

Joint Stock Company Concern "Kalina"

JSC Concern "KALINA" 620138, Russia, Ekaterinburg, Komsomolskaya Street 80
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MINUTES №1

general meeting

JSC Concern "Kalina"

Ekaterinburg 18 April 2004

Place of carrying out:

JSC Concern "Kalina"

Ekaterinburg,

80 Komsomolskaya str.

Time of beginning of registration

8:30

Time of finishing of registration

8:30

Total votes of shareholders according to list of shareholders is 8364908, including 8364908 voting.
The number of votes participating in general meeting is 7413913,
that amounts 88,6%.

Chairman: A. Y. Petrov

Secretary: D. A. Argunov

AGENDA:

1. Election of counting commission.

2. Outcomes of operations of JSC Concern "Kalina" in 2003 and perspectives for 2004. Approval of annual report, balance sheet, income statement, cash flow. Consequence of auditors and inspection commission.

3. About dividends paying at outcomes of operating for the second half of 2003. Approval of their amount and terms of paying.

4. Election of General Director.

5. Election of the board of Directors.

6. About fixing of fee for members of the Board of Directors.

7. Election of inspection commission..

8. Approval of auditors of the Company

The meeting was opened by the chairman A. Petrov offering to elect Dmitry Argunov as secretary for conducting the minutes.

The decision was approved unanimously.

Standing order is approving

Permission to speak about the order of bulletins filling is given to Elena M. Semchenko

Alexander Petrov informed that 3 applications not to be a member of counting commission came from:

- Lidiya A. Kazanceva

- Galina V. Makarova

- Tatiana V/ Kolesova

To appropriate request of article 56 of the Law "About joint-stock companies" which demands counting commission to consist of at least 3 person, it is necessary to elect new makeup of counting commission. Alexander Petrov offers to elect new counting commission consisting of 3 person for 1 year.

- Elena Michailovna Semchenko

- Olga Vasilyevna Gorelik

- Natalya Yuryevna Filinkova

Voting results:

Affirmative votes - 7413913 votes

Negative votes - none

Abstentions - none

The decision was approved unanimously.

On the second issue it was listened to:

Alexander Petrov;

Dmitry Kudin;

Tatiana Babina - chief accountant

There were no questions to reporters

It is offered to vote for the decision as follows:

"To approve annual report, balance sheet, income statement, audit conclusion for 2003, using in 2003 net income amounting 544 496 006 (five hundred forty four million, fore hundred and ninety six thousand, six) rubles, including 16 729 816 (sixteen million seven hundred twenty nine thousand and eight hundred sixteen) rubles to pay dividends a the outcomes of the first half of 2003"

The rest income to direct for:

- paying dividends at the outcomes of the second half of 2003 - 46 006 994 rubles.

Voting results:

Affirmative votes - 7413913 votes

Negative votes - none

Abstentions - none

The decision was approved unanimously.

On the third issue was listened to Alexander Petrov, who offered to discuss paying dividends at the outcomes of the second half of 2003 at amount of 5 rubles 50 kopecks per one ordinary share.

It is proposed to vote for decision:

" - to approve amount of dividends for the second half of 2003, 5 rubles 50 kopecks per ordinary share

- To pay dividends in currency

- To pay dividends within 30 days since the notice about the meeting "

Voting results:

Affirmative votes - 7520342 votes

Negative votes - 504 votes

Abstentions - none

The decision as follow is taken:

" - to approve amount of dividends for the second half of 2003 , 5 rubles 50 kopecks per ordinary share

- To pay dividends in currency

- To pay dividends within 30 days since the notice about the meeting "

On the fourth issue it was listened to Alexander Petrov who informed the meeting about necessity to elect General Director of JSC Concern "Kalina" for 3 years and who proposed in the name of the Board of Directors to elect for coming three years current General Director - Timur R. Goryayev.

After discussion this matter it is offered to vote for the decision as follows: "To elect Timusr R.

Goryayev as General Director of JSC Concern "Kalina" for 3 years."

Voting results:

Affirmative votes - 7413913 votes

Negative votes - none

Abstentions - none

The decision as follow is taken:

"To elect Timusr R. Goryayev as General Director of JSC Concern "Kalina" for 3 years."

On the fifths issue it was listened to Alexander Petrov who informs the meeting about election of members of the Board of Directors and proposes candidates:

Timur Goryaev - General Director of JSC Concern "Kalina" ,

Nikolay Geller - Director of development of JSC Concern "Kalina"

Elena Petrichenko -producing director of JSC Concern "Kalina";

Alexander Petrov - chief financial officer of JSC Concern " Kalina";

Johan Vreeman - independent candidate;

Mikhail G. Delyagin - independent candidate;

Philippe Der Megreditchian - European Bank of Reconstruction and Development

Yan Dawijnngaert - European Bank of Reconstruction and Development;

After discussion, this matter it is put for voting

Voting results:

Affirmative votes:

Timur Goryaev - 5852673 votes

Nikolay Geller - 5793814 votes

Elena Petrichenko - 34513 votes

Alexander Petrov - 5851122 votes

Mikhail G. Delyagin - 5780814 votes

Johan Vreeman - 5787418 votes

Philippe Der Megreditchian - 11410336 votes

Yan Dawijngaert - 11386701 votes

The decision as follow is taken: " to elect as members of the Board of Directors candidates as follow:

Timur Goryaev - General Director of JSC Concern "Kalina" ,

Nikolay Geller - Director of development of JSC Concern "Kalina"

Alexander Petrov - chief financial officer of JSC Concern " Kalina";

Johan Vreeman - independent candidate;

Mikhail G. Delyagin - independent candidate;

Philippe Der Megreditchian - European Bank of Reconstruction and Development

Yan Dawijngaert - European Bank of Reconstruction and Development;"

On the sixth issue it was listened to Alexander Petrov who informed the meeting about recommended by the Board of Directors amount of compensation for independent candidate Mikhail G. Delyagin.

This amount is 2 500 (Two thousand and five hundred) USD for every Meeting of the Board of Directors in which he participates.

After discussion, the matter as follow is put for voting: "To fix compensation in amount 2 500 USD to independent candidate Mikhail G. Delyagin for every meeting of the Board of Directors in which he participates"

Voting results:

Affirmative votes - 7413899 votes

Negative votes - 71 votes

Abstentions - 23924 votes

The decision as follow is taken:

"To fix compensation in amount 2 500 USD to independent candidate Mikhail G. Delyagin for every meeting of the Board of Directors in which he participates"

On the seventh issue it was listened to Alexander Petrov who offered to elect in inspection commission candidates:

Dmitry Kudin - vice-director of JSC Concern "Kalina";

Vadim Uzberg - European Bank of Reconstruction and development;

Nataya Sevastyanova - deputy head of economy department "

After discussing and answering questions the decision "To elect as members of the Inspection Commission of Concern "Kalina" above mentioned candidates" was offered for voting.

Voting results:

Voting results:

Affirmative votes - 1740396 votes

Negative votes - none

Abstentions - none

Votes of members of the Board of Directors and votes of management were not taken into consideration at counting votes for this meter.

The decision as follow is taken:

"To elect as members of the Inspection Commission of JSC Concern "Kalina" follow candidates:

Dmitry Kudin;

Vadim Uzberg;

Nataya Sevastyanova "

On the eight issue it was listened to Alexander Petrov as a member of the Board of Directors who offered to approve as the auditor of the Company LC "Audit centre "Ural-Audit".

It is offered to vote for the decision as follows: " to approve as the auditor of the Company LC "Audit centre "Ural-Audit."

Voting results:

Voting results:

Affirmative votes - 7413913 votes

Negative votes - none

Abstentions - none

The decision as follow is taken:

" to approve as the auditor of the Company LC "Audit centre "Ural-Audit."

The agenda is over.

The meeting is declared to be closed. It is proposed to hand bulletins in the accounting commission.

Chairman: /Alexander Petrov/

Secretary : /Dmitry Argunov/

The date of minutes composing is 20 April, 2004