



AS PREMIA FOODS

**Consolidated Unaudited Interim Report
for 4th quarter and 12 months of 2010**



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 2010 – 31 December 2010

Auditor: Alliot Kangust OÜ



Table of Contents

ACTIVITIES REPORT BY THE MANAGEMENT BOARD4

Interim Accounting Report14

Consolidated Financial Situation Report.....14

Consolidated Comprehensive Income Report.....15

Consolidated Cash Flow Report.....16

Consolidated Statement of Changes in Equity17

Notes to the Interim Report18

Note 1 Summary of Material Accounting Principles18

Note 2 Long-term Financial Investments19

Note 3 Property Investments and Tangible Fixed Assets.....19

Note 4 Intangible Assets20

Note 5 Financial Lease21

Note 6 Debt Obligations.....22

Note 7 Target Financing24

Note 8 Equity24

Note 9 Segment Reporting25

Note 10 Subsidiaries.....28

Note 11 Related Party Transactions30

Note 12 Subsequent Events.....31

Management board’s confirmation to the consolidated interim report for the 4th quarter and 12 months of 201033

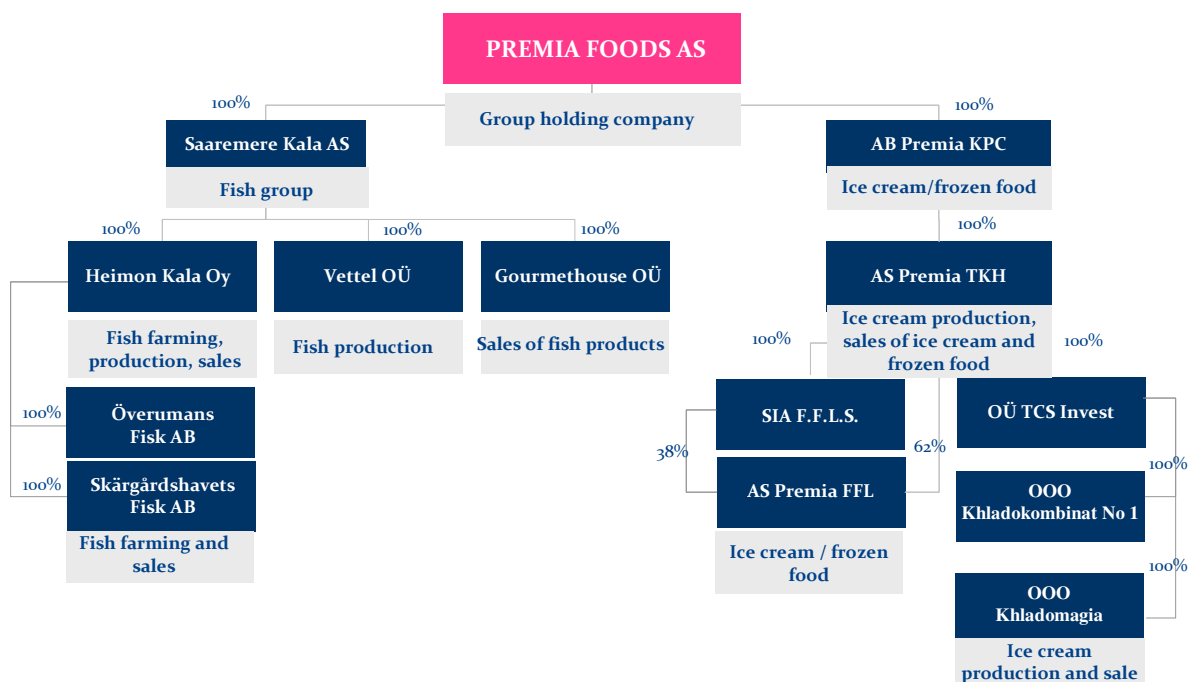


ACTIVITIES REPORT BY THE MANAGEMENT BOARD

AS Premia Foods was established in Estonia in December 2008 by Premia Tallinna Klmhoone AS with the purpose of creating a holding company for the group of companies consolidating various food companies, including ice cream, frozen food and fish production business lines in 6 countries. The group operates today in the Baltic states as well as Finland, Sweden and Russia and has become an remarkable company known mostly for its highly valued and appreciated consumer brands.

The flagship brands of AS Premia Foods are Premia. Vike Tom, Vau, Heimon Gourmet, Saaristomeren Kala, Maahrra, Phjatht, Regatt, Viking, Natali, Bueno!, Polar Fish, etc.

Structure of the Premia Foods group of companies:





AS Premia Foods unaudited financial report 4th quarter and 12 months of 2010

SUMMARY OF FINANCIAL RESULTS

The turnover of Premia Foods for the 12 months of 2010 was 1.2 billion kroons (77.3 million euro), EBITDA 111.0 million kroons (7.1 million euro) and net profit 20.5 million kroons (1.3 million euro).

Compared to 2009, turnover has increased by 12.5%, EBITDA by 14% and net profit by 89%.

Average EBITDA margin of the year was 9.2% and net profit margin 1.7%. Equity ratio was as at the end of the year 60% and liquidity ratio 1.89. Compared to 2009, there has been remarkable improvement in respect of all the above-referred ratios.

The main figures per quarters of the group have been indicated in the following table:

	KEY RATIOS									
EEK million	Q1	Q2	Q3	Q4	2010	Q1	Q2	Q3	Q4	2009
Sales	234.4	333.0	363.4	278.4	1 209.2	223.1	299.6	304.6	247.7	1 075.0
Gross profit	46.8	81.5	106.5	57.5	292.3	49.1	84.1	85.4	59.6	278.2
EBITDA	0.0	68.8	56.7	-14.5	111.0	-3.1	37.5	79.2	-16.5	97.0
EBIT	-14.3	54.4	38.9	-30.9	48.2	-18.9	21.7	67.6	-31.1	39.4
Net profit	-17.9	46.5	28.1	-36.3	20.5	-26.2	13.4	56.2	-32.6	10.8
Gross margin	20.0%	24.5%	29.3%	20.7%	24.2%	22.0%	28.1%	28.0%	24.1%	25.9%
EBITDA margin	0.0%	20.7%	15.6%	-5.2%	9.2%	-1.4%	12.5%	26.0%	-6.7%	9.0%
EBIT margin	-6.1%	16.3%	10.7%	-11.1%	4.0%	-8.5%	7.2%	22.2%	-12.5%	3.7%
Net margin	-7.6%	14.0%	7.7%	-13.0%	1.7%	-11.7%	4.5%	18.4%	-13.2%	1.0%
Operating expense ratio	25.1%	24.0%	23.8%	26.5%	24.7%	29.9%	25.1%	22.8%	25.4%	25.5%
EEK million	31.12.09	31.03.10	30.06.10	30.09.10	31.12.10	31.12.08	31.03.09	30.06.09	30.09.09	31.12.09
Net debt	289.7	315.1	160.0	145.5	175.4	308.5	323.4	315.3	300.8	289.7
Equity	434.1	416.3	655.0	684.6	647.6	425.9	399.5	410.3	467.6	434.1
Assets	983.1	976.5	1 166.5	1 108.1	1 074.3	1 028.3	959.1	1 015.7	1 090.8	983.1
Liquidity ratio	1.15	1.12	1.50	2.08	1.89	1.06	1.01	1.16	1.16	1.15
Equity ratio	44%	43%	56%	62%	60%	41%	42%	40%	43%	44%
Gearing ratio	40%	43%	20%	18%	21%	42%	45%	43%	39%	40%
ROE	3%	5%	10%	4%	4%	na	na	na	na	3%
ROA	1%	2%	5%	2%	2%	na	na	na	na	1%

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

Gross margin = Gross profit / Sales revenue

EBITDA margin = EBITDA / Sales revenue

EBIT margin = EBIT / Sales revenue

Net profit margin = Net profit / Sales revenue

Operating expense ratio = Operating expenses / Sales revenue

Net debt = Interest-bearing liabilities – Cash and cash equivalents

Liquidity ratio = Current assets / Short-term liabilities

Equity ratio = Equity / Total assets

Financial leverage = Net debt / (Equity + Net debt)

Return on equity (ROE) = Net profit of preceding 12 months / Average Equity

Return on assets (ROA) = Net profit of preceding 12 months / Average Assets



The management of the company considers the results of 12 months better than expected.

All forecast turnover and profitability ratios as estimated by the management in the beginning of 2010 were exceeded. 34.2% of the product portfolio of Premia Foods forms ice cream, 38.5 fish and fish products and 25.7 frozen products, hence the portfolio is well-balanced. The company is active on six markets and continues in leading positions in all its target markets and product segments. 2010 was a complicated year for the food industry as such, the influences of the economic crisis on one hand and rapidly growing prices of raw materials on the other made the market situation stressful. Despite to the before mentioned circumstances better growing results were achieved than those estimated, which is the result of remarkable efforts by the team.

BUSINESS SEGMENT ANALYSIS

The associations between segments and geographical markets have been summarized in the following chart, where the volumes of segments in the total turnover per target countries have been indicated. In that chart it may be concluded that 33.2% of the total turnover of Premia Foods is generated from fish and fish products sold in the Finnish market, 21.8% from ice cream sold in the Baltic states, 12.1% from frozen goods sold in Estonia and 11.7% from ice cream sold in Russia.

SEGMENT SHARE FROM TOTAL SALES (2010)

Other	0.1%	1.1%	0.0%	0.3%	0.0%	
Fish	33.2%	5.0%	0.1%	0.1%		0.1%
Frozen Food	0.0%	12.1%	9.3%	4.1%	0.1%	0.0%
Icecream	0.6%	9.7%	4.6%	7.5%	11.7%	0.1%
SEGMENT ----- MARKET	Finland	Estonia	Latvia	Lithuania	Russia	Other regions

The greatest part of the gross revenue, i.e. 53% was generated from the ice cream segment. The greatest contribution to EBITDA and operating profit came from fish and fish products segment, whereas compared to 2009 EBITDA from fish and fish products segment increased as much as 2 times and operating profit as much as 3 times.

While analyzing the key figures of business segment one should bear in mind that:

- In the 4th quarter the world-wide rapid growth of the prices of raw materials had an impact on the profitability of ice cream segment as such in all target markets. The price increase to the end customers will take place during 1st quarter of 2011 to level out the negative impact of raw material price increase; however it is expected that raw material price increase continues.
- Sales activities of ice cream and frozen goods and logistics are fully integrated and therefore also general and sales costs are divided between these product groups proportionally to their turnover. Due to the above, proportionally larger part of costs is attributed to frozen products during inter period (1st and 4th quarter), which in turn has direct impact on EBITDA and operating margins of that business segment.



- Taking into account the amount of insurance compensation received in the 2nd quarter, in the 4th quarter the non-recurring exceptional costs connected with a specific accident have in accordance with the suggestions by auditors been accounted on the account of the insurance compensation previously recorded as revenue. As a result of the referred accounting principle, the cost of goods sold of fish and fish products segment have been decreased by 15,163 thousand kroons (969 thousand euro) and operating expenses by 2,069 thousand kroons (132 thousand euro). The purpose of the amendments is to ensure fair comparability of gross profit with the previous and future periods. Due to the fact that the amendment has been implemented in the 4th quarter, the gross profit of the 4th quarter includes adjustment of the cost of goods sold in the 2nd and 3rd quarter in the amount of 8,870 thousand kroons (567 thousand euro). It has no impact on EBITDA and operating profit.

The main figures by business segments of Premia Foods for 12 months have been indicated in the following table:

						SEGMENT ANALYSIS				
	Q1	Q2	Q3	Q4	2010	Q1	Q2	Q3	Q4	2009
Sales (EEK mln)										
Ice cream	29.8	143.8	188.4	51.8	413.8	32.8	91.8	99.6	27.6	251.8
Frozen food	78.5	80.3	75.4	76.1	310.3	93.8	92.0	85.7	79.2	350.7
Fish and fish products	121.3	105.1	93.5	145.7	465.6	95.9	113.6	113.4	135.3	458.2
Other	4.8	3.8	6.1	4.9	19.6	0.6	2.2	5.9	5.5	14.2
Total	234.4	333.0	363.4	278.4	1 209.2	223.1	299.6	304.6	247.6	1 074.9
Gross profit (EEK mln)										
Ice cream	11.8	58.8	78.6	6.9	156.1	13.3	43.8	44.3	5.8	107.2
Frozen food	17.5	17.7	16.6	17.8	69.6	20.2	20.1	18.8	16.5	75.6
Fish and fish products	21.6	-2.0	10.1	31.3	61.0	21.2	22.8	21.4	26.3	91.7
Adj fish & fish products *	21.6	2.5	14.4	22.5	61.0	21.2	22.8	21.4	26.3	91.7
Gross margin										
Ice cream	40%	41%	42%	13%	38%	41%	48%	44%	21%	43%
Frozen food	22%	22%	22%	23%	22%	22%	22%	22%	21%	22%
Fish and fish products	18%	-2%	11%	22%	13%	22%	20%	19%	19%	20%
Adj fish & fish products *	18%	2%	15%	15%	13%	22%	20%	19%	19%	20%
EBITDA (EEK mln)										
Ice cream	1.1	24.9	43.7	-16.3	53.4	1.7	18.6	20.2	1.0	41.4
Frozen food	-4.4	-1.4	-0.4	-2.7	-8.9	-5.6	0.3	4.3	-3.4	-4.3
Fish and fish products	-0.5	44.0	18.5	2.6	64.6	0.6	16.4	26.3	-11.3	32.1
EBIT (EEK mln)										
Ice cream	-2.3	18.7	35.1	-22.1	29.5	-2.4	12.8	15.8	-2.7	23.6
Frozen food	-8.5	-3.6	-3.2	-6.2	-21.5	-10.6	-2.9	2.5	-7.0	-18.0
Fish and fish products	-4.7	39.9	14.2	-2.1	47.3	-3.2	12.4	22.4	-15.8	15.8

* fire accident related one-off cost has been set-off with the insurance compensation

The turnover generated from the **ice cream business segment** increased by 64% by year, whereas compared to previous year the increase the 4th quarter was 87.5%, i.e. 24.2 million kroons (1.5 million euro). As to gross profit, the company earned 48.8 million kroons (3.1 million euro) more from ice cream during 12 months and the segment's EBITDA grew by 12.0 million kroons (0.8 million euro).

The reason for this good result lies in consolidation of the sales results of Khladokombinat No. 1 in St. Petersburg but also intense activities with popular new products ("Eriti Rammus" group of products in Estonia and "Klasika" in Lithuania and Latvia) and active sales campaigns in the Baltic states.

The ice cream turnover of Khladokombinat No. 1 was as from May to December 142.0 million kroons (9.1 million euro) and gross profit 40.8 million kroons (2.6 million euro).

From the **frozen goods** the company earned gross profit comparable to 2009, i.e. 69.6 million kroons (4.5 million euro) (in 2009 4.8 million euro, i.e. 75.6 million kroons), which indicates that the fast restructuring of product portfolio started in the beginning of the year has been fully justified. Taking into account the consumers' price sensitivity, the 22% of average gross margin per year should be considered an excellent result, which has been greatly supported by the company's own trademarks "Maahärä", "Bueno!", "Natali" and "Viking".

The frozen goods generate a bit over quarter of the total turnover per year, i.e. 25.7% and have by volume reached a level comparable to 2009. Compared to the 4th quarter of 2009, all profitability ratios (gross profit and profitability, EBITDA and revenue), but also sales volumes of the frozen goods business segment have improved.



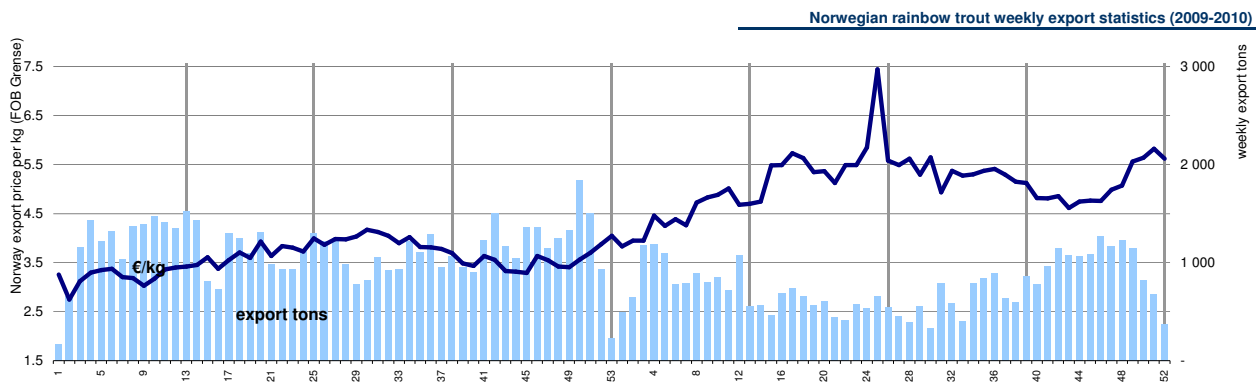
The EBITDA of **fish and fish products** this year was 2 times higher than in 2009 . Fish and fish products continue to give the greatest contribution to the turnover per year, i.e. 38.5%, whereas in the 4th quarter this business segment formed altogether 52.3% of the total turnover of the company. The year 2010 has been remarkably more complicated than usual for the fish and fish products business segment due to extraordinary circumstances (rapidly grown price of raw fish and the fire accident in Uusikaupunki). Therefore, the management considers very positive the 7.7% growth of turnover in the 4th quarter compared to the same period of 2009 and 1.6% growth of turnover achieved during this year.

The 15% gross margin achieved in the second half of the year currently still falls below the 19% level reached in the same period of 2009, which is, however, well understandable. The significantly lower gross margin results from the risen prices of raw fish but also is also related to the general costs of production. As a result of the restructuring of the production of fish products, the production units are now located in Vettel, Saaremaa, and Hämeenlinna but until the end of December, the company still bore the general costs of the previous production unit located in Uusikaupunki. Due to this, the company was by the end of 2010 unable to achieve the planned production efficiency and on the basis of the above, the 13.1% gross margin achieved as the yearly average gross margin may be considered good result. However EBITDA and operating profit reflect more fairly the performance of the fish and fish products business segment in year 2010 as they capture the insurance compensation for unearned gross profit.

The EBITDA of fish and fish products is influenced by the revaluation of live-stock, i.e. live fish. As a general rule, the late-fall slaughtering period results in decrease of prices occurred due to over-supply. The summer of 2010 being warmer than average, slowed down the additional growth of the livestock of fish breeders and oversupply arising from the latter.

Due to the fact that the company breeds mainly rainbow trout in its fish breeding facilities in Finland and Sweden (84% of the total volume bred by the company is rainbow trout), the valuation of fish stock is based on the statistics of export of Norwegian rainbow trout. The IFRS revaluation in the fish and fish products business segment resulted in the decrease of the 4th quarter EBITDA by 4.9 million kroons (0.3 million euro) but in the yearly perspective the positive impact of the revaluation was 16.0 million kroons (1.0 million euro), which is 11.1 million kroons (0.7 million euro) more than in 2009.

The following chart summarizes the export prices and volumes of the Norwegian gutted rainbow trout during last two years.



Source: www.akvafakta.no



BUSINESS SEGMENT ANALYSIS BY MARKETS

Sales (EEK million)	GEOGRAPHICAL MARKETS									
	Q1	Q2	Q3	Q4	2010	Q1	Q2	Q3	Q4	2009
Finland	109.4	102.5	73.5	125.3	410.7	78.2	97.3	97.8	116.2	389.5
Estonia	67.4	81.9	113.3	75.0	337.6	79.3	101.1	100.1	75.6	356.1
Latvia	36.2	45.2	53.6	34.9	169.9	43.4	54.0	52.5	34.5	184.4
Lithuania	20.6	48.9	55.1	20.3	144.9	18.9	46.1	52.8	18.6	136.4
Russia	0.0	54.3	66.8	22.5	143.6	0.0	0.0	0.0	0.0	0.0
Other	0.8	0.2	1.1	0.4	2.5	3.3	1.1	1.4	2.7	8.5

In the 4th quarter the greatest part, i.e. 45% of the turnover was generated in the **Finnish market** as a result of which the company earned 9.1 million kroons (0.6 million euro) additional turnover compared to the same period last year. During 12 months the Finnish market generated turnover of 410.7 million kroons (26.2 million euro), which is 21.1 million kroons (1.4 million euro) more than in 2009. The increase of turnover was mainly generated from launching new products with high additional value and active participation in the Christmas campaigns, but also from successful efforts in the HoReCa-sector. Premia Food's brand "Heimon Gourmet" continues on the strong second position in the Finnish retail market of chilled and packed fish products with 25% market share.

In the **Estonian market** in the 4th quarter approximately same turnover result as in the 4th quarter of 2009 was achieved. In the yearly perspective, Estonia is continuously the second important target market for Premia Foods and the achieved turnover of 337.6 million kroons (21.5 million euro) grants reason for satisfaction. The company continues as the market leader in Estonia, holding 40% monetary market share. The most successful new product of 2010- cone ice cream "Eriti Rammus"- achieved non-competitive leader position and by the year end 2 million pieces were sold by the company, which gave close to 6% value share for this product. The company continues among leaders also in the frozen goods market, whereas leading brands are "Maahärä" and "Viking".

Positive signals have also been seen in **Latvia** as the turnovers of the 3rd and 4th quarter exceeded the relevant periods of 2009. The turnover of 169.9 million kroons (10.9 million euro) in 2010 places Latvia to the third position of Premia Foods' target markets. In 2010, Latvian economy was in difficult position and the efforts made there for maintaining its position have been successful. Premia Foods continues to hold the second position in the Latvian ice cream market with its 14% monetary market share and is among leaders also in the frozen goods market.

The **Lithuanian market** has exceeded the 2009 turnover results in each quarter of 2009. The yearly growth of turnover by 6.3%, i.e. by 8.5 million kroons (0.5 million euro) compared to the previous period is the result of designated work. In the Baltics, Lithuanian market is the most complicated one by its structure, but the year 2010 proved the previous choices in respect of human resources and product development to be fully justified. Premia Foods achieved the leader position in the Lithuanian market with 21% monetary market share, whereas the most popular group of products was the group of cream ice cream "Klasika", which taking into account the high price sensitivity of the Lithuanian market and great volume of cheap private label products, is a remarkable achievement.

As at today, the product portfolio of Khladokombinat No. 1 in **St. Petersburg** comprises almost 100% of ice cream and the main goal for 2010 after the acquisition of the necessary equipment in May was to focus on the restructuring of the existing portfolio during which the production of ineffective products was terminated and the company concentrated on the development of the main brands. The brands of Khladokombinat No. 1 „Sakharnaja trubochka“, „Etalon“ and „Baltiiskoje“ are well-known and loved, whereas each resident of St. Petersburg eats at least one ice cream „Sakharnaja trubochka“ as produced by Khladokombinat No. 1 per year, as annually more than 5 million pieces of that ice cream is produced. The Russian activities are consolidated into the total turnover of Premia Foods as of May 2010 and the company has achieved 144.0 million kroons (9.2 million euro) turnover, which means 22%-25% market share and strong second position in the St. Petersburg market and has complied with the management's expectations for this year.

FINANCIAL POSITION

The consolidated balance sheet total of Premia Foods was as at 31.12.2010 1.1 billion kroons (68.7 million euro) in the end of the year 2009, the balance sheet total of Premia Foods was 983.1 million kroons (62.8 million euro). During 12 months, the balance sheet total grew by 9.3%.

While analyzing the balance sheet total, the following should be borne in mind:

- In May 2010, the initial public offer of the shares of Premia Foods and subsequent listing of the shares on the NASDAQ OMX Tallinn Stock Exchange;



- In August 2010, the restructuring of loan portfolio;
- Acquisition of subsidiaries OOO Khladokombinat No. 1 and OOO Khladomagija in Russia;
- The restructuring done due to the fire accident in fish production facility;
- Seasonal nature of ice cream and fish business segment.

One of the goals of Premia Foods in 2010 was to improve the financial situation of the company, which was well-achieved due to the successful IPO and the following restructuring of loan portfolio.

The level of financial risk is assessed by the financial leverage ratio and net debt EBITDA ratio.

The volume of financial leverage, i.e. net debt decreased from 40% to 21%. Average loan interest decreased by 280 basic points as a result of the restructuring and the volume of short-term liabilities in the total capitalization of the company came from 46% down to 20%. If as at 31.12.10 the net debt EBITDA ratio was 1.6, then year ago the respective figure was 3.0. Adding the 60% volume of equity in the balance sheet total, without hesitation it may be concluded that the company's financial position as at today reflects low financial risk.

As at the balance sheet date of the year end, the net working capital of the company was 201.1 million kroons (12.9 million euro), having grown by 149.5 million kroons (9.6 million euro) during 12 months. The improvement of short-term solvency is reflected also in the materially improved liquidity margin, which as at 31.12.2010 was 1.89 (31.12.2009: 1.15).

BALANCE SHEET ANALYSIS

The company's current assets grew 11%, i.e. 42.4 million kroons (2.7 million euro) per year reaching 428.0 million kroons (27.4 million euro). The proportion of Russia in the current assets was as at 31.12.10 41.2 million kroons (2.6 million euro).

The balance of cash and bank accounts was 11.3 million kroons (0.7 million euro). As at 31.12.10 the company has undrawn overdraft facility limit in the amount of 42.2 million kroons (2.7 million euro).

Accounts receivables and prepayments increased compared to the year end of 2009 by 13.6%, i.e. 18.2 million kroons (1.2 million euro), reaching up to 152.3 million kroons (9.7 million euro). 90% of the accounts receivables and prepayments were trade receivables. The proportion of Russia in the accounts receivables and prepayments was 17.7 million kroons (1.1 million euro). The increase of the receivables has in addition to the including Russian business activities been influenced by the successful Christmas sale of fish and fish products in the Finnish market.

62% of the current assets was stock, half of which in turn was livestock of fish. The stock increased compared to 31.12.2009 by 28.8%, i.e. 59.1 million kroons (3.8 million euro) being 264.2 million kroons (16.9 million euro). The proportion of 33.4 million kroons (2.1 million euro) of the stock increase came from the growth of livestock of fish, i.e. biological stock. The increase of stock balance of OOO Khladokombinat No. 1 acquired during the financial year was as at 31.12.2010 22.4 million kroons (1.4 million euro).

The accounts receivables and prepayments increased compared to the year end of 2009 by 10.5%, i.e. 13.8 million kroons (0.9 million euro) raising up to 145.5 million kroons (9.3 million euro).

The accounts payable decreased by 22.3%, i.e. 122.3 million kroons (7.8 million euro) down to 426.7 million kroons (27.3 million euro). Therefrom 186.7 million kroons (11.9 million euro) are short-term and long-term loans, having decreased by 40%, i.e. 122.6 million kroons (7.8 million) euro during 12 months.

The equity of Premia Foods was as at 31.12.2010 647.6 million kroons (41.4 million euro) having increased by 49.2%, i.e. 213.5 million kroons (13.6 million euro).

INVESTMENTS

Capital expenditures into Premia Foods' tangible and intangible assets formed 29.7 million kroons (1.9 million euro) during the accounting period. The investments included extraordinary investments related to the fire accident of the fish production unit and relocation of production activities in the amount of 10.2 million kroons (0.7 million euro). The investments made during the accounting period have been granted target financing from the EU structure funds in the amount of 2.2 million kroons (0.1 million euro). The greatest part of the investments of 2010 was related to the construction of waste water cleaning facilities in the fish breeding facilities in Finland and Sweden. The total volume of investments was 9.7 million kroons (0.6 million euro) of which 1.2 million kroons (0.1 million euro) is the financing from the EU structure



funds. As from now after the restructuring of the production process, it is possible for the company to gut the fish right at the fish breeding facilities and therefore ensure higher quality of raw fish and more cost-effective supply chain.

The volume of financial investments during the period at hand has reached 54.3 million kroons (3.5 million euro) of which 46.5 million kroons (3.0 million euro) was positive goodwill gained from the acquisition of 100% shareholding in OOO Khladokombinat No. 1. The total amount of additional equity gained with the acquisition of Russian subsidiaries was 25.3 million kroons (1.6 million euro).

PERSONNEL

As at 31 December 2010, Premia Foods hired 797 people, whereas OOO Khladokombinat 234 people. As at 31 December 2009, the group employed 581 people. Comparable number of employees, excluding Russia, decreased by 3.1%, i.e. 18 people per year.

	31.12.09	31.03.10	30.06.10	30.09.10	31.12.10	31.12.08	31.03.09	30.06.09	30.09.09	31.12.09
No of employees	581	615	993	876	797	647	641	658	653	581

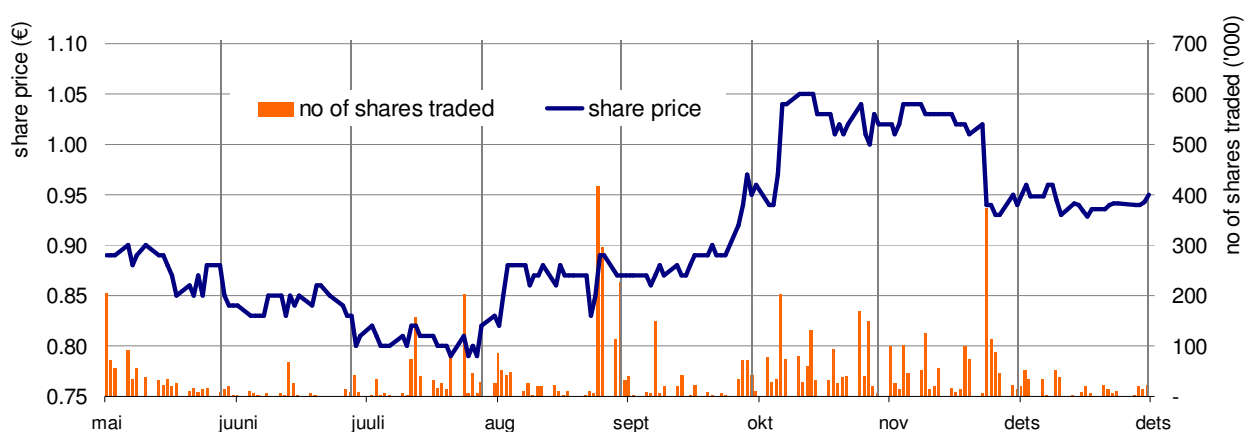
The average number of employees was in 2010 813 (2009 636). The total amount of employees' remuneration was in 2010 176.1 million kroons (11.26 million euro). In 2009, the total amount of employees' remuneration was 155.9 million kroons (9.96 million euro). In 2010, the average labour cost per capita was 216.7 thousand kroons (14.6 thousand euro), having decreased by 11.6% per year.

SHARES

Premia Foods is listed in the main list of NASDAQ OMX Tallinn Stock Exchange as from 5 May 2010, the company has issued 38.7 million ordinary shares with the nominal value of 10 kroons each.

ISIN	EE3100101031
Symbol of share	PRF1T
Market	BALTIC MAIN LIST
Nominal value	10,00 EEK
Issued shares	38,682,860
Listed shares	38,682,860
Listing date	05.05.2010

The dynamics of the price of share of Premia Foods AS (EEK) and the volume of transactions (no of shares traded) during the period from 5 May 2010 up to 31 December 2010.



1 EUR = 15,6466 EEK



Shareholder structure

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

ING Luxembourg S.A. -----	62.34%
OÜ Rododendron -----	3.36%
Firebird Republics Fund Ltd. -----	3.09%
Ambient Sound Investments OÜ -----	2.59%
LHV Pensionifond L-----	2.58%
Skandinaviska Enskilda Banken Ab Clients -----	1.98%
Firebird Aurora Fund, Ltd. -----	1.68%
OÜ Footsteps Management -----	1.26%
LHV Pensionifond XL -----	1.00%
AS LHV Pank (Nominee account) -----	1.00%
OÜ Freespirit -----	1.00%
Skandinaviska Enskilda Banken Finnish Clients ----	0.97%

MANAGEMENT AND MANAGING BODIES

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

Pursuant to law, supervisory board of public limited company is a surveillance body that is responsible for planning the activities of the company, organizing management thereof and supervising the activities of management board. In accordance with the Articles of Association of AS Premia Foods, there are three to six members of the supervisory board elected by the general meeting of shareholders for the term of 5 years.

As at today, the supervisory board of AS Premia Foods comprises of Mr. Lauri Kustaa Äimä (as from incorporation), Mr. Indrek Kasela (as from incorporation), Mr. Erik Haavamäe (as from incorporation), Mr. Aavo Kokk (elected on 5 May 2009), Mr. Harvey Sawikin (elected on 5 May 2009) and Mr. Jaakko Karo (elected on 17 August 2009).

Management board is the representative body of public limited company being responsible for everyday management of the company. According to the Articles of Association of AS Premia Foods, the management board comprises of one to four members elected for the term of 3 years.

As at today, the everyday business activities of AS Premia Foods are carried out by the members of management board Mr. Kuldar Leis (as from incorporation), Ms. Katre Kõvask (elected on 9 June 2009) ja Hr. Silver Kaur (elected on 9 June 2009). The meeting of supervisory board held on 9 June 2009 appointed Mr. Kuldar Leis as the chairman of management board.

As at 31.12.2010, the members of management and supervisory board and persons/companies related to them hold the shares in the company as indicated below:

Shareholder	31.12.2010	%
	No of shares	
Chairman of the management board – Kuldar Leis	1 302 166	3,37%
Member of the management board – Katre Kõvask	489 828	1,27%
Member of the management board – Silver Kaur	387 522	1,00%
Chairman of the supervisory board – Indrek Kasela	23 073	0,06%
Member of the supervisory board – Lauri Kustaa Äimä	55 000	0,14%
Member of the supervisory board – Vesa Jaakko Karo	90 000	0,23%
Member of the supervisory board – Erik Haavamäe	180 242	0,47%
Member of the supervisory board – Harvey Sawikin	no shares	
Member of the supervisory board – Aavo Kokk	no shares	
Total number of shares belonging to supervisory and management board	2 359 758	6,10%

Kuldar Leis (born 1968) graduated from the University of Tartu in 1993, specializing in credit and finance. He also holds a diploma in dairy technology.. Kuldar Leis has been the chairman of the management board of the company since its foundation and of AS Premia Tallinna Külmoone since 2006. In addition, he serves as a member of the management board



of AB "Premia KPC", SIA "F.F.L.S" and OU TCS Invest, and as a member of supervisory board of Saaremere Kala AS, Vettel OU 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 Külkhoone 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 Külkhoone 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 Külkhoone, Saaremere Kala AS, Vettel OÜ and OÜ TCS Invest. He serves as supervisory board member of AS Toode, AS PKL, ELKE Grupi AS, EPhaG AS, Salva Kindlustuse AS, Ridge Capital AS and a management board member of OÜ X-pression, AS Fine, Wood and Company OÜ, Lindermann, Birnbaum & Kasela OÜ and Managetrad OÜ, as well as board member of several companies domiciled in Baltics and Russian Federation.

Lauri Kustaa Äimä (born 1971) holds a masters 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 Külkhoone 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 a member of supervisory board of several group entities, such as AS Premia Tallinna Külkhoone, Saaremere Kala AS, Vettel OÜ, AS "Premia FFL" and OÜ TCS Invest. He is a member of the supervisory board of AS Toode and a member of the management board of AS EPhaG, AB Premia KPC- and OÜ Kamakamaka. Currently he is also acting as the CFO of Premia Foods.

Aavo Kokk (born 1964) graduated from Tartu University in 1990, having specialized in journalism, and Stockholm University in 1992, having specialized in banking and finance and has been a member of the supervisory board of the company since May 2009. Mr Aavo Kokk is currently the manager and partner of the investment company Catella Corporate Finance (Estonia) and the member of the supervisory board of AS Audentes and a member of the Management Board OÜ Synd&Katts.

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

Vesa Jaakko Karo (born 1962) graduated from the Helsinki School of Economics in 1986 with M.Sc. (Econ) in finance and international marketing and received a licentiate (Econ) degree in 1996. He has been a member of the Supervisory Board of the Company since August 2009. Currently he is the partner of Cumulant Capital Fund Management, being the fund manager of Cumulant Capital Northern Europe Fund.

Additional information on and photos of the members of management and supervisory board may be obtained from the web-page of the company www.premiafoods.eu under investor relations subsection.



Interim Accounting Report

Consolidated Financial Situation Report

	EEK '000		EUR '000		Note
	31.12.10	31.12.09	31.12.10	31.12.09	
ASSETS					
Cash and cash equivalents	11 298	19 618	722	1 254	
Receivables and prepayments	152 310	134 070	9 734	8 569	
Inventories	264 242	205 164	16 888	13 112	
Fixed assets held for sale	156	26 721	10	1 708	
Total current assets	428 006	385 573	27 354	24 643	
Deferred income tax	7 393	5 541	472	354	
Long-term financial investments	1 453	1 507	93	96	2
Investments property	32 600	32 600	2 084	2 084	
Tangible fixed assets	236 069	241 980	15 088	15 465	3
Intangible assets	368 762	315 850	23 568	20 186	4
Total non-current assets	646 277	597 478	41 305	38 185	
TOTAL ASSETS	1 074 283	983 051	68 659	62 828	
EQUITY AND LIABILITIES					
Loans and borrowings	38 248	159 556	2 444	10 198	5,6
Factoring payable	43 206	42 754	2 761	2 732	
Payables	145 497	131 686	9 299	8 416	
Total current liabilities	226 951	333 996	14 504	21 346	
Loans and borrowings	148 419	149 731	9 486	9 569	5,6
Long-term payable to shareholders	0	17 226	0	1 101	
Deferred tax liabilities	25 035	21 900	1 600	1 400	
Target financing	26 272	26 085	1 679	1 667	7
Total non-current liabilities	199 726	214 942	12 765	13 737	
TOTAL LIABILITIES	426 677	548 938	27 269	35 083	
Share capital	386 829	24 183	24 723	1 546	8
Share premium	227 085	398 688	14 513	25 481	
Treasury shares	-472	-3 986	-30	-255	
Currency translation reserve	5 440	1 415	348	90	
Retained earnings	28 724	10 003	1 836	639	
Equity attributable to parent	647 606	430 303	41 390	27 501	
Non-controlling interest	0	3 810	0	244	
TOTAL EQUITY	647 606	434 113	41 390	27 745	
TOTAL EQUITY AND LIABILITIES	1 074 283	983 051	68 659	62 828	



Consolidated Comprehensive Income Report

	EEK '000				EUR '000				Note
	Q4 2010	Q4 2009	12m 2010	12m 2009	Q4 2010	Q4 2009	12m 2010	12m 2009	
Sales	278 432	247 695	1 209 245	1 074 973	17 795	15 831	77 285	68 703	9
Cost of goods sold	-220 888	-188 047	-916 917	-796 739	-14 117	-12 018	-58 602	-50 921	9
Gross profit	57 544	59 648	292 328	278 234	3 678	3 812	18 683	17 782	
Operating expenses	-73 765	-63 027	-299 144	-274 591	-4 715	-4 028	-19 119	-17 550	
Selling and distribution exp	-51 106	-48 885	-236 943	-212 736	-3 266	-3 124	-15 143	-13 596	
Administrative expenses	-22 659	-14 142	-62 201	-61 855	-1 448	-904	-3 975	-3 953	
Other income/expenses	-9 825	-1 817	38 984	30 867	-628	-116	2 492	1 973	
Fair value adjustment on biological assets	-4 860	-25 875	15 996	4 862	-311	-1 654	1 022	311	
Operating profit	-30 906	-31 071	48 163	39 372	-1 975	-1 986	3 078	2 516	
Financial income	-3 711	314	1 500	920	-237	20	96	59	
Financial expenses	-2 180	-9 396	-23 060	-30 124	-139	-601	-1 474	-1 925	
Profit (loss) before tax	-36 797	-40 153	26 603	10 168	-2 352	-2 566	1 700	650	
Deferred income tax	478	7 540	-6 146	641	31	482	-393	41	
Net profit (loss)	-36 319	-32 613	20 457	10 809	-2 321	-2 084	1 307	691	
Other comprehensive income (-loss)									
Foreign currency translation differences	-709	-8 331	4 025	1 415	-46	-532	257	90	
Other comprehensive income	-709	-8 331	4 025	1 415	-46	-532	257	90	
Total comprehensive income	-37 028	-40 944	24 482	12 224	-2 367	-2 617	1 565	781	
Net profit (loss) for the period attributable to:									
- Owners of the Company	-36 319	-32 951	20 235	10 003	-2 321	-2 106	1 293	639	
- Non-controlling interest	0	338	222	806	0	22	14	52	
Total comprehensive income for the period	-36 319	-32 613	20 457	10 809	-2 321	-2 084	1 307	691	
Total comprehensive income (loss) attributable to:									
- Owners of the Company	-37 028	-41 120	24 260	11 418	-2 367	-2 626	1 551	730	
- Non-controlling interest	0	176	222	806	0	11	14	52	
Total comprehensive income for the period	-37 028	-40 944	24 482	12 224	-2 367	-2 615	1 565	781	
Earnings per share (kr / €)	-0.94	-13.72	0.77	8.19	-0.06	-0.88	0.05	0.52	8
Diluted earnings per share (kr/€)	-0.94	-13.72	0.77	8.19	-0.06	-0.88	0.05	0.52	8



Consolidated Cash Flow Report

	EEK '000		EUR '000	
	2010	2009	2010	2009
CASH FLOW FROM OPERATIONS				
Net profit (loss) for the period	20 457	10 809	1 307	691
Adjustments:				
Depreciation	62 868	57 675	4 018	3 686
Profit/loss from sale and write off of fixed assets	-973	911	-62	58
Profit from fair value adjustments of investment property	0	-29 940	0	-1 913
Negative goodwill of acquiring subsidiary undertaking	-332	0	-21	0
Loss on sale of treasury shares	1 514	0	97	0
Change in receivables related to operating activities	12 694	12 634	811	807
Change in inventories and fixed assets held for sale	-18 092	2 189	-1 156	140
Change in liabilities and prepayments related to operating activities	-42 742	-22 086	-2 732	-1 412
Corporate income tax paid	-1 737	985	-111	63
Change in currency exchange rates	479	3 429	30	220
Total cash flow from operations	34 137	36 606	2 181	2 340
CASH FLOW FROM INVESTMENTS				
Sale of tangible and intangible fixed assets	1 677	954	107	61
Purchase of tangible and intangible fixed assets	-29 727	-10 632	-1 900	-680
Sale and purchase of other financial investments	260	0	17	0
Net cash flow from acquisition of subsidiaries	-46 751	-35	-2 988	-2
Acquisition of non-controlling interest in a subsidiary	-7 476	0	-478	0
Acquisition of associated company	-206	0	-13	0
Loans granted	92	-4 011	6	-256
Repayments of loans granted	280	6 852	18	438
Interests received	142	1 869	9	119
Profit from long-term investments	22	39	1	3
Total cash flow from investments	-81 687	-4 964	-5 221	-317
CASH FLOW FROM FINANCING				
Change in overdraft	-35 800	423	-2 288	27
Repayments of loans	-222 822	-108 931	-14 241	-6 962
Loans raised	131 932	103 813	8 432	6 635
Change in factored receivables	452	11 825	29	756
Target financing received	5 575	1 486	356	95
Capital lease repayments	-13 575	-14 304	-868	-914
Issue of shares	191 043	0	12 210	0
Interests paid	-14 917	-20 926	-953	-1 337
Other financial expenses	-2 499	-1 946	-160	-125
Total cash flow from financing	39 389	-28 560	2 517	-1 825
Total cash flow	-8 161	3 082	-523	198
Cash and cash equivalents at beginning of year	19 618	19 693	1 254	1 259
Change in cash and cash equivalents	-8 161	3 082	-523	198
Gain/loss on conversion of foreign currencies	-159	-3 157	-9	-203
Cash and cash equivalents at the end of the year	11 298	19 618	722	1 254



Consolidated Statement of Changes in Equity

EEK '000	Equity attributable to the owners of the Company							Non-controlling interest	TOTAL EQUITY
	Share capital	Share premium	Unreg-d share capital	Own shares	Translation reserve	Retained earnings	Total		
Balance as of 31.12.2008	400	398 723	23 783	0	0	0	422 906	3 004	425 910
Increase of share capital	23 783	0	-23 783	0	0	0	0	0	0
Reduction of issue premium	0	-35	0	0	0	0	-35	0	-35
Treasury shares	0	0	0	-3 986	0	0	-3 986	0	-3 986
Comprehensive income	0	0	0	0	1 415	10 003	11 418	806	12 224
Balance as of 31.12.2009	24 183	398 688	0	-3 986	1 415	10 003	430 303	3 810	434 113
Balance as of 31.12.2009	24 183	398 688	0	-3 986	1 415	10 003	430 303	3 810	434 113
Bonus issue	217 646	-217 646	0	0	0	0	0	0	0
Issue of shares	145 000	46 043	0	0	0	0	191 043	0	191 043
Change in non-controlling interest	0	0	0	0	0	0	0	-4 032	-4 032
Sale of treasury shares	0	0	0	2 000	0	0	2 000	0	2 000
Loss on sale of treasury shares	0	0	0	1 514	0	-1 514	0	0	0
Comprehensive income	0	0	0	0	4 025	20 235	24 260	222	24 482
Balance at 31.12.2010	386 829	227 085	0	-472	5 440	28 724	647 607	0	647 607

EUR '000	Equity attributable to the owners of the Company							Non-controlling interest	TOTAL EQUITY
	Share capital	Share premium	Unreg-d share capital	Own shares	Translation reserve	Retained earnings	Total		
Balance as of 31.12.2008	26	25 483	1 520	0	0	0	27 029	192	27 221
Increase of share capital	1 520	0	-1 520	0	0	0	0	0	0
Reduction of issue premium	0	-2	0	0	0	0	-2	0	-2
Treasury shares	0	0	0	-255	0	0	-255	0	-255
Comprehensive income	0	0	0	0	90	639	729	52	781
Balance as of 31.12.2009	1 546	25 481	0	-255	90	639	27 501	244	27 745
Balance as of 31.12.2009	1 546	25 481	0	-255	90	639	27 501	244	27 745
Bonus issue	13 910	-13 910	0	0	0	0	0	0	0
Issue of shares	9 267	2 942	0	0	0	0	12 210	0	12 210
Change in non-controlling interest	0	0	0	0	0	0	0	-258	-258
Sale of treasury shares	0	0	0	128	0	0	128	0	128
Loss on sale of treasury shares	0	0	0	97	0	-97	0	0	0
Comprehensive income	0	0	0	0	258	1 293	1 551	14	1 565
Balance at 31.12.2010	24 723	14 513	0	-30	348	1 836	41 390	0	41 390



Notes to the Interim Report

Note 1 Summary of Material Accounting Principles

AS Premia Foods is a company registered in Estonia. The interim report as at 31.12.2010 contains AS Premia Foods (hereinafter the Parent Company) and its subsidiaries Saaremere Kala AS in Estonia and AB Premia KPC in Lithuania and companies belonging into the group – OÜ Vettel, OÜ GourmetHouse, AS Premia Tallinna Külkhoone, OÜ TCS Invest in Estonia and Heimon Kala OY in Finland and Överumans Fisk Ab, Skärgårdshavets Fisk Ab in Sweden and SIA F.F.L.S., AS Premia FFL in Latvia and OOO Khladokombinat No 1 and OOO Khladomagija in Russia (hereinafter also the Group). The Group has a holding in a related 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 2009 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 31.12.2009 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 2009, which is in compliance with international finance reporting standards (IFRS).

The management board approved the publication of this condensed unaudited consolidated interim report on 22 February 2011.

In the opinion of the management, this interim report for 4th quarter and 12 months 2010 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 the Estonian kroon. The consolidated interim report is presented in thousands of Estonian kroons and all numerical indicators have been rounded to thousand, if not indicated otherwise. According to the requirements of the rules and regulations of the NASDAQ OMX Tallinn Stock Exchange, the interim report is also presented in euro in addition to Estonian kroons. As Estonian kroon was until the adoption of euro in 1 January 2011 pegged to the euro at a rate of EUR 1 = EEK 15.6466 such a way of presentation does not cause differences arising from the differences in exchange rates. In the report, thousand Estonian kroons is indicated as an abbreviation EEK'000 and thousand euro as 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 2009 were used to prepare this condensed consolidated interim report, except for the assessments on accounting the intra-Group loans.

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.



On 1 January 2010, IAS 27 Consolidated and Separate Financial Statements became compulsory for the Group. In the changed standard the term of “minority holding” has been replaced with a term “non-controlling interest”.

Note 2 Long-term Financial Investments

	EEK '000			EUR '000		
	Investments in associate	Other long-term investments	Total	Investment in associate	Other long-term investments	Total
Balance at 31.12.2009	0	1 507	1 507	0	96	96
Acquired	206	66	272	13	5	18
Sold	0	-63	-63	0	-4	-4
Repayments of loans granted	0	-263	-263	0	-17	-17
Balance at 31.12.2010	206	1 247	1 453	13	80	93

Other long-term investments include the investments by Saaremere Kala AS into shares and holdings, which are not listed on the stock exchange and a claim from loan granted to Selkämeren Jää Oy. During the accounting period 22 thousand kroons (1.4 thousand euro) was earned as share dividend and interest revenue and respective numbers for the previous accounting period were 39 thousand kroons (2.5 thousand euro).

On 8 April 2010, AS Premia Foods acquired a 20% holding in Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology (CCFFT)). CCFFT AS (previously CCFFT MTÜ) is the partner of AS Premia Foods in developing new technologies and products.

Note 3 Property Investments and Tangible Fixed Assets

	EEK '000			EUR '000		
	Property investments	Tangible fixed assets	Total	Property investments	Tangible fixed assets	Total
Balance at 31.12.2009	32 600	241 980	274 580	2 084	15 465	17 549
Unrealised currency effect	0	-1 649	-1 649	0	-105	-105
Additions from the acquisition of company	0	25 132	25 132	0	1 606	1 606
Acquired during the period	0	29 029	29 029	0	1 855	1 855
Re classified to current assets	0	-11	-11	0	0	0
Depreciation	0	-52 225	-52 225	0	-3 338	-3 338
Assets sold and written off	0	-6 187	-6 187	0	-395	-395
Balance at 31.12.2010	32 600	236 069	268 669	2 084	15 088	17 172

Additional information about assets acquired under finance lease has been presented in Note 5.



Note 4 Intangible Assets

	EEK '000						Total
	Goodwill	Client contracts	Trade-marks and patents	Immaterial rights	Software licenses	Pre-payments	
Balance as of 31.12.2009	265 530	20 034	14 310	10 456	4 220	1 300	315 850
Unrealised currency effect	0	-34	-7	0	-1	0	-42
Accrued from companies	0	0	191	0	0	0	191
Acquired during the period	46 494	0	11	0	1 155	256	47 916
Re-classified from fixed assets to be sold	0	0	15 851	0	0	0	15 851
Depreciation	0	-7 200	-1 370	-642	-1 431	0	-10 643
Assets sold and written off	0	0	0	0	-28	-333	-361
Balance as of 31.12.2010	312 024	12 800	28 986	9 814	3 915	1 223	368 762

	EUR '000						Total
	Goodwill	Client contracts	Trade-marks and patents	Immaterial rights	Software licenses	Pre-payments	
Balance as of 31.12.2009	16 970	1 280	915	668	270	83	20 186
Unrealised currency effect	0	-2	-1	0	0	0	-3
Accrued from companies	0	0	12	0	0	0	12
Acquired during the period	2 972	0	1	0	74	16	3 063
Re-classified from fixed assets to be sold	0	0	1 013	0	0	0	1 013
Depreciation	0	-460	-88	-41	-91	0	-680
Assets sold and written off	0	0	0	0	-2	-21	-23
Balance as of 31.12.2010	19 942	818	1 852	627	251	78	23 568

Additional information about accrued goodwill has been presented in Note 10.



Note 5 Financial Lease

1 January - 31 December	EEK '000				EUR '000			
	Machinery, equipment	Means of transport	Other fixed assets	Total	Machinery, equipment	Means of transport	Other fixed assets	Total
<i>Fixed assets acquired under finance lease</i>								
Acquisition cost as of 31.12.10	11 945	47 526	3 381	62 852	763	3 037	216	4 016
Accumulated depreciation as of 31.12.10	-5 614	-26 913	-2 180	-34 707	-359	-1 720	-139	-2 218
Residual value as of 31.12.10	6 331	20 613	1 201	28 145	404	1 317	77	1 798
Payable under finance lease as of 31.12.10								
incl. payable within 1 year	2 109	7 757	920	10 786	135	496	59	690
incl. payable within 1-5 years	1 222	4 182	136	5 540	78	267	9	354
Principal payments of the period	2 608	9 205	1 762	13 575	167	588	113	868
Interest expenses of the period	144	293	47	484	9	19	3	31
Average interest rate	4.3%	2.5%	4.0%	3.0%	4.3%	2.5%	4.0%	3.0%

1 January - 31 December	EEK '000				EUR '000			
	Machinery, equipment	Means of transport	Other fixed assets	Total	Machinery, equipment	Means of transport	Other fixed assets	Total
<i>Fixed assets acquired under finance lease</i>								
Acquisition cost as of 31.12.09	13 157	51 347	1 193	65 697	841	3 282	76	4 199
Accumulated depreciation as of 31.12.09	-4 405	-23 813	-364	-28 582	-282	-1 522	-23	-1 827
Residual value as of 31.12.09	8 752	27 534	829	37 115	559	1 760	53	2 372
Payable under finance lease as of 31.12.09								
incl. payable within 1 year	2 775	7 792	1 400	11 967	177	498	89	764
incl. payable within 1-5 years	3 480	11 508	140	15 128	222	735	9	966
Principal payments of the period	3 478	10 023	803	14 304	222	641	51	914
Interest expenses of the period	330	730	169	1 229	21	47	11	79
Average interest rate	5.5%	2.9%	5.6%	3.6%	5.5%	2.9%	5.6%	3.6%



Note 6 Debt Obligations

	EEK '000		EUR '000	
	31.12.10	31.12.09	31.12.10	31.12.09
Short Term Debt Obligations				
Finance lease liabilities	10 786	11 967	689	765
Overdraft	0	35 800	0	2 288
Pension insurance loans	0	4 694	0	299
Investment loans	27 462	53 942	1 755	3 448
Working capital loan	0	2 184	0	140
Related party loans	0	50 969	0	3 258
Total	38 248	159 556	2 444	10 198

	EEK '000		EUR '000	
	31.12.10	31.12.09	31.12.10	31.12.09
Long Term Debt Obligations				
Finance lease liabilities	5 540	15 128	354	967
Pension insurance loans	0	15 256	0	975
Investment loans	142 879	119 347	9 132	7 628
Related party loans	0	17 226	0	1 100
Total	148 419	166 957	9 486	10 670
incl. payable within 1-5 years	148 419	164 095	9 486	10 488
incl. payable after 5 years	0	2 862	0	183

Loan residuals as of 31.12.2010 are presented on the next page with additional information about the interest rates, payment terms and the collateral established for securing the loans. Loan residuals as of 31 December 2009 are presented in the audited consolidated annual report of 2009.

Effective interest rates are very close to nominal interest rates.



Borrower	Creditor	Amount	Interest rate	Maturity date	Loan residual 31.12.2010	less than 1 year	1-5 years	Loan residual 31.12.2010	less than 1 year	1-5 years	Collateral
Investment loans					EEK '000			EUR '000			
AS Premia Tallinna Külmhoone	Danske Bank	4 500 tuh EUR	6m EURIBOR + 0.75%	25.10.14	51 682	6 507	45 175	3 303	416	2 887	Mortgage 80 mln EEK, pledge on subsidiary shares
AS Premia Foods	UniCredit	8 675 tuh EUR	6m EURIBOR + 2.0%	19.08.15	107 968	19 390	88 577	6 899	1 238	5 661	pledges on subsidiaries shares, mortgage 166.4 mln EEK, commercial pledge 41.5 mln EEK
AS Premia FFL	UniCredit	700 tuh EUR	6m EURIBOR + 1.9%	19.08.15	10 692	1 565	9 127	683	100	583	Mortgage 21.4 mln EEK
Total					170 342	27 462	142 879	10 885	1 754	9 131	



Note 7 Target Financing

	EEK '000		EUR '000	
	2010	2009	2010	2009
Deferred income from target financing at the beginning of period	26 085	29 481	1 667	1 884
Target financing received during the period	5 046	1 474	323	94
Change in the exchange rates	598	-96	38	-6
Transferred to income during the period	-5 457	-4 774	-349	-305
Deferred income from target financing at the end of period	26 272	26 085	1 679	1 667
incl. income within 1 year	4 982	4 001	318	256
incl. income within 1-17 years	21 290	22 085	1 361	1 411

The Swedish subsidiaries Överumans Fisk Ab and Skärgårdshavets Fisk Ab have received aid from the European Union (hereinafter EU aid), which according to Swedish rules on covering EU aid needs to be collateralized with either mortgage or commercial pledge. Subsidiaries have collateralized the EU aid with real estate mortgage in the amount of EEK 7,540 thousand (EUR 482 thousand) and with commercial pledge in the amount of EEK 2,539 thousand (EUR 162 thousand). As at 31 December 2010 the residual value of EU subsidies is EEK 5,702 thousand (EUR 364 thousand) and accordingly as of 31 December 2009 EEK 3,862 thousand (EUR 247 thousand)

In 2010 the Enterprise Estonia (EAS) financed the project of program of supporting development of know-how and skills of AS Premia Tallinna Külmoone titled „Renewal of risk analysis on HAZOP method“ in the amount of 94 thousand kroons (6 thousand euro).

The aim of the project was to bring the risk analysis up to date using the most modern method HAZOP (Hazard Analysis and Operability Studies), the result of which is in-depth risk analysis documentation, which is easy to handle and if necessary simple to supplement.

In the 4th quarter, EAS financed the project of AS Premia Tallinna Külmoone for implementing an export marketing plan in the amount of 435 thousand kroons (28 thousand euro). In addition to that, in 2010 AS Premia Tallinna Külmoone received temporary state aid in the total amount of 71 thousand kroons (5 thousand euro) while participating in the projects of the Association of Estonian Food Industry.

Note 8 Equity

At the ordinary general meeting of shareholders held on 26 March 2010, the shareholders resolved a bonus issue and increase the share capital of AS Premia Foods without making contributions to the share capital in the account of issue premium in the amount of 217,646 thousand kroons (13,910 thousand euro). As a result of increasing the share capital, the amount of share capital amounted to 241,829 thousand kroons (15,456 thousand euro).

At the end of April, initial public offering (hereinafter IPO) of the shares of AS Premia Foods was successfully completed and the shares of AS Premia Foods were listed on the NASDAQ OMX Tallinn Stock Exchange. During the IPO 14,500,000 shares of AS Premia Foods were sold to public. As a result of the public issue, AS Premia Foods received altogether 202,999,964 kroons (12,974 thousand euro), wherefrom the costs of the public offer were subtracted. The new amount of share capital of AS Premia Foods is registered to be 386,829 thousand kroons (24,723 thousand euro).

According to the prospectus of public offering, a preferential right to subscribe and acquire the offered shares was granted to the members of supervisory and management board and all the employees of the group in the amount corresponding up to 1,000 euro per person. The shares allocated under the referred preferential right were offered with 10% discount. The amount of discount for subscribing the above-referred preferential shares was in total 75 thousand kroons (5 thousand euro).

In May 2010, 142,857 company's own shares were sold in the value of 2,000 thousand kroons (128 thousand euro). Undistributed profit/accumulated loss of last periods was reduced in the amount of the disposal loss, in the total amount of 1,514 thousand kroons (98 thousand euro), which resulted from the sale of the company's own shares. Additional information on the transaction of sale of the company's own shares has been presented in note 10 of the interim report.

As at 31 December 2010 the Company had 38,682,860 shares (2009: 2,418,286) and 19,163 own shares (2009: 16,202). 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.



	EEK '000				EUR '000			
	Q4 2010	Q4 2009	12m 2010	12m 2009	Q4 2010	Q4 2009	12m 2010	12m 2009
Net profit (-loss) for the period	-36 319	-32 951	20 235	10 003	-2 321	-2 106	1 293	639
Avg no of shares (thousand)	38 664	2 402	26 380	1 221	38 664	2 402	26 380	1 221
Earnings per share (kr / €)	-0.94	-13.72	0.77	8.19	-0.06	-0.88	0.05	0.52
Diluted earnings per share (kr/€)	-0.94	-13.72	0.77	8.19	-0.06	-0.88	0.05	0.52

Note 9 Segment Reporting

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

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

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

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

“Frozen goods” – wholesale of frozen goods;

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

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

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

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

Secondary segment

Revenue of AS Premia Foods by geographical segments:

	EEK '000		EEK '000		EUR '000		EUR '000	
	Q4 2010	Q4 2009	12m 2010	12m 2009	Q4 2010	Q4 2009	12m 2010	12m 2009
Finland	125 257	116 231	410 656	389 547	8 005	7 428	26 246	24 897
Estonia	74 990	75 620	337 597	356 134	4 793	4 833	21 576	22 760
Latvia	34 892	34 468	169 892	184 401	2 230	2 203	10 858	11 785
Lithuania	20 323	18 627	144 929	136 397	1 299	1 191	9 263	8 717
Russia	22 566	0	143 666	0	1 442	0	9 182	0
Other	404	2 748	2 505	8 494	26	176	160	544
Total	278 432	247 695	1 209 245	1 074 973	17 795	15 831	77 285	68 703



Primary segment

EEK '000	Fish		Ice cream		Frozen Food		Other segments		Eliminations		Total	
	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009
External revenue	145 720	135 268	51 798	27 598	76 035	79 302	4 879	5 527	0		278 432	247 695
Inter-segment revenue	955	1 574	0	0	1	0	84	-923	-1 040	-651	0	0
Total gross revenue	146 675	136 842	51 798	27 598	76 036	79 302	4 963	4 604	-1 040	-651	278 432	247 695
Segment operating profit	-2 112	-15 821	-22 130	-2 711	-6 208	-6 961	1 968	-783			-28 482	-26 276
Unallocated operating profit											-2 424	-4 795
Total operating profit											-30 906	-31 071
Net financial items											-5 891	-9 082
Income tax											478	7 540
Net profit (-loss) for the period											-36 319	-32 613

EEK '000	Fish		Ice cream		Frozen Food		Other segments		Eliminations		Total	
	12m 2010	12m 2009	12m 2010	12m 2009	12m 2010	12m 2009	12m 2010	12m 2009	12m 2010	12m 2009	12m 2010	12m 2009
External revenue	465 599	458 215	413 751	251 797	310 261	350 739	19 634	14 222			1 209 245	1 074 973
Inter-segment revenue	3 829	2 220	0	0	128	0	324	0	-4 281	-2 220	0	0
Total gross revenue	469 428	460 435	413 751	251 797	310 389	350 739	19 958	14 222	-4 281	-2 220	1 209 245	1 074 973
Segment operating profit	47 322	15 822	29 453	23 553	-21 464	-17 952	7 965	169			63 276	21 592
Unallocated operating profit											-15 113	17 780
Total operating profit											48 163	39 372
Net financial items											-21 560	-29 204
Income tax											-6 146	641
Net profit (-loss) for the period											20 457	10 809



Primary segment

EUR '000	Fish		Ice cream		Frozen Food		Other segments		Eliminations		Total	
	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009	Q4 2010	Q4 2009
External revenue	9 313	8 645	3 310	1 764	4 860	5 068	312	353			17 795	15 831
Inter-segment revenue	61	101	0	0	0	0	5	-59	-66	-42	0	0
Total gross revenue	9 374	8 746	3 310	1 764	4 860	5 068	317	294	-66	-42	17 795	15 831
Segment operating profit	-135	-1 011	-1 414	-173	-397	-445	126	-50			-1 820	-1 679
Unallocated operating profit											-155	-307
Total operating profit											-1 975	-1 986
Net financial items											-377	-580
Income tax											31	482
Net profit (-loss) for the period											-2 321	-2 084

EUR '000	Fish		Ice cream		Frozen Food		Other segments		Eliminations		Total	
	12m 2010	12m 2009	12m 2010	12m 2009	12m 2010	12m 2009	12m 2010	12m 2009	12m 2010	12m 2009	12m 2010	12m 2009
External revenue	29 757	29 285	26 444	16 093	19 829	22 416	1 255	909			77 285	68 703
Inter-segment revenue	245	142	0	0	8	0	21	0	-274	-142	0	0
Total gross revenue	30 002	29 427	26 444	16 093	19 837	22 416	1 276	909	-274	-142	77 285	68 703
Segment operating profit	3 024	1 011	1 882	1 505	-1 372	-1 147	509	11			4 044	1 380
Unallocated operating profit											-966	1 136
Total operating profit											3 078	2 516
Net financial items											-1 378	-1 867
Income tax											-393	41
Net profit (-loss) for the period											1 307	691



Note 10 Subsidiaries

Company	Country	Share		Field of operation	Owner
		31.12.10	31.12.09		
Saaremere Kala AS	Estonia	100%	100%	Holding	Premia Foods AS
Vettel OÜ	Estonia	100%	100%	Fish processing	Saaremere Kala AS
GourmetHouse OÜ	Estonia	100%	51.4%	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
OÜ TCS Invest	Estonia	100%	100%	Holding	AS Premia Tallinna Külkhoone
AB Premia KPC	Lithuania	100%	100%	Sale of ice cream and frozen food	Premia Foods AS
Heimon Kala OY	Finland	100%	100%	Fishfarming, processing and sale of fish and fish products	Saaremere Kala AS
Överumans Fisk Ab	Sweden	100%	100%	Fishfarming and sale	Saaremere Kala AS
Skärgårdshavets Fisk Ab	Sweden	100%	100%	Fishfarming and sale	Saaremere Kala AS
SIA F.F.L.S.	Latvia	38%	100%	Holding	AS Premia Tallinna Külkhoone
AS Premia FFL	Latvia	62%	95%	Sale of ice cream and frozen food	AS Premia Tallinna Külkhoone, SIA F.F.L.S.
OOO Khladokombinat No1	Russia	100%	0%	Ice cream production, sale of ice cream and frozen food	AS Premia Tallinna Külkhoone
OOO Khladomagija	Russia	100%	0%	IP Holding	AS Premia Tallinna Külkhoone

On 26 February 2010, Saaremere Kala AS acquired 24.286% of non-controlling interest in its subsidiary OÜ GourmetHouse. Acquisition of the remaining share of 24.286% of the entire share capital was finalized on 14 May 2010, as a result of which 100% of the shares of OÜ GourmetHouse are held by the subsidiary of AS Premia Foods – Saaremere Kala AS.

For AS Premia Foods, the transactions resulted in negative goodwill in the amount of 332 thousand kroons (21 thousand euro). The total acquisition cost for the shares constituting 48.572% was 3,700 thousand kroons (236 thousand euro), of which 1,700 thousand kroons (109 thousand euro) was payable in cash and 2,000 thousand kroons (128 thousand euro) as a non-monetary contribution in a form of the company’s treasury shares. The value of the treasury shares was determined as the IPO price on the NASDAQ OMX Tallinn Stock Exchange. The ownership of the treasury shares of AS Premia Foods was transferred on 17 May 2010. Additional information concerning the transaction of transfer of own shares is presented in note 8.

During the reporting period, total of 1,100 thousand kroons (70 thousand euro) has been paid for non-controlling interest in OÜ GourmetHouse in cash. The unpaid part of 600 thousand kroons (38 thousand euro) is recorded on the balance sheet under “Payables”.

On 14.05.10 the acquisition Latvian subsidiary AS Premia FFL was finalized, where Premia Tallinna Külkhoone AS paid for 5% minority shareholding 6,376 thousand kroons (408 thousand euro). AS Premia FFL has been consolidated to the extent of 100% since its’ acquisition in 2007. The transaction constituted compliance with the buyout obligation of the shares agreed previously. Relevant liability is recorded on the balance sheet under “Payables”.

On 7 May 2010, the purchasing process of OOO Khladokombinat No. 1 and OOO Khladomagija was finalized. Both companies have been consolidated into AS Premia Foods group since May 2010.

On 8 February 2011, AS Premia Foods as the acquiring company and OÜ TCS Invest as the company being merged executed a notarised merger agreement. According to the merger agreement, the acquiring company compensates to the sole shareholder of the company being merged Premia Tallinna Külkhoone AS the sole share of the company being merged in cash in the amount of 1,040 thousand kroons (66 thousand euro).

The impact of acquisition of OOO Khladokombinat No. 1 and OOO Khladomagija in the group:

EEK '000	OOO Khladokombinat no1		OOO Khladomagija		Total
	Residual value in the balance sheet	Fair value	Residual value in the balance sheet	Fair value	
Cash	844	844	3	3	847
Receivables	33 116	33 116	31	31	33 147
Inventories	14 421	14 421	0	0	14 421
Deferred income tax assets	1 963	1 963	0	0	1 963
Tangible fixed assets	25 132	25 132	0	0	25 132
Intangible fixed assets	17	17	174	174	191
Current liabilities	30 922	30 922	204	204	31 126
Non-current liabilities	31 968	31 968	0	0	31 968
Net assets	12 604	12 604	4	4	12 608
Share acquired		100%		100%	
Net assets acquired		12 604		4	12 608
Goodwill		46 494		0	46 494
Purchase price		59 098		4	59 102
Acquired cash and bank accounts		844		3	847
Paid in money at acquiring		-47 598		0	-47 598
Net cash flow at acquiring		-46 754		3	-46 751

EUR '000	OOO Khladokombinat no1		OOO Khladomagija		Total
	Residual value in the balance sheet	Fair value	Residual value in the balance sheet	Fair value	
Cash	54	54 0	0	0	54
Receivables	2 116	2 116 0	2	2	2 118
Inventories	922	922 0	0	0	922
Deferred income tax assets	125	125 0	0	0	125
Tangible fixed assets	1 606	1 606 0	0	0	1 606
Intangible fixed assets	1	1 0	11	11	12
	0	0 0	0	0	
Current liabilities	1 976	1 976 0	13	13	1 989
Non-current liabilities	2 043	2 043 0	0	0	2 043
Net assets	805	805	0	0	805
Share acquired		100%		100%	
Net assets acquired		805		0	805
Goodwill		2 972		0	2 972
Purchase price		3 777		0	3 777
Acquired cash and bank accounts		54		0	54
Paid in money at acquiring		-3 042		0	-3 042
Net cash flow at acquiring		-2 988		0	-2 988

Purchase price of subsidiary company OOO Khladokombinat No. 1 also contains transaction costs directly connected with the acquisition, in the amount of 11,500 thousand kroons (735 thousand euro).

In the course of the interim audit conducted in respect of OOO Khladokombinat No. 1 and OOO Khladomagija, the reports of financial situation of both companies were corrected, as a result of which the goodwill indicated in the interim report of the 1st quarter 2010 was decreased on the basis of purchase analysis by the amount of 334 thousand kroons (21.3 thousand euro).



Note 11 Related Party Transactions

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

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

Related parties are:

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

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

Company	Debtor	EEK '000		EUR '000		Comments
		Receivable as of 31.12.10	Receivable as of 31.12.09	Receivable as of 31.12.10	Receivable as of 31.12.09	
Heimon Kala OY	Amber Trust S.C.A.	1 721	0	110	0	Other receivable
OÜ Vettel	Companies related to the members of management and supervisory board	4	5	0	0	Other receivable
AS Saaremere Kala		0	9	0	1	Other receivable
OÜ Gourmethouse		97	176	6	11	Other receivable
Total		1 822	190	116	12	

Company	Creditor	EEK '000		EUR '000		Comments
		Payable as of 31.12.10	Payable as of 31.12.09	Payable as of 31.12.10	Payable as of 31.12.09	
AS Premia Foods	Amber Trust S.C.A Amber Trust II S.C.A.	-	19 676	-	1 258	Loan
OÜ Vettel		-	1 838	-	117	Interest payable
OÜ Vettel		578	578	37	37	Interest payable
AS Premia Tallinna	Companies related to the members of management and supervisory board	-	31 293	-	2 000	Loan
Külmhoone		-	2 896	-	185	Interest payable
AB Premia KPC		18 776	18 776	1 200	1 200	Other payable
Premia Foods		120	206	8	13	Accounts payable
OÜ Vettel		211	12	13	1	Accounts payable
OÜ Gourmethouse		-	1 000	-	64	Loan
OÜ Gourmethouse	-	4	-	-	Interest payable	
OÜ Gourmethouse	-	10	-	-	1	Accounts payable
Total		19 685	76 289	1 258	4 876	



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

Party	Type of transaction	EEK '000				EUR '000			
		12 months 2010		12 months 2009		12 months 2010		12 months 2009	
		Purchase	Sale	Purchase	Sale	Purchase	Sale	Purchase	Sale
Amber Trust II S.C.A.	interest	4 696	0	3 523	0	300	0	225	0
Companies related to the members of management and supervisory board	services	1 989	23	2 318	162	127	1	148	10
	Total	6 685	23	5 841	162	427	1	373	10

In 2010 altogether 13,915 thousand kroons (889 thousand euro) (social tax included) was reimbursed for the members of the supervisory board and of the management board. For 12 months of 2009 the respective sums were 14,296 thousand kroons (914 thousand euro).

Note 12 Subsequent Events

Vettel OÜ submitted an application for investment support in the frames of the structural aid item 2.3 „Investments to processing and marketing project „European Fishing Fund 2007–2013“ in the amount of 2,944 thousand kroons (188 thousand euro), which was approved in October 2010 by the Agricultural Registers and Information Board. As at 31.12.2010 the volume of investments made in the frames of the referred program amounted to 2,299 thousand kroons (147 thousand euro). Respective potential receivable of structural aid in the amount of 50% of the investment has not been accounted as at the balance sheet date due to the fact that according to the rules of PRIA (the Agricultural Registers and Information Board) a claim for the aid is deemed to be arisen after approval of the investment by the acceptance committee of PRIA.

Conversion of the share capitals into euro of the Estonian entities belonging to the group

On 4 February, AB „Premia KPC“, the sole shareholder of AS Premia Tallinna Külkhoone; AS Premia Foods, the sole shareholder of Saaremere Kala AS; Saaremere Kala AS, the sole shareholder of Vettel OÜ; and Saaremere Kala AS, the sole shareholder of GourmetHouse OÜ, adopted the resolutions on converting the share capitals of the referred companies into euro.

According to the above-mentioned resolutions, the share capitals of the Estonian companies belonging to the group of companies of AS Premia Foods are as follows:

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

Upon the conversion of the share capitals, all the share capitals have been rounded up or down to the closest possible amounts.

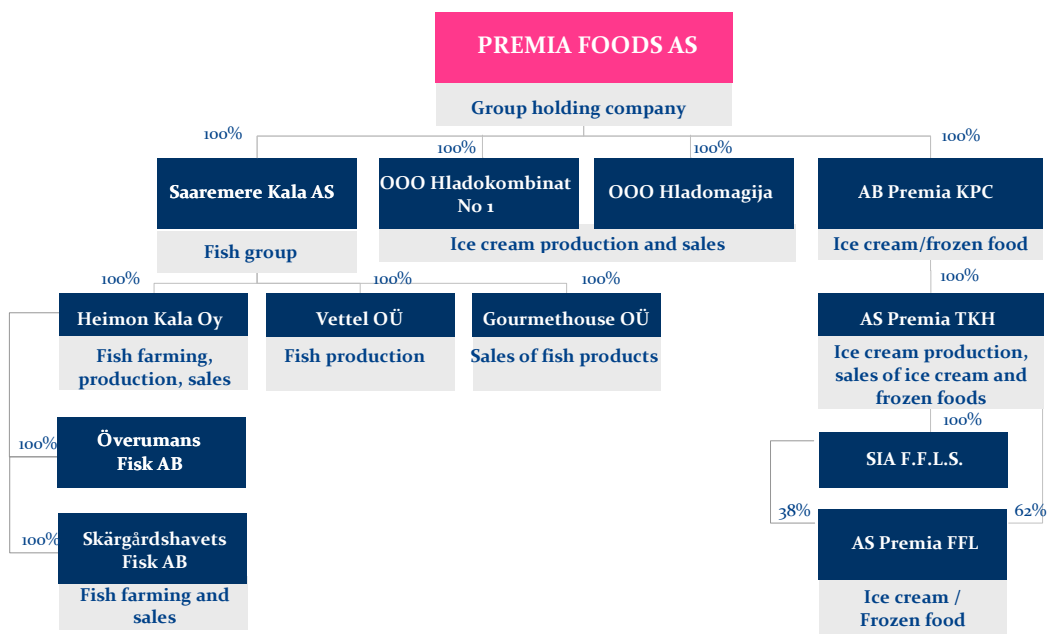
Merger of AS Premia Foods and OÜ TCS Invest

In order to simplify the existing structure of the group and make it more comprehensive AS Premia Foods as the acquiring company and OÜ TCS Invest as the company being merged executed on 10 February 2010 notarised merger agreement.

OÜ TCS Invest is a holding company, which does not carry out independent economic activity. The only assets of OÜ TCS Invest comprise of the shareholding in the ultimate subsidiaries of Premia Foods in Russia (OOO Khladokombinat No. 1 and OOO Khladomagija). In the course of the contemplated merger, the above-named assets will be transferred to Premia Foods. According to the merger agreement, the acquiring company compensates to the sole shareholder of the company being merged Premia Tallinna Külkhoone AS the sole share of the company being merged in cash in the amount of 1,040 thousand kroons (66 thousand euro). The merger agreement will be reviewed by Rimess OÜ. The balance sheet date of the merger is 1 January 2011.



After the merger the group structure will be as follows:



The merger is intra-group by its nature and in the course thereof the volume of assets, rights and obligations of the group will not be altered. Pursuant to the resolution of NASDAQ OMX Tallinna Börs AS, dated 26.01.11, AS Premia Foods was excluded from the obligation to publish a merger prospectus.

**Management board's confirmation to the consolidated interim report for the 4th quarter and 12 months of 2010**

The management board confirm the correctness and completeness of the consolidated interim report for the 4th quarter and 12 months of 2010 of AS Premia Foods and its subsidiaries (together the Group) presented in the pages 4 – 32 hereof and confirms to the best of its knowledge that:

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

Chairman of management board	Kuldar Leis	digitally signed	21 February 2011
Member of management board	Silver Kaur	digitally signed	21 February 2011
Member of management board	Katre Kõvask	digitally signed	21 February 2011