

Q2 2011 presentation

Theo Hoen, CEO
Erik Kaman, CFO

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Theo Hoen

CEO



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



Strong revenue growth

- Our business continues to grow
- The order book is at a record level
- Good growth in countries like Ukraine, South Korea, Brazil and China compensates for non-growth in the US
- We are expanding geographically as well as increasing our manufacturing capacity
- This has put temporary pressure on our margins
- Nevertheless, the EBIT margin for the first six months is within our target range and the outlook for the remainder of the year is positive



Ray Townsend was one of the truly great innovators in the global food industry. He passed away last April, at the age of 97.

Erik Kaman

CFO



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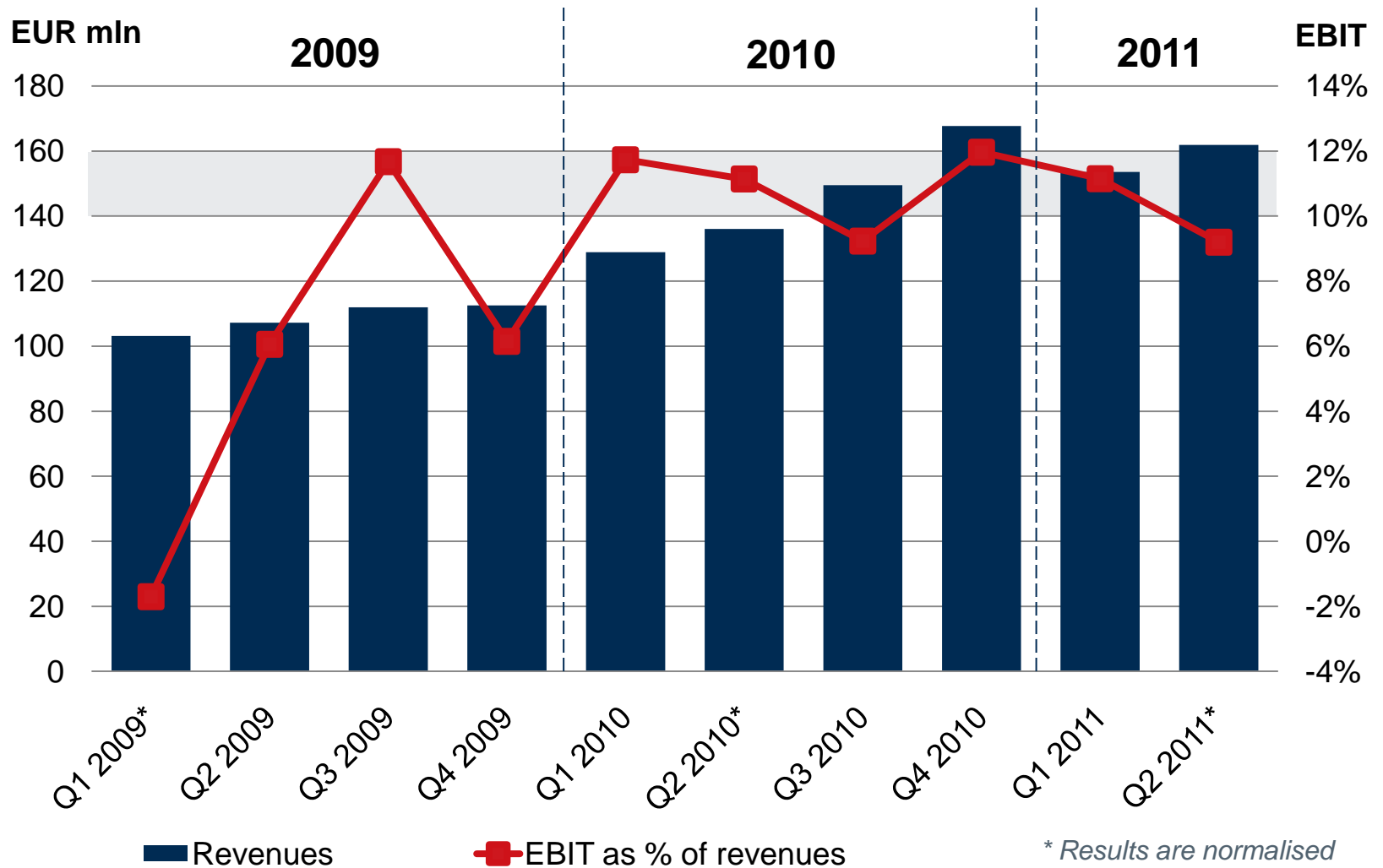


Business results

<i>EUR thousands</i>	Q2 2011	Q2 2010	YTD 2011
Revenues	161,854	136,055	315,391
Gross profit	57,883	54,968	116,800
<i>as a % of revenues</i>	35.8%	40.4%	37.0%
Result from operations (EBIT)	14,959	15,155	32,080
<i>as a % of revenues</i>	9.2%	11.1%	10.2%
EBITDA	20,942	21,147	44,265
<i>as a % of revenues</i>	12.9%	15.5%	14.0%
Orders received (incl. service revenues)	168,822	149,391	329,532
Order book	176,295	125,321	176,295

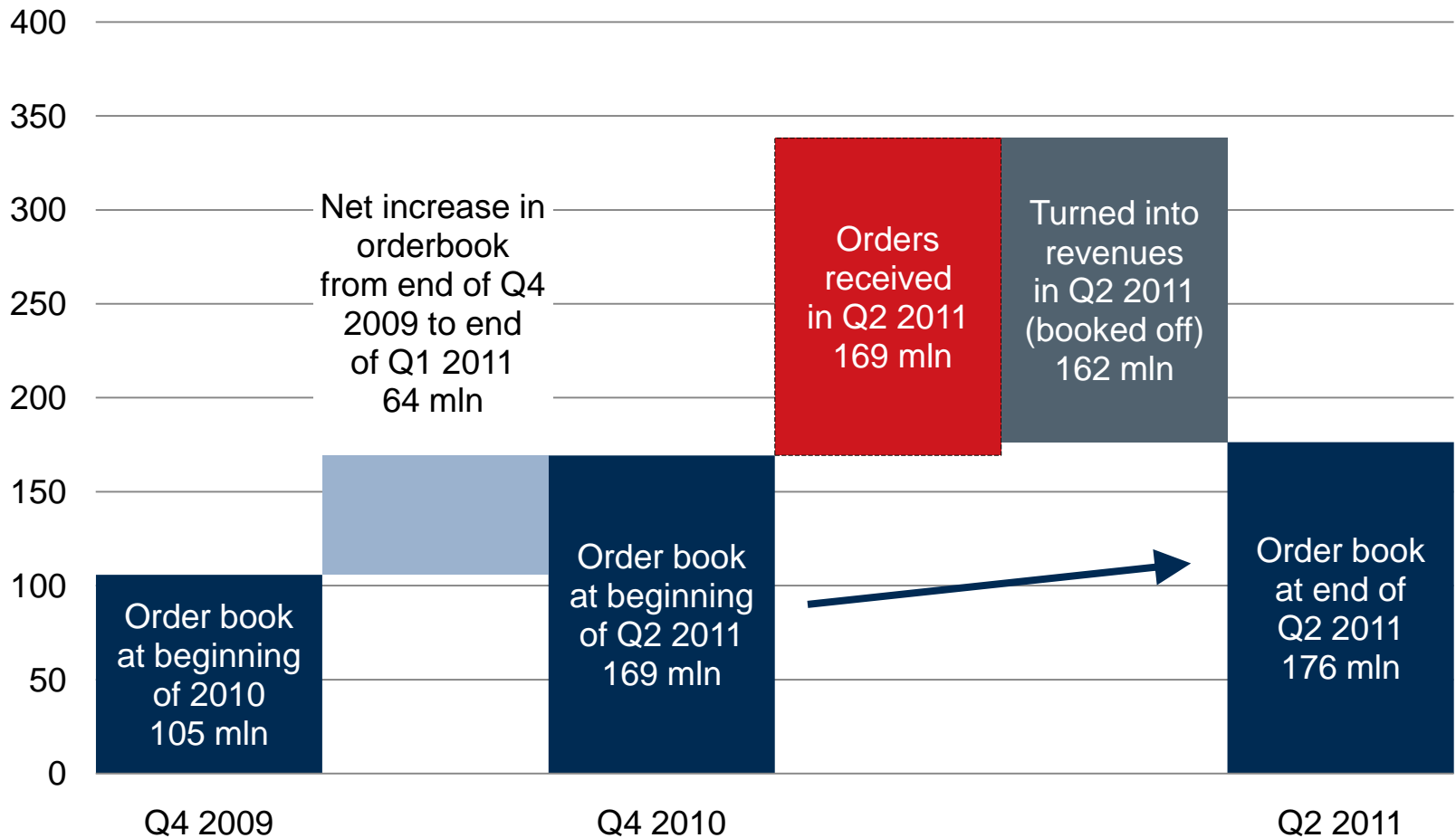
The Q2 2011 numbers are normalised for 11.1 mln one-off costs for pension related issues. For Q2 2010, the numbers are normalised for 7.6 mln pension recovery premium.

Development of business results



Order book is still mounting and stands at a record level

EUR mln



Condensed consolidated balance sheet

ASSETS

EUR thousands

Non-current assets

	30/6 2011	31/12 2010
Property, plant and equipment	105,172	109,418
Goodwill	377,707	379,879
Other intangible assets	93,154	92,884
Investments in associates	109	109
Receivables	2,962	3,669
Deferred income tax assets	10,960	12,619
	590,064	598,578

Current assets

Inventories	88,874	80,590
Production contracts	27,273	18,354
Trade receivables	75,511	87,780
Assets held for sale	598	598
Other receivables and prepayments	28,457	27,815
Restricted cash	1,132	12,509
Cash and cash equivalents	29,578	51,399
	251,423	279,045

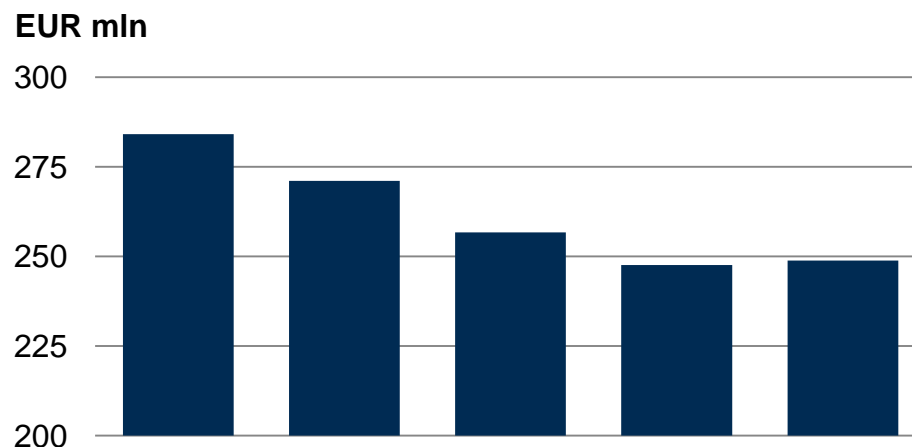
Total assets

841,487	877,623
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Condensed consolidated balance sheet (continued)

EQUITY	30/6 2011	31/12 2010
<i>EUR thousands</i>		
Total equity	354,291	343,269
LIABILITIES		
Non-current liabilities		
Borrowings	262,841	310,751
Deferred income tax liabilities	5,135	4,925
Provisions	5,926	6,719
Other liabilities	6,517	-
Derivative financial instruments	8,513	11,028
	<u>288,932</u>	<u>333,423</u>
Current liabilities		
Production contracts.....	60,359	78,306
Trade and other payables	116,616	107,783
Current income tax liabilities	1,351	1,624
Borrowings	16,664	9,898
Provisions	3,274	3,320
	<u>198,264</u>	<u>200,931</u>
Total liabilities	487,196	534,354
Total equity and liabilities	<u>841,487</u>	<u>877,623</u>

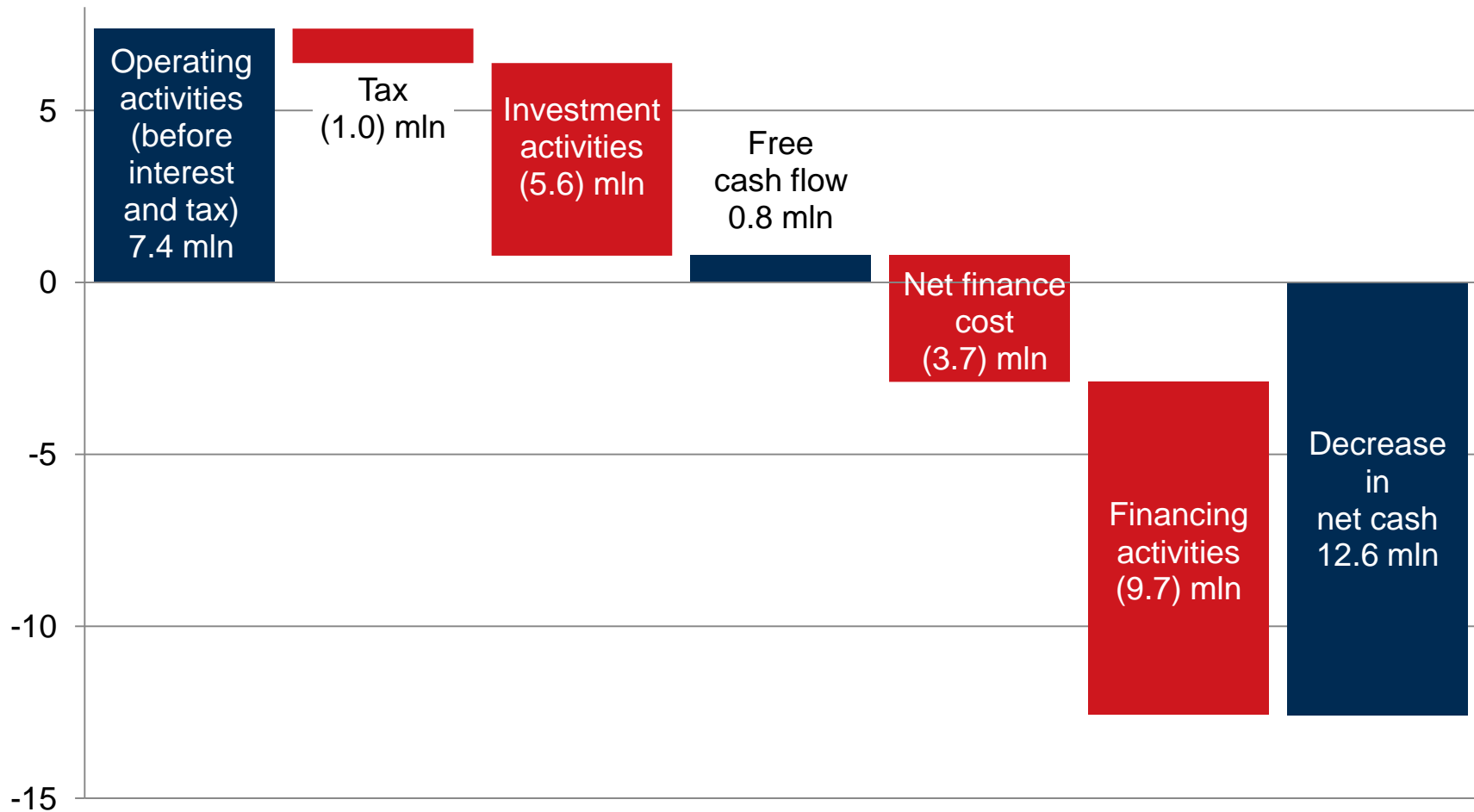
Net interest bearing debt reduced by 35 mln in one year



End of quarter in EUR mln	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Change from Q2 2010
Non-current borrowings	347.8	342.4	310.7	274.3	262.8	(85.0)
Current borrowings	17.6	15.4	9.9	16.7	16.7	(0.9)
Total borrowings	365.4	357.8	320.6	291.0	279.5	(85.9)
Cash and equivalents	81.3	86.7	63.9	43.4	30.7	(50.6)
Net interest bearing debt	284.1	271.1	256.7	247.6	248.8	(35.3)

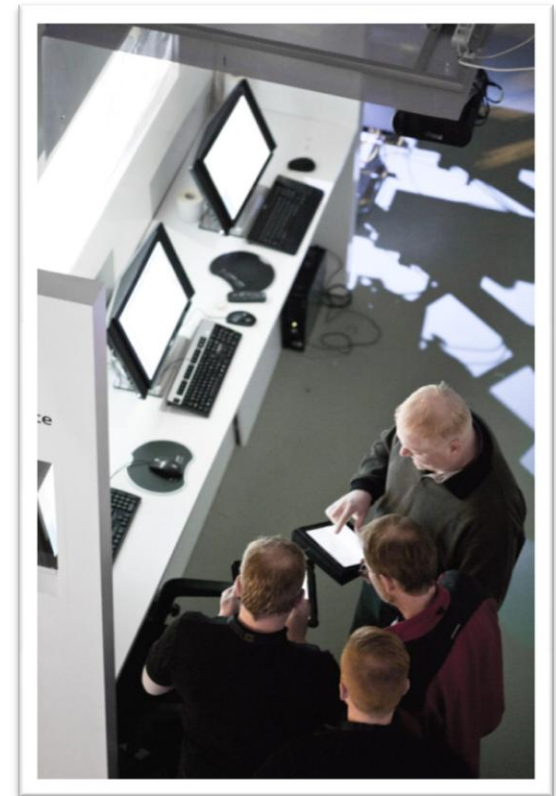
Q2 2011 cash flow composition

EUR mln



Financial focus areas

- Improving *gross profit*
 - Procurement
 - Production cost
 - Operational processes
- Ensuring a sustainable *SG&A cost base* despite growth in activity
- Improving *working capital* parameters
 - Inventory turn rate (ITR)
 - Days sales outstanding (DSO)
 - Days payable outstanding (DPO)
- Improving *finance cost*
 - Optimal balance sheet structure
 - Cash management



Interactive technology played large part in our set-up at recent exhibitions.

Theo Hoen

CEO

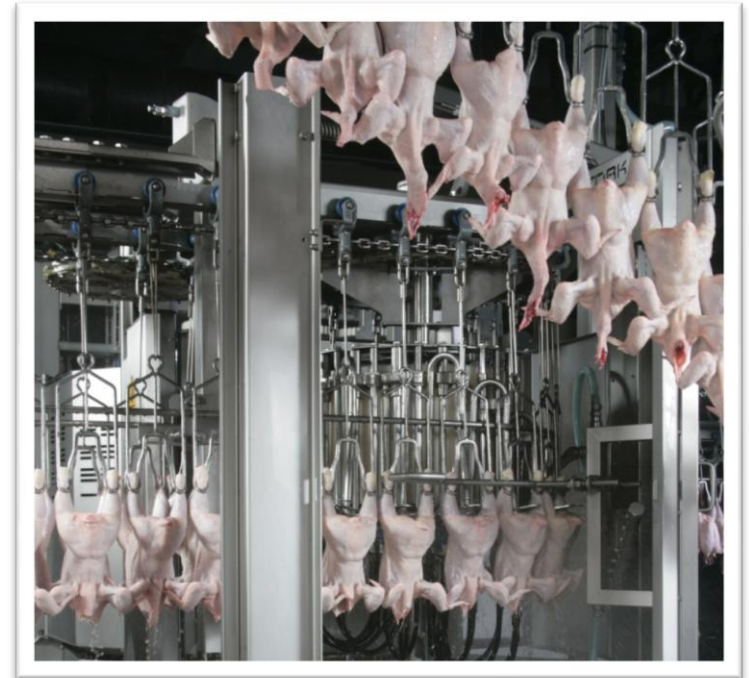


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Poultry: Order intake well above budget

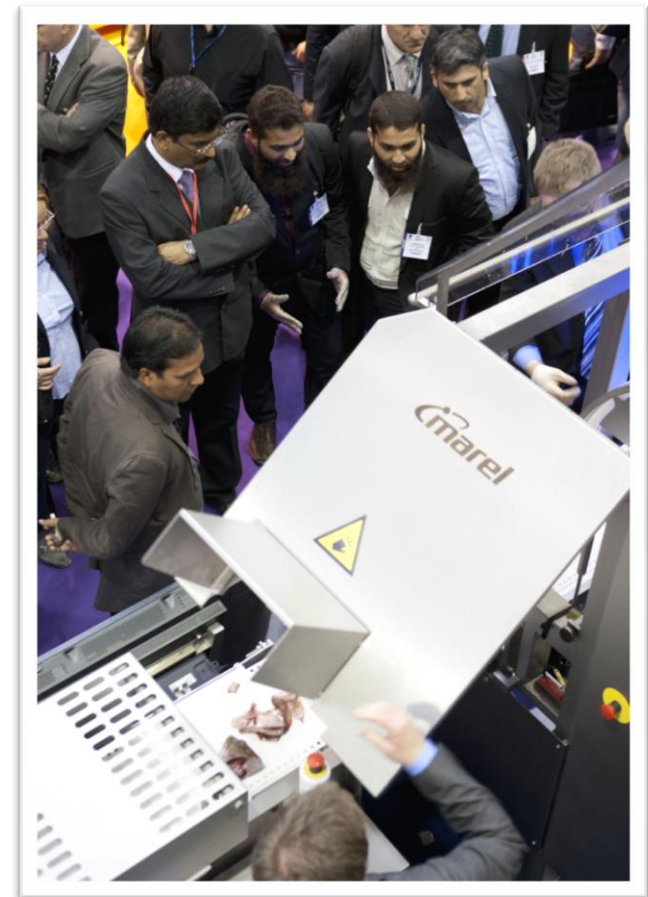
- Positive trend continues, particularly in China, Russia and South America
- Increasingly, projects involve complete integrated solutions
- The Nuova evisceration system is enjoying great success in Europe
- The dynamism of the Russian market was reflected at VIV Moscow in May



The Stork Nuova eviscerator success story continues.

Fish: Good level of activity in all markets

- Healthy mix of projects of all sizes
- The annual Seafood Processing Europe exhibition in Brussels was one of the best exhibitions for Marel in recent memory
- Highlight of the show was the pre-launch of Marel's advanced new salmon filleting machine



Marel's new advanced salmon filleting machine attracted a lot of interest in Brussels.

Meat: Healthy sales activity in established and newer markets

- Favourable market conditions during the quarter
- Stand-alone standard equipment the main contributor to the order intake, with portioning equipment a significant contributor
- Successes in the U.S. bacon industry have also continued
- Marel recognized as the "Best Equipment/Machinery Supplier" by readers of the respected trade journal Meat Management



Based on the highly successful Marel Polyslicer 1000, the I-Cut 1000 is designed for high speed, high yield portioning of a variety of fresh, boneless meat products.

Further processing: High sales activity

- Continuing success in the sale of complete further processing lines, as well as co-extrusion systems for cooked and smoked sausages
- High order intake for heat treatment systems, including the flagship ModularOven
- Boxmeer was the place to be in May at the Townsend Further Processing Coating Event where processors from all over the world gathered for live demonstrations of our most advanced technology



Advanced coating technology was in the limelight at the Townsend Further Processing Coating Event in May.

Paving the way for further profitable growth for Marel

- Market conditions continue to improve
- Marel continues to strengthen its market position and the excellent level of the order book ensures a good continuation of the year
- Nevertheless, results may vary from quarter to quarter due to fluctuations in orders received and deliveries of larger systems



Readers of the respected trade journal Meat Management recently voted Marel "Best Equipment/ Machinery Supplier" of 2011.

Q & A

Theo Hoen, CEO

Erik Kaman, CFO

Sigsteinn Grétarsson, Managing Director of Marel Iceland



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