



AS PREMIA FOODS

**Consolidated Unaudited Interim Report
for 4th quarter and 12 months of 2013**



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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 2013 – 31 December 2013
Auditor:	AS PricewaterhouseCoopers



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ACTIVITIES REPORT BY 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, Aisforija, Baltiiskoje, Klasika, Maahärja, 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).



MISSION

We wish that the wide assortment of our products would bring joy to people and that people could rely on the quality of our products. We want Premia to be a benchmark of care, innovation and quality.

VISION

Premia Foods is the leading player engaged in the production and sales of frozen and chilled food products in the Baltics, Scandinavia and North-West region of Russia.

STRATEGY

- ❖ To be among three leading brands in all our business segments;
- ❖ EBITDA margin at the level of 7%;
- ❖ To distribute up to 30% of the yearly net profit as dividends.

STRENGTHS

- ❖ Objective-driven organizational development;
- ❖ Leading brands in each business segment;
- ❖ Broad geographical range and diversified product portfolio ensure sustainable development;
- ❖ Solid financial status of the company.

RISKS

- ❖ Rapid price growth of raw material and high volatility of prices;
- ❖ Significant increase of the proportion of private label products in all the target markets and the business segments;
- ❖ Risks related to livestock.



SUMMARY OF FINANCIAL RESULTS

Unaudited financial results of AS Premia Foods, 4th quarter and 12 months, 2013

The financial results of Premia Foods of 12 months of 2013 may be characterized by the fast increase of turnover, improved profitability and decreased operating costs. The turnover of 2013 reached 98.9 million euro, increasing by 14.4% within a year. The EBITDA of 12 months of 2013 was 4.9 million euro which is 1.5 times higher than during the previous year. The net profit increased in 2013 by 0.7 million euro, reaching 0.8 million euro.

4th quarter of 2013:

- ❖ The unaudited consolidated turnover increased by 32.4%, i.e. 6.4 million euro, reaching 25.9 million euro, if compared to the 4th quarter of 2012.
- ❖ The operating profit -0.7 million euro, which is by 0.1 million euro less than the result of 2012.
- ❖ The net loss 1.1 million euro, which is by 0.5 million euro less than the result of the previous year.
- ❖ The operating expense ratio, i.e. its proportion in turnover, decreased by 5.7 percentage points.
- ❖ The cash flow from operations 1.8 million euro, increase by 0.5 million euro.

The record-making increase in the turnover of the 4th quarter resulted mainly from the sale of raw fish and fish fillet with a lower added value in the Finnish market, which in turn resulted in achieving the gross profit equivalent to the previous year. The fish farming, partially recovered after the restrictions of the Swedish Board of Agriculture were released, resulted in higher stock revaluation loss during the fourth quarter due to its normal cyclical nature. On 17 December 2013, the Swedish Board of Agriculture decided to make an advance payment in the amount of 452 thousand euro on the basis of the claim for damages and the loss of profit submitted by Premia; it has been accounted under other operating income of the fourth quarter. The fluctuations of the Russian ruble and the Swedish krona resulted in an exchange rate loss of 233 thousand euro, 2/3 of which was non-monetary unrealized foreign exchange rate loss from the revaluation of claims. The cash flow from operations improved by 0.5 million euro, if compared to the previous year.

12 months 2013:

- ❖ The largest organic increase in turnover throughout the history of the company. The unaudited consolidated turnover was 98.9 million euro, increasing by 14.4%, i.e. 12.5 million euro, within a year.
- ❖ The turnover increased in all business segments and target markets, except in Russia, where the decrease in turnover resulted from the weakening of the exchange rate of ruble against the euro.
- ❖ The operating profit was 2.4 million euro, exceeding the previous year's result by 2.3 million euro. The operating profit increased in all business segments.
- ❖ The net profit was 0.8 million euro, which is by 0.7 million euro higher than the result of the previous year.
- ❖ The operating expense ratio in turnover was 22.6% which is 3.6 percentage points lower than the result of the previous year.

In the rapid turnover growth conditions of the food sector, the operating costs decreased by 0.3 million euro and the operating profit as well as the net profit improved considerably. The unfavourable fluctuation of the Russian ruble and the Swedish krona resulted in an exchange rate loss of 0.7 million euro in the summary of the year.

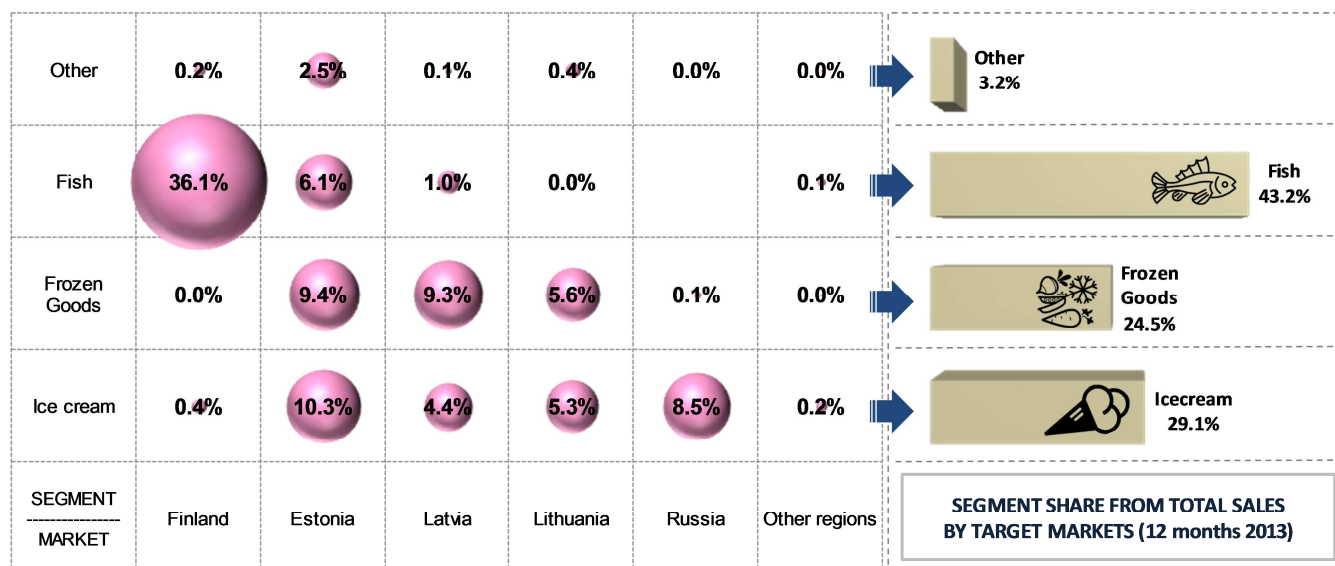


The company's key ratios of the 4th quarter and 12 months of 2013 have been indicated in the following table.

		KEY RATIOS									
Profit & Loss, EUR mln	formula	Q1	Q2	Q3	Q4	12m 2013	Q1	Q2	Q3	Q4	12m 2012
Sales		18.3	27.8	26.9	25.9	98.9	17.1	26.1	23.6	19.6	86.4
Gross profit		3.8	8.0	7.1	4.5	23.3	4.2	7.9	7.1	4.4	23.7
EBITDA from operations	before one-offs and fair value adjustment	-0.4	2.4	2.1	-0.1	4.0	0.0	2.7	2.1	0.3	5.1
EBITDA		-0.7	2.4	3.3	-0.1	4.9	-0.6	1.9	1.9	0.1	3.3
EBIT		-1.3	1.7	2.7	-0.7	2.4	-1.4	1.1	1.0	-0.6	0.1
Net profit		-1.2	1.0	2.1	-1.1	0.8	-1.2	0.8	1.1	-0.6	0.1
Gross margin	Gross profit / Net sales	20.6%	28.6%	26.4%	17.2%	23.6%	24.5%	30.4%	30.2%	22.6%	27.4%
Operational EBITDA margin	EBITDA from operations/Net sales	-2.2%	8.8%	7.8%	-0.5%	4.1%	0.1%	10.5%	8.9%	1.3%	5.9%
EBIT margin	EBIT / Net sales	-7.3%	6.2%	10.0%	-2.8%	2.4%	-8.3%	4.0%	4.4%	-3.1%	0.1%
Net margin	Net earnings / Net sales	-6.5%	3.7%	7.7%	-4.3%	0.8%	-6.9%	2.9%	4.7%	-3.1%	0.1%
Operating expense ratio	Operating expenses / Net sales	27.1%	22.7%	21.6%	20.3%	22.6%	29.7%	24.0%	26.1%	26.1%	26.2%

Balance Sheet, EUR mln	formula	31.12.12	31.03.13	30.06.13	30.09.13	31.12.13	31.12.11	31.03.12	30.06.12	30.09.12	31.12.12
Net debt	Short and Long term Loans and Borrowings - Cash	13.8	13.2	15.2	14.6	13.2	11.3	12.2	12.0	10.9	13.8
Equity		36.5	35.3	36.1	38.2	37.2	40.5	39.3	39.8	37.1	36.5
Working capital	Current Assets - Current Liabilities	12.1	10.4	10.8	13.1	10.2	12.8	12.0	12.4	9.7	12.1
Assets		63.2	62.4	67.7	66.1	63.7	64.1	64.2	68.5	65.4	63.2
Liquidity ratio	Current Assets / Current Liabilities	1.91	1.73	1.58	1.86	1.63	2.19	1.91	1.70	1.55	1.91
Equity ratio	Equity / Total Assets	58%	57%	53%	58%	58%	63%	61%	58%	57%	58%
Gearing ratio	Net Debt / (Equity + Net Debt)	28%	27%	30%	28%	26%	22%	24%	23%	23%	28%
Net debt-to-EBITDA	Net Debt / EBITDA from operations	2.71	2.80	3.46	3.31	3.29	2.55	1.98	2.19	2.06	2.71
ROE	Net Earnings / Average Equity	0%	0%	1%	3%	2%	-1%	1%	0%	-1%	0%
ROA	Net Earnings / Average Assets	0%	0%	1%	2%	1%	-1%	0%	0%	-1%	0%

BUSINESS SEGMENT ANALYSIS





The main figures by the business segments of Premia Foods for 12 months of 2013 are indicated in the table below.

SEGMENT ANALYSIS							
EUR million	12m 2013	12m 2012		EUR million	12m 2013	12m 2012	
<u>Sales</u>				<u>EBITDA from operations</u>			
Ice cream	28.8	27.4	▲	Ice cream	3.6	2.4	▲
Frozen goods	24.2	22.4	▲	Frozen goods	-0.1	-0.3	▲
Fish and fish products	42.7	34.2	▲	Fish and fish products	0.8	3.3	▼
Other	3.2	2.3	▲	Other & unallocated	-0.3	-0.2	▼
Total	98.9	86.4	▲	Total	4.0	5.1	▼
<u>Gross profit</u>				<u>EBITDA</u>			
Ice cream	12.9	11.8	▲	Ice cream	3.6	2.4	▲
Frozen goods	5.8	5.1	▲	Frozen goods	-0.1	-0.3	▲
Fish and fish products	3.8	6.0	▼	Fish and fish products	1.7	1.5	▲
<u>Gross margin</u>				<u>EBIT</u>			
Ice cream	45%	43%	▲	Ice cream	2.7	1.3	▲
Frozen goods	24%	23%	▲	Frozen goods	-0.7	-0.9	▲
Fish and fish products	9%	18%	▼	Fish and fish products	0.8	0.5	▲

In the summary of 12 months of 2013, the turnover as well as the operating profit increased in all the business segments of Premia Foods. The combined gross profit of the ice cream business segment and the frozen goods business segment during the 4th quarter of 2013 increased by 0.1 million euro, if compared to the result of the previous year; in the summary of the 12 months, the combined gross profit of these business segments was 1.7 million euro more than during the 12 months of 2013.

The largest contribution to the EBITDA and to the growth of the operating profit, in the summary of 12 months of 2013, came from the ice cream business segment.

Fish and fish products business segment



The fish and fish products business segment showed the fastest growth in 2013. During the 4th quarter of 2013, the yearly increase was 60.4%, i.e. 6.1 million euro. The increase in turnover during the 4th quarter came mainly from the successful sales campaigns of the raw fish and fish fillet and from the wholesale sector. In the summary of 2013, the turnover of the fish business segment increased in an annual comparison by 24.8%, i.e. 8.5 million euro.

The fish and fish products business segment contributed in 2013 43.2% to the total turnover of Premia Foods, which is by 3.6 percentage points higher than during 2012.

Quantitatively, the production of the fish products increased during the 4th quarter of 2013 by 56.7% and, in the summary of 12 months, by 21.2%.

EUR million	Q1	Q2	Q3	Q4	12m 2013	Q1	Q2	Q3	Q4	2m 2012
Sales	8.2	8.9	9.4	16.2	42.7	7.7	9.2	7.3	10.1	34.2
Gross profit	0.8	0.6	0.5	1.9	3.8	1.5	1.5	1.1	2.0	6.0
Gross margin	10%	7%	5%	12%	9%	20%	16%	15%	19%	18%
EBITDA from operations	0.2	-0.1	-0.1	0.8	0.8	0.7	0.8	0.6	1.2	3.3
EBITDA	-0.1	-0.1	1.2	0.8	1.7	0.1	-0.1	0.3	1.1	1.5
Operating profit	-0.3	-0.4	0.9	0.5	0.8	-0.1	-0.3	0.1	0.8	0.5

If during the first three quarters of 2013, the gross profitability decreased due to the price of the raw fish increasing from quarter to quarter, the awaited change in the former trend came during the 4th quarter and the gross profitability increased to 12%, which is the highest level of 2013. However, it still remains lower than the results of the 4th quarter of 2012. In the summary of the 12 months of 2013, the gross margin was 9%, which is two-times lower than during 2012.



Throughout the year 2013, the market price of the raw fish remained at a considerably higher level than during 2012. The market price of salmon was, in the summary of 12 months of 2013, 51% and the market price of rainbow trout was 31% higher than the price level¹ of the previous year, however, Premia lost, during that same period, in gross profitability only 9 percentage points.

EBITDA from operations was, during the 4th quarter of 2013, 0.8 million euro, which is 0.5 million euro less than during the 4th quarter of 2012. In the summary of 12 months, the EBITDA from operations decreased in annual comparison by 2.5 million euro to the level of 0.8 million euro.

Premia has partially hedged the risk of the world market price fluctuations through vertical integration; therefore, to evaluate the profitability of the sector, the EBTDA of the segment has to be compared together with the fish stock. If the world market price of raw fish increases, the value of the fish breed in Premia's fish farms increases as well, and that results in a positive impact of revaluation of livestock in the company's financial results. The positive impact of the livestock revaluation on the EBITDA of and the operating profit of the company in the summary of 12 months of 2013 was 2.1 million euro, if compared to the same period of 2012. During the 4th quarter of 2013, the value of the biological assets decreased by 0.4 million euro, the impact on the EBITDA and the operating profit, if compared to the 4th quarter of 2012, was -0.3 million euro.

The operating profit and the EBITDA of the business segment of 12 months increased by 0.2 million euro, if compared to the same period of the previous year.



Ice cream business segment

The turnover of the **ice cream business segment** decreased during the 4th quarter of 2013 by 0.3 million euro, i.e. 9.4%, if compared to the same period of the previous year; the main influence thereof was the weakening of the Russian ruble exchange rate against the euro. In the summary of the 12 months, the turnover of the segment increased, if compared to 2012, by 1.3 million euro, i.e. 4.9%. The largest monetary contribution came from Estonia, where the turnover increased by 1.0 million euro, i.e. 10.8%, by a year. Estonia was followed by Latvia with the increase in turnover of 0.4 million euro (+10.6%).

The ice cream business segment contributed 29.1% to the total turnover of Premia Foods in 2013, it is by 2.6 percentage points lower than during the previous year. Quantitatively, the production volume of the ice cream business segment in 2013 remained at the same level as in 2012.

EUR million	Q1	Q2	Q3	Q4	12m 2013	Q1	Q2	Q3	Q4	2m 2012
Sales	3.6	12.1	10.4	2.7	28.8	3.7	10.7	10.0	3.0	27.4
Gross profit	1.4	5.7	4.9	0.9	12.9	1.3	5.0	4.6	1.0	11.8
Gross margin	39%	47%	47%	32%	45%	35%	46%	46%	34%	43%
EBITDA from operations	-0.2	2.2	2.1	-0.6	3.6	-0.4	1.8	1.5	-0.6	2.4
Operating profit	-0.4	2.0	1.9	-0.7	2.7	-0.6	1.5	1.2	-0.8	1.3

As the gross profitability of the ice cream business segment improved in annual comparison during the first three quarters of 2013, the gross margin decreased during the fourth quarter by 2.7 percentage points to the level of 32%. The reason thereof were the routine repair works in Premia's Russian factory in December during which the ice cream was not produced. At the same time, the gross margin improved in the Baltics in annual comparison by 1.6 percentage points. In the summary of 2013, the highest gross profitability in Premia's history, 45%, was reached, exceeding the result of the previous year by 1.5 percentage points.

The company earned in the ice cream business segment, during the 4th quarter of 2013, a gross profit of 0.2 million euro, i.e. 16.6% less than during the 4th quarter of 2012. The decrease of the gross profit came from Russia. The Baltics held, at the same time, the level of the 4th quarter of 2012. In the summary of the 12 months, the increase of the gross profit was 1.0 million euro, i.e. 8.7%.

The EBITDA from operations of the ice cream business segment increased during the 4th quarter of 2013 by 0.1 million euro and, in the summary of 12 months, by 1.2 million euro, if compared to the same periods in 2012. The operating profit

¹ The market price of salmon according to Fish Pool ASA and the price of rainbow trout according to the data of Norway's export statistics expressed in euro



of the segment in the 4th quarter was by 0.1 million euro better than during the 4th quarter of 2012. In the summary of 12 months, the operating profit of the ice cream business segment increased in annual comparison by 1.5 million euro, i.e. 2.2 times.

In the summary of 12 months of 2013, Premia continues as the market leader in the Baltics, holding a market share of 23%. As a result of the exceptionally long and warm summer, the competition in the market was very intense, there were more novelty products and marketing campaigns than ever before and the desire of all market participants to seize additional market share was very recognisable. The competition between strong trademarks was, among other things, a reason why the market share of private labels has decreased during 2013 by 3 percentage points to 12%, if compared to 2012. Another important trend shows the increase of the market share of Ingman/Unilever in all Baltic markets which is based on, among other things, massive advertising campaigns in mass media and discount campaigns in retail market. Premia focused in all the Baltic States on strengthening of its flagship brands through intensive product development and through advertising and sales campaigns which were focused on efficiency. A successful combination of these three in all Premia's target markets resulted in maintaining the market share.

The following chart illustrates the dynamics of the market shares in the Baltics during the last two years:

Others	Others	Others	Others	Others	Others	Others	Others
Private Label 16%	Private Label 14%	Private Label 15%	Private Label 16%	Private Label 15%	Private Label 11%	Private Label 11%	Private Label 13%
Competitor 3	Competitor 3	Competitor 3	Competitor 3	Competitor 3	Competitor 3	Competitor 3	Competitor 3
Competitor 2	Competitor 2	Competitor 2	Competitor 2	Competitor 2	Competitor 2	Competitor 2	Competitor 2
Competitor 1	Competitor 1	Competitor 1	Competitor 1	Competitor 1	Competitor 1	Competitor 1	Competitor 1
Premia 23%	Premia 23%	Premia 22%	Premia 22%	Premia 22%	Premia 23%	Premia 23%	Premia 21%
Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13

Source: AC Nielsen, evaluation of management



Frozen goods business segment

The turnover of the frozen goods business segment increased during the fourth quarter of 2013 in annual comparison by 3.8%, i.e. 0.2 million euro. During 2013, the turnover of the frozen goods business segment was 24.2 million euro, which is by 7.9%, i.e. 1.8 million euro, better than the results of 2012. The turnover of the frozen goods increased the most in Lithuania in 2013, i.e. by 1 million euro. The proportion of the turnover of the frozen goods in the total turnover of Premia Foods of 2013 was 24.5%, which is by 1.5 percentage points lower than the results of 2012.

EUR million	Q1	Q2	Q3	Q4 12m 2013	Q1	Q2	Q3	Q4 2m 2012		
Sales	5.9	6.0	6.2	6.1	24.2	5.3	5.6	5.6	5.9	22.4
Gross profit	1.4	1.4	1.4	1.5	5.8	1.2	1.3	1.3	1.3	5.1
Gross margin	24%	23%	23%	25%	24%	24%	23%	23%	22%	23%
EBITDA from operations	-0.3	0.3	0.1	-0.2	-0.1	-0.3	0.2	0.1	-0.3	-0.3
Operating profit	-0.4	0.2	0.0	-0.4	-0.7	-0.5	0.1	0.0	-0.5	-0.9

The gross profit of the frozen goods business segment of the 4th quarter of 2013 was by 0.2 million euro, i.e. 16.9%, better than the result of the same period of 2012. In the summary of 12 months of 2013, the yearly increase of the gross profit of the frozen goods business segment was 0.6 million euro, i.e. 12.6%. As the gross margin remained during the first three quarters at the same level as the results of 2012, during the fourth quarter, the gross profitability of the frozen goods business segment increased by 3 percentage points, if compared to the 4th quarter of 2012. In the summary of 12 months, the gross margin of 24% was achieved for the first time, it is by 1 percentage point higher than the result of 2012.

The EBITDA from operations improved, if compared to the results of 2012, during the 4th quarter by 0.1 million euro and, in the summary of 12 months, by 0.2 million euro.



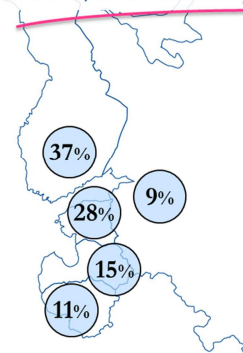
BUSINESS SEGMENT ANALYSIS BY MARKETS

During the fourth quarter of 2013, the fastest growth in turnover came from Finland, where the turnover increased in annual comparison by 5.1 million euro, i.e. 61.9%, reaching the level of 13.2 million euro. It is the quarter with the biggest turnover in the Finnish market throughout the history of Premia.

The turnover during the 4th quarter of 2013 and in the summary of the year decreased only in Russia, where the main influence was the weakening of the Russian ruble against the euro.

Similarly to the 4th quarter, the greatest increase in turnover in the view of 12 months came from Finland where the increase was, if compared to the previous year, 7.2 million euro, i.e. 24.9%. Estonia followed with the increase in turnover of 2.4 million euro and Latvia came third with the increase in turnover of 1.9 million euro. The turnover of the Baltics combined increased within a year by 5.3 million euro and the proportion of the Baltics in the total turnover of 2013 of Premia Foods was 54.4%.

Sales share in target markets, 12 months 2013



Sales (EUR million)	2013					2012				
	Q1	Q2	Q3	Q4	12m 2013	Q1	Q2	Q3	Q4	12m 2012
Finland	6.8	8.0	8.3	13.2	36.3	6.7	7.9	6.3	8.2	29.0
Estonia	5.3	7.9	8.1	6.7	28.1	4.9	7.5	7.4	5.8	25.6
Latvia	2.9	4.3	4.0	3.4	14.5	2.4	3.7	3.7	2.8	12.7
Lithuania	1.8	4.0	3.5	1.8	11.1	1.6	3.6	3.3	1.7	10.2
Russia	1.4	3.5	2.8	0.8	8.5	1.5	3.3	2.8	1.1	8.7
Other	0.0	0.2	0.1	0.0	0.3	0.0	0.2	0.0	0.0	0.2
export share	71%	72%	70%	74%	72%	71%	71%	68%	70%	70%

COST ANALYSIS

The operating expense ratio decreased during the 4th quarter of 2013 by 5.7 percentage points and in the summary of 12 months of 2013 by 3.6 percentage points, if compared to the previous year. In 2013, the turnover increased by 12.5 million euro. At the same time, the operating costs decreased by 0.3 million euro, i.e. 1.3%.

The cost of goods sold increased in 2013 by 12.9 million euro, which resulted from the increased turnover and rapidly increased prices of raw fish.

Following the cost of materials and sold goods, the second largest cost item for the company are labour costs, which in 2013 were 12.2 million euro, i.e. 12.3% in turnover. Direct and indirect labour costs together increased by 0.7 million euro, however, their proportion in turnover decreased by 1.0 percentage points. The increase of costs resulted from the need for additional labour in the Estonian fish and ice cream production and from sale bonuses resulting from good sale results. Other operating income and costs increased in 2013 by 0.3 million euro. Behind the increase of other operating income is the compensation in the amount of 452 thousand euro from the Swedish Board of Agriculture in connection with the destroying the fish fingerlings in 2012.



	12m 2013	12m 2012	change	12m 2013	12m 2012	change
	EUR mln	EUR mln	EUR mln	as % of sales	as % of sales	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%
incl 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%
incl 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%
incl one-off income/exp	0.5		+ 0.5	0.5%	0.0%	+0.5%

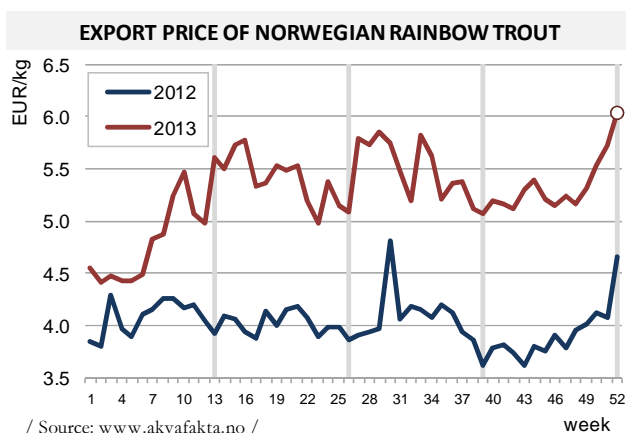
For comparison purposes year 2012 transport and logistics services line item has been increased by 0.2 million euro and other operating expenses line item decreased at the same extent

The EBITDA from operations of the 12 months of 2013, i.e. the operating profit before market price driven revaluation of livestock, one-off income and expenses and amortisation expenses, was 4.0 million euro, which is by 1.1 million euro less than during 2012.

The EBITDA of the 4th quarter of 2013 was -0.1 million euro, which is by 0.2 million euro less than during the 4th quarter of 2012. In the summary of 2013, the EBITDA was 4.9 million euro, exceeding the result of the previous year 1.5 times.

In 2013, there were one-off expenses in the total amount of 261 thousand euro and, in 2012, in the amount of 464 thousand euro. In 2013, one-time income was in the amount of 452 thousand euro (there was no exceptional income in 2012).

In the 4th quarter of 2013, the EBIT decreased by 0.1 million euro, if compared to the previous year. In the summary of 12 months of 2013, the EBIT increased by 2.3 million euro, if compared to 2012. Financial costs increased in 2013 by 0.6 million euro, if compared to 2012. The increase of the financial costs results from the foreign exchange rate loss of the Russian ruble and the Swedish krona in the amount of 0.7 million euro, 0.6 million euro thereof is unrealised exchange rate loss on revaluation of intra-group claims.



The net loss of the company in the 4th quarter of 2013 was 1.1 million euro, remaining under the result of the 4th quarter of 2012 by 0.5 million euro. The net profit of 2013 increased within a year by 0.7 million euro, i.e. by 11.0 times, reaching 0.8 million euro.

Out of Premia's biological assets, as of 31.12.2013, 93% is comprised of the rainbow trout farmed in the Finnish and Swedish fish farms and 7% is whitefish. The reference price of the rainbow trout at the end of the 4th quarter was by 35% higher than the level of the previous year.

The profit from the revaluation of fish livestock of the 12 months of 2013 was by 2.1 million euro higher than the results of the same period of 2012.



FINANCIAL POSITION

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

The cash flow from operations during 12 months of 2013 was 3.6 million euro (4.1 million euro during the same period of 2012). 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 million euro.

		LIQUIDITY AND SOLVENCY RATIOS									
<i>Ratio</i>	<i>formula</i>	31.12.12	31.03.13	30.06.12	30.09.12	31.12.13	31.12.11	31.03.12	30.06.12	30.09.12	31.12.12
Liquidity ratio	Current Assets / Current Liabilities	1.91	1.73	1.58	1.86	1.63	2.19	1.91	1.70	1.55	1.91
Equity ratio	Equity / Total Assets	58%	57%	53%	58%	58%	63%	61%	58%	57%	58%
Gearing ratio	Net Debt / (Equity + Net Debt)	28%	27%	30%	28%	26%	22%	24%	23%	23%	28%
Net debt-to-EBITDA	Net Debt/EBITDA from operations	2.71	2.80	3.46	3.31	3.29	2.55	1.98	2.19	2.06	2.71

The level of net debt as at the balance sheet date was 13.2 million euro (on 31.12.12 the respective figure was 13.8 million euro). Financial leverage, i.e. the proportion of the net debt in the total capitalisation, was 26% (on 31.12.12 the respective ratio was 28%). The increase of the financial leverage during the 4th quarter of 2012 results from the additional long term loan in the amount of 3.9 million euro, which the company took with the purpose of making payments in connection with the share capital decrease.

Net debt to EBITDA as at 31.12.13 was 3.29 (31.12.12: 2.71). The liquidity ratio demonstrating short-term solvency was as at 31.12.13 1.63 (31.12.12: 1.91). The proportion of equity in the balance sheet total was 58% (31.12.12: 58%) and the company had a working capital in the amount of 10.2 million euro (31.12.12: 12.1 million euro).

BALANCE SHEET ANALYSIS

The consolidated balance sheet total of Premia Foods as at 31.12.13 was 63.7 million euro, having increased within a year by 0.5 million euro, i.e. 0.8%.

The company's current assets amounted to 26.2 million euro and the balance of cash and bank accounts was 1.3 million euro. As at 31.12.13, the company had undrawn overdraft facility limit in the amount of 2.9 million euro.

Accounts receivable and prepayments amounted to 8.4 million euro and 93% of the accounts receivable and prepayments were trade receivables. Comparing to the previous year, the accounts receivable and prepayments increased by 2.8%, i.e. 0.2 million euro. The increase of receivables has resulted from the 32.4% increase of turnover in the 4th quarter.

Comparing to the previous year, inventories and livestock have increased by 3.7%, i.e. 0.6 million euro.

Accounts payable and prepayments have, if compared to 31.12.12, increased by 6.6%, i.e. 0.6 million euro. The liabilities in total have decreased by 0.8%, i.e. 0.2 million euro, amounting to 26.5 million euro.

The equity of Premia Foods was as at 31.12.13 37.2 million euro.

INVESTMENTS

During the 12 months of 2013, the expenditures into Premia Food's tangible and intangible assets were 2,619 thousand euro (in 2012 the respective number was 2,019 thousand euro. 803 thousand euro from that amount was invested in modernizing the production lines in the ice cream factory located in Tallinn and to increase production efficiency, also for innovation.

PERSONNEL

As at the end of the 4th quarter of 2013, there were 725 employees working at the company, which is by 7 people more than at the end of the previous year. The increase of the average number of employees resulted from additional labour needs in the Estonian fish and ice cream industry, which is partially balanced by the reorganizations carried out in Russia. The average number of employees during 2013 was 744 which by 3 people smaller than during the previous year.

The payroll expenses have increased during the 4th quarter of 2013, by 7.2%, if compared to the previous year. In the summary of 2013, the payroll expenses have increased by 6.1%.



PERSONNEL ANALYSIS

	Q1	Q2	Q3	Q4	12m 2013	Q1	Q2	Q3	Q4	12m 2012
No of employees, at the end of period	758	771	737	725	725	728	811	734	718	718
Average number of employees	734	759	754	728	744	705	786	769	726	747
Finland	39	41	42	44	41	38	41	42	43	41
Estonia	347	377	365	342	358	317	376	354	325	343
Latvia	119	118	119	119	119	115	118	122	116	118
Lithuania	86	85	87	84	86	92	96	93	88	92
Russia	127	122	119	118	122	128	137	136	134	134
Sweden	16	16	22	21	19	15	18	22	20	19
Payroll expenses (th EUR)	2,807	3,258	3,099	3,030	12,194	2,535	3,173	2,958	2,827	11,494
Monthly average payroll exp per employee (th EUR)	1.27	1.43	1.37	1.39	1.37	1.20	1.35	1.28	1.30	1.28

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 2013.



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 2013	Q1	Q2	Q3	Q4	12m 2012
Open	0.640	0.658	0.721	0.690	0.640	0.671	0.662	0.691	0.670	0.671
High	0.700	0.728	0.745	0.728	0.745	0.700	0.735	0.814	0.675	0.814
Low	0.620	0.650	0.662	0.682	0.620	0.621	0.640	0.650	0.606	0.606
Last	0.700	0.718	0.690	0.700	0.700	0.660	0.688	0.665	0.640	0.640
Traded volume, thousand	467	406	311	548	1,732	178	449	536	230	1,393
Turnover, million	0.30	0.28	0.22	0.38	1.18	0.12	0.31	0.39	0.15	0.97
Market capitalization, million	27.08	27.77	26.69	27.08	27.08	25.53	26.61	25.72	24.76	24.76

MARKET RATIOS

Ratios	formula	31.12.13
EV/Sales	(Market Cap + Net Debt) / Sales	0.4
EV/EBITDA from operations	(Market Cap + Net Debt) / EBITDA from operations	10.1
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	8.2
Price-to-Earnings	Market Cap / Net Earnings	33.5
Price-to-Book	Market Cap / Equity	0.7

Market Cap, Net Debt and Equity as of 31.12.2013

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

Shareholders structure

Major shareholders of AS Premia Foods at 31 December 2013:

1. ING Luxembourg S.A.	62.71%	6. Firebird Avrora Fund. Ltd.....	1.68%
2. LHV Pensionifond L.....	4.41%	7. LHV Pensionifond XL.....	1.48%
3. OÜ Rododendron	3.36%	8. OÜ Footsteps Management	1.31%
4. Ambient Sound Investments OÜ	3.20%	9. Compensa Life Vienna Insurance Group SE	1.09%
5. Firebird Republics Fund Ltd.	3.09%	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), Aavo Kokk (elected on 5 May 2009), Harvey Sawikin (elected on 5 May 2009), Jaakko Karo (elected on 17 August 2009), Arko Kadajane (elected on 29 May 2012) and Kuldar Leis (elected on 29 May 2013).

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 Katre Kõvask (elected on 9 June 2009), Silver Kaur (elected on 9 June 2009) and Erik Haavamäe (elected on 29 May 2013). The meeting of Supervisory Board appointed Katre Kõvask as the chairman of Management Board starting from 15 May 2013.



As at 31 December 2013, the members of management and Supervisory Board and persons/companies related to them hold the shares in the company as indicated below:

Shareholder	31/12/2013 No of shares	%
Chairman of the Management Board – Katre Kõvask	506,943	1.31%
Member of the Management Board – Silver Kaur	365,141	0.94%
Member of the Management Board – Erik Haavamäe	185,242	0.48%
Chairman of the Supervisory Board – Indrek Kasela	41,823	0.11%
Member of the Supervisory Board – Kuldar Leis	1,302,166	3.37%
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 – 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	2,625,243	6.79%

Katre Kõvask (born 1975) graduated from University of Tartu in 1998, having specialized in marketing and foreign trade and has been the marketing director and a member of the Management Board of AS Premia Tallinna Külmoone since 2006 and of Premia Foods since June 2009 and since 15 May 2013 is the Chairman of the Management Board of Premia Foods. She is also a member of the supervisory board of AS Premia FFL, Saaremere Kala AS, Vettel OÜ and OOO Khladokombinat No 1 and the Management Board of AB Premia KPC and OÜ Footsteps Management.

Silver Kaur (born 1973) graduated as a fisheries' consultant from Estonian Maritime Academy in 1997 and has been the sales director and member of the Management Board of AS Premia Tallinna Külmoone since 2006 and of the company since June 2009. He is also a member of the Supervisory Board of AS Premia FFL, OOO Khladokombinat No1 and Saaremere Kala AS and belongs to the Management Boards of RüsiGrupp OÜ and Freespirit OU.

Erik Haavamäe (born 1968) holds a cum laude diploma in economics from Tallinn Technical University and was a member of the Supervisory Board of the company since its foundation until 29 May 2013. Since 29 May 2013 he is a member of the Management Board of Premia. In addition, he serves as a member of board of directors of Heimon Kala OY and AB Premia KPC and a member of Supervisory Board of several group entities, such as AS Premia Tallinna Külmoone, Saaremere Kala AS, Vettel OÜ, and AS Premia FFL. He is a member of the Supervisory Board of AS Toode and MTÜ Eesti Maleliit and a member of the Management Board of AS EPhaG and OÜ Kamakamaka.

Indrek Kasela (born 1971) holds LL.M (master of laws) degree from New York University (1996), BA degree in law from the University of Tartu (1994) and certificate in EU Law from the University of Uppsala and serves as a member of Supervisory Board of several group entities, such as AS Premia Tallinna Külmoone and Vettel OÜ. He serves as Supervisory Board member of AS Toode, ELKE Grupi AS, EPhaG AS, Salva Kindlustuse AS, Ridge Capital AS and a Management Board member of AS Fine, Wood and Company OÜ, Lindermann, Birnbaum & Kasela OÜ, Managetrade OÜ and Noblessneri Jahtklubi OÜ as well as board member of several companies domiciled in Baltics and Russian Federation.

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 was the chairman of the Management Board of the company since its foundation until 15 May 2013. Since 29 May 2013 he is a member of the Supervisory Board of Premia. He is currently a member of supervisory board of AS Linda Nektar 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 and Solarhouse OÜ.

Lauri Kustaa Äimä (born 1971) holds a master's degree in Economics from the University of Helsinki has been a member of the Supervisory Board of the company since its foundation and of AS Premia Tallinna Külmoone since 2005. Lauri Kustaa Äimä is the managing director and founding shareholder of Kaima Capital Oy. He serves as a management or Supervisory Board member of AS Tallink Group, Salva Kindlustuse AS and AS Baltika 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.

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



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

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

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

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

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



INTERIM ACCOUNTING REPORT

Consolidated statement of financial position

EUR '000	31/12/2013	31/12/2012	Note
Cash and cash equivalents	1,313	1,357	
Receivables and prepayments	8,376	8,152	
Inventories	10,260	10,308	
Biological assets	6,270	5,631	
Total current assets	26,219	25,448	
Deferred income tax assets	370	473	
Long-term financial investments	127	131	(Note 2)
Investment property	2,084	2,084	(Note 3)
Property, plant and equipment	12,500	12,499	(Note 3)
Intangible assets	22,373	22,548	(Note 4)
Total non-current assets	37,454	37,735	
TOTAL ASSETS	63,673	63,183	
Borrowings	6,035	3,953	(Note 5,6)
Payables and prepayments	10,016	9,399	
Total current liabilities	16,051	13,352	
Borrowings	8,470	11,239	(Note 5,6)
Deferred income tax liabilities	717	659	
Government grants	1,264	1,479	(Note 7)
Total non-current liabilities	10,452	13,377	
Total liabilities	26,503	26,729	
Share capital	19,342	19,342	(Note 8)
Share premium	16,026	16,026	
Statutory capital reserve	6	6	(Note 8)
Other reserves	62	42	(Note 8)
Currency translation differences	760	485	
Retained earnings	974	553	
Equity attributable to equity holders of the parent	37,170	36,453	
Total equity	37,170	36,453	
TOTAL LIABILITIES AND EQUITY	63,673	63,183	


Consolidated statement of comprehensive income

EUR '000	Q4 2013	Q4 2012	12m 2013	12m 2012	Note
Revenue	25,948	19,593	98,854	86,381	(Note 9)
Cost of goods sold	-21,478	-15,161	-75,567	-62,698	
Gross profit	4,470	4,432	23,287	23,683	
Operating expenses	-5,270	-5,104	-22,316	-22,601	
Sales and marketing expenses	-4,205	-4,160	-18,370	-18,208	
General and administrative expenses	-1,065	-944	-3,946	-4,393	
Other income and expenses, net	439	96	638	345	
Revaluation of biological assets	-376	-37	742	-1,363	
Operating profit / loss	-737	-614	2,351	64	(Note 9)
Finance income	-15	-3	5	148	
Finance costs	-472	-216	-1 308	-673	
Profit / loss before income tax	-1,224	-832	1,048	-461	
Corporate income tax	105	219	-240	534	
Net profit /loss for the period	-1,119	-614	808	73	
<i>Other comprehensive income /expense</i>					
Currency translation differences	96	-23	275	94	
Other comprehensive income /expense	96	-23	275	94	
Total comprehensive income /expense	-1,023	-637	1,083	167	
Net profit /loss for the period:					
Attributable to equity holders of the parent	-1,119	-614	808	73	(Note 8)
Net profit /loss for the period	-1,119	-614	808	73	
Comprehensive income /expense for the period:					
Attributable to equity holders of the parent	-1,023	-637	1,083	167	
Total comprehensive income /expense	-1,023	-637	1,083	167	
<i>Earnings per share</i>					
Basic earnings per share (EUR)	-0.03	-0.02	0.02	0.00	(Note 8)
Diluted earnings per share (EUR)	-0.03	-0.02	0.02	0.00	(Note 8)



Consolidated cash flow statement

EUR '000	12m 2013	12m 2012	Note
Net profit	808	73	
<i>Adjustments:</i>			
Depreciation and amortisation	2,587	3,220	(Note 3, 4)
Gain/loss on disposal of non-current assets	-7	-25	
Other non-monetary changes	198	192	
Changes in receivables and prepayments	-121	-1,049	
Changes in inventories	48	-1,134	
Changes in biological assets	-639	2,548	
Changes in payables and prepayments	834	396	
Government grants for operating expenses	0	23	(Note 7)
Corporate income tax paid	-129	-131	
Net cash used in operating activities	3,581	4,113	
Proceeds from sale of property, plant and equipment and intangible assets	87	172	(Note 3, 4)
Acquisition of property, plant and equipment and intangible assets	-843	-1,174	(Note 3, 4)
Government grants for acquisition of assets	0	72	(Note 7)
Acquisition of associate	0	-1	
Loans granted	0	-11	
Repayments of loans granted	3	9	
Interest received	1	4	
Gains from financial investments	0	1	
Net cash used in investing activities	-752	-928	
Decrease of share capital	0	-3,868	
Change in overdraft facility	296	1,025	
Repayments of borrowings	-1,929	-8,256	
Borrowings	0	10,145	
Change in factoring liability	0	-236	
Payments of finance lease principal	-831	-534	
Sale of treasury shares	0	13	
Dividends paid	-387	-387	
Interest paid	-411	-442	
Net cash generated from financing activities	-3,262	-2,540	
NET CASH FLOWS:	-433	645	
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of the period	1,357	712	
Net change in cash and cash equivalents	-433	645	
Effect of exchange rate changes	389	0	
Cash and cash equivalents at end of the period	1,313	1,357	



Consolidated statement of changes in equity

EUR '000	Equity attributable to equity holders of the company							Total	Total Equity
	Share capital	Share premium	Treasury shares	Statutory capital reserve	Other reserves	Currency translation differences	Retained earnings		
Balance at 31/12/11	23,210	16,026	-30	0	21	391	890	40,508	40,508
Share option programme	0	0	0	0	21	0	0	21	21
Increase of statutory reserve	0	0	0	6	0	0	-6	0	0
Reduction of nominal value of the share	-3,868	0	0	0	0	0	0	-3,868	-3,868
Sale of treasury shares	0	0	30	0	0	0	-17	13	13
Dividends	0	0	0	0	0	0	-387	-387	-387
Comprehensive income	0	0	0	0	0	94	73	167	167
Balance at 31/12/12	19,342	16,026	0	6	42	485	553	36,453	36,453
Balance at 31/12/12	19,342	16,026	0	6	42	485	553	36,453	36,453
Share option programme	0	0	0	0	20	0	0	20	20
Dividends	0	0	0	0	0	0	-387	-387	-387
Comprehensive income	0	0	0	0	0	275	808	1,083	1,083
Balance at 31/12/13	19,342	16,026	0	6	62	760	974	37,170	37,170



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 2013 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 Külmoone 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 2012 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 31.12.2012 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 2012, 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 18 February 2014.

In the opinion of the management, this interim report for 4th quarter and 12 months 2013 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 2012 were used to prepare this condensed consolidated interim report.

Note 2. Long-term Financial Investments

EUR '000	Investment in associate	Other long-term investments	Total
Balance at 31.12.2012	51	80	131
Repayments of loans granted	0	-3	-3
Balance at 31.12.2013	51	77	127

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 277 euro interest revenue and 270 euro dividends from long-term financial investment during the accounting period.



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

Note 3. Property Investments and Tangible Fixed Assets

EUR '000	Property investments	Land and buildings	Machinery and equipment	Other tangible assets	Construction in progress, prepayments	Total
Residual value as of 31.12.2012	2,084	4,894	7,164	367	74	14,583
Unrealised currency effect	0	-27	-90	-1	0	-118
Acquired during the period	0	16	2,272	84	153	2,525
Depreciation	0	-369	-1,846	-110	0	-2,325
Assets sold and written off	0	0	-81	0	0	-81
Balance at 31.12.2013	2,084	4,514	7,420	344	221	14,584

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

Note 4. Intangible Assets

EUR '000	Goodwill	Trademarks and patents	Immaterial rights	Software licenses	Pre-payments	Total
Balance as of 31.12.2012	19,942	1,649	563	187	207	22,548
Unrealised currency effect	0	-1	0	-4	-3	-8
Acquired during the period	0	9	0	53	32	94
Re-classification	0	0	0	36	-36	0
Depreciation	0	-105	-28	-129	0	-262
Balance at 31.12.2013	19,942	1,552	535	144	200	22,373

Note 5. Financial Lease

EUR '000	Machinery, equipment	Means of transport	Other fixed assets	Total
<i>Fixed assets acquired under finance lease</i>				
Acquisition cost as of 31.12.13	1,785	1,436	0	3,221
Accumulated depreciation as of 31.12.13	-291	-332	0	-623
Residual value as of 31.12.13	1,494	1,104	0	2,598
Acquisition cost as of 31.12.12	436	1,626	1	2,063
Accumulated depreciation as of 31.12.12	-198	-509	0	-707
Residual value as of 31.12.12	238	1,117	1	1,356
Payable under finance lease as of 31.12.13	1,124	971	0	2,095
incl. payable within 1 year	257	306	0	563
incl. payable within 1-5 year	747	665	0	1,412
incl. payable after 5 years	120	0	0	120
Principal payments of the period	421	410	0	831
Interest expenses of the period	18	25	0	43
Average interest rate per annum	2.7%	2.5%	x	2.5%



Note 6. Debt Obligations

EUR '000	31/12/2013	31/12/2012
Finance lease liabilities	563	363
Overdraft	1,957	1,661
Investment loans	3,515	1,929
Short Term Debt Obligations	6,035	3,953
Finance lease liabilities	1,532	786
Investment loans	6,938	10,453
Long Term Debt Obligations	8,470	11,239
incl. payable within 1-5 years	8,350	11,232
incl. payable after 5 years	120	7

Loan residuals as of 31 December 2013 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 31.12.2013	less than 1 year	1-5 years	Collateral
Overdraft								
AS Premia Foods ¹	SEB	4 900 tuh EUR	1m EURIBOR + 1.3%	01.04.14	1,957	1,957	0	pledges on subsidiaries shares, mortgage 14.3 mln EUR, commercial pledge 3.6 mln EUR
Investment loans								
AS Premia Tallinna K�ilmhoone	Danske Bank	4 500 tuh EUR	3m EURIBOR + 0.75%	25.10.14	2,023	2,023	0	Mortgage 5.1 mln EUR, pledge on subsidiary shares
AS Premia Foods	SEB	10 900 tuh EUR	3m EURIBOR + 1.9%	18.07.17	8,430	1,492	6,938	pledges on subsidiaries shares, mortgage 14.3 mln EUR, commercial pledge 3.6 mln EUR
Total					12,410	5,472	6,938	

¹ overdraft limit decreases to 3,400 thousand euro starting from 15.01.14 until 15.01.14

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 624 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.

The company has hedged the risk arising from variable interest rate of the long-term investment loan by executing two transactions of Interest Rate Swap with amortization and fixed the 3 months EURIBOR at the level of 0.799% and 0.785% until 17.07.17. The mark-to-market value of these financial instruments as at the balance sheet date 31.12.13 was -36 thousand euro and the impact on the income statement as a finance income was 3 thousand euro. See also Note 13.

Note 7. Government Grants

EUR '000	12m 2013	12m 2012
Deferred income from government grants at the beginning of period	1,479	1,668
Government grants received during the period	0	7
Change in value due to the exchange rates	-13	25
Recognition as income during the period	-202	-163
Deferred income from government grants at the end of period	1,264	1,537
incl. income within 1 year	202	208
incl. income within 2-17 years	1,062	1,329



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 27 thousand euro. As at 31 December 2013, the residual value of fixed assets guaranteed by EU subsidies was 50 thousand euro.

Note 8. Equity

As at 31 December 2013, the company had 38,682,860 shares (31 December 2012: 38,682,860).

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. See also Note 13

The Annual General Meeting held at 29 May 2013 decided to pay dividends on the account of retained earnings in the amount of 387 thousand euro, i.e. 0.01 euro per share. The list of shareholders entitled to receive dividends was fixed as of 11 June 2013 at 23.59 and the dividends were paid out on 14 June 2013.

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 2013	Q4 2012	12m 2013	12m 2012
Net profit (-loss) for the period EUR '000	-1,119	-614	808	73
Avg no of shares (thousand)	38,683	38,683	38,683	38,674
Earnings per share (€)	-0.03	-0.02	0.02	0.00
Diluted earnings per share (€)	-0.03	-0.02	0.02	0.00

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.

Secondary segment: Revenue by geographical segments:

EUR '000	Q4 2013	Q4 2012	12m 2013	12m 2012
Finland	13,222	8,166	36,275	29,036
Estonia	6,735	5,800	28,075	25,627
Latvia	3,383	2,842	14,545	12,674
Lithuania	1,780	1,730	11,125	10,168
Russia	786	1,050	8,506	8,680
Other	42	5	329	195
Total	25,948	19,592	98,855	86,381

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

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

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

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 2013, EUR '000	Fish	Ice cream	Frozen goods	Other	Elim.	Total
External revenue	16,194	2,695	6,120	940	0	25,949
Inter-segment revenue	0	0	0	6	-6	0
Total gross revenue	16,194	2,695	6,120	946	-6	25,949
Segment EBITDA from operations	767	-558	-241	-2	0	-34
Unallocated EBITDA from operations						-98
Total EBITDA from operations						-131
Segment EBITDA	800	-558	-241	-2	0	-1
Unallocated EBITDA						-98
Total EBITDA						-99
Segment operating profit	548	-722	-406	-15	0	-594
Unallocated operating profit						-143
Total operating profit						-737
Q4 2012, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	10,096	2,975	5,894	628	0	19,593
Inter-segment revenue	0	0	0	7	-7	0
Total gross revenue	10,096	2,975	5,894	635	-7	19,593
Segment EBITDA from operations	1,239	-608	-330	29	0	331
Unallocated EBITDA from operations						-76
Total EBITDA from operations						254
Segment EBITDA	1,085	-608	-330	29	0	177
Unallocated EBITDA						-76
Total EBITDA						101
Segment operating profit	837	-843	-506	19	0	-493
Unallocated operating profit						-121
Total operating profit						-614
12m 2013, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	42,728	28,754	24,209	3,162	0	98,854
Inter-segment revenue	0	0	5	24	-29	0
Total gross revenue	42,728	28,754	24,214	3,186	-29	98,854
Segment EBITDA from operations	808	3,594	-140	70	0	4,332
Unallocated EBITDA from operations						-327
Total EBITDA from operations						4,005
Segment EBITDA	1,741	3,594	-140	70	0	5,265
Unallocated EBITDA						-327
Total EBITDA						4,938
Segment operating profit	750	2,748	-681	34	0	2,852
Unallocated operating profit						-501
Total operating profit						2,351
12m 2012, EUR '000	Fish	Ice cream	Frozen Food	Other	Elim.	Total
External revenue	34,250	27,410	22,431	2,289	0	86,381
Inter-segment revenue	0	0	2	24	-26	0
Total gross revenue	24,154	24,435	16,539	1,678	-19	86,381
Segment EBITDA from operations	3,303	2,377	-342	114	0	5,453
Unallocated EBITDA from operations						-343
Total EBITDA from operations						5,110
Segment EBITDA	1,476	2,377	-342	114	0	3,626
Unallocated EBITDA						-343
Total EBITDA						3,283
Segment operating profit	525	1,255	-935	82	0	927
Unallocated operating profit						-864
Total operating profit						64



Note 10. Subsidiaries

Company	Country	Share		Field of operation	Owner
		31/12/2013	31/12/2012		
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 Kõlmhoone	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
AS Premia FFL	Latvia	100%	100%	Sale of ice cream and frozen food	AS Premia Tallinna Kõlmhoone
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

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 31.12.13 EUR '000	Receivable as of 31.12.12 EUR '000
Vettel OÜ	Companies related to the members of management and	Other receivable	-	16
Total			0	16

Company	Debtor	Comments	Payable as of 31.12.13 EUR '000	Payable as of 31.12.12 EUR '000
Premia Foods AS	Companies related to the members of management and supervisory board	Accounts payable	-	8
Heimon Kala Oy		Accounts payable	-	3
Vettel OÜ		Accounts payable	1	1
Total			1	12

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 2013 Purchase	12m 2013 Sale	12m 2012 Purchase	12m 2012 Sale
Companies related to the members of management and supervisory board	services	57	2	82	2
	fixed assets	-	-	2	-
Total		57	2	84	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 2013 EUR '000	12m 2012 EUR '000
Short-term benefits	1,136	940
Termination benefits	35	0
Total	1,171	940

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 121 thousand.

Note 12. Contingent Liabilities and Assets

Compensation Claim against Swedish Board of Agriculture

On 31 July 2013, Överumans Fisk AB, the fully owned subsidiary of AS Premia Foods, filed a claim of compensation of damage and loss of profit against the Swedish Board of Agriculture (Jordbruksverket) in connection with the administrative proceedings initiated against Överumans Fisk AB in May 2012 resulting in the destruction of 17 tons of fish fingerlings. The total amount of damage and loss of profit claimed to be compensated is up to 25,486,867.70 Swedish krona (approximately 3 million euro). The ground for the claim is the fact that the measures applied in respect of the fish farms operated by Överumans Fisk AB have been more restrictive if compared to the other fish farms in the same region and therefore disproportional.



On 17 December 2013, the Swedish Board of Agriculture decided to make an advance payment in the amount of 4 million Swedish krona (452 thousand euro) to Överumans Fisk AB regarding the claim of compensation of damage and loss of profit. Överumans Fisk AB received the payment on 19 December 2013 and it has been indicated under other operating income.

Note 13. Events after the balance sheet date

Option program

At 17 January 2014 has ended the last subscription period of the option program and the entire option program. In the course of the option program the members of management bodies and key employees of Premia Foods and its subsidiaries were entitled to subscribe for the shares of Premia Foods for the price of 0.83 euro per one share.

No shares of Premia Foods were subscribed in the course of the option program.

The volume of the option program was 900,000 shares and the estimated cost of the option program for the 3-year period is 61 581 euro. The counterhalf of the estimated cost has been recorded in accordance with the accounting principles of IFRS 2 in the line of "Other reserve" of the Financial Position Statement of Premia Foods. As of 17.01.2014 "other reserves" was added to the retained earnings.

Overdraft limit change

From 15 January 2014 the company's overdraft limit in SEB has been decreased to 3,400 thousand euro.



MANAGEMENT BOARD'S CONFIRMATION TO THE CONSOLIDATED INTERIM REPORT FOR THE 4TH QUARTER AND 12 MONTHS OF 2013

The Management Board confirms the correctness and completeness of the consolidated interim report for the 4th quarter and 12 months of 2013 of AS Premia Foods and its subsidiaries (together the Group) presented in the pages 4 – 29 hereof and confirms to the best of its knowledge that:

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

Chairman of Management Board	Katre Kõvask	digitally signed	18 February 2014
Member of Management Board	Silver Kaur	digitally signed	18 February 2014
Member of Management Board	Erik Haavamäe	digitally signed	18 February 2014