

Moscow, Russia – June 15, 2006 – Wimm-Bill-Dann Foods OJSC [NYSE: WBD] today announced its financial results for the three months ended March 31, 2006.

- Group sales rose 18.4% year-on-year to US\$385.7 million
- Gross profit increased 35.7% with gross margins increasing to 29.5% from 25.7%
- Operating income increased three-fold to US\$29.7 million
- Adjusted EBITDA grew two-fold to US\$44.3 million, adjusted EBITDA margin1 increased to 11.5% from 6.7%
- Net income increased six-fold to US\$17.4 million
- Operating cash flow increased 54.3%, amounting to US\$57.9 million

Commenting on today’s announcement Tony Maher, Chief Executive Officer of Wimm-Bill-Dann Foods OJSC, said: “I am very pleased with the excellent results we posted in the first quarter of 2006. Sales grew by an impressive 18%, the growth was almost entirely organic. For the first time in many quarters, we saw gross margin recovery for the group as a whole. Group gross margin stood at 29.5%, compared to 25.7% a year ago, this was achieved despite ongoing pressure due to raw materials costs in beverages. Group operating income increased three-fold to almost US\$30 million. EBITDA doubled year-on-year and stood at US\$44.3 million. EBITDA margin increased to 11.5% compared to 6.7% during the first quarter 2005 and compared to 10.1% during full year 2005. The net profit for the group increased six-fold to US\$17.4 million compared to US\$2.9million in the first quarter 2005.

I have also had the opportunity over the past two months to get to know our management team as well as visit more than 20 of our 30 plants across Russia and the CIS. Alongside the impressive numbers reported today, what I’ve seen in my first months gives me real confidence that we have the tools necessary to achieve our strategic objective of maintaining our leadership and enhancing profitability while at the same time making full use of our considerable geographic reach and brand portfolio.”

Key Financial Indicators of 1Q 2006

	1Q2006	1Q2005	Change
	US\$ `mln	US\$ mln	
Sales	385.7	325.7	18.4%
<i>Dairy</i>	<i>286.1</i>	<i>232.0</i>	<i>23.3%</i>
<i>Beverages</i>		<i>72.9</i>	<i>0.8%</i>
<i>Baby Food</i>	<i>26.1</i>	<i>20.8</i>	<i>25.5%</i>
Gross profit	113.7	83.8	35.7%
Selling and distribution expenses	(52.6)	(44.7)	17.7%
General and administrative expenses	(29.8)	(27.0)	10.4%
Operating income	29.7	9.6	209.4%
Financial income and expenses, net	(2.0)	(3.9)	(48.7%)
Net income	17.4	2.9	500.0%
Adjusted EBITDA1	44.3	21.8	103.2%
CAPEX including acquisitions	21.5	20.3	5.9%

Sales in the Dairy Segment increased 23.3% from US\$232.0 million in the first three months of 2005 to US\$286.1 million in the first three months of 2006. This was mainly driven by volume growth and an increase in selling prices in the main product categories. The overall impact of acquisitions made in 2005 on the segment’s financial performance accounted for about 3.0% of the

total Dairy Segment sales volume. The average dollar selling price rose 10.0% from US\$0.79 per 1 kg in the first three months of 2005 to US\$0.87 per 1 kg in the first three months of 2006. This increase was driven mainly by ruble price increases. The gross margin in the Dairy Segment increased to 27.6% from 22.0% due to the rise in average selling price outstripping the rise in raw milk prices that grew by 5% y-o-y in ruble terms.

Sales in the Beverages Segment stayed almost flat at US\$73.5 million in the first three months of 2006. The average selling price decreased 4.5% from US\$0.70 per liter in the first three months of 2005 to US\$0.67 per liter in the same period of 2006. This decrease was chiefly due to the higher proportion of less expensive products in our Beverages portfolio (Lovely Garden brand). The gross margin in the Beverages Segment declined to 33.9% from 35.2%, driven by increased prices for concentrates and sugar, as well as decreased average selling price.

Sales in the Baby Food Segment increased 25.5% to US\$26.1 million in the first three months of 2006 from US\$20.8 million in the first three months of 2005. The average selling price rose 13.9% from US\$1.46 per 1 kg in the first three months of 2005 to US\$1.66 per 1 kg in the first three months of 2006. This increase was driven primarily by an increase in the average ruble selling price as well as the continuing increase of the proportion of higher priced products such as drinkable yogurts, purees and juices in the overall product mix. The gross margin in the Baby Food Segment increased to 37.3% from 35.1%.

Selling and distribution expenses slightly decreased as a percentage of sales from 13.7% to 13.6% y-o-y, general and administrative expenses decreased as a percentage of sales from 8.3% to 7.7%, both mainly resulting from relatively stable personnel expenses. The operating margin increased from 2.9% to 7.7%.

Financial income and expenses during the first three months of 2006 decreased by 48.7% to US\$2.0 million compared to US\$3.9 million in the same period of 2005. This was mainly the result of foreign currency translation gains amounting US\$5.0 million in the first three months of 2006, compared to US\$1.7 million in 2005, as well as of an increase in interest income, which grew four-fold from US\$0.3 million to US\$1.3 million. This interest income was generated by short-term bank deposits made at the end of 2005 using funds, raised with the ruble bond issue made in December 2005.

Income tax expenses totalled US\$9.7 million compared to US\$2.0 million in the first quarter 2005. At the same time, the effective tax rate decreased from 36.0% to 34.8% as a result of decreased expenses not deductible for statutory purposes and a higher number of profitable entities within the Wimm-Bill-Dann's group.

Net income increased from US\$2.9 million to US\$17.4 million.

Attachment A

*Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin to US GAAP Net Income

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

	<u>3 months ended</u> <u>March 31, 2006</u>		<u>3 months ended</u> <u>March 31, 2005</u>	
	US\$ 'mln	% of sales	US\$ 'mln	% of sales
Net income.....	17.4	4.5%	2.9	0.9%
.....				
Add: Depreciation and amortization.....	14.5	3.8%	12.2	3.7%
Add: Income tax expense.....	9.7	2.5%	2.0	0.6%
Add: Interest expense.....	7.8	2.0%	5.5	1.7%
Less: Interest income.....	(1.3)	0.3%	(0.3)	0.1%
Less: Currency remeasurement gains, net.....	(5.0)	1.3%	(1.7)	0.5%
Add: Bank charges.....	0.5	0.1%	0.5	0.2%
Add: Minority interest.....	0.7	0.2%	0.7	0.2%
.....				
Adjusted EBITDA.....	44.3	11.5%	21.8	6.7%

Adjusted 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 minority interest. Adjusted EBITDA margin is Adjusted EBITDA expressed as a percentage of sales.

We present Adjusted EBITDA because we consider it an important supplemental measure of our operating performance. In particular, we believe Adjusted 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.

Adjusted 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. Since we adjust

EBITDA for recurring items in order to calculate Adjusted EBITDA, we particularly caution users that Adjusted EBITDA is not an alternative to net income, operating income or any other GAAP measure, nor to EBITDA. Moreover, other companies in our industry may calculate Adjusted EBITDA differently or may use it for different purposes than we do, limiting its usefulness as a comparative measure.

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

WIMM-BILL-DANN FOODS

Consolidated Statements of Operations

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

	Three months ended March 31,	
	2006 (unaudited)	2005(unaudited)
Sales	\$ 385,691	\$ 325,724
Cost of sales	(271,988)	(241,886)
Gross profit	113,703	83,838
Selling and distribution expenses	(52,634)	(44,682)
General and administrative expenses	(29,829)	(26,991)
Other operating expenses, net	(1,512)	(2,554)
Operating income	29,728	9,611
Financial income and expenses, net	(1,968)	(3,937)
Income before provision for income taxes and minority interest	27,760	5,674
Provision for income taxes	(9,671)	(2,043)
Minority interest	(724)	(702)
Net income	\$ 17,365	\$ 2,929
Other comprehensive income, net of tax		
Currency translation adjustment	14,886	(1,078)
Comprehensive income	\$ 32,251	\$ 1,851
Net income per share - basic and diluted:	\$ 0.39	\$ 0.07
Weighted average number of shares outstanding	44,000,000	44,000,000

WIMM-BILL-DANN FOODS

Consolidated Balance Sheets
(Amounts in thousands of U.S. dollars)

	March 31, 2006 (unaudited)	December 31, 2005 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 102,701	\$ 93,103
Short-term bank deposits	36,491	32,164
Trade receivables, net	65,692	59,968
Inventory	116,962	130,597
Taxes receivable	55,024	61,480
Advances paid	16,371	9,715
Net investment in direct financing leases	2,314	2,335
Deferred tax asset	8,752	8,750
Other current assets	6,643	8,915
Total current assets	410,950	407,027
Non-current assets:		
Property, plant and equipment, net	473,214	459,527
Intangible assets	7,134	7,078
Goodwill	33,373	32,008
Net investment in direct financing leases – long-term portion	2,353	3,072
Long-term investments	29	138
Deferred tax asset – long-term portion	6,180	5,554
Other non-current assets	3,644	6,153
Total non-current assets	525,927	513,530
Total assets	\$ 936,877	\$ 920,557
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 68,897	\$ 65,780
Advances received	5,097	5,291
Short-term loans	11,650	19,554
Long-term loans – current portion	986	3,823
Long-term notes payable – current portion	51,683	49,794
Taxes payable	13,858	13,406
Accrued liabilities	25,086	17,071
Government grants – current portion	2,254	2,174
Other payables	33,520	30,200
Total current liabilities	213,031	207,093
Long-term liabilities:		
Long-term loans	3,817	1,824
Long-term notes payable	243,651	254,230
Other long-term payables	23,387	26,893
Government grants – long-term portion	2,772	3,219
Deferred taxes – long-term portion	16,038	15,636
Total long-term liabilities	289,665	301,802
Total liabilities	502,696	508,895

Minority interest	14,887	24,619
Shareholders' equity:		
Common stock: 44,000,000 shares authorized, issued and outstanding with a par value of 20 Russian rubles at March 31, 2006 and December 31, 2005	29,908	29,908
Share premium account	164,132	164,132
Accumulated other comprehensive income:		
Currency translation adjustment	44,652	29,766
Retained earnings	180,602	163,237
Total shareholders' equity	\$ 419,294	387,043
Total liabilities and shareholders' equity	\$ 936,877	\$ 920,557

WIMM-BILL-DANN FOODS

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

	Three months ended March 31,	
	2006	2005
	(unaudited)	(unaudited)
Cash flows from operating activities:		
Net income	\$ 17,365	\$ 2,929
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest	724	702
Depreciation and amortisation	14,516	12,210
Currency remeasurement gain relating to bonds payable and long-term payables	(4,995)	(444)
Change in provision for obsolescence and net realizable value	(683)	588
Provision for doubtful accounts	1,075	475
Loss on disposal of property, plant and equipment	586	156
Earned income on net investment in direct financing leases	(133)	(95)
Deferred tax expense (benefit)	827	(2,617)
Non-cash rental received	733	613
Reversal of tax contingent liability	80	(949)
Write off of long-term investments	81	882
Amortisation of bonds issue expenses	288	265
Changes in operating assets and liabilities:		
Decrease in inventories	18,699	5,560
(Increase) decrease in trade accounts receivable	(4,740)	2,579
(Increase) in advances paid	(6,235)	(1,598)
Decrease in taxes receivable	3,250	1,548
Decrease (increase) in other current assets	1,925	(3,107)
Increase in trade accounts payable	802	5,378
Decrease in advances received	(381)	(243)
Increase in taxes payable	5,192	1,505
Increase in accrued liabilities	7,270	7,004
Increase in other current payables	1,726	3,874
(Decrease) increase in other long-term payables	(67)	310
Total cash provided by operating activities	\$ 57,905	\$ 37,525
Cash flows from investing activities:		
Cash paid for acquisition of subsidiaries, net of cash acquired	\$ (5,556)	(2,679)
Cash paid for property, plant and equipment	(18,375)	(15,719)
Cash paid for acquisition of investments	(548)	(461)
Proceeds from disposal of property, plant and equipment	736	990
Cash paid for net investments in direct financing leases	(138)	(796)
Cash received from (paid for) other long-term assets	1,380	(116)
Cash invested in short-term bank deposits	(2,131)	-
Total cash used in investing activities	(24,632)	(18,781)
Cash flows from financing activities:		

Short-term loans and notes, net	(8,500)	(193)
Proceeds from long-term loans	1,928	-
Repayment of long-term loans	(17,108)	(222)
Repayment of long-term payables	(3,509)	(3,425)
Total cash provided by financing activities	(27,189)	(3,840)
Total cash provided by (used in) operating, investing and financing activities	6,084	14,904
Impact of exchange rate differences on cash and cash equivalents	3,514	(253)
Net increase (decrease) in cash and cash equivalents	9,598	14,651
Cash and cash equivalents, at beginning of period	93,103	23,791
Cash and cash equivalents, at the end of period	\$ 102,701	\$ 38,442

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