PRESS RELEASE

December 16, 2008 , Kyiv, Ukraine

MHP S.A.

Unaudited Results for Q3 2008 and the Nine Months to 30 September 2008

MHP S.A. ("MHP" or the "Company", LSE ticker: "MHPC"), one of the leading agro-industrial companies in Ukraine, focusing on the production of poultry and the cultivation of grain, today announces its unaudited results for Q3 2008 and the nine months ended 30 September 2008.

Key financial highlights for the third quarter of 2008

- Revenue increased 77% to US $255 million (Q3 2007: US $144 million).
- EBITDA increased 50% to US $83 million (Q3 2007: US $55 million).
- EBITDA margin decreased to 32% (Q3 2007: 38%).
- Net income increased 158% to US $69 million (Q3 2007: US $27 million).
- Net income margin increased to 27% (Q3 2007: 18%).

Key financial highlights for the nine months of 2008

- Revenue increased 105% to US $637 million (9m 2007: US $311 million).
- EBITDA increased 105% to US $243 million (9m 2007: US $118 million).
- EBITDA margin remained at 38%.
- Net income increased 281% to US $180 million (9m 2007: US $47 million).
- Net income margin increased to 28% (9m 2007: 15%).

Operational highlights

- Poultry production facilities have continued to operate at their full production capacity.
- Agricultural land bank increased to 180,000 hectares.
- Record-breaking yields across all crops.
- Sausage and cooked meat production volumes doubled.

Post period end

- On October 31, 2008 The Verkhovna Rada of Ukraine adopted a law giving additional tax benefits to local agricultural producers. The law will be effective until the beginning of 2011 and the benefits include:
    - extending VAT payment benefits; and
    - extending the fixed agricultural tax (previously this tax was effective until 31 December 2009).

- Fully prepared convenience products line expanded and new “Toropyshka” brand launched.

Commenting on the results Yuriy Kosyuk, Chief Executive Officer of MHP, said:

“We are pleased with MHP’s business performance during the first nine months of the year, which continued to show robust growth. Our market share of industrially produced chicken meat reached 40% and we see further opportunities for gaining market share as our consumers continue to substitute imported chicken and more expensive pork and meat with domestic chicken. The past few months have seen a period of substantial turbulence in global markets and that has significantly affected the Ukrainian economy, resulting in the depreciation of the Hryvna. However, we believe that MHP is well positioned to tackle the volatile market conditions as chicken remains the cheapest meat product within the local consumption mix and our ability to keep costs stable represents a clear competitive advantage.

Despite the challenging environment, MHP’s financial position is strong and we are confident that the Company’s long term strategy is the right one to take the business forward. We are well placed to meet difficult market conditions and are confident that the business will continue to grow in 2009 and that the full year results will be in line with expectations.”

-Ends-

MHP’s management will host a conference call for investors and analysts followed by a Q&A session. The dial-in details are:

Date:	**Wednesday, 17 December 2008 (Note the date change)**
Time:	16.00 Kyiv / 14.00 London / 9.00 New York / 17.00 Moscow
Title:	MHP – 9M 2008 Financial Results
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A live webcast of the presentation will be available at:

https://webconnect.webex.com/webconnect/onstage/g.php?t=a&d=664844114

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For further information please contact:

Financial Dynamics London: +44 20 7831 3113
Ben Foster (London) Moscow: +7 495 795 06 23
Marc Cohen (London)
Leonid Solovyev (Moscow)

For investor relations enquiries
Iryna Bublyk ir@mirohleb.kiev.ua

The Ukrainian economy

After seven years of fast growth, the Ukrainian economy has been significantly affected by the global economic downturn. The Hryvna has depreciated by 50% since beginning of the year, year on year GDP growth is expected to be at 3.5% to 4% and inflation is expected at 21% year on year.

To tackle the challenging economic situation, the Ukrainian government requested and received a US $16.4 billion two year stand by arrangement from the International Monetary Fund (IMF) to boost the economy. Other measures taken have included the extension of VAT payment benefits for agricultural producers, the rescinding of the fixed agricultural tax (previously this tax exemption was effective until 31 December 2009) and a law to increase state support for domestic producers is currently under consideration by Verhovanya Rada, the Ukrainian government.

Despite the current economic situation in Ukraine, MHP has continued to trade well and grow as the demand for poultry meat remains strong and stable.

Financial overview

		Q3 2008	**Q3 2007**	growth rate	**9m 2008**	**9m 2007**	growth rate
Revenue	**US$, m**	**255**	**144**	***77%***	**637**	**311**	***105%***
IFRS 41 standard gains		(19)	10	*-287%*	(5)	20	*-127%*
EBITDA	**US$, m**	**83**	**55**	***50%***	**243**	**118**	***105%***
- poultry	US$, m	*75*	*47*	*61%*	*215*	*96*	*125%*
- grain	US$, m	*4*	*8*	*-56%*	*23*	*22*	*2%*
- other agricultural	US$, m	*6*	*1*	*302%*	*12*	*5*	*140%*
EBITDA margin	*%*	*32%*	*38%*	*-15%*	*38%*	*38%*	*0%*
- poultry	%	*41%*	*45%*	*-10%*	*41%*	*39%*	*6%*
- grain	%	*9%*	*30%*	*-69%*	*53%*	*75%*	*-29%*
- other agricultural	%	*19%*	*11%*	*79%*	*16%*	*14%*	*17%*
Net income	**US$, m**	**69**	**27**	***158%***	**180**	**47**	***281%***
Net income margin	*%*	*27%*	*18%*	*46%*	*28%*	*15%*	*86%*

In the third quarter of 2008 MHP's consolidated revenues increased by 77% to US $255 million (Q3 2007: US $144 million) and by 105% in the nine months to 30 September 2008 to US $637 million (9m 2007: US $311 million), which reflected the strong performance of the Company's poultry segment.

In the third quarter EBITDA increased 50% to US $83 million as against the same period last year (Q3 2007: US $55 million). EBITDA margin decreased year-on-year from 38% to 32% as a result of low corn prices in the 2008 yield and also due to the fact that the Q3 2007 EBITDA margin included the positive effect of IAS 41 (US$10 million) caused by the increase in poultry livestock at the new Myronivka poultry factory.

In the nine months of 2008 EBITDA increased by 105% to US $243 million (9m 2007: US $118 million) and EBITDA margin remained at 38%. Net Income for the third quarter of 2008 increased by 158% to US $69 million (Q3 2007: US $27 million) and for the nine month period net income increased by 281% from US $47 million to US $180 million due to solid EBITDA growth and a stable cost base.

Poultry and related operations

		Q3 2008	***Q3 2007***	*growth rate*	***9m 2008***	***9m 2007***	*growth rate*
Revenue	***US$, m***	***184***	***102***	**79%**	***522***	***246***	**112%**
- poultry and other		152	87	*75%*	439	209	*110%*
- sunflower oil		32	16	*101%*	83	37	*125%*
IFRS 41 standard gains		***(2)***	***10***	***-122%***	***0***	***10***	***-100%***
Gross profit	***US$, m***	***54***	***43***	**24%**	***166***	***82***	**103%**
Gross margin	*%*	*29%*	*42%*	*-31%*	*32%*	*33%*	*-4%*
EBITDA	***US$, m***	***75***	***47***	**61%**	***215***	***96***	**125%**
EBITDA margin	*%*	*41%*	*45%*	*-10%*	*41%*	*39%*	*6%*
Gross profit *per 1 kg of poultry meat* [(1)]	US$/kg	1,08	0,76	*41%*	1,03	0,61	*68%*
EBITDA *per 1 kg of poultry meat* [(1])	US$/kg	1,48	0,83	*78%*	1,33	0,73	*83%*

[(1)] *Excluding effect of IAS 41*

During the third quarter of 2008, the volume of chicken meat sales increased by 18% to 52,000 tonnes when compared to the third quarter of 2007, and by 37% to 162,000 tonnes during the first nine months of 2008. This was primarily due to the launch of the first phase of the Myronivka chicken farm complex in the middle of 2007, which reached its full production capacity in October 2007. During the first nine months of 2008, consumer demand for chicken meat remained high and all the Company's poultry production facilities continued to operate to their full production capacity.

The average price of chicken meat increased by 48% to 13.04 UAH per kg. of adjusted weight (excluding VAT) in the third quarter of 2008 when compared to third quarter of 2007, and by 53% to 12.17 UAH per kg. in the first nine months of 2008 when compared to the first nine months of 2007. As a result of volume and price growth the segment's revenue in the third quarter of 2008 increased by 79% from US $102 million to US $184 million and by 112% from US $246 million to US $522 million in the nine month period.

Due to the Company being fully vertically integrated and production costs being stable, gross profit in the segment increased from US $43 million in the third quarter 2007 to US $54 million in the third quarter of 2008 (from US $ 82 million in the first nine months of 2007 to US $166 million in the first nine months of 2008). Segment gross margin decreased from 42% in the third quarter of 2007 to 29% in the third quarter of 2008, and from 33% in the first nine months of 2007 to 32% in the first nine months of 2008), as the Q3 2007 financial result included the positive effect of IAS 41 (US$10 million) caused by the increase in poultry livestock at the new Myronivka poultry factory.

EBITDA in the third quarter of 2008 increased by 61% from US $47 million to US $75 million and in the nine month period by 125% from US $96 million to US $215 million. EBITDA per 1 killogramme of poultry meat (excluding effect of IAS 41) grew from US $0.83 in the third quarter of 2007 to US $1.48 in the third quarter of 2008 (from US $0.73 in the first nine months of 2007 to US $1.33 in the first nine months of 2008).

Grain cultivation and storage

		Q3 2008	Q3 2007	growth rate	9m 2008	9m 2007	growth rate
Revenue	**US$, m**	**40**	**28**	**45%**	**43**	**30**	**44%**
IFRS 41 standard gains		**(18)**	**(2)**	**639%**	**(4)**	**9**	**-146%**
Gross profit	**US$, m**	**(0)**	**7**	**-104%**	**18**	**19**	**-6%**
Gross margin	*%*	-	-		*42%*	*65%*	*-35%*
EBITDA	**US$, m**	**4**	**8**	**-56%**	**23**	**22**	**2%**
EBITDA margin	*%*	-	-		*53%*	*75%*	*-29%*

The Company currently has approximately 180,000 hectares of land under control. In the period, the sunflower harvest finished, producing 33,575 tonnes of sunflower grain from 11,900 hectares and the sunflower yield averaged 2.8 tonnes per hectare, which is 87% higher than Ukraine's average yield of 1.5 tonnes per hectare. The Company will use 100% of its sunflower yield to produce protein for fodders.

Revenue from the sale of early harvested grains was booked in the half year financial statements as IFRS 41 Standard Gains and in the nine month financial statements as Revenue.

In the third quarter of 2008 segment revenue increase by 45% from US $28 million to US $40 million and in the nine month period by 44% from US $30 million to US $43 million. The major portion of the segment's revenue came from the sale of rape seed. EBITDA margin was 53% in the nine month period, but this is as a result of rape seed sales and is not representative of the segment's full year margin.

As of today the company has finished corn harvesting and has enough corn harvested to cover grain demand until the end of September 2009. In accordance with primarily estimations corn yield averaged 7.1 tonnes per hectare, which is 70% higher than Ukraine's average yield of 4.2 tonnes per hectare.

The Company expects that the grain segment's full year profits will be below expectations due to the record low price of corn in Ukraine. Lower than expected corn prices will lead to profit redistribution from the grain cultivation segment to the poultry and poultry related operations segment. Profits will also be distributed from the 2008 year end results to the 2009 year end results, as most of the 2008 corn harvest will be consumed by the Company's poultry segment during 2009.

In general, MHP's business is not dependent on market corn prices due to a high level of integration between the two main business segments and the fact that 100% of the Company's corn yield is used to produce fodder for the poultry segment.

Other agriculture operations

		Q3 2008	Q3 2007	growth rate	9m 2008	9m 2007	growth rate
Revenue	***US$, m***	***31***	***14***	***125%***	***73***	***35***	***104%***
- meat processing		*23*	*10*	*124%*	*50*	*24*	*106%*
- other		*8*	*4*	*128%*	*23*	*11*	*100%*
Gross profit	***US$, m***	***1***	***(2)***	***-143%***	***2***	***(4)***	***-137%***
Gross margin	*%*	*3%*	*-14%*	*-119%*	*2%*	*-13%*	*-118%*
EBITDA	***US$, m***	***6***	***1***	***302%***	***12***	***5***	***140%***
EBITDA margin	*%*	*19%*	*11%*	*79%*	*16%*	*14%*	*17%*
Sausage volume	*tonnes*	*5 330*	*2 190*	*143%*	*10 800*	*5 200*	*108%*

Throughout the first nine months of 2008 sausage and cooked meat production volumes increased by 108% to 10,800,000 tonnes compared to 5,200,000 tonnes during the first nine months of 2007. Approximately 40% of this growth was due to the acquisition of the new meat processing facilities of “Ukrainian Bacon” in July 2008. As of today, Ukrainian Bacon’s average production volumes reached 45 tonnes of meat products per day. In the third quarter of 2008 sausage and cooked meat production volumes increased by 143% to 5,330,000 tonnes compared to 2,190 tonnes during the third quarter of 2007.

Average sausage and cooked meat prices during the first nine months of 2008 increased by 20% to 18.76 UAH per kg. excluding VAT (first nine months of 2007: 15.67 UAH per kg.). Due to the fact that “Ukrainian Bacon” produces mass segment sausage and cooked meat products the growth of prices in Q3 2008 was below that of H1 2008. The price of sausage and cooked meat products in Q3 2008 was 10% higher than in Q3 2007, with average prices reaching 17.57 UAH per kg. excluding VAT (Q3 2007: 16.13 UAH per kg.). As a result, the segments revenue for the third quarter increased by 125% year-on-year to US $31 million (Q3 2007: US $14 million) and for the nine month period by 104% to US $73 million (9m 2007: US $35 million).

In the third quarter of 2008 EBITDA increased by 302% from US $1 million to US $6 million year-on-year and EBITDA margin increased from 11% to 19%. In the first nine months of 2008 EBITDA increased by 140% from US $5 million to US $12 million as against the same period last year, while EBITDA margin increased from 14% to 16%.

Current financial position, cash flows and liquidity

Cash flow from operations before working capital changes was US $96 million in Q3 2008, compared to US$ 40 million in Q3 2007 and US$ 221 million in 9m 2008, compared to US $72 million in 9m 2007. Stronger cash flows were primarily driven by increases in accounts receivable connected with increase in prices and sales volumes. Net cash generated from operating activities grew to US $71 million in Q3 2008, from US $33 million in Q3 2007 (to US $110 million in 9m 2008, from US $76 million in 9m 2007). Total capex for the full year 2008 is expected to be US $280 million. The Company has made a decision to postpone construction of soy processing factory to Y2010.

As on September 30, 2008 the Company’s total debt was US $500 million with an average weighted cost of debt of 9.16%. The Company’s total debt is mainly denominated in US dollars. As a hedge for currency risks we use revenue from sunflower oil exports, which fully covers debt service expenses. US $250 million of the debt is in Eurobonds, which are not redeemable until

30 November 2011. Only US $20 million of the Company's total debt matures in the Q1 2009 and US $74 million of the total debt matures in 2009, mainly in Q4.

Current trading and outlook

Consumer demand for poultry meat continues to remain high and all the Company's production facilities are operating at full capacity. The current price of chicken meat is 11.25 UAH per. kg. excluding VAT. The company expects poultry production costs in the fourth quarter of 2008 to be lower than in same period last year as a result of the decrease in corn prices and due to the use of sunflower protein. The company continues to grow sausage and cooked meat production volumes as most of Ukrainian Bacon's products are positioned in the mass segment where consumer demand is still growing.

Management expects that MHP's high level of vertical integration, low production costs, effective land cultivation as well as government measures to support local agricultural producers all mean that the Company is well positioned to tackle the volatile market conditions. Management remains confident that the Company's full year results will be in line with expectations.

- End -

Notes to Editors:

Information on 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 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.

MHP S.A.
AND ITS SUBSIDIARIES

Condensed Consolidated Interim Financial Statements

For the nine months
ended 30 September 2008

MHP S.A. AND ITS SUBSIDIARIES

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MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS OF 30 SEPTEMBER 2008
(in U.S. dollars and in thousands)

	Notes	30 September 2008	31 December 2007
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net	5	752,647	624,758
Prepayments for property, plant and equipment		47,079	5,881
Deferred tax assets		3,365	2,705
Long-term VAT prepaid		17,355	1,742
Non-current biological assets	7	52,277	42,096
Other non-current assets		12,548	8,013
Total non-current assets		885,271	685,195
CURRENT ASSETS			
Inventories	7	50,420	42,645
Biological assets	7	133,570	90,785
Agricultural produce	7	50,025	31,680
Taxes recoverable and prepaid, net		61,025	45,400
Trade accounts receivable, net	8	46,392	20,363
Other current assets, net		24,700	26,376
Bank deposits with maturity over three months		24,401	-
Cash and cash equivalents		83,327	10,088
Total current assets		473,860	267,337
TOTAL ASSETS		1,359,131	952,532
LIABILITIES AND SHAREHOLDERS' EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital		284,139	250,945
Additional paid-in capital		177,621	60,059
Revaluation reserve		9,176	9,411
Retained earnings		262,162	85,916
Foreign currency translation reserve		26,258	626
		759,356	406,957
MINORITY INTEREST		21,834	12,449
Total equity		781,190	419,406
NON-CURRENT LIABILITIES			
Long-term bank borrowings	9	52,544	65,878
Bonds issued	10	244,670	243,604
Long-term finance lease and vendor financing obligations	11	48,761	30,538
Other long-term payables		1,912	2,006
Deferred tax liabilities		7,497	6,505
Total non-current liabilities		355,384	348,531
CURRENT LIABILITIES			
Trade accounts payable		24,029	25,116
Accounts payable for property, plant and equipment		6,792	9,626
Other current liabilities		23,543	18,085
Short-term bank borrowings and current portion of long-term bank borrowings	9	128,458	73,855
Current portion of bonds issued	10	-	39,604
Interest accrued		10,469	4,102
Current portion of finance lease obligations	11	20,537	13,903
Deferred income		8,729	304
Total current liabilities		222,557	184,595
TOTAL LIABILITIES		577,941	533,126
CONTINGENCIES AND CONTRACTUAL COMMITMENTS	12		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,359,131	952,532

On behalf of the Board

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Yuriy Kosyuk/Chief Executive Officer   Viktoria Kapelyushnaya/Chief Financial Officer

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008
(in U.S. dollars and in thousands)

	Notes	Nine months ended 30 September 2008	2007
Continuing operations			
REVENUE		637,208	311,229
Net change in fair value of biological assets and agricultural produce		(5,485)	20,103
COST OF SALES		(445,584)	(234,437)
GROSS PROFIT		186,139	96,895
Selling, general and administrative expenses		(60,169)	(35,011)
Government grants recognized as income		78,834	34,615
Other operating income and expenses		(4,674)	(4,407)
OPERATING PROFIT		200,130	92,092
Finance costs, net		(36,116)	(35,636)
Foreign exchange gains/(losses), net		11,306	(8,906)
Other income and expenses		6,091	480
OTHER EXPENSES, NET		(18,719)	(44,062)
PROFIT BEFORE TAX		181,411	48,030
Income tax expense		(1,725)	(901)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		179,686	47,129
Discontinued operations			
(Loss)/profit for the period from discontinued operations		-	(128)
NET PROFIT FOR THE PERIOD	15	179,686	47,001
ATTRIBUTABLE TO:			
Equity holders of the Parent		176,011	44,933
Minority interest		3,675	2,068
EARNINGS PER SHARE			
From continuing operations (USD per share):			
Basic		1.67	0.45
Diluted		1.67	0.45
From continuing and discontinued operations (USD per share):			
Basic		1.67	0.45
Diluted		1.67	0.45

On behalf of the Board

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

The notes on pages 7 to 18 form an integral part of these condensed consolidated financial statements.

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

(in U.S. dollars and in thousands)

	Attributable to Equity Holders of the Parent						Minority interest	Total equity
	Share capital	Additional paid-in capital	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total		
1 January 2007	**250,945**	**56,973**	**537**	**626**	**44,378**	**353,459**	**13,409**	**366,868**
Net profit for the period	-	-	-	-	44,933	44,933	2,068	47,001
Acquisition and changes in non-controlling interest in subsidiaries	-	-	-	-	2,899	2,899	(4,745)	(1,846)
30 September 2007	**250,945**	**56,973**	**537**	**626**	**92,210**	**401,291**	**10,732**	**412,023**
1 January 2008	**250,945**	**60,059**	**9,411**	**626**	**85,916**	**406,957**	**12,449**	**419,406**
Share capital issue	33,194	-	-	-	-	33,194	-	33,194
Share premium	-	128,056		-		128,056	-	128,056
Transaction costs related to share capital issue	-	(10,494)	-	-	-	(10,494)	-	(10,494)
Currency translation differences	-	-	-	25,632	-	25,632	-	25,632
Net profit for the period	-	-	-	-	176,011	176,011	3,675	179,686
Depreciation charged to the revaluation of property, plant and equipment reserve	-	-	(235)	-	235	-	-	-
Total recognized income and expense for the period	-	-	(235)		176,246	176,011	3,675	179,686
Acquisition and changes in non-controlling interest in subsidiaries	-	-	-	-	-	-	5,710	5,710
30 September 2008	**284,139**	**177,621**	**9,176**	**26,258**	**262,162**	**759,356**	**21,834**	**781,190**

On behalf of the Board

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

The notes on pages 7 to 18 form an integral part of these condensed consolidated financial statements.

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008
(in U.S. dollars and in thousands)

	Nine months ended 30 September 2008	2007
OPERATING ACTIVITIES		
Profit before income tax	181,411	47,903
Adjustments to reconcile profit to net cash provided by operations		
Depreciation of property, plant and equipment	42,717	26,249
Finance costs, net	36,116	35,636
Effect of fair value adjustments	5,485	(18,937)
Non-operating foreign exchange loss/(gain), net	(11,306)	8,906
Change in allowance for irrecoverable amounts and VAT and direct write-offs	3,672	1,201
(Gain)/loss on disposal of property, plant and equipment	474	477
Other non-cash items	(6,927)	(628)
Operating profit before working capital changes	251,642	100,807
(Increase)/decrease in inventories	(5,391)	14,883
Increase in biological assets	(37,529)	(23,652)
(Increase)/Decrease in agricultural produce	(18,053)	2,733
Decrease in natural gas stock	-	3,675
Increase in other current assets	(2,743)	(10,509)
Increase in taxes recoverable and prepaid	(25,484)	(693)
Increase in trade accounts receivable	(22,981)	(2,613)
(Decrease)/Increase in other long-term payables	(1,413)	1,159
(Decrease)/Increase in trade accounts payable	(6,332)	13,958
(Decrease)/Increase in other current liabilities	(24)	4,590
Increase/(Decrease) in deferred income	8,257	(53)
Cash generated by operations	139,949	104,285
Finance costs paid	(32,542)	(28,077)
Interest received	4,123	692
Income tax paid	(1,961)	(1,089)
Net cash generated by operating activities	109,569	75,811
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(125,350)	(97,547)
Financial aid provided in relation to acquisition of subsidiaries and non-controlling interests in subsidiaries	(24,913)	-
Purchases of other non-current assets	(4,368)	-
Proceeds from disposals of property, plant and equipment	2,321	8,824
Purchases of non-current biological assets	(8,420)	(11,090)
Short-term deposits	(56,406)	-
Withdrawals of short-term deposits	42,055	-
Loans provided to employees, net	(857)	150
Loans provided to related parties, net	(136)	-
(Purchases)/proceeds from sales of available-for-sale investments	-	4,800
Net cash used in investing activities	(176,074)	(94,863)

(in U.S. dollars and in thousands)

FINANCING ACTIVITIES		
Issue of share capital and contribution to additional paid in capital	161,250	-
Transaction costs related to share capital issue	(8,898)	-
Proceeds from loans received	226,551	87,327
Repayment of bank loans	(185,586)	(98,376)
Repayment of corporate bonds	(42,580)	-
Exchange difference on foreign currency exchange for corporate bonds repayment	-	-
Finance lease payments	(11,250)	(7,704)
Net cash generated by financing activities	139,487	(18,753)
Currency translation differences	257	-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**73,239**	**(37,805)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**10,088**	**44,415**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**83,327**	**6,610**

On behalf of the Board

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

The notes on pages 7 to 18 form an integral part of these condensed consolidated financial statements.

(in U.S. dollars and in thousands)

1. DESCRIPTION OF FORMATION AND THE BUSINESS

Description of formation

MHP S.A. (the "Parent" or "MHP S.A."), a limited liability company registered under the laws of Luxembourg, was formed on 30 May 2006. MHP S.A. was formed to serve as the ultimate holding company of OJSC "Myronivsky Hliboproduct" ("MHP") and its subsidiaries. The registered address of MHP S.A. is 8-10, rue Mathias Hardt, L-1717 Luxembourg, Grand-Duchy of Luxembourg.

In the course of the corporate reorganization related to the establishment of MHP S.A., Raftan Holding Limited ("RHL") was established as a subholding company under MHP S.A. and through a series of transactions became the immediate parent of MHP. As a result of these transactions (collectively referred to as the "Corporate Reorganization") MHP S.A. indirectly owned 99.8% of MHP.

References to the "Group" for periods prior to the formation of MHP S.A. are references to MHP and its subsidiaries and for periods after the formation of MHP S.A. are to MHP S.A. and its subsidiaries.

The primary subsidiaries and the principal activities of the companies forming the Group as of 30 September 2008 and 31 December 2007 were as follows:

Operating entity	Country of registration	Year established/ acquired	Principal activity	Effective ownership interest*, % 30 September 2008	31 December 2007
MHP S.A.	Luxembourg	2006	Holding company	Parent	Parent
RHL	Republic of Cyprus	2006	Sub-holding company	100	100
MHP	Ukraine	1998	Management, marketing and sales	99.8	99.8
Myronivsky Zavod po Vygotovlennyu Krup i Kombikormiv ("MZVKK")	Ukraine	1998	Fodder and sunflower oil production	88.3	84.7
Peremoga Nova ("Peremoga")	Ukraine	1999	Chicken farm	99.8	99.8
Druzhba Narodiv Nova ("Druzhba Nova")	Ukraine	2002	Chicken farm	99.8	99.8
Oril-Leader ("Oril")	Ukraine	2003	Chicken farm	99.8	99.8
Tavriysky Kombikormovy Zavod ("TKZ")	Ukraine	2004	Fodder production	99.9	99.9
Ptahofabryka Shahtarska Nova ("Shahtarska")	Ukraine	2003	Breeder farm	99.8	99.8
Myronivska Pticefabrica ("Myronivska")	Ukraine	2004	Chicken farm	99.8	99.8

Operating entity	Country of registration	Year established/ acquired	Principal activity	Effective ownership interest*, %	
				30 September 2008	31 December 2007
Starynska Ptahofabryka ("Starynska")	Ukraine	2003	Breeder farm	84.8	84.8
Ptahofabryka Snyatynska Nova ("Snyatynska")	Ukraine	2005	Geese breeder farm	99.8	99.8
Zernoproduct	Ukraine	2005	Fodder grain cultivation	89.8	89.8
Katerynopilsky Elevator	Ukraine	2005	Fodder production and grain storage	99.8	99.8
Druzhba Narodiv ("Druzhba")	Ukraine	2006	Cattle breeding, plant cultivation	98.9	95.3
Agrofirma Kyivska ("Kyivska")	Ukraine	2006	Cattle breeding	75.8	75.8
Crimean Fruit Company ("Crimean Fruit")	Ukraine	2006	Fruits grain cultivation	81.8	81.8
NPF Urozhay ("Urozhay")	Ukraine	2006	Fodder grain cultivation	89.8	89.8
Agrofort ("AGF")	Ukraine	2006	Fodder grain cultivation	86.0	86.0
Zernoproduct-Lypivka ("ZPL")	Ukraine	2006	Fodder grain cultivation	62.9	62.9
Ukrainian Bacon PE ("Ukrainian Bacon")	Ukraine	2008	Meat processing	79.8	n/a
Dobropilsky KHP	Ukraine	2008	Grain elevator	60.4	n/a
Dobropilsky KHV	Ukraine	2008	Bakery	99.8	n/a

***** Effective voting rights in subsidiaries did not differ from effective ownership rights. Direct ownership interest in subsidiaries by the Parent differs from the effective ownership interest due to cross holdings between subsidiaries.

Description of the business

The principal business activities of the Group are presented by the three operating segments: poultry and related operations, grain growing and other agricultural operations. The Group's poultry and related operations integrate all functions related to the production of chicken, including hatching, fodder manufacturing, raising chickens to marketable age ("grow-out"), processing and marketing of branded chilled products and include the production and sale of chicken products, sunflower oil, mixed fodder and convenience food products. Other agricultural operations comprise the production and sale of sausages, beef, goose meat, foie gras, fruits, potatoes and feed grains. During the third quarter of 2008 the Group has acquired rights in the "Ukrainian Bacon", producer of sausages and cooked meats. The acquisition has contributed to strengthening of the meat processing operations, and diversification of the Group' business. Grain growing comprises the production and sale of grains.

The grain growing segment operations results are dependent on seasonality. The main sales of harvested grain incur beginning in the third quarter. In particular, prevailing volumes of wheat and rape are harvested in the third quarter, while harvest period of corn and sunflower starts late in the third quarter.

Prior to 2007, the Group also had natural gas related operations which were discontinued in April 2007.

The Group's operational facilities are located in different regions of Ukraine, including Kyiv, Cherkassy, Dnipropetrovsk, Donetsk, Ivano-Frankivsk, Vinnytsya, Kherson regions and Autonomous Republic of Crimea.

2. ACQUISITIONS OF SUBSIDIARIES AND SUBSEQUENT ACQUISITION OF NON-CONTROLLING INTEREST IN SUBSIDIARIES

Ukrainian Bacon

In July 2008 the Group has acquired 80% interest in Ukrainian Bacon. Amount paid to date amounts to USD 22,030 thousand (UAH 106,819 thousand), the majority of which has been paid to settle Ukrainian Bacon's existing liabilities. Ukrainian Bacon produces sausages and cooked meats. The estimation of fair value of the net assets acquired is being finalized at the date of the Report.

Net assets at the acquisition date were as follows:

	Acquiree's carrying amounts, USD th
	100%
Property, plant and equipment, net	34,204
Other non-current assets	988
Inventories, biological assets and agricultural produce	1,406
Trade and other accounts receivable	3,772
Cash and cash equivalents	456
Total assets	40,826
Trade accounts payable	(375)
Other payables	(5,018)
Other current liabilities	(580)
Total liabilities	(5,973)
Net assets	34,853
Net assets acquired (80%)	27,882
Amount paid to date	(22,030)
Share in acquiree's net assets in excess of purchase price	**5,852**
Cash consideration paid	(22,030)
Cash acquired	364
Net cash outflow arising on the acquisition	**(21,666)**

In accordance with the Group's accounting policy, the assets and liabilities of Ukrainian Bacon were recognized at the pre-acquisition fair value and the results of Ukrainian Bacon were consolidated by the Group from the date of acquisition.

Other acquisitions

In September 2008, the Group has acquired interests in Dobropilsky KHP OJSC, Dobropilsky KHV LLC and Agroinvest LLC (Dobropillya). Cash paid to date amounts to USD 2,883 thousand (UAH 13,991 thousand).
During the nine months ended 30 September 2008, the Group has acquired interest in the other entities. These entities are engaged in grain storage and grain growing operations. These acquisitions have been accounted for based on the Group's accounting policies. The impact of these acquisitions was not significant to the financial statements of the Group.

Druzhba

In July 2008 the members of Druzhba Narodiv ALLC have approved exclusion of several members and the respective apportionment of share capital, which resulted in increase of the Group' nominal interest in Druzhba from 95.5% as at 31 December 2007 to 99.07% as at 30 September 2008.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared on the basis of accounting policies as set forth in the Group's consolidated financial statements as at and for the year ended 31 December 2007. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted. However, such information reflects all adjustments (consisting of normal recurring adjustments), which are, in the opinion of the Group management, necessary to fairly state the results of interim periods. Interim results are not necessarily indicative of results to be expected for the full year. The 31 December 2007 balance sheet was derived from the audited consolidated financial statements.
Starting from 30 September 2008 MHP Group has chosen to present its financial statements in the currency other then its functional currency. Functional currency for the Group's companies is Ukrainian Hryvnia (UAH), presentation currency selected – U.S.Dollar (USD). The decision was taken for convenience of the users of financial statements.

Translation to the presentation currency has been conducted according to the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates":

- assets and liabilities for each balance sheet are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at exchange rates at the dates of the transactions;
- all resulting exchange differences are recognised as a separate component of equity.

For practical reasons, the Group translated items of income and expenses for each period presented in these interim condensed consolidated financial statements using the average rates of exchange, which, according to the Group's estimate, reasonably approximate the relevant exchange rates at the dates of the transactions.

The following exchange rates were used:

Currency	Closing rate as of 30 September 2008	Average for 9 months ended 30 September 2008	Closing rate as of 31 December 2007	Average for 9 months ended 30 September 2007
UAH/USD	4,8610	4,9528	5,0500	5,0500

4. INITIAL PUBLIC SHARES OFFERING

On May 15, 2008 MHP S.A. issued 10,750,000 new ordinary shares. After the issue MHP S.A.'s share capital consists of 110,770,000 ordinary shares at par value EUR 2 each. The offering has been completed at USD 15 per share.
Increase of MHP S.A.' share capital amounted to USD 33,194 thousand (UAH 167,629 thousand).at transaction date. Share premium on issue constitute USD 128,056 thousand (UAH 646,684 thousand) at transaction date. The net expenses related to the issue amount USD 10,494 thousand (UAH 52,568 thousand).

Net proceeds, after deducting expenses, of the MHP S.A. from the offering amounted to USD 150,756 thousand (UAH 761,745 thousand)

5. PROPERTY, PLANT AND EQUIPMENT

In 2008 the Group continues investment mainly into its poultry and grain business.

During the nine months ended 30 September 2008, the Group's additions to Property, plant and equipment amounted to USD 156,157 thousand (UAH 773,412 thousand), including USD 34,204 thousand (UAH 165,854 thousand) representing fair value at the date of acquisition of property, plant and equipment of Ukrainian Bacon, acquired through the business combination during the 9 months 2008.

The main capital expenditures were incurred in connection with acquisition of agricultural machinery for the grain growing operations, particularly combines, and the second phase of Myronivka chicken farm complex construction.

The Group's disposals of equipment during the nine months ended 30 September 2008 amounted to USD 4,852 thousand (UAH 24,031 thousand).

6. RELATED PARTY BALANCES AND TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms and conditions as transactions between unrelated parties.

The following companies and individuals are considered to be related parties to the Group as of 30 September 2008:

Name of the related party	**Nature of relations with the Group**
Mr. Yuriy Kosyuk	Chief Executive Officer of MHP S.A. and the Principal Shareholder of the Group
WTI	Immediate parent, company owned by Mr. Yuriy Kosyuk
Mrs. Olena Kosyuk	Wife of Mr. Yuriy Kosyuk
Allied Tech LLP (United Kingdom)	Companies owned or controlled by Mr. Yuriy Kosyuk
Allied Tech LLC (USA)	
Allied Tech Commerce LLP (United Kingdom)	
Agrofirma Berezanska Ptahofabryka	
ULL Beteiligungs und Management GmbH	

Merkaba LLC	
Spector	Company owned by Merkaba LLC

In April 2007, Mr. Yuriy Kosyuk sold his shareholding in Roda. Accordingly, starting from June 2007 Roda and Realizatsiyna Baza ceased to be related parties to the Group.

During the nine months ended 30 September 2008 the Group has been engaged in transactions with its related parties within the normal course of business. The revenue from sales to related parties has decreased from USD 9,647 thousand (UAH 47,779 thousand) as for the nine months ended 30 September 2007 to USD 8,691 thousand (UAH 43,891 thousand) for the nine months ended 30 September 2008. The revenue for the nine months ended 30 September 2008 relates primarily to the sale of mixed fodder and its components to Agrofirma Berezanska Ptahofabryka. The above amounts include property, plant and equipment in the amount of USD 3,465 thousand (UAH 17,500 thousand) sold to Agrofirma Berezanska Ptahofabryka during the nine months ended 30 September 2007 and USD 495 thousand (UAH 2,454 thousand) sold to Spector during the nine months ended 30 September 2008.

The balances of trade accounts receivable due from related parties relate primarily to the mixed fodder sale and amounted to USD 6,849 thousand (UAH 33,294 thousand) and USD 1,315 thousand (UAH 6,639 thousand) as at 30 September 2008 and 31 December 2007 respectively.

The terms and conditions of sales to related parties are determined based on arrangements, specific to each contract or transaction. Management believes that the accounts receivable due from related parties do not require allowance for irrecoverable amounts and that the amounts payable to related parties will be settled at cost.

Compensation to key management personnel

Total compensation of the Group's key management personnel (including compensation to Mr. Yuriy Kosyuk), which consist of contractual salary, performance bonuses and bonuses in connection with the MHP S.A.' share issue amounted to USD 7,443 thousand (UAH 36,863 thousand) and USD 2,467 thousand (UAH 12,459 thousand) for the nine months ended 30 September 2008 and 2007, respectively.
The outstanding balances of interest free loans provided to the key management personnel amounted to USD 1,749 thousand (UAH 8,501 thousand) and USD 1,174 thousand (UAH 5,927 thousand) as of 30 September 2008 and 31 December 2007 respectively.

7. CHANGES IN INVENTORIES, BIOLOGICAL ASSETS, AND AGRICULTURAL PRODUCE

One of the main reasons of changes in the inventories, biological assets and agricultural produce as of 30 September 2008 as compared to 31 December 2007 is seasonality. The changes in the Group's inventories during the nine months ended 30 September 2008 were in line with the normal course of the Group's operations and resulted mainly from accumulation of stocks of fertilizers by grain growing entities preparing to the field works of harvest 2009.

Increase of current biological assets balances during the nine months 2008 is primarily attributable to that of the crops balances. This is due to the fact that as at 30 September 2008 the harvest campaign is duly in process. Particularly the harvest of the grain intended for own consumption - corn and sunflower - starts close to the third quarter end. The increase refers to the costs incurred with respect to future harvest, reflecting seasonality element inherent in the grain growing segment.
In the meantime during the third quarter 2008 the Group sold grain, non consumable within the production of chicken and other meat – namely rape, which has been nearly all harvested, and a part of wheat harvested to date.

Agricultural produce balances has increased as a result of seasonal increase of harvested grain stock. This stock consists primarily of wheat which will be sold to the third parties subsequently to the balance sheet date, and grain consumable within the other agricultural operations. The stock of chicken meat has decreased between the two dates due to strengthened market demand.

8. TRADE ACCOUNTS RECEIVABLE

The balances of trade accounts receivable were as follows as of 30 September 2008 and 31 December 2007:

	30 September 2008	31 December 2007
Agricultural operations	32,918	19,941
Sunflower oil sales	8,434	180
Due from related parties	6,849	1,315
Less: allowance for irrecoverable amounts	(1,809)	(1,073)
Total	**46,392**	**20,363**

The increase in trade accounts receivable relates mainly to the following factors.
Trade receivables from agricultural operations have increased as a result of policy amendment which approved extension of contractual receivable settlement period for major customers – buyers of chicken meat and processed meat products.
The increase of receivables from sunflower oil sales is caused by the increase of sunflower oil sales and represent transitional balances which to be settled subsequent to the reporting date.

9. BANK BORROWINGS

The following table summarizes bank loans and credit lines held by the Group as of 30 September 2008 and 31 December 2007:

Bank	**Currency**	**Interest rate**	**30 September 2008**	**Interest rate**	**31 December 2007**
Foreign banks	USD	-	-	-	-
Foreign banks	EUR	5.45%	71,925	4.77%	86,597
			71,925		**86,597**
Ukrainian banks	USD	7.97%	109,040	8.71%	10,800
Ukrainian banks	UAH	16.00%	37	12.51%	42,336
Ukrainian banks	EUR				-
Total bank borrowings			**181,002**		**139,733**
Less:					
Short-term borrowings and current portion of long-term borrowings			(128,458)		(73,855)
Total long-term bank borrowings			**52,544**		**65,878**
			(128,458)		(73,855)

The short-term borrowings outstanding due to Ukrainian banks include the U.S. Dollar credit facility from ING Bank (Ukraine) in the amount USD 35,000 thousand (UAH 170,135 thousand) maturing in June 30, 2010. This facility represents non-cancellable Bank' obligation to issue recurring tranches of equivalent amount during the contractual period. The maximum period of a tranche utilization by the Group is six months.

The following table summarizes bank loans and credit lines with respect to the type of interests charged held by the Group as of 30 September 2008 and 31 December 2007:

	30 September 2008	**31 December 2007**
Fixed interest rate	44,901	37,385
Floating interest rate	136,101	102,348
Total	**181,002**	**139,733**

Bank loans and credit lines as of 30 September 2008 were repayable as follows:

	30 September 2008		
	Foreign	**Ukrainian**	**Total**
Within one year	19,441	109,017	128,458
In the second year	19,441	60	19,501
In the third to fifth year inclusive	33,043		33,043
With maturity over five years			
Total	**71,925**	**109,077**	**181,002**

Bank loans and credit lines as of 31 December 2007 were repayable as follows:

	31 December 2007		
	Foreign	**Ukrainian**	**Total**
Within one year	20,718	53,137	73,854
In the second year	20,718	-	20,718
In the third to fifth year inclusive	45,161	-	45,161
With maturity over five years	-	-	-
Total	**86,597**	**53,137**	**139,733**

As of 30 September 2008, the secured bank borrowings were represented by facilities drawn with Commerzbank for USD 15,649 thousand (EUR 10,906 thousand).
Property, plant and equipment with the net book value of USD 10,992 thousand (UAH 53,430 thousand) were pledged by the Group to secure its bank borrowings as of 30 September 2008.

10. BONDS ISSUED

Long-term bonds outstanding as of 30 September 2008 and 31 December 2007 were as follows:

	30 September 2008	**31 December 2007**
10.25% Senior Notes due in 2011	250,000	250,000
Unamortized premium on bonds issued	-	-
Unamortized debt issue costs, net	(5,330)	(6,396)
Total	**244,670**	**243,604**

14% Druzhba Nova Bonds denominated in Ukrainian Hryvnia with nominal amount USD 41,288 thousand (UAH 200,000 thousand) due in August 2008 have been fully settled on the due date.

11. LONG-TERM FINANCE LEASE AND VENDOR FINANCING OBLIGATIONS

Finance lease obligations and other long-term payables as of 30 September 2008 and 31 December 2007 were as follows:

	30 September 2008	31 December 2007
Finance lease obligations, long-term portion	48,699	30,018
Long-term payables for property, plant and equipment under vendor financing arrangements	62	520
Total	**48,761**	**30,538**

The finance lease obligations represent amounts due under agreements for lease of trucks, agricultural machinery and equipment with Ukrainian and foreign companies. The following are the minimum lease payments and present value of minimum lease payments under the finance lease agreements as of 30 September 2008:

	Minimum lease payments	Present value of minimum lease payments
Payable within one year	27,544	20,537
Payable in the second year	23,172	18,247
Payable in the third to fifth year inclusive	35,220	30,452
	85,936	69,236
Less:		
Future finance charges	(16,700)	-
Present value of lease obligations	69,236	69,236
Less:		
Current portion		(20,537)
Finance lease obligations, long-term portion		48,699

12. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

Operating environment − The principal business activities of the Group are within Ukraine. Laws and regulations affecting businesses operating in Ukraine are subject to rapid changes and the Group's assets and operations could be at risk if there are any adverse changes in the political and business environment.

Taxation − Ukrainian tax authorities are increasingly directing their attention to the business community as a result of the overall Ukrainian economic environment. In respect of this, the local and national tax environment in Ukraine is constantly changing and subject to inconsistent application, interpretation and enforcement. Non-compliance with Ukraine laws and regulations can lead to the imposition of severe penalties and interest. Future tax examinations could raise issues or assessments which are contrary to the Group companies' tax filings. Such assessments could include taxes, penalties and interest, and these amounts could be material. While the Group believes it has complied with local tax legislation, there have been many new tax and foreign currency laws and related regulations introduced in recent years which are not always clearly written.

Legal issue − The Group is involved in litigations and other claims that are in the ordinary course of its business activities. Management believes that the resolution of such matters will not have a material impact on its financial position or operating results.

Contractual commitments on purchase of raw materials and biological asset − As of 30 September 2008, sunflower seeds purchase commitments on forward contracts amounted to USD 16,580 thousand (UAH 80,595 thousand) and USD 108,094 thousand (UAH 545,875 thousand) as of 31 December 2007.

The fair value of the forward contracts obligations was not materially different from the purchase obligations as of 30 September 2008 as compared to 31 December 2007, thus neither assets nor liabilities in respect of the financial instrument were recognized as of 30 September 2008.

As of 30 September 2008, purchase commitments on acquisition of biological assets from foreign suppliers amounted to USD 2,556 thousand (UAH 12,425 thousand) and 31 December 2007: USD 8,734 thousand (UAH 44,108 thousand).

Contractual commitments on purchase of property, plant and equipment − As of 30 September 2008, purchase commitments of the Group on contracts with foreign and Ukrainian suppliers for the purchase of property, plant and equipment for development of agricultural operations amounted to USD 7,984 thousand (UAH 38,808 thousand) and 31 December 2007: USD 3,851 thousand (UAH 19,446 thousand).

Contractual commitments on sales of sunflower oil − As of 30 September 2008, commitments of the Group on sunflower oil sales amounted to USD 5,610 thousand (UAH 27,270 thousand) and 31 December 2007: USD 12,869 thousand (UAH 64,990 thousand).

13. FOREIGN CURRENCY EXCHANGE RATE CHANGE

The Group undertakes certain transactions denominated in foreign currencies. The Group does not use any derivatives to manage foreign currency risk exposure, at the same time the management of the Group sets limits on the level of exposure by currencies.

On May 22, 2008 the National Bank of Ukraine has turned to floating official exchange rate Ukrainian Hryvnia (UAH) to US Dollar (USD). The exchange rate UAH to USD has been fixed since April 2005 until then.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities as of 30 September 2008 are as follows:

	USD-denominated	**EUR-denominated**
Assets		
Prepayments for property, plant and equipment	164	21,672
Trade accounts receivable	8,553	484
Other current assets	-	-
Bank deposits with maturity over three months	24,000	-
Cash and cash equivalents	56,450	176
Total assets	**89,167**	**22,332**
Liabilities		
Trade accounts payable	1,054	4,454
Accounts payable for property, plant and equipment	192	2,930
Bank borrowings	109,040	71,925
Bonds issued	250,000	-
Finance lease and vendor financing obligations	4,381	33,025
Total liabilities	**364,667**	**112,334**

Below are details the Group's sensitivity to strengthening of the Ukrainian Hryvnia against US Dollar and EURO by 35%. 35% is the sensitivity rate which represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity rate is evaluated based on market developments subsequent to the financial statements date. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 35% change in foreign currency rates.

	USD-denominated	**EUR-denominated**

Profit or loss *	96,425	31,500

* The effect of foreign currency sensitivity on shareholders' equity is equal to that on profit or loss.

During the nine months ended 30 September 2008, the official exchange rate of UAH to USD has decreased by 3.7%, and the official exchange rate of UAH to EUR has decreased by 6%.

14. SEGMENT INFORMATION

The following is an analysis of revenue, results for the period and gain/(loss) arising on fair value recognition of biological assets and agricultural produce by the Group's primary basis of segmentation:

	Revenue		**Segment result**		**Gain / (loss) from recognition at fair value**	
	Nine months ended		**Nine months ended**		**Nine months ended**	
	30 September 2008	**30 September 2007**	**30 September 2008**	**30 September 2007**	**30 September 2008**	**30 September 2007**
Poultry and related operations	521,757	245,896	180,890	73,812	21	9,819
Other agricultural operations	72,535	35,486	4,579	2,256	(1,522)	1,542
Grain growing	42,916	29,847	21,523	20,511	(3,984)	8,742
Unallocated expenses			(6,862)	(4,487)		
Total of continuing operations	**637,208**	**311,229**	**200,130**	**92,092**	**(5,485)**	**20,103**

15. NET PROFIT FOR THE PERIOD

The significant increase in MHP's net profit for the nine months ended 30 September 2008 as compared to the nine months ended 30 September 2007 was caused by the following:

- the main driver is the increase of gross profit of poultry and related operations segment due to the growth of both – sales volume and selling prices. In the meantime the cost per 1 kg of the poultry products grew less due to the strong vertical integration of the Group' operations
- the increase is also attributable to the gross profit of the other agricultural segment, particularly meat processing operations.
- also affected by the of revaluation of outstanding balance sheet positions denominated in foreign currencies and realized foreign exchange gain. This is attributable to the US Dollar exchange rate fluctuation starting the end of May 2008. This has effect only in short-term period.

16. SUBSEQUENT EVENTS

Recent volatility in global and Ukrainian financial markets

In recent months a number of major economies around the world have experienced volatile capital and credit markets. A number of major global financial institutions have been placed into bankruptcy, taken over by other financial institutions and/or supported by government funding. As a consequence of the recent market turmoil in capital and credit markets both globally and in Ukraine, notwithstanding any potential economic stabilisation measures that may be put into place by the Ukrainian government and the National bank of Ukraine, there exists as at the date these financial statements are authorized for issue economic uncertainties surrounding the continual availability, and cost, of credit both for the entity and its counterparties, the potential for economic uncertainties to continue in the foreseeable future.

Foreign currency exchange rates

The developments of Ukrainian economy have brought in a more intensive exchange rate UAH to USD fluctuation beginning May, 2008. The exchange rate of UAH to USD has increased by 48% from 5.05 as at 31 December 2007 to 7.49 as of 12 December 2008. The exchange rate of UAH to EUR has increased by 32% from 7.47 as of 31 December 2007 to 9.89 as of 12 December 2008. The Group is exposed to the fluctuation of foreign currency exchange rate due to outstanding debt denominated in USD and EUR. This exposure is partially mitigated by the foreign currency denominated revenue mainly from sales of sunflower oil.

Credit facilities

During the period from August to November 2008 MHP entered into four Loan Agreements with Rabobank covered by ECA insurance, for the total amount of EUR 14,314 thousand (USD 19,738 thousand).

In October 2008 Uni Credit Bank has prolonged credit line to MHP in the amount of USD 30,000 thousand until 30 September 2009.

In December 2008 the Group has entered into an 8.5 years loan agreement with Landesbank Berlin AG with the purpose to finance purchase of equipment in the amount EUR 8,739 thousand.