



Premia Foods: IV quarter & 12 months, 2013



18th February, 2014

Highlights in Q4 and 12 months



Q4 2013

- ❖ Record high sales growth: +32.4%
- ❖ Gross profit increased by 0.1 mEUR
- ❖ Compensation from Swedish Board of Agriculture recorded under other income in Q4

mIn EUR	Q4 2013	Q4 2012		12m 2013	12m 2012	
Sales	25.9	19.6	↑	98.9	86.4	↑
Gross profit	4.5	4.4	↑	23.3	23.7	↓
EBITDA	-0.1	0.1	↓	4.9	3.3	↑
EBIT	-0.7	-0.6	↓	2.4	0.1	↑
Net Profit	-1.1	-0.6	↓	0.8	0.1	↑

12 months 2013

- ❖ Fastest organic growth in turnover in Premia's history: +14.4%, i.e. +12.5 mEUR
- ❖ Gross profit result is strongly influenced by heavy increase in fish raw material prices.
- ❖ Operating expenses declined by 0.3 mEUR and operating expense ratio dropped to record low 22.6%.
- ❖ EBIT +2.3 mEUR YoY and Net profit +0.7 mEUR YoY.
- ❖ Weakening of Russian ruble and Swedish krona resulted in 0.7 mEUR foreign exchange losses in 2013.

Key ratios: Profitability

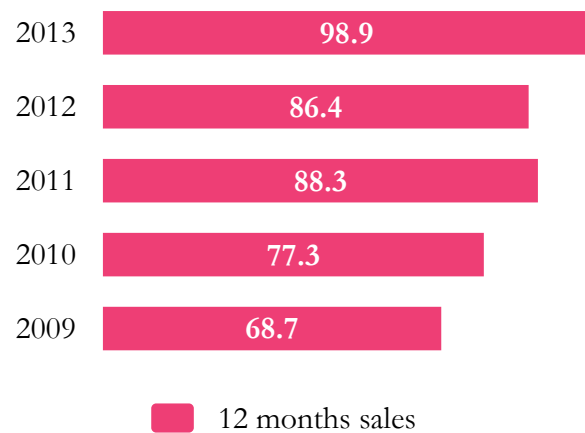


mln EUR	Q4 2013	Q4 2012		12m 2013	12m 2012	
Sales	25.9	19.6	↑	98.9	86.4	↑
Gross profit	4.5	4.4	↑	23.3	23.7	↓
EBITDA from operations	-0.1	0.3	↓	4.0	5.1	↓
EBITDA	-0.1	0.1	↓	4.9	3.3	↑
EBIT	-0.7	-0.6	↓	2.4	0.1	↑
Net Profit	-1.1	-0.6	↓	0.8	0.1	↑
Gross margin	17.2%	22.6%	↓	23.6%	27.4%	↓
Operational EBITDA margin	-0.5%	1.3%	↓	4.1%	5.9%	↓
EBITDA margin	-0.4%	0.5%	↓	5.0%	3.8%	↑
EBIT margin	-2.8%	-3.1%	↑	2.4%	0.1%	↑
Net margin	-4.3%	-3.1%	↓	0.8%	0.1%	↑
Operating expense ratio	20.3%	26.1%	↑	22.6%	26.2%	↑

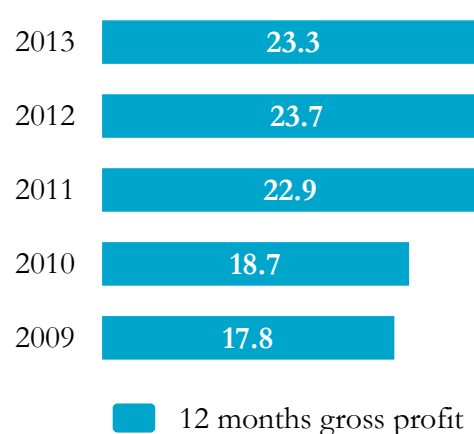
Last five years sales and profitability



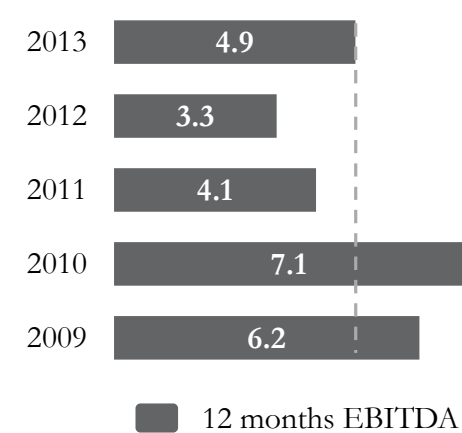
Sales 2009-2013



Gross profit 2009-2013



EBITDA* 2009-2013



- ❖ Last five years best result in sales
- ❖ 2013 gross profit was strongly influenced by heavy increase in fish raw material prices.

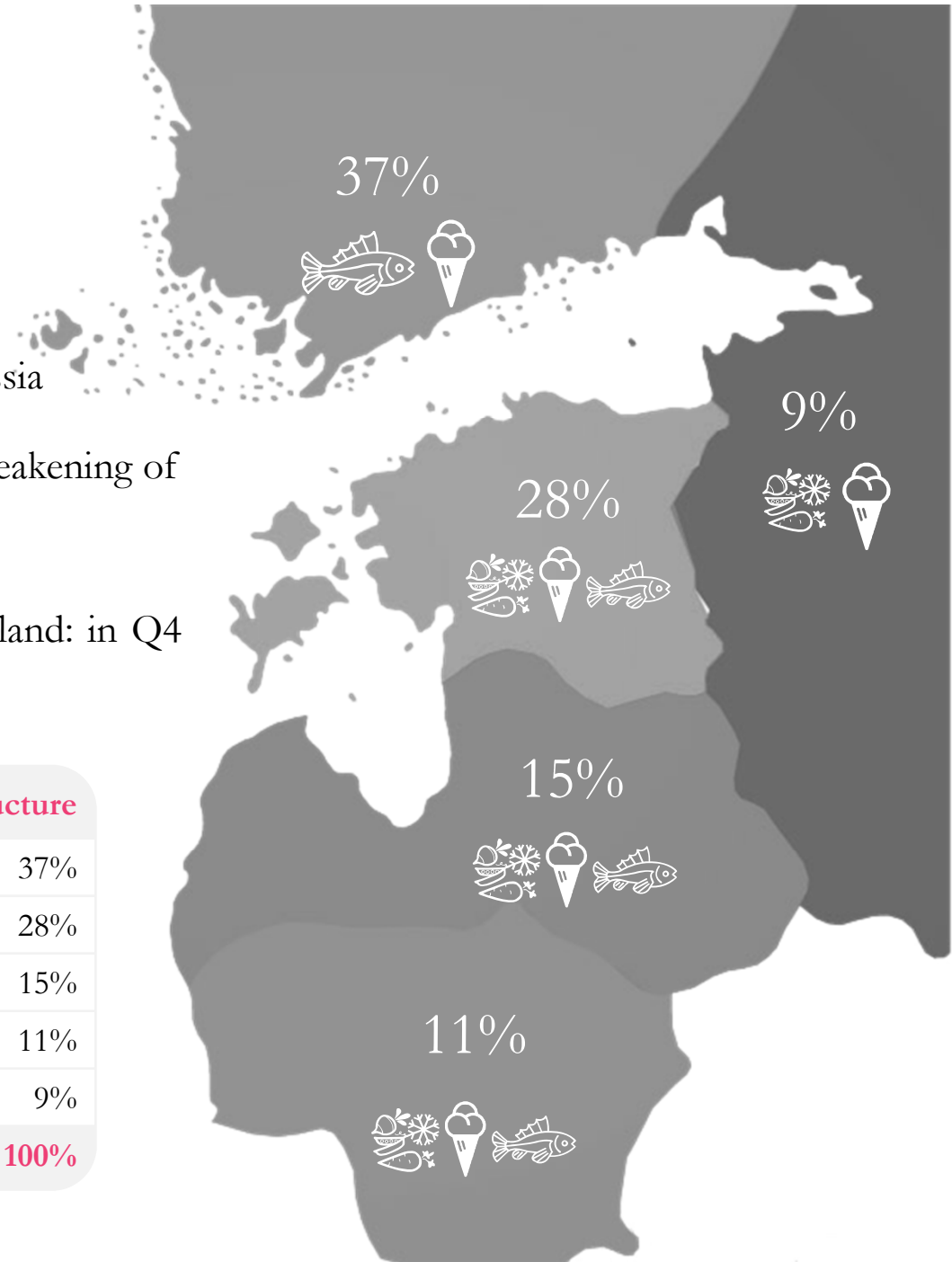
*EBITDA including one-offs and fair value adjustment on biological assets

Sales by countries

12 months 2013

- ❖ Growth in all target markets except Russia
- ❖ Decrease in Russia resulted from the weakening of ruble exchange rate against euro
- ❖ Highest annual growth came from Finland: in Q4 +62% YoY.

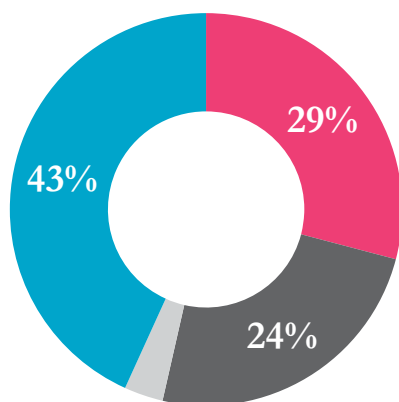
mIn EUR	Sales	YoY	Structure
Finland	36.3	+25%	37%
Estonia	28.1	+10%	28%
Latvia	14.5	+15%	15%
Lithuania	11.1	+9%	11%
Russia	8.5	-2%	9%
Total	98.9	+14%	100%



Sales and gross profit by segments

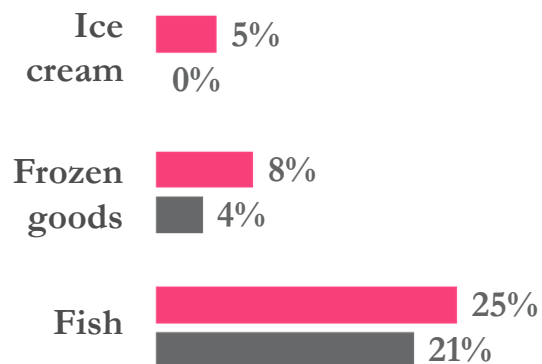


Sales by segments,
12 months 2013



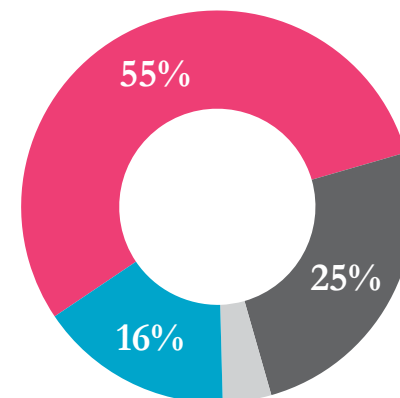
- Ice cream
- Fish
- Frozen goods
- Other

Sales YoY growth by segments,
12 months 2013



- value
- volume

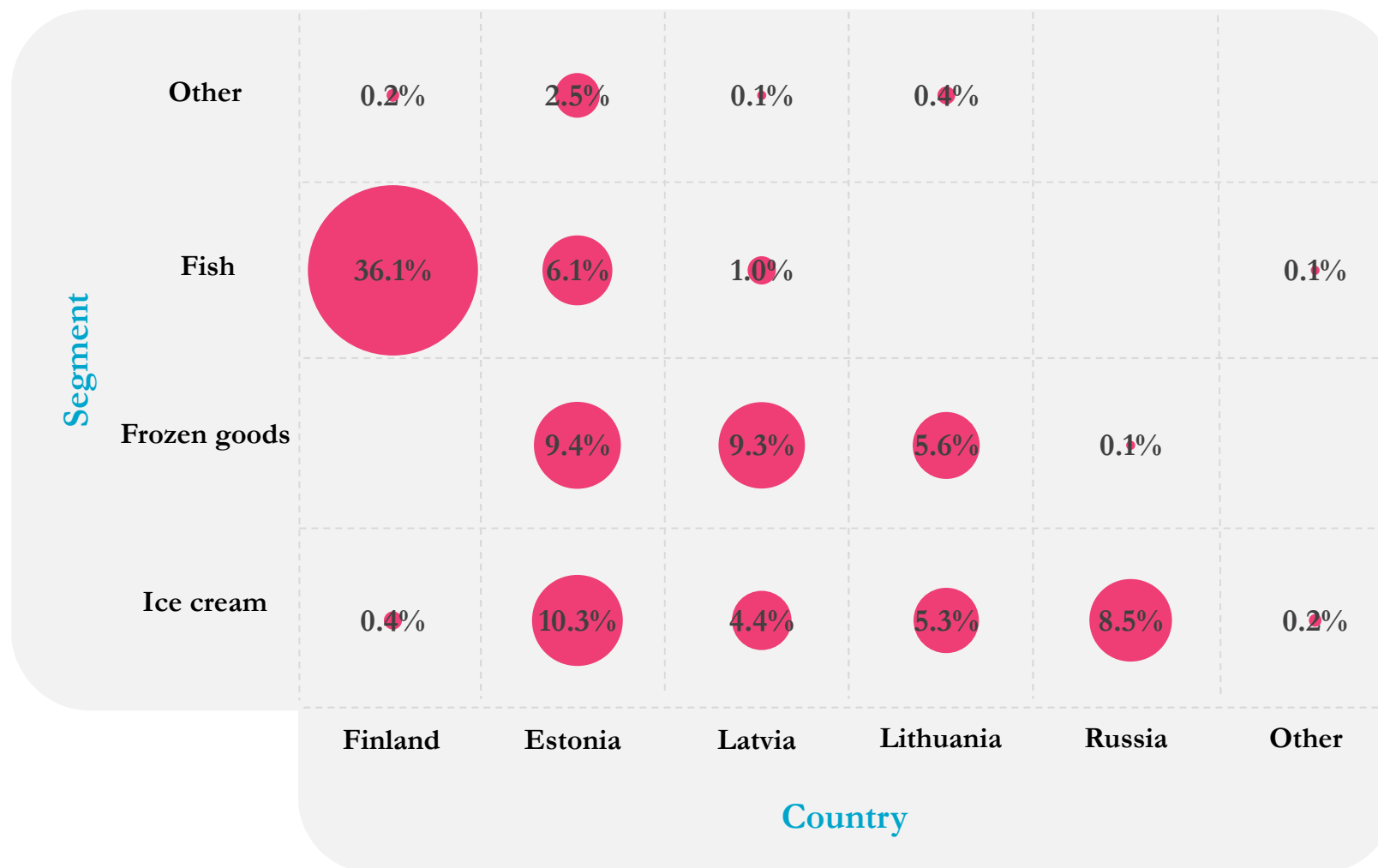
Gross profit by segments,
12 months 2013



- Ice cream
- Fish
- Frozen goods
- Other

Sales matrix

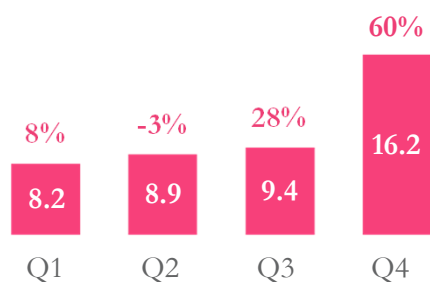
12 months 2013



Fish and fish products

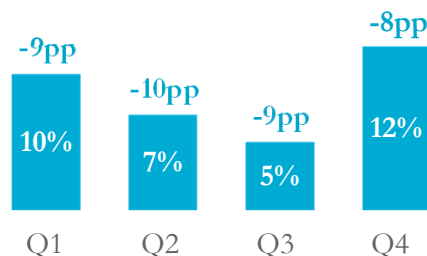


Sales by quarters (mEUR) and yoy change



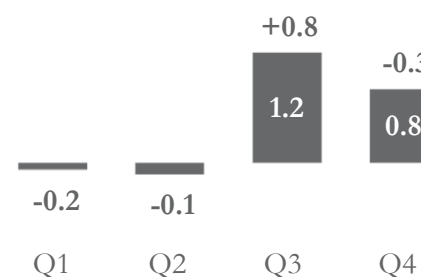
12M 42.7 mEUR (+24.8%)

Gross margin and yoy change



12M 9% (-8.6pp)

EBITDA and yoy change (mEUR)



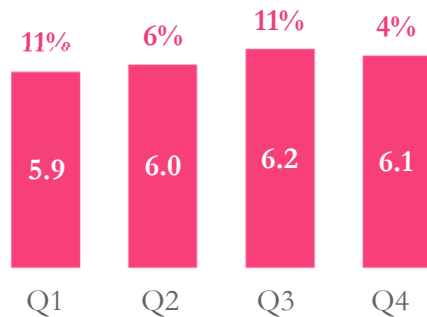
12M 1.7 mEUR (+0.3mEUR)

- ❖ Fastest growth in turnover in Q4 and total 2013 compared to other segments.
- ❖ Rapid growth in turnover in Q4 came mainly from successful raw fish and fillet sales campaigns and wholesale sector.
- ❖ In Q4 gross margin reached 12%, which is highest result in 2013.
- ❖ In 12 months price of salmon was up by 51% and rainbow trout by 31% on yoy basis.
- ❖ Positive impact of biological assets revaluation to fish segment 12 months EBITDA and operating profit was 2.1 mEUR on yoy basis.

Frozen goods

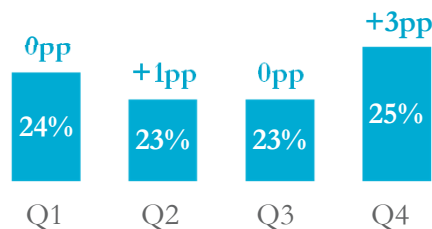


Sales by quarters (mEUR) and yoy change



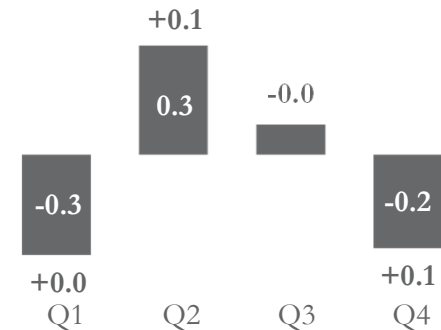
12M 24.2 mEUR (+7.9%)

Gross margin and yoy change



12M 24% (+1pp)

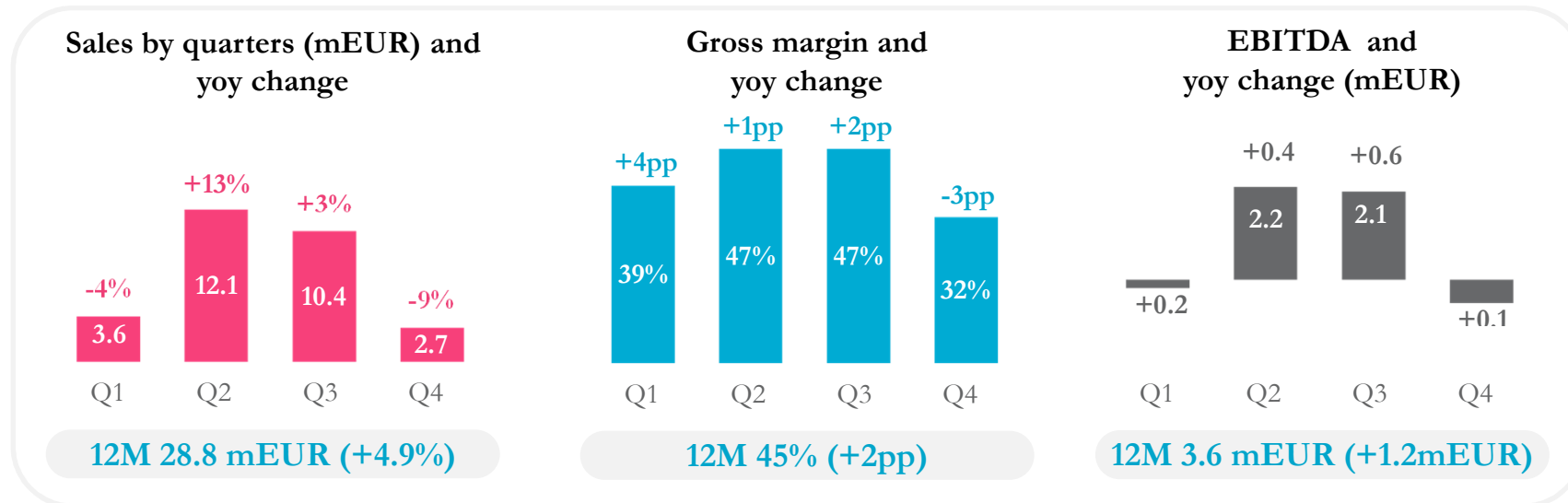
EBITDA and yoy change (mEUR)



12M 0.1 mEUR (+0.2mEUR)

- ❖ 2013 turnover of frozen goods was 24.2 mEUR with annual growth 7.9%, i.e. 1.8 mEUR
- ❖ Turnover increased the most in Lithuania (+1.0 mEUR)
- ❖ During first three quarters gross margin hold previous year's level. In Q4 +3pp growth was achieved and gross margin reached 25%.
- ❖ 24% gross margin for 2013 is also highest annual frozen goods' gross margin in Premia's history.
- ❖ EBITDA of the frozen goods business segment increased in the summary of 12 months by 0.2 mEUR

Ice cream

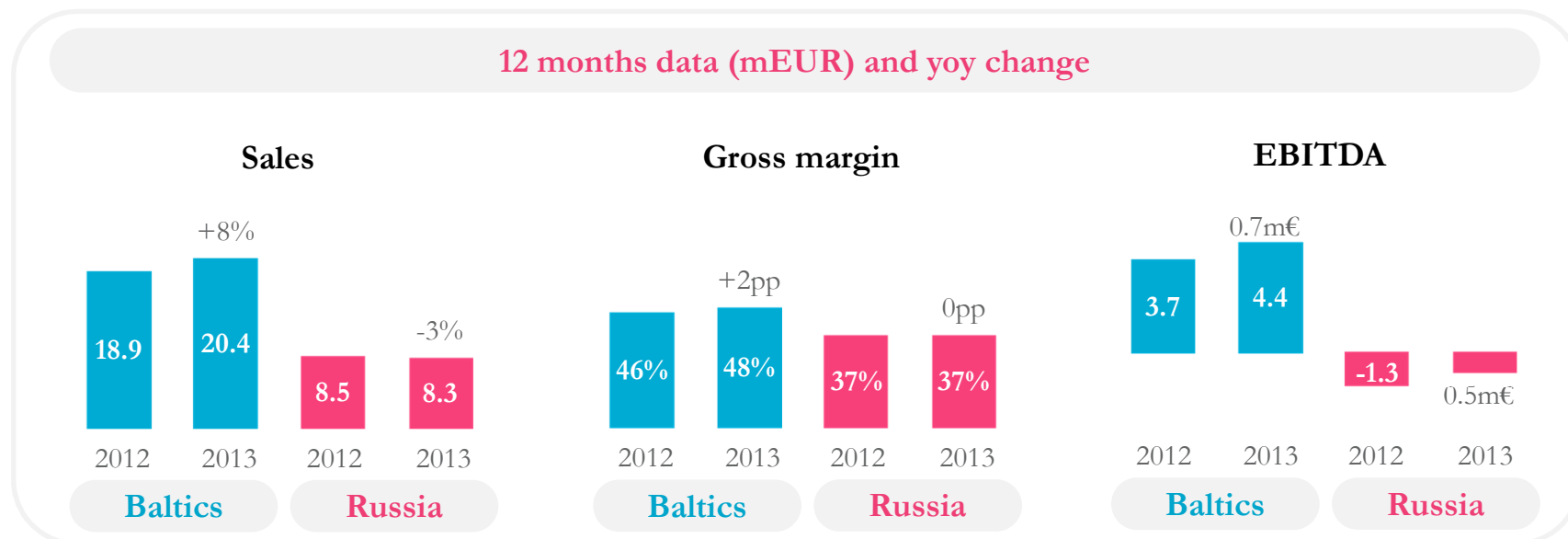


- ❖ In Q4 2013 turnover decreased by 0.3 mEUR, i.e. 9.4%. The main reason was the weakening of the exchange rate of the Russian ruble against euro.
- ❖ The greatest monetary increase in the summary of 12 months of 2013 came from Estonia (+1.0 mEUR), followed by Latvia (+0.4 mEUR).
- ❖ Gross margin of ice cream improved by 2pp YoY.
- ❖ In Q4 gross margin was by +3pp lower than in Q4 2012. This was caused by planned repairs in December in Russian factory when no ice cream was produced. Gross margin of Baltics improved by 2pp in Q4 2013 if compared to Q4 2012
- ❖ 12 months EBITDA annual improvement was 1.2 mEUR reaching 3.6 mEUR.

Ice cream in Baltics and Russia



- ❖ Turnover of 12 months increased by 8% in Baltics. In Russia turnover decreased by 3% - caused by weakening of the exchange rate of Russian ruble against euro.
- ❖ 12 months 2013 gross margin increased by 2 ppt in the Baltics. In Russia previous year's level in gross margin was hold.
- ❖ EBITDA improvement in Baltics in the summary of 12 months was 0.7 mEUR and in Russia 0.5 mEUR compared to 2012.



Cost Analysis



	12m 2013 EUR mln	12m 2012 EUR mln	Change EUR mln	12m 2013 As % of sales	12m 2012 As % of sales	Change As % of sales
Sales	98.9	86.4	+12.5	100.0%	100.0%	
Cost of goods sold	-75.6	-62.7	+12.9	76.4%	72.6%	+3.9%
including one-off exp	-0.2	-0.3	-0.1	0.2%	0.4%	-0.2%
materials in production & cost of goods purchased for resale	-64.6	-52.0	+12.6	65.3%	60.1%	+5.2%
labour costs	-5.2	-4.9	+0.3	5.3%	5.7%	-0.4%
depreciation	-1.3	-1.4	-0.1	1.3%	1.6%	-0.3%
other cost of goods sold	-4.5	-4.5	+0.1	4.6%	5.2%	-0.6%
Operating expenses	-22.3	-22.6	-0.3	22.6%	26.2%	-3.6%
including one-off exp	-0.1	-0.0	+0.0	0.1%	0.0%	+0.0%
labour costs	-7.0	-6.6	+0.4	7.1%	7.6%	-0.6%
transport & logistics services	-4.9	-4.1	+0.7	4.9%	4.8%	+0.1%
depreciation	-1.3	-1.8	-0.5	1.3%	2.1%	-0.8%
marketing, merchandising, listing	-3.7	-3.9	-0.2	3.8%	4.5%	-0.7%
other operating expenses	-5.4	-6.1	-0.7	5.4%	7.0%	-1.6%
Other income/expenses	0.6	0.3	+0.3	0.6%	0.4%	+0.2%
including one-off income/exp	0.5		+0.5	0.5%	0.0%	+0.5%

For comparison purposes year 2012 transport and logistics services line item has been increased by 0.2 million euro and other operating expenses line item decreased at the same extent.

Key ratios

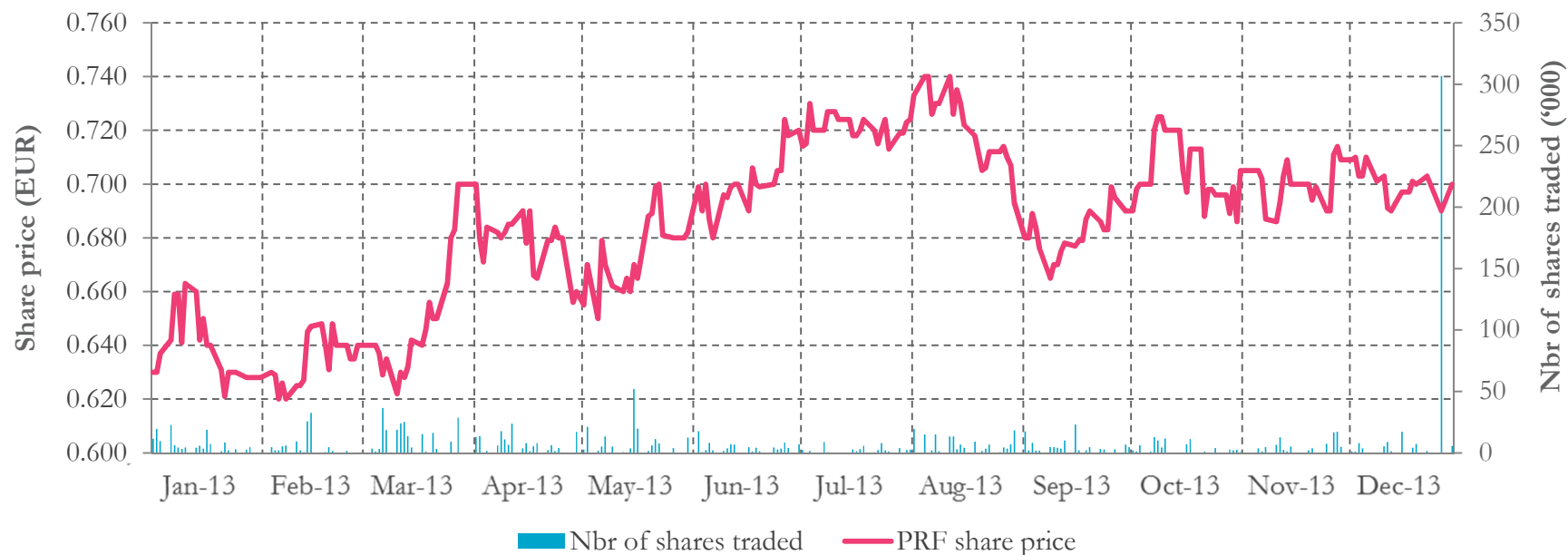
Balance Sheet



mln EUR	31.12.2013	31.12.2012
Net debt	13.2	13.8
Equity	37.2	36.5
Working capital	10.2	12.1
Assets	63.7	63.2
Liquidity ratio	1.63	1.91
Equity ratio	58%	58%
Gearing ratio	26%	28%
Net debt-to-EBITDA	3.29	2.71
ROE	2%	0%
ROA	1%	0%

- ❖ According to AGM resolution from May 29 2013, Premia paid dividends in the amount of 387 thousand euro, i.e 0.01 euro per share on June 14, 2013.
- ❖ In Q4 2012 Premia facilitated additional 3.9 mEUR long-term loan for share capital reduction payouts.
- ❖ The cash flow from operations was mainly influenced by the increase of biological assets. The livestock increased within 12 months by 689 tons, if compared to the previous year, which resulted in the decrease of the cash flow from operations by 3.2 mEUR.

Share price and shareholders



Major shareholders at 31st Dec 2013

ING Luxembourg S.A.	62.71%	Firebird Avrora Fund Ltd.	1.68%
LHV Pensionifond L	4.41%	LHV Pensionifond XL	1.48%
OÜ Rododendron	3.36%	OÜ Footsteps Management	1.31%
Ambient Sound Investments OÜ	3.20%	Compensa Life Vienna Insurance Group SE.	1.09%
Firebird Republics Fund Ltd.	3.09%	OÜ Freespirit	0.94%