



PRESS RELEASE

22 April 2013

Marel Q1 2013 results

(All amounts in EUR)

Slow start to the year but orders received picking up

- Revenues for Q1 2013 totalled 158.0 million (m), a decrease of 14.5% compared to the first quarter of 2012 [184.9m].
- EBITDA was 16.9m or 10.7% of revenues [Q1 2012: 27.4m].
- Operating profit (EBIT) was 10.3m or 6.5% of revenues [Q1 2012: 21.1m].
- Net result for Q1 2013 was 5.7m [Q1 2012: 13.1m]. Earnings per share were 0.78 euro cents [Q1 2012: 1.80].
- Cash flow remains healthy and net interest bearing debt is 239.3m at the end of the quarter compared to 243.2m at year-end 2012.
- The order book is at 151.1m at the end of the quarter [Q1 2012: 189.4m] which is a 20% increase compared to the end of last year [125.4m].

Revenues in Q1 amounted to 158.0m reflecting the low level of the order book at the start of the year. The EBIT margin of 6.5% is below the long-term target of 10-12%. However, the size of the order book grew by 20% during the quarter which supports the expectation of higher revenues and profitability in the second half of the year.

Important sales were made in markets such as Brazil, China, Middle East and Russia. Europe remains challenging while USA shows signs of recovery.

Theo Hoen, CEO:

“The first quarter was in line with our expectations with low revenues based on a relatively low order book at the beginning of the year. However, the significant increase in market activities and orders received during the quarter gives room for optimism.

We will continue to maintain a strict focus on operational efficiency and cost control but we are not scaling down and are geared towards capturing increased sales and market share in the near term. As stated last quarter we expect to be back on track with operating profit in our target range of 10-12% in the second half of 2013, assuming continued recovery in our established markets.”

Order book back on a good level

After a downwards trend in recent quarters, Q1 saw strong growth in orders received, which amounted to 183.7m or similar as in Q1 2012 [185.4m]. This is an increase of 20% compared to last quarter [152.3m]. Orders received exceeded orders booked off resulting in an order book of 151.1m at the end of the quarter compared with 125.4m at the end of last year. The main drivers of growth in orders

received can be attributed to our innovative products, both established solutions and new ones, and the extensive geographical network Marel has built over the years.

Performance summary for Q1 2013

Key figures from Marel's operations in thousands of EUR

Operating results <i>Consolidated</i>	Quarter 1 2013 YTD	Quarter 1 2012 YTD	Change in %
Revenues	158.028	184.864	(14,5)
Gross profit	57.509	67.992	(15,4)
<i>Gross profit as a % of Revenues</i>	36,4	36,8	
Result from operations (EBIT)	10.331	21.119	(51,1)
<i>EBIT as a % of Revenues</i>	6,5	11,4	
EBITDA	16.858	27.401	(38,5)
<i>EBITDA as a % of Revenues</i>	10,7	14,8	
Consolidated net result	5.722	13.068	(56,2)
<i>Net result as a % of consolidated revenues</i>	3,6	7,1	
Orders Received ¹⁾	183.745	185.420	(0,9)
Order Book	151.106	189.410	(20,2)

¹⁾ Included are the service revenues

Cash flows

Cash generated from operating activities, before interest & tax	17.235	13.509
Net cash from (to) operating activities	13.390	9.596
Investing activities	(7.201)	(7.184)
Financing activities	(8.161)	(872)
Net cash flow	(1.972)	1.540

Financial position

Net Interest Bearing Debt	239.340	254.179
Operational working capital ²⁾	110.530	112.952

²⁾ Third party Debtors, Inventories, Net Work in Progress and Third party Creditors.

Key ratios

Current ratio	1,2	1,3
Quick ratio	0,8	0,9
Number of outstanding shares	732.428	726.344
Market cap. in millions of Euros based on exchange rate at end of period	717,1	636,5
Return on equity	5,7%	13,9%
Earnings per share in euro cents	0,78	1,80
Leverage ³⁾	3,17	2,49

³⁾ Net Interest Bearing Debt / LTM EBITDA

Markets

Below is an overview of Marel's four core industry segments: poultry, fish, meat and further processing.

Poultry: During the first quarter the order intake increased considerably compared to the 4th quarter of 2012, including several substantial orders mainly from Russia, Middle East, China and Brazil. At the Agrame exhibition in Dubai, Marel Stork received another Innovation award for the AeroScalder. The new IRIS (Intelligent reporting, inspection & selection) solution was successfully released next to a unique EU-Water bath Stunner complying with the recent implemented regulations on stunning of poultry. The Final Inspection Machine RotoVac-20 RS is installed in a number of plants already and based on results it is concluded that it provides a great improvement for the deboning process due to the strong reduction of carcass damage. Since the IPPE exhibition in Atlanta in January, there have been substantial sales of the StreamLine Poultry concept and a major order for 8" Eviscerating lines for heavy broilers. In general, markets in Europe tend to be more positive for our customers in the coming quarter when spring season arrives with different eating patterns of consumers (e.g. more barbecue). Overall, revenues are expected to be back on track in the 2nd quarter.

Fish: The quarter reflected challenging market conditions in the global fish industry. Decisions on capital investments are taking longer, however the activities in Q1 suggest that the longer-term outlook is positive. Highlights of the quarter include increased efficiency in project execution proven in large and complex projects for the Norwegian Salmon industry. The 12th annual Marel Salmon ShowHow in February attracted around 230 customers from 28 countries. Marel is experiencing great interest in the latest innovation, the new retail pack slicer, I-Slice 3300, which sets new standards. Recent incidents of mislabelling and origin fraud in the food industry present further opportunities for Marel to promote traceability and Innova software solutions.

Meat: Q1 started slowly for Marel's Meat segment, mainly due to continued market and economic uncertainty. Nevertheless, we notice the pipeline of projects growing steadily. We expect that these projects will be realized within the coming months. Noticeably, we recognize increased activity in Europe and US, our two largest markets, which is already an improvement from 2012. Good orders were closed in the first quarter in Ireland for our newly launched Trim Management Systems, and of particular notice is a large order from Japan for numerous portioning machines. The IFFA exhibition, held every three years, will take place in May where Marel will be launching new developments, amongst other Deboflex – a revolutionary concept for deboning pork fore-ends, and ProTEN, a completely new solution for meat recovery.

Further processing: During the first quarter of 2013, sales of the popular RevoPortioner were high and the trend for installations of full lines continued, including an installation in Poland. The two models of the ModularOven, the 700 and 1000, are gaining further popularity and this new innovation has become very successful. A number of important QX lines were installed in Europe and the USA, that are currently in the start-up process. In February the Fresh Event was held in Marel's DemoCenter in Boxmeer, followed by the Finger Food Event in March. Both attracted a large number of existing and new (potential) customers from countries near and far, including Russia, the Philippines and South Korea. At these events they had the opportunity to look, listen, touch, smell and even taste the innovative end products that were made.

Innovation

At the Seafood Processing Europe in Brussel which takes place this week, a wide range of Marel's industry leading equipment will be on display, designed to meet today's processing challenges in any modern salmon, whitefish or farmed whitefish plant. Marel is shining a spotlight on how its strong partnerships with the industry play a vital role in developing its equipment and solutions to enable processors and their customers to produce innovative end products. Marel is constantly pushing the boundaries of innovation in response to its customers' needs – and their customers' needs.

One of the products featured is the I-slice 3300, an automatic slicer for production of retail packs of smoked sliced salmon, which is setting new standards in this area of salmon processing. The customer will be capable of reducing labour costs, and avoiding excessive handling of the product. As every fillet is weighed and scanned before the slicing process, the slicer calculates how to cut each fillet in order to get the best utilization of each fillet. This leads to a high quality output, with extremely high accuracy on weight and count. The I-slice 3300 is easy and safe to operate by touch screen.

Operational excellence

Cost efficiency

Marel has taken many important steps in recent years in order to align the Company's resources, and to become more efficient in processes throughout the Company's operations. However, keeping the cost base at an optimal level has been a challenge in recent quarters. Therefore, Marel will continue to maintain a strict focus on operational efficiency and cost control. At the same time it is clear that the Company's overall cost base is geared towards capturing increased sales and market share in the near term.

Cash flow

Operational cash flow before interest and tax remains healthy at 17.2m increasing by 3.7m compared to the first quarter of last year [Q1 2012; 13.5m]. The operational working capital is at slightly lower level and in line with the Company's growth plans.

Finance

The balance sheet is strong and net interest bearing debt amounted to 239.3m at the end of Q1 2013, compared with 254.2m at the end of Q1 2012. Marel is financed in EUR and USD in a proportion giving a natural hedge to exposures.

As previously disclosed, Marel signed an agreement with its lenders to amend and extend the term of present loan facilities from November 2010 by one year, or to the end of 2016. Interest on borrowings is decreasing as a result from debt reduction, better interest terms negotiated in 2010 and lower floating rates.

In connection with the extension of the facility maturity, Marel added to the current interest rate hedges to include the period from November 2015 to year-end 2016 in order to be in line with the Company's hedging policy to partly fix interest rates.

The Annual General Meeting of shareholders approved a dividend payment of 0.97 euro cents per share (EUR 7.1m) that was paid on 5 April. Treasury shares were sold for 0.5m euros in Q1 2013 to fulfill obligations of stock option agreements .

Outlook

Marel expects moderate growth in 2013, assuming recovery in established markets in the second half of the year. With increased sales of standard solutions and focus on operational excellence we expect to be back on track with 10-12% EBIT margin in the second half of 2013.

Mid- and long-term, the Company believes that Marel's innovative products and global presence in all industries will stimulate strong growth and increased profitability.

It should be kept in mind that results may vary from quarter to quarter due to general economic developments, fluctuations in orders received and deliveries of larger systems.

Presentation of results, 23 April 2013

Marel will present its results at an investor meeting on Tuesday, 23 April, at 8:30 am (GMT), at the Company's headquarters at Austurhraun 9, Gardabaer. The meeting will also be webcast at www.marel.com/webcast.

Publication days of Consolidated Financial Statements in 2013

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|--------------------|-----------------|
| ▪ 2nd quarter 2013 | 24 July 2013 |
| ▪ 3rd quarter 2013 | 23 October 2013 |
| ▪ 4th quarter 2013 | 5 February 2014 |

Release of financial statements will take place after market closing at above-mentioned dates.

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About Marel

Marel is the leading global provider of advanced equipment, systems and services to the fish, meat and poultry industries. With offices and subsidiaries in more than 30 countries and a global network of more than 100 agents and distributors, we work side-by-side with our customers to extend the boundaries of food processing performance. Advance with Marel for all your processing needs.

Forward-looking statements

Statements in this press release that are not based on historical facts are forward-looking statements. Although such statements are based on management's current estimates and expectations, forward-looking statements are inherently uncertain. We, therefore, caution the reader that there are a variety of factors that could cause business conditions and results to differ materially from what is contained in our forward-looking statements, and that we do not undertake to update any forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement.