PRESS RELEASE
16 November 2016, Kyiv, Ukraine

MHP S.A.

Unaudited Financial Results for the Third Quarter and Nine Months Ended 30 September 2016

MHP S.A. (LSE:MHPC), one of the leading agro-industrial companies in Ukraine, focusing on the production of poultry and cultivation of grain, today announces its unaudited results for the nine months and third quarter ended 30 September 2016.

OPERATIONAL HIGHLIGHTS

Q3 2016 highlights

- Poultry production volumes reached 149,760 tonnes, up by 5% (Q3 2015: 142,295 tonnes)
- The average chicken meat price increased by 9% year-on-year to UAH 30.23 per kg (Q3 2015: UAH 27.62 per kg) (excluding VAT)
- Chicken meat exports increased by 70% to 58,625 tonnes (Q3 2015: 34,585 tonnes) as a result of increased exports to the MENA countries, the EU and Africa

9M 2016 highlights

- Poultry production volumes reached 455,425 tonnes, up by 8% (9M 2015: 420,720 tonnes)
- The average chicken meat price increased by 10% year-on-year to UAH 29.74 per kg (9M 2015: UAH 26.92 per kg) (excluding VAT)
- Chicken meat exports increased by 44% to 145,210 tonnes (9M 2015: 100,600 tonnes) as a result of increased exports to the MENA countries, the EU and Africa
- The Company established a processing plant in the EU and opened a sales and distribution office in UAE following its strategy of increasing and diversifying exports

FINANCIAL HIGHLIGHTS

Q3 2016 highlights

- Revenue of US$ 369 million, increased by 6% year-on-year (Q3 2015: US$ 347 million)
- Export revenue amounted to US$ 201 million, 54% of total revenue (Q3 2015: US$ 165 million, 48% of total revenue)
- Operating profit of US$ 79 million decreased by 1%; operating margin was 21%
- EBITDA margin decreased to 28% from 33%; EBITDA decreased to US$ 105 million from US$ 116 million
- Net loss amounted to US$ 8 million, compared to net profit US$ 24 million for Q3 2015, including US$ 51 million (Q3 2015: US$ 35 million) of non-cash foreign exchange translation loss

9M 2016 highlights

- Revenue of US$ 899 million remained flat year-on-year (9M 2015: US$ 898 million)
- Export revenue amounted to US$455 million, 51% of total revenue (9M 2015: US$ 406 million, 45% of total revenue)
- Operating profit of US$ 270 million decreased by 14%; operating margin was 30%
- EBITDA margin decreased to 38% from 43%; EBITDA decreased to US$ 340 million from US$ 386 million
- Net profit amounted to US$ 86 million, compared to a net loss of US$ 37 million for 9M 2015, including US$ 88 million (9M 2015: US$ 289 million) of non-cash foreign exchange translation loss

FINANCIAL OVERVIEW

(in mln. US$, unless indicated otherwise)	**Q3 2016**	**Q3 2015**	*% change**	**9M 2016**	**9M 2015**	*% change**
Revenue	**369**	**347**	**6%**	**899**	**898**	**0%**
IAS 41 standard gains/(losses)	(13)	4	-425%	83	54	54%
Gross profit	**89**	**74**	**20%**	**312**	**319**	**-2%**
Gross profit margin	*24%*	*21%*	*3 pps*	*35%*	*36%*	*-1 pps*
Operating profit**	**79**	**80**	**-1%**	**270**	**315**	**-14%**
Operating profit margin	*21%*	*23%*	*-2 pps*	*30%*	*35%*	*-5 pps*
EBITDA	**105**	**116**	**-9%**	**340**	**386**	**-12%**
EBITDA margin	*28%*	*33%*	*-5 pps*	*38%*	*43%*	*-5 pps*
Net profit before foreign exchange differences	**43**	**59**	**-27%**	**174**	**252**	**-31%**
Net profit margin before forex gain/(loss)	*12%*	*17%*	*-5 pps*	*19%*	*28%*	*-9 pps*
Foreign exchange gain/(loss)	(51)	(35)	n/a	(88)	(289)	n/a
Net profit (loss)	**(8)**	**24**	**-133%**	**86**	**(37)**	**332%**
Net profit margin	*-2%*	*7%*	*-9 pps*	*10%*	*-4%*	*14 pps*

** pps – percentage points*
*** Operating profit before loss on impairment of property, plant and equipment*
Average official FX rate for Q3: UAH/US$ 25.3760 in 2016 and UAH/US$ 21.7219 in 2015
Average official FX rate for 9 months: UAH/US$ 25.4303 in 2016 and UAH/US$ 21.4852 in 2015

DIVIDENDS

On 16 March 2016, the Board of Directors of MHP S.A. approved a payment of the interim dividend for 2015. During the nine months period ended 30 September 2016, MHP S.A. paid a dividend to shareholders in the amount of US$ 0.7529 per share, equivalent to approximately US$ 80 million.

CHAIRMAN RESIGNATION/APPOINTMENT

On 19 July, 2016, Mr. Charles Adriaenssen, Chairman of the Board of Directors of MHP S.A. and Chairman of the Nomination and Remuneration Committee has resigned for personal reasons. Dr. John Rich has been named interim Chairman of the Board of Directors of MHP S.A. and Chairman of the Nomination and Remuneration Committee. The Board has begun a search for a permanent successor to Mr. Adriaenssen.

MHP's management will host a conference call for investors and analysts followed by Q&A on the day of the results publication.

The dial-in details are:

Time:	14.00 London / 16.00 Kyiv
Title:	Financial Results for Q3 and 9M 2016
International/UK Dial in:	+44 2030 432440
USA free call:	+1 8778874163
Russia free call	+7 4952216523
Conference ID	EV00048639
Participant PIN code	44737980#

In order to follow the presentation together with the management, please register using the following link:

http://event.onlineseminarsolutions.com/r.htm?e=1305756&s=1&k=F6A83D01F6DD2575AA73987686A9754E

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Segment Performance

Poultry and related operations

	Q3 2016	Q3 2015	% change	9M 2016	9M 2015	% change
Poultry						
Sales volume, third parties tonnes	166,525	150,260	11%	433,110	407,680	6%
Export sales volume, third parties tonnes	58,624	34,585	70%	145,209	100,601	44%
Price per 1 kg net of VAT, UAH	30.23	27.62	9%	29.74	26.92	10%
Sunflower oil						
Sales volume, third parties tonnes	89,600	71,910	25%	254,030	217,710	17%
Soybeans oil						
Sales volume, third parties tonnes	10,310	5,140	101%	24,340	10,240	138%

As a result of increased production, the aggregate volume of chicken meat sold to third parties increased by 11% in Q3 2016 and by 6% during 9M 2016. Export sales of Q3 2016 increased by 70% to 58,625 tonnes (Q3 2015: 34,585 tonnes) and in 9M 2016 by 44% to 145,210 tonnes. During the reporting period, in line with export diversification strategy, sales to Middle East countries increased by 47%, and to the EU by 35%. As a result of higher exports, domestic sales decreased slightly to 107,900 tonnes in Q3 2016 (Q3 2015: 115,675 tonnes). The total volume of chicken meat exports in 9M 2016 represented 34% of total poultry sales.

Through Q3 2016 and 9M 2016 the aggregate average chicken meat price was UAH 30.23 and UAH 29.74, 9% and 10% higher compared to Q3 2015 and 9M 2015 in Hryvnia terms respectively. The average chicken meat price on the domestic market increased by 15% in 9M 2016 compared to 9M 2015, mostly as a result of an overall increase in consumer prices in the Ukrainian economy. Export prices for chicken meat denominated in US$ decreased in 9M 2016 by 18% compared to 9M 2015, in line with global commodity trends.

During 9M 2016 MHP's sales of sunflower oil increased by 17% compared to 9M 2015 and reached 254,030 tonnes mainly as a result of an increase in oil stock as of 31 December 2015 as well as an increase in production of chicken mixed fodder.

(in mln. US$, unless indicated otherwise)	**Q3 2016**	**Q3 2015**	*% change**	**9M 2016**	**9M 2015**	*% change**
Revenue	**291**	**263**	**11%**	**763**	**715**	**7%**
- Poultry and other	*213*	*206*	*3%*	*545*	*544*	*0%*
- Vegetable oil	*78*	*57*	*37%*	*218*	*171*	*27%*
IAS 41 standard gains/(losses)	**(10)**	**2**	**n/a**	**13**	**22**	**-41%**
Gross profit	**66**	**65**	**2%**	**199**	**240**	**-17%**
Gross margin	*23%*	*25%*	*-2 pps*	*26%*	*34%*	*-8 pps*
EBITDA	**73**	**81**	**-10%**	**212**	**286**	**-26%**
EBITDA margin	*25%*	*31%*	*-6 pps*	*28%*	*40%*	*-12 pps*
EBITDA per 1 kg (net of IAS 41)	*0.50*	*0.53*	*-6%*	*0.46*	*0.65*	*-29%*

** pps – percentage points*

In Q3 2016 revenue (excl. vegetable oil) increased by 3% as a result of an 11% increase in sales volumes of poultry meat, which was partly offset by decreased international export prices.

As a result of an increase in oils production, revenue from vegetable oil increased by 37% in Q3 2016 compared to Q3 2015.

The IAS 41 standard gain/(loss) reflects the net change in the fair value of biological assets and agricultural produce. The IAS 41 standard loss for 3Q 2016 amounted to US$ 10 million mainly related to a significant reduction in poultry meat stock.

Gross profit of the poultry and related operations segment for Q3 2016 slightly increased by 2% to US$ 66 million. Gross profit of the poultry and related operations segment for 9M 2016 decreased by 17% to US$ 199 million mostly as a result of a decrease in export poultry meat prices.

EBITDA for 9M 2016 decreased by 26% to US$ 212 million, mainly due to the decrease in gross profit as a result of the decrease in export prices as well as a decrease in VAT refunds and other government grants income. These declined due to both the overall decrease in gross profit and changes in the Ukraine Tax Code that became effective on 1 January 2016, as well as a result of increased selling expenses related to the increase in export sales on CIF terms.

Grain growing operations

Due to a combination of quite favorable weather conditions in Ukraine, operational efficiency and employment of best practice, this year we are experiencing a strong harvest, which will result in a strong financial result from our grain growing operations in 2016.

The Company's harvesting campaign of corn and soya is in its final stage. As of the date of this report, MHP has harvested around 86% of corn and 93% of soya. The sowing campaign of winter crops has been completed.

	2016 [1]		***2015 [1]***	
	Production volume	***Cropped land***	***Production volume***	***Cropped land***
	in tonnes	*in hectares*	*in tonnes*	*in hectares*
Corn	1,057,437[3]	123,337	841,745	125,994
Wheat	378,516	58,769	322,055	53,752
Sunflower	227,856	67,725	176,170	57,541
Rapeseed	68,925	20,180	76,385	22,653
Soya	102,274[3]	41,143	56,650	35,831
Other [2]	529,187	43,846	418,690	44,229
Total	**2,364,194**	**355,000**	**1,891,695**	**340,000**

[1] Only land of grain growing segment;
[2] Including barley, rye, sugar beet, sorghum and other and excluding land left fallow as part of crop rotation;
[3] Forecast, harvesting campaign 2016 is ongoing, corn as of the date of this report is 86% complete, soya – 93%

	2016		***2015***	
	MHP's average [1]	***Ukraine's average [1]***	***MHP's average [1]***	***Ukraine's average[1]***
	tonnes per hectare		*tonnes per hectare*	
Corn	8.6[2]	6.0	6.7	5.7
Wheat	6.4	4.3	6.0	3.9
Sunflower	3.4	2.2	3.1	2.2
Rapeseed	3.4	2.6	3.4	2.6
Soya	2.5[2]	2.3	1.6	1.9

[1] MHP yields are net weight, Ukraine – bunker weight;
[2] Forecast, harvesting campaign 2016 is ongoing, corn as of the date of this report is 92% complete, soya – 93%.

(in mln. US unless indicated otherwise)	9M 2016	9M 2015	% change
Revenue	**45**	**102**	**-56%**
IAS 41 standard gains	70	32	119%
Gross profit	**99**	**66**	**50%**
EBITDA	**119**	**94**	**27%**

The grain growing segment's revenue for 9M 2016 amounted to US$ 45 million compared to US$ 102 million in 9M 2015. The decrease is mainly attributable to a lower amount of crops in stock designated for sale as of 31 December 2015, compared to stock held for sale as of 31 December 2014, mainly as a result of lower yields in 2015.

The IAS 41 standard gain for 9M 2016 amounted to US$ 70 million. The gain represents the effect of a revaluation of agricultural produce (sunflower, corn, wheat and soya) remaining in stock as of 30 September 2016 as well as revaluation of biological assets (mainly corn) to be harvested during October/November 2016. An increase in the IAS 41 standard gain mainly reflects higher financial results from grain growing operations due to both: higher yields of main crops and oilseeds as well as increase in prices due to a change in VAT regulations on export of corn and wheat effective 1 January 2016.

Other agricultural operations

Meat processing products	Q3 2016	Q3 2015	% change	9M 2016	9M 2015	% change
Sales volume, third parties tonnes	10,800	8,960	21%	28,780	20,950	37%
Price per 1 kg net VAT, UAH	48.06	43.71	10%	46.65	42.92	9%

The sales volume of meat processing products increased by 21% year-on-year to 10,800 tonnes in Q3 2016, mainly as a result of a continuous product promotion and advertising campaign not only for the product range, but also for the brand.

The average processed meat price increased by 10% year-over-year to UAH 48.06 per kg in Q3 2016 in line with the increase in the price of poultry.

(in mln. US$, except margin data)	Q3 2016	Q3 2015	*% change**	9M 2016	9M 2015	*% change**
Revenue	**36**	**34**	**6%**	**91**	**81**	**12%**
- Meat processing	*20*	*20*	*0%*	*51*	*46*	*11%*
- Other	*16*	*14*	*14%*	*40*	*35*	*14%*
IAS 41 standard gains	**3**	**1**	**200%**	**-**	**-**	**0%**
Gross profit	**6**	**6**	**0%**	**14**	**13**	**8%**
Gross margin	*17%*	*18%*	*-1 pps*	*15%*	*16%*	*-1 pps*
EBITDA	**8**	**6**	**33%**	**17**	**13**	**31%**
EBITDA margin	*22%*	*18%*	*4 pps*	*19%*	*16%*	*3 pps*

** pps – percentage points*

Segment revenue for 9M 2016 increased by 12% year-on-year, in line with increased sales volumes and prices in the meat processing and fruit businesses, to US$ 91 million. This resulted in the segment's EBITDA increasing to US$ 17 million in 9M 2016 compared to US$ 13 million in 9M 2015, an increase of 31% year-on-year.

Current Group financial position and cash flow

(in mln. US$)	Q3 2016	Q3 2015	9M 2016	9M 2015
Cash from operations	**63**	**98**	**149***	**265**
*Including upfront payment of interest on Senior Notes**	*(31)*	-	*(31)*	-
Change in working capital	49	3	91	(99)
Net Cash from operating activities	**112**	**101**	**240**	**166**
Cash used in investing activities	(26)	(40)	(73)	(106)
Non-cash financing	(4)	(7)	(8)	(8)
CAPEX	**(30)**	**(47)**	**(81)**	**(114)**
Cash from financing activities	(55)	(36)	(148)	(40)
Including Dividends	*(4)*	-	*(84)*	*(50)*
Non-cash financing	4	7	8	8
Total financial activities	**(51)**	**(29)**	**(140)**	**(32)**
Total change in cash	**31**	**25**	**19**	**20**

** Cash from operations for 9M 2016 and in Q3 2016 includes an upfront payment of interest on Senior Notes in amount of US$ 31 million that is normally due in Q4, however as a result of non-banking days on 1-2 October 2016 payment was settled in Q3.*

Cash flow from operations before changes in working capital for 9M 2016 amounted to US$ 149 million (9M 2015: US$ 265 million). Excluding an upfront payment of interest on Senior Notes, cash from operations before working capital changes decreased during 9M 2016 compared to 9M 2015 mostly in line with the decrease in net profit before foreign exchange differences.

Positive cash flow changes in working capital during 9M 2016 compared to 9M 2015 are mostly related to lower investment in purchase of sunflower designated for poultry feed production during 9M 2016 compared to 9M 2015 and reimbursement of VAT receivable.

During 9M 2016 total CAPEX amounted to US$ 81 million mainly related to purchases of agricultural machinery and expansion of the Starynska breeding farm as well as rearing sites expansion at the Myronivka, Oril Leader and Vinnytsa poultry complexes.

Debt Structure and Liquidity

(in mln. US$)	30 September 2016	30 June 2016	31 December 2015
Total Debt	**1,238**	**1,286**	**1,279**
LT Debt	968	1,001	1,016
ST Debt	270	285	263
Cash and bank deposits	(78)	(47)	(59)
Net Debt	**1,160**	**1,239**	**1,220**
LTM EBITDA	412	423	459
Net Debt / LTM EBITDA	2.82	2.93	2.66

As of 30 September 2016, the Company’s debt structure remained relatively unchanged compared to 31 December 2015: the share of long-term debt in the total outstanding debt was 78%. The weighted average interest rate was approximately 8%.

As of 30 September 2016, MHP's cash and cash equivalents amounted to US$ 78 million. Net debt decreased to US$ 1,160 million, compared to US$ 1,220 million as at 31 December 2015.

The Net Debt / LTM EBITDA ratio was 2.82 as of 30 September 2016, well within the Eurobond covenant limit of 3.0.

As a hedge for currency risks, revenue from the export of grain, sunflower and soybean oil, sunflower husks, and chicken meat are denominated in US Dollars, more than covering all debt service expenses. Export revenue for 9M 2016 amounted to US$ 455 million or 51% of total revenue (US$ 406 million or 45% of total sales for 9M 2015).

Outlook

Despite low commodity prices worldwide and low poultry prices in Ukraine, the Company continues to demonstrate sustainably high results.

The Company is investing to continue growing organically in poultry capacity in Ukraine and to increase its exports mainly to MENA and EU.

Despite this investment in growth, we will continue to generate positive cash flows and pay an annual dividend.

We are confident that our vertically integrated business model will enable the Company to continue to deliver strong financial results, supported by a significant and growing share of hard currency revenues from our exports of chicken, oils and grain.

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 15 distribution and logistical centres, within major Ukrainian cities. MHP uses its trucks for the distribution of its products, which Management believes reduces overall transportation costs and delivery times.

MHP also has a leading grain cultivation business growing corn to support the vertical integration of its chicken production and increasingly other grains, such as wheat and rape, for sale to third parties. MHP leases agricultural land located primarily in the highly fertile black soil regions of Ukraine.

Since May 15, 2008, MHP has traded on the London Stock Exchange under the ticker symbol MHPC.

Forward-Looking Statements

This press release might contain forward-looking statements that refer to future events or forecast financial indicators for MHP S.A. Such statements do not guarantee that these are actions to be taken by MHP S.A. in the future, and estimates can be inaccurate and uncertain. Actual final indicators and results can considerably differ from those declared in any forward-looking statements. MHP S.A. does not intend to change these statements to reflect actual results.

MHP S.A. AND ITS SUBSIDIARIES

Interim Condensed Consolidated Financial Statements

As of and for the nine-month period ended 30 September 2016

CONTENT

STATEMENT OF MANAGEMENT RESPOSIBILITY

To the best of our knowledge, the unaudited interim condensed consolidated financial statements of MHP S.A. (the "Company") and its subsidiaries (collectively the "Group") as of and for the nine-month period ended 30 September 2016 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" give a true and fair view of the assets, liabilities, financial position and financial performance of the Company and the undertakings included in the consolidation taken as a whole, and the management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

15 November 2016

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

(a)

MANAGEMENT REPORT

Key financial highlights

During the nine-month period ended 30 September 2016 consolidated revenue remained relatively flat and amounted to USD 898,824 thousand, compared to USD 897,963 thousand for the nine-month period ended 30 September 2015. Export sales for the nine-month period ended 30 September 2016 constituted 51% of total revenue and amounted to USD 454,531 thousand, compared to USD 405,688 thousand or 45% of total revenue for the nine-month period ended 30 September 2015.

Gross profit has slightly decreased by 2% and amounted to USD 312,279 thousand for the nine-month period ended 30 September 2016 compared to USD 319,327 thousand for the nine-month period ended 30 September 2015. Decrease in gross profit is mostly related to domestic market of poultry segment as a result of UAH depreciation against USD, that was partly offset by increse in gross profit of grain segment due to higher yields in 2016 compared to 2015.

Operating profit decreased by 14% to USD 269,610 thousand for the nine-month period ended 30 September 2016 compared to USD 314,814 thousand for the nine-month period ended 30 September 2015. Decrease is mainly related to increase in selling expenses as a result of higher export sales on CIF terms, as well as due to decrease in VAT refunds and other government grants income, which have declined due to both: overall decrease in gross profit and changes in Tax Code of Ukraine that became effective on 1 January 2016 (Note 13).

Net profit from operations for the nine-month period ended 30 September 2016 amounted to USD 86,162 thousand including foreign exchange loss of USD 87,735 thousand compared to net loss of USD 36,990 thousand including foreign exchange loss of USD 289,210 thousand for the nine-month period ended 30 September 2015. Unrealized foreign exchange loss is mainly related to bank borrowings and bonds issued in foreign currency as result of UAH depreciation against USD and EUR during the nine-month period ended 30 September 2016.

Dividends

On 16 March 2016, the Board of Directors of MHP S.A. approved a payment of the interim dividends in the amount of USD 0.7529 per share, equivalent to approximately USD 80,000 thousand, which were paid to shareholders during the nine-month period ended 30 September 2016

Internal control and risk management

During the nine-month period ended 30 September 2016 there were no changes to objectives, policies and processes for risks inherent to the Group. The summary of key risks and their mitigation plans that Group faces are disclosed in the Director's report for the period ended 31 December 2015.

15 November 2016

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 2016
(in thousands of US dollars, unless otherwise indicated)

	Notes	Nine-month period ended 30 September 2016	Nine-month period ended 30 September 2015
Revenue	3	898,824	897,963
Net change in fair value of biological assets and agricultural produce	3, 4	82,579	53,791
Cost of sales		(669,124)	(632,427)
Gross profit	4	312,279	319,327
Selling, general and administrative expenses		(63,829)	(54,503)
VAT refunds and other government grants income		19,927	47,684
Other operating income/(expenses)		1,233	2,306
Operating profit before loss on impairment of property, plant and equipment		269,610	314,814
Loss on impairment of property, plant and equipment		(1,443)	-
Operating profit		268,167	314,814
Finance income		2,059	2,199
Finance costs:			
Interests and other finance costs		(80,728)	(79,407)
Consent payment related to corporate bonds	10	(9,148)	-
Finance costs		(89,876)	(79,407)
Loss on disposal of subsidiaries		-	(4,725)
Foreign exchange loss, net	15	(87,735)	(289,210)
Other expenses, net		(7,499)	(1,901)
Other expenses, net		(183,051)	(373,044)
Profit/(Loss) before tax		85,116	(58,230)
Income tax benefit	5	1,046	21,240
Profit/(Loss) for the period	4	86,162	(36,990)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Effect of revaluation of property, plant and equipment	6	140,789	104,900
Deferred tax on property, plant and equipment charged directly to revaluation reserve		(16,143)	(16,334)
Items that may be reclassified to profit or loss:			
Cumulative translation difference		(27,990)	(202,137)
Other comprehensive profit/(loss) for the period		96,656	(113,571)
Total comprehensive profit/(loss) for the period		182,818	(150,561)
(Loss)/income attributable to:			
Equity holders of the Parent		83,171	(45,902)
Non-controlling interests		2,991	8,912
		86,162	(36,990)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Parent		180,008	(155,539)
Non-controlling interests		2,810	4,978
		182,818	(150,561)
Earnings per share			
Basic and diluted profit/(loss) per share (USD per share)		0.78	(0.44)

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 11 to 22 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as of 30 September 2016
(in thousands of US dollars, unless otherwise indicated)

	Notes	30 September 2016	31 December 2015
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,341,890	1,249,672
Land lease rights		44,147	46,252
Deferred tax assets		171	5,740
Non-current biological assets		4,066	23,782
Long-term bank deposits		4,026	4,125
Other non-current assets		9,199	9,241
		1,403,499	1,338,812
Current assets			
Inventories	7	162,534	279,028
Biological assets	8	216,496	139,800
Agricultural produce	7	178,050	120,574
Other current assets, net		21,818	27,345
Taxes recoverable and prepaid, net		36,988	72,031
Trade accounts receivable, net		47,493	38,800
Cash and cash equivalents		78,306	59,343
		741,685	736,921
TOTAL ASSETS		2,145,184	2,075,733
EQUITY AND LIABILITIES			
Equity			
Share capital		284,505	284,505
Treasury shares		(56,053)	(56,053)
Additional paid-in capital		178,192	178,192
Revaluation reserve		619,737	567,525
Retained earnings		718,776	645,020
Translation reserve		(1,000,427)	(974,467)
Equity attributable to equity holders of the Parent		744,730	644,722
Non-controlling interests		26,651	28,127
Total equity		771,381	672,849
Non-current liabilities			
Bank borrowings	9	229,155	278,131
Bonds issued	10	731,793	728,530
Finance lease obligations		6,965	9,595
Deferred tax liabilities		22,260	13,227
		990,173	1,029,483
Current liabilities			
Trade accounts payable		59,663	47,669
Other current liabilities	11	51,451	39,320
Bank borrowings	9	259,415	249,057
Accrued interest		2,913	23,328
Finance lease obligations		10,188	14,027
		383,630	373,401
TOTAL LIABILITIES		1,373,803	1,402,884
TOTAL EQUITY AND LIABILITIES		2,145,184	2,075,733

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 11 to 22 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 2016
(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 2016	284,505	(56,053)	178,192	567,525	645,020	(974,467)	644,722	28,127	672,849
(Loss)/Profit for the period	-	-	-	-	83,171	-	83,171	2,991	86,162
Other comprehensive income/(loss)	-	-	-	122,797	-	(25,960)	96,837	(181)	96,656
Total comprehensive income/(loss) for the period	-	-	-	122,797	83,171	(25,960)	180,008	2,810	182,818
Transfer from revaluation reserve to retained earnings	-	-	-	(30,817)	30,817	-	-	-	-
Dividends *(Note 16)*	-	-	-	-	(80,000)	-	(80,000)	(4,286)	(84,286)
Translation differences on revaluation reserve	-	-	-	(39,768)	39,768	-	-	-	-
Balance as of 30 September 2016	284,505	(56,053)	178,192	619,737	718,776	(1,000,427)	744,730	26,651	771,381

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 11 to 22 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 2015
(in thousands of US dollars, unless otherwise indicated)

	Attributable to equity holders of the Parent								
	Share capital	*Treasury shares*	*Additional paid-in capital*	*Revaluation reserve*	*Retained earnings*	*Translation reserve*	*Total*	*Non-controlling interests*	*Total equity*
Balance as of 1 January 2015 (Restated Note 2)	284,505	(67,741)	181,982	646,049	547,994	(710,372)	882,417	63,105	945,522
(Loss)/Profit for the period	-	-	-	-	(45,902)	-	(45,902)	8,912	(36,990)
Other comprehensive income/(loss)	-	-	-	85,960	-	(195,597)	(109,637)	(3,934)	(113,571)
Total comprehensive income/(loss) for the period	-	-	-	85,960	(45,902)	(195,597)	(155,539)	4,978	(150,561)
Dividends declared by the Parent	-	-	-	-	(50,000)	-	(50,000)	-	(50,000)
Dividends declared by subsidiaries	-	-	-	-	-	-	-	(408)	(408)
Acquisition and changes in subsidiaries	-	-	-	(9,738)	9,738	3,266	3,266	(1,002)	2,264
Translation differences on revaluation reserve	-	-	-	(249,050)	249,050	-	-	-	-
Balance as of 30 September 2015 (Restated Note 2)	284,505	(67,741)	181,982	473,221	710,880	(902,703)	680,144	66,673	746,817

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 11 to 22 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 2016
(in thousands of US dollars, unless otherwise indicated)

	Notes	Nine-month period ended 30 September 2016	Nine-month period ended 30 September 2015
Operating activities			
Profit/(Loss) before tax		85,116	(58,230)
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortization expense	3	70,327	71,630
Net change in fair value of biological assets and agricultural produce	3, 4	(82,579)	(53,791)
Change in allowance for irrecoverable amounts and direct write-offs		(395)	(1,197)
Loss/(Gain) on disposal of property, plant and equipment and other non-current assets		213	(139)
Loss on impairment of property, plant and equipment		1,443	
Finance income		(2,059)	(2,199)
Finance costs:			
Interests and other finance costs		80,728	79,407
Consent payment related to corporate bonds	10	9,148	-
Unrealised foreign exchange loss, net	15	87,735	289,210
Loss on disposal of subsidiaries		-	4,725
Operating cash flows before changes in working capital		249,677	329,416
Working capital adjustments			
Change in inventories	7	102,214	(54,286)
Change in biological assets	8	(41,038)	(74,938)
Change in agricultural produce	7	(18,450)	(5,656)
Change in other current assets		4,823	(9,512)
Change in taxes recoverable and prepaid		31,279	(36,784)
Change in trade accounts receivable		(11,663)	8,318
Change in other liabilities		8,509	6,903
Change in trade accounts payable		16,047	66,447
Cash generated by operations		341,398	229,908
Interest received		2,058	2,146
Interest paid	10	(102,314)	(65,462)
Income taxes paid		(281)	(796)
Net cash flows from operating activities		240,861	165,796
Investing activities			
Purchases of property, plant and equipment	6	(69,093)	(93,628)
Purchases of other non-current assets		(1,622)	(1,776)
Purchase of land lease rights		(3,370)	(7,574)
Purchase of subsidiaries		-	(2,190)
Proceeds from disposals of property, plant and equipment		1,105	561
Purchases of non-current biological assets		(1,196)	(781)
Withdrawals of short-term deposits		238	252
Loans repaid by/(provided to) employees		(67)	(436)
Loans repaid by/(provided to) related parties, net		1,099	(69)
Net cash flows used in investing activities		(72,906)	(105,641)
Financing activities			
Proceeds from bank borrowings		177,727	444,762
Repayment of bank borrowings		(221,196)	(201,216)
Repayment of bonds		(245)	(219,567)
Repayment of finance lease obligations		(11,353)	(13,297)
Dividends paid		(79,985)	(49,996)
Dividends paid by subsidiary to non-controlling shareholders		(4,287)	(408)
Consent payment related to corporate bonds	10	(9,148)	-
Net cash flows from financing activities		(148,487)	(39,722)
Net increase in cash and cash equivalents		19,468	20,433
Net foreign exchange difference		(505)	(13,168)
Cash and cash equivalents at 1 January		59,343	99,628
Cash and cash equivalents at 30 September		78,306	106,893

The accompanying notes on the pages 11 to 22 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT *(continued)*
for the nine-month period ended 30 September 2016
(in thousands of US dollars, unless otherwise indicated)

Non-cash transactions		
Effect of revaluation of property, plant and equipment	140,789	104,900
Additions of property, plant and equipment under finance leases	3,845	2,808
Property, plant and equipment purchased for credit	4,248	5,192

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 11 to 22 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 2016

(in thousands of US dollars, unless otherwise indicated)

1. Corporate information

MHP S.A. (the "Parent" or "MHP S.A."), a limited liability company (société anonyme) registered under the laws of Luxembourg, was formed on 30 May 2006. MHP S.A. serves as the ultimate holding company of PJSC "Myronivsky Hliboproduct" ("MHP") and its subsidiaries. Hereinafter, MHP S.A. and its subsidiaries are referred to as the "MHP S.A. Group" or the "Group". The registered address of MHP S.A. is 5, rue Guillaume Kroll, L-1882 Luxembourg.

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

The principal business activities of the Group are poultry and related operations, grain growing, as well as other agricultural operations (meat processing, cultivation and selling fruits and producing beef and meat products ready for consumption). The Group's poultry and related operations integrate all functions related to the production of chicken, including hatching, fodder manufacturing, raising chickens to marketable age ("grow-out"), processing and marketing of branded chilled products including the production and sale of chicken products, sunflower oil, mixed fodder and convenience food products. Grain growing comprises the production and sale of grains. Other agricultural operations comprise the production and sale of cooked meat, sausages, beef, milk, goose meat, foie gras, fruits and feed grains. During the nine-month period ended 30 September 2016 the Group employed about 32,404 people (31 December 2015: 30,900 people).

The primary subsidiaries, the principal activities of the companies forming the Group and the Parent's effective ownership interest as of 30 September 2016 and 31 December 2015 were as follows:

Name	*Country of registration*	*Year established/ acquired*	*Principal activities*	*30 September 2016*	*31 December 2015*
Raftan Holding Limited	Cyprus	2006	Sub-holding Company	100.0%	100.0%
Larontas Limited	Cyprus	2015	Sub-holding Company	100.0%	100.0%
MHP	Ukraine	1998	Management, marketing and sales	99.9%	99.9%
Myronivsky Zavod po Vygotovlennyu Krup i Kombikormiv	Ukraine	1998	Fodder and sunflower oil production	88.5%	88.5%
Vinnytska Ptahofabryka	Ukraine	2011	Chicken farm	99.9%	99.9%
Peremoga Nova	Ukraine	1999	Chicken farm	99.9%	99.9%
Druzhba Narodiv Nova	Ukraine	2002	Chicken farm	100.0%	100.0%
Oril-Leader	Ukraine	2003	Chicken farm	99.9%	99.9%
Tavriysky Kombikormovy Zavod	Ukraine	2004	Fodder production	99.9%	99.9%
Myronivska Ptahofabryka	Ukraine	2004	Chicken farm	99.9%	99.9%
Starynska Ptahofabryka	Ukraine	2003	Breeder farm	95.0%	95.0%
Ptahofabryka Snyatynska Nova	Ukraine	2005	Geese breeder farm	99.9%	99.9%
Zernoproduct	Ukraine	2005	Grain cultivation	99.9%	99.9%
Katerynopilsky Elevator	Ukraine	2005	Fodder production and grain storage, sunflower oil production	99.9%	99.9%
Druzhba Narodiv	Ukraine	2006	Cattle breeding, plant cultivation	99.9%	99.9%
NPF Urozhay	Ukraine	2006	Grain cultivation	99.9%	99.9%
Agrofort	Ukraine	2006	Grain cultivation	86.1%	86.1%
Urozhayna Krayina	Ukraine	2010	Grain cultivation	99.9%	99.9%
Ukrainian Bacon	Ukraine	2008	Meat processing	79.9%	79.9%
AgroKryazh	Ukraine	2013	Grain cultivation	99.9%	99.9%
Baryshevka	Ukraine	2013	Grain cultivation	51.0%	51.0%
Scylla Capital Limited	British Virgin Islands	2014	Trading in sunflower oil and poultry meat	100.0%	100.0%
Zakhid-Agro MHP	Ukraine	2015	Grain cultivation	100.0%	100.0%

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine-month period ended 30 September 2016
(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 2016 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 2015 statement of financial position was derived from the audited consolidated financial statements.

Adoption of new and revised International Financial Reporting Standards

The adoption of the new or revised Standards did not have any effect on the financial position or performance of the Group and did not result in any changes to the Group's accounting policies and the amounts reported in the nine-month period ended 30 September 2016 or prior periods.

Functional and presentation currencies

The functional currency of Ukrainian, Cyprus and Luxemburg companies of the Group is the Ukrainian Hryvnia ("UAH"); the functional currency of the Group companies located in the Russian Federation is the Russian Rouble ("RUB"). Transactions in currencies other than the functional currency of the entities concerned are treated as transactions in foreign currencies. Such transactions are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the reporting date. All realized and unrealized gains and losses arising on exchange differences are recognised in the consolidated statement of comprehensive income for the period.

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

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

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

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 2016*	*Average for nine-months ended 30 September 2016*	*Closing rate as of 31 December 2015*	*Average for nine-months ended 30 September 2015*	*Closing rate as of 31 December 2014*
UAH/USD	25.9119	25.4303	24.0007	21.4852	15.7686
UAH/EUR	29.0757	28.3919	26.2231	23.9322	19.2329
UAH/RUB	0.4103	0.3739	0.3293	0.3665	0.3030
RUB/USD	63.1581	64.5978	72.8827	59.2777	56.2584

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine-month period ended 30 September 2016
(in thousands of US dollars, unless otherwise indicated)

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

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015, except those adopted starting from 1 January 2016 as described previously in this note.

Change in accounting policy

During the year ended 31 December 2015 the Group voluntary changed its accounting policy regarding the translation of the revaluation reserve in the consolidated statement of financial position and revaluation model for Auxillary and other machinery and Utilities and infrastructure.

Revaluation reserve had previously been translated to presentation currency ("USD") using historical rates (the rate on the dates of respective revaluation). During 2015, the Group decided to change it's accounting policy and revaluation reserve was translated into presentation currency using the closing rate as of reporting date. The effect of the translation difference on the revaluation reserve is recognised within retained earnings in equity component of the consolidated statement of financial position.

The Group's management believes that this change in the accounting policy will result in the financial statements providing more relevant and reliable information about the cumulative effect of revaluation on property, plant and equipment relative to the carrying amount of these assets which are also translated into presentation currency using closing rate.

The effect of the retrospective application of this policy on the consolidated statement of financial position was as follows:

	30 September 2015	*1 January 2015*
Revaluation reserve according to the old policy	760,406	684,184
Effect of the change in accounting policy	(287,185)	(38,135)
Revaluation reserve according to the new policy	473,221	646,049
Retained earnings according to the old policy	423,695	509,859
Effect of the change in accounting policy	287,185	38,135
Retained earnings according to the new policy	710,880	547,994

The change in accounting policies had no effect on earnings per share and on consolidated statement of comprehensive income and on the consolidated statement of cash flows either in the current or previous periods.

During the nine-months period ended 30 September 2016, the Group has changed its accounting policy regarding the determination of the carrying amount of assets group Auxillary and other machinery and Utilities and infrastructure from cost to revaluation model. The Group's management believes that there is a reliable market data representing the fair value of the Auxillary and other machinery and Utilities and infrastructure and such change in the accounting policy will result in the financial statements providing more relevant and reliable information about the carrying amount of property, plant and equipment (Note 6).

Seasonality of operations

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine-month period ended 30 September 2016
(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 2016:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	762,688	45,204	90,932		898,824
Sales between business segments	20,787	103,789	459	(125,035)	-
Total revenue	783,475	148,993	91,391	(125,035)	898,824
Segment results	165,749	100,850	12,155	-	278,754
Unallocated corporate expenses					(9,144)
Loss on impairment of property, plant and equipment					(1,443)
Other expenses, net[1)]					(183,051)
Profit before tax					85,116
Other information:					
Depreciation and amortization expense[2)]	45,994	17,715	5,192	-	68,901
Net change in fair value of biological assets and agricultural produce (Note 4)	12,570	69,539	470	-	82,579

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

[2)] Depreciation and amortization for the nine-month period ended 30 September 2016 does not include unallocated depreciation and amortization in the amount of USD 1,426 thousand.

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

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	715,376	102,363	80,224		897,963
Sales between business segments	19,988	67,393	929	(88,310)	-
Total revenue	735,364	169,756	81,153	(88,310)	897,963
Segment results	236,678	76,915	8,821	-	322,414
Unallocated corporate expenses					(7,600)
Other expenses, net[1)]					(373,044)
Loss before tax					(58,230)
Other information:					
Depreciation and amortization expense[2)]	49,691	17,064	4,270	-	71,025
Net change in fair value of biological assets and agricultural produce	21,668	31,805	318	-	53,791

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

[2)] Depreciation and amortization for the nine-month period ended 30 September 2015 does not include unallocated depreciation and amortization in the amount of USD 605 thousand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine-month period ended 30 September 2016
(in thousands of US dollars, unless otherwise indicated)

4. Profit for the period

The Group's gross profit for the nine-month period ended 30 September 2016 decreased compared to the nine-month period ended 30 September 2015 and amounted to USD 312,279 thousand and USD 319,327 thousand respectively. Decrease is mainly attributed to poultry segment due to a positive effect on cost of sales from significant Hryvnia devaluation included in gross profit for the nine-month period ended 30 September 2015, partly offset by increase in gross profit of grain segment due to higher yields in 2016 compared to 2015.

Operating profit decreased at a higher rate compared to decrease in gross profit mainly as a result of higher transportations costs and decrease in VAT refunds and other government grants income. Transportation costs have increased mainly as a result of higher export sales on CIF terms. Decrease in VAT refunds and other government grants income have declined due to both: overall decrease in gross profit and changes in Tax Code of Ukraine that became effective on 1 January 2016 (Note 13).

Net change in fair value, reflects net change in IAS 41 adjustment related to revaluation of crops in fields, poultry and breeder stock and other biological assets balances to the fair value as of 30 September 2016.

The Group's net profit for the nine-month period ended 30 September 2016 increased compared to the net loss for the nine-month period ended 30 September 2015 and amounted to USD 86,162 thousand and USD 36,990 thousand respectively. Increase is mainly attributed to decrease in unrealized foreign exchange loss in amount of 87,735 for the nine-month period ended 30 September 2016 compared to USD 289,210 thousand for the nine-month period ended 30 September 2015. Unrealized foreign exchange loss mostly attributable to bonds and bank borrowings denominated in foreign currencies due to UAH depreciation against USD and EUR.

5. Income tax benefit

The Group has recognised income tax benefit in the amount of USD 1,046 thousand mainly as a result of recognition of deferred tax assets arising from tax losses carried forward to the extent of deferred tax liabilities recognised on revaluation of property plant and equipment (Note 6). The effect of recognition of deferred tax liabilities on revaluation of property, plant and equipment was recognised in other comprehensive income.

6. Property, plant and equipment

During the nine-months period ended 30 September 2016 the Group engaged independent appraiser to determine fair value of its Grain storage facilities, Vehicles and agricultural machinery, Utilities and infrastructure, Auxillary and other machinery as of 31 March 2016. The valuation, which conformed to the International Valuation Standards, was determined using the market comparable approach adjusted based on age and condition of the machinery or for items of specialized nature-replacement cost method. The excess of fair value over carrying value in the amount of USD 140,789 thousand was recognised in revaluation reserve. The excess of carrying value over fair value in the amount of USD 1,443 thousand was recognised in the statement of comprehensive income as a loss on impairment.

During the nine-month period ended 30 September 2016, the Group's additions to property, plant and equipment amounted to USD 77,186 thousand (nine-month period ended 30 September 2015: USD 101,628 thousand).

There were no significant disposals of property, plant and equipment during the nine-month period ended 30 September 2016.

7. Inventories and agricultural produce

Decrease in inventory balances as of 30 September 2016 compared to 31 December 2015 is mainly attributable to internal consumption of corn and sunflower for chicken feed.

Changes of inventory balance apart from consumption of purchased grain stock have also occurred because as of 31 December 2015 expenses incurred in cultivating of fields which had to be planted in spring 2016 were capitalised as work in progress included to the inventory balance. As of 30 September 2016 those expenses were classified as crops in fields within biological assets, as the plants were already sown.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the nine-month period ended 30 September 2016
(in thousands of US dollars, unless otherwise indicated)

7. Inventories and agricultural produce *(continued)*

Agricultural produce balance has increased as of 30 September 2016 compared to 31 December 2015 mainly due to the Group's harvesting campaign of crops 2016.

8. Biological assets

Increase in current biological assets as compared to 31 December 2015 is primarily related to crops in fields balance. The increase in crops in fields balance mainly relates to spring crops seeded in the first half of 2016 classified as biological assets as well as due to IAS 41 revaluation adjustment.

9. Bank borrowings

The following table summarizes bank borrowings and credit lines outstanding as of 30 September 2016 and 31 December 2015:

		30 September 2016		*31 December 2015*	
Bank	*Currency*	*WAIR* [1)]	*USD' 000*	*WAIR* [1)]	*USD' 000*
Non-current					
Foreign banks	USD	8.13%	206,198	7.87%	234,463
Foreign banks	EUR	1.35%	22,957	1.49%	43,668
			229,155		278,131
Current					
Ukrainian banks	USD	7.65%	77,212	7.03%	50,985
Foreign banks	USD	6.98%	76,000	6.43%	90,000
Current portion of long-term bank borrowings			106,203		108,072
			259,415		249,057
Total bank borrowings			488,570		527,188

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

As of 30 September 2016 and 31 December 2015 accrued interest on bank borrowings were USD 2,913 thousand and USD 8,203 thousand, respectively.

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

All bank loans and credit lines held by the Group as of 30 September 2016 and 31 December 2015 bear the floating interest rates.

Bank borrowings and credit lines outstanding as of 30 September 2016 and 31 December 2015 were repayable as follows:

	30 September 2016	*31 December 2015*
Within one year	259,415	249,057
In the second year	98,578	97,952
In the third to fifth year inclusive	116,110	164,979
After five years	14,467	15,200
	488,570	527,188

As of 30 September 2016, the Group had available undrawn facilities of USD 86,471 thousand (31 December 2015: USD 84,774 thousand). These undrawn facilities expire during the period from October 2015 until December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine-month period ended 30 September 2016

(in thousands of US dollars, unless otherwise indicated)

9. Bank borrowings *(continued)*

As of 30 September 2016, the Group had borrowings of USD 55,381 thousand (31 December 2015: USD 90,000 thousand) that were secured. These borrowings were secured by inventories with a carrying amount of USD 69,226 thousand (31 December 2015: USD 112,500 thousand).

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

10. Bonds issued

Bonds issued and outstanding as of 30 September 2016 and 31 December 2015 were as follows:

	30 September 2016	*31 December 2015*
8.25% Senior Notes due in 2020	750,000	750,000
Unamortized debt issue cost	(18,207)	(21,470)
Total long-term bonds issued	731,793	728,530

As of 30 September 2016 and 31 December 2015 amount of accrued interest on bonds issued was USD nil and USD 15,125 thousand, respectively.

Interest payment

Interest paid in the statement of consolidated cash flows for the 9 month period ended 30 September 2016 includes an upfront payment of interest on Senior Notes in amount of USD 30,938 thousand, that is normally due on 2 October, however as a result of non-banking days on 1-2 October 2016 was settled on 30 September 2016.

8.25% Senior Notes

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

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

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

The Senior Notes are jointly and severally guaranteed on a senior basis by MHP, Druzhba Narodiv, Druzhba Narodiv Nova, Myronivsky Zavod po Vygotovlennyu Krup i Kombikormiv, Oril-Leader, Katerynopilsky Elevator, Ptahofabryka Peremoga Nova, Zernoproduct, Myronivska Ptahofabryka, Starynska Ptahofabryka, Agrofort, NPF Urozhay, Vinnytska Ptahofabryka, Raftan Holding Limited, Scylla Capital Limited.

Interest on the Senior Notes is payable semi-annually in arrears. These Senior Notes are subject to certain restrictive covenants including, but not limited to, limitations on the incurrence of additional indebtedness in excess of Net Debt to EBITDA ratio as defined by the indebtedness agreement, restrictions on mergers or consolidations, limitations on liens and dispositions of assets and limitations on transactions with affiliates. If the Group fails to comply with the covenants imposed, all outstanding Senior Notes will become due and payable without further action or notice. If a change of control occurs the Group shall make an offer to each holder of the Senior Notes to purchase such Senior Notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

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10. Bonds issued *(continued)*

Consent solicitation

On 7 March 2016, the Group has received consent from the Holders of the outstanding USD 750,000 thousand 8.25% Senior Notes for certain proposed amendments to the Indenture and the Notes. Amendments were obtained before the Consent Expiration Date (7 March 2016). The Amendments were implemented by way of execution of the Supplemental Indenture on March 8, 2016, and became effective from the Consent Settlement Date (9 March 2016).

In relation to the Notes, the Company has, on the Consent Settlement Date, paid to those Holders from whom valid Consents were delivered and not revoked on or prior to the Consent Expiration Date and which Consents are accepted by the Company the Consent Payment of USD 12.50 for each USD 1 thousand in principal amount of the Notes that were subject of the relevant Electronic Instructions.

During the reporting periods ended 30 September 2016 and 31 December 2015 the Group has complied with all covenants defined by indebtedness agreement.

The weighted average annual effective interest rate on the Senior Notes is 9.29% and 9.61% for the nine-months ended 30 September 2016 and 2015, respectively.

11. Other current liabilities

Other current liabilities include accrued payroll, liabilities under land lease agreements, advances received and other current liabilities. Increase in other current liabilities is mainly related to liabilities under land lease agreements due to seasonality of payments.

12. Related party balances and transactions

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

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

Transactions with related parties under common control

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

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

Transactions with related parties during the nine-month periods ended 30 September 2016 and 2015 were as follows:

	2016	*2015*
Sales of goods to related parties	-	210
Purchases from related parties	61	40

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

The balances owed to and due from related parties were as follows as of 30 September 2016 and 31 December 2015:

	30 September 2016	*31 December 2015*
Trade accounts receivable	118	173
Payables due to related parties	16	10
Advances received	499	-
Advances and finance aid paid	64	1,228

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 6,696 thousand and USD 6,019 thousand for the nine-month periods ended 30 September 2016 and 2015, respectively.

13. Contingencies and contractual commitments

Operating environment

Starting from 2015, the Ukrainian economy has been going through a recession, with annual inflation rate reaching up to 43.0%. Unfavorable conditions on markets where Ukraine's primary commodities where traded had negative impact on devaluation of the Ukrainian Hryvnia against major foreign currencies. Despite certain difficulties in economic and political situation, Ukrainian economy showed first signs of stabilization during reporting period with inflation rate slowing down to 6.4%, lower devaluation of hryvnia against USD and the level of 7.4%, growing international bank reserves, growth in business activity and improved confidence.

The National Bank of Ukraine (the "NBU") maintained its range of measures aimed at limiting the outflow of foreign currency from the country, inter alia, a mandatory sale of foreign currency earnings, certain restrictions on purchases of foreign currencies on the interbank market and on usage of foreign currencies for settlement purposes, limitations on remittances abroad.

In 2015, the Government of Ukraine agreed with the IMF a four-year program for USD 17,500 million loan aimed at supporting the economic stabilization of Ukraine. The program defines economic reforms that must be undertaken by the Government of Ukraine to reinstate a sustainable economic growth in the mid-term perspective. Since the date of signing agreement and up to the end of reporting period ended 30 September 2016, as a result of consistent structural and government reforms, Ukrainian government has received total disbursements under the arrangement in amount of USD 7,620 million.

During the period ended 30 September 2016, an armed conflict with separatists continued in certain parts of Luhansk and Donetsk regions.

Stabilization of the economic and political situation depends, to a large extent, upon the ability of the Ukrainian Government to further continue reforms and the efforts of the NBU to further stabilize the banking sector, as well as upon the ability of the Ukrainian economy in general to respond adequately to changing markets. Nevertheless, further economic and political developments, as well as the impact of the above factors on the Group, its customers, and contractors are currently difficult to predict.

As of the date of this report, the Group's facilities throughout all regions of Ukraine continued to operate normally until the date of authorization of the report for issue

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13. Contingencies and contractual commitments *(continued)*

Taxation

Ukrainian tax authorities are increasingly directing their attention to the business community as a result of the overall Ukrainian economic environment. In respect of this, the local and national tax environment in Ukraine is constantly changing and subject to inconsistent application, interpretation and enforcement. Non-compliance with Ukrainian laws and regulations can lead to the imposition of severe penalties and fines. Future tax examinations could raise issues or assessments which are contrary to the Group companies' tax filings. Such assessments could include taxes, penalties and fines, and these amounts could be material. While the Group believes it has complied with local tax legislation, there have been many new tax and foreign currency laws and related regulations introduced in recent years which are not always clearly written.
On 24 December 2015, the Law "On amending the Tax Code of Ukraine and certain legislative acts of Ukraine in terms of ensuring the balanced budget receipts in 2016" was adopted effective 1 January 2016. In accordance with the new legislation, agricultural producers will be entitled to retain only a portion of VAT on agricultural operations. Producers of grain and industrial crops, cattle and dairy producers, poultry and other agriculture producers shall retain VAT in a portion of 15%, 80% and 50%, respectively.

Management believes that the Group has been in compliance with all requirements of effective tax legislation and currently is assessing the possible impact of the introduced amendments.

Starting from 1 September 2013 the Tax Code of Ukraine introduced new, based on the OECD transfer pricing guidelines, rules for determining and applying fair market prices, which significantly changed transfer pricing ("TP") regulations in Ukraine.

The Group exports Vegetable oil, Chicken meat and related products, performs intercompany transactions, which may potentially be in the scope of the new Ukrainian TP regulations. The Group has submitted the controlled transaction report for the year ended 31 December 2015 within the required deadline, and has prepared all necessary documentation on controlled transactions for the year ended 31 December 2015 as required by legislation.

Legal issues

In the ordinary course of business, the Group is subject to legal actions and complaints. As of 30 September 2016, Group companies had ongoing litigations with the tax authorities related to disallowance of certain amounts of VAT refunds and deductible expenses claimed by the Group. According to the assessment performed by the management of the Group on a case by case basis the maximum exposure of the Group to such risks as of 30 September 2016 amounted to USD 11,205 thousand (31 December 2015: USD 13,479 thousand). Out of this amount, USD 3,254 thousand (31 December 2015: USD 5,784 thousand) relates to cases where court hearings took place and where the court in either the first or second instance has already ruled in favour of the Group. Based on past history of court resolutions of similar lawsuits the management believes that possible exposure relating to these court cases amounts to approximately USD 124 thousand as of 30 September 2016 (31 December 2015: USD 488 thousand).

Contractual commitments on purchase of property, plant and equipment

During the nine-month period ended 30 September 2016, 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 2016, purchase commitments on such contracts were primarily related to expansion of breeding farm as well as construction of new facilities at poultry rearing farms and amounted to USD 5,294 thousand (31 December 2015: USD 13,312 thousand).

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14. Fair value of financial instruments

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

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

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

	Carrying amount		*Fair value*	
	30 September 2016	*31 December 2015*	*30 September 2016*	*31 December 2015*
Financial liabilities				
Bank borrowings *(Note 9)*	491,483	535,391	482,446	522,469
Senior Notes due in 2020 *(Note 10)*	731,793	743,655	642,188	656,250
Finance lease obligations	17,153	23,622	17,646	23,654

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

The fair value of bank borrowings and finance lease obligations was estimated by discounting the expected future cash outflows by a market rate of interest for bank borrowings: 8.20% (2015: 8.0%) and for finance lease obligations of 7.96% (2015: 7.0%).

15. Risk management policy

During the nine-month period ended 30 September 2016 there were no changes to objectives, policies and processes for credit risk, capital risk, liquidity risk, currency risk, interest rate risk, livestock diseases risk and commodity price and procurement risk managing.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group undertakes certain transactions denominated in foreign currencies. The Group does not use any derivatives to manage foreign currency risk exposure, Group management sets limits on the level of exposure to foreign currency fluctuations.

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15. Risk management policy *(continued)*

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities as of 30 September 2016 and 31 December 2015 were as follows:

	30 September 2016		*31 December 2015*	
	USD	*EUR*	*USD*	*EUR*
Total assets	66,491	12,012	53,211	9,961
Total liabilities	(1,189,314)	(66,684)	(1,223,408)	(90,012)
Net position	(1,122,823)	(54,672)	(1,170,197)	(80,051)

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

	Change in foreign currency exchange rates	*Gain/(Loss)*
nine-month period ended 30 September 2016		
Increase in USD exchange rate	10%	(112,282)
Increase in EUR exchange rate	10%	(5,288)
Decrease in USD exchange rate	5%	56,141
Decrease in EUR exchange rate	5%	2,644
nine-month period ended 30 September 2015		
Increase in USD exchange rate	10%	(110,283)
Increase in EUR exchange rate	10%	(8,934)
Decrease in USD exchange rate	5%	55,142
Decrease in EUR exchange rate	5%	4,467

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

During the nine-month period ended 30 September 2016, EUR and USD has appreciated against the Ukrainian Hryvnia by 9.8% and 7.4%, respectively (nine-month period ended 30 September 2015: EUR and USD appreciated by 25.4% and 36.5% relative to UAH, respectively). As a result, during the nine-month period ended 30 September 2016 the Group recognised net foreign exchange loss in the amount of 87,735 USD thousand (nine-month period ended 30 September 2015: foreign exchange loss in the amount of USD 289,210 thousand) in the consolidated statement of comprehensive income.

16. Dividends

On 16 March 2016, the Board of Directors of MHP S.A. approved a payment of the interim dividends in amount of USD 0.7529 per share, equivalent to approximately USD 80,000 thousand, which were paid to shareholders during the nine-month period ended 30 September 2016.

17. Subsequent events

There are no subsequent events to mention.

18. 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 15 November 2016.