

Marel Food Systems hf.

**Condensed Consolidated Interim
Financial Information 30 June 2009**

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Statement by the Board of Directors and the CEO

The condensed consolidated financial information for the six-month period ended 30 June 2009 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional Icelandic disclosure requirements for consolidated financial information of listed companies.

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 2009, its assets, liabilities and consolidated financial position as at 30 June 2009 and its consolidated cash flows for the six-month period ended 30 June 2009.

Further, in our opinion the 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 Food Systems hf. for the six-month period ended 30 June 2009 and confirm them by means of their signatures.

Garðabær, 6 August 2009

Board of Directors

Árni Oddur Þórðarson

Arnar Þór Másson

Friðrik Jóhannsson

Helgi Magnússon

Lars Grundtvig

Margrét Jónsdóttir

Chief Executive Officer

Theo G.M. Hoen

Financial Ratios

	2009 Q2	2008 Q2	2009 YTD Q2	2008 YTD Q2	2008 YE	2007 YE
Operating results						
Revenue	132,002	144,980	262,336	219,015	540,149	289,817
Gross profit	49,231	51,695	91,211	77,080	178,931	97,236
Result before depreciation (EBITDA)	27,998	16,368	28,752	21,442	42,108	20,980
Result from operations (EBIT)	21,590	11,148	15,833	13,325	20,434	10,029
Result for the period	17,341	10,057	10,375	10,796	(8,405)	6,066
Cash flow statement						
Net cash from (to) operating activities	3,391	12,141	19,604	13,903	15,288	2,778
Investing activities	26,804	(441,870)	20,573	(397,115)	(410,671)	(70,249)
Financing activities	(1,876)	372,860	(759)	377,566	386,480	34,118
Financial position						
Total assets	892,066	942,521	892,066	942,521	920,259	427,304
Working capital	84,821	12,332	84,821	12,332	(25,941)	109,887
Equity	305,344	306,214	305,344	306,214	288,279	181,835
Various figures in proportion to sales						
Gross profit	37.3%	35.7%	34.8%	35.2%	33.1%	33.6%
Selling and marketing expenses	14.0%	12.9%	14.6%	13.8%	13.3%	15.5%
Research and development expenses	5.6%	5.1%	6.2%	5.1%	5.1%	5.0%
Administrative expenses	13.3%	10.3%	13.9%	10.6%	11.1%	10.0%
Result before depreciation (EBITDA)	21.2%	11.3%	11.0%	9.8%	7.8%	7.2%
Depreciation/amortization	4.9%	3.6%	4.9%	3.7%	4.0%	3.8%
Result from operations (EBIT)	16.4%	7.7%	6.0%	6.1%	3.8%	3.5%
Result for the period	13.1%	6.9%	4.0%	4.9%	-1.6%	2.1%
Other key ratios						
Current ratio	1.5	1.0	1.5	1.0	0.9	1.9
Quick ratio	1.1	0.5	1.1	0.5	0.5	1.3
Equity ratio	34.2%	32.5%	34.2%	32.5%	31.3%	42.5%
Return on owners' equity	23.7%	16.5%	7.0%	8.8%	-3.6%	3.7%
Return on total assets	7.6%	5.9%	2.3%	3.2%	-1.2%	1.5%
Net Debt	349,412	379,501	349,412	379,501	379,405	129,919
Explanation of other key ratios						
Current ratio	Current assets / Current liabilities					
Quick ratio	(Current assets -/- Inventories -/- Production contracts) / (Current liabilities -/- Production contracts)					
Equity ratio	Total equity / (Total equity + Total liabilities)					
Return on owners' equity	Annualized result for the period / Average of equity (beginning balance + ending					
Return on total assets	Annualized result for the period / Average of total assets (beginning balance + e					
Net Debt	Borrowings (Current & Non-current) -/- Cash & Cash equivalents					

The notes on pages 8-14 are an integral part of the condensed consolidated interim financial information.

Statement of Financial Position

	Notes	30/6 2009	31/12 2008
ASSETS			
Non-current assets			
Property, plant and equipment	10	130,092	145,420
Goodwill	11	393,937	394,978
Other intangible assets	11	88,587	85,459
Investments in associates	19	305	305
Available-for-sale investments		28	28
Receivables		712	2,683
Deferred income tax assets	14	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	20	0	0
Other receivables and prepayments		20,850	34,652
Derivative financial instruments		3	4,364
Cash and cash equivalents	24	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>
EQUITY			
Capital and reserves attributable to equity holders of Marel Food Systems hf.			
Share capital	18	5,986	5,852
Share premium		277,340	269,988
Fair value and other reserves		(10,245)	(9,449)
Retained earnings		32,263	21,888
		<u>305,344</u>	<u>288,279</u>
Minority interest		<u>0</u>	<u>0</u>
Total equity		<u><u>305,344</u></u>	<u><u>288,279</u></u>
LIABILITIES			
Non-current liabilities			
Borrowings	13	373,930	265,807
Deferred income tax liabilities	14	5,829	10,362
Provisions	15	10,655	8,563
Derivative financial instruments		10,601	35,542
		<u>401,015</u>	<u>320,274</u>
Current liabilities			
Trade and other payables	12	141,229	156,203
Liabilities held for sale	20	0	0
Derivative financial instruments		1,058	8,261
Current income tax liabilities		2,988	6,703
Borrowings	13	35,777	134,636
Provisions	15	4,655	5,902
		<u>185,707</u>	<u>311,706</u>
Total liabilities		<u>586,722</u>	<u>631,980</u>
Total equity and liabilities		<u><u>892,066</u></u>	<u><u>920,259</u></u>

The notes on pages 8-14 are an integral part of the condensed consolidated interim financial information.

Statement of Comprehensive Income

YTD 2008 & Q2 2008 numbers include SFS & SFDS as of May 1st 2008

	Notes	2009 Q2	2008 Q2	2009 YTD	2008 YTD
Revenue	4	132,002	144,979	262,336	219,015
Cost of sales		<u>(82,771)</u>	<u>(93,285)</u>	<u>(171,125)</u>	<u>(141,935)</u>
Gross profit		49,231	51,694	91,211	77,080
Other operating income	20	15,716	465	15,748	771
Selling and marketing expenses		(18,441)	(18,651)	(38,174)	(30,159)
Research and development expenses		(7,330)	(7,363)	(16,359)	(11,141)
Administrative expenses		<u>(17,587)</u>	<u>(14,997)</u>	<u>(36,593)</u>	<u>(23,226)</u>
Result from operations	5	21,589	11,148	15,833	13,325
Finance costs - net	6	(1,598)	564	(5,005)	(613)
Share of results of associates	19	0	0	0	473
Result before income tax		19,990	11,712	10,828	13,185
Income tax	7	<u>(2,651)</u>	<u>(1,655)</u>	<u>(453)</u>	<u>(2,389)</u>
Net result	5	17,340	10,057	10,375	10,796

Other Comprehensive Income

Currency translation differences	(1,334)	(7)	(375)	(483)
Cash flow hedges	3,306	3,540	(565)	(1,294)
Income tax relating to cash flow hedges	<u>(843)</u>	<u>(903)</u>	<u>144</u>	<u>330</u>
Other comprehensive income for the year, net of tax	<u>1,129</u>	<u>2,630</u>	<u>(796)</u>	<u>(1,447)</u>
Total comprehensive income for the year	<u><u>18,469</u></u>	<u><u>12,687</u></u>	<u><u>9,579</u></u>	<u><u>9,349</u></u>

Net result attributable to:

Equity holders of the Company	17,340	10,057	10,375	10,796
Minority interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>17,340</u></u>	<u><u>10,057</u></u>	<u><u>10,375</u></u>	<u><u>10,796</u></u>

Comprehensive income attributable to:

Equity holders of the Company	18,469	12,687	9,579	9,349
Minority interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>18,469</u></u>	<u><u>12,687</u></u>	<u><u>9,579</u></u>	<u><u>9,349</u></u>

(Loss) Earnings per share for result attributable to equity holders of the company during the period

(expressed in EUR cent per share):

- basic	8	2.99	2.33	1.79	2.57
- diluted	8	2.99	2.28	1.79	2.50

The notes on pages 8-14 are an integral part of the condensed consolidated interim financial information.

Statement of Changes in Shareholders' Equity

	Attributable to equity holders of the Company					Total	Minor. interest	Total equity
	Share capital	Share premium	Hedge reserve	Transl. reserves	Retained earnings			
Balance at 1 January 2008	4,414	147,584	1,044	(1,546)	30,293	181,789	46	181,835
Result for the period					10,796	10,796		10,796
Other comprehensive income			-964	-483		-1,447		-1,447
Total comprehensive income	0	0	(964)	(483)	10,796	9,349	0	9,349
Sale of treasury shares	22	2,200				2,222		2,222
Business combination						0	(274)	(274)
Purchases of treasury shares						0		0
Employee share option scheme:						0		0
Value of services provided		(23)				(23)		(23)
Dividend related to previous year						0		0
Issue of share capital	1,293	111,812				113,105		113,105
	1,315	113,989	(964)	(483)	10,796	124,653	(274)	124,379
Balance at 30 June 2008	5,729	261,573	80	(2,029)	41,089	306,442	(228)	306,214
Result for the period					(19,201)	(19,201)		(19,201)
Other comprehensive income			-7,557	57		-7,500		-7,500
Total comprehensive income	0	0	(7,557)	57	(19,201)	(26,701)	0	(26,701)
Business combination						0	228	228
Sale (purchases) of treasury shares, net		(185)				(185)		(185)
Employee share option scheme:						0		0
Value of services provided		66				66		66
Issue of share capital - acquisition	123	8,534				8,657		8,657
	123	8,415	(7,557)	57	(19,201)	(18,163)	228	(17,935)
Balance at 31 December 2008	5,852	269,988	(7,477)	(1,972)	21,888	288,279	0	288,279
Result for the period					10,375	10,375		10,375
Other comprehensive income			-421	-375		-796		-796
Total comprehensive income	0	0	(421)	(375)	10,375	9,579	0	9,579
Sale (purchases) of treasury shares, net	(14)	(595)				(609)		(609)
Employee share option scheme:						0		0
Value of services provided		231				231		231
Issue of share capital - acquisition	148	7,716				7,864		7,864
	134	7,352	(421)	(375)	10,375	17,065	0	17,065
Balance at 30 June 2009	5,986	277,340	(7,898)	(2,347)	32,263	305,344	0	305,344

The notes on pages 8-14 are an integral part of the condensed consolidated interim financial information.

Statement of Cash Flows

	Notes	YTD 2009	YTD 2008
Cash flows from operating activities			
Operational result		15,833	13,325
Adjustments to reconcile operational result to net cash provided by operating activities:			
Depreciation and impairment of fixed assets	10	7,165	4,099
Amortisation and impairment of intangible assets	11	5,754	4,018
Currency fluctuations and indexation		8,728	4,232
Income tax paid		(1,962)	(240)
Interest and finance costs paid		(27,761)	(5,619)
Share of results of associates		0	473
Gain on sale of subsidiary		(10,479)	0
Gain on sale of property, plant and equipment		(5,692)	0
Changes in non current receivables		2,038	0
Other changes		0	1,306
Working capital provided by operating activities		(6,376)	21,594
Changes in operating assets and liabilities:			
Inventories and production contracts		26,320	(17,161)
Trade and other receivables		12,232	10,521
Trade and other payables		(13,405)	(3,815)
Provisions		833	
Changes in operating assets and liabilities		25,980	(10,455)
Net cash from operating activities		19,604	11,139
Cash flows from investing activities			
Interest received		825	2,764
Acquisition of subsidiary, net of cash acquired	23	0	(430,504)
Purchase of property, plant and equipment (PPE)	10	(6,392)	(10,807)
Investments in intangibles	11	(8,489)	(9,030)
Divestment of subsidiary, net of cash divested		16,038	0
Loans to associates		0	49,607
Proceeds from sale of PPE		18,587	148
Proceeds from sale of associates		0	3,469
Changes in securities		0	2
Other changes		4	0
Net cash used in investing activities		20,573	(394,351)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		7,843	112,720
Proceeds from (purchase of) treasury shares, net		(357)	2,222
Proceeds from borrowings		163,647	271,275
Repayments of borrowings		(147,119)	(8,387)
Finance lease principal payments		137	(264)
Non current Financial Derivates		(24,838)	0
Other changes		(72)	(0)
Net cash from (to) financing activities		(759)	377,566
Net increase (decrease) in cash and cash equivalents		39,418	(5,645)
Exchange losses on cash and bank overdrafts		(162)	1,217
Cash and cash equivalents at beginning of period		21,038	30,438
Cash and cash equivalents at end of period		60,294	26,010
Cash and cash equivalents		65,669	
Bankoverdrafts		(5,375)	
		<u>60,294</u>	

The notes on pages 8-14 are an integral part of the condensed consolidated interim financial information.

Notes to the financial information

1. General information

Marel Food Systems 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 6 August 2009. The information included herein is not audited.

YTD 2008 & Q2 2008 numbers include Stork Food Systems (SFS) & Stork Food and Dairy Systems (SFDS) as of May 1st 2008.

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

2. Basis of preparation

These condensed interim consolidated financial statements of Company and its subsidiary (the Group) are for six months ended 30 June 2009. They have been prepared in accordance with IAS 34. The interim condensed consolidated report should be read in conjunction with the annual financial statements for the year ended 31 December 2008. The consolidated financial statements for the Group as at and for the period ended 31 December 2008 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 2008, as described in the annual Financial Statements for the year ended 31 December 2008. As of January 1st 2009 we have applied IAS 1 (amended) and IFRS 8. The impact on the condensed interim consolidated financial statements of IFRS 8 is explained in Note 4.

4. Segment information

Business segments

The segment reporting has changed compared to 2008, based on the application of IFRS 8. The segments comprise the industries, which form the basis for managerial decision taking.

The segment information for the six months ended 30 June 2009 are as follows:

	Fish	Poultry	Meat	Further Processing	Others	Total
Total gross segment sales	45,977	104,738	55,720	36,506	37,446	280,387
Inter-segment sales	(653)	(3,234)	(7,213)	(6,247)	(705)	(18,052)
	45,324	101,504	48,507	30,259	36,741	262,335
Result from operations	(3,495)	9,938	(689)	(1,776)	11,855	15,833
Finance costs - net						(5,005)
Result before tax						10,828
Income tax						(453)
Result for the period						10,375
Assets	167,508	177,542	112,392	65,977	368,647	892,066

Result from operations of the Other Segment includes EUR 5.5 m profit on the sale of Real Estate Ketelstraat and EUR 10.5 million profit on the sale of Scanvaegt Nordic.

The segment information of 2008 is not comparable, because the separation into these segments only makes sense for the combined Marel–Stork Food Systems organisation going forward. The Further Processing segment contains business that was part of the former segments Fish and Poultry, therefore these segments have changed as well. The 'Others' segment contains Stork Food & Dairy and Scanvaegt Nordic (up to divestment end of April 2009), as well as the holdings.

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.

Notes to the financial information

5. Quarterly results

YTD 2008 & Q2 2008 numbers include SFS & SFDS as of May 1st 2008

	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008
Revenue	132,002	130,334	150,502	170,633	144,979
Cost of sales	(82,771)	(88,354)	(107,617)	(111,666)	(93,285)
Gross profit	49,231	41,980	42,885	58,967	51,694
Other operating income.....Note 20	15,716	32	(189)	134	465
Selling and marketing expenses	(18,441)	(19,733)	(20,587)	(21,092)	(18,651)
Research and development expenses	(7,330)	(9,029)	(7,644)	(8,552)	(7,363)
Administrative expenses	(17,587)	(19,007)	(21,884)	(14,929)	(14,997)
Result from operations (EBIT)	21,590	(5,757)	(7,419)	14,528	11,148
Finance costs - net	(1,598)	(3,407)	(22,387)	(9,194)	564
Share of results of associates	0	0	0	0	0
Result (loss) before income tax	19,991	(9,164)	(29,806)	5,334	11,712
Income tax	(2,651)	2,198	6,076	(805)	(1,655)
Net result for the period	17,340	(6,966)	(23,730)	4,529	10,057
Net result before deprec. & amortisation (EBITDA)	27,998	754	(89)	20,755	16,368

6. Finance costs – net

YTD 2008 & Q2 2008 numbers include SFS & SFDS as of May 1st 2008

	YTD 2009	YTD 2008
Interest expense:		
- borrowings	(19,469)	(10,832)
- finance leases	(34)	(64)
- other interest expenses	(3,779)	(276)
	(23,282)	(11,172)
Interest income	435	2,882
Other finance income (cost)	(1,105)	0
Net foreign exchange transaction gains/(losses)	18,947	7,665
Dividend received	0	12
	(5,005)	(613)

Net foreign exchange transaction gains include EUR 16 million result on closed ISK financing contracts with Icelandic banks.

7. Income tax expense

YTD 2008 & Q2 2008 numbers include SFS & SFDS as of May 1st 2008

	YTD 2009	YTD 2008
Current tax	(4,934)	(847)
Deferred tax	4,481	(1,542)
	(453)	(2,389)

of which (2,436) is a transfer from Current Tax to Non-Current Tax in 2009

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate

Result before tax	10,828	13,185
Tax calculated at domestic tax rates applicable to profits in the respective countries	(2,034)	1,978
Permanent differences for tax purposes	2,978	30
Impacts from change in tax rate	(9)	(323)
Other items	(1,388)	704
Tax charge	(453)	2,389

The weighted average applicable tax rate was 23.3% (2008: 18.0%).

Notes to the financial information

8. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity 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.

YTD 2008 & Q2 2008 numbers include SFS & SFDS as of May 1st 2008	YTD 2009	YTD 2008
Net result attributable to equity holders (EUR 000)	10,375	10,796
Weighted average number of outstanding shares in issue (thousands)	580,570	419,270
Basic earnings per share (EUR cent)	1.79	2.57
Net result used to determine diluted earnings per share (EUR 000)	10,375	10,796
Weighted average number of outstanding shares in issue (thousands)	580,570	419,270
Adjustments for share options (thousands)	0	12,164
Weighted average number of outstanding shares for diluted earnings per share (thousands)	580,570	431,434
Diluted earnings per share (EUR cent)	1.79	2.50

The outstanding share options will not be exercised at the current market share price, therefore no adjustment for share options is applied.

9. Dividend per share

There are no dividends paid YTD 2008 and YTD 2009.

10. Property, plant and equipment

	Land & buildings	Plant & machinery	Vehicles & equipment	Total
At 1 January 2009				
Cost	110,452	45,670	26,840	182,962
Accumulated depreciation	(7,826)	(16,366)	(13,350)	(37,542)
Net book amount	102,626	29,304	13,490	145,420
Six months ended 30 June 2009				
Opening net book amount	102,626	29,304	13,490	145,420
Exchange differences	2,193	(2,755)	(1,052)	(1,614)
Additions	950	3,938	1,504	6,392
Disposals	(11,640)	(981)	(320)	(12,941)
Depreciation charge	(1,823)	(3,108)	(2,234)	(7,165)
Closing net book amount	92,306	26,398	11,388	130,092
At 30 June 2009				
Cost	101,955	45,872	26,972	174,799
Accumulated depreciation	(9,649)	(19,474)	(15,584)	(44,707)
Net book amount	92,306	26,398	11,388	130,092
			YTD 2009	YTD 2008
Depreciation of property, plant and equipment analyses as follows in the income statement:				
Cost of sales			4,054	2,421
Selling and marketing expenses			458	444
Research and development expenses			468	237
Administrative expenses			2,185	997
			7,165	4,099

Notes to the financial information

11. Intangible assets

	Goodwill	Developm. costs	Patents & Trade nm	Other Intangible	Total
At 1 January 2009					
Cost	395,038	54,254	5,839	45,181	500,312
Accumulated amortisation	(59)	(15,252)	(327)	(4,236)	(19,874)
Net book amount	<u>394,979</u>	<u>39,002</u>	<u>5,512</u>	<u>40,945</u>	<u>480,438</u>
Six months ended 30 June 2009					
Opening net book amount	394,979	39,002	5,512	40,945	480,438
Cost price changes 1-1	(2,266)	(9,223)	46,469	(37,283)	(2,303)
Exchange differences	1,135	518	(1,305)	1,260	1,608
Additions	89	8,011	0	435	8,535
Amortisation charge	0	(3,679)	(1,567)	(508)	(5,754)
Closing net book amount	<u>393,937</u>	<u>34,629</u>	<u>49,109</u>	<u>4,849</u>	<u>482,524</u>
At 30 June 2009					
Cost	393,996	53,560	51,003	9,593	508,152
Accumulated amortisation	(59)	(18,931)	(1,894)	(4,744)	(25,628)
Net book amount	<u>393,937</u>	<u>34,629</u>	<u>49,109</u>	<u>4,849</u>	<u>482,524</u>

	YTD 2009	YTD 2008
Amortisation of intangible assets analyses as follows in the income statement:		
Cost of sales	41	49
Selling and marketing expenses	79	48
Research and development expenses	4,354	3,462
Administrative expenses	1,280	459
	<u>5,754</u>	<u>4,018</u>

Impairment of Goodwill

The Group has tested end 2008 whether goodwill has suffered any impairment. At the closing of Q2 2009, there are no reasons to deviate from the conclusions taken at year-end.

12. Trade and other payables

	30/6 2009	31/12 2008
Trade payables	37,597	41,444
Accruals	3,978	7,791
Production contracts	40,542	42,416
Other payables	59,112	64,552
	<u>141,229</u>	<u>156,203</u>

13. Borrowings

Non-current:		
Bank borrowings	307,895	208,453
Debentures	64,728	57,166
Finance lease liabilities	1,307	188
	<u>373,930</u>	<u>265,807</u>
Current:		
Revolver	5,500	47,508
Bank borrowings	29,464	51,692
Debentures	395	35,238
Finance lease liabilities	418	198
	<u>35,777</u>	<u>134,636</u>
Total borrowings	<u>409,707</u>	<u>400,443</u>

The borrowings include secured liabilities (leases and bank borrowings) in a total amount of EUR 214,245 (31/12/2008: EUR 248,837). The bank borrowings are secured over certain of the land and buildings of the Group and over certain of the inventories. Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Notes to the financial information

	Finance lease liabilities	Other borrowings	Total 30/6 2009	Total 31/12 2008
Liabilities in currency recorded in EUR:				
Liabilities in CHF	0	2,167	2,167	2,332
Liabilities in DKK	1,012	10,458	11,470	20,980
Liabilities in EUR	0	202,921	202,921	218,696
Liabilities in GBP	50	0	50	2,303
Liabilities in ISK, index linked	0	148,561	148,561	102,901
Liabilities in JPY	0	863	863	1,299
Liabilities in NOK	0	142	142	499
Liabilities in SKK	0	0	0	12,483
Liabilities in USD	396	42,868	43,264	38,186
Liabilities in other currency	268	(0)	268	764
	<u>1,726</u>	<u>407,980</u>	<u>409,706</u>	<u>400,443</u>
Current maturities	<u>(418)</u>	<u>(35,359)</u>	<u>(35,777)</u>	<u>(134,636)</u>
	<u>1,309</u>	<u>372,620</u>	<u>373,929</u>	<u>265,807</u>
Annual maturities of non-current liabilities:				
Period 1/7 2010 - 30/6 2011 / year 2010	472	9,115	9,587	41,135
Period 1/7 2011 - 30/6 2012 / year 2011	334	179,847	180,181	8,445
Period 1/7 2012 - 30/6 2013 / year 2012	273	17,326	17,600	58,471
Period 1/7 2013 - 30/6 2014 / year 2013	230	27,948	28,178	12,084
Later	0	138,383	138,383	145,672
	<u>1,309</u>	<u>372,620</u>	<u>373,929</u>	<u>265,807</u>

14. 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 2008	(2,838)
Business combination	295
Exchange differences and changes within the group	230
Income statement charge	(2,389)
Less current tax	847
Tax effect on revaluations via equity	(234)
At 30 June 2008	<u>(4,089)</u>
Business combination (Note 23)	(9,371)
Exchange differences and changes within the group	(88)
Income statement charge	5,271
Less current tax	481
Tax effect on revaluations via equity	3,054
At 31 December 2008	<u>(4,742)</u>
At 1 January 2009	(4,742)
Business combination	11
Exchange differences and changes within the group	(64)
Deferred tax charged P&L	4,481
Tax effect on revaluations via equity	2,608
Rate change	(9)
Others	(237)
Six months ended 30 June 2009	<u>2,048</u>

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:

	30/6 2009	30/12 2009
Deferred tax assets	7,877	5,620
Deferred tax liabilities	<u>(5,829)</u>	<u>(10,362)</u>
	<u>2,048</u>	<u>(4,742)</u>

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

Notes to the financial information

15. Provisions

At 1 January 2008		1,893
Business combination		12,121
Changes entered into income statement		451
At 1 January 2009		14,465
Changes entered into income statement		845
At 30 June 2009		15,310
	30/6 2009	31/12 2008
Analysis of total provisions:		
Current	4,655	5,902
Non current	10,655	8,563
	15,310	14,465

16. Contingencies

Contingent liabilities:

At 30 June 2009 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 12,091 (31/12/2008: EUR 4,651) to third parties.

17. Commitments and insurance

Operating lease commitments – where a group company is the lessee

The Group has made some rental agreements for building, motor vehicles and office equipment, now with the remaining balance of EUR 10,204. The amount will be charged at the relevant rental time of each agreement. The rental agreements will materialise in the years 2009 - 2017.

18. Share capital

	Number of shares (thousands)	Ordinary shares	Treasury shares	Value in ISK Total
At 1 January 2008	400,350	403,786	(3,436)	400,350
Treasury shares sold	2,000		2,000	2,000
At 31 March 2008	402,350	403,786	(1,436)	402,350
Issue of shares	176,514	176,514		176,514
At 1 January 2009	578,864	580,300	(1,436)	578,864
Ordinary shares purchased	(2,127)	0	(2,127)	(2,127)
Issue of shares	26,568	26,568		26,568
At 30 June 2009	603,305	606,868	(3,563)	603,305

The total subscribed number of ordinary shares is 606,9 million shares (2008: 580,3 million shares) with a par value of ISK 1 per share (2008: ISK 1 per share).

19. Investments in associates

	30/6 2009	31/12 2008
Beginning of period	305	3,281
Business combination	0	225
Additions	0	80
Sale of associate	0	(3,754)
Share of results	0	473
End of period	305	305

20. Assets and liabilities held for sale

Assets held for sale reported in the Q1 report have been divested in Q2, therefore no assets nor liabilities held for sale are reported anymore. The result of both transactions is captured in other operating income, real estate Ketelstraat for EUR 5.5 million, Scanvaegt Nordic for EUR 10.5 million.

Notes to the financial information

21. Related party transactions

At the end of June 2009, there are no loans to directors (31 December 2008: EUR nil). On April 14th Marel Group entered into a Share Purchase Agreement to divest Scanvaegt Nordic to Grundtvig Invest A/S, see Note 20. The Grundtvig family is among the largest shareholders of Marel Food Systems and has supported the company's growth. Grundtvig Invest owns 10.6% of Marel Food Systems' shares and Lars Grundtvig is a member of the Board of Directors.

22. Events after the balance sheet date

To our best knowledge there are no subsequent events to report.

23. Business combination

On the 8th of May 2008 the group acquired 100% share of Stork Food Systems. Marel Food Systems paid an acquisition price of EUR 431,6 million plus deal cost of EUR 14 million. Stork Food Systems is subsidiary of Marel Holding B.V. which was established in relation to the acquisition.

24. Cash & cash equivalents

Cash & cash equivalents contain EUR 16.7 million restricted cash for collaterals and guarantees. The bankoverdrafts are included in cash and cash equivalents as negative bank balance.

25. Principal subsidiaries

Marel ehf	Iceland
AEW Delford Group	UK
Carnitech Group	Denmark
Scanvaegt International Group	Denmark
Stork PMT B.V.	Netherlands
Stork Gamco Inc.	USA
Stork Titan B.V.	Netherlands
Stork Townsend B.V.	Netherlands
Stork Townsend Inc.	USA
Stork Food & Dairy Systems B.V.	Netherlands
Marel Chile S.A.	Chile
Marel Food Systems	Slovakia
Marel Food Systems A/S	Denmark
Marel Food Systems GmbH & Co KG	Germany
Marel Food Systems Inc	USA
Marel Food Systems LLC	Russia
Marel Food Systems Ltd	Thailand
Marel Food Systems Pty Ltd	Australia
Marel Food Systems South Africa	South Africa
Marel Holding B.V.	Netherlands
Marel Spain S.L.	Spain

All subsidiaries are wholly owned. All holdings are in the ordinary share capital of the entity concerned.