



AS PREMIA FOODS

**Consolidated Unaudited Interim Report
for 1st quarter and 3 months of 2011**



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 2011 – 3. March 2011



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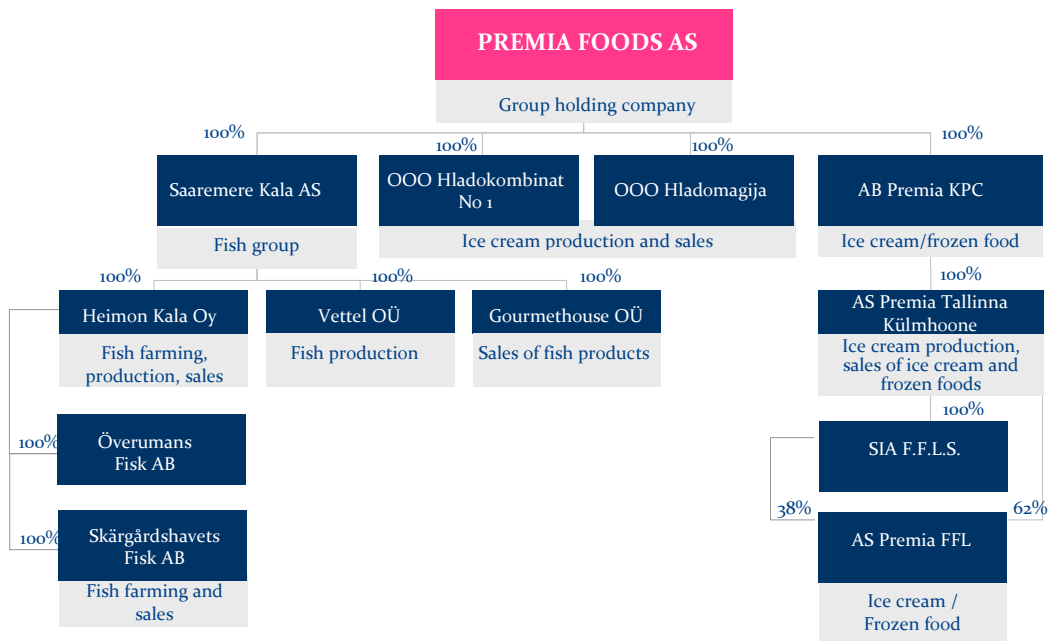
ACTIVITIES REPORT BY THE MANAGEMENT BOARD

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 – as of 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, Heimon Gourmet, Väike Tom, Eriti Rammus, 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).



STRATEGIC OBJECTIVES FOR 2011

To achieve sustainable and profitable growth of the company the management has set the following objectives for the current year:

- Turnover growth 10% and profit growth 25%.
- To be among two leading brands on all markets and business segments.
- Strengthening of brands and emphasis on product development.
- Improving cost-effectiveness.

The forecasted consolidated turnover of Premia Foods in 2011 is 85 million euro, which means a **10% increase in turnover**; and estimated net profit is 1.6 million euro, which means a **25% increase in net profit** if compared to 2010.

The company's objective is to achieve leading position on all target markets and business segments and maintain first or second position by market share which will grants profit margin essential for sustainable development.

Product development and continuous strengthening of Premia Foods brands along with constant improvement of cost-effectiveness shall be the means to preserve and achieve market leader role on all markets and business segments.

Based on the management's opinion targeted sustainable and profitable growth will be attainable by contemplating all the above mentioned factors and the synergy of the factors.

Development of the business segments

In the **ice-cream segment**, the management expects growth in all target markets and mainly through strengthening of brands which would lead to higher profitability. The production efficiency is expected to improve mainly in Russia where production unit relocation will be completed during the 1st half year to achieve that objective.

Aggressive approach in the **frozen goods segment** continues and focuses on the development of the company's own trademarks through diversification of product line. Increase of volumes in the frozen goods business segment enables to even out the effect of seasonality of the ice-cream segment.

In the **fish segment**, the growth is expected after the reorganisation of production carried out last year and because of active product development Production efficiency is expected to grow at the result of partial relocation of the fish production that was finished in the 1st quarter of 2011.

The main risk factors in 2011 according to the management's opinion are as follows:

- The ongoing surge of the global commodity prices is stressing the company's operating results as it might take up to 3 – 6 months to pass higher prices onto the final consumer, yet depending on the target market.
- The share of private labels is increasing on the Baltic markets. As the private-label products tend to be cheaper, it pressures the general price level and leads to more serious fight for retail shelf space in all segments. Under the circumstances of climbing raw material prices this trend gets increasingly challenging also for Premia Foods.
- Colder than average summer season may adversely influence the consumption of ice cream during the 2nd and the 3rd quarter.



SUMMARY OF FINANCIAL RESULTS

AS Premia Foods unaudited financial report 1st quarter and 3 months of 2011

The consolidated turnover of Premia Foods for the 3 months of 2011 was 16.7 million euro, which is by 1.7 million euro, i.e. 11.2% higher than a year earlier. The share of export was 72% of the turnover.

The greatest contributor to the growth of turnover was ice cream sector where turnover increased over two times compared to the last year or 111%, whereas on the Baltic market the growth of the ice cream turnover was 12%. Fish and fish products business segment and frozen goods segment continued with turnovers comparable to the first quarter of 2010.

Key events of the 1st quarter:

- Relocation of St Petersburg production unit with accompanying estimated one-off-costs of 0.28 million euro during the first half year of 2011.
- The Easter season which is significantly influencing the fish consumption on the Finnish market was in the 2nd quarter, in 2010 was in the 1st quarter.
- Decrease of biological assets or livestock of fish which is typical to winter season and accompanying change in EBITDA by -0.7 million euro.
- On the St. Petersburg's market the consumer market price increase which was caused by the rising raw material prices took place in the second half of March. On the Baltic market the price increases in the beginning of the 1st quarter and on the Finnish market in the beginning of May.

In the 1st quarter the consolidated gross profit of Premia Foods was 3.2 million euro which is 8% higher than a year earlier. Gross profit increase in the 1st quarter without Khladokombinat which results are not part of 1st quarter results of 2010 was 2%.

In the 1st quarter the group's gross margin was on comparable base 20.7% increasing by 0.7 percentage point.

The gross margin of the Baltic ice cream segment increased compared to the last year and was 41%, whereas EBITDA of the segment was in the Baltic 0.2 million euro higher.

The gross margin of frozen food segment increased also and was 23%. EBITDA is on the same level with the last year.

The gross margin of the fish segment was 13% and somehow smaller result compared to the last year was caused by the factors mentioned above.

The group's average gross margin including Khladokombinat was 19.4%, which corresponded to the level targeted by the management.

Equity ratio was 57% and liquidity ratio was 1.75 at the end of the quarter. In comparison with the same period last year all capital ratios have significantly improved and financial position of the company is continuously strong.



The group's main figures of the 1st quarter of have been indicated in the following table.

		KEY RATIOS	
<i>Profit & Loss</i>		Q1 2011	Q1 2010
Sales		16,7	15,0
Gross profit		3,2	3,0
EBITDA		-1,3	0,0
EBIT		-2,3	-0,9
Net profit		-2,0	-1,1
<i>Balance Sheet</i>		31.03.2011	31.03.2010
Net debt		14,5	20,1
Equity		39,4	26,6
Working capital	Current Assets - Current Liabilities	12,1	2,7
Assets		68,9	62,4
<i>Ratios</i>		Q1 2011	Q1 2010
Gross margin	Gross profit / Net sales	19,4%	20,0%
EBITDA margin	EBITDA / Net sales	-7,8%	0,0%
EBIT margin	EBIT / Net sales	-13,8%	-6,1%
Net margin	Net earnings / Net sales	-11,9%	-7,6%
Operating expense ratio	Operating expenses / Net sales	29,6%	25,1%
Liquidity ratio	Current Assets / Current Liabilities	1,75	1,12
Equity ratio	Equity / Total Assets	57%	43%
Gearing ratio	Net Debt / (Equity + Net Debt)	27%	43%
Net debt-to-EBITDA	Net Debt / Trailing 12m EBITDA	2,50	3,15
ROE	Net earnings / Average Equity	-5%	-4%
ROA	Net earnings / Average Assets	-3%	-2%

The following factors are expected to have positive impact on the 2nd quarter results:

- In the fish segment – uprise of biological assets, the Easter season, six new products and price hikes in the Finnish market in May.
- Shutdown of the ice cream production unit in the centre of St. Petersburg in the beginning of June and starting production in the new rental facility in the city of Kirishi, 160 km away from St Petersburg. During the second half of March the increase of price list prices was implemented.
- Assumed slowdown in rise of raw material prices in the ice cream segment.
- Launch of over twenty novelties in the ice cream segment both in the Baltic and St. Petersburg markets.

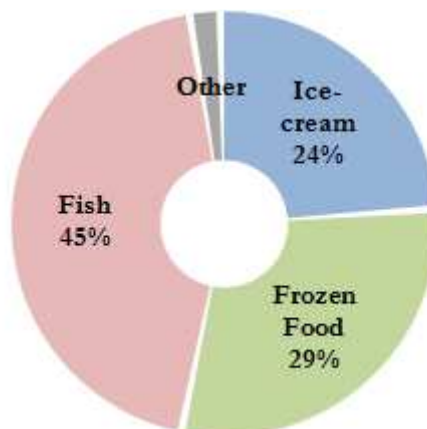


BUSINESS SEGMENT ANALYSIS

The product portfolio of Premia Foods is well-balanced among all three business segments (see the graph on the right).

The greatest proportion is assumed by the fish and fish products business segment, the main target market of which is today Finland, the second and third places are held by ice cream and frozen goods business segments. The main target markets of the two previously mentioned business segments are the Baltic states and the city St. Petersburg and surrounded areas.

The company is operating on five target markets and three business segments and Premia Foods maintains market leader position in all of them.



Breakdown of turnover by business segments, 1st quarter 2011

The associations between segments and geographical markets have been summarized in the following chart, where the volumes of segments in the total turnover per target markets have been indicated.

In that chart it may be concluded that 37.5% of the total turnover of Premia Foods is generated from fish and fish products sold in the Finnish market, 29.5% from frozen goods sold in the Baltics and 11.4% from ice cream sold in Russia

SEGMENT SHARE FROM TOTAL SALES (Q1 2011)

Other	0,1%	1,2%	0,4%	0,0%	0,0%	
Fish	37,5%	6,8%	0,2%	0,1%	0,1%	
Frozen Food		13,3%	11,1%	5,0%	0,1%	
Icecream	0,5%	6,8%	2,5%	3,1%	11,4%	
SEGMENT MARKET	Finland	Estonia	Latvia	Lithuania	Russia	Other regions



The main figures by business segments of Premia Foods for 3 months:

EUR million	SEGMENT ANALYSIS	
	Q1 2011	Q1 2010
<i>Sales</i>		
Ice cream	4,0	1,9
Frozen food	4,9	5,0
Fish and fish products	7,4	7,8
Other	0,3	0,3
Total	16,7	15,0
<i>Gross profit</i>		
Ice cream	1,0	0,8
Frozen food	1,1	1,1
Fish and fish products	1,0	1,4
<i>Gross margin</i>		
Ice cream	26%	40%
Frozen food	23%	22%
Fish and fish products	13%	18%
<i>EBITDA</i>		
Ice cream	-0,4	0,1
Frozen food	-0,3	-0,3
Fish and fish products	-0,5	0,0
<i>EBIT</i>		
Ice cream	-0,8	-0,1
Frozen food	-0,5	-0,5
Fish and fish products	-0,8	-0,3

Fish and fish products business segment

In the first quarter the greatest proportion of the turnover of the company was traditionally generated from the fish and fish products business segment, providing altogether 44.7% of the turnover. The segment's weight has diminished in comparison with the same period last year (51.8%) since the ice cream segment has expanded onto St. Petersburg region which was not included in the results of the 1st quarter 2010.

The revenue and gross profit of fish and fish products business segment were on the level targeted.

In 2010 the significant part of the turnover, seasonally related to Easter, fell into the first quarter; in 2011 the holidays having significant impact to the sales turnover, were during second quarter.

The turnover achieved in the first quarter 2011 is, above all, reflecting the great efforts made by the sales team and the positive impact gained from the development of the product portfolio conducted in the Finnish and Estonian markets. The sales of the chilled fish products in Latvia and Lithuania have also increased. In Estonia the sales of chilled fish grew by 26% or 0.24 m EUR.

On the main target market of fish products – in Finland – the company retains a strong second position with 25% market share in the chilled packed fish products market.

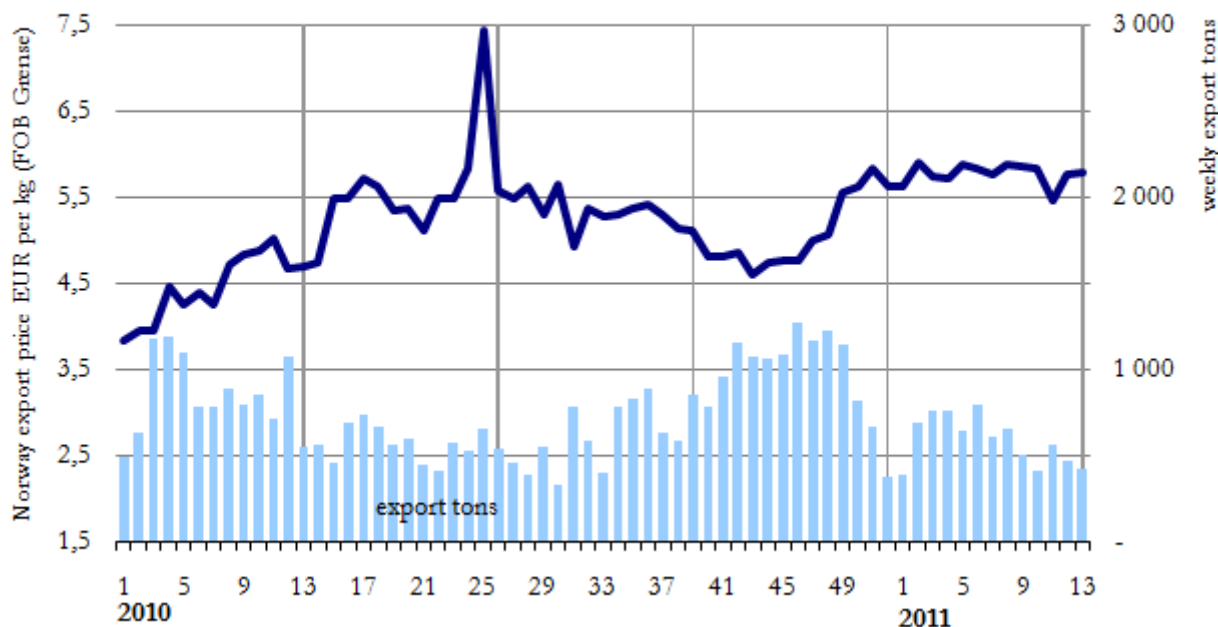
The IFRS revaluation in the fish and fish products business segment resulted in the decrease of the 1st quarter EBITDA by 0.7 million euro, which is 0.35 million euro more than a year earlier because in the 1st quarter of 2010 the value drop caused by the reduced mass of the fish inventories was partially compensated by the price increase of the raw fish: price of rainbow trout increased by 30%, during 1st quarter of 2011 the price increased only by 4%.

Due to the fact that the company breeds mainly rainbow trout in its fish breeding facilities in Finland and Sweden (83% of the total volume bred by the company is rainbow trout), the valuation of fish stock is based on the statistics of export of Norwegian rainbow trout.



The following chart summarizes the weekly export prices and volumes of the Norwegian gutted rainbow trout since the beginning of 2010.

NORWEGIAN RAINBOW TROUT WEEKLY EXPORT STATISTICS 2010-11



Source: www.aksefakta.no

The restructuring of fish products production was completed in the 1st quarter of 2011 and Hämeenlinna’s new production unit and cold smoked fish products shop moved to Vettel in Saaremaa are working in full capacity.

Ice cream business segment

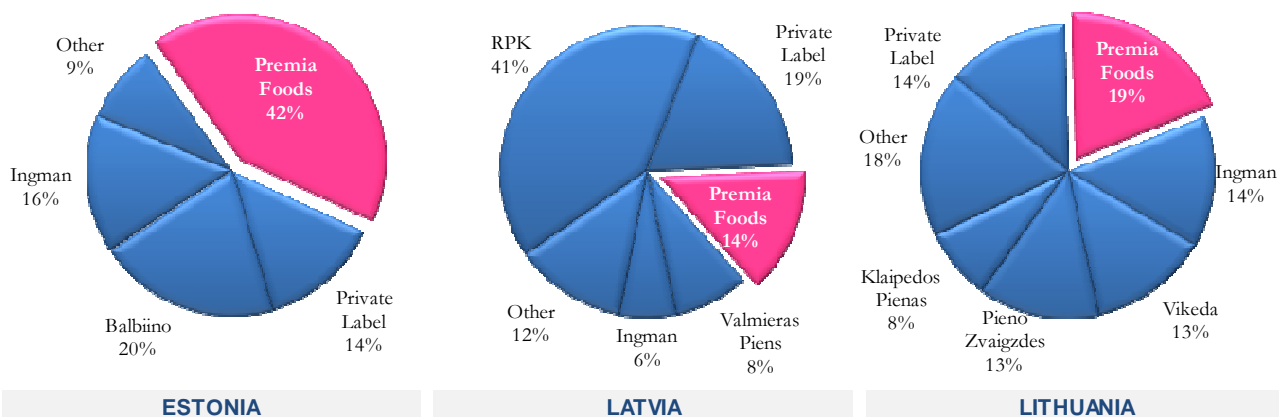
The turnover of the ice cream sector increased over two times compared to the 1st quarter of last year or 111%. The 3-months gross profit of ice cream was 0.2 million euro higher than in the 1st quarter of 2010. Growth of the Baltics ice cream segment was 12%, gross margin was 41% in the 1st quarter (1st quarter 2010: 40%), and EBITDA was 0.3 million euro growing almost 4 times in comparing the earlier period.

There are two main reasons for the remarkable growth of the ice cream business segment.

Firstly, as of the first quarter 2011 the turnover of ice cream includes the turnover of Khladokombinat No. 1 in St. Petersburg, which was not consolidated into the turnover of the first quarter of 2010.

Secondly, on the Baltic ice cream business segment the company achieved great results in turnover and profitability even despite a low season factor. The growth is seen also from the data of the research company AC Nielsen – Premia as the leader of the Estonian ice cream market has increased its market share to 42%, in Latvia company continues to be on the strong second position with 14% and in Lithuania Premia continues as the leader with 19%.

Baltic Ice Cream Market – value share 1st quarter 2011



Source: AC Nielsen



The number one ice cream on the Estonian market is still Premia's cone vanilla ice cream Eriti Rammus whose market share has increased by 2% up to 7% since summer of 2010. Eriti Rammus product family holds 12.2% value market share in Estonia. In Latvia and Lithuania Klasika brand has been very successful during winter season and market shares are 5.7% and 11.1%, respectively. In all Baltic countries the share of private labels has increased by few percentages as usual during the winter season.

In the 1st quarter, according to expectations, the profitability of the ice cream segment was mainly influenced by the **St. Petersburg market** due to the initiated relocation and the specifics of the market where the price increase to the final consumers was not possible until the second half of March 2011.

In the 1st quarter the relocation of St Petersburg ice cream production activities to the new facility in the city of Kirishi, 160 km away from St Petersburg, was initiated. Within the transitional period until the beginning of June the production activities run simultaneously in both locations will result in one-off-costs of approximately 280 000 euro for the year 2011. At the same time, relocating the activities of Khladokombinat to new rental premises results in cost savings amounting approximately up to 100 000 euro in 2011 and up to 500 000 euro per year thereafter. The relocation is accompanied by temporarily higher operating expenses as two production units are in operation until the beginning of June.

Frozen food business segment

The gross margin of the frozen food business segment increased to 23% and the turnover was in the same level as in the first quarter of 2010 meaning that the recovery of the segment is continuing. This indicated clearly that the reorganisations in the product portfolios conducted during the financial crisis and the new more forcible approach in the Lithuanian market has succeeded in keeping the sales volumes and increasing profitability. Frozen food business segment accounts for nearly 30% of Premia Foods turnover and is essential in evening out the seasonal factors especially during winter period.

Solid contribution to maintaining volumes and increasing profitability was derived by Premia's brands Maahärä, Bueno! and Natali and also frozen fish products sold under Viking brand. Similar to Estonia and Latvia, the major focus in Lithuania is on the frozen food segment and the volumes showed good growth trend both in retail and Horeca sector. Premia Foods continues in leading positions on the Baltic frozen food markets and the segment's strategic objective is to strengthen existing brands.

BUSINESS SEGMENT ANALYSIS BY MARKETS

Among all five geographical target markets of Premia Foods, the greatest share in the turnover in the first quarter was enjoyed by the Finnish market, making 38% slice of the total turnover. The turnover growth in the first quarter came from the Baltics and Russia.

GEOGRAPHICAL MARKETS		
Sales (EUR million)	Q1 2011	Q1 2010
Finland	6,3	7,0
Estonia	4,7	4,3
Latvia	2,3	2,3
Lithuania	1,4	1,3
Russia	1,9	0,0
Other	0,0	0,1

The turnover increased by approximately 9% in Estonia and Lithuania and the result comparable to the same period of 2010 was achieved in Latvia. The Baltic markets are the main target markets of ice cream and frozen goods, though fish and fish products are being sold there also, although in lower volume.

Finland is the main target market of fish and fish products for Premia Foods and the result been materially influenced by the fact of the Easter falling into the second quarter.

In the **Russian** product portfolio the first quarter has mainly been represented by ice cream, the proportion of frozen goods is still negligible. The achieved turnover of 1.9 million euro is in compliance with the expectations, whereas the Russian ice cream market's large seasonality should be taken into consideration. The ice cream consumption per capita may differ up to 8 times average during winter and summer periods. Similar effect is on the Lithuanian ice cream market, in Estonia winter and summer period consumption differ up to three times.



FINANCIAL POSITION

The company's financial position is continuously strong and reflects low financial risk. Due to the cyclicity of production the working capital need is the biggest from March to May – just before the beginning of ice cream season. Therefore the company draw on the overdraft facility for 2.1 million euro.

The volume of financial leverage, i.e. net debt, was 27% (31.03.10: 43%) and the volume of short-term liabilities in the total capitalization of the company was 30% (55%). As of 31.03.11 the net debt EBITDA ratio was 2.5 (3.15).

The liquidity margin reflecting short-term solvency as of 31.03.2011 was 1.75 (31.03.10: 1.12) and the volume of equity in the balance sheet total was 57% (43%). The net working capital of the company was 12.1 million euro (2.7 million euro).

BALANCE SHEET ANALYSIS

The consolidated balance sheet total of Premia Foods as of 31.03.2011 was 68.9 million euro and remained at the same level as at the year end of 2010.

The company's current assets were 28.1 million euro and the balance of cash and bank accounts was 0.3 million euro. As of 31.03.11 the company has undrawn overdraft facility limit in the amount of 0.6 million euro.

Accounts receivable and prepayments amounted 10.0 million euro, 85% of the accounts receivables and prepayments were trade receivables.

Inventories accounted for 63% of the current assets, 40% of which in turn was livestock of fish. The stock increased compared to 31.12.2010 by 5.3%, i.e. by 0.9 million euro being 17.8 million euro. The proportion of 0.7 million euro of the stock increase came from the growth of OOO Khladokombinat No 1 inventories, livestock of fish, i.e. biological assets decreased by 1.3 million euro.

Payables rose compared to the year end of 2010 by 8.1%, i.e. 0.8 million euro up to 10.3 million euro.

Total liabilities increased by 7.9%, i.e. 1.9 million euro, up to 29.5 million euro. Therefrom 14.8 million euro is short-term and long-term loans, having increased by 24%, i.e. 2.8 million euro during 3 months.

The equity of Premia Foods was as of 31.03.2011 39.4 million euro.

INVESTMENTS

During the accounting period capital, the expenditures into Premia Foods' tangible and intangible assets formed 349 thousand euro of which 72% or 252 thousand euro were made in the fish segment. The investments are eligible for aid from the European Union in the total amount of 51 thousand euro.

PERSONNEL

As at the end of March 2011 Premia Foods employed 941 people. The number of employees surged by 326 people over the 12 months period. The growth was derived from the new group company OOO Khladokombinat No 1.

Restructuring of the production and logistics in the fish segment lead to the cut in the number of employees in Finland by 32 people or almost by half and the number of employees in Estonia increased by 7 people.

	PERSONNEL ANALYSIS	
	31.03.11	31.03.10
No of employees	941	615
exd Russia	607	615
Average number of employees	863	592
Finland	37	72
Estonia	310	295
Latvia	104	111
Lithuania	90	91
Russia	297	0
Sweden	25	23
Payroll expenses (th EUR)	2 953	2 255
Average payroll exp	3.4	3.8



In the 1st quarter of 2011 the average number of employees was 863 (592 in Q1 2010). The total amount of employees' remuneration amounted 3.0 million euro over 3 months of 2011. In the 1st quarter of 2010, the total amount of employees' remuneration was 2.3 million euro.

The quarterly average labour cost per capita totalled 3.4 thousand euro in 2011, having decreased by 10.2% per 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 10 kroons each (0.60 euro since 3 April 2011).

ISIN	EE3100101031
Symbol of share	PRF1T
Market	BALTIC MAIN LIST
Nominal value	10.00 EEK (0.60 EUR)
Issued shares	38 682 860
Listed shares	38 682 860
Listing date	05.05.2010

TRADING HISTORY

<i>Price (EUR)</i>	Q1 2011	Q1 2010
Open	0,952	na
High	0,998	na
Low	0,831	na
Last	0,905	na
Traded volume	1 738 651	na
Turnover, million	1,64	na
Market capitalization, million	35,01	na

MARKET RATIOS

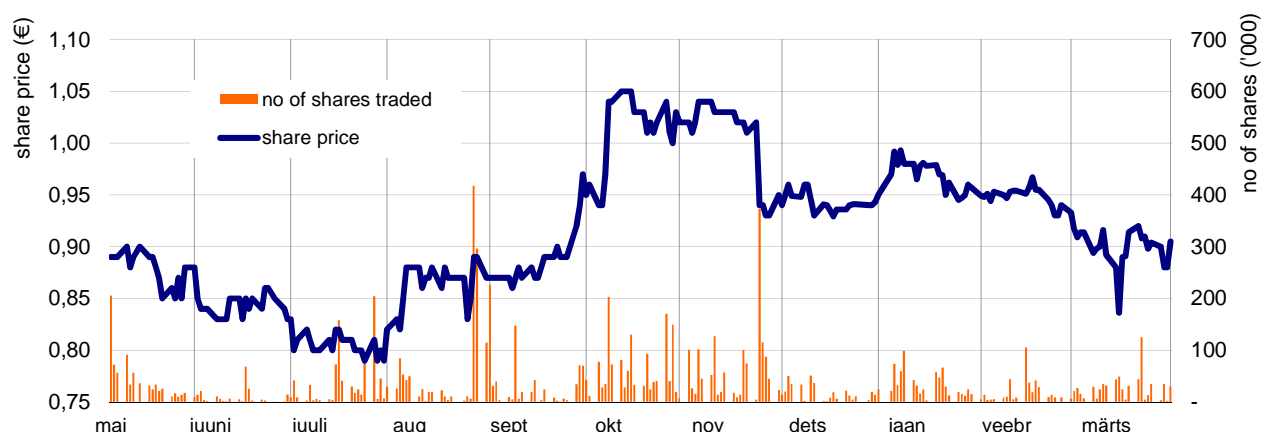
<i>Ratios</i>	<i>formula</i>	Q1 2011	Q1 2010
EV/Sales	(Market Cap + Net Debt) / Sales	0,6	na
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	8,5	na
P/E	Market Cap / Net Earnings	75,4	na
P/B	Market Cap / Equity	0,9	na

Market Cap, Net Debt and Equity as of 31.03.2011

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



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 2011.



Shareholder structure

Major shareholders of Premia Foods AS as at 31 March 2010:

ING Luxembourg S.A.	58.52%
AS LHV Pank	3.82%
OÜ Rododendron	3.36%
Firebird Republics Fund Ltd.	3.09%
LHV Pensionifond L	2.85%
Ambient Sound Investments OÜ	2.59%
Firebird Aurora Fund, Ltd.	1.68%
OÜ Footsteps Management	1.26%
Skandinaviska Enskilda Banken Ab Clients	1.06%
LHV Pensionifond XL	1.00%
OÜ Freespirit	1.00%

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 31.03.2011, the members of management and supervisory board and persons/companies related to them hold the shares in the company as indicated below:

Shareholder	31.03.2011	
	No of shares	%
Chairman of the management board – Kuldar Leis	1 302 166	3.37%
Member of the management board – Katre Kõvask	489 828	1.27%
Member of the management board – Silver Kaur	387 522	1.00%
Chairman of the supervisory board – Indrek Kasela	23 073	0.06%
Member of the supervisory board – Lauri Kustaa Äimä	55 000	0.14%
Member of the supervisory board – Vesa Jaakko Karo	90 000	0.23%
Member of the supervisory board – Erik Haavamäe	180 242	0.47%
Member of the supervisory board – Harvey Sawikin	no shares	
Member of the supervisory board – Aavo Kokk	no shares	
Total number of shares owned by supervisory and management board	2 359 758	6.10%

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 Külmoone 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 Külmoone 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 Külmoone 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 Külmoone, Saaremere Kala AS, 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 Managetrad 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 Külmoone 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 Külmoone, Saaremere Kala AS, Vettel OÜ, and AS “Premia FFL”. He is a member of the supervisory board of AS Toode and AS Kevelt and a member of the management board of AS EPhaG, MTÜ Eesti Maleliit 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 Avroora 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 under investor relations subsection.



INTERIM ACCOUNTING REPORT

Consolidated statement of financial position

EUR '000	31.03.2011	31.12.2010	31.03.2010	Note
ASSETS				
Cash and cash equivalents	296	722	656	
Receivables and prepayments	10 010	9 970	9 868	
Inventories	17 802	16 911	12 793	
Fixed assets held for sale	10	10	1 749	
Total current assets	28 118	27 613	25 066	
Deferred income tax	600	499	354	
Long-term financial investments	93	93	96	2
Investments property	2 084	2 084	2 084	
Tangible fixed assets	14 584	15 087	14 758	3
Intangible assets	23 425	23 568	20 053	4
Total non-current assets	40 786	41 331	37 345	
TOTAL ASSETS	68 904	68 944	62 411	
EQUITY AND LIABILITIES				
Loans and borrowings	4 440	2 444	11 521	5,6
Factoring payable	1 278	2 762	1 219	
Payables	10 337	9 559	9 619	
Total current liabilities	16 055	14 765	22 359	
Loans and borrowings	10 330	9 486	9 273	5,6
Long-term payable to shareholders	0	0	1 124	
Deferred tax liabilities	1 439	1 642	1 280	
Target financing	1 650	1 679	1 770	7
Total non-current liabilities	13 419	12 807	13 448	
TOTAL LIABILITIES	29 474	27 572	35 807	
Share capital	24 723	24 723	15 456	8
Share premium	14 513	14 513	11 571	
Treasury shares	-30	-30	-255	
Other reserve	5	0	0	
Currency translation reserve	368	335	219	
Retained earnings	-149	1 831	-515	
Equity attributable to parent	39 430	41 372	26 476	
Non-controlling interest	0	0	127	
TOTAL EQUITY	39 430	41 372	26 603	
TOTAL EQUITY AND LIABILITIES	68 904	68 944	62 411	



Consolidated statement of comprehensive income

EUR '000	Q1 2011	Q1 2010	Note
Sales	16 662	14 978	9
Cost of goods sold	-13 431	-11 985	9
Gross profit	3 231	2 993	
Operating expenses	-4 939	-3 757	
Selling and distribution exp	-3 792	-2 963	
Administrative expenses	-1 147	-794	
Other income/expenses	109	205	
Fair value adjustment on biological assets	-708	-357	
Operating profit	-2 307	-916	
Financial income	28	149	
Financial expenses	-144	-503	
Profit (loss) before tax	-2 423	-1 270	
Income tax	443	126	
Net profit (loss)	-1 980	-1 144	
Other comprehensive income (-loss)			
Foreign currency translation differences	33	129	
Other comprehensive income	33	129	
Total comprehensive income	-1 947	-1 015	
Net profit (loss) for the period attributable to:			
- Owners of the Company	-1 980	-1 154	
- Non-controlling interest	0	10	
Total comprehensive income for the period	-1 980	-1 144	
Total comprehensive income (loss) attributable to:			
- Owners of the Company	-1 947	-1 025	
- Non-controlling interest	0	10	
Total comprehensive income for the period	-1 947	-1 015	
Earnings per share (€)	-0.05	-0.09	8
Diluted earnings per share (€)	-0.05	-0.09	8



Consolidated statement of cash flows

EUR '000	Q1 2011	Q1 2010
CASH FLOW FROM OPERATIONS		
Operating profit (loss)	-2 307	-916
Adjustments:		
Depreciation	1 013	912
Profit/loss from sale and write off of fixed assets	0	-20
Other non-cash items	631	-117
Change in receivables related to operating activities	-72	1 020
Change in inventories and fixed assets held for sale	-1 548	280
Change in liabilities and prepayments related to operating activities	1 075	941
Target financing of operating expenses	4	0
Total cash flow from operations	-1 204	2 100
CASH FLOW FROM INVESTMENTS		
Sale of tangible and intangible fixed assets	54	196
Purchase of tangible and intangible fixed assets	-578	-120
Net cash flow from acquisition of subsidiaries	0	-32
Acquisition of non-controlling interest in a subsidiary	-38	0
Loans granted	0	-2 000
Repayments of loans granted	1	0
Interests received	1	1
Total cash flow from investments	-560	-1 955
CASH FLOW FROM FINANCING		
Change in overdraft	2 131	189
Repayments of loans	-439	-573
Loans raised	1 361	1 593
Change in factored receivables	-1 484	-1 513
Target financing received	53	162
Capital lease repayments	-215	-192
Interests paid	-99	-246
Other financial expenses	0	-37
Total cash flow from financing	1 308	-617
Total cash flow	-456	-472
Cash and cash equivalents at beginning of year	722	1 254
Raha ja raha ekvivalentide muutus	-456	-472
Gain/loss on conversion of foreign currencies	30	-126
Cash and cash equivalents at the end of the year	296	656



Consolidated statement of changes in equity

EUR '000	Equity attributable to the owners of the Company						Total	Non-controlling interest	TOTAL EQUITY
	Share capital	Share premium	Own shares	Other reserve	Translation reserve	Retained earnings			
Balance as of 31.12.2009	1 546	25 481	-255	0	90	639	27 501	244	27 745
Bonus issue	13 910	-13 910	0	0	0	0	0	0	0
Issue of shares	9 267	2 942	0	0	0	0	12 210	0	12 210
Change in non-controlling interest	0	0	0	0	0	0	0	-258	-258
Sale of treasury shares	0	0	128	0	0	0	128	0	128
Loss on sale of treasury shares	0	0	97	0	0	-97	0	0	0
Comprehensive income	0	0	0	0	245	1 288	1 533	14	1 547
Balance at 31.12.2010	24 723	14 513	-30	0	335	1 831	41 372	0	41 372
Fair value of stock option program cost	0	0	0	5	0	0	5	0	5
Comprehensive income	0	0	0	0	33	-1 980	-1 947	0	-1 947
Balance at 31.03.2011	24 723	14 513	-30	5	368	-149	39 430	0	39 430



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 31.03.2011 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 Külmhoone in Estonia, Heimon Kala OY in Finland, Överumans Fisk Ab and Skärgårdshavets Fisk Ab in Sweden, SIA F.F.L.S. and 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 2010 is available at the Parent Company's location at Betooni 4, Tallinn and on the Parent Company's website 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 31.12.2010 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 2010, which is in compliance with international finance reporting standards (IFRS).

The management board approved the publication of this condensed unaudited consolidated interim report on 23 May 2011.

In the opinion of the management, this interim report for 1st quarter and 3 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 2010 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.

Note 2. Long-term Financial Investments

EUR '000	Investment in associate	Other long-term investments	Total
Balance at 31.12.2010	13	80	93
Balance at 31.03.2011	13	80	93

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. During the accounting period no share dividend or interest revenue was earned.



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	Construction in progress, prepayments	Total
Residual value as of 31.12.2010	2 084	5 595	8 842	446	204	17 171
Unrealised currency effect	0	3	19	0	-1	21
Acquired during the period	0	36	255	12	19	321
Re-classification	0	0	110	0	-110	0
Depreciation	0	-142	-662	-39	0	-843
Assets sold and written off	0	0	-2	0	0	-2
Balance at 31.03.2011	2 084	5 493	8 561	418	112	16 668

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
Balance as of 31.12.2010	19 942	818	1 852	627	251	78	23 568
Unrealised currency effect	0	0	0	0	0	-1	-1
Acquired during the period	0	0	0	0	6	22	28
Depreciation	0	-115	-25	-10	-20	0	-170
Balance at 31.03.2011	19 942	703	1 827	617	237	99	23 425

Note 5. Financial Lease

EUR '000	Machinery, equipment	Means of transport	Other fixed	Total
<i>Fixed assets acquired under finance lease</i>				
Acquisition cost as of 31.03.11	752	3 037	216	4 005
Accumulated depreciation as of 31.03.11	-382	-1 820	-149	-2 351
Residual value as of 31.03.11	370	1 217	67	1 654
Acquisition cost as of 31.12.10	763	3 037	216	4 016
Accumulated depreciation as of 31.12.10	-359	-1 720	-139	-2 218
Residual value as of 31.12.10	404	1 317	77	1 798
Payable under finance lease as of 31.03.11	174	612	44	830
incl. payable within 1 year	123	394	36	553
incl. payable within 1-5 years	51	218	8	277
Principal payments of the period	39	155	21	215
Interest expenses of the period	1	3	1	5
Average interest rate	4.15%	2.45%	3.52%	



Note 6. Debt Obligations

EUR '000	31.03.2011	31.12.2010
Finance lease liabilities	553	689
Overdraft	2 131	0
Investment loans	1 756	1 755
Short Term Debt Obligations	4 440	2 444
Finance lease liabilities	277	354
Investment loans	10 053	9 132
Long Term Debt Obligations	10 330	9 486
incl. payable within 1-5 years	10 330	9 486

Loan residuals as of 31.03.2011 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 31.03.2011	less than 1 year	1-5 years	Collateral
Overdraft								
ASPremia Foods	UniCredit	2 700 tuh EUR	6m EURIBOR + 1.4%	19.08.11	2 131	2 131	0	pledges on subsidiaries shares, mortgage 166.4 mln EEK, commercial pledge 41.5 mln FFK
Investment loans								
ASPremia Tallinna Kilmhoone	Danske Bank	4 500 tuh EUR	6m EURIBOR + 0.75%	25.10.14	3 199	417	2 782	Mortgage 80 mln EEK, pledge on subsidiary shares
ASPremia Foods	UniCredit	8 675 tuh EUR	6m EURIBOR + 2.0%	19.08.15	7 952	1 239	6 713	pledges on subsidiaries shares, mortgage 166.4 mln EEK, commercial pledge 41.5 mln EEK
ASPremia FFL	UniCredit	700 tuh EUR	6m EURIBOR + 2.0%	19.08.15	658	100	558	Mortgage 21.4 mln EEK
Total					13 940	3 887	10 053	

Effective interest rates are very close to nominal interest rates.

After balance sheet date the UniCredit's overdraft facility limit was increased and the term was extended

Note 7. Target Financing

EUR '000	Q1 2011	Q1 2010
Deferred income from target financing at the beginning of period	1 679	1 667
Target financing received during the period	57	162
Change in the exchange rates	2	16
Transferred to income during the period	-88	-75
Deferred income from target financing at the end of period	1 650	1 770
incl. income within 1 year	336	318
incl. income within 1-17 years	1 314	1 452

The Swedish subsidiaries verumans Fisk Ab and Skrgrdshavets Fisk Ab have received aid from the European Union, which have been collateralized with real estate mortgage in the amount of 580 thousand euro and with commercial pledge in the amount of 187 thousand euro. As at 31 March 2011 the residual value of EU subsidies is 192 thousand euro.

In the 1st quarter of 2011 Enterprise Estonia (EAS) financed to project of AS Premia Tallinna Kilmhoone for implementing an export marketing plan in the amount of 4 thousand euro.



Note 8. Equity

As at 31 March 2011 the Company had 38 682 860 shares (31.03.2010: 24 182 860) and 19 163 own shares (31.03.2010: 162 020).

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 2011	Q1 2010
Net profit (-loss) for the period EUR '000	-1 980	-1 154
Avg no of shares (thousand)	38 664	13 211
Earnings per share (€)	-0.05	-0.09
Diluted earnings per share (€)	-0.05	-0.09

After balance sheet date at the result of the conversion of share capital into euro the nominal value of ordinary shares is was decreased to 0.6 euro. The new amount of the registered share capital of AS Premia Foods is 23 209 716 euro. Additional information has been presented in Note 12.

Note 9. Segment Reporting

The group's business segments are determined by parent company's management board pursuant to reports monitored and analyzed. Financial results are being monitored by geographical areas. The results of a business segment are being evaluated on the basis of external sales-revenues and operating profit indicators.

The following business 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 goods” – wholesale of frozen goods.

Other operations include provision of logistic services, the sale of other services, goods and materials. Other operations are of marginal importance for the group and none of these constitutes a separate segment for the reporting purposes.

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

The group's secondary segment is the geographical segment distinguished by the locations of different geographical markets.

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 2011	Q1 2010
Finland	6 332	6 986
Estonia	4 680	4 307
Latvia	2 287	2 316
Lithuania	1 441	1 318
Russia	1 911	0
Other	11	51
Total	16 662	14 978



Primary segment

Q1 2011, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	7 433	4 024	4 908	297	0	16 662
Inter-segment revenue	0	0	1	5	-6	0
Total gross revenue	7 433	4 024	4 909	302	-6	16 662
Segment operating profit	-464	-420	-255	67	0	-1 073
Unallocated EBITDA						-222
Total EBITDA						-1 294
Segment operating profit	-753	-788	-465	58	0	-1 948
Unallocated operating profit						-359
Total operating profit						-2 307
Q1 2010, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	7 753	1 902	5 020	303	0	14 978
Inter-segment revenue	88	0	0	5	-93	0
Total gross revenue	7 841	1 902	5 020	308	-93	14 978
Segment operating profit	-30	72	-281	28	0	-211
Unallocated EBITDA						208
Total EBITDA						-3
Segment operating profit	-300	-145	-543	20	0	-968
Unallocated operating profit						52
Total operating profit						-916

Note 10. Subsidiaries

Company	Country	Share		Field of operation	Owner
		31.03.2011	31.12.2010		
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 Kilmhoone	Estonia	100%	100%	Ice cream production, sale of ice cream and frozen food	AB Premia KPC
OÜ TCS Invest	Estonia	×	100%	Holding	×
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	Saaremere Kala AS
Skärgårdshavets Fisk Ab	Sweden	100%	100%	Fishfarming and sale	Saaremere Kala AS
SIA F.F.L.S.	Latvia	100%	100%	Holding	AS Premia Tallinna Kilmhoone
AS Premia FFL	Latvia	100%	100%	Sale of ice cream and frozen food	AS Premia Tallinna Kilmhoone, 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

In order to simplify the existing structure of the group and make it more comprehensive AS Premia Foods as the acquiring company and OÜ TCS Invest as the company being merged executed on 10 February 2011 notarised merger agreement. On 6 May 2011, the merger of OÜ TCS Invest and AS Premia Foods was registered in the Commercial Register as a result of which OÜ TCS Invest was deleted from the Commercial Register. The balance sheet date of the merger is 1 January 2011, which means that as of the referred date, all transactions of OÜ TCS Invest are deemed to be executed in the name and on



behalf of AS Premia Foods. OÜ TCS Invest was a holding company without independent economic activity. The only assets of OÜ TCS Invest comprised of the shareholding in the ultimate subsidiaries of Premia Foods in Russia (OOO Khladokombinat No. 1 and OOO Khladomagija). In the course of the merger, the above-named assets were transferred to AS Premia Foods. According to the merger agreement, the acquiring company compensated to the sole shareholder of the company being merged Premia Tallinna Külmoone AS the sole share of the company being merged in cash in the amount of 66 thousand euro. The merger agreement was reviewed by Rimess OÜ.

On 4 February, AB „Premia KPC“, the sole shareholder of AS Premia Tallinna Külmoone; AS Premia Foods, the sole shareholder of Saaremere Kala AS; Saaremere Kala AS, the sole shareholder of Vettel OÜ; and Saaremere Kala AS, the sole shareholder of GourmetHouse OÜ, adopted the resolutions on converting the share capitals of the referred companies into euro. Upon the conversion of the share capitals, all the share capitals have been rounded up or down to the closest possible amounts. In connection with the conversion of the share capitals into euro, all the Articles of Association of the referred companies have been amended.

The share capitals of the Estonian companies belonging to the group of companies of AS Premia Foods are as follows:

Company	Registered share capital	New par value of the share	Prior share capital	Prior par value of the share
Premia Tallinna Külmoone AS	2 561 760 EUR	share without nominal value	40 082 840 EEK	10 EEK
Saaremere Kala AS	456 577 EUR	share without nominal value	7 143 880 EEK	10 EEK
OÜ Vettel	865 345 EUR	865 345 EUR	13 539 700 EEK	13 539 700 EEK
OÜ GourmetHouse	2 684 EUR	2 684 EUR	42 000 EEK	42 000 EEK

Note 11. Related Party Transactions

A company considers parties to a transaction to be related, if one party has control over the other party or has an important influence on the other party's financial decisions.

Transactions with related parties are transactions with the group's highest management bodies, subsidiaries, shareholders, executive- and higher management and their close relatives and companies, where they have a majority holding.

Related parties are:

- shareholders with controlling interest (international investment fund Amber Trust II S.C.A has a controlling interest in AS Premia Foods)
- Executive- and higher management
- Relatives of the previously mentioned persons and companies related to them



At the end of the reporting period group's balances with related parties were the following:

Company	Debtor	Comments	Receivable as of 31.03.11 EUR '000	Receivable as of 31.12.10 EUR '000
Heimon Kala Oy	Amber Trust S.C.A.	Other receivable	110	110
Vettel OÜ	Companies related to the members of management and supervisory board	Other receivable	1	1
Heimon Kala Oy		Other receivable	5	6
Total			116	117

Company	Debtor	Comments	Payable as of 31.03.11 EUR '000	Payable as of 31.12.10 EUR '000
Vettel OÜ	Amber Trust S.C.A., Amber Trust II S.C.A.	Interest payable	37	37
AB Premia KPC		Other payable	-	1 200
Premia Foods AS	Companies related to the members of management and supervisory board	Accounts payable	8	8
Vettel OÜ		Accounts payable	1	1
GourmetHouse OÜ		Accounts payable	-	6
Total			46	1 252

During the reporting period sale and purchase transactions with related parties have been conducted in following volumes:

Party	Type of transaction	Q1 2011 Purchase	Q1 2011 Sale	Q1 2010 Purchase	Q1 2010 Sale
Amber Trust II S.C.A.	interest	-	-	137	-
Companies related to the members of management and supervisory board	services	20	-	31	-
Total		20	0	168	0

For 3 months of 2011, 254 thousand euro (social tax included) was reimbursed for the members of the supervisory board and of the management board of AS Premia Foods and its subsidiaries. For 3 months of 2010 the respective sums were 176 thousand euro.

Note 12. Subsequent Events

Merger of Överumans Fisk AB and Skärgårdshavets Fisk AB

On 4 April 2011, Överumans Fisk AB and Skärgårdshavets Fisk AB initiated the merger process by filing relevant application with the Swedish Company Registration Office. In order to finalise the merger, the merger needs to be approved by the General Meetings of shareholders of both merging entities. As to this particular merger, the referred issue is the competence of the sole shareholder of the merging entities Premia's Finnish subsidiary Heimon Kala Oy. Due to legal requirements arising from the Swedish law, the merger can be finalised within 3-4 months. The final registration of the merger is expected to take place in August 2011.

The Swedish entities Överumans Fisk AB and Skärgårdshavets Fisk AB are engaged in fish farming and production and the merger has been planned to raise the efficiency of the respective operations of the group in Sweden. The contemplated merger of the Swedish entities is an intra-group merger and will not have any material impact of the business activities of



Premia group of companies. In the course of the merger, the volume, essence and content of the rights, obligations and assets of Premia group of companies will not change. Further, the contemplated merger will make the group structure clearer, more transparent and more comprehensive.

Share capital of AS Premia Foods converted into euro

On 13 April 2011, the decrease of share capital and the conversion of share capital into euro were entered into the Commercial Register. Relevant resolutions were adopted by the Extraordinary General Meeting of shareholders of AS Premia Foods held on 22 February 2011. The new amount of the registered share capital of AS Premia Foods is 23 209 716 euro, which is divided into 38 682 860 ordinary shares with the nominal value of 0.6 euro.

Simultaneously the new version of the Articles of Association was registered in the Commercial Register. The Articles of Association of AS Premia Foods in the new wording are available at the web page of AS Premia Foods (www.premiafoods.eu).

Merger of OÜ TCS Invest and AS Premia Foods

On 6 May 2011, the merger of OÜ TCS Invest and AS Premia Foods was registered in the Commercial Register as a result of which OÜ TCS Invest was deleted from the Commercial Register. The balance sheet date of the merger is 1 January 2011, which means that as of the referred date, all transactions of OÜ TCS Invest are deemed to be executed in the name and on behalf of AS Premia Foods. Refer to Note 10.

Extension of overdraft facility

On 12 May 2011 the overdraft facility of UniCredit was increased by 1 500 thousand euro to 4 200 euro and the term was extended until 1 December 2011, whereas term of 740 thousand euro is on 19 August 2011 and term of 3 460 thousand euro on 1 December 2011.

Deciding on distribution of profits

The Supervisory Board of the Company has proposed to the annual General Meeting on 31 May 2011 to distribute dividends on the account of retained profits in the amount of 387 000 euro, i.e. 0.01 euro per share. The list of shareholders entitled to receive dividends will be determined as of 15 June 2011 at 23.59 and the date of payment of dividends will be on 20 June 2011.



MANAGEMENT BOARD'S CONFIRMATION TO THE CONSOLIDATED INTERIM REPORT FOR THE 1ST QUARTER AND 3 MONTHS OF 2011

The management board confirm the correctness and completeness of the consolidated interim report for the 1st quarter and 3 months of 2011 of AS Premia Foods and its subsidiaries (together the Group) presented in the pages 4 – 28 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;
- Premia Foods AS and its subsidiaries are going concerns.

Chairman of management board	Kuldar Leis	digitally signed	23 May 2011
Member of management board	Silver Kaur	digitally signed	23 May 2011
Member of management board	Katre Kõvask	digitally signed	23 May 2011