



BALTIKA BRAND PORTFOLIO: BACKGROUND INFORMATION

Baltika possesses a unique brand portfolio – the strongest on the Russian beer market – which includes more than 30 beer brands and 11 low-alcohol and non-alcoholic drinks that meet a diverse selection of consumer demands.

Baltika is the undisputed leader in all price segments of the beer market. The company has achieved these results thanks to its success in implementing an innovative development strategy.

In addition to Baltika, the key brand, the company has other well-known brands in its portfolio, such as Arsenalnoe, Nevskoe, Yarpivo, Bolshaya Kruzha (King-Size Jar), Zatecky Gus, Tuborg, Carlsberg, and Kronenbourg 1664. Regional brands such as DV, Don, Samara, Uralsky Master (Urals Craftsman), Kupecheskoe (Merchant's Beer), and Sibirsky Bochonok (Siberian Cask), developed especially with the preferences of local beer lovers in mind, also enjoy popularity with consumers.

The Baltika brand consists of 14 different varieties; each of them has its own individuality and character. According to the market research companies Canadean and Euromonitor, since 2007 the Baltika brand has been leading European sales by sales volume, and has been among three most valued brands in Russia. Various Baltika sorts are produced under license in Australia, Uzbekistan, Great Britain and Ukraine.

Baltika's product line was recently complemented by the new super-premium beverage Eve, aimed exclusively at the female audience. It is an all-natural beverage with a light sparkling flavor and low alcohol content.

In all, Baltika produces more than 70 beer varieties.

In 2009, as part of a strategy aimed at diversification of the company's brand portfolio, Khlebny Krai (Granary Land) kvass (a traditional Russian non-alcoholic brewed drink) was launched. It is brewed directly from malt, using traditional techniques. Khlebny Krai has the full-bodied aroma and classic refreshing taste of genuine Russian kvass, thanks to which it ranked third in the kvass market by the end of the year.

In 2010, Baltika continued to expand its non-beer line alongside the ongoing development of beer brands. This spring saw the launch of a new kvass brew, Khlebny Krai 7 Grains, and Zhivoy Ruchei (Life Spring), the artesian drinking water. June saw the beginning of production of three flavors of Crazy, a refreshing soda, and Somersby, a natural apple cider, the latter produced under license from the Carlsberg Group.

Baltika consistently and actively participates in regional, national, and international competitions, where professionals and beer lovers alike evaluate the company's products on their merits. Throughout 20 years of work, Baltika's beers and non-alcoholic products have received over 560 awards* of various calibers, including prizes from well-known international competitions such as the Brewing Industry International Awards, the World Beer Awards, and the International Beer Challenge in Great Britain; the European Beer Star Awards in Germany; Monde Selection in Belgium; and the World Beer Cup in the United States.

* including awards won by the products of Pikra, Yarpivo and Vena companies, prior to the 2006 merger.