
PRESS RELEASE

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Marel Q1 2010 results

Positive start to the year; Marel capitalizes on improved market conditions

- Revenues for Q1 2010 totalled 147.2 mln.¹ Revenues from core business totalled 128.9 mln, an increase of 24.9% compared to the same period the year before [Q1 2009: 103.2 mln].
- EBITDA was 22.6 mln, or 15.3% of sales [Q1 2009: 0.8 mln]. EBITDA from core businesses was 20.9 mln or 16.2% of sales [Q1 2009: 3.9 mln].
- Operating profit (EBIT) was 15.9 mln, or 10.8% of sales [Q1 2009: loss of 5.8 mln]. EBIT from core businesses was 15.1 mln or 11.7% of sales [Q1 2009: loss of 1.7 mln].
- Net result was 5.6 mln for Q1 2010 [Q1 2009: loss of 7.0 mln].
- Cash flow remains strong and net interest bearing debt is 286 mln at the end of Q1 2010 [Q1 2009: 373 mln].
- The order book has grown as a result of improved market conditions and was 113.5 mln at the end of the quarter [Q1 2009: 58.8 mln].

It was a good quarter for Marel. Revenues from core business were EUR 129 mln, an increase of 15% compared to the previous quarter and 25% compared to the same period last year. The company delivered on its long-term EBIT target of 10-12% return on revenues. The more favourable market conditions, combined with Marel's strong position in the market, lower cost base and integration synergies, are the basis for this achievement.

Theo Hoen, CEO:

"We are very pleased with the results for the first quarter. It is a good start to 2010 for Marel. Market conditions are improving and we see revenues grow once again compared to the previous quarter. The order book has also strengthened as orders received exceeded orders booked off for the fifth quarter in a row. We are delivering healthier margins and strong cash flow thanks to continuous efforts to streamline and focus our operations."

"The integration of the former Marel and Stork companies is beginning to pay off. The integration of our distribution channels is progressing according to plan and we are introducing a steady stream of new integrated solutions to the market that greatly benefit our customers and strengthen Marel's market position. With the progress we have made, I have confidence in our future, not only for the remainder of this year but also looking ahead to the longer term."

¹ The Q1 results include figures from Carnitech A/S up until 1 February 2010 and Food & Dairy Systems until 31 March 2010.

Satisfactory order book

Market activity is increasing across the board and is at good levels, particularly in poultry and fish, and is improving in meat and further processing.

The order book has grown to a satisfactory level. Although large orders have yet to reach the level they were at before the global financial crisis, they are now steadily coming in, a welcome sign of recovery. Orders received, including service revenues, amounted to 135.0 mln in Q1 2010, compared to 95.5 mln for the same period the year before. This was the fifth quarter in a row that orders received exceeded orders booked off, leading to a gradual increase in the equipment order book, which stood at 113.5 mln at the end of Q1 2010, compared to 59 mln at the same time the year before.

Strong cash flow and reduced debt

Operating cash flow remains healthy at 38.8 mln before interest and tax. Interest cost and currency risk have been further reduced following an agreement with the Icelandic banks on 4 February to change the currency composition of a club loan facility from May 2009.

The balance sheet is strong and net debts have been further reduced to 286 mln compared with 373 mln a year ago.

Following the completion of the sale of the non-core operating units of Food & Dairy Systems and Carnitech A/S, Marel can now devote all its resources and attention to building on its position as market leader in the provision of equipment, systems and services to the fish, meat poultry and further processing industries.

Performance summary for Q1 2010

Key figures from Marel's core operations in thousands of EUR

Operating results	Q1	Q1	Full year
Core business, normalised for 2009	2010	2009	2009
Revenues	128,875	103,174	434,796
Gross profit	51,040	34,099	166,160
Gross profit as a % of sales	39.6%	33.0%	38.2%
Result from operations (EBIT)	15,119	(1,719)	24,760
EBIT as a % of sales	11.7%	-1.7%	5.7%
EBITDA	20,870	3,891	47,432
EBITDA as a % of sales	16.2%	3.8%	10.9%
Orders Received	1) 135,028	95,452	
Order Book	113,517	58,829	

1) Included are the service revenues.

Consolidated

Cash flows	Q1	Q1	Full year
	2010	2009	2009
Cash generated from operating activities, before interest & tax	38,845	23,635	75,395
Net cash from (to) operating activities	31,051	11,413	25,526
Investing activities	(1,951)	(6,228)	10,758
Financing activities	(18,775)	6,517	10,168
Net cash flow	10,326	11,702	46,452

Financial position

Net Debt		286,336	373,432	295,012
Operational working capital	2)	83,488	127,484	97,189

2) Third party Debtors, Inventories, Net Work in Progress and Third party Creditors.

Key ratios

Current ratio	1.6	0.9	1.6
Quick ratio	1.5	0.6	1.4
Equity ratio	37.6%	30.2%	36.7%
Number of outstanding shares	727,136	577,814	727,136
Earnings per share in euro cents	0.76	1.91	-1.20
Market cap. in millions of Euros based on exchange rate at end of period	346.9	159.5	263.5

Key events during the period

Integration

A key focus in 2009 was the integration of the Marel and Stork Food Systems companies into “One Company”. A new organizational structure was adopted with four new Industry Centres established in each of the four industry segments that Marel specializes in – fish, meat, poultry and further processing.

This was followed in Q1 2010 with the launch of the rebranding of the company. The Annual General Meeting on 3 March 2010 formally approved the change of the company name from Marel Food Systems to Marel. In addition, the four new Industry Centers adopted their new identities, which seek to capitalize on the strengths of particular brand names in the different industry segments. Consequently, the poultry Industry Center now operates under the name of Stork Poultry Processing, while the further processing Industry Center has adopted the name of Townsend Further Processing. The fish and meat Industry Centers operate under the Marel name.

The integration process will continue to be a key priority in 2010 and new integrated products will continue to be introduced at every major exhibition during the course of the year.

Cost efficiency

Marel continues to maintain a strict focus on rationalization and cost control. In 2009, the total annual savings achieved at the corporate level amounted to EUR 25 mln. Great effort is now being invested in ensuring that the company's reduced cost base is sustainable.

Cash flow

Operational cash flow before interest and tax was positive by EUR 38.8 million in Q1 2010. Overall, the business remains well invested and the need for investment in capital goods/fixed assets will remain limited for the coming years.

The company's working capital programme continued to yield reductions in inventories and it is the objective to limit the growth of the debtors compared to the growth of revenues. As investments in capital goods were limited, the balance of depreciation and investment contributed positively to cash flow.

Financing

In February 2010, Marel reached an agreement with Arion Bank, Íslandsbanki and NBI to change the currency composition of the club loan facility that the banks provided the company with in May 2009. According to the agreement, the entire ISK denominated portion of the club facility was changed to EUR, the company's main revenue currency. The amount concerned was equivalent to EUR 66 mln. Following the agreement, the greater

part of Marel's financing is now in the company's revenue currencies, in accordance with Marel's goals to reduce currency risk and interest cost in its financing.

The current liquidity position of EUR 83 million is strong and the business remains well equipped to deal with the current market environment.

Sale of non-core assets

In February 2010, Marel concluded the sale of two non-core operating units, Food & Dairy Systems and Carnitech A/S. The sales are part of Marel's strategy to focus on the profitability and organic growth of its core business, centring on the fish, meat, poultry and further processing segments of the food processing industry. The divested activities are still in the consolidated statements for the first quarter; one month for Carnitech and three months for Food & Dairy Systems.

The Food & Dairy Systems division of Stork Food Systems, excluding its operations in Spain, was sold to the Dutch investor Nimbus. The impairment of the assets sold, due to the write off of goodwill and revalued assets, was reflected in the 2009 accounts and has no significant effect on the results for Q1 2010.

The operations of Carnitech A/S in Stovring, Denmark, were sold to the American Industrial Acquisition Corporation (AIAC), a privately held industrial group. Excluded from the agreement are Carnitech's former salmon and freezing divisions, and its operations in the United States, which are now operated under the Marel name and management. The real estate assets of the company in Stovring are also excluded from the agreement. The parties have entered into a long-term rental agreement with an option for the buyer to acquire the premises. The loss incurred as a result of the sale, mainly due to the write off of goodwill and revalued assets, was included in the 2009 accounts and has no significant effect on the results for Q1 2010.

Operating environment

Marel's core business focuses on four industry segments: fish, meat poultry and further processing.

Fish: Salmon prices remain high and sales to the salmon processing industry exceeded expectations in Q1, particularly in Europe and the U.S. where producers are filling the gap left by the collapse of the Chilean industry. In general, the salmon industry is profitable and the outlook for Q2 is favourable. Sales to the whitefish industry continue to take longer to recover, particularly for larger projects. Nevertheless, the strong growth of the aquaculture industry continues, particularly in less expensive farmed species like pangasius and tilapia. Several new products are being introduced at the Seafood Processing Europe exhibition in Brussels in the last week of April 2010, including the revolutionary SuperChiller, which cools fresh fish into a sub-zero state without freezing.

Meat: After a difficult few years, the meat industry is showing good signs of recovery. Consumers continue to seek out less expensive proteins – such as pork, ground beef and sausages – creating opportunities for Marel. The trend toward increased automation continues, as reflected in the orders received for complete systems. The European market was the most active during the period; activity in North America and Australasia is expected to pick up in Q2. Marketing efforts are now focused on the world's number one meat exhibition, IFFA, to be held in Frankfurt in early May, where Marel will launch several new integrated systems, such as the StreamLine trimming line with integrated Townsend skinners.

Poultry: The year began well in terms of sales to the poultry industry. Greenfield projects were secured in Eastern Europe, Turkey and Latin America, and a milestone sale was concluded in China – a direct result of Marel's investment in the local sales and service organizations. All these projects have a strategic character, setting a new industry benchmark in these regions. The U.S. market was also active. Among the major new products introduced during the quarter was a new integrated fillet handling solution, combining a FHF-XB fillet

deboning system and the SensorX bone detection system. The outlook for Q2 is favourable. The current level of sales activity is expected to be maintained.

Further processing: With the continuing growth in the convenience and fast food markets, the investment climate in the further processing segment is improving with each passing month. Sales were on schedule in Q1 with notable projects in the U.S., Europe and Asia. Townsend Further Processing participated in a number of successful exhibitions during the quarter, including Gulfood, CFIA and Foodex, and is preparing the launch of several new products at the IFFA exhibition in Frankfurt in May.

Customer focus – Baiada Poultry Pty Limited: Baiada is the largest integrated poultry producer in Australia, with operating centers spread across the country and a national employee base of 4,500. Baiada recently had a new processing solution installed at its Adelaide Poultry plant that is a perfect example of the synergy between Marel and Stork.

The solution combines Stork Poultry Processing's ACM-NT portioning system and FHF-XB filleting system with a Marel flowline, graders and Innova production management software. One of the key features of the system is that once the broilers have been cut up, Innova evaluates the weight of the front half pieces, from which fillets and wings are derived. It then directs those that are of ideal weight to the FHF-XB filleting system, while overweights and underweights are conveyed to the Marel flowline for manual de-boning and trimming. The two streams of products come together to be graded and packed. It's an extremely efficient production process that maximizes yield.

It's a solution that brings together the best of Marel and Stork and is another fine example of the added value that the integration process is bringing our customers.

Outlook

Market conditions are gradually improving. We expect that Marel will claim its fair share of growth in the market, resulting in an increase in revenues. Nevertheless, results may vary from quarter to quarter due to fluctuations in orders received and deliveries for larger systems.

Presentation of results, 29 April 2010

Marel will present its results at a meeting on Thursday, 29 April, at 8:30 a.m., at the company's headquarters at Austurhraun 9, Gardabaer. The meeting will also be webcast: www.marel.com/webcast

Publication days of the Consolidated Financial Statements in 2010 and the Annual General Meeting 2011

Publication dates of the Financial Statements for 2010:

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|--------------------------------|-----------------|
| ▪ 2 nd quarter 2010 | 28 July 2010 |
| ▪ 3 rd quarter 2010 | 27 October 2010 |
| ▪ 4 th quarter 2010 | 2 February 2011 |

Annual General Meeting of Marel hf .

2 March 2011

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About Marel

Marel is the leading global provider of advanced equipment, systems and services to the fish, meat and poultry industries. With offices and subsidiaries in over 30 countries and a global network of more than 100 agents and distributors, we work side-by-side with our customers to extend the boundaries of food processing performance. Marel: Advance with Marel for all your processing needs.