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press-release

JSC Concern 'KALINA' has held the annual meeting of shareholders

10 April 2006, Ekaterinburg. On April 7, 2006 JSC Concern "KALINA" held the annual general meeting of shareholders. The shareholders approved the Annual report, balance sheet, accounts of profits and losses, auditors' report for the year 2005.

The meeting of shareholders approved the dividend payment according to results of the second half of the year 2005 at the sum of 12 roubles 30 kopecks per one ordinary share. The payment will be done in cash within 30 days from the moment of announcing at the meeting.

As a result of voting eight candidates proposed for seven positions in the Board of Directors the following persons were elected:

Vasiliev Mikhail Borisovich	– Head of the NCH Advisors, Inc. representative office in St. Petersburg
Geller Nikolay Arkadievich	– Director of Development, JSC Concern 'Kalina'
Goryaev Timur Rafkatovich	– Chief Executive Officer, JSC Concern 'Kalina'
Petrov Alexander Yurievich	– Chief Financial Officer, JSC Concern 'Kalina'
Johan Grietsen Hendrik Vreeman	– Managing Director at Corpoeq B.V., a citizen of the Kingdom of Netherlands
Reinhold Schlensook	– member of the Board Dr. Scheller Cosmetics AG, citizen of the Federative Republic of Germany
Christophe Clave	– Director of Kalina International SA, a citizen of France

To the Inspection commission were elected : Kudin Dmitry Petrovich – brand director JSC Concern "KALINA", Fyodorova Olga Viktorovna – auditor- accountant of the Internal Control Department, Mikhailov Oleg Valerievich – Financial Controller JSC Concern "KALINA".

Closed Joint Stock Company "Ural-Audit" was approved as an auditor of the Company.

The meeting was conducted by the Chairman of the Board of directors Mr. Johan Vreeman. Total votes of shareholders according to list of shareholders are 9752311, including 9752311 voting. The number of votes participating in general meeting is 5362834 that amounts to 54, 99%. The date of register of closing was February 17, 2006.

Note. Concern pays dividends annually starting from 1992 when it was reorganized into the joint stock company. The sum and terms of dividend payment are determined by the General Meeting of shareholders. According to the results of the first half of the year 2005 the dividend payment accounted for 6,18 roubles per one ordinary share with a 70-rouble nominal value. On the results of 2004 there were paid dividends at the sum of 12, 36 per one ordinary share with a 70-rouble nominal value. (The interim dividends for the first half 2004 accounted for 3, 75 rubles and – 8, 61 rubles per share for the second half 2004). On the results of the year 2003 there were paid dividends at the sum of 7, 5 rubles per ordinary share (interim for the first half of the year 2003 at the sum of 2 rubles per share and 5, 5 rubles for the second half of the year 2003). On the results of the year 2002 dividend payment amounted to 2 rubles per share, in 2001- 1 ruble, in 2000 – 0, 5 ruble.

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" and "MIA" among the skin-care products, "32", "Forest Balsam"- on the mouth-care market, "Angelica Varum" - among perfumes.

Concern "Kalina" consists of the parent enterprise in Ekaterinburg, Omskiy factory of detergents, subsidiary "Pallada Ukraine" (Ukraine), "Novoplast", Kalina Overseas Holding B. V. (Netherlands), Kalina International SA (Switzerland). Concern owns a controlling stake of the German cosmetics and perfumery manufacturer Dr. Scheller Cosmetics AG.

Further information you may get from the press-secretary of the JSC Concern 'Kalina'- Kazantsev Sergey, tel./fax.(343) 365 83 06, e-mail: pressa@kalina.org.

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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. 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.

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