

CEO's address

Theo Hoen



- 1** Introduction
- 2** Consolidated financial accounts
- 3** Core business results
- 4** Outlook and opportunities



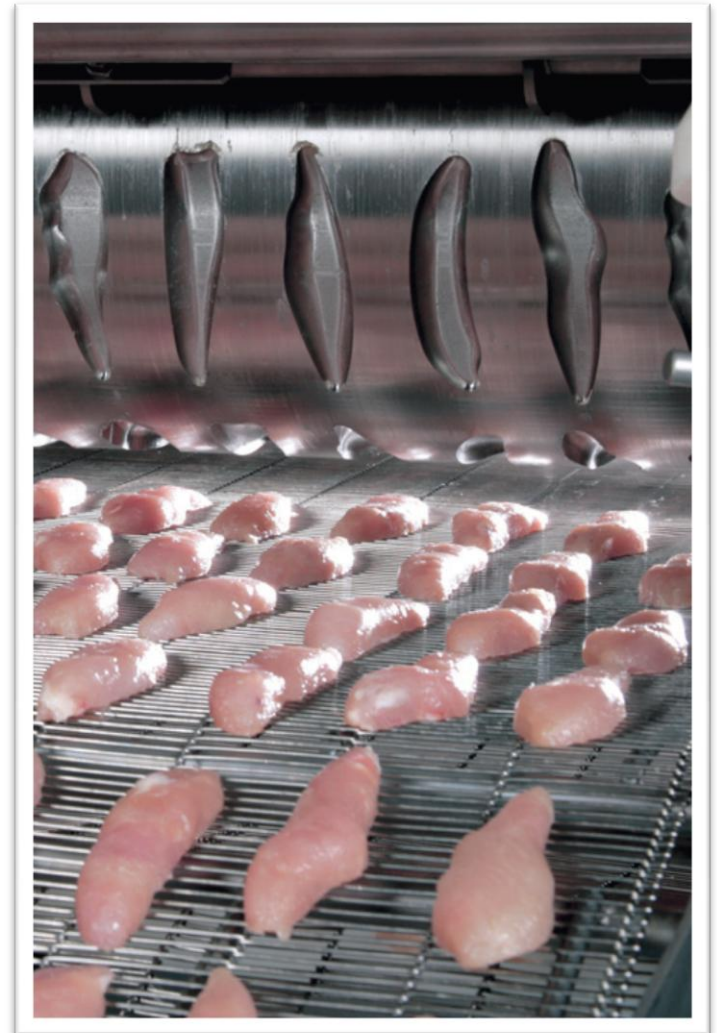
Global leader

- Marel has established itself as the global leader in its field
- This achievement is the result of an ambitious growth strategy
- Being the biggest is not our main goal
- We want to be recognized as the BEST company in the industry
- That is what we have been working toward during the past year



Being the BEST

- Being the BEST means excelling in three main areas:
 1. **Market presence**
 2. **Innovation**
 3. **Operational excellence**



Being the BEST means excelling at market presence

- Marel has offices and subsidiaries in **30** countries
- We have also more than **100** agents and distributors around the world



Being the BEST means excelling at innovation

- A culture of innovation is the cornerstone of Marel's global leadership
- Marel invests an average of **5-7%** of revenues annually in R&D, far above the industry average
- We have over **400** highly qualified scientists and technicians in the field of engineering and food technology
- We have been granted over **200** patents on our technology
- In 2009, Marel introduced more than **60** new products



Being the BEST means excelling at operational excellence

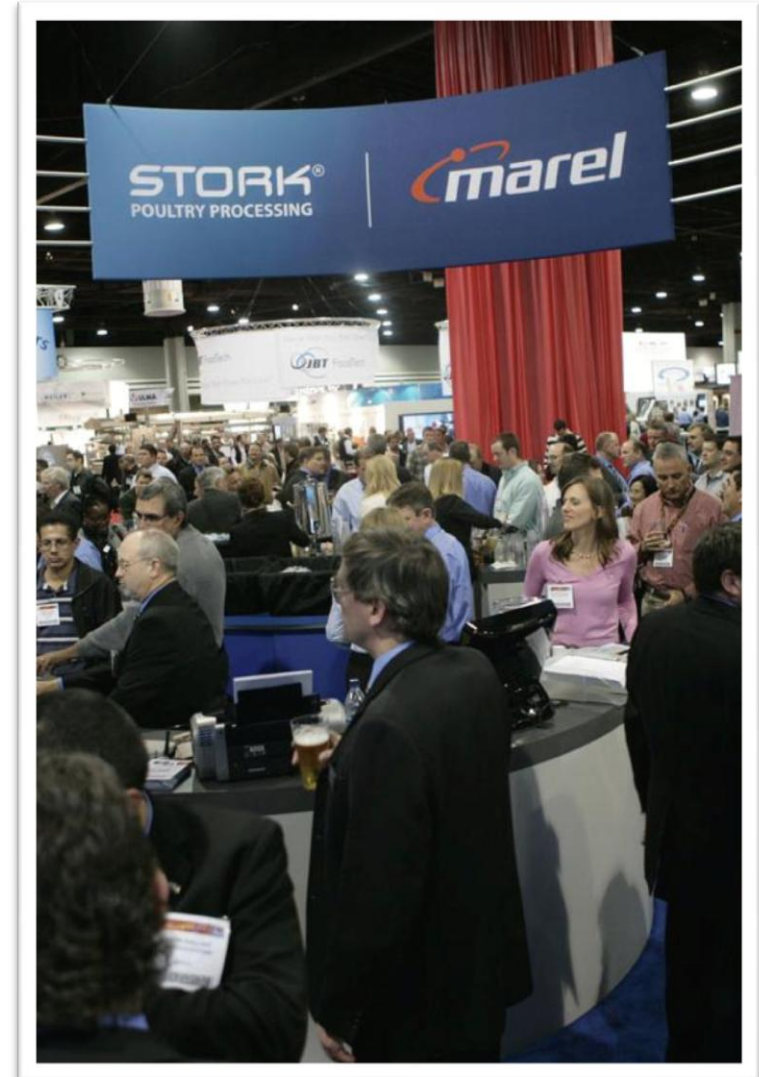
“ Marel is recognised for its approach to the way they develop equipment and ideas. They listen to the issues Cargill Meats Europe have in their operations and work with us to find resolutions. They are flexible in their approach as to how best to cover their costs and constantly strive to the best at what they do... ”

From the Cargill Meats certificate

- Marel was the only company to be awarded by Cargill Meats Europe at its supplier conference in Hereford, UK, last year
- Marel was awarded for operational excellence as well as customer focus
- Recognitions like this are important to us as they are the best indication that we are on the right path

Becoming one company

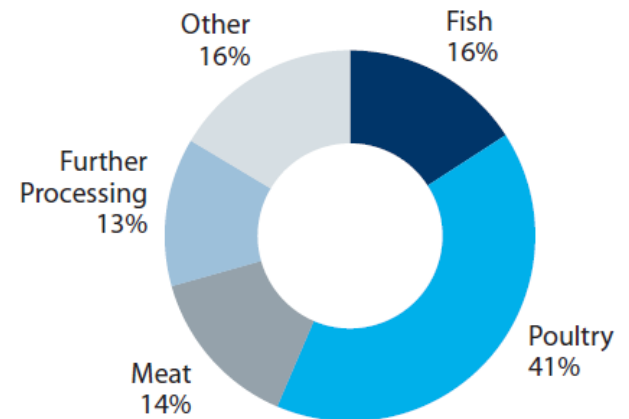
- We are convinced that as one company, we serve our customers better
 - By combining our sales and service channels, we are strengthening our market presence across the globe
 - In addition, a steady pipeline of innovative new integrated solutions gives us the competitive edge
- **The integration process delivering positive results, which will further materialize in 2010**



Market oriented organization

- In 2009, Marel announced that it was going to structure the company around its four core industry segments
 - Fish
 - Poultry
 - Meat
 - Further processing

Sales in 2009, by business segment



→ Marel has established Industry Centres in each of these segments

ONE company – four Industry Centers – three key brands

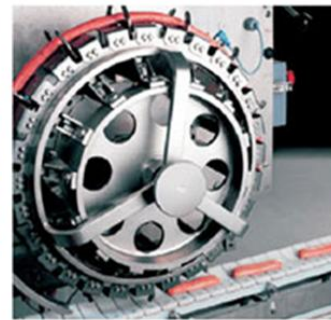
- The Industry Centers are the key drivers of our operations
- They are marketed under the names of our three key brands



Number 1 globally
in advanced equipment and systems for poultry processing



Number 1 globally
in advanced equipment and systems for fish processing



Number 1 globally
in advanced equipment and systems for segments of further processing



Major global provider
of advanced equipment and systems for meat processing

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Consolidated income statement

	EUR thousands		% of sales	
	2009	2008	2009	2008
Revenue	531,680	540,149		
Cost of sales	(340,006)	(361,218)		
Gross profit	191,674	178,931	36.1%	33.1%
Other operating income (expenses)	(9,169)	716		
Selling and marketing expenses	(73,443)	(71,838)	13.8%	13.3%
Research and development expenses	(31,149)	(27,337)	5.9%	5.1%
Administrative expenses	(69,866)	(60,038)	13.1%	11.1%
Result from operations	8,047	20,434	1.5%	3.8%
Finance costs - net	(25,845)	(32,194)		
Share of results of associates	0	473		
Result before income tax	(17,797)	(11,287)		
Income tax	5,987	2,882		
Net result	(11,810)	(8,405)	(2.2%)	(1.6%)
EBITDA	58,752	42,109	6.4%	7.8%
Depreciation and amortization	25,887	21,675	4.9%	4.0%
Impairments (non-core activities €24.5 mln)	24,818			

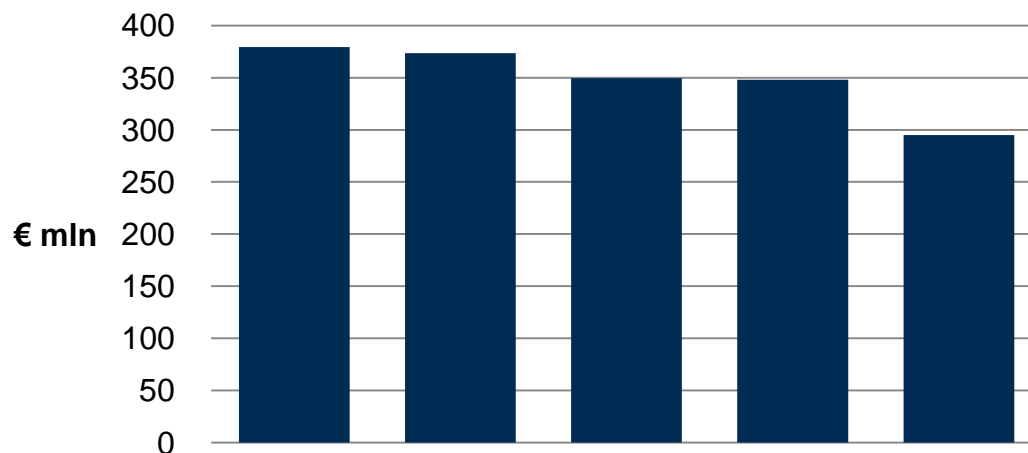
Consolidated balance sheet

ASSETS	EUR thousands	
	31/12 2009	31/12 2008
Non-current assets		
Property, plant and equipment	115,331	145,420
Goodwill	377,959	394,978
Other intangible assets	85,433	85,459
Investments in associates	97	333
Receivables	150	2,683
Deferred income tax assets	14,850	5,620
	<u>593,821</u>	<u>634,493</u>
Current assets		
Inventories	81,055	113,636
Production contracts	11,992	26,473
Trade receivables	67,184	85,603
Assets held for sale.	33,330	0
Other receivables and prepayments	23,596	34,652
Derivative financial instruments	0	4,364
Restricted cash	25,882	0
Cash and cash equivalents	46,022	21,038
	<u>289,061</u>	<u>285,766</u>
Total assets	<u><u>882,882</u></u>	<u><u>920,259</u></u>

Consolidated balance sheet (continued)

	EUR thousands	
	31/12 2009	31/12 2008
EQUITY		
Total equity	<u>323,797</u>	<u>288,279</u>
LIABILITIES		
Non-current liabilities		
Borrowings	351,508	265,807
Deferred income tax liabilities	7,765	10,362
Provisions	8,797	8,563
Derivative financial instruments	11,065	35,542
	<u>379,135</u>	<u>320,274</u>
Current liabilities		
Trade and other payables	116,281	156,204
Liabilities held for sale	43,693	0
Derivative financial instruments	0	8,261
Current income tax liabilities	1,584	6,703
Borrowings	15,409	134,636
Provisions	2,983	5,902
	<u>179,950</u>	<u>311,706</u>
Total liabilities	559,085	631,980
Total equity and liabilities	<u><u>882,882</u></u>	<u><u>920,259</u></u>

Development of net interest bearing debt



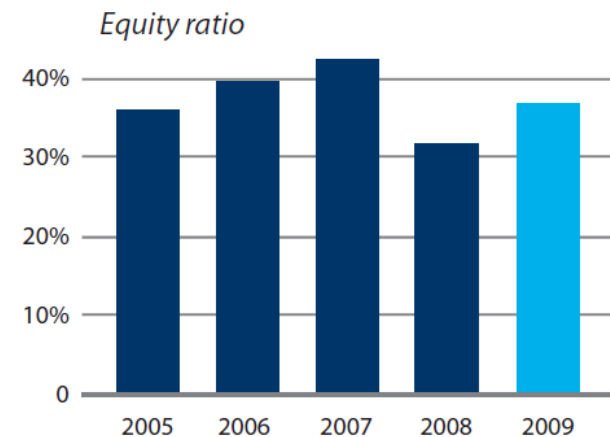
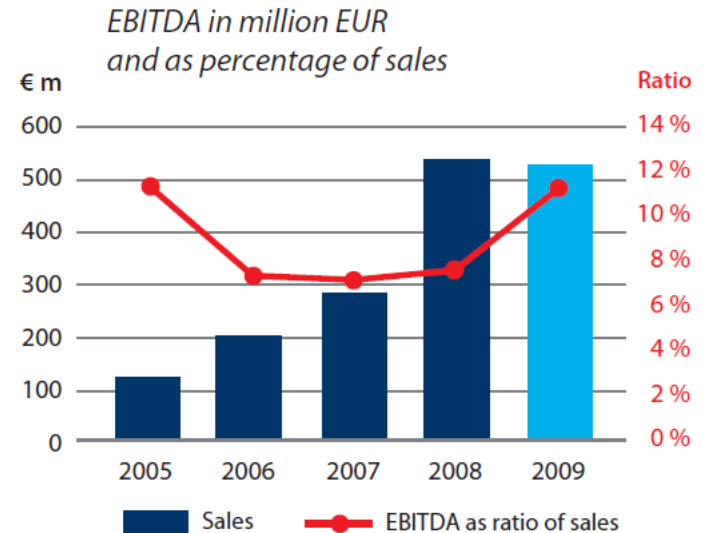
At end of quarter in € mln	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Change from Q4 2008
Non-current borrowings	265.8	272.9	373.9	366.8	351.5	85.7
Current borrowings	134.6	133.6	41.3	36.3	15.4	(119.2)
	400.4	406.5	415.2	403.1	366.9	(33.5)
Cash and equivalents	21.0	33.0	65.7	55.1	71.9	50.9
Net interest bearing debt	379.4	373.5	349.5	348.0	295.0	(84.4)

Statement of Cash Flows

	EUR thousands	
	2009	2008
Net cash from operating activities	25,526	9,602
Net cash from (used in) investing activities	10,758	(404,986)
Net cash from (to) financing activities	10,168	386,481
Net increase /(decrease) in cash	46,452	(8,903)
Cash at beginning of period	21,039	30,438
Currency fluctuations affecting cash	391	(496)
Cash at end of period	67,882	21,039
Cash and cash equivalents	46,022	
Restricted cash	25,882	
Bankoverdrafts	(4,022)	
	67,882	

Financial highlights

- Focus kept on cash flow
 - Operating activities generated €75 mln
 - Working capital program generated €30-35 mln
 - Asset sales target of €30-50 mln reached
 - New equity amount close to €50 mln
 - Furthermore, interest cost and currency risk have decreased
- **Net interest bearing debt down by €84 mln**



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Marel has sold off all its major non-core operations

Carnitech

- Its profitable salmon, freezing and US activities have been merged with Marel's operations
- The remaining operations have been bought by an American investment fund owned by AIAC



Food & Dairy Systems

- The real estate was sold in 2009
- Its operations – excluding the one in Spain – have been sold to the Dutch private equity firm Nimbus



Scanvaegt

- The core operations have been merged with Marel
- Scanvaegt Nordic was sold to Grundtvig Invest in April 2009

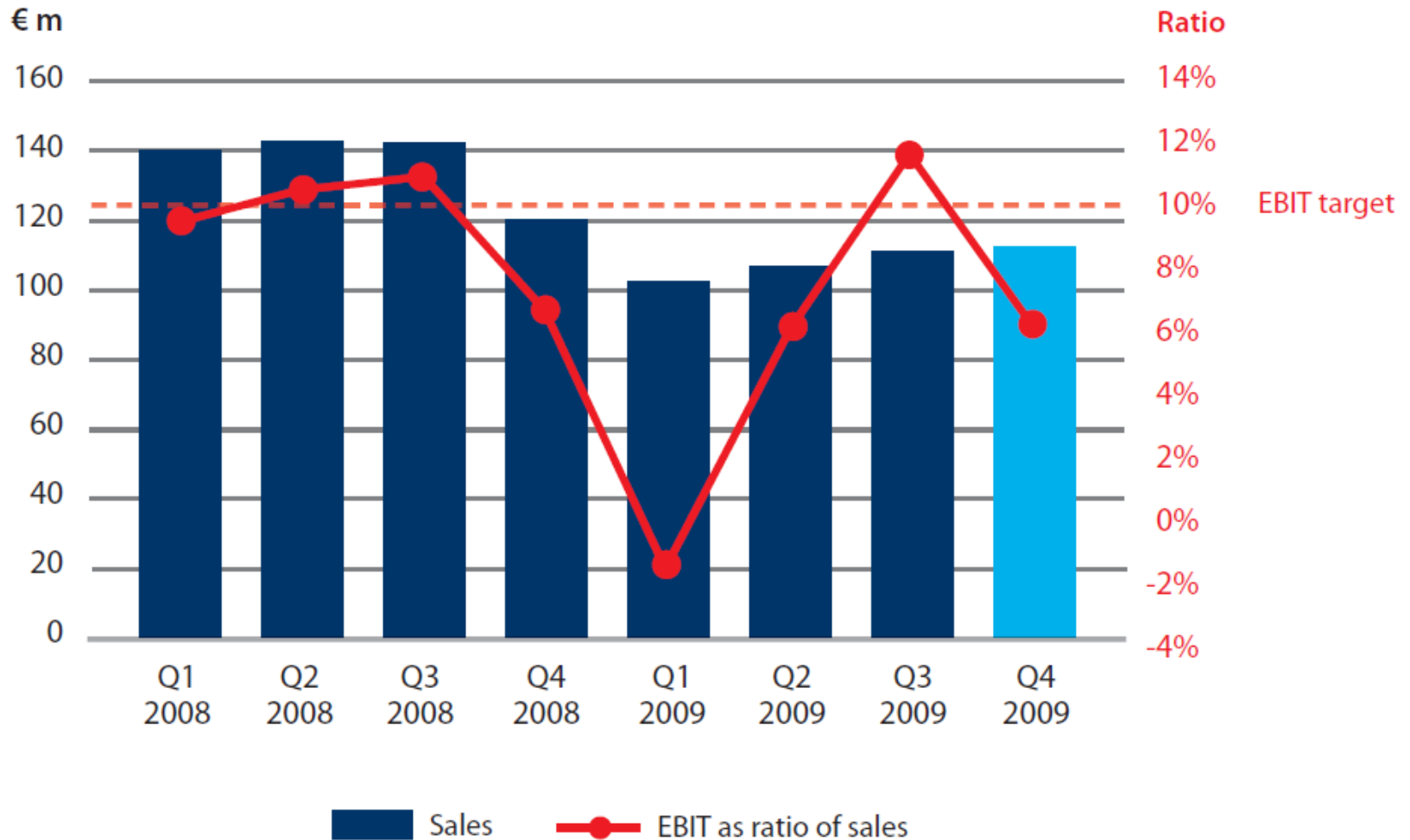
→ **Marel can now focus exclusively on its core activities and build on its position as market leader**

Pro forma income statement of core business*

<u>In EUR thousands</u>	2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Sales	434,796	112,492	111,922	107,208	103,174
Cost of sales	<u>(268,637)</u>	<u>(68,810)</u>	<u>(66,168)</u>	<u>(64,584)</u>	<u>(69,075)</u>
Gross profit	166,160	43,682	45,754	42,624	34,099
Other operating income	(602)	(246)	(79)	(324)	47
Selling and marketing expenses	(59,289)	(14,072)	(14,116)	(14,890)	(16,211)
Research and development expenses .	(28,402)	(7,775)	(6,496)	(6,269)	(7,835)
Administrative expenses	<u>(56,608)</u>	<u>(14,669)</u>	<u>(11,999)</u>	<u>(14,619)</u>	<u>(15,320)</u>
Profit from operations (EBIT)	21,260	6,920	13,064	6,496	(5,220)
EBIT, excluding one-off restructuring costs	24,760				(1,720)
Gross profit margin	38%	39%	41%	40%	33%
EBITDA	43,932	12,763	18,587	12,192	391
EBITDA, excluding one-off restructuring costs	47,432				3,891

* Marel's 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 operated under the Marel name and management. Defined as non-core business are Food and Dairy Systems, and the remaining operations of Carnitech, as well as Scanvaegt Nordic up till May 2009.

Development of core business results



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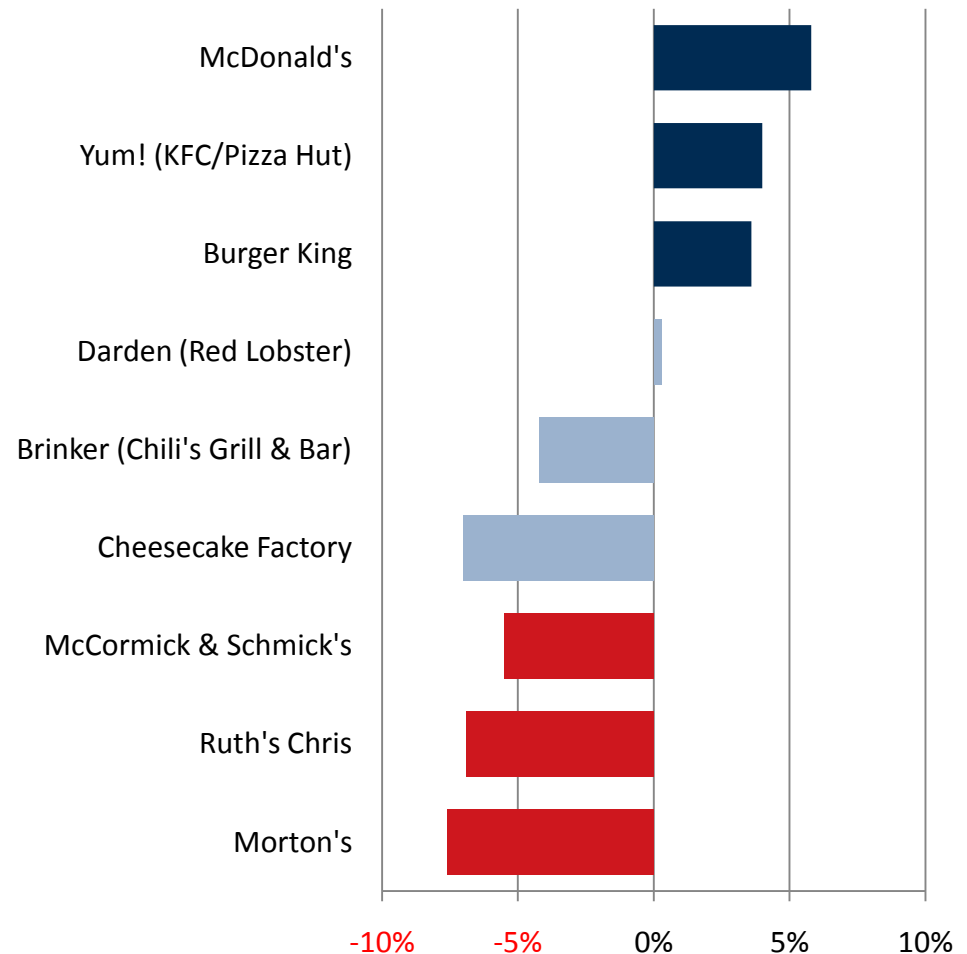


Market situation

- Consumers see proteins as a necessary component of their regular diets
- However, consumption has shifted from more expensive proteins to cheaper ones, especially poultry
- Consumers dine more at home, shop at discount stores and choose quick service restaurants more often when they go out

→ **For Marel, this is a favourable trend**

Global same-store sales growth compared to year ago, based on latest financial data



Large greenfield projects beginning to emerge in poultry

- Significant number of large orders, including greenfield projects received recently
- Breakthrough technology has had great success, particularly in the U.S.
- Current projects are capitalizing on synergies from the merger and clearly demonstrating the added value for customers
- An integrated system which combines a Stork deboning line with a Marel bone detection system launched at IPE in January



Sales to the poultry industry have rebounded well during the year

Consolidation is fuelling continued investments in fish

- Consolidation in the fish industry has led to an increased focus on efficiency
- Processors are investing in equipment to improve yields and product quality
- Salmon prices remain high with demand outstripping supply, due to the collapse of the Chilean salmon industry
- New regulations in the EU are creating opportunities for Marel's Innova production management software



Demand for wild-caught whitefish is rising again

Medium-sized companies are leading the way in meat

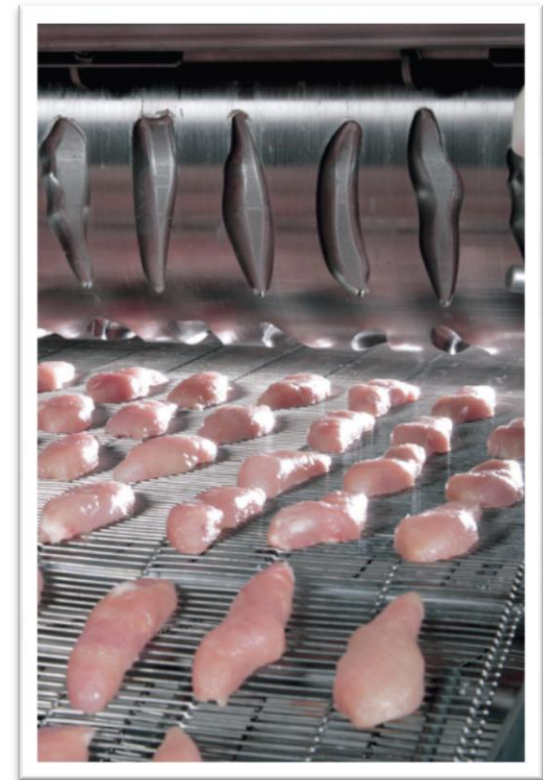
- Investment levels have remained stable recently
- Medium-size projects show good potential while larger processors are still hesitant
- Marel's integrated meat processing solutions continue to receive a favourable response
- At AMI in October, Marel exhibited a new integrated system that featured a Townsend injector combined with a Marel injection monitoring system



Processors are gaining a competitive edge with effective monitoring of their processes

Further processing continues to capitalize on home dining trend

- Added value processors are profiting from the change in consumer habits resulting from the recession
- Consumers are eating out less and have returned to cooking and eating at home
- Shoppers are trading down from red meat to less expensive proteins like poultry, turkey and pork
- Enhancements such as marinades, sauces and seasonings are creating opportunities
- However, there is a continuing reluctance to invest in larger projects



Shoppers are trading down to less expensive proteins, both in fresh and fully cooked products

Customer focus: IPE exhibition Atlanta

- IPE is the world's largest display of technology, equipment, supplies, and services used in the production and processing of poultry
- Marel introduced an innovative new system that integrates a Stork FHF-XB front-half deboning and trimming line with a Marel SensorX bone detection system
- Marel will be introducing several other new integrated products during the course of 2010

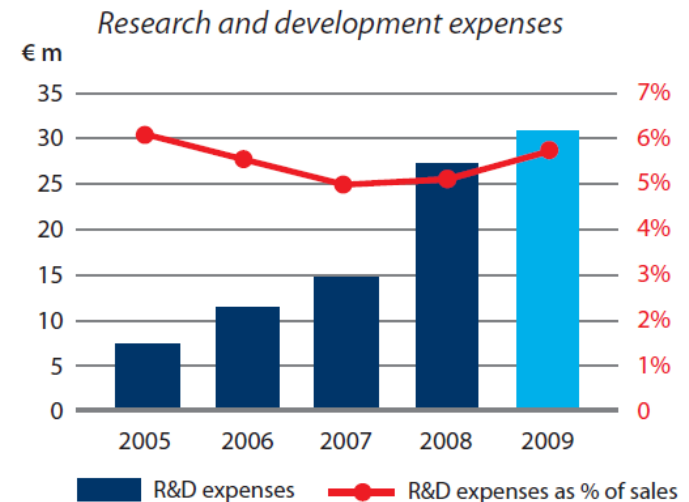
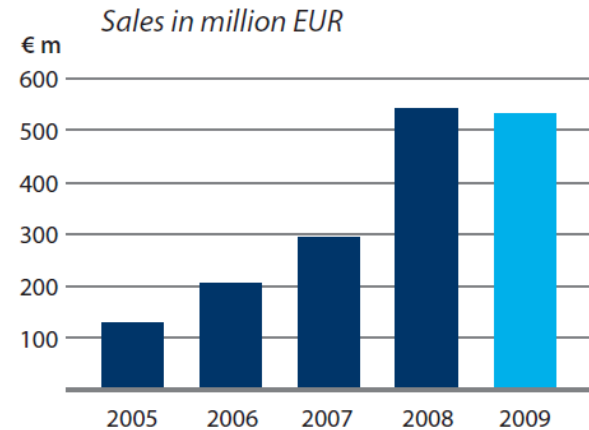


Video from IPE exhibition



Financial performance

- Our financial results were hit hard by the sudden drop in revenues at the end of 2008
 - However, the impact was recognized early on and we responded right away with necessary actions to reduce costs
 - R&D activities have not been compromised
- **By preserving its key success factors while lowering our cost base, Marel has further strengthened its position in the market**

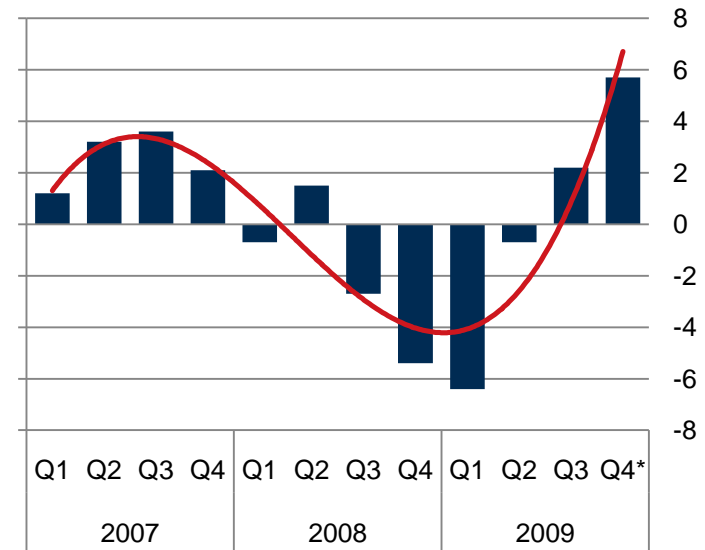


Future outlook

- Marel operates in a very attractive market
- Thanks to our strong global presence and technological leadership we are in a unique position in this market
- In 2009 Marel showed once again that it's capable of adapting to changing market conditions

The US is leading the way to economic recovery

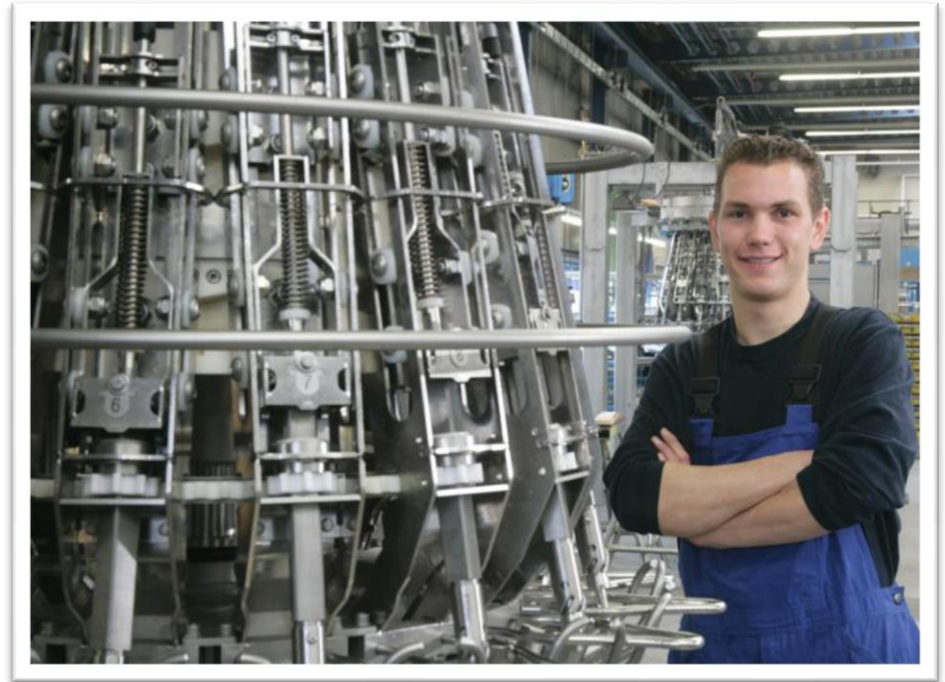
US GDP annual growth by quarter



Source: US Bureau of Economic Analysis (BEA)
* According to BEA's advance report

Ready for 2010

- We began the year with a much better order book than one year ago
 - Steady pipeline of innovative new solutions
 - Operating on a much lower and fully sustainable cost base
- **We face 2010 as ONE COMPANY with a dedicated team working together with a clear strategic focus**



Thank you / Dank u wel / Mange tak / Takk fyrir

