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press - release

## OJSC Concern “KALINA” has published financial results for the nine months of 2006.

**November 13, 2006.** Today, OJSC Concern "KALINA," one of Russia’s largest perfumery and cosmetics producers, has announced financial results for the nine months of the year 2006. Company sales and operating profit according to the nine-month performance reached 5,102.5 mln RUR and 1,074.7 mln RUR respectively. As compared to the same period of the year 2005 Concern’s sales and operating profit increased by 14.4% and 16.0% correspondingly.

Some financial indicators for the nine months of the year 2006 as compared to the same period of the year 2005 are shown below. The full text of financial statements for the nine months of the year 2006 is available at the Company web-site: [www.kalina.org](http://www.kalina.org).

Thousand rub	January-September 2006	January-September 2005	Variance, %
<b>Sales</b>	5,102,498	4,460,370	+14.4
<b>Gross profit</b>	<b>2,436,906</b>	<b>2,100,231</b>	<b>+16.0</b>
<i>Percentage to sales, %</i>	47.76%	47.09%	
<b>Operating income</b>	<b>1,074,741</b>	<b>881,091</b>	<b>+22.0</b>
<i>Percentage to sales, %</i>	21,06%	19,75%	

**About the company.** OJSC Concern “Kalina” is one of the leading Russian perfumery and cosmetics producers. The leading brands of the company are “Black Pearl”, “Pure Line”, “100 Beauty Recipes”, “Velvet Hands” and “MIA” among the skin-care products, “32”, “Forest Balsam”- on the mouth-care market, “Black Pearl” and “MIA” - among color cosmetics.

You may get further information from the press-secretary of the OJSC Concern ‘Kalina’- Mr. Sergey Kazantsev by tel./fax.(343) 365 83 06, e-mail: [pressa@kalina.org](mailto:pressa@kalina.org).

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 OJSC Concern “Kalina” (the “Company”), as defined in the safe harbor 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 that 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. 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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