

Q2 2010 presentation

Theo Hoen, CEO

Erik Kaman, CFO

29 July 2010



Theo Hoen

CEO



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



STORK®
POULTRY PROCESSING

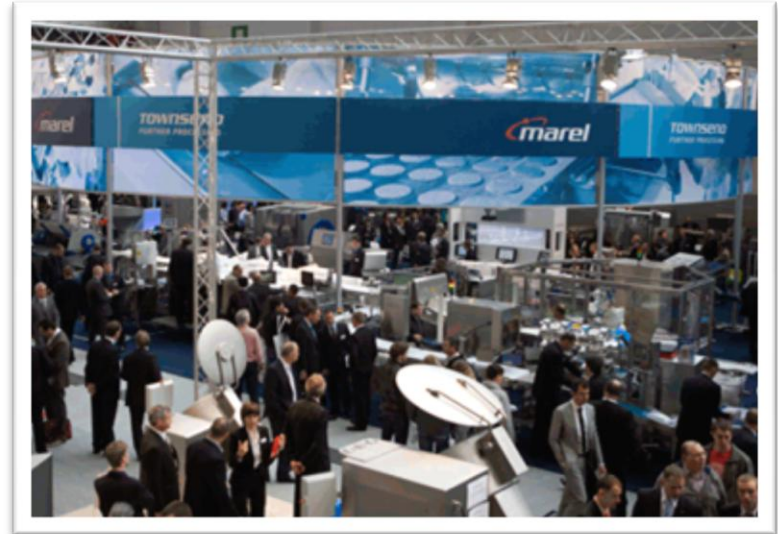
TOWNSEND
FURTHER PROCESSING

marel



Strong order intake and good operating results

- This was another good quarter for Marel
- For the second quarter in a row, we achieved our long-term target of 10-12% return on sale
- The equipment order book also grew for the sixth quarter in a row
- We believe that this level of performance is sustainable and can serve as a baseline for further growth moving forward
- Our challenge now is to reinforce the company's position as market leader and, at the same time, to increase profitability



Marel made a strong impact at the triannual IFFA exhibition in Frankfurt, Germany, this year.

Becoming one company

- Implementation of the company's new structure, introduced in 2009, continues
- In 2010, Marel has introduced new integrated products at each major exhibition
- These products have already begun to generate sales and contributed to the Q2 results
- Efforts to integrate the sales and service operations continue and will gradually begin to contribute to the company's performance
- Progress is also being made in procurement, ICT, manufacturing and overhead utilization



Outside our office in Boxmeer, which is home to a large part of our corporate operations.

Product development paying off

- The new StreamLine, RevoPortioner and SensorX are among recent successes in product development
- Integrated solutions that combine the technologies of the different business units are also clearly creating more value added for our customers
- Product development remains a priority with a number of exciting new projects in the pipeline
- We are well on our way to creating a healthy and sustainable company that will play a major role in the protein industry for many years to come



The fresh meat market has embraced the Marel StreamLine

Erik Kaman

CFO



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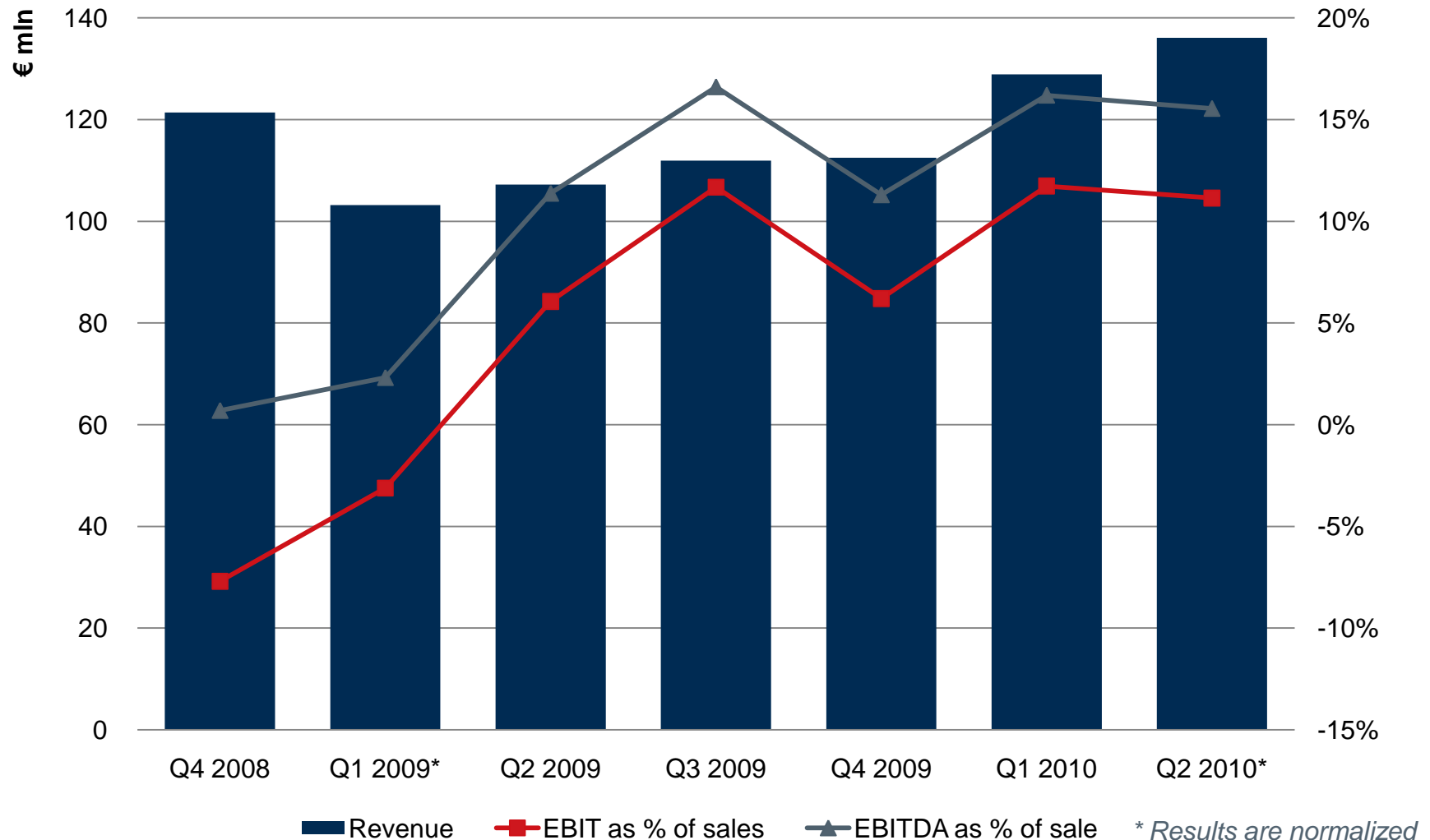


Core business results

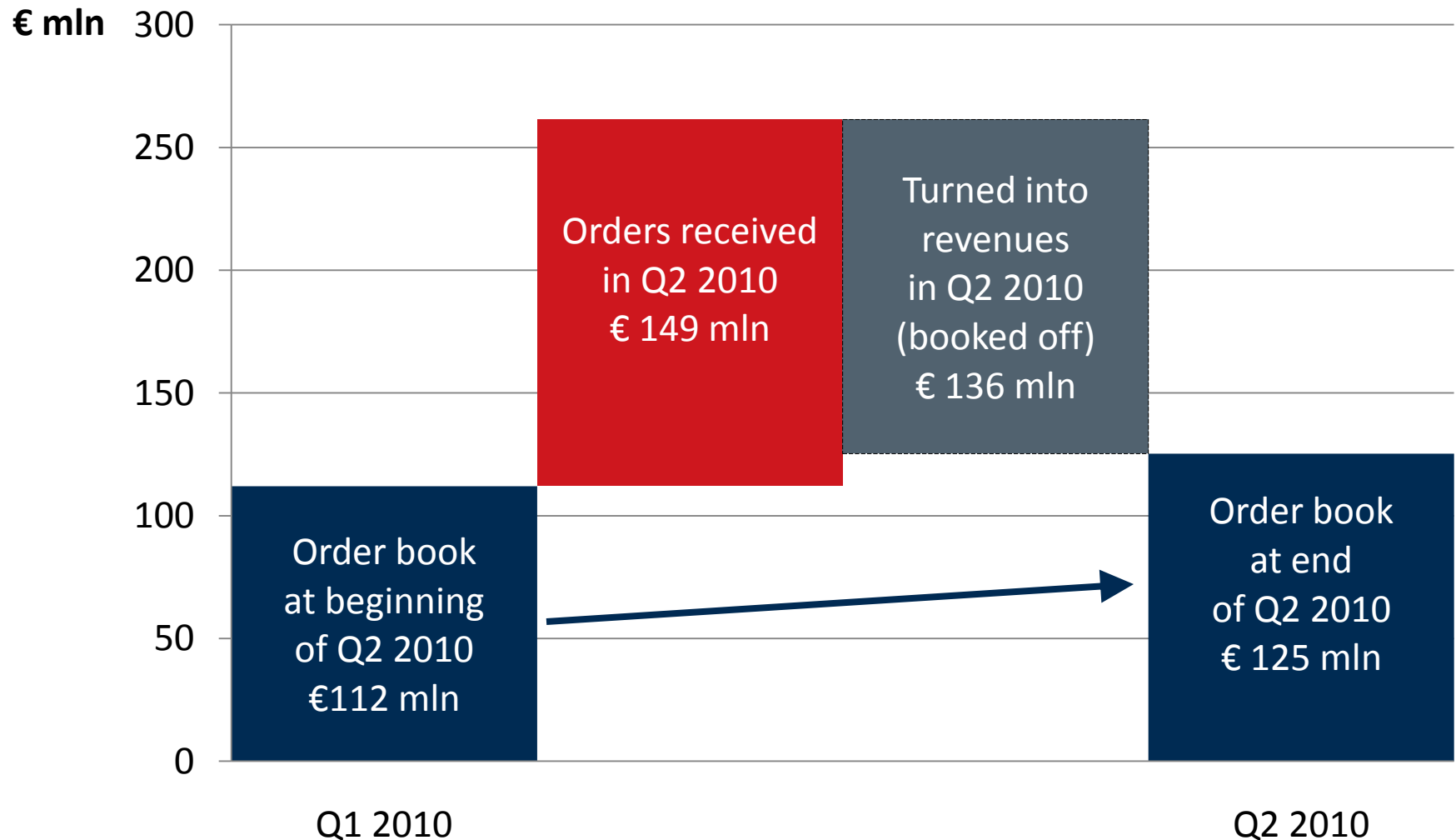
<u>In EUR thousands</u>	Q2 2010	YTD 2010	Q2 2009	YTD 2009
Revenues	136,055	264,930	107,208	210,382
Gross profit	54,968	106,008	42,624	76,723
<i>as a % of sales</i>	40.4%	40.0%	39.8%	36.5%
Result from operations (EBIT)	15,156	30,275	6,496	4,776
<i>as a % of sales</i>	11.1%	11.4%	6.1%	2.3%
EBITDA	21,147	42,017	12,192	16,083
<i>as a % of sales</i>	15.5%	15.9%	11.4%	7.6%
Orders received (incl. service revenues)	149,391	284,419	126,759	222,211
Order book	125,321	125,321	76,086	76,086

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 normalized 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



Once more, orders received exceed orders booked off



Condensed consolidated balance sheet

ASSETS

Non-current assets

	EUR thousands	
	30/6 2010	31/12 2009
Property, plant and equipment	114,070	115,332
Goodwill	381,422	377,959
Other intangible assets	93,237	85,433
Investments in associates	97	97
Receivables	5,290	150
Deferred income tax assets	12,435	14,850
	<u>606,551</u>	<u>593,821</u>

Current assets

Inventories	84,099	81,054
Production contracts	20,680	11,992
Trade receivables	74,312	67,184
Assets held for sale.	598	33,330
Other receivables and prepayments	27,633	23,597
Restricted cash	14,956	25,882
Cash and cash equivalents	66,321	46,022
	<u>288,599</u>	<u>289,061</u>

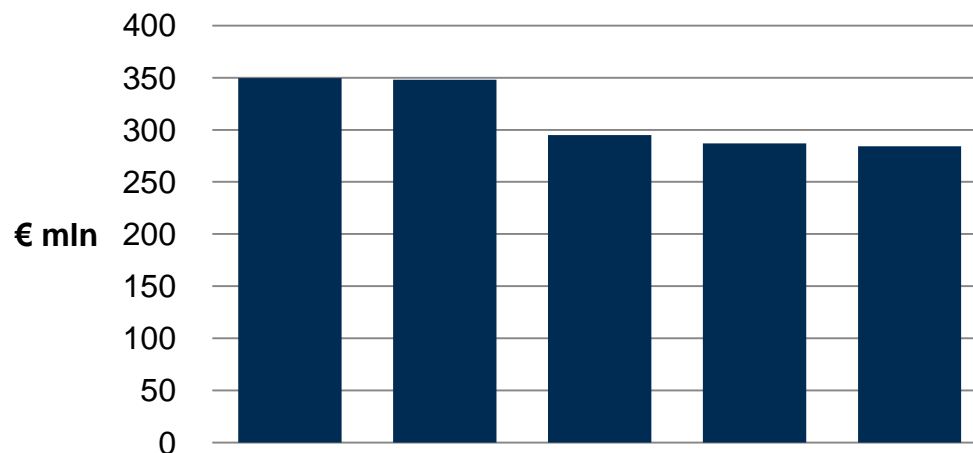
Total assets

	<u>895,150</u>	<u>882,882</u>
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Condensed consolidated balance sheet (continued)

	EUR thousands	
	30/6 2010	31/12 2009
EQUITY		
Total equity	334,536	323,797
LIABILITIES		
Non-current liabilities		
Borrowings	347,759	351,508
Deferred income tax liabilities	3,340	7,765
Provisions	9,925	8,797
Derivative financial instruments	14,454	11,065
	375,478	379,134
Current liabilities		
Production contracts.....	59,761	40,542
Trade and other payables	103,709	75,739
Liabilities held for sale	0	43,693
Current income tax liabilities	1,404	1,584
Borrowings	17,577	15,409
Provisions	2,685	2,983
	185,136	179,950
Total liabilities	560,614	559,085
Total equity and liabilities	895,150	882,882

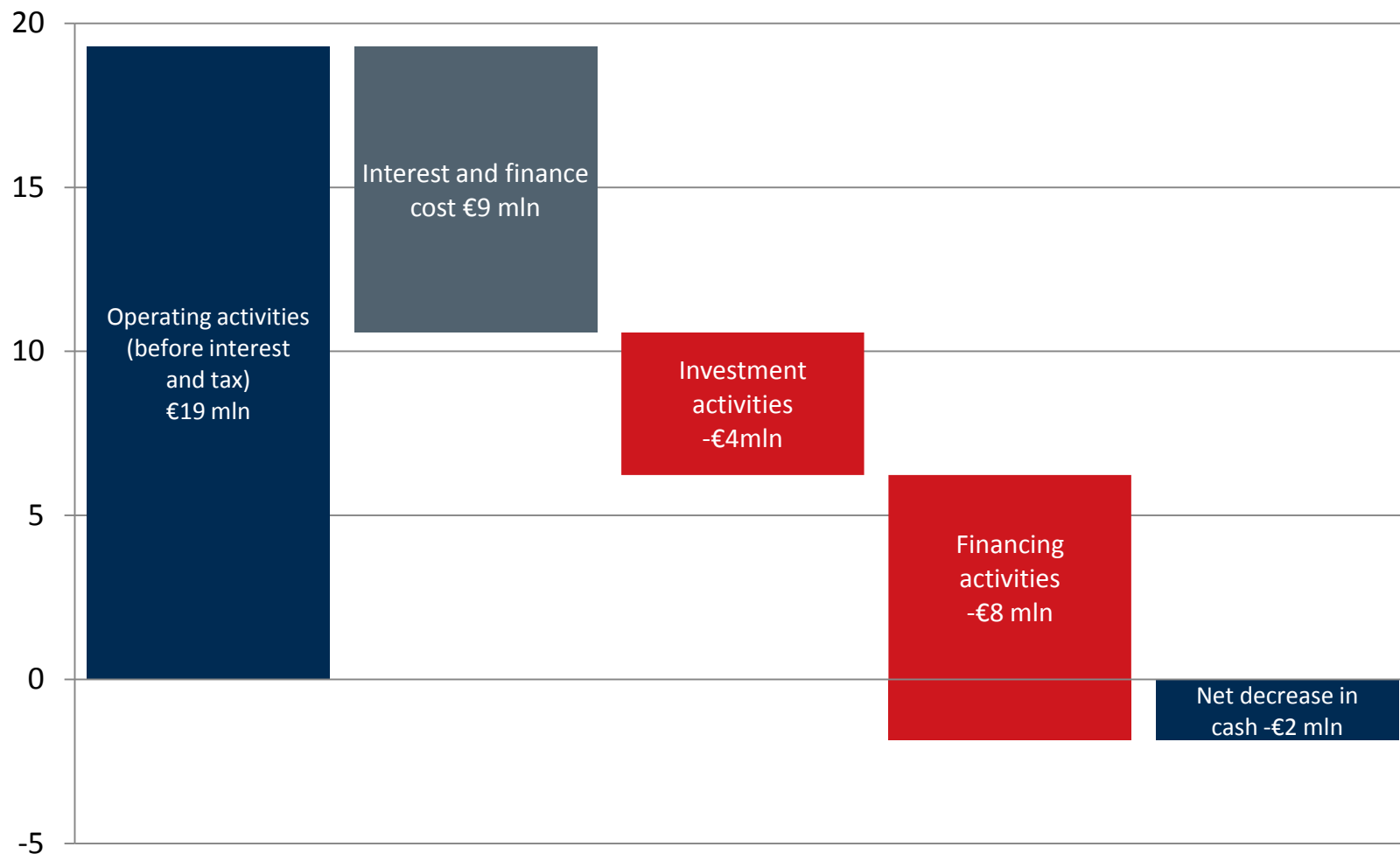
Development of net interest bearing debt



At end of quarter in € mln	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Change from Q2 2009
Non-current borrowings	373.9	366.8	351.5	351.6	347.8	(26.1)
Current borrowings	41.3	36.3	15.4	17.9	17.6	(23.7)
	415.2	403.1	366.9	369.5	365.4	(49.8)
Cash and equivalents	65.7	55.1	71.9	83.2	81.3	15.6
Net interest bearing debt	349.5	348.0	295.0	286.3	284.1	(65.4)

Q2 2010 cash flow composition

€ mln



Financial highlights

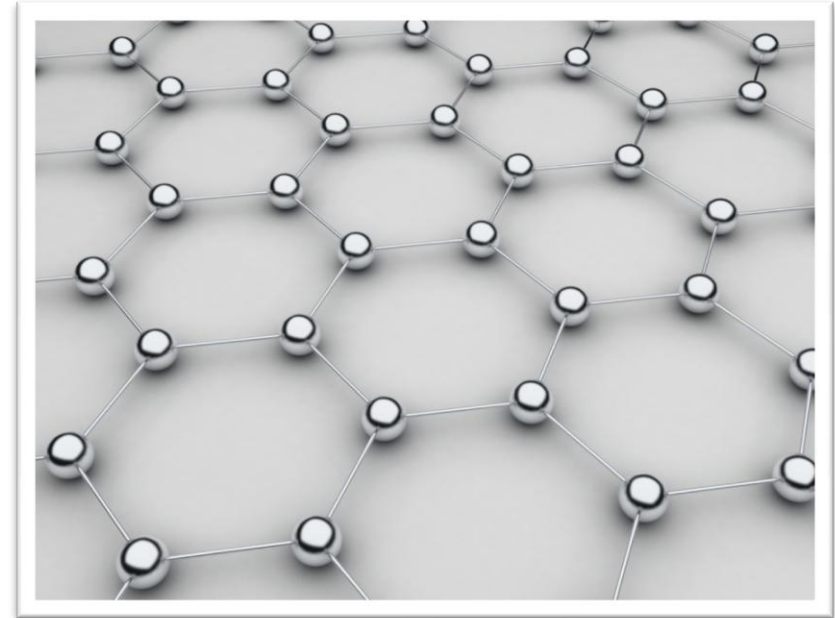
- Continuous effort is being invested in ensuring that the company's reduced cost base is sustainable
 - SG&A costs should especially benefit from economies of scale in the coming years
- Current level of working capital maintained with growing business
- Overall, business remains well invested and the need for investment in capital goods will remain limited for the coming years
 - Selective investments in IT will mainly be performed to improve efficiency and effectiveness of operations



Marel's product range spans everything from stand alone equipment, such as the scales above, to complex integrated systems.

Project example: OneInfrastructure

- One wide area network
 - Brings together people from different locations
- One e-mail system (Outlook)
 - Adds consistency to external communication
- One office suite (Office 2007)
 - Documents shared and created using the same tools
- Powerful communication tools (LIVE meeting, Office Communicator)
 - Reduces need for travelling
 - Facilitates intercompany projects



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CEO



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Poultry: Significant orders from major customers

- Increased demand for both primary and secondary processing installations, as well as the Sensor X bone detection system
- The US market did particularly well, thanks to a successful merger of our sales channels
- Marel also increased its market share in South America, West Europe and Asia
- Due to high order intake, the outlook for the rest of the year is good



Marel's SensorX bone detection system is a good example of the innovative technology we offer. It can now be combined with a Front Half Filleting system, an integrated solution that was not possible before the merger.

Meat: The trend toward cheaper proteins continues

- Europe was once again the most active market with Australasia also showing signs of increased activity
- In May, Marel participated in IFFA, the world's biggest meat industry exhibition, held in Frankfurt every three years
- The company exhibited a wide range of new equipment and systems from the Marel, Townsend and Stork brands
- Many sales leads were generated which are now being followed up by the company's sales teams around the world



Marel's I-Cut Bone was launched at IFFA in May. It creates optimal fixed-weight portions, ensuring a very clean cut with minimal yield loss, while reducing the amount of bone splinters to an absolute minimum.

Fish: Prospects remain good, esp. in salmon and aquaculture

- In April, Marel participated in the annual Seafood Processing Europe (SPE) exhibition in Brussels
- For the first time at a fish industry show, Marel presented its range of Townsend equipment aimed at the further processing sector
- Marel's offering now virtually spans the entire value chain, from catch to packaged end product
- The growing trend toward sustainably sourced seafood is also generating a lot of opportunities for Marel



Marel's GEBA SC 250 D-cut slicer is the fastest slicer for fresh smoked salmon on the market.

Further processing: Innovation is the key to the market

- The company's entire range of further processing equipment is now being marketed under the Townsend Further Processing brand
- It was introduced for the first time at the IFFA exhibition in Frankfurt in May
- Number of new innovations for portioning and sausage making were launched there, including two versions of the RevoPortioner
- Orders for the new RevoPortioner have already been received from Europe and the US



The RevoPortioner is one of the key products of our extensive line of products for further processing.

Customer focus – Şenpiliç, Turkey

- Fully integrated poultry processor which serves both local and international markets, especially in the Middle East
- Prime example of how a family business can compete perfectly with European quality standards using advanced processing technology
- Şenpiliç has worked with Stork Poultry Processing for over 20 years
- Recently, we were asked to supply a second high-capacity processing line which will bring the total capacity to impressive 30,000 broilers per hour
- Nuggets, burgers and schnitzels for the fast food market, schools and retailers are among the food products produced by Şenpiliç, using advanced equipment from our extensive line of products



Market conditions continue to gradually improve

- The underlying demand in the food industry is rising, and automation in developing countries increasing
- We are benefitting from having sustained our level of investment in innovation throughout the global financial crisis
- We will benefit further from the synergies of the integration
- We expect that Marel will claim its fair share of growth in the market, resulting in an increase in revenues
- Results in Q3 should be marked by the summer holiday period, although we fully expect to reach our target of 10-12% return on sales for the year as a whole



Market activity has increased across the board, with the poultry segment leading the way.

Q & A

Theo Hoen, CEO

Erik Kaman, CFO

Sigsteinn Grétarsson, Managing Director of Marel Iceland



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