



Press release

July 4, 2006

## **BALTIKA BREWERIES BECOMES THE MAJORITY SHAREHOLDER OF PIKRA, VENA AND YARPIVO**

Baltika Breweries (“Baltika”) today announced that it has become the majority shareholder of the Pikra, Vena and Yarpivo breweries, as a result of a share exchange where Baltic Beverages Holding (“BBH”) exchanged its holdings in Pikra, Vena and Yarpivo for newly issued shares in Baltika. Thus the legal merger of Baltika with Pikra, Vena and Yarpivo is progressing according to plan.

Commenting on the share exchange, Baltika President *Anton Artemiev* said: “We are pleased that the legal merger of Baltika, Pikra, Vena and Yarpivo progresses according to the time schedule and plan we set earlier this year. The Group is now working with full speed to integrate all operations, sales, distribution and administration. The merger confirms Baltika’s position as the largest FMCG company in Russia, and one of the largest breweries in the world. A true Russian champion. ”

As per the merger plan, Baltika issued an additional 48,200,000 new shares in spring. During July, the shareholders of Pikra, Vena and Yarpivo are offered the opportunity to exchange their holdings in these companies for shares in Baltika. The exchange ratios were established by the Board of Directors of Baltika, following a valuation by Deloitte, and the transaction was approved by the minority shareholders of Baltika on March 7, 2006.

BBH announced earlier that it planned not take cash for its shareholdings but rather to exchange its holdings for shares in the enlarged Baltika, and in accordance with its intentions the share exchange took place on July 3, 2006. The deal made Baltika the new majority shareholder in these companies with 91.90% of the shares in Pikra, 92.76% in Vena and 87.19% in Yarpivo.

As the share offer is open for the shareholders of Pikra, Vena and Yarpivo until July 31, 2006 it is not yet possible to say what BBH’s exact shareholding in Baltika will be at the end of the merger.

Pikra, Vena and Yarpivo will now call for Extraordinary General Shareholder Meetings to approve the mergers with Baltika.

**PR Department  
Baltika Breweries  
+7 812 326 66 37**

[www.baltika.ru](http://www.baltika.ru)   [pr@baltika.ru](mailto:pr@baltika.ru)