



PRESS RELEASE

27 October 2010

Marel Q3 2010 results

(All amounts in EUR)

Strong order intake and solid performance

- Revenues for Q3 2010 totalled 149.5 mln, an increase of 33.5% compared to revenues from core business in the same period the year before [Q3 2009: 112.0 mln]. The increase is 11.8% compared to the consolidated figures [Q3 2009: 133.7 mln].¹
- EBITDA was 19.9 mln, or 13.3% of sales [Q3 2009: 18.6 mln from core business; 18.0 mln consolidated].
- Operating profit (EBIT) was 13.8 mln, or 9.2% of sales [Q3 2009: 13.1 mln from core business; 11.8 mln consolidated].
- Net result was 2.4 mln for Q3 2010 [Q3 2009: 0.9 mln].
- Operational cash flow remains strong and net interest bearing debt is 271.1 mln at the end of Q3 2010 [Q3 2009: 348.0 mln].
- The order book continues to grow as a result of a strong product pipeline and improved market conditions. The order book stands at 141.2 mln at the end of the quarter [Q3 2009: 86.1 mln].

Q3 2010 was a good quarter for Marel. Revenues totalled 149.5 mln, an increase of 33.5% compared to Q3 2009 and 9.8% compared to the previous quarter, despite the summer holiday period. Marel fully expects to reach its target of 10-12% return on revenues for the year as a whole.

Marel is in formal discussions with a limited number of international banks regarding the financing of the company. A new, stable and cost efficient financing structure will facilitate further integration of the company's operations.

Theo Hoen, CEO:

"We delivered another good quarter. Sales increased by 33% compared to the previous year. Operational results, year to date, are within the targeted 10-12% EBIT level and we expect a good final quarter of the year. Our continued investment in innovation and joint product development is paying off. New products such as the SensorX and RevoPortioner are successful and sales of large projects are increasing. Our global sales network is also becoming more and more effective in marketing and selling our products, leading to excellent order book levels.

We are currently finalizing our integration program and the company has entered a new phase in its development. Moving forward, we will focus as one company on growing our revenues and utilizing our operational leverage."

¹ The disposal of the company's main non-core assets was completed in Q1 2010, enabling Marel to focus exclusively on its core business. In comparing the Q3 2010 results with the same period in the preceding year, it is therefore more useful to refer to the Q3 2009 figures for core business than the consolidated figures.

Solid performance and strong order book

Marel had a good quarter with 149.9 mln in revenues, 19.9 mln in EBITDA and 13.8 mln in EBIT. The gross margin of 35% was unusually low due to an atypical product mix.

With its strong product pipeline, Marel benefitted from improved market conditions. The orders received grew despite the summer holiday period. Our continued effort to bring new products to the market contributed to the success with a good order intake of SensorX food inspection systems and RevoPortioners used for the production of meat patties and nuggets. The number of larger orders continues to gradually increase. Orders received, including service revenues, amounted to 165.4 mln in Q3 2010, compared to 122.0 mln for the same period the year before. Once again, orders received exceeded orders booked off, leading to a continuing increase in the order book, which stood at 141.2 mln at the end of Q3 2010, compared to 86.1 mln at the same time the year before. Marel considers the order book to be at a very good level.

Operational cash flow before interest and tax remains healthy at 23.6 mln in the third quarter and 81.4 mln year to date. The balance sheet is strong and net debts amount to 271.1 mln compared with 348.0 mln a year ago.

Performance summary for Q3 2010

Key figures from Marel's operations in thousands of EUR

Operating results	Q3	YTD	Q3	YTD	
Core business, normalized	2010	2010	2009	2009	
Revenues	149,523	414,453	111,992	322,304	
Gross profit	52,240	158,249	45,754	122,477	
<i>Gross profit as a % of Revenues</i>	34.9%	38.2%	40.9%	38.0%	
Other operating income (expenses)	(243)	(782)	(79)	(356)	
<i>Other operating income (expenses) as a % of Revenues</i>	0.2%	0.2%	0.1%	0.1%	
SG&A costs	(29,158)	(87,358)	(26,115)	(83,681)	
<i>SG&A costs as a % of Revenues</i>	19.5%	21.1%	23.3%	26.0%	
Research and development expenses	(9,033)	(26,028)	(6,496)	(20,600)	
<i>Research and development expenses as a % of Revenues</i>	6.0%	6.3%	5.8%	6.4%	
Result from operations (EBIT)	13,806	44,081	13,064	17,840	
<i>EBIT as a % of Revenues</i>	9.2%	10.6%	11.7%	5.5%	
EBITDA	19,938	61,956	18,587	34,670	
<i>EBITDA as a % of Revenues</i>	13.3%	14.9%	16.6%	10.8%	
Orders Received	1)	165,428	449,847	121,974	341,891
Order Book			141,226		86,138

1) Included are the service revenues.

Consolidated

	Q3 2010	YTD 2010	Q3 2009	YTD 2009
Cash flows				
Cash generated from operating activities, before interest & tax	23,589	81,430	17,610	58,209
Net cash from (to) operating activities	16,598	58,227	5,064	24,668
Investing activities	(4,366)	(10,662)	(5,228)	15,345
Financing activities	(4,128)	(30,994)	(9,187)	(9,946)
Net cash flow	8,104	16,571	(9,351)	30,067

Financial position

Net Debt		271,141		347,959
Operational working capital	2)	72,884		107,149

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

Key ratios

Current ratio		1.5		1.5
Quick ratio		1.2		1.1
Number of outstanding shares		727,136		603,305
Market cap. in millions of Euros based on exchange rate at end of period		433.8		210.3
Return on equity		3.3%		5.1%
Earnings per share in euro cents		1.12		1.91

Key events during the period

Marel is now One Company

After having implemented a new organizational structure and defined the values and vision of the united company, Marel has now entered a new phase in its development. Formal integration of the Marel and Stork Food Systems companies into one company has been completed and the focus now turns to organic growth and further development of the business under the banner of “Marel on the move”.

The emphasis is now on reaping the benefits of the integration of the technologies developed by the different business units with a steady stream of innovative new products that provide increased added value to customers. The new organizational structure is designed to support this value creation process. It includes new Industry Centers that are responsible for product development in each of the industry segments that Marel specializes in (poultry, fish, meat and further processing). They are complemented by Product Centers, responsible for the development of production applications that cross multiple protein sectors.

The third key component of the new structure, in addition to the Industry and Product Centers, is the integrated global sales and service network. Marel’s activities in a number of countries – including Australia/New Zealand, Benelux, France, Italy, Poland, Russia and Spain – either have or are in the process of being merged and moved into single premises, with more countries to follow. This enables the company to present one common “voice” to customers and more effectively market the company’s products in each location, while at the same time reducing the total cost of local representation. The results of the integration of the distribution network will gradually begin to contribute to the company’s performance.

Cost efficiency and focus on cash flow

Marel continues to maintain a strict focus on rationalization and cost control. Great effort continues to be invested in ensuring that the company's reduced cost base is sustainable despite the renewed growth in activity.²

Operational cash flow before interest and tax was positive by 23.6 mln in Q3 2010. Overall, the business remains well invested and the company's working capital programme continued to yield improvements in our working capital ratio.

The current liquidity position of 86.7 mln is strong and the business remains well equipped to deal with the current market environment.

Financing

Marel is in formal discussions with a limited number of international banks regarding the financing of the company, as stated in an announcement to the Nasdaq OMX Iceland stock exchange on 15 October 2010. A new, stable and cost efficient financing structure will facilitate further integration of the company's operations.

The proposed financing is subject to a number of conditions. As part of this process, the company will initiate discussion with Marel bond holders (MARL 06 1 and MARL 09 1) on the possible prepayment of these bonds.

Operating environment

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

Poultry: The order intake continued to be at a high level during the quarter in the most significant poultry markets. Sizeable orders for greenfield projects were received from Germany, among other places. In the United States, the SensorX bone detection systems continued to draw particular attention, with a significant number of orders received. The outlook for the rest of the year and the first quarter of 2011 is good. Meanwhile, Marel's sales organization for poultry has been integrated with the establishment of a new Poultry Industry Center, ensuring that the company is now truly a one-stop shop for poultry solutions.

Fish: Marel participated in several seafood exhibitions during the quarter, including Aquanor (Norway) and Conxemar (Spain), where the number of leads generated clearly indicated keen interest among customers in the wide selection of fish processing equipment that Marel has to offer. This year, Marel has introduced its Townsend Further Processing range of equipment at all exhibitions, aimed at a sector where Marel has not been visible before. With this addition, Marel's product portfolio for the fish industry now spans virtually the entire value chain, from catch to packaged end product. In other areas, the trend toward sustainably sourced seafood is already generating a lot of opportunities and is expected to have even more impact in the future.

Meat: There was limited investment in the key meat markets during the summer months with meat companies generally delaying medium and large scale projects. However, toward the end of the quarter, inquiries and quotation activity picked up with processors looking to the benefits of increased automation and process monitoring. Four large systems were delivered and installed to customers in key focus markets in Q3. The demand for more expensive cuts of meat, through restaurants and the food service sector, is picking up.

Further processing: Recognition of Marel as an innovative product leader in portioning, sausage making and heat treatment systems is on the rise. Accordingly, sales are increasing, especially in further processing of red and white meat. Interest in co-extrusion and other sausage systems is still growing, as was evident at the MercoAgro exhibition in Brazil in September. Demand for oven systems is also strong, with another

² In 2009, the total annual savings achieved at the corporate level amounted to EUR 25 mln.

ModularOven being sold to a leading European poultry further processor during the quarter. A new spin off to the RevoPortioner family of products was introduced during the quarter with still more to come.

Customer focus – Ernst Sutter, Switzerland: The longest StreamLine system that Marel has ever produced was recently installed at Ernst Sutter AG, the most advanced and innovative meat processing company in Switzerland. Ernst Sutter operates six processing plants throughout the country. When the company began a greenfield plant project, it turned to Marel for a fully integrated beef and pork processing solution. The Marel deboning and trimming system, based on the innovative StreamLine design, spans everything from carcass intake to dispatch of the finished product. The system is fully integrated with Innova, Marel's state-of-the-art production management software, which provides the possibility for full production control. Innova offers monitoring of each individual operator on the line, as well as accurate real-time monitoring of yield and throughput.

Outlook

Market conditions continue to gradually improve and are at the level of before the crisis. 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, 28 October 2010

Marel will present its results at a meeting on Thursday, 28 October, at 8:30 a.m., at the company's headquarters at Austurhraun 9, Gardabaer, Iceland. 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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| ▪ 4 th quarter 2010 | 2 February 2011 |
| ▪ Annual General Meeting of Marel hf . | 2 March 2011 |

Publication dates of the Financial Statements for 2011:

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| ▪ 1 st quarter 2011 | 27 April 2011 |
| ▪ 2 nd quarter 2011 | 27 July 2011 |
| ▪ 3 rd quarter 2011 | 26 October 2011 |
| ▪ 4 th quarter 2011 | 1 February 2012 |
| ▪ Annual General Meeting of Marel hf. | 29 February 2012 |

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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. Advance with Marel for all your processing needs.