

Q2 2012 Investor meeting

Theo Hoen, CEO
Erik Kaman, CFO

26 July 2012



Theo Hoen

CEO

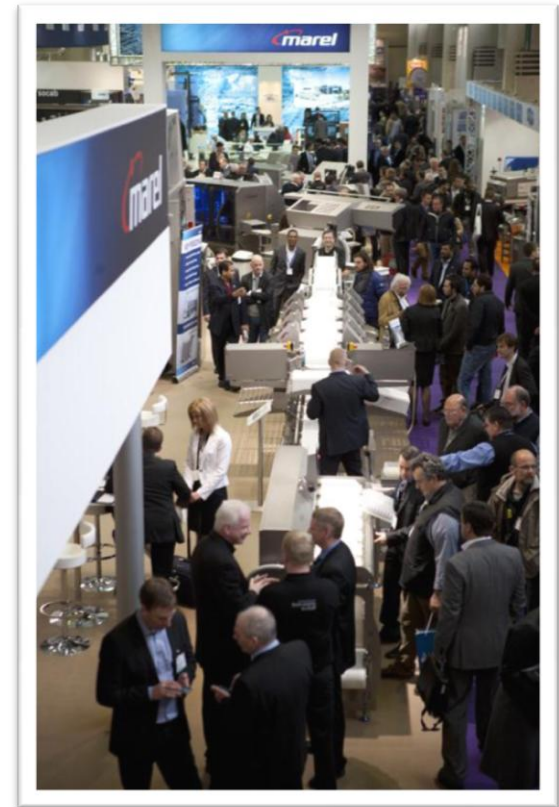


- 1** Introduction
- 2 Financial results
- 3 Markets and outlook



Strong growth with lower profit margins in Q2

- Strong market performance
 - Solid growth from previous year
- Well balanced geographical split
 - Large sales in Brazil, Turkey, South Africa, Russia and USA
- Order book at good level
 - Complete processing lines are the main drivers of growth
- Operating profit (EBIT) below target
 - Extra cost of realising some projects and coping with continued strong growth
 - Unfavourable product mix
- Operating profit for the first half of the year close to target



The Marel stand at the SPE exhibition in Brussels in April was well attended

Erik Kaman

CFO



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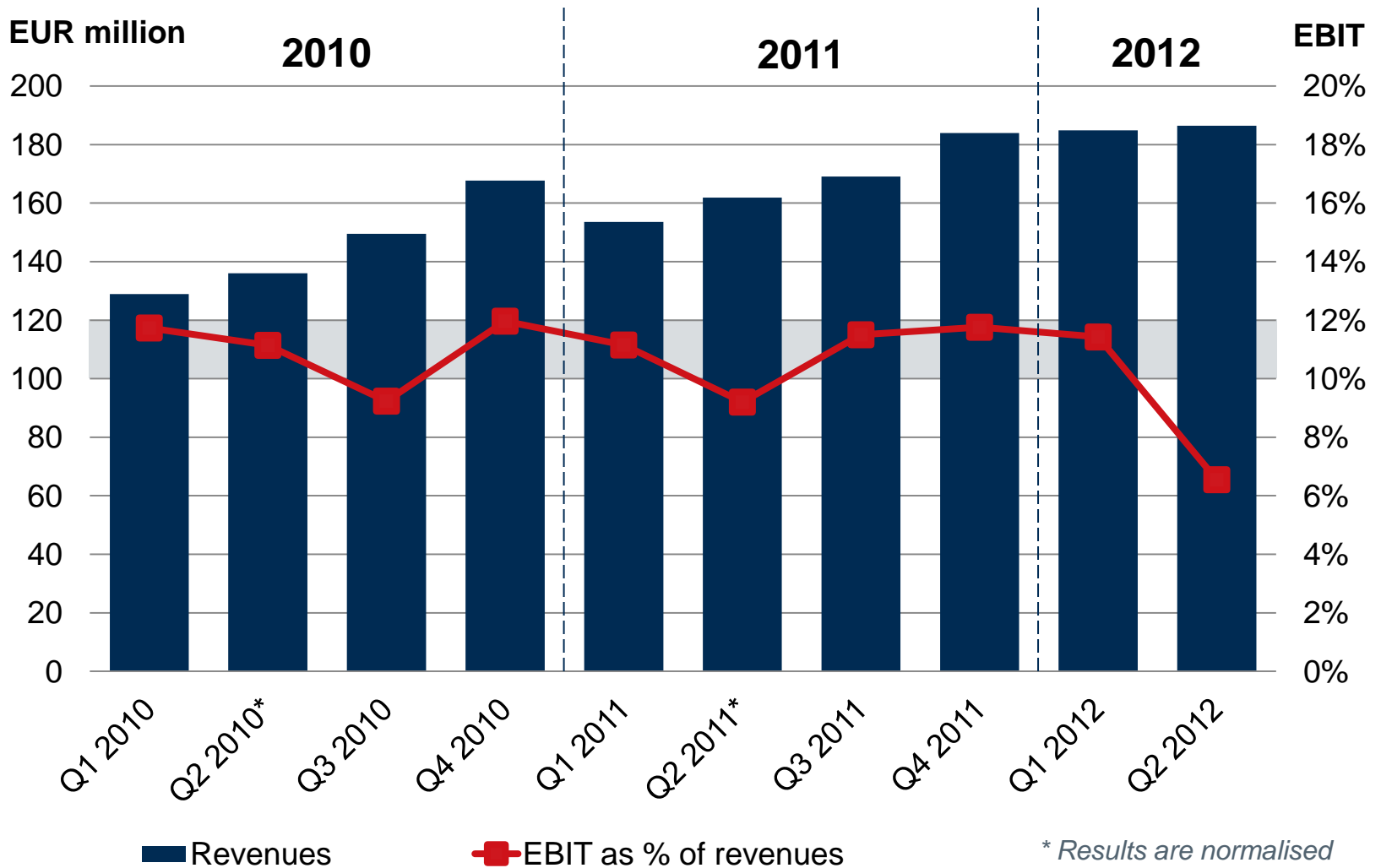


Business results

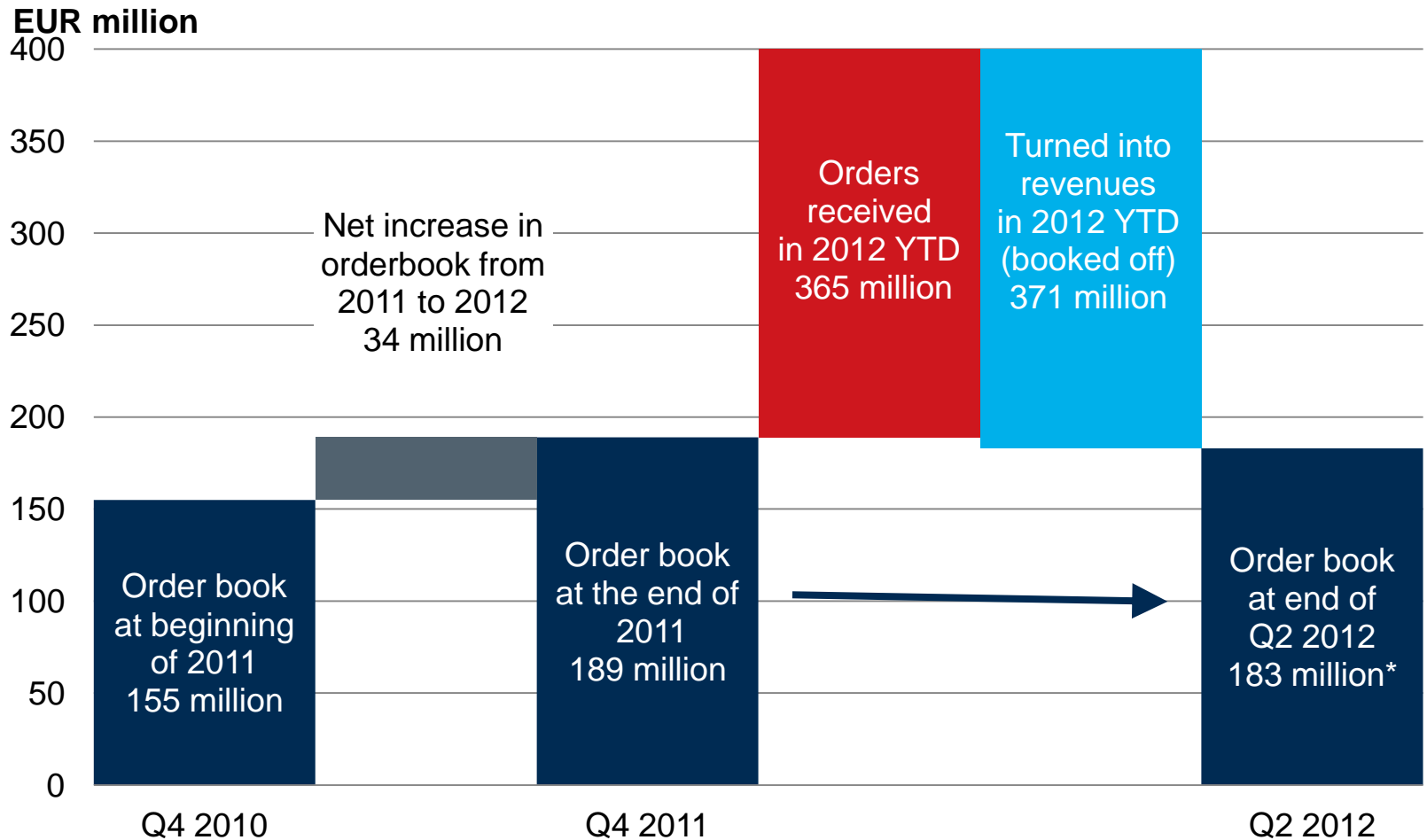
<i>EUR thousands</i>	Q2 2012	Q2 2011	Change in %
Revenues	186,469	161,854	15.2%
Gross profit	62,277	57,883	7.6%
<i>as a % of revenues</i>	33.4%	35.8%	
Result from operations (EBIT)	12,210	14,959	(18.4)%
<i>as a % of revenues</i>	6.5%	9.2%	
EBITDA	18,570	20,942	(11.3)%
<i>as a % of revenues</i>	10.0%	12.9%	
Orders received (including service revenues)	179,619	168,822	6.4%
Order book	182,561	168,981	8.0%

The Q2 2011 numbers are normalised for 11.1 mln one-off costs for pension related issues.

Development of business results



Good pace in orders received, order book at good level



* At Q2 the order book has been reduced by 11 mln. after an analysis on basis of new organization per 01.01.2012

Condensed consolidated balance sheet

ASSETS

EUR thousands

Non-current assets

	30/06 2012	31/12 2011
Property, plant and equipment	108,410	108,088
Goodwill	381,321	380,419
Other intangible assets	105,648	100,073
Investments in associates	109	109
Receivables	2,578	3,115
Deferred income tax assets	10,151	11,567
	608,217	603,371

Current assets

Inventories	104,739	99,364
Production contracts	40,741	38,046
Trade receivables	94,059	77,497
Assets held for sale	-	555
Other receivables and prepayments	27,894	28,051
Cash and cash equivalents	20,341	30,934
	287,774	274,447

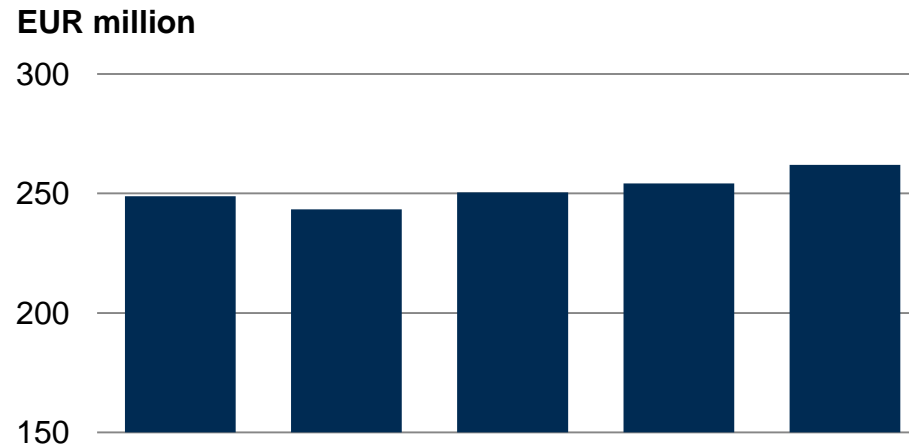
Total assets

895,991	877,818
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Condensed consolidated balance sheet (continued)

EQUITY	30/06 2012	31/12 2011
<i>EUR thousands</i>		
Total equity	387,957	373,471
LIABILITIES		
Non-current liabilities		
Borrowings	262,847	254,361
Deferred income tax liabilities	10,217	8,705
Provisions	7,597	6,902
Derivative financial instruments	12,253	12,419
	<u>292,914</u>	<u>282,387</u>
Current liabilities		
Production contracts.....	71,475	64,029
Trade and other payables	117,978	125,570
Current income tax liabilities	3,498	2,293
Borrowings	19,482	27,062
Provisions	2,687	3,006
	<u>215,120</u>	<u>221,960</u>
Total liabilities	508,034	504,347
Total equity and liabilities	<u>895,991</u>	<u>877,818</u>

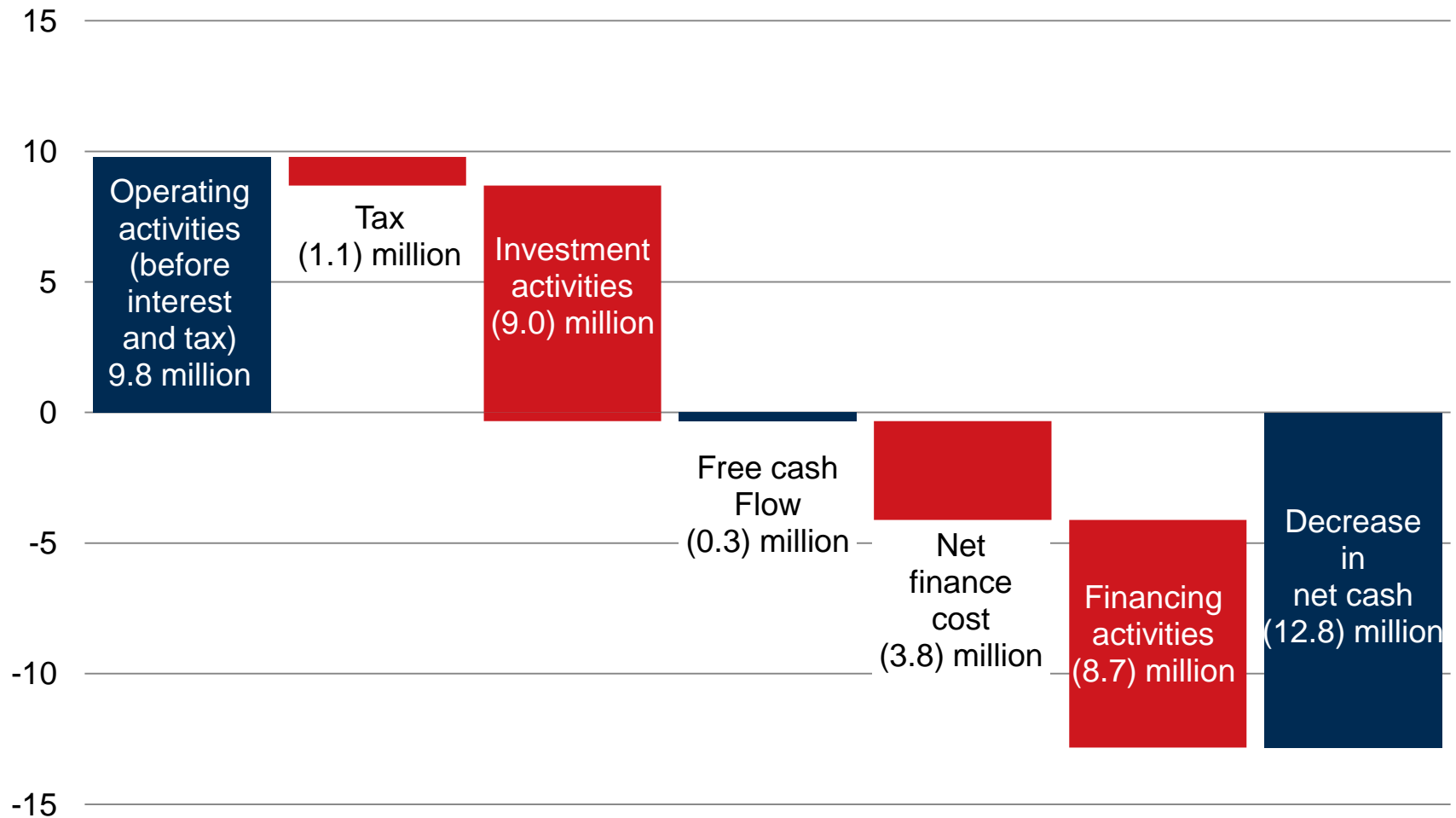
Borrowings slightly down, net interest bearing debt slightly up



End of quarter in EUR million	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Change since Q2 2011
Non-current borrowings	262.8	249.6	254.3	267.0	262.8	0.0
Current borrowings	16.7	27.0	27.1	19.4	19.5	2.8
Total borrowings	279.5	276.6	281.4	286.4	282.3	2.8
Cash and equivalents	30.7	33.2	30.9	32.2	20.3	(10.4)
Net interest bearing debt	248.8	243.3	250.5	254.2	262.0	13.2

Q2 2012 cash flow composition

EUR million



Financial focus areas

- Improving *gross profit*
 - Procurement
 - Production cost
 - Operational processes

- Ensuring a sustainable *SG&A cost base* despite growth in activity
 - 2010: 20.7%
 - 2011: 19.9%
 - Q1 2012: 19.8%
 - Q2 2012: 21.1%

- Improving *working capital* parameters
 - Inventory turn rate (ITR)
 - Days sales outstanding (DSO)
 - Days payable outstanding (DPO)



Marel's SK14-430 Poultry Skinner removes skin from boneless butterfly chicken breast, whole legs and thighs with out the loss of valuable meat. No water is required for skinning resulting in higher skin quality for secondary processes.

Theo Hoen

CEO

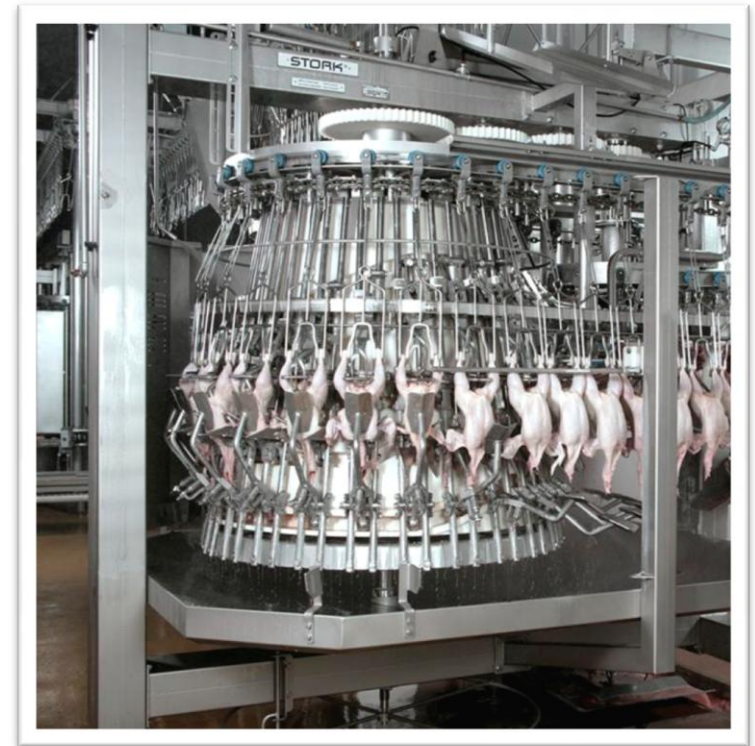


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Poultry: Good order intake in Q2

- In Q2 we received large orders from Europe, Russia Korea, Turkey and Brazil
- Load for manufacturing facilities continues to be good
- Two new greenfield projects
 - Duck processing plant in Russia
 - High speed broiler processing plant in Turkey



The Nuova eviscerator re-hangs the drawn viscera pack to a separate viscera pack line for manual, semi or fully automated giblet harvesting

Fish: Orders received according to expectations

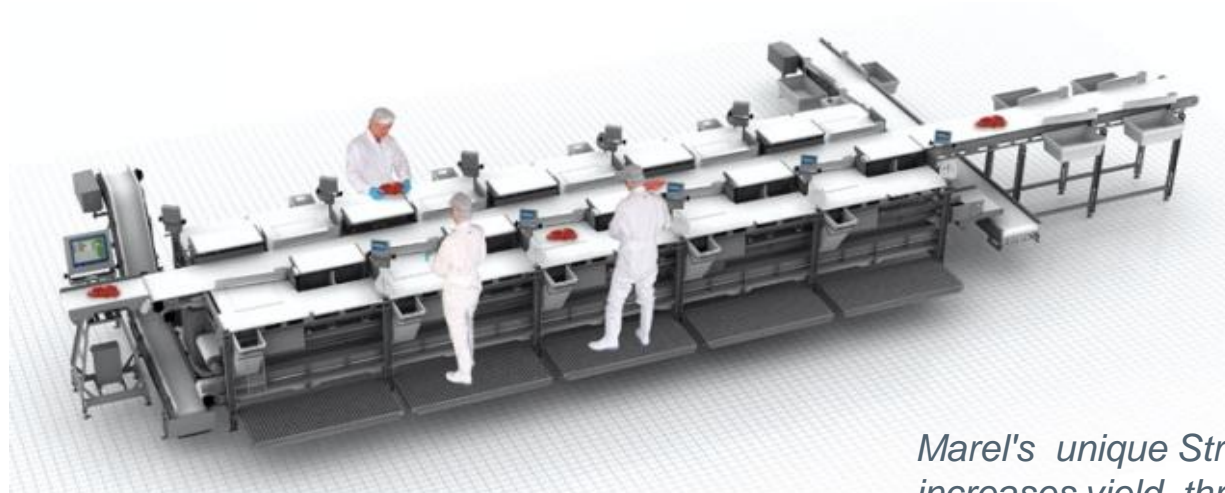
- Great interest in Marel equipment at the SPE exhibition in Brussels
- Many larger installations completed in the quarter, both for salmon and whitefish processors
- Successful introduction of new salmon filleting machine MS 2730
- Outlook for the next quarters is viewed as positive



Marel's new MS 2730 salmon filleter takes filleting to a new level with outstanding throughput, extra yield and high fillet quality.

Meat: Slow quarter in general

- Surplus of pork in the European market and difficult economical climate
 - Resulting in investment delays
- Project proposals remain high
- The unique Streamline concept creating interest with processors
 - Improving logistics and ensuring product tracking
- Large greenfield project in Poland near completion
- Optimistic of new projects in the future



Marel's unique StreamLine concept increases yield, throughput and quality

Further processing: Growing interest in Marel Products

- Order intake in the first half of 2012 according to plan
- Large order for high capacity Cook-Smoke-Link system based on CoExtrusion technology
- FP Industry Center moved to a new building in Boxmeer
- Working on number of market introductions for the second half of the year



The new building for Further processing in Boxmeer is modern and spacious

Solid growth in the food industry

- Marel is well on track with its growth strategy
- Remains optimistic that it will meet the company profit targets for the full year
- Results may vary from quarter to quarter due to general economic developments, fluctuations in orders received and deliveries of larger systems



*Target

The growth strategy was set in 2006. The first phase was completed with the acquisition of Stork Food Systems in 2008.

Q & A

Theo Hoen, CEO

Sigsteinn Grétarsson, COO

Erik Kaman, CFO



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