

BALTIKA GROUP

Q2 and 6m 2009 results

August 2009



Baltika Group

BALTMAN
manton
MOSAIC
Ivo Nikkolo

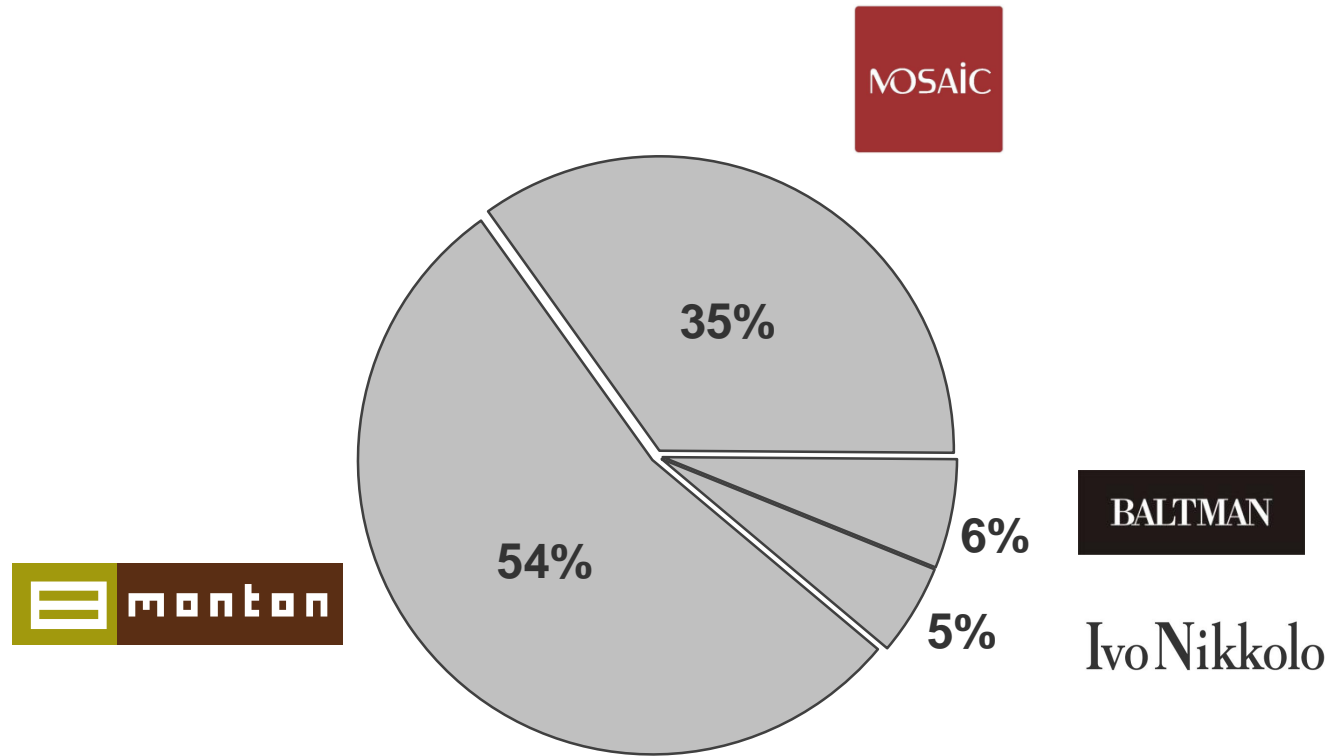
Overview

- Fashion retailer
- Vertically integrated business model
- Four concepts
- Seven markets
- 144 stores



BALTIKA CONCEPTS

Retail sales by concept, 6m 2009



Retail network (30 June 2009)

	Monton	Mosaic	Baltman	Nikkolo	Other	Total	sqm
Estonia	7	13	5	5	3	33	5,171
Latvia	6	7	2	1		16	3,593
Lithuania	12	13	7	3		35	6,696
Ukraine	10	11	1			22	4,285
Russia	18	12				30	6,921
Poland	6					6	1,449
Czech	2					2	926
Total	61	56	15	9	3	144	29,041





EUR mln	6m 09	6m 08	+/-
Retail sales	13.7	17.2	-20%

- Fashion brand for men and women with a unique handwriting and well-focused quality range
- Stores in Estonia, Latvia, Lithuania, Ukraine, Russia, Poland, the Czech Republic
- Store format: 350-600 sqm



MOSAIC

EUR mln	6m 09	6m 08	+/-
Retail sales	8.9	10.4	-16%

- International brand offering contemporary stylish apparel for men and women for feeling good in the office and after 5 p.m. and also comfortable fashion clothes for their children
- Stores in Estonia, Latvia, Lithuania, Ukraine, Russia and Poland
- Store format: 200-350 sqm



BALTMAN

EUR mln	6m 09	6m 08	+/-
Retail sales	1.7	2.4	-29%

- Prestigious lifestyle brand for men, offering stylish, classic and high-quality clothing and personal service
- Stores in Estonia, Latvia, Lithuania and Ukraine
- Store format: 100-130 sqm



Ivo Nikkolo

EUR mln	6m 09	6m 08	+/-
Retail sales	1.2	1.0	23%

- Designer fashion brand for ladies allowing the customer to express her own individuality and complement her lifestyle
- Acquired in September 2006
- Stores in Estonia and Lithuania
- Store format: 100-150 sqm



FINANCIAL REVIEW

1H 2009: adaptation

- New levels of inventories and operating expenses
- Sales efficiency 1H 2009 -28% yoy
- Shop operating expenses per m² -17% yoy
- Inventory per m² -18% yoy
- Inventories decreased by EUR 4 mln
- Distribution costs -7% yoy
- Administrative expenses -19% yoy
- Openings 12 +7, closings 9
 - incl 7 stores in Russia (Baltika took over the operation in stores belonging to Russian wholesale partner in the Ural region)
- By 30.06.2009 144 stores, 29 000 m²

Key figures: Q2

EUR '000	Q2 09	Q2 08	+/-
Revenue	13,679	18,184	-24,7%
Gross profit	6,703	11,046	-39,3%
Operating profit	-2,135	1,438	-185%
Net profit	-2,225	1,204	-185%
Gross margin	49%	60.7%	
Operating margin	-15,6%	7.9%	
EBT margin	-16,4%	6.9%	
Net margin	-16,3%	6.6%	



Key figures: 6 months

EUR '000	6m 09	6m 08	+/-
Revenue	27,805	35,188	-21%
Gross profit (-loss)	12,770	19,893	-35.8%
Operating profit (-loss)	-5,657	973	-6,630
Net profit (-loss)	-6,224	499	-6,723
Gross margin	46%	56.5%	
Operating margin	-20.3%	2.8%	
EBT margin	-22.4%	1.5%	
Net margin	-22.4%	1.4%	
ROE	-54.7%	5.7%	
ROA	-20,1%	2.8%	



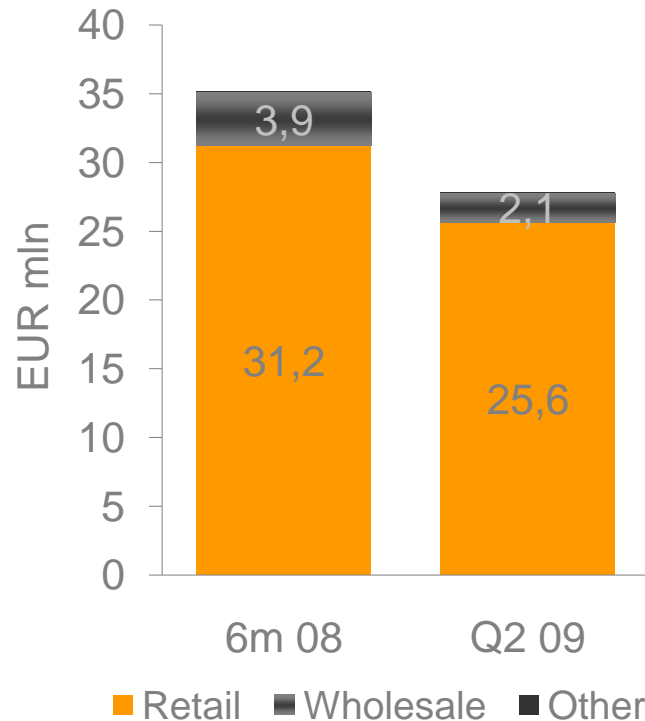
Stores and sales area

	30.06.09	30.06.08	+/-
Estonia	33	30	
Lithuania	35	29	
Russia	30	22	
Ukraine	22	22	
Latvia	16	16	
Poland	6	5	
Czech Republic	2	2	
Total stores	144	126	18
Sales area (sqm)	29,041	24,661	4,380



Sales development

Sales by segment



Sales growth breakdown

Average sales area (sqm)	4%
Sales per sqm	-28%
Comparable store sales	-23%
Retail sales	-18%
Wholesale	-45%
Total sales	21%



Retail sales by region

EUR mln	6m 09	6m 08	+/-	Share %
Baltics	15.3	18.9	-19%	60%
Eastern Europe	8.8	10.8	-18%	34%
Central Europe	1.52	1.5	1%	6%
Total	25.62	31.2	-18%	100%



Retail sales by market

EUR mln	6m 09	6m 08	+/-	Share %
Estonia	5.8	7.3	-21%	22%
Lithuania	6.1	7.1	-13%	24%
Russia	4.8	5.6	-14%	19%
Ukraine	4.0	5.2	-23%	16%
Latvia	3.4	4.6	-25%	13%
Poland	1.0	1.0	-5%	4%
Czech Republic	0.5	0.4	16%	2%
Total	25.6	31.2	-18%	100%



Investments

EUR mln	6m 09	6m 08	+/-
Total investments	5.5	3.6	153%
Incl. retail system	0.7	1.5	-53%

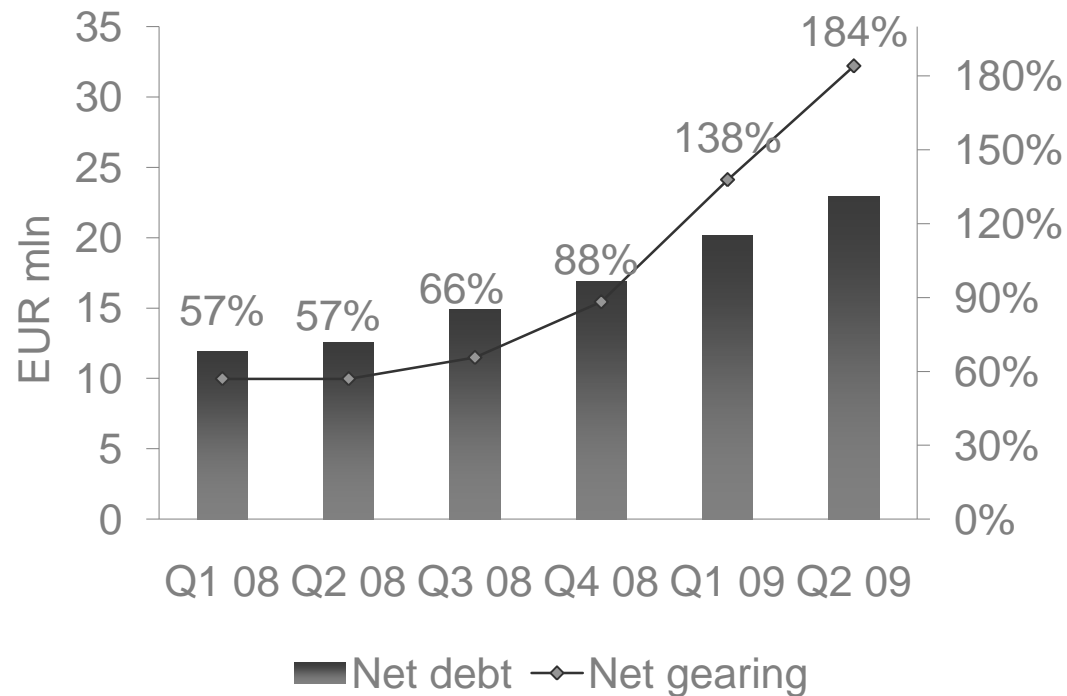
- H1 2009: retail: 11+7 openings
- H2 2009: 5 openings
- H1 2009 Additional investments into Baltika's business centre phase I EUR 4.7 mln



Financial position

- Total borrowings at the end of Q2 2009 at EUR 23.3 mln
- Borrowings increase with construction of Baltika's business centre

Net debt and net gearing



OUTLOOK 2H 2009

2H 2009: adaptation continues

- H2 2009:
 - open 5 stores, close up to 10 stores
 - successful share option EUR 2.6 mln resolve the difficulties with one-time inventory financing
 - “normal” level of payables to suppliers
 - one own factory closing in Tallinn
 - operating expenses adapted to the “new” sales levels (max 55% from sales)
 - gross margin over 50%
 - positive cash flow
 - strategy updates for Monton and Baltman

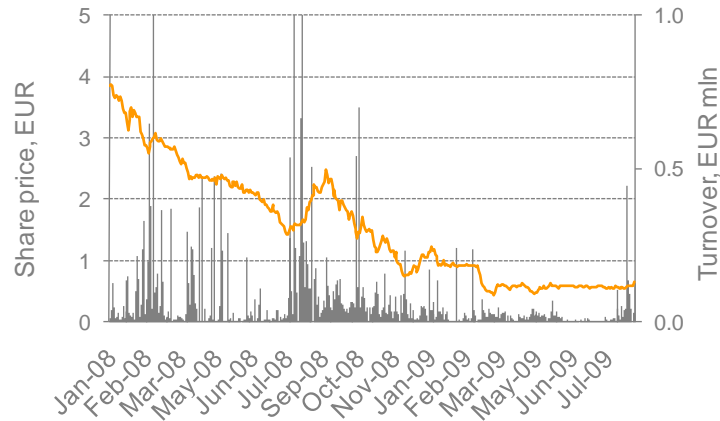


Real estate development

- Development of city centre property at Veerenni 24, Tallinn.
- Phase I – completed in June 2009
- 11,200 sqm of office, commercial and service space
- Baltika's head office and retail premises: 4,500 sqm
- Cost of the project EUR 9.3 mln (financed by bank loan)

Share data

Share price and turnover



EUR	2005	2006	2007	2008	6m 09
Share price	4.33	7.40	3.90	1.15	0.57
DPS	0.04	0.05	0	0	n/a
EPS	0.27	0.31	0.14	-0.07	-0.33
BVPS	0.76	1.04	1.16	1.02	0.67
P/E	16.1	23.9	27.9	Neg.	Neg.
P/B	5.7	7.1	3.4	1.1	0.9

Shareholder structure (09.09.2009)

BMIG OÜ	25.5%
Svenska Handelsbanken Clients	10.3%
Other	64.2%
Total	100.0%

No of shares outstanding	18,644,850
No of shares fully diluted	18,830,850
	+4,000,000
Total	22,830,850
Market cap (30.06.2009)	EUR 10.6 mln
NASDAQ OMX symbol	BLT1T
Bloomberg code	BLT1T ET
Next interim results	28-Oct-09



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