

# **Marel Food Systems hf.**

**Consolidated Financial Statements  
for the year 2009**

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# Consolidated Statement of Comprehensive Income

2008 numbers include Stork entities as of 1 May 2008

	Notes	2009	2008*
Revenue .....	5	531,680	540,149
Cost of sales .....		<u>(340,006)</u>	<u>(361,218)</u>
<b>Gross profit</b>		191,674	178,931
Other operating income (expenses) .....	6	(9,169)	716
Selling and marketing expenses .....		(73,443)	(71,838)
Research and development expenses .....		(31,149)	(27,337)
Administrative expenses .....		<u>(69,866)</u>	<u>(60,038)</u>
<b>Result from operations</b>		8,047	20,434
Finance expenses .....	7	(45,464)	(37,133)
Finance income .....	7	19,619	4,939
Net Finance costs .....	7	<u>(25,845)</u>	<u>(32,194)</u>
Share of results of associates .....		0	473
<b>Result before income tax</b>		(17,798)	(11,287)
Income tax .....	9	5,987	2,882
<b>Profit (loss) for the period</b>		<u>(11,811)</u>	<u>(8,405)</u>
<b>Other Comprehensive Income</b>			
Currency translation differences .....		(1,235)	(426)
Cash flow hedges .....		(1,028)	(11,438)
Income tax relating to cash flow hedges .....		262	2,917
<b>Other comprehensive income for the year, net of tax</b>		<u>(2,001)</u>	<u>(8,947)</u>
<b>Total comprehensive income for the year</b>		<u><u>(13,812)</u></u>	<u><u>(17,352)</u></u>
<b>Net result attributable to:</b>			
Share holders of the Company .....		<u>(11,811)</u>	<u>(8,405)</u>
		<u><u>(11,811)</u></u>	<u><u>(8,405)</u></u>
<b>Comprehensive income attributable to:</b>			
Share holders of the Company .....		<u>(13,812)</u>	<u>(17,352)</u>
		<u><u>(13,812)</u></u>	<u><u>(17,352)</u></u>
<b>Earnings per share for result attributable to equity holders of the company during the period (expressed in EUR cent per share):</b>			
- basic .....		(1.96)	(1.71)
- diluted .....		(1.96)	(1.68)
<b>Earnings per share for total comprehensive income attributable to equity holders of the company during the period (expressed in EUR cent per share):</b>			
- basic .....		(2.29)	(3.52)
- diluted .....		(2.29)	(3.47)

\* 2008 adjusted for comparative purposes

The notes to the Consolidated Financial Statements will be published next week.

## Consolidated Statement of Financial Position

	Notes	31/12 2009	31/12 2008*
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment .....	10	115,332	145,420
Goodwill .....	11	377,959	394,978
Other intangible assets .....	11	85,433	85,459
Investments in associates .....	26	97	333
Receivables .....	14	150	2,683
Deferred income tax assets .....	22	14,850	5,620
		<u>593,821</u>	<u>634,493</u>
<b>Current assets</b>			
Inventories .....	12	81,054	113,636
Production contracts .....	13	11,992	26,473
Trade receivables .....	14	67,184	85,603
Assets held for sale .....	27	33,330	0
Other receivables and prepayments .....	14	23,597	34,652
Derivative financial instruments .....	16	0	4,364
Restricted cash .....	15	25,882	0
Cash and cash equivalents .....	15	46,022	21,038
		<u>289,061</u>	<u>285,766</u>
<b>Total assets</b>		<u><u>882,882</u></u>	<u><u>920,259</u></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of Marel Food Systems hf.</b>			
Share capital .....		6,674	5,852
Share premium .....		318,495	269,988
Reserves .....		(11,450)	(9,449)
Retained earnings .....		10,078	21,888
<b>Total shareholders equity</b>		<u>323,797</u>	<u>288,279</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings .....	17	351,508	265,807
Deferred income tax liabilities .....	22	7,765	10,362
Provisions .....	18	8,797	8,563
Derivative financial instruments .....	16	11,065	35,542
		<u>379,135</u>	<u>320,274</u>
<b>Current liabilities</b>			
Trade and other payables .....	21	116,281	156,204
Liabilities held for sale .....	27	43,693	0
Derivative financial instruments .....	16	0	8,261
Current income tax liabilities .....		1,584	6,703
Borrowings .....	17	15,409	134,636
Provisions .....	18	2,983	5,902
		<u>179,950</u>	<u>311,706</u>
<b>Total liabilities</b>		559,085	631,980
<b>Total equity and liabilities</b>		<u><u>882,882</u></u>	<u><u>920,259</u></u>

\* 2008 adjusted for comparison purposes

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## Consolidated Statement of Changes in Shareholders' Equity

	Attributable to equity holders of the Company						Non controlling	Total equity
	Share capital	Share premium	Hedge reserve	Transl. reserves	Retained earnings	Total		
<b>Balance at 1 January 2008</b>	4,414	147,584	1,044	(1,546)	30,293	181,789	46	181,835
Total comprehensive income .....	0	0	(8,521)	(426)	(8,405)	(17,352)	0	(17,352)
Sale (purchases) of treasury shares, gross .....	22	2,023				2,045		2,045
Treasury shares, transaction cost .....		(8)				(8)		(8)
Business combination .....							(46)	(46)
Employee share option scheme:								
Value of services provided .....		43				43		43
Issue of share capital, gross .....	1,416	122,486				123,902		123,902
Issue of share capital transaction cost .....		(2,140)				(2,140)		(2,140)
	<b>1,438</b>	<b>122,404</b>	<b>(8,521)</b>	<b>(426)</b>	<b>(8,405)</b>	<b>106,490</b>	<b>(46)</b>	<b>106,444</b>
 <b>Balance at 31 December 2008</b>	 5,852	 269,988	 (7,477)	 (1,972)	 21,888	 288,279	 0	 288,279
Total comprehensive income .....	0	0	(766)	(1,235)	(11,811)	(13,812)	0	(13,812)
Sale (purchases) of treasury shares, gross .....	16	535				551		551
Treasury shares, transaction costs .....		(5)				(5)		(5)
Employee share option scheme:								
Value of services provided .....		445				445		445
Issue of share capital, gross .....	806	48,450				49,256		49,256
Issue of share capital transaction cost .....		(918)				(918)		(918)
	<b>822</b>	<b>48,507</b>	<b>(766)</b>	<b>(1,235)</b>	<b>(11,811)</b>	<b>35,517</b>	<b>0</b>	<b>35,517</b>
 <b>Balance at 31 December 2009</b>	 6,674	 318,495	 (8,243)	 (3,207)	 10,077	 323,796	 0	 323,796

### Dividend per share

No dividends were paid in 2008 and 2009.

The notes to the Consolidated Financial Statements will be published next week.

## Consolidated Statement of Cash Flows

	Notes	2009	2008*
<b>Cash flows from operating activities</b>			
Result from operations .....		8,047	20,434
Adjustments to reconcile result from operations to net cash provided by operating activities:			
Depreciation and impairment of PPE .....	6	19,869	11,999
Amortisation and impairment of intangible assets .....	6, 11	30,710	9,674
Share of results of associates .....		0	229
Gain on sale of subsidiary .....		(10,301)	0
Gain on sale of property, plant and equipment .....		(5,596)	0
Changes in non current receivables .....		2,542	0
Other changes .....		229	(1,640)
Working capital (used in) provided by operating activities		45,500	40,696
Changes in working capital:			
Inventories and production contracts .....		38,823	(1,118)
Trade and other receivables .....		3,904	15,412
Trade and other payables .....		(12,451)	(9,138)
Provisions .....		(381)	0
Changes in operating assets and liabilities		29,895	5,156
Cash generated from operating activities		75,395	45,852
Currency fluctuations and indexation .....		(349)	(11,417)
Income tax paid .....		(3,534)	(259)
Interest and finance costs paid .....		(45,986)	(24,574)
<b>Net cash from operating activities</b>		25,526	9,602
<b>Cash flows from investing activities</b>			
Interest received .....		1,086	5,685
Acquisition of subsidiary, net of cash acquired .....		0	(425,970)
Purchase of property, plant and equipment (PPE) .....	10	(8,117)	(24,305)
Investments in intangibles .....	11	(16,437)	(19,189)
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) .....		17,993	2,929
Proceeds from sale of associates .....		0	3,754
Changes in securities .....		0	603
Other changes .....		195	1,900
<b>Net cash from investing activities</b>		10,758	(404,986)
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares .....		16,441	121,611
Proceeds from (purchase of) treasury shares, net .....		546	2,231
Proceeds from borrowings .....		156,714	285,601
Repayments of borrowings .....		(139,252)	(22,404)
Finance lease principal payments .....		501	(558)
Non current Financial Derivates .....		(24,374)	0
Other changes .....		(408)	0
<b>Net cash from financing activities</b>		10,168	386,481
<b>Net increase (decrease) in net cash</b>		46,452	(8,903)
Exchange losses on net cash .....		392	(496)
Net cash at beginning of the year .....		21,038	30,437
<b>Net cash at end of the year</b>		67,882	21,038
Cash and cash equivalents .....		46,022	21,038
Restricted cash .....		25,882	0
Bankoverdrafts .....		(4,022)	0
<b>Net cash at end of the year</b>		67,882	21,038
<b>Investing and financing activities not affecting cash flows:</b>			
Issue of ordinary shares .....		31,897	0
Reduction of borrowings .....		(31,897)	0

\* Adjusted for comparative purposes.

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