



## **PRESS RELEASE**

December 08, 2016, Kyiv, Ukraine

### **MHP S.A. Communique on EU import ban on poultry from Ukraine**

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, wishes to inform its stakeholders on the implications of the import ban on Ukrainian poultry imposed by the EU authorities as a result of avian influenza found in the country’s southern Kherson region, as reported on November 30, 2016 by the State Service for Food Safety and Consumer Rights Protection in Ukraine.

We can confirm that no avian influenza has been found at any of MHP’s poultry facilities. The outbreak has occurred only in private households in one village, Novooleksandrivka, in the Kherson region, an area where MHP has no poultry production facilities. MHP’s facilities are located in the Kyiv, Cherkassy, Vinnytsia and Dnipro regions. Our Vinnytsia poultry complex, which is nearest to the area of the outbreak, is more than 450 km from Novooleksandrivka.

All MHP’s poultry facilities adopt the strictest and best in class biosecurity measures and MHP is well regarded both in Ukraine and internationally as a safe and high quality producer. MHP has never experienced any issues with avian influenza and, as a responsible producer, maintains appropriate risk management and contingency plans.

We understand that both the Ukrainian and responsible EU authorities are working hard to restore exports by adopting a regionalization approach, as was done recently in Germany. We expect regions which are free from avian influenza to be released for exports to the EU within 10-14 days.

We do not expect the temporary import ban to have any material impact on our 2016 operational and financial results. MHP’s exports are well diversified, with sales to some 70 countries. Exports to the EU are expected to represent approximately 6% of MHP’s total chicken production, or 20% of poultry exports, in 2016.

Please address any questions or concerns to:

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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 15 distribution and logistical centres, 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.