PRESS RELEASE

November 15, 2012, Kyiv, Ukraine

MHP S.A.

Unaudited Financial Results for the Third Quarter and Nine Months ended 30 September 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 third quarter and the nine months ended 30 September 2012.

Key operational highlights

Poultry and related operations

- During the first nine months of 2012 ("9M 2012") all the Company's chicken production facilities continued to operate at full capacity.
- Consumer demand 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 9M 2012 was around 50%.
- During 9M 2012 MHP increased its overall production volumes by 4,000 tonnes to 295,000 tonnes mostly driven by an increase in production in Q3 2012 due to the trial production start at the Vinnytsia complex.
- The average chicken meat price in Q3 2012 increased by 9% to UAH 17.57 per kg of adjusted weight (excluding VAT) when compared to Q3 2011. Through 9M 2012 average chicken prices increased by 20% to UAH 17.29 per kg (9M 2011: UAH 14.39 per kg).
- In 9M 2012 MHP sold 147,100 tonnes of sunflower oil at an average price US$ 1,100 per tonne, which decreased by 15% from US$ 1,297 in 9M 2011, in line with international commodity market trends.
- Export sales of chicken meat during 9M 2012 increased by more than 20% compared to the same period last year, to almost 11% of MHP's total chicken sales.

Grain growing

- During 9M 2012 the Company's land bank remained stable at 280,000 hectares of land.
- The Company's 2012 harvest campaign is almost complete. MHP's crops yields are significantly higher than Ukraine's average.
- Current MHP's corn yield is about 8.0 tonnes per 1 hectare. The corn harvest is on track and over 85% complete.

Other agriculture

- Due to the product portfolio optimization, sausage and cooked meat production volumes decreased by 6% to 26,610 tonnes in 9M 2012 compared to 28,200 tonnes in 9M 2011.
- The Company's market share of Ukraine's sausage and cooked meat products remained stable at around 10%.

Vinnytsia – new green field expansion project

- Construction of Phase 1 (US$ 750 million) of Vinnytsia project is running to schedule and on budget.
- The sunflower crushing plant and fodder plant have been launched into operations.
- The poultry complex is working in a testing mode as planned.
- Production of Phase 1 is expected to be launched in industrial regime at the beginning of 2013 and to reach its full annual capacity of 220,000 tonnes of poultry in 2015.

Key financial highlights

Q3 2012 highlights

- Revenue increased by 10% to US$ 389 million (Q3 2011: US$ 352 million).
- EBITDA increased by 4% to US$ 149 million (Q3 2011: US$ 143 million).
- EBITDA margin remained high and constituted 38%.
- Net income decreased by 3% to US$ 111 million (Q3 2011: US$ 115 million) due to non-cash foreign exchange differences.

9M 2012 highlights

- Revenue increased by 19% to US$ 1,044 million (9M 2011: US$ 880 million).
- EBITDA increased by 26% to US$ 379 million (9M 2011: US$ 301 million)
- EBITDA margin increased to 36% from 34% in 9M 2011.
- Net income increased by 40% to US$ 281 million (9M 2011: US$ 201 million).

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

"Strong and sustainable revenue and EBITDA growth and maintenance of our sector-leading margins reflect the strength of our uniquely self-sufficient business model and put us in a strong position to continue delivering against our targets for 2012.

During the period poultry prices in Ukraine continued to show a growing dynamic and we continued to focus on what we do best – producing and marketing a range of popular, dependable, high quality and affordable poultry products.

Preliminary results in our grain growing segment are favorable mostly due to successful crop management and strong grain prices worldwide. Harvest of early crops, such as rapeseeds and wheat as well as sunflower, proceeded well and resulted in good and even higher yields than in 2011. MHP's yields, as usual, are much higher than Ukraine's average. Meanwhile, initial observations indicate that our corn harvests will also produce good yields.

We remain as confident as we have ever been that MHP will carry on implementation of its strategy and keep on delivering positive financial results and achieving growth in shareholder value."

- end –

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

Date:	Thursday, 15 November 2012
Time:	09.00 New York / 14.00 London / 16.00 Kyiv / 18.00 Moscow
Title:	MHP – Q3 and 9M 2012 Financial Results
International/UK Dial in:	+44 (0) 1452 560 304
USA free call:	+1 631 621 5256
Russia free call	8108 002 394 2044
Conference ID	64451043

A live webcast of the presentation will be available at:
https://webconnect.webex.com/webconnect/onstage/g.php?t=a&d=665995350

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Financial overview

		Q3 2012	Q3 2011	% change*	9M 2012	9M 2011	% change*
Revenue	US$, m	**389**	**352**	**10%**	**1,044**	**880**	**19%**
IAS 41 standard gains	US$, m	37	42	-12%	50	61	-17%
Gross profit	US$, m	**148**	**139**	**7%**	**371**	**295**	**26%**
Gross margin	*%*	38%	39%	(1pps)	36%	34%	2pps
Operating profit	US$, m	**130**	**126**	**3%**	**326**	**254**	**28%**
Operating margin	*%*	33%	36%	(3pps)	31%	29%	2pps
EBITDA	US$, m	**149**	**143**	**4%**	**379**	**301**	**26%**
EBITDA margin	*%*	38%	41%	(3pps)	36%	34%	2pps
Net income	US$, m	**111**	**115**	**-3%**	**281**	**201**	**40%**
Net income margin	*%*	28%	33%	(5pps)	27%	23%	4pps

** pps – percentage points*

Q3 2012 Consolidated Financial Results

Consolidated revenue totaled US$ 389 million, 10% greater than US$ 352 million in Q3 2011 due to the growth of chicken meat price and higher sunflower oil and grain sales volumes. Export sales constituted 36% of total revenue in Q3 2012.

Q3 2012 EBITDA increased by 4% to US$ 149 million (Q3 2011: US$ 143 million) and remained at high level constituting 38% in Q3 2012.

Net income from operations decreased by 3% to US$ 111 million (Q3 2011: US$ 115 million) due to non-cash foreign exchange losses of US$ 4 million in Q3 2012 related to Euro/USD exchange rate (in Q3 2011 there were non-cash foreign exchange gains of US$ 6 million). Net income margin decreased from 33% to 28%.

9M 2012 Consolidated Financial Results

The dynamics of consolidated financial results of 9M 2012 are strong. Revenue reached US$ 1,044 million in 9M 2012, which is 19% greater than US$ 880 million in 9M 2011. The main reasons for the high growth in revenue were the increase in chicken price as well as an increase in the volume of grain sold. Export sales amounted to 33% of total revenue of MHP.

EBITDA was US$ 379 million, 26% higher year-to-year (9M 2011: US$ 301 million) as a consequence of vigorous financial result in poultry segment. Consolidated EBITDA margin increased from 34% in 9M 2011 to 36% in 9M 2012 reflecting a substantial increase in chicken prices.

Net income totaled US$ 281 million, which is 40% higher than in 9M 2011. Net margin increased from 23% in 9M 2011 to 27% in 9M 2012.

Poultry and related operations

		Q3 2012	Q3 2011	% change	9M 2012	9M 2011	% change
Revenue	US$, m	**278**	**273**	**2%**	**801**	**719**	**11%**
- Poultry and other	US$, m	221	221	-	639	557	15%
- Sunflower oil	US$, m	57	52	9%	162	162	-
IAS 41 standard gains	US$, m	**-**	**(4)**	**-**	**4**	**1**	**187%**
Gross profit	US$, m	**89**	**73**	**21%**	**267**	**185**	**45%**
Gross margin	*%*	32%	27%	5pps	33%	26%	7pps
EBITDA	US$, m	**94**	**82**	**15%**	**287**	**203**	**42%**
EBITDA margin	*%*	34%	30%	4pps	36%	28%	8pps
EBITDA per 1 kg	*US$*	1.00	0.86	17%	1.04	0.72	45%

** pps – percentage points*

Q3 2012 Poultry and related operations segment financial results

Poultry	**Q3 2012**	**Q3 2011**	% change	**9M 2012**	**9M 2011**	% change
Sales volume, third parties tonnes	93,200	99,900	*-7%*	274,800	282,000	*-3%*
Price per 1 kg net VAT, UAH	17.57	16.11	9%	17.29	14.39	20%
Sunflower oil						
Sales volume, third parties tonnes	52,350	40,900	28%	147,100	125,400	17%
Price per 1 tonne net VAT, US$	1,084	1,284	-16%	1,100	1,297	-15%

In Q3 2012 the production volume of chicken meat increased by 7% to 104,800 tonnes due to the trial production start at the Vinnytsia complex. Chicken meat sales volumes to third parties decreased by 7% to 93,200 tonnes compared to Q3 2011 as a result of sales of almost 10,000 tonnes of chicken meat from stocks in Q3 2011.

The average chicken meat price in Q3 2012 increased by 9% to UAH 17.57 per kg of adjusted weight (excluding VAT) compared to UAH 16.11 per kg in Q3 2011

In Q3 2012, there were 52,350 tonnes of sunflower oil sold for export at an average price of US$ 1,084 per tonne. Decline in sunflower oil price by 16% was compensated by 28% growth of sunflower sales volume, that was resulted in 9% rise of sunflower oil revenue in Q3 2012 compared to Q3 2011.

The segment's revenue increased slightly by 2% to US$ 278 million (Q3 2011: US$ 273 million) as a consequence of higher chicken meat prices and higher sunflower oil sales volume.

Segment's gross profit increased by 21% to US$ 89 million (Q3 2011: US$ 73 million), with gross profit margin increasing from 27% in Q3 2011 to 32% in Q3 2012.

EBITDA of the poultry segment reached US$ 94 million in Q3 2012, which is 15% greater than in Q3 2011 and in line with an increase in gross profit. EBITDA margin increased from 30% in Q3 2011 to 34% in Q3 2012.

9M 2012 Poultry and related operations segment financial results

During 9M 2012 chicken meat sales volumes to third parties slightly decreased by 3% to 274,800 tonnes compared to 282,000 tonnes in 9M 2011 due to sales of almost 10,000 tonnes of chicken meat from stocks in Q3 2011. Average chicken meat price increased by 20% to UAH 17.29 per kg (9M 2011: UAH 14.39 per kg).

Average sunflower oil price decreased by 15% to US$ 1,100 per tonne in line with world trends, while sunflower oil sales volume grew by 17% in Q3 2012 compared to Q3 2011.

In 9M 2012 the poultry segment's revenue totaled US$ 801 million, which is 11% greater than US$ 719 million in 9M 2011.

Poultry production costs in 9M 2011 were slightly higher compared to 9M 2011, mainly due to higher utilities prices. Gross profit increased by 45% year-on-year to US$ 267 million. Gross profit margin rose from 26% in 9M 2011 to 33% in 9M 2012 as a result of the chicken price increase.

Poultry export sales in 9M 2012 increased by around 20% year-on-year to US$ 66 million, which constituted about 11% of revenue from chicken meat sales.

During nine months of 2012 EBITDA increased by 42% to US$ 287 million (9M 2011: US$ 203 million) in line with gross profit growth. EBITDA margin amounted to 36% in 9M 2012 compared to 28% in 9M 2011.

Grain growing operations

		Q3 2012	**Q3 2011**	% change	**9M 2012**	**9M 2011**	% change
Revenue	US$, m	**69**	**38**	**82%**	**126**	**54**	**135%**
IAS 41 standard gains	US$, m	**36**	**44**	**-18%**	**47**	**59**	**-21%**
Gross profit	US$, m	**57**	**62**	**-9%**	**96**	**101**	**-5%**
EBITDA	US$, m	**63**	**65**	**-4%**	**105**	**104**	**1%**

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

	2012		**2011**	
	Production, tonnes	**Cropped hectares***	**Production, tonnes**	**Cropped hectares***
Corn	865,515***	101,870***	1,022,783	107,750
Wheat	208,770	39,000	267,250	52,210
Sunflower	90,820	30,570	73,735	27,000
Rapeseed	42,570	12,385	25,400	9,150
Other**	In process	In process	322,900	54,090
Total:	n/a	n/a	1,712,068	250,200

** Actual hectares under crop and excluding land left fallow as part of crop rotation*
*** Includes soybean, barley and sugar beet*
**** Based on 85% completed corn harvest*

As a result of MHP's operational efficiency and employment of best practice, MHP's grain yields in 2012 remained strong, despite unfavorable weather conditions in Ukraine's 2011/2012 campaign.

	2012		2011	
	MHP's average*	**Ukraine's average****	**MHP's average***	**Ukraine's average****
Corn	8.0	4.5	9.5	6.4
Wheat	5.4	2.9	5.1	3.4
Sunflower	3.0	1.7	2.7	1.8
Rapeseed	3.4	2.3	2.8	1.7
Soya beans	1.8	1.7	1.6	1.4

** Tonnes per hectare*
*** MHP – net weight, Ukraine – bunker weight*

In 2012 the Company's yields of early crops are almost double Ukraine's average and even higher than MHP's yields last year. Corn and sunflower yields are in line with MHP's forecast for this year taking into account weather conditions.

The Company's corn harvest is ongoing and as of today is over 85% complete. The current net yield is averaging about 8.0 tonnes per hectare, which is slightly less than MHP's corn yield of 9.5 in 2011, but significantly higher than Ukraine's average of 4.5 tonnes per hectare (Source: Committee of Statistics).

In 9M 2012 the grain growing segment revenue totaled US$ 126 million, which is 135% greater than in 9M 2011as a result of higher grain volumes.

As usual, a significant part of the Q3 2012 financial results in grain segment is generated by IAS 41 gains from revaluation of grains in stocks and corn in fields. In 9M 2012 EBITDA of grain growing operations segment remained almost the same as in 9M 2012 (US$ 105 million in 9M 2012 vs US$ 104 in 9M 2011).

Other agricultural operations

		Q3 2012	**Q3 2011**	% change	**9M 2012**	**9M 2011**	% change
Revenue	US$, m	**43**	**41**	**3%**	**116**	**107**	**9%**
- Meat processing	US$, m	29	30	-3%	77	74	4%
- Other	US$, m	14	11	20%	39	33	20%
IAS 41 standard gains	US$, m	**2**	**3**	**-44%**	**-1**	**1**	**-200%**
Gross profit	US$, m	**3**	**4**	**-26%**	**8**	**10**	**-22%**
Gross margin	*%*	7%	9%	(2pps)	7%	9%	(2pps)
EBITDA	US$, m	**2**	**3**	**-47%**	**9**	**11**	**-19%**
EBITDA margin	*%*	4%	8%	(4pps)	7%	10%	(3pps)

** pps – percentage points*

Meat processing products	Q3 2012	Q3 2011	% change	9M 2012	9M 2011	% change
Sales volume, third parties tonnes	10,100	10,900	*-7%*	26,610	28,200	-6%
Price per 1 kg net VAT, UAH	22.34	20.60	*8%*	22.02	19.57	13%

Due to our continued strategy of product mix optimization, production volumes of sausages and cooked meats decreased by 7% year-ton-year to 10,100 tonnes in Q3 2012 and by 6% to 26,610 tonnes in 9M 2012. Nevertheless, MHP's share of the Ukrainian meat processing market is about 10% as usual.

During 9M 2012 average sausage and cooked meat prices were gradually rising. Prices increased by 8% to UAH 22.34 per kg excluding VAT in Q3 2012 vs Q3 2011 and by 13% to UAH 22.02 per kg excluding VAT in 9M 2012 vs 9M 2011.

In Q3 2012 the segment's revenue rose slightly by 3% year-to-year. In 9M 2012 revenue totaled US$ 116 million, which is 9% greater than in 9M 2011 mainly due to growth of price of meat processing.

The segment's gross profit amounted to US$ 3 million in Q3 2012, 26% less than in Q3 2011, and US$ 8 million in 9M 2012, 22% less than in 9M 2011. EBITDA of other agricultural operations segment decreased by 47% to US$ 2 million in Q3 2012 year-to-year and by 19% to US$ 9 million in 9M 2012 year-to-year. EBITDA margin declined to 4% in Q3 2012 compared to 8% in Q3 2011 and to 7% in 9M 2012 compared to 10% in 9M 2011.

Current Group financial position, cash flow and liquidity

Cash Flows US$, m	Q3 2012	Q3 2011	9M 2012	9M 2011
Cash from operations	**109**	**106**	**296**	**209**
Change in working capital	(37)	(11)	(97)	(39)
Net Cash from operating activities	**72**	**95**	**199**	**170**
Cash from investing activities	(59)	(76)	(196)	(182)
Non-cash investments	(19)	(22)	(99)	(54)
CAPEX	**(78)**	**(98)**	**(295)**	**(236)**
Cash from financing activities	*(8)*	*34*	*(20)*	*(25)*
Non-cash financing	*19*	*22*	*99*	*54*
Deposits	-	7	2	126
Total financial activities	**11**	**63**	**81**	**155**
Total change in cash	**5**	**60**	**(15)**	**89**

In 9M 2012 the increase of working capital totaled US$ 97 million and was mainly related to:

- Increase in biological assets US$ 93 million, mostly related to corn in fields and also including about US$ 15 million due to start of trial production of Vinnytsia facilities;

- Increase in VAT recoverable related to the intensive CAPEX program, US$ 42 million;

- Decrease in agricultural produce US$ 50 mostly due to export sales and internal consumption of corn harvested in 2011.

Total CAPEX was US$ 78 million in Q3 2012 and US$ 295 million in 9M 2012, with most of this related to the capital intensive Vinnytsia project. Since the start of construction in May 2010, approximately US$ 570 million has been invested into this project.

During the 9M 2012 period, the Group repurchased, under the share buy-back program, an additional 3,445,000 of its outstanding ordinary shares for a total cash consideration of US$ 41.5 million.

Vinnytsia – new green field project

Construction works at the Vinnystia complex are to schedule and on budget. Significant progress has already been made with the poultry farm, fodder complex and infrastructure at the Vinnytsia site.

Poultry Farm

- Hatchery is complete and launched in operations;
- 3 brigades (chicken rearing zones) with 38 chicken houses in each are complete and launched in testing operations, 9 brigades are under construction;
- Construction of the slaughter house for Phase 1 (220,000 tonnes of poultry per annum) is complete and launched in testing operations.

Fodder Plant and Grain Storage Facilities

- Fodder Plant and Sunflower Crushing Plant are in testing operations now.

Infrastructure and Social Responsibility

- Construction of external water supply (60 km) is complete;
- Construction of 45 km of new roads is complete;
- Construction of 200 new residential apartments is complete.

Debt Structure

Debt	30.09.2012	30.06.2012	31.12.2011
Total Debt US$, m	**1,026**	**990**	**898**
Cash and bank deposits	(82)	(75)	(97)
Net Debt	**944**	**915**	**801**
LTM EBITDA	479	474	401
Net Debt /LTM EBITDA	*1.97*	*1.93*	*2.00*

As of September 30, 2012, the Company's total debt was US$ 1,026 million, most of which was denominated in US dollars. The average weighted cost of debt was below 9%. Almost 60% of the Company's total debt is the Eurobond that matures in April 2015.

At the end of 9M 2012, MHP had US$ 82 million in cash and short-term bank deposits. Net debt increased to US$ 944 million as of September 30, 2012. Net Debt/EBITDA ratio at the end of the period was 1.97 versus 2.00 at the end of 2011 (Eurobond covenant: 2.5).

As a hedge for currency risks, revenues from the export of sunflower oil, sunflower husks and chicken meat are denominated in US Dollars, fully covering debt service expenses. During 9M 2012 the Company received US$ 342 million from export sales of sunflower oil, chicken meat and grains compared to US$ 244 in the same period of 2011.

Outlook

The Company continues to operate at full capacity and strong demand for poultry meat guarantees the total sales of the Company's chicken meat production.

Following the Company's strategy and objectives, MHP continues to develop export markets in order to establish reliable and long-term relationships. During the reporting period MHP expanded its operations in different regions and will continue its export expansion strategy further.

As the Company approaches the year end, its strong results for the first nine months provide a solid foundation for robust financial and operational results for the full year.

We are confident that we will be able to continue to implement our strategy and keep on delivering strong results 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 nine-month period ended 30 September 2012

CONTENT

MANAGEMENT STATEMENT

To the best of our knowledge, the unaudited condensed 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, together with a description of the principal risks and uncertainties that they face.

14 November 2012

On behalf of the Board:

Chief Executive Officer Yuriy Kosyuk

Chief Financial Officer Viktoria Kapelyushnaya

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

	Notes	*2012*	*2011*
Revenue	*3*	1,043,697	879,662
Net change in fair value of biological assets and agricultural produce	*3*	50,049	60,534
Cost of sales		(722,749)	(644,749)
Gross profit		370,997	295,447
Selling, general and administrative expenses		(88,449)	(75,311)
VAT refunds and other government grants income		69,071	47,011
Other operating expenses, net		(25,766)	(12,826)
Operating profit		325,853	254,321
Finance income		2,586	5,391
Finance costs		(43,111)	(51,725)
Foreign exchange gain/(loss), net	*15*	736	(2,530)
Other expenses, net		(68)	(452)
Other expenses, net		(39,857)	(49,316)
Profit before tax		285,996	205,005
Income tax expense		(5,227)	(4,171)
Profit for the period	*4*	280,769	200,834
Other comprehensive loss			
Cumulative translation difference		(435)	(1,024)
Other comprehensive loss for the period		(435)	(1,024)
Total comprehensive income for the period		280,334	199,810
Profit attributable to:			
Equity holders of the Parent		265,926	186,245
Non-controlling interests		14,843	14,589
		280,769	200,834
Total comprehensive income attributable to:			
Equity holders of the Parent		265,491	185,221
Non-controlling interests		14,843	14,589
		280,334	199,810
Earnings per share			
Basic and diluted earnings per share (USD per share)		2.49	1.73

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 16 form an integral part of these interim condensed consolidated financial statements

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

(in thousands of US dollars, unless otherwise indicated)

	Notes	*30 September 2012*	*31 December 2011*
ASSETS			
Non-current assets			
Property, plant and equipment	*5*	1,260,205	1,008,923
Land lease rights		26,572	27,227
Deferred tax assets		7,512	7,795
Long-term VAT recoverable, net	*6*	33,503	24,850
Non-current biological assets		47,443	46,327
Long-term bank deposits		6,010	6,017
Other non-current assets		15,478	14,476
		1,396,723	1,135,615
Current assets			
Inventories	*8*	190,526	182,240
Biological assets	*7*	285,674	135,990
Agricultural produce	*8*	122,237	169,022
Other current assets, net		34,818	21,989
Taxes recoverable and prepaid, net		156,472	137,175
Trade accounts receivable, net		71,808	65,794
Short-term bank deposits		-	1,777
Cash and cash equivalents		81,616	94,758
		943,151	808,745
TOTAL ASSETS		2,339,874	1,944,360
EQUITY AND LIABILITIES			
Equity			
Share capital		284,505	284,505
Treasury shares	*9*	(82,020)	(40,555)
Additional paid-in capital		179,565	179,565
Revaluation reserve		18,781	18,781
Retained earnings		945,741	679,815
Translation reserve		(241,226)	(240,791)
Equity attributable to equity holders of the Parent		1,105,346	881,320
Non-controlling interests		59,332	44,489
Total equity		1,164,678	925,809
Non-current liabilities			
Bank borrowings	*10*	176,893	109,108
Bonds issued	*11*	570,354	567,000
Finance lease obligations		43,419	32,558
Deferred tax liabilities		1,968	2,207
		792,634	710,873
Current liabilities			
Trade accounts payable	*12*	72,754	52,689
Other current liabilities		46,919	53,269
Bank borrowings	*10*	214,317	170,380
Accrued interest		27,505	12,073
Finance lease obligations		21,067	19,267
		382,562	307,678
TOTAL LIABILITIES		1,175,196	1,018,551
TOTAL EQUITY AND LIABILITIES		2,339,874	1,944,360

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine-month period ended 30 September 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	-	-	-	-	265,926	-	265,926	14,843	280,769
Other comprehensive income	-	-	-	-	-	(435)	(435)	-	(435)
Total comprehensive income for the period	-	-	-	-	265,926	(435)	265,491	14,843	280,334
Acquisition of treasury shares (Note 9)	-	(41,465)	-	-	-	-	(41,465)	-	(41,465)
Balance as of 30 September 2012	284,505	(82,020)	179,565	18,781	945,741	(241,226)	1,105,346	59,332	1,164,678

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 16 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine-month period ended 30 September 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	-	-	-	-	186,245	-	186,245	14,589	200,834
Other comprehensive income	-	-	-	-	-	(1,024)	(1,024)	-	(1,024)
Total comprehensive income for the period	-	-	-	-	186,245	(1,024)	185,221	14,589	199,810
Dividends paid by subsidiary to non-controlling shareholders	-	-	-	-	-	-	-	(602)	(602)
Balance as of 30 September 2011	284,505	(40,555)	179,565	18,781	622,684	(238,775)	826,205	43,371	869,576

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 16 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the nine-month period ended 30 September 2012
(in thousands of US dollars, unless otherwise indicated)

	2012	*2011*
Operating activities		
Profit before tax	285,996	205,005
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	53,393	46,510
Net change in fair value of biological assets and agricultural produce	(50,049)	(60,534)
Change in allowance for irrecoverable amounts and direct write-offs	18,801	10,424
Loss on disposal of property, plant and equipment and other non-current assets	168	-
Finance income	(2,586)	(5,391)
Finance costs	43,111	51,725
Unrealised foreign exchange (gain)/loss, net	(736)	2,530
Operating cash flows before movements in working capital	348,098	250,269
Working capital adjustments		
Change in inventories	10,570	1,783
Change in biological assets	(93,392)	(73,901)
Change in agricultural produce	50,831	11,682
Change in other current assets	(12,841)	2,856
Change in taxes recoverable and prepaid	(42,213)	(5,755)
Change in trade accounts receivable	(6,555)	(6,171)
Change in other liabilities	(4,419)	5,755
Change in trade accounts payable	1,346	24,855
Cash generated by operations	251,425	211,373
Interest received	2,586	5,631
Interest paid	(46,535)	(43,944)
Income taxes paid	(8,877)	(3,003)
Net cash flows from operating activities	198,599	170,057
Investing activities		
Purchases of property, plant and equipment	(191,593)	(172,812)
Purchases of other non-current assets	(2,302)	(2,348)
Purchase of land lease rights	(845)	(3,559)
Proceeds from disposals of property, plant and equipment	940	-
Purchases of non-current biological assets	(1,761)	(2,213)
Investments in short-term deposits	(4)	(23,529)
Withdrawals of short-term deposits	1,792	149,602
Loans provided to employees	-	(717)
Net cash flows used in investing activities	(193,773)	(55,576)
Financing activities		
Proceeds from bank borrowings	128,155	91,080
Repayment of bank borrowings	(90,373)	(98,881)
Repayment of finance lease obligations	(16,506)	(16,972)
Acquisition of treasury shares	(41,465)	-
Dividends paid by subsidiary to non-controlling shareholders	-	(602)
Net cash flows from financing activities	(20,189)	(25,375)
Net (decrease)/increase in cash and cash equivalents	(15,363)	89,106
Net foreign exchange difference	2,221	65
Cash and cash equivalents at 1 January	94,758	39,321
Cash and cash equivalents at 30 September	81,616	128,492
Non-cash transactions		
Additions of property, plant and equipment under finance leases	23,572	10,401
Additions of property, plant and equipment financed through direct bank-lender payments to the vendor	73,233	43,868
Property, plant and equipment purchased for credit	1,957	9,685

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 16 form an integral part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine-month period ended 30 September 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 nine-month period ended 30 September 2012 the Group employed about 25,000 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 nine-month period ended 30 September 2012 construction works at Vinnytsya 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 September 2012 and 31 December 2011 were as follows:

Name	*Country of registration*	*Year established/ acquired*	*Principal activities*	*30 September 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 September 2012*	*Average for nine months ended 30 September 2012*	*Closing rate as of 31 December 2011*	*Average for nine months ended 30 September 2011*	*Closing rate as of 31 December 2010*
UAH/USD	7.9930	7.9904	7.9898	7.9626	7.9617
UAH/EUR	10.2902	10.2341	10.2981	11.2030	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 nine-month period ended 30 September 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 nine-month period ended 30 September 2012:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	801,134	126,065	116,498	-	1,043,697
Sales between business segments	26,330	95,240	4,088	(125,658)	-
Total revenue	827,464	221,305	120,586	(125,658)	1,043,697
Segment results	245,109	100,669	3,894	-	349,672
Unallocated corporate expenses					(23,820)
Other expenses, net					(39,856)
Profit before tax					285,996
Other information:					
Depreciation and amortization expense [1)]	41,826	4,396	4,826	-	51,048
Net change in fair value of biological assets and agricultural produce	3,966	46,592	(509)	-	50,049

[1)] Depreciation and amortization attributable to Grain growing segment for the nine-month period ended 30 September 2012 in the amount of USD 9,812 thousand was capitalized in biological assets (Note 7);

Depreciation and amortization for the nine-month period ended 30 September 2012 includes unallocated depreciation and amortization in the amount of USD 2,345 thousand.

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

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	718,994	53,624	107,044	-	879,662
Sales between business segments	27,147	87,200	2,943	(117,290)	-
Total revenue	746,141	140,824	109,987	(117,290)	879,662
Segment results	166,627	101,121	5,696	-	273,444
Unallocated corporate expenses					(19,122)
Other expenses, net					(49,316)
Profit before tax					205,006
Other information:					
Depreciation and amortization expense [1)]	36,015	3,037	5,041	-	44,093
Net change in fair value of biological assets and agricultural produce	1,383	58,642	509	-	60,534

[1)] Depreciation and amortization attributable to Grain growing segment for the nine-month period ended 30 September 2011 in the amount of USD 9,342 thousand was capitalized in biological assets (Note 7);

Depreciation and amortization for the nine-month period ended 30 September 2011 includes unallocated depreciation and amortization in the amount of USD 2,417 thousand.

4. Profit for the period

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

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

5. Property, plant and equipment

Increase of property, plant and equipment, during the nine-month period ended 30 September 2012 mainly attributable to the capital expenditure incurred in respect of Vinnytsya poultry complex construction. The construction of Vinnytsya poultry complex, which commenced in 2010, is being according to the schedule and during September 2012 the Group started commissioning of property plant and equipment at the first stage of Vinnytsya poultry complex.

During the nine-month period ended 30 September 2012, the Group’s additions to property, plant and equipment amounted to USD 313,305 thousand (nine-month period ended 30 September 2011: USD 202,936 thousand).

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

During the nine-month period ended 30 September 2012 borrowing costs of USD 22,956 thousand (nine-month period ended 30 September 2011: USD 10,717 thousand) were capitalized into property, plant and equipment. The weighted average capitalization rate on funds borrowed generally during the nine-month period ended 30 September 2012 was 8.36% (nine-month period ended 30 September 2011: 9.59%).

6. Long-term VAT recoverable, net

As of 30 September 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. Biological assets

Increase in current biological assets during the nine-month period ended 30 September 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.

8. Inventories and agricultural produce

During the nine-month period ended 30 September 2012 inventories have changed mainly due to increase of sunflower purchased for internal consumption and decrease of work in progress balance.

As of 31 December 2011 USD 35,705 thousand of expenses incurred in cultivating fields to be planted in spring 2012 were capitalized in work in progress balance. As of 30 September 2012 these expenses were classified as crops in fields within biological assets, as the plants were already sown (Note 7).

Agricultural produce balance has decreased as of 30 September 2012 compared to 31 December 2011 mainly due to the internal consumption of corn.

9. Treasury shares

During the nine-month period ended 30 September 2012, the Group repurchased, under the share buy-back program, additional 3,445,000 of its outstanding ordinary shares for the total cash consideration of USD 41,465 thousand.

As a result of this transaction as of 30 September 2012 the Company’s repurchased ordinary shares amounted to USD 82,020 thousand and comprised 6,360,144 ordinary shares with a par value of 2 EUR each.

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

		30 September 2012		*31 December 2011*	
Bank	*Currency*	*WAIR* [1)]	*USD' 000*	*WAIR* [1)]	*USD' 000*
Foreign banks	EUR	2,24%	144,789	3.13%	97,009
Foreign banks	USD	5,12%	111,930	4.39%	95,979
			256,719		192,988
Ukrainian banks	USD	5,42%	134,491	5.39%	86,500
			134,491		86,500
Total bank borrowings			391,210		279,488
Less: Short-term bank borrowings and current portion of long-term bank borrowings			(214,317)		(170,380)
Total long-term bank borrowings			176,893		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 September 2012 and 31 December 2011 mainly bear the floating interest rates.

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

	30 September 2012	*31 December 2011*
Within one year	214,317	170,380
In the second year	60,939	30,951
In the third to fifth year inclusive	95,942	60,871
After five years	20,012	17,286
	391,210	279,488

As of 30 September 2012, the Group had available undrawn facilities of USD 188,319 thousand (31 December 2011: USD 251,315 thousand). These undrawn facilities expire during the period from October 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 September 2012, the Group had borrowings of USD 20,496 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 1,956 thousand (31 December 2011: USD 4,648 thousand) and inventories with a carrying amount of USD 80,117 thousand (31 December 2011: USD 45,491 thousand).

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

11. Bonds issued

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

	30 September 2012	*31 December 2011*
10.25% Senior Notes due in 2015	584,767	584,767
Unamortized premium on bonds issued	3,046	3,755
Unamortized debt issue cost	(17,459)	(21,522)
	570,354	567,000

As of 30 September 2012 and 31 December 2011 amount of accrued interest on bonds issued was USD 25,141 thousand and USD 10,157 thousand, respectively.

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

Trade accounts payable balance has increased as of 30 September 2012 compared to 31 December 2011 mainly due to the purchase of sunflower for internal consumption (Note 8).

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 nine-month periods ended 30 September 2012 and 2011 were as follows:

	2012	*2011*
Sales of goods to related parties	6,011	7,961
Sales of services to related parties	73	58
Purchases from related parties	512	99

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

	30 September 2012	*31 December 2011*
Trade accounts receivable	10,420	10,895
Advances received	200	200
Short-term advances, finance aid and promissory notes	4,428	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 9,333 thousand and USD 7,202 thousand for the nine-month periods ended 30 September 2012 and 30 September 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 nine-month period ended 30 September 2012 GDP demonstrated quite low growth which constituted approximately 1.5% by preliminary data.

During the nine-month period ended 30 September 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.

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

14. Contingencies and contractual commitments *(continued)*

Legal issues

In the ordinary course of business, the Group is subject to legal actions and complaints. As of 30 September 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 2,554 thousand as of 30 September 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.

Contractual commitments on purchase of property, plant and equipment

During the nine-month period ended 30 September 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 September 2012, purchase commitments on such contracts were primarily related to construction of the Vinnytsya poultry complex and amounted to USD 31,507 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 September 2012 and 31 December 2011 were as follows:

	30 September 2012		*31 December 2011*	
	USD	*EUR*	*USD*	*EUR*
Total assets	86,724	2,316	76,248	7,182
Total liabilities	889,915	181,485	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*
nine-month period ended 30 September 2012		
Increase in USD exchange rate	10%	(80,319)
Increase in EUR exchange rate	10%	(17,917)
Decrease in USD exchange rate	5%	40,160
Decrease in EUR exchange rate	5%	8,958
nine-month period ended 30 September 2011		
Increase in USD exchange rate	10%	(71,697)
Increase in EUR exchange rate	10%	(11,038)
Decrease in USD exchange rate	5%	35,849
Decrease in EUR exchange rate	5%	5,519

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2012

(in thousands of US dollars, unless otherwise indicated)

15. Currency risk *(continued)*

During the nine-month period ended 30 September 2012, the Ukrainian Hryvnia has not changed significantly against the EUR and the USD (nine-month period ended 30 September 2011: depreciated against the EUR by 2.7% and has not significantly changed against the US Dollar). As a result, during the nine-month period ended 30 September 2012 the Group recognised net foreign exchange gain in the amount of USD 736 thousand (nine-month period ended 30 September 2011: foreign exchange loss in the amount of USD 2,530 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 14 November 2012.