ASTARTA HOLDING N.V.

SEMIANNUAL REPORT OF THE BOARD OF DIRECTORS
FOR THE SIX MONTHS ENDED JUNE 30, 2011

Contents

1 Overview of the reporting period

Despite slowing of global economic recovery in the first half of 2011, Ukrainian economy remained on a sustained growth path, mostly due to strong performance in sectors focused on domestic consumption. Against this background steady demand for sugar from confectionaries and beverage producers has supported an upward trend of domestic sugar price. Unfavorable weather in some key crop-producing regions around the Globe and growing demand for food moved up international grain and oilseeds prices. The mentioned factors as well as increasing volumes of sales in agri- and cattle farming segments, provided for dynamic growth in the Group's financial results: consolidated revenues grew y-o-y 17%, EBITDA increased by 31% and net profit by 39%.

Following its development strategy ASTARTA started to create production business-units in Kharkiv region, where the Group initiated operations in 2011. After taking control over two sugar plants, next acquisitions followed to increase an arable land bank, crop storage capacities and cattle farming assets in the region. Altogether through the reporting period ASTARTA' total operated land bank was expanded to over 230 thousand ha, grain storage capacities grew up to 360 thousand tonnes, and agricultural machinery fleet was boosted by more than 300 pieces of modern tractors, harvesters and agri-appliances.

Aiming at further diversification of revenues we continued to develop the cattle farming segment. The cows' headcount increased y-o-y by 20% and milk production grew by 33%. Attention was paid not just to progressing size of animal stock, but more over to increasing yields and improvement of quality of milk.

With the purpose of higher production capacities utilization and raw materials diversification, in June ASTARTA initiated raw cane sugar refining. As by the date of this report ASTARTA finished refining campaign and produced c. 30 thousand tonnes of high quality white sugar. Newly introduced technology will allow increasing sugar production in periods of favorable pricing. The Group also progressed with an innovational project of designing and construction of a beet pulp methanization facility at the Globyno sugar plant in Poltava region aimed to develop an alternative source of bio-energy.

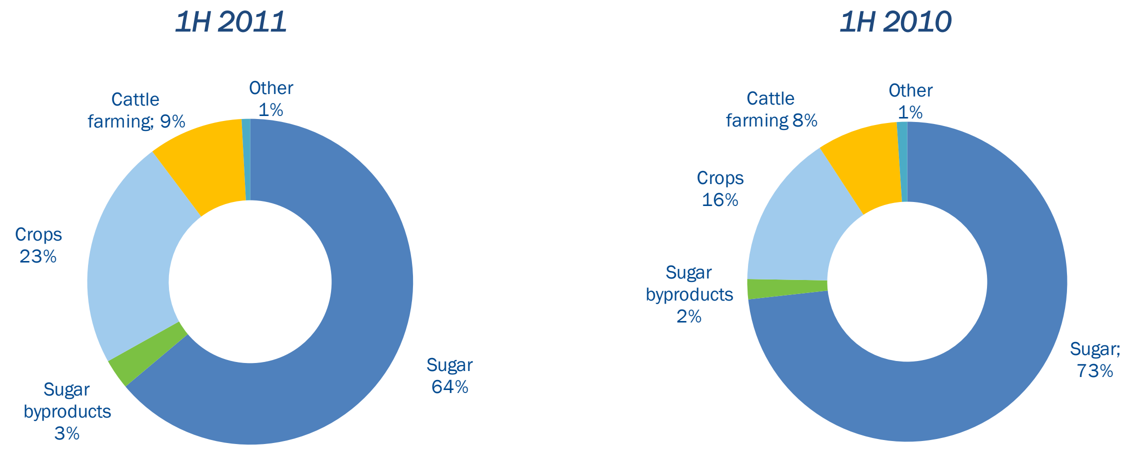
Traditionally, in July the Group started a harvesting campaign. Combination of modern farming technologies, professionalism of agronomists and favorable weather conditions provided for good crop yields: winter wheat yields reached the level of 4,5 tonnes/ha and winter barley – 3 tonnes/ha. Technical crops like corn, sunflower and sugar beet are also in good condition and harvesting is starting shortly.

On 17-th of August, ASTARTA celebrated the 5th anniversary of an IPO on the Warsaw stock exchange. During last five years the Group has not only succeeded in meeting the targets set at the time of IPO, but also went far beyond them. As a result ASTARTA is well recognized by clients and investors as a growing, reliable and transparent company. At the same time, we are not resting on our laurels and are looking to the future with intention to develop our business into a big international company with a worldwide reputation.

2 Consolidated Revenues

Scoring well on favorable markets and higher volumes of sales of crops and milk, ASTARTA recorded consolidated revenues of the first six months of 2011 at EUR 116 mln, an 17% y-o-y increase. The share of sugar and sugar byproducts sales decreased y-o-y from 75% to 67% and crop sales increased from 16% to 23% reflecting diversified nature of the business. Share of revenues from cattle farming increased from 8% to 9% representing higher volumes of milk produced and sold in the reporting period.

Figure 1. Revenues composition in 1H 2011 and 1H 2010



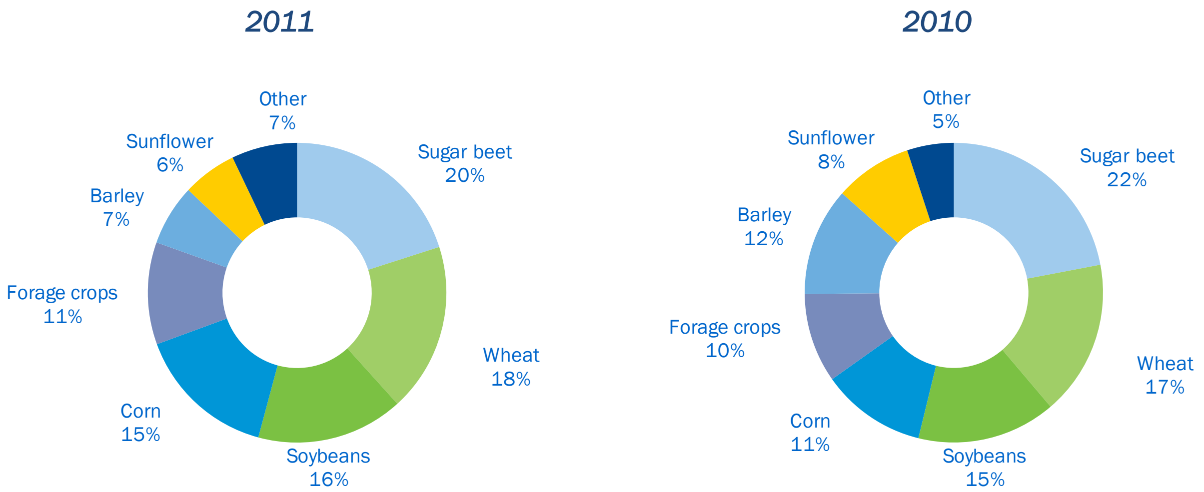
Export revenues in the first half of 2011 totaled c. USD 8 mln, 72% of which was generated by crop exports and remaining part by exports of sugar byproducts.

3 Agriculture segment

3.1 Crop production

By the end of May, ASTARTA in optimal terms finished a spring sowing campaign. Traditionally the key crops were sugar beet with 20% share and wheat with 18%. In accordance with a crop rotation strategy aimed at high profitability and long term land quality appreciation, shares of soybeans and corn grew 1% and 4% respectively, while segments of barley and sunflower decreased by 5% and 2% accordingly.

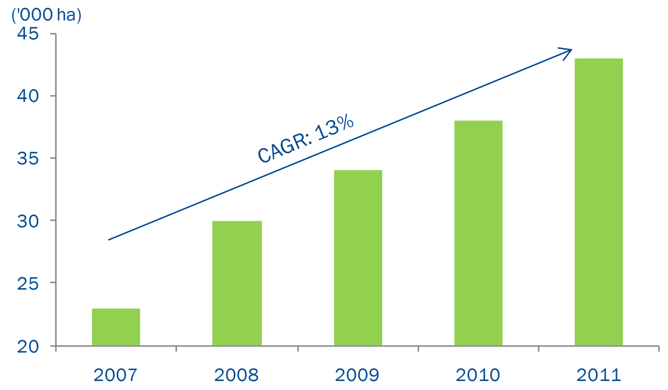
Figure 2. Breakdown of cultivated land in 2010 and 2011



A portion of “mature” fields (land operated by farms which are over five years within the Group) continued to increase, and at the end of the year would reach c. 36% of a total operated land bank.

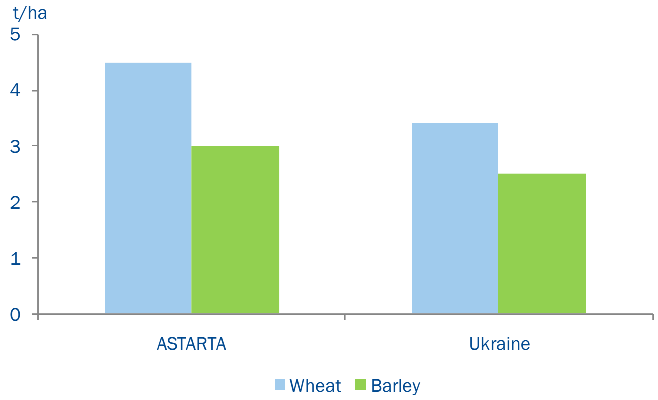
In order to sustain high level of vertical integration, ASTARTA increased areas under sugar beet to c. 43 thousand ha (+13% y-o-y). At the same time the Group continued to support strong relations with independent farmers in order to secure supplementary sugar beet supplies.

Figure 3. Land under sugar beet: keeping high level of self-sufficiency



As by the date of this report, the Group completed harvesting of early crops. The yields were materially higher than the last year, when weather conditions heavily influenced the harvest’s results. The average yield of wheat was 4,5 tonnes from ha, winter barley – 3 tonnes from ha. The yields from “mature” fields were traditionally higher than from newly adjoined land. Technical crops like corn, sunflower and sugar beet are also in good condition, and the second part of the harvesting campaign will soon begin.

Figure 4. ASTARTA’ and Ukrainian average yields of early grains, 2011



Source: Company data, ProAgro analytical agency

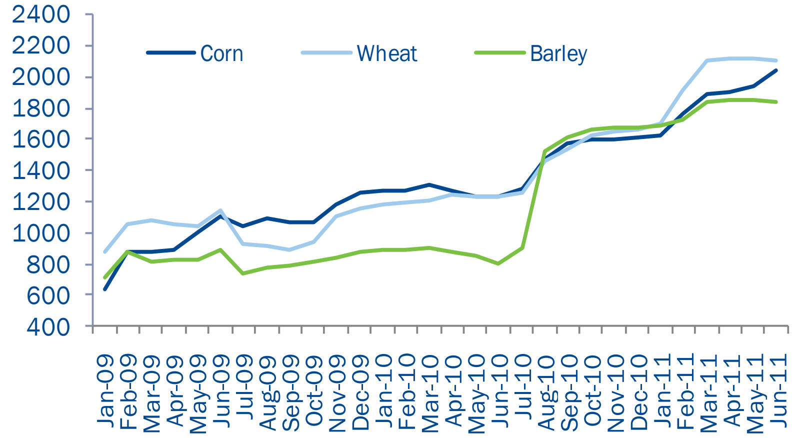
Side by side with increasing land bank, the Group continued to expand agricultural machinery fleet and crop storage capacities. In the first six months of 2011, the Group acquired over 300 modern tractors, harvesters, trucks and other agricultural equipment from leading producers and increased total crop storage capacities up to 360 thousand tonnes.

3.2 Crop Sales

Revenues from crop sales grew y-o-y 72% and totaled EUR 27 mln. Volumes of crops sold increased 14% y-o-y. Selling prices for key grains and oilseeds grew c.60% on average.

The crop price rally which started in the second half of 2010 following drought in Russia and reflecting slim stocks of key crops, continued well into first half of 2011, and was then supported by unfavorable harvest prospects in some important agricultural areas in the EU and the US. Domestic prices for agricultural crops grew as well, generally in line with international trend, albeit somehow suppressed by export quotas limitations. After the Government lifted export restrictions for corn in May and for wheat in June, exports of these grains accelerated and remaining inventories of the 2010 harvest were sold at optimal prices.

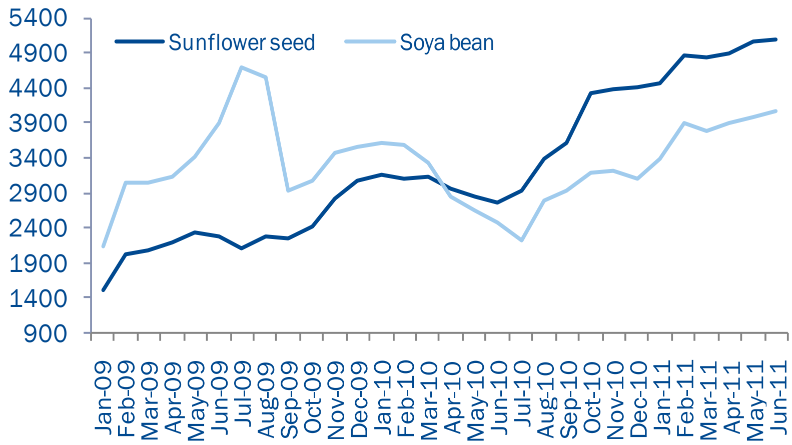
Figure 5. Average Ukrainian prices for key grains in 2009 - 2011, UAH per tonne, VAT incl.



Source: APK-inform analytical agency

Regulations of exports and domestic trade of oilseeds was not changing in the reporting period and domestic prices grew generally in line with global trends.

Figure 6. Average Ukrainian prices for key oilseeds in 2009 - 2011, UAH per tonne, VAT incl.



Source: APK-inform analytical agency

4 Sugar segment

4.1 Sugar production

In the reporting period the Group went on with an upgrade and an uprate of sugar plants. The modernization program envisaged installation and commissioning of modern equipment, contributing to better sugar extraction, energy efficiency, sugar quality improvement and reduction of environmental impact.

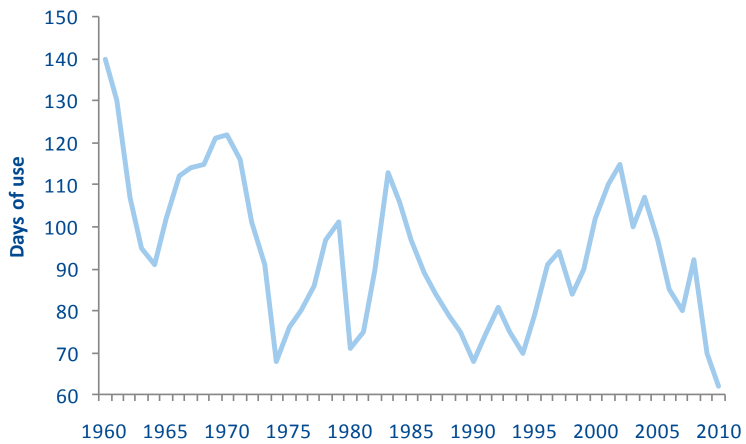
In the 1H 2011 the Group took control over Novoivanivsky and Savinsky sugar plants with combined processing capacity of c. 5 thousand tonnes of sugar beet per day. Taking into account this acquisition and modernization of other sugar plants, the total daily processing capacity of the Group's plants increased to c. 33 thousand tonnes of sugar beet.

In the second quarter of 2011, according to its strategy of raw materials diversification, ASTARTA initiated raw sugar processing at Yaresky sugar plant. As by the date of this report the Group processed over 31 thousand tonnes of raw sugar and produced c. 30 thousand tonnes of high quality white sugar. Raw sugar processing increases the effectiveness of ASTARTA's sugar business as a result of the extended usage of its refining capacities and diversification of production process.

4.2 Sugar markets and sales

In the first half of 2011, the global sugar market was under the influence of low inventories resulting from underproduction in the previous seasons, and unfavorable weather conditions and logistical problems in number of key producing countries. The lowest in the recorded history global sugar stock-to-use ratio together with insufficient production growth are regarded by the market as important price-supporting factors.

Figure 7. Sugar global inventory to consumption ratio, 1960-2010

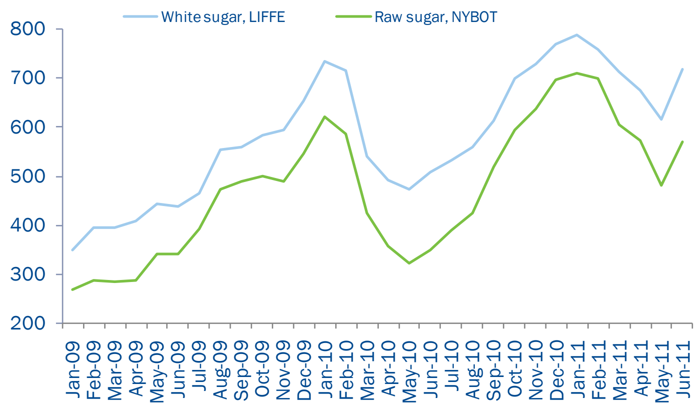


Source: USDA, Deutsche Bank

There is one more crucial factor that is expected to influence the world sugar market in the nearest future: the increase in demand for sugar from Middle East, Africa and Asia, where consumption has risen and is forecasted to show a steady growth.

After correction in February to April, global sugar prices surged again by the end of June and continued to stay high. All combined, according to the International Sugar Organization, global sugar prices will stay high over the next 12 months because the predicted surplus of 4 million metric tons will not be enough to rebuild stockpiles and the cost of production has risen globally.

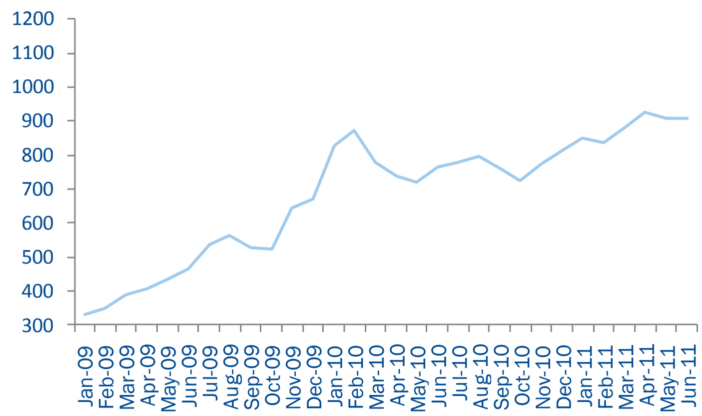
Figure 8. LIFFE and NYBOTY sugar prices in 2009-2011, USD/t



Source: USDA, Bloomberg

Low inventories and steady demand from industrial customers influenced domestic prices for sugar in Ukraine. The average price for sugar in the first six months was 13% higher than for the same period of the last year.

Figure 9. The average sugar price in Ukraine, 2009-2011, USD/t ecxl.VAT



Source: AAA analytical agency, Ukrainian association of sugar producers

On a back of favorable pricing environment, successful marketing and growing sales of sugar byproducts, revenues in sugar segment increased 4% y-o-y and comprised EUR 78 mln. At the same time, volumes of sugar sold were 12% lower. Sugar stocks as at the end of reporting period were 19% higher than in the same time last year, providing good potential to benefit from favorable pricing environment in summer months when demand for sugar from soft drink producers is high.

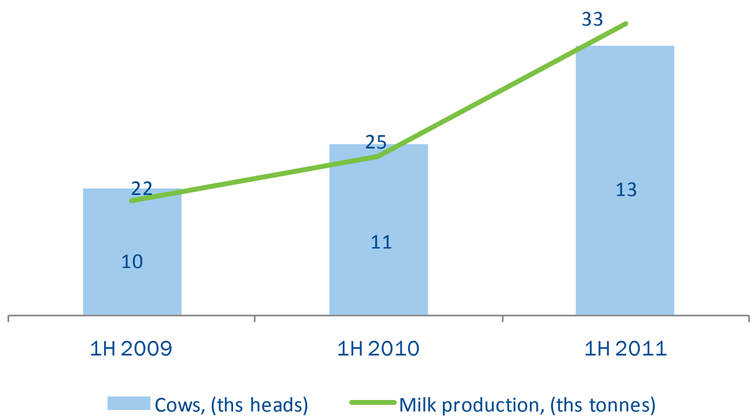
Traditionally, over 80% of sugar was sold to large industrial customers. A solid client base allowed the Group to benefit from its strong presence in B2B segment and profit from growing industrial demand for sugar in Ukraine. The largest customer in the first six months of 2011 was an international confectionary producer.

5 Cattle farming segment

The Group continues to accelerate development of its cattle farming segment with strong focus on efficiency. The construction of a second phase of modern dairy livestock facility in Poltava region entered into active stage and will double its capacity.

In June population of cows increased to almost 13 thousand heads which was 20% higher than the same time last year. Driven by an increase in cows' population and productivity, the milk production grew by 33% and constituted 33 thousand tons.

Figure 10. Population of cows and milk production at ASTARTA



Revenues in cattle farming segment increased by 35% y-o-y to EUR 11 mln, milk sales volume grew by 28%. The average price for milk increased 4% compared to the same period of the last year and contributed to revenues growth as well.

At the same time in the first six months of 2011 overall milk production in Ukraine followed the downward trend of the last decade and declined by another 2,3%, mainly due to reduction of milk production by small farmers. The cows herd decreased by 3,7% comparing to the same period of the last year. Analysts expect further decline in milk production in Ukraine and intensifying demand for high quality milk for processing.

6 Financial Performance and Position

6.1 Selected Financials

The Table below provides selected financial data as of and for the six months ended 30 June 2011 and 2010 in thousands of Ukrainian hryvnia and Euro.

Table 1. Selected financial data

	UAH ths			EUR ths		
	H1 2011	H1 2010	Change %	**H1 2011**	H1 2010	Change %
Revenues	1 307 657	1 050 098	25%	116 145	99 315	17%
Profit from operations	670 987	455 069	47%	59 360	43 079	38%
Profit before tax	674 180	444 269	52%	59 570	42 026	42%
Net profit	641 316	433 060	48%	56 704	40 860	39%
Cash flows provided by operating activities	210 171	331 474	-37%	18 272	31 331	-42%
Cash flows used in investing activities	(556 665)	(180 065)	209%	(48 854)	(17 011)	187%
Cash flows provided by financing activities	379 332	(160 980)	-336%	33 805	(15 211)	-322%
Total net cash flow	32 838	(9 571)	-443%	3 223	(891)	-462%
Total assets	4 968 697	3 066 619	62%	428 339	316 699	35%
Current liabilities	1 174 944	617 778	90%	101 289	63 802	59%
Non-current liabilities	940 755	655 153	44%	81 099	67 640	20%
Share capital	1 663	1 663	0%	250	250	0%
Total equity	2 852 998	1 793 688	59%	245 951	185 257	33%
Number of shares (in shares)	25 000	25 000	0%	25 000	25 000	0%
Profit per ordinary share	25,65	17,33	48%	2,27	1,6	42%

6.2 Financial Performance: Income Statement

On a back of favorable market conditions and higher volumes of sales of grains, oilseeds and milk revenues grew y-o-y 17% to EUR 116,145 thousand. The strongest contributor to the revenues' growth dynamics was crop sales which increased 72% y-o-y, followed by dairy segment sales showing 35% increase.

The cost of goods sold grew y-o-y 43% to EUR 68,513 thousand due to number of factors. One of the reasons was lower productivity of main crops per hectare in 2010 (as a result of adverse weather conditions) thus increasing cost per tonne of produce that was sold during the reporting period. Another reason for growth in COGS was material volume in trading with third party produce (mainly sugar), providing additional value to top- and bottom-lines, but diluting margins. The IFRS loss from remeasurement of agricultural produce to fair value increased y-o-y 95% to EUR 7,009 thousand mainly due to price dynamics and increased volumes of crops sold in 1H 2011.

Due to the abovementioned reasons Gross profit decreased y-o-y 15% to EUR 40,623 thousand. The gross margin constituted 35% vs. 48% a year before.

As a result of efficient cost control policy, general and administrative expense decreased y-o-y by 1%, thus constituting 3.5% of the revenues vs. 4.2% in H1 2010. Selling and distribution expense increased slightly by 0.4%, representing 2.7% of the revenues vs. 3.1% in H1 2010.

Changes in the fair value of biological assets increased materially and comprised EUR 27,787 thousand. The key reasons for this growth were substantial increase in planted areas, higher productivity per hectare and better pricing.

The Group's profit from operations (EBIT) grew y-o-y by 38% to EUR 59,360 thousand, and EBIT margin improved from 43% to 51%. EBITDA grew 31% to EUR 66,825 thousand, EBITDA margin to 58% from 51% a year before. Profit before tax was up 42% to EUR 59,570 thousand and the net profit up 39% to EUR 56,704 thousand respectively. Net profit margin constituted 49% (41% for H1 2010).

6.3 Financial Position: Balance Sheet

As of June 30, 2011, the Group's total assets grew up to EUR 428,339 thousand - a 35% increase compared to the same date of 2010. Out of all assets, current assets and non-current assets accounted for 55% and 45% respectively. The assets structure as of 30 June 2010 was almost equal. Equity increased by 33% to EUR 245,951 thousand from the year before, mainly due to increase of retained earnings.

The share of equity was 57%, non-current liabilities - 19% and current liabilities - 24% (respectively: 58%, 21%, and 20% as of 30 June, 2010).

6.4 Financial Ratios

Table 2. Financial Ratios

In thousand of Euros and in percents

Margins	6 months to 30 June 2011	6 months to 30 June 2010
EBITDA	66 803	50 935
EBITDA margin %	58%	51%
Net profit	56 704	40 860
Net profit margin %	49%	41%
Ratios		
Current Ratio	2,32	2,48
Quick Ratio	0,46	0,41
EPS	2,3	1,6
Market Capitalization	542 756	349 752
Net debt	131 187	82 059
EV	680 987	437 177
Total debt ratio	43%	42%
Net Debt/Equity	53%	44%

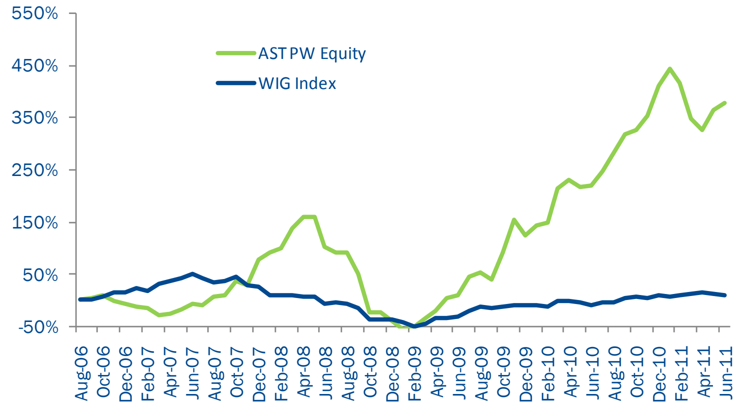
6.5 Basis for preparation of the Condensed Consolidated Interim Financial Statements

These condensed consolidated interim financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

6.6 Share Price Performance of ASTARTA Holding N.V. on the Warsaw Stock Exchange

In the first six months of 2011, ASTATA's share price was down 6% from its close of 91,90 PLN as of the last trading in 2010, mainly, as we believe, because of anticipation of correction on international equity markets, which occurred in August. The monthly average turnover of the Group's shares materially improved (PLN 71 mln in 2011 vs PLN 15 mln a year before). As of June 29, 2011 the closing price was PLN 86.55 (EUR 21.71).

Figure 12. ASTARTA Holding N.V. vs. WIG quotations



Source: Bloomberg

Table 3. The Group's significant stock quotation data as of 30 June

	H1 2011	H1 2010
Opening price (PLN)	91.50	42.00
Highest trading price (PLN)	106.0	64.00
Lowest trading price (PLN)	68	37.10
Closing price (PLN)	86.55	58.00
Closing price (EUR)	27.71	13.99
Price change, y-t-d (June 30)	-5.72%	+38.1%

7 Material Events during the Reporting Period

7.1 Loan Portfolio Optimization

- In February 2011, the Hellenic Bank Public Company Ltd. signed three loan agreements to provide financing to LLC Firm "Astarta-Kyiv", an indirect subsidiary of ASTARTA Holding N.V. The financing of up to USD 50 million was granted to restructure a loan portfolio and/or the financing of the working capital needs of the Group. The financing of up to USD 30 million comprises of a long-term loan for 3 years and two loans in the amount of USD 10 million each have a one year maturity.

- In February 2011, The Landesbank Baden-Wurttemberg signed a loan agreement to provide financing to Ancor Investments Ltd. (an indirect subsidiary of ASTARTA Holding N.V.) The financing of up to EUR 8.6 million (in USD equivalent) was granted to finance the purchase of agricultural equipment from the EU suppliers. Payment obligations of the Borrower under the loan agreement shall be guaranteed by the Euler Hermes. The loan is secured by the equipment purchased under the loan agreement. The financing comprises a secured long-term loan for seven years.

7.2 Acquisition of Subsidiaries

- On 4 February 2011, Astarta-Kyiv acquired the corporate rights with 97.98% stake in the LLC “Tarasivske” (Kharkiv region).

- On 11 February 2011, Astarta-Kyiv acquired the corporate rights with 99.98% stake in the LLC “Nika” (Kharkiv region).

- On 21 February 2011, Astarta-Kyiv increased its share with 74.99% stake in the LLC “Zhytnicya”.

- On 25 February 2011, Astarta-Kyiv acquired the corporate rights with 99.98% stake in the SC “Valmer” (Kharkiv region).

- On 31 March 2011, Astarta-Kyiv increased its share with 99.98% stake in the company “Zdobutok”.

- On 31 March 2011, Astarta-Kyiv increased its share in the LLC “Chervona Zirka” to 99.98%.

- On 4 April, 2011, “Astarta-Kyiv” increased its share in the agricultural company LLC "Niva" to 99.98%.

- On April 14, 2011, “Astarta-Kyiv” acquired the corporate rights with 49.99% stake in the company "Savynska” (Kharkiv region).

- On April 28, 2011 “Astarta-Kyiv” established the subsidiary LLC "Agrosvit Savyntsi" (Kharkiv region) with the stake of 99.98%.

- On May 05, 2011, “Astarta-Kyiv” increased its share in the agricultural company LLC "Lan-Invest" to 99.98%.

- On May 05, 2011, “Astarta-Kyiv” increased its share in the agricultural company LLC "Zdobutok" to 99.98%.

- On May 18, 2011, “Astarta-Kyiv” acquired the corporate rights with 89.98% stake in the company "Pershe travnya” (Poltava region).

- On June 02, 2011, “Astarta-Kyiv” increased its share in the agricultural company LLC "Zorya" to 99.13%.

- On June 06, 2011 the “Astarta-Kyiv” established the subsidiary LLC "Kolos" in Poltava region of Ukraine with the stake of 89.98%.

- On June 30, 2011, “Astarta-Kyiv” acquired the corporate rights with 99.98% stake in the company "Private leased agricultural company named after Suvorova” (Poltava region).

7.3 Changes in the Shareholder Structure of ASTARTA Holding N.V.

- On 28 January 2011, the Chief Executive Officer Mr.Viktor Ivanchyk delivered and the Non Executive Director Mr. Valery Korotkov received 800 thousand shares that correspond to 3.2% of the Company’s share capital. As a result of the abovementioned transaction, Mr. Viktor Ivanchyk held 36.99% and Mr.Valery Korotkov held 31.99% of the Company's share capital.

- On 10 March 2011, Mr.Valery Korotkov sold 1,500 thousand shares reducing his holdings in the company from 31,99% to 25,99%. After this transaction, the total free float of the Company's shares increased from 31.02% to 37.02%.

8 Material Events after the Reporting Date

8.1 Loan Portfolio Optimization

- On August 15, 2011, the European Bank for Reconstruction and Development (EBRD) has signed a Loan agreement to provide financing to LLC Firm "Astarta-Kyiv", an indirect subsidiary of ASTARTA Holding N.V. The proceeds of the loan will be utilized to consolidate the existed EBRD loans and to facilitate further dynamic development of agricultural, diary and sugar business segments. It will enable increased business diversification and vertical integration, as well as more simple credit portfolio management. The financing in amount of up to USD 60 mln. would comprise a secured long term loan for 7 years with 18 month grace period.

8.2 Acquisition of Subsidiaries

- On July 1, 2011, "Astarta-Kyiv" increased its share in the agricultural company LLC "Khorolskyi feed plant" to 92,80%.

- On July 12, 2011, "Astarta-Kyiv" increased its share in the agricultural company LLC "Khmilnytske" to 99%.

- On July 18, 2011, "Astarta-Kyiv" increased its share in the agricultural company LLC "Volochysk-agro" to 92,58%.

- On August 8, 2011, Astarta-Kyiv increased its share in the agricultural company LLC "Lan-M" to 100%.

- On August 8, 2011, Astarta-Kyiv increased its share in the agricultural company LLC "Volochysk-agro" to 100%.

- On August 10, 2011, "Astarta-Kyiv" increased its share in the agricultural company LLC "Mriya - 97 plus" to 100%.

9 Shareholders' Structure of ASTARTA Holding N.V.

The Shareholders' structure of ASTARTA Holding N.V. as of June 30, 2011 was as follows:

Table 4. Shareholders' Structure of ASTARTA Holding N.V. as of June 30, 2011

Shareholder	Number of shares	Percentage of owned share capital
Viktor Ivanchyk through his wholly owned Cypriot company Albacon Ventures Ltd.	9,246,883	36.99
Valeriy Korotkov through his wholly owned Cypriot company Aluxes Holding Ltd.	6,496,883	25.99
Free float	9,256,234	37.02
TOTAL	**25,000,000**	**100.00**

10 Board of Directors

The Board of Directors of ASTARTA Holding N.V. consists of five members: Viktor Ivanchyk (Chief Executive Officer), Petro Rybin (Chief Operating and Financial Officer), Marc van Campen (Chief Corporate Officer), Valery Korotkov (Chairman of the Board, Non-Executive Director), Wladyslaw Bartoszewski (Vice Chairman of the Board, Non-Executive Director, Chairman of the Audit Committee).

Viktor Ivanchyk and Valery Korotkov hold indirectly 36.99% and 25.99% of the votes at the General Shareholders Meeting of the Company respectively.

The rest of the directors do not own, directly or indirectly, any shares or other securities giving them rights to acquire these shares, either from the date of the Company's registration up to the date of this statement, or after this period.

11 Statement of the Board of Directors

REPRESENTATION

of the Board of Directors of ASTARTA Holding N.V.on compliance of the condensed consolidated interim financial statements

The Board of Directors of ASTARTA Holding N.V. hereby represent that to the best of their knowledge the condensed consolidated interim financial statements of ASTARTA Holding N.V. for the period ended 30 June 2011 and the comparable information are prepared in accordance with the applicable accounting standards and that they give a true, fair and clear view of the assets, financial standing and financial results of ASTARTA Holding N.V., and that the interim statement for the six months ended 30 June 2011 gives a true view of the developments, achievements and situation of the Company, including a description of the key risks and threats.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk	_____(signed)______
P. Rybin	_____(signed)______
M.M.L.J. van Campen	_____(signed)______
V. Korotkov	_____(signed)______
W.T. Bartoszewski	_____(signed)______

23 August 2011,

Amsterdam, The Netherlands

Caution note regarding forward-looking statements

Certain statements contained in this report may constitute forecasts and estimates. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ from the anticipated results expressed or implied by these forward-looking statements.

ASTARTA HOLDING N.V.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2011

CONTENT

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT

(in thousands of Ukrainian hryvnias)		30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Assets				
Non-current assets				
Property, plant and equipment	*6*	**1,729,489**	1,485,584	1,314,293
Intangible assets	*7*	**67,276**	47,151	46,800
Biological assets	*8*	**157,166**	158,064	136,142
Investments in equity accounted investees		**13,766**	-	-
Financial instruments available-for-sale	*9*	**19,068**	14,295	14,294
Other long-term assets		**16,514**	13,931	13,064
Long-term deposits	13	**239,418**	-	-
Deferred tax assets		**867**	3,762	7,807
		2,243,564	1,722,787	1,532,400
Current assets				
Inventories	*10*	**595,384**	1,265,642	396,217
Biological assets	*8*	**1,593,175**	412,542	882,328
Trade accounts receivable	*11*	**176,106**	132,375	96,377
Other accounts receivable and prepayments	*12*	**290,208**	175,211	140,860
Current income tax		**635**	358	518
Promissory notes available-for-sale		**2,714**	2,714	4
Short-term deposits	*13*	**22,201**	10,978	5,173
Cash and cash equivalents	*14*	**44,710**	11,872	12,742
		2,725,133	2,011,692	1,534,219
Total assets		**4,968,697**	3,734,479	3,066,619

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT, CONTINUED

(in thousands of Ukrainian hryvnias)		30 June 2011	31 December 2010	30 June 2010
		(unaudited)	(audited)	(unaudited)
Equity and liabilities				
Equity				
Share capital	15	**1,663**	1,663	1,663
Additional paid-in capital		**369,416**	369,798	370,004
Retained earnings		**2,053,613**	1,391,589	963,783
Revaluation surplus		**435,344**	452,448	456,888
Currency translation adjustment		**(8,191)**	(2,762)	48
Total equity attributable to equity holders of the company		**2,851,845**	2,212,736	1,792,386
Non-controlling interests relating to open joint stock companies	*16*	**1,153**	1,191	1,302
Total equity		**2,852,998**	2,213,927	1,793,688
Non-current liabilities				
Loans and borrowings	*17*	**761,104**	590,648	500,152
Non-controlling interests relating to limited liability companies	*16*	**81,707**	66,785	52,180
Other long-term liabilities		**20,410**	14,072	9,054
Deferred tax liabilities		**77,534**	50,311	93,767
		940,755	721,816	655,153
Current liabilities				
Short-term loans and borrowings	*17*	**568,217**	363,085	83,152
Current portion of long-term loans and borrowings	*17*	**259,360**	238,557	229,148
Trade accounts payable		**181,910**	59,518	189,818
Current income tax		**49**	1,623	5
Other liabilities and accounts payable	*18*	**165,408**	135,953	115,655
		1,174,944	798,736	617,778
Total equity and liabilities		**4,968,697**	3,734,479	3,066,619

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT

(in thousands of Euros)		30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Assets				
Non-current assets				
Property, plant and equipment	*6*	**149,094**	140,282	135,739
Intangible assets	*7*	**5,799**	4,452	4,821
Biological assets	*8*	**13,549**	14,926	14,060
Investments in equity accounted investees		**1,187**	-	-
Financial instruments available-for-sale	*9*	**1,644**	1,350	1,476
Other long-term assets		**1,425**	1,315	1,348
Long-term deposits		**20,639**	-	-
Deferred tax assets		**75**	355	806
		193,412	162,680	158,250
Current assets				
Inventories	*10*	**51,326**	119,512	40,920
Biological assets	*8*	**137,344**	38,955	91,125
Trade accounts receivable	*11*	**15,181**	12,500	9,953
Other accounts receivable and prepayments	*12*	**25,019**	16,544	14,548
Current income tax		**55**	34	53
Promissory notes available-for-sale		**234**	256	-
Short-term deposits	*13*	**1,914**	1,037	534
Cash and cash equivalents	*14*	**3,854**	1,121	1,316
		234,927	189,959	158,449
Total assets		**428,339**	352,639	316,699

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT, CONTINUED

(in thousands of Euros)		30 June 2011	31 December 2010	30 June 2010
		(unaudited)	(audited)	(unaudited)
Equity and liabilities				
Equity				
Share capital	*15*	**250**	250	250
Additional paid-in capital		**55,605**	55,638	55,654
Retained earnings		**199,677**	141,177	99,807
Revaluation surplus		**45,495**	46,969	47,115
Currency translation adjustment		**(55,175)**	(35,092)	(17,703)
Total equity attributable to equity holders of the company		**245,852**	208,942	185,123
Non-controlling interests relating to open joint stock companies	*16*	**99**	112	134
Total equity		**245,951**	209,054	185,257
Non-current liabilities				
Loans and borrowings	*17*	**65,612**	55,774	51,655
Non-controlling interests relating to limited liability companies	*16*	**7,044**	6,306	5,366
Other long-term liabilities		**1,759**	1,329	935
Deferred tax liabilities		**6,684**	4,751	9,684
		81,099	68,160	67,640
Current liabilities				
Short-term loans and borrowings	*17*	**48,984**	34,286	8,588
Current portion of long-term loans and borrowings	*17*	**22,359**	22,527	23,666
Trade accounts payable		**15,682**	5,620	19,604
Current income tax		**4**	153	1
Other liabilities and accounts payable	*18*	**14,260**	12,839	11,943
		101,289	75,425	63,802
Total equity and liabilities		**428,339**	352,639	316,699

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE

(in thousands of Ukrainian hryvnias)		2011 (unaudited)	2010 (unaudited)
Revenues	*20*	**1,307,657**	1,050,098
Cost of revenues	*21*	**(773,145)**	(506,409)
Loss arising from remeasurement of agricultural produce to fair value	*22*	**(79,651)**	(37,689)
Gross profit		**454,861**	506,000
Changes in fair value of biological assets	*27*	**317,533**	37,349
Other operating income	*23*	**3,263**	8,967
General and administrative expense	*24*	**(45,982)**	(44,346)
Selling and distribution expense	*25*	**(35,013)**	(33,416)
Other operating expense	*26*	**(23,675)**	(19,485)
Profit from operations		**670,987**	455,069
Financial expense	*28*	**(102,733)**	(48,271)
Financial income	*28*	**14,877**	10,622
Other (expense) income	*29*	**(111)**	2,784
Gain on acquisition of subsidiaries	*5*	**77,394**	24,065
Share of profit of equity accounted investees (net of income tax)		**13,766**	-
Profit before tax		**674,180**	444,269
Income tax expense	*30*	**(32,864)**	(11,209)
Net profit		**641,316**	433,060
Net profit attributable to:			
Non-controlling interests of open joint stock company subsidiaries		**(38)**	(85)
Equity holders of the company		**641,354**	433,145
Net profit		**641,316**	433,060
Weighted average basic and diluted shares outstanding (in thousands of shares)		**25,000**	25,000
Basic and diluted earnings per share attributable to shareholders of the company (in Ukrainian hryvnias)		**25.65**	17.33

The condensed consolidated interim income statement is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE

(in thousands of Euros)		**2011** **(unaudited)**	**2010** **(unaudited)**
Revenues	*20*	**116,145**	99,315
Cost of revenues	*21*	**(68,513)**	(48,051)
Loss arising from remeasurement of agricultural produce to fair value	*22*	**(7,009)**	(3,588)
Gross profit		**40,623**	47,676
Changes in fair value of biological assets	*27*	**27,787**	3,687
Other operating income	*23*	**296**	832
General and administrative expense	*24*	**(4,115)**	(4,173)
Selling and distribution expense	*25*	**(3,126)**	(3,112)
Other operating expense	*26*	**(2,105)**	(1,831)
Profit from operations		**59,360**	43,079
Financial expense	*28*	**(9,159)**	(4,629)
Financial income	*28*	**1,326**	1,021
Other (expense) income	*29*	**(10)**	271
Gain on acquisition of subsidiaries	*5*	**6,849**	2,284
Share of profit of equity accounted investees (net of income tax)		**1,204**	-
Profit before tax		**59,570**	42,026
Income tax expense	*30*	**(2,866)**	(1,166)
Net profit		**56,704**	40,860
Net profit attributable to:			
Non-controlling interests of open joint stock company subsidiaries		**(4)**	(8)
Equity holders of the company		**56,708**	40,868
Net profit		**56,704**	40,860
Weighted average basic and diluted shares outstanding (in thousands of shares)		**25,000**	25,000
Basic and diluted earnings per share attributable to shareholders of the company (in Euros)		**2.27**	1.63

The condensed consolidated interim income statement is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE THREE MONTHS ENDED 30 JUNE

(in thousands of Ukrainian hryvnias)	2011 (unaudited)	2010 (unaudited)
Revenues	754,080	551,018
Cost of revenues	(477,451)	(285,683)
Loss arising from remeasurement of agricultural produce to fair value	(59,182)	(22,418)
Gross profit	217,447	242,917
Changes in fair value of biological assets	266,925	35,912
Other operating income	693	5,381
General and administrative expense	(20,326)	(18,902)
Selling and distribution expense	(16,891)	(15,186)
Other operating expense	(13,549)	(10,872)
Profit from operations	434,299	239,250
Financial expense	(55,248)	(24,219)
Financial income	10,569	(979)
Other income	11,688	2,361
Gain on acquisition of subsidiaries	49,789	-
Profit before tax	451,097	216,413
Income tax loss	(29,601)	(17,901)
Net profit	421,496	198,512
Net profit attributable to:		
Non-controlling interests of open joint stock company subsidiaries	(10)	(62)
Equity holders of the company	421,506	212,052
Net profit	421,496	211,990
Weighted average basic and diluted shares outstanding (in thousands of shares)	25,000	25,000
Basic and diluted earnings per share attributable to shareholders of the company (in Ukrainian hryvnias)	16.86	8.48

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE THREE MONTHS ENDED 30 JUNE

(in thousands of Euros)	2011 (unaudited)	2010 (unaudited)
Revenues	**65,393**	54,410
Cost of revenues	**(41,404)**	(28,191)
Loss arising from remeasurement of agricultural produce to fair value	**(5,132)**	(2,214)
Gross profit	**18,857**	24,005
Changes in fair value of biological assets	**23,147**	3,558
Other operating income	**60**	509
General and administrative expense	**(1,763)**	(1,884)
Selling and distribution expense	**(1,465)**	(1,472)
Other operating expense	**(1,175)**	(1,055)
Profit from operations	**37,661**	23,661
Financial expense	**(4,792)**	(2,465)
Financial income	**917**	(23)
Other income	**1,014**	233
Gain on acquisition of subsidiaries	**4,318**	1,331
Profit before tax	**39,118**	22,737
Income tax loss	**(2,567)**	(1,768)
Net profit	**36,551**	20,969
Net profit attributable to:		
Non-controlling interests of open joint stock company subsidiaries	**(1)**	(6)
Equity holders of the company	**36,552**	20,975
Net profit	**36,551**	20,969
Weighted average basic and diluted shares outstanding (in thousands of shares)	**25,000**	25,000
Basic and diluted earnings per share attributable to shareholders of the company (in Euros)	**1.46**	0.84

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

(in thousands of Ukrainian hryvnias)	2011 (unaudited)	2010 (unaudited)
Net profit	**641,316**	433,060
Other comprehensive loss		
Currency translation differences	**(5,429)**	(10,118)
Other comprehensive loss net of tax	**(5,429)**	(10,118)
Total comprehensive income	**635,887**	422,942
Attributable to:		
Non-controlling interests of open joint stock company subsidiaries	**(38)**	(85)
Equity holders of parent company	**635,925**	423,027
Total comprehensive income as at 30 June	**635,887**	422,942

The condensed consolidated interim statement of comprehensive income is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 June

(in thousands of Euros)	2011 (unaudited)	2010 (unaudited)
Net profit	**56,704**	40,860
Other comprehensive (loss) income		
Currency translation differences	**(20,092)**	25,822
Other comprehensive (loss) income net of tax	**(20,092)**	25,822
Total comprehensive income	**36,612**	66,682
Attributable to:		
Non-controlling interests of open joint stock company subsidiaries	**(13)**	10
Equity holders of parent company	**36,625**	66,672
Total comprehensive income as at 30 June	**36,612**	66,682

The condensed consolidated interim statement of comprehensive income is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

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

(in thousands of Ukrainian hryvnias)		**2011**	**2010**
		(unaudited)	**(unaudited)**
Operating activities			
Profit before tax		**674,180**	444,269
Adjustments for:			
Depreciation and amortization		**83,770**	83,426
Allowance for trade and other accounts receivable		**3,689**	5,328
Gain on acquisition of subsidiaries	*5*	**(77,394)**	(24,065)
Loss on sales of property, plant and equipment		**2,325**	81
Write down of inventories and NRV allowance	*26*	**1,086**	2,649
Interest expense	*28*	**76,044**	36,209
Gain from changes in fair value of biological assets	*27*	**(317,533)**	(37,349)
Decrease in inventories		**686,208**	410,709
Written off assets recovered	*29*	**(1,051)**	(1,322)
Increase in trade and other receivables		**(150,518)**	(55,515)
Non-controlling interests of limited liability company subsidiaries		**17,360**	9,632
Increase in other long-term assets		**(16,349)**	(2,198)
Increase in biological assets due to other changes		**(808,259)**	(600,535)
Increase in trade and other payables		**71,745**	110,163
Increase (decrease) in other long-term payables		**770**	(962)
Gain from promissory note transactions		**(1,407)**	-
Income taxes paid		**(2,327)**	(342)
Interest paid		**(41,720)**	(30,526)
Forex loss (gain) on loans and borrowings		**9,552**	(18,178)
Cash flows provided by operating activities		**210,171**	331,474
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(274,374)**	(152,700)
Proceeds from sales of property, plant and equipment		**1,082**	207
Purchase of long-term investments		**(4,773)**	(13,448)
Sale of promissory notes available-for-sale		**1,407**	-
Interest received		**9,929**	428
Acquisition of subsidiaries net of cash acquired	*5*	**(39,295)**	(9,379)
Deposits placement		**(250,641)**	(5,173)
Cash flows used in investing activities		**(556,665)**	(180,065)

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE, CONTINUED

(in thousands of Ukrainian hryvnias)	2011 (unaudited)	2010 (unaudited)
Financing activities		
Proceeds from loans and borrowings	**922,556**	203,104
Principal payments on loans and borrowings	**(516,598)**	(353,768)
Transaction costs on loans and borrowings	**(26,626)**	(7,916)
Decrease in promissory notes issued	**-**	(2,400)
Cash flows provided by (used in) financing activities	**379,332**	(160,980)
Net increase (decrease) in cash and cash equivalents	**32,838**	(9,571)
Cash and cash equivalents as at 1 January	**11,872**	22,313
Cash and cash equivalents as at 30 June	**44,710**	12,742

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

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

(in thousands of Euros)		2011 (unaudited)	2010 (unaudited)
Operating activities			
Profit before tax		**59,570**	42,026
Adjustments for:			
Depreciation and amortization		**7,443**	7,856
Allowance for trade and other accounts receivable		**329**	502
Gain on acquisition of subsidiaries	*5*	**(6,849)**	(2,284)
Loss on sales of property, plant and equipment		**207**	8
Write down of inventories and NRV allowance	*26*	**97**	249
Interest expense	*28*	**6,780**	3,479
Gain from changes in fair value of biological assets	*27*	**(27,787)**	(3,687)
Decrease in inventories		**61,153**	38,601
Written off assets recovered	*29*	**(92)**	(129)
Increase in trade and other receivables		**(13,393)**	(5,257)
Non-controlling interests of limited liability company subsidiaries		**1,548**	923
Increase in other long-term assets		**(1,457)**	(233)
Increase in biological assets due to other changes		**(72,540)**	(56,389)
Increase in trade and other payables		**6,393**	10,376
Increase (decrease) in other long-term payables		**69**	(91)
Gain from promissory note transactions		**(125)**	-
Income taxes paid		**(207)**	(32)
Interest paid		**(3,718)**	(2,875)
Forex loss (gain) on loans and borrowings		**851**	(1,712)
Cash flows provided by operating activities		**18,272**	31,331
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(24,451)**	(14,380)
Proceeds from sales of property, plant and equipment		**96**	19
Purchase of long-term investments		**(425)**	(1,267)
Sale of promissory notes available-for-sale		**125**	-
Interest received		**885**	41
Acquisition of subsidiaries net of cash acquired	*5*	**(3,477)**	(890)
Deposits placement		**(21,607)**	(534)
Cash flows used in investing activities		**(48,854)**	(17,011)

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE, CONTINUED

(in thousands of Euros)	2011	2010
	(unaudited)	(unaudited)
Financing activities		
Proceeds from loans and borrowings	**82,216**	19,078
Principal payments on loans and borrowings	**(46,038)**	(33,318)
Transaction costs on loans and borrowings	**(2,373)**	(745)
Decrease in promissory notes issued	**-**	(226)
Cash flows provided by (used in) financing activities	**33,805**	(15,211)
Net increase (decrease) in cash and cash equivalents	**3,223**	(891)
Cash and cash equivalents as at 1 January	**1,121**	1,930
Currency translation difference	**(490)**	277
Cash and cash equivalents as at 30 June	**3,854**	1,316

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Attributable to equity holders of the company							
(in thousands of Ukrainian hryvnias)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Currency translation adjustment	Sub - total	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2011	1,663	369,798	1,391,589	452,448	(2,762)	2,212,736	1,191	2,213,927
Net profit	-	-	641,354	-	-	641,354	-	641,354
Net loss attributable to non-controlling shareholders of open joint stock companies	-	-	-	-	-	-	(38)	(38)
Other comprehensive loss, net of tax	-	-	-	-	(5,429)	(5,429)	-	(5,429)
Total comprehensive income	-	-	641,354	-	(5,429)	635,925	(38)	635,887
Acquisitions from non-controlling shareholders and other changes	-	-	3,566	-	-	3,566	-	3,566
Realisation of revaluation surplus, net of tax	-	-	17,104	(17,104)	-	-	-	-
Other changes	-	(382)	-	-	-	(382)	-	(382)
As at 30 June 2011	1,663	369,416	2,053,613	435,344	(8,191)	2,851,845	1,153	2,852,998

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Attributable to equity holders of the company							
(in thousands of Euros)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Currency translation adjustment	Sub - total	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2011	250	55,638	141,177	46,969	(35,092)	208,942	112	209,054
Net profit	-	-	56,708	-	-	56,708	-	56,708
Net loss attributable to non-controlling shareholders of open joint stock companies	-	-	-	-	-	-	(4)	(4)
Other comprehensive loss, net of tax	-	-	-	-	(20,083)	(20,083)	(9)	(20,092)
Total comprehensive income	-	-	56,708	-	(20,083)	36,625	(13)	36,612
Acquisitions from non-controlling shareholders and other changes	-	-	318	-	-	318	-	318
Realisation of revaluation surplus, net of tax	-	-	1,474	(1,474)	-	-	-	-
Other changes	-	(33)	-	-	-	(33)	-	(33)
As at 30 June 2011	250	55,605	199,677	45,495	(55,175)	245,852	99	245,951

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Attributable to equity holders of the company							
(in thousands of Ukrainian hryvnias)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Currency translation adjustment	Sub - total	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2010	1,663	370,358	499,130	487,814	10,166	1,369,131	864	1,369,995
Net profit	-	-	433,145	-	-	433,145	-	433,145
Net loss attributable to non-controlling shareholders of open joint stock companies	-	-	-	-	-	-	(85)	(85)
Other comprehensive loss, net of tax	-	-	-	-	(10,118)	(10,118)	-	(10,118)
Total comprehensive income	-	-	433,145	-	(10,118)	423,027	(85)	422,942
Acquisitions from non-controlling shareholders and other changes	-	-	582	-	-	582	523	1,105
Realisation of revaluation surplus, net of tax	-	-	30,926	(30,926)	-	-	-	-
Other changes	-	(354)	-	-	-	(354)	-	(354)
As at 30 June 2010	1,663	370,004	963,783	456,888	48	1,792,386	1,302	1,793,688

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Attributable to equity holders of the company							
(in thousands of Euros)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Currency translation adjustment	Sub - total	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2010	250	55,691	55,690	50,309	(43,507)	118,433	75	118,508
Net profit	-	-	40,868	-	-	40,868	-	40,868
Net loss attributable to non-controlling shareholders of open joint stock companies	-	-	-	-	-	-	(8)	(8)
Other comprehensive loss, net of tax	-	-	-	-	25,804	25,804	18	25,822
Total comprehensive income	-	-	40,868	-	25,804	66,672	10	66,682
Acquisitions from non-controlling shareholders and other changes	-	-	55	-	-	55	49	104
Realisation of revaluation surplus, net of tax	-	-	3,194	(3,194)	-	-	-	-
Other changes	-	(37)	-	-	-	(37)	-	(37)
As at 30 June 2010	250	55,654	99,807	47,115	(17,703)	185,123	134	185,257

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 36 to 92.

1 BACKGROUND

(a) Organization and operations

These condensed consolidated interim financial statements are prepared by ASTARTA Holding N.V. (the Company), a Dutch public company incorporated in Amsterdam, the Netherlands, on 9 June 2006 under Dutch law.

The Company's legal address is Koningslaan 17, 1075 AA, Amsterdam, the Netherlands.

On 4 July 2006 the shareholders of the Company contributed their shares in the Cyprus based company Ancor Investments Ltd to ASTARTA Holding N.V. After the contribution, ASTARTA Holding N.V. owns 100% of share capital of Ancor Investment Ltd.

Ancor Investments Ltd owns 99.98% of the capital of LLC Firm "Astarta-Kyiv" (Astarta-Kyiv) registered in Ukraine, which in turn controls a number of subsidiaries in Ukraine (hereinafter the Company and its subsidiaries are collectively referred as the Group).

On 16 August 2006 the Company's shares were admitted for trading on the Warsaw Stock Exchange. The first quotation of the shares on the Warsaw Stock Exchange took place on 17 August 2006.

Historically the principal operation of the Group was sugar production. It specializes in sugar production, crop growing and cattle farming. The croplands, sugar plants and cattle operations are mainly located in the Poltava, Vinnytsia and Khmelnytsky oblasts (administrative regions) of Ukraine. The Group's business is vertically integrated because sugar is produced primarily using own-grown sugar beet.

Two individual major shareholders own 36.99% and 25.99% of the Group.

(b) Ukrainian business environment

The Ukrainian economy while deemed to be of market status continues to display certain characteristics consistent with that of an economy in transition. These characteristics include, but are not limited to, low levels of liquidity in the capital markets, high inflation and the existence of currency controls which cause the national currency to be illiquid outside of Ukraine. The stability of the Ukrainian economy will be significantly impacted by the Government's policies and actions with regard to administrative, legal, and economic reforms. As a result, operations in Ukraine involve risks that are not typical for developed markets.

2 BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements are prepared in accordance with IAS-34 Interim Financial Reporting International. These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2010. The condensed consolidated interim financial statements were authorized by the Board of Directors on 23 August 2011.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements of the Company from the date that control effectively commences until the date that control effectively ceases.

Associates are those enterprises in which the Company has significant influence, but not control, over its financial and operating policies. The condensed consolidated interim financial statements include the Company's share of the total recognized gains and losses of an associate on an equity accounted basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases. When the Company's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred obligations in respect of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement.

These condensed consolidated interim financial statements include the Company and its subsidiaries. The operating subsidiaries in Ukraine are owned by Astarta-Kyiv, a Ukrainian limited liability company.

Starting from 1 January 2010 a change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it: derecognises the assets (including goodwill) and liabilities of the subsidiary; derecognises the carrying amount of any non-controlling interest; derecognises the cumulative translation differences, recorded in equity; recognises the fair value of the consideration received; recognises the fair value of any investment retained; recognises any surplus or deficit in profit or loss; reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

During the six months ended 30 June 2011 the Group completed acquisitions of 12 companies and an associate.

On 22 February 2011, the Group established the subsidiary LLC "Astarta-Selekciya" with the authorised share capital amounting to UAH 10 thousand (EUR 1 thousand). On 29 March 2011, the Group established the subsidiary LLC "Agro-Tradex" with the authorised share capital amounting to UAH 10 thousand (EUR 1 thousand). On 28 April 2011, the Group established the subsidiary LLC "Agrosvit Savynci" with the authorised share capital amounting to UAH 10 thousand (EUR 1 thousand). On 18 May 2011, the Group established the subsidiary LLV "Pershe Travnia" with the authorised share capital amounting to UAH 10 thousand (EUR 1 thousand). On 14 June 2011, the Group established the subsidiary LLC "Kolos" with the authorised share capital amounting to UAH 10 thousand (EUR 1 thousand).

As at 30 June 2011 Astarta Holding N.V. owns shares, directly and indirectly, in a number of subsidiaries and an associate with the following percentage of ownership:

		30 June 2011	31 December 2010	30 June 2010
Name	**Activity**	**% of ownership**	**% of ownership**	**% of ownership**
Subsidiaries:				
Ancor Investments Ltd	Investment activities	100.00%	100.00%	100.00%
LLC Firm "Astarta-Kyiv"	Asset management	99.98%	99.98%	99.98%
LLC "APO "Tsukrovyk Poltavshchyny"	Sugar production	98.53%	98.53%	98.53%
LLC "Agricultural company "Dovzhenko"	Agricultural	97.03%	97.03%	96.58%
LLC "Shyshaki combined forage factory"	Fodder production	82.71%	82.71%	82.71%
LLC "Agricultural company "Dobrobut"	Agricultural	98.11%	98.11%	98.08%
LLC "Agricultural company "Musievske"	Agricultural	89.98%	89.98%	89.98%
Globino canning factory "Globus"	Canning production, trade	99.98%	99.98%	99.98%
LLC "Dobrobut" (Novo-Sanzharskiy region)	Agricultural	99.98%	99.98%	99.98%
OJSC "Agricultural company "Agrocomplex"	Agricultural	83.80%	83.80%	81.24%
OJSC "Agricultural company "Zhdanivske"	Agricultural	97.97%	97.97%	97.97%

		30 June 2011	31 December 2010	30 June 2010
Name	Activity	% of ownership	% of ownership	% of ownership
LLC "Investment company "Poltavazernoproduct"	Agricultural	98.33%	98.33%	98.33%
LLC "List-Ruchky"	Agricultural	74.99%	74.99%	74.99%
LLC "Agropromgaz"	Trade	89.98%	89.98%	89.98%
LLC "Khmilnitske"	Agricultural	98.35%	97.82%	97.82%
LLC "Volochysk-Agro"	Agricultural	92.79%	92.02%	92.02%
SC "Tsukrovyk Podillya"	Sugar production	-	99.98%	99.98%
SC "Agricultural company "Lubenska Zoria"	Agricultural	-	-	99.98%
LLC "Victoriya"	Agricultural	-	99.98%	93.11%
LLC "Agricultural company "Mirgorodska"	Agricultural	89.98%	89.98%	89.98%
LLC "Astarta-trade"	Trade	-	94.98%	94.98%
LLC "Goropayivske"	Agricultural	-	84.98%	84.98%
LLC "Zaricha-agro"	Agricultural	-	-	99.98%
LLC "Mria-97 plus"	Agricultural	74.99%	74.99%	74.99%
LLC "Varovetske"	Agricultural	-*	99.98%	99.98%
LLC "Kobeliatsky combined forage factory"	Fodder production	97.26%	97.26%	97.26%
LLC "named after Ostrovskiy"	Agricultural	74.99%	74.99%	-
LLC "Nadiya"	Agricultural	-	99.98%	-
SC "Agricultural company "Agro-Kors"	Agricultural	99.98%	99.98%	-
PC "Nove Zhyttia"	Agricultural	-*	99.98%	-
LLC "Volodarka Ko"	Agricultural	-	99.98%	-
LLC "Agricultural company "Horolska"	Agricultural	99.88%	99.88%	-
LLC "Lan"	Agricultural	-*	99.88%	-
LLC "Nika"	Agricultural	99.98%	-	-
LLC "Zhytnytsya Podillya"	Agricultural	74.99%	-	-
LLC "Astarta-Selekciya"	Agricultural	74.99%	-	-
PC "Valmer"	Agricultural	-*	-	-
LLC "Tarasivske"	Agricultural	97.98%	-	-
LLC "Agro-Tradex"	Trade	99.97%	-	-
LLC "Zdobutok"	Agricultural	-*	-	-
LLC "Chervona Zirka"	Agricultural	-*	-	-
LLC "Zoria"	Agricultural	99.13%	-	-
LLC "Niva"	Agricultural	-*	-	-
LLC "Agrosvit Savynci"	Agricultural	98.98%	-	-
LLL "Lan-Invest"	Agricultural	99.98%	-	-
LLV "Pershe Travnia"	Agricultural	89.98%	-	-
PC "named after Suvorov"	Agricultural	99.98%	-	-
LLC "Kolos"	Agricultural	89.98%	-	-
Associate:				
LLC "Agricultural company "Pokrovska"	Agricultural	49.99%	49.99%	49.99%
LLC "Savynska"	Sugar production	49.99%	-	-

* agri-companies in the process of deregistration with the state authorities

Ancor Investments LTD is incorporated under Cyprus legislation and all other subsidiaries and the associate are incorporated in Ukraine.

(c) Business combinations and goodwill

Since 1 January 2010 business combinations have been accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Prior to 1 January 2010 business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest(formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets. Business combinations achieved in stages were accounted for asseparate steps. Any additional acquired share of interest did not affect previously recognised goodwill. When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract. Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

(d) Acquisition and disposal of non-controlling interests presented in equity

Any difference between the consideration paid to acquire non-controlling interests or any difference between the consideration received upon disposal of non-controlling interests and the carrying amount of the respective portion of the Group's interest in the subsidiary, is recognized as an increase (or decrease) in shareholders' equity, so long as the Company controls the subsidiary. The presentation of non-controlling interests within equity supports the recognition of increases and decreases in ownership interests in subsidiaries without a change in control as equity transactions in the consolidated financial statements. Accordingly, any premiums or discounts on subsequent purchases of equity instruments from (or sales of equity instruments to) non-controlling interests are recognized directly in shareholders' equity.

(e) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized gains arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise. Unrealized gains resulting from transactions with associates are eliminated against the investment in the associate. Unrealized losses are eliminated in the same way as unrealized gains except that they are only eliminated to the extent that there is no evidence of impairment.

(f) Basis of accounting

The condensed consolidated interim financial statements are prepared using the fair value basis for property, biological assets, agricultural produce and promissory notes available-for-sale. Biological assets are stated at their fair value less estimated costs to sell, whereas agricultural produce is stated at its fair value less estimated costs to sell at the point of harvest. Promissory notes available-for-sale are stated at fair value. Starting from 31 December 2007 property (buildings) is carried at fair value as determined by independent appraisal. As from 31 December 2009 property (machines and equipment) is carried at fair value as determined by independent appraisal. Promissory notes issued are stated at amortized cost. All other assets and liabilities are carried at historical cost.

(g) Non-controlling interest participants

Substantially all of the Company's subsidiaries are Ukrainian limited liability companies. Under Ukrainian law, a participant in a limited liability company may unilaterally withdraw from the company. In such case, the company is obliged to pay the withdrawing participant's share of the net assets of the company not less than 12 months from the date of the withdrawal. Consequently, non-controlling interests in limited liability companies that are subsidiaries are recognized as a non-current liability. Limited liability company non-controlling interest share in the net profit/loss is recorded as a finance expense.

Since a participant in an open joint stock company may not withdraw his share in a company, the corresponding non-controlling interests are recognized in equity.

(h) Interest in a joint venture

The Group has an interest in a joint venture which is a jointly controlled operations, whereby the ventures have a contractual arrangement that establishes joint control over the economic activities of the entity. The agreement requires unanimous agreement for financial and operating decisions among the ventures. The Group recognizes its interest in the joint venture using the proportionate consolidation method. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the Group. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intergroup balances, transactions and unrealized gains and losses on such transactions between the Group and its jointly controlled operations. Losses on transactions are recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

Upon loss of joint control the Group measures and recognizes its remaining investment at its fair value. Any difference between the carrying amount of the former joint controlled operations upon loss of joint control and the fair value of the remaining investment and proceeds from disposal are recognized in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

(i) Functional and presentation currency

The functional currency of the Company is Euro (EUR). The operating subsidiaries and the associate in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency. For the benefits of principal users, the management chose to present the consolidated financial statements in two currencies, EUR and UAH.

For the purposes of presenting consolidated financial statements, assets and liabilities are translated for companies operating in Ukraine from UAH to EUR, for the Company from EUR to UAH using the closing rates at each reporting date, and income and expenses are translated at the average rates for each respective period. The Group uses the interbank foreign exchange rates since the Group expects to settle foreign currency transactions at these rates. The resulting translation differences are recognized in other comprehensive income.

(j) Critical accounting estimates and judgments in applying accounting policies

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates. The most significant estimates and assumptions are as follows:

Impairment of trade accounts receivable

Management estimates impairment by assessing the likelihood of the collection of trade accounts receivable based on an analysis of individual accounts. Factors taken into consideration when assessing individual accounts include an ageing analysis of trade accounts receivable in comparison with the credit terms provided to customers, the financial position and collection history with the customer.

Fair value of property

As at 31 December 2007 management adopted the revaluation model of accounting for property (buildings). Under this method, property is carried at fair value less any subsequent accumulated depreciation and impairment losses. As buildings in the sugar production, agricultural and cattle-farming businesses are specialized and rarely sold except as part of a continuing business; they are valued using the depreciated replacement cost approach. The administrative building of LLC Firm "Astarta-Kiev" is valued using the market approach. Estimating the fair value of property requires the exercise of judgment and the use of assumptions. Prior to 31 December 2007 property was stated at cost less accumulated depreciation and impairment losses. Management engaged external independent appraisers to estimate the fair value of buildings, machines and equipment as at 31 December 2009 due to significant changes in fair value. Machines and equipment are carried at fair value less any subsequent accumulated depreciation and impairment losses and are valued using the market approach.

Fair value of biological assets

Due to the lack of an active market as defined by International Accounting Standard IAS 41 *Agriculture*, the fair value of biological assets is estimated by present valuing the net cash flows expected to be generated from the assets discounted at a current market-determined pre-tax rate. The discount rate is based on the average cost of capital in Ukraine effective at the reporting date. The fair value is then reduced for estimated costs to sell.

Fair value of agricultural produce

Management estimates the fair value of agricultural produce by reference to quoted prices in an active market, as required by International Accounting Standard IAS 41. In addition, costs to sell at the point of harvest are estimated and deducted from the fair value. The fair value less costs to sell becomes the carrying value of inventories the date of harvesting.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3 SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are applied in the preparation of the condensed consolidated interim financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Foreign exchange differences arising on translation are recognised in the income statement.

The principal UAH exchange rates used in the preparation of the consolidated financial statements are as follows:

Currency	Average reporting period rate		Reporting date rate	
	2011	2010	2011	2010
EUR	**11.2212**	10.6180	**11.6000**	9.6825
USD	**7.9738**	7.9697	**7.9880**	7.9075

As at the date of these condensed consolidated interim financial statements, 23 August 2011, the average interbank exchange rate is UAH 8.0010 to USD 1.000 and UAH 11.5300 to EUR 1.000.

(b) Property, plant and equipment

Owned assets

As at 30 June 2011 buildings held for production, selling and distribution or administrative purposes, machines and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. At the date of the revaluation accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Prior to 31 December 2007, property was stated at cost less accumulated depreciation and impairment losses. Management adopted the revaluation model for property because the carrying value differed significantly from the fair value. As at 31 December 2009 revaluations were carried out by independent appraisers and will be performed frequently enough to ensure that the fair value of a revaluated asset does not differ materially from its carrying amount at each reporting date.

A revaluation increase on property is recognized directly in equity, except to the extent that it reverses a previous revaluation decrease recognized in the income statement. A revaluation decrease on property is recognized in the income statement, except to the extent that it reverses a previous revaluation increase recognized directly in equity.

Upon disposal, any revaluation reserve relating to the buildings, and machines and equipment being sold is transferred to retained earnings.

Uninstalled equipment comprises costs directly related to construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in construction. Uninstalled equipment is not depreciated.

Construction is a tripartite building that does not have a roof, a foundation or a wall. Constructions are mainly used in agriculture and sugar production and are presented by hangars, silos, stockpile sites and grain dryings.

The gain or loss arising on a sale or disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The effect of any changes from previous estimates is accounted for as a change in an accounting estimate.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalized and the carrying amount of the component replaced is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the income statement as expenses as incurred.

Depreciation

Depreciation on property, plant and equipment is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets. 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.

The depreciable amount of assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation commences on the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use. Land and assets under construction are not depreciated.

The estimated useful lives are as follows:

Buildings	50 years
Constructions	50 years
Machines and equipment	20 years
Vehicles	10 years
Other fixed assets	5 years

(c) Intangible assets, other than goodwill

Intangible assets, which are acquired by the Group and which have finite useful lives, consist mainly from land lease rights and computer software.

For business combinations the fair value of land lease rights acquired is recognized as part of the identifiable intangible assets at the date of acquisition. Fair value is valued using the market approach. Management commissioned an independent appraiser to determine the fair value of the land lease rights. Non-cancellable operating lease agreements typically run for an initial period of 5 to 10 years. As such, the land lease rights are amortized over 5 to 10 years on a straight line basis. The amortization expense is recognized in the income statement in the expense category consistent with the function of intangible asset.

Software is stated at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement in the expense category consistent with the function of intangible asset on a straight-line basis over the estimated useful lives, normally 4 years.

The amortization period and the amortization method for intangible asset with a finite useful life is reviewed at least at each year end.

(d) Biological assets

The Group classifies livestock (primarily cattle) and unharvested crops as biological assets. Biological assets are carried at their fair value less estimated costs to sell, except when the fair value cannot be measured reliably. If fair value cannot be measured reliably, biological assets are carried at cost less accumulated depreciation and accumulated impairment losses. Costs to sell include all costs that are necessary to sell the assets, excluding costs necessary to get the assets to the market.

A gain or loss arising on initial recognition of a biological asset at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of a biological asset is included in net profit or loss for the period in which it arises.

The Group classifies biological assets as current or non-current depending upon the average useful life of the particular group of biological assets.

(e) Agricultural produce

The Group classifies harvested crops as agricultural produce. Agricultural produce harvested from biological assets is measured at its fair value less estimated costs to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less estimated costs to sell is included in net profit or loss for the period in which it arises. After harvesting, agricultural produce is transferred to inventories.

(f) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of raw materials at the agricultural and sugar production facilities is determined using the weighted average method including costs incurred in bringing them to their existing location and condition, such as transportation.

Work in progress and finished goods include the cost of raw materials, labor and manufacturing overheads allocated proportionately to the stage of completion of the inventory.

Investments into future crops represent seeds, fertilizers and land cultivation to prepare for the subsequent growing season.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an original maturity date of three months or less and are stated at fair value.

(h) Earnings per share

Earnings per share are calculated by dividing net profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

(i) Loans and borrowings

Loans and borrowings are recognized initially at cost, net of any transaction costs incurred. Subsequent to initial recognition, loans and borrowings are stated at amortized cost with any differences between cost and redemption value being recognized in the income statement over the period of the borrowings.

When borrowings are repurchased or settled before maturity, any difference between the amount repaid and the carrying amount is recognized immediately in the income statement.

(j) Trade accounts payable

Trade accounts payable are stated at their amortized cost. Balances due in less than one year are not discounted.

(k) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group's income was subject to taxation in Ukraine. During six months ended 30 June 2010 Ukrainian corporate income tax was levied on taxable income less allowable expenses at a rate of 25% according to the Law of Ukraine on Corporate Income Tax. In 2010 Ukrainian Parliament approved the Tax Code, which superseded the Law of Ukraine on Corporate Income Tax. New Tax Code significantly changed the rules for tax base calculation and provided for gradual decrease in tax rates from 25% to 16% over the next few years.

The decrease of income tax rate will be conducted in the following manner:

1 April 2011 - 31 December 2011:	23%
1 January 2012 - 31 December 2012:	21%
1 January 2013 - 31 December 2013:	19%
from 1 January 2014 and on:	16%

The Group has calculated its deferred tax position as at 30 June 2011 in accordance with corporate income tax rates as prescribed by the new Tax Code.

(l) Fixed agricultural tax

In accordance with the Law of Ukraine "On the Fixed Agricultural Tax", dated 17 December 1998, as amended (the Law on Fixed Agricultural Tax), agricultural companies engaged in the production, processing and sale of agricultural products might choose to be registered as payers of fixed agricultural tax (FAT), provided that their sales of agricultural goods of their own production accounted for more than 75% of their gross revenues.

FAT is paid in lieu of corporate income tax, land tax, duties for special use of water objects, municipal tax, vehicle tax, duties for geological survey works and duties for trade patents. The amount of FAT payable is calculated as a percentage of the deemed value of all land plots (determined by the state) leased or owned by a taxpayer.

As at 30 June 2011 16 subsidiaries elected to pay FAT in lieu of other taxes. The remaining companies were subject to income tax.

(m) Revenue

Revenues from the sale of goods are recognized in the income statement when the significant risks and rewards of ownership are transferred to the buyer. No revenues are recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods and when there is continuing management involvement with the goods and the amount of revenue cannot be measured reliably.

(n) Non-monetary transactions

During the six months there were no revenues and purchases received and paid for in the form of non-cash transactions. Mutual settlement transactions are centrally managed. Prices are usually fixed in contracts with the mutual settlement transactions valued and recorded at the market prices for the goods involved in the transaction. Non-cash sales and purchases are accounted for on an accrual basis in the same manner as traditional cash transactions.

(o) Operating lease payments

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized in the income statement as an integral part of the total lease payments made.

(p) Financial expense and income

All interests and other costs incurred in connection with borrowings are expensed as incurred as part of financial expense and are calculated based on the effective interest rate method. The interest expense component of finance lease payments is recognized in the income statement using the effective interest method. Interest income is recognized in the income statement as incurred as part of financial income.

(q) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

(r) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes etc., have been eliminated for the purpose of preparing this statement. Assets and liabilities acquired as part of a business combination are included in investing activities (net of cash acquired). Dividends paid to ordinary shareholders are included in financing activities. Dividends received are classified as investing activities. Interest paid is included in operating activities. Interest received is included in investing activities.

4 CHANGE IN ACCOUNTING POLICY

The Group's entities involved in the production and sale of agricultural products that meet certain quantitative thresholds are eligible for privileged VAT regime, whereby they are permitted to retain the difference between VAT they charge on sales of their agricultural products and the VAT that they pay on purchases of goods and services for their agricultural operations. Privileged VAT regime is valid till 1 January 2018.

Prior to 2010, the Group presented its revenues and purchases net of VAT. The net balance of VAT on agricultural operations, being the difference between VAT charged on sales and VAT paid on purchases, was written off to the income statement on a monthly basis.

In 2010, the Group reconsidered accounting treatment of VAT on the operations of agricultural entities and changed its accounting policy. According to revised accounting policy, the agricultural entities of the Group recognise revenues and purchases on a gross basis, i.e. including VAT charged/paid, because these entities have no obligation to remit VAT related to agricultural business to the state budget, are not entitled to VAT refund if VAT paid on purchases exceeds VAT charged on sales, are in position to prove that all condition precedents for the above privileged VAT regime are met at the time revenues/purchases are recorded in the books, and have developed and implemented accounting procedures to enable separate accounting for VAT related to agricultural and non-agricultural businesses.

The management of the Group believes that revised accounting policy results in financial statements providing more relevant information about the effects of operating activities on the Group's financial position and financial performance.

Following the change in accounting policy as described above, the Company adjusted the condensed consolidated interim financial statements for the six months ended 30 June 2010. As a result VAT liabilities in the amount of UAH 141,952 thousand (EUR 13,332 thousand) were recognized in revenue. VAT assets were recognized in cost of sales in amount of UAH 25,511 thousand (EUR 2,426 thousand) and in cost of inventories in amount of UAH 27,015 thousand (EUR 2,788 thousand). The effect on earnings per share is UAH 0.32 (EUR 0.04).

5 BUSINESS COMBINATIONS

During the six months ended 30 June 2011, the Group completed acquisitions of 12 entities. The purchase consideration consisted only of cash, and the direct costs related to these acquisitions are not significant.

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at the date of aquisition
LLC “Tarasivske”	Ukraine	Agricultural	04.02.2011	97.98%
LLC “Nika”	Ukraine	Agricultural	11.02.2011	99.98%
LLC “Zhytnytsya Podillya”	Ukraine	Agricultural	21.02.2011	74.99%
PC “Valmer”	Ukraine	Agricultural	25.02.2011	99.98%
LLC “Zdobutok”	Ukraine	Agricultural	31.03.2011	99.98%
LLC “Chervona Zirka”	Ukraine	Agricultural	31.03.2011	99.98%
LLC “Niva”	Ukraine	Agricultural	04.04.2011	99.98%
PC “Ukraine”	Ukraine	Agricultural	18.04.2011	98.75%
LLL “Lan-Invest”	Ukraine	Agricultural	04.05.2011	99.98%
AC “Oriy”	Ukraine	Agricultural	25.05.2011	99.98%
LLC “Zoria”	Ukraine	Agricultural	02.06.2011	99.13%
PC “named after Suvorov”	Ukraine	Agricultural	09.06.2011	99.98%

The fair value of land lease rights acquired is recognized as part of the identifiable intangible assets at the date of acquisition. Management commissioned an independent appraiser to determine the fair value of the land lease rights. AC “Oriy” and PC “Ukraine” were correspondingly consolidated into a business unit LLC “Khmilnitske” and LLC “Volochysk-Agro” subsequent to the acquisition date. For this reason it is impossible to estimate financial results incurred by these companies from the date of acquisition. The net profit incurred by the other acquired companies amounted to UAH 30,037 thousand (EUR 2,656 thousand).

For the business combinations in 2011 and 2010 there are no significant differences between fair value and carrying value of acquired assets and liabilities. Non-controlling interest is measured as the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

The acquisition of the companies had the following effect on assets and liabilities, which are stated at their fair values, as at the date they were acquired:

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias)	*(in thousands of Euros)*
	(unaudited)	(unaudited)
Non-current assets		
Property, plant and equipment	45,810	4,051
Construction in progress	2,326	206
Non-current biological assets	7,823	692
Intangible and other non-current assets	27,200	2,407
Current assets		
Inventories	15,985	1,415
Current biological assets	46,120	4,081
Trade accounts receivable	1,592	141
Other accounts receivable and prepayments	10,585	945
Cash and cash equivalents	12,124	1,073
Non-current liabilities		
Other long-term liabilities	(5,568)	(493)
Current liabilities		
Trade accounts payable	(11,118)	(984)
Other liabilities and accounts payable	(25,179)	(2,228)
Non-controlling interest acquired	(1,128)	(100)
Net identifiable assets, liabilities and contingent liabilities	126,572	11,206
Excess of net assets acquired over consideration paid :		
acquisitions from third parties	77,394	6,849
Goodwill	(2,241)	(193)
Consideration paid	(51,419)	(4,550)
Cash acquired	12,124	1,073
Net cash outflow	(39,295)	(3,477)

During the six months ended 30 June 2010, the Group completed acquisitions of 5 entities. The purchase consideration consisted only of cash, and the direct costs related to these acquisitions are not significant.

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at the date of aquisition
LLC “Goropayivske”	Ukraine	Agricultural	11.02.2010	84.98%
LLC “Zaricha-agro”	Ukraine	Agricultural	10.03.2010	99.98%
LLC “Varovetske”	Ukraine	Agricultural	01.04.2010	74.99%
LLC “Aina”	Ukraine	Agricultural	02.04.2010	99.98%
LLC “Kobeliatsky combined forage factory”	Ukraine	Fodder production	17.05.2010	97.26%

The acquisition of these companies had the following effect on assets and liabilities, which are stated at their fair values, as at the date they were acquired:

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias) **(unaudited)**	*(in thousands of Euros)* **(unaudited)**
Non-current assets		
Property, plant and equipment	22,134	2,101
Uninstalled equipment	455	43
Non-current biological assets	1,733	164
Intangible and other non-current assets	11,069	1,051
Current assets		
Inventories	4,818	457
Current biological assets	737	70
Trade accounts receivable	18	2
Other accounts receivable and prepayments	1,400	133
Cash and cash equivalents	13	1
Non-current liabilities		
Other long-term liabilities	2	-
Current liabilities		
Short-term loans and borrowings	(1,739)	(165)
Trade accounts payable	(743)	(71)
Other liabilities and accounts payable	(3,032)	(288)
Minority interest acquired	(3,408)	(323)
Net identifiable assets, liabilities and contingent liabilities	33,457	3,175
Excess of net assets acquired over consideration paid:		
acquisitions from third parties	24,065	2,284
Consideration paid	(9,392)	(891)
Cash acquired	13	1
Net cash outflow	(9,379)	(890)

It is not practicable to determine what would be the total revenue and net profit for the six months ended 30 June 2011 had the acquisitions occurred on 1 January 2011 in accordance with IFRS because the acquired companies' financial statements were prepared only in accordance with Ukrainian National Accounting Standards, which are different from IFRSs.

The excess of net assets acquired over the consideration paid is recognized in the income statement as a gain on acquisition of subsidiaries. This gain arises because the fair value of the acquired non-monetary assets exceeds the amount paid for those assets. This situation is due to the significant risks involved in agricultural business in Ukraine, the lack of financial resources in the acquired companies which prevents them from efficient use of their assets, and a lack of interested buyers.

Because modern agriculture just commenced its development in Ukraine, there is a lack of buyers who are interested in acquiring existing agri-businesses. In addition, the shareholder base of these agri-businesses is, as a rule, significantly fragmented among local residents, who agree to sell their shares cheaply.

It is important to note that often some of the assets in the companies acquired were idle for a number of years prior to acquisition. Therefore, these assets had little value to existing owners, while their fair value is much higher.

Thus, the management is in the position to acquire agri-businesses at prices lower than the fair value of the net assets acquired. Usually the fair value of the property, plant and equipment alone exceeded the purchase price.

6 PROPERTY, PLANT AND EQUIPMENT

A summary of activity in property, plant and equipment for the six months ended 30 June 2011 is as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other fixed assets	Un-installed equipment	Total
	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)
Cost or valuation 1 January 2011	605,342	100,455	709,485	104,307	8,362	122,308	1,650,259
Additions	10,499	13,589	151,213	16,180	607	91,773	283,861
Additions from acquisition of subsidiaries	11,304	7,949	25,048	1,506	3	2,326	48,136
Disposals	(797)	(3,575)	(9,544)	(1,146)	(88)	-	(15,150)
30 June 2011	626,348	118,418	876,202	120,847	8,884	216,407	1,967,106
Accumulated depreciation 1 January 2011	14,256	19,717	88,604	39,223	2,875	-	164,675
Depreciation charge	8,441	2,960	57,205	5,812	626	-	75,044
Disposals	(23)	(569)	(1,198)	(269)	(43)	-	(2,102)
30 June 2011	22,674	22,108	144,611	44,766	3,458	-	237,617
Net book value 30 June 2011	603,674	96,311	731,590	76,081	5,426	216,407	1,729,489

(in thousands of Euros)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other fixed assets	Un-installed equipment	Total
	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)
Cost or valuation 1 January 2011	57,162	9,486	66,995	9,850	790	11,549	155,832
Additions	936	1,211	13,476	1,442	54	8,179	25,298
Additions from acquisition of subsidiaries	1,000	703	2,215	133	-	206	4,257
Disposals	(71)	(319)	(851)	(102)	(8)	-	(1,351)
Currency translation difference	(5,034)	(872)	(6,301)	(905)	(70)	(1,278)	(14,460)
30 June 2011	53,993	10,209	75,534	10,418	766	18,656	169,576
Accumulated depreciation 1 January 2011	1,346	1,862	8,367	3,704	271	-	15,550
Depreciation charge	752	263	5,098	518	56	-	6,687
Disposals	(2)	(51)	(107)	(24)	(4)	-	(188)
Currency translation difference	(143)	(168)	(891)	(339)	(26)	-	(1,567)
30 June 2011	1,953	1,906	12,467	3,859	297	-	20,482
Net book value 30 June 2011	52,040	8,303	63,067	6,559	469	18,656	149,094

A summary of activity in property, plant and equipment for the six months ended 30 June 2010 is as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other fixed assets	Un-installed equipment	Total
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cost or valuation 1 January 2010	517,131	71,380	450,625	86,746	7,054	133,424	1,266,360
Additions	4,358	939	104,068	11,883	418	30,805	152,471
Additions from acquisition of subsidiaries	14,481	3,366	3,498	588	201	455	22,589
Disposals	(2,708)	(634)	(1,258)	(169)	(4)	-	(4,773)
30 June 2010	533,262	75,051	556,933	99,048	7,669	164,684	1,436,647
Accumulated depreciation 1 January 2010	-	15,346	-	29,564	1,926	-	46,836
Depreciation charge	12,388	2,181	56,061	4,750	439	-	75,819
Disposals	(4)	(115)	(76)	(104)	(2)	-	(301)
30 June 2010	12,384	17,412	55,985	34,210	2,363	-	122,354
Net book value 30 June 2010	520,878	57,639	500,948	64,838	5,306	164,684	1,314,293

(in thousands of Euros)	**Buildings**	**Construc-tions**	**Machines and equipment**	**Vehicles**	**Other fixed assets**	**Un-installed equipment**	**Total**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Cost or valuation 1 January 2010	44,735	6,175	38,981	7,504	610	11,542	109,547
Additions	410	88	9,801	1,119	39	2,901	14,358
Additions from acquisition of subsidiaries	1,375	320	331	56	19	43	2,144
Disposals	(255)	(60)	(118)	(16)	-	-	(449)
Currency translation difference	8,810	1,228	8,524	1,567	124	2,522	22,775
30 June 2010	55,075	7,751	57,519	10,230	792	17,008	148,375
Accumulated depreciation 1 January 2010	-	1,328	-	2,557	167	-	4,052
Depreciation charge	1,167	205	5,280	447	41	-	7,140
Disposals	-	(11)	(7)	(10)	-	-	(28)
Currency translation difference	112	276	509	539	36	-	1,472
30 June 2010	1,279	1,798	5,782	3,533	244	-	12,636
Net book value 30 June 2010	53,796	5,953	51,737	6,697	548	17,008	135,739

As at 31 December 2009 an independent valuation of the Group's buildings, machines and equipment was performed in accordance with International Valuation Standards by a certified appraiser to estimate their fair value. Machines and equipment were valued using the market approach. The administrative building of LLC Firm "Astarta-Kiev" was valued using the market approach. The valuation of other buildings was performed using the depreciated replacement cost approach. This approach determines the cost to construct the assets in their present state and considers their remaining useful life.

The depreciated replacement cost approach was used because of the lack of an active market for the types of buildings used in the operation. These buildings are typically specialized structures that can only be used in sugar production or other agricultural activities.

The following factors were considered in determining the fair values of buildings under the depreciated replacement cost approach:

- the cost to construct the asset is based on the cost of the necessary materials and construction work as at the date of valuation
- expected usage of the asset is assessed by reference to the asset's expected capacity or physical output
- technical or commercial obsolescence arising from changes or improvements in production for the product or service output of the asset

For amount of property, plant and equipment pledged to secure bank loans refer to note 17.

Leased assets, where the Group is a lessee under finance lease arrangements, comprise machinery and equipment. A summary of activity for the six months ended 30 June is as follow:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011 (unaudited)	**2010 (unaudited)**	**2011 (unaudited)**	**2010 (unaudited)**
Lease right	**61,038**	58,384	**5,665**	6,030
Accumulated depreciation as at 30 June	**(13,477)**	(7,414)	**(1,661)**	(861)
Currency translation difference	**-**	-	**96**	95
Net book value at 30 June	**47,561**	50,970	**4,100**	5,264

7 INTANGIBLE ASSETS

A summary of activity in intangible assets for the six month ended 30 June 2011 is as follows:

(in thousands of Ukrainian hryvnias)	**Land lease rights**	**Goodwill**	**Other intangible assets**	**Total**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Cost 1 January 2011	**86,424**	**1,738**	**3,377**	**91,539**
Additions	**-**	**-**	**102**	**102**
Additions through acquisition of subsidiaries	**26,730**	**2,241**	**-**	**28,971**
Disposals	**-**	**-**	**222**	**222**
30 June 2011	**113,154**	**3,979**	**3,257**	**120,390**
Accumulated amortization 1 January 2011	**42,515**	**-**	**1,873**	**44,388**
Amortization charge	**8,652**	**-**	**74**	**8,726**
30 June 2011	**51,167**	**-**	**1,947**	**53,114**
Net book value 30 June 2011	**61,987**	**3,979**	**1,310**	**67,276**

(in thousands of Euros)	Land lease rights	Goodwill	Other intangible assets	Total
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cost 1 January 2011	8,161	164	319	8,644
Additions	-	-	9	9
Additions through acquisition of subsidiaries	2,365	193	-	2,558
Disposals	-	-	19	19
Currency translation differences	(771)	(14)	(29)	(814)
30 June 2011	9,755	343	280	10,378
Accumulated amortization 1 January 2011	4,014	-	178	4,192
Amortization charge	750	-	6	756
Currency translation differences	(354)	-	(15)	(369)
30 June 2011	4,410	-	169	4,579
Net book value 30 June 2011	5,345	343	111	5,799

A summary of activity in intangible assets for the six month ended 30 June 2010 is as follows:

(in thousands of Ukrainian hryvnias)	Land lease rights	Goodwill	Other intangible assets	Total
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cost 1 January 2010	63,810	766	2,646	67,222
Additions	-	-	229	229
Additions through acquisition of subsidiaries	10,723	-	-	10,723
30 June 2010	74,533	766	2,875	78,174
Accumulated amortization 1 January 2010	22,466	-	1,301	23,767
Amortization charge	7,287	-	320	7,607
30 June 2010	29,753	-	1,621	31,374
Net book value 30 June 2010	44,780	766	1,254	46,800

(in thousands of Euros)	Land lease rights	Goodwill	Other intangible assets	Total
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cost 1 January 2010	5,520	66	229	5,815
Additions	-	-	22	22
Additions through acquisition of subsidiaries	1,018		-	1,018
Disposals	-	-	-	-
Currency translation differences	1,160		46	1,206
30 June 2010	7,698	66	297	8,061
Accumulated amortization 1 January 2010	1,943	-	113	2,056
Amortization charge	686	-	30	716
Currency translation differences	444	-	24	468
30 June 2010	3,073	-	167	3,240
Net book value 30 June 2010	4,625	66	130	4,821

8 BIOLOGICAL ASSETS

Non-current cattle are represented by dairy livestock with an average yearly lactation period of nine months. Current cattle comprise immature cattle and cattle intended for sale. Other biological assets mainly represent pigs, horses and sheep. To estimate the fair value of biological assets, a valuation, which conforms to International Valuation Standards, was performed by an independent appraiser fair value is estimated as the present value of the net cash flows expected to be generated from biological assets discounted at a current market discount rate.

Fair values of biological assets were based on the following key assumptions:

- crops' revenue is projected based on the expected volume of harvested grains and oilseeds. For dairy cattle revenue is projected based on the expected milk produced during their productive life after the reporting date and expected volume of meat at the date of slaughter
- the average productive life of a cow is determined based on internal statistical information
- prices for grains, oilseeds, milk and meat are obtained from market resources as at the end of the reporting period
- production and costs to sell are projected based on actual operating costs
- the growth in sales prices as well as in production and costs to sell is assumed to be in line with forecasted consumer price index in Ukraine
- a pre-tax discount rate of 15.00% (2010: 17.74%) is applied in determining fair value of biological assets. The discount rate is based on the average cost of capital in Ukraine effective at the reporting date.

The key assumptions represent management's assessment of future trends in agriculture and cattle farming business and are based on both external and internal sources of data.

As at 30 June biological assets comprise the following groups:

(in thousands of Ukrainian hryvnias)	30 June 2011		31 December 2010		30 June 2010	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
Non-current biological assets:						
Cattle	11,806	153,137	10,169	156,623	9,030	133,940
Other livestock		4,029		1,441		2,202
		157,166		158,064		136,142
Current biological assets:						
Cattle	14,943	161,757	12,484	154,286	13,308	99,229
Other livestock		7,890		1,435		1,921
		169,647		155,721		101,150
Crops:	Hectares		Hectares		Hectares	
Sugar beet	42,758	614,167	-	-	37,441	397,967
Corn	32,652	309,318	-	-	20,077	135,232
Wheat	42,420	199,882	37,863	247,931	29,628	63,325
Soy	33,623	126,266	-	-	26,429	82,435
Sunflower	13,084	123,654	-	-	14,880	78,538
Barley	14,458	31,547	660	3,284	20,673	21,401
Rape	1,405	8,000	702	3,008	261	875
Rye	1,135	3,915	988	2,598	896	671
Other crops	1,597	6,779	-	-	1,799	734
	183,132	1,423,528	40,213	256,821	152,084	781,178
		1,593,175		412,542		882,328
Total biological assets		1,750,341		570,606		1,018,470

Biological assets comprise the following groups (continued):

(in thousands of Euros)	30 June 2011		31 December 2010		30 June 2010	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
Non-current biological assets:						
Cattle	11,806	13,201	10,169	14,790	9,030	13,833
Other livestock		348		136		227
		13,549		14,926		14,060
Current biological assets:						
Cattle	14,943	13,945	12,484	14,569	13,308	10,248
Other livestock		681		136		198
		14,626		14,705		10,446
Crops:	Hectares		Hectares		Hectares	
Sugar beet	42,758	52,945	-	-	37,441	41,102
Corn	32,652	26,665	-	-	20,077	13,967
Wheat	42,420	17,231	37,863	23,412	29,628	6,540
Soy	33,623	10,885	-	-	26,429	8,514
Sunflower	13,084	10,660	-	-	14,880	8,111
Barley	14,458	2,720	660	310	20,673	2,210
Rape	1,405	690	702	284	261	90
Rye	1,135	338	988	244	896	69
Other crops	1,597	584	-	-	1,799	76
	183,132	122,718	40,213	24,250	152,084	80,679
		137,344		38,955		91,125
Total biological assets		150,893		53,881		105,185

For amount of biological assets pledged to secure bank loans refer to note 17.

The following represents the changes during the six months ended 30 June in the carrying amounts of non-current and current biological assets:

(in thousands of Ukrainian hryvnias)	Non-current livestock	Current livestock	Crops	Total
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2011	158,064	155,721	256,821	570,606
Purchases	709	470	-	1,179
Additions from acquisitions of subsidiaries	7,823	9,297	36,823	53,943
Investments into livestock and future crops	(519)	36,047	869,212	904,740
Gain (loss) arising from changes in fair value attributable to physical changes and to changes in market prices	(15,899)	(6,891)	260,672	237,882
Transfers	7,005	(7,005)	-	-
Sales	(17)	(17,992)	-	(18,009)
As at 30 June 2011	157,166	169,647	1,423,528	1,750,341

(in thousands of Euros)	Non-current livestock	Current livestock	Crops	Total
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2011	14,926	14,705	24,250	53,881
Purchases	63	42	-	105
Additions from acquisitions of subsidiaries	692	823	3,258	4,773
Investments into livestock and future crops	(46)	3,212	77,461	80,627
Gain (loss) arising from changes in fair value attributable to physical changes and to changes in market prices	(1,391)	(603)	22,772	20,778
Transfers	624	(624)	-	-
Sales	(2)	(1,603)	-	(1,605)
Currency translation difference	(1,317)	(1,326)	(5,023)	(7,666)
As at 30 June 2011	13,549	14,626	122,718	150,893

(in thousands of Ukrainian hryvnias)	Non-current livestock (unaudited)	Current livestock (unaudited)	Crops (unaudited)	Total (unaudited)
As at 1 January 2010	147,358	108,179	122,579	378,116
Purchases	295	1,437	-	1,732
Additions from acquisitions of subsidiaries	1,733	737	-	2,470
Investments into livestock and future crops	10	25,062	627,596	652,668
(Loss) gain arising from changes in fair value attributable to physical changes and to changes in market prices	(19,140)	(12,203)	31,003	(340)
Transfers	5,899	(5,899)	-	-
Sales	(13)	(16,163)	-	(16,176)
As at 30 June 2010	136,142	101,150	781,178	1,018,470

(in thousands of Euros)	Non-current livestock (unaudited)	Current livestock (unaudited)	Crops (unaudited)	Total (unaudited)
As at 1 January 2010	12,747	9,358	10,604	32,709
Purchases	28	135	-	163
Additions from acquisitions of subsidiaries	164	70	-	234
Investments into livestock and future crops	1	2,360	59,375	61,736
(Loss) gain arising from changes in fair value attributable to physical changes and to changes in market prices	(1,876)	(1,196)	3,171	99
Transfers	556	(556)	-	-
Sales	(1)	(1,522)	-	(1,523)
Currency translation difference	2,441	1,797	7,529	11,767
As at 30 June 2010	14,060	10,446	80,679	105,185

Risk management in agricultural business

The Group is exposed to a number of risks related to its biological assets:

Price fluctuation risk

The Group is exposed to financial risks arising from changes in sugar, grains, oilseeds and milk prices. The Company does not anticipate that prices for its main products will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in prices. Management reviews its outlook for sugar, grains, oilseeds and milk prices regularly in considering the need for active financial risk management.

Climate and other risks

Biological assets are exposed to the risk of damage from climatic changes, diseases, fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular field and farm inspections and industry pest and disease surveys. The Group also insures itself against natural disasters.

Regulatory and environmental risks

Operations are subject to laws and regulations adopted in Ukraine. The Group has established environmental policies and procedures aimed at compliance with Ukrainian environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

9 FINANCIAL INSTRUMENTS AVAILABLE-FOR-SALE

Financial instruments available-for-sale are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (unaudited)	30 June 2010 (unaudited)
Bonds	**18,334**	13,549	13,549
Other investments	**634**	646	645
Venture fund certificates	**100**	100	100
	19,068	14,295	14,294

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (unaudited)	30 June 2010 (unaudited)
Bonds	**1,580**	1,280	1,399
Other investments	**55**	61	67
Venture fund certificates	**9**	9	10
	1,644	1,350	1,476

Other investments represent non-controlling stakes acquired with new companies.

In 2008 the Group sold bonds classified as held-to-maturity. Accordingly, the remaining investments previously classified as held-to-maturity of UAH 600 thousand (EUR 53 thousand) are reclassified to investments available-for-sale. These investments represent venture fund certificates and have the contractual maturity dates in 2030-2032.

All investments are stated at cost because its fair value cannot be measured reliably. Financial instruments available-for sale are neither past due nor impaired. None of investments are collateralized.

10 INVENTORIES

Inventories are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Finished goods:			
Sugar and sugar production	191,272	656,137	137,815
Agricultural produce	28,955	283,883	21,617
Cattle farming	2,358	390	448
Other production	2,067	2,248	855
Raw materials and consumables for:			
Sugar and sugar production	127,769	15,565	101,715
Agricultural produce	153,895	50,526	90,835
Cattle farming	26,947	25,392	13,338
Other production	1,180	1,133	317
Investments into future crops	60,941	230,368	29,275
	595,384	1,265,642	396,217

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Finished goods:			
Sugar and sugar production	16,489	61,958	14,233
Agricultural produce	2,496	26,807	2,233
Cattle farming	203	37	46
Other production	178	212	88
Raw materials and consumables for:			
Sugar and sugar production	11,015	1,470	10,505
Agricultural produce	13,267	4,771	9,381
Cattle farming	2,323	2,398	1,378
Other production	101	106	32
Investments into future crops	5,254	21,753	3,024
	51,326	119,512	40,920

For amount of inventories pledged to secure bank loans refer to note 17.

11 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Trade receivables	**185,974**	141,996	104,256
Less allowance (note 19)	**(9,868)**	(9,621)	(7,879)
	176,106	132,375	96,377

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Trade receivables	**16,032**	13,408	10,767
Less allowance (note 19)	**(851)**	(908)	(814)
	15,181	12,500	9,953

For amount of trade accounts receivable pledged to secure bank loans refer to note 17.

12 OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Other accounts receivable and prepayments are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Advances to suppliers	**143,996**	65,421	70,105
Taxes recoverable and prepaid	**81,711**	91,864	53,647
Settlements for acquired companies	**17,310**	1,999	4,526
Other receivables	**53,773**	20,567	18,673
Less allowance (note 19)	**(6,582)**	(4,640)	(6,091)
	290,208	175,211	140,860

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Advances to suppliers	**12,413**	6,178	7,240
Taxes recoverable and prepaid	**7,044**	8,675	5,541
Settlements for acquired companies	**1,492**	189	467
Other receivables	**4,637**	1,940	1,929
Less allowance (note 19)	**(567)**	(438)	(629)
	25,019	16,544	14,548

13 LONG-TERM AND SHORT-TERM DEPOSITS

Long-term and short-term deposits are as follows:

(in thousands of Ukrainian hryvnias)	Interest type	Effective interest rate	Nominal interest rate	30 June 2011 (unaudited) Amount	31 December 2010 (audited) Amount	30 June 2010 (unaudited) Amount
Long-term bank deposit in USD	Fixed	9.4%	9.4%	**234,635**	-	-
Long-term bank deposit in USD	Fixed	5.5%	5.5%	**4,783**	-	-
				239,418	-	-
Short-term bank deposit in UAH	Fixed	20.0%	20.0%	**16,000**	-	-
Short-term bank deposit in UAH	Fixed	10.5%	10.5%	**6,201**	6,201	-
Short-term bank deposit in UAH	Fixed	18.0%	18.0%	**-**	-	116
Short-term bank deposit in USD	Fixed	6.5%	6.5%	**-**	-	5,057
Short-term bank deposit in USD	Fixed	5.5%	5.5%	**-**	4,777	-
				22,201	10,978	5,173
				261,619	10,978	5,173

(in thousands of Euros)	Interest type	Effective interest rate	Nominal interest rate	30 June 2011 (unaudited) Amount	31 December 2010 (audited) Amount	30 June 2010 (unaudited) Amount
Long-term bank deposit in USD	Fixed	9.4%	9.4%	**20,227**	-	-
Long-term bank deposit in USD	Fixed	5.5%	5.5%	**412**	-	-
				20,639	-	-
Short-term bank deposit in UAH	Fixed	20.0%	20.0%	**1,379**	-	-
Short-term bank deposit in UAH	Fixed	10.5%	10.5%	**535**	586	-
Short-term bank deposit in UAH	Fixed	18.0%	18.0%	**-**	-	12
Short-term bank deposit in USD	Fixed	6.5%	6.5%	**-**	-	522
Short-term bank deposit in USD	Fixed	5.5%	5.5%	**-**	451	-
				1,914	1,037	534
				22,553	1,037	534

As at 30 June 2011 long-term bank deposits totaling UAH 239,418 thousand (EUR 20,639 thousand) are pledged to secure bank loans in amount of UAH 378,505 thousand (EUR 32,630 thousand) and short-term bank deposits totaling UAN 22,201 thousand (EUR 1,914 thousand) are pledged to secure bank loans in amount of UAN 27,781 thousand (EUR 2,395).

The early withdrawal of bank deposits is permitted only if the full repayment of the secured bank loans is provided

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Cash in banks in UAH	37,762	7,121	11,622
Cash in banks in USD	6,574	3,008	990
Cash in banks in EUR	118	306	55
	44,454	10,435	12,667
Cash on hand in UAH	256	109	75
Cash in transit in USD	-	1,328	-
	44,710	11,872	12,742

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Cash in banks in UAH	3,255	673	1,200
Cash in banks in USD	567	284	102
Cash in banks in EUR	10	29	6
	3,832	986	1,308
Cash on hand in UAH	22	10	8
Cash in transit in USD	-	125	-
	3,854	1,121	1,316

There were no restrictions on the use of cash and cash equivalents during the six months ended 30 June 2011 and 2010.

15 EQUITY

Share capital

ASTARTA Holding N.V. has one class of common shares with par value of EUR 0.01 (UAH 0.11). All shares have equal voting rights. The number of authorized shares as of 30 June 2011 is 30,000 thousand (2010: 30,000 thousand) and the number of issued and fully paid-up shares is 25,000 thousand (2010: 25,000 thousand). For amount of shares pledged to secure bank loans refer to note 17.

Share capital is as follows:

(in thousands of Ukrainian hryvanias)	30 June 2011 (unaudited)		31 December 2010 (audited)		30 June 2010 (unaudited)	
	Amount	%	Amount	%	Amount	%
Astarta Holding N.V.						
Ivanchyk V.P.	**615**	**36.99%**	668	40.19%	669	40.19%
Korotkov V.M.	**432**	**25.99%**	479	28.79%	585	35.19%
Aviva Investors Poland SA	**83**	**5.00%**	83	5.00%	86	5.15%
Other shareholders	**533**	**32.02%**	433	26.02%	323	19.47%
	1,663	**100.00%**	1,663	100.00%	1,663	100.00%

(in thousands of Euros)	30 June 2011 (unaudited)		31 December 2010 (audited)		30 June 2010 (unaudited)	
	Amount	%	Amount	%	Amount	%
Astarta Holding N.V.						
Ivanchyk V.P.	**92**	**36.99%**	100	40.19%	101	40.19%
Korotkov V.M.	**65**	**25.99%**	72	28.79%	88	35.19%
Aviva Investors Poland SA	**12**	**5.00%**	12	5.00%	13	5.15%
Other shareholders	**81**	**32.02%**	66	26.02%	48	19.47%
	250	**100.00%**	250	100.00%	250	100.00%

The earnings and weighted average number of ordinary shares used in calculation of earnings per share are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Net profit attributable to equity holders of the company	**641,354**	433,145	**56,708**	40,868
Weighted average basic and diluted shares outstanding (in thousands of shares)	**25,000**	25,000	**25,000**	25,000
Earnings per share attributable to shareholders of the company	**25.65**	17.33	**2.27**	1.63

16 NON-CONTROLLING INTERESTS

The movements in non-controlling interests in open joint stock company subsidiaries for the six months ended 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	**2010**	**2011**	**2010**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Balance as at 1 January	**1,191**	864	**112**	75
Share in profit	**(38)**	(85)	**(4)**	(8)
Acquisitions from non-controlling shareholders and other changes	**-**	523	**-**	49
Currency translation difference	**-**	-	**(9)**	18
Balance as at 31 June	**1,153**	1,302	**99**	134

The movements in non-controlling interests in limited liability company subsidiaries for the six months ended 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	**2010**	**2011**	**2010**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Balance as at 1 January	**66,785**	40,245	**6,306**	3,481
Non-controlling interests of limited liability company subsidiaries in profit	**17,360**	9,632	**1,548**	923
Acquisitions from non-controlling shareholders and other changes	**(3,566)**	(1,105)	**(318)**	(104)
Non-controlling interests acquired with new subsidiaries	**1,128**	3,408	**100**	323
Currency translation difference	**-**	-	**(592)**	743
Balance as at 31 June	**81,707**	52,180	**7,044**	5,366

17 LOANS AND BORROWINGS

Loans and borrowings are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (unaudited)	30 June 2010 (unaudited)
Long-term loans and borrowings:			
Bank loans	**768,065**	574,880	474,341
Finance lease liabilities	**13,377**	21,889	28,958
Interest-bearing vendor financing arrangements	-	-	2,592
Transaction costs	**(20,338)**	(6,121)	(5,739)
	761,104	590,648	500,152
Current portion of long-term loans and borrowings:			
Bank loans	**246,868**	222,090	210,740
Finance lease liabilities	**18,272**	18,381	16,695
Interest-bearing vendor financing arrangements	-	2,614	2,592
Transaction costs	**(5,780)**	(4,528)	(879)
	259,360	238,557	229,148
Short-term loans and borrowings:			
Bank loans	**589,960**	375,352	87,844
Borrowings from non-financial institutions	-	620	899
Transaction costs	**(21,743)**	(12,887)	(5,591)
	568,217	363,085	83,152
	1,588,681	1,192,290	812,452

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (unaudited)	30 June 2010 (unaudited)
Long-term loans and borrowings:			
Bank loans	**66,213**	54,286	48,988
Finance lease liabilities	**1,153**	2,066	2,992
Interest-bearing vendor financing arrangements	**-**	-	268
Transaction costs	**(1,754)**	(578)	(593)
	65,612	55,774	51,655
Current portion of long-term loans and borrowings:			
Bank loans	**21,282**	20,972	21,765
Finance lease liabilities	**1,576**	1,735	1,724
Interest-bearing vendor financing arrangements	**-**	247	268
Transaction costs	**(499)**	(427)	(91)
	22,359	22,527	23,666
Short-term loans and borrowings:			
Bank loans	**50,859**	35,444	9,072
Borrowings from non-financial institutions	**-**	59	93
Transaction costs	**(1,875)**	(1,217)	(577)
	48,984	34,286	8,588
	136,955	112,587	83,909

The terms and repayment schedule for loans and borrowings are as follows:

				30 June 2011 (unaudited)				31 December 2010 (audited)				30 June 2010 (unaudited)			
(in thousands of Ukrainian hryvnias)	Interest type	Effective interest rate	Nominal interest rate	Less than one year	From one to two years	More than two years	Total	Less than one year	From one to two years	More than two years	Total	Less than one year	From one to two years	More than two years	Total
Loans from Ukrainian banks received in UAH	Fixed	7.0%	7.0%	15,332	-	-	15,332	-	-	-		-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	8.3%	8.3%	96,951	-	-	96,951	-	-	-		-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	8.8%	8.8%	56,140	-	-	56,140	-	-	-		-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	9.0%	9.0%	112,208	-	-	112,208	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	9.5%	9.5%	25,163	-	-	25,163	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	10.0%	10.0%	35,487	-	-	35,487	212,904	-	-	212,904	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	11.5%	11.5%	68,169	-	-	68,169	131,652	-	-	131,652	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	12.0%	12.0%	-	-	-	-	21,281	-	-	21,281	7,600	-	-	7,600
Loans from Ukrainian banks received in UAH	Fixed	14.7%	14.7%	4,750	-	-	4,750	5,171	307	-	5,478	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	18.0%	18.0%	-	-	-	-	2,641	-	-	2,641	2,641	-	-	2,641
Loans from Ukrainian banks received in UAH	Fixed	19.0%	19.0%	-	-	-	-	-	-	-	-	24,402	-	-	24,402
Loans from Ukrainian banks received in UAH	Fixed	19.5%	19.5%	-	-	-	-	-	-	-	-	6,000	-	-	6,000
Loans from Ukrainian banks received in UAH	Fixed	20.0%	20.0%	-	-	-	-	-	-	-	-	18,657	-	-	18,657
Loans from Ukrainian banks received in UAH	Fixed	21.0%	21.0%	16,000	-	-	16,000	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	25.0%	25.0%	-	-	-	-	2,124	-	-	2,124	1,739	-	-	1,739
Loans from Ukrainian banks received in USD	Fixed	7.5%	7.5%	5,725	5,725	5,725	17,175	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in USD	Fixed	9.4%	9.4%	236,021	99,850	49,925	385,796	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in USD	Fixed	10.5%	10.5%	-	-	-	-	6,790	3,395	-	10,185	6,732	6,732	-	13,464
Loans from non-resident banks received in USD	Floating	1.6%	Libor+1.25%	16,376	16,376	-	32,752	16,350	16,350	8,175	40,875	16,211	16,211	16,211	48,633
Loans from non-resident banks received in USD	Floating	2.1%	Libor+1.75%	7,502	7,502	22,506	37,510	-	-	-	-	-	-	-	-

The terms and repayment schedule for loans and borrowings are as follows (continued):

(in thousands of Ukrainian hryvnias)	Interest type	Effective interest rate	Nominal interest rate	30 June 2011 (unaudited) Less than one year	From one to two years	More than two years	Total	31 December 2010 (audited) Less than one year	From one to two years	More than two years	Total	30 June 2010 (unaudited) Less than one year	From one to two years	More than two years	Total
Loans from non-resident banks received in USD	Floating	2.2%	Libor+1.8%	**5,703**	**11,406**	**62,733**	**79,842**	-	-	-	-	-	-	-	-
Loans from non-resident banks received in USD	Floating	2.7%	Libor+2.3%	**5,114**	**5,114**	**2,557**	**12,785**	6,431	3,780	5,105	15,316	5,062	5,062	7,593	17,717
Loans from non-resident banks received in USD	Floating	2.9%	Libor+2.5%	**15,318**	**15,318**	**30,636**	**61,272**	15,293	15,293	38,233	68,819	3,961	3,961	11,883	19,805
Loans from non-resident banks received in USD	Floating	3.2%	Libor+2.8%	**7,912**	**7,912**	**15,824**	**31,648**	7,899	7,899	19,748	35,546	3,399	6,798	23,793	33,990
Loans from non-resident banks received in USD	Floating	3.9%	Libor+3.5%	**26,627**	**26,627**	**53,254**	**106,508**	26,583	26,583	66,458	119,624	26,357	26,357	79,070	131,784
Loans from non-resident banks received in USD	Floating	4.4%	Libor+4.0%	**30,723**	**30,723**	**92,169**	**153,615**	30,673	30,673	107,356	168,702	-	-	-	-
Loans from non-resident banks received in USD	Floating	4.9%	Libor+4.5%	-	-	-	-	-	-	-	-	30,413	30,413	121,652	182,478
Loans from non-resident banks received in USD	Floating	5.9%	Libor+5.5%	**39,940**	**39,940**	**59,910**	**139,790**	39,875	39,875	79,750	159,500	39,535	39,535	79,070	158,140
Loans from non-resident banks received in USD	Floating	6.2%	Libor+6.0%	-	-	-	-	71,775	-	-	71,775	79,070	-	-	79,070
Loans from non-resident banks received in USD	Floating	8.0%	Libor+7.75%	-	-	-	-	-	-	-	-	26,805	-	-	26,805
Loans from non-resident banks received in EUR	Floating	7.3%	Euribor+5.5%	**9,667**	**19,333**	**87,000**	**116,000**	-	17,650	88,250	105,900	-	-	-	-
Other short-term borrowings received from Ukrainian non-financial institution in UAH	Fixed	15.0%	0.0%	-	-	-	-	620	-	-	620	899	-	-	899
Interest-bearing vendor financing arrangements in USD	Fixed	10.5%	10.5%	-	-	-	-	2,614	-	-	2,614	2,592	2,592	-	5,184
Finance lease liabilities	Fixed	6.0%	6.0%	**2,323**	**2,516**	**65**	**4,904**	2,228	2,412	1,347	5,987	1,961	2,128	2,309	6,398
Finance lease liabilities	Fixed	6.5%	6.5%	**580**	**630**	**166**	**1,376**	556	604	487	1,647	-	-	-	-
Finance lease liabilities	Fixed	14.0-6.0%	14.0-16.0%	**2,973**	**209**	-	**3,182**	3,105	1,042	-	4,147	2,156	1,900	206	4,262
Finance lease liabilities	Floating	7.7%	Libor+7.0%	**8,409**	**6,144**	**607**	**15,160**	8,528	7,534	3,447	19,509	8,653	8,679	6,513	23,845
Finance lease liabilities	Floating	8.9%	Libor+8.15%	**597**	**313**	-	**910**	640	463	125	1,228	637	587	490	1,714
Finance lease liabilities	Floating	8.8%	Libor+8.6%	**3,390**	**2,221**	**506**	**6,117**	3,324	3,094	1,334	7,752	3,288	3,384	2,762	9,434
Transaction costs				**(27,523)**	**(5,547)**	**(14,791)**	**(47,861)**	(17,415)	(2,936)	(3,185)	(23,536)	(6,470)	(1,245)	(4,494)	(12,209)
				827,577	**292,312**	**468,792**	**1,588,681**	601,642	174,018	416,630	1,192,290	312,300	153,094	347,058	812,452

The terms and repayment schedule for loans and borrowings are as follows:

				30 June 2011 (unaudited)				31 December 2010 (audited)				30 June 2010 (unaudited)			
(in thousands of Euros)	Interest type	Effective interest rate	Nominal interest rate	Less than one year	From one to two years	More than two years	Total	Less than one year	From one to two years	More than two years	Total	Less than one year	From one to two years	More than two years	Total
Loans from Ukrainian banks received in UAH	Fixed	7.0%	7.0%	1,322	-	-	1,322	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	8.3%	8.3%	8,358	-	-	8,358	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	8.8%	8.8%	4,840	-	-	4,840	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	9.0%	9.0%	9,673	-	-	9,673	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	9.5%	9.5%	2,169	-	-	2,169	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	10.0%	10.0%	3,059	-	-	3,059	20,104	-	-	20,104	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	11.5%	11.5%	5,877	-	-	5,877	12,432	-	-	12,432	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	12.0%	12.0%	-	-	-	-	2,010	-	-	2,010	785	-	-	785
Loans from Ukrainian banks received in UAH	Fixed	14.7%	14.7%	409	-	-	409	489	31	-	520	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	18.0%	18.0%	-	-	-	-	249	-	-	249	273	-	-	273
Loans from Ukrainian banks received in UAH	Fixed	19.0%	19.0%	-	-	-	-	-	-	-	-	2,521	-	-	2,521
Loans from Ukrainian banks received in UAH	Fixed	19.5%	19.5%	-	-	-	-	-	-	-	-	620	-	-	620
Loans from Ukrainian banks received in UAH	Fixed	20.0%	20.0%	-	-	-	-	-	-	-	-	1,927	-	-	1,927
Loans from Ukrainian banks received in UAH	Fixed	21.0%	21.0%	1,379	-	-	1,379	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	25.0%	25.0%	-	-	-	-	200	-	-	200	179	-	-	179
Loans from Ukrainian banks received in USD	Fixed	7.5%	7.5%	494	494	494	1,482	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in USD	Fixed	9.4%	9.4%	20,347	8,608	4,304	33,259	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in USD	Fixed	10.5%	10.5%	-	-	-	-	642	321	-	963	695	695	-	1,390
Loans from non-resident banks received in USD	Floating	1.6%	Libor+1.25%	1,412	1,412	-	2,824	1,544	1,544	772	3,860	1,674	1,674	1,674	5,022
Loans from non-resident banks received in USD	Floating	2.1%	Libor+1.75%	647	647	1,941	3,235	-	-	-	-	-	-	-	-

The terms and repayment schedule for loans and borrowings are as follows (continued):

				30 June 2011 (unaudited)				31 December 2010 (audited)				30 June 2010 (unaudited)			
(in thousands of Euros)	Interest type	Effective interest rate	Nominal interest rate	Less than one year	From one to two years	More than two years	Total	Less than one year	From one to two years	More than two years	Total	Less than one year	From one to two years	More than two years	Total
Loans from non-resident banks received in USD	Floating	2.2%	Libor+1.8%	492	983	5,407	6,882	-	-	-	-	-	-	-	-
Loans from non-resident banks received in USD	Floating	2.7%	Libor+2.3%	440	440	220	1,100	607	358	483	1,448	523	523	785	1,831
Loans from non-resident banks received in USD	Floating	2.9%	Libor+2.5%	1,321	1,321	2,642	5,284	1,444	1,444	3,610	6,498	409	409	1,227	2,045
Loans from non-resident banks received in USD	Floating	3.2%	Libor+2.8%	682	682	1,364	2,728	746	746	1,865	3,357	351	702	2,457	3,510
Loans from non-resident banks received in USD	Floating	3.9%	Libor+3.5%	2,295	2,295	4,590	9,180	2,510	2,510	6,275	11,295	2,722	2,722	8,166	13,610
Loans from non-resident banks received in USD	Floating	4.4%	Libor+4.0%	2,649	2,649	7,947	13,245	2,896	2,896	10,136	15,928	-	-	-	-
Loans from non-resident banks received in USD	Floating	4.9%	Libor+4.5%	-	-	-	-	-	-	-	-	3,141	3,141	12,564	18,846
Loans from non-resident banks received in USD	Floating	5.9%	Libor+5.5%	3,443	3,443	5,164	12,050	3,765	3,765	7,530	15,060	4,083	4,083	8,166	16,332
Loans from non-resident banks received in USD	Floating	6.2%	Libor+6.0%	-	-	-	-	6,778	-	-	6,778	8,166	-	-	8,166
Loans from non-resident banks received in USD	Floating	8.0%	Libor+7.75%	-	-	-	-	-	-	-	-	2,768	-	-	2,768
Loans from non-resident banks received in EUR	Floating	7.3%	Euribor+5.5%	833	1,666	7,500	9,999	-	1,667	8,333	10,000	-	-	-	-
Other short-term borrowings received from Ukrainian non-financial institution in UAH	Fixed	15.0%	0.0%	-	-	-	-	59	-	-	59	93	-	-	93
Interest-bearing vendor financing arrangements in USD	Fixed	10.5%	10.5%	-	-	-	-	247	-	-	247	268	268	-	536
Finance lease liabilities	Fixed	6.0%	6.0%	200	217	6	423	210	228	127	565	203	220	238	661
Finance lease liabilities	Fixed	6.5%	6.5%	50	54	14	118	52	57	46	155	-	-	-	-
Finance lease liabilities	Fixed	14.0-16.0%	14.0-16.0%	257	18	-	275	293	98	-	391	223	196	21	440
Finance lease liabilities	Floating	7.7%	Libor+7.0%	725	530	52	1,307	805	711	325	1,841	892	897	674	2,463
Finance lease liabilities	Floating	8.9%	Libor+8.15%	51	27	-	78	60	44	12	116	66	61	51	178
Finance lease liabilities	Floating	8.8%	Libor+8.6%	293	191	44	528	315	292	126	733	340	349	285	974
Transaction costs				(2,374)	(478)	(1,276)	(4,128)	(1,644)	(277)	(301)	(2,222)	(668)	(129)	(464)	(1,261)
				71,343	25,199	40,413	136,955	56,813	16,435	39,339	112,587	32,254	15,811	35,844	83,909

Bank loans are secured as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Property, plant and equipment	447,046	484,225	416,061
Rights of claim on future proceeds from sale contracts	399,852	295,227	-
Shares	289,509	468,702	1,179,206
Long-term deposit	239,419	-	-
Inventories	192,749	318,825	206,292
Biological assets	112,924	35,080	34,067
Short-term deposits	6,201	10,978	5,056
Trade accounts receivable	-	31,595	31,595
	1,687,700	1,644,632	1,872,277

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Property, plant and equipment	38,538	45,725	42,970
Rights of claim on future proceeds from sale contracts	34,470	27,878	-
Shares	24,958	44,259	121,787
Long-term deposit	20,640	-	-
Inventories	16,616	30,106	21,306
Biological assets	9,735	3,313	3,518
Short-term deposits	535	1,037	522
Trade accounts receivable	-	2,983	3,263
	145,492	155,301	193,366

Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 4.59% of Astarta Holding N.V. issued shares in equal parts.

18 OTHER LIABILITIES AND ACCOUNTS PAYABLE

Other liabilities and accounts payable are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Advances received from customers	41,790	42,927	24,937
Settlements with land and fixed assets lessors	34,855	9,360	27,806
Interest payable	22,988	9,792	6,753
Accrual for unused vacations	11,925	12,557	10,367
VAT settlements	11,420	39,263	13,528
Settlements for acquired companies	11,184	1,850	644
Salaries payable	10,260	7,258	14,195
Social insurance payable	4,512	3,554	6,884
Accounts payable to government	3,184	3,324	4,177
Accounts payable for property, plant and equipment	1,163	1,097	1,700
Deferred government subsidy	496	-	1,308
Other payables	11,631	4,971	3,356
	165,408	135,953	115,655

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Advances received from customers	3,603	4,054	2,575
Settlements with land and fixed assets lessors	3,005	884	2,872
Interest payable	1,982	925	697
Accrual for unused vacations	1,028	1,186	1,071
VAT settlements	984	3,708	1,397
Settlements for acquired companies	964	175	66
Salaries payable	884	685	1,466
Social insurance payable	389	336	711
Accounts payable to government	274	314	431
Accounts payable for property, plant and equipment	100	104	176
Deferred government subsidy	43	-	135
Other payables	1,004	468	346
	14,260	12,839	11,943

19 ALLOWANCE FOR TRADE AND OTHER ACCOUNTS RECEIVABLE

Allowance for trade and other accounts receivable are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Trade accounts receivable (note 11)	**9,868**	9,621	7,879
Other accounts receivable (note 12)	**6,582**	4,640	6,091
	16,450	14,261	13,970

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Trade accounts receivable (note 11)	**851**	908	814
Other accounts receivable (note 12)	**567**	438	629
	1,418	1,346	1,443

Changes in allowances for trade and other accounts receivable during the six months ended 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Balance at 1 January	**14,261**	10,843	**1,346**	938
Charge in income statement	**3,689**	5,328	**329**	502
Amounts written off	**(1,500)**	(2,201)	**(134)**	(207)
Currency translation difference	**-**	-	**(123)**	210
Balance as at 30 June	**16,450**	13,970	**1,418**	1,443

20 REVENUES

Revenues for the six months ended 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Sugar and related sales:				
Sugar	**798,281**	755,689	**70,903**	71,558
Molasses	**30,292**	18,717	**2,691**	1,789
Pulp	**9,077**	2,538	**806**	229
Other sugar related sales	**37,023**	12,190	**3,288**	1,177
	874,673	789,134	**77,688**	74,753
Crops	**298,845**	164,289	**26,543**	15,413
Cattle farming	**123,117**	85,621	**10,935**	8,103
Other sales	**11,022**	11,054	**979**	1,046
	432,984	260,964	**38,457**	24,562
	1,307,657	1,050,098	**116,145**	99,315

During the six months ended 30 June 2011 and 2010 there were no sales settled through barter transactions. More than 90% of revenue is generated from sales to customers in Ukraine.

21 COST OF REVENUES

Cost of revenues for the six months ended 30 June by product is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Sugar and related sales:				
Sugar	**477,934**	331,204	**42,353**	31,537
Molasses	**11,322**	9,426	**1,003**	905
Pulp	**3,531**	1,596	**313**	147
Other sugar related sales	**24,808**	14,740	**2,198**	1,387
	517,595	356,966	**45,867**	33,976
Crops	**165,003**	84,238	**14,622**	7,921
Cattle farming	**80,722**	55,564	**7,153**	5,239
Other sales	**9,825**	9,641	**871**	915
	255,550	149,443	**22,646**	14,075
	773,145	506,409	**68,513**	48,051

22 LOSS ARISING FROM REMEASUREMENT OF AGRICULTURAL PRODUCE TO FAIR VALUE INCLUDING NET REALISABLE VALUE ADJUSTMENT

The (loss) gain arising from remeasurement of agricultural produce to fair value represents the fair value of agricultural produce at the time of harvest.

The loss arising from remeasurement of agricultural produce for the six months ended 30 June is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	2010	2011	2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Valuation adjustment with respect to agricultural produce as at				
30 June	(9,956)	41,774	(876)	3,977
1 January	(69,695)	(79,463)	(6,586)	(9,424)
Currency translation difference	-	-	453	1,859
Loss arising from remeasurement of agricultural produce to fair value	(79,651)	(37,689)	(7,009)	(3,588)

23 OTHER OPERATING INCOME

Other operating income for the six months ended 30 June is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	2010	2011	2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Government subsidies relating to:				
Cattle farming	2,191	6,783	199	629
Crop production	45	1,738	4	161
Interest and financing costs	34	14	3	1
Other operating income	993	432	90	41
	3,263	8,967	296	832

24 GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense for the six months ended 30 June is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	2010	2011	2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salary and related charges	25,971	20,739	2,324	1,952
Professional services	5,208	6,173	466	581
Depreciation	3,214	5,193	288	488
Fuel and other materials	2,455	2,568	220	242
Taxes other than corporate income tax	1,689	1,875	151	177
Rent	1,654	1,182	148	111
Communication	1,474	1,327	132	125
Maintenance	719	630	64	59
Office expenses	713	1,321	64	124
Insurance	416	528	37	50
Transportation	306	270	27	25
Other services	817	1,249	73	118
Other general and administrative expense	1,346	1,291	121	121
	45,982	44,346	4,115	4,173

25 SELLING AND DISTRIBUTION EXPENSE

Selling and distribution expense for the six months ended 30 June is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	2010	2011	2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Transportation	12,081	14,327	1,079	1,363
Salary and related charges	7,991	6,199	713	590
Fuel and other materials	5,712	3,137	510	299
Commissions	1,747	522	156	50
Depreciation	1,667	420	149	40
Storage and logistics	1,323	3,423	118	326
Professional services	1,305	1,923	117	115
Allowance for trade accounts receivable	813	1,386	73	131
Advertising	24	17	2	2
Other services	1,228	1,028	109	98
Other selling and distribution expense	1,122	1,034	100	98
	35,013	33,416	3,126	3,112

26 OTHER OPERATING EXPENSE

Other operating expense for the six months ended 30 June is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Penalties paid	5,798	1,494	516	141
Charity and social expenses	5,275	3,792	469	358
VAT written off	3,310	2,591	294	236
Allowance for other accounts receivable	2,876	3,942	256	371
Fixed assets written off	2,193	2,109	195	199
Other salary and related charges	1,091	969	97	92
Inventory written off	1,086	2,649	97	249
Depreciation	493	376	44	37
Canteen expenses	281	390	25	37
Representative expenses	256	412	23	39
Other operating expenses	1,016	761	89	72
	23,675	19,485	2,105	1,831

27 CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS

Changes in fair value of biological assets represent increase (decrease) in the carrying value at the reporting date of livestock and crops as compared with the respective values at the beginning of the year. Increases (decreases) in fair value of biological assets for the six months ended 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Non-current livestock	(15,899)	(19,140)	(1,391)	(1,876)
Current livestock	(6,891)	(12,203)	(603)	(1,196)
Crops	340,323	68,692	29,781	6,759
	317,533	37,349	27,787	3,687

28 FINANCIAL (EXPENSE) INCOME

Financial (expense) income for the six months ended 30 June is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	2010	2011	2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Financial expense				
Interest expense:				
Bank loans	(72,064)	(30,874)	(6,425)	(2,967)
Finance lease liabilities	(3,942)	(5,004)	(351)	(481)
Interest-bearing vendor financing arrangements	(29)	(286)	(3)	(27)
Borrowings from non-financial institutions	(9)	(45)	(1)	(4)
	(76,044)	(36,209)	(6,780)	(3,479)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	(17,360)	(9,632)	(1,548)	(923)
Foreign currency exchange loss	(5,245)	-	(468)	-
Other financial expense	(4,084)	(2,430)	(363)	(227)
	(26,689)	(12,062)	(2,379)	(1,150)
	(102,733)	(48,271)	(9,159)	(4,629)
Financial income				
Interest income:				
Long-term bank deposits	8,959	-	798	-
Short-term bank deposits	836	156	75	15
Cash balances	134	272	12	26
	9,929	428	885	41
Foreign currency exchange income	-	10,194	-	980
Gain from promissory note transactions	1,407	-	125	-
Other financial income	3,541	-	316	-
	4,948	10,194	441	980
	14,877	10,622	1,326	1,021

29 OTHER (EXPENSE) INCOME

Other (expense) income for the six months ended 30 June is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Sales of non-current assets	1,082	207	96	19
Cost of non-current assets sold	(3,407)	(288)	(303)	(27)
Written off assets recovered	1,051	1,322	92	129
Other non-operational (one off) income	1,163	1,543	105	150
	(111)	2,784	(10)	271

30 INCOME TAX EXPENSE

Certain companies in the Group are subject to income taxes. Income tax expense for these companies for the six months ended 30 June is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011 (unaudited)	2010 (unaudited)	2011 (unaudited)	2010 (unaudited)
Current expense	(306)	(96)	(27)	(10)
Deferred expense	(32,558)	(11,113)	(2,839)	(1,156)
	(32,864)	(11,209)	(2,866)	(1,166)

16 subsidiaries elected to pay FAT in lieu of other taxes as at 30 June 2011 (2010: 13 companies). Amount of FAT expense during the six months ended 30 June 2011 was UAH 364 thousand (EUR 32 thousand) (2010: UAH 262 thousand, EUR 25 thousand) and is included in cost of revenues.

The remaining companies are subject to the Ukrainian corporate income tax.

31 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

At 30 June 2011 and 2010, the group is organized into three main business segments:

- production and wholesale distribution of sugar
- growing and selling grain and oilseeds crops (agriculture), and
- dairy cattle farming.

Other group operations mainly comprise the production and sales of canned goods, fodder and gas. Neither of these constitutes a separately reportable segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker that makes strategic decisions is the management board.

Revenues from external customers are derived primarily from the sales of sugar, crops and cattle farming products and are measured in a manner consistent with that in the income statement. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

Revenues of UAH 251,063 thousand (EUR 22,299 thousand) during the six months ended 30 June 2011 and UAH 231,285 thousand (EUR 21,898 thousand) during the six months ended 30 June 2010 are derived from two customers and are attributable to the sugar production segment.

The amounts provided to the Board of Directors with respect of total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Investments classified as available-for-sale financial assets are not considered to be segment assets. The amounts of total liabilities are measured in a manner consistent with that of the financial statements. Liabilities are allocated based on the operations of the segment.

The segment information for the six months ended 30 June 2011 is as follows:

(in thousands of Ukrainian hryvnias)	Sugar and sugar production (unaudited)	Agriculture (unaudited)	Cattle farming (unaudited)	Other businesses (unaudited)	Unallocated (unaudited)	Total (unaudited)
Total revenues	874,673	344,929	123,117	11,022	-	1,353,741
Inter-segment revenues	-	46,084	-	-	-	46,084
Revenues from external customers	874,673	298,845	123,117	11,022	-	1,307,657
Total cost of revenues	(517,595)	(211,087)	(80,722)	(9,825)	-	(819,229)
Inter-segment cost of revenues	-	(46,084)	-	-	-	(46,084)
Cost of revenues	(517,595)	(165,003)	(80,722)	(9,825)	-	(773,145)
Loss from remeasurement of agricultural produce to fair value	-	(79,651)	-	-	-	(79,651)
Gross profit	357,078	54,191	42,395	1,197	-	454,861
General and administrative expense	(15,334)	(8,897)	(2,311)	(1,865)	(17,575)	(45,982)
Selling and distribution expense	(20,034)	(10,489)	(989)	(484)	(3,017)	(35,013)
Other operating income (expense)	(1,335)	336,382	(20,801)	160	(17,285)	297,121
Profit (loss) from operations	320,375	371,187	18,294	(992)	(37,877)	670,987
Loss from exchange differences	-	-	-	-	(5,245)	(5,245)
Interest expense	(10,558)	(7,505)	-	-	(57,981)	(76,044)
Interest income	-	-	-	-	9,929	9,929
Other expense	-	-	-	-	(16,607)	(16,607)
Gain on acquisition of subsidiaries	-	-	-	-	77,394	77,394
Share of profit of equity accounted investees (net of income tax)	13,766	-	-	-	-	13,766
Profit (loss) before tax	323,583	363,682	18,294	(992)	(30,387)	674,180
Taxation	-	-	-	-	(32,864)	(32,864)
Net profit (loss)	323,583	363,682	18,294	(992)	(63,251)	641,316
Total assets	1,179,424	2,641,622	530,694	57,195	558,895	4,967,830
Unallocated deferred tax	-	-	-	-	867	867
Consolidated total assets	1,179,424	2,641,622	530,694	57,195	559,762	4,968,697
Total liabilities	404,945	495,659	1,179	16,827	1,119,555	2,038,165
Unallocated deferred tax	-	-	-	-	77,534	77,534
Consolidated total liabilities	404,945	495,659	1,179	16,827	1,197,089	2,115,699
Other segment information:						
Depreciation and amortisation	26,098	52,096	2,930	764	1,882	83,770
Additions to non-current assets:						
Property, plant and equipment	95,507	209,750	14,213	-	12,527	331,997
Intangible assets	1	29,072	-	-	-	29,073
Biological non-current assets	-	-	9,963	-	-	9,963

The segment information for the six months ended 30 June 2011 is as follows (continued):

(in thousands of Euros)	Sugar and sugar production	Agriculture	Cattle farming	Other businesses	Unallocated	Total
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total revenues	77,688	30,636	10,935	979	-	120,238
Inter-segment revenues	-	4,093	-	-	-	4,093
Revenues from external customers	77,688	26,543	10,935	979	-	116,145
Total cost of revenues	(45,867)	(18,715)	(7,153)	(871)	-	(72,606)
Inter-segment cost of revenues	-	(4,093)	-	-	-	(4,093)
Cost of revenues	(45,867)	(14,622)	(7,153)	(871)	-	(68,513)
Loss from remeasurement of agricultural produce to fair value	-	(7,009)	-	-	-	(7,009)
Gross profit	31,821	4,912	3,782	108	-	40,623
General and administrative expense	(1,372)	(796)	(207)	(167)	(1,573)	(4,115)
Selling and distribution expense	(1,789)	(936)	(88)	(43)	(270)	(3,126)
Other operating income (expense)	(118)	29,441	(1,821)	14	(1,538)	25,978
Profit (loss) from operations	28,542	32,621	1,666	(88)	(3,381)	59,360
Loss from exchange differences	-	-	-	-	(468)	(468)
Interest expense	(941)	(669)	-	-	(5,170)	(6,780)
Interest income	-	-	-	-	885	885
Other expense	-	-	-	-	(1,480)	(1,480)
Gain on acquisition of subsidiaries	-	-	-	-	6,849	6,849
Share of profit of equity accounted investees (net of income tax)	1,204	-	-	-	-	1,204
Profit (loss) before tax	28,805	31,952	1,666	(88)	(2,765)	59,570
Taxation	-	-	-	-	(2,866)	(2,866)
Net profit (loss)	28,805	31,952	1,666	(88)	(5,631)	56,704
Total assets	101,674	227,726	45,749	4,931	48,184	428,264
Unallocated deferred tax	-	-	-	-	75	75
Consolidated total assets	101,674	227,726	45,749	4,931	48,259	428,339
Total liabilities	34,909	42,729	102	1,451	96,513	175,704
Unallocated deferred tax	-	-	-	-	6,684	6,684
Consolidated total liabilities	34,909	42,729	102	1,451	103,197	182,388
Other segment information:						
Depreciation and amortisation	2,326	4,643	261	68	167	7,465
Additions to non-current assets:						
Property, plant and equipment	8,511	18,661	1,267	-	1,116	29,555
Intangible assets	-	2,567	-	-	-	2,567
Biological non-current assets	-	-	882	-	-	882

The segment information for the six months ended 30 June 2010 is as follows:

(in thousands of Ukrainian hryvnias)	Sugar production (unaudited)	Agriculture (unaudited)	Cattle farming (unaudited)	Other businesses (unaudited)	Unallocated (unaudited)	Total (unaudited)
Total revenues	789,134	188,688	85,621	11,054	-	1,074,497
Inter-segment revenues	-	24,399	-	-	-	24,399
Revenues from external customers	789,134	164,289	85,621	11,054	-	1,050,098
Total cost of revenues	(356,966)	(108,637)	(55,564)	(9,641)	-	(530,808)
Inter-segment cost of revenues	-	(24,399)	-	-	-	(24,399)
Cost of revenues	(356,966)	(84,238)	(55,564)	(9,641)	-	(506,409)
Loss from remeasurement of agricultural produce to fair value	-	(37,689)	-	-	-	(37,689)
Gross profit	432,168	42,362	30,057	1,413	-	506,000
General and administrative expense	(17,674)	(6,834)	(1,964)	(2,121)	(15,753)	(44,346)
Selling and distribution expense	(20,587)	(7,711)	(805)	(247)	(4,066)	(33,416)
Other operating income (expense)	(4,433)	66,309	(25,529)	(21)	(9,495)	26,831
Profit (loss) from operations	389,474	94,126	1,759	(976)	(29,314)	455,069
Loss from exchange differences	-	-	-	-	10,194	10,194
Interest expense	(7,594)	(460)	-	-	(28,155)	(36,209)
Interest income	-	-	-	-	428	428
Other expense	-	-	-	-	(9,278)	(9,278)
Gain on acquisition of subsidiaries	-	-	-	-	24,065	24,065
Profit (loss) before tax	381,880	93,666	1,759	(976)	(32,060)	444,269
Taxation	-	-	-	-	(11,209)	(11,209)
Net profit (loss)	381,880	93,666	1,759	(976)	(43,269)	433,060
Total assets	816,469	1,590,155	405,018	61,666	185,504	3,058,812
Unallocated deferred tax	-	-	-	-	7,807	7,807
Consolidated total assets	816,469	1,590,155	405,018	61,666	193,311	3,066,619
Total liabilities	325,367	348,522	1,970	618	502,687	1,179,164
Unallocated deferred tax	-	-	-	-	93,767	93,767
Consolidated total liabilities	325,367	348,522	1,970	618	596,454	1,272,931
Other segment information:						
Depreciation and amortisation	22,863	55,171	2,983	1,047	1,362	83,426
Additions to non-current assets:						
Property, plant and equipment	58,884	93,968	12,729	76	9,403	175,060
Intangible assets	-	10,903	-	-	49	10,952
Biological non-current assets	-	-	2,028	-	-	2,028

The segment information for the six months ended 30 June 2010 is as follows (continued):

(in thousands of Euros)	Sugar production (unaudited)	Agriculture (unaudited)	Cattle farming (unaudited)	Other businesses (unaudited)	Unallocated (unaudited)	Total (unaudited)
Total revenues	74,753	17,723	8,103	1,046	-	101,625
Inter-segment revenues	-	2,310	-	-	-	2,310
Revenues from external customers	74,753	15,413	8,103	1,046	-	99,315
Total cost of revenues	(33,976)	(10,231)	(5,239)	(915)	-	(50,361)
Inter-segment cost of revenues	-	(2,310)	-	-	-	(2,310)
Cost of revenues	(33,976)	(7,921)	(5,239)	(915)	-	(48,051)
Loss from remeasurement of agricultural produce to fair value	-	(3,588)	-	-	-	(3,588)
Gross profit	40,777	3,904	2,864	131	-	47,676
General and administrative expense	(1,663)	(643)	(185)	(200)	(1,482)	(4,173)
Selling and distribution expense	(1,917)	(718)	(75)	(23)	(379)	(3,112)
Other operating income (expense)	(444)	6,599	(2,558)	(3)	(906)	2,688
Profit (loss) from operations	36,753	9,142	46	(95)	(2,767)	43,079
Loss from exchange differences	-	-	-	-	980	980
Interest expense	(730)	(44)	-	-	(2,705)	(3,479)
Interest income	-	-	-	-	41	41
Other expense	-	-	-	-	(879)	(879)
Gain on acquisition of subsidiaries	-	-	-	-	2,284	2,284
Profit (loss) before tax	36,023	9,098	46	(95)	(3,046)	42,026
Taxation	-	-	-	-	(1,166)	(1,166)
Net profit (loss)	36,023	9,098	46	(95)	(4,212)	40,860
Total assets	84,324	164,230	41,830	6,369	19,140	315,893
Unallocated deferred tax	-	-	-	-	806	806
Consolidated total assets	84,324	164,230	41,830	6,369	19,946	316,699
Total liabilities	33,604	35,983	203	64	51,904	121,758
Unallocated deferred tax	-	-	-	-	9,684	9,684
Consolidated total liabilities	33,604	35,983	203	64	61,588	131,442
Other segment information:						
Depreciation and amortisation	2,153	5,196	281	99	128	7,857
Additions to non-current assets:						
Property, plant and equipment	5,546	8,864	1,199	7	886	16,502
Intangible assets	-	1,035	-	-	5	1,040
Biological non-current assets	-	-	192	-	-	192

32 COMMITMENTS

(a) Social commitments

The Group makes contributions to mandatory and voluntary social programs. Social assets, as well as local social programs, benefit the community at large and are not normally restricted to employees. The Group transferred certain social operations and assets to local authorities; however, management expects that the Group will continue to fund these social programs through the foreseeable future. These costs are recorded in the year they are incurred.

(b) Operating leases

The Group leases property and equipment under operating leases. Lease payments are subject to market conditions and legal regulations.

The Group leases plough-land and industrial land under non-cancellable lease agreements in its normal course of business. The leases typically run for an initial period of five to ten years, with an option to renew the lease after that date. Lease payments recognized as an expense during the six months ended 30 June 2011 are UAH 47,375 and or EUR 4,222 thousand (2010: UAH 32,246 thousand or EUR 3,037 thousand).

Future minimum lease payments under non-cancellable operating leases are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Less than one year	**88,868**	72,063	72,054
From one to five years	**208,286**	156,259	148,783
More than five years	**99,564**	103,786	78,124
	396,718	332,108	298,961

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Less than one year	**7,661**	6,805	7,442
From one to five years	**17,956**	14,755	15,366
More than five years	**8,583**	9,800	8,069
	34,200	31,360	30,877

(c) Financial leases

The future minimum lease payments payable under finance leases are as follows:

(in thousands of Ukrainian hryvnias)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Minimal lease payments:			
Less than one year	16,943	17,532	16,613
From one to two years	10,669	13,758	15,532
More than two years	1,178	5,886	10,901
	28,790	37,176	43,046
Future finance charges on finance leases	(2,414)	(3,617)	(5,001)
Present value of minimal lease payments	26,376	33,559	38,045
Less than one year	15,227	15,318	13,913
From one to two years	10,028	12,625	13,900
More than two years	1,121	5,616	10,232
	26,376	33,559	38,045

(in thousands of Euros)	30 June 2011 (unaudited)	31 December 2010 (audited)	30 June 2010 (unaudited)
Minimal lease payments:			
Less than one year	1,461	1,656	1,716
From one to two years	920	1,299	1,604
More than two years	101	556	1,126
	2,482	3,511	4,446
Future finance charges on finance leases	(208)	(343)	(516)
Present value of minimal lease payments	2,274	3,168	3,930
Less than one year	1,313	1,446	1,437
From one to two years	864	1,192	1,436
More than two years	97	530	1,057
	2,274	3,168	3,930

(in thousands of Ukrainian hryvnias)	30 June 2011	31 December 2010	30 June 2010
	(unaudited)	(audited)	(unaudited)
Long-term finance lease liabilities:			
Present value of minimal lease payments	11,149	18,241	24,132
VAT liability under finance lease	2,230	3,648	4,826
	13,379	21,889	28,958
Current portion of long-term finance lease liabilities:			
Present value of minimal lease payments	15,227	15,318	13,913
VAT liability under finance lease	3,045	3,063	2,782
	18,272	18,381	16,695
	31,651	40,270	45,653

(in thousands of Euros)	30 June 2011	31 December 2010	30 June 2010
	(unaudited)	(audited)	(unaudited)
Long-term finance lease liabilities:			
Present value of minimal lease payments	961	1,722	2,493
VAT liability under finance lease	192	344	499
	1,153	2,066	2,992
Current portion of long-term finance lease liabilities:			
Present value of minimal lease payments	1,313	1,446	1,437
VAT liability under finance lease	263	289	287
	1,576	1,735	1,724
	2,729	3,801	4,716

33 CONTINGENCIES

(a) Insurance

The insurance industry in Ukraine is in a developing state and certain forms of insurance, for example, environmental risk insurance, are not yet generally available. There is a risk that environmental damage loss or destruction of certain assets could have a material adverse effect on operations and financial position.

(b) Litigation

The Group is involved in various legal proceedings in the ordinary course of business. Management does not believe the result of any such actions will have a material effect on the financial position or results of the Group operations.

34 RELATED PARTY TRANSACTIONS

The Group performs transactions with related parties in the ordinary course of business. Related parties comprise the Group associate, the shareholders, companies that are under control of the Group's owners, key management personnel and their close family members, and companies that are controlled or significantly influenced by shareholders. Prices for related party transactions are determined on an ongoing basis. The terms of some related party transactions may differ from market terms.

Balances and transactions with related parties, wich are with companies under significant influence of the Group and the associate are shown at their carrying value and are as follows:

(a) Purchases

Purchases for the six months ended 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	2010	2011	2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control:				
Services	154	88	14	8
Associate:				
Agriculture produce	-	408	-	38
	154	496	14	46

(b) Revenues

Sales to related parties outside the condensed consolidated interim Group for the six months ended 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	2010	2011	2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control:				
Agriculture produce	15,844	2,263	1,412	213
Other	-	109	-	10
	15,844	2,372	1,412	223
Associate:				
Consumables: sugar production	3,879	-	346	-
Agriculture product	2,083	-	186	-
Consumables: grains other agri production	-	1,732	-	163
Other	-	157	-	15
	5,962	1,889	532	178
	21,806	4,261	1,944	401

(c) Receivables

Receivables from related parties for the six months ended 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	2010	2011	2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Trade accounts receivable	7,861	4,689	678	484
Advances made	4,806	4	414	-
Other receivables	1,651	216	142	22
	14,318	4,909	1,234	506
Associate:				
Trade accounts receivable	4,825	-	416	-
Advances made	3,040	-	262	-
	7,865	-	678	-
	22,183	4,909	1,912	506

There is no contractual maturity for receivables from related parties. Balances are unsecured. No allowance for doubtful debts is created on these balances as at 30 June 2011 and 2010.

(d) Payables

Payables to related parties as at 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2011	**2010**	**2011**	**2010**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Advances received	**2,425**	4,009	**209**	414
Trade accounts payable	**23**	85	**2**	9
Other payables	**145**	147	**13**	15
	2,593	4,241	**224**	438
Associate:				
Trade accounts payable	**171**	2,395	**15**	247
	2,764	6,636	**239**	685

35 EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE

The following event occurred subsequent to the reporting date:

Subsequent to 30 June 2011 the Group acquired the following agricultural company incorporated in Ukraine:

Name	**Country of incorporation**	**Activity**	**Date of acquisition**	**% of ownership as at the date of aquisition**	**Consideration paid, thousands of** *Ukrainian hryvnias*	*Euros*
PC “Lan-M”	Ukraine	Agricultural	04.08.2011	99.98%	1,557	134

The purchase consideration consisted only of cash, and the direct costs related to this acquisition are not significant.

The disclosure of amounts recognised at the acquisition date for each class of the acquiree's assets, liabilities and contingent liabilities and carrying amounts of each of those classes immediately before the combination is impracticable. This is due to the fact that the acquired agri-business maintains its books based on Ukrainian Accounting Standards, which are different from IFRS. For the same reason it is not practicable to determine the total revenue and net profit incurred by the acquired company from the date of acquisition.

The disclosure of amount of the acquiree’s profit or loss recognised since the acquisition was not available as at the time these financial statements were made public, because assessment of the fair value of the acquired assets and liabilities was not complete.

23 August 2011,

Amsterdam, The Netherlands

The Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk	_______(signed)_______
P. Rybin	_______(signed)_______
M.M.L.J. van Campen	_______(signed)_______
V. Korotkov	_______(signed)_______
W.T. Bartoszewski	_______(signed)_______

Media Press-release

ASTARTA published semi-annual report for the 1H 2011

Financial highlights

Revenues
In the first six months of 2011 revenues grew 17% y-o-y and amounted EUR 116 million. Growth of revenues was driven by increased volumes of sales of grains, oilseeds and milk, successful marketing and favorable market conditions.

Profit from operations (EBIT) and EBITDA
Increase in revenues and management efforts directed on costs control resulted in 38% y-o-y increase of profit from operations to EUR 59 million. General and administrative expense decreased by 1% and constituted 3,5% of total revenues (4,2% for the same period of the last year), selling and distribution expense was almost the same and totaled 2,7% of revenues (3,1% in 1H 2010). EBITDA grew 31% y-o-y and constituted EUR 67 million. EBITDA margin increased from 51% to 58%.

Net profit
Net profit grew 39% y-o-y to EUR 57 million. Net profit margin grew from 41% to 49%.

Operating highlights

Crop production and sales
Over the reporting period the group increased its arable land bank up to 230 thousand hectares, expanded its agricultural fleet by more than 300 units of modern machinery, and increased crops storage capacities up to 360 thousand tonnes. For the first six months revenues in this segment recorded 72% y-o-y increase and totaled EUR 27 million.

Sugar and sugar byproducts production
After taking control over Novoivanivsky and Savinsky sugar plants, and modernization of other ASTARTA's sugar plants, total processing capacities increased to 33 thousand tonnes of sugar beet per day. The modernization program envisaged installation and commissioning of modern equipment providing for improvement of key production indicators and energy efficiency of sugar plants. Revenues in the segment increased y-o-y by 4% to EUR 78 million.

Production and sales of cattle farming produce
Population of caws grew by 20% y-o-y, milk production increased by 33% and constituted 33 thousand tonnes. Revenues in this segment in the first half of 2011 increased by 35% y-o-y and totaled EUR 11 million.

Victor Ivanchyk, CEO, said:
"The group demonstrated dynamic growth in financial and operational results in the first half of 2011. We have significantly increased the land bank, expanded agricultural fleet, continued modernization of sugar plants and development in cattle faming segment. All of this creates a solid base to achieve the goals set for this year. At the same time, our strategy is flexible and the group is ready to respond quickly to possible market changes providing for sustainability of the business in the time of volatility."