



5 July 2007

Shareholders Meeting Marel hf.

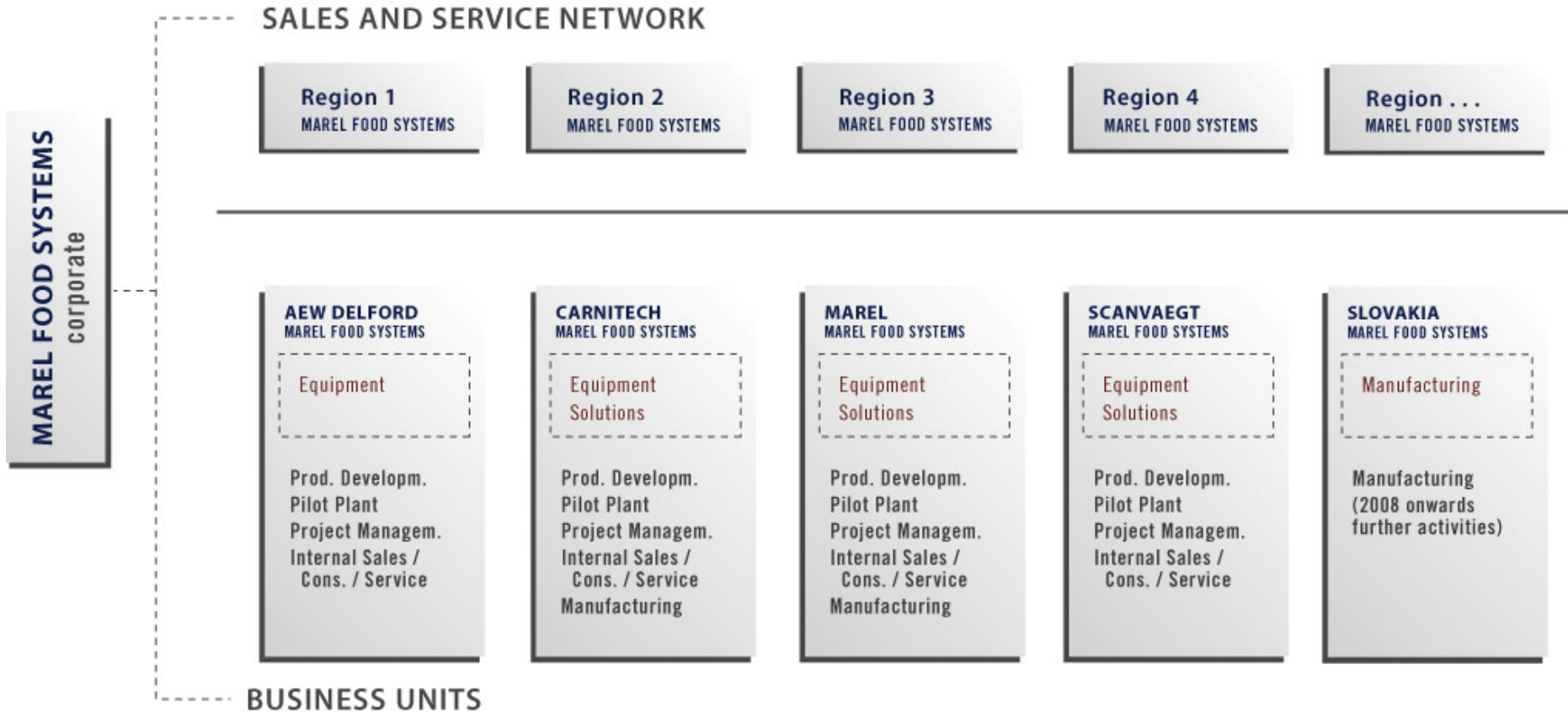
# Organization

## Principles of organizational structure & processes

- Emphasis on a culture of innovation and development
- Drive to capture opportunities
- Efficiency and productivity
- Balance and building on the best
- Developing leaders
- Responsiveness to customers
- Balancing long term development with short term delivery

# Marel Food Systems' new organization

Product-oriented business units, integrated sales and service and corporate function



## New organization – three main changes

- **Corporate**
  - Small unit - authoritative at the right point when required
  - Facilitates decentralized decisions as much as possible
  - Clear distinction between Marel operation in Iceland (Marel ehf.) and Marel Food Systems Corporate
- **Business units**
  - Decentralized profit centers drive product development and sales
  - Do not own their sales & service network
  - Production
- **Sales and service organization**
  - Drive sales and service
  - Not controlled by one business unit

# Corporate functions

- To optimize the performance of business units as necessary
- To optimize the performance of sales & service network as necessary
- To clarify the different roles of business units and corporate
- To realize synergies across business units and sales & service network
- Distinguish between three different functions of headquarters
  - **Core function:** Finance, tax, investor relations, legal, and more.
  - **Policy and influencing roles:** Business development, strategy process and controlling process.
  - **Service units:** Training, IT support, trademarks and patents

## Key challenges of corporate

- Maintain the drive within the business units
  - Motivate employees
  - Responsiveness
- Performance of the sales network
  - How to balance the effort between product groups
  - Market coverage of different product groups and industries
- Balance the influence of business units and corporate
  - Balance between coordination and centralizing
- Efficiency in overhead, product development, purchasing, production, etc.

# Corporate

- Small – no more than 30 - 40 people
  - Avoid increasing the overhead cost in the group
- Not all placed in Iceland
  - Approximately 2/3 in Iceland
- Some employees have dual roles in corporate and special business units
- Employees
  - **CEO:** Hörður Arnarson Marel
  - **CFO:** Kristján Þorsteinsson Marel
  - **Director of Sales and Vice CEO:** Lárus Ásgeirsson Scanvaegt
  - **Director of Service:** Henrik Lagedfoged Scanvaegt
  - **Director of Product Development:** Ásgeir Ásgeirsson AEW/Delford
  - **Director of Business Development:** Sigsteinn Grétarsson Marel
  - **Director of Strategy Implementation:** Ragnheiður Halldórsdóttir Marel
  - **Director of Marketing and PR:** Ingólfur Örn Guðmundsson Marel
  - **Director of IT:** Thomas Zeuthen Scanvaegt

# Organizational changes in Iceland

- Current operations activities (sales and manufacturing) separated from the parent company Marel hf.
- A new subsidiary Marel ehf., created
  - Managing Director: Sigsteinn Grétarsson
  - Operates as a special business unit on the same level as other subsidiaries
- Financial and accounting separation in Iceland will be effective from 1. January 2008



Marel Food Systems vision is to be an international leader in developing and marketing high-tech processing equipment for the food processing industry in order to increase the productivity of our customers