

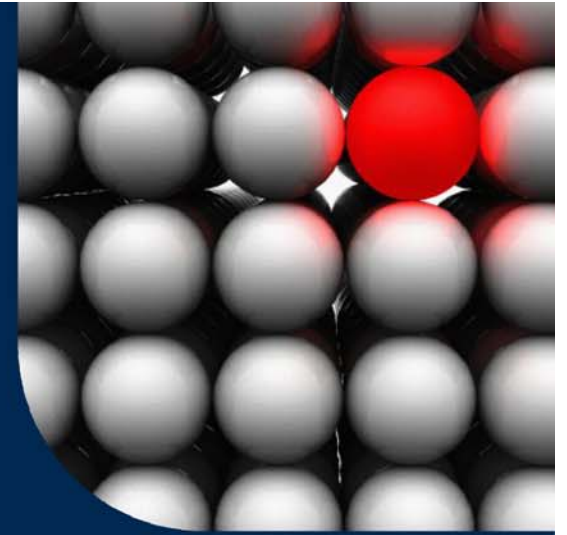
Q3 2009 Presentation

Theo Hoen, CEO of Marel Food Systems hf.

Erik Kaman, CFO of Marel Food Systems hf.

Sigsteinn Grétarsson, MD of Marel ehf.

November 4, 2009



Theo Hoen

CEO of Marel Food Systems hf.



- 1** Introduction
- 2 Pro forma operations of core business
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Good performance and improved market conditions

- Once again, we see improved results between quarters
- Orders received in our core business held their ground despite the summer holiday period
- Market conditions have improved although the rebound is slower than anticipated
- We are confident that the bottom of the market is behind us



There has been a substantial increase in activity, particularly in the poultry industry segment

Rationalization measures have paid off

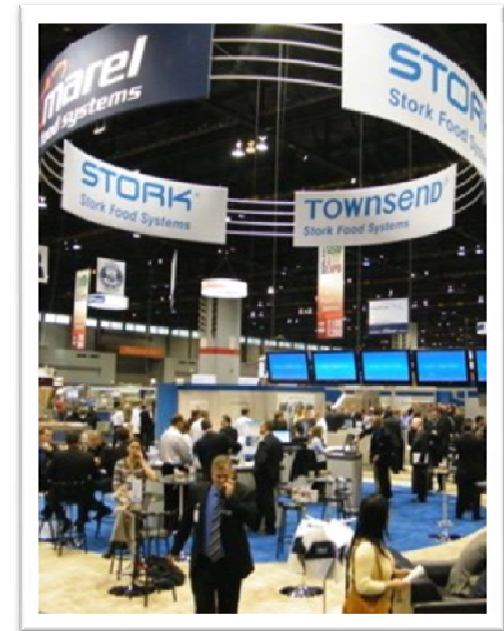
- Annual savings of €25 mln have brought the company to a new and substantially lower cost base
- We have increased our gross margin and EBIT return on sales, while maintaining a positive cash flow
- Strict cost controls are still in place



*Marel now has over €55 mln
in cash and cash equivalents*

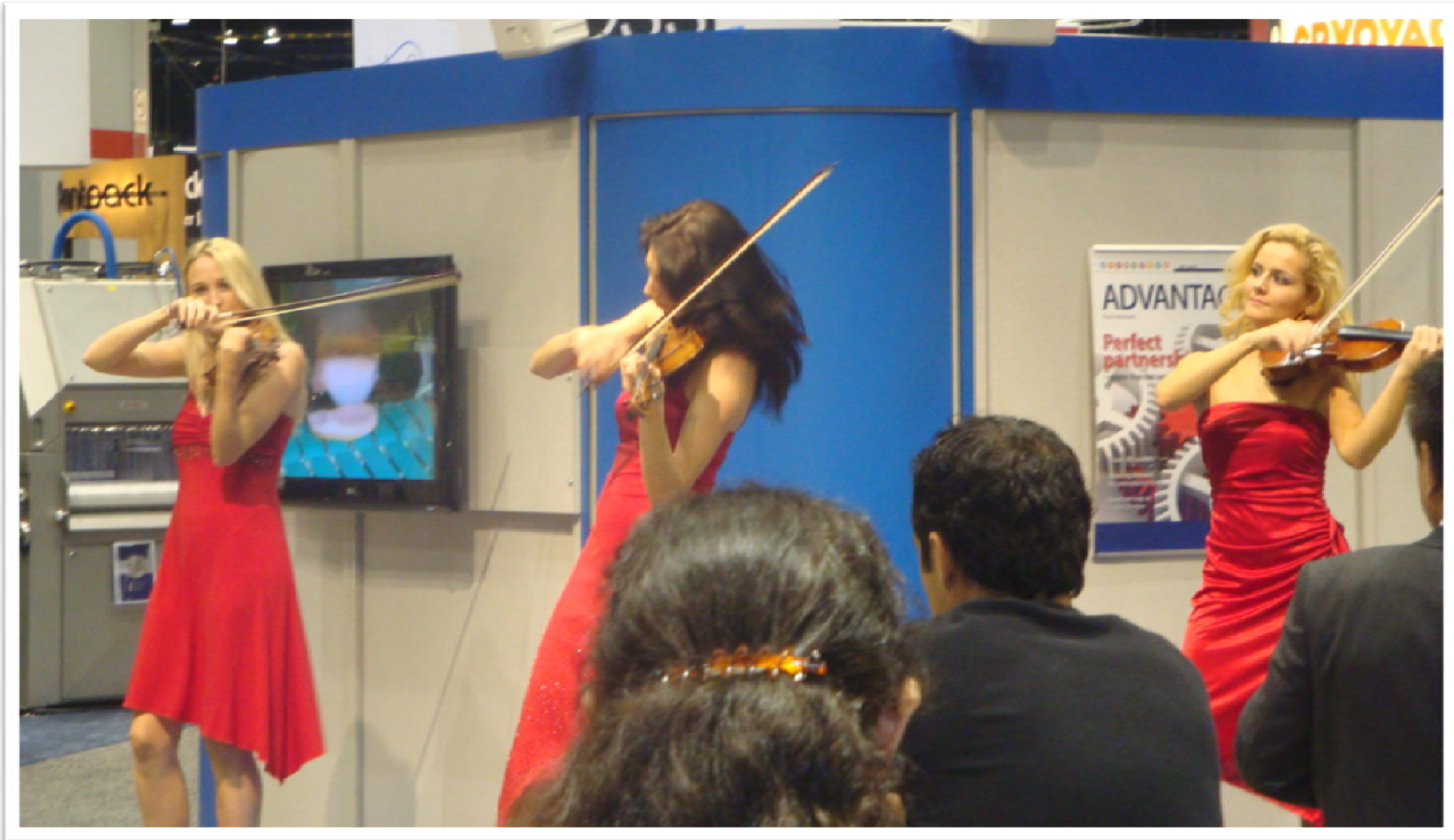
Focus on integration

- We are focusing on integration with the aim of capturing synergies from the merger
- New products combine the advanced technologies that each company has to offer
- Our sales and service network will present one unified face to our customers
- The name of our company will be Marel



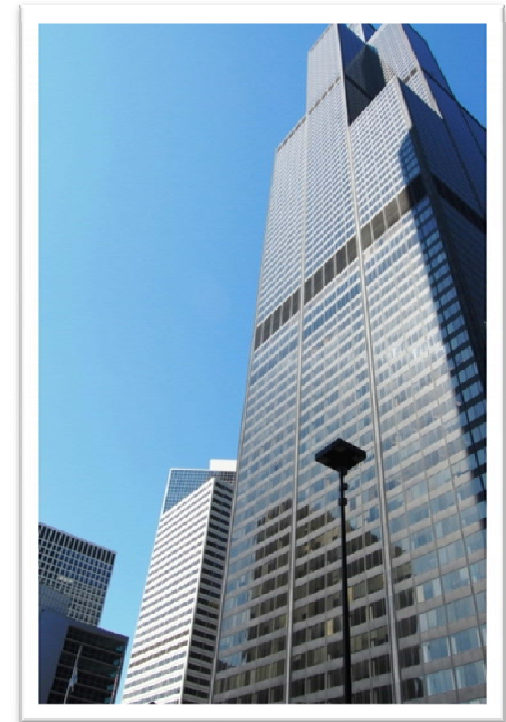
The recent AMI show in Chicago was a huge success

We struck an innovative chord in Chicago

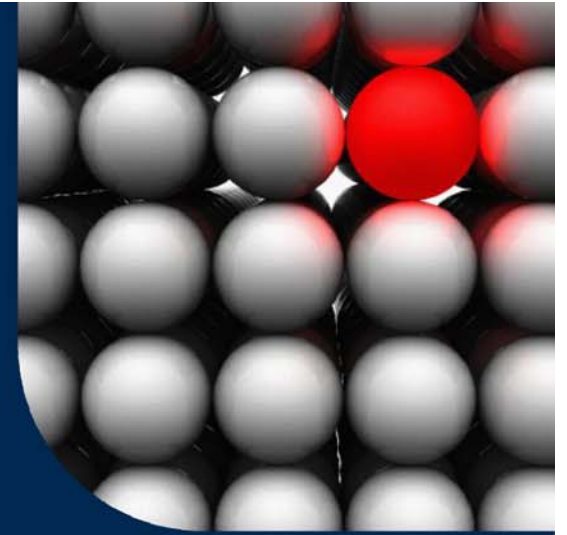


Strengthened shareholder base

- Funds managed by Columbia Wanger Asset Management have acquired close to 32.2 million shares in Marel Food Systems, equivalent to a 5.2% ownership
- Shows that the international investment community has confidence in the future of our market and our company
- The transaction has increased foreign ownership to 16%, which is in line with the company's stated goal to strengthen and internationalize its shareholder base



Columbia Wanger Asset Management LP is based in Chicago, Illinois



Erik Kaman

CFO of Marel Food Systems hf.



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Consolidation vs. pro forma core operations

Q3 2009 in € mln	EBIT	Revenues	Share
Pro forma core business	13.1	111.9	84%
Non-core operations	(1.3)	21.8	16%
Consolidated operations	11.8	133.7	100%

Non core operations

- Stork Food & Dairy Systems

- The company has gone through successful change of strategy and is enjoying high order intake

- Carnitech A/S

- One of Carnitech's two manufacturing sites in Denmark was closed in Q3 and the activities consolidated at the remaining site

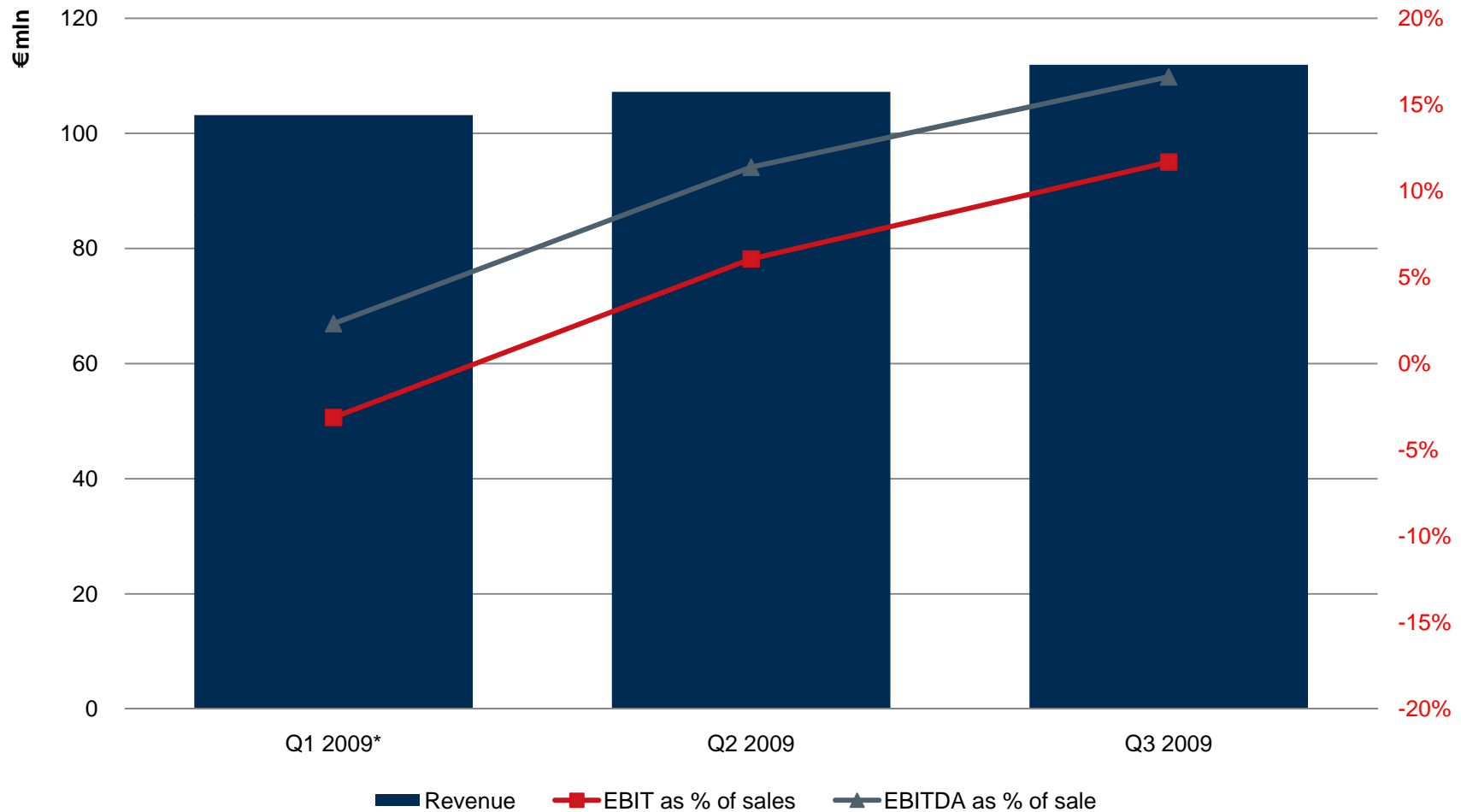
Pro forma income statement of core business*

In EUR thousands

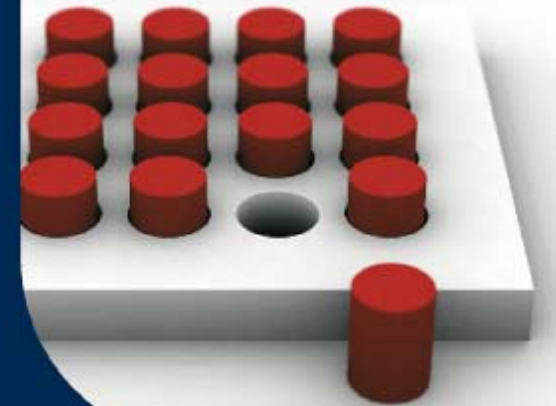
	Q3 2009	Q2 2009	Q1 2009
Sales	111,922	107,208	103,174
Cost of sales	(66,168)	(64,584)	(69,075)
Gross profit	45,754	42,624	34,099
Other operating income	(79)	(324)	47
Selling and marketing expenses	(14,116)	(14,890)	(16,211)
Research and development expenses .	(6,496)	(6,269)	(7,835)
Administrative expenses	(11,999)	(14,619)	(15,320)
Profit from operations (EBIT)	13,064	6,496	(5,220)
EBIT, excluding one-off restructuring costs			(1,720)
Gross profit margin	41%	40%	33%
EBITDA	18,587	12,192	391
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.

Development of core business results



* Q1 2009 results are normalized.



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Consolidated income statement

	EUR thousands		% of sales	
	Q3 2009	Q3 2008	Q3 2009	Q3 2008
Revenue	133,659	170,633		
Cost of sales	(83,915)	(111,666)		
Gross profit	49,744	58,967	37.2%	34.6%
Other operating income	(339)	134		
Selling and marketing expenses	(16,960)	(21,092)	12.7%	12.4%
Research and development expenses	(6,263)	(8,552)	4.7%	5.0%
Administrative expenses	(14,410)	(14,929)	10.8%	8.7%
Result from operations	11,771	14,528	8.8%	8.5%
Finance costs - net	(10,572)	(9,194)		
Result before income tax	1,200	5,334		
Income tax expense	(342)	(805)		
Net result	858	4,529	0.6%	2.7%
EBITDA	17,986	20,755	13.5%	12.2%
Depreciation and amortization	6,215	6,227	4.6%	3.6%

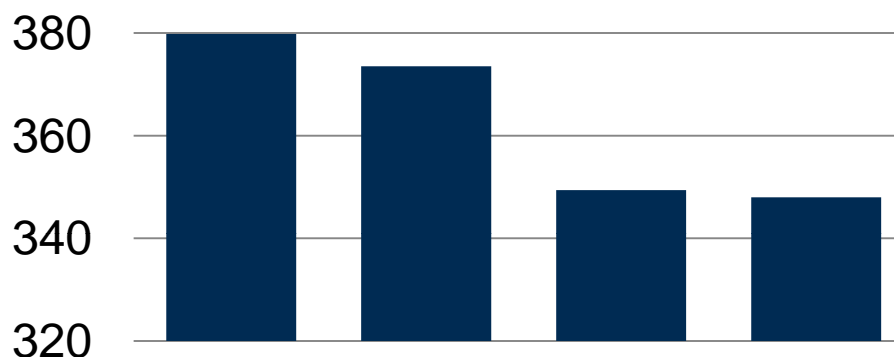
Consolidated balance sheet

ASSETS	EUR thousands	
	Sept 30, 2009	Dec 31, 2008
Non-current assets		
Property, plant and equipment	127,178	145,420
Goodwill	392,867	394,978
Other intangible assets	87,843	85,459
Investments in associates	305	305
Available-for-sale investments	28	28
Receivables	462	2,683
Deferred income tax assets	11,067	5,620
	<u>619,750</u>	<u>634,493</u>
Current assets		
Inventories	92,494	113,636
Production contracts	15,878	26,473
Trade receivables	79,634	85,603
Other receivables and prepayments	8,937	34,652
Derivative financial instruments	858	4,364
Cash and cash equivalents	55,109	21,038
	<u>252,910</u>	<u>285,766</u>
Total assets	<u><u>872,660</u></u>	<u><u>920,259</u></u>

Consolidated balance sheet (continued)

	EUR thousands	
	Sept 30, 2009	Dec 31, 2008
EQUITY		
Total equity	<u>303,750</u>	<u>288,279</u>
LIABILITIES		
Non-current liabilities		
Borrowings	366,815	265,807
Deferred income tax liabilities	9,561	10,362
Provisions	9,596	8,563
Derivative financial instruments	<u>11,905</u>	<u>35,542</u>
	397,877	320,274
Current liabilities		
Trade and other payables	126,623	156,204
Derivative financial instruments	1,876	8,261
Current income tax liabilities	2,953	6,703
Borrowings	36,253	134,636
Provisions	<u>3,329</u>	<u>5,902</u>
	171,034	311,706
Total liabilities	568,911	631,980
Total equity and liabilities	<u><u>872,660</u></u>	<u><u>920,259</u></u>

Development of net interest bearing debt






At end of quarter in € mln	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Change from Q4
Non-current borrowings	265.8	272.9	373.9	366.8	101.0
Current borrowings	134.6	133.6	41.3	36.3	(98.3)
	400.4	406.5	415.2	403.1	2.7
- Cash and equivalents	21.0	33.0	65.7	55.1	34.1
Net interest bearing debt	379.4	373.5	349.5	348.0	(31.8)

Statement of Cash Flows

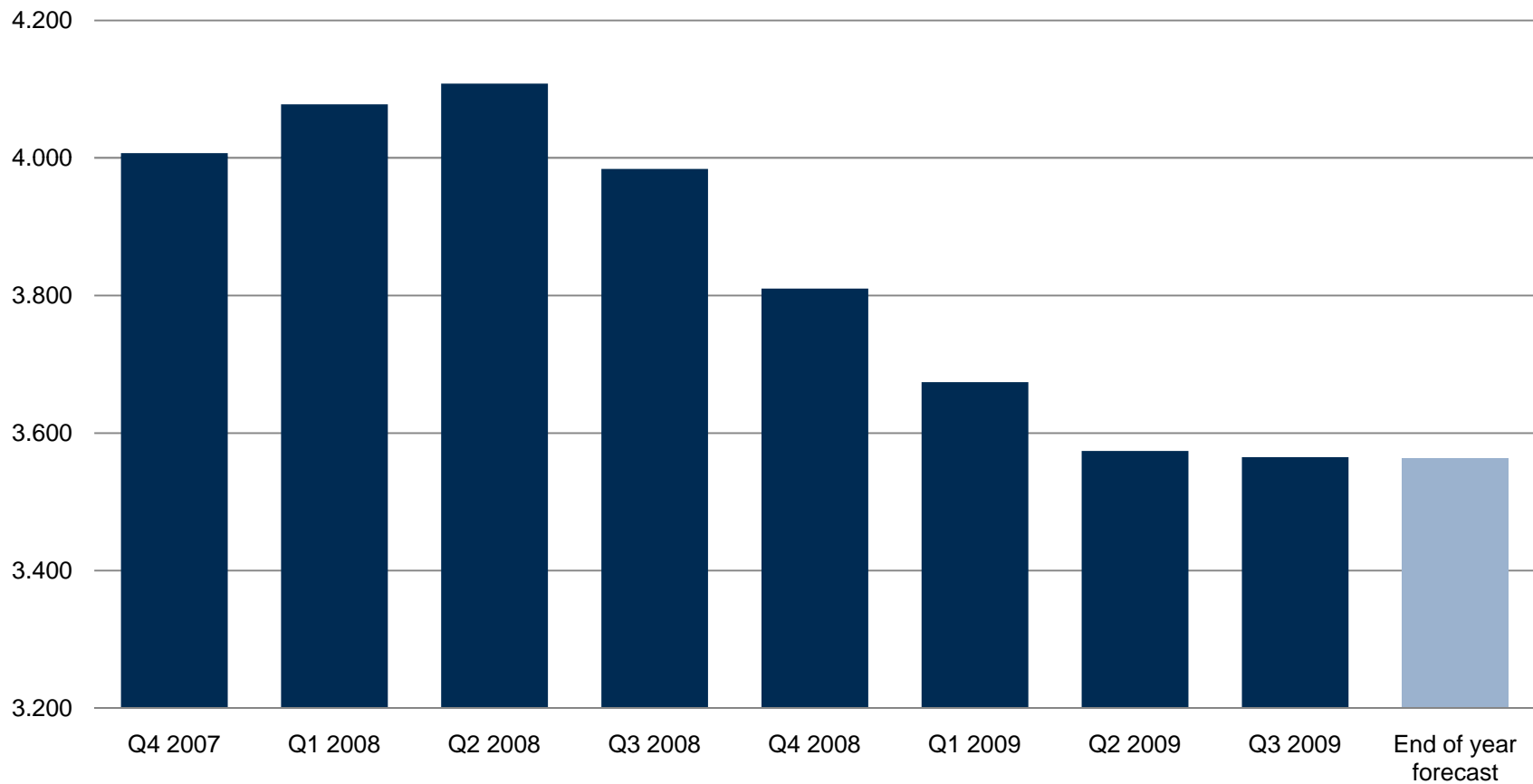
	EUR thousands	
	YTD 2009	YTD 2008
Net cash from operating activities	24,669	13,885
Net cash from (used in) investing activities	15,346	(408,454)
Net cash from (to) financing activities	(9,946)	381,067
Net increase /(decrease) in cash	30,068	(13,502)
Cash at beginning of period	21,038	30,438
Currency fluctuations affecting cash	46	(2,125)
Cash at end of period	51,152	14,811
Cash and cash equivalents	55,109	
Bankoverdrafts	(3,957)	
	51,152	

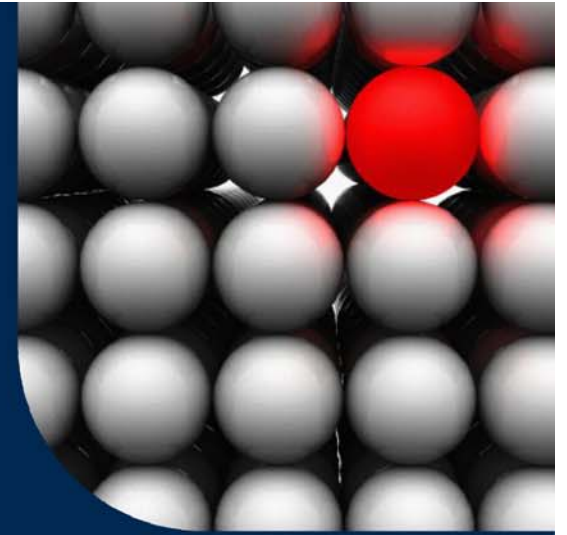
Financial highlights

- Sales of larger systems are starting to grow again
 - Orders received remain stable after good growth in Q1 and Q2
- Actions have been taken to respond to changed market conditions 
 - 13% reduction in the number of employees from peak in 2008
 - Rationalization measures have brought the company to a lower cost base without risking core competencies
 - €25 mln in annualised savings have been achieved
- Focus kept on cash flow 
 - Operational working capital has been reduced by €30-35 million
 - The company is very well invested and there is limited need for CAPEX in 2009 and 2010
- Asset sales target of €30-50 mln in 2009 achieved 

13% reduction in employees from peak in 2008

Employees (excluding Scanvaegt Nordic A/S)





Theo Hoen

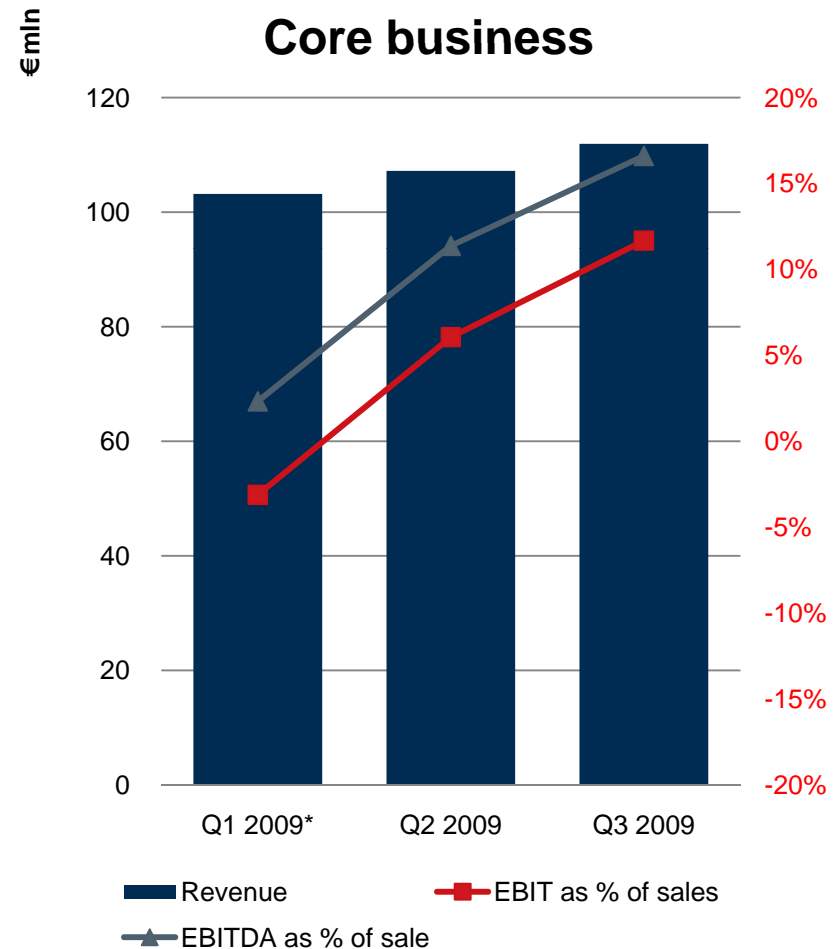
CEO of Marel Food Systems hf.



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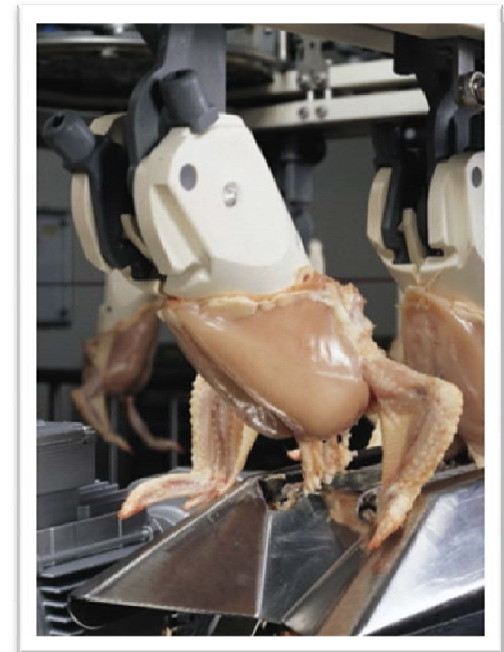
Key markets are gradually improving

- Following an increase for two quarters, order intake held its ground, despite the summer holiday period
- Order intake may nevertheless vary in coming quarters due to business cycle fluctuations and the timing of large projects
- There is a noticeable improvement in the sale of medium-sized projects



Poultry is leading the way with the biggest growth

- Most markets have rebounded well
- Sales activity has picked up
- It is unlikely though that large greenfield projects will materialise until Q1 or Q2 2010



Processors are continuing to invest in Storks's FHF-XB front half deboning systems, as well as complete poultry processing lines

Investment is on the rise in the fish processing industry

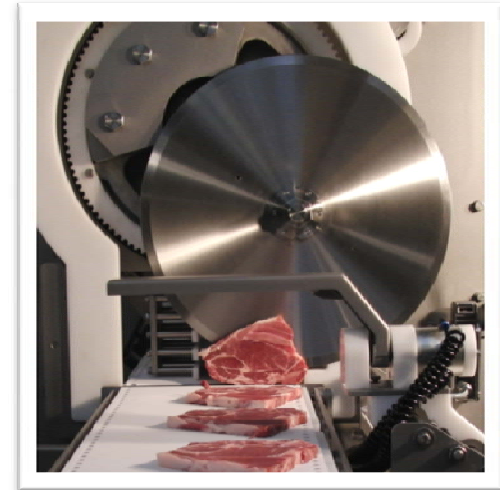
- Sales in the fish industry are close to target
- While the global economic crisis has affected many small- and medium-sized companies, larger plants have fared better
- The salmon industry is performing well and processors are profiting
- New EU regulations are expected to create opportunities, as companies will have to reform their management procedures to keep track of catch origin



The salmon industry is performing well and processors are profiting

The fresh meat market has improved noticeably

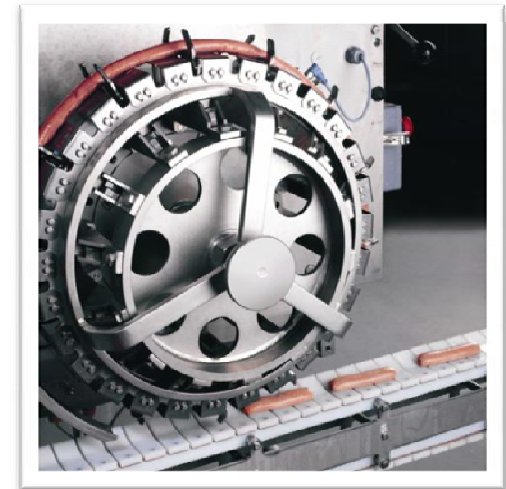
- The meat industry is slowly recovering after a year-long recession
- The market has responded very favourably to our integrated meat processing solutions
- The decision two years ago to focus in particular on medium-sized projects for medium-sized companies is yielding good results



Marel's I-cut Bone was also presented at AMI in Chicago.

High level of activity in further processing

- Added value processors are profiting from a shift in consumption to less expensive proteins and processed products like sausages
- High level of activity is offset by a slow conversion to sales
- Processors are responding by adapting and updating their production processes and systems




Townsend's QX technology revolutionizes sausage making.

Customer focus: Sysco Corporation



- Sysco owns and operates 17 meat processing plants in the United States and Canada
 - Marel recently sold an **innovative new StreamLine processing line** which is fully integrated with Innova – our state-of-the-art production management software – which is to be used at one of their plants
 - The solution enables Sysco to increase production up to 50% without adding labor while increasing yield
- **The success of the StreamLine processing lines and Innova software system demonstrates how important innovation and research and development are to the business**

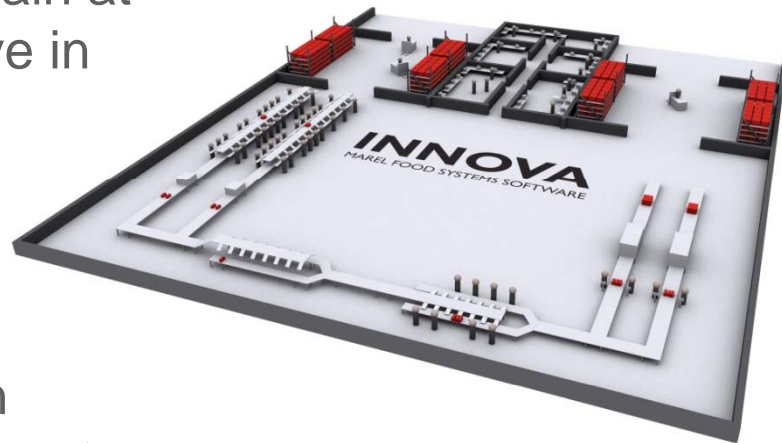
A high-angle, wide shot of a large industrial meat processing facility. The facility is filled with long, parallel production lines. Each line consists of a series of stainless steel workstations, including cutting tables, conveyor belts, and packaging stations. Several workers in white uniforms and hairnets are visible, working at different stations along the lines. The floor is made of light-colored square tiles. In the background, there are large windows and some hanging meat carcasses. The overall atmosphere is clean and organized.

“The solution offered by Marel will enable us to increase production up to 50% without adding labor and pick up a 2-3 point yield gain. We are excited to be the first meat processing facility in the United States to utilize this state-of-the-art production line”

– Gary F. Szura, Sr. Vice President and General Manager of Buckhead Beef NE, A Sysco Company.

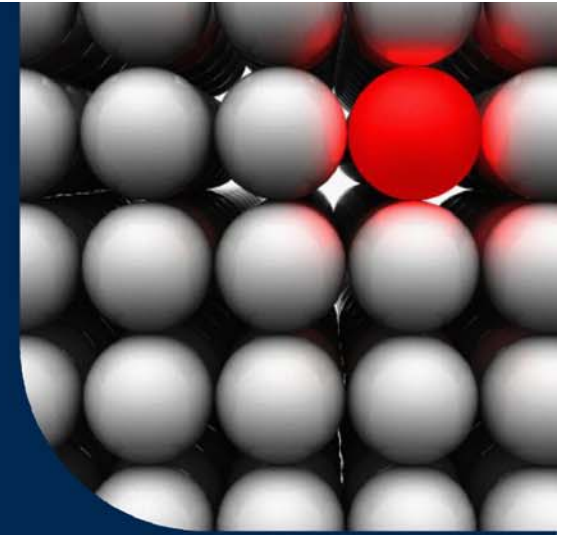
Future outlook remains favourable

- Market activity is expected to remain at the current level or slightly improve in coming months
- The expectation is that the year 2010 will have a better start than 2009
- Operational results will improve in accordance with market developments, supported by the company's continued focus on cost control



Marel's Innova software ties our products together.

→ Results could vary quarter by quarter but long-term prospects are good



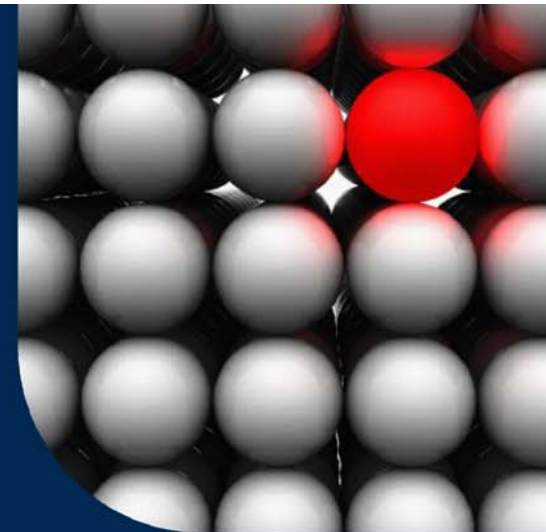
Q & A

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