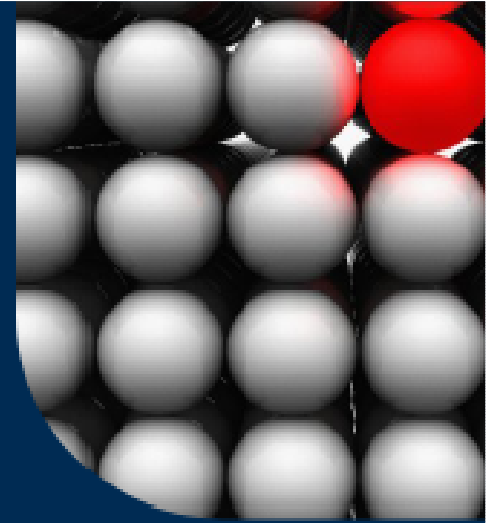




Financial Statements Q4 2007

Hörður Arnarson  
CEO



## Highlights of 2007

- Turnover increased by about 39% compared with the previous year
  - Proforma growth 6.1% year on year
  - Growth in 4<sup>th</sup> quarter 12% year on year
- Extensive integration process involving Marel, AEW/Delford and Scanvægt progressed largely according to plan
  - The company maintains its market share
  - Growth of the company is greater than market growth
  - Order book grows by EUR 25 million from beginning to end of year
- Profit from operations EBIT
  - EUR 10 M 3.6% of turnover
  - EUR 15 M 5.2% of turnover before one-time expenses
- Synergistic effect not yet impacting the company's performance
  - Productivity less because of integration tasks and external growth
  - Price increases of bought materials cause lower contribution margin
- Synergistic effect delayed about 6 - 9 months
  - Unchanged goal of at least 10% EBIT is expected to be achieved by year-end 2008

# Income statement Q4

Thous. EUR	2007 1.10 - 31.12	2006 1.10 - 31.12	Change. %
Sales .....	78,869	71,946	10%
Cost of sales .....	(53,692)	(48,296)	11%
<b>Gross profit</b> .....	<u>25,177</u>	<u>23,650</u>	<u>6%</u>
Other operating income .....	(66)	642	(110%)
Selling and marketing expenses .....	(12,172)	(10,990)	11%
Research and development expenses .....	(4,237)	(4,291)	(1%)
Administrative expenses .....	<u>(7,100)</u>	<u>(7,933)</u>	<u>(11%)</u>
<b>Profit from Operation</b> .....	<b>1,602</b>	<b>1,078</b>	<b>49%</b>
Finance cost - net .....	(2,277)	(1,264)	80%
Share of results of associates .....	<u>5,125</u>	<u>(236)</u>	<u>-</u>
<b>Profit/(loss) before tax</b> .....	<b>4,450</b>	<b>(422)</b>	<b>-</b>
Income tax expenses .....	<u>(1,077)</u>	<u>(93)</u>	<u>-</u>
<b>Net profit/(loss)</b> .....	<b><u>3,373</u></b>	<b><u>(515)</u></b>	<b><u>-</u></b>
<b>EBITDA</b>	4,841	3,730	30%

# Income statement Q1- Q4

Thous EUR	2007 1.1 - 31.12	2006 1.1 - 31.12	Change. %
Sales .....	289,817	208,700	39%
Cost of sales .....	<u>(192,581)</u>	<u>(139,897)</u>	<u>38%</u>
<b>Gross profit</b> .....	97,236	68,803	41%
Other operating income .....	1,203	1,722	(30%)
Selling and marketing expenses .....	(44,829)	(29,085)	54%
Research and development expenses .....	(14,631)	(11,744)	25%
Administrative expenses .....	<u>(28,950)</u>	<u>(22,169)</u>	<u>31%</u>
<b>Profit from Operation</b> .....	<b>10,029</b>	<b>7,527</b>	<b>33%</b>
Finance cost - net .....	(7,091)	(5,026)	41%
Share of results of associates .....	<u>4,602</u>	<u>(1,449)</u>	<u>-</u>
<b>Profit before tax</b> .....	7,540	1,052	617%
Income tax expenses .....	<u>(1,474)</u>	<u>(893)</u>	<u>65%</u>
<b>Net profit</b> .....	<b><u>6,066</u></b>	<b><u>159</u></b>	<b><u>-</u></b>
<b>EBITDA</b>	20,980	15,679	34%

# Income statement January - December

As % of sales

	<b>2007</b>	<b>2006</b>
	<b>1.1 - 31.12</b>	<b>1.1 - 31.12</b>
Gross profit .....	33.6%	33.0%
Selling and marketing expenses .....	15.5%	13.9%
Research and development expenses .....	5.0%	5.6%
Administrative expenses .....	10.0%	10.6%
Profit before depreciation (EBITDA) .....	7.2%	7.5%
Profit from operation (EBIT) .....	3.5%	3.6%
Depreciation/amortization .....	3.8%	3.9%
Net profit .....	2.1%	0.1%

# Assets

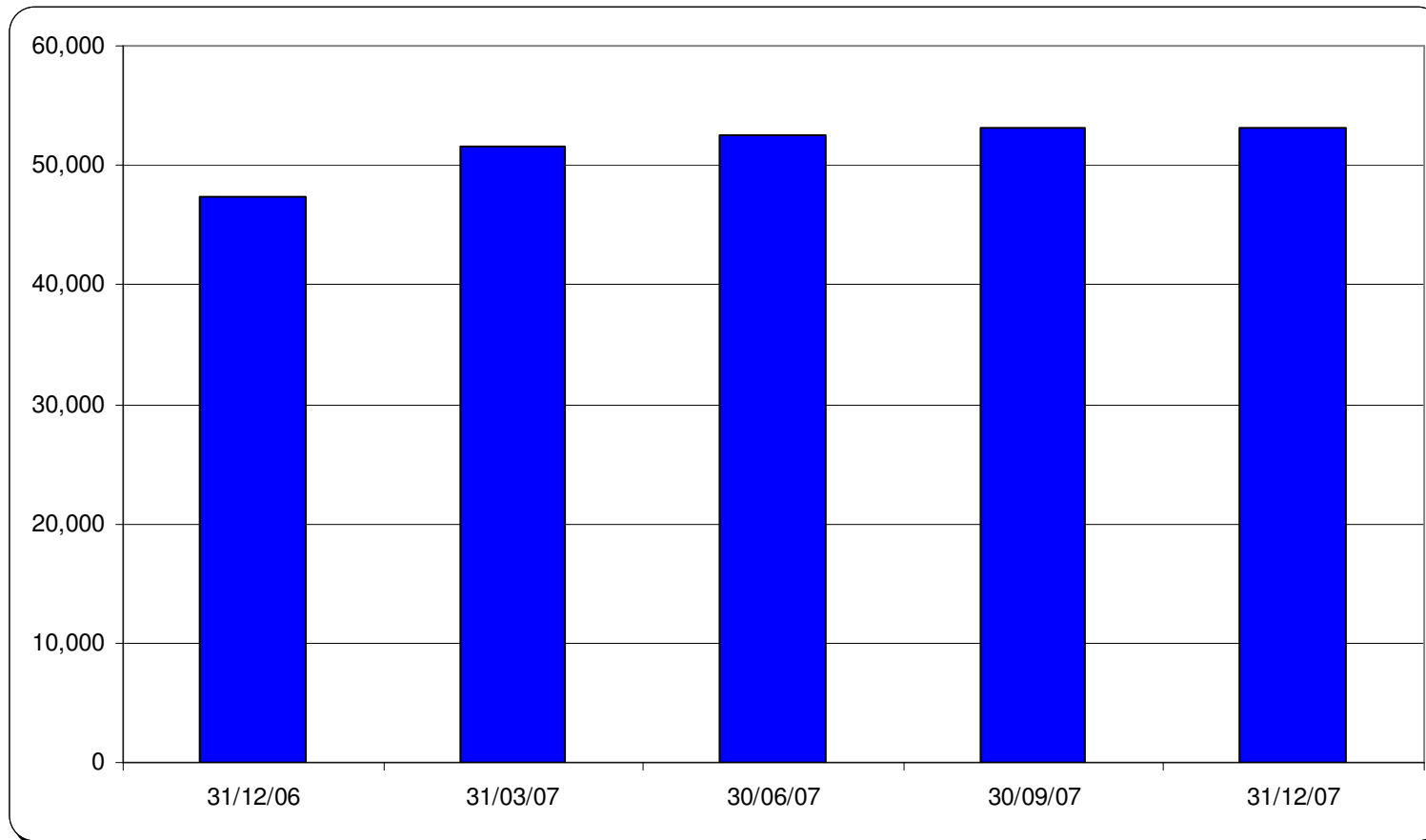
Thous EUR	2007 31 Dec	2006 31 Dec
<b>Non-current assets</b>		
Property, plant and equipment	66,305	56,125
Goodwill	95,450	97,117
Other	32,411	27,242
	<u>194,166</u>	<u>180,484</u>
<b>Current assets</b>		
Inventories	61,587	53,263
Production contracts	15,168	13,118
Trade receivables	52,871	47,306
Other receivables and prepaym.	20,427	6,697
Loan to Associate	49,607	0
Cash and cash equivalents	33,478	63,925
	<u>233,138</u>	<u>184,309</u>
Total assets	<u>427,304</u>	<u>364,793</u>
Current ratio	1.9	1.9

## Shareholders equity and liabilities

Thous EUR	2007 31 Dec	2006 31 Dec
<b>Shareholders' equity</b>	181,835	144,423
<b>Liabilities</b>		
Non-current liabilities	122,218	124,050
Trade and other payables	75,487	54,861
Current liabilities	47,764	41,459
Total liabilities	245,469	220,370
Total equity and liabilities	427,304	364,793
Equity ratio	42.5%	39.6%

# Trade Receivables

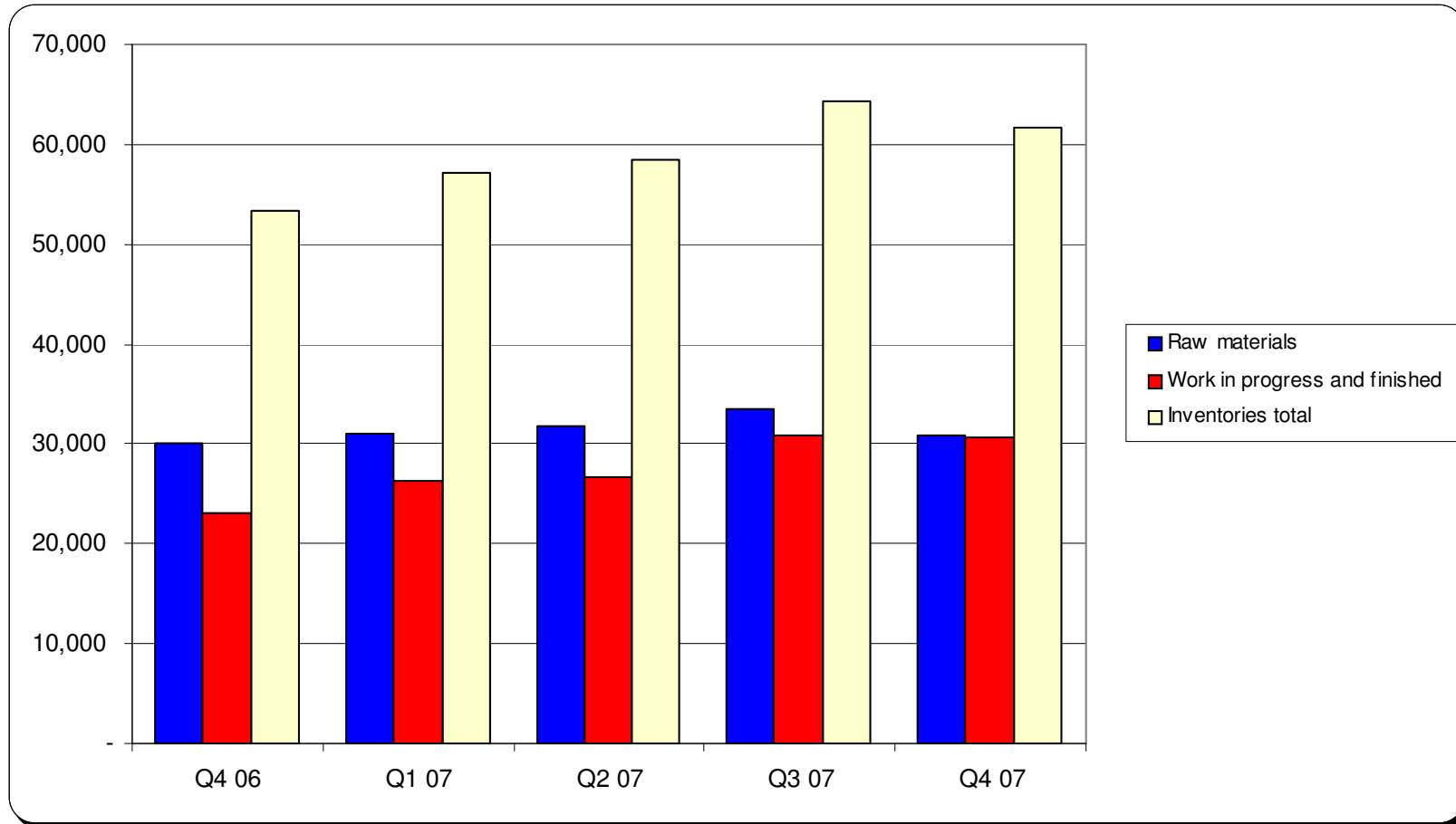
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# Inventories

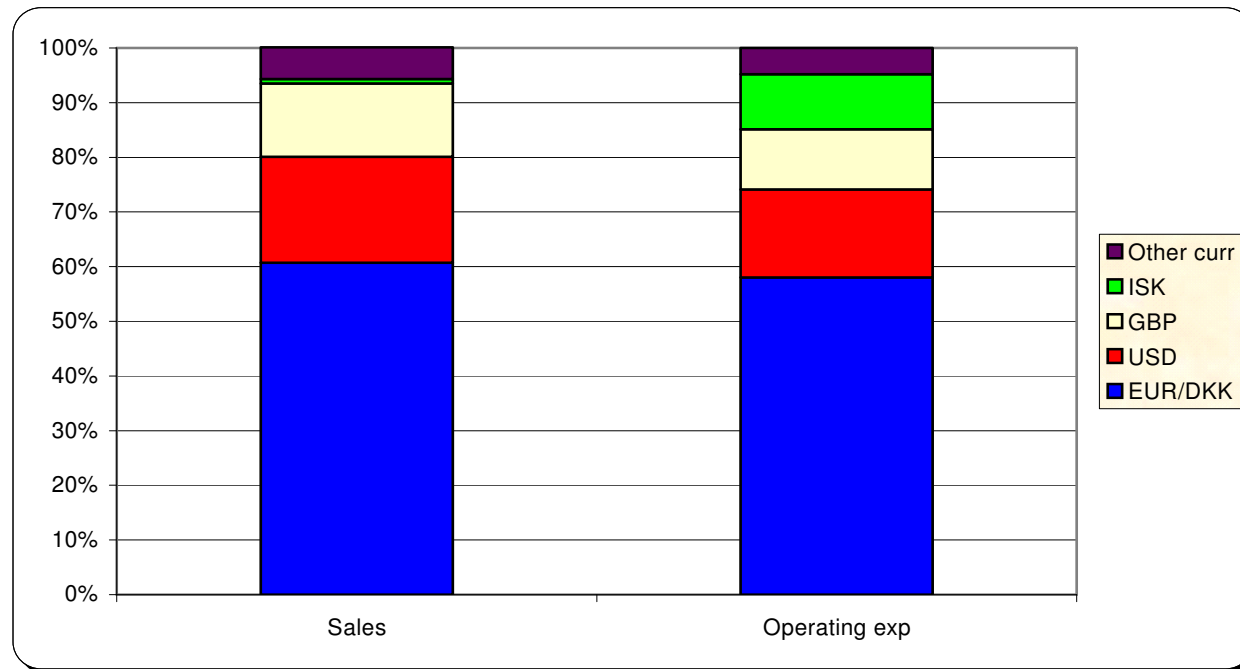
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## Cash flow statement

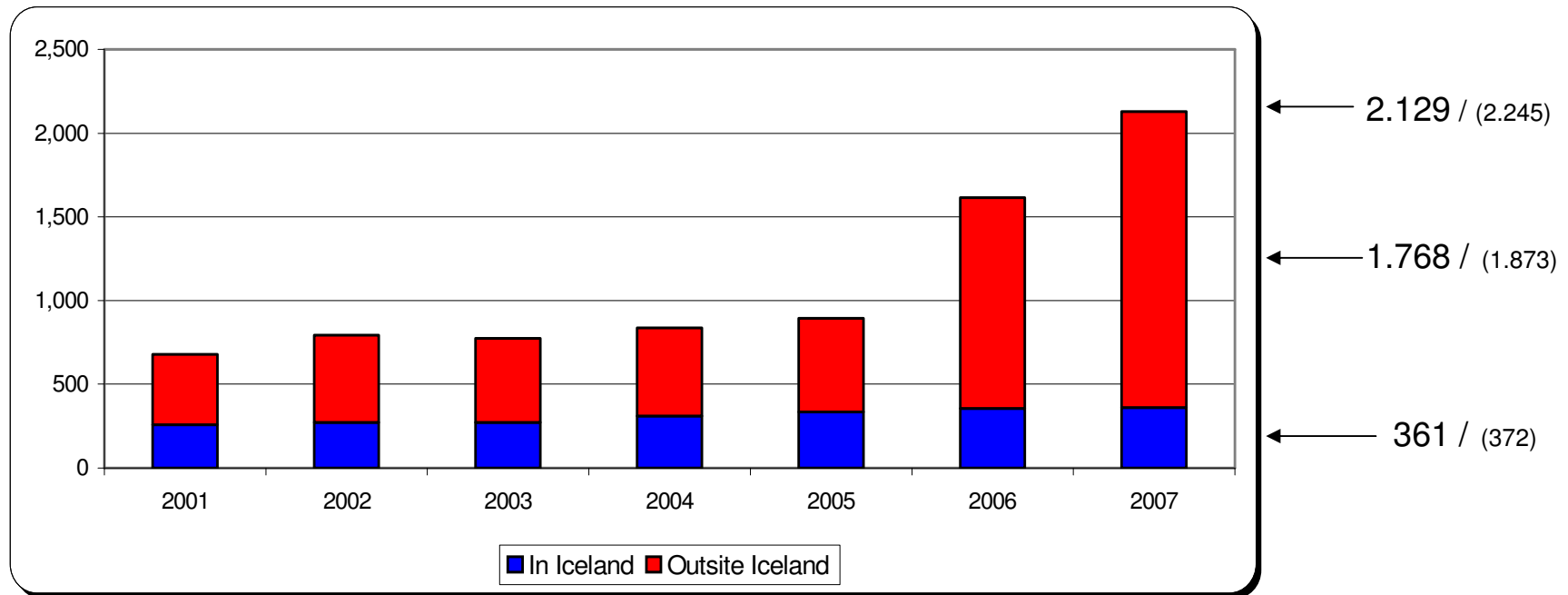
Thous. EUR	Jan-Dec 07	Jan-Dec 06
	<u>          </u>	<u>          </u>
Working capital from/(to) operation	<u>12,987</u>	<u>2,738</u>
Cash generated from/(to) operation	2,778	(2,992)
Investing activities	(70,249)	(69,754)
New shares in excess of purchased shares	32,484	59,289
Net proceeds from borrowings	2,458	73,630
Dividends paid	<u>(824)</u>	<u>(601)</u>
Net (decrease) increase in cash	(33,353)	59,572
Cash at beginning of the year less curr. fluct.	<u>63,790</u>	<u>3,507</u>
Cash at end of period	<u><u>30,437</u></u>	<u><u>63,079</u></u>

# Sales and expenses by currencies Jan - Dec 2007



	Sales	Operating exp
EUR/DKK	61%	58%
USD	19%	16%
GBP	13%	11%
ISK	1%	10%
Other curr	6%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Number of employees – average number per year



Number in brackets 31 Dec 2007

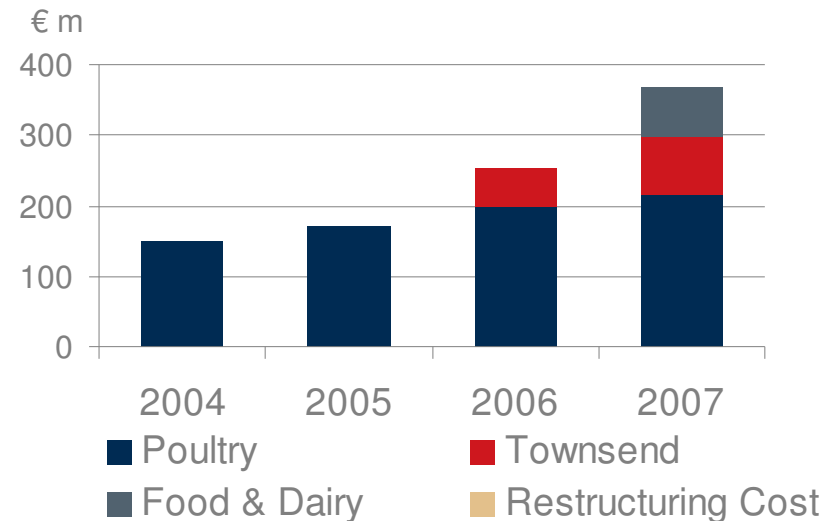
## Stork Food Systems

- Agreement signed in November to purchase Stork Food Systems for €415 million
- Waiting for approval of merger by competition authorities
- Marel and Stork Food Systems have successfully cooperated in product development and sales operations
- No overlapping of the companies' product portfolios
  - Merger simple without significant one-time expenses
- Operations of Stork Food Systems' core activities were good last year, EBIT 10.6%. Prospects for 2008 are good.
- The merger will more than double the turnover of Marel Food Systems, and operating profit as a percent of turnover increases.

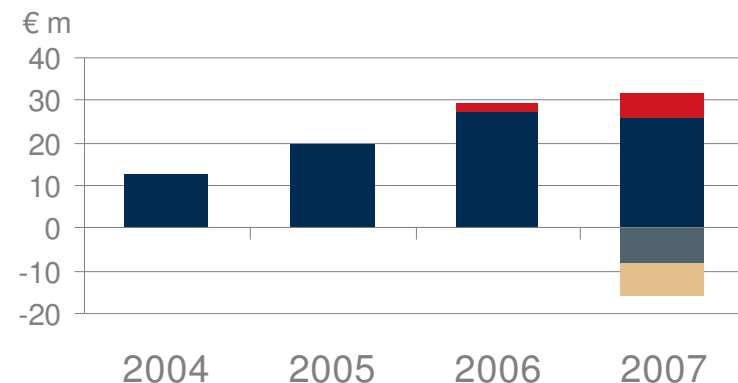
## Stork Food Systems - Financial Overview

- Stork Food Systems is a strong, fast growing business with good profitability
- Stork Food Systems' core business excludes the Food & Dairy unit which is currently undergoing restructuring measures
- The core business has shown impressive results in the last 4 years:
  - Annual growth of **26%**
  - Thereof organic growth of **13%**
  - EBIT of **11%**
- 2007 revenues of core business: €298 million
- 2007 EBIT of core business: €32 million (€41 million EBITDA)

### Stork Food Systems Revenues



### Stork Food Systems EBIT



# Enterprise Value Composition

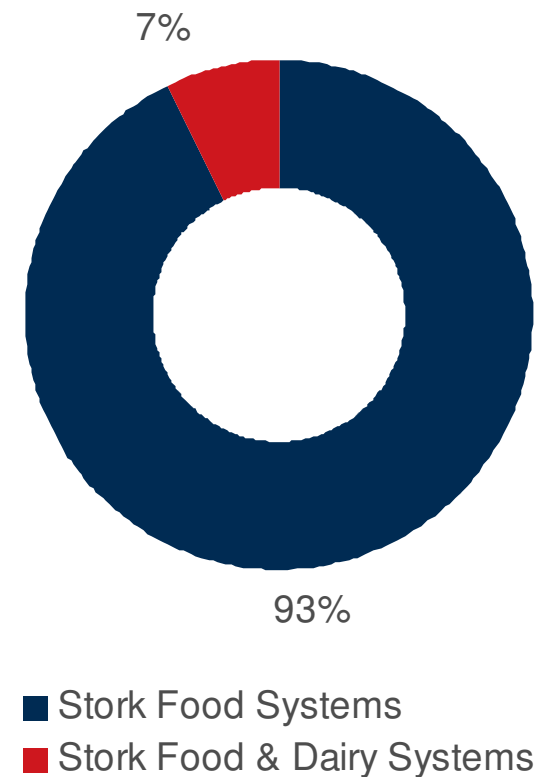
## Stork Food Systems (excluding Food & Dairy)

- Enterprise value €385 million debt and cash free
- Revenues (2007) €298 million
- EBIT (2007) €32 million
- EBITDA (2007) €41 million
- EV/EBITDA 9.4
- Strong, profitable and fast growing business, fully complementary with Marel Food Systems

## Stork Food & Dairy Systems

- Enterprise value €30 million debt and cash free
- Revenues (2007) €71 million
- EBIT (2007) -€8 million (excl. provision)
- EBITDA (2007) -€5 million (excl. provision)
- Provision of €7.5 million due to restructuring
- Strong product portfolio with good potential
- Strong asset base

## Enterprise Value Composition



## Operating objectives

- Growth objective in line with strategy introduced in February 2006
  - To achieve a 15 - 20% market share in 3 – 5 years
  - To achieve a €400 - 500 million turnover
- Merged Marel Food Systems and Stork Food Systems
  - Turnover of core activities about €600 million in 2007
- Objective of operating profit reaching 10% of turnover by year-end 2008
  - Operating profit of Stork Food Systems' core activities 10-11% during last 4 years
  - Synergistic effect of acquiring Scanvægt and AEW Delford
    - Initial goal of achieving a €15 million increase in operating profit in 2-3 years, and minimum of 10% EBIT
    - Reviewed at beginning of 2007 with aim of achieving goal in 1.5 - 2 years. Now a 6 - 9 month delay, i.e. that is in line with initial goal of 2-3 years.



# Integrating Marel Food Systems

- One-time expenses in line with plan of €4.9 million in first half of 2007
  - Charged one-time expenses completed
- Integration of sales and service networks. 45 offices in 22 countries consolidated into approx. 20 dynamic units
  - The company has strengthened its market share by growing faster than the market
  - Order-book increases of about €25 million during the year
  - 80% of the companies within Marel Food Systems achieving their objectives of increasing productivity and improving performance
  - 20% require further restructuring, which will be concluded in 1<sup>st</sup> quarter 2008
- Ahead is 6 -12-month period of development and realization of synergistic affects

## Prospects

- Strong order book
- Increases in raw materials cause lower contribution margin
  - Delay in price-list increases
- Merger of Stork Food Systems and Marel Food Systems
  - Growth objectives from 2006 achieved
- Further acquisitions not contemplated
- Emphasis on strong organic growth and increased profitability
- Goal that EBIT in 2008 will be 8% of turnover
  - Lower in first half of the year
- Goal that EBIT will by year-end 2008 be 10% of turnover



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