

AS PRFoods

**Consolidated Unaudited Interim Report
for 3rd quarter and 9 months of 2014**

Business name:	AS PRFoods
Register code:	11560713
Address:	Betooni 4, Tallinn, 11415
Telephone:	+372 603 3800
Fax:	+372 603 3801
Web-page:	www.prfoods.ee
Main areas of activity:	Production and sale of fish products Fish farming
Reporting period:	1 January 2014 – 30 September 2014
Auditor:	AS PricewaterhouseCoopers

TABLE OF CONTENTS

Activities Report by Management Board.....	4
Condensed Interim Accounting Report.....	13
Condensed consolidated statement of financial position.....	13
Condensed consolidated statement of profit or loss and other comprehensive income	14
Condensed consolidated cash flow statement	16
Consolidated statement of changes in equity	17
Notes to the Interim Report	18
Note 1. Summary of material accounting policies	18
Note 2. Long-term Financial Investments	18
Note 3. Property Investments and Tangible Fixed Assets	19
Note 4. Intangible Assets	19
Note 5. Financial Lease.....	20
Note 6. Debt Obligations.....	21
Note 7. Government Grants	21
Note 8. Equity	22
Note 9. Segment Reporting	22
Note 10. Subsidiaries	23
Note 11. Related Party Transactions	23
Note 12. Contingent Liabilities and Assets	24
Note 13. Discontinued operations.....	25
Note 14. Events after the balance sheet date.....	26
Management board's confirmation to the consolidated interim report for the 3 rd quarter and 9 months of 2014.....	28

ACTIVITIES REPORT BY MANAGEMENT BOARD

AS PRFoods is a food production company which is listed in the main list of NASDAQ OMX Tallinn Stock Exchange since 5 May 2010. The previous business name of the company was AS Premia Foods. By the resolution of the extraordinary general meeting of shareholders held on 30.10.2014, the business name of the company was changed; the new business name is AS PRFoods.

On 06.10.2014, AS PRFoods, Nordic Foods Holding OÜ and Shiner Macost Ltd executed share purchase agreements under which AS PRFoods undertook to sell and transfer 100% of all the shares of the subsidiaries of AS PRFoods AB Premia KPC and OOO Khladokombinat No 1 and the Russian trademarks owned by AS PRFoods to Nordic Foods Holding OÜ and Shiner Macost Ltd. As a result of the contemplated transaction, AS PRFoods sold and transferred all its Baltic and Russian ice cream and frozen goods operations.

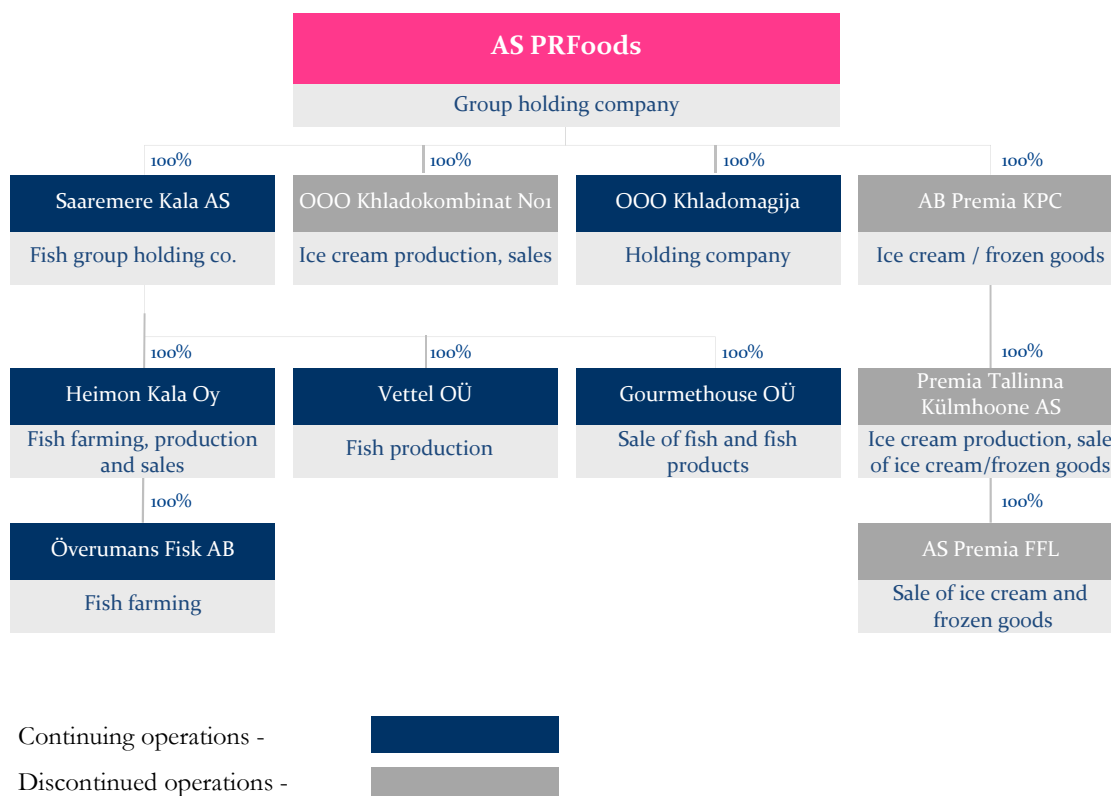
The general meeting of shareholders held on 30.10.2014 decided to approve the transaction of the sale and transfer of AB Premia KPC, a significant subsidiary of AS PRFoods, in accordance with the terms and conditions of the transaction of sale and transfer of the significant subsidiary of AS PRFoods, which were made available to the shareholders together with the convening of the extraordinary general meeting of shareholders.

On 31.10.2014, the transaction of sale and transfer of the Baltic business units and the trademarks owned by AS PRFoods described above was completed. The sales transaction of the shares of OOO Khladokombinat No 1 was completed on 10.11.2014.

The ice cream business segment and the frozen goods business segment, including the Russian trademarks of AS PRFoods, have been indicated in this report as discontinued operations. In order to evaluate the results of the continuing operations, the data of 2013 has been adjusted for comparison purposes.

Continuing operations are the production and sale of fish products in the Finnish and Estonian markets and fish farming. The most important trademarks of PRFoods are Heimon Gourmet and Viking.

Structure of the PRFoods group of companies:



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

SUMMARY OF FINANCIAL RESULTS

Unaudited financial results of AS PRFoods, 3rd quarter and 9 months, 2014

The net profit of AS PRFoods of the 3rd quarter together with the results of the discontinued operations was 2.5 million euro, which is by 0.4 million euro, i.e. 21.5% more than one year ago. In the summary of nine months, a record high level of 3.7 million euro was reached – exceeding the result of the previous year by 1.7 million euro. The fish and fish products business segment as continuing operations generated a net profit of 0.1 million euro during the 3rd quarter and net loss of the 9 months decreased from 1.2 million euro to 0.3 million euro, if compared to the same period of 2013.

Profit & Loss, EUR mln	Continuing operations				Continuing and discontinued operations			
	Q3 2014	Q3 2013	9m 2014	9m 2013	Q3 2014	Q3 2013	9m 2014	9m 2013
Sales	10.0	9.6	31.5	26.9 ▲	28.8	26.9	78.3	72.9 ▲
Gross profit	1.2	0.6	3.6	2.2 ▲	8.4	7.1	20.7	18.8 ▲
EBITDA from operations*	0.3	-0.2	0.7	-0.3 ▲	3.1	2.1	5.7	4.1 ▲
EBITDA	0.7	1.0	1.1	0.6 ▲	3.5	3.3	6.1	5.0 ▲
EBIT	0.4	0.8	0.3	-0.3 ▲	2.9	2.7	4.3	3.1 ▲
Net profit (loss)	0.1	0.3	-0.3	-1.2 ▲	2.5	2.1	3.7	1.9 ▲

*before one-offs and fair value adjustment

Continuing operations (the data of 2013 has also been adjusted for comparison purposes):

3rd quarter of 2014 (compared to the 3rd quarter of 2013):

- ❖ Unaudited consolidated turnover 10.0 million euro, increase 5.0%, i.e. 0.5 million euro.
- ❖ Gross margin 12.2%, increase 6.0 percentage points.
- ❖ EBITDA from operations 0.3 million euro, increase 0.5 million euro.
- ❖ Revaluation of biological assets 0.4 million euro, decrease by 0.9 million euro.
- ❖ EBITDA 0.7 million euro, decrease 0.3 million euro.
- ❖ Operating profit 0.4 million euro, decrease 0.3 million euro.
- ❖ Net profit 0.1 million euro, decrease 0.2 million euro.

9 months of 2014 (comparison to 9 months of 2013):

- ❖ Unaudited consolidated turnover 31.5 million euro, increase 17.1%, i.e. 4.6 million euro.
- ❖ Gross margin 11.4%, increase 3.3 percentage points.
- ❖ EBITDA from operations 0.7 million euro, increase 1.0 million euro.
- ❖ Negative impact of revaluation of biological assets 0.2 million euro (the positive impact of the 9 months of 2013 1.1 million euro).
- ❖ EBITDA 1.1 million euro, increase 0.6 million euro.
- ❖ Operating profit 0.3 million euro, increase 0.6 million euro.
- ❖ Net loss 0.3 million euro, improvement by 1.0 million euro.
- ❖ Operating expense ratio decreased by 1.4 percentage points, reaching 13.0%.

On 19 June 2014, the Swedish Board of Agriculture decided to satisfy the claim for damages and loss of profit submitted by PRFoods and pay an additional compensation in the amount of 751 thousand euro, which has been recorded as other operating income of the second quarter.

The company's key ratios of the 3rd quarter of 2014 and of 9 months have been indicated in the following table. The income statement data of 2013 of the continuing operations has been adjusted for comparison purposes.

Key Ratios, Profit & Loss	formula	Continuing operations			
		Q3 2014	Q3 2013	9m 2014	9m 2013
Gross margin	Gross profit / Net sales	12.2%	6.2%	11.4%	8.1% ▲
Operational EBITDA margin	EBITDA from operations/Net sales	3.3%	-2.0%	2.1%	-1.3% ▲
EBIT margin	EBIT / Net sales	4.1%	8.0%	0.9%	-1.0% ▲
Net margin	Net earnings / Net sales	1.1%	3.0%	-0.8%	-4.6% ▲
Operating expense ratio	Operating expenses / Net sales	13.3%	13.6%	13.0%	14.4% ▲

Balance Sheet, EUR mln	formula	Continuing operations		Discontinued operations		PRFoods	
		31.12.13	30.09.14	31.12.13	30.09.14	31.12.13	30.09.14
Net debt	Short and Long term Loans and Borrowings - Cash	9.9	9.7	3.3	2.6	13.2	9.7
Equity						37.3	40.5
Working capital	Current Assets - Current Liabilities	7.9	8.1	2.2	4.0	10.1	35.3
Assets		29.2	29.0	34.8	36.6	63.8	65.6
Liquidity ratio	Current Assets / Current Liabilities	1.95	2.06	1.28	1.50	1.63	3.07
Equity ratio	Equity / Total Assets					58%	62%
Gearing ratio	Net Debt / (Equity + Net Debt)					26%	19%
Net debt-to-EBITDA	Net Debt / EBITDA from operations		7.35		0.64	3.43	7.35
ROE	Net Earnings / Average Equity					3%	7%
ROA	Net Earnings / Average Assets		0%		7%	1%	4%

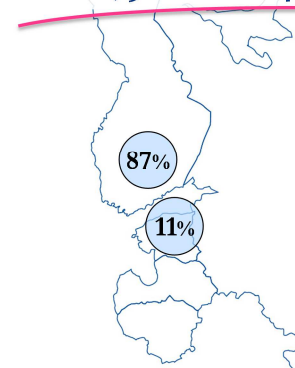
REVENUE

AS PRFoods monitors the financial results by the business segments, which are the fish business segment, ice cream business segment, frozen goods business segment and other, and by the geographical regions. The ice cream business segment and the frozen goods business segment have been indicated in this report as discontinued operations. The turnover of the other business segment decreases together with the sale and transfer of the ice cream business segment and the frozen goods business segment operations (turnover of the other business segment of the 9 months of 2014: continuing and discontinued operations 2.5 million euro, i.e. 3.2% of the turnover, only continuing operations 0.3 million euro, i.e. 0.8% of the turnover). The proportion of the other business segment in the entire business is insignificant and therefore this business segment is not monitored and indicated separately. In addition, the number of target markets has decreased in connection with the discontinued operations and therefore only the division of turnover of the continuing operations in the Finnish and Estonian market has been indicated in this report.

The turnover of the continuing operations of AS PRFoods was, in the 3rd quarter of 2014, 10.0 million euro, which is by 0.5 million euro, i.e. 5.0% more than in the 3rd quarter of 2013. In summary of the 9 months of 2014, the turnover was 31.5 million euro, exceeding the result of the previous year by 17.1%, i.e. 4.6 million euro. The increase in turnover came from the Finnish retail market and from the hot and cold smoked product groups.

In summary of the 9 months of 2014, the turnover increased in the Finnish market, where the annual increase was 20.7%. The turnover in Estonia decreased on an annual basis by 8.0%.

Sales share in target markets, 9 months 2014



GEOGRAPHICAL MARKETS

Sales (EUR million)	Q1	Q2	Q3	9m 2014	Q1	Q2	Q3	9m 2013
Finland	8.7	9.8	8.8	27.4	6.7	7.8	8.1	22.7
Estonia	1.1	1.2	1.0	3.3	1.3	1.0	1.3	3.6
Other	0.3	0.3	0.2	0.7	0.3	0.1	0.1	0.5
Total	10.2	11.3	10.0	31.5	8.3	9.0	9.6	26.9
export share	89%	90%	90%	89%	84%	88%	87%	86%

EXPENSES AND PROFIT

The turnover of the continuing operations increased during the first nine months of 2014 by 4.6 million euro, i.e. 17.1%. The operating costs increased at the same time by 0.2 million euro, i.e. 5.6%. The operating expense ratio decreased during the first nine months of 2014 by 1.4 percentage points, if compared to the previous year.

	9m 2014	9m 2013	change	9m 2014	9m 2013	change
	EUR mln	EUR mln	EUR mln	as % of sales	as % of sales	as % of sales
Sales	31.5	26.9	+ 4.6	100.0%	100.0%	
<u>Cost of goods sold</u>	<u>- 27.9</u>	<u>- 24.7</u>	<u>+ 3.2</u>	<u>88.6%</u>	<u>91.9%</u>	<u>- 3.3%</u>
incl one-off exp	- 0.0	- 0.2	- 0.1	0.1%	0.6%	- 0.6%
materials in production & cost of goods purchased for resale	- 22.4	- 20.0	+ 2.4	71.0%	74.4%	- 3.4%
labour costs	- 2.4	- 2.1	+ 0.3	7.5%	7.7%	- 0.2%
depreciation	- 0.7	- 0.7	+ 0.0	2.2%	2.5%	- 0.2%
other cost of goods sold	- 2.5	- 2.0	+ 0.5	7.9%	7.4%	+ 0.5%
<u>Operating expenses</u>	<u>- 4.1</u>	<u>- 3.9</u>	<u>+ 0.2</u>	<u>13.0%</u>	<u>14.4%</u>	<u>- 1.4%</u>
incl one-off exp	- 0.0	- 0.0	- 0.0	0.0%	0.2%	- 0.2%
labour costs	- 1.2	- 1.4	- 0.1	3.9%	5.0%	- 1.1%
transport & logistics services	- 1.2	- 1.0	+ 0.2	3.8%	3.7%	+ 0.1%
depreciation	- 0.2	- 0.2	- 0.0	0.6%	0.7%	- 0.2%
advertising, merchandising, marketing and product development	- 0.6	- 0.5	+ 0.1	1.8%	1.9%	- 0.1%
other operating expenses	- 0.9	- 0.8	+ 0.1	2.9%	3.0%	- 0.2%
<u>Other income/expenses</u>	<u>1.0</u>	<u>0.3</u>	<u>+ 0.7</u>	<u>3.3%</u>	<u>1.1%</u>	<u>+ 2.1%</u>
incl one-off income/exp	0.8		+ 0.8	2.4%	0.0%	+ 2.4%

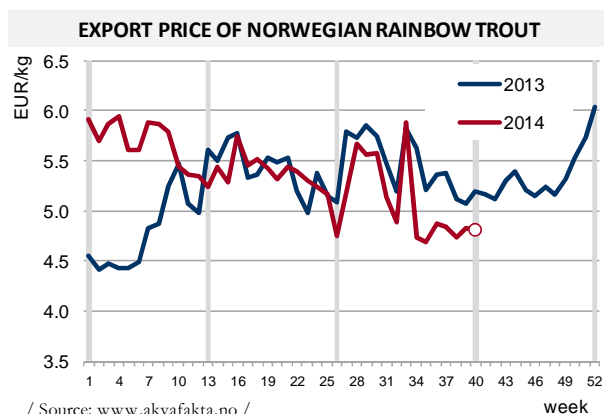
The proportion of the cost of goods sold in the turnover decreased during the first nine months of 2014 by 3.3 percentage points, if compared to the first nine months of 2013. The increase of the gross margin results mainly from the decrease of the price of raw materials in the fish industry.

In the summary of the 9 months of 2014, the market price of salmon was by 5% and the price of rainbow trout was by 2% higher than the price level of the 9 months of the previous year¹.

The increase of production related labour costs by 14.2% results from additional labour needs in the Estonian fish production and in the Swedish fish farms. At the same time, the labour costs of the support staff decreased by 8.8%. In summary, the labour costs increased during the first nine months of 2014 by 5.1% on an annual basis.

Other operating income and expenses increased in summary of the 9 months of 2014 by 0.7 million euro. The reason behind the increase of other operating income is the compensation in the amount of 751 thousand euro received in the 2nd quarter of 2014 from the Swedish Board of Agriculture in connection with the destruction of fish fingerlings in 2012.

The EBITDA from operations of the 9 months of 2014, i.e. the operating profit before market driven revaluation of livestock, one-off income and expenses and depreciation, was 0.7 million euro, which is by 1.0 million euro more than



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.

during the first nine months of 2013. In the 3rd quarter, the EBITDA from operations was 0.3 million euro, exceeding the result of the same period of the previous year by 0.5 million euro.

The loss from the fish stock revaluation of the 9 months of 2014 was 0.2 million euro (9 months of 2013 profit 1.1 million euro). The profit from revaluation of the 3rd quarter was 0.4 million euro, which is 0.9 million euro less than one year earlier. As of 30.09.14, 95% of PRFoods's biological assets is rainbow trout and 5% is whitefish farmed in the Finnish and Swedish fish farms.

The EBITDA of the first 9 months increased during the reporting period by 0.6 million euro, if compared to the results of the previous year. During the first nine months of 2014, there were one-off expenses in the total amount of 30 thousand euro and, during the first nine months of 2013, in the amount of 218 thousand euro. During the first 9 months of 2014, there was one-off income in the amount of 751 thousand euro (during the first nine months of 2013 there was no exceptional income). The one-off expenses and income resulted from the events at the Swedish fish fingerlings farms in 2012 and these have been described in the interim and annual reports of 2012 and 2013.

In the 3rd quarter of 2014, EBIT decreased by 0.3 million euro, if compared to the same period of the previous year. In the summary of 9 months, the result of the current year exceeded the result of 2013 by 0.6 million euro. The financial costs decreased during the first nine months of 2014 by 0.1 million euro, if compared to the same period of 2013.

The net profit of the company's continuing operations of the 3rd quarter of 2014 was 0.1 million euro (in the 3rd quarter of 2013 0.3 million euro). In the summary of 9 months, net loss in the amount of 0.3 million euro was earned (the 9 months of 2013 -1.2 million euro).

Together with the discontinued operations, the net profit of the 3rd quarter was 2.5 million euro which is by 0.4 million euro more than during the 3rd quarter of 2013. In the summary of 9 months, the net profit increased on an annual basis by 1.7 million euro, reaching 3.7 million euro.

FINANCIAL POSITION

The indicators in the following table include the impacts of the continuing as well as the discontinued operations:

		LIQUIDITY AND SOLVENCY RATIOS							
Ratio	formula	31.12.13	31.03.14	30.06.14	30.09.14	31.12.12	31.03.13	30.06.13	30.09.13
Liquidity ratio	Current Assets / Current Liabilities	1.63	1.47	1.48	3.07	1.91	1.73	1.58	1.86
Equity ratio	Equity / Total Assets	58%	56%	55%	62%	58%	57%	53%	58%
Gearing ratio	Net Debt / (Equity + Net Debt)	26%	27%	27%	19%	28%	27%	30%	28%
Net debt-to-EBITDA*	Net Debt/EBITDA from operations	3.43	2.82	3.15	7.35	2.71	2.80	3.46	3.31

*as of 30.09.2014 12 months EBITDA from operations from continuing operations

The cash flow from operations of the continuing operations of the 9 months of 2014 was -0.5 million euro (during the same period of 2013 -0.8 million euro). Together with the discontinued operations, the cash flow from operations of the 9 months was 3.5 million euro, which is by 1.5 million euro more than one year earlier.

The net debt as at the balance sheet date was 9.7 million euro (30.09.13 14.6 million euro). Financial leverage, i.e. the proportion of the net debt in the total capitalisation, was 19% (on 30.09.13, the respective figure was 28%).

Net debt to EBITDA as at 30.09.14 was 7.35 (30.09.13: 3.31). The liquidity ratio demonstrating short-term solvency was at 30.09.14 3.07 (30.09.13: 1.86). The proportion of equity in the balance sheet total was 62% (30.09.13: 58%). As the assets of the discontinued operations have been indicated under current assets, then, as at 30.09.2014, the working capital of the company was 35.5 million euro (30.09.13: 13.1 million euro).

BALANCE SHEET ANALYSIS

The consolidated balance sheet total of AS PRFoods as at 30.09.14 was 65.6 million euro, having decreased within a year by 0.4 million euro, i.e. 0.7%.

The company's current assets as at 30.09.2014 amounted to 52.4 million euro, 36.6 million euro thereof represents the group of assets held for sale. The balance of cash and bank accounts was 0.4 million euro. As at 30.09.14, the company had undrawn overdraft facility limit in the amount of 3.1 million euro.

Accounts receivable and prepayments of the continuing operations decreased by 0.2 million euro, i.e. 6.9%, on an annual basis. Inventories and livestock of the continuing operations combined have increased by 0.2 million euro, i.e. 1.4%, if compared to the previous year.

Accounts payable and prepayments as at 30.09.14 were 4.1 million euro (on 30.09.13 the continuing operations 4.4 million euro; together with the discontinued operations 9.9 million euro).

The equity of PRFoods was as at 30.09.14 40.5 million euro.

INVESTMENTS

The expenditures into tangible and intangible assets of the continuing operations of PRFoods during the 9 months of 2014 were 1,057 thousand euro (the expenditures of the 9 months without the expenditures of the discontinued operations were 594 thousand euro).

PERSONNEL

As at the end of the 3rd quarter, the number of employees of the continuing operations was 230 – it is by 18 employees more than one year earlier. In the summary of 9 months, the number of the employees on an annual basis has increased by 10%, reaching 212 employees. The increase of the number of employees results from additional labour needs in the Estonian fish production and the Swedish fish farms. During the first 9 months of 2014, the increase of the labour costs was 5% on an annual comparison.

Continuing operations	PERSONNEL ANALYSIS							
	Q1	Q2	Q3	9m 2014	Q1	Q2	Q3	9m 2013
No of employees, at the end of period	204	219	230	230	185	187	212	212
Average number of employees	202	210	225	212	186	185	206	192
Finland	38	39	40	39	39	41	42	41
Estonia	145	150	164	153	131	128	142	134
Sweden	19	21	21	20	16	16	22	18
Payroll expenses (th EUR)	1,095	1,279	1,227	3,600	1,087	1,152	1,184	3,423
Monthly average payroll exp per employee (th EUR)	1.81	2.03	1.82	1.88	1.95	2.08	1.92	1.98

SHARES

PRFoods 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). All shares carry equal voting and dividend rights. PRFoods's share does not have an official market maker.

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	Minimum quantity of tradable securities:	1 share

The dynamics of the share price of PRFoods (EUR) and the volume of transactions (no of shares traded) during the period from 5 May 2010 up to 30 September 2014:



In accordance with the resolution of the General Meeting of shareholders of AS PRFoods, 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

<i>Price (EUR)</i>	Q1	Q2	Q3	9m 2014	Q1	Q2	Q3	9m 2013
Open	0.710	0.658	0.668	0.710	0.640	0.658	0.721	0.640
High	0.760	0.675	0.718	0.760	0.700	0.728	0.745	0.745
Low	0.611	0.629	0.618	0.611	0.620	0.650	0.662	0.620
Last	0.655	0.654	0.623	0.623	0.700	0.718	0.690	0.690
Traded volume, thousand	469	191	256	917	467	406	311	1,183
Turnover, million	0.33	0.12	0.17	0.63	0.30	0.28	0.22	0.79
Market capitalization, million	25.34	25.30	24.10	24.10	27.08	27.77	26.69	26.69

MARKET RATIOS

<i>Ratios</i>	<i>formula</i>	30.09.14
EV/Sales	(Market Cap + Net Debt) / Sales	0.7
EV/EBITDA from operations	(Market Cap + Net Debt) / EBITDA from operations	25.7
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	18.5
Price-to-Earnings	Market Cap / Net Earnings	9.0
Price-to-Book	Market Cap / Equity	0.6

Market Cap and Equity as of 30.09.2014

Net Debt continuing operations as of 30.09.2014

Sales and EBITDA from continuing operations for the trailing 12 months period

Net Earnings for the trailing 12 months period

Shareholders structure

Major shareholders of AS PRFoods at 30 September 2014:

1. ING Luxembourg S.A. 62.71%	6. Firebird Avrora Fund. Ltd..... 1.68%
2. LHV Pensionifond L 4.41%	7. Compensa Life Vienna Insurance Group SE 1.62%
3. OÜ Rododendron 3.36%	8. LHV Pensionifond XL..... 1.48%
4. Ambient Sound Investments OÜ 3.20%	9. OÜ Footsteps Management 1.31%
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 PRFoods, 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 PRFoods 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), Vesa 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 PRFoods, 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 PRFoods 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 30 September 2014, the members of management and Supervisory Board and persons/companies related to them hold the shares in the company as indicated below:

Shareholder	30/09/2014 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%

The CV-s of the members of the management board and of the supervisory board of AS PRFoods as at date of the preparation of the report:

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 PRFoods since June 2009 and since 15 May 2013 is the Chairman of the Management Board of PRFoods. 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, Heimon Kala Oy, Nordic Foods Holding OÜ 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 Külkhoone 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, Nordic Foods Holding OÜ and Freespirit OÜ.

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 PRFoods. 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 Külkhoone, Saaremere Kala AS, Vettel OÜ, and AS Premia FFL. He is a member of the Supervisory Board of MTÜ Eesti Maleliit and Nordic Foods Holding OÜ 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 Külmhoone and Vettel OÜ. He serves as Supervisory Board member of AS Toode, ELKE Grupi AS, EPhaG AS, AS Kevelt, Salva Kindlustuse AS, AS Ridge Capital, Ekspress Grupp AS and a Management Board member of OÜ Transtech Services, Fine, Wood and Company OÜ, Lindermann, Birnbaum & Kasela OÜ, Managetrade OÜ, Temnikova & Kasela Galerii OÜ, LA24 Holding OÜ, Saue 3K Capital 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 PRFoods. 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 OÜ, Lottesõbrad OÜ 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. 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 Avrora Fund. He is a member of the New York State Bar.

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

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

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

CONDENSED INTERIM ACCOUNTING REPORT

Condensed consolidated statement of financial position

EUR '000	30/09/2014	31/12/2013	30/09/2013	Note
	unaudited	audited	unaudited	
Cash and cash equivalents	388	1,314	1,254	
Receivables and prepayments	2,837	8,356	9,091	
Inventories	4,983	10,258	10,032	
Biological assets	7,563	6,270	7,953	
Assets of disposal group classified as held for sale	36,619	0	0	(Note 13)
Total current assets	52,390	26,198	28,330	
Deferred income tax assets	188	557	393	
Long-term financial investments	135	127	127	(Note 2)
Investment property	0	2,084	2,084	(Note 3)
Property, plant and equipment	6,720	12,500	12,712	(Note 3)
Intangible assets	6,203	22,373	22,424	(Note 4)
Total non-current assets	13,246	37,641	37,741	
TOTAL ASSETS	65,635	63,839	66,070	
Borrowings	3,556	6,035	5,373	(Note 5,6)
Payables and prepayments	4,105	10,057	9,895	
Liabilities of disposal group classified as held for sale	9,402	0	0	(Note 13)
Total current liabilities	17,063	16,092	15,268	
Borrowings	6,483	8,470	10,433	(Note 5,6)
Deferred income tax liabilities	531	716	858	
Government grants	1,107	1,264	1,322	(Note 7)
Total non-current liabilities	8,121	10,450	12,613	
Total liabilities	25,184	26,542	27,881	
Share capital	19,342	19,342	19,342	(Note 8)
Share premium	16,022	16,026	16,026	
Treasury shares	-11	0	0	(Note 8)
Statutory capital reserve	6	6	6	(Note 8)
Other reserves	0	62	57	(Note 8)
Currency translation differences	696	748	665	
Retained earnings	4,396	1,113	2,093	
Equity attributable to equity holders of the parent	40,451	37,297	38,189	
Total equity	40,451	37,297	38,189	
TOTAL LIABILITIES AND EQUITY	65,635	63,839	66,070	

Condensed consolidated statement of profit or loss and other comprehensive income

EUR '000	Q3 2014 unaudited	Q3 2013 unaudited	9m 2014 unaudited	9m 2013 unaudited	Note
Continuing operations					
Revenue	10,042	9,561	31,515	26,903	(Note 9)
Cost of goods sold	-8,816	-8,968	-27,920	-24,730	
Gross profit	1,226	593	3,595	2,173	
Operating expenses	-1,333	-1,297	-4,084	-3,869	
Sales and marketing expenses	-856	-827	-2,686	-2,440	
General and administrative expenses	-477	-470	-1,398	-1,429	
Other income and expenses, net	146	180	1,032	304	
Revaluation of biological assets	377	1,287	-248	1,118	
Operating profit (loss)	416	763	295	-274	
Finance income	1	-19	12	17	
Finance costs	-227	-164	-539	-637	
Profit (loss) before income tax	190	580	-232	-894	
Corporate income tax	-80	-290	-30	-339	
Profit (loss) for the period from continuing operations	110	290	-262	-1,233	
Profit for the period from discontinued operations	2,411	1,785	3,934	3,160	(Note 13)
Profit for the period	2,521	2,075	3,672	1,972	
<i>Other comprehensive income / expense that might subsequently be classified to profit or loss:</i>					
Currency translation differences	53	57	-52	180	
incl. continuing operations	3	14	-65	-8	
incl. discontinued operations	50	43	13	188	
Other comprehensive income / expense	53	57	-52	180	
Total comprehensive income	2,574	2,132	3,620	2,107	
Net profit for the period:					
Attributable to equity holders of the parent	2,521	2,075	3,672	1,927	(Note 8)
Net profit for the period	2,521	2,075	3,672	1,927	
Comprehensive income for the period:					
Attributable to equity holders of the parent	2,574	2,132	3,620	2,107	
Total comprehensive income	2,574	2,132	3,620	2,107	

<i>Earnings per share</i>	Q3 2014	Q3 2013	9m 2014	9m 2013
Basic earnings per share (EUR)	0.07	0.05	0.09	0.05 (Note 8)
incl. continuing operations	0.00	0.01	-0.01	-0.03
incl. discontinued operations	0.06	0.05	0.10	0.08
Diluted earnings per share (EUR)	0.07	0.05	0.09	0.05 (Note 8)
incl. continuing operations	0.00	0.01	-0.01	-0.03
incl. discontinued operations	0.06	0.05	0.10	0.08

Condensed consolidated cash flow statement

EUR '000	9m 2014 unaudited	9m 2013 unaudited	Note
Continuing operations:			
Net loss	-262	-1,233	
<i>Adjustments:</i>			
Depreciation and amortisation	849	828	(Note 3, 4)
Gain/loss on disposal of non-current assets	0	4	
Other non-monetary changes	40	67	
Changes in receivables and prepayments	1,172	450	
Changes in inventories	-51	2	
Changes in biological assets	-1,293	-2,322	
Changes in payables and prepayments	-733	1,662	
Corporate income tax paid	-191	-223	
Discontinued operations	4,006	2,809	
Net cash generated in operating activities	3,537	2,044	
Continuing operations:			
Proceeds from sale of property, plant and equipment and intangible assets	113	25	(Note 3, 4)
Acquisition of property, plant and equipment and intangible assets	-706	-495	(Note 3, 4)
Repayments of loans granted	3	2	
Interest received	0	1	
Profit from long-term investments	1	0	
Discontinued operations	-246	-153	
Net cash used in investing activities	-835	-620	
Continuing operations:			
Own shares buy-back	-15	0	
Change in overdraft facility	6	1,178	
Repayments of borrowings	-1,120	-1,120	
Payments of finance lease principal	-110	-87	
Dividends paid	-387	-387	
Interest paid	-257	-238	
Discontinued operations	-950	-873	
Net cash used from financing activities	-2,833	-1,527	
NET CASH FLOWS:	-131	-103	
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of the period	1,314	1,357	
Net change in cash and cash equivalents	-131	-103	
Cash and cash equivalents at end of the period	1,183	1,254	

Consolidated statement of changes in equity

EUR '000	Equity attributable to equity holders of the company							Total	Total Equity
	Share capital	Share premium	Own shares	Statutory capital reserve	Other reserves	Currency translation differences	Retained earnings		
Balance at 31/12/12	19,342	16,026	0	6	42	485	553	36,454	36,454
Share option programme	0	0	0	0	15	0	0	15	15
Dividends	0	0	0	0	0	0	- 387	- 387	- 387
Comprehensive income	0	0	0	0	0	180	1,927	2,107	2,107
Balance at 30/09/13	19,342	16,026	0	6	57	2,093	2,093	38,188	38,188
Balance at 31/12/13	19,342	16,026	0	6	62	748	1,113	37,297	37,297
Own shares buy-back programme	0	-4	-11	0	0	0	0	-15	-15
Share option programme	0	0	0	0	-62	0	0	-62	-62
Dividends	0	0	0	0	0	0	-387	-387	-387
Comprehensive income	0	0	0	0	0	-52	3,672	3,620	3,620
Balance at 30/09/14	19,342	16,022	-11	6	0	696	4,398	40,453	40,453

Notes to the Interim Report

Note 1. Summary of material accounting policies

AS PRFoods is a company registered in Estonia. The interim report as at 30 September 2014 contains AS PRFoods (hereinafter the Parent Company) and its subsidiaries Saaremere Kala AS in Estonia, AB Premia KPC in Lithuania, OOO Khladokombinat No 1 and OOO Khladomagija in Russia and companies belonging into the group – OÜ Vettel, OÜ GourmetHouse and AS Premia Tallinna Külkhoone in Estonia, Heimon Kala OY in Finland, Överumans Fisk Ab in Sweden, AS Premia FFL in Latvia (hereinafter also the Group). The Group has a holding in an affiliated entity Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology; CCFFT). AS PRFoods is listed on the NASDAQ OMX Tallinn Stock Exchange since 5 May 2010.

The business segment of ice cream and of the frozen goods (AB Premia KPC, AS Premia Tallinna Külkhoone, AS Premia FFL, OOO Khladokombinat No 1), including the Russian trademarks owned by AS PRFoods, have been indicated in this report as discontinued operations. In order to evaluate the results of the continuing operations, the data of 2013 has been adjusted for comparison purposes. The continuing operations are the production and sales of the fish products in the Estonian and Finnish markets and the fish farms.

The Group's consolidated audited annual report for the financial year that ended on 31 December 2013 is available at the Parent Company's location at Betooni 4, Tallinn and on the Parent Company's website www.prfoods.ee.

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 31.12.2013 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 2013, 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 14 November 2014.

In the opinion of the management, this interim report for 3rd quarter and 9 months 2014 of AS PRFoods 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 2013 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 31.12.2013	51	76	127
Repayments of loans granted	0	-3	-3
Profit (loss) from equity participation	11	0	11
Balance at 30.09.2014	62	73	135

Other long-term investments include the investments into shares and holdings, which are not listed on the stock exchange. During the reporting period, 102 euro interest revenue from financial investment and 830 euro dividend income was earned.

AS PRFoods 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 PRFoods in developing new technologies and products.

Note 3. Property Investments and Tangible Fixed Assets

Continuing operations						
EUR '000	Property investments	Land and buildings	Machinery and equipment	Other tangible assets	Construction in progress, prepayments	Total
Residual value as of 31.12.2013	0	2,632	3,496	241	160	6,529
Unrealised currency effect	0	-16	4	0	-3	-15
Acquired during the period	0	73	310	53	662	1,098
Depreciation	0	-174	-568	-37	0	-779
Assets sold and written off	0	0	-1	0	-112	-113
Balance at 30.09.2014	0	2,515	3,241	257	707	6,720
Discontinued operations						
EUR '000	Property investments	Land and buildings	Machinery and equipment	Other tangible assets	Construction in progress, prepayments	Total
Residual value as of 31.12.2013	2,084	1,882	3,923	103	62	8,055
Unrealised currency effect	0	0	-25	0	0	-25
Acquired during the period	0	0	718	28	125	871
Depreciation	0	-100	-691	-39	0	-830
Assets sold and written off	0	0	-14	0	0	-14
Balance at 30.09.2014	2,084	1,782	3,911	92	187	8,056

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

Note 4. Intangible Assets

Continuing operations						
EUR '000	Goodwill	Trademarks and patents	Immaterial rights	Software licenses	Pre-payments	Total
Balance as of 31.12.2013	4,730	718	531	28	200	6,207
Unrealised currency effect	0	-1	0	0	-1	-2
Acquired during the period	0	0	0	4	64	68
Depreciation	0	-42	-18	-10	0	-70
Balance at 30.09.2014	4,730	675	513	22	263	6,203
Discontinued operations						
EUR '000	Goodwill	Trademarks and patents	Immaterial rights	Software licenses	Pre-payments	Total
Balance as of 31.12.2013	15,212	834	4	117	0	16,167
Unrealised currency effect	0	0	0	-4	0	-4
Acquired during the period	0	5	0	13	0	18
Depreciation	0	-38	-3	-57	0	-98
Balance at 30.09.2014	15,212	801	1	70	0	16,084

Note 5. Financial Lease

Continuing operations				
EUR '000	Machinery, equipment	Means of transport	Other fixed assets	Total
<i>Fixed assets acquired under finance lease</i>				
Acquisition cost as of 30.09.14	814	461	0	1,275
Accumulated depreciation as of 30.09.14	-144	-122	0	-266
Residual value as of 30.09.14	670	339	0	1,009
Acquisition cost as of 31.12.13	398	461	1	860
Accumulated depreciation as of 31.12.13	-124	-79	0	-203
Residual value as of 31.12.13	274	382	1	657
Payable under finance lease as of 30.09.14	613	275	0	888
incl. payable within 1 year	127	96	0	223
incl. payable within 1-5 year	486	179	0	665
incl. payable after 5 years	0	0	0	0
Principal payments of the period	49	61	0	110
Interest expenses of the period	4	6	0	10
Average interest rate per annum	1.1%	2.2%	x	1.6%
Discontinued operations				
EUR '000	Machinery, equipment	Means of transport	Other fixed assets	Total
<i>Fixed assets acquired under finance lease</i>				
Acquisition cost as of 30.09.14	1,392	1,237	0	2,629
Accumulated depreciation as of 30.09.14	-201	-338	0	-539
Residual value as of 30.09.14	1,191	899	0	2,090
Acquisition cost as of 31.12.13	1,387	975	0	2,362
Accumulated depreciation as of 31.12.13	-167	-253	0	-420
Residual value as of 31.12.13	1,220	722	0	1,942
Payable under finance lease as of 30.09.14	946	751	0	1,697
incl. payable within 1 year	236	277	0	513
incl. payable within 1-5 year	654	474	0	1,128
incl. payable after 5 years	56	0	0	56
Principal payments of the period	223	209	0	432
Interest expenses of the period	16	12	0	28
Average interest rate per annum	2.1%	2.5%	x	2.3%

Note 6. Debt Obligations

EUR '000	30/09/2014	31/12/2013
Finance lease liabilities	223	563
Overdraft	1,841	1,957
Investment loan	1,492	3,515
Short Term Debt Obligations	3,556	6,035
Finance lease liabilities	665	1,532
Investment loan	5,818	6,938
Long Term Debt Obligations	6,483	8,470
incl. payable within 1-5 years	6,483	8,350
incl. payable after 5 years	0	120

Loan residuals of continuing operations as of 30 September 2014 with additional information about the interest rates, payment terms and the collateral established for securing the loans:

Borrower	Creditor	Amount	Interest rate	Maturity date	Loan residual 30.09.2014 EUR'000	less than 1 year	1-5 years	Collateral
Overdraft								
AS PRFoods	SEB	4 900 tuh EUR	1m EURIBOR + 1.3%	30.04.15	1,841	1,841	0	pledges on subsidiaries shares, mortgage 14.3 mln EUR, commercial pledge 3.6 mln EUR
Investment loans								
AS PRFoods	SEB	10 900 tuh EUR	3m EURIBOR + 1.9%	18.07.17	7,310	1,492	5,818	pledges on subsidiaries shares, mortgage 14.3 mln EUR, commercial pledge 3.6 mln EUR
Total					9,151	3,333	5,818	

Effective interest rates are very close to nominal interest rates. Additionally to the collateral granted for the securing of loans, the company has 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 30.09.14 was -100 thousand euro (30.09.2013 -29 tuhat eurot) and the impact on the income statement as a finance expense was 96 thousand euro (30.09.2013 financial income 17 thousand euro). See also Note 14.

Note 7. Government Grants**Continuing operations:**

EUR '000	9m 2014	9m 2013
Deferred income from government grants at the beginning of period	1,264	1,479
Change in value due to the exchange rates	-11	-4
Recognition as income during the period	-146	-153
Deferred income from government grants at the end of period	1,107	1,322
incl. income within 1 year	196	204
incl. income within 2-17 years	911	1,118

Note 8. Equity

As at 30.09.2014, the company had 38,682,860 shares (30.09.13: 38,682,860), including 22,926 own shares (30.09.13: 0 own shares).

As of 01.07.2014, the own share buy-back program was initiated in accordance with the resolution of the general meeting of shareholders held on 29.05.2014 and the Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments.

The annual general meeting of shareholders held on 29 May 2014 decided the acquisition of up to 500,000 own shares and determined the conditions for the buy-back program. On 30.06.14, the management board of AS PRFoods concluded a service agreement with AS SEB Pank to conduct the share buy-back program.

As at 30.09.14, AS SEB Pank has repurchased in the name and on behalf of AS PRFoods within the buy-back program 22,926 shares at the average price of 0.6839 euro per share.

On 17 January 2014, the last subscription period of the option program ended terminating the entire option program. In the course of the option program, members of the governing bodies and key employees of PRFoods and its subsidiaries were entitled to subscribe for the shares of the company for the price of 0.83 euro per share. No shares of PRFoods were subscribed in the course of the option program. The volume of the option program was 900,000 shares and the estimated cost of program for the 3-year period was 61,581 euro. In accordance with IFRS 2 the offset entry of the contingent cost of the stock option plan has been recognised under the line of "Other reserve" of the Financial Position Statement of PRFoods. As of 17.01.2014 "other reserves" was added to the retained earnings.

The annual general meeting held on 29 May 2014 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 29 August 2014 at 23.59 and the dividends were paid to the shareholders on 3 September 2014.

The earning 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 (own shares excluded).

	Q3 2014	Q3 2013	9m 2014	9m 2013
Net profit (-loss) for the period EUR '000	2,521	2,075	3,672	1,927
Avg no of shares (thousand)	38,668	38,683	38,678	38,683
Earnings per share (€)	0.07	0.05	0.09	0.05
incl continuing operations	0.00	0.01	-0.01	-0.03
incl discontinued operations	0.06	0.05	0.10	0.08
Diluted earnings per share (€)	0.07	0.05	0.09	0.05
incl continuing operations	0.00	0.01	-0.01	-0.03
incl discontinued operations	0.06	0.05	0.10	0.08

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.

In this report, the ice cream business segment and the frozen goods business segment have been indicated as discontinued operations. Together with the sale of the ice cream business segment and the frozen goods business segment, also the turnover of the other business segment decreases (turnover of the other business segment of 9 months of 2014: continuing and discontinued operations 2.5 million euro, i.e. 3.2% of the turnover, only continuing operations 0.3 million euro, i.e. 0.8%). As a result thereof, the management of the parent company of the Group decided that the two remaining business segments, the fish business segment and the other segments, will hereinafter be monitored and analysed together as the proportion of the other segments in the business is of marginal importance.

Revenue by geographical segments

EUR '000	Q3 2014	Q3 2013	9m 2014	9m 2013
Finland	8,845	8,142	27,417	22,723
Estonia	1,036	1,276	3,349	3,640
Other	161	144	749	541
Total	10,042	9,562	31,515	26,904

Note 10. Subsidiaries

Company	Country	Share		Field of operation	Owner	Status
		30/09/2014	31/12/2013			
Saaremere Kala AS	Estonia	100%	100%	Holding	PRFoods AS	continuing operation
Vettel OÜ	Estonia	100%	100%	Fish processing	Saaremere Kala AS	continuing operation
GourmetHouse OÜ	Estonia	100%	100%	Sale of fish and fish products	Saaremere Kala AS	continuing operation
AS Premia Tallinna Kõlmhoone	Estonia	100%	100%	Ice cream production, sale of ice cream and frozen food	AB Premia KPC	discontinued operation
AB Premia KPC	Lithuania	100%	100%	Sale of ice cream and frozen food	PRFoods AS	discontinued operation
Heimon Kala Oy	Finland	100%	100%	Fishfarming, processing and sale of fish and fish products	Saaremere Kala AS	continuing operation
Överumans Fisk Ab	Sweden	100%	100%	Fishfarming and sale	Heimon Kala Oy	continuing operation
AS Premia FFL	Latvia	100%	100%	Sale of ice cream and frozen food	AS Premia Tallinna Kõlmhoone	discontinued operation
OOO Khladokombinat No1	Russia	100%	100%	Ice cream production, sale of ice cream and frozen food	PRFoods AS	discontinued operation
OOO Khladomagija	Russia	100%	100%	IP Holding	PRFoods AS	continuing operation

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 PRFoods 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 from continuing operations were as follows (as at 30.09.2014 and 31.12.2013 there were no receivables or payables from the discontinued operations):

Company	Debtor	Comments	Receivable as of	Receivable as of
			30.09.14 EUR '000	31.12.13 EUR '000

Vettel OÜ	Companies related to the members of management and	Other receivable	1	-
	Total		1	-

Company	Debtor	Comments	Payable as of 30.09.14	Payable as of 31.12.13
			EUR '000	EUR '000

Vettel OÜ	Companies related to the members of management and	Accounts payable	-	1
	Total		-	1

Receivables from related parties have not been written down.

Grupi ulatuses on aruandeperioodil teostatud ostu-ja müügitehinguid seotud osapooltega järgnevatel mahtudes:

Continuing operations

Party EUR '000	Type of transaction	9m 2014		9m 2013	
		Purchase	Sale	Purchase	Sale
Companies related to the members of management and supervisory board	services	9	2	49	2
	Total	9	2	49	2

Discontinued operations

Party EUR '000	Type of transaction	9m 2014		9m 2013	
		Purchase	Sale	Purchase	Sale
Companies related to the members of management and supervisory board	services	-	-	5	-
	Total	0	0	5	0

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 PRFoods and its subsidiaries and other key managers (continuing operations):

	9m 2014 EUR '000	9m 2013 EUR '000
Short-term benefits	604	573
Termination benefits	0	35
Total	604	608

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 PRFoods, 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 (0.5 million 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 recorded under other operating income.

On 19 June 2014, the Swedish Board of Agriculture decided to pay SEK 6,727,636 (approximately 0.7 million euro) to Överumans Fisk AB as an additional compensation, therefore, the total amount of compensation is SEK 10,727,636 (approximately 1.2 million euro). The claim of Överumans Fisk AB was satisfied partially as the total amount of claim was SEK 25,487,000. The resolution of the Swedish Board of Agriculture is based on two pieces of legislation of Sweden – the Act on Testing of Animals and the Ordinance on Testing of Animals. Under the Ordinance, a legal or natural person that has suffered costs or losses following decision that was made on the basis of the Act on Tasting of Animals may be granted compensation from government funds if there are particular grounds. The referred legal acts provide no guidance on the size of the compensation or what types of costs are compensable. There is also no relevant administrative or court practise. Therefore, the Swedish Board of Agriculture applied as an analogy the provisions of the Epizootic Act stating; however, that the parasite in question is not an epizootic disease. According to the Epizootic Act, compensation is granted for slaughtered animals, decontamination, production loss or other loss of income than production loss, whereas the production loss is

compensated only in the amount of 50%. This led the Swedish Board of Agriculture to conclude that any other costs or loss should not be compensated. Based on the above legal argumentation, the Swedish Board of Agriculture did not satisfy the claim of Överumans Fisk AB in respect of legal costs, stand-still costs, interest costs, other costs (such as travel, translation, and etc. costs) and satisfied the claim of loss of profit only partially. Due to the above reasons the amount of compensation was reduced to SEK 10,727,636 (approximately 1.2 million euro). After careful consideration, the company decided not to appeal the decision of the Swedish Board of Agriculture. The main reason for such a decision by the company is the legal uncertainty as to the success of potential appeal. Overall the Management Board of PRFoods considers the result of the legal proceedings with the Swedish Board of Agriculture in respect of the compensation a success as no other company in Sweden has received compensation in similar cases.

Note 13. Discontinued operations

On 06.10.2014, AS PRFoods, Nordic Foods Holding OÜ and Shiner Macost Ltd executed share purchase agreements under which AS PRFoods undertook to sell and transfer 100% of all the shares in the subsidiaries of AS PRFoods AB Premia KPC and OOO Khladokombinat No 1 and the Russian trademarks owned by AS PRFoods to Nordic Foods Holding OÜ and Shiner Macost Ltd. As a result of the transaction, AS PRFoods sold ja transferred all its Baltic and Russian ice cream and frozen goods operations.

The general meeting of shareholders held on 30.10.2014 decided to approve the transaction of the sale and transfer of AB Premia KPC, a significant subsidiary of AS PRFoods, in accordance with the terms and conditions of the transaction of sale and transfer of the significant subsidiary of AS PRFoods, which were made available to the shareholders together with the convening of the extraordinary general meeting of shareholders.

On 31.10.2014 the transaction of sale and transfer of the Baltic business units and the trademarks owned by AS PRFoods described above was completed. The transaction of sale and transfer of the shares of OOO Hladokombinat No 1 was completed on 10.11.2014.

The ice cream business segment and the frozen goods business segment, including the Russian trademarks of AS PRFoods, have been indicated in this report as discontinued operations.

Consolidated statement of profit of discontinued operations

EUR '000	Q3 2014	Q3 2013	9m 2014	9m 2013
Discontinued operations				
Revenue	18,948	17,453	47,317	46,470
Cost of goods sold	-11,738	-10,879	-29,960	-29,610
Gross profit	7,210	6,574	17,357	16,859
Operating expenses	-4,616	-4,565	-13,152	-13,393
Other income and expenses, net	-124	-87	-152	-105
Operating profit	2,470	1,922	4,053	3,361
Finance income and costs, net	-49	-84	-122	-196
Profit before income tax	2,421	1,837	3,930	3,165
Corporate income tax	-9	-52	4	-6
Profit from discontinued operations	2,411	1,785	3,934	3,160

Following intra-group receivables and liabilities are eliminated from assets and liabilities of discontinued operations as after the transaction the intra-group financing is not going to continue:

EUR '000	30.09.14	31.12.13
Loans received, intra-group:		
Loan residual	2,525	2,844
Interest payables	1,530	1,548
Overdraft given, intra-group:		
Overdraft receivable	7,092	5,083
Interest receivable	29	20

Assets and liabilities of discontinued operations

EUR '000	30.09.2014	31.12.2013
Assets classified as held for sale		
Cash and cash equivalents	795	343
Receivables and prepayments	5,973	4,529
Inventories	5,374	5,325
Deferred income tax assets	338	369
Investment property	2,084	2,084
Property, plant and equipment	5,972	5,971
Intangible assets	16,084	16,166
Total assets of the disposal group	36,619	34,788
Liabilities directly associated with assets classified as held for sale:		
Payables and prepayments	5,904	5,385
Borrowings	3,388	3,658
Deferred income tax liabilities	110	114
Total liabilities of the disposal group	9,402	9,157
Total net assets of the disposal group	27,217	25, 630

In the opinion of the management of the Group, the fair value of the assets and liabilities of the discontinued operations is not lower than their balance sheet value and, therefore, the assets and liabilities of the discontinued operations have been indicated in their balance sheet value.

Note 14. Events after the balance sheet date

Execution of the sale and transfer agreement of the ice cream and the frozen goods operations of the Baltics and Russia

On 06.10.2014, AS PRFoods, Nordic Foods Holding OÜ and Shiner Macost Ltd executed share purchase agreements under which AS PRFoods undertook to sell and transfer 100% of all the shares in the subsidiaries of AS PRFoods AB Premia KPC and OOO Khladokombinat No 1 and the Russian trademarks owned by AS PRFoods to Nordic Foods Holding OÜ and Shiner Macost Ltd. As a result of the transaction, AS PRFoods agreed to sell and transfer all its Baltic and Russian ice cream and frozen goods operations.

Extraordinary general meeting of shareholders

On 6 October 2014, the management board of PRFoods convened the extraordinary general meeting of shareholders, which was held on 30 October 2014. The general meeting approved the amendment of the articles of association according to which the business name of the company was changed to AS PRFoods (previously AS Premia Foods). The contemplated transaction of sale and transfer of AB Premia KPC, significant subsidiary of AS PRFoods, and the terms and conditions of

the transaction of sale and transfer of the significant subsidiary of AS PRFoods as made available to the shareholders on AS PRFoods's website www.prfoods.ee together with the convening of the general meeting was also approved.

Completion of the transaction of sale and transfer of the ice cream and frozen goods operations of the Baltics and Russia

On 31.10.2014, the transaction of sale and transfer of the ice cream and the frozen goods operations of the Baltics and the trademarks owned by AS PRFoods was completed, according to which 100% of the shares of AB Premia KPC, a subsidiary of AS PRFoods, were sold to Nordic Foods Holding OÜ. On 31.10.2014, Nordic Foods Holding OÜ paid AS PRFoods the first instalment of the purchase price (altogether 27,109,000 euro).

The members of the management board of AS PRFoods Katre Kõvask and Silver Kaur will act as the members of the management board of Nordic Foods Holding OÜ, the third member of the management board of AS PRFoods Erik Haavamäe was elected a member of the supervisory board of Nordic Foods Holding OÜ.

The transaction of sale and transfer of the shares of OOO Khladokombinat No 1 was completed on 10.11.2014.

Repayment of SEB loans and premature termination of Interest Rate Swap with amortization

On 31.10.2014, as a result of the sales transaction of the ice cream and frozen goods operations of the Baltics, the investment loan and overdraft facility of AS PRFoods was repaid to AS SEB Pank in full.

The Interest Rate Swap with amortization transactions were prematurely terminated together with the repayment of the investment loan. The fee for premature termination of the financial instruments was 104,300 euro.

Conversion of intra-group loans received by OOO Hladokombinat No 1 to equity

On 15.10.2014 the loans and interest payables of OOO Hladokombinat No 1 received from AS PRFoods were converted to equity in the amount of 100 634 thousand Russian ruble (1 947 thousand euro).

MANAGEMENT BOARD'S CONFIRMATION TO THE CONSOLIDATED INTERIM REPORT FOR THE 3RD QUARTER AND 9 MONTHS OF 2014

The Management Board confirms the correctness and completeness of the consolidated interim report for the 3rd quarter and 9 months of 2014 of AS PRFoods and its subsidiaries (together the Group) presented in the pages 4 – 27 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.

Chairman of Management Board	Katre Kõvask	digitally signed	14 November 2014
Member of Management Board	Silver Kaur	digitally signed	14 November 2014
Member of Management Board	Erik Haavamäe	digitally signed	14 November 2014