

# **Marel Food Systems hf.**

**Condensed Consolidated Interim  
Financial Information 31 March 2009**

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## Statement by the Board of Directors and the CEO

The condensed consolidated financial information for the three-month period ended 31 March 2009 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional Icelandic disclosure requirements for consolidated financial information of listed companies.

According to our best knowledge it is our opinion that the condensed consolidated information gives a true and fair view of the consolidated financial performance of the Company for the three-month period ended 31 March 2009, its assets, liabilities and consolidated financial position as at 31 March 2009 and its consolidated cash flows for the three-month period ended 31 March 2009.

Further, in our opinion the consolidated financial information and the endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Group's operations and its position and describes the principal risks and uncertainties faced by the Group.

The Board of Directors and the CEO have today discussed the condensed interim financial information of Marel Food Systems hf. for the three-month period ended 31 March 2009 and confirm them by means of their signatures.

Garðabær, 6 May 2009

Board of Directors

Árni Oddur Þórðarson  
Arnar Þór Mátsson  
Friðrik Jóhannsson  
Helgi Magnússon  
Lars Grundtvig  
Margrét Jónsdóttir

Chief Executive Officer

Theo G.M. Hoen

## Financial Ratios

	2009 1.1-31.3	2008 1.1-31.3	2008 1.1-31.12	2007 1.1-31.12	2006 1.1-31.12	2005 1.1-31.12
<b>Operating results</b>						
Revenue .....	130,334	74,035	540,149	289,817	208,700	129,039
Gross profit .....	41,980	25,385	178,931	97,236	68,803	43,625
Result before depreciation (EBITDA) .....	754	5,074	42,108	20,980	15,679	14,814
Result from operations (EBIT) .....	(5,757)	2,177	20,434	10,029	7,527	9,721
Result for the period .....	(6,966)	739	(8,405)	6,066	159	5,715
<b>Cash flow statement</b>						
Net cash from (to) operating activities .....	16,816	1,762	15,288	2,778	(2,992)	2,987
Investing activities .....	(6,231)	44,755	(410,671)	(70,249)	(69,754)	(10,180)
Financing activities .....	1,117	4,706	386,480	34,118	132,318	7,210
<b>Financial position</b>						
Total assets .....	923,735	423,374	920,259	427,304	364,793	114,890
Working capital .....	(19,696)	109,108	(25,941)	109,887	87,989	16,557
Equity .....	279,268	180,606	288,279	181,835	144,423	41,032
<b>Various figures in proportion to sales</b>						
Gross profit .....	32.2%	34.3%	33.1%	33.6%	33.0%	33.8%
Selling and marketing expenses .....	15.1%	15.5%	13.3%	15.5%	13.9%	12.4%
Research and development expenses .....	6.9%	5.1%	5.1%	5.0%	5.6%	6.1%
Administrative expenses .....	14.6%	11.1%	11.1%	10.0%	10.6%	8.7%
Result before depreciation (EBITDA) .....	0.6%	6.9%	7.8%	7.2%	7.5%	11.5%
Depreciation/amortization .....	5.0%	3.9%	4.0%	3.8%	3.9%	3.9%
Result from operations (EBIT) .....	-4.4%	2.9%	3.8%	3.5%	3.6%	7.5%
Result for the period .....	-5.3%	1.0%	-1.6%	2.1%	0.1%	4.4%
<b>Other key ratios</b>						
Current ratio .....	0.9	1.9	0.9	1.9	1.9	1.4
Quick ratio .....	0.6	1.3	0.5	1.3	1.2	0.6
Equity ratio .....	30.2%	42.6%	31.3%	42.5%	39.6%	35.7%
Return on owners' equity .....	-2.5%	1.6%	-3.6%	3.7%	0.2%	18.1%
Return on total assets .....	-0.8%	0.2%	-1.2%	1.5%	0.1%	5.4%
Net Debt .....	373,432	64,159	379,405	129,919	95,468	40,263

### Explanation of other key ratios

Current ratio .....	Current assets / Current liabilities
Quick ratio .....	(Current assets -/- Inventories -/- Production contracts) / Current liabilities
Equity ratio .....	Total equity / (Total equity + Total liabilities)
Return on owners' equity .....	Result for the period / Average of equity (01-01-2009 to 31-03-2009)
Return on total assets .....	Result for the period / Average of total assets (01-01-2009 to 31-03-2009)
Net Debt .....	Borrowings (Current & Non-current) -/- Cash & Cash equivalents

## Statement of Comprehensive Income

	Notes	2009 Q1	2008 Q1
Revenue .....	4	130,334	74,035
Cost of sales .....		(88,354)	(48,650)
<b>Gross profit</b>		<u>41,980</u>	<u>25,385</u>
Other operating income .....		32	306
Selling and marketing expenses .....		(19,733)	(11,508)
Research and development expenses .....		(9,029)	(3,778)
Administrative expenses .....		(19,007)	(8,228)
<b>Result from operations</b>		<u>(5,757)</u>	<u>2,177</u>
Finance costs - net .....	6	(3,407)	(1,177)
Share of results of associates .....	17	0	473
<b>Result before income tax</b>		<u>(9,164)</u>	<u>1,473</u>
Income tax .....		2,198	(734)
<b>Net result</b>		<u>(6,966)</u>	<u>739</u>
<b>Other Comprehensive Income</b>			
Currency translation differences .....		959	(476)
Cash flow hedges .....		(3,871)	(4,834)
Income tax relating to cash flow hedges .....		987	1,233
<b>Other comprehensive income for the year, net of tax .....</b>		<u>(1,925)</u>	<u>(4,077)</u>
<b>Total comprehensive income for the year .....</b>		<u>(8,891)</u>	<u>(3,338)</u>
<b>Net result attributable to:</b>			
Equity holders of the Company .....		(6,966)	730
Minority interest .....		0	9
		<u>(6,966)</u>	<u>739</u>
<b>Comprehensive income attributable to:</b>			
Equity holders of the Company .....		(8,891)	(3,347)
Minority interest .....		0	9
		<u>(8,891)</u>	<u>(3,338)</u>
<b>(Loss) Earnings per share for result attributable to equity holders of the company during the period (expressed in EUR cent per share):</b>			
- basic .....	7	(1.20)	0.19
- diluted .....	7	(1.20)	0.18

The notes on pages 8-14 are an integral part of the condensed consolidated interim financial information.

## Statement of Financial Position

	Notes	31/3 2009	31/12 2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment .....	9	132,354	145,420
Goodwill .....	10	396,625	394,978
Other intangible assets .....	10	88,378	85,459
Investments in associates .....	17	305	305
Available-for-sale investments .....		28	28
Receivables .....		2,134	2,683
Deferred income tax assets .....		6,457	5,620
		<u>626,281</u>	<u>634,493</u>
<b>Current assets</b>			
Inventories .....		105,646	113,636
Production contracts .....		17,042	26,473
Trade receivables .....		83,891	85,603
Assets held for sale .....	18	23,620	0
Other receivables and prepayments .....		31,737	34,652
Derivative financial instruments .....		2,477	4,364
Cash and cash equivalents .....		33,041	21,038
		<u>297,454</u>	<u>285,766</u>
<b>Total assets</b>		<u><u>923,735</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 .....		5,845	5,852
Share premium .....		269,875	269,988
Fair value and other reserves .....		(11,374)	(9,449)
Retained earnings .....		14,922	21,888
		<u>279,268</u>	<u>288,279</u>
<b>Minority interest</b>		0	0
<b>Total equity</b>		<u><u>279,268</u></u>	<u><u>288,279</u></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings .....	12	272,870	265,807
Deferred income tax liabilities .....		5,771	10,362
Provisions .....	13	10,608	8,563
Derivative financial instruments .....		38,068	35,542
		<u>327,317</u>	<u>320,274</u>
<b>Current liabilities</b>			
Trade and other payables .....	11	153,332	156,203
Liabilities held for sale .....	18	9,783	0
Derivative financial instruments .....		13,767	8,261
Current income tax liabilities .....		895	6,703
Borrowings .....	12	133,604	134,636
Provisions .....	13	5,768	5,902
		<u>317,150</u>	<u>311,706</u>
<b>Total liabilities</b>		644,467	631,980
<b>Total equity and liabilities</b>		<u><u>923,735</u></u>	<u><u>920,259</u></u>

The notes on pages 8-14 are an integral part of the condensed consolidated interim financial information.

## Statement of Changes in Shareholders' Equity

	Attributable to equity holders of the Company					Total	Minor. interest	Total equity
	Share capital	Share premium	Hedge reserve	Transl. reserves	Retained earnings			
<b>Balance at 1 January 2008</b>	4,414	147,584	1,044	(1,546)	30,293	181,789	46	181,835
Cash flow/net investment hedges:								
– net fair value gain/(loss), net of tax .....			(3,601)			(3,601)		(3,601)
Currency translation differences .....				(476)		(476)		(476)
Net income/(expenses) recognised								
directly in equity .....			(3,601)	(476)		(4,077)		(4,077)
Sale of treasury shares .....	22	2,200				2,222		2,222
Purchases of treasury shares .....								
Employee share option scheme:								
value of services provided .....		(113)				(113)		(113)
Dividend related to previous year .....								
Result for the period .....					730	730	9	739
	22	2,087	(3,601)	(476)	730	(1,238)	9	(1,229)
<b>Balance at 31 March 2008 / 01-Apr-08</b>	4,436	149,671	(2,557)	(2,022)	31,023	180,551	55	180,606
Cash flow/net investment hedges:								
– net fair value gain/(loss), net of tax .....			(9,706)			(9,706)		(9,706)
– reclassification of fair value loss .....			4,786			4,786		4,786
Currency translation differences .....				50		50		50
Net income/(expenses) recognised								
directly in equity .....			(4,920)	50		(4,870)		(4,870)
Business combinaton .....							(46)	(46)
Sale (purchases) of treasury shares, net .....		(185)				(185)		(185)
Employee share option scheme:								
value of services provided .....		156				156		156
Result for the period .....					(9,135)	(9,135)	(9)	(9,144)
Issue of share capital - acquisition	1,416	120,346				121,762		121,762
	1,416	120,317	(4,920)	50	(9,135)	107,728	(55)	107,673
<b>Balance at 31 December 2008</b>	5,852	269,988	(7,477)	(1,972)	21,888	288,279		288,279
Cash flow/net investment hedges:								
– net fair value gain/(loss), net of tax .....			(2,884)			(2,884)		(2,884)
Currency translation differences .....				959		959		959
Net income/(expenses)								
recognised directly in equity .....			(2,884)	959		(1,925)		(1,925)
Sale (purchases) of treasury shares, net .....	(7)	(304)				(311)		(311)
Employee share option scheme:								
value of services provided .....		191				191		191
Result for the period .....					(6,966)	(6,966)		(6,966)
	(7)	(113)	(2,884)	959	(6,966)	(9,011)		(9,011)
<b>Balance at 31 March 2009</b>	5,845	269,875	(10,361)	(1,013)	14,922	279,268		279,268

The notes on pages 8-14 are an integral part of the condensed consolidated interim financial information.

## Statement of Cash Flows

		Q1 2009	Q1 2008
<b>Cash flows from operating activities</b>			
Net result .....		(6,966)	739
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and impairment of fixed assets .....	9	3,860	1,385
Amortisation and impairment of intangible assets .....	10	2,650	1,512
Currency fluctuations and indexation .....		(1,737)	550
Changes in deferred taxes .....		(4,294)	588
Share of results of associates .....		0	(473)
Gain on sale of property, plant and equipment .....		(64)	2
Changes in non current receivables .....		654	0
Working capital provided by operating activities		<u>(5,897)</u>	<u>4,302</u>
Changes in operating assets and liabilities:			
Inventories and production contracts .....		7,966	316
Trade and other receivables .....		2,226	1,777
Current tax liabilities .....		420	608
Trade and other payables .....		8,812	(6,902)
Provisions .....		3,289	1,660
Changes in operating assets and liabilities		<u>22,713</u>	<u>(2,540)</u>
<b>Net cash from operating activities</b>		<b>16,816</b>	<b>1,762</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment (PPE) .....	9	(3,658)	(5,026)
Purchase of intangibles .....	10	(3,433)	(2,945)
Loans to associates .....		0	49,607
Proceeds from sale of PPE .....		842	68
Proceeds from sale of associates .....		0	3,469
Changes in securities .....		0	(418)
Other changes .....		18	0
Net cash used in investing activities		<u>(6,231)</u>	<u>44,755</u>
<b>Cash flows from financing activities</b>			
Proceeds from (purchase of) treasury shares, net .....		(120)	2,109
Proceeds from borrowings .....		7,868	3,574
Repayments of borrowings .....		(2,357)	(361)
Finance lease principal payments .....		1,386	(134)
Changes in short-term bank loans .....		(5,303)	(481)
Non current Financial Derivates .....		(357)	(0)
Net cash from (to) financing activities		<u>1,117</u>	<u>4,706</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>11,702</b>	<b>51,224</b>
Exchange losses on cash and bank overdrafts .....		301	(217)
Cash and cash equivalents at beginning of period .....		21,038	30,437
<b>Cash and cash equivalents at end of period</b>		<u><u>33,041</u></u>	<u><u>81,444</u></u>
<b>Other information</b>			
Interest received .....		218	1,130
Interest paid .....		10,086	2,136
Income tax paid .....		617	3,067

The notes on pages 8-14 are an integral part of the condensed consolidated interim financial information.

## Notes to the financial information

### 1. General information

Marel Food Systems hf (the Company) is a limited liability company incorporated and domiciled in Iceland. The company has its listing on the OMX The Nordic Exchange in Iceland.

These condensed consolidated interim financial statements have been approved for issue by the board of directors on 6 May 2009. The information included herein is not audited. Comparative figures of the first quarter 2008 are excluding Stork Food Systems, because the acquisition took place on 8 May 2008.

All amounts are in thousands of EUR, unless otherwise stated.

### 2. Basis of preparation

These condensed interim consolidated financial statements of Company and its subsidiary (the Group) are for three months ended 31 March 2009. They have been prepared in accordance with IAS 34. The interim condensed consolidated report should be read in conjunction with the annual financial statements for the year ended 31 December 2008. The consolidated financial statements for the Group as at and for the period ended 31 December 2008 are available upon request from the Company's registered office at Austurhraun 9, Gardabær or at [www.marel.com](http://www.marel.com).

### 3. Accounting policies

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2008, as described in the annual Financial Statements for the year ended 31 December 2008. As of January 1st 2009 we have applied IAS 1 (amended) and IFRS 8. The impact on the condensed interim consolidated financial statements of IFRS 8 is explained in Note 4.

### 4. Segment information

#### Business segments

The segment reporting has changed compared to 2008, based on the application of IFRS 8. The segments comprise the industries, which form the basis for managerial decision taking.

The segment information for the three months ended 31 March 2009 are as follows:

	Fish	Poultry	Meat	Further Processing	Others	Total
Total gross segment sales .....	23,731	50,646	26,714	18,381	19,157	138,629
Inter-segment sales .....	(303)	(1,371)	(3,651)	(2,498)	(472)	(8,295)
	<u>23,428</u>	<u>49,275</u>	<u>23,063</u>	<u>15,883</u>	<u>18,685</u>	<u>130,334</u>
Result from operations	(315)	2,438	(2,509)	(1,336)	(4,035)	(5,757)
Finance costs - net .....						<u>(3,407)</u>
<b>Result before tax</b>						<u>(9,164)</u>
Income tax .....						<u>2,198</u>
<b>Result for the period</b>						<u><u>(6,966)</u></u>
Assets .....	183,675	171,910	122,666	70,403	375,081	923,735

The segment information of 2008 is not comparable, because the separation into these segments only makes sense for the combined Marel–Stork Food Systems organisation going forward. The Further Processing segment contains business that was part of the former segments Fish and Poultry, therefore these segments have changed as well. The 'Others' segment contains Stork Food & Dairy and Scanvaegt Nordic, as well as the holdings.

The group does not allocate financial income and expenses between business segments. The segments are held responsible for the result from operations. Decisions on Tax and Financing structures are taken on corporate level.

Inter-segment transfers or transactions are entered into under at arm's length terms and conditions comparable to those available to unrelated parties.

## Notes to the financial information

### 5. Quarterly results

	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Revenue .....	130,334	150,502	170,633	144,979	74,035
Cost of sales .....	(88,354)	(107,617)	(111,666)	(93,285)	(48,650)
<b>Gross profit</b> .....	<b>41,980</b>	<b>42,885</b>	<b>58,967</b>	<b>51,694</b>	<b>25,385</b>
Other operating income .....	32	(189)	134	465	306
Selling and marketing expenses .....	(19,733)	(20,587)	(21,092)	(18,651)	(11,508)
Research and development expenses .....	(9,029)	(7,644)	(8,552)	(7,363)	(3,778)
Administrative expenses .....	(19,007)	(21,884)	(14,929)	(14,997)	(8,228)
<b>Result from operations (EBIT)</b> .....	<b>(5,757)</b>	<b>(7,419)</b>	<b>14,528</b>	<b>11,148</b>	<b>2,177</b>
Finance costs - net .....	(3,407)	(22,387)	(9,194)	564	(1,177)
Share of results of associates .....	0	0	0	0	473
<b>Result (loss) before income tax</b> .....	<b>(9,164)</b>	<b>(29,806)</b>	<b>5,334</b>	<b>11,712</b>	<b>1,473</b>
Income tax .....	2,198	6,076	(805)	(1,655)	(734)
<b>Net result for the period</b>	<b>(6,966)</b>	<b>(23,730)</b>	<b>4,529</b>	<b>10,057</b>	<b>739</b>
Net result before depreciation (EBITDA) .....	754	(89)	20,755	16,368	5,074

### 6. Finance costs – net

	Q1 2009	Q1 2008
Interest expense:		
- borrowings .....	(8,907)	(1,987)
- finance leases .....	(15)	(5)
- other interest expenses .....	(1,164)	(480)
	<u>(10,086)</u>	<u>(2,472)</u>
Interest income .....	218	1,308
Other finance income (cost) .....	(758)	0
Net foreign exchange transaction gains/(losses) .....	7,219	(13)
	<u>(3,407)</u>	<u>(1,177)</u>

### 7. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

	Q1 2009	Q1 2008
Net result attributable to equity holders (EUR 000) .....	(6,966)	730
Weighted average number of outstanding shares in issue (thousands) .....	578,805	402,150
Basic earnings per share (EUR cent per share) .....	<u>(1.20)</u>	<u>0.18</u>
Net result used to determine diluted earnings per share (EUR 000) .....	(6,966)	730
Weighted average number of outstanding shares in issue (thousands) .....	578,805	402,150
Adjustments for share options (thousands) .....	0	2,264
Weighted average number of outstanding shares for diluted earnings per share (thousands) .....	<u>578,805</u>	<u>404,414</u>
Diluted earnings per share (EUR cent) .....	<u>(1.20)</u>	<u>0.18</u>

The outstanding share options will not be exercised at the current market share price, therefore no adjustment for share options is applied.

## Notes to the financial information

### 8. Dividend per share

The dividends paid in March 2009 and March 2008 were EUR 0 (EUR 0.0 cents per share) and EUR 0 (EUR 0.0 cents per share) respectively.

### 9. Property, plant and equipment

	Land & buildings	Plant & machinery	Vehicles & equipment	Total
<b>At 1 January 2009</b>				
Cost .....	110,452	45,670	26,840	182,962
Accumulated depreciation .....	(7,826)	(16,366)	(13,350)	(37,542)
Net book amount .....	<u>102,626</u>	<u>29,304</u>	<u>13,490</u>	<u>145,420</u>
<b>Three months ended 31 March 2009</b>				
Opening net book amount .....	102,626	29,304	13,490	145,420
Exchange differences .....	795	1,319	(632)	1,482
Additions .....	722	1,904	1,025	3,651
Disposals .....	0	(967)	189	(778)
Transfer to assets held for sale .....	(13,272)	(28)	(260)	(13,560)
Depreciation charge .....	(986)	(1,750)	(1,124)	(3,860)
Closing net book amount .....	<u>89,885</u>	<u>29,781</u>	<u>12,688</u>	<u>132,354</u>
<b>At 31 March 2009</b>				
Cost .....	98,697	47,897	27,162	173,757
Accumulated depreciation .....	(8,812)	(18,116)	(14,474)	(41,403)
Net book amount .....	<u>89,885</u>	<u>29,781</u>	<u>12,688</u>	<u>132,354</u>

	Q1 2009	Q1 2008
Depreciation of property, plant and equipment analyses as follows in the income statement:		
Cost of sales .....	2,063	873
Selling and marketing expenses .....	263	198
Research and development expenses .....	384	52
Administrative expenses .....	1,150	262
	<u>3,860</u>	<u>1,385</u>

### 10. Intangible assets

	Goodwill	Developm. costs	Patents & Trade nm	Other Intangible	Total
<b>At 1 January 2009</b>					
Cost .....	395,038	54,254	5,839	45,181	500,312
Accumulated amortisation .....	(60)	(15,252)	(327)	(4,236)	(19,875)
Net book amount .....	<u>394,978</u>	<u>39,002</u>	<u>5,512</u>	<u>40,945</u>	<u>480,437</u>
<b>Three months ended 31 March 2009</b>					
Opening net book amount .....	394,978	39,002	5,512	40,945	480,437
Costprice changes 1-1 .....	58	(4,673)	43,427	(38,234)	579
Exchange differences .....	1,553	511	(474)	1,810	3,400
Additions .....	36	3,313	0	100	3,450
Transfer to assets held for sale .....		(108)		(104)	(212)
Amortisation charge .....	0	(1,859)	(568)	(222)	(2,650)
Closing net book amount .....	<u>396,625</u>	<u>36,186</u>	<u>47,897</u>	<u>4,295</u>	<u>485,003</u>
<b>At 31 March 2009</b>					
Cost .....	396,685	53,297	48,792	8,753	507,527
Accumulated amortisation .....	(60)	(17,111)	(895)	(4,458)	(22,524)
Net book amount .....	<u>396,625</u>	<u>36,186</u>	<u>47,897</u>	<u>4,295</u>	<u>485,003</u>

## Notes to the financial information

	Q1 2009	Q1 2008
Amortisation of intangible assets analyses as follows in the income statement:		
Cost of sales .....	20	19
Selling and marketing expenses .....	36	32
Research and development expenses .....	1,961	1,423
Administrative expenses .....	633	37
	<u>2,650</u>	<u>1,512</u>

### Impairment of Goodwill

The Group has tested end 2008 whether goodwill has suffered any impairment. At the closing of Q1 2009, there are no reasons to deviate from the conclusions taken at year-end.

	31/3 2009	31/12 2008
<b>11. Trade and other payables</b>		
Trade payables .....	42,813	41,444
Accruals .....	10,612	7,791
Deferred income .....	36,227	42,416
Other payables (including production contracts) .....	63,680	64,552
	<u>153,332</u>	<u>156,203</u>

### 12. Borrowings

Non-current:		
Bank borrowings .....	221,508	208,453
Debentures .....	49,734	57,166
Finance lease liabilities .....	1,628	188
	<u>272,870</u>	<u>265,807</u>
Current:		
Revolver .....	44,500	47,508
Bank borrowings .....	51,832	51,692
Debentures .....	36,878	35,238
Finance lease liabilities .....	394	198
	<u>133,604</u>	<u>134,636</u>
Total borrowings .....	<u>406,474</u>	<u>400,443</u>

The borrowings include secured liabilities (leases and bank borrowings) in a total amount of EUR 252,710 (31/12/2008: EUR 248,837). The bank borrowings are secured over certain of the land and buildings of the Group and over certain of the inventories. Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

	Finance lease liabilities	Other borrowings	Total 31/3 2009	Total 31/12 2008
Liabilities in currency recorded in EUR:				
Liabilities in CHF .....	0	2,244	2,244	2,332
Liabilities in DKK .....	1,151	17,119	18,270	20,980
Liabilities in EUR .....	249	231,564	231,813	218,696
Liabilities in GBP .....	51	1,822	1,873	2,303
Liabilities in ISK, index linked .....	0	113,004	113,004	102,901
Liabilities in JPY .....	0	1,084	1,084	1,299
Liabilities in NOK .....	0	655	655	499
Liabilities in SKK .....	0	0	0	12,483
Liabilities in USD .....	378	36,926	37,304	38,186
Liabilities in other currency .....	193	34	227	764
	<u>2,022</u>	<u>404,452</u>	<u>406,474</u>	<u>400,443</u>
Current maturates .....	(394)	(133,210)	(133,604)	(134,636)
	<u>(1,628)</u>	<u>271,242</u>	<u>272,870</u>	<u>265,807</u>

## Notes to the financial information

Annual maturates of non-current liabilities:

Period 1/4 2010 - 31/3 2011 / year 2010 .....	452	36,069	36,521	41,135
Period 1/4 2011 - 31/3 2012 / year 2011 .....	333	66,543	66,876	8,445
Period 1/4 2012 - 31/3 2013 / year 2012 .....	309	12,223	12,532	58,471
Period 1/4 2013 - 31/3 2014 / year 2013 .....	264	12,626	12,890	12,084
Later .....	270	143,781	144,051	145,672
	<u>1,628</u>	<u>271,242</u>	<u>272,870</u>	<u>265,807</u>

### 13. Provisions

Warranty:

<b>At 1 January 2008</b>		1,893
Business combination .....		12,121
Changes entered into income statement .....		<u>451</u>
<b>At 1 January 2009</b>		14,465
Changes entered into income statement .....		<u>1,911</u>
<b>At 31 March 2009</b>		<u>16,376</u>

	<b>31/3 2009</b>	<b>31/12 2008</b>
Analysis of total provisions:		
Current .....	5,768	5,902
Non current .....	<u>10,608</u>	<u>8,563</u>
	<u>16,376</u>	<u>14,465</u>

### 14. Contingencies

Contingent liabilities:

At 31 March 2009 the Group had 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 the Group has given guarantees amounting to EUR 11,008 (31/12/2008: EUR 4,651) to third parties.

Derivative financial instruments:

Non-current financial derivatives contain contracts (cross-currency swap), valued at EUR 23,082 with a bank that went into receivership. Marel Group negotiated a settlement of these contracts with the bank at 5 May 2009.

### 15. Commitments and insurance

#### Operating lease commitments – where a group company is the lessee

The Group has made some rental agreements for building, motor vehicles and office equipment, now with the remaining balance of EUR 10,204. The amount will be charged at the relevant rental time of each agreement. The rental agreements will materialise in the years 2008 - 2016.

## Notes to the financial information

### 16. Share capital

	Number of shares (thousands)	Ordinary shares	Treasury shares	Value in ISK Total
<b>At 1 January 2008</b>	400,350	403,786	(3,436)	400,350
Treasury shares sold .....	2,000		2,000	2,000
At 31 March 2008 .....	402,350	403,786	(1,436)	402,350
Issue of shares .....	176,514	176,514		176,514
<b>At 1 January 2009</b>	578,864	580,300	(1,436)	578,864
Ordinary shares purchased .....	(1,050)	0	(1,050)	(1,050)
<b>At 31 March 2009</b>	577,814	580,300	(2,486)	577,814

The total subscribed number of ordinary shares is 580.3 million shares (2008: 580.3 million shares) with a par value of ISK 1 per share (2008: ISK 1 per share).

### 17. Investments in associates

	31/3 2009	31/12 2008
Beginning of period .....	305	3,281
Business combination .....	0	225
Additions .....	0	80
Sale of associate .....	0	(3,754)
Share of results .....	0	473
<b>End of period</b>	<b>305</b>	<b>305</b>

### 18. Assets and liabilities held for sale

Assets held for sale contains the book value of the Real estate Ketelstraat Amsterdam (EUR 11,519), which has been divested in April and the assets of Scanvaegt Nordic (EUR 12,101). Liabilities held for sale contain the liabilities of Scanvaegt Nordic (EUR 9,783). Marel Group entered into an agreement to divest Scanvaegt Nordic.

#### Main balance sheet items of Scanvaegt Nordic

##### Assets

Property, plant and equipment .....	2,016
Inventories .....	4,481
Trade receivables .....	4,849

##### Liabilities

Borrowings .....	1,543
Trade and other payables .....	7,545

### 19. Related party transactions

At the end of March 2009, there are no loans to directors (31 December 2008: EUR nil). On April 14th Marel Group entered into a Share Purchase Agreement to divest Scanvaegt Nordic to Grundtvig Invest A/S, see Note 20. The Grundtvig family is among the largest shareholders of Marel Food Systems and has supported the company's growth. Grundtvig Invest owns 10.6% of Marel Food Systems' shares and Lars Grundtvig is a member of the Board of Directors.

## Notes to the financial information

### 20. Events after the balance sheet date

On 9 April 2009, Marel Food Systems divested the real estate on the Ketelstraat in Amsterdam, which housed Stork Food & Dairy operations. The Food & Dairy operations have largely been relocated to another location in Amsterdam. A small part still used by Stork Food & Dairy will be rented from the new owner.

On 14 April 2009 Marel Group entered into a Share Purchase Agreement to divest the Scanvaegt Nordic, a non-core unit operating outside the food industry. Scanvaegt Nordic is acquired by the Grundtvig family, who founded Scanvaegt in 1932. Scanvaegt Nordic had a turnover of EUR 31,200 in 2008 and an EBIT profit of EUR 2,900. The closing is expected to take place in the second quarter.

The proceeds from the sales are used to increase the company's cash position and to reduce short term debt. The sales price is EUR 37,500, thereof EUR 35,000 paid in cash. The sales proceeds are fully in line with original management objectives. Realised profits from the sales are in excess of EUR 10,000.

### 21. Principal subsidiaries

Marel ehf .....	Iceland
AEW Delford Group .....	UK
Carnitech Group .....	Denmark
Scanvaegt International Group .....	Denmark
Stork PMT B.V. ....	Netherlands
Stork Gamco Inc. ....	USA
Stork Titan B.V. ....	Netherlands
Stork Townsend B.V. ....	Netherlands
Stork Townsend Inc. ....	USA
Stork Food & Dairy Systems B.V. ....	Netherlands
Marel Chile S.A. ....	Chile
Marel Food Systems .....	Slovakia
Marel Food Systems A/S .....	Denmark
Marel Food Systems GmbH & Co KG .....	Germany
Marel Food Systems Inc. ....	USA
Marel Food Systems LLC .....	Russia
Marel Food Systems Ltd .....	Thailand
Marel Food Systems Pty Ltd .....	Australia
Marel Food Systems South Africa .....	South Africa
Marel Holding B.V. ....	Netherlands
Marel Spain S.L. ....	Spain

All subsidiaries are wholly owned. All holdings are in the ordinary share capital of the entity concerned.