



PRESS RELEASE

November 19, 2009, Kyiv, Ukraine

MHP S.A.

Unaudited Financial Results for the Third Quarter and the Nine Months Ended 30 September 2009

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 2009.

Key operational highlights

- In line with the management’s stated plans, phase two of the Myronivka poultry farm, the Company’s new state of the art production facility that launched in June 2009, reached full capacity during the third quarter
- Monthly chicken production volumes were up 47% compared to the beginning of the year (January 2009: 18,700 tonnes, September 2009: 27,500 tonnes)
- Volume of chicken meat sales to external customers in Q3 2009 increased by 47% compared to Q3 2008 to 76,000 tonnes
- Demand for chicken meat during the nine months of 2009 remained high as consumers continued to substitute other meats with locally produced chicken. As a result, MHP was able to sell close to 100% of the chicken produced
- The new sunflower crushing plant, launched in September 2009, allowed MHP to increase its sunflower oil production volumes by 10% in Q3 2009.
- Throughout the nine months of 2009, sausage and cooked meat production volumes increased by 72% to 18,200 tonnes (9M 2008: 10,600 tonnes)
- MHP is on course to produce a good harvest and across all crops the yields are significantly higher than Ukraine’s average

Key financial highlights

All the key financial indicators during the third quarter of 2009 increased year-on-year as reported in local currency (Hryvnia - UAH). However, when translated into US dollars, due to the Hryvnia’s more than 60% depreciation against the US dollar over the last year (9M 2008: UAH 4.95 to one USD, 9M 2009: UAH 7.72; Q3 2008: UAH 4.85 to one USD, Q3 2009: 7.82 to one USD), some of the key financial indicators were down year-on-year.

Q3 2009 highlights

- Revenue increased 25% in UAH to 1,548 million (Q3 2008: UAH 1,238 million), in US dollars revenue decreased by 22% to US \$198 million (Q3 2008: US \$254 million) as a result of the Hryvnia’s depreciation against the US dollar

- Government grants in UAH decreased by 26% to UAH 124 million (Q3 2008: UAH 167 million), in US dollars they decreased by 53% to US \$16 million (Q3 2008: US \$34 million)
- EBITDA in UAH increased by 37% year-on-year to UAH 547 million (Q3 2008: UAH 399 million), in US dollars EBITDA decreased by 15% to US \$70 million (Q3 2008: US \$82 million)
- Consolidated EBITDA margin increased to 35% (Q3 2008: 32%), while EBITDA margin in the poultry segment remained broadly flat at 41% (Q3 2008: 41%)
- Net income in UAH decreased by 69% to UAH 103 million (Q3 2008: UAH 334 million), in US dollars net income decreased by 81% to US \$13 million (Q3 2008: US \$68 million) as a result of non-cash foreign exchange losses

9M 2009 highlights

- Consolidated EBITDA margin increased to 39% (9M 2008: 38%) despite the cancellation of direct government grants
- Revenue increased 24% in UAH to 3,884 million (9M 2008: UAH 3,140 million), in US dollars revenue decreased by 21% to US \$502 million (9M 2008: US \$634 million) as a result of the Hryvnia's depreciation against the US dollar
- Government grants in UAH decreased by 21% to 303 million (9M 2008: UAH 383 million), in US dollars it decreased by 49% to US \$39 million (9M 2008: US \$77 million)
- EBITDA in UAH increased by 27% year-on-year to UAH 1,522 million (9M 2008: UAH 1,200 million), in US dollars EBITDA decreased by 19% to US \$197 million (9M 2008: US \$242 million)
- Net income in UAH decreased by 11% to UAH 791 million (9M 2008: UAH 893 million), in US dollars net income decreased by 43% to US\$ 103 million (9M 2008: US \$180 million) as a result of non-cash foreign exchange losses

Post period end

- Consumer demand for poultry meat continues to remain high and the average poultry price is in line with our expectations
- The harvest is largely complete and its yields are significantly higher than Ukraine's average (rape yield is 2.7 tonnes per hectare, wheat – 5.7 tonnes per hectare, corn - 9.2 tonnes per hectare, sunflower – 2.9 tonnes per hectare)
- Due to the strong performance of the grain growing segment, management has decided to increase MHP's land bank by app. 20,000 hectares before the end of the calendar year

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

“We are pleased with MHP's third quarter business performance during the nine months of the year which continued to show strong growth year-on-year despite current economic conditions and the cancellation of direct government grants.

“In line with previously announced plans and due to the launch of the state-of-the art Myronivka phase 2 facility we increased our monthly chicken meat production volumes by about 50% compared to the beginning of the year. Strong vertical integration and being largely self sufficient in corn allow us to control costs despite a significant increase in corn market prices. Ukraine market conditions remain highly favorable as consumers continue to substitute other kinds of meat, especially beef, within the consumption mix with locally produced chicken and as a result we are able to sell 100% of chicken volumes we produce. The management is positive about the prospect for the poultry business and a full year 100% capacity utilization of Mironivka ensures a further 25% growth in volumes in 2010.

“We continue to focus on increasing shareholder value by growing our chicken production volumes, managing our costs and expanding our agricultural land bank. High consumer demand, record breaking yields across all crops, our focus on vertical integration and our ability to control costs makes us confident that the strong performance in the nine months will continue into final quarter of the year and beyond”.

- 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: Wednesday, 19 November 2009
Time: 16.00 Kyiv / 14.00 London / 9.00 New York / 17.00 Moscow

Title: MHP – Q3 and 9M 2009 FINANCIAL RESULTS
Conference ID: 38625211

International/UK Dial in: +44 (0) 1452 586 157
USA free call: +1 866 595 6357
Russia free call: 8108 002 438 1012

A live webcast of the presentation will be available at:

<https://webconnect.webex.com/webconnect/onstage/g.php?t=a&d=669604347>

Event Number: 669 604 347
Event Password: 38625211

A replay of the conference call will be available at
http://www.mhp.com.ua/en/conference_calls
or until November 26th, 2009 by using the following phone numbers:

Access Number: 38625211#
International Dial in: +44 (0) 1452 55 00 00
UK Free Call Dial In: 0800 953 1533
UK Local Dial In: 0845 245 5205
USA Free Call Dial In: 1866 247 4222

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Financial overview

In UAH		9M 2009	9M 2008	change	Q3 2009	Q3 2008	change
Revenue	UAH, m	3 884	3 140	24%	1 548	1 238	25%
<i>IAS 41 standard gains</i>		234	(22)	(n/a)	63	(95)	-166%
Gross profit	UAH, m	1 488	930	60%	538	262	105%
<i>Gross margin</i>	%	38%	30%	29%	35%	21%	64%
<i>Operation margin</i>	%	33%	32%	3%	29%	26%	11%
EBITDA	UAH, m	1 522	1 200	27%	547	399	37%
<i>EBITDA margin</i>	%	39%	38%	3%	35%	32%	10%
Foreign exchange (losses)/gains, net	UAH, m	(216)	56	(n/a)	(250)	40	(n/a)
Net income (con'ing operations)	UAH, m	791	893	-11%	103	334	-69%
<i>Net income margin</i>	%	201%	28%	-28%	7%	27%	-75%

In US\$		9M 2009	9M 2008	change	Q3 2009	Q3 2008	change
Revenue	US\$, m	502	634	-21%	198	254	-22%
<i>IAS 41 standard gains</i>		30	(5)	(n/a)	8	(19)	-141%
Gross profit	US\$, m	193	188	3%	69	54	28%
<i>Gross margin</i>	%	38%	30%	30%	35%	21%	64%
<i>Operation margin</i>	%	33%	32%	3%	29%	26%	12%
EBITDA	US\$, m	197	242	-19%	70	82	-15%
<i>EBITDA margin</i>	%	39%	38%	3%	35%	32%	10%
Foreign exchange (losses)/gains, net	US\$, m	(28)	11	(n/a)	(32)	8	(n/a)
Net income (con'ing operations)	US\$, m	103	180	-43%	13	68	-81%
<i>Net income margin</i>	%	21%	28%	-28%	7%	27%	-75%

Q3 2009 Consolidated Financial Results

Consolidated revenue in UAH increased by 25% to UAH 1,548 million (Q3 2008: UAH 1,238 million), while in USD it decreased by 22% to US \$198 million (Q3 2008: US \$254 million) as a result of the Hryvnia depreciating by more than 60% against the US compared to the Q3 2008 average exchange rate. (Average exchange rate Q3 2008: UAH 4.85 to one USD, Q3 2009 UAH 7.82 to one USD).

Q3 2009 EBITDA in UAH increased by 37% to UAH 547 million (Q3 2008: UAH 399 million), while in USD it decreased by 15% to US \$70 million as against the same period last year (Q3 2008: US \$82 million). EBITDA margin increased year-on-year from 32% to 35%. The EBITDA margin increase was driven by the financial results of the grain growing operations.

Net income for the third quarter decreased 69% in UAH to UAH 103 million (Q3 2008: UAH 334 million) and decreased by 81% in US dollars to US \$13 million (Q3 2008: US\$68 million). Net income margin decreased from 27% to 7%. The decrease was driven mainly by the currency depreciation effect - in Q3 2008 foreign non-cash currency gain was at US \$8 million, while in Q3 2009 at US \$32 million loss was reported.

During the third quarter of 2009 Government grants in UAH decreased by 26% to UAH 124 million (Q3 2008: UAH 167 million), in US dollars they decreased by 53% to US \$16 million (Q3 2008: US \$34 million).

9M 2009 Consolidated Financial Results

During the nine months of 2009, MHP's consolidated revenues in UAH increased by 24% to UAH 3,884 million (9M 2008: UAH 3,140 million), while in USD it decreased by 21% to US \$502 million (9M 2008: US \$634 million) as a result of the Hryvnia depreciating by 56% against the US dollar compared to the 9M 2008 average exchange rate (9M 2008: UAH 4.95 to one USD, 9M 2009 UAH 7.72).

9M 2009 EBITDA in UAH increased by 27% to UAH 1,522 million (9M 2008: UAH 1,200 million), while in USD it decreased 19% to US \$197 million as against the same period last year (9M 2008: US \$242 million) and EBITDA margin increased from 38% to 39%.

Net income from continuing operations for the first nine months decreased by 11% in UAH to UAH 791 million (9M 2008: UAH 893 million) and decreased by 43% in USD to US \$103 million (9M 2008: US\$180 million) as the result of non-cash foreign exchange losses (US \$28 million of loss in 9M 2009 compared to US\$ 11 million gain in 9M 2008). Net income margin decreased from 28% to 20%.

During the first nine months of 2009 the Government grants in UAH decreased by 21% to 303 million (9M 2008: UAH 383 million), in US dollars it decreased by 49% to US \$39 million (9M 2008: US \$77 million)

Poultry and related operations

		9M	9M		Q3	Q3	
		2009	2008	change	2009	2008	change
Revenue	US\$, m	410	522	-21%	155	183	-15%
- chicken meat, convenience food and other		347	439	21%	131	152	-14%
- sunflower oil		63	83	-23%	24	32	-24%
IAS 41 standard gains		11	0		3	(2)	
Gross profit	US\$, m	171	166	3%	62	54	15%
Gross margin	%	42%	32%	31%	40%	29%	36%
EBITDA	US\$, m	178	215	-17%	63	75	-15%
EBITDA margin	%	44%	41%	6%	41%	41%	1%

Q3 2009 Poultry and related operations segment financial results

In line with the management's stated plans, phase two of the Myronivka poultry farm, the Company's new state of the art production facility that launched in June 2009, reached full capacity during the third quarter. The combined production capacity of phases one and two of the Myronivka poultry farm is approximately 200,000 tonnes, making it the one of the largest poultry facilities in Europe.

As the results of Myronivka phase 2 launch MHP increased its monthly production volumes by about 50% compared to the beginning of the year (September 2009: 27,500 tonnes, compared to January 2009: 18,700 tonnes).

During the third quarter of 2009, the volume of chicken meat sales to external consumers increased by 47% to 76,600 tonnes when compared to the third quarter of 2008, and by 19% to 192,900 tonnes during the first nine months of 2009. This increase was driven primarily by the launch of production at Myronivka phase two. Demand for chicken meat during the first nine months of the year remained high and the Company was able to sell close to 100% of the chicken produced.

Average chicken meat prices through the third quarter of 2009 decreased slightly by 4% to 12.53 UAH per kg of adjusted weight (excluding VAT) when compared to the third quarter of

2008. This decrease was driven by low chicken meat prices in July 2009. Average sun flower oil prices through the Q3 2009 decreased by 42% to 752 US\$/t. from 1292 US\$/t in Q3 2008.

As a result, segment revenue in UAH increased by 36% to UAH 1,213 million (Q3 2008: UAH 891 million) but in US dollars, due to the Hryvnia's depreciation against US dollar, the segment's revenue decreased by 15% to US \$155 million (Q3 2008: US \$183 million).

Poultry production costs in Q3 2009 were slightly lower in UAH and significantly lower in US dollars (most of the costs being denominated in UAH) compared to Q3 2008, this being despite a significant increase in utility prices in general and natural gas in particular. The lower cost base was due to the Company being fully vertically integrated, favorable ratios of sunflower seeds and sunflower oil resulting in low sunflower protein costs, as well as low corn prices from 2008 yields (most of which the Company used during the first nine months of 2009).

Gross profit in the segment increased by 15% from US \$54 million in Q3 2008 to US \$62 million in Q3 2009. Gross margin increased from 29% to 40%. Segment EBITDA in Q3 2009 decreased by 15% to US \$63 million (Q3 2008: US \$75 million) as a result of the Hryvnia's depreciation. EBITDA margins remained high and stable at 41%.

9M 2009 Poultry and related operations segment financial results

During the nine months of 2009, the volume of chicken meat sales to external consumers increased by 19% to 192,900 tonnes (9M 2008: 161,900 tonnes). Through the nine months of 2009 average chicken prices increased by 7% to 12.97 UAH per kg (9M 2008: 12.16 UAH per kg).

As a result, segment revenue in UAH increased by 23% to UAH 3,170 million (9M 2008: UAH 2,584 million) but in US dollars, due to the Hryvnia's depreciation against the US dollar, segment revenue decreased by 21% to US \$410 million (9M 2008: US \$522 million).

Gross profit in the segment in 9M 2009 increased by 3% from US \$166 million to US \$171 million, and gross margin increased significantly from 32% to 42%. Segment EBITDA in 9M 2009 decreased by 17% to US \$178 million (9M 2008: US \$215 million) as a result of the Hryvnia's depreciation. EBITDA margin increased from 41% to 44% despite the cancellation of direct government grants.

Grain growing

		9M 2009	9M 2008	change	Q3 2009	Q3 2008	change
Revenue	US\$, m	26	43	-39%	19	40	-53%
IFRS 41 standard gains		21	(4)		5	(18)	
EBITDA	US\$, m	21	23	-5%	10	3	212%

The Company currently has approximately 180,000 hectares of land under control, including 155,000 hectares in the Grain Growing segment and an additional 25,000 in the Other Agricultural Operations segment.

At the end of the reporting period the Company has almost completed the harvest and across all crops its yields per hectare are higher than Ukraine's average.

Crops		MHP's average	Ukraine's average	Differenc e
Rapeseed	T./hct	2,7	1,9	42%
Wheat	T./hct	5,7	3,0	90%
Sunflower	T./hct	2,9	1,5	93%
Corn	T./hct	9,2	4,7	96%

Revenue from the grain segment in Q3 2003 mostly includes export sales of rapeseeds, wheat and barley in accordance with earlier concluded forward contracts. The Q3 2009 financial results contain the profit from export sales and also, in accordance with IAS 41, partial gains from grains that will be sold or internally consumed only in Q4 2009.

The 9 months financial results contains also the revenue from the sale of certain grain stocks, mainly wheat, that have already been revalued to market prices in 2008.

As a result of the sale almost all the rapeseed yield and approximately 50% of the wheat yield for export the company will generate an additional US\$ 28 million of foreign currency revenue in 2009.

Other agriculture operations

		9M 2009	9M 2008	change	Q3 2009	Q3 2008	change
Revenue	US\$, m	66	69	-5%	24	30	-21%
- meat processing		47	50	-6%	19	23	-18%
- other		19	20	-2%	5	7	-30%
IAS 41 standard gains		(2)	(0)	-	(1)	1	(n/a)
Government grants	US\$, m	3	8	-66%	1	4	-65%
EBITDA	US\$, m	6	11	-50%	1	6	-83%
EBITDA margin	%	9%	16%	-48%	4%	19%	-78%
							-
Sausage volume	tonnes	18 200	10 600	72%	7 400	5 300	40%

Through the third quarter of 2009, sausage and cooked meat production volumes increased by 40% to 7,400 tonnes compared to 5,300 tonnes during the third quarter of 2008. During the first nine months of 2009 sausage and cooked meat production volumes increased by 72% to 18,200 tonnes (9M 2008: 10,600 tonnes). This substantial volume growth was due primarily to the acquisition of "Ukrainian Bacon" in July 2008.

Average sausage and cooked meat prices during the third quarter of 2009 decreased by 3% to 17.22 UAH per kg. excluding VAT (Q3 2008: 17.69 UAH) and through the first nine months of 2009 decreased by 7% to 17.36 UAH per kg. excluding VAT (9M 2008: 18.75 UAH per kg).

The decrease in average prices was due to "Ukrainian Bacon" producing sausage and cooked meat products in the mass segment, as well as the Company shifting its total product portfolio mix towards low price products in accordance with consumer demand.

Despite the significant growth of meat processing operations the segment's total financial performance was negatively effected by cancellation of government grants for cattle and pigs breeding, IAS 41 standard effect related to cattle livestock decrease as well as Hryvna depreciation against US dollars. As the result segment's revenue in Q3 2009 decreased by 21% from US \$30 million to US \$24 million and in 9M 2009, revenue decreased by 5% from US \$69 million to US \$66 million as compared to the same periods in 2008.

Segment EBITDA in Q3 2009 decreased from US \$6 million to US \$1 million and in 9M 2009 from US \$11 million to US \$6 million.

Current financial position, cash flow and liquidity

In Q3 2009, cash flow from operations before working capital changes was US \$60 million (Q3 2008: US \$98) and in 9M 2009, it was US \$147 million (9M 2008: US \$221 million).

The main contributors to the change in working capital were:

- increase in biological assets and inventories following the Myronivka phase two launch
- increase in agricultural production due to the crops which will be consumed or/and sold partially in Q4 2009
- incomplete grain harvesting campaign expenses
- increase in VAT tax recoverable, which is related to 2009 CAPEX

Total CAPEX was US \$57 million in Q3 2009 and US \$138 million for the nine months of 2009, and was mostly related to the launch of the second phase of the Myronovka poultry farm facility.

As of the period end, the Company's total debt was US \$517 million with an average weighted cost of debt below 10%. The Net Debt/EBITDA ratio at the end of the period was 1.94 (Eurobond covenant: 2.5). The Company's total debt is mainly denominated in US dollars. As a hedge for currency risks, revenue from sunflower oil exports and proceeds from rapeseed sales are used, fully covering debt service expenses. The company has no short-term debt maturing in Q4 2009. US \$250 million of the debt is in Eurobonds, which are not redeemable until 30 November 2011. The long-term debt and financial lease of US \$15 million mature in the Q4 2009.

At the end of the reporting period MHP had US \$31 million in cash and deposits mostly denominated in US dollars.

Current trading and outlook

Consumer demand for poultry meat continues to remain high, the current average price is in line with our forecast and the Company's production facilities are operating at full capacity. Month-by-month, MHP sells almost 50% more chicken meat compared to this time last year due to the launch of Myronivka phase two.

2009 average annual cost for poultry will be around the average annual cost of 2008. The internally produced corn is included in poultry production costs at current market prices. As the market price for corn in Ukraine has increased, the production costs in Q4 2009 will be higher compared to the same period last year. However, at the same time, the higher corn prices will make a positive effect on the financial results of the Company's Grain Growing segment.

Due to the strong performance of the grain growing segment the management has decided to increase the land bank by apps. 20,000 hectares before the end of the year and as a result increase its harvest by 20% in 2010.

MHP's high level of vertical integration, self-sufficiency in corn, use of sunflower protein leading to low production costs compared to industrial peers, effective land cultivation and growing meat processing volumes all mean that the Company is well positioned to tackle the volatile market conditions and achieve a good set of financial results for the full year.

- End -

Notes to Editors:

Information on 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**

**Condensed Consolidated Interim Financial
Statements**

For the nine months
ended 30 September 2009

MHP S.A. AND ITS SUBSIDIARIES

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MHP S.A. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION****AS OF 30 SEPTEMBER 2009***(in US Dollars and in thousands)*

	Notes	30 September 2009	31 December 2008
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net	3	594,279	517,564
Prepayments for property, plant and equipment		10,188	22,269
Deferred tax assets		2,092	2,047
Long-term VAT prepaid		15,300	9,112
Non-current biological assets		33,817	29,480
Other non-current assets		9,341	6,458
Total non-current assets		<u>665,017</u>	<u>586,930</u>
CURRENT ASSETS			
Inventories		38,762	38,118
Biological assets	6	120,741	84,095
Agricultural produce	5	57,164	42,765
Taxes recoverable and prepaid, net		50,230	46,338
Trade accounts receivable, net	7	43,670	31,531
Other current assets, net		11,303	15,370
Bank deposits with maturity over three months		75	25,342
Cash and cash equivalents		31,049	54,072
Total current assets		<u>352,994</u>	<u>337,631</u>
TOTAL ASSETS		<u>1,018,011</u>	<u>924,561</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital		284,505	284,505
Additional paid-in capital		178,815	178,815
Revaluation reserve		9,410	9,410
Retained earnings		176,909	82,480
Foreign currency translation reserve		(240,138)	(222,699)
		<u>409,501</u>	<u>332,511</u>
MINORITY INTEREST		<u>22,120</u>	<u>13,706</u>
Total equity		<u>431,621</u>	<u>346,217</u>
NON-CURRENT LIABILITIES			
Long-term bank borrowings	8	65,090	57,456
Bonds issued	9	247,795	246,903
Long-term finance lease and vendor financing obligations	10	46,766	47,972
Other long-term payables		661	400
Deferred tax liabilities		6,296	6,160
Total non-current liabilities		<u>366,608</u>	<u>358,891</u>
CURRENT LIABILITIES			
Trade accounts payable		23,971	22,170
Accounts payable for property, plant and equipment		7,833	8,116
Other current liabilities		20,577	32,992
Short-term bank borrowings and current portion of long-term bank borrowings	8	133,895	130,241
Interest accrued		10,053	3,520
Current portion of finance lease obligations	10	23,453	21,625
Deferred income		-	789
Total current liabilities		<u>219,782</u>	<u>219,453</u>
TOTAL LIABILITIES		<u>586,390</u>	<u>578,344</u>
CONTINGENCIES AND CONTRACTUAL COMMITMENTS	11		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,018,011</u>	<u>924,561</u>
On behalf of the Board			

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

The notes on pages 7 to 18 form an integral part of these condensed consolidated financial statements

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009**
(in US Dollars and in thousands, except per share data)

		Nine months ended 30 September	
	Notes	2009	2008
<i>Continuing operations</i>			
REVENUE		502,273	634,068
Net change in fair value of biological assets and agricultural produce		30,349	(4,587)
COST OF SALES		<u>(339,995)</u>	<u>(441,926)</u>
GROSS PROFIT		192,627	187,555
Selling, general and administrative expenses		(56,913)	(60,169)
Government grants recognized as income		39,213	77,385
Other operating income and expenses		<u>(11,032)</u>	<u>(4,376)</u>
OPERATING PROFIT		<u>163,895</u>	<u>200,395</u>
Finance income		3,324	4,283
Finance costs		(36,330)	(40,372)
Foreign exchange (losses)/gains, net		(27,581)	11,306
Gain realized from acquisitions, disposals and changes in non-controlling interest in subsidiaries, net		-	7,126
Other income and expenses		<u>21</u>	<u>(747)</u>
OTHER EXPENSES, NET		<u>(60,566)</u>	<u>(18,404)</u>
PROFIT BEFORE TAX		103,329	181,991
Income tax expense		<u>(486)</u>	<u>(1,725)</u>
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		<u>102,843</u>	<u>180,266</u>
<i>Discontinued operations</i>			
(Loss)/profit for the period from discontinued operations		<u>-</u>	<u>(580)</u>
NET PROFIT FOR THE PERIOD	14	<u>102,843</u>	<u>179,686</u>
ATTRIBUTABLE TO:			
Equity holders of the Parent		94,429	176,232
Minority interest		8,414	3,454
EARNINGS PER SHARE			
From continuing operations (USD per share):			
Basic		0.85	1.68
Diluted		0.85	1.68
From continuing and discontinued operations (USD per share):			
Basic		0.85	1.67
Diluted		0.85	1.67
On behalf of the Board			

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

The notes on pages 7 to 18 form an integral part of these condensed consolidated financial statements.

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

(in US Dollars and in thousands)

	Attributable to Equity Holders of the Parent					Total	Minority interest	Total equity
	Share capital	Additional paid-in capital	Revaluation reserve	Foreign currency translation reserve	Retained earnings			
1 January 2008	251,311	60,059	9,410	6,292	80,962	408,034	11,372	419,406
Increase in share capital (net of issue costs)	33,194	118,756	-	-	-	151,950	-	151,950
Net profit for the period	-	-	-	-	176,232	176,232	3,454	179,686
Cumulative translation difference	-	-	-	24,438	-	24,438	-	24,438
Total comprehensive income for the period	-	-	-	24,438	176,232	200,670	3,454	204,124
Acquisition and changes in non-controlling interest in subsidiaries	-	-	-	-	-	-	5,710	5,710
30 September 2008	284,505	178,815	9,410	30,730	257,194	760,654	20,536	781,190
1 January 2009	284,505	178,815	9,410	(222,699)	82,480	332,511	13,706	346,217
Net profit for the period	-	-	-	-	94,429	94,429	8,414	102,843
Cumulative translation difference	-	-	-	(17,439)	-	(17,439)	-	(17,439)
Total comprehensive income for the period	-	-	-	(17,439)	94,429	76,990	8,414	85,404
30 September 2009	284,505	178,815	9,410	(240,138)	176,909	409,501	22,120	431,621
On behalf of the Board								

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

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MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

(in US Dollars and in thousands)

	Nine months ended 30 September	
	2009	2008
OPERATING ACTIVITIES		
Profit before income tax from continuing and discontinued operations	103,329	181,411
Adjustments to reconcile profit to net cash provided by operations	-	-
Depreciation of property, plant and equipment	33,100	42,717
Finance costs, net	36,330	40,372
Finance income	(3,324)	(4,283)
Effect of fair value adjustments	(30,349)	4,587
Non-operating foreign exchange loss/(gain), net	27,581	(11,306)
Change in allowance for irrecoverable amounts and VAT and direct write-offs	7,426	3,672
Loss on disposal of property, plant and equipment	17	474
Other non-cash items	-	(6,002)
Operating profit before working capital changes	<u>174,110</u>	<u>251,642</u>
Increase in inventories	(2,837)	(5,391)
Increase in biological assets	(15,697)	(37,529)
Increase in agricultural produce	(6,616)	(18,053)
Decrease/(increase) in other current assets	3,639	(2,743)
Increase in taxes recoverable and prepaid	(18,658)	(25,484)
Increase in trade accounts receivable	(13,673)	(22,981)
Increase/(decrease) in other long-term payables	287	(1,413)
Increase/(decrease) in trade accounts payable	764	(6,332)
Increase/(decrease) in other current liabilities	1,597	(24)
(Decrease)/increase in deferred income	<u>(792)</u>	<u>8,257</u>
Cash generated by operations	122,124	139,949
Finance costs paid	(28,747)	(32,542)
Interest received	3,262	4,123
Income tax paid	<u>(1,206)</u>	<u>(1,961)</u>
Net cash generated by operating activities	<u>95,433</u>	<u>109,569</u>
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(111,884)	(125,350)
Financial aid provided in relation to acquisition of subsidiaries and acquisition of non-controlling interest in subsidiaries		(24,913)
Purchases of other non-current assets	(3,244)	(4,368)
Proceeds from disposals of property, plant and equipment	678	2,321
Purchases of non-current biological assets	(6,053)	(8,420)
Short-term deposits placement	(62)	(56,406)
Withdrawals of short-term deposits	25,330	42,055
Loans (provided to)/repaid by employees, net	(149)	(857)
Loans provided to related parties, net	-	(136)
Net cash used in investing activities	<u>(95,384)</u>	<u>(176,074)</u>

The notes on pages 7 to 18 form an integral part of these condensed consolidated financial statements.

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

(in US Dollars and in thousands)

	Nine months ended 30 September	
	2009	2008
FINANCING ACTIVITIES		
Issue of share capital , net of issue costs	-	161,250
Transaction costs related to share capital issue	-	(8,898)
Proceeds from loans received	369,218	226,551
Repayment of bank loans	(365,278)	(185,586)
Repayment of corporate bonds	-	(42,580)
Repayment of other financing	(12,554)	-
Finance lease payments	(13,328)	(11,250)
	<u>(21,942)</u>	<u>139,487</u>
Net cash generated by financing activities		
	(21,942)	139,487
Currency translation differences	(1,130)	257
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(23,023)	73,239
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	54,072	10,088
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	31,049	83,327

On behalf of the Board

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

The notes on pages 7 to 18 form an integral part of these condensed consolidated financial statements.

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009 (in US Dollars and in thousands)

1. DESCRIPTION OF FORMATION AND THE BUSINESS

Description of formation

MHP S.A. (the “Parent” or “MHP S.A.”), a limited liability company 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 OJSC “Myronivsky Hliboproduct” (“MHP”) and its subsidiaries. The registered address of MHP S.A. is 412F, Route d’Esch, L-1030 Luxembourg, Grand-Duchy of Luxembourg.

In the course of the corporate reorganization related to the establishment of MHP S.A., Raftan Holding Limited (“RHL”) was established as a subholding company under MHP S.A. and through a series of transactions became the immediate parent of MHP. As a result of these transactions (collectively referred to as the “Corporate Reorganization”) MHP S.A. indirectly owned 99.8% of MHP.

References to the “Group” for periods prior to the formation of MHP S.A. are references to MHP and its subsidiaries and for periods after the formation of MHP S.A. are to MHP S.A. and its subsidiaries.

The primary subsidiaries and the principal activities of the companies forming the Group as of 30 September 2009 and 31 December 2008 were as follows:

Operating entity	Country of registration	Year established/ acquired	Principal activity	Effective ownership interest*, %	
				30 September 2009	31 December 2008
MHP S.A.	Luxembourg	2006	Holding company	Parent	Parent
RHL	Republic of Cyprus	2006	Sub-holding company	100	100
MHP	Ukraine	1998	Management, marketing and sales	99.9	99.9
Myronivsky Zavod po Vygotvlennyu Krup i Kombikormiv (“MZVKK”)	Ukraine	1998	Fodder and sunflower oil production	88.5	88.5
Peremoga Nova (“Peremoga”)	Ukraine	1999	Chicken farm	99.9	99.9
Druzhba Narodiv Nova (“Druzhba Nova”)	Ukraine	2002	Chicken farm	99.9	99.9
Oril-Leader (“Oril”)	Ukraine	2003	Chicken farm	99.9	99.9
Tavriysky Kombikormovy Zavod (“TKZ”)	Ukraine	2004	Fodder production	99.9	99.9
Ptahofabryka Shahtarska Nova (“Shahtarska”)	Ukraine	2003	Breeder farm	99.9	99.9

Operating entity	Country of registration	Year established/ acquired	Principal activity	Effective ownership interest*, %	
				30 September 2009	31 December 2008
Myronivska Pticefabryka ("Myronivska")	Ukraine	2004	Chicken farm	99.9	99.9
Starynska Ptahofabryka ("Starynska")	Ukraine	2003	Breeder farm	94.9	84.9
Ptahofabryka Snyatynska Nova ("Snyatynska")	Ukraine	2005	Geese breeder farm	99.9	99.9
Zernoproduct	Ukraine	2005	Fodder grain cultivation	89.9	89.9
Katerynopilsky Elevator	Ukraine	2005	Fodder production and grain storage	99.9	99.9
Druzhba Narodiv ("Druzhba")	Ukraine	2006	Cattle breeding, plant cultivation	99.8	99.0
Crimean Fruit Company ("Crimean Fruit")	Ukraine	2006	Fruits grain cultivation	81.9	81.9
NPF Urozhay ("Urozhay")	Ukraine	2006	Fodder grain cultivation	89.9	89.9
Agrofort ("AGF")	Ukraine	2006	Fodder grain cultivation	86.1	86.1
Zernoproduct-Lypivka ("ZPL")	Ukraine	2006	Fodder grain cultivation	63.0	63.0
Ukrainian Bacon PE ("Ukrainian Bacon")	Ukraine	2008	Meat processing	79.9	79.9

- Effective voting rights in subsidiaries did not differ from effective ownership rights. Direct ownership interest in subsidiaries by the Parent differs from the effective ownership interest due to cross holdings between subsidiaries.

In May 2008 MHP S.A. completed an initial public offering (IPO) in the form of global depository receipts (GDR) on the Main Market of the London Stock Exchange. The Offering represented approximately 22.33% per cent of the Company's issued ordinary share capital.

Description of the business

The principal business activities of the Group are poultry and related operations, grain growing and other agricultural operations (producing beef and meat products ready for consumption and cultivation and selling fruits).

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 ("growout"), 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 sausages, beef, goose meat, foie gras, fruits and feed grains.

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

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared on the basis of accounting policies as set forth in the Group's consolidated financial statements as at and for the year ended 31 December 2008. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted. However, such information reflects all adjustments (consisting of normal recurring adjustments), which are, in the opinion of the Group management, necessary to fairly state the results of interim periods. Interim results are not necessarily indicative of results to be expected for the full year. The 31 December 2008 statement of financial position was derived from the audited consolidated financial statements. The functional currency of MHP S.A. and each of its subsidiaries 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.

The Group has chosen to present its consolidated financial statements in US Dollars ("USD"). The decision was taken for convenience of the users of financial statements.

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.

The following exchange rates were used:

Currency	Closing rate as of 30 September 2009	Average for 9 months ended 30 September 2009	Closing rate as of 31 December 2008	Average for 9 months ended 30 September 2008
UAH/USD	8.0100	7.7246	7.7000	4.9528
UAH/EUR	11.6537	10.5611	10.8555	7.5399

3. PROPERTY, PLANT AND EQUIPMENT

In 2009 the Group continues investment mainly into its poultry operations.

During the nine months ended 30 September 2009, the Group's additions to Property, plant and equipment amounted to USD 134,308 thousand.

The main capital expenditures were incurred in connection with the second phase of Myronivka chicken farm complex construction. The production on the Myronivka phase two chicken farm complex has reached full capacity during the third quarter of 2009.

The Group's disposals of equipment during the nine months ended 30 September 2009 amounted to USD 773 thousand.

4. RELATED PARTY BALANCES AND TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise 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.

The following companies and individuals are considered to be related parties to the Group as of 30 September 2009:

Name of the related party	Nature of relations with the Group
Mr. Yuriy Kosyuk	Chief Executive Officer of MHP S.A. and the Principal Shareholder of the Group
WTI	Immediate parent, company owned by Mr. Yuriy Kosyuk
Mrs. Olena Kosyuk	Wife of Mr. Yuriy Kosyuk
Allied Tech Commerce LLP (United Kingdom)	Companies owned or controlled by Mr. Yuriy Kosyuk
ULL Beteiligungs und Management GmbH	
LLC Zolotoniske Zvirogospodarstvo	
Merkaba LLC	
Agrofirma Berezanska Ptahofabryka	Company owned by Merkaba LLC
Spector	

During the nine months ended 30 September 2009 the Group has been engaged in transactions with its related parties within the normal course of business. The revenue from sales to related parties has decreased from USD 8,691 thousand as for the nine months ended 30 September 2008 to USD 5,128 thousand for the nine months ended 30 September 2009. The revenue for the nine months ended 30 September 2009 relates primarily to the sale of mixed fodder and its components to Agrofirma Berezanska Ptahofabryka.

The balances of trade accounts receivable due from related parties relate primarily to the mixed fodder sale and amounted to USD 4,885 and USD 2,791 thousand as at 30 September 2009 and 31 December 2008 respectively.

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

Compensation to key management personnel

Total compensation of the Group's key management personnel (including compensation to Mr. Yuriy Kosyuk), which consist of contractual salary and performance bonuses amounted to USD 3,893 thousand and USD 7,443 thousand for the nine months ended 30 September 2009 and 2008, respectively. Compensation to key management personnel for the nine months ended 30 September 2008 includes bonuses in connection with MHP S.A.' share issue.

5. CHANGES IN AGRICULTURAL PRODUCE

Agricultural produce balances has increased as a result of seasonal increase of harvested grain stock. This stock consists primarily of wheat and rapeseed which will be sold to the third parties subsequently to the balance sheet date, and grain consumable within the other agricultural operations.

6. CURRENT BIOLOGICAL ASSETS

The balances of current biological assets were as follows:

	30 September 2009	31 December 2008
Breeders held for hatchery eggs production	26,944	19,323
Broiler poultry	32,357	23,126
Hatchery eggs	6,358	3,866
Crops in fields	46,219	26,840
Cattle, pigs till 1 year and other consumable biological assets	8,863	10,940
Total	120,741	84,095

The increase of current biological assets balances during the nine months 2009 is primarily attributable to that of the crops balances. This is due to the fact that as at 30 September 2009 the harvest campaign is duly in process. The increase refers to the costs incurred with respect to future harvest, reflecting seasonality element inherent in the grain growing segment. Also the increase is partly due to the positive change in the fair value of biological assets in crops production.

The significant increase in the biological assets related to poultry operations (breeders, broiler poultry and hatchery eggs) was driven primarily by the launch of production at Myronivka phase two, reached full capacity during the third quarter.

7. TRADE ACCOUNTS RECEIVABLE

The balances of trade accounts receivable were as follows as of 30 September 2009 and 31 December 2008:

	30 September 2009	31 December 2008
Sales of chicken meat and other meat products	28,622	22,706
Export grain sales	3,583	-
Sunflower oil sales	2,942	2,957
Due from related parties	4,885	2,791
Other agricultural operations	4,117	3,957
Less: allowance for irrecoverable amounts	(479)	(880)
Total	43,670	31,531

The trade receivables increased mainly due to the growth of the chicken meat sales and sales of sausages.

The trade receivables have also increased following the seasonal increase in the export grain sales.

8. BANK BORROWINGS

The following table summarizes bank loans and credit lines held by the Group as of 30 September 2009 and 31 December 2008:

Bank	Currency	Interest rate	30 September 2009	Interest rate	31 December 2008
Foreign banks	EUR	3.44%	90,087	5.43%	78,697
Ukrainian banks	USD	8.46%	89,000	6.78%	109,000
Ukrainian banks	UAH	17.82%	19,898	-	-
Total bank borrowings			198,985		187,697
<i>Less:</i>					
Short-term borrowings and current portion of long-term borrowings			(133,895)		(130,241)
Total long-term bank borrowings			65,090		57,456

The following table summarizes bank loans and credit lines with respect to the type of interests charged held by the Group as of 30 September 2009 and 31 December 2008:

	30 September 2009	31 December 2008
Fixed interest rate	34,602	39,756
Floating interest rate	164,383	147,941
Total	198,985	187,697

Bank loans and credit lines as of 30 September 2009 were repayable as follows:

	30 September 2009		
	Foreign	Ukrainian	Total
Within one year	24,997	108,898	133,895
In the second year	25,835	-	25,835
In the third to fifth year inclusive	35,773	-	35,773
With maturity over five years	3,482	-	3,482
Total	90,087	108,898	198,985

Bank loans and credit lines as of 31 December 2008 were repayable as follows:

	31 December 2008		
	Foreign	Ukrainian	Total
Within one year	21,241	109,000	130,241
In the second year	22,703	-	22,703
In the third to fifth year inclusive	34,753	-	34,753
Total	78,697	109,000	187,697

As of 30 September 2009, the Group had available borrowings on undrawn facilities of USD 6,008 thousand, including USD 1,811 thousand of available overdraft facilities. These undrawn facilities expire during the period from October 2009 until December 2016.

As of 30 September 2009, the Group had borrowings of USD 12,041 thousand that were secured. These borrowings were secured by property, plant and equipment with the carrying amount of USD 6,005 thousand.

9. BONDS ISSUED

Long-term bonds outstanding as of 30 September 2009 and 31 December 2008 were as follows:

	30 September 2009	31 December 2008
10.25% Senior Notes due in 2011	250,000	250,000
Unamortized premium on bonds issued	-	-
Unamortized debt issue costs, net	(2,205)	(3,097)
Total	247,795	246,903

10. LONG-TERM FINANCE LEASE AND VENDOR FINANCING OBLIGATIONS

The finance lease obligations represent amounts due under agreements for lease of trucks, agricultural machinery and equipment with Ukrainian and foreign companies. The following are the minimum lease payments and present value of minimum lease payments under the finance lease agreements as of 30 September 2009:

	Minimum lease payments	Present value of minimum lease payments
Payable within one year	30,295	23,465
Payable in the second year	25,964	21,543
Payable in the third to fifth year inclusive	28,472	25,211
	<u>84,731</u>	<u>70,219</u>
<i>Less:</i>		
Future finance charges	(14,512)	-
Present value of lease obligations	<u>70,219</u>	<u>70,219</u>
<i>Less:</i>		
Current portion		<u>(23,453)</u>
Finance lease obligations, long-term portion		<u>46,766</u>

11. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

Recent volatility in global and Ukrainian financial markets – Macroeconomic conditions in Ukraine remain difficult and the political instability on the threshold of the presidential election contributes to it greatly, but despite that some positive tendencies in country's economic situation take place.

The inflation rate for the 9 months 2009 has decreased to 16.8% year-o-year, compared to 17.6% for the first 6 months of 2009.

The Ukrainian Hryvnia continued to depreciate slowly during the third quarter of 2009, and the exchange rate at the end of September was 8.01 UAH for US Dollar. The IMF has made a significant contribution to the stabilization of the Ukrainian Hryvnia providing Ukraine with the stand-by loan program. In accordance with the terms of the program Ukraine has already received three tranches with the fourth one to be considered in November-December. Nevertheless, currently there is no official decision about the fourth tranche, and the IMF is on the third review of arrangements with Ukraine.

During the third quarter of 2009 the Ukrainian industry continued to come out of recession. The decline of industrial output for the 9 months of 2009 has decreased to 28.4% year-o-year, compared to 31.1% for the six months of 2009. The agriculture sector remains the only sector of the Ukrainian economy showing growth compared to the pre-crisis period. The total production of agricultural products for the 9 months of 2009 has increased by 3.3%, when compared to the same period in 2008.

Operating environment – The principal business activities of the Group are within Ukraine. Laws and regulations affecting businesses operating in 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.

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 Ukraine 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.

Legal issue – The Group is involved in litigations and other claims that are in the ordinary course of its business activities. Management believes that the resolution of such matters will not have a material impact on its financial position or operating results.

Contractual commitments on purchase of raw materials and biological assets – As of 30 September 2009, raw materials and biological assets purchase commitments on contracts amounted to USD 17,642 thousand and 31 December 2008: USD 3,249 thousand.

Contractual commitments on purchase of property, plant and equipment – As of 30 September 2009, purchase commitments of the Group on contracts with foreign and Ukrainian suppliers for the purchase of property, plant and equipment for development of agricultural operations amounted to USD 6,048 thousand and 31 December 2008: USD 20,927 thousand.

Contractual commitments on purchase of property, plant and equipment under finance lease arrangements – As of 30 September 2009, the Group's non-cancelable contractual obligations as to the purchase of property, plant and equipment under finance lease arrangements amounted to USD 9,212 thousand (31 December 2008: nil).

Contractual commitments on sales of sunflower oil – As of 30 September 2009, commitments of the Group on sunflower oil sales amounted to USD 7,292 thousand and 31 December 2008: USD 6,854 thousand.

Contractual commitments for export sales of grains– As of 30 September 2009, commitments of the Group for export sales of grains amounted to USD 16,555 thousand (31 December 2008: nil).

12. FOREIGN CURRENCY EXCHANGE RATE CHANGE

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 by currencies.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities as of 30 September 2009 are as follows:

	USD- denominated	EUR- denominated
Assets		
Trade accounts receivable	7,391	-
Bank deposits with maturity over three months	-	-
Cash and cash equivalents	19,717	548
	<u>27,108</u>	<u>548</u>
Total assets		
Liabilities		
Trade accounts payable	690	4,374
Accounts payable for property, plant and equipment	6	4,686
Interest accrued	8,773	1,026
Bank borrowings	89,000	90,087
Bonds issued	250,000	-
Finance lease and vendor financing obligations	16,012	54,207
	<u>364,481</u>	<u>154,380</u>
Total liabilities		

The below details the Group's sensitivity to strengthening of the Ukrainian Hryvnia against US Dollar and EURO by 5% and weakening of the Ukrainian Hryvnia against US Dollar and EURO by 15%. This sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity rate is evaluated based on market developments subsequent to the financial statements date. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% and 15% change in foreign currency rates.

	USD-denominated	EUR-denominated
Profit/(loss)	16,869/(50,606)	7,692/(23,075)

The effect of foreign currency sensitivity on shareholders' equity is equal to that on profit or loss.

During the nine months ended 30 September 2009, the Ukrainian Hryvnia decreased against EURO by 7.4% and against US Dollar by 4.0%.

13. SEGMENT INFORMATION

The following is an analysis of revenue, results for the period and gain/(loss) arising on fair value recognition of biological assets and agricultural produce by the Group's primary basis of segmentation:

	Nine months ended 30 September 2009			Consolida ted	Nine months ended 30 September 2008			Consolida ted
	Poultry and related operations	Other agricultu ral	Grain growing		Poultry and related operations	Other agricultu ral	Grain growing	
REVENUES								
Total revenue	423,139	66,388	43,453	532,980	534,466	70,078	53,941	658,485
Inter-segment eliminations	(13,093)	(200)	(17,414)	(30,707)	(12,710)	(682)	(11,025)	(24,417)
Sales to external customers	410,046	66,188	26,039	502,273	521,756	69,396	42,916	634,068
Segment results	151,351	1,218	19,915	172,484	180,886	5,183	21,187	207,256
Unallocated corporate expenses				(8,589)				(6,862)
Operating profit				163,895				200,395
Effect of fair value adjustments	11,512	(1,741)	20,578	<u>30,349</u>	18	(284)	(4,321)	<u>(4,587)</u>

14. NET PROFIT FOR THE PERIOD

The Group's gross profit for the nine months of 2009 significantly grew in the Ukrainian Hryvnia equivalent compared with the nine months of 2008. This increase was caused by the increase of gross profit of poultry and related operations segment in the Ukrainian Hryvnia equivalent due to the growth of both – sales volume and selling prices. The sales volume has significantly increased due to the launch of production at Myronivka phase two, which has reached full capacity during the third quarter. In the meantime the cost per 1 kg of the poultry products slightly decreased due to the strong vertical integration of the Group's operations.

In the same time the MHP's net profit for the nine months of 2009 as compared to the nine months of 2008 has decreased due to recognition of foreign exchange losses on monetary assets and liabilities of the Group denominated in foreign currencies that result from the Ukrainian Hryvnia devaluation in the third quarter of 2009.

15. SUPPLEMENTAL CASH FLOW INFORMATION

Operating, investing and financing transactions that did not require the use of cash or cash equivalents were as follows:

	Nine months ended 30 September 2009	2008
Additions of property, plant and equipment under finance leases and vendor financing arrangements	12,449	36,905
Additions of property, plant and equipment financed through direct bank-lender payments to the vendor	4,527	-
Property, plant and equipment purchased for credit	7,833	6,792

16. SUBSEQUENT EVENTS

There have been no significant subsequent events after September 30, 2009.

17. AUTHORIZATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors of MHP S.A. on 18 November 2009.