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Antonov Plc

("Antonov" or the Company")

Cancellation of trading of Ordinary Shares on AIM

Creation of Convertible Shares

Amendments to the Articles

Increase in Share Authorities

Notice of General Meeting

The Company has posted a Circular to Shareholders on 23 November 2009, convening a General Meeting to be held at the registered offices of the Company, 2 Hawkes Drive, Heathcote Industrial Estate, Warwick, Warwickshire, CV34 6LX, at 11.00 a.m. on 17 December 2009 to consider and, if through fit, approve the following Proposals:

- i) the Cancellation;
- ii) the creation of the Convertible Shares;
- iii) the proposed amendments to the Articles; and
- iv) the increase in the Share Authorities.

BACKGROUND TO AND REASONS FOR PROPOSING THE CANCELLATION

The Company was admitted to trading on AIM on 25 August 1995 with a market capitalisation at the admission price of approximately £28.1 million. The reasons for admission were, *inter alia*, to raise the Group's profile and provide access to capital by creating a public market in the Company's ordinary shares. In 1997, the Company's ordinary shares were listed on Euronext Amsterdam, a Regulated Market. As such, the Company has to adhere to two separate regulatory regimes. However, as at the date of the Circular, approximately 94 per cent. of the Ordinary Shares are held through Euroclear Nominees Limited and Euroclear Nederland and almost all trading actively now occurs on Euronext Amsterdam.

Following careful consideration, the Board has concluded that it is no longer in the best interests of the Company or Shareholders to maintain the admission to trading on AIM of the Ordinary Shares and Shareholder approval is now being sought to cancel the Company's AIM admission in accordance with AIM Rule 41. The Directors consider that the cost of being an AIM quoted company alongside the Euronext quotation, which they estimate amounts to approximately £500,000 per annum, does not provide the Company with any additional significant benefit and, given the limited liquidity in the trading of its Ordinary Shares on AIM, the Board believes that there is little point in maintaining the dual quotation.

In accordance with Rule 41 of the AIM Rules, the Company has today notified the London Stock Exchange of the proposed Cancellation, which is conditional upon the consent of not less than 75 per cent of votes cast by Shareholders in a general meeting.

Accordingly, the Board is convening the General Meeting to be held at 11.00 a.m. on 17 December 2009 to consider and, if thought fit, approve the Cancellation. If Resolution 2 is passed at the General Meeting then the last day of trading of the Company's Ordinary Shares will be 30 December 2009 and the Cancellation will be effective from 7.00 a.m. on 31 December 2009.

The Directors believe that there will be limited impact on Shareholders as a result of the Cancellation. The Company intends to continue with the listing on Euronext Amsterdam and as such, Shareholders will be free to trade their Ordinary Shares on Euronext Amsterdam where, as mentioned above, the majority of trading activity already takes place. Settlement will continue to take place through an Uncertificated System.

Furthermore, as Euronext Amsterdam is a Regulated Market, the Company will continue to remain subject to, *inter alia*, the Prospectus Directive, the Takeover Directive and the Euronext Rules.

CREATION OF CONVERTIBLE SHARES

Under the Equity Facility Agreement the Company has financing arrangements in place which regularly involves the issue of Ordinary Shares to Quinvest. By virtue of the Dutch implementation of the Prospectus Directive under the DFSA, the Company is required to publish a prospectus every time the number of Ordinary Shares to be admitted to trading on Euronext Amsterdam exceeds 10 per cent. of the issued share capital of the Company in any twelve month period. At the current rate of issue of Ordinary Shares to Quinvest under the Equity Facility, the Company is under the obligation to publish a prospectus approximately every 10 weeks, which is both a costly and time consuming exercise.

In order to enable the Company to issue new shares without being obliged to draw up a prospectus and therefore provide more flexibility as to raising additional equity, it is proposed that a new class of Convertible Shares shall be created which will have the same rights as those currently accruing to the existing Ordinary Shares under the Articles, including those relating to entitlement to dividends and returns on capital, save that the Convertible Shares shall have no right to receive notice of, attend or vote at any general meeting of the Company. These Convertible Shares will not be listed and therefore a prospectus is not required. The Convertible Shares shall be convertible into Ordinary Shares on a one for one basis, following a period of three weeks from the date of the notice of conversion.

The Company has therefore agreed with Quinvest (conditional upon approval of Resolutions 1, 3 and 5) that the Equity Facility Agreement be amended to provide for the issue of the Convertible Shares (having the rights and restrictions as summarised below) in the place of Ordinary Shares. If and when Quinvest elects to convert all or part of its Convertible Shares into Ordinary Shares, the Company can claim exemption from the obligation to draw up a prospectus in accordance with the DFSA in connection with the application for admission of such Ordinary Shares to trading on Euronext Amsterdam. Article 5.4(g) of the DFSA states that there is no obligation to publish a prospectus in respect of the application for admission to trading on a Regulated Market of listed shares that derive from the conversion of another class of unlisted security.

Resolution 3 sets out the proposed creation of the Convertible Shares, amends the Articles to include the rights and restrictions attaching to the Convertible Shares and is proposed as a special resolution.

Risk Factors relating to the conversion of the Convertible Shares

Under the CESR Guidelines, the use of the exemption in the Prospectus Directive incorporated in Article 5.4(g) of the DFSA may be monitored to prevent companies from misusing such exemption to avoid the obligation to issue a prospectus. However, as the Convertible Shares are created to provide more flexibility as to raising additional equity and the Convertible Shares are subject to the conversion restriction of a notice period, the Company has received legal advice that the proposed reliance on Article 5.4(g) of the DFSA in connection with the application for admission to trading on Euronext Amsterdam of Ordinary Shares arising on the conversion of the Convertible Shares should be acceptable under Dutch law. Should the AFM challenge the Company's reliance on the exemption in Article 5.4 (g) of the DFSA, this could possibly result in the Company being fined and being required to issue a prospectus in relation to the admission to trading on Euronext Amsterdam of the Ordinary Shares resulting from the conversion of the Convertible Shares.

AMENDMENTS TO THE ARTICLES

It is proposed that the Company amend its Articles in order to:

- (a) take account of the changes introduced by the 2006 Act including the removal of the Company's objects and authorised share capital;
- (b) incorporate the rights attached to the Convertible Shares (as summarised above); and
- (c) increase the borrowing limits of the Directors to ten times the net assets of the Company, which as at the date of the Circular equates to approximately £37.6 million, as the current limit is insufficient to allow the Company to fully utilise the Loan Facility Agreement, as previously set out in the Company's recent prospectuses.

INCREASE IN THE SHARE AUTHORITIES

(a) Authority to allot relevant securities

The Company is seeking Shareholders' approval for the authority pursuant to section 551 of the 2006 Act to exercise all powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares:

- (i) up to a maximum aggregate nominal amount of £5,000,000 in respect of Convertible Shares and Warrants under the Equity Facility Agreement, representing 314 per cent of the Issued Share Capital; and
- (ii) otherwise up to a maximum aggregate nominal amount of £3,000,000, representing 188 per cent of the Issued Share Capital, to such persons at such time and upon such terms and conditions as the directors of the Company may determine (subject always to the Articles).

Such authority (which is in substitution for any existing authority) will, unless renewed, varied or revoked, expire at the conclusion of the annual general meeting of the Company to be held in 2010.

(b) Authority to disapply pre-emption rights

The Company is also seeking Shareholders' approval for the authority to allot equity securities as if the pre-emption rights set out in section 561(1) of the 2006 Act did not apply, in respect of the following matters:

(i) the allotment of equity securities in respect of Convertible Shares and Warrants issued pursuant to the Equity Facility Agreement;

(ii) the allotment of equity securities in connection with an offer of such securities by way of a rights issue or other issues pro rata to existing entitlements to holders of relevant equity securities in proportion (as nearly as may be) to the respective amounts of equity securities held by them taking into account any prohibitions against or difficulties concerning the making of an offer or allotment to shareholders whose registered address or place of residence is overseas and subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with equity securities which represent fractional entitlements or legal or practical difficulties under the laws of any territory or the requirements of any regulatory body, stock exchange or other authority in any jurisdiction; and

(iii) the allotment (otherwise than pursuant to paragraphs (i) and (ii) above) of equity securities up to a maximum aggregate nominal amount of £166,075 representing approximately 10 per cent. of the current issued share capital of the Company.

Such power (which is in substitution for any existing power) will, unless renewed, varied or revoked, expire at the conclusion of the annual general meeting of the Company to be held in 2010.

RECOMMENDATION

The Directors consider that the Proposals are fair and reasonable and in the best interests of Shareholders as a whole. Accordingly, the Directors, who own 110,374 Ordinary Shares, representing approximately 0.7 per cent. of the Issued Share Capital respectively, intend to vote in favour of all Resolutions.

Copies of this document are available free of charge until 17 December 2009 at the Company's offices at 2 Hawkes Drive, Heathcote Industrial Estate, Warwick, Warwickshire CV34 6LX during usual business hours on any weekday (public holidays excepted). This document is also on the Company's website www.antonovplc.com.

Enquiries

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of this document	23 November 2009
Announcement of General Meeting	23 November 2009
Latest time and date for receipt of completed forms of proxy to be valid at the General Meeting	11.00 a.m. on 15 December 2009
General Meeting	11.00 a.m. on 17 December 2009
Cancellation of admission to trading on AIM	effective from 7.00 a.m. on 31 December 2009

References to time in this document are to London time.

The Company reserves the right to change any of the above times or dates, in which event the revised times and/or dates will be notified to Shareholders by an announcement on the Regulatory Information Service of the London Stock Exchange.

All events in the above timetable following the General Meeting are conditional on the approval by the Shareholders of Resolution 2 as set out in the Notice of General Meeting.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“2006 Act”	Companies Act 2006
“AFM”	Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten)
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time
“Articles”	the Articles of Association of the Company
“Cancellation”	the cancellation of admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules

“CESR Guidelines”	Frequently Asked Questions Regarding Prospectuses: Common Positions agreed by CESR Members (9th Updated Version September 2009) published by the Committee of European Securities Regulators
“Circular”	the document posted to Shareholders on 23 November 2009 containing the Notice of General Meeting
“Convertible Shares”	the proposed new convertible shares of 10p each in the capital of the Company
“CREST”	the system for paperless settlement of trades and the holding of uncertificated shares administered through Euroclear UK & Ireland Limited
“DFSA”	Dutch Financial Services Act (Wet op het financieel toezicht)
“Directors” or “the Board”	the directors of the Company as set out on page 7 of this document
“Equity Facility”	the equity facility of up to €20 million to be provided to the Company by Quivest pursuant to the Equity Facility Agreement
“Equity Facility Agreement”	the agreement dated 18 February 2009 (as amended and restated by an agreement dated 18 November 2009 conditional upon the passing of Resolutions 1, 3 and 5) between the Company and Quivest
“ESES”	the settlement system known as Euroclear Settlement of Euronext Zone Securities operated by Euroclear Nederland
“Euroclear Nederland”	is the Dutch Central Securities Depository, the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
“Euroclear Nominees Limited”	is an admitted institution in ESES and holds shares for the benefit of investors holding securities accounts in accordance with the Giro Securities Transfer Act (“Wet Giraal Effectenverkeer” or “Wge”)
“Euronext Amsterdam”	a market operated by NYSE Euronext
“Euronext Rules”	the Euronext Rule Book published by NYSE Euronext, as amended from time to time
“General Meeting”	the general meeting of shareholders of the Company to be held at the registered office of the Company at 11.00 a.m. on 17 December 2009 to consider and, if thought fit, pass the Resolutions
“ISIN Code”	International Securities Identification Number
“Issued Share Capital”	the 16,607,474 Ordinary Shares in issue as at the date of this Document
“Loan Facility”	the loan facility of up to €15 million to be provided to the Company by Quivest pursuant to the Loan Facility Agreement
“Loan Facility Agreement”	the agreement dated 18 February 2009 (as amended by an agreement dated 16 October 2009) between the Company and

Quivest

“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	the notice convening the General Meeting which is set out towards the end of the Circular
“Ordinary Shares”	the ordinary shares of 10p each in the capital of the Company
“Proposals”	(i) the Cancellation; (ii) the creation of the Convertible Shares; (iii) the proposed amendments to the Articles; and (iv) the increase in the Share Authorities
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC
“Quivest”	Quivest B.V.
“Registrars”	Capita Registrars Limited, the Company’s registrars
“Regulated Market”	a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its nondiscretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of the Directive 2004/39/EC of the European Parliament and Council Directive on markets in financial instruments
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Share Authorities”	the authorities given by the Company to the Directors to issue and allot Ordinary Shares (including the grant of rights to subscribe for Ordinary Shares) and Convertible Shares, the resolutions relating to which are set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares
“Takeover Directive”	the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids
“Uncertificated System”	any relevant transfer, settlement and clearing system, including such system operated by Euroclear Nederland
“Warrants”	warrants to subscribe for Ordinary Shares constituted by an instrument dated 7 December 2006 and to be issued to Quivest pursuant to the Equity Facility Agreement
“£” and “p”	British sterling pounds and pence respectively

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Unless otherwise stated, all references to legislation refer to the laws of England and Wales.

Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine or neutral gender.