

BALTIKA GROUP

Q3 and 9m 2009 results

October 2009



Baltika Group

BALTMAN
manton
MOSAIC
Ivo Nikkolo

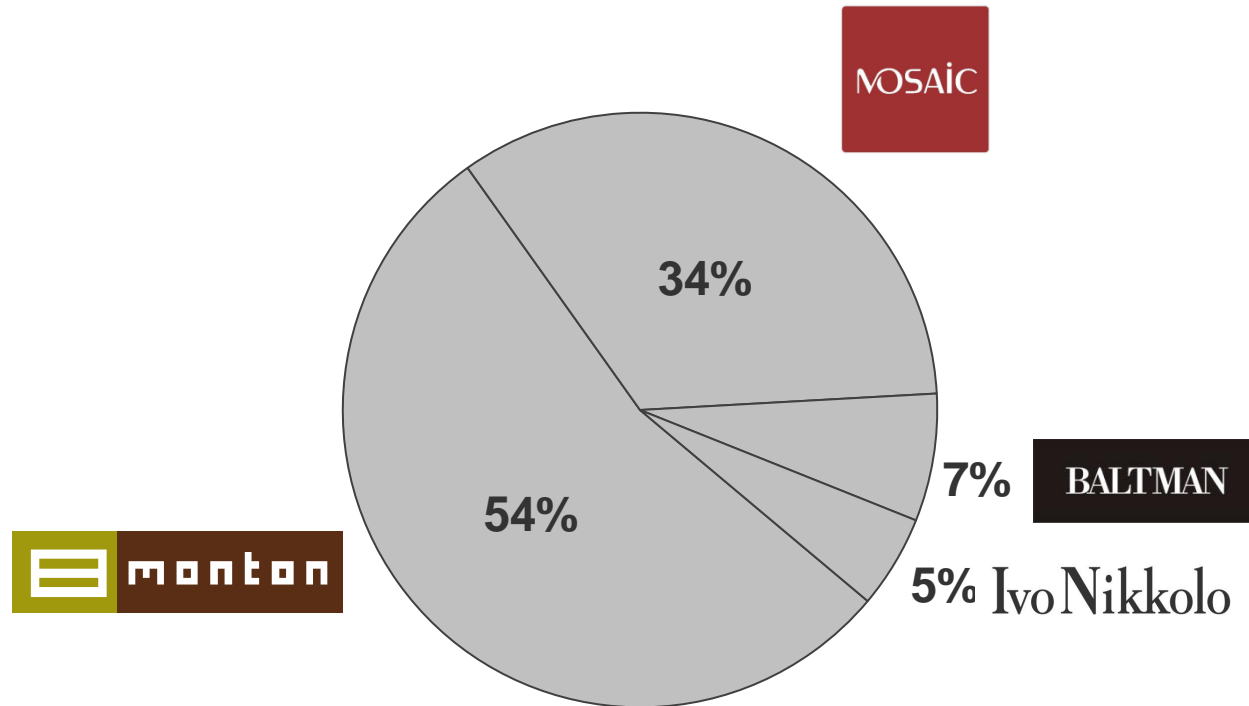
Overview

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



BALTIKA CONCEPTS

Retail sales by concept, 9m 2009



Retail network (30 September 2009)

	Monton	Mosaic	Baltman	Nikkolo	Other	Total	sqm
Estonia	7	13	5	5	2	32	5,899
Latvia	6	6	2	1		15	3,234
Lithuania	13	13	7	3		36	6,929
Ukraine	9	11	1			21	4,119
Russia	18	12				30	6,921
Poland	5					5	1,249
Czech	2					2	926
Total	60	55	15	9	2	141	29,277





EUR mln	6m 09	6m 08	+/-
Retail sales	20.6	27.3	-24%

- 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	13.0	16.4	-21%

- 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	2.7	3.6	-27%

- 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	1.9	1.7	12%

- 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

9m 2009: adaptation

- New levels of inventories and operating expenses
- Sales efficiency 9m 2009 -33% yoy
- Shop operating expenses per m² -22% yoy
- Inventory per m² -32% yoy
- Inventories decreased by EUR 4.7 mln
- Distribution costs -12% yoy
- Administrative expenses -15% yoy
- Openings 15 +7, closings 15
incl 7 stores in Russia (Baltika took over the operation in stores belonging to Russian wholesale partner in the Ural region)
- By 30.09.2009 141 stores, 29 277 m²

Key figures: Q3

EUR '000	Q3 09	Q3 08	+/-
Revenue	14,389	21,532	-33,2%
Gross profit	7,265	11,154	-34,9%
Operating profit	-1,526	857	-278%
Net profit	-1,817	801	-326%
Gross margin	50.0%	51.8%	
Operating margin	-10,6%	4.0%	
EBT margin	-12,6%	3.5%	
Net margin	-12,8%	4.0%	



Key figures: 9 months

EUR '000	9m 09	9m 08	+/-
Revenue	42,193	56,720	-26%
Gross profit (-loss)	19,815	31,047	-36%
Operating profit (-loss)	-7,182	1,830	-9,012
Net profit (-loss)	-8,063	1,370	-9,433
Gross margin	47.0%	54.7%	
Operating margin	-17.0%	3.2%	
EBT margin	-19.0%	2.3%	
Net margin	-19.1%	2.4%	
ROE	-78.7%	7.0%	
ROA	-25.7%	3.3%	



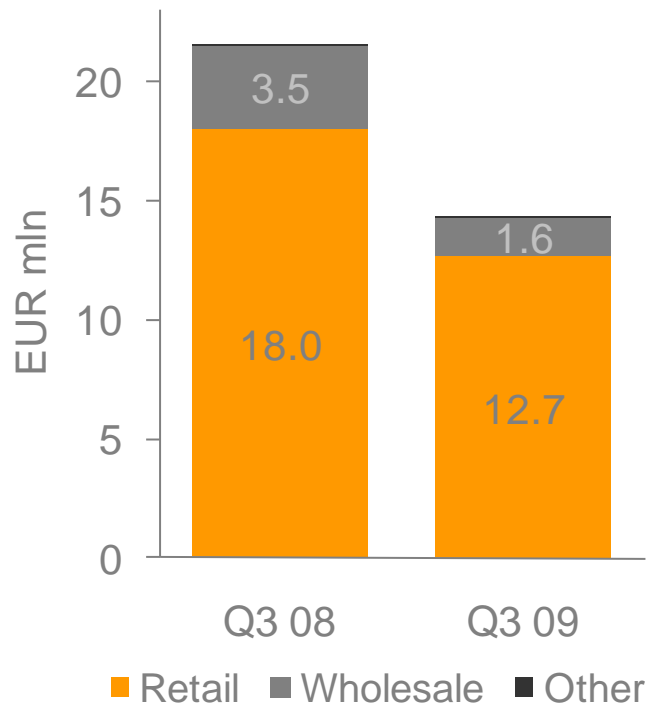
Stores and sales area

	30.09.09	30.09.08	+/-
Lithuania	36	29	
Estonia	32	30	
Russia	30	22	
Ukraine	21	22	
Latvia	15	16	
Poland	5	4	
Czech Republic	2	2	
Total stores	141	125	16
Sales area (sqm)	29,277	24,748	4,529



Sales development

Sales by segment



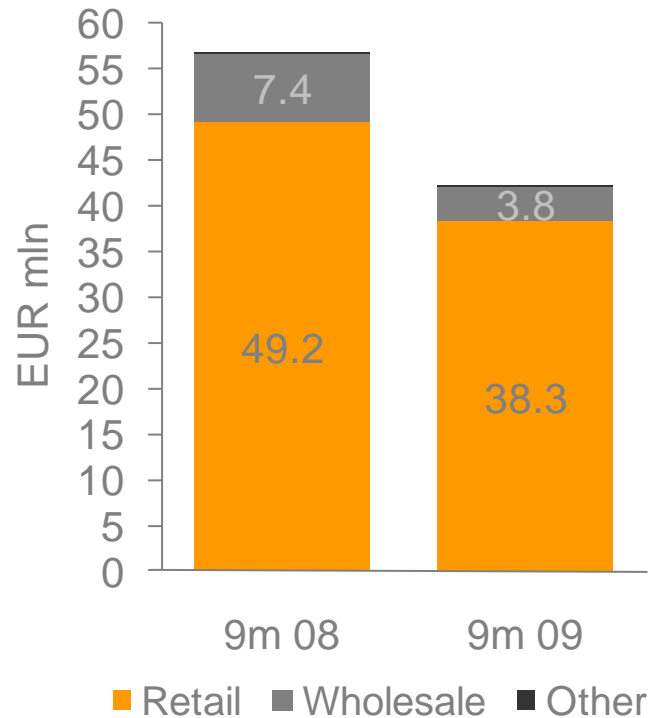
Sales growth breakdown

Average sales area (sqm)	20%
Sales per sqm	-41%
Comparable store sales	-38%
Retail sales	-30%
Wholesale	-53%
Total sales	-33%



Sales development

Sales by segment



Sales growth breakdown

Average sales area (sqm)	16%
Sales per sqm	-33%
Comparable store sales	-28%
Retail sales	-22%
Wholesale	-49%
Total sales	-26%



Retail sales by region

EUR mln	Q3 09	Q3 08	+/-	Share %
Baltics	7.5	10.3	-28%	59%
Eastern Europe	4.5	6.8	-34%	35%
Central Europe	0.7	0.9	-17%	6%
Total	12.7	18.0	-30%	100%



Retail sales by region

EUR mln	9m 09	9m 08	+/-	Share %
Baltics	22.8	29.3	-22%	59%
Eastern Europe	13.3	17.6	-24%	35%
Central Europe	2.2	2.3	-6%	6%
Total	38.3	49.2	-22%	100%



Retail sales by market

EUR mln	9m 09	9m 08	+/-	Share %
Lithuania	9.1	11.1	-19%	24%
Estonia	8.7	11.2	-22%	22%
Russia	7.5	9.2	-18%	19%
Ukraine	5.8	8.4	-31%	16%
Latvia	5.0	7.0	-28%	13%
Poland	1.5	1.6	-6%	4%
Czech Republic	0.7	0.8	-3%	2%
Total	38.3	49.2	-18%	100%



Investments

EUR mln	9m 09	9m 08	+/-
Total investments	6.2	6.2	-0%
Incl. retail system	1.0	2.3	-57%

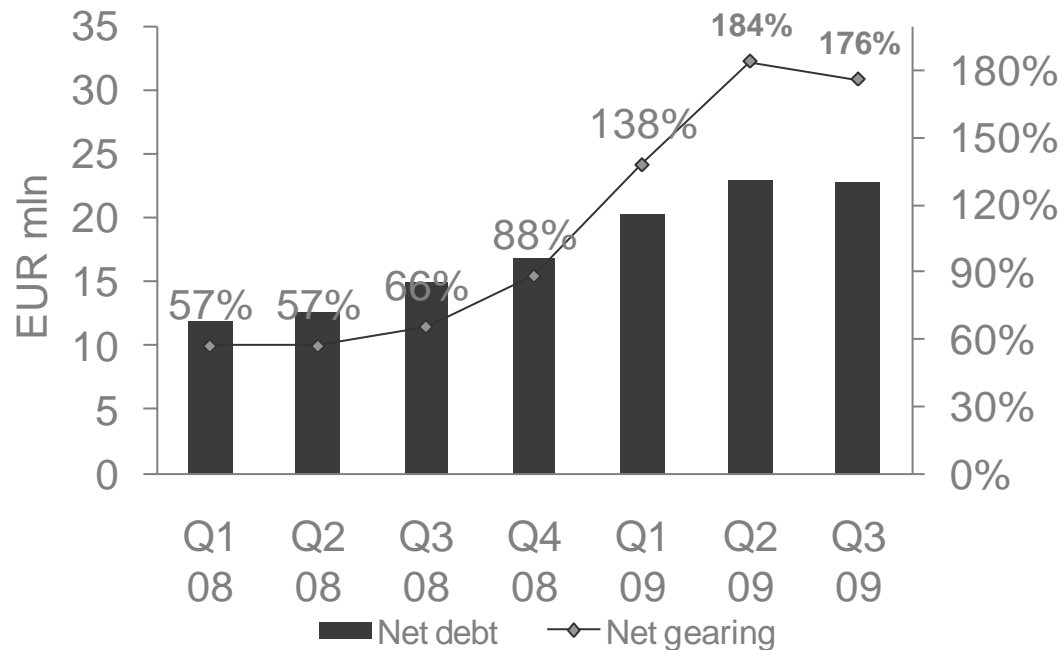
- 9m 2009: retail: 15+7 openings
- Q4 2009: 4 openings
- 9m 2009 Additional investments into Baltika's business centre phase I EUR 4.7 mln



Financial position

- Total borrowings at the end of Q3 2009 at EUR 23.1 mln

Net debt and net gearing



OUTLOOK Q4 2009

Q4 2009: adaptation continues

- Q4 2009:
 - open 4 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

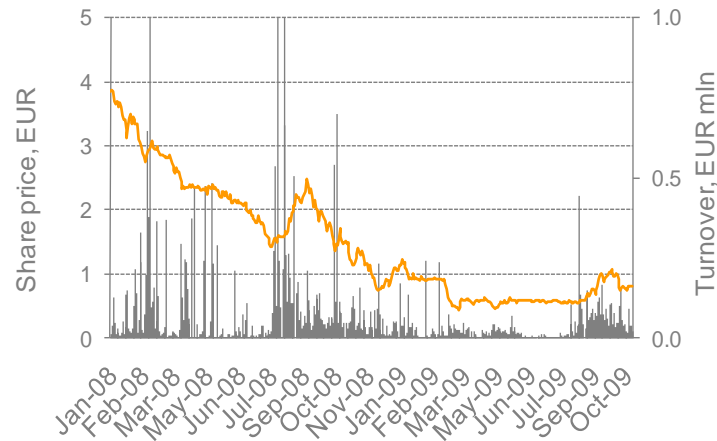


Real estate development

- 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	9m 09
Share price	4.33	7.40	3.90	1.15	0.99
DPS	0.04	0.05	0	0	n/a
EPS	0.27	0.31	0.14	-0.07	-0.43
BVPS	0.76	1.04	1.16	1.02	0.69
P/E	16.1	23.9	27.9	Neg.	Neg.
P/B	5.7	7.1	3.4	1.1	1.4

Shareholder structure (23.10.2009)

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 (30.09.2009)	EUR 18.5 mln
NASDAQ OMX symbol	BLT1T
Bloomberg code	BLT1T ET
Next interim results	January 2010



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