

Management presentation

October 2011



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Milkiland at a glance

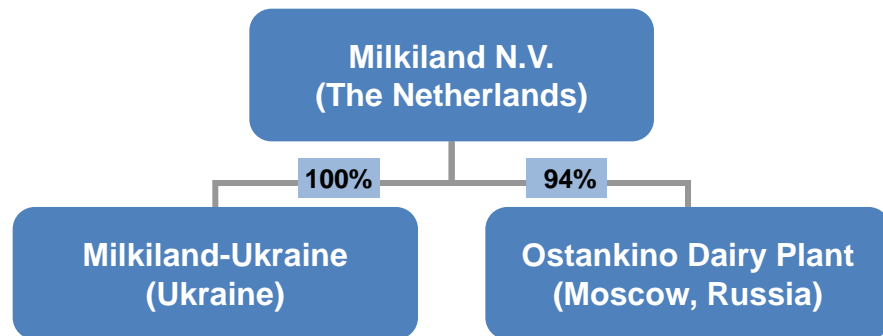


Our products

- Full range of consumer dairy products and dry milk products
- Focus on cheese & butter (yellow palette) and whole milk products (white palette), 55% and 38% of 2010 revenues respectively

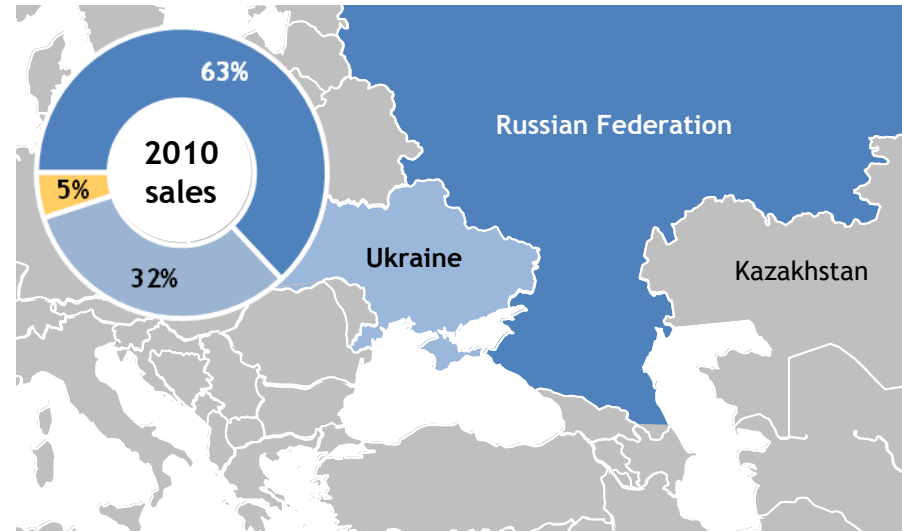


Our business structure



- | | |
|---------------------------|---------------------------|
| ● All types of dairy | ● Whole milk products |
| ● Milk processing: 437 kt | ● Milk processing: 113 kt |

Our markets



Our financials

| EUR m | 2009 | 2010 | Δ 2009 2010 |
|----------------------|-------|-------|----------------|
| Revenue | 200.0 | 258.5 | +29% |
| EBITDA | 32.5 | 44.3 | +37% |
| <i>EBITDA margin</i> | 16.2% | 17.1% | |
| Net debt | 86.3 | 42.1 | |
| Net debt / EBITDA | 2.66x | 0.95x | |

Note: Adjusted EBITDA excludes effects of non-recurring expenditure from operating segments such as restructuring costs, legal expenses, non-current assets impairments and other income and expenses resulting from an isolated, non-recurring event

Attractive dairy markets

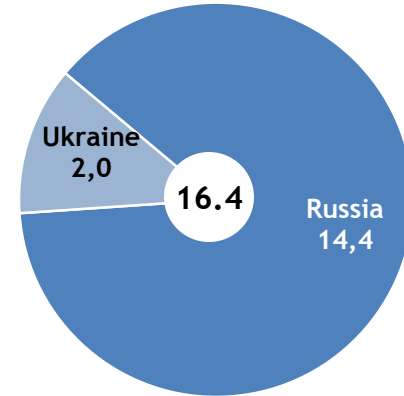


Attractive dairy markets in Russia and Ukraine...

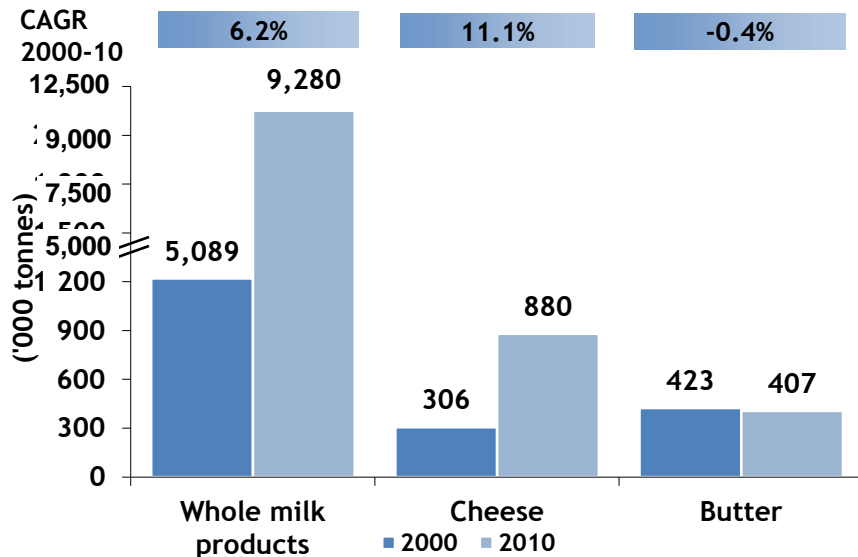


- ca. 190 million combined population
- ca. EUR 16.4 billion dairy market size in 2010
- Established traditions of dairy consumption
- High historical growth in key segments

Market split by country (2010, EUR bn*)



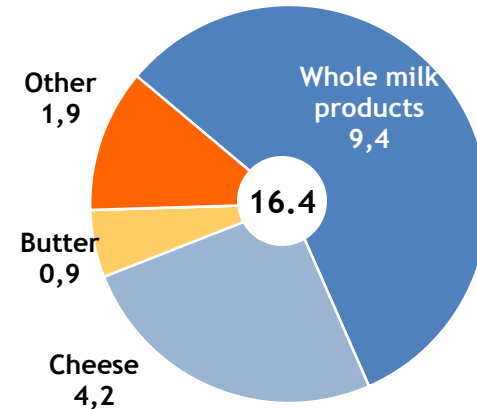
Market growth by segment



Source: Eurostat, Derzhkomstat, Rosstat

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Market split by segment (2010, EUR bn*)



Source: Eurostat, Derzhkomstat, Rosstat

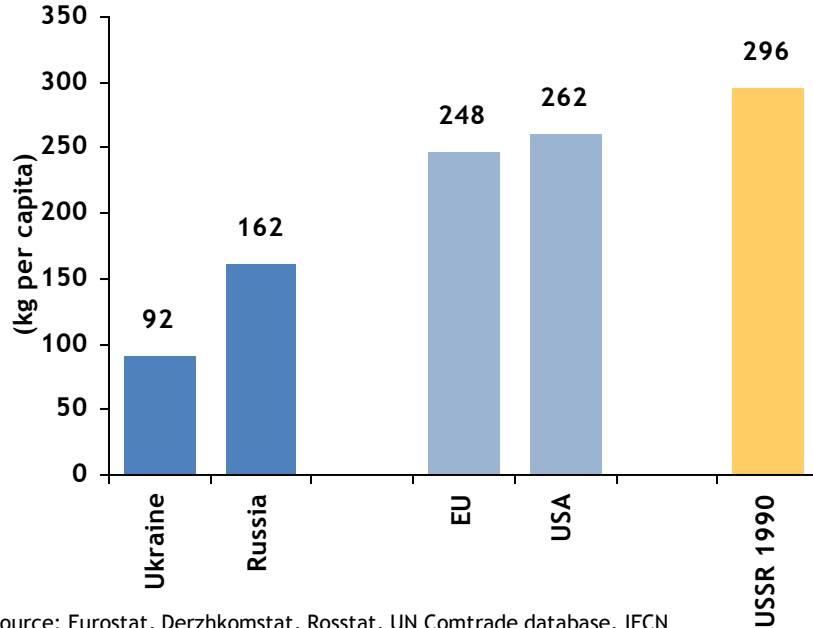
* Wholesale prices, net of VAT

... with significant growth potential...



- Current per capita consumption lags behind neighbouring European countries
- Historical level of consumption in Russia and Ukraine was significantly higher

Consumption of processed dairy products (2009**) In raw milk equivalent*

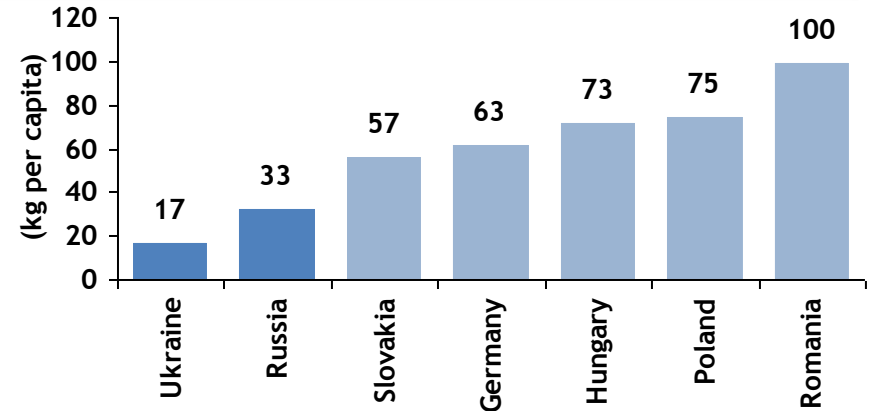


Source: Eurostat, Derzhkomstat, Rosstat, UN Comtrade database, IFCN

*Raw milk equivalent is calculated for milk of 4% fat, 3.3% protein

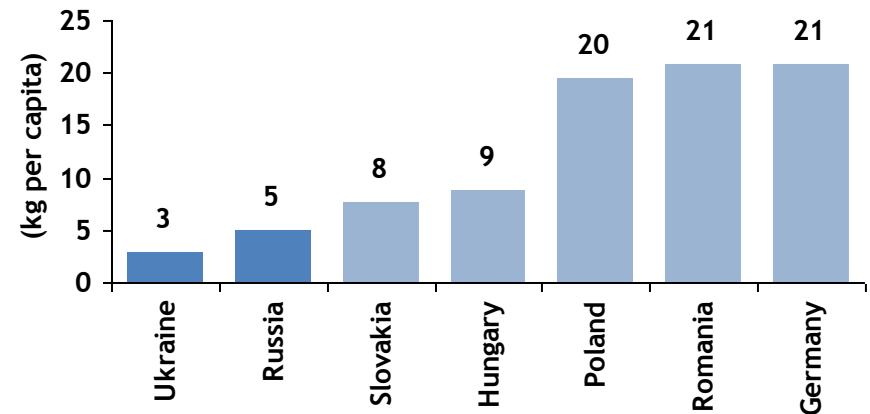
** 2010 data not available yet.

Consumption of drinking milk (2010)



Source: Eurostat, Derzhkomstat, Rosstat, UN Comtrade database

Consumption of cheese (2010)



Source: Eurostat, Derzhkomstat, Rosstat, UN Comtrade database

... and ample room for further consolidation



Top 10 dairy players in Russia and Ukraine

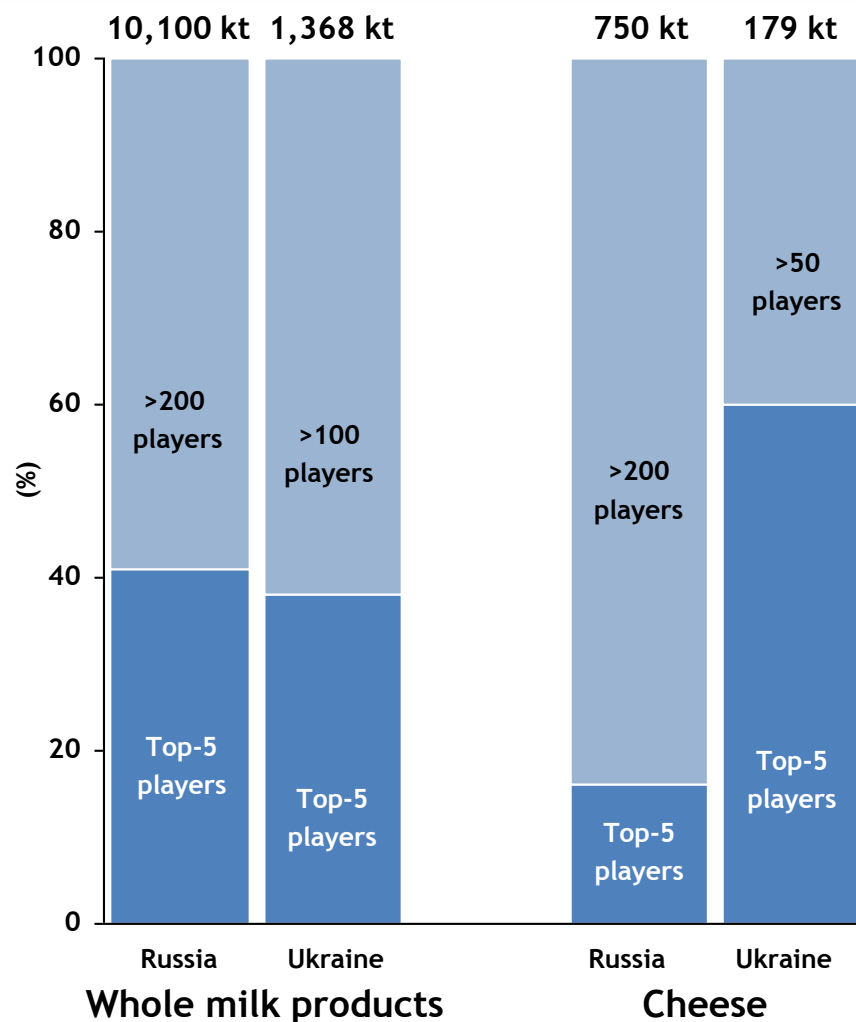
| # | Company | Prod. assets | Sales (2010) | |
|----------------------|---|-----------------|---------------|-------------|
| | | | EUR m | % of total |
| 1 | Danone-Unimilk* | Russia, Ukraine | 1,568 | 9.6% |
| 2 | Wimm-Bill-Dann** | Russia, Ukraine | 1,302 | 7.9% |
| 3 | Vamin | Russia | 512 | 3.1% |
| 4 |  Milkiland | Russia, Ukraine | 258 | 1.6% |
| 5 | Milk alliance | Ukraine | 204 | 1.2% |
| 6 | Molvest | Russia, Ukraine | 174 | 1.1% |
| 7 | Almira | Ukraine | 152 | 0.9% |
| 8 | Ehrmann* | Russia | 112 | 0.7% |
| 9 | Campina* | Russia | 107 | 0.7% |
| 10 | Hochland* | Russia | n/a | 0.6% |
| Other (>500 players) | | | 11,900 | 72.6% |
| Total | | | 16,400 | 100% |

Source: Companies' data; Astarta-Tanit; Amico; Interfax Russia

* Production subsidiaries in Ukraine and Russia

** Excluding non-dairy sales

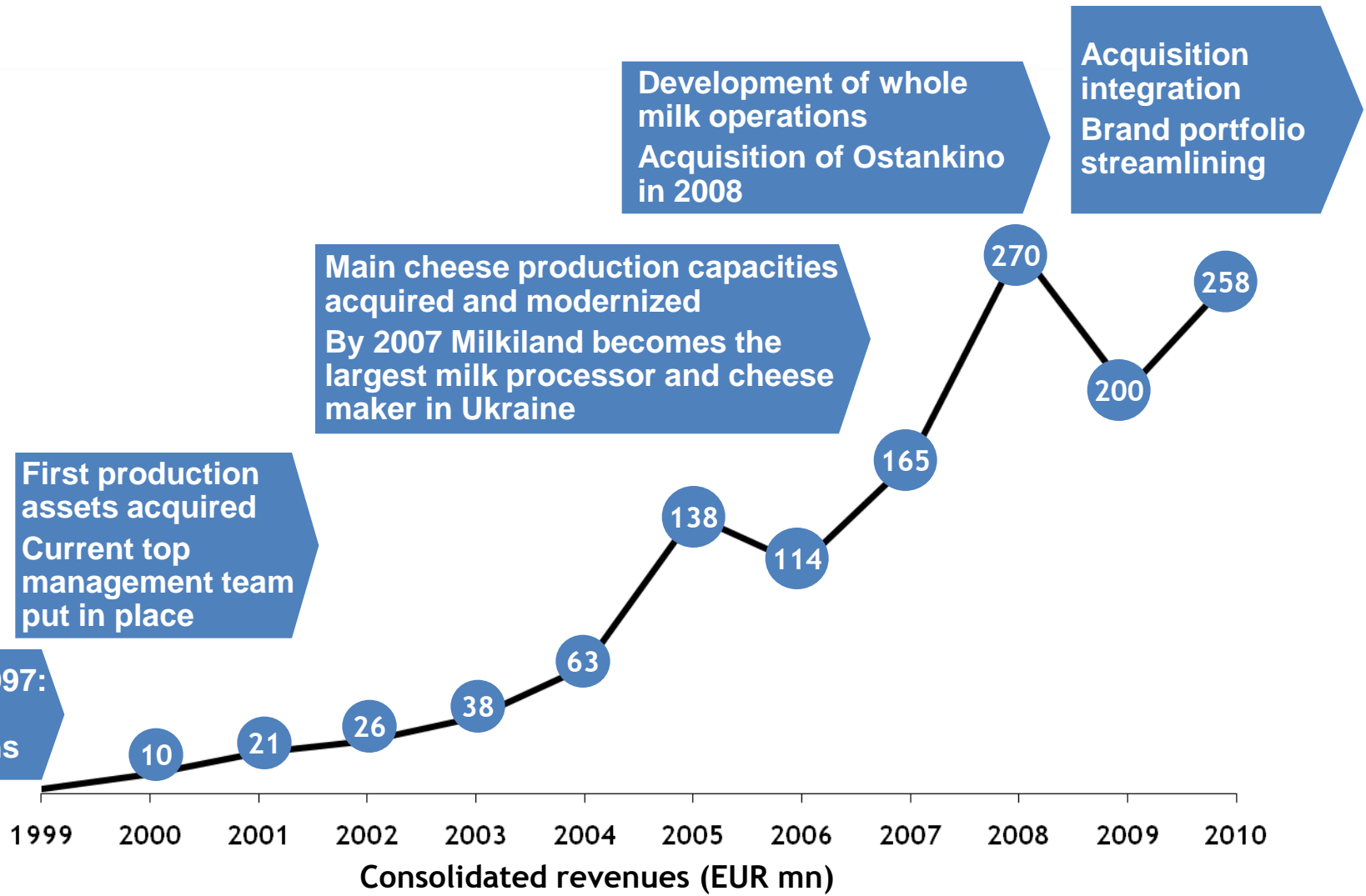
Dairy market supply structure (2010)



Milkiland overview



Strong organic growth with selective M&A



Milkiland today - integrated dairy company



Raw milk supply

- Long-standing relationships with suppliers across 17 regions in Ukraine
- ca. 1,600 people employed in milk collection
- Over 1,800 collection points
- Leased ca. 15k ha of land for development of own modern dairy farms

Production

- 11 production facilities with milk processing capacity of 1.1m tonnes p.a.
- Internationally recognized standards of production and quality control
- Ukrainian plants are favourably located in milk-rich regions

Warehousing & distribution

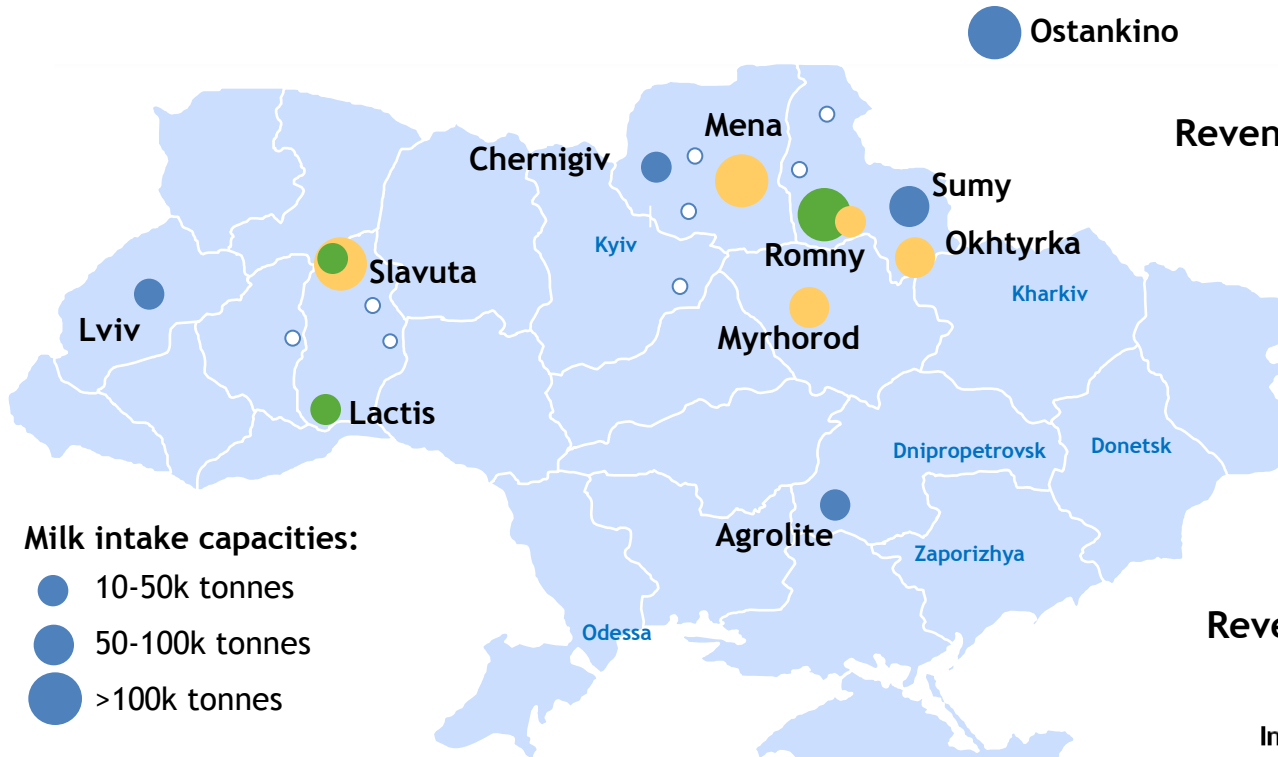
- Extensive distribution network in Ukraine and Russia
- #1 Ukrainian cheese exporter
- Key clients include X5, Metro, Auchan, Fozzy and Furshet

Marketing & sales

- Three umbrella brands (Dobryana, Ostankinska, Kolyada) covering ca. 2/3 of sales in 2010
- Mostly medium and upper medium price positioning



Diversified and flexible business model...



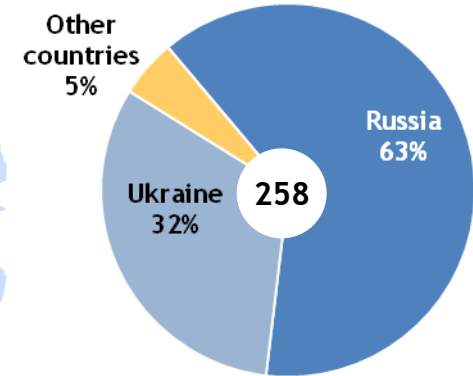
Milk intake capacities:

- 10-50k tonnes
- 50-100k tonnes
- >100k tonnes

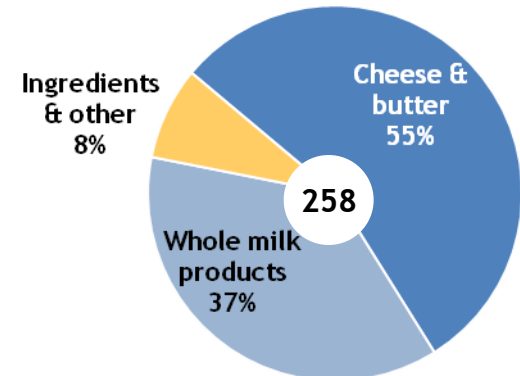
Plants specialization:

- - Whole milk products
- - Cheese
- - Dry milk products
- - Milk collection plants

Revenue by geography (EUR m, 2010)



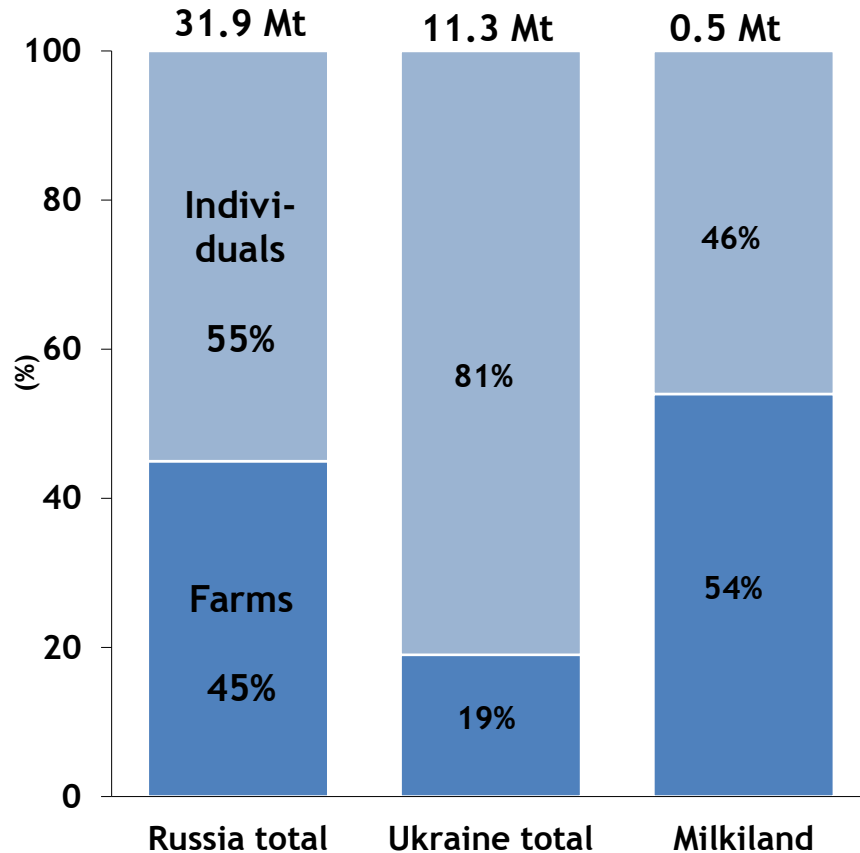
Revenue by product (EUR m, 2010)



...combined with secure raw milk supplies...



Structure of raw milk supply in Russia, Ukraine, and for Milkiland (2010)



Source: Rosstat, Derzhkomstat, Company

Milkiland's raw milk supply system

Third party farms

- Over 500 farms
- Long-standing relationships
- Working capital and project financing
- Partnerships contemplated

Individuals

- Full milk collection and delivery infrastructure in place
- Entry barriers for competition
- Cooperatives contemplated

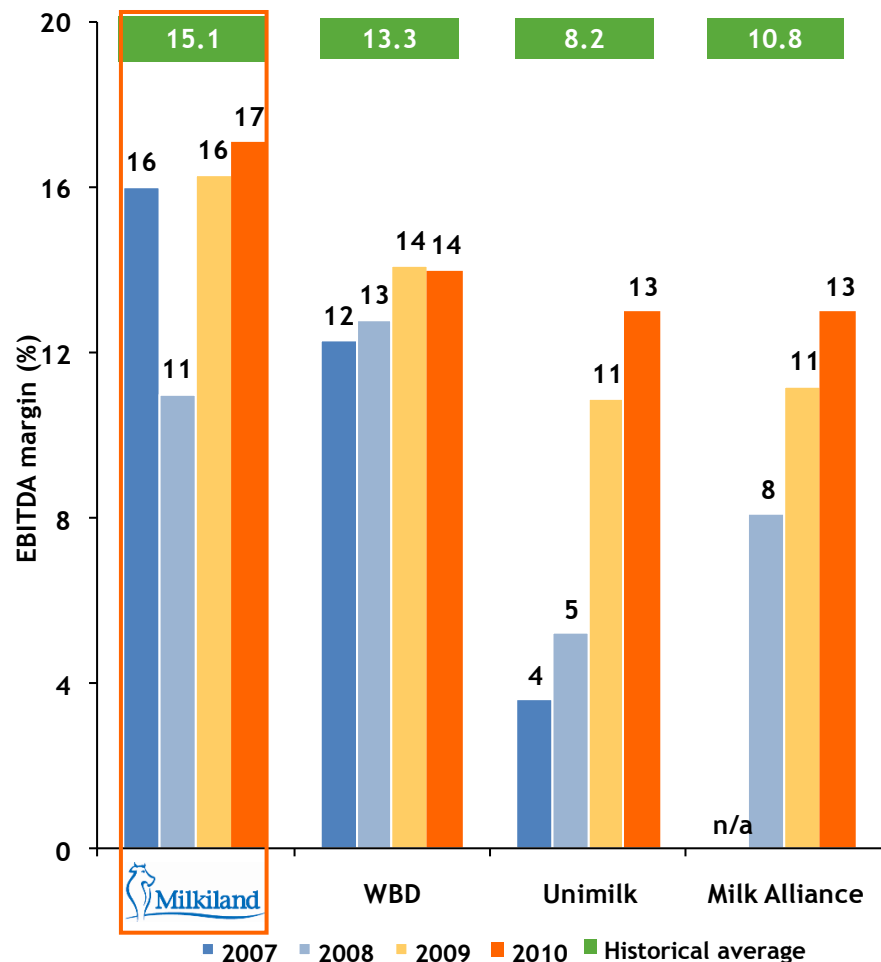
Own farms

- 5 kt of milk in 2010, under modernization to produce 20 kt in 2012 and 50 kt in 2015
- Milk supply for premium products
- Centers of excellence for third party farms

... resulting in superior and sustainable profitability



EBITDA margin vs. peers



- A well-balanced product portfolio in whole-milk products and cheese provide for higher profitability of Milkiland’s business vs. peers



Source: Companies data

Note: Milkiland margins calculated using adjusted EBITDA

Innovative product offering

Continuously developing new cheese products

Specialty cheeses



- The only successful Ukrainian producer of premium cheeses, such as Camembert, Roquefort and Parmesan-type
- In 2010 Milkiland supplied a quarter of Ukrainian specialty cheese market, with the rest represented by imports

King Arthur cheese



- Flagship hard cheese introduced in 2005 and is an example of successful mass market product launch
- In 2010, King Arthur sales grew 80% and set for further aggressive growth

Thermostatic products



- In 2007 Ostankino launched thermostatic product offering such as varenets, ryazhenka, acidophylin, appealing to traditional consumption tastes
- After a successful launch in Russia, Milkiland is contemplating introduction of thermostatic products in Ukraine

Whey drinks



- Whey drinks were launched in 2010 to meet the demand for traditional dairy products in Ukraine

Actively managing whole milk products offering

Strong portfolio of local brands

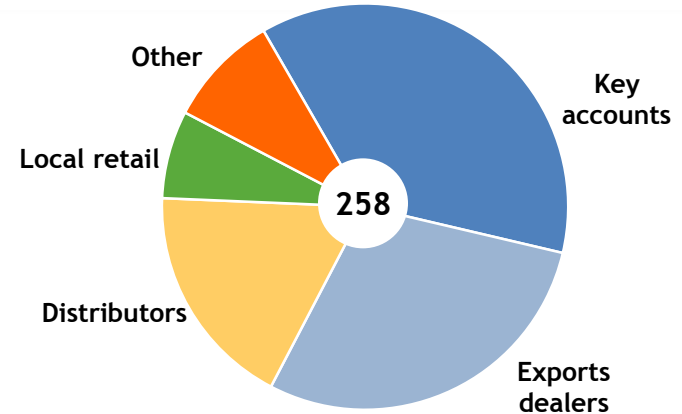


| | Positioning | Status | Share in revenues | | Overview |
|--|-------------|---------------|-------------------|------|--|
| | | | 2009 | 2010 | |
|  | Medium | International | 36% | 59% | Cornerstone brand initially introduced for hard cheese and developed into an umbrella brand |
|  | Medium | Regional | 13% | 9% | Historical brand of the Ostankino dairy plant with high consumer awareness in the Moscow region |
|  | Economy | International | 2% | 2% | Relatively new brand, planned to take over regional economy brands and non-branded products |
|  | Premium | International | - | - | Premium brand to be introduced upon further expansion of high quality products portfolio in 2011-12 |
| Private label | | | 11% | 10% | Private labeling with X5 in Russia and with Metro, Fozzy and Velyka Kyshenya in Ukraine |
| Other brands, non-branded | | | 31% | 20% | Economy local brands and non-branded products to be replaced with Kolyada and Dobryana umbrella brands |

Multiple sales and distribution channels

| | |
|------------------------------|---|
| Key accounts | <ul style="list-style-type: none"> ● Hypermarket and supermarket chains active in the CIS ● 23 key accounts in 2010, including Metro, X5, Auchan, Fozzy and Furshet |
| Exports dealers | <ul style="list-style-type: none"> ● Key distributors of cheese and dry milk products abroad |
| Regional distributors | <ul style="list-style-type: none"> ● Access to regions where Milkiland is not represented directly in local retail |
| Local retail | <ul style="list-style-type: none"> ● Local retail chains, groceries and outlets ● Important sales channel for fresh whole milk products |
| Other | <ul style="list-style-type: none"> ● HoReCa ● Industrial clients |

Revenues by distribution channel (EUR m, 2010)



Source: Company

Selected key accounts



Our strategy



Dairy market potential



Dairy consumption in Russia and Ukraine poised for growth led by cheese and whole milk products

Strong local players can capitalize on market growth and consolidation trend

Milkiland is well-positioned to lead market consolidation across the CIS

Our aim is to become a clear CIS market leader in cheese and a Top-3 player in whole milk products

Investment programme



| | | EUR m |
|----------------------------|--|-------|
| Cheese | <ul style="list-style-type: none"> ● Capacity expansion by 7 kt p.a. from 40 kt ● Ongoing modernisation, upgrade and maintenance | 14 |
| Whole milk products | <ul style="list-style-type: none"> ● Fundamental modernization of the Ostankino dairy plant ● Modernization and upgrade of Ukrainian whole milk operations | 20 |
| Raw milk production | <ul style="list-style-type: none"> ● Expansion of dairy farming in order to produce ca. 25-28 kt annually of raw milk in-house by 2013, and 50 kt by 2015 | 8 |
| Corporate | <ul style="list-style-type: none"> ● Buying out the remaining minority stake in Ostankino | 4 |
| TOTAL ORGANIC | | 46 |
| ACQUISITIONS | <ul style="list-style-type: none"> ● Establish cheese production in Russia via acquisition or brownfield investment ● Selective consolidation opportunities in Ukraine | 40-60 |

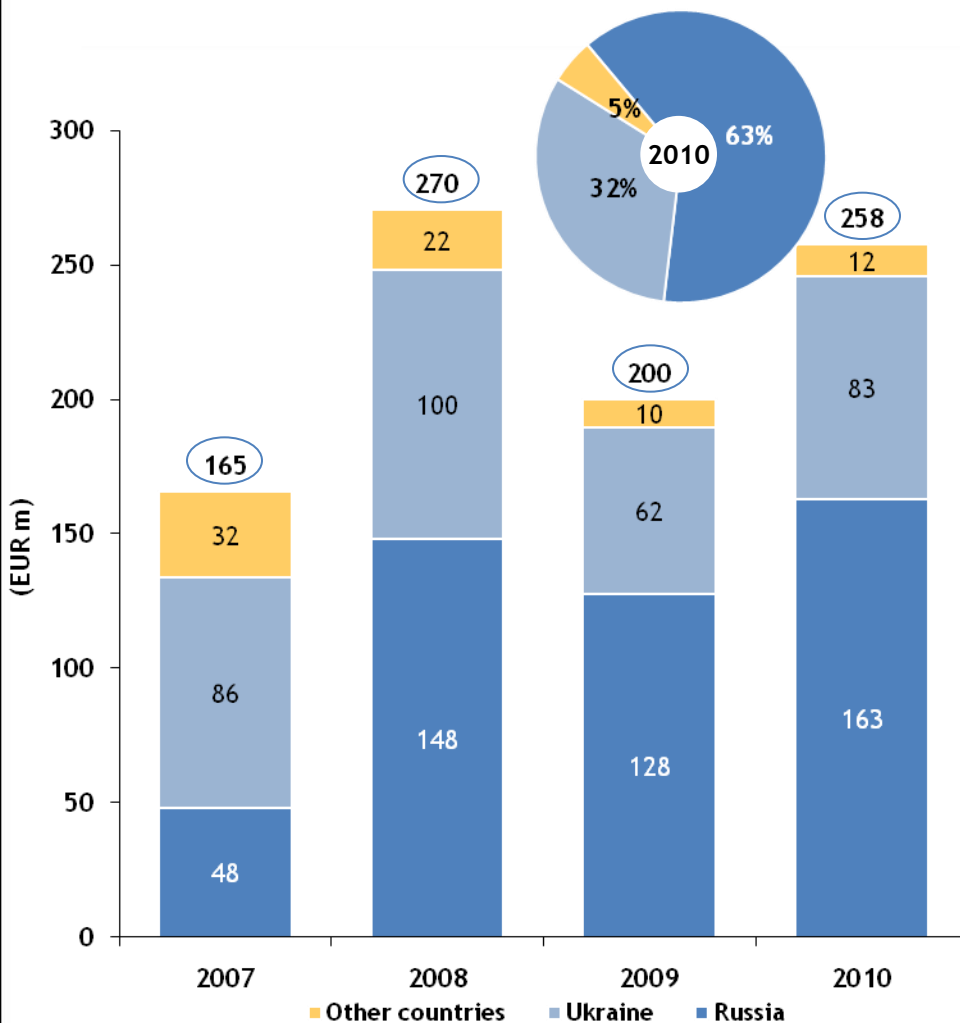
Financial performance



Revenues

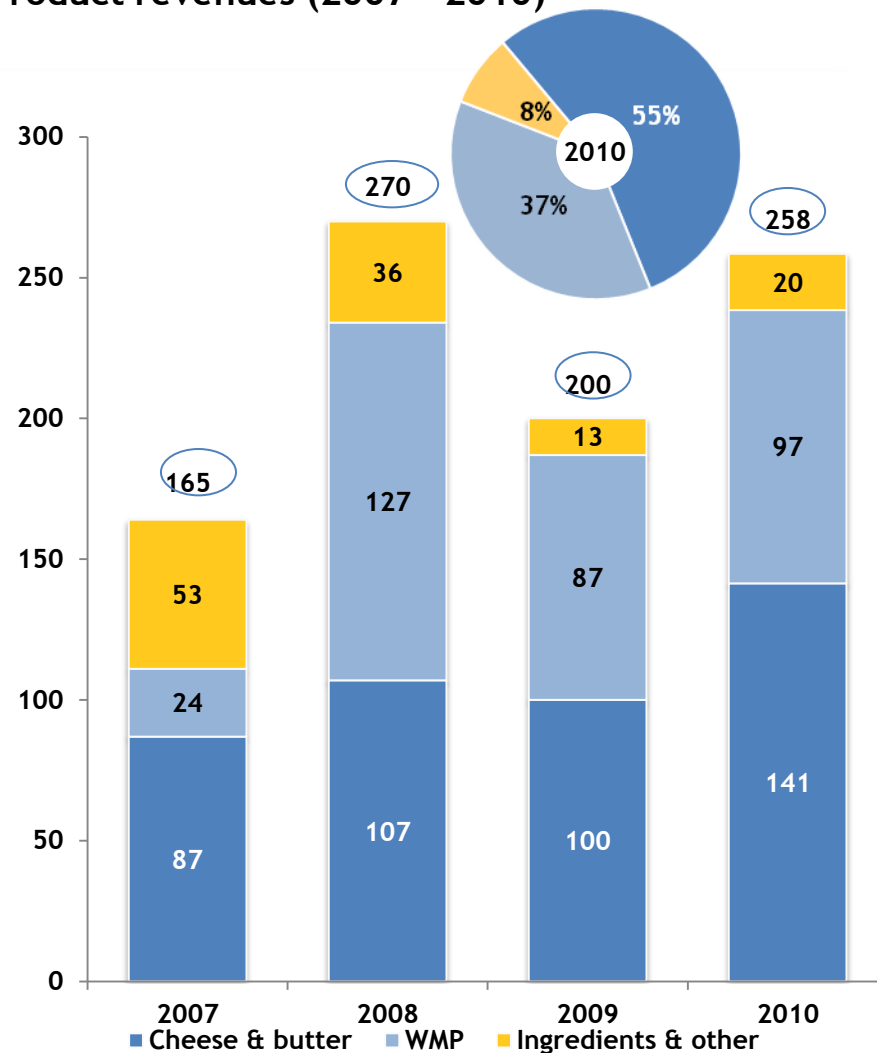


Geographic revenues (2007 - 2010)



Source: Company IFRS accounts

Product revenues (2007 - 2010)

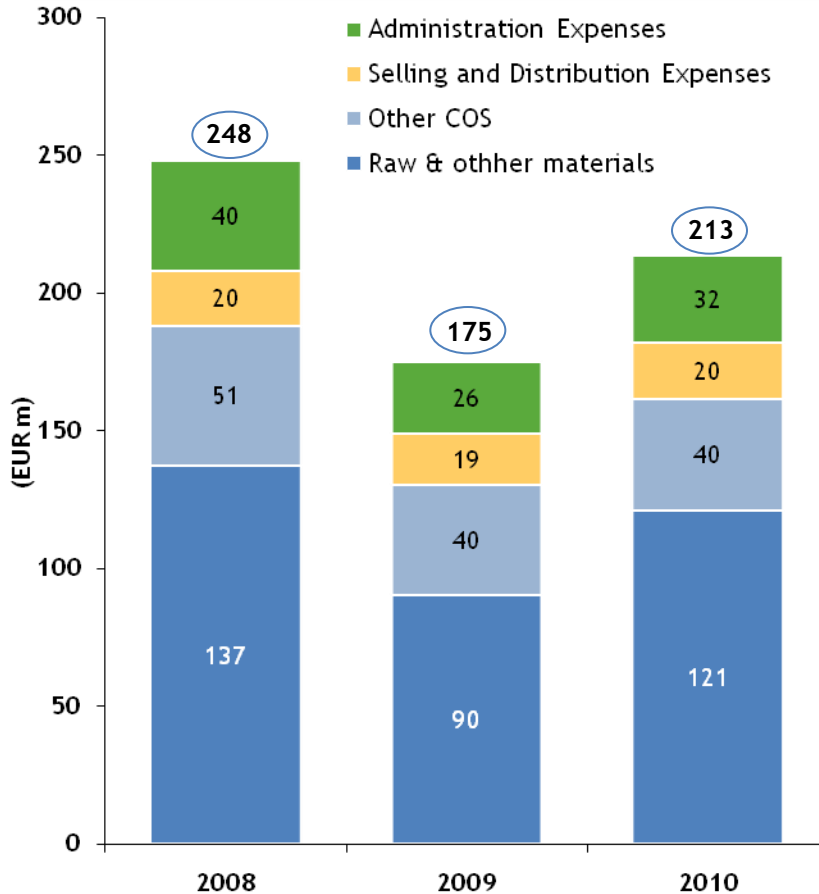


Source: Company IFRS accounts

Solid profitability

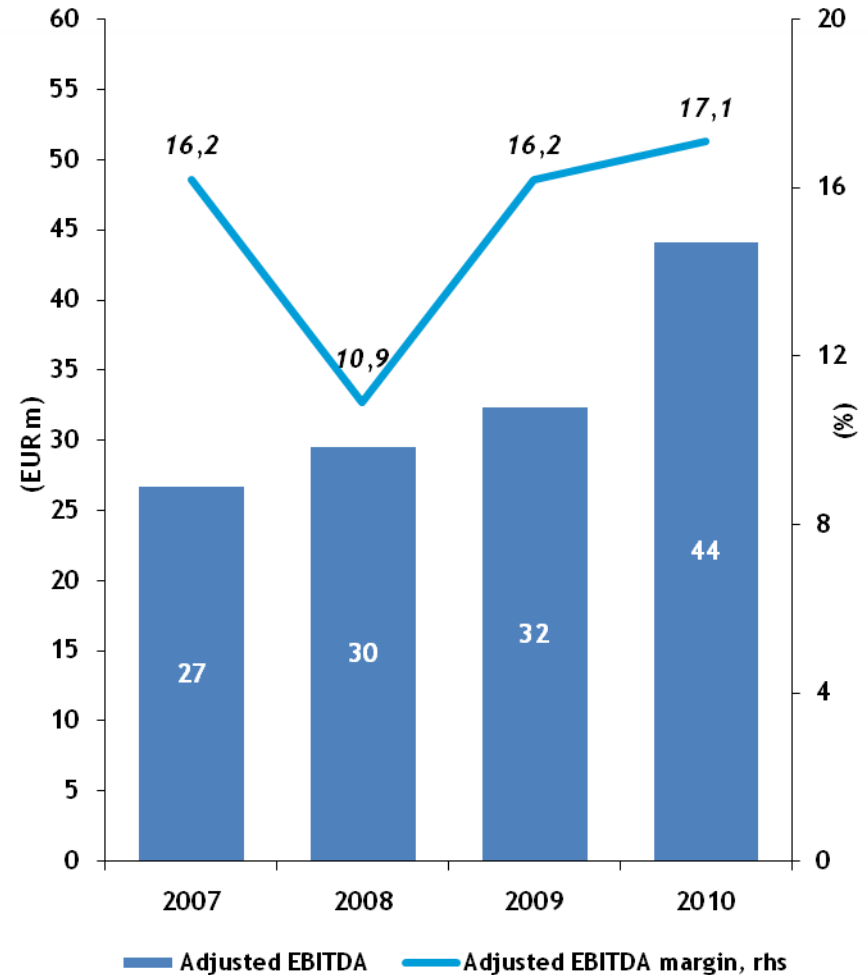


COS and Expenses (2008 - 2010)



Source: Company IFRS accounts

Adjusted EBITDA (2007 - 2010)



Source: Company IFRS accounts

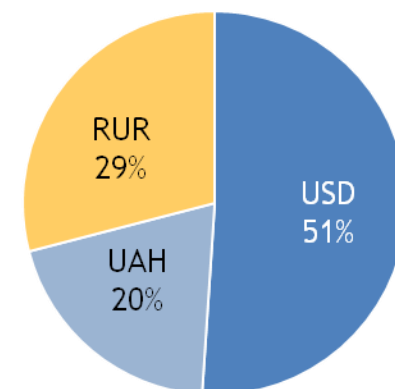
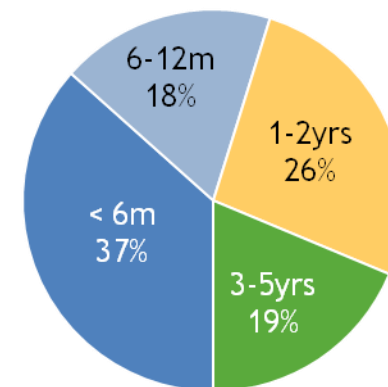
Note: Adjusted EBITDA excludes effects of non-recurring expenditure from operating segments such as restructuring costs, legal expenses, non-current assets impairments and other income and expenses resulting from an isolated, non-recurring event

Improving leverage

| EUR '000 | 31 Dec 08 | 31 Dec 09 | 31 Dec 10 |
|--------------------------------|--------------|--------------|--------------|
| Total debt | 99,122 | 92,935 | 79,836 |
| Cash and equivalents | 3,181 | 6,676 | 37,757 |
| Net debt | 95,941 | 86,259 | 42,079 |
| Key ratios | | | |
| Net debt / Equity | 3.3 | 1.7 | 0.3 |
| Net debt / Adj. EBITDA | 3.2 | 2.7 | 0.95 |
| Adj. EBITDA / Interest expense | 2.0 | 2.3 | 3.4 |

Source: Company IFRS accounts
n/a = not applicable

Debt breakdown as at 31 December 2010



Source: Company IFRS accounts

Leading dairy player in the CIS



