PRESS RELEASE

May 17, 2013, Kyiv, Ukraine

MHP S.A.

Financial Results for the First Quarter of 2013
ended March 31, 2013

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 financial results for the first quarter 2013 ended 31 March 2013.

Key operational highlights

Poultry

- Our new Vinnytsia complex gradually increased operations at each production site, which are currently operating at 100% of launched capacities.
- As a result of the Vinnytsia complex launch, MHP's production of chicken meat in Q1 2013 increased by 15% to 103,420 tonnes compared to 90,260 tonnes in Q1 2012.
- Sales of chicken meat to third parties in Q1 2013 increased by 8% reaching 91,720 tonnes compared to 85,040 tonnes in Q1 2012.
- The average price of chicken meat sales to third parties in Q1 2013 decreased by 3% to UAH 16.33 per kg of adjusted weight compared to Q1 2012 (UAH 16.75 per kg) due to the increased share of export sales.
- Export sales of chicken in Q1 2013 almost tripled the volumes of Q1 2012 and reached 23,200 tonnes. The Company continued to develop new export markets.
- Due to the increase in production of fodder at the Vinnytsia complex, MHP's sales of sunflower oil in Q1 2013 increased by 8% to 49,310 tonnes compared to 45,558 tonnes in Q1 2012. In line with international commodity prices, the average price per tonne of sunflower oil increased by 6% to US$1,149 compared to US$1,085 in Q1 2012.

Grain Growing

- Winter crops (winter wheat, rapeseeds, barley and rye) are in good condition.
- Despite challenging spring weather conditions in Ukraine, MHP's 2013 sowing campaign is complete.
- Driven by current favorable weather conditions and health of the crops, MHP expects a strong harvest in 2013.

Other Agricultural

- Sales volumes of processed meat products in Q1 2013 comprised 7,340 tonnes compared to 7,500 tonnes in Q1 2012.
- The average price for sausages and cooked meat in Q1 2013 increased by 5% to UAH 22.51 per kg (excluding VAT) compared to UAH 21.53 in Q1 2012.

Key financial highlights Q1 2013

- Revenue increased by 2% to US$304 million (Q1 2012: US$298 million).
- EBITDA decreased by 13% to US$73 million (Q1 2012: US$84 million) as a result of increased production costs for chicken meat (driven by higher grain prices at the end of 2012) and flat domestic poultry prices, which have not yet responded to the increased costs.
- Net income from operations decreased by 24% to US$36 million (Q1 2012: US$48 million), in line with EBITDA trends.

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

"I'm pleased to report that the successful launch of Vinnytsia continued to plan. As a result, in the first quarter of 2013 we substantially increased year on year poultry production volumes. At the same time we increased sales volumes of chicken meat by 8%, to almost 92,000 tonnes.

In the future, we anticipate that our export sales will grow at a higher rate compared to our domestic revenues given our strong domestic base and market share. We have witnessed this already in Q1 2013, when we increased our export sales volumes almost three times. We continued to develop new markets for our exports.

Although the current domestic poultry price is similar to last year's price, poultry production costs went up as a result of grain price growth at the end of 2012, which resulted in an overall profitability decline of the Company in the first quarter. However, we anticipate that this adverse effect will be compensated during 2013 by increasing sales volumes of poultry and grain crops as a result of the planned expansion of our land bank."

- end –

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

The dial-in details are:

Date:	Friday, 17 May 2013
Time:	16.00 Kyiv / 14.00 London / 9.00 New York / 17.00 Moscow
Title:	MHP – Q1 2013 FINANCIAL RESULTS
Conference ID	61723056

The participants will be asked for their full name and conference ID.

UK Standard International	+44 (0) 1452 555 566
UK Free Call	0800 694 0257
Russia Free Call	8108 002 097 2044
USA Free Call	+1866 966 9439

A live webcast of the presentation will be available at:
https://webconnect.webex.com/webconnect/onstage/g.php?t=a&d=667091263
Alternative URL:
https://webconnect.webex.com/
Click on "Unlisted Events"

Event number: **667 091 263**
Event password: **N/A**

Attendees can login 15 minutes prior to the official start time. Attendees that are having login problems are advised to dial-in to the audio part of the call and ask the Operator to let them speak to the Web Technician.

For further information and Investor Relations enquiries please contact:

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Financial overview

		Q1 2013	Q1 2012	% change*	Q1 2011	% change (2013 vs 2011)*
Revenue	US$, m	**304**	**298**	**2%**	**247**	**23%**
IAS 41 standard gains	US$, m	(8)	(17)	55%	(8)	-5%
Gross profit	US$, m	**65**	**79**	**-17%**	**56**	**16%**
Gross margin	*%*	21%	26%	(5pps)	23%	(2pps)
Operating profit	US$, m	**50**	**67**	**-25%**	**42**	**20%**
Operating margin	*%*	17%	22%	(5pps)	17%	-
EBITDA	US$, m	**73**	**84**	**-13%**	**57**	**29%**
EBITDA margin	*%*	24%	28%	(4pps)	**23%**	**1pps**
Net income	US$, m	**36**	**48**	**-24%**	**20**	**81%**
Net income margin	*%*	12%	16%	(4pps)	**8%**	**4pps**

** pps – percentage points*

Q1 2013 Consolidated Financial Results

Consolidated revenue totaled US$304 million in Q1 2013, 2% higher than in Q1 2012. The increase in revenue of poultry segment was due to the increased production volumes of chicken meat and sunflower oil. Export of chicken meat in Q1 2013 tripled the volumes of Q1 2012 and reached 23,200 tonnes. Total export sales of poultry, sunflower oil and grains reached 39% of total revenue in Q1 2013 compared with 30% in Q1 2012.

EBITDA decreased by 13% to US$73 million in Q1 2013 compared to Q1 2012 as a consequence of growth of chicken production cost due to higher grain costs at the end of 2012 and a 3% reduction in the average price of chicken meat due to a higher proportion of export sales.

EBITDA margin decreased correspondingly from 28% in Q1 2012 to 24% in Q1 2013.

Net income from continuing operations declined by 26% to US$36 million (Q1 2012: US$48 million), with net margin decreased from 16% in Q1 2012 to 12% in Q1 2013.

Poultry and related operations

		Q1 2013	Q1 2012	% change*	Q1 2011	% change (2013 vs 2011)*
Revenue	US$, m	**259**	**241**	**8%**	**209**	**24%**
- Poultry and other	US$, m	202	191	6%	149	36%
- Sunflower oil	US$, m	57	49	15%	60	-5%
IAS 41 standard gains	US$, m	**2**	**1**	**50%**	**5**	**-56%**
Gross profit	US$, m	**61**	**77**	**-21%**	**53**	**15%**
Gross margin	*%*	*24%*	*32%*	*(8pps)*	*25%*	(1pps)
EBITDA	US$, m	**73**	**86**	**-16%**	**57**	**28%**
EBITDA margin	*%*	*28%*	*36%*	*(8pps)*	*27%*	1pps
EBITDA per 1 kg (net IAS 41)	*US$*	*0.76*	*1.00*	*-24%*	*0.62*	23%

** pps – percentage points*

Poultry	**Q1 2013**	**Q1 2012**	*% change*
Sales volume, third parties tones	91,720	85,040	*8%*
Price per 1 kg net VAT, UAH	16.33	16.75	*-3%*
Sunflower oil			
Sales volume, third parties tonnes	49,310	45,558	*8%*
Price per 1 tonne net VAT, US$	1,149	1,085	*6%*

In Q1 2013, chicken meat sales volumes to third parties on an adjusted-weight basis increased by 8% to 91,720 tonnes (Q1 2012: 85,040 tonnes). As usual, all MHP's existing poultry production facilities continued to operate at full capacity. Moreover, poultry production volume increased by 15% in Q1 2013 compared to Q1 2012 due to the continuing launch of the Vinnytsia poultry complex.

The average chicken meat sales price decreased by 3% to UAH 16.33 per kg of adjusted weight in Q1 2013 compared to UAH 16.75 per kg in Q1 2012. An increased share of export in total chicken meat sales, from 9% in Q1 2012 to 24% in Q1 2013, diluted the average chicken price as exported frozen chicken meat is usually cheaper than fresh.

The average sunflower oil price increased by 6% to US$1,149 per tonne in line with world pricing trends. Likewise, sales volume of sunflower oil increased by 8% to 49,310 tonnes due to the growth of the production of fodder meal at the Vinnytsia complex.

The poultry segment revenue amounted to US$259 million in Q1 2013, 8% greater than in Q1 2012 mainly as a result of an increase of poultry sales volumes as well as higher sales volume and price of sunflower oil.

Poultry production costs increased by 15% in Q1 2013 compared to Q1 2012 mainly affected by the higher cost of fodder due to growth of grain prices and sunflower protein cost.

As a result of substantial grain price growth at the end of 2012, poultry production costs increased, while the average poultry price declined by 3% due to a higher proportion of export sales. As a consequence, gross profit declined by 21% to US$61 million in Q1 2013 compared to Q1 2012. Gross profit margin decreased from 32% to 24% in Q1 2013 to a level similar to the 2010-2011 results.

EBITDA per 1 kg of chicken meat (net IAS 41) reduced by 24%, EBITDA margin declined from 36% to 28%. EBITDA per 1 kg of poultry meat (net IAS 41) was US$0.76 (Q1 2012: US$1.00), which is in line with average EBITDA per 1 kg of poultry meat for the previous 3 years (2009-2011), but lower than in 2012.

Grain growing operations

		Q1 2013	**Q1 2012**	% change
Revenue	US$, m	**9**	**24**	**-63%**
IAS 41 standard gains	US$, m	**(8)**	**(18)**	**52%**
EBITDA	US$, m	**-**	**-**	**-**

Revenue totaled US$9 million in Q1 2013, as a lion's share of the 2012 harvest (soybean and wheat) was sold in 2012, which is 63% less than in Q1 2012 due to the growing internal needs for fodder due to the gradual increase in operations at the Vinnytsia complex.

Due to the harvest cycle, there is the seasonality in this division, that's why financial results of the segment are largely received in the second half of the year.

Other agricultural operations

		Q1 2013	Q1 2012	% change*
Revenue	US$, m	**36**	**33**	**9%**
- Meat processing	US$, m	22	22	-
- Other	US$, m	14	11	30%
IAS 41 standard gains	US$, m	**(1)**	**(1)**	**23%**
Gross profit	US$, m	**4**	**2**	**98%**
Gross margin	*%*	*10%*	*6%*	*4pps*
EBITDA	US$, m	**5**	**3**	**104%**
EBITDA margin	*%*	*14%*	*8%*	*6pps*

** pps – percentage points*

Meat processing products	**Q1 2013**	**Q1 2012**	*% change*
Sales volume, third parties tonnes	7,340	7,500	*-2%*
Price per 1 kg net VAT, UAH	22.51	21.53	*5%*

The revenue of other agricultural operations segment increased by 9% to US$36 million in Q1 2013 compared to Q1 2012 as a result of higher sales of fruits and milk.

The average price of meat processing products rose by 5% to UAH 22.51 per kg excluding VAT in Q1 2013 compared to Q1 2012. Ongoing product mix optimization led to a slight decrease of sales volumes of meat processing products, in which MHP remained an industry leader with around 10% market share.

The segment's gross profit amounted to US$4 million in Q1 2013, 98% greater than in Q1 2012 due to better results in meat processing and fruit businesses. EBITDA increased by 104% to US$5 million in Q1 2013 compared to Q1 2012 in line with the rise of gross profit. Consequently, EBITDA margin increased from 8% in Q1 2012 to 14% in Q1 2013.

Current Group financial position, cash flow and liquidity

Cash Flows US$, m	**Q1 2013**	**Q1 2012**
Cash from operations	**75**	**102**
Change in working capital	(32)	(48)
Net Cash from operating activities	**43**	**54**
Cash from investing activities	(46)	(63)
Non-cash investments	(10)	(38)
CAPEX	**(56)**	**(101)**
Cash from financing activities	*(30)*	*23*
Non-cash financing	*10*	*38*
Deposits	-	1
Total financial activities	**(20)**	**62**
Total change in cash	**(33)**	**16**

Traditionally, in the first quarter of the year there is an investment in working capital, which in Q1 2013 mainly related to:

- Increase in biological assets related to the spring sowing campaign and to the start of production at the Vinnytsia complex (US$19 million);
- Increase in VAT recoverable related to the intensive CAPEX program (US$15 million).

Total CAPEX of US$56 million was mostly related to the Vinnytsia project in Q1 2013. Since the start of construction in May 2010, approximately US$670 million has been invested in this project.

Debt Structure

Debt	**31.03.2013**	**31.12.2012**
Total Debt US$, m	**1,118**	**1,140**
Cash and bank deposits	(61)	(95)
Net Debt	**1,056**	**1,045**
LTM EBITDA	456	*468*
Net Debt /LTM EBITDA	*2.31*	*2.23*

As of March 31, 2013, the Company's total debt was US$1,118 million, most of which was denominated in US dollars. The weighted average cost of debt remained below 9%.

At the end of Q1 2013, MHP's cash and cash equivalents amounted to US$61 million. Net debt slightly increased to US$1,056 million, while the Net Debt/EBITDA ratio was 2.3 as of March 31, 2013.

As a hedge for currency risks, revenue from the export of sunflower oil, sunflower husks and chicken meat are denominated in US Dollars, fully covering debt service expenses. In Q1 2013 export sales totaled US$118 million, 31% greater than in Q1 2012.

In April 2013 following our strategy to maintain at least 60% of total debt as long term debt, MHP successfully completed a new Eurobond issue of US$750 million of 8.25% Senior Notes due 2020. US$386 million of the proceeds from the new issue were used to repurchase US$350 million of our 10.25% Senior Notes due 2015 and to pay consent fees in connection with the modification of certain provisions of the existing notes (Net Debt to EBITDA 3.0 compared to 2.5 in previous issue). The balance of the proceeds from the new issue will be used to repay certain other debt, to finance the expansion and diversification of MHP's poultry and grain business and to improve liquidity.

After the new Eurobond issue our debt structure improved significantly with a share of long term debt increased to 85% from 73% of total debt. Average interest rate decreased by 0.50%.

Outlook

We will continue the gradual launch of the Vinnytsia complex, with the monthly launch of new rearing zones and increasing production volumes at each production site.

In line with the Company strategy, we continue to grow our land bank both in Ukraine, by approximately 35,000 hectares mainly in Kyivska and Vinnytsia regions, and in Russia, after we complete our acquisition of 40,000 hectares.

The increasing production capacity of both chicken meat and grain crops will enable us to increase annual sales, particularly through the growth of export sales.

We are confident that we will be able to continue to implement our strategy and keep on delivering stable financial results, cementing our position as one of the leading agri-industrial companies in Ukraine.

- End -

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 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

Interim condensed consolidated Financial Statements

For the three-month period ended 31 March 2013

CONTENT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the three-month period ended 31 March 2013
(in thousands of US dollars, unless otherwise indicated)

	Notes	*Three- month period ended 31 March 2013*	*Three- month period ended 31 March 2012*
Revenue	*3*	303,607	297,561
Net change in fair value of biological assets and agricultural produce	*3*	(7,833)	(17,388)
Cost of sales		(230,597)	(201,503)
Gross profit		65,177	78,670
Selling, general and administrative expenses		(28,837)	(26,252)
VAT refunds and other government grants income		17,999	21,375
Other operating expenses, net		(4,120)	(7,082)
Operating profit		50,219	66,711
Finance income		662	917
Finance costs		(18,377)	(14,883)
Foreign exchange loss, net		5,462	(3,303)
Other income/ (expenses), net		105	(77)
Other expenses, net		(12,148)	(17,346)
Profit before tax		38,071	49,365
Income tax expense		(1,760)	(1,474)
Profit for the period	*4*	36,311	47,891
Other comprehensive income			
Cumulative translation difference		(412)	369
Other comprehensive income for the period		(412)	369
Total comprehensive income for the period		35,899	48,260
Profit attributable to:			
Equity holders of the Parent		34,885	47,274
Non-controlling interests		1,426	617
		36,311	47,891
Total comprehensive income attributable to:			
Equity holders of the parent		34,473	47,643
Non-controlling interests		1,426	617
		35,899	48,260
Earnings per share			
Basic and diluted earnings per share (USD per share)		0.33	0.43

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 17 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as of 31 March 2013

(in thousands of US dollars, unless otherwise indicated)

	Notes	*31 March 2013*	*31 December 2012*
ASSETS			
Non-current assets			
Property, plant and equipment	*5*	1,372,075	1,339,687
Land lease rights, net		25,981	26,694
Deferred tax assets		8,539	8,231
Long-term VAT recoverable, net		37,120	35,784
Non-current biological assets		56,648	53,695
Long-term bank deposits		5,855	6,154
Other non-current assets		16,990	16,615
		1,523,208	1,486,860
Current assets			
Inventories	*6*	285,747	274,255
Biological assets	*7*	179,017	159,276
Agricultural produce	*6*	131,584	166,128
Other current assets, net		35,382	33,880
Taxes recoverable and prepaid, net		209,593	200,308
Trade accounts receivable, net		73,385	72,616
Cash and cash equivalents		61,383	94,785
		976,091	1,001,248
TOTAL ASSETS		2,499,299	2,488,108
EQUITY AND LIABILITIES			
Equity			
Share capital		284,505	284,505
Treasury shares		(65,393)	(65,393)
Additional paid-in capital		181,982	181,982
Revaluation reserve		22,869	22,869
Retained earnings		1,011,804	976,919
Translation reserve		(241,639)	(241,227)
Equity attributable to equity holders of the Parent		1,194,128	1,159,655
Non-controlling interests		40,260	39,008
Total equity		1,234,388	1,198,663
Non-current liabilities			
Bank borrowings	*8*	174,496	199,483
Bonds issued	*9*	572,750	571,515
Finance lease obligations		45,791	45,955
Deferred tax liabilities		4,074	3,345
		797,111	820,298
Current liabilities			
Trade accounts payable	*10*	56,500	68,970
Other current liabilities		59,108	62,902
Bank borrowings	*8*	303,484	301,658
Accrued interest		27,718	14,125
Finance lease obligations		20,990	21,492
		467,800	469,147
TOTAL LIABILITIES		1,264,911	1,289,445
TOTAL EQUITY AND LIABILITIES		2,499,299	2,488,108

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the three-month period ended 31 March 2013

(in thousands of US dollars, unless otherwise indicated)

	Attributable to equity holders of the Parent								
	Share capital	*Treasury shares*	*Additional paid-in capital*	*Revaluation reserve*	*Retained earnings*	*Translation reserve*	*Total*	*Non-controlling interests*	*Total equity*
Balance at 1 January 2013	284,505	(65,393)	181,982	22,869	976,919	(241,227)	1,159,655	39,008	1,198,663
Profit for the period	-	-	-	-	34,885	-	34,885	1,426	36,311
Other comprehensive income	-	-	-	-	-	(412)	(412)	-	(412)
Total comprehensive income for the period	-	-	-	-	34,885	(412)	34,473	1,426	35,899
Dividends declared by subsidiary	-	-	-	-	-	-	-	(174)	(174)
Balance at 31 March 2013	284,505	(65,393)	181,982	22,869	1,011,804	(241,639)	1,194,128	40,260	1,234,388

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the three-month period ended 31 March 2012
(in thousands of US dollars, unless otherwise indicated)

	Attributable to equity holders of the Parent								
	Share capital	*Treasury shares*	*Additional paid-in capital*	*Revaluation reserve*	*Retained earnings*	*Translation reserve*	*Total*	*Non-controlling interests*	*Total equity*
Balance at 1 January 2012	284,505	(40,555)	179,565	18,781	679,815	(240,791)	881,320	44,489	925,809
Profit for the period	-	-	-	-	47,274	-	47,274	617	47,891
Other comprehensive income	-	-	-	-	-	369	369	-	369
Total comprehensive income for the period	-	-	-	-	47,274	369	47,643	617	48,260
Balance at 31 March 2012	284,505	(40,555)	179,565	18,781	727,089	(240,422)	928,963	45,106	974,069

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the three-month period ended 31 March 2013

(in thousands of US dollars, unless otherwise indicated)

	Three- month period ended 31 March 2013	*Three- month period ended 31 March 2012*
Operating activities		
Profit before tax	38,071	49,365
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	23,023	17,271
Net change in fair value of biological assets and agricultural produce	7,833	17,388
Change in allowance for irrecoverable amounts and direct write-offs	5,269	6,633
Loss/(gain) on disposal of property, plant and equipment and other non-current assets	(179)	269
Finance income	(662)	(917)
Finance costs	18,377	14,883
Unrealised foreign exchange (gain)/loss, net	(5,650)	3,294
Operating cash flows before movements in working capital	86,082	108,186
Working capital adjustments		
Change in inventories	1,840	(26,229)
Change in biological assets	(19,178)	(16,102)
Change in agricultural produce	24,490	24,539
Change in other current assets	(1,755)	(3,269)
Change in taxes recoverable and prepaid	(15,425)	(10,201)
Change in trade accounts receivable	(693)	4,267
Change in other liabilities	(351)	498
Change in trade accounts payable	(21,000)	(21,556)
Cash generated by operations	54,010	60,133
Interest received	662	552
Interest paid	(8,778)	(4,352)
Income taxes paid	(2,851)	(1,938)
Net cash flows from operating activities	43,043	54,395
Investing activities		
Purchases of property, plant and equipment	(44,826)	(61,244)
Purchases of other non-current assets	(682)	(1,259)
Proceeds from disposals of property, plant and equipment	323	125
Purchases of non-current biological assets	(1,139)	(794)
Investments in short-term deposits	-	(14,996)
Withdrawals of short-term deposits	298	16,284
Loans provided to employees, net	(16)	-
Loans repaid by related parties, net	25	-
Net cash flows used in investing activities	(46,017)	(61,884)
Financing activities		
Proceeds from bank borrowings	2	49,988
Repayment of bank borrowings	(24,427)	(21,282)
Repayment of finance lease obligations	(6,050)	(5,558)
Net cash flows from financing activities	(30,475)	23,148
Net (decrease)/increase in cash and cash equivalents	(33,449)	15,659
Net foreign exchange difference	47	265
Cash and cash equivalents at 1 January	94,785	94,758
Cash and cash equivalents at 31 March	61,383	110,682
Non-cash transactions		
Additions of property, plant and equipment under finance leases	6,283	4,962
Additions of property, plant and equipment financed through direct bank-lender payments to the vendor	5,232	33,138
Property, plant and equipment purchased for credit	(1,977)	25

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the three-month period ended 31 March 2013

(in thousands of US dollars, unless otherwise indicated)

1. Corporate information

MHP S.A. (the "Parent" or "MHP S.A."), a limited liability company (**société anonyme**) 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 PJSC "Myronivsky Hliboproduct" ("MHP") and its subsidiaries. Hereinafter, MHP S.A. and its subsidiaries are referred to as the "MHP S.A. Group" or the "Group". The registered address of MHP S.A. is 5, rue Guillaume Kroll, L-1882 Luxembourg.

The controlling shareholder of MHP S.A. is the Chief Executive Officer of MHP S.A. Mr. Yuriy Kosyuk ("Principal Shareholder"), who owns 100% of the shares of WTI Trading Limited ("WTI"), which is the immediate majority shareholder of MHP S.A.

The principal business activities of the Group are poultry and related operations, grain growing, as well as other agricultural operations (meat processing, cultivation and selling fruits and producing beef and meat products ready for consumption). 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. Grain growing comprises the production and sale of grains.Other agricultural operations comprise the production and sale of cooked meat, sausages, beef, milk, goose meat, foie gras, fruits and feed grains. During the three-month period ended 31 March 2013 the Group employed about 27,800 people (three-month period ended 31 March 2012: 24,800 people).

The Group has been undertaking a large-scale investment program to expand its poultry and related operations, and in May 2010 the Group commenced construction of the greenfield Vinnytsia poultry complex. As of 31 December 2012 the Group commissioned and launched into operations production facilities at Vinnytsia complex, which were already completed, reaching a full production capacity in forthcoming years. During the three-month period ended 31 March 2013 construction works at Vinnytsia complex was performed as scheduled and the Group continues commissioning production facilities which were completed.

The primary subsidiaries, the principal activities of the companies forming the Group and the Parent's effective ownership interest as of 31 March 2013 and 31 December 2012 were as follows:

Name	*Country of registration*	*Year established/ acquired*	*Principal activities*	*31 March 2013*	*31 December 2012*
Raftan Holding Limited	Cyprus	2006	Sub-holding Company	100.0%	100.0%
MHP	Ukraine	1998	Management, marketing and sales	99.9%	99.9%
Myronivsky Zavod po Vygotovlennyu Krup i Kombikormiv	Ukraine	1998	Fodder and sunflower oil production	88.5%	88.5%
Vinnytska Ptahofabryka	Ukraine	2011	Chicken farm	99.9%	99.9%
Peremoga Nova	Ukraine	1999	Chicken farm	99.9%	99.9%
Druzhba Narodiv Nova	Ukraine	2002	Chicken farm	99.9%	99.9%
Oril-Leader	Ukraine	2003	Chicken farm	99.9%	99.9%
Tavriysky Kombikormovy Zavod	Ukraine	2004	Fodder production	99.9%	99.9%
Ptahofabryka Shahtarska Nova	Ukraine	2003	Breeder farm	99.9%	99.9%
Myronivska Pticefabrica	Ukraine	2004	Chicken farm	99.9%	99.9%
Starynska Ptahofabryka	Ukraine	2003	Breeder farm	94.9%	94.9%
Ptahofabryka Snyatynska Nova	Ukraine	2005	Geese breeder farm	99.9%	99.9%
Zernoproduct	Ukraine	2005	Grain cultivation	89.9%	89.9%
Katerynopilsky Elevator	Ukraine	2005	Fodder production and grain storage, sunflower oil production	99.9%	99.9%
Druzhba Narodiv	Ukraine	2006	Cattle breeding, plant cultivation	99.9%	99.9%
Crimean Fruit Company	Ukraine	2006	Fruits and grain cultivation	81.9%	81.9%
NPF Urozhay	Ukraine	2006	Grain cultivation	89.9%	99.9%
Agrofort	Ukraine	2006	Grain cultivation	86.1%	86.1%
Urozhayna Krayina	Ukraine	2010	Grain cultivation	99.9%	99.9%
Ukrainian Bacon	Ukraine	2008	Meat processing	79.9%	79.9%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the three-month period ended 31 March 2013

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1. Corporate information *(continued)*

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

2. Basis of presentation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the three month period ended 31 March 2013 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

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 2012 statement of financial position was derived from the audited consolidated financial statements.

Functional and presentation currencies

The functional currency of the Group is the Ukrainian Hryvnia ("UAH"). Transactions in currencies other than the functional currency of the Group are treated as transactions in foreign currencies. Such transactions are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the statement of financial position date. All realized and unrealized gains and losses arising on exchange differences are included in the consolidated statement of comprehensive income for the period.

These interim condensed consolidated financial statements are presented in US Dollars ("USD"), which is the Group's presentation currency.

The results and financial position of the Group are translated into the presentation currency using the following procedures:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate as of the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of the transactions;
- All resulting exchange differences are recognized as a separate component of equity.

For practical reasons, the Group translates items of income and expenses for each period presented in the financial statements using the quarterly average rates of exchange, if such translations reasonably approximate the results translated at exchange rates prevailing at the dates of the transactions.

The following exchange rates were used:

Currency	*Closing rate as of 31 March 2013*	*Average for three months ended 31 March 2013*	*Closing rate as of 31 December 2012*	*Average for three months ended 31 March 2012*	*Closing rate as of 31 December 2011*
UAH/USD	7.9930	7.9930	7.9930	7.9882	7.9898
UAH/EUR	10.2350	10.5490	10.5372	10.4587	10.2981

Seasonality of operations

Poultry and related operations as well as other agricultural operations are not significantly exposed to the seasonal fluctuations.

Grain growing segment, due to seasonality and implications of IAS 41, in the first half of the year mainly reflects the sales of carried forward agricultural produce and effect of biological assets revaluation, while during the second half of the year it reflects sales of crops and effect of revaluation of agricultural produce harvested during the year. Also, grain growing segment has seasonal requirements for working capital increase during November – May, due to sowing campaign.

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2. Basis of presentation and accounting policies *(continued)*

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

3. Segment information

For the three-month period ended 31 March 2013 the Group's segmental information was as follows:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	258,962	8,811	35,834	-	303,607
Sales between business segments	6,165	32,831	2,164	(41,160)	-
Total revenue	265,127	41,642	37,998	(41,160)	303,607
Segment results	52,145	254	3,434	-	55,833
Unallocated corporate expenses					(5,614)
Other expenses, net [1)]					(12,148)
Profit before tax					38,071
Other information:					
Depreciation and amortization expense [2),3)]	20,503	-	1,746	-	22,249
Net change in fair value of biological assets and agricultural produce	2,059	(8,410)	(1,482)	-	(7,833)

[1)] Include finance income, finance costs, foreign exchange loss (net) and other expenses (net).

[2)] Depreciation and amortization attributable to Grain growing segment for the three-months period ended 31 March 2013 in the amount of USD 5,035 thousand was capitalized in work in progress (Note 6);

[3)] Depreciation and amortization for the three-month period ended 31 March 2013 does not include unallocated depreciation and amortization in the amount of USD 774 thousand.

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3. Segment information *(continued)*

For the three-month period ended 31 March 2012 the Group's segmental information was as follows:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	240,837	23,913	32,811	-	297,561
Sales between business segments	6,979	20,669	1,152	(28,800)	-
Total revenue	247,816	44,582	33,963	(28,800)	297,561
Segment results	71,447	12	929	-	72,388
Unallocated corporate expenses					(5,677)
Other expenses, net [1)]					(17,346)
Profit before tax					49,365
Other information:					
Depreciation and amortization expense [2),3)]	14,761	-	1,614	-	16,374
Net change in fair value of biological assets and agricultural produce	1,373	(17,561)	(1,200)	-	(17,388)

[1)] Include finance income, finance costs, foreign exchange loss (net) and other expenses (net).

[2)] Depreciation and amortization attributable to Grain growing segment for the three-month period ended 31 March 2012 in the amount of USD 3,832 thousand was capitalized in work in progress (Note 6);

[3)] Depreciation and amortization for the three-month period ended 31 March 2012 includes unallocated depreciation and amortization in the amount of USD 897 thousand.

4. Profit for the period

The Group's profit for the three-month period ended 31 March 2013 decreased compared to the three-month period ended 31 March 2012 mainly due to lower returns from poultry and related operations segment majorly attributable to the increase in fourth quarter of 2012 of prices for grain produced by grain growing segment and consumed by poultry and related operations segment. Meanwhile the poultry prices remained broadly the same compared to the three-month period ended 31 March 2012.

5. Property, plant and equipment

Capital expenditure during the three-month period ended 31 March 2013 related mostly to the construction of Vinnytsya poultry complex. The construction of Vinnytsya poultry complex commenced in 2010 and is being constructed according to the schedule.

During the three-month period ended 31 March 2013, the Group's additions to property, plant and equipment amounted to USD 60,273 thousand (three-month period ended 31 March 2012: USD 105,880 thousand).

There have been no significant disposals of property, plant and equipment during the three-month period ended 31 March 2013.

6. Inventories and agricultural produce

Change in inventories during the three-month period ended 31 March 2013 was mainly attributable to the increase of work in progress and raw materials balances due to costs incurred by grain growing entities in respect of forthcoming spring sowing campaign as well as decrease in sunflower stock, due to internal consumption by poultry and related operations segment.

Agricultural produce balances have decreased as of 31 March 2013 compared to 31 December 2012 mainly due to the internal consumption of corn.

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7. Biological assets

Increase of current biological assets balances during the three-month period ended 31 March 2013 is primarily attributable to breeders held for hatchery eggs production and broiler poultry balances due to operations launched at Vinnytsya complex.

8. Bank borrowings

The following table summarizes bank borrowings and credit lines outstanding as of 31 March 2013 and 31 December 2012:

		31 March 2013		31 December 2012	
Bank	*Currency*	*WAIR [1)]*	*USD' 000*	*WAIR [1)]*	*USD' 000*
Foreign banks	USD	5,45%	172,393	5.14%	190,976
Foreign banks	EUR	1,77%	158,097	2.15%	162,675
			330,490		353,651
Ukrainian banks	USD	5,26%	147,490	5.43%	147,490
			147,490		147,490
Total bank borrowings			477,980		501,141
Less: Short-term bank borrowings and current portion of long-term bank borrowings			(303,484)		(301,658)
Total long-term bank borrowings			174,496		199,483

[1)] WAIR represents the weighted average interest rate on outstanding borrowings.

The Group's bank borrowings are drawn from various banks as term loans, credit line facilities and overdrafts. Repayment terms of principal amounts of bank borrowings vary from monthly repayment to repayment on maturity depending on the agreement reached with each bank. The interest on the borrowings drawn with the Ukrainian banks is payable on a monthly or quarterly basis. Interest on borrowings drawn with foreign banks is payable semi-annually.

As of 31 March 2013 and 31 December 2012 the Group's bank borrowings bearing a floating interest rate, only.

Bank borrowings and credit lines outstanding as of as of 31 March 2013 and 31 December 2012 were repayable as follows:

	31 March 2013	*31 December 2012*
Within one year	303,484	301,658
In the second year	66,823	66,840
In the third to fifth year inclusive	93,743	115,316
After five years	13,930	17,327
	477,980	501,141

As of 31 March 2013, the Group had available undrawn facilities of USD 94,854 thousand (31 December 2012: USD 133,981 thousand). These undrawn facilities expire during the period from May 2013 until June 2020.

The Group, as well as, particular subsidiaries of the Group have to comply with certain covenants imposed by the banks providing the loans. The main covenants which are to be complied with by the Group are as follows: total equity to total assets ratio, net debt to EBITDA ratio, EBITDA to interest expenses ratio and current ratio. The Group subsidiaries are also required to obtain approval from lenders regarding the property to be used as collateral.

As of 31 March 2013, the Group had borrowings of USD 50,000 thousand (31 December 2012: USD 50,000 thousand) that were secured. These borrowings were secured by inventories with a carrying amount of USD 62,500 thousand (31 December 2012: USD 62,500 thousand).

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9. Bonds issued

Bonds issued and outstanding as of 31 March 2013 and 31 December 2012 were as follows:

	31 March 2013	*31 December 2012*
10.25% Senior Notes due in 2015	584,767	584,767
Unamortized premium on bonds issued	2,540	2,801
Unamortized debt issue cost	(14,557)	(16,053)
	572,750	571,515

As of 31 March 2013 amount of accrued interest on bonds issued was USD 25,141 thousand (31 December 2012: USD 10,156 thousand).

10.25% Senior Notes

In November 2006, MHP SA issued USD 250,000 thousand10.25% Senior Notes, due in November 2011, at par.

On 29 April 2010, MHP S.A. issued USD 330,000 thousand 10.25% Senior Notes due in 2015 at an issue price of 101.452% of principal amount.

As of 13 May 2010 MHP S.A. exchanged 96.01% (USD 240,033 thousand) of USD 250,000 thousand of the existing 10.25% Senior Notes due in 2011 for the new Notes due in 2015. As a result of the exchange, new Senior Notes were issued for the total par value of USD 254,767 thousand.

The Senior Notes are jointly and severally guaranteed on a senior basis by MHP, Druzhba Narodiv, Druzhba Narodiv Nova, Myronivsky Zavod po Vygotovlennyu Krup i Kombikormiv, Oril-Leader, Katerynopilsky Elevator, Ptahofabryka Peremoga Nova, Zernoproduct, Myronivska Ptahofabryka, Starynska Ptahofabryka, Ptahofabryka Shahtarska Nova, Agrofort, NPF Urozhay, Vinnytska Ptahofabryka. Interest on the Senior Notes is payable semi-annually in arrears. These Senior Notes are subject to certain restrictive covenants including, but not limited to, limitations on the incurrence of additional indebtedness in excess of Net Debt to EBITDA ratio as defined by indebtedness agreement, restrictions on mergers or consolidations, limitations on liens and dispositions of assets and limitations on transactions with affiliates.

If the Group fails to comply with the covenants imposed, all outstanding Senior Notes will become due and payable without further action or notice. If a change of control occurs the Group shall make an offer to each holder of the Senior Notes to purchase such Senior Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

During the three-month period ended 31 March 2013 and during the year ended 31 December 2012 the Group has complied with all covenants defined by indebtedness agreement.

The weighted average effective interest rate on the Senior Notes is 11.7% per annum for the three-month periods ended 31 March 2013 and 2012. The notes are listed on the London Stock Exchange.

10. Trade accounts payable

The decrease of the trade accounts payable as of 31 March 2013 compared to 31 December 2012 is mainly attributable to the repayment of the Group payables under the sun-flower purchase financing arrangements.

The sun flower was purchased in the fourth quarter of 2012 and will be consumed during the first half of 2013, till the new harvest of sunflower seeds.

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11. Related party balances and transactions

For the purposes of these financial statements, parties are considered to be related if one party controls, is controlled by, or is under common control with the other party, or exercises 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.

Transactions with related parties under common control

The Group enters into transactions with related parties that are under common control of the Principal Shareholder of the Group (Note 1) in the ordinary course of business for the purchase and sale of goods and services.

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

The transactions with the related parties during the three-month period ended 31 March 2013 and 2012 were as follows:

	2013	*2012*
Sales of goods to related parties	3,246	2,292
Sales of services to related parties	30	18
Purchases from related parties	29	257

The balances owed to and due from related parties were as follows as of 31 March 2013 and 31 December 2012:

	31 March 2013	*31 December 2012*
Trade accounts receivable	12,899	10,359
Trade accounts payable	568	52
Advances received	539	200
Advances and finance aid	7,691	4,935

Compensation of key management personnel

Total compensation of the Group's key management personnel (including compensation to Mr. Yuriy Kosyuk), which consist of contractual salary and performance bonuses amounted to USD 2,160 thousand and USD 2,046 thousand for the three-month period ended 31 March 2013 and 31 March 2012, respectively.

12. Contingencies and contractual commitments

Operating environment

The principal business activities of the Group are within the Ukraine. Emerging markets such as the Ukraine are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in the Ukraine and the Ukraine's economy in general. Laws and regulations affecting business operating in the 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.

After the years of recovery the Ukraine's economy growth slowed in 2012 with GDP increased only by 0.2%. During the three-month period ended 31 March 2013 the Ukraine's economy decreased with GDP contracted by 1.3% by preliminary data.

During the three-month period ended 31 March 2013 the Ukrainian Hryvnia remained stable against US dollar and demonstrated moderate growth against EUR.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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12. Contingencies and contractual commitments *(continued)*

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 the Ukraine is constantly changing and subject to inconsistent application, interpretation and enforcement. Non-compliance with Ukrainian 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.

In December 2010, the Tax Code of Ukraine was officially published. In its entirety, the Tax Code of Ukraine became effective on 1 January 2011, while some of its provisions took effect later (such as, Section III dealing with corporate income tax, which came into force from 1 April 2011). Apart from changes in CIT rates from 1 April 2011 and planned abandonment of VAT refunds for agricultural industry from 1 January 2018, the Tax Code also changed various other taxation rules.

Legal issues

In the ordinary course of business, the Group is subject to legal actions and complaints. As of 31 March 2013, the Group companies had ongoing litigations with the tax authorities related to disallowance of certain amounts of VAT refunds claimed by the Group. According to the assessment performed by the management of the Group on a case by case basis the maximum exposure of the Group to such risks as of 31 March 2013 amounted to USD 34,209 thousand (31 December 2012: USD 30,729 thousand). Out of this amount, USD 32,987 thousand (31 December 2012: USD 29,533 thousand) relates to cases where court hearings took place and where the court in either the first or second instance has already ruled in favour of the Group. Based on past history of court resolutions of similar lawsuits Management believes that possible exposure relating to these court cases amounts to approximately USD 1,222 thousand as of 31 March 2013 (31 December 2012: USD 1,196 thousand).

Contractual commitments on purchase of property, plant and equipment

During the three-month period ended 31 March 2013, the companies of the Group entered into a number of contracts with foreign suppliers for the purchase of property plant and equipment for development of agricultural operations. As of 31 March 2013, purchase commitments on such contracts were primarily related to construction of the Vinnytsya poultry complex and amounted to USD 10,725 thousand (31 December 2012: USD 14,689 thousand).

13. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. 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 to foreign currency fluctuations.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the three-month period ended 31 March 2013

(in thousands of US dollars, unless otherwise indicated)

13. Currency risk *(continued)*

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities as of 31 March 2013 and 31 December 2012 were as follows:

	31 March 2013		*31 December 2012*	
	USD	*EUR*	*USD*	*EUR*
ASSETS				
Long-term bank deposits	-	5,856	-	6,154
Trade accounts receivable	10,458	-	8,607	-
Other current assets, net	26,131	156	732	35
Short-term bank deposits	-	-	-	-
Cash and cash equivalents	53,806	377	73,270	1,017
	90,395	6,389	82,609	7,206
LIABILITIES				
Current liabilities				
Trade accounts payable	32,402	4,233	30,592	4,897
Other current liabilities	911	3,563	593	5,508
Accrued interest	27,057	661	13,312	813
Short-term bank borrowings	270,180	33,304	270,362	31,296
Short-term finance lease obligations	13,725	7,265	12,794	8,698
	344,275	49,026	327,653	51,212
Non-current liabilities				
Long-term bank borrowings	49,703	124,793	68,104	131,379
Bonds issued	584,767	-	584,767	-
Long-term finance lease obligations	26,847	18,726	25,013	20,536
	661,317	143,519	677,884	151,915
	1,005,592	192,545	1,005,537	203,127

The table below details the Group's sensitivity to strengthening of the Ukrainian Hryvnia against US Dollar and EUR. This sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for possible change in foreign currency rates.

	Change in foreign currency exchange rates	*Effect on profit before tax*
Three-month period ended 31 March 2013		
Increase in USD exchange rate	10%	(91,520)
Increase in EUR exchange rate	10%	(18,616)
Decrease in USD exchange rate	5%	45,760
Decrease in EUR exchange rate	5%	9,308
Three-month period ended 31 March 2012		
Increase in USD exchange rate	10%	(77,571)
Increase in EUR exchange rate	10%	(14,372)
Decrease in USD exchange rate	5%	38,786
Decrease in EUR exchange rate	5%	7,186

The effect of foreign currency sensitivity on shareholders' equity is equal to that reported in the statement of comprehensive income.

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13. Currency risk *(continued)*

During the three-month period ended 31 March 2013, the Ukrainian Hryvnia appreciate against the EUR by 2.87% and has not changed against the US Dollar (three-month period ended 31 March 2012: depreciate against the EUR by 2.93% and has not significantly changed against the US Dollar). As a result, during the three-month period ended 31 March 2013 the Group recognized net foreign exchange gain in the amount of USD 5,462 thousand (three-month period ended 31 March 2012: foreign exchange loss in the amount of USD 3,303 thousand) in the consolidated statement of comprehensive income.

14. Subsequent events

On 8 April 2013 the Group issued USD 750,000 thousand of 8.25% Senior Notes due in 2020, of which USD 350,000 thousand was used to repurchase its existed 10.25% Senior Notes due in 2015.

On 4 March 2013, the Company announced that the Board of Directors approved a payment of dividend of USD 1.13 per share, equivalent to approximately USD 120 million. On 16 May 2013 the Board of Directors approved a payment date of dividends on 28 May 2013 to shareholders of a record on 22 May 2013.

15. Authorization of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors of MHP S.A. on 16 May 2013.