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Wimm-Bill-Dann Foods Q1 2009 Earnings Call Transcript

Earnings Call Excerpt

Wimm-Bill-Dann Foods OJSC (WBD)

Q1 2009 Earnings Call

June 18, 2009 9:00 am ET

Executives

Marina Gennadievna Kagan - Member of the Management Board, Director of Public and Investor Relations

Tony Maher - Chief Executive Officer

Dmitry Vladimirovich Ivanov - Member of the Management Board, Chief Financial Officer

Presentation

Operator

Good day and welcome to the Wimm-Bill-Dann Q1 2009 earnings conference call. For your information, today's conference is being recorded. At this time, I would like to turn the conference over to Ms. Marina Kagan. Please go ahead, Madam.

Marina Gennadievna Kagan

Hello, ladies and gentlemen, and thank you for joining us to discuss the financial results of Wimm-Bill-Dann for the first quarter of 2009. After our presentation is over, we will be happy to take your questions. I would ask that you please refer to the cautionary statements included in the press release covering any comments made during this conference call.

And now I would like to hand the call over to our Chief Executive Officer, Tony Maher.

Tony Maher

Thank you, Marina. Good afternoon to all of you joining us from Russia and Europe and good morning to participants in the United States. The first quarter laid a solid foundation for the year, particularly in terms of a substantial improvement in margins and a balance sheet that is healthier than ever. The company continues to perform very well in all business segments despite the very challenging economic environment. In addition, we continue to strengthen the business by investing prudently in improving our market position and driving efficiency across our supply chain. We

continue to enhance all aspects of our business, ensuring the company is tightly managed and possesses the strength needed for success in both the short- and long-term.

Let me take a minute to share with you some of our efforts to improve our market position, our operations, and our capital structure.

We view the current economic downturn as a very good opportunity to enhance our marketing efforts and strengthen our competitive position. In particular, we are focused on gaining market share in higher margin categories. Leveraging our strengths as one of Russia's largest advertisers, we acquired more primetime media for 2009 for substantially less costs. This allows us to have more GRPs at peak viewing slots in Russia's national and regional television channels.

Looking at current market share numbers, we are happy that this approach is already paying off. At the end of the first quarter, our market share in juices increased by 170 basis points in volume terms compared to the first quarter of 2008. Our market share in baby food increased by 240 basis points in the same period while our market share in yogurts and desserts increased by 140 basis points in volume over the same period.

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