



Premia



Premia Foods

3rd Quarter & 9 months 2012

November 14, 2012

Gross profit: growth for 3 consecutive quarters



- ❖ Turnover of Q3 of 2012 was 23.6 m EUR, decreased by 0.5 mEUR or 1.9 % if compared to Q3 / 2011
- ❖ Turnover of 9 months of 2012 was 66.8 m EUR, decreased by 1.5 mEUR or 2.2% if compared to 9 months of 2011
- ❖ Gross margin in Q3 of 2012 30.2%, growth 1.8 ppt on yoy basis. Gross margin of 9 months of 2012 28.8%, growth 2.2 ppt on yoy basis
- ❖ Gross profit in Q3 2012 7.1 mEUR, growth 0.3 mEUR on yoy basis. Gross profit of 9 months 2012 19.3 mEUR, growth 1.1 mEUR on yoy basis. Ice cream and frozen goods segment were the main drivers for growth.
- ❖ EBITDA from operations in Q3 2012 was 2.1 mEUR in Q3 2012, decreased by 0.2 mEUR on yoy basis. Fish segment had the main influence on the result.
- ❖ EBITDA from operations of 9 months of 2012 was 4.9 mEUR, decreased by 0.4 mEUR on yoy basis. Ice cream segment had the main influence on the result.
- ❖ Net profit of 9 months of 2012 is 0.7 mEUR, stayed on the same level as in 2011.
- ❖ On September 3 2012, the decrease of share capital by 3.9 mEUR was registered in the Commercial Register.

Key ratios: Profit & Loss



Profit & Loss, EUR mln	Q3	9m 2012	Q3	9m 2011
Sales	23.6	66.8	24.1	68.3
Gross profit	7.1	19.3	6.8	18.2
EBITDA from operations	2.1	4.9	2.3	5.2
EBITDA	1.9	3.2	3.2	4.1
EBIT	1.0	0.7	2.3	1.2
Net profit	1.1	0.7	1.6	0.7
Gross margin	30.2%	28.8%	28.4%	26.6%
Operational EBITDA margin	8.9%	7.3%	9.4%	7.7%
EBIT margin	4.4%	1.0%	9.5%	1.8%
Net margin	4.7%	1.0%	6.6%	1.0%
Operating expense ratio	26.1%	26.2%	24.4%	25.3%

Sales by segments: 9 months 2012



Fish:

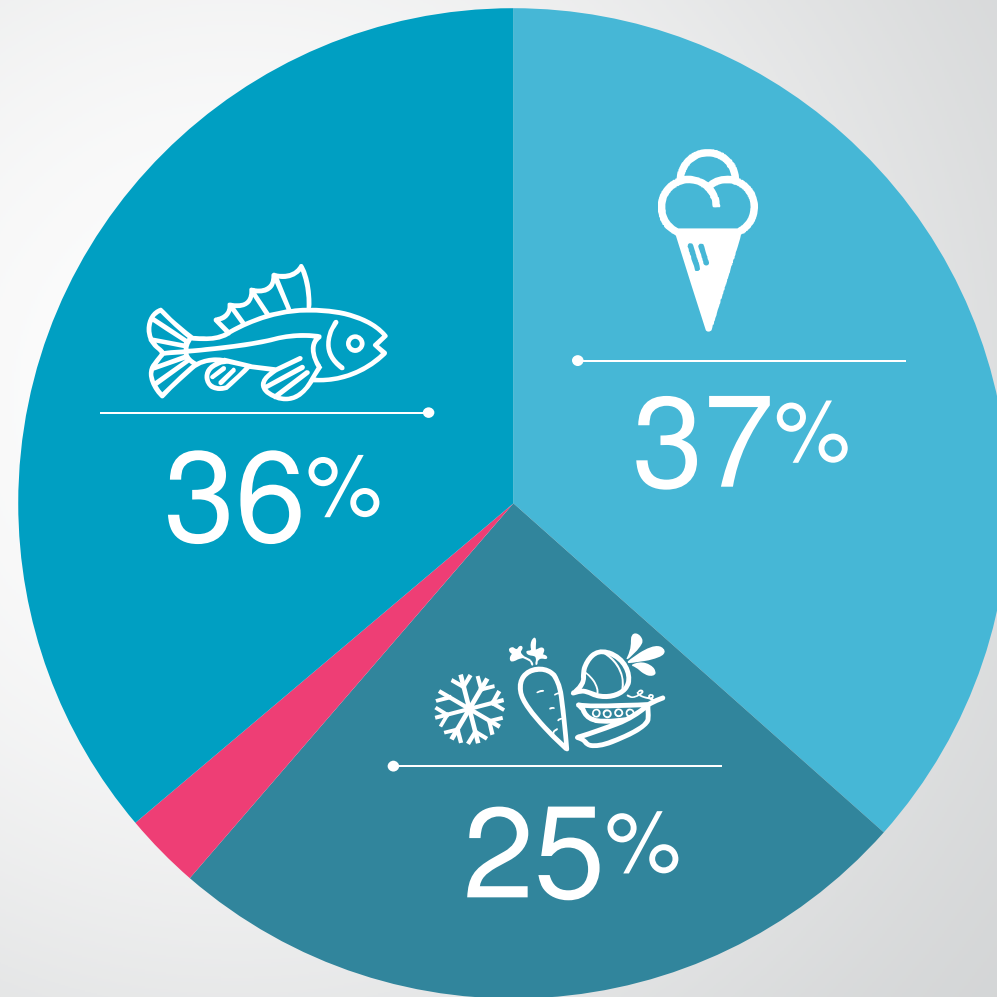
value - 6%
volume + 2%

Ice cream:

value - 5%
volume - 12%

Frozen goods:

value + 6%
volume + 2%



Value based sales breakdown by segments/ 9 months 2012

Sales by countries

Turnover of 9 months
2012: 66.8 million euro

2012/2011: - 2%

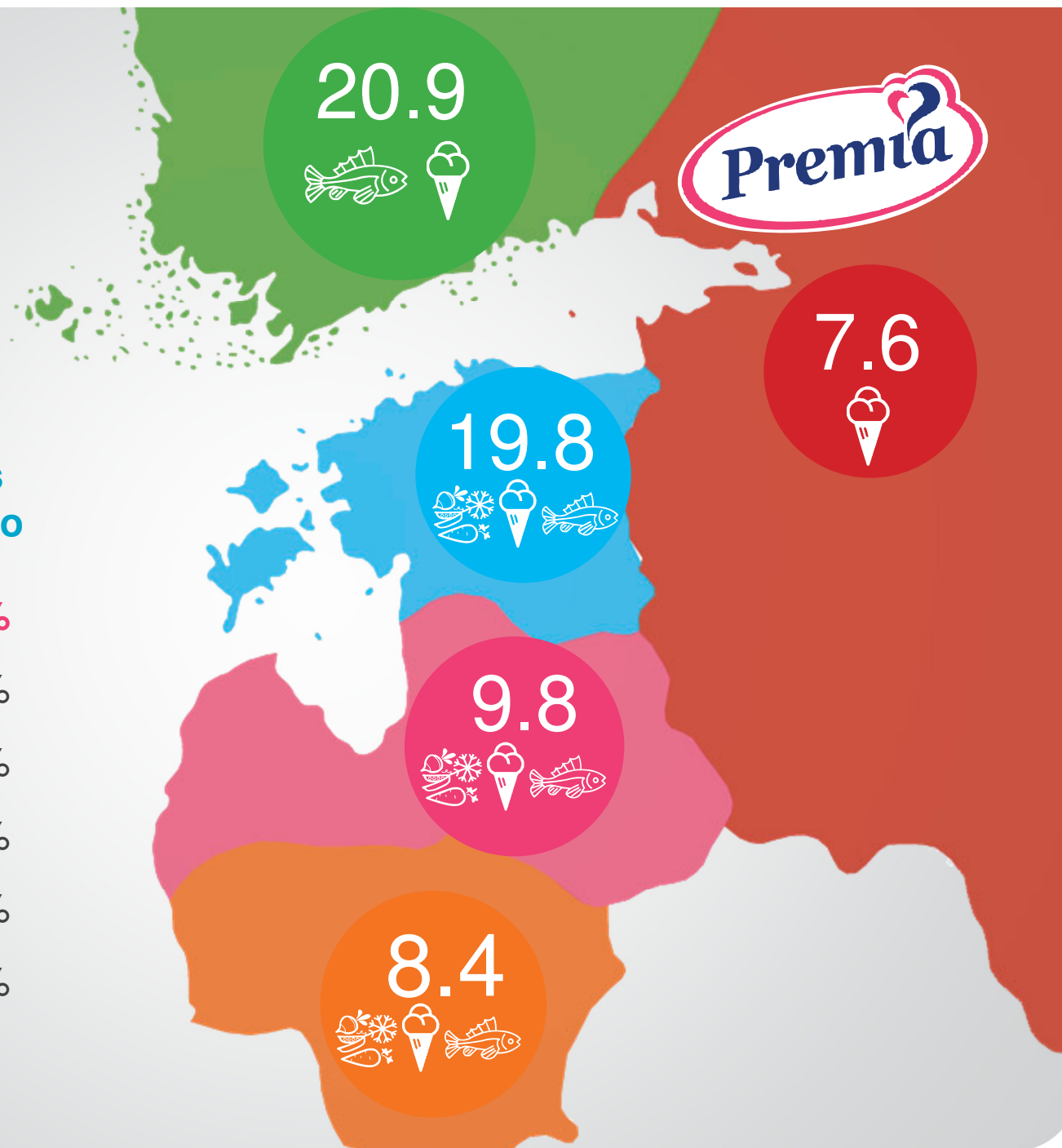
Finland: - 8%

Estonia: + 2%

Latvia: + 5%

Lithuania: + 4%

Russia: - 12%



Share of ice cream segment increased in summer



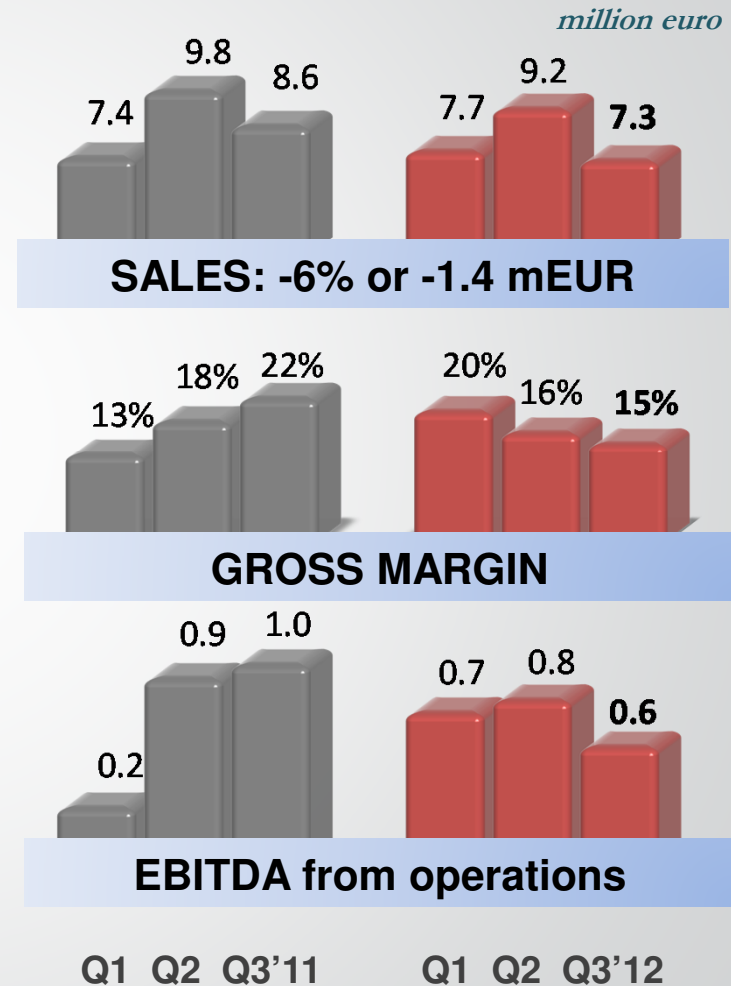
SEGMENT SHARE FROM TOTAL SALES (9m 2012)

Other	0.2%	1.8%	0.1%	0.4%	0.0%	0.0%
Fish	30.5%	5.3%	0.1%	0.0%		0.2%
Frozen Goods	0.0%	10.7%	9.3%	4.8%	0.0%	0.0%
Ice cream	0.5%	11.9%	5.3%	7.4%	11.4%	0.1%
SEGMENT ----- MARKET	Finland	Estonia	Latvia	Lithuania	Russia	Other regions

Fish and fish products



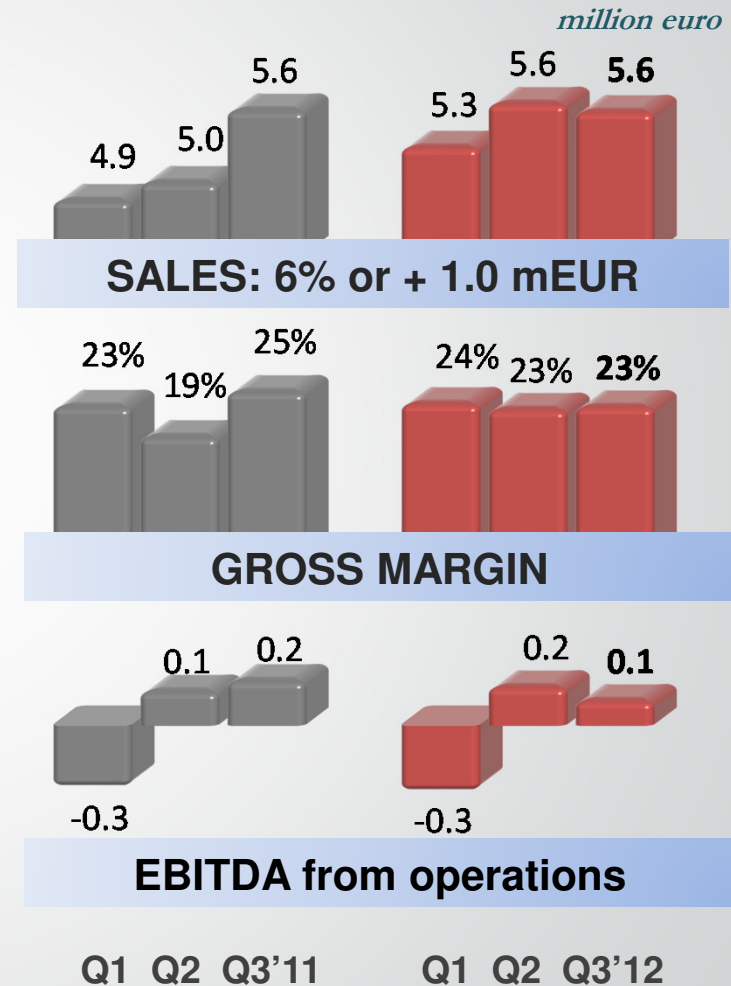
- ❖ Growth in 9 months in volume by 1.8%, while turnover decreased by 6.3% on yoy basis
- ❖ Average price decreased during the same period by 8%, market price for raw fish decreased by appr 18%
- ❖ In Swedish fish farms there were one-off expenses in the amount of 0.1 mEUR due to the decision of local Agricultural Board
- ❖ EBIT of 9 months of the segment was - 0.3 mEUR, due to the destruction of fingerling and revaluation of livestock



Frozen goods

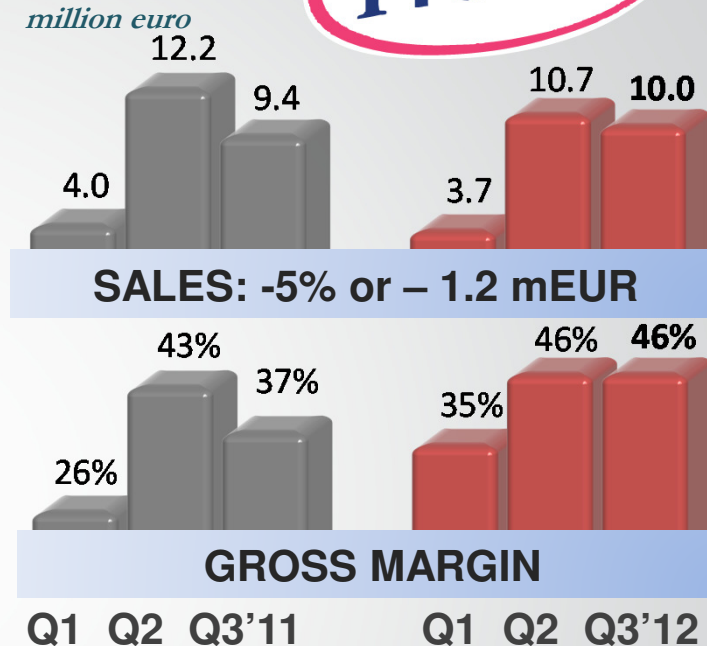


- ❖ Turnover increased by 1.0 mEUR or 6.4% during 9 months, yoy basis.
- ❖ Latvia and Lithuania increased their turnover of frozen goods the most.
- ❖ Horeca- sector is recovering due to the recovery of purchasing power of consumers.
- ❖ Gross profit of 9 months increased by 0.3 mEUR on yoy basis.
- ❖ EBIT of the segment of 9 months is on the same level as last year.



Ice cream

- ❖ During Q3 2012, Premia was able to increase the turnover of ice cream by 0.6 mEUR or by 7% on yoy basis.
- ❖ Turnover in Russia increased by 14% in Q3 2012, on yoy basis.
- ❖ Profitability remains to be the main focus on all the markets.
- ❖ Growth in gross margins, especially in Russia.
- ❖ EBIT increased by 0.9 mEUR in 9 months, on yoy basis.



million euro	9m'12	9m'11		9m'12	9m'11	
Sales	16.8	17.1	B A L T I C S	7.6	8.6	R U S S I A
Gross profit	8.0	7.6		2.8	2.2	
<i>gross margin</i>	47%	45%		37%	25%	
EBITDA from operations	3.7	3.6		-0.7	-0.1	
EBIT	3.0	2.8		-0.9	-1.5	

Cost analysis



	9m 2012	9m 2011	change	9m 2012	9m 2011	change
	EUR mln	EUR mln	EUR mln	as % of sales	as % of sales	as % of sales
Sales	66.8	68.3	- 1.5	100.0%	100.0%	
<u>Cost of goods sold</u>	<u>- 47.5</u>	<u>- 50.1</u>	<u>- 2.6</u>	<u>71.2%</u>	<u>73.4%</u>	<u>- 2.2%</u>
incl one-off exp	- 0.3	- 0.6	- 0.3	0.5%	0.9%	- 0.4%
materials in production & cost of goods purchased for resale	- 39.5	- 41.3	- 1.7	59.2%	60.4%	- 1.2%
labour costs	- 3.7	- 4.2	- 0.6	5.5%	6.2%	- 0.7%
depreciation	- 1.0	- 1.3	- 0.3	1.5%	1.9%	- 0.4%
other cost of goods sold	- 3.3	- 3.3	+ 0.0	5.0%	4.9%	+ 0.1%
<u>Operating expenses</u>	<u>- 17.5</u>	<u>- 17.3</u>	<u>+ 0.2</u>	<u>26.2%</u>	<u>25.3%</u>	<u>+ 0.9%</u>
incl one-off exp	- 0.0	- 0.4	- 0.3	0.0%	0.5%	- 0.5%
labour costs	- 5.0	- 5.5	- 0.5	7.5%	8.1%	- 0.6%
transport & logistics services	- 3.1	- 3.0	+ 0.0	4.6%	4.4%	+ 0.2%
depreciation	- 1.5	- 1.6	- 0.1	2.2%	2.3%	- 0.1%
marketing	- 1.9	- 1.8	+ 0.2	2.9%	2.6%	+ 0.3%
other operating expenses	- 6.0	- 5.4	+ 0.6	9.0%	7.9%	+ 1.1%
<u>Other income/expenses</u>	<u>0.3</u>	<u>0.3</u>	<u>+ 0.1</u>	<u>-0.4%</u>	<u>-0.5%</u>	<u>+ 0.1%</u>
incl one-off exp		- 0.1	- 0.1		0.1%	- 0.1%

Key ratios: Balance Sheet



Balance Sheet, EUR mln	30.09.12	30.09.11
Net debt	10.9	10.7
Equity	37.1	41.7
Working capital	9.7	15.0
Assets	65.4	66.2
Liquidity ratio	1.55	2.27
Equity ratio	57%	63%
Gearing ratio	23%	20%
Net debt-to-EBITDA	2.06	2.09

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.
- ❖ Share capital reduction was registered at September 3, 2012; payout to shareholders can take place earliest after 3 months from the registration date.