

MINUTES №1
general meeting
JSC Concern "Kalina"

Ekaterinburg May 27, 2002

Place of carrying out:

JSC Concern "Kalina"
Ekaterinburg,
80 Komsomolskaya str.

Total votes of shareholders according to list of shareholders is 9020701, including– 8364908 voting.

The number of votes participating in general meeting is 7601895,

that amounts – 90,8%.

Chairman: A. Y. Petrov
Secretary: G. I. Popova

Agenda:

1. Choice of inspection commission.
2. Outcomes of operations of JSC Concern "Kalina" in 2001 and perspectives for 2002. Approval of annual report, balance sheet, income statement, cash flow. Consequence of auditors and inspection commission.
3. About dividends paying at the balance of the work for 2000. Approval of their amount and terms of paying.
4. Choice of the board of Directors.
5. Decreasing of authorized capital of the Company
6. Approval of the Company's Charter in new edition.
7. Approval of auditors of the Company
8. Definition of press for publishing of annual report of the Company.

The meeting was opened by the chairman A. Petrov offering to elect as secretary Galina Popova for conducting of the minutes
The decision was approved unanimously.

Standing order is approving

Alexander Petrov offers to elect counting commission numbering 5 person for two years
Peronaly:

- Elena Michailovna Semchenko
- Lidiya Alexandrovna Kazanzeva
- Olga Vasilyevna Sagina
- Galina Valentinovna Markova
- Tatyana Vasilyevna Kolesova

The decision was approved unanimously.

On the second issue was listened to Alexander Petrov:

For Alexander Petrov report is attached ;

For Dmitry Kudin – chairman of inspection commission act is attached;

For Tatyana Babina – general accountant report and conclusion of auditors is attached.

There were no questions to reporters.

Alexander Petrov offers to vote for decision:

"To approve annual report, balance sheet, income statement, audit conclusion for 2001, using 288,7 (two hundred and eighty eight million seven hundred thousand) rubles.

The rest amount of profit to direct for:

- paying dividends – 8.3 million rubles
- replenishment of reserve capital – 18.1 million rubles
- consumption and social needs – 30.0 million rubles.»

Voting results:

Affirmative votes - 7601895 голосов

Negative votes - none

Abstentions - none

The decision was approved unanimously.

On the second issue was listened to Alexander Petrov, who offered to discuss paying of dividends at the outcomes of 2001 at amount of 1 ruble per one ordinary share.

It is proposed to vote for decision:

- to approve amount of dividends for 2001 1 ruble per ordinary share
- To pay dividends in currency

To pay dividends within 30 days since the notice about the meeting ».

Voting results:

Affirmative votes - 7601895 голосов

Negative votes - none

Abstentions - none

The decision was approved unanimously.

On the fourth issue Alexander Petrov informs the meeting about electing of members of the Board of Directors and offers 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";

Valery Chuvatin – director of trading policy of JSC Konzern "Kalina";

Johan Vreeman – European Bank of Reconstruction and Development;

Casper Heighsteeg – European Bank of Reconstruction and Development;

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

Voting results:

Affirmative votes

Timur Goryaev – 6608233 votes

Nikolay Geller – 5927031 votes

Elena Petrichenko – 5921861 votes

Alexander Petrov – 5859611 votes

Valery Chuvatin – 5907069 votes

Johan Vreeman – 11495472 votes

Casper Heighsteeg – 11493988 votes

The decision was approved.

On the fifth issue Alexander Petrov offered to elect in inspection commission candidates:

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

Egor Pashina – European Bank of Reconstruction and development;

Igor Chubasov – head of inside control 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:

Affirmative votes

Dmitry Kudin – 3727861 votes

Egor Pashina – 2215079 votes

Igor Chubasov – 1658955 votes

The decision was approved.

On the sixth issue Alexander Petrov informs shareholders about offer of Board of Directors about decreasing of Authorized capital:

At the decision of the Board of Directors №2 dated February 21 2000 the Company purchased allocated ordinary registered shares at amount 655 793 pieces. These shares had

not been realized by the Company within 1 year since the moment of their purchasing. According to article 72 of the Law "About Joint Stock Companies " general meeting in such case should approve decision about decreasing of authorized capital of the Company by extinguishing of mentioned shares. The Board of Directors offers to accept the decision about mentioned item.

1. The item as follows is proposed for voting:

«To decrease authorized capital of the Company for amount 45 905 510 rubles by extinguishing of shares numbering 655 793 pieces, with nominal value 70 ruble per share, which had been purchased at shareholders by the Company at the decision of the Board of Directors and had not been realized within 1 year since the moment of their purchasing.»

Voting results:

Affirmative votes - 7558443 votes

Negative votes - 2952 votes

Abstentions - 40500 votes

The decision was approved.

2. To purchase at shareholders 200 000 ordinary registered allocated shares at price 70 rubles per one share to decrease authorized capital of the Company. To fix the term of purchasing of mentioned shares since July 01, 2002 till August 31, 2002.

(«The term of purchasing»). To pay for purchasing shares in currency. To pay for purchasing by the Company shares in order:

a) in currency through cash-office of the Company on the day of making a contract.

b) non-cash by transferring means on the account of the shareholder.

To charge the Company to accept application for purchasing their shares within The Term of Purchasing and to make a contract within the same term. If the total amount of shares for purchasing will exceed

200000 ordinary registered allocated shares then shares will be purchased by the Company with limit 200000 ordinary registered shares with proportion of filings.

This item is proposed for voting:

Voting results:

Affirmative votes - 7555203 votes

Negative votes - none

Abstentions - 46692 votes

The decision was approved.

On the seventh issue Alexander Petrov offers to approve new edition of the Charter of JSC Concern "Kalina". The short explanation about this item have been given: approval of new edition of the Charter is necessary to bring into accord with federal law, as the law "About Joint Stock Companies" had been changed on August 08, 2001.

The new edition of the Charter is reading for shareholders.

This item "to approve new edition of the Charter" is proposed for voting:

Voting results:

Affirmative votes - 7593615 votes

Negative votes - 2952 votes

Abstentions - 5328 votes

The decision was approved.

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

This item is proposed for voting:

Voting results:

Affirmative votes - 7601895 votes

Negative votes - none

Abstentions - none

The decision was approved.

On the ninth item Alexander Petrov was listened. The Board of Directors offers to public annual report about operating of JSC Concern "Kalina" in the newspaper "Oblastnaya gazeta"

The agenda is over.

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

Chairman: /Alexander Petrov/

Secretary : /Galina Popova./

The date of minutes composing is July 11, 2002