AS PREMIA FOODS

Consolidated Unaudited Interim Report
for 4th quarter and 12 months of 2012

Business name:	**AS PREMIA FOODS**
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Main areas of activity:	Production of ice cream Wholesale of food products Production and sale of fish products Fish farming
Reporting period:	1 January 2012 – 31 December 2012
Auditor:	AS PricewaterhouseCoopers

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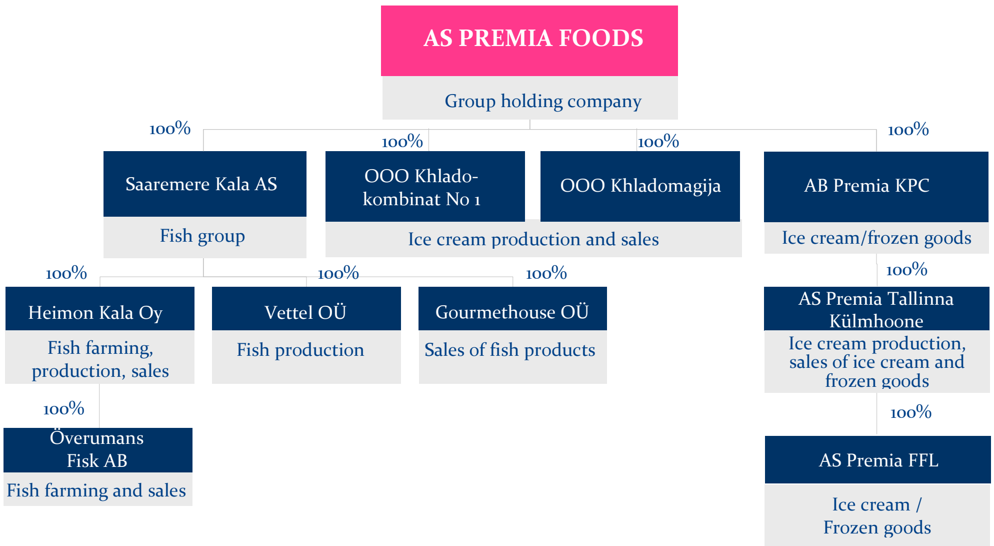
ACTIVITIES REPORT BY THE MANAGEMENT BOARD

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, Maahärra, Viking, Natali, Bueno!, etc.

Structure of the Premia Foods group of companies:

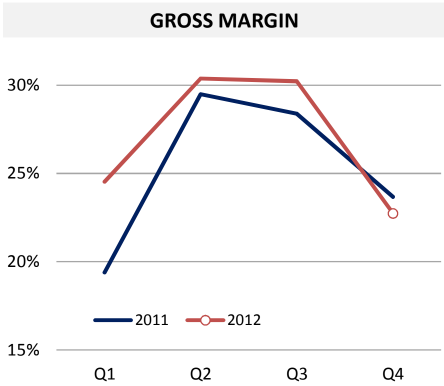


In addition to the above, the group has a 20% holding in AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Centre of Food and Fermentation Technology).

SUMMARY OF FINANCIAL RESULTS

Unaudited financial results of AS Premia Foods, 4th quarter and 12 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 4th quarter was 19.6 million euro, which is 0.4 million euro, i.e. 1.8%, less than the result of the previous year.
- The turnover of 12 months was 86.4 million euro which is 1.9 million euro, i.e. 2.1%, less than the result of 2011.
- If compared to 2011, the turnover increased in all the Baltic markets and in the frozen goods business segment during both periods – in the 4th quarter and as well as in the summary of the 12 months.
- In the summary of the 12 months of 2012, the gross margin increased, if compared to the same period of 2011, by 1.4 percentage points reaching the level of 27.4%. During the same period, the gross profit increased by 0.8 million euro. The growth originates from increased profitability of the ice cream business segment and the frozen goods business segment.
- The operational EBITDA in the 4th quarter was 0.2 million euro less than during the same period previous year. In the summary of the 12 months, the respective figure was 0.5 million euro less than during the same period in 2011. In the 4th quarter as well as in the summary of the whole year, the material part of this decrease came from the fish and fish products business segment.
- The net profit of the 4th quarter of 2012 increased 2.1 times, being 0.7 million euro more than the result of the same period of 2011.
- In the summary of the 12 months of 2012, the net profit of the company was 0.1 million euro, the growth of the net profit is, if compared to the result of 2011, 0.7 million euro.

The company's key ratios of the 4th quarter and the 12 months of 2012 have been indicated in the following table.

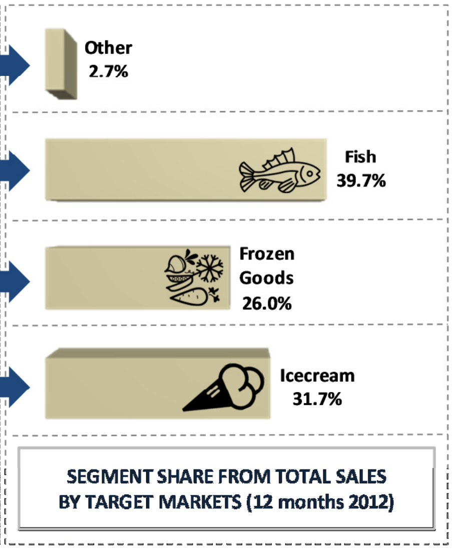
KEY RATIOS

Profit & Loss, EUR mln	formula	Q1	Q2	Q3	Q4	**12m 2012**	Q1	Q2	Q3	Q4	12m 2011
Sales		17.1	26.1	23.6	19.6	**86.4**	16.7	27.6	24.1	20.0	88.3
Gross profit		4.2	7.9	7.1	4.5	**23.7**	3.2	8.1	6.8	4.7	22.9
EBITDA from operations	before one-offs and fair value adjustment	0.0	2.7	2.1	0.3	**5.2**	-0.5	3.4	2.3	0.5	5.7
EBITDA		-0.6	1.9	1.9	0.2	**3.3**	-1.3	2.2	3.2	0.0	4.1
EBIT		-1.4	1.1	1.0	-0.6	**0.1**	-2.3	1.2	2.3	-1.0	0.2
Net profit		-1.2	0.8	1.1	-0.6	**0.1**	-2.0	1.1	1.6	-1.3	-0.6
Gross margin	Gross profit / Net sales	24.5%	30.4%	30.2%	22.7%	**27.4%**	19.4%	29.5%	28.4%	23.7%	26.0%
Operational EBITDA margin	EBITDA from operations/Net sales	0.1%	10.5%	8.9%	1.6%	**6.0%**	-2.7%	12.4%	9.4%	2.3%	6.4%
EBIT margin	EBIT / Net sales	-8.3%	4.0%	4.4%	-2.8%	**0.1%**	-13.8%	4.4%	9.5%	-5.1%	0.2%
Net margin	Net earnings / Net sales	-6.9%	2.9%	4.7%	-3.0%	**0.1%**	-11.9%	4.0%	6.6%	-6.3%	-0.6%
Operating expense ratio	Operating expenses / Net sales	29.7%	24.0%	26.1%	25.9%	**26.1%**	29.6%	23.4%	24.4%	27.7%	25.8%

Balance Sheet, EUR mln	formula	31.12.11	31.03.12	30.06.12	30.09.12	31.12.12	31.12.10	31.03.11	30.06.11	30.09.11	31.12.11
Net debt	Short and Long term Loans and Borrowings - Cash	11.3	12.2	12.0	10.9	**13.8**	11.2	14.5	13.0	10.7	11.3
Equity		40.5	39.3	39.8	37.1	**36.5**	41.4	39.4	40.1	41.7	40.5
Working capital	Current Assets - Current Liabilities	12.8	12.0	12.4	9.7	**12.2**	12.8	12.1	12.9	15.0	13.7
Assets		64.1	64.2	68.5	65.4	**63.2**	68.9	68.9	70.6	66.2	64.1
Liquidity ratio	Current Assets / Current Liabilities	2.19	1.91	1.70	1.55	**1.91**	1.87	1.75	1.73	2.27	2.19
Equity ratio	Equity / Total Assets	63%	61%	58%	57%	**58%**	60%	57%	57%	63%	63%
Gearing ratio	Net Debt / (Equity + Net Debt)	22%	24%	23%	23%	**28%**	21%	27%	24%	20%	22%
Net debt-to-EBITDA	Net Debt / EBITDA from operatior	1.98	1.98	2.19	2.06	**2.68**	2.54	4.01	2.35	2.09	1.98
ROE	Net Earnings / Average Equity	-1%	1%	0%	-1%	**0%**	4%	1%	2%	-1%	-1%
ROA	Net Earnings / Average Assets	-1%	0%	0%	-1%	**0%**	2%	1%	1%	-1%	-1%

BUSINESS SEGMENT ANALYSIS

SEGMENT / MARKET	Finland	Estonia	Latvia	Lithuania	Russia	Other regions
Other	0.2%	1.9%	0.1%	0.4%	0.0%	0.0%
Fish	33.0%	6.1%	0.4%	0.0%		0.2%
Frozen Goods	0.0%	10.9%	9.7%	5.3%	0.1%	0.0%
Ice cream	0.5%	10.7%	4.5%	6.1%	10.0%	0.0%



In the summary of 2012, while analysing the results of business segments, the fish business segment is continuously the leading business segment, the main target market of which is Finland. In the Finnish market, in addition to fish products, to some extent also ice cream products are sold by Premia. The second largest target market of the chilled fish and fish products is Estonia; as regards to these products, Latvia and Lithuania remain more concentrated on selling frozen fish and fish products. In the Baltic markets, the balanced division of the portfolio between ice cream and frozen goods is quite evident, then in Russia, the sales of frozen goods were launched only in the 4th quarter of 2012 and the proportion of this category in Russian product portfolio could still be described as small. If compared to the results of the 12 months of 2011, the proportion of the frozen goods business segment has increased by 3 percentage points, the proportion of the ice cream business segment has decreased by 1 percentage point and the proportion of the fish business segment has decreased by almost 2 percentage points. In conclusion, during the reporting period the product portfolio and the geographic scope of Premia Foods can be described as well balanced.

The main figures by the business segments of Premia Foods for the 4th quarter and 12 months are indicated in the table below.

SEGMENT ANALYSIS

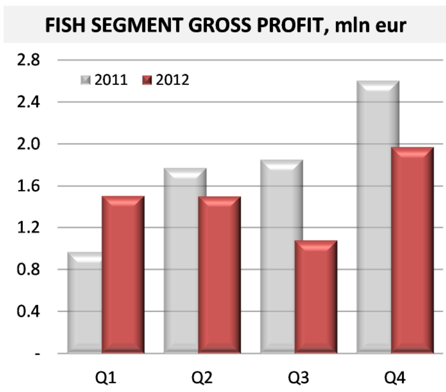
EUR million	Q1	Q2	Q3	Q4	12m 2012	Q1	Q2	Q3	Q4	12m 2011
Sales										
Ice cream	3.7	10.7	10.0	3.0	**27.4**	4.0	12.2	9.4	3.2	28.8
Frozen goods	5.3	5.6	5.6	5.9	**22.4**	4.9	5.0	5.6	5.1	20.6
Fish and fish products	7.7	9.2	7.3	10.1	**34.3**	7.4	9.8	8.6	11.2	36.9
Other	0.4	0.6	0.6	0.6	**2.3**	0.3	0.5	0.5	0.6	1.9
Total	**17.1**	**26.1**	**23.6**	**19.6**	**86.4**	**16.7**	**27.6**	**24.1**	**20.0**	**88.3**
Gross profit										
Ice cream	1.3	5.0	4.6	1.0	**11.8**	1.0	5.3	3.5	0.7	10.5
Frozen goods	1.2	1.3	1.3	1.3	**5.1**	1.1	0.9	1.4	1.1	4.6
Fish and fish products	1.5	1.5	1.1	2.0	**6.1**	1.0	1.8	1.9	2.6	7.2
Gross margin										
Ice cream	35%	46%	46%	35%	**43%**	26%	43%	37%	24%	37%
Frozen goods	24%	23%	23%	22%	**23%**	23%	19%	25%	22%	22%
Fish and fish products	20%	16%	15%	19%	**18%**	13%	18%	22%	23%	19%
EBITDA from operations										
Ice cream	-0.4	1.8	1.5	-0.6	**2.4**	-0.3	2.7	1.1	-0.9	2.6
Frozen goods	-0.3	0.2	0.1	-0.3	**-0.3**	-0.3	0.1	0.2	-0.4	-0.3
Fish and fish products	0.7	0.8	0.6	1.3	**3.3**	0.2	0.9	1.0	1.7	3.8
EBITDA										
Ice cream	-0.4	1.8	1.5	-0.6	**2.4**	-0.4	2.0	0.9	-0.9	1.5
Frozen goods	-0.3	0.2	0.1	-0.3	**-0.3**	-0.3	0.1	0.2	-0.4	-0.3
Fish and fish products	0.1	-0.1	0.3	1.1	**1.5**	-0.5	0.4	2.1	1.3	3.3
EBIT										
Ice cream	-0.6	1.5	1.2	-0.8	**1.3**	-0.8	1.5	0.5	-1.3	0.0
Frozen goods	-0.5	0.1	0.0	-0.5	**-0.9**	-0.5	0.1	0.0	-0.6	-0.9
Fish and fish products	-0.1	-0.3	0.1	0.9	**0.6**	-0.8	0.1	1.9	1.0	2.1

Fish and fish products business segment

In 2012, the fish and fish products business segment as a whole was characterized by the decreased prices of raw fish, which had a direct impact on the turnover of Premia's fish business segment. At the same time, as the market price of rainbow trout decreased by 13%, the turnover of Premia's fish business segment, in the summary of 2012, decreased by only 8.6% and in terms of quantity, in the summary of 2012, the sales increased by 2%. At the same time, if compared to the previous year, Premia's turnover in the Horeca sector increased by 80% in 2012. In the Finnish market, retail chains concentrate more on private label products, hence in 2012 Premia focused also on developing and launching products with a higher additional value. As at the end of the year, Premia is in the 2nd place as regards to the market shares in the Finnish chilled packaged fish sector.

Although the 4th quarter of 2012 was the best quarter of the year for the fish business segment as regards to the turnover and the gross profitability, the results were, in the summary of the 12 months, lower than the corresponding results of the 4th quarter of 2011 and the 12 months of 2011. The main reason thereof is the aforementioned decrease in market price. In the summary of the 12 months, if compared to the previous year, the gross profitability of the fish business segment decreased by 1 percentage point, which resulted in the decrease of the gross profit by 1.1 million euro, if compared to the gross profit of the 12 months of 2011.

The operational EBITDA of the fish business segment of the 12 months of 2012 was 3.3 million euro, which is 0.5 million euro less than the result of the same period in 2011.

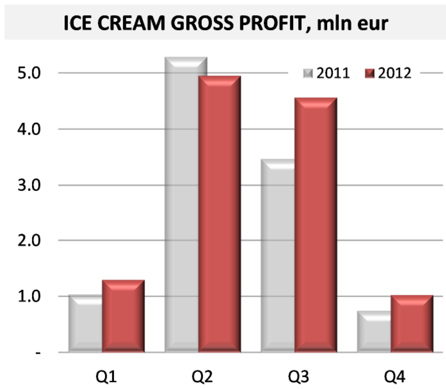


The proceedings, which were initiated in May 2012, and in the course of which Premia's subsidiary Överumans Fisk AB was required by the Swedish Board of Agriculture to destroy 17 tons of fish fingerlings in its farm by the end of the 3rd quarter of 2012, have not been finalised by the end of the reporting period. The reasons of the higher than normal mortality of fish remain unclear and the competent authorities of Sweden continue to conduct corresponding analysis. At the same time, the Swedish Board of Agriculture has not issued any administrative acts to restrict the business activities of Överumans Fisk AB or impose any sanctions in respect of the latter. Premia Foods is still considering claiming compensation of damages caused, however, deems it necessary to await the final results of the proceedings. The destruction decision does not have an impact on everyday production and sales operations of fish products.

The operating profit of the fish business segment has, in the summary of the 12 months of 2012, decreased by 1.5 million euro, if compared to the same period previous year, and is 0.6 million euro. The decrease of operating profit arises, in the amount of 0.9 million euro, from the revaluation of livestock and, in the amount of 0.5 million euro, from the one-time loss resulting from destroying the patches of fingerlings.

Ice cream business segment

In the summary of the 12 months, the turnover of the ice cream business segment was 5% less than the same result of the previous year, which, taking into account the poor weather conditions in all the target markets during the main sales period of ice cream, i.e. the 2nd and the 3rd quarter, may be considered a positive result. As one can recall, the summer of 2011, particularly the 2nd quarter, was exceptionally hot in the Baltics as well as in North-West Russia, and, therefore, several sales records of many years were broken.



For Premia, the following keywords characterize the year 2012 in the ice cream business segment:

- ensuring the market leader position in the Baltics;
- launch of new brand portfolio in Russia, which had undergone a complete change;
- focusing on profitability as the main priority in all target markets.

In the 4th quarter of 2012, if compared to the same period of 2011, the gross margin of the ice cream business segment improved by as much as 11 percentage points, reaching 35%. The gross margin improved in the 4th quarter of 2012, if compared to the same period previous year, in all the target markets of Premia, in Russia by as much as 24 percentage points. The improvement of the gross margin is the result of the changes made in product portfolios; there were no rises in prices in 2012. In the summary of the 12 months, the gross margin of the ice cream business segment has in 2012 improved by altogether 6 percentage points.

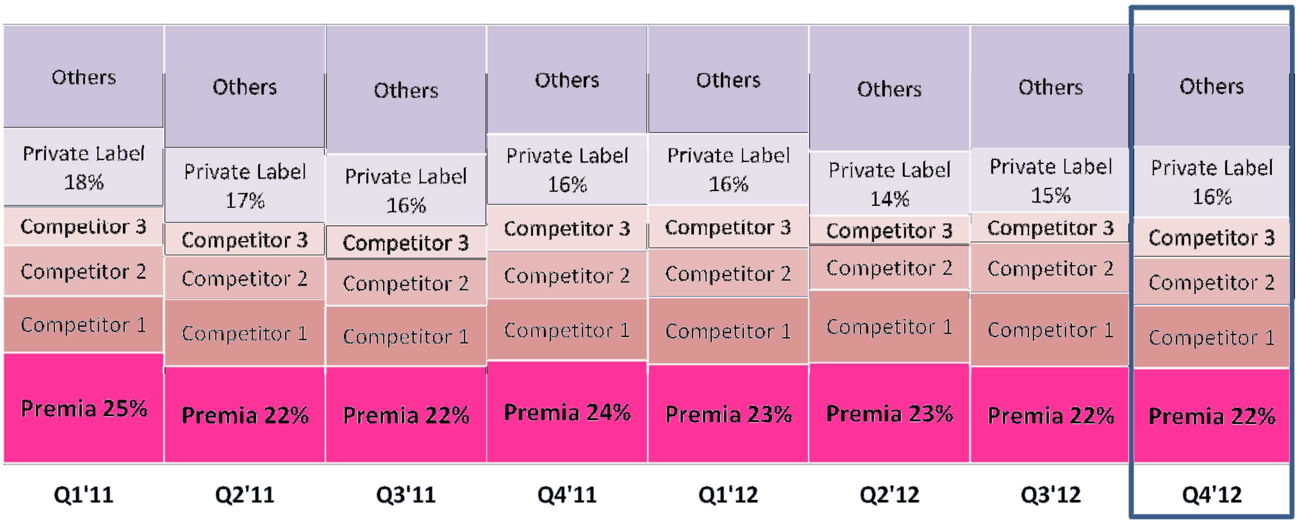
The operational EBITDA of the ice cream business segment of the 4th quarter was by 0.3 million euro higher, if compared to the results of the same period previous year. In the summary of the 12 months, the operational EBITDA of the ice cream business segment in 2012 was 0.2 million euro less, if compared to the results of the respective period of 2011.

In the 4th quarter of 2012, the operational profit of the ice cream business segment improved, if compared to the same period of 2011, by altogether 0.5 million euro. In the summary of the 12 months of 2012, the ice cream business segment has earned 1.3 million euro more operational profit than during the same period of 2011.

In the summary of the 12 months of 2012, Premia continues to be the market leader in the Baltics with the market share of 22%. Although the Baltic ice cream markets are relatively small, they are very competitive and dynamic, at the same time culturally very different as well as different in terms of taste preferences. The characteristic features of 2012 in all the Baltic markets were a large number of new products, strong advertising campaigns and the invasion of private label products. The increase of the proportion of private label products results in a narrowing assortment and in a slowdown in innovation for consumers and manufacturers, however, in an increasing price-based competition.

In Premia's Russian business unit Khladokombinat No 1, the profitability was in focus also during the 4th quarter, which resulted in an increase of gross profit by 0.2 million euro. Also in the St. Petersburg's ice cream market, the year 2012 was characterized by abundant marketing activity in the form of mass media campaigns and sales campaigns. As at the end of 2012, Khladokombinat No 1 holds the third largest market share in St. Petersburg's ice cream market.

The chart below indicates the division of market shares in the Baltic ice cream market in 2011-12.

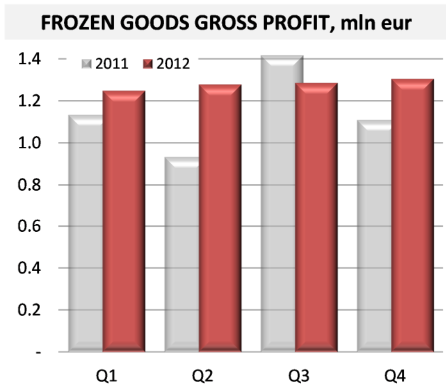


Source: AC Nielsen, evaluation of management

Frozen goods business segment

The frozen goods business segment was Premia's most successful business segment in 2012 – both the turnover and the profitability increased.

All Baltic states contributed to the 16% turnover growth of the 4th quarter and to the sales growth of 8.7% achieved in the summary of the year, however, if compared to 2011, the turnovers in Latvia and Lithuania increased the most.



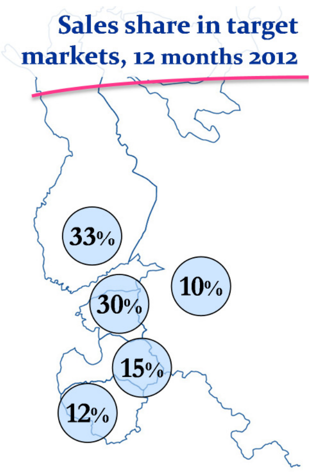
In the summary of 2012, if compared to the same period of 2011, the increase of the gross margin by 1 percentage point resulted in the increase of the gross profit by 0.5 million.

In the 4th quarter of 2012, if compared to the same period of 2011, the EBITDA of the frozen goods business segment increased by 0.1 million euro and, in the summary of the 12 months, remained at the same level as the result of the same period of 2011. The operating profit of the 4th quarter was higher by 0.1 million euro, if compared to the same period of 2011, and, in the summary of the 12 months of 2012, the business segment achieved operating profit comparable to the same period of 2011.

In all Premia's target markets, the frozen goods business segment is recovering from the economic crisis, however, the price sensitivity of people is still high. In the 4th quarter, Premia began its first sales of frozen goods in St. Petersburg's market, which aims, similarly to the business model used in the Baltics, to even out the seasonality in turnover and in costs of the ice cream sales. While bearing in mind the goal of evening out seasonality driven impacts, frozen goods are well-suited with ice cream – the seasonality trends are opposite to the ones of ice cream. It means the peak of the sales frozen vegetables, meat products, etc. is wintertime and spring. Therefore, the frozen goods are well-suited with the already existing infrastructure, i.e. the sales and marketing teams and logistics.

BUSINESS SEGMENT ANALYSIS BY MARKETS

In the 4th quarter of 2012 and in the summary of the 12 months, Premia's turnover generated in all the Baltic markets increased and in the summary of the 4th quarter as well as of the whole year, the greatest turnover increase was achieved in the Latvian market, followed by the markets of Lithuania and Estonia. In the summary of 2012, the turnover generated by Premia in the Baltic markets increased by 2 million euro, if compared to 2011. In Finland, the turnover was influenced by the reduced prices of raw fish, in Russia, on the other hand, major restructuring of the product portfolio was carried out with the aim to focus on profitability.



Sales (EUR million)	Q1	Q2	Q3	Q4	12m 2012	Q1	Q2	Q3	Q4	12m 2011
GEOGRAPHICAL MARKETS										
Finland	6.7	7.9	6.3	8.2	**29.0**	6.3	8.5	7.7	9.2	31.8
Estonia	4.9	7.5	7.4	5.8	**25.6**	4.7	7.5	7.3	5.8	25.2
Latvia	2.4	3.7	3.7	2.8	**12.7**	2.3	3.6	3.5	2.3	11.7
Lithuania	1.6	3.6	3.3	1.7	**10.2**	1.4	3.6	3.1	1.5	9.6
Russia	1.5	3.3	2.8	1.1	**8.7**	1.9	4.3	2.5	1.1	9.8
Other	0.0	0.2	0.0	0.0	**0.2**	0.0	0.1	0.0	0.1	0.2
export share	71%	71%	68%	70%	70%	72%	73%	70%	71%	71%

COST ANALYSIS

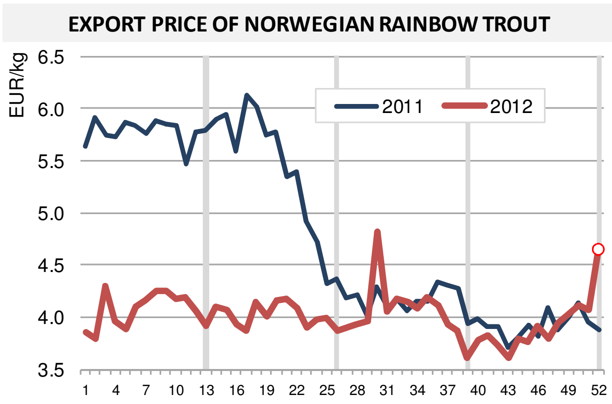
In the summary of the 12 months of 2012, if compared to the same period of 2011, Premia has managed to decrease the cost of goods sold by 2.7 million euro and the operating costs have decreased by 0.2 million euro during the same period.

In respect of the operating costs, there has been a decrease in almost all cost categories during the reporting period, however, there has been an increase of 0.1 million euro regarding the marketing costs. This increase occurred due to the increased activity in protecting and/or increasing the market shares in the Baltic and St. Petersburg's markets. Due to the increased activity in the St. Petersburg's market, the costs for the display of products in retail chains and retail market, to which during the previous years considerably less attention had been paid, have increased. This cost has been reflected among other operating costs and it has, therefore, partly resulted in the increase of other operating costs.

	12m 2012 *EUR mln*	12m 2011 *EUR mln*	change *EUR mln*	12m 2012 *as % of sales*	12m 2011 *as % of sales*	change *as % of sales*
Sales	**86.4**	**88.3**	**- 1.9**	**100.0%**	**100.0%**	
Cost of goods sold	**- 62.7**	**- 65.4**	**- 2.7**	**72.6%**	**74.0%**	**- 1.5%**
incl one-off exp	- 0.4	- 0.6	- 0.2	0.5%	0.7%	- 0.2%
materials in production & cost of goods purchased for resale	- 52.0	- 53.9	- 1.9	60.1%	61.0%	- 0.9%
labour costs	- 4.9	- 5.3	- 0.4	5.6%	5.9%	- 0.3%
depreciation	- 1.4	- 1.9	- 0.5	1.6%	2.1%	- 0.5%
other cost of goods sold	- 4.5	- 4.4	+ 0.1	5.2%	5.0%	+ 0.2%
Operating expenses	**- 22.6**	**- 22.8**	**- 0.2**	**26.1%**	**25.8%**	**+ 0.3%**
incl one-off exp	- 0.0	- 0.4	- 0.3	0.0%	0.4%	- 0.4%
labour costs	- 6.6	- 7.0	- 0.4	7.6%	8.0%	- 0.3%
transport & logistics services	- 3.9	- 4.1	- 0.2	4.5%	4.7%	- 0.1%
depreciation	- 1.8	- 2.1	- 0.3	2.1%	2.4%	- 0.3%
marketing	- 2.4	- 2.3	+ 0.1	2.8%	2.6%	+ 0.2%
other operating expenses	- 7.8	- 7.2	+ 0.6	9.0%	8.2%	+ 0.8%
Other income/expenses	**0.4**	**0.5**	**+ 0.1**	**-0.4%**	**-0.5%**	**+ 0.1%**
incl one-off exp		- 0.1	- 0.1		0.1%	- 0.1%

EBITDA from operations of the 12 months of 2012, i.e. operating profit before market price driven revaluation of livestock, one-off income and expenses, and amortisation expenses, was 5.2 million euro which is by 0.5 million euro less than during 2011. In 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 2012, the one-off expenses in the amount of 0.5 million euro occurred in connection with the destruction of fish fingerlings in the Swedish fish farms.

The **net profit** of 2012 of the company was 0.1 million euro which is 0.6 million euro more than in 2011.



/ Source: www.akvafakta.no /

As at 31.12.2012, 87% 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 2012 was -1.4 million euro (the same number for 2011 was -0.5 million euro). The loss arising from the revaluation of livestock during the 4th quarter of 2012 was 37 thousand euro, this result has approved by 353 thousand euro, if compared to the result of the comparable period in 2011. The main reason thereof is the recovery of the market price of rainbow trout, which, at the year-end balance sheet date was by 2% higher than the comparable price in 2011.

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 kroon and the continuously low market prices of whitefish. The market price of whitefish as at the balance sheet date was 22% 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 12 months was 4.1 million euro (4.9 million euro during the same period of 2011). The difference in the cash flow from operations arises from the launch of non-recourse factoring in the Finnish and in the Lithuanian markets in 2011, which had a positive impact on the change of receivables of 2011 in the amount of 2.5 million euro.

LIQUIDITY AND SOLVENCY RATIOS

Ratio	*formula*	31.12.10	31.03.11	30.06.11	30.09.11	**31.12.12**	31.12.10	31.03.11	30.06.11	30.09.11	31.12.11
Liquidity ratio	Current Assets / Current Liabilities	2.19	1.91	1.70	1.55	**1.91**	1.87	1.75	1.73	2.27	2.19
Equity ratio	Equity / Total Assets	63%	61%	58%	57%	**58%**	60%	57%	57%	63%	63%
Gearing ratio	Net Debt / (Equity + Net Debt)	22%	24%	23%	23%	**28%**	21%	27%	24%	20%	22%
Net debt-to-EBITDA	Net Debt/EBITDA from operations	1.98	1.98	2.19	2.06	**2.68**	2.54	4.01	2.35	2.09	1.98

Financial leverage, i.e. the proportion of net debt in the total capitalisation was 28% (on 31.12.2011, the respective ratio was 22%). In the 4th quarter of 2012, the company assumed an additional long term loan in the amount of 3.9 million euro with the purpose of making payments to shareholders in connection with the share capital decrease. The analysis of liquidity and solvency ratios should take into account the impact of the restructuring the external funds and the equity, which took place in the 4th quarter of 2012. Without the equity distributions, the level of the company's financial leverage would have been 20% as at 31.12.2012. The level of net debt as at the balance sheet date was 13.8 million euro (on 31.12.2011, the respective indicator was 11.3 million euro).

Net debt to EBITDA was 2.68 (1.98) as at 31.12.2012. In case of elimination of the aforesaid equity distributions, the respective comparable ratio would have been 1.92 as at 31.12.2012. The liquidity ratio demonstrating short-term solvency was as at 31.12.2012 1.91 (2.19). The proportion of equity in the balance sheet total was 58% (63%) and the company had working capital in the amount of 12.2 million euro (13.7 million euro).

BALANCE SHEET ANALYSIS

The consolidated balance sheet total of Premia Foods was as at 31.12.2012 63.2 million euro, having decreased by 1.0 million euro, i.e. 2%, per year.

The company's current assets amounted to 25.5 million euro and the balance of cash and bank accounts was 1.4 million euro. As at 31.12.2012, the company had undrawn overdraft facility limit in the amount of 1.7 million euro.

Accounts receivable and prepayments amounted to 8.2 million euro and 90% of the accounts receivable and prepayments were trade receivables. Compared to the previous year, the accounts receivable and prepayments increased by 14%, i.e. 1.0 million euro. The increase of receivables has arisen from increased non-factoring sales in the Horeca sector in the fish business segment.

Comparing to 31.12.2011, inventories and livestock combined have decreased by 8%, i.e. 0.2 million euro. If compared with the situation on 31.12.2011, the livestock inventories decreased in monetary value by 2.5 million euro, i.e. 31%. The decrease of livestock has occurred due to the decrease of the biomass of livestock by 28%, which, in turn, has partly occurred due to the increased amount of slaughtered fish during the 4th quarter of 2012, at the same time, the stock reserve of raw material has increased by 1.0 million euro. Due to the aforenamed increase of the stock reserve of raw material, the inventories increased by 12%, i.e. 1.1 million euro, if compared to 31.12.2011.

Accounts receivable and prepayments have, if compared to 31.12.2011, increased by 11%, i.e. by 0.9 million euro. The liabilities in total have decreased by 13%, i.e. by 3.1 million euro, to 26.7 million euro. The main reason for the increase of liabilities is the draw down of additional long-term loan in the amount of 3.9 million euro for making capital reduction payments to the shareholders with the aim to restructure the capital structure of the company.

The equity of Premia Foods was as at 31.12.2012 36.5 million euro.

INVESTMENTS

During the accounting period, i.e. during 2012, the expenditures into Premia Foods' tangible and intangible assets were 2,019 thousand euro (2011 12 months: 1,772 thousand euro).

PERSONNEL

The average number of employees of the 12 months has decreased by 70 people, i.e. 8.5%, if compared to the same period last year. The decrease has occurred due to the restructuring of the Russian business unit in 2011. By the end of 2012, the number of employees of Premia Foods had increased by 22 people. 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.

PERSONNEL ANALYSIS

	Q1	Q2	Q3	Q4	12m 2012	Q1	Q2	Q3	Q4	12m 2011
No of employees, at the end of period	739	829	742	717	**717**	941	909	714	695	695
excl Russia	609	692	605	585	**585**	607	669	565	560	560
Russia	130	137	137	132	**132**	334	240	149	135	135
Average number of employees	712	800	777	718	**752**	863	940	785	698	822
Finland	38	41	42	43	**41**	37	39	36	41	38
Estonia	324	390	362	317	**348**	310	379	336	299	331
Latvia	115	118	122	116	**118**	104	114	118	116	113
Lithuania	92	96	93	88	**92**	90	96	94	90	93
Russia	128	137	136	134	**134**	297	291	175	135	225
Sweden	15	18	22	20	**19**	25	21	26	17	22
Payroll expenses (th EUR)	2,535	3,173	2,958	2,809	**11,476**	2,953	3,637	3,130	2,557	12,277
Monthly average payroll exp per employee (th EUR)	1.19	1.32	1.27	1.30	**1.27**	1.14	1.29	1.33	1.22	1.25

In the summary of 2012, if compared to the same period previous year, the payroll expenses in total have decreased by 7%, i.e. 0.8 million euro. The monthly average payroll expense per an employee has in 2012 increased by 27 euro, i.e. 2%.

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

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 December 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	Q4	**12m 2012**	Q1	Q2	Q3	Q4	12m 2011
Open	0.671	0.662	0.691	0.670	**0.671**	0.952	0.900	0.814	0.729	0.952
High	0.700	0.735	0.814	0.675	**0.814**	0.998	0.905	0.875	0.855	0.998
Low	0.621	0.640	0.650	0.606	**0.606**	0.831	0.760	0.650	0.600	0.600
Last	0.660	0.688	0.665	0.640	**0.640**	0.905	0.818	0.770	0.640	0.640
Traded volume, thousand	178	449	536	230	**1,393**	1,739	706	1,613	507	4,564
Turnover, million	0.12	0.31	0.39	0.15	**0.97**	1.64	0.58	1.27	0.35	3.84
Market capitalization, million	25.53	26.61	25.72	24.76	**24.76**	35.01	31.64	29.79	24.76	24.76

MARKET RATIOS

Ratios	*formula*	**31.12.12**
EV/Sales	(Market Cap + Net Debt) / Sales	**0.4**
EV/EBITDA from operations	(Market Cap + Net Debt) / EBITDA from operations	**7.5**
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	**11.6**
Price-to-Earnings	Market Cap / Net Earnings	**274.5**
Price-to-Book	Market Cap / Equity	**0.7**

Market Cap, Net Debt and Equity as of 31.12.2012
Sales, EBITDA and Net Earnings for the trailing 12 months period

Shareholders structure

Major shareholders of AS Premia Foods at 31 December 2012:

1. ING Luxembourg S.A. 62.71%
2. LHV Pensionifond L 4.41%
3. OÜ Rododendron 3.36%
4. Firebird Republics Fund Ltd. 3.09%
5. Ambient Sound Investments OÜ 2.94%
6. Firebird Avrora Fund. Ltd. 1.68%
7. LHV Pensionifond XL... 1.41%
8. OÜ Footsteps Management 1.27%
9. Compensa Life Vienna Insurance Group SE 1.09%
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 31 December 2012, the members of management and Supervisory Board and persons/companies related to them hold the shares in the company as indicated below:

Shareholder	**31/12/2012 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 Külmhoone 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, OÜ Lottesõbrad and Solarhouse OÜ.

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 Külmhoone 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 Külmhoone 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 Külmhoone and Vettel OÜ. He serves as

Supervisory Board member of AS Toode, AS PKL, ELKE Grupi AS, EPhaG AS, Salva Kindlustuse AS, Ridge Capital AS and a Management Board member of OÜ X-pression, AS Fine, Wood and Company OÜ, Lindermann, Birnbaum & Kasela OÜ and Managetrade OÜ, as well as board member of several companies domiciled in Baltics and Russian Federation.

Lauri Kustaa Äimä (born 1971) holds a master's degree in Economics from the University of Helsinki has been a member of the Supervisory Board of the company since its foundation and of AS Premia Tallinna Külmhoone 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 Külmhoone, 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 Avrora 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	31/12/2012	31/12/2011	Note
Cash and cash equivalents	1,357	712	
Receivables and prepayments	8,175	7,150	
Inventories	10,308	9,174	
Biological assets	5,631	8,179	
Non-current assets held for sale	0	9	
Total current assets	**25,471**	**25,224**	
Deferred income tax assets	451	435	
Long-term financial investments	89	89	(Note 2)
Investment property	2,084	2,084	(Note 3)
Property, plant and equipment	12,510	13,271	(Note 3)
Intangible assets	22,550	23,015	(Note 4)
Total non-current assets	**37,684**	**38,894**	
TOTAL ASSETS	**63,155**	**64,118**	
Borrowings	3,953	2,793	(Note 5,6)
Factoring	0	236	
Payables and prepayments	9,360	8,465	
Total current liabilities	**13,313**	**11,494**	
Borrowings	11,238	9,170	(Note 5,6)
Deferred income tax liabilities	655	1,278	
Government grants	1,479	1,668	(Note 7)
Total non-current liabilities	**13,372**	**12,116**	
Total liabilities	**26,685**	**23,610**	
Share capital	19,342	23,210	(Note 8)
Share premium	16,026	16,026	
Treasury shares	0	- 30	(Note 8)
Statutory capital reserve	6	0	(Note 8)
Other reserves	41	21	(Note 8)
Currency translation differences	485	391	
Retained earnings	570	890	
Equity attributable to equity holders of the parent	**36,469**	**40,508**	
Total equity	**36,469**	**40,508**	
TOTAL LIABILITIES AND EQUITY	**63,155**	**64,118**	

Consolidated statement of comprehensive income

EUR '000	Q4 2012	Q4 2011	12m 2012	12m 2011	Note
Revenue	19,596	19,988	86,384	88,290	(Note 9)
Cost of goods sold	-15,142	-15,257	-62,679	-65,362	
Gross profit	**4,454**	**4,731**	**23,705**	**22,928**	
Operating expenses	**-5,083**	**-5,527**	**-22,580**	**-22,783**	
Sales and marketing expenses	-4,158	-4,310	-18,206	-18,123	
General and administrative expenses	-925	-1,217	-4,374	-4,660	
Other income and expenses, net	109	161	358	485	
Revaluation of biological assets	-37	-390	-1,363	-459	
Operating profit / loss	**-558**	**-1,025**	**121**	**171**	(Note 9)
Finance income	-37	6	114	9	
Finance costs	-216	35	-673	-878	
Loss before income tax	**-810**	**-984**	**-439**	**-698**	
Corporate income tax	214	-269	529	144	
Net profit / loss for the period	**-597**	**-1,253**	**90**	**-554**	
Other comprehensive income / expense					
Currency translation differences	-23	45	94	56	
Other comprehensive income / expense	**-23**	**45**	**94**	**56**	
Total comprehensive income / expense	**-620**	**-1,208**	**184**	**-498**	
Net profit / loss for the period:					
Attributable to equity holders of the parent	-597	-1,253	90	-554	(Note 8)
Net profit / loss for the period	**-597**	**-1,253**	**90**	**-554**	
Comprehensive income / expense for the period:					
Attributable to equity holders of the parent	-620	-1,208	184	-498	
Total comprehensive income / expense	**-620**	**-1,208**	**184**	**-498**	
Earnings per share					
Basic earnings per share (EUR)	-0.02	-0.03	0.00	-0.01	(Note 8)
Diluted earnings per share (EUR)	-0.02	-0.03	0.00	-0.01	(Note 8)

Consolidated cash flow statement

EUR '000	12m 2012	12m 2011	Note
Net profit / loss	90	-554	
Adjustments:			
Depreciation and amortisation	3,220	3,965	(Note 3, 4)
Gain/loss on disposal of non-current assets	-25	73	
Other non-monetary changes	226	302	
Changes in receivables and prepayments	-1,054	2,848	
Changes in inventories	-1,134	-624	
Changes in biological assets	2,548	182	
Changes in payables and prepayments	354	-1,210	
Government grants for operating expenses	23	4	
Corporate income tax paid	-131	-119	(Note 7)
Net cash used in operating activities	**4,117**	**4,867**	
Proceeds from sale of property, plant and equipment and intangible assets	160	193	(Note 3, 4)
Acquisition of property, plant and equipment and intangible assets	-1,184	-1,347	(Note 3, 4)
Government grants for acquisition of assets	72	340	(Note 7)
Purchase of other financial investments	0	-1	
Acquisition of associate	-1	0	
Repayments of loans granted	9	9	
Interest received	4	4	
Net cash used in investing activities	**-939**	**-801**	
Acquisition of non-controlling interest in subsidiaries	0	-38	
Change in overdraft facility	1,025	636	
Repayments of borrowings	-8,256	-2,002	
Borrowings	10,145	1,608	
Change in factoring liability	-236	-2,526	
Payments of finance lease principal	-526	-752	
Sale of treasury shares	13	0	
Reduction of share capital	-3,868	0	
Dividends paid	-387	-387	
Interest paid	-443	-646	
Net cash generated from financing activities	**-2,533**	**-4,107**	
NET CASH FLOWS:	**645**	**-41**	
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	645	-41	
Effect of exchange rate changes	0	31	
Cash and cash equivalents at end of the period	**1,357**	**712**	

Consolidated statement of changes in equity

EUR '000	Equity attributable to equity holders of the company								Total Equity
	Share capital	Share premium	Treasury shares	Statutory capital reserve	Other reserves	Currency translation differences	Retained earnings	**Total**	
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	21	0	0	**21**	**21**
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	56	- 554	**- 498**	**- 498**
Balance at 31.12.11	**23,210**	**16,026**	**-30**	**0**	**21**	**391**	**890**	**40,508**	**40,508**
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	20	0	0	**20**	**20**
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	94	90	**184**	**184**
Balance at 31.12.12	**19,342**	**16,026**	**0**	**6**	**41**	**485**	**570**	**36,469**	**36,469**

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 December 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 Külmhoone in Estonia, Heimon Kala OY in Finland, Överumans Fisk Ab in Sweden, AS Premia FFL in Latvia (hereinafter also the Group). The Group has a holding in an affiliated entity Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology; CCFFT). AS Premia Foods is listed on the NASDAQ OMX Tallinn Stock Exchange since 5 May 2010.

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

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 19 February 2013.

In the opinion of the management, this interim report for 4th quarter and 12 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**
Balance at 31.12.2012	**17**	**72**	**89**

Other long-term investments include the investments into shares and holdings, which are not listed on the stock exchange and a claim from loan granted to Selkämeren Jää Oy. Company has earned 215 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	Constuction 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	25	82	1	3	110
Acquired during the period	0	135	1,618	106	29	1,888
Re-classification	0	15	108	0	-123	0
Depreciation	0	-396	-2,110	-119	0	-2,625
Assets sold and written off	0	0	-134	0	0	-134
Balance at 31.12.2012	**2,084**	**4,895**	**7,174**	**367**	**74**	**14,594**

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	0	0	0	0	0
Acquired during the period	0	0	6	2	30	94	131
Re-classification	0	0	0	2	0	-2	0
Depreciation	0	-345	-105	-33	-112	0	-595
Balance at 31.12.2012	**19,942**	**0**	**1,649**	**565**	**187**	**207**	**22,550**

Note 5. Financial Lease

EUR '000	Machinery, equipment	Means of transport	Other fixed assets	Total
Fixed assets acquired under finance lease				
Acquisition cost as of 31.12.12	**436**	**1,627**	**0**	**2,063**
Accumulated depreciation as of 31.12.12	-198	-509	0	-707
Residual value as of 31.12.12	**238**	**1,118**	**0**	**1,356**
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 31.12.12	**146**	**1,002**	**0**	**1,148**
incl. payable within 1 year	82	281	0	363
incl. payable within 1-5 years	64	721	0	785
Principal payments of the period	175	351	0	526
Interest expenses of the period	8	25	0	33
Average interest rate per annum	4.4%	2.9%	x	3.1%

Note 6. Debt Obligations

EUR '000	31/12/2012	31/12/2011
Finance lease liabilities	363	394
Overdraft	1,661	636
Investment loans	1,929	1,763
Short Term Debt Obligations	**3,953**	**2,793**
Finance lease liabilities	785	440
Investment loans	10,453	8,730
Long Term Debt Obligations	**11,238**	**9,170**
incl. payable within 1-5 years	11,238	9,170

Loan residuals as of 31 December 2012 with additional information about the interest rates, payment terms and the collateral established for securing the loans:

Borrower	Creditor	Amount	Interest rate	Maturity date	Loan residual 31.12.2012	less than 1 year	1-5 years	Collateral
Overdraft								
AS Premia Foods	SEB	3 400 tuh EUR	1m EURIBOR + 1.3%	18.07.13	1,661	1,661	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	3m EURIBOR + 0.75%	25.10.14	2,460	437	2,023	Mortgage 5.1 mln EUR, pledge on subsidiary shares
AS Premia Foods	SEB	10 900 tuh EUR	3m EURIBOR + 1.9%	18.07.17	9,922	1,492	8,430	pledges on subsidiaries shares, mortgage 14.3 mln EUR, commercial pledge 3.6 mln EUR
				Total	**14,043**	**3,590**	**10,453**	

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 609 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.

On 26 October 2012, the company has hedged the risk arising from variable interest rate of the long-term investment loan by executing an Interest Rate Swap with amortization transaction and fixed the 3 months EURIBOR at the level of 0.799% for the period of 15.01.2013 – 17.07.2017. The mark-to-market value of the financial instrument as at the balance sheet date 31.12.2012 was -63 thousand euro, in terms of the income statement it has been reflected as a financial cost.

On 18 December 2012, AS Premia Foods used its right arising from the investment loan agreement executed with AS SEB to draw down an additional financing in the amount of 3.9 million euro.

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 with amortization transaction and fixed the 3 months EURIBOR at the level of 0.785% for the period of 17.07.2013 – 17.07.2017. Please see also Note 12.

Note 7. Government Grants

EUR '000	12m 2012	12m 2011
Deferred income from government grants at the beginning of period	**1,668**	**1,679**
Government grants received during the period	19	367
Change in value due to the exchange rates	18	18
Recognition as income during the period	-226	-396
Deferred income from government grants at the end of period	**1,479**	**1,668**
incl. income within 1 year	207	350
incl. income within 2-19 years	1,272	1,318

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 278 thousand euro. As at 31 December 2012, the residual value of fixed assets guaranteed by EU subsidies was 77 thousand euro.

In 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 14 thousand euro for the participation in the projects of the Association of the Estonian Food Industry (*Eesti Toiduainetetööstuse Liit*).

Note 8. Equity

As at 31 December 2012, the company had 38,682,860 shares (31 December 2011: 38,682,860) and 0 own shares (31 December 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 was determined as of 29 August 2012 at 23.59. The share capital decrease payments to the shareholders in the amount of 0.1 euro (10 cents) per share were made on 20 December 2012.

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.

	Q4 2012	Q4 2011	12m 2012	12m 2011
Net profit (-loss) for the period EUR '000	-597	-1,253	90	-554
Avg no of shares (thousand)	38,683	38,664	38,674	38,664
Earnings per share (€)	-0.02	-0.03	0.00	-0.01
Diluted earnings per share (€)	-0.02	-0.03	0.00	-0.01

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.

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

EUR '000	Q4 2012	Q4 2011	12m 2012	12m 2011
Finland	8,169	9,180	29,039	31,776
Estonia	5,800	5,751	25,627	25,188
Latvia	2,842	2,295	12,674	11,657
Lithuania	1,730	1,514	10,168	9,637
Russia	1,050	1,143	8,680	9,842
Other	5	105	195	190
Total	**19,596**	**19,988**	**86,384**	**88,290**

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

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

Primary segment

Q4 2012, EUR '000	Fish	Ice cream	Frozen goods	Other	Elim.	Total
External revenue	10,096	2,975	5,894	631	0	19,596
Inter-segment revenue	0	0	0	7	-7	0
Total gross revenue	**10,096**	**2,975**	**5,894**	**638**	**-7**	**19,596**
Segment EBITDA from operations	1,279	-608	-330	34	0	376
Unallocated EBITDA from operations						-65
Total EBITDA from operations						**310**
Segment EBITDA	1,125	-608	-330	34	0	222
Unallocated EBITDA						-65
Total EBITDA						**157**
Segment operating profit	877	-843	-506	24	0	-448
Unallocated operating profit						-110
Total operating profit						**-558**

Q4 2011, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	11,159	3,174	5,085	570	0	19,988
Inter-segment revenue	0	0	0	0	0	0
Total gross revenue	**11,159**	**3,174**	**5,085**	**570**	**0**	**19,988**
Segment EBITDA from operations	1,697	-885	-376	-272	0	164
Unallocated EBITDA from operations						298
Total EBITDA from operations						**462**
Segment EBITDA	1,307	-916	-376	-272	0	-257
Unallocated EBITDA						298
Total EBITDA						**41**
Segment operating profit	952	-1,274	-566	-285	0	-1,174
Unallocated operating profit						149
Total operating profit						**-1,025**

12m 2012, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	34,250	27,410	22,431	2,293	0	86,384
Inter-segment revenue	0	0	2	24	-26	0
Total gross revenue	**34,250**	**27,410**	**22,433**	**2,317**	**-26**	**86,384**
Segment EBITDA from operations	3,343	2,377	-342	119	0	5,498
Unallocated EBITDA from operations						-332
Total EBITDA from operations						**5,166**
Segment EBITDA	1,516	2,377	-342	119	0	3,671
Unallocated EBITDA						-332
Total EBITDA						**3,339**
Segment operating profit	565	1,255	-935	87	0	972
Unallocated operating profit						-852
Total operating profit						**120**

12m 2011, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	36,938	28,845	20,630	1,877	0	88,290
Inter-segment revenue	0	0	2	17	-19	0
Total gross revenue	**36,938**	**28,845**	**20,632**	**1,894**	**-19**	**88,290**
Segment EBITDA from operations	3,805	2,578	-308	125	0	6,200
Unallocated EBITDA from operations						-508
Total EBITDA from operations						**5,692**
Segment EBITDA	3,346	1,481	-308	125	0	4,644
Unallocated EBITDA						-508
Total EBITDA						**4,136**
Segment operating profit	2,148	-41	-937	91	0	1,260
Unallocated operating profit						-1,089
Total operating profit						**171**

Note 10. Subsidiaries

Company	Country	Share		Field of operation	Owner
		31/12/2012	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 Külmhoone	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 Külmhoone
AS Premia FFL	Latvia	100%	100%	Sale of ice cream and frozen food	AS Premia Tallinna Külmhoone
OOO Khladokombinat No1	Russia	100%	100%	Ice cream production, sale of ice cream and frozen food	Premia Foods AS
OOO Khladomagija	Russia	100%	100%	IP Holding	Premia Foods AS

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

Note 11. Related Party Transactions

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

Related parties include:

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

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

Company	**Debtor**	**Comments**	Receivable as of 31.12.12 EUR '000	Receivable as of 31.12.11 EUR '000
Vettel OÜ	Companies related to the members of management and supervisory board	Other receivable	16	-
Heimon Kala Oy		Other receivable	-	2
	Total		**16**	**2**

Company	**Debtor**	**Comments**	Payable as of 31.12.12 EUR '000	Payable as of 31.12.11 EUR '000
Premia Foods AS	Companies related to the members of management and supervisory board	Accounts payable	8	8
Premia Foods AS		Other payable	-	1
Heimon Kala Oy		Accounts payable	3	-
Vettel OÜ		Accounts payable	1	1
	Total		**12**	**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**	12m 2012 Purchase	12m 2012 Sale	12m 2011 Purchase	12m 2011 Sale
Companies related to the members of management and supervisory board	services	106	3	75	2
	fixed assets	2	15	-	-
	Total	**108**	**18**	**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:

	12m 2012 EUR '000	**12m 2011** EUR '000
Short-term benefits	940	961
Total	**940**	**961**

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

Mitigating the interest risk

On 7 January 2013, the company hedged the risk arising from variable interest rate of the additional long-term investment loan, drawn down on December, by executing an Interest Rate Swap with amortization transaction and fixed the 3 months EURIBOR at the level of 0.785% during the period of 17.07.2013 – 17.07.2017.

MANAGEMENT BOARD'S CONFIRMATION TO THE CONSOLIDATED INTERIM REPORT FOR THE 4TH QUARTER AND 12 MONTHS OF 2012

The Management Board confirm the correctness and completeness of the consolidated interim report for the 4th quarter and 12 months of 2012 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;
- AS Premia Foods and its subsidiaries are going concerns.

Chairman of Management Board	Kuldar Leis	digitally signed	19 February 2013
Member of Management Board	Silver Kaur	digitally signed	19 February 2013
Member of Management Board	Katre Kõvask	digitally signed	19 February 2013