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Consolidated Financial Statements  
Year Ended December 31.2006  
Management Presentation

# Disclaimer



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Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of Kalina, 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 hereof or to reflect the occurrence of unanticipated events. We refer you to the documents Kalina files from time to time with the U.S. Securities and Exchange Commission and the Russian Federal Service for the Financial Markets (FSFM), including the Kalina’s Prospectus filed with the FSFM on October 21, 2003. Certain of these documents contain and identify important factors, including those contained in the section captioned "Risk Factors" in the Prospectus, that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, potential fluctuations in quarterly results, 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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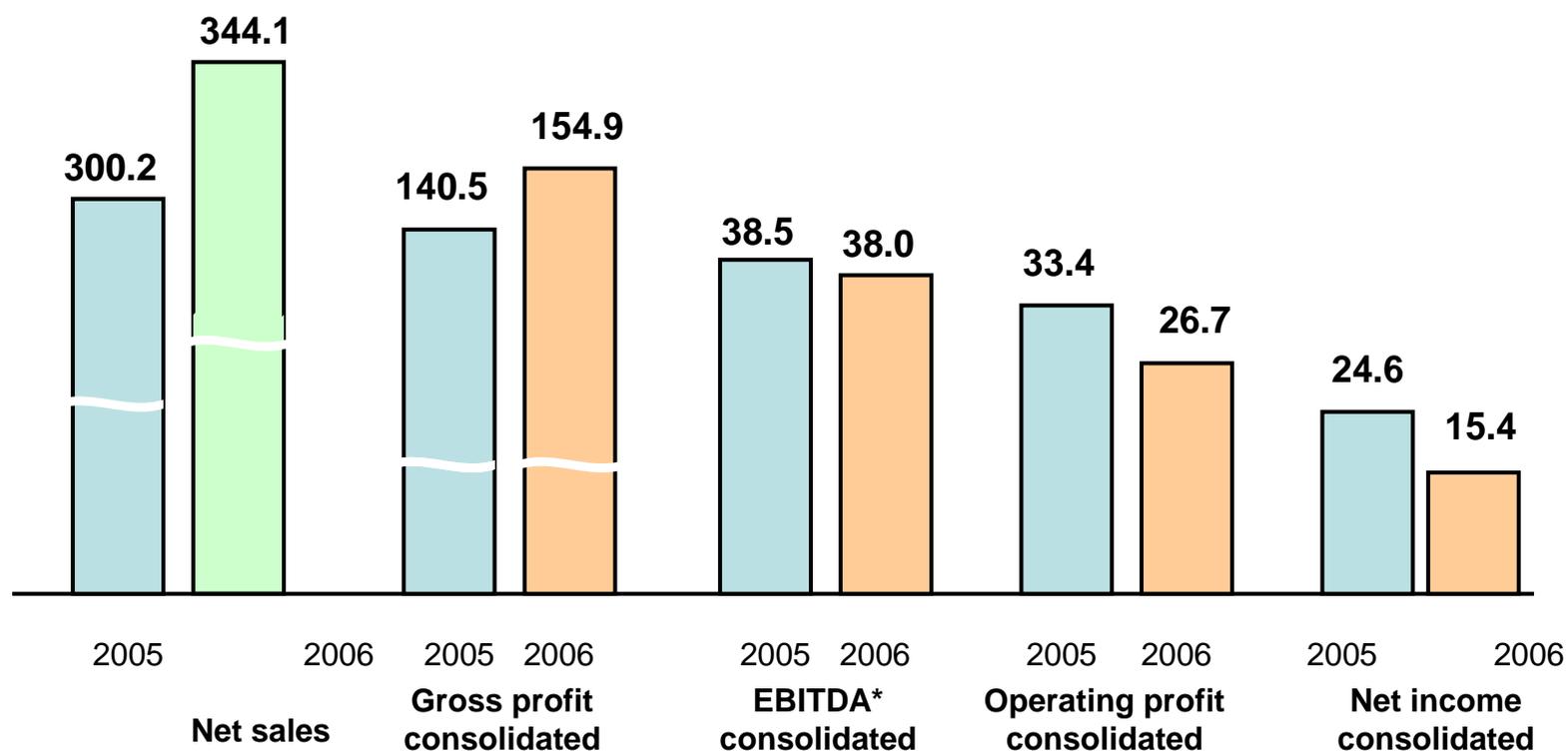
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# Financial performance indicators

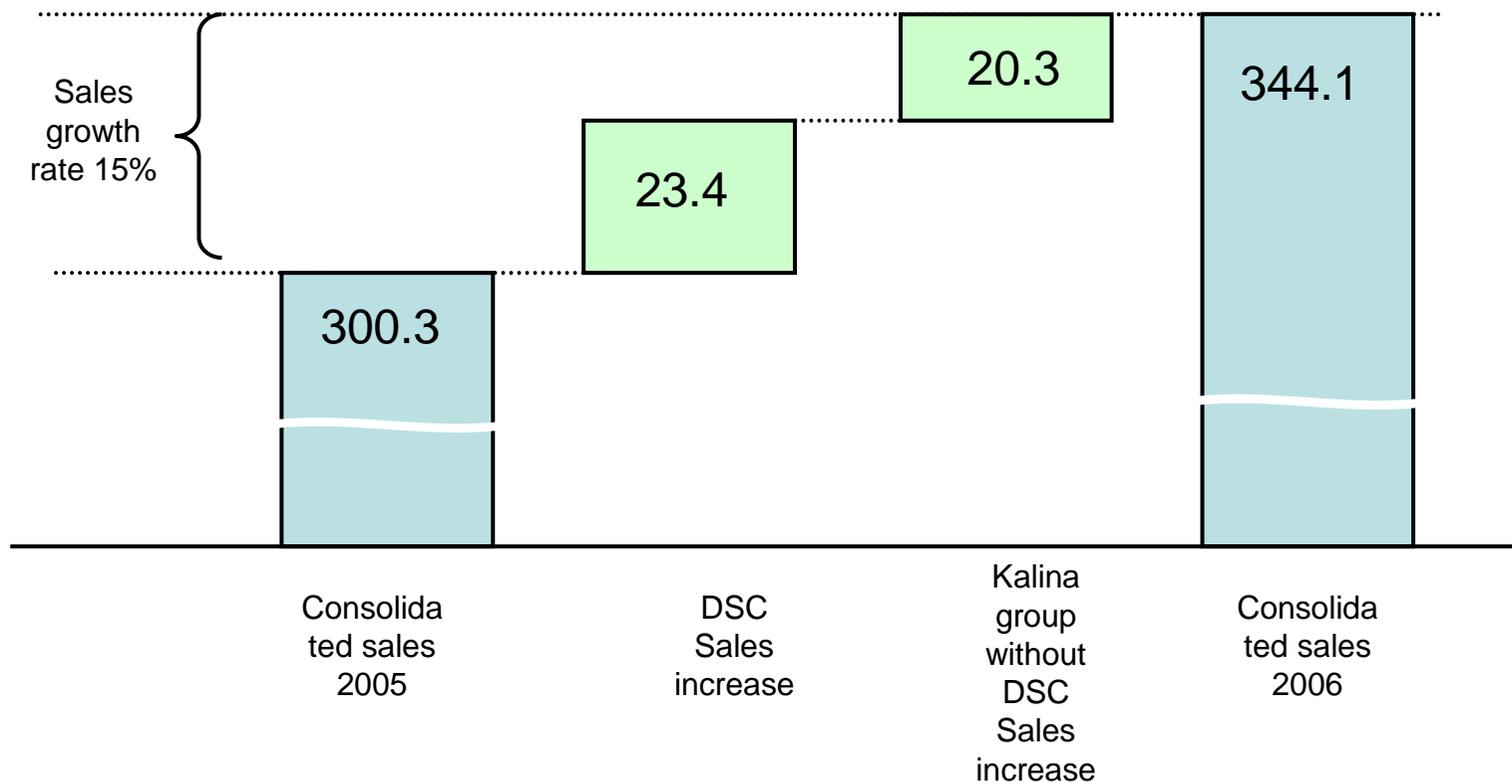
Mln. USD



\*EBITDA – earnings (loss) before interests, taxes, amortization and depreciation. Non-audited index.

# Sales.

Mln. USD

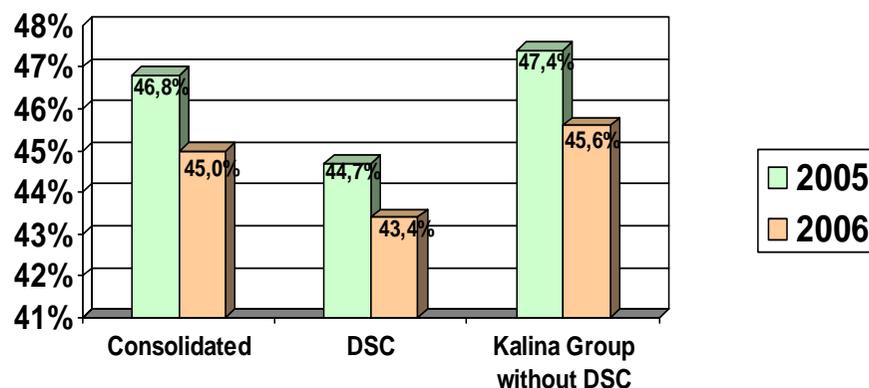


Company sales grew by 15% in 2006 to 344.1 mln USD. Sales growth of brand-named products was more than 20%\*.

\* The information concerns Concern Kalina stands alone

## Gross profitability. Companies stand alone

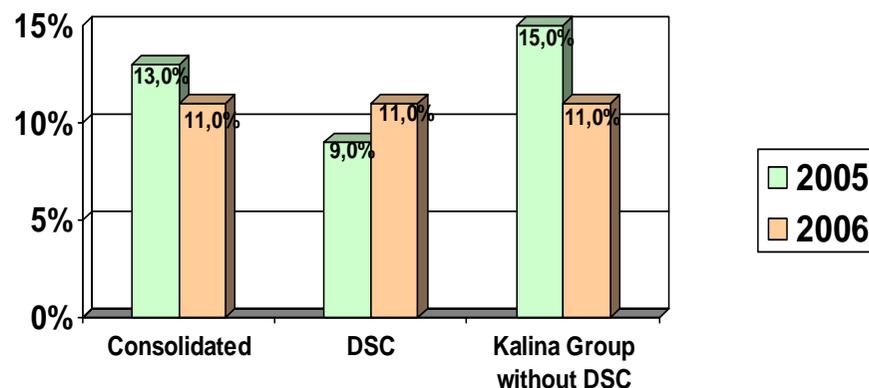
### Gross profitability



The main factors contributing to profitability decrease are:

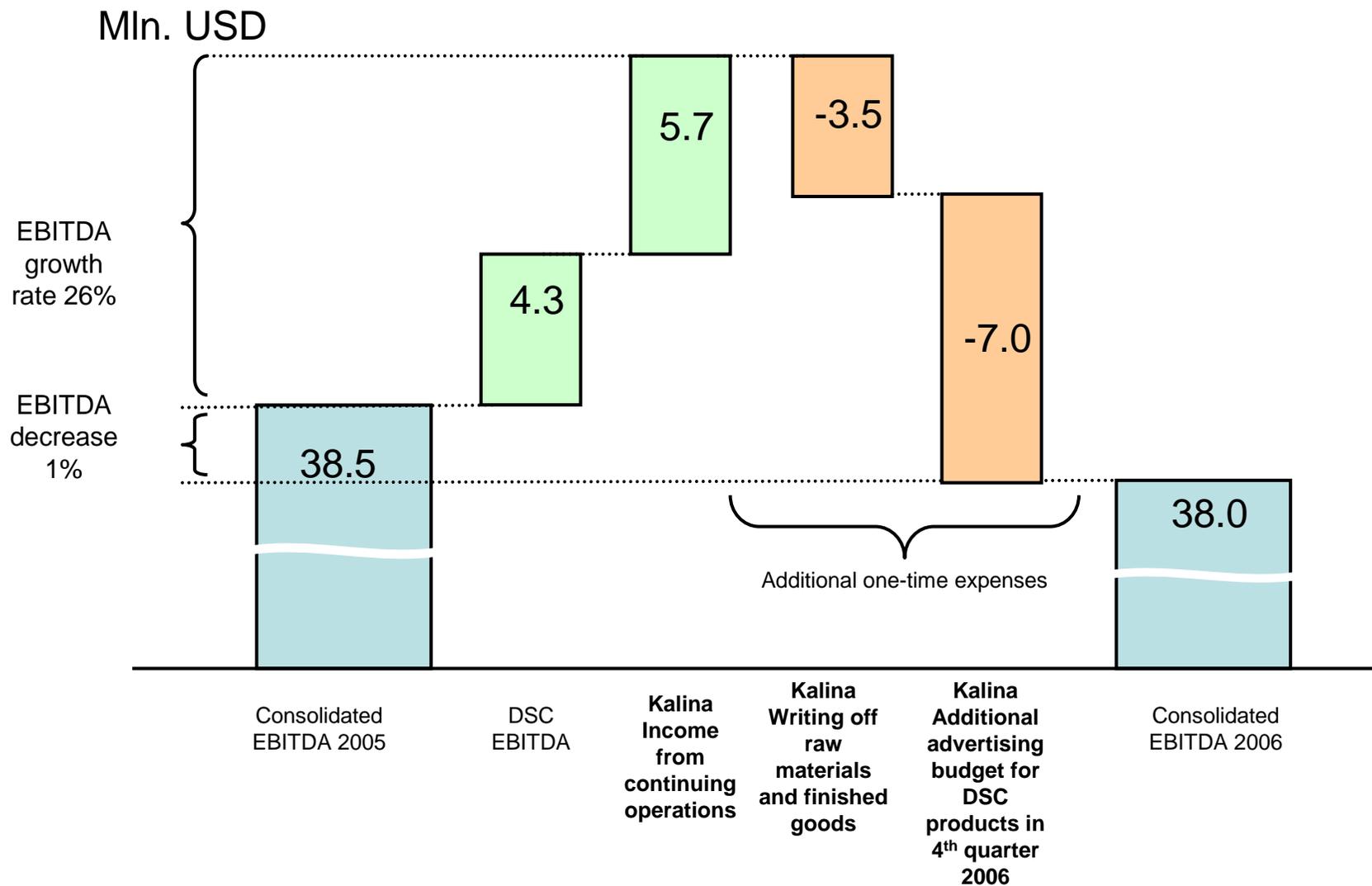
- The share of contract production grew from 8% in 2005 to 12% in 2006.
- The Gross margin of Omsk production decreased from 19% in 2005 to 14% in 2006

### EBITDA profitability



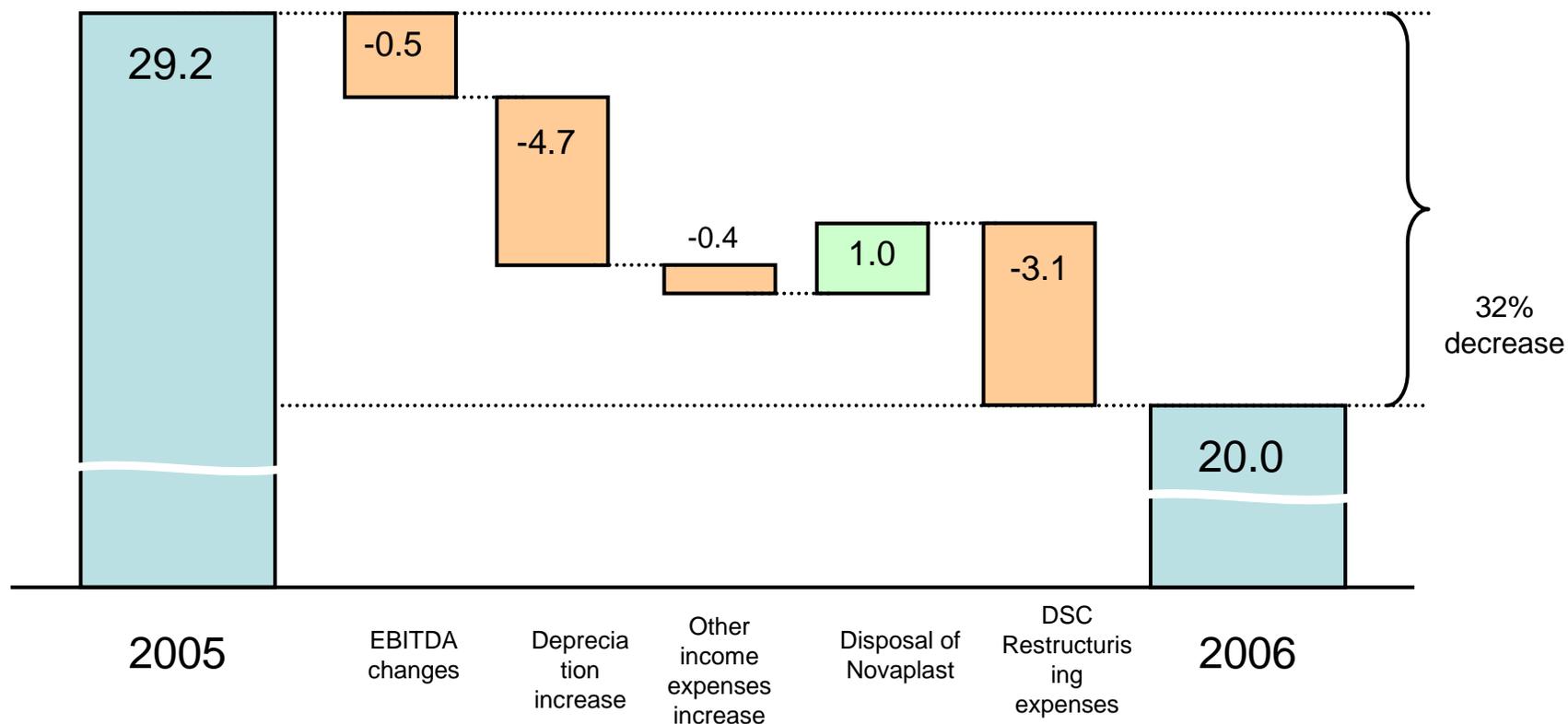
- Consolidation with Dr. Scheller Cosmetics AG.

# EBITDA. Consolidated



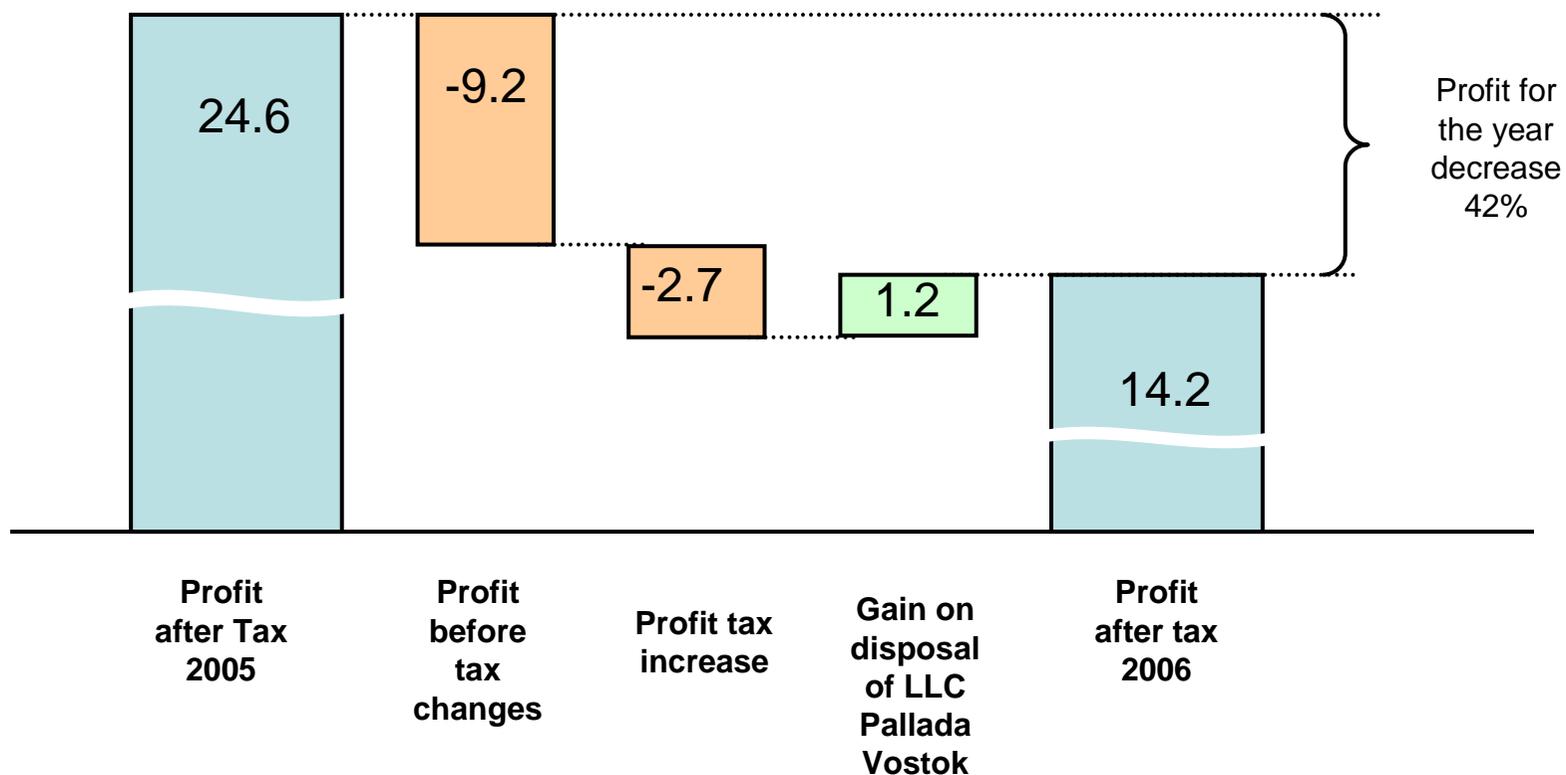
# Profit before tax. Consolidated.

Mln. USD



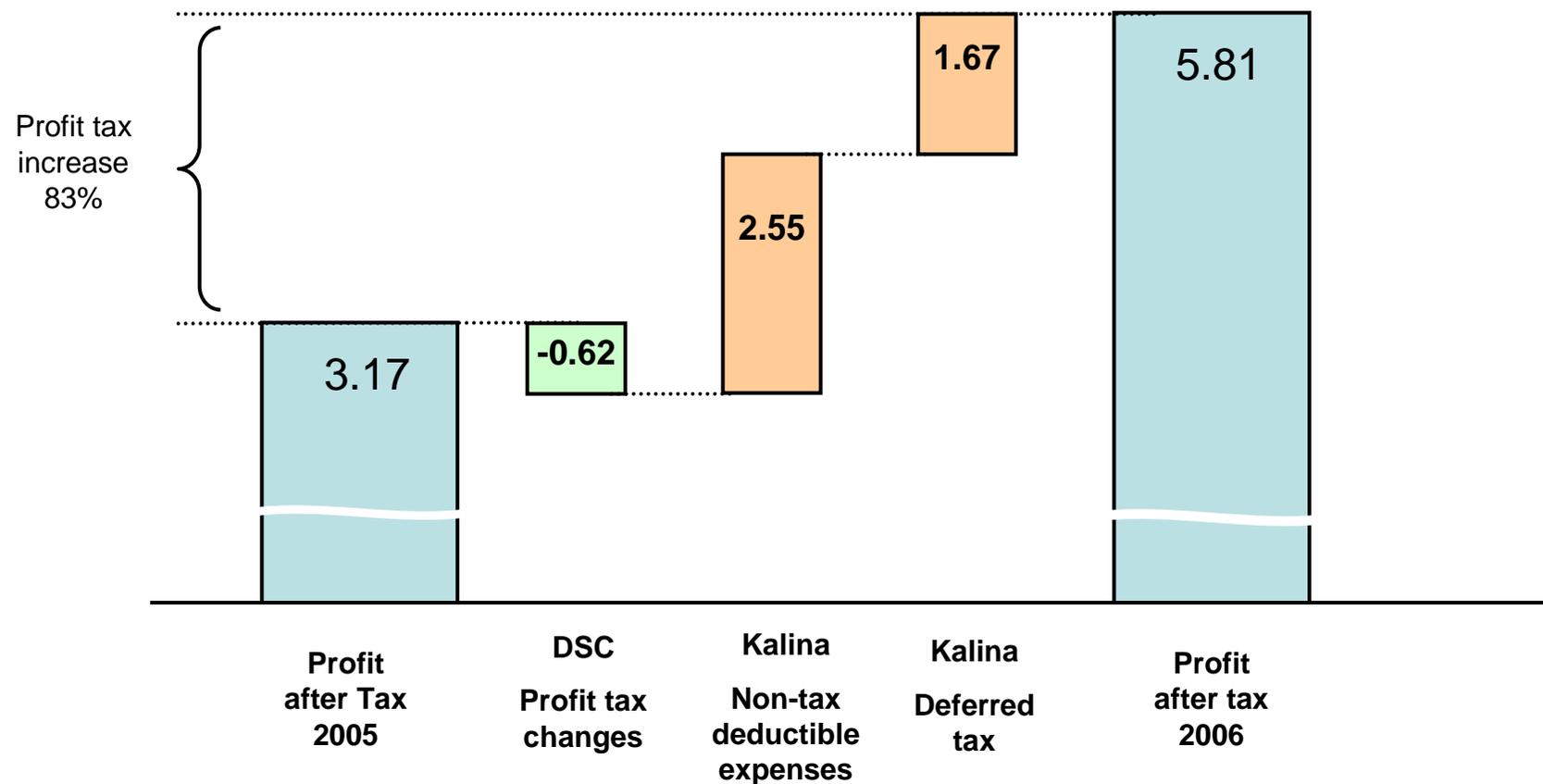
# Profit for the year. Consolidated

Mln. USD



# Profit tax. Consolidated

Mln. USD





## Income statement. Companies stand alone

(thousand USD)	DSC		Kalina Group without DSC	
	Jan.1 - Dec.31, 2006	Apr.1 - Dec.31, 2005	Jan.1 - Dec.31, 2006	Jan.1 - Dec.31, 2005
<b>Showings</b>				
Revenue	90 104	66 680	253 989	233 634
Cost of sales	- 51 034	- 36 906	- 138 206	- 122 884
<b>Gross profit</b>	<b>39 070</b>	<b>29 774</b>	<b>115 783</b>	<b>110 751</b>
Distribution expenses	- 7 195	- 5 730	- 11 377	- 3 489
Marketing expenses	- 20 478	- 16 307	- 29 917	- 27 759
Administration expenses	- 7 876	- 6 272	- 51 327	- 47 602
<b>Operation profit</b>	<b>3 520</b>	<b>1 465</b>	<b>23 163</b>	<b>31 901</b>
Finance costs, net	- 1 605	- 1 288	- 3 598	- 1 207
Other losses, net	83	263	- 112	- 333
Gain on disposal of LLC Novoplast	-	-	1 011	-
Restructuring costs of Dr. Scheller	- 3 135	-	-	-
Foreign exchange gain/(loss)	-	-	660	- 1 570
<b>Profit before tax</b>	<b>- 1 137</b>	<b>440</b>	<b>21 124</b>	<b>28 792</b>
Income tax expense	524	- 1 164	- 6 336	- 1 994
<b>Profit for the year from continuing operations</b>	<b>- 613</b>	<b>- 724</b>	<b>14 789</b>	<b>26 798</b>
Income/(loss) for the year from discontinued operations	-	-	1 196	- 1 460
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>15 985</b>	<b>25 338</b>

Source<sup>^</sup> IFRS statements. Companies data.