Baltika Breweries

9M 2007 Results

8 November 2007

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Development Overview for 9M Y2007

- **Russian market volume growth of 17%**
  Market showed high growth for 9M Y2007 due to continuous development of category consumption, primarily in less saturated regional markets, and also influenced by several factors, including mild weather, particularly in Q1, and regulatory changes consequences to alcoholic drinks in 2006
- **High volume growth for 9M Y2007**
  - Total Baltika sales volume 34.9 MHL, +22.1%;
    beer volume 34.5 MHL, +22.4%
  - Export volume 1.6 MHL, +19.4%;
    with license volume in Ukraine and the UK +29.3%
  - Market share in Russia 37.7%, +1.4%
- **Q3 sales made contribution to the 9M 2007 volume growth**
  - Total Baltika sales volume 13.1 MHL, +11.4%;
    beer volume 12.9 MHL, +11.4%
  - Export volume 0.6 MHL, +26.5%;
    with license volume in Ukraine and the UK +35.5%
  - Market share in Russia 37.8%, +0.6%
- **Strong financial performance**
  - Net sales is 1762.7 MEURO, +31.7%
  - EBIT is 450.2 MEURO, +29.0%
  - Net profit is 334.8, +31.7%

Russian Beer Market and Baltika Breweries

Russian Beer Market Development

Market volume share, %	9M 2006	9M 2007
Baltika	**36.3**	**37.7**
SUN InBev	18.8	18.7
Heineken	13.3	12.9
Efes*	9.8	9.2
SAB*	5.6	6.1
Ochakovo	5.0	4.1
Others	11.2	11.3
	100%	100%

* Business Analytica, Jan-Sep 2006/2007

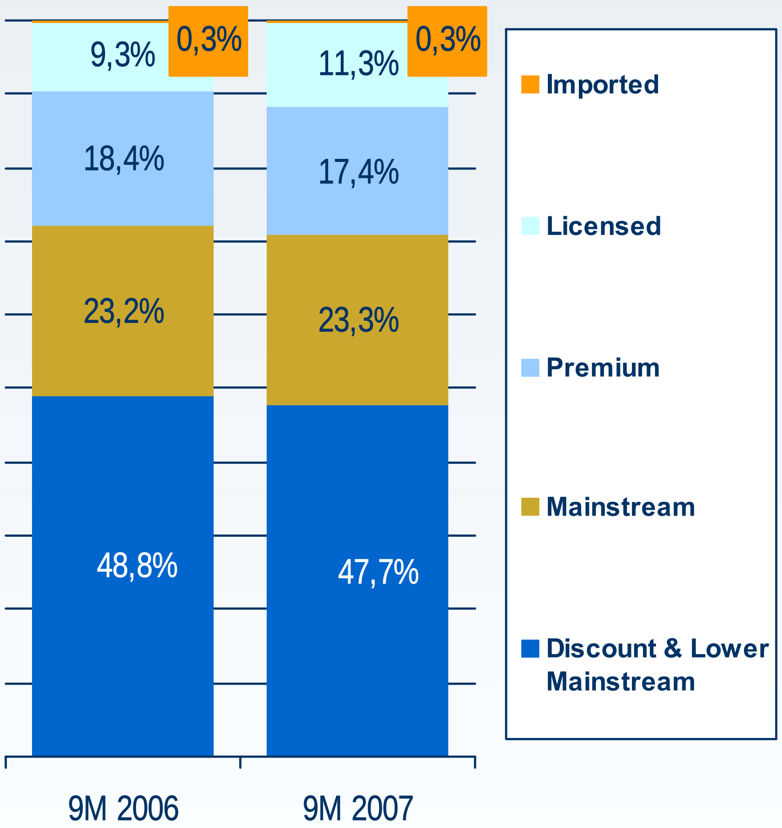
Note: Baltika domestic beer volumes

Heineken, Sun InBev & Efes include all acquisitions

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

Price Segments Development

Price segments market volume share

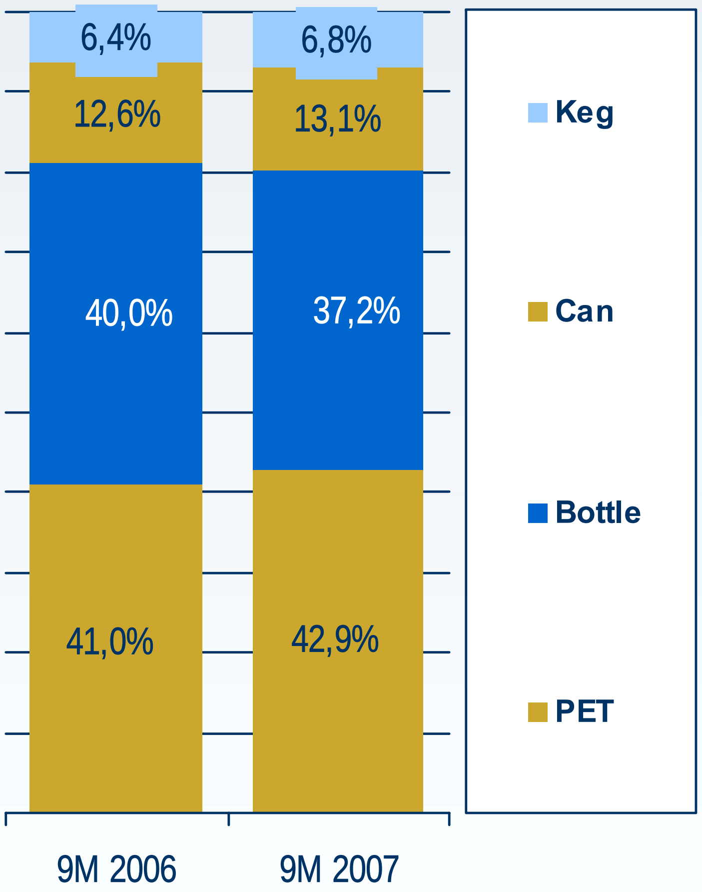


Source: Business Analytica, off-trade

Baltika Breweries share in segment	9M 2006	9M 2007
Licensed	21,8	25,8
Premium	43,9	42,5
Mainstream	49,6	52,5
Discount & LM	29,1	33,3

Packaging Segments Development

Packaging segments market volume share



Company's share in segment	9M 2006	9M 2007
Keg	28.8	32.1
Can	57.6	57.6
Bottle	33.8	34.4
PET	31.2	35.9

Source: estimation, based on Business Analytica data, incl.HoReCa

Performance of Baltika Brands for 9M Y2007

- Baltika and Arsenalnoye are two leading brands in Russia
- Baltika brand growth for 9M Y2007 vs. 9M Y2006 is +34,7% (Baltika-7 +20.7%, rapid Cooler development), market share in Russia growth is 1.9% up to 12.7% (internal estimate)
- Licensed brands volume growth:
  - Tuborg +79%, brand #1 in licensed price segment (according to Business-Analytica Retail Audit volume share within licensed segment for 9M Y2007 increased by 3.4% and reached 17.0% in September Y2007)
  - Carlsberg +41%
  - Kronenbourg +154%
  - Foster's +62%
- Volume growth of premium brand Nevskoye +25%
- High volume growth of regional brands:
  - Uralsky Master +51%, Don +32%

Source: Internal data

Innovations for 9M Y2007

- New varieties of "live" beer for regional brands

- **Baltika Premium** restyling
- **Baltika-3** restyling
- Can for **Kronenbourg 1664**
- **Foster's** restyling
- Can 1 L for **Baltika-3**, **Baltika-7** & **Tuborg Green**
- New non-beer brand **Party Mix**

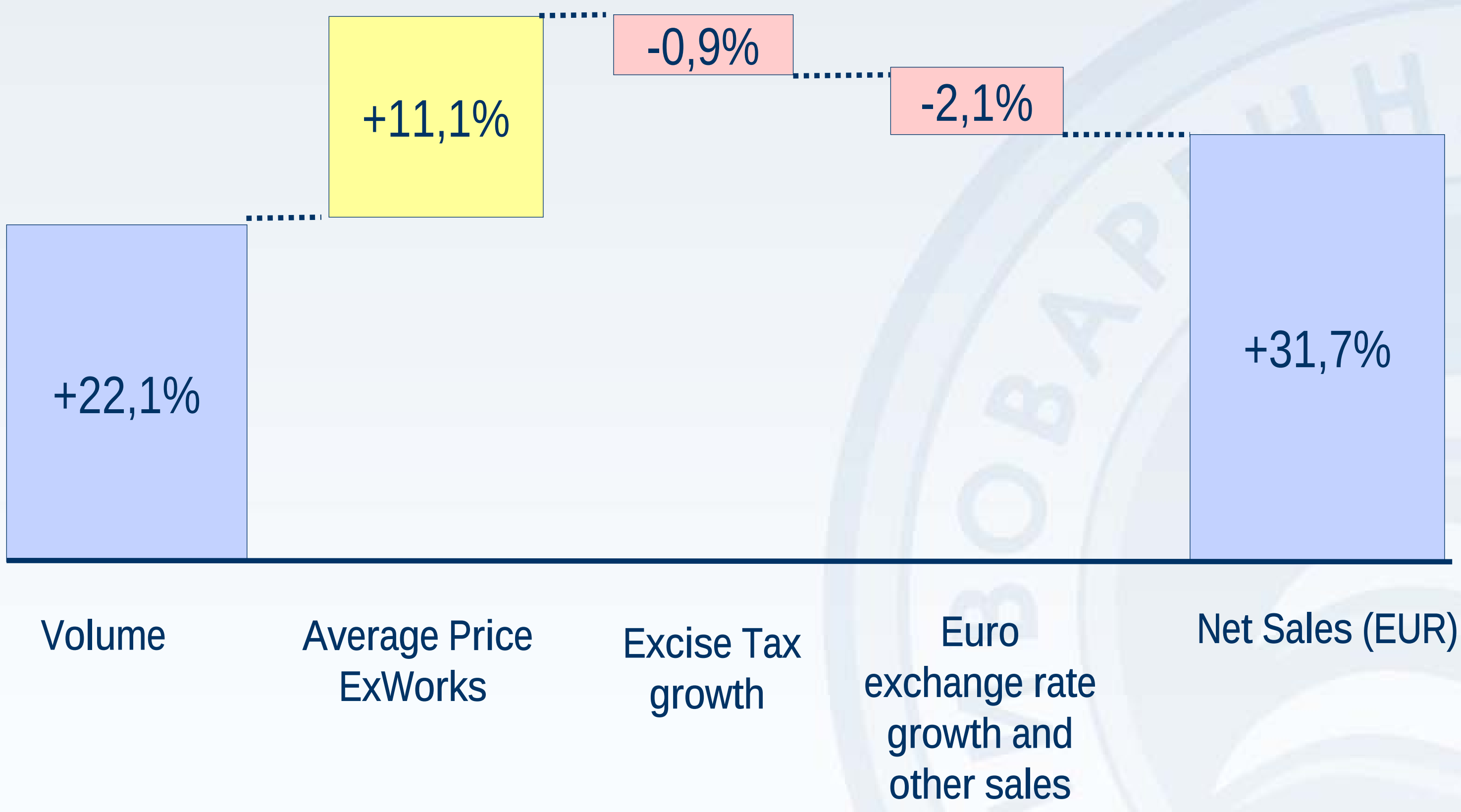
Financial Results

9M Y2007 Financial Results

	9M 2007, MEUR	9M 2006, MEUR	Change
Sales Volume, mln. hl	**34.9**	**28.6**	**22.1%**
Revenue	**1762.7**	**1338.0**	**31.7%**
Cost of sales	835.6	613.6	36.2%
Gross profit	**927.2**	**724.4**	**28.0%**
Distribution expenses	223.5	159.3	40.3%
Commercial expenses	191.1	165.4	15.6%
Administrative expenses	62.5	50.3	24.2%
Other expenses	-0.1	0.5	-127.5%
EBIT	**450.2**	**348.9**	**29.0%**
NET PROFIT	**334.8**	**254.1**	**31.7%**
Gross Margin	**52.6%**	**54.1%**	**-1.5 p.p.**
EBIT margin	**25.5%**	**26.1%**	**-0.6 p.p.**
NET margin	**19.0%**	**19.0%**	**0.0 p.p.**

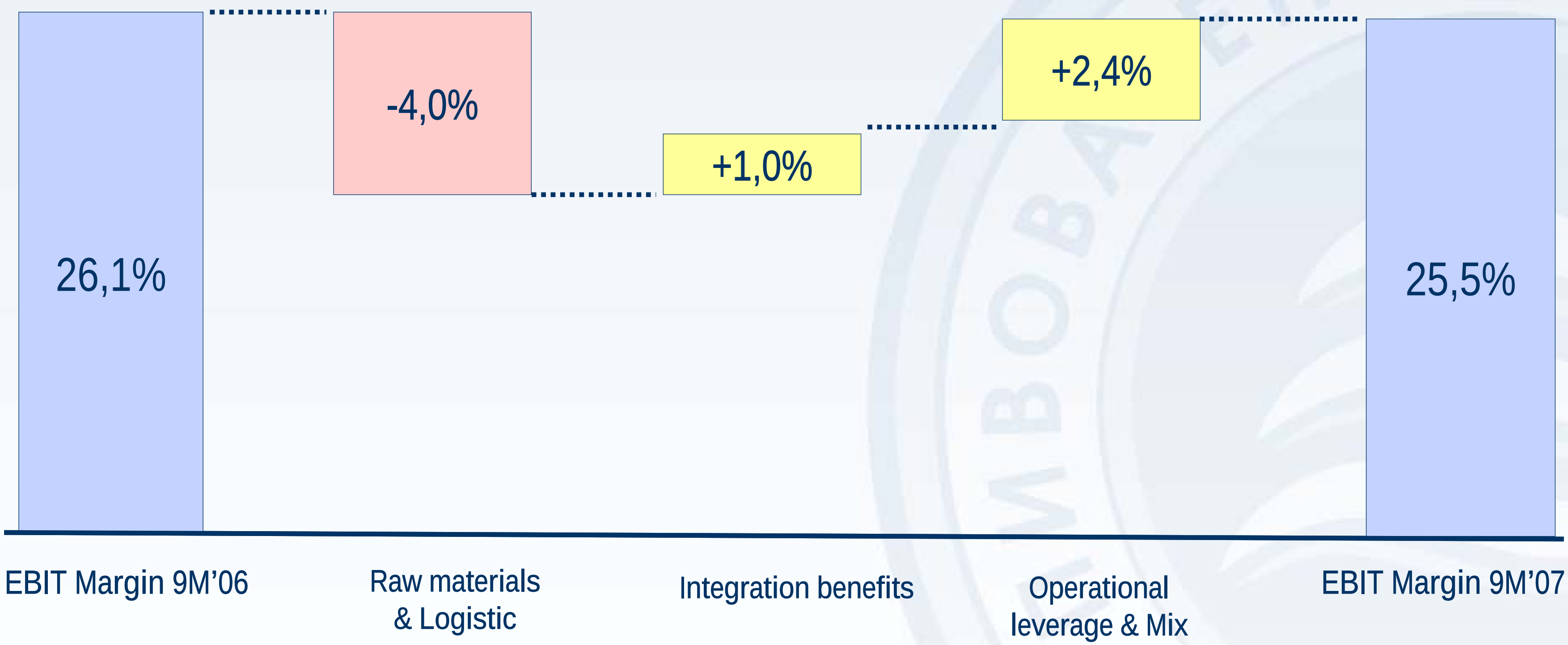
IFRS

Baltika Net Sales Development for 9M '07



Baltika Margin Development in 9M Y2007

Integration benefits, operational leverage and positive mix effect were the key drivers for high financial results performance on the background of rising distribution and raw materials costs



Investments

Investments in 9M Y2007

- Baltika Novosibirsk brewery construction, 4.5 mln hl capacity per year (on current DC base)

- Baltika Voronezh production capacity doubling started, 2 mln hl per year for 2008 season

Total 9M investments of 193 MEUR

Supplementary information

Integrated Baltika Breweries

- 11 breweries:

  St. Petersburg (2 breweries),

  Rostov-on-Don, Tula, Samara

  Yaroslavl, Voronezh, Chelyabinsk,

  Novosibirsk, Krasnoyarsk, Khabarovsk

- Production Capacity:

  Around 45 MHL/year

- 3 malt-houses:

  St. Petersburg, Tula, Yaroslavl

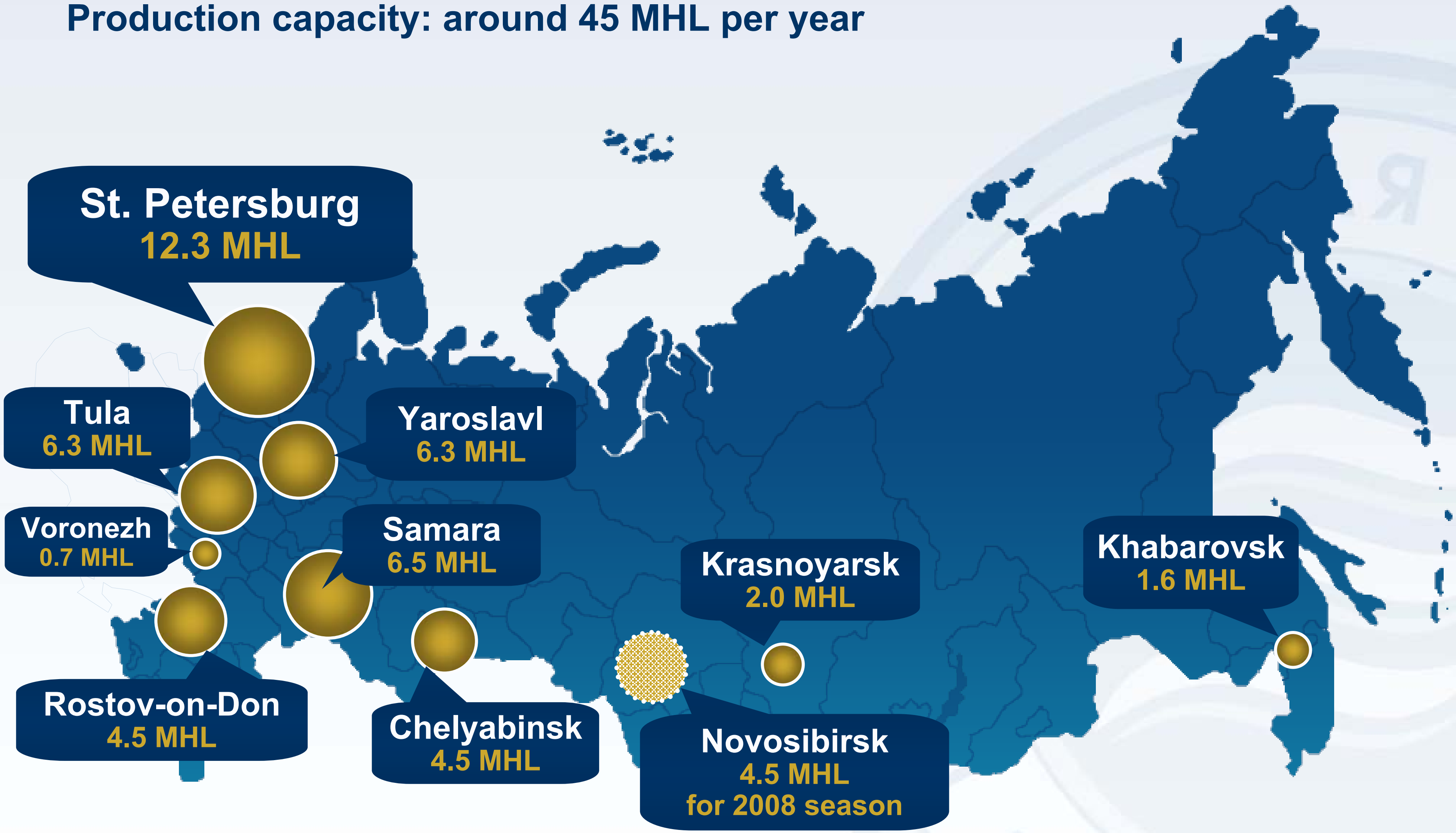
- About 12 000 employees
- Market share in 9M Y2007 37.7%

Brand Portfolio

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

Baltika Breweries in Russia

Production capacity: around 45 MHL per year



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Thank you!