



UKRPRODUCT GROUP

FOR IMMEDIATE RELEASE

September 6, 2010

**UKRPRODUCT BECOMES THE EXCLUSIVE DISTRIBUTOR OF
'ARSENIEVSKY' KVASS IN UKRAINE**

Kyiv, Ukraine – September 6, 2010 – Ukrproduct Group Limited (“Ukrproduct” or the “Group”) (AIM: UKR), one of the leading producers and distributors of branded dairy products in Ukraine, announces that it has entered into an agreement with LLC Zhyvyi Kvas (“Zhyvyi Kvas”) to become the exclusive distributor of ‘Arsenievsky’ branded kvass, a traditional fermented beverage made from rye, black bread or barley, in Ukraine. The agreement is effective until the end of 2011 and can be extended further.

Ukrproduct’s strategy includes leveraging its distribution network through the delivery of complementary third party products to utilise surplus capacity. In line with this strategy, Ukrproduct has added kvass to its portfolio of third party products which are distributed through its network. Ukrproduct expects to benefit from the growing market for kvass in Ukraine and to expand its market share in this attractive product niche, based on the superior quality of the ‘Arsenievsky’ brand and the strength of Ukrproduct’s distribution system and broad network of retail clients.

‘Arsenievsky’ kvass, a popular Russian brand, is produced by Zhyvyi Kvas in Zhytomyr near Ukrproduct’s butter and cheese plant. The production facility operates with an annual capacity of 12 million litres. The close proximity of these two sites allows the Group to leverage its wide distribution network and supply the beverage to the majority of leading retail chains throughout Ukraine. Presently, Ukrproduct delivers kvass to 27 retail chains, including Auchan, Billa and Megamarket.

Alexander Slipchuk and Sergey Evlanchik, directors of Ukrproduct, are each beneficial owners of 35% of the issued share capital of Zhyvyi Kvas. The remaining 30% of the share capital is owned by the shareholders of the Arseniev Kvass Plant. The directors of Ukrproduct who are not involved in the transaction as related parties consider, having consulted with WH Ireland Limited, Ukrproduct’s nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Notes to the editor:

'Arsenievsky' kvass is made according to the original Russian recipe developed at the Arseniev Kvass Plant, one of the leading producers of kvass in Russia. Kvass has a low alcohol content of less than 1.2% and therefore is classified as a non-alcoholic beverage. Unlike other brands in the market, which are made using a soft drinks technology, i.e. gassed, 'Arsenievsky' kvass is fermented, according to a traditional recipe, in order to maintain its unique taste and flavour.

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 (Zhytomyr, Starokonstantyniv, Krasyliv and Letychiv) 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.