



Q3 2008 Presentation

Hörður Arnarson, CEO

Theo Hoen, Vice CEO

Erik Kaman, CFO

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We are innovative in everything we do and provide outstanding new solutions and services to the food processing industry, in order to create greater value for all our stakeholders



Introduction

Hörður Arnarson, CEO



- 1** Introduction
- 2 Consolidated financial statements
- 3 Pro forma operations of core business

Highlights

- **Strong results of core business in the quarter**

- €157 million sales, excluding Food and Dairy
- 16% sales growth (18% with fixed EUR/USD rate)
- 9.9% EBIT (€15.7 million)
- Fixed costs level to Q3 2007

- **Year to date pro forma results of core business in line with expectations**

- €475 million sales
- 11% sales growth (13% with fixed EUR/USD rate)
- 9.1% EBIT (€43.4 million)

→ **9% EBIT target for 2008 remains unchanged**



Operations

- **Marel Food Systems (excluding Stork Food Systems)**
 - Integration progressing according to schedule
 - Merging of product lines
 - Reduced fixed costs in accordance to what was announced in Q2 2008
- **Stork Food Systems**
 - Strong operational results in line with expectations

→ **Integration of Marel Food System and Stork Food System is starting**



Outlook

- **Expected results of core business in 2008**
 - Sales €640-650 million and 9% EBIT

 - **Effects of the financial crisis in Iceland**
 - Marel Food Systems is a global company
 - Less than 1% of revenues and around 5% of expenses are in ISK
 - Weak ISK increases hence the profits of Marel Food Systems
 - Some practical problems in the short run though

 - **Effects of a global recession**
 - Project pipeline is strong but order intake has slowed down
 - Financing has become more challenging for our customers and is taking longer time
 - The food processing industry has adapted well in the past
- **Long-term prospects of the industry remain strong**





Financial results

Erik Kaman, CFO



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Consolidated income statement for the third quarter of 2008

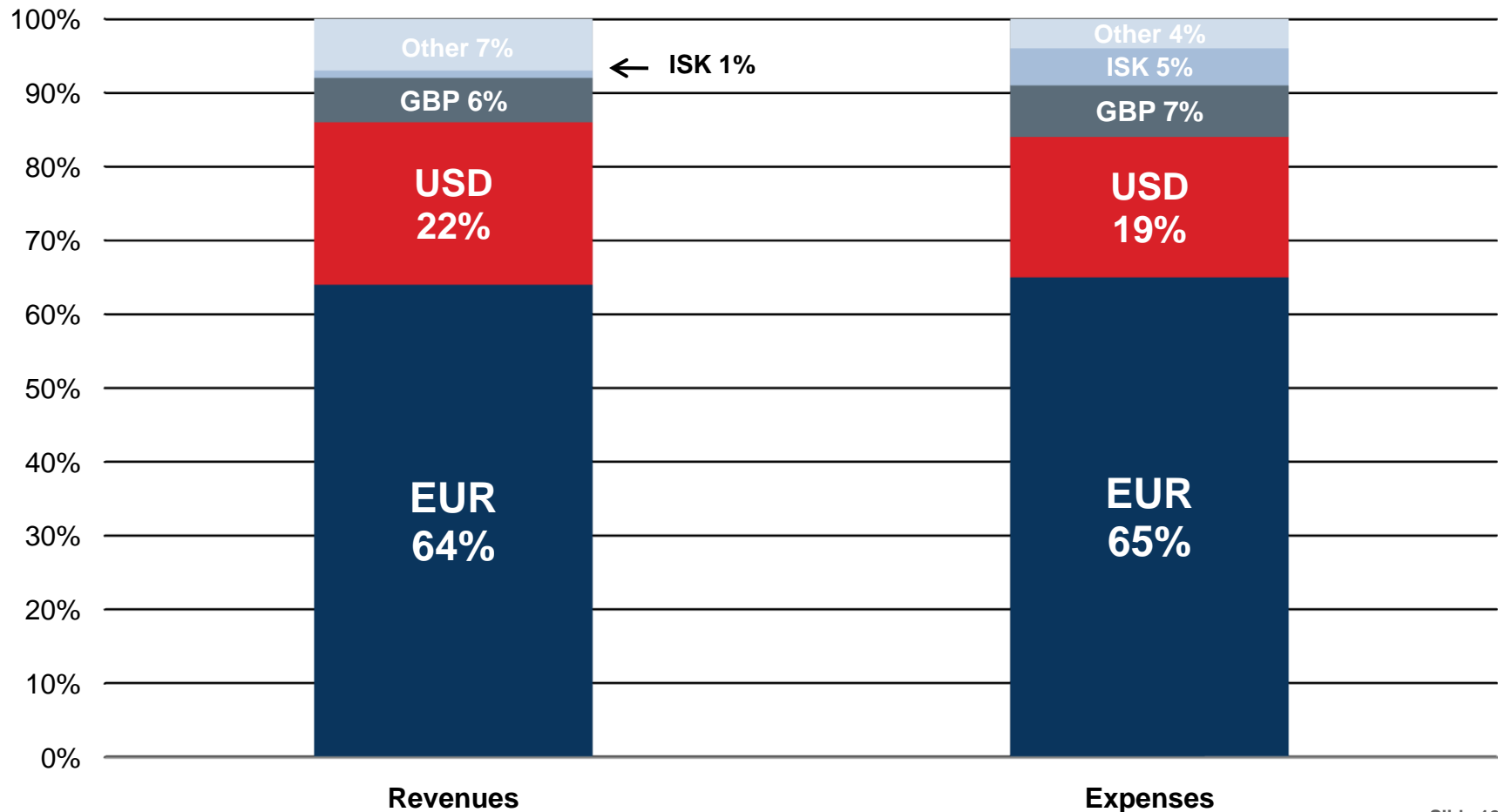
	EUR thousands		% of sales	
	Q3 2008	Q3 2007	Q3 2008	Q3 2007
Sales	170,633	66,087		
Cost of sales	(111,666)	(44,215)		
Gross profit	58,967	21,872	34.6%	33.1%
Other operating income	134	124		
Selling and marketing expenses	(21,092)	(10,398)	12.4%	15.7%
Research and development expenses	(8,552)	(3,122)	5.0%	4.7%
Administrative expenses	(14,929)	(6,711)	8.7%	10.2%
Profit from Operation	14,528	1,765	8.5%	2.7%
Finance cost - net	(9,194)	(1,894)		
Share of results of associates	0	(6,836)		
Profit before tax	5,334	(6,965)		
Income tax expenses	(805)	1,208		
Net profit	4,529	(5,757)		
EBITDA	20,755	4,614	12.2%	7.0%
Depreciation & amortisation	6,227	2,849	3.6%	4.3%

Consolidated income statement for the first nine months of 2008

	EUR thousands		% of sales	
	9M 2008	9M 2007	9M 2008	9M 2007
Sales	389,648	210,948		
Cost of sales	(253,601)	(138,889)		
Gross profit	136,047	72,059	34.9%	34.2%
Other operating income	905	1,269		
Selling and marketing expenses	(51,251)	(32,657)	13.2%	15.5%
Research and development expenses	(19,693)	(10,394)	5.1%	4.9%
Administrative expenses	(38,155)	(21,850)	9.8%	10.4%
Profit from Operation	27,853	8,427	7.1%	4.0%
Finance cost - net	(9,807)	(4,814)		
Share of results of associates	473	(523)		
Profit before tax	18,519	3,090		
Income tax expenses	(3,194)	(397)		
Net profit	15,325	2,693		
EBITDA	42,197	16,139	10.8%	7.7%
Depreciation & amortisation	14,344	7,712	3.7%	3.7%

Currency risk has been minimized through natural hedging

Pro forma share of currencies in the first nine months of 2008

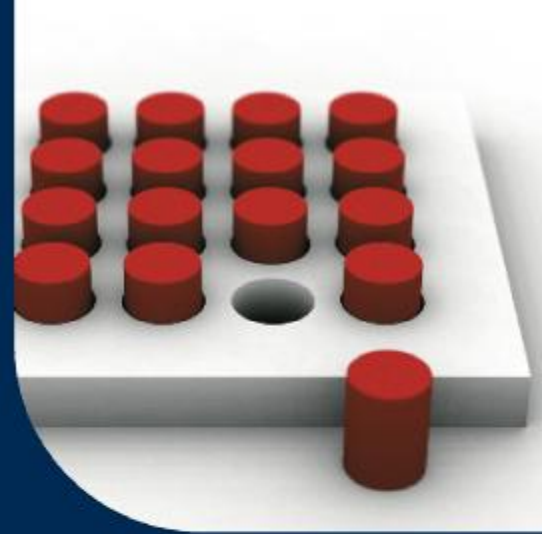


Consolidated balance sheet

	EUR thousands	
	30.9.2008	31.12.2007
Non-current assets	646,227	194,166
Inventories	122,690	61,587
Production contracts	36,420	15,168
Trade and other receivables	99,493	52,871
Other receivables and prepayments.....	25,966	20,427
Loan to associate.....	0	49,607
Derivative financial instruments.....	443	3,041
Cash and cash equivalents	14,811	30,437
Total assets	946,050	427,304
Shareholders' equity	307,454	181,835
Borrowings	399,163	160,356
Other non-current liabilities	44,681	6,891
Trade and other payables	163,339	75,487
Other current liabilities	31,413	2,735
Total liabilities	638,596	245,469
Current ratio	1.0	1.9
Equity ratio	32.5%	42.5%

Consolidated statement of cash flow

	EUR thousands	
	9M 2008	9M 2007
Working capital from operations	39,811	10,969
Cash generated from operations	18,016	9,558
Acquisition of subsidiary, net of cash acquired	(431,164)	0
Loans to associates	49,607	(41,661)
Other investment activities	(31,028)	(18,873)
Proceeds from issue of ordinary shares	112,763	4,982
Proceeds from borrowings in excess of repayments	254,454	8,238
Other financing activities	13,850	(16,158)
Net increase /(decrease) in cash	(13,502)	(53,914)
Cash at beginning of period	30,438	63,079
Currency fluctuations affecting cash	(2,125)	83
Cash at end of period	14,811	9,248



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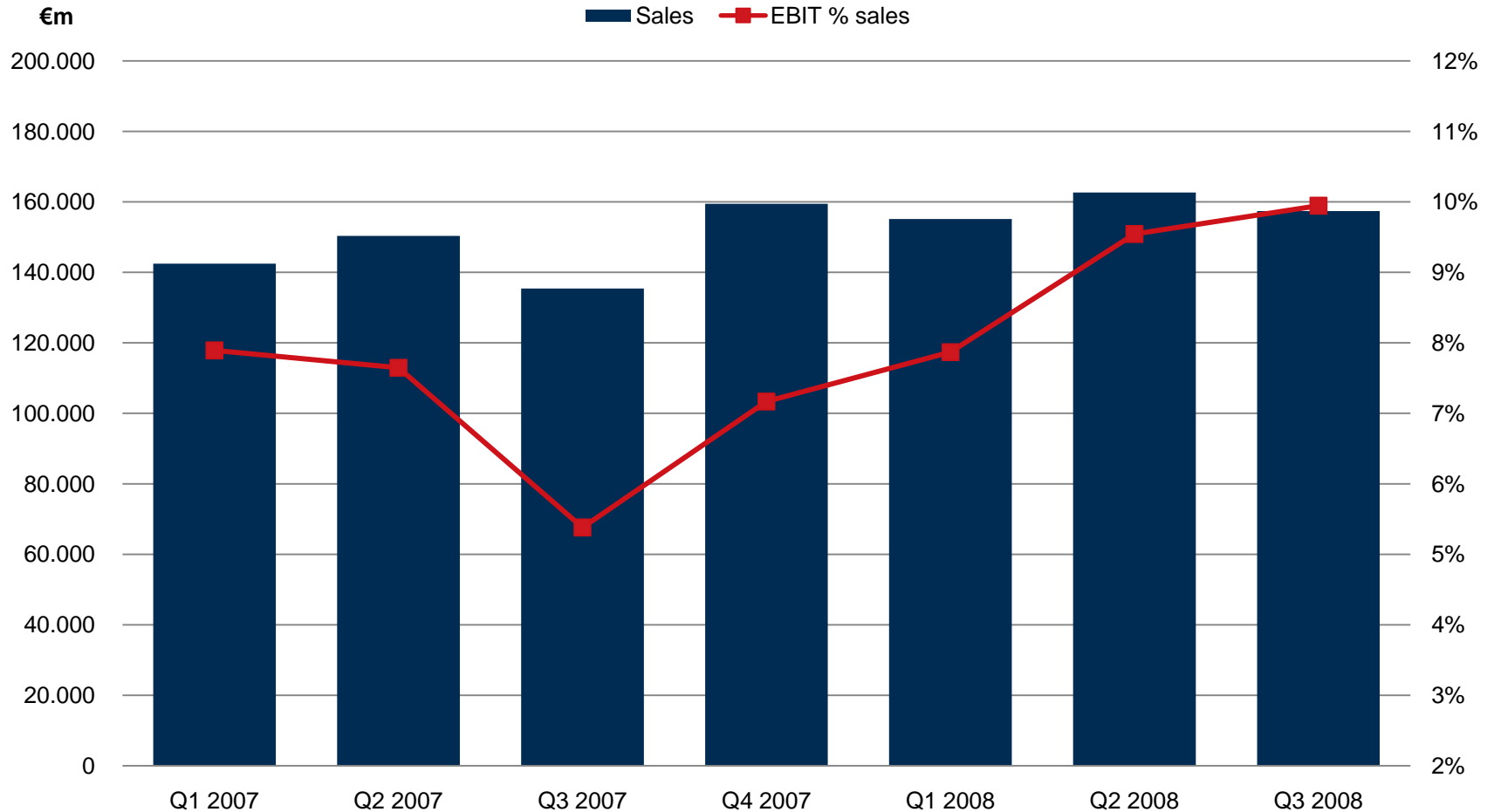
Pro forma income statement of core business for Q3 of 2008

In thousands of EUR	Q3 2008	Q3 2007	Ch. in %
Sales	157,380	135,405	16.2%
Cost of sales	(101,370)	(87,602)	15.7%
Gross profit	56,010	47,803	17.2%
Other operating income	135	124	
Selling and marketing expenses	(18,446)	(19,402)	
Research and development expenses	(7,984)	(7,225)	
Administrative expenses	(14,061)	(14,016)	
Profit from operation (EBIT)	15,654	7,284	
EBITDA	21,814	12,362	
Gross profit margin	35.6%	35.3%	
EBIT % sales	9.9%	5.4%	
EBITDA % sales	13.9%	9.1%	

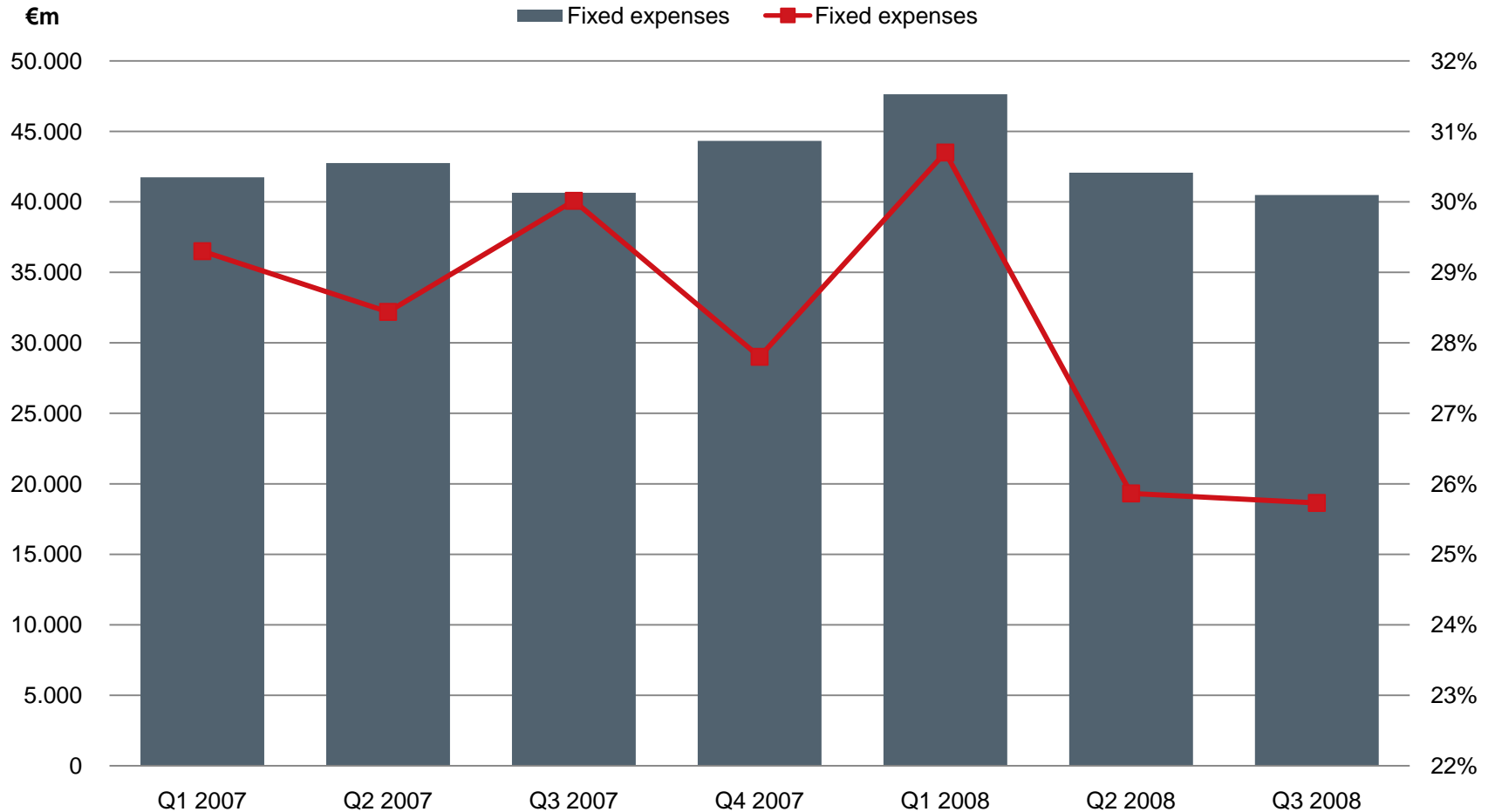
Pro forma income statement of core business for Jan-Sep 2008

In thousands of EUR	9M 2008	9M 2007	Ch. in %
Sales	475,190	428,218	11.0%
Cost of sales	(302,516)	(274,318)	10.3%
Gross profit	172,674	153,900	12.2%
Other operating income	905	1,269	
Selling and marketing expenses	(58,482)	(59,009)	
Research and development expenses	(24,654)	(23,554)	
Administrative expenses	(47,057)	(42,581)	
Profit from operation (EBIT)	43,386	30,025	
EBITDA	59,937	44,833	
Gross profit margin	36.3%	35.9%	
EBIT % sales	9.1%	7.0%	
EBITDA % sales	12.6%	10.5%	

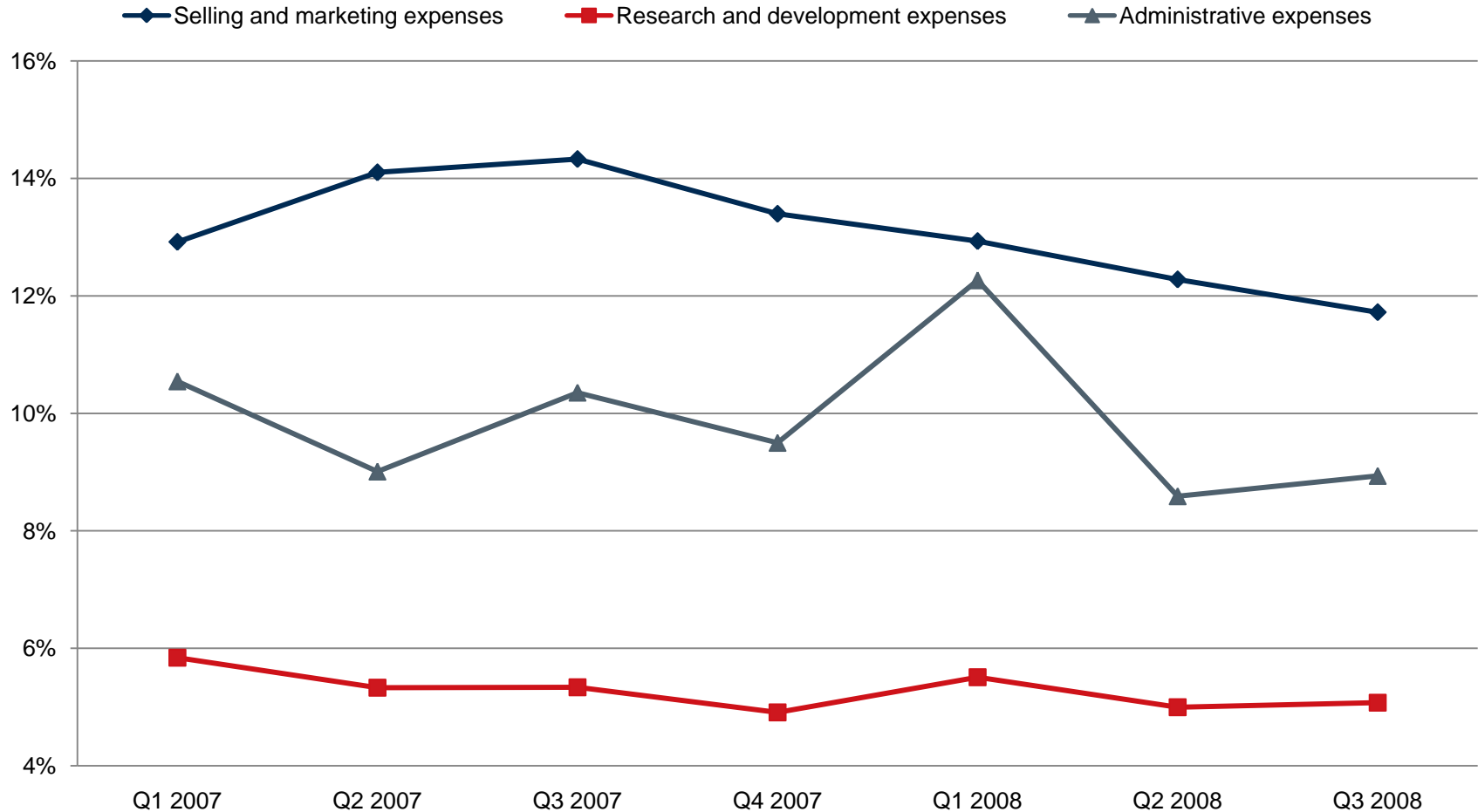
Pro forma sales and EBIT as percentage of sales



Pro forma fixed expenses and as percentage of sales



Pro forma fixed expense items as percentage of sales





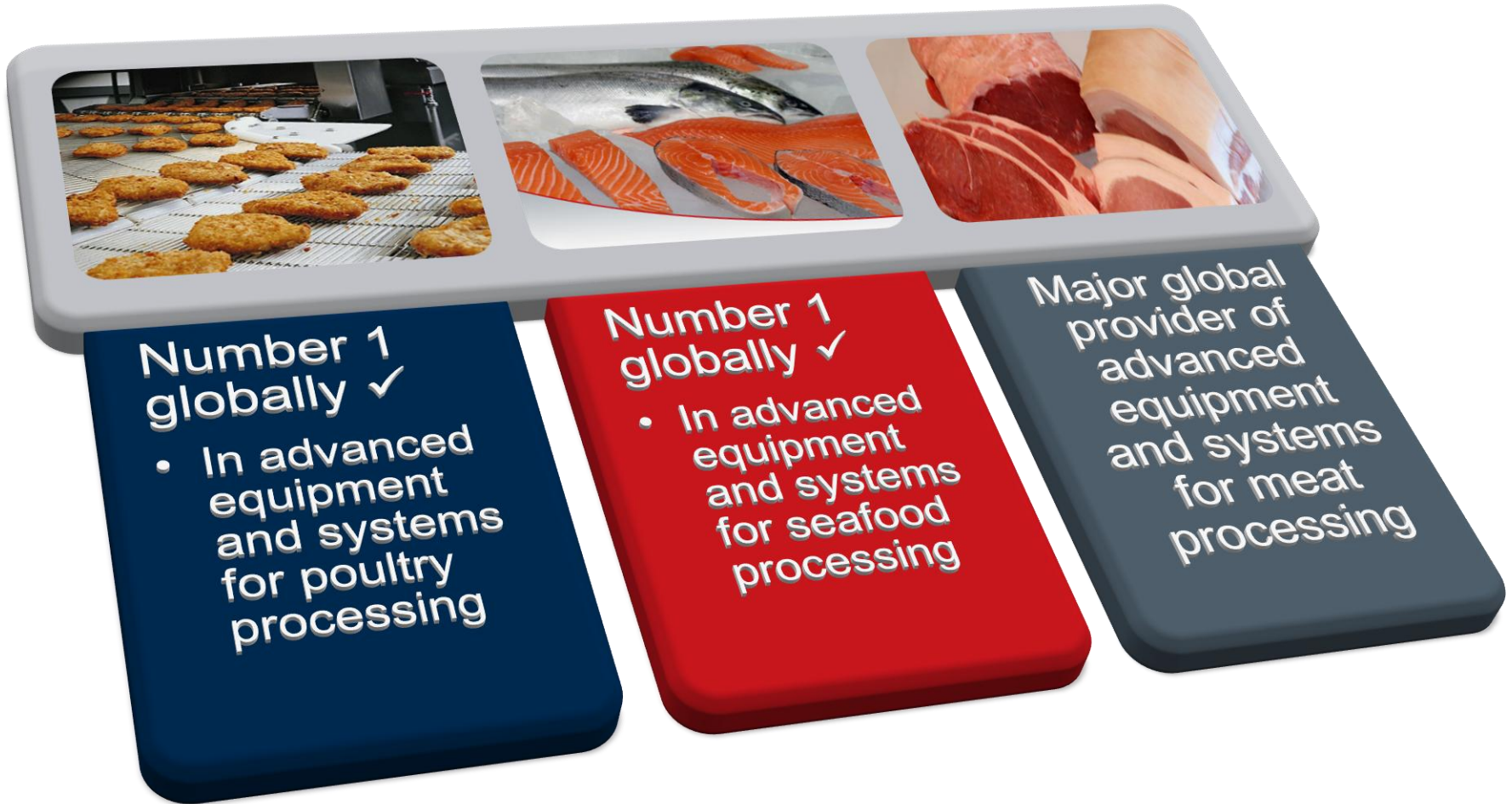
Q & A

Hörður Arnarson, CEO

Theo Hoen, Vice CEO

Erik Kaman, CFO

Leading global provider of advanced equipment and systems





Thank you / Takk fyrir / Bedankt

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