



WIMM-BILL-DANN FOODS OJSC ANNOUNCES FIRST QUARTER 2002 AND FULL YEAR 2001 FINANCIAL RESULTS

Wimm-Bill-Dann Lists on the New York Stock Exchange; Strengthens Regional Presence and Maintains Leading Market Share

Moscow, Russia – June 10, 2002 – Wimm-Bill-Dann Foods OJSC [NYSE: WBD] today announced its financial and operational results for the three months ended March 31, 2002 and the full year ended December 31, 2001.

During the first quarter of 2002, Wimm-Bill-Dann successfully raised net proceeds of approximately US\$ 161.7 million via an Initial Public Offering on the New York Stock Exchange on February 8, to fund further growth.

In the first quarter 2002, Wimm-Bill-Dann reported significant increases in sales and a strong net profit margin, as well as growth in EBITDA and net income. Sales in the first quarter of 2002 were US\$ 197.4 million, an increase of 17.1% compared to average quarterly sales, which is made up of a 14.9% increase in sales volumes and a 2.2% increase in average product prices. For the first quarter of 2002, Wimm-Bill-Dann reported EBITDA of US\$ 21.8 million, growth of 18.5% compared to the average quarterly EBITDA in 2001 of US\$ 18.4 million; net income of US\$ 9.6 million, and a strong net profit margin of 4.8%.

The year 2001 was the third consecutive year of profitable growth (after Russia's financial crisis of 1998) as Wimm-Bill-Dann reported strong sales, increasing market share and significant progress in its national and international expansion. During 2001, Wimm-Bill-Dann also reported continued growth in EBITDA and net income. For the year ended December 31, 2001, Wimm-Bill-Dann reported sales of US\$ 674.6 million, up 45.0% year-on-year from US\$ 465.4 million in 2000; EBITDA of US\$ 73.7 million, a year-on-year growth of 57.1% from US\$ 46.9 million in 2000; and net income of US\$ 31.8 million, a year-on-year growth of 48.6% from US\$ 21.4 million in 2000.

According to the AC Nielsen study of 9 major Russian cities, in the year 2001, Wimm-Bill-Dann was the leader in many packaged dairy markets with a market share, in terms of sales volume, of 34% in traditional, 41% in enriched, and 48% in yogurt and dessert dairy products.

In 2001, Wimm-Bill-Dann's share in the Russian juice market was 37.5% in terms of sales volume, and 42.6% in terms of value (49.1% and 53.5% in Moscow, respectively) according to the AC Nielsen study of 11 major Russian cities.

Wimm-Bill-Dann has a strong and diversified branded portfolio. Its dairy brands include 'Little House in the Village' and 'Chudo', and its best known juice brand, 'J-7', enjoyed 99% brand awareness in Moscow as of July 2001 according to a study conducted by Independent Marketing Consultants Association (IMCA), a Russian market research company.

In line with its long-term regional expansion strategy during 2001, Wimm-Bill-Dann signed cooperation agreements with the regional governments of Bashkortostan and Krasnodar, and entered these two strategically important regions. Through acquisitions and expansion of its distribution network, the company strengthened its operational regional presence in Russia, Ukraine and Kyrgyzstan. As of March 31, 2002, Wimm-Bill-Dann's dairy products were produced at 14 factories, including four in Moscow, four in Central Russia, four in the Asian part of Russia and two in other countries of the Commonwealth of Independent States (CIS). Over the past year the company established nine further regional affiliates and branched out into new segments of the Russian consumer market: cheese and bottled water production.

Commenting on today's announcement, David Iakobachvili, Chairman of the Board of Wimm-Bill-Dann Foods OJSC, said: "The first quarter of 2002 was the most exciting time for all of us at Wimm-Bill-Dann – the founders, the management and the employees! On February 8, 2002, we became the first Russian consumer company to have listed on the New York Stock Exchange. We believe that Wimm-Bill-Dann's story is the epitome of the "American Dream", and we are proud and honored that our hard work and our dedication over the past ten years have now been recognized internationally."

Financial Highlights of 1Q 2002

- Sales up 17.1% to US\$ 197.4 million compared to average quarterly sales of US\$ 168.7 million in 2001
- Gross margin percentage increased from 26.9% in 2001 to 28.6% in the first quarter 2002
- Net income up 20.0% to US\$ 9.6 million compared to average quarterly net income of US\$ 8.0 million in 2001
- EBITDA of US\$ 21.8 million compared to average quarterly EBITDA of US\$ 18.4 million in 2001
- EBITDA margin 11.0% compared to 10.9% in 2001
- Expenditures of US\$ 15.5 million on acquisition of property, plant and equipment in the first quarter 2002

Mr Iakobachvili also added: "During the first three months of 2002 and the year of 2001, the company continued its trend of increasing profitability, showing strong revenue and EBITDA growth. In 2001, 72% of our revenues were derived from the sale of dairy products, with the remaining 28% originating from juices. In 2001, sales in Wimm-Bill-Dann's dairy segment increased by 49% over 2000, of which 29% was attributable to a like-for-like increase and 20% was attributable to new acquisitions. In 2001, sales in Wimm-Bill-Dann's juice segment increased by 35% over 2000. This increase was achieved through organic growth, namely the development of our distribution network, retailers' initiatives and the establishment of nine regional affiliates in Russia."

	Full Year 2001	Average quarterly 2001	%⁽¹⁾	First quarter 2002	%⁽¹⁾
	(in US\$, '000)	(in US\$, '000)		(in US\$, '000)	
Sales.....	674,616	168,654	100.0	197,427	100.0
Cost of sales.....	(492,990)	(123,248)	73.1	(140,955)	71.4
Selling and distribution expenses.....	(62,213)	(15,553)	9.2	(21,755)	11.0
General and administrative expenses...	(54,461)	(13,615)	8.1	(14,905)	7.5
Other operating expenses	(4,498)	(1,125)	0.7	(1,376)	0.7
Financial Income and expenses, net.....	(10,581)	(2,645)	1.6	(4,636)	2.3
Provision for income taxes.....	(14,166)	(3,542)	2.1	(3,404)	1.7
Minority interest.....	(3,962)	(991)	0.6	(832)	0.4
Income from continuing operations	<u>31,745</u>	<u>7,936</u>	4.7	<u>9,564</u>	4.8

Note:

(1) Computed in relation to sales of the respective period.

Net profit margin remained stable in the first quarter of 2002 at 4.8%, which, given seasonal effects, is a positive indicator for the winter period.

As a percentage of sales, selling and distribution expenses in the first quarter of 2002 rose to 11%, compared to 9.2% in 2001. This increase in selling and distribution expenses was caused by Wimm-Bill-Dann's aggressive marketing and advertising campaigns both in Moscow and in the regions.

Transportation and storage expenses, which are part of overall selling and distribution expenses, have been growing in proportion to regional deliveries, with the juice segment accounting for the largest part since juices are being delivered from Moscow to the regions. An increase in selling and distribution expenses has also been influenced to a large extent by transporting dairy products in specially equipped refrigerator-vans and the rental of refrigerating facilities in the regions.

Debt servicing in the first quarter of 2002 was relatively high, but a large debt retirement program undertaken in the end of the first quarter and in the second quarter of 2002, following the successful IPO, will have an improved effect on profit for the rest of the year.

Financial Highlights of 2001

- Sales up 45% to US\$ 674.6 million compared to US\$ 465.4 million in 2000
- Gross margin increased from 25% in 2000 to 27% in 2001
- Net income up 49% to US\$ 31.8 million compared to US\$ 21.4 million in 2000
- EBITDA of US\$ 73.7 million compared to US\$ 46.9 million in 2000
- EBITDA margin 10.9% compared to 10.1% in 2000
- Expenditures on acquisition of property, plant and equipment in 2001 increased by 127% over 2000 and amounted to US\$ 57.7 million

- US\$ 8.9 million spent on the acquisition of subsidiaries, including acquisitions of new subsidiaries and acquisitions of additional stakes in several of Wimm-Bill-Dann's existing subsidiaries

Sergei Plastinin, Chief Executive Officer of Wimm-Bill-Dann Foods OJSC, emphasized the significance of the first three months of 2002 and the full year 2001 in terms of strategic planning for the future: "Over the past ten years, we have worked hard to become Russia's flagship consumer company, and the year 2001 was no different in this respect. Over the year, we implemented several strategic projects, which laid the foundation for the company's future development. We further expanded our regional presence, and today we can proudly say that Wimm-Bill-Dann is currently the only dairy and juice producer in Russia with a countrywide distribution network."

The following table summarizes our results of continuing operations for the years ended December 31, 1999, 2000 and 2001:

	1999	%⁽¹⁾	2000	%⁽¹⁾	2001	%⁽¹⁾
	(in US\$, '000)		(in US\$, '000)		(in US\$, '000)	
Sales.....	357,678	100.0	465,411	100.0	674,616	100.0
Cost of sales.....	(293,676)	82.1	(349,077)	75.0	(492,990)	73.1
Selling and distribution expenses.....	(22,378)	6.3	(34,138)	7.3	(62,213)	9.2
General and administrative expenses...	(29,266)	8.2	(43,025)	9.2	(54,461)	8.1
Other operating expenses	(3,117)	0.9	(1,241)	0.3	(4,498)	0.7
Financial Income and expenses, net.....	(270)	0.1	(5,664)	1.2	(10,581)	1.6
Provision for income taxes.....	(2,446)	0.7	(9,568)	2.1	(14,166)	2.1
Minority interest.....	(583)	0.2	(1,453)	0.3	(3,962)	0.6
Income from continuing operations	<u>5,942</u>	1.7	<u>21,245</u>	4.6	<u>31,745</u>	4.7

Note:

(1) Computed in relation to sales of the respective year.

Cost of sales primarily consists of expenses relating to raw materials (concentrates for juices, milk for dairy products and packaging for all sales), as they comprised 91.5% and 88.9% of Wimm-Bill-Dann's total cost of sales in 2000 and 2001, respectively.

As a percentage of sales, selling and distribution expenses increased from 7.3% in 2000 to 9.2% in 2001. Advertising and marketing expenses as a percentage of sales were stable at approximately 3%. Advertising and marketing expenses increased more in the dairy segment due to increasing competition in the Russian dairy sector and the promotion of "Ginger Up", a new brand of dairy and juice products for children for which we spent US\$ 1.1 million in 2001. (see also Strategic Projects)

General and administrative expenses increased by 26.6% in 2001 over 2000, but decreased from 9.2% in 2000 to 8.1% in 2001 as percentage of sales.

Operational Highlights of 2001

- Expansion into two new regions of Bashkortostan and Krasnodar area; cooperation agreements with regional governments signed
- Strengthening operational regional presence in Russia, Ukraine and Kyrgyzstan through major acquisitions and expansion of distribution network
- Acquisition of the following production facilities:
 - Kiev Dairy No3 (Ukraine)
 - Anninskoye Moloko (Voronezh region)
 - Ufamolagroprom (Ufa Dairy Plant, Bashkortostan)
 - Rubtsovsky Dairy (Altay region)
- Wimm-Bill-Dann's dairy products are now produced at 14 factories located in Russia, Ukraine and Kyrgyzstan
- Investment of US\$ 57.7 million in property, plant and equipment
- Establishment of nine regional affiliates in Russia and other countries of the CIS
- Branching out into two fast growing segments of the Russian consumer market: cheese and bottled water production
- New offices opened in Berlin, Germany
- Wimm-Bill-Dann is the first Russian company to have received the British Retail Consortium (BRC) standards certificate for its range of exported juice products. This certificate is recognized by all trading networks in the European Union
- Commencement of "Wonder Berry" mors (traditional Russian berry-based juice drink) sales in Waitrose Ltd and J Sainsbury Plc in the UK.

Commenting on operational achievements of the first quarter of 2002 and the full year 2001, Sergey Platinin, Chief Executive Officer of Wimm-Bill-Dann Foods OJSC, also said: "In 2001 we have made substantial investments in maintaining and enhancing the quality of our products. Capacity utilization at most of Wimm-Bill-Dann's plants varied from 80%-90% in 2001, with the exception of our recently acquired plants, such as the Kiev Dairy Plant, the Bishkek Dairy Plant, Nizhny Novgorod Dairy Plant and the Ufa Dairy Plant, where extensive modernization and cost reduction programs commenced during 2001."

Strategic Projects

- **Expansion of regional network and regional presence:**

In 2001 Wimm-Bill-Dann opened affiliates in major Russian cities, where it currently does not have production facilities. The company sees this move as being instrumental in gauging market sentiment towards its juice and dairy products in those regions. A comprehensive study of regional attitudes will serve as a basis for Wimm-Bill-Dann's future construction plans. Despite a temporary increase in transportation costs, caused by the delivery of Wimm-Bill-Dann's products to the regions above, the company believes overall sales volumes will increase both short and long-term as a result of regional expansion strategy.

- **Expansion of regional market presence of branded desserts:**

Whilst Wimm-Bill-Dann's competitors are trying to establish Moscow presence for their desserts, Wimm-Bill-Dann is seeking to replicate its Moscow success in Russia's numerous regions. Wimm-Bill-Dann's desserts are currently produced in Moscow and delivered nationwide. Dairy desserts are still a novelty in Russia and have a high growth potential. In 2001, the company made significant headway towards installing dessert producing equipment for three of its regional plants. It is envisaged that Wimm-Bill-Dann will have local production capability to satisfy the demand for this segment in the near future.

- **Launching of new brands and re-launching of existing ones:**

In 2001, Wimm-Bill-Dann launched one of the first Russian umbrella brands 'Ginger Up', which was supported by an extensive advertising campaign and promotional events. Aimed at children aged 5-9, the 'Ginger Up' marketing campaign was supported by its own magazine, games and comics.

Wimm-Bill-Dann's major advertising expenditure in the year 2001 was the sponsorship of the first Russian version of the world famous reality TV game show 'Survivor'. With ratings equal to those of President Putin's state-of-the-nation New Year's eve address, 'Survivor' served as an excellent platform for re-launching the company's flagship juice brand J-7. This advertising campaign helped revamp this important brand and position it to generate potentially strong sales growth.

Future Outlook

Wimm-Bill-Dann has entered two new fast growing market segments: bottled water and cheese production. The range of new products includes natural drinking and spa water, as well as carbonated and non-carbonated water bottled in 1.5 and 0.5-liter containers.

In 2001, Wimm-Bill-Dann Foods announced the establishment of a Raw Materials and Cheese Department and the commencement of cheese production at the Timashevsk Dairy Plant (Krasnodar region), as well as at the Ufamolagroprom. This decision was influenced, to a significant extent, by the weak positions of domestic cheese makers. Traditional "mass market" cheese brands, characterized by poor quality and production at mid-size plants, represent approximately 70% of the market share. In this regard, Wimm-Bill-Dann plans to produce new cheese brands belonging to the "middle" and "premium" segments, which are currently represented by cheese brands imported from the Baltic and European states.

The company expects to invest US\$ 49.5 million into its dairy plants in 2002, and US\$ 53.8 million in 2003.

During 2002 and 2003, the company expects to produce the following types of dairy products: muesli and jam yogurts (as part of the BioMax brand), creme, jelly and jam cheese curds (as part of the Ginger Up brand), kissel, cottage cheese (as part of the Little House in the Village brand) and other products.

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CONFERENCE CALL DETAILS

A conference call to discuss the results will be held at 08.00 New York time / 13.00 London time / 16.00 Moscow time, on Monday, June 10, 2002. The UK dial-in number is: +44 20 8781 0598 and US dial-in number is +1 703 925 2406; participants should quote 'Wimm-Bill-Dann Investor'. Please dial in 5 minutes prior to the start of the conference call to allow time for registration. A recording of the conference call will be available for one week, commencing one hour after the live call has finished, on Freephone 0500 637 880 (within UK only), +44 20 8288 4459 (UK), +1 703 736 7336 (US) access code: 684812.

Some of the information contained in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of Wimm-Bill-Dann Foods OJSC, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to conform them to actual results. We refer you to the documents Wimm-Bill-Dann Foods OJSC files from time to time with the U.S. Securities and Exchange Commission, specifically, the Company's most recent Form 20-F. These documents contain and identify important factors, including those contained in the section captioned "Risk Factors" in our Form 20-F, that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, potential fluctuations in quarterly results, and risks associated with our competitive environment, acquisition strategy, ability to develop new products or maintain market share, brand and company image, operating in Russia, volatility of stock price, financial risk management, and future growth.

Notes to Editors

Wimm-Bill-Dann Foods OJSC is a leading manufacturer of dairy and juice products in Russia. The company was founded in 1992.

As of 31st March, 2002, Wimm-Bill-Dann owned 14 manufacturing facilities in ten locations in Russia and the Commonwealth of Independent States (CIS), as well as distribution centers in 26 cities in Russia and abroad. The company also distributes its products in Canada, Germany, Israel, the Netherlands, the UK and the United States through both its own distribution network and independent distributors.

In Moscow alone, there are over 2,000 shops working directly with Wimm-Bill-Dann, offering its wide range of products to consumers. The company also supplies its products to Russia's Presidential Administration, Federation Council, embassies and banks, airlines and schools, to name but a few.

Wimm-Bill-Dann has a strong and diversified branded portfolio with over 300 types of dairy products and over 170 types of juice, nectars and still drinks. The company currently employs 11,640 people.