PRESS RELEASE

26 May 2015, Kyiv, Ukraine

MHP S.A.

Unaudited Financial Results for the First Quarter

Ended 31 March 2015

MHP S.A. (LSE:MHPC), one of the leading agro-industrial companies in Ukraine, focusing on the production of poultry and cultivation of grain, today announces its unaudited results for the first quarter ended 31 March 2015.

Q1 2015 OPERATIONAL HIGHLIGHTS

- Since January 2015 the Vinnytsia poultry farm works at full capacity
- Production volumes reached 140,370 tonnes (Q1 2014: 137,270 tonnes), despite reconstruction of Peremoga Nova farm,
- The average chicken price increased by 63% year-on-year to UAH 25.35 per kg (excluding VAT) predominantly due to the Ukrainian Hryvnia depreciation

Q1 2015 FINANCIAL HIGHLIGHTS

- Revenue of US$242 million, decrease of 22% y-o-y
- Export revenue amounted to US$102 million, 42% of total revenue (Q1 2014: US$119 million, 39% of total revenue)
- Operating profit of US$108 million, up 35%; overall operating margin was 45%
- EBITDA margin increased to 51% from 34%
- EBITDA increased from US$106 million to US$123 million, up 16%
- Net loss for the period of US$292 million, of which US$394 million relates to non-cash foreign exchange loss

FINANCIAL OVERVIEW

(in mln. US$, unless indicated otherwise)	**Q1 2015**	**Q1 2014**	*% change**
Revenue	**242**	**309**	***-22%***
IAS 41 standard gains	17	16	*6%*
Gross profit	**108**	**103**	***5%***
Gross margin	*45%*	*33%*	*12 pps*
Operating profit	**108**	**80**	***35%***
Operating margin	*45%*	*26%*	*19 pps*
EBITDA	**123**	**106**	***16%***
EBITDA margin	*51%*	*34%*	*17 pps*
Net income before FX	**103**	**51**	***102%***
Net income margin before FX	*43%*	*16%*	*27 pps*
FX loss/gain	(394)	(366)	*n/a*
Net income	**(292)**	**(316)**	***-8%***
Net income margin	*-121%*	*-102%*	*-19 pps*

** pps – percentage points*
Average official FX rate for Q1: UAH/US$21.1157 in 2015 and UAH/US$8.8627 in 2014

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

"In the first quarter of 2015 the Company continued to grow and develop.

We have already started new constructions both in breeding and broiler divisions. We continue to build our soya crushing facility. All these capacities will deepen MHP's vertically integrated business model and bring us more self-sufficiency in hatching eggs and protein as well as new poultry meat volumes in the nearest future.

Despite challenging macroeconomic and political situation in Ukraine, nevertheless due to the vertically integrated business model I am confident it will be a stable year for the Company."

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:	Tuesday, 26 May 2015
Time:	09.00 New York / 14.00 London / 16.00 Kyiv / 16.00 Moscow
Title:	Financial Results for Q1 2015
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	**50737823**

In order to follow the presentation together with the management, please register using the following link: http://engage.vevent.com/rt/mhp~20150526

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Segment Performance

Poultry and related operations

	Q1 2015	Q1 2014	% change
Poultry			
Sales volume, third parties tonnes	113,640	112,270	*1%*
Price per 1 kg net of VAT, UAH	25.35	15.60	*63%*
Sunflower oil			
Sales volume, third parties tonnes	66,769	67,520	*-1%*
Price per 1 tonne net of VAT, US$	793	853	*-7%*

Sales of chicken meat to third parties (domestic and export) in Q1 2015 remained relatively flat compared to Q1 2014 (Q1 2014: 112,270 tonnes). Because of strong domestic demand, MHP's sales volumes in Ukraine in Q1 2015 increased by 7% year-on-year and constituted 87,590 tonnes. During Q1 2015, export sales decreased by 14% year-on-year to 26,050 tonnes, mainly due to the macroeconomic instability in CIS region and instability in some countries in the Middle East market. During the reporting period the Company continued to increase its export sales to EU. In Q1 2015 MHP exported poultry meat to around 50 countries including countries of Middle East, Africa, CIS, Asia and the EU.

During Q1 2015, our average chicken meat price was UAH 25.35, 63% higher than in Q1 2014. The two main contributors to the increase were considerable share of export sales denominated in foreign currencies as well as substantial increase in price on domestic market year-on-year as a result of devaluation of Ukrainian Hryvnia.

During Q1 2015 sunflower oil sales volumes remained flat with 7% decrease in average sunflower oil prices in line with global trends.

(in mln. US$, unless indicated otherwise)	Q1 2015	Q1 2014	% change*
Revenue	**195**	**263**	**-26%**
- Poultry and other	142	206	-31%
- Sunflower oil	53	57	-7%
IAS 41 standard gains	21	17	24%
Gross profit	96	98	-2%
Gross margin	49%	37%	12 pps
EBITDA	113	115	-2%
EBITDA margin	58%	44%	14 pps
EBITDA per 1 kg(Net of IAS 41)	0.81	0.87	-7%

** pps – percentage points*

Revenue of Poultry and related operations segment has decreased by 26% and amounted to US$195 million, mainly as a result of UAH depreciation against US Dollar.

Gross profit decreased by 2% and amounted to US$96 million for Q1 2015 compared to US$98 million for Q1 2014 partly offset by a decrease in US Dollar equivalent of operating costs predominantly fixed in UAH resulting in 2% decrease in EBITDA for Q1 2015 compared to Q1 2014.

Grain growing operations

(in mln. US$)	Q1 2015	Q1 2014
Revenue	**28**	**11**
IAS 41 standard gains	(3)	(1)
Gross profit	**9**	**1**
EBITDA	**9**	**1**

Segment revenue for Q1 2015 amounted to US$28 million compared to US$11 million in Q1 2014; an increase is mainly attributable to the sale of grain remaining in stock as of 31 December 2014 in Voronezh region, the Russian Federation.

IAS 41 standard losses for Q1 2015 amounted to US$3 million as a result of decrease of grain in stock due to internal consumption as a result of the harvest cycle and seasonality in this division.

Increase in segment EBITDA for Q1 2015 compared to Q1 2014 is attributable to higher sales volumes as well as due to increase in sales price in UAH terms due to devaluation of UAH against US Dollar during Q1 2015.

Over 70,000 hectares of land in Ukraine are under the winter crops (winter wheat, rapeseeds and barley), which are around 24% of the land cultivated in the grain growing segment of the Company. Currently, all crops are in good condition. As a result, MHP expects good harvest of winter crops in 2015. MHP's 2015 spring sowing campaign is ongoing now with no significant change in crops.

Other agricultural operations

Meat processing products	**Q1 2015**	**Q1 2014**	% change
Sales volume, third parties tonnes	5,280	6,860	-23%
Price per 1 kg net VAT, UAH	39.64	24.10	64%

Sausage and cooked meat sales volumes decreased from 6,860 tonnes in Q1 2014 to 5,280 tonnes in Q1 2015 as a result of decrease in the demand for value-added products in Ukraine due to overall economic recession.

An increase of 64% sales price mainly relates to depreciation of UAH against US Dollar.

(in mln. US$, except margin data)	**Q1 2015**	**Q1 2014**	*% change**
Revenue	**19**	**34**	***-44%***
- Meat processing	*11*	*19*	*-42%*
- Other	*8*	*15*	*-47%*
IAS 41 standard gains/(losses)	**(1)**	**-**	***N/A***
Gross profit	**3**	**5**	***-40%***
Gross margin	*16%*	*15%*	*1 pps*
EBITDA	**2**	**5**	***-60%***
EBITDA margin	*11%*	*16%*	*-5 pps*

** pps – percentage points*

The segment's EBITDA decreased to US$2 million in Q1 2015 compared to Q1 2014 of US$5 million a 60% decrease mainly attributable to lower returns on value-added products and decrease in government grants.

Current Group financial position and cash flow

(in mln. US$)	Q1 2015	Q1 2014
Cash from operations	**100**	**96**
Change in working capital	(43)	(7)
Net Cash from operating activities	**57**	**89**
Cash from investing activities	(46)	(27)
Non-cash financing	(2)	(2)
CAPEX	**(48)**	**(29)**
Cash from financing activities	*111*	*(57)*
incl. Dividends	*-*	*(20)*
Non-cash financing	*2*	*2*
Deposits	-	-
Total financial activities	**113**	**(55)**
Total change in cash	**122**	**5**

Cash flow from operations before changes in working capital remained flat and amounted to US$100 million in Q1 2015 (Q1 2014: US$96 million).

Use of funds in working capital is mainly attributable to higher investment in sunflower seed stock used in production that is reflected in both change in inventory as well as change in taxes recoverable and prepaid.

In Q1 2015 total CAPEX amounted to US$48 million, mainly related to construction of Peremoga Nova breeding farm and soya oil crushing.

Debt Structure and Liquidity

(in mln. US$)	31 March 2015	31 December 2014	31 March 2014
Total Debt	**1,314**	**1,215**	**1,275**
LT Debt	953	899	1,160
ST Debt	361	316	115
Cash and bank deposits	(214)	(100)	(164)
Net Debt	**1,100**	**1,115**	**1,111**
LTM EBITDA	572	555	424
Net Debt /LTM EBITDA	*1.92*	*2.01*	*2.62*

As of March 31, 2015, the Company's total debt increased by 8% up to US$1,314 million mainly as a result of US$90 million out of total US$200 million loan with IFC to refinance bonds maturing in April 2015.

The share of long-term debt in the total debt outstanding is about 73%. The weighted average cost of debt remained around 8%.

At the end of Q1 2015, MHP's cash and cash equivalents amounted to US$214 million. Net debt remained stable at US$1,100 million.

The Net Debt/ LTM EBITDA ratio was 1.92 as of March 31, 2015, well within the Eurobond covenant limit of 3.0.

As a hedge for currency risks, revenue from the export of grain, sunflower oil, sunflower husks, and chicken meat are denominated in US Dollars, fully covering debt service expenses. Export revenue constituted US$102 million or 42% of total revenue in Q1 2015 (US$119 million or 39% of total sales in Q1 2014).

Subsequent Events

On 28 April 2015, the Board of Directors of MHP S.A. approved payment of the interim dividend. On 14 May 2015 MHP paid dividend to shareholders in amount of US$0.47429 per share, equivalent to approximately US$50 million.

On 29 April 2015, the Group has repaid it's 10.25% Senior Notes due 29 April 2015 in amount of US$234 million using syndicated loan facility of IFC (International Financial Corporation), a member of World Bank Group, which provided MHP with US$200 million (US$175 million from IFC and US$25 million from ING), and the Company's cash from operations.

Outlook

Despite unfavorable conditions in Ukraine's economy the Company continues to implement its growth strategy.

In 2015 the Company plans to increase its production volume of chicken meat up to 600,000 tonnes. Poultry meat will be sold both domestically and for export with around 20% increase in export sales year-on-year.

Our winter and spring crops are in good conditions, that provides the Company with a positive outlook for 2015 harvest.

We are confident that due to our vertically integrated business model, we will deliver good financial results, supported by significant share of hard currency revenues from our chicken, oil and grain export sales.

Notes to Editors:

About MHP

MHP is the leading producer of poultry products in Ukraine with the greatest market share and highest brand recognition for its products. MHP owns and operates each of the key stages of chicken production processes, from feed grains and fodder production to egg hatching and grow out to processing, marketing, distribution and sales (including through MHP's franchise outlets). Vertical integration reduces MHP's dependence on suppliers and its exposure to increases in raw material prices. In addition to cost efficiency, vertical integration also allows MHP to maintain strict biosecurity and to control the quality of its inputs and the resulting quality and consistency of its products through to the point of sale. To support its sales, MHP maintains a distribution network consisting of 15 distribution and logistical centres, within major Ukrainian cities. MHP uses its trucks for the distribution of its products, which Management believes reduces overall transportation costs and delivery times.

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

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

Forward-Looking Statements

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

MHP S.A. AND ITS SUBSIDIARIES

Interim condensed consolidated Financial Statements

For the three-month period ended 31 March 2015

CONTENT

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, together with a description of the principal risks and uncertainties that they face.

25 May 2015

On behalf of the Board:

Chief Executive Officer Yuriy Kosyuk

Chief Financial Officer Viktoria Kapelyushnaya

MANAGEMENT REPORT

Key financial highlights

During the three-month period ended 31 March 2015 consolidated revenue decreased by 22% and amounted to USD 242,206 thousand, compared to USD 308,597 thousand for the three-month period ended 31 March 2014. Export sales for the three-month period ended 31 March 2015 constituted 42% of total revenue and amounted to USD 102,190 thousand, compared to USD 119,317 thousand, 39% of total revenue for the three-month period ended 31 March 2014. Overall decrease in revenue is mainly attributable to the UAH depreciation against USD.

Gross profit has increased moderately by 5% and amounted to USD 107,539 thousand for the three-month period ended 31 March 2015 compared to USD 103,489 thousand for the three-month period ended 31 March 2014.

Despite moderate increase in gross profit, operating profit increased by 35% to USD 108,321 thousand for the three-month period ended 31 March 2015 comparing to USD 80,292 thousand for the three-month period ended 31 March 2014. Operating profit margin increased from 26% for the three-month period ended 31 March 2014 to 45% for the three-month period ended 31 March 2015. Since operating costs are majorly fixed in UAH and remained relatively flat, its USD equivalent has decreased due to UAH devaluation against USD, resulting in significantly lower operating expenses.

Net loss from operations for three-month period ended 31 March 2015 amounted to USD 291,692 thousand compared to net loss of USD 315,674 thousand for the three-month period ended 31 March 2014. Loss is mainly related to unrealized foreign exchange loss on bank borrowings and bonds issued in foreign currency as result of UAH depreciation against USD and EUR during the period ended 31 March 2015.

Subsequent events

On 28 April 2015, the Board of Directors of MHP S.A. approved payment of the interim dividend. On 14 May 2015 MHP paid dividend to shareholders in amount of USD 0.47429 per share, equivalent to approximately US$50 million.

On 29 April 2015, the Group has repaid it's 10.25% Senior Notes due 29 April 2015 in amount of USD 234 million using syndicated loan facility of IFC (International Financial Corporation), a member of World Bank Group, which provided MHP with USD 200 million (USD 175 million from IFC and USD 25 million from ING), and the Company's cash from operations.

25 May 2015

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the three-month period ended 31 March 2015
(in thousands of US dollars, unless otherwise indicated)

	Notes	*Three-month period ended 31 March 2015*	*Three-month period ended 31 March 2014*
Revenue	3	242,206	308,597
Net change in fair value of biological assets and agricultural produce	3, 4	16,603	15,530
Cost of sales		(151,270)	(220,638)
Gross profit		107,539	103,489
Selling, general and administrative expenses		(16,194)	(30,068)
VAT refunds and other government grants income		13,450	18,795
Other operating expenses		(190)	(11,924)
Other operating income		3,716	-
Operating profit		108,321	80,292
Finance income		548	1,688
Finance costs		(27,938)	(28,693)
Foreign exchange (loss)/gain, net	13	(394,474)	(366,200)
Other expenses, net		(585)	(36)
Other expenses, net		(422,449)	(393,241)
Loss before tax		(314,128)	(312,949)
Income tax benefit/(expense)	5	22,436	(2,725)
Loss for the period	4	(291,692)	(315,674)
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss:			
Cumulative translation difference		(263,093)	(303,703)
Effect of revaluation of property, plant and equipment		105,413	-
Items that may be reclassified to profit or loss:			
Deferred tax charged directly to revaluation reserve		(16,334)	-
Other comprehensive loss for the period		(174,014)	(303,703)
Total comprehensive loss for the period		(465,706)	(619,377)
(Loss)/income attributable to:			
Equity holders of the Parent		(292,989)	(313,036)
Non-controlling interests		1,297	(2,638)
		(291,692)	(315,674)
Total comprehensive income attributable to:			
Equity holders of the Parent		(462,456)	(614,794)
Non-controlling interests		(3,250)	(4,583)
		(465,706)	(619,377)
Earnings per share			
Basic and diluted loss per share (USD per share)		(2.78)	(2.96)

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 10 to 20 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as of 31 March 2015
(in thousands of US dollars, unless otherwise indicated)

	Notes	31 March 2015	31 December 2014
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,142,011	1,486,681
Land lease rights		18,415	27,236
Deferred tax assets		166	247
Non-current biological assets		19,955	30,313
Long-term bank deposits		4,268	4,848
Other non-current assets		9,568	12,344
		1,194,383	1,561,669
Current assets			
Inventories	7	172,783	203,248
Biological assets	8	109,441	133,254
Agricultural produce	7	106,663	159,655
Other current assets, net		21,133	29,974
Taxes recoverable and prepaid, net		53,428	46,441
Trade accounts receivable, net		42,338	59,619
Cash and cash equivalents		214,298	99,628
		720,084	731,819
TOTAL ASSETS		1,914,467	2,293,488
EQUITY AND LIABILITIES			
Equity			
Share capital		284,505	284,505
Treasury shares		(67,741)	(67,741)
Additional paid-in capital		181,982	181,982
Revaluation reserve		770,620	684,184
Retained earnings		216,870	509,859
Translation reserve		(966,275)	(710,372)
Equity attributable to equity holders of the Parent		419,961	882,417
Non-controlling interests		59,855	63,105
Total equity		479,816	945,522
Non-current liabilities			
Bank borrowings	9	209,759	152,302
Bonds issued	10	725,499	724,522
Finance lease obligations		17,907	22,206
Deferred tax liabilities		11,390	20,671
		964,555	919,701
Current liabilities			
Trade accounts payable		30,838	42,821
Other current liabilities		36,351	47,428
Bank borrowings	9	127,135	81,330
Bonds issued	10	219,314	218,555
Accrued interest		41,670	21,738
Finance lease obligations		14,788	16,393
		470,096	428,265
TOTAL LIABILITIES		1,434,651	1,347,966
TOTAL EQUITY AND LIABILITIES		1,914,467	2,293,488

On behalf of the Board:

Chief Executive Officer Yuriy Kosyuk

Chief Financial Officer Viktoria Kapelyushnaya

The accompanying notes on the pages 10 to 20 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the three-month period ended 31 March 2015
(in thousands of US dollars, unless otherwise indicated)

	Attributable to equity holders of the Parent								
	Share capital	*Treasury shares*	*Additional paid-in capital*	*Revaluation reserve*	*Retained earnings*	*Translation reserve*	*Total*	*Non-controlling interests*	*Total equity*
Balance as of 1 January 2015	284,505	(67,741)	181,982	684,184	509,859	(710,372)	882,417	63,105	945,522
Profit for the period	-	-	-	-	(292,989)	-	(292,989)	1,297	(291,692)
Other comprehensive loss	-	-	-	86,436	-	(255,903)	(169,467)	(4,547)	(174,014)
Total comprehensive income for the period	-	-	-	86,436	(292,989)	(255,903)	(462,456)	(3,250)	(465,706)
Balance as of 31 March 2015	284,505	(67,741)	181,982	770,620	216,870	(966,275)	419,961	59,855	479,816

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 10 to 20 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the three-month period ended 31 March 2014

(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 2014	284,505	(65,393)	181,982	22,869	1,012,826	(241,249)	1,195,540	53,665	1,249,205
Profit for the period	-	-	-	-	(313,036)	-	(313,036)	(2,638)	(315,674)
Other comprehensive loss	-	-	-	-	-	(301,758)	(301,758)	(1,945)	(303,703)
Total comprehensive income for the period	-	-	-	-	(313,036)	(301,758)	(614,794)	(4,583)	(619,377)
Dividends declared by the Parent	-	-	-	-	-	-	-	173	173
Balance as of 31 March 2014	284,505	(65,393)	181,982	22,869	699,790	(543,007)	580,746	49,255	630,001

On behalf of the Board:

Chief Executive Officer — Yuriy Kosyuk

Chief Financial Officer — Viktoria Kapelyushnaya

The accompanying notes on the pages 10 to 20 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the three-month period ended 31 March 2015
(in thousands of US dollars, unless otherwise indicated)

	Notes	Three-month period ended 31 March 2015	Three-month period ended 31 March 2014
Operating activities			
Loss before tax		(314,128)	(312,949)
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortization expense	*3*	14,916	25,607
Net change in fair value of biological assets and agricultural produce	*3, 4*	(16,603)	(15,530)
Change in allowance for irrecoverable amounts and direct write-offs		383	11,048
(Gain)/Loss on disposal of property, plant and equipment and other non-current assets		(66)	131
Finance income		(548)	(1,688)
Finance costs		27,938	28,693
Unrealised foreign exchange loss/(gain), net		394,474	366,200
Operating cash flows before movements in working capital		106,366	101,512
Working capital adjustments			
Change in inventories	*7*	(31,156)	(1,350)
Change in biological assets	*8*	(20,255)	(28,391)
Change in agricultural produce	*7*	17,715	14,136
Change in other current assets		1,151	(5,925)
Change in taxes recoverable and prepaid		(24,874)	25,469
Change in trade accounts receivable		7,334	1,042
Change in other liabilities		9,523	(1,930)
Change in trade accounts payable		(2,888)	(10,174)
Cash generated by operations		62,916	94,389
Interest received		518	1,688
Interest paid		(5,641)	(4,902)
Income taxes paid		(1,025)	(2,722)
Net cash flows from operating activities		56,768	88,453
Investing activities			
Purchases of property, plant and equipment	*6*	(45,099)	(23,586)
Purchases of other non-current assets		(1,110)	(318)
Purchase of land lease rights		(641)	(3,484)
Proceeds from disposals of property, plant and equipment		82	129
Purchases of non-current biological assets		487	197
Withdrawals of short-term deposits		120	113
Loans repaid by/(provided to) employees		(53)	(27)
Net cash flows used in investing activities		(46,214)	(26,976)
Financing activities			
Proceeds from bank borrowings		193,503	12,095
Repayment of bank borrowings		(78,086)	(43,522)
Repayment of finance lease obligations		(4,445)	(5,478)
Dividends paid		-	(19,883)
Net cash flows from financing activities		110,972	(56,788)
Net increase/(decrease) in cash and cash equivalents		121,526	4,689
Net foreign exchange difference		(6,856)	(13,518)
Cash and cash equivalents at 1 January		99,628	172,470
Cash and cash equivalents at 31 March		214,298	163,641

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT *(continued)*
for the three-month period ended 31 March 2015
(in thousands of US dollars, unless otherwise indicated)

Non-cash transactions		
Effect of revaluation of property, plant and equipment	105,413	-
Additions of property, plant and equipment financed through direct bank-lender payments to the vendor	-	957
Additions of property, plant and equipment under finance leases	84	-
Property, plant and equipment purchased for credit	1,909	651

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 three-month period ended 31 March 2015

(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. 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 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 three-month period ended 31 March 2015 the Group employed about 30,730 people (31 December 2014: 30,854 people).

The Group has been undertaking a large-scale investment program to expand its poultry and related operations. In May 2010 the Group commenced construction of the greenfield Vinnytsia poultry complex and in the second half of 2012 started commissioning of production facilities which were already completed. During 2014 and first quarter 2015 the Group, as scheduled, has launched in operations main production facilities of Vinnytsia poultry complex which is currently operating at full production capacity.

As of 31 December 2014, the Group has commenced construction of new production facilities at Peremoga Nova chicken farm. The construction is scheduled for 2015 and is aimed to cover the shortage of internal production of hatching eggs due to suspension of production at Shahtarska Nova breeding farm. The first hatchery egg expected to be produced in June 2015.

The primary subsidiaries, the principal activities of the companies forming the Group and the Parent's effective ownership interest as of 31 March 2015 and 31 December 2014 were as follows:

Name	*Country of registration*	*Year established/ acquired*	*Principal activities*	*31 March 2015*	*31 December 2014*
Raftan Holding Limited	Cyprus	2006	Sub-holding Company	100.00%	100.00%
MHP	Ukraine	1998	Management, marketing and sales	99.90%	99.90%
Myronivsky Zavod po Vygotovlennyu Krup i Kombikormiv	Ukraine	1998	Fodder and sunflower oil production	88.50%	88.50%
Vinnytska Ptahofabryka	Ukraine	2011	Chicken farm	99.90%	99.90%
Peremoga Nova	Ukraine	1999	Chicken farm	99.90%	99.90%
Druzhba Narodiv Nova	Ukraine	2002	Chicken farm	99.90%	99.90%
Oril-Leader	Ukraine	2003	Chicken farm	99.90%	99.90%
Tavriysky Kombikormovy Zavod	Ukraine	2004	Fodder production	99.90%	99.90%
Myronivska Ptahofabryka	Ukraine	2004	Chicken farm	99.90%	99.90%
Starynska Ptahofabryka	Ukraine	2003	Breeder farm	95.00%	95.00%
Ptahofabryka Snyatynska Nova	Ukraine	2005	Geese breeder farm	99.90%	99.90%
Zernoproduct	Ukraine	2005	Grain cultivation	89.90%	89.90%
Katerynopilsky Elevator	Ukraine	2005	Fodder production and grain storage, sunflower oil production	99.90%	99.90%
Druzhba Narodiv	Ukraine	2006	Cattle breeding, plant cultivation	99.90%	99.90%
NPF Urozhay	Ukraine	2006	Grain cultivation	99.90%	99.90%
Agrofort	Ukraine	2006	Grain cultivation	86.10%	86.10%
Urozhayna Krayina	Ukraine	2010	Grain cultivation	99.90%	99.90%
Ukrainian Bacon	Ukraine	2008	Meat processing	79.90%	79.90%
AgroKryazh	Ukraine	2013	Grain cultivation	100.00%	100.00%
Baryshevka	Ukraine	2013	Grain cultivation	51.00%	51.00%
Voronezh Agro Holding	Russian Federation	2013	Grain cultivation	100.00%	100.00%
Scylla Capital Limited	British Virgin Islands	2014	Trading in sunflower oil and poultry meat	100.00%	100.00%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the three-month period ended 31 March 2015

(in thousands of US dollars, unless otherwise indicated)

1. Corporate information *(continued)*

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

2. Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended 31 March 2015 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 2014 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 three-month period ended 31 March 2015 or prior periods.

Functional and presentation currencies

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

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

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

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

For practical reasons, the Group translates items of income and expenses for each period presented in the financial statements using the quarterly average rates of exchange, if such translations reasonably approximate the results translated at exchange rates prevailing at the dates of the transactions.

The following exchange rates were used:

Currency	*Closing rate as of 31 March 2015*	*Average for three months ended 31 March 2015*	*Closing rate as of 31 December 2014*	*Average for three months ended 31 March 2014*	*Closing rate as of 31 December 2013*
UAH/USD	23.4426	21.1157	15.7686	8.8627	7.9930
UAH/EUR	25.4493	23.7893	19.2329	12.1477	11.0415
UAH/RUB	0.4061	0.3414	0.3030	0.2534	0.2450

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the three-month period ended 31 March 2015

(in thousands of US dollars, unless otherwise indicated)

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

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

Change in accounting policy

Group moved to revaluation model for buildings and structures, production machinery, vehicles and agricultural machinery during the year ended 31 December 2014. For all groups of property, plant and equipment carried at revaluation model revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. If the asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity as a revaluation reserve. However, such increase is recognized in the statement of comprehensive income to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of comprehensive income. If the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in the statement of comprehensive income. However, such decrease is debited directly to the revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

Depreciation on revalued assets is charged to the statement of comprehensive income. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognized.

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 three-month period ended 31 March 2015

(in thousands of US dollars, unless otherwise indicated)

3. Segment information

The following table presents revenue and profit information regarding the Group's operating segments for the three-month period ended 31 March 2015:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	195,039	28,036	19,131	-	242,206
Sales between business segments	4,632	18,198	571	(23,401)	-
Total revenue	199,671	46,234	19,702	(23,401)	242,206
Segment results	99,937	8,890	1,272	-	110,099
Unallocated corporate expenses					(1,778)
Other expenses, net					(422,449)
Profit before tax					(314,128)
Other information:					
Depreciation and amortization expense [1)]	13,337	202	1,170	-	14,709
Net change in fair value of biological assets and agricultural produce (Note 4)	20,955	(3,199)	(1,153)	-	16,603

[1)] Depreciation and amortization for the three-month period ended 31 March 2015 does not include unallocated depreciation and amortization in the amount of USD 207 thousand.

The following table presents revenue and profit information regarding the Group's operating segments for the three-month period ended 31 March 2014:

	Poultry and related operations	*Grain growing*	*Other agricultural operations*	*Eliminations*	*Consolidated*
External sales	262,901	11,391	34,305	-	308,597
Sales between business segments	5,679	34,486	828	(40,993)	-
Total revenue	268,580	45,877	35,133	(40,993)	308,597
Segment results	91,664	326	3,925	-	95,915
Unallocated corporate expenses					(15,623)
Other expenses, net					(393,241)
Profit before tax					(312,949)
Other information:					
Depreciation and amortization expense [1)]	23,141	179	1,559	-	24,879
Net change in fair value of biological assets and agricultural produce	17,128	(1,196)	(402)	-	15,530

[1)] Depreciation and amortization for the three-month period ended 31 March 2014 does not include unallocated depreciation and amortization in the amount of USD 728 thousand.

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4. Loss for the period

The Group's net loss for the three-month period ended 31 March 2015 constituted USD 291,692 thousand mostly attributable to unrealized foreign exchange loss of USD 394,474 mainly attributable to bonds and borrowings as result of UAH depreciation against USD and EUR.

The Group's operating profit for the three-month period ended 31 March 2015 increased compared to the three-month period ended 31 March 2014 and amounted to USD 108,321 thousand. Since operating costs are majorly fixed in UAH and remained relatively flat, its USD equivalent has decreased due to UAH devaluation against USD, resulting in significantly lower operating expenses and higher operating profit.

Net change in fair value, reflects IAS 41 adjustment relating to revaluation of crops in fields, poultry stock and other biological assets balances to the fair value as of 31 March 2015 as well as revaluation of agricultural produce to the fair value at the date of harvest.

5. Income tax benefit/(expense)

The Group has recognised income tax benefit in the amount of USD 22,436 thousand mainly as a result of recognition of deferred tax assets arising from tax losses carried forward to the extent of deferred tax liabilities recognised on revaluation of property plant and equipment (Note 6). The effect of recognition of deferred tax liabilities on revaluation of property, plant and equipment was recognised as other comprehensive loss.

6. Property, plant and equipment

During the period ended 31 March 2015 the Group engaged independent appraiser to determine fair value of its vehicles, production and agricultural machinery as of 31 March 2015. The valuation, which conformed to the International Valuation Standards, was determined using market comparable approach adjusted based on age and condition of the machinery or for items of specialized nature replacement cost method. The excess of fair value over carrying value in the amount of USD 105,413 thousand was recognised in revaluation reserve.

During the three-month period ended 31 March 2015, the Group's additions to property, plant and equipment amounted to USD 46,363 thousand (three-month period ended 31 March 2014: USD 25,194 thousand).

There were no significant disposals of property, plant and equipment during the three-month period ended 31 March 2015.

7. Inventories and agricultural produce

Decrease in inventory and agricultural produce balances as of 31 March 2015 compared to 31 December 2014 is mainly attributable to translation difference due to depreciation of UAH against USD.

For the three-month period ended 31 March 2015 change in inventory is mainly attributable to the costs incurred by grain growing entities in respect of forthcoming spring sowing campaign partly offset by consumption of purchased grain stock.

Change in Agricultural produce is mainly attributable to higher prices of meat stock partly offset by consumption of grain stock.

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8. Biological assets

Decrease in biological assets amounting to USD 23,813 thousand compared to 31 December 2014 is mainly attributable to the translation difference as a result of depreciation of UAH against USD, partly offset by IAS 41 gains (Note 4).

9. Bank borrowings

The following table summarizes bank borrowings and credit lines outstanding as of 31 March 2015 and 31 December 2014:

		31 March 2015		*31 December 2014*	
Bank	*Currency*	*WAIR [1)]*	*USD' 000*	*WAIR [1)]*	*USD' 000*
Non-current					
Foreign banks	USD	7.91%	146,004	5.83%	71,535
Foreign banks	EUR	1.65%	63,755	1.72%	80,767
			209,759		152,302
Current					
Ukrainian banks	UAH	-	-	4.25%	6,976
Ukrainian banks	USD	6.05%	54,000	-	-
Foreign banks	USD	6.00%	5,000	5.98%	10,000
Current portion of long-term bank borrowings			68,135		64,354
			127,135		81,330
Total bank borrowings			336,894		233,632

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

As of 31 March 2015, the Group received loan from International Finance Corporation in amount of USD 90,000 thousand to refinance its 10.25% Senior Notes due on 29 April 2015 (Note 14).

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 31 March 2015 and 31 December 2014 bear the floating interest rates.

Bank borrowings and credit lines outstanding as of as of 31 March 2015 and 31 December 2014 were repayable as follows:

	31 March 2015	*31 December 2014*
Within one year	127,135	81,330
In the second year	80,876	64,243
In the third to fifth year inclusive	127,348	84,598
After five years	1,535	3,461
	336,894	233,632

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9. Bank borrowings commitments *(continued)*

As of 31 March 2015, the Group had available undrawn facilities of USD 228,567 thousand (31 December 2014: USD 421,892 thousand). These undrawn facilities expire during the period from October 2014 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.

10. Bonds issued

Bonds issued and outstanding as of 31 March 2015 and 31 December 2014 were as follows:

	31 March 2015	*31 December 2014*
8.25% Senior Notes due in 2020	750,000	750,000
10.25% Senior Notes due in 2015	219,567	219,567
Unamortized premium on bonds issued	499	760
Unamortized debt issue cost	(25,253)	(27,250)
	944,813	943,077
Less:		
Current portion of bonds issued	(219,314)	(218,555)
Total long-term portion of bonds issued	725,499	724,522

As of 31 March 2015 and 31 December 2014 amount of accrued interest on bonds issued was USD 39,967 thousand and USD 18,820 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, Raftan Holding Limited.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the three-month period ended 31 March 2015
(in thousands of US dollars, unless otherwise indicated)

10. Bonds issued *(continued)*

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.

On 29 April 2015, the Group has repaid it's 10.25% Senior Notes due 29 April 2015 (Note 14).

During the periods ended 31 March 2015 and 31 December 2014 the Group has complied with all covenants defined by indebtedness agreement.

The weighted average effective interest rate on the Senior Notes is 9.89% per annum and 9.90% per annum for the nine months ended 31 March 2015 and 2014, respectively.

11. 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 three-month periods ended 31 March 2015 and 2014 were as follows:

	2015	*2014*
Sales of goods to related parties	127	49
Sales of services to related parties	-	10
Purchases from related parties	13	6

The balances owed to and due from related parties were as follows as of 31 March 2015 and 31 December 2014:

	31 March 2015	*31 December 2014*
Trade accounts receivable	162	213
Advances received	17	5
Advances and finance aid	1,191	1,761

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 749 thousand and USD 1,694 thousand for the three-month periods ended 31 March 2015 and 2014, respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the three-month period ended 31 March 2015

(in thousands of US dollars, unless otherwise indicated)

12. Contingencies and contractual commitments

Operating environment

Since November 2013, Ukraine has been in a political and economic turmoil. The Ukrainian Hryvnia devalued against major world currencies and significant external financing is required to maintain stability of the economy. The Government of Ukraine has been negotiating with the International Monetary Fund ("IMF") and other financial institutions a provision of the financial aid and in April 2014 the Board of Governors of the IMF endorsed a two-year loan program for Ukraine in the total amount of USD 17,010 million, out of which an instalment of USD 3,190 million was already obtained in May 2014. Ukraine's sovereign rating is at the level of CCC with a stable outlook.

In February 2014, the Parliament of Ukraine voted for reinstatement of the 2004 Constitution and dismissal of the incumbent President and a transitional government has been formed. In March 2014, Crimea, an autonomous republic of Ukraine, was effectively annexed by the Russian Federation. On 25 May 2014, presidential elections took place and a new President of Ukraine was elected.

In 2014, operating activities of the NBU, the banking system, and enterprises in general were additionally adversely affected by the separatist movements and the collapse of law and order enforcement in Luhansk and Donetsk regions.

Stabilization of the economy and the political situation depends, to a large extent, upon success of the Ukrainian government's efforts, yet further economic and political developments are currently unpredictable and their adverse effect on the Ukrainian economy may continue.

As of the date of this report, operation of the Group's facilities throughout all regions of Ukraine, including those located in the Russian Federation continued to operate normally till the date of authorization of the report for issue.

Taxation

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

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 the agricultural industry from 1 January 2018, the Tax Code also changed various other taxation rules.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the three-month period ended 31 March 2015

(in thousands of US dollars, unless otherwise indicated)

12. Contingencies and contractual commitments *(continued)*

Legal issues

In the ordinary course of business, the Group is subject to legal actions and complaints. As of 31 March 2015, 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 31 March 2015 amounted to USD 22,119 thousand (31 December 2014: USD 21,969 thousand). Out of this amount, USD 17,400 thousand (31 December 2014: USD 17,250 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 4,719 thousand as of 31 March 2015 (31 December 2014: USD 2,919 thousand).

Contractual commitments on purchase of property, plant and equipment

During the three-month period ended 31 March 2015, 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 31 March 2015, purchase commitments on such contracts were primarily related to construction of the oil crushing plant and amounted to USD 6,456 thousand (31 December 2014: USD 9,844 thousand).

13. Risk management policy

During the three-month period ended 31 March 2015 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 31 March 2015 and 31 December 2014 were as follows:

	31 March 2015		*31 December 2014*	
	USD	*EUR*	*USD*	*EUR*
Total assets	205,081	5,255	110,988	5,613
Total liabilities	1,280,699	110,328	1,103,605	133,719

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*
three-month period ended 31 March 2015		
Increase in USD exchange rate	10%	(107,562)
Increase in EUR exchange rate	10%	(10,507)
Decrease in USD exchange rate	5%	53,781
Decrease in EUR exchange rate	5%	5,254
three-month period ended 31 March 2014		
Increase in USD exchange rate	10%	(107,129)
Increase in EUR exchange rate	10%	(17,710)
Decrease in USD exchange rate	5%	53,565
Decrease in EUR exchange rate	5%	8,855

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13. Risk management policy *(continued)*

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 three-month period ended 31 March 2015, the Ukrainian Hryvnia depreciated against the EUR and USD by 32.3% and 48.7% respectively (three-month period ended 31 March 2014: depreciated against the EUR by 36.5% and by 37.1% against the USD). As a result, during the three-month period ended 31 March 2015 the Group recognised net foreign exchange loss in the amount of USD 394,474 thousand (three-month period ended 31 March 2014: foreign exchange loss in the amount of USD 366,200 thousand) in the consolidated statement of comprehensive income.

14. Subsequent events

On 28 April 2015, the Board of Directors of MHP S.A. approved payment of the interim dividend. On 14 May 2015 MHP paid dividend to shareholders in amount of USD 0.47429 per share, equivalent to approximately US$50 million.

On 29 April 2015, the Group has repaid it's 10.25% Senior Notes due 29 April 2015 in amount of USD 234 million using syndicated loan facility of IFC (International Financial Corporation), a member of World Bank Group, which provided MHP with USD 200 million (USD 175 million from IFC and USD 25 million from ING), and the Company's cash from operations.

15. 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 25 May 2015.