

I. Chairman's address /
Skýrsla stjórnarformanns
Mr. Arni Oddur Thordarson



Annual General Meeting 2012

- 1 **Fast growing market**
- 2 **High quality of earnings**
- 3 **Aligning strategy and execution**
- 4 **Marel's best days ahead!**

9 billion people will inhabit the earth in 2050



That is **2 billion** more than inhabit it today





Today there are 1.8 billion **active consumers** worldwide

.....

OECD estimates that in 2050 active consumers will be **4.9 billion**

.....

Marel's market is growing annually by **5-6%**



Urbanisation is a driving force in emerging markets





*“The human population is headed to **9.3 billion by 2050**, with the middle class expanding from 1.8 billion to **4.9 billion active consumers**.”*

*Global farm output must rise **70 percent by 2050** to nourish everyone.”*

Bloomberg February 2012



FEBRUARY 26th 2011

Doing more with less

*“The only **reliable** way to produce more food is to use **better technology**.”*



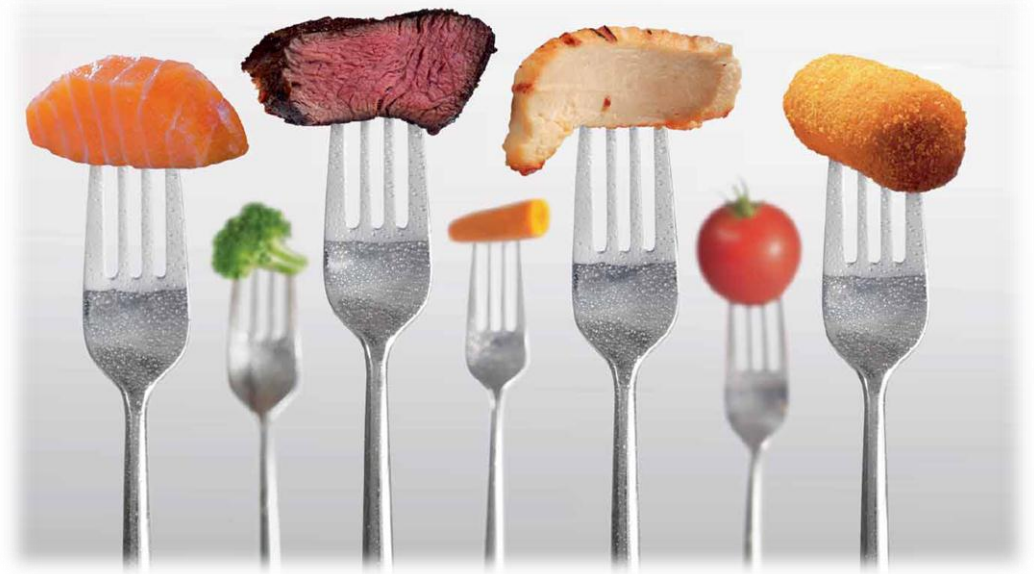
High quality of earnings

Good distribution between industries

Marel is the **only company** focusing on poultry, meat, fish and further processing

.....

Reduces **company risk**



Marel has a **good geographical balance** in new orders

Developed economies

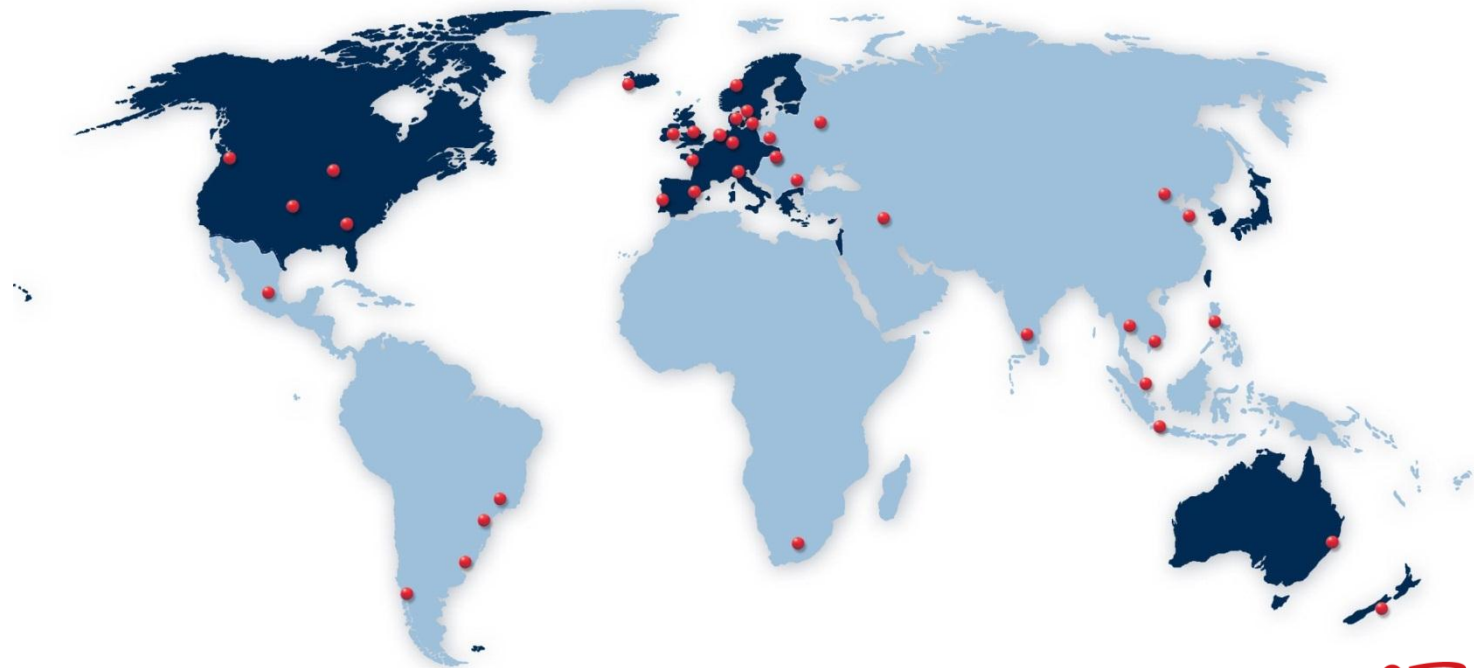
Population: 1.5 billion

Share of global economy: 50%

Emerging countries

Population: 5.5 billion

Share of global economy: 50%



Good backbone in **service revenues**

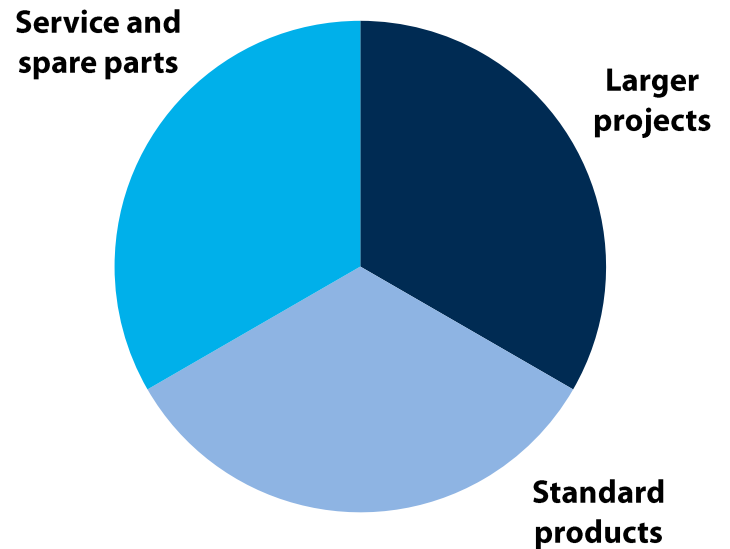
Greenfields and large projects are in high demand in **emerging markets**

.....

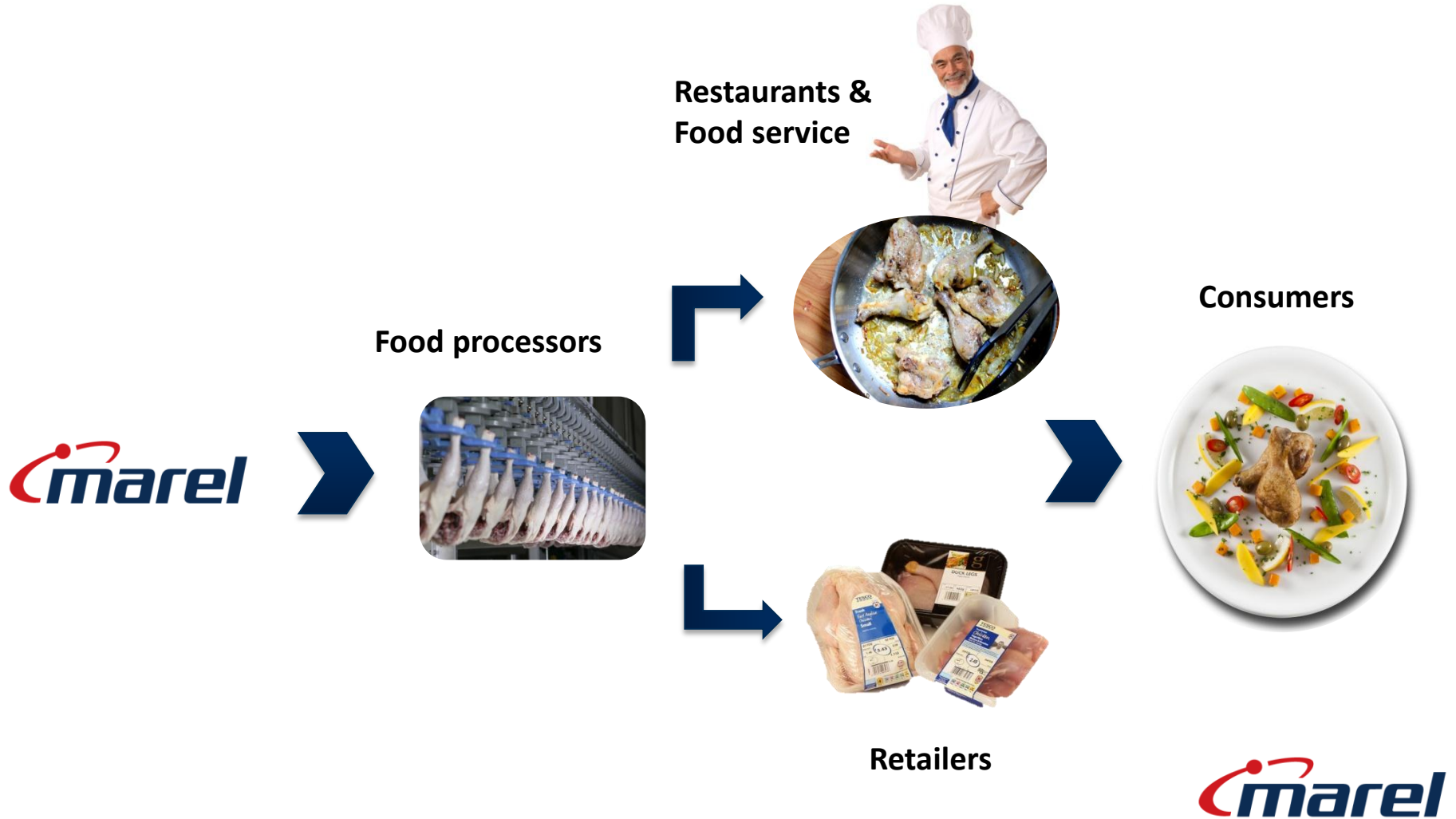
Marel provides steady pipeline of **standard products** that increase **efficiency and sustainability**

.....

Modernization and maintenance in Europe and US is a good business



Largest single customer accounts for 4% of sales



We make **quality food** affordable in a **sustainable** way

RevoPortioner produces **chicken nuggets** and **hamburgers**

.....

Retains the **texture** and **structure** of the raw material by using **low air pressure** instead of water

.....

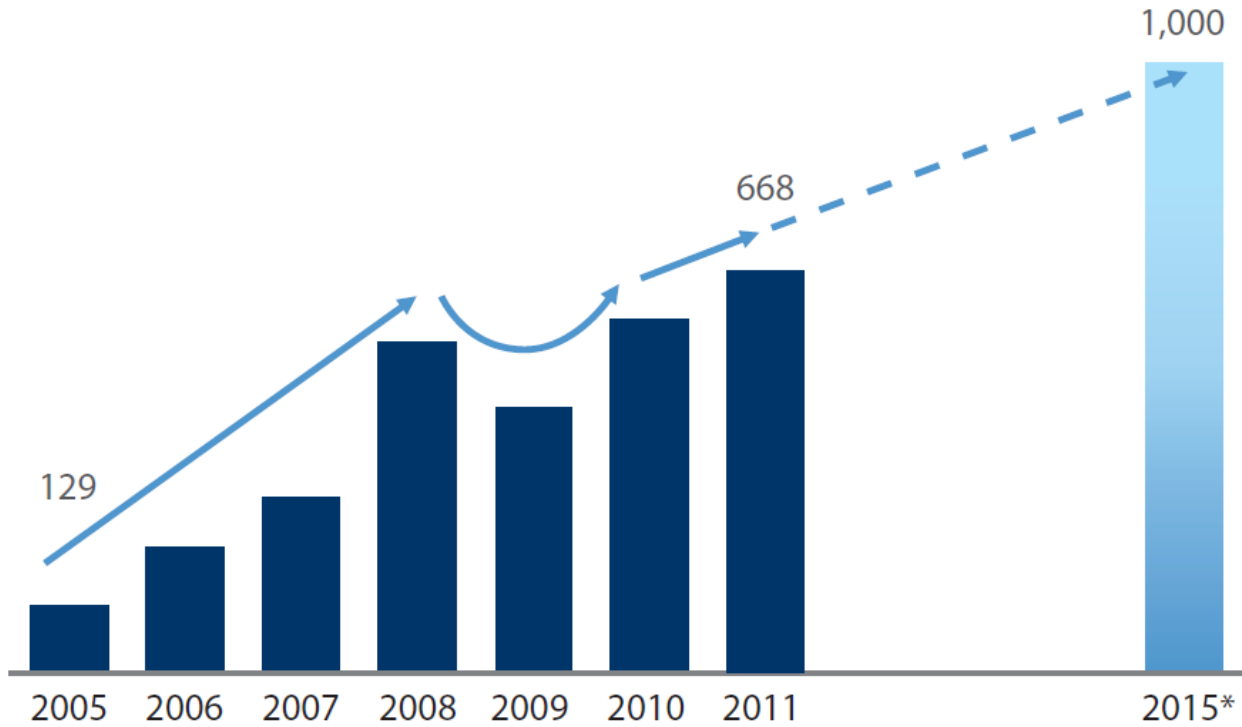
Brings **improved yield**, lower energy consumption and **reduced waste**



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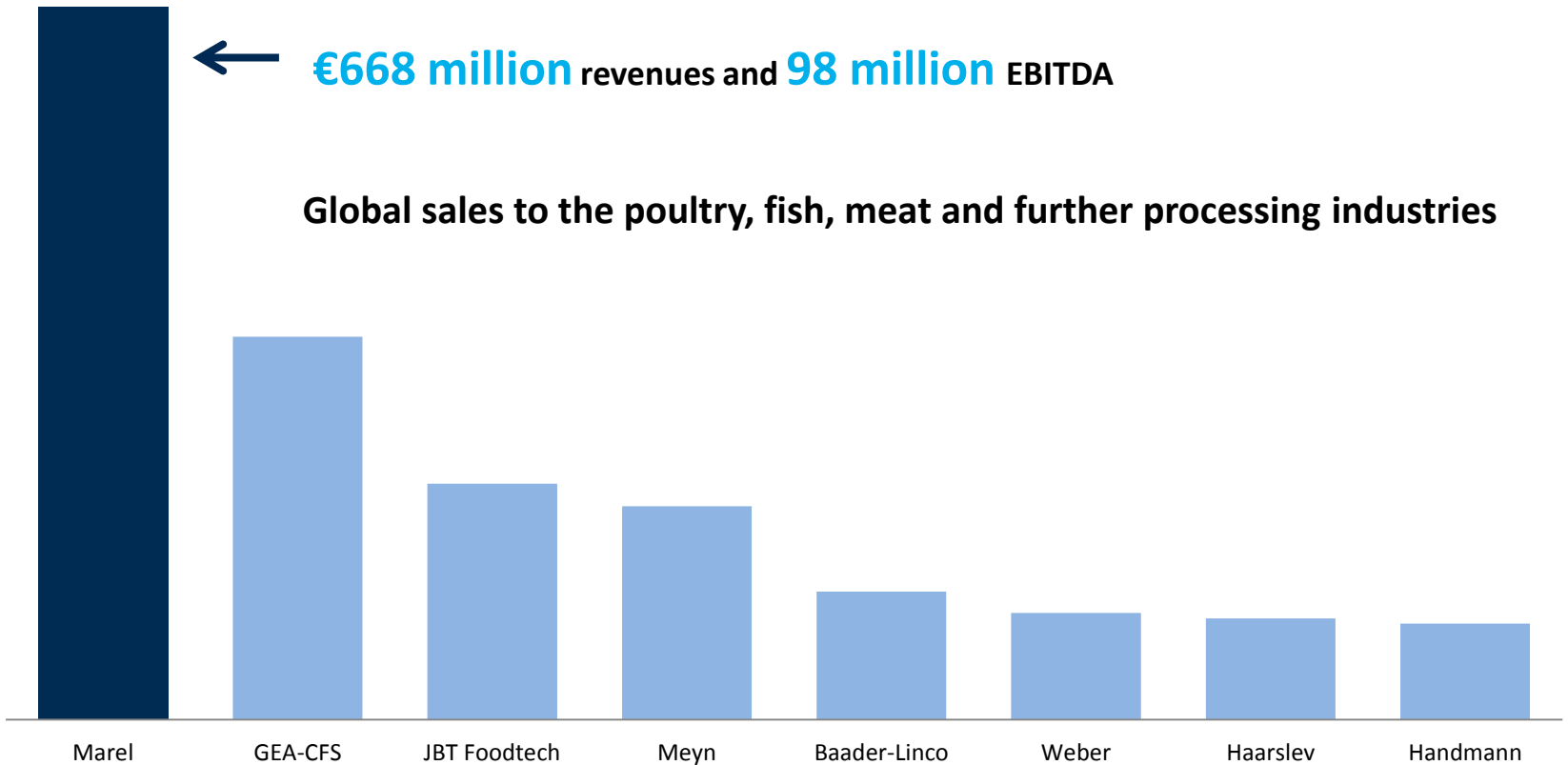
Aligning strategy and execution

Growth strategy well on track



* Target

First mover advantage is paying off



Based on Marel's market definition. GEA-CFS excludes packaging. JBT Foodtech excludes sales to the liquid food processing industry. Competitor revenues are Marel estimates.





Revenues in 2005 **129 million** euros
equalling 10 billion ISK
with **7.5% EBIT**

.....
Revenues in 2011 **668 million** euros
equalling 107 billion ISK
with **11% EBIT**

Revenues **X 5** in euros and operating profits **x7**

Revenues **X 11** in ISK and operating profits **x15**



Celebrating 20 years of Stock Exchange listing in 2012



NASDAQ OMX[®]

Marel is today the **leading global** provider of advanced systems to the **poultry, meat, fish** and **further processing** industries

.....

Marel operates in close to **40 countries** with **4000 employees** fully dedicated to create further values for **customers** and **shareholders**

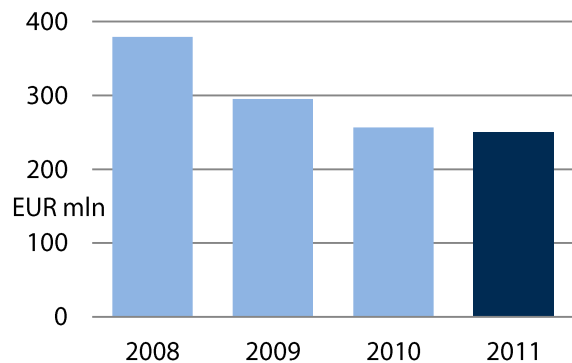
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Marel started as a research project at the University of Iceland in 1977 with the initial aim to increase efficiency in the **Icelandic fisheries industry**

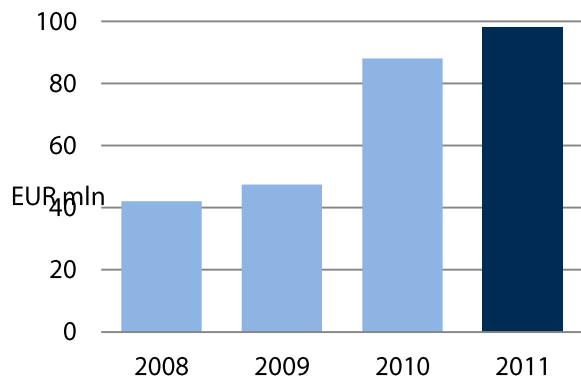


Creating shareholder value

Net debt at end of year



EBITDA



The Board's proposal for this AGM is to pay **0.95 eurocents per share as dividend** for the operational year 2011 equaling **20% of profits**

.....

Target net DEBT/EBITDA ratio is **x 2-3 EBITDA**

.....

At last year AGM we introduced our aim to pay **dividend equal to 20-40% of profits**



Good liquidity in shares

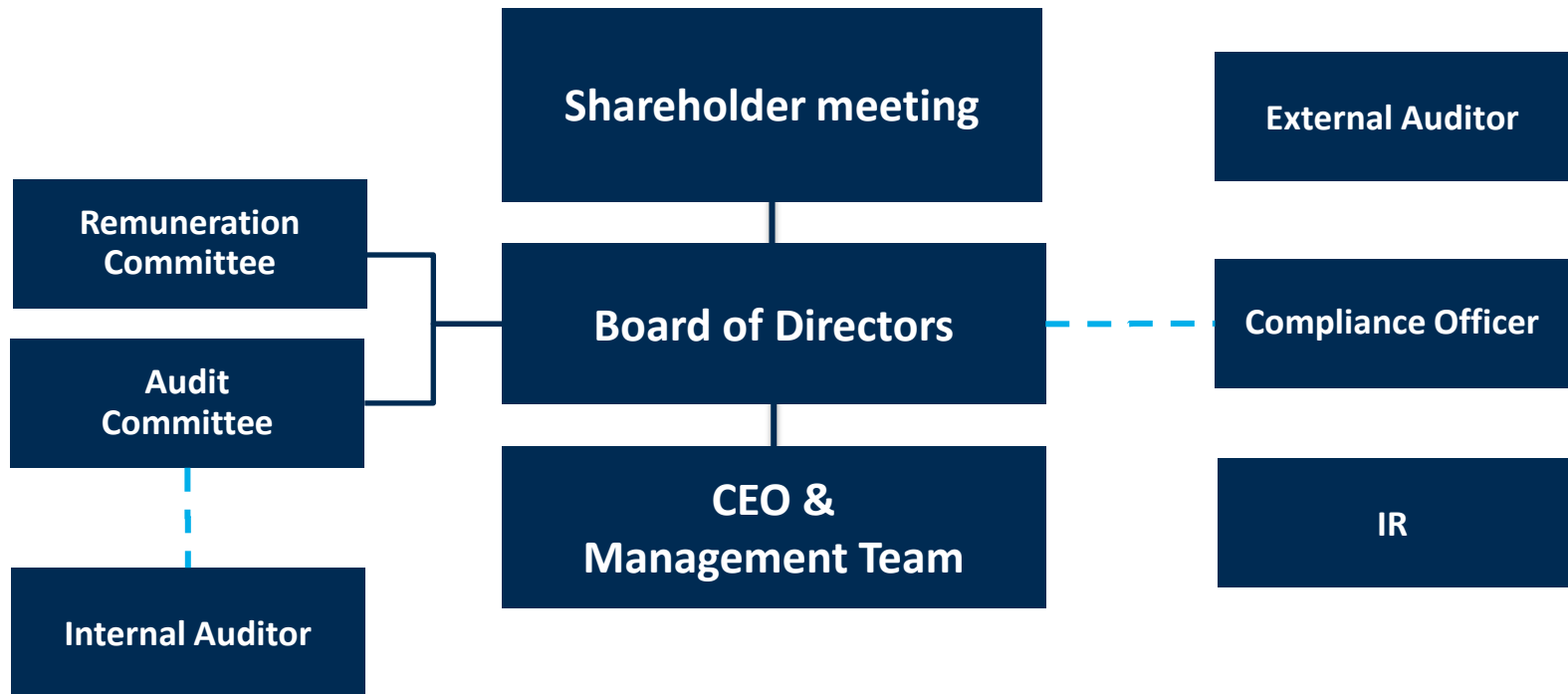
Financial indicator	Start of 2011	End of 2011
Market value in EUR	475 million	580 million
Share price in EUR	0.65	0.79
Share price in ISK	100	125.5
Free float	40%	60%
Outstanding shares	730.3 million	729 million
Number of shareholders	1,772	1,799

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Marel's best days ahead!



Corporate governance



Committed team with **proven track record**



We continue to bring **innovative products** to the market and we **expand geographically**

.....

We strive for **operational excellence** across the whole range of our activities

.....

The **experience** of past years shows that we have the **ability** and **committed employees** to realize our future ambitions



4000 employees in 40 countries

In a company like ours that thrives on innovation and market penetration, we need a **diversity** of talents



We want to be **competitive**. We want to **attract**, retain and **energise** our team



Marel's best days are ahead!



2011 was a great year

.....

668 million in revenues
with 11% EBIT

.....

Marel enters 2012
with high momentum
and a record order book



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