



ABOUT THE COMPANY

Baltika Breweries was founded in 1990 in Saint Petersburg, Russia. Modern equipment and advanced technology made it possible to deliver high-quality products, and Baltika became the leader on the Russian beer market in 1996. We maintain that status today with a market share of 40.6%*.

Throughout its history, Baltika has developed dynamically — we've acquired breweries, built new ones from the ground up, and actively broadened our marketing segment network. At the end of 2006, Baltika merged with three other Russian brewing companies — Vena, Pikra, and Yarpivo. In April 2008, Baltika joined Carlsberg Group, which owns 88.86% of our share capital.

Baltika will celebrate its 20th anniversary in 2010.

Over 20 years Baltika has devoted special attention to issues of quality: our breweries use modern equipment, incorporate advanced quality management systems, and only the best ingredients are used to make our products.

Today, Baltika is the largest FMCG producer in Russia and Eastern Europe. Our breweries are located in 10 cities across Russia: Saint Petersburg, Yaroslavl, Tula, Voronezh, Rostov-on-Don, Samara, Chelyabinsk, Novosibirsk, Krasnoyarsk, and Khabarovsk. In 2008 Baltika acquired a brewery in Azerbaijan. The total productive capacity of Baltika's breweries is 52 million decalitres of beer a month. To provide for Baltika's malt needs, we have built two proprietary malting plants in Tula and Yaroslavl, and we are also developing agricultural projects in eleven Russian regions.

Innovation is one of the fundamental principles of development at Baltika. This relates to both the development of our brand portfolio through the introduction of fundamentally new products, packaging, and marketing strategies to the Russian market; as well as production technologies, logistics, and sales.

Baltika's broad brand portfolio satisfies the most demanding consumers. Apart from Baltika, our key brand, we have more than 30 brands of beer in our portfolio, including Arsenalnoe, Nevskoe, Yarpivo, Tuborg, Carlsberg, Kronenbourg 1664 and 11 non-beer brands. The Baltika brand leads European sales (Canadean, Euromonitor) and is among the three most valuable brands in Russia. Various Baltika brews are produced under license in Australia, Uzbekistan, and Ukraine. Baltika's brands have been awarded more than 560 prizes in professional and consumer competitions both in Russia and around the world.

We have a wide distribution network; Baltika's products are available at 98% of all Russian retail points of sale and in more than 60 countries around the world including Western Europe, North America, and the Asia-Pacific region. Our products comprise approximately 70% of all Russian beer exports.

Baltika is the largest taxpayer in many Russian regions. In 2009, Baltika contributed more than 28 billion roubles to budgets at all levels of government. We actively participate in community events and social projects on a regional and national level. We traditionally provide help to health care, educational, and social security sectors, and we support projects in both amateur and professional sports. All together, in 2009 Baltika gave approximately 126 million roubles to socially significant projects and charities.

As part of our program 'Baltika For Russia', we organize public concerts throughout Russia, which help to improve the culture of beer sale and consumption, and which give the residents of these cities the opportunity to spend their leisure time in an interesting way. Beer is a drink for adults who have a responsibility to society. Restricting the access of minors to beer is one of the core principles in the organization of festivals in which Baltika participates. In 2008 and 2009, 'Beer Patrol' and '18? Prove It!' sweeps were organized at all Baltika public events for the purpose of preventing the sale of beer to minors. In 2010, Baltika will continue to develop a programme of community supervision to insure adherence to regulations on the sale of beer.

* Data from Business Analytica, FY 2009