OAO BALTIKA BREWERY AND SUBSIDIARIES

Preliminary Consolidated Financial Statements

For the three months ended 31 March 2005

Contents

		Three months ended 31 March	
		2005	**2004**
	Note	**’000 EURO**	**’000 EURO**
Gross revenues		183,504	149,168
Excise Taxes		(18,127)	(13,258)
Revenues		165,377	135,910
Cost of sales		(86,939)	(78,094)
Gross profit		**78,438**	**57,816**
Distribution expenses		(41,837)	(33,253)
Administrative expenses	4	(6,967)	(7,114)
Other operating expenses, net	5	(214)	(147)
Profit from operations		29,420	17,302
Financial income	7	3,517	3,049
Financial expenses	7	(2,783)	(1,274)
Income from associates	11	662	392
Profit before tax		30,816	19,469
Income tax expense	8	(7,544)	(7,053)
Net profit for the year		**23,272**	**12,416**

Anton Artemev
President

Ekaterina Azimina
Director on finance and economy

The preliminary consolidated income statement is to be read in conjunction with the notes to and forming part of the preliminary consolidated financial statements set out on pages 7 to 33.

	Note	31 March 2005 '000 EURO	31 December 2004 '000 EURO
ASSETS			
Non-current assets			
Property, plant and equipment	9	540,492	518,416
Intangible assets	10	2,357	2,306
Investments in associates	11	8,878	8,666
Other investments	12	239	227
		551,966	529,615
Current assets			
Investments	12	52,425	27,639
Inventories	14	77,815	72,175
Income tax receivable		576	1,306
Trade and other receivables	15	62,099	64,914
Cash and cash equivalents	17	39,953	45,990
		232,868	212,024
Total assets		784,834	741,639
EQUITY AND LIABILITIES			
Equity	18		
Preference shares		2,536	2,536
Ordinary shares		20,081	20,081
Share premium		37,929	37,929
Treasury shares		(1,117)	(368)
Foreign currency translation reserve		11,355	(15,384)
Retained earnings		482,056	510,977
		552,840	555,771
Non-current liabilities			
Loans and borrowings	19	33,074	33,665
Deferred tax liabilities	13	31,040	27,959
		64,114	61,624
Current liabilities			
Loans and borrowings	19	42,270	45,049
Income tax payable		983	-
Trade and other payables	21	113,748	63,308
Provisions	20	10,879	15,887
		167,880	124,244
Total equity and liabilities		784,834	741,639

The preliminary consolidated balance sheet is to be read in conjunction with the notes to and forming part of the preliminary consolidated financial statements set out on pages 7 to 33.

	Three months ended 31 March	
	2005	2004
	’000 EURO	’000 EURO
OPERATING ACTIVITIES		
Net profit for the year	23,272	12,416
Adjustments for:		
Depreciation and amortisation	15,507	13,529
Loss/(gain) on disposal of property, plant and equipment	85	164
Income from associates	(588)	(392)
Interest expense	1,001	645
Interest income	(1,523)	(610)
Income tax expense	7,544	7,053
Operating profit before changes in working capital and provisions	45,298	32,805
(Increase)/decrease in inventories	(2,093)	(8,702)
(Increase)/decrease in trade and other receivables	6,207	(1,240)
Increase/(decrease) in trade and other payables	(11,133)	12,983
Increase/(decrease) in provisions	(5,686)	-
Cash flows from operations before income taxes and interest paid	32,593	35,846
Income taxes paid	(4,103)	(2,824)
Interest paid	(585)	(549)
Cash flows from operating activities	27,905	32,473
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	69	40
Interest received	1,523	610
Purchase of bank promissory notes	(23,059)	(167)
Acquisition of property, plant and equipment and intangible assets	(7,050)	(24,134)
Net change in loans made to third parties	-	115
Financial revenue received under leases	26	51
Principal payments received under leases	454	405
Cash flows from investing activities	(28,037)	(23,080)
FINANCING ACTIVITIES		
Bank indebtedness	(6,426)	(10,236)
Proceeds from sale of treasury shares	(719)	426
Proceeds from long-term borrowings	-	4,321
Payment of finance lease liabilities	(695)	(731)
Dividends paid	(187)	(14)
Cash flows from financing activities	(8,027)	(6,234)
Translation differences	2,122	865
Net increase/(decrease) in cash and cash equivalents	(6,037)	4,024
Cash and cash equivalents at beginning of year	45,990	21,940
Cash and cash equivalents at end of year (note 17)	39,953	25,964

The preliminary consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the preliminary consolidated financial statements set out on pages 7 to 33.

’000 EURO	**Preference Shares**	**Ordinary Shares**	**Share premium**	**Retained earnings**	**Treasury shares**	**Foreign currency translation reserve**	**Total**
Balance at 1 January 2004	2,536	20,081	37,929	443,959	(1,079)	1,813	505,239
Net profit for the period				110,599			110,599
Foreign exchange differences						(17,197)	(17,197)
Net treasury stock acquired					711		711
Dividends to shareholders				(43,581)			(43,581)
Balance at 31 December 2004	2,536	20,081	37,929	510,977	(368)	(15,384)	555,771
Net profit for the period				23,272			23,272
Foreign exchange differences						26,739	26,739
Net treasury stock acquired					(749)		(749)
Dividends to shareholders				(52,193)			(52,193)
Balance at 31 March 2005	2,536	20,081	37,929	482,056	(1,117)	11,355	552,840

The preliminary consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the preliminary consolidated financial statements set out on pages 7 to 33.

1 Background

(a) Organisation and operations

OAO Baltika Brewery (the “Company”) is an open joint-stock company incorporated under Russian legislation and was registered on 21 July 1992, and through a controlling interest in nine companies and four branches (referred to collectively as the "Group"), produces and distributes beer and mineral water.

The Company's ordinary shares are 82% owned and controlled by Baltic Beverages Holding AB. The remainder of the ordinary shares are widely held.

The Company's preference shares are 17% owned and controlled by Baltic Beverages Holding AB. The remainder of the preference shares are widely held.

As at reporting period end the Group consists of five production plants: Baltika-Saint-Petersburg, Baltika-Tula, Baltika-Rostov, Baltika-Samara and Baltika-Khabarovsk and nine subsidiaries: OOO Baltika-Moscow, OOO Leasing-Optimum, OOO Universalopttorg, OOO Terminal Podolsk, OOO Baltika-Ukraine, OsOO Baltika, Baltika S.R.L., Baltika-Almaty LLP and Baltika Deutschland GmbH.

Most of the Group's customers are located in Russia. The Group's raw materials are readily available, and the Group is not dependent on a single supplier or only a few suppliers.

Related party transactions are detailed in note 25.

(b) Russian business environment

The Russian Federation has been experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation involve risks that typically do not exist in other markets. The accompanying preliminary consolidated financial statements reflect management’s assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management’s assessment.

2 Basis of preparation

(a) Statement of compliance

These preliminary consolidated financial statements have been prepared following the requirements of IFRS 1 *First-time Adoption of International Financial Reporting Standards* (IFRSs) with the exception of IAS 33 (*Earnings per Share*), as part of the Group’s preparation for the future adoption of IFRSs. When the Group prepares its first complete set of preliminary consolidated IFRS financial statements, as of and for the year ended 31 December 2005, they will be prepared in accordance with the Standards and Interpretations in effect as of that date.

Accordingly these preliminary consolidated IFRS financial statements, have been prepared by management using its best knowledge of the Standards and Interpretations expected to be in effect at 31 December 2005, and the accounting policies expected to be applied in the Group’s first complete set of preliminary consolidated IFRS financial statements with the exception mentioned in the previous paragraph. Any changes to such Standards, Interpretations or accounting policies may require adjustment to these preliminary consolidated IFRS financial statements.

(b) Basis of measurement

The preliminary consolidated financial statements are prepared on the historical cost basis except that derivative financial instruments, investments available-for-sale are stated at fair value; items of property, plant and equipment aquired before 1 January 2004 were appraised to determine there deemed cost as part of the adoption of IFRSs; and the carrying amounts of share capital and share premium items in existence at 31 December 2002 include adjustments for the effects of hyperinflation, which were calculated using conversion factors derived from the Russian Federation Consumer Price Index published by the Russian Statistics Agency, *GosKomStat*. Russia ceased to be hyperinflationary for IFRS purposes as of 1 January 2003.

(c) Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble ("RUR"), which is the Parent Company's functional currency because it reflects the economic substance of the underlying events and circumstances of the Parent Company.

These preliminary consolidated financial statements are presented in Euro ("EURO") since management believes that this currency is more useful for the users of the financial statements. All financial information presented in EURO has been rounded to the nearest thousand.

The RUR is not a readily convertible currency outside the Russian Federation and, accordingly, any conversion of RUR to EURO should not be construed as a representation that the RUR amounts have been, could be, or will be in the future, convertible into EURO at the exchange rate disclosed, or at any other exchange rate.

(d) Going concern

The accompanying preliminary consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. The recoverability of the Group's assets, as well as the future operations of the Group, may be significantly affected by the current and future economic environment (see note 1(b)). The accompanying preliminary consolidated financial statements do not include any adjustments should the Group be unable to continue as a going concern.

(e) Use of estimates

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with IFRS. Actual results could differ from those estimates.

In particular, information about significant areas of estimation uncertainty and critical judgments made by management in preparing these IFRS financial statements are described in the following notes:

- Note 24 – contingencies.

3 Significant accounting policies

The following significant accounting policies have been applied in the preparation of the preliminary consolidated financial statements. These accounting policies have been consistently applied.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the preliminary consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

(ii) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The preliminary consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

(iii) Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealised gains arising from intragroup transactions, are eliminated in preparing the preliminary consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled enterprises are eliminated to the extent of the Group's interest in the enterprise. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

(b) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currency of each enterprise in the Group at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rate ruling at the dates the fair values were determined. Foreign exchange differences arising on translation are recognised in the income statement.

Where necessary, the assets and liabilities of Group enterprises are translated into EURO at the exchange rate at the end of the year. Revenues and expenses are translated into EURO using rates approximating exchange rates at the dates of the transactions. The resulting exchange difference is recorded directly in equity in the foreign currency translation reserve.

(c) Property, plant and equipment

(i) Owned assets

Property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads. The cost of property, plant and equipment at the date of adopting IFRS, 1 January 2004, was determined by reference to its fair value at that date ("deemed cost").

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

(iii) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the component being written off. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use. Land is not depreciated.

The estimated useful lives are as follows:

- Buildings 40 years
- Construction 25 to 50 years
- Machinery and equipment 6 to 10 years
- Trucks 6 years
- Other 5 to 10 years.

(d) Intangible assets

(i) Other intangible assets

Other intangible assets, which are acquired by the Group and which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

(ii) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised from the date the asset is available for use.

The estimated useful lives of other intangible assets are 2-10 years.

(e) Investments

Investments are recognised (derecognised) when the Group obtains (loses) control over the contractual rights inherent in that asset.

Except as outlined below, investments are accounted for as follows:

- Investments held-to-maturity, including acquired promissory notes, are stated initially at cost. Subsequent to initial recognition they are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period to maturity on an effective interest basis.
- Other investments are classified as available-for-sale and are stated at fair value, with any resultant gain or loss being recognised in the income statement.

The fair value of investments available-for-sale is their quoted bid price at the balance sheet date. Investments in equity securities that are not quoted on a stock exchange, and where fair value cannot be estimated on a reasonable basis by other means, are stated at cost less impairment losses.

(f) Derivatives

Derivatives are stated at fair value, with any resultant gain or loss recognised in the income statement.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

(h) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(j) Impairment

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(i) Calculation of recoverable amount

The recoverable amount of the Group's held-to-maturity investments, and loans and receivables, is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a held-to-maturity investment, loan or receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Share capital

(i) Preference share capital

Preference share capital, which is non-redeemable and non-cumulative, is classified as equity.

(ii) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is deducted from equity.

(iii) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(l) Loans and borrowings

Loans and borrowings are recognised initially at cost. Subsequent to initial recognition, loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(m) Employee benefits

The Group makes contributions for the benefit of employees to Russia's State pension fund. The contributions are expensed as incurred.

(n) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(o) Trade and other payables

Trade and other payables are stated at cost.

(p) Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill; initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and investments in subsidiaries where the Parent Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Revenues

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

(r) Financial income and expenses

Financial income and expenses comprise interest expense on borrowings, the accumulation of interest on provisions, interest income on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on the revaluation and disposal of investments available-for-sale.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of net financing costs.

Interest income is recognised as it accrues, taking into account the effective yield on the asset. For investments in associates, dividend income is credited to the investment in the associate. For investments in other companies, dividend income is recognised on the date that the dividend is declared.

(s) Other expenses

(i) Operating leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made.

(ii) Social expenditure

To the extent that the Group’s contributions to social programs benefit the community at large and are not restricted to the Group’s employees, they are recognised in the income statement as incurred.

4 Administrative expenses

	Three months ended 31 March	
	2005	**2004**
	’000 EURO	**’000 EURO**
Wages and salaries	3,048	2,289
Payroll taxes	637	440
Other payroll	220	254
IT and Communications	342	381
Facilities	678	619
Depreciation	1,274	1,274
Other administrative expenses	768	1,857
	6,967	7,114

5 Other operating expenses, net

	Three months ended 31 March	
	2005	**2004**
	’000 EURO	**’000 EURO**
Loss on disposal of property, plant and equipment	(85)	(164)
Other income/(expense)	(129)	17
	(214)	(147)

6 Total personnel costs

	Three months ended 31 March	
	2005	**2004**
	’000 EURO	**’000 EURO**
Wages and salaries	16,250	13,437
Payroll taxes	3,511	4,018
Other payroll	1,302	1,237
	21,063	18,692

The average number of employees during 3 months ended 31 March 2005 was 7,766 (3 months ended 31 March 2004: 8,846).

7 Financial income and expenses

	Three months ended 31 March	
	2005	**2004**
	'000 EURO	**'000 EURO**
Financial income		
Interest income	1,523	610
Foreign exchange gain	1,994	2,439
	3,517	3,049
Financial expenses		
Interest expense	1,001	645
Foreign exchange loss	1,782	629
	2,783	1,274

8 Income tax expense

	Three months ended 31 March	
	2005	**2004**
	'000 EURO	**'000 EURO**
Current tax expense		
Current year	5,852	3,923
	5,852	3,923
Deferred tax expense		
Origination and reversal of temporary differences	1,692	3,130
	1,692	3,130
	7,544	7,053

The Group's applicable tax rate is the corporate income tax rate of 24% (2004: 24%).

Reconciliation of effective tax rate:

	Three months ended 31 March			
	2005		2004	
	’000 EURO	%	’000 EURO	%
Profit before tax	30,816		19,469	
Income tax at applicable tax rate	7,396	24.0%	4,673	24.0%
Change in tax rate	(990)	(3.2)%	452	2.3%
Non-deductible items	1,456	4.7%	1,096	5.6%
Effect of local concessions granted to affiliates	(296)	(1.0)%	(179)	(1.0)%
Other	(22)	-	1,012	5.2%
	7,544	24.5%	7,053	36.2%

9 Property, plant and equipment

’000 EURO	Land and buildings	Machinery and equipment	Kegs	Construction in progress	Total
Deemed cost					
At 1 January 2005	140,260	371,470	18,299	42,965	572,994
Additions	69	7,999	1,367	2,994	12,429
Disposals	(44)	(697)	(355)	-	(1,096)
Reclassification	2,773	8,460	5	(11,238)	-
Foreign currency translation difference	6,869	18,333	907	1,954	28,063
At 31 March 2005	149,927	405,565	20,223	36,675	612,390
Depreciation					
At 1 January 2005	(3,605)	(49,098)	(1,875)	-	(54,578)
Depreciation charge	(1,063)	(13,733)	(571)	-	(15,367)
Disposals	18	668	256	-	942
Foreign currency translation difference	(193)	(2,606)	(96)	-	(2,895)
At 31 March 2005	(4,843)	(64,769)	(2,286)	-	(71,898)

Net book value					
At 1 January 2005	136,655	322,372	16,424	42,965	518,416
At 31 March 2005	145,084	340,796	17,937	36,675	540,492

(a) Determination of deemed cost

In 2004 management commissioned Lenstroymateriali to independently appraise property, plant and equipment, as of 1 January 2004 in order to determine its deemed cost. The fair value of property, plant and equipment as of 1 January 2004 as determined by independent appraisal was used as a deemed cost of property, plant and equipment for the purposes of the beginning January 2004 IFRS balance sheet.

(b) Security

As at 31 March 2005 property, plant and equipment includes production equipment amounting to EURO 26,833 th. (at net book value), that has been pledged under a long term loan agreement with the EBRD. (31 December 2004: EURO 27,126 th.) (see note 19).

(c) Leased plant and machinery

The Group leased production equipment under a number of finance lease agreements that expire within the next two years. At 31 March 2005 the net book value of leased plant and machinery was EURO 7,285 th. (31 December 2004: EURO 7,155 th.). The leased equipment secures lease obligations.

Amortization of assets held under capital leases is included in cost of goods sold.

10 Intangible assets

’000 EURO	**Other intangible assets**
Cost	
At 1 January 2005	2,991
Additions	80
Disposals	-
Foreign currency translation difference	147
At 31 March 2005	3,218

Amortisation and impairment losses	
At 1 January 2005	(685)
Amortisation charge	(141)
Disposals	-
Foreign currency translation difference	(35)
At 31 March 2005	(861)
Net book value	
At 1 January 2005	2,306
At 31 March 2005	2,357

The amortisation charge for the year is included in cost of sales, distribution and administrative expenses.

11 Investments in associates

The Group has the following investments in associates:

	Country	Ownership/Voting
Malterie Soufflet Saint Petersbourg	Russia	30%

This company produces malt. The Group’s share of post-acquisition total recognised gains and losses in associates as of 31 March 2005 was EURO 7,188 th. (31 December 2004: EURO 7,054 th.).

12 Other investments

	31 March 2005 ’000 EURO	31 December 2004 ’000 EURO
Non-current		
Available-for-sale investments:	239	227
Stated at cost	239	227
	239	227
Current		
Investments held-to-maturity:	52,425	27,639
Promissory notes	52,425	27,639
	52,425	27,639

Investments held-to-maturity represent bank promissory notes purchased from a range of Russian based banks initial maturity of which is more than 90 days recorded at armotized cost which approximates fair value.

13 Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

’000 EURO	Assets		Liabilities		Net	
	31 March 2005	31 December 2004	31 March 2005	31 December 2004	31 March 2005	31 December 2004
Property, plant and equipment	3,386	2,585	(35,903)	(30,182)	(32,517)	(27,597)
Intangible assets	-	-	(149)	(133)	(149)	(133)
Investments	-	-	(551)	(363)	(551)	(363)
Inventories	-	22	(761)	(546)	(761)	(524)
Trade and other receivables	1,338	109	(83)	(59)	1,255	50
Trade and other payables	1,683	608	-	-	1,683	608
Tax assets/(liabilities)	6,407	3,324	(37,447)	(31,283)	(31,040)	(27,959)
Set off of tax	-	-	-	-	-	-
Net tax assets/(liabilities)	6,407	3,324	(37,447)	(31,283)	(31,040)	(27,959)

14 Inventories

	31 March 2005	31 December 2004
	’000 EURO	’000 EURO
Raw materials and consumables	54,685	52,227
Work in progress	7,142	6,750
Finished goods and goods for resale	15,988	13,198
Inventory stated at net realisable value	77,815	72,175

15 Trade and other receivables

	31 March 2005 '000 EURO	31 December 2004 '000 EURO
Accounts receivable, trade	28,908	32,155
VAT receivable	17,818	19,601
Advances to suppliers	9,894	8,301
Other receivables	6,913	6,151
Provision for doubtful debtors	(1,434)	(1,294)
	62,099	64,914

16 Finance lease receivables

The Group acts as a lessor under finance leases of plant and equipment. The leases typically run for a period of between 2 to 3 years, with transfer of ownership of the leased asset at the end of the lease term. Interest is charged over the period of the lease based on market related interest rates. During 2005 the Group leased out to Vena, a company with which the Group has a Parent in common, machinery and equipment with a cost of EURO 4,051 th. The contract expires during 2005. Other receivables include the following finance lease receivables:

	31 March 2005 '000 EURO	31 December 2004 '000 EURO
Gross investment in finance leases	1,423	1,820
Unearned finance income	(40)	(66)
Net investment in finance leases	1,383	1,754
Gross investment in finance leases, with remaining maturities		
Less than one year	1,423	1,820
Between one and five years	-	-
More than five years	-	-
Net investment in finance leases, with remaining maturities		
Less than one year	1,383	1,754
Between one and five years	-	-
More than five years	-	-

Income on finance leases is recognized in interest income.

17 Cash and cash equivalents

	31 March 2005 '000 EURO	31 December 2004 '000 EURO
Bank balances	29,036	19,045
Bank deposits	10,917	26,945
Cash and cash equivalents in the balance sheet	39,953	45,990
Cash and cash equivalents in the statement of cash flows	39,953	45,990

18 Equity

(a) Share capital and share premium

Number of shares unless otherwise stated	Ordinary shares 31 March 2005	Ordinary shares 31 December 2004	Preference shares 31 March 2005	Preference shares 31 December 2004
Authorised shares				
Par value	RUR 1	RUR 1	RUR 1	RUR 1
On issue at beginning of year	117,158,530	117,158,530	13,545,150	13,545,150
On issue at end of year, fully paid	117,158,530	117,158,530	13,545,150	13,545,150

Preference shares have no right of conversion or redemption, but are entitled to an annual dividend equal to the nominal value multiplied by the interest rate of the Savings Bank of the Russian Federation, plus 10%. If the dividend is not paid, preference shares carry the right to vote until the following Annual Shareholders Meeting. However, the dividend is not cumulative. The preference shares also carry the right to vote in respect of issues that influence the interests of preference shareholders, including reorganisation and liquidation.

In the event of liquidation preference shareholders first receive any declared unpaid dividends and the par value of the preference shares ("liquidation value"). Thereafter all shareholders, ordinary and preference, participate equally in the distribution of the remaining assets.

(b) Treasury shares

At the balance sheet date the Group held 72,217 of ordinary and 7,808 of preference own shares (31 December 2004: 28,295 of ordinary and 4,308 of preference shares).

(c) Dividends

In accordance with Russian legislation the Company's distributable reserves are limited to the balance of accumulated retained earnings as recorded in the Company's statutory financial statements prepared in accordance with Russian Accounting Principles. At 31 March 2005 the euro equivalent of the amount available for distribution for Parent company and its subsidiaries, calculated based on statutory retained earnings of preliminary consolidated financial statements of the Company in roubles at the period end rate is EURO 395,211 th. (2004: EURO 384,131 th.).

The following table demonstrates declared dividends for the periods ended 31 March 2005 and 31 December 2004:

	RUR per share	**EURO per share equivalent**	**Thousands EURO**
31 December 2004			
Preference shares			
Dividends for 2003 (first instalment)	9.08	0.26	3,417
Dividends for 2003 (second instalment)	6.05	0.17	2,277
Total dividends declared preference shares in 2004			5,694
Ordinary shares			
Dividends for 2003 (first instalment)	7.00	0.20	22,784
Dividends for 2003 (second instalment)	4.64	0.13	15,103
Total dividends declared ordinary shares in 2004			37,887
31 March 2005			
Preference shares			
Dividends for 2004 (first instalment)	10.87	0.30	4,091
Dividends for 2004 (second instalment)	7.25	0.20	2,728
Total dividends declared preference shares in 2005			6,819
Ordinary shares			
Dividends for 2004 (first instalment)	8.36	0.23	27,212
Dividends for 2004 (second instalment)	5.58	0.16	18,162
Total dividends declared ordinary shares in 2005			45,374

The Shareholder’s meeting held on 30 March 2005 approved dividends equivalent to EURO 52,193 th.

19 Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings.

	31 March 2005 '000 EURO	31 December 2004 '000 EURO
Non-current		
Borrowings under financing agreement with EBRD	-	1,468
Borrowings under financing agreement with Calyon Corporate and Investment Bank	4,176	3,971
Bonds issued	27,734	26,448
Finance lease obligation	1,164	1,778
	33,074	33,665
Current		
Current portion of secured bank loans	5,950	4,091
Unsecured bank facility	32,647	38,273
Bonds issued	849	-
Current portion of finance lease obligation	2,824	2,685
	42,270	45,049

On 23 April 2004, the Federal Securities Commission of Russia registered the bond issuance prospectus of the Company. The total par value of the bond issue is RUR 1 billion and the par value of each bond is RUR 1,000.

ZAO Raiffeisenbank Austria was the organizer, underwriter and paying agent for the issue.

The initial placement was conducted on 26 October 2004 in the form of a private subscription to ZAO Raiffeisenbank Austria. The coupon payments are to be made every 182 days, at an effective semi-annual coupon rate of 8.75% per annum. The maturity of the issue is three years.

Since 23 November 2004 the bonds are trading through and outside of the Moscow Interbank Currency Exchange (MICEX).

The EBRD loan represents a revolving credit facility with a loan amount not exceeding $14,000 th. Under the terms of the EBRD borrowing agreement the Group is required to follow the specified levels of cash flow in relation to the amounts borrowed in order to be able to declare or pay dividends, distribute any of its share capital, purchase, redeem or acquire any of its shares, or make any payment of principal on any subordinated debt.

In July 2003 the Group signed a financing agreement with Calyon Corporate and Investment Bank (former Credit Lyonnais S.A.) Under which the Group was granted a credit line. The terms of the credit facility are determined for each individual withdrawal. The credit line should not exceed $30,000 th.

As of 31 March 2005 the liability represents a loan received to finance the purchase of the equipment for the malt production in the amount not exceeding EURO 7,179 th. to be repaid in US dollars. The deadline for drawings is 31 March 2005. The loan is to be repaid in 10 semi-annual instalments commencing on 30 December 2004.

For more information about the Group's exposure to interest rate and foreign currency risk, see note 22.

(a) Terms and debt repayment schedule

'000 EURO	Total	Under 1 year	1-5 years	Over 5 years
Secured bank loans:				
USD – variable at LIBOR+1.5%	10,126	5,950	4,176	-
Bond issues:				
RUR – fixed at 8.75%	28,583	849	27,734	-
Finance lease:				
USD – variable at LIBOR+8.75%	3,988	2,824	1,164	-
Unsecured bank loans:				
USD – variable at LIBOR+ 1.4:1.5 %	32,647	32,647	-	-
	75,344	42,270	33,074 -	-

(b) Finance lease liabilities

Finance lease liabilities are payable as follows:

	31 March 2005			31 December 2004		
'000 EURO	Payments	Interest	Principal	Payments	Interest	Principal
Less than one year	3,056	232	2,824	2,941	256	2,685
Between one and five years	1,200	36	1,164	1,845	67	1,778
More than five years	-	-	-	-	-	-
	4,256	268	3,988	4,786	323	4,463

20 Provisions

’000 EURO	**Restructuring**
Balance at 1 January 2005	15,887
Provisions used during the year	(5,734)
Translation difference	726
Balance at 31 March 2005	10,879
Non-current	-
Current	10,879
	10,879

In order to rationalize the Group’s operations the Group has adopted a long-term strategic plan that resulted in redundancies and associated costs. In 2004, the Group recorded EURO 17,562 th. in respect of these redundancies and associated costs. During 2004, EURO 791 th. of such costs were paid and charged against the accrued liability, and EURO 884 th., recorded as foreign currency loss.

21 Trade and other payables

	31 March 2005	**31 December 2004**
	’000 EURO	**’000 EURO**
Accounts payable, trade	28,154	22,215
Payables to associates (Soufflet)	787	1,883
Dividends payable	54,030	2,019
Other taxes payable	15,349	20,017
Accrued salaries, wages and benefits	9,042	8,190
Other payables and accrued expenses	6,386	8,984
	113,748	63,308

22 Financial instruments

Exposure to credit, interest rate and currency risk arises in the normal course of the Group’s business.

(a) Credit risk

The Group require collateral in respect of trade receivables above of a set amount. Credit evaluations are performed on all customers, other than related parties, requiring credit over a certain amount.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of taking new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

(c) Foreign currency risk

The Group incurs foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Russian rouble. The currencies giving rise to this risk are primarily USD and euro.

(d) Fair values

The fair value of investments is discussed in note 12.

In other cases fair value has been determined as of the balance sheet date by discounting the estimated future cash flows using market interest rates for similar instruments. As a result of this exercise management believes that the fair value of its financial assets and liabilities approximates their carrying amounts.

23 Commitments

As at 31 March 2005, the Group had the following major capital commitments for projects to be completed in 2005 (31 December 2004: EURO 5.4 million):

Project	Amount in million EURO
St. Petersburg plant	8.6
Baltika-Tula plant	0.5
Baltika-Khabarovsk plant	0.6
Baltika-Samara plant	0.5
Total	10.2

24 Contingencies

Financial Guarantees

As of 31 March 2005, the Group has issued guarantees aggregating EURO 776 th. on borrowings by its affiliate Soufflet. It is expected that the Group will not be required to make payments under its guarantees. The Group monitors the financial performance of this affiliate. No amount has been accrued for the Group's obligation under its guarantee arrangements.

Taxation contingencies

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these preliminary consolidated IFRS financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

In 2004 the tax authorities performed on-site tax audits of the Company with regard to all major taxes. The total amount of additional taxes, penalties and interest fines imposed by the tax authorities based on the results of the audits was approximately EURO 1,170 th.. The most significant portion of additional tax, penalties and interest fines of EURO 1000 th. related to profits tax. The tax authorities challenged that the Company was entitled to deduct expenses related to the tax base of transitional period and expenses related to maintenance of airplane. The Company had two hearings in arbitration court in this regard. The second was held on 19 April 2005 Both decisions were taken in favour of the Company.

The tax authorities have also completed an audit of OOO Leasing-Optimum covering all the major taxes including VAT for a period from 27 May 2002 till 31 December 2003. The total amount of additional taxes, penalties and interest fines imposed by the tax authorities based on the results of the audits was approximately EURO 8,237 th. The first hearing in arbitration court was held on 11 April 2005. The decision was taken in favour of the Company.

25 Related party transactions

(a) Control relationships

The Company’s Parent Company is Baltic Beverages Holding AB. In addition, the Group has a controlling relationship with all of its subsidiaries (see note 26 for a list of significant subsidiaries).

(b) Transactions with related parties

Related parties comprise the shareholders of the Parent Company and all other companies in which those shareholders, either individually or together, have a controlling interest.

Sales with related parties for the period were as follows:

	Three months ended 31 March	
	2005	**2004**
	'000 EURO	**'000 EURO**
Sale of goods	540	-
	540	-

Purchases of raw materials and services from related parties for the period were as follows:

	Three months ended 31 March	
	2005	**2004**
	'000 EURO	**'000 EURO**
Purchase of raw materials	3,195	5,448
Royalty	163	93
	3,358	5,541

Trade and other receivables owing by related parties at the end of the period were as follows:

	31 March 2005	**31 December 2004**
	'000 EURO	**'000 EURO**
Receivables	697	-
Finance lease	1,383	1,754
	2,080	1,754

Trade and other payables owing to related parties at the end of the period were as follows:

	31 March 2005	**31 December 2004**
	'000 EURO	**'000 EURO**
Trade payables	787	2,555
Royalty	270	106
	1,057	2,661

In three months 2005 the Group purchased raw materials (i.e. malt) from Soufflet, an associate to the Group amounting to a total of EURO 2,597 th., (w/out VAT) or 13% of total malt purchases, and 9,546 tons, or 12% in total malt purchases by volume. In three months 2004 the Group's purchases from Soufflet amounted to a total of EURO 5,448 th. (w/out VAT) or 21% of total malt purchases, and 19,076 tons, or 25% in total malt purchases by volume.

In three months 2005 the Group purchased raw materials (i.e. malt) from Dannish Malting Group, a company, affiliated to Carlsberg, amounting to a total of EURO 598 th. (w/out VAT) or 3% of total malt purchases, and 2,400 tons, or 3% in total malt purchases by volume. The liability to Dannish Malting Group for malt amounted to EURO 672 th. as at 31 December 2004.

The liability to Soufflet for malt amounted to EURO 787 th. and EURO 1,883 th. as at 31 March 2005 and 31 December 2004 respectively.

In 2005 the Group leased out to Vena, certain machinery and equipment in amount of EURO 4,051 th..

The liability to Carlsberg for royalty amounted to EURO 270 th. and EURO 106 th. as at 31 March 2005 and 31 December 2004 respectively.

26 Significant subsidiaries

As at 31 March 2005, the subsidiary companies which are included in the consolidation, consist of the following:

Name	Nature of Business	Country of Incorporation	Ownership
OOO Baltika-Moscow	Distribution of Baltika beer	Russia	100.00%
OOO Leasing-Optimum	Leasing	Russia	100.00%
OOO Batika-Ukraine	Distribution of Baltika beer	Ukraine	100.00%
Baltika S.R.L.	Distribution of Baltika beer	Moldova	100.00%
Baltika-Almaty LLP	Distribution of Baltika beer	Kazakhstan	100.00%
OsOO Baltika	Distribution of Baltika beer	Kirgizia	100.00%
OOO Terminal Podolsk	Warehouse	Russia	100.00%
OOO Universalopttorg	Warehouse	Russia	100.00%
Baltika Deutschland GmbH	Distribution of Baltika beer	Germany	100.00%

27 Explanation of transition to IFRSs

The presentation currency used for US GAAP financial statements was the USD. For convenience purposes in order to demonstrate the reconciliation of equity from US GAAP to IFRS, the USD values were translated into EURO values with application of period end rates of EURO/USD for balance sheets captions. As of 31 December 2004, 31 March 2004 and 31 December 2003 the rates were 0.7339, 0.8185, 0.7999 respectively. For profit and loss captions the USD values were translated into EURO values with application of average period rates of EURO/USD. For the three months ended 31 March 2004 and the year ended 31 December 2004 the rates were 0.7993, 0.8045 respectively.

Reconciliation of equity

		31 December 2003			31 March 2004			31 December 2004		
		Previous GAAP	**Transition to IFRS**	**IFRS**	**Previous GAAP**	**Transition to IFRS**	**IFRS**	**Previous GAAP**	**Transition to IFRS**	**IFRS**
	Note	**’000 EURO**	**’000 EURO**	**’000 EURO**	**’000 EURO**	**’000 EURO**	**’000 EURO**	**’000 EURO**	**’000 EURO**	**’000 EURO**
ASSETS										
Non-current assets										
Property, plant and equipment		526,187	(29,422)	496,765	564,806	(28,932)	535,874	541,747	(23,331)	518,416
Intangible assets		766	(19)	747	707	(13)	694	2,306	-	2,306
Investments in associates		8,610	-	8,610	9,011	-	9,011	8,666	-	8,666
Other investments		233	-	233	247	-	247	227	-	227
		535,796	(29,441)	506,355	574,771	(28,945)	545,826	552,946	(23,331)	529,615
Current assets										
Investments		5,435	-	5,435	5,923	-	5,923	27,639	-	27,639
Inventories		54,858	-	54,858	67,013	-	67,013	72,175	-	72,175
Income tax receivable		700	-	700	296	-	296	1,306	-	1,306
Trade and other receivables		68,873	-	68,873	73,828	-	73,828	64,914	-	64,914
Cash and cash equivalents		21,940	-	21,940	25,964	-	25,964	45,990	-	45,990
		151,806		151,806	173,024		173,024	212,024		212,024
Total assets		687,602	(29,441)	658,161	747,795	(28,945)	718,850	764,970	(23,331)	741,639
EQUITY AND LIABILITIES										
Equity										
Preference shares		2,372	164	2,536	2,427	109	2,536	2,176	360	2,536
Ordinary shares		19,095	986	20,081	19,541	540	20,081	17,520	2,561	20,081
Share premium		32,050	5,879	37,929	32,797	5,132	37,929	29,406	8,523	37,929
Treasury shares		(1,079)	-	(1,079)	(701)	-	(701)	(368)	-	(368)
Foreign currency translation reserve		24,661	(22,848)	1,813	43,238	(12,112)	31,126	54,861	(70,245)	(15,384)
Retained earnings		451,339	(7,380)	443,959	473,077	(16,702)	456,675	470,554	40,423	510,977
		528,438	(23,199)	505,239	570,379	(23,033)	547,346	574,149	(18,378)	555,771

Non-current liabilities									
Loans and borrowings	11,525	-	11,525	15,468	-	15,468	33,665	-	33,665
Deferred tax liabilities	26,289	(6,242)	20,047	30,350	(5,912)	24,438	32,912	(4,953)	27,959
	37,814	(6,242)	31,572	45,818	(5,912)	39,906	66,577	(4,953)	61,624
Current liabilities									
Loans and borrowings	64,089	-	64,089	57,055	-	57,055	45,049	-	45,049
Income tax payable	-	-	-	362	-	362	-	-	-
Trade and other payables	57,261	-	57,261	74,181	-	74,181	63,308	-	63,308
Provisions	-	-	-	-	-	-	15,887	-	15,887
	121,350	-	121,350	131,598	-	131,598	124,244	-	124,244
Total equity and liabilities	687,602	(29,441)	658,161	747,795	(28,945)	718,850	764,970	(23,331)	741,639

Reconciliation of net profit for 2004

		Threee months ended 31 March 2004			**Year ended 31 December 2004**		
		Previous GAAP	**Transition to IFRS**	**IFRS**	**Previous GAAP**	**Transition to IFRS**	**IFRS**
	Note	**’000 EURO**	**’000 EURO**	**’000 EURO**	**’000 EURO**	**’000 EURO**	**’000 EURO**
Gross revenues		149,168	-	149,168	878,721	-	878,721
Excise Taxes		(13,258)	-	(13,258)	(79,059)	-	(79,059)
Revenues		135,910	-	135,910	799,662	-	799,662
Cost of sales		(83,198)	5,104	(78,094)	(441,796)	23,457	(418,339)
Gross profit		52,712	5,104	57,816	357,866	23,457	381,323
Distribution expenses		(30,971)	(2,282)	(33,253)	(172,255)	(12,601)	(184,856)
Administrative expenses		(5,840)	(1,274)	(7,114)	(46,828)	(5,143)	(51,971)
Other operating expenses, net		(231)	84	(147)	(1,210)	541	(669)
Profit from operations		15,670	1,632	17,302	137,573	6,254	143,827
Financial income		3,049	-	3,049	9,291	-	9,291
Financial expenses		(1,786)	512	(1,274)	(6,942)	(616)	(7,558)
Income from associates		392	-	392	902	-	902
Profit before tax		17,325	2,144	19,469	140,824	5,638	146,462
Income tax expense		(6,380)	(673)	(7,053)	(34,673)	(1,190)	(35,863)
Profit after tax		10,945	1,471	12,416	106,151	4,448	110,599
Net profit for the year		10,945	1,471	12,416	106,151	4,448	110,599

In 2004 management commissioned Lenstroymateriali to independently appraise property, plant and equipment, as of 1 January 2004 in order to determine its deemed cost. The fair value of property, plant and equipment as of 1 January 2004 as determined by independent appraisal was used to record the property, plant and equipment as of 1 January 2004.

The effect to the financial statements as compared to previous GAAP is to decrease property, plant and equipment by EURO 29,422 th. at 31 December 2003, EURO 28,932 th. at 31 March 2004, EURO 23,311 th. Euro at 31 December 2004.

Due to the fact that property, plant and equipment has been recored at a deemed cost which was less than cost of property, plant and equipment under previous GAAP, there was a decrease in depreciation expense for the three month ended 31 March 2004 by EURO 1,548 th., other operating expense by EURO 84 th.; for the year ended 31 December 2004 – by EURO 5,713 th. and EURO 541 th. respectively as compared to previous GAAP.

As the result of the above adjustments, the amount of deffered tax liabilities was reduced by EURO 6,242 th. at 31 December 2003, EURO 5,912 th. at 31 March 2004, EURO 4,953 th. at 31 December 2004.

Due to the fact that functional currency of the Group is RUR, the Group has performed recalculation of amounts of share capital and share premium with application of indexes to movements in this accounts prior to 1 January 2003. The effect of such a recalculation was an increase in share capital by EURO 1,150 th. at 31 December 2003, EURO 649 th. at 31 March 2004, EURO 2,921 th. at 31 December 2004; an increase share premium by EURO 5,879 th.; EURO 5,132 th. ; EURO 8, 523 th. respectively.