



P R F O O D S

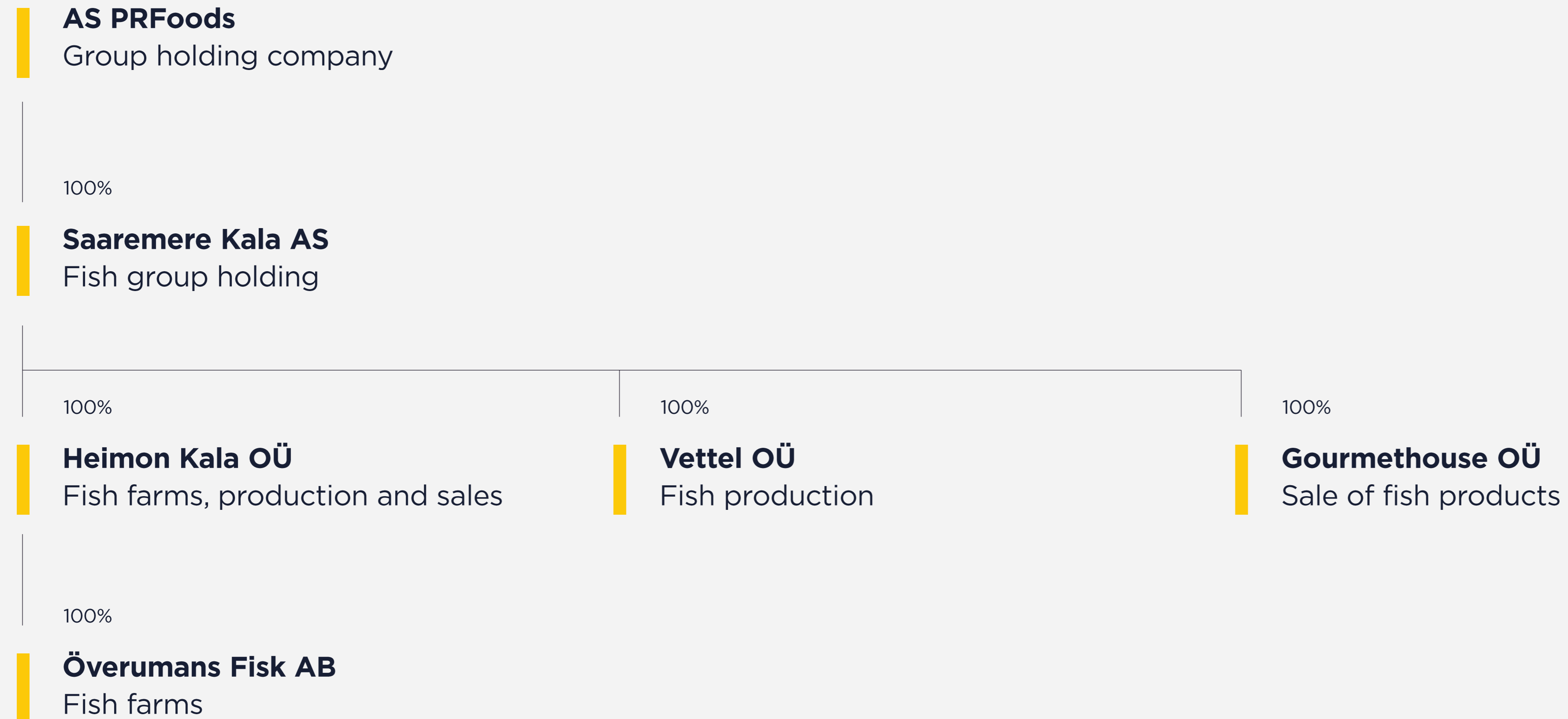
REPORT / 4TH QUARTER AND 12 MONTHS OF 2015

18/02/2016

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Structure of AS PRFoods



Summary: 4th quarter 2015

UNAUDITED CONSOLIDATED REVENUE

17.2 million euros, increase 19.7%, i.e. 2.8 million euros.

GROSS MARGIN

14.9%, increase 3.1 percentage points.

THE NEGATIVE EFFECT OF REVALUATION OF BIOLOGICAL ASSETS

0.4 million euros (Q4 2014: 0.3 million euros).

EBITDA FROM BUSINESS OPERATIONS

1.4 million euros, increase 1.7 million euros.

EBITDA

EBITDA 1.0 million euros, increase 1.7 million euros.

OPERATING PROFIT

0.7 million euros, increase 1.6 million euros.

NET PROFIT

0.7 million euros, increase 2.0 million euros.

Summary: 12 months 2015

UNAUDITED CONSOLIDATED REVENUE

50.3 million euros, increase 9.6%, i.e. 4.4 million euros.

GROSS MARGIN

13.4%, increase 1.9 percentage points.

THE NEGATIVE EFFECT OF REVALUATION OF BIOLOGICAL ASSETS

0.9 million euros (12 months 2014: 0.6 million euros).

EBITDA FROM BUSINESS OPERATIONS

2.9 million euros, increase 2.5 million euros.

EBITDA

2.0 million euros, increase 1.5 million euros*.

*Without of one-off effects in 2014 EBITDA improvement of 2.2 million euros.

OPERATING PROFIT

0.9 million euros, increase 1.5 million euros.

* Without of one-off effects in 2014 operating profit improvement of 2.2 million euros.

NET PROFIT

1.2 million euros, improvement 2.7 million euros.

*Without of one-off effects in 2014 net profit improvement of 3.4 million euros.

Negative effect in comparing data of EBITDA, EBIT and net profit is caused by the reimbursement of a claim in the amount of 751 thousand euros received in June 2014 from the Swedish Board of Agriculture, recorded in the income statement of Q2 2014 on line "Other business incomes/costs".

Key ratios: income statement

	Q4 2015	Q4 2014	mIn EUR	12m 2015	12m 2014	mIn EUR
Sales	17.2 ▲	14.3		50.3 ▲	45.9	
Gross profit	2.6 ▲	1.7		6.8 ▲	5.3	
EBITDA from business operations	1.4 ▲	-0.3		2.9 ▲	0.4	
EBITDA	1.0 ▲	-0.7		2.0 ▲	0.5	
EBIT	0.7 ▲	-0.9		0.9 ▲	-0.6	
EBT	0.7 ▲	-1.2		1.1 ▲	-1.4	
Net profit (-loss)	0.7 ▲	-1.3		1.2 ▲	-1.5	
Gross margin	14.9% ▲	11.8%		13.4% ▲	11.5%	
Operational EBITDA margin	7.9% ▲	-2.4%		5.8% ▲	0.8%	
EBITDA margin	5.9% ▲	-4.6%		4.0% ▲	1.1%	
EBIT margin	4.1% ▲	-6.6%		1.7% ▲	-1.3%	
EBT margin	4.3% ▲	-8.2%		2.1% ▲	-3.0%	
Net margin	4.2% ▲	-8.9%		2.3% ▲	-3.3%	
Operating expense ratio	9.3% ▲	14.7%		10.8% ▲	13.4%	

Key ratios: balance sheet

	31/12/2015 mln EUR	31/12/2014 mln EUR
Net debt	-0.6	-2.6
Equity	23.2	33.7
Working capital	11.5	22.8
Assets	29.5	40.4
Liquidity ratio	3.8	5.9
Equity ratio	78.7%	83.3%
Gearing ratio	-2.5%	-8.3%
Net debt-to-EBITDA	-0.2	-7.0
ROE	4.1%	-4.2%
ROA	3.4%	-2.9%






The financial position of the company is continuously solid and the financial risk is low . The working capital of the company was 11.5 million euros (31/12/2014: 22.8 million euros).

Liquidity ratio showing short time paying capacity was 3.8 (31/12/2014: 5.9). As of closing date the net debt constituted of -0.6 million euros (31/12/2014: -2.6 million euros).

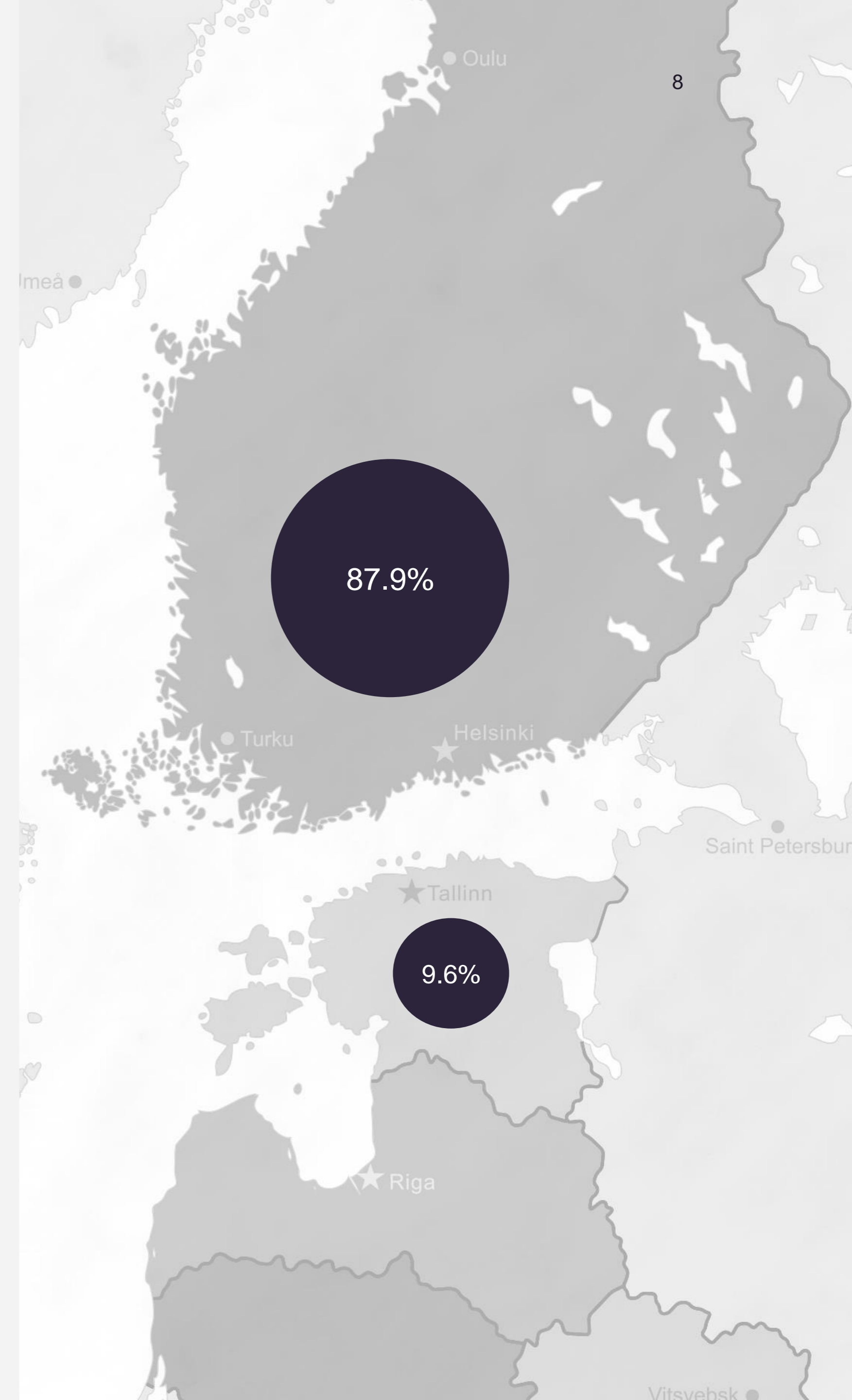
Financial gearing, i.e. net debt percentage from total capital was -2,5% (31/12/2014: -8,3%). Share capital aggregated to 78.7% of total assets (31/12/2014: 83.3%).

As of 31/12/2015, PRFoods AS consolidated balance was 29.5 million euros, decreasing by -10.9 million euros as compared to 31/12/2014, i.e. -27.0%. The decrease is caused by the capital reduction payments by 11.5 million euros. On 31 December 2015, PRFoods made the monetary payment to the bank account of Estonian Central Register of Securities in amount of 11.5 million euros for payments to the shareholders. The share capital decrease payments to the shareholders, i.e. 0.30 euro per share, were made by Estonian Central Register of Securities on 4 January 2016.

Sales by countries 12 months 2015

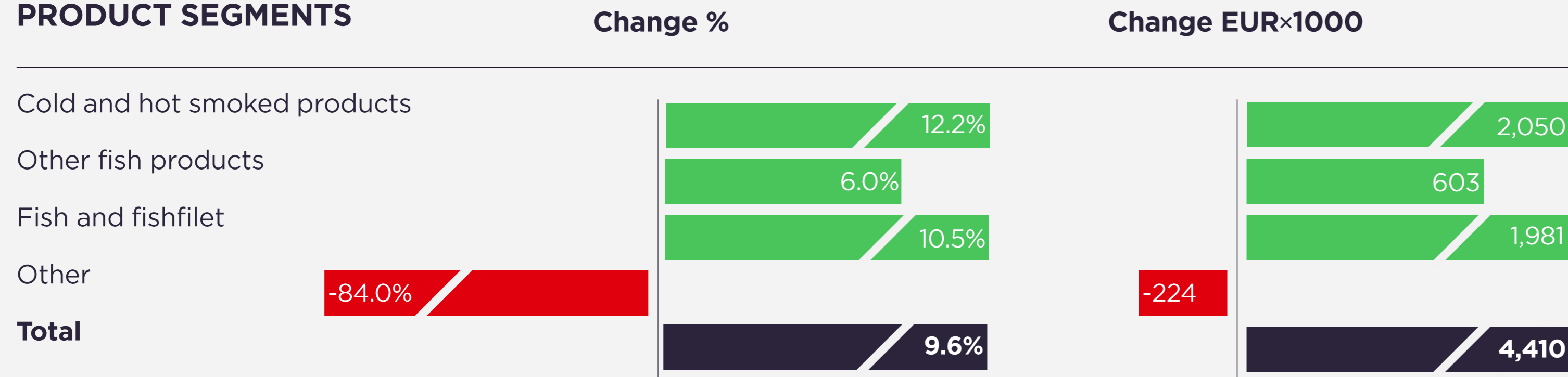
		Sales mIn EUR	Change	Structure
Finland		44.2	+11.8% ▲	87.9% 
Estonia		4.9	-7.7% ▼	9.6% 
Other		1.2	-14.7% ▼	2.5% 
Total		50.3	+9.6% ▲	

In 12 months 2015 the revenue in Finnish market increased +11.8% i.e. 4,656 thousand euros. The proportion of Finnish revenue in total revenue of AS PRFoods 12 months revenue in 2015 accounted for 87.9%, increasing +1.7% compared to the same period in 2014.



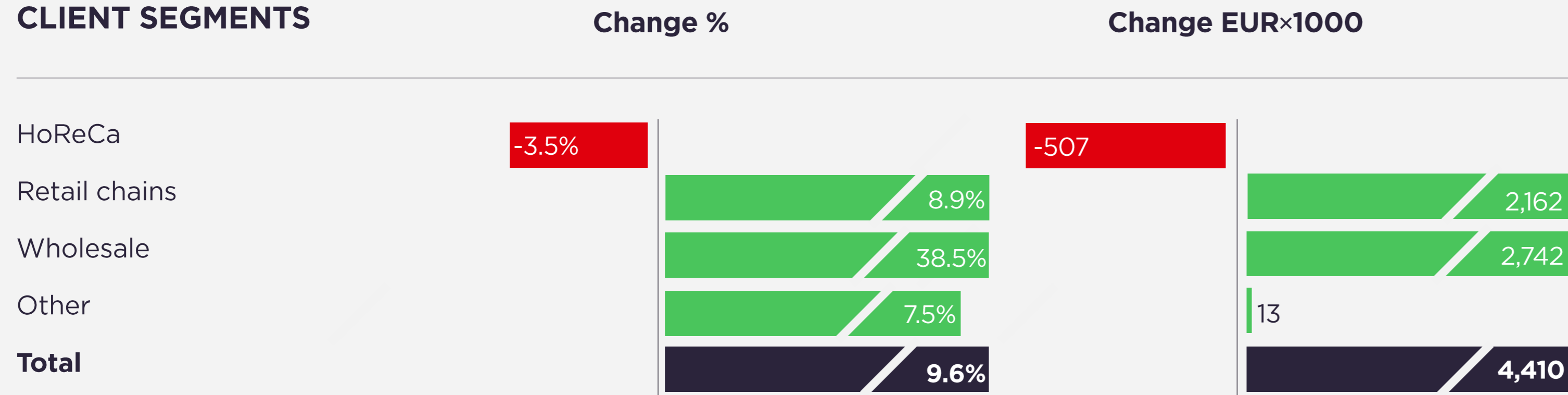
Revenue by product and client segments 12 months 2015

PRODUCT SEGMENTS



The largest increase in revenue came from smoked products and raw fish and fillets product groups, increasing 2.0 million euros i.e. +12.2% and 2.0 million euros i.e. +10.5% respectively. The revenue from other product groups increased 0.6 million euros i.e. +6.0%. Other sales in 2014, 0.2 million euros, were related to income from discontinued operations.

CLIENT SEGMENTS



According to the client segments the revenue in wholesale sector increased 2.7 million euros and 2.2 million euros in retail sector. The increase in wholesale sector was +38.5% and +8.9% in retail sector. In HoReCa sector the revenue decreased 0.5 million euros i.e. -3.5% due to the loss of two main products from the product portfolio.

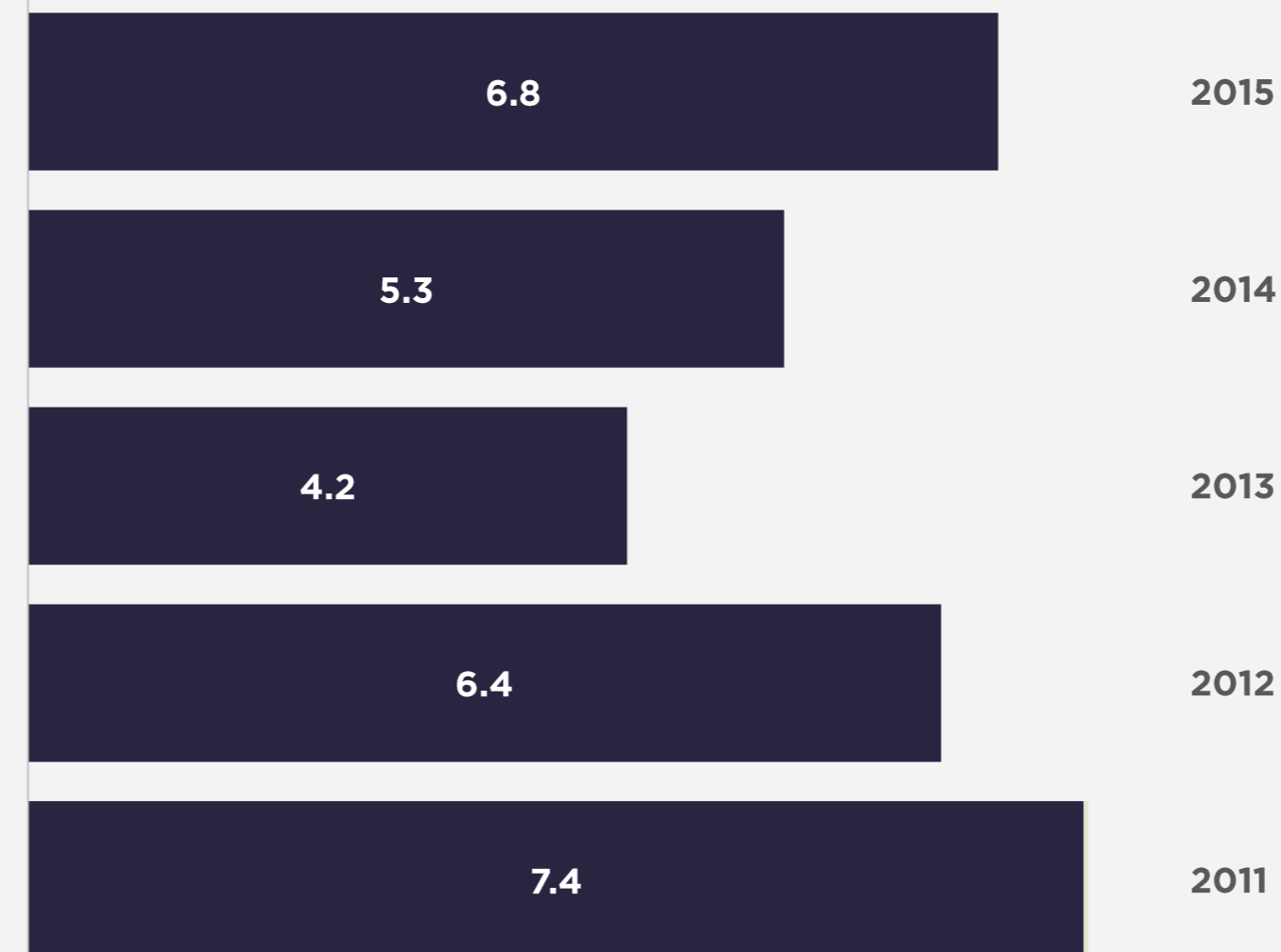
Revenue and profitability in 12 months 2011–2015

Negative impact on Company’s EBITDA from revaluation of biological assets was 0.9 million euros in 12 months of 2015, 0.6 million euros in 12 months of 2014.

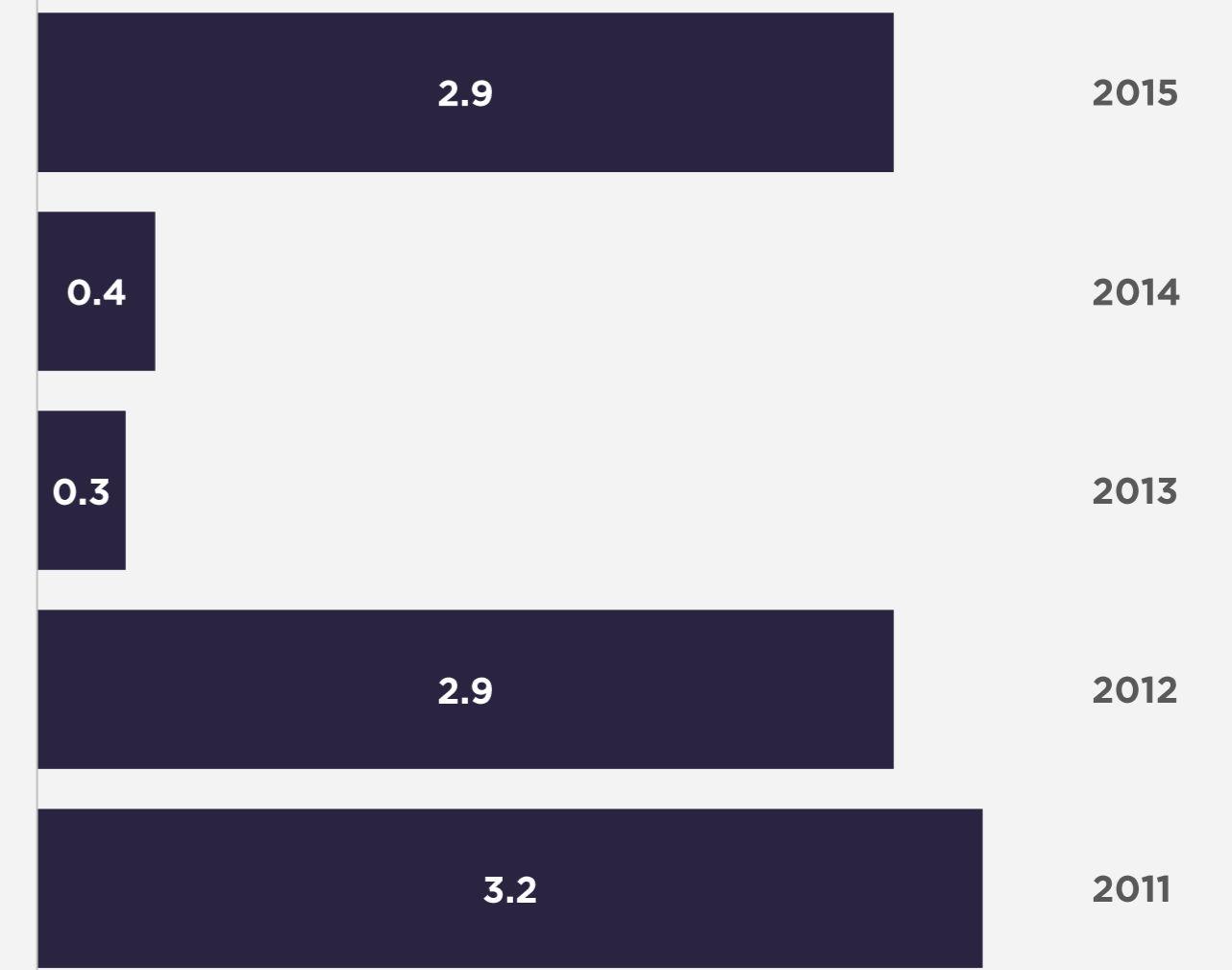
**Revenue in 2011-2015
mln EUR**



**Gross profit in 2011-2015
mln EUR**



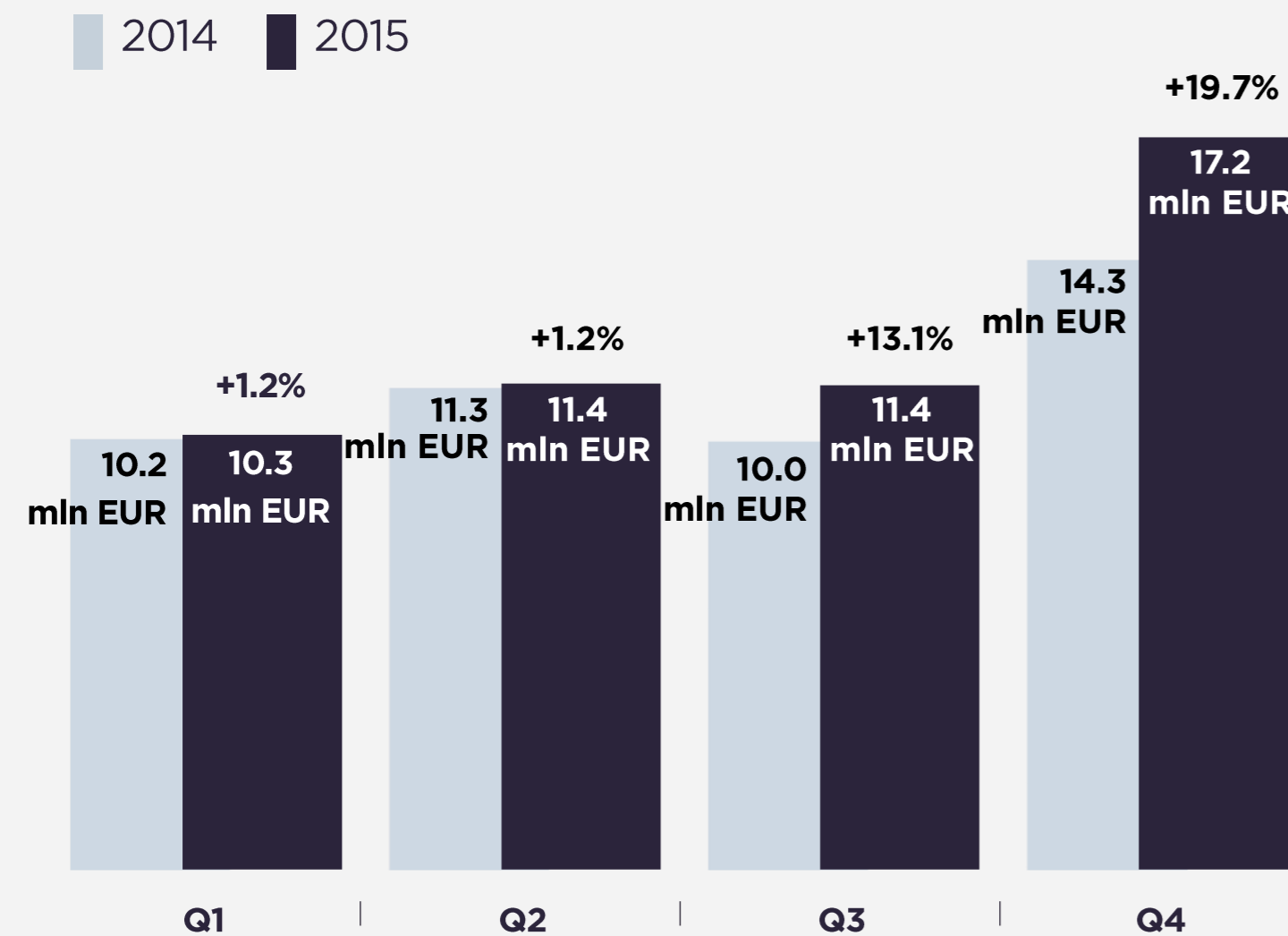
**EBITDA from business operations
in 2011-2015
mln EUR**



Fish and fish products

The sales results of Q4 2015 were remarkably good. The results confirm that AS PRFoods strategy to be one of the most profitable companies in Finnish market has proven its value. At the end of Q3 2015 AS PRFoods started an important co-operation in rainbow trout roe exports for Japanese market. The raise of sales volume in Japanese market is expected also in 2016.

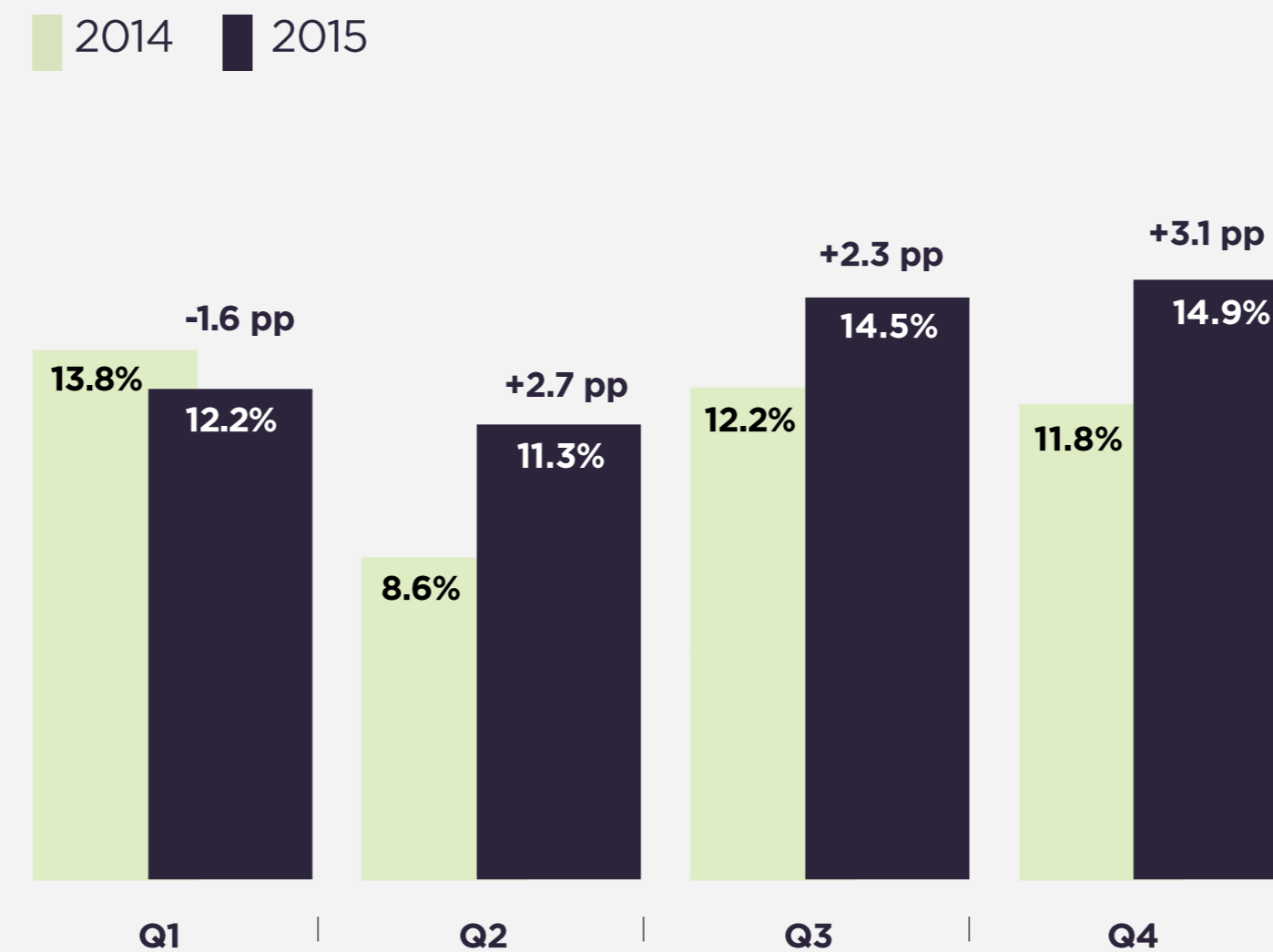
Revenue by quarters Q4: +2.8 mln EUR



The average price level of the 4th quarter of 2015 compared to the same period from the previous year for salmon has increased 5.1% and for rainbow trout has decreased -12.1%.

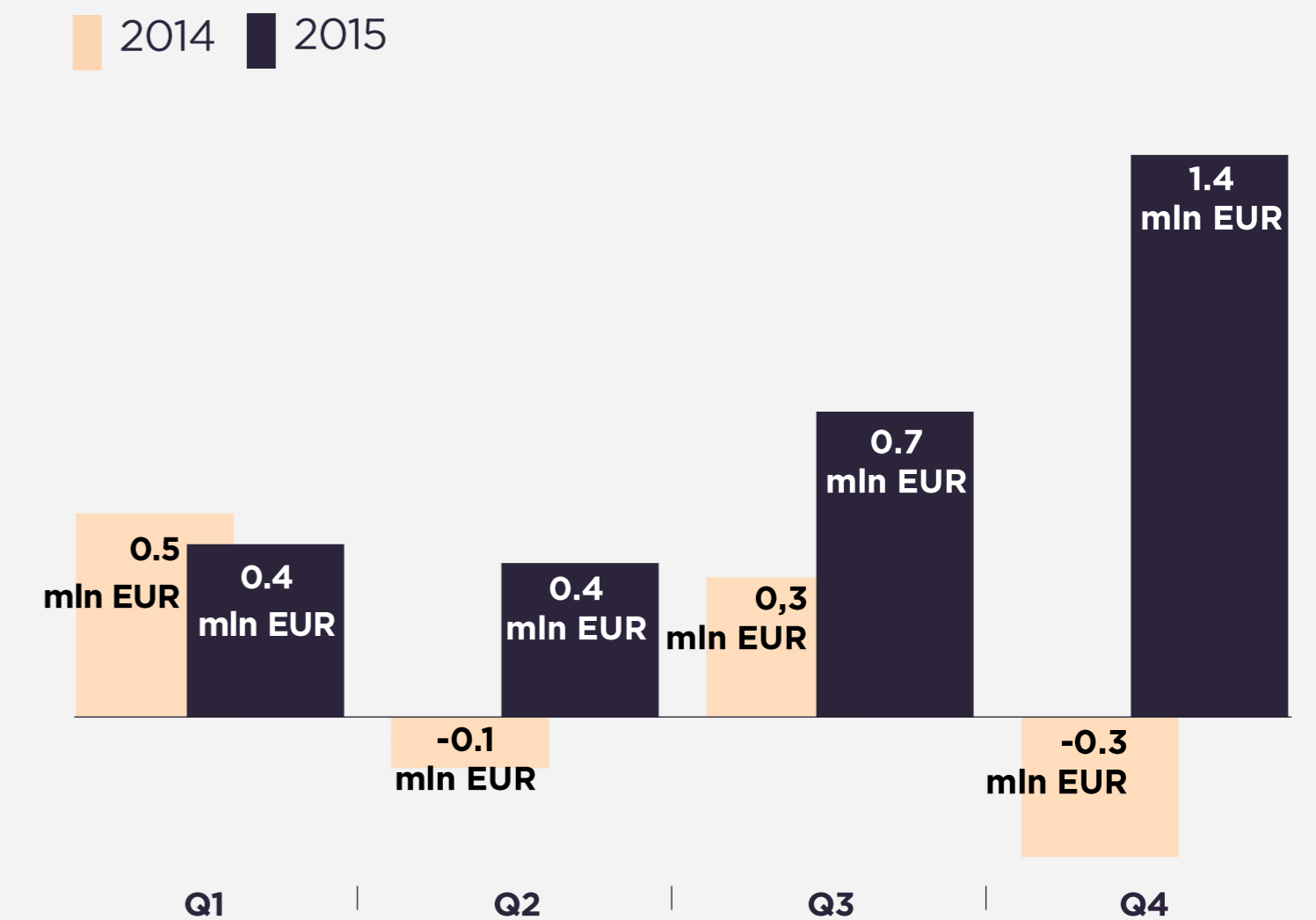
Compared to the position as of 31/12/2014, the market price for salmon increased by 22.9% and the market price for rainbow trout declined by -17.6%.

Gross margin by quarters Q4: +0.9 mln EUR



Negative impact on Company's EBITDA from revaluation of biological assets was 0.4 million euros in 4th quarter of 2015 (0.3 million euros in 4th quarter of 2014).

EBITDA from business operations by quarters Q4: +1.7 mln EUR



Cost analysis

	12m 2015	12m 2014	change	12m	12m 2015	12m 2014	change
	mIn EUR	mIn EUR	mIn EUR		% of sales	% of sales	% of sales
Sales	50.27	45.86	4.41	▲	100.00%	100.00%	
Cost of goods sold	-43.52	-40.58	2.94	▼	86.57%	88.48%	-1.91%
including one-off expenses	0.00	-0.03	-0.03	▲	0.00%	0.06%	-0.06%
materials in production and cost of goods purchased for resale	-35.44	-32.84	2.60	▼	70.50%	71.60%	-1.10%
labour costs	-3.38	-3.35	0.03	▼	6.73%	7.31%	-0.58%
depreciation	-0.96	-0.94	0.02	▼	1.91%	2.05%	-0.14%
other cost of goods sold	-3.74	-3.45	0.29	▼	7.43%	7.52%	-0.09%
Operating expenses	-5.42	-6.15	-0.73	▲	10.78%	13.42%	-2.64%
labour costs	-1.51	-1.74	-0.23	▲	3.01%	3.80%	-0.79%
transport and logistics services	-1.97	-1.69	0.28	▼	3.92%	3.68%	0.24%
depreciation	-0.20	-0.19	0.01	▼	0.40%	0.42%	-0.02%
advertising, merchandising, marketing and product development	-0.83	-0.70	0.13	▼	1.65%	1.54%	0.11%
other operating expenses	-0.91	-1.83	-0.92	▲	1.80%	3.98%	-2.18%
Other income/expenses	0.41	0.83	-0.42	▼	0.81%	-1.81%	2.62%
including one-off revenues	0.00	0.75	-0.75	▼	0.00%	1.64%	-1.64%

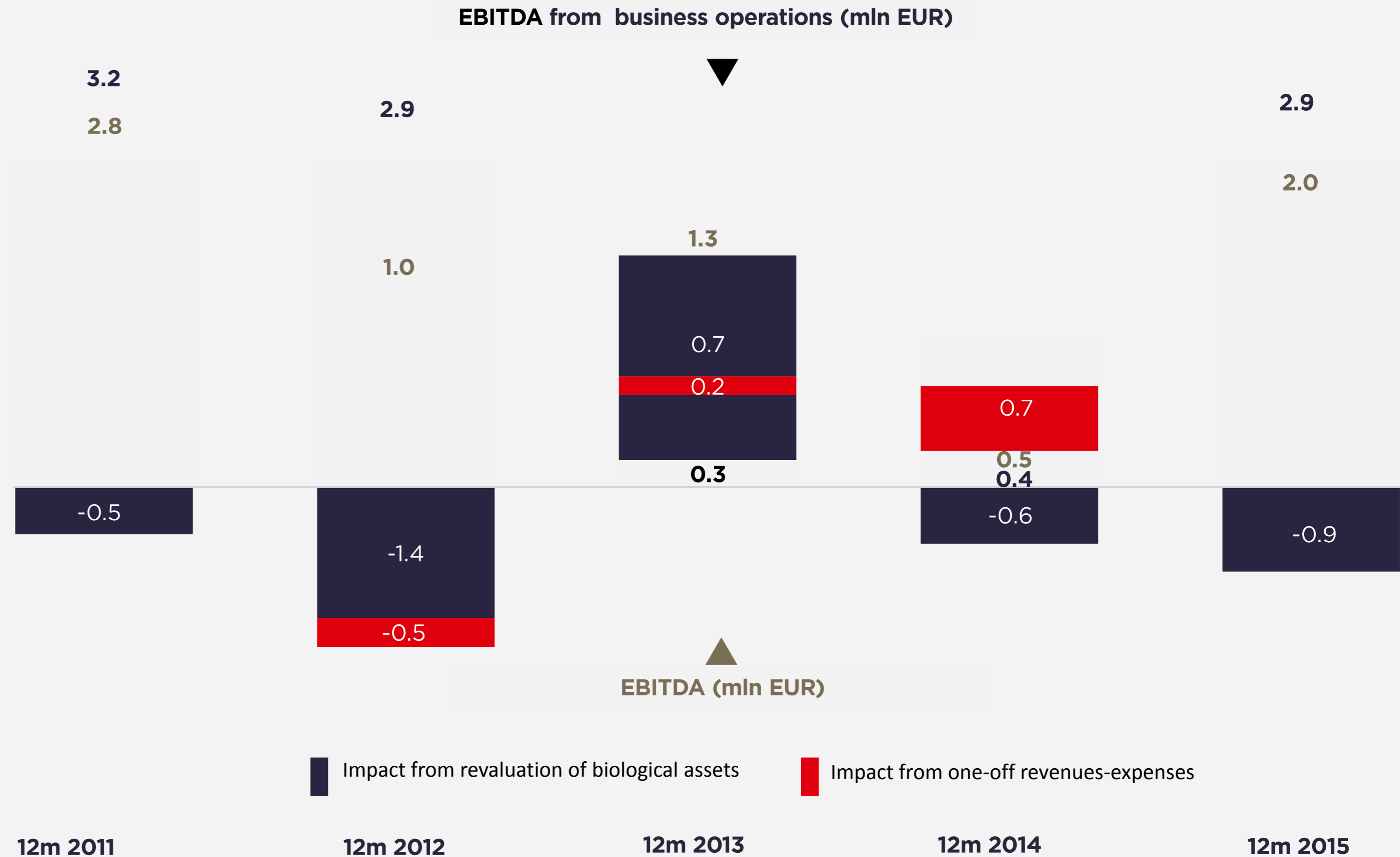
Impact from one-off income and expenses in 12 months 2011-2015

Negative effect in comparing 12 months data of EBITDA, EBIT and net profit is caused by the reimbursement of a claim in the amount of 751 thousand euros received in June 2014 from the Swedish Board of Agriculture, recorded in the income statement of 12 months 2014 on line "Other business incomes/costs".

Compared to the same period in 2014, biological assets decreased 348 tons, i.e. -22.2 % in quantity and decreased 1,161 thousand euros in monetary value, i.e. -20.8 %. It is driven by the fact that the market price which was effective as of 31/12/2015 was -17.6% lower than as of 31/12/2014.

During the reporting period 2,185 tons of product were taken stock (12 months 2014: 1,686 tons).

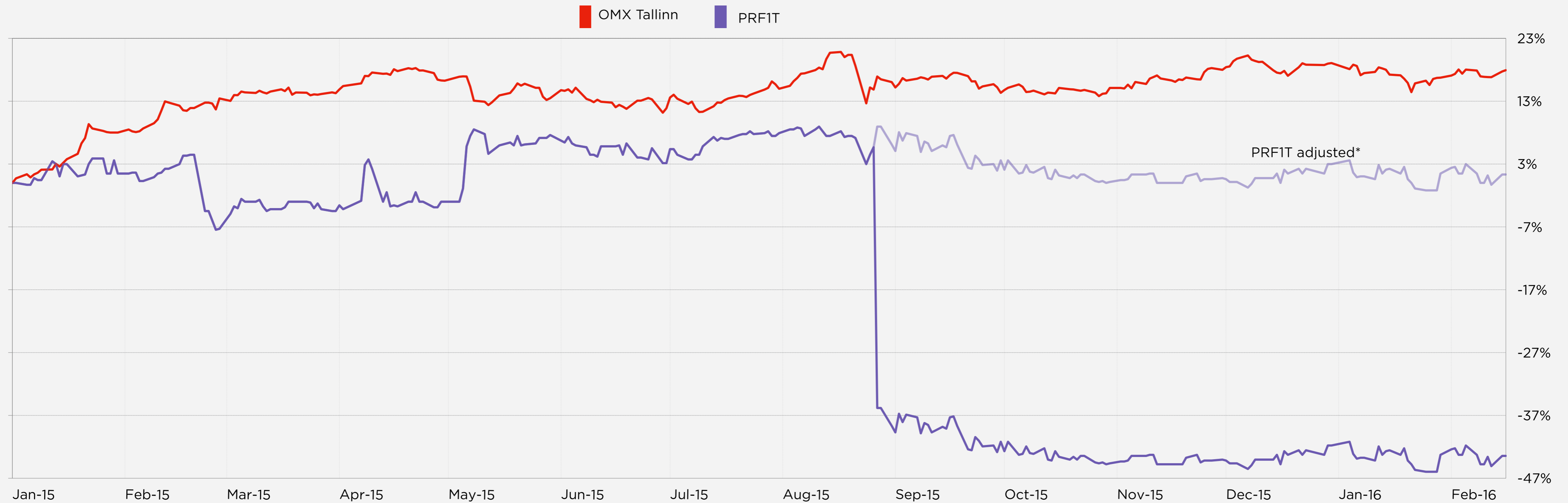
Biological assets in fair value as of 31/12/2015 constituted 4,422 thousand euros (31/12/2014: 5,583 thousand euros).



Dynamics of share price and shareholders

MAJOR SHAREHOLDERS AS AT 31 DECEMBER 2015:

ING Luxembourg S.A.	62.71%	Firebird Avrora Fund Ltd	1.68%
LHV Pensionifond L	4.56%	LHV Pensionifond XL	1.52%
OÜ Rododendron	3.36%	Compensa Life Vienna Insurance Group SE	1.45%
Firebird Republics Fund Ltd	3.09%	OÜ Footsteps Management	1.30%
Ambient Sound Investments OÜ	2.82%	OÜ Freespirit	0.94%



According to decision of the shareholders meeting held on 28 May 2015, company's share capital was decreased by decreasing the nominal value of the share with making payments to the shareholders. As a result, the nominal value of PRFoods share as of 28 August 2015 at 23.59 was decreased by 30 euro cents, from the earlier 50 euro cents to 20 euro cents. The nominal value of PRFoods share is currently 20 euro cents. *Dynamics of PRFoods's share price adjusted by the capital reduction payments.

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Premium fish products and fish farming

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