



**Wimm-
Bill-
Dann**

Wimm-Bill-Dann Foods OJSC [NYSE: WBD]

Investor Presentation
FY 2006



Forward Looking Statements



**ВИМ-
БИЛЛ-
ДАНН**

This presentation contains forward-looking statements that reflect Wimm-Bill-Dann's current views and estimates, which are based on many factors and assumptions.

Changes in such factors or assumptions could produce significantly different results.





ВИММ-
БИЛЛ-
ДАНН

Who Is Wimm-Bill-Dann?

Russia's Largest Food Company with Growing CIS Business

Headquarters:	Moscow
Founded:	1992
Manufacturing: Independent	33 production sites in Russia and the Commonwealth of States (CIS)
Products:	A full range of diversified branded dairy products, juice, nectars, water and fast growing baby food
Listing:	WBD: NYSE - Level 3 ADR
Market Cap:	US \$3.7 Billion
Employees:	Over 21,000
Market Position:	Russian dairy market leader
Revenue Structure:	Dairy ~75%; Beverages ~18%; Baby Food ~7%
Corporate Governance:	WBD assigned highest corporate governance score in Russia by Standard & Poor's Governance Services

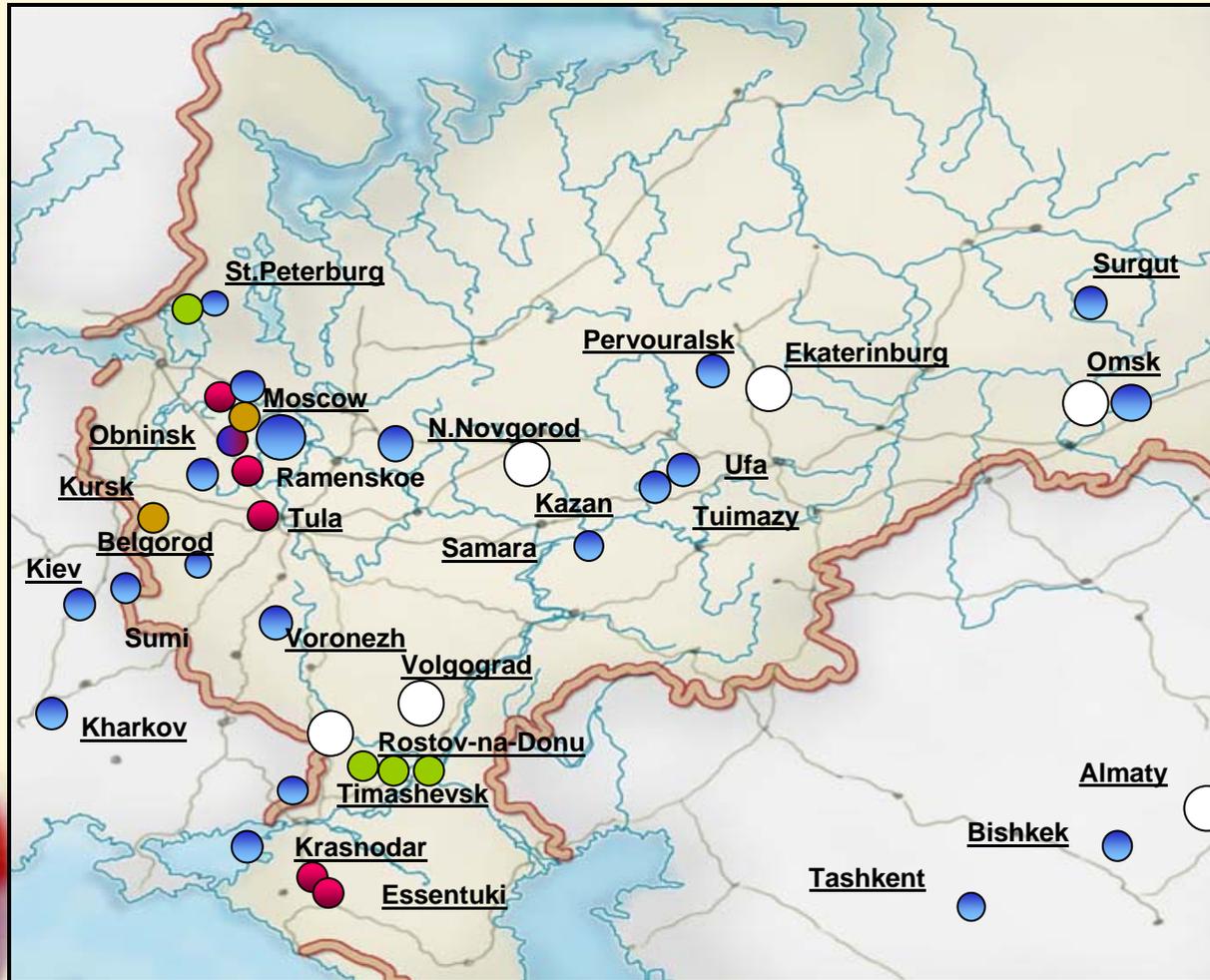




ВИММ-
БИЛЬ-
ДАНН

Growing National & CIS Platform

33 Production facilities in Russia & CIS



- Dairy production sites
- Beverages production sites
- Dairy production sites with beverages lines
- Baby Food production sites
- Farms
- Large distribution centers



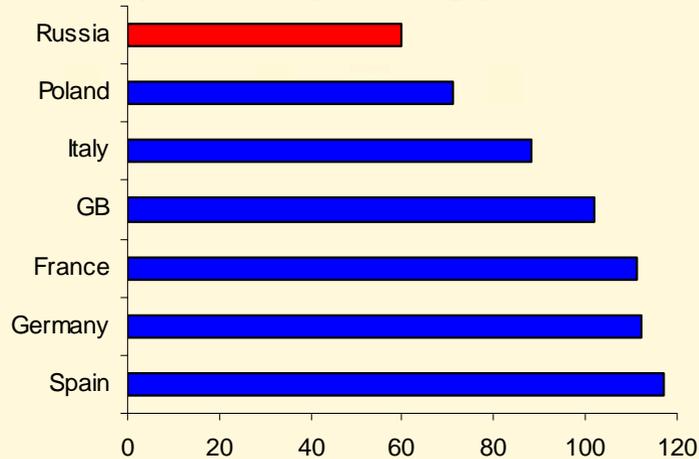


ВИМ-
БИЛЬ-
ДАНН

Dairy – Market Overview

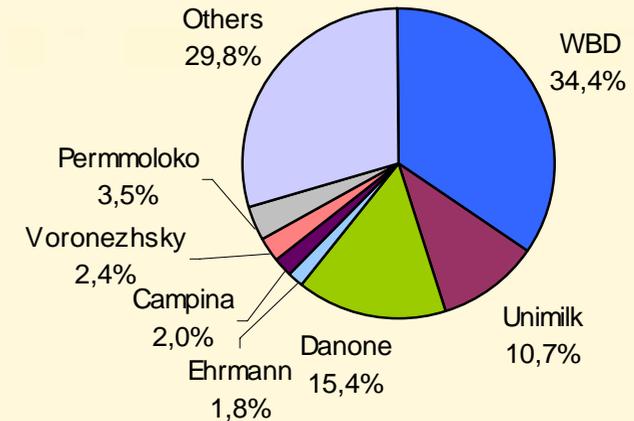
WBD remains clear market leader with room to grow

Dairy consumption, kg/person



Source: Datamonitor, Reuters Business Insight, GKS

Structure of Russian Dairy Market 2006



Source: ACNielsen Retail Audit; value terms

- Russian dairy consumption trails CEE & WE peers
- Market remains fragmented with many small producers
- Sustainable growth outlook in higher margin yogurts & desserts
- Continued growth in traditional segment in the regions
- WBD increases market share in 2006 to 34.4%

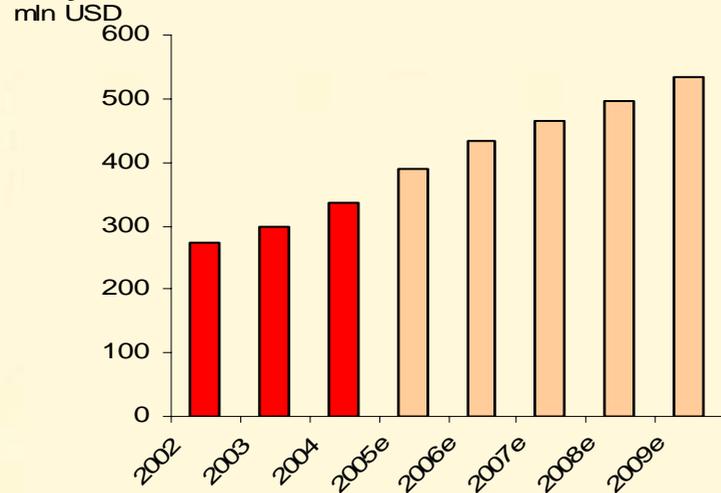


Вимм-Билль-Данн

Baby Food – A ‘Young’ Market

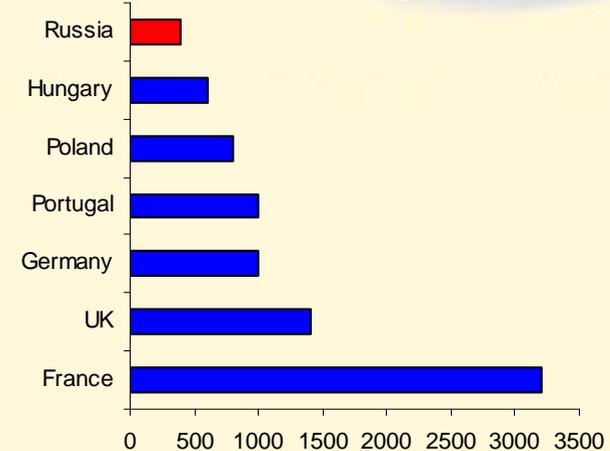
More than 11% CAGR projected for Russian mkt up to 2009

Baby Food – Estimated Mkt Value 2002-2009



Source: Euromonitor

Baby Food – Annual Per Capita Consumption (kg)



Source: Euromonitor

- Russian baby food consumption still trails CEE & WEE peers
- Additional disposable income drives market growth
- Our sales up 43% & margins up 51% year-over-year in FY 2006
- Fragmented market - leadership by sub-segment (WBD in dairy)
- New niches & regional markets entry expected to continue in 2007



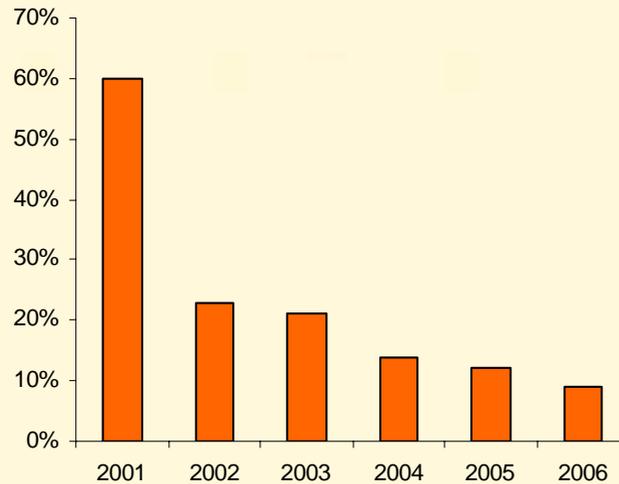
Beverages – Market Overview



БИМБИ-
БИАНЬ-
БАНИ

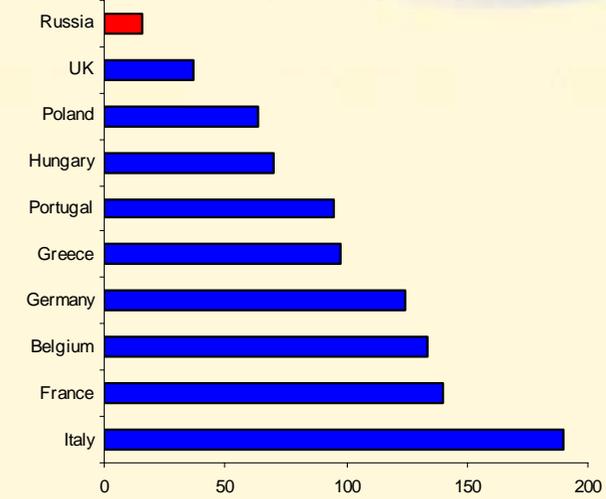
Challenging juice environment, opportunities in water

Juice Market Y-o-Y growth, volume %



Source: WBD

Bottled Water per capita (liters, 2005)



Source: ACNielsen Retail Audit; value terms

- WBD No. 3 in juice market in 2006 (19.4%)
- 4 domestic players control 85% of the market
- Regional growth driving market – dominated by lower-middle segment
- Bottled water market fragmented & few true mineral waters

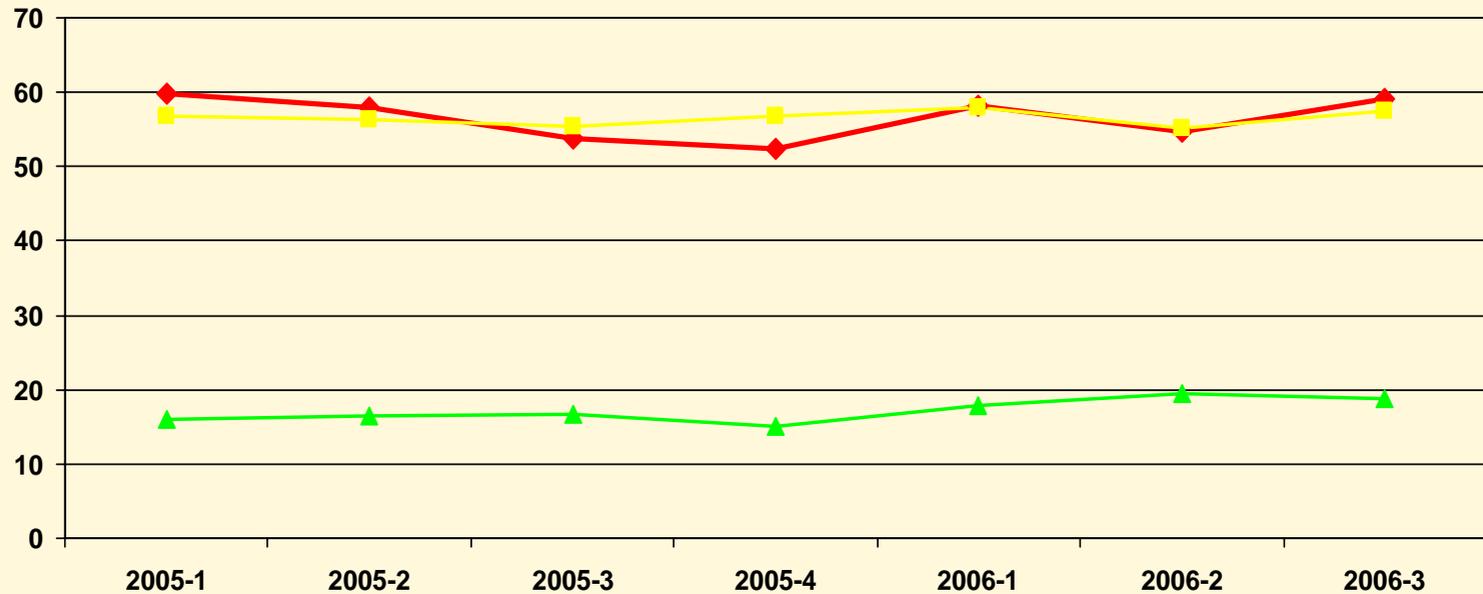




БИМ-БАНА
ТО ЧТО ТЫ ХОЧЕШЬ

Health and Wellness Awareness in Russia growing

- Almost 60% of population think about health everyday
- Russian Institute of Nutrition data shows near 50% Russians 30 y.o. plus are overweight & their average weight increase for last 2 years is 2 kg
- From 05 the % of people who spend a lot of time trying to lose weight + 5%



◆ I care about my health

■ I consider my nutrition to an important part of health

▲ I spend a lot of time trying to "lose" weight



**ВИММ-
БИЛЛ-
ДАНН**

Our Mission

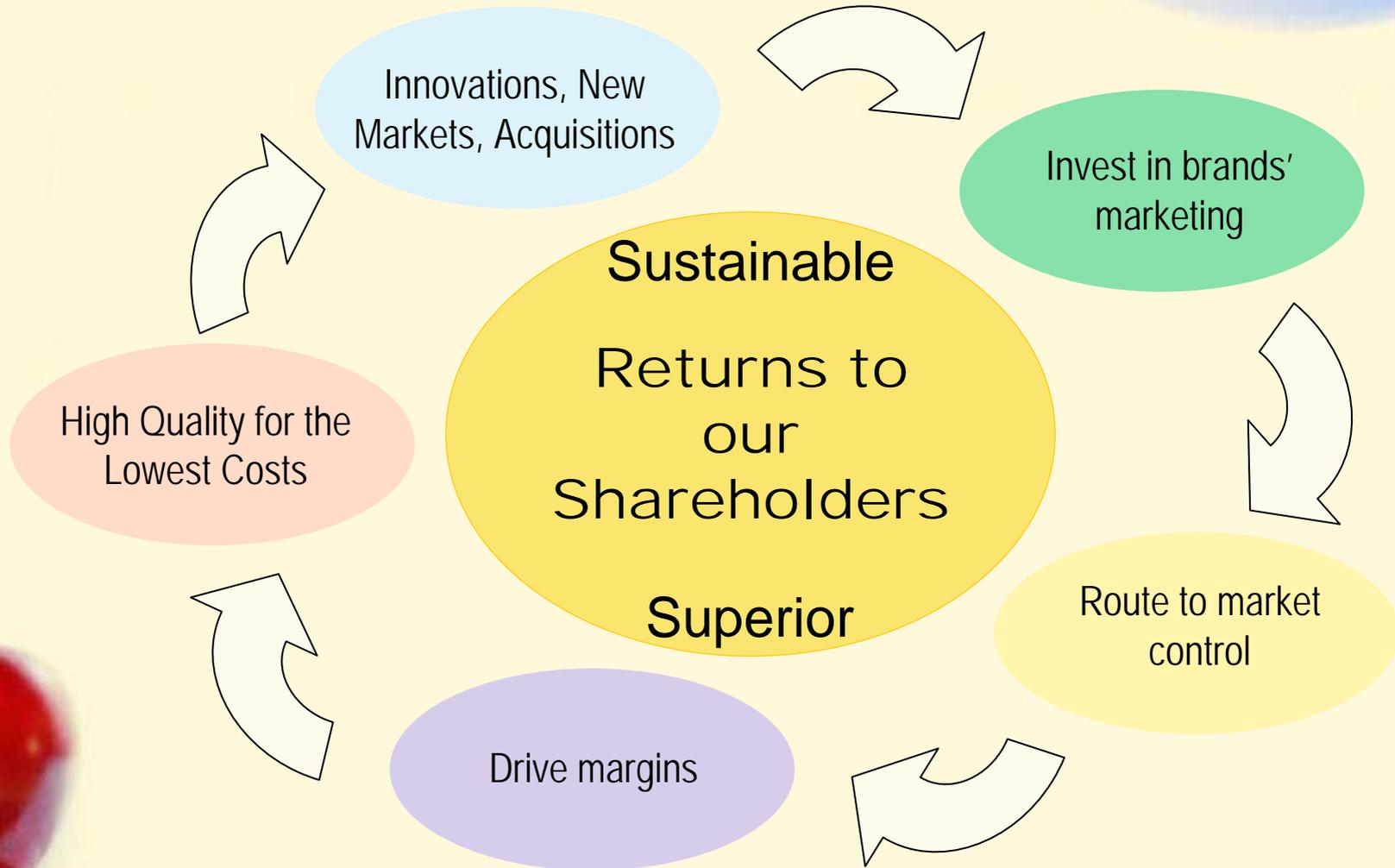
Wimm-Bill-Dann helps the entire family live healthier by enjoying our nutritious and delicious food and beverage products everyday throughout their lives





ВИМ-
БИЛЛ-
ДАНН

Wimm-Bill-Dann's Strategic Imperatives





Invest in Marketing to Grow Brand Equity

A Balanced Portfolio Health and Wellness Power Brands

ВИММ-БИЛЬ-ДАНН

WBD range offers natural ingredients, strong nutritional value, functional foods, 95% products preservative and artificial flavour free, hypo-allergenic variants, vitamin fortification.

Baby Food



Juice



Dairy

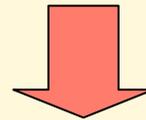
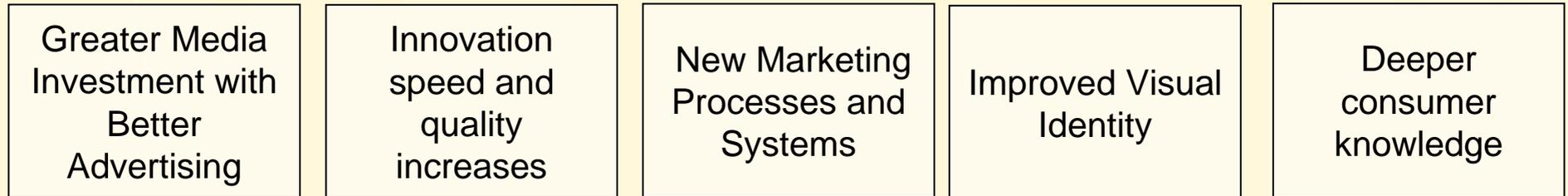
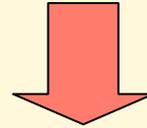




БИМБИ-БИБИ-БАНИ
ТО ЧТО ТЫ ХОЧЕШЬ

Invest in Marketing to Grow Brand Equity

5 Core Marketing Pillars supported by Capability



Building Marketing and R+D Capability

- New Group Head of Marketing and Innovation (GMI) November 06
- All Marketing and R+D report to GMI position
- New Beverages Marketing Director Oct 06
- New Media Director from Multi-National Q2 07
- New Innovation Marketing Manager Q2 07 (new category expansion)
- New marketing team members Q1 07 with experience at Kraft, Cadbury, Mars, Danone, Coca-Cola, Campbells Soup, Procter and Gamble





БИМБИ-БИЛЛИ-БАНИ
ТО ЧТО ТЫ ХОЧЕШЬ

Invest in Marketing to Grow Brand Equity

Greater Media Investment with Better Advertising

- Media efficiency audit by UK global Audit Agency April
- Brand Architecture clarity and some repositioning Q1
- New quantitative research testing for all ads March onwards
- Consistency of message – multi-ad campaigns – Feb onwards



Invest in Marketing to Grow Brand Equity

New Marketing Systems and Processes



**БИМ-
БАМБИНО**

- **Clear Vision and Objectives for each brand**
- **Multi-year Business Planning**
- **New Project Management Systems and Processes**
- **Improved Brand Health Monthly Research Tracking**
- **National SKU Management – reviewing, unification, and reducing**
- **Accelerated Marketing Technical training**





Invest in Marketing to Grow Brand Equity

Improved Visual Identity

Review of Visual Identity for all WBD brands in 2007 to provide brand consistency, appetite appeal and visual impact:

Q1 first project – juice brands



Current design
"Orange"



Invest in Marketing to Grow Brand Equity



БИМБИ-
БИМБИ-
БИМБИ

Deeper Consumer Knowledge

- Monthly tracking of Key Health and Wellness Consumer Sentiment
- Quantitative Advertising testing with Global Milward Brown LINK
- Quantitative Price Elasticity Modeling complete Q3 07
- Shopper behaviour - first research projects
- Increases in Marketing team store visits
- Greater awareness of Global Innovation progress





**БИМ-
БАМБИНО**

Strategic Imperatives

Invest In Sales Team & RTM Control

- **Expand Sales Reps number and quality**
- **Focus on trade marketing and POS marketing**
- **More control over distribution network**
- **Centralized Key Account Management for all businesses => economies of skill and scale in dealing with large customers**
- **Implementing new merchandising standards to focus on impulse high margin products**
- **Performance based reward systems for all staff and distributors**
- **Continued focus on regional markets & production**





**БИМБИ-
БИБИ-
БАНИ**

Strategic Imperatives

Drive Margin Through Brands, Pack, Channel Mix

- Price levels set using elasticity knowledge by package, region, channel and season
- Build 'On the Go' consumption and other high margin channels
- Launch new higher margin packs targeted to specific consumer occasions/channels
- Invest in high margin brands
- Optimal combination price, advertising, in-store investment





**БИМБИ-
БИБИ-
ДАНИ**

Strategic Imperatives

Always Quality First Whilst Driving Lowest Appropriate Cost

- **Quality specifications for all SKUs and raw materials**
- **Regular Retail Quality audits and action plans**
- **Improved forecasting and demand planning processes**
- **Re-engineer processes to dramatically cut bureaucracy**
- **New IT system and KBI reporting processes**
- **Capture SBU synergy, centralization of functions**
 - Procurement
 - Production Planning in Dairy
- **Legal entities consolidation**
- **Manning reduction by July 2007 y-o-y (-3000)**





**БИМБИ-
БИБИ-
БОНИ**

Strategic Imperatives

Accelerate Innovation, New Category Entry & Acquisitions

- **Clear innovation targets for contribution to sales, profit**
- **Innovate into new categories consistent to mission & profitable**
- **Acquire strong regional businesses in current categories (dairy, beverages, BF)**
- **Assess acquisition of other food and service companies**
- **Assess expansion in CIS and other countries**





БИМБИ-
БИЛБИ-
БИНИ

Accelerate Innovation

Innovation speed and quality increases

- **Innovations - newer, higher-margin products to win market share**

- Morand truffles



- Spoonable yogurt w/ natural fruits on the bottom



- Curd dessert with caramel filling



- Prunes-nuts for Neo 2 Bio drinkable yogurts/curd desserts

- Dried apricots-nuts for Neo 2 Bio drinkable yogurts/curd desserts

- Cereals for Neo Imunele



FY 2006 Operational Highlights



БИМБИ-
БИЛБИ-
БИЛБИ

- **Profitable growth accelerates in 2006**
- **Senior Appointments:**
 - Tony Maher appointed, new CEO (April)
 - Grant Winterton, Group Head of Marketing and Innovation (Q4 '06)
 - Silviu Popivici - Beverages BU Head, (Q3'06)
 - Larissa Shyan – Group Financial Controller (Q4 '06 from Deloitte)
- **Regional dairy plants acquired:**
 - Surgut (September 2006)
 - Ochakovo Dairy Plant - the 4th largest dairy producer in Russia and one of the largest dairy enterprises in Moscow (November 2006)
 - Manros Dairy Company - the largest independent dairy manufacturer in Siberia and the Far East (October 2006)
 - MOLKA dairy plant – in Irkutsk region (December 2006)
- **Successful completion of secondary offering of 10% of common stock on RTS by founders (November)**





**БИМБИ-
БИБИ-
ДАНИ**

FY 2006 Financial Highlights (underlying numbers)

Profitable growth across all segments

	FY 2006	FY 2005	Change, %
	US\$mIn	US\$ mln	
Sales	1762.1	1394.6	26.4%
<i>Dairy</i>	1320.9	1003.6	31.6%
<i>Beverages</i>	324.1	303.2	6.9%
<i>Baby Food</i>	117.2	87.8	33.5%
Gross Profit	568.0	395.6	43.6%
Gross Profit Margin, %	32.2%	28.4%	380 bp
Selling and distribution expenses	(246.1)	(192.0)	28.2%
General and administrative expenses	(134.5)	(109.6)	22.7%
Operating income	171.9	87.5	96.5%
Net income	108.5	30.3	285.5%
Net profit margin, %	9.8%	6.3%	350 bp
EBITDA*	234.3	140.9	66.2%
EBITDA margin, %	13.3%	10.1%	320 bp
CAPEX excluding acquisitions	130.0	75.1	73.0%

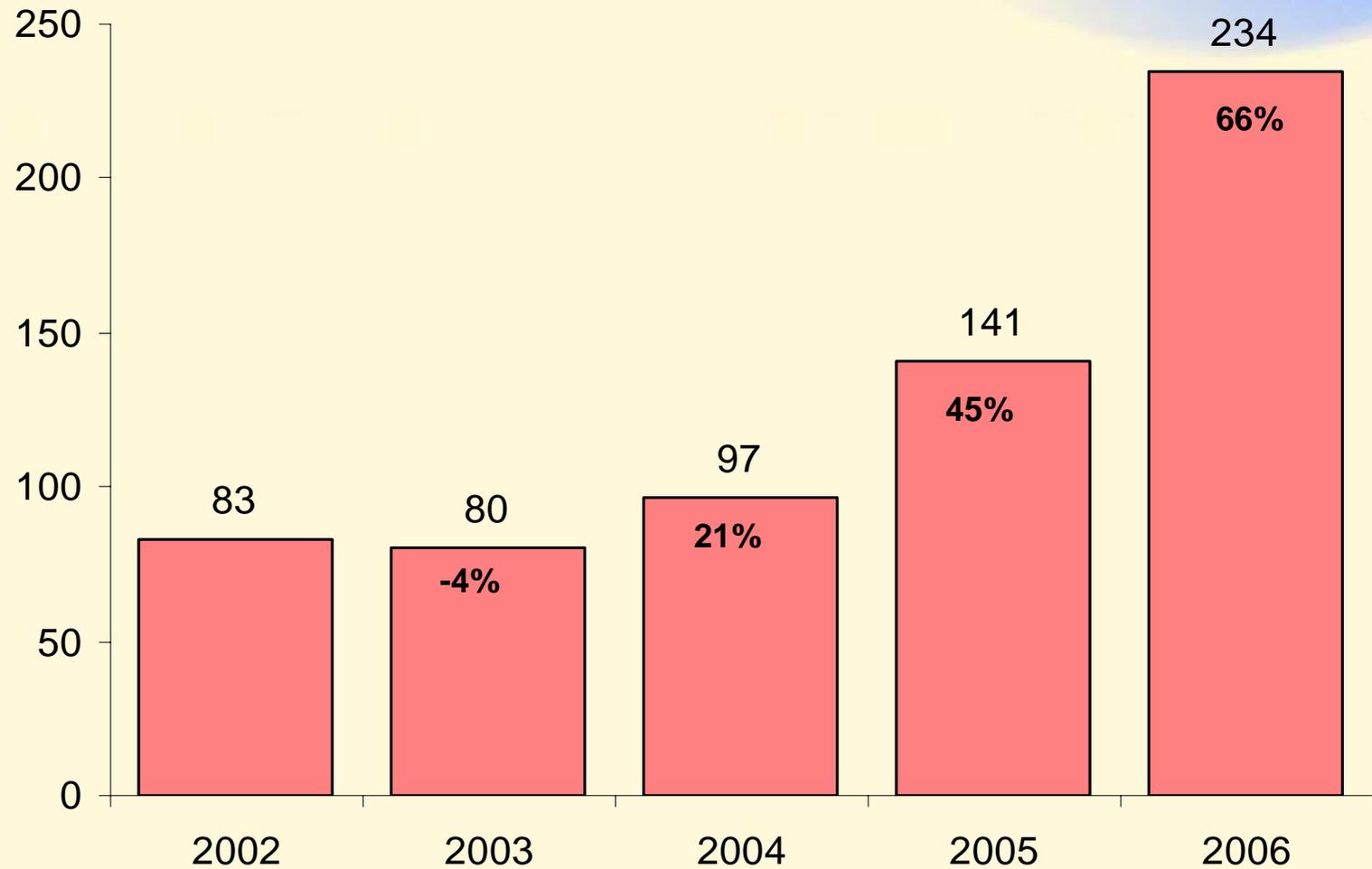
* Non-GAAP indicator: for reconciliation of EBITDA to US GAAP Net Income see www.wbd.com/f_reports/



**ВИМ-
БИЛЬ-
ДАНН**

FY 2006 Financials

EBITDA, mln USD

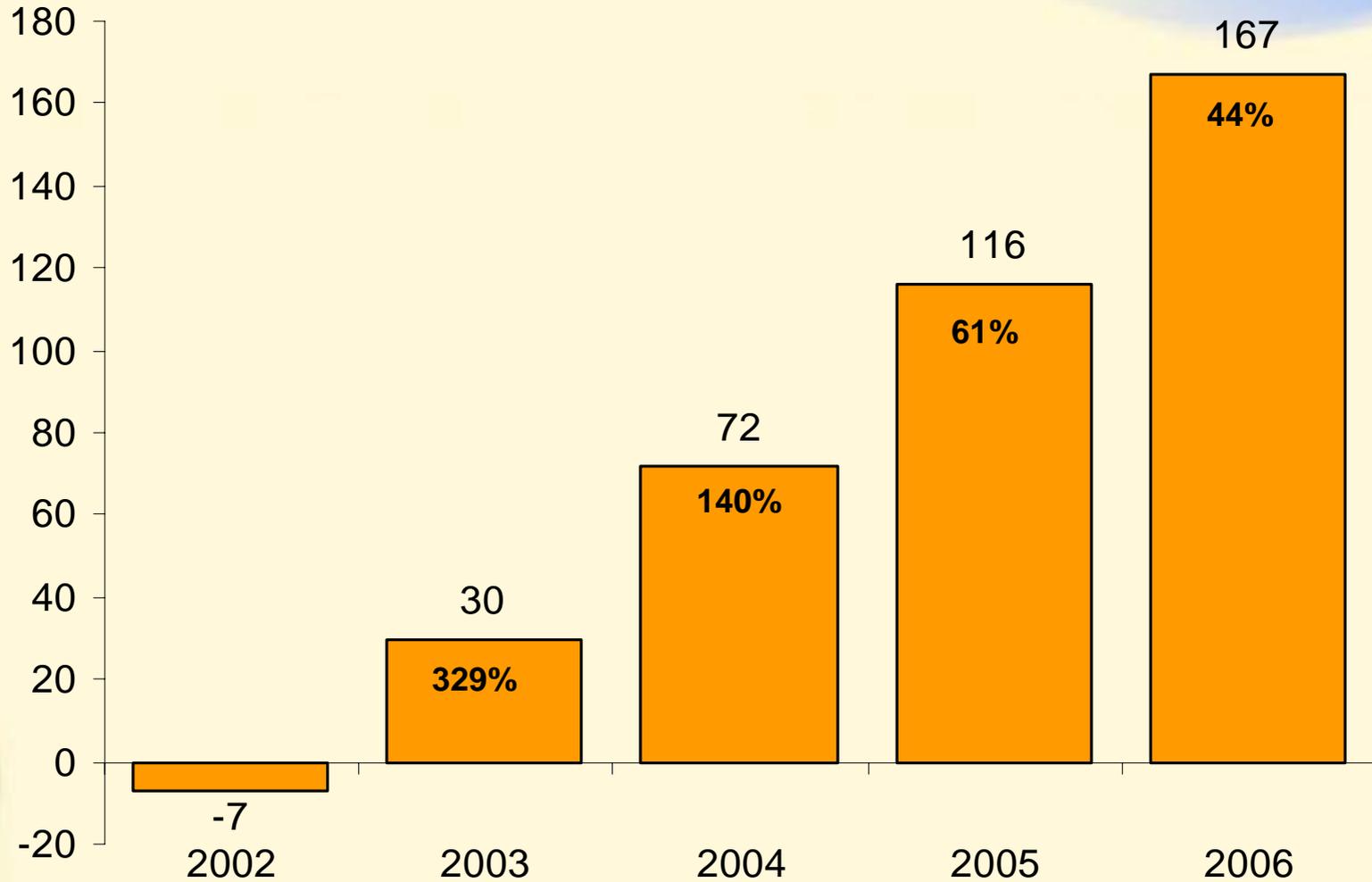




**ВИМ-
БИЛЬ-
ДАНН**

FY 2006 Financials

Operating Cash flow, mln USD





ВИММ-БИЛЛИ-БАНН
ТО ЧТО ТЫ ХОЧЕШЬ

WBD – ADR Performance

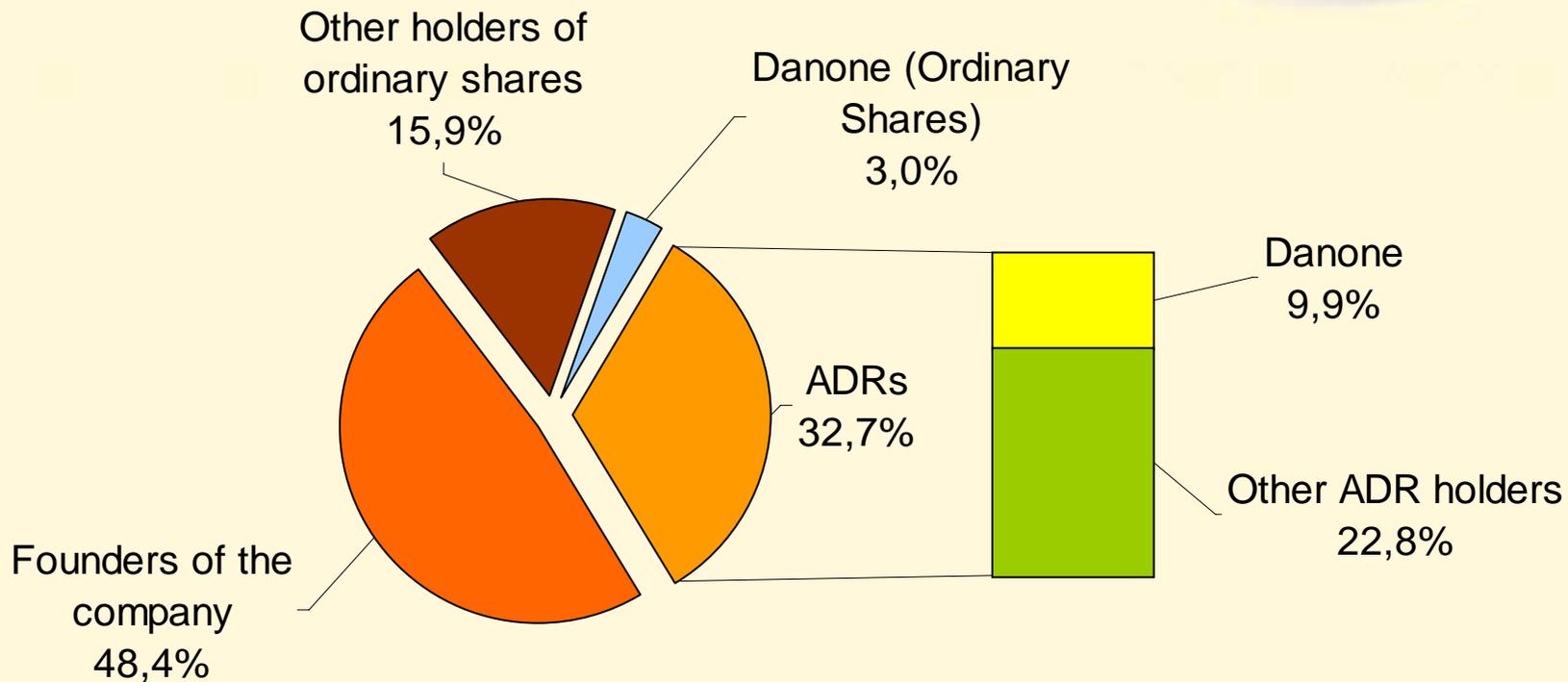
Closing price of ADR on NYSE (US\$)



WBD – Shareholder Structure



ВИМ-БИЛЛА-ДАНОНИ
ТО ЧТО ТЫ ХОЧЕШЬ



Based on Company's List of affiliates from 31.12.2006 with later amendments
Danone has announced increasing its stake from 12.9% to 13.7% recently.



**ВИМ-
БИЛЛ-
ДАНН**

IR Contacts

Also see our re-launched IR site: www.wbd.com

Marina Kagan, Head of Public Affairs

Phone: +7 495 105 5805

Fax: +7 495 105 5800

e-mail: kagan@wbd.ru

Natalya Belyavskaya, Senior Investor Relations Manager

Phone: +7 495 105 5805, ext. 11611

Fax: +7 495 105 5800

e-mail: belyavskayaND@wbd.ru

Wimm-Bill-Dann Foods OJSC

13, Solyanka st., Bld. 2, Moscow, 109028, Russia

<http://www.wbd.com>

