



Baltika Breweries

H1 2008 Results

5 August 2008

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Development Overview for H1 Y2008



☰ Russian market volume growth is 2.4%

The development should be seen in light of the strong performance enjoyed by the market in the first half of 2007. Growth was especially strong for the licensed and premium beer, whereas demand for beer in the economy segment declined. Growing category inflation driven by excise and input prices growth significantly influenced the beer market.

☰ Positive sales volume trend in H1 Y2008

- Total Baltika sales volume 23.2 MHL, +6.1%;
beer volume 22.8 MHL, +6.0%
- Export volume 1.2 MHL, +32.4%;
with license volume in Ukraine and the UK +38.8%
- Market share in Russia 38.1%, +0.5%

☰ Q2 sales made significant contribution to the H1 2008 volume growth

- Total Baltika sales volume 14.2 MHL, +8.4%;
beer volume 14.0 MHL, +8.2%
- Export volume 0.8 MHL, +45.9%;
with license volume in Ukraine and the UK +51.2%
- Market share in Russia 38.1%, +0.5%

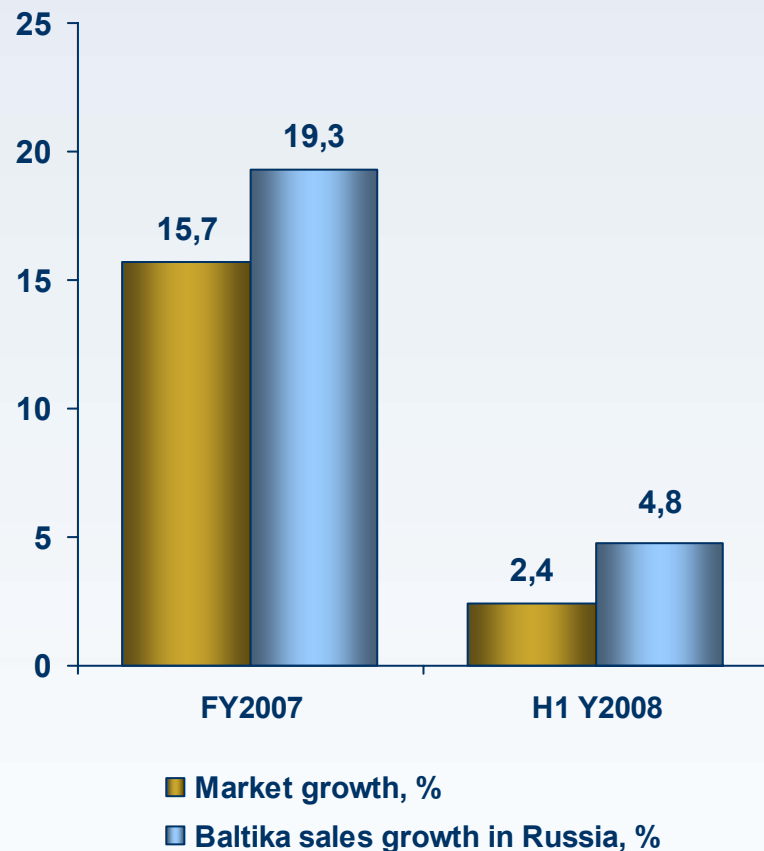
☰ Strong financial performance

- Revenue 1,246.8 MEUR (+16,8%)
- EBIT 286,7 MEUR (+11,9%)
- EBITDA 359.0 MEUR (+13.0%)
- Net profit 213.6 MEUR (+13.5%)



Russian Beer Market and Baltika Breweries

Russian Beer Market Development



Market share, %	H1 2007	H1 2008
Baltika	37.6	38.1
Sun InBev	18.3	17.5
Heineken	13.1	14.3
Efes*	9.2	8.9
SAB Miller*	6.3	6.7
Others	15.5	14.5

* Business Analytica, Jan-June 2007/2008

Note: Baltika domestic beer volumes

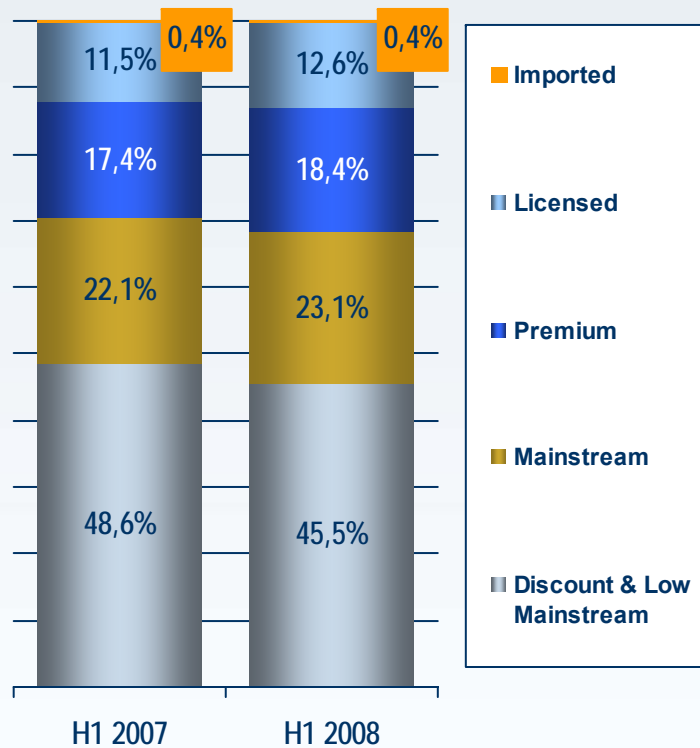
Heineken, Sun InBev & Efes include all acquisitions

Source: Internal data, State Statistics Committee, Breweries, Business Analytica

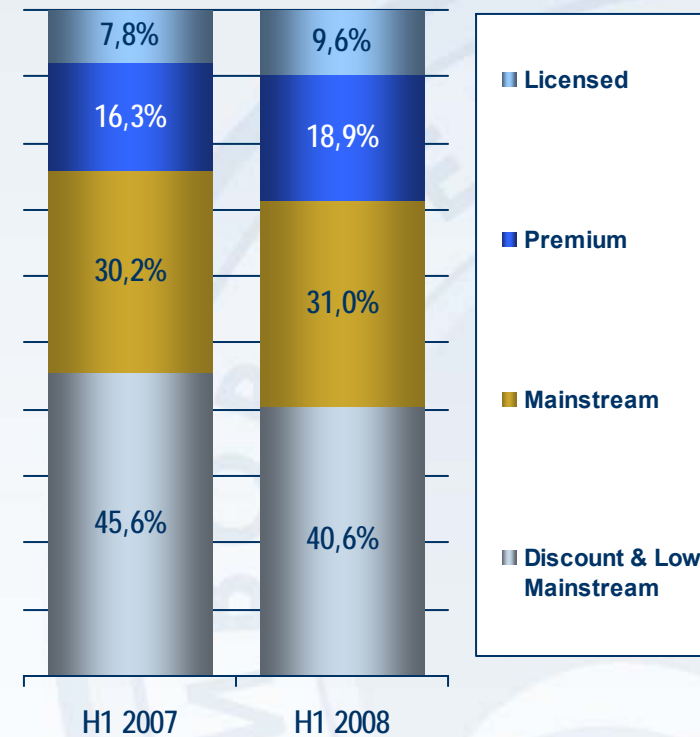
Price Segments Development



Price segments market volume share



Baltika business in Russia



Source: Business Analytica, off-trade

Baltika Brands performance

H1 Y2008



- Baltika is the leading brand in Russia
 - Baltika brand growth in H1 Y2008 vs. H1 Y2007 is +25.2% (Baltika-7 +40,9%, Cooler +63,6%), market share in Russia growth is 2.1% up to 13.9% (internal estimate)
- Licensed brands volume growth:
 - In H1 Y2008 Baltika continued to strengthen its leadership in licensed segment, according to Business Analytica retail audit data company's volume share in license (off-trade) reached 28.7% in June 2008
 - Tuborg +33%, brand #1 in licensed segment (according to Business-Analytica Retail Audit volume share within licensed segment in H1 2008 increased by 2.6% and reached 19.3% in June 2008)
 - Carlsberg +8%
 - Kronenbourg +55%
 - Foster's +24%
- High volume growth of regional brands: DV +32%, Don +19%

Source: Internal data

Innovations for H1 Y2008



- Sibirskiy Bochonok launch
- New variety Arsenalnoe Extra Strong
- New subbrand Samara Svetloe



- Baltika Lite launch
- Baltika premium restyling
- Tuborg Green XL 0,75 launch
- Twist-off for Nevskoe
- PET 1,5 for Baltika-3
- Baltika-3 in keg
- Asahi launch





Financial Results

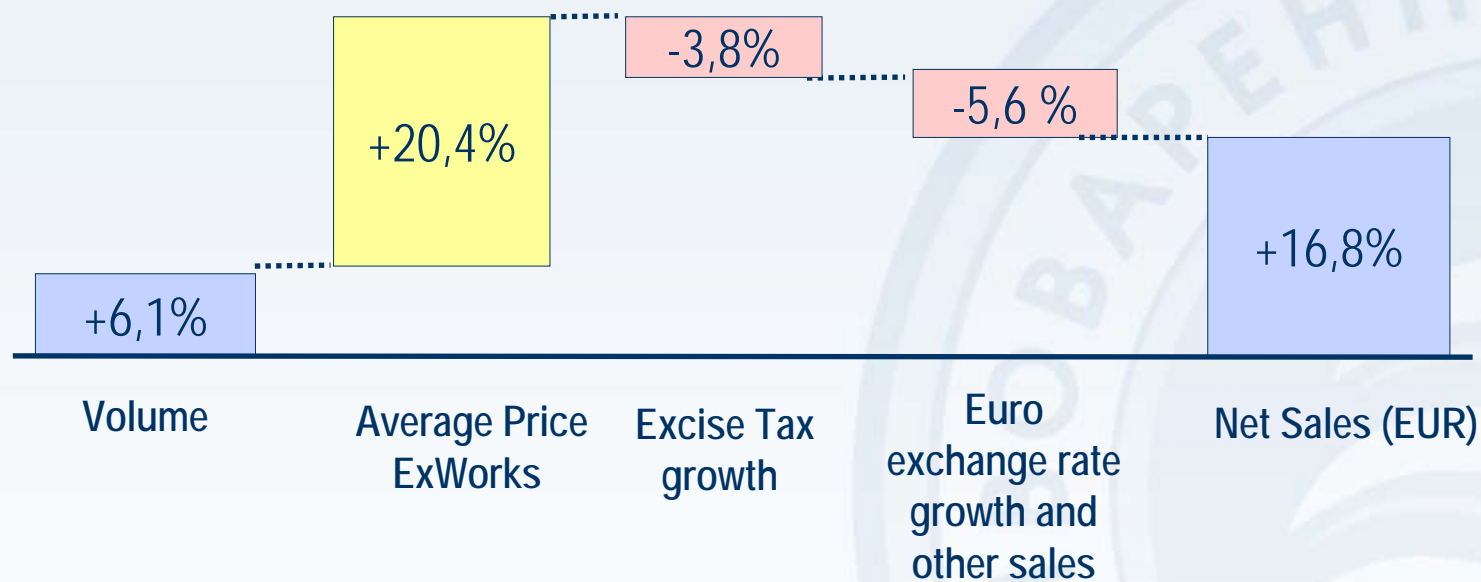
6M '08/07 Financial Results



	6M 2008, MEUR	6M 2007, MEUR	Change
Sales Volume, mln. hl	23.2	21.8	6.1%
Revenue	1 246.8	1 067.3	16.8%
Cost of sales	-634.9	-514.4	23.4%
Gross profit	611.9	552.9	10.7%
Distribution expenses	-152.4	-139.9	8.9%
Commercial expenses	-138.2	-116.6	18.5%
Administrative expenses	-36.1	-40.4	-10.6%
Other operating income/expenses	1.4	0.1	
EBIT	286.7	256.1	11.9%
EBITDA	359.0	317.8	13.0%
NET PROFIT	213.6	188.2	13.5%
Gross Margin	49.1%	51.8%	-2.7 p.p.
EBIT margin	23.0%	24.0%	-1.0 p.p.
EBITDA margin	28.8%	29.8%	-1.0 p.p.
NET margin	17.1%	17.6%	-0.5 p.p.

IFRS

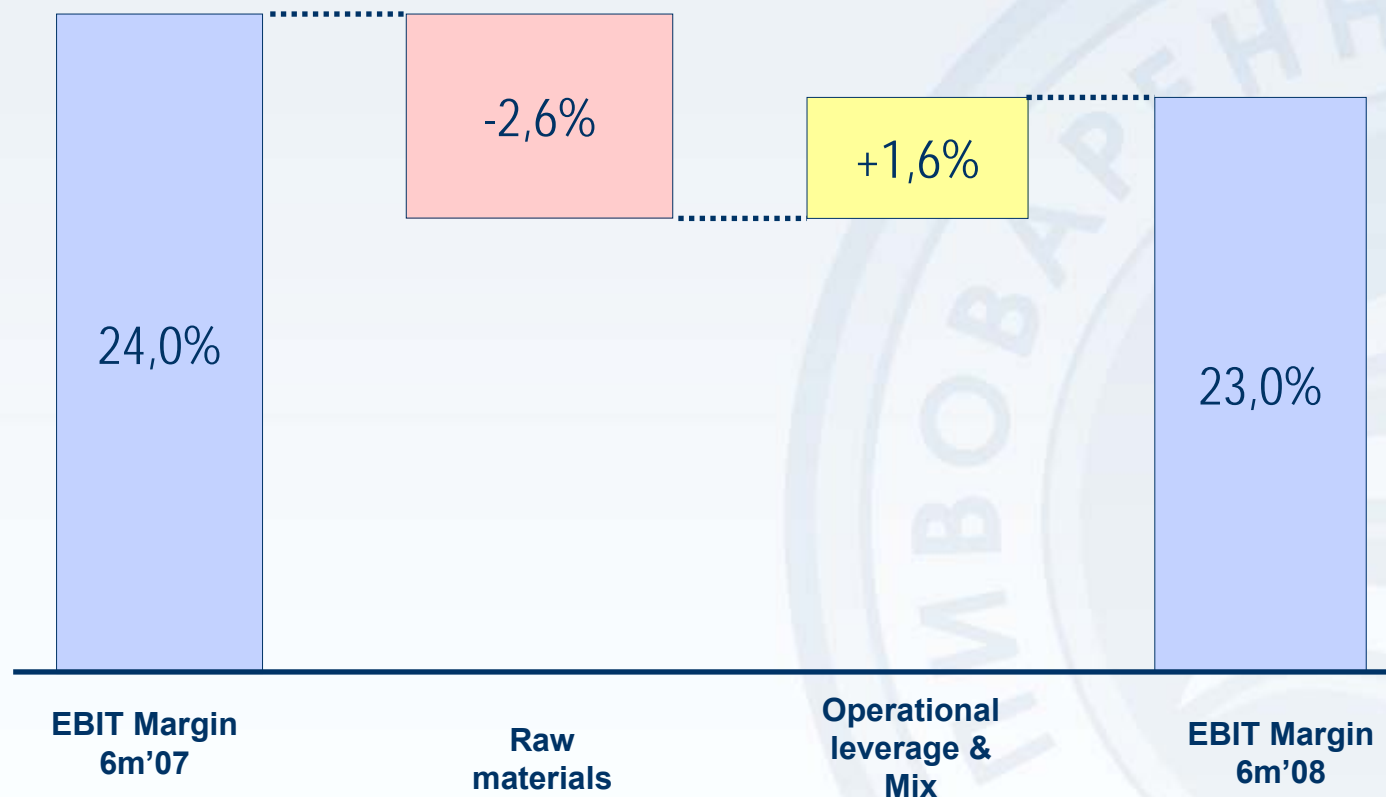
Baltika Net Sales Development



Baltika EBIT Margin Development



Sales volumes growth, portfolio premiumisation and operational leverage made it possible to reduce considerably the influence of input prices



Investments in H1 2008



☰ Sales & Marketing



- ☰ **Baltika Voronezh**
production capacity doubling completed
2.0 mln hl per year



- ☰ **Baltika Yaroslavl**
malt-house
capacity doubling
to 105 000 tonnes
per year



- ☰ **Baltika Novosibirsk**
new brewery
construction completed
4.5 mln hl per year



H1 2008 investments amounted to 151 MEUR

- ☰ In May Baltika signed an agreement for the purchase of Baku-Castel brewery, Azerbaijan



Supplementary information

Baltika Breweries today



☰ 11 breweries:

St. Petersburg (2 breweries),
Rostov-on-Don, Tula, Samara
Yaroslavl, Voronezh, Chelyabinsk,
Novosibirsk, Krasnoyarsk, Khabarovsk

☰ Production Capacity:

Around 50 MHL/year

☰ 3 malt-houses:

St. Petersburg, Tula, Yaroslavl

☰ Over 12 000 employees

☰ Market share in H1 2008 38.1%



Brand Portfolio



	Company position in the segment	Brand #
Licensed	#1	# 1 Tuborg
Premium	#1	#1 Baltika
Mainstream	#1	#1 Baltika
Lower Mainstream	#1	#1 Arsenalnoe
Discount	#1	#2 Bolshaya Kruzha

Baltika Breweries in Russia



Production capacity: 50 MHL per year





Thank you!