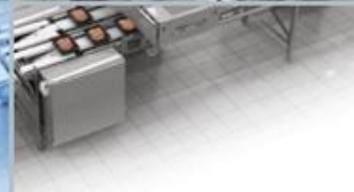


## Q3 2010 presentation

Theo Hoen, CEO

Erik Kaman, CFO

*28 October 2010*



**Theo Hoen**

CEO



- 1** Introduction
- 2** Financial results
- 3** Outlook



**STORK**<sup>®</sup>  
POULTRY PROCESSING

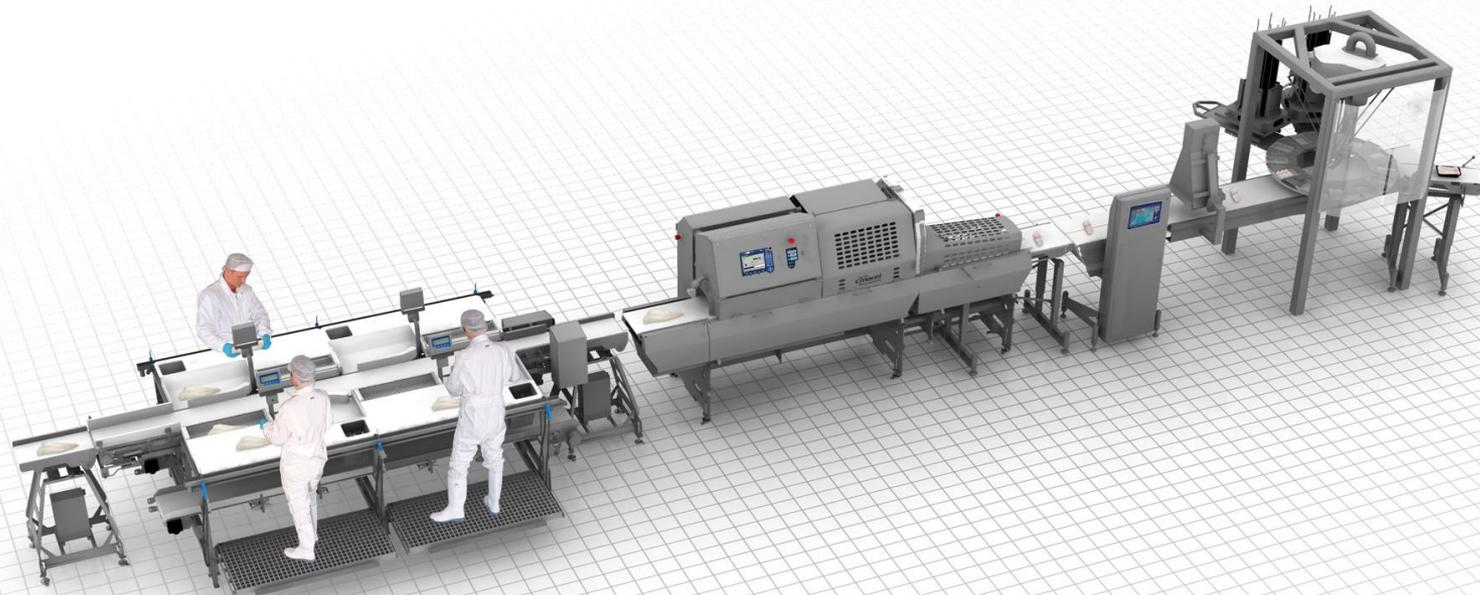
**TOWNSEND**  
FURTHER PROCESSING

**marel**



## Strong order intake and solid performance

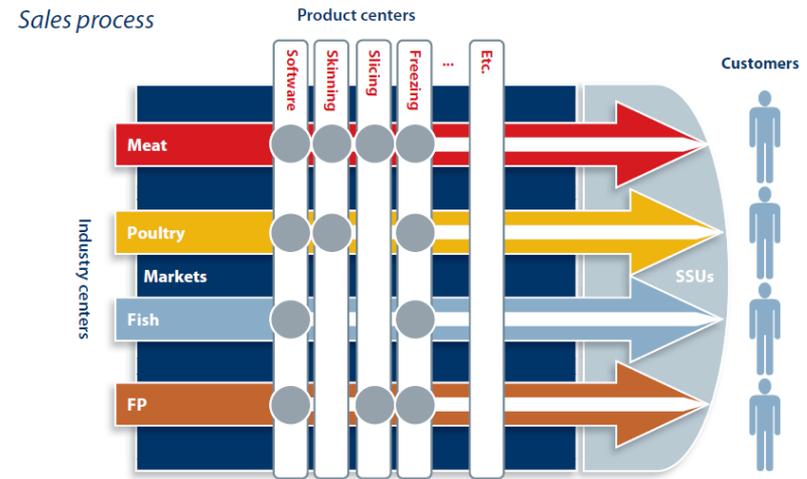
- Another good quarter for Marel
- Cash flow remains strong
- Significant growth in revenues
- Excellent order intake, which leads once more to growth of order book
- Year-to-date EBIT meets long term target



*Cut & Batch - Automatic trimming, portioning and loading from fillet to tray*

## Formal integration completed and a new phase has begun

- Focus has turned to organic growth and further development of the business
- The emphasis is now on reaping the benefits of the integration with a steady stream of innovative new products
- The results of the integration of the distribution network will gradually contribute to the company's performance
- The new organizational structure is designed to support this value creation process



*Our new organizational structure supports the value creation process.*

**Erik Kaman**

CFO



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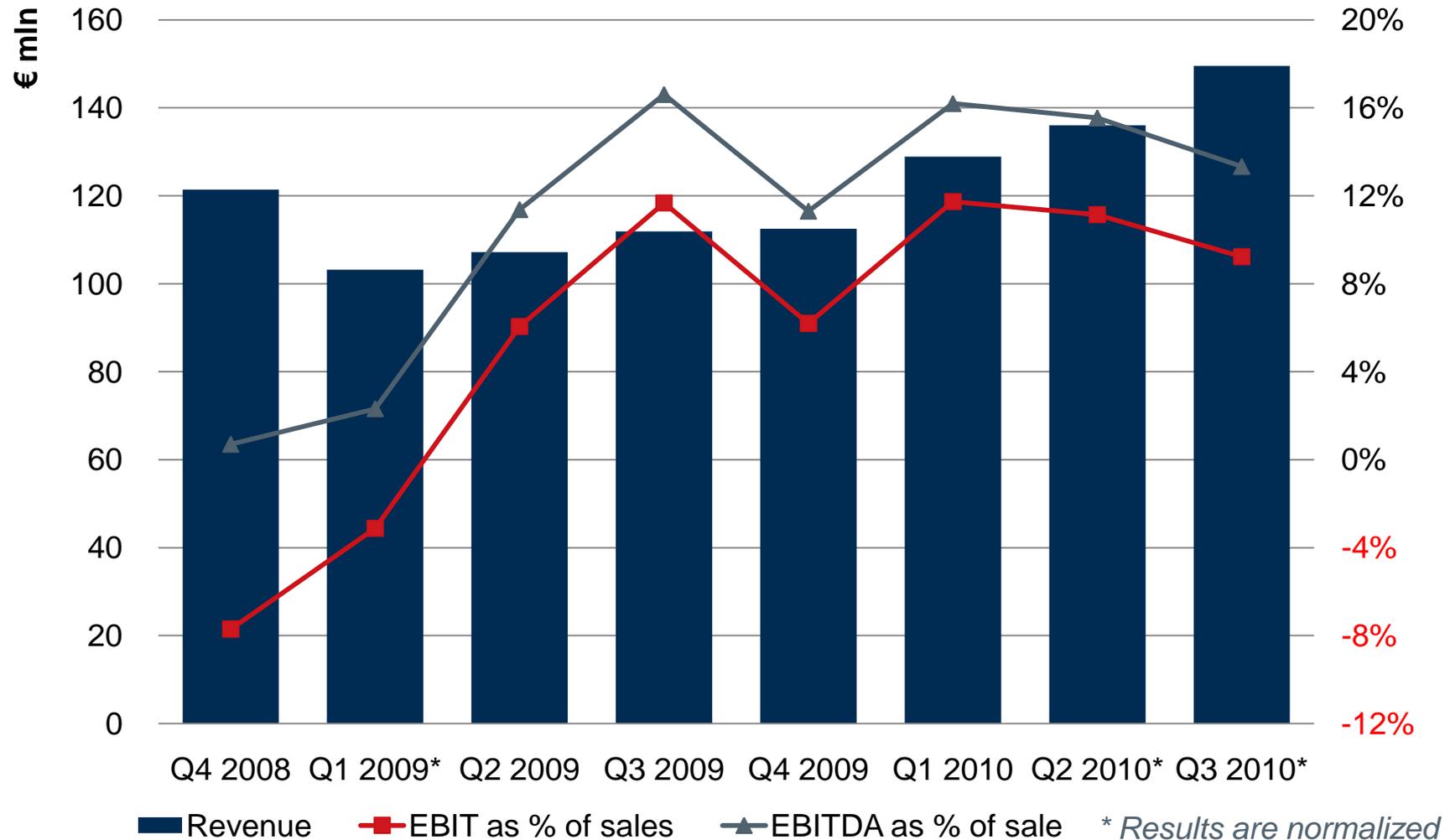


## Core business results

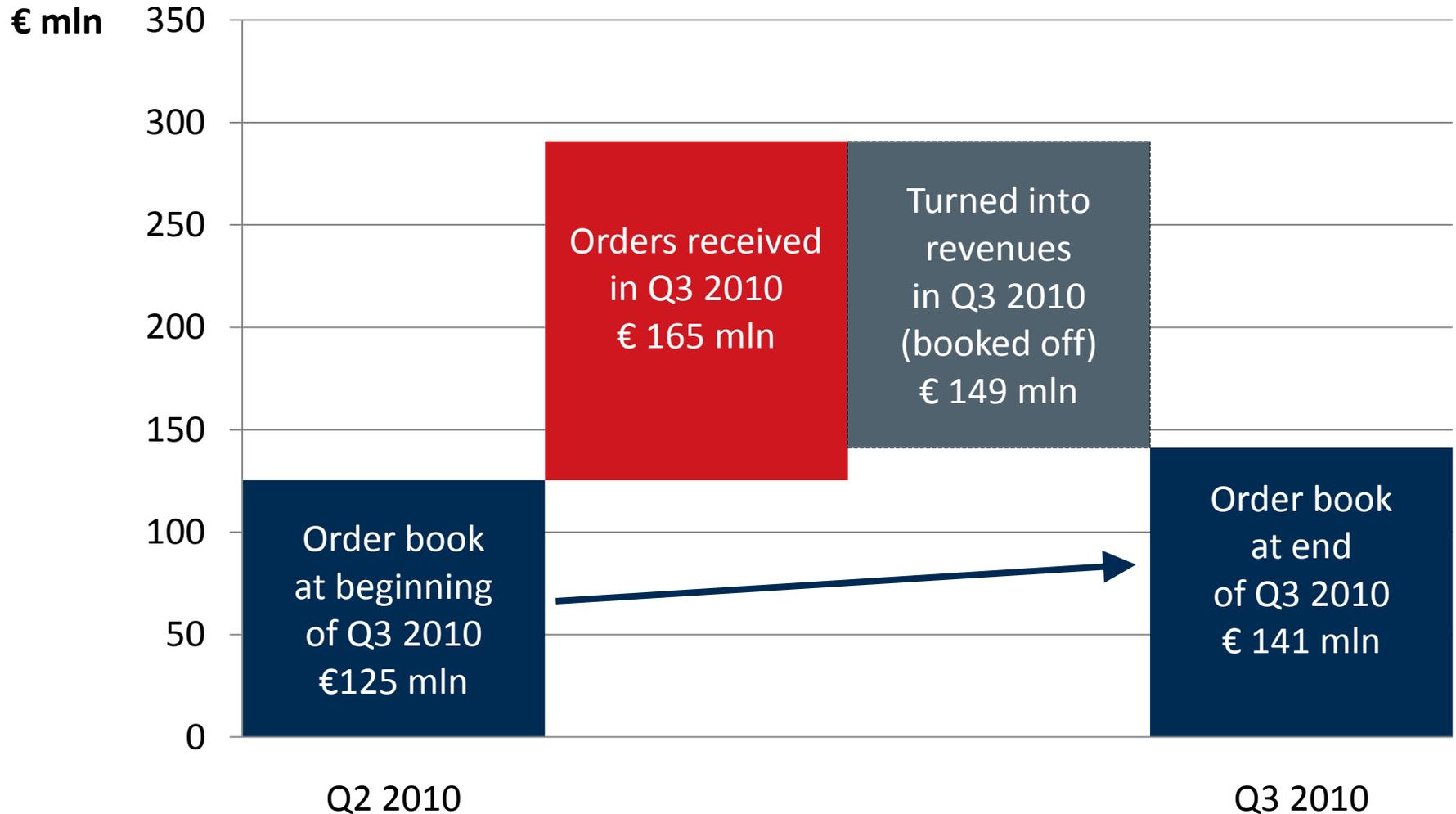
<u>In EUR thousands</u>	<b>Q3 2010</b>	<b>YTD 2010</b>	<b>Q3 2009</b>	<b>YTD 2009</b>
Revenues .....	149,523	414,453	111,992	322,304
Gross profit .....	52,240	158,249	45,754	122,477
<i>as a % of sales</i>	34.9%	38.2%	40.9%	38.0%
Result from operations (EBIT) .....	13,806	44,081	13,064	17,840
<i>as a % of sales</i>	9.2%	10.6%	11.7%	5.5%
EBITDA .....	19,938	61,956	18,587	34,670
<i>as a % of sales</i>	13.3%	14.9%	16.6%	10.8%
Orders received (incl. service revenues)	165,428	449,847	121,974	341,891
Order book .....		141,226		86,138

Core business results exclude the non-core operations of Stork Food and Dairy Systems and Carnitech A/S, which were sold off in Q1 2010. In Q2 2010, the full costs associated with a recovery plan for the Stork Pension Fund (€7.6 m) are included in the consolidated income statement but excluded from the core figures in order to make a clean comparison with 2009 normalized core figures possible. The results in Q1 2009, which are included in the YTD 2009 figures, are also normalized.

## Development of core business results



## Order book continues to grow despite summer holidays



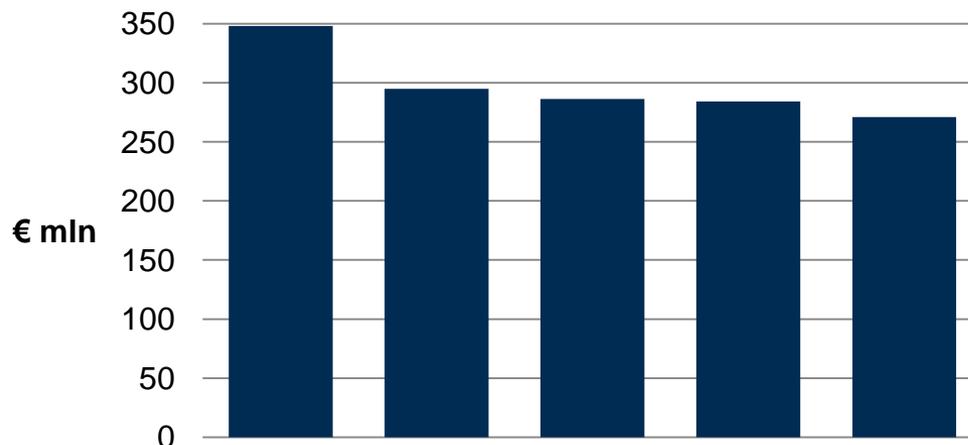
## Condensed consolidated balance sheet

	EUR thousands	
	30/9 2010	31/12 2009
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment .....	109,799	115,332
Goodwill .....	379,331	377,959
Other intangible assets .....	90,737	85,433
Investments in associates .....	97	97
Receivables .....	4,509	150
Deferred income tax assets .....	11,352	14,850
	595,825	593,821
<b>Current assets</b>		
Inventories .....	84,340	81,054
Production contracts .....	28,591	11,992
Trade receivables .....	78,527	67,184
Assets held for sale .....	598	33,330
Other receivables and prepayments .....	32,603	23,597
Restricted cash .....	14,269	25,882
Cash and cash equivalents .....	72,416	46,022
	311,344	289,061
<b>Total assets</b>	907,169	882,882

## Condensed consolidated balance sheet (continued)

	EUR thousands	
	30/9 2010	31/12 2009
<b>EQUITY</b>		
Total equity	333,994	323,797
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings .....	342,423	351,508
Deferred income tax liabilities .....	3,144	7,765
Provisions .....	8,169	8,797
Derivative financial instruments .....	13,213	11,065
	366,949	379,134
<b>Current liabilities</b>		
Production contracts.....	69,224	36,157
Trade and other payables .....	116,981	80,124
Liabilities held for sale .....	0	43,693
Current income tax liabilities .....	1,254	1,584
Borrowings .....	15,403	15,409
Provisions .....	3,364	2,983
	206,226	179,950
<b>Total liabilities</b>	573,175	559,085
<b>Total equity and liabilities</b>	907,169	882,882

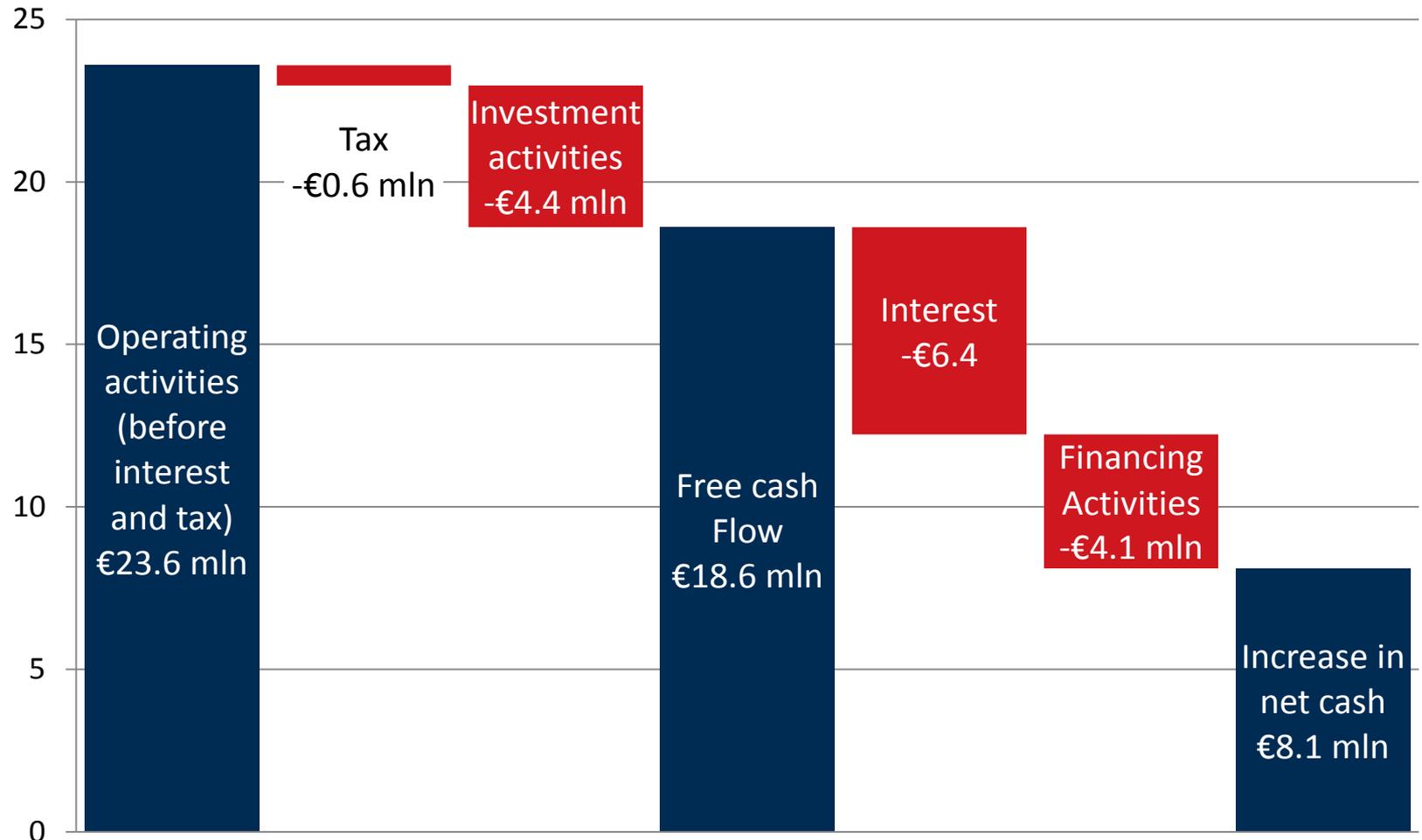
## Development of net interest bearing debt



At end of quarter in € mln	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Change from Q3 2009
Non-current borrowings	366.8	351.5	351.6	347.8	342.4	(24.4)
Current borrowings	36.3	15.4	17.9	17.6	15.4	(20.9)
	<b>403.1</b>	<b>366.9</b>	<b>369.5</b>	<b>365.4</b>	<b>357.8</b>	<b>(45.3)</b>
Cash and equivalents	55.1	71.9	83.2	81.3	86.7	31.6
<b>Net interest bearing debt</b>	<b>348.0</b>	<b>295.0</b>	<b>286.3</b>	<b>284.1</b>	<b>271.1</b>	<b>(76.9)</b>

## Q3 2010 cash flow composition

€ mln



## Financial highlights

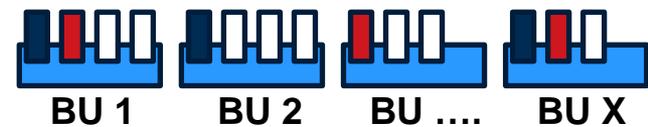
- Continuous effort is being invested in ensuring that the company's reduced cost base is sustainable
- Current level of working capital to be maintained despite growing business
- Special attention is being given to improving gross profit with a long-term aim of 40%
  - Better procurement is one of the means
- Overall, business remains well invested



*The Stork Nuova eviscerator is a good example of the solid performance which Marel offers its customers.*

## Project example: Savings in procurement

- For new product development, a limited number of suppliers – who align their production with Marel’s production – is selected
- By moving to selected global supply bases for e.g. stainless steel, gear motors, belts, drum-motors and such, substantial (5-10%) savings can be realized per category
- The same model can and will be implemented for other categories, creating further cost savings
- This project has and will continue to contribute to lower working capital



Current supply bases



Selected supply bases



Future supply bases

■ Selected suppliers    □ Non selected suppliers

## Note on financing

- The company is in formal discussions with selected international banks to realize one stable and cost efficient financing structure for the longer term future
- The proposed financing is subject to a number of conditions
- As part of this process, the company will initiate discussion with Marel bond holders (MARL 06 1 and MARL 09 1) on the possible prepayment of these bonds



*Photo taken by Kristberg Tómasson, product development, Marel in Iceland.*

**Theo Hoen**

CEO



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## Poultry: High order intake in major markets

- Sizable orders for greenfield projects received in Germany, among other places
- In the US, the SensorX bone detection system brought in a significant number of orders
- Meanwhile, Marel's sales organization for poultry has been integrated with the establishment of a new Poultry Industry Center
- Given the state of the order book, the outlook for the rest of the year and the first quarter of 2011 is good



*Poultry grading at Emsland Frischgeflügel in Germany where Marel and Stork worked together, creating a state-of-the art solution.*

## Fish: Spanning the entire value chain

- Marel participated in several seafood exhibitions during the quarter, including Aquanor (Norway) and Conxemar (Spain)
- With the addition of the range of Townsend Further Processing equipment, Marel's product portfolio for the fish industry now virtually spans the entire value chain, from catch to packaged end product
- The trend toward sustainably sourced seafood is also generating a lot of opportunities for Marel and is expected to have even more impact in the future



*Marel's Townsend Further Processing line of equipment has opened up new possibilities for seafood processing.*

## Meat: Limited investment but activity picking up

- There was limited investment during the summer months with many meat companies delaying medium and large scale projects
- However, toward the end of the quarter, inquiries and quotation activity picked up
- Four large systems were delivered and installed
- The demand for more expensive cuts of meat has picked up in early autumn
- Restaurant and food service operators have seen conditions improve and remain relatively optimistic that consumption of meat will increase



*Following its success in the poultry industry, Marel will be offering SensorX for meat, where the focus is on fat analysis.*

## Further processing: Innovation is the key to the market

- Marel is affirming itself as an innovative product leader in portioning, sausage making and heat treatment systems
- Sales are increasing, especially in further processing of red and white meat
- Interest in co-extrusion and other sausage systems is also growing
- ModularOven was sold to a leading European poultry further processor during the quarter
- RevoPortioner for beef and one for low-capacity production was introduced during the quarter with still more to come

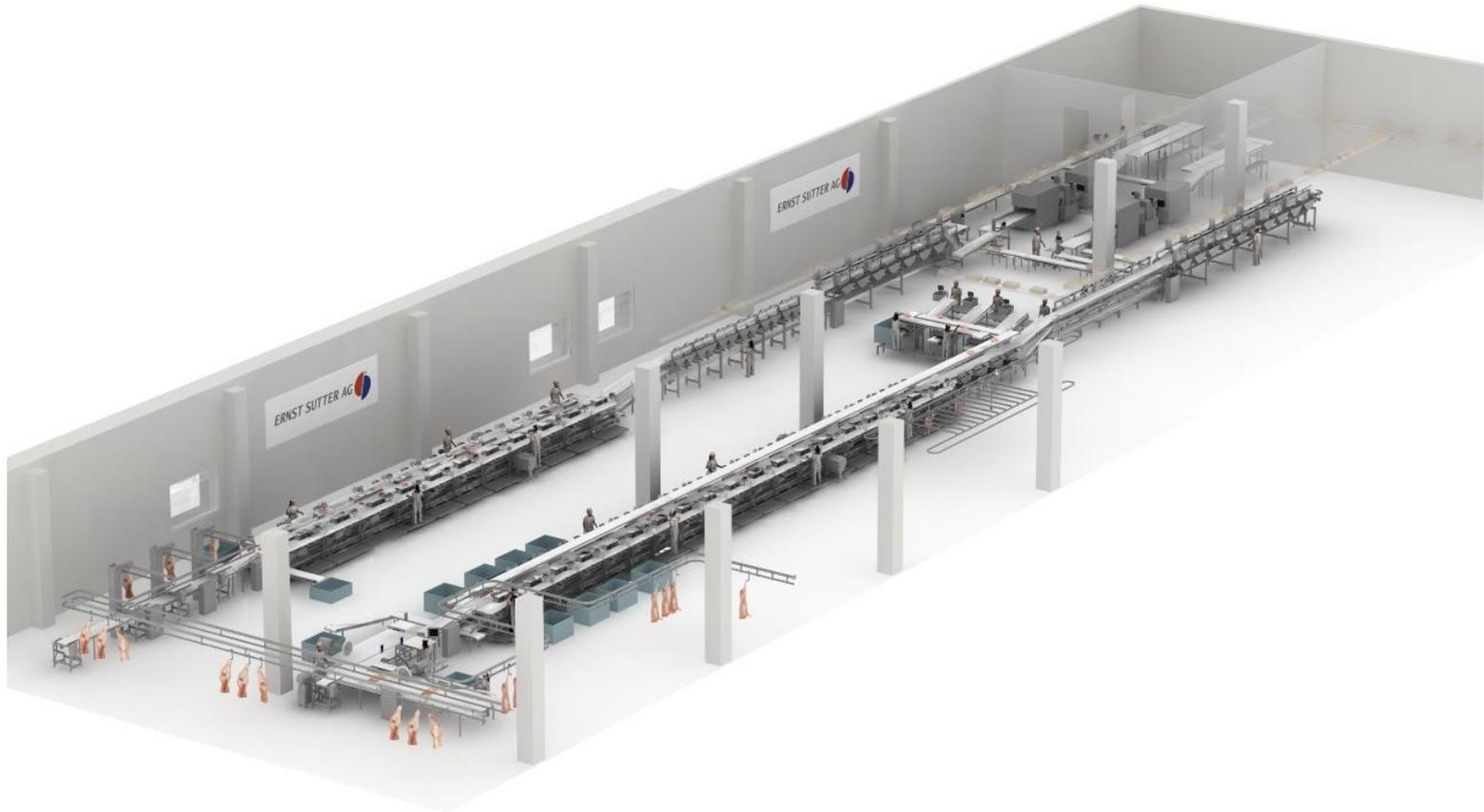


*The ModularOven allows for different climates within each tower, providing very accurate humidity and temperature control. This opens up new possibilities in innovative food product development.*

## Customer focus – Ernst Sutter, Switzerland

- Ernst Sutter is the most advanced and innovative meat processing company in Switzerland
- It turned to Marel for a fully integrated beef and pork processing solution
- The complete deboning and trimming system, based on the innovative StreamLine design, spans everything from carcass intake to dispatch of the finished product
- The system is also fully integrated with Innova, Marel's state-of-the-art production management software
- Ernst Sutter is very confident in the possibilities the system offers for full production control, including through monitoring of each individual operator on the line, as well as accurate real-time monitoring of yield and throughput
- This is the longest StreamLine system that Marel has ever produced

## Video: StreamLine system for Ernst Sutter, Switzerland



## Market conditions are similar to what they were before the crisis

- The market continues to grow and we expect a good final quarter
- We expect that Marel will claim its fair share of growth in the market, resulting in an increase in revenues
- Nevertheless, results may vary from quarter to quarter due to fluctuations in orders received and deliveries for larger systems.



*Photo taken by Kristberg Tómasson, product development, Marel in Iceland.*

## Q & A

Theo Hoen, CEO

Erik Kaman, CFO

Sigsteinn Grétarsson, Managing Director of Marel Iceland



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