



AS PREMIA FOODS

1st Quarter 2010

Unaudited Consolidated Interim Report

Business name:	AS PREMIA FOODS
Reg. code	11560713
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Main areas of activities:	Production of ice-cream Wholesale of food products Production and sale of fish products Fish Farming
Reporting period:	January 1, 2010 – March 31, 2010
Auditor:	Alliot Kangust OÜ

CONTENTS

COMPANY OVERVIEW 4

MANAGEMENT REPORT 5

Consolidated Financial Statement..... 11

Consolidated Statement of Comprehensive Income 12

Consolidated Cash Flow Statement..... 13

Consolidated Statement of Changes in Owners' Equity 14

 1. General Information and Accounting Principles..... 15

 2. Tangible Fixed Assets..... 16

 3. Intangible Assets 17

 4. Fixed Assets Acquired Under Finance Lease..... 18

 5. Borrowings..... 18

 6. Owner's Equity..... 19

 7. Segment Reporting 20

 8. Sales Revenue 21

 9. Cost of Goods Sold..... 21

 10. Selling and Distribution Expenses 22

 11. Administrative Expenses 22

 12. Related Party Transactions 22

COMPANY OVERVIEW

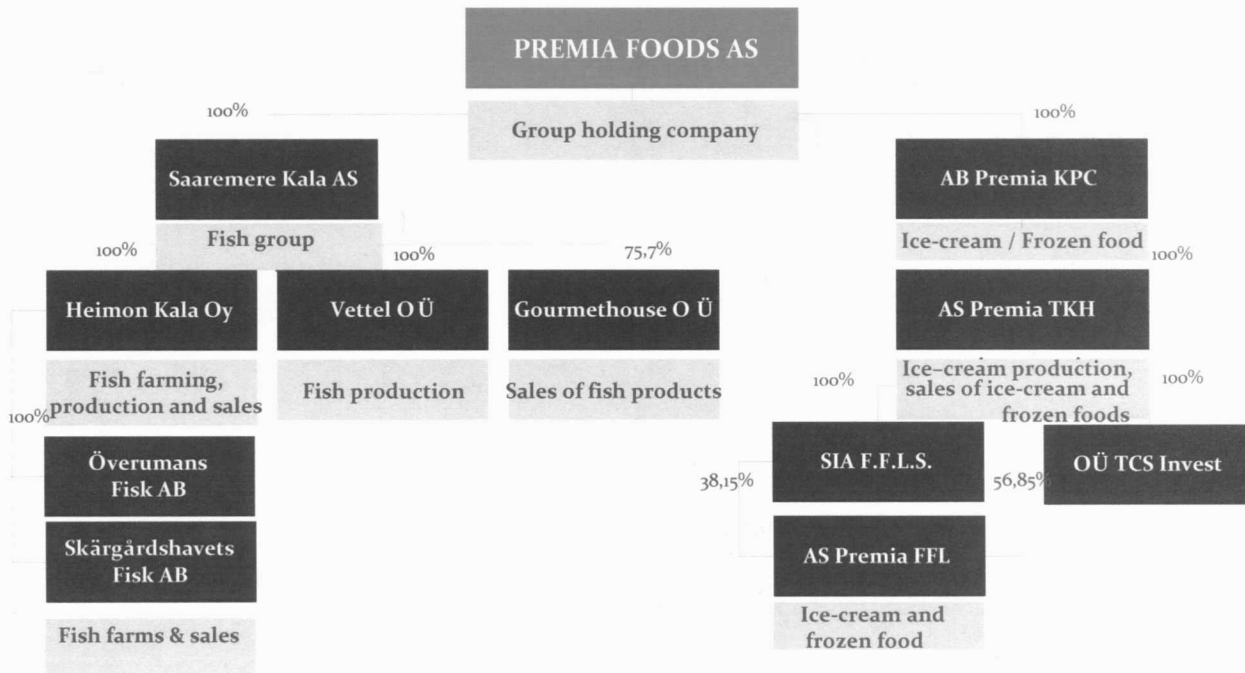
AS Premia Foods was established in Estonia in December 2008 by Premia Tallinna Külmuhoone AS with the purpose of creating a holding company for the group consolidating various food companies, including the ice-cream, frozen food and fish business lines, while having production and sales operations in 5 countries. Today, operating in the Baltic States as well as in Finland and Sweden, the group has become an influential company, known for its highly valued and appreciated consumer brands.

The flagships of Premia Foods are Premia, Väike Tom, Vau, Heimon Gourmet, Saaristomeren Kala, Maahärä, Põhjatäht, Regatt, Natali, Buenol, Polar Fish and others

The contact details of Premia Foods are as follows:

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Structure of Premia Foods Group:



MANAGEMENT REPORT

In the opinion of the management, the 1st quarter of 2010 was a success for Premia Foods. Financial results compared to the same period of the previous year improved in all important indicators. Despite the continued market recession in Estonia and Latvia, sales in Finland and Lithuania grew considerably. Of our operating segments, the fish and fish product segment showed significantly better results than the previous year. This was helped by more active sales operations as well as a substantial rise in the price of raw fish in the global market.

To adapt to the changed market situation, in 2009 a thorough cost optimisation programme was carried out in the Premia Foods group companies as a result of which the annual operating expenses of the companies decreased by about 54 million kroons i.e. by about 16.5%. Of the operating expenses in the 1st quarter of 2010 the greatest reductions were achieved in labour costs (ca 11%), administrative expenses (ca 25%) and selling expenses (ca 8%). Due to the improved credit market, the decreased Euribor and changed capital structure, also the financial expenses of the company have decreased considerably (ca 28%). Cost optimisation and changes in capital structure shall be continued in 2010 with the aim of further improving the financial position of the company.

Premia Foods is still the market leader in the ice-cream market in Estonia, having an approximate monetary market share of 40% in the 1st quarter of 2010 according to the management's estimates (the market share in the 1st quarter of 2009 was approximately 37%), in Latvia the company continues in second position with an approximate market share of 15% (in the 1st quarter of 2009 the approximate market share was 12%) and in Lithuania the company is also in second position with an approximate market share of 20% (the respective indicator for the 1st quarter of 2009 being 19%). Premia Foods continues in leading positions in other frozen foods segments (semi-finished products, vegetables, meat and dough products etc) in the Baltics.

The company's monetary market share in the Finnish packed chilled fish products retail market is approximately 25% by the management's estimates and the market share has not changed compared to the 1st quarter of 2009, though sales revenue has significantly increased in the HoReCa segment.

The operations of Premia Foods are seasonal, especially in the ice-cream segment, which is to some extent balanced by the frozen products and fish segments. Regardless of that, the 1st quarter sales revenue usually accounts for only 20% of annual sales revenue. Second and third quarter sales revenues account for approximately 55% and fourth quarter sales revenue for approximately 25% of annual sales revenue. In the case of ice-cream, the differences between quarters are even greater and the corresponding number in the first quarter is 13%, in the second and third quarters summarily about 76% and in the fourth quarter about 11%.

At the same time a significant portion of annual ice-cream production takes place in the first and second quarters of the year due to preparations for the summer, which in turn has a negative effect on the results of the first quarters of the years. Due to the abovementioned and the substantial role of ice-cream in the development of the company's gross margin, the company is historically in loss in the first and fourth quarters, the main income is earned in the second and third quarters.

Short summary of results in 1st quarter of 2010 (in millions of EEK):

	1 st quarter 2010	1 st quarter 2009	Change
Sales	234,4	223,1	+5,0%
EBITDA	-0,0	-3,1	+98,4%
EBIT	-14,3	-18,9	+24,1%
Net profit*	-17,9	-26,2	+31,7%

1 EUR = 15,6466 EEK

* Net profit before non-controlling interest

SALES REVENUE

Sales revenue of Premia Foods by operating segments (in millions of EEK):

	1 st quarter 2010	1 st quarter 2009	Change
Ice-cream	29,8	32,8	-9,3%
Frozen products	78,5	93,8	-16,2%
Fish and fish products	121,3	95,9	+26,4%
Other	4,8	0,6	+693,6%

1 EUR = 15,6466 EEK

The distribution of the product portfolio of Premia Foods percentage-wise by operating segments in 1st quarter of 2010 was as follows:

	1 st quarter 2010	1 st quarter 2009
Ice-cream	12,7%	14,7%
Frozen products	33,5%	42,0%
Fish and fish products	51,7%	43,0%
Other	2,1%	0,3%

Due to the recession of Baltic markets and the harsher than average winter, the sales quantities of both ice-cream and other frozen foods decreased and at the same time, due to more active sales operations in Finland and the raised price of raw fish, the sales quantities of fish and fish products increased as a result of which the proportions of the operating segments in the product portfolio changed to some extent. These changes, though, are neither significant nor long term in their nature.

The distribution of the sales revenue of Premia Foods by geographical markets in 1st quarter of 2010 (in million EEK):

	1 st quarter 2010	Share	1 st quarter 2009	Share	Change
Finland	109,4	46,7%	78,2	35,1%	+39,9%
Estonia	67,4	28,8%	79,3	35,5%	-15,0%
Latvia	36,2	15,4%	43,4	19,5%	-16,5%
Lithuania	20,6	8,8%	18,9	8,5%	+9,1%
Other	0,8	0,3%	3,3	1,4%	-75,8%

Among geographical markets of Premia Foods, Finland was the least influenced by the economic crisis and therefore as a result of more active sales operations in the HoReCa segment as well as the Kesko retail chain, it was possible to significantly increase sales revenue in this market. Also the increased price of raw fish has a substantial role in the increase of sales revenue.

Among the geographical markets of Premia Foods, the Baltic markets were the most influenced by the economic crisis and due to the harsh winter and decreased purchasing power of the population, the sales of both ice-cream and frozen food in these markets decreased. The effect of the crisis was especially noticeable in Latvia, where revenue decreased in all operating segments, especially in the HoReCa segment in which the company has through the years held a strong position. In Lithuania, the company managed to increase sales revenue mostly due to the more active sales operations of frozen products and also the increased sales volume of logistics services had a positive effect on the results. At the same time, the main sales article in Lithuania is still ice-cream and primary sales happen in the 2nd and 3rd quarters, thus the good results of the Lithuanian market in the 1st quarter are not of great significance for the whole year.

Premia Foods gross profit and gross margin in 1st quarter of 2010 by segments:

	Gross profit 1 st quarter 2010 (million EEK)	Gross margin 1 st quarter 2010	Gross profit 1 st quarter 2009 (million EEK)	Gross margin 1 st quarter 2009
Ice-cream	11,8	33%	13,3	34%
Frozen products	17,5	22%	20,2	22%
Fish and fish products	21,6	15%	21,2	18%

Despite complicated economic conditions in geographical markets, the company managed to maintain the gross margin of ice-cream and frozen food. Also the EBITDA margins of these segments improved compared to the 1st quarter of 2009. The gross profit of the fish products segment increased while the gross margin decreased. The main reason for this was the substantial increase in the turnover of the fish products segment, which enabled to earn greater profit in absolute value despite the decreased margin. Easter falling into the first quarter (in 2009, Easter was in April) had a positive effect on the turnover of fish products. The price of raw fish (mainly salmon and trout) has increased by 30% compared to a year ago due to the disease spreading in Chilean fish farms, while the end product price in the Finnish retail market as the main market has not increased to that extent. The price increase on the global market has a negative effect on all fish industries, Premia Foods is less influenced by the price increase compared to the competition as 40% of the fish needed is grown by Premia Foods itself.

FINANCIAL RESULTS

The consolidated unaudited turnover of Premia Foods increased by 5% i.e. by 11.2 million kroons (0.72 million EUR) in the 1st quarter of 2010 reaching 234.4 million kroons (14.98 million EUR). The turnover in the 1st quarter of 2009 was 223.1 million kroons (14.26 million EUR). The increase in turnover is mainly the result of the increase in sales of frozen and chilled fish in Finland.

Due to the price increase of production inputs, the cost of goods sold increased by 7.8% i.e. by 13.5 million kroons (0.86 million EUR) in the 1st quarter of 2010, as a result of which gross profit decreased by 4.7% i.e. by 2.3 million kroons (0.15 million EUR). At the same time labour costs decreased by 11% i.e. by 4.4 million kroons (0.28 million EUR) and operating expenses by about 12% i.e. by 8 million kroons (0.51 million EUR) as a result of which loss from operating activities decreased by 24% to 14.3 million kroons (0.92 million EUR). Financial expenses decreased by 28% i.e. by 3.1 million kroons (0.2 million EUR) and the company foresees their continuing decrease in the near future.

The sales and marketing expenses of Premia Foods in the 1st quarter of 2010 decreased by 7.8% i.e. by 3.9 million kroons (0.25 million EUR) compared to the same period of the previous year. Administrative costs decreased by 24.7% i.e. by 4.1 million kroons (0.26 million EUR)

Expense due to the fair value adjustment on fish stocks was 5.6 million kroons (0.36 million EUR) in the first quarter of 2010. In valuating fish stocks it is normal that in the first and last quarter an expense due to fair value adjustment is incurred as at water temperatures below 5°C additional growth of fish stocks does not take place while the production cost of fish stocks increases.

The net loss of Premia Foods group in the 1st quarter of 2010 decreased by 8.3 million kroons (0.53 million EUR) compared to the same period of the previous year, reaching 17.9 million kroons (1.14 million EUR). The net loss of the 1st quarter of 2009 was 26.2 million kroons (1.67 EUR). Thus, net loss decreased by 31.6%.

ICE-CREAM

The sales revenue of ice-cream reached 29.7 million kroons (1.9 million EUR) in the 1st quarter of 2010 decreasing by 9.3% i.e. by 3.1 million kroons (0.2 million EUR) in the last year. The EBITDA of the ice-cream segment decreased by 32.7% to 1.13 million kroons (0.07 million EUR) compared to 1.67 million kroons (0.11 million EUR) achieved in the 1st quarter of 2009.

FROZEN PRODUCTS

The sales revenue of frozen products reached 78.5 million kroons (5.02 million EUR) in the 1st quarter of 2010 decreasing by 16.2% i.e. by 15.2 million kroons (0.97 million EUR) in the last year. The EBITDA of the frozen products segment increased by 21.7% to -4.4 million kroons (-0.28 million EUR) compared to -5.6 million kroons (-0.36 million EUR) achieved in the 1st quarter of 2009.

FISH AND FISH PRODUCTS

The sales revenue of fish and fish products reached 121.3 million kroons (7.75 million EUR) in the 1st quarter of 2010 increasing by 26.5% i.e. by 25.5 million kroons (1.63 million EUR) in the last year. The EBITDA of the fish and fish products segment decreased to -0.47 million kroons (-0.03 million EUR) compared to 0.64 million

kroons (0.04 million EUR) achieved in the 1st quarter of 2009. The reason for this was the logistical reorganisation finished in Finland in February 2010 and the one-time expense arising from it. The reorganisation of logistics should be estimated to help save approximately 4.7 million kroons annually.

FINANCIAL POSITION

The consolidated balance sheet total of Premia Foods as of March 31, 2010 was 976.5 million kroons (62.4 million EUR). At the end of the year 2009 the balance sheet total of Premia Foods was 983.1 million kroons (62.8 million EUR). The balance sheet total decreased by 0.67% during the year.

Receivables and prepayments increased by 15.2% i.e. by 20.3 million kroons (1.3 million EUR) compared to the end of 2009 reaching 154.4 million kroons (9.87 million EUR).

Inventories decreased by 2.4% i.e. by 5 million kroons (0.32 million EUR) compared to the end of 2009 totalling at 200.2 million kroons (12.8 million EUR).

The company's current assets increased by 1.7% reaching 392.2 million kroons (25.1 million EUR).

Supplier payables increased by 14.3% i.e. by 18.8 million kroons (1.2 million EUR) compared to the end of 2009 reaching 150.5 million kroons (9.6 million EUR).

Total payables increased by 2.1% i.e. by 11.3 million kroons (0.72 million EUR) reaching 560.3 million kroons (35.8 million EUR). Loans and borrowings and factoring payables form 344.4 million kroons (22 million EUR) of it decreasing by 2.2% i.e. 7.6 million kroons (0.49 million EUR) during the quarter. The company's net debt as of March 31, 2010 was 334.2 million kroons (21.4 million EUR) and the ratio of net debt to total equity was 80.7%

The total equity of AS Premia Foods as of March 31, 2010 was 414.3 million kroons (26.48 million EUR) decreasing by 3.7% i.e. by 16 million kroons (1.03 million EUR) in the quarter.

INVESTMENTS

The investments of Premia Foods in the 1st quarter of 2010 were 2 million kroons (0,127 million EUR). The largest investment was acquiring a 24.286% share in OÜ GourmetHouse increasing the share Premia Foods in this company to 75.714%. Investments in the 1st quarter of 2009 were 2,1 million kroons (0,134 million EUR).

PERSONNEL

Premia Foods group employed 615 at the end of the 1st quarter of 2010. The average number of employees in the group in the first quarter was 584. On March 31, 2009, the group employed 641 people.

The sum total of salaries in the 1st quarter of 2010 was 35.3 million kroons (2.26 million EUR). In the first quarter of 2009, the sum total of salaries was 39.7 million kroons (2.54 million EUR).

Key numerical indicators of the group:

	1 st quarter 2010	1 st quarter 2009	Change
Sales revenue (million EEK)	234,4	223,1	+5%
Gross profit (million EEK)	46,8	49,1	-4,7%
EBITDA (million EEK)	-0,0	-3,1	+98,4%
EBIT (million EEK)	-14,3	-18,9	+24,1%
Net profit (million EEK)	-17,9	-26,2	+31,7%
Gross margin	20%	22%	
EBITDA margin	0%	-1,4%	
EBIT margin	-6,1%	-8,5%	
Net profit margin	-7,6%	-11,7%	
Operating expense ratio	25%	30%	
Equity ratio	42,6%	44,2%	

LQ1uidity factor	1,12	1,15	-2,6%
Debt-to-equity ratio	82,7%	81,1%	

Formulas for ratios and margins:

Gross profit = Sales revenue – cost of goods sold

EBITDA = earnings before financial items, tax, depreciation, and amortisation

EBIT = earnings before financial items and tax

Net profit/loss = profit/loss before minority share

EBITDA margin = EBITDA / Sales revenue

Gross margin = Gross profit / Sales revenue

EBIT margin = EBIT / Sales revenue

Net profit margin = Net profit / Revenue from business activities

Operating expense ratio = Operating expenses / Sales revenue

Equity ratio = Equity / Total assets

LQ1uidity factor = Current assets / Short term liabilities

Debt-to-equity ratio = Interest-bearing liabilities / Equity

**Management Board's Confirmation on the
Unaudited Consolidated Interim Report for 1st quarter of 2010**

The Management Board confirms its responsibility for the preparation of the unaudited consolidated interim report for the 1st quarter of 2010 set out on pages 10-22 and declares that:

1. the principles, accounting policies and procedures used to prepare the consolidated financial statements comply with the requirements of International Financial Reporting Standards as adopted by the European Union;
2. the consolidated financial statements presents a fair and true view of the financial status, economic performance and cash flow of the group;
3. AS Premia Foods and all group companies are going concerns.

Chairman of the Management Board	Kuldar Leis	 May 31, 2010
Member of the Management Board	Silver Kaur	 May 31, 2010
Member of the Management Board	Katre Kõvask	 May 31, 2010
Member of the Management Board	Andri Avila	 May 31, 2010

Consolidated Financial Statement

As at March 31	31.03.2010 EEK '000	31.03.2010 EUR '000	31.12.2009 EEK '000	31.12.2009 EUR '000	Note
Cash and cash equivalents	10 257	656	19 618	1 254	
Receivables and prepayments	154 405	9 868	134 070	8 569	
Inventories	200 170	12 973	205 164	13 112	
Fixed assets held for sale	27 365	1 749	26 721	1 708	
Total current assets	392 197	25 066	385 573	24 643	
Deferred income tax assets	5 541	354	5 541	354	
Long-term financial investments	1 507	96	1 507	96	
Investment property	32 600	2 084	32 600	2 084	
Tangible fixed assets	230 913	14 758	241 980	15 465	2
Intangible assets	313 754	20 053	315 850	20 186	3
Total fixed assets	584 315	37 345	597 478	38 186	
TOTAL ASSETS	976 512	62 411	983 051	62 828	
Loans and borrowings	180 258	11 521	159 556	10 198	4, 5
Factoring payable	19 074	1 219	42 754	2 732	
Payables	150 512	9 619	131 686	8 416	
Total current liabilities	349 844	22 359	333 996	21 346	
Loans and borrowings	145 097	9 273	149 731	9 569	4, 5
Long-term payable to shareholders	17 581	1 124	17 226	1 101	
Deferred tax liabilities	20 035	1 280	21 900	1 400	
Target financing	27 702	1 770	26 085	1 667	
Total noncurrent liabilities	210 415	13 448	214 942	13 737	
Total liabilities	560 259	35 807	548 938	35 083	
Share capital	241 829	15 456	24 183	1 546	6
Share premium	181 042	11 571	398 688	25 481	
Treasury shares	-3 986	-255	-3 986	-255	
Currency translation reserve	3 428	219	1 415	90	
Retained earnings	-8 050	-514	10 003	639	
Equity attributable to the equity holders of the Company	414 263	26 476	430 303	27 501	
Non-controlling interest	1 990	127	3 810	244	
Total equity	416 253	26 603	434 113	27 745	
TOTAL EQUITY AND LIABILITIES	976 512	62 411	983 051	62 828	

Consolidated Statement of Comprehensive Income

	1 st Q 2010	1 st Q 2010	1 st Q 2009	1 st Q 2009	Note
	EEK '000	EUR '000	EEK '000	EUR '000	
Sales	234 351	14 978	223 125	14 260	8
Cost of goods sold	-187 528	-11 985	-174 017	-11 121	9
Gross profit	46 823	2 993	49 108	3 139	
Total operating expenses	-58 771	-3 756	-66 759	-4 267	
Selling and distribution expenses	-46 354	-2 963	-50 266	-3 213	10
Administrative expenses	-12 417	-794	-16 493	-1 054	11
Other income/expense	3 201	205	-279	-18	
Fair value adjustment on biological assets	-5 587	-357	-945	-60	
Operating profit (loss)	-14 334	-916	-18 875	-1 206	
Financial income	2 334	149	2 978	190	
Financial expense	-7 868	-503	-10 934	-699	
Profit (loss) before tax	-19 868	-1 270	-26 831	-1 715	
Deferred income tax	1 965	126	671	43	
Net profit (loss) for the period	-17 903	-1 144	-26 160	-1 672	
Other comprehensive income (loss)					
Foreign currency translation services	2 013	129	-231	-15	
Other comprehensive income (loss)	2 013	129	-231	-15	
Total comprehensive income (loss) for the period	-15 890	-1 015	-26 391	-1 687	
Net profit (loss) for the period attributable to:					
Owners of the Company	-18 054	-1 154	-26 396	-1 687	
Non-controlling interest	151	10	236	15	
Total net profit (loss) for the period	-17 903	-1 144	-26 160	-1 672	
Total comprehensive income (loss) attributable to:					
Owners of the Company	-16 041	-1 025	-26 627	-1 702	
Non-controlling interest	151	10	236	15	
Total comprehensive profit (loss) for the period	-15 890	-1 015	-26 391	-1 687	
Basic earnings per share	-1,37	-0,09	-21,48	-1,37	
Diluted earnings per share	-1,37	-0,09	-21,48	-1,37	

Consolidated Cash Flow Statement

	31.03.2010	31.03.2010	31.03.2009	31.03.2009	Not e
	EEK '000	EUR '000	EEK '000	EUR '000	
Cash flow from operations					
Operating profit	-14 334	-916	-18 875	-1 206	
<i>Adjustments:</i>					
Depreciation on fixed assets	14 277	912	15 799	1 010	2, 3
Loss from sale of fixed assets	-318	-20	894	57	
Change in receivables related to operating activities	15 953	1 020	43 494	2 780	
Change in inventories and fixed assets held for sale	4 385	280	7 797	498	
Change in liabilities and prepayments relating to operating activities	14 722	941	-40 489	-2 588	
Other	-1 826	-117	-1 697	-109	
TOTAL CASH FLOW FROM OPERATIONS	32 859	2 100	6 923	443	
Cash flow from investments					
Sale of tangible and intangible fixed assets	3 064	196	488	31	2, 3
Purchase of tangible and intangible fixed assets	-1 991	-127	-2 097	-134	2, 3
Fixed assets acquired under capital lease	115	7	99	6	4
Net cash flow from acquisition of subsidiaries	-500	-32	-35	-2	
Loans granted	-31 293	-2 000	-3 990	-255	
Repayments of loans granted	3	0	35	2	
Interest received	18	1	4	0	
TOTAL CASH FLOW FROM INVESTMENTS	-30 584	-1 955	-5 496	-351	
Cash flow from financing					
Change in overdraft	2 957	189	-1 971	-126	5
Repayment of loans	-8 973	-573	-20 284	-1 296	5
Loans raised	24 933	1 593	34 063	2 177	5
Change in factored receivables	-23 676	-1 513	-10 344	-661	
Target financing received	2 533	162	0	0	
Capital lease repayments	-3 008	-192	-3 859	-247	4
Interest paid	-3 845	-246	-5 698	-364	
Other financial expenses	-575	-37	-684	-44	
TOTAL CASH FLOW FROM FINANCING	-9 654	-617	-8 777	-561	
TOTAL CASH FLOW:	-7 379	-472	-7 350	-470	
CHANGE IN CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of year	19 618	1 254	19 695	1 259	
Change in cash and cash equivalents	-7 379	-472	-7 350	-470	
Gains/losses on conversion of foreign currencies	-1 982	-127	486	31	
Cash and cash equivalents at the end of the year	10 257	656	12 832	820	

Consolidated Statement of Changes in Owners' Equity

in thousands of EEK

	Attributable to the equity holders of the Company							Non-controlling interest	Total equity
	Share capital	Share premium	Unregistered share capital	Own shares	Trans-lation reserve	Retained earnings	Total		
Balance at 31.12.2008	400	398 723	23 723	0	0	0	422 906	3 004	425 910
Increase of share capital	23 783	0	-23 783	0	0	0	0	0	0
Reduction of issue premium	0	-35	0	0	0	0	-35	0	-35
Treasury shares	0	0	0	-3 986	0	0	-3 986	0	-3 986
Profit for the period	0	0	0	0	0	10 003	10 003	806	10 809
Other comprehensive income	0	0	0	0	1 415	0	1 415	0	1 415
Balance at 31.12.2009	24 183	398 688	0	-3 986	1 415	10 003	430 303	3 810	434 113
Change of share capital	217 646	0	0	0	0	0	217 646	0	217 646
Change of issue premium	0	-217 646	0	0	0	0	-217 646	0	-217 646
Change in non-controlling interest	0	0	0	0	0	0	0	-1 971	-1 971
Profit for the period	0	0	0	0	0	-18 054	-18 054	151	-17 903
Other comprehensive income	0	0	0	0	2 013	0	2 013	0	2 013
Balance at 31.03.2010	241 829	181 042	0	-3 986	3 428	-8 050	414 263	1 990	416 253

in thousands of Euros

	Attributable to the equity holders of the Company							Non-controlling interest	Total equity
	Share capital	Share premium	Unregistered share capital	Own shares	Trans-lation reserve	Retained earnings	Total		
Balance at 31.12.2008	26	25 483	152	0	0	0	27 029	192	27 221
Increase of share capital	1 520	0	-152	0	0	0	0	0	0
Reduction of issue premium	0	-2	0	0	0	0	-2	0	-2
Treasury shares	0	0	0	-255	0	0	-255	0	-255
Profit for the period	0	0	0	0	0	639	639	52	691
Other comprehensive income	0	0	0	0	90	0	90	0	90
Balance at 31.12.2009	1 546	25 481	0	-255	90	639	27 501	244	27 745
Change of share capital	13 910	0	0	0	0	0	13 910	0	13 910
Change of issue premium	0	-13 910	0	0	0	0	-13 910	0	-13 910
Change in non-	0	0	0	0	0	0	0	-126	-126

controlling interest									
Profit for the period	0	0	0	0	0	-1 154	-1 154	10	-1 144
Other comprehensive income	0	0	0	0	129	0	129	0	129
	15								
Balance at 31.03.2010	456	11 571	0	-255	219	-515	26 476	127	26 603

Interim Report Notes

1. General Information and Accounting Principles

The parent company AS Premia Foods is registered in the Republic of Estonia (reg. code 11560713, registered office at Betooni 4, Tallinn). Premia Foods Group operates in the Baltic States, in Finland and in Sweden.

The Group's consolidated annual report is available at the Company headquarters at Betooni 4, Tallinn and at the Company's website www.premiafoods.eu

Confirmation of compliance

This short unaudited consolidated interim report complies with international accounting standards IAS 34 "Interim Financial Reporting". The report does not hold all the information that must be presented in a complete annual report so it should be read with the Company's audited consolidated annual report for the financial year that ended on December 31, 2009.

The Management Board approved the publication of this short unaudited consolidated interim report on May 31, 2010.

Basis of preparation

The Group has prepared this short unaudited consolidated interim report based on the same accounting principles that were used to prepare the consolidated annual report for the financial year that ended on December 31, 2009.

This consolidated interim report has been prepared for the period of January 1, 2010 to March 31, 2010. The functional currency of AS Premia Foods is Estonian kroon (EEK). This interim report. This interim report is presented in thousands of EEK and in thousands of Euros, unless indicated otherwise. The Estonian kroon is pegged to the euro at the rate of EUR 1 = EEK 15.6466

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 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 December 31, 2009 were used to prepare this short consolidated interim report.

2. Tangible Fixed Assets

in thousands of EEK	Land and building	Machinery, equipment	Other tangible fixed assets	Construction in progress, prepayments	Total
Residual value as of 31.12.2008					
additions from the acquisition of subsidiaries	99 586	163 477	1 009	10 041	283 194
Acquired during the period	1 054	7 030	935	-1 646	7 373
Residual value of assets sold and written off	0	-1 792	-73	-50	-1 915
Reclassification as fixed assets (residual value)	0	0	0	-13	-13
Change in value arising from exchange rates	304	491	69	527	1 391
Depreciation	-8 423	-35 364	-4 263		-48 050
Residual value as of 31.12.2009	92 521	133 842	6 758	8 859	241 980
Acquired during period	0	9 182	217	-7 788	1 611
Residual value of assets sold and written off	-1 731	-1 012	0	0	-2 743
Change in value arising from exchange rates	469	1 376	-5	0	1 840
Depreciation	-2 091	-8 762	-922	0	-11 775
Residual value as of 31.03.2010	89 168	134 626	6 048	1 071	230 913
Acquisition cost as of 31.12.2009	127 345	325 103	39 231	8 859	500 538
Accumulated depreciation as of 31.12.2009	-34 824	-191 261	-32 473	0	-258 558
Acquisition cost as of 31.03.2010	125 410	329 765	39 430	1 071	495 676
Accumulated depreciation as of 31.03.2010	-36 242	-195 139	-33 382	0	-264 763

in thousands of Euros	Land and building	Machinery, equipment	Other tangible fixed assets	Construction in progress, prepayments	Total
Residual value as of 31.12.2008					
additions from the acquisition of subsidiaries	6 365	10 448	645	642	18 100
Acquired during the period	67	449	60	-105	471
Residual value of assets sold and written off	0	-114	-5	-4	-123
Reclassification as fixed assets (residual value)	0	0	0	-1	-1
Change in value arising from exchange rates	20	31	4	34	89
Depreciation	-539	-226	-272	0	-3 071
Residual value as of 31.12.2009	5 913	8 554	432	566	15 465
Acquired during period	0	587	14	-498	103
Residual value of assets sold and written off	-110	-65	0	0	-175
Change in value arising from exchange rates	30	88	0	0	118
Depreciation	-134	-560	-59	0	-753
Residual value as of 31.03.2010	5 699	8 604	387	68	14 758

Acquisition cost as of 31.12.2009	8 139	20 778	2 507	566	31 990
Accumulated depreciation as of 31.12.2009	-2 226	-12 224	-2 075	0	-16 525
Acquisition cost as of 31.03.2010	8 015	21 076	2 520	68	31 679
Accumulated depreciation as of 31.03.2010	-2 316	-12 472	-2 133	0	-16 921

3. Intangible Assets

	Goodwill	Client contracts	Trade-marks	Licenses, subscription fees	Other intangible assets	Prepa y-ments	Total
in thousands of EEK							
Residual value as of 31.12.2008							322
additions from the acquisition of subsidiaries	265 530	27 167	15 152	10 681	2 257	1 452	239
Acquired during the period	0	0	0	401	1 922	935	3 258
Reclassification	0	0	0	0	1 098	-1 098	0
Change in value arising from exchange rates	0	-32	0	0	0	10	-22
Depreciation	0	-7 101	-842	-626	-1 056	0	-9 625
							315
Residual value as of 31.12.2009	265 530	20 034	14 310	10 456	4 221	1 299	850
Acquired during the period	0	0	0	0	75	304	379
Change in value arising from exchange rates	0	30	6	0	3	-3	36
Depreciation	0	-1 770	-211	-160	-370		-2 511
							313
Residual value as of 31.03.2010	265 530	18 294	14 105	10 296	3 930	1 600	754
							341
Acquisition cost as of 31.12.2009	265 530	35 496	16 836	12 243	9 975	13	380
Accum. depreciation as of 31.12.2009	0	-15 462	-2 526	-1 787	-5 755	0	-25 530
							341
Acquisition cost as of 31.03.2010	265 530	35 529	16 836	12 243	10 056	1 600	795
Accum. depreciation as of 31.03.2010	0	-17 235	-2 736	-1 948	-6 126	0	-28 040

	Goodwill	Client contracts	Trade-marks	Licenses, subscription fees	Other intangible assets	Prepa y-ments	Total
in thousands of Euros							
Residual value as of 31.12.2008							
additions from the acquisition of subsidiaries	16 971	1 736	968	682	144	93	20 594
Acquired during the period	0	0	0	26	123	60	209
Reclassification	0	0	0	0	70	-70	0
Change in value arising from exchange rates	0	-2	0	0	0	0	-2
Depreciation	0	-454	-54	-40	-67	0	-615
Residual value as of 31.12.2009	16 971	1 280	914	668	270	83	20 186
Acquired during the period	0	0	0	0	5	19	24
Change in value arising from exchange rates	0	2	1	0	0	0	3

Depreciation	0	-113	-13	-10	-24	0	-160
Residual value as of 31.03.2010	16 971	1 169	901	658	251	102	20 053
Acquisition cost as of 31.12.2009	16 971	2 269	1 076	782	638	83	21 819
Accum. depreciation as of 31.12.2009	0	-988	-161	-114	-368	0	-1 633
Acquisition cost as of 31.03.2010	16 971	2 271	1 076	782	643	102	21 845
Accum. depreciation as of 31.03.2010	0	-1 101	-175	-124	-392	0	-1 792

4. Fixed Assets Acquired Under Finance Lease

in thousands of EEK	Machinery, equipment	Fixtures, fittings and tools	Total
Acquisition cost as of 31.03.2010	64 355	1 194	65 550
Accumulated depreciation as of 31.03.2010	-30 233	-418	-28 582
Residual value as of 31.03.2010	34 122	776	34 898
Acquisition cost as of 31.12.2009	64 503	1 193	65 698
Accumulated depreciation as of 31.12.2009	-28 216	-365	-28 582
Residual value as of 31.12.2009	36 287	828	37 116

in thousands of Euros	Machinery, equipment	Fixtures, fittings and tools	Total
Acquisition cost as of 31.03.2010	4 113	76	4 189
Accumulated depreciation as of 31.03.2010	-1 932	-27	-1 959
Residual value as of 31.03.2010	2 181	50	2 230
Acquisition cost as of 31.12.2009	4 123	76	4 199
Accumulated depreciation as of 31.12.2009	-1 803	-23	-1 827
Residual value as of 31.12.2009	2 319	53	2 372

	Q1 2010 EEK '000	Q1 2009 EEK '000	Q1 2010 EUR'000	Q1 2009 EUR '000
Principal payments in the financial year	3 318	15 928	212	1 018
Interest expenses in the financial year	191	1 978	12	126
Average interest rate	1,7% - 7,9%	5% - 11,9%	1,7% - 7,9%	5% - 11,9%

5. Borrowings

	31.03.2010 EEK'000	31.12.2009 EEK'000	31.03.2010 EUR'000	31.12.2009 EUR'000
Short Term Borrowings				
Finance lease liabilities	10 320	11 967	660	765
Overdraft	38 756	35 800	2 477	2 288
Pension insurance loans	4 694	4 694	300	300
Investment loans	50 951	53 942	3 256	3 448
Working capital loan	1 098	2 184	70	140

Related party loans	74 439	50 969	4 758	3 258
Total	180 258	159 556	11 521	10 197

	31.03.2010	31.12.2009	31.03.2010	31.12.2009
Long Term Borrowings	EEK'000	EEK'000	EUR'000	EUR'000
Finance lease liabilities	13 905	15 128	889	967
Pension insurance loans	14 082	15 256	900	975
Investment loans	117 109	119 347	7 485	7 627
Total, incl.	145 097	149 731	9 273	9 569
payable within 1-5 years	142 664	146 869	9 118	9 386
payable after 5 years	2 433	2 862	155	183

Debts are secured with mortgages set on the registered immovable in the amount of 277,160 thousand EEK (17,714 thousand Euros), commercial pledge set on its' assets in the amount of 115,262 thousand EEK (7,367 thousand Euros). In addition the shares of AS Premia FFL and Heimon Kala Oy are pledged in favour of Danske/Sampo Bank as collaterals.

The pension insurance loans issued by the VARMA pension insurance company are guaranteed by the Finnish Sampo Bank and the fee rate for the guarantee is 2.5%. The investment loans of 58,284 thousand EEK (3,725 thousand Euros) are guaranteed by the KredEx Credit and Export Guarantee Fund in amount of 30,000 thousand EEK (1,917 thousand Euros), with the fee rate for the guarantee being 2.1%. The effective interest rate captures the fee rate of the abovementioned guarantees.

Debts are also secured by shareholders' guarantee in amount of 105,615 thousand EEK (6,750 thousand Euros).

Swedish subsidiaries have been paid EU grants, which in accordance with the regulation established in Sweden to cover EU grants must be guaranteed by a mortgage or commercial pledge. The subsidiaries have guaranteed the EU grants with a mortgage on real estate in the amount of 7,540 thousand EEK (482 thousand Euros) and with a commercial pledge in the amount of 2,539 thousand EEK (162 thousand Euros). As of 31 December 2009 the guaranteed residual value of the EU grants is the amount of 3,862 thousand EEK (247 thousand Euros).

6. Owner's Equity

The company had 24 182 860 shares as of March 31, 2010. The company has 162 020 treasury shares. The nominal value of a share is 10 Estonian kroons. The registered share capital of the company as of 31.03.10 was 241 828 600 EEK (15,46 million Euros). As of 31.12.09 the company had 2 418 286 shares the registered share capital was 24 182 860 EEK (1,55 million Euros). The amount of minimum share capital stipulated in the articles of association is 175 00 000 Estonian kroons and the maximum capital is 700 000 000 Estonian kroons. The company does not have potential shares with voting rights.

Shareholder	31.03.2010	%
	Number of shares	
ING Luxembourg S.A., holding the shares of:	20 309 430	83,983%
Amber Trust II S.C.A	13 013 540	53,813%
Amber Trust S.C.A	5 381 370	22,253%
DCF Fund II Baltic States	1 914 520	7,917%
Firebird Avrora Fund, Ltd.	638 010	2,638%
Firebird Republics Fund, Ltd.	535 480	2,214%
AS Premia Foods	162 020	0,670%

Members of management and supervisory board, persons and entities related to them:

OÜ Rododendron (company held by Mr. Kuldar Leis)	1 295 240	5,356%
OÜ Footsteps Management (company held by Ms. Katre Kõvask)	485 040	2,006%
OÜ Freespirit (company held by Mr. Silver Kaur)	386 280	1,597%
Hr. Pekka Pentti Olavi Lahtinen	192 360	0,796%
Kamakamaka OÜ (company held by Mr. Erik Haavamäe)	179 000	0,740%
Total	24 182 860	

7. Segment Reporting

IFRS 8 *Operating Segments* (effective for annual periods beginning on or after 1 January 2009), introduces the “management approach” to segment reporting and requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters. Operating segments are components of an entity about which separate financial information is available and that is evaluated regularly by the Group’s Chief Operating Decision Maker in order to decide upon the allocation of resources and assess performance.

The following primary segments are distinguished in the consolidated financial statements:

“Fish” – fish farming, production and wholesale of fish and fish products;

“Ice cream” – production and wholesale of ice cream;

“Frozen food” – wholesale of frozen food products;

Other operations include sale of logistics services, other services and materials. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2010.

There is relatively high level of integration between the Ice Cream and Frozen Food reportable segments. This integration includes shared distribution, selling and marketing services.

The Parent company’s management board assesses the performance of the operating segments based on a measure of external revenue and operating profit. Inter-segment pricing is determined on the basis of on market conditions.

in thousands of EEK

	Note	Fish	Ice-cream	Frozen food	All other segments	Eliminations	Total
2010, Q1							
External revenue		121 309	29 744	78 546	4 752	0	234 351
Inter-segment revenue		1 385	0	0	72	-1 457	0
Total gross segment revenue	8	122 694	29 744	78 546	4 824	-1 457	234 351
Segment operating profit		-4 689	-2 276	-8 490	304		-15 151
Unallocated operating profit							817
Total operating profit							-14 334

in thousands of Euros

	Note	Fish	Ice-cream	Frozen food	All other segments	Eliminations	Total
2010, Q1							
External revenue		7 753	1 901	5 020	304	0	14 978
Inter-segment revenue		89	0	0	5	-93	0
Total gross segment revenue	8	7 842	1 901	5 020	308	-93	14 978
Segment operating profit		-300	-145	-543	19	0	-968
Unallocated operating profit							52
Total operating profit							-916

in thousands of EEK

	Note	Fish	Ice-cream	Frozen food	All other segments	Eliminations	Total
2009, Q1							
External revenue		95 945	32 795	93 786	599	0	223 125
Inter-segment revenue		147	0	0	0	-147	0
Total gross segment revenue	8	96 092	32 795	93 786	599	-147	223 125
Segment operating profit		-3 160	-2 358	-10 626	220	0	-15 924
Unallocated operating profit							-2 951
Total operating profit							-18 875

in thousands of Euros

	Note	Fish	Ice-cream	Frozen food	All other segments	Eliminations	Total
2009, Q1							
External revenue		6 132	2 096	5 994	38	0	14 260
Inter-segment revenue		9	0	0	0	-9	0
Total gross segment revenue	8	6 141	2 096	5 994	38	-9	14 260
Segment operating profit		-202	-151	-679	14		-1 018
Unallocated operating profit							-189
Total operating profit							-1 206

The secondary segment is the geographical area distinguished by the location of customers.

	Q1 2010 EEK '000	Q1 2010 EUR '000	Q1 2009 EEK '000	Q1 2009 EUR '000
Revenue from external customers				
Estonia	67 392	4 307	79 326	5 070
Lithuania	20 625	1 318	18 901	1 208
Latvia	36 242	2 316	43 397	2 774
Finland	109 297	6 985	78 197	4 998
Other geographical regions	795	51	3 304	211
Total	234 351	14 978	223 125	14 260

8. Sales Revenue

	Q1 2010 EEK '000	Q1 2010 EUR '000	Q1 2009 EEK '000	Q1 2009 EUR '000
Fish and fish products	121 309	7 753	95 945	6 132
Ice-cream	29 744	1 901	32 795	2 096
Frozen foods	78 546	5 020	93 786	5 994
Other	4 752	303,69308	599	38,268
Total sales revenue	234 351	14 978	223 125	14 260

9. Cost of Goods Sold

	Q1 2010 EEK '000	Q1 2010 EUR '000	Q1 2009 EEK '000	Q1 2009 EUR '000
Materials in production	-91 424	-5 843	-70 033	-4 476
Cost of goods purchased for resale	-64 098	-4 097	-73 611	-4 705
Labour costs	-15 900	-1 016	-15 182	-970
Depreciation	-5 643	-361	-5 390	-345
Other cost of goods sold ¹	-10 462	-669	-9 790	-626
Total cost of goods sold	-187 528	-11 985	-174 006	-11 121

¹ Other cost of goods sold comprise of production and fish farming assets related expenses (rent, maintenance, insurance, utilities etc), personnel related expenses and other costs and outsources services.

10. Selling and Distribution Expenses

	Q1 2010	Q1 2010	Q1 2009	Q1 2009
	EEK '000	EUR '000	EEK '000	EUR '000
Advertising, marketing and product development	-6 002	-384	-4 841	-309
Transportation services	-9 248	-591	-9 731	-622
Labour costs	-14 680	-938	-16 798	-1 074
Depreciation	-6 234	-398	-7 068	-452
Other selling and distribution expenses ¹	-10 192	-651	-11 835	-756
Total selling and distribution expenses	-46 354	-2 963	-50 273	-3 213

¹ Other selling and distribution expenses comprise of property related expenses (rent, maintenance, insurance, utilities etc), personnel related expenses and other services.

11. Administrative Expenses

	Q1 2010	Q1 2010	Q1 2009	Q1 2009
	EEK '000	EUR '000	EEK '000	EUR '000
Labour costs	-4 710	-301	-7 725	-494
Depreciation	-2 409	-154	-3 326	-212
Other administrative expenses ¹	-5 298	-339	-5 442	-348
Total administrative expenses	-12 417	-794	-16 493	-1 054

¹ Other administrative expenses comprise of outsourced services, consultancy fees, IT costs, personnel related expenses and other expenses.

12. Related Party Transactions

Transactions with related parties constitute transactions with:

- Group A: shareholders of the Company (the majority shareholder of Premia Foods AS is international investment fund Amber Trust II S.C.A)
- Group B: shareholders of the subsidiaries
- Group C: members of the management and supervisory board;
- Group D: close family members of and companies related to the above.

In the preparation of the consolidated financial statements, all intra-group receivables and liabilities and all intra-group revenues, expenses and unrealised gains and losses were eliminated.

During the reporting period, Group entities performed transactions with related parties in the following volumes and at the end of the reporting period balances with related parties were the following:

Purchase and Sales of Goods and Services:

Sales	Group	Q1 2010	Q1 2010	Q1 2009	Q1 2009
		EEK '000	EUR '000	EEK '000	EUR '000
Companies related to minority shareholders	A,D	8	1	75	5

Purchase	Group	Q1 2010	Q1 2010	Q1 2009	Q1 2009
		EEK '000	EUR '000	EEK '000	EUR '000
Companies related to minority shareholders	A,D	518	33	354	23

The contract terms are based on market rates for these types of services.

Balances with Related Parties:

	Group	31.03.10	31.03.10	31.12.09	31.12.09
		EEK '000	EUR '000	EEK '000	EUR '000
Current assets					
Companies related to minority shareholders	A,D	190	191	12	12
Current liabilities					
Amber Trust II S.C.A. (loan)	A	74 439	4 758	50 977	3 258
Amber Trust II S.C.A. (interest)	A	6 486	415	4 758	303
Companies related to minority shareholders (interest)	A	579	579	37	37
Companies related to minority shareholders	B	1 095	70	6 384	408
Companies related to minority shareholders (services)	A,D	16	1	219	14
Noncurrent liabilities					
Amber Trust II S.C.A.	A	17 581	1 124	17 227	1 101

The short-term unsecured loan from Amber Trust II S.C.A. in the amount of 31,293 thousand EEK (2,000 thousand Euros) carries an effective interest rate of 8.87%. Another short-term unsecured loan from Amber Trust II S.C.A. in the amount of 19,676 thousand EEK (1,258 thousand Euros) has an effective interest rate of 12.67% per annum.

Noncurrent liability to Amber Trust II S.C.A. comprises of AB Premia KPC payable for buyback of its own shares in amount of 18,778 thousand EEK (1,200 thousand Euros) in December 2008. Payable is recognized at discounted value.

Financial Income:

	Group	Q1 2010	Q1 2010	Q1 2009	Q1 2009
		EEK '000	EUR '000	EEK '000	EUR '000
Companies related to minority shareholders	B,D	0	0	51	3

Financial Expenses:

	Group	Q1 2010	Q1 2010	Q1 2009	Q1 2009
		EEK '000	EUR '000	EEK '000	EUR '000
Amber Trust II S.C.A.	A	2 146	137	1 039	66
Companies related to minority shareholders	B,D	0	0	140	9

Fees of the Management

In the financial period 01.01.10 – 31.03.10 the management and supervisory boards of the Group companies and other key members of the management received payments (salary, bonus, other allowances) in the total amount of 2 754 thousand EEK (176 thousand Euros), comparatively in the financial period 01.01.09 – 31.03.09 respectively 4 447 thousand EEK (284 thousand Euros). In the period 01.01.09 – 31.03.09 the abovementioned management remuneration included dismissal compensation in the total amount of 759 thousand EEK (49 thousand Euros). The members of the management and supervisory board do not receive pension-related rights from the company.