



Press Release

20 March 2006

Antonov plc (the “Company”)

Toyota ‘nervous’ over pending patent case judgement

Antonov Plc announces that on 15 February 2006, Toyota Motor Company initiated a law suit in Japan challenging the validity of Antonov patent JP 2894760 (the Japanese counterpart to Antonov patent EP 0414782). Toyota did not inform Antonov or its current Japanese patent attorneys with regards to this action, which has only today become known, hence the delay to this announcement.

Antonov and its legal advisers remain firmly of the view that Toyota’s second generation Prius vehicle infringes the Company’s Intellectual Property rights. This is endorsed by the fact that Antonov has already rejected an unrealistically low offer from Toyota to settle and, as a result, has pursued an action through the German court system with a judgment expected in August this year. Antonov’s action has been taken in Germany, as detailed previously, as the German legal system provides a relatively rapid and very cost effective route to a legally binding decision. Antonov expects that the entire process should cost in the region of EUR 100,000.

Antonov believes that Toyota’s action in Japan indicates its apparent lack of confidence with regards to winning the German court judgement. As a result, Toyota is attempting to force Antonov to incur significant costs via the courts in Japan even though the Patent system there is equivalent to that in Europe.

Antonov will defend its Japanese patent fully and has in place a put and call option to the value of EUR 2 million to underwrite this action, with additional funding facilities available if required.

Over the past fifteen years, Antonov has made substantial investments in a range of technologies with the common goal of improving the fuel efficiency of cars. Licences have been granted on reasonable terms to companies interested in applying these technologies to their vehicles, most notably Honda Motor Co. A number of these technologies are on course for high volume production application. Others are at an earlier stage of development. As a result of these significant investments, Antonov will aggressively defend its Intellectual Property when challenged.

John Moore, CEO of Antonov commented:

“As I have said before, we would not have taken legal action against Toyota unless we were confident that we had a strong case. It is crucial that we protect our patents and seek royalty payments in respect of all products manufactured or sold in the territories where our patent cover exists. We believe that Toyota has both infringed our patents as well as licensing this technology to other manufacturers. We are still prepared to be reasonable and to co-operate with Toyota on realistic terms. However, Toyota must be made aware that its recent strategy will not intimidate Antonov in its defence of its patents. We look forward to the German court’s judgement in August.”

Patent details

The patents in question cover the use of a drivetrain which balances the drive from an engine and an electric motor with the load from a vehicle and a generator.

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