

PRFoods:

III quarter & 9 months, 2014

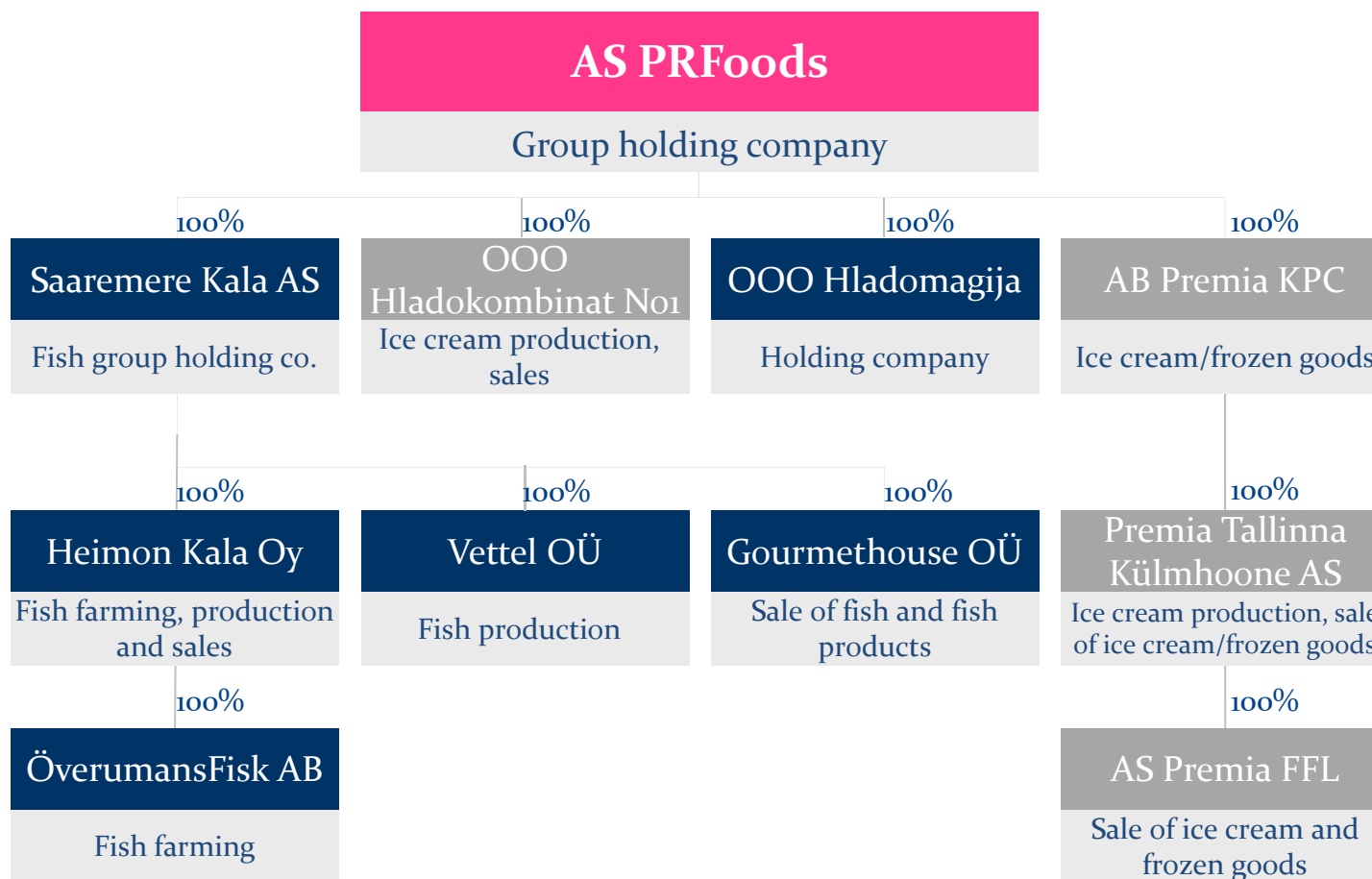


14th November, 2014

Sale and transfer of Baltic and Russian ice cream and frozen goods operations

- ❖ 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 shares of AB Premia KPC and OOO Khladokombinat No 1 and the Russian trademarks owned by AS PRFoods.
- ❖ 30.10.2014 – general meeting of shareholders:
 - ❖ approved the transaction of the sale and transfer of AB Premia KPC, a significant subsidiary of AS PRFoods.
 - ❖ Changed the business name, the new business name is AS PRFoods.
- ❖ 31.10.2014 – the transaction of sale and transfer of the Baltic business units and the trademarks owned by AS PRFoods was completed
- ❖ 10.11.2014 – the sales transaction of the shares of OOO Khladokombinat No 1 was completed
- ❖ The ice cream business segment and the frozen goods business segment, including the Russian trademarks of AS PRFoods, have been indicated as discontinued operations in 2014 Q3 and 9 months interim report.
- ❖ Continuing operations are the production and sale of fish products in the Finnish and Estonian markets and fish farming.

Structure of AS PRFoods



Continuing operations
 Discontinued operations

Highlights

in Q3 and 9 months

The net profit of Q3 together with discontinued operations was 2.5 million euro (YoY +0.4 million euro). In the summary of 9 months, a record high level of 3.7 million euro was reached (YoY +1.7 million euro).

Continuing operations:

Q3 2014

- ❖ 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.

9 months 2014

- ❖ 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).
- ❖ Operating profit 0.3 million euro, increase 0.6 million euro.

Key ratios:

Continuing operations

mln EUR	Q3 2014	Q3 2013		9m 2014	9m 2013	
Sales	10.0	9.6	↑	31.5	26.9	↑
Gross profit	1.2	0.6	↑	3.6	2.2	↑
EBITDA from operations	0.3	-0.2	↑	0.7	-0.3	↑
EBITDA	0.7	1.0	↓	1.1	0.6	↑
EBIT	0.4	0.8	↓	0.3	-0.3	↑
Net profit	0.1	0.3	↓	-0.3	-1.2	↑
Gross margin	12.2%	6.2%	↑	11.4%	8.1%	↑
Operational EBITDA margin	3.3%	-2.0%	↑	2.1%	-1.3%	↑
EBIT margin	4.1%	8.0%	↓	0.9%	-1.0%	↑
Net margin	1.1%	3.0%	↓	-0.8%	-4.6%	↑
Operating expense ratio	13.3%	13.6%	↑	13.0%	14.4%	↑

Key ratios:

Continuing and discontinued operations

mln EUR	Q3 2014	Q3 2013		9m 2014	9m 2013	
Sales	28.8	26.9	↑	78.3	72.9	↑
Gross profit	8.4	7.1	↑	20.7	18.8	↑
EBITDA from operations	3.1	2.1	↑	5.7	4.1	↑
EBITDA	3.5	3.3	↑	6.1	5.0	↑
EBIT	2.9	2.7	↑	4.3	3.1	↑
Net profit	2.5	2.1	↑	3.7	1.9	↑
Gross margin	29.0%	26.4%	↑	26.5%	25.8%	↑
Operational EBITDA margin	10.7%	7.8%	↑	7.2%	5.7%	↑
EBIT margin	10.0%	10.0%		5.6%	4.2%	↑
Net margin	8.7%	7.7%	↑	4.7%	2.6%	↑
Operating expense ratio	20.4%	21.6%	↑	21.7%	23.4%	↑

Sales:

9 months 2014

- ❖ Together with the sale of ice cream and frozen goods operations, also the turnover of other business segment decreases. Hence the two remaining business segments, the fish segment and the other segments, will be monitored and analysed together.
- ❖ Also number of target markets has decreased – target markets of continuing operations are Finland and Estonia
- ❖ The increase in turnover in Finland came from retail market and from the hot and cold smoked product groups.

mln EUR	Sales	YoY	Structure
Finland	27.4	+21%	87%
Estonia	3.3	-8%	11%
Other	0.7	+38%	2%
Total	31.5	+8%	100%



Cost Analysis

Continuing operations:

	9m 2014 <i>EUR mln</i>	9m 2013 <i>EUR mln</i>	Change <i>EUR mln</i>	9m 2014 <i>As % of sales</i>	9m 2013 <i>As % of sales</i>	Change <i>As % of sales</i>
Sales	31.5	26.9	+4.6	100.0%	100.0%	
Cost of goods sold	-27.9	-24.7	+3.2	88.6%	91.9%	-3.3%
including 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%
Operating expenses	-4.1	-3.9	+0.2	13.0%	14.4%	-1.4%
including 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 ja 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%
Other income/expenses	1.0	0.3	+0.7	3.3%	1.1%	+2.1%
including one-off income/exp	0.8	0.0	+0.8	2.4%	0.0%	+2.4%

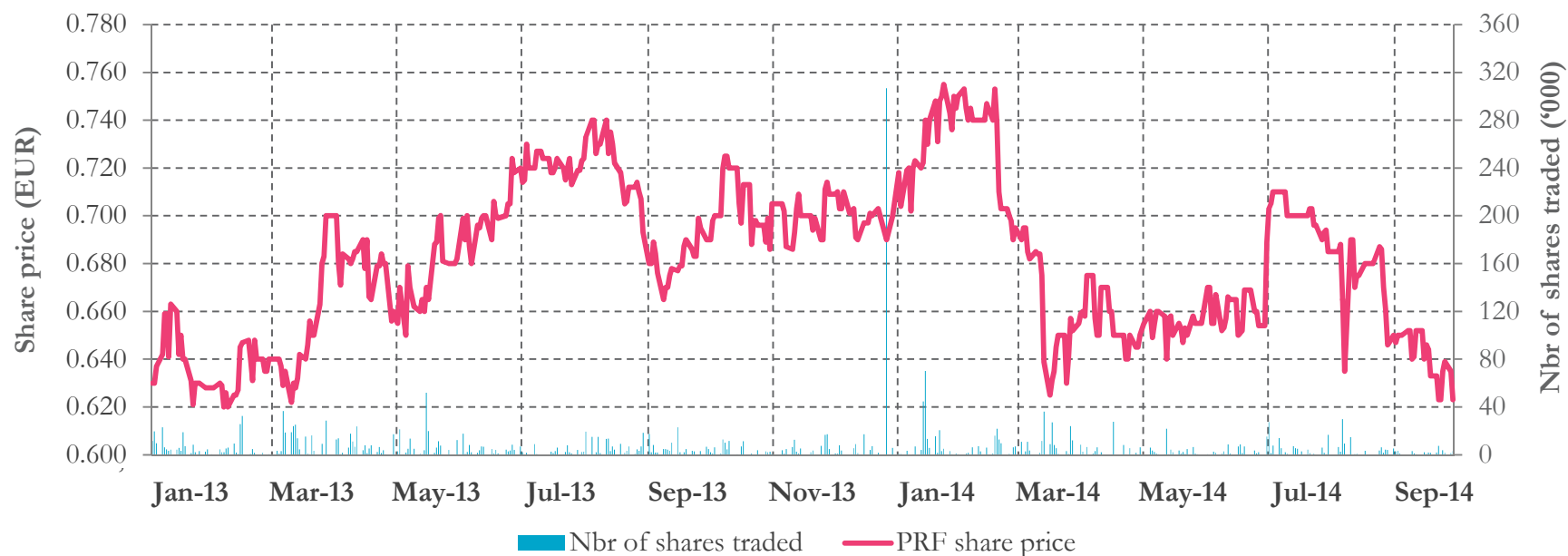
Key ratios:

Balance Sheet

mln EUR	30.09.2014	31.12.2013
Net debt	9.7	13.2
Equity	40.5	37.3
Working capital	35.3	10.1
Assets	65.6	63.8
Liquidity ratio	3.07	1.63
Equity ratio	62%	58%
Gearing ratio	19%	26%
Net debt-to-EBITDA	7.35	3.43
ROE	7%	3%
ROA	4%	1%

❖ According to AGM resolution from May 29 2014, PRFoods paid dividends 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.

Share price and shareholders



Major shareholders at 30th September 2014:

ING Luxembourg S.A.	62.71%	Firebird Avrora Fund Ltd,	1.68%
LHV Pensionifond L	4.41%	Compensa Life Vienna Insurance Group SE.	1.62%
OÜ Rododendron	3.36%	LHV Pensionifond XL	1.48%
Ambient Sound Investments OÜ	3.20%	OÜ Footsteps Management	1.31%
Firebird Republics Fund Ltd.	3.09%	OÜ Freespirit	0.94%