ASTARTA HOLDING N.V.

SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS

FOR THE SIX MONTHS ENDED JUNE 30, 2009

Contents

1 Macroeconomic situation in Ukraine

Ukrainian economy was one of the most affected by the global crisis at the end of 2008, and the beginning of 2009 was a hard time for its main sectors. January showed a significant fall, followed by some stabilization in February and a slow recovery in March, with agriculture being the only sector demonstrating positive figures y-o-y. As Ukrainian companies adjusted to the new economic reality, March-April 2009 data showed that the pace of economic decline in a number of sectors had slowed. In May through July, industrial production grew by moderate numbers, but this growth was a positive sign for the economy. Food and especially sugar consuming industries grew much faster than average.

In the first half of 2009, inflation notably decelerated, the national currency stabilized and even started to appreciate during April-May, and the current account gap narrowed dramatically in 1Q 2009. As a result of decreasing imports, Ukraine closed out 1H09 with a US$ 2.4bn merchandise trade deficit vs. US$ 9.8bn in 1H08. The monthly trade deficit continued trending narrower.

April-May and following months also revealed certain signs of stabilization in the banking system. In particular, in April households ceased to withdraw deposits from the banking system. This trend continued, supported by an increase in legal entities' deposits. As a result, the total stock of bank deposits grew by 0.3% mom in May, for the first time since October 2008. In summer, the growth of bank deposits continued, mainly due to the recovery of the households' trust to the banking system. Gradually banks were resuming consumer and corporate crediting.

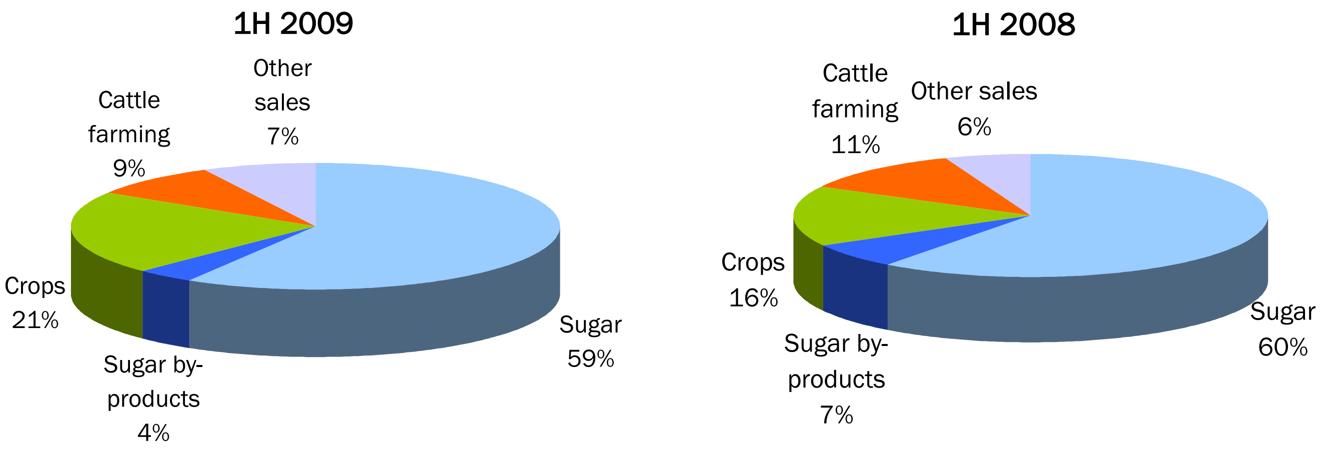
In the first half of 2009, Ukraine has received two tranches of $4.5 billion and $2.8 billion as part of a stabilization loan program provided by the IMF to stabilize its economy. At the end of July, the IMF approved a third tranche worth $3.3 billion, which was received on July 31 providing additional support for Hryvnia.

As Ukrainian agriculture proved to be one of the most competitive sectors of the national economy, demonstrating growth even in an unfavorable economic situation, the Government declared it a top priority industry. This year the government support shall include, inter alia, subsidizing of crops cultivation, financial interventions, and infrastructure development. Namely, subsidies for sugar beet cultivation account for UAH 750 per hectare (approx. USD 95). Agrarian Fund, a government agency for agri-market operations, receives State Budget financing for interventions to stabilize the grain market and for funding purchases of fuel for agri-producers. As in previous years, the Government also intends to subsidize costs of agri-producers related to interest payments on bank loans. A new initiative concerning bio-fuels was passed by the Parliament of Ukraine and signed by the President. The new law gives significant tax benefits for a bio-fuel industry aimed at stimulating both bio-fuel production and consumption (for more details, refer section *Significant events*).

2 The Group's operations, markets and sales of primary products

The primary products of the Group are: sugar, grains and oilseeds, cattle farming produce (milk and meat), as well as sugar by-products (molasses, beet pulp), and sugar beet. For the six months ended 30 June 2009, total Group's revenues were EUR 46,387 thousand or c. 9% more than in the first half of 2008, at the same time representing a 53% growth in the Ukrainian hryvnia equivalent. On the back of the aggressive growth in crop sales (47% up in the Euro equivalent and two-fold in hryvnia equivalent y-o-y), their share grew to 21% of the total. The increase in sugar sales (6% in the Euro equivalent and 48% in Hryvnia terms y-o-y) provided for a 59% share of sugar in total revenues. Meat and milk sales contributed 9% to the total. Export sales more than doubled in Hryvnia terms to UAH 58,037 thousand and contributed 12% to the total revenues vs. UAH 25,474 thousand or 8% of revenues in the first half of 2008.

Figure 1. Breakdown of the Group's revenues in 1H 2008 and 2009



2.1 Sugar production, market and sales

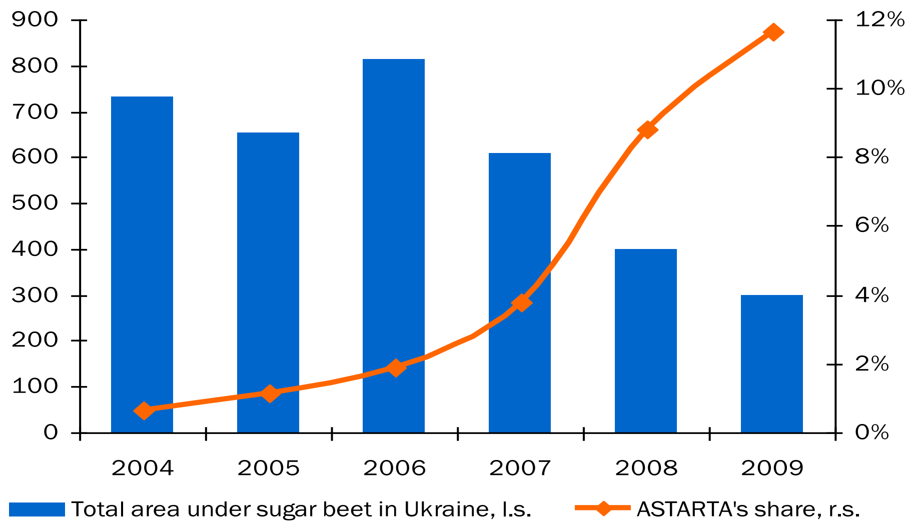
2.1.1 Sugar production

On January 25, 2009, ASTARTA finished production campaign of 2008/09, having produced 235.6 thousand tons of sugar. In the first half of 2009, preparations for the new production season started. In order to improve efficiency of the Group's sugar plants and further decrease energy consumption per ton of sugar produced, some of refineries' energy-sensitive components were modernized or replaced with investments into these upgrades amounting up to EUR 2 million.

As a result of credit crunch sugar beet sowing campaign in Ukraine finished in June with an 18% y-o-y drop in planted areas, continuing trend of the previous three years. In view of the pending sugar beet shortage, more sugar mills will be not operated this year. Thus number of active production facilities during the 2008/09 season decreased to 70 from 106 in 2007/08, and in 2009/2010, as little as 54-60 sugar mills are projected to start sugar production campaign.

Contrary to the dominating trend of cutting sugar beet plantations in Ukraine, in 2009 ASTARTA increased its areas under sugar beet by c. 14% to more than 34 thousand hectares, as the vertical integration of business is an important competitive advantage of the Group.

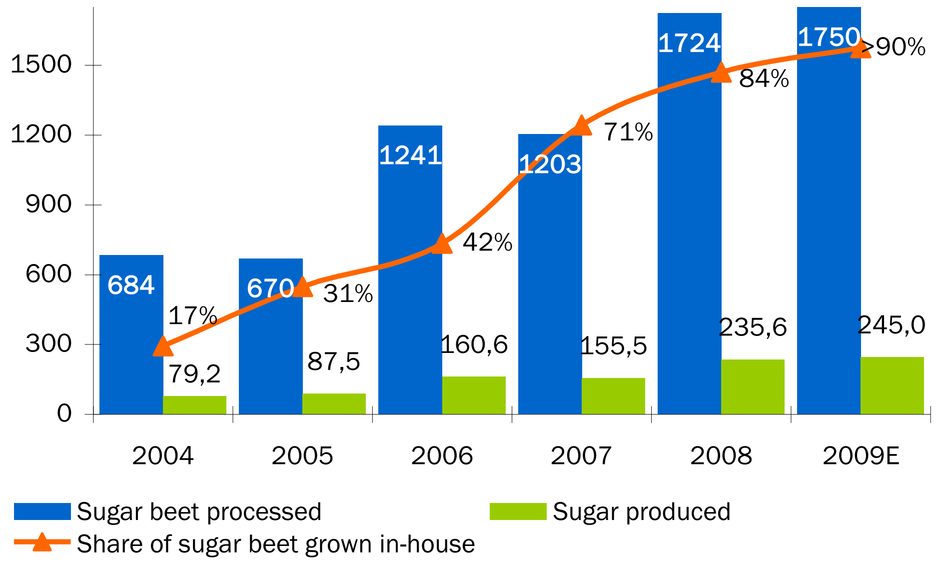
Figure 2. Areas under sugar beet in Ukraine in 2004-2009 and ASTARTA's share, thousand hectares and %



Source: State Statistics Committee of Ukraine, management estimates

Such an expansion will provide the Group's sugar plants with about 90% of in-house grown sugar beet, with the remaining 10% already contracted from traditional local suppliers. This balance is downsizing the production cost of sugar produced by the Group and securing production facilities' efficient capacity utilization. As of the date of preparation of the report, the quality of beet roots is considered by the Group's agronomists and external experts as good both in western and eastern parts of Ukraine, where ASTARTA agricultural companies are operating, to secure about 1.7 million tons output.

Figure 3. ASTARTA sugar beets and sugar production, thousand tons



2.1.2 Sugar market and sales

In terms of volumes, sugar sales increased from 77.1 thousand tons in the first half of 2008 to 83.5 thousand tons in the first half of 2009 or by c. 8%. The revenues from sugar sales were EUR 27,162 thousand compared to EUR 25,718 thousand in the H1 2008, representing a 6% increase. In the Ukrainian hryvnia equivalent, revenues from sugar sales grew 48% on the back of rapidly growing sugar price in Ukraine in 2Q2009.

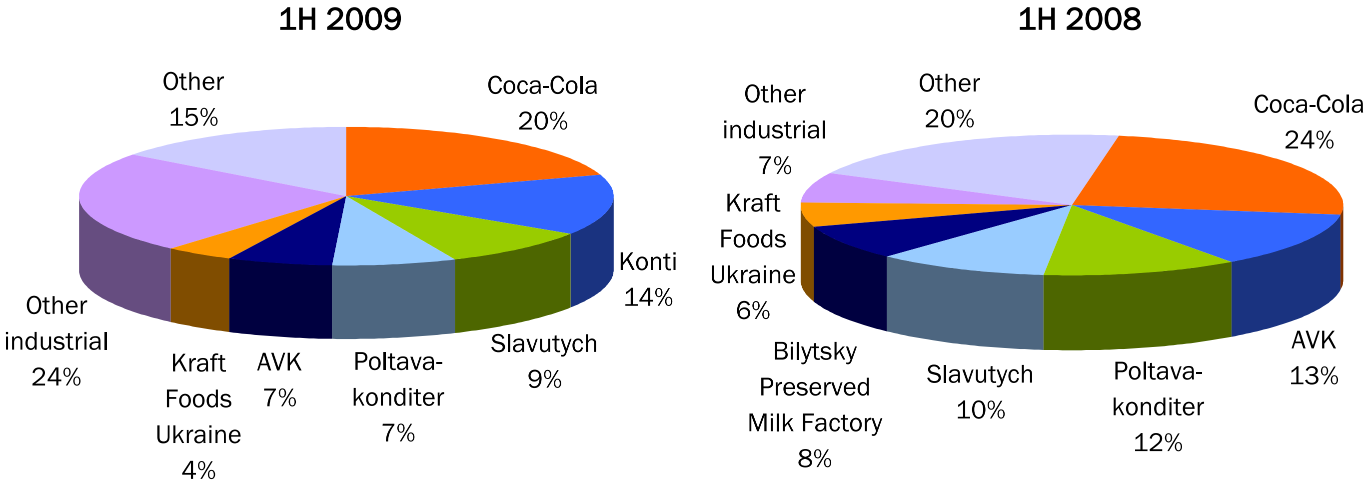
The table below shows quarterly sales in 2008 and the first half of 2009.

Table 1. Sugar sales in 2008 and in the first half 2009, tons

	2009	**2008**
1 quarter	41,844	36,163
2 quarter	41,625	40,981
3 quarter	-	36,303
4 quarter	-	98,420
Total:	-	**211,867**

The figure below provides the breakdown of sugar sales by clients in terms of volumes in the first halves of 2009 and 2008.

Figure 4. The breakdown of sugar sales by clients in H1 2009 and 2008, volume



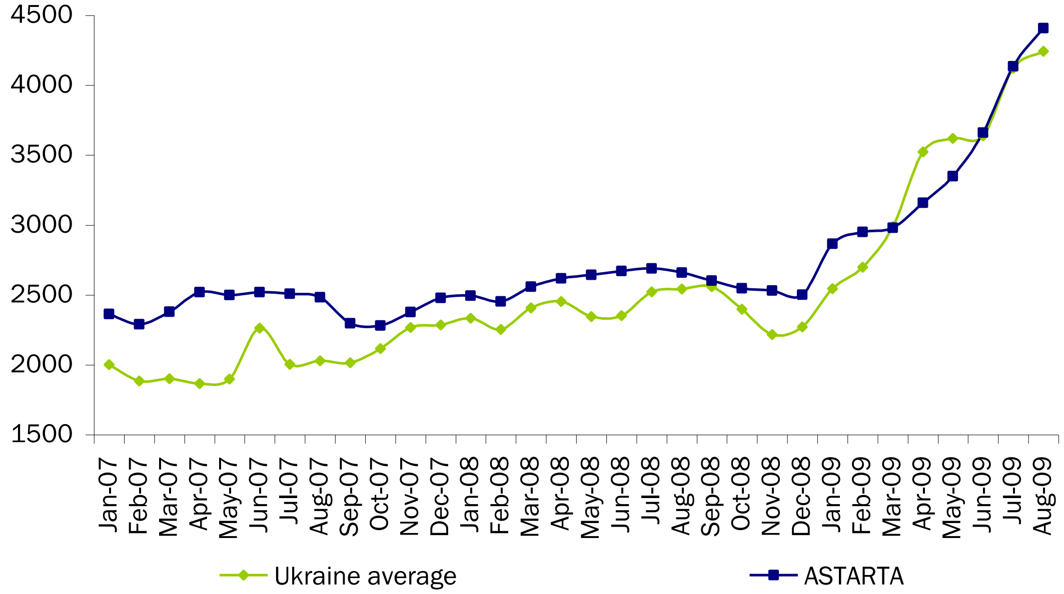
Industrial consumption of sugar in Ukraine re-gained its momentum in the first half of 2009. Late spring is usually a season of lower utilization of sugar by confectionaries, due to the seasonal fluctuations in the demand for their products. Thus, having clients from different industries (beverage and confectionaries) allows the Group to balance its sugar sales throughout a year and redistribute sugar among major business consumers according to their needs.

About 85% of the Group's sugar was sold to big industrial consumers, the largest of which, Coca-Cola Ukraine, absorbed 20% of the total. The new client of 2008, Konti confectionary, became the second largest sugar consumer with a 14% share in the Group's sugar sales. Two soft drinks producers, Coca-Cola and Slavutych (Carlsberg Group), retained their leading positions among the sugar buyers in this segment. Sales to the three traditionally largest confectionary customers (AVK, Poltavakoditer and Kraft Foods Ukraine) were stable, with no increase in terms of volumes, and their combined share in the total sugar sales was 18% in the first half of 2009.

Despite relatively flat food prices in Ukraine, sugar sector faced a significant rally in the first half of 2009. The projected shortage of supply, as well as the absence of large wholesale lots of sugar on the market contributed to a 68% price growth in the first six months of the year. By end-August the wholesale price gained 85% to reach UAH 5,800 per ton (approx. US $700).

Figure 5 shows the average Ukrainian sugar prices and ASTARTA selling prices in January 2007 through August 2009.

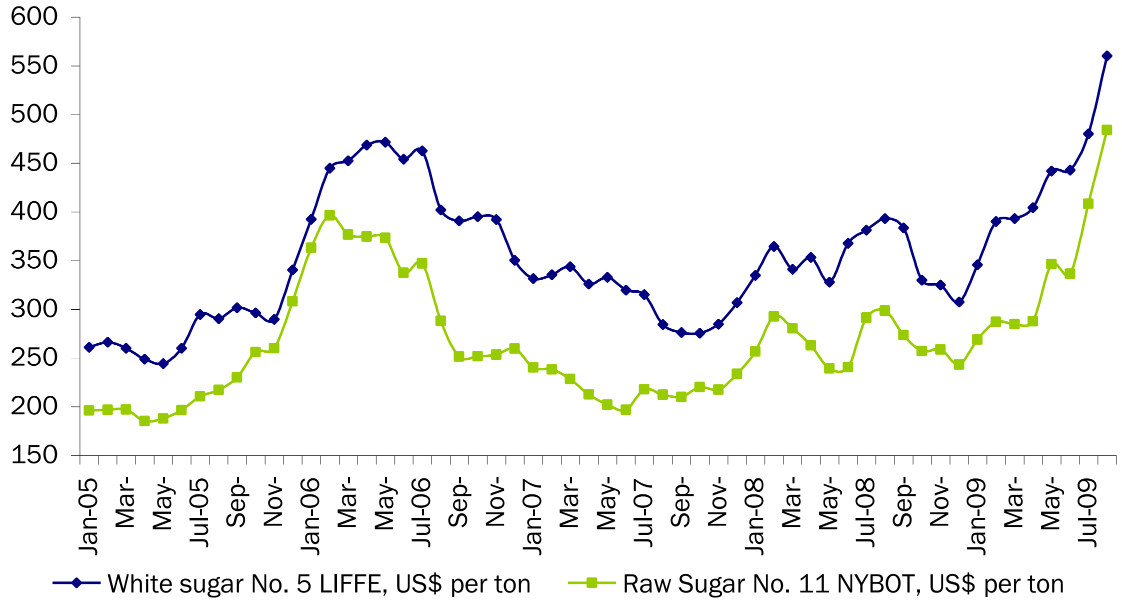
Figure 5. ASTARTA pricing power in January 2007 through August 2009, UAH per ton, net of VAT



Source: National Association of Sugar Producers Ukrtsukor, management estimates

World prices for sugar supported this rally in Ukraine. The price of raw sugar on the world markets reached a 28-year high as concern mounts over supply, worrying local food manufacturers who depend heavily on this commodity.

Figure 6. World sugar prices in January 2005 through August 2009, US$ per ton



Source: FutureSource.com

International raw sugar prices have already risen more than 80% this year as bad weather has affected output in Brazil and India, the world's two largest producers. Sugar production in India has fallen by 45 per cent because there was less rain in the monsoon season, while more and more of Brazil's crop is being used for ethanol, reducing the amount available for sugar extraction. Experts believe that financial crisis and limited availability of additional plantations prevent cane producers from expanding output within short period of time.

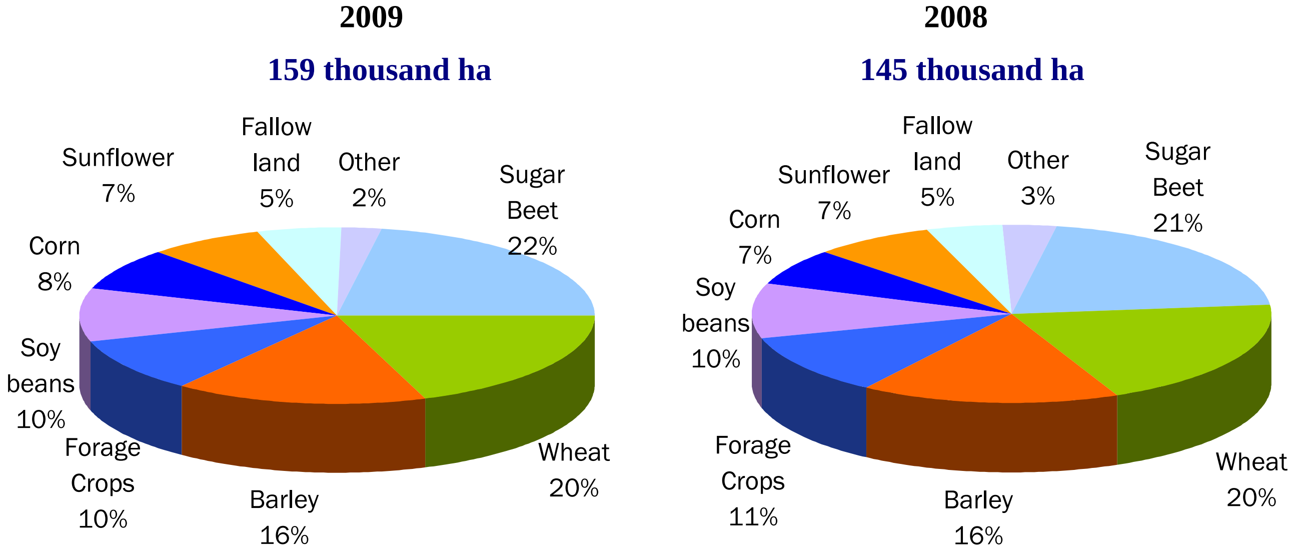
In London, LIFFE 2009 October white sugar rose more than 70% this year. Sugar inventories are estimated to be at record lows as many producers and physical traders maintain minimal stock levels to reduce costs. Analysts at Czarnikow, the sugar broker, published a revised estimate for global sugar stocks of about 20 mln tons, well below the range of current market estimates of between 30 mln tons and 70 mln tons. All the above factors contribute to sugar prices staying high or even grow in the mid-term perspective.

2.2 Crops production, market and sales

2.2.1 Crops production

In the first half of 2009, ASTARTA's agri-companies increased the area of agricultural land under cultivation by around 10% to 159 thousand ha compared to 145 thousand ha a year before. The crops rotation distribution of cultivated land remained nearly unchanged, and is designed to secure a high return on the Group's assets in a mid- and long-term period following the strategy of vertical integration and incremental increase of soil productivity.

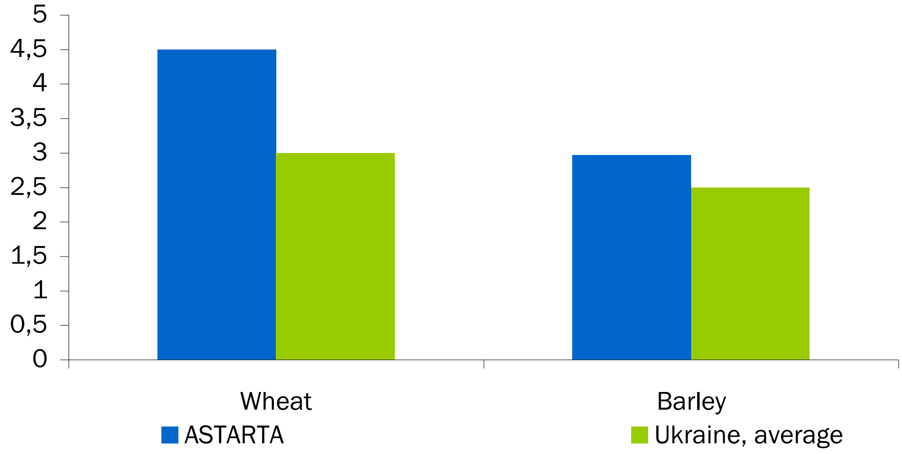
Figure 7. The breakdown of cultivated areas in 2009 and 2008



By the end of August 2009, ASTARTA's agricultural companies harvested 222 thousand tons of early grains on the area of 59 thousand hectares. The average yield of winter wheat was about 4.5 tons per hectare, 4.4 tons per hectare for winter barley and 3.0 tons per hectare for spring barley. The decline in the yield of wheat and spring barley compared to 2008 (10% in average) was caused by the less favorable weather conditions compared to the previous year. At the same time, ASTARTA's yields in 2009 were traditionally around 35-40% above Ukrainian averages.

Noteworthy, that in 2009 the quality of grain harvested is much higher than in the previous year. While last year about half of wheat harvested was feed wheat, this year the major part of wheat is high quality milling wheat that has better pricing on the market.

Figure 8. Average yields of early grains by ASTARTA and in Ukraine in 2009, tons per hectare



Source: State Statistics Committee of Ukraine, management estimates

The 2009 harvesting campaign is still on the way, later in autumn, corn, sunflower, and soybeans will be harvested. Based on the current good conditions of these crops, the Group's total output of grains and oilseeds in 2009 is expected to be at a level of 360 thousand tons.

2.2.2 Crops market and sales

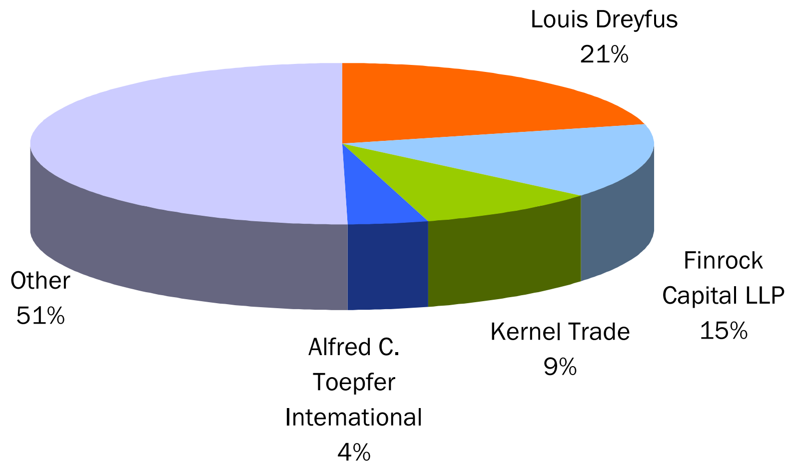
In the first half of 2009, revenues from crops sales grew 47% y-o-y to EUR 9,889 thousand, and 106% in Ukrainian hryvnia equivalent, despite the fact that they were limited by lower than in 1H2008 prices. In terms of volumes, sales of key crops grew 142%, while tripled wheat sales represented about one half of all crop sales.

Table 2. Sales of key crops in 1H 2008 and 2009, thousands tons

	H1 2009	**H1 2008**	**2009/2008 change, %**
Wheat	47,8	15,51	208%
Barley	19,9	9,15	117%
Sunflower seed	5,5	1,05	424%
Corn	33,1	18,3	81%
Total:	**106,3**	**44,01**	**142%**

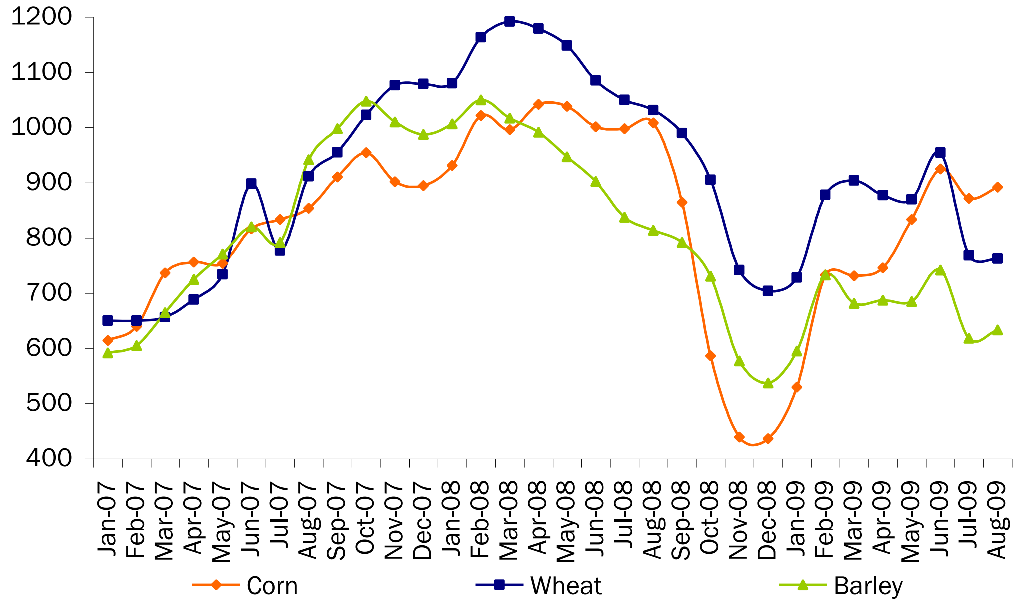
More than 40% of all revenues from crops sales in 1H 2009 constituted export incomes, with major international traders being the largest clients.

Figure 9. The breakdown of crop sales by clients in H1 2009, value



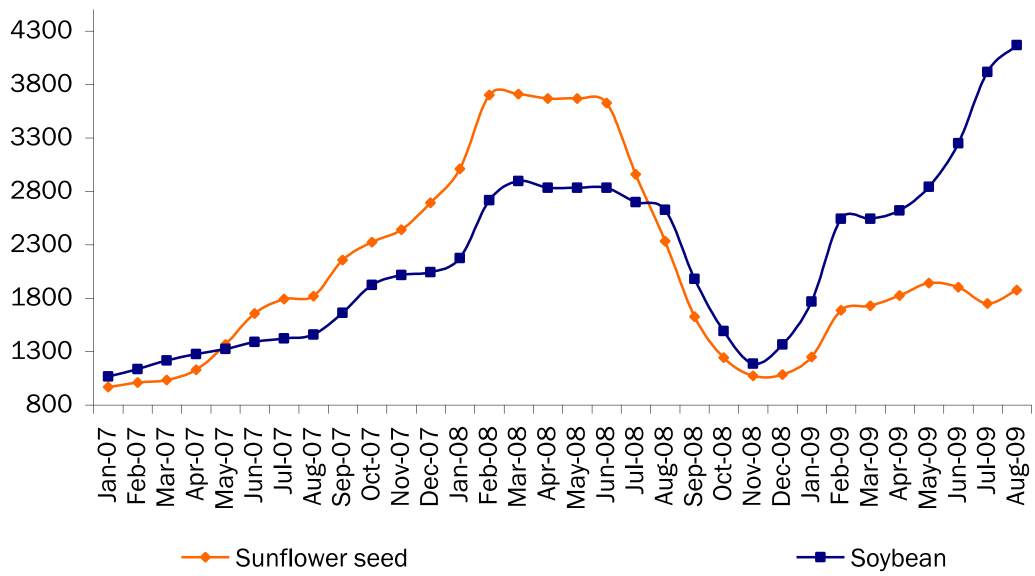
The Ukrainian hryvnia depreciation in late 2008 became a positive incentive for the national crop market. Prices for grains and oilseeds grew in Hryvnia equivalent from 40% to 140% in the first six months of 2009 on the back of aggressive exports, however they did not reach the 2008 highs. As harvesting season started in late June-early July, a downward correction affected the Ukrainian crops market. We project that this downward correction will last until mid-autumn, and then prices for grains will regain their upward trend following lower than a year ago output in Ukraine, as well as in Russia and the EU.

Figure 10. Grain prices in Ukraine in 2007 through August 2009, UAH per ton, net of VAT



Source: APK-Inform Analytical Agency (www.apk-inform.com)

Figure 11. Oilseed prices in Ukraine in 2007 through August 2009, UAH per ton, net of VAT



Source: APK-Inform Analytical Agency (www.apk-inform.com)

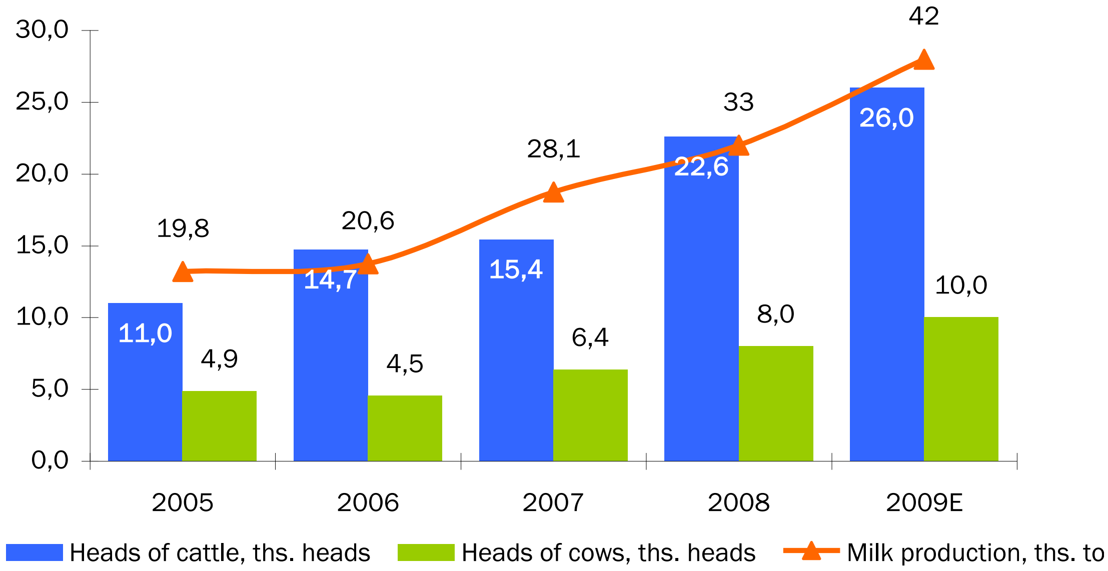
Overall in the first half of 2009 corn and wheat were exported most actively in Ukraine. Corn was exported mostly to Asian and African countries, Egypt, Iran and Syria being the most active buyers (over 0.5 million tons each). Wheat was mainly exported to Europe and Asian countries: Bangladesh, Philippines and Spain being the major importers.

2.3 Farming produce production and sales

2.3.1 Production of cattle farming produce

Cattle farming brings additional value to the whole business structure through its synergy with other segments. On the other hand, raw milk production has a good perspective in Ukraine, where supply of high-quality milk is limited.

Figure 12. ASTARTA's cattle headcount and milk production in 2005-2009



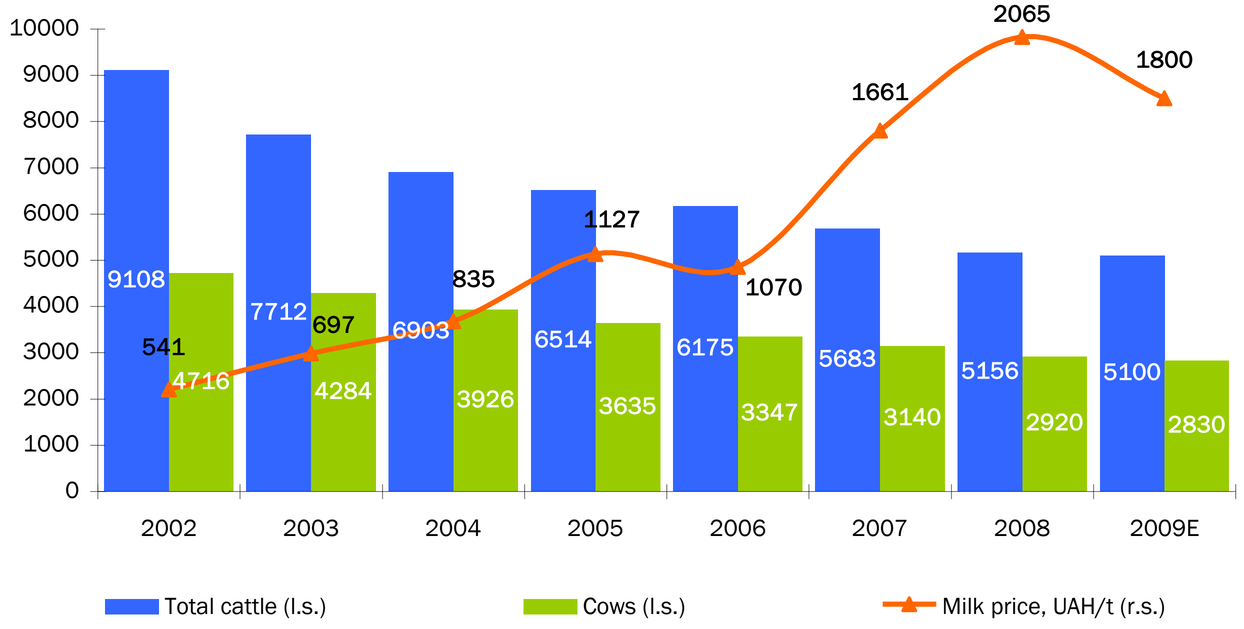
Developing dairy cattle business, ASTARTA has started building a modern dairy production complex near Gogolevo village in Shyshacky region of Poltava district. This complex is planned for 1000 cows with leash-free system of maintenance, which can better satisfy physiological necessities of cattle and positively influence yields of milk. The first stage of this dairy production complex is to be launched by December 2009.

2.3.2 Farming produce market and sales

The growth in the Group's revenues from the cattle farming in H1 2009 was associated with an increase in production by ASTARTA's agri-companies. The Group's sales of cattle farming produce grew in the Ukrainian hryvnia terms by 17% y-o-y, but due to the hryvnia depreciation fell same 17% in Euro terms from EUR 4,790 thousand to EUR 3,990 thousand and provided 9% of the total revenues.

Dairy prices in Ukraine are subject to seasonal fluctuations. They usually drop in summer, when the output is higher and start growing in autumn, with the price peak in winter. This year, average prices for raw milk in Ukraine have been approximately 12% lower than a year ago, though much higher than long-term averages. However, further decrease in the dairy herd in Ukraine, as well as greater demand for high quality milk for processing can push the milk prices up in the nearest future. The pricing situation will be also influenced by the new quality standards being introduced by the dairy processors last summer, which do not allow processors to use milk produced by households.

Figure 13. Ukraine's cattle headcount (thousands of heads) and average milk prices in 2002-2009 (to date)



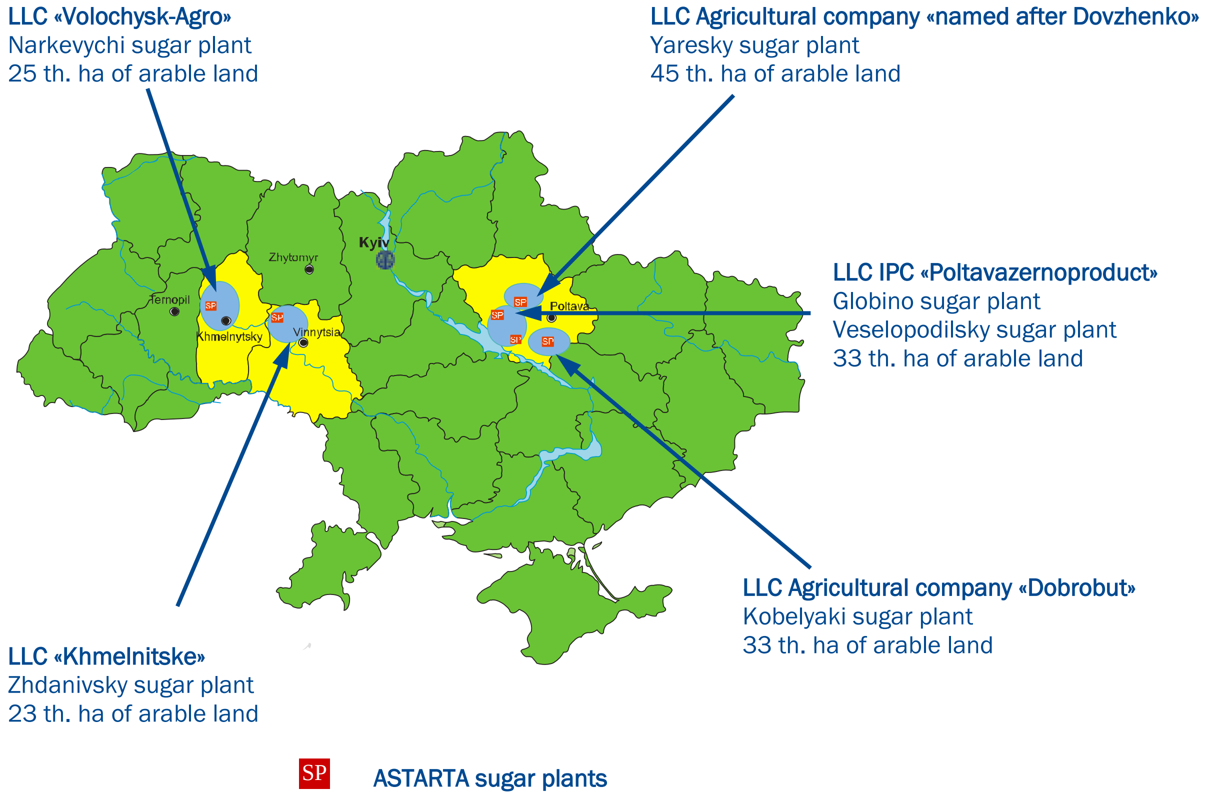
Source: State Statistics Committee of Ukraine, management estimates

3 The Group's restructuring

Concurrently to ASTARTA's business expansion, efforts were made to adjust and optimize the structure of the Group. To streamline operations and accounting, sugar production assets and agri-companies were consolidated into five large business units geographically grouped around our sugar plants. This reform is aimed to provide for better management, improved logistics, optimization of personnel, more effective use of agricultural machinery, and minimization of unnecessary transaction costs. In particular, this new operational structure is aimed to improve capacity utilization by the newly formed business units through better per hectare distribution of agricultural machinery and inputs, and thus more efficient land cultivation.

As of the date of this report, the planned Group's restructuring has been basically completed.

Figure 14. Geographical mapping of the Group's business units



It should be noted that ASTARTA has already enjoyed first positive results of the reform. Harvesting in the current season gained a higher tempo after the Group's restructuring that helped to improve the performance and optimal use of production assets. New business units mostly managed to cut the cost of production and to maximize its efficiency. Another result of this reform is a decrease in the share of general and administrative expenses incurred in the first half of 2009. For more details, please refer section *Financial results: Income statement*.

4 Financial Results

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

4.1 Financial results: Selected Financials

Table 3. Selected Financial Data in H1 2009

SELECTED FINANCIAL DATA	UAH		EUR	
	2009	**2008**	**2009**	**2008**
I. Revenues	**498,952**	326,600	**46,387**	42,620
II. Profit from operations	**223,308**	130,474	**20,845**	16,993
III. Profit before tax	**197,148**	135,788	**18,415**	17,641
IV. Net profit	**200,561**	132,130	**18,727**	17,170
V. Cash flows provided by operating activities	**85,300**	27,740	**8,009**	3,572
VI. Cash flows provided by (used in) investing activities	**2,770**	(133,794)	**194**	(17,457)
VII. Cash flows provided by (used in) financing activities	**(69,968)**	121,425	**(6,502)**	15,859
VIII. Total net cash flow	**18,102**	15,371	**1,701**	1,974
IX. Total assets	**2,141,516**	1,658,015	**196,287**	217,368
X. Current liabilities	**748,850**	627,896	**68,640**	82,318
XI. Non-current liabilities	**515,704**	160,461	**47,268**	21,037
XII. Share capital	**1,663**	1,663	**250**	250
XIII. Total equity	**876,962**	869,658	**80,379**	114,013
XIV. Number of shares	**25,000,000**	25,000,000	**25,000,000**	25,000,000
XV. Profit per ordinary share	**8.02**	5.24	**0.75**	0.68

4.2 Financial results: Income statement

In the first half of 2009, the Group's revenues grew by 53% to UAH 498,952. Such an aggressive growth in the Ukrainian hryvnia equivalent was somewhat offset by the Ukrainian currency depreciation in late 2008, thus in the Euro equivalent revenues grew by 9% y-o-y up to EUR 46,387 thousand.

The revenues were growing simultaneously with expanding sales of the Group's products, as well as rising sugar prices and recovery on crops markets. The average market price for sugar in the hryvnia equivalent grew almost 30% y-o-y, while the Group mostly retained its positive margin over the market price. Due to larger volumes, sales of crops in Ukrainian hryvnia terms grew more rapidly (106% y-o-y) compared to sugar (up 48%) and cattle farming produce (up 17%). For more details on the Group's sales, refer section *The Group's markets and sales of primary products*.

The cost of revenues demonstrated an 8% y-o-y growth to EUR 32,496 thousand in the first half of 2009 from EUR 29,997 thousand in the first half of 2008 (52% in the hryvnia equivalent). The gross profit decreased 23% from EUR 10,624 thousand in 1H 2008 to EUR 8,199 thousand in 1H 2009 (grew 8% in the hryvnia equivalent). The gross margin constituted 18% against 25% in 1H2008. There is the following reason for such a decrease. The production costs in fall 2008 were high, contributing to higher cost of sales in the first half of 2009. These high costs were partially offset by increasing products' prices in the second quarter of 2009, but the gross profit of the first quarter of 2009 was low and affected the results of the whole reporting period. Another reason for such a decrease is the downward change in prices for agricultural produce y-o-y resulting in a loss arising from remeasurement of agricultural produce to fair value, which constituted EUR 5,692 thousand against EUR 1,999 thousand.

Operating income and expense in 2009 grew generally in line with the increase in revenues. In particular, general and administrative expense was 9.0% of the revenues in the first half of 2009 (11.4% in 1H 2008). The decrease in the share of administrative expense resulted from the Group's structure streamlining introduced in 2009. Selling and distribution expenses constituted 5.8% of revenues vs. 5.5% in 1H 2008. They grew to EUR 2,689 thousand vs. EUR 2,330 thousand in 2008 due to substantially increased crop sales. The change in fair value of biological assets was EUR 19,616 thousand against EUR 11,695 thousand a year earlier as a result of increasing areas under crops and positive price trends in the first half of 2009.

As a result of the above factors, the profit from operations grew 23% to EUR 20,845 thousand vs. EUR 16,993 in the first half of 2008 (or 71% in hryvnia terms) with EBIT margin rise from 40% to 45%. EBITDA increased 20% to EUR 25,111 thousand against EUR 20,884 in the first half of 2008 (or 68% in hryvnia terms), and EBITDA margin up from 49% to 54%.

Profit before tax grew 4% to EUR 18,415 thousand, and the Net profit grew 9% y-o-y to EUR 18,727 thousand. The net margin remained stable at 40%.

4.3 Financial results: Balance Sheet

As of June 30, 2009, Group's assets grew up to UAH 2,141,516 thousand - a 29% increase as compared to the same date of 2008. Out of all assets, current assets and non-current assets account for 57% and 43% respectively. The assets structure in the same date of 2008 was as follows: current assets – 55%, non-current assets – 45%. Represented in Euro equivalent, total assets decreased 10% due to a significant change in currency exchange rates.

Equity decreased by EUR 33,634 thousand (increased by UAH 7,304 thousand for the hryvnia denominated consolidated balance sheet) from the year before, mainly because of the decrease in retained earnings following negative currency translation adjustment in 2008.

Equity was 41%, non-current liabilities - 24% and current liabilities - 35% in the total assets (respectively: 52%, 10%, and 38% as of 30 June, 2008).

4.4 Basis for preparation of the Condensed Consolidated Interim Financial Statements

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

4.5 Financial Ratios

Table 4. Financial margins and ratios (in thousands of Euros in and percent)

Margins	**6 months to 30 June 2009**	**6 months to 30 June 2008**
Revenues	46,387	42,620
Gross profit	8,199	10,624
Gross profit margin %	17.7%	24.9%
EBITDA	25,111	20,884
EBITDA margin %	54.1%	49.0%
Net profit	18,727	17,170
Net profit margin %	40.4%	40.3%
Ratios	**6 months to 30 June 2009**	**6 months to 30 June 2008**
ROE	**23.3%**	15.1%
ROA	**9.5%**	7.9%
Current Ratio	**1.63**	1.45
Quick Ratio	**0.29**	0.34
EPS	**0.75**	0.68
Market Capitalization	**110,468**	274,581
Net debt	**82,688**	62,258
EV	**196,650**	342,028
Total debt ratio	**0.59**	0.48
Net Debt/Equity	**1.03**	0.55

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

After a sharp fall in 4Q 2008 as a reaction to the global financial crisis, ASTARTA Holding N.V.’s share price showed progressive growth during the reporting period. As at August 27, 2009 the closing price was 26.99 PLN (6.55 EUR). This year to date, prices for shares of ASTARTA Holding N.V. gained 145%. The monthly turnover of the Company's shares already achieved the previous year’s level. Moreover, ASTARTA shares maintained a positive margin compared to the Warsaw Stock Exchange Index (WIG), outperforming this index. Quotations of ASTARTA Holding N.V. shares on the Warsaw Stock Exchange compared to the WIG index are shown in Figure 15.

Figure 15. ASTARTA Holding N.V. vs. WIG quotations

Source: Warsaw Stock Exchange

5 Material Events during the Reporting Period

Credit portfolio optimization

In March 2009, the European Bank for Reconstruction and Development (EBRD) signed a Loan agreement to provide financing to CJSC APO "Tsukrovyk Poltavshchyny", an indirect subsidiary of ASTARTA Holding N.V. The financing of up to USD 20 million was granted to re-finance the portion of the existing Group financial debt and to invest into energy efficiency improvements at its sugar plants and purchase of agricultural machinery. The loan to ASTARTA was the first under the new EBRD Mid-Sized Corporate Support Facility. The financing would comprise a secured long-term loan for 5 years with 18-month grace period, fully guaranteed by ASTARTA Holding N.V.

Acquisition of Subsidiaries

On February 18, 2009, Astarta-Kyiv acquired 100% stake in the Private Enterprise "Bilogirsky Sokyl 2008", an agricultural company in Khmelnytsky Oblast with 1,000 hectares of arable land in use. After this acquisition, "Bilohirsky Sokil 2008" was merged to another ASTARTA subsidiary, LLC "Volochysk Agro".

Changes in the Reporting Obligations

As of January 13, 2009, a major change of Polish securities regulations became effective. Under the new regulations, the reporting obligations of EU companies are primarily governed by the law of the country in which the company has its registered seat. Therefore, the reporting obligations of ASTARTA Holding N.V. will be governed primarily by Dutch law, namely the newly adopted Transparency Directive. Issuing institutions with the Netherlands as their Member State of origin whose securities have been admitted to trading on a regulated market within the European Union are subject to statutory rules on the general availability of financial reports. They should make the annual financial reports available to the public within four months of the end of the financial year. Moreover, issuing institutions are obliged to make their semi-annual financial reports generally available. They should do so within two months of the close of the first six-month period. The issuing dates of ASTARTA Holding N.V. periodic reports in 2009 can be viewed on the Company's website (www.astartakiev.com).

Annual General Meeting of Shareholders of ASTARTA Holding N.V.

On June 5, 2009, the Annual General Meeting of the Company's Shareholders was held. The AGM adopted a set of resolutions concerning the Company's corporate governance system. For more details, please refer to the Company's website (www.astartakiev.com).

Changes in the shareholder structure of ASTARTA Holding N.V

On June 17, 2009, two major shareholders Viktor Ivanchyk and Valery Korotkov, each acquired 46,883 shares in the Company. The shares were acquired as a result of exchange of the other issuers' shares possessed by the Albacon Ventures Limited and Aluxes Holding Limited for the Company's shares. The transactions were executed outside the regulated market. As a result of this transaction, the above shareholders hold 10,046,883 shares in the Company each.

Tax benefits for bio-fuel industry

The Law of Ukraine "On Amendments to Some Laws of Ukraine on Stimulating Production and Consumption of Biological Fuels" (No. 1391-VI dated May 21, 2009) was passed by the Parliament of Ukraine in May, 2009 and signed by the President of Ukraine on June 17, 2009. The law creates favorable conditions for the development of bio-fuel industry in Ukraine and the increase of domestic bio-fuel production and consumption in Ukraine, which remain marginal despite large domestic production and exports of products that may be used as a source of bio-energy. The law introduces that in the period from January 1, 2010 to January, 2019, importers of machinery and equipment that is used for reconstructing and building new enterprises producing bio-fuel, as well as machinery and equipment used for production and modernization of transport vehicles for bio-fuel consumption (if these machinery and equipment or their equivalents are not produced in Ukraine) will enjoy zero import duty. According to the new law, the non-state (private) companies have the possibility to produce bio-ethanol. Thus, ASTARTA received an opportunity to proceed with its bio-ethanol project that has been considered earlier.

6 Material Events after the Reporting Date

Changes in the shareholder structure of ASTARTA Holding N.V

- On July 20, 2009, ING Towarzystwo Funduszy Inwestycyjnych S.A., acting on behalf of ING Fundusz Inwestycyjny Otwarty Akcji, ING Fundusz Inwestycyjny Otwarty Średnich i Małych Spółek, ING Specjalistyczny Fundusz Inwestycyjny Otwarty Akcji 2 and ING Parasol Fundusz Inwestycyjny Otwarty, notified that the investment funds managed by ING Towarzystwo Funduszy Inwestycyjnych S.A. increased their share in the total number of votes at the general meeting of ASTARTA Holding N.V. to more than 5%. The shareholding in ASTARTA Holding N.V. changed on July 21, 2009 due to the acquisition of shares of the company. As of July 21, 2009 the investment funds managed by ING Towarzystwo Funduszy Inwestycyjnych S.A. held altogether 1,263,761 shares of ASTARTA Holding N.V., which constituted 5.06% of the share capital of the company.
- On August 11, 2009, ING Towarzystwo Funduszy Inwestycyjnych S.A. acting on behalf of investment funds managed by it notified that ING Parasol Fundusz Inwestycyjny Otwarty disposed shares of Astarta Holding N.V. that resulted in declining the threshold of 5 % of voting rights on the general shareholders meeting of Astarta Holding N.V. held by jointly treated funds under ING Towarzystwo Funduszy Inwestycyjnych S.A. The cause of decrease in percentage of possessed voting rights on general shareholders meeting was sell transaction of shares of Astarta Holding N.V. on August 7, 2009. As of August 7, 2009 all the investment funds under the management of ING Towarzystwo Funduszy Inwestycyjnych S.A. treated jointly possessed 1,219,468 shares of Astarta Holding N.V., what gives 4.88% of registered capital of the company.

Acquisition of Subsidiaries

- On 17 August 2009, the Group increased its control over the subsidiary company LLC “Victoriya” by means of acquisition of additional share of 18.12% in the subsidiary’s net assets. The share of ownership in the subsidiary company LLC “Victoriya” is 93.11% as a result of the transaction.

7 Shareholders’ Structure of ASTARTA Holding N.V.

According to the information available to the Company, as of June 30, 2009, the following shareholders provided information concerning direct or indirect (through subsidiaries) ownership of at least 5% of total votes at the General Shareholders Meeting of ASTARTA Holding N.V.

Table 5. Shareholders’ Structure of ASTARTA Holding N.V. as of June 30, 2009

Shareholder	Number of shares	Percentage of the owned share capital	Number of votes at the General Meeting	Percentage of the votes at the General Meeting
Viktor Ivanchyk through his wholly owned Cypriot company Albacon Ventures Ltd.	10,046,883	40.19	10,046,883	40.19
Valery Korotkov through his wholly owned Cypriot company Aluxes Holding Ltd.	10,046,883	40.19	10,046,883	40.19
Other shareholders	4,906,234	19.62	4,906,234	19.62
TOTAL	25,000,000	100.00	25,000,000	100.00

8 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 as owners of the companies in Cyprus, hold indirectly 80.38% of the votes at the General Shareholders Meeting of the Company, 40.19% each. Besides, each Viktor Ivanchyk and Valery Korotkov own directly 0.01% of the share capital of Astarta-Kyiv. The rest of the directors do not own, whether directly or indirectly, any shares or other securities giving rights to acquire these shares neither from the date of the Company's registration up to the date of this statement, nor after this period.

9 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 materially from the anticipated results, expressed or implied by these forward-looking statements.

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)_______

27 August 2009,
Amsterdam, The Netherlands

10 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 2009 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 report of the Board of Directors on the operations of ASTARTA Holding N.V. for the first half 2009 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)_______

27 August 2009,
Amsterdam, The Netherlands

ASTARTA HOLDING N.V.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2009

These condensed consolidated interim financial statements contain 92 pages

CONTENT

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT

(in thousands of Ukrainian hryvnias)		**30 June 2009**	**31 December 2008**	**30 June 2008**
		(unaudited)	**(audited)**	**(unaudited)**
Assets				
Non-current assets				
Property, plant and equipment	*6*	**802,986**	818,060	694,488
Intangible assets	*7*	**49,830**	55,244	4,009
Biological assets	*8*	**58,680**	57,946	43,564
Financial instruments held-to-maturity	*9*	**-**	-	2,071
Financial instruments available-for-sale	*10*	**5,991**	5,132	2,597
Other long-term assets		**588**	552	566
Deferred tax assets		**6,059**	4,276	477
		924,134	941,210	747,772
Current assets				
Inventories	*11*	**273,219**	622,917	198,802
Biological assets	*8*	**725,798**	164,470	500,861
Trade accounts receivable	*12*	**78,338**	73,880	83,860
Other accounts receivable and prepayments	*13*	**106,681**	88,406	100,601
Current income tax		**453**	66	133
Promissory notes available-for-sale		**4,111**	2,962	2,689
Short-term deposits		**-**	49,422	-
Cash and cash equivalents	*14*	**28,782**	10,680	23,297
		1,217,382	1,012,803	910,243
Total assets		**2,141,516**	1,954,013	1,658,015

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 20 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT, CONTINUED

(in thousands of Ukrainian hryvnias)		**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Equity and liabilities				
Equity	*15*			
Share capital		**1,663**	1,663	1,663
Additional paid-in capital		**392,782**	372,042	371,322
Retained earnings		**310,670**	107,955	322,477
Fair value reserve		**7,940**	4,176	-
Revaluation surplus		**159,919**	162,039	168,317
Currency translation adjustment		**3,022**	(10,640)	(3,414)
Total equity attributable to equity holders of the company		**875,996**	637,235	860,365
Minority interests relating to open joint stock companies	*16*	**966**	10,876	9,293
Total equity		**876,962**	648,111	869,658
Non-current liabilities				
Loans and borrowings	*17*	**434,051**	133,843	63,724
Minority interests relating to limited liability companies	*16*	**38,122**	43,802	39,581
Other long-term liabilities		**8,285**	8,682	7,697
Promissory notes issued	*18*	**16,005**	3,094	-
Deferred tax liabilities		**19,241**	20,658	49,459
		515,704	210,079	160,461
Current liabilities				
Short-term loans and borrowings	*17*	**408,710**	841,883	395,726
Current portion of long-term loans and borrowings	*17*	**88,157**	63,929	38,732
Trade accounts payable		**136,826**	91,899	114,637
Promissory notes issued		**14,737**	9,650	5,001
Current income tax		**-**	7	135
Other liabilities and accounts payable	*19*	**100,420**	88,455	73,665
		748,850	1,095,823	627,896
Total equity and liabilities		**2,141,516**	1,954,013	1,658,015

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 20 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT

(in thousands of Euros)		**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Assets				
Non-current assets				
Property, plant and equipment	*6*	**73,600**	72,717	91,047
Intangible assets	*7*	**4,567**	4,911	526
Biological assets	*8*	**5,378**	5,150	5,712
Financial instruments held-to-maturity	*9*	**-**	-	272
Financial instruments available-for-sale	*10*	**549**	456	341
Other long-term assets		**54**	49	74
Deferred tax assets		**555**	380	63
		84,703	83,663	98,035
Current assets				
Inventories	*11*	**25,042**	55,372	26,064
Biological assets	*8*	**66,526**	14,620	65,662
Trade accounts receivable	*12*	**7,180**	6,567	10,994
Other accounts receivable and prepayments	*13*	**9,779**	7,859	13,189
Current income tax		**42**	6	17
Promissory notes available-for-sale		**377**	263	353
Short-term deposits		**-**	4,393	-
Cash and cash equivalents	*14*	**2,638**	949	3,054
		111,584	90,029	119,333
Total assets		**196,287**	173,692	217,368

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 20 to 92.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT, CONTINUED

(in thousands of Euros)		**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Equity and liabilities				
Equity	*15*			
Share capital		**250**	250	250
Additional paid-in capital		**57,768**	55,837	55,744
Retained earnings		**39,794**	20,870	44,984
Fair value reserve		**728**	371	-
Revaluation surplus		**21,933**	22,127	22,685
Currency translation adjustment		**(40,183)**	(42,811)	(10,868)
Total equity attributable to equity holders of the company		**80,290**	56,644	112,795
Minority interests relating to open joint stock companies	*16*	**89**	967	1,218
Total equity		**80,379**	57,611	114,013
Non-current liabilities				
Loans and borrowings	*17*	**39,784**	11,897	8,355
Minority interests relating to limited liability companies	*16*	**3,494**	3,894	5,189
Other long-term liabilities		**759**	772	1,009
Promissory notes issued	*18*	**1,467**	275	-
Deferred tax liabilities		**1,764**	1,836	6,484
		47,268	18,674	21,037
Current liabilities				
Short-term loans and borrowings	*17*	**37,462**	74,834	51,880
Current portion of long-term loans and borrowings	*17*	**8,080**	5,683	5,077
Trade accounts payable		**12,541**	8,169	15,029
Promissory notes issued		**1,351**	858	656
Current income tax		**-**	1	18
Other liabilities and accounts payable	*19*	**9,206**	7,862	9,658
		68,640	97,407	82,318
Total equity and liabilities		**196,287**	173,692	217,368

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 20 to 92.

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

(in thousands of Ukrainian hryvnias)		**2009**	**2008**
		(unaudited)	**(unaudited)**
			(restated)
Revenues	*21*	**498,952**	326,600
Cost of revenues	*22*	**(349,855)**	(230,007)
Loss arising from remeasurement of agricultural produce to fair value	*23*	**(61,225)**	(15,186)
Gross profit		**87,872**	81,407
Changes in fair value of biological assets	*28*	**210,459**	89,807
Other operating income	*24*	**15,896**	21,736
General and administrative expense	*25*	**(44,904)**	(37,171)
Selling and distribution expense	*26*	**(28,909)**	(17,837)
Other operating expense	*27*	**(17,106)**	(7,468)
Profit from operations		**223,308**	130,474
Financial expense	*29*	**(57,655)**	(34,212)
Financial income	*29*	**29,604**	19,954
Other income	*30*	**575**	655
Gain on acquisition of subsidiaries	*5*	**1,316**	18,917
Profit before tax		**197,148**	135,788
Income tax benefit (expense)	*31*	**3,413**	(3,658)
Net profit		**200,561**	132,130
Net profit attributable to:			
Minority interests of open joint stock company subsidiaries	*16*	**(34)**	1,235
Equity holders of the company		**200,595**	130,895
Net profit		**200,561**	132,130
Weighted average basic and diluted shares outstanding (in thousands of shares)	*15*	**25,000**	25,000
Basic and diluted earnings per share attributable to shareholders of the company (in Ukrainian hryvnias)	*15*	**8.02**	5.24

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 20 to 92.

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

(in thousands of Euros)		**2009**	**2008**
		(unaudited)	**(unaudited)**
			(restated)
Revenues	*21*	**46,387**	42,620
Cost of revenues	*22*	**(32,496)**	(29,997)
Loss arising from remeasurement of agricultural produce to fair value	*23*	**(5,692)**	(1,999)
Gross profit		**8,199**	10,624
Changes in fair value of biological assets	*28*	**19,616**	11,695
Other operating income	*24*	**1,481**	2,827
General and administrative expense	*25*	**(4,173)**	(4,848)
Selling and distribution expense	*26*	**(2,689)**	(2,330)
Other operating expense	*27*	**(1,589)**	(975)
Profit from operations		**20,845**	16,993
Financial expense	*29*	**(5,344)**	(4,501)
Financial income	*29*	**2,744**	2,620
Other income	*30*	**48**	86
Gain on acquisition of subsidiaries	*5*	**122**	2,443
Profit before tax		**18,415**	17,641
Income tax benefit (expense)	*31*	**312**	(471)
Net profit		**18,727**	17,170
Net profit attributable to:			
Minority interests of open joint stock company subsidiaries	*16*	**(3)**	165
Equity holders of the company		**18,730**	17,005
Net profit		**18,727**	17,170
Weighted average basic and diluted shares outstanding (in thousands of shares)	*15*	**25,000**	25,000
Basic and diluted earnings per share attributable to shareholders of the company (in Euros)	*15*	**0.75**	0.68

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 20 to 92.

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

(in thousands of Ukrainian hryvnias)	**2009 (unaudited)**	**2008 (unaudited)**
Revenues	**265,173**	175,941
Cost of revenues	**(155,076)**	(129,788)
Loss arising from remeasurement of agricultural produce to fair value	**(32,845)**	(2,952)
Gross profit	**77,252**	43,201
Changes in fair value of biological assets	**164,287**	56,169
Other operating income	**11,023**	14,530
General and administrative expense	**(22,711)**	(21,481)
Selling and distribution expense	**(16,939)**	(9,006)
Other operating expense	**(7,887)**	(3,678)
Profit from operations	**205,025**	79,735
Financial expense	**(32,848)**	(18,808)
Financial income	**27,037**	18,041
Other (expense) income	**(4,977)**	520
Gain on acquisition of subsidiaries	**-**	18,199
Profit before tax	**194,237**	97,687
Income tax expense	**(3,297)**	(4,013)
Net profit	**190,940**	93,674
Net profit attributable to:		
Minority interests of open joint stock company subsidiaries	**545**	(50)
Equity holders of the company	**190,395**	93,724
Net profit	**190,940**	93,674
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)	**7.62**	3.75

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

(in thousands of Euros)	**2009 (unaudited)**	**2008 (unaudited)**
Revenues	**24,769**	22,697
Cost of revenues	**(14,485)**	(16,745)
Loss arising from remeasurement of agricultural produce to fair value	**(3,068)**	(381)
Gross profit	**7,216**	5,571
Changes in fair value of biological assets	**15,346**	7,246
Other operating income	**1,030**	1,874
General and administrative expense	**(2,121)**	(2,771)
Selling and distribution expense	**(1,582)**	(1,162)
Other operating expense	**(737)**	(473)
Profit from operations	**19,152**	10,285
Financial expense	**(3,051)**	(2,465)
Financial income	**2,508**	2,366
Other (expense) income	**(465)**	67
Gain on acquisition of subsidiaries	**-**	2,348
Profit before tax	**18,144**	12,601
Income tax expense	**(308)**	(518)
Net profit	**17,836**	12,083
Net profit attributable to:		
Minority interests of open joint stock company subsidiaries	**51**	(6)
Equity holders of the company	**17,785**	12,089
Net profit	**17,836**	12,083
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)	**0.71**	0.48

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

(in thousands of Ukrainian hryvnias)	**2009 (unaudited)**	**2008 (unaudited)**
Net profit	**200,561**	132,130
Other comprehensive income		
Currency translation differences	**13,662**	2,785
Change in fair value of promissory notes available-for-sale	**3,764**	-
Income tax on other comprehensive income	**-**	-
Other comprehensive income, net of tax	**17,426**	2,785
Total comprehensive income	**217,987**	134,915
Attributable to:		
Minority interests of open joint stock company subsidiaries	**672**	1,235
Equity holders of parent company	**217,315**	133,680
Total comprehensive income	**217,987**	134,915

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 20 to 92

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

(in thousands of Euros)	**2009 (unaudited)**	**2008 (unaudited)**
Net profit	**18,727**	17,170
Other comprehensive income		
Currency translation differences	**2,671**	(2,188)
Change in fair value of promissory notes available-for-sale	**357**	-
Income tax on other comprehensive income	**-**	-
Other comprehensive income (loss), net of tax	**3,028**	(2,188)
Total comprehensive income	**21,755**	14,982
Attributable to:		
Minority interests of open joint stock company subsidiaries	**64**	165
Equity holders of parent company	**21,691**	14,817
Total comprehensive income	**21,755**	14,982

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 20 to 92

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

(in thousands of Ukrainian hryvnias)		**2009 (unaudited)**	**2008 (unaudited)**
Operating activities			
Profit before tax		**197,148**	135,788
Adjustments for:			
Depreciation and amortization		**45,906**	29,789
Allowance for trade and other accounts receivable	*20*	**4,027**	1,548
Gain on acquisition of subsidiaries	*5*	**(1,316)**	(18,917)
Loss (gain) on sales of property, plant and equipment		**61**	(155)
Write down of inventories and NRV allowance		**872**	146
Interest expense	*29*	**48,243**	22,757
Gain from changes in fair value of biological assets	*28*	**(210,459)**	(89,807)
Decrease in inventories		**349,200**	215,671
Increase in trade and other receivables		**(19,461)**	(40,607)
Decrease in other long-term assets		**(36)**	-
Increase in biological assets due to other changes		**(317,025)**	(279,071)
Increase in trade and other payables		**52,687**	65,421
(Decrease) increase in other long-term payables		**(397)**	3,373
Income taxes paid		**(517)**	(385)
Interest paid		**(46,626)**	(17,811)
Forex gain on loans and borrowings		**(17,007)**	-
Cash flows provided by operating activities		**85,300**	27,740
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(24,843)**	(135,046)
Proceeds from sales of property, plant and equipment		**1,738**	3,803
Purchase of long-term investments		**(859)**	-
(Purchase) sale of promissory notes available-for-sale		**(1,149)**	2,943
Interest received	*29*	**2,414**	1,309
Proceeds from sales of bonds receivable from related party		**-**	4,287
Acquisition of subsidiaries net of cash acquired	*5*	**(711)**	(11,501)
Short-term deposits withdrawal		**49,422**	-
(Acquisitions) sale to minority shareholders	*16*	**(23,242)**	411
Cash flows provided by (used in) investing activities		**2,770**	(133,794)

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 20 to 92

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

(in thousands of Ukrainian hryvnias)	**2009 (unaudited)**	**2008 (unaudited)**
Financing activities		
Proceeds from loans and borrowings	**109,833**	309,279
Principal payments on loans and borrowings	**(201,563)**	(192,855)
Increase in promissory notes issued	**21,762**	5,001
Cash flows (used in) provided by financing activities	**(69,968)**	121,425
Net increase in cash and cash equivalents	**18,102**	15,371
Cash and cash equivalents as at 1 January	**10,680**	7,926
Cash and cash equivalents as at 30 June	**28,782**	23,297

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 20 to 92

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

(in thousands of Euros)		**2009**	**2008**
		(unaudited)	**(unaudited)**
Operating activities			
Profit before tax		**18,415**	17,641
Adjustments for:			
Depreciation and amortization		**4,266**	3,891
Allowance for trade and other accounts receivable	*20*	**374**	202
Gain on acquisition of subsidiaries	*5*	**(122)**	(2,443)
Loss (gain) on sales of property, plant and equipment		**6**	(20)
Write down of inventories and NRV allowance		**81**	19
Interest expense	*29*	**4,472**	2,992
Gain from changes in fair value of biological assets	*28*	**(19,616)**	(11,695)
Decrease in inventories		**32,455**	28,168
Increase in trade and other receivables		**(1,809)**	(5,304)
Decrease in other long-term assets		**(3)**	-
Increase in biological assets due to other changes		**(29,408)**	(36,483)
Increase in trade and other payables		**4,897**	8,539
(Decrease) increase in other long-term payables		**(37)**	441
Income taxes paid		**(48)**	(50)
Interest paid		**(4,333)**	(2,326)
Forex gain on loans and borrowings		**(1,581)**	-
Cash flows provided by operating activities		**8,009**	3,572
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(2,309)**	(17,638)
Proceeds from sales of property, plant and equipment		**162**	497
Purchase of long-term investments		**(80)**	-
(Purchase) sale of promissory notes available-for-sale		**(107)**	384
Interest received	*29*	**224**	171
Proceeds from sales of bonds receivable from related party		**-**	560
Acquisition of subsidiaries net of cash acquired	*5*	**(66)**	(1,484)
Short-term deposits withdrawal		**4,530**	-
(Acquisitions) sale to minority shareholders	*16*	**(2,160)**	53
Cash flows provided by (used in) investing activities		**194**	(17,457)

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 20 to 92

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

(in thousands of Euros)	**2009**	**2008**
	(unaudited)	**(unaudited)**
Financing activities		
Proceeds from loans and borrowings	**10,208**	40,394
Principal payments on loans and borrowings	**(18,733)**	(25,188)
Increase in promissory notes issued	**2,023**	653
Cash flows (used in) provided by financing activities	**(6,502)**	15,859
Net increase in cash and cash equivalents	**1,701**	1,974
Cash and cash equivalents as at 1 January	**949**	1,068
Currency translation difference	**(12)**	12
Cash and cash equivalents as at 30 June	**2,638**	3,054

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 20 to 92

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

	Attributable to equity holders of the company								
(in thousands of Ukrainian hryvnias)	**Share capital (unaudited)**	**Additional paid-in capital (unaudited)**	**Retained earnings (unaudited)**	**Fair value reserve (unaudited)**	**Revaluation surplus (unaudited)**	**Currency translation adjustment (unaudited)**	**Sub - total (unaudited)**	**Minority interests (unaudited)**	**Total equity (unaudited)**
As at 1 January 2009	**1,663**	**372,042**	**107,955**	**4,176**	**162,039**	**(10,640)**	**637,235**	**10,876**	**648,111**
Total comprehensive income	**-**	**-**	**200,595**	**3,764**	**-**	**13,662**	**218,021**	**(34)**	**217,987**
Acquisitions from minority shareholders and other changes	**-**	**23,242**	**-**	**-**	**-**	**-**	**23,242**	**(7,299)**	**15,943**
Realisation of revaluation surplus, net of tax (note 15)	**-**	**-**	**2,120**	**-**	**(2,120)**	**-**	**-**	**-**	**-**
Other changes (note 16)	**-**	**(2,502)**	**-**	**-**	**-**	**-**	**(2,502)**	**(2,577)**	**(5,079)**
As at 30 June 2009	**1,663**	**392,782**	**310,670**	**7,940**	**159,919**	**3,022**	**875,996**	**966**	**876,962**

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 20 to 92

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

	Attributable to equity holders of the company								
(in thousands of Euros)	**Share capital (unaudited)**	**Additional paid-in capital (unaudited)**	**Retained earnings (unaudited)**	**Fair value reserve (unaudited)**	**Revaluation surplus (unaudited)**	**Currency translation adjustment (unaudited)**	**Sub - total (unaudited)**	**Minority interests (unaudited)**	**Total equity (unaudited)**
As at 1 January 2009	**250**	**55,837**	**20,870**	**371**	**22,127**	**(42,811)**	**56,644**	**967**	**57,611**
Total comprehensive income	**-**	**-**	**18,730**	**357**	**-**	**2,628**	**21,715**	**40**	**21,755**
Acquisitions from minority shareholders and other changes	**-**	**2,160**	**-**	**-**	**-**	**-**	**2,160**	**(678)**	**1,482**
Realisation of revaluation surplus, net of tax (note 15)	**-**	**-**	**194**	**-**	**(194)**	**-**	**-**	**-**	**-**
Other changes (note 16)	**-**	**(229)**	**-**	**-**	**-**	**-**	**(229)**	**(240)**	**(469)**
As at 30 June 2009	**250**	**57,768**	**39,794**	**728**	**21,933**	**(40,183)**	**80,290**	**89**	**80,379**

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 20 to 92

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Attributable to equity holders of the company								
(in thousands of Ukrainian hryvnias)	**Share capital (unaudited)**	**Additional paid-in capital (unaudited)**	**Retained earnings (unaudited)**	**Fair value reserve (unaudited)**	**Revaluation surplus (unaudited)**	**Currency translation adjustment (unaudited)**	**Sub - total (unaudited)**	**Minority interests (unaudited)**	**Total equity (unaudited)**
As at 1 January 2008	1,663	371,733	192,042	-	168,317	(6,199)	727,556	7,520	735,076
Total comprehensive income	-	-	130,895	-	-	2,785	133,680	1,235	134,915
Acquisitions of entities under common control (note 5)	-	-	(460)	-	-	-	(460)	-	(460)
Changes in minority interests	-	(411)	-	-	-	-	(411)	538	127
As at 30 June 2008	1,663	371,322	322,477	-	168,317	(3,414)	860,365	9,293	869,658

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 20 to 92

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Attributable to equity holders of the company								
(in thousands of Euros)	**Share capital**	**Additional paid-in capital**	**Retained earnings**	**Fair value reserve**	**Revaluation surplus**	**Currency translation adjustment**	**Sub - total**	**Minority interests**	**Total equity**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
As at 1 January 2008	250	55,797	28,038	-	22,685	(8,710)	98,060	1,014	99,074
Total comprehensive income	-	-	17,005	-	-	(2,158)	14,847	135	14,982
Acquisitions of entities under common control (note 5)	-	-	(59)	-	-	-	(59)	-	(59)
Changes in minority interests	-	(53)	-	-	-	-	(53)	69	16
As at 30 June 2008	250	55,744	44,984	-	22,685	(10,868)	112,795	1,218	114,013

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 20 to 92

1 BACKGROUND

(a) Organization and operations

These consolidated 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 Investments 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.

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. Nowadays the Group is one of the leading agri-industrial holdings of Ukraine. 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 40.19% shareholders ultimately control the Group.

(b) Ukrainian business environment

Since becoming independent in 1991, Ukraine has struggled to shift from a centrally planned economy to a market environment. Since 2000, Ukraine has implemented significant positive economic and legal reforms. The economy grew at an annual rate exceeding 7% over the period to 2007. The growth was fuelled by strong domestic demand, low inflation, and solid consumer and investor confidence. However, in late 2008, the country suffered from the global financial crisis resulting in a sharp economic slowdown, a higher inflation rate, and a sizable exchange rate adjustment.

January 2009 showed a significant fall, followed by some stabilization in February and a slow recovery in March, with agriculture being the only sector demonstrating positive figures y-o-y. Gradually inflation decelerated, the national currency stabilized and even started to appreciate.

April-May and the following months also revealed certain signs of stabilization in the banking system. In the first half of 2009, Ukraine has received two tranches of $4.5 billion and $2.8 billion as part of a stabilization loan program provided by the IMF. At the end of July, the IMF approved a third tranche worth $3.3 billion, which was received on 31 July providing additional support for Hryvnia.

As Ukrainian agriculture proved to be one of the most competitive sectors of the national economy, demonstrating growth even in an unfavorable economic situation, the Government declared it a top priority industry. This year the government support shall include, inter alia, subsidizing of crops cultivation, financial interventions, and infrastructure development. The Agrarian Fund, a government agency for agri-market interventions, receives State Budget financing for interventions to stabilize the grain market and for funding purchases of fuel for agri-producers. As in previous years, the Government also intends to subsidize costs of agri-producers related to interest payments on bank loans. A new initiative concerning bio-fuels was passed by the Parliament of Ukraine and signed by the President. The new law gives significant tax benefits for a bio-fuel industry aimed at stimulating both bio-fuel production and consumption

Ukraine generally encourages foreign trade and investment, and laws allow foreigners to purchase businesses and property (but not agricultural land), repatriate revenue and profits, and receive compensation if property is nationalized. Much reform is still needed, as complex laws and regulations and weak enforcement of contracts by the courts still create risks that are not typical for the more developed economies.

These consolidated financial statements reflect management's current assessment of the possible impact of the Ukrainian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment. The impact of such differences on the operations and the financial position may be significant.

2 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and in accordance with the Titile 9, Book 2 of the Netherlands Civil Code, applying the exemption offered by article 402 of the Title 9, Book 2 of the Netherlands Civil Code to present a condensed income statement in the Company financial statements. The consolidated financial statements were authorised by the Board of Directors on 27 August 2009.

(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 it activities. The financial statements of subsidiaries are included in the consolidated 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 consolidated 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.

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

During the six months ended 30 June 2009 the Company acquired one company - PC "Bilogirsky Sokyl"

Astarta Holding N.V. owns shares, directly and indirectly, in a number of subsidiaries and an associate. During the six months ended 30 June 2009 fifty agri-companies were consolidated into five large business units, those are: LLC "Agricultural company "Dovzhenko", LLC "Agricultural company "Dobrobut", LLC "Volochysk-Agro", LLC "Investment company "Poltavazernoproduct" and LLC "Khmilnitske".
As a result the Company changed the percentage of its ownership in a number of companies. As at 30 June 2009 the percentage of ownership is as follows:

Name	Activity	30 June 2009 % of ownership	31 December 2008 % of ownership	30 June 2008 % 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 “Agropromtsukor”	Sugar production	99.98%	99.98%	99.98%
LLC “APO “Tsukrovyk Poltavshchyny”	Sugar production	98.53%	98.53%	98.53%
LLC “Agricultural company “Zolota Gora”	Agricultural	-	97.98%	97.98%
LLC “Agricultural company “Dovzhenko”	Agricultural	96.58%	96.98%	96.98%
LLC “Agricultural company “Gogolevo”	Agricultural	-	96.98%	96.98%
LLC “Shyshaki combined forage factory”	Fodder production	82.71%	82.71%	82.71%
LLC “Agricultural company “Shyshatska”	Agricultural	-	97.98%	97.98%
LLC “Agricultural company “Stepove”	Agricultural	-	97.98%	97.98%
LLC “Agricultural company “Fydrivske”	Agricultural	-	-	97.98%
LLC “Agricultural company “Troyitska"	Agricultural	-	97.98%	97.98%
LLC “Agricultural company “Mriya”	Agricultural	-	97.98%	97.98%
LLC “Agricultural company “Pustoviytove”	Agricultural	-	99.78%	99.78%
LLC “Agricultural company “Shevchenko”	Agricultural	-	97.98%	97.98%
LLC “Agricultural company “Grynky”	Agricultural	-	97.98%	97.98%
LLC “Agricultural company “Ordanivka”	Agricultural	-	97.98%	97.98%
SC “Agricultural company “Sofiivka”	Agricultural	-	99.98%	99.98%
LLC “Agricultural company “Kozatsky stan”	Agricultural	-	97.98%	97.98%
LLC “Agricultural company “Dobrobut”	Agricultural	98.08%	97.99%	97.99%
LLC “Agricultural company “Musievske”	Agricultural	74.99%	74.99%	74.99%
LLC “Agricultural company “Zorya”	Agricultural	-	74.99%	74.99%
LLC “Agricultural company “Nadiya”	Agricultural	-	74.99%	74.99%
LLC “Agricultural company “Viytovetske”	Agricultural	-	99.98%	99.98%
LLC “Agricultural company “named after Bohdan Khmelnitskiy”	Agricultural	-	74.99%	74.99%
Globino canning factory "Globus”	Canning production, trade	99.98%	99.98%	99.98%
SC “Agricultural company “Semenivska”	Agricultural	-	99.98%	99.98%
LLC “Agricultural company “named after Shevchenko” (Gadiach region)	Agricultural	- -	81.98%	81.98%
LLC “Dobrobut” (Novo-Sanzharskiy region)	Agricultural	-	99.88%	97.98%
LLC “Zoria” (Novo-Sanzharskiy region)	Agricultural	-	97.98%	97.98%
LLC “Baliasne”	Agricultural	-	97.98%	97.98%
LLC “Agricultural Company “Agro-Maiak”	Agricultural	97.98%	81.98%	81.98%
OJSC “Agricultural Company “Agrocomplex”	Agricultural	81.24%	81.24%	81.24%
LLC "Agricultural company “Stozhary”	Agricultural	-	63.99%	63.99%
OJSC “Agricultural Company “Zhdanivske”	Agricultural	97.97%	60.05%	60.05%
LLC “Agricultural Company “LAN-2007”	Agricultural	-	97.98%	97.98%
LLC “Agricultural Company “Ukraina-Porik”	Agricultural	-	99.98%	99.98%
LLC “Agricultural Company “Shedievo”	Agricultural	-	97.98%	97.98%
LLC “Investment company “Poltavazernoproduct”	Agricultural	97.98%	99.88%	99.88%
LLC “Agricultural Company “Nauka-Agro-Mayak”	Agricultural	-	99.88%	99.88%
LLC “Agricultural Company “Vasilivske”	Agricultural	-	74.99%	74.99%
LLC “Agricultural Company “Khlib I Liudi”	Agricultural	-	79.98%	79.98%
LLC “Agricultural Company “Progres”	Agricultural	-	77.48%	77.48%
LLC "STOV Nadiya"	Agricultural	-	74.99%	74.99%
LLC “List-Ruchky”	Agricultural	74.99%	74.99%	74.99%
LLC "Agropromgaz"	Trade	89.98%	89.98%	89.98%
LLC “Niva-Agro-K”	Agricultural	-	74.99%	74.99%
LLC “Khlibny Dar”	Agricultural	-	74.99%	74.99%

Name	Activity	30 June 2009 % of ownership	31 December 2008 % of ownership	30 June 2008 % of ownership
Subsidiaries:				
LLC “Khliborob”	Agricultural	-	74.99%	74.99%
SC “Avratin-agro”	Agricultural	-	99.98%	99.98%
Private Company “Agrometa”	Agricultural	-	99.98%	99.98%
Private Company “Agro-Nadra”	Agricultural	-	99.98%	99.98%
LLC “Khmilnitske”	Agricultural	97.08%	79.98%	79.98%
LLC “SVK Niva”	Agricultural	-	79.64%	79.64%
LLC “SVK Ranok”	Agricultural	-	82.48%	82.48%
LLC “Volochysk-Agro”	Agricultural	92.01%	99.98%	99.98%
LLC “Chervona Zirka”	Agricultural	-	74.99%	74.99%
SC “Zoloty Kolos Podillya”	Agricultural	-	99.98%	99.98%
LLC “Bagrinivske”	Agricultural	-	74.99%	74.99%
Private Company “Galichanka”	Agricultural	-	99.98%	99.98%
LLC “Avangard”	Agricultural	-	82.13%	82.13%
LLC “Agricultural Company “Sidorenkove”	Agricultural	-	99.98%	99.98%
Private Company “Smotrych-PD”	Agricultural	-	99.98%	99.98%
SC “Tsukrovyk Podillya”	Sugar production	99.98%	99.98%	99.98%
SC “Agricultural company “Ridny kray”	Agricultural	99.98%	99.98%	-
Private Company “Oriana-2008”	Agricultural	-	99.98%	-
Private Company “Zherdyanske”	Agricultural	-	99.98%	-
LLC “Svit Podillya”	Agricultural	-	79.98%	-
LLC “Zhvanchyk”	Agricultural	-	74.99%	-
LLC “Ukraine-Brataliv”	Agricultural	74.99%	74.99%	-
SC “Agricultural company “Lubenska Zoria”	Agricultural	99.98%	99.98%	-
LLC “Victoriya”	Agricultural	74.99%	74.99%	-
Associate:				
LLC “Agricultural company “Pokrovska”	Agricultural	49.99%	49.99%	49.99%

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

(c) Acquisition and disposal of minority interests

Any difference between the consideration paid to acquire minority interests or any difference between the consideration received upon disposal of minority interests and the carrying amount of that 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 minority 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) minority interests are recognized directly in shareholders’ equity.

(d) 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.

(e) Common control transactions

The acquisition of controlling interests in entities that are under the control of the same controlling equity holders as the Group are accounted for on the date of acquisition. The assets and liabilities acquired are recognized at their previous book values as recorded in the individual IFRS financial statements of the acquired enterprise. The components of equity of the acquired enterprises are added to the same components within Group equity. Any cash paid for the acquisition is charged to equity.

The disposal of subsidiaries to entities that are under the control of the same controlling equity holders as the Group are accounted for by recognizing the difference between the consideration received and the carrying amount of the net assets of the subsidiary, including minority interests and attributable goodwill or negative goodwill, in equity.

(f) Basis of accounting

The consolidated 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. As from 31 December 2007 property (buildings) is carried at fair value as determined by independent appraisal. Promissory notes issued are stated at amortised cost. All other assets and liabilities are carried at historical cost.

(g) Minority 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 his share in a company. In such case, the company is obliged to pay the withdrawing participant’s share of the net assets of the company determined in accordance with Ukrainian National Accounting Standards not later than 12 months from the date of the withdrawal. Consequently, minority interests in limited liability companies that are subsidiaries are recognized as a non-current liability. Limited liability company minority 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 minority interests are recognized in equity.

(h) 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. The financial data of the companies registered in Ukraine are converted from UAH to EUR and are rounded to the nearest thousand. As operating activity of the Group is performed in Ukraine, Ukrainian hryvnia is chosen as the functional currency of the Group.

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 balance sheet 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 recognised in equity.

(i) 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. Management engaged external independent appraisers to estimate the fair value of property as at 31 December 2007. Prior to 31 December 2007 property was stated at cost less accumulated depreciation and impairment losses. Buildings were not subject to revaluation in 2008 and 2009 due to insignificant changes in fair value.

Fair value of biological assets

Due to the lack of an active market as defined by International Financial Reporting 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. Management uses the assistance of independent appraiser to estimate expected cash flows. The discount rate is based on the average cost of capital for the Group 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 defined by International Financial Reporting 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 at that date.

3 SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are applied in the preparation of the consolidated 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 the balance sheet 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. Foreign exchange differences arising on translation are recognized in the statement of operations.

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**	
	2009	**2008**	**2009**	**2008**
EUR	**10.7596**	7.6565	**10.9100**	7.6278
USD	**7.9651**	4.9834	**7.7300**	4.8489

Prior to April 2008, the Group used the official exchange rates of the National Bank of Ukraine (NBU), which represented the rate at which the Group expected to settle these transactions. Beginning April 2008, the official foreign exchange rates of the NBU began to differ from the interbank foreign exchange rates, and, accordingly, the Group began using the interbank foreign exchange rates since the Group expects to settle foreign currency transactions at these rates. As at the date of these consolidated financial statements, 27 August 2009, the average interbank exchange rate is UAH 8.5600 to USD 1.000 and UAH 12.2200 to EUR 1.000.

(b) Property, plant and equipment

Owned assets

As at 30 June 2009 buildings held for production, selling and distribution or administrative purposes 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 2007. 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 the balance sheet 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 statement of operations. A revaluation decrease on property is recognized in the statement of operations, except to the extent that it reverses a previous revaluation increase recognized directly in equity.

Upon disposal, any revaluation reserve relating to the building being sold is transferred to retained earnings.

Items of property, plant and equipment, other than buildings, acquired before 1 January 2003 are stated at deemed cost less subsequent accumulated depreciation and impairment losses. Deemed cost is based on the fair values of property, plant and equipment, other than buildings, as at 1 January 2003 based on an independent appraisal. Items of property, plant and equipment, other than buildings, acquired on or after 1 January 2003 are stated at cost less accumulated depreciation and impairment losses.

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 statement of operations.

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 statement of operations as expenses as incurred.

Depreciation and amortization

Depreciation on property, plant and equipment is charged to the statement of operations on a straight-line basis over the estimated useful lives of the individual assets. Depreciation on revalued assets is charged to the statement of operations. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognized.

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. Amortization on land lease rights is charged to the statement of operations on a straight-line basis over the operating lease agreements contract time that typically run for an initial period of 5 to 10 years.

The estimated useful lives are as follows:

Buildings	20-50 years
Constructions	20-50 years
Machines and equipment	10-20 years
Vehicles	5-10 years
Other fixed assets	3-5 years

(c) Intangible assets

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 combination in 2009 the fair value of land lease rights acquired is recognised 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. Prior to 2008 it was not possible to reliably estimate the fair value of land lease rights due to the lack of comparable transactions. 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.

Software is stated at cost less accumulated amortization and impairment losses. Amortization is charged to the statement of operations on a straight-line basis over the estimated useful lives, normally 4 years.

Goodwill represents the excess of the cost of the acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in the statement of operations. Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange. The carrying value of net assets of earlier acquisitions is revalued with the adjustment recognised in equity. Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment.

(d) Biological assets

The Group classifies livestock (primarily cattle) and 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 impairment.

Costs to sell include all costs that are necessary to sell the assets, excluding costs necessary to get the assets to 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 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) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, promissory notes, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognized if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled.

Held-to-maturity investments

If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

Investments in equity securities and certain debt securities are classified as available for sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items are recognized directly in equity. When an investment is derecognized, the cumulative gain or loss in equity is transferred to profit or loss.

Investments in equity securities and promissory notes available-for-sale that are not quoted on a stock exchange and where fair value cannot be estimated on a reasonable basis by other means are stated at cost less impairment losses.

Investments at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, costs attributable to the transaction are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Other

Other non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses.

(ii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates using a discount rate representing a market rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

(g) 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 are stated at cost. Cost includes 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 and are stated at cost.

(h) 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.

(i) Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated of the future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the statement of operations. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the statement of operations. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

Non-financial assets

The carrying amounts of non-financial assets, other than inventories, biological assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in profit and loss. Impairment losses are recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) 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.

(k) 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 statement of operations 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 statement of operations.

(l) Trade accounts payable

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

(m) Income 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 may choose to be registered as payers of fixed agricultural tax (FAT), provided that their sales of agricultural goods of their own production account 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.

On 31 October 2008, the Verkhovna Rada (Parliament) of Ukraine adopted the *Law On the Top Priority Measures to Mitigate the Affect of the Financial Crisis and on Amendments of Certain Ukrainian Laws* (the Anti-Crisis Law). This Anti-Crisis Law was signed on 3 November 2008. According to the Anti-Crisis Law, the FAT regime will remain in effect untill 1 January 2011.

As at 30 June 2009 13 subsidiaries elected to pay FAT in lieu of other taxes in 2009 and 54 in 2008. The remaining companies are subject to income taxes at a 25% rate.

For these companies, income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. No deferred tax is recognized for companies that are involved in the agricultural business and that are exempt from income taxes until 1 January 2011 as management believes it is likely that this exemption will be extended as has historically been the case.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Government subsidies

The Ukrainian legislation provides for a number of different grants and tax benefits for companies involved in agricultural operations. There are grants and benefits established by Verkhovna Rada (the Parliament) as well as by the Ministry of Agrarian Policy, the Ministry of Finance, the State Committee of Water Industry, the customs authorities and local district administrations.

VAT refunds for agriculture and cattle farming

An amendment introduced by the Anti-Crisis Law signed on 3 November 2008 retains the existing VAT preference regime for agricultural producers. With this VAT regime, agricultural producers retain the VAT charged on sales to cover VAT paid for inputs and for other production needs.

Government grants related to crop growing

The amount of this subsidy is calculated based on the number of hectares sowed with a particular crop. In 2009 the companies growing winter wheat and rye, spring wheat, oats, peas, buckwheat and millet do not receive subsidies (2008: UAH 100 or EUR 13 per hectare of the planted area). The subsidy for growing soy beans is also canceled (2008:UAH 80 or EUR 10). The subsidy for growing sugar beet is UAH 750 or EUR 70 per hectare (2008: UAH 750 or EUR 98).

The amount of reimbursement is based on a variety of factors and when the condition attaching to the subsidiaries are met. The Group recognizes these subsidies when received due to the uncertainty in the amount and timing of receipt.

Government grants related to processing of animal products

Agricultural producers who breed poultry and cattle are entitled to state subsidies for every item of poultry or cattle either slaughtered at their own (owned or leased) facilities or transferred for slaughtering and processing to other entities. As from 1 January 2009, financial support for bred and slaughtered cattle and poultry was granted in the following amounts: UAH 1.00 (EUR 0.09) per kilogramme of beef (2008: UAH 1.90 or EUR 0.23), no grants per kilogramme of pork (2008: UAH 1.40 or EUR 0.18) and no grants per kilogramme of poultry (2008: UAH 0.65 or EUR 0.09), in each case based on live weight at time of slaughter.

The amount of reimbursement is based on a variety of factors and when the condition attaching to the subsidiaries are met. The Group recognizes these subsidies when received due to the uncertainty in the amount and timing of receipt.

Partial compensation for finance costs and other subsidies

The Cabinet of Ministers of Ukraine approved the program of finance costs compensation for the companies involved in agricultural business for the years 2009-2013. The rules for reimbursement by the government a portion of interest incurred on borrowings. The amount of interest subsidy depends on the terms and purposes of financing obtained from banks.

Because the interest subsidy is payable only when the governmental budget allows, it is recognized on cash basis, and is reflected in other operating income.

The Group is entitled to receive reimbursement from various government programs for the cost of agricultural machinery manufactured in Ukraine and fertilizers produced in Ukraine. Agricultural producers are required to meet certain conditions to qualify for these subsidies.

(o) Revenue

Revenues from the sale of goods are recognized in the statement of operations 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.

(p) Non-monetary transactions

The Group enters into non-cash transactions as is common with many Ukrainian companies. These transactions involve tolling schemes and provision of inventories and agricultural services in exchange for sugar beets. Non-cash transactions consist of mutual settlements arising from the exchange of goods and services, and transactions that are settled by means of promissory notes. Approximately 0.04% of revenues and purchases during the six months ended 30 June 2009 were received and paid for in the form of non-cash transactions (2008: 1.00%). 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.

(q) Expenses

Expenses are accounted for on an accrual basis.

(r) Operating lease payments

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

(s) Financial expense and income

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

(t) Employee benefits

The Group is committed to reimburse employees for all expenses incurred in case of injuries at work. These amounts are expensed when they are incurred.

Furthermore, the Group makes contributions into the Ukrainian state pension fund based on each employee’s wage. These amounts are expensed when they are incurred.

The Group is also obligated to make contributions to certain defined benefit plans. Neither the contributions nor obligations are significant to these consolidated financial statements.

(u) 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.

(v) Cash flow statement

The cash flow statement is prepared using the indirect method. Changes in balance sheet items that have not resulted in cash flows such as translation differences, financial leases, 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

(w) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective, and have not been applied in preparing these consolidated financial statements. Of these pronouncements, the following will potentially have an impact on future consolidated financial statements

Standard / Interpretation	Effective for annual accounting periods beginning on or after:
IFRS 1 “First-time Adoption of International Financial Reporting Standards (Revised November 2008)	1 July 2009*
IFRS 3 “Business Combinations” (Revised January 2008)	1 July 2009*
IFRIC 13 “Customer Loyalty Programmes ”	1 July 2008
IFRIC 17 “Distributions of Non-cash Assets to Owners”	1 July 2009*
IFRIC 18 “Transfers of Assets from Customers”	1 July 2009*
Amendments to IAS 27 “Consolidated and Separate Financial Statements” (January 2008)	1 July 2009*
Amendment to IAS 39 “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items (July 2008)	1 July 2009*

* Standards and Interpretations not endorsed by the European Union

Management is currently studying what effect these new statements and amendments may have on the consolidated financial position and results of operations.

4 ADJUSTMENT

The Company made an adjustment for its limited liability company minority interest share in the net profit for the six months ended 30 June 2008 which was restated from net profit appropriation to financial expense. The Company’s total equity as per 30 June 2008 did not change. The effect of this adjustment is as follows:

(in thousands of Ukrainian hryvnias)	as originally reported	adjustment	as restated
Financial expense	(24,640)	(9,572)	(34,212)
Net profit	141,702	(9,572)	132,130

(in thousands of Euros)	as originally reported	adjustment	as restated
Financial expense	(3,256)	(1,245)	(4,501)
Net profit	18,415	(1,245)	17,170

5 BUSINESS COMBINATIONS

During the six months ended 30 June 2009, the Group completed acquisition of one entity. The purchase consideration consisted only of cash, and the direct costs related to the acquisition are not significant.

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at the date of aquisition
PC "Bilogirsky Sokyl"	Ukraine	Agricultural	18.02.2009	99.98%

For the business combination in 2009 the fair value of land lease rights acquired is recognised 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. As PC "Bilogirsky Sokyl" was consolidated into a business unit LLC "Volochysk-Agro" subsequent to the acquisition date it is impossible to estimate financial results incurred by the acquired company from the date of acquisition.

The acquisition of the company 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		
Intangible asset	**1,990**	**184**
Current assets		
Inventories	**374**	**35**
Current biological assets	**175**	**16**
Cash and cash equivalents	**5**	**-**
Current liabilities		
Trade accounts payable	**(347)**	**(32)**
Other liabilities and accounts payable	**(165)**	**(15)**
Net identifiable assets, liabilities and contingent liabilities	**2,032**	**188**
Excess of net assets acquired over consideration paid :		
acquisitions from third parties	**1,316**	**122**
Consideration paid	**(716)**	**(66)**
Cash acquired	**5**	**-**
Net cash outflow	**(711)**	**(66)**

During the six months ended 30 June 2008, the Group completed acquisitions of 18 entities. The purchase consideration consisted only of cash, and the direct costs related to the acquisition are not significant.

Name	**Country of incorporation**	**Activity**	**Date of acquisition**	**% of ownership as at the date of acquisition**
LLC "STOV Nadiya"	Ukraine	Agricultural	07.02.2008	74.99%
LLC "Khmilnitske"	Ukraine	Agricultural	01.04.2008	79.98%
LLC "Avangard"	Ukraine	Agricultural	01.04.2008	82.13%
Private Company "Galichanka"	Ukraine	Agricultural	02.04.2008	99.98%
LLC "Khliborob"	Ukraine	Agricultural	03.04.2008	74.99%
SC "Avratin-agro"	Ukraine	Agricultural	10.04.2008	99.98%

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at the date of acquisition
Private Company "Agrometa"	Ukraine	Agricultural	10.04.2008	99.98%
LLC "SVK Ranok"	Ukraine	Agricultural	10.04.2008	82.48%
LLC "SVK Niva"	Ukraine	Agricultural	10.04.2008	79.64%
Private Company "Agro-Nadra"	Ukraine	Agricultural	10.04.2008	99.98%
LLC "Volochysk-Agro"	Ukraine	Agricultural	10.04.2008	99.98%
LLC "Khlibny Dar"	Ukraine	Agricultural	16.04.2008	74.99%
LLC "Bagrinivske"	Ukraine	Agricultural	17.04.2008	74.99%
LLC "List-Ruchky"	Ukraine	Agricultural	24.04.2008	74.99%
LLC "Niva-Agro-K"	Ukraine	Agricultural	30.04.2008	74.99%
LLC "Chervona Zirka"	Ukraine	Agricultural	30.04.2008	74.99%
LLC "Agropromgaz"	Ukraine	Trade	03.06.2008	89.98%
Private Company "Smotrych-PD"	Ukraine	Agricultural	20.06.2008	99.98%

The acquisition of these companies during six months ended 30 June 2008, 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 date	
	(in thousands of Ukrainian hryvnias) **(unaudited)**	*(in thousands of Euros)* **(unaudited)**
Non-current assets		
Property, plant and equipment	15,235	1,965
Construction in progress	386	50
Non-current biological assets	1,279	165
Other non-current assets	445	57
Current assets		
Inventories	29,882	3,855
Current biological assets	5,665	731
Trade accounts receivable	5,039	650
Other accounts receivable and prepayments	4,826	623
Cash and cash equivalents	1,375	177
Non-current liabilities		
Other long-term liabilities	(426)	(55)
Current liabilities		
Short-term loans and borrowings	(1,283)	(166)
Trade accounts payable	(11,870)	(1,531)
Other liabilities and accounts payable	(18,686)	(2,407)
Minority interest acquired	(3,679)	(475)
Net identifiable assets, liabilities and contingent liabilities	28,188	3,639
Excess of net assets acquired over consideration paid :		
acquisitions from third parties	18,917	2,443
acquisitions from entities under common control	(460)	(59)
Goodwill	(3,145)	(406)
Consideration paid	(12,876)	(1,661)
Cash acquired	1,375	177
Net cash outflow	(11,501)	(1,484)

It is not practicable to determine what would be the total revenue and net profit for the six months ended 30 June 2009 had the acquisition occurred on 1 January 2009 in accordance with IFRS because the acquired company's financial statements were prepared only in accordance with Ukrainian National Accounting Standards, which are significantly different from IFRSs.

The excess of net assets acquired over the consideration paid is recognized in the statement of comprehensive income 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 agribusinesses 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

During the six months ended 30 June 2009 the Group acquired property, plant and equipment with a cost of UAH 24,843 thousand, or EUR 2,309 thousand (six months ended 30 June 2008: UAH 147,474 thousand, or EUR 19,228 thousand, including assets from acquired companies (see note 5) of UAH 15,621 thousand, or EUR 2,015 thousand).

Property, plant and equipment with a carrying amount of UAH 2,164 thousand, that is EUR 201 thousand, were disposed during the six months ended 30 June 2009 (six months ended 30 June 2008: UAH 4,500 thousand; EUR 588 thousand).

As at 31 December 2007 an independent valuation of the Group's buildings was performed in accordance with International Valuation Standards by certified appraiser LLC "Konsultingova grupa "BINEK" to estimate their fair value. The administrative building of LLC Firm "Astarta-Kiev" was valued using the market approach (2007: UAH 35,203 thousand; EUR 4,745 thousand). The valuation of other buildings was performed using the depreciated replacement cost approach (2007: UAH 268,561 thousand; EUR 36,196 thousand). 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 a finance lease arrangements, comprise machinery and equipment. A summary of activity for the six months ended 30 June is as follows:

	(in thousands of Ukrainian hryvanias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Lease right	**48,043**	25,917	**6,295**	3,429
Accumulated depreciation, 1 January	**(3,806)**	(695)	**(507)**	(102)
Depreciation charge for the six months	**(2,691)**	(734)	**(250)**	(96)
Currency translation difference	**-**	-	**(1,730)**	(21)
Net book value at 30 June	**41,546**	24,488	**3,808**	3,210

7 INTANGIBLE ASSETS

During the six months ended 30 June 2009 the Group acquired intangible assets of UAH 1,990 thousand, or EUR 184 thousand, all intangible assets were acquired through acquisition of the company (see note 5) (2008: UAH 50 thousand, or EUR 6 thousand, none of intangible assets were acquired through acquisition). Intangible assets with a carrying amount of UAH 75 thousand, that is EUR 7 thousand, were disposed during the six months ended 30 June 2009 (2008: nil).

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 by estimating 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 state statistical reports 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 20.48% (2008: 15%) is applied in determining fair value of biological assets. The discount rate is based on the average cost of capital for the Group 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.

Biological assets comprise the following groups:

(in thousands of Ukrainian hryvnias)	**30 June 2009**		**31 December 2008**		**30 June 2008**	
	Units	**Amount (unaudited)**	**Units**	**Amount (audited)**	**Units**	**Amount (unaudited)**
Non-current biological assets:						
Cattle	**6,702**	**56,924**	6,501	55,959	6,022	42,332
Other livestock		**1,756**		1,987		1,232
		58,680		57,946		43,564
Current biological assets:						
Cattle	**13,462**	**52,555**	12,600	66,703	12,890	52,310
Other livestock		**2,189**		1,871		1,567
		54,744		68,574		53,877
Crops:	**Hectares**		**Hectares**		**Hectares**	
Sugar beet	**34,055**	**297,640**	-	-	29,944	144,382
Wheat	**30,603**	**106,996**	29,041	91,392	29,425	88,734
Corn	**13,739**	**105,459**	-	-	11,449	45,730
Barley	**24,906**	**56,929**	1,438	2,667	23,549	51,889
Sunflower	**11,814**	**51,261**	-	-	10,866	67,311
Soy	**14,757**	**46,090**	-	-	12,535	32,144
Rye	**1,517**	**1,926**	1,498	1,837	1,809	3,204
Rape	**388**	**1,112**	-	-	2,067	10,467
Other crops	**1,751**	**3,641**	-	-	1,710	3,123
	133,530	**671,054**	31,977	95,896	123,354	446,984
		725,798		164,470		500,861
Total biological assets		**784,478**		222,416		544,425

(in thousands of Euros)	**30 June 2009**		**31 December 2008**		**30 June 2008**	
	Units	**Amount (unaudited)**	**Units**	**Amount (audited)**	**Units**	**Amount (unaudited)**
Non-current biological assets:						
Cattle	**6,702**	**5,218**	6,501	4,974	6,022	5,550
Other livestock		**160**		176		162
		5,378		5,150		5,712
Current biological assets:						
Cattle	**13,462**	**4,817**	12,600	5,929	12,890	6,858
Other livestock		**201**		167		205
		5,018		6,096		7,063
Crops:	**Hectares**		**Hectares**		**Hectares**	
Sugar beet	**34,055**	**27,281**	-	-	29,944	18,928
Wheat	**30,603**	**9,807**	29,041	8,124	29,425	11,633
Corn	**13,739**	**9,666**	-	-	11,449	5,995
Barley	**24,906**	**5,217**	1,438	237	23,549	6,803
Sunflower	**11,814**	**4,699**	-	-	10,866	8,824
Soy	**14,757**	**4,225**	-	-	12,535	4,214
Rye	**1,517**	**177**	1,498	163	1,809	420
Rape	**388**	**102**	-	-	2,067	1,372
Other crops	**1,751**	**334**	-	-	1,710	410
	133,530	**61,508**	31,977	8,524	123,354	58,599
		66,526		14,620		65,662
Total biological assets		**71,904**		19,770		71,374

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

Changes in key assumptions used to estimate biological assets would have the following effect on biological assets and on earnings per share attributable to shareholders of the Company as at and for the year ended 30 June :

	2009			
	Effect on biological assets		*Effect on earnings per share*	
	(thousands of Ukrainian hryvnias)	*(thousands of Euros)*	*(thousands of Ukrainian hryvnias)*	*(thousands of Euros)*
1% increase in discounting rate	**(508)**	**(47)**	**(0.02)**	**(0.00)**
1% decrease in discounting rate	**512**	**47**	**0.02**	**0.00**
10% increase in price for milk	**17,936**	**1,644**	**0.72**	**0.07**
10% decrease in prices for milk	**(17,936)**	**(1,644)**	**(0.72)**	**(0.07)**
10% increase in price for meat	**3,938**	**361**	**0.16**	**0.01**
10% decrease in price for meat	**(3,938)**	**(361)**	**(0.16)**	**(0.01)**
10% increase in prices for crops	**79,063**	**7,247**	**3.16**	**0.29**
10% decrease in prices for crops	**(79,063)**	**(7,247)**	**(3.16)**	**(0.29)**
5% increase in annual consumer price index	**1,299**	**119**	**0.05**	**0.00**
5% decrease in annual consumer price index	**(1,287)**	**(118)**	**(0.05)**	**(0.00)**

	2008			
	Effect on biological assets		*Effect on earnings per share*	
	(thousands of Ukrainian hryvnias)	*(thousands of Euros)*	*(thousands of Ukrainian hryvnias)*	*(thousands of Euros)*
1% increase in discounting rate	(1,616)	(212)	(0.06)	(0.01)
1% decrease in discounting rate	1,663	218	0.07	0.01
10% increase in price for milk	9,412	1,234	0.38	0.05
10% decrease in prices for milk	(9,412)	(1,234)	(0.38)	(0.05)
10% increase in price for meat	2,377	312	0.10	0.01
10% decrease in price for meat	(2,377)	(312)	(0.10)	(0.01)
10% increase in prices for crops	59,065	7,743	2.36	0.31
10% decrease in prices for crops	(59,065)	(7,743)	(2.36)	(0.31)
5% increase in annual consumer price index	854	112	0.03	0.00
5% decrease in annual consumer price index	(648)	(85)	(0.03)	(0.00)

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 (unaudited)**	**Current livestock (unaudited)**	**Crops (unaudited)**	**Total (unaudited)**
As at 1 January 2009	**57,946**	**68,574**	**95,896**	**222,416**
Purchases	**1,190**	**131**	**-**	**1,321**
Additions from acquisitions of subsidiaries	**-**	**175**	**-**	**175**
Investments into livestock and future crops	**(377)**	**19,159**	**403,017**	**421,799**
(Loss) gain arising from changes in fair value attributable to physical changes and to changes in market prices	**(2,948)**	**(19,959)**	**172,141**	**149,234**
Transfers	**4,131**	**(4,131)**	**-**	**-**
Sales	**(1,262)**	**(9,205)**	**-**	**(10,467)**
As at 30 June 2009	**58,680**	**54,744**	**671,054**	**784,478**

(in thousands of Euros)	**Non-current livestock (unaudited)**	**Current livestock (unaudited)**	**Crops (unaudited)**	**Total (unaudited)**
As at 1 January 2009	**5,150**	**6,096**	**8,524**	**19,770**
Purchases	**111**	**12**	**-**	**123**
Additions from acquisitions of subsidiaries	**-**	**16**	**-**	**16**
Investments into livestock and future crops	**(35)**	**1,781**	**37,456**	**39,202**
(Loss) gain arising from changes in fair value attributable to physical changes and to changes in market prices	**(275)**	**(1,860)**	**16,059**	**13,924**
Transfers	**384**	**(384)**	**-**	**-**
Sales	**(117)**	**(856)**	**-**	**(973)**
Currency translation difference	**160**	**213**	**(531)**	**(158)**
As at 30 June 2009	**5,378**	**5,018**	**61,508**	**71,904**

(in thousands of Ukrainian hryvnias)	**Non-current livestock (unaudited)**	**Current livestock (unaudited)**	**Crops (unaudited)**	**Total (unaudited)**
As at 1 January 2008	47,331	51,616	61,276	160,223
Purchases	188	1,614	-	1,802
Additions from acquisitions of subsidiaries	1,279	5,665	-	6,944
Investments into livestock and future crops	491	10,729	296,784	308,004
(Loss) gain arising from changes in fair value attributable to physical changes and to changes in market prices	(8,192)	(6,111)	88,924	74,621
Transfers	2,646	(2,646)		-
Sales	(179)	(6,990)		(7,169)
As at 30 June 2008	43,564	53,877	446,984	544,425

(in thousands of Euros)	**Non-current livestock (unaudited)**	**Current livestock (unaudited)**	**Crops (unaudited)**	**Total (unaudited)**
As at 1 January 2008	6,380	6,957	8,259	21,596
Purchases	25	211	-	236
Additions from acquisitions of subsidiaries	165	731	-	896
Investments into livestock and future crops	64	1,401	38,762	40,227
(Loss) gain arising from changes in fair value attributable to physical changes and to changes in market prices	(1,067)	(796)	11,559	9,696
Transfers	346	(346)		-
Sales	(23)	(913)		(936)
Currency translation difference	(178)	(182)	19	(341)
As at 30 June 2008	5,712	7,063	58,599	71,374

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 HELD-TO-MATURITY

Financial instruments held-to-maturity are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Investments held-to-maturity	-	-	2,071

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Investments held-to-maturity	-	-	272

In February 2008 UAH denominated series A bonds totaling UAH 4,287 thousand (EUR 557 thousand) were sold to third parties. The face value of each bond is UAH 1,000 (EUR 89). The bonds' original maturity date was 21 June 2009 and they had an initial interest of 16.0% per annum.

As a result of the sale, all held-to-maturity investments as at 30 June 2009 are reclassified to financial instruments available-for-sale because the Group no longer has the intent to hold them to maturity. Also, under IFRS the Company is precluded from classifying any financial instrument as held-to-maturity until 1 January 2011.

10 FINANCIAL INSTRUMENTS AVAILABLE-FOR-SALE

Financial instruments available-for-sale are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Investments in agricultural partnership	**4,756**	3,889	1,838
Other investments	**635**	643	759
Venture fund certificates	**600**	600	-
	5,991	5,132	2,597

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Investments in agricultural partnership	**436**	346	241
Other investments	**58**	57	100
Venture fund certificates	**55**	53	-
	549	456	341

Investments in agriculture partnerships represent non-controlling stakes in entities formed to manage assets of non-operating state agriculture companies. Other investments represent non-controlling stakes acquired with new companies.

As described in note 9, 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 55 thousand) were 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 as they have no quoted price in an active market. Investments available-for sale are neither past due nor impared. None of investments are collateralized

As at 30 June 2009 the Group has 49.99% ownership in the associate (2007: 49.99%) with carrying value of nil. In 2007 the Group discontinued recognition of its share of losses of associate LLC Agricultural company “Pokrovska”. The Group’s unrecognized share of losses of the associate as at 30 June 2009 is UAH 17,984 thousand or EUR 2,265 thousand (2008: UAH 2,778 thousand, EUR 374 thousand).

Summarized financial information of the Group’s associate as at and for the six months ended 30 June is as follows:

	(in thousand of Ukrainian hryvnias)		*(in thousand of Euros)*	
	2009	**2008**	**2009**	**2008**
Assets	**53,292**	40,850	**4,885**	5,355
Liabilities	**93,474**	50,553	**8,568**	6,627
Revenue	**11,899**	11,003	**1,106**	1,437
Net loss	**(4,644)**	(514)	**(432)**	(67)

11 INVENTORIES

Inventories are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Finished goods:			
Sugar production	**101,540**	243,162	33,443
Agricultural produce	**31,054**	200,628	23,401
Cattle farming	**8,515**	6,260	6,328
Other production	**1,744**	2,856	3,054
Raw materials and consumables for:			
Sugar production	**42,337**	18,110	42,291
Agricultural produce	**61,256**	30,575	59,738
Cattle farming	**1,025**	2,879	5,925
Other production	**1,225**	739	4,825
Investments into future crops	**25,121**	131,813	19,797
NRV allowance	**(598)**	(14,105)	-
	273,219	622,917	198,802

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Finished goods:			
Sugar production	**9,307**	21,614	4,384
Agricultural produce	**2,846**	17,834	3,068
Cattle farming	**780**	556	830
Other production	**160**	254	400
Raw materials and consumables for:			
Sugar production	**3,881**	1,610	5,545
Agricultural produce	**5,615**	2,718	7,832
Cattle farming	**94**	256	777
Other production	**112**	66	633
Investments into future crops	**2,302**	11,718	2,595
NRV allowance	**(55)**	(1,254)	-
	25,042	55,372	26,064

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

12 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Trade receivables	**86,135**	79,704	91,643
Less allowance (note 20)	**(7,797)**	(5,824)	(7,783)
	78,338	73,880	83,860

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Trade receivables	**7,895**	7,085	12,014
Less allowance (note20)	**(715)**	(518)	(1,020)
	7,180	6,567	10,994

Trade receivables that are not past due or are less than one month past due are not considered impaired. As at 30 June 2009 trade receivables of UAH 28,978 thousand (2008: UAH 45,452 thousand) or EUR 2,656 thousand (2008: EUR 5,959 thousand) are past due but not impaired. These relate to a number of existing customers for whom there is no recent history of credit problems and where management believes collection is probable.

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

13 OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Other accounts receivable and prepayments are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Taxes recoverable and prepaid	**37,476**	61,229	59,458
Advances to suppliers	**31,296**	13,306	19,755
Other receivables	**41,531**	18,065	25,088
Less allowance (note 20)	**(3,622)**	(4,194)	(3,700)
	106,681	88,406	100,601

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Taxes recoverable and prepaid	**3,435**	5,443	7,795
Advances to suppliers	**2,869**	1,183	2,589
Other receivables	**3,807**	1,606	3,290
Less allowance (note 20)	**(332)**	(373)	(485)
	9,779	7,859	13,189

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Cash in banks in UAH	**16,221**	4,904	6,216
Cash in banks in USD	**12,286**	3,904	8,112
Cash in banks in EUR	**216**	1,771	8,845
Cash on hand in UAH	**59**	101	124
	28,782	10,680	23,297

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Cash in banks in UAH	**1,487**	436	816
Cash in banks in USD	**1,126**	347	1,063
Cash in banks in EUR	**20**	157	1,159
Cash on hand in UAH	**5**	9	16
	2,638	949	3,054

There were no restrictions on the use of cash and cash equivalents during the six months ended 30 June 2009.

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 2009 is 30,000 thousand (2008: 30,000 thousand) and the number of issued and fully paid-up shares is 25,000 thousand (2008: 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 2009**		**31 December 2008**		**30 June 2008**	
	(unaudited)		**(audited)**		**(unaudited)**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Astarta Holding N.V.						
Ivanchyk V.P.	**668**	**40.19%**	665	40.00%	665	40.00%
Korotkov V.M.	**668**	**40.19%**	665	40.00%	665	40.00%
Other shareholders	**327**	**19.62%**	333	20.00%	333	20.00%
	1,663	**100.00%**	1,663	100.00%	1,663	100.00%

(in thousands of Euros)	**30 June 2009**		**31 December 2008**		**30 June 2008**	
	(unaudited)		**(audited)**		**(unaudited)**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Astarta Holding N.V.						
Ivanchyk V.P.	**100**	**40.19%**	100	40.00%	100	40.00%
Korotkov V.M.	**100**	**40.19%**	100	40.00%	100	40.00%
Other shareholders	**50**	**19.62%**	50	20.00%	50	20.00%
	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)*	
	2009	**2008**	**2009**	**2008**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Net profit attributable to equity holders of the company	**200,595**	130,895	**18,730**	17,005
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	**8.02**	5.24	**0.75**	0.68

Capital risk management

The objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors seeks to maintain a balance between levels of borrowings and the capital position.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated balance sheet plus net debt.

As of 30 June 2009 the gearing ratio was 50% compared to 35% a year before. The increase in gearing ratio is to a great extent attributable to significant devaluation of Ukrainian hryvnia that caused substantial currency translation difference on borrowings designated in foreign currencies.

The gearing ratios as at 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2009	**2008**	**2009**	**2008**
Total borrowings (note 17)	**930,918**	498,182	**85,326**	65,312
Less cash, cash equivalents and short-term deposits	**(28,782)**	(23,297)	**(2,638)**	(3,054)
Net debt	**902,136**	474,885	**82,688**	62,258
Total equity	**876,962**	869,658	**80,379**	114,013
Total capital	**1,779,098**	1,344,543	**163,067**	176,271
Gearing ratio	**51%**	35%	**51%**	35%

The Group does not purchase its own shares on the market. There were no changes in the approach to capital management during the reporting period.

Additional paid-in capital

The additional paid-in capital reserve relates to the excess from the issuance of shares above the nominal value. The additional paid-in capital reserve can be distributed tax-free.

Fair value reserve

During the six months ended 30 June 2009 the difference between the nominal and fair value of the promissory notes issued of UAH 3,764 thousand (EUR 357 thousand) is recognised in equity as a fair value reserve. It is not freely distributable.

Revaluation reserve

As at 31 December 2007 management adopted the revaluation model of accounting for property (buildings). Revaluation surplus was recognised in equity. Revaluation surpluses are not freely distributable to shareholders. The revaluation reserve is realised over the remaining depreciation period of the related revalued tangible fixed assets which is UAH 1,969 thousand (EUR 180 thousand) during the six months ended 30 June 2009. The revaluation reserve realised through disposal of buildings is UAH 151 thousand (EUR 14 thousand) during the six months ended 30 June 2009.

Cumulative translation adjustment

The cumulative translation adjustment comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities and gains and losses on derivatives that hedge the Company’s net investment in foreign operations.

Other distributable reserves

In accordance with the Dutch law and Ukrainian legislation distributable reserves are limited to the balance of retained earnings and additional paid-in capital. As at 30 June 2009 retained earnings, including the loss for the current year of UAH 310,670 thousand or EUR 39,794 thousand (2008: UAH 322,477 thousand; EUR 44,984 thousand).

Dividend policy

The dividend policy is to pay dividends at a level consistent with the Group's growth and development plans, while maintaining a reasonable level of liquidity.

Decision in respect of dividends payment is to be made on the General Meeting of Shareholders after annual report is approved. The dividend policy will, however, be reviewed from time to time and payment of any future dividends will be effectively at the discretion of the General Meeting of Shareholders and after taking into account various factors including business prospects, future earnings, cash requirements, financial position, expansion plans and legislation requirements. In addition, payment of future dividends may be made only if shareholders' equity exceeds the sum of the paid-in share capital plus the reserves required to be maintained by law and by the Articles of Association. All shares carry equal dividend rights.

16 MINORITY INTERESTS

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

	(in thousands of Ukrainian hryvanias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Balance as at 1 January	**10,876**	7,520	**967**	1,014
Share in profit	**(34)**	1,235	**(3)**	165
(Acquisition) sale to minority shareholders	**(7,299)**	538	**(678)**	69
Minority interests acquired with new subsidiaries	**-**	-	**-**	-
Other changes	**(2,577)**	-	**(240)**	-
Currency translation difference	**-**	-	**43**	(30)
Balance as at 30 June	**966**	9,293	**89**	1,218

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

	(in thousands of Ukrainian hryvanias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Balance as at 1 January	**43,802**	26,457	**3,894**	3,566
Minority interests of limited liability company subsidiaries in profit	**7,686**	9,572	**712**	1,245
Acquisitions from minority shareholders	**(15,943)**	(127)	**(1,482)**	(16)
Minority interests acquired with new subsidiaries	**-**	3,679	**-**	475
Other changes	**2,577**	-	**240**	-
Currency translation difference	**-**	-	**130**	(81)
Balance as at 30 June	**38,122**	39,581	**3,494**	5,189

On 3 September 2008 LLC “APO “Tsukrovyk Poltavshchyny” was reorganized in OJSC “APO “Tsukrovyk Poltavshchyny”. On 8 May 2009 the state registration of termination of activity of LLC “APO “Tsukrovyk Poltavshchyny” was reversed by the court.

Since under Ukrainian law a participant in an limited liability company may withdraw his share in a company within 12 months, the corresponding minority interests of UAH 2,577 thousand (EUR 240 thousand) were derecognized in equity.

17 LOANS AND BORROWINGS

This note provides information about the contractual terms of loans and borrowings. Refer to note 34 for more information about exposure to interest rate, foreign currency risk and information on financial risk management. Loans and borrowings as at 30 June are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Long-term loans and borrowings:			
Bank loans	**404,032**	98,430	42,082
Finance lease liabilities (note 35 c)	**24,953**	30,235	17,091
Interest-bearing vendor financing arrangements	**5,066**	5,178	4,551
	434,051	133,843	63,724
Current portion of long-term loans and borrowings:			
Bank loans	**73,678**	47,668	17,734
Finance lease liabilities (note 35 c)	**11,946**	11,082	3,930
Interest-bearing vendor financing arrangements	**2,533**	5,179	2,068
Bonds payable	**-**	-	15,000
	88,157	63,929	38,732
Short-term loans and borrowings:			
Bank loans	**404,421**	807,560	366,226
Borrowings from non-financial institutions	**4,289**	4,323	3,600
Bonds payable	**-**	30,000	25,900
	408,710	841,883	395,726
	930,918	1,039,655	498,182

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Long-term loans and borrowings:			
Bank loans	**37,033**	8,749	5,517
Finance lease liabilities (note 35 c)	**2,287**	2,688	2,241
Interest-bearing vendor financing arrangements	**464**	460	597
	39,784	11,897	8,355
Current portion of long-term loans and borrowings:			
Bank loans	**6,753**	4,238	2,325
Finance lease liabilities (note 35 c)	**1,095**	985	515
Interest-bearing vendor financing arrangements	**232**	460	271
Bonds payable	**-**	-	1,966
	8,080	5,683	5,077
Short-term loans and borrowings:			
Bank loans	**37,069**	71,783	48,013
Borrowings from non-financial institutions	**393**	384	472
Bonds payable	**-**	2,667	3,395
	37,462	74,834	51,880
	85,326	92,414	65,312

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

				30 June 2009 (unaudited)				**2008 (audited)**				**30 June 2008 (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	15.0%	15.0%	-	-	-	-	105,167	4,635	-	109,802	109,183	6,323	1,549	117,055
Loans from Ukrainian banks received in UAH	Fixed	15.5%	15.5%	-	-	-	-	-	-	-	-	175	-	-	175
Loans from Ukrainian banks received in UAH	Fixed	16.0%	16.0%	**950**	-	-	**950**	955	-	-	955	1,000	-	-	1,000
Loans from Ukrainian banks received in UAH	Fixed	17.0%	17.0%	**388**	**2**	-	**390**	448	41	-	489	337	141	19	497
Loans from Ukrainian banks received in UAH	Fixed	18.0%	18.0%	**4,233**	-	-	**4,233**	28,271	-	-	28,271	200	-	-	200
Loans from Ukrainian banks received in UAH	Fixed	19.0%	19.0%	**10**	-	-	**10**	5	5	-	10	211	110	-	321
Loans from Ukrainian banks received in UAH	Fixed	19.5%	19.5%	-	-	-	-	10,200	-	-	10,200	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	20.0%	20.0%	-	-	-	-	100	-	-	100	12	-	-	12
Loans from Ukrainian banks received in UAH	Fixed	22.0%	22.0%	**6,282**	**1,899**		**8,181**	13,283	-	-	13,283	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	25.0%	25.0%	**108,600**	-	-	**108,600**	-	-	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	36.0%	36.0%	**10**	**9**		**19**	82	19	-	101	235	-	-	235
Loans from Ukrainian banks received in EUR	Floating	10.4%	Euribor+ 6.0%	-	-	-	-	-	-	-	-	953	-	-	953
Loans from Ukrainian banks received in USD	Fixed	10.0%	10.0%	**97,078**			**97,078**	99,218	-	-	99,218	74,388	915	-	75,303
Loans from Ukrainian banks received in USD	Fixed	10.5%	10.5%	**6,582**	**6,582**	**6,582**	**19,746**	6,726	6,726	10,090	23,542	3,710	4,130	8,254	16,094

The terms and repayment schedule for loans and borrowings, continued:

				30 June 2009 (unaudited)				**2008 (audited)**				**30 June 2008 (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 non-resident banks received in USD	Floating	2.4%	Libor+1.25%	**15,846**	**15,846**	**31,691**	**63,383**	16,196	16,196	40,489	72,881	4,568	5,160	15,481	25,209
Loans from non-resident banks received in USD	Floating	3.4%	Libor+2.3%	**4,949**	**4,949**	**12,372**	**22,270**	5,057	5,057	15,172	25,286	-	-	-	-
Loans from non-resident banks received in USD	Floating	3.4%	Libor+2.4%	-	-	-	-	-	-	-	-	118,140	-	-	118,140
Loans from non-resident banks received in USD	Floating	4.1%	Libor+3.0%	**193,250**	-	-	**193,250**	197,500	-	-	197,500	-	-	-	-
Loans from non-resident banks received in USD	Floating	4.6%	Libor+3.5%	**25,766**	**25,766**	**103,064**	**154,596**	158,000	-	-	158,000	70,848	-	-	70,848
Loans from non-resident banks received in USD	Floating	5.4%	Libor+4.25%	-	-	-	-	186,370	-	-	186,370	-	-	-	-
Loans from non-resident banks received in USD	Floating	6.6%	Libor+5.5%	**14,155**	**14,155**	**154,062**	**182,372**	-	-	-	-	-	-	-	-
Loans from non-resident banks received in USD	Floating	8.3%	Libor+7.75%	-	-	**27,053**	**27,053**	27,650	-	-	27,650	-	-	-	-
Other short-term borrowings received from Ukrainian non-financial institution in UAH	Fixed	15.0%	0.0%	**4,289**	-	-	**4,289**	4,323	-	-	4,323	3,600	-	-	3,600
Interest-bearing vendor financing arrangements in USD	Fixed	10.5%	10.5%	**2,533**	**2,533**	**2,533**	**7,599**	5,179	2,589	2,589	10,357	2,068	1,655	2,896	6,619
Finance lease liabilities	Fixed	14.0-16.0%	14.0-16.0%	**2,460**	**1,608**	**1,570**	**5,638**	2,621	1,927	2,554	7,102	3,930	5,605	11,486	21,021
Finance lease liabilities	Floating	8.6%	Libor+7.0%	**6,450**	**5,422**	**9,106**	**20,978**	5,739	5,422	11,842	23,003	-	-	-	-
Finance lease liabilities	Floating	9.2%	Libor+8.6%	**2,598**	**2,185**	**3,999**	**8,782**	2,347	2,185	5,055	9,587	-	-	-	-
Finance lease liabilities	Floating	9.8%	Libor+8.15%	**438**	**375**	**688**	**1,501**	375	375	875	1,625	-	-	-	-
Bonds payable	Fixed	15.0%	15.0%	-	-	-	-	-	-	-	-	15,000	-	-	15,000
Bonds payable	Fixed	15.0%	8.0%	-	-	-	-	30,000	-	-	30,000	25,900	-	-	25,900
				496,867	**81,331**	**352,720**	**930,918**	905,812	45,177	88,666	1,039,655	434,458	24,039	39,685	498,182

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

				30 June 2009 (unaudited)				**2008 (audited)**				**30 June 2008 (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	15.0%	15.0%	-	-	-	-	9,348	412	-	9,760	14,315	830	204	15,349
Loans from Ukrainian banks received in UAH	Fixed	15.5%	15.5%	-	-	-	-	-	-	-	-	23	-	-	23
Loans from Ukrainian banks received in UAH	Fixed	16.0%	16.0%	**87**	-	-	**87**	85	-	-	85	131	-	-	131
Loans from Ukrainian banks received in UAH	Fixed	17.0%	17.0%	**36**	-	-	**36**	40	4	-	44	44	18	2	64
Loans from Ukrainian banks received in UAH	Fixed	18.0%	18.0%	**388**	-	-	**388**	2,513	-	-	2,513	26	-	-	26
Loans from Ukrainian banks received in UAH	Fixed	19.0%	19.0%	**1**	-	-	**1**	-	-	-	-	29	14	-	43
Loans from Ukrainian banks received in UAH	Fixed	19.5%	19.5%	-	-	-	-	907	-	-	907	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	20.0%	20.0%	-	-	-	-	9	-	-	9	2	-	-	2
Loans from Ukrainian banks received in UAH	Fixed	22.0%	22.0%	**576**	**174**	-	**750**	1,181	-	-	1,181	-	-	-	-
Loans from Ukrainian banks received in UAH	Fixed	25.0%	25.0%	**9,954**	-	-	**9,954**								
Loans from Ukrainian banks received in UAH	Fixed	36.0%	36.0%	**1**	**1**	-	**2**	7	2	-	9	31	-	-	31
Loans from Ukrainian banks received in EUR	Floating	10.4%	Euribor +6.0%	-	-	-	-	-	-	-	-	125	-	-	125
Loans from Ukrainian banks received in USD	Fixed	10.0%	10.0%	**8,898**	-	-	**8,898**	8,819	-	-	8,819	9,753	120	-	9,873
Loans from Ukrainian banks received in USD	Fixed	10.5%	10.5%	**603**	**603**	**603**	**1,809**	598	598	897	2,093	486	541	1,082	2,109

The terms and repayment schedule for loans and borrowings, continued:

(in thousands of Euros)	Interest type	Effective interest rate	Nominal interest rate	30 June 2009 (unaudited) Less than one year	From one to two years	More than two years	Total	2008 (audited) Less than one year	From one to two years	More than two years	Total	30 June 2008 (unaudited) Less than one year	From one to two years	More than two years	Total
Loans from non-resident banks received in USD	Floating	2.4%	Libor+1.25%	1,452	1,452	2,905	5,809	1,440	1,440	3,598	6,478	598	676	2,030	3,304
Loans from non-resident banks received in USD	Floating	3.4%	Libor+2.3%	454	454	1,134	2,042	450	450	1,348	2,248	-	-	-	-
Loans from non-resident banks received in USD	Floating	3.4%	Libor+2.4%	-	-	-	-	-	-	-	-	15,488	-	-	15,488
Loans from non-resident banks received in USD	Floating	4.1%	Libor+3.0%	17,713	-	-	17,713	17,556	-	-	17,556	-	-	-	-
Loans from non-resident banks received in USD	Floating	4.6%	Libor+3.5%	2,362	2,362	9,447	14,171	14,044	-	-	14,044	9,287	-	-	9,287
Loans from non-resident banks received in USD	Floating	5.4%	Libor+4.25%	-	-	-	-	16,566	-	-	16,566	-	-	-	-
Loans from non-resident banks received in USD	Floating	6.6%	Libor+5.5%	1,297	1,297	14,121	16,715								
Loans from non-resident banks received in USD	Floating	8.3%	Libor+7.75%	-	-	2,480	2,480	2,458	-	-	2,458	-	-	-	-
Other short-term borrowings received from Ukrainian non-financial institution in UAH	Fixed	15.0%	0.0%	393	-	-	393	384	-	-	384	472	-	-	472
Interest-bearing vendor financing arrangements in USD	Fixed	10.5%	10.5%	232	232	232	696	460	230	230	920	271	217	380	868
Finance lease liabilities	Fixed	14.0-16.0%	14.0-16.0%	225	147	144	516	233	171	227	631	515	735	1,506	2,756
Finance lease liabilities	Floating	8.6%	Libor+7.0%	592	497	835	1,924	510	482	1,054	2,046	-	-	-	-
Finance lease liabilities	Floating	9.2%	Libor+8.6%	238	200	367	805	209	194	449	852	-	-	-	-
Finance lease liabilities	Floating	9.8%	Libor+8.15%	40	34	63	137	33	33	78	144	-	-	-	-
Bonds payable	Fixed	15.0%	15.0%	-	-	-	-	-	-	-	-	1,966	-	-	1,966
Bonds payable	Fixed	15.0%	8.0%	-	-	-	-	2,667	-	-	2,667	3,395	-	-	3,395
				45,542	7,453	32,331	85,326	80,517	4,016	7,881	92,414	56,957	3,151	5,204	65,312

Bank loans are secured as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Shares	**419,668**	258,191	-
Fixed assets	**342,305**	323,808	327,886
Inventories	**258,059**	317,087	187,134
Biological assets	**60,827**	-	69
Trade accounts receivable	**35,522**	-	-
Short-term deposits	-	49,422	-
	1,116,381	948,508	515,089

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Shares	**38,466**	22,950	-
Fixed assets	**31,375**	28,783	42,986
Inventories	**23,653**	28,186	24,533
Biological assets	**5,575**	-	9
Trade accounts receivable	**3,256**	-	-
Short-term deposits	-	4,393	-
	102,325	84,312	67,528

18 PROMISSORY NOTES ISSUED

There are three interest-free promissory notes with a nominal value of UAH 2,470 thousand (EUR 226 thousand) issued in December 2008 by OJSC Agricultural company “Agrocomplex” outstanding as at 30 June 2009. The promissory notes mature on 5 December 2013. As at 30 June 2009 promissory notes carried at amortised cost of UAH 1,052 thousand (EUR 96 thousand). The difference between the nominal value and fair value at the date of issuance of UAH 1,418 thousand (EUR 130 thousand) is recognised in equity.

In May 2009 SC “Tsukrovyk Podillya” issued fifteen interest-free promissory notes with a nominal value of UAH 21,475 thousand (EUR 1,969 thousand). The promissory notes mature on 17 May 2011. Promissory notes are carried at amortised cost of UAH 14,953 thousand (EUR 1,371 thousand). The difference between the nominal value and fair value at the date of issuance of UAH 6,522 thousand (EUR 598 thousand) is recognised in equity.

19 OTHER LIABILITIES AND ACCOUNTS PAYABLE

Other liabilities and accounts payable are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Advances received from customers	**27,490**	12,467	7,976
Settlements with land and fixed assets lessors	**18,305**	6,877	10,762
Salaries payable	**9,919**	11,197	8,626
Interest payable	**8,012**	8,992	818
VAT settlements	**7,160**	8,753	3,583
Provision for unused vacations	**5,266**	6,886	5,434
Social insurance payable	**4,264**	4,428	3,391
Accounts payable to government	**3,287**	7,628	4,640
Deferred government subsidy	**3,119**	4,058	4,073
Settlements for acquired companies	**1,742**	5,691	5,647
Accounts payable for property, plant and equipment	**504**	2,045	2,873
Other payables	**11,352**	9,433	15,842
	100,420	88,455	73,665

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Advances received from customers	**2,520**	1,108	1,046
Settlements with land and fixed assets lessors	**1,678**	611	1,411
Salaries payable	**909**	995	1,131
Interest payable	**734**	799	107
VAT settlements	**656**	778	470
Provision for unused vacations	**483**	612	712
Social insurance payable	**391**	394	445
Accounts payable to government	**301**	678	608
Deferred government subsidy	**286**	361	534
Settlements for acquired companies	**160**	506	740
Accounts payable for property, plant and equipment	**46**	182	377
Other payables	**1,042**	838	2,077
	9,206	7,862	9,658

20 ALLOWANCE FOR TRADE AND OTHER ACCOUNTS RECEIVABLE

Allowance for trade and other accounts receivable are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Trade accounts receivable (note 12)	**7,797**	5,824	7,783
Other accounts receivable (note 13)	**3,622**	4,194	3,700
	11,419	10,018	11,483

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Trade accounts receivable (note 12)	**715**	518	1,020
Other accounts receivable (note 13)	**332**	373	485
	1,047	891	1,505

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)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Balance at 1 January	**10,018**	12,206	**891**	1,645
Charge in income statement (note 20)	**4,027**	1,548	**374**	202
Amounts written off	**(2,626)**	(2,271)	**(244)**	(298)
Currency translation difference	**-**	-	**26**	(44)
Balance as at 30 June	**11,419**	11,483	**1,047**	1,505

21 REVENUES

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

	(in thousands of Ukrainian hryvnias)		_(in thousands of Euros)_	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Sugar and related sales:				
Sugar	**292,158**	197,075	**27,162**	25,718
Molasses	**13,462**	16,393	**1,252**	2,139
Pulp	**6,010**	5,388	**559**	703
Other sugar related sales	**17,827**	19,154	**1,657**	2,499
	329,457	238,010	**30,630**	31,059
Crops	**106,370**	51,559	**9,889**	6,728
Cattle farming	**42,922**	36,705	**3,990**	4,790
Other sales	**20,203**	326	**1,878**	43
	169,495	88,590	**15,757**	11,561
	498,952	326,600	**46,387**	42,620

For the six months ended 30 June 2009 sales totaling UAH 183 thousand (EUR 17 thousand) were settled through barter transactions, which do not result in a net cash inflow from operations (2008: UAH 3,939 thousand, EUR 514 thousand). Almost 90% of revenue is generated from sales to customers in Ukraine.

22 COST OF REVENUES

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

	(in thousands of Ukrainian hryvnias)		_(in thousands of Euros)_	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Sugar and related sales:				
Sugar	**208,757**	168,335	**19,390**	21,954
Molasses	**7,674**	6,335	**713**	826
Pulp	**4,424**	2,603	**411**	339
Other sugar related sales	**15,517**	1,039	**1,441**	135
	236,372	178,312	**21,955**	23,254
Crops	**60,609**	24,378	**5,630**	3,179
Cattle farming	**37,203**	27,009	**3,456**	3,522
Other sales	**15,671**	308	**1,455**	42
	113,483	51,695	**10,541**	6,743
	349,855	230,007	**32,496**	29,997

23 LOSS ARISING FROM REMEASUREMENT OF AGRICULTURAL PRODUCE TO FAIR VALUE

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)*	
	2009	**2008**	**2009**	**2008**
Valuation adjustment with respect to agricultural produce as at				
30 June	**33,365**	14,956	**3,102**	1,969
1 January	**(93,992)**	(30,142)	**(14,222)**	(4,463)
Net realisable value adjustment	**(598)**	-	**(55)**	-
Currency translation difference	-	-	**5,483**	495
Loss arising from remeasurement of agricultural produce to fair value	**(61,225)**	(15,186)	**(5,692)**	(1,999)

24 OTHER OPERATING INCOME

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

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Government subsidies relating to:				
VAT	**9,351**	4,930	**871**	641
Cattle farming	**4,754**	8,635	**443**	1,123
Interest and financing costs	**617**	2,486	**57**	323
Crop production	**50**	2,547	**5**	331
Other operating income	**1,124**	3,138	**105**	409
	15,896	21,736	**1,481**	2,827

25 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)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Salary and related charges	**20,304**	15,618	**1,887**	2,037
Depreciation	**5,616**	3,030	**522**	395
Professional services	**4,436**	4,817	**412**	628
Taxes other than corporate income tax	**3,795**	1,406	**353**	183
Fuel and other materials	**2,471**	2,624	**230**	342
Office expenses	**1,461**	795	**136**	104
Communication	**1,143**	1,139	**106**	149
Maintenance	**997**	1,177	**93**	154
Insurance	**781**	1,356	**73**	177
Rent	**725**	328	**67**	43
Transportation	**577**	690	**54**	90
Other services	**1,465**	2,593	**136**	338
Other general and administrative expense	**1,133**	1,598	**104**	208
	44,904	37,171	**4,173**	4,848

26 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)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Transportation and storage	**16,216**	8,169	**1,508**	1,067
Salary and related charges	**3,056**	1,868	**284**	244
Allowance for trade and other accounts receivable (note 20)	**4,027**	1,548	**374**	202
Fuel and other materials	**2,030**	413	**189**	54
Professional services	**967**	562	**90**	73
Commissions	**545**	1,699	**51**	222
Depreciation	**508**	237	**47**	31
Advertising	**34**	209	**3**	27
Other services	**567**	2,086	**53**	272
Other selling and distribution expense	**959**	1,046	**90**	138
	28,909	17,837	**2,689**	2,330

27 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)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
VAT written off	**10,455**	343	**971**	45
Charity and social expenses	**2,199**	2,349	**204**	307
Penalties paid	**1,597**	919	**148**	120
Inventory written off	**872**	146	**81**	19
Depreciation	**570**	562	**53**	73
Other salary and related charges	**473**	575	**44**	75
Canteen expenses	**428**	946	**40**	123
Representative expenses	**283**	315	**26**	41
Fixed assets impairment	**120**	212	**12**	28
Other operating expenses	**109**	1,101	**10**	144
	17,106	7,468	**1,589**	975

28 CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS

Changes in fair value of biological assets represent increase (decrease) in the balance sheet amount of livestock and crops as compared with amounts 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)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Non-current livestock	**(2,948)**	(8,192)	**(275)**	(1,067)
Current livestock	**(19,959)**	(6,111)	**(1,860)**	(796)
Crops	**233,366**	104,110	**21,751**	13,558
	210,459	89,807	**19,616**	11,695

29 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)*	
	2009	**2008**	**2009**	**2008**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Financial expense		(restated)		(restated)
Interest expense:				
Bank loans	**(41,600)**	(19,147)	**(3,856)**	(2,518)
Finance lease	**(5,134)**	(1,043)	**(476)**	(137)
Bonds payable	**(1,068)**	(2,224)	**(99)**	(292)
Interest-bearing vendor financing arrangements	**(441)**	(343)	**(41)**	(45)
	(48,243)	(22,757)	**(4,472)**	(2,992)
Net profit attributable to minority interests of limited liability company subsidiaries	**(7,686)**	(9,572)	**(712)**	(1,245)
Other financial expense	**(1,726)**	(1,883)	**(160)**	(264)
	(9,412)	(11,455)	**(872)**	(1,509)
	(57,655)	(34,212)	**(5,344)**	(4,501)
Financial income				
Interest income:				
Short-term deposits	**2,301**	-	**213**	-
Cash balances	**113**	146	**11**	19
Bonds receivable	**-**	1,163	**-**	152
	2,414	1,309	**224**	171
Foreign currency exchange income	**27,084**	15,661	**2,510**	2,057
Gain from promissory note transactions	**106**	2,984	**10**	392
	27,190	18,645	**2,520**	2,449
	29,604	19,954	**2,744**	2,620

30 OTHER INCOME

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

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Sales of non-current assets	**1,738**	3,803	**162**	497
Cost of non-current assets sold	**(1,799)**	(3,648)	**(168)**	(477)
Written off assets recovered	**644**	687	**55**	90
Other non-operational (one off) expense	**(8)**	(187)	**(1)**	(24)
	575	655	**48**	86

31 INCOME TAX BENEFIT (EXPENSE)

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

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Current income (expense)	**214**	(403)	**20**	(52)
Deferred benefit (expense)	**3,199**	(3,255)	**292**	(419)
	3,413	**(3,658)**	**312**	**(471)**

As at 30 June 2009 13 subsidiaries are elected to pay FAT in lieu of other taxes in 2009 (2008: 54 companies). Amount of FAT expense for the six months ended 30 June 2009 is UAH 219 thousand (EUR 20 thousand) (2008: UAH 179 thousand; EUR 23 thousand) and is included in cost of revenues.

The remaining companies are subject to the Ukrainian corporate income tax at a 25% rate (2008: 25%) and a Dutch corporate income tax rate of 25.5% (2008: 25.5%).

Current year losses for which no deferred tax asset was recognised relate to Astarta Holding NV, the Dutch company, and thus are subject to income tax rate at 25.5%.

32 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 2009 and 2008, 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 and fodder. 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 statement of operations.

Revenues of UAH 109,747 thousand (EUR 10,200 thousand) during the six months ended 30 June 2009 and UAH 73,386 thousand (EUR 9,577 thousand) during the six months ended 30 June 2008 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 2009 is as follows:

(in thousands of Ukrainian hryvnias)	**Sugar production**	**Agriculture**	**Cattle farming**	**Other businesses**	**Unallocated**	**Total**
Total revenues	**329,457**	**122,714**	**42,922**	**20,203**	**-**	**515,296**
Inter-segment revenues	**-**	**16,344**	**-**	**-**	**-**	**16,344**
Revenues from external customers	**329,457**	**106,370**	**42,922**	**20,203**	**-**	**498,952**
Total cost of revenues	**(236,372)**	**(76,953)**	**(37,203)**	**(15,671)**	**-**	**(366,199)**
Inter-segment cost of revenues	**-**	**(16,344)**	**-**	**-**	**-**	**(16,344)**
Cost of revenues	**(236,372)**	**(60,609)**	**(37,203)**	**(15,671)**	**-**	**(349,855)**
Loss from remeasurement of agricultural produce to fair value	**-**	**(61,225)**	**-**	**-**	**-**	**(61,225)**
Gross profit (loss)	**93,085**	**(15,464)**	**5,719**	**4,532**	**-**	**87,872**
General and administrative expense	**(7,737)**	**(6,230)**	**(2,514)**	**(1,816)**	**(26,607)**	**(44,904)**
Selling and distribution expense	**(5,760)**	**(2,699)**	**-**	**(3,296)**	**(17,154)**	**(28,909)**
Other operating income (expense)	**(1,331)**	**232,231**	**(18,181)**	**(344)**	**(3,126)**	**209,249**
Profit (loss) from operations	**78,257**	**207,838**	**(14,976)**	**(924)**	**(46,887)**	**223,308**
Gain from exchange differences	**3,503**	**1,632**	**-**	**-**	**21,949**	**27,084**
Interest expense	**(6,655)**	**(1,768)**	**-**	**-**	**(39,820)**	**(48,243)**
Interest income	**-**	**-**	**-**	**-**	**2,414**	**2,414**
Other expense	**-**	**-**	**-**	**-**	**(8,731)**	**(8,731)**
Gain on acquisition of subsidiaries	**-**	**-**	**-**	**-**	**1,316**	**1,316**
Profit (loss) before tax	**75,105**	**207,702**	**(14,976)**	**(924)**	**(69,759)**	**197,148**
Taxation	**-**	**-**	**-**	**-**	**3,413**	**3,413**
Net profit (loss)	**75,105**	**207,702**	**(14,976)**	**(924)**	**(66,346)**	**200,561**
Total assets	**547,477**	**1,270,717**	**182,591**	**60,064**	**74,608**	**2,135,457**
Unallocated deferred tax	**-**	**-**	**-**	**-**	**6,059**	**6,059**
Consolidated total assets	**547,477**	**1,270,717**	**182,591**	**60,064**	**80,667**	**2,141,516**
Total liabilities	**204,829**	**201,377**	**2,383**	**3,722**	**833,002**	**1,245,313**
Unallocated deferred tax	**-**	**-**	**-**	**-**	**19,241**	**19,241**
Consolidated total liabilities	**204,829**	**201,377**	**2,383**	**3,722**	**852,243**	**1,264,554**
Other segment information:						
Depreciation and amortisation	**15,526**	**27,488**	**1,067**	**778**	**1,047**	**45,906**
Additions to non-current assets:						
Property, plant and equipment	**6,713**	**16,043**	**1,929**	**10**	**148**	**24,843**
Intangible assets	**-**	**1,990**	**-**	**-**	**-**	**1,990**
Biological non-current assets	**-**	**-**	**1,190**	**-**	**-**	**1,190**

(in thousands of Euros)	Sugar production	Agriculture	Cattle farming	Other businesses	Unallocated	Total
Total revenues	30,630	11,408	3,990	1,878	-	47,906
Inter-segment revenues	-	1,519	-	-	-	1,519
Revenues from external customers	30,630	9,889	3,990	1,878	-	46,387
Total cost of revenues	(21,955)	(7,149)	(3,456)	(1,455)	-	(34,015)
Inter-segment cost of revenues	-	(1,519)	-	-	-	(1,519)
Cost of revenues	(21,955)	(5,630)	(3,456)	(1,455)	-	(32,496)
Loss from remeasurement of agricultural produce to fair value	-	(5,692)	-	-	-	(5,692)
Gross profit (loss)	8,675	(1,433)	534	423	-	8,199
General and administrative expense	(719)	(579)	(234)	(169)	(2,472)	(4,173)
Selling and distribution expense	(534)	(251)	-	(307)	(1,597)	(2,689)
Other operating income (expense)	(124)	21,648	(1,695)	(32)	(289)	19,508
Profit (loss) from operations	7,298	19,385	(1,395)	(85)	(4,358)	20,845
Gain from exchange differences	325	151	-	-	2,034	2,510
Interest expense	(617)	(164)	-	-	(3,691)	(4,472)
Interest income	-	-	-	-	224	224
Other expense	-	-	-	-	(814)	(814)
Gain on acquisition of subsidiaries	-	-	-	-	122	122
Profit (loss) before tax	7,006	19,372	(1,395)	(85)	(6,483)	18,415
Taxation	-	-	-	-	312	312
Net profit (loss)	7,006	19,372	(1,395)	(85)	(6,171)	18,727
Total assets	50,181	116,473	16,736	5,505	6,837	195,732
Unallocated deferred tax	-	-	-	-	555	555
Consolidated total assets	50,181	116,473	16,736	5,505	7,392	196,287
Total liabilities	18,774	18,458	218	341	76,353	114,144
Unallocated deferred tax	-	-	-	-	1,764	1,764
Consolidated total liabilities	18,774	18,458	218	341	78,117	115,908
Other segment information:						
Depreciation and amortisation	1,443	2,555	99	72	97	4,266
Additions to non-current assets:						
Property, plant and equipment	624	1,491	179	1	14	2,309
Intangible assets	-	184	-	-	-	184
Biological non-current assets	-	-	111	-	-	111

The segment information for the six months ended 30 June 2008 is as follows:

(in thousands of Ukrainian hryvnias)	**Sugar production**	**Agriculture**	**Cattle farming**	**Other businesses**	**Unallocated**	**Total**
Total revenues	238,010	66,753	36,705	326	-	341,794
Inter-segment revenues	-	15,194	-	-	-	15,194
Revenues from external customers	238,010	51,559	36,705	326	-	326,600
Total cost of revenues	(178,312)	(39,572)	(27,009)	(308)	-	(245,201)
Inter-segment cost of revenues	-	(15,194)	-	-	-	(15,194)
Cost of revenues	(178,312)	(24,378)	(27,009)	(308)	-	(230,007)
Loss from remeasurement of agricultural produce to fair value	-	(15,186)	-	-	-	(15,186)
Gross profit	59,698	11,995	9,696	18	-	81,407
General and administrative expense	(7,915)	(10,538)	(7,502)	(330)	(10,886)	(37,171)
Selling and distribution expense	(7,842)	(2,515)	-	(729)	(6,751)	(17,837)
Other operating income (expense)	710	110,618	(5,017)	5	(2,241)	104,075
Profit (loss) from operations	44,651	109,560	(2,823)	(1,036)	(19,878)	130,474
Gain from exchange differences	-	-	-	-	15,661	15,661
Interest expense	-	-	-	-	(22,757)	(22,757)
Interest income	-	-	-	-	1,309	1,309
Other income	-	-	-	-	(7,816)	(7,816)
Gain on acquisition of subsidiaries	-	-	-	-	18,917	18,917
Profit (loss) before tax	44,651	109,560	(2,823)	(1,036)	(14,564)	135,788
Taxation	-	-	-	-	(3,658)	(3,658)
Net profit (loss)	44,651	109,560	(2,823)	(1,036)	(18,222)	132,130
Total assets	465,495	933,589	158,079	59,751	40,624	1,657,538
Unallocated deferred tax	-	-	-	-	477	477
Consolidated total assets	465,495	933,589	158,079	59,751	41,101	1,658,015
Total liabilities	47,723	-	-	3,290	687,885	738,898
Unallocated deferred tax	-	-	-	-	49,459	49,459
Consolidated total liabilities	47,723	-	-	3,290	737,344	788,357
Other segment information:						
Depreciation and amortisation	12,267	15,568	834	802	318	29,789
Additions to non-current assets:						
Property, plant and equipment	23,192	120,745	2,848	184	505	147,474
Intangible assets	9	7	-	10	24	50
Biological non-current assets	-	-	1,467	-	-	1,467

(in thousands of Euros)	**Sugar production**	**Agriculture**	**Cattle farming**	**Other businesses**	**Unallocated**	**Total**
Total revenues	31,059	8,711	4,790	43	-	44,603
Inter-segment revenues	-	1,983	-	-	-	1,983
Revenues from external customers	31,059	6,728	4,790	43	-	42,620
Total cost of revenues	(23,254)	(5,162)	(3,522)	(42)	-	(31,980)
Inter-segment cost of revenues	-	(1,983)	-	-	-	(1,983)
Cost of revenues	(23,254)	(3,179)	(3,522)	(42)	-	(29,997)
Loss from remeasurement of agricultural produce to fair value	-	(1,999)	-	-	-	(1,999)
Gross profit	7,805	1,550	1,268	1	-	10,624
General and administrative expense	(1,032)	(1,374)	(978)	(43)	(1,421)	(4,848)
Selling and distribution expense	(1,024)	(329)	-	(95)	(882)	(2,330)
Other operating income (expense)	92	14,402	(653)	1	(295)	13,547
Profit (loss) from operations	5,841	14,249	(363)	(136)	(2,598)	16,993
Gain from exchange differences	-	-	-	-	2,057	2,057
Interest expense	-	-	-	-	(2,992)	(2,992)
Interest income	-	-	-	-	171	171
Other income	-	-	-	-	(1,031)	(1,031)
Gain on acquisition of subsidiaries	-	-	-	-	2,443	2,443
Profit (loss) before tax	5,841	14,249	(363)	(136)	(1,950)	17,641
Taxation	-	-	-	-	(471)	(471)
Net profit (loss)	5,841	14,249	(363)	(136)	(2,421)	17,170
Total assets	61,026	122,393	20,724	7,833	5,329	217,305
Unallocated deferred tax	-	-	-	-	63	63
Consolidated total assets	61,026	122,393	20,724	7,833	5,392	217,368
Total liabilities	6,256	-	-	431	90,184	96,871
Unallocated deferred tax	-	-	-	-	6,484	6,484
Consolidated total liabilities	6,256	-	-	431	96,668	103,355
Other segment information:						
Depreciation and amortisation	1,602	2,033	109	104	43	3,891
Additions to non-current assets:						
Property, plant and equipment	3,031	15,737	370	24	66	19,228
Intangible assets	1	1	-	1	3	6
Biological non-current assets	-	-	190	-	-	190

33 FINANCIAL INSTRUMENTS BY CATEGORY

Financial instruments as at 30 June are recorded in the financial statement line items as follows:

(in thousands of Ukrainian hryvnias)	Loans and receivables (unaudited)	Financial assets available-for-sale (unaudited)	Total (unaudited)
30 June 2009			
Financial assets as per balance sheet			
Other long-term receivables	63	-	63
Financial instruments available-for-sale	-	5,991	5,991
Trade accounts receivable	78,338	-	78,338
Other accounts receivable	37,909	-	37,909
Promissory notes available-for-sale	-	4,111	4,111
Cash and cash equivalents	28,782	-	28,782
	145,092	10,102	155,194

	Liabilities at amortized cost
Financial liabilities as per balance sheet	
Loans and borrowings	930,918
Trade accounts payable	136,826
Minority interests relating to limited liability companies	38,122
Promissory notes issued	30,742
Other long-term liabilities	8,285
Other liabilities and accounts payable	100,420
	1,245,313

(in thousands of Euros)	Loans and receivables (unaudited)	Financial assets available-for-sale (unaudited)	Total (unaudited)
30 June 2009			
Financial assets as per balance sheet			
Other long-term receivables	6	-	6
Financial instruments available-for-sale	-	549	549
Trade accounts receivable	7,180	-	7,180
Other accounts receivable	3,475	-	3,475
Promissory notes available-for-sale	-	377	377
Cash and cash equivalents	2,638	-	2,638
	13,299	926	14,225

	Liabilities at amortized cost
Financial liabilities as per balance sheet	
Loans and borrowings	85,326
Trade accounts payable	12,541
Minority interests relating to limited liability companies	3,494
Promissory notes issued	2,818
Other long-term liabilities	759
Other liabilities and accounts payable	9,206
	114,144

(in thousands of Ukrainian hryvnias)	**Loans and receivables (audited)**	**Financial assets available-for-sale (audited)**	**Total (audited)**
31 December 2008			
Financial assets as per balance sheet			
Other long-term receivables	66	-	66
Financial instruments available-for-sale	-	5,132	5,132
Trade accounts receivable	73,880	-	73,880
Other accounts receivable	13,871	-	13,871
Promissory notes available-for-sale	-	2,962	2,962
Short-term deposits	49,422	-	49,422
Cash and cash equivalents	10,680	-	10,680
	147,919	8,094	156,013

	Liabilities at amortized cost
Financial liabilities as per balance sheet	
Loans and borrowings	1,039,655
Trade accounts payable	91,899
Minority interests relating to limited liability companies	43,802
Promissory notes issued	12,744
Other long-term liabilities	8,682
Other liabilities and accounts payable	88,455
	1,285,237

(in thousands of Euros)	**Loans and receivables (audited)**	**Financial assets available-for-sale (audited)**	**Total (audited)**
31 December 2008			
Financial assets as per balance sheet			
Other long-term receivables	6	-	6
Financial instruments available-for-sale	-	456	456
Trade accounts receivable	6,567	-	6,567
Other accounts receivable	1,233	-	1,233
Promissory notes available-for-sale	-	263	263
Short-term deposits	4,393	-	4,393
Cash and cash equivalents	949	-	949
	13,148	719	13,867

	Liabilities at amortized cost
Financial liabilities as per balance sheet	
Loans and borrowings	92,414
Trade accounts payable	8,169
Minority interests relating to limited liability companies	3,894
Promissory notes issued	1,133
Other long-term liabilities	772
Other liabilities and accounts payable	7,862
	114,244

(in thousands of Ukrainian hryvnias)	**Loans and receivables (unaudited)**	**Financial assets available-for-sale (unaudited)**	**Total (unaudited)**
30 June 2008			
Financial assets as per balance sheet			
Other long-term receivables	71	-	71
Investments held-to-maturity	2,071	-	2,071
Investments available-for-sale	-	2,597	2,597
Trade accounts receivable	83,860	-	83,860
Other accounts receivable	21,388	-	21,388
Promissory notes available-for-sale	-	2,689	2,689
Cash and cash equivalents	23,297	-	23,297
	130,687	5,286	135,973

	Liabilities at amortized cost
Financial liabilities as per balance sheet	
Loans and borrowings	498,182
Trade accounts payable	114,637
Minority interests relating to limited liability companies	39,581
Promissory notes issued	5,001
Other long-term liabilities	7,697
Other liabilities and accounts payable	73,665
	738,763

(in thousands of Euros)	**Loans and receivables (unaudited)**	**Financial assets available-for-sale (unaudited)**	**Total (unaudited)**
30 June 2008			
Financial assets as per balance sheet			
Other long-term receivables	9	-	9
Investments held-to-maturity	272	-	272
Investments available-for-sale	-	341	341
Trade accounts receivable	10,994	-	10,994
Other accounts receivable	2,805	-	2,805
Promissory notes available-for-sale	-	353	353
Cash and cash equivalents	3,054	-	3,054
	17,134	694	17,828

	Liabilities at amortized cost
Financial liabilities as per balance sheet	
Loans and borrowings	65,312
Trade accounts payable	15,029
Minority interests relating to limited liability companies	5,189
Promissory notes issued	656
Other long-term liabilities	1,009
Other liabilities and accounts payable	9,658
	96,853

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Trade receivables neither past due nor impaired			
Counterparties with external credit rating (Standard & Poor's)			
A-/Stable/A-2	-	1,557	1,947
A/Negative/A-1	**4,341**	-	-
Counterparties without external credit rating			
Group A	**7,416**	15,123	8,216
Past due trade receivables	**66,581**	57,200	73,697
	78,338	73,880	83,860

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Trade receivables neither past due nor impaired			
Counterparties with external credit rating (Standard & Poor's)			
A-/Stable/A-2	-	138	255
A/Negative/A-1	**398**	-	-
Counterparties without external credit rating			
Group A	**680**	1,344	1,078
Past due trade receivables	**6,102**	5,085	9,661
	7,180	6,567	10,994

Group A represents existing customers (more than one year) with no defaults in the past.

The ageing of trade receivables at the reporting date is as follows:

(in thousands of Ukrainian hryvnias)	**Gross**	**Impairment**	**Gross**	**Impairment**	**Gross**	**Impairment**
	30 June 2009 (unaudited)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**	**30 June 2008 (unaudited)**
Not past due	**11,757**	**-**	16,680	-	10,163	-
Past due 1-30 days	**28,978**	**-**	24,364	-	45,452	-
Past due 31-120 days	**24,421**	**(2,097)**	28,621	(366)	23,958	(587)
Past due 121-365 days	**14,661**	**(1,888)**	4,123	(331)	7,035	(1,163)
More than one year	**6,318**	**(3,812)**	5,916	(5,127)	5,035	(6,033)
	86,135	**(7,797)**	79,704	(5,824)	91,643	(7,783)

(in thousands of Euros)	**Gross**	**Impairment**	**Gross**	**Impairment**		**Impairment**
	30 June 2009 (unaudited)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**	**30 June 2008 (unaudited)**
Not past due	**1,078**	**-**	1,482	-	1,333	-
Past due 1-30 days	**2,656**	**-**	2,167	-	5,959	-
Past due 31-120 days	**2,238**	**(193)**	2,544	(33)	3,140	(78)
Past due 121-365 days	**1,344**	**(173)**	366	(29)	922	(153)
More than one year	**579**	**(349)**	526	(456)	660	(789)
	7,895	**(715)**	7,085	(518)	12,014	(1,020)

The credit quality of cash and cash equivalents assessed by reference to external credit ratings:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Cash and cash equivalents			
Banks with external credit rating (Moody's):			
A2/Stable	**11,603**	3,905	-
A2/Negative	**906**	38	-
Aaa3/Negative	**-**	-	8,263
Baa1/Stable	**-**	-	5,106
Ba2/Stable	**-**	-	150
B2/Stable	**-**	4,308	464
B3/Stable	**14,979**	-	-
B3/Negative	**572**	-	-
Caa/Negative	**-**	411	-
Banks without external credit rating:			
Group A	**447**	146	345
Group B	**216**	1,771	8,845
Cash on hand	**59**	101	124
	28,782	10,680	23,297

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Cash and cash equivalents			
Banks with external credit rating (Moody's):			
A2/Stable	**1,063**	347	-
A2/Negative	**83**	3	-
Aaa3/Negative	**-**	-	1,083
Baa1/Stable	**-**	-	669
Ba2/Stable	**-**	-	20
B2/Stable	**-**	383	61
B3/Stable	**1,373**	-	-
B3/Negative	**52**	-	-
Caa/Negative	**-**	37	-
Banks without external credit rating:			
Group A	**42**	13	46
Group B	**20**	157	1,159
Cash on hand	**5**	9	16
	2,638	949	3,054

Group A represents Ukrainian banks. Group B represents foreign banks. No external ratings in respect of financial instruments available-for-sale, promissory notes available-for-sale and other accounts receivable are available.

34 FINANCIAL RISK MANAGEMENT

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about exposure to each of these risks and the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

(b) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, non-derivative financial instruments and receivables from customers.

The carrying amount as at 30 June of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Investments held-to- maturity	**-**	-	2,071
Investments available-for-sale	**5,991**	5,132	2,597
Trade accounts receivable	**78,338**	73,880	83,860
Other accounts receivable	**37,909**	13,871	21,388
Promissory notes available-for-sale	**4,111**	2,962	2,689
Short-term deposits	-	49,422	-
Cash and cash equivalents	**28,782**	10,680	23,297
	155,131	155,947	135,902

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Investments held-to- maturity	**-**	-	272
Investments available-for-sale	**549**	456	341
Trade accounts receivable	**7,180**	6,567	10,994
Other accounts receivable	**3,475**	1,233	2,805
Promissory notes available-for-sale	**377**	263	353
Short-term deposits	**-**	4,393	-
Cash and cash equivalents	**2,638**	949	3,054
	14,219	13,861	17,819

(c) Trade accounts receivable

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management established a credit policy under which each new customer is analyzed individually for creditworthiness before standard payment and delivery terms and conditions are offered. The review includes external ratings, where available, and in some cases bank references.

More than 60 percent of customers have been transacting with the Group for over three years, and no losses are expected from non-performance by these counterparties. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list, and future sales are made on a prepayment basis with approval of management. The balance of the twelve major debtors as at 30 June is as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Debtors with external credit rating (Standard & Poor's):			
A+/Negative/A-1	**5,598**	5,869	-
A+/Stable/A-1	**-**	-	20,286
A-/Stable/A-2	**-**	-	2,241
Debtors without external credit rating:			
Group A	**34,975**	36,050	46,554
Group B	**14,279**	4,100	-
	54,852	46,019	69,081

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Debtors with external credit rating (Standard & Poor's):			
A+/Negative/A-1	**513**	522	-
A+/Stable/A-1	**-**	-	2,659
A-/Stable/A-2	**-**	-	294
Debtors without external credit rating:			
Group A	**-**	3,204	6,103
Group B	**3,206**	364	-
	3,719	4,090	9,056

Group A represents existing customers (more than one year) for whom there is no recent history of defaults. Group B presents new customers (less than one year) for whom there is no recent history of defaults.

The Group does not require collateral in respect of trade and other receivables. The Group establishes an allowance that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss on allowances is determined based on historical data of payment statistics for similar financial assets.

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 30 June 2009 no guarantees are outstanding (2008: none). For loan security refer to note 17.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses non-derivative financial liabilities excluding interest payments and excluding the impact of netting agreements into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

30 June 2009	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**More than two years**
(in thousands of Ukrainian hryvnias)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Bank loans	**882,131**	**882,131**	**478,099**	**69,208**	**334,824**
Borrowings from non-financial institutions	**4,289**	**4,289**	**4,289**	**-**	**-**
Finance lease liabilities	**36,899**	**36,899**	**11,946**	**9,590**	**15,363**
Interest-bearing vendor financing arrangements	**7,599**	**7,599**	**2,533**	**2,533**	**2,533**
Trade and other accounts payable	**237,246**	**237,246**	**237,246**	**-**	**-**
	1,168,164	**1,168,164**	**734,113**	**81,331**	**352,720**

30 June 2009	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**More than two years**
(in thousands of Euros)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Bank loans	**80,855**	**80,855**	**43,822**	**6,343**	**30,690**
Borrowings from non-financial institutions	**393**	**393**	**393**	**-**	**-**
Finance lease liabilities	**3,382**	**3,382**	**1,095**	**878**	**1,409**
Interest-bearing vendor financing arrangements	**696**	**696**	**232**	**232**	**232**
Trade and other accounts payable	**21,747**	**21,747**	**21,747**	**-**	**-**
	107,073	**107,073**	**67,289**	**7,453**	**32,331**

31 December 2008	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**More than two years**
(in thousands of Ukrainian hryvnias)	**(audited)**	**(audited)**	**(audited)**	**(audited)**	**(audited)**
Bank loans	953,658	953,658	855,228	32,679	65,751
Borrowings from non-financial institutions	4,323	4,323	4,323	-	-
Finance lease liabilities	41,317	41,317	11,082	9,909	20,326
Interest-bearing vendor financing arrangements	10,357	10,357	5,179	2,589	2,589
Bonds payable	30,000	30,000	30,000	-	-
Trade and other accounts payable	180,354	180,354	180,354	-	-
	1,220,009	1,220,009	1,086,166	45,177	88,666

31 December 2008	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**More than two years**
(in thousands of Euros)	**(audited)**	**(audited)**	**(audited)**	**(audited)**	**(audited)**
Bank loans	84,770	84,770	76,021	2,906	5,843
Borrowings from non-financial institutions	384	384	384	-	-
Finance lease liabilities	3,673	3,673	985	880	1,808
Interest-bearing vendor financing arrangements	920	920	460	230	230
Bonds payable	2,667	2,667	2,667	-	-
Trade and other accounts payable	16,031	16,031	16,031	-	-
	108,445	108,445	96,548	4,016	7,881

30 June 2008	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**More than two years**
(in thousands of Ukrainian hryvnias)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Bank loans	426,042	426,042	383,960	16,779	25,303
Borrowings from non-financial institutions	3,600	3,600	3,600	-	-
Finance lease liabilities	21,021	21,021	3,930	5,605	11,486
Interest-bearing vendor financing arrangements	6,619	6,619	2,068	1,655	2,896
Bonds payable	40,900	40,900	40,900	-	-
Trade and other accounts payable	188,304	188,304	188,304	-	-
	686,486	686,486	622,762	24,039	39,685

30 June 2008	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**More than two years**
(in thousands of Euros)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Bank loans	55,855	55,855	50,338	2,199	3,318
Borrowings from non-financial institutions	472	472	472	-	-
Finance lease liabilities	2,756	2,756	515	735	1,506
Interest-bearing vendor financing arrangements	868	868	271	217	380
Bonds payable	5,361	5,361	5,361	-	-
Trade and other accounts payable	24,688	24,688	24,688	-	-
	90,000	90,000	81,645	3,151	5,204

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, which is primarily the Ukrainian hryvnia. The currencies in which these transactions primarily are denominated are U.S. dollars and the EUR. In order to hedge exposure to foreign currency risk Management attempts to balance the amount of payments in foreign currencies including debt repayments with inflows of currencies from exports sales.

On 16 May 2008, Ukraine became a WTO member. In line with the WTO accession, Ukrainian Government lifted grain export restrictions introduced in late 2006. As a result the Group substantially increased export sales in the first half of 2009 in order to mitigate higher currency risks following Ukrainian hryvnia instability resulting from the international crisis.

The exposure to foreign currency risk is as follows:

	30 June 2009		**31 December 2008**		**30 June 2008**	
(in thousands of Ukrainian hryvnias)	**EUR**	**USD**	**EUR**	**USD**	**EUR**	**USD**
	(unaudited)		**(audited)**		**(unaudited)**	
Trade accounts receivable	**-**	**7,639**	-	-	-	3,235
Other accounts receivable	**94**	**-**	321	-	3,460	-
Short-term deposits	**-**	**-**	-	24,422	-	-
Cash and cash equivalents	**216**	**12,286**	1,771	3,904	8,845	8,112
Bank loans	**-**	**(759,748)**	-	(790,447)	(953)	(305,594)
Interest-bearing vendor financing arrangements	**-**	**(7,599)**	-	(10,357)	-	(6,619)
Trade accounts payable	**(2,021)**	**(12,507)**	(2,040)	(4,041)	(61)	(6,672)
Other liabilities and accounts payable	**(307)**	**(5,209)**	(452)	(10,365)	(590)	(11,587)
Net exposure	**(2,018)**	**(765,138)**	(400)	(786,884)	10,701	(319,125)

	30 June 2009		**31 December 2008**		**30 June 2008**	
(in thousands of Euros)	**EUR**	**USD**	**EUR**	**USD**	**EUR**	**USD**
	(unaudited)		**(audited)**		**(unaudited)**	
Trade accounts receivable	**-**	**700**	-	-	-	424
Other accounts receivable	**9**	**-**	29	-	454	-
Short-term deposits	**-**	**-**	-	2,171	-	-
Cash and cash equivalents	**20**	**1,126**	157	347	1,159	1,063
Bank loans	**-**	**(69,637)**	-	(70,262)	(125)	(40,061)
Interest-bearing vendor financing arrangements	**-**	**(696)**	-	(920)	-	(868)
Trade accounts payable	**(185)**	**(1,146)**	(181)	(359)	(8)	(875)
Other liabilities and accounts payable	**(28)**	**(477)**	(40)	(921)	(77)	(1,519)
Net exposure	**(184)**	**(70,130)**	(35)	(69,944)	1,403	(41,836)

A 10 percent weakening of the Ukrainian hryvnia against the following currencies as at 30 June would have increased pre-tax loss and decreased equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(Effect in thousands of Ukrainian hryvnias)

	30 June 2009 (unaudited)	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
pre-tax profit			
EUR	**(202)**	(40)	(1,070)
USD	**(76,514)**	(78,688)	33,524
equity			
EUR	**(151)**	7	1,131
USD	**(66,112)**	(67,725)	(37,803)

(Effect in thousands of Euros)

	30 June 2009 (unaudited)	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
pre-tax profit			
EUR	**(18)**	(4)	(140)
USD	**(7,013)**	(6,994)	4,395
equity			
EUR	**(14)**	1	148
USD	**(6,060)**	(6,020)	(4,956)

A 10 percent strengthening of the Ukrainian hryvnia against the above currencies as at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Changes in interest rates impact primarily borrowings by changing either their fair value (fixed rate debt) or future cash flows (variable rate debt).

At 30 June the interest rate profile of interest bearing financial instruments is as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Fixed rate instruments			
Financial liabilities	**(256,733)**	(337,753)	(283,032)
Variable rate instruments			
Financial liabilities	**(674,185)**	(701,902)	(215,150)

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Fixed rate instruments			
Financial liabilities	**(23,530)**	(30,022)	(37,108)
Variable rate instruments			
Financial liabilities	**(61,796)**	(62,392)	(28,204)

The tendency of few recent years shows that the floating interest rates were cheaper than the fixed ones. The floating interest rates reflect the real market price for the facility obtained by the company which is often based on London interbank offered rate. Taking into account possible growth of interest rates based on London interbank offered rate in the future periods Management attempts to mitigate the interest rates risks by negotiating with banking institutions the introduction of the corresponding hedging mechanisms.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

With respect to variable rate instruments, a change of 100 basis points in interest rates over the reporting period would have increased (decreased) equity and net profit by UAH 3,356 thousand or EUR 312 thousand (2008: UAH 465 thousand; EUR 60 thousand) provided all other variables are held constant.

Other market price risk

The Group does not enter into commodity contracts other than to meet expected usage and sale requirements; such contracts are not settled net. Equity investments are not listed on a stock exchange; therefore, it is not practicable to determine their sensitivity to market changes.

(f) Fair values of financial instruments

Estimated fair values of the financial assets and liabilities are determined using available market information and appropriate valuation methodologies. As no readily available market exists for a large part of the Group’s financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. Accordingly, the estimates are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair values.

As at 30 June 2009 and 2008, the following methods and assumptions are used by the Group to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

The fair value is estimated to be the same as the carrying value for short-term financial instruments and long-term loans and borrowings with floating interest rates.

Investments available-for-sale are stated at cost as they have no quoted price in an active market.

The fair value of non-current promissory notes issued is estimated at UAH 16,005 thousand (EUR 1,467 thousand) compared to the carrying value of UAH 23,946 thousand (EUR 2,195 thousand). The fair value was estimated by discounting the expected future cash outflows by a market interest rate.

35 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. The total size of leased land as at 30 June 2009 is 169 thousand hectares (2008: 154 thousand hectares). Lease payments recognized as an expense during 6 months ended 30 June 2009 are UAH 18,377 thousand or EUR 1,708 thousand (2008: UAH 11,317 thousand, EUR 1,478 thousand).

Future minimum lease payments under non-cancellable operating leases as at 30 June are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Less than one year	**48,184**	36,753	30,038
From one to five years	**119,164**	96,725	75,523
More than five years	**57,755**	48,966	38,432
	225,103	182,444	143,993

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Less than one year	**4,416**	3,267	3,938
From one to five years	**10,922**	8,598	9,901
More than five years	**5,294**	4,353	5,038
	20,632	16,218	18,877

(c) Financial leases

The future minimum lease payments payable under finance leases as at 30 June are as follows:

(in thousands of Ukrainian hryvanias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Less than one year	**16,470**	15,837	6,449
From one to two years	**12,388**	13,191	7,441
More than two years	**17,741**	23,825	13,505
	46,599	52,853	27,395
Future finance charges on finance leases	**(9,700)**	(11,536)	(6,374)
Present value of finance lease liabilities	**36,899**	41,317	21,021
Less than one year	**11,946**	11,082	3,930
From one to two years	**9,590**	9,909	5,605
More than two years	**15,363**	20,326	11,486
	36,899	41,317	21,021

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Less than one year	**1,510**	1,408	845
From one to two years	**1,135**	1,173	976
More than two years	**1,626**	2,118	1,770
	4,271	4,699	3,591
Future finance charges on finance leases	**(889)**	(1,026)	(835)
Present value of finance lease liabilities	**3,382**	3,673	2,756
Less than one year	**1,095**	985	515
From one to two years	**878**	880	735
More than two years	**1,409**	1,808	1,506
	3,382	3,673	2,756

(d) Contractual commitments

As at 30 June the Group has the following contractual commitments:

(in thousands of Ukrainian hryvnias)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Purchase commitments:			
Fixed assets	**-**	2,400	46,071
Materials	**-**	13,421	18,107
Services	**-**	1,001	25
		16,822	64,203
Sales commitments:			
Sugar and by-products	**110,196**	249,553	71,245
Agricultural produce	**-**	11,925	-
	110,196	261,478	71,245

(in thousands of Euros)	**30 June 2009 (unaudited)**	**31 December 2008 (audited)**	**30 June 2008 (unaudited)**
Purchase commitments:			
Fixed assets	**-**	213	6,040
Materials	-	1,193	2,374
Services	-	89	3
		1,495	8,417
Sales commitments:			
Sugar and by-products	**10,100**	22,182	9,340
Agricultural produce	-	1,060	-
	10,100	23,242	9,340

36 CONTINGENCIES

(a) Insurance

The insurance industry in Ukraine is in a developing state and many forms of insurance, for example, environmental risk insurance, are not yet generally available. The Group has obtained insurance over its plant facilities. However, it does not have full coverage for certain financial risks such as business interruption, damage of third party property or environmental damage. Until the Group obtains adequate insurance coverage, there is a risk that the 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. As at 30 June 2009 the Group is involved in the following legal proceedings:

Dispute with Antimonopoly Committee

As at 19 February 2008 certain Group companies were involved in litigation with the Antimonopoly Committee of Ukraine (further - the AMC) for the total amount of UAH 2,210 thousand (EUR 203 thousand).

In 2006, the AMC claimed penalties of UAH 2,210 thousand (EUR 203 thousand) for alleged anti-competitive actions in sugar market during 2005. The Group companies did not pay the penalties, and filed a lawsuit to the 1st instance court. On 26 July 2007 the 1st instance court ruled in favor of the Group. However, this decision was appealed by the AMC to the Kyiv Commercial Court of Appeal (the 2nd instance). The 2nd instance court rejected the previous court decision and took a decision in favor of the AMC.

In June 2008 the Group claimed to reconsider the case by the 2nd instance court based on the newly provided evidence. As a result, the 2nd instance court canceled its prior decision and ruled in favor of the Group.

The AMC filed the cassation claim to the Highest Commercial Court of Ukraine. But the claim was rejected. Subsequently, the AMC filed the cassation claim to the Supreme Court of Ukraine.

On 20 January 2009 the Supreme Court of Ukraine satisfied the AMC's claim and forwarded the case to the Appeal Commercial Court of Kyiv for new consideration.

On 10 March 2009 the Appeal Commercial Court of Kyiv forwarded the case to Highest Commercial Court of Ukraine in order to get the National Association of Sugar Producers of Ukraine to take part in the litigation on the plaintiff side.

In 2008 the AMC filed one more lawsuit regarding the case described above to the Commercial Court of Kyiv (i.e. regarding the penalties of UAH 2,210 (EUR 203 thousand) thousand claimed in 2006), however in this particular case the AMC, additionally to the amounts claimed in 2006, imposed 100% penalties of UAH 2,210 thousand.

On 12 February 2009 this case was postponed by the 1st instance court until the principal dispute is finally resolved.

Subsequent Dispute with Antimonopoly Committee

On 18 August 2009 the case regarding the penalties of UAH 2,210 (EUR 203 thousand) thousand claimed in 2006 was postponed by the Kyiv Commercial Court of Appeal by 10 September 2009.

(c) Taxation contingencies

The Group performs most of its operations in Ukraine and therefore within the jurisdiction of the Ukrainian tax authorities. The Ukrainian tax system can be characterized by numerous taxes and frequently changing legislation which may be applied retrospectively, open to wide interpretation and in some cases are conflicting. Instances of inconsistent opinions between local, regional, and national tax authorities and the Ministry of Finance are not unusual. Tax declarations are subject to review and investigation by a number of authorities that are enacted by law to impose severe fines and penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. These facts create tax risks substantially more significant than typically found in countries with more developed systems.

Management believes that it has provided adequately for tax liabilities based on its interpretation of applicable tax legislation, official pronouncements and court decisions. Currently, there are no significant disputes with any tax authority. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant. No provisions for potential tax assessments are made in these consolidated financial statements.

37 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 common control of the Group's controlling 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, substantially all of which are with companies under common control of the shareholders are shown at their carrying value and are as follows:

(a) Revenues

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

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Revenues:				
Services	**33**	54	**3**	7
Materials	**7**	-	**1**	-
Sugar and by products	**-**	5,230	**-**	683
Other	**-**	5	**-**	1
	40	5,289	**4**	691

(b) Purchases

Purchases from related parties maily relate to purchase of coal, metal, gas, other assets and services. Purchases for the six months ended 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Purchases:				
Services	**63**	54	**6**	7
Materials	**23**	1,732	**2**	226
Gas	-	705	-	92
	86	2,491	**8**	325

(c) Receivables

Receivables from related parties as at 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Advances made	**184**	180	**17**	24
Trade accounts receivable	**88**	1,427	**8**	186
Other receivables	**215**	317	**20**	41
	487	1,924	**45**	251

There is no contractual maturity for the receivables from related parties. Balances are unsecured. No allowance for doubtful debts is created on these balances as at 30 June 2009 and 2008.

(d) Payables

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

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Trade accounts payable	**246**	244	**23**	32
Other payables	**165**	510	**15**	67
	411	754	**38**	99

(e) Loans and borrowings

Loans and borrowings from related parties as at 30 June are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2009 (unaudited)	**2008 (unaudited)**	**2009 (unaudited)**	**2008 (unaudited)**
Loans and borrowings	**166**	-	**15**	-

Refer to note 17 for interest rates and maturity rates for loans and borrowings from related parties.

38 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The following events occurred subsequent to the balance sheet date :

- On July 20, 2009, ING Towarzystwo Funduszy Inwestycyjnych S.A., acting on behalf of ING Fundusz Inwestycyjny Otwarty Akcji, ING Fundusz Inwestycyjny Otwarty Średnich i Małych Spółek, ING Specjalistyczny Fundusz Inwestycyjny Otwarty Akcji 2 and ING Parasol Fundusz Inwestycyjny Otwarty, notified that the investment funds managed by ING Towarzystwo Funduszy Inwestycyjnych S.A. increased their share in the total number of votes at the general meeting of ASTARTA Holding N.V. to more than 5%. The shareholding in ASTARTA Holding N.V. changed on July 21, 2009 due to the acquisition of shares of the company. As of July 21, 2009 the investment funds managed by ING Towarzystwo Funduszy Inwestycyjnych S.A. held altogether 1,263,761 shares of ASTARTA Holding N.V., which constituted 5.06% of the share capital of the company.
- On August 11, 2009, ING Towarzystwo Funduszy Inwestycyjnych S.A. acting on behalf of investment funds managed by it notified that ING Parasol Fundusz Inwestycyjny Otwarty disposed shares of Astarta Holding N.V. that resulted in declining the threshold of 5 % of voting rights on the general shareholders meeting of Astarta Holding N.V. held by jointly treated funds under ING Towarzystwo Funduszy Inwestycyjnych S.A. The cause of decrease in percentage of possessed voting rights on general shareholders meeting was sell transaction of shares of Astarta Holding N.V. on August 7, 2009. As of August 7, 2009 all the investment funds under the management of ING Towarzystwo Funduszy Inwestycyjnych S.A. treated jointly possessed 1,219,468 shares of Astarta Holding N.V., what gives 4.88% of registered capital of the company.
- On 17 August 2009, the Group increased its control over the subsidiary company LLC “Victoriya” by means of acquisition of additional share of 18.12% in the subsidiary’s net assets. The purchase consideration paid amounts to UAH 29 thousand (EUR 3 thousand) and comprises only direct cash

payments. The share of ownership in the subsidiary company LLC "Victoriya" is 93.11% as a result of the transaction.

27 August 2009,

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)_______

Press release
August 28, 2009

ASTARTA HOLDING N.V.
Results for the fist half of 2009

On August 28, ASTARTA published report for the first half of 2009. The Group's financial results demonstrate stable growth on the back of positive market movements

Key Financial Highlights

- Consolidated revenues increased by 9% y-o-y to EUR 46.4 mln
- EBIT up 23% y-o-y to EUR 20.8 mln. EBIT margin grew to 45% from 40%
- EBITDA increased by 20% y-o-y to EUR 25.1 mln. EBITDA margin grew from 49% to 54%
- Net income up 9% to EUR 18.7 mln. Net margin stable at 40%
- Cash flows provided by operating activities grew 124% y-o-y to EUR 8 mln

Key Operational Highlights

- Increase of arable land by 10% to 159 thousand hectares y-o-y
- Increase of sowing areas under sugar beet by 14% to 34 thousand hectares y-o-y
- 222 thousand tons of early grains harvested from the area of 59 thousand hectares
- Preparation of the Group's sugar plants for the sugar campaign is underway. The campaign is to start at the beginning of September. About EUR 2 million invested into plants modernization

Revenues

For the six months ended 30 June 2009, the Group's revenues were EUR 46.4 million or c. 9% more in EUR terms than in 1H 2008, at the same time representing a 53% growth from UAH 326.6 million to UAH 498.9 million in the Ukrainian hryvnia equivalent. The increase of revenues mainly resulted from the recovery of sugar and grain market and from an increase of crop sales, which more than doubled in terms of volumes compared to 1H 2008. On the back of the aggressive growth in crop sales, their share grew from 16% to 21% of the total revenues. Sales of sugar and sugar by-products provided 63% of total revenues against 67% in 1H 2008. The share of meat and milk sales decreased from 11% to 9% in the total.

Gross profit

The growth in production expenses caused by higher prices for energy and raw materials, lead to an increase in the cost of goods sold. In spite of positive price trends for the Group's products, this cost increase lead to a decrease in Gross profit by 23% to EUR 8.2 million. The Gross margin constituted 18% against 25% in 1H2008.

Profit from operations and EBITDA

On the back of a recovery in commodity markets and an increase in cultivated land, the profit from operations grew 23% to EUR20.8 million. EBITDA was 20% up y-o-y to EUR25.1 million. EBITDA margin rose from 49% to 54%.

Net income

The net income increased by 9% y-o-y to EUR 18.7 million at the same time representing a 52% growth from UAH 132.1 million to UAH 200.6 million in the Ukrainian hryvnia equivalent. The net margin was stable at 40% compared to 1H 2008.

Sugar sales

In the first half of 2009, the international sugar market demonstrated an aggressive growth. The white sugar price rose 70% and raw sugar price increased by 80% reaching a 28-year high. The wholesale Ukrainian price also significantly augmented.

In 1H 2009, the Group continued implementing its strategy aimed at strengthening its marketing position among industrial sugar consumers. About 85% of the Group's sugar was sold to big Ukrainian and international producers of beverages and confectionary. In terms of volumes, sugar sales increased by 8% from 77.1 thousand tons in 1H 2008 to 83.5 thousand tons in 1H 2009. The revenues from sugar sales grew by 6% to EUR27,2 million.

Crops production and sales

Growing demand for grains and oilseeds as well as a decrease in forecasted outputs from some main world producers lead to a positive correction on international and, respectively, on the Ukrainian crop markets compared to their minimums of December 2008. On the back of this situation, the revenues from crop sales increased by 47% to EUR 9.9 million compared to the 1H 2008. In terms of volumes, sales of crops grew 142%, while tripled wheat sales represented about one half of all crop sales. More than 40% of all revenues from crops sales in 1H 2009 constituted export incomes.

In July-August 2009, ASTARTA's agricultural companies harvested 222 thousand tons of grains from the area of 59 thousand hectares. ASTARTA's yields in 2009 were traditionally around 35-40% above the Ukrainian averages. The 2009 harvesting campaign is still on its way. Later in autumn, sugar beets, corn, sunflower, and soybeans will be harvested.

Viktor Ivanchyk, CEO of ASTARTA Holding N. V. said: "As a result of a dynamic recovery in agricultural and sugar international markets, ASTARTA's financial performance in the first half of 2009 is close to previous year's results and even exceeds them by some positions.

Noteworthy that ASTARTA has already enjoyed the first positive effects of the Group's restructuring, which is aimed at the consolidation of its main production assets. Particularly, we optimized the management structure, reduced the share of administrative expenses and achieved a growth in cash flows provided by operating activities. An important moment for the foreign currency risk hedging is an increase in the Group's export revenues, which grew almost by a half compared to the same period of a previous year."

Information about ASTARTA Holding N.V.

ASTARTA Holding N.V. controls the agri-industrial holding “Astarta-Kyiv”, which is the leading sugar producer and one of the leaders of the Ukrainian agricultural sector. Since August 2006, ASTARTA Holding N.V. shares have been listed on the Warsaw Stock Exchange.

Agri-industrial holding “Astarta-Kyiv” was established in 1993. As of today, “Astarta-Kyiv” is the leader of sugar and agriculture of Ukraine, which consolidates five regional subsidiaries, three of them located in the Poltava region: LLC “Poltavazernoproduct”, LLC AF "named after Dovzhenko" and LLC "Dobrobut"; one in the Vinnitsa region - LLC "Khmelnytske" and one in the Khmelnytsky region - LLC "Volochysk-Agro".

The Group's main activity is production of high quality sugar and sugar by-products (molasses and dry granulated pulp), growing and sales of grains and oilseeds, and also meat and milk. Implementing its strategy of vertical integration, the Group operates about 170 thousand hectares of land under long-term lease and provides about 90% of sugar beet grown in-house to the own sugar plants.

Cattle farming is a synergic segment of the Group’s business. Regional subsidiaries have more than 23 thousand heads of cattle and produce more than 100 tons of milk per day.

Caution note regarding forward-looking statements

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