

Condensed Consolidated Interim Financial Statements

30 September 2014

Contents

1	The Board of Directors' and CEO's Report	2
2	Condensed Consolidated Statement of Comprehensive Income	3
3	Condensed Consolidated Statement of Financial Position	4
4	Condensed Consolidated Statement of Changes in Equity	5
5	Condensed Consolidated Statement of Cash Flows	6
6	Notes to the Condensed Consolidated Statements	7

1 The Board of Directors' and CEO's Report

According to our best knowledge it is our opinion that the condensed consolidated interim information gives a true and fair view of the consolidated financial performance of the Company for the nine-month period ended 30 September 2014, its assets, liabilities and consolidated financial position as at 30 September 2014 and its consolidated cash flows for the nine-month period ended 30 September 2014.

Further, in our opinion the condensed consolidated financial interim information and the endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Group's operations and its position and describe the principal risks and uncertainties faced by the Group.

The Board of Directors and the CEO have today discussed the condensed consolidated interim financial information of Marel hf. for the nine-month period ended 30 September 2014 and confirm these by means of their signatures.

Garðabær, 22 October 2014

Board of Directors

Ásthildur Margrét Otharsdóttir
Arnar Þór Másson
Ann Elizabeth Savage
Ástvaldur Jóhannesson
Helgi Magnússon
Margrét Jónsdóttir
Ólafur S. Guðmundsson

Chief Executive Officer

Árni Oddur Þórðarson

2 Condensed Consolidated Statement of Comprehensive Income

		Q3 2014	Q3 2013	YTD 2014	YTD 2013
	Notes				
Revenues	5	187,931	156,896	512,536	493,354
Cost of sales - before refocusing costs		(120,559)	(98,866)	(332,152)	(318,298)
refocusing costs.....		42	-	(5,573)	-
Cost of sales		<u>(120,517)</u>	<u>(98,866)</u>	<u>(337,725)</u>	<u>(318,298)</u>
Gross profit		67,414	58,030	174,811	175,056
Selling and marketing expenses - before refocusing costs		(24,391)	(21,871)	(73,914)	(70,658)
refocusing costs.....		44	-	(1,609)	-
Selling and marketing expenses.....		<u>(24,347)</u>	<u>(21,871)</u>	<u>(75,523)</u>	<u>(70,658)</u>
Research and development expenses - before refocusing costs		(12,972)	(10,728)	(36,989)	(32,851)
refocusing costs.....		41	-	(441)	-
Research and development expenses		<u>(12,931)</u>	<u>(10,728)</u>	<u>(37,430)</u>	<u>(32,851)</u>
Administrative expenses - before refocusing costs		(12,600)	(12,615)	(36,766)	(36,040)
refocusing costs.....		(1,423)	-	(4,412)	-
Administrative expenses		<u>(14,023)</u>	<u>(12,615)</u>	<u>(41,178)</u>	<u>(36,040)</u>
Other operating income / (expenses)		-	38	5	(8)
Result from operations - before refocusing costs.....		17,409	12,854	32,720	35,499
refocusing costs.....		(1,296)	-	(12,035)	-
Result from operations		16,113	12,854	20,685	35,499
Finance costs	6	(3,377)	(4,706)	(10,057)	(14,461)
Finance income.....	6	584	54	671	266
Net finance costs	6	<u>(2,793)</u>	<u>(4,652)</u>	<u>(9,386)</u>	<u>(14,195)</u>
Result before income tax		13,320	8,202	11,299	21,304
Income tax	7	(3,479)	(2,225)	(2,563)	(4,385)
Profit (loss) for the period		9,841	5,977	8,736	16,919
Other Comprehensive Income					
Items that are or will be reclassified to profit or loss:					
Currency translation differences.....		544	135	1,775	(1,028)
Cash flow hedges.....		736	(75)	1,339	2,394
Income tax relating to cash flow hedges		(211)	34	(357)	(510)
Other comprehensive income for the period, net of tax		1,069	94	2,757	856
Total comprehensive income for the period		10,910	6,071	11,493	17,775
Profit (loss) attributable to:					
Shareholders of the Company		9,841	5,977	8,736	16,919
Comprehensive income attributable to:					
Shareholders of the Company		10,910	6,071	11,493	17,775
Earnings per share for result attributable to equity holders of the Company during the period (expressed in EUR cent per share):					
- basic	8	1.34	0.81	1.19	2.31
- diluted	8	1.34	0.81	1.19	2.29
Earnings per share for total comprehensive income attributable to equity holders of the Company during the period (expressed in EUR cent per share):					
- basic		1.49	0.83	1.56	2.42
- diluted		1.49	0.82	1.56	2.41

The notes on pages 7-15 are an integral part of the Condensed Consolidated Interim Statements.

3 Condensed Consolidated Statement of Financial Position

	Notes	30/09 2014	31/12 2013
ASSETS			
Non-current assets			
Property, plant and equipment.....	9	97,705	104,707
Goodwill	10,19	386,791	378,708
Other intangible assets.....	10	120,223	118,561
Trade receivables.....		93	691
Deferred income tax assets.....	11	9,307	9,611
		<u>614,119</u>	<u>612,278</u>
Current assets			
Inventories	12	95,870	91,796
Production contracts		25,076	24,829
Trade receivables.....		75,226	68,737
Assets held for sale.....	13	2,500	-
Other receivables and prepayments		24,114	22,135
Cash and cash equivalents		<u>25,839</u>	<u>19,793</u>
		<u>248,625</u>	<u>227,290</u>
Total assets		<u>862,744</u>	<u>839,568</u>
EQUITY			
Capital and reserves attributable to equity holders of Marel hf.			
Share capital	14	6,696	6,727
Share premium	14	314,742	317,294
Hedge reserve		(4,337)	(5,319)
Translation reserve		655	(1,120)
Retained earnings		<u>110,631</u>	<u>101,757</u>
Total equity		428,387	419,339
LIABILITIES			
Non-current liabilities			
Borrowings	15	198,493	214,846
Deferred income tax liabilities	11	11,693	13,885
Provisions	16	6,565	6,065
Derivative financial instruments		<u>5,863</u>	<u>7,184</u>
		<u>222,614</u>	<u>241,980</u>
Current liabilities			
Production contracts.....		61,241	44,881
Trade and other payables.....		119,944	105,662
Current income tax liabilities		5,825	3,526
Borrowings	15	18,654	22,077
Provisions	16	<u>6,079</u>	<u>2,103</u>
		<u>211,743</u>	<u>178,249</u>
Total liabilities		434,357	420,229
Total equity and liabilities		<u>862,744</u>	<u>839,568</u>

The notes on pages 7-15 are an integral part of the Condensed Consolidated Interim Statements.

4 Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company					
	Share Capital	Share premium	Hedge reserve	Translation reserve	Retained earnings	Total equity
Balance at 1 January 2013	6,691	317,178	(8,112)	473	87,518	403,748
Profit (loss) for the year					16,919	16,919
Total other comprehensive income.....			1,884	(1,028)		856
Dividend paid					(7,105)	(7,105)
Employee share option scheme:						
Treasury shares purchased.....	(43)	(4,107)				(4,150)
Treasury shares sold	79	4,577				4,656
Treasury shares, transaction costs.....		(13)				(13)
Value of services provided		361				361
Value of services provided released		(761)			720	(41)
	36	57	1,884	(1,028)	10,534	11,483
Balance at 30 September 2013	6,727	317,235	(6,228)	(555)	98,052	415,231
Profit (loss) for the year					3,701	3,701
Total other comprehensive income.....			909	(565)		344
<i>Employee share option scheme:</i>						
Treasury shares sold		26				26
Value of services provided		37				37
Value of services provided released		(4)			4	-
	-	59	909	(565)	3,705	4,108
Balance at 31 December 2013	6,727	317,294	(5,319)	(1,120)	101,757	419,339
Profit (loss) for the year					8,736	8,736
Total other comprehensive income.....			982	1,775		2,757
<i>Employee share option scheme:</i>						
Treasury shares purchased.....	(45)	(3,428)				(3,473)
Treasury shares sold	14	880				894
Treasury shares, transaction costs.....		(5)				(5)
Value of services provided		143				143
Value of services provided released		(142)			138	(4)
	(31)	(2,552)	982	1,775	8,874	9,048
Balance at 30 September 2014	6,696	314,742	(4,337)	655	110,631	428,387

¹⁾ Includes reserve for share based payments as per 30 September 2014 of EUR 1,251 (31 December 2013: EUR 1,250).

Dividends

No dividends were declared / paid in 2014.

In 2013 a dividend of EUR 7,105 (EUR 0.97 cent per share) was declared of which EUR 6,488 was paid in Q2 and EUR 617 withholding tax in Q3.

The notes on pages 7-15 are an integral part of the Condensed Consolidated Interim Statements.

5 Condensed Consolidated Statement of Cash Flows

		Q3	Q3	YTD	YTD
	Notes	2014	2013	2014	2013
Cash flows from operating activities					
Result from operations		16,113	12,854	20,685	35,499
<i>Adjustments to reconcile result from operations to net cash provided by operating activities:</i>					
Depreciation and impairment of property, plant and equipment	9	2,237	2,274	8,822	7,036
Amortisation and impairment of intangible assets.....	10	6,264	4,396	16,201	12,823
Gain on sale of property, plant and equipment		133	(194)	(41)	(252)
Changes in non current receivables.....		177	183	601	1,706
Working capital provided by / (used in) operating activities		24,924	19,513	46,268	56,812
<i>Changes in working capital:</i>					
Inventories and production contracts.....		12,002	36	12,449	7,663
Trade and other receivables		(6,369)	(3,064)	(6,993)	(763)
Trade and other payables.....		(3,249)	(13,576)	11,469	(18,313)
Provisions		2,421	121	6,340	214
Changes in operating assets and liabilities		4,805	(16,483)	23,265	(11,199)
Cash generated from operating activities		29,729	3,030	69,533	45,613
Taxes paid		(299)	(206)	(1,275)	(530)
Net Interest and finance costs		(2,813)	(4,878)	(9,686)	(10,170)
Net cash from operating activities		26,617	(2,055)	58,572	34,913
Cash flows from Investing activities					
Purchase of property, plant and equipment		(732)	(2,861)	(4,068)	(5,320)
Investments in intangibles		(5,406)	(4,799)	(15,613)	(17,572)
Proceeds from sale of property, plant and equipment		824	(30)	1,183	238
Business combinations		-	(1,487)	(5,900)	(1,488)
Net cash used in investing activities		(5,314)	(9,178)	(24,398)	(24,142)
Cash flows from financing activities					
Purchase of treasury shares.....		(2,377)	(4,163)	(3,478)	(4,163)
Sale of treasury shares.....		67	3,304	894	4,656
Exercise of share options		-	(41)	-	(41)
Proceeds from borrowings		5,000	16,114	20,000	41,935
Repayments of borrowings		(17,498)	(9,309)	(47,954)	(46,511)
Dividends paid		-	(617)	-	(7,105)
Net cash used in financing activities		(14,808)	5,288	(30,538)	(11,229)
Net increase (decrease) in net cash		6,495	(5,944)	3,636	(458)
Exchange (loss) / gain on net cash.....		1,982	(749)	2,410	(904)
Net cash at beginning of the period		17,362	21,277	19,793	15,945
Net cash at end of the period		25,839	14,583	25,839	14,583

The notes on pages 7-15 are an integral part of the Condensed Consolidated Interim Statements.

6 Notes to the Condensed Consolidated Statements

1. General information

Marel hf. (the Company) is a limited liability company incorporated and domiciled in Iceland. The Company has its listing on the Nasdaq OMX Iceland.

These condensed consolidated interim financial statements have been approved for issue by the board of directors on 22 October 2014. The information included herein is not audited.

All amounts are in thousands of EUR, unless otherwise stated.

2. Basis of preparation

These condensed consolidated interim financial statements of the Company and its subsidiaries (the Group) are for the nine months ended 30 September 2014. These have been prepared in accordance with IAS 34 as adopted by the EU. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013. The consolidated financial statements for the Group as for the period ended 31 December 2013 are available upon request from the Company's registered office at Austurhraun 9, Gardabær or at www.marel.com.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2013, as described in the annual Financial Statements for the year ended 31 December 2013.

4. Financial risk management

The company's policy is to finance its operations in its revenue currencies. More than 99% of Marel's revenues originate outside of Iceland and there is a good currency balance between the company's revenues and costs. Efforts have been made to systematically reduce currency risk in the company's financing and to reduce interest cost.

5. Segment information

Operating segments

The segments comprise the industries, which form the basis for managerial decision taking.

Results are monitored and managed at the level of the identified operating segments, up to the result from operations. Decisions on Tax and Financing structures are taken on corporate level therefore no financial income and expenses nor tax are allocated to operating segments. The measure of profit or loss per operating segment is provided as result from operations; finance costs and taxes are reported in the column Total.

Intercompany transactions are entered into under at arm's length terms and conditions comparable to those available to unrelated parties. Information on liabilities per operating segment is not provided to the chief operating decision maker and as such not included in this disclosure.

The 'Others' segment includes any business to customers outside the core industries as well as the holding companies.

The segment information for the period ended 30 September 2014 is as follows:

	Poultry	Fish	Meat	Further Processing	Others	Total
Third Party Revenues	268,407	80,657	92,099	61,241	10,132	512,536
Result from operations excluding refocusing	29,535	5,908	(673)	(1,335)	(715)	32,720
Refocusing costs						(12,035)
Result from operations						20,685
Finance costs - net						(9,386)
Result before income tax						11,299
Income tax						(2,563)
Profit (loss) for the period						8,736
Assets	520,977	87,470	106,192	96,952	51,153	862,744
Depreciation and amortisation	(8,484)	(3,362)	(5,583)	(4,883)	(2,711)	(25,023)

The segment information for the period ended 30 September 2013 is as follows:

	Poultry	Fish	Meat	Further Processing	Others	Total
Third Party Revenues	255,391	74,653	76,116	76,379	10,815	493,354
Result from operations	36,527	(991)	(1,820)	2,137	(354)	35,499
Finance costs - net						(14,195)
Result before income tax						21,304
Income tax						(4,385)
Profit (loss) for the period						16,919
Assets ^{*)}	508,828	100,472	100,319	104,445	43,416	857,480
Depreciation and amortisation	(7,211)	(2,850)	(2,644)	(4,659)	(2,495)	(19,859)

^{*)} The assets at 30 September 2013 were restated to reflect the correct allocation of goodwill to the segments.

6. Net finance costs

	YTD 2014	YTD 2013
Finance costs:		
Interest on borrowings	(8,207)	(9,265)
Interest on finance leases	(4)	(4)
Other finance expenses	(1,846)	(1,870)
Net foreign exchange transaction losses	-	(3,322)
Subtotal Finance costs	<u>(10,057)</u>	<u>(14,461)</u>
Finance income:		
Interest income	60	266
Net foreign exchange transaction gains	611	-
Subtotal Finance income	<u>671</u>	<u>266</u>
Net Finance costs	<u>(9,386)</u>	<u>(14,195)</u>

7. Income tax

	YTD 2014	YTD 2013
Current tax	(4,436)	(2,674)
Deferred tax	1,873	(1,711)
	<u>(2,563)</u>	<u>(4,385)</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

Reconciliation of effective income tax	YTD 2014		YTD 2013	
		%		%
Result before income tax	<u>11,299</u>		<u>21,304</u>	
Income tax using Iceland rate	(2,260)	20.0	(4,261)	20.0
Effect tax rates in other jurisdictions	(1,712)	15.2	(1,704)	8.0
Weighted average applicable tax	<u>(3,972)</u>	<u>35.2</u>	<u>(5,965)</u>	<u>28.0</u>
FX effect Iceland	108	(1.0)	85	(0.4)
R&D tax incentives	1,306	(11.6)	2,070	(9.7)
Permanent differences	547	(4.8)	263	(1.2)
Tax losses (un)recognised	(648)	5.7	(1,014)	4.8
(Impairment)/reversal of tax losses	68	(0.6)	122	(0.6)
Effect of tax rate changes	139	(1.2)	0	0.0
Others	(111)	1.0	54	(0.3)
Tax charge included in the profit or loss for the period	<u>(2,563)</u>	<u>22.8</u>	<u>(4,385)</u>	<u>20.6</u>

8. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

Basic earnings per share (EUR cent per share)	YTD 2014	YTD 2013
Net profit (loss) attributable to shareholders	8,736	16,919
Weighted average number of outstanding shares in issue (thousands).....	734,741	733,170
Basic earnings per share (EUR cent per share).....	<u>1.19</u>	<u>2.31</u>

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted earnings per share (EUR cent)	YTD 2014	YTD 2013
Net profit (loss) used to determine diluted earnings per share	8,736	16,919
Weighted average number of outstanding shares in issue (thousands).....	734,741	733,170
Adjustments for share options (thousands).....	1,631	5,905
Weighted average number of outstanding shares for diluted earnings per share (thousands).....	<u>736,371</u>	<u>739,075</u>
Diluted earnings per share (EUR cent).....	<u>1.19</u>	<u>2.29</u>

9. Property, plant and equipment

	Land & buildings	Plant & machinery	Vehicles & equipment	Total
At 1 January 2014				
Cost	115,497	66,693	44,767	226,957
Accumulated depreciation	(35,746)	(48,959)	(37,545)	(122,250)
Net book amount	<u>79,751</u>	<u>17,734</u>	<u>7,222</u>	<u>104,707</u>
Nine months ended 30 September 2014				
Opening net book amount	79,751	17,734	7,222	104,707
Exchange differences	902	334	158	1,394
Additions	2,470	632	965	4,067
Disposals	(903)	(28)	(210)	(1,141)
Assets held for sale.....	(2,500)	-	-	(2,500)
Impairment charge.....	(2,199)	-	-	(2,199)
Depreciation charge	(2,155)	(2,641)	(1,827)	(6,623)
Closing net book amount.....	<u>75,366</u>	<u>16,031</u>	<u>6,308</u>	<u>97,705</u>
At 30 September 2014				
Cost	114,827	68,699	45,461	228,987
Accumulated depreciation	(39,461)	(52,668)	(39,153)	(131,282)
Net book amount	<u>75,366</u>	<u>16,031</u>	<u>6,308</u>	<u>97,705</u>

Depreciation of property, plant and equipment analyses as follows in the Condensed Consolidated Statement of Comprehensive income:

	YTD 2014	YTD 2013
Cost of sales	4,323	4,310
Selling and marketing expenses.....	532	641
Research and development expenses	317	330
Administrative expenses	1,451	1,755
	<u>6,623</u>	<u>7,036</u>

10. Intangible assets

	Goodwill	Developm. costs	Patents & Trade name	Other Intangibles	Total other Intangibles
At 1 January 2014					
Cost	378,708	122,537	50,512	22,792	195,841
Accumulated depreciation	-	(47,630)	(19,182)	(10,468)	(77,280)
Net book amount	<u>378,708</u>	<u>74,907</u>	<u>31,330</u>	<u>12,324</u>	<u>118,561</u>
Nine months ended 30 September 2014					
Opening net book amount	378,708	74,907	31,330	12,324	118,561
Business combination	5,900	-	-	-	-
Exchange differences	2,183	816	1,426	8	2,250
Additions	-	13,122	-	2,491	15,613
Impairment charge.....	-	(1,047)	-	-	(1,047)
Amortisation charge	-	(10,237)	(2,706)	(2,211)	(15,154)
Closing net book amount.....	<u>386,791</u>	<u>77,561</u>	<u>30,050</u>	<u>12,612</u>	<u>120,223</u>
At 30 September 2014					
Cost	386,791	137,167	53,021	25,343	215,531
Accumulated amortisation	-	(59,606)	(22,971)	(12,731)	(95,308)
Net book amount	<u>386,791</u>	<u>77,561</u>	<u>30,050</u>	<u>12,612</u>	<u>120,223</u>

Business combinations relates to the agreement with Scanvaegt Nordic, see note 19.

Amortization of intangible assets analyses as follows in the Condensed Consolidated Statement of Comprehensive income:

	YTD 2014	YTD 2013
Cost of sales	73	77
Selling and marketing expenses.....	346	266
Research and development expenses	11,167	9,018
Administrative expenses	3,568	3,462
	<u>15,154</u>	<u>12,823</u>

Impairment of Goodwill

The Group has tested end 2013 whether goodwill has suffered any impairment. At the closing of Q3 2014, there are no reasons to deviate from the conclusions taken at year-end.

11. Deferred income tax

Deferred income taxes are calculated in full on temporary differences under the liability method. The gross movement on the deferred income tax account is as follows:

At 1 January 2014	(4,274)
Exchange differences and changes within the Group	372
Consolidated Statement of Comprehensive Income charge (excluding rate change)	1,736
Effect of change in tax rates	137
Hedge reserve & translation reserve directly booked through equity	(357)
At 30 September 2014	<u>(2,386)</u>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated Statement of Financial Position:

	30/09 2014	31/12 2013
Deferred income tax assets	9,307	9,611
Deferred income tax liabilities	(11,693)	(13,885)
	<u>(2,386)</u>	<u>(4,274)</u>

12. Inventories

There were no material reversals of write-downs to fair value. Any write-downs concluded from a recoverability analysis are recognized in Cost of sales.

13. Assets held for sale

Assets held for sale relates to the real estate in Oss.

14. Equity

Share Capital	Ordinary shares (thousands)	Treasury shares (thousands)	Outstanding number of shares (thousands)
At 1 January 2013	735,569	(4,129)	731,440
Treasury shares - purchased	-	(4,700)	(4,700)
Treasury shares - sold	-	8,665	8,665
At 30 September 2013	735,569	(164)	735,405
Treasury shares - sold	-	47	47
At 1 January 2014	735,569	(117)	735,452
Treasury shares - purchased	-	(5,000)	(5,000)
Treasury shares - sold	-	1,580	1,580
At 30 September 2014	735,569	(3,537)	732,032
Class of share capital:			
Nominal value		30/09 2014	31/12 2013
		6,696	6,727
Share premium		313,491	316,044
Reserve for share based payments		1,251	1,250
Total share premium reserve		314,742	317,294

The total authorized number of ordinary shares is 735.6 million shares (2013: 735.6 million shares) with a par value of ISK 1 per share. All issued shares are fully paid.

15. Borrowings

Non-current:	30/09 2014	31/12 2013
Bank borrowings	198,483	214,822
Finance lease liabilities	10	24
	198,493	214,846
Current:		
Bank borrowings excluding bank overdrafts	18,651	21,857
Finance lease liabilities	3	220
	18,654	22,077
Total borrowings	217,147	236,923
Secured bank loans	217,134	236,679
Finance lease liabilities	13	244
Total borrowings	217,147	236,923

Liabilities in currency recorded in EUR	Finance lease liabilities	Capitalised finance charges	Other borrowings	Total 30/09 2014	Total 31/12 2013
Liabilities in DKK	-	-	-	-	3,311
Liabilities in EUR	-	(3,042)	115,000	111,958	136,509
Liabilities in USD	-	(1,233)	106,408	105,175	97,056
Liabilities in other currencies	13	-	-	13	47
	13	(4,275)	221,408	217,147	236,923
Current matures	(3)	1,349	(20,000)	(18,654)	(22,077)
	10	(2,926)	201,409	198,493	214,846

16. Provisions

Reorganization costs have been provided for an amount of EUR 3.5m. The provision for early retirement rights has increased with EUR 0.8m compared to the end of 2013.

17. Contingencies

At 30 September 2014 the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business the Group has given guarantees amounting to EUR 17,030 (31 December 2013: EUR 18,842) to third parties.

18. Related party transactions

At the end of September 2014, there are no loans to directors (31 December 2013: EUR nil).

19. Business combinations

With the acquisition, Marel bought back the right to supply service and sell spare parts for Marel equipment to customers in Denmark and Sweden from Scanvaegt Nordic AIS. The purchase price is EUR 5.9m and the total amount is allocated to goodwill, as the payment primarily is related to access to specific business information.

20. Subsequent events

None.

21. Quarterly results

	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Revenue	187,931	169,848	154,757	168,182	156,896
Cost of sales	(120,517)	(114,600)	(102,608)	(109,594)	(98,866)
Gross profit	67,414	55,248	52,149	58,588	58,030
Selling and marketing expenses	(24,347)	(25,369)	(25,807)	(24,447)	(21,871)
Research and development expenses	(12,931)	(12,040)	(12,459)	(11,537)	(10,728)
Administrative expenses.....	(14,023)	(14,288)	(12,867)	(15,273)	(12,615)
Other operating income / (expenses)	-	2	3	79	38
Result from operations (EBIT)	16,113	3,553	1,019	7,410	12,854
Finance costs	(3,377)	(2,998)	(3,682)	(4,966)	(4,706)
Finance income	584	64	23	97	54
Net finance costs.....	(2,793)	(2,934)	(3,659)	(4,869)	(4,652)
Result before income tax	13,320	619	(2,640)	2,541	8,202
Income tax	(3,479)	147	769	1,160	(2,225)
Profit (loss) for the period	9,841	766	(1,871)	3,701	5,977
Profit before deprec. & amortisation (EBITDA)	24,616	13,022	8,071	14,086	19,523