PRESS RELEASE

August 29, 2013, Kyiv, Ukraine

MHP S.A.

Unaudited Financial Results for the Second Quarter

and Six Months Ended 30 June 2013

MHP S.A. (“MHP” or the “Company”, LSE ticker: “MHPC”), one of the leading agro-industrial companies in Ukraine, focusing on the production of poultry and the cultivation of grain, today announces its unaudited results for the second quarter and the six months ended 30 June 2013.

Operational highlights

Poultry and related operations

- During the first half of the year all the Company’s chicken production facilities continued to operate at full capacity.
- Currently the Vinnytsia poultry farm operates at full capacity on 7 rearing sites (out of 12).
- The Company’s share of industrially produced chicken in Ukraine in H1 2013 remained around 50%.
- The volume of chicken meat sales to external customers in H1 2013 year-on-year increased by 13% to 205,300 tonnes due to the increased production of chicken meat at the Vinnytsia poultry farm.
- In Q2 2013, chicken meat price (both domestic and export) remained stable compared to Q1 2013; however, the average chicken price decreased by 7% to UAH 16.20 per 1 kg of adjusted weight (excluding VAT) compared to Q2 2012. In H1 2013, average chicken meat price was UAH 16.26, 5% lower than in H1 2012. The decrease in average poultry prices is mostly related to the increased share of export in total poultry sales (as a result of lower price for frozen chicken compared to fresh).
- In H1 2013, 111,160 tonnes of sunflower oil were sold at an average price of US$ 1,120 per tonne; this was 17% higher in volume and 1% higher in price compared to H1 2012 due to the increased production of fodder and in line with world market price trends accordingly.
- During Q2 2013, the volume of exported chicken meat sales continued the growing dynamics of previous quarters, exploring new business opportunities in different business regions. This resulted in growth of export sales in H1 2013 by almost 3 times compared to the same period last year to 54,750 tonnes of frozen chicken meat.

Grain growing

- During the period the Company increased its land bank by 35,000 hectares in Ukraine. In July 2013, the Company acquired 40,000 hectares in Russia.
- In 2013 the Company expects to harvest around 290,000 hectares of land in grain growing operations.
- MHP's current yields of wheat (5.5 tonnes per hectare) and rape (3.2 tonnes per hectare), continue to be substantially higher than Ukraine's average.

Other agriculture

- Sausage and cooked meat production volumes decreased slightly from 16,510 tonnes in H1 2012 to 16,110 tonnes in H1 2013 due to the continuous product mix optimization.
- The Company's market share of Ukraine's sausage and cooked meat products in Ukraine remained stable at around 10%

Financial highlights

Q2 2013 highlights

- Revenue of US$ 352 million remained stable compare to Q2 2012 as a result of higher chicken meat sales being offset by lower external grain sales.
- EBITDA of US$ 120 million, decrease of 18% compared to Q2 2012, predominantly due to inflated poultry production cost and softening average poultry prices.
- Net income of US$ 53 million decreased by 56% compared to US$ 122 in Q2 2012 reflecting the reduction in EBITDA and due to one-off transaction costs related to new Eurobond issued in April 2013.

H1 2013 highlights

- Revenue of US$ 656 million remained stable compared to H1 2012 as a result of higher chicken meat sales being offset by lower external grain sales.
- EBITDA of US$ 193 million, decrease of 16% compared to H1 2012, predominantly due to inflated poultry production cost and softening average poultry prices.
- Net income of US$ 90 million decreased by 47% compared to US$ 170 million in H1 2012 reflecting the reduction in EBITDA, higher depreciation related to new Vinnytsia complex and one-off transaction costs related to new Eurobond issued in April 2013.

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

"This was a challenging period for the Company with correspondingly weaker financial results.

Despite the challenging macroeconomic situation in Ukraine, during the first half of the year the Company significantly increased its capacity at each production site of our new Vinnytsia complex, enabling us to increase poultry exports in line with our strategy of export diversification.

In July 2013, we received the final approvals to be able to export poultry products to the EU. Our first deliveries to EU countries are expected by the end of this year. In line with the Company's expansion plans, in July we completed our first deal in Russia, acquiring a 40,000 ha grain growing company. We expect its first results in 2014.We also increased our land bank by 35,000 ha in Ukraine.

In the short term, the Company's significant increase in poultry and grain production will be insufficient to compensate for the timing effects of fluctuating grain prices. However, although our financial results for 2013 will be lower than initially projected, we expect this to be largely compensated next year as lower prices of grain harvested in 2013 should have a favorable effect on poultry costs since the end of 2013 and through 2014, which will increase profitability in our poultry division.

Our vertically integrated business model, highly competitive cost base, investment in increasing production capacity and strengthening export opportunities provide strong drivers for the Company's growth both in poultry and grain growing operations and a sound platform for strong operational and financial performance in 2014 and beyond."

- end -

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

Date:	Thursday, 29 August 2013
Time:	09.00 New York / 14.00 London / 16.00 Kyiv / 17.00 Moscow
Title:	MHP – Q2 and H1 2013 Financial Results
International/UK Dial in:	+44 (0) 1452 555 566
USA free call:	+1 866 966 9439
Russia free call	8108 002 097 2044
Conference ID	33718009

A live webcast of the presentation will be available at:
https://webconnect.webex.com/webconnect/onstage/g.php?t=a&d=297913436

Alternative URL:
https://webconnect.webex.com/

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Financial overview

		Q2 2013	Q2 2012	% change*	H1 2013	H1 2012	% change*
Revenue	US$, m	**352**	**357**	**-1%**	**656**	**654**	**0%**
IAS 41 standard gains	US$, m	39	30	29%	31	13	142%
Gross profit	US$, m	**115**	**144**	**-20%**	**180**	**223**	**-19%**
Gross margin	%	33%	40%	(7pps)	27%	34%	(7pps)
Operating profit	US$, m	**96**	**129**	**-25%**	**147**	**196**	**-25%**
Operating margin	%	27%	36%	(9pps)	22%	30%	(8pps)
EBITDA	US$, m	**120**	**147**	**-18%**	**193**	**231**	**-16%**
EBITDA margin	%	34%	41%	(7pps)	29%	35%	(6pps)
Net income	US$, m	**53**	**122**	**-56%**	**90**	**170**	**-47%**
Net income margin	%	15%	34%	(19pps)	14%	26%	(12pps)

** pps – percentage points*

Q2 2013 Consolidated Financial Results

Consolidated revenue totaled US$ 352 million and remained quite stable compared to US$ 357 million in Q2 2012, despite higher chicken meat sales volumes, but due to minor external grain sales in Q2 2013 (US$ 33 million in Q2 2012). Export sales comprised US$ 128 million or 36% of total revenue in Q2 2013 (US$ 111 million or 31% of total sales in Q2 2012).

EBITDA decreased by 18% to US$ 120 million (Q2 2012: US$ 147 million), with EBITDA margin reduced from 41% to 34%, mostly due to higher poultry production cost year-on-year driven by inflated corn prices, while chicken meat sales price (both domestic and export) remained stable compared to Q1 2013, however average price decreased by 7% to UAH 16.20 per 1 kg of adjusted weight (excluding VAT) compared to Q2 2012, mostly due to the increased share of export in total poultry sales.

Net income from operations constituted US$ 53 million, which is 56% less than US$ 122 million in Q2 2012. Net margin decreased from 34% to 15% correspondingly. The main factors for the decline in net income are the same as for EBITDA, higher depreciation related to new Vinnytsia complex and one-off financial costs incurred for corporate bonds in April 2013.

H1 2013 Consolidated Financial Results

Consolidated financial results in H1 2013 had mostly the same dynamics as in Q2 2013. Revenue remained stable at US$ 656 million (H1 2012: US$ 654 million) as the effect of higher chicken meat sales volumes was offset by significantly lower external grain sales (due to lower grain stocks for sale at the beginning of 2013). Despite significantly lower volumes of exported grains, total export sales comprised US$ 246 million or 38% of total revenue in H1 2013 (US$ 201 million or 31% of total sales in H1 2012).

EBITDA decreased by 16% to US$ 193 million (H1 2012: US$ 231 million), with EBITDA margin declining to 29% (H1 2012: 35%), mainly due to lower profitability of the poultry segment.

Net income in H1 2013 was US$ 90 million, which is 47% less than in H1 2012. Net margin decreased from 26% to 14%, with the main drivers being the same as in Q2 2013 (see above).

Poultry and related operations

		Q2 2013	Q2 2012	% change	H1 2013	H1 2012	% change
Revenue	US$, m	**313**	**283**	**11%**	**572**	**523**	**9%**
- Poultry and other	US$, m	245	227	8%	447	418	7%
- Sunflower oil	US$, m	68	56	22%	125	105	19%
IAS 41 standard gains	US$, m	**8**	**3**	**164%**	**10**	**4**	**128%**
Gross profit	US$, m	**72**	**101**	**-29%**	**133**	**179**	**-26%**
Gross margin	*%*	23%	36%	(13pps)	23%	34%	(11pps)
EBITDA	US$, m	**83**	**107**	**-22%**	**155**	**193**	**-19%**
EBITDA margin	*%*	27%	38%	(11pps)	27%	37%	(10pps)
EBITDA per 1 kg	*US$*	0.73	1.11	-34%	0.76	1.06	-29%

** pps – percentage points*

Poultry	Q2 2013	Q2 2012	% change	H1 2013	H1 2012	% change
Sales volume, third parties tonnes	113,580	96,560	*18%*	205,300	181,600	13%
Price per 1 kg net VAT, UAH	16.20	17.48	*-7%*	16.26	17.14	-5%
Sunflower oil						
Sales volume, third parties tonnes	61,850	49,191	26%	111,160	94,749	17%
Price per 1 tonne net VAT, US$	1,097	1,131	-3%	1,120	1,109	1%

Q2 2013 Poultry and related operations segment financial results

In Q2 2013, chicken meat sales volumes to external consumers on an adjusted-weight basis increased by 18% to the level of 113,580 tonnes (Q2 2012: 96,560 tonnes), owing to the increased production volumes at the Vinnytsia poultry farm.

During Q2 2013 the volume of chicken meat export sales continued the growing dynamics of previous quarters, exploring new business opportunities in different business regions. This resulted in growth of export sales in Q2 2013 by almost 3 times compared to the same period last year to 31,550 tonnes of frozen chicken meat.

Chicken meat sales prices during Q2 2013 (both domestic and export) remained stable compared to Q1 2013, however the average price decreased by 7% to UAH 16.20 per 1 kg of adjusted weight (excluding VAT) compared to Q2 2012. The decrease in average poultry price is mostly related to the increased share of export in total poultry sales of the Company (as a result of lower price for frozen chicken (export) compared to fresh).

Sunflower oil prices declined by 3% to US$ 1,097 (Q2 2012: US$ 1,131) in line with world trends.

Poultry segment revenue increased by 11% to US$ 313 million (Q2 2012: US$ 283 million) mainly due to increase in sales volumes of chicken meat and sunflower oil.

Gross profit decreased by 29% to US$ 72 million (Q2 2012: US$ 101 million), as a result of higher feed costs and lower average poultry prices, partially compensated by higher sales volume. Correspondingly, gross profit margin decreased from 36% in Q2 2012 to 23% in Q2 2013.

Segment's EBITDA totaled US$ 83 million, resulting in 22% decline compared to the same period in 2012. In line with the gross profit margin dynamic, EBITDA margin decreased from 38% to 27%.

H1 2013 Poultry and related operations segment financial results

Chicken meat sales volumes to third parties on an adjusted-weight basis in H1 2013 grew by 13% and amounted 205,300 compared to 181,600 tonnes in H1 2012. The average chicken meat sales price decreased by 5% to UAH 16.26 per kg (H1 2012: UAH 17.14 per kg). Average sunflower oil prices increased by 1% to US$ 1,120 per tonne (H1 2012: US$ 1,109 per tonne).

During the second quarter of 2013 the volume of chicken meat export sales continued the growing dynamics of previous quarters, exploring new business opportunities in different business regions. This resulted in growth of export sales in H1 2013 by approximately 3 times compared to the same period last year to 54,750 tonnes of frozen chicken meat.

Growth of chicken meat and sunflower oil production volumes contributed to an increase in segment revenue by 9% to US$ 572 million from US$ 523 million in H1 2012.

Poultry production costs increased by 15% in H1 2013 compared to H1 2012 mainly affected by higher cost of fodder due to higher grain prices and sunflower protein cost.

As a result of the substantial grain price growth at the end of 2012, poultry production costs increased, while the average poultry price declined by 5% due to a higher proportion of export sales. Negative factors were partially compensated by higher sales volume of chicken meat. Gross profit totaled US$ 133 million, which is 26% lower than in H1 2012, and gross profit margin decreased from 34% in H1 2012 to 23% in H1 2013.

During the first half of 2013 poultry segment EBITDA decreased by 20% to US$ 155 million (H1 2012: US$ 193 million). EBITDA margin declined to 27% in comparison to 37% in H1 2012 as a result of higher production costs and lower average chicken meat sales prices mostly related to increased share of exports.

Grain growing operations

		Q2 2013	**Q2 2012**	% change	**H1 2013**	**H1 2012**	% change
Revenue	US$, m	1	33	-97%	10	57	-83%
IAS 41 standard gains	US$, m	30	28	7%	22	11	103%
Gross profit	US$, m	39	39	-1%	40	39	2%
EBITDA	US$, m	**39**	**42**	**-7%**	**39**	**42**	**-7%**

Segment revenue declined to US$ 10 million in H1 2013, compared to US$ 57 million in H1 2012, as almost all grains harvested in 2012 were sold in 2012 or were reserved for increased internal needs. Due to the harvest cycle, there is a significant seasonality in this division, therefore revenues of the segment are weighted towards the second half of the year.

Segment EBITDA totaled US$ 39 million, almost all generated in Q2 2013 through the effect of IAS 41 and related to crops being in fields as of 30 June 2013.

In 2013 in grain growing operations the Company expects to harvest in Ukraine around 290,000 hectares of land in grain growing segment as well as to cultivate around 30,000 hectares of land in other agricultural operations. The contribution of the newly acquired asset in Russia (40,000 ha) in financial results of 2013 is expected to be very insignificant.

Other agricultural operations

		Q2 2013	**Q2 2012**	% change	**H1 2013**	**H1 2012**	% change
Revenue	US$, m	**38**	**41**	**-6%**	**74**	**74**	**0%**
- Meat processing	US$, m	26	27	-2%	48	48	-2%
- Other	US$, m	12	15	-14%	27	26	5%
IAS 41 standard gains	US$, m	**1**	**-1**	**-219%**	**0**	**-2**	**-83%**
Gross profit	US$, m	**4**	**3**	**16%**	**7**	**5**	**46%**
Gross margin	%	9%	7%	2pps	10%	7%	3pps
EBITDA	US$, m	**5**	**5**	**20%**	**11**	**7**	**50%**
EBITDA margin	%	14%	11%	3pps	14%	10%	4pps

** pps – percentage points*

Meat processing products	**Q2 2013**	**Q2 2012**	% change	**H1 2013**	**H1 2012**	% change
Sales volume, third parties tonnes	8,770	9,010	*-3%*	16,110	16,510	-2%
Price per 1 kg net VAT, UAH	23.14	22.07	*5%*	22.86	21.83	5%

In Q2 2013 sales volumes of sausage and cooked meat products decreased by 3% to 8,770 tonnes compared to 9,010 in Q2 2012. The sales volume of meat processing products in H1 2013 fell by 2% year-on-year to 16,110 tonnes. MHP's market share remained stable at about 10% of the Ukrainian meat processing market.

Average sausage and cooked meat prices increased by 5% in Q2 2013 (UAH 23.14 per kg in Q2 2013 compared to UAH 22.07 per kg in Q2 2012) and by 5% in H1 2013 (UAH 22.86 per kg in H1 2013 compared to UAH 21.83 per kg in H1 2012).

The segment's revenue in Q2 2013 decreased by 6% to US$ 38 million compared to US$ 41 million in Q2 2012 due to lower fruit sales (fruits stocks were mostly sold in Q1 2013). In H1 2013 the revenue of other agricultural operations segment totaled US$74 million, remaining at the same level as in H1 2012.

Gross profit totaled US$ 4 million in Q2 2013 (Q2 2012: US$ 3 million) and US$ 7million in H1 2013 (H1 2012: US$ 5 million). The segment's EBITDA increased by 20% to US$ 5 million in Q2 2013 compared to the same period of 2012 and correspondingly rose by 50% year-on-year to US$ 11 million in H1 2013 (H1 2012: US$ 7 million) due to higher profitability of meat processing. EBITDA margin increased slightly to 14%.

Current Group financial position, cash flow and liquidity

Cash Flows US$, m	Q2 2013	Q2 2012	H1 2013	H1 2012
Cash from operations	**54**	**84**	**130**	**187**
Change in working capital	(15)	(12)	(47)	(60)
Net Cash from operating activities	**39**	**72**	**82**	**127**
Cash from investing activities	(49)	(73)	(96)	(137)
Non-cash investments	(9)	(42)	(18)	(80)
CAPEX	**(58)**	**(115)**	**(114)**	**(217)**
Cash from financing activities	*122*	*(35)*	*91*	*(12)*
incl. Dividends / Treasury shares	*(77)*	*(28)*	*(77)*	*(28)*
Non-cash financing	*9*	*42*	*18*	*80*
Deposits	(30)	-	(30)	2
Total financial activities	**100**	**7**	**80**	**70**
Total change in cash	**81**	**(36)**	**48**	**(20)**

Cash flow from operations before changes in working capital decreased to US$ 130 million in H1 2013 (H1 2012: US$ 187) in accordance with the decline in EBITDA and increased financial costs due to transaction costs related to the new Eurobond issue in April 2013.

The total increase in working capital was US$ 47 million in H1 2013, mostly related to crops in fields.

In H1 2013 total CAPEX of US$ 114 million was mostly related to the construction of additional premises (rearing sites) at the Vinnytsia complex and land expansion in Ukraine by 35,000 hectares.

Debt Structure

Debt	30.06.2013	31.03.2013	31.12.2012
Total Debt US$, m	**1,352**	**1,118**	**1,140**
LT Debt	1,171	793	817
ST Debt	181	325	323
Cash and bank deposits	**(173)**	**(61)**	**(95)**
Net Debt	**1,179**	**1,056**	**1,045**
LTM EBITDA	430	457	468
Net Debt /LTM EBITDA	*2.74*	*2.31*	*2.23*

As of June 30, 2013, the Company's total debt was US$ 1,352 million, most of which was denominated in US Dollars. After the new Eurobond issued in April 2013 our debt structure improved significantly with share of Long Term Debt increased to 87% from 72% of total debt. The weighted average cost of debt now is about 8% with an average interest rate decreased by 0.50%.

About 70% of net debt is in Eurobonds, 40% of which matures in April 2015 and 60% in April 2020.

At the end of H1 2013, MHP's cash and short-term bank deposits comprised US$ 173 million. Net debt as of June 30, 2013 rose to US$ 1,179 million. Net Debt/EBITDA ratio at the end of the period increased to 2.74 (Eurobond covenant: 3.0).

As a hedge for currency risks, revenue from the export of sunflower oil, sunflower husks, and chicken meat are denominated in US Dollars, fully covering debt service expenses. The export revenue constituted US$ 246 million or 38% of total revenue in H1 2013 (US$ 201 million or 31% of total sales in H1 2012).

Outlook

We will continue the progressive launch of the Vinnytsia complex, with the monthly launch of new rearing zones and increasing production volumes at each production site. By the end of 2013, two more rearing sites will become operational.

The Company's 2013 harvest is expected to be stronger than in 2012 and the harvesting campaign of soybeans and corn has already started. However, the profitability of the grain growing segment is expected to be lower than last year as a result of softer grain prices due to the good harvest worldwide.

Although overall results of 2013 are expected to be weaker than previously anticipated, our increasing production capacities both in crops (expanded land bank) and chicken meat (the Vinnytsia project) will enable us to progressively increase annual sales. All this will drive the Company to improved performance in 2014.

We are confident that we will be able to continue to implement our strategy and keep on delivering sound financial results, cementing our position as one of the leading agri-industrial companies in Ukraine.

- End -

Notes to Editors:

About MHP

MHP is the leading producer of poultry products in Ukraine with the greatest market share and highest brand recognition for its products. MHP owns and operates each of the key stages of chicken production processes, from feed grains and fodder production to egg hatching and grow out to processing, marketing, distribution and sales (including through MHP's franchise outlets). Vertical integration reduces MHP's dependence on suppliers and its exposure to increases in raw material prices. In addition to cost efficiency, vertical integration also allows MHP to maintain strict biosecurity and to control the quality of its inputs and the resulting quality and consistency of its products through to the point of sale. To support its sales, MHP maintains a distribution network consisting of 11 distribution and logistical centres, within major Ukrainian cities. MHP uses its trucks for the distribution of its products, which Management believes reduces overall transportation costs and delivery times.

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

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

Forward-Looking Statements

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

MHP S.A. AND ITS SUBSIDIARIES

Interim condensed consolidated Financial Statements

For the six-month period ended 30 June 2013

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MANAGEMENT STATEMENT

To the best of our knowledge, the unaudited interim condensed consolidated financial statements prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole, and the management report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

28 August 2013

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

MANAGEMENT REPORT

Key financial highlights

During the six-month period ended 30 June 2013 consolidated revenue was relatively stable and constituted USD 655,823 thousand, compared to USD 654,471 thousand for the six-month period ended 30 June 2012.

During the six-month period ended 30 June 2013 consolidated revenue from poultry and related operations constituted USD 571,793 thousand, compared to USD 523,471 thousand for the six-month period ended 30 June 2012. This 9% increase was mainly attributable to the increase of production volume at Vinnytsia complex.

The increase in consolidated revenue from poultry and related operations was offset by decrease in consolidated revenue from Grain growing operations from USD 57,055 thousand, for the six-month period ended 30 June 2012, to USD 9,717 thousand for the six-month period ended 30 June 2013. This 83% decrease was mainly attributable to the decrease in volume of crops sold.

Export sales constituted 38% of total revenue for six-month period ended 30 June 2013.

Operating profit decreased by 25% to USD 146,534 thousand for six-month period ended 30 June 2013 from USD 195,938 thousand for six-month period ended 30 June 2012. Operating profit margin decreased from 30% for the six-month period ended 30 June 2012 to 22% for the six-month period ended 30 June 2013 as a consequence of lower returns from poultry and related operations segment.

Net income from operations decreased by 47% to USD 89,536 thousand (six-month period ended 30 June 2012: USD 170,157 thousand), net margin decreased from 26% to 14%.

Segment results

Poultry and related operations

During the six-month period ended 30 June 2013 the volume of chicken meat sales to external customers constituted 205,300 tonnes which is 13% higher compared to the six-month period ended 30 June 2012. All Group’s chicken meat production facilities continued to operate at full capacity producing around 50% of total industrially produced chicken meat in Ukraine.

Grain growing

In 2013 the Group is to cultivate around 290,000 hectares of land in Ukraine and 40,000 hectares of land in Russian Federation in grain growing operations and to cultivate around 30,000 hectares of land in other agricultural operations. During the six-month period ended 30 June 2013 total land bank increased by 35,000 hectares, out of which 31,190 were added through acquisitions of “AgroKryazh” and “Baryshevka” groups of companies, and constituted 325,000 hectares as of 30 June 2013.

Other agriculture

During the six-month period ended 30 June 2013 production volume of sausage and cooked meat was relatively stable and constituted 16,110 tonnes comparing to 16,510 tonnes produced during the six-month period ended 30 June 2012.

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

Dividends

On 4 March 2013, the Company announced that the Board of Directors approved a payment of dividend of USD 1.13 per share, equivalent to approximately USD 120 million. On 16 May 2013 the Board of Directors approved a payment date of dividends on 28 May 2013 to shareholders of a record on 22 May 2013. The Board of Directors approved that no dividend will be paid on the Company’s shares held in treasury.

The Board of Directors of MHP S.A. also acknowledged the consent of WTI Trading Limited (the Company's major shareholder) to be paid later than on the declared dividend payment date (but not later than November 1, 2013), with no interest accrued on the amount of dividend paid later.

Business acquisitions

During the six-month period ended 30 June 2013 the Group acquired from third parties a group of companies “AgroKryazh” and a group of companies “Baryshevka” which are engaged in grain growing and cultivating a land bank of 12,380 hectares in the Vinnytsia region of Ukraine and 18,810 hectares in the Kyiv region of Ukraine, respectively.

MANAGEMENT REPORT *(continued)*

Subsequent events

As of 2 July 2013 the Group acquired from third parties a group of companies “Voronezh Agro Holding”, engaged in grain growing operations, and cultivating a land bank, about, 40,000 hectares in the Voronezh region of Russian Federation, out of which 24,000 hectares is owed by “Voronezh Agro Holding”.

This acquisition also adds 200,000 m^3 of storage facilities as well as agricultural machinery to MHP's assets.

28 August 2013

On behalf of the Board:

Chief Executive Officer Yuriy Kosyuk

Chief Financial Officer Viktoria Kapelyushnaya

Deloitte.

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of MHP S.A. as of 30 June 2013, and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and explanatory notes ("the Interim Financial Information"). The Board of Directors is responsible for the preparation and fair presentation of this Interim Financial Information in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of Review

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

Deloitte.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information does not give a true and fair view of the consolidated financial position of MHP S.A. as at 30 June 2013, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with IAS 34 “Interim Financial Reporting”.

For Deloitte Audit, *Cabinet de révision agréé*

pp.

Sophie Mitchell, *Réviseur d'entreprises agréé*
Partner

28 August 2013

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six-month period ended 30 June 2013
(in thousands of US dollars, unless otherwise indicated)

	Notes	*2013*	*2012*
Revenue	*4*	655,823	654,471
Net change in fair value of biological assets and agricultural produce	*4*	31,329	12,928
Cost of sales		(507,316)	(444,867)
Gross profit		179,836	222,532
Selling, general and administrative expenses		(62,407)	(57,521)
VAT refunds and other government grants income		37,642	47,293
Other operating expenses, net		(8,537)	(16,366)
Operating profit		146,534	195,938
Finance income		1,537	1,663
Finance costs:			
Interests and other finance costs		(41,957)	(29,152)
Transaction costs related to corporate bonds	*11*	(16,515)	-
Gain from acquisition of subsidiaries	*2*	1,708	-
Foreign exchange gain, net	*16*	2,180	5,104
Other expenses, net		(127)	(190)
Other expenses, net		(53,174)	(22,575)
Profit before tax		93,360	173,363
Income tax expense		(3,824)	(3,206)
Profit for the period	*5*	89,536	170,157
Other comprehensive loss			
Cumulative translation difference		(412)	(373)
Other comprehensive loss for the period		(412)	(373)
Total comprehensive income for the period		89,124	169,784
Profit attributable to:			
Equity holders of the Parent		84,699	163,874
Non-controlling interests		4,837	6,283
		89,536	170,157
Total comprehensive income attributable to:			
Equity holders of the Parent		84,287	163,501
Non-controlling interests		4,837	6,283
		89,124	169,784
Earnings per share			
Basic and diluted earnings per share (USD per share)		0.80	1.52

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 19 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as of 30 June 2013
(in thousands of US dollars, unless otherwise indicated)

	Notes	*30 June 2013*	*31 December 2012*
ASSETS			
Non-current assets			
Property, plant and equipment	*6*	1,398,661	1,339,687
Land lease rights		40,721	26,694
Deferred tax assets		8,240	8,231
Long-term VAT recoverable, net	*7*	37,113	35,784
Non-current biological assets		59,626	53,695
Long-term bank deposits		5,957	6,154
Other non-current assets		17,093	16,615
		1,567,411	1,486,860
Current assets			
Inventories	*8*	151,780	274,255
Biological assets	*9*	380,313	159,276
Agricultural produce	*8*	95,006	166,128
Other current assets, net		55,981	33,880
Taxes recoverable and prepaid, net		192,150	200,308
Trade accounts receivable, net		85,784	72,616
Short-term bank deposits		30,122	-
Cash and cash equivalents		142,670	94,785
		1,133,806	1,001,248
TOTAL ASSETS		2,701,217	2,488,108
EQUITY AND LIABILITIES			
Equity			
Share capital		284,505	284,505
Treasury shares		(65,393)	(65,393)
Additional paid-in capital		181,982	181,982
Revaluation reserve		22,869	22,869
Retained earnings		941,618	976,919
Translation reserve		(241,639)	(241,227)
Equity attributable to equity holders of the Parent		1,123,942	1,159,655
Non-controlling interests		51,007	39,008
Total equity		1,174,949	1,198,663
Non-current liabilities			
Bank borrowings	*10*	175,585	199,483
Bonds issued	*11*	949,233	571,515
Finance lease obligations		45,631	45,955
Deferred tax liabilities		3,808	3,345
		1,174,257	820,298
Current liabilities			
Trade accounts payable	*12*	58,293	68,970
Other current liabilities		90,617	62,902
Bank borrowings	*10*	160,583	301,658
Accrued interest		21,722	14,125
Finance lease obligations		20,796	21,492
		352,011	469,147
TOTAL LIABILITIES		1,526,268	1,289,445
TOTAL EQUITY AND LIABILITIES		2,701,217	2,488,108

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 19 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six-month period ended 30 June 2013
(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 2013	284,505	(65,393)	181,982	22,869	976,919	(241,227)	1,159,655	39,008	1,198,663
Profit for the period	-	-	-	-	84,699		84,699	4,837	89,536
Other comprehensive loss	-	-	-	-	-	(412)	(412)	-	(412)
Total comprehensive income for the period	-	-	-	-	84,699	(412)	84,287	4,837	89,124
Dividends declared by the Parent (*Note 15*)	-	-	-	-	(120,000)	-	(120,000)		(120,000)
Non-controlling interests acquired (*Note 2)*	-	-	-	-	-	-	-	7,162	7,162
Balance as of 30 June 2013	284,505	(65,393)	181,982	22,869	941,618	(241,639)	1,123,942	51,007	1,174,949

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 19 form an integral part of these interim condensed consolidated financial statements

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

	Attributable to equity holders of the Parent								
	Share capital	*Treasury shares*	*Additional paid-in capital*	*Revaluation reserve*	*Retained earnings*	*Translation reserve*	*Total*	*Non-controlling interests*	*Total equity*
Balance as of 1 January 2012	284,505	(40,555)	179,565	18,781	679,815	(240,791)	881,320	44,489	925,809
Profit for the period	-	-	-	-	163,874	-	163,874	6,283	170,157
Other comprehensive loss	-	-	-	-	-	(373)	(373)	-	(373)
Total comprehensive income for the period	-	-	-	-	163,874	(373)	163,501	6,283	169,784
Acquisition of treasury shares	-	(27,504)	-	-	-	-	(27,504)	-	(27,504)
Balance as of 30 June 2012	284,505	(68,059)	179,565	18,781	843,689	(241,164)	1,017,317	50,772	1,068,089

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 8 to 19 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2013
(in thousands of US dollars, unless otherwise indicated)

	Notes	2013	2012
Operating activities			
Profit before tax		93,360	173,363
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortization expense		46,619	34,663
Net change in fair value of biological assets and agricultural produce	4	(31,329)	(12,928)
Gain from acquisition of subsidiaries	2	(1,708)	-
Change in allowance for irrecoverable amounts and direct write-offs		11,366	15,562
Loss on disposal of property, plant and equipment and other non-current assets		(186)	207
Finance income		(1,537)	(1,663)
Finance costs		58,472	29,152
Unrealised foreign exchange gain, net		(2,180)	(5,104)
Operating cash flows before movements in working capital		172,877	233,252
Working capital adjustments			
Change in inventories	8	134,553	68,625
Change in biological assets	9	(163,799)	(137,034)
Change in agricultural produce	8	52,290	68,477
Change in other current assets		(22,419)	(8,030)
Change in taxes recoverable and prepaid		(4,330)	(14,440)
Change in trade accounts receivable		(13,641)	(6,603)
Change in other liabilities		(15,978)	(78)
Change in trade accounts payable	12	(14,030)	(30,980)
Cash generated by operations		125,523	173,189
Interest received		1,537	1,035
Interest paid		(40,293)	(39,765)
Income taxes paid		(4,446)	(7,800)
Net cash flows from operating activities		82,321	126,659
Investing activities			
Purchases of property, plant and equipment	6	(75,490)	(133,718)
Purchases of other non-current assets		(2,302)	(1,064)
Purchase of land lease rights		(1,337)	(840)
Acquisition of subsidiaries, less cash acquired	2	(15,824)	-
Proceeds from disposals of property, plant and equipment		734	234
Purchases of non-current biological assets		(2,290)	(1,251)
Investments in short-term deposits		(30,000)	-
Withdrawals of short-term deposits		-	1,790
Loans repaid by/(provided to) employees		831	(78)
Net cash flows used in investing activities		(125,678)	(134,927)
Financing activities			
Proceeds from bank borrowings		4,426	79,999
Repayment of bank borrowings		(179,135)	(53,366)
Proceeds from bonds	11	400,000	-
Transaction costs related to corporate bonds	11	(44,808)	-
Repayment of finance lease obligations		(12,115)	(10,911)
Acquisition of treasury shares		-	(27,504)
Dividends paid		(77,126)	-
Net cash flows from financing activities		91,242	(11,782)
Net increase/(decrease) in cash and cash equivalents		47,885	(20,050)
Net foreign exchange difference		-	618
Cash and cash equivalents at 1 January		94,785	94,758
Cash and cash equivalents at 30 June		142,670	75,326

The accompanying notes on the pages 8 to 19 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT *(continued)*
for the six-month period ended 30 June 2013
(in thousands of US dollars, unless otherwise indicated)

Non-cash transactions		
Additions of property, plant and equipment under finance leases	11,289	17,862
Additions of property, plant and equipment financed through direct bank-lender payments to the vendor	11,160	57,043
Property, plant and equipment purchased for credit	(4,043)	5,265

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2013

(in thousands of US dollars, unless otherwise indicated)

1. Corporate information

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

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

The principal business activities of the Group are poultry and related operations, grain growing, as well as other agricultural operations (meat processing, cultivation and selling fruits and producing beef and meat products ready for consumption). The Group’s poultry and related operations integrate all functions related to the production of chicken, including hatching, fodder manufacturing, raising chickens to marketable age (“grow-out”), processing and marketing of branded chilled products and include the production and sale of chicken products, sunflower oil, mixed fodder and convenience food products. Grain growing comprises the production and sale of grains. Other agricultural operations comprise the production and sale of cooked meat, sausages, beef, milk, goose meat, foie gras, fruits and feed grains. During the six-month period ended 30 June 2013 the Group employed about 30,600 people (31 December 2012: 27,800 people).

The Group has been undertaking a large-scale investment program to expand its poultry and related operations, and in May 2010 the Group commenced construction of the greenfield Vinnytsia poultry complex. As of 31 December 2012 the Group commissioned production facilities, which were completed to date, as well as started achieving a full production capacity. During the six-month period ended 30 June 2013 construction works at Vinnytsia complex was performed as scheduled and the Group continues commissioning production facilities which were already completed.

The primary subsidiaries, the principal activities of the companies forming the Group and the Parent’s effective ownership interest as of 30 June 2013 and 31 December 2012 were as follows:

Name	*Country of registration*	*Year established/ acquired*	*Principal activities*	*30 June 2013*	*31 December 2012*
Raftan Holding Limited	Cyprus	2006	Sub-holding Company	100.0%	100.0%
MHP	Ukraine	1998	Management, marketing and sales	99.9%	99.9%
Myronivsky Zavod po Vygotovlennyu Krup i Kombikormiv	Ukraine	1998	Fodder and sunflower oil production	88.5%	88.5%
Vynnytska 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	99.9%	99.9%
Oril-Leader	Ukraine	2003	Chicken farm	99.9%	99.9%
Tavriysky Kombikormovy Zavod	Ukraine	2004	Fodder production	99.9%	99.9%
Ptahofabryka Shahtarska Nova	Ukraine	2003	Breeder farm	99.9%	99.9%
Myronivska Pticefabrica	Ukraine	2004	Chicken farm	99.9%	99.9%
Starynska Ptahofabryka	Ukraine	2003	Breeder farm	94.9%	94.9%
Ptahofabryka Snyatynska Nova	Ukraine	2005	Geese breeder farm	99.9%	99.9%
Zernoproduct	Ukraine	2005	Grain cultivation	89.9%	89.9%
Katerynopilsky Elevator	Ukraine	2005	Fodder production and grain storage, sunflower oil production	99.9%	99.9%
Druzhba Narodiv	Ukraine	2006	Cattle breeding, plant cultivation	99.9%	99.9%
Crimean Fruit Company	Ukraine	2006	Fruits and grain cultivation	81.9%	81.9%
NPF Urozhay	Ukraine	2006	Grain cultivation	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%

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2013

(in thousands of US dollars, unless otherwise indicated)

2. Changes in the group structure

AgroKryazh

During the six-month period ended 30 June 2013 the Group acquired from third parties a group of companies “AgroKryazh”, a grain growing business, cultivating a land bank of 12,380 hectares in the Vinnytsia region of Ukraine. The transaction was accounted for under the acquisition method.

Baryshevka

During the six-month period ended 30 June 2013 the Group acquired from third parties a group of companies “Baryshevka” a grain growing business cultivating a land bank of 18,810 hectares in the Kyiv region of Ukraine. The transaction was accounted for under the acquisition method.

As of 30 June 2013 the initial accounting for the acquisition of “AgroKryazh” and “Baryshevka” has only been provisionally estimated, the necessary fair values and other calculations are subject to finalization.

The following table presents the provisional fair value of identifiable assets and liabilities acquired during the six-month period ended 30 June 2013:

	AgroKryazh	*Baryshevka*	*Total*
Provisional fair value of identifiable assets and liabilities:			
Property, plant and equipment	3,779	3,195	6,974
Land lease rights	6,187	9,873	16,060
Inventories and biological assets	3,308	2,363	5,671
Trade accounts payable	(1,056)	(814)	(1,870)
Non-controlling interests	-	(7,162)	(7,162)
Total identifiable net assets at fair value	12,218	7,455	19,673
Gain from acquisition of subsidiaries	1,708	-	1,708
Total Cash consideration due and payable	10,510	7,455	17,965
Cash paid	(10,565)	(5,314)	(15,879)
Cash acquired	55	-	55
Cash consideration payable for acquisition of Subsidiaries	-	2,141	2,141

The Gain from acquisitions of subsidiaries was recognised within interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2013.

For acquisitions made during the six months ended 30 June 2013, it is not practicable to determine what would be the total revenue and net profit for the six months ended 30 June 2013 had the acquisitions occurred on 1 January in accordance with IFRS because the acquired companies’ financial statements were prepared in accordance with Ukrainian National Accounting Standards, which are different from IFRSs.

3. Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2013 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 2012 statement of financial position was derived from the audited consolidated financial statements.

Adoption of new and revised International Financial Reporting Standards

The adoption of the new or revised Standards did not have any effect on the financial position or performance of the Group and did not result in any changes to the Group’s accounting policies and the amounts reported in the six-month ended 30 June 2013 or prior periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2013

(in thousands of US dollars, unless otherwise indicated)

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

Functional and presentation currencies

The functional currency of the Group is the Ukrainian Hryvnia ("UAH"). Transactions in currencies other than the functional currency of the Group are treated as transactions in foreign currencies. Such transactions are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the statement of financial position date. All realized and unrealized gains and losses arising on exchange differences are included in the consolidated statement of comprehensive income for the period.

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

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

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

For practical reasons, the Group translates items of income and expenses for each period presented in the financial statements using the quarterly average rates of exchange, if such translations reasonably

The following exchange rates were used:

Currency	*Closing rate as of 30 June 2013*	*Average for six months ended 30 June 2013*	*Closing rate as of 31 December 2012*	*Average for six months ended 30 June 2012*	*Closing rate as of 31 December 2011*
UAH/USD	7.9930	7.9930	7.9930	7.9891	7.9898
UAH/EUR	10.4101	10.4920	10.5372	10.3589	10.2981

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 2012.

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 – to May, due to the sowing campaign.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the six-month period ended 30 June 2013

(in thousands of US dollars, unless otherwise indicated)

4. Segment information

The following table presents revenue and profit information regarding the Group's operating segments for the six-month period ended 30 June 2013:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	571,793	9,717	74,313	-	655,823
Sales between business segments	14,981	73,906	1,474	(90,361)	-
Total revenue	586,774	83,623	75,787	(90,361)	655,823
Segment results	114,608	39,273	6,964	-	160,845
Unallocated corporate expenses					(14,311)
Other expenses, net					(53,174)
Profit before tax					93,360
Other information:					
Depreciation and amortization expense [1)]	41,390	-	3,662	-	45,052
Net change in fair value of biological assets and agricultural produce	9,983	21,714	(368)	-	31,329

[1)] Depreciation and amortization attributable to Grain growing segment for the six-month period ended 30 June 2013 in the amount of USD 10,718 thousand was capitalized in biological assets (Note 9);

Depreciation and amortization for the six-month period ended 30 June 2013 includes unallocated depreciation and amortization in the amount of USD 1,567 thousand.

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2013
(in thousands of US dollars, unless otherwise indicated)

5. Profit for the period

The Group's profit for the six-month period ended 30 June 2013 decreased compared to the six-month period ended 30 June 2012 mainly due to the lower returns from the poultry and related operations segment which were primarily attributable to increased production costs. The increase in production costs was driven by growth, in the fourth quarter of 2012, of prices for grain produced by grain growing segment and consumed by poultry and related operations segment during the six-month period ended 30 June 2013.

6. Property, plant and equipment

Increase of property, plant and equipment, during the six-month period ended 30 June 2013 mainly attributable to the capital expenditure incurred in respect of Vinnytsia poultry complex construction. The construction of Vinnytsia poultry complex commenced in 2010 and is being constructed according to the schedule.

During the six-month period ended 30 June 2013, the Group's additions to property, plant and equipment amounted to USD 103,855 thousand (six-month period ended 30 June 2012: USD 227,727 thousand).

There have been no significant disposals of property, plant and equipment during the six-month period ended 30 June 2013.

During the six-month period ended 30 June 2013 borrowing costs of USD 13,535 thousand (six-month period ended 30 June 2012: USD 13,839 thousand) were capitalized into property, plant and equipment. The weighted average capitalization rate on funds borrowed generally during the six-month period ended 30 June 2013 was 10.62% (six-month period ended 30 June 2012: 8.44%).

7. Long-term VAT recoverable, net

As of 30 June 2013 and 31 December 2012 the balance of long-term VAT recoverable was accumulated on continuing capital expenditures. Management expects that these balances will not be recovered within twelve months of the reporting date.

8. Inventories and agricultural produce

Inventories and agricultural produce balances have decreased as of 30 June 2013 compared to 31 December 2012 mainly due to the internal consumption of corn and sunflower.

As of 31 December 2012 USD 44,043 thousand of expenses incurred in cultivating fields to be planted in spring 2013 were capitalised in work in progress balance. As of 30 June 2013 these expenses were classified as crops in fields within biological assets, as the plants were already sown (Note 9).

9. Biological assets

Increase in current biological assets during the six-month period ended 30 June 2013 is primarily attributable to crops in fields balance.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six-month period ended 30 June 2013
(in thousands of US dollars, unless otherwise indicated)

10. Bank borrowings

The following table summarizes bank borrowings and credit lines outstanding as of 30 June 2013 and 31 December 2012:

		30 June 2013		*31 December 2012*	
Bank	*Currency*	*WAIR [1]*	*USD' 000*	*WAIR [1]*	*USD' 000*
Foreign banks	EUR	5.90%	101,505	5.14%	190,976
Foreign banks	USD	1.75%	158,663	2.15%	162,675
			260,168		353,651
Ukrainian banks	USD	4.75%	76,000	5.43%	147,490
			76,000		147,490
Total bank borrowings			336,168		501,141
Less: Short-term bank borrowings and current portion of long-term bank borrowings			(160,583)		(301,658)
Total long-term bank borrowings			175,585		199,483

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

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

All bank loans and credit lines held by the Group as of 30 June 2013 and 31 December 2012 bear the floating interest rates.

Bank borrowings and credit lines outstanding as of as of 30 June 2013 and 31 December 2012 were repayable as follows:

	30 June 2013	*31 December 2012*
Within one year	160,583	301,658
In the second year	68,106	66,840
In the third to fifth year inclusive	94,956	115,316
After five years	12,523	17,327
	336,168	501,141

As of 30 June 2013, the Group had available undrawn facilities of USD 159,486 thousand (31 December 2012: USD 133,981 thousand). These undrawn facilities expire during the period from July 2013 until July 2020.

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

As of 30 June 2013, the Group had borrowings of USD 50,000 thousand (31 December 2012: USD 50,000 thousand) that were secured inventories with a carrying amount of USD 62,500 thousand (31 December 2012: USD 62,500 thousand).

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11. Bonds issued

Bonds issued and outstanding as of 30 June 2013 and 31 December 2012 were as follows:

	30 June 2013	*31 December 2012*
8.25% Senior Notes due in 2020	750,000	-
10.25% Senior Notes due in 2015	234,767	584,767
Unamortized premium on bonds issued	1,748	2,801
Unamortized debt issue cost	(37,282)	(16,053)
	949,233	571,515

As of 30 June 2013 and 31 December 2012 amount of accrued interest on bonds issued was USD 19,103 thousand and 10,156 thousand, respectively.

8.25% Senior Notes

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

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

Otherwise 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, Ptahofabryka Shahtarska Nova, Agrofort, NPF Urozhay, Vinnytska Ptahofabryka.

10.25% Senior Notes

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

In addition, as of 13 May 2010 MHP S.A. exchanged 96.01% (USD 240,033 thousand) of USD 250,000 thousand of the existing 10.25% Senior Notes due in 2011 for the new Notes due in 2015. As a result of the exchange, new Senior Notes were issued for the total par value of USD 254,767 thousand.

Interest on 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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12. Bonds issued *(continued)*

During the years ended 30 June 2013 and 31 December 2012 the Group has complied with all covenants defined by indebtedness agreement.

The weighted average effective interest rate on the Senior Notes is 10.01% per annum and 11.43% per annum for the six months ended 30 June 2013 and 2012, respectively.

12. Trade accounts payable

The decrease in trade accounts payable as of 30 June 2013 compared to 31 December 2012 is mainly attributable to the payment of amounts due under the sunflower purchase financing arrangements.

13. Related party balances and transactions

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

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

Transactions with related parties under common control

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

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

Transactions with related parties during the six-month periods ended 30 June 2013 and 2012 were as follows:

	2013	*2012*
Sales of goods to related parties	6,621	4,764
Sales of services to related parties	59	41
Purchases from related parties	47	411

The balances owed to and due from related parties were as follows as of 30 June 2013 and 31 December 2012:

	30 June 2013	*31 December 2012*
Trade accounts receivable	13,583	10,359
Advances received	60	52
Advances and finance aid	4,705	4,935
Payables for dividends declared, included in *Other current liabilities*	42,874	-

The amount of payables for dividends is related to the liability to the Company's major shareholder for the declared dividends (Note 15). The Board of Directors of MHP S.A. also acknowledged the consent of WTI Trading Limited (the Company's major shareholder) to be paid later than on the declared dividend payment date (but not later than 1 November 2013), with no interest accrued on the amount of dividend paid later.

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 7,315 thousand and USD 7,330 thousand for the six-month periods ended 30 June 2013 and 30 June 2012, respectively.

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14. Contingencies and contractual commitments

Operating environment

The principal business activities of the Group are within Ukraine. Emerging markets such as Ukraine are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Ukraine and Ukraine's economy in general. Laws and regulations affecting business 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.

After the years of recovery Ukraine's economy growth slowed in 2012 with GDP increased only by 0.2%. During the six-month period ended 30 June 2013 Ukraine's economy decreased with GDP contracted by 2% according to preliminary data.

During the six-month period ended 30 June 2013 the Ukrainian Hryvnia remained stable against the US dollar and demonstrated moderate growth against the EUR.

Taxation

Ukrainian tax authorities are increasingly directing their attention to the business community as a result of the overall Ukrainian economic environment. In respect of this, the local and national tax environment in the Ukraine is constantly changing and subject to inconsistent application, interpretation and enforcement. Non-compliance with Ukrainian laws and regulations can lead to the imposition of severe penalties and interest. Future tax examinations could raise issues or assessments which are contrary to the Group companies' tax filings. Such assessments could include taxes, penalties and interest, and these amounts could be material. While the Group believes it has complied with local tax legislation, there have been many new tax and foreign currency laws and related regulations introduced in recent years which are not always clearly written.

In December 2010, the Tax Code of Ukraine was officially published. In its entirety, the Tax Code of Ukraine became effective on 1 January 2011, while some of its provisions took effect later (such as, Section III dealing with corporate income tax, which came into force from 1 April 2011). Apart from changes in CIT rates from 1 April 2011 and planned abandonment of VAT refunds for agricultural industry from 1 January 2018, the Tax Code also changed various other taxation rules.

Legal issues

In the ordinary course of business, the Group is subject to legal actions and complaints. As of 30 June 2013, Group companies had ongoing litigations with the tax authorities related to disallowance of certain amounts of VAT refunds and deductible expenses claimed by the Group. According to the assessment performed by the management of the Group on a case by case basis the maximum exposure of the Group to such risks as of 30 June 2013 amounted to USD 32,661 thousand (31 December 2012: USD 30,729 thousand). Out of this amount, USD 31,685 thousand (31 December 2012: USD 29,533 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 management believes that possible exposure relating to these court cases amounts to approximately USD 976 thousand as of 30 June 2013 (31 December 2012: USD 1,196 thousand).

Contractual commitments on purchase of property, plant and equipment

During the six-month period ended 30 June 2013, the companies of the Group entered into a number of contracts with foreign suppliers for the purchase of property, plant and equipment for development of agricultural operations. As of 30 June 2013, purchase commitments on such contracts were primarily related to construction of the Vinnytsia poultry complex and amounted to USD 22,069 thousand (31 December 2012: USD 14,689 thousand).

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15. Dividends

On 4 March 2013, the Company announced that the Board of Directors approved a payment of dividend of USD 1.13 per share, equivalent to approximately USD 120 million. On 16 May 2013 the Board of Directors approved a payment date of dividends on 28 May 2013 to shareholders of a record on 22 May 2013. The Board of Directors approved that no dividend will be paid on the Company’s shares held in treasury.

The Board of Directors of MHP S.A. also acknowledged the consent of WTI Trading Limited (the Company's major shareholder) to be paid later than on the declared dividend payment date (but not later than November 1, 2013), with no interest accrued on the amount of dividend paid later (Note 13).

16. Risk management policy

During the six-month period ended 30 June 2013 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.

The carrying amounts of the Group’s foreign currency denominated monetary assets and liabilities as of 30 June 2013 and 31 December 2012 were as follows:

	30 June 2013		*31 December 2012*	
	USD	*EUR*	*USD*	*EUR*
Total assets	153,164	7,046	82,609	7,206
Total liabilities	1,293,174	191,831	1,005,537	203,127

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	*Effect on profit before tax*
six-month period ended 30 June 2013		
Increase in USD exchange rate	10%	(114,001)
Increase in EUR exchange rate	10%	(18,479)
Decrease in USD exchange rate	5%	57,001
Decrease in EUR exchange rate	5%	9,239
six-month period ended 30 June 2012		
Increase in USD exchange rate	10%	(80,256)
Increase in EUR exchange rate	10%	(15,832)
Decrease in USD exchange rate	5%	40,128
Decrease in EUR exchange rate	5%	7,916

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

During the six-month period ended 30 June 2013, the Ukrainian Hryvnia appreciated against the EUR by 1.2% and has not changed against the USD (six-month period ended 30 June 2012: appreciated against the EUR by 3.2% and did not significantly change against the US Dollar). As a result, during the six-month period ended 30 June 2013 the Group recognised net foreign exchange gain in the amount of USD 2,180 thousand (six-month period ended 30 June 2012: foreign exchange gain in the amount of USD 5,104 thousand) in the interim condensed consolidated statement of comprehensive income.

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17. Subsequent events

On 2 July 2013 the Group acquired from third parties a group of companies “Voronezh Agro Holding”, a grain growing business cultivating a land bank, about, 40,000 hectares in the Voronezh region of Russian Federation, out of which 24,000 hectares is owed by “Voronezh Agro Holding”.

This acquisition also adds 200,000 m^3 of storage facilities as well as agricultural machinery to MHP's assets.

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 28 August 2013.