



FOR IMMEDIATE RELEASE

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UKRPRODUCT ANNOUNCES TRADING UPDATE FOR THE FIRST HALF OF 2009

Kyiv, Ukraine – 24 June, 2009 – Ukrproduct Group Ltd (“Ukrproduct” or the “Group”) (AIM: UKR), one of the leading producers and distributors of branded dairy products in Ukraine, today provided its trading update ahead of announcing its first half results in September 2009.

The Group has witnessed a significant slowdown of the Ukrainian economy thus far in 2009. According to the State Statistics Committee of Ukraine, retail trade turnover declined by 19.5% year on year in the first five months of 2009, compared to the corresponding period in 2008.

Following the announcement of Ukrproduct’s preliminary results for 2008 on 29 April 2009, the Group experienced a further reduction in its trading activities. Sales volumes remained seasonally low in the first quarter of 2009. Trading did not recover, however, in April and May, showing further decline in sales of the branded products segment. Ukrainian hard cheese producers responded to weak domestic demand by cutting prices and releasing the surplus of products into the market. The price differential between hard cheese and processed cheese has narrowed leading to a partial shift in consumer demand from processed to hard cheese resulting in an adverse impact on Ukrproduct’s hard and processed cheese production and sales volumes as well as profit margins.

At the beginning of June 2009, the Russian authorities introduced an import ban on dairy products from Belarus. Belarus has historically exported more than half of its total dairy output to Russia. As a result of the ban, it is anticipated that increased volumes of Belarusian dairy products will be sold in Ukraine and certain of Ukrproduct’s export markets. Ukrproduct, therefore, expects to see a decrease in its prices and sales volumes both domestically and abroad.

On a positive note, packaged butter sales volumes and profit margins were above management expectations. Skimmed milk powder (SMP) production and export sales volumes exceeded management forecast, however, the segment’s profit margins have significantly decreased due to a further increase in energy costs.

As a result of the above, Ukrproduct expects its net profit for the first half of 2009 to be substantially lower, compared to the corresponding period in 2008. The Group anticipates its full year 2009 net results to be below 2008.

The Group also announces that one of its subsidiaries has been notified by the Ukrainian Tax Authorities of additional tax payments needed to be made for the previous periods. The company is currently appealing these charges in accordance with the Ukrainian legislation. The directors believe that these charges have no merit and no further payments are due.

Ukrproduct remains confident that it will successfully work through the immediate market challenges and continues to see significant opportunities in its domestic and export markets over the long term. The Group's cash levels are sufficient to meet current debt obligations in the short and medium term.

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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 five dairy plants in western and central regions of Ukraine (Molochnik, Starokonstantinovskiy Dairy Plant, Krasilovskiy Dairy Plant, Zhmerinka Plant and Letichiv Dairy Plant) with a total annual integrated capacity of approximately 70,000 tons 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 22.5 million as at December 31, 2008 and consolidated revenues of approximately GBP 52.3 million for the twelve months of 2008. 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.