PRESS RELEASE
28 August 2015, Kyiv, Ukraine

MHP S.A.

Unaudited Financial Results for the Second Quarter and Six Months Ended 30 June 2015

MHP S.A. (LSE:MHPC), one of the leading agro-industrial companies in Ukraine, focusing on the production of poultry and cultivation of grain, today announces its unaudited results for the second quarter and six months ended 30 June 2015.

OPERATIONAL HIGHLIGHTS

Q2 2015 highlights

- Production volumes reached 138,050 tonnes, up by 4% year-on-year (Q2 2014: 132,350 tonnes), owing to the increasing production volumes at the Vinnytsia poultry farm
- The average chicken price increased by 55% year-on-year to UAH 27.73 per kg (excluding VAT) predominantly due to the Ukrainian Hryvnia depreciation
- Chicken meat export higher by 47% reaching 39,960 tonnes (Q2 2014: 27,190 tonnes)
- Reconstruction of Peremoga Nova breeding farm is complete, with first hatchery eggs produced in June 2015

H1 2015 highlights

- Production volumes increased by 4% to 278,430 tonnes (H1 2014: 268,880 tonnes)
- The average chicken price increased by 58% to UAH 26.65 per kg (excluding VAT) compared to UAH 16.86 in H1 2014 predominantly due to the Ukrainian Hryvnia depreciation
- Chicken meat export increased by 15% and reached 66,020 tonnes (H1 2014: 57,560 tonnes)

FINANCIAL HIGHLIGHTS

Q2 2015 highlights

- Revenue of US$ 309 million, lower by 6% year-on-year
- Export revenue amounted to US$ 139 million, 45% of total revenue (Q2 2014: US$ 114 million, 35% of total revenue)
- Operating profit of US$ 127 million decreased by 14%; overall operating margin was 41%
- EBITDA margin lowered to 48% from 50%; EBITDA decreased to US$ 147 million from US$ 166 million
- Net profit for the period is US$ 231 million, compared to US$ 46 million for the Q2 2014.

H1 2015 highlights

- Revenue of US$ 551 million, decrease of 14% year-on-year
- Export revenue amounted to US$ 241 million, 44% of total revenue (H1 2014: US$ 233 million, 37% of total revenue)
- Operating profit of US$ 235 million, up by 4% year-on-year
- EBITDA remained flat: US$ 270 million; EBITDA margin is 49%, up from 43% last year
- Net loss of US$ 61 million, including US$ 254 million related to non-cash foreign exchange translation losses

FINANCIAL OVERVIEW

(in mln. US$, unless indicated otherwise)	**Q2 2015**	**Q2 2014**	*% change**	**H1 2015**	**H1 2014**	*% change**
Revenue	**309**	**329**	**-6%**	**551**	**637**	**-14%**
IAS 41 standard gains	33	64	-48%	50	80	-38%
Gross profit	**137**	**160**	**-14%**	**245**	**264**	**-7%**
Gross profit margin	*44%*	*49%*	*-5 pps*	*44%*	*41%*	*3 pps*
Operating profit	**127**	**147**	**-14%**	**235**	**227**	**4%**
Operating profit margin	*41%*	*45%*	*-4 pps*	*43%*	*36%*	*7 pps*
EBITDA	**147**	**166**	**-11%**	**270**	**272**	**-1%**
EBITDA margin	*48%*	*50%*	*-2 pps*	*49%*	*43%*	*6 pps*
Net profit before foreign exchange differences	**91**	**134**	**-32%**	**193**	**184**	**5%**
Net profit margin before forex gain/(loss)	*29%*	*41%*	*-12 pps*	*35%*	*29%*	*6 pps*
Foreign exchange gain/(loss)	140	(88)	n/a	(254)	(454)	n/a
Net profit	**231**	**46**	**402%**	**(61)**	**(270)**	**-77%**
Net profit margin	*75%*	*14%*	*61 pps*	*-11%*	*-42%*	*31 pps*

** pps – percentage points*
Average official FX rate for Q2: UAH/US$ 21.6115 in 2015 and UAH/US$ 11.6962 in 2014
Average official FX rate for H1: UAH/US$ 21.3649 in 2015 and UAH/US$ 10.2873 in 2014

Chief Executive Officer, Yuriy Kosyuk, commented:

“Despite challenging situation in Ukraine, the Company step by step continues to develop. Notwithstanding significant Hryvnia depreciation since the beginning of 2015 (from 15.77 to 21.61 UAH per USD), our Company managed to deliver stable financial results with EBITDA of 49% in H1 2015. Production of poultry meat grows in line with our plans. We expect good harvest of crops.

In order to further control our costs, we are now creating new breeding facilities and gradually replacing imports.

In line with our plans we are building new poultry capacities and expand our land bank.

I believe the delivery of these results in such difficult conditions provide further validation of MHP’s unique vertically integrated business model. These will continue to be strong drivers for the Company’s continuing growth and development both in poultry and grain and we are confident that we will continue to deliver strong operational and financial performance in 2015 and beyond.”

MHP's management today 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, 28 August 2015
Time:	09.00 New York / 14.00 London / 16.00 Kyiv / 16.00 Moscow
Title:	Financial Results for Q2 and H1 2015
International/UK Dial in:	+44 (0) 1452 555566
USA free call:	1866 9669439
Russia free call	8108 002 097 2044
Conference ID	3560144

In order to follow the presentation together with the management, please register using the following link: http://engage.vevent.com/rt/mhp/index.jsp?seid=24

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Segment Performance

Poultry and related operations

	Q2 2015	Q2 2014	% change	H1 2015	H1 2014	% change
Poultry						
Sales volume, third parties tonnes	143,780	139,720	3%	257,420	251,990	2%
Price per 1 kg net of VAT, UAH	27.73	17.85	55%	26.65	16.86	58%
Sunflower oil						
Sales volume, third parties tonnes	79,030	69,641	13%	145,800	137,163	6%
Price per 1 tonne net of VAT, US$	766	861	-11%	779	857	-9%

Aggregate volume of chicken meat sold to third parties in H1 2015 and Q2 2015 remained relatively flat year-on-year. Sales on domestic market, however, decreased by 2% and 8% year-on-year and constituted 191,400 tonnes and 103,820 tonnes respectively as a result of decreased sales in Donetsk and Luhansk regions of Ukraine.

At the same time, export sales of H1 2015 and Q2 2015 increased by 15% and 47% to 66,020 tonnes and 39,960 tonnes compared with respective corresponding periods from a year earlier. This substantial growth is attributable to the development of new markets in the countries of Asia, Middle East and Africa, in addition to the significant increase in volume of chicken meat exported to the EU. MHP's sales to the EU countries reached 11,690 tonnes in H1 2015, up by 230% compared with H1 2014. Current share of MHP's foreign sales attributable to the EU markets expanded to 18% from around 6% in H1 2014.

Through the Q2 2015 the aggregate average chicken meat price was UAH 27.73, 55% higher than the corresponding price year-on-year. The average H1 2015 price increased accordingly by 58% and reached UAH 26.65 per 1 kg of adjusted weight (excluding VAT). Change is mostly attributable to the domestic price inflation by around 40% year-on-year compared with Q2 2014, mostly due to Ukrainian Hryvnia devaluation, supported, in addition, by the increased share of our export sales denominated in US dollars.

Due to the increase of fodder meal production at the Vinnytsia complex in Q2 2015, MHP has sold 13% more crude sunflower oil than 69,641 tonnes exported during Q2 2014; and 6% more than 137,163 tonnes sold during H1 2014. The average sunflower oil sales price decreased by 11% to US$ 766 per tonne, in line with world market trends compared with the average sales price of US$ 861 per tonne in Q2 2014.

(in mln. US$, unless indicated otherwise)	**Q2 2015**	**Q2 2014**	*% change**	**H1 2015**	**H1 2014**	*% change**
Revenue	**257**	**291**	**-12%**	**452**	**554**	**-18%**
- Poultry and other	196	231	-15%	338	437	-23%
- Sunflower oil	61	60	2%	114	117	-3%
IAS 41 standard gains	**(1)**	**20**	**n/a**	**20**	**37**	**-46%**
Gross profit	**79**	**113**	**-30%**	**175**	**211**	**-17%**
Gross margin	31%	39%	-8 pps	39%	38%	1 pps
EBITDA	**93**	**123**	**-24%**	**206**	**238**	**-13%**
EBITDA margin	36%	42%	-6 pps	46%	43%	3 pps
EBITDA per 1 kg (net of IAS 41)	0.65	0.74	-12%	0.72	0.80	-10%

** pps – percentage points*

Revenue of Poultry and related operations segment of Q2 2015 and H1 2015 has decreased by 12% and 18% year-on-year respectively. Decrease in revenue is mainly attributable to the depreciation of UAH against USD which affected USD equivalent of domestic revenues to the higher extent than the inflation of chicken meat price in Ukraine.

Gross profit of the poultry and related operations segment for the H1 2015 decreased by US$ 36 million and amounted to US$ 175 million, mainly as a result of decrease in revenue as well as lower IAS 41 standard gains.

Slightly lower decrease year-on-year in EBITDA for H1 2015 compared to decrease in Gross profit is mainly attributable to reduced USD equivalent of operating costs, which remained relatively fixed in UAH.

Grain growing operations

In 2015 in grain growing operations MHP is to harvest around 340,000 hectares of land in Ukraine, of which 50,000 ha are newly acquired assets as a result of swap agreement with Agrokultura AB, whereby the Group has agreed to swap group of companies Voronezh Agroholding with the group of companies Agrokultura Ukraine.

Due to the favorable weather conditions in Ukraine, operational efficiency and employment of best practice, our yields of early crops are high with wheat 6.1 t/ha and rapeseeds 3.5 t/ha in bunker weight and significantly higher than Ukraine’s average (wheat – 3.8 t/ha, rapeseeds – 1.7 t/ha. Source: APK-Inform).

(in mln. US$, unless indicated otherwise)	**H1 2015**	**H1 2014**	*% change**
Revenue	**52**	**19**	**174%**
IAS 41 standard gains	31	43	-28%
Gross profit	**63**	**43**	**47%**
EBITDA	**62**	**43**	**44%**

Grain growing segment’s revenue of H1 2015 raised by 174% year-on-year and amounted to US$ 52 million, a US$ 33 million increase year-on-year mainly related to higher stock of corn and wheat harvested in 2014 remained in stock as of 31 December 2014 compared to 31 December 2013 that was sold during H1 2015 and H1 2014 respectively.

Grain growing segment EBITDA of H1 2015 amounted to US$ 62 million, generated sales of grain harvested in 2014 as well as the effect of IAS 41 related to crops in fields as of 30 June 2015.

Other agricultural operations

Meat processing products	Q2 2015	Q2 2014	% change	H1 2015	H1 2014	% change
Sales volume, third parties tonnes	6,714	8,316	-19%	11,990	15,172	-21%
Price per 1 kg net VAT, UAH	44.44	26.50	68%	42.33	25.40	67%

Sales volume of meat processing products decreased by 21% year-on-year and amounted to 11,990 tonnes in H1 2015 mainly as a result of lower consumption of value-added meat processing products due to overall economic recession in Ukraine and decreased sales in Donetsk and Luhansk regions of Ukraine.

(in mln. US$, except margin data)	Q2 2015	Q2 2014	*% change**	H1 2015	H1 2014	*% change**
Revenue	**28**	**30**	***-7%***	**47**	**64**	**-27%**
- Meat processing	15	20	*-25%*	26	39	-33%
- Other	13	10	*30%*	21	25	-16%
IAS 41 standard gains	**-**	**- -**	***N/A***	**(1)**	**(1)**	**0%**
Gross profit	**4**	**5**	***-20%***	**7**	**10**	**-30%**
Gross margin	*14%*	*17%*	*-3 pps*	*15%*	*16%*	*-1 pps*
EBITDA	**5**	**4**	***25%***	**7**	**10**	**-30%**
EBITDA margin	*18%*	*13%*	*5 pps*	15%	16%	-1 pps

** pps – percentage points*

Segment revenue decreased by 27% year-on year and amounted to US$ 47 million due to both: decrease in sales volumes and UAH depreciation against USD resulting in lower USD equivalent compared to H1 2014. Contribution to total EBITDA during last 5 years was 2-8%; H1 2015 – 3%.

Current Group financial position and cash flow

(in mln. US$)	Q2 2015	Q2 2014	H1 2015	H1 2014
Cash from operations	**67**	**49**	**167**	**145**
Change in working capital	(60)	(2)	(103)	(9)
Net Cash from operating activities	**7**	**47**	**64**	**136**
Cash from investing activities	(20)	(37)	(66)	(64)
Non-cash financing	1	-	**(1)**	-
CAPEX	**(19)**	**(36)**	**(67)**	**(65)**
Cash from financing activities	*(115)*	*(45)*	*(4)*	*(102)*
incl. Dividends	*(50)*	*(54)*	*(50)*	*(74)*
Non-cash financing	*(1)*	-	*1*	-
Deposits	-	-	-	-
Total financial activities	**(116)**	**(46)**	**(3)**	**(101)**
Total change in cash	**(128)**	**(35)**	**(6)**	**(30)**

Cash flow from operations before changes in working capital has increased and amounted to US$ 167 million in H1 2015 (H1 2014: US$ 145 million).

Use of funds in working capital during H1 2015 is mainly related to investment in crops in fields to be harvested in 2015.

In H1 2015 total CAPEX amounted to US$ 67 million related to new agro machinery equipment purchases, construction of Peremoga breeder farm, Myronivka and Oril Leader farms expansion of rearing sites and soy oil extraction plant. Myronivka and Oril Leader farms are being expanded during 2015 at rearing sites so that first poultry volumes are expected in 2016.

Debt Structure and Liquidity

(in mln. US$)	**30 June 2015**	**31 March 2015**	**31 December**
Total Debt	**1,243**	**1,314**	**1,215**
LT Debt	1,053	953	899
ST Debt	190	361	316
Cash and bank deposits	(80)	(214)	(100)
Net Debt	**1,163**	**1,100**	**1,115**
LTM EBITDA	553	572	555
Net Debt / LTM EBITDA	*2.10*	*1.92*	*2.01*

As of June 30, 2015, the Company's short-term debt decreased by 47% compared to 31 March 2015 mainly as a result of repayment of 10.25% Senior Notes due 29 April 2015 in amount of US$220 million using syndicated loan facility of IFC (International Financial Corporation), a member of World Bank Group, which provided MHP with US$200 million (US$175 million from IFC and US$25 million from ING), and the MHP's cash from operations.

The share of long-term debt in the total outstanding debt is about 85%. The weighted average cost of debt is around 8.5%.

At the end of H1 2015, MHP's cash and cash equivalents amounted to US$ 80 million. Net debt remained relatively stable at US$ 1,163 million.

The Net Debt / LTM EBITDA ratio was 2.10 as of 30 June 2015, well within the Eurobond covenant limit of 3.0.

As a hedge for currency risks, revenue from the export of grain, sunflower and soybean oil, sunflower husks, and chicken meat are denominated in US Dollars, fully covering debt service expenses. Export revenue for the six months period ended 30 June 2015 amounted to US$ 241 million or 44% of total revenue (US$ 233 million or 37% of total sales in H1 2014).

Dividends

On 28 April 2015, the Board of Directors of MHP S.A. approved payment of the interim dividend of USD 0.47429 per share, equivalent to approximately USD 50 million. The Board of Directors approved a payment date of dividends on 14 May 2015 to shareholders of a record on 8 May 2015. The Board of Directors approved that no dividend will be paid on the Company's shares held in treasury.

Change in the group structure

In May 2015 MHP has signed an asset swap agreement with Agrokultura AB, whereby assets of Voronezh Agro Holding where swapped with assets of group of companies Agrokultura Ukraine. The transaction has been completed with effective transfer of control in June 2015. Group of companies Agrokultura Ukraine, entering MHP group, is a grain growing business cultivating a land bank of about 60,000 hectares in Lviv, Ternopil and Ivano-Frankivsk regions of Ukraine, with approximately 90,000 tonnes of grain storage capacities.

Outlook

MHP continues to develop and grow both in poultry and grain growing segments of the business.

The company is gradually growing in poultry segment by building new site at Myronivka and Oril-Leader, which are going to be operational since January 2016. At the same time Phase 2 of the Vinnytsia Project is on track with all project papers ready and pre-construction activities done.

As forecasted at the beginning of the year, our breeding facilities are being gradually expanded, so that in 2016 MHP will become once again self-sufficient in hatching eggs.

In line with our strategy we grow our land bank organically.

Even in this challenging time for Ukraine, we are confident that due to our vertically integrated business model, we will deliver good financial results, supported by significant share of hard currency revenues from our chicken, oil and grain export sales.

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

As of and for the six-month period ended 30 June 2015

CONTENT

MANAGEMENT STATEMENT

To the best of our knowledge, the unaudited interim condensed consolidated financial statements of MHP S.A. (the "Company") and its subsidiaries (collectively the "Group") as of and for the six month period ended 30 June 2015 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" give a true and fair view of the assets, liabilities, financial position and financial performance of the Company and the undertakings included in the consolidation taken as a whole, and the management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

27 August 2015

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

MANAGEMENT REPORT

Key financial highlights

During the six-month period ended 30 June 2015 consolidated revenue decreased by 14% and amounted to USD 550,995 thousand, compared to USD 637,267 thousand for the six-month period ended 30 June 2014. Export sales for the six-month period ended 30 June 2015 constituted 44% of total revenue and amounted to USD 241,129 thousand, compared to USD 233,495 thousand or 37% of total revenue for the six-month period ended 30 June 2014. Overall decrease in revenue is mainly attributable to the UAH depreciation against USD.

Gross profit has decreased by 7% and amounted to USD 245,006 thousand for the six-month period ended 30 June 2015 compared to USD 263,751 thousand for the six-month period ended 30 June 2014. Decrease in gross profit is mostly related to domestic market as a result of UAH depreciation against USD.

Despite decrease in gross profit, operating profit remained relatively flat. A moderate increase of 3% to USD 234,521 thousand for the six-month period ended 30 June 2015 compared to USD 227,457 thousand for the six-month period ended 30 June 2014 is mainly related to decrease in USD equivalent of operating expenses that are fixed in UAH as a result of UAH depreciation against USD.

Net loss from operations for the six-month period ended 30 June 2015 amounted to USD 61,196 thousand including foreign exchange loss of USD 254,489 thousand compared to net loss of USD 269,641 thousand for the six-month period ended 30 June 2014. Unrealized foreign exchange loss is mainly related to bank borrowings and bonds issued in foreign currency as result of UAH depreciation against USD and EUR during the six-month period ended 30 June 2015.

Dividends

On 28 April 2015, the Board of Directors of MHP S.A. approved a payment of the interim dividend. On 14 May 2015 MHP S.A. paid dividend to shareholders in amount of USD 0.47429 per share, equivalent to approximately USD 50,000 thousand.

Bonds settlement

On 29 April 2015, the Group has repaid it's 10.25% Senior Notes due 29 April 2015 in amount of USD 220,000 thousand using syndicated loan facility of International Finance Corporation ("IFC"), a member of World Bank Group, which provided the Company with USD 200,000 thousand (USD 175,000 thousand from IFC and USD 25,000 thousand from ING Bank), and the Company's cash from operations.

Change in group structure

On 8 June 2015, the Group finalized an agreement to swap its grain growing assets of Voronezh Agro Holding (40,000 ha of land; 150,000 tonnes of grain storage capacities) in the Voronezh region of the Russian Federation, with assets of group of companies Agrokultura Ukraine (60,000 ha of land; 90,000 tonnes of grain storage capacities) in Lviv, Ternopil and Ivano-Frankivsk regions of Ukraine.

Transaction is in the line with MHP business strategy, the Company will continue gradually expanding its land bank in Ukraine up to 500,000 ha in the nearest future.

Internal control and risk management

During the six-month period ended 30 June 2015 there were no changes to objectives, policies and processes for risks inherent to the Group. The summary of key risks and their mitigation plans that Group faces are disclosed in the Director's report for the period ended 31 December 2014.

27 August 2015

On behalf of the Board:

Chief Executive Officer	Yuriy Kosyuk
Chief Financial Officer	Viktoria Kapelyushnaya

Deloitte.

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To the Shareholders of
MHP S.A.
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REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of MHP S.A. as of 30 June 2015, and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and explanatory notes ("the Interim Financial Information"). The Board of Directors is responsible for the preparation and fair presentation of this Interim Financial Information in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information does not give a true and fair view of the consolidated financial position of MHP S.A. as at 30 June 2015, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with IAS 34 "Interim Financial Reporting".

Emphasis of matter

We draw your attention to note 13 "Contingencies and contractual commitments" to the imterim financial information, which describes the continuing economic and political crisis in Ukraine. The impact of continuing economic and political crisis in Ukraine and their final resolution are unpredictable and may adversely effect the Ukrainian economy and the operations of the Group. Our conclusion is not qualified in respect of this matter.

For Deloitte Audit, *Cabinet de révision agréé*

John Psaila, *Réviseur d'entreprises agréé*
Partner

27 August 2015

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the six-month period ended 30 June 2015

(in thousands of US dollars, unless otherwise indicated)

	Notes	*Six-month period ended 30 June 2015*	*Six-month period ended 30 June 2014*
Revenue	4	550,995	637,267
Net change in fair value of biological assets and agricultural produce	4, 5	50,025	79,740
Cost of sales		(356,014)	(453,256)
Gross profit		245,006	263,751
Selling, general and administrative expenses		(36,691)	(57,004)
VAT refunds and other government grants income		23,695	35,062
Other operating income/(expenses)		2,511	(14,352)
Operating profit		234,521	227,457
Finance income		656	2,324
Finance costs		(55,161)	(55,194)
Loss on disposal of subsidiaries	3	(4,725)	-
Foreign exchange loss, net	15	(254,489)	(454,355)
Other expenses, net		(1,396)	(3,467)
Other expenses, net		(315,115)	(510,692)
Loss before tax		(80,594)	(283,235)
Income tax benefit	6	19,398	13,594
Loss for the period	5	(61,196)	(269,641)
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss:			
Effect of revaluation of property, plant and equipment	7	104,900	108,553
Deferred tax on property, plant and equipment charged directly to revaluation reserve		(16,334)	(15,606)
Items that may be reclassified to profit or loss:			
Cumulative translation difference		(190,086)	(349,468)
Other comprehensive loss for the period		(101,520)	(256,521)
Total comprehensive loss for the period		(162,716)	(526,162)
(Loss)/income attributable to:			
Equity holders of the Parent		(65,287)	(271,730)
Non-controlling interests		4,091	2,089
		(61,196)	(269,641)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Parent		(163,445)	(533,074)
Non-controlling interests		729	6,912
		(162,716)	(526,162)
Earnings per share			
Basic and diluted loss per share (USD per share)		(0.62)	(2.57)

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 10 to 21 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as of 30 June 2015
(in thousands of US dollars, unless otherwise indicated)

	Notes	30 June 2015	31 December 2014
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,262,742	1,486,681
Land lease rights		44,577	27,236
Deferred tax assets		185	247
Non-current biological assets		27,192	30,313
Long-term bank deposits		4,326	4,848
Other non-current assets		10,188	12,344
		1,349,210	1,561,669
Current assets			
Inventories	8	140,355	203,248
Biological assets	9	309,447	133,254
Agricultural produce	8	65,474	159,655
Other current assets, net		36,433	29,974
Taxes recoverable and prepaid, net		69,762	46,441
Trade accounts receivable, net		45,307	59,619
Cash and cash equivalents		80,489	99,628
		747,267	731,819
TOTAL ASSETS		2,096,477	2,293,488
EQUITY AND LIABILITIES			
Equity			
Share capital		284,505	284,505
Treasury shares		(67,741)	(67,741)
Additional paid-in capital		181,982	181,982
Revaluation reserve		760,360	684,184
Retained earnings		404,310	509,859
Translation reserve		(891,178)	(710,372)
Equity attributable to equity holders of the Parent		672,238	882,417
Non-controlling interests		62,832	63,105
Total equity		735,070	945,522
Non-current liabilities			
Bank borrowings	10	310,889	152,302
Bonds issued	11	726,480	724,522
Finance lease obligations		15,786	22,206
Deferred tax liabilities		15,888	20,671
		1,069,043	919,701
Current liabilities			
Trade accounts payable		32,540	42,821
Other current liabilities		47,667	47,428
Bank borrowings	10	175,726	81,330
Bonds issued	11	-	218,555
Accrued interest		21,863	21,738
Finance lease obligations		14,568	16,393
		292,364	428,265
TOTAL LIABILITIES		1,361,407	1,347,966
TOTAL EQUITY AND LIABILITIES		2,096,477	2,293,488

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 10 to 21 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six-month period ended 30 June 2015
(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 as of 1 January 2015	284,505	(67,741)	181,982	684,184	509,859	(710,372)	882,417	63,105	945,522
(Loss)/Profit for the period	-	-	-	-	(65,287)	-	(65,287)	4,091	(61,196)
Other comprehensive income/(loss)	-	-	-	85,914	-	(184,072)	(98,158)	(3,362)	(101,520)
Total comprehensive income/(loss) for the period	-	-	-	85,914	(65,287)	(184,072)	(163,445)	729	(162,716)
Dividends declared by the Parent *(Note 16)*	-	-	-	-	(50,000)	-	(50,000)	-	(50,000)
Acquisition and changes in subsidiaries *(Note 3)*	-	-	-	(9,738)	9,738	3,266	3,266	(1,002)	2,264
Balance as of 30 June 2015	284,505	(67,741)	181,982	760,360	404,310	(891,178)	672,238	62,832	735,070

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 six-month period ended 30 June 2014
(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 as of 1 January 2014	284,505	(65,393)	181,982	22,869	1,012,826	(241,249)	1,195,540	53,665	1,249,205
(Loss)/Profit for the period	-	-	-	-	(271,730)	-	(271,730)	2,089	(269,641)
Other comprehensive income/(loss)	-	-	-	90,428	-	(351,772)	(261,344)	4,823	(256,521)
Total comprehensive income/(loss) for the period	-	-	-	90,428	(271,730)	(351,772)	(533,074)	6,912	(526,162)
Dividends declared by the Parent	-	-	-	-	(80,000)	-	(80,000)	-	(80,000)
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(77)	(77)
Non-controlling interests acquired	-	-	-	-	-	-	-	148	148
Balance as of 30 June 2014	284,505	(65,393)	181,982	113,297	661,096	(593,021)	582,466	60,648	643,114

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 10 to 21 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2015
(in thousands of US dollars, unless otherwise indicated)

	Notes	Six-month period ended 30 June 2015	Six-month period ended 30 June 2014
Operating activities			
Loss before tax		(80,594)	(283,235)
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortization expense	*4*	35,441	44,140
Net change in fair value of biological assets and agricultural produce	*4, 5*	(50,025)	(79,740)
Change in allowance for irrecoverable amounts and direct write-offs		375	14,306
Gain on disposal of property, plant and equipment and other non-current assets		(138)	(143)
Finance income		(656)	(2,324)
Finance costs		55,161	55,194
Unrealised foreign exchange loss, net	*15*	254,489	454,355
Loss on disposal of subsidiaries	*3*	4,725	-
Other non-cash adjustments to reconcile profit before tax to net cash flows		-	327
Operating cash flows before movements in working capital		218,778	202,880
Working capital adjustments			
Change in inventories	*8*	17,195	72,382
Change in biological assets	*9*	(136,301)	(159,427)
Change in agricultural produce	*8*	47,868	59,110
Change in other current assets		(12,066)	(4,479)
Change in taxes recoverable and prepaid		(35,461)	58,298
Change in trade accounts receivable		6,189	(10,539)
Change in other liabilities		16,420	(2,153)
Change in trade accounts payable		(6,353)	(21,787)
Cash generated by operations		116,269	194,285
Interest received		551	2,050
Interest paid		(51,562)	(53,758)
Income taxes paid		(1,063)	(6,435)
Net cash flows from operating activities		64,195	136,142
Investing activities			
Purchases of property, plant and equipment	*7*	(60,959)	(55,208)
Purchases of other non-current assets		(529)	(5,263)
Purchase of land lease rights		(1,189)	(4,041)
Purchase of subsidiaries	*3*	(2,190)	-
Proceeds from disposals of property, plant and equipment		(359)	293
Purchases of non-current biological assets		(576)	(31)
Withdrawals of short-term deposits		120	-
Loans repaid by/(provided to) employees		(302)	150
Net cash flows used in investing activities		(65,984)	(64,100)
Financing activities			
Proceeds from bank borrowings		390,638	39,496
Repayment of bank borrowings		(116,645)	(56,097)
Repayment of bonds		(219,567)	-
Repayment of finance lease obligations		(8,718)	(10,691)
Dividends paid		(49,996)	(74,285)
Net cash flows from financing activities		(4,288)	(101,577)
Net decrease in cash and cash equivalents		(6,077)	(29,535)
Net foreign exchange difference		(13,062)	(21,348)
Cash and cash equivalents at 1 January		99,628	172,470
Cash and cash equivalents at 30 June		80,489	121,587

The accompanying notes on the pages 10 to 21 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT *(continued)*
for the six-month period ended 30 June 2015
(in thousands of US dollars, unless otherwise indicated)

Non-cash transactions		
Effect of revaluation of property, plant and equipment	104,900	108,553
Additions of property, plant and equipment financed through direct bank-lender payments to the vendor	-	1,569
Additions of property, plant and equipment under finance leases	84	-
Property, plant and equipment purchased for credit	1,342	(439)

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 10 to 21 form an integral part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2015

(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. serves 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 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 including 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 six-month period ended 30 June 2015 the Group employed about 30,600 people (31 December 2014: 30,700 people).

During 2015 the Group has carried out construction of new production facilities at Peremoga Nova chicken farm. The project is aimed to cover the shortage of internal production of hatching eggs due to suspension of production at Shahtarska Nova breeding farm. As of the reporting date, the construction has been accomplished, production of hatchery eggs commenced in June 2015.

The primary subsidiaries, the principal activities of the companies forming the Group and the Parent's effective ownership interest as of 30 June 2015 and 31 December 2014 were as follows:

Name	*Country of registration*	*Year established/ Acquired*	*Principal activities*	*30 June 2015*	*31 December 2014*
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	100.0%	100.0%
Oril-Leader	Ukraine	2003	Chicken farm	99.9%	99.9%
Tavriysky Kombikormovy Zavod	Ukraine	2004	Fodder production	99.9%	99.9%
Myronivska Ptahofabryka	Ukraine	2004	Chicken farm	99.9%	99.9%
Starynska Ptahofabryka	Ukraine	2003	Breeder farm	95.0%	95.0%
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%
NPF Urozhay	Ukraine	2006	Grain cultivation	99.9%	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%
AgroKryazh	Ukraine	2013	Grain cultivation	99.9%	99.9%
Baryshevka	Ukraine	2013	Grain cultivation	51.0%	51.0%
Agro Zakhid MHP[1]	Ukraine	2015	Grain cultivation	100.0%	0.0%
Voronezh Agro Holding[1]	Russian Federation	2013	Grain cultivation	0.0%	100.0%
Scylla Capital Limited	British Virgin Islands	2014	Trading in sunflower oil and poultry meat	100.0%	100.0%

[1] Refer to Note 3 for Changes in the group structure

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2015

(in thousands of US dollars, unless otherwise indicated)

1. Corporate information *(continued)*

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

2. Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2015 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 the results to be expected for the full year.

The 31 December 2014 statement of financial position was derived from the audited consolidated financial statements.

Adoption of new and revised International Financial Reporting Standards

The adoption of the new or revised Standards did not have any effect on the financial position or performance of the Group and did not result in any changes to the Group's accounting policies and the amounts reported in the six-month period ended 30 June 2015 or prior periods.

Functional and presentation currencies

The functional currency of Ukrainian, Cyprus and Luxemburg companies of the Group is the Ukrainian Hryvnia ("UAH"); the functional currency of the Group companies located in the Russian Federation is the Russian Rouble ("RUB"). Transactions in currencies other than the functional currency of the entities concerned 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 reporting date. All realized and unrealized gains and losses arising on exchange differences are recognised 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 30 June 2015*	*Average for six-months ended 30 June 2015*	*Closing rate as of 31 December 2014*	*Average for six-months ended 30 June 2014*	*Closing rate as of 31 December 2013*
UAH/USD	21.0154	21.3649	15.7686	10.2873	7.9930
UAH/EUR	23.5414	23.8303	19.2329	14.1060	11.0415
UAH/RUB	0.3834	0.3764	0.3030	0.2940	0.2450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2015
(in thousands of US dollars, unless otherwise indicated)

2. Basis of preparation 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 2014, except those adopted starting from 1 January 2015 as described previously in this note.

Seasonality of operations

Poultry and related operations as well as other agricultural operations are not significantly exposed to seasonal fluctuations. Grain growing segment, due to seasonality and implications of IAS 41, in the first half of the year mainly reflects sales of carried forward agricultural produce and the effect of biological assets revaluation, while during the second half of the year it reflects sales of crops and the 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 the sowing campaign.

3. Changes in the group structure

Acquisitions

In May 2015 the Group has signed an asset swap agreement with Agrokultura AB, whereby the equity ownership in Voronezh Agro Holding was swapped with the equity ownership in group of companies Agrokultura Ukraine. The transaction has been completed with effective transfer of control in June 2015.

Voronezh Agro Holding, is a grain growing business, cultivating a land bank of about 40,000 hectares in the Voronezh region of the Russian Federation, with approximately 150,000 tonnes of grain storage capacities.

Group of companies Agrokultura Ukraine is a grain growing business cultivating a land bank of about 60,000 hectares in Lviv, Ternopil and Ivano-Frankivsk regions of Ukraine, with approximately 90,000 tonnes of grain storage capacities.

The following table presents the fair value of identifiable assets and liabilities of group of companies Agrokultura Ukraine acquired:

Property, plant and equipment	27,194
Land lease rights	25,663
Other non-current assets less non-current liabilities	(412)
Deferred tax liability	(1,834)
Biological assets	13,977
Current assets less current liabilities	654
Cash and cash equivalents	115
Total consideration received	**65,357**

The following table presents the carrying amount of identifiable assets and liabilities of Voronezh Agro Holding at the date of disposal:

Property, plant and equipment	46,754
Other non-current assets less non-current liabilities	(5)
Biological assets	15,844
Other current assets less current liabilities	2,920
Cash and cash equivalents	2,305
Net assets disposed	**67,818**

The following table presents the net result of the transaction:

Total consideration received	65,357
Net assets disposed	(67,818)
Non-controlling interest disposed	1,002
Cumulative translation reserve in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control in subsidiary	(3,266)
Loss on disposal	**(4,725)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2015
(in thousands of US dollars, unless otherwise indicated)

3. Changes in the group structure *(continued)*

As acquisition of group of companies Agrokultura Ukraine was conducted through exchange of equity interest, only the consideration received has been measured by using acquisition date fair value of equity interest in group of companies Agrokultura Ukraine.

Cumulative exchange loss in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of subsidiary relates to the reclassification of translation difference on consolidation of foreign subsidiaries, previously recognised in other comprehensive loss.

4. Segment information

The following table presents revenue and profit information regarding the Group's operating segments for the six-month period ended 30 June 2015:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	451,918	52,196	46,881		550,995
Sales between business segments	11,081	42,580	910	(54,571)	-
Total revenue	462,999	94,776	47,791	(54,571)	550,995
Segment results	173,622	61,956	4,093	-	239,671
Unallocated corporate expenses					(5,150)
Other expenses, net[1)]					(315,115)
Loss before tax					(80,594)
Other information:					
Depreciation and amortization expense[2)]	32,013	384	2,637	-	35,034
Net change in fair value of biological assets and agricultural produce (Note 5)	20,307	31,139	(1,421)	-	50,025

1) Includes finance income, finance costs, foreign exchange loss (net) and other expenses (net).

2) Depreciation and amortization for the six-month period ended 30 June 2015 does not include unallocated depreciation and amortization in the amount of USD 407 thousand.

The following table presents revenue and profit information regarding the Group's operating segments for the six-month period ended 30 June 2014:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	553,917	18,958	64,392	-	637,267
Sales between business segments	11,347	54,222	971	(66,540)	-
Total revenue	565,264	73,180	65,363	(66,540)	637,267
Segment results	198,184	42,615	7,034	-	247,833
Unallocated corporate expenses					(20,376)
Other expenses, net[1)]					(510,692)
Loss before tax					(283,235)
Other information:					
Depreciation and amortization expense[2)]	39,778	493	2,799	-	43,070
Net change in fair value of biological assets and agricultural produce	37,156	43,343	(759)	-	79,740

1) Includes finance income, finance costs, foreign exchange loss (net) and other expenses (net).

2) Depreciation and amortization for the six-month period ended 30 June 2014 does not include unallocated depreciation and amortization in the amount of USD 1,070 thousand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2015
(in thousands of US dollars, unless otherwise indicated)

5. Loss for the period

The Group's net loss for the six-month period ended 30 June 2015 amounted to USD 61,196 thousand, mainly related to unrealized foreign exchange loss in amount of USD 254,489 mostly attributable to bonds and borrowings denominated in foreign currencies due to UAH depreciation against USD and EUR.

Gross profit decreased by 7%, mainly on domestic market as a result of UAH depreciation against USD, and amounted to USD 245,006 thousand for the six-month period ended 30 June 2015 compared to USD 263,751 thousand for the six-month period ended 30 June 2014.

Operating profit remained relatively flat. A moderate increase of 3% to USD 234,521 thousand for the six-month period ended 30 June 2015 compared to USD 227,457 thousand for the six-month period ended 30 June 2014 is mainly related to decrease in USD equivalent of operating expenses that are fixed in UAH as a result of UAH depreciation against USD.

Net change in fair value reflects IAS 41 adjustment relating to revaluation of crops in fields, poultry stock and other biological assets balances to the fair value as of 30 June 2015**.**

6. Income tax benefit

The Group has recognised income tax benefit in the amount of USD 19,398 thousand mainly as a result of recognition of deferred tax assets arising from tax losses carried forward to the extent of deferred tax liabilities recognised on revaluation of property plant and equipment (Note 7). The effect of recognition of deferred tax liabilities on revaluation of property, plant and equipment was recognised in other comprehensive loss.

7. Property, plant and equipment

During the six-months period ended 30 June 2015 the Group engaged independent appraiser to determine fair value of its vehicles, production and agricultural machinery. The valuation, which conformed to the International Valuation Standards, was determined using market comparable approach adjusted based on age and condition of vehicles and machinery or for items of specialized nature using the replacement cost method. The excess of fair value over carrying value in the amount of USD 104,900 thousand was recognised in revaluation reserve.

During the six-month period ended 30 June 2015, the Group's additions to property, plant and equipment amounted to USD 58,704 thousand (six-month period ended 30 June 2014: USD 64,771 thousand).

There were no significant disposals of property, plant and equipment during the six-month period ended 30 June 2015.

8. Inventories and agricultural produce

Decrease in inventory and agricultural produce balances as of 30 June 2015 compared to 31 December 2014 is mostly attributable to translation difference owing to depreciation of UAH against USD. Changes of inventory balance apart from consumption of purchased grain stock have also occurred because as of 31 December 2014 expenses incurred in cultivating of fields which had to be planted in spring 2015 were capitalised in work in progress balance. As of 30 June 2015 those expenses were classified as crops in fields within biological assets, as the plants were already sown.

Change in agricultural produce is mainly attributable to internal consumption of grain stock harvested in 2014, as well as UAH devaluation.

9. Biological assets

Increase in current biological assets as compared to 31 December 2014 is primarily related to crops in fields balance. The increase in crops in fields balance mainly relates to spring crops seeded in the first half of 2015 classified as biological assets as well as due to IAS 41 revaluation adjustment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2015
(in thousands of US dollars, unless otherwise indicated)

10. Bank borrowings

The following table summarizes bank borrowings and credit lines outstanding as of 30 June 2015 and 31 December 2014:

		30 June 2015		31 December 2014	
Bank	*Currency*	*WAIR [1]*	*USD' 000*	*WAIR [1]*	*USD' 000*
Non-current					
Foreign banks	USD	7.11%	251,403	5.83%	71,535
Foreign banks	EUR	1.59%	59,486	1.72%	80,767
			310,889		152,302
Current					
Ukrainian banks	USD	6.46%	53,500	-	-
Foreign banks	USD	5.96%	50,000	5.98%	10,000
Ukrainian banks	UAH	-	-	14.25%	6,976
Current portion of long-term bank borrowings			72,226		64,354
			175,726		81,330
Total bank borrowings			486,615		233,632

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

As of 30 June 2015 and 31 December 2014 accrued interest on bank borrowings were USD 6,843 thousand and USD 2,918 thousand, respectively.

The Group's 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.

All bank loans and credit lines held by the Group as of 30 June 2015 and 31 December 2014 bear the floating interest rates.

Bank borrowings and credit lines outstanding as of 30 June 2015 and 31 December 2014 were repayable as follows:

	30 June 2015	*31 December 2014*
Within one year	175,726	81,330
In the second year	108,629	64,243
In the third to fifth year inclusive	200,676	84,598
After five years	1,584	3,461
	486,615	233,632

As of 30 June 2015, the Group had available undrawn facilities of USD 72,375 thousand (31 December 2014: USD 421,892 thousand). These undrawn facilities expire during the period from September 2015 until July 2020.

As of 30 June 2015, the Group had borrowings of USD 50,000 thousand (31 December 2014: USD 10,000 thousand) that were secured. These borrowings were secured by inventories with a carrying amount of USD 62,500 thousand (31 December 2014: USD 12,500 thousand).

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 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 property to be used as collateral.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2015
(in thousands of US dollars, unless otherwise indicated)

11. Bonds issued

Bonds issued and outstanding as of 30 June 2015 and 31 December 2014 were as follows:

	30 June 2015	*31 December 2014*
8.25% Senior Notes due in 2020	750,000	750,000
10.25% Senior Notes due in 2015	-	219,567
Unamortized premium on bonds issued	-	760
Unamortized debt issue cost	(23,520)	(27,250)
	726,480	943,077
Less:		
Current portion of bonds issued	-	(218,555)
Total long-term portion of bonds issued	726,480	724,522

As of 30 June 2015 and 31 December 2014 amount of accrued interest on bonds issued was USD 15,008 thousand and USD 18,820 thousand, respectively.

8.25% Senior Notes

On 8 April 2013, MHP S.A. issued USD 750,000 thousand 8.25% Senior Notes due in 2020 at an issue price of 100% of the principal amount. USD 350,000 thousand out of issued USD 750,000 thousand 8.25% Senior Notes were used to early redemption and exchange of its existed 10.25% Senior Notes due in 2015.

Early redemption of 10.25% Senior Notes due in 2015 out of issue of 8.25% Senior Notes due in 2020 placed with the same holders and the change in the net present value of the future cash flows was less than 10% is accounted as exchange and all the related expenses, including consent fees, were capitalized and will be amortized over the maturity period of the 8.25% Senior Notes due in 2020 in the amount of USD 28,293 thousand.

Other related expenses, including consent fees, in the amount of USD 16,515 thousand were expensed as incurred.

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, Agrofort, NPF Urozhay, Vinnytska Ptahofabryka, Raftan Holding Limited, Scylla Capital Limited.

10.25% Senior Notes

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 the principal amount.

In addition, 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.

Interest on 8.25% Senior Notes and 10.25% Senior Notes is payable semi-annually in arrears. Save for exceptions provided for in the Indenture, 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 the Indenture, 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 which constitutes Event of Default under the Indenture, 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2015

(in thousands of US dollars, unless otherwise indicated)

11. Bonds issued *(continued)*

On 29 April 2015, the Group has repaid it's 10.25% Senior Notes due 29 April 2015 in amount of USD 220,000 thousand using syndicated loan facility of IFC, a member of World Bank Group, which provided the Group with USD 200,000 thousand (USD 175,000 thousand from IFC and USD 25 million from ING Bank), and the Company's cash from operations.

During the reporting periods ended 30 June 2015 and 31 December 2014 the Group has complied with all covenants defined by indebtedness agreement.

The weighted average effective interest rate on the Senior Notes is 9.75% per annum and 9.92% per annum for the six-months ended 30 June 2015 and 2014, respectively.

12. 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.

Transactions with related parties during the six-month periods ended 30 June 2015 and 2014 were as follows:

	2015	*2014*
Sales of goods to related parties	161	111
Sales of services to related parties	-	13
Purchases from related parties	28	5

The balances owed to and due from related parties were as follows as of 30 June 2015 and 31 December 2014:

	30 June 2015	*31 December 2014*
Trade accounts receivable	156	213
Payables due to related parties	21	5
Advances and finance aid	1,333	1,761

Compensation of key management personnel

Total compensation of the Group's key management personnel (including compensation to Mr. Yuriy Kosyuk), which consists of contractual salary and performance bonuses amounted to USD 4,717 thousand and USD 3,864 thousand for the six-month periods ended 30 June 2015 and 2014, respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2015

(in thousands of US dollars, unless otherwise indicated)

13. Contingencies and contractual commitments

Operating environment

In 2014, Ukraine has been in a political and economic turmoil. Crimea, an autonomous republic of Ukraine, was effectively annexed by the Russian Federation. Political unrest and separatist movements in Eastern Ukraine evolved into armed conflict in certain parts of Luhansk and Donetsk regions effectively resulting in a loss of control over these territories by the Government of Ukraine.

Economic recession has led to a significant fall in a gross domestic product, decline of international trade, deterioration of the state's finances and significant devaluation of the Ukrainian Hryvnia against major foreign currencies. The ratings of Ukrainian sovereign debt have been downgraded by major international rating agencies. These factors have had a negative effect on the Ukrainian companies and banks hampering their ability to obtain funding from domestic and international financial markets. Ukraine has a large external debt refinancing requirement in the next few years.

The National Bank of Ukraine ("NBU") introduced a range of measures aimed at limiting the outflow of foreign currencies from the country, inter alia, a mandatory sale of 75% of foreign currency earnings, certain restrictions on purchases of foreign currencies on the interbank market and on usage of foreign currencies for settlement purposes, limitations on remittances abroad, as well as limitations for individuals for foreign currency purchases and bank withdrawals. Such measures are aimed to decrease capital outflows and do not have significant adverse impact on day to day business activities. In addition, the Government of Ukraine has been taking efforts in attracting significant external financing, primarily from the International Monetary Fund, as well as negotiating terms and conditions with external creditors as to the curtailing and restructuring the terms of repayment of the principal amount of external debt.

Stabilization of the economic and political situation depends, to a large extent, upon success of the Ukrainian Government's and NBU activities, yet further economic and political developments, as well as the impact of these factors on the Group, its customers and contractors are currently difficult to predict.

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 Ukrainian laws and regulations can lead to the imposition of severe penalties and fines. Future tax examinations could raise issues or assessments which are contrary to the Group companies' tax filings. Such assessments could include taxes, penalties and fines, 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 the 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 30 June 2015, Group companies had ongoing litigations with the tax authorities related to disallowance of certain amounts of VAT refunds and deductible expenses 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 30 June 2015 amounted to USD 11,418 thousand (31 December 2014: USD 21,969 thousand). Out of this amount, USD 8,635 thousand (31 December 2014: USD 17,250 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 the management believes that possible exposure relating to these court cases amounts to approximately USD 2,783 thousand as of 30 June 2015 (31 December 2014: USD 2,919 thousand).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2015

(in thousands of US dollars, unless otherwise indicated)

13. Contingencies and contractual commitments (continued)

Contractual commitments on purchase of property, plant and equipment

During the six-month period ended 30 June 2015, 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 30 June 2015, purchase commitments on such contracts were primarily related to construction of new facilities at poultry rearing farms and amounted to USD 17,816 thousand (31 December 2014: USD 9,844 thousand).

14. Fair value of financial instruments

Fair value disclosures in respect of financial instruments are made in accordance with the requirements of International Financial Reporting Standards 7 "Financial Instruments: Disclosure" and 13 "Fair value measurement". Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. As no readily available market exists for a large part of the Group's financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. The estimates presented herein are not necessarily indicative of the amounts the Group could realize in a market exchange from the sale of its full holdings of a particular instrument.

The fair value is estimated to be the same as the carrying value for cash and cash equivalents, short-term bank deposits, trade accounts receivables, and trade accounts payable due to the short-term nature of the financial instruments.

Set out below is the comparison by category of carrying amounts and fair values of all the Group's financial instruments, excluding those discussed above, that are carried in the consolidated statement of financial position:

	Carrying amount		*Fair value*	
	30 June 2015	*31 December 2014*	*30 June 2015*	*31 December 2014*
Financial liabilities				
Bank borrowings *(Note 10)*	493,458	236,550	477,877	233,419
Senior Notes due in 2015 *(Note11)*	-	222,250	-	222,442
Senior Notes due in 2020 *(Note 11)*	741,488	739,647	606,098	503,625
Finance lease obligations	30,354	38,599	30,274	38,399

The carrying amount of Bank borrowings and Senior Notes issued includes interest accrued at each of the respective dates.

The fair value of bank borrowings and finance lease obligations was estimated by discounting the expected future cash outflows by a market rate of interest for bank borrowings: 7.9% (2014: 6.0%) and for finance lease obligations of 7.5% (2014: 7.5%), and is within Level 2 of the fair value hierarchy.

The fair value of Senior Notes was estimated based on market quotations and is within Level 1 of the fair value hierarchy.

15. Risk management policy

During the six-month period ended 30 June 2015 there were no changes to objectives, policies and processes for credit risk, capital risk, liquidity risk, currency risk, interest rate risk, livestock diseases risk and commodity price and procurement risk managing.

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, Group management sets limits on the level of exposure to foreign currency fluctuations.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2015

(in thousands of US dollars, unless otherwise indicated)

15. Risk management policy *(continued)*

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities as of 30 June 2015 and 31 December 2014 were as follows:

	30 June 2015		*31 December 2014*	
	USD	*EUR*	*USD*	*EUR*
Total assets	65,349	11,041	110,988	5,613
Total liabilities	(1,193,593)	(105,388)	(1,103,984)	(133,719)
Net position	(1,128,244)	(94,347)	(992,996)	(128,106)

The table below details the Group's sensitivity to strengthening of the Ukrainian Hryvnia against USD and EUR. This sensitivity range 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	*Gain/(Loss)*
six-month period ended 30 June 2015		
Increase in USD exchange rate	10%	(112,824)
Increase in EUR exchange rate	10%	(9,435)
Decrease in USD exchange rate	5%	56,412
Decrease in EUR exchange rate	5%	4,717
six-month period ended 30 June 2014		
Increase in USD exchange rate	10%	(112,732)
Increase in EUR exchange rate	10%	(16,335)
Decrease in USD exchange rate	5%	56,366
Decrease in EUR exchange rate	5%	8,168

The effect of foreign currency sensitivity on shareholders' equity is included in the statement of comprehensive income. There are no hedging activities in the other comprehensive income, so the statement of comprehensive income and the statement of changes in equity impacts are the same.

During the six-month period ended 30 June 2015, EUR and USD has appreciated against the Ukrainian Hryvnia by 22.4% and 33.3%, respectively (six-month period ended 30 June 2014: EUR and USD appreciated by 45.7% and 47.9% relative to UAH, respectively). As a result, during the six-month period ended 30 June 2015 the Group recognised net foreign exchange loss in the amount of USD 254,489 thousand (six-month period ended 30 June 2014: foreign exchange loss in the amount of USD 454,355 thousand) in the consolidated statement of comprehensive income.

16. Dividends

On 28 April 2015, the Board of Directors of MHP S.A. approved payment of the interim dividend. On 14 May 2015 MHP paid dividend to shareholders in amount of USD 0.47429 per share, equivalent to approximately USD 50,000 thousand.

17. 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 27 August 2015.