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## **OJSC Concern “Kalina” announces completion of shares buy-back and charter capital decrease**

**On May 12, 2011** Concern “Kalina”, the largest Russian manufacturer of cosmetic products, has announced today that in accordance with the decision of the Extraordinary General Meeting of shareholders OJSC Concern “KALINA” dated January, 11 2011 on decreasing the Company’s charter capital through purchase and further cancellation of a part of the Company’s shares, the Company completed charter capital decrease for 3,313,963 ordinary shares. The Company’s charter capital after redemption comprises 6,438,348 ordinary shares.

**About KALINA.** JSC Concern “Kalina“ is one of the leading Russian cosmetics producers. The leading brands of the company are “Black Pearl”, ”Pure Line”, “100 Recipes of Beauty”, “Silky Hands” and “Dr. Scheller” - among skin-care products; “32” and “Forest Balsam”- among oral care products. Concern “Kalina” consists of its parent enterprise in Ekaterinburg and several subsidiaries, including "Pallada Ukraine" (Ukraine), “Glavskazka International” (Russia), Kalina Overseas Holding B. V. (Netherlands), Kalina International SA (Switzerland) and DSN Cosmetics GmbH (Germany).

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 JSC Concern “Kalina” (the “Company”), as defined in the “safe harbour” provisions of the legal proceeding act dealing with circulation of securities of private issuers. We wish to caution you that these statements do not guaranteed the achieving of the stated results in the Company’s activities or occurring of any projected event connected with the Company’s activity and bears some risks ,unpredictability and assumptions that the Company can not foreseen accurately. Therefore, actual events or results of its activity may differ materially from those stated in the projections or other forward-looking statements. In order to obtain more accurate information we refer you to the documents the Company files from time to time with the Federal Service for the Financial Markets. Certain of 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.