



Investor presentation FY 2006



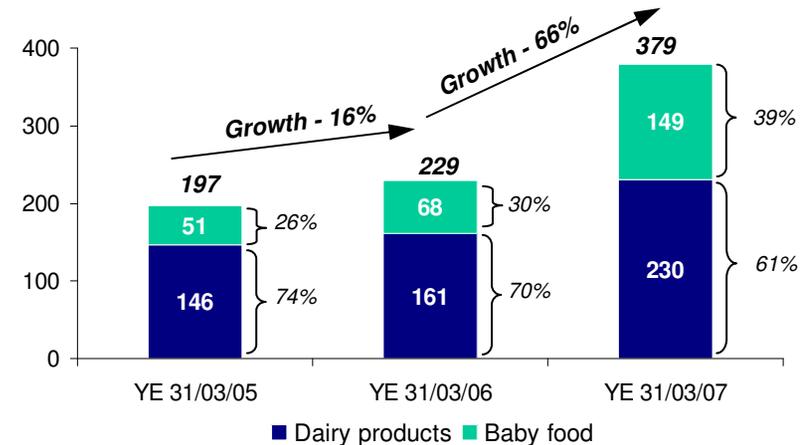
July 2007

I. Nutritek Group at a Glance

Nutritek Group at a Glance

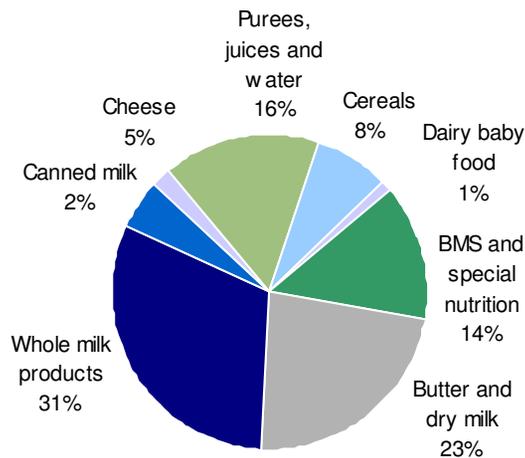
- The largest national producer of baby food in terms of value in Russia and other CIS countries in 2006
- The only Russian producer of special Breast Milk Substitutes (“**BMS**”) and clinical nutrition products
- The third-largest national dairy producer in Russia by revenue in 2006
- One of the fastest growing in the industry: revenue increased by 66% in year ended 31/03/07

Nutritek revenues, US\$ mln

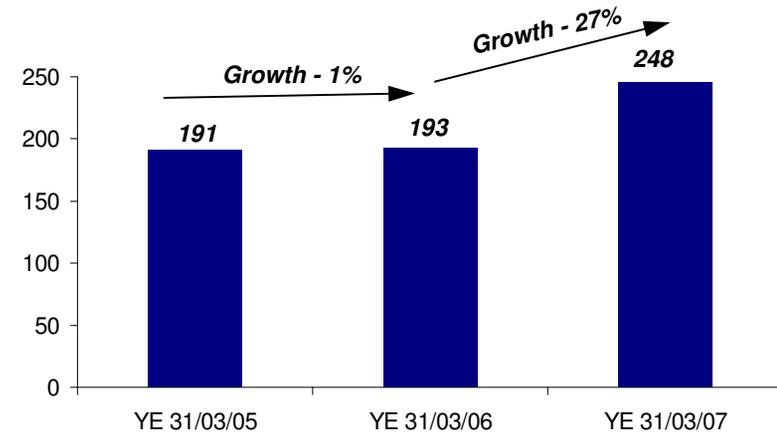


Source: IFRS Financial Statements, converted from RUR

Breakdown of sales by products, value, year ended 31/03/07



Nutritek sales volume, thousand tonnes

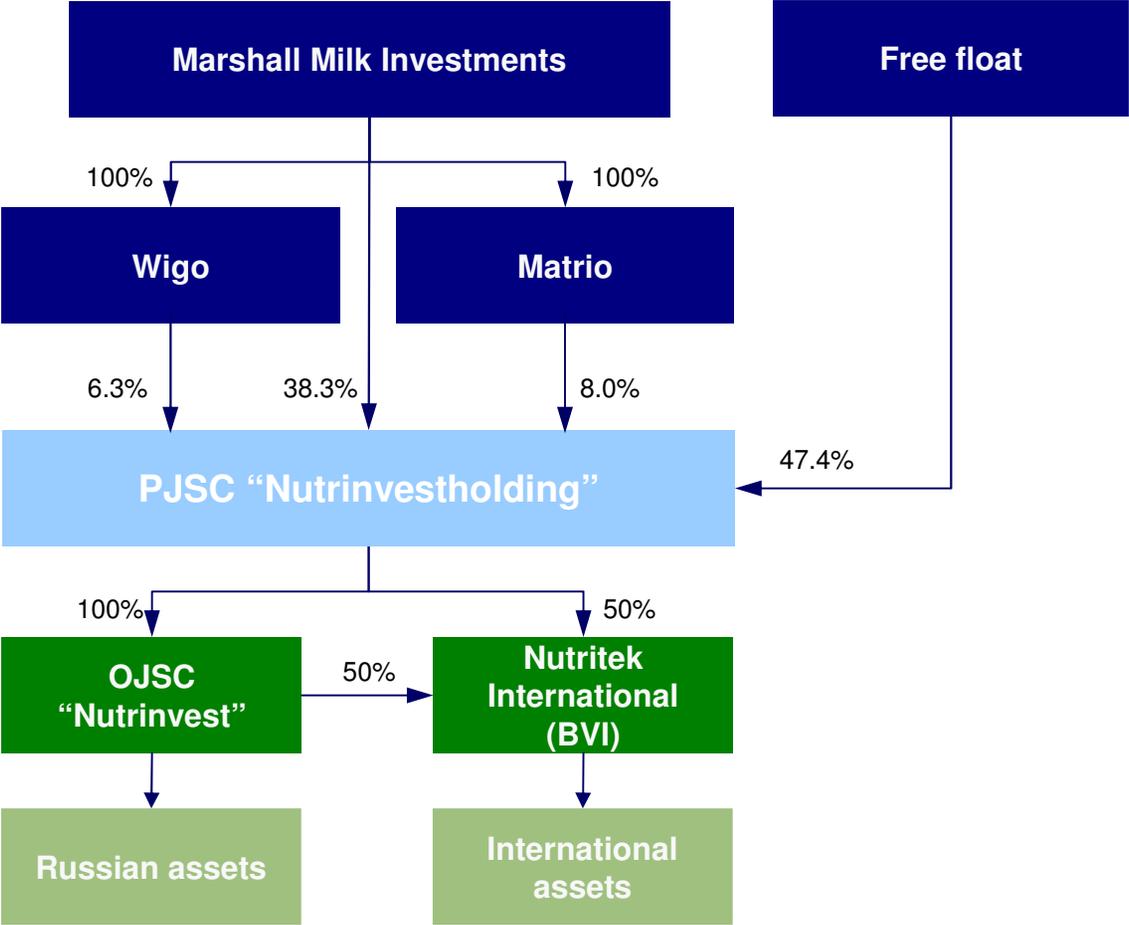


Source: Company

Source: Company

Company Structure

Corporate structure of PJSC "Nutrinvestholding"*



Note: * - Corporate structure following the completion of the open subscription procedures by existing shareholders and the public

Nutritek's Investment Highlights

Leading position in the baby food segment

- The largest national producer in Russian baby food market (15.4% market share in 2006 according to Euromonitor)
- Unique supplier of full range of baby food products in the Russian market
- Operates one of the most modern baby food plants in Russia, other CIS countries and Eastern Europe

Exposure to fast growing Russian baby food market

- Growing consumer incomes in Russia
- One of the most dynamically growing consumer markets – processed baby food (27% CAGR in 2001-2006 in value terms)

Full range of baby food products

- The only producer of a full range of baby food products, covering all principal price segments of the market, with exception of the premium price segment
- Strong brand recognition among local customers in regional areas of Russia

Developed raw milk base

- Production facilities located in leading milk production regions in Russia
- Nutritek supports local farms with equipment, quality control technology and financial resources
- Own agro business reduces the costs and secures regular supply of high quality raw milk
- Nutritek occupies dominant position as a raw milk purchaser in the regions where its production facilities are located

Streamlined distribution

- Starting from Jan 1, 2007 Nutritek streamlined its baby food distribution system to increase efficiency and reduce costs
- All sales to the customers are now executed through distributors via special third-party agreements with distributors and retail chains

Government purchases (tenders)

- Government purchases are just as profitable as retail sales and in some instances even more profitable
- Government purchases are expected to grow in the near future

Strong and dedicated management team

- Motivated and experienced management team has significant expertise and competence in all aspects of the dairy and baby food markets

Excellent track record

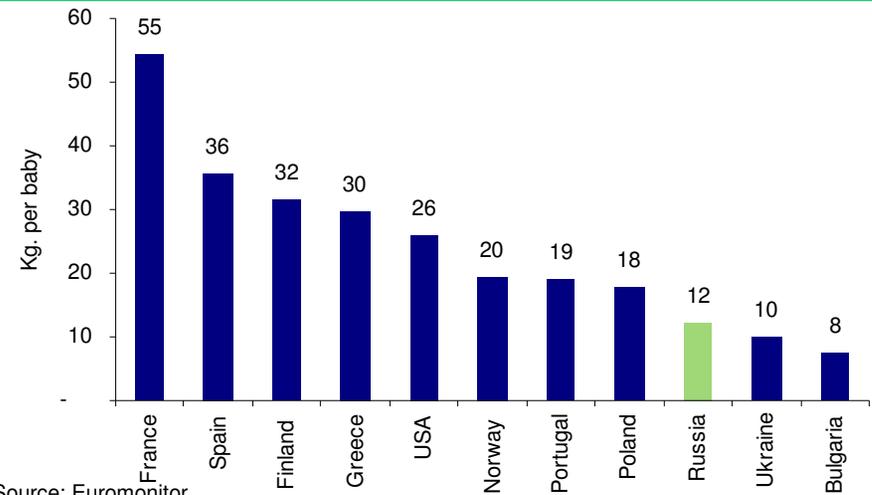
- Strong track record of growth, profitability and acquisitions
- The size of Nutritek, high profitability and its credit history provide for significant advantage against local competitors

II. Market Overview

Sizable Market Opportunity

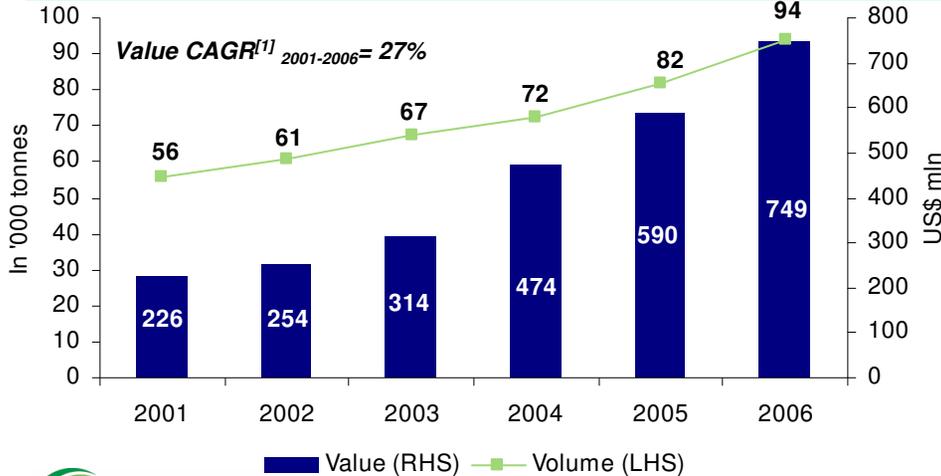
- Considerable market size:
 - Baby food – US\$ 749 mln in 2006
 - Dairy products – US\$ 5.2 bln in 2005
- CAGR for baby food in 2001-2006 - 27% in value terms
- Baby Food growth drivers:
 - Rising consumer incomes
 - Rising urban population
 - Home made baby food is being replaced by manufactured baby food
 - Increasing offer value-added products
 - Newly updated government demographic policy

Baby food consumption, 2005



Source: Euromonitor

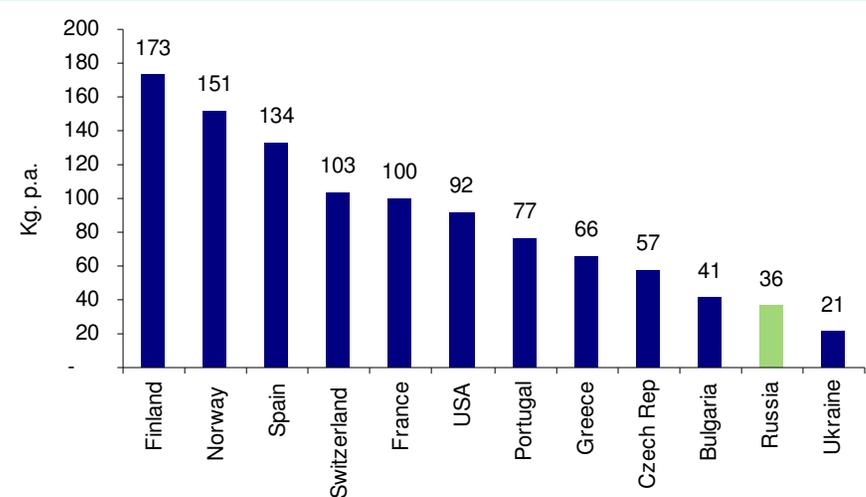
Baby food market growth, US\$ mln



Source: Euromonitor

Note: ⁽¹⁾ - denominated in USD

Dairy consumption, 2005



Source: Euromonitor



Nutritek's Position on the Russian Baby Food and Dairy Market

Baby Food

- Nutritek is the largest national producer of baby food and the only Russian producer of clinical nutrition products
- Most of the products produced by international players are still imported
- Nutritek has the potential to improve its own market position in the baby food market due to:
 - Most complete product range in sector including complex products such as Breast Milk Substitutes (“BMS”)
 - Specialised distribution channels
 - Specialised promotions and marketing strategy

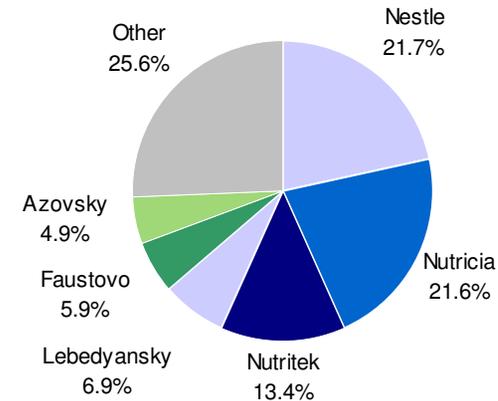
Dairy Products

- Nutritek is one of the largest national producers of dairy products
- Total Nutritek share in the Russian dairy market is 3.9% [1] in value terms
- Wide product assortment including yogurts and bio-products
- Leading dry milk producer [2] (market share – 8.2%)
- Highly fragmented market with over 1,700 small independent plants in operation

Sources: [1] - AC Nielsen for 24 cities
 [2] - Company estimates

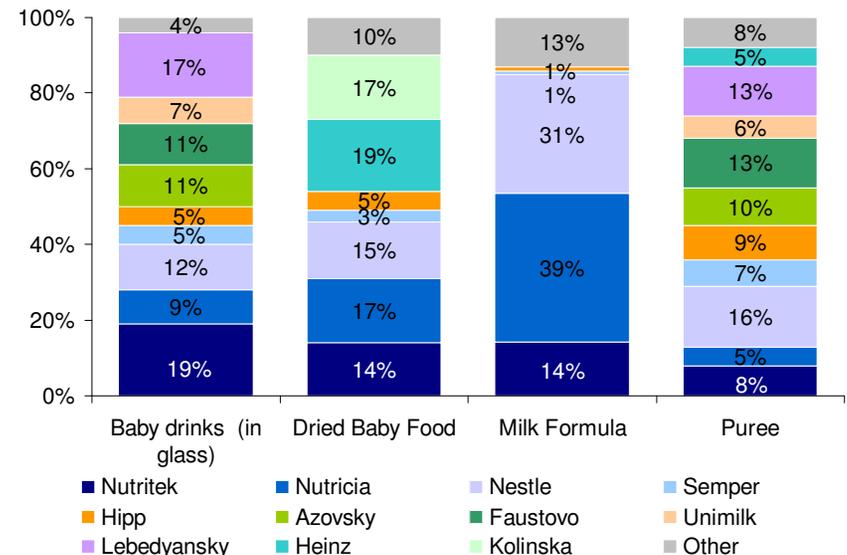


Russian baby food market structure by producer (value), 2005



Source: Euromonitor

Russian baby food market by segment (value), 2005



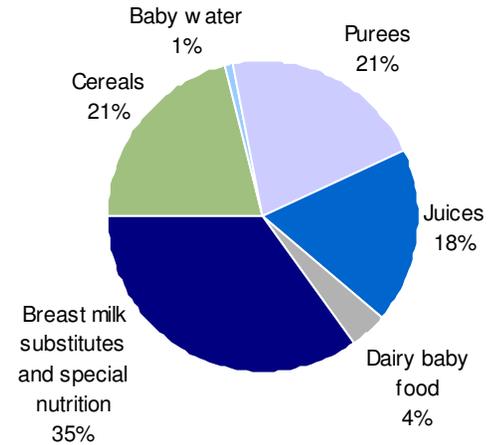
Source: Euromonitor

III. Operational Overview

Full Range of Baby Food Products

- Nutritek is the only producer of a full range of baby food products in Russia including breast milk substitutes
- Besides Nutritek only Nutricia and Nestle have presence in major segments
- All other players are occupying its own niche
- Availability of breast milk substitutes that is used from the first days of the babies' life gives the producer significant advantage in creating consumer' loyalty

Baby Food Product Portfolio (value), YE 31/03/2007



Source: Company

Major producers according to the market segments

	Baby Special and Clinical		BMS		Cereals	Purees	Juices	Baby Water	Dairy Baby Food
	Medical	Standard							
Nutritek	█	█	█	█	█	█	█	█	█
Nestle	█		█	█	█	█	█		
Nutricia	█	█	█	█	█	█	█		
Kolinska					█				
Hipp		█	█					█	
Friesland			█						
Heinz					█				
Frutonyanya						█			
Tip-Top						█	█	█	
Azov					█	█	█		
Agusha						█	█		█
Frutek					█		█		

Source: Company

Nutritek product portfolio

Baby food



Kroshka

The brand was developed for the middle price segment and has a wide range of baby food products, such as: cereals, puree, juices

Winnie

The brand was developed for the lower-middle price segment and has no particular focus on packaging or advertising support



Nutrilak

The brand is positioned in the upper middle price segment as the best value proposition for healthy babies and babies with special nutrition needs, such as various forms of allergy, digestive malfunction, etc

Special nutrition and dairy products



Femilak & Laktamil

Femilak and Laktamil are special nutrition products for pregnant and breastfeeding women that contain calcium, folic acid and other microelements



Nutrien

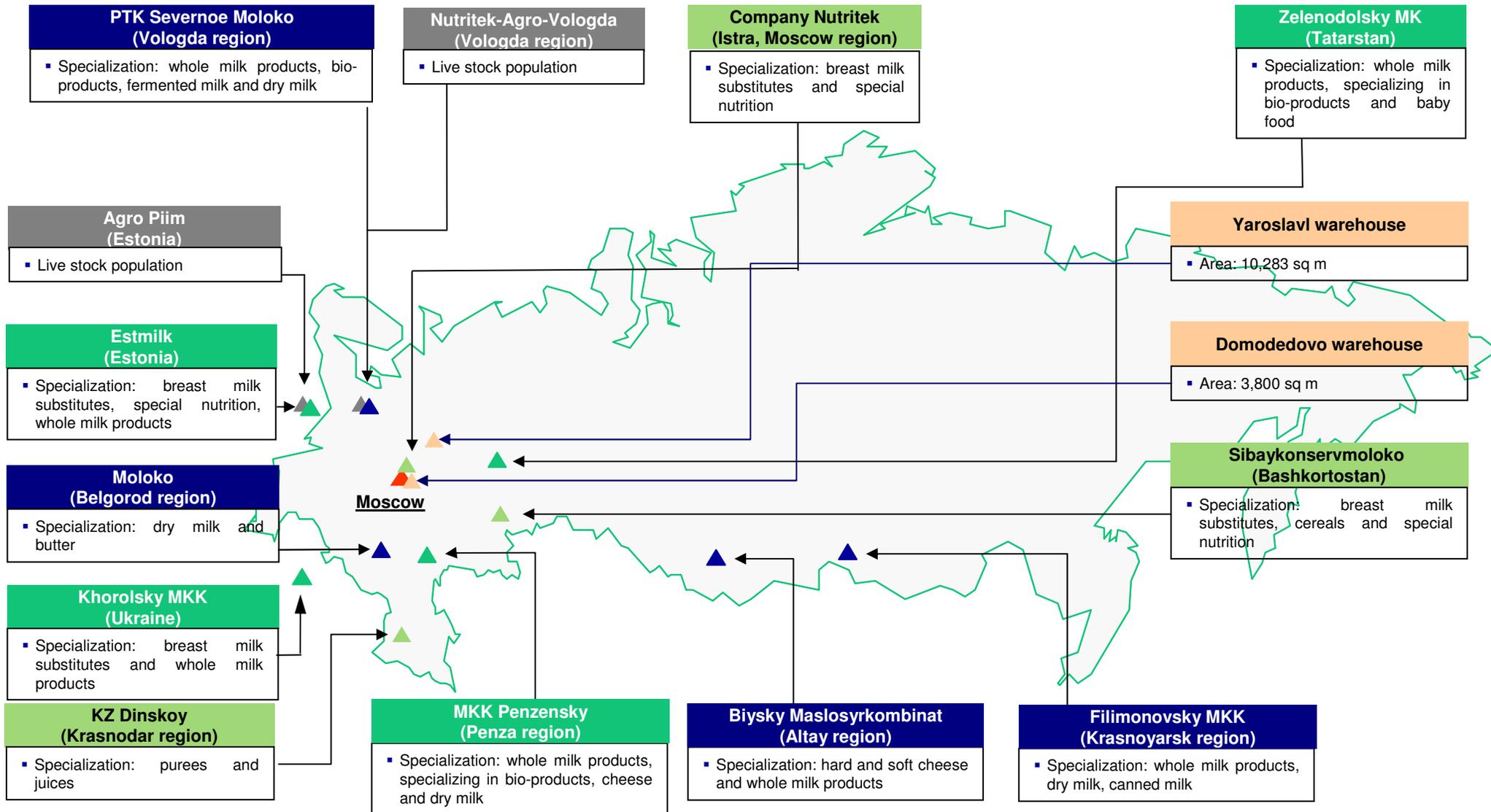
Nutrien covers a wide range of enteral nutrition products for patients with serious health deviations



Farm №1

The brand was developed for the middle segment of dairy market and has a very colorful packaging design. The product line covers wide range of dairy products, such as milk, sour cream, butter, etc

Strong Production Platform

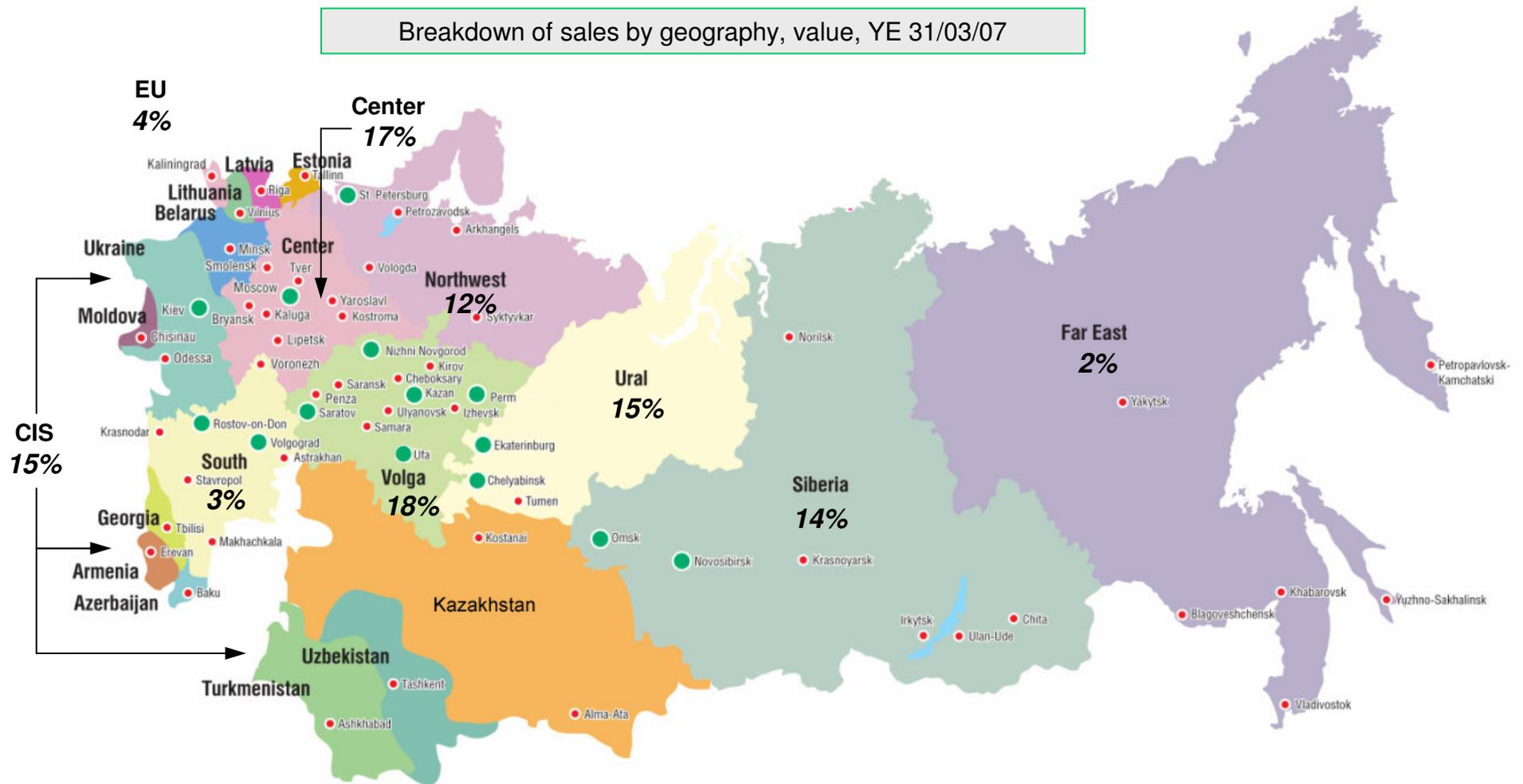


▲ Warehouses ▲ Baby food plants ▲ Dairy plants ▲ Mixed plants ▲ Agro holdings ▲ Corporate center

Distribution Coverage

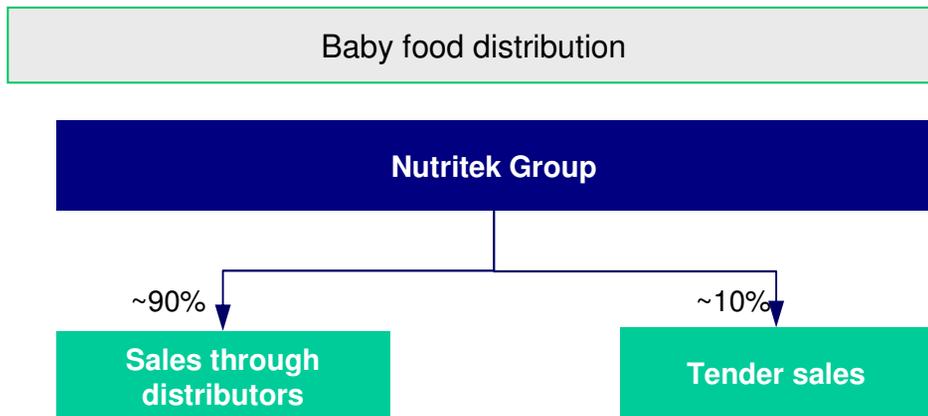
Nutritek products are sold national wide covering all regions of Russia, major CIS countries and Baltic Countries

Breakdown of sales by geography, value, YE 31/03/07

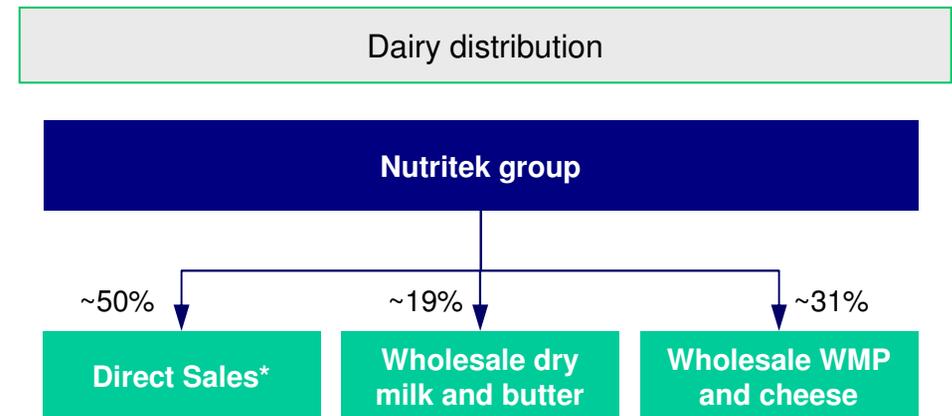


Source: Company

Baby Food and Dairy Distribution



- Baby food products are sold through specialized distributors to better serve the market needs and tender programmers
- Most of baby food products are sold under special three sided agreements among Nutritek, distributor and retail chain
- More then 80 specialized on baby products distributors covering all regions
- Local distributors provide effective market penetration in the regions
- Tender sales account for ca. 10% of the total baby food sales and ca. 25% of breast milk substitutes sales
- Essential part of tender sales is represented by Breast Milk Substitutes and cereals accounting for ca. 90% and 9% respectively



- Nutritek sells its products through two main sales channels: direct sales and wholesale
- Direct sales account for ca. 50% of the total dairy sales and include retail sales (ca. 32% of total dairy sales) and sales to processors (ca. 18% of total dairy sales)
- Whole milk products are mostly sold directly through retail
- Most of dry milk is sold to processors and used for whole milk products production
- Butter as well as cheese and canned milk products are mostly sold to wholesales

IV. Strategy

Business growth strategy

Organic Growth – leveraging strong competitive advantages to outpace market and increase margins on a rapidly expanding and lucrative baby food market

Leverage wide production platform to expand margins

Increase volumes and margins through expanding Brand and Product Portfolio

Capturing new routes to market and higher quality “push” via a newly introduced Distribution System

Capitalise on and grow the existing dominance in the strategically important Government purchases programmes

M&A - careful review of potential opportunities for strategic acquisitions in the CIS, with clear investment strategy, financial resources and strong integration experience in place

Baby Food

Capture new volumes and expand margins in a rapidly developing and unsaturated segment of organic products

Shift product mix towards more value-added and higher margin offering of enriched, bio and fermented milk products

Increase market share in the traditional dairy segment at the expense of small regional players

Leverage regional presence to increase volumes at the expense of decreasing consumption of unpackaged dairy products

Dairy

Agro Business

Secure raw milk base

Strategy: International Expansion

Expand geographical coverage of the business by entering new markets, in particular those of China and countries of South-Eastern Asia

The Group has regional headquarters in Singapore to manage operations in South-eastern Asia and act as marketing and distribution centre for Group's products in the region

Start production of dry milk, BMS, dried baby food, baby juices and purees at the two joint venture production facilities in China

November 2006: MOU with two Chinese plants for establishment of joint ventures in baby food and dairy industries were signed

January 2007: MOU with government of a Chinese province where Group plans to establish a JV

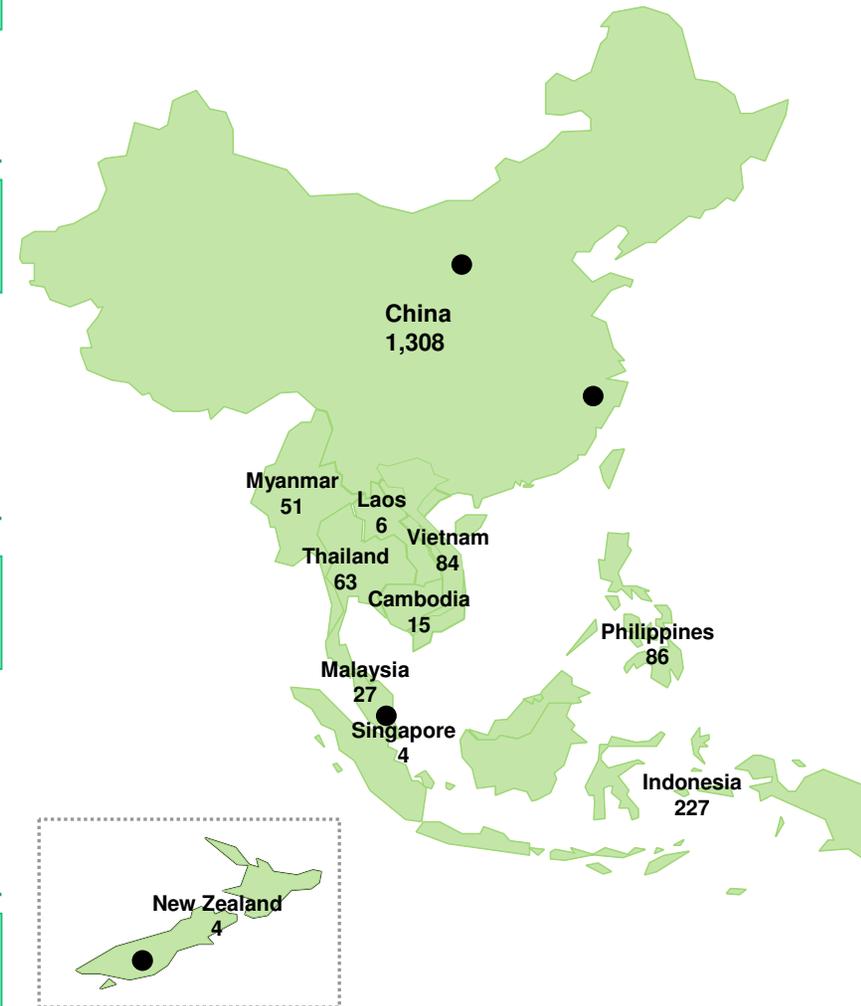
Leverage New Zealand Dairy raw milk supplies for production of baby food to be sold in China and South-Eastern Asia

Nutritek already holds a minority stake in newly-built New Zealand dairy plant – New Zealand Dairies Ltd

Supply contract for procurement of ordinary and vitaminised dry milk and base formula for Grow-up milk signed with New Zealand Dairies Ltd

Leverage “Future Nutrition” 未来 brand recognised in China and Chinese-speaking communities to market products locally

Population of China and South-East Asia, 2006



● Investment targets
Source: Euromonitor

V. Financial Highlights

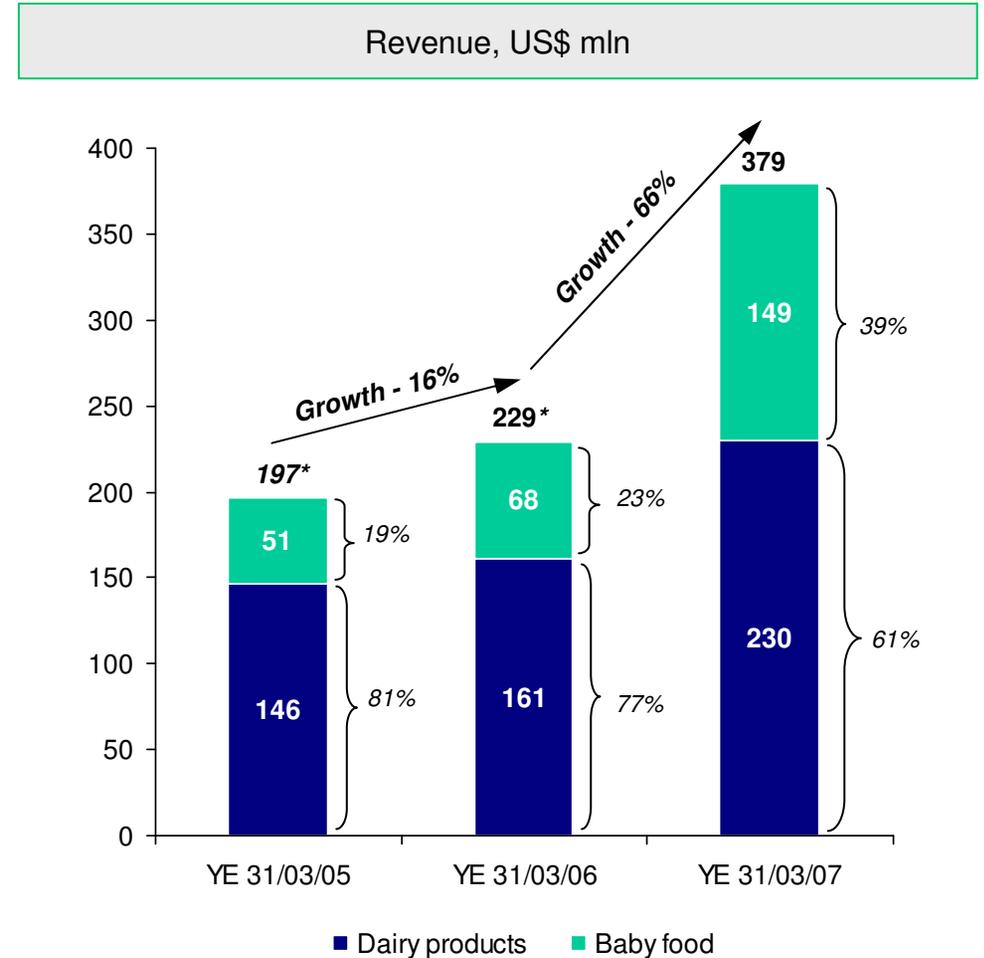
Financial Highlights - Revenue

Year ended 31/03/06 vs. Year ended 31/03/07:

- Total revenue - 66% growth in US\$ terms
- Baby Food revenue – 119% growth in US\$ terms
- Dairy revenue – 33% growth in US\$ terms

Drivers for growth:

- Organic growth and M&A activity
- Average price increase
 - Shift of the Group's product mix towards higher value-added and higher-margin products
 - Overall inflation in Russia



Source: IFRS Financial Statements, converted from RUR

Financial Highlights

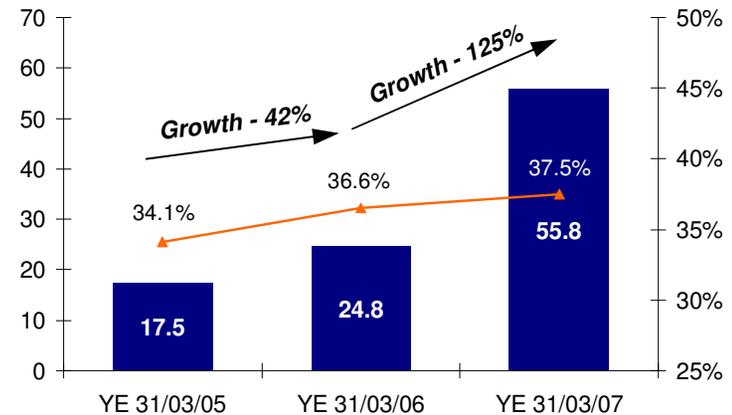
Year ended 31/03/06 vs. Year ended 31/03/07:

- Group gross profit⁽¹⁾ – 88.4% growth in US\$ terms
- Group gross margin⁽¹⁾ – growth from 23.5% to 26.8%
- EBITDA – 100% growth in US\$ terms
- EBITDA margin – growth from 14.9% to 18.1%

Drivers for growth:

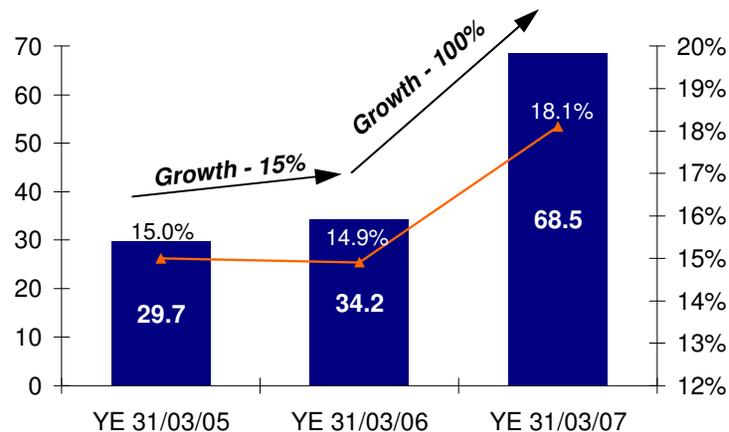
- Increase of Baby Food segment share in the total Group's revenues
- Overall shift of the Group's product mix towards higher-margin products

Gross profit and margin⁽¹⁾, Baby Food



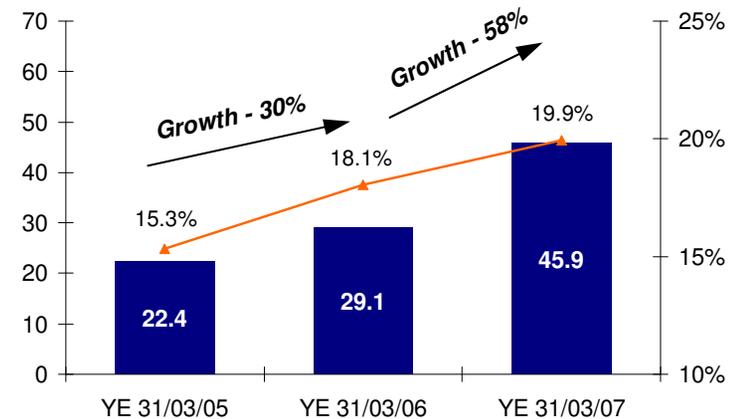
Source: IFRS Financial Statements, converted from RUR, Company

EBITDA and EBITDA margin



Note: ⁽¹⁾ Includes Depreciation and Amortisation
Source: IFRS Financial Statements, converted from RUR

Gross profit and margin⁽¹⁾, Dairy



Source: IFRS Financial Statements, converted from RUR, Company

Summary Income Statement

	YE 31/03/2005	YE 31/03/2006	YE 31/03/2007
Revenue	197.5	229.2	378.9
Cost of sales	-157.5	-175.3	-277.3
Gross profit before D&A	39.9	53.9	101.7
Gross margin before D&A	20.2%	23.5%	26.8%
SG&A	-10.5	-19.7	-33.2
D&A	-10.2	-13.7	-29.2
EBIT	17.3	7.1	29.4
Income tax	-1.8	-0.8	-7.2
Net profit	15.5	6.2	22.2
Net margin	7.8%	2.7%	5.8%
EBITDA*	29.4	34.2	68.5
EBITDA margin	14.9%	14.9%	18.1%

* EBITDA represents net income before income tax, minority interest, non-operating income (expense), interest expense, depreciation and amortisation
Source: IFRS Financial Statements, converted from RUR

Debt Analysis

mln. US\$ YE 31/03/2007

Short-term loans

CLN	100.0
Secured bank loans	10.9
Unsecured bank loans	17.5
Promissary notes	13.3
Total short-term loans	141.7

Long-term loans

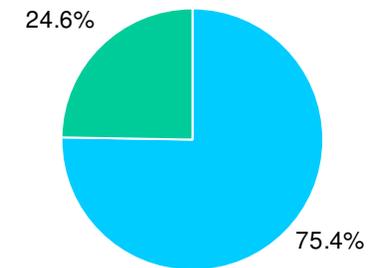
Rouble bonds	46.1
Total long-term loans	46.1

Total short and long-term loans 187.8

Cash and cash equivalents 16.8

Source: Company

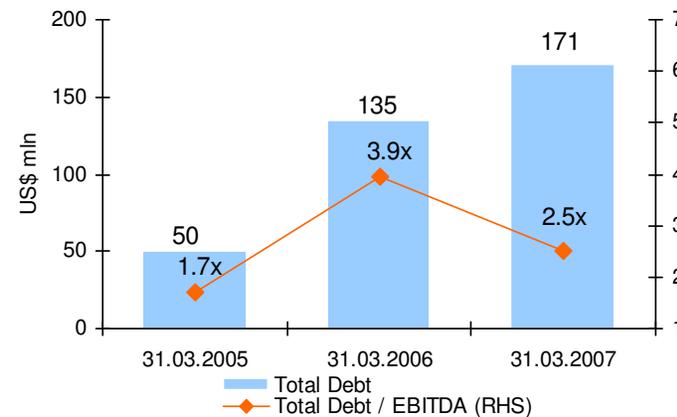
Term structure of debt, 31 March 2007



■ Under 1 year ■ 1-5 years

Source: Company

Total Net debt/EBITDA



Q&A

