



Premia



Premia Foods

2nd Quarter & 1st Half-year 2012

August 14, 2012

Profitability has increased



- ❖ Turnover of Q2 was 26.1 mEUR, turnover of Q2 2011 was higher by 1.5 mEUR / 5.4%
- ❖ Turnover of 6 months was 43.1 mEUR, 2011 6 months was better by 1 mEUR / 2.4%
- ❖ Gross margins of Q2 and 6 months increased on y-o-y basis by 0.9 and 2.4 pp
- ❖ Gross profit of 6 months was 12.1 mEUR, i.e. 0.7 mEUR / 6.6% more than in 2011
- ❖ EBITDA of HY1 2012 has improved on y-o-y basis by 0.4 m mEUR
- ❖ Net profit improved by 0.5 mEUR during HY1 of 2012: net loss of HY1 2011 was -0.9 mEUR, while the net result of HY1 2012 was -0.4 mEUR
- ❖ By the end of Q2, Premia has increased its market share on all the Baltic ice cream markets, being No 1 in Estonia, No 2 in Latvia and No 2-3 in Lithuania.

Key ratios: PROFIT & LOSS



<i>Profit & Loss, EUR mln</i>	Q1	Q2	6mo 2012	Q1	Q2	6mo 2011
Sales	17.1	26.1	43.2	16.7	27.6	44.2
Gross profit	4.2	7.9	12.1	3.2	8.1	11.4
EBITDA from operations	0.0	2.7	2.8	-0.5	3.4	3.0
EBITDA	-0.6	1.9	1.3	-1.3	2.2	0.9
EBIT	-1.4	1.1	-0.4	-2.3	1.2	-1.1
Net profit	-1.2	0.8	-0.4	-2.0	1.1	-0.9
Gross margin	24.5%	30.4%	28.1%	19.4%	29.5%	25.7%
EBITDA margin	0.1%	10.5%	6.4%	-2.7%	12.4%	6.7%
EBIT margin	-8.3%	4.0%	-0.9%	-13.8%	4.4%	-2.5%
Net margin	-6.9%	2.9%	-1.0%	-11.9%	4.0%	-2.0%
Operating expense ratio	29.7%	24.0%	26.2%	29.6%	23.4%	25.7%

Sales by segments HY1 2012



Value and volume growth
compared to the previous
year

Fish:

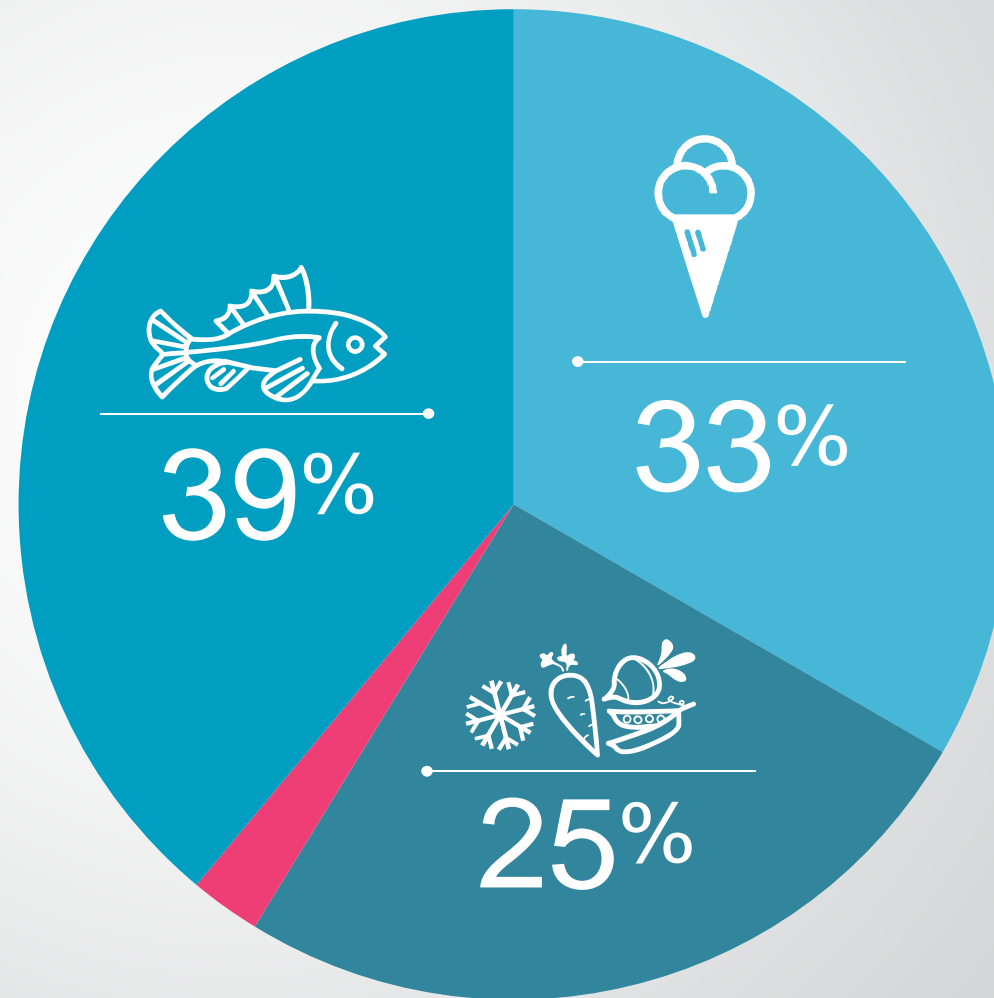
value - 2%
volume + 10%

Ice cream:

value - 11%
volume - 15%

Frozen goods:

value + 10%
volume + 1%



Value based sales breakdown by segments in HY1 2012

Sales by countries

2012 HY1 sales:
43.2 million euro

YOY GROWTH: - 2%

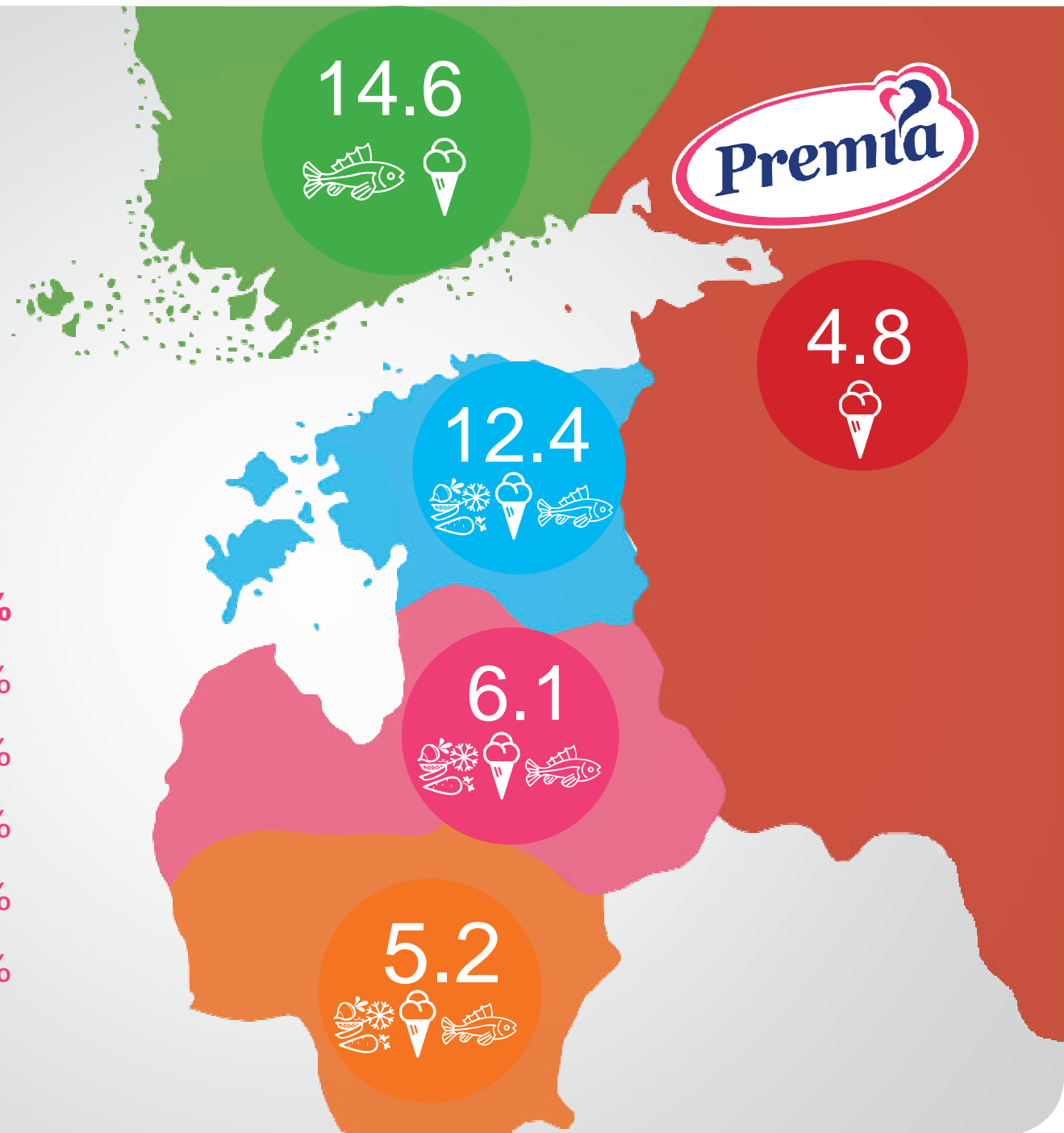
Finland: - 2%

Estonia: + 2%

Latvia: + 4%

Lithuania: + 2%

Russia: - 22%



Share of ice cream increased



SEGMENT SHARE FROM TOTAL SALES (6m 2012)

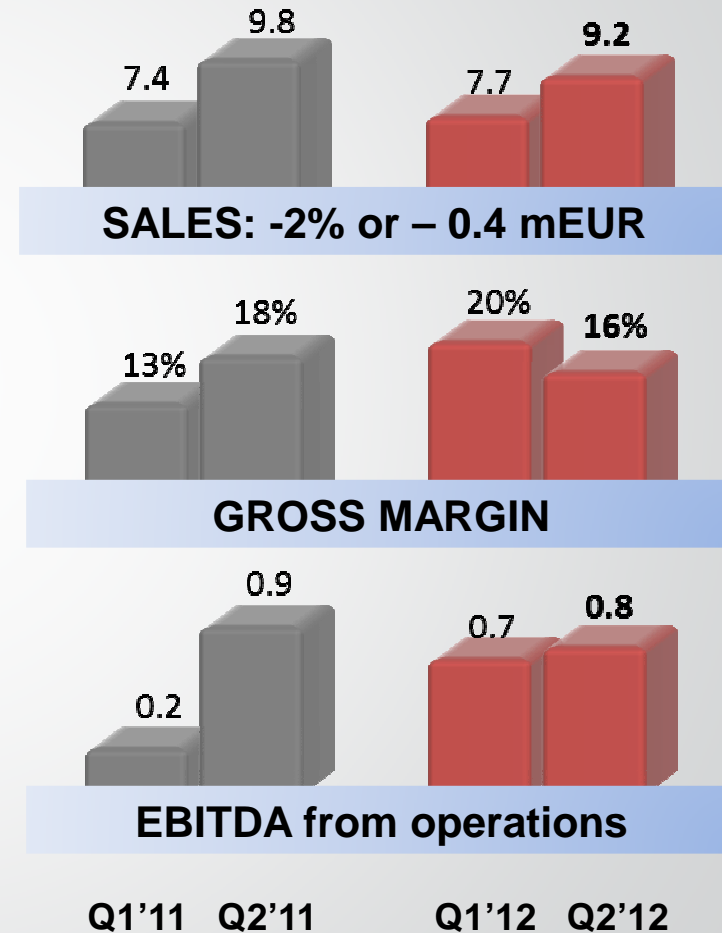
Other	0.2%	1.7%	0.0%	0.4%	0.0%	0.0%
Fish	32.9%	5.6%	0.1%	0.0%	0.3%	
Frozen Goods	0.0%	11.0%	9.5%	4.8%	0.0%	
Ice cream	0.6%	10.4%	4.5%	6.7%	11.1%	0.0%
SEGMENT ----- MARKET	Finland	Estonia	Latvia	Lithuania	Russia	Other regions

Fish and fish products

- ❖ Growth in volume 10%, decline in turnover by 2%
- ❖ Decrease of market prices of raw fish by 27% on y-o-y basis.
- ❖ Increased profitability despite of competitors' actions and attack from private labels.
- ❖ In Sweden there were one-off- expenses in the amount of 0.2 mEUR in connection with Jordbruksverket's decision.
- ❖ Still, despite the negative price effect on the market and one-off-cost, operating profit of the segment increased by 0.3 mEUR on y-o-y basis



million euro

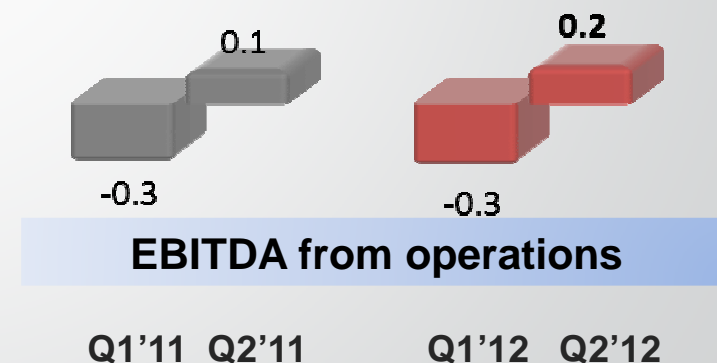
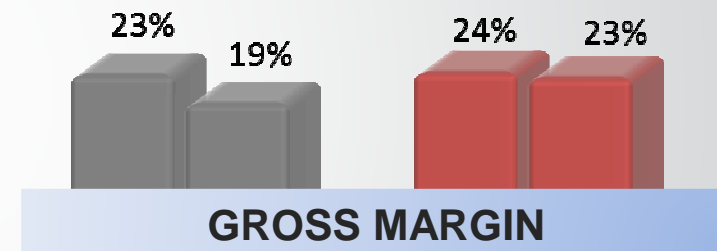
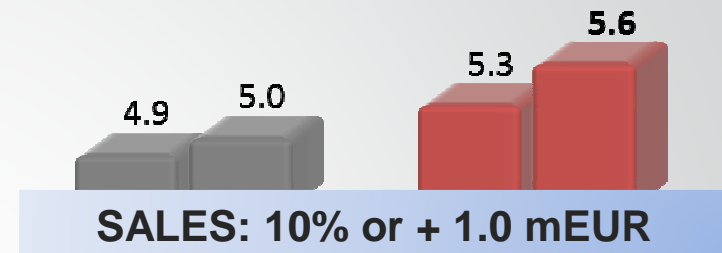


Frozen goods

- ❖ Increase in turnover for the 4th consecutive quarter.
- ❖ Latvia increased the turnover of frozen goods the most, followed by Estonia and Lithuania.
- ❖ Due to the increase in purchasing power of consumers, Horeca finally shows some signs of recovery.
- ❖ On y-o-y basis both gross margin and gross profit have increased: +2 pp and 0.4 mEUR respectively.
- ❖ EBITDA from operations has increased as well during the reporting period.

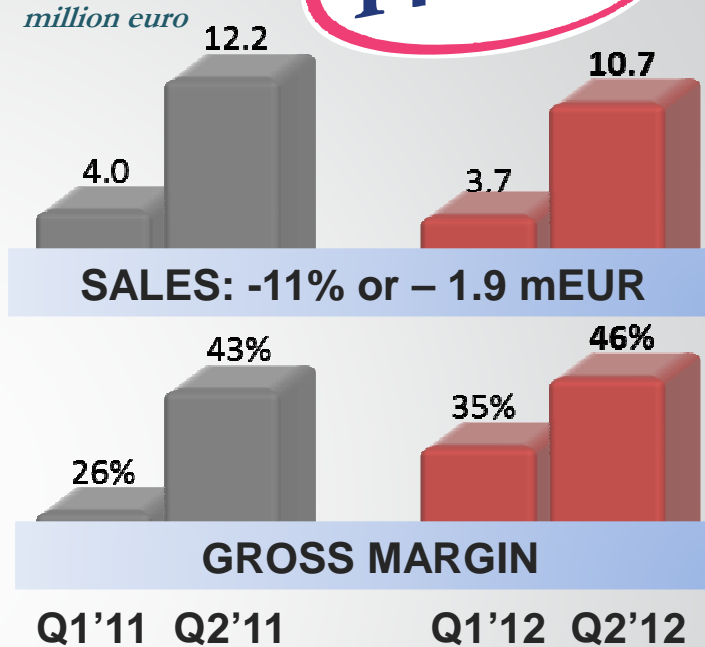


million euro



Ice cream

- ❖ With average market share of 23%, market leader in the Baltics.
- ❖ Q2 2011 was exceptional.
- ❖ Increase of gross margin thanks to Russian entity.
- ❖ Operating profit of Russian entity was positive in Q2 2012.
- ❖ Increased activities of competitors on all the target markets.



million euro	6m'12	6m'11		6m'12	6m'11	
Sales	9.6	10.2	B A L T I C S	4.8	6.1	R U S S I A
Gross profit	4.6	4.7		1.7	1.6	
<i>gross margin</i>	47%	47%		35%	26%	
EBITDA from operations	2.0	2.3		-0.5	0.1	
EBIT	1.5	1.7		-0.6	-1.0	

Cost analysis



	6m 2012	6m 2011	change	6m 2012	6m 2011	change
	<i>EUR mln</i>	<i>EUR mln</i>	<i>EUR mln</i>	<i>as % of sales</i>	<i>as % of sales</i>	<i>as % of sales</i>
Sales	43.2	44.2	- 1.0	100.0%	100.0%	
<u>Cost of goods sold</u>	<u>- 31.1</u>	<u>- 32.9</u>	<u>- 1.8</u>	<u>71.9%</u>	<u>74.3%</u>	<u>- 2.4%</u>
incl one-off exp	- 0.2	- 0.4	- 0.2	0.4%	0.9%	- 0.5%
materials in production & cost of goods purchased for resale	- 26.0	- 26.8	- 0.8	60.2%	60.5%	- 0.4%
labour costs	- 2.4	- 2.9	- 0.5	5.6%	6.5%	- 0.9%
depreciation	- 0.7	- 0.9	- 0.2	1.6%	2.1%	- 0.5%
other cost of goods sold	- 2.0	- 2.3	- 0.3	4.6%	5.2%	- 0.6%
<u>Operating expenses</u>	<u>- 11.3</u>	<u>- 11.4</u>	<u>- 0.0</u>	<u>26.2%</u>	<u>25.7%</u>	<u>+ 0.5%</u>
incl one-off exp	- 0.0	- 0.3	- 0.3	0.0%	0.8%	- 0.7%
labour costs	- 3.3	- 3.7	- 0.4	7.6%	8.4%	- 0.8%
transport & logistics services	- 1.9	- 1.8	+ 0.1	4.5%	4.1%	+ 0.4%
depreciation	- 1.0	- 1.1	- 0.1	2.3%	2.4%	- 0.1%
marketing	- 1.3	- 1.1	+ 0.2	3.0%	2.4%	+ 0.6%
other operating expenses	- 3.8	- 3.7	+ 0.1	8.8%	8.4%	+ 0.4%
<u>Other income/expenses</u>	<u>0.1</u>	<u>0.2</u>	<u>+ 0.0</u>	<u>-0.3%</u>	<u>-0.4%</u>	<u>+ 0.1%</u>
incl one-off exp		- 0.1	- 0.1		0.2%	- 0.2%

Key ratios: BALANCE SHEET



<i>Balance Sheet, EUR mln</i>	30.06.12	30.06.11
Net debt	12.0	13.0
Equity	39.8	40.1
Working capital	12.4	12.9
Assets	68.5	70.6
Liquidity ratio	1.70	1.73
Equity ratio	58%	57%
Gearing ratio	23%	24%
Net debt-to-EBITDA	2.19	2.35
ROE	0%	2%
ROA	0%	1%

According to the resolutions of AGM held on 29.05.2012:

- ❖ Dividend payments were done on June 15 in the amount of 387 000 eur or 0.01 eur per share.
- ❖ It was decided to reduce the share capital by 3,868,286 euro, decreasing the nominal value of the share by 0.10 euro.
- ❖ The list of shareholders participating in the share capital reduction will be fixed on August 29, 2012 at 23:59 PM.