WIMM-BILL-DANN FOODS OJSC
IMPROVES PROFITABILITY AND STRENGTHENS ITS MARKET POSITION
IN 2009

Moscow, Russia – March 23, 2010 – Wimm-Bill-Dann Foods OJSC [NYSE: WBD] today announced its financial results for the full year and the fourth quarter ended December 31, 2009.

Highlights for the full year and the fourth quarter of 2009

- Group gross margin improved 110 basis points year-on-year to 33.4% in the full year of 2009
- Group gross margin decreased to 30.1% in the fourth quarter of 2009 from 32.7% in the fourth quarter 2008, driven by acute shortage and sharp increase in raw milk costs at the end of 2009
- EBITDA margin increased to 14.1% in the full year of 2009 compared to 12.8% in 2008
- On a constant currency basis (in rubles), EBITDA increased by 8.5% year-on-year in the full year of 2009
- Group revenue in US dollars decreased 22.8% year-on-year to US$2,181.1 million in the full year of 2009, driven by ruble devaluation, and partially offset by improved sales mix in Dairy and stronger volumes in Beverages and Baby Food
- Operating profit margin improved to 9.2% in the full year of 2009 from 8.7% in 2008
- Net income in US dollars increased 14.6% year-on-year to US$116.5 million in the full year of 2009
- On a constant currency basis (in rubles), net income increased by 46.4% year-on-year in the full year of 2009
- As of the end of the full year of 2009, our net debt decreased by 30.5% year-on-year to US$275.3 million
- Our free cash flow grew to US$187.0 million in the full year of 2009 from US$139.8 million in the same period of 2008

"Wimm-Bill-Dann achieved solid growth in profitability and significantly improved its balance sheet in 2009 despite continuing macroeconomic pressure and a temporary shortage of raw milk late in the year, which impacted dairy sales and margins in the fourth quarter," said Tony Maher, Wimm-Bill-Dann's Chief Executive Officer. "While we were forced to restrict the production of some of our dairy products in the fourth quarter, on the whole, we succeeded in further strengthening our market position. We increased our market share and maintained our leading market position in baby food. We accelerated share gains in beverages, enhancing our market position. Furthermore, and most importantly, we are confident in the fundamentals of all of our markets and remain fully committed to our strategy of profitable growth coupled with sound financial discipline."

"Group revenue in US dollars decreased 22.8% year-on-year to US$2,181.1 million in the full year of 2009, and by 7% year-on-year to US$585.5 million in the fourth quarter of 2009, driven by ruble devaluation, and partially offset by improved sales mix in dairy and stronger volumes in beverages and baby food. Group revenue in rubles stood flat year-on-year in the fourth quarter of 2009."

"For the full year of 2009, group gross margins increased 110 basis points year-over-year to 33.4%, reflecting improved gross margins in all business segments. In 2009, gross margin in beverages increased 60 basis points to 39.7%, dairy improved 30 basis points to 29.4%, and baby food continued its extraordinary performance, reaching 48.0%, up 110 basis points. Additionally, our EBITDA margin increased 130 basis points year-over-year to 14.1% in 2009, evidence of our efforts to drive efficiency gains and cost savings throughout the business."

"Despite the new challenges we faced in 2009, we remain optimistic about the coming year. We made significant progress in the last year strengthening our operations, investing in our brands, expanding our market share, and strengthening our balance sheet," Tony Maher added.

Key Financial Indicators for Full Year and 4Q 2009 vs. 2008

	FY 2009	FY 2008	Change	4Q 2009	4Q 2008	Change
	US$ 'mln	US$ 'mln		US$ 'mln	US$ 'mln	
Sales	**2,181.1**	**2,823.6**	**(22.8%)**	**585.5**	**629.4**	**(7.0%)**
Dairy	*1,530.2*	*2,095.9*	*(27.0%)*	*414.8*	*465.9*	*(11.0%)*
Beverages	*406.6*	*473.2*	*(14.1%)*	*103.2*	*100.7*	*2.5%*
Baby Food	*244.2*	*254.5*	*(4.0%)*	*67.4*	*62.8*	*7.4%*
Gross profit	**728.3**	**913.0**	**(20.2%)**	**176.4**	**206.0**	**(14.4%)**
Gross margin, %	***33.4%***	***32.3%***	***110 bp***	***30.1%***	***32.7%***	***(260 bp)***
Selling and distribution expenses	(379.7)	(488.1)	(22.2%)	(107.4)	(122.4)	(12.3%)
General and administrative expenses	(137.4)	(171.4)	(19.8%)	(40.3)	(34.9)	15.4%
Operating income	**201.7**	**245.1**	**(17.7%)**	**24.6**	**51.5**	**(52.3%)**
Operating margin, %	***9.2%***	***8.7%***	***50 bp***	***4.2%***	***8.2%***	***(400 bp)***
Financial expenses, net	(43.2)	(101.5)	(57.4%)	(11.5)	(65.0)	(82.3%)
Net income (loss)	**116.5**	**101.7**	**14.6%**	**7.1**	**(7.9)**	**190.6%**
EBITDA	**306.6**	**361.0**	**(15.1%)**	**60.0**	**78.2**	**(23.3%)**
EBITDA margin, %	***14.1%***	***12.8%***	***130 bp***	***10.2%***	***12.4%***	***(220 bp)***
CAPEX excluding acquisitions	121.8	195.3	(37.6%)	45.0	36.4	23.6%

Dairy

Sales in US dollars in the Dairy Segment decreased 27.0% to US$1,530.2 million in the full year of 2009 from US$2,095.9 million in the same period of 2008. This was driven mainly by the negative exchange rate. The average dollar selling price declined 21.8% to US$1.11 per 1 kg in the full year of 2009 from US$1.42 per 1 kg in the same period last year. The gross margin in the Dairy Segment increased to 29.4% in the full year of 2009 from 29.1% in 2008, driven by improved sales mix. Due to a sharp increase in raw milk costs in late 2009, caused by an acute dry and raw milk shortage, the gross margin in the Dairy Segment fell to 24.9% in the fourth quarter of 2009 from 28.9% in the fourth quarter of 2008.

Beverages

Sales in US dollars decreased 14.1% to US$406.6 million in the full year of 2009 compared to US$473.2 million in the same period of 2008. This was driven by the negative exchange rate and partially offset by strong volume growth and pricing. The average dollar selling price decreased 17.5% to US$0.76 per liter in the full year of 2009 from US$0.93 per liter in the same period of 2008. The gross margin in the Beverage Segment increased to 39.7% in the full year of 2009 from 39.1% in 2008, due to improved efficiency and lower concentrate costs.

Baby Food

Sales in US dollars in the Baby Food Segment decreased 4.0% to US$244.2 million in the full year of 2009 from US$254.5 million in the same period of 2008, due to the negative exchange rate and partially offset by strong volume growth. The average dollar selling price decreased 20.6% to US$1.82 per kg in the full year of 2009 from US$2.29 per kg in 2008. The gross margin in the Baby Food Segment increased to 48.0% in the full year of 2009 from 46.9% in 2008.

Key Cost Elements

In the full year of 2009, selling and distribution expenses decreased 22.2% year-on-year to US$379.7 million. Sales and distribution expenses as a percentage of sales increased slightly by 10 basis points year-on-year to 17.4% in the full year of 2009, driven by advertising and marketing expenses, which increased, as a percentage of sales, to 6.4% in 2009 from 5.0% in 2008. General and administrative expenses decreased 19.8% year-on-year to US$137.4 million in the full year of 2009. General and administrative expenses, as a percentage of sales, increased by 20 basis points year-on-year to 6.3%.

Operating profit in US dollars decreased 17.7% year-on-year to US$201.7 million in the full year of 2009. Operating profit margin improved to 9.2% in the full year of 2009 from 8.7% in 2008.

EBITDA in US dollars declined 15.1% year-on-year to US$306.6 million. EBITDA margin improved to 14.1% in the full year of 2009 compared to 12.8% in 2008. On a constant currency basis (in rubles), EBITDA increased 8.5% year-on-year in the full year of 2009.

In the full year of 2009, financial expenses declined 57.4% to US$43.2 million compared to US$101.5 million in the same period of 2008. This was mainly due to a decrease in currency remeasurement loss. In the full year of 2009, currency remeasurement loss amounted to US$11.6 million compared to the loss of US$61.4 million in 2008. Currency remeasurement loss is a non cash item.

Our effective tax rate decreased to 25.7% in the full year of 2009 from 27.8% in 2008.

Net Income

Net income in US dollars increased 14.6% to US$116.5 million in the full year of 2009 from US$101.7 million in the full year of 2008. In the fourth quarter of 2009, net income in US dollars amounted to US$7.1 million compared to the net loss of US$7.9 million in the fourth quarter of 2008.

On a constant currency basis (in rubles), net income increased by 46.4% year-on-year in the full year of 2009, and grew almost 300% in the fourth quarter of 2009 year-on-year.

Debt and Cash Flows

As of the end of the full year of 2009, our net debt decreased by 30.5% year-on-year to US$275.3 million, and our net debt-to-EBITDA ratio declined to 0.9 as of the end of 2009 from 1.1 in 2008.

Operating cash flow for the full year of 2009 totaled $312.3 million compared to $321.2 million in 2008. Our free cash flow grew to US$187.0 million in the full year of 2009 from US$139.8 million in the same period of 2008.

Attachment A
Reconciliation of EBITDA and EBITDA margin to US GAAP Net Income

EBITDA is a non-U.S. GAAP financial measure. The following table presents reconciliation of EBITDA to net income (and EBITDA margin to net income as a percentage of sales), the most directly comparable U.S. GAAP financial measure.

	12 months ended December 31, 2009		12 months ended December 31, 2008	
	US$ 'mln	US$ 'mln	US$ 'mln	% of sales
Net income ………………………………………	116.5	5.3%	101.7	3.6%
Add: Depreciation and amortization……………..	104.9	4.8%	115.8	4.1%
Add: Income tax expense………………………..	40.7	2.0%	39.9	1.4%
Add: Interest expense…………………………….	33.5	1.5%	44.5	1.6%
Less: Interest income……………………………..	(4.6)	(0.2%)	(6.6)	(0.2%)
Less: Currency remeasurement (gains)/losses, net	11.6	0.5%	61.4	2.2%
Add: Bank charges………………………………..	2.7	0.1%	2.9	0.1%
Add: Noncontrolling interests……………………..	1.2	0.1%	2.0	0.1%
Add: Other (gains)/losses……………………...….	0.1	0.01%	(0.6)	(0.02%)
EBITDA….……………………………….………	**306.6**	**14.1%**	**361.0**	**12.8%**

EBITDA represents net income before interest, income taxes and depreciation and amortization, adjusted for interest income, currency remeasurement gains, bank charges and other financial expenses and noncontrolling interest. EBITDA margin is EBITDA expressed as a percentage of sales.

We present EBITDA because we consider it an important supplemental measure of our operating performance. In particular, we believe EBITDA provides useful information to securities analysts, investors and other interested parties because it is used in the "debt to EBITDA" debt incurrence financial measurement in certain of our financing arrangements.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as substitute for analysis of our operating results as reported under U.S. GAAP. Moreover, other companies in our industry may calculate EBITDA differently or may use it for different purposes than we do, limiting its usefulness as a comparative measure.

EBITDA also should not be considered as an alternative to cash flow from operating activities or as a measure of our liquidity. In particular, EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

Consolidated Statements of Financial Position
(Amounts in thousands of U.S. dollars)

	December 31, 2009 (unaudited)	December 31, 2008 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 248,521	$ 277,252
Trade receivables, net	112,083	125,453
Inventory	191,334	223,768
Taxes receivable	32,304	64,916
Advances paid	22,678	14,834
Deferred tax asset	15,159	11,828
Other current assets	19,381	15,699
Total current assets	**641,460**	**733,750**
Non-current assets:		
Property, plant and equipment, net	699,996	693,468
Intangible assets, net	38,688	34,999
Goodwill	105,643	108,748
Other non-current assets	3,017	6,000
Total non-current assets	**847,344**	**843,215**
Total assets	**$ 1,488,804**	**$ 1,576,965**

Consolidated Statements of Financial Position

(Amounts in thousands of U.S. dollars)

(continued)

	December 31, 2009 (unaudited)	December 31, 2008 (audited)
Liabilities and equity		
Current liabilities:		
Trade accounts payable	$ 135,825	$ 133,886
Advances received	10,762	8,342
Short-term loans	4,521	66,278
Long-term loans, current portion	22,308	8,632
Long-term notes payable, current portion	185,835	159,153
Taxes payable	13,667	18,984
Accrued liabilities	54,969	33,864
Other payables	28,249	43,073
Total current liabilities	**456,136**	**472,212**
Long-term liabilities:		
Long-term loans	285,998	327,157
Long-term notes payable	-	88,494
Other long-term payables	21,215	10,048
Deferred taxes – long-term portion	22,179	22,754
Total long-term liabilities	**329,392**	**448,453**
Total liabilities	**785,528**	**920,665**
Equity		
Shareholders' equity:		
Common stock: 44,000,000 shares authorized and issued with a par value of 20 Russian rubles; 41,846,022 shares outstanding as of December 31, 2009 and 43,725,535 shares outstanding as of December 31, 2008	29,908	29,908
Share premium account	163,781	164,132
Treasury stock, at cost	(54,802)	(3,014)
Accumulated other comprehensive income (loss):		
Currency translation adjustment	(32,167)	(17,214)
Retained earnings	587,160	470,625
Equity attributable to shareholders	**693,880**	**644,437**
Equity attributable to noncontrolling interests	**9,396**	**11,863**
Total equity	**703,276**	**656,300**
Total liabilities and equity	**$ 1,488,804**	**$ 1,576,965**

Consolidated Statements of Income

(Amounts in thousands of U.S. dollars, except share and per share data)

	Year ended December 31, 2009 (unaudited)	2008 (audited)	2007 (audited)
Sales	**$ 2,181,062**	**$ 2,823,564**	**$ 2,438,328**
Cost of sales	**(1,452,737)**	**(1,910,528)**	**(1,654,879)**
Gross profit	**728,325**	**913,036**	**783,449**
Selling and distribution expenses	(379,659)	(488,110)	(387,853)
General and administrative expenses	(137,440)	(171,400)	(180,922)
Other operating expenses, net	(9,552)	(8,383)	(704)
Operating income	**201,674**	**245,143**	**213,970**
Financial income and expenses, net	(43,224)	(101,504)	(16,851)
Income before provision for income taxes	**158,450**	**143,639**	**197,119**
Provision for income taxes	(40,678)	(39,898)	(54,302)
Consolidated net income	**$ 117,772**	**$ 103,741**	**$ 142,817**
Net income attributable to noncontrolling interests	(1,237)	(2,029)	(2,769)
Net income attributable to WBD Foods shareholders	**$ 116,535**	**$ 101,712**	**$ 140,048**
Net income per common share attributable to WBD Foods shareholders - basic and diluted	**$ 2.73**	**$ 2.31**	**$ 3.18**
Weighted average number of shares outstanding, basic and diluted	42,763,668	43,993,827	44,000,000

Condensed Consolidated Statements of Cash Flows
(Amounts in thousands of U.S. dollars)

	Year ended December 31, 2009 (unaudited)	2008 (audited)	2007 (audited)
Cash flows from operating activities:			
Consolidated net income	**$ 117,772**	**$ 103,741**	**$ 142,817**
Adjustments to reconcile net income to net cash provided by operating activities	117,955	183,941	71,720
Changes in operating assets and liabilities	76,569	33,508	(117,733)
Total cash provided by operating activities	**$ 312,296**	**$ 321,190**	**$ 96,804**
Cash flows from investing activities:			
Cash paid for property, plant and equipment	(128,846)	(189,003)	(189,049)
Proceeds from disposal of property, plant and equipment	2,683	6,454	3,668
Cash returned from short-term bank deposits and other current assets	–	–	6,800
Other investing activities	901	1,195	390
Net cash used in investing activities	**(125,262)**	**(181,354)**	**(178,191)**
Cash flows from financing activities:			
Proceeds from long-term notes payable, net of debt issuance costs	95,814	207,473	147,909
Short-term loans and notes, net	(56,312)	(30,454)	(33,946)
Repayment of long-term loans and notes	(160,724)	(308,917)	(5,081)
Proceeds from long-term loans	7,233	315,579	6,778
Repayment of long-term payables	(11,891)	(14,445)	(18,811)
Cash paid for treasury stock acquisition	(58,632)	(3,014)	–
Dividends paid to noncontrolling interests	(544)	–	(5,420)
Cash paid for acquisition of subsidiaries, net of cash acquired	(2,280)	(4,050)	(24,850)
Total cash provided by (used in) financing activities	**(187,336)**	**162,172**	**66,579**
Impact of exchange rate differences on cash and cash equivalents	(28,429)	(58,208)	7,950
Net increase (decrease) in cash and cash equivalents	**(28,731)**	**243,800**	**(6,858)**
Cash and cash equivalents, at beginning of the year	**277,252**	**33,452**	**40,310**
Cash and cash equivalents, at the end of the year	**$ 248,521**	**$ 277,252**	**$ 33,452**

- Ends -

For further enquiries contact:

Natalya Belyavskaya
Wimm-Bill-Dann Foods OJSC
Solyanka, 13, Moscow 109028 Russia
Phone: +7 495 925 5805
Fax: +7 495 925 5800
e-mail: belyavskayand@wbd.ru

Marina Kagan
Wimm-Bill-Dann Foods OJSC
Solyanka, 13, Moscow 109028 Russia
Tel: +7 495 925 5805
Fax: +7 495 925 5800
e-mail: kagan@wbd.ru

NOTES TO EDITORS

Wimm-Bill-Dann Foods OJSC was founded in 1992 and is the largest manufacturer of dairy products and a leading producer of juices and beverages in Russia and the CIS. The company produces dairy products (main brands include: Domik v Derevne, Chudo, Imunele, Bio Max and more), juices (J7, Lubimy Sad, 100% Gold), Essentuki mineral water and Rodniki Rossii natural water, Zdraivery kids' brand and Agusha baby food.

The company has 37 manufacturing facilities in Russia, Ukraine, Kyrgyzstan, Uzbekistan and Georgia with over 16,000 employees. In 2005, Wimm-Bill-Dann became the first Russian dairy producer to receive approval from the European Commission to export its products into the European Union.

In 2009, Standard & Poor's Governance Services confirmed WBD's governance, accountability, management, metrics, and analysis (GAMMA) score "GAMMA- 7+". The score reflects the effective work of the Board of Directors and, in particular, the real influence of independent directors in the decision-making process and the adherence of the controlling shareholders to the highest standards of corporate governance.