



Financial Statements Q2 2007

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Highlights from Q1 and Q2 2007

- Turnover increased 83% from the previous year
 - Pro-forma growth 3.4% from the previous year
- Operating profit EBIT
 - EUR 6.7 million, 4.6% of turnover
 - EUR 11.6 million, 8% of turnover in one-time expenses
- Profit EUR 8.5 million compared with EUR 1.3 million in the previous year
 - EUR 6.6 million in profit from LME ehf
- One-time expenses charged in first half of 2007, EUR 4.9 million
 - EUR 1.7 million in second quarter
 - Charging of one-time expenses concluded
- Strong cash flow status

Income statement – Q2

Thous EUR	2007 1.4 - 30.6	2006 1.4 - 30.6	Change. %
Sales	72.617	46.639	56%
Cost of sales	(47.853)	(30.788)	55%
Gross profit	<u>24.764</u>	<u>15.851</u>	<u>56%</u>
Other operating income	770	290	166%
Selling and marketing expenses	(11.751)	(5.852)	101%
Research and development expenses	(3.631)	(2.501)	45%
Administrative expenses	<u>(6.733)</u>	<u>(3.464)</u>	<u>94%</u>
Profit from Operation	3.419	4.324	(21%)
Finance cost - net	(1.752)	(2.013)	(13%)
Share of results of associates	<u>6.598</u>	<u>(715)</u>	
Profit before tax	8.265	1.596	-
Income tax expenses	<u>(824)</u>	<u>(799)</u>	<u>3%</u>
Net profit	<u>7.441</u>	<u>797</u>	<u>-</u>
EBITDA	5.881	5.979	(2%)

Income statement – Q1 and Q2

Thous EUR	2007 1.1 - 30.06	2006 1.1 - 30.06	Change. %
Sales	144.861	79.106	83%
Cost of sales	<u>(94.674)</u>	<u>(52.872)</u>	<u>79%</u>
Gross profit.....	50.187	26.234	91%
Other operating income	1.145	564	103%
Selling and marketing expenses	(22.259)	(10.708)	108%
Research and development expenses	(7.272)	(4.168)	74%
Administrative expenses	<u>(15.139)</u>	<u>(7.144)</u>	<u>112%</u>
Profit from Operation.....	6.662	4.778	39%
Finance cost - net	(2.920)	(1.872)	-
Share of results of associates	<u>6.313</u>	<u>(715)</u>	<u>-</u>
Profit before tax.....	10.055	2.191	359%
Income tax expenses	<u>(1.605)</u>	<u>(843)</u>	<u>-</u>
Net profit.....	<u>8.450</u>	<u>1.348</u>	<u>527%</u>
EBITDA	11.525	7.855	47%

Income statement – January - June

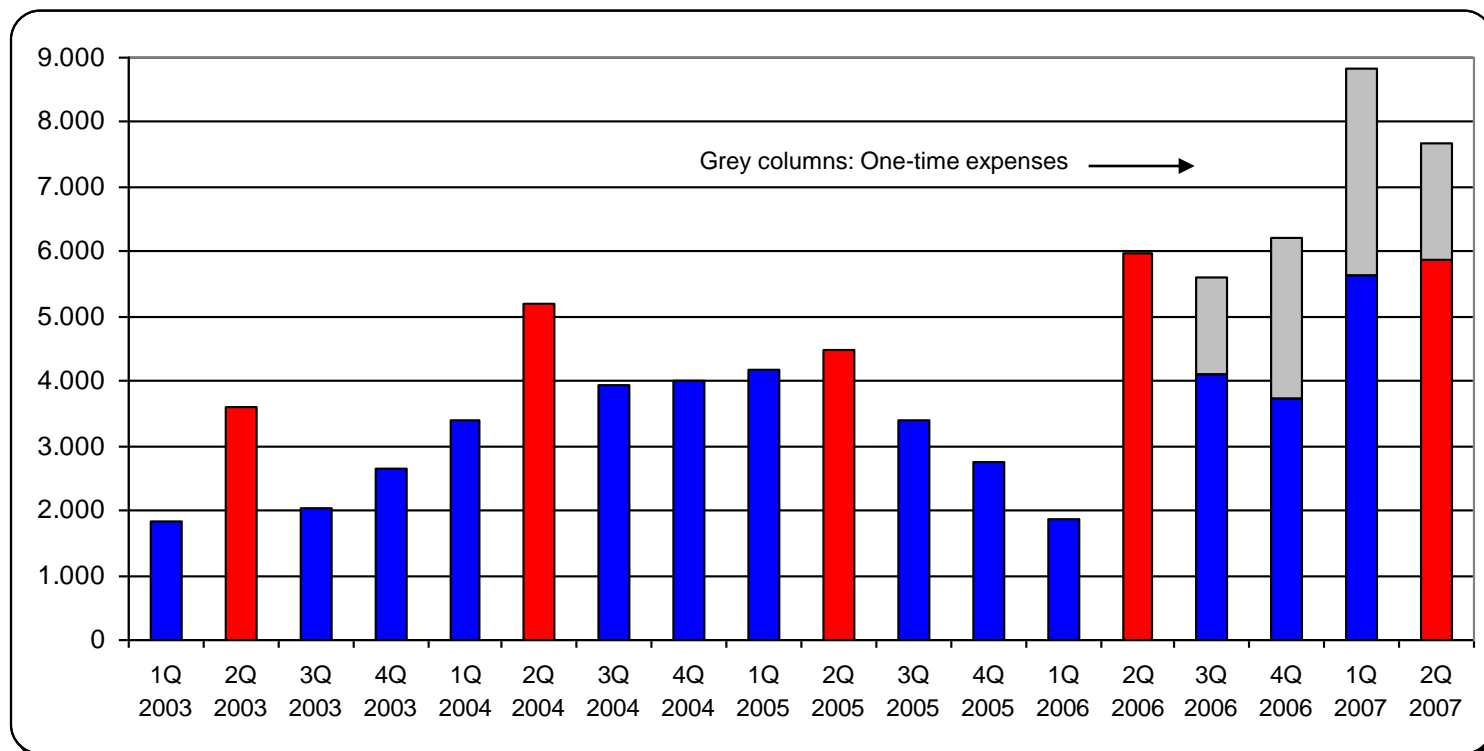
As % of sales

	2007	2006
	1.1 - 30.06	1.1 - 30.06
Gross profit	34,6%	33,2%
Selling and marketing expenses	15,4%	13,5%
Research and development expenses	5,0%	5,3%
Administrative expenses	10,4%	9,0%
Profit before depreciation (EBITDA)	8,0%	9,9%
Profit from operation (EBIT)	4,6%	6,0%
Depreciation/amortization	3,4%	3,9%
Net profit	5,8%	1,7%

Income statement per quarter

Thous EUR	<u>Q2 '07</u>	<u>Q1 '07</u>	<u>Q4 '06</u>	<u>Q3 '06</u>	<u>Q2 '06</u>
Sales	72.617	72.244	71.946	57.648	46.639
Cost of sales	(47.853)	(46.821)	(48.296)	(38.729)	(30.788)
Gross profit	24.764	25.423	23.650	18.919	15.851
Other operating income	770	375	642	516	290
Selling and marketing expenses	(11.751)	(10.508)	(10.990)	(7.387)	(5.852)
Research and development expenses	(3.631)	(3.641)	(4.291)	(3.285)	(2.501)
Administrative expenses	(6.733)	(8.406)	(7.933)	(7.092)	(3.464)
Profit from Operation	3.419	3.243	1.078	1.671	4.324
Finance cost - net	(1.752)	(1.168)	(1.264)	(1.890)	(2.013)
Share of results of associates	6.598	(285)	(236)	(498)	(715)
Profit before tax	8.265	1.790	(422)	(717)	1.596
Income tax expense	(824)	(781)	(93)	43	(799)
Net profit	7.441	1.009	(515)	(674)	797
EBITDA	5.881	5.644	3.730	4.094	5.979

Operating profit before depreciation (EBITDA) per quarter 2003-2007



Not in conformity with IFRS in year 2003

Assets

Thous EUR	2007 31 June	2006 31 Dec
Non-current assets		
Property, plant and equipment	57.456	56.125
Goodwill	98.468	97.117
Other	46.250	27.242
	<u>202.174</u>	<u>180.484</u>
Current assets		
Inventories	58.492	53.263
Production contracts	13.521	13.118
Receivables and prepaym.	61.239	54.003
Cash and cash equivalents	52.390	63.925
	<u>185.642</u>	<u>184.309</u>
Total assets	<u><u>387.816</u></u>	<u><u>364.793</u></u>
Current ratio	1,9	1,9

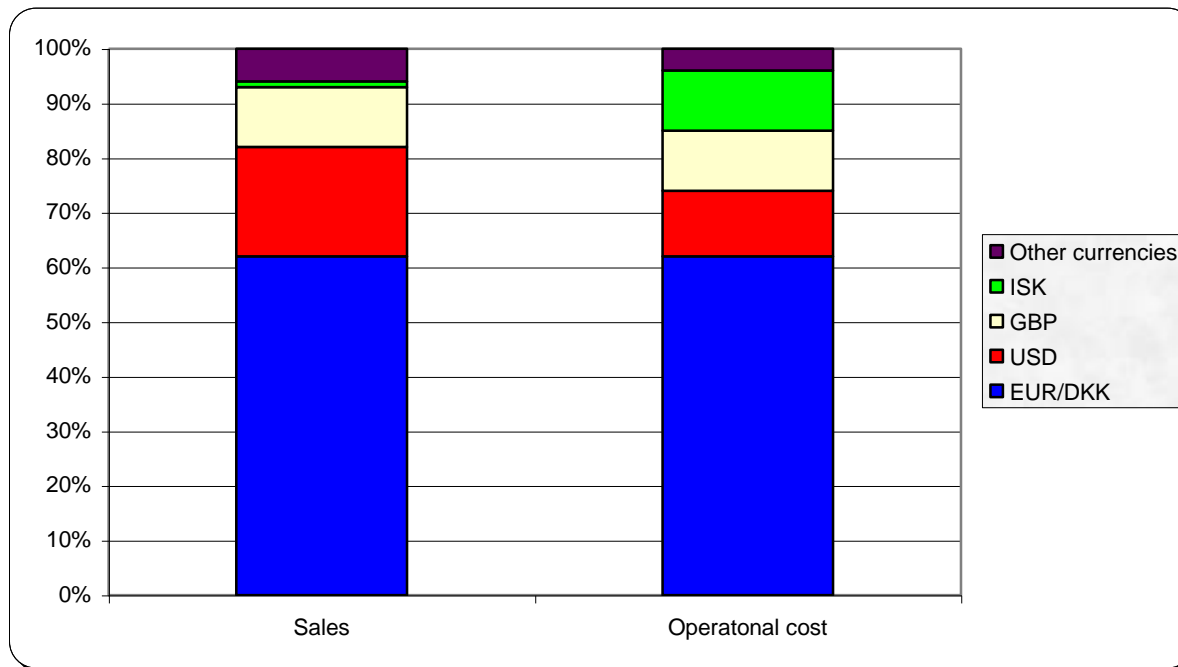
Shareholders equity and liabilities

Thous EUR	2007 <u>30 June</u>	2006 <u>31 Dec</u>
Shareholders' equity	158.260	144.423
Liabilities		
Non-current liabilities	129.432	124.050
Current liabilities	<u>100.124</u>	<u>96.320</u>
Total liabilities	<u>229.556</u>	<u>220.370</u>
Total equity and liabilities	<u><u>387.816</u></u>	<u><u>364.793</u></u>
Equity ratio	40,8%	39,6%

Cash flow statement

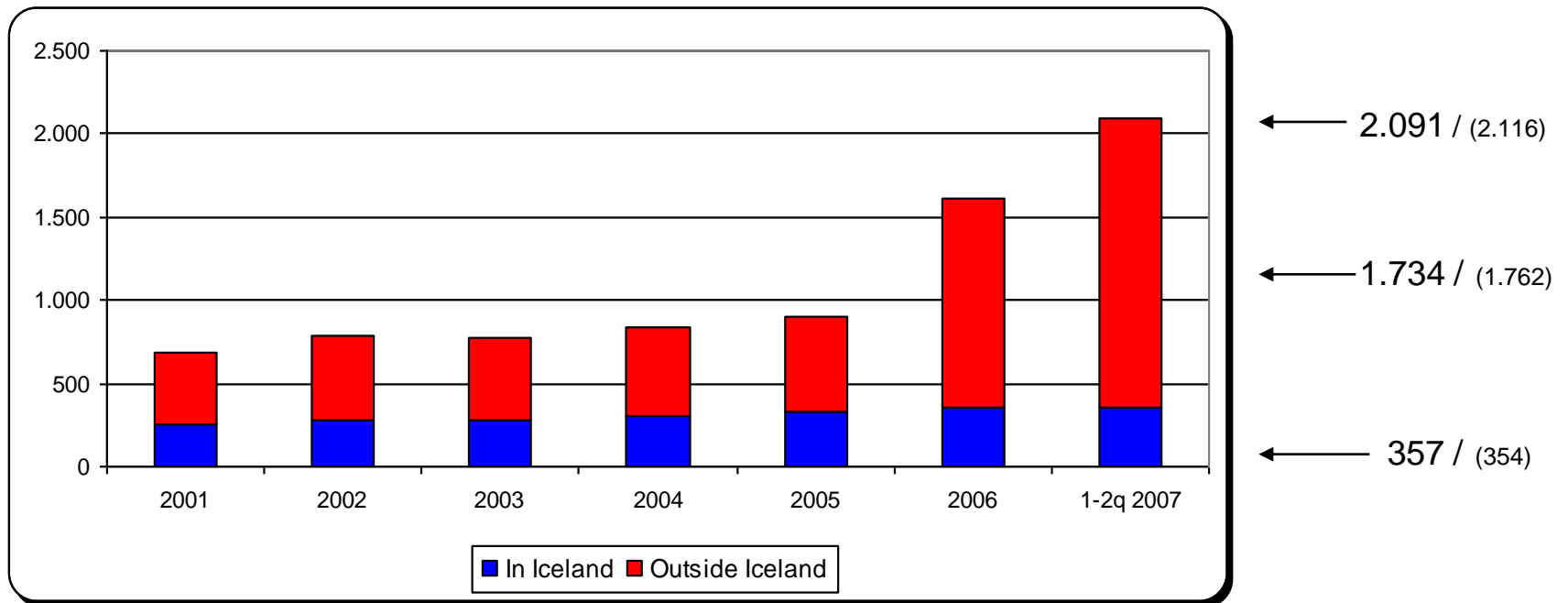
Thous. EUR	Jan-Jun 07	Jan-Jun 06
	<u> </u>	<u> </u>
Working capital from/(to) operation	<u>7.850</u>	<u>(2.800)</u>
Cash generated from/(to) operation	14.412	(6.654)
Investing activities	(18.764)	(34.511)
Proceeds from (purchase of) treasury shares	657	988
Net repayments of borrowings	(9.202)	72.855
Dividends paid	<u>(824)</u>	<u>(601)</u>
Net increase in cash	(13.721)	32.077
Cash at beginning of the year less curr. fluct.	<u>63.330</u>	<u>3.604</u>
Cash at end of period	<u><u>49.609</u></u>	<u><u>35.681</u></u>

Sales and expenses by currencies – Jan - Jun 2007



	Sales	Operational cost
EUR/DKK	62%	62%
USD	20%	12%
GBP	11%	11%
ISK	1%	11%
Other currenc	6%	4%
	100%	100%

Number of employees – average number per year

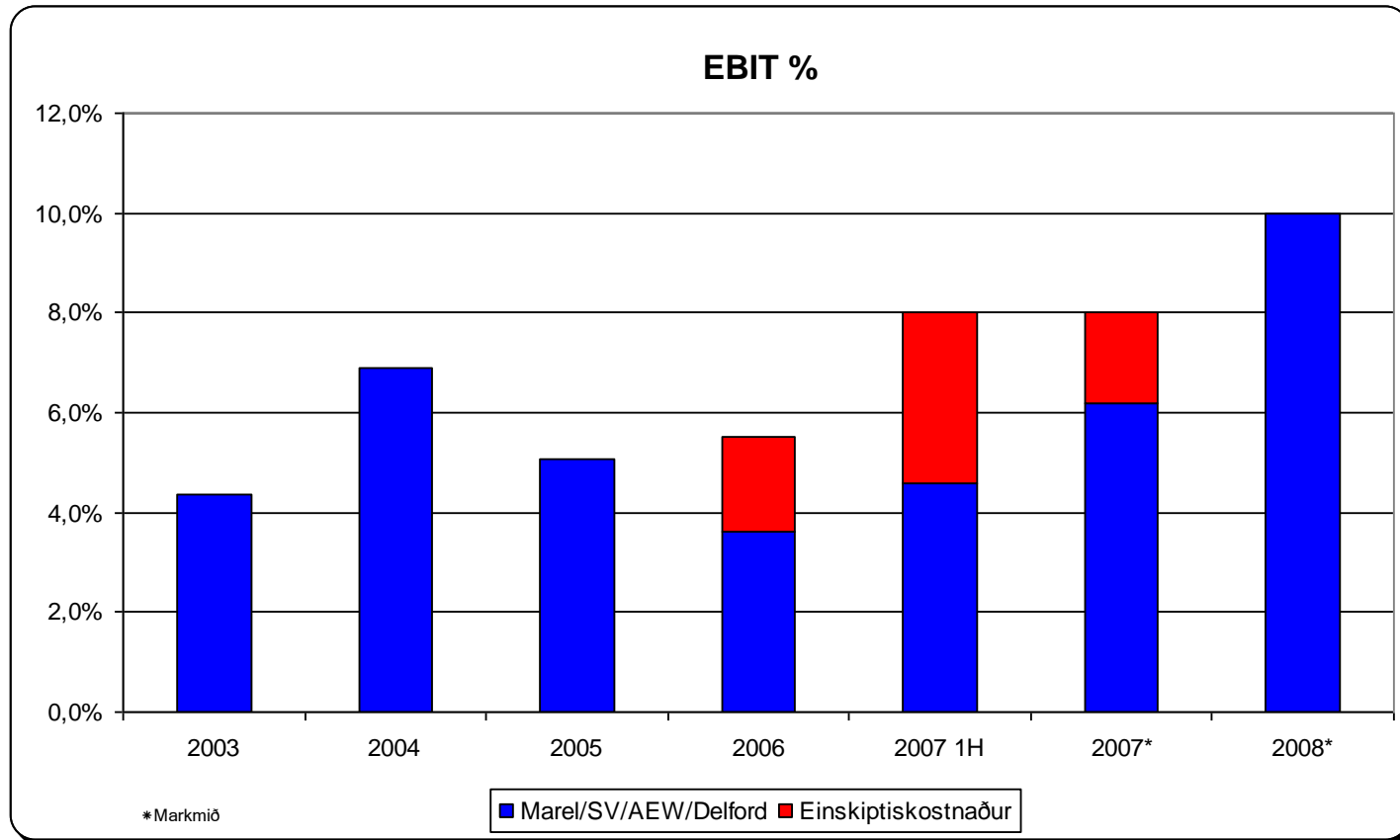


Number in brackets 31 Dec 2006

Operational goals

- Growth strategy in line with strategy introduced in February 2006
 - To achieve 15-20% market share in 3-5 years
 - Turnover EUR 400-500 million
 - Growth in 2006 and 2007 according to goals
- Synergy in acquisition of Scanvaegt and AEW Delford
 - Original goal to achieve EUR 15 million increase in operational profit in 2-3 years and at least a 10% EBIT
 - Revised in the beginning of 2007 – goals to be achieved in 1.5 to 2 years
 - Performance in first half of the year with one-time expenses taken into account were according to goals

EBIT% development and goals



Marel Food Systems integration

- One-time expenses of EUR 4.9 million according to plans in the first half of the year.
 - Charging of one-time expenses completed
- Integration of sales and service network.
 - 45 subsidiaries in 22 countries merged into 20 strong companies.
 - Synergy will become visible in the next 12 months
 - Transfer of companies and employees
 - New organizational measures will be polished and assimilated
 - Contracts made with agents that quit.
- Integration of product lines
 - Goal is to finish that before January 1, 2008
- Integration of product development
 - Larger projects will be shared after January 1, 2008
- **Ahead is a 12-18 month period of development and results from the synergy of the merger**

External growth

- In line with the company's strategy, 2-4 merger prospects are being evaluated at any given time
- The company is financially strong and has the support of major shareholders to continue external growth
- The company's marketing and technical strengths support further takeovers.
- Company prices have been rising in the last year
- **Turmoil on the financial markets might create opportunities for listed companies that are well financed**

LME holding company

- Owned by Marel Food Systems (20%), Eyrir Invest (40%) and Landsbanki bank (40%)
- LME is currently the largest shareholder in Stork NV with over 25% of shares
- Candover has submitted a takeover offer for Stork NV
 - The under is under market value in the last several weeks
 - LME will not accept the offer as it does not reflect our view of the company's future value.
- Discussion with Stork NV regarding the purchase of Stork Food System have not been successful

Prospects

- **Good prospects on main markets**
 - Good economic growth in general
 - Substantial investments expected
- **Uncertainty on two markets**
 - Icelandic fishing industry due to cutbacks in fishing quota
 - UK meat industry due to foot and mouth disease
- **As before, performance in Q3 will be somewhat influenced by the summer holidays.**
- **Long term prospects are considered good**
 - The joint company of AEW Delford, Carnitech, Marel and Scanvaegt has a strong product line, a robust service network and considerable economy of scale.



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