



**Press Release**

**28.08.07**

**Baltika Breweries announces share buy back.**

The Board of Directors of Baltika Breweries has called an Extraordinary General Shareholders Meeting (EGSM) to pass a resolution to reduce its issued share capital by buying back and cancelling shares.

The proposed shareholders meeting will be held by absentee voting. The final date for receiving ballots from shareholders will be October 15, 2007.

Providing the EGSM approves the resolution, the purchase of ordinary and preference shares from shareholders willing to participate will be conducted in accordance with Russian Federation legislation and the share buy back procedure adopted by the Board of Directors.

The Board wishes to buy back up to 9,894,230 ordinary and up to 1,225,114 preference shares. The price of purchase is 1300 RUR for one ordinary share and 880 RUR for one preference share.

The reduction of the Company's issued share capital will facilitate:

- growth in profitability per share, thus enhancing the attractiveness of investing in Baltika Breweries;
- improvement in the capital structure;
- shareholders' ability to sell their shares at a market rate without having to pay intermediaries, brokers and stock exchange services, commissions and other expenses related to the sale of their shares.

Baltic Beverages Holding (BBH), Baltika's majority shareholder, has indicated to the Board of Directors its intention to participate in the buy back so that its current proportion of shares will not increase as a result.

The Board of Directors of Baltika Breweries reconfirms its intention to remain a public company. Over the course of the past several years, Baltika Breweries shares (both ordinary and preference shares) have been traded on stock exchanges and over-the-counter markets. The Company's shares were quoted on the country's two stock exchanges – the MICEX (Moscow Interbank Currency Exchange, since 2003) and the RTS (Russian Trading System, since 2001). At present the Company's shares are traded on the stock exchanges in the "List of securities allowed to be traded, but not included, in the quotation lists."

**Public Relations Department**

**Baltika Breweries**

**+ 7 812 326 66 37**

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