

MINUTES №1
of the Annual General Meeting of Shareholders JSC Concern "Kalina"

Yekaterinburg

May 15, 2008

Place of carrying out:
JSC Concern "Kalina"
Ekaterinburg,
80 Komsomolskaya str.

Time of registration:
Starts: 09:10 a.m.
Ends: 09:50 a.m.

Total votes of shareholders according to list of shareholders are 9752311, including 9752311 voting.
The number of votes participating in general meeting is 5,527,517 that amounts 56,68 %.

Chairman: Johan Vreeman
Secretary: D. A. Argunov
AGENDA:

1. Election of the Counting Commission.
2. The Board of Directors report "Operational results of the year 2007 and outlooks for the year of 2008". Approval of the Annual report, balance sheet, profits and losses accounts, and profit distribution. The Inspection commission and Auditors' opinions.
3. Dividend payment for the second half of the year 2007. Approval of its size, way and terms of payment.
4. Election of the Board of Directors.
5. On making changes and additions to the By-Law "On the Board of Directors" of the Company.
6. Election of the Revision commission.
7. Approval of the Company's auditor.

At 10-00 a.m. the meeting was opened by the Chairman of the Board of Directors Mr. Johan Vreeman who proposed Dmitry Argunov, a secretary of the Board of Directors, to be elected as a secretary of the meeting in order to keep the Minutes. Elected unanimously.

The agenda is being approved.

Permission to speak is given to Semchenko E. M., the Chairman of the Counting commission, who informed the shareholders about the way the ballot-papers should be filled in.

On the first issue Johan Vreeman was listened to. He informed the meeting that due to power termination of the Counting Commission, elected on the Annual meeting of shareholders JSC Concern "KALINA" on 14th May 2007, the meeting is to elect the new membership of the Counting Commission.

Johan Vreeman proposed three members for election to the Counting Commission for a term of one year. Personally:

- Semchenko Elena Mikhailovna
- Gorelik Olga Vasilievna
- Filinkova Natalia Yurievna

Voting results: - 5,527,517 votes
FOR - 5,503,009 votes
AGAINST - 24,319 votes
ABSTINENT - 189 votes

Elected by the majority of votes.

On the second issue permission to speak is given to:

Petrov A.Yu.- Chief Financial Officer (report is included);

Babina T.G. – Chief accountant (report and auditors' conclusion are attached);

Mikhailov O.V. – A member of the Inspection commission (inspection commission report is attached).

There were no questions to the speakers.

It is offered to vote the following decision:

"To approve the Annual report, balance sheet, accounts of profits and losses, Auditors' report for the year 2007, as well as to use the net profit 2007 at the sum of 288, 016, 044 (two hundred eighty eight million sixty thousand and forty four) roubles

04 (four) kopecks including dividend payment on the results of the first half of the year 2007 at the sum of 98, 888, 433.54 (ninety eight million eight hundred eighty eight thousand four hundred and thirty three) rubles 54 (fifty four) kopecks. . The rest of profit is to pay dividends on results of the second half of the year 2007 at the sum of 98,985, 956.65 (ninety eight million nine hundred eighty five thousand nine hundred and fifty six) rubles 65 (sixty five) kopecks”.

Voting results: - 5,527,517 votes
FOR - 5,432,461 votes
AGAINST - 95,056 votes
ABSTINENT - none

The wording of decision on the second decision put to the vote:

"To approve the Annual report, balance sheet, accounts of profits and losses, Auditors' report for the year 2007, as well as to use the net profit 2007 at the sum of 288, 016, 044 (two hundred eighty eight million sixty thousand and forty four) rubles 04 (four) kopecks including dividend payment on the results of the first half of the year 2007 at the sum of 98, 888, 433.54 (ninety eight million eight hundred eighty eight thousand four hundred and thirty three) rubles 54 (fifty four) kopecks. . The rest of profit is to pay dividends on results of the second half of the year 2007 at the sum of 98,985, 956.65 (ninety eight million nine hundred eighty five thousand nine hundred and fifty six) rubles 65 (sixty five) kopecks”.

On the third issue it was listened to Johan Vreeman who put to consideration of the meeting recommendations of the Board of Directors to pay dividends for the second half of the year of 2007 at the sum of 10 roubles 15 kopecks per one ordinary share.

It is offered to vote the following decision:

“- To approve the dividend payment for the second half of the year of 2007 at the sum of 10 (ten) roubles 15 (fifteen) kopecks per one ordinary share.

- to do payments in cash.

- to do payments within 30 days from the moment of announcing at the meeting.”

Voting results: - 5,527,517 votes
FOR- - 5,527,517 votes
AGAINST – -none
ABSTINENT -none

The decision taken:

" To pay the dividends for the second half of the year of 2007 at the sum of 10 (ten) roubles 15 (fifteen) kopecks per one ordinary share in cash and within 30 days from the moment of announcing at the meeting.”

On the fourth issue Johan Vreeman informs the meeting about the election of the Board of Directors and proposes the following candidates for election:

1. Mikhail Borisovich Vasiliev
2. Nikolay Arkadievich Geller
3. Timur Rafkatovich Goryayev
4. Roman Kasimovich Ishbulatov
5. Johan Grietsen Hendrik Vreeman
6. Jochen Ralf Wermuth
7. Christophe Clave
8. Alexander Yurievich Petrov
9. Reinhold Schlensok
10. Elena Nititichna Suslova

After discussion the question was put to vote.

Voting results:

"FOR":

- | | |
|------------------------------------|-------------------|
| 11. Mikhail Borisovich Vasiliev | - 6 868 500 votes |
| 12. Nikolay Arkadievich Geller | - 3 710 221 votes |
| 13. Timur Rafkatovich Goryayev | - 3 973 069 votes |
| 14. Roman Kasimovich Ishbulatov | - 5 272 926 votes |
| 15. Johan Grietsen Hendrik Vreeman | - 3 724 332 votes |
| 16. Jochen Ralf Wermuth | - 5 205 311 votes |
| 17. Christophe Clave | - 295 votes |
| 18. Alexander Yurievich Petrov | - 3 709 421 votes |
| 19. Reinhold Schlensok | - 323 votes |
| 20. Elena Nititichna Suslova | - 498 056 votes |

The decision taken: "To elect to the new Board of Directors JSC Concern 'KALINA'

1. Mikhail Borisovich Vasiliev
2. Nikolay Arkadievich Geller
3. Timur Rafkatovich Goryayev
4. Roman Kasimovich Ishbulatov

5. Johan Grietsen Hendrik Vreeman
6. Jochen Ralf Wermuth
7. Alexander Yurievich Petrov

On the fifth issue it was listened to Johan Vreeman who informed the meeting that the Board of Directors of the Company received a proposal of a member of board of directors – Mikhail B. Vasiliev - to make some changes in and additions to the By-Law "On the Board of Directors" of the Company in purposes of improvement of corporate governance practice

It was offered to vote for the following decision:

"To make the following changes in and additions to the By-Law "On the Board of Directors" of the Company:

To add the following paragraph to Item 11.25 of The Regulations of the Board of Directors of JSC "Concern "Kalina":

"If the agenda of the Meeting of the Board of Directors contains the question on the approval of the annual budget and the investment plan of the Company, the draft decision and pertaining information (materials) shall be presented at least 14 days prior to the date of holding the meeting."

<i>Voting results:</i>	<i>- 5,527,517 votes</i>
<i>FOR-</i>	<i>-5,522,321 votes</i>
<i>AGAINST –</i>	<i>-none</i>
<i>ABSTINENT -</i>	<i>-4,852 votes</i>

The decision taken;

"To make the following changes in and additions to the By-Law "On the Board of Directors" of the Company:

To add the following paragraph to Item 11.25 of The Regulations of the Board of Directors of JSC "Concern "Kalina":

"If the agenda of the Meeting of the Board of Directors contains the question on the approval of the annual budget and the investment plan of the Company, the draft decision and pertaining information (materials) shall be presented at least 14 days prior to the date of holding the meeting."

On the sixth issue Johan Vreeman proposed the following candidates to be elected to the Revision commission:

Marina Borisovna Buinova
Oleg Valerievich Mikhailov
Olga Viktorovna Fedorova

After discussion and answering the question, it was proposed to vote for the following:

"To vote for the election of the above mentioned candidates".

<i>Voting results:</i>	<i>- 5,527,517 votes</i>
<i>FOR-</i>	<i>- 5,503,009 votes</i>
<i>AGAINST –</i>	<i>-24,319 votes</i>
<i>ABSTINENT -</i>	<i>-189 votes</i>

The decision taken:

"To elect the following candidates as the members of the Revision commission:

*Marina Borisovna Buinova
Oleg Valerievich Mikhailov
Olga Viktorovna Fedorova "*

Votes of the members of the Board of Directors JSC Concern "KALINA" as well as of persons holding positions in the managerial bodies of the Company were not taken into account while voting this question.

On the seventh issue it was listened to Johan Vreeman who on behalf of the Board of Directors suggested to offer to approve CJSC Audit-centre "Ural-Audit" as the auditor of the Company.

The following question was put to vote:

"To approve CJSC "Audit centre «Ural-Audit" as the auditor of the company."

<i>Voting results:</i>	<i>- 5,527,517 votes</i>
<i>FOR-</i>	<i>-5,527,173 votes</i>
<i>AGAINST –</i>	<i>-none</i>
<i>ABSTINENT -</i>	<i>-none</i>

The decision taken:

"To approve CJSC "Audit centre "Ural-Audit" as the auditor of the company."

Chairman of the meeting: /Johan Vreeman/

Secretary of the Meeting: /Argunov D.A./

Date of drawing up the minutes:15.05.2008