



Acquisition of "Myagkov"

21 April 2008



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These factors include:

- changes in political, social, legal or economic conditions in Russia generally, or in the regions of Russia in which the Company operates, including changes in levels of consumer spending and demand for some or all of its products;
- changes in consumer preferences and tastes, demographic trends or perceptions about health related issues;
- increased competitive product and pricing pressures and unanticipated actions by competitors that could impact the Company’s market share, increase expenses and hinder growth potential;
- the ability to complete business combinations, partnerships, acquisitions or disposals, existing or future, and to achieve integration, expected synergies and/or costs savings;
- levels of marketing, promotional and innovation expenditure by the Company and its competitors;
- the Company’s ability to protect its intellectual property rights;
- increasing recognition in Russia of product liability and personal injury torts;
- legal and regulatory developments and changes in the policies of the government of the Russian Federation, including regional authorities, including regulatory developments or policy changes regarding consumption of or advertising for spirits, or taxation;
- changes in the cost of raw materials and labour costs;
- renewal of distribution rights and contracts on favourable terms when they expire;
- technological developments that may affect the distribution of products;
- changes in financial and equity markets, including significant interest rate and foreign currency exchange rate fluctuations, which may affect the Company’s access to or increase the cost of financing or which may affect the Company’s financial results;
- changes in accounting standards, policies or practices;
- availability of qualified personnel, including accounting personnel; and
- ability to identify other risks relating to the Company’s business and manage the risks associated with the aforementioned factors.

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MYAGKOV ACQUISITION: KEY DRIVERS

- ▶ Synergy strengthens its leading market position in Russia, through branding, production and distribution improvements
 - Synergy's overall market share increases from 6.2% to 7.9% and it will capture the leading position in the sub-premium market segment
 - Its bargaining power with federal retail networks and distributors will improve through the additional Myagkov Russian volumes
 - Tangible savings are expected from production and sales efficiencies
 - Synergy's sales network extended in Moscow, the Central and Volga Federal districts
- ▶ The deal allows for a meaningful entry into Ukraine (the # 3 global vodka market) and it is the first significant Russian-Ukrainian cross border acquisition in the sector
- ▶ Synergy is pre-empting and leading the trend of establishing CIS wide spirit groups which act as consolidators for the sector

TRANSACTION RATIONALE

- ▶ Value accretive acquisition with use of IPO proceeds
- ▶ Strengthening the portfolio in the most promising and growing vodka segment (sub-premium is the segment with the largest gross profit margin potential)
- ▶ Myagkov – as a stand-alone brand – is the #2 brand in the sub-premium segment in Russia
- ▶ Myagkov’s position as a “Mild vodka for friends” is highly complementary to the patriotic and victorious association of “Rusky Lyod”, Synergy’s existing sub-premium brand
- ▶ Myagkov flavors: growth potential area in HoReCa and emerging cocktails culture

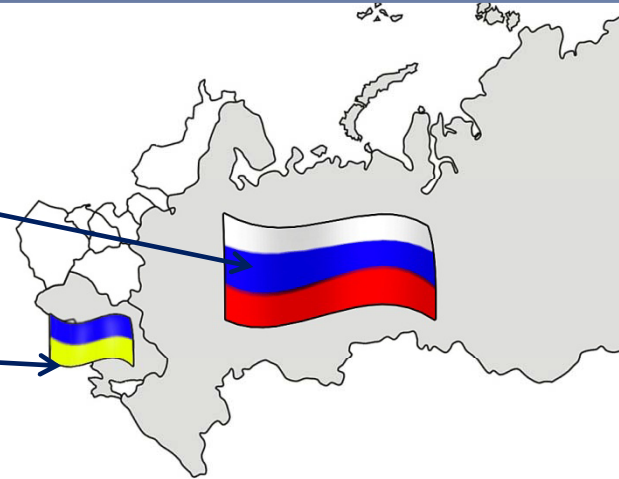


GEOGRAPHY OF SALES

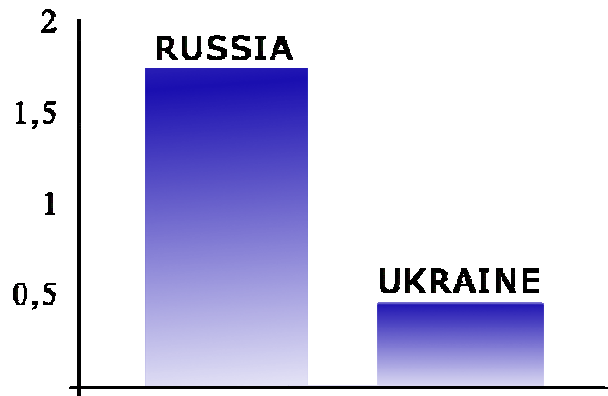
Geographic Expansion

2007 Myagkov in Russia – 1.3% of the local market

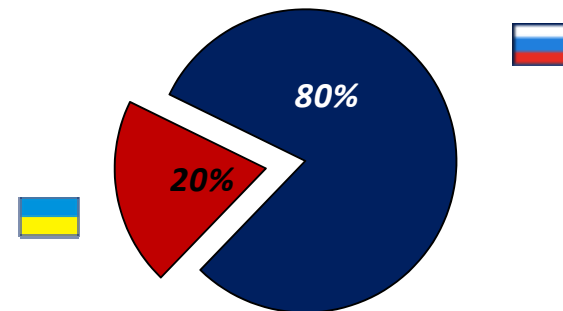
2007 Myagkov in Ukraine – 1.8% of the local market



2007 Sales in Russia and Ukraine, mln. dal



2007 Sales Breakdown

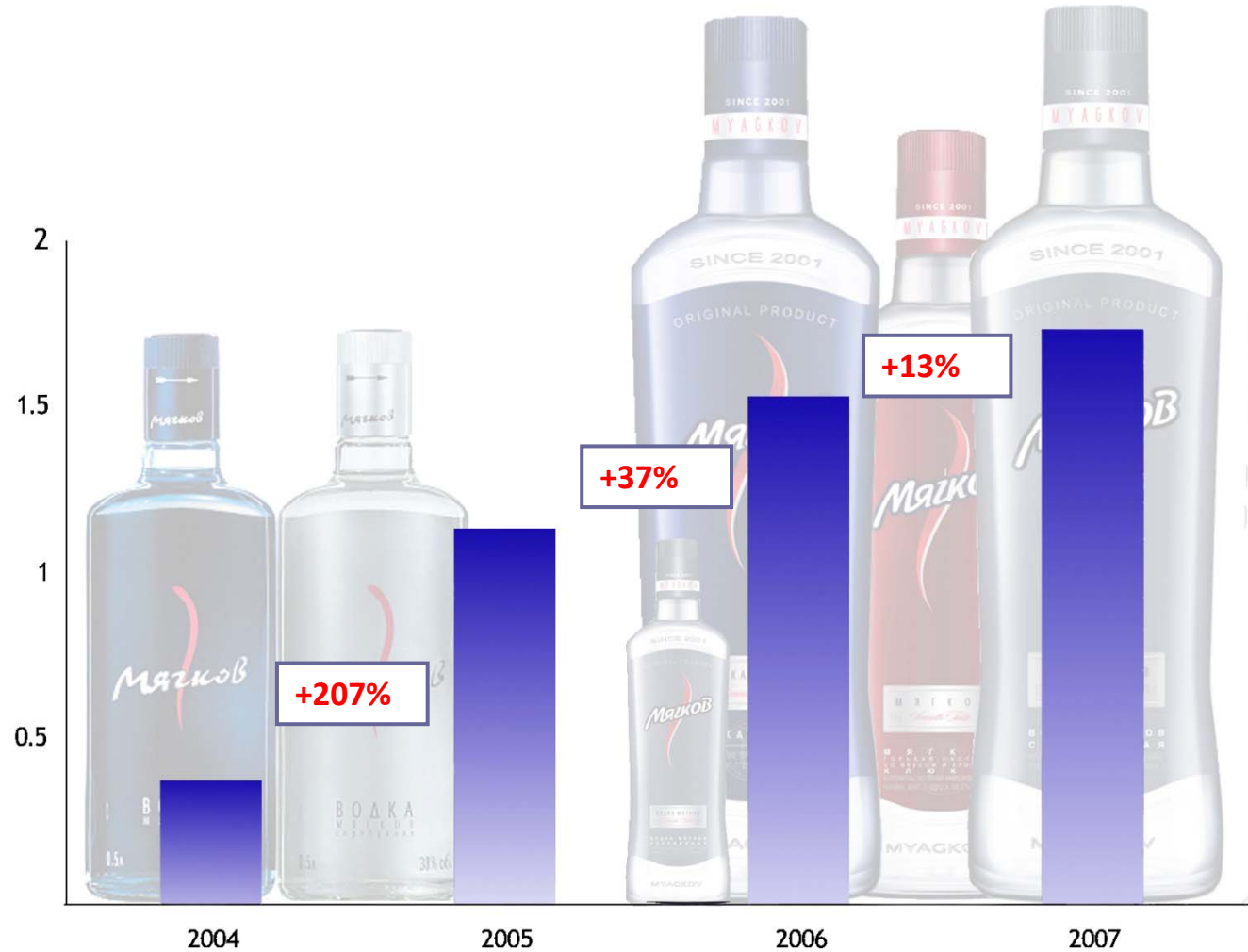


Source: Rosstat, SOVAT, Synergy, Co.

MYAGKOV SALES IN RUSSIA



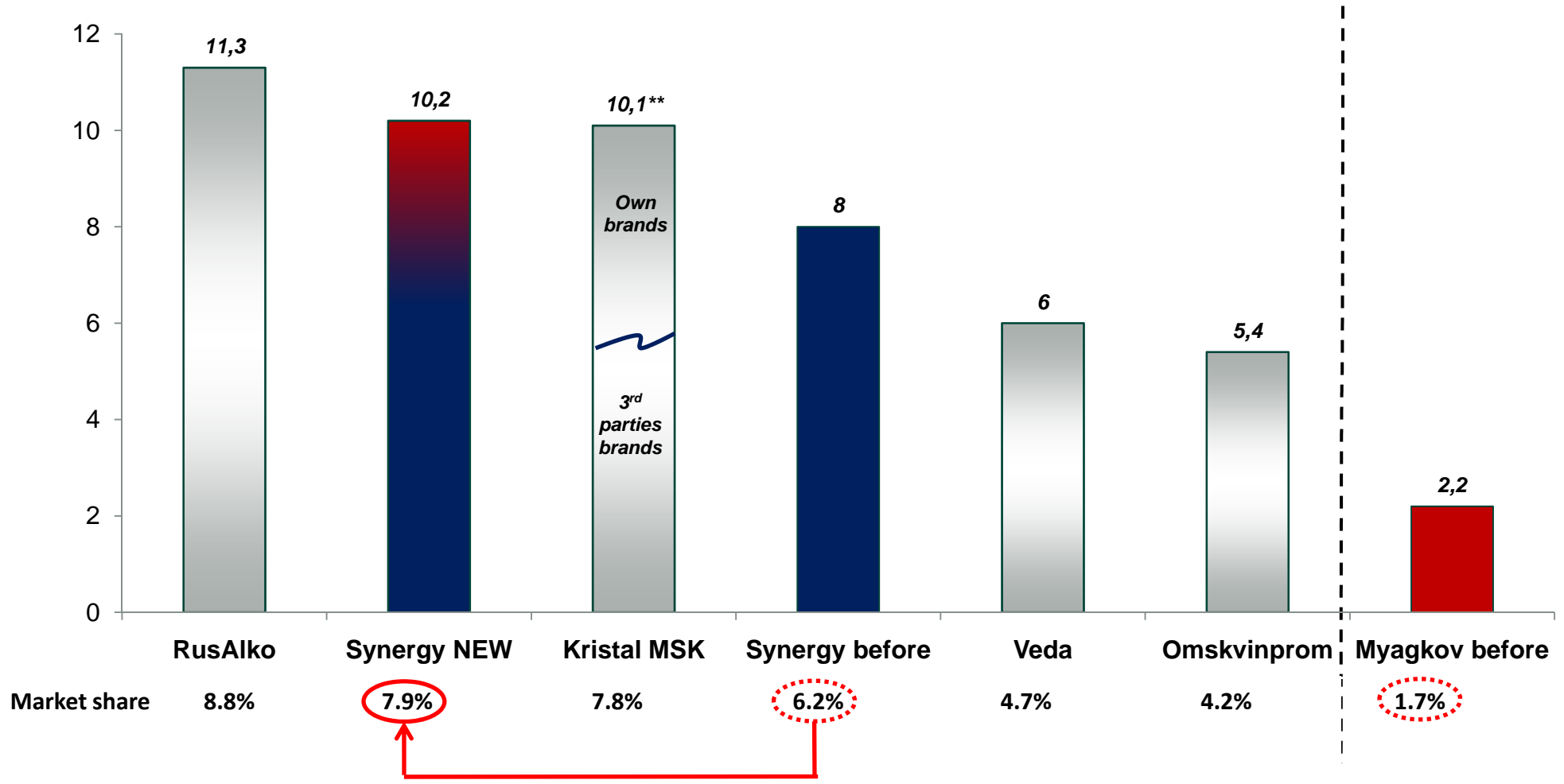
Myagkov Sales Growth in Russia, mln. decalitres



Source: Rosstat, Synergy, Co.

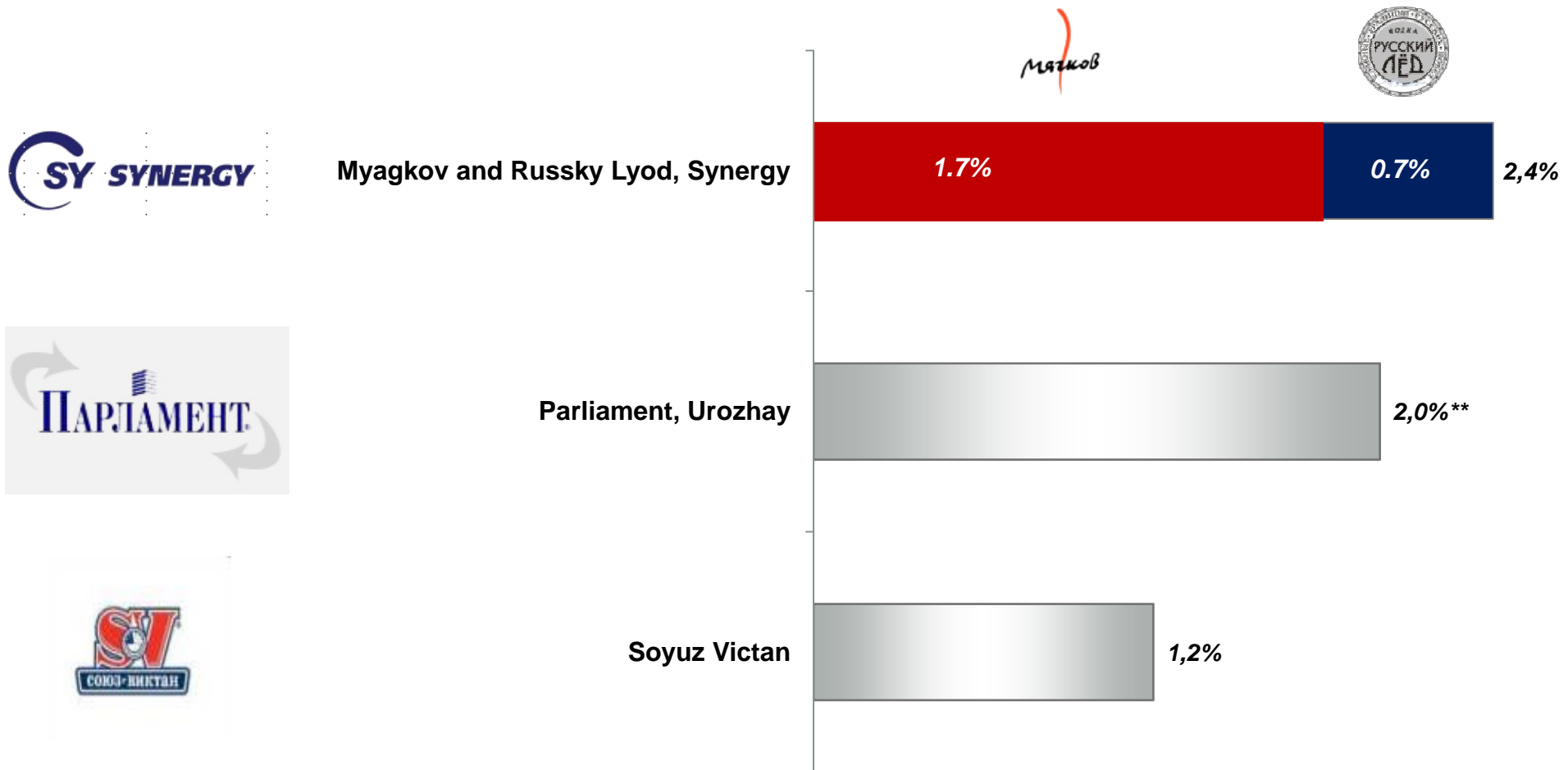
RUSSIAN SPIRITS LANDSCAPE AFTER THE ACQUISITION

Largest Russian distilled spirits producers, mln. dl, FY2007 pro-forma*



SUB-PREMIUM PRODUCERS IN RUSSIA AFTER ACQUISITION

Top-3 sub-premium vodka producers,
market share of sub-premium vodka in total volume pro-forma*



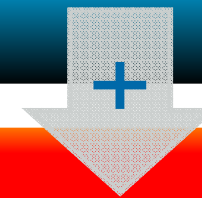
* - Source: 2007 Rosstat, Synergy estimates

** - including export

ENLARGED DISTRIBUTION SYSTEM

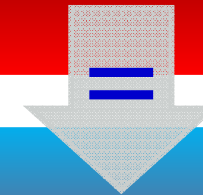
CURRENT SYNERGY'S DISTRIBUTION PLATFORM

Federal: 3rd party distribution, including dedicated sales teams, and direct distribution;
Regional: direct distribution, direct retail and 3rd party distribution without dedicated sales teams.



MYAGKOV'S DISTRIBUTION SYSTEM

Efficient federal distribution machine;
200 sales people;
Developed distribution net in Ukraine;
Dedicated sales teams in Moscow, Rostov and Samara.



INTEGRATED DISTRIBUTION SYSTEM

Geographic extension: entry into the Ukrainian market;
Increase of number of dedicated sales teams;
Saving of specific selling expenses;
Increased focus on core markets such as Moscow.

ACQUISITION FIGURES IN COMPARISON*



Мазков

EV - \$90 mln.

EV/EBITDA'07 ~ 9
EV/EBITDA'08 ~ 5

2007 volume sold***
- 2.2 mln. decalitres



ПАРЛАМЕНТ

EV - \$380 mln.

EV/EBITDA'07 >14**
EV/EBITDA'08 >10**

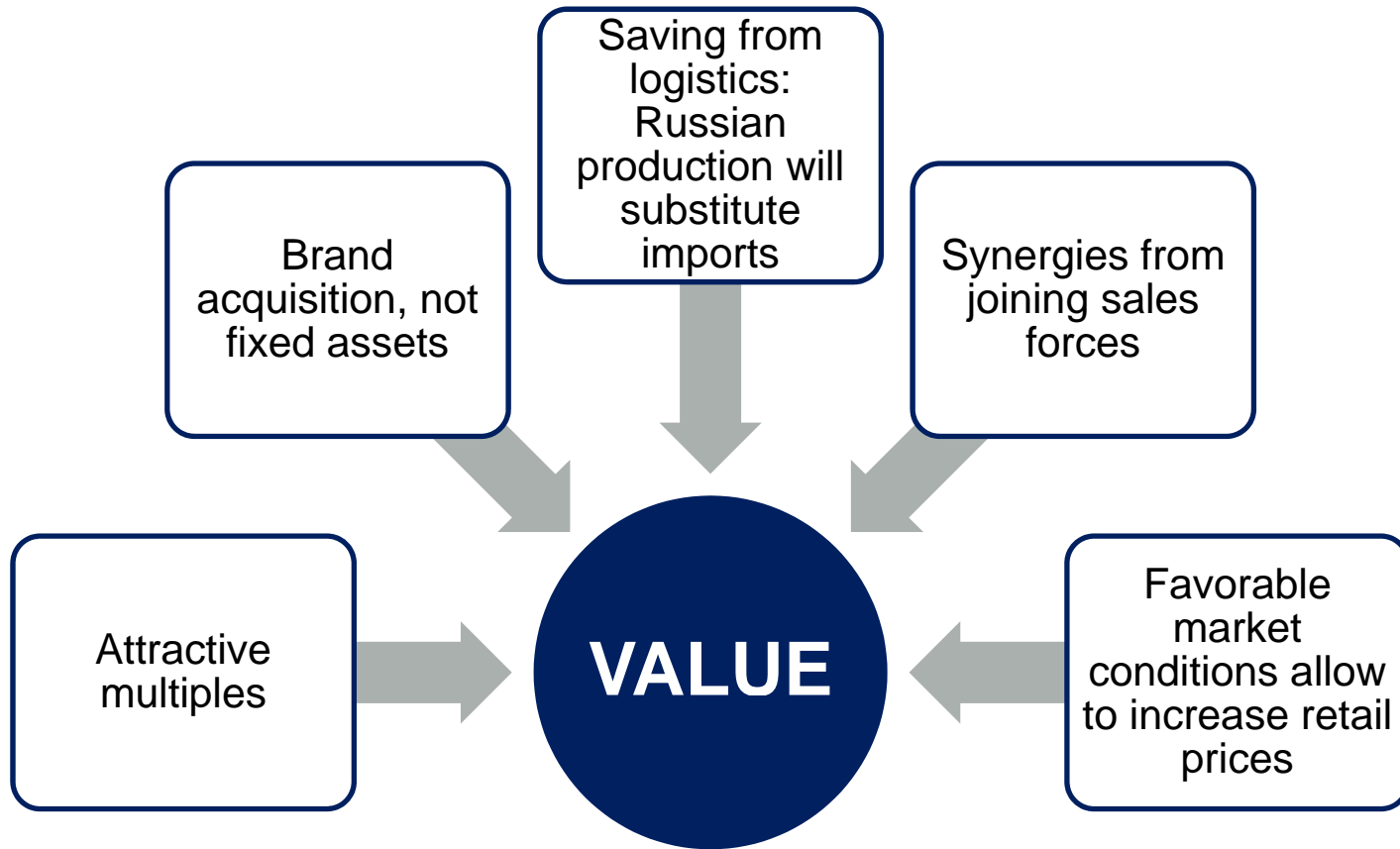
2007 volume sold***
- 2.6 mln. decalitres

•Source: Rosstat, CEDC, Synergy, Co. estimates

** - based on Synergy, Co. estimates

*** - including export

VALUE CREATION DURING ACQUISITION

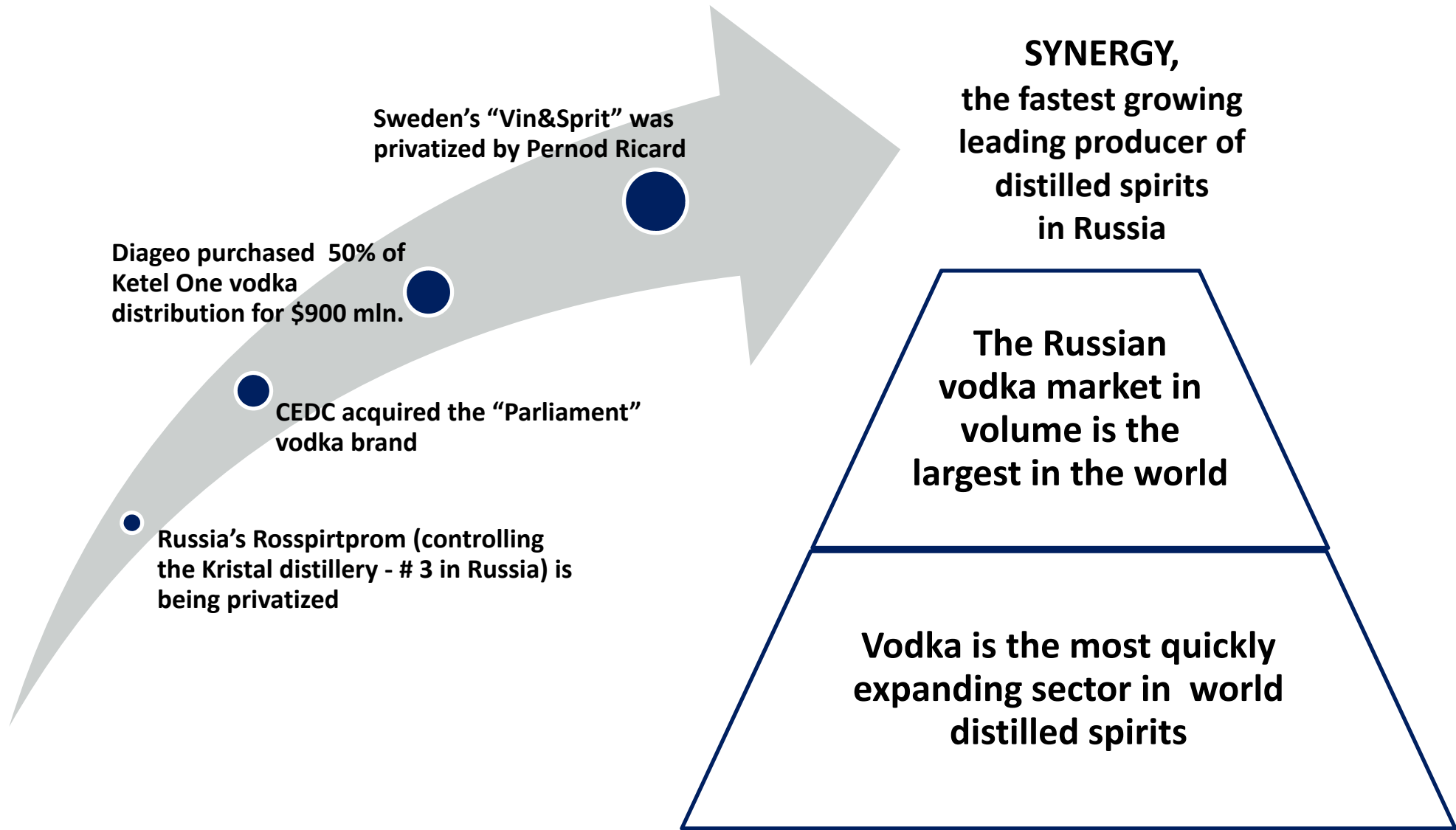


CURRENT BRAND PORTFOLIO

	Gosudarev Zakaz	Belenkaya	Sily Prirody	Russky Lyod	Myagkov	AZ*	Beluga Classic	Beluga Gold Line
								
Retail Price	RUR 90 US\$ 3.5	RUR 115 US\$ 4.5	RUR 115 US\$ 4.5	RUR 140 US\$ 5.5	RUR 150 US\$ 6.0	RUR 900 US\$ 35	RUR 750 US\$ 29	RUR 3,670 US\$ 144
Segment	Low middle	Middle	Middle	Sub-Premium	Sub-Premium	Super – Premium*	Super - Premium	Super - Premium
Positioning	Power, State, Quality	Purity, Quality, Colloquialism for vodka	Nature, Environment	Patriotism, Victory	Mild vodka for friends	Traditions	Quality, Luxury	Luxury

* - Re-repositioning in the premium segment is in progress
Source: Synergy, Co.

VODKA IS KEY GLOBAL SPIRIT GROWTH SEGMENT



QUESTIONS