



Financial Statements Q3 2007

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Highlights from Q1 – Q3 2007

- Turnover increased 54% from the previous year
 - Pro-forma growth 2.7% from the previous year
- Operating profit EBIT
 - EUR 8.4 million, 4.0% of turnover
 - EUR 13.3million, 6.4% of turnover in one-time expenses
- Profit EUR 2.7 million compared with EUR 0.7 million in the previous year
- Synergistic effect is not yet reflected in the company's performance
 - Integration projects have impacted productivity
 - Main focus is on attaining our long term goal of 10% EBIT by mid-year 2008
- Strong cash flow status

Income statement – Q3

| Thous EUR | 2007 1.7 - 30.9 | 2006 1.7 - 30.9 | Change. % |
|---|-----------------------|---------------------|-----------------|
| Sales | 66.087 | 57.648 | 15% |
| Cost of sales | <u>(44.215)</u> | <u>(38.729)</u> | <u>14%</u> |
| Gross profit | 21.872 | 18.919 | 16% |
| Other operating income | 124 | 516 | (76%) |
| Selling and marketing expenses | (10.398) | (7.387) | 41% |
| Research and development expenses | (3.122) | (3.285) | (5%) |
| Administrative expenses | <u>(6.711)</u> | <u>(7.092)</u> | <u>(5%)</u> |
| Profit from Operation | 1.765 | 1.671 | 6% |
| Finance cost - net | (1.894) | (1.890) | 0% |
| Share of results of associates | <u>(6.836)</u> | <u>(498)</u> | <u>-</u> |
| Loss before tax | (6.965) | (717) | - |
| Income tax expenses | <u>1.208</u> | <u>43</u> | <u>-</u> |
| Net loss | <u>(5.757)</u> | <u>(674)</u> | <u>-</u> |
| EBITDA | 4.614 | 4.094 | 13% |

Income statement – Q1 – Q3

Thous EUR

| | 2007 | 2006 | Change. % |
|---|---------------------|--------------------|--------------------|
| | 1.1 - 30.09 | 1.1 - 30.09 | |
| Sales | 210.948 | 136.754 | 54% |
| Cost of sales | (138.889) | (91.601) | 52% |
| Gross profit | <u>72.059</u> | <u>45.153</u> | <u>60%</u> |
| Other operating income | 1.269 | 1.080 | 18% |
| Selling and marketing expenses | (32.657) | (18.095) | 80% |
| Research and development expenses | (10.394) | (7.453) | 39% |
| Administrative expenses | <u>(21.850)</u> | <u>(14.236)</u> | <u>53%</u> |
| Profit from Operation | 8.427 | 6.449 | 31% |
| Finance cost - net | (4.814) | (3.762) | 28% |
| Share of results of associates | <u>(523)</u> | <u>(1.213)</u> | <u>(57%)</u> |
| Profit before tax | 3.090 | 1.474 | 110% |
| Income tax expenses | <u>(397)</u> | <u>(800)</u> | <u>(50%)</u> |
| Net profit | <u>2.693</u> | <u>674</u> | <u>300%</u> |
| EBITDA | 16.139 | 11.949 | 35% |

Income statement – January - September

As % of sales

| | 2007 | 2006 |
|---|--------------------|--------------------|
| | 1.1 - 30.09 | 1.1 - 30.09 |
| Gross profit | 34,2% | 33,0% |
| Selling and marketing expenses | 15,5% | 13,2% |
| Research and development expenses | 4,9% | 5,4% |
| Administrative expenses | 10,4% | 10,4% |
| Profit before depreciation (EBITDA) | 7,7% | 8,7% |
| Profit from operation (EBIT) | 4,0% | 4,7% |
| Depreciation/amortization | 3,7% | 4,0% |
| Net profit | 1,3% | 0,5% |

Income statement per quarter

Thous EUR

| | <u>Q3 '07</u> | <u>Q2 '07</u> | <u>Q1 '07</u> | <u>Q4 '06</u> | <u>Q3 '06</u> |
|---|----------------|---------------|---------------|---------------|---------------|
| Sales | 66.087 | 72.617 | 72.244 | 71.946 | 57.648 |
| Cost of sales | (44.215) | (47.853) | (46.821) | (48.296) | (38.729) |
| Gross profit..... | <u>21.872</u> | <u>24.764</u> | <u>25.423</u> | <u>23.650</u> | <u>18.919</u> |
| Other operating income | 124 | 770 | 375 | 642 | 516 |
| Selling and marketing expenses | (10.398) | (11.751) | (10.508) | (10.990) | (7.387) |
| Research and development expenses | (3.122) | (3.631) | (3.641) | (4.291) | (3.285) |
| Administrative expenses | (6.711) | (6.733) | (8.406) | (7.933) | (7.092) |
| Profit from Operation..... | <u>1.765</u> | <u>3.419</u> | <u>3.243</u> | <u>1.078</u> | <u>1.671</u> |
| Finance cost - net | (1.894) | (1.752) | (1.168) | (1.264) | (1.890) |
| Share of results of associates | (6.836) | 6.598 | (285) | (236) | (498) |
| Profit before tax..... | <u>(6.965)</u> | <u>8.265</u> | <u>1.790</u> | <u>(422)</u> | <u>(717)</u> |
| Income tax expense | 1.208 | (824) | (781) | (93) | 43 |
| Net profit..... | <u>(5.757)</u> | <u>7.441</u> | <u>1.009</u> | <u>(515)</u> | <u>(674)</u> |
| EBITDA | 4.614 | 5.881 | 5.644 | 3.730 | 4.094 |

Assets

| Thous EUR | 2007 <u>31 Sept</u> | 2006 <u>31 Dec</u> |
|-------------------------------|------------------------|-----------------------|
| Non-current assets | | |
| Property, plant and equipment | 61.358 | 56.125 |
| Goodwill | 100.084 | 97.117 |
| Other | <u>72.335</u> | <u>27.242</u> |
| | 233.777 | 180.484 |
| Current assets | | |
| Inventories | 64.277 | 53.263 |
| Production contracts | 14.492 | 13.118 |
| Receivables and prepaym. | 65.552 | 54.003 |
| Cash and cash equivalents | <u>11.238</u> | <u>63.925</u> |
| | <u>155.559</u> | <u>184.309</u> |
| Total assets | <u><u>389.336</u></u> | <u><u>364.793</u></u> |
| Current ratio | 1,9 | 1,9 |

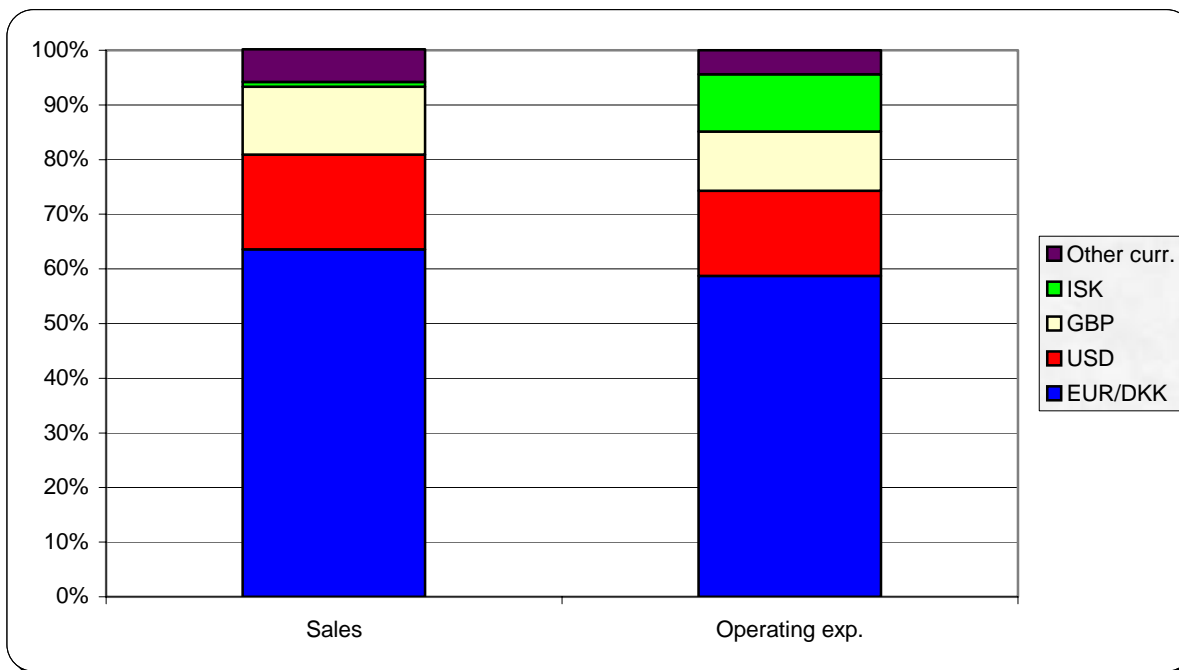
Shareholders equity and liabilities

| Thous EUR | 2007 <u>31 Sept</u> | 2006 <u>31 Dec</u> |
|------------------------------|------------------------|-----------------------|
| Shareholders' equity | 149.972 | 144.423 |
| Liabilities | | |
| Non-current liabilities | 114.704 | 124.050 |
| Current liabilities | <u>124.660</u> | <u>96.320</u> |
| Total liabilities | <u>239.364</u> | <u>220.370</u> |
| Total equity and liabilities | <u><u>389.336</u></u> | <u><u>364.793</u></u> |
| Equity ratio | 38,5% | 39,6% |

Cash flow statement

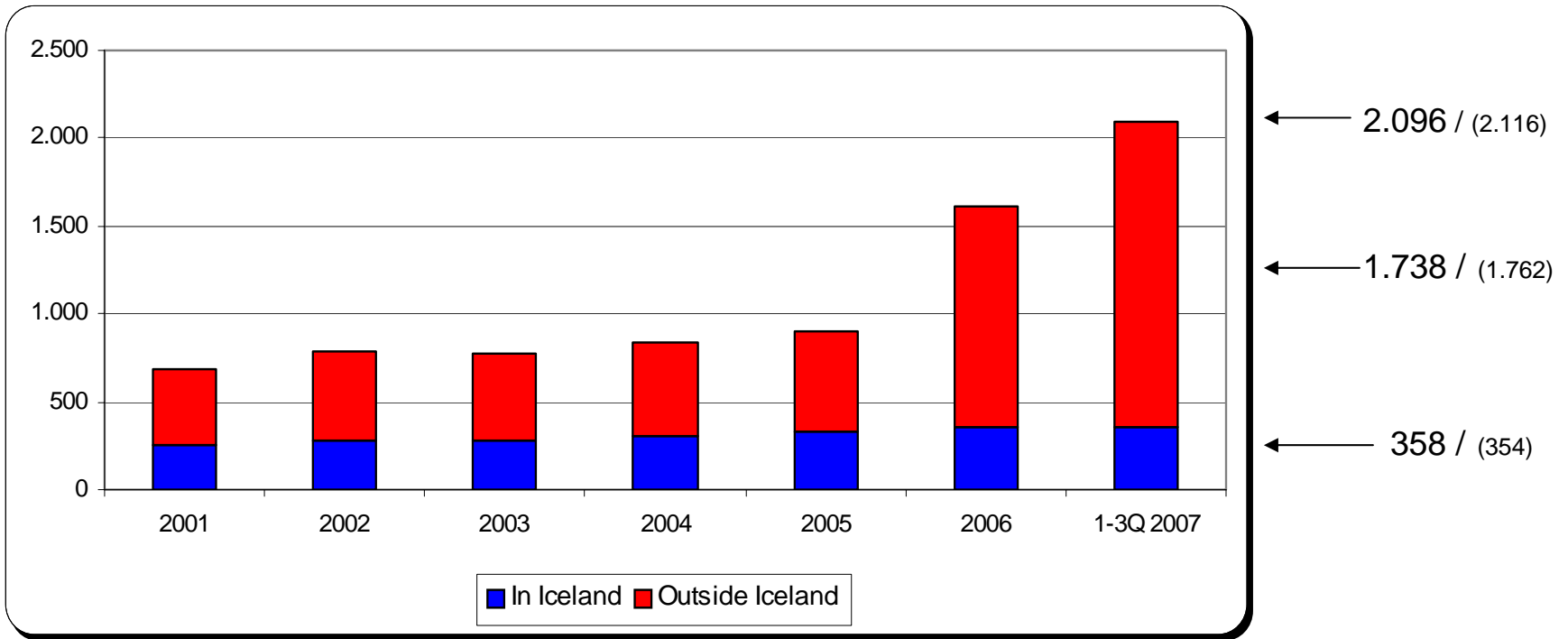
| Thous. EUR | <u>Jan-Sep 07</u> | <u>Jan-Sep 06</u> |
|---|---------------------|----------------------|
| Working capital from/(to) operation | <u>10.969</u> | <u>680</u> |
| Cash generated from/(to) operation | 9.558 | (6.385) |
| Investing activities | (60.534) | (65.757) |
| New shares in excess of purchased shares | 2.722 | 58.830 |
| Net repayments of borrowings | (4.836) | 74.084 |
| Dividends paid | <u>(824)</u> | <u>(601)</u> |
| Net increase in cash | (53.914) | 60.171 |
| Cash at beginning of the year less curr. fluct. | <u>63.162</u> | <u>3.736</u> |
| Cash at end of period | <u><u>9.248</u></u> | <u><u>63.907</u></u> |

Sales and expenses by currencies – Jan - Sept 2007



| | Sales | Operating exp. |
|-------------|-------|----------------|
| EUR/DKK | 64% | 59% |
| USD | 17% | 16% |
| GBP | 12% | 11% |
| ISK | 1% | 11% |
| Other curr. | 6% | 4% |
| | 100% | 100% |

Number of employees – average number per year

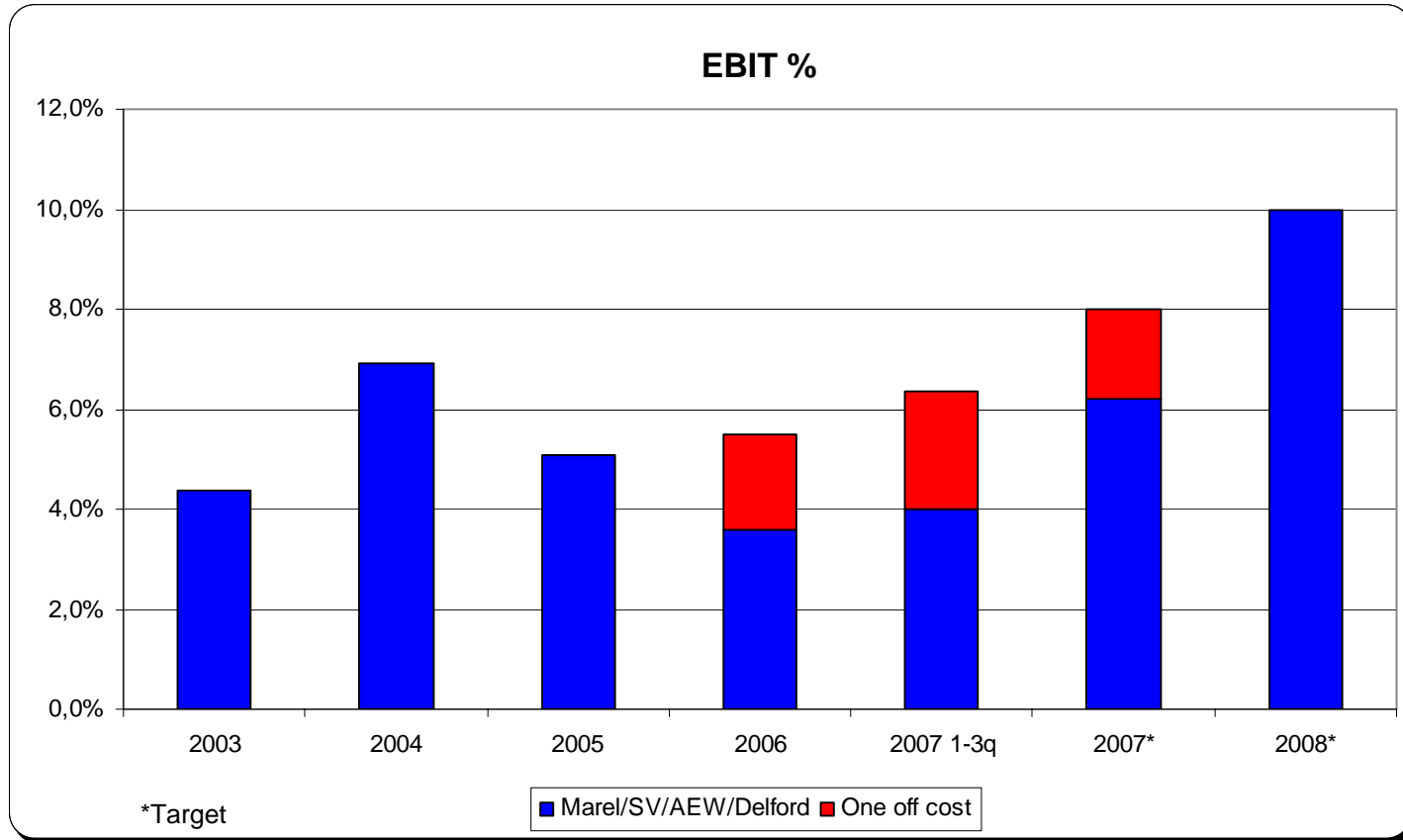


Number in brackets 31 Dec 2006

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
 - Synergy still not reflected in operational performance.

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 9-15 month period of development and results from the synergy of the merger

Stork Food Systems

- Marel Food Systems is currently engaged in formal negotiations with Stork NV about the acquisition of Food Systems
- Results from negotiations expected in the next couple of weeks
- The outcome is unclear at this point
- Over the last decade Marel Food Systems and Stork Food Systems have enjoyed good co-operation in product development and sales.

Prospects

- **Good prospects on main markets**
 - Good economic growth in general
 - Substantial investments expected
- **Long term prospects are good**
 - Together AEW Delford, Carnitech, Marel and Scanvaegt have a strong product line, a robust service network and considerable economy of scale.
- **Synergy benefits should become evident in Q4**



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