

ATV.L

Antonov Plc

("Antonov" or the "Company")

Chinese Joint Venture Established

Antonov is pleased to announce that the incorporation of the joint venture company (JV) in China, in connection with the joint venture with Chongqing Landai Industry Co., Ltd ("**Landai**") for the production of the Antonov TX6 automatic transmission, has been completed and a certificate of incorporation for the JV has been issued by the Chinese Authorities.

Antonov's initial investment in the JV is €2.5 million, of which €375,000 is payable within 90 days incorporation and the balance is to be paid within 2 years of incorporation. The Company expects that this will be met through the €15 million Loan Facility with Quinvest, as announced on 19 February 2009.

Landai is in the process of building a new manufacturing facility for its existing operations at its new site in Chongqing and part of this new facility will now be allocated for the production of the TX6, which is expected to commence in Q4 of 2011. Once completed, production capacity is expected to equal approximately 200,000 units per year. In the meantime, Antonov and Landai are working closely together to market the transmission and generate interest amongst car manufacturers in China.

The Company and Landai are in the process of finalising the various agreements in relation to the JV, including the license agreement, under which the JV will manufacture the TX6, and the engineering services agreement, under which Antonov will provide support to the JV in moving the TX6 into mass production. Both these two agreements are expected to be signed in December 2009.

All technical targets for the TX6 were achieved in 2008, including shift quality and drive comfort; noise; efficiency and fuel consumption; and manufacturing feasibility. This year has seen the finalising of the key parameters of the production design of the TX6, one of which is its compact transverse length of 320mm which makes it suitable for smaller cars as well as mid size cars.

The intention is that initially approximately 60% of the production components for the TX6 will be manufactured by Landai, increasing to higher levels in the years to follow. The Company has also selected Conti Temic Microelectronic GmbH for the development and implementation of control software for the TX6 as well as for the delivery of the production Transmission Control Unit, TCU. The Company is currently in negotiations with a potential supplier of the hydraulic blocks for the TX6.

Commenting on the incorporation of the JV, Dr Jos Haag, the Company's Chairman and Chief Executive, said;

"Today marks an important step in Antonov's strategy to produce and distribute the TX6 in China. Production of front wheel drive vehicles in China with transversely mounted engines up to 270Nm

torque is forecast to exceed 1.8 million vehicles in 2012 and the TX6 offers a competitive proposition for manufacturers in this market segment.

There is still further work to be done to bring the TX6 into mass production, but I would like to thank Landai and COFTEC, a governmental body in the Chongqing province, for their support to date and I look forward to working with them in the future.”

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