AS BALTIKA

Consolidated interim report for the third quarter and 9 months of 2015

Commercial name	AS Baltika
Commercial registry number	10144415
Legal address	Veerenni 24, Tallinn 10135, Estonia
Phone	+372 630 2731
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E-mail	baltika@baltikagroup.com
Web page	www.baltikagroup.com
Main activities	Design, development, production and sales arrangement of the fashion brands of clothing
Auditor	AS PricewaterhouseCoopers
Financial year	1 January 2015 – 31 December 2015
Reporting period	1 January 2015 – 30 September 2015

BALTMAN monton MOSAIC IvoNikkolo BASTION

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Baltika Group Consolidated interim report for the III quarter and 9 months of 2015 (in thousands euros, unaudited)

BRIEF DESCRIPTION OF BALTIKA GROUP

The Baltika Group, with the parent company AS Baltika, is an international fashion retailer. Baltika Group develops and operates fashion brands: Monton, Mosaic, Baltman, Bastion, Ivo Nikkolo. In addition Baltika operates under franchise agreement British fashion brand Blue Inc London stores in Baltic countries. Baltika uses a vertically integrated business model that combines collection design, manufacturing, supply chain management, logistics, wholesale and retailing.

The shares of AS Baltika are listed on the Tallinn Stock Exchange which belongs to the NASDAQ OMX Group.

As at 30 September 2015 the Group employed 1,196 people (31 December 2014: 1,228).

The parent company is located and has been registered at 24 Veerenni in Tallinn, Estonia.

The Group consists of the following companies:

Subsidiary	Location	Activity	Holding as at 30 Sept 2015	Holding as at 31 Dec 2014
OÜ Baltika Retail	Estonia	Holding	100%	100%
OÜ Baltman[1]	Estonia	Retail	100%	100%
SIA Baltika Latvija[1]	Latvia	Retail	100%	100%
UAB Baltika Lietuva[1]	Lithuania	Retail	100%	100%
OOO „Olivia“[1,2]	Russia	Retail	100%	100%
OY Baltinia AB	Finland	Distribution	100%	100%
Baltika Sweden AB	Sweden	Distribution	100%	100%
OÜ Baltika Tailor	Estonia	Production	100%	100%
OÜ Baltika TP[3]	Estonia	Real estate management	-	100%

[1]Interest through a subsidiary.
[2]OOO “Olivia” represents Russian consolidation group, which also includes OOO „Plazma“ and OOO „Stelsing“.
[3]OÜ Baltika TP and OÜ Baltika Retail merged. OÜ Baltika TP was deleted from the Commercial Registry on 14 May 2015. See also Note 22.

MANAGEMENT REPORT

BALTIKA'S UNAUDITED FINANCIAL RESULTS, THIRD QUARTER AND 9 MONTHS OF 2015

Baltika's sales were 13,149 thousand euros and decreased by 1,499 thousand euros compared to the same period last year. Sales growth came from e-commerce with 104%. Wholesale and franchise sales decreased by 19% compared to last year third quarter, when pre-opening stock deliveries were made to franchise partners new shops. Retail sales decreased by 10% compared to last year third quarter. Baltika nine months total sales revenue amounted to 38,655 thousand euros that is 3% less than comparative figure in prior year.

Baltika e-channel celebrated one year from the launch of new web store Andmorefashion.com that covers all brands. This year has included more than two and a half times higher sales volumes and in addition e-store Andmorefashion.com won the *„Eesti aasta e-tegu“* ("Estonian e-com achievement of the year") given during Estonian E-Commerce yearly conference. Nine months total sales through e-com were 699 thousand euros that is 2% from Baltika total revenue.

Retail sales in Baltics (90% from retail sales) were 10,290 thousand euros in the third quarter, that is 143 thousand euros i.e. 1% less than in same period last year. Unusually warm weather at the end of summer and in the beginning of autumn period, resulted in weak august sales and impacted sales of the quarter.

In the third quarter another store was closed in Krasnodar Russia. At the end of quarter there was 10 stores in Russia. Due to 22% smaller average sales area and weaker rate of Russian rouble the third quarter sales results have also decreased. Similarly to other retail markets Russian sales result in August was lower than usual, quarter total resulted in decrease of 49% compared to same period last year. Russian sales in third quarter were 1,147 thousand euros. In local currency the third quarter sales decreased by 24%.

Company's gross profit margin in the third quarter was 45.1% that is 3.9 percentage points lower than in the same period last year. The gross profit margin continued to be impacted by higher average purchase price due to stronger US dollar. Euro has become stronger compared to dollar in the second part of third quarter compared to the lowest point in this year March, but considering the time difference from purchase to sales the impact does not yet reflect in third quarter results. Gross profit margin was also impacted by warmer weather than usual as purchases of autumn collection were postponed and ending season discounted stock purchases proportion from sales was higher than usual.

Baltika's third quarter result was net loss in the amount of 650 thousand euros. The result of last year same period was a profit of 151 thousand. Nine months cumulative net loss was 1,719 thousand euros. Continued operations comparative period figure was a loss of 354 thousand euros and with discontinued operations net loss of 1,683 thousand euros.

Work with reducing Baltika parent entity operating expense and improve efficiency continued in the third quarter. Centralisation of goods purchase management, work toward optimisation of stock level and efficient head-office processes is bringing first results – parent entity operating expenses have decreased by 7% compared to last year same period. Inventory level has decreased by 1,579 thousand euros compared to last year third quarter end figure. Baltika will have to continue with centrally managed product development, inventory management processes improvement and increasing efficiency.

In connection with Baltika's exit from the Ukrainian retail business in 2014, which represented a major line of business of the Group, the results of previous period first 4 months of the Ukrainian entity are presented as discontinued operation. Therefore the comparative period results of the discontinued operation are reported separately from continuing operations, to allow better assessment of the performance of continuing operations.

Baltika 9 months 2015 results have been impacted mostly by gross profit margin, primarily by decrease of margin. One reason behind low gross profit margin is the negative trends in EUR/USD exchange rate, that substantially impacts Baltika's material and finished goods intake margin. Another factor impacting the margin is the sudden decrease of Russian retail market and rouble related currencies consumers purchase power. Due to the length of Baltika's purchase cycle the intake margin is improving from end of current year third quarter and reaching expected level. Planned decrease of Baltika's Russian retail network, closing of unprofitable stores and decrease of market overall expenses have taken place from the start of the year. Baltika has accepted decreases of orders from its eastern neighbours (Russia, Belarus, Kazakhstan) to support the partners. This has created additional discount pressure on the Baltic retail market. Now the partners business is stabilising and level of inventory is becoming under control. In the same time of liquidating reasons of gross profit decrease, the Group main entity has worked with its operating expenses and decrease of intake volumes and achieved cost savings. Baltika management estimates that the last half-year work is giving results and the usual level of profitability should return in coming months.

Baltika Group Consolidated interim report for the III quarter and 9 months of 2015 (in thousands euros, unaudited)

Highlights of the period until the date of release of this quarterly report

- The traditional fashion show to launch autumn-winter season was held on 5th of August. The newest creations from designers and autumn season trends were shown in Baltika Quarter.

- E-store Andmorefashion.com that covers all brands celebrated first year of operations.

- At the 8th of September 2015 meeting the Supervisory Board of AS Baltika decided to extend the contracts of the Chairman of the Management Board Meelis Milder and member of the Management Board Kati Kusmin for another 3-year term. The Management Board will continue with three members: Meelis Milder, Kati Kusmin and Maigi Pärnik-Pernik. Maire Milder will continue among Group executives on current position as director of Branding and Retail Development.

- A new store was opened in Baltika's own retail network in third quarter, when new Monton store was opened in Tallinn, Solaris shopping centre in the beginning of September. Planned closing of stores continued in Russia and a Monton store was closed in Krasnodar, Oz Mall shopping centre.

- From November 2nd 2015 Tiina Varamäe will start working as an Estonian retail market Director and Member of the Board in Baltman OÜ. Tiina has a long work experience in Baltika in years 2004-2012 as a Head of Retail Operations Manager and as an Estonian Market Director.

REVENUE

Baltika's third quarter sales revenue decreased by 10% and was 13,149 thousand euros. Although the growth of e-shop sales decreased compared to the last periods, it still remained strong with 104% compared to the same period last year. Wholesale and franchise sales decreased by 19% in the third quarter and were 1,477 thousand euros. The reduction came mainly from Russia, where in addition to economic situation the comparative period includes the pre-opening good deliveries to fill franchise partner's new stores. In nine months total wholesale and franchise sales increased 17%. The retail network results were strongly impacted from unusually warmer weather, mainly in August, and the quarter total revenue decreased by 10%. Retail results in Baltic countries showed a decrease of 1% compared to same period in last year. Retail result in Russia, were average operating area was 22% lower compared to prior year same period the revenue decreased by 49%, in local currency the sales decreased by 24%. Nine month total Baltika decrease of sales revenue was 3% and was in total 38,655 thousand euros.

Revenue by activity

Continued operations

EUR thousand	Q3 2015	Q3 2014	+/-	9M 2015	9M 2014	+/-
Retail	11,437	12,664	-10%	33,671	35,837	-6%
Wholesale & Franchise	1,477	1,824	-19%	4,198	3,578	17%
E-com sales	208	102	104%	699	244	186%
Other	27	58	-53%	87	130	-33%
Total	**13,149**	**14,648**	**-10%**	**38,655**	**39,789**	**-3%**

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Revenue including discontinued operations

EUR thousand	Q3 2015	Q3 2014	+/-	9M 2015	9M 2014	+/-
Retail	11,437	12,664[1]	-10%	33,671	37,368	-10%
Wholesale & Franchise	1,477	1,824	-19%	4,198	3,578	17%
E-com sales	208	102	104%	699	244	186%
Other	27	58	-53%	87	130	-33%
Total	**13,149**	**14,648**	**-10%**	**38,655**	**41,320**	**-6%**

[1]2014 retail revenue includes Ukrainian market sales for the first 4 months.

Stores and sales area

As at 30 September, Group had 131 stores, among which 104 Baltika's own retail stores and 27 franchise stores. During the third quarter a new retail stores was opened in Tallinn, Solaris shopping centre in the beginning of September. In August one Monton store was closed in Russia, Oz Mall shopping centre in Krasnodar.

Stores by market

	30 Sept 2015	30 Sept 2014	Average area change*
Estonia	44	37	12%
Lithuania	28	28	-1%
Latvia	22	22	1%
Russia	10	15	-22%
Ukraine[1]	15	14	5%
Belarus[2]	2	2	0%
Spain[2]	5	1	6,421%
Russia[2]	5	1	3,538%
Total stores	**131**	**120**	
Total sales area, sqm	**24,299**	**23,195**	**11%**

*the average area change also takes into account the time store is closed for renovation

[1]In comparative figures Ukrainian retail is part of the discontinued operations. Operating franchise shops are with total sales area of 2,798 m^2.

[2]Franchise shops in Belarus, Spain and Russia are with total sales area of 1,620 m^2.

Retail

Retail sales in the third quarter decreased by 10% compared to the same period in previous year and were 11,437 thousand euros. Thereof sales in Baltic countries decreased by 143 thousand euros (-1%) and decreased in Russia by 1,084 thousand euros (–49%). Nine month total retail sales decreased by 6% and were 33,671 thousand euros.

The traditional fashion show to launch autumn-winter season was held on fifth of August. The newest creations from designers and autumn season trends were shown in the in Baltika Quarter. Meanwhile the weather that was warmer than usual in August and September, did not favour the start of autumn season in the shops, as clients did not have the need to switch to autumn attire in usual rhythm.

The biggest retail sales growth figure was from Estonian market. With the help of increased operating area Estonia's growth was 6%. Due to big sales drop in August other Baltic markets showed both decrease: Lithuania 6% and Latvia 9%.

During third quarter Russia's retail sales continued decreasing, which is mostly expected as the average sales area in Russia has decreased by 22% and rouble exchange rate was in proportion to sales 31% weaker. Retail sales in Russia were 1,147 thousand euros in third quarter, with what the proportion of Russian market share from retail was at 10% level in both third quarter and nine months total. In local currency the sales decreased in third quarter by 24%.

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Retail sales by market

EUR thousand	Q3 2015	Q3 2014	+/-	Share	9M 2015	9M 2014	+/-	Share
Estonia	4,691	4,406	6%	41%	13,856	13,123	6%	41%
Lithuania	2,967	3,144	-6%	26%	8,516	8,602	-1%	25%
Latvia	2,632	2,883	-9%	23%	7,945	8,082	-2%	24%
Russia	1,147	2,231	-49%	10%	3,354	6,030	-44%	10%
Total	**11,437**	**12,664**	**-10%**	**100%**	**33,671**	**35,837**	**-6%**	**100%**
Ukraine*	0	0	0%	-	0	1,531	-100%	-

All retail markets sales efficiency trends were negative in the third quarter, due to warmer than usual weather and weak sales results in August. In both Estonia and Lithuania the decrease was 5% and in Latvia 8%. Russian sales efficiency decrease in euros was 34%. The trend in Russia was negative similarly to Baltic countries in client purchasing exchange rate, but that with only 2%.

Sales efficiency by market (sales per sqm in a month, EUR)

	Q3 2015	Q3 2014	+/-	9M 2015	9M 2014	+/-
Estonia	214	225	-5%	217	222	-2%
Lithuania	177	186	-5%	170	170	0%
Latvia	220	239	-8%	221	228	-3%
Russia	128	193	-34%	119	167	-29%
Total	**192**	**210**	**-9%**	**189**	**198**	**-5%**

In local currency the sales efficiency in Russia decreased by 2% in the third quarter.

Brands

Third quarter best result in retail came from Bastion brand. Bastion grew sales efficiency and as average operating area has also increased then Bastion sales grew by 29% and was 454 thousand euros in the third quarter.

Blue Inc, which is sold under franchise agreement, increased sales owing to bigger sales area from the end of last year. Baltman brand sales result was, similar to other brands, lower in August than prior year, but with a strong September result finished the quarter at the same level as last year.

Retail revenue by brands

EUR thousand	Q3 2015	Q3 2014	+/-	Share	9M 2015	9M 2014	+/-	Share
Monton	5,363	6,097	-12%	47%	15,095	16,525	-9%	45%
Mosaic	3,400	3,885	-12%	30%	10,529	11,155	-6%	31%
Baltman	1,063	1,068	0%	9%	3,438	3,464	-1%	10%
Ivo Nikkolo	971	1,105	-12%	8%	2,879	3,132	-8%	9%
Bastion	454	351	29%	4%	1,263	1,133	11%	4%
Blue Inc	185	158	17%	2%	466	410	14%	1%
Other	1	0	0%	0%	1	18	-94%	0%
Total	**11,437**	**12,664**	**-10%**	**100%**	**33,671**	**35,837**	**-6%**	**100%**

Baltika's largest brands Monton and Mosaic sales results were impacted in addition to postponed autumn purchases by Russian market and its sales decrease – due to closed stores and decrease of client purchasing power in euros.

Sales through other channels

In 2015 third quarter sales result to wholesale and franchise clients was 1,477 thousand euros , a decrease of 347 thousand euros i.e. 19% compared to previous year. One main reason behind the decrease compared to last year same period, is the last year third quarter openings of franchise partners new stores. Pre-opening garments deliveries to fill new stores are much larger than later seasonal deliveries. The demand from Eastern-European partners also shows a drop in volumes due to local consumers possibilities, looked from sales price in euro perspective.

Sales of e-shop increased in the third quarter by 104% and amounted to 208 thousand euros. E-store sales comparable base is now higher, as Andmorefashion.com that covers all brands was launched on 6 of August 2014. This is the reason why compared to previous period growth of three times the trend is smaller. In total the orders were made from 35 countries. Countries with largest sales are: Estonia, Latvia, Lithuania, Russia and Finland. The best-selling brands in e-store were Monton, Mosaic and Ivo Nikkolo.

OPERATING EXPENSES AND NET PROFIT

In the third quarter company's gross profit margin was 45.1%, which is 3.9 percentage point lower than in same period last year. Increase in goods purchase price due to US dollar strengthening continues to impact Groups gross profit margin. Also warmer weather than usual impacts the margin, as previous seasons discounted goods had a larger proportion from sales and new seasons fully priced items purchases were postponed. Decrease of Russian retail market share also has a negative impact, as Russian markets gross profit margin is higher than in Baltic markets, thus average retail market margin decreases as the share of Baltics increases. Gross profit of 5,932 thousand euros for the quarter, makes the nine months gross profit total 18,285 thousand euros.

Distribution expense was 5,849 thousand euros in third quarter, decreasing by 5% compared to same period last year. Main reason for decrease are the costs cuttings in Russian market – in addition to the decrease in sales area and operating expense, costs in euros have also decreased due to weaker rouble exchange rate. At the same time Baltics operating expense have increased due to price pressure and increased sales area. As the processes were made more effective, the costs in the head office have decreased as well, therefore in total distribution costs have decreased by 324 thousand euros.

In third quarter general and administrative expense was 583 thousand euros, decreasing by 16% compared to the same period last year. Earlier changes in head office staff and more efficient cost controlling in different areas meant in quarter a total decrease of costs by 111 thousand euros compared to the same period last year.

Though the distribution and general expense decreased in the third quarter, ratio to revenue was still 49%, which meant 2 percentage points increase compared to the same period last year. Effect from decreased costs was impacted by larger decrease in sales.

Other operating net expense was 28 thousand euros and operating loss was 528 thousand euros in the third quarter. On last year same period operating profit was 287 thousand euros.

Net financial expense in the third quarter was 122 thousand euros, it is on the same level as last year same period.

The third quarter resulted in net loss in the amount of 650 thousand euros. The result of last year comparative period was net profit of 151 thousand euros. The result of nine month is net loss of 1,719 thousand euros. Comparative figure of third quarter continued operations was net loss of 354 thousand euros and net

FINANCIAL POSITION

As at 30 September 2015, Baltika Group inventories totalled 12,388 thousand euros, decreasing 1,027 thousand euros compared to last year-end. Compared to the same seasonal position on 30 September last year, the inventories have decreased by 1,579 thousand euros. Leading material purchasing process accurately has given fast results, fabric and accessories inventories have decreased by 404 thousand euros (23%). Prepayments to suppliers have decreased by 41%. Finished goods and goods purchased for resale have decreased 8%, which is 947 thousand euros.

As at 30 September 2015 trade and other payables were 6,869 thousand euros, decreasing 150 thousand euros compared to last year-end. Compared to last year end of September, trade and other payables have increased by 1,064 thousand euros.

As at 30 September 2015 the total borrowings amounted to 8,588 thousand euros, which signifies together with the usage of overdraft facility increase of 1,312 thousand euros compared to last year-end (31.12.2014: 7,276 thousand euros).

In the third quarter purchases of fixed assets mainly for retail network were made in the amount of 250 thousand euros and depreciation and amortisation was 331 thousand euros. Property, plant and equipment and intangible assets at residual value increased by 218 thousand euros compared to the last year-end and were 7,318 thousand euros.

The companies cash-flow improved mainly due to a better leading process in inventories and working capital, resulting decrease in inventories in amount of 881 thousand euros (III quarter 2014: 89 thousand euros) and working capital. Third quarter operating cash-flow was -247 thousand euros (III quarter 2014: -2,666 thousand euros). 181 thousand euros were used for investing activities (III quarter 2014: 347 thousand euros). Bank loan repayments were made in amount of 274 thousand euros, at the same time overdraft used limit increased by 573 thousand euros. Group total cash-flow for the third quarter was -180 thousand euros (III quarter 2014: -34 thousand euros).

As at 30 September 2015 Group's net debt (interest-bearing liabilities less cash and cash equivalents) was 8,210 thousand euros, increase of 1,668 thousand euros compared to last year-end. The net debt to equity ratio on 30 September 2015 was 118% (31.12.2014: 75%). Decrease in ratio is due to higher borrowings amount and a decrease in equity from net loss of nine months.

PERSONNEL

As at 30 September 2015 Baltika Group employed 1,196 people, that is 32 people less than 31 December 2014 (1,228): 604 (31.12.2014: 629) in the retail system, 391 (31.12.2014: 391) in manufacturing and 201 (31.12.2014: 208) at the head office and logistics centre. The 2015 nine moths' Group average number of staff was 1,217 (9 months 2014 with Ukrainian retail market staff: 1,267) people.

Starting from September 1st, 2015 Kairi Nodapera joined Baltika Group as a Head of Human Resources. Kairi has a long work experience in Swedbank Estonia and Baltics region in various positions in HR – as a Recruiting Manager and Manager of Swedbank Academy in Estonia and in Baltics.

At the 8th of September 2015 meeting the Supervisory Board of AS Baltika decided to extend the contracts of the Chairman of the Management Board Meelis Milder and member of the Management Board Kati Kusmin for another 3-year term. Maire Milder will continue among Group executives on current position as Director of Branding and Retail Development.

From November 2nd 2015 Tiina Varamäe will start working as an Estonian retail market Director and Member of the Board in Baltman OÜ. Tiina has a long work experience in Baltika in year 2004-2012 as a Head of Retail Operations Manager and as an Estonian Market Director. In the period 2012-2015 she was the retail operations manager of Tamro Eesti and KarKat Faschion Baltics executive director.

Baltika Group employees remuneration expense in nine months amounted to 8,524 thousand euros (9 months 2014: 8,501 thousand euros). The accrued remuneration with taxes, of the member of the Supervisory Council and Management Board totalled 237 thousand euros (9 months 2014: 304 thousand euros).

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KEY FIGURES OF THE GROUP (III QUARTER AND 9 MONTHS OF 2015)

	Q3 2015	Q3 2014	Q3 2013	Q3 2012	Q3 2011
Revenue (EUR thousand)	13,149	14,648	14,209	14,344	13,511
Retail sales (EUR thousand)	11,437	12,664	12,949	13,229	12,444
Share of retail sales in revenue	87.0%	86.0%	91.0%	92.0%	92.0%
Gross margin	45.1%	49.0%	48.9%	51.8%	49.4%
EBITDA (EUR thousand)	-181	579	-266	728	-103
Net profit (EUR thousand)	-667	151	-784	201	-1 172
EBITDA margin	-1.4%	4.0%	-1.9%	5.1%	-0.8%
Operating margin	-4.0%	2.0%	-4.6%	2.2%	-5.4%
EBT margin	0.5%	1.1%	-5.5%	1.4%	-8.6%
Net margin	0.5%	1.0%	-5.5%	1.4%	-8.7%

Sales activity key figures	**9M and 30 Sept 2015**	**9M and 30 Sept 2014**[1]	**9M and 30 Sept 2013**	**9M and 30 Sept 2012**	**9M and 30 Sept 2011**
Revenue (EUR thousand)	38,655	39,789	41,659	40,144	37,924
Retail sales (EUR thousand)	33,671	35,837	38,838	37,137	35,291
Share of retail sales in revenue	87.1%	90.1%	93.2%	92.5%	93.1%
Share of exports in revenue	60.8%	65.0%	67.0%	68.0%	70.0%
Number of stores in retail	104	102	119	106	115
Number of stores	131	120	119	106	115
Sales area at the end of period (sqm)	24,229	19,867	23,192	21,536	23,165
Number of employees (end of period)	1,196	1,215	1,311	1,253	1,413
Gross margin	47.3%	51.3%	53.2%	53.9%	52.4%
EBITDA (EUR thousand)	-376	869	806	1,851	-1,032
Net profit (EUR thousand)	-1,736	-354	-763	-270	-3,980
EBITDA margin	-1.0%	2.2%	1.9%	4.6%	-2.7%
Operating margin	-3.5%	-0.1%	-0.8%	1.2%	-7.7%
EBT margin	-4.5%	-0.8%	-1.8%	-0.6%	-10.4%
Net margin	-4.5%	-0.9%	-1.8%	-0.7%	-10.5%
Inventory turnover	2.05	1.98	2.10	2.27	2.09

Other ratios[2]					
Current ratio	1.8	2.1	1.6	1.9	1.4
Net gearing ratio	96.1%	94.6%	57.5%	66.4%	163.7%
Return on equity	-21.3%	-16.9%	-7.4%	-2.9%	-48.0%
Return on assets	-7.3%	-7.1%	-3.2%	-8.0%	-13.5%

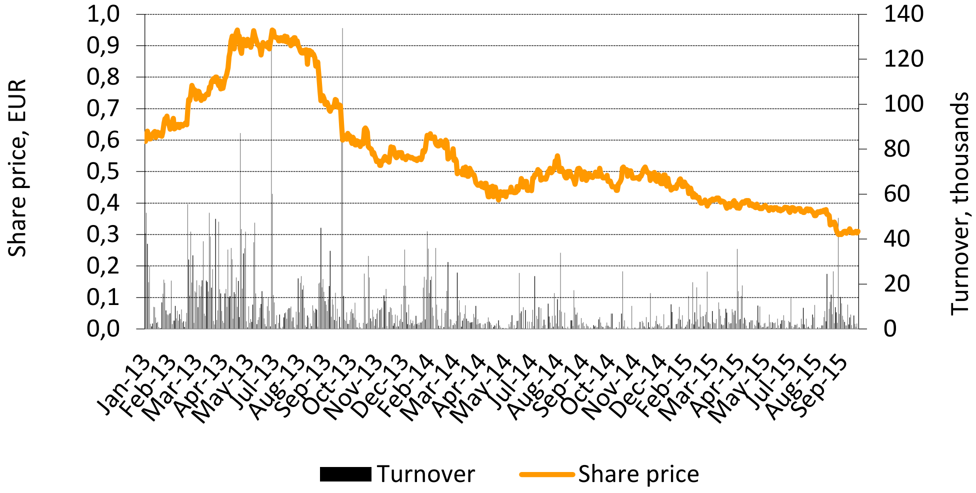
[1]In connection with Baltika's exit from the Ukrainian retail business last year, the sales activity key figures of 2014 presents only results of continued operations.
[2]Other ratios include impact of continued and discontinued operations.

Definitions of key ratios
EBITDA = Operating profit-amortisation and depreciation-loss from writing off fixed assets
EBITDA margin= EBITDA/Revenue
Gross margin = (Revenue-Cost of goods sold)/Revenue
Operating margin = Operating profit/Revenue
EBT margin = Profit before income tax/Revenue

Net margin = Net profit (attributable to parent)/Revenue
Current ratio = Current assets/Current liabilities
Inventory turnover = Cost of goods sold/Average inventories*
Net gearing ratio = (Interest-carrying liabilities-Cash and cash equivalents)/Equity
Return on equity (ROE) = Net profit (attributable to parent)/Average equity*
Return on assets (ROA) = Net profit (attributable to parent)/Average total assets*

*Based on 12-month average

SHARE PRICE AND TURNOVER



MANAGEMENT BOARD'S CONFIRMATION OF THE MANAGEMENT REPORT

The Management Board confirms that the management report presents a true and fair view of all significant events that occurred during the reporting period as well as their impact on the condensed consolidated interim financial statements; includes the description of major risks and doubts influencing the remainder of the financial year; and provides an overview of all significant transactions with related parties.

Meelis Milder
Chairman of the Management Board
29 October 2015

Kati Kusmin
Member of the Management Board
29 October 2015

INTERIM FINANCIAL STATEMENTS

MANAGEMENT BOARD'S CONFIRMATION OF THE FINANCIAL STATEMENTS

The Management Board confirms the correctness and completeness of AS Baltika's consolidated interim report for the third quarter and nine months of 2015 as presented on pages 13-34.

The Management Board confirms that:

1. the accounting policies and presentation of information is in compliance with International Financial Reporting Standards as adopted by the European Union;

2. the financial statements give a true and fair view of the assets and liabilities of the Group comprising of the parent company and other Group entities as well as its financial position, its results of the operations and the cash flows of the Group; and its cash flows;

3. the Group is going concern.

Meelis Milder
Chairman of the Management Board
29 October 2015

Kati Kusmin
Member of the Management Board
29 October 2015

Baltika Group Consolidated interim report for the III quarter and 9 months of 2015 (in thousands euros, unaudited)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 Sept 2015	31 Dec 2014
ASSETS			
Current assets			
Cash and cash equivalents	3	354	710
Trade and other receivables	4	2,616	1,890
Inventories	5	12,388	13,415
Total current assets		**15,358**	**16,015**
Non-current assets			
Deferred income tax asset		420	420
Other non-current assets	4	718	605
Property, plant and equipment	6	3,190	2,895
Intangible assets	7	2,990	3,180
Total non-current assets		**7,318**	**7,100**
TOTAL ASSETS		**22,676**	**23,115**
EQUITY AND LIABILITIES			
Current liabilities			
Borrowings	8	5,228	2,692
Trade and other payables	9,10	6,869	7,019
Total current liabilities		**12,097**	**9,711**
Non-current liabilities			
Borrowings	8	3,360	4,584
Other liabilities	9	232	83
Total non-current liabilities		**3,592**	**4,667**
TOTAL LIABILITIES		**15,689**	**14,378**
EQUITY			
Share capital at par value	11	8,159	8,159
Share premium		809	809
Reserves	11	1,182	1,182
Retained earnings		1,310	2,573
Net loss for the period		-1,719	-1,263
Currency translation differences		-2,754	-2,723
TOTAL EQUITY		**6,987**	**8,737**
TOTAL LIABILITIES AND EQUITY		**22,676**	**23,115**

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Note	Q3 2015	Q3 2014	9M 2015	9M 2014
Continuing operations					
Revenue	12,13	13,149	14,648	38,655	39,789
Cost of goods sold	14	-7,217	-7,467	-20,370	-19,360
Gross profit		**5,932**	**7,181**	**18,285**	**20,429**
Distribution costs	15	-5,849	-6,173	-17,634	-18,217
Administrative and general expenses	16	-583	-694	-1,929	-2,162
Other operating income	17	7	22	20	34
Other operating expenses	17	-35	-49	-103	-116
Operating profit (loss)		**-528**	**287**	**-1,361**	**-32**
Finance costs	18	-122	-125	-361	-296
Profit (loss) before income tax		**-650**	**162**	**-1,722**	**-328**
Income tax expense		0	-11	3	-26
Net profit (loss) from continuing operations		**-650**	**151**	**-1,719**	**-354**
Net loss for the period from discontinued operations	21	0	0	0	-1,329
Net profit (loss) for the period		**-650**	**151**	**-1,719**	**-1,683**
Basic earnings per share, EUR	19	-0.02	0.00	-0.04	-0.04
Continuing operations		-0.02	0.00	-0.04	-0.01
Discontinued operations		-	-	-	-0.03
Diluted earnings per share, EUR	19	-0.02	0.00	-0.04	-0.04
Continuing operations		-0.02	0.00	-0.04	-0.01
Discontinued operations		-	-	-	-0.03

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Q3 2015	Q3 2014	9M 2015	9M 2014
Net profit (loss) for the period	**-650**	**151**	**-1,719**	**-1,683**
Other comprehensive loss				
Items that subsequently may be classified to profit or loss:				
Currency translation differences	-386	-198	-31	-645
Total comprehensive loss	**-1,036**	**-47**	**-1,750**	**-2,328**
Total comprehensive loss attributable to equity shareholders arises from:				
Continuing operations	-1,036	-47	-1,750	-999
Discontinued operations	-	-	-	-1,329

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CONSOLIDATED CASH FLOW STATEMENT

	Note	Q3 2015	Q3 2014	9M 2015	9M 2014
Operating activities					
Continuing operations					
Operating profit (loss)		-528	287	-1,361	-32
Adjustments:					
Depreciation, amortisation and impairment of PPE and intangibles	14-16	330	296	963	915
Gain (loss) from sale, impairment of PPE, non-current assets, net		26	-15	41	-12
Other non-monetary expenses		-158	-10	-16	-64
Changes in working capital:					
Change in trade and other receivables	4	-582	-923	-966	-813
Change in inventories	5	881	89	1,027	-859
Change in trade and other payables	9	-147	-2,288	-131	-1,888
Interest paid		-69	-93	-211	-254
Income tax paid		0	-9	-10	-33
Discontinued operations		0	0	0	-180
Net cash used in operating activities		**-247**	**-2,666**	**-664**	**-3,220**
Investing activities					
Continuing operations					
Acquisition of PPE and intangibles	6, 7	-181	-440	-722	-1,157
Proceeds from disposal of PPE, investment property		0	93	121	96
Discontinued operations		0	0	0	-8
Net cash used in investing activities		**-181**	**-347**	**-601**	**-1,069**
Financing activities					
Repayments of borrowings	8	-274	-275	-822	-822
Change in bank overdraft	8	573	261	1,835	1,768
Repayments of finance lease		-51	-7	-102	-28
Proceeds from bonds issue	11	0	3,000	0	3,000
Net cash generated from financing activities		**248**	**2,979**	**911**	**3,918**
Total cash flows		**-180**	**-34**	**-354**	**-371**
Cash and cash equivalents at the beginning of the period	3	**562**	**509**	**710**	**852**
Effect of exchange gains on cash and cash equivalents		-28	-20	-2	-26
Cash and cash equivalents at the end of the period	3	**354**	**455**	**354**	**455**
Change in cash and cash equivalents		**-208**	**-54**	**-356**	**-397**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Reserves	Retained earnings	Currency translation reserve	Total
Balance as at 31 Dec 2013	**8,159**	**684**	**1,182**	**2,573**	**-1,090**	**11,508**
Loss for the period	0	0	0	-1,683	0	-1,683
Other comprehensive loss	0	0	0	0	-645	-645
Total comprehensive loss	**0**	**0**	**0**	**-1,683**	**-645**	**-2,328**
Equity-settled share-based transactions	0	94	0	0	0	94
Balance as at 30 Sept 2014	**8,159**	**778**	**1,182**	**890**	**-1,735**	**9,274**
Balance as at 31 Dec 2014	**8,159**	**809**	**1,182**	**1,310**	**-2,723**	**8,737**
Loss for the period	0	0	0	-1,719	0	-1,719
Other comprehensive loss	0	0	0	0	-31	-31
Total comprehensive loss	**0**	**0**	**0**	**-1,719**	**-31**	**-1,750**
Balance as at 30 Sept 2015	**8,159**	**809**	**1,182**	**-409**	**-2,754**	**6,987**

NOTES TO CONSOLIDATED INTERIM REPORT

NOTE 1 Accounting policies and methods used in the preparation of the interim report

The Baltika Group, with in the parent company AS Baltika, is an international fashion retailer. Baltika Group develops and operates fashion brands: Monton, Mosaic, Baltman, Bastion, Ivo Nikkolo. In addition Baltika operates under franchise agreement British fashion brand Blue Inc stores in Baltic countries. The Group employes a vertically integrated business model which means that it controls all stages of the fashion process: design, manufacturing, supply chain management, logistics and whole-, franchise- and retail sales. AS Baltika's shares are listed on the Tallinn Stock Exchange. The largest shareholder and the only company holding above 20% of shares (Note 11) of AS Baltika is KJK Fund Sicaf-SIF (on ING Luxembourg S.A. account).

The Group's condensed consolidated interim report for the third quarter ended 30 September 2015 has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union. The interim report should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2014, which has been prepared in accordance with International Financial Reporting Standards. The interim report has been prepared in accordance with the principal accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014. New and revised standards and interpretations effective from 1 January 2015 do not have a significant impact on the Group's financial statements as of preparing the interim financial report.

All information in the financial statements is presented in thousands euros, unless otherwise stated.

This interim report has not been audited or otherwise reviewed by auditors, and includes only Group's consolidated reports and does not include all of the information required for full annual financial statements.

NOTE 2 Financial risks

In its daily activities, the Group is exposed to different types of risk, managing these risks is an important and integral part of the business activities of the Group. The Group's ability to identify, measure and control different risks is a key input for the Group's profitability. The Group's management defines risk as a potential negative deviation from the expected financial results. The main risk factors are market (including currency risk, interest rate risk and price risk), credit, liquidity and operational risks. Group's Parent company considers all the risks as significant risks for the Group.

The basis for risk management in the Group are the requirements set by the Tallinn Stock Exchange, the Financial Supervision Authority and other regulatory bodies, adherence to generally accepted accounting principles, as well as the company's internal regulations and risk policies. Overall risk management includes identification, measurement and control of risks. The management of the Parent company plays a major role in managing risks and approving risk procedures. The Supervisory Council of the Group's Parent company supervises the Management Board's risk management activities.

Market risk

Foreign exchange risk

Reporting period´s sales in foreign currencies from continuing operations not pegged to euro constitute 10% of Group´s revenue (2014: 17%). The sales in retail markets were conducted in following currencies: EUR (euro) and RUB (Russian rouble). The majority of raw materials used in production are acquired from European Union, goods purchased for resale outside European Union. The major foreign currencies for purchases are EUR (euro) and USD (US dollar).

Trading with the counterparties in countries belonging to the European Monetary Union is handled mainly in euros. Some of Groups revenue is influenced by fluctuation of Russian rouble, as the salesprices in the Russian market are fixed in local currency. In addition, a change in the economic environment and relative appreciation/depreciation of a local currency may greatly affect the purchasing power of customers in the market of the respective segment.

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Republic of Lithuania joined Euro area on 1st January 2015 and adopted the Euro as its national currency, replasing Lithuanian lit. A year before, on 1st January 2014 the Republic of Latvia joined the Euro area and adopted the Euro as its national currency, replacing Latvian lat.

The Group's results are open to fluctuations in foreign currency rates. The changes in average foreign currency rates against euro in the reporting period were following:

Average currencies	**9M 2015**	**9M 2014**
RUB (Russian rouble)	-38.54%	-15.31%
USD (US dollar)	17.77%	-2.90%
GBP (British pound)	10.44%	4.69%

The changes in foreign currency rates against euro between balance-sheet dates were following:

Balance-sheet date rates (30 Sept 2015; 31 Dec 2014)	
RUB (Russian rouble)	-1.25%
USD (US dollar)	7.73%
GBP (British pound)	5.19%

Foreign exchange risk arises from cash and bank (Note 3), trade receivables (Note 4) and trade payables (Note 9).

The Group's borrowings were denominated in euros, therefore no currency risk is assumed.

No instruments were used to hedge foreign currency risks in 2015 and 2014. The Management monitors changes of foreign currency constantly and assesses if the changes exceed the risk tolerance determined by the Group. If feasible, foreign currencies collected are used for the settling of liabilities denominated in the same currency. Additionally the Group uses the possibilities to regulate retail prices, reduces expenses and if necessary restructures the Group's internal transactions.

Interest rate risk

As the Group's cash and cash equivalents carry fixed interest rate and the Group has no other significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises mainly from borrowings issued at floating interest rate and thus exposing the Group to cash flow interest rate risk. Interest rate risk is primarily caused by the potential fluctuations of Euribor or Eonia and the changing of the average interest rates of banks. The Group's risk margins have not changed significantly and correspond to market conditions.

Interest bearing borrowings as at 30 September 2015 and 31 December 2014 were subject to a floating interest rate based on Euribor, which is fixed every six months or euonia, which is fixed monthly or had a fixed interest rate (Note 8). The Group analyses its interest rate exposure on a regular basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing.

During the reporting period The Group has not used hedging instruments to manage the risks arising from fluctuations in interest rates.

Price risk

The Group is not exposed to the price risk with respect to financial instruments as it does not hold any equity securities.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, also from deposits under other receivables and trade receivables.

Cash and cash equivalents

For banks and financial institutions, mostly independently rated parties with a minimum rating of "A" are accepted as long-term counterparties in Baltic states. In Eastern Europe region also lower rating is considered acceptable.

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Trade receivables

For the wholesale customers' credit policy is based on next actions: monitoring credit amounts, customer's payment behaviour and other factors are taken into consideration. For some wholesale clients prepayments or payment guarantees through bank are required. For some contractual clients no collaterals to secure the trade receivables are required but instead, deliveries, outstanding credit amount and adherence to agreed dates are monitored continuously.

Sales to retail customers are settled in cash or using major credit cards, thus no credit risk is involved except the risk arising from banks and financial institutions selected as approved counterparties.

At 30 September 2015 the maximum exposure to credit risk from trade receivables and other non-current assets (Note 4) amounted to 2,077 thousand euros (31 December 2014: 1,566 thousand euros) on a net basis after the allowances made previously.

Liquidity risk

Liquidity risk is the potential risk that the Group has limited or insufficient financial resources to meet the obligations arising from the Group's activities. Management monitors the sufficiency of cash and cash equivalents to settle the liabilities and finance the Group's strategic goals on a regular basis using rolling cash forecasts.

To manage liquidity risks, the Group uses different financing instruments such as bank loans, overdrafts, bond issues, monitoring the terms of receivables and purchase contracts. Group´s current account is in use for more flexible management of liquid assets, enabling some Group companies to use the Group's resources up to the limit established by the Parent company. The Group also uses overdraft to finance its activities. The unused limit of Group´s overdraft facilities as at 30 September 2015 was 512 thousand euros (31 December 2014: 2,347 thousand euros).

Financial liabilities by maturity at 30 September 2015

		Undiscounted cash flows[1]		
	Carrying amount	1-12 months	1-5 years	Total
Loans (Note 8)[2]	5,030	5,195	0	5,195
Finance lease liabilities (Note 8)	534	188	374	562
Convertible bonds (Note 8)	3,024	24	3,624	3,648
Trade payables (Note 9)	4,380	4,380	0	4,380
Other financial liabilities	2	2	0	2
Total	**12,970**	**9,789**	**3,998**	**13,787**

Financial liabilities by maturity at 31 December 2014

		Undiscounted cash flows[1]		
	Carrying amount	1-12 months	1-5 years	Total
Loans (Note 8)[2]	4,016	2,811	1,424	4,235
Finance lease liabilities (Note 8)	236	62	192	254
Convertible bonds (Note 8)	3,024	0	3,610	3,610
Trade payables (Note 9)	3,969	3,969	0	3,969
Other financial liabilities	1	1	0	1
Total	**11,246**	**6,843**	**5,226**	**12,069**

[1]For interest bearing borrowings carrying floating interest rate based on Euribor, the last applied spot rate to loans has been used.
[2]Used overdraft facilities are shown under loans payable based on the contractual date of payment.

Operational risk

The Group's operations are mostly affected by the cyclical nature of economies in target markets and changes in competitive positions, as well as risks related to specific markets especially non-European Union markets – Russia, Ukraine, Belarus.

To manage the risks, the Group attempts to increase the flexibility of its operations: the sales volumes and the activities of competitors are also being monitored and if necessary, the Group makes adjustments in price levels, marketing activities and collections offered. In addition to central gathering and assessment of information, an important role in analysing and planning actions is played by a market organisation in each target market enabling the Group to obtain fast and direct feedback on market developments on one hand and adequately consider local conditions on the other.

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As improvement of flexibility plays an important role in increasing the Group's competitiveness, continuous efforts are being made to shorten the cycles of business processes and minimise potential deviations. This also helps to improve the relative level and structure of inventories and the fashion collections' meeting consumer expectations.

The most important operating risk arises from the Group's inability to produce collections which would meet customer expectations and the goods that cannot be sold when expected and as budgeted. Another important risk is that the Group's information technology system is unable to ensure sufficiently fast and accurate transmission of information for decision-making purposes.

To ensure good collections, the Group employs a strong team of designers who monitor and are aware of fashion trends by using internationally acclaimed channels. Such a structure, procedures and information systems have been set up at the Group which help daily monitoring of sales and balance of inventories and using the information in subsequent activities. In order to avoid supply problems, cooperation with the world's leading procurement intermediaries as well as material-manufacturers has been expanded.

The unavoidable risk factor in selling clothes is the weather. Collections are created and sales volumes as well as timing of sales is planned under the assumption that regular weather conditions prevail in the target markets – in case weather conditions differ significantly from normal conditions, the actual sales results may significantly differ from the budget.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for interest groups and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of net gearing ratio (net debt divided by equity). Net debt is calculated as interest carrying borrowings less cash and cash equivalents.

The Group's strategy is to maintain the capital to net gearing ratio under 50%. In the end of reporting period the ratio was 118%. In the end of 2014 the ratio was 75%. The worsening of the ratio is influenced by increase in borrowings (usage of overdraft), but also by the loss earned in nine months.

Net gearing ratio

	30 Sept 2015	**31 Dec 2014**
Interest carrying borrowings (Note 8)	8,564	7,252
Cash and bank (Note 3)	-354	-710
Net debt	8,210	6,542
Total equity	6,987	8,737
Net gearing ratio	**118%**	**75%**

Fair value

The Group estimates that the fair values of the assets and liabilities measured in the statement of financial position at amortised cost do not differ significantly from their carrying amounts presented in the Group's consolidated statement of financial position at 30 September 2015 and 31 December 2014.

The carrying amount less an impairment provision of trade receivables and payables is estimated by management to approximate their fair values as trade receivables and payables are mostly short-term.

Group's long-term borrowings that have a floating interest rate that changes along with the changes in market interest rates, the discount rates used in the discounted cash flow model are applied to calculate the fair value of borrowings. The Group's risk margins have not changed considerably and are reflecting the market conditions. Regarding to the Group´s long-term borrowings that have a fixed interest rate, the interest rate does not differ from the market rate. Based on that, the Management estimates that the fair value of long-term borrowings does not significantly differ from their carrying amounts. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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NOTE 3 Cash and cash equivalents

	30 Sept 2015	31 Dec 2014
Cash at hand	95	86
Cash at bank and overnight deposits	259	624
Total	**354**	**710**

Cash and cash equivalents by currency

	30 Sept 2015	31 Dec 2014
EUR (euro)	202	429
RUB (Russian rouble)	152	84
LTL (Lithuanian lit)	0	197
Total	**354**	**710**

NOTE 4 Trade and other receivables

Short-term trade and other receivables	30 Sept 2015	31 Dec 2014
Trade receivables, net	1,814	1,456
Other prepaid expenses	393	401
Tax prepayments and tax reclaims, thereof	224	3
Value added tax	202	1
Prepaid income tax	12	0
Other taxes	10	2
Other current receivables	185	30
Total	**2,616**	**1,890**

Long-term assets		
Non-current lease prepayments	352	343
Other long-term receivables	366	262
Total	**718**	**605**

Trade receivables by region (client location) and by due date

30 Sept 2015	Baltic region	Eastern European region	Other regions	Total
Not due	488	698	82	1,268
Up to 1 month past due	24	42	82	148
1-3 months past due	0	0	111	111
3-6 months past due	0	0	189	189
Over 6 months past due	0	0	98	98
Total	**512**	**740**	**562**	**1,814**

31 Dec 2014	Baltic region	Eastern European region	Other regions	Total
Not due	620	276	161	1,057
Up to 1 month past due	42	0	48	90
1-3 months past due	39	20	203	262
3-6 months past due	0	0	46	46
Over 6 months past due	0	0	1	1
Total	**701**	**296**	**459**	**1,456**

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Trade receivables (net) in denominated currency

	30 Sept 2015	31 Dec 2014
EUR (euro)	1,726	1,352
RUB (Russian rouble)	88	53
LTL (Lithuanian lit)	0	51
Total	**1,814**	**1,456**

NOTE 5 Inventories

	30 Sept 2015	31 Dec 2014
Fabrics and accessories	1,391	2,180
Work-in-progress	79	79
Finished goods and goods purchased for resale	10,575	10,911
Allowance for impairment of finished goods and goods purchased for resale	0	-330
Prepayments to suppliers	343	575
Total	**12,388**	**13,415**

NOTE 6 Property, plant and equipment

	Buildings and structures	Machinery and equipment	Other fixtures	Pre-payments, PPE not in yet in use	Total
31 December 2013					
Acquisition cost	**4,318**	**5,410**	**7,041**	**0**	**16,769**
Accumulated depreciation	-3,392	-4,685	-5,669	0	-13,746
Net book amount	**926**	**725**	**1,372**	**0**	**3,023**
Additions	221	110	419	114	864
Disposals	-91	-33	-75	0	-199
Depreciation	-237	-219	-310	0	-766
Currency translation differences	-50	-17	-32	0	-99
30 Sept 2014					
Acquisition cost	**3,521**	**5,300**	**6,529**	**114**	**15,464**
Accumulated depreciation	-2,752	-4,734	-5,155	0	-12,641
Net book amount	**769**	**566**	**1,374**	**114**	**2,823**
31 December 2014					
Acquisition cost	**2,330**	**5,143**	**5,253**	**0**	**12,726**
Accumulated depreciation	-1,547	-4,535	-3,749	0	-9,831
Net book amount	**783**	**608**	**1,504**	**0**	**2,895**
Additions	460	102	532	1	1,095
Disposals	-29	-5	-8	0	-42
Depreciation	-234	-164	-362	0	-760
Currency translation differences	2	0	0	0	2
30 Sept 2015					
Acquisition cost	**2,558**	**4,964**	**5,370**	**1**	**12,893**
Accumulated depreciation	-1,576	-4,423	-3,704	0	-9,703
Net book amount	**982**	**541**	**1,666**	**1**	**3,190**

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NOTE 7 Intangible assets

	Licenses, software and other	Trade-marks	Prepayments	Goodwill	Total
31 December 2013					
Acquisition cost	**2,191**	**1,243**	**0**	**2,083**	**5,517**
Accumulated depreciation	-1,575	-249	0	0	-1,824
Net book amount	**616**	**994**	**0**	**2,083**	**3,693**
Additions	150	0	151	0	301
Disposals	-1	0	0	0	-1
Amortisation	-136	-33	0	0	-169
Currency translation differences	-3	0	0	-140	-143
30 Sept 2014					
Acquisition cost	**2,210**	**1,243**	**151**	**1,943**	**5,547**
Accumulated depreciation	-1,584	-282	0	0	-1,866
Net book amount	**626**	**961**	**151**	**1,943**	**3,681**
31 December 2014					
Acquisition cost	**2,132**	**1,243**	**28**	**1,495**	**4,898**
Accumulated depreciation	-1,425	-293	0	0	-1,718
Net book amount	**707**	**950**	**28**	**1,495**	**3,180**
Additions	26	0	2	0	28
Amortisation	-173	-33	0	0	-206
Currency translation differences	0	0	0	-12	-12
30 Sept 2015					
Acquisition cost	**2,155**	**1,243**	**30**	**1,483**	**4,911**
Accumulated depreciation	-1,595	-326	0	0	-1,921
Net book amount	**560**	**917**	**30**	**1,483**	**2,990**

NOTE 8 Borrowings

	30 Sept 2015	31 Dec 2014
Current borrowings		
Current portion of non-current bank loans	4,037	1,809
Current bank loans	993	828
Current portion of finance lease liabilities	174	55
Share options	24	0
Total	**5,228**	**2,692**
Non-current borrowings		
Non-current bank loans	0	1,379
Non-current finance lease liabilities	360	181
Convertible bonds, share options	3,000	3,024
Total	**3,360**	**4,584**
Total borrowings	**8,588**	**7,276**

During the reporting period, the Group made loan repayments in the amount of 822 thousand euros (2014: 822 thousand euros). Group´s overdraft facilities with the banks were used in the amount of 3,488 thousand euros as at 30 September 2015 (31 December 2014: 1,653 thousand euros).

Interest expense of all interest carrying borrowings of the reporting period amounted to 361 thousand euros, thereof 126 thousand euros interest expense from the convertible bonds of related party (2014: 296 thousand euros, including 7 thousand euros interest expense from the loan of related party and 29 thousand euros interest expense from convertible bonds of related party).

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Convertible bonds (I- and J-bonds) are partly issued to related parties. Additional info about the convertible bonds is presented in Note 11, info about the payables to related parties is presented in Note 20.

Changes in 2015

In April an annex under an existing facility agreement was signed, which prolonged overdrafts´s repayment date until July 2016. The annex does not include a term about the increase and decrease according to seasonality.

Changes in 2014

In the reporting period the Group signed an annex under an existing facility agreement, which prolonged repayment dates for some loans and increased the overdraft limit in the amount of 1,4 million euros. The same annex provides the overdraft increase and decrease in the amount of 500 thousand according to the seasonality.

On 28 July 2014 the Group issued J-bonds, which increased long-term borrowings by 3,000 thousand euros.

Interest carrying loans and bonds of the Group as at 30 September 2015

	Average risk premium	Carrying amount
Borrowings at floating interest rate (based on 1-month Eonia and 6-month Euribor)	EURIBOR or EONIA +4,60%	5,030
J-Bonds	6.50%	3,000
Total		**8,030**

Interest carrying loans and bonds of the Group as at 31 December 2014

	Average risk premium	Carrying amount
Borrowings at floating interest rate (based on 1-month Eonia or 6-month Euribor)	EURIBOR or EONIA +4,43%	4,016
J-Bonds	6.50%	3,000
Total		**7,016**

Bank loans set certain level to financial ratios for the Group. As at 30 June 2015 Baltika, was not compatible with some of the terms and conditions of the loan agreement, but the bank has confirmed that the loan will not become due and payable prematurely.

NOTE 9 Trade and other payables

	30 Sept 2015	31 Dec 2014
Current liabilities		
Trade payables	4,380	3,969
Tax liabilities, thereof	1,100	1,463
Personal income tax	222	252
Social security taxes and unemployment insurance premium	536	581
Value added tax	317	578
Corporate income tax liability	0	20
Other taxes	25	32
Payables to employees[1]	932	1,030
Other accrued expenses	2	1
Customer prepayments	67	137
Other current payables	88	119
Total	**6,569**	**6,719**
Non-current liabilities		
Other liabilities	232	83

[1]Payables to employees consist of accrued wages, salaries and vacation reserve.
Information about the liabilities to related parties is in Note 20.

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Trade payables and other accrues expenses in denominated currency

	30 Sept 2015	31 Dec 2014
EUR (euro)	3,258	2,885
USD (US dollar)	1,002	981
GBP (British pound)	114	37
RUB (Russian rouble)	8	5
LTL (Lithuanian lit)	0	62
Total	**4,382**	**3,970**

NOTE 10 Provisions

Current provisions	30 Sept 2015	31 Dec 2014
Client bonus provision	300	300

Short description of the provision

During 2014 Baltika introduced a new loyal customer program "AndMore" that unified Baltika brand´s customer base and customer discount logic.

"AndMore" motivates clients by allowing them to earn future discount on purchases made today (bonus euros). Accumulated bonuses are valid for six months from the customer´s last purchase. Programs conditions are described in detail on company´s website.

NOTE 11 Equity

Share capital and reserves

	30 Sept 2015	31 Dec 2014
Share capital	8,159	8,159
Number of shares (pcs)	40,794,850	40,794,850
Nominal value of share (EUR)	0.20	0.20
Statutory reserve	1,182	1,182

As at 30 September 2015 and 31 December 2014, under the Articles of Association, the company's minimum share capital is 5,000 thousand euros and the maximum share capital is 20,000 thousand euros. All shares have been paid for. As at 30 September 2015 and 31 December 2014 share capital consists of ordinary shares, that are listed on the Tallinn Stock Exchange.

Convertible bonds

	Issue date	Share subscription period	Number of convertible bonds 30 Sept 2015	Number of convertible bonds 31 Dec 2014
I-Bond	30 June 2012	01 July 2015 - 31 Dec 2015	2,350,000	2,350,000
J-Bond	28 July 2014	15 July 2017 - 30 July 2017	600	600

- I-bonds

The annual general meeting of shareholders held on 20 April 2012 decided to issue 2,350,000 convertible bonds (I-bond) with the nominal value 0.01 euros. Each bond gives its owner the right to subscribe one share of the Company with a nominal value of 0.20 euros. The share subscription price is 0.36 euros. The difference between the share subscription price and nominal value is share premium. The share subscription period is from 01 July 2015 until 31 December 2015. The bonds were issued to the management of Baltika Group companies, thereof also to related parties.

- J-bonds

On 28 April 2014 the annual general meeting of shareholders decided to issue convertible bonds with bondholder option in the total amount of 3 million euros. Decision was to issue 600 convertible bonds with the issuance price of 5,000 euros. The three-year convertible bonds carry an annual interest rate of 6.5% and give its owner the right to subscribe for 10,000 Baltika´s shares at 0.5 euros subscription price.

Bonds (510 bonds in the amount of 2,550 thousand euros) were partly issued to a related party.

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Shareholders as at 30 September 2015

	Number of shares	Holding
1. ING Luxembourg S.A.	12,590,914	30.86%
2. Clearstream Banking Luxembourg S.A. clients	5,798,528	14.21%
3. BMIG OÜ*	4,750,033	11.64%
4. SKANDINAVISKA ENSKILDA BANKEN S.A.	3,414,700	8.37%
5. Svenska Handelsbanken clients	1,508,000	3.70%
6. Members of Management and Supervisory Boards and persons related to them		
Meelis Milder	766,331	1.88%
Persons related to members of Management Board	331,183	0.81%
Entities connected to Supervisory Council not mentioned above	1,002,427	2.46%
7. Other shareholders	10,632,734	26.07%
Total	**40,794,850**	**100.00%**

Shareholders as at 31 December 2014

	Number of shares	Holding
1. ING Luxembourg S.A.	12,590,914	30.86%
2. Clearstream Banking Luxembourg S.A. clients	6,430,845	15.76%
3. BMIG OÜ*	4,750,033	11.64%
4. Skandinaviska Enskilda Banken S.A.	3,414,700	8.37%
5. Svenska Handelsbanken clients	1,604,000	3.93%
6. Members of Management and Supervisory Boards and persons related to them		
Meelis Milder	746,331	1.83%
Maire Milder**	316,083	0.77%
Andrew Paterson	11,000	0.03%
Persons related to members of Management Board	8,100	0.02%
Entities connected to Supervisory Council not mentioned above	1,002,427	2.46%
7. Other shareholders	9,920,417	24.33%
Total	**40,794,850**	**100.00%**

*OÜ BMIG is under the control of the Management Board members of the Parent company.

**Data is presented with the shares that belong to the entity that is controlled by the Member Management Board.

The Parent company does not have a controlling shareholder or group of shareholders jointly controlling the entity.

NOTE 12 Segments

The Group's chief operating decision maker is the Management Board of the Parent company AS Baltika. The Parent company's Management Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management Board has determined the operating segments based on these reports.

Parent company's Management Board assesses the performance from operations area perspective i.e. the performance of retail, wholesale is assessed. Retail is further evaluated on a geographic basis. The retail segments are countries which have been aggregated to reportable segments by regions which share similar economic characteristics and meet other aggregation criteria provided in IFRS 8:

- Baltic region consists of operations in Estonia, Latvia and Lithuania;
- Eastern European region consists of operations in Russia.

The Parent company's Management Board assesses the performance of the operating segments based on a measure of external revenue and segment profit (or loss). External revenue amounts provided to Management Board are measured in a manner consistent with that of the financial statements. The segment profit (or loss) is an internal measure used in the internally generated reports to assess the performance of the segments and comprises segment's gross profit (loss) less operating expenses directly attributable to the segment, except for other operating income and expenses. The amounts provided to Management Board with respect to inventories are measured in a manner consistent with that of the financial statements. The segment inventories include those operating inventories directly attributable to the segment or those that can be allocated to the particular segment based on the operations of the segment and the physical location of the inventories.

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Management Board also monitors Group´s results by shops and brands. The managing of the Group is done shop-by-shop basis, aggregated on a matrix basis for different decision purposes. For presenting segment reporting the Management Board has chosen aggregation on geographical and sales-channel bases. Primarily Management Board decisions, which are connected to investing and resource allocation, are based on the segments disclosed in this Note.

Data of the revenue, profit (loss), depreciation and amortisation of the segments are disclosed for continued operations.

The comparative figures of 2014 have been changed as information-technological tools providing information about segments are more accurate.

The segment information provided to the Management Board for the reportable segments

	Retail, Baltic region	Retail, Eastern Europe	Whole-sale[1]	Total
3 Quarter 2015				
Revenue (from external customers)	10,290	1,147	1,712	13,149
Segment profit (loss)[2]	1,300	-115	186	1,371
Incl. depreciation and amortisation	-198	-17	-19	-234
3 Quarter 2014				
Revenue (from external customers)	10,433	2,231	1,984	14,648
Segment profit[2]	1,916	43	463	2,422
Incl. depreciation and amortisation	-141	-39	-9	-189
9M 2015 and as at 30 Sept 2015				
Revenue (from external customers)	30,317	3,354	4,984	38,655
Segment profit (loss)[2]	4,291	-503	711	4,499
Incl. depreciation and amortisation	-554	-60	-57	-671
Inventories of segments	5,439	642	0	6,081
9M 2014 and as at 30 Sept 2014				
Revenue (from external customers)	29,807	6,030	3,952	39,789
Segment profit (loss)[2]	5,361	-252	897	6,006
Incl. depreciation and amortisation	-444	-136	-12	-592
Inventories of segments	5,256	1,186	0	6,442

[1]The wholesale segment includes the sale of goods to wholesale and franchise clients, materials and sewing services and the sales from e-commerce.
[2]The segment profit (loss) is the segment operating profit (loss), excluding other operating expenses and income.

Reconciliation of segment profit to consolidated operating profit (loss)

	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Total segment profit	1,371	2,422	4,499	6,006
Unallocated expenses[1]:				
Costs of goods sold and distribution costs	-1,288	-1,414	-3,848	-3,794
Administrative and general expenses	-583	-694	-1,929	-2,162
Other operating income (expenses), net	-28	-27	-83	-82
Operating profit (loss)	**-528**	**287**	**-1 361**	**-32**

[1]Unallocated expenses include the expenses of the parent and production company which are not allocated to the reportable segments in internal reporting.

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Reconciliation of segment inventories to consolidated inventories

	30 Sept 2015	31 Dec 2014	30 Sept 2015
Total inventories of segments	6,081	5,917	6,442
Inventories in Parent company and production company	6,307	7,498	7,525
Inventories on statement of financial position	**12,388**	**13,415**	**13,967**

NOTE 13 Revenue

	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Sale of goods in retail channel	11,437	12,664	33,671	35,837
Sale of goods in wholesale and e-commerce channel	1,685	1,926	4,897	3,822
Other sales	27	58	87	130
Total	**13,149**	**14,648**	**38,655**	**39,789**

Sales by geographical (client location) areas

	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Estonia	5,157	4,837	15,151	14,082
Lithuania	3,006	3,169	8,611	8,657
Latvia	2,770	2,989	8,340	8,415
Russia	1,343	2,747	4,072	6,826
Ukraine	375	386	928	536
Spain	188	98	634	98
Finland	167	241	581	655
Belarus	89	69	211	201
Germany	33	89	55	245
Other countries	21	23	72	74
Total	**13,149**	**14,648**	**38,655**	**39,789**

NOTE 14 Cost of goods sold

	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Materials and supplies	6,072	6,355	17,257	16,266
Payroll costs in production	865	811	2,565	2,497
Operating lease expenses	163	170	495	509
Other production costs	88	93	294	304
Depreciation of assets used in production (Note 6,7)	29	38	89	126
Change in allowance for inventories	0	0	-330	-342
Total	**7,217**	**7,467**	**20,370**	**19,360**

NOTE 15 Distribution costs

	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Payroll costs	2,506	2,721	7,761	7,809
Operating lease expenses	1,974	2,084	5,898	6,365
Advertising expenses	337	361	999	1,049
Depreciation and amortisation (Note 6,7)	275	226	794	697
Fuel, heating and electricity costs	137	143	424	450
Fees for card payments	92	99	271	289
Travel expenses	50	63	153	173
Municipal services and security expenses	78	73	217	200
Consultation and management fees	62	50	171	150
Information technology expenses	46	39	122	128
Communication expenses	26	33	92	101
Other sales expenses[1]	266	281	732	806
Total	**5,849**	**6,173**	**17,634**	**18,217**

[1]Other sales expenses mostly consist of insurance and customs expenses, bank fees, expenses for uniforms, packaging, transportation and renovation expenses of stores, agency and service fees connected to administration of market organisations.

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NOTE 16 Administrative and general expenses

	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Payroll costs	257	325	836	998
Operating lease expenses	110	117	334	350
Information technology expenses	56	61	180	201
Bank fees	48	49	125	158
Management, juridical-, auditor´s and other consulting fees	17	28	95	80
Depreciation and amortisation (Note 6,7)	26	26	80	78
Fuel, heating and electricity expenses	14	20	62	74
Sponsorship, gifts, donations	-11	6	35	18
Office materials	7	11	25	31
Other administrative expenses[1]	59	51	157	174
Total	**583**	**694**	**1,929**	**2,162**

[1]Other administrative expenses consist of insurance, communication, travel, training, municipal and security expenses and other services.

NOTE 17 Other operating income and expenses

	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Gain (loss) from sale, impairment of PPE and non-current assets	-26	15	-41	12
Other operating income	7	7	20	22
Foreign exchange gain (-loss)	3	-45	-44	-101
Other operating expenses	-12	-4	-18	-15
Total	**-28**	**-27**	**-83**	**-82**

NOTE 18 Finance income and costs

	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Interest costs from loans, capital lease	-70	-91	-212	-262
Interest costs from bonds	-52	-34	-149	-34
Total	**-122**	**-125**	**-361**	**-296**

NOTE 19 Earnings per share

		3 Q 2015	3 Q 2014	9M 2015	9M 2014
Weighted average number of shares (thousand)	pcs	40,795	40,795	40,795	40,795
Net profit (loss) from continuing operations		-650	151	-1,719	-354
Net loss from discontinued operations		0	0	0	-1,329
Basic earnings per share	**EUR**	**-0.02**	**0.00**	**-0.04**	**-0.04**
Basic earnings per share (continuing operations)	EUR	-0.02	0.00	-0.04	-0.01
Basic earnings per share (discontinued operations)	EUR	-	-	-	-0.03
Diluted earnings per share	**EUR**	**-0.02**	**0.00**	**-0.04**	**-0.04**
Diluted earnings per share (continuing operations)	EUR	-0.02	0.00	-0.04	-0.01
Diluted earnings per share (discontinued operations)	EUR	-	-	-	-0.03

In nine months in 2015 as well as 2014 the Group had no dilutive instruments. Potentially dilutive could be I- and J-bonds, dilutive effect depends on the share price and the fact if the Group earns profit.

In the third quarter 2014 J-bonds had a dilutive effect:

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Diluted earnings per share		3 Q 2014
Weighted average number of shares (thousand)	pcs	40,795
Adjustments:		
- weighted average of J-bonds that are dilutive (thousand)	pcs	4,239
Weighted average number of ordinary shares for diluted earnings per share (thousand)	**pcs**	**45,034**

Net loss from continuing operations	151
Interest expense (convertible bonds)	34
Profit (loss) used to determine diluted earnings per share	**185**

Diluted earnings per share	**EUR**	**0.00**
Diluted earnings per share (continuing operations)	EUR	0.00
Diluted earnings per share (discontinued operations)	EUR	-

The average price (arithmetic average based on daily closing prices) of AS Baltika share on the Tallinn Stock Exchange in the reporting period was 0.39 euros (2014 nine months average: 0.50 euros).

NOTE 20 Related parties

For the purpose of these financial statements, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the financial and management decisions of the other one in accordance with IAS 24, Related Party Disclosures. Not only the legal form of the transactions and mutual relationships, but also their actual substance has been taken into consideration when defining related parties.

For the reporting purposes in consolidated interim statements of the Group, the following entities have been considered related parties:

- owners, that have significant influence, generally implying an ownership interest of 20% or more; and entities under their control (Note 11);
- members of the Management Board and the Supervisory Council[1];
- close family members of the persons stated above;
- entities under the control or significant influence of the members of the Management Board and Supervisory Council.

[1]Only members of the Parent company Management Board and Supervisory Council are considered as key management personnel, as only they have responsibility for planning, directing and controlling Group activities.

Transactions with related parties

Purchases	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Services	54	112	288	230
Total	**54**	**112**	**288**	**230**

Sales	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Goods	3	0	7	0
Total	**3**	**0**	**7**	**0**

In 2015 as well as 2014 AS Baltika bought mostly management, communication and other services from related parties.

Balances with related parties

	30 Sept 2015	31 Dec 2014
Other current loans and interests (Note 8, 9)	2,763	2,639
Trade payables (Note 9)	21	31
Payables to related parties total	**2,784**	**2,670**

Information about borrowings and interest from related party, see in Note 8 and 11.

All transactions in 2015 as well as in 2014 reporting periods and balances with related parties as at 30 September 2015 and 31 December 2014 were with entities under the control or significant influence of the members of the Management Board and Supervisory Council and close family members. As at 30 September 2015 and 31 December 2014 the balances from borrowings, interests are partly with counterparty, who is also an owner that has significant influence.

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Compensation for the members of the Management Board and Supervisory Council

	3 Q 2015	3 Q 2014	9M 2015	9M 2014
Salaries of the members of the Management Board	70	103	223	290
Remuneration of the members of the Supervisory Council	5	5	14	14
Total	**75**	**108**	**237**	**304**

As at 30 September 2015 there were three Management Board and five Supervisory Council members (31 December 2014: five Management Board and five Supervisory Council members).

In April the Supervisory Council recalled from the Management Board Andrew James David Paterson.

On January 30 2015 the Supervisory Board of AS Baltika decided to suspend Maigi Pärnik-Pernik Management Board contract for the duration of her maternity leave.

From September 8 2015 Maire Milder is no longer member of Management Board. Maire Milder continues in the Group as the director of Branding and Retail Development

Convertible bonds (I- and J-bonds) are partly issued to related parties (Note 8).

NOTE 21 Discontinued operations

Changes in 2014

Baltika AS has decided to exit Ukrainian retail market to reduce economic and political risks.

As Ukrainian market represented a major line of business in Group´s activities, and its operations and cash flows can be clearly distinguished from other Group´s operations and cash flows, it´s results are reported as discontinued operations in the current interim report. Previously Ukrainian subsidiary´s results were reported as a part of the East European segment.

On 29 April 2014 Baltika signed an agreement by which Baltika Retail Ukraina Ltd (BRU) was sold to Osaühing Ellipse Group. BRU will continue as Baltika's franchise partner and cooperation agreement was signed on 29 April for the next five years.

In the first quarter, prior to sales transaction, Baltika revalued the Ukrainian assets completely down (in the amount of 1,095 thousand euros).

An extract of the revenue and expenses of discontinued operation

	Q3 2015	Q3 2014	9M 2015	9M 2014
Discontinued operation				
Revenue	0	0	0	1,531
Expenses	0	0	0	-1,896
Other operating expense	0	0	0	-271
Loss before income tax	**0**	**0**	**0**	**-636**
Loss after income tax	**0**	**0**	**0**	**-636**
Loss from disposal of discontinued operation and impairment of assets connected to discontinued operations	0	0	0	-693
Net profit (loss) for the reporting period	**0**	**0**	**0**	**-1,329**

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Consolidated cash-flow of the discontinued operation

	9M 2015	9M 2014
Net cash used in operating activities	0	-180
Net cash used in investing activities	0	-8
Total cash flows	**0**	**-188**
Cash and cash equivalents at the beginning of the period	**0**	**213**
Effect of exchange gains on cash and cash equivalents	0	-25
Cash and cash equivalents at the end of the period	**0**	**0**
Change in cash and cash equivalents	**0**	**-213**

NOTE 22 Subsidiaries

Changes in 2015

In February 2015 a merger agreement was signed by OÜ Baltika TP and OÜ Baltika Retail, according to which OÜ Baltika Retail was the acquiring company and OÜ Baltika TP the company being merged.

OÜ Baltika TP was deleted from the Commercial Registry on 14 May 2015.

The merger was within the Group and therefore there were no changes to the Baltika Group assets, rights and obligations amount, content and nature. The merger did not have economic effect on the other subsidiaries of the Group.

Changes in 2014

In 2014 the Group sold its subsidiary „Baltika Retail Ukraina Ltd“, see detailed information in Note 21.

AS BALTIKA SUPERVISORY COUNCIL

JAAKKO SAKARI MIKAEL SALMELIN
Member of the Supervisory Council since 21.06.2010
Partner, KJK Capital Oy
Master of Science in Finance, Helsinki School of Economics
Other assignments:
Member of the Management Board of KJK Fund SICAV-SIF,
Member of the Board of Directors, KJK Management SA,
Member of the Board of Directors, KJK Capital Oy.
Baltika shares held on 30 Sept 2015: 0

TIINA MÕIS
Member of the Supervisory Council since 03.05.2006
Chairman of the Management Board of AS Genteel
Degree in Economical Engineering, Tallinn University of Technology
Other assignments:
Member of the Supervisory Council of AS Nordecon International,
Member of the Supervisory Councils of AS LHV Pank and AS LHV Group,
Member of the Board of Estonian Chamber of Commerce and Industry,
Member of Estonian Accounting Standards Board.
Baltika shares held on 30 Sept 2015: 977,837 shares (on AS Genteel account)

REET SAKS
Member of the Supervisory Council since 25.03.1997
Attorney at Raidla Ellex Law Office
Degree in Law, University of Tartu
Other assignments:
Member of the Management Board of MTÜ International Association for the Protection of Intellectual Property (AIPPI) Estonian National Group.
Baltika shares held on 30 Sept 2015: 0

LAURI KUSTAA ÄIMÄ
Member of the Supervisory Council since 18.06.2009
Managing Director of Kaima Capital Oy
Master of Economics, University of Helsinki
Other assignments:
Member of the Supervisory Council of AS Tallink Grupp,
Member of the Board of Oy Tallink Silja Ab,
Member of the Board of KJK Invest Oy,
Member of the Board of Aurejärvi Varainhoito Oy,
Member of the Board of UAB Malsena Plius,
Member of the Board of Bostads AB Blåklinten Oy,
Member of the Supervisory Council of Salva Kindlustuse AS,
Member of the Supervisory Council of AS Premia Foods,
Member of the Supervisory Council of AS Premia Tallinna Külmhoone AS,
Member of the Supervisory Council of Managetrade OÜ,
Member of the Supervisory Council of Toode AS,
Vice-chairman of the Board of AAS BAN,
Vice-chairman of the Management Board of Amber Trust Management SA,
Chairman of the Management Board of Amber Trust II Management SA,
Chairman of the Management Board of KJK Fund SICAV-SIF,
Chairman of the Management Board of KJK Fund II SICAV-SIF,
Chairman of the Supervisory Council of JSC Rigas Dzirnavnieks,
Chairman of the Board of Directors, KJK Management SA,
Chairman of the Board of Directors, KJK Capital Oy.

Baltika shares held on 30 Sept 2015: 24 590 shares (on Kaima Capital Eesti OÜ account)

VALDO KALM
Member of the Supervisory Council since 20.04.2012
Chairman of the Board of AS EMT
Automation and telemechanics, Tallinn University of Technology
Other assignments:
Chairman of the Board of AS Eesti Telekom
Baltika shares held on 30 Sept 2015: 0

AS BALTIKA MANAGEMENT BOARD

MEELIS MILDER
Chairman of the Management Board, Group CEO
Chairman of the Board since 1991, in the Group since 1984
Degree in Economic Cybernetics, University of Tartu
Baltika shares held on 30 Sept 2015: 766,331 shares[1]

MAIGI PÄRNIK-PERNIK
Member of the Management Board, (suspended from Chief Financial Officer responsibilities during maternity leave)
Member of the Board since 2011, in the Group since 2011
Degree in Economics, Tallinn University of Technology,
Master of Business Administration, Concordia International University
Baltika shares 30 Sept 2015: 0

KATI KUSMIN
Member of the Management Board, Sales and Marketing Director
Member of the Board since 2012, in the Group since 2012
Degree in Economics, Tallinn University of Technology
Baltika shares 30 Sept 2015: 0

[1]The members of the Management Board of AS Baltika also own shares through the holding company OÜ BMIG (see Corporate governance annual report section "Management Board").