



UKRPRODUCT GROUP

FOR IMMEDIATE RELEASE

August 16, 2011

**UKRPRODUCT GROUP LIMITED ANNOUNCES
FIRST DISBURSEMENT UNDER EBRD LOAN AGREEMENT**

Kyiv, Ukraine – August 16, 2011 – Ukrproduct Group (“Ukrproduct” or “the Group”) (AIM: UKR), a leading producer and distributor of branded dairy products in Ukraine, today announces the drawdown of the first Euro 2.5 million from its loan facility with the European Bank for Reconstruction and Development (EBRD). The Euro 11 million loan from the EBRD’s Agribusiness Sustainability Investment Facility was announced on 21 April 2011 and will fund the reconstruction of Ukrproduct’s dairy plant in Starokonstantyniv. The investment is expected to significantly improve the productivity, energy efficiency and sustainability of the plant.

Preparatory works are already underway, including development of the design for the new milk reception and milk processing units and removal of obsolete equipment. Ukrproduct has concluded agreements for equipment supply with two leading European manufacturers.

The Group will provide further updates on the progress of the upgrade project under the EBRD loan in due course.

To view previous announcements related to EBRD loan or for further information, please visit www.ukrproduct.com or contact:

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Ukrproduct Group Ltd is one of the leading Ukrainian producers and distributors of branded dairy products. The Group’s product portfolio includes processed and hard cheese, skimmed milk powder (SMP) and butter. Ukrproduct has built a range of recognisable product brands (“Our Dairyman”, “People’s Product”, “Creamy Valley”, “Molendam”, “Farmer’s”) that are well known and highly regarded by consumers. The

Group has modern production facilities that comprise four operational dairy plants in western and central regions of Ukraine (a dairy plant in Starokonstantyniv with two satellite plants in Krasyliv and Letychiv, and a butter and cheese plant in Zhytomyr) with a total annual integrated capacity of approximately 70,000 tonnes of dairy products. With its own fleet of more than 150 vehicles, Ukrproduct has one of the largest logistics and distribution networks in Ukraine which covers the country's eight major cities.