PRESS RELEASE

August 29, 2012, Kyiv, Ukraine

MHP S.A.

Unaudited Financial Results for the Second Quarter

and Six Months Ended 30 June 2012

MHP S.A. ("MHP" or the "Company", LSE ticker: "MHPC"), one of the leading agro-industrial companies in Ukraine, focusing on the production of poultry and the cultivation of grain, today announces its unaudited results for the second quarter and the six months ended 30 June 2012.

Operational highlights

Poultry and related operations

- During the first half of the year all the Company's chicken production facilities continued to operate at full capacity.
- Consumer demand for chicken remained high and the Company was able to sell close to 100% of the chicken meat produced.
- The Company's share of industrially produced chicken in Ukraine in H1 2012 remained around 50%.
- The volume of chicken meat sales to external customers in H1 2012 year-on-year remained unchanged and constituted 181,600 tonnes due to the stable utilization of all existing capacities.
- Due to the favorable market environment in Ukraine and seasonal trend, the average chicken meat price in Q2 2012 increased by 4% compared to Q1 2012. At the same time the average price in the second quarter of 2012 increased by 25% to UAH 17.48 per kg of adjusted weight (excluding VAT) when compared to second quarter of 2011. As a result of a stable and strong poultry prices during the first two quarters of 2012, the difference between H1 2011 and H1 2012 chicken meat prices constituted 28%, which is an increase from UAH 13.44 per kg to UAH 17.14 per kg.
- In H1 2012, 94,749 tonnes of sunflower oil were sold at an average price of US$ 1,109 per tonne, which was 15% lower in price compared to H1 2011 (US$ 1,303 per tonne) in line with world market price trends.
- During the second quarter of 2012 the volume of exported chicken meat sales continued the growing dynamics of previous quarters, exploring new business opportunities in the countries of Africa. This resulted in around 30% growth in H1 2012 compared to the same period last year, to almost 20,000 tonnes of frozen chicken export.

Grain growing

- In 2012 the Company expects to harvest around 250,000 hectares of land in grain growing operations and to cultivate around 30,000 hectares of land in other agricultural operations. Total land bank in 2012 remains relatively stable at around 280,000 hectares.
- Despite concerns over weather conditions and significantly lower results across all early crops in Ukraine (wheat, barley, rapeseeds) and taking into account the challenging situation with harvest in the USA and Russia, our yields of early crops are good and significantly higher than Ukraine's average, due to our operational efficiency and employment of best practice.
- MHP's current yields of wheat (5.4 tonnes per hectare) and rape (3.4 tonnes per hectare) are close to twice Ukraine's average.
- The Company benefits from high world prices for early crops as well as for corn.

Other agriculture

- Sausage and cooked meat production volumes decreased from 17,300 tonnes in H1 2011 to 16,510 tonnes in H1 2012 due to the continuous product mix optimization.
- The Company's market share of Ukraine's sausage and cooked meat products in Ukraine was around 10%.

Vinnytsia – new green field expansion project

- Construction of most sites has been completed, and equipment is being installed. Production of Phase 1 is expected to be launched by the end of 2012 and reach its full capacity of 220,000 tonnes of poultry per annum in 2015.

Treasury Shares

During the reporting period MHP has purchased 2,480,000 Global depository receipts ("GDR") with one GDR representing an interest in one ordinary share ("Share") at an average price per GDR of US$11.07, through the share buy-back programme. The number of repurchased GDRs constitutes approximately 2.3% of the Company's issued and outstanding shares.

Financial highlights

Q2 2012 highlights

- Revenue increased by 27% to US$ 357 million (Q2 2011: US$ 281 million).
- EBITDA increased by 45% to US$ 147 million (Q2 2011: US$ 101 million).
- EBITDA margin increased to 41% in Q2 2012 from 36% in Q2 2011, and significantly increased from 28% in Q1 2012.
- Net income increased by 83% to US$ 122 million (Q2 2011: US$ 67 million) mainly in line with EBITDA growth, and positively affected by foreign-exchange gains.

H1 2012 highlights

- Revenue increased by 24% to US$ 654 million (H1 2011: US$ 527 million).
- EBITDA increased by 46% to US$ 231 million (H1 2011: US$ 158 million)
- EBITDA margin increased to 35% (H1 2011: 30%).
- Net income increased by 97% to US$ 170 million (H1 2011: US$ 86 million) mainly in line with EBITDA growth.

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

“The Company has continued to perform strongly in results and operations in the first half of 2012. Poultry prices growth in H1 2012 was strong, as previously forecasted. As a result, we have delivered robust revenues and EBITDA growth in the poultry business segment, which greatly contributed to the Company’s overall profitability.

Our expectations regarding results in the grain growing segment are favorable despite weather challenges during the second quarter of 2012. With regard to the early crops, MHP experienced a good harvest with good yields, which again are substantially stronger than Ukraine’s average. World grain prices this year are very strong, driven mostly by trends on US market, which guarantees us good performance of our grain growing segment for the full year.

As I promised to our shareholders, since June 2012 we have started trial production at Vinnytsia project testing equipment, processes and resources.

Looking ahead, the quality of our products continues to attract consumers, and demand remains high. We are discovering new export markets, and building strong relationships with new partners. We are therefore confident that we will continue to expand in line with our strategy and to produce strong financial results.”

- end -

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

Date:	Wednesday, 29 August 2012
Time:	09.00 New York / 14.00 London / 16.00 Kyiv / 17.00 Moscow
Title:	MHP – Q2 and H1 2012 Financial Results
International/UK Dial in:	+44 (0) 1452 561 488
USA free call:	+1 877 328 4999
Russia free call	8108 002 434 2044
Conference ID	**21230128**

A live webcast of the presentation will be available at:
https://webconnect.webex.com/webconnect/onstage/g.php?t=a&d=664326734

Alternative URL:
https://webconnect.webex.com/
Click on “Unlisted Events”

Event number: 664 326 734
Event password: N/A

Financial overview

		Q2 2012	Q2 2011	% change*	H1 2012	H1 2011	% change*
Revenue	US$, m	**357**	**281**	**27%**	**654**	**527**	**24%**
IAS 41 standard gains	US$, m	30	26	15%	13	18	-29%
Gross profit	US$, m	**144**	**100**	**44%**	**223**	**156**	**42%**
Gross margin	*%*	40%	36%	4pps	34%	30%	4pps
Operating profit	US$, m	**129**	**87**	**49%**	**196**	**129**	**52%**
Operating margin	*%*	36%	31%	5pps	30%	24%	6pps
EBITDA	US$, m	**147**	**101**	**45%**	**231**	**158**	**46%**
EBITDA margin	*%*	41%	36%	5pps	35%	30%	5pps
Net income	US$, m	**122**	**67**	**83%**	**170**	**86**	**97%**
Net income margin	*%*	34%	24%	10pps	26%	16%	10pps

** pps – percentage points*

Q2 2012 Consolidated Financial Results

Consolidated revenue totaled US$ 357 million, which is 27% greater compared to US$ 281 million in Q2 2011, driven by growth of chicken price, sunflower oil sales volumes, and grain sales volumes. Export sales comprised 31% of total revenue in Q2 2012.

EBITDA increased by 45% to US$ 147 million (Q2 2011: US$ 101 million), with EBITDA margin rising from 36% to 41%, both driven by higher chicken meat prices.

Net income from continuing operations reached US$ 122 million, which is 83% more than US$ 67 million in Q2 2011 mainly in line with EBITDA growth and positively affected by non-cash foreign-exchange gains. Net margin increased from 24% to 34%.

H1 2012 Consolidated Financial Results

Consolidated financial results showed similar dynamics in H1 2012 as in Q2 2012. Revenue increased by 24% to US$ 654 million (H1 2011: US$ 527 million). The reasons for the increase in revenue are the same as for Q2 2012: growth of chicken price and higher grain volumes sold. Export sales constituted 31% of total revenue in H1 2012.

EBITDA increased by 46% to US$ 231 million (H1 2011: US$ 158 million), EBITDA margin went up to 35% (H1 2011: 30%).

Net income recorded US$ 170 million, almost double the same period in 2011 (H1 2011: US$ 86 million). Net margin increased from 16% to 26%.

Poultry and related operations

		Q2 2012	Q2 2011	% change	H1 2012	H1 2011	% change
Revenue	US$, m	**283**	**237**	**19%**	**523**	**446**	**17%**
- Poultry and other	US$, m	227	187	21%	418	336	25%
- Sunflower oil	US$, m	56	50	11%	105	110	-5%
IAS 41 standard gains	US$, m	**3**	**1**	**145%**	**4**	**6**	**-26%**
Gross profit	US$, m	**101**	**59**	**73%**	**179**	**112**	**60%**
Gross margin	*%*	36%	25%	11pps	34%	25%	9pps
EBITDA	US$, m	**107**	**64**	**67%**	**193**	**121**	**60%**
EBITDA margin	*%*	38%	27%	11pps	37%	27%	10pps
EBITDA per 1 kg	*US$*	1,11	0,66	69%	1,06	0,67	60%

** pps – percentage points*

Q2 2012 Poultry and related operations segment financial results

Poultry	Q2 2012	Q2 2011	% change	H1 2012	H1 2011	% change
Sales volume, third parties tonnes	96,560	97,800	*-1%*	181,600	182,100	*0%*
Price per 1 kg net VAT, UAH	17.48	13.97	*25%*	17.14	13.44	*28%*
Sunflower oil						
Sales volume, third parties tonnes	49,191	38,600	27%	94,749	84,500	12%
Price per 1 tonne net VAT, US$	1,131	1,301	-13%	1,109	1,303	-15%

In Q2 2012, chicken meat sales volumes to external consumers on an adjusted-weight basis remained almost at the same level of 96,560 tonnes (Q2 2011: 97,800 tonnes) as soon as all MHP's existing poultry production facilities continued to operate at full capacity.

The average chicken meat sales price increased by 25% to UAH 17.48 per kg (Q2 2011: UAH 13.97 per kg). Sunflower oil prices had the opposite dynamics in Q2 2012 in line with world trends. Sunflower oil was sold for export at an average price of US$ 1,131 per tonne, which is 13% less than in Q2 2011.

The poultry segment revenue increased by 19% to US$ 283 million (Q2 2011: US$ 237 million) mainly as a consequence of growth of chicken price resulted in US$ 43 million surplus in revenue.

Consequently, gross profit rose by 73% to US$ 101 million (Q2 2011: US$ 59 million), and gross profit margin increased from 25% in Q2 2011 to 36% in Q2 2012.

Segment's EBITDA totaled US$ 107 million, reflecting 67% growth compared to the same period in 2011. In line with gross profit margin dynamic, EBITDA margin increased from 27% to 38%.

H1 2012 Poultry and related operations segment financial results

Chicken meat sales volumes to third parties on an adjusted-weight basis in H1 2012 remained almost at the same level of 181,600 tonnes compared to 182,100 tonnes in H1 2011. The average chicken meat sales price increased by 28% to UAH 17.14 per kg (H1 2011: UAH 13.44 per kg). Average sunflower oil prices decreased by 15% to US$ 1,109 per tonne (H1 2011: US$ 1,303 per tonne).

Strong growth of poultry price stimulated increase in segment's revenue by 17% to US$ 523 million from US$ 446 million in H1 2011.

Year-on-year poultry production costs in H1 2012 increased slightly mainly driven by higher gas and utilities prices. Thus, gross profit totaled US$ 179 million, which is 60% higher than in H1 2011, and gross profit margin increased from 25% in H1 2011 to 34% in H1 2012.

During the first half of 2012 poultry segment's EBITDA increased by 60% to US$ 193 million (H1 2011: US$ 121 million). EBITDA margin reached 37% in comparison to 27% in H1 2011 as a consequence of strong dynamic in chicken meat prices during the period.

Grain growing operations

		Q2 2012	Q2 2011	% change	H1 2012	H1 2011	% change
Revenue	US$, m	**33**	**9**	**257%**	**57**	**16**	**262%**
IAS 41 standard gains	US$, m	**28**	**26**	**10%**	**11**	**15**	**-27%**
Gross profit	US$, m	**39**	**38**	**3%**	**39**	**39**	**-**
EBITDA	US$, m	**42**	**39**	**9%**	**42**	**39**	**8%**

The Company's grain growing segment revenue in H1 2012 was generated by the sale of 198,000 tonnes of corn at an average price of US$ 230 per tonne, 35,000 tonnes of wheat at an average price of US$ 184 per tonne, and 17,000 tonnes of soybeans at an average price of US$ 435 per tonne. Consequently, segment's revenue reached US$ 57 million in H1 2012, which is more than three times H1 2011.

Segment's EBITDA totaled US$ 42 million, almost all generated in Q2 2012. Due to the harvest cycle, there is a significant seasonality in this division, therefore financial results of the segment are weighted towards the second half of the year.

In 2012 MHP is forecasted to harvest around 250,000 hectares in grain growing operations, the same as in 2011, and to cultivate around 30,000 hectares in other agricultural operations. The harvesting campaign of early crops is successfully finished. Current yields of wheat (5.4 tonnes per hectare) and rapeseeds (3.4 tonnes per hectare) are close to twice Ukraine's average. Despite weather challenges during the second quarter of 2012, MHP expects to receive good yields across all crops and taking into account current market conditions, we expect annual results in this business segment to be strong.

Other agricultural operations

		Q2 2012	Q2 2011	% change	H1 2012	H1 2011	% change
Revenue	US$, m	**41**	**34**	**20%**	**74**	**66**	**12%**
- Meat processing	US$, m	27	25	8%	48	45	9%
- Other	US$, m	15	10	52%	26	21	20%
IAS 41 standard gains	US$, m	**-1**	**-1**	**-**	**-2**	**-2**	**-**
Gross profit	US$, m	**3**	**3**	**-9%**	**5**	**6**	**-20%**
Gross margin	*%*	7%	10%	(3pps)	7%	9%	(2pps)
EBITDA	US$, m	**5**	**4**	**14%**	**7**	**8**	**-7%**
EBITDA margin	*%*	11%	12%	(1pps)	10%	12%	(2pps)

** pps – percentage points*

Meat processing products	**Q2 2012**	**Q2 2011**	% change	**H1 2012**	**H1 2011**	% change
Sales volume, third parties tonnes	9,010	9,400	*-4%*	16,510	17,300	-5%
Price per 1 kg net VAT, UAH	22.07	19.50	*13%*	21.83	18.91	15%

In Q2 2012 sales volumes of sausage and cooked meat products decreased by 4% to 9,010 tonnes compared to 9,400 in Q2 2011. Due to MHP's product mix optimization during the first half of 2012, the sales volume of meat processing products fell by 5% year-on-year to 16,510 tonnes. However, the market share of MHP remained stable at about 10% of the Ukrainian meat processing market.

The average sausage and cooked meat prices increased by 13% in Q2 2012 (UAH 22.07 per kg in Q2 2012 compared to UAH 19.50 per kg in Q2 2011) and by 15% in H1 2012 (UAH 21.83 per kg in H1 2012 compared to UAH 18.91 per kg in H1 2011).

The segment's revenue in Q2 2012 increased by 20% to US$ 41 million compared to US$ 34 million in Q2 2011 due to growth of meat processing products average price as well as fruit sales. In H1 2012 the revenue of other agricultural operations segment totaled US$74 million, 12% more than in H1 2011.

The gross profit of the segment totaled US$ 3 million in Q2 2012 (Q2 2011: US$ 3 million) and US$ 5 million in H1 2012 (H1 2011: US$ 6 million). The segment's EBITDA increased by 14% to US$ 5 million in Q2 2012 compared to the same period of 2011 and decreased by 7% year-on-year to US$ 7 million in H1 2012 (H1 2011: US$ 8 million). EBITDA margin decreased slightly to 11% in Q2 2012 and to 10% in H1 2012.

Current Group financial position, cash flow and liquidity

Cash Flows US$, m	Q2 2012	Q2 2011	H1 2012	H1 2011
Cash from operations	**84**	**40**	**187**	**103**
Change in working capital	(12)	(2)	(60)	(28)
Net Cash from operating activities	**72**	**38**	**127**	**75**
Cash from investing activities	(73)	(59)	(137)	(106)
Non-cash investments	(42)	(22)	(80)	(32)
CAPEX	**(115)**	**(81)**	**(217)**	**(138)**
Cash from financing activities	*(35)*	*(14)*	*(12)*	*(59)*
incl. Treasury shares acquisition	-	-	*(28)*	-
Non-cash financing	*42*	*22*	*80*	*32*
Deposits	-	52	2	119
Total financial activities	**7**	**60**	**70**	**92**
Total change in cash	**(36)**	**17**	**(20)**	**29**

Cash flow from operations before changes in working capital increased greatly to US$ 186 million in H1 2012 (H1 2011: US$ 103) in line with EBITDA growth.

The total increase in working capital was US$ 58 million in H1 2012. The main contributors to the change in working capital were grains in fields and an increase in VAT tax recoverable increase related to the intensive CAPEX program.

In H1 2012 total CAPEX of US$ 217 million was mostly related to the Vinnytsia project. Since the start of the construction in May 2010, approximately US$ 545 million has been invested into the project.

During the six-month period ended 30 June 2012, the Group repurchased, under the share buy-back program, additional 2,480,000 of its outstanding ordinary shares for the total cash consideration of USD 27,504 thousand.

Vinnytsia – new green field project

Construction work at the Vinnytsia sites is running to schedule and on budget. Significant progress has been already achieved across all facilities of the complex. All equipment required for Phase 1 is already contracted and is being dispatched. Since June 2012 testing of production sites has neeb underway. By the end of 2012 the Vinnytsia complex is planned to be launched in industrial production.

Poultry Farm

- Construction of hatchery is complete and launched into operations.
- First 7 brigades (chicken rearing zones) with 38 chicken houses in each are almost complete; next 5 brigades are under construction.
- Construction of the slaughter house for Phase 1 (220,000 tonnes of poultry per annum) is complete, equipment is being installed.

Fodder Plant and Grain Storage Facilities

- Construction of Sunflower Crushing Plant and Fodder Plant is 90% complete; equipment is by 50% installed.

Infrastructure and Social Responsibility

- Construction of two independent electric power substations, external transmission network and gas supply is complete
- Construction of external water supply (60 km) is 90% complete
- Water purifying station of 15,000 m^3 capacity is complete
- As a part of the facility, MHP will be constructing 45 km of new roads (over 90% complete)
- 200 new residential apartments, a hostel with a capacity for 800 people and a kindergarten with a capacity for 260 children

MHP has set up a section on its website dedicated to Project Vinnystia where regular updates are provided, as well as photographs documenting the stages of the project: http://www.mhp.com.ua/en/node/1082/.

Debt Structure

Debt	30.06.2012	31.03.2012	31.12.2011
Total Debt US$, m	**990**	**965**	**898**
Cash and bank deposits	(75)	(111)	(97)
Net Debt	**915**	**854**	**801**
LTM EBITDA	474	429	401
Net Debt /LTM EBITDA	*1.93*	*2.00*	*2.00*

As of June 30, 2012, the Company's total debt was US$ 990 million, most of which was denominated in US dollars. The average weighted cost of debt was below 9%. Approximately 60% of the Company's total debt is the Eurobond that matures in April 2015.

At the end of H1 2012, MHP's cash and short-term bank deposits comprised US$ 75 million. Net debt rose from US$ 854 million at the end of Q1 2012 to US$ 915 million at the end of Q2 2012. Despite the net debt growth, the Net Debt/EBITDA ratio at the end of the period decreased to 1.93 (Eurobond covenant: 2.5), as a consequence of 10% LTM EBITDA growth.

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. The export revenue from sales of sunflower oil, grain, chicken meat, sunflower husk and other constituted US$ 201 million in H1 2012, which is by 43% more than in H1 2011.

Outlook

Consumer demand for poultry meat remains strong and current chicken prices are around 8% higher compared to the same period of the previous year.

Taking into account the increase in world grain prices and quite strong MHP harvest across all crops, this year the Company expects to receive good profitability in its grain division.

We continue to optimize the product mix of sausages and cooked meat producing a wider range of value-added products at our meat processing plants.

By the end of 2012 MHP is schedule to launch the Vinnytsia complex in industrial production.

As usual the Company expects to continue to deliver strong financial results, implement our strategy and cement our position as one of the leading agro-industrial companies in Ukraine and the region.

- 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 six-month period ended 30 June 2012

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MANAGEMENT STATEMENT

To the best of our knowledge, the unaudited consolidated interim financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole, and the management report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

27 August 2012

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 2012 consolidated revenue increased by 24% to USD 654,471 thousand compared to USD 527,380 thousand for the six-month period ended 30 June 2011. The main driver of increase in revenue was a substantial growth of chicken meat prices, while the additional drivers were higher grain prices and volumes sold. Export sales constituted 31% of total revenue for six-month period ended 30 June 2012.

Operating profit constituted USD 195,938 thousand, which is by 52% more than for the six-month period ended 30 June 2011. Operating profit margin increased from 24% for the six-month period ended 30 June 2011 to 30% for the six-month period ended 30 June 2012 as a consequence of chicken meat prices growth.

Net income from operations rose by 97% to USD 170,157 thousand (six-month period ended 30 June 2011: USD 86,311 thousand), net margin grew from 16% to 26%.

Segment results

Poultry and related operations

During the six-month period ended 30 June 2012 all the Company’s chicken meat production facilities continued to operate at full capacity produced around 50% of total industrially produced chicken meat in Ukraine.

Due to high consumer demand for chicken meat the Company was able to sell close to 100% of the chicken meat produced which comprised approximately 181,600 tonnes, at average chicken meat price 28% higher, than for the six-month period ended 30 June 2011.

Grain growing

In 2012 the Company is to harvest around 250,000 hectares of land in grain growing operations and to cultivate around 30,000 hectares of land in other agricultural operations. Total land bank in 2012 remains relatively stable at around 280,000 hectares.

Despite concerns over weather conditions and significantly lower results across all early crops (wheat, barley, rapeseeds etc.) in Ukraine and taking into account challenging situation with harvest in the USA and Russia, our yields of early crops are good and significantly higher than Ukraine’s average, due to our operational efficiency and employment of best practice. Company’s current yields of wheat (5.4 tonnes per hectare) and rape (3.4 tonnes per hectare) are close to twice Ukraine’s average.

Other agriculture

During the six-month period ended 30 June 2012 production volume of sausage and cooked meat decreased to 16,510 tonnes, comparing to 17,300 tonnes produced during the six-month period ended 30 June 2011, due to the continuous product mix optimization.

The Company’s market share of Ukraine’s sausage and cooked meat products in Ukraine was around 10%.

Treasury shares

During the six-month period ended 30 June 2012 Company has purchased 2,480,000 Global depository receipts (“GDR”) with one GDR representing an interest in one ordinary share for the total cash consideration of USD 27,504 thousand, through the share buy-back programme. The number of repurchased GDRs constitutes approximately 2.3% of the Company's issued and outstanding shares.

27 August 2012

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

Deloitte.

Deloitte Audit
Société à responsabilité limit
560, rue de Neudorf
L-2220 Luxembourg
B.P. 1173
L-1011 Luxembourg
Tel: +352 451 451
Fax: +352 451 452 992
www.deloitte.lu

To the Shareholders of
MHP S.A.
5, rue Guillaume Kroll
L-1882 Luxembourg

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 June 30, 2012, 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.

Société à responsabilité limitée au capital de 35.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement : 10022179

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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 June 30, 2012, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with IAS 34 "Interim Financial Reporting".

For Deloitte Audit, *Cabinet de révision agréé*

pp Sophie Mitchell, *Réviseur d'entreprises agréé*
Partner

August 27, 2012

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six-month period ended 30 June 2012
(in thousands of US dollars, unless otherwise indicated)

	Notes	*2012*	*2011*
Revenue	*3*	654,471	527,380
Net change in fair value of biological assets and agricultural produce	*3*	12,928	18,113
Cost of sales		(444,867)	(389,126)
Gross profit		222,532	156,367
Selling, general and administrative expenses		(57,521)	(51,024)
VAT refunds and other government grants income		47,293	30,828
Other operating expenses, net		(16,366)	(7,620)
Operating profit		195,938	128,551
Finance income		1,663	4,525
Finance costs		(29,152)	(35,302)
Foreign exchange gain/(loss), net	*15*	5,104	(8,911)
Other expenses, net		(190)	(68)
Other expenses, net		(22,575)	(39,756)
Profit before tax		173,363	88,795
Income tax expense		(3,206)	(2,484)
Profit for the period	*4*	170,157	86,311
Other comprehensive loss			
Cumulative translation difference		(373)	(975)
Other comprehensive loss for the period		(373)	(975)
Total comprehensive income for the period		169,784	85,336
Profit attributable to:			
Equity holders of the Parent		163,874	79,663
Non-controlling interests		6,283	6,648
		170,157	86,311
Total comprehensive income attributable to:			
Equity holders of the Parent		163,501	78,688
Non-controlling interests		6,283	6,648
		169,784	85,336
Earnings per share			
Basic and diluted earnings per share (USD per share)		1.52	0.74

On behalf of the Board:

Chief Executive Officer Yuriy Kosyuk

Chief Financial Officer Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 15 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as of 30 June 2012

(in thousands of US dollars, unless otherwise indicated)

	Notes	*30 June 2012*	*31 December 2011*
ASSETS			
Non-current assets			
Property, plant and equipment	*5*	1,193,051	1,008,923
Land lease rights		27,147	27,227
Deferred tax assets		7,512	7,795
Long-term VAT recoverable, net	*6*	33,296	24,850
Non-current biological assets		46,843	46,327
Long-term bank deposits		5,823	6,017
Other non-current assets		15,140	14,476
		1,328,812	1,135,615
Current assets			
Inventories	*7*	113,849	182,240
Biological assets	*8*	323,093	135,990
Agricultural produce	*7*	73,027	169,022
Other current assets, net		30,701	21,989
Taxes recoverable and prepaid, net		135,734	137,175
Trade accounts receivable, net		71,355	65,794
Short-term bank deposits		-	1,777
Cash and cash equivalents		75,326	94,758
		823,085	808,745
TOTAL ASSETS		2,151,897	1,944,360
EQUITY AND LIABILITIES			
Equity			
Share capital		284,505	284,505
Treasury shares	*9*	(68,059)	(40,555)
Additional paid-in capital		179,565	179,565
Revaluation reserve		18,781	18,781
Retained earnings		843,689	679,815
Translation reserve		(241,164)	(240,791)
Equity attributable to equity holders of the Parent		1,017,317	881,320
Non-controlling interests		50,772	44,489
Total equity		1,068,089	925,809
Non-current liabilities			
Bank borrowings	*10*	177,874	109,108
Bonds issued	*11*	569,191	567,000
Finance lease obligations		41,765	32,558
Deferred tax liabilities		1,866	2,207
		790,696	710,873
Current liabilities			
Trade accounts payable	*12*	21,647	52,689
Other current liabilities		56,697	53,269
Bank borrowings	*10*	181,371	170,380
Accrued interest		12,919	12,073
Finance lease obligations		20,478	19,267
		293,112	307,678
TOTAL LIABILITIES		1,083,808	1,018,551
TOTAL EQUITY AND LIABILITIES		2,151,897	1,944,360

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 15 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 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 as of 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	-	-	-	-	163,874	-	163,874	6,283	170,157
Other comprehensive income	-	-	-	-	-	(373)	(373)	-	(373)
Total comprehensive income for the period	-	-	-	-	163,874	(373)	163,501	6,283	169,784
Acquisition of treasury shares	-	(27,504)	-	-	-	-	(27,504)	-	(27,504)
Balance as of 30 June 2012	284,505	(68,059)	179,565	18,781	843,689	(241,164)	1,017,317	50,772	1,068,089

On behalf of the Board:

Chief Executive Officer Yuriy Kosyuk

Chief Financial Officer Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 15 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 2011
(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 2011	284,505	(40,555)	179,565	18,781	436,439	(237,751)	640,984	29,384	670,368
Profit for the period	-	-	-	-	79,663	-	79,663	6,648	86,311
Other comprehensive income	-	-	-	-	-	(975)	(975)	-	(975)
Total comprehensive income for the period	-	-	-	-	79,663	(975)	(78,688)	6,648	85,336
Balance as of 30 June 2011	284,505	(40,555)	179,565	18,781	516,102	(238,726)	719,672	36,032	755,704

On behalf of the Board:

Chief Executive Officer Yuriy Kosyuk

Chief Financial Officer Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 15 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 2012
(in thousands of US dollars, unless otherwise indicated)

	2012	*2011*
Operating activities		
Profit before tax	173,363	88,795
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	34,663	29,211
Net change in fair value of biological assets and agricultural produce	(12,928)	(18,113)
Change in allowance for irrecoverable amounts and direct write-offs	15,562	6,971
Loss on disposal of property, plant and equipment and other non-current assets	207	71
Finance income	(1,663)	(4,525)
Finance costs	29,152	35,302
Unrealised foreign exchange (gain)/loss, net	(5,104)	8,911
Operating cash flows before movements in working capital	233,252	146,623
Working capital adjustments		
Change in inventories	68,625	16,446
Change in biological assets	(137,034)	(108,418)
Change in agricultural produce	68,477	42,710
Change in other current assets	(8,030)	7,914
Change in taxes recoverable and prepaid	(14,440)	3,108
Change in trade accounts receivable	(6,603)	(4,822)
Change in other liabilities	(78)	1,983
Change in trade accounts payable	(30,980)	5,306
Cash generated by operations	173,189	110,850
Interest received	1,035	4,714
Interest paid	(39,765)	(39,356)
Income taxes paid	(7,800)	(1,227)
Net cash flows from operating activities	126,659	74,981
Investing activities		
Purchases of property, plant and equipment	(133,718)	(99,379)
Purchases of other non-current assets	(1,904)	(4,763)
Proceeds from disposals of property, plant and equipment	234	127
Purchases of non-current biological assets	(1,251)	(2,495)
Investments in short-term deposits	-	(15,298)
Withdrawals of short-term deposits	1,790	134,663
Loans provided to employees	(78)	(213)
Net cash flows used in investing activities	(134,927)	12,642
Financing activities		
Proceeds from bank borrowings	79,999	40,970
Repayment of bank borrowings	(53,366)	(89,230)
Repayment of finance lease obligations	(10,911)	(10,262)
Acquisition of treasury shares	(27,504)	-
Net cash flows from financing activities	(11,782)	(58,522)
Net (decrease)/increase in cash and cash equivalents	(20,050)	29,101
Net foreign exchange difference	618	7
Cash and cash equivalents at 1 January	94,758	39,321
Cash and cash equivalents at 30 June	75,326	68,429
Non-cash transactions		
Additions of property, plant and equipment under finance leases	17,862	7,808
Additions of property, plant and equipment financed through direct bank-lender payments to the vendor	57,043	24,171
Property, plant and equipment purchased for credit	5,265	10,035

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 15 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 2012
(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 six-month period ended 30 June 2012 the Group employed about 24,800 people (31 December 2011: 24,800 people).

The Group has been undertaking a large-scale investment program to expand its poultry and related operations, and in May 2010, commenced construction of the greenfield Vinnytsya poultry complex. During the six-month period ended 30 June 2012 construction works at Vinnytsia complex was performed as scheduled.

The primary subsidiaries, the principal activities of the companies forming the Group and the Parent's effective ownership interest as of 30 June 2012 and 31 December 2011 were as follows:

Name	*Country of registration*	*Year established/ acquired*	*Principal activities*	*30 June 2012*	*31 December 2011*
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%
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%	89.9%
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%

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2012
(in thousands of US dollars, unless otherwise indicated)

2. Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2012 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 2011 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 30 June 2012*	*Average for six months ended 30 June 2012*	*Closing rate as of 31 December 2011*	*Average for six months ended 30 June 2011*	*Closing rate as of 31 December 2010*
UAH/USD	7.9925	7.9891	7.9898	7.9580	7.9617
UAH/EUR	9.9706	10.3589	10.2981	11.1649	10.5731

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 2011.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2012
(in thousands of US dollars, unless otherwise indicated)

3. Segment information

The following table presents revenue and profit information regarding the Group's operating segments for the six-month period ended 30 June 2012:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	523,471	57,055	73,945	-	654,471
Sales between business segments	14,904	44,158	2,482	(61,544)	-
Total revenue	538,375	101,213	76,427	(61,544)	654,471
Segment results	163,614	42,156	3,792	-	209,562
Unallocated corporate expenses					(13,624)
Other expenses, net					(22,575)
Profit before tax					173,363
Other information:					
Depreciation and amortization expense [1)]	29,699	-	3,294	-	32,993
Net change in fair value of biological assets and agricultural produce	4,372	10,693	(2,137)	-	12,928

[1)] Depreciation and amortization attributable to Grain growing segment for the six-month period ended 30 June 2012 in the amount of USD 9,202 thousand was capitalized in biological assets (Note 8);

Depreciation and amortization for the six-month period ended 30 June 2012 includes unallocated depreciation and amortization in the amount of USD 1,670 thousand.

The following table presents revenue and profit information regarding the Group's operating segments for the six-month period ended 30 June 2011:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	445,685	15,776	65,919	-	527,380
Sales between business segments	16,177	54,998	1,433	(72,608)	-
Total revenue	461,862	70,774	67,352	(72,608)	527,380
Segment results	96,566	38,873	4,571	-	140,010
Unallocated corporate expenses					(11,459)
Other expenses, net					(39,756)
Profit before tax					88,795
Other information:					
Depreciation and amortization expense [1)]	24,535	-	3,061	-	27,596
Net change in fair value of biological assets and agricultural produce	5,870	14,619	(2,376)	-	18,113

[1)] Depreciation and amortization attributable to Grain growing segment for the six-month period ended 30 June 2011 in the amount of USD 9,677 thousand was capitalized in biological assets (Note 8);

Depreciation and amortization for the six-month period ended 30 June 2011 includes unallocated depreciation and amortization in the amount of USD 1,615 thousand.

4. Profit for the period

Increase in Group's profit for the six-month period ended 30 June 2012 compared to the six-month period ended 30 June 2011 is mainly attributable to the high returns earned from poultry and related operations segment.

5. Property, plant and equipment

Increase of property, plant and equipment, during the six-month period ended 30 June 2012 mainly attributable to the capital expenditure incurred in respect of Vinnytsya poultry complex construction. The construction of Vinnytsya poultry complex commenced in 2010 and is being constructed according to the schedule.

During the six-month period ended 30 June 2012, the Group's additions to property, plant and equipment amounted to USD 227,727 thousand (six-month period ended 30 June 2011: USD 118,340 thousand).

There have been no significant disposals of property, plant and equipment during the six-month period ended 30 June 2012.

During the six-month period ended 30 June 2012 borrowing costs of USD 13,839 thousand (six-month period ended 30 June 2011: USD 6,057 thousand) were capitalized into property, plant and equipment. The weighted average capitalization rate on funds borrowed generally during the six-month period ended 30 June 2012 was 8.44% (six-month period ended 30 June 2011: 10.01%).

6. Long-term VAT recoverable, net

As of 30 June 2012 and 31 December 2011 the balance of long-term VAT recoverable was accumulated on continuing capital expenditures. Management expects that these balances will not be recovered within twelve months of the reporting date.

7. Inventories and agricultural produce

Inventories and agricultural produce balances have decreased as of 30 June 2012 compared to 31 December 2011 mainly due to the internal consumption of corn and sunflower, and grain sales to third parties.

As of 31 December 2011 USD 35,705 thousand of expenses incurred in cultivating fields to be planted in spring 2012 were capitalised in work in progress balance. As of 30 June 2012 these expenses were classified as crops in fields within biological assets, as the plants were already sown (Note 8).

8. Biological assets

Increase in current biological assets during the six-month period ended 30 June 2012 is primarily attributable to crops in fields balance.

The increase in crops in fields balance refers to IAS 41 revaluation adjustment and costs incurred with respect to the future harvest, reflecting seasonality element inherent in the grain growing segment.

9. Treasury shares

During the six-month period ended 30 June 2012, the Group repurchased, under the share buy-back program, additional 2,480,000 of its outstanding ordinary shares for the total cash consideration of USD 27,504 thousand.

As a result of this transaction as of 30 June 2012 the Company's repurchased ordinary shares amounted to USD 68,059 thousand and comprised 5,395,144 ordinary shares with a par value of 2 EUR each.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2012
(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 2012 and 31 December 2011:

		30 June 2012		*31 December 2011*	
Bank	*Currency*	*WAIR [1)]*	*USD' 000*	*WAIR [1)]*	*USD' 000*
Foreign banks	EUR	2.58%	126,421	3.13%	97,009
Foreign banks	USD	5.29%	126,324	4.39%	95,979
			252,745		192,988
Ukrainian banks	USD	5.33%	106,500	5.39%	86,500
			106,500		86,500
Total bank borrowings			359,245		279,488
Less: Short-term bank borrowings and current portion of long-term bank borrowings			(181,371)		(170,380)
Total long-term bank borrowings			177,874		109,108

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

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 2012 and 31 December 2011 mainly bear the floating interest rates.

Bank borrowings and credit lines outstanding as of as of 30 June 2012 and 31 December 2011 were repayable as follows:

	30 June 2012	*31 December 2011*
Within one year	181,371	170,380
In the second year	60,227	30,951
In the third to fifth year inclusive	98,559	60,871
After five years	19,088	17,286
	359,245	279,488

As of 30 June 2012, the Group had available undrawn facilities of USD 104,288 thousand (31 December 2011: USD 251,315 thousand). These undrawn facilities expire during the period from July 2012 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 30 June 2012, the Group had borrowings of USD 18,385 thousand (31 December 2011: USD 52,191 thousand) that were secured. These borrowings were secured by property, plant and equipment with a carrying amount of USD 2,013 thousand (31 December 2011: USD 4,648 thousand) and inventories with a carrying amount of USD 43,900 thousand (31 December 2011: USD 45,491 thousand).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2012
(in thousands of US dollars, unless otherwise indicated)

11. Bonds issued

Bonds issued and outstanding as of 30 June 2012 and 31 December 2011 were as follows:

	30 June 2012	*31 December 2011*
10.25% Senior Notes due in 2015	584,767	584,767
Unamortized premium on bonds issued	3,292	3,755
Unamortized debt issue cost	(18,868)	(21,522)
	569,191	567,000

As of 30 June 2012 and 31 December 2011 amount of accrued interest on bonds issued was USD 10,157 thousand.

10.25% Senior Notes

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

The effective interest rate on the Senior Notes is 11.43% per annum.

The notes are listed on London Stock Exchange.

12. Trade accounts payable

The decrease of the trade accounts payable as of 30 June 2012 compared to 31 December 2011 is mainly attributable to the repayment of the Group payables under the sunflower purchase financing arrangements.

13. 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 six-month periods ended 30 June 2012 and 2011 were as follows:

	2012	*2011*
Sales of goods to related parties	4,764	2,078
Sales of services to related parties	41	12
Purchases from related parties	411	37

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2012
(in thousands of US dollars, unless otherwise indicated)

13. Related party balances and transactions *(continued)*

The balances owed to and due from related parties were as follows as of 30 June 2012 and 31 December 2011:

	30 June 2012	*31 December 2011*
Trade accounts receivable	11,920	10,895
Advances received	200	200
Short-term advances, finance aid and promissory notes	1,560	2,000

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 3,897 thousand and USD 2,958 thousand for the six-month periods ended 30 June 2012 and 30 June 2011, respectively.

14. 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.

The Ukraine's economy demonstrated a good performance in 2011. The GDP growth constituted 5.2%, the inflation level was 4.6%, which is quite low value as for emerging market. During six-month period ended 30 June 2012 GDP demonstrated quite low growth which constituted approximately 2% by preliminary data.

During the six-month period ended 30 June 2012 the Ukrainian Hryvnia remained relatively stable against US dollar and demonstrated moderate growth against EUR, as a result of EUR depreciation against US dollar due to on-going sovereign-debt crisis of European Union.

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 30 June 2012, 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 possible exposure relating to these court cases amounted to approximately USD 2,437 thousand as of 30 June 2012 (31 December 2011: USD 2,000 thousand). Management believes that, based on past history of court resolutions of similar lawsuits by the Group the risk is remote for all other cases.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2012
(in thousands of US dollars, unless otherwise indicated)

14. Contingencies and contractual commitments *(continued)*

Contractual commitments on purchase of property, plant and equipment

During the six-month period ended 30 June 2012, 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 2012, purchase commitments on such contracts were primarily related to construction of the Vinnytsya poultry complex and amounted to USD 41,612 thousand (31 December 2011: USD 80,168 thousand).

15. 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.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities as of 30 June 2012 and 31 December 2011 were as follows:

	30 June 2012		*31 December 2011*	
	USD	*EUR*	*USD*	*EUR*
Total assets	70,295	6,086	76,248	7,182
Total liabilities	872,862	164,414	826,260	125,216

The table below details the Group's sensitivity to strengthening of the Ukrainian Hryvnia against USD 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*
six-month period ended 30 June 2012		
Increase in USD exchange rate	10%	(80,256)
Increase in EUR exchange rate	10%	(15,832)
Decrease in USD exchange rate	5%	40,128
Decrease in EUR exchange rate	5%	7,916
six-month period ended 30 June 2011		
Increase in USD exchange rate	10%	(75,002)
Increase in EUR exchange rate	10%	(11,804)
Decrease in USD exchange rate	5%	37,501
Decrease in EUR exchange rate	5%	5,902

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

During the six-month period ended 30 June 2012, the Ukrainian Hryvnia appreciated against the EUR by 3.2% and has not significantly change against the USD (six-month period ended 30 June 2011: depreciated against the EUR by 8.8% and has not significantly changed against the US Dollar). As a result, during the six-month period ended 30 June 2012 the Group recognised net foreign exchange gain in the amount of USD 5,104 thousand (six-month period ended 30 June 2011: foreign exchange loss in the amount of USD 8,911 thousand) in the interim condensed consolidated statement of comprehensive income.

16. 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 2012.