



UKRPRODUCT GROUP

FOR IMMEDIATE RELEASE

21 July, 2010

**UKRPRODUCT LAUNCHES THE PRODUCTION OF PROCESSED
CHEESE ‘PRODUCT’**

Kyiv, Ukraine – 21 July, 2010 – Ukrproduct Group Limited (“Ukrproduct” or the “Group”) (AIM: UKR), a leading producer and distributor of branded dairy products in Ukraine, announces that it has launched the production of processed cheese ‘product’ with vegetable oil and soya content at its Molochnik Plant in Zhytomyr.

In line with Ukrproduct’s stated strategy to offer brand appropriate products at the right price point to the mass market, the Group has launched the production of processed cheese ‘product’ with vegetable oil and soya content. By using new technological processes and established brands in the market, Ukrproduct has introduced a competitively priced product under the ‘Nash Syrok’ and ‘People’s Product’ brands without lowering customer expectations. Ukrproduct expects to utilise its economies of scale to improve trading in processed cheese in the second half of the year in a highly competitive environment.

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Ukrproduct Group Ltd is a leading Ukrainian producer and distributor 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 (Molochnik, Starokonstantinovskiy Dairy Plant, Krasilovskiy Dairy Plant and Letichiv Dairy Plant) with a total annual integrated capacity of approximately 60,000 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. The Group reported total assets of approximately GBP 18.3 million as at December 31, 2009 and consolidated revenues of approximately GBP 43.2 million for the twelve months ended 31 December 2009. Ukrproduct's securities are traded under the symbol "UKR" on AIM, a market operated by the London Stock Exchange.

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 the Group. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other similar expressions. These statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in such projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Ukraine, rapid technological and market change in our industry, as well as many other risks specifically related to the Group and its operations.