



PRESS RELEASE

February 04, 2014, Kyiv, Ukraine

MHP S.A.

Pre-close trading update for the fourth quarter and the full year ended 31 December 2013

MHP S.A. (LSE: MHPC) (“MHP” or “The Company”), one of the leading agro-industrial companies in Ukraine, focusing on the production of poultry and the cultivation of grain, today announces its pre-close trading update for Q4 2013 and the full year ended 31 December 2013.

Poultry and Poultry Related Operations

Vinnitsia – expansion project

During 2013 MHP’s green field Vinnitsia project has been gradually launched in operations in line with operational and investment plans. By the end of 2013, nine of the 12 brigades at our new Vinnitsia complex were operational and working at 100% capacity. MHP’s production volume as well as sales volume increased significantly year-on-year.

As the Vinnitsia Poultry complex (Phase 1) will continue launch of the final rearing sites as a logical step in an increase of production volumes and reach its full capacity since H2 2014, during 2014 the Company will increase its overall poultry production volume by more than 15% year-on-year.

Sales

Owing to the increasing production volumes at the Vinnitsia poultry farm, poultry production volumes in Q4 2013 increased by 15% to 125,820 tonnes (Q4 2012: 109,210 tonnes) and in 2013 increased by 17% to 472,800 tonnes (2012: 404,000 tonnes).

Poultry	Q4 2013	Q4 2012	% change	FY 2013	FY 2012	% change
Sales volume, third parties tonnes	121,600	100,500	21%	447,000	375,300	19%
Price per 1 kg net VAT, UAH	15.43	16.91	-9%	15.99	17.19	-7%

During the fourth quarter of 2013 the volume of chicken meat sales to third parties continued the growing dynamics of previous quarters and reached 121,600 tonnes, which is 21% higher than in Q4 2012 driven mostly by a new capacity launch in operations.

Export Sales: Export sales of chicken in Q4 2013 increased by 50% compared to Q4 2012 and constituted around 37,940 tonnes of chicken. For the total 2013 export of poultry increased

significantly by more than 2 times compared to 2012 and constituted close to 123,000 tonnes of chicken meat, which is around 28% of total chicken sales volumes. Furthermore, following the Company's strategy of export diversification of its chicken meat export across all regions, MHP managed to significantly decrease its export share to the Custom Union countries since H2 2013.

In 2013 the Company opened over 20 new export sales markets both in Asia, Middle East and Africa, simultaneously increasing its exports trades across all regions.

In July 2013, MHP received permission ("EU numbers") from the EU authorities for exports of poultry products to European countries for its three capacities: Myronivka poultry farm, Meat processing plant Legko (convenience food) and Snyatynska farm (goose meat and foie gras). Since October 2013, MHP has started to export its poultry products to the European market, which resulted in around 500 tonnes.

In 2014 MHP plans to increase its poultry export operations in the EU market.

Prices: In Q4 2013 the average price decreased to UAH 15.43 per kg (excluding VAT) compared to UAH 16.91 (excluding VAT) in Q4 2012 mainly owing to export sales increase.

In line with the Company forecast and expectations, the average price decreased by 7% year-on-year to UAH 15.99 per kg (excluding VAT) compared to UAH 17.19 in 2012 mainly due to significant increase of exports sales share from 15% in 2012 to 28% in 2013 as well as lower export price in H2 2013 as a result of new markets penetration and relatively stable domestic poultry prices during 2013.

Sunflower Oil Sales

Sunflower Oil	Q4 2013	Q4 2012	% change	FY 2013	FY 2012	% change
Sales volume, tonnes	64,820	47,900	35%	240,100	195,000	23%
Price per 1 per tonne, US\$	861	1,136	-24%	1,033	1,109	-7%

In Q4 2013, 64,820 tonnes of sunflower oil were produced and sold for export at an average price of US\$ 861 per tonne, which is 24% lower than in Q4 2012 in line with world pricing trends.

In 2013 MHP sold 240,100 tonnes of sunflower oil, which is 23% more than in 2012 due to the increased production of fodder mill at the Vinnytsia Complex. All sunflower oil produced was sold to external customers at an average price of US\$ 1,033 per tonne, which is 7% lower than the average price of US\$ 1,109 in 2012 in line with international pricing trends.

All the income from export sales of sunflower oil and chicken meat is denominated in US dollars that hedge the currency risk of the Company. Revenue from sunflower oil and chicken export sales in 2013 grew by around 40% year-on-year.

Grain Growing Operations

At the end of 2013 MHP's total land bank constituted around 360,000 hectares of which 320,000 ha are in Ukraine and 40,000 ha in Russia. In 2013 the Company operated on 287,000 hectares of land in grain growing operations. Total harvest of MHP accounted around 2 million tonnes of grains and oilseeds in 2013, which is 23% higher than the harvest of 2012 as a result of an increase of land bank, favorable weather conditions and application of best agri technics.

	2013		2012	
	Production, tonnes	Cropped hectares	Production, tonnes	Cropped hectares
Corn	1,134,000	129,100	883,580	116,260
Wheat	228,100	42,460	199,900	38,960
Sunflower	133,530	38,290	90,620	30,570
Rapeseed	60,265	18,690	42,350	12,385
Soya	37,100	16,860	24,230	13,715
Other*	391,175	41,600**	367,220	38,110**
Total:	1,984,170	287,000	1,607,900	250,000

* - Includes barley, sugar beet and other crops

** - Includes fallow lands

As a result of MHP's operational efficiency and employment of best practice, MHP's grain yields in 2013 are strong.

In 2013 the Company's yields of all crops are significantly higher Ukraine's average.

	2013		2012	
	MHP's average*	Ukraine's average**	MHP's average*	Ukraine's average**
Corn	8.8	6.4	7.6	4.8
Wheat	5.4	3.4	5.1	2.8
Sunflower	3.5	2.2	3.0	1.7
Rapeseed	3.2	2.4	3.4	2.3
Soya	2.2	2.1	1.8	1.7

* - Tonnes per hectare

** - Source: the State Statistics Committee of Ukraine

Crop prices in 2013 in Ukraine were dramatically lower than in 2012, but in line with international commodity market trends. However, due to the vertically integrated business model and taking into account that most of crops the Company consumes internally lower grain prices in 2013 have a positive effect on MHP's poultry production operation from a cost per kg perspective and as a result overall Company's result during 2014.

Other Agricultural Operations

	Q4 2013	Q4 2012	% change	FY 2013	FY 2012	% change
Meat processing products						
Sales volume, third parties tonnes	7,740	8,590	-10%	33,210	35,200	-6%
Price per 1 kg net VAT, UAH	24.33	22.76	7%	23.53	22.20	6%

In Q4 2012 sausage and cooked meat production volumes decreased by 10% from 8,590 tonnes to 7,740 tonnes in Q4 2013. At the same time the average price in Q4 2013 increased to UAH 24.33 per kg, which is 7% higher than in Q4 2012.

In 2013 MHP sales volumes slightly decreased by 6% to 33,210 tonnes compared to 35,200 tonnes in 2012 due to the product portfolio optimization during the year. Average sausage and cooked meat prices during 2013 increased by 6% to UAH 23.53 per kg (excluding VAT) compared to UAH 22.20 per kg (excluding VAT) in 2012.

MHP is a sustainable market leader in meat processing in Ukraine with about 10% market share.

Date: Results Announcement

The exact date for the financial results for Q4 2013 and full year 2013 will be provided in a due course, however according to the preliminary schedule **between 2 and 4 April 2014**.

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Notes to Editors:

About MHP

MHP is the leading producer of poultry products in Ukraine with the greatest market share and highest brand recognition for its products. MHP owns and operates each of the key stages of chicken production processes, from feed grains and fodder production to egg hatching and grow out to processing, marketing, distribution and sales (including through MHP's franchise outlets). Vertical integration reduces MHP's dependence on suppliers and its exposure to increases in raw material prices. In addition to cost efficiency, vertical integration also allows MHP to maintain strict biosecurity and to control the quality of its inputs and the resulting quality and consistency of its products through to the point of sale. To support its sales, MHP maintains a distribution network consisting of 11 distribution and logistical centers, within major Ukrainian cities. MHP uses its trucks for the distribution of its products, which Management believes reduces overall transportation costs and delivery times.

MHP also has a leading grain cultivation business growing corn to support the vertical integration of its chicken production and increasingly other grains, such as wheat and rape, for sale to third parties. MHP leases agricultural land located primarily in the highly fertile black soil regions of Ukraine.

Since May 15, 2008, MHP has traded on the London Stock Exchange under the ticker symbol MHPC.

Forward-Looking Statements

This press release might contain forward-looking statements that refer to future events or forecast financial indicators for MHP S.A. Such statements do not guarantee that these are actions to be taken by MHP S.A. in the future, and estimates can be inaccurate and uncertain. Actual final indicators and results can considerably differ from those declared in any forward-looking statements. MHP S.A. does not intend to change these statements to reflect actual results.