



PRESS RELEASE

August 26, 2009, Kyiv, Ukraine

MHP S.A.

Unaudited Financial Results for the Second Quarter and the Six Months Ended 30 June 2009

MHP S.A. ("MHP" or the "Company", LSE ticker: "MHPC"), one of the leading agro-industrial companies in Ukraine, focusing on the production of poultry and the cultivation of grain, today announces its unaudited results for the second quarter and the six months ended 30 June 2009.

Key operational highlights

- Launch of production at Myronivka phase two, in line with previously announced plans
- Volume of chicken meat sales to external customers in Q2 2009 increased by 20% compared to Q2 2008
- Demand for chicken meat during the first half of 2009 remained high as consumers continued to substitute other meats with locally produced chicken. As a result, MHP was able to sell close to 100% of the chicken produced
- Throughout the first six months of 2009, sausage and cooked meat production volumes more than doubled to 10,800 tonnes (H1 2008: 5,300 tonnes)

Key financial highlights

All the key financial indicators during the second quarter of 2009 increased year-on-year as reported in local currency (Hryvnia - UAH). However, when translated into US dollars, due to the Hryvnia's 53% depreciation against the US dollar over the last year (H1 2008: UAH 5.00 to one USD, H1 2009: UAH 7.68), some of the key financial indicators were down year-on-year.

Q2 2009 highlights

- All key financial indicators increased compared to Q1 2009
- Revenue increased 27% in UAH to 1,298 million (Q2 2008: UAH 1,019 million), in US dollars revenue decreased by 17% to US \$169 million (Q2 2008: US \$205 million) as a result of the Hryvnia's depreciation against the US dollar
- Q2 2009 US dollar revenue (US \$169 million) increased by 26% compared to Q1 2009 (US \$135 million), while in 2008 Q1 to Q2 growth was at 17%
- Government grants in UAH decreased by 13% to UAH 113 million (Q2 2008: UAH 130 million), in US dollars they decreased by 44% to US \$15 million (Q2 2008: US \$26 million)
- EBITDA in UAH increased by 18% year-on-year to UAH 596 million (Q2 2008: UAH 503 million), in US dollars EBITDA decreased by 23% to US \$78 million (Q2 2008: US \$101 million)
- Q2 2009 EBITDA in US dollars increased by 58% compared to Q1 2009

- Consolidated EBITDA margin decreased to 46% (Q2 2008: 49%), while EBITDA margin in the poultry segment remained broadly stable at 45% (Q2 2008: 46%)
- Net income in UAH decreased by 11% to UAH 390 million (Q2 2008: UAH 437 million), in US dollars net income decreased by 42% to US \$51 million (Q2 2008: US \$88 million)
- Q2 2009 net income in US dollars increased by 31% compared to Q1 2009

H1 2009 highlights

- Consolidated EBITDA margin remained high and stable at 42%, while EBITDA margin in the poultry segment increased to 45% (42% in H1 2008), despite the cancellation of direct government grants
- Revenue increased 23% in UAH to 2,337 million (H1 2008: UAH 1,902 million), in US dollars revenue decreased by 20% to US \$304 million (H1 2008: US \$380 million) as a result of the Hryvnia's depreciation against the US dollar
- Government grants in UAH decreased by 17% to 179 million (H1 2008: UAH 216 million), in US dollars it decreased by 46% to US \$23 million (Q2 2008: US \$43 million)
- EBITDA in UAH increased by 22% year-on-year to UAH 976 million (H1 2008: UAH 801 million), in US dollars EBITDA decreased by 21% to US \$127 million (H1 2008: US \$160 million)
- Net income in UAH increased by 23% to UAH 689 million (H1 2008: UAH 560 million), in US dollars net income decreased by 20% to US\$ 90 million (H1 2008: US \$112 million)

Post period end

- As planned, Myronivka phase two continues to increase production volumes
- Rapeseed harvesting has ended and from 14,400 hectares 38,300 tonnes were harvested
- Average rape yield of 2.7 tonnes per hectare (after drying and cleaning) is 66% higher than the average yield in Ukraine
- Wheat harvesting is finishing and the current yield is averaging 5.7 tonnes per hectare
- Forward export contracts agreed for the sale of 33,000 tonnes of rapeseed for the price of US \$375 per tonne and 75,000 tonnes of wheat for the price of US \$150 per tonne

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

“We are very pleased with the strong performance during the first half of the year with all key financial indicators increasing in UAH terms year-on-year despite the cancellation of direct government grants. Our key financial indicators in the second quarter of 2009 have also improved strongly compared to the first quarter of the year. The growth was driven by higher production volumes, MHP's vertical integration strategy, which allows us to manage our cost base, as well as the high consumer demand for locally produced chicken meat.

“The launch of the Myronivka phase two poultry farm, which is expected to reach its full capacity during the second half of the year, is another milestone for MHP. It will open the door for further growth and will allow us to strengthen further our market leading position by allowing us to continue increasing production volumes, which have grown by more than 20% already this year and which are expected to grow by another 25% in 2010.

“We will continue to focus on increasing shareholder value by strengthening our vertical integration, managing our costs and growing our production volumes to cement our position as Ukraine's leading agro-industrial business. We are confident that the strong performance in the first half of the year will continue into the second half and that we will achieve a good set of financial results for the full year”.

- end -

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

Date: Wednesday, 26 August 2009
Time: 16.00 Kyiv / 14.00 London / 9.00 New York / 17.00 Moscow

Title: MHP – H1 2009 FINANCIAL RESULTS
Conference ID: 24368281

UK/Standard International: +44 (0) 1452 586 157
UK Free Call: 0800 694 1541
Russia Free Call: 8108 002 438 1012
USA Free Call: 1866 595 6357

A live webcast of the presentation will be available at:

<https://webconnect.webex.com/webconnect/onstage/g.php?t=a&d=667185660>

Event Number: 667 185 660
Event Password: 24368281

A replay of the conference call will be available at http://www.mhp.com.ua/en/conference_calls or until September 2nd, 2009 by using the following phone numbers:

Access Number: 24368281#
International Dial in: +44 (0) 1452 55 00 00
UK Free Call Dial In: 0800 953 1533
UK Local Dial In: 0845 245 5205
USA Free Call Dial In: 1866 247 4222

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Financial overview

In UAH		HY 2009	HY 2008	change	Q2 2009	Q2 2008	change
Revenue	UAH, m	2 337	1 902	23%	1 298	1 019	27%
IFRS 41 standard gains		171	74	133%	128	70	84%
Gross profit	UAH, m	950	668	42%	583	434	34%
Gross margin	%	41%	35%	16%	45%	43%	6%
Operation profit	UAH, m	820	673	22%	515	439	18%
Operation margin	%	35%	35%	-	40%	43%	-8%
EBITDA	UAH, m	976	801	22%	596	503	18%
EBITDA margin	%	42%	42%	-	46%	49%	-7%
Net income (con'ing operations)	UAH, m	689	560	23%	390	437	-11%
Net income margin	%	29%	29%	-	30%	43%	-30%

In US\$		HY 2009	HY 2008	change	Q2 2009	Q2 2008	change
Revenue	US\$, m	304	380	-20%	169	205	-17%
IFRS 41 standard gains		22	15	51%	17	14	19%
Gross profit	US\$, m	124	134	-7%	76	87	-13%
Gross margin	%	41%	35%	16%	45%	43%	6%
Operation profit	US\$, m	107	135	-21%	67	88	-24%
Operation margin	%	35%	35%	- 1 %	40%	43%	-8%
EBITDA	US\$, m	127	160	-21%	78	101	-23%
EBITDA margin	%	42%	42%	- 1%	46%	49%	-7%
Net income (con'ing operations)	US\$, m	90	112	-20%	51	88	-42%
Net income margin	%	29%	30%	-	30%	43%	-30%

Q2 2009 Consolidated Financial Results

Key financial indicators improved in Q2 2009 compared to Q1 2009 due to the successful launch of Myronivka phase two, which resulted in chicken meat sales volume growth.

Consolidated revenue in UAH increased by 27% to UAH 1,298 million (Q2 2008: UAH 1,019 million), while in USD it decreased by 17% to US \$169 million (Q2 2008: US \$205 million) as a result of the Hryvnia depreciating by 54% against the US compared to the Q2 2008 average exchange rate. (Average exchange rate Q2 2008: UAH 4.96 to one USD, Q2 2009 UAH 7.66 to one USD).

Q2 2009 EBITDA in UAH increased by 18% to UAH 596 million (Q2 2008: UAH 503 million), while in USD it decreased by 23% to US \$78 million as against the same period last year (Q2 2008: US \$101 million). EBITDA margin decreased year-on-year from 49% to 46%. The EBITDA margin decrease was driven by the financial results of the grain operations and the increase in the agricultural segment's share of total Company's revenue. Q2 2009 EBITDA in US dollars terms increased by 58% compared to Q1 2009

Net income for the second quarter decreased 11% in UAH to UAH 390 million (Q2 2008: UAH 437 million) and decreased by 42% in US dollars to US \$51 million (Q2 2008: US\$88 million). Net income margin decreased from 43% to 30%. The decrease was driven mainly by the currency depreciation effect - in Q2 2008 foreign non-cash currency gain was at US \$12 million, while in Q2 2009 a US \$5 million loss was reported.

During the second quarter of 2009 the Company did not receive any direct subsidies from the government whereas in Q2 2008 UAH 57 million of direct subsidies were received.

H1 2009 Consolidated Financial Results

In the first half of 2009, MHP's consolidated revenues in UAH increased by 23% to UAH 2,337 million (H1 2008: UAH 1,902 million), while in USD it decreased by 20% to US \$304 million (H1 2008: US \$380 million) as a result of the Hryvnia depreciating by 53% against the US dollar compared to the H1 2008 average exchange rate (H1 2008: UAH 5.00 to one USD, H2 2009 UAH 7.68).

H1 2009 EBITDA in UAH increased by 22% to UAH 976 million (H1 2008: UAH 801 million), while in USD it decreased 21% to US \$127 million as against the same period last year (H1 2008: US \$160 million) and EBITDA margin remained high and stable at 42%.

Net income for the first half of the year increased by 23% in UAH to UAH 689 million (H1 2008: UAH 560 million) and decreased by 20% in USD to US \$90 million (Q2 2008: US\$112 million). Net income margin remained stable at 29% (H1 2008: 30%). Q2 2009 Net income increased by 31% compared to Q1 2009.

During the first six months of 2009 the Company did not receive any direct subsidies from the government whereas in H1 2008 UAH 107 million of direct subsidies were received.

Poultry and related operations

		HY 2009	HY 2008	change	Q2 2009	Q2 2008	change
Revenue	US\$, m	255	338	-25%	146	181	-20%
- chicken meat, convenience food and other		216	287	-25%	126	160	-22%
- sunflower oil		39	51	-23%	20	21	-3%
IAS 41 standard gains		8	2	285%	2	(1)	-471%
Gross profit	US\$, m	110	113	-3%	63	69	-9%
Gross margin	%	43%	33%	29%	43%	38%	13%
EBITDA	US\$, m	115	141	-18%	66	84	-22%
EBITDA margin	%	45%	42%	9%	45%	46%	-3%

Q2 2009 Poultry and related operations segment financial results

As previously announced, MHP successfully launched phase two of the Myronivka poultry farm in Q2 2009. Demand for chicken meat during the first half of 2009 remained high as consumers continued to substitute other meats with locally produced chicken. As a result, the Company was able to sell close to 100% of the chicken produced.

During the second quarter of 2009, the volume of chicken meat sales to external consumers increased by 20% to 65,800 tonnes when compared to the second quarter of 2008. The increase was driven primarily by the launch of production at Myronivka phase two, which is expected to reach its full capacity in the second half of 2009.

The average chicken meat price through the second quarter of 2009 increased by 6.5% to 13.86 UAH per kg of adjusted weight (excluding VAT) when compared to second quarter of 2008. Average sunflower oil prices through the Q2 2009 decreased by 49% to 661 US\$/t. from 1,306 US\$/t in Q2 2008.

As a result, segment revenue in UAH increased by 24% to UAH 1,118 million (Q2 2008: UAH 900 million) but in US dollars, due to the Hryvnia's depreciation against US dollar, the segment's revenue

decreased by 20% to US \$146 million (Q2 2008: US \$181 million). At the same time segment Q2 2009 revenue increased 34% compared to Q1 2009 (Q2 2008 growth compared Q1 2008 was at 16%).

Poultry production costs in Q2 2009 were slightly lower in UAH and significantly lower in US dollars (most of the costs being denominated in UAH) compared to Q2 2008, this being despite a significant increase in utility prices in general and natural gas in particular. The lower cost base was due to the Company being fully vertically integrated, favorable ratios of sunflower seeds and sunflower oil resulting in low sunflower protein costs, as well as low corn prices from 2008 yields (most of which the Company will use in 2009).

Gross profit in the segment decreased by 9% from US \$69 million in Q2 2008 to US \$63 million in Q2 2009. Gross margin increased from 38% to 43%. Segment EBITDA in Q2 2009 decreased by 22% to US \$66 million (Q2 2008: US \$84 million) as a result of the Hryvnia's depreciation. EBITDA margin remained high but decreased slightly from 46% to 45%.

H1 2009 Poultry and related operations segment financial results

During the first six months of 2009, the volume of chicken meat sales to external consumers increased by 6% to 116,300 tonnes (H1 2008: 109,876 tonnes). The average chicken meat price through the first half of 2009 increased by 13% to 13.25 UAH per kg of adjusted weight (excluding VAT) from 11.75 UAH per kg in H1 2008 and average sun flower oil prices through the H1 2009 decreased by 52% to 656 US\$/t. from 1,361 US\$/t in H1 2008.

As a result, segment revenue in UAH increased by 16% to UAH 1,957 million (H1 2008: UAH 1,693 million) but in US dollars, due to the Hryvnia's depreciation against the US dollar, segment revenue decreased by 25% to US \$255 million (H1 2008: US \$338 million).

Gross profit in the segment in H1 2009 decreased slightly from US \$113 million to US \$109 million, whilst gross margin increased significantly from 33% to 43%. Segment EBITDA in H1 2009 decreased by 18% to US \$115 million (H1 2008: US \$141 million) as a result of the Hryvnia's depreciation. EBITDA margin increased from 42% to 45% despite the cancellation of direct government grants and the decrease in 2009 of average world poultry prices compared to 2008.

Grain growing

		HY 2009	HY 2008	change	Q2 2009	Q2 2008	change
Revenue	US\$, m	7	3	172%	1	1	48%
IFRS 41 standard gains		15	14	10%	15	17	-15%
EBITDA	US\$, m	11	19	-41%	11	19	-40%

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

Revenue from the grain segment only materialises in the second half of the year due to the harvest cycle. The Q2 2009 financial results contain only the revenue from the sale of certain grain stocks, mainly wheat, that have already been revalued to market prices in 2008 and, in accordance with IAS 41, partial financial results from early grains that will be sold only in H2 2009.

The Company has concluded forward export contract for the sale of 33,000 tonnes of rapeseed for the price of US \$375 per tonne, excluding VAT, and expects to export approximately 90% to 95% of its rapeseed yield and 75,000 tonnes of wheat for the price of US \$150 per tonne. MHP's export grain sales are an additional source of foreign currency income.

Other agriculture operations

		HY 2009	HY 2008	change	Q2 2009	Q2 2008	change
Revenue	US\$, m	42	39	8%	22	23	-3%
- meat processing		28	27	5%	15	15	1%
- other		14	12	15%	7	8	-12%
IFRS 41 standard gains		(1)	(1)	-5%	(0)	(2)	-87%
EBITDA	US\$, m	5	6	-17%	3	1	191%
EBITDA margin	%	11%	14%	-23%	14%	5%	202%
Sausage volume	tonnes	10 800	5 300	104%	5 900	2 900	103%

In Q2 2009, sausage and cooked meat production volumes increased by 104% to 5,900 tonnes compared to 2,900 tonnes during Q2 2008. Throughout the first six months of 2009, sausage and cooked meat production volumes increased by 103% to 10,800 tonnes compared to 5,300 tonnes during the first six months of 2008. The substantial volume growth was due primarily to the acquisition of “Ukrainian Bacon” in July 2008.

Average sausage and cooked meat prices during Q2 2009 decreased by 18% from 21.20 UAH per kg (excluding VAT) in Q2 2008 to 17.45 UAH per kg (excluding VAT), and during the first six months of 2009, by 12% from 19.80 UAH per kg (excluding VAT) in H1 2008 to 17.45 UAH per kg (excluding VAT). The decrease in average prices was due to three main factors. Firstly, “Ukrainian Bacon” producing sausage and cooked meat products in the mass segment. Secondly, “Ukrainian Bacon” using mostly chicken meat produced by MHP in its production cycle. Thirdly, the Company shifting its total product portfolio mix towards low price products in accordance with consumer demand.

As a result of the production volume growth, the shift in the product portfolio mix in segment revenue and the Hryvnia’s depreciation in Q2 2009, segment revenue decreased by 3% from US \$23 million to US \$22 million. In H1 2009, revenue increased by 8% from US \$39 million to US \$42 million.

Segment EBITDA in Q2 2009 increased from US \$1 million to US \$3 million and in H1 2009 from US \$6 million and US \$5 million.

Current financial position, cash flow and liquidity

In Q2 2009, cash flow from operations before working capital changes was US \$45 million (Q2 2008: US \$69 million, Q1 2009: US \$42 million) and in H1 2009, it was US \$87 million (H1 2008: US \$123 million).

Net cash generated from operating activities in Q2 2009 increased 112% from US \$14 million to US \$29 million in Q2 2009, and by 24% in H1 2009 from US \$37 million to US \$46 million.

In H1 2009 the main contributors to the change in working capital were:

- Expenditures related to the sowing campaign in the grain growing segment
- The increase in biological assets following the Myronivka phase two launch
- The increase in trade account receivables due to sales volume growth in the Poultry and Other Agriculture Operations segments
- The increase in VAT-related tax account receivables resulting from significant capital expenditure related to Myronivka phase two project completion

Total CAPEX was US \$41 million in Q2 2009 and US \$80 million for the first six months of 2009, mostly due to the launch of the second phase of the Myronovka poultry farm facility.

As of the period end, the Company's total debt was US \$504 million with an average weighted cost of debt below 10%. The Net Debt/EBITDA ratio at the end of the period was 1.69. The Company's total debt is mainly denominated in US dollars. As a hedge for currency risks, revenue from sunflower oil exports and proceeds from rapeseed sales are used, fully covering debt service expenses. US \$250 million of the debt is in Eurobonds, which are not redeemable until 30 November 2011. US \$54 million of the short-term debt matures in the second half of 2009 and the facility has been extended for another year.

At the end of H1 2009 MHP had US \$32 million in cash and deposits mostly denominated in US dollars.

Current trading and outlook

Consumer demand for poultry meat continues to remain high and all the Company's production facilities are operating at full capacity. Month-by-month, MHP sells 40% more chicken meat compared to this time last year due to the launch of Myronivka phase two. In July 2009 the average price of poultry was below the H1 2009 average, but this has now changed with prices increasing and stabilising. Management expects this trend to continue in the upcoming months. The Company expects average poultry production costs in 2009 to remain at the level as last year despite utility price increases.

The Company continues to grow sausage and cooked meat production volumes as most of Ukrainian Bacon's products are positioned in the mass segment where consumer demand is still growing.

As of today, the Company continues harvesting and management expects MHP's yields to be higher than Ukraine's average across all crops, with the wheat yield averaging 5.7 tonnes per hectare. Forward export contracts have been concluded for the sale of 75,000 tonnes of wheat for the price of US \$150 per tonne.

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

- End -

Notes to Editors:

Information on MHP

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

which Management believes reduces overall transportation costs and delivery times.

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

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

Forward-Looking Statements

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

**MHP S.A.
AND ITS SUBSIDIARIES**

Condensed Consolidated Interim Financial Statements
For the six months
ended 30 June 2009

MHP S.A. AND ITS SUBSIDIARIES

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

	Notes	30 June 2009	31 December 2008
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net	3	588,556	517,564
Prepayments for property, plant and equipment		18,674	22,269
Deferred tax assets		2,178	2,047
Long-term VAT prepaid		14,653	9,112
Non-current biological assets		32,851	29,480
Other non-current assets		8,045	6,458
Total non-current assets		664,957	586,930
CURRENT ASSETS			
Inventories	5	42,204	38,118
Biological assets	6	152,511	84,095
Agricultural produce	5	25,187	42,765
Taxes recoverable and prepaid, net		48,577	46,338
Trade accounts receivable, net	7	42,295	31,531
Other current assets, net		11,443	15,370
Bank deposits with maturity over three months		13,062	25,342
Cash and cash equivalents		18,702	54,072
Total current assets		353,981	337,631
TOTAL ASSETS		1,018,938	924,561
LIABILITIES AND SHAREHOLDERS' EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital		284,505	284,505
Additional paid-in capital		178,815	178,815
Revaluation reserve		9,410	9,410
Retained earnings		167,038	82,480
Foreign currency translation reserve		(218,985)	(222,699)
		420,783	332,511
MINORITY INTEREST			
Total equity		18,875	13,706
		439,658	346,217
NON-CURRENT LIABILITIES			
Long-term bank borrowings	8	57,855	57,456
Bonds issued	9	247,415	246,903
Long-term finance lease and vendor financing obligations	10	45,263	47,972
Other long-term payables		596	400
Deferred tax liabilities		6,453	6,160
Total non-current liabilities		357,582	358,891
CURRENT LIABILITIES			
Trade accounts payable		25,340	22,170
Accounts payable for property, plant and equipment		19,669	8,116
Other current liabilities		19,388	32,992
Short-term bank borrowings and current portion of long-term bank borrowings	8	132,215	130,241
Interest accrued		3,628	3,520
Current portion of finance lease obligations	10	21,458	21,625
Deferred income		-	789
Total current liabilities		221,698	219,453
TOTAL LIABILITIES		579,280	578,344
CONTINGENCIES AND CONTRACTUAL COMMITMENTS			
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,018,938	924,561
On behalf of the Board			

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

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

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2009

(in US Dollars and in thousands, except per share data)

		Six months ended 30 June	
	Notes	2009	2008
<i>Continuing operations</i>			
REVENUE		304,330	380,203
Net change in fair value of biological assets and agricultural produce		22,327	14,799
COST OF SALES		<u>(202,834)</u>	<u>(261,218)</u>
GROSS PROFIT		123,823	133,784
Selling, general and administrative expenses		(34,377)	(39,107)
Government grants recognized as income		23,294	43,188
Other operating income and expenses		<u>(5,872)</u>	<u>(2,973)</u>
OPERATING PROFIT		<u>106,868</u>	<u>134,892</u>
Finance income		2,812	1,638
Finance costs		(23,467)	(26,067)
Foreign exchange gains, net		4,422	3,390
Other income and expenses		<u>(416)</u>	<u>(552)</u>
OTHER EXPENSES, NET		<u>(16,649)</u>	<u>(21,591)</u>
PROFIT BEFORE TAX		90,219	113,301
Income tax expense		<u>(492)</u>	<u>(981)</u>
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		<u>89,727</u>	<u>112,320</u>
<i>Discontinued operations</i>			
(Loss)/profit for the period from discontinued operations		<u>-</u>	<u>(704)</u>
NET PROFIT FOR THE PERIOD	14	<u>89,727</u>	<u>111,616</u>
ATTRIBUTABLE TO:			
Equity holders of the Parent		84,558	109,319
Minority interest		5,169	2,297
EARNINGS PER SHARE			
From continuing operations (USD per share):			
Basic		0.76	1.07
Diluted		0.76	1.07
From continuing and discontinued operations (USD per share):			
Basic		0.76	1.06
Diluted		0.76	1.06

On behalf of the Board

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

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

MHP S.A. AND ITS SUBSIDIARIES

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

(in US Dollars and in thousands)

	Attributable to Equity Holders of the Parent					Total	Minority interest	Total equity
	Share capital	Additional paid-in capital	Revaluation reserve	Foreign currency translation reserve	Retained earnings			
1 January 2008	251,311	60,059	9,410	6,292	80,962	408,034	11,372	419,406
Increase in share capital (net of issue costs)	33,194	118,756	-	-	-	151,950	-	151,950
Net profit for the period	-	-	-	-	109,319	109,319	2,297	111,616
Cumulative translation difference	-	-	-	26,870	-	26,870	-	26,870
Total recognized income and expense for the period	-	-	-	26,870	109,319	136,189	2,297	138,486
Acquisition and changes in non-controlling interest in subsidiaries	-	-	-	-	-	-	(197)	(197)
30 June 2008	284,505	178,815	9,410	33,162	190,281	696,173	13,472	709,645
1 January 2009	284,505	178,815	9,410	(222,699)	82,480	332,511	13,706	346,217
Net profit for the period	-	-	-	-	84,558	84,558	5,169	89,727
Cumulative translation difference	-	-	-	3,714	-	3,714	-	3,714
Total comprehensive income for the period	-	-	-	3,714	84,558	88,272	5,169	93,441
30 June 2009	284,505	178,815	9,410	(218,985)	167,038	420,783	18,875	439,658
On behalf of the Board								

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

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

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2009

(in US Dollars and in thousands)

	Six months ended 30 June	
	2009	2008
OPERATING ACTIVITIES		
Profit before income tax from continuing and discontinued operations	90,219	112,597
Adjustments to reconcile profit to net cash provided by operations	-	-
Depreciation of property, plant and equipment	20,237	25,460
Finance costs, net	23,467	26,067
Finance income	(2,812)	(1,638)
Effect of fair value adjustments	(22,327)	(14,799)
Non-operating foreign exchange loss/(gain), net	(4,422)	(3,390)
Change in allowance for irrecoverable amounts and VAT and direct write-offs	3,698	1,922
(Gain)/loss on disposal of property, plant and equipment	287	648
Other non-cash items	-	497
Operating profit before working capital changes	<u>108,347</u>	<u>147,364</u>
Increase in inventories	(3,933)	(15,380)
Increase in biological assets	(44,062)	(53,987)
Decrease in agricultural produce	21,544	10,503
Decrease in other current assets	4,586	4,571
Increase in taxes recoverable and prepaid	(9,773)	(16,738)
Increase in trade accounts receivable	(11,175)	(22,086)
Increase/(decrease) in other long-term payables	191	(213)
Increase in trade accounts payable	3,123	497
(Decrease)/increase in other current liabilities	(1,032)	1,042
(Decrease)/increase in deferred income	(792)	5,802
Cash generated by operations	67,024	61,375
Finance costs paid	(22,763)	(25,416)
Interest received	2,773	1,786
Income tax paid	(657)	(726)
Net cash generated by operating activities	<u>46,377</u>	<u>37,019</u>
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(67,493)	(54,027)
Prepayments for investments	-	(21,336)
Purchases of other non-current assets	(1,867)	(1,975)
Proceeds from disposals of property, plant and equipment	463	1,085
Purchases of non-current biological assets	(3,114)	(4,820)
Short-term deposits	-	(52,207)
Withdrawals of short-term deposits	12,399	1,746
Loans provided to employees, net	(334)	(563)
Loans provided to related parties, net	-	(95)
Net cash used in investing activities	<u>(59,946)</u>	<u>(132,192)</u>

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2008

(in US Dollars and in thousands)

	Six months ended 30 June	
	2009	2008
FINANCING ACTIVITIES		
Issue of share capital , net of issue costs	-	151,950
Proceeds from loans received	171,930	155,711
Repayment of bank loans	(173,554)	(140,742)
Repayment of other financing	(12,554)	-
Finance lease payments	(7,483)	(6,024)
	<u>(21,661)</u>	<u>160,895</u>
Net cash generated by financing activities		
	(21,661)	160,895
Currency translation differences	(140)	(23)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(35,370)	65,699
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	54,072	10,088
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>18,702</u>	<u>75,787</u>

On behalf of the Board

Yuriy Kosyuk/Chief Executive Officer

Viktoria Kapelyushnaya/Chief Financial Officer

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

MHP S.A. AND ITS SUBSIDIARIES

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

(in US Dollars and in thousands)

1. DESCRIPTION OF FORMATION AND THE BUSINESS

Description of formation

MHP S.A. (the “Parent” or “MHP S.A.”), a limited liability company registered under the laws of Luxembourg, was formed on 30 May 2006. MHP S.A. was formed to serve as the ultimate holding company of OJSC “Myronivsky Hliboproduct” (“MHP”) and its subsidiaries. The registered address of MHP S.A. is 412F, Route d’Esch, L-1030 Luxembourg, Grand-Duchy of Luxembourg.

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

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

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

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

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

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

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

Description of the business

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

The Group's poultry and related operations integrate all functions related to the production of chicken, including hatching, fodder manufacturing, raising chickens to marketable age ("growout"), processing and marketing of branded chilled products and include the production and sale of chicken products, sunflower oil, mixed fodder and convenience food products. Grain growing comprises the production and sale of grains. Other agricultural operations comprise the production and sale of sausages, beef, goose meat, foie gras, fruits and feed grains.

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

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared on the basis of accounting policies as set forth in the Group's consolidated financial statements as at and for the year ended 31 December 2008. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted. However, such information reflects all adjustments (consisting of normal recurring adjustments), which are, in the opinion of the Group management, necessary to fairly state the results of interim periods. Interim results are not necessarily indicative of results to be expected for the full year. The 31 December 2008 statement of financial position was derived from the audited consolidated financial statements. The functional currency of MHP S.A. and each of its subsidiaries is the Ukrainian Hryvnia ("UAH"). Transactions in currencies other than the functional currency of the Group are treated as transactions in foreign currencies. Such transactions are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the statement of financial position date. All realized and unrealized gains and losses arising on exchange differences are included in the consolidated statement of comprehensive income for the period.

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

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

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

The following exchange rates were used:

Currency	Closing rate as of 30 June 2009	Average for 6 months ended 30 June 2009	Closing rate as of 31 December 2008	Average for 6 months ended 30 June 2008
UAH/USD	7.6303	7.6779	7.7000	5.0064
UAH/EUR	10.7557	10.2448	10.8555	7.6571

3. PROPERTY, PLANT AND EQUIPMENT

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

During the six months ended 30 June 2009, the Group's additions to Property, plant and equipment amounted to USD 96,745 thousand.

The main capital expenditures were incurred in connection with the second phase of Myronivka chicken farm complex construction. The production on the Myronivka phase two chicken farm complex was launched during the second quarter of 2009.

The Group's disposals of equipment during the six months ended 30 June 2008 amounted to USD 991 thousand.

4. RELATED PARTY BALANCES AND TRANSACTIONS

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

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

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

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

During the six months ended 30 June 2009 the Group has been engaged in transactions with its related parties within the normal course of business. The revenue from sales to related parties has decreased from USD 6,211 thousand as for the six months ended 30 June 2008 to USD 3,182 thousand for the six months ended 30 June 2009. The revenue for the six months ended 30 June 2009 relates primarily to the sale of mixed fodder and its components to Agrofirma Berezanska Ptahofabryka.

The balances of trade accounts receivable due from related parties relate primarily to the mixed fodder sale and amounted to USD 4,866 and USD 2,791 thousand as at 30 June 2009 and 31 December 2008 respectively.

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

Compensation to key management personnel

Total compensation of the Group's key management personnel (including compensation to Mr. Yuriy Kosyuk), which consist of contractual salary and performance bonuses amounted to USD 2,488 thousand and USD 5,786 thousand for the six months ended 30 June 2009 and 2008, respectively. Compensation to key management personnel for the six months ended 30 June 2008 includes bonuses in connection with MHP S.A.' share issue.

5. CHANGES IN INVENTORIES AND AGRICULTURAL PRODUCE

Inventory balances have increased as compared to 31 December 2008 mainly due to the launch of production at Myronivka phase two.

Agricultural produce balances have decreased as compared to 31 December 2008 owing mainly to the reduction of corn used in the production of feeds.

6. CURRENT BIOLOGICAL ASSETS

The balances of current biological assets were as follows:

	30 June 2009	31 December 2008
Breeders held for hatchery eggs production	20,989	19,323
Broiler poultry	36,026	23,126
Hatchery eggs	6,330	3,866
Crops in fields	79,550	26,840
Cattle, pigs till 1 year and other consumable biological assets	9,616	10,940
Total	152,511	84,095

The increase of current biological assets balances during the six months 2009 is primarily attributable to that of the crops balances.

The increase of the crops balances refers to the costs incurred with respect to the future harvest, reflecting seasonality element inherent in the grain growing segment. Also the increase is partly due to the positive change in the fair value of biological assets in crops production.

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

7. TRADE ACCOUNTS RECEIVABLE

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

	30 June 2009	31 December 2008
Agricultural operations	36,415	26,663
Sunflower oil sales	1,894	2,957
Due from related parties	4,866	2,791
Less: allowance for irrecoverable amounts	<u>(880)</u>	<u>(880)</u>
Total	<u>42,295</u>	<u>31,531</u>

The trade receivables derived from agriculture operations increased due to the growth of the chicken meat sales and sales of sausages.

8. BANK BORROWINGS

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

Bank	Currency	Interest rate	30 June 2009	Interest rate	31 December 2008
Foreign banks	EUR	3.79%	<u>81,070</u>	5.43%	<u>78,697</u>
Ukrainian banks	USD	7.82%	<u>109,000</u>	6.78%	<u>109,000</u>
Total bank borrowings			<u>190,070</u>		<u>187,697</u>
<i>Less:</i>					
Short-term borrowings and current portion of long-term borrowings			<u>(132,215)</u>		<u>(130,241)</u>
Total long-term bank borrowings			<u>57,855</u>		<u>57,456</u>

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

	30 June 2009	31 December 2008
Fixed interest rate	33,357	39,756
Floating interest rate	156,713	147,941
Total	190,070	187,697

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

	30 June 2009		
	Foreign	Ukrainian	Total
Within one year	23,215	109,000	132,215
In the second year	23,102	-	23,102
In the third to fifth year inclusive	28,661	-	28,661
With maturity over five years	6,092	-	6,092
Total	81,070	109,000	190,070

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

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

As of 30 June 2009, the Group had available borrowings on undrawn facilities of USD 13,183 and, including USD 1,852 thousand of available overdraft facilities. These undrawn facilities expire during the period from July 2009 until December 2016.

As of 30 June 2009, the Group had borrowings of USD 11,666 thousand that were secured. These borrowings were secured by equipment with the carrying amount of USD 6,449 thousand.

In January 2009 the Group refinanced bank borrowings with OTP Bank for the total amount of USD 20,000 thousand with maturity in January 2010.

In June 2009 the Group signed the loan agreement with Unicredit Bank about refinancing existing facility in the amount of USD 30,000 thousand to 1 October 2010.

9. BONDS ISSUED

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

	30 June 2009	31 December 2008
10.25% Senior Notes due in 2011	250,000	250,000
Unamortized premium on bonds issued	-	-
Unamortized debt issue costs, net	(2,585)	(3,097)
Total	247,415	246,903

10. LONG-TERM FINANCE LEASE AND VENDOR FINANCING OBLIGATIONS

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

	Minimum lease payments	Present value of minimum lease payments
Payable within one year	27,669	21,472
Payable in the second year	24,072	19,627
Payable in the third to fifth year inclusive	28,992	25,606
Payable after fifth year	16	16
	<u>80,749</u>	<u>66,721</u>
<i>Less:</i>		
Future finance charges	(14,028)	-
Present value of lease obligations	66,721	66,721
<i>Less:</i>		
Current portion		<u>(21,458)</u>
Finance lease obligations, long-term portion		45,263

11. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

Recent volatility in global and Ukrainian financial markets – Macroeconomics condition globally and in Ukraine remains difficult however after the Hryvnia's depreciation in 2008 by more than 50% during the first six months of 2009 UAH rate to US dollar remained stable around UAH 7.7 for US dollar.

Almost all industrial sectors reported substantial declines in economic activities during the first half of 2009. The industrial output dropped by 31.1% year-on-year but the total production of agricultural products in Ukraine in the first half of 2009 increase 2.6% year-on-year.

Despite weakening conditions in the Ukrainian financial and banking sector, the receipt of the third tranche of the IMF loan and the government direct support of banking sector should lead to stabilization of the macroeconomics indicators and gradually improve the situation.

Operating environment – The principal business activities of the Group are within Ukraine. Laws and regulations affecting businesses operating in Ukraine are subject to rapid changes and the Group's assets and operations could be at risk if there are any adverse changes in the political and business environment.

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

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

Contractual commitments on purchase of raw materials and biological assets – As of 30 June 2009, raw materials and biological assets purchase commitments on contracts amounted to USD 17,555 thousand and 31 December 2008: USD 3,249 thousand.

Contractual commitments on purchase of property, plant and equipment – As of 30 June 2009, purchase commitments of the Group on contracts with foreign and Ukrainian suppliers for the purchase of property, plant and equipment for development of agricultural operations amounted to USD 9,135 thousand and 31 December 2008: USD 20,927 thousand.

Contractual commitments on purchase of property, plant and equipment under finance lease arrangements – As of 30 June 2009, the Group's non-cancelable contractual obligations as to the purchase of property, plant and equipment under finance lease arrangements amounted to USD 15,555 thousand (31 December 2008: nil).

Contractual commitments on sales of sunflower oil – As of 30 June 2009, commitments of the Group on sunflower oil sales amounted to USD 17,534 thousand and 31 December 2008: USD 6,854 thousand.

12. FOREIGN CURRENCY EXCHANGE RATE CHANGE

The Group undertakes certain transactions denominated in foreign currencies. The Group does not use any derivatives to manage foreign currency risk exposure, at the same time the management of the Group sets limits on the level of exposure by currencies.

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

	USD- denominated	EUR- denominated
Assets		
Trade accounts receivable	2,133	-
Bank deposits with maturity over three months	12,000	-
Cash and cash equivalents	9,091	322
Total assets	<u>23,224</u>	<u>322</u>
Liabilities		
Trade accounts payable	552	4,241
Accounts payable for property, plant and equipment	6	15,443
Bank borrowings	109,000	81,070
Bonds issued	250,000	-
Finance lease and vendor financing obligations	15,362	51,359
Total liabilities	<u>374,920</u>	<u>152,113</u>

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

	USD-denominated	EUR-denominated
Profit/(loss)	17,585/(52,754)	7,590/(22,769)

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

During the six months ended 30 June 2009, the Ukrainian Hryvnia increased against EURO by 0.9% and against US Dollar by 0.9%.

13. SEGMENT INFORMATION

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

	Six months ended 30 June 2009				Six months ended 30 June 2008			
	Poultry and related operations	Other agricultu ral	Grain growing	Consolida ted	Poultry and related operations	Other agricultu ral	Grain growing	Consolida ted
REVENUES								
Total revenue	260,814	42,528	15,330	318,672	343,692	39,630	11,207	394,529
Inter-segment eliminations	(5,845)	(45)	(8,452)	(14,342)	(5,277)	(370)	(8,679)	(14,326)
Sales to external customers	254,969	42,483	6,878	304,330	338,415	39,260	2,528	380,203
Segment results	97,818	1,657	11,416	110,891	118,070	2,592	19,311	139,973
Unallocated corporate expenses				(4,023)				(5,081)
Operating profit				106,868				134,892
Effect of fair value adjustments	8,177	(1,121)	15,271	22,327	2,123	(1,184)	13,860	14,799

14. NET PROFIT FOR THE PERIOD

The Group's net profit for the first half of 2009 grew in the Ukrainian hryvnia equivalent compared with the first half of 2008, but lost its growth in the USD equivalent due to Ukrainian hryvnia depreciation.

The increase in MHP's net profit for the first half of 2009 as compared to the first half of 2008 in the Ukrainian hryvnia equivalent was caused by the increase of gross profit of poultry and related operations segment due to the growth of both – sales volume and selling prices. In the meantime the cost per 1 kg of the poultry products slightly decreased due to the strong vertical integration of the Group's operations.

15. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Six months ended 30 June	
	2009	2008
Additions of property, plant and equipment under finance leases and vendor financing arrangements	4,628	20,105
Additions of property, plant and equipment financed through direct bank-lender payments to the vendor	3,400	-
Property, plant and equipment purchased for credit	19,669	11,490

16. SUBSEQUENT EVENTS

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