



PRESS RELEASE

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MHP S.A. Pre-close trading update for the third quarter and nine months of 2016

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, is pleased to announce today its pre-close trading update for the third quarter and nine months ended 30 September 2016.

Poultry and Poultry Related Operations

As usual, the Company’s poultry production facilities continued to operate at full capacity during the period.

Owing to the increasing production volumes at the Company’s farms (Myronivka and Oril Leader, working in a trial mode), poultry production volumes in Q3 2016 increased by 5% to 149,760 tonnes (Q3 2015: 142,295 tonnes) and in 9M 2016 increased by 8% to 455,425 tonnes (9M 2015: 420,720 tonnes).

Poultry	Q3 2016	Q3 2015	% change	9M 2016	9M 2015	% change
Sales volume, third parties tonnes	166,300	150,260	11%	433,110	407,680	6%
Price per 1 kg net VAT, UAH	30.23	27.62	9%	29.74	26.92	10%

As a result of an overall increase in poultry production volumes year-over-year in the third quarter of 2016 sales volume constituted 166,300 tonnes, which is 11% higher than in Q3 2015 and 12% higher than in Q2 2016 predominantly due to the increased export sales. In nine months of 2016 third parties sales amounted to 433,110 tonnes, which is 6% higher than in 9M 2015.

Exports remained the main driver in total poultry sales growth during the reporting periods. During the third quarter of 2016 the volume of chicken meat export was 70% higher than in Q3 2015 constituting 58,625 tonnes. During the nine months of 2016, poultry export sales increased by 44% to 145,210 tonnes compared to 100,600 tonnes in 9M 2015. Currently, in 9M 2016 export share constitutes appx. 34% of total poultry sales.

MHP continues to follow a strategy of diversification and geography expansion, therefore is exploring new business opportunities in the countries of the Middle East, the EU, Asia and Africa building-up the export volumes of chicken meat in those regions. Moreover, following the strategy of control over export volumes, we are aimed to establish sales offices in the primary export

markets. Sales offices are targeted to build local distribution networks that would build a basis for increasing export volumes.

Despite different challenges on different markets, MHP's exports (9M 2016/9M 2015) in the Middle East increased by 47%, in the EU – by 35%, in Africa – by more than 4 times.

New developments in exports: Our joint venture in the Netherlands has been gradually increasing its capacity utilization. We expect it will reach full production capacity by the end of the year.

Established in May 2016, our Sales & Distribution center in the United Arab Emirates has been developing according to the plan.

Prices: Through the third quarter of 2016 the average chicken meat price (both domestic and export) constituted UAH 30.23 per 1 kg of adjusted weight (excluding VAT), with 9% growth compared to Q3 2015 and by 3% higher compared to Q2 2016, mainly driven by export product mix and slight domestic price increase. During 9M 2016 the average chicken meat price was UAH 29.74, which is 10% higher than in 9M 2015. The increase in price year-over-year is mainly driven by bigger share of export sales and increased prices on the domestic market.

Oils

Sales volume, tonnes	Q3 2016	Q3 2015	% change	9M 2016	9M 2015	% change
Sunflower oil	89,600	71,900	25%	254,030	217,710	17%
Soybean oil	10,305	5,140	100%	24,340	10,240	138%

In Q3 2016, due to increased production of fodder for chicken at MHP fodder plants, MHP's sales of sunflower oil increased by 25% to 89,600 tonnes compared to 71,900 tonnes in Q3 2015. In 9M 2016 sunflower oil exports constituted 254,030 tonnes, which is 17% higher year-over-year.

Having launched MHP's soybean extraction plant into operations in Q2 2015, it now works at 80% capacity and covers all MHP's needs in soybean cake for fodder production. MHP also sells soybean cake to third parties. In Q3 2016, soybean oil export sales were at 10,305 tonnes, 100% higher year-over-year and in 9M 2016 – 24,340 tonnes, 138% higher year-over-year.

The Company considers vegetable oils exports as one of the “natural hedge” routes accumulating additional hard currency revenues and protecting the Company from volatilities in local currency.

Grain Growing Operations

In 2016 in grain growing operations the Company is to harvest around 355,000 hectares of land in Ukraine.

The Company's harvesting campaign of sunflower, corn and soya is on track.

As of today, MHP harvested around 96% of sunflower with current yield 3.4 t/ha, around 55% of corn with current yield 9.4 t/ha and around 78% of soya with yield 2.6 t/ha (yields are in bunker weight).

Sowing campaign of winter crops is on track and almost complete.

	2016		2015	
	Production, tons	Cropped hectares*	Production, tonnes	Cropped hectares*
Corn	In process	In process	841,745	125,994
Wheat	378,400	58,708	322,055	53,752
Sunflower	In process	In process	176,170	57,541
Rapeseed	68,920	20,070	76,385	22,653
Soya	In process	In process	56,650	35,831
Other**	In process	In process	418,690	44,229
Total:	n/a	n/a	1,891,695	340,000

* - Actual hectares under crop and excluding land left fallow as part of crop rotation

** - Include barley, rye, beans and other

	2016		2015	
	MHP's average*	Ukraine's average**	MHP's average*	Ukraine's average**
Corn	9.4***	In process	6.7	5.7
Wheat	6.5	4.3	6.0	3.9
Sunflower	3.4***	In process	3.1	2.2
Rapeseed	3.4	2.6	3.4	2.6
Soya	2.6***	In process	1.6	1.9

* - Tonnes per hectare

** - MHP yields are net weight, Ukraine – bunker weight

*** - MHP's current yields of late crops (bunker weight)

Other Agricultural Operations

Meat processing products	Q3 2016	Q3 2015	% change	9M 2016	9M 2015	% change
Sales volume, third parties tonnes	10,800	8,960	21%	28,780	20,950	37%
Price per 1 kg net VAT, UAH	48.06	43.71	10%	46.65	42.92	9%

During the third quarter of 2016, sausage and cooked meat production volumes increased by 21% to 10,800 tonnes compared to 8,960 tonnes during the third quarter of 2015. During the first nine months of 2016 production volumes increased by 37% to 28,780 tonnes.

At the same time the average sausage and cooked meat prices during the third quarter of 2016 increased by 10% to UAH 48.06 per kg (excluding VAT) and through the first nine months of 2016 increased by 9% to UAH 46.65 per kg (excluding VAT).

Next release: The financial results for Q3 and 9M 2016 will be published on **November 16, 2016**. There will be a conference call for investors and analysts on the day that will take place at 4pm Kyiv time (2 pm London). Dialing instructions for the call will be published in a due course.

For investor relations and media enquiries

Anastasiia Sobotiuk

Kyiv: +38 044 207 99 58
a.sobotyuk@mhp.com.ua

Iryna Bublyk

Kyiv: +38 044 207 00 04
i.bublik@mhp.com.ua**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 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.