



MHP S.A.

Pre-close trading update for the fourth quarter and full 2014
ended 31 December 2014

February 02, 2015, Kyiv, Ukraine

Poultry and Related Operations

Poultry	Q4 2014	Q4 2013	% change	2014	2013	% change
Sales volume, third parties tonnes	128,680	121,600	6%	525,460	447,000	18%
Price per 1 kg net VAT, UAH	23.72	15.43	54%	19.99	15.99	25%

Production:

- Vinnytsia complex: during 2014 final 3 production sites (Phase 1: 12 brigades) became operational.
- Owing to the increasing production volumes at the Vinnytsia poultry farm, poultry production volume in Q4 2014 increased by 13% to 142,120 tonnes (Q4 2013: 125,820 tonnes) and in 2014 increased by 16% to 546,500 tonnes (2013: 472,800 tonnes).
- Sales volume of chicken meat constituted 128,680 tonnes, which is 6% higher than in Q4 2013. In 2014 sales amounted 525,460 tonnes of poultry, which is 18% higher than in 2013.

Prices: The average chicken price increased by 54% yoy to UAH 23.72 per kg in Q4 2014 and by 25% to UAH 19.99 per kg on 2014 compared to 2013 due to substantial share of export and depreciation of local currency during the reporting period.

Domestic Sales: Due to significant depreciation of local currency, domestic demand for chicken meat is strengthening, as a result of consumers' trade down from more expensive meats (pork and beef) to more affordable ones. MHP's domestic sales volumes in Q4 and 2014 increased by around 8% and 19% year-on-year accordingly.

Export Sales: In 2014 chicken meat export reached 140,920 tonnes, with growth of 15% yoy. MHP continues to follow its strategy of diversified export markets and seeks for new business opportunities in the countries of Asia, the Middle East, European Union and Africa building-up the export volumes of chicken meat in those regions.

Export to EU: Since June 2014 until the year end, MHP exported poultry meat to the EU with zero import duty, which resulted in over 16,500 tonnes, 12% of total MHP poultry export in 2014.

Sunflower Oil: Increased production of fodder meal at the Vinnytsia complex led to 23% yoy increase in export sales volume in 2014 and 30% yoy increased in Q4 2014. In line with world market trends the average price per tonne decreased by 19% yoy in 2014 and 8% yoy in Q4 2014.

Sunflower Oil	Q4 2014	Q4 2013	% change	2014	2013	% change
Volume, tonnes	84,040	64,820	30%	296,150	240,100	23%
Price, US\$/t	789	861	-8%	835	1,033	-19%

Grain Growing Operations

- In 2014 in grain growing operations the Company harvested around 290,000 hectares of land in Ukraine*.
- Favorable weather conditions in Ukraine, operational efficiency and employment of best practice resulted in over 2 million tonnes of crops with significantly higher yields than Ukraine's average.
- Early crops are in good condition.

* - MHP also cultivates 40,000 hectares of land in the Russian Federation and around 30,000 hectares of land in other agricultural operations.

	2014		2013	
	Production, tons	Cropped hectares*	Production, tonnes	Cropped hectares*
Corn	1,180,605	126,840	1,134,000	129,100
Wheat	261,025	43,020	228,100	42,460
Sunflower	167,030	49,550	133,530	38,290
Rapeseed	39,570	10,495	60,265	18,690
Soya	53,870	25,460	37,100	16,860
Other**	324,890	34,840	391,175	41,600
Total:	2,026,990	290,000	1,984,170	287,000

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

** - Include barley, rye, beans and other

	2014		2013	
	MHP's average*	Ukraine's average**	MHP's average*	Ukraine's average**
Corn	9.3	6.2	8.8	6.4
Wheat	6.1	4.0	5.4	3.4
Sunflower	3.4	1.9	3.5	2.2
Rapeseed	3.8	2.5	3.2	2.4
Soya	2.1	2.2	2.2	2.1

* - Tonnes per hectare

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

Other Agricultural Operations

Meat processing products	Q4 2014	Q4 2013	% change	2014	2013	% change
Sales volume, third parties tonnes	7,220	7,740	-7%	31,180	33,210	-6%
Price per 1 kg net VAT, UAH	32.61	24.33	34%	28.28	23.53	20%

- Production volumes decreased by 6% yoy to 31,180 tonnes. In Q4 2014 production volumes decreased by 7% to 7,220 tonnes.
- Average processed meat prices increased by 20% yoy to UAH 28.28 per kg and in Q4 2014 increased by 34% yoy to UAH 32.61 per kg mostly due to more expensive raw materials (poultry meat).
- MHP is currently one of the leading meat processing products producers in Ukraine. The Company uses internally produced chicken meat, enhancing its profitability in meat processing business segment.

Note

*Average official FX rate for Q4: UAH/US\$ 14.43 in Q4/2014 and UAH/US\$7.99 in Q3/2013
Average official FX rate for full year: UAH/US\$ 11.91 in 2014 and UAH/US\$7.99 in 2013*

News

- Due to suspension in operations of Shahtarska Nova breeding farm since August 2014, the Company had to import hatching eggs. In order to improve MHP's cost efficiency, the Company's management decided to transform Peremoga Nova broiler farm into breeding farm. The production of hatching eggs started in December 2014.
- Dual listing: since 2nd February 2015, MHP's shares are also listed on UX (Ukrainian stock exchange) and are available for Ukrainian investors.

Next Release

The financial results for Q4 and full 2014 will be published on **March 17, 2015**. 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 investors and analysts queries:

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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 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.