

Antonov plc

("Antonov" or the "Company")

Trading update.

In February 2009 a revised business strategy was adopted consisting of three major spear points:

- 6-speed automatic transmission technology, TX-6, to be brought to production in China for sale in the Chinese market.
- 2-speed and 3-speed transmission technology to be developed for applications such as electric vehicles.
- Winning and delivering commercial engineering projects.

Antonov is happy to inform the market about progress made on the execution of the business strategy as well as on other aspects of the company's development:

- Together with our partner Landai, a Joint Venture was established in November 2009 to manufacture, assemble and market the TX-6 automatic transmission in China. Antonov and Landai own and finance this JV, Chongqing EFA Transmission Co., Ltd., on a 50:50 basis. The first RMB 7.5 million, (€ 800K), has been paid into EFA in February 2010. EFA is currently recruiting commercial, technical and other employees. Furthermore EFA, Landai and Antonov, together with main production partners like Conti Temic Microelectronic GmbH, Hofer Powertrain GmbH, and Magna Powertrain, are working towards production of B-samples now, planned to be ready by the end of June 2010. B-samples are identical in design to the final production specification, but are not produced using production tooling. Although commercial activities are increasing, the actual selling to Chinese car manufacturers will really start once the B-sample TX-6 transmissions have been installed into the next phase of pre-production demonstrator vehicles, planned for the summer of 2010.
- Antonov's experience in 2-speed and 3-speed transmission technology and the company's recent focus on applications such as electric vehicles has led to orders from customers including Jaguar and MIRA, with other 2 speed and 3-speed projects in the pipe line.
- Antonov's initiative to actively offer commercial engineering services using a dedicated sales and engineering team has won the company several contracts like MoD / Prestolite.
- The restructuring in February 2009 reduced the number of employees by 1/3 with significant reduction in operating costs including lower spend on professional advisors as a result of simplification of the group structure.
- As a consequence of progress achieved in all three areas defined in the business strategy, the number of employees has substantially increased with the appropriate skill set to successfully execute the company's strategy.
- The planned Start of Production of the TX-6 remains unchanged for the 4th quarter 2011 with an initial annual capacity of 200,000 units.
- 2-speed and 3-speed research and development activities are selected on the basis of potential commercial opportunities for Antonov to manufacture product.

We will keep the market informed of further progress.

Enquiries:

Please contact: -

Dr. Jos Haag, Executive Chairman

Antonov plc

+44 1926 455 800

+31 6 51 56 17 67

Company's website:

www.antonovplc.com