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For immediate publication

OJSC Concern "KALINA" published its key 2008 financial indicators forecast.

February 18, 2008. Today, JSC Concern "KALINA," one of Russia's largest perfumery and cosmetics producers, has published its target financial indicators for 2008.

There was a first time Kalina disclosed information with forecasts of the Company operational and financial results during a meeting of the Company's top-managers with analysts of Russian and foreign investment banks on February 15, 2008.

Forecast of key target indicators of Kalina activity for the year 2008 are given below.

US\$'000	2008
Revenues	463,700
Gross profit	261,500
<i>Gross margin, %</i>	<i>56.4%</i>
Operating profit	52,600
<i>Operating margin, %</i>	<i>11.3%</i>

About the company. JSC Concern "Kalina" is one of the leading Russian perfumery and cosmetics producers. The leading brands of the company are "Black Pearl", "Clean Line", "MIA", "Manhattan Clearface" and "Apotheker Scheller" among skin-care products; "32" and "Forest Balsam"- among oral care products, "Black Pearl", "MIA" and "Manhattan" among color cosmetics.

Concern "Kalina" consists of its parent enterprise in Ekaterinburg and several subsidiaries, including "Pallada Ukraine" (Ukraine), "Dr. Scheller Beauty Center" LLC, "Glavskazka international" LLC, Kalina Overseas Holding B. V. (Netherlands) and Kalina international SA (Switzerland). The Company also owns a controlling stake of the German cosmetics manufacturer Dr. Scheller Cosmetics AG.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of JSC Concern "Kalina" (the "Company"), as defined in the safe harbour provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and those actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date of this press release and to reflect the occurrence of unanticipated events. We refer you to the documents the Company files from time to time with the Federal Service for the Financial Markets. Certain of these documents contain and identify important factors that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, our competitive environment, dependence on new product development, rapid market change, acquisition strategy, risks associated with operating in Russia, volatility of stock price, financial risk management, and future growth subject to risks.