

Q4 2010 presentation

Theo Hoen, CEO

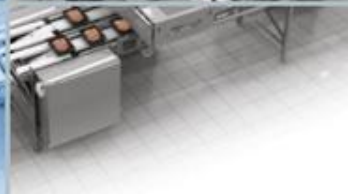
Erik Kaman, CFO

3 February 2011



Theo Hoen

CEO



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



Excellent performance and strong order book

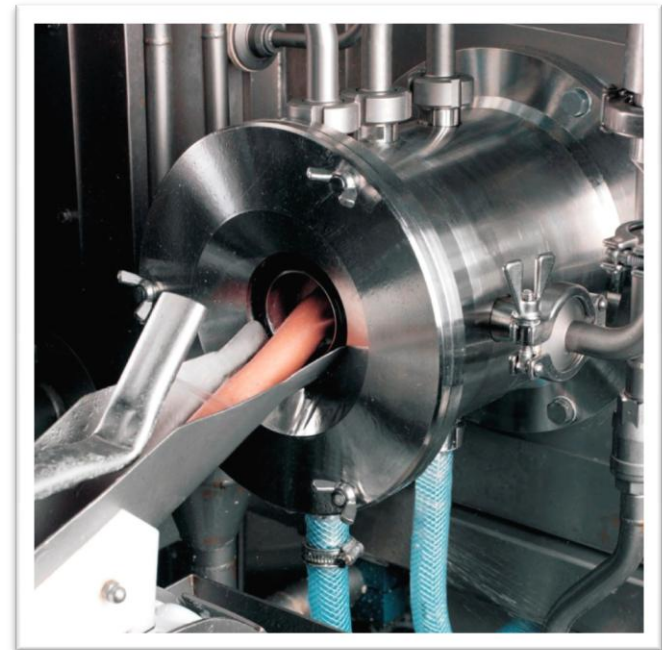
- This was an excellent quarter, wrapping up a very good year
- The order book grew further, reaching a record level
- The EBIT margin is within our stated target range, both in Q4 and for the year as a whole
- The markets seem to have fully recovered after the financial crisis
- Maintaining our level of investment in product development during the crisis really paid off



The poultry industry accounts for roughly half of Marel's revenues

Refinancing of the company – major highlight of the year

- In November, Marel secured a stable five-year financing package from an international consortium of six banks
- The new financing structure is a major milestone and provides the company with a strong foundation for the future
- We can now truly reap the benefits of being one integrated company
- Looking ahead to 2011, we are confident that we will achieve both our goal of exceeding the industry growth rate and continue to meet our EBIT target



Marel is the global leader in coextrusion technology, eliminating the need to fill a prefabricated casing when producing sausage, resulting in superior quality at low cost

Erik Kaman

CFO



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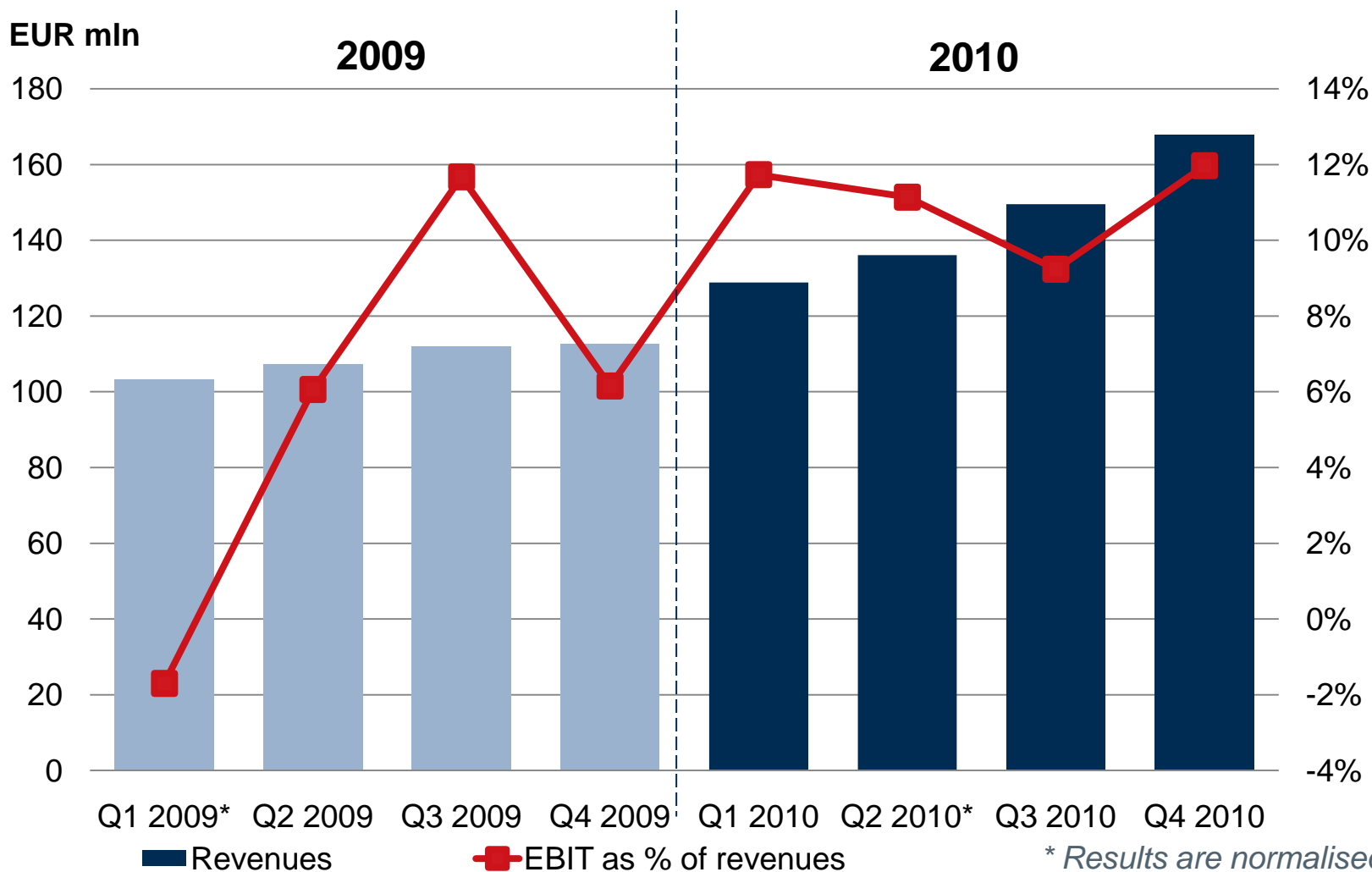


Core business results

<i>EUR thousands</i>	Q4 2010	YTD 2010	Q4 2009	YTD 2009
Revenues	167,677	582,130	112,492	434,796
Gross profit	63,162	221,410	43,682	166,160
<i>as a % of revenues</i>	37.7%	38.0%	38.8%	38.2%
Result from operations (EBIT)	20,063	64,144	6,920	24,760
<i>as a % of revenues</i>	12.0%	11.0%	6.2%	5.7%
EBITDA	26,104	88,060	12,763	47,432
<i>as a % of revenues</i>	15.6%	15.1%	11.3%	10.9%
Orders received (incl. service revenues)	188,604	638,453	132,187	474,077
Order book		162,155		105,832

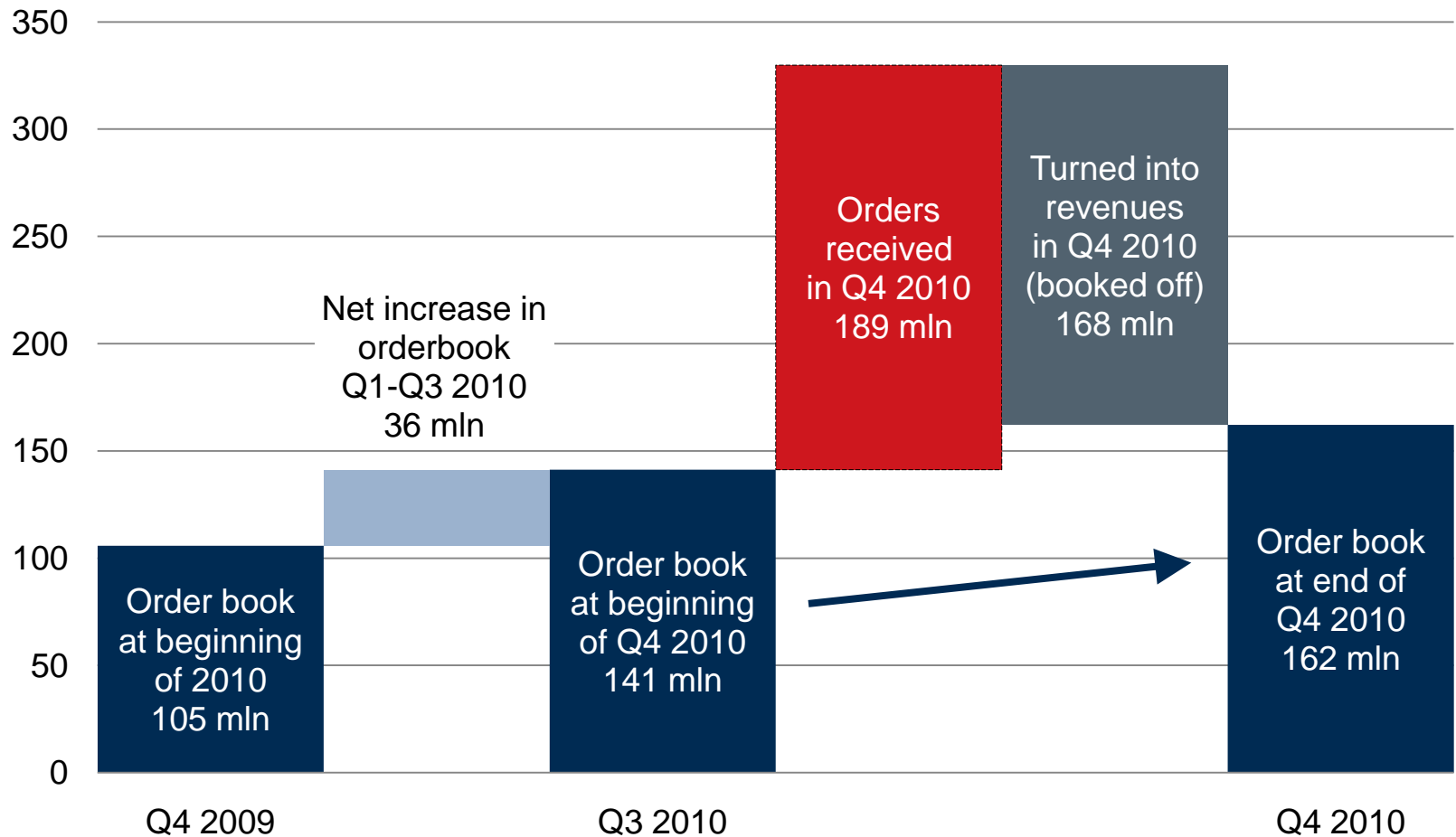
Core business results exclude the non-core operations of Stork Food and Dairy Systems and Carnitech A/S, which were sold off in Q1 2010. In Q2 2010, the full costs associated with a recovery plan for the Stork Pension Fund (EUR 7.6 mln) are included in the consolidated income statement but excluded from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

Development of core business results



Order book continued to grow and now stands at a record level

EUR mln



Condensed consolidated balance sheet

ASSETS

2010
2009
EUR thousands

Non-current assets

Property, plant and equipment	109,418	115,332
Goodwill	379,879	377,959
Other intangible assets	92,884	85,433
Investments in associates	109	97
Receivables	3,669	150
Deferred income tax assets	12,619	14,850
	<u>598,578</u>	<u>593,821</u>

Current assets

Inventories	80,590	81,054
Production contracts	18,354	11,992
Trade receivables	87,780	67,184
Assets held for sale	598	33,330
Other receivables and prepayments	27,815	23,597
Restricted cash	12,509	25,882
Cash and cash equivalents	51,399	46,022
	<u>279,045</u>	<u>289,061</u>

Total assets

877,623
882,882

Condensed consolidated balance sheet (continued)

EQUITY
2010
2009
EUR thousands
Total equity
343,269
323,797
LIABILITIES
Non-current liabilities

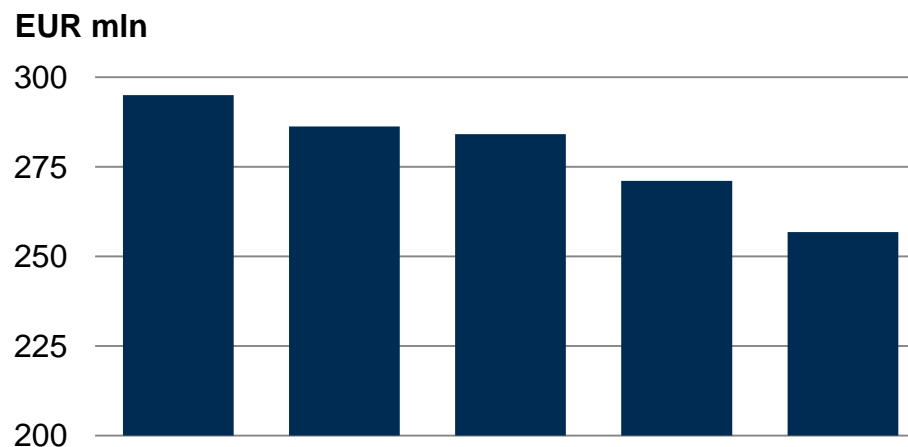
Borrowings	310,751	351,508
Deferred income tax liabilities	4,925	7,765
Provisions	6,719	8,797
Derivative financial instruments	11,028	11,065
	<u>333,423</u>	<u>379,135</u>

Current liabilities

Production contracts.....	78,306	36,157
Trade and other payables	107,783	80,124
Liabilities held for sale	0	43,693
Current income tax liabilities	1,624	1,584
Borrowings	9,898	15,409
Provisions	3,320	2,983
	<u>200,931</u>	<u>179,950</u>

Total liabilities
534,354
559,085
Total equity and liabilities
877,623
882,882

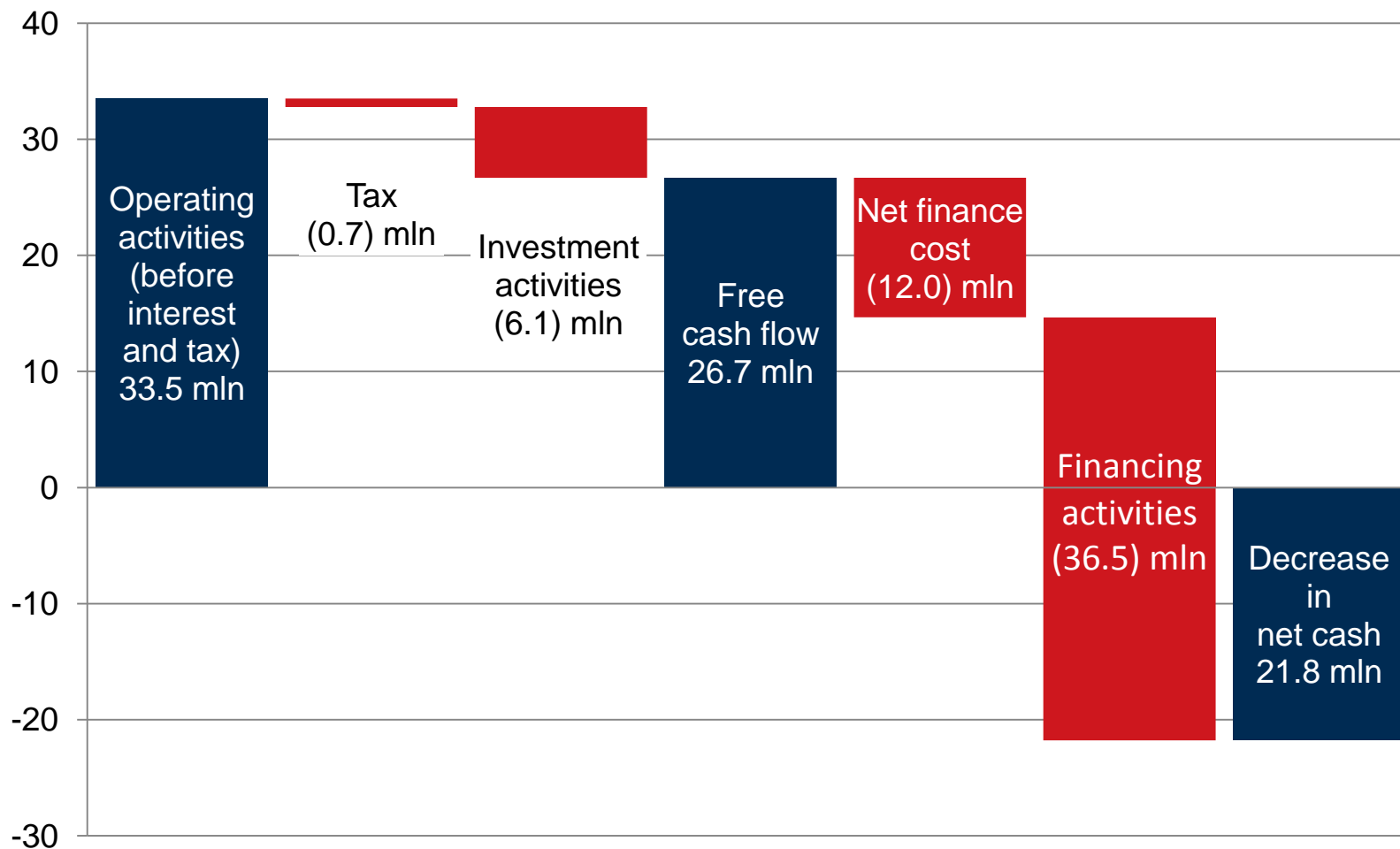
Net interest bearing debt steadily decreased in 2010



End of quarter in EUR mln	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Change from Q4 2009
Non-current borrowings	351.5	351.6	347.8	342.4	310.7	(40.8)
Current borrowings	15.4	17.9	17.6	15.4	9.9	(5.5)
Total borrowings	366.9	369.5	365.4	357.8	320.6	(46.3)
Cash and equivalents	71.9	83.2	81.3	86.7	63.9	(8.0)
Net interest bearing debt	295.0	286.3	284.1	271.1	256.7	(38.3)

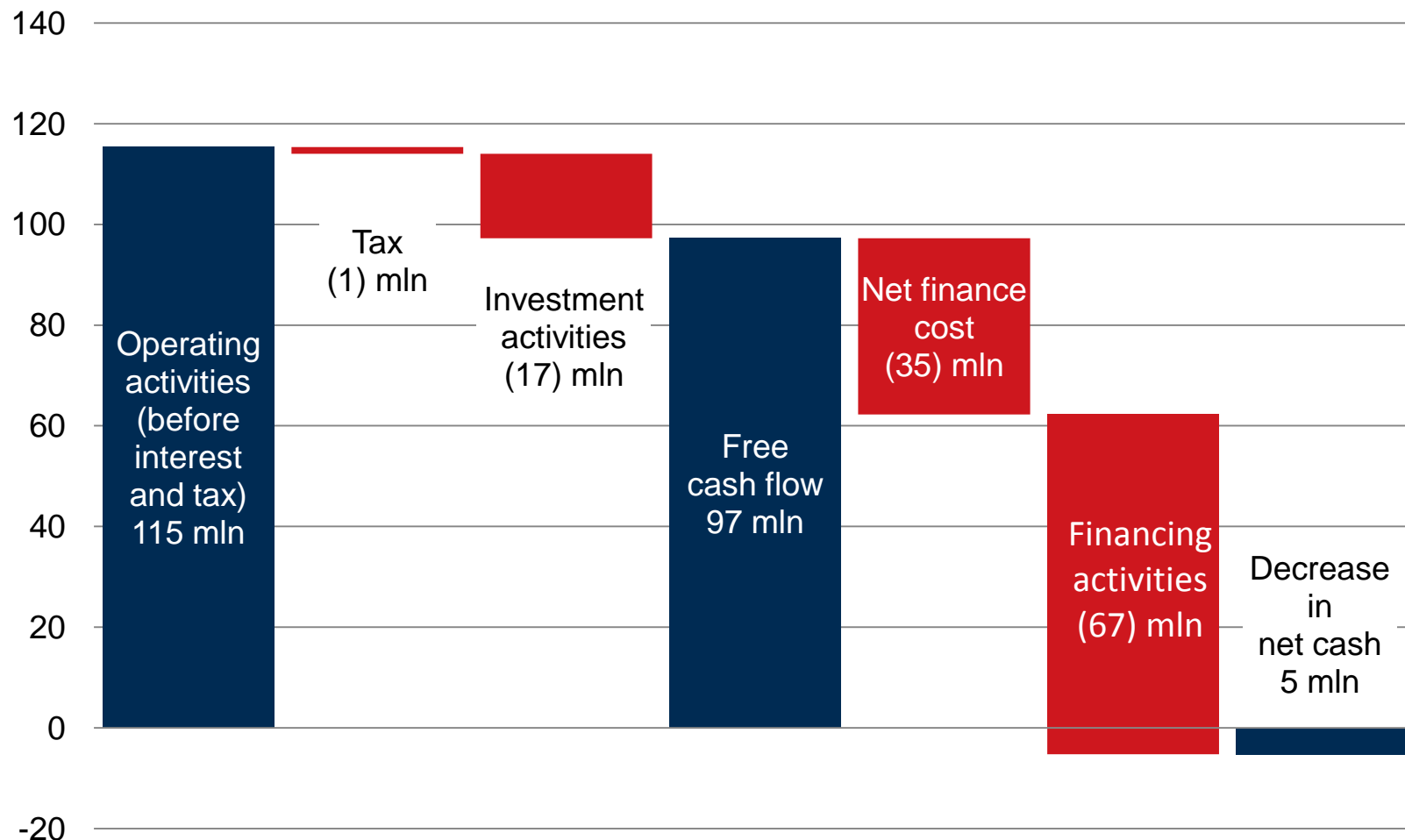
Q4 2010 cash flow composition

EUR mln



FY2010 cash flow composition

EUR 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%
- Stable cost-efficient financing for the next 5 years and significant reduction of ISK risk



Superchilling is an innovative process that cools down the core of the fish without freezing it, making it firmer and more resilient to processing, which again increases the primary product ratio as well as the product's shelf life.

Project example: Balance sheet improvements and treasury development

● Before

- Leverage high (net debt/EBITDA)
- Currency mismatch
- Short maturities

● After

- Leverage below 3x
- ISK currency risk decreased to EUR 7.5 mln
- Refinanced for 5 years

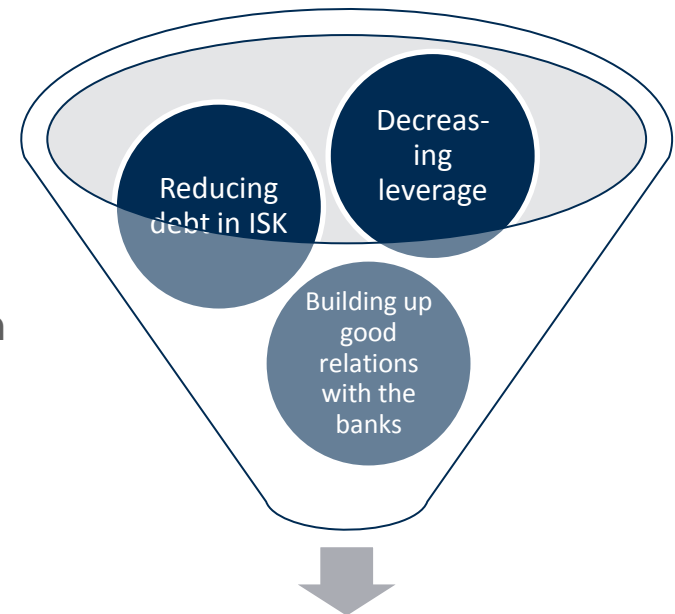
● Centralised treasury

- One treasury system for the group
- Treasury manual, clear policies and rules
- One financing structure, no local facilities

● Cash management

- Online bank account information feed to treasury system
- Improved cash efficiency

Focus on:



5 year refinancing

Theo Hoen

CEO

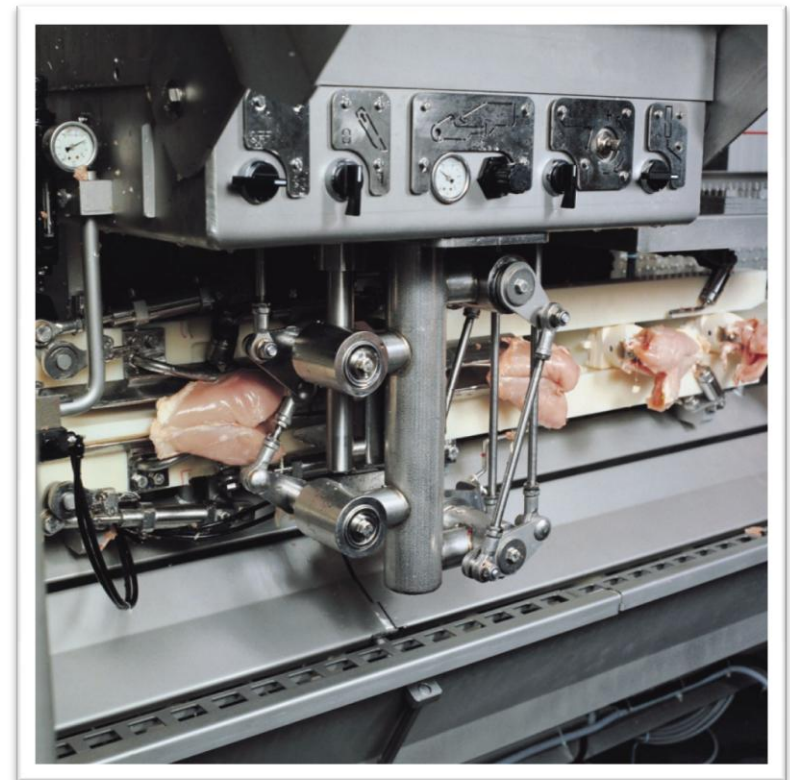


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Poultry: Leading the way in order intake

- Number of large projects were secured during the quarter, including a greenfield project in China
- The integration of SensorX and AMF-BX has set a new standard for process control, performance and reliability
- The company is working hard to increase the level of service and support to customers
- The general outlook for 2011 is positive



With the AMF-BX breast filleting system the customer can produce a wide variety of end products, with minimum labour requirements

Fish: The strong growth of aquaculture continues

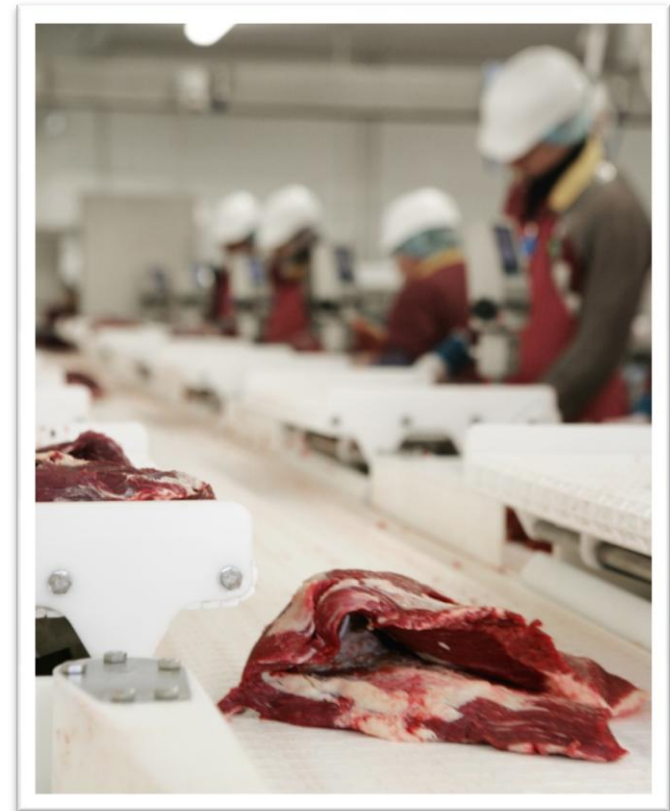
- High raw material prices and consolidation in the industry have led fish processors to continue to invest in increased automation
- Salmon processors in Norway continue to capitalize on the collapse of the Chilean salmon industry
 - This resulted in several large sales to Norway during the year
- As the year came to a close, a major processor acquired a second large SureTrack whole fish grading system for salmon
 - The first one was installed earlier in the year



Marel uses a computerized vision system to provide high quality slices or portions with a fixed weight of a very high accuracy, allowing the customer to meet the ever changing needs of consumers

Meat: Good indications for early 2011

- High levels of activity in Europe, Australia and South America, give indications of investments in the early part of 2011
- The need for increased efficiency is driving the automation of production processes
- Several big projects were delayed, due to instability in a number of markets
- Nevertheless, several StreamLine deboning and trimming systems were sold to customers looking to improve profitability



StreamLine enables meat processors to monitor and collect data on yield, throughput and quality throughout the entire processing cycle

Further processing: Substantial increases in sales

- Consumers look for greater variety in convenience food and complete ready-made meals
- Fast food restaurants also continue to prosper
- Processors are investing in innovations that allow them to meet ever changing consumer demands
- Sales of the Townsend Further Processing product range increased substantially in 2010
- Increased sales driven by the success of the RevoPortioner



The Townsend RevoPortioner forms perfectly portioned products at low pressure, while retaining the texture and structure of the raw material

Customer focus: BEZKR-Belgrankorm, Russian Federation

- Leading poultry producer in Central Russia, with a strong focus on modern and innovative processing methods
- Plans to begin exporting poultry products to Europe
- Recently signed an agreement with Marel to equip a new slaughtering plant with an initial processing capacity of 12,000 chickens per hour
- The order includes equipment from Marel's Stork Poultry Processing product range totalling EUR 18.3 mln
- The new plant is scheduled to begin operations in the summer of 2011, with a capacity in excess of 150 thousand tons of poultry per year

“ *It is very positive that Marel and Stork Poultry Processing are now one company with one concept, a concept that can offer solutions to all the challenges we face.*

”

*- Alexander Orlov,
Chairman and principal
owner of BEZKR-
Belgrankorm*

Marel set to make a good start in 2011

- Marel's long-term financing creates the conditions for us to build and grow the business and focus on our long-term strategy
- The consolidation of the global sales and service network has strengthened Marel's position in the market
- Looking ahead to 2011, we are confident that we will achieve our goal of exceeding the industry growth rate and showing good profitability
- We can now truly reap the benefits of being one integrated company



Forming is one of the segments within further processing on where Marel's innovative products have changed the landscape of the industry

Q & A

Theo Hoen, CEO

Erik Kaman, CFO

Sigsteinn Grétarsson, Managing Director of Marel Iceland



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