



Baltika

Half Year 2005 Results

August 24, 2005



Contents

- Results First Half 2005
- Russian Beer Market Trends
- Outlook
- Supplementary Information





Results First Half 2005





Overview of Developments in H1 2005

- Excellent profit performance
 - EBITDA 133.7 MEUR, up 38.1%
 - EBIT 100.8 MEUR, UP 48.4%
- Strong volume growth
 - Total volumes 10.81 MHL, up 22.1%
 - Export +24%
 - Market share in Russia 24.1%, up 3.6%pts
- Russian market volume growth of 3.7%

Baltika H1 2005 Results



Strong performance, margins improved

MEUR	H1 2005	H1 2004	Change
Volume	10.81 MHL	8.85 MHL	+22.1%
Net Sales Value	449.6	363.8	+23.6%
EBITDA	133.7	96.8	+38.1%
EBITDA Margin	29.7%	26.6%	+3.1%pts
EBIT	100.8	67.9	+48.4%
EBIT Margin	22.4%	18.7%	+3.7%pts



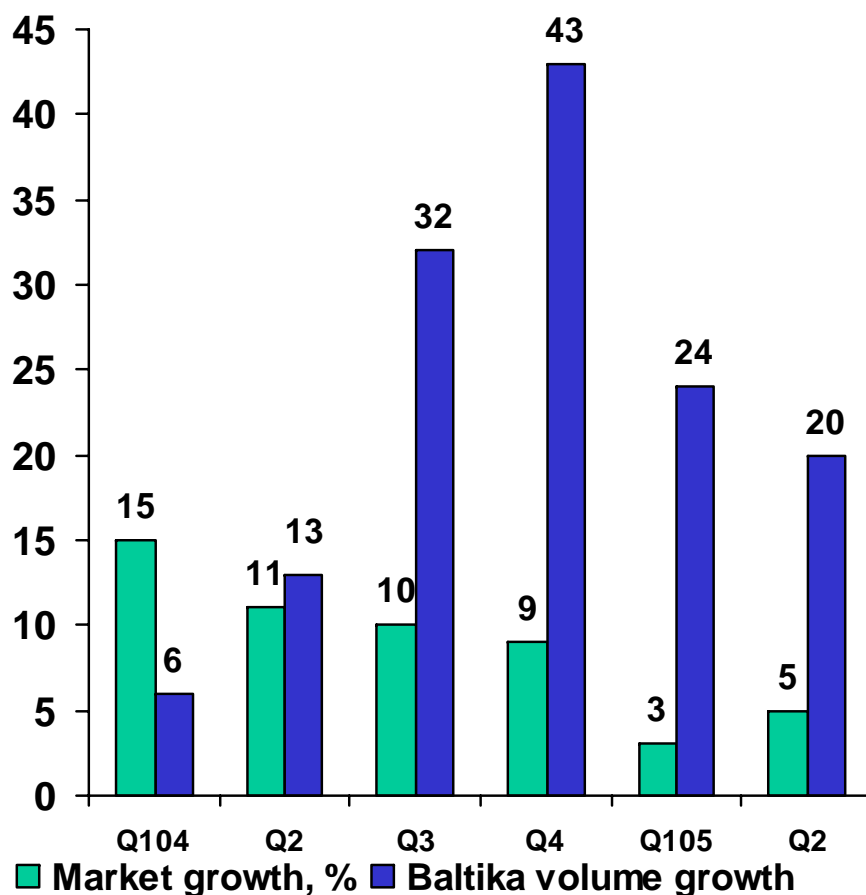
Russian Beer Market Trends



Russian Beer Market Development



Baltika significantly outperforms market for last four quarters



Source: BBH, State Statistics Committee, Breweries

Note: Domestic Volumes

Market share % in	H1'04	H1'05
Baltika	20.5	24.1
Sun Interbrew*	15.9	17.4
Heineken*	6.9	7.5
Efes	5.9	6.7
Yarpivo	6.4	6.5
Krasny Vostok	6.9	5.9
Ochakovo	6.8	5.9
SABMiller**	4.5	5.0
Vena	3.9	4.5
Other	22.3	16.5
	100%	100%

* Without new acquisitions ** Estimate

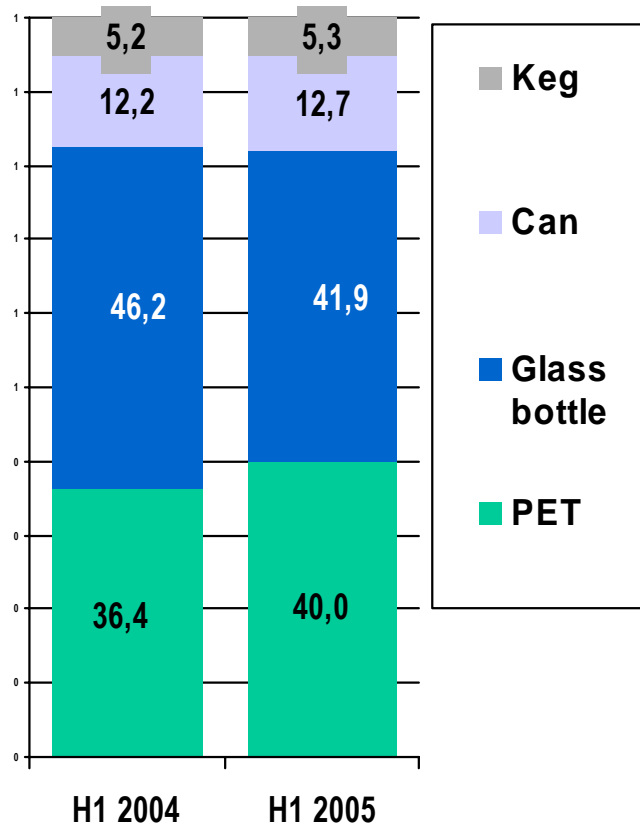
Source: BBH, State Statistics Committee, Breweries



Packing Segments Development

Baltika has increased its share in growing packaging segments and high value on-trade.

Share of the different packaging segments of the total beer market volumes



Baltika's share in segment	H1 2004	H1 2005
Keg*	14.3	18.8
Can	32.3	42.3
Glass bottle	20.1	22.7
PET	18.5	25.4

* All on-trade

Source: Business Analytica

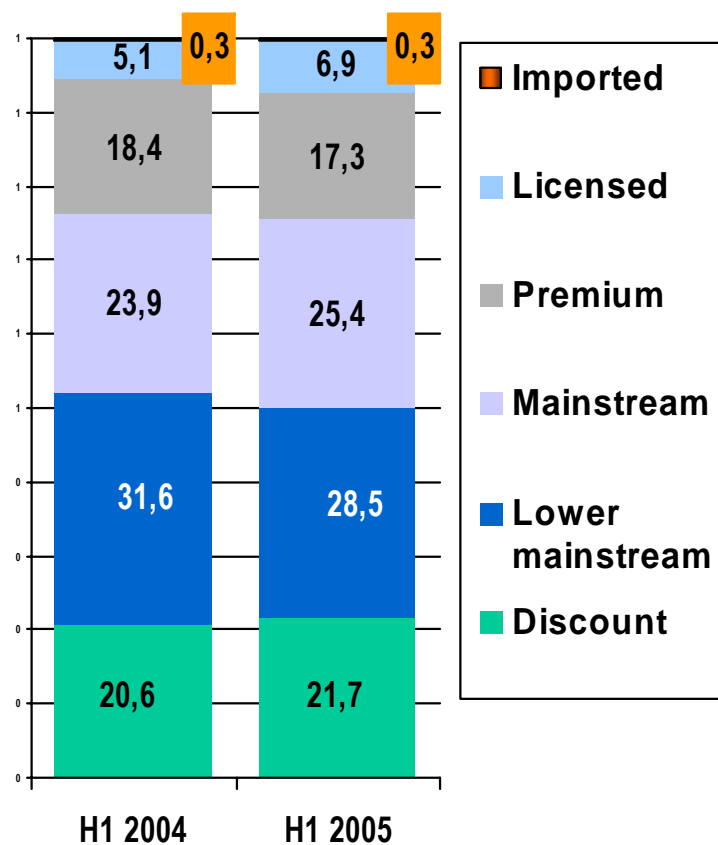
Source: Business Analytica

Price Segments Development



Baltika has increased its market share in all price segments.

Share of the different price segments of the total beer market volumes

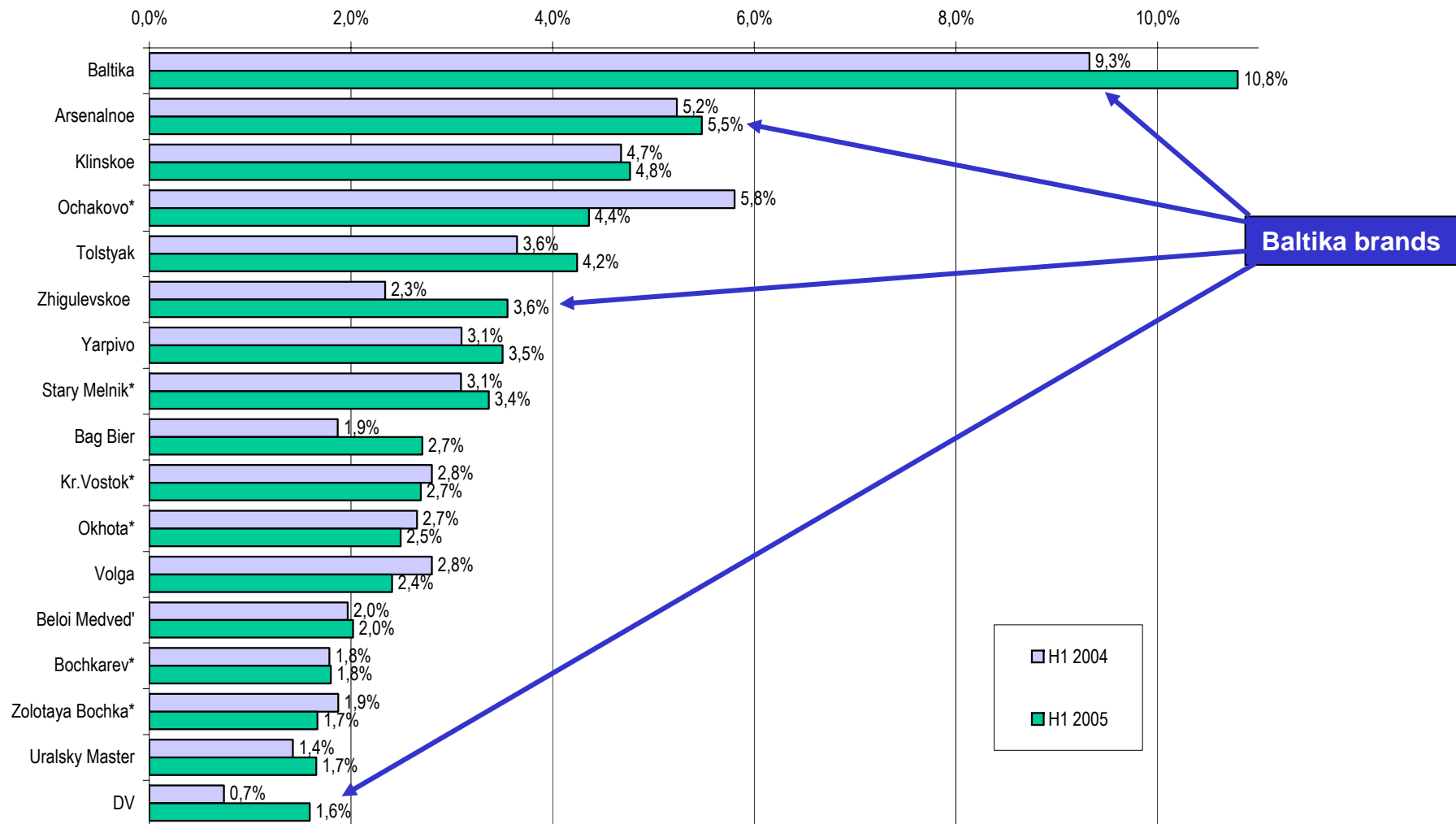


Baltika's share in segment	H1 2004	H1 2005
Licensed	5.5	7.4
Premium	21.7	28.3
Mainstream	31.8	38.1
Lower mainstream	26.9	29.0
Discount	3.0	14.6

Source: Business Analytica

Source: Business Analytica

Market Shares of Leading Russian Brands H1'05 vs. H1'04



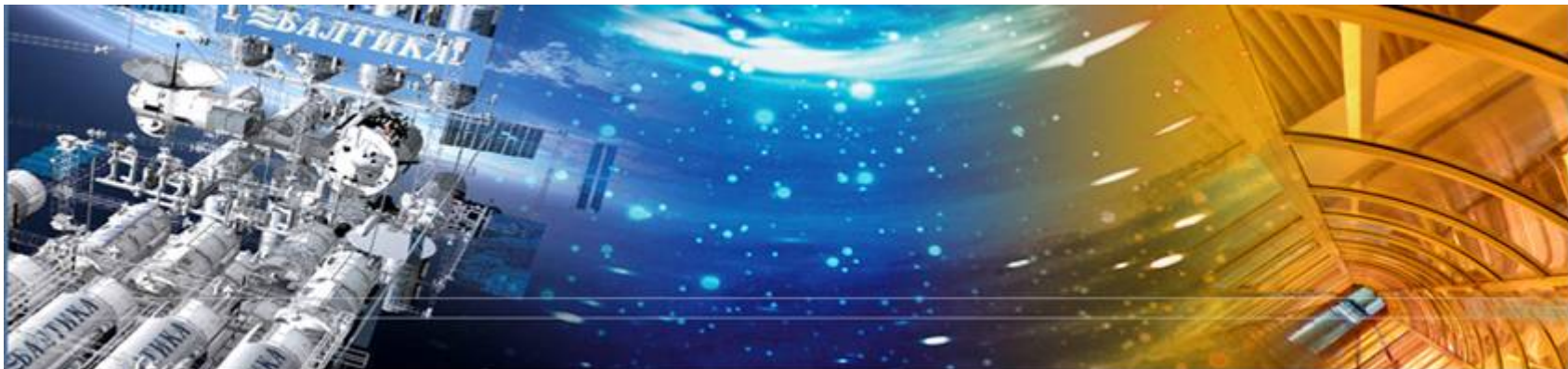
Sources: BBH, State Statistics Committee, Business Analytica, SUN Interbrew

* Estimate

Baltika - Leadership



- Strong position of brands
 - Baltika and Arsenalnoye are the two leading brands of Russia
 - Baltika brand volumes up 21.2%, Arsenalnoye by 8.2%
 - Regional brands show great potential, e.g. DV up 113%
- Baltika is a leader of premium and mainstream segment
 - Share of the premium segment in H1'05 28%, up 6%pts
 - Baltika No7 drives growth in premium sector with 29,3% volume increase in H1'05
 - Share of the mainstream segment in H1'05 38%, up 6%pts



Baltika - Innovation



- Re-styling all sub-brands of Baltika brand completed
 - Baltika №7 Baltika and №0 with new package (0,33 L) and twist-off cork
 - Baltika №0 and Baltika №6 in premium, long neck glass bottle (0,5L)
- New concept national can promotion with “Cash-Cans”
- Re-styling of Arsenalnoye
 - New logo and label
 - New package – new type of glass bottle (0,5 L)
- Re-styling of regional brands DV, Samara, Don
 - New package and label
 - New sub-brand Don Light





Outlook





Update on Co-Operation

- Baltika continues co-operation and best practice sharing with other Russian BBH breweries in all functional fields
- Co-operation has clear synergy effects that bring benefit to Baltika and all its shareholders

Baltika Outlook for 2005

Confidence in future development maintained



- Russian market growth of mid-single digit
- Pricing to grow in line with Russian food & beverages inflation
- Mix slightly negative due to PET growth
- Strong cash flow and profitability to remain













Supplementary Information



Baltika Brand Portfolio



	National brands	Local brands
Licensed	 	
Premium	<p><i>Baltika 0, 5, 6, 7, 8</i></p>   <p>ПАРНАС <i>Premium Beer</i></p> <p>Parnas</p>	
Mainstream	<p>БАЛТИКА</p> <p><i>Baltika 2, 3, 4, 9</i></p>   	 
Discount		

Baltika in Licensed Segment



Market share in segment 7.4%, up 2% pts



Baltika in Premium Segment



Market share in segment 28%, up over 6% pts

Baltika№7
Leader of
Premium
Segment



Baltika in Mainstream Segment



Market share in segment 38%, up 6% pts



Baltika No. 3
Leader of
Mainstream
Segment



Baltika in Lower Mainstream Segment



Market share in segment 29%, up 2% pts



Arsenalnoye
№2 in Russia,
Leader of Lower
Mainstream
Segment



Baltika Brewery and Distribution Network

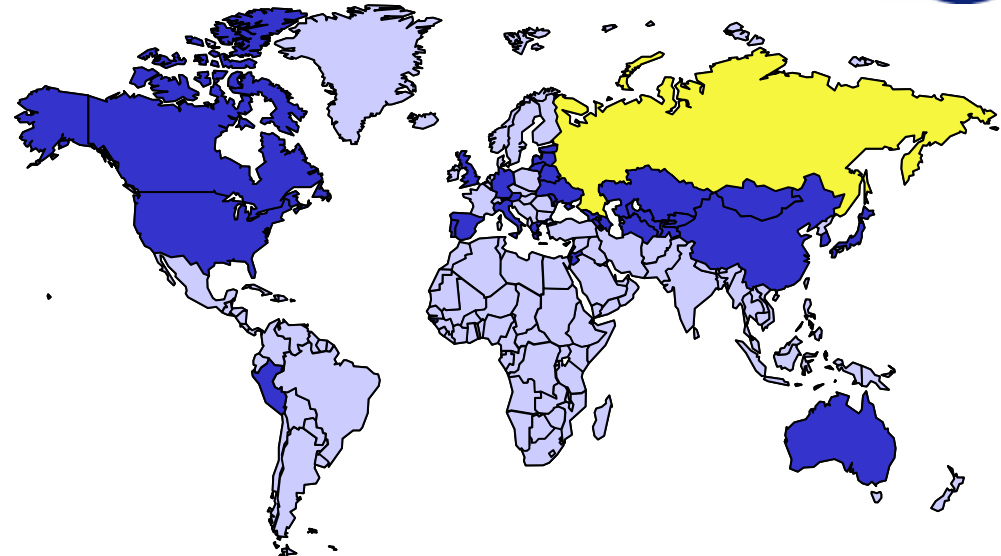


- 🏭 St.Petersburg Breweries
- Vologda Distribution centres

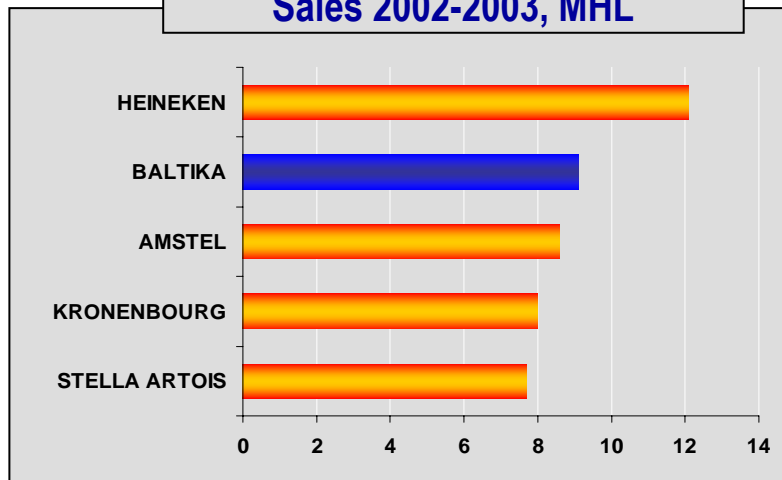
- 5 Breweries
- 31 Distribution Centres
- 61 Sales offices in Russia
- Representative offices in Belarus & Latvia
- Daughter companies in Germany, Kazakhstan, Moldova, Kyrgyzstan and Ukraine
- Own malthouse in Tula
- Malthouse Souflet St.Petersburg (with Group Soufflet, France)



Baltika Worldwide



Leading European Brands Sales 2002-2003, MHL



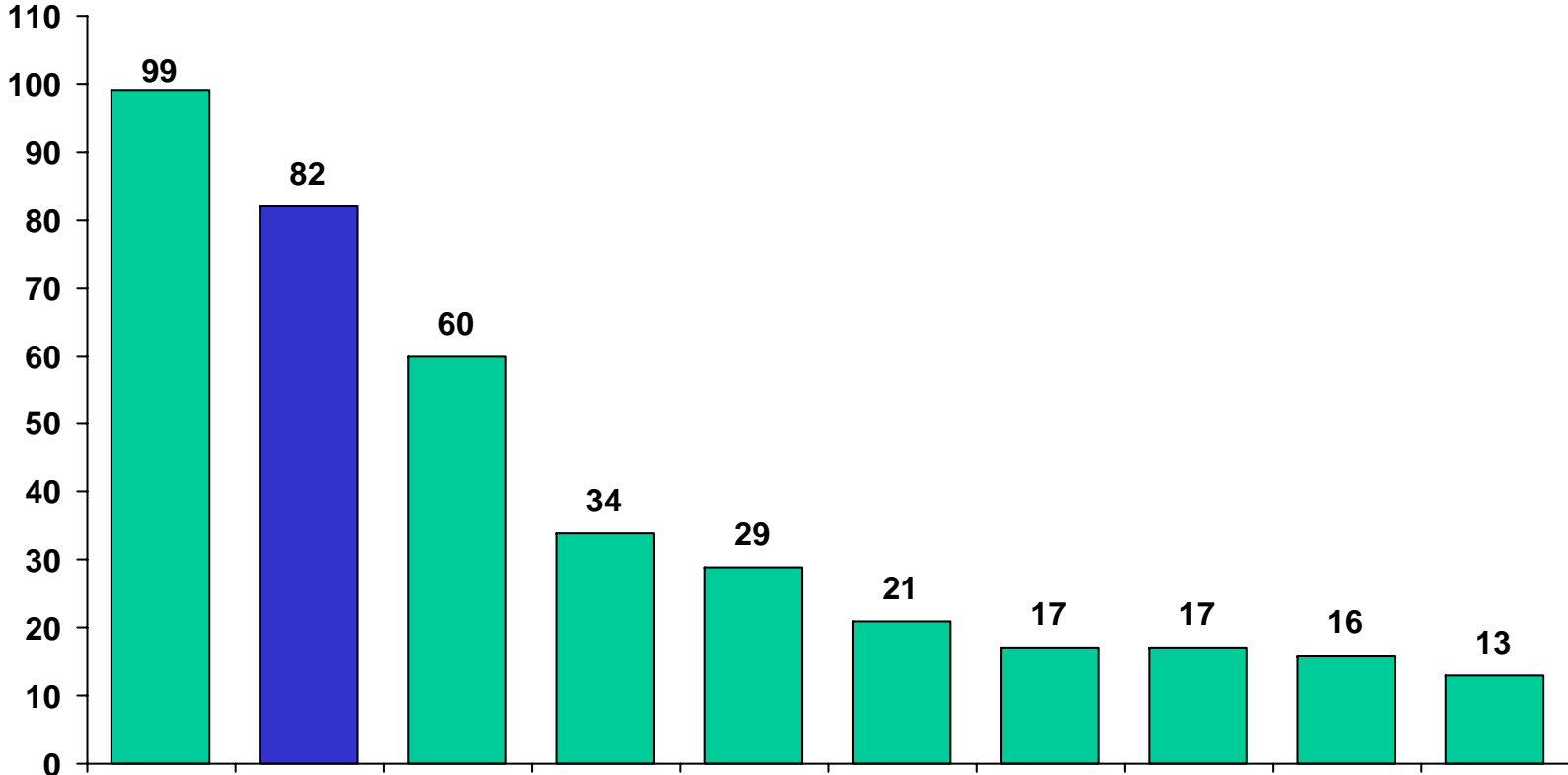
Source: Canadean, Baltika

- Export to **38** countries (2 new countries)
 - 7.1 MHL, up +24%
 - 6% of total Baltika sales
- 80% of Russian beer exports is produced by Baltika
- Award «The Best Russian Exporter» 2001, 2002, 2003, 2004

Russian Beer Market in European Comparison



Market size est. 2004, MHL



Trend

Germany	Russia	UK	Spain	Poland	France	Ukraine	Italy	Czech R	Holland
↓	↑	→	↑	↑	↓	↑	↑	↓	↓

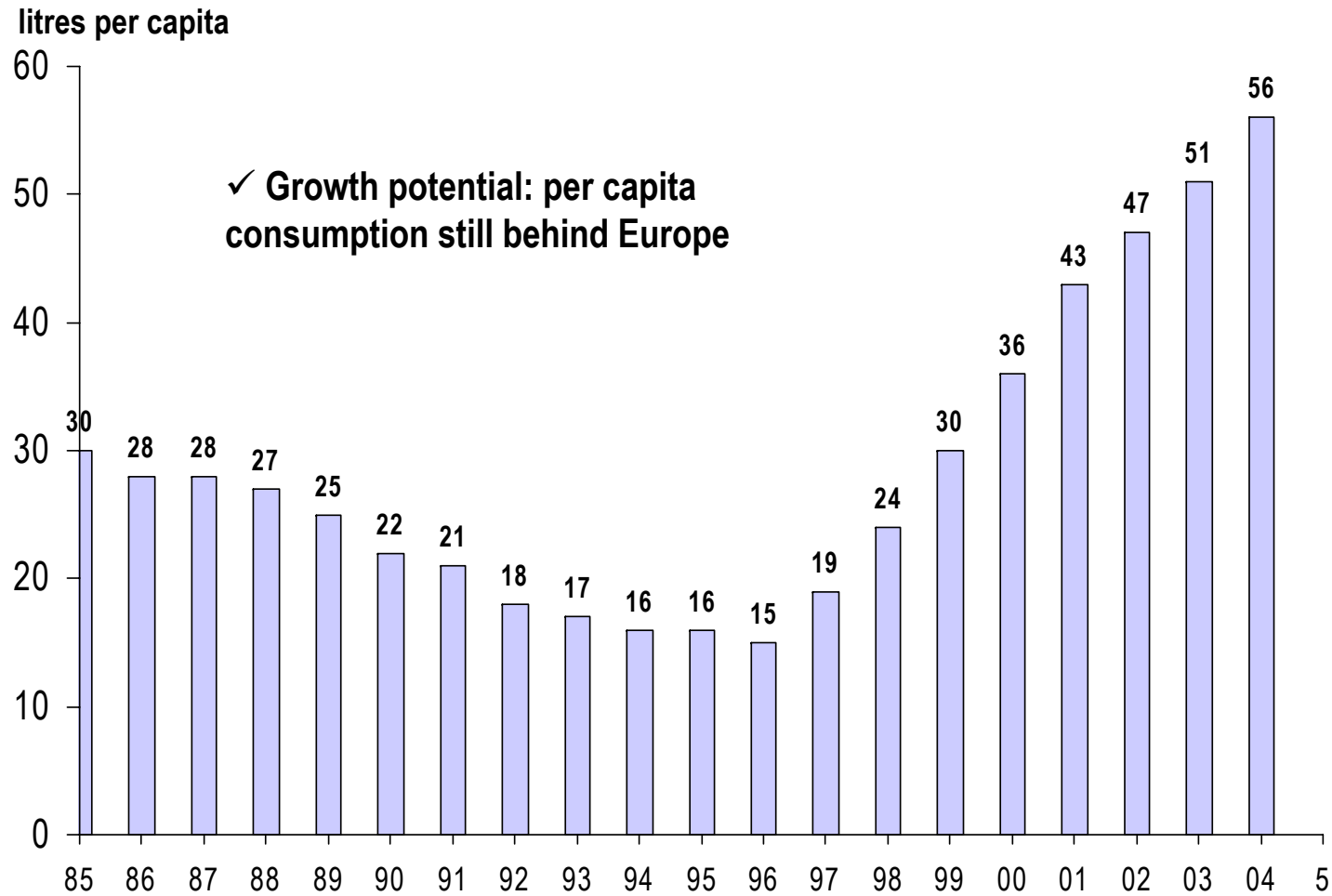
Per capita cons., litres

122	57	99	84	79	35	36	30	156	79
-----	----	----	----	----	----	----	----	-----	----

Source: Plato Logic

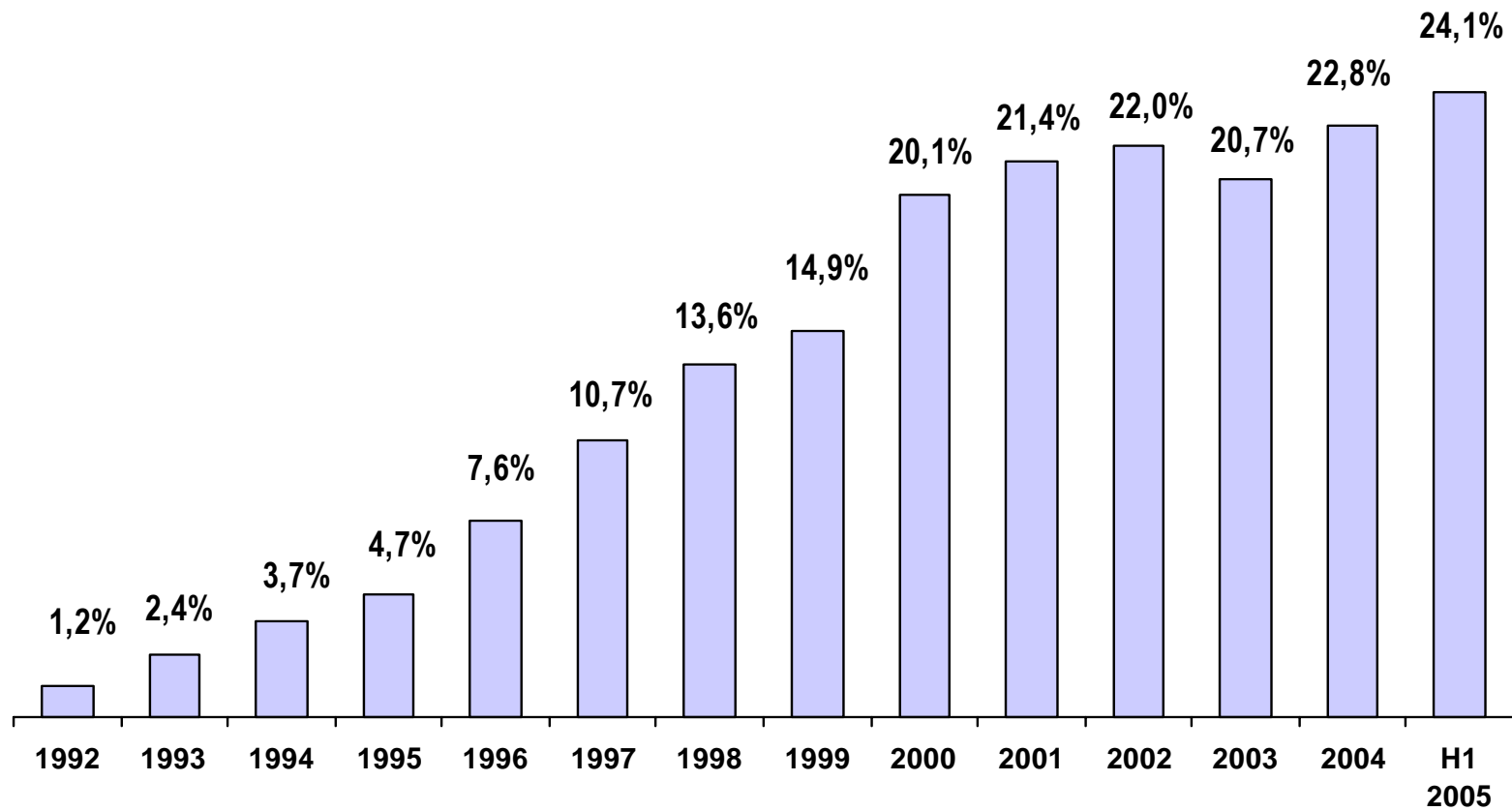


Russian Beer Consumption 1985-2004



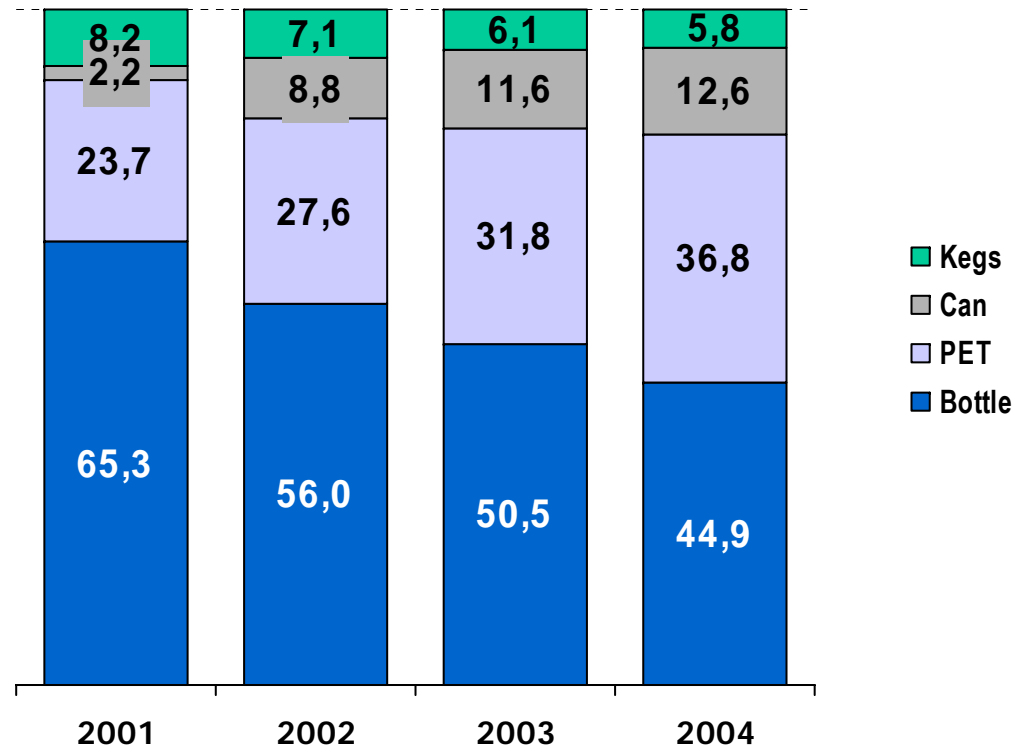
Source: Business Analytica

Baltika Market Share Development



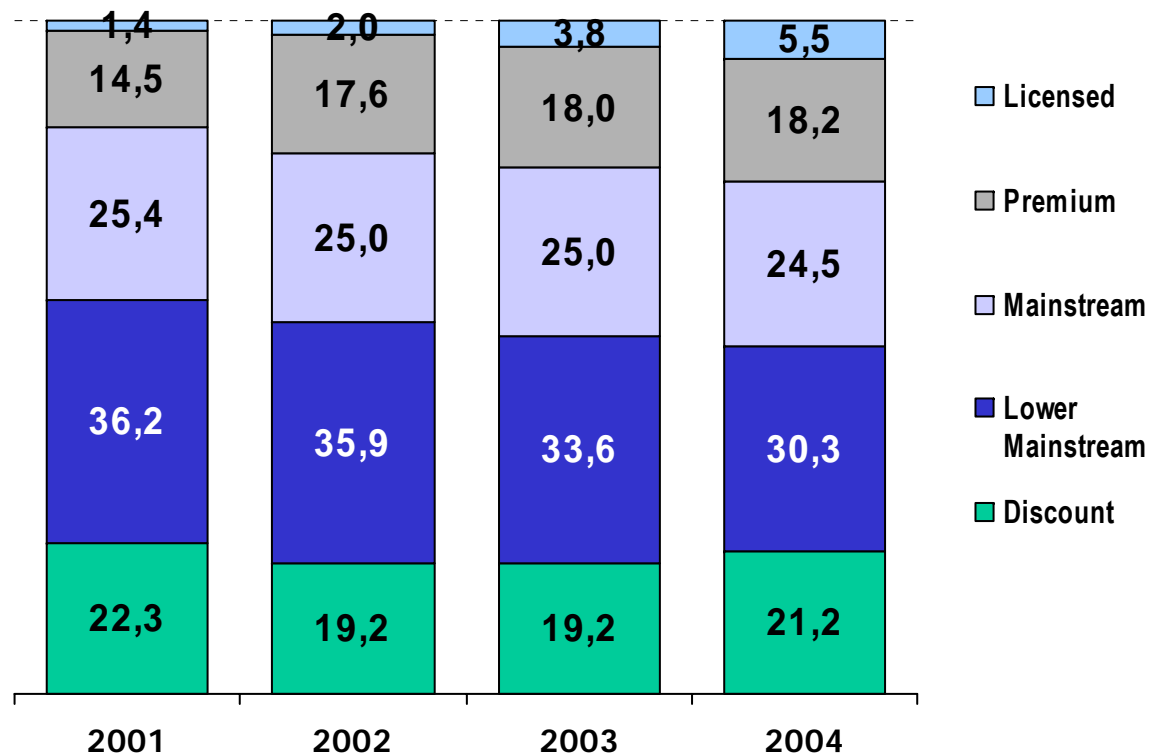
Source: Baltika

Packaging Segments Development in Russia



Source: Business Analytika

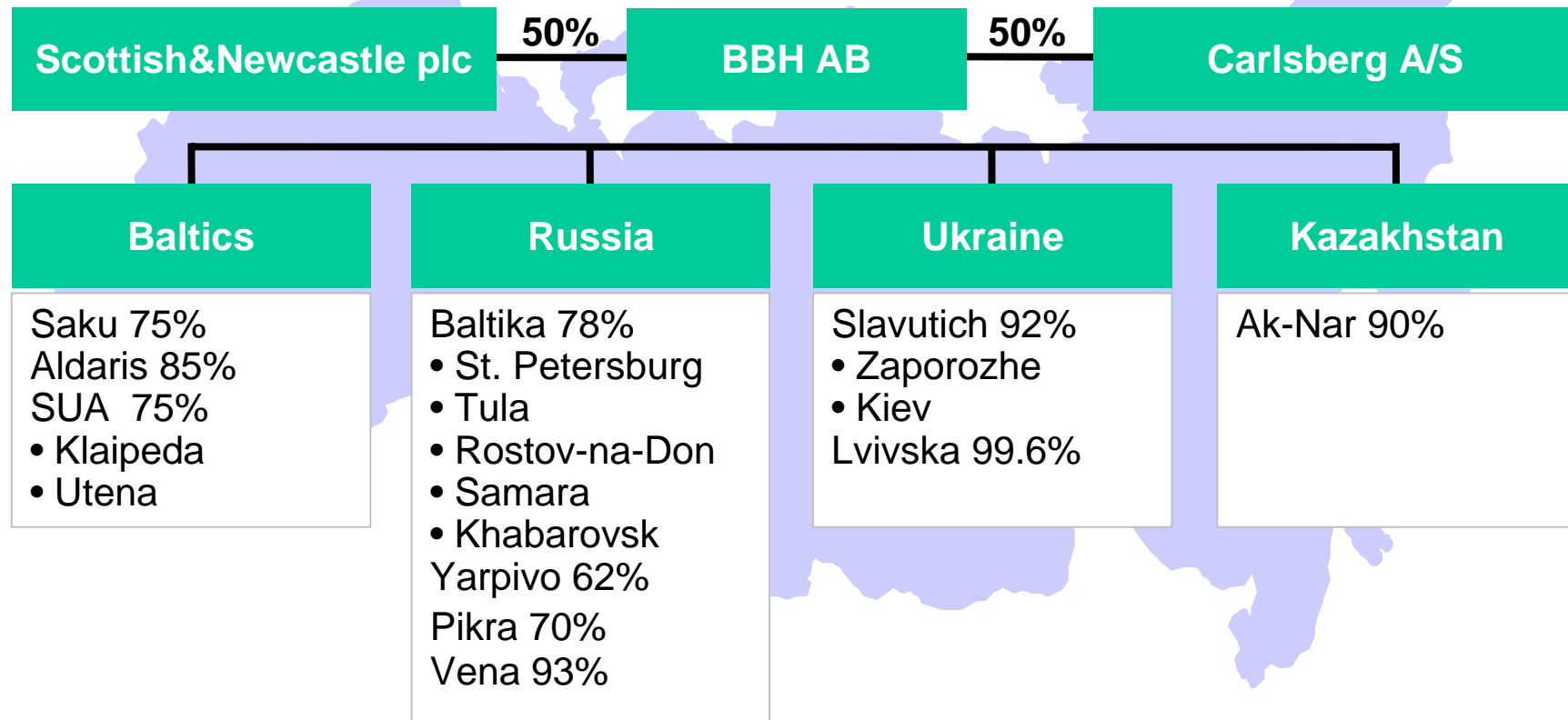
Price Segments Development in Russia



Source: Business Analytika

BBH Group Structure

As of June 30, 2005





Baltika H1'05 Results

Thank You!

Questions?

Please call +7 812 326 66 37

August 24, 2005