

# BALTIKA GROUP

First five months of 2010

affirm the trend of exiting the crisis

June 2010



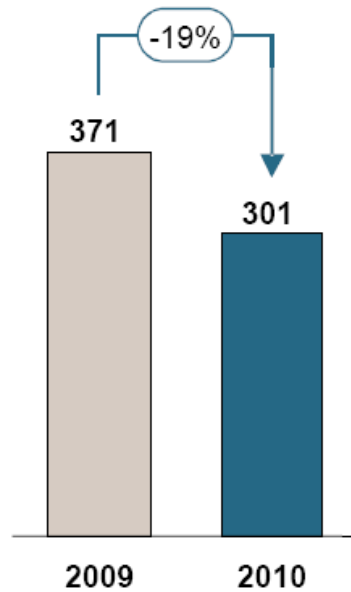
**Baltika Group**

BALTMAN  
manton  
MOSAIC  
Ivo Nikkolo

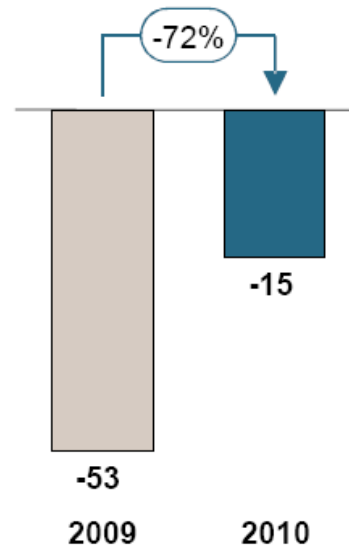
## Development in the first five months of 2010 shows improved EBITDA

Current Trading January-May 2010 [EEK m]

**Sales  
(accumulated)**



**EBITDA  
(accumulated)**



# Profitability by brand improved significantly

Current trading by brand Jan-May 2010 [EEKm]

Brand	Sales Jan-May (accumulated)	Development [%]	IFGimprovement	IFGTotal	Net sales effi- ciency [EEK]
Monton	148	-18	+21	4	2000
Mosaic	88	-25	+4	8	2300
Baltman	17	-18	+2	1	2900
IvoNikkolo	15	0	+1	2	2900
Other	9			2	
<b>Total<sup>1)</sup></b>	<b>277</b>	<b>-18</b>	<b>+28</b>	<b>17</b>	<b>2100</b>



# Profitability by countries improved significantly

Current trading by country 2010 [EEKm] (Retail only)

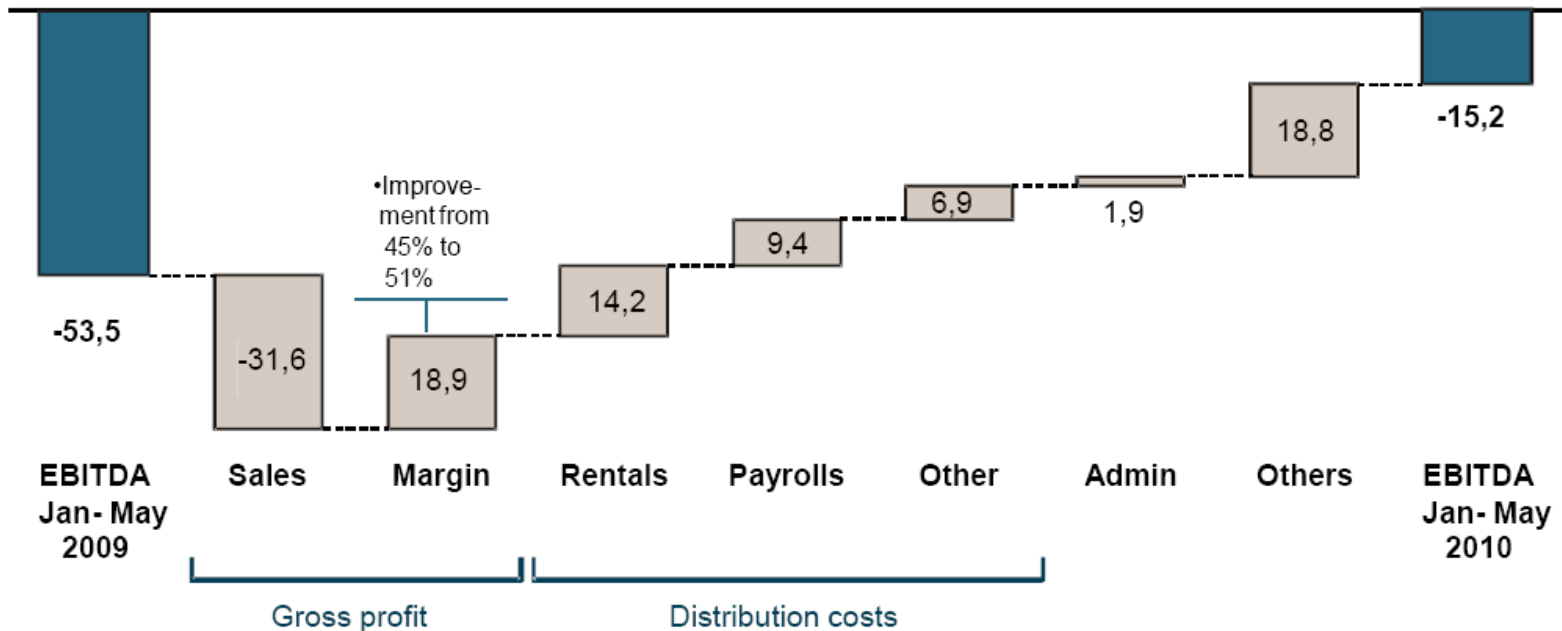
Market	Sales Jan-May (accumulated)	Development [%]	IFGimprovement	IFGTotal	Net sales efficiency [EEK/m2]
Estonia	71	-5	2	10	2400
Russia	61	-5	12	-7	2400
Lithuania	58	-28	0	-2	1700
Ukraine	43	-22	9	-1	2100
Latvia	35	-21	5	1	2200
Poland	9	-30	2	-3	1500
<b>Total<sup>1)</sup></b>	<b>277</b>	<b>-18</b>	<b>30</b>	<b>-2</b>	<b>Ø 2100</b>

35 incl. closed  
Czech market



## EBITDA improved mainly due to significant gross margin improvement and cost discipline

Current trading EBITDA by May 2010 [EEK m]



## Additional cost measures taken foster solid EBITDA development 2010YTD

### Cost measures taken in 2010 [EEK m]

1. Transport tender process, 12% saving over base contract and less frequency deliveries: total transport costs 3 months saving EEK 0.6 mln
2. Lower buying levels – cash flow impact and comparison of inventory vs last year
3. 2 free days vacation per month for HO staff: May, June and July, impact EEK 0.5 mln per month for 3 months
4. Selected store closures
5. Travel cutback – temporary May/June, estimate savings of EEK 0.3 mln
6. Production headcount, reduced by ca 150 heads since the end of 2009
7.
  - Virulane production operation, plus brands and real estate
  - Monthly production cost saving of ca EEK 0.7 mln
  - Trademarks sold for EEK 4 mln
  - Real estate (Ahtme, Virulane) sold for EEK 23 mln (used to support intake, for loan repayment and restructuring)
  - Avoided closure costs
8. Prolongation of rental discounts, as per earlier statements

Phone +372 630 2  
Fax +372 630 2814  
[www.baltikagroup.com/investors](http://www.baltikagroup.com/investors)  
Veerenni 24, 10135 Tallinn, Estonia

[www.baltikagroup.com](http://www.baltikagroup.com)  
[www.montonfashion.com](http://www.montonfashion.com)  
[www.mosaic-fashion.com](http://www.mosaic-fashion.com)  
[www.ivonikkolo.com](http://www.ivonikkolo.com)  
[www.baltman.eu](http://www.baltman.eu)



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