



PRESS RELEASE

October 18, 2017, Kyiv, Ukraine

MHP SE

Pre-close trading update for the third quarter and nine months of 2017

MHP SE (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 the third quarter and nine months of the year ending 30 September 2017.

POULTRY AND RELATED OPERATIONS

NOTE: Since Q1 2017 and thereafter, the Company reports its poultry volumes sold/produced based on real physical weight of meat, including all meat products produced from a whole chicken (without offal). Please find detailed information about change in disclosure of information in MHP’s Q1 2017 pre-close trading update dated April 18, 2017: <http://www.mhp.com.ua/library/file/tu-q1-2017.pdf>. For ease of comparison, in 2017 the Company discloses data in both real physical weight and adjusted weight of meat.

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

Poultry production volumes in Q3 2017 remained relatively stable and constituted 137,005 tonnes (Q3 2016: 139,740 tonnes) and in 9M 2017 remained relatively stable at 424,700 tonnes (9M 2016: 426,085 tonnes).

At the beginning of Q3 2017 MHP’s poultry stocks constituted around 21,000 tonnes, when at the beginning of Q3 2016 they constituted around 46,300 tonnes, which resulted in 13% decrease in poultry sales volumes in Q3 2017 compared to Q3 2016. MHP’s poultry stocks at the end of Q3 2017 are the lowest historically as a per cent of monthly production volume.

| Poultry | Q3 2017 | Q3 2016 | % | 9M 2017 | 9M 2016 | % | | |
|-------------------------------------|---------|---------|------|---------|---------|-----|--------|--------|
| | | | | | | | change | change |
| Sales volume, third parties tonnes: | 134,885 | 154,965 | -13% | 419,080 | 403,390 | 4% | | |
| - Domestic | 81,895 | 97,440 | -16% | 243,065 | 260,600 | -7% | | |
| - Export | 52,990 | 57,525 | -8% | 176,015 | 142,790 | 23% | | |

Sales of fresh chicken meat remained stable on the domestic market, while sales of frozen chicken meat both on the domestic market and for exports decreased, as a result of significant poultry

stocks decrease in Q2 2017. During the first nine months of 2017 third parties sales amounted to 419,080 tonnes of poultry, which is 4% higher than in 9M 2016.

Note: in adjusted weight, poultry production volumes in Q3 2017 constituted 137,845 tonnes (Q3 2016: 142,395 tonnes) with 3% decrease and in 9M 2017 – 426,660 tonnes (9M 2016: 427,880 tonnes) with stable production; sales of poultry to third parties in Q3 2017 constituted 135,180 tonnes (Q3 2016: 154,640 tonnes) with 13% decrease and in 9M 2017 – 420,685 tonnes (9M 2016: 401,350 tonnes) with 5% growth.

Poultry Exports

The main driver in total poultry sales growth was export. During Q3 2017 the volume of chicken meat exports totaled 52,990 tonnes, which is by 8% lower compared to Q3 2016 due to significantly higher sales of stocks during the period last year. During 9M 2017, poultry exports increased by 23% compared to 9M 2016 and reached 176,015 tonnes, following the strategy of poultry stocks decrease and driven by significant exports in Q2 2017. MHP continued to follow a strategy of both geographic diversification and a product mix optimization building-up its export volumes of chicken meat mainly in the EU and African countries as well as to UAE and Saudi Arabia. Out of total poultry sales volumes, poultry exports in 9M 2017 constituted around 42% vs 35% in 9M 2016.

The Dutch and Slovakian processing plants and sales/distribution office in the UAE have been performing in accordance with expectations and their business plans.

Poultry Prices

| Poultry | Q3 2017 | Q3 2016 | % change | 9M 2017 | 9M 2016 | % change |
|------------------------|---------|---------|----------|---------|---------|----------|
| Price per 1 kg net VAT | 37.88 | 28.07 | 35% | 34.06 | 27.67 | 23% |

* Average official FX rate for Q3 2017 UAH/US\$ 25.96 and for Q3 2016 UAH/US\$ 25.39
Average official FX rate for 9M 2017 UAH/US\$ 26.40 and for 9M 2016 UAH/US\$ 25.46

Through the third quarter of 2017 the average chicken meat price (both domestic and export) constituted UAH 37.88 per 1 kg of natural weight (excluding VAT), increased by 30% year-on-year and by 15% compared to Q2 2017. In 9M 2017 average chicken meat price was UAH 34.06, which is 23% higher than in 9M 2016. The increase in price year-over-year is mainly driven by export price growth as a result of product mix optimization undertaken by the Company in line with its export strategy.

In USD term, average MHP's poultry prices in Q3 2017 increased by 32% year-on-year and in 9M 2017 increased by 18% year-on-year.

Note: in adjusted weight, average chicken meat price in Q3 2017 increased by 35% year-on-year. MHP's poultry prices both on the domestic market and for exports increased by 35% year-on-year, respectively. In 9M 2017, average chicken meat price increased by 23% year-on-year. MHP's poultry prices both on the domestic market and for exports increased by 22% year-on-year, respectively.

Vegetable Oils

| Sales volume, tonnes | Q3 2017 | Q3 2016 | % change | 9M 2017 | 9M 2016 | % change |
|----------------------|---------|---------|----------|---------|---------|----------|
|----------------------|---------|---------|----------|---------|---------|----------|

| | | | | | | |
|---------------|--------|--------|------|---------|---------|-----|
| Sunflower oil | 76,811 | 89,600 | -14% | 243,826 | 254,030 | -4% |
| Soybean oil | 8,225 | 10,305 | -20% | 22,530 | 24,340 | -7% |

In Q3 2017, MHP's sales of sunflower oil decreased by 14% to 76,811 tonnes compared to 89,600 tonnes in Q3 2016, mainly due to the increased oil content in sunflower cake and improvement in conversion ratio (kg of grains per kg of bird). In 9M 2017 sunflower oil exports constituted 243,826 tonnes, which is 4% lower year-over-year.

In Q3 2017, soybean oil export sales were at 8,225 tonnes, 20% lower year-on-year, and accumulatively for 9M 2017– 22,530 tonnes, 7% lower year-on-year, as a result of improvement in conversion ratio. MHP also sells soybean cake to third parties.

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 2017 in grain growing operations the Company is to harvest around 360,000 hectares of land.

The Company's harvesting campaign of sunflower, corn and soya is on track. As of today, MHP harvested around 94% of sunflower with current yield 3.2 t/ha, around 42% of corn with current yield 7.1 t/ha and around 80% of soya with yield 2.1 t/ha (yields are in bunker weight).

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

| | 2017 ^[1] | | 2016 | |
|----------------------|---------------------|------------------|--------------------|------------------|
| | Production, tons | Cropped hectares | Production, tonnes | Cropped hectares |
| Corn | In process | In process | 1,056,887 | 123,350 |
| Wheat | 297,880 | 48,711 | 379,693 | 58,813 |
| Sunflower | In process | In process | 218,049 | 67,399 |
| Rapeseed | 104,760 | 31,969 | 68,325 | 20,069 |
| Soya | In process | In process | 98,607 | 40,771 |
| Other ^[2] | In process | In process | 529,930 | 44,598 |
| Total: | n/a | n/a | 2,351,491 | 355,000 |

^[1] Only land of grain growing segment;

^[2] Including barley, rye, sugar beet, sorghum and other and excluding land left fallow as part of crop rotation;

| | 2017 | | 2016 | |
|------|----------------|---------------------|----------------|---------------------|
| | MHP's average* | Ukraine's average** | MHP's average* | Ukraine's average** |
| Corn | 8.0*** | In process | 8.6 | 5.7 |

| | | | | |
|-----------|--------|------------|-----|-----|
| Wheat | 6.1 | 4.2 | 6.5 | 3.9 |
| Sunflower | 3.2*** | In process | 3.2 | 2.2 |
| Rapeseed | 3.3 | 2.9 | 3.4 | 2.6 |
| Soya | 2.3*** | In process | 2.4 | 1.9 |

* - Tonnes per hectare

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

*** - MHP's forecast

OTHER AGRI OPERATIONS

| Meat processing products | Q3 2017 | Q3 2016 | % change | 9M 2017 | 9M 2016 | % change |
|--------------------------|---------|---------|----------|---------|---------|----------|
| Sales volume, tonnes | 9,920 | 9,420 | 5% | 27,170 | 24,800 | 10% |
| Price per 1 kg net VAT | 49.82 | 42.93 | 16% | 46.96 | 41.86 | 12% |

In the third quarter of 2017, sausage and cooked meat sales volumes increased by 5% to 9,920 tonnes. In 9M 2017 sausage and cooked meat sales volumes increased by 10% to 27,170 tonnes as a result of a product promotion strategy and advertisement campaign both for the product range and for the brand.

Average sausage and cooked meat prices during the third quarter of 2017 increased by 16% to UAH 49.82 per kg excluding VAT. In 9M 2017 the average price increased by 12% to UAH 46.96 per kg excluding VAT.

Next release

The financial results for Q3 and 9M 2017 will be published on **November 16, 2017**. There will be a conference call for investors and analysts on the day that will take place at 4pm Kyiv time (2 pm London/5 pm Moscow). Dialing instructions for the call will be published in a due course.

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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 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 SE. Such statements do not guarantee that these are actions to be taken by MHP SE 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 SE does not intend to change these statements to reflect actual results.