



AS PREMIA FOODS

**Consolidated Unaudited Interim Report
for 3rd quarter and 9 months of 2012**



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

Reporting period: 1 January 2012 – 30 September 2012

Auditor: AS PricewaterhouseCoopers



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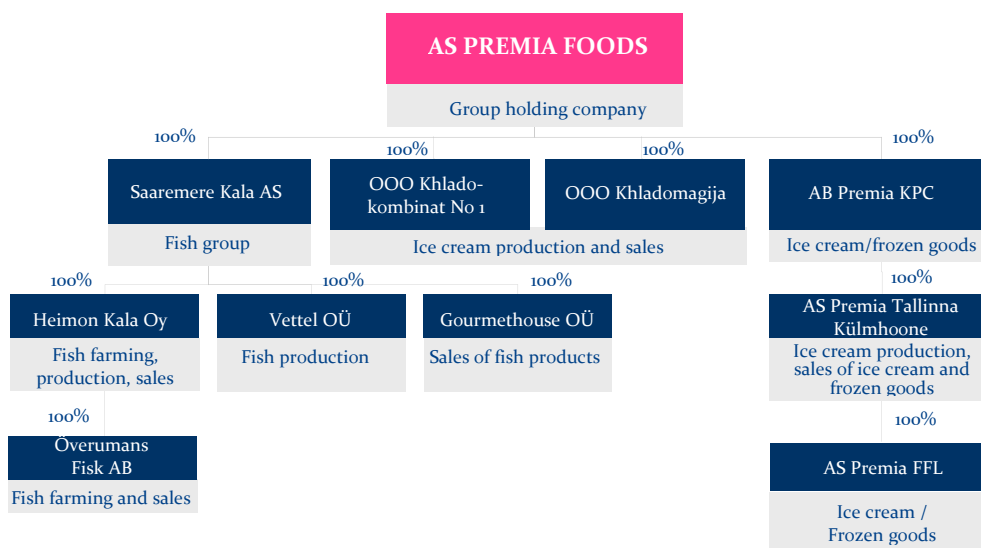
ACTIVITIES REPORT BY THE MANAGEMENT BOARD

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

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

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

Structure of the Premia Foods group of companies:



In addition to the above, the group has a 20% holding in AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Centre of Food and Fermentation Technology).

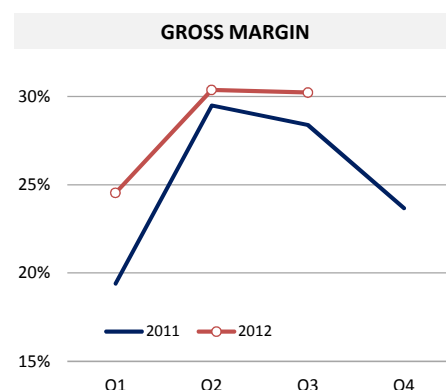


SUMMARY OF FINANCIAL RESULTS

Unaudited financial results of AS Premia Foods, 3rd quarter and 9 months, 2012

The main financial results of the operations of Premia Foods during the reporting period are the following:

- ❖ The unaudited consolidated turnover of the 3rd quarter was 23.6 million euro, which is 0.5 million euro, i.e. 1.9%, less than during the same period previous year.
- ❖ The turnover of 9 months was 66.8 million euro; the turnover of the same period 2011 was 1.5 million euro, i.e. 2.2%, more than during the reporting period.
- ❖ The gross margin and the gross profit increased during both periods – in the 3rd quarter but also in the summary of the 9 months.
- ❖ The gross margin increased in the 3rd quarter, if compared to the same period previous year, by altogether 1.8 percentage points reaching the level of 30.2%. In the summary of the 9 months, the gross margin increased by 2.2 percentage points reaching the level of 28.8%.
- ❖ The gross profit increased in the 3rd quarter by 0.3 million euro, reaching 7.1 million euro. In the summary of the 9 months, the gross profit increased, if compared to the same period 2011, by 1.1 million euro, reaching 19.3 million euro. During the referred period, the gross profit increased on the account of ice cream and frozen goods business segments.
- ❖ The operational EBITDA in the 3rd quarter was 0.2 million euro less than during the same period previous year. In the summary of the 9 months, the respective figure was 0.4 million euro less than during the same period 2011. While in the 3rd quarter, the main part of the decrease of the operational EBITDA came from the fish business segment, then in the summary of the 9 months the decrease of the operational EBITDA came from the ice cream business segment.
- ❖ On 3 September 2012, the decrease of share capital by 3.9 million euro was registered in the Commercial Register. As due to regulatory requirements the actual payments to the shareholders may be done not before 3 months have passed from the registration, then, for the purposes of this report, the relevant liability has been accounted under current payables and pre-payments. The decrease of the share capital enables to balance the capital structure of the company and bring the equity returns and financial leverage ratios to a more adequate level.
- ❖ In the summary of the 9 months, the net profit of the company remains on the same level with the same period 2011, being 0.7 million euro.



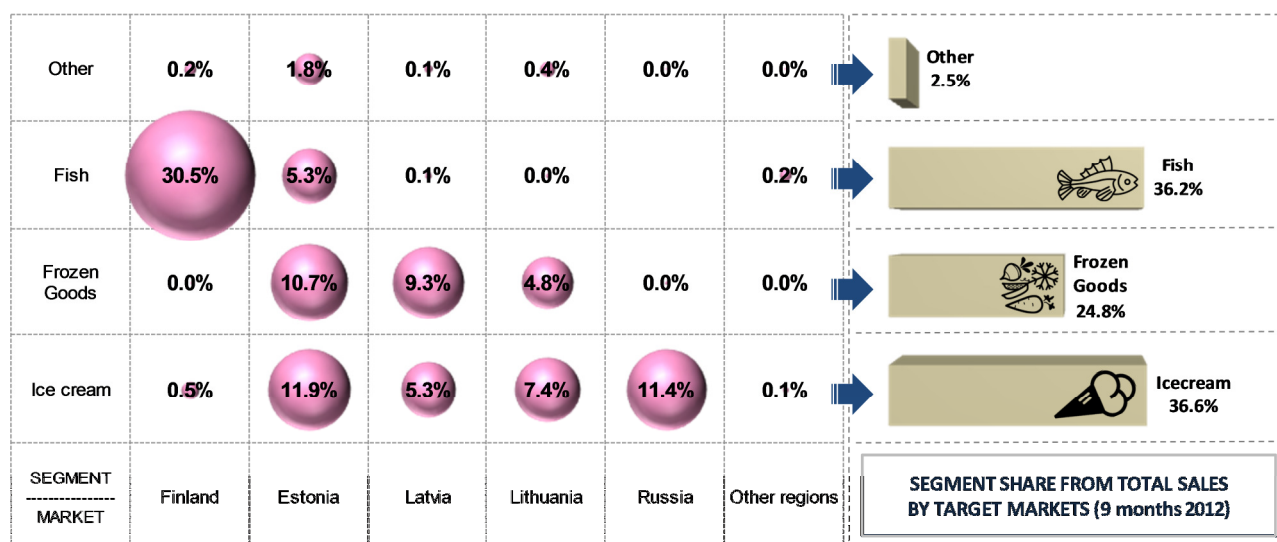
The company's key ratios of the 3rd quarter and the 9 months of 2012 have been indicated in the following table.

		KEY RATIOS							
Profit & Loss, EUR mln	formula	Q1	Q2	Q3	9m 2012	Q1	Q2	Q3	9m 2011
Sales		17.1	26.1	23.6	66.8	16.7	27.6	24.1	68.3
Gross profit		4.2	7.9	7.1	19.3	3.2	8.1	6.8	18.2
EBITDA from operations	before one-offs and fair value adjustment	0.0	2.7	2.1	4.9	-0.5	3.4	2.3	5.2
EBITDA		-0.6	1.9	1.9	3.2	-1.3	2.2	3.2	4.1
EBIT		-1.4	1.1	1.0	0.7	-2.3	1.2	2.3	1.2
Net profit		-1.2	0.8	1.1	0.7	-2.0	1.1	1.6	0.7
Gross margin	Gross profit / Net sales	24.5%	30.4%	30.2%	28.8%	19.4%	29.5%	28.4%	26.6%
Operational EBITDA margin	EBITDA from operations / Net sales	0.1%	10.5%	8.9%	7.3%	-2.7%	12.4%	9.4%	7.7%
EBIT margin	EBIT / Net sales	-8.3%	4.0%	4.4%	1.0%	-13.8%	4.4%	9.5%	1.8%
Net margin	Net earnings / Net sales	-6.9%	2.9%	4.7%	1.0%	-11.9%	4.0%	6.6%	1.0%
Operating expense ratio	Operating expenses / Net sales	29.7%	24.0%	26.1%	26.2%	29.6%	23.4%	24.4%	25.3%

Balance Sheet, EUR mln	formula	31.12.11	31.03.12	30.06.12	30.09.12	31.12.10	31.03.11	30.06.11	30.09.11
Net debt	Short and Long term Loans and Borrowings - Cash	11.3	12.2	12.0	10.9	11.2	14.5	13.0	10.7
Equity		40.5	39.3	39.8	37.1	41.4	39.4	40.1	41.7
Working capital	Current Assets - Current Liabilities	12.8	12.0	12.4	9.7	12.8	12.1	12.9	15.0
Assets		64.1	64.2	68.5	65.4	68.9	68.9	70.6	66.2
Liquidity ratio	Current Assets / Current Liabilities	2.19	1.91	1.70	1.55	1.87	1.75	1.73	2.27
Equity ratio	Equity / Total Assets	63%	61%	58%	57%	60%	57%	57%	63%
Gearing ratio	Net Debt / (Equity + Net Debt)	22%	24%	23%	23%	21%	27%	24%	20%
Net debt-to-EBITDA	Net Debt / EBITDA from operations	1.98	1.98	2.19	2.06	2.54	4.01	2.35	2.09
ROE	Net Earnings / Average Equity	-1%	1%	0%	-1%	4%	1%	2%	-1%
ROA	Net Earnings / Average Assets	-1%	0%	0%	-1%	2%	1%	1%	-1%

BUSINESS SEGMENT ANALYSIS

In the 3rd quarter, the proportion of total turnover of Premia generated in the ice cream business segment increased and, therefore, the ice cream business segment holds the leader position among the business segments in the summary of the 9 months, forming 36.6% of the total turnover of the company. The ice cream business segment is followed by the fish business segment and the third place is traditionally held by the frozen goods business segment.



The main figures by the business segments of Premia Foods for 3rd quarter and 9 months are indicated in the table below.

EUR million	SEGMENT ANALYSIS							
	Q1	Q2	Q3	9m 2012	Q1	Q2	Q3	9m 2011
<u>Sales</u>								
Ice cream	3.7	10.7	10.0	24.4	4.0	12.2	9.4	25.7
Frozen goods	5.3	5.6	5.6	16.5	4.9	5.0	5.6	15.5
Fish and fish products	7.7	9.2	7.3	24.2	7.4	9.8	8.6	25.8
Other	0.4	0.6	0.6	1.7	0.3	0.5	0.5	1.3
Total	17.1	26.1	23.6	66.8	16.7	27.6	24.1	68.3
<u>Gross profit</u>								
Ice cream	1.3	5.0	4.6	10.8	1.0	5.3	3.5	9.8
Frozen goods	1.2	1.3	1.3	3.8	1.1	0.9	1.4	3.5
Fish and fish products	1.5	1.5	1.1	4.1	1.0	1.8	1.9	4.6
<u>Gross margin</u>								
Ice cream	35%	46%	46%	44%	26%	43%	37%	38%
Frozen goods	24%	23%	23%	23%	23%	19%	25%	22%
Fish and fish products	20%	16%	15%	17%	13%	18%	22%	18%
<u>EBITDA from operations</u>								
Ice cream	-0.4	1.8	1.5	3.0	-0.3	2.7	1.1	3.5
Frozen goods	-0.3	0.2	0.1	0.0	-0.3	0.1	0.2	0.1
Fish and fish products	0.7	0.8	0.6	2.1	0.2	0.9	1.0	2.1
<u>EBITDA</u>								
Ice cream	-0.4	1.8	1.5	3.0	-0.4	2.0	0.9	2.4
Frozen goods	-0.3	0.2	0.1	0.0	-0.3	0.1	0.2	0.1
Fish and fish products	0.1	-0.1	0.3	0.4	-0.5	0.4	2.1	2.0
<u>EBIT</u>								
Ice cream	-0.6	1.5	1.2	2.1	-0.8	1.5	0.5	1.2
Frozen goods	-0.5	0.1	0.0	-0.4	-0.5	0.1	0.0	-0.4
Fish and fish products	-0.1	-0.3	0.1	-0.3	-0.8	0.1	1.9	1.2

Fish and fish products business segment

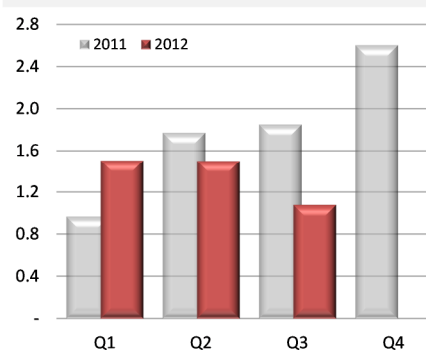


The turnover of the fish and fish products business segment was in the 3rd quarter continuously influenced by the decreasing prices of raw fish. The sales by volumes increased in the summary of the 9 months by altogether 1.8%; nevertheless, the turnover decreased. The decrease of turnover of the fish business segment in the summary of 9 months 2012 was 6.3%, if compared to the same period previous year. The average sales price of fish and fish products per kg decreased in the summary of the 9 months of 2012 by 8%, if compared to the same period 2011, whereas the average market price of rainbow trout decreased during the referred period by altogether 19%.

The loss in the turnover of unpacked raw fish business segment was somewhat balanced by the good results of the sales of Iso-Grilli grill products, which during the summer period were sold in the total volume of approximately 44 tons, 40% thereof during the 3rd quarter. In addition to that, there has been successful increase in the turnover of the Finnish HoReCa sector, where the growth in turnover of the 9 months reaches 80% and turnover is up to 6 million euro. In the summary of the 9 months there was a 3% growth also in the Estonian market.

Due to the decrease of prices, the gross profitability has also changed. During the reporting period, the gross margin decreased by 1 percentage point, which resulted in the decrease of gross profit by 0.5 million euro, if compared to the same period 2011.

FISH SEGMENT GROSS PROFIT, mln eur





The operational EBITDA of the fish business segment of the 9 months 2012 is on the same level with the relevant number of the same period previous year.

In May 2012, the Swedish Board of Agriculture (Jordbruksverket) identified in the fish fingerlings' farm of Premia's subsidiary Överumans Fisk AB enlarged mortality of fish, if compared to normal circumstances. In Premia's interim report of half year there was information of the decision of the Board on destroying a patch of fingerlings, which was duly complied with by Överumans Fisk AB. In the 3rd quarter 2012, the Board identified similar symptoms in yet another patch of fingerlings farmed in the same farm, due to which also this patch was decided to be destroyed. The decision resulted in one-off expenses in the amount of 122 thousand euro borne in the 3rd quarter of 2012. The above-referred proceedings have for the company resulted in the destruction of altogether 17 tons of fish fingerlings.

The destruction decisions as described above do not have an impact on everyday production and sales operations of fish products. As at the date of this report it remains unclear which pathogen is causing the above-described symptoms and how it spreads, Överumans Fisk AB is still considering possibilities available to the latter to dispute the decisions and claim compensation of damages.

The operating profit of the fish business segment, while counting in the 347 thousand euro extraordinary loss occurred due to the destruction of the patches of the fish fingerlings but also the effect of revaluation of livestock, has, in the summary of the 9 months 2012, decreased by 1.5 million euro, if compared to the same period previous year, and is -0.3 million euro. The decrease of operating profit in the amount of 1.3 million euro arises from the revaluation of livestock, which is described in detail in the Cost Analysis sub-section of this report.



Ice cream business segment

The 3rd quarter of this year was a pleasant surprise in the ice cream business segment – despite the continuously poor weather conditions in the 3rd quarter Premia managed to sell 7% more ice cream than during the same period 2011, whereas the turnover generated in the Russian market increased by altogether 14% in the 3rd quarter.

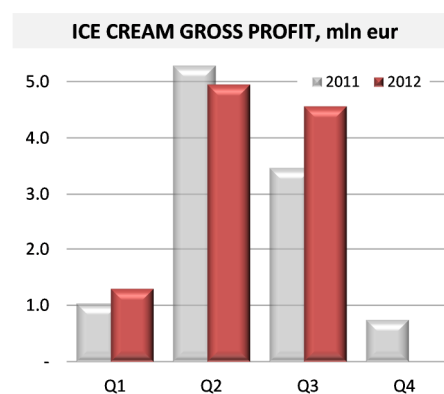
As a result of the above, the total turnover of the 2nd and 3rd quarter of 2012 (i.e. the high season of ice cream sales) was mere 0.9 million euro, i.e. 4%, less than during the hot summer of 2011. In the summary of the 9 months, the turnover of the ice cream business segment in the Baltics was 1.4% less than during the same period previous year; the business segment in total was 4.8% less than the result of the 9 months of 2011.

In the 3rd quarter 2012, the gross margin of the ice cream business segment improved by altogether 9 percentage points, if compared to the same period 2011, reaching 46%. The gross margin improved in the 3rd quarter, if compared to the same period previous year, in all the target markets of Premia, in Russia by altogether 17 percentage points. It is appropriate to emphasise that the improvement of the gross margin has arisen from the changes made in product portfolios; there were no rises in prices in the 3rd quarter 2012. In the summary of the 9 months, the gross margin of the ice cream business segment in 2012 has improved by 6 percentage points.

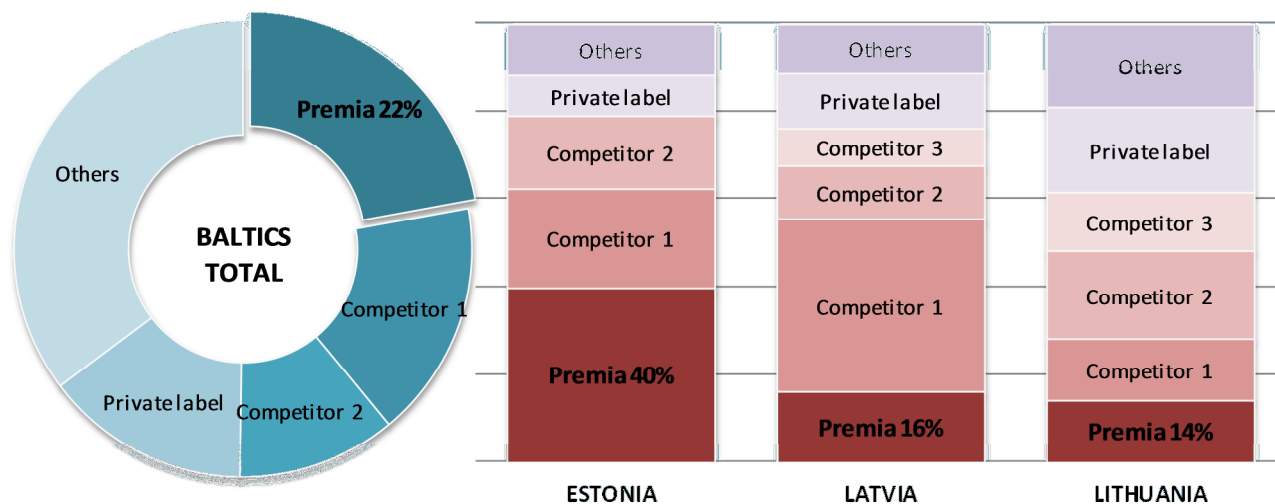
The operational EBITDA of the ice cream business segment of the 3rd quarter was 0.4 million euro more, if compared to the results of the same period last year. In the summary of the 9 months, the operational EBITDA of the ice cream business segment in 2012 was; however, 0.5 million euro less, if compared to the results of the respective period in 2011.

The operational profit of the ice cream business segment improved in the 3rd quarter, if compared to the same period 2011, by altogether 0.7 million euro, reaching 2.1 million euro. In the summary of the 9 months, the ice cream business segment has earned 0.9 million euro more operational profit than during the same period 2011.

The ice cream market of the Baltics experienced no material changes in the 3rd quarter. Premia continues to be the market leader in the Estonian and the Baltic markets. In Latvia, Premia increased its value market share by 1.5% and continues to be the first runner up in the local ice cream market. In Lithuania, the battle between the main market players continued with the launch of massive price campaigns, the method, which Premia almost did not use, while keeping its focus on profitability. The 3rd quarter in this market brought along increase of market share of private label products. In conclusion – Premia maintained to be on the 2-3 place in the Lithuanian market, if considering the value market share.



The below charts indicate the division of market shares in the Baltic ice cream markets in the 3rd quarter of 2012.



Source: AC Nielsen, evaluation of management

In Premia's Russian business unit Khladokombinat No 1 the main focus in the 3rd quarter was continuously kept on the profitability, which resulted in the 0.5 million euro increase in the gross profit. The main emphasis was put into the work with novelty products, the team focused on the display of products in retail stores and arranging campaigns in retail stores.



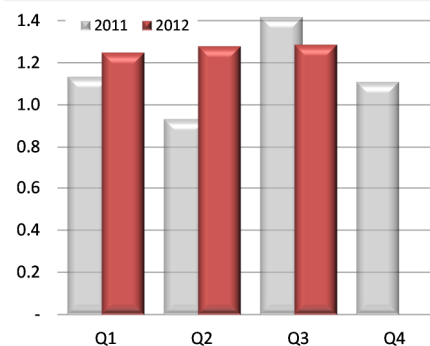
Frozen goods business segment

The sales of the frozen products in the 3rd quarter remained stable and in the summary of the 9 months increased by 6.4%, i.e. by 1 million euro.

The main growth was generated in the Latvian and Lithuanian markets; there was a slight improvement notable also in Estonia. Characteristically to the summer period, frozen meat and potato products were popular but also the sales of vegetables went in accordance with plans in both – in retail and HoReCa sectors.

The increased turnover was supported by the gross margin of 23% remaining stable in the summary of the 9 months. The above resulted in the increase of gross profit by 0.3 million euro, if compared to the same period previous year. While the EBITDA of the frozen goods business segment experienced backlog in the amount of 0.1 million euro, if compared to the same period previous year, then the operational profit remained stable and on the same level with the results of the 9 months of previous year.

FROZEN GOODS GROSS PROFIT, mln eur

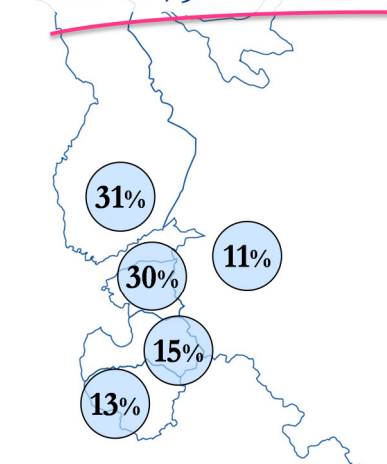


BUSINESS SEGMENT ANALYSIS BY MARKETS

In the 3rd quarter of this year, the turnovers in the Baltics and Russian markets increased, whereas the greatest turnover result of all Premia's target markets was achieved in the Estonian market, leaving the previous quarterly turnover leader Finland behind by 1.1 million euro. The turnover generated in the Estonian market increased by 2.5%, if compared to the same period previous year. A pleasant surprise came from the Russian market, where the turnover of the 3rd quarter of 2012 increased by 13%, if compared to the same period 2011. In the 3rd quarter of 2012, the turnover results in Latvia and Lithuania increased as well, if compared to the same period 2011. The growth numbers were 6.8% and 6.4%, respectively.

In the summary of the 9 months 2012, the greatest growth in turnover, i.e. 5%, was managed to achieve in the Latvian market. Latvia is followed by Lithuania and Estonia, the turnovers of which have improved by 3.9% and 2%, respectively. The results of 2011 were not achieved during the 9 months period in the Finnish and Russian markets, the backlogs are 7.6% and 12.2%, respectively.

Sales share in target markets, 9 months 2012





GEOGRAPHICAL MARKETS

Sales (EUR million)	Q1	Q2	Q3	9m 2012	Q1	Q2	Q3	9m 2011
Finland	6.7	7.9	6.3	20.9	6.3	8.5	7.7	22.6
Estonia	4.9	7.5	7.4	19.8	4.7	7.5	7.3	19.4
Latvia	2.4	3.7	3.7	9.8	2.3	3.6	3.5	9.4
Lithuania	1.6	3.6	3.3	8.4	1.4	3.6	3.1	8.1
Russia	1.5	3.3	2.8	7.6	1.9	4.3	2.5	8.7
Other	0.0	0.2	0.0	0.2	0.0	0.1	0.0	0.1
export share	71%	71%	68%	70%	72%	73%	70%	72%

COST ANALYSIS

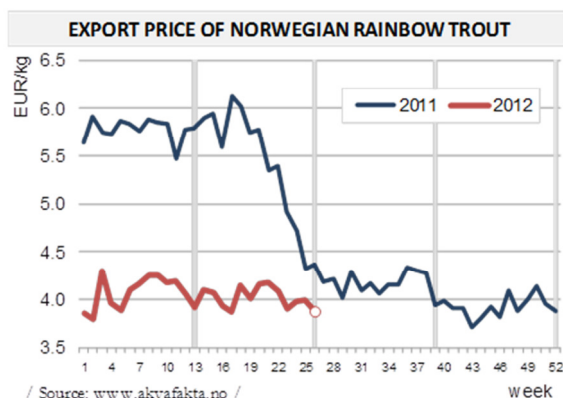
The company continues to keep its cost base under control. The operating costs in absolute numbers remain to be on the same level with the comparable numbers of the previous year, there have; however, been minor changes in respect of certain cost categories. There has been a decrease regarding the employment costs and an increase regarding the marketing and other operating costs. The increase of marketing costs, if compared to the costs in 2011, is mainly occurred due to activities taken for maintaining and/or increasing the market shares in the Baltic and St Petersburg's markets. Due to the fact that in the St Petersburg's market, in the 3rd quarter there have been extra efforts made to improve the display of products in the independent market but also in the retail stores, there has been, in the summary of 9 months, an increase of other operating expenses.

In comparison with the previous year, the company has during the reporting period, managed decrease to the cost of goods sold and by doing that improve the gross margin even though the proportion of the ice cream business segment (being the business segment with materially higher margins) in the revenue has during the same period decreased by 2.2 percentage points.

	9m 2012	9m 2011	change	9m 2012	9m 2011	change
	EUR mln	EUR mln	EUR mln	as % of sales	as % of sales	as % of sales
Sales	66.8	68.3	- 1.5	100.0%	100.0%	
<u>Cost of goods sold</u>	<u>- 47.5</u>	<u>- 50.1</u>	<u>- 2.6</u>	<u>71.2%</u>	<u>73.4%</u>	<u>- 2.2%</u>
incl one-off exp	- 0.3	- 0.6	- 0.3	0.5%	0.9%	- 0.4%
materials in production & cost of goods purchased for resale	- 39.5	- 41.3	- 1.7	59.2%	60.4%	- 1.2%
labour costs	- 3.7	- 4.2	- 0.6	5.5%	6.2%	- 0.7%
depreciation	- 1.0	- 1.3	- 0.3	1.5%	1.9%	- 0.4%
other cost of goods sold	- 3.3	- 3.3	+ 0.0	5.0%	4.9%	+ 0.1%
<u>Operating expenses</u>	<u>- 17.5</u>	<u>- 17.3</u>	<u>+ 0.2</u>	<u>26.2%</u>	<u>25.3%</u>	<u>+ 0.9%</u>
incl one-off exp	- 0.0	- 0.4	- 0.3	0.0%	0.5%	- 0.5%
labour costs	- 5.0	- 5.5	- 0.5	7.5%	8.1%	- 0.6%
transport & logistics services	- 3.1	- 3.0	+ 0.0	4.6%	4.4%	+ 0.2%
depreciation	- 1.5	- 1.6	- 0.1	2.2%	2.3%	- 0.1%
marketing	- 1.9	- 1.8	+ 0.2	2.9%	2.6%	+ 0.3%
other operating expenses	- 6.0	- 5.4	+ 0.6	9.0%	7.9%	+ 1.1%
<u>Other income/expenses</u>	<u>0.3</u>	<u>0.3</u>	<u>+ 0.1</u>	<u>-0.4%</u>	<u>-0.5%</u>	<u>+ 0.1%</u>
incl one-off exp		- 0.1	- 0.1		0.1%	- 0.1%

EBITDA from operations of the 9 months 2012, i.e. operating profit before market price driven revaluation of livestock, one-off income and expenses, and amortisation expenses, was 4.9 million euro. During the 9 months of 2011, there were one-off expenses in the amount of 1.1 million euro occurred in connection with the relocation of the ice cream production

unit in Russia. In the first 9 months of 2012, the one-off expenses in the amount of 0.4 million euro occurred in connection with the destruction of fish fingerlings in the Swedish fish farms.



As at 30.09.2012, 88% of Premia's livestock is rainbow trout and 10% whitefish breed in the fish farms in Finland and Sweden.

The loss arising from the revaluation of livestock during the 9 months of 2012 was -1.3 million euro (the same number in respect of 9 months 2011 was -0.1 million euro).

In addition to the non-monetary effect of revaluation arising from the destruction decision of the fish fingerlings in the amount of 420 thousand euro, the difference of livestock, if compared to the same period previous year, occurred due to the strengthened exchange rate of the Swedish krona and the continuing decrease of market prices of rainbow trout and whitefish. The market price of whitefish as at the balance sheet date was 23% less than the comparable price of the previous year.

The profit/loss arising from revaluation of livestock has no impact on the cash flow of the company and is not related to everyday business activities.

FINANCIAL POSITION

The financial position of the company is continuously solid and the financial risk low.

The cash flow from operations during the 9 months was 2.8 million euro (4.4 million euro during the same period 2011). The difference in the cash flow from operations arises from the launch of non-recourse factoring in the Finnish market in 2011, which had a positive impact on the change of receivables of 2011 in the amount of 2.0 million euro.

		LIQUIDITY AND SOLVENCY RATIOS							
Ratio	formula	31.12.10	31.03.11	30.06.11	30.09.12	31.12.10	31.03.11	30.06.11	30.09.11
Liquidity ratio	Current Assets / Current Liabilities	2.19	1.91	1.70	1.55	1.87	1.75	1.73	2.27
Equity ratio	Equity / Total Assets	63%	61%	58%	57%	60%	57%	57%	63%
Gearing ratio	Net Debt / (Equity + Net Debt)	22%	24%	23%	23%	21%	27%	24%	20%
Net debt-to-EBITDA	Net Debt / EBITDA from operations	1.98	1.98	2.19	2.06	2.54	4.01	2.35	2.09

Financial leverage, i.e. the proportion of net debt in the total capitalisation was 23% (on 30.09.2011, the respective ratio was 20%). The level of short and long term liabilities as at the balance sheet date was 12.4 million euro (on 30.09.2011, the respective figure was 12.7 million euro). The level of liabilities has decreased by 0.3 million euro per year.

In the 3rd quarter, the company refinanced all loan and collateral liabilities towards AS UniCredit Bank Estonian branch in AS SEB Pank. As a result of the refinancing, the interest rates of the loans decreased by 10 basis points. For Premia, the refinancing, if analysed on comparable terms, results in a positive cash flow in the approximate amount of 0.4 million euro per year arising from the decreased repayment burden. The one-off expenses related to the refinancing of the loan portfolio were in the amount of 48 thousand euro.

Net debt to EBITDA has remained on the same level with the respective figure of the previous year, being as at 30.09.2012 2.06 (2.09). The liquidity ratio demonstrating short-term solvency was as at 30.09.2012 1.55 (2.27). The liquidity ratio was materially influenced by accounting the payments to shareholders related to the share capital decrease (registered on the 3 September 2012) in the amount of 3.9 million euro under the short-term liabilities. While eliminating this, the liquidity ratio would be 2.0. The proportion of equity in the balance sheet total was 57% (63%) and the company had working capital in the amount of 9.7 million euro (15.0 million euro). Similarly to the liquidity ratio, the equity ratio and working capital were influenced by the share capital decrease.

BALANCE SHEET ANALYSIS

The consolidated balance sheet total of Premia Foods was as at 30.09.2012 65.4 million euro, having decreased by 1.3 million euro, i.e. 1%, per year.

The company's current assets amounted to 27.2 million euro and the balance of cash and bank accounts was 1.5 million euro. As at 30.09.2012, the company had undrawn overdraft facility limit in the amount of 2.5 million euro.

Accounts receivable and prepayments amounted to 8.4 million euro and 89% of the accounts receivables and prepayments were trade receivables. Compared to the previous year, the accounts receivable and prepayments increased by 9%, i.e. 0.7



million euro. The increase of receivables has arisen from increased non-factoring sales in the HoReCa sector in the fish business segment.

Comparing to 30.09.2011, inventories and livestock combined have increased by 1%, i.e. 0.2 million euro. The increased sales volumes of the fish business segment have resulted in a temporary change in the structure of inventories and livestock. As at the balance sheet date, 25% of the current assets was livestock (biological assets) and 39% other inventories. If compared with the situation on 30.09.2011, the livestock inventories decreased in monetary value by 1.9 million euro, i.e. 22%, at the same time the biomass of livestock decreased by 7%, i.e. 147 tons. The inventories of products for sale, goods purchased for sale and raw material increased by 25%, i.e. 2.1 million euro, if compared to the same period of the previous year.

Accounts payable and prepayments have, if compared to 30.09.2011, increased by 70%, i.e. by 5.6 million euro. As at 30.09.2012, on the accounts payable and prepayments row there was the debt to shareholders arising from the share capital decrease in the total amount of 3.9 million euro. In the same amount, i.e. 3.9 million euro, there has been an increase of liabilities in total.

The equity of Premia Foods was as at 30.09.2012 37.1 million euro.

INVESTMENTS

During the accounting period, i.e. during the first 9 months of 2012, the expenditures into Premia Foods' tangible and intangible assets were 1,765 thousand euro (2011 9 months: 1,261 thousand euro).

PERSONNEL

By the end of the 9 months 2012, the number of employees of Premia Foods had increased by 28 people, if compared to the same period last year. The growth has occurred mainly on the account of the Estonian fish production unit, where the increased production volumes have resulted in an increased need for additional personnel. The average number of employees of the 9 months has decreased by 100 people, i.e. 12%, if compared to the same period last year. The decrease has occurred due to the restructuring of the Russian business unit in 2011.

					PERSONNEL ANALYSIS			
	Q1	Q2	Q3	9m 2012	Q1	Q2	Q3	9m 2011
No of employees, at the end of period	739	829	742	742	941	909	714	714
exd Russia	609	692	605	605	607	669	565	565
Russia	130	137	137	137	334	240	149	149
Average number of employees	712	800	777	763	863	940	785	863
Finland	38	41	42	40	37	39	36	37
Estonia	324	390	362	359	310	379	336	342
Latvia	115	118	122	118	104	114	118	112
Lithuania	92	96	93	94	90	96	94	93
Russia	128	137	136	134	297	291	175	254
Sweden	15	18	22	18	25	21	26	24
Payroll expenses (th EUR)	2,535	3,173	2,958	8,667	2,953	3,637	3,130	9,720
Monthly average payroll exp per employee (th EUR)	1.19	1.32	1.27	1.26	1.14	1.29	1.33	1.25

In the summary of the 9 months of 2012, if compared to the same period previous year, the payroll expenses in total have decreased by 1.1 million euro, in the 3rd quarter the amount of the respective decrease was 0.2 million euro. The monthly average payroll expense per an employee has in the summary of the 9 months of 2012 remained stable and is on the same level with the respective number of last year. In the 3rd quarter of 2012, the referred figure per person was 60 euro less than in the 3rd quarter of 2011.



SHARES

Premia Foods shares are listed in the main list of NASDAQ OMX Tallinn Stock Exchange as from 5 May 2010, the company has issued 38.7 million ordinary shares with the nominal value of 0.50 euro (nominal value was 10 EEK until 13 April 2011 and 0.60 euro until 3 September 2012).

ISIN	EE3100101031
Symbol of share	PRF1T
Market	BALTIC MAIN LIST
Nominal value	0.50 EUR
Issued shares	38 682 860
Listed shares	38 682 860
Listing date	05.05.2010

The dynamics of the share price of Premia Foods (EUR) and the volume of transactions (no of shares traded) during the period from 5 May 2010 up to 30 September 2012.



In accordance with the resolution of the General Meeting of shareholders of AS Premia Foods, dated 29 May 2012, the share capital of the company was decreased by decreasing the nominal value of the share with making payments to the shareholders. As a result of the above, the nominal value of the share decreased from 60 cents to 50 cents as at 29 August 2012 at 23:59.



TRADING HISTORY

Price (EUR)	Q1	Q2	Q3	9m 2012	Q1	Q2	Q3	9m 2011
Open	0.671	0.662	0.691	0.671	0.952	0.900	0.814	0.952
High	0.700	0.735	0.814	0.814	0.998	0.905	0.875	0.998
Low	0.621	0.640	0.650	0.621	0.831	0.760	0.650	0.650
Last	0.660	0.688	0.665	0.665	0.905	0.818	0.770	0.770
Traded volume, thousand	178	449	536	1,163	1,739	706	1,613	4,057
Turnover, million	0.12	0.31	0.39	0.82	1.64	0.58	1.27	3.48
Market capitalization, million	25.53	26.61	25.72	25.72	35.01	31.64	29.79	29.79

MARKET RATIOS

Ratios	formula	30.09.12
EV/Sales	(Market Cap + Net Debt) / Sales	0.4
EV/EBITDA from operations	(Market Cap + Net Debt) / EBITDA from operations	6.9
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	11.4
Price-to-Earnings	Market Cap / Net Earnings	neg
Price-to-Book	Market Cap / Equity	0.7

Market Cap, Net Debt and Equity as of 30.09.2012

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

Shareholders structure

Major shareholders of AS Premia Foods at 30 September 2012:

1. ING Luxembourg S.A.	62.71%	6. Firebird Avrova Fund. Ltd.	1.68%
2. LHV Pensionifond L	4.41%	7. LHV Pensionifond XL.....	1.41%
3. OÜ Rododendron	3.36%	8. OÜ Footsteps Management	1.27%
4. Firebird Republics Fund Ltd.	3.09%	9. Compensa Life Vienna Insurance Group SE	1.09%
5. Ambient Sound Investments OÜ	2.94%	10. OÜ Freespirit.....	0.94%

MANAGEMENT AND MANAGING BODIES

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

Pursuant to law, Supervisory Board of public limited company is a surveillance body that is responsible for planning the activities of the company, organizing management thereof and supervising the activities of Management Board. In accordance with the Articles of Association of AS Premia Foods, there are three to seven 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), Jaakko Karo (elected on 17 August 2009) and Arko Kadajane (elected on 29 May 2012).

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 30 September 2012, the members of management and Supervisory Board and persons/companies related to them hold the shares in the company as indicated below:

Shareholder	30.09.2012 No of shares	%
Chairman of the Management Board – Kuldar Leis	1 302 166	3.37%
Member of the Management Board – Katre Kõvask	493 828	1.28%
Member of the Management Board – Silver Kaur	365 141	0.94%
Chairman of the Supervisory Board – Indrek Kasela	41 823	0.11%
Member of the Supervisory Board – Lauri Kustaa Äimä	125 000	0.32%
Member of the Supervisory Board – Vesa Jaakko Karo	90 000	0.23%
Member of the Supervisory Board – Erik Haavamäe	185 242	0.48%
Member of the Supervisory Board – Arko Kadajane	8 928	0.02%
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	2 612 128	6.75%

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 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-expression, AS Fine, Wood and Company OÜ, Lindermann, Birnbaum & Kasela OÜ and Managetrade OÜ, as well as board member of several companies domiciled in Baltics and Russian Federation.

Lauri Kustaa Äimä (born 1971) holds a master’s degree in Economics from the University of Helsinki has been a member of the Supervisory Board of the company since its foundation and of AS Premia Tallinna 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 MTÜ Eesti Maleliit and a member of the Management Board of AS EPhaG and OÜ Kamakamaka. Currently he is also acting as the CFO of Premia Foods.

Aavo Kokk (born 1964) graduated from Tartu University in 1990, having specialized in journalism, and Stockholm University in 1992, having specialized in banking and finance and has been a member of the Supervisory Board of the company since May 2009. Mr Aavo Kokk is currently the manager and partner of the investment company Catella



Corporate Finance (Estonia) and the member of the Supervisory Board of AS Audentes and a member of the Management Board OÜ Synd&Katts.

Harvey Sawikin (born 1960) holds degrees from the Columbia University and Harvard Law School and has been a member of the Supervisory Board of the company since May 2009. Harvey Sawikin is currently a lead manager of Firebird Fund, Firebird New Russia Fund, Firebird Republics Fund and Firebird 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.

Arko Kadajane (born 1981) graduated from the Estonian Business School, specializing in international business management and he is a member of the Supervisory Board of the company since May 2012. Currently he is the portfolio manager of Ambient Sound Investments OÜ, a member of the Supervisory Board of AS Saho and a member of the Management Board of OÜ Juniper and of OÜ Portfellihaldur.

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	30/09/2012	31/12/2011	30/09/2011	Note
Cash and cash equivalents	1,490	712	1,960	
Receivables and prepayments	8,422	7,150	7,732	
Inventories	10,520	9,174	8,412	
Biological assets	6,789	8,179	8,686	
Non-current assets held for sale	0	9	10	
Total current assets	27,221	25,224	26,800	
Deferred income tax assets	477	435	456	
Long-term financial investments	88	89	90	(Note 2)
Investment property	2,084	2,084	2,084	(Note 3)
Property, plant and equipment	13,000	13,271	13,610	(Note 3)
Intangible assets	22,571	23,015	23,128	(Note 4)
Total non-current assets	38,220	38,894	39,368	
TOTAL ASSETS	65,441	64,118	66,168	
Borrowings	4,088	2,793	3,100	(Note 5,6)
Factoring	0	236	771	
Payables and prepayments	13,480	8,465	7,910	
Total current liabilities	17,568	11,494	11,781	
Borrowings	8,350	9,170	9,607	(Note 5,6)
Deferred income tax liabilities	901	1,278	1,513	
Government grants	1,537	1,668	1,556	(Note 7)
Total non-current liabilities	10,788	12,116	12,676	
Total liabilities	28,356	23,610	24,457	
Share capital	19,342	23,210	23,210	(Note 8)
Share premium	16,026	16,026	16,026	
Treasury shares	0	- 30	- 30	(Note 8)
Statutory capital reserve	6	0	0	(Note 8)
Other reserves	36	21	16	(Note 8)
Currency translation differences	508	391	346	
Retained earnings	1,167	890	2,143	
Equity attributable to equity holders of the parent	37,085	40,508	41,711	
Total equity	37,085	40,508	41,711	
TOTAL LIABILITIES AND EQUITY	65,441	64,118	66,168	

**Consolidated statement of comprehensive income**

EUR '000	Q3 2012	Q3 2011	9m 2012	9m 2011	Note
Revenue	23,591	24,058	66,788	68,302	(Note 9)
Cost of goods sold	-16,461	-17,228	-47,537	-50,105	
Gross profit	7,130	6,830	19,251	18,197	
Operating expenses	-6,159	-5,869	-17,498	-17,256	
Sales and marketing expenses	-5,183	-4,865	-14,048	-13,813	
General and administrative expenses	-976	-1,004	-3,450	-3,443	
Other income and expenses, net	131	161	250	324	
Revaluation of biological assets	-54	1,159	-1,326	-69	
Operating profit	1,048	2,281	678	1,196	(Note 9)
Finance income	128	-6	150	3	
Finance costs	-112	-532	-456	-913	
Profit before income tax	1,065	1,743	372	286	
Corporate income tax	42	-155	315	413	
Net profit for the period	1,106	1,588	687	699	

Other comprehensive income

Currency translation differences	45	37	117	11
Other comprehensive income	45	37	117	11
Total comprehensive income	1,152	1,625	804	710

Net profit for the period:

Attributable to equity holders of the parent	1,106	1,588	687	699	(Note 8)
Net profit for the period	1,106	1,588	687	699	

Comprehensive income for the period:

Attributable to equity holders of the parent	1,152	1,625	804	710
Total comprehensive income	1,152	1,625	804	710

Earnings per share

Basic earnings per share (EUR)	0.03	0.04	0.02	0.02	(Note 8)
Diluted earnings per share (EUR)	0.03	0.04	0.02	0.02	(Note 8)



Consolidated cash flow statement

EUR '000	9m 2012	9m 2011	Note
Net loss	687	699	
<i>Adjustments:</i>			
Depreciation and amortisation	2,505	2,899	(Note 3, 4)
Gain/loss on disposal of non-current assets	-25	74	
Other non-monetary changes	149	450	
Changes in receivables and prepayments	-1,322	2,161	
Changes in inventories	-1,346	138	
Changes in biological assets	1,390	-325	
Changes in payables and prepayments	864	-1,524	
Government grants for operating expenses	11	4	
Corporate income tax paid	-130	-137	(Note 7)
Net cash used in operating activities	2,783	4,439	
Proceeds from sale of property, plant and equipment and intangible assets	141	142	(Note 3, 4)
Acquisition of property, plant and equipment and intangible assets	-953	-1,005	(Note 3, 4)
Government grants for acquisition of assets	72	129	(Note 7)
Purchase of other financial investments	0	-1	
Acquisition of associate	-1	0	
Repayments of loans granted	4	5	
Interest received	3	2	
Net cash used in investing activities	-732	-728	
Acquisition of non-controlling interest in subsidiaries	0	-38	
Change in overdraft facility	1,804	926	
Repayments of borrowings	-7,924	-1,563	
Borrowings	6,245	1,608	
Change in factoring liability	-236	-1,991	
Payments of finance lease principal	-416	-604	
Sale of treasury shares	13	0	
Dividends paid	-387	-387	
Interest paid	-370	-426	
Net cash generated from financing activities	-1,271	-2,475	
NET CASH FLOWS:	780	1,236	
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of the period	712	722	
Net change in cash and cash equivalents	780	1,236	
Effect of exchange rate changes	-2	2	
Cash and cash equivalents at end of the period	1,490	1,960	



Consolidated statement of changes in equity

EUR '000	Equity attributable to equity holders of the company							Total	Total Equity
	Share capital	Share premium	Treasury shares	Statutory capital reserve	Other reserves	Currency translation differences	Retained earnings		
Balance at 31.12.10	24,723	14,513	-30	0	0	335	1,831	41,372	41,372
Share option programme	0	0	0	0	16	0	0	16	16
Reduction of nominal value of the share	- 1,513	1,513	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	- 387	- 387	- 387
Comprehensive income	0	0	0	0	0	11	699	710	710
Balance at 30.06.11	23,210	16,026	-30	0	16	346	2,143	41,711	41,711
Balance at 31.12.11	23,210	16,026	-30	21	21	391	890	40,508	40,508
Share option programme	0	0	0	0	15	0	0	15	15
Increase of statutory reserve	0	0	0	6	0	0	-6	0	0
Sale of treasury shares	0	0	30	0	0	0	-17	13	13
Reduction of nominal value of the share	-3,868	0	0	0	0	0	0	-3,868	-3,868
Dividends	0	0	0	0	0	0	-387	-387	-387
Comprehensive income	0	0	0	0	0	117	687	804	804
Balance at 30.06.12	19,342	16,026	0	6	36	508	1,167	37,085	37,085



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 30 September 2012 contains AS Premia Foods (hereinafter the Parent Company) and its subsidiaries Saaremere Kala AS in Estonia, AB Premia KPC in Lithuania, OOO Khladokombinat No 1 and OOO Khladomagija in Russia and companies belonging into the group – OÜ Vettel, OÜ GourmetHouse and AS Premia Tallinna Külkhoone in Estonia, Heimon Kala OY in Finland, Överumans Fisk Ab in Sweden, AS Premia FFL in Latvia (hereinafter also the Group). The Group has a holding in an affiliated entity Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology; CCFET). AS Premia Foods is listed on the NASDAQ OMX Tallinn Stock Exchange since 5 May 2010.

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

Confirmation of Compliance

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

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

The Management Board approved the publication of this condensed unaudited consolidated interim report on 13 November 2012.

In the opinion of the management, this interim report for 3rd quarter and 9 months 2012 of AS Premia Foods presents correctly and fairly the financial results of the Group as a going concern. Current interim report is neither audited nor reviewed by auditors in any other way and contains only the consolidated reports of the Group.

Basis of Preparation

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

Use of Assessments

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

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

Changes in Presentation

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

Consolidated Cash Flow Statement

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



Note 2. Long-term Financial Investments

EUR '000	Investment in associate	Other long-term investments	Total
Balance at 31.12.2011	17	72	89
Change in exchange rate	0	-1	-1
Balance at 30.09.2012	17	71	88

Other long-term investments include the investments into shares and holdings, which are not listed on the stock exchange and a claim from loan granted to Selkämeren Jää Oy. Company has earned 181 euro interest revenue and 626 euro dividends from long-term financial investment during the accounting period.

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

Note 3. Property Investments and Tangible Fixed Assets

EUR '000	Property investments	Land and buildings	Machinery and equipment	Other tangible assets	Construction in progress, prepayments	Total
Residual value as of 31.12.2011	2,084	5,116	7,611	379	165	15,355
Unrealised currency effect	0	36	100	1	5	143
Acquired during the period	0	91	1,127	54	406	1,678
Re-classification	0	15	110	0	-125	0
Depreciation	0	-296	-1,590	-89	0	-1,975
Assets sold and written off	0	0	-116	0	0	-116
Balance at 30.09.2012	2,084	4,962	7,242	346	451	15,084

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 31.12.2011	19,942	345	1,748	594	269	116	23,015
Unrealised currency effect	0	0	1	0	0	0	1
Acquired during the period	0	0	6	2	16	63	87
Re-classification	0	0	0	2	0	-2	0
Depreciation	0	-345	-78	-25	-82	0	-530
Balance at 30.09.2012	19,942	0	1,676	573	203	177	22,571

**Note 5. Financial Lease**

EUR '000	Machinery, equipment	Means of transport	Other fixed assets	Total
<i>Fixed assets acquired under finance lease</i>				
Acquisition cost as of 30.09.12	466	1,807	0	2,273
Accumulated depreciation as of 30.09.12	-205	-624	0	-829
Residual value as of 30.09.12	261	1,183	0	1,444
 Acquisition cost as of 31.12.11	 660	 2,845	 1	 3,506
Accumulated depreciation as of 31.12.11	-278	-1,668	0	-1,946
Residual value as of 31.12.11	382	1,177	1	1,560
 Payable under finance lease as of 30.09.12	 171	 1,013	 0	 1,184
incl. payable within 1 year	89	233	0	322
incl. payable within 1-5 years	82	780	0	862
Principal payments of the period	149	267	0	416
Interest expenses of the period	7	19	0	26
Average interest rate per annum	4.6%	3.1%	x	3.3%

Note 6. Debt Obligations

EUR '000	30/09/2012	31/12/2011
Finance lease liabilities	322	394
Overdraft	2,440	636
Investment loans	1,326	1,763
Short Term Debt Obligations	4,088	2,793
Finance lease liabilities	862	440
Investment loans	7,488	8,730
Long Term Debt Obligations	8,350	9,170
incl. payable within 1-5 years	8,350	9,170



Loan residuals as of 30 September 2012 with additional information about the interest rates, payment terms and the collateral established for securing the loans:

Borrower	Creditor	Amount	Interest rate	Maturity date	Loan residual 30.09.2012	less than 1 year	1-5 years	Collateral
Overdraft								
AS Premia Foods ¹	SEB	4 900 tuh EUR	1m EURIBOR + 1.3%	18.07.13	2,440	2,440	0	pledges on subsidiaries shares, mortgage 14.3 mln EUR, commercial pledge 3.6 mln EUR
Investment loans								
AS Premia Tallinna Külmhoone	Danske Bank	4 500 tuh EUR	6m EURIBOR + 0.75%	25.10.14	2,569	434	2,135	Mortgage 5.1 mln EUR, pledge on subsidiary shares
AS Premia Foods	SEB	10 900 tuh EUR	6m EURIBOR + 1.9%	18.07.17	6,245	892	5,353	pledges on subsidiaries shares, mortgage 14.3 mln EUR, commercial pledge 3.6 mln EUR
Total					11,254	3,766	7,488	

¹ overdraft limit decreases to 3,400 th EUR from 01.12.12

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

As of 15 October 2012, the variable interest rate of the long-term loan granted by AS SEB Pank is tied to the 3 months EURIBOR.

After the balance sheet date, the company has hedged the risk arising from variable interest rate of the long-term investment loan granted by AS SEB Pank by executing an interest rate swap transaction and fixed the 3 months EURIBOR at the level of 0.799% during the period of 15.01.2013 – 17.07.2017. Please see also Note 12.

Note 7. Government Grants

EUR '000	9m 2012	9m 2011
Deferred income from government grants at the beginning of period	1,668	1,679
Government grants received during the period	7	129
Change in value due to the exchange rates	25	-12
Recognition as income during the period	-163	-240
Deferred income from government grants at the end of period	1,537	1,556
incl. income within 1 year	208	336
incl. income within 2-19 years	1,329	1,220

The Swedish subsidiary Överumans Fisk Ab has received aid from the European Union, which have been collateralized with real estate mortgage in the amount of 283 thousand euro. As at 30 September 2012, the residual value of fixed assets guaranteed by EU subsidies was 84 thousand euro.

During the first 9 months of 2012, the Enterprise Estonia (EAS) granted AS Premia Tallinna Külmhoone financing in the amount of 5 thousand euro for the development and certification project of ISO 22000 and Estonian Agricultural Registers and Information Board (PRIA) in the amount of 2 thousand euro for the participation in the projects of the Association of the Estonian Food Industry (*Eesti Toiduainetetööstuse Liit*).

Note 8. Equity

As at 30 September 2012, the company had 38,682,860 shares (30 September 2011: 38,682,860) and 0 own shares (30 September 2011: 19,163).

On 6 June 2012, Premia executed sales transactions of treasury shares (own shares). The transactions were executed as market transactions on the NASDAQ OMX Tallinn Stock Exchange, in the course of which 19,163 shares were transferred and the value date of which was, depending on the specific transaction, either 11 June 2012 or 12 June 2012. All shares were transferred at market price and the average price per share was 0.683 euro.



The Annual General Meeting held at 29 May 2012 decided to pay dividends on the account of retained earnings in the amount of 387 thousand euro, i.e. 0.01 euro per share and to transfer 5% of the net profit of AS Premia Foods for the period, i.e. 6,500 euro, into statutory capital reserve. The list of shareholders entitled to receive dividends was fixed as of 12 June 2012 at 23.59 and the dividends were paid out on 15 June 2012.

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

Decreasing share capital

The Annual General Meeting held at 29 May 2012 resolved the decreasing of the share capital of AS Premia Foods as follows:

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

The list of shareholders participating in the share capital decrease will be determined as of 29 August 2012 at 23.59. The share capital is decreased by making payments to the shareholders and the amount of payment is 0.1 euro (10 cents) per share.

Due to the decrease of share capital as described above, the Articles of Association of the company were amended in order to reflect the decreased nominal value of the share. The new version of the Articles of Association and the decrease of share capital were registered in the Commercial Register on 3 September 2012. The new version of the Articles of Association of the company is available on the web-page of AS Premia Foods (www.premiafoods.eu).

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.

	Q3 2012	Q3 2011	9m 2012	9m 2011
Net profit (-loss) for the period EUR '000	1,107	1,588	687	699
Avg no of shares (thousand)	38,683	38,664	38,673	38,664
Earnings per share (€)	0.03	0.04	0.02	0.02
Diluted earnings per share (€)	0.03	0.04	0.02	0.02

Note 9. Segment Reporting

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

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

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

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



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

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

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

EUR '000	Q3 2012	Q3 2011	9m 2012	9m 2011
Finland	6,299	7,725	20,870	22,596
Estonia	7,436	7,253	19,827	19,437
Latvia	3,737	3,493	9,832	9,362
Lithuania	3,260	3,063	8,438	8,123
Russia	2,825	2,511	7,630	8,699
Other	34	13	191	85
Total	23,591	24,058	66,788	68,302

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

Primary segment

Q3 2012, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	7,331	10,029	5,582	649	0	23,591
Inter-segment revenue	0	0	0	6	-6	0
Total gross revenue	7,331	10,029	5,582	655	-6	23,591
Segment EBITDA from operations	552	1,495	102	36	0	2,184
Unallocated EBITDA from operations						-87
Total EBITDA from operations						2,097
Segment EBITDA	336	1,495	102	36	0	1,968
Unallocated EBITDA						-87
Total EBITDA						1,881
Segment operating profit	93	1,188	-14	28	0	1,295
Unallocated operating profit						-247
Total operating profit						1,048

Q3 2011, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	8,554	9,412	5,593	500	0	24,058
Inter-segment revenue	0	0	1	6	-7	0
Total gross revenue	8,554	9,412	5,594	506	-7	24,058
Segment EBITDA from operations	967	1,087	183	223	0	2,460
Unallocated EBITDA from operations						-195
Total EBITDA from operations						2,265
Segment EBITDA	2,126	858	183	223	0	3,390
Unallocated EBITDA						-195
Total EBITDA						3,195
Segment operating profit	1,865	508	41	217	0	2,631
Unallocated operating profit						-350
Total operating profit						2,281



9m 2012, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	24,154	24,435	16,537	1,661	0	66,788
Inter-segment revenue	0	0	2	17	-19	0
Total gross revenue	24,154	24,435	16,539	1,678	-19	66,788
Segment EBITDA from operations	2,064	2,985	-12	85	0	5,122
Unallocated EBITDA from operations						-267
Total EBITDA from operations						4,856
Segment EBITDA	391	2,985	-12	85	0	3,449
Unallocated EBITDA						-267
Total EBITDA						3,183
Segment operating profit	-311	2,098	-430	63	0	1,420
Unallocated operating profit						-743
Total operating profit						678
9m 2011, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	25,779	25,671	15,545	1,307	0	68,302
Inter-segment revenue	0	0	2	17	-19	0
Total gross revenue	25,779	25,671	15,547	1,324	-19	68,302
Segment EBITDA from operations	2,108	3,463	68	397	0	6,036
Unallocated EBITDA from operations						-806
Total EBITDA from operations						5,230
Segment EBITDA	2,039	2,397	68	397	0	4,901
Unallocated EBITDA						-806
Total EBITDA						4,095
Segment operating profit	1,196	1,233	-371	376	0	2,434
Unallocated operating profit						-1,238
Total operating profit						1,196

Note 10. Subsidiaries

Company	Country	Share		Field of operation	Owner
		30/09/2012	31/12/2011		
Saaremere Kala AS	Estonia	100%	100%	Holding	Premia Foods AS
Vettel OÜ	Estonia	100%	100%	Fish processing	Saaremere Kala AS
GourmetHouse OÜ	Estonia	100%	100%	Sale of fish and fish products	Saaremere Kala AS
AS Premia Tallinna Külkhoone	Estonia	100%	100%	Ice cream production, sale of ice cream and frozen food	AB Premia KPC
AB Premia KPC	Lithuania	100%	100%	Sale of ice cream and frozen food	Premia Foods AS
Heimon Kala Oy	Finland	100%	100%	Fishfarming, processing and sale of fish and fish products	Saaremere Kala AS
Överumans Fisk Ab	Sweden	100%	100%	Fishfarming and sale	Heimon Kala Oy
SIA F.F.L.S.	Latvia	x	100%	Holding	AS Premia Tallinna Külkhoone
AS Premia FFL	Latvia	100%	100%	Sale of ice cream and frozen food	AS Premia Tallinna Külkhoone
OOO Khladokombinat No1	Russia	100%	100%	Ice cream production, sale of ice cream and frozen food	Premia Foods AS
OOO Khladomagija	Russia	100%	100%	IP Holding	Premia Foods AS

On 29 March 2012 the merger of the subsidiaries SIA F.F.L.S and AS Premia FFL was finalised. Pursuant to the merger agreement, AS Premia FFL is the acquiring company and SIA F.F.L.S. will be merged with AS Premia FFL. With the merger, all assets of SIA F.F.L.S. will completely transferred to AS Premia FFL and SIA F.F.L.S. will be considered as



liquidated after the completion of the merger. SIA F.F.L.S. was a holding company with no independent economic operations. The goal of the merger was to make the structure of Premia Group clearer, more logical and transparent.

Note 11. Related Party Transactions

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

Related parties include:

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

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

Company	Debtor	Comments	Receivable as of 30.09.12 EUR '000	Receivable as of 31.12.11 EUR '000
Heimon Kala Oy	Companies related to the members of management and	Other receivable	-	2
	Total		0	2

Company	Debtor	Comments	Payable as of 30.09.12 EUR '000	Payable as of 31.12.11 EUR '000
Premia Foods AS	Companies related to the members of management and supervisory board	Accounts payable	8	8
Premia Foods AS		Other payable	-	1
Överumans Fisk AB		Accounts payable	3	-
Vettel OÜ		Accounts payable	-	1
	Total		11	10

Receivables from related parties have not been written down.

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

Party EUR '000	Type of transaction	9m 2012 Purchase	9m 2012 Sale	9m 2011 Purchase	9m 2011 Sale
Companies related to the members of management and supervisory board	services	82	2	75	2
	fixed assets	2	-	-	-
	Total	84	2	75	2

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

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

	9m 2012 EUR '000	9m 2011 EUR '000
Short-term benefits	728	771
Total	728	771



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

Note 12. Events after the balance sheet date

Changes in the basis interest rate and mitigating the interest risks

On 19 October 2012, AS Premia Foods and AS SEB Pank executed an annex to the loan agreement under which the variable interest rate of the long-term investment loan agreement was amended to be 3 months EURIBOR, instead of 6 months EURIBOR as from 15 October 2012. The risk margin remained unamended, i.e. 1.9%.

On 26 October 2012, the company hedged the risk arising from variable interest rate of the long-term investment loan by executing an interest rate swap transaction and fixed the 3 months EURIBOR at the level of 0.799% during the period of 15.01.2013 – 17.07.2017.

**MANAGEMENT BOARD'S CONFIRMATION TO THE CONSOLIDATED INTERIM REPORT FOR THE 3RD QUARTER AND 9 MONTHS OF 2012**

The Management Board confirm the correctness and completeness of the consolidated interim report for the 3rd quarter and 9 months of 2012 of AS Premia Foods and its subsidiaries (together the Group) presented in the pages 4 – 29 hereof and confirms to the best of its knowledge that:

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

Chairman of Management Board	Kuldar Leis	digitally signed	13 November 2012
Member of Management Board	Silver Kaur	digitally signed	13 November 2012
Member of Management Board	Katre Kõvask	digitally signed	13 November 2012