

Prospectus

Marel Food Systems hf.
November 2009



marel
food systems

This Prospectus is published on 24 November 2009.

This Prospectus has been scrutinised and approved by the NASDAQ OMX Iceland hf. on behalf of the Financial Supervisory Authority in Iceland.

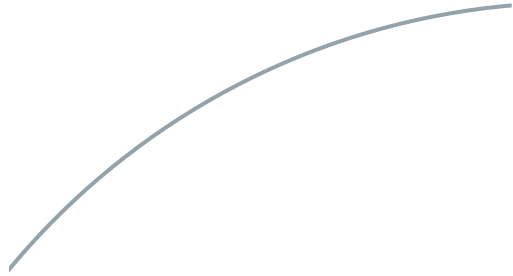
This Prospectus has been prepared in connection with a share offering of new shares in Marel Food Systems hf. to institutional investors and admission to trading of the new shares on NASDAQ OMX Iceland hf. The share offering will take place on 26 og 27 November 2009.

This Prospectus consists of three independent documents; a Summary dated 24 November 2009, a Securities Note dated 24 November 2009 and a Registration Document dated 24 November 2009.

This Prospectus is published in Acrobat Adobe format on Marel Food Systems' website (www.marel.com). Additionally, a hard copy can be obtained from Marel Food Systems hf. headquarters, Austurhraun 9, Garðabær, Iceland. This Prospectus can be obtained for twelve months from its date.

The distribution of this Prospectus in certain jurisdictions may be restricted by law.

Summary



This page is intentionally left blank

Contents

- 1 Notice to investors 2
- 2 Summary of the share offering..... 2
- 3 Risk factors 6
- 4 Information about Marel Food Systems 8
- 5 Financial information 11
- 6 Major shareholders..... 13
- 7 Share capital 13
- 8 Related party transactions..... 14
- 9 Articles of association 14
- 10 Documents on display 16

1 Notice to investors

This Summary should be read as an introduction to the Prospectus, consisting of this Summary, a Securities Note dated 24 November 2009 and a Registration Document dated 24 November 2009.

The above mentioned documents can be obtained in electronic format on www.marel.com. A hard copy can be obtained from Marel Food Systems hf. headquarters, Austurhraun 9, Garðabær, Iceland. This Summary, a Registration Document dated 24 November 2009 and a Securities Note dated 24 November 2009 can be obtained for the next 12 months.

Any investment decision relating to shares in Marel Food Systems should be based on a consideration of the Prospectus as a whole by the investor.

Where a claim relating to information contained in the Prospectus is brought before a court, a plaintiff investor may, in accordance with the relevant national legislation of the Contracting Parties to the European Economic Area Agreement, have to bear the costs of translating the Prospectus before legal proceedings are initiated.

Civil liability attaches to those persons who have tabled the Summary, including any translation thereof, and applied for its notification, but only if this Summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus.

2 Summary of the share offering

The Summary and the Prospectus concern Marel Food Systems' share offering to institutional investors on 26 and 27 November 2009 and the admission to trading, of new shares sold in the share offering, on NASDAQ OMX Iceland hf.

Issuer

Legal and commercial name:	Marel Food Systems hf.
State Registration No.:	620483-0369
Domicile and headquarters:	Austurhraun 9, 210 Garðabær, Iceland

Arrangers

Legal and commercial name:	Landsbankinn (NBI hf.)
State Registration No.:	471008-0280
Domicile and headquarters:	Austurstræti 11, 155 Reykjavík, Iceland

Legal and commercial name:	Arion banki (Nýi Kaupthing banki hf.)
State Registration No.:	581008-0150
Domicile and headquarters:	Borgartúni 19, 105 Reykjavík, Iceland

Legal and commercial name:	Íslandsbanki hf.
State Registration No.:	491008-0160
Domicile and headquarters:	Kirkjusandi, 105 Reykjavík, Iceland

Attention is drawn to the fact that the Joint Lead Arrangers of the offering, Landsbankinn (NBI hf.) and Íslandsbanki hf., are among Marel Food Systems' principal banks and Arion banki (Nýi Kaupþing banki hf.) is one of the Company's lenders. Furthermore, Landsbankinn and Íslandsbanki serve as market makers for Marel Food Systems' shares. Landsbankinn, directly and through its subsidiary Horn fjárfestingarfélag ehf., holds 92,703,174 shares in Marel Food Systems, which corresponds to a 15.05% stake at 20 November 2009. In addition to direct ownership of shares in Marel, Horn fjárfestingarfélag ehf. has an indirect ownership in Marel through its 27.5% ownership in Eyrir Invest ehf. Íslandsbanki holds 1,474,399 shares in Marel Food Systems, which corresponds to an 0.2% stake at 20 November 2009. Arion banki holds 353,181 shares in Marel Food Systems, which corresponds to an 0.1% stake at 20 November 2009.

Landsbankinn has been the advisor to Marel Food Systems in preparation of this Summary, which is part of a Prospectus comprising of a Registration Document dated 24 November 2009, Securities Note dated 24 November 2009 and this Summary.

Shares offered

A total of 92,400,000 new shares in Marel Food Systems will be offered at the offering price between ISK 63 and 65 per share in a book building. The final offering price will be determined by the Board of Directors at the end of the offering period. The weighted average trading price since the publication of the Q3 2009 results until closing on 20 November 2009 was ISK 68.2 per share and the closing price on 20 November 2009 was ISK 68.5 per share. Total proceeds from the share offering will be up to ISK 6,006 million at the higher end of the price range and excluding costs. Marel Food Systems' total number of shares will be up to 708,400,000 after the share offering. However, the Board of Directors of Marel Food Systems reserves the right to increase the number of shares offered by up to 46,200,000 shares. If the Board of Directors decides to do so total proceeds from the share offering will be up to ISK 9,009 million at the higher end of the price range and excluding costs. Then Marel Food Systems' total number of shares will be up to 754,600,000 shares after the share offering.

Reasons for the share offering and use of proceeds

In order to strengthen the capital structure and reduce the exposure to the ISK the Board of Directors decided on 23 November to increase the Company's share capital by offering new shares in a share offering. The new shares can be paid for with cash and/or Marel bonds with the ticker MARL 06 1 and MARL 09 1. The total net proceeds of the share offering, assuming that 92,400,000 shares will be issued and sold at the offer price 65 per share and that the cost of the share offering will be ISK 133.6 million, will amount to ISK 5,872 million. The total net proceeds will be used to pay down ISK denominated debt, thereby reducing exposure to the ISK as well as decreasing the overall cost of debt.

Process of the share offering

The share offering of new shares in Marel Food Systems is only sold in Iceland to institutional investors.

The offer period is from 10:00 GMT on 26 November 2009 until 16:00 GMT on 27 November 2009. During the offer period the new shares will be offered for purchase through the Arrangers. No subscriptions will be accepted after the offer period has expired. The Issuer can cancel the share offering at any time prior to the notification of NASDAQ OMX Iceland that the new shares will be admitted to trading.

Subscriptions

Subscriptions can only be submitted on a completed Subscription form, provided by the Arrangers.

Subscriptions can be submitted to the address of any one of the Arrangers or as a scanned version to the e-mail addresses specified on the Subscription form.

Subscriptions in the share offering are legally binding and cannot be withdrawn by the subscriber.

There is no maximum amount to each subscription in the share offering. Investors are not allowed to subscribe for an amount less than ISK 10 million in the share offering.

Allocation

A decision on allocation of new shares to subscribers will be made by Marel Food Systems' Board of Directors in a meeting following the expiration of the offer period. Should there be an oversubscription in the share offering, the Board of Directors reserves the right to increase the number of new shares on offer by up to 46,200,000 shares or equivalent to the sales value of up to ISK 3,003 million. The Board of Directors reserves the right to reject subscriptions in full or in part without justification.

When allocating shares to subscribers the Board of Directors will take into account the policy of the Company of attracting international investors as well as encouraging distributed ownership of its shares.

Notification of offer results, allocation and payment instructions

The results of the share offering will be made public before 10:00 GMT on 30 November 2009. The announcement will include the final offering price, the aggregate number of new shares which were subscribed for, the aggregate number of participants in the share offering along with the mix between payment with bonds MARL 06 1, MARL 09 1 and cash. The announcement will also include whether the Board of Directors has decided to increase the number of shares on offer and if this is the case the final total number of shares in the share offering will be made public.

Subscribers will obtain notification of allocation and payment instructions after 10:00 GMT on 30 November 2009 by email to the email address provided in the subscription form. Subscribers are allowed to pay for new shares with cash and/or bonds with the ticker MARL 06 1 and MARL 09 1.

The due date for payment for new shares is 2 December 2009. For any shares unpaid at close of business at 16.00 GMT on the due date, 2 December 2009, Marel Food Systems' Board of Directors may either collect payment with penalty interest (according to Article 6 of Act No. 38/2001) and costs or cancel the subscription of the shares in question and allocate them to a third party without notice or notification to subscribers.

Admission to trading and delivery of shares

Application has been made for the new shares to be admitted to trading on the regulated market of NASDAQ OMX Iceland, which is an EU regulated market within the meaning of Directive 2004/39/EC. The shares are expected to be admitted to trading on the NASDAQ OMX Nordic Iceland no later than 9 December 2009.

The new shares will be delivered electronically through the depository agent, the Icelandic Securities Depository, Laugavegur 182, Reykjavík, Iceland. Delivery is only made against payment for the shares pursuant to payment instructions. The aim is to complete the issue of the new shares at the Icelandic Securities Depository no later than 9 December 2009 and to deliver the new shares to participants of the offering on 9 December 2009.

Consideration for new shares

Payment for the new shares is allowed with cash and/or bonds with the ticker MARL 06 1 and MARL 09 1. The value of a bond shall include principal, accrued interest and inflation indexation where applicable at 27 November 2009 in accordance with its terms. Bonds issued with the ticker MARL 06 1 shall have value of ISK 14,396,504 per ISK 10,000,000 nominal value. Bonds issued with the ticker MARL 09 1 shall have value of ISK 1,008,993 per ISK 1,000,000 nominal value.

Expenses of the share offering and admission to trading

The costs payable by Marel Food Systems in relation to the share offering depend on the size of the share offering and the price per share. The commission for placing 92,400,000 new shares at ISK 65 per share would be ISK 114.1 million. In addition the cost for preparing the prospectus, registering the shares, paying stamp duty and other costs would be ISK 19.5 million. The total cost for placing 92,400,000 shares would therefore be ISK 133.6 million.

The commission for placing 138,600,000 new shares at ISK 65 per share would be ISK 171.2 million. In addition the cost for preparing the prospectus, registering the shares, paying stamp duty and other costs would be ISK 19.8 million. The total cost for placing 138,600,000 shares would therefore be ISK 190.9 million.

Dilution

At the date of this Securities Note, the total number of shares in Marel Food Systems is 616,000,000 shares.

The share offering increases Marel Food Systems share capital by up to 92,400,000 shares. The total number of shares in Marel Food Systems after the share offering will be up to 708,400,000 shares, given that the Board of Directors will not increase the number of shares in the share offering. Assuming that existing shareholders do not take part in the share offering at all, the resulting proportional dilution of their shares will be up to 13%.

If the Board of Directors decides to increase the number of shares offered, the share offering increases Marel Food Systems' share capital by up to 138,600,000 shares. The total number of shares in Marel Food Systems after the increase will be up to 754,600,000 shares. If an existing shareholder does not take part in the share offering at all, the maximum resulting proportional dilution of his shares will be up to 18%.

Market making

Landsbankinn, Saga Capital Investment Bank hf. and Íslandsbanki hf. are market makers for the issued shares of Marel Food Systems. According to the market making agreements, Landsbankinn is obligated to provide liquidity for up to ISK 75 million at market value daily, Saga Capital Investment Bank hf. is obligated to provide liquidity for up to ISK 100 million at market value daily and Íslandsbanki is obligated to provide liquidity for up to ISK 50 million at market value daily.

3 Risk factors

Investing in equities is subject to numerous risks. The following is a summary of those risk factors the management and Board of Directors of Marel Food Systems believe are most likely to materially affect the Issuer and any investment made in its shares. Investors are advised to familiarize themselves with the chapters on risk factors in section 1 of the Registration Document dated 24 November 2009 and the Securities Note dated 24 November 2009. Additional risks and uncertainties that do not currently exist, that are not presently considered material, or of which the Company is unaware may also impair its business and operation.

Marel Food Systems' operational risks:

- Marel Food Systems' operations may be negatively affected by economic and political conditions.
- Consumer changes in Marel Food Systems' main markets can have an impact on the Company's position and its growth potential.
- If a serious problem arises with health issues for meat, poultry and fish products, consumer could change their buying habits which could diminish Marel Food Systems' performance and growth potential.
- The sale of large standard solutions as well as customized solutions can expose the group to risks, due to the complexity of these projects and the effect every single one of these projects can have on the performance of Marel Food Systems, especially in the short term.
- The prices of materials Marel Food Systems uses in its manufacturing fluctuate with world market prices, which can have a negative impact on the Company's performance.
- Marel Food Systems sells capital goods. Therefore, fluctuations can be expected in Marel Food Systems' operations from one period to another in accordance with the performance of the group's customers. Furthermore, lack of access to investment capital and uncertain market conditions can negatively impact the demand for Marel Food System's products.
- Marel Food Systems' customers are located in many countries and higher risk is generally associated with doing business in remote foreign countries than in neighbouring countries.
- It is not unlikely that there will be further consolidation in the industry, with companies growing in size and strength through mergers and acquisitions. These developments could have an impact on the group's performance potential.
- One of the main risks associated with research and product development is that it may not be fruitful and the return on investment may not be sufficient.
- Protection of patent rights and other intellectual proprietary rights can encompass risks in the event that a third party initiates court proceedings to invalidate intellectual rights that are valuable for Marel Food Systems' operation.
- Marel Food Systems' activities expose it to a variety of operational risks, including foreign exchange risk, credit risk, liquidity risk, cash flow risk and fair value interest rate risk.

- Around 30% of Marel Food Systems' total borrowings are in ISK. With the currently non-functioning swap market in Iceland, Marel remains exposed to movements in the ISK/EUR exchange rate.
- A relatively high liquidity position is called for due to the current situation in capital markets and the independent financing structures of the entities that make up the group.
- Should the need for further financing arise, it must be borne in mind that the recent turmoil in world capital markets could limit the availability and terms of financing.
- If Marel Food Systems and/or subsidiaries are unable or for some reason cease to meet the respective terms and conditions, the lenders and financiers may become entitled to call upon a credit event or a technical default in accordance with the terms of the relevant agreements.
- The Company has a considerable portion of its long term debt maturing in the end of 2011 and beginning of 2012 and does not foresee paying dividends prior to refinancing the debt.
- Marel Food Systems' investment risk lies in the rate of return on the group's investments in new activities and other companies being less than initially expected.
- Preparation of Marel Food Systems' financial statements requires the use of accounting estimates and assumptions causing a risk of a material adjustment to the carrying amounts of the Issuers' assets and liabilities.
- The Marel Food Systems performance is dependent on the expertise of its management and key employees within the group.
- Marel Food Systems faces numerous legal risks, e.g. the risk of unsatisfied customers bringing legal suit against the group, litigation resulting from violations of health, pollution or environmental regulations and litigation due to disputes with employees or their organizations.
- Marel Food Systems' shares and bonds are listed on NASDAQ OMX Iceland and the Company is subject to Icelandic securities laws and regulations and rules adapted by NASDAQ OMX Iceland. Repeated violations of the aforesaid laws and regulations would expose the Company to the risk of removal from trading on the NASDAQ OMX Iceland and other legal sanctions.
- Changes to taxation laws and regulations in the countries where Marel Food Systems operates can influence its performance.
- Marel Food Systems believes that its current insurance coverage is reasonable; however there is no guarantee that the Company will be fully compensated should it need to lodge claims.
- Marel Food Systems cannot preclude taking on an obligation due to a deficit of pension schemes.

Risk related to investment in Marel Food Systems' shares:

- General equity risk
- Changes in the regulatory framework for financial and equity markets
- Liquidity risk
- Further share capital increase can dilute shareholdings
- Shareholder structure

4 Information about Marel Food Systems

Milestones in Marel Food Systems history

1983	Marel Food Systems established on 17 March 1983.
1991	Marel Food Systems becomes a public limited company.
1992	Marel Food Systems is registered on the Iceland Stock Exchange hf. (now NASDAQ OMX Iceland).
1997	Marel Food Systems acquires Carnitech.
2002	Marel Food Systems moves into new headquarters at Austurhraun 9, Garðabær, Iceland.
2004	Marel Food Systems acquires Póls hf. in Iceland and Carnitech purchases part of the German company Röscherwerke GmbH that operates under the brand name "Geba".
2005	Carnitech buys the manufacturing company DanTech in Singapore.
2006	Marel Food Systems announces its strategy to become, in two steps, one of three leading companies in its industry with a 15-20% market share. Turnover is to be tripled over the next 3-5 years to EUR 500 million through 2-4 strategic acquisitions. Marel Food Systems acquires the assets and operations of AEW Thurne and Delford Sortaweigh in the UK and the Danish company Scanvaegt. Co-founds LME eignarhaldsfélag ehf. with Eyrir Invest ehf. and Landsbanki.
2007	The group introduces a new name and a new corporate identity, Marel Food Systems.
2008	Manufacturing begins in new manufacturing facility in Slovakia and Marel Food Systems completed the acquisition of Stork Food Systems.
2009	Marel Food Systems announces that as of 1 January 2010 the company name will be changes to Marel hf.

Organizational structure

Marel Food Systems' operations are structured around four industry centres, 1) Meat, 2) Poultry, 3) Fish and 4) Further Processing. Each is a decentralised profit centre responsible for research and development, production and, in some instances, sales and services. Furthermore, a sales and service network of 40 offices in 27 countries supports the industry centres. The Sales and Service Units, as the field offices are called, handle sales and servicing of Marel Food Systems' products around the world and are strategically placed to enable the Company to offer its products worldwide.

Business overview

Marel Food Systems develops, manufactures and sells advanced high-tech equipment and systems to a market where demand for efficiency and hygiene is ever increasing. To maintain its position of leadership in this market, the Company must remain at the forefront of innovation and product development, maintain the highest standards in production, and build and preserve lasting relationships with its customers around the world. In that respect, research & development, manufacturing and sales & service are the cornerstones of Marel Food Systems' operations.

Research and development

A commitment to innovation is at the core of Marel Food Systems' identity and company culture. The Company's global research and development team focuses on finding new ways to increase productivity and create value for the customer on the basis of new and existing technologies. This strategy is supported by an annual investment of 5-6% of revenue in research and development.

Patents and trademarks

Marel Food Systems operates in a highly competitive, international arena where companies place great emphasis on protecting their proprietary rights. Patent protection is vital to Marel Food Systems as its value and strong position are to a large degree built on technological innovation and employee experience. The Company's investments are primarily concentrated in the knowledge and expertise of its employees. For this reason, the Company is very involved in protecting the proprietary rights of its product development activities.

In 2008, Marel Food Systems applied for 16 new patents. At the end of 2008 the company had more than 170 granted patents.

Manufacturing

Marel Food Systems offers a very diverse range of products for the global poultry, fish, meat and further processing industries. Equipment is designed to withstand wet and harsh working environments, and to meet the stringent demands of the food processing industry and international regulations governing materials, hygiene, safety and utilization.

Most of the Company's products are manufactured in Iceland, Denmark, the Netherlands, Slovakia, the United States and the United Kingdom. Smaller manufacturing facilities are operated in Singapore, Brazil and France.

Sales and services

Marel Food Systems operates a global network of Sales and Service Units (SSUs), which provide the "local face" of the company to the customer. The SSUs make up the distribution network for all four Industry Centres and the entire range of the Company's products, as well as providing first-line support for all products. The Company has customers all over the world and places significant emphasis on providing services as close to the customers as possible. The group also places emphasis on strengthening the technical and specialized knowledge within its subsidiaries and with their partners.

Outlook

Global financial and overall market conditions have continued to affect Marel Food Systems' operations this year, especially in the first half. The effect has been felt, in particular, in the sale of larger systems and installations, often for new factories. The sale of such systems normally accounts for approximately one-third of the company's revenues. The main reason for lower sales volume of larger system is that Marel Food Systems' customers have had difficulty in obtaining financing for such projects. Since these projects have likely been postponed rather than cancelled, it is expected that an accumulated need will have built up by the time that conditions in the financial markets improve. In the last few months, the Company has seen slow but gradual improvements in a few of its key markets, following what seems to be a general improvement in the global financial markets. However, the speed of recovery varies from country to country.

Market activity is expected to remain at the current level or to slightly improve in coming months. The expectation is that the year 2010 will have a better start than 2009. Operational results will improve in accordance with market developments, supported by the company's continued focus on cost control. Results could vary quarter by quarter but long-term prospects are good.

The Company's view of the long-term prospects of the market and the strong underlying growth in the industry remains unchanged. The Company is aiming for a growth rate of at least two percent above the prevailing market rate and an EBIT 10-12% compared to sales.

Employees

Marel Food Systems employs 3,565 people worldwide, a reduction of 13% since the middle of the year 2008. The majority of employees is located in the Netherlands, 1,185, about 570 are located in USA, 470 in Denmark and 326 in Iceland.

Board of Directors and Executive Board

	Payroll and benefits for FY 2008	Share options ¹⁾	Exercise price ISK pr. share	Exercise period ²⁾	Shares bought through option plan	Share-holding in own name ¹⁾	Related party share-holdings ¹⁾
Board of Directors							
Árni Oddur Þórðarson, Chairman	72	-	-		-	65	232,992
Arnar Þór Másson	24	-	-		-	-	-
Friðrik Jóhannsson	24	-	-		-	-	4,300
Helgi Magnússon	24	-	-		-	-	6,308
Margrét Jónsdóttir	24	-	-		-	126	74
Lars Grundtvig	24	-	-		-	-	61,672
Management Board							
Theo Hoen, CEO of Marel Food Systems hf.	167	2,000	89	50% in Aug. 2011 50% in Aug. 2012	-	1,000	-
Erik Kaman, CFO of Marel Food Systems hf.	186	1,500	89	50% in Aug. 2011 50% in Aug. 2012	-	1,675	-
Sigsteinn Grétarsson, MD Marel ehf.	224	150	70	50% in Feb/Nov 2009 50% in Feb/Nov 2010 50% in Feb/Nov 2010 50% in Feb/Nov 2011 50% in Aug. 2011 50% in Aug. 2012	-	26	-

Amounts in thousands of EUR

1) Number of shares in thousands of ISK at the date of the Registration Document

2) All share option plans have a 1 year grace period following the latter exercise period

Árni Oddur Þórðarson, chairman of Marel Food Systems, is co-founder and principal owners of Eyrir Invest ehf. In addition, Margrét Jónsdóttir, member of Marel Food Systems' Board of Directors, is Chief Financial Officer of Eyrir Invest ehf.

Lars Grundtvig, a member of Marel Food Systems' Board of Directors, is the owner of Grundtvig Invest ApS, together with his two sons. Lars Grundtvig is the managing director of Grundtvig Invest ApS.

Statutory Auditors

Marel Food Systems hf. elected KPMG hf., Icelandic ID No. 590975-0449, Borgartún 27, 105 Reykjavík, Iceland, as the Company's Statutory Auditor at the Annual General Meeting held on 10 March 2009.

PricewaterhouseCoopers hf., Icelandic ID No. 690681-0139, Skógarhlíð 12, 105 Reykjavík, Iceland, was Marel Food Systems hf.'s Statutory Auditor for the financial periods 2006, 2007 and 2008.

5 Financial information

The financial statements of Marel Food Systems are prepared in accordance with International Financial Reporting Standards and comprise the consolidated accounts of the parent company and its subsidiaries.

The following table shows selected financial information from Marel Food Systems' financial statements. The information covers the years 2008, 2007, 2006, the first nine months of 2009 and 2008, and quarter three of 2009 and 2008. Information for the year 2008 and the first nine months of 2008 include Stork Food Systems and Stork Food and Dairy System as of 1 May 2008.

Key figures - consolidated	2009	2008	2009	2008	2008	2007	2006
	1.7 - 30.9	1.7 - 30.9	1.1 - 30.9	1.1 - 30.9	1.1 - 31.12	1.1 - 31.12	1.1 - 31.12
Operating results							
Sales	133,659	170,633	395,995	389,648	540,149	289,817	208,700
Gross profit	49,744	58,967	140,955	136,047	178,931	97,236	68,803
Result before depreciation (EBITDA)	17,986	20,754	46,738	42,196	42,108	20,980	15,679
Result from operations (EBIT)	11,771	14,528	27,604	27,853	20,434	10,029	7,527
Result for the period	858	4,529	11,233	15,325	(8,405)	6,066	159
Cash flow statement							
Net cash from (to) operating activities	5,065	2,746	24,669	13,885	15,288	2,778	(2,992)
Investing activities	(5,227)	(14,103)	15,346	(408,454)	(410,671)	(70,249)	(69,754)
Financing activities	(9,187)	3,501	(9,946)	381,067	386,480	34,118	132,318
Various figures in proportion to sales							
Gross profit	37.2%	34.6%	35.6%	34.9%	33.1%	33.6%	33.0%
Selling and marketing expenses	12.7%	12.4%	13.9%	13.2%	13.3%	15.5%	13.9%
Research and development expenses	4.7%	5.0%	5.7%	5.1%	5.1%	5.0%	5.6%
Administrative expenses	10.8%	8.7%	12.9%	9.8%	11.1%	10.0%	10.6%
Result before depreciation (EBITDA)	13.5%	12.2%	11.8%	10.8%	7.8%	7.2%	7.5%
Depreciation/amortization	4.6%	3.6%	4.8%	3.7%	4.0%	3.8%	3.9%
Result from operations (EBIT)	8.8%	8.5%	7.0%	7.1%	3.8%	3.5%	3.6%
Result for the period	0.6%	2.7%	2.8%	3.9%	-1.6%	2.1%	0.1%
Key figures - consolidated							
			30.9.2009	30.9.2008	31.12.2008	31.12.2007	31.12.2006
Financial position							
Total assets			872,660	946,050	920,259	427,304	364,793
Working capital			81,876	12,870	(25,941)	109,887	87,989
Equity			303,749	307,454	288,279	181,835	144,423
Other key ratios							
Current ratio			1.5	1.0	1.0	1.9	1.9
Quick ratio			1.1	0.5	0.5	1.3	1.2
Equity ratio			34.8%	32.5%	31.3%	42.5%	39.6%
Return on owners' equity			5.1%	8.4%	-3.6%	3.7%	0.2%
Return on total assets			2.5%	3.0%	-1.2%	1.5%	0.1%
Net Debt			347,958	384,352	379,405	129,919	95,468

Amounts in thousands of EUR

Marel Food Systems' maturity profile

Annual maturities of non-current liabilities	30.09.09	31.12.08
Period 1.10.2010-30.9.2011 / year 2010	8,333	41,135
Period 1.10.2011-30.9.2012 / year 2011	184,226	8,445
Period 1.10.2012-30.9.2013 / year 2012	17,704	58,471
Period 1.10.2013-30.9.2014 / year 2013	28,676	12,084
Later	127,876	145,672
Total	366,815	265,807

Amounts in thousands of EUR

Working capital, capitalisation and indebtedness

The Chairman of the Board of Directors and the CEO on behalf of the Issuer declare that in their opinion the Issuer's working capital is sufficient for the next 12 months.

The following table shows Marel Food Systems' capitalisation and indebtedness based on the Balance Sheet at 30 September 2009. In November 2009 Marel Food System extended a bridge facility that was provided in relation to the acquisition of Food and Dairy systems, which was part of the overall Stork Food Systems acquisition. The financing has been extended until October 2011.

Capitalisation	30 September 2009	
Total current liabilities		171,033
- Guaranteed	9,213	
- Secured	41,216	
- Unguaranteed/unsecured	120,604	
Total non-current liabilities		397,877
- Guaranteed	0	
- Secured	301,881	
- Unguaranteed/unsecured	95,996	
Shareholders' equity:		303,750
a) Share capital	5,986	
b) Share premium	277,466	
c) Fair value and other reserves	(12,823)	
d) Retained earnings	33,121	
e) Minority interest	0	
Total		872,660

Net indebtedness	30 September 2009	
a) Cash	55,109	
b) Cash equivalents	0	
c) Trading securities	0	
d) Liquidity (a) + (b) + (c)		55,109
e) Current financial receivables		0
f) Current bank debt	35,384	
g) Current portion of bonds issued	408	
h) Other current financial debt	461	
i) Current financial debt (f) + (g) + (h)		36,253
j) Net current financial indebtedness (i) - (e) - (d)		(18,856)
k) Non-current bank debt	300,725	
l) Non-current bonds issued	64,934	
m) Other non-current loans	1,156	
n) Non-current financial indebtedness (k) + (l) + (m)		366,815
Net financial indebtedness (j) + (n)		347,959

Amounts in thousands of EUR

The interim report has not been audited or reviewed.

Significant changes from the latest financial statement

No significant changes have occurred in the trading or financial position of Marel Food Systems since the end of the last interim financial period on 30 September 2009.

6 Major shareholders

On 20 November 2009, Marel Food Systems' shareholders numbered 1,737. In the accompanying table is a list of Marel Food Systems' 10 largest shareholders on 20 November 2009. Marel Food Systems owns no treasury shares.

Largest shareholders 20.11.2009	Number of shares	Holding	Voting rights
Eyrir Invest ehf	232,924,713	37.81%	37.81%
Horn Fjárfestingarfélag ehf	92,703,174	15.05%	15.05%
Grundtvig Invest A/S	61,560,494	9.99%	9.99%
Columbia Acorn International	22,568,604	3.66%	3.66%
Lífeyrissjóður verslunarmanna	20,294,666	3.29%	3.29%
Gildi -lífeyrissjóður	17,123,457	2.78%	2.78%
Sameinaði lífeyrissjóðurinn	14,675,243	2.38%	2.38%
Stafir lífeyrissjóður	13,934,005	2.26%	2.26%
Lífeyrissjóðir Bankastræti 7	13,000,000	2.11%	2.11%
Wanger International	7,836,321	1.27%	1.27%
Total ten largest shareholders	496,620,677	80.62%	80.62%
Other shareholders	119,379,323	19.38%	19.38%
Total number of shares	616,000,000	100.00%	100.00%
Own shares	0	0.00%	0.00%
Active share capital	616,000,000	100.00%	100.00%

Horn fjárfestingarfélag ehf. is a subsidiary of Landsbankinn (NBI hf.). In addition to direct ownership of shares in Marel, Horn fjárfestingarfélag ehf. has an indirect ownership in Marel through its 27.5% ownership in Eyrir Invest ehf.

Columbia Wanger Asset Management (CWAM) is part of the Columbia Management Group, the investment management division of Bank of America. Three funds under management of CWAM hold a total of 5.2% of shares in Marel Food Systems. Columbia Management is one of the largest asset management companies in the world with more than USD 330 billion in assets under management for institutional and individual investors. CWAM has more than USD 21 billion under asset management.

7 Share capital

Marel Food Systems' total share capital at 5 October 2009 was 616,000,000 shares. All of Marel Food Systems' share capital is of the same class, issued and fully paid. Each share has a par value of ISK 1.00 (one Icelandic króna). No change has occurred in the share capital from 5 October 2009 to the date of this Summary.

8 Related party transactions

Below are details of related party transactions that the Company has entered into during the period covered by the historical financial information and up to the date of this Summary.

On 14 April 2009 Marel Food Systems entered into a Share Purchase Agreement to divest Scanvaegt Nordic A/S, a non-core unit operating outside the food industry, to Grundtvig Invest A/S. At the date of the Registration Document Grundtvig Invest owns 9.99% of Marel Food Systems' shares.

At the date of this Registration Document, there are no loans to members of the Board of Directors or Executive Board that have been granted by the Company. The same applies to the position as at 30 September 2009, year-end 2008, 2007 and 2006. In addition, there have been no transactions carried out (purchases of goods and services) between the Company and members of the Board of Directors and Executive Board during the period mentioned above.

During the years 2007 and 2006, a loan amounting to EUR 49.6 million was granted to Marel Food Systems associate, LME eignarhaldsfélag ehf. No loans were granted to LME eignarhaldsfélag ehf. in 2005. Marel Food Systems owned 20% of the shares in LME eignarhaldsfélag ehf. until the first quarter of 2008, when Marel Food Systems sold all its shares in the company. The loan to LME Eignarhaldsfélag ehf. was paid up in the first quarter of 2008.

9 Articles of association

The Issuers purpose according to Marel Food Systems' Articles of Association

According to article 1.4 of Marel Food Systems' Articles of Association, the Company's purpose is the development, design, manufacture, purchase, and sale of electronic devices, software, and related equipment, both domestically and internationally, as well as the provision of associated services and operations. Furthermore, the Company undertakes the management of real estate, purchase and sale of securities and ownership of subsidiaries.

Summary of provisions with respect to the Board of Directors, CEO and Management

Marel Food Systems' AGM annually elects six people to sit on the Board of Directors. Their suitability is determined by law. Persons intending to put themselves forward for election to the Board of Directors shall declare so in writing to the Company's Board at least five full days prior to the start of the AGM. Information about candidates for the Board of Directors shall be submitted to shareholders for examination at the Company's offices not later than two days prior to the shareholder meeting.

Election of the Board of Directors is determined according to a majority vote among individuals. The election shall as a rule be conducted on written ballots, if proposals are submitted for more people than there are positions. If there are 200 or more shareholders in the Company, then shareholders who control at least 1/10 of the Company's shares can request that a proportional or cumulative election be held when electing members of the Board of Directors. If shareholders are fewer than 200, control of 1/5 of the Company's shares is required to make such a request. A request for a proportional or cumulative election shall be submitted to the Company's Board of Directors at least five days prior to the shareholder meeting.

The Board of Directors chooses a Chairman from among its members, after which it assigns responsibilities according to need. Meetings shall be held whenever the Chairman deems necessary or at

the request of a member of the Board of Directors or the CEO. A Board meeting makes decisions when a majority of the Board of Directors participates in the meeting. Important decisions, however, may not be taken unless all members of the Board of Directors have had the possibility to discuss the matter. A majority of votes determines results at Board meetings. If there is a tied vote, the Chairman's vote counts as double.

The Board of Directors is the highest authority in company matters between shareholder meetings. The Board of Directors operates according to working procedures that the Board sets, based on laws on Public Limited Companies. The Board of Directors sets operational goals for the Company in conformance with the Articles of Association. The Board of Directors hires one or more CEOs, determines their remuneration and concludes an employment contract with them. The Board of Directors gives authorization to sign on behalf of the Company. The signatures of a majority of the Board of Directors are required to obligate the Company.

The CEO is responsible for daily operations of the Company in accordance with directives given to him by the Board of Directors. The CEO shall see to that the Company accounts are entered in accordance with law and convention, and that the Company assets are handled in a reliable manner.

Description of rights, preferences and restrictions attaching to each class of shares in the Company

All shares in the Company are of the same class and confer the same rights. One vote accompanies each share in the Company. Shareholders have pre-emptive rights to an increase in share capital in proportion to their registered shareholding provided that they have not waived their pre-emptive rights as provided for in Article 34 of Act No. 2/1995 on Public Limited Companies.

No restraints are placed on the rights of shareholders to sell their shares. No special prerogatives are attached to any shares in the Company. Shareholders are obligated, without their making specific commitments to abide by the Company's Articles of Association in their current form, or as they may be legitimately changed. Shareholders are neither obligated by the Company's Articles of Association nor changes to them, to increase their shareholdings in the Company or to accept their shares being redeemed. Shareholders are not responsible for any of the Company's liabilities beyond their share in the Company, unless they accept such responsibility through legal action. This clause can neither be changed nor revoked by any resolution at shareholder meetings.

Description of action necessary to change the rights of shareholders in the Company

According to article 12.1, the Company's Articles of Association may only be changed at Company shareholder meetings that are duly constituted. Such upcoming changes shall be specifically stated in meeting announcements and include a discussion of the main points. A decision will only be valid if it has been approved by at least 2/3 of votes cast, and approved by shareholders who control at least 2/3 of the shares represented at the shareholder meeting. This article is in conjunction with article 93 of Act No. 2/1995 on Limited Liability Companies.

Description of the notification of shareholder meetings and conditions for admission

Shareholder meetings shall be announced with advertisements in the media or through electronic means. Shareholders meetings shall be announced with a minimum of one week's notice and a maximum of four week's notice. It is preferable that the AGM be announced with two week's notice if the Board of Directors considers it possible, but it is permitted to announce the meeting with one week's notice.

The right to attend a shareholder meeting is granted to shareholders, shareholder proxies, the Company auditors, and the CEO, even if not a shareholder. The Board of Directors can invite specialists to individual meetings if their expertise or assistance is needed.

The Board of Directors is authorized to allow shareholders to participate in proceedings at shareholder meetings through electronic means without being present at the meeting venue. If the Board decides to use this authorization, it shall be specially noted in the announcement for the shareholder meeting. Shareholders intending to participate electronically shall inform the Company's office with five days' notice and submit written questions regarding the agenda or present documents with questions they would ask at the meeting. Shareholders shall have access to instructions regarding participation in shareholder meetings through electronic means, along with a password and the necessary software for such participation. A password entered into the computer program is equivalent to the signature of the respective shareholder and is considered acknowledgment of his participation in the shareholder meeting.

Change in control

There are no special provisions in the Company's Articles of Association that have an effect of delaying, deferring or preventing a change in control of Marel Food Systems.

Disclosure of ownership of shareholders

There are no special provisions in Marel Food Systems' Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed. However, since Marel Food Systems is listed on the NASDAQ OMX Iceland, shareholders must comply with chapter IX of Act No. 108/2007 on Securities Transactions, regarding notification to the Issuer and the Icelandic Financial Supervisory Authority if, as a result of acquisition or disposal, the proportion of voting rights of the holder of shares reaches, exceeds or falls below the thresholds of: 5, 10, 15, 20, 25, 30, 35, 40, 50, 66 2/3 and 90%.

Conditions in the Articles of Association regarding changes in share capital

There are no conditions imposed by Marel Food Systems' Articles of Association governing changes in share capital that are more stringent than is required by law.

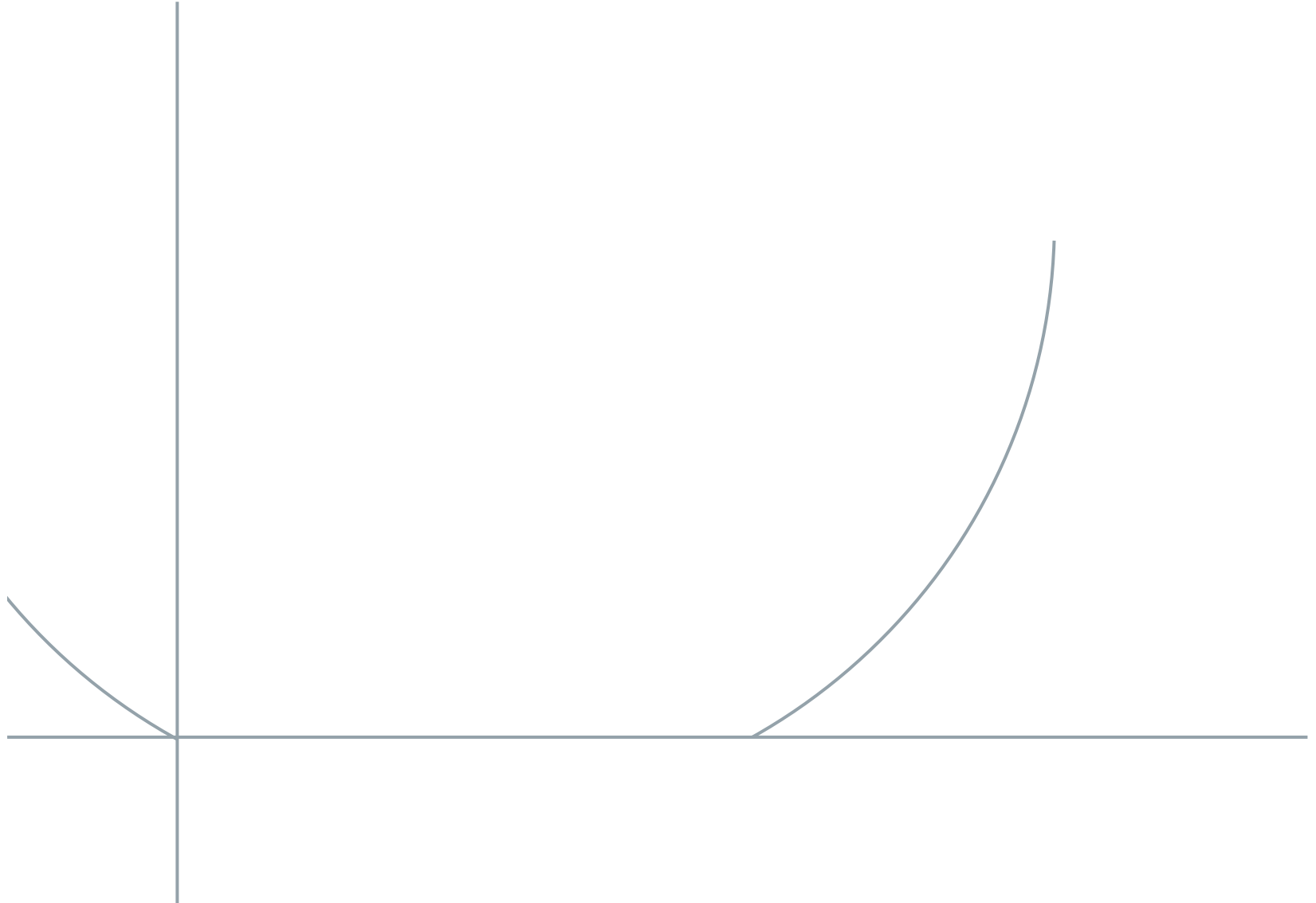
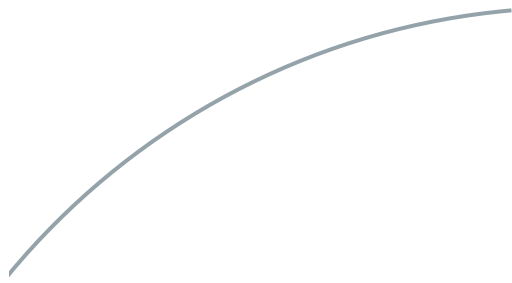
10 Documents on display

The following documents are available for viewing:

- Marel Food Systems' financial statements and audit reports for the three years, 2008, 2007 and 2006.
- Marel Food Systems' interim financial statement, not audited or reviewed, covering the period 1 January – 30 September 2009 and 2008.
- The Issuer's Articles of Association.
- The Reports from Marel Food Systems' auditors regarding core business information.

The above mentioned documents can be obtained at Marel Food Systems' headquarters and on the Company's website www.marel.com.

Registration Document



This page is intentionally left blank

Contents

1	Risk factors	3
1.1	General risks relating to equities	4
1.2	Market risk	4
1.3	Operational risk	7
1.4	Financing risk	9
1.5	Capital risk management	10
1.6	Investment risk	10
1.7	Critical accounting estimates and assumptions	10
1.8	Management and personnel risk	11
1.9	Legal risk	11
1.10	Court cases and arbitration proceedings	12
1.11	Taxation risk	12
1.12	Insurance, commitments, guarantees and contingencies	12
2	Persons responsible	14
3	Arranger	14
4	Statutory Auditors	15
5	Notice to investors	16
6	Selected financial information	17
7	Information about the Company	18
7.1	History and development	18
7.2	Milestones	19
8	Investments	23
8.1	Acquisitions	23
8.2	Investments in tangible fixed assets	24
8.3	Future investments	24
8.4	Divestments	24
9	Business overview	25
9.1	Operational Structure	25
9.2	Legal Structure	26
9.3	The cornerstones of Marel Food Systems' operations	27
9.4	Principal markets	29
10	Financial performance and position	31
10.1	Financial results in 3rd quarter 2009 and 2008	32
10.2	Financial results in the first nine months of 2009 and 2008	32
10.3	Financial results in 2008, 2007 and 2006	33
10.4	Balance sheet	35
10.5	Cash flow	38
10.6	Core business financial information	42
11	Significant changes from the latest financial statement	43
12	Trend information	43

13	Prospects	43
14	Corporate governance, Board of Directors, Executive Board and personnel	45
14.1	Administration	45
14.2	Shareholder meetings.....	45
14.3	Board of Directors, Chief Executive Officer and Executive Board	46
14.4	Remuneration policy and benefits.....	51
14.5	Employees.....	54
14.6	Share options	54
15	Share capital	56
15.1	Authorization for increase in share capital	56
15.2	Compensation shares.....	57
15.3	Treasury shares	57
16	Major shareholders.....	58
16.1	Share distribution	59
16.2	Market making agreements.....	59
16.3	Voting rights.....	60
16.4	Control	60
17	Related party transactions.....	60
18	Dividends and dividends policy.....	61
19	Articles of Association.....	62
19.1	The Issuers purpose according to Marel Food Systems' Articles of Association	62
19.2	Summary of provisions with respect to the Board of Directors and the Executive Board	62
19.3	Description of rights, preferences and restrictions attaching to each class of shares in the Company.....	63
19.4	Description of action necessary to change the rights of shareholders in the Company	63
19.5	Description of the notification of shareholder meetings and conditions for admission	63
19.6	Change in control	64
19.7	Disclosure of ownership of shareholders.....	64
19.8	Conditions in the Articles of Association regarding changes in share capital	64
20	Additional information.....	65
20.1	Third-party information	65
20.2	References.....	65
20.3	Abbreviations	65
20.4	Documents incorporated by reference	66
21	Documents on display	66
22	Appendix I – Reports from Marel Food Systems' independent auditors regarding core business...67	

1 Risk factors

Investing in equities is subject to various types of risk. Prior to making an investment decision regarding Marel Food Systems' shares, investors should acquaint themselves with all the information provided in the Prospectus. Investors should in particular acquaint themselves with the risks and uncertainties described in the Registration Document and the Securities Note, which could materially affect Marel Food Systems and the value of Marel Food Systems' shares.

It is not possible to give assurances that investing in shares will prove profitable. Marel Food Systems operates in a market where numerous factors can influence the group's activities and operations. The risks and uncertainties described in this Registration Document are those that the Marel Food Systems' management and Board of Directors believe could have a material effect on the business, operation, financial condition or prospects of Marel Food Systems and cause its future results to be materially different from expected results. If any of these events occur, the trading price of the shares could decline and investors might lose a part of their investment or even all of it.

The current situation in world markets puts several strains on a global business such as the business of Marel Food Systems. Among which are:

- i) The currency mismatch in the group's financing with around 30% of total borrowings being in ISK. Currently there are limited possibilities of reducing this risk due to a non-functioning derivative market with regards to the ISK. The aim of this share offering is to reduce this mismatch and reduce the Company's debt.
- ii) Marel Food Systems has experienced less demand for its products during the economic downturn, in particular for larger solutions. The success of Marel Food Systems' business depends to an extent on the success of its customers, who have been affected by lack of access to investment capital and significant fluctuations in commodity prices. Marel Food Systems has seen the demand for its products improve over the past several months. However, the risk remains that demand will remain subdued over an extended period and curb growth.
- iii) If the business would experience a period with low profitability, Marel Food Systems' could face the risk of breaching the terms and conditions of its loan agreements.
- iv) Funding markets are difficult and access to new funding sources is limited. Marel Food Systems has in 2009 refinanced and extended short-term financing, thereby shifting the maturity profile of its debt. However, if funding markets will be difficult over an extended period of time, it could pose a risk for the Company with respect to refinancing.
- v) Due to the recent turmoil in Icelandic political and economic environment, Marel Food Systems' operations may be negatively affected as there is a risk of political events complicating the Company's pursuit of earnings through direct or indirect impacts, including, but not limited to, extended restrictions of free flow of funds between jurisdictions and significantly increased tax burden and tariffs. Furthermore, political instability is a risk factor that needs to be put in context with the risk factors stated herein. It is not in Marel Food Systems' power to reduce or manage this kind of risk and therefore all investors must take it into consideration prior to making an investment decision regarding the Company's shares.

These risk factors, and others, are discussed in more detail in this section.

Additional risks and uncertainties that do not currently exist, that are not presently considered material, or of which the Company is unaware may also impair its business and operation. These risks and uncertainties could have a material adverse impact on the business, operation, financial condition, prospects and/or the price of Marel Food Systems' shares. Marel Food Systems' management and Board of Directors believe that the discussion in this section of the Registration Document covers the risks that are most likely to materially affect Marel Food Systems but they are not listed in order of importance.

1.1 General risks relating to equities

Equities are, generally speaking, a riskier investment than for example bonds. Risk is related in particular to the fact that prices of shares fluctuate more than bond prices. Investments in shares, however, are on average more profitable than investments in bonds, over the long term. The return can take two forms: firstly, the value or market price of the shares in question can change and, secondly, owners of limited liability companies can expect to receive dividends on their shareholdings. By diversifying their equity assets through purchases in a number of companies of varying types, investors can substantially reduce the risk involved in investment in individual companies. Various risk factors influencing the equity market as a whole, such as changes in general interest rates, foreign exchange rates, political risk and economic prospects will remain, however.

The financial and equity markets are subject to the business environment created by public authorities. Major changes in the regulatory framework set by public authorities for financial and equity markets can have a negative impact and create market unrest.

Liquidity risk is defined as the risk that arises from how easy or difficult it is to sell an asset for a price as close to its expected real value as possible. The measurement of this type of risk is the spread between bid and ask prices on the market. The risk is both dependent upon the transaction amount, i.e. whether the market will absorb at real value the quantity an investor wishes to sell, and the price, since a large transaction on a company's shares can have a substantial impact on price formation.

Marel Food Systems has made agreements with three financial institutions, Landsbankinn (NBI hf.), Íslandsbanki hf. and Saga Capital Investment Bank hf., on market making for issued shares in Marel Food Systems. The purpose of the agreements is to improve liquidity and enhance the transparent price formation of Marel Food Systems' shares on the NASDAQ OMX Iceland exchange. Further information on the market making agreements can be found in section 16 in this Registration Document.

On 20 November 2009, Marel Food Systems' shareholders totalled 1,737 and 86.3% of Marel Food System's share capital is owned by 16 investors. The distribution of Marel Food Systems' share capital is further discussed in section 16 of this Registration Document.

Eyrir Invest ehf., the largest shareholder of the Issuer, holds at the date of this Registration Document a total of 37.81% shares in Marel Food Systems. In accordance to Act no. 108/2007 on Securities Transactions, Eyrir is obligated to reduce its holding to below the takeover threshold, 30%, before 31 March 2011, with the possibility of the Financial Supervisory Authority granting up to two extensions, each for six months. Furthermore, if Eyrir increases its holdings, during this period, the rules of mandatory takeovers shall apply. The aforementioned Act can therefore limit Eyrir's participation in a share offering.

1.2 Market risk

Markets: Marel Food Systems' key markets are North America and Northern Europe. In addition, Marel Food Systems will place ever-increasing emphasis on expanding markets such as Eastern Europe, Asia

and South America as part of the group's current expansion. Entering new markets creates new opportunities but also entails certain risks. In general, it may be said that such risks increase in proportion to the distance to the new markets and the magnitude of cultural differences.

Changes in consumer behaviour in Marel Food Systems' main markets can have an impact on the Company's position and its growth potential. Generally, such changes tend to have a positive effect on the sale of food processing equipment since food processors are likely to have to adapt their production processes in response to changing consumer demands. This in turn requires investment in equipment and systems.

As a result of the global economic downturn, consumers are now eating out less at higher priced restaurants and choosing instead to go to fast food outlets or shop for ready-made-meals at discount supermarkets. The consumption of less expensive proteins like poultry and fish has also increased.

In recent years, sales to individual industrial sectors served by Marel Food Systems have fluctuated, i.e. fish, meat and poultry industries. However, circumstances can be such that as investment decreases in one market, it expands in another. Animal diseases like swine flu, bird flu and mad cow disease can have a negative impact on one market and shift the demand to other protein sources, creating a positive effect on investments in other markets. So far, the current swine flu outbreak has had a limited effect on the Company's operations.

Consumers in Northern Europe and the US are becoming increasingly conscious of product quality and traceability. This development can be advantageous to Marel Food Systems, as demands for higher quality in meat, poultry and fish processing can increase demand for high-tech solutions such as those offered by Marel Food Systems. If a serious health problem arises related to meat, poultry and fish products, consumers could change their buying habits and even stop consuming one or all of the products. If the situation is prolonged, Marel Food Systems' performance and growth potential could diminish.

Main products: Marel Food Systems' product sales can be divided into three roughly equal categories: the sale of spare parts and service, the sale of standard equipment and smaller systems, and the sale of large systems, often for new factories. The sale of large standard solutions as well as customized solutions can expose the group to risks, due to the complexity of these projects and the effect every single one of these projects can have on the performance of Marel Food Systems, especially in the short term. The revenue stream is relatively evenly divided between the sub-segments of the industry, i.e. poultry, fish, meat and further processing, reducing the impact of external factors on revenues.

Manufacturing risk: Manufacturing of the Company's products can be delayed and product sales and profitability could suffer. While Marel Food Systems production is labor intensive, it is also semi-automated. As such, production processes can be interrupted by system disruptions arising from disruption in electricity supply or machinery breakdown. Such disruptions can cause production downtime and delay in the delivery of products to our customers. In mitigating these risks, the Company regularly conducts servicing of machinery and equipment. In addition, natural disasters can cause cessation in production and can cause significant damage to inventory and production facilities.

Suppliers: Marel Food Systems primarily uses stainless steel, plastic products, various components and electronic equipment in its manufacturing. The prices of these materials fluctuate with world market prices, which can impact the Company's performance as price list changes for the Company's products can take up to 6-9 months to take effect. However, Marel Food Systems now adds provisions to its customer agreements, where applicable, to take into account price changes in raw materials. The

Company purchases raw materials from several suppliers, but is not dependent on any one of them. The cost of switching suppliers is relatively small.

Inventories: The group's inventories are valued at cost price or net realisable value, whichever is lower. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in process includes raw materials, salary costs, other costs and related manufacturing overhead costs (based on a normal operating capacity), but excludes borrowing costs. Net realisable value of inventories is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. At the end of 2008, Marel Food Systems' total inventory was entered at EUR 113.6 million, of which raw materials and spare parts was EUR 37.2 million, work in progress EUR 44.1 million and finished products EUR 32.3 million. At 30 September 2009 Marel Food Systems' total inventory was EUR 92.5 million.

Costs of inventories include the transfer from equity of gains/losses on qualifying cash flow hedges relating to inventory purchases. Provisions are raised against slow moving items.. All inventories have been pledged as a security for local financing and Group borrowings.

Customers: Marel Food Systems sells capital goods. The Company's customer base is broad, ranging from small local producers to leading global brands. All of the main companies operating in the fields of freshwater and ocean aquaculture are Marel Food Systems' customers, as are major companies involved in ground-fish processing. Most of the largest companies in the world in meat and poultry processing are Marel Food Systems' customers. In recent years, the group has had recurrent business with many of its customers. The Company's broad customer base ensures that no single customer accounts for more than 4% of the Company's turnover each year. There is, therefore, little risk that the loss of individual customers will have a significant effect on Marel Food Systems' revenues.

Fluctuations can be expected in Marel Food Systems' operations from one period to another in accordance with the performance of the group's customers. For example, changes in raw material prices, such as corn and oil, have a direct effect on the production costs of Marel Food Systems' customers, which in turn has an indirect effect on the Company's performance. This also applies to end product prices (such as the price of salmon and chicken fillets). In 2008, oil and feed prices reached historic highs, which adversely affected the profitability of the industry. In recent months, market conditions have improved as raw material prices have decreased and are less volatile. If prices should once again rise, the performance of Marel Food Systems' customers would be negatively affected.

Recently, the international financial crisis and customers' lack of access to investment capital has affected the Company's operations, especially the sale of larger systems and installations, which under normal circumstances account for approximately one-third of the Company's revenues. Although the situation in world capital markets has improved, some customers may continue to have difficulty in obtaining financing for larger projects and may take longer to do so. Furthermore, customers may continue to elect to delay such investments due to the uncertain market conditions. Such developments can negatively impact the demand for Marel Food Systems' products.

Financial difficulties of Marel Food Systems' customers could adversely affect the Company. However, such risk is not material due to the fact that no customer accounts for more than 4% of total revenues. Furthermore, Marel Food Systems receives instalments on large orders thus minimising credit risk.

Marel Food Systems' customers are located in many countries with diverse languages, cultures, working procedures and levels of technology. Cultural and language differences can pose difficulties in conducting business. Higher risk is generally associated with doing business in remote foreign countries than in neighbouring countries.

Competition: Marel Food Systems operates in a competitive market with a large number of competitors. Most are relatively small and specialized but it is not unlikely that there will be further consolidation in the industry in the years ahead, with companies growing in size and strength through mergers and acquisitions. These developments could have an impact on the group's performance potential.

Research and product development: One of the key factors in successful operation is progressive research and product development. Marel Food Systems has annually invested about 5-6% of revenues in research and product development to strengthen the group's market position as an innovative company and to meet the current and future requirements of its customers. Conditions could compel the Company to reduce investment in innovation at some point in time, which could put at risk the Company's competitive position in the longer term future. It is also possible that research and development activities will not yield the desired results in terms of advancements in technology, which could result in reduced return on investment in this regard.

The following is an overview of research and product development costs for Marel Food Systems for the years 2006-2008 and the nine month period ended 30 September 2009.

Research and Product Development	1.1 - 30.09.09	2008	2007	2006
Expenses	22,622	27,337	14,631	11,744
% of sales	5.7%	5.1%	5.0%	5.6%

Amounts in thousands of EUR

Marel Food Systems evaluates the possibility of applying for patents for all of its product development. As patent application is expensive, re-evaluation on the continuance of each patent application is done on a regular basis to assess whether the costs in each case are justified by the expected sales of the products.

Within Marel Food Systems' operational environment, it is likely that some controversies may arise on either the granting of a patent or the validity of the patent.

As the patent protection is focused on the Company's main markets, the possibility that third parties may breach Marel Food Systems' patent rights cannot be precluded.

Protection of patent rights and other intellectual proprietary rights can entail risks in the event that a third party initiates court proceedings to invalidate intellectual rights that are valuable for Marel Food Systems' operation.

1.3 Operational risk

Marel Food Systems' activities expose it to a variety of operational risks, including currency risk, credit risk, liquidity risk, cash flow risk and fair value interest rate risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance. Marel Food Systems uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out within the group where applicable, under policies approved by the Board of Directors.

Currency risk: Marel Food Systems operates internationally and is exposed to currency risk arising from various currency exposures, primarily with respect to the EUR, as the EUR is the Company's functional currency. Financial exposure is partly hedged in accordance with the Company's general policy and within set limits. Entities within the Company use forward contracts to manage their foreign exchange

risk arising from future commercial transactions, recognized assets and liabilities that are determined in a currency other than the entity's functional currency. Translation risk arising from the Company's functional currency is not hedged. Currency exposure arising from net assets of the Company's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

On the operational front, only 0.5% of revenues is denominated in ISK, while 6% of costs are in ISK. The Company had cash flow hedges to manage the risk originated in this imbalance. All open derivatives in Iceland were settled and closed in May 2009. After the collapse of the Icelandic banking systems, such derivatives have not been available.

After the recent refinancing of the Company's operation in Iceland, the currency mismatch for the group has increased. Around 30% of Marel Food Systems' total borrowings are in ISK. With the currently non-functioning swap market in Iceland, Marel remains exposed to movements in the ISK/EUR exchange rate.

Credit risk: Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions. The credit quality of the customer is assessed, taking into account his financial position, past experience and other factors. Each customer has a set credit limit and the utilisation of the credit limit is regularly monitored.

The carrying amount of financial asset represent the maximum credit risk exposure. Maximum exposure to credit risk at 30 September 2009 was:

Exposure to credit risk	30.09.09	31.12.08
Trade receivables	79,634	85,603
Long term receivables	462	2,683
Other receivables and prepayments	8,937	34,652
Derivative financial instruments	858	4,364
Cash and cash equivalents	55,109	21,038
Total	145,000	148,340

Amounts in thousands of EUR

Liquidity risk: Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to give reasonable operating headroom. Due to the dynamic nature of the underlying businesses, the group aims to maintain flexibility in funding by maintaining availability under committed credit lines.

The acquisition of Stork Food Systems in 2008 was financed with equity and long-term debt. The long-term debt was provided by a syndicate of European banks led by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) and Landsbanki Íslands hf. The majority of Stork Food Systems' debt financing is with maturity in 2016 and 2017. This is an independent financing structure, which currently limits the flow of funds between Stork Food Systems and other companies within Marel Food Systems. A relatively high liquidity position is called for due to the current situation in capital markets and the independent financing structures of the entities that make up the group.

In an increasingly difficult funding market, where access to new funding sources is limited, the need for active liquidity risk management has increased substantially. Cash flow forecasts are done at the local level and monitored by group Treasury. Group liquidity reports are viewed by management on a weekly basis. The current liquidity position of EUR 55.1 million at 30 September 2009, of which EUR 19.5 million is restricted cash, is relatively strong and the business remains equipped to deal with current market environment.

Cash flow and fair value interest rate risk: The group is exposed to interest rate risk on borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. The risk is managed by maintaining a mix between fixed and floating interest rate borrowings. Based on various scenarios, the group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Generally the group raises long-term borrowings at floating rates and swaps them into fixed rates. Presently around 45% of the total borrowings have floating interest rates and the rest is fixed.

Among the actions taken to monitor the interest rate risk are stress tests to establish sensitivity to possible movements in rates and how they might affect the group's results.

1.4 Financing risk

Marel Food Systems equity and liabilities at the end of 2008 were EUR 920 million, of which equity was EUR 288 million and interest bearing debt EUR 400 million. At 30 September 2009 equity and liabilities were EUR 873 million, of which EUR 304 million was equity and EUR 403 million interest bearing debt.

Marel Food Systems has set the goal of maintaining the group's equity ratio at no less than 25% over the long run. The equity ratio at 30 September 2009 was 34.8% compared to 31.3% at year-end 2008, 42.6% at year-end 2007 and 39.6% at year-end 2006.

In May 2009 Marel Food System completed the refinancing of all major short-term debt facilities, shifting the maturity profile to the end of 2011 until 2017. The long-term club facility was provided by Íslandsbanki hf., Arion banki (Nýi Kaupþing banki hf.) and Landsbankinn (NBI hf.). In addition, the Company refinanced bonds with the ticker MARL 08 1 with a new bond issue MARL 09 1. Furthermore, the Company issued new shares in June and October of 2009.

In November 2009 Marel Food System extended a bridge facility that was provided in relation to the acquisition of Food and Dairy systems, which was part of the overall Stork Food Systems acquisition. The financing has been extended until October 2011.

The lending, equity and bond markets are Marel Food Systems primary sources of financing. In the past year, the Company has accessed all of its primary funding markets, increasing the Company's liquidity and shifting the maturity profile. Although recent attempts have proved successful despite difficult market conditions there is no guarantee that future attempts to access funding markets will yield the same results.

Marel Food Systems and its subsidiaries are contractually bound to comply with its loan agreements' terms and conditions. If Marel Food Systems and/or subsidiaries are unable or for some reason cease to meet the respective terms and conditions, the lenders and financiers may become entitled to call upon a credit event or a technical default in accordance with the terms of the relevant agreements.

Marel Food Systems is in compliance with all terms and conditions of its loan agreements.

In a difficult funding market, where access to new funding sources is limited, the need for a prudent capital structure is especially important. Therefore, in order to improve the Company's capital structure and reduce the exposure to the ISK the Board of Directors decided on 23 November 2009 to increase its share capital by offering new shares in a share offering.

Marel Food Systems is pursuing various ways to adjust its capital structure, as per section 1.5 below, in order to minimize the risk of external factors, such as turmoil in world capital markets, having a negative impact on the Company.

1.5 Capital risk management

Marel Food Systems' objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Certain restrictions apply to payments of dividends to the Company's shareholders in accordance with undertakings made by Marel Food Systems to its creditors pursuant to terms of certain facilities agreements and a bond issue (MARL 09 1). The Company has a considerable portion of its long term debt maturing in the end of 2011 and beginning of 2012 and does not foresee paying dividends prior to refinancing the debt.

1.6 Investment risk

Marel Food Systems' investment risk lies in the rate of return on the group's investments in new activities and other companies being below initial expectations. The goodwill identified on acquisitions is tested annually, in the fourth quarter, for impairment by calculating recoverable amount.

Marel Food Systems has made several acquisitions in the past few years. These acquisitions carry certain inherent risks, most notably the risk that the integration of the companies in the group does not yield the expected synergies and economies of scale. In other words, there is a risk that the return on investment is below expectations. On the other hand, the expansion of the Company's operations into other segments of the industry reduces the risk that unfavourable developments in a single segment will adversely affect the Company's overall performance.

The divestment of non-core assets of Marel Food Systems is under consideration. The outcome is yet unknown, but the Company cannot exclude the possibility of making a loss on such a transaction. Further information on the non-core assets can be found in section 8.4 in this Registration Document.

1.7 Critical accounting estimates and assumptions

When preparing its financial statements, Marel Food Systems must, in some cases, use accounting estimates and assumptions. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events based on estimates and assumptions that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that present a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- a) **Estimated impairment of goodwill:** Marel Food Systems tests annually whether goodwill has suffered any impairment, in accordance with the accounting policies applied for impairment of non-financial assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.
- b) **Income taxes:** Marel Food Systems is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. During the ordinary course of business, many transactions and calculations involve uncertainties about the ultimate tax

determination. Marel Food Systems recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period for which such determination is made.

- c) **Fair value of derivatives and other financial instruments:** Derivatives are initially recognised at fair value (market value) at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date.
- d) **Revenue recognition:** Marel Food Systems uses the percentage-of-completion method in accounting for its sales of goods and manufacturing contracts. Use of the percentage-of-completion method requires Marel Food Systems to determine the stage of completion to date as a proportion of the total work to be performed.

1.8 Management and personnel risk

Management risk is the risk involved in the management, organization and expertise within the group. Marel Food Systems' management and key employees have years of experience with the group and have extensive knowledge that is the basis for the group's continued success in coming years.

As a knowledge company, Marel Food Systems is very dependent on its key employees. The primary emphasis is on providing interesting, challenging projects and creating good working conditions where job development and re-education are vital.

There is always the risk that other companies will succeed in persuading Marel Food Systems' key employees to change jobs. Should key employees leave the group, its performance could suffer. The group tries to minimize this risk in various ways. For example, Marel Food Systems places emphasis on offering competitive salaries and stock options. Further information on Marel Food Systems' share option plan can be found in section 14 of this Registration Document.

1.9 Legal risk

Marel Food Systems has operations in numerous countries and must comply with the laws and regulations that apply to its activities in each location. These rules concern, for example, labour, intellectual property rights, health and safety, pollution and the environment, together with specific regulations in each individual state and municipality.

Marel Food Systems faces the risk of unsatisfied customers bringing legal suit against the group. Marel Food Systems could also face litigation resulting from violations of health, pollution or environmental regulations, or other laws and regulations that may apply in each location where companies in the group operate. Litigation could also be brought against the Company due to disputes with employees or their organizations, for example concerning unlawful dismissals, discrimination against employees, etc. It is difficult to evaluate these risk factors and their possible magnitude. An unfavourable verdict in connection with the above could have a considerably negative impact on Marel Food Systems' reputation and performance.

Marel Food Systems' shares and bonds, with the ticker MARL 06 1 and MARL 09 1, are listed on NASDAQ OMX Iceland and the Company is subject to Icelandic securities laws and regulations and rules adapted by NASDAQ OMX Iceland. Violations of the aforesaid laws and regulations would expose the Issuer's financial instruments to the risk of, including, but not limited to, being placed temporarily on the

Observation List, set conditions for or suspend trading temporarily or indefinitely, and either temporarily or permanent removal from trading on the NASDAQ OMX Iceland.

1.10 Court cases and arbitration proceedings

Marel Food Systems and its subsidiaries, neither are nor have been for the past 12 months party to any governmental, legal or arbitration proceedings (and Marel Food Systems is not aware of any such proceedings) that may have, or have had in the recent past, significant effects on Marel Food Systems' financial position or profitability.

1.11 Taxation risk

The companies that comprise Marel Food Systems pay taxes in various countries. Changes to taxation laws and regulations in the countries where Marel Food Systems operates can thus influence its performance.

Marel Food Systems Inc. in the United States has had a favourable Advance Pricing Agreement with US tax authorities, where a certain minimum EBIT ratio is negotiated. This agreement expired at the end of 2008. Renewal of the agreement is in process. If the renewal is not successfully concluded, the effect would be negative though not material.

1.12 Insurance, commitments, guarantees and contingencies

Marel Food Systems maintains global and local insurance programs. The coverage comprises property damage, business interruption, product and general liability, marine and transit and directors' and officers' liability. Marel Food Systems believes that its current insurance coverage is reasonable; however, it should be borne in mind that despite the insurance policies carried by Marel Food Systems, there is no guarantee that it will be fully compensated should it need to lodge claims. If Marel Food Systems were to submit claims under its policies, the premiums it pays could be expected to increase in the future.

Marel Food Systems has property damage and business interruption insurance. The insurance loss limit amounts to EUR 150 million per occurrence with a EUR 25 thousand deductible per claim.

Marel Food Systems' worldwide general and products liability insurance covers claims up to EUR 50 million for any one claim, with an annual aggregated claim of EUR 100 million.

The group has made some rental agreements for building, motor vehicles and office equipment, with the remaining balance of EUR 7.9 million at 30 September 2009 compared to EUR 14.4 million at year-end 2008. The amount will be charged at the relevant rental time of each agreement. The rental agreements will materialise in the years 2009-2017.

Marel Food Systems has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business, Marel Food Systems has given guarantees amounting to EUR 7.2 million to third parties at 30 September 2009 compared to EUR 4.7 million at year-end 2008. These are mainly guarantees given to clients against down payments they make.

Companies with a global network of operations and subsidiaries, such as Marel Food Systems, often operate separate pension schemes for separate entities. Marel Food Systems operates pension schemes for the majority of Stork Food Systems employees in collaboration with Stork BV. These schemes are set up as defined benefit schemes and in accordance with appropriate legislation. The schemes are funded

with investments in equities, bonds and other financial assets. The value of these assets is dependent on capital markets, which are inherently volatile. Short-term market risk is balanced by a long-term spread over time and the portfolio effect. These assets are held separately from the assets of the Company, in an administered fund. Marel Food Systems cannot preclude taking on an obligation due to a deficit of pension schemes.

2 Persons responsible

The Board of Directors and CEO, on behalf of the Issuer, named below, hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of their knowledge, in accordance with the facts and contain no omission likely to affect its import.

Garðabær, 24 November 2009

On behalf of the Board of Directors of Marel Food Systems hf.

Austurhraun 9, 210 Garðabær, Iceland

Árni Oddur Þórðarson,

Chairman of the Board of Directors

Garðabær, 24 November 2009

On behalf of Marel Food Systems hf.

Austurhraun 9, 210 Garðabær, Iceland

Theo Hoen

CEO

3 Arranger

The Arranger, Landsbankinn (NBI hf.), Corporate Finance, Icelandic ID No. 471008-0280, registered office at Austurstræti 11, 155 Reykjavík, Iceland, has been the advisor to the Issuer in the preparation of this Registration Document. The Arranger has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger as to the accuracy or completeness of the information contained or incorporated in this document or any other information provided by the Issuer in connection with the share offering on 26 and 27 November 2009. The Arranger has in consultation with the management and the Board of Directors of Marel Food Systems constructed this Registration Document and is acting in reliance on the information provided by the management and Board of Directors of Marel Food Systems.

4 Statutory Auditors

Marel Food Systems hf. elected KPMG hf., Icelandic ID No. 590975-0449, Borgartún 27, 105 Reykjavík, Iceland, as the Company's Statutory Auditor at the Annual General Meeting held on 10 March 2009.

PricewaterhouseCoopers hf., Icelandic ID No. 690681-0139, Skógarhlíð 12, 105 Reykjavík, Iceland, was Marel Food Systems hf.'s Statutory Auditor for the financial years 2006, 2007 and 2008.

PricewaterhouseCoopers hf. has audited Marel Food Systems hf.'s consolidated financial statements for the years 2006, 2007 and 2008. In their opinion, the consolidated financial statements for the years 2006, 2007 and 2008 give a true and fair view of the financial position of the group as of 31 December 2006, 2007 and 2008, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Marel Food Systems' Statutory Auditors have not reviewed or audited the interim financial statement covering the period 1 January – 30 September 2009. PricewaterhouseCoopers hf. have not reviewed or audited the interim financial statement covering the period 1 January – 30 September 2008.

Marel Food Systems' Statutory Auditors are members of the Institute of State Authorized Public Accountants in Iceland.

PricewaterhouseCoopers hf. was appointed as Marel Food Systems Statutory Auditor for the financial years 2006, 2007 and 2008 (1 January 2006 – 31 December 2008) at the Annual General Meetings in 2006, 2007 and 2008. PricewaterhouseCoopers hf. was not re-appointed at the Annual General Meeting in 2009 for the financial year 2009. As discussed above KPMG hf. was appointed the Company's Statutory Auditor for the financial year 2009.

5 Notice to investors

This Registration Document has been scrutinised and approved by the NASDAQ OMX Iceland hf. on behalf of the Financial Supervisory Authority in Iceland.

The Prospectus concerns Marel Food System' share offering on 26 and 27 November 2009 and the admission to trading of new shares sold in the share offering on NASDAQ OMX Iceland hf. The Prospectus consists of three independent documents; this Registration Document, a Securities Note dated 24 November 2009 and a Summary dated 24 November 2009.

This Registration Document, a Summary dated 24 November 2009 and a Securities Note dated 24 November 2009 are published in Acrobat Adobe format. The above mentioned documents can be obtained in electronic format on www.marel.com. A hard copy can be obtained from Marel Food Systems hf. headquarters, Austurhraun 9, Garðabær, Iceland. This Registration Document, a Summary dated 24 November 2009 and a Securities Note dated 24 November 2009 can be obtained for the next 12 months.

This Registration Document is prepared in accordance with Icelandic law and regulations and according to current legislation and rules for issuers of shares on the NASDAQ OMX Iceland hf. that apply to the admission to trading.

This Registration Document shall not be distributed and must not be mailed or otherwise distributed or sent in or into any country in which distribution would require any additional registration measures or other measures to be taken, other than as applicable under Icelandic law and regulations, or would be in conflict with any law or regulation in the respective country.

The distribution of this Registration Document in certain jurisdictions may be restricted by law. Accordingly, persons into whose possession this Registration Document comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restrictions. The Issuer and the Arranger accept no liability to any person in relation to the distribution of this Registration Document in any jurisdiction.

Marel Food Systems complies with rules regarding on-going information disclosure for issuers admitted to trading on the NASDAQ OMX Iceland hf. According to these rules all information that could significantly impact the market price of Marel Food Systems' shares must be made public as quickly as possible and in a non-discriminatory manner. The publication shall be made in the European Economic Area and sent to NASDAQ OMX Iceland hf. for supervision purposes. Information in accordance with this disclosure will be published on Marel Food Systems' website www.marel.com, and investors are advised to follow news announcements and notifications that may be published on the website www.marel.com once the Registration Document has been published.

This Registration Document has been prepared by Landsbankinn. Landsbankinn, along with Arion banki (Nýi Kaupthing banki hf.) and Íslandsbanki hf., is a Joint Lead Arranger of the share offering on 26 and 27 November of new shares in Marel Food Systems. Landsbankinn is one of Marel Food System's principal banks. Landsbankinn serves as a market maker for Marel Food Systems' shares. Landsbankinn held, through its subsidiary company Horn fjárfestingarfélag, 92,703,174 shares in Marel Food Systems, which corresponds to 15.05% stake on 20 November 2009. In addition to direct ownership of shares in Marel, Horn fjárfestingarfélag ehf. has an indirect ownership in Marel through its 27.5% ownership in Eyrir Invest ehf.

6 Selected financial information

The following table shows selected financial information from Marel Food Systems' financial statements. The information covers the years 2008, 2007, 2006, the first nine months of 2009 and 2008, and quarter three of 2009 and 2008. Information for the year 2008 and the first nine months of 2008 include Stork Food Systems and Stork Food and Dairy System as of 1 May 2008.

Key figures - consolidated	2009	2008	2009	2008	2008	2007	2006
	1.7 - 30.9	1.7 - 30.9	1.1 - 30.9	1.1 - 30.9	1.1 - 31.12	1.1 - 31.12	1.1 - 31.12
Operating results							
Sales	133,659	170,633	395,995	389,648	540,149	289,817	208,700
Gross profit	49,744	58,967	140,955	136,047	178,931	97,236	68,803
Result before depreciation (EBITDA)	17,986	20,754	46,738	42,196	42,108	20,980	15,679
Result from operations (EBIT)	11,771	14,528	27,604	27,853	20,434	10,029	7,527
Result for the period	858	4,529	11,233	15,325	(8,405)	6,066	159
Cash flow statement							
Net cash from (to) operating activities	5,065	2,746	24,669	13,885	15,288	2,778	(2,992)
Investing activities	(5,227)	(14,103)	15,346	(408,454)	(410,671)	(70,249)	(69,754)
Financing activities	(9,187)	3,501	(9,946)	381,067	386,480	34,118	132,318
Various figures in proportion to sales							
Gross profit	37.2%	34.6%	35.6%	34.9%	33.1%	33.6%	33.0%
Selling and marketing expenses	12.7%	12.4%	13.9%	13.2%	13.3%	15.5%	13.9%
Research and development expenses	4.7%	5.0%	5.7%	5.1%	5.1%	5.0%	5.6%
Administrative expenses	10.8%	8.7%	12.9%	9.8%	11.1%	10.0%	10.6%
Result before depreciation (EBITDA)	13.5%	12.2%	11.8%	10.8%	7.8%	7.2%	7.5%
Depreciation/amortization	4.6%	3.6%	4.8%	3.7%	4.0%	3.8%	3.9%
Result from operations (EBIT)	8.8%	8.5%	7.0%	7.1%	3.8%	3.5%	3.6%
Result for the period	0.6%	2.7%	2.8%	3.9%	-1.6%	2.1%	0.1%
Key figures - consolidated							
			30.9.2009	30.9.2008	31.12.2008	31.12.2007	31.12.2006
Financial position							
Total assets			872,660	946,050	920,259	427,304	364,793
Working capital			81,876	12,870	(25,941)	109,887	87,989
Equity			303,749	307,454	288,279	181,835	144,423
Other key ratios							
Current ratio			1.5	1.0	1.0	1.9	1.9
Quick ratio			1.1	0.5	0.5	1.3	1.2
Equity ratio			34.8%	32.5%	31.3%	42.5%	39.6%
Return on owners' equity			5.1%	8.4%	-3.6%	3.7%	0.2%
Return on total assets			2.5%	3.0%	-1.2%	1.5%	0.1%
Net Debt			347,958	384,352	379,405	129,919	95,468

Amounts in thousands of EUR

¹

¹ Marel Food Systems' Statutory Auditors have audited the financial statements covering the years 2008, 2007 and 2006. Financial information covering the first nine months of 2009 and 2008 and Q3 2009 and 2008 have not been audited or reviewed by the Company's Statutory Auditors.

7 Information about the Company

Legal and commercial name:	Marel Food Systems hf.
State Registration No.:	620483-0369
Domicile and headquarters:	Austurhraun 9, 210 Garðabær, Iceland
Telephone number:	+354 563 8000
Legal form:	Public limited company
Place of registration:	Iceland
Country of incorporation:	Iceland
Issuer operates in accordance to law:	Act No. 2/1995, on Public Limited Companies
Date of incorporation:	17 March 1983

7.1 History and development

Marel Food Systems was established on 17 March 1983, under the name of Marel, by the Icelandic Cooperative movement and several Icelandic freezing plants. The purpose was to develop and manufacture electronic scales and related software for use in fish processing. Marel's roots can be traced further back, to 1977, when the initial ideas were conceived and the basic developmental work was begun at the University of Iceland's Science Institute.

The development of Marel Food Systems' first scales began at the time when computer technology was emerging, in the 1970s. The idea was to increase productivity in Iceland's fisheries industry by using electronic scales and computer technology to collect processing data, which production managers could then use to refine their production processes and thereby increase productivity and profitability. The Company quickly carved out a niche for itself as one of the leading manufacturers of specialized scales and related equipment to monitor and control the production process.

From its initial focus on this type of equipment, Marel Food Systems' research and development activities soon opened doors that enabled the Company to expand into other fields. Today, Marel Food Systems is a leading global provider² of advanced equipment and systems for the protein segment of the food processing industry, which includes the fish, meat, poultry and further processing industry segments. The Company now develops, manufactures and sells high-tech equipment and systems that span the entire production process. The aim is to provide food processing companies with the tools to maximize capacity, yield and efficiency, as well as product quality and customer satisfaction.

Sales to the fisheries industry were originally the most important part of Marel Food Systems' operation, but over the years, sales to the meat, poultry and further industries have increased. Following the acquisition of Stork Food Systems in 2008, there is now a good balance between the four industry segments that constitute the Company's core business. Marel Food Systems' unique strength lies in its

² Source: Report "Food Processing Machinery and Equipment – A Global Strategic Business Report, published in May 2008 by Global Industry Analysts, Inc., 5645 Silver Creek Valley Rd., San Jose, California, US

innovation capacity and the technologies that the Company has developed, including 3-D computer vision, electronic scales and software that integrates the Company's entire range of automated equipment and monitors performance throughout the entire production process.

Marel Food Systems' products are based on highly advanced technology and are manufactured to high quality standards. Customer service is also a priority and the Company has built a strong service network in all of its main market areas.

7.2 Milestones

1984–1986

Marel Food Systems sells its first marine scale and exports begin to Norway. The Company's products are viewed as highly innovative and of high quality. Marel Food Systems forms its first subsidiary, Marel Equipment Inc., based in Halifax, Nova Scotia. Marel Food Systems moves to premises at Höfðabakki 9 in Reykjavík, Iceland.

1987–1988

Marel Food Systems' marine scales are installed on vessels from numerous countries, including Canada, USA, Germany, the Faroe Islands, Greenland, Denmark, France and Spain. The Company moves into a new industry segment when it sells two poultry graders to New Zealand. Exports now account for 77% of total revenues.

1989–1991

The USSR becomes the latest Marel Food Systems customer with an initial purchase of 100 marine scales, which is just a foretaste of the business to come. A new type of scale (M2000) is marketed, and Marel Food Systems launches its largest grader to date. Used in salted fish manufacturing, it is big enough to grade whole fish such as salmon.

In 1990, Marel Food Systems is in the forefront in manufacturing on-board weighing systems. New software (MP/2) enters the market, and a new salted-fish grading system and a salmon packing system are developed in collaboration with the Company's Norwegian agent, Maritech Systems. Marel Food Systems receives the President of Iceland's Award for Export Achievement.

In 1991, after several years of research and development, the Marel Food Systems' introduces the first processing system to use computer vision to grade fish and shellfish by weight and length. Marel Food Systems opens its second subsidiary, Marel Seattle (now Marel Food Systems Inc.) in the US, to meet the increasing demands of the North American market.

Marel Food Systems becomes a public limited company in 1991.

1992–1993

On 29 June 1992, Marel Food Systems is registered on the Iceland Stock Exchange hf. (now NASDAQ OMX Iceland). The Company takes its computer vision a step further when it unveils a new high-speed shape grader for the US poultry market. Other new releases include a flow-line fish processing system and a double-sided roe grader for Alaska pollock.

Already active on four continents, Marel Food Systems enters the African market with a sale to Namibia.

The Company enters a new field and begins manufacturing equipment for chicken processing in the US.

1994–1996

Marel Food Systems releases its first Intelligent Portioning Machine in 1994. In search of further opportunities, the Company enters the US meat industry with the installation of a grading and process monitoring system at a pork plant in Detroit.

As the best-selling M1000 scale is introduced, computer vision takes another step forward and Marel Food Systems sells its first colour grader.

Expansion continues in 1995–1996 with the opening of three subsidiaries: Marel USA (now Marel Food Systems Inc.) in Kansas City, US, Marel Europe (now Marel Food Systems A/S) in Denmark and Marel Trading in Reykjavík, which is formed to oversee projects involving Marel Food Systems, particularly in Russia.

1997–1999

Marel Food Systems acquires all shares in the Danish company Carnitech in 1997. Carnitech was established in 1981 and quickly attained a strong market position in processing equipment for the factory-trawler fleet that was built up in the North Atlantic and North Pacific in the 1980s.

In 1997, Marel France is formed in Nantes, France.

Marel Food Systems establishes the subsidiary Marel UK Ltd. in 1998. The first MPS software system is installed and the new generation M3000 graphical colour controller unveiled. As global sales of the Intelligent Portioning Machine top the 100 mark, the first Marel Food Systems' meat flow-line is sold in Germany, and the Company makes its first sale to a Japanese company.

2000–2002

In 2000, Marel Food Systems launches a computer-controlled portioning machine (IPM XL), specially developed for cutting large pieces of beef, which uses 3-D computer vision to evaluate and control cutting. In 2000, Marel Food Systems acquires a 50% share in the French company Arbor Technologies S.A., which manufactures and sells various types of equipment, particularly for France's fish, meat and poultry industries.

In 2001, Marel Food Systems strengthens its position in Germany and mid-Europe with the formation of Marel Deutschland (now Marel Food Systems GmbH & Co. KG) and the purchase of TVM Maschinenbau GmbH & Co. KG. The first deboning flow-line is installed in Germany. A milestone contract is concluded in Norway for a total meat processing solution that includes traceability and quality inspection.

In 2002, Marel Food Systems moves into its new headquarters at Austurhraun 9 in Garðabær, Iceland. All of Marel Food Systems' manufacturing in Iceland is now under one roof. Marel Food Systems is presented with the Icelandic Quality Award in 2002 for exceptional business and administrative management.

In 2002, Marel Food Systems introduces a new salmon grading in-feed system for whole salmon.

2003–2004

In 2003, Marel Food Systems restructures its manufacturing to better support the manufacturing of standardized products, which has the aim of reducing manufacturing costs and increasing capacity. In 2003, work concludes on a joint project with a Norwegian party to develop an automatic pinbone-detection system for ground fish. A new template-slicing machine (TSM) that cuts uniform breast fillets in precisely the shape and weight needed from each fillet is introduced.

The operating results for 2004 are the best in Marel Food Systems' history. In 2004, Marel Food Systems acquires Póls hf. in Iceland and Carnitech purchases the part of the German company Röscherwerke

GmbH that operates under the brand name "Geba". Marel Food Systems establishes a subsidiary in Chile, with the aim of capitalizing on the growing South American market.

Numerous new products are introduced in 2004, including a new generation of computer-controlled portioning machines (IPM III), which are designed to portion large pieces of meat and other large raw material with more precision and better capacity and yield than previously possible.

2005–2007

In 2005, Marel Food Systems begins operating in Slovakia. Construction of a new annex begins at Marel Food Systems' manufacturing site in Garďabær.

Carnitech buys manufacturing company DanTech in Singapore, which specializes in freezing equipment. In addition, Marel Carnitech Thailand (now Marel Food Systems Ltd.) is formed and Marel Food Systems opens a branch office in Warsaw, Poland.

In 2006, Marel Food Systems announced its strategy to become, in two steps, one of three leading companies in its industry with a 15–20% market share. Turnover was to be tripled over the next 3–5 years to EUR 500 million through 2–4 strategic acquisitions. Thereafter, a turnover of EUR 1 billion was to be reached by 2015 through strong organic growth.

In 2006, Marel Food Systems acquires the assets and operations of AEW Thurne and Delford Sortaweigh in the UK, which are merged to form AEW Delford Systems. AEW Delford, which traces its roots back to 1947, excels in high speed slicing and automatic portion control slicing and sawing machines, as well as check-weighing, grading, weigh price labelling and robot portion loading technology.

In August, the Company announces the purchase of the Danish company Scanvaegt, renowned since the very beginning of its 77-year history for its innovative weighing equipment. The Scanvaegt brand product range also includes state-of-the-art batching, cutting and robotic loading equipment. Some of the associated trademarks are among the best known in the industry.

In 2006, Marel Food Systems, along with Eyrir Invest ehf. and Landsbanki, establish LME eignarhaldsfélag ehf., for the purpose of purchasing shares in the Dutch company Stork NV (now Stork BV).

In 2007, the group introduces a new name and corporate identity, Marel Food Systems. The purpose is to present a unified front and image. The name of the group is changed from Marel hf. to Marel Food Systems hf. and the group's business units identified as Marel Food Systems Iceland., Carnitech, Scanvaegt and AEW Delford, all parts of Marel Food Systems.

In Q4 2007, Marel Food Systems announces the acquisition of Stork Food Systems, part of the operation of the Dutch company Stork NV. In 2007, the number of Marel Food Systems' sales offices is reduced from 35 to 24 with the merger of sales offices.

In 2007, Marel Food Systems introduces a number of new products: a new bone detection system for fish, meat and poultry products (Sensor X), a robotic grading and batching machine to automatically weigh and batch products and place them into trays (Robobatcher) and an intelligent trimming machine for fish fillets (ITM).

2008–2009

In 2008, manufacturing begins in a new manufacturing facility in Slovakia, Marel Food Systems s.r.o.

In Q1 2008, Scanvaegt and Marel Food Systems Iceland are operationally merged to form Marel Food Systems Iceland and Denmark.

In Q2 2008 Marel Food Systems completes the acquisition of Stork Food Systems, an industry leader in the poultry segment of the industry and a long-term partner of Marel Food Systems. The two companies had collaborated on a number of large-scale projects over the course of the preceding decade, taking advantage of the complementarity of their product ranges. With the acquisition, Marel Food Systems' turnover and number of employees doubles and the Company is now a global leader³ in its industry with an estimated 15-16% market share.

In 2008, Marel Food Systems launches Innova, a new software application designed for intelligent production control. Marel also launches a number of new products, including: Marel Streamline, a new flow-line concept for meat products; AEW Intelligent Portion Loader (IPL), a new generation of the IPL robot loader in a more hygienic and compact frame; Stork MasterFormer, a no-pressure forming machine for delicate meat masses; Stork RevoPortioner mark3, a revolutionary new low pressure forming technology; and Townsend Loaders - the LD 51 sausage loader and LD 54 tray loaders for cooked and fresh products respectively, designed to very high hygienic standards.

In 2009, considerable emphasis is placed on rationalising Marel Food Systems' operations, specifically on driving down the company's cost base and identifying potential synergies between Marel Food Systems and Stork Food Systems. In this regard, a roadmap for the integration for the two companies under the banner of "Best of Both" is laid out.

In Q1 2009, organisational changes are made, which include a redefinition of the Company's core operations. The salmon and freezing parts of Carnitech, as well as its US operations, are placed under the Marel name and management. One of three non-core businesses, Scanvaegt Nordic, is sold in Q2 2009. Real estate in Amsterdam belonging to another non-core business, Stork Food & Dairy Systems, is also sold during the quarter.

In November 2009, it is announced that as of 1 January 2010, the company name will be changed to Marel hf. The change is a key part of the strategy to fully integrate the companies that have been acquired in recent years under one common identity and company name. The other brand names may continue to be used in connection with particular product lines and market segments.

³ Source: Report "Food Processing Machinery and Equipment – A Global Strategic Business Report, published in May 2008 by Global Industry Analysts, Inc., 5645 Silver Creek Valley Rd., San Jose, California, US

8 Investments

Marel Food Systems has not made any principal investments since the date of the last published financial statements.

8.1 Acquisitions

In the last three years, Marel Food Systems has purchased three companies and co-founded one company.

In November 2007, Marel Food Systems announced the purchase of Stork Food Systems, a division of Stork N.V. The acquisition price was EUR 426 million on a cash and debt free basis. Stork Food Systems has been a part of Marel Food Systems' accounts since 1 May 2008. The acquisition was funded with debt and equity, 52% and 48% respectively.

In August 2006, Marel Food Systems announced that the Company had bought all shares in the Danish company Scanvaegt International A/S for EUR 109.2 million on a cash and debt free basis. Scanvaegt International A/S has been a part of Marel Food Systems' accounts since 4 August 2006. The acquisition was funded with debt and equity, 40% and 60% respectively.

In April 2006, Marel Food Systems announced the purchase of assets and operations of AEW Thurne Ltd. and Delford Sortaweigh Ltd. The purchase price was EUR 19.5 million on a cash and debt free basis. Following the acquisition, Marel Food Systems established a new company, AEW Delford Systems Ltd., around the assets and operations acquired. AEW Delford Systems Ltd. has been a part of Marel Food Systems' accounts since 7 April 2006.

Marel Food Systems, Eyrir Invest ehf. and Landsbanki founded the holding company LME eignarhaldsfélag ehf. in February 2006, for the purposes of purchasing shares in the Dutch company Stork NV. (now Stork BV), the former owner of Stork Food Systems. Marel Food Systems share in LME eignarhaldsfélag ehf. was 20% and Eyrir Invest ehf. and Landsbanki each held 40% of the shares. Marel Food Systems total investment in LME eignarhaldsfélag ehf. amounted to EUR 128 million, thereof 60% was loan financed and 40% was financed by equity. In January 2008 Marel Food Systems sold all its shareholding in LME eignarhaldsfélag ehf. to Eyrir Invest ehf. and Landsbanki (10% shareholding to each party). The sale of Marel Food Systems share in LME eignarhaldsfélag ehf. was announced in November 2007 in conjunction with the signing of Marel Food Systems' agreement to acquire Stork Food Systems from Stork NV. Marel Food Systems received EUR 132 million as payment for its shares in LME eignarhaldsfélag ehf., whereof EUR 79 million was used as payment for debt financing of the original investment in LME eignarhaldsfélag ehf.

The table below lists Marel Food Systems' investments from 2006 up to the date of this Registration Document.

Year	Company	Country	Description	Holding	Purchase Price	Financing
2008	Stork Food Systems, division of Stork N.V.	The Netherlands	Manufacturer of food processing equipment	100%	EUR 426m ¹⁾	New shares/debt
2006	Scanvaegt International A/S	Denmark	Manufacturer of food processing equipment	100%	EUR 109.2m ¹⁾	New shares/debt
2006	AEW Delford Systems Ltd.	UK	Manufacturer of food processing equipment	100%	EUR 19.5m ²⁾	Debt financing

¹⁾ All equity, purchase price on a cash and debt free basis

²⁾ Acquisition of the assets and operation on a cash and debt free basis

8.2 Investments in tangible fixed assets

At 30 September 2009 Marel Food Systems' tangible fixed assets amounted to EUR 127.1 million. Tangible fixed assets were divided into land and buildings EUR 91.0 million, plant and machinery EUR 25.4 million and vehicles and other equipment EUR 10.7 million. The group has entered into some rental agreements for building, motor vehicles and office equipment, with the remaining balance of EUR 7.9 million at 30 September 2009 compared to EUR 14.4 million at year-end 2008. The amount will be charged at the relevant rental time of each agreement. The rental agreements will materialise in the years 2009–2017.

8.3 Future investments

Marel Food Systems does not expect to enter into large-scale acquisitions for the time being. Full focus is now expected to be directed toward capturing synergies and increasing profits. Certain restrictions apply to major investments in accordance with terms of various loan agreements. More specifically, the Company pledges to refrain from engaging in takeovers or major investments, unrelated to normal course of business, for the duration of the loan agreements without the prior consent of lenders. However, these restrictions are not likely to affect the Company's operations.

8.4 Divestments

To sharpen the focus on the profitability and internal growth of the Company's core business, the sale of two non-core assets was completed in Q2 2009 for a total of EUR 34.5 million. The assets sold included real estate in Amsterdam formerly belonging to the Food & Dairy part of Stork Food Systems, and the company Scanvaegt Nordic A/S, a non-core unit operating outside the food industry. The divestment of other non-core activities, Stork Food and Dairy Systems and part of the operations of Carnitech A/S, is still under consideration.

Marel Food Systems announced on 12 November 2009 that the Company has signed a letter of intent with the Dutch private equity firm Nimbus regarding the sale of Stork Food and Dairy Systems with the intention to finalize the transaction before year-end.

9 Business overview

Marel Food Systems provides high-tech processing equipment designed to meet the current, emerging and projected needs of the rapidly expanding protein segment of the food processing industry. The Company is a global leader⁴ in equipment and integrated systems for the fish, poultry and further processing industry segments, and a major provider to the meat industry. The Company's products span the entire food processing cycle, ranging from the harvesting of raw materials to the packaging of case-ready products (i.e. primary, secondary and further processing). The Company offers everything from standardized stand-alone units to all-inclusive custom-designed turnkey systems. In addition, Marel Food Systems provides extensive services to its customers, including maintenance, consultancy and training. The Company currently has close to 3,600 employees.

Marel Food Systems has three revenue streams of approximately equal size:

- the sale of larger systems, often for new factories;
- the sale of standard equipment and smaller solutions to existing factories; and
- the sale of spare parts and service.

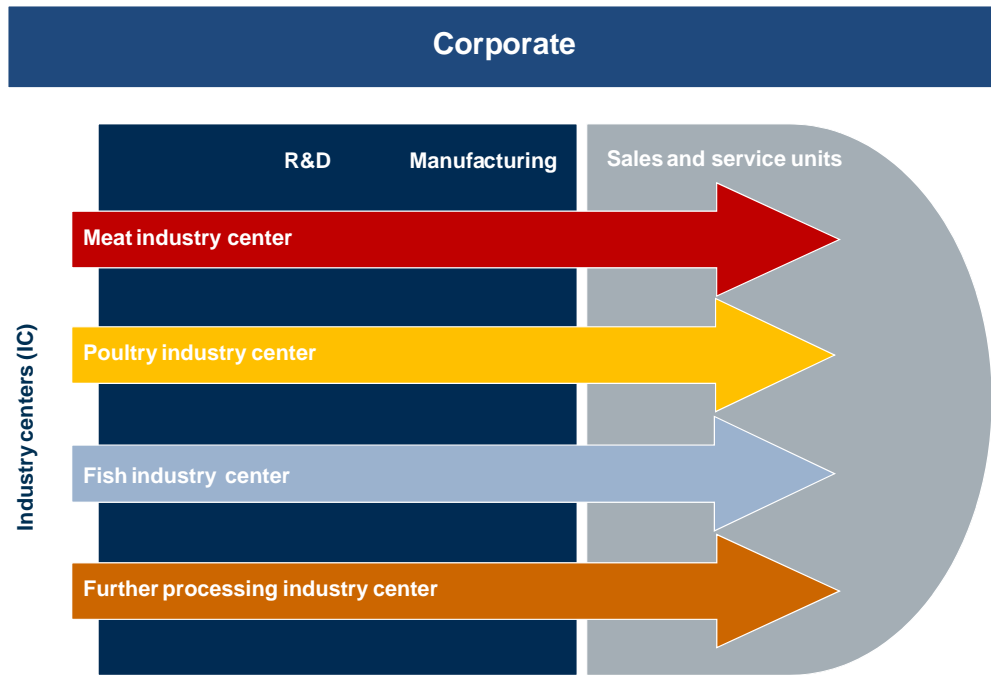
Marel Food Systems has two businesses that are classified as non-core: 1) Stork Food and Dairy Systems in the Netherlands, which produces solutions for liquid food products, and 2) part of the operations of Carnitech A/S, involving service to industries outside the scope of Marel Food Systems' core operations.

The company's equipment and solutions are currently developed, manufactured and marketed under a number of brand names, including AEW Delford, Carnitech, Dantech, Marel, Scanvaegt, Stork Food Systems and Townsend.

9.1 Operational Structure

Marel Food Systems' operations are structured around four industry centres, 1) Meat, 2) Poultry, 3) Fish and 4) Further Processing (FP). Each is a decentralised profit centre responsible for research and development, production and, in some instances, sales and services. Furthermore, a sales and service network of 40 offices in 27 countries supports the industry centres. The Sales and Service Units, as the field offices are called, handle sales and servicing of Marel Food Systems' products around the world and are strategically placed to enable the Company to offer its products worldwide.

⁴ Source: Report "Food Processing Machinery and Equipment – A Global Strategic Business Report, published in May 2008 by Global Industry Analysts, Inc., 5645 Silver Creek Valley Rd., San Jose, California, USA.



Marel Food Systems' parent company holds 100% of the shares in its subsidiaries and owns the real estate pertaining to its domestic operations. The main functions of the parent company are:

- Finance, tax, investor relations and legal;
- Business development, strategy and control processes;
- Various support functions, e.g. IT support, trademarks and patents.

The key challenges of the parent company is to maintain the drive within the industry centres, i.e. motivate employees, maintain the performance of the sales network and contribute to balance between coordination and centralizing.

9.2 Legal Structure

The accompanying table shows Marel Food Systems' most important subsidiaries and their most important subsidiaries. Dormant subsidiaries are excluded from this compilation, as are companies with minimal operations and functions within the group.

The table shows the connection between the subsidiaries and the industry centres of Marel Food Systems. Voting rights are in accordance with Marel Food Systems' shareholdings, which are in all cases 100%.

Name	Incorporated in:	Segment	Operations
Marel ehf.	Iceland	Meat, Poultry, Fish	R&D, Production
Marel Food Systems s.r.o.	Slovakia	Meat, Poultry, Fish, FP	Production
Marel Food Systems SA	Chile	-	Sales & service
Marel Food Systems SA Pty.	South Africa	-	Sales & service
Marel Food Systems Ltd.	Thailand	-	Sales & service
Marel Food Systemes LLC	Russia	-	Sales & service
Marel Food Systems Pty. Ltd.	Australia	-	Sales & service
Marel Food Systems GmbH & Co. KG	Germany	-	Sales & service
Marel Food Systems A/S (Scanvaegt International A/S)	Denmark	Meat, Poultry, Fish	R&D, Production
Marel Food Systems Inc.	USA	-	Sales & service
Marel Food Systems S.r.l.	Italy	-	Sales & service
Marel Food Systems Lda	Portugal	-	Sales & service
Marel Food Systems BV	Netherlands	-	Sales & service
Marel Food Systems AS	Norway	-	Sales & service
Marel Food Systems Ltd.	UK	-	Sales & service
Marel Food Systems do Brasil Comercial Ltda	Brazil	-	Sales & service
Marel Food Systems S.a.r.l.	France	-	Sales & service
Marel Food Systems SP z.o.o.	Poland	-	Sales & service
Marel Food Systems SL	Spain	-	Sales & service
Marel Food Systems Ltd.	Ireland	-	Sales & service
AEW Delford Ltd.	UK	Meat, FP, other**	R&D, Production
Marel Holding BV	Netherlands	-	Holding company
Stork PMT BV	Netherlands	Poultry	R&D, Production
Stork Titan BV	Netherlands	FP	R&D, Production
Stork Townsend BV	Netherlands	Meat, FP	R&D, Production
Stork Townsend Inc.	USA	Meat, FP	R&D, Production
Stork Gamco Inc.	USA	Poultry	R&D, Production
Stork Food Systems S.a.r.l.	France	-	Sales & service
Stork Food & Dairy Systems BV	Netherlands	-	Non-core business
Carnitech A/S	Denmark	Fish*	Non-core business*
Carnitech US Inc. (Seattle)	USA	Fish	Production, Sales & service
Marel Food Systems Pte. Ltd. (Dantech)	Singapore	Fish	Production

* Although Carnitech A/S is a non-core business, part of the business (Carnitech Salmon) is classified as core-business

** AEW Delford also manufactures end of line products

In 2007 Marel Food Systems (then Marel hf.) formed Marel ehf. Subsequently, Marel ehf. took over all operational assets and liabilities of Marel Food Systems in Iceland.

9.3 The cornerstones of Marel Food Systems' operations

Marel Food Systems develops, manufactures and sells advanced high-tech equipment and systems to a market where demand for efficiency and hygiene is ever increasing. To maintain its position of leadership in this market, the Company must remain at the forefront of innovation and product development, maintain the highest standards in production, and build and preserve lasting relationships with its customers around the world. In that respect, research & development, manufacturing and sales & service are the cornerstones of Marel Food Systems' operations.

Research and development

A commitment to innovation is at the core of Marel Food Systems' identity and company culture. The Company's global research and development team focuses on finding new ways to increase productivity and create value for the customer on the basis of new and existing technologies. This strategy is

supported by an annual investment of 5–6% of revenue in research and development. The following is an overview of research and product development costs for Marel Food Systems for the years 2006–2008 and the nine month period ended 30 September 2009.

Research and Product Development	1.1 - 30.09.09	2008	2007	2006
Expenses	22,622	27,337	14,631	11,744
% of sales	5.7%	5.1%	5.0%	5.6%

Amounts in thousands of EUR

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets when it is probable that the project will generate future revenues. Other development expenditures are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have a useful life and that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding five years.

The Company employs a team of highly qualified scientists and technicians in the field of engineering and food technology and has fostered a strong relationship with the scientific community. The accumulated expertise and experience of Marel Food Systems, combined with a pioneering mindset and close collaborative partnerships with key customers, has enabled the Company to position itself at the forefront of innovation in the food machinery industry.

Marel Food Systems has development centres in Iceland, Denmark, the Netherlands and the United States. The development teams of Scanvaegt in Denmark and Marel ehf. in Iceland were integrated in 2008 and three new product teams were established.

Each year, Marel Food Systems introduces a range of new and improved products to the market. The Company introduced 47 new products in 2008 under its various brand names. In addition, 10 new Innova software modules were introduced. Products released in the past three years account for about a third of the Company's revenues. Around 480 employees of Marel Food Systems work in product development.

Patents and trademarks

Marel Food Systems operates in a highly competitive, international arena where companies place great emphasis on protecting their proprietary rights. Patent protection is vital to Marel Food Systems as its value and strong position are to a large degree built on technological innovation and employee experience. The Company's investments are primarily concentrated in the knowledge and expertise of its employees. For this reason, the Company is very involved in protecting the proprietary rights of its product development activities.

The strategy for application for product patents is to secure and maintain Marel Food Systems' position as a leading company in the development of high-tech solutions for the food-processing industry. Marel Food Systems evaluates the possibility of applying for patents for all of its product development projects according to the group's guidelines that are based upon the ISO-9001 certified product-development process, which is fully implemented in Marel ehf. and in AEW Delford. The Company has clearly defined goals to protect all of its intellectual property and solutions created through its research and development activities. This is achieved through applications for a number of patents on equipment annually. In 2008, Marel Food Systems applied for 16 new patents. At the end of 2008 the company had more than 170 granted patents.

Manufacturing

Marel Food Systems offers a very diverse range of products for the global poultry, fish, meat and further processing industries. Equipment is designed to withstand wet and harsh working environments, and to meet the stringent demands of the food processing industry and international regulations governing materials, hygiene, safety and utilization.

Most of the Company's products are manufactured in Iceland, Denmark, the Netherlands, Slovakia, the United States and the United Kingdom. Smaller manufacturing facilities are operated in Singapore, Brazil and France.

Marel Food Systems employs approximately 1,400 people in manufacturing.

Sales and service

Marel Food Systems operates a global network of Sales and Service Units (SSUs), which provide the "local face" of the company to the customer. The SSUs make up the distribution network for all four Industry Centres and the entire range of the Company's products, as well as providing first-line support for all products. The Company has customers all over the world and places significant emphasis on providing services as close to the customers as possible. The group also places emphasis on strengthening the technical and specialized knowledge within its subsidiaries and with their partners.

Marel Food Systems' service capacity has been improved in recent years. The Company offers various service plans that are tailored to the needs of each customer. There are three different service levels on offer, each of which is flexible enough to ensure that the best possible solution is always provided.

Choices can range from basic equipment service to extensive consultancy and preventative maintenance. Service agreement contracts are aimed to ensure minimum downtime, up-to-date training and maintenance, and first-class processing consultancy.

The Company employs approximately 1,200 sales personnel and consultants who sell and service the Company's products around the world.

9.4 Principal markets

Marel Food Systems is a multinational company and its main operations are located in the Netherlands, Denmark, United States and Iceland. Marel Food Systems' key markets are in North America and Northern Europe. The company also has a solid position in Asia, Eastern Europe, South America and Australia.

Worldwide sales of advanced equipment and systems in the fish, meat and poultry industries are projected to amount to about EUR 4,000 million in 2009, based on assumptions made by Freedonia and GIA Inc.⁵. The market consists of a large number of companies, none of which has a dominant market share. Through the acquisition of Stork Food Systems, Marel Food Systems has achieved the goals it set out in February 2006 and now has about a 15-16% market share.⁶

⁵ Sources: Report " Food Processing Machinery and Equipment – A Global Strategic Business Report, published in May 2008 by Global Industry Analysts, Inc., 5645 Silver Creek Valley Rd., San Jose, California, US and report "World Food Processing Machinery" published in June 2002 by the marketing firm, Freedonia Group – Market Research, 767 Beta Drive, Cleveland Ohio, USA.

⁶ Source: Report " Food Processing Machinery and Equipment – A Global Strategic Business Report, published in May 2008 by Global Industry Analysts, Inc., 5645 Silver Creek Valley Rd., San Jose, California, US and report "World Food Processing Machinery" published in June 2002 by the marketing firm, Freedonia Group – Market Research, 767 Beta Drive, Cleveland Ohio, USA.. Based on numbers on the size of the market and Marel Food Systems' pro forma revenues in 2008.

Marel Food Systems' revenues primarily originate outside of Iceland. The following table shows the geographic breakdown of the Company's revenues.

Geographic breakdown of revenues	2008	2007	2006
Iceland	0.6%	0.8%	2.3%
Europe	75.5%	74.0%	69.7%
North America	17.4%	19.4%	22.0%
Other countries	6.5%	5.8%	6.0%

There is considerable competition in the sale of equipment to the food processing industry. However, few companies offer total solutions and the competition is mainly in specific components, for example in scales, graders and portioning machines. Numerous companies serve the same markets as Marel Food Systems, but in general, they offer a more limited product mix and operate in a more limited marketing area than Marel Food Systems.

The market for equipment and systems in the fish, meat and poultry industries is expected to grow at a rate of approximately 5% ⁷ for the next six years, with emerging markets in South America, Eastern Europe and Asia-Pacific growing at an even faster rate of 6-7%⁸.

In recent years, sales to individual industrial sectors served by Marel Food Systems (i.e. the fish, meat and poultry industries) have fluctuated. The following table shows the revenues of the Company's main business segments. ("Other" includes the operations of Stork Food and Dairy Systems, part of Carnitech A/S and Scanvaegt Nordic, which are not part of Marel Food Systems' core operations. The latter was divested at the end of April 2009.)

Segment breakdown of revenues	1.1 -30.9 2009	2008	2007	2006
Fish	17%	18%	33%	40%
Meat	17%	21%	32%	28%
Poultry	40%	42%	27%	21%
Further processing/other food	12%	13%	1%	-
Other	14%	6%	7%	11%

The segment data from 2008, 2007 and 2006 is not comparable to the data for the first nine months of 2009, because the definitions of the segments has changed following the introduction of the Company's new organizational structure along industry lines in 2009. Specifically, the new Further Processing segment includes business that was previously part of the Fish and Poultry segments.

⁷ Source: Report " Food Processing Machinery and Equipment – A Global Strategic Business Report, published in May 2008 by Global Industry Analysts, Inc., 5645 Silver Creek Valley Rd., San Jose, California, USA.

⁸ Source: Report "Food Processing Machinery and Equipment – A Global Strategic Business Report, published by Global Industry Analysts, Inc., 5645 Silver Creek Valley Rd., San Jose, California, US

10 Financial performance and position

The financial statements of Marel Food Systems are prepared in accordance with International Financial Reporting Standards and comprise the consolidated accounts of the parent company and its subsidiaries.

Subsidiaries are those companies that Marel Food Systems controls. Financial statements of the subsidiaries are included in the group's consolidated financial statements from the time control is acquired until it ceases. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated from group accounting.

The period of historical financial information addresses the financial statements for 2008, 2007, 2006, the first nine months of 2009 and 2008, and 3rd quarter of 2009 and 2008. The annual financial statements for 2008, 2007 and 2006 have been audited by Marel Food Systems' Statutory Auditors without remarks. The interim financial statements for the first nine months of 2009 and 2008 were not reviewed or audited by Marel Food Systems' Statutory Auditors. Marel Food Systems' reporting currency is EUR.

Marel Food Systems acquired Stork Food Systems on 8 May 2008. The merger between Marel Food Systems and Stork Food Systems had a strong effect on Marel Food Systems operations, doubling the turnover of the Company on an annual basis. Stork Food Systems is a part of the consolidated accounts as of 1 May 2008.

Income Statement	2009	2008	2009	2008	2008	2007	2006
	1.7-30.9	1.7-30.9	1.1-30.9	1.1-30.9	1.1-31.12	1.1-31.12	1.1-31.12
Sales	133,659	170,633	395,995	389,648	540,149	289,817	208,700
Cost of sales	(83,915)	(111,666)	(255,040)	(253,601)	(361,218)	(192,581)	(139,897)
Gross profit	49,744	58,967	140,955	136,047	178,931	97,236	68,803
Other operating income	(339)	134	15,409	905	716	1,203	1,722
Selling and marketing expenses	(16,960)	(21,092)	(55,134)	(51,251)	(71,838)	(44,829)	(29,085)
Research and development expenses	(6,263)	(8,552)	(22,622)	(19,693)	(27,337)	(14,631)	(11,744)
Administrative expenses	(14,410)	(14,929)	(51,003)	(38,155)	(60,038)	(28,950)	(22,169)
Profit from operations	11,772	14,528	27,605	27,853	20,434	10,029	7,527
Finance costs - net	(10,572)	(9,194)	(15,577)	(9,807)	(32,194)	(7,091)	(5,026)
Share of results of associates	0	0	0	473	473	4,602	(1,449)
Profit before income tax	1,200	5,334	12,028	18,519	(11,287)	7,540	1,052
Income tax	(342)	(805)	(795)	(3,194)	2,882	(1,474)	(893)
Net result	858	4,529	11,233	15,325	(8,405)	6,066	159
Attributable to:							
Equity holders of the Company	858	4,529	11,233	15,325	(8,405)	6,065	146
Minority interest	0	0	0	0	0	1	13
	858	4,529	11,233	15,325	(8,405)	6,066	159

Amounts in thousands of EUR

Earnings per share for profit attributable to equity holders of the company during the period (expressed in EUR cents per share)	2009	2008	2009	2008	2008	2007	2006
	1.7-30.9	1.7-30.9	1.1-30.9	1.1-30.9	1.1-31.12	1.1-31.12	1.1-31.12
- basic	0.15	2.74	1.91	3.29	(1.71)	1.65	0.05
- diluted	0.15	2.73	1.91	3.22	(1.68)	1.64	0.05

10.1 Financial results in 3rd quarter 2009 and 2008

Financial results for the 3rd quarter in 2009 and 2008 are the first nearly fully comparable quarters since the Stork Food Systems acquisition on 8 May 2008. Traditionally, business activity is at a lower level in 3rd quarter, due to summer holidays.

Sales in quarter three 2009 totalled EUR 133.7 million, compared to EUR 170.6 million for the same period in 2008. Sales have therefore decreased by about 22%. Excluding the effect of the sale of Scanvaegt Nordic, finalised in Q2 2009, the decrease in sales amounts to about 19%. The decrease in sales is mainly attributable to the global economic environment, specifically the difficult conditions in the financial markets, causing delays in order intake for larger systems in some markets.

Gross profit of product sales was EUR 49.7 million, which is 37.2% of sales, compared to EUR 59.0 million or 34.6% of sales the previous year.

Operating expenses other than cost of goods sold totalled EUR 37.6 million and were 28.2% of sales, compared to EUR 44.6 million or 26.1% of sales the previous year. Sales and marketing expenses were EUR 17.0 million or 12.7% of sales, compared to 12.4% of sales in 2008. Charged development expenses, including depreciation of product development costs from previous years, were about EUR 6.3 million or 4.7% of sales, compared to 5.0% in 2008. Administrative expenses were EUR 14.4 million, compared to EUR 14.9 million the previous year or 10.8% and 8.7% of sales.

Profit from operations (EBIT) was EUR 11.8 million or 8.8% of sales, compared to EUR 14.5 million or 8.5% in 2008. Net finance costs totalled EUR 10.6 million, compared to EUR 9.2 million in 2008.

Marel Food Systems' focus on cost reduction, in year 2009, has resulted in improved gross margin and EBIT return on sale, despite decreased sales due to challenging market conditions. Furthermore, the depreciation of the ISK has had a favourable effect on costs.

Net profit of Marel Food Systems in the 3rd quarter of 2009 totalled EUR 0.9 million, compared to EUR 4.5 million the year before.

10.2 Financial results in the first nine months of 2009 and 2008

Sales in the first nine months of 2009 totalled EUR 396.0 million, compared to EUR 389.6 million the previous year. Sales have therefore increased by about 1.6%, mainly as a result of the acquisition of Stork Food Systems. Organic growth during the period was negative by approximately 22%.

Gross profit of product and service sales was EUR 141.0 million, which is 35.6% of sales, compared to EUR 136.0 million or 34.9% of sales year on year.

Operating expenses other than cost of goods sold totalled EUR 128.8 million, or 32.5% of sales, compared to EUR 109.1 million or 28.0% of sales the previous year. The numbers are not fully comparable due to the acquisition of Stork Food Systems but the increase in percentage to sales is mainly attributable to a decrease in sales. Sales and marketing expenses were EUR 55.1 million or 13.9% of sales, compared to EUR 51.3 million or 13.2% of sales in 2008. Charged development expenses, including depreciation of product development costs from previous years, were about EUR 22.6 million or 5.7% of sales, compared to EUR 19.7 million or 5.1% of sales. Administrative expenses were EUR 51.0 million, compared to EUR 38.2 million the previous year or 12.9% and 9.8% of sales.

Profit from operations (EBIT) was EUR 27.6 million or 7.0% of sales, compared to EUR 27.9 million or 7.1% in 2008.

Net finance costs totalled EUR 15.6 million, compared to EUR 9.8 million in 2008. Net finance costs include EUR 15.9 million foreign exchange transaction gain due to closing of ISK financing contracts with Icelandic banks, against which a precautionary debit entry of EUR 17.8 million was made in Q4 2008.

Other operating income for the first nine months of 2009 totalled EUR 15.4 million, mainly due to one-off results of divestment of two non-core assets.

Net profit of Marel Food Systems in the first nine months of 2009 totalled EUR 11.2 million, compared to EUR 15.3 million the year before.

10.3 Financial results in 2008, 2007 and 2006

Sales in 2008 were EUR 540.1 million, compared to EUR 289.8 million in 2007 and EUR 208.7 million in 2006, which is an increase of 86% between 2007 and 2008, and an increase of 39% between 2006 and 2007. This growth is partially external, due to the acquisition of: Stork Food Systems, which began influencing the Company's consolidated financial statements as of 1 May 2008; AEW Delford, which began influencing Marel Food Systems' consolidated financial statements as of 7 April 2006 and: Scanvaegt, which began influencing Marel Food Systems' consolidated financial statements as of 4 August 2006.

Organic growth in 2008 was about 4.4%, compared to 4.5% in 2007.

The gross profit of sales in 2008 was EUR 178.9 million or 33.1% of sales, compared to EUR 97.2 million or 33.6% of sales in 2007, and EUR 68.8 million or 33.0% of sales in 2006.

Operating expenses other than the cost of goods sold totalled EUR 159.2 million in 2008 and were 29.5% of sales, compared to 30.5% in 2007 and 30.2% in 2006. Selling and marketing expenses were EUR 71.8 million or 13.3% of sales in 2008, compared to 15.5% in 2007 and 13.9% in 2006. Increased selling and marketing expenses can partly be attributed to more emphasis on sales and marketing in the Company. However, in 2007 actions were taken to lower this cost item with the merger of sales and service units in all markets, which lowered the ratio in 2008. Charged research and development expenses in 2008, including depreciation of product development costs from previous years, were EUR 27.3 million or 5.1% of sales, compared to 5.0% in 2007 and 5.6% in 2006. The primary emphasis in sales and marketing, as well as in product development, has been to improve productivity and synergy, and to increase integration within the group. Administrative costs in 2008 were EUR 60.0 million or 11.1% of sales, compared to 10.0% in 2007 and 10.6% in 2006.

The exchange rate of the ISK against the EUR impacts Marel Food Systems' operations due to the fact that expenses in ISK exceed revenues in ISK, in particular because of wages in Iceland. ISK revenues were about 1% of the Company's sales in 2008 and 2007, while ISK expenses were about 6% of sales in 2008 and 10% in 2007. The Company has historically entered into forward exchange rate contracts to offset all estimated costs in ISK, but after the collapse of the Icelandic banking system, forward exchange rate contracts to offset costs in ISK have not been available.

The merger with Stork Food Systems, which doubled Marel Food Systems turnover, had a strong impact in 2008. One-off expenses related to the merger amounted to EUR 4.0 million. The total turnover of Stork Food Systems during the whole year 2008 was EUR 356.5 million. Turnover of core activities was EUR 301.0 million and the turnover of Stork Food & Dairy Systems was EUR 55.5 million. In the last five years, annual organic growth of Stork Food Systems' core activities has been over 10%, driven by strong

product development and expansion in emerging markets. Operational profit (EBIT) in that same period has averaged 11%.

The integration of AEW Delford and Scanvaegt with Marel Food Systems was an extensive element in the Company's operations during 2007. One-off expenses in connection with the integration of AEW Delford and Scanvaegt totalled about EUR 5 million in 2007, compared to EUR 4 million expenses in 2006.

Profit from operations (EBIT) in 2008 was EUR 20.4 million or 3.8% of sales, compared to EUR 10.0 million or 3.5% in 2007 and EUR 7.5 million or 3.6% in 2006. Excluding one-off expenses due to the integration of Stork Food Systems, AEW Delford and Scanvaegt, profit from operations totalled about 4.5% of sales in 2008, 5.2% in 2007 and 5.5% of sales in 2006.

Net finance costs totalled EUR 32.2 million in 2008, compared to EUR 7.1 million in 2007 and EUR 5.0 million in 2006. The increase in finance costs is mostly a result of increased business and investment in new operations. Furthermore, a precautionary debit entry of EUR 17.8 million was made under cost of capital in 2008 against forward contracts to hedge the costs related to the Company's operations in Iceland.

Marel Food Systems' share in the operational profit of LME eignarhaldsfélag ehf. totalled EUR 4.6 million in 2007. In 2006, the share in LME eignarhaldsfélag ehf.'s operational loss totalled EUR 1.5 million. LME eignarhaldsfélag ehf. was established to serve as a holding company for the investment in Stork NV.(now Stork BV.). Marel Food Systems sold its 20% share in LME eignarhaldsfélag ehf. in the first quarter of 2008.

10.4 Balance sheet

Assets

Marel Food Systems' total assets amounted to EUR 872.7 million at 30 September 2009. At year-end 2008 total assets amounted to EUR 920.3 million, an increase of about 493.0 million or 115% from year-end 2007, when total assets amounted to EUR 427.3 million. The increase in total assets during 2008 was primarily due to the acquisition of Stork Food Systems. Total assets at year-end 2006 were EUR 364.8 million. Of the increase in total assets in 2007, about EUR 34.4 million was in the form of new shares sold in a share offering in November 2007 which was a part of the financing of Stork Food Systems.

At 30 September 2009, the group's non-current assets were EUR 619.8 million, compared to EUR 634.5 million at year-end 2008, EUR 194.2 million at year-end 2007 and EUR 180.5 million at year-end 2006. The sale of property in 2009 for a total of EUR 18.5 million, largely explains the change in non-current assets in 2009. The change in 2008 is attributed to a EUR 360.4 million increase in goodwill and intangible assets and a EUR 79.9 million increase in tangible fixed assets, mostly related to the acquisition of Stork Food Systems.

At 30 September 2009, the group's current assets were EUR 252.9 million, compared to EUR 285.8 million at year-end 2008, EUR 233.1 million at year-end 2007 and EUR 184.3 million at year-end 2006. The decrease in 2009 is mainly the result of an increased emphasis on reducing working capital within the Company. The increase in 2008 can mostly be attributed to the acquisition of Stork Food System. The increase in 2007 is due to a loan made to LME eignarhaldsfélag ehf., which was paid up in the first quarter of 2008.

Financial Position	30.09.09	31.12.08	31.12.07	31.12.06
Assets				
Non-current assets				
Property, plant and equipment	127,178	145,420	66,305	56,125
Goodwill	392,867	394,979	95,450	97,117
Other intangible assets	87,843	85,459	24,585	16,510
Investments in associates	305	305	3,281	939
Deferred income tax assets	11,067	5,620	3,542	1,991
Available-for-sale investments	28	28	631	744
Trade receivables	462	2,683	245	314
Loan to Associate	0	0	0	6,707
Derivative financial instruments	0	0	127	37
	619,750	634,494	194,166	180,484
Current assets				
Inventories	92,494	113,636	61,587	53,263
Production contracts	15,878	26,473	15,168	13,118
Trade receivables	79,634	85,603	52,871	47,306
Other receivables and prepayments	8,937	34,652	20,427	6,697
Loan to Associate	0	0	49,607	0
Derivative financial instruments	858	4,364	3,041	846
Cash and cash equivalents	55,109	21,038	30,437	63,079
	252,910	285,765	233,138	184,309
Total assets	872,660	920,259	427,304	364,793

Amounts in thousands of EUR

Equity

Marel Food Systems' equity capital at 30 September 2009 was EUR 303.8 million, compared to EUR 288.3 million at year-end 2008, EUR 181.8 million at year-end 2007 and EUR 144.4 million at year-end 2006. The equity ratio was 34.8% at 30 September 2009, 31.3% at year-end 2008, 42.6% at year-end 2007 and 39.6% at year-end 2006. The increase in equity capital during 2008 and 2007 can in particular be contributed to the issue of shares in relation to the acquisition of Stork Food Systems; EUR 121.8 million in 2008 and EUR 34.4 million in 2007. The issue of share capital in June 2009 was intended to further strengthen the Company's liquidity and reduce operational risk. Further information on changes in Marel Food Systems share capital can be found in section 15 in this Registration Document. No dividends were paid in 2009 and 2008, compared to a payment of EUR 0.8 million in 2007 and 0.6 million in 2006.

The accompanying table gives a breakdown of changes in the Company's equity capital.

Changes in equity	2009	2008	2007	2006
	1.1-30.9	1.1-31.12	1.1-31.12	1.1-31.12
Balance at beginning of period	288,279	181,835	144,423	41,032
Other comprehensive income	(3,374)	(8,947)	(414)	(313)
Purchase/sale of treasury shares	(609)	2,037	(2,338)	(78)
Employee share option scheme:				
- value of services provided	357	43	557	349
Business combination	0	(46)	0	32
Dividend	0	0	(824)	(601)
Profit/Loss for the period	11,233	(8,405)	6,066	159
Issue of share capital	7,864	121,762	34,365	103,843
Balance at end of period	303,750	288,279	181,835	144,423

Liabilities

Total liabilities at 30 September 2009 amounted to EUR 568.9 million, of which interest-bearing debt was EUR 403.1 million. In the second quarter of 2009, the Company closed all derivative contracts in ISK with a 5-year loan in the amount of EUR 34 million. At year-end 2008, total liabilities amounted to EUR 632.0 million, of which interest-bearing debt was EUR 400.4 million. At year-end 2007, total liabilities were EUR 245.5 million, of which interest-bearing debt was EUR 160.4 million, compared to total liabilities of EUR 220.4 million and interest bearing debt of EUR 158.5 million at year-end 2006.

The following table shows how the Company's financing has been managed in recent years and its status at 30 September 2009.

Capital resources	30.09.09	31.12.08	31.12.07	31.12.06
Trade and other liabilities	152,062	187,734	84,496	61,378
Derivative financial instruments	13,781	43,803	617	445
Interest bearing loans:				
Non-current	366,815	265,807	115,327	119,744
Current	36,253	134,636	45,029	38,803
Total interest-bearing debt	403,068	400,443	160,356	158,547
Total liabilities	568,911	631,980	245,469	220,370
Equity	303,749	288,279	181,835	144,423
Equity and liabilities	872,660	920,259	427,304	364,793
Equity ratio	34.8%	31.3%	42.6%	39.6%

Amounts in thousands of EUR

Increases in liabilities and interest bearing debt in the year 2008 are directly related to the acquisition of Stork Food Systems in May 2008. The acquisition was financed with equity and long-term debt. The long-term debt, amounting to EUR 183 million, was provided by a syndicate of European banks led by Rabobank and Landsbanki Íslands hf. The majority of the debt financing matures in 2016 and 2017. In addition, bonds amounting to EUR 52 million (ISK 6 billion) maturing in 2009 were issued by Marel Food Systems (MARL 08 1). These bonds have since been refinanced.

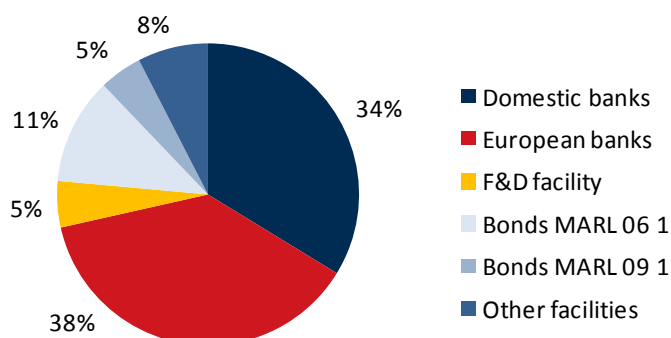
In May 2009 Marel Food Systems completed the refinancing of all major short-term debt facilities, shifting the maturity profile to 2011-2017. On 3 November 2009, Marel Food Systems announced an extension of the bridge facility related to the acquisition of Food and Dairy Systems, which was an integral part of the overall acquisition of Stork Food Systems. The Food and Dairy facilities have been extended to 1 October 2011. After the extension of the Food and Dairy facilities, Marel Food Systems has no short-term maturities.

Marel Food Systems' maturity profile is as follows:

Annual maturities of non-current liabilities	30.09.09	31.12.08
Period 1.10.2010-30.9.2011 / year 2010	8,333	41,135
Period 1.10.2011-30.9.2012 / year 2011	184,226	8,445
Period 1.10.2012-30.9.2013 / year 2012	17,704	58,471
Period 1.10.2013-30.9.2014 / year 2013	28,676	12,084
Later	127,876	145,672
Total	366,815	265,807

Amounts in thousands of EUR

Marel Food Systems' breakdown of debt is as follows:



After the recent refinancing of the Company's operation in Iceland and due to the non-functional ISK derivative market, the currency mismatch for the group has increased. With the currently non-functioning swap market in Iceland, Marel Food Systems remains exposed to movements in the ISK/EUR exchange rate. The majority of other liabilities is in the Company's functional currency and matches well its cash-flow.

Overall borrowing includes ISK denominated liabilities totalling EUR 129.5 million at 30 September 2009, thereof inflation-indexed liabilities totalling EUR 46.0 million. ISK denominated liabilities amounted to EUR 102.9 million at year-end 2008, EUR 73.5 million at year-end 2007 and EUR 67.4 million at year-end 2006.

As of 30 September 2009, interest bearing debt amounted to EUR 403.1 million, of which EUR 343.1 million are secured against shares, lots, properties, accounts receivables and inventories. Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default. Other loans incurred by Marel Food Systems are neither guaranteed nor secured excluding production contracts which are in part guaranteed. Certain restrictions apply to the pledging of the company's assets in connection with various loan agreements. Pledge of assets related to the daily operation of the company, or pledging of assets acquired by the Issuer after the date of the loan agreements, however, is permissible.

Marel Food Systems and subsidiaries are contractually bound to comply with the terms and conditions of its loan agreements. If Marel Food Systems and/or subsidiaries are unable or for some reason ceases to meet the respective terms and conditions the lenders and financiers may become entitled to call upon a credit event or a technical default within terms of the relevant agreements.

Marel Food Systems is in compliance with all terms and conditions of its loan agreements. Among the conditions in some of the loan agreements are financial covenants that measure the overall development of leverage and operational cash flows.

Further details about the Company's financing during the past three years are presented in the group's cash flow statement in section 10.5 below.

10.5 Cash flow

Net cash from operating activities totalled EUR 24.7 million during the first nine months of 2009 compared to EUR 13.9 million for the first nine months of 2008. In year 2008, net cash from operating

activities amounted to EUR 15.3 million compared to EUR 2.8 million in 2007. In 2006, net cash to operating activities amounted to EUR 2.9 million. The increase in net cash from operating activities is mostly the result of a reduction in capital tied up in inventories and accounts receivables, which more than offsets a decrease in accounts payables. One of the priorities set for 2009 was to reduce working capital by implementing ambitious targets to reduce inventories during the course of the year. Inventories and production contracts were reduced by EUR 26.8 million over the first nine months of 2009.

During the first nine months of 2009, investment activities returned EUR 15.3 million in cash reflecting the Company's limited needs for capital expenditures, as well as divestments of non-core assets for a total of EUR 34.5 million.

The Company's investment activities in 2008 totalled EUR 410.7. The acquisition of Stork Food Systems totalled EUR 426.0 million. In 2007, investment activities amounted to EUR 70.2 million. Thereof investment in Stork N.V. shares, through LME eignarhaldsfélag ehf., totalled about EUR 41.6 million. Investment activities in 2006 totalled EUR 69.8 million, with the purchase of Scanvaegt A/S and the assets and operations of AEW Thurne and Delford Sortaweigh being the largest factor.

During the first nine months of 2009, net cash to financing activities amounted to EUR 9.9 million compared to EUR 381.1 million cash inflow from financing activities in the same period in 2008. In the 2009 period, proceeds from ordinary share issue amounted to EUR 7.9 million, net purchase of treasury shares amounted to EUR 0.6 million, proceeds from borrowing amounted to EUR 156.3 million and repayment of debt amounted to EUR 149.0 million. For the same period in 2008, proceeds from ordinary share issue amounted to EUR 112.8 million, borrowings amounted to EUR 287.7 million and repayments of borrowings amounted to EUR 21.5 million. In the year 2008, financing activities totalled EUR 386.5 million, with an ordinary share issue providing EUR 121.6 million, proceeds from borrowings amounting to EUR 285.4 million and repayments of debt amounted to EUR 22.4 million. The Company's financing activities amounted to EUR 34.1 million in 2007, of which proceeds from the issue of ordinary shares amounted to a EUR 34.6 million cash inflow and borrowings amounted to a EUR 24.7 million cash inflow. However, repayment of debt amounted to a EUR 13.4 million cash outflow. Financing activities amounted to EUR 132.3 million in 2006, of which the issue of ordinary shares amounted to a EUR 59.0 million cash inflow, borrowings amounted to a EUR 75.4 million cash inflow and repayment of borrowings amounted to a EUR 10.1 million cash outflow.

At 30 September 2009, cash and cash equivalents were EUR 55.1 million compared to EUR 14.8 million on the same date in 2008. The year-end cash and cash equivalents in 2008 were EUR 21.0 million, compared with EUR 30.4 million 2007 and EUR 63.1 million at year-end 2006.

Cash Flow	2008	2007	2006
	1.1-31.12	1.1-31.12	1.1-31.12
Cash flows from operating activities			
Net profit (loss)	(8,405)	6,066	159
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and impairment of fixed assets	11,999	5,069	3,834
Amortisation and impairment of intangible assets	9,674	5,882	4,318
Currency fluctuations and indexation	(3,546)	260	(5,428)
Changes in deferred taxes	(4,210)	246	(788)
Share of results of associates, net of tax	(244)	(4,602)	1,460
Other changes	2,570	66	(817)
Working capital provided by operating activities	7,838	12,987	2,738
Changes in operating assets and liabilities:			
Inventories and production contracts	(1,118)	(12,115)	(8,214)
Trade and other receivables	16,159	(20,399)	(2,137)
Short-term liabilities	(7,591)	22,305	4,621
Changes in operating assets and liabilities	7,450	(10,209)	(5,730)
Net cash from (to) operating activities	15,288	2,778	(2,992)
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	(425,970)	0	(45,732)
Purchase of property, plant and equipment (PPE)	(18,638)	(17,328)	(10,402)
Proceeds from sale of PPE	2,846	1,242	2,303
Purchase of intangibles	(20,224)	(13,266)	(7,817)
Proceeds from sale of intangible assets	93	0	0
Purchase of associate investments	(1,061)	0	(1)
Loans made	0	(41,643)	(8,223)
Loan repayments received from associates	49,607	0	0
Proceeds from sale of shares	2,676	746	118
Changes in securities	0	0	0
Net cash used in investing activities	(410,671)	(70,249)	(69,754)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	121,611	34,638	59,018
Proceeds from (purchase of) treasury shares, net	2,231	(2,154)	271
Proceeds from borrowings	285,434	24,669	75,358
Repayments of borrowings	(22,404)	(13,434)	(10,095)
Finance lease principal payments	(558)	(865)	(569)
Changes in short-term bank loans	166	(7,912)	8,936
Dividend paid to company's shareholders	0	(824)	(601)
Net cash from financing activities	386,480	34,118	132,318
Net increase (decrease) in cash and cash equivalents	(8,903)	(33,353)	59,572
Exchange losses on cash and bank overdrafts	(496)	711	(373)
Cash and cash equivalents at beginning of year	30,437	63,079	3,880
Cash and cash equivalents at end of year	21,038	30,437	63,079

Amounts in thousands of EUR

Cash Flow	2009	2008
	1.1-30.9	1.1-30.9
Cash flows from operating activities		
Operational result	27,605	27,853
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and impairment of fixed assets	10,550	7,515
Amortisation and impairment of intangible assets	8,584	6,829
Currency fluctuations and indexation	9,414	11,236
Income tax paid	(3,182)	(697)
Interest and finance costs paid	(39,773)	(16,480)
Share of results of associates	0	473
Gain on sale of subsidiary	(10,479)	0
Gain on sale of property, plant and equipment	(5,386)	0
Changes in non current receivables	2,248	0
Other changes	0	5,827
Working capital provided by operating activities	(419)	42,556
Changes in operating assets and liabilities:		
Inventories and production contracts	26,791	(10,194)
Trade and other receivables	6,376	10,656
Trade and other payables	(7,096)	(29,133)
Provisions	(984)	0
Changes in operating assets and liabilities	25,087	(28,671)
Net cash from operating activities	24,668	13,885
Cash flows from investing activities		
Interest received	978	4,131
Acquisition of subsidiary, net of cash acquired	0	(431,433)
Purchase of property, plant and equipment (PPE)	(8,407)	(17,322)
Investments in intangibles	(11,856)	(16,519)
Divestment of subsidiary, net of cash divested	16,038	0
Loans to associates	0	49,607
Proceeds from sale of property, plant and equipment (PPE)	18,486	210
Proceeds from sale of associates	0	3,469
Changes in securities	0	(597)
Other changes	107	0
Net cash used in investing activities	15,346	(408,454)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	7,864	112,763
Proceeds from (purchase of) treasury shares, net	(609)	2,222
Proceeds from borrowings	156,273	287,693
Repayments of borrowings	(149,038)	(21,548)
Finance lease principal payments	125	(63)
Non current Financial Derivates	(24,925)	0
Other changes	364	0
Net cash from financing activities	(9,946)	381,067
Net increase (decrease) in cash and cash equivalents	30,068	(13,502)
Exchange losses on cash and bank overdrafts	46	(2,125)
Cash and cash equivalents at beginning of year	21,038	30,438
Cash and cash equivalents at end of period	51,152	14,811

Amounts in thousands of EUR

10.6 Core business financial information

The following table shows selected financial information for Marel Food Systems' core business. Marel Food System's core business is to provide equipment and systems for the poultry, fish, meat and further processing industries worldwide. Financial information stemming from Marel Food System's core business is expected to have a continuing impact on Marel Food Systems. Marel Food Systems does not consider the activities of Stork Food and Dairy Systems BV. and part of Carnitech A/S operations to be among its core activities and is considering its options regarding these activities, including the option to sell the operations. Therefore, Stork Food and Dairy Systems and Carnitech are not expected to have a continuing impact on Marel Food Systems.

The financial information has been prepared for illustrative purposes only and does not represent the Company's actual consolidated financial position or results. The information covers seven consecutive quarters starting with Q1 2008 and ending with Q3 2009. The information includes Stork Food Systems core business as of 1 January 2008 but excludes Scanvaegt Nordic A/S (which was sold in April 2009), Stork Food and Dairy Systems, the non-core part of Carnitech A/S and one-off income and cost. The contribution of the non-core operations is immaterial or less than 25% of the total revenues of Marel Food Systems.

A report from Marel Food Systems independent auditors, regarding the core business financial information, can be found in section 22 of the Registration Document.

Financial information of core business	2009	2009	2009	2008	2008	2008	2008	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY
	1.7-30.9	1.4-30.6	1.1-31.3	1.10-31.12	1.7-30.9	1.4-30.6	1.1-31.3	1.1-31.12
Sales	111,922	107,208	103,174	121,405	140,658	145,482	140,532	548,077
Cost of sales	(66,168)	(64,584)	(69,075)	(84,801)	(88,673)	(87,983)	(86,725)	(348,182)
Gross profit	45,754	42,624	34,099	36,604	51,985	57,499	53,807	199,895
Other operating income	(79)	(324)	47	(233)	159	357	101	384
Selling and marketing expenses	(14,116)	(14,890)	(16,211)	(17,189)	(15,790)	(19,319)	(18,764)	(71,062)
Research and development expenses	(6,496)	(6,296)	(7,835)	(6,578)	(7,428)	(7,987)	(8,241)	(30,234)
Administrative expenses	(11,999)	(14,619)	(15,320)	(18,328)	(13,447)	(15,497)	(13,478)	(60,750)
Results from operations (EBIT)	13,064	6,495	(5,220)	(5,724)	15,479	15,053	13,425	38,233
Results before depreciation (EBITDA)	18,587	12,192	391	745	20,989	20,109	18,173	60,016
EBIT, excluding one-off restructuring costs	13,064	6,495	(1,720)	8,076	15,479	15,053	13,425	52,033
EBITDA, excluding one-off restructuring costs	18,587	12,192	3,891	14,545	20,989	20,109	18,173	73,816

Amounts in thousands of EUR

Various figures in proportion to sales								
Gross profit margin	40.9%	39.8%	33.0%	30.2%	37.0%	39.5%	38.3%	36.5%
Selling and marketing expenses	12.6%	13.9%	15.7%	14.2%	11.2%	13.3%	13.4%	13.0%
Research and development expenses	5.8%	5.9%	7.6%	5.4%	5.3%	5.5%	5.9%	5.5%
Administrative expenses	10.7%	13.6%	14.8%	15.1%	9.6%	10.7%	9.6%	11.1%
Result before depreciation (EBITDA)	16.6%	11.4%	0.4%	0.6%	14.9%	13.8%	12.9%	11.0%
Result from operations (EBIT)	11.7%	6.1%	-5.1%	-4.7%	11.0%	10.3%	9.6%	7.0%
EBITDA, excluding one-offs	16.6%	11.4%	3.8%	12.0%	14.9%	13.8%	12.9%	13.5%
EBIT, excluding one-offs	11.7%	6.1%	-1.7%	6.7%	11.0%	10.3%	9.6%	9.5%

9

⁹ The numbers pertaining to the period prior to the acquisition of Stork Food Systems are extracted from Stork Food Systems accounts.

11 Significant changes from the latest financial statement

No significant changes have occurred in the trading or financial position of Marel Food Systems since the end of the last interim financial period on 30 September 2009.

12 Trend information

There has been no material adverse change in the prospects of the issuer since the end of the last financial year.

13 Prospects

Global financial and overall market conditions have continued to affect Marel Food Systems' operations this year, especially in the first half. The effect has been felt, in particular, in the sale of larger systems and installations, often for new factories. The sale of such systems normally accounts for approximately one-third of the company's revenues. The main reason for lower sales volume of larger system is that Marel Food Systems' customers have had difficulty in obtaining financing for such projects. Since these projects have likely been postponed rather than cancelled, it is expected that an accumulated need will have built up by the time that conditions in the financial markets improve. In the last few months, the Company has seen slow but gradual improvements in a few of its key markets, following what seems to be a general improvement in the global financial markets. However, the speed of recovery varies from country to country.

In response to the global financial crisis the Company refocused its priorities and the integration of the Marel and Stork companies was temporarily delayed. The integration process of the companies has begun with the aim of capturing the potential synergies from the merger. Work has begun on the development of new products that combine the technologies that each company has to offer with the aim of providing the customer with the highest added value possible. Furthermore, the global network of subsidiaries and offices is being integrated in order to present one unified front to the customer and to increase the effectiveness and efficiency of the company's presence in markets around the world. The implementation is being carried out step-by-step in order to minimize disruptions to daily operations.

Marel Food Systems has undertaken various measures to improve the Company's performance this year. The number of employees has been reduced by 13% from the middle of the year 2008 and various cost-cutting measures have been implemented. These measures are expected to deliver EUR 25 million in cost savings on an annual basis. The effects of this have not fully materialised in the Company's results but are expected to do so in coming months. Marel Food Systems has also sold off assets for the amount of EUR 34.5 million to lower debt and has made an effort to reduce working capital by EUR 25-30 million in 2009, as evident in the Company's interim results.

The prevailing trends in consumer behaviour are favourable. Consumers are eating out less at mid- and high-priced restaurants and choosing instead to go to fast food outlets or purchase low-cost ready-made meals at discount supermarkets. Food service companies and retailers active in these segments should be positively affected by this trend and so should Marel Food Systems' customers, the food processors who supply these outlets with products.

Market activity is expected to remain at the current level or to slightly improve in coming months. The expectation is that the year 2010 will have a better start than 2009. Operational results will improve in accordance with market developments, supported by the company's continued focus on cost control. Results could vary quarter by quarter but long-term prospects are good.

The Company's view of the long-term prospects of the market and the strong underlying growth in the industry remains unchanged. The Company is aiming for a growth rate of at least two percent above the prevailing market rate and an EBIT 10-12% compared to sales.

14 Corporate governance, Board of Directors, Executive Board and personnel

14.1 Administration

Marel Food Systems is managed by the shareholder meetings, the Board of Directors of the Company and the Chief Executive Officer (CEO). Corporate governance at Marel Food Systems is determined by the Company's Articles of Association and Rules of Procedure of the Board of Directors. These procedures and the activities of the Board of Directors follow the guidelines concerning corporate governance issued by OMX Nordic Exchange Iceland, Confederation of Icelandic Employers and Iceland Chamber of Commerce, in every respect other than those concerning the independency of the majority of board members as per section 14.3 below.

14.2 Shareholder meetings

The highest authority regarding all company matters, within the limitations set by Marel Food Systems' Articles of Association and statutory law, is in the hands of lawfully held shareholder meetings. The right to attend a shareholder meeting is granted to shareholders, shareholder proxies, company auditors and the CEO, even if not a shareholder. The Board of Directors can invite specialists to individual meetings if their expertise or assistance is needed.

The Board of Directors is authorized to allow shareholders to participate in proceedings at shareholder meetings through electronic means without being present at the meeting venue. The Board of Directors is authorized to decide that a shareholder meeting will be held only through electronic means.

A shareholder meeting is deemed duly constituted if representatives attending control at least half of all shares.

The Board of Directors shall call a shareholder meeting when deemed necessary, or in accordance with a meeting resolution, or when elected auditors or shareholders that control at least 1/10 of all shares make a written request, stating the subject matter of the meeting.

When a lawful request for a meeting has been made, the Board of Directors shall be required to call a meeting within 14 days from receipt of the request. If the Board of Directors has not called a meeting within this period, it is permitted to demand that a meeting be called in accordance with Article 87 paragraph 2 of Act No. 2/1995, on Public Limited Companies.

Shareholder meetings shall be announced with advertisements in the media or through electronic means. Shareholder meetings shall be announced with a minimum of one week's notice and a maximum of four week's notice. Matters to be discussed at the meeting shall be stated in the announcement.

Each shareholder has the right to have a specific matter discussed at a shareholder meeting, if he submits a written request to the Board of Directors with enough notice to enable the matter to be placed on the agenda, which shall be available for examination 7 full days prior to the meeting.

At shareholder meetings, a majority vote determines outcomes, unless otherwise stated in the Company's Articles of Association or by law. Proposals receiving a tied vote are rejected. When two or more people receive the same number of votes during a ballot, a toss-up shall determine the outcome.

14.3 Board of Directors, Chief Executive Officer and Executive Board

Marel Food Systems' Annual General Meeting (AGM) annually elects six people to sit on the Board of Directors. Their suitability is determined by law. Election of the members of the Board of Directors is determined according to a majority vote. According to section 2.5, item 5 of the guidelines concerning corporate governance (see section 14.1 above) two Board members; Margrét Jónsdóttir and Árni Oddur Þórðarson are not independent of Marel Food Systems, as both are executive managers of Eyrir Invest ehf.

Other members of the Board of Directors are independent of the Company and three members of the Board of Directors, Arnar Þór Másson, Friðrik Jóhannsson and Helgi Magnússon, are independent of large shareholders in Marel Food Systems. According to the aforementioned guidelines a significant shareholder is anyone who controls at least 10% of the total share capital or weight of votes in the company, alone or in co-operation with associated parties.

The Board of Directors chooses a chairman and a vice-chairman from among its members, after which it assigns responsibilities according to need.

A Board meeting makes decisions when a majority of the members of the Board of Directors participate in the meeting. Important decisions, however, may not be taken unless all members of the Board of Directors have had the possibility to discuss the matter, if this is possible. A majority of votes determines results at board meetings. If there is an equal number of votes, the chairman's vote counts as double.

The Board of Directors is the highest authority in company matters relating to shareholders and sets operational goals for the Company with the interests of the Company and shareholders as its guiding light, in conformance with the purpose of the Company. The Board of Directors discusses company matters between shareholder meetings and commits the Company with its decisions and contracts. The Board of Directors hires the CEO, one or more, determines their salary and benefits and concludes a written employment contract.

The Board of Directors gives authorization to sign on behalf of the Company and the signatures of a majority of Board members are required to obligate the Company.

Within the Board of Directors there are two working committees: a remuneration committee and an audit committee.

The remuneration committee's field of work involves negotiating wages and other benefits for the CEO and other members of the Executive Board, framing the Company's remuneration policy, including wage incentives and share option rights for the Company shares. Members of the remuneration committee are Arnar Þór Másson, Árni Oddur Þórðarson and Friðrik Jóhannsson.

The audit committee's field of work involves monitoring Marel Food Systems' financial status, evaluating the Company's internal control system and risk management system, evaluating management reporting on finances, evaluating whether laws and regulations are followed as well as evaluating the work of the Company's statutory auditors. Members of the audit committee are Friðrik Jóhannsson, Helgi Magnússon and Margrét Jónsdóttir.

The Board of Directors is elected for a term of one year. A new Board of Directors was elected at Marel Food Systems' AGM held on 10 March 2009. At the same meeting, a monthly payment of EUR 4,000 to the chairman, EUR 2,400 to the vice-chairman, and EUR 1,600 to other members of the Board of Directors was approved for the next operating year.

Provisions regarding the Board of Directors and CEO are in chapters [5-9] in Marel Food Systems' Articles of Association.

Chairman of the Board

Name: Árni Oddur Þórðarson

Business address: Austurhraun 9, 210 Garðabær, Iceland

Education: MBA from IMD in Switzerland, 2004, Cand.Oecon, Business Administration from the University of Iceland, 1993.

First elected: 2005

Board positions: Chairman of the Board in Marel Food Systems since autumn 2005. Board Member of Stork B.V. since 2008, Ölgerðin Egill Skallagrímsson ehf., Árni Oddur Þórðarson ehf. and a deputy member of the Board of Th. Magnússon ehf. Member of the Board of Advisors for Arctic Ventures I. Árni Oddur has not been a member of the Board of Directors of any other company for the last five years.

Experience: Árni Oddur is co-founder of Eyrir Invest ehf., and has been the company's CEO since foundation. He has over 15 years of extensive international experience in various businesses. Prior to co-founding Eyrir Invest, Árni Oddur was Head of Corporate Finance & Capital Markets at Búnaðarbanki Íslands hf., which later merged with Kaupthing Bank hf.

Members of the Board of Directors

Name: Arnar Þór Mátsson

Business address: Austurhraun 9, 210 Garðabær, Iceland

Education: Political Science with a M.Sc. in Comparative Politics from London School of Economics and Political Science, 1997, BA in Political Science from the University of Iceland, 1996, two out of three components of Securities Brokerage from Reykjavík University, 2008.

First elected: 2001

Board positions: Currently, Arnar is not a board member of companies other than Marel Food Systems. In the last five years, Arnar has been a member of the boards of Hjaltadalur Heating Utility, and the Weights and Measures Office.

Experience: Arnar is the Deputy Director General of the Department of Financial Management at the Ministry of Finance. Alongside his work at the Ministry, Arnar is Adjunct lecturer at the Department of Political Science at the University of Iceland.

Name: Friðrik Jóhannsson

Business address: Austurhraun 9, 210 Garðabær, Iceland

Education: Cand.Oecon, Business Administration from the University of Iceland, 1982, Certified Public Accountant, 1987.

First elected: Alternate 1997-2004, board member since 2004. Chairman of the Board of Directors February 2005 - October 2005.

Board positions: Currently, Friðrik is a Chairman of the Board of Directors of Brú Venture Capital hf., Eignarhaldsfélag hlutafélaga ehf. Sjóvík ehf., and Icelandic Group hf., and member of the Board of Directors of A1988 hf. (Eimskipafélag Íslands), Áning ehf., Eff Holding ehf., Eignarhaldsfélagið ehf., Eignarhaldsfélagið IG ehf., Frumkvöðull ehf., Sportís ehf., P/F Vónin and Vörður hf. In the last five years, Friðrik has sat on the boards of the following companies: TM Software hf., Iceland Stock Exchange hf., Icelandic Securities Depository hf., Eignarhaldsfélagið Verðbréfaþing hf., Cyntellect Inc., Alfesca hf., Eimskipafélag Íslands ehf., Og Fjarskipti hf., Iceland Genomic Ventures Holding Inc., Flow Matrix Inc. and Urður Verðandi Skuld hf.

Experience: Friðrik is Managing Director of Nordic Partners hf. Friðrik was CEO of Straumur-Burðarás Investment Bank hf., June 2006 - May 2007. Previously, Friðrik was the CEO of Burðarás hf. March 2004 - September 2005.

Name: Helgi Magnússon

Business address: Austurhraun 9, 210 Garðabær, Iceland

Education: Cand.Oecon in Business Administration from the University of Iceland, 1974. Certified Public Accountant, 1975.

First elected: 2005

Board positions: Currently, Helgi is the Chairman of the Board of Directors of the Federation of Icelandic Industries, Eignarhaldsfélag Hörpu ehf., Eignarhaldsfélagið Hofgarðar ehf., Varðberg ehf., Efnavörur ehf. and AB-68 ehf. Flügger ehf., Hörputónar ehf., Enox World Holdings ehf. and EuroAsia Silu International ehf. He is Vice-Chairman of the Pension Fund of Commerce and Bláa Lónið hf., and a member of the board of its subsidiaries, Bláa Lónið Heilsuvörur ehf. (Blue Lagoon International (Ltd.), Eldvörp ehf. and Hraunsetrið ehf. Helgi is also a member of the board of Fasteignafélagið Laugardalur ehf., Íþróttá- og sýningarhöllin hf. and Sjöfn ehf. Helgi is a deputy member of the Board of Saffron Holding ehf. In the last five years Helgi has been on the Board of Directors of Islandsbanki hf., Framsýn Pension Fund, VÍB (Verðbréfasjóðir Verðbréfamarkaða Íslandsbanka), Harpa Sjöfn hf. and Skipasmíðastöð Njarðvíkur hf.

Experience: Helgi is the largest owner, Chairman of the board and CEO of Eignarhaldsfélagið Hofgarðar ehf. and Eignarhaldsfélagið Harpa ehf.

Name: Lars Grundtvig

Business address: Austurhraun 9, 210 Garðabær, Iceland

Education: Bachelor of Commerce from Aarhus and Silkeborg Business College.

First elected: 2007

Board positions: Currently, Lars is a board member of Grundtvig Invest A/S. He is a member of the Board of Directors of JJ Steel Holding A/S, JJ Steel A/S, Anker Andersen Holding A/S, Anker Andersen A/S, Scanvaegt Nordic Holding Aps, Scanvaegt Nordic A/S and Black Lily A/S. Lars Grundtvig was the Executive Chairman of Scanvaegt International A/S for thirteen years prior to the sale of the Scanvaegt Group to Marel Food Systems. In the last five years Lars Grundtvig has been a board member of Lichtenbourg Technologies BV (January 2007 – September 2009).

Experience: Lars Grundtvig is the Managing Director of Grundtvig Invest A/S, an investment company he owns together with his two sons. Grundtvig Invest A/S is the former owner of the Scanvaegt Group. Lars Grundtvig joined Scanvaegt International A/S in 1959, has served the company in several different capacities and was the Managing Director for 19 years.

Name: Margrét Jónsdóttir

Business address: Austurhraun 9, 210 Garðabær, Iceland

Education: M.Sc. in Accounting and Auditing from the University of Iceland, 2006. Cand. Oecon in Business Administration from the University of Iceland, 1983.

First elected: 2006

Board positions: Currently Margrét is not a board member of other companies than Marel Food Systems. In the past five years Margrét has been a board member of LME eignarhaldsfélag ehf.

Experience: Margrét is the Chief Financial Officer (CFO) of Eyrir Invest ehf. Previously, Margrét was the Director of Finance at Edda Publishing hf., December 2001 – October 2002. She was Director of Finance at Kreditkort hf., August 2000 – December 2001. Manager of accounts and planning at Fjárfestingarbanki Atvinnulífsins hf., January 1998 – June 2000.

Chief Executive Officer (CEO) and Executive Board

The CEO is responsible for daily operations in accordance with those directives that he has been given by the Board of Directors. Daily operations do not include matters that are irregular or of major significance. The CEO sees to that the Company accounts are entered in accordance with law and convention and that the Company's assets are handled in a reliable manner. The CEO is obligated to abide by all Board directives. He is required to provide the auditors with all information requested.

The CEO, the Chief Financial Officer and the Managing Director of Marel ehf. form Marel Food Systems' Executive Board. Information on members of the Executive Board is provided below.

Chief Executive Officer (CEO)

Name: Theo Hoen

Business address: Austurhraun 9, 210 Garðabær, Iceland

Education: Master in Mechanical Engineering, Technical University Eindhoven, 1987. General Management Training, University of Nijenrode, 1988. Finance for non-executives, Fontainebleau, 1998.

Board positions: Currently, Theo Hoen is a member of the advisory board of the Technical High School in Venlo and a member of the board of FPME¹⁰ in Brussels. Theo has not been a member of the Board of Directors of any company for the last five years.

Experience: Theo Hoen joined Stork NV. (now Stork BV.) in 1986 and has held various positions within the Stork NV. Staff employee of Manufacturing Manager, Stork PMT BV., 1986-1988: Manager of Manufacturing Engineering, Stork PMT BV., 1987-1990: Manager of Manufacturing, Stork PMT BV., 1990 - 1992: Technical (Innovation) Director, Stork PMT BV., 1992-1999: Technical and Manufacturing Director, Stork PMT BV., 1999 - 2002: General Manager, Stork Titan BV., 2001-2002: Managing Director of Stork PMT BV., Stork Gamco BV. and Stork Titan BV., 2002-2006: and Managing Director of Stork Food Systems, 2006 to date. Before joining Stork NV. (now Stork BV.), Theo Hoen was an employee of the research department of TNO, Institute for Injury Prevention, Delft, 1984 - 1986.

Chief Financial Officer (CFO)

Name: Erik Kaman

Business Address: Austurhraun 9, 210 Garðabær, Iceland

Education: M.Sc. in Applied Physics from Technical University of Delft, the Netherlands, 1982.

Board positions: Currently Erik Kaman does not sit on the Board of Directors of any company other than Marel Food Systems subsidiaries. Erik Kaman has not been a member of the Board of Directors of any company for the last five years.

Experience: Erik Kaman joined Marel Food Systems on 1 May 2008 as Chief Financial Officer (CFO). Erik Kaman worked for Stork NV. (now Stork BV.) for 16 years, most recently as Finance Director of Stork Aerospace Industries and formerly as Director of Corporate Strategy and Control at Stork NV. (now Stork BV.).

Managing Director of Marel ehf.

Name: Sigsteinn Grétarsson

Business address: Austurhraun 9, 210 Garðabær, Iceland

Education: B.Sc. degree in mechanical engineering from Bradley University, Illinois, 1990, and a M.Sc. degree in mechanical engineering from the University of Illinois at

¹⁰ FPME is an organisation of equipment suppliers for the food industry. FPME is linked to the European Union in Brussels to influence legislation in the EU.

Urbana-Champaign, 1992. Sigsteinn has completed Executive Education Business Programs at Insead and Reykjavik University.

Board positions: Currently Sigsteinn does not sit on the Board of Directors of any company other than Marel Food Systems subsidiaries. In the past five years, Sigsteinn has not been a member of the Board of Directors of any company other than Marel Food Systems subsidiaries.

Experience: Sigsteinn Grétarsson joined Hans Dönges GmbH Consulting Engineers in Frankfurt 1992 where he served as a consultant for banks and investments/financial companies including JP Morgan and Morgan Stanley. Sigsteinn Grétarsson joined Marel in 1997 as Sales manager and Consultant in Sales and Marketing. In 2001, he transferred to Brisbane, Australia, where he served as Managing Director of Marel's Australian subsidiary from its start in 2001 until 2005. Upon his return to Marel headquarters in Iceland, Sigsteinn Grétarsson worked on mergers and investment projects before being appointed Managing Director of Marel ehf. in June 2007.

14.4 Remuneration policy and benefits

Marel Food Systems' remuneration policy is subject to the approval of the Company's Annual General Meeting. At the last Annual General Meeting, held on 10 March 2009, the following remuneration policy was approved for the Company:

Article 1. Objective

The remuneration policy of Marel Food Systems hf. has the aim of making the Company and its subsidiaries competitive in hiring outstanding employees, a necessary prerequisite to fulfilling the Company's vision for its presence on the global market. The remuneration policy covers all main aspects of salary and benefits for the Chief Executive Officer (CEO) and management of the Company. A wage and benefits committee operates within the Company comprised of three Board members.

Article 2. Remuneration for Board members

Board members shall receive a fixed, monthly payment in accordance with the decision of the annual general meeting of the Company, as stipulated in article 79 a of Act No. 2/1995 on Public Limited Companies. The Board of Directors shall submit a proposal on the fee for the upcoming operating year and shall take into account the time board members spend on their duties, the responsibility involved and company performance.

Termination payments to board members are prohibited.

Article 3. Remuneration for the CEO

A written employment contract shall be made between the Company and the CEO. His terms of employment shall be competitive on an international standard. The amount of salary and other payments to the CEO shall be decided on the basis of his education, experience and previous occupation. Other terms of employment shall be specified in the contract, along with pension payments, vacation rights, benefits and terms of notice.

When preparing an employment contract the emphasis shall be that no additional payments will be made at termination other than those stipulated in the employment contract. However, special circumstances may lead to a separate termination agreement being concluded with the CEO.

Article 4. Acknowledgements to senior management

The CEO is authorized to propose to the Board of Directors and Compensation Committee that senior management should be rewarded in addition to their set terms of employment in the form of delivery of shares, performance based payments, stocks, stock options or other forms of payment having to do with company shares or the future value of such shares, pension fund contributions, retirement or redundancy payments.

When deciding whether senior managers should be granted rewards in addition to the set terms of employment, the status, responsibility and future prospects of the respective manager within the Company shall be taken into consideration.

Article 5. Disclosure information

At the Annual General Meeting, the Board of Directors shall present information on the remuneration of the Chief Executive Officer, managing directors and board members. Information shall be presented on the total amount of salary payments during the year, payments from other companies in the group, the amount paid in bonuses and stock options, other forms of payment related to the value of company shares, termination payments if applicable, and the total amount of any other payments.

The Company's remuneration policy shall be published on the Company's website.

Article 6. Approval of the Remuneration Policy and other matters

The Company's Remuneration Policy shall be presented to the shareholders in the annual general meeting for their approval or rejection.

The Remuneration Policy is binding for the Board of Directors in regards to stock options and payments on the basis of share price movements as per paragraph 2 article 79.a of Act No. 2/1995 on Public Limited Companies. In all other aspects the policy shall be viewed as guidelines for the Company and its Board. The Board of Directors shall note in the minutes of its meeting any major deviation from the Remuneration Policy and such deviation shall be well justified. The Board of Directors shall inform the annual general meeting of such a deviation.

Remuneration and benefits for 2008 are shown in the following table as well as shareholding in Marel Food Systems and the position of stock options granted by Marel Food Systems and its subsidiaries at the date of this Registration Document.

	Payroll and benefits for FY 2008	Share options ¹⁾	Exercise price ISK pr. share	Exercise period ²⁾	Shares bought through option plan	Share-holding in own name ¹⁾	Related party share-holdings ¹⁾
Board of Directors							
Árni Oddur Þórðarson, Chairman	72	-	-		-	65	232,992
Amar Þór Másson	24	-	-		-	-	-
Friðrik Jóhannsson	24	-	-		-	-	4,300
Helgi Magnússon	24	-	-		-	-	6,308
Margrét Jónsdóttir	24	-	-		-	126	74
Lars Grundtvig	24	-	-		-	-	61,672
Management Board							
Theo Hoen, CEO of Marel Food Systems hf.	167	2,000	89	50% in Aug. 2011 50% in Aug. 2012	-	1,000	-
Erik Kaman, CFO of Marel Food Systems hf.	186	1,500	89	50% in Aug. 2011 50% in Aug. 2012	-	1,675	-
Sigsteinn Grétarsson, MD Marel ehf.	224	150	70	50% in Feb/Nov 2009 50% in Feb/Nov 2010	-	26	-
		350	92	50% in Feb/Nov 2010 50% in Feb/Nov 2011			
		500	89	50% in Aug. 2011 50% in Aug. 2012			

Amounts in thousands of EUR

1) Number of shares in thousands of ISK at the date of the Registration Document

2) All share option plans have a 1 year grace period following the latter exercise period

Marel Food Systems has not set aside or accrued amounts because of pension, retirement or similar benefits for member of its Board of Directors, the Executive Board or employees, since such contracts are not in place.

The members of the Board of Directors or the Executive Board have not made any service contracts with Marel Food Systems and its subsidiaries providing for benefits upon termination of employment.

There is no family relationship between any members of the Board of Directors or members of the Executive Board.

No member of Marel Food Systems' Board of Directors or the Executive Board has been convicted of fraudulent offences.

No member of Marel Food Systems' Board of Directors or the Executive Board has in person or acting in the capacity of his/her position, gone bankrupt, been taken into receivership or liquidation for the previous five years.

No member of Marel Food Systems' Board of Directors or the Executive Board has been the subject of public incrimination and/or sanctions by statutory or regulatory authorities or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the previous five years.

There are no conflicts of interest stemming from the duties to Marel Food Systems hf. of the members of the Board of Directors or the Executive Board and their private interests and/or other duties.

There are no restrictions agreed by the members of the Board of Directors or the Executive Board on the disposal within a certain period of time of their holdings in Marel Food Systems.

There is no arrangement or understanding in place with major shareholders, customers, suppliers or others, pursuant to which members of the Board of Directors or the Executive Board were selected in their respective positions within Marel Food Systems.

14.5 Employees

Marel Food Systems employs 3,565 people worldwide, a reduction of 13% since the middle of the year 2008. The majority of employees is located in the Netherlands, 1,185, about 570 are located in USA, 470 in Denmark and 326 in Iceland.

Number of employees	30.09 2009	2008	2007	2006
Located in the Netherlands	1,185	1,115	23	20
Located in USA	570	600	192	53
Located in Denmark	470	619	794	782
Located in Iceland	326	362	361	354
Located in other countries	1,014	1,248	759	907
Total	3,565	3,944	2,129	2,116

In the effort of efficiency, Marel Food Systems enlists temporary personnel from time to time, particularly in the Netherlands. The Company enters into an agreement with temp agencies which are responsible for the employees. The number of persons working for Marel Food Systems can therefore increase by up to 100 temporarily during periods of increased production.

One of the key roles in Marel Food Systems' human resources division is providing support to the overall business model by positioning people at the heart of corporate strategy. This involves initiating the means to empower employees, thereby helping them reach their full potential. It is recognized that it is important to create an environment that nurtures, supports and motivates employees, that creates an atmosphere where people are aware and supportive of the Company's mission and objectives, and are given the flexibility to participate in achieving them on their own terms.

Marel Food Systems' global business units have diverse cultural backgrounds. A unified human resources mission for the business units was created in the year 2007 to underline the importance of striving to carry out a common mission.

Extensive integration and restructuring work has taken place within the field of training and development. All the business units now run an aligned strategy with focus on knowledge transfer within the global sales and service network. Marel Food Systems has a training academy that has set up an ambitious training and developmental program, where all business units focus on cross-training in connection with all of Marel Food Systems' product groups, as well as sales and service techniques.

14.6 Share options

Marel Food Systems has granted share options to directors of the Company and employees. Options are conditional on the employee completing determined periods of service (the vesting period). Marel Food Systems has no legal or constructive obligation to repurchase or settle the options in cash. Share options have not been granted to members of the Board of Directors. Share options granted in 2006 were offered to key employees of the Company and to all employees in Iceland which had been employed for a minimum of three years. Share options granted 2007 were offered to key employees of the Company. Share options granted in 2008 were offered to key directors and managers of the Company.

The exercise price of the granted options in 2006 is higher than the market price of the shares on the date of grant (16 February 2006). The exercise price of the granted options in January 2007 is equal to the market price of the shares on date of the grant (29 January 2007). The exercise price of the granted options in December 2007 is below the market price of the shares on date of the grant (3 December

2007). The exercise price of options granted in 2008 is higher than the market price of the shares at date of the grant (3 June 2008).

Marel Food Systems aim is that the number of share options is 5-6% of issued shares in the Company, offered to a wide range of employees of Marel Food Systems. At the date of this Registration Document, no decision has been made regarding new share options.

The following table shows the movements in the number of share options outstanding and their exercise prices.

Share options	Exercise price ISK per share	Options th. of shares
At 1 January 2006		4,561
Exercised	42	(1,182)
Granted 2006	71 ¹⁾	<u>14,235</u>
At 31 December 2006		17,614
Granted 2007	74	1,500
Granted 2007	92	1,315
Forfeited 2007	71 ¹⁾	(492)
Exercised 2007	42	<u>(3,379)</u>
At 31 December 2007		16,558
Granted 2008	89	11,625
Forfeited 2008	71 ¹⁾	<u>(803)</u>
At 31 December 2008		27,380
Granted 2009		0
Forfeited 2009	80 ¹⁾	<u>(508)</u>
At 30 September 2009		<u>26,872</u>

1) Average exercise price

Outstanding options granted 2006 and 2007 (exercise price 70 and 74) have expiry date 2010 plus one year in grace. Outstanding options granted 2007 (exercise price 92) have expiry date 2011 plus one year in grace. Options granted in 2008 (exercise price 89) have expiry date 2012 plus one year in grace.

15 Share capital

Marel Food Systems' total share capital at 5 October 2009 was 616,000,000 shares. All of Marel Food Systems' share capital is of the same class, issued and fully paid. Each share has a par value of ISK 1.00 (one Icelandic króna). No change has occurred in the share capital from 5 October 2009 to the date of this Registration Document.

With the offer of new shares on 26 and 27 November 2009 in Marel Food Systems, share capital will increase by up to 92,400,000 shares. If the new shares in the Company are issued, Marel Food Systems' total share capital will be up to 708,400,000. Marel Food Systems' Board of Directors reserves the right to increase the number of shares on offer in the share offering by up to 46,200,000 shares. In this case Marel Food Systems' total share capital after the share offering will be up to 754,600,000 shares. Furthermore, the Board may cancel the share offering at any time prior to the notification of NASDAQ OMX Iceland that the new shares will be admitted to trading.

Following is an overview of changes in Marel Food Systems' share capital for the period covered by the historical financial information.

Changes in share capital 1.1 2006 to 5.10 2009					
Date	Share increase	% increase	Total share capital	Share price	Information on new shares
01.01.2006			240,064,000		
15.09.2006	75,000,000	31.2%	315,064,000	74	Sold in a public offering at ISK 74 per share
15.09.2006	52,016,732	16.5%	367,080,732	74	Issued and delivered as a part of payment for shares in Scanvaegt
15.05.2007	3,700,000	1.0%	370,780,732	81	Sold at ISK 81 per share to fulfill market making agreement
10.08.2007	3,204,965	0.9%	373,985,697		Issued to employees to fulfill stock option agreements
11.12.2007	29,800,000	8.0%	403,785,697	92	Sold at ISK 92 per share to institutional investors
18.06.2008	156,440,000	38.7%	560,225,697	89	Public offering at ISK 89 per share. Part of Stork acquisition.
06.11.2008	20,074,615	3.6%	580,300,312	70	Private placement to institutional investors at ISK 70 per share
12.06.2009	26,567,963	4.6%	606,868,275	54	Private placement to institutional investors at ISK 54 per share
05.10.2009	9,131,725	1.5%	616,000,000	59	Sold to Columbia Wanger Asset Management funds at ISK 59 p.s.
Total share capital			616,000,000		

Marel Food Systems' AGM held on 7 March 2008 authorized the Board of Directors to decide to register the share capital of the Company in foreign currency in accordance with the applicable law on Public Limited Companies. If the Board of Directors decides to use this authorization, the share capital of the Company shall be registered in EUR.

The Company's Board of Directors is authorized to establish capital stock in EUR in place of ISK, in accordance with article 1, paragraph 4 of Act no. 2/1995, on Public Limited Companies. Share conversion shall be conducted according to stipulations for financial statements in Act no. 3/2006 and article 1, paragraph 5, on Act No. 2/1995, on Public Limited Companies. Furthermore, the Board of Directors shall also be authorized to make necessary changes to the Company's Articles of Association, resulting from the issue, including changing those amounts that appear in chapter 2 of the Company's Articles of Association regarding the change, with the same method of conversion.

15.1 Authorization for increase in share capital

Marel Food Systems shareholder meeting held on 28 February 2006 approved an authorization to the Board of Directors to increase the Company's share capital in stages or all at once for up to ISK 12,000,000 nominal value by issuing new shares. Shareholders agreed to waive their pre-emptive rights to the increase in share capital, which will be used to fulfil the share option agreements that are made with employees and others in accordance with the share option plan that is effective at any given time. The offer price and other terms shall be in accordance with those agreements concluded by the Board of

Directors or CEO with the respective party. This authorization is valid for 5 years from the time of its approval. On 10 August 2007 Marel Food Systems utilized ISK 3,204,965 nominal value of this authorization. At the date of this Registration Document, ISK 8,795,035 nominal value remains of this authorization.

Marel Food Systems' shareholder meeting held on 10 March 2009 approved an authorization to the Board of Directors to increase the share capital of the Company by up to ISK 240,000,000 nominal value, or the equivalent in EUR if the Company's share capital has already been registered in that currency when the authorization is utilised. Details of the purchase price of shares and terms of sale shall be determined by the Company's Board of Directors. Shareholders waive their pre-emptive rights, as provided for in Art 34 of Act No. 2/1995 on Public Limited Companies provided that the price for the new shares will not be lower than 10% under the posted average price of shares in the Company for the four weeks immediately preceding the sale. The Company's Board of Directors may, however, authorize individual shareholders in each instance to subscribe for part or all of the new shares. There are no restrictions on trading in the new shares. These new shares shall be of the same class and bear the same rights as other shares in the Company. They shall confer rights in the Company as of the date the increase in share capital is registered. The Company's Board of Directors may decide to have subscribers pay for the new shares in part or in full by other means than cash payment. This authorization is valid for 3 years from the date of approval, insofar as it is not utilised prior to that time. At the date of this Registration Document, ISK 35,699,688 nominal value of this authorization had been utilised and ISK 204,300,312 nominal value remained not utilised.

15.2 Compensation shares

Marel Food Systems' shareholder meeting held on 10 March 2009 granted the Board of Directors authorization to issue compensation shares. In the current financial year the Company's Board of Directors is authorized to issue compensation shares so that the Company's share capital amounts to up to five-fold the share capital on 10 March 2009 - the date of the shareholder meeting. The Company's share capital may thereby be increased by as much as ISK 2,321,201,248 or an equivalent amount in EUR if the Company's share capital has already been registered in that currency when the authorization is utilised. In such a case the conversion rate shall be the same as applied when the share capital was converted to EUR.

15.3 Treasury shares

From time to time, the Company purchases its own shares on the market; the timing of these purchases depends on market prices. Primarily the shares are intended to be used to deliver shares under the Company's share option program. Buy and sell decisions are made on a specific transaction basis by the Board of Directors; the Company does not have a defined share buy-back plan.

On 20 November 2009, Marel Food Systems and its subsidiaries owned no treasury shares. The Company is permitted to own up to 10% of own shares according to Chapter VII of Act no. 2/1995 on Public Limited Companies and Article 11.1 of the Company's Articles of Association. Own shares can only be acquired in accordance with authorization for the Board of Directors decided at a shareholders' meeting. Marel Food Systems' AGM held on 10 March 2009 granted the Board of Directors authorizations to purchase up to 10% of the Company's shares in the next eighteen months. The purchase price may not be higher than 10% above and not lower than 10% under the average sales price registered at NASDAQ OMX Iceland in the two weeks preceding the purchase.

16 Major shareholders

In the accompanying table is a list of Marel Food Systems' 10 largest shareholders on 20 November 2009.

Largest shareholders 20.11.2009	Number of shares	Holding	Voting rights
Eyrir Invest ehf	232,924,713	37.81%	37.81%
Horn Fjárfestingarfélag ehf	92,703,174	15.05%	15.05%
Grundtvig Invest A/S	61,560,494	9.99%	9.99%
Columbia Acorn International	22,568,604	3.66%	3.66%
Lífeyrissjóður verslunarmanna	20,294,666	3.29%	3.29%
Gildi -lífeyrissjóður	17,123,457	2.78%	2.78%
Sameinaði lífeyrissjóðurinn	14,675,243	2.38%	2.38%
Stafir lífeyrissjóður	13,934,005	2.26%	2.26%
Lífeyrissjóðir Bankastræti 7	13,000,000	2.11%	2.11%
Wanger International	7,836,321	1.27%	1.27%
Total ten largest shareholders	496,620,677	80.62%	80.62%
Other shareholders	119,379,323	19.38%	19.38%
Total number of shares	616,000,000	100.00%	100.00%
Own shares	0	0.00%	0.00%
Active share capital	616,000,000	100.00%	100.00%

Eyrir Invest is an international investment company focusing on investments in European companies, especially in North Europe. Eyrir Invest focuses on investing in industrial companies that have the potential to become true global leaders. Through leadership, the companies create economies of scale that benefit customers, employees and shareholders. Eyrir Invest follows a „buy and build“ strategy and emphasises participation in the operations and strategic planning of its core holdings. Eyrir Invest's strategy is to be a leading investor in the companies it invests in and to build a strong relationship with other investors within each company. Eyrir Invest has been a major shareholder in Marel since 2004 and currently has its largest investments in Marel Food Systems, Stork B.V. and Össur hf. Eyrir Invest has investments in a few companies at any given time and the company's long-term investment strategy does not follow a preconceived time frame. The co-founders and principal shareholders of Eyrir Invest are Árne Oddur Þórðarson and his father Þórður Magnússon, that hold at the date of this Registration Document 37.6% of outstanding shares in Eyrir, directly and through companies fully under their ownership and control. Thereof Árne Oddur Þórðarson holds 17.3% of total outstanding shares. Eyrir's other shareholders are: Horn fjárfestingarfélag ehf. with 27.5%, Straumborg ehf. with 8.6%, Sigurjón Jónsson with 8.3% and eleven other shareholders with a total of 18%. Eyrir Invest was founded in mid-year 2000. Árne Oddur Þórðarson has chaired the Board of Directors of Marel Food Systems since 2005 and Margrét Jónsdóttir, member of Marel Food System's Board of Directors, is Chief Financial Officer of Eyrir Invest.

Horn fjárfestingarfélag ehf. is a subsidiary of Landsbankinn (NBI hf.) and manages the shareholdings of Landsbankinn. The company was established to distinguish between the administration of equity investments and the bank's core activities. In addition to direct ownership of shares in Marel, Horn fjárfestingarfélag ehf. has an indirect ownership in Marel through its 27.5% ownership in Eyrir Invest ehf. Landsbankinn is one of Marel Food Systems' principal banks. Marel Food Systems is a customer of Landsbankinn's Corporate Finance, Capital Markets and Corporate Banking divisions. Landsbankinn serves as a market maker for Marel Food Systems' shares. Furthermore, Landsbankinn has been the advisor to Marel Food Systems in preparation of this Registration Document.

Grundtvig Invest ApS is an investment company that is the previous owner of Scanvaegt Group. Lars Grundtvig, a member of Marel Food Systems' Board of Directors, is the owner of Grundtvig Invest ApS, together with his two sons. Lars Grundtvig is the managing director of Grundtvig Invest ApS.

Columbia Wanger Asset Management (CWAM) is part of the Columbia Management Group, the investment management division of Bank of America. Three funds under management of CWAM hold a total of 5.2% of shares in Marel Food Systems. Columbia Management is one of the largest asset management companies in the world with more than USD 330 billion in assets under management for institutional and individual investors. CWAM has more than USD 21 billion under asset management.

16.1 Share distribution

On 20 November 2009, 80.6% of Marel Food Systems' share capital was owned by the 10 largest shareholders. The distribution of share capital in Marel Food Systems as of 20 November 2009 is shown in the following table.

Distribution of shares 20 November 2009				
Shareholding range (number of shares)	Number of shareholders	% of total shareholder	Number of shares	% of total shares
1 - 9,999	1,173	67.5%	4,470,118	0.7%
10,000 - 99,999	436	25.1%	11,902,676	1.9%
100,000 - 299,999	62	3.6%	10,113,408	1.6%
300,000 - 999,999	29	1.7%	14,933,536	2.4%
1,000,000 - 4,999,999	21	1.2%	42,671,172	6.9%
5,000,000 - 9,999,999	7	0.4%	43,124,734	7.0%
10,000,000 - 19,999,999	4	0.2%	58,732,705	9.5%
20,000,000 - 99,999,999	4	0.2%	197,126,938	32.0%
100,000,000 and more	1	0.1%	232,924,713	37.8%
Total	1,737	100.0%	616,000,000	100.0%

16.2 Market making agreements

Marel Food Systems has made agreements with Landsbankinn, Saga Capital Investment Bank hf. and Islandsbanki hf. regarding market making for the issued shares of Marel Food Systems. The purpose of the agreements is to improve liquidity and to enhance transparent price formation in the Company's shares on the NASDAQ OMX Iceland.

As a market maker, Landsbankinn is obligated to submit daily bid and ask offers for shares in Marel Food Systems (MARL) for a minimum of 100,000 shares at a price determined by Landsbankinn. The maximum bid/ask spread may not exceed 1.5%. Landsbankinn is also obligated to submit daily bid and ask orders for shares in Marel Food Systems (MARL) for a minimum of 100,000 shares where the bid/ask spread is approximately 2.5%. New offers shall be placed within 15 minutes in succession to prior offers getting filled. Landsbankinn is obligated to provide liquidity for up to ISK 75 million in market value daily. The agreement is for an unlimited time and can be terminated by either party with one month's notice.

As a market maker, Saga Capital Investment Bank hf. is obligated to submit daily bid and ask offers in Marel Food Systems (MARL) for a minimum of 200,000 shares at a price determined by Saga Capital Investment Bank hf. The maximum bid-ask spread may not exceed 1.5%. The deviation from the last transaction price shall not exceed 3% and the maximum obligated total trades per day is ISK 100 million

at market value. The agreement is for an unlimited time and can be terminated by either party with one month's notice.

As a market maker, Islandsbanki hf. is obligated to submit daily bid and ask offers in Marel Food Systems (MARL) for a minimum of 200,000 shares at a price determined by Islandsbanki. The maximum bid-ask spread may not exceed 1.5%, the deviation from the last transaction price shall not exceed 3% and the maximum obligated total trades per day is ISK 50 million at market value. The agreement is for an unlimited time and can be terminated by either party with two weeks notice.

16.3 Voting rights

One vote accompanies each share in Marel Food Systems at shareholders' meetings. All of the Company's shares are in one class. According to Article 11.1 of the Company's Articles of Association, Marel Food Systems is permitted to own up to 10% of own shares. Voting rights may not be exercised for shares in Marel Food Systems hf. owned by the Company. Major shareholders in Marel Food Systems do not have different voting rights from other shareholders.

16.4 Control

Marel Food Systems has no knowledge of any agreement between the shareholders on the treatment of voting rights. The Issuer is not aware of any arrangements, between shareholders or others, which may at a subsequent date result in a change of control of the Company.

17 Related party transactions

Below are details of related party transactions that the Company has entered into during the period covered by the historical financial information and up to the date of this Registration Document.

On 14 April 2009 Marel Food Systems entered into a Share Purchase Agreement to divest Scanvaegt Nordic A/S, a non-core unit operating outside the food industry, to Grundtvig Invest A/S. At the date of the Registration Document Grundtvig Invest owns 9.99% of Marel Food Systems' shares.

At the date of this Registration Document, there are no loans to members of the Board of Directors or Executive Board that have been granted by the Company. The same applies to the position as at 30 September 2009, year-end 2008, 2007 and 2006. In addition, there have been no transactions carried out (purchases of goods and services) between the Company and members of the Board of Directors and Executive Board during the period mentioned above.

During the years 2007 and 2006, a loan amounting to EUR 49.6 million was granted to Marel Food Systems associate, LME eignarhaldsfélag ehf. No loans were granted to LME eignarhaldsfélag ehf. in 2005. Marel Food Systems owned 20% of the shares in LME eignarhaldsfélag ehf. until the first quarter of 2008, when Marel Food Systems sold all its shares in the company. The loan to LME Eignarhaldsfélag ehf. was paid up in the first quarter of 2008.

18 Dividends and dividends policy

In case a decision is made to pay dividends to shareholders, Marel Food Systems' practice is to pay dividends to those parties in the shareholders' register at the third business day after the AGM with ex-date the next business day after the AGM, unless the Company has received notification of the assignment of the dividend upon the transfer of shares. Considering clearance procedures on the Icelandic stock market (T+3), trades with the Company's shares need to take place at the date of the AGM if parties are to be eligible for payment of dividends. Dividends are deposited into the bank accounts that shareholders have specified for this purpose and that are linked to their custody accounts. Dividends are paid one week after AGMs.

Certain restrictions apply to payments of dividends to the Company's shareholders in accordance with undertakings made by Marel Food Systems to its creditors pursuant to terms of certain facilities agreements and a bond issue (MARL 09 1). A decision to pay dividends without the prior approval of these creditors (lenders and bond holders) could constitute an event of default of these instruments, authorising creditors to accelerate the respective debt.

Marel Food Systems does not have a fixed policy concerning dividends. The Company has a considerable portion of its long term debt maturing in the end of 2011 and beginning of 2012 and does not foresee paying dividends prior to refinancing the debt.

The accompanying table shows Marel Food Systems' dividends for the past three years. No dividends were paid for the years 2007 and 2008. Dividends for the year 2006 were paid out in 2007 which amounted to 20% of the nominal value of the capital shares at the date of the AGM.

Dividends 2006 -2008	Dividends per ISK 1 nominal value	Amount ISK millions	% of capital shares
2008	0.00	0	0%
2007	0.00	0	0%
2006	0.20	73	20%

19 Articles of Association

19.1 The Issuers purpose according to Marel Food Systems' Articles of Association

According to article 1.4 of Marel Food Systems' Articles of Association, the Company's purpose is the development, design, manufacture, purchase, and sale of electronic devices, software, and related equipment, both domestically and internationally, as well as the provision of associated services and operations. Furthermore, the Company undertakes the management of real estate, purchase and sale of securities and ownership of subsidiaries.

19.2 Summary of provisions with respect to the Board of Directors and the Executive Board

Marel Food Systems' AGM annually elects six people to sit on the Board of Directors. Their suitability is determined by law. Persons intending to put themselves forward for election to the Board of Directors shall declare so in writing to the Company's Board at least five full days prior to the start of the AGM. Information about candidates for the Board of Directors shall be submitted to shareholders for examination at the Company's offices not later than two days prior to the shareholder meeting.

Election of the Board of Directors is determined according to a majority vote among individuals. The election shall as a rule be conducted on written ballots, if proposals are submitted for more people than there are positions. If there are 200 or more shareholders in the Company, then shareholders who control at least 1/10 of the Company's shares can request that a proportional or cumulative election be held when electing members of the Board of Directors. If shareholders are fewer than 200, control of 1/5 of the Company's shares is required to make such a request. A request for a proportional or cumulative election shall be submitted to the Company's Board of Directors at least five days prior to the shareholder meeting.

The Board of Directors chooses a Chairman from among its members, after which it assigns responsibilities according to need. Meetings shall be held whenever the Chairman deems necessary or at the request of a member of the Board of Directors or the CEO. A Board meeting makes decisions when a majority of the Board of Directors participates in the meeting. Important decisions, however, may not be taken unless all members of the Board of Directors have had the possibility to discuss the matter. A majority of votes determines results at Board meetings. If there is a tied vote, the Chairman's vote counts as double.

The Board of Directors is the highest authority in company matters between shareholder meetings. The Board of Directors operates according to working procedures that the Board sets, based on laws on Public Limited Companies. The Board of Directors sets operational goals for the Company in conformance with the Articles of Association. The Board of Directors hires one or more CEOs, determines their remuneration and concludes an employment contract with them. The Board of Directors gives authorization to sign on behalf of the Company. The signatures of a majority of the Board of Directors are required to obligate the Company.

The CEO is responsible for daily operations of the Company in accordance with directives given to him by the Board of Directors. The CEO shall see to that the Company accounts are entered in accordance with law and convention, and that the Company assets are handled in a reliable manner.

19.3 Description of rights, preferences and restrictions attaching to each class of shares in the Company

All shares in the Company are of the same class and confer the same rights. One vote accompanies each share in the Company. Shareholders have pre-emptive rights to an increase in share capital in proportion to their registered shareholding provided that they have not waived their pre-emptive rights as provided for in Article 34 of Act No. 2/1995 on Public Limited Companies.

No restraints are placed on the rights of shareholders to sell their shares. No special prerogatives are attached to any shares in the Company. Shareholders are obligated, without their making specific commitments to abide by the Company's Articles of Association in their current form, or as they may be legitimately changed. Shareholders are neither obligated by the Company's Articles of Association nor changes to them, to increase their shareholdings in the Company or to accept their shares being redeemed. Shareholders are not responsible for any of the Company's liabilities beyond their share in the Company, unless they accept such responsibility through legal action. This clause can neither be changed nor revoked by any resolution at shareholder meetings.

19.4 Description of action necessary to change the rights of shareholders in the Company

According to article 12.1, the Company's Articles of Association may only be changed at Company shareholder meetings that are duly constituted. Such upcoming changes shall be specifically stated in meeting announcements and include a discussion of the main points. A decision will only be valid if it has been approved by at least 2/3 of votes cast, and approved by shareholders who control at least 2/3 of the shares represented at the shareholder meeting. This article is in conjunction with article 93 of Act No. 2/1995 on Limited Liability Companies.

19.5 Description of the notification of shareholder meetings and conditions for admission

Shareholder meetings shall be announced with advertisements in the media or through electronic means. Shareholders meetings shall be announced with a minimum of one week's notice and a maximum of four week's notice. It is preferable that the AGM be announced with two week's notice if the Board of Directors considers it possible, but it is permitted to announce the meeting with one week's notice.

The right to attend a shareholder meeting is granted to shareholders, shareholder proxies, the Company auditors, and the CEO, even if not a shareholder. The Board of Directors can invite specialists to individual meetings if their expertise or assistance is needed.

The Board of Directors is authorized to allow shareholders to participate in proceedings at shareholder meetings through electronic means without being present at the meeting venue. If the Board decides to use this authorization, it shall be specially noted in the announcement for the shareholder meeting. Shareholders intending to participate electronically shall inform the Company's office with five days' notice and submit written questions regarding the agenda or present documents with questions they would ask at the meeting. Shareholders shall have access to instructions regarding participation in shareholder meetings through electronic means, along with a password and the necessary software for such participation. A password entered into the computer program is equivalent to the signature of the respective shareholder and is considered acknowledgment of his participation in the shareholder meeting.

19.6 Change in control

There are no special provisions in the Company's Articles of Association that have an effect of delaying, deferring or preventing a change in control of Marel Food Systems.

19.7 Disclosure of ownership of shareholders

There are no special provisions in Marel Food Systems' Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed. However, since Marel Food Systems is listed on the NASDAQ OMX Iceland, shareholders must comply with chapter IX of Act No. 108/2007 on Securities Transactions, regarding notification to the Issuer and the Icelandic Financial Supervisory Authority if, as a result of acquisition or disposal, the proportion of voting rights of the holder of shares reaches, exceeds or falls below the thresholds of: 5, 10, 15, 20, 25, 30, 35, 40, 50, 66 ^{2/3} and 90%.

19.8 Conditions in the Articles of Association regarding changes in share capital

There are no conditions imposed by Marel Food Systems' Articles of Association governing changes in share capital that are more stringent than is required by law.

20 Additional information

This Registration Document is part of a Prospectus consisting of three independent documents, a Summary dated 24 November 2009, a Securities Note dated 24 November 2009 and this Registration Document. The documents concern Marel Food Systems' share offering on 26 and 27 November 2009 and the admission to trading of new shares sold in the share offering on NASDAQ OMX Iceland hf.

20.1 Third-party information

Where third-party information has been used in this Registration Document, the source of such information has been identified. As far as the Company is aware and able to ascertain from information published by those third parties, the information has been accurately reproduced and no facts have been omitted that would render the reproduced information inaccurate or misleading.

20.2 References

References to "Marel Food Systems", "the Issuer", "the group" or "the Company" in this Registration Document shall be construed as referring to Marel Food Systems hf., unless otherwise indicated from the wording or context.

References to "Landsbankinn" and "the bank" shall be construed as referring to NBI hf., Austurstræti 11, 155 Reykjavik, unless otherwise indicated from the wording or context.

References to "Landsbanki" or "Landsbanki Íslands" shall be construed as referring to Landsbanki Íslands hf. On 7 October 2008 the Financial Supervisory Authority of Iceland used powers granted by the Icelandic Parliament with reference to Article 100 of Act. No. 161/2002, as amended, to take control of Landsbanki Íslands hf. ("Old Landsbanki") Subsequently, NBI hf. was created and Old Landsbanki's domestic Icelandic deposits, as well as significant Old Landsbanki assets relating to its Icelandic operations, were transferred to it.

References to "NASDAQ OMX Iceland" shall be construed as referring to the NASDAQ OMX Iceland hf., unless otherwise indicated from the wording or context.

20.3 Abbreviations

AGM	Annual General Meeting
CEO	Chief Executive Officer
CFO	Chief Financial Officer
EBIT	Operating profit, earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization
EUR	Euro, the currency of many European Union countries
ID No.	Identification number
IPR	Intellectual property rights
ISK	Icelandic króna, the currency of Iceland
MD	Managing Director
UK	United Kingdom
US	United States of America

20.4 Documents incorporated by reference

The following documents shall be deemed to be incorporated by reference, and to form part of this Registration Document.

- Annual financial statements for Marel Food Systems covering the years 2008, 2007 and 2006. The auditors' reports for Marel Food Systems are part of the financial statements.
- Interim financial statements for Marel Food Systems covering the period 1 January – 30 September 2009 and 2008. The interim financial statements 2009 and 2008 have not been audited or reviewed.

21 Documents on display

For the life of the Registration Document the following documents are available for viewing:

- Marel Food Systems' financial statements and audit reports for the three years, 2008, 2007 and 2006.
- Marel Food Systems' interim financial statement, not audited or reviewed, covering the period 1 January – 30 September 2009 and 2008.
- The Issuer's Articles of Association.
- The Reports from Marel Food Systems' auditors regarding core business information.

The above mentioned documents can be obtained at Marel Food Systems' headquarters and on the Company's website www.marel.com.

22 Appendix I – Reports from Marel Food Systems' independent auditors regarding core business



KPMG hf.
Borgartúni 27
105 Reykjavík
Ísland

Sími 545 6000
Fax 545 6001
Vefslóð www.kpmg.is

Auditor's limited review report

We have performed a limited review of the accompanying selected financial information for Marel Food Systems hf.'s (the "Company") core business for each quarter from 1 January 2009 to 30 September 2009, as displayed in chapter 10.6 in this Registration Document. This consolidated selected financial information is the responsibility of the Company's management. Our responsibility is to issue a report on this selected financial information based on our limited review.

We have conducted certain procedures which involved recalculating the amounts presented in the selected financial information based on the information obtained and discussing the selected financial information with the directors of Marel Food Systems hf. Our review is limited and thus provides less assurance than an audit and accordingly, we do not express an audit opinion.

Based on our review procedures, nothing has come to our attention that causes us to believe that:

- the selected financial information has not been properly compiled on the basis stated;
- such basis is not consistent with the accounting principles used by the Marel Food Systems hf. Group;
- the adjustments are not appropriate for the purposes of the selected financial information as disclosed.

We consent to the inclusion of this report and the reference to our conclusion in the Registration Document to be issued by Marel Food Systems hf. in the form and context which it appears.

Reykjavík, 24 November 2009.

On behalf of KPMG hf.

Sæmundur Valdimarsson
State authorized public accountant
Icelandic ID No. 070263-4409

Report from the independent Auditors

24 November 2009

In our opinion the selected financial information for Marel Food Systems hf core business for 2008 in section 10.6 of Marel Food Systems hf.'s of the Registration Document dated 24 November 2009 has been properly compiled on the basis stated and the basis is consistent with the accounting policies of Marel Food Systems hf. for 2008. The accounting policies adopted in the selected financial information are consistent with those of the annual consolidated financial statements for the year ended 31 December 2008, as described in Marel Food Systems hf.'s annual financial statements for the year ended 31 December 2008.

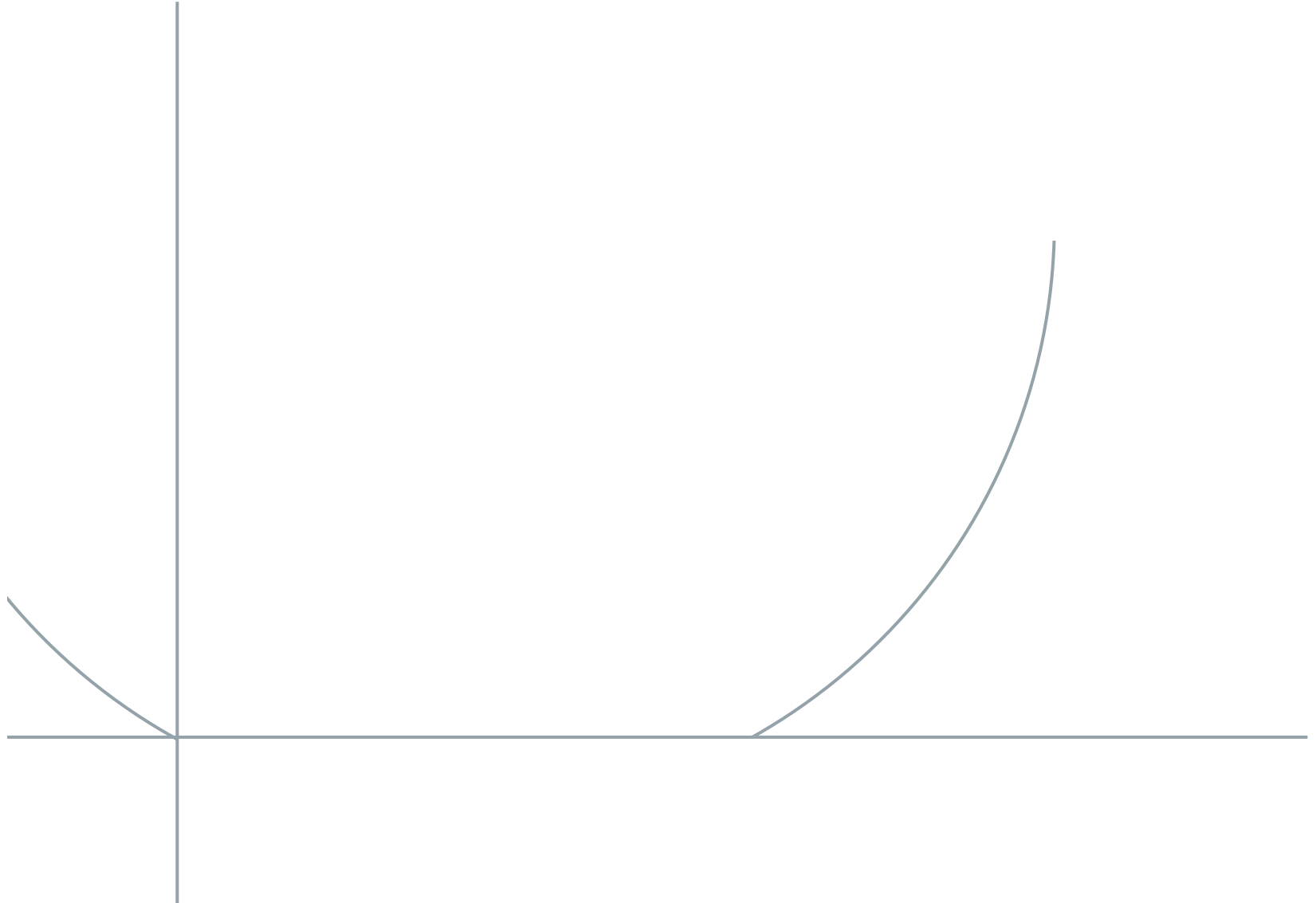
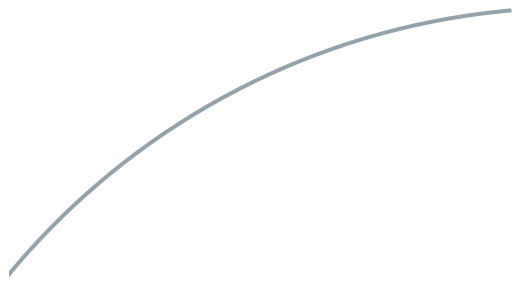
We have neither reviewed nor audited the selected core business statement of income for 2008 and the four consecutive quarters starting with Q1 2008. We have also neither reviewed nor audited the management information of Stork BV. for the three month period ended 31 March 2008 and the one month period ended 30 April 2008 which are included in the selected core business financial information. We have conducted certain procedures which involved recalculating the amounts presented in the selected core business financial information based on the information obtained and discussing the selected financial information with the directors of Marel Food Systems hf. Our certain procedures were limited and thus provide less assurance than a review or an audit and accordingly, we do not express a review or an audit opinion.

PricewaterhouseCoopers hf,

Bórir Ólafsson,
a member of the State Authorized Public Accountants in Iceland

This page is intentionally left blank

Securities Note



This page is intentionally left blank

Contents

- 1 Risk factors 2
 - 1.1 General equity risk..... 2
 - 1.2 Further share capital increase can dilute shareholdings..... 3
 - 1.3 Shareholder structure..... 3
- 2 Persons responsible 5
- 3 Arrangers..... 6
- 4 Notice to investors 7
- 5 Key information..... 8
 - 5.1 Working capital, capitalisation and indebtedness..... 8
 - 5.2 Interests of individuals and legal entities involved in the share offering 9
 - 5.3 Reason for the share offering and use of proceeds 9
- 6 Current share capital 10
 - 6.1 Market making..... 10
 - 6.2 Authorisations for changes in share capital..... 11
- 7 Shareholders' rights 12
 - 7.1 Dividend rights..... 13
 - 7.2 Voting rights..... 13
 - 7.3 Pre-emptive rights..... 13
 - 7.4 Rights to share in the Issuer's profits..... 13
 - 7.5 Shareholders' agreements..... 13
 - 7.6 Mandatory takeover bids..... 14
 - 7.7 Liquidation 14
 - 7.8 Redemption Provisions..... 14
 - 7.9 Taxes 14
- 8 Terms and conditions of the share offering..... 16
 - 8.1 Details and process of the share offering 16
 - 8.2 Subscriptions..... 16
 - 8.3 Allocation 16
 - 8.4 Notification of offer results, allocation and payment instructions..... 17
 - 8.5 Consideration for new shares 17
 - 8.6 Admission to trading and delivery of shares..... 17
 - 8.7 Expenses of the share offering and admission to trading..... 18
 - 8.8 Dilution 18
- 9 Additional information..... 19
 - 9.1 References..... 19
 - 9.2 Abbreviations 19

1 Risk factors

Investment in equities involves risks. Prior to making an investment decision regarding shares in Marel Food Systems, investors should acquaint themselves with all the information provided in the Prospectus, including the Registration Document dated 24 November 2009, this Securities Note and the Summary dated 24 November 2009. Investors should in particular acquaint themselves with the risks and uncertainties described below in this section of the Securities Note and the chapter on risk factors in the Registration Document dated 24 November 2009, that could materially affect Marel Food Systems and the value of Marel Food Systems' shares. Investors are advised to undertake their own independent examination of the factors that may apply specifically to their investment in Marel Food Systems. Each investor must furthermore base any decision on investment in Marel Food Systems' shares on his/her own examination and analysis of the information presented in the Prospectus. Investors are also advised to study their legal position, including taxation issues that may be relevant to their investment in Marel Food Systems' shares.

The Company's Board of Directors and members of the Executive Board believe that the following risk factors are material in order for investors being able to assess the market risk associated with shares in Marel Food Systems.

1.1 General equity risk

Equities are, generally speaking, a riskier investment than for example bonds. Risk results in particular from the fact that prices of shares fluctuate more than bond prices. Investments in shares, however, are on average more profitable than investments in bonds, over the long term. The return can take two forms: firstly, the value or market price of the shares in question can change and, secondly, owners of limited liability companies can expect to receive dividends on their shareholdings. By diversifying their equity assets through purchases in a number of companies of varying types, investors can substantially reduce the risk involved in investment in individual companies. Various risk factors influencing the equity market as a whole, such as changes in general interest rates, foreign exchange rates, political risk and economic prospects will remain, however.

The financial and equity markets are subject to the business environment created by public authorities. Major changes in the regulatory framework set by public authorities for financial and equity markets can have a negative impact and create market unrest.

Liquidity risk is defined as the risk that arises from how easy or difficult it is to sell an asset for a price as close to its real value as possible. The measurement of this risk is the spread between bid and ask prices on the market. The risk is both dependent upon the transaction amount, i.e. whether the market will absorb at real value the quantity an investor wishes to sell, and the price, since a large transaction on a company's shares can have a substantial impact on price formation.

Marel Food Systems has made agreements with three financial institutions, Landsbankinn (NBI hf.), Íslandsbanki hf. and Saga Capital Investment Bank hf., on market making for issued shares in Marel Food Systems. The purpose of the agreements is to improve liquidity and enhance the transparent price formation of Marel Food Systems' shares on the NASDAQ OMX Iceland exchange. Further information on the market making agreements can be found in section 6 in this Securities Note.

On 20 November 2009, Marel Food Systems' shareholders totalled 1,737 and 86.3% of Marel Food System's share capital was owned by 16 investors. A total of 34.5% of the shares was held by general

investors. General investors are those that are not insiders or parties financially related to insiders (e.g. spouses, co-habiting partners and children not legally competent to manage their financial affairs), parent companies or subsidiaries or individual shareholders with stakes of 10% or higher.

Distribution of shares 20 November 2009				
Shareholding range (number of shares)	Number of shareholders	% of total shareholder	Number of shares	% of total shares
1 - 9,999	1,173	67.5%	4,470,118	0.7%
10,000 - 99,999	436	25.1%	11,902,676	1.9%
100,000 - 299,999	62	3.6%	10,113,408	1.6%
300,000 - 999,999	29	1.7%	14,933,536	2.4%
1,000,000 - 4,999,999	21	1.2%	42,671,172	6.9%
5,000,000 - 9,999,999	7	0.4%	43,124,734	7.0%
10,000,000 - 19,999,999	4	0.2%	58,732,705	9.5%
20,000,000 - 99,999,999	4	0.2%	197,126,938	32.0%
100,000,000 and more	1	0.1%	232,924,713	37.8%
Total	1,737	100.0%	616,000,000	100.0%

1.2 Further share capital increase can dilute shareholdings

If new shares in the Company are issued, the proportional shareholding of those who already own shares in the Company will be reduced accordingly, unless they themselves acquire the new shares pro rata to their existing holdings. The purpose of increasing capital is normally to finance projects with the long-term intention of making a company more valuable. Furthermore, share capital increase can be needed to maintain an optimal capital structure and reduce the cost of capital. Shareholders may therefore be faced with increased risk to their investment alongside the dilution of their shares.

At the date of the Securities Note Marel Food Systems has an unused authorisation, according to article 15.2 in the Company's Articles of Association, to increase the share capital of the Company by up to ISK 204,300,312 in nominal value through the subscription of new shares. Marel Food Systems' Board of Directors decided on 23 November 2009 to exercise this authorisation to increase its share capital by issuing up to 92,400,000 new shares. The Board of Directors decided in the same meeting that it would have the right to increase the number of shares offered by up to 46,200,000 shares to meet with oversubscription and any such decision will be made at a Board of Directors' meeting following the expiration of the offer period.

It is possible that Marel Food Systems will consider increasing its share capital even further in the future. However such a decision is made by Marel Food Systems' shareholders meeting.

Additionally Marel Food Systems has an authorisation to increase the share capital of the Company by up to ISK 12,000,000 nominal value to fulfil share option agreements made with employees and others in accordance with Marel Food Systems share option plan that is effective at any given time. At the date of this Securities Note, ISK 8,795,035 nominal value remains of this authorization.

1.3 Shareholder structure

A company's shareholder structure can be a risk factor for investors. Investors should be aware of the fact that ownership of Marel Food Systems can change rapidly and without any prior warning.

To the knowledge of Marel Food Systems, there are four legal entities which have direct or indirect interests of 5% or more in Marel Food Systems' total share capital and/or voting rights as of 20 November 2009, which is the first notification threshold of major holdings under Act No. 108/2007 on

Securities Transactions. These four largest shareholders, Eyrir Invest ehf., Horn fjárfestingarfélag ehf., Grundtvig Invest ApS and Columbia Wanger Asset Management own 62.9% of the Company's total issued share capital and 62.9% of voting rights.

These shareholders could exercise significant influence over the Company's operations and business strategy. These shareholders may also have sufficient power to influence all matters requiring shareholder approval and may take actions that could have a material adverse effect on the value of the shares. The Issuer has no knowledge of any agreements between shareholders on the treatment of voting rights or knowledge of any arrangements which may at a subsequent date result in a change of control of the Issuer. However, investors are advised to study the relationship between the largest shareholders and the information provided in section 16 of the Registration Document, dated 24 November 2009.

2 Persons responsible

The Board of Directors and the CEO, on behalf of the Issuer, named below, hereby declare that, having taken all reasonable care to ensure that such is the case the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Garðabær, 24 November 2009

On behalf of the Board of Directors of Marel Food Systems hf., Austurhraun 9, 210 Garðabær, Iceland

Árni Oddur Þórðarson,
Chairman of the Board

Garðabær, 24 November 2009

On behalf of Marel Food Systems hf., Austurhraun 9, 210 Garðabær, Iceland

Theo Hoen,
CEO

3 Arrangers

Landsbankinn (NBI hf.), Icelandic ID-No. 471008-0280, Arion banki (Nýi Kaupthing banki hf.), Icelandic ID-No. 581008-0150 and Íslandsbanki hf. Icelandic ID-No. 491008-0160 are the Joint Lead Arrangers of the share offering taking place on 26 and 27 November 2009 of new shares in Marel Food Systems.

In its capacity as Joint Lead Arranger, Landsbankinn, is an advisor to the Issuer in relation to the share offering of new shares in the Issuer, admission to trading of the new shares on NASDAQ OMX Iceland hf. and in preparation of the Prospectus, comprising of a Registration Document dated 24 November 2009, a Summary dated 24 November 2009 and this Securities Note. Landsbankinn acts as a paying agent regarding all purchases of shares pursuant to the share offering. Landsbankinn has in consultation with the management and the Board of Directors of Marel Food Systems constructed the Prospectus and is acting in reliance on the information provided by the management and Board of Directors of Marel Food Systems. Landsbankinn has not independently verified the information contained herein relating to the Issuer. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Landsbankinn as to the accuracy or completeness of the information contained in this document or any other information provided by the Issuer in connection with the share offering.

In their capacity as Joint Lead Arrangers Arion banki and Íslandsbanki are advisors to the Issuer in relation to the share offering of new shares in the Issuer.

Selling agents

The selling agents, from whom the Prospectus and the Subscription form may be obtained during the offer period, are:

Landsbankinn
Capital Markets
Austurstræti 11
155 Reykjavík
Iceland
Tel. 410 7330
www.landsbankinn.is

Arion banki
Capital Markets
Borgartúni 19
105 Reykjavík
Iceland
Tel. 444 7000
www.arionbanki.is

Íslandsbanki
Capital Markets
Kirkjusandi
105 Reykjavík
Iceland
Tel. 440 4000
www.islandsbanki.is

4 Notice to investors

This Securities Note is made public in connection with the offering of new shares in Marel Food Systems hf. to institutional investors and the admission to trading of the new shares on NASDAQ OMX Iceland hf. The Board of Directors of Marel Food Systems reserves the right to increase the number of shares in the share offering to meet with oversubscription. The share offering will take place on 26 and 27 November 2009. The new shares are expected to be admitted to trading no later than 9 December 2009 on the NASDAQ OMX Iceland hf.

This Securities Note is a part of a Prospectus consisting of three independent documents; a Summary, dated 24 November 2009, a Registration Document, dated 24 November 2009 and this Securities Note.

The Prospectus has been scrutinised and approved by the NASDAQ OMX Iceland hf. on behalf of the Financial Service Authority in Iceland.

The Prospectus is published in Acrobat Adobe format. The Prospectus can be obtained on Marel Food Systems hf.'s website www.marel.com. A hard copy can be obtained from Marel Food Systems hf. headquarters, Austurhraun 9, Garðabær, Iceland. The Prospectus can be obtained for twelve months from its date.

The share offering is only sold in Iceland and is not deliberately directed at non-residents of Iceland. The share offering and admission to trading is conducted in accordance with Icelandic law and regulations, including Directive 2003/71/EC of the European Parliament and of the Council 4 November 2003 (the "Prospectus Directive") which has been implemented by national law. The Prospectus is prepared according to current legislation and rules for issuers of shares on the NASDAQ OMX Iceland hf. that apply to the admission to trading.

The Issuer will notify NASDAQ OMX Iceland hf. and publish a Supplement to the Prospectus if there is a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the securities and which arises or is noted between the date of approval of the Prospectus and the admission to trading of the new shares.

The Prospectus shall not be distributed and must not be mailed or otherwise distributed or sent in or into any country in which distribution would require any additional registration measures or other measures to be taken, other than as applicable under Icelandic law and regulations, or would be in conflict with any law or regulation if the respective country.

The distribution of the Prospectus in certain jurisdictions may be restricted by law. Accordingly, persons into whose possession the Prospectus comes are required by the Issuer and the Arrangers to inform themselves about and to observe any such restrictions. The Issuer and the Arrangers accept no liability to any person in relation to the distribution of the Prospectus in any jurisdiction.

Marel Food Systems complies with rules regarding on-going information disclosure for issuers admitted to trading on the NASDAQ OMX Iceland hf. According to these rules all information that could significantly impact the market price of Marel Food Systems' shares must be made public as quickly as possible and in a non-discriminatory manner. The publication shall be made in the European Economic Area and sent to NASDAQ OMX Iceland hf. for supervision purposes. Information in accordance with this disclosure will be published on Marel Food Systems' website www.marel.com and investors are advised to follow announcements and notifications that may be published on the Issuers' website once the Prospectus has been published.

5 Key information

5.1 Working capital, capitalisation and indebtedness

The Chairman of the Board of Directors and the CEO on behalf of the Issuer declare that in their opinion the Issuer's working capital is sufficient for the next 12 months.

The following table shows Marel Food Systems' capitalisation and indebtedness based on the Balance Sheet at 30 September 2009. In November 2009 Marel Food System extended a bridge facility that was provided in relation to the acquisition of Food and Dairy systems, which was part of the overall Stork Food Systems acquisition. The financing has been extended until October 2011.

At 30 September 2009 Marel Food Systems had indirect and contingent liabilities in respect of bank and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business, Marel Food Systems has given guarantees amounting to EUR 7.2 million to third parties at 30 September 2009. These are guarantees given to clients against down-payments they make.

Capitalisation	30 September 2009	
Total current liabilities		171,033
- Guaranteed	9,213	
- Secured	41,216	
- Unguaranteed/unsecured	120,604	
Total non-current liabilities		397,877
- Guaranteed	0	
- Secured	301,881	
- Unguaranteed/unsecured	95,996	
Shareholders' equity:		303,750
a) Share capital	5,986	
b) Share premium	277,466	
c) Fair value and other reserves	(12,823)	
d) Retained earnings	33,121	
e) Minority interest	0	
	Total	872,660

Net indebtedness	30 September 2009	
a) Cash	55,109	
b) Cash equivalents	0	
c) Trading securities	0	
d) Liquidity (a) + (b) + (c)		55,109
e) Current financial receivables		0
f) Current bank debt	35,384	
g) Current portion of bonds issued	408	
h) Other current financial debt	461	
i) Current financial debt (f) + (g) + (h)		36,253
j) Net current financial indebtedness (i) - (e) - (d)		(18,856)
k) Non-current bank debt	300,725	
l) Non-current bonds issued	64,934	
m) Other non-current loans	1,156	
n) Non-current financial indebtedness (k) + (l) + (m)		366,815
Net financial indebtedness (j) + (n)		347,959

Amounts in thousands of EUR

The interim report has not been audited or reviewed.

5.2 Interests of individuals and legal entities involved in the share offering

Attention is drawn to the fact that the Joint Lead Arrangers of the offering, Landsbankinn (NBI hf.) and Íslandsbanki hf., are among Marel Food Systems' principal banks and Arion banki (Nýi Kaupþing banki hf.) is one of the Company's lenders. Furthermore, Landsbankinn and Íslandsbanki serve as market makers for Marel Food Systems' shares as discussed in section 6.1 of this Securities Note. Landsbankinn, directly and through its subsidiary Horn fjárfestingarfélag ehf., holds 92,703,174 shares in Marel Food Systems, which corresponds to a 15.05% stake at 20 November 2009. In addition to direct ownership of shares in Marel, Horn fjárfestingarfélag ehf. has an indirect ownership in Marel through its 27.5% ownership in Eyrir Invest ehf. Íslandsbanki holds 1,474,399 shares in Marel Food Systems, which corresponds to an 0.2% stake at 20 November 2009. Arion banki holds 353,181 shares in Marel Food Systems, which corresponds to an 0.1% stake at 20 November 2009.

5.3 Reason for the share offering and use of proceeds

Marel Food Systems' objectives when managing capital are a) to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and b) to maintain an optimal capital structure to reduce the cost of capital.

In a difficult funding market, where access to new funding sources is limited the need for a prudent capital structure is especially important. Furthermore, after the recent refinancing of the Company's operation in Iceland the currency mismatch for the group has increased. Around 30% of total borrowings are in ISK. With the currently non-functioning swap market in Iceland, the Company remains exposed to movements in the ISK/EUR exchange rate.

In order to strengthen the capital structure and reduce the exposure to the ISK the Board of Directors has decided to increase the Company's share capital by offering new shares in a share offering. The new shares can be paid for with cash and/or Marel bonds with the ticker MARL 06 1 and MARL 09 1. The total net proceeds of the share offering, assuming that 92,400,000 shares will be issued and sold at the offer price 65 per share and that the cost of the share offering will be ISK 133.6 million, will amount to ISK 5,872 million. The total net proceeds will be used to pay down ISK denominated debt, thereby reducing exposure to the ISK as well as decreasing the overall cost of debt.

6 Current share capital

All 616,000,000 shares issued by Marel Food Systems are admitted to trading on the NASDAQ OMX Iceland. The share's ticker code is MARL.

The shares in Marel Food Systems have been created under Act No. 2/1995 on Public Limited Companies. All of Marel Food Systems share capital is of the same class, bears the same rights and is issued and fully paid for. Each share has a par value of ISK 1.00 (one Icelandic Króna).

Conforming to Article 2.7 of Marel Food Systems' Articles of Association, the Company's shares are issued electronically through a securities depository in accordance with Act No. 131/1997 on Electronic Registration of Title to Securities. The electronic shares in Marel Food Systems are registered with the Icelandic Securities Depository, Laugavegur 182, Reykjavík, Iceland. The ISIN number of Marel Food Systems' shares is IS0000000388. All shares in the Issuer are registered in the shareholder's name and state identification number (ID No.).

Marel Food Systems' share capital is in ISK. Marel Food Systems AGM, held on 7 March 2008, authorised the Board of Directors to decide to register the share capital of the Company in foreign currency in accordance with the applicable law on public limited companies. If the Board of Directors decides to use this authorisation, the share capital of the Company will be registered in EUR.

6.1 Market making

Marel Food Systems has made agreements with Landsbankinn, Saga Capital Investment Bank hf. and Islandsbanki hf. regarding market making for the issued shares of Marel Food Systems. The purpose of the agreements is to improve liquidity and to enhance transparent price formation in the Company's shares on the NASDAQ OMX Iceland.

As a market maker, Landsbankinn is obligated to submit daily bid and ask offers for shares in Marel Food Systems (MARL) for a minimum of 100,000 shares at a price determined by Landsbankinn. The maximum bid/ask spread may not exceed 1.5%. Landsbankinn is also obligated to submit daily bid and ask orders for shares in Marel Food Systems (MARL) for a minimum of 100,000 shares where the bid/ask spread is approximately 2.5%. New offers shall be placed within 15 minutes in succession to prior offers getting filled. Landsbankinn is obligated to provide liquidity for up to ISK 75 million in market value daily. The agreement is for an unlimited time and can be terminated by either party with one month's notice.

As a market maker, Saga Capital Investment Bank hf. is obligated to submit daily bid and ask offers in Marel Food Systems (MARL) for a minimum of 200,000 shares at a price determined by Saga Capital Investment Bank hf. The maximum bid-ask spread may not exceed 1.5%. The deviation from the last transaction price shall not exceed 3% and the maximum obligated total trades per day is ISK 100 million at market value. The agreement is for an unlimited time and can be terminated by either party with one month's notice.

As a market maker, Islandsbanki hf. is obligated to submit daily bid and ask offers in Marel Food Systems (MARL) for a minimum of 200,000 shares at a price determined by Islandsbanki. The maximum bid-ask spread may not exceed 1.5%, the deviation from the last transaction price shall not exceed 3% and the maximum obligated total trades per day is ISK 50 million at market value. The agreement is for an unlimited time and can be terminated by either party with two weeks' notice.

6.2 Authorisations for changes in share capital

Marel Food Systems' shareholder meeting held on 28 February 2006 approved an authorization to the Board of Directors to increase the Company's share capital in stages or all at once for up to ISK 12,000,000 nominal value by issuing new shares. The increase in share capital will be used to fulfil the share option agreement that are made with employees and others in accordance with the share option plan that is effective at any given time. Shareholders agreed to waive their pre-emptive rights to the increase. The offer price and other terms shall be in accordance with those agreements concluded by the Board of Directors or CEO with the respective party. This authorization is valid for 5 years from the time of its approval. On 10 August 2007 Marel Food Systems utilized ISK 3,204,965 nominal value of this authorization. At the date of this Securities Note, ISK 8,795,035 nominal value remains of this authorization.

Marel Food Systems' shareholder meeting held on 10 March 2009 approved an authorization to the Board of Directors to increase the share capital of the Company by up to ISK 240,000,000 nominal value, or the equivalent in EUR if the Company's share capital has already been registered in that currency when the authorization is utilised. Details of the purchase price of shares and terms of sale shall be determined by the Company's Board of Directors. Shareholders waive their pre-emptive rights, as provided for in Art 34 of Act No. 2/1995 on Public Limited Companies provided that the price for the new shares will not be lower than 10% under the posted average price of shares in the Company for the four weeks immediately preceding the sale. The Company's Board of Directors may, however, authorize individual shareholders in each instance to subscribe for part or all of the new shares. There are no restrictions on trading in the new shares. These new shares shall be of the same class and bear the same rights as other shares in the Company. They shall confer rights in the Company as of the date the increase in share capital is registered. The Company's Board of Directors may decide to have subscribers pay for the new shares in part or in full by other means than cash payment. This authorization is valid for 3 years from the date of approval, insofar as it is not utilised prior to that time. At the date of this Securities Note, ISK 35,699,688 nominal value of this authorization had been utilised and ISK 204,300,312 nominal value remained not utilised. The authorization can be found under article 15.2 in the Company's Articles of Association.

Marel Food Systems' Board of Directors decided on 23 November 2009 to exercise the authorisation under article 15.2 of the Company's Articles of Association to increase its share capital by offering up to 92,400,000 new shares in a share offering to institutional investors. The terms and conditions of the share offering on 26 and 27 November 2009 are described in chapter 8 of this Securities Note.

Marel Food Systems' shareholder meeting held on 10 March 2009 granted the Board of Directors authorization to issue compensation shares. In the current financial year the Company's Board of Directors is authorized to issue compensation shares so that the Company's share capital amounts to up to five-fold the share capital on 10 March 2009 - the date of the shareholder meeting. The company's share capital may thereby be increased by as much as ISK 2,321,201,248 or an equivalent amount in EUR if the Company's share capital has already been registered in that currency when the authorization is utilised. In such a case the conversion rate shall be the same as applied when the share capital was converted to EUR.

7 Shareholders' rights

Shares in Marel Food Systems are issued electronically with the Icelandic Securities Depository. Once a shareholder has paid for his shares in Marel Food Systems in full, a securities trading intermediary, for example a bank or a securities company will inform the Icelandic Securities Depository of the transaction. The Icelandic Securities Depository will then issue to the shareholder an electronic share certificate and register ownership of the shares. This is considered to be the Company's share register and is considered valid authentication for ownership of shares in the Company. This will give the shareholder rights in full, in accordance with the Company's Articles of Association.

No restraints are placed on the rights of shareholders to sell their shares. No special prerogatives are attached to any shares in the Company. Shareholders are obligated, without their making specific commitments to abide by the Company's Articles of Association in their current form, or as they may be legitimately changed. Shareholders are not obligated, neither by the Company's Articles of Association nor changes to them, to increase their shareholdings in the Company or to accept their shares being redeemed. Shareholders are not responsible for any Company liabilities beyond their share in the Company, unless they accept such responsibility through legal action. This will neither be changed nor revoked by any resolution at shareholder meetings.

Shareholders have the right to attend a shareholders' meeting. Decisions at shareholders' meetings shall be taken by majority vote unless otherwise specified in the Company's Articles of Association or statutory law. Each shareholder has the right to have a specific matter discussed at a shareholder meeting, if he submits a written request to the Board of Directors with sufficient notice to enable the matter to be placed on the agenda, which shall be available for examination 7 full days prior to the meeting.

The Board of Directors is authorised to allow shareholders to participate in proceedings at shareholders' meetings through electronic means without being present at the meeting venue. The Board of Directors may deem that equipment is sufficiently secure to enable shareholders to participate in the meeting through electronic means without being at the meeting venue. If the Board of Directors decides to use this authorisation, it shall be specially noted in the announcement for the shareholder meeting.

Shareholders intending to participate electronically shall inform the Company's office with 5-day's notice, and submit written questions regarding the agenda or present documents that they would like answers to at the meeting.

Shareholders shall have access to instructions regarding participation in shareholder meetings through electronic means, along with a password and the necessary software for such participation. A password entered into the computer program is equivalent to the signature of the respective shareholder, and is considered acknowledgment of his participation in the shareholders' meeting.

If the Board of Directors considers it feasible to give shareholders the opportunity to participate in shareholder meetings using electronic means, shareholders shall be given the opportunity to vote on proposals or participate in balloting through the mail. The Board of Directors sets regulations regarding implementing such balloting.

Shareholders may authorise another person to attend shareholder meetings on his behalf. The representative shall submit a written and dated proxy.

7.1 Dividend rights

Upon paying dividends, Marel Food Systems' practice is to pay dividends to those parties, registered as shareholders, in the shareholders' register at the third business day after the Annual General Meeting with ex-date the next business day after the AGM, unless the Company has received notification of the assignment of the dividend upon the transfer of shares. Considering clearance procedures on the Icelandic stock market (T+3), trades with the Company's shares need to take place at the date of the AGM if parties are to be eligible for payment of dividends.

Dividends are deposited in shareholders bank accounts, which they have specified as their accounts for dividends payments and are linked to their custody accounts.

Shareholders can collect their dividends at Marel Food Systems' office within four years after the due date of payment. Four years after the due date, the right to collect the dividend payment lapses in accordance with Act. No. 150/2007, on the Lapse of Debts and other Claim Rights.

Marel Food Systems has no special restrictions or procedures regarding dividend payment for non-resident shareholders.

Marel Food Systems does not have a fixed policy concerning dividends. The Company has a considerable portion of its long term debt maturing in the end of 2011 and beginning of 2012 and does not foresee paying dividends prior to refinancing the debt. Dividends were last paid in 2007, for the year 2006, and amounted to 20% of the nominal share value of the capital shares at the date of the AGM.

7.2 Voting rights

One vote accompanies each share in Marel Food Systems at shareholders' meetings. All of the Company's shares are in one class. According to Article 11.1 of the Company's Articles of Association, Marel Food Systems is permitted to own up to 10% of own shares. Voting rights may not be exercised for shares in Marel Food Systems hf. owned by the Company. Major shareholders in Marel Food Systems do not have different voting rights from other shareholders.

7.3 Pre-emptive rights

Shareholders have pre-emptive rights to an increase in share capital in proportion to their registered shareholding provided that they have not waived their pre-emptive rights as provided for in Article 34 of Act No. 2/1995, on Public Limited Companies.

7.4 Rights to share in the Issuer's profits

Shareholders in Marel Food Systems have no rights to the Company's profits except through dividends payments.

7.5 Shareholders' agreements

Marel Food Systems is neither aware of any agreement among Company shareholders regarding the exercise of voting rights, nor that shareholders have obliged themselves not to sell their shares for a specific period.

7.6 Mandatory takeover bids

In Chapter X of Act no. 108/2007 on Securities Transactions, it is stated that if a party has directly or indirectly become dominant in a listed company, he shall present other shareholders with a takeover bid. A party is considered dominant if he alone or in collaboration with others has (1) reached at least 30% of the total voting powers through ownership, (2) reached at least 30% of the total voting powers through agreements with other shareholders, or (3) gained power to appoint or dismiss the majority of the members of a company's Board of Directors.

Marel Food Systems' shareholders have not received any public takeover bid from a third party for their shares in the Company during the current or the preceding financial year. Marel Food Systems is not aware of the existence of any mandatory takeover bid for shares in the Company.

There are no squeeze-out or sell-out rules in place in relation to shares in Marel Food Systems, other than provided by law and discussed below in section 7.8.

Eyrir Invest ehf., the largest shareholder of the Issuer, holds at the date of this Securities Note a total of 37.81% shares in Marel Food Systems. In accordance to interim provisions of the aforementioned Act on Securities Transactions, Eyrir is obligated to reduce its holding to below the takeover threshold, 30%, before 31 March 2011, with the possibility of the Financial Supervisory Authority granting up to two extensions, each for six months. Furthermore, if Eyrir increases its holdings, during this period, the rules of mandatory takeovers shall apply.

7.7 Liquidation

Shares are in their nature subordinated claims on the assets of companies. Shareholders rights in case of liquidation are governed by Chapter XIII of Act No. 2/1995, on Public Limited Companies. According to the Act any decision on the dissolution of the Company must be supported by at least 2/3 of the cast votes and the consents of shareholders controlling at least 2/3 of the shares in the Company represented at a shareholders meeting. In the event of the Company's liquidation, shareholders will receive what is remaining when all other claims have been met.

7.8 Redemption Provisions

Under Article 24 of Act No. 2/1995 on Public Limited Companies, a shareholder holding more than 9/10 of a Company's capital and controlling an equivalent proportion of its voting rights may decide that other shareholders in the Company shall be subject to mandatory redemption of their shares. In case a shareholder owns more than 9/10 of share capital in a Company and controls corresponding voting powers each individual minority shareholder may require redemption with the shareholder. No single shareholder holds more than 9/10 of the share capital or voting rights of Marel Food Systems.

Shareholders are not obligated, neither by the Company's Articles of Association nor changes to them, to accept their shares being redeemed, except as provided by law.

7.9 Taxes

The taxation of Marel Food Systems' shares is governed by Icelandic tax legislation in effect at any given time. Below is a brief discussion of current Icelandic tax treatment of shares. However, investors are advised to familiarise themselves with the likely upcoming changes in the Icelandic tax legislation. This discussion is not exhaustive and investors are advised to seek external tax advice on the tax implications

of any investment in the shares. Non Icelandic investors should note that the discussion below only addresses Icelandic tax issues and therefore the shares and income derived from them may be subject to taxation in their country of residence.

In respect of the country of registered office of Marel Food Systems and the country where the admission to trading is being sought, more specifically Iceland, all payments in respect of the Shares, by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any tax jurisdiction unless such withholding or deduction is required by law according to Act No. 94/1996 and or Act No. 45/1987 or other law that may be enacted. In such event, the Issuer will not pay any additional amounts in respect of amounts withheld pursuant to such withholding or deduction.

Stamp duty: The Company's shares are subject to Icelandic stamp duty payable by Marel Food Systems upon issuance of the shares. The sale of shares in the Company is not subject to stamp duty.

Dividends: Residents of Iceland: Marel Food Systems is obliged to retain taxes on dividend payments paid to both natural and legal persons residing in Iceland for tax purposes, as provided for in the second paragraph of Article 3 of Act No. 94/1996 on Capital Income. The tax rate is 15%. This is a final taxation for individuals that are residents in Iceland for tax purposes.

For income tax purposes most taxable legal entities (limited liability companies and certain cooperative companies) may declare a deemed deduction of the same amount as the dividend received and consequently there is no effective taxation of dividend income of such companies. These entities will however be refunded upon assessment of tax return if the withholding tax is higher than the tax levied on the income of a company.

Non-residents: Marel Food Systems is obliged to retain taxes on dividend payments paid to individuals not residing in Iceland. For individuals the withholding tax rate is 15% and for foreign legal entities the tax rate is 10%.

Capital gains: Residents of Iceland: Capital gains from the sale of shares in Marel Food Systems by individuals residing in Iceland are taxable in Iceland. The tax rate is 15%. Individuals can deduct losses from the sale of shares from the profits from the sale of other shares. The profit and loss must however occur within the same fiscal year. Losses from the sale of shares cannot be carried forward and offset against future capital gains from the sale of shares.

Companies defined in Article 2, paragraph 1, no. 1 and 2 of Act No. 90/2003, are allowed to declare a deemed deduction in the same amount as the capital gain received. No effective tax burden therefore arises for these companies. The deemed deductions can however not be used to create tax losses.

For other types of companies, as defined in Article 2, paragraph 1, no. 3, 4, and 5 of Act No. 90/2003, all gains from the sale of shares are taxable and are taxed at a rate of 23.5%.

Non-residents of Iceland: Capital gains from the sale of shares in Marel Food Systems by individuals not residing in Iceland are taxable in Iceland. For individuals the tax rate is 15% and for foreign legal entities the tax rate is 10%.

Non-resident companies are subject to a withholding tax on capital gains on shares. The withholding tax is 10% and is levied on the sale price minus the average purchase price of the shares. Double taxation treaties may provide for an exemption from the withholding tax. Companies that are residing within the European Economic Area are allowed to declare a deemed deduction in the same amount as the capital gain received and subsequently no effective tax burden arises in Iceland.

Non-resident individuals are subject to a withholding tax on capital gains from the sale of shares at a 15% rate.

8 Terms and conditions of the share offering

8.1 Details and process of the share offering

This Securities Note is constructed in connection with the offering of new shares in Marel Food Systems to institutional investors. The shares offered are all of the same class and bear the same rights. The new shares are also identical to existing shares in the Company.

A total of 92,400,000 new shares in Marel Food Systems will be offered at the offering price between ISK 63 and 65 per share in a book building. The final offering price will be determined by the Board of Directors at the end of the offering period. The weighted average trading price since the publication of the Q3 2009 results until closing on 20 November 2009 was ISK 68.2 per share and the closing price on 20 November 2009 was ISK 68.5 per share. Total proceeds from the share offering will be up to ISK 6,006 million at the higher end of the price range and excluding costs. Marel Food Systems' total number of shares will be up to 708,400,000 after the share offering. However, the Board of Directors of Marel Food Systems reserves the right to increase the number of shares offered by up to 46,200,000 shares. If the Board of Directors decides to do so total proceeds from the share offering will be up to ISK 9,009 million at the higher end of the price range and excluding costs. Then Marel Food Systems' total number of shares will be up to 754,600,000 shares after the share offering.

The offer period is from 10:00 GMT on 26 November 2009 until 16:00 GMT on 27 November 2009. During the offer period the new shares will be offered for purchase through the Arrangers. No subscriptions will be accepted after the offer period has expired. The Issuer can cancel the share offering at any time prior to the notification of NASDAQ OMX Iceland that the new shares will be admitted to trading. The cancellation may be based on any factor the Issuer may deem appropriate. Should the Issuer decide to cancel the share offering, all subscriptions for the new shares offered in the share offering shall be deemed to be null and void. If this occurs, subscribers who have already paid for the new shares will be reimbursed.

8.2 Subscriptions

Subscriptions can only be submitted on a completed Subscription form, provided by the Arrangers. Subscriptions can be submitted to the address of any one of the Arrangers or as a scanned version to the e-mail addresses specified on the Subscription form.

Subscriptions in the share offering are legally binding and cannot be withdrawn by the subscriber.

There is no maximum amount to each subscription in the share offering. Investors are not allowed to subscribe for an amount less than ISK 10 million in the share offering.

Multiple subscriptions are admitted in the share offering.

8.3 Allocation

A decision on allocation of new shares to subscribers will be made by Marel Food Systems' Board of Directors in a meeting following the expiration of the offer period. Should there be an oversubscription in the share offering, the Board of Directors reserves the right to increase the number of new shares on offer by up to 46,200,000 shares or equivalent to the sales value of up to ISK 3,003 million. The Board of Directors reserves the right to reject subscriptions in full or in part without justification.

When allocating shares to subscribers the Board of Directors will take into account the policy of the Company of attracting international investors as well as encouraging distributed ownership of its shares.

8.4 Notification of offer results, allocation and payment instructions

The results of the share offering will be made public before 10:00 GMT on 30 November 2009. The announcement will include the final offering price, the aggregate number of new shares which were subscribed for, the aggregate number of participants in the share offering along with the mix between payment with bonds MARL 06 1, MARL 09 1 and cash. The announcement will also include whether the Board of Directors has decided to increase the number of shares on offer and if this is the case the final total number of shares in the share offering will be made public.

Subscribers will obtain notification of allocation and payment instructions after 10:00 GMT on 30 November 2009 by email to the email address provided in the subscription form. Subscribers are allowed to pay for new shares with cash and/or bonds with the ticker MARL 06 1 and MARL 09 1.

Landsbankinn (NBI hf.), Austurstræti 11, 155 Reykjavík, Iceland, is the paying agent regarding all purchases of shares pursuant to the share offering.

The due date for payment for new shares is 2 December 2009. For any shares unpaid at close of business at 16.00 GMT on the due date, 2 December 2009, Marel Food Systems' Board of Directors may either collect payment with penalty interest (according to Article 6 of Act No. 38/2001) and costs or cancel the subscription of the shares in question and allocate them to a third party without notice or notification to subscribers.

8.5 Consideration for new shares

Payment for the new shares is allowed with cash and/or bonds with the ticker MARL 06 1 and MARL 09 1. The value of a bond shall include principal, accrued interest and inflation indexation where applicable at 27 November 2009 in accordance with its terms. Bonds issued with the ticker MARL 06 1 shall have value of ISK 14,396,504 per ISK 10,000,000 nominal value. Bonds issued with the ticker MARL 09 1 shall have value of ISK 1,008,993 per ISK 1,000,000 nominal value.

8.6 Admission to trading and delivery of shares

Application has been made for the new shares to be admitted to trading on the regulated market of NASDAQ OMX Iceland, which is an EU regulated market within the meaning of Directive 2004/39/EC. The shares are expected to be admitted to trading on the NASDAQ OMX Nordic Iceland no later than 9 December 2009.

The new shares will be delivered electronically through the depository agent, the Icelandic Securities Depository, Laugavegur 182, Reykjavík, Iceland. Delivery is only made against payment for the shares pursuant to payment instructions described in section 8.4 of this Securities Note. The aim is to complete the issue of the new shares at the Icelandic Securities Depository no later than 9 December 2009 and to deliver the new shares to participants of the offering on 9 December 2009.

8.7 Expenses of the share offering and admission to trading

The costs payable by Marel Food Systems in relation to the share offering depend on the size of the share offering and the price per share. The commission for placing 92,400,000 new shares at ISK 65 per share would be ISK 114.1 million. In addition the cost for preparing the prospectus, registering the shares, paying stamp duty and other costs would be ISK 19.5 million. The total cost for placing 92,400,000 shares would therefore be ISK 133.6 million.

The commission for placing 138,600,000 new shares at ISK 65 per share would be ISK 171.2 million. In addition the cost for preparing the prospectus, registering the shares, paying stamp duty and other costs would be ISK 19.8 million. The total cost for placing 138,600,000 shares would therefore be ISK 190.9 million.

8.8 Dilution

At the date of this Securities Note, the total number of shares in Marel Food Systems is 616,000,000 shares.

The share offering increases Marel Food Systems share capital by up to 92,400,000 shares. The total number of shares in Marel Food Systems after the share offering will be up to 708,400,000 shares, given that the Board of Directors will not increase the number of shares in the share offering as described in section 8.3. Assuming that existing shareholders do not take part in the share offering at all, the resulting proportional dilution of their shares will be up to 13%.

If the Board of Directors decides to increase the number of shares offered, the share offering increases Marel Food Systems' share capital by up to 138,600,000 shares. The total number of shares in Marel Food Systems after the increase will be up to 754,600,000 shares. If an existing shareholder does not take part in the share offering at all, the maximum resulting proportional dilution of his shares will be up to 18%.

9 Additional information

9.1 References

References to "Marel Food Systems", "the Issuer", "the group" or "the Company" in this Securities Note shall be construed as referring to Marel Food Systems hf., unless otherwise indicated from the wording or context.

References to "Landsbankinn" in this Securities Note shall be construed as referring to NBI hf., unless otherwise indicated from the wording or context.

References to "Arion banki" in this Securities Note shall be construed as referring to Nýi Kaupþing banki hf., unless otherwise indicated from the wording or context.

References to "Íslandsbanki" in this Securities Note shall be construed as referring to Íslandsbanki hf., unless otherwise indicated from the wording or context.

References to "NASDAQ OMX Iceland" in this Securities Note shall be construed as referring to NASDAQ OMX Iceland hf., unless otherwise indicated from the wording or context.

9.2 Abbreviations

AGM	Annual General Meeting
CEO	Chief Executive Officer
EUR	Euro, the currency of many European Union countries
ID No.	Identification number
ISK	Icelandic króna, the currency of Iceland



Marel Food Systems hf.
Austurhraun 9 · 210 Gardabaer · Iceland
Tel: +354 563 8000 · www.marel.com

