



## **AS PREMIA FOODS**

**Consolidated Unaudited Interim Report  
for 1<sup>st</sup> quarter and 3 months of 2012**



Business name: **AS PREMIA FOODS**

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Main areas of activity: Production of ice cream  
Wholesale of food products  
Production and sale of fish products  
Fish farming

Reporting period: 1 January 2012 – 31 March 2012

Auditor: AS PricewaterhouseCoopers



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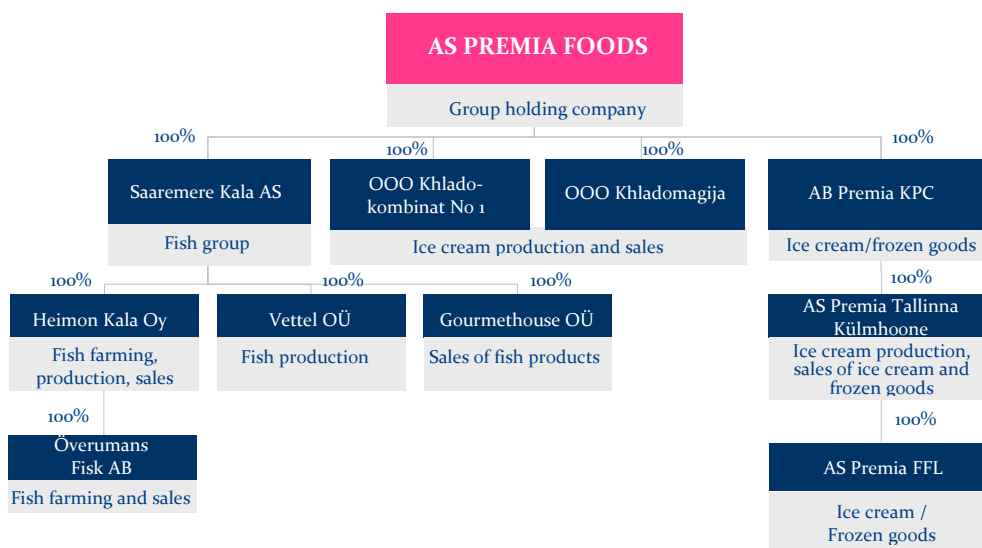
**ACTIVITIES REPORT BY THE MANAGEMENT BOARD**

AS Premia Foods is a food production company, which operates in six markets and is listed in the main list of NASDAQ OMX Tallinn Stock Exchange since 5 May 2010.

The company has been developed into a leading player in all its target markets –today, the company operates in the Baltic states and Russia, but also in Finland and Sweden. The company is mostly known for its highly valued and appreciated brands in the ice cream market, chilled fish products and frozen goods markets.

The flagship brands of AS Premia Foods are Premia, Eriti Rammus, Heimon Gourmet, Väike Tom, Sakharny Rozhok, Etalon, Baltiiskoje, Klasika, Maahärä, Viking, Natali, Buenol, etc.

**Structure of the Premia Foods group of companies:**



*In addition group has a 20% holding in AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology).*



## SUMMARY OF FINANCIAL RESULTS

### The unaudited financial results of AS Premia Foods, 1<sup>st</sup> quarter and 3 months, 2012

The unaudited consolidated turnover of AS Premia Foods of the 1<sup>st</sup> quarter of 2012 increased compared to the same period last year by 2.7% and was 17.1 million euro.

In addition to the increase in turnover, all the profitability ratios have improved in the 1<sup>st</sup> quarter of 2012 and this applies to all the business segments.

During this period, the gross profit of the company increased by 29% reaching 4.2 million euro. The gross margin of Premia Foods in the 1<sup>st</sup> quarter of 2012 was 24.5%, having improved by 5.1 percentage points by year.

For the first time since Premia became a public company the EBITDA result of the 1<sup>st</sup> quarter is positive. The EBITDA from operations improved by 0.5 million euro, reaching zero. Net profit improved by 0.8 million euro and by the end of the 1<sup>st</sup> quarter the company had earned net loss in the amount of 1.2 million euro, while the result of the same period previous year was net loss in the amount of 2.0 million euro.

The group's key ratios of the first quarter of 2012 have been indicated in the following table.

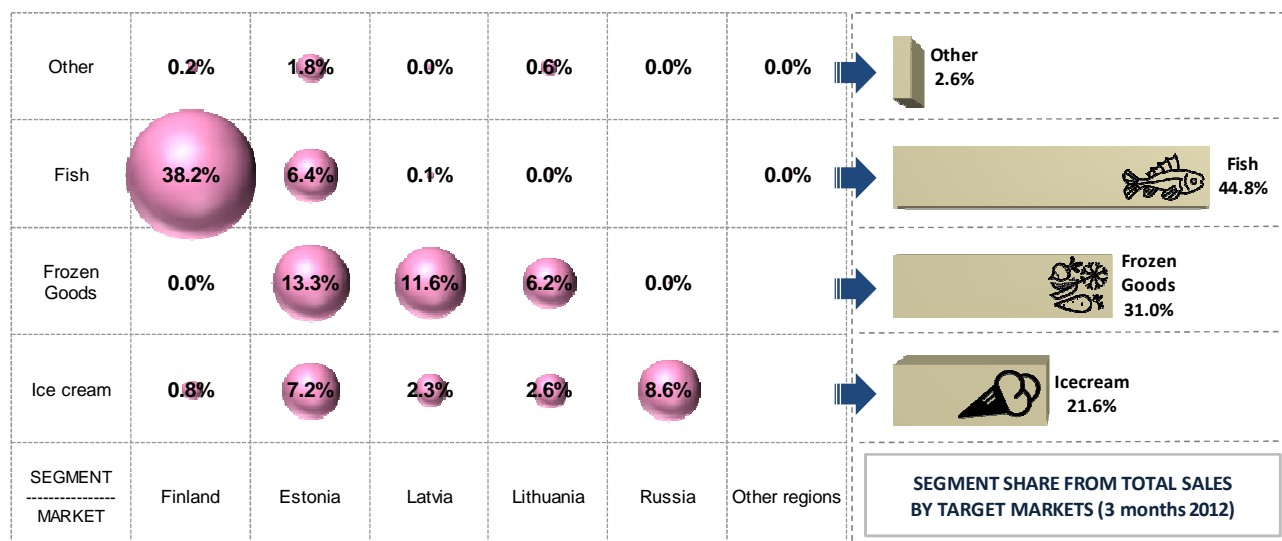
		<b>KEY RATIOS</b>	
<i>Profit &amp; Loss, EUR mln</i>	<i>formula</i>	<b>Q1 2012</b>	<b>Q1 2011</b>
Sales		<b>17.1</b>	16.7
Gross profit		<b>4.2</b>	3.2
EBITDA from operations	before one-offs and fair value adjustment	<b>0.0</b>	-0.5
EBITDA		<b>-0.6</b>	-1.3
EBIT		<b>-1.4</b>	-2.3
Net profit		<b>-1.2</b>	-2.0
Gross margin	Gross profit / Net sales	<b>24.5%</b>	19.4%
EBITDA margin	EBITDA from operations / Net sales	<b>0.1%</b>	-2.7%
EBIT margin	EBIT / Net sales	<b>-8.3%</b>	-13.8%
Net margin	Net earnings / Net sales	<b>-6.9%</b>	-11.9%
Operating expense ratio	Operating expenses / Net sales	<b>29.7%</b>	29.6%
		<b>31.03.12</b>	<b>31.03.11</b>
<i>Balance Sheet, EUR mln</i>	<i>formula</i>		
Net debt	Short and Long term Loans and Borrowings - Cash	<b>12.2</b>	14.5
Equity		<b>39.3</b>	39.4
Working capital	Current Assets - Current Liabilities	<b>12.0</b>	12.1
Assets		<b>64.2</b>	68.9
Liquidity ratio	Current Assets / Current Liabilities	<b>1.91</b>	1.75
Equity ratio	Equity / Total Assets	<b>61%</b>	57%
Gearing ratio	Net Debt / (Equity + Net Debt)	<b>24%</b>	27%
Net debt-to-EBITDA	Net Debt / EBITDA from operations	<b>1.98</b>	4.01
ROE	Net Earnings / Average Equity	<b>1%</b>	1%
ROA	Net Earnings / Average Assets	<b>0%</b>	1%

The turnover and profitability ratios as improved in the 1<sup>st</sup> quarter of 2012 have also improved the financial position of the company. The financial leverage ratios of the company have improved and the net debt has decreased by 2.3 million euro.



## BUSINESS SEGMENT ANALYSIS

Characteristically to the 1<sup>st</sup> quarter, the greatest proportion of the turnover was generated from the fish business segment holding approximately 45% proportion, the second position is assumed by frozen goods business segment with 31% proportion and the ice cream business segment holds the third position with its approximate 22% proportion. Compared to the same period previous year, the greatest growth in turnover was achieved in the frozen goods and fish business segments, being 8 % and 3% respectively.



The main figures by business segments of Premia Foods for 1<sup>st</sup> quarter.

SEGMENT ANALYSIS					
EUR million	Q1 2012	Q1 2011	EUR million	Q1 2012	Q1 2011
<b><u>Sales</u></b>			<b><u>EBITDA from operations</u></b>		
Ice cream	3.7	4.0	Ice cream	-0.4	-0.3
Frozen goods	5.3	4.9	Frozen goods	-0.3	-0.3
Fish and fish products	7.7	7.4	Fish and fish products	0.7	0.2
Other	0.4	0.3			
<b>Total</b>	<b>17.1</b>	<b>16.7</b>			
<b><u>Gross profit</u></b>			<b><u>EBITDA</u></b>		
Ice cream	1.3	1.0	Ice cream	-0.4	-0.4
Frozen goods	1.2	1.1	Frozen goods	-0.3	-0.3
Fish and fish products	1.5	1.0	Fish and fish products	0.1	-0.5
<b><u>Gross margin</u></b>			<b><u>EBIT</u></b>		
Ice cream	35%	26%	Ice cream	-0.6	-0.8
Frozen goods	24%	23%	Frozen goods	-0.5	-0.5
Fish and fish products	20%	13%	Fish and fish products	-0.1	-0.8



**Fish and fish products business segment.**

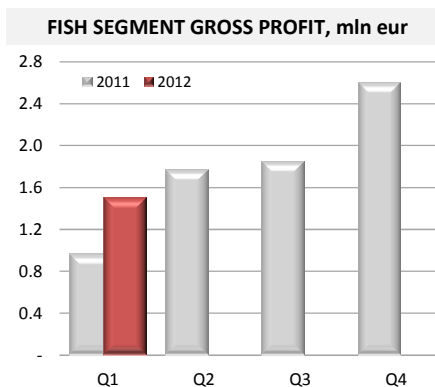
The turnover of the fish and fish products business segment increased in the 1<sup>st</sup> quarter, if compared to the same period previous year, by 3%, reaching 7.7 million euro.

The gross margin, having improved by seven percentage points, resulted in the gross profit as improved by 0.5 million euro.

The EBITDA from operations improved during the reporting period, if compared to the same period previous year, by 3.5 times, i.e. 0.5 million euro, reaching 0.7 million euro.

The operating profit of this business segment improved by 0.7 million euro, reaching -0.1 million euro.

The growth in both – turnover and profitability – is the result of active sales work and product development in the Finnish HoReCa sector. In the Finnish HoReCa sector, Premia sells pre-processed and packaged fish products with a higher additional value and unpackaged raw fish. The sales volumes of salted and *graavi* and marinated products sold to the HoReCa and retail markets of Finland and Estonia have increased, whereas the continuous growth of the sales volumes of packaged chilled fish products sold under Viking brand could be emphasised. The fish business segment in Finland and Lithuania is influenced by the Easter holidays, which in 2012 similarly to 2011 fell into the 2<sup>nd</sup> quarter.

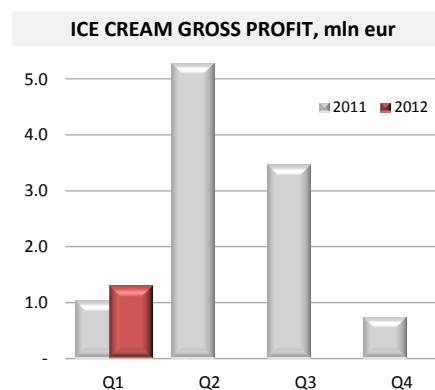


**Ice cream business segment.**

The turnover of the ice cream business segment of the 1<sup>st</sup> quarter of 2012 decreased by 8%, i.e. by 0.3 million euro, if compared to the same period previous year, being 3.7 million euro.

However, during this period, the gross margin improved remarkably, i.e. by 9 percentage points, which resulted in the 30% growth of gross profit, if compared to the same period previous year. The gross profit of the ice cream business segment in the 1<sup>st</sup> quarter of 2012 was 1.3 million euro.

The EBITDA of the ice cream business segment remained in the same level as the previous year, being -0.4 million euro; nevertheless, the operating profit of this business segment improved by 0.2 million euro and was -0.6 million euro. The improvement of the operating profit came mainly from the Russian entity.



The restructuring of the product portfolio of Khladokombinat No1 was the main influencing factor of the results of the ice cream segment of Premia- as the turnover of the segment in the Russian entity decreased a bit more than for 20%, the gross profit increased by 1.7 times and the gross margin has developed from 8% in 2011 to 26% during the reporting period. In the same time, turnover of the ice cream segment in the Baltic states increased by 4% and the profitability has remained stable as during the respective reporting period of 2011.

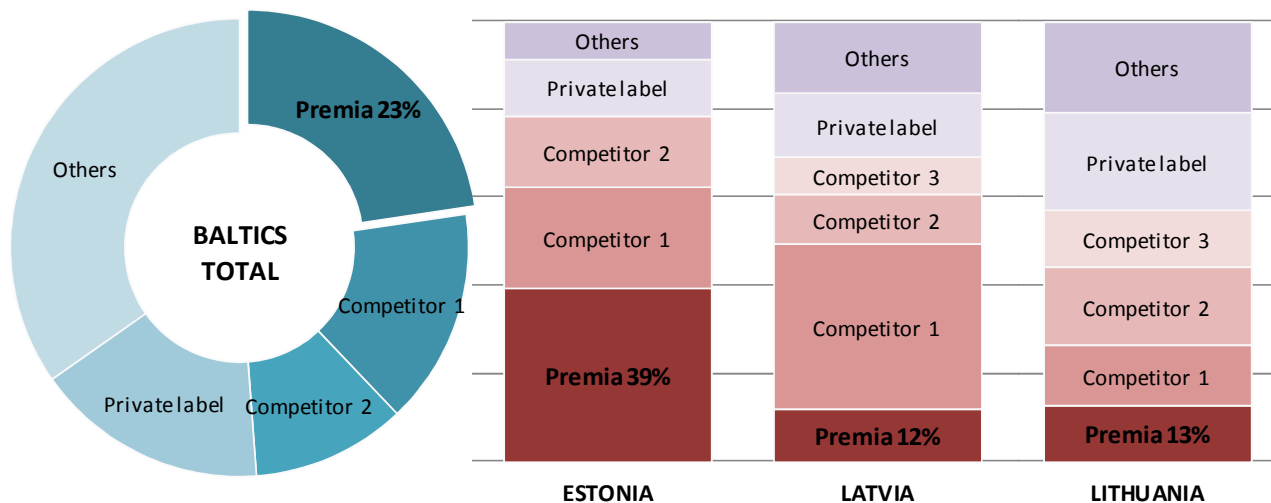
The 1<sup>st</sup> quarter with its mid-winter weather is always a low season for the ice cream business segment. The purchasing behaviour of people is during that period mainly driven by habit and ice cream consumption culture but also the assortment available in retail stores. During the winter period, the target markets of Premia are dominated by the sales of family ice creams and the sales of impulse ice creams decrease remarkably. In countries where the winter period ice cream consumption is historically low, i.e. where family ice creams are not so popular, the fluctuations in consumption may be significant. For Premia, Lithuanian and Russian markets represent such countries. In these markets, the difference in the ice cream consumption during winter and summer periods may be up to 10 times. At the same time, in the Estonian market, where the difference between winter and summer period ice cream consumption is 2-3 times, the consumption of ice cream is more stable and the assortment of family ice creams in retail stores is in times wider than in Lithuania or in Russia.

As may be seen from the chart below, Premia continued as the market leader in the Baltics' ice cream market also in the 1<sup>st</sup> quarter of 2012, holding total average monetary market share of 23% in these countries. In the Estonian market, during the reporting period, Premia was the market leader with 39% market share, in the Latvian market, Premia holds the second



position with 12% market share and in the Lithuanian market third position with 13% market share. During the 1<sup>st</sup> quarter of 2012, Premia focused on the strengthening of its own brands and maintaining the profitability and growth of market shares.

The below charts indicate the division of monetary market shares in the Baltic ice cream markets in the 1<sup>st</sup> quarter of 2012.



Source: AC Nielsen, evaluation of management



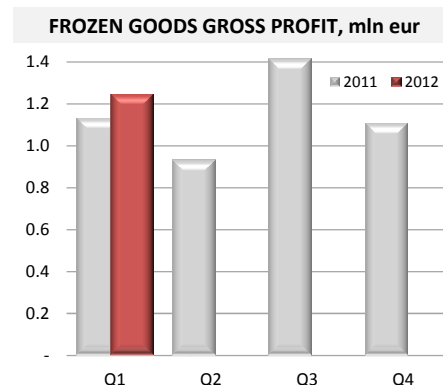
**Frozen goods business segment.**

In the 1<sup>st</sup> quarter, the turnover of the frozen products increased, if compared to the same period previous year, by 8%, reaching 5.3 million euro.

In addition to the turnover, also the gross profitability improved during the reporting period. The gross margin, having improved by one percentage point, resulted in 10%, i.e. 0.1 million euro growth in the gross profit of this business segment.

The EBITDA of the frozen goods business segment continues on the same level with the comparable result of the same period previous year, reaching up to -0.3 million euro; also the operating profit of this business segment remained the same, which was -0.5 million euro in the 1<sup>st</sup> quarter. The EBITDA and EBIT of the frozen goods business segment is influenced by the cost allocation methodology. Due to the fact that the marketing and transportation costs increased during the reporting period if compared to previous year, also the overall cost basis of the company increased during the 1<sup>st</sup> quarter. Therefore, according to the division of costs by proportion in turnover, higher share of costs was applied on frozen goods segment.

The improved turnover and gross profit ratios are the result of an active work with the product portfolio and participation in campaigns. As to geographic markets, the best results in this business segment were achieved in the Lithuanian market, which grew year-on-year basis by 26%. i.e. by 0.2 million euro.



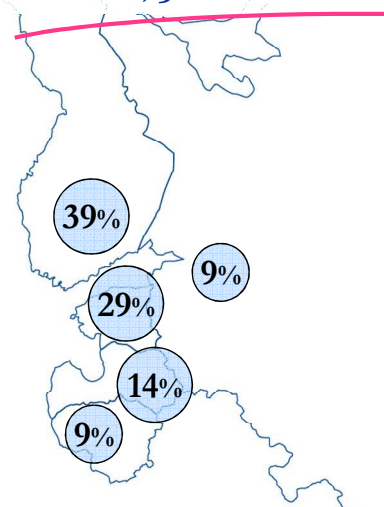




## BUSINESS SEGMENT ANALYSIS BY MARKETS

Sales (EUR million)	GEOGRAPHICAL MARKETS	
	Q1 2012	Q1 2011
Finland	6.7	6.3
Estonia	4.9	4.7
Latvia	2.4	2.3
Lithuania	1.6	1.4
Russia	1.5	1.9
Other	0.0	0.0
export share	71%	72%

### Sales share in target markets, 3 months 2012



The Finnish market indicated the greatest monetary growth in turnover being 0.4 million euro, whereas the turnover in that market increased in both, fish and ice cream business segments. Estonia and Latvia generated 5% turnover growth, i.e. 0.2 million euro and 0.1 million euro, respectively, whereas in Estonia the ice cream business segment and in Latvia frozen goods business segment increased the most. 0.2 million euro, i.e. 12% growth in turnover was in the 1<sup>st</sup> quarter achieved in Lithuania where the growth was mainly generated in the frozen goods business segment. In the Russian market, where Premia is engaged in ice cream sales only, in the 1<sup>st</sup> quarter there was a loss in turnover amounting to 0.4 million euro, if compared to the same period previous year, which has occurred due to the peculiarities of consumption common to winter period but also due to the winter period changes in the assortments in the largest retail chains of St. Petersburg.

## COST ANALYSIS

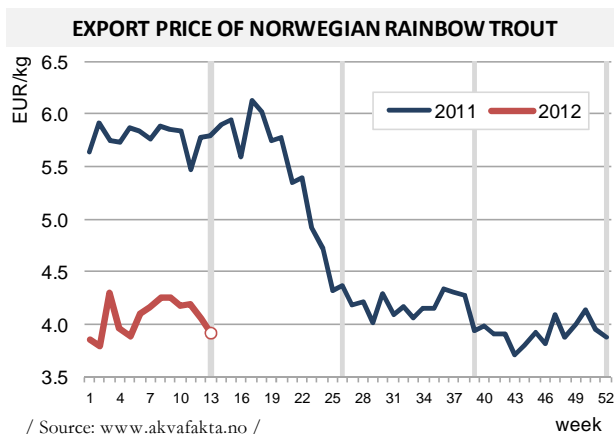
While the turnover of the 1<sup>st</sup> quarter increased by 0.5 million euro, i.e. 2.7%, the cost of goods sold decreased in the 1<sup>st</sup> quarter of 2012 by 0.5 million euro, if compared to the same period previous year, whereas the proportion of the cost of goods sold in the turnover decreased by 5.1 %. The most remarkable cut in costs was done in the account of labour costs but also depreciation and other costs of goods sold decreased.

The proportion of operating expenses in the turnover remained in the same level, whereas labour costs decreased and transportation and logistics and marketing expenses increased by 0.2 million euro and 0.1 million euro, respectively. Other operating expenses increased by 0.2 million euro, proportion in the turnover increased by 0.6%.



	Q1 2012	Q1 2011	change	Q1 2012	Q1 2011	change
	EUR mln	EUR mln	EUR mln	as % of sales	as % of sales	as % of sales
<b>Sales</b>	<b>17.1</b>	<b>16.7</b>	<b>+ 0.5</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Cost of goods sold</b>	<b>- 12.9</b>	<b>- 13.4</b>	<b>- 0.5</b>	<b>75.5%</b>	<b>80.6%</b>	<b>- 5.1%</b>
incl one-off exp		- 0.1	- 0.1		0.6%	- 0.6%
materials in production & cost of goods purchased for resale	- 10.7	- 10.6	+ 0.1	62.6%	63.8%	- 1.2%
labour costs	- 1.0	- 1.2	- 0.2	5.8%	7.4%	- 1.6%
depreciation	- 0.3	- 0.5	- 0.1	2.0%	2.8%	- 0.9%
other cost of goods sold	- 0.9	- 1.1	- 0.2	5.1%	6.6%	- 1.5%
<b>Operating expenses</b>	<b>- 5.1</b>	<b>- 4.9</b>	<b>+ 0.1</b>	<b>29.7%</b>	<b>29.6%</b>	<b>+ 0.0%</b>
incl one-off exp		- 0.0	- 0.0		0.2%	- 0.2%
labour costs	- 1.5	- 1.7	- 0.2	9.0%	10.3%	- 1.3%
transport & logistics services	- 0.8	- 0.7	+ 0.2	4.9%	4.0%	+ 0.9%
depreciation	- 0.5	- 0.5	- 0.0	2.9%	3.2%	- 0.3%
marketing	- 0.5	- 0.4	+ 0.0	2.7%	2.5%	+ 0.1%
other operating expenses	- 1.7	- 1.6	+ 0.2	10.2%	9.5%	+ 0.6%
<b>Other income/expenses</b>	<b>0.1</b>	<b>0.1</b>	<b>+ 0.1</b>	<b>-0.3%</b>	<b>-0.7%</b>	<b>+ 0.3%</b>

**EBITDA from operations** i.e. revenue before market price driven by the fair value adjustment of livestock, one-off revenues and expenses and depreciation cost was positive in the 1<sup>st</sup> quarter, having improved by 2.8 percentage points by year.



80% of Premia's livestock as at 31.03.2012 is rainbow trout breed in the fish farms in Finland and Sweden.

As may be seen in the chart on the left, the comparative prices of rainbow trout have increased by 2% during the 1<sup>st</sup> quarter of 2012, while during the 1<sup>st</sup> quarter 2011 the price went up by 4%. Characteristically to the 1<sup>st</sup> quarter, the influence of the fair value adjustment of livestock has been negative as during the winter period the fish are not actively fed and therefore there is no natural growth of livestock. Due to the improvements made in the efficiency of the operations of fish farms, the cost of livestock breed has decreased, which in turn has an impact on the result of the fair value adjustment of livestock. In the 1<sup>st</sup> quarter of 2012, the loss arising from the fair value adjustment is 0.1 million euro less than during the same period previous year, despite unfavourable changes in the reference prices.

In the 1<sup>st</sup> quarter of 2012, the loss arising from the fair value adjustment of stock was 0.6 million euro (in the 1<sup>st</sup> quarter of 2011 the respective number was -0.7 euro). The profit/loss arising from fair value adjustment of livestock has no impact on the cash flow of the company and is not related to everyday business activities. Compared to last year, the weight of Premia's livestock has at the balance sheet date increased by 1%, i.e. 18 tons.

## FINANCIAL POSITION

**The financial position of the company is continuously solid and the financial risk low.** Compared to last year, all liquidity and solvency ratios have improved.

The cash flow from operations of the 3 months was -0.2 million euro (-1.2 million euro in the 1<sup>st</sup> quarter of 2011). Net debt as at 31.03.2012 was 12.2 million euro, which is 16%, i.e. 2.3 million euro less than as at 31.03.2011.



## LIQUIDITY AND SOLVENCY RATIOS

<i>Ratio</i>	<i>formula</i>	31.03.12	31.03.11
Liquidity ratio	Current Assets / Current Liabilities	1.91	1.75
Equity ratio	Equity / Total Assets	61%	57%
Gearing ratio	Net Debt / (Equity + Net Debt)	24%	27%
Net debt-to-EBITDA	Net Debt / EBITDA from operations	1.98	4.01

Financial leverage, i.e. the proportion of net debt in the total capitalisation was 24% (as at 31.03.2011 the respective ratio was 27%). The level of short and long term liabilities as at the balance sheet date was 12.9 million euro (31.03.2011 the respective figure was 14.8 million euro). The level of liabilities has decreased by 12%, i.e. by 1.8 million euro per year. As the decrease of liabilities has occurred mainly in the account of scheduled repayments of long term liabilities, the proportion of short term liabilities in the loan portfolio has increased up to 32% (30%). Net debt to EBITDA was as at 31.03.2012 1.98 (4.01).

The liquidity ratio demonstrating short-term solvency was as at 31.03.2012 1.91 (1.75) and the proportion of equity in the balance sheet total was 61% (57%). The company had working capital in the amount of 12.0 million euro (12.1 million euro).

### BALANCE SHEET ANALYSIS

The consolidated balance sheet total of Premia Foods was as at 31.03.2012 64.2 million euro, having decreased by 4.8 million euro, i.e. 7%, per year. From the assets side, the balance sheet line "Accounts receivables and prepayments" and from the liabilities side "Long term liabilities" have decreased the most.

The company's current assets amounted to 25.3 million euro and the balance of cash and bank accounts was 0.8 million euro. As at 31.03.2012 the company had undrawn overdraft facility limit in the amount of 0.7 million euro.

Accounts receivable and prepayments amounted to 7.3 million euro, 87% of the accounts receivables and prepayments were trade receivables. Compared to the previous year, the accounts receivable and prepayments decreased by 27%, whereas the turnover of the same period increased by 3%.

27% of the current assets was livestock (biological asset) and 41% other stock. Livestock has, compared to the end of last year, decreased in monetary value by 0.3 million euro, i.e. by 4%; however, the biomass of the live fish has increased by 1%, i.e. 18 tons. The stock of products, goods for sale and raw material have decreased, if compared to the same period of the previous year, by 2%, i.e. 0.2 million euro.

Accounts payable and prepayments have, if compared to 31.03.2011, decreased by 14%, i.e. by 1.5 million euro. Liabilities have decreased altogether by 16%, i.e. 4.7 million euro up to 24.8 million euro.

The equity of Premia Foods was as at 31.03.2012 39.3 million euro.

### INVESTMENTS

During the 1<sup>st</sup> quarter of 2012, the expenditures into Premia Foods' tangible and intangible assets formed 657 thousand euro.

### PERSONNEL

As at 31 March 2012, Premia Foods employed altogether 202 people less than during the same period previous year. The decrease of personnel has occurred mainly due to the relocation of the ice cream factory of Khladokombinat No. 1, previously located in St. Petersburg, as finalised in August of the previous year. As the result of the relocation, the Russian business unit employed in the end of the 1<sup>st</sup> quarter 204 people less than last year.

The average number of employees in the 1<sup>st</sup> quarter has decreased by 151 people and in addition to the Russian business unit, the number of employees has decreased also in Sweden. The average number of personnel needed in the other target markets of the company has increased; the need is the most modest in Finland and the greatest in Estonia. During the reporting period, the average number of employees in the Baltics has increased by 27 people, which is the result of the necessity of the production unit and sales organisation to prepare for the summer high season of ice cream and put more efforts into merchandising.



### PERSONNEL ANALYSIS

	Q1 2012	Q1 2011
No of employees, at the end of period	739	941
exd Russia	609	607
Russia	130	334
Average number of employees	712	863
Finland	38	37
Estonia	324	310
Latvia	115	104
Lithuania	92	90
Russia	128	297
Sweden	15	25
Payroll expenses (th EUR)	2,535	2,953
Monthly average payroll exp per employee	1.19	1.14

The average labour cost (incl taxes) per person per month in the 1<sup>st</sup> quarter of 2012 was 1.19 thousand euro but the labour costs in total during this period have decreased by 0.4 million euro, if compared to the same period previous year.

### SHARES

Premia Foods shares are listed in the main list of NASDAQ OMX Tallinn Stock Exchange as from 5 May 2010, the company has issued 38.7 million ordinary shares with the nominal value of 0.60 euro (nominal value was 10 EEK until 13.04.2011).

ISIN	EE3100101031
Symbol of share	PRF1T
Market	BALTIC MAIN LIST
Nominal value	0.60 EUR
Issued shares	38 682 860
Listed shares	38 682 860
Listing date	05.05.2010

The dynamics of the share price of Premia Foods (EUR) and the volume of transactions (no of shares traded) during the period from 5 May 2010 up to 31 March 2012.





TRADING HISTORY		
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<i>Price (EUR)</i>	Q1 2012	Q1 2011
Open	0.671	0.952
High	0.700	0.998
Low	0.621	0.831
Last	0.660	0.905
Traded volume, thousand	178	1,739
Turnover, million	0.12	1.64
Market capitalization, million	25.53	35.01

MARKET RATIOS		
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<i>Ratios</i>	<i>formula</i>	31.03.12
EV/Sales	(Market Cap + Net Debt) / Sales	0.4
EV/EBITDA from operations	(Market Cap + Net Debt) / EBITDA from operations	6.1
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	7.8
Price-to-Earnings	Market Cap / Net Earnings	101.1
Price-to-Book	Market Cap / Equity	0.6

Market Cap, Net Debt and Equity as of 31.03.2012

Sales, EBITDA and Net Earnings for the trailing 12 months period

### Shareholders structure

Major shareholders of AS Premia Foods at 31 March 2012:

1. ING Luxembourg S.A. .... 62.71%	6. Firebird Avroora Fund. Ltd. .... 1.68%
2. LHV Pensionifond L ..... 4.18%	7. LHV Pensionifond XL..... 1.34%
3. OÜ Rododendron ..... 3.36%	8. OÜ Footsteps Management ..... 1.27%
4. Firebird Republics Fund Ltd. .... 3.09%	9. Compensa Life Vienna Insurance Group SE ..... 1.09%
5. Ambient Sound Investments OÜ ..... 2.94%	10. OÜ Freespirit..... 0.94%

### MANAGEMENT AND MANAGING BODIES

The highest managing body of a public limited company (in Estonian: *aktsiaselts*) is the general meeting of shareholders. According to law, the general meetings of shareholders are ordinary and extraordinary.

Pursuant to law, supervisory board of public limited company is a surveillance body that is responsible for planning the activities of the company, organizing management thereof and supervising the activities of management board. In accordance with the Articles of Association of AS Premia Foods, there are three to six members of the supervisory board elected by the general meeting of shareholders for the term of 5 years.

As at today, the supervisory board of AS Premia Foods comprises of Lauri Kustaa Äimä (as from incorporation), Indrek Kasela (as from incorporation), Erik Haavamäe (as from incorporation), Aavo Kokk (elected on 5 May 2009), Harvey Sawikin (elected on 5 May 2009) and Jaakko Karo (elected on 17 August 2009).

Management board is the representative body of public limited company being responsible for everyday management of the company. According to the Articles of Association of AS Premia Foods, the management board comprises of one to four members elected for the term of 3 years.



As at today, the everyday business activities of AS Premia Foods are carried out by the members of management board Kuldar Leis (as from incorporation), Katre Kõvask (elected on 9 June 2009) and Silver Kaur (elected on 9 June 2009). The meeting of supervisory board held on 9 June 2009 appointed Kuldar Leis as the chairman of management board.

As at 31.03.2012, the members of management and supervisory board and persons/companies related to them hold the shares in the company as indicated below:

Shareholder	31.03.2012 No of shares	%
Chairman of the management board – Kuldar Leis	1 302 166	3.37%
Member of the management board – Katre Kõvask	493 828	1.28%
Member of the management board – Silver Kaur	365 141	0.94%
Chairman of the supervisory board – Indrek Kasela	41 823	0.11%
Member of the supervisory board – Lauri Kustaa Äimä	125 000	0.32%
Member of the supervisory board – Vesa Jaakko Karo	90 000	0.23%
Member of the supervisory board – Erik Haavamäe	185 242	0.48%
Member of the supervisory board – Harvey Sawikin	no shares	
Member of the supervisory board – Aavo Kokk	no shares	
<b>Total number of shares owned by supervisory and management board</b>	<b>2 603 200</b>	<b>6.73%</b>

**Kuldar Leis** (born 1968) graduated from the University of Tartu in 1993, specializing in credit and finance. He also holds a diploma in dairy technology. Kuldar Leis has been the chairman of the management board of the company since its foundation and of AS Premia Tallinna Külkhoone since 2006. In addition, he serves as a member of the management board of AB “Premia KPC” and SIA “F.F.L.S”, and as a member of supervisory board of Saaremere Kala AS, Vettel OU, OOO Khladokombinat No 1, and AS “Premia FFL”. He is currently a member of supervisory board of AS Linda Nektar (a company specializing on producing fermented beverages for drink industry) and Food and Competence Center of Food and Fermentation Technology. He is also a member of supervisory board of Association of the Estonian Food Industry and member of the management board of Rododendron OU.

**Katre Kõvask** (born 1975) graduated from University of Tartu in 1998, having specialized in marketing and foreign trade and has been the marketing director and a member of the management board of AS Premia Tallinna Külkhoone since 2006 and of the company since June 2009. She is also a member of the supervisory board of AS “Premia FFL” and Saaremere Kala AS and the management board of OÜ Footsteps Management.

**Silver Kaur** (born 1973) graduated as a fisheries’ consultant from Estonian Maritime Academy in 1997 and has been the sales director and member of the management board of AS Premia Tallinna Külkhoone since 2006 and of the company since June 2009. He is also a member of the supervisory board of AS Premia FFL and Saaremere Kala AS and belongs to the management boards of RüsiGrupp OÜ and Freespirit OU.

**Indrek Kasela** (born 1971) holds LL.M (master of laws) degree from New York University (1996), BA degree in law from the University of Tartu (1994) and certificate in EU Law from the University of Uppsala and serves as a member of supervisory board of several group entities, such as AS Premia Tallinna Külkhoone and Vettel OÜ. He serves as supervisory board member of AS Toode, AS PKL, ELKE Grupi AS, EPhaG AS, Salva Kindlustuse AS, Ridge Capital AS and a management board member of OÜ X-pression, AS Fine, Wood and Company OÜ, Lindermann, Birnbaum & Kasela OÜ and Managetrade OÜ, as well as board member of several companies domiciled in Baltics and Russian Federation.

**Lauri Kustaa Äimä** (born 1971) holds a master’s degree in Economics from the University of Helsinki has been a member of the Supervisory Board of the Company since its foundation and of AS Premia Tallinna Külkhoone since 2005. Lauri Kustaa Äimä is the managing director and founding shareholder of Kaima Capital Oy. He serves as a management or supervisory Board member of AS Tallink Group, Salva Kindlustuse AS, AS Baltika and AS PKL as well as the Lithuanian company UAB Litagra and BAN Insurance in Latvia in addition to several investment companies and funds domiciled in Finland, Estonia and Luxembourg.

**Erik Haavamäe** (born 1968) holds a cum laude diploma in economics from Tallinn Technical University and has been a member of the supervisory board of the company since its foundation. In addition, he serves as a member of board of directors of Heimon Kala OY and AB Premia KPC and a member of supervisory board of several group entities, such as AS Premia Tallinna Külkhoone, Saaremere Kala AS, Vettel OÜ, and AS Premia FFL. He is a member of the supervisory board of AS Toode and MTÜ Eesti Maleliit and a member of the management board of AS EPhaG and OÜ Kamakamaka. Currently he is also acting as the CFO of Premia Foods.



**Aavo Kokk** (born 1964) graduated from Tartu University in 1990, having specialized in journalism, and Stockholm University in 1992, having specialized in banking and finance and has been a member of the supervisory board of the company since May 2009. Mr Aavo Kokk is currently the manager and partner of the investment company Catella Corporate Finance (Estonia) and the member of the supervisory board of AS Audentes and a member of the Management Board OÜ Synd&Katts.

**Harvey Sawikin** (born 1960) holds degrees from the Columbia University and Harvard Law School and has been a member of the supervisory board of the company since May 2009. Harvey Sawikin is currently a lead manager of Firebird Fund, Firebird New Russia Fund, Firebird Republics Fund and Firebird Aurora Fund. He is a member of the New York State Bar.

**Vesa Jaakko Karo** (born 1962) graduated from the Helsinki School of Economics in 1986 with M.Sc. (Econ) in finance and international marketing and received a licentiate (Econ) degree in 1996. He has been a member of the Supervisory Board of the Company since August 2009. Currently he is the partner of Cumulant Capital Fund Management, being the fund manager of Cumulant Capital Northern Europe Fund.

Additional information on and photos of the members of management and supervisory board may be obtained from the web-page of the company [www.premiafoods.eu](http://www.premiafoods.eu) under investor relations subsection.





## INTERIM ACCOUNTING REPORT

### Consolidated statement of financial position

EUR '000	31/03/2012	31/12/2011	31/03/2011	Note
Cash and cash equivalents	755	712	296	
Receivables and prepayments	7,284	7,150	10,010	
Inventories	10,493	9,174	10,722	
Biological assets	6,776	8,179	7,080	
Non-current assets held for sale	9	9	10	
<b>Total current assets</b>	<b>25,317</b>	<b>25,224</b>	<b>28,118</b>	
Deferred income tax assets	527	435	600	
Long-term financial investments	89	89	93	(Note 2)
Investment property	2,084	2,084	2,084	(Note 3)
Property, plant and equipment	13,273	13,271	14,584	(Note 3)
Intangible assets	22,861	23,015	23,425	(Note 4)
<b>Total non-current assets</b>	<b>38,834</b>	<b>38,894</b>	<b>40,786</b>	
<b>TOTAL ASSETS</b>	<b>64,151</b>	<b>64,118</b>	<b>68,904</b>	
Borrowings	4,133	2,793	4,440	(Note 5,6)
Factoring	276	236	1,278	
Payables and prepayments	8,872	8,465	10,337	
<b>Total current liabilities</b>	<b>13,281</b>	<b>11,494</b>	<b>16,055</b>	
Borrowings	8,815	9,170	10,330	(Note 5,6)
Deferred income tax liabilities	1,101	1,278	1,439	
Government grants	1,619	1,668	1,650	(Note 7)
<b>Total non-current liabilities</b>	<b>11,535</b>	<b>12,116</b>	<b>13,419</b>	
<b>Total liabilities</b>	<b>24,816</b>	<b>23,610</b>	<b>29,474</b>	
Share capital	23,210	23,210	24,723	(Note 8)
Share premium	16,026	16,026	14,513	
Treasury shares	- 30	- 30	- 30	
Other reserves	26	21	5	
Currency translation differences	387	391	368	
Retained earnings	- 284	890	- 149	
<b>Equity attributable to equity holders of the parent</b>	<b>39,335</b>	<b>40,508</b>	<b>39,430</b>	
<b>Total equity</b>	<b>39,335</b>	<b>40,508</b>	<b>39,430</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>64,151</b>	<b>64,118</b>	<b>68,904</b>	





### Consolidated statement of comprehensive income

EUR '000	Q1 2012	Q1 2011	Note
Revenue	17,112	16,662	(Note 9)
Cost of goods sold	-12,914	-13,431	
<b>Gross profit</b>	<b>4,198</b>	<b>3,231</b>	
<b>Operating expenses</b>	<b>-5,076</b>	<b>-4,939</b>	
Sales and marketing expenses	-3,853	-3,792	
General and administrative expenses	-1,223	-1,147	
Other income and expenses, net	54	109	
Revaluation of biological assets	-600	-708	
<b>Operating loss</b>	<b>-1,424</b>	<b>-2,307</b>	(Note 9)
Finance income	159	28	
Finance costs	-145	-144	
<b>Loss before income tax</b>	<b>- 1,410</b>	<b>- 2,423</b>	
Corporate income tax	236	443	
<b>Net loss for the period</b>	<b>- 1,174</b>	<b>- 1,980</b>	
<i>Other comprehensive income / expense</i>			
Currency translation differences	- 4	33	
<b>Other comprehensive income / expense</b>	<b>- 4</b>	<b>33</b>	
<b>Total comprehensive expense</b>	<b>- 1,178</b>	<b>- 1,947</b>	
<b>Net loss for the period:</b>			
Attributable to equity holders of the parent	- 1,174	-1,980	(Note 8)
<b>Net loss for the period</b>	<b>- 1,174</b>	<b>- 1,980</b>	
Comprehensive expense for the period:			
Attributable to equity holders of the parent	- 1,178	- 1,947	
<b>Total comprehensive expense</b>	<b>- 1,178</b>	<b>- 1,947</b>	
<i>Earnings per share</i>			
Basic earnings per share (EUR)	- 0.03	-0.05	(Note 8)
Diluted earnings per share (EUR)	- 0.03	-0.05	(Note 8)



### Consolidated cash flow statement

EUR '000	Q1 2012	Q1 2011	Note
<b>Net loss</b>	-1,174	-1,980	
<i>Adjustments:</i>			
Depreciation and amortisation	838	1,013	(Note 3, 4)
Gain/loss on disposal of non-current assets	-5	0	
Other non-monetary changes	9	230	
Changes in receivables and prepayments	-232	-255	
Changes in inventories	-1,319	-2,172	
Changes in biological assets	1,403	1,281	
Changes in payables and prepayments	243	675	
Government grants for operating expenses	9	4	(Note 7)
<b>Net cash used in operating activities</b>	<b>-228</b>	<b>-1,204</b>	
Proceeds from sale of property, plant and equipment and intangible assets	38	54	(Note 3, 4)
Acquisition of property, plant and equipment and intangible assets	-411	-578	(Note 3, 4)
Government grants for acquisition of assets	72	53	(Note 7)
Acquisition of associate	-1	0	
Repayments of loans granted	0	1	
Interest received	0	1	
<b>Net cash used in investing activities</b>	<b>-302</b>	<b>-469</b>	
Acquisition of non-controlling interest in subsidiaries	0	-38	
Change in overdraft facility	1,321	2,131	
Repayments of borrowings	-440	-439	
Borrowings	0	1,361	
Change in factoring liability	40	-1,484	
Payments of finance lease principal	-151	-215	
Interest paid	-136	-99	
<b>Net cash generated from financing activities</b>	<b>635</b>	<b>1,217</b>	
<b>NET CASH FLOWS:</b>	<b>105</b>	<b>-456</b>	
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the period	712	722	
Net change in cash and cash equivalents	105	-456	
Effect of exchange rate changes	-62	30	
<b>Cash and cash equivalents at end of the period</b>	<b>755</b>	<b>296</b>	



## Consolidated statement of changes in equity

EUR '000	Equity attributable to equity holders of the Company						Total	Total Equity
	Share capital	Share premium	Treasury shares	Other reserves	Currency translation differences	Retained earnings		
<b>Balance at 31.12.10</b>	<b>24,723</b>	<b>14,513</b>	<b>-30</b>	<b>0</b>	<b>335</b>	<b>1,831</b>	<b>41,372</b>	<b>41,372</b>
Share option programme	0	0	0	5	0	0	5	5
Comprehensive expense	0	0	0	0	33	- 1,980	- 1,947	- 1,947
<b>Balance at 31.03.11</b>	<b>24,723</b>	<b>14,513</b>	<b>-30</b>	<b>5</b>	<b>368</b>	<b>- 149</b>	<b>39,430</b>	<b>39,430</b>
<b>Balance at 31.12.11</b>	<b>23,210</b>	<b>16,026</b>	<b>-30</b>	<b>21</b>	<b>391</b>	<b>890</b>	<b>40,508</b>	<b>40,508</b>
Share option programme	0	0	0	5	0	0	5	5
Comprehensive expense	0	0	0	0	- 4	- 1,174	- 1,178	- 1,178
<b>Balance at 31.03.12</b>	<b>23,210</b>	<b>16,026</b>	<b>-30</b>	<b>26</b>	<b>387</b>	<b>- 284</b>	<b>39,335</b>	<b>39,335</b>



## Notes to the Interim Report

### Note 1. Summary of material accounting policies

AS Premia Foods is a company registered in Estonia. The interim report as at 31.03.2012 contains AS Premia Foods (hereinafter the Parent Company) and its subsidiaries Saaremere Kala AS in Estonia, AB Premia KPC in Lithuania, OOO Khladokombinat No 1 and OOO Khladomagija in Russia and companies belonging into the group – OÜ Vettel, OÜ GourmetHouse and AS Premia Tallinna Külkhoone in Estonia, Heimon Kala OY in Finland, Överumans Fisk Ab in Sweden, AS Premia FFL in Latvia (hereinafter also the Group). The Group has a holding in an affiliated entity Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology; CCFFT). AS Premia Foods is listed on the NASDAQ OMX Tallinn Stock Exchange since 5 May 2010.

The Group's consolidated audited annual report for the financial year that ended on 31 December 2011 is available at the Parent Company's location at Betooni 4, Tallinn and on the Parent Company's website [www.premiafoods.eu](http://www.premiafoods.eu).

### Confirmation of Compliance

The current unaudited consolidated interim report complies with the requirements of international accounting standards IAS 34 "Interim Financial Reporting" on condensed interim financial statements.

While preparing the interim report at hand, the same accounting principles as in the annual report for the financial year ended on 31.12.2011 have been applied. The report does not hold all the information that must be presented in a complete annual report so it should be read together with the Parent Company's audited consolidated annual report for the financial year that ended on 31 December 2011, which is in compliance with international finance reporting standards (IFRS) as adopted by the European Union.

The management board approved the publication of this condensed unaudited consolidated interim report on 15 May 2012.

In the opinion of the management, this interim report for 4<sup>th</sup> quarter and 12 months 2011 of AS Premia Foods presents correctly and fairly the financial results of the Group as a going concern. Current interim report is neither audited nor reviewed by auditors in any other way and contains only the consolidated reports of the Group.

### Basis of Preparation

The functional currency is euro. The consolidated interim report is presented in thousands of euro and all numerical indicators have been rounded to thousand, if not indicated otherwise. In the report, thousand euro is indicated as an abbreviation EUR '000.

### Use of Assessments

In preparing the interim report, the management board must form opinions, give assessments and make decisions that affect the application of accounting principles and the values of assets and liabilities, incomes and expenses. Actual results may differ from the assessments.

The same assessments of the management that were used to prepare the consolidated annual report for the financial year that ended on 31 December 2011 were used to prepare this condensed consolidated interim report.

### Changes in Presentation

Financial reports have been prepared on the basis of going concern and using comparison methods, changes in methodology and their influence are explained in corresponding notes. If the presentation of entries or the methodology of classification has been changed, then also corresponding indicators from previous period have been re-classified.

### Consolidated Cash Flow Statement

In the previous interim reports, the consolidated cash flow statements have been started from revenue. Management believes that starting the cash flow statement from net profit more precisely reflects the requirement of IAS 7.18, and is also consistent with current practices of preparers of IFRS financial statements and therefore the presentation of cash flow statement has been altered as from this interim report.



## Note 2. Long-term Financial Investments

EUR '000	Investment in associate	Other long-term investments	Total
<b>Balance at 31.12.2011</b>	17	72	89
<b>Balance at 31.03.2012</b>	17	72	89

Other long-term investments include the investments into shares and holdings, which are not listed on the stock exchange and a claim from loan granted to Selkämeren Jää Oy. Company has earned 79 euro interest revenue from long-term financial investment during the accounting period.

AS Premia Foods has a 20% holding in an associated undertaking AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology (CCFFT)). AS CCFFT (previously MTÜ CCFFT) is the partner of AS Premia Foods in developing new technologies and products.

## Note 3. Property Investments and Tangible Fixed Assets

EUR '000	Property investments	Land and buildings	Machinery and equipment	Other tangible assets	Constuction in progress, prepayments	Total
<b>Residual value as of 31.12.2011</b>	2,084	5,116	7,611	379	165	15,355
Unrealised currency effect	0	3	58	0	0	61
Acquired during the period	0	62	332	10	232	636
Re-classification	0	0	101	0	-101	0
Depreciation	0	-99	-533	-31	0	-664
Assets sold and written off	0	0	-32	0	0	-32
<b>Balance at 31.03.2012</b>	2,084	5,082	7,537	359	296	15,357

Additional information about assets acquired under finance lease has been presented in Note 5.

## Note 4. Intangible Assets

EUR '000	Goodwill	Client contracts	Trade-marks and patents	Immaterial rights	Software licenses	Pre-payments	Total
<b>Balance as of 31.12.2011</b>	19,942	345	1,748	594	269	116	23,015
Unrealised currency effect	0	0	1	0	0	0	1
Acquired during the period	0	0	4	8	8	0	20
Re-classification	0	0	0	2	0	-2	0
Depreciation	0	-115	-26	-9	-24	0	-174
<b>Balance at 31.03.2012</b>	19,942	230	1,727	595	253	114	22,861



### Note 5. Financial Lease

EUR '000	Machinery, equipment	Means of transport	Other fixed assets	Total
<i>Fixed assets acquired under finance lease</i>				
<b>Acquisition cost as of 31.03.12</b>	<b>685</b>	<b>2,092</b>	<b>1</b>	<b>2,778</b>
Accumulated depreciation as of 31.03.12	-300	-1,001	-1	-1,302
<b>Residual value as of 31.03.12</b>	<b>385</b>	<b>1,091</b>	<b>0</b>	<b>1,476</b>
<b>Acquisition cost as of 31.12.11</b>	<b>660</b>	<b>2,845</b>	<b>1</b>	<b>3,506</b>
Accumulated depreciation as of 31.12.11	-278	-1,668	0	-1,946
<b>Residual value as of 31.12.11</b>	<b>382</b>	<b>1,177</b>	<b>1</b>	<b>1,560</b>
<b>Payable under finance lease as of 31.03.12</b>	<b>155</b>	<b>783</b>	<b>0</b>	<b>938</b>
incl. payable within 1 year	94	316	0	410
incl. payable within 1-5 years	61	467	0	528
Principal payments of the period	58	93	0	151
Interest expenses of the period	2	6	0	8
Average interest rate per annum	3.0%	3.6%	0.0%	3.4%

### Note 6. Debt Obligations

EUR '000	31/03/2012	31/12/2011
Finance lease liabilities	410	394
Overdraft	1,957	636
Investment loans	1,766	1,763
<b>Short Term Debt Obligations</b>	<b>4,133</b>	<b>2,793</b>
Finance lease liabilities	528	440
Investment loans	8,287	8,730
<b>Long Term Debt Obligations</b>	<b>8,815</b>	<b>9,170</b>
incl. payable within 1-5 years	8,815	9,170



Loan residuals as of 31.03.2012 with additional information about the interest rates, payment terms and the collateral established for securing the loans:

Borrower	Creditor	Amount	Interest rate	Maturity date	Loan residual 31.03.2012	less than 1 year	1-5 years	Collateral
<b>Overdraft</b>								
AS Premia Foods	UniCredit	2 700 tuh EUR	6m EURIBOR + 1.4%	31.08.12	1,957	1,957	0	pledges on subsidiaries shares, mortgage 10.6 mln EUR, commercial pledge 2.7 mln EUR
<b>Investment loans</b>								
AS Premia Tallinna Külmoone	Danske Bank	4 500 tuh EUR	6m EURIBOR + 0.75%	25.10.14	2,782	427	2,355	Mortgage 5.1 mln EUR, pledge on subsidiary shares
AS Premia Foods	UniCredit	8 675 tuh EUR	6m EURIBOR + 2.0%	19.08.15	6,713	1,239	5,474	pledges on subsidiaries shares, mortgage 10.6 mln EUR, commercial pledge 2.7 mln EUR
AS Premia FFL	UniCredit	700 tuh EUR	6m EURIBOR + 2.0%	19.08.15	558	100	458	Mortgage 1.4 mln EUR
<b>Total</b>					<b>12,010</b>	<b>3,723</b>	<b>8,287</b>	

Effective interest rates are very close to nominal interest rates. Additionally to the collateral granted for the securing of loans, the company has issued a bank guarantee in the amount of 585 thousand euro to the lessor of Betooni 4 for covering the lease payments and established a mortgage in favour of the Finnish Customs Board for securing the 30-days payment term in the amount of 84 thousand euro.

After balance sheet date the UniCredit's overdraft facility limit was increased by 1,500 thousand euro, see Note 12.

#### Note 7. Government Grants

EUR '000	Q1 2012	Q1 2011
<b>Deferred income from government grants at the beginning of period</b>	<b>1,668</b>	<b>1,679</b>
Government grants received during the period	5	57
Change in value due to the exchange rates	3	2
Recognition as income during the period	-57	-88
<b>Deferred income from government grants at the end of period</b>	<b>1,619</b>	<b>1,650</b>
incl. income within 1 year	208	336
incl. income within 2-16 years	1,411	1,314

The Swedish subsidiary Överumans Fisk Ab has received aid from the European Union, which have been collateralized with real estate mortgage in the amount of 241 thousand euro. As at 31 March 2012 the residual value of fixed assets guaranteed by EU subsidies was 93 thousand euro.

In the 1st quarter of 2012, Enterprise Estonia SA (EAS) has financed the project of development and certification of ISO 22000 of AS Premia Tallinna Külmoone by 5 thousand euro.

#### Note 8. Equity

As at 31 March 2012 the Company had 38,682,860 shares (31.03.2011: 38,682,860) and 19,163 own shares (31.03.2011: 19,163).

In 2011 the company has initiated a stock option plan for key employees. In accordance with IFRS 2 the offset entry of the contingent cost of stock option plan has been recognized under the line "Other reserve" in the statement of financial position.

The earnings per share have been calculated based on net profit attributable to the shareholders of the parent company and the weighted average amount of ordinary shares.



	Q1 2012	Q1 2011
Net profit (-loss) for the period EUR '000	-1,174	-1,980
Avg no of shares (thousand)	38,664	38,664
Earnings per share (€)	-0.03	-0.05
Diluted earnings per share (€)	-0.03	-0.05

### Note 9. Segment Reporting

The Group's segments are determined based on the reports monitored and analysed by the Management Board of the Parent Company. The Management Board of the Parent Company monitors financial performance by business areas and geographic areas. Reports by business areas include information of more significant importance for the management of the Group for monitoring financial performance and allocating resources. Therefore, this division is used to define business segments.

The Group's business segments are the following business areas:

- Fish – fish farming, production and wholesale of fish and fish products;
- Ice cream – production and wholesale of ice cream;
- Frozen goods – wholesale of frozen goods products;
- Other segments – other activities include the provision of logistics services, sale of other services, goods and materials. Other areas of activity are insignificant for the Group and none of them makes up a separate business segment.

A relatively high integration level exists between reporting segments of ice cream and frozen goods products. That integration involves joint marketing, sales and marketing services.

The Management Board of the Parent Company assesses the results of business segments on the basis of external revenue and operating profit figures. The management also monitors secondary measures – EBITDA (profit before financial, tax expenses and depreciation, amortisation and impairment of non-current assets) and EBITDA from operations (EBITDA before fair value adjustments on biological assets and one-off expenses). These financial indicators are presented in the tables below.

Income and expenses of business segments include income and expenses directly generated by the segment. The integrated expenses (marketing and sales expenses, general and administrative expenses and other operating income and expenses) are allocated between the segments of ice cream and frozen goods according to the percentages of unconsolidated revenues of the respective segments. The expenses of the Parent Company (general management expenses of the Group) and amortisation of intangible non-current assets are not allocated to segments.

According to assessments of the management, the transactions between the group's business segments have been carried out at market prices and conditions.

#### Secondary segment: Revenue of AS Premia Foods by geographical segments:

EUR '000	Q1 2012	Q1 2011
Finland	6,712	6,332
Estonia	4,909	4,680
Latvia	2,400	2,287
Lithuania	1,605	1,441
Russia	1,480	1,911
Other	6	11
<b>Total</b>	<b>17,112</b>	<b>16,662</b>





## Primary segment

<b>Q1 2012, EUR '000</b>	<b>Fish</b>	<b>Ice cream</b>	<b>Frozen Food</b>	<b>Other</b>	<b>Elim.</b>	<b>Total</b>
External revenue	7,662	3,696	5,312	442	0	17,112
Inter-segment revenue	0	0	1	5	-6	0
<b>Total gross revenue</b>	<b>7,662</b>	<b>3,696</b>	<b>5,313</b>	<b>447</b>	<b>-6</b>	<b>17,112</b>
Segment EBITDA from operations	724	-350	-272	20	0	122
Unallocated EBITDA from operations						-108
<b>Total EBITDA from operations</b>						<b>14</b>
Segment EBITDA	124	-350	-272	20	0	-478
Unallocated EBITDA						-108
<b>Total EBITDA</b>						<b>-586</b>
Segment operating profit	-106	-595	-467	10	0	-1,158
Unallocated operating profit						-266
<b>Total operating profit</b>						<b>-1,424</b>
<b>Q1 2011, EUR '000</b>	<b>Fish</b>	<b>Ice cream</b>	<b>Frozen Food</b>	<b>Other</b>	<b>Elim.</b>	<b>Total</b>
External revenue	7,433	4,024	4,908	297	0	16,662
Inter-segment revenue	0	0	1	5	-6	0
<b>Total gross revenue</b>	<b>7,433</b>	<b>4,024</b>	<b>4,909</b>	<b>302</b>	<b>-6</b>	<b>16,662</b>
Segment EBITDA from operations	244	-289	-255	66	0	-234
Unallocated EBITDA from operations						-221
<b>Total EBITDA from operations</b>						<b>-455</b>
Segment EBITDA	-464	-420	-255	66	0	-1,073
Unallocated EBITDA						-221
<b>Total EBITDA</b>						<b>-1,294</b>
Segment operating profit	-753	-788	-465	58	0	-1,948
Unallocated operating profit						-359
<b>Total operating profit</b>						<b>-2,307</b>

## Note 10. Subsidiaries

Company	Country	Share		Field of operation	Owner
		31/03/2012	31/12/2011		
Saaremere Kala AS	Estonia	100%	100%	Holding	Premia Foods AS
Vettel OÜ	Estonia	100%	100%	Fish processing	Saaremere Kala AS
GourmetHouse OÜ	Estonia	100%	100%	Sale of fish and fish products	Saaremere Kala AS
AS Premia Tallinna Külkhoone	Estonia	100%	100%	Ice cream production, sale of ice cream and frozen food	AB Premia KPC
AB Premia KPC	Lithuania	100%	100%	Sale of ice cream and frozen food	Premia Foods AS
Heimon Kala Oy	Finland	100%	100%	Fishfarming, processing and sale of fish and fish products	Saaremere Kala AS
Överumans Fisk Ab	Sweden	100%	100%	Fishfarming and sale	Heimon Kala Oy
SIA F.F.L.S.	Latvia	x	100%	Holding	AS Premia Tallinna Külkhoone
AS Premia FFL	Latvia	100%	100%	Sale of ice cream and frozen food	AS Premia Tallinna Külkhoone, SIA F.F.L.S.
OOO Khladokombinat No1	Russia	100%	100%	Ice cream production, sale of ice cream and frozen food	Premia Foods AS
OOO Khladomagija	Russia	100%	100%	IP Holding	Premia Foods AS



On 29 March 2012 the merger of the subsidiaries SIA F.F.L.S and AS Premia FFL was finalised. Pursuant to the merger agreement, AS Premia FFL is the acquiring company and SIA F.F.L.S. will be merged with AS Premia FFL. With the merger, all assets of SIA F.F.L.S. will completely transferred to AS Premia FFL and SIA F.F.L.S. will be considered as liquidated after the completion of the merger. SIA F.F.L.S. was a holding company with no independent economic operations. The goal of the merger was to make the structure of Premia Group clearer, more logical and transparent.

#### Note 11. Related Party Transactions

The Company considers parties to be related when one party has control over the other party or has significant influence over the business decision of the other party.

Related parties include:

- shareholders with significant influence (the largest shareholder of Premia Foods is the international investment fund Amber Trust II S.C.A);
- members of the Supervisory Board and members of all management board of group entities;
- close family members of the persons mentioned above and the companies related to them.

As at the balance sheet date, the balances of the Group's receivables from related parties and payables to related parties were as follows:

Company	Debtor	Comments	Receivable as of 31.03.12 EUR '000	Receivable as of 31.12.11 EUR '000
Vettel OÜ	Companies related to the members of management and supervisory board	Other receivable	1	-
Heimon Kala Oy		Other receivable	1	2
<b>Total</b>			<b>2</b>	<b>2</b>

Company	Debtor	Comments	Payable as of 31.03.12 EUR '000	Payable as of 31.12.11 EUR '000
Premia Foods AS	Companies related to the members of management and supervisory board	Accounts payable	8	8
Premia Foods AS		Other payable	-	1
Heimon Kala Oy		Accounts payable	3	-
Vettel OÜ		Accounts payable	1	1
<b>Total</b>			<b>12</b>	<b>10</b>

Receivables from related parties have not been written down.

Management estimates that all related party transactions have been concluded at market prices and at market conditions

Party EUR '000	Type of transaction	Q1 2012 Purchase	Q1 2012 Sale	Q1 2011 Purchase	Q1 2011 Sale
Companies related to the members of management and supervisory board	services	27	1	20	-
	fixed assets	2	-	-	-
	<b>Total</b>	<b>29</b>	<b>1</b>	<b>20</b>	<b>0</b>

Management estimates that all related party transactions have been concluded at market prices and at market conditions

Remuneration (incl taxes) of the members of the Management and Supervisory Boards of AS Premia Foods and its subsidiaries and other key managers:



	Q1 2012 EUR '000	Q1 2011 EUR '000
Short-term benefits	226	254
<b>Total</b>	<b>226</b>	<b>254</b>

The members of the Management and Supervisory Boards do not get any pension-related rights from the Company. The members of the Management Board are entitled to termination benefits. The maximum expense related to payment of termination benefits totals EUR 104 thousand.

## Note 12. Events after the balance sheet date

### Increasing overdraft facility limit

On 4 May 2012, the limit of overdraft facility issued by UniCredit was increased by 1,500 thousand euro up to 4,200 thousand euro, whereas 2,700 thousand euro of the total limit is issued with the term of 31 August 2012 and 1,500 thousand euro with the term of 15 August 2012.

### Deciding distribution of profit

The Supervisory Board of the company has proposed the annual General Meeting to be held on 29 May 2012 to pay dividends on the account of retained earnings in the amount of 387 thousand euro, i.e. 0.01 euro per share and to transfer 5% of the net profit of AS Premia Foods for the period, i.e. 6,500 euro, into mandatory reserve capital. The list of shareholders entitled to receive dividends will be determined as of 12 June 2012 at 23.59 and the date of payment of dividends will be on 15 June 2012 at the latest.

### Electing new member of Supervisory Board

The Supervisory Board of the company has proposed the annual General Meeting to be held on 29 May 2012 to elect Arko Kadajane as an additional member of the Supervisory Board of AS Premia Foods.

### Decreasing share capital

The Supervisory Board has proposed the annual General Meeting to be held on 29 May 2012 to decide the decreasing of the share capital of AS Premia Foods as follows:

- the share capital shall be decreased by decreasing the nominal value of a share by 0.1 euro (10 cents), as a result of which the new nominal value of a share shall be 0.5 euro (50 cents);
- the share capital shall be decreased in total by 3,868,286 euro, as a result of which the new amount of share capital shall be 19,341,430 euro;
- the reason for decreasing the share capital is the adjustment of the capital structure of AS Premia Foods. The decrease of share capital of AS Premia Foods enables to balance the financial leverage of AS Premia Foods and to bring equity returns and ratios of AS Premia Foods to more adequate level.

The list of shareholders participating in the share capital decrease will be determined as of 29 August 2012 at 23.59.

The share capital is decreased by making payments to the shareholders and the amount of payment is 0.1 euro (10 cents) per share.

**MANAGEMENT BOARD'S CONFIRMATION TO THE CONSOLIDATED INTERIM REPORT FOR THE 1<sup>ST</sup> QUARTER AND 3 MONTHS OF 2012**

The management board confirm the correctness and completeness of the consolidated interim report for the 1<sup>st</sup> quarter and 3 months of 2012 of AS Premia Foods and its subsidiaries (together the Group) presented in the pages 4 – 27 hereof and confirms to the best of its knowledge that:

- The activities report of the consolidated interim report presents adequate and fair overview of the development and results of business activities of the Group and the financial position thereof and includes the description of the main risk factors and uncertainties;
- the accounting principles applied in the preparation of the consolidated interim report are in compliance with the International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as adopted by the European Union;
- the consolidated interim report provides a true and fair overview of the assets, liabilities and financial position of the group and of the results of its operations and its cash flows;
- AS Premia Foods and its subsidiaries are going concerns.

Chairman of management board	Kuldar Leis	digitally signed	15 May 2012
Member of management board	Silver Kaur	digitally signed	15 May 2012
Member of management board	Katre Kõvask	digitally signed	15 May 2012