further Processing heat treatment technology continues to gain market share.

The Q1 results and a growing order book suggest a good year

- Market conditions have continued to improve
- Marel's market position is strong and the excellent level of the order book ensures a good continuation of the year
- Nevertheless, results may vary from quarter to quarter due to fluctuations in orders received and deliveries of larger systems



Deliveries of larger systems affect the results in the respective quarters.

Q & A

Theo Hoen, CEO

Erik Kaman, CFO

Sigsteinn Grétarsson, Managing Director of Marel Iceland



Live broadcast from the DemoCenter in Boxmeer

Jacques Roosenbrand, Manager DemoCenter and Chef



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