

Ovostar Union N.V.
Interim Company Financial
Statements (Unaudited)

For the period ended 30
September 2011

REPRESENTATION

of the Board of Directors of Ovostar Union N.V. on compliance of the Interim Company Financial Statements (Unaudited)

The Board of Directors of Ovostar Union N.V. hereby represent that to the best of their knowledge the Interim Company Financial Statements (Unaudited) of Ovostar Union N.V. for the period ended 30 September 2011 and the comparable information are prepared in accordance with the applicable accounting standards and that they give a true, fair and clear view of the assets, financial standing and financial results of Ovostar Union N.V., and that the interim statements for the nine months ended 30 September 2011 give a true view of the developments, achievements and situation of the Company.

Board of Directors of Ovostar Union N.V.

Borys Bielikov _____ [signed]

Vitalii Veresenko _____ [signed]

Marc M.L.J. van Campen _____ [signed]

Oleksandr Bakumenko _____ [signed]

16 November 2011

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STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 September 2011
(in USD thousand, unless otherwise stated)

	Notes	Period 22 March – 30 September 2011 <u>(unaudited)</u>
Administrative expenses	5	(295)
Interest income		118
Exchange rate differences		<u>487</u>
Operating result		311
Exchange differences on translation of foreign operations		(2 458)
Total comprehensive result for the period, net of tax		(2 148)
 Total comprehensive income attributable to:		
Owners of the parent		<u>(2 148)</u>
		(2 148)

[signed]

Mr B. Bielikov
Director

[signed]

Mr V. Veresenko
Director

[signed]

Mr M.M.L.J. van Campen
Director

[signed]

Mr O.B. Bakumenko
Director

STATEMENT OF FINANCIAL POSITION
As at 30 September 2011
(in USD thousand, unless otherwise stated)

	Notes	As at 30 September 2011 (unaudited)
Assets		
Non-current assets		
Financial assets	7	16 653
		<u>16 653</u>
Current assets		
Cash and cash equivalents	8	12 397
		<u>14 855</u>
Total assets		29 050
Equity and liabilities		
Equity		
Issued capital	9	85
Foreign currency translation reserve		(2 459)
Share premium reserve		30 933
Retained earnings		(2 148)
Equity attributable to owners of the parent		28 869
Non-controlling interests		-
Total equity		28 869
Current liabilities		
Current accounts shareholders	10	79
Trade and other payables		102
Total liabilities		181
Total equity and liabilities		29 050

[signed]
Mr B. Bielikov
Director

[signed]
Mr V. Veresenko
Director

[signed]
Mr M.M.L.J. van Campen
Director

[signed]
Mr O.B. Bakumenko
Director

OVOSTAR UNION N.V.
Interim Company Financial Statements (Unaudited)

STATEMENT OF CHANGES IN EQUITY
For the period ended 30 September 2011
(in USD thousand, unless otherwise stated)

	Issued capital	Foreign currency translation reserve	Share premium	Retained earnings	Total	Non- controlling interests	Total equity
As at 22 March 2011	63	-	-	-	63	-	63
Result for the period	-	(2 458)	-	310	(2 148)	-	(2 148)
Share issued 20 June 2011	21	-	33 048	-	33 069	-	33 069
Costs allocated to share issued	-	-	(2 115)	-	(2 115)	-	(2 115)
Issued capital	1	(1)	-	-	-	-	-
As at 30 September 2011 (unaudited)	85	(2 459)	30 933	310	28 869	-	28 869

_____ [signed]	_____ [signed]
Mr B. Bielikov Director	Mr V. Veresenko Director

_____ [signed]	_____ [signed]
Mr M.M.L.J. van Campen Director	Mr O.B. Bakumenko Director

STATEMENT OF CASH FLOWS
For the period ended 30 September 2011
(in USD thousand, unless otherwise stated)

	<u>For the period ended 30 September 2011</u> (unaudited)
Operating activities	
Result	310
Working capital adjustments:	
Increase/(Decrease) in trade and other payables and advances received	181
	491
Investing activities	
Capital contribution to subsidiary	(16 653)
Net cash flows from/(used in) in investing activities	(16 162)
Financing activities	
Additional share capital issue	31 017
Net cash flows from/(used in) financing activities	31 017
Net increase/(decrease) in cash and cash equivalents	15 346
Net foreign exchange difference	(2 949)
Cash and cash equivalents at 22 March	-
Cash and cash equivalents at 30 September	12 397

[signed]

Mr B. Bielikov
Director

[signed]

Mr V. Veresenko
Director

[signed]

Mr M.M.L.J. van Campen
Director

[signed]

Mr O.B. Bakumenko
Director

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The principal activity of Ovostar Union N.V. (referred to herein as the "Company") is to act as a holding company. The registered office and principal place of business of the Company is Koningslaan 17, 1075 AA Amsterdam. Its principal activity is the holding of ownership interests in its subsidiaries and strategic management.

The Company was incorporated on 22 March 2011 in Amsterdam. The largest shareholder is Prime One Capital Ltd., Lanarca, Cyprus.

The Company's included the following subsidiaries as at 30 September 2011:

Name of the company	Business activities	Ownership as at 30 September 2011
LLC Ovostar Union	Egg and egg products production and distribution	99.8%

The interim company financial statements for the period ended 30 September 2011 were authorized for issue on 15 November 2011.

2. Basis of preparation

The interim company financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('IFRS-EU').

The interim company financial statements are prepared on a going-concern basis, under which assets are sold and liabilities are repaid in the ordinary course of business. The accompanying interim company financial statements do not include adjustments that would need to be made in case if the Company was unable to continue as a going concern.

3. Summary of significant accounting policies

Recognition and measurement of financial instruments

Financial assets and financial liabilities are recorded in the Company's interim statements of the financial position when the Company becomes a contractual party regarding the corresponding financial instrument. The Company records the acquisition and sale of financial assets and financial liabilities at the settlement date.

Financial assets and liabilities are initially recognized at fair value plus, if a financial asset or financial liability is recognized not at fair value through profit or loss, incurred operating expenses directly related to the acquisition or issue of this financial asset or financial liability.

Fair value of investments that are actively traded in organized financial markets is calculated on the basis of current market value at the close of trading on the reporting date. Regarding investments in securities for which there is no active market, fair value is calculated using other methods of valuation of financial instruments. Such valuation methods include the use of information on recent market transactions between well informed, willing to commit such transaction, independent parties, or data about the current market value of another similar instrument, discounted cash flow analysis or other pricing models.

Notes on pages 7 - 16 form an integral part of these interim company financial statements

NOTES TO THE FINANCIAL STATEMENTS

Accounting policy for subsequent revaluation of these items is disclosed below in the appropriate sections of accounting policy.

Financial assets

Investments recognized in the accounting records and derecognized at the time of transaction, in case if investments are purchased or sold in accordance with the contract, terms of which require delivery of an instrument within the time specified in the relevant market, are initially measured at fair value less transaction costs directly attributable to the transaction, except for financial assets belonging to the category of assets at fair value through profit or loss that are initially recognized at fair value.

Financial assets are classified into the following categories: financial assets at fair value through profit or loss; held-to-maturity financial assets; available-for-sale financial assets; loans and receivables. Classification of financial assets depends on their nature and purpose of acquisition and takes place at the time of recognition in the accounting records.

Effective interest rate method

The effective interest rate method is used to calculate the amortized cost of a financial asset and distribute interest income during the relevant period. The effective interest rate is the rate that enables discounting of estimated future cash receipts through the expected life of a financial asset or a shorter period, if applicable.

Revenues relating to debt instruments are recorded at the effective interest rate method, except for financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss - a financial asset is classified as at fair value through profit or loss if it is held for trading or designated at fair value through profit or loss.

A financial asset is classified as held-for-trading if it is:

- purchased originally for the purpose of sale or repayment within a short period of time; or
- a part of the portfolio of identified financial instruments that are managed together, and structure of which demonstrates the intention of profit earning in the short term; or
- a derivative that is not classified as a hedging instrument and is not effective for these purposes.

A financial asset that is not a financial asset held-for-trading may be classified as a financial asset at fair value through profit or loss at the time of recognition in the accounting records if:

- application of such classification eliminates or significantly reduces discrepancies in valuation or accounting, that otherwise might arise, or
- a financial asset is a part of a group of financial assets, financial liabilities or both groups, which are managed and controlled on the basis of fair value in accordance with a documented risk or investment management strategy, and information about this group is provided internally on that basis, or
- it exists in the framework of the contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits to classify the whole contract (asset or liability) as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets at fair value through profit or loss are measured at fair value with arising gains or losses recognized in the statement of comprehensive income. Net gains or losses recognized in the income statement include dividends and interest received on the relevant financial asset. During the period covered by these interim company financial statements, the Company did not hold any investments.

Held-to-maturity investments - investments held to maturity are measured at amortized cost using the effective interest rate method, less impairment, and income is recognized using the effective yield method. During the reporting period presented in these interim company financial statements, the Company had no investments of this category.

Loans and receivables - accounts receivable regarding principal activities, loans, borrowings and other receivables with fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest rate method less impairment and uncollectible debts. Interest income is recognized by applying the effective interest rate, except for short-term receivables for which the amount of such interest income is insignificant.

Available-for-sale financial assets - financial assets available for sale represent those non-derivative financial assets that are classified as available for sale or those that do not fall into any of the three previous categories. After initial recognition these assets are measured at fair value with revaluation result transferred directly in equity (in the allowance for unrealized profits) until they are sold; in this situation the accumulated gains and losses previously recognized in equity are recognized in the statement of comprehensive income. Interest received or paid on these investments is recorded as interest income or expenses using the effective interest rate. Dividends received on these investments are recorded in the statement of comprehensive income as a part of dividends received at the time of registration of a corresponding right or receipt of payment.

Unquoted investments available for sale are accounted for at cost if their fair value cannot be reliably measured.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash in bank accounts.

Impairment of financial assets

Financial assets, except for financial assets at fair value through profit or loss, at each reporting date are assessed for signs indicating impairment. Impairment loss is recognized when there is objective evidence of reduction of the estimated future cash flows on this asset as a result of one or more events that occurred after the financial asset was recorded in the accounting. For financial assets at amortized cost, the amount of impairment is calculated as the difference between the asset's carrying amount and present value of the expected future cash flows discounted using the effective interest rate.

Impairment loss directly reduces the carrying amount of all financial assets, except for accounts receivable on principal activities, carrying amount of which is reduced due to the allowance formed. If the accounts receivable on principal activities are uncollectible, they are written-off against the related allowance. Subsequently received reimbursements of amounts previously written-off are recorded in

NOTES TO THE FINANCIAL STATEMENTS

credit of the allowance account. Changes in the carrying amount of the allowance account are recorded in the profit and loss.

Except for equity instruments available for sale, if in a subsequent period the amount of impairment loss decreases and such decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss previously recognized is recovered by adjusting the items in the income statement. In this case, the carrying amount of financial investments at the date of recovery of impairment cannot exceed its amortized cost, which would be reflected in the case, if impairment was not recognized.

In respect of equity securities available for sale, any increase in fair value after recognition of impairment loss relates directly to equity.

Derecognition of financial assets

The Company writes-off a financial asset only if rights for cash flows under the corresponding contract terminated the treaty or if a financial asset and corresponding risks and rewards are transferred to other organization. If the Company does not transfer or retain all the principal risks and rewards of ownership of the asset and continues to control the transferred asset, it shall record its share in the asset and related liability in the amount of possible payment of corresponding amounts. If the Company retains all the principal risks and rewards of ownership of the transferred financial asset, it shall continue to account for the financial asset, and reflect a secured loan on income earned.

Financial liabilities and equity instruments issued by the Company

Classification as liabilities or equity

Debt and equity financial instruments are classified as liabilities or equity based on the substance of the corresponding contractual obligations.

Equity instruments

Equity instrument is any contract confirming the right for a share in the company's assets remaining after deducting all its liabilities. Equity instruments issued by the Company are recorded in the amount of generated income, net of direct expenses for their issue.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss, or as other financial liabilities.

Financial liabilities at fair value through profit or loss - Financial liabilities are classified as at fair value through profit or loss if they are held for trading or designated as at fair value through profit or loss.

A financial liability is classified as held for trading if it is:

- assumed mainly to be repurchased within a short period of time; or
- a part of the portfolio of identified financial instruments that are managed together, and structure of which demonstrates the intention of profit earning in the short term; or

Notes on pages 7 - 16 form an integral part of these interim company financial statements

NOTES TO THE FINANCIAL STATEMENTS

- a derivative that is not classified as a hedging instrument and is not effective for these purposes.

A financial liability that is not a financial liability held-for-trading may be classified as a financial liability at fair value through profit or loss at the time of recognition in the accounting records if:

- application of such classification eliminates or significantly reduces discrepancies in valuation or accounting, that otherwise might arise, or
- a financial liability is a part of a group of financial assets, financial liabilities or both groups, which are managed and controlled on the basis of fair value in accordance with a documented risk or investment management strategy, and information about this group is provided internally on that basis, or
- it exists in the framework of the contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits to classify the whole contract (asset or liability) as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value with arising gains or losses recognized in the financial results. Net gains or losses recognized in the income statement include interest paid on a financial liability.

Other financial liabilities - other financial liabilities, including borrowings, are accounted for at fair value less transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method, with the recognition of interest expenses using the effective (actual) yield.

Trade and other accounts payable

Trade payables are recognized when the counterparty fulfills its contractual obligations and measured at amortized cost using the effective interest rate.

Derecognition of financial liabilities

The Company writes-off financial liabilities only when they are repaid, cancelled or expire.

Foreign currency transactions

Transactions in currencies other than the functional currency are initially recorded at exchange rates set on the dates of these transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates applicable at the reporting date. All realized and unrealized gains and losses resulting from exchange rate differences are included in profit or loss for the period.

Relevant exchange rates are presented as follows:

	As at
	30 September 2011
EUR	0.7354
PLN	3.2474

NOTES TO THE FINANCIAL STATEMENTS

Contingent assets and liabilities

Contingent liabilities are not recognized in the financial statements. Such liabilities are disclosed in the notes to the financial statements, except where the probability of outflow of resources embodying economic benefits is insignificant.

Contingent assets are not recognized in the financial statements, but disclosed in the notes to the extent that it is probable that the economic benefits will flow to the Company.

Revenue recognition

Revenues from the sale of goods are recognized when the Company has transferred to the buyer all significant risks and rewards of ownership of the goods, and it is probable that the economic benefits associated with this transaction will flow to the Company.

Revenues from rendering of services are recognized in the reporting period in which the services were provided, based on the level of completion of the specific transaction and only when the amount of revenue can be reliably measured and it is probable that the economic benefits associated with this transaction will flow to the Company.

Income and expenses relating to the same transaction or event are recognized simultaneously. Interest income is recognized using the effective interest rate method.

Income tax

Income tax is calculated in accordance with the requirements of the applicable legislation of The Netherlands. Income tax is calculated on the basis of financial results for the year adjusted to items that are not included in taxable income or that cannot be attributed to gross expenses. It is calculated using tax rates effective at the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used to calculate taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recorded taking into account the degree of certainty in sufficient taxable income, which enables to realize temporary differences related to gross expenses.

Deferred tax is calculated at tax rates, which presumably will be applied during the sale of related assets or repayment of related liabilities.

Assets and liabilities on deferred income tax are offset when: a) The Company has a legally enforceable right to offset the recognized current income tax assets and liabilities; b) the Company intends either to perform settlement by offsetting counterclaims, or simultaneously sell the asset and settle the liability; c) deferred tax assets and liabilities relate to income taxes levied by the same taxation authority in each future period in which it is intended to repay or reimburse a significant amount of deferred tax liabilities and assets.

Deferred income tax is recognized in the income statement, except when it relates to items recognized directly in equity. In this case the deferred tax is also recognized in equity.

NOTES TO THE FINANCIAL STATEMENTS

Related party transactions

For the purposes of these interim company financial statements, the parties are considered to be related if one of the parties has a possibility to control or considerably influence the operational and financial decisions of other company. While considering any relation which can be defined as related party transactions it is necessary to take into consideration the substance of the transaction not only their legal form.

4. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011.

5. Administrative expenses

	<u>For the period ended 30 September 2011</u>
Legal, audit and other professional fees	295
Total administrative expenses	295

6. Income tax

During the period ended 30 September 2011, the Company is subject to Dutch Corporate Income Tax ("CIT"). The CIT levies tax on taxable profit at a rate of 25%. However, over the first tranche of EUR 200,000 taxable profit a tax rate of 20% is applicable. During the period under review no corporate income tax is due.

7. Financial assets

	<u>As at 30 September 2011</u>
Investments in LLC Ovostar Union	16 653
Total financial assets	16 653

NOTES TO THE FINANCIAL STATEMENTS

8. Cash and short-term deposit

	As at 30 September 2011
Cash in bank	12 397
Total cash and short-term deposit	12 397

9. Equity

Issued capital and capital distribution

As referred to in Note 1, the Company was incorporated on 22 March 2011.

The Company's authorized share capital amounts to EUR 225,000 and consists of 22,500,000 ordinary shares with a nominal value off EUR 0,01 each. On 30 June 2011, 6,000,000 ordinary shares were issued and fully paid up.

At 30 September 2011 the largest single Shareholders' interest in the Company was as follows:

	As at 30 September 2011
Prime One Capital Ltd.	75%

Foreign currency translation reserve

According to section 373, Book 2 of the Dutch Civil Code, the Company's share capital has been converted at the exchange rate prevailing at reporting date. The EUR 60,000 has been converted into USD 84,891. The result arising of exchange rate differences has been recorded in the "Foreign currency translation reserve".

10. Trade and other payables (current)

	As at 30 September 2011
Trade payables	102
Total trade and other payables	102

11. Related party disclosures

Related parties may enter into transactions, which may not always be available to unrelated parties, and they may be subject to such conditions and such amounts that are impossible in transactions with unrelated parties.

The following companies and individuals are considered to be the Company's related parties as at 30 September 2011:

Individuals (shareholders)

Borys Bielikov

Vitalii Veresenko

NOTES TO THE FINANCIAL STATEMENTS

On 28 March 2011 the Company acquired an interest of 99.8% in LLC Ovostar Union, Kyiv, Ukraine for a consideration of USD 37,928 from Messrs Bielikov and Veresenko.

On 9 May 2011, the Company entered into a loan agreement with Prime One Capital Ltd.

Parties under the significant influence of the Beneficial Owners

LLC Ovostar Union
Agrofirma Boryspilsky Hutir LLC
Aleksa LTD
LLC Anglo-Brit Management Limited
BVV-Invest LLC
Kompromis - Invest LLC
Lagoda Confectionery Firm CJSC
Ovostar LTD LLC
Prime One Capital Ltd.

12. Commitments and contingencies

Contingent liabilities

There are no contingent liabilities.

Legal issues — The Company is not involved in litigations and other claims that are in the ordinary course of its business activities.

Capital liabilities - As at 30 September 2011 the Company had no significant contractual liabilities for acquisition of property, plant and equipment and intangible assets.

13. Capital risk management

The Company manages its capital to ensure that group companies will be able to continue as a going concern while maximizing the return to shareholders through a combination of debt and equity capital. The management of the Company reviews the capital structure on a regular basis. Based on the results of this review, the Company takes steps to balance its overall capital structure through the issue of new debt or the redemption of existing debt.

Liquidity risk

Liquidity risk is the risk of the Company's failure to fulfill its financial obligations at the date of maturity. The Company's approach to liquidity management is to ensure, to the extent possible, permanent availability of sufficient liquidity of the Company to fulfill its financial obligations in due time (both in normal conditions and in non-standard situations), by avoiding unacceptable losses or the risk of damage the reputation of the Company.

NOTES TO THE FINANCIAL STATEMENTS

In accordance with plans of the Company, its working capital needs are satisfied by cash flows from operating activities, as well as by use of loans if cash flows from operating activities are insufficient for liabilities to be settled.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company undertakes certain transactions denominated in foreign currencies. The Company does not use any derivatives to manage foreign currency risk exposure, at the same time the management of the Group sets limits on the level of exposure by currencies.

Exposure to foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities as of 30 September 2011 were as follows:

30 September 2011

(in conversion to USD thousand)

	USD	EUR	PLN	Total
Assets				
Cash in bank	5	-	12 392	12 397
Liabilities				
Current accounts shareholder	(79)	-	-	(79)
Trade accounts payables	(12)	(73)	(17)	(102)
Net exposure to foreign currency risk	(86)	(73)	12 375	12 216

This sensitivity rate represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for expected change in foreign currency rates.

Interest rate risk

At 30 September 2011 the Company did not record any interest bearing loans receivable or payable on its books and hence the Company is not subject to an interest rate risk.

**LLC Ovostar Union
and its subsidiaries**
**Consolidated Condensed
Interim Financial Statements
(Unaudited)**

**For the nine months ended
30 September 2011**

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REPRESENTATION

of the Management Board of Ovostar Union LLC and its subsidiaries on compliance of the Consolidated Condensed Interim Financial Statements (Unaudited)

Management Board of Ovostar Union LLC and its subsidiaries hereby represent that to the best of their knowledge the Consolidated Condensed Interim Financial Statements (Unaudited) of Ovostar Union LLC and its subsidiaries for the period ended 30 September 2011 and the comparable information are prepared in accordance with the applicable accounting standards and that they give a true, fair and clear view of the assets, financial standing and financial results of Ovostar Union LLC and its subsidiaries, and that the interim statements for the nine months ended 30 September 2011 give a true view of the developments, achievements and situation of the Group.

Management Board of Ovostar Union LLC and its subsidiaries

Borys Biclikov, CEO

[signed]

Yurii Doroshev, CFO

[signed]

15 November 2011

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended 30 September 2011
(in USD thousand, unless otherwise stated)

	Notes	9 months ended 30 September	
		2011	2010
		(unaudited)	(unaudited)
Revenue		34 651	26 734
Net change in fair value of Biological assets	11	2 289	1 608
Cost of sales		(22 166)	(19 964)
Gross profit		14 774	8 378
Other operating income	6	3 304	2 427
Selling and distribution costs		(2 111)	(1 974)
Administrative expenses		(1 246)	(1 047)
Other operating expenses	7	(1 191)	(296)
Operating profit		13 530	7 488
Finance costs		(324)	(760)
Finance income		511	360
Profit before tax		13 717	7 088
Income tax expense	10	(425)	(540)
Profit for the period		13 292	6 549
Other comprehensive income			
Exchange differences on translation of foreign operations		(27)	(315)
Other comprehensive income for the period, net of tax		(27)	(315)
Total comprehensive income for the period, net of tax		13 265	6 234
Profit attributable to:			
Owners of the parent		13 051	7 089
Non-controlling interests		241	(540)
		13 292	6 549
Other comprehensive income attributable to:			
Owners of the parent		(86)	72
Non-controlling interests		59	(387)
		(27)	(315)

On 15 November 2011 the Board of Directors of Ovostar Union LLC authorised these consolidated condensed interim financial statements for issue.

[signed]

 Borys Bielikov
 Chief Executive Officer

[signed]

 Yuriy Doroshev
 Chief Financial Officer

LLC OVOSTAR UNION AND ITS SUBSIDIARIES
Consolidated Condensed Interim Financial Statements (Unaudited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 September 2011 and 30 September 2010
(in USD thousand, unless otherwise stated)

		As at 30 September 2011	As at 30 September 2010
	Notes	(unaudited)	(unaudited)
Assets			
Non-current assets			
Non-current biological assets	11	15 581	5 811
Property, plant and equipment	12	16 645	12 267
Intangible assets		2	78
Other investments		-	3 290
Other non-current assets	13	1 770	1 253
Deferred tax assets		12	20
		34 010	22 719
Current assets			
Inventories	15	9 688	8 995
Current biological assets	11	1 876	4 678
Trade and other receivables	16	13 265	9 152
Prepayments		1 065	944
Prepayments for income tax		18	-
Cash and cash equivalents		11 587	181
		37 499	23 950
Total assets		71 509	46 669
Equity and liabilities			
Equity			
Issued capital	17	16 793	18
Foreign currency translation reserve		(7 696)	(7 387)
Merger reserve		-	12 212
Retained earnings		49 688	30 049
Equity attributable to owners of the parent		58 785	34 892
Non-controlling interests		2 653	2 002
Total equity		61 438	36 894
Non-current liabilities			
Interest-bearing loans and other non-current financial liabilities	14	1 909	288
Deferred tax liabilities		380	404
		2 289	692
Current liabilities			
Trade and other payables	18	4 332	4 199
Advances received		101	719
Interest-bearing loans and borrowings	14	3 327	4 143
Provisions		22	22
		7 782	9 083
Total liabilities		10 071	9 775
Total equity and liabilities		71 509	46 669

[signed]

Borys Bielikov
Chief Executive Officer

[signed]

Yuriy Doroshev
Chief Financial Officer

LLC OVOSTAR UNION AND ITS SUBSIDIARIES
Consolidated Condensed Interim Financial Statements (Unaudited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2011
(in USD thousand, unless otherwise stated)

	Issued capital	Foreign currency translation reserve	Merger reserve	Retained earnings	Total	Non- controlling interests	Total equity
As at 31 December 2009	18	(7 459)	11 551	22 970	27 080	2 929	30 009
Profit for the period				7 089	7 089	(540)	6 549
Other comprehensive income		72		-	72	(387)	(315)
Total comprehensive income	-	72	-	7 089	7 161	(927)	6 234
Other equity movements (Note 17)	-	-	661	(10)	651	-	651
As at 30 September 2010 (unaudited)	18	(7 387)	12 212	30 049	34 892	2 002	36 894
As at 31 December 2010	18	(7 610)	-	36 637	29 045	2 353	31 398
Profit for the period	-	-	-	13 051	13 051	241	13 292
Other comprehensive income	-	(86)	-	-	(86)	59	(27)
Total comprehensive income	-	(86)	-	13 051	12 965	300	13 265
Issue of share capital	16 775	-	-	-	16 775	-	16 775
Other equity movements	-	-	-	-	-	-	-
As at 30 September 2011 (unaudited)	16 793	(7 696)	-	49 688	58 785	2 653	61 438

[signed]
Borys Bielikov
Chief Executive Officer

[signed]
Yuriy Doroshev
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the nine months ended 30 September 2011
(in USD thousand, unless otherwise stated)

	9 months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
Operating activities		
Profit before tax	13 717	7 088
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment and amortisation of intangible assets	1 311	1 296
Net change in fair value of Biological assets	(2 289)	(1 608)
Loss on disposal of property, plant and equipment	97	-
Finance income	(511)	(360)
Finance costs	324	760
Movements in provisions	-	(98)
Working capital adjustments:		
(Increase)/Decrease in trade and other receivables	(6 099)	(989)
(Increase)/Decrease in prepayments to suppliers	(121)	(376)
(Increase)/Decrease in inventories	(698)	(3 404)
(Increase)/Decrease in biological assets	(4 021)	(1 463)
(Increase)/Decrease in short-term deposits	-	1 370
Increase/(Decrease) in trade and other payables and advances received	(764)	1 287
	946	3 503
Interest received	33	71
Income tax paid	(41)	(70)
Net cash flows from/(used in) operating activities	938	3 504
Investing activities		
Proceeds from sale of property, plant and equipment	48	645
Purchase of property, plant and equipment	(5 804)	(1 061)
Increase of share capital	16 775	-
Proceeds from repayment of current loans issued	(36)	99
Net cash flows from/(used in) investing activities	10 983	(317)
Financing activities		
Proceeds from borrowings	12 103	4 862
Repayment of borrowings	(12 182)	(8 519)
Interest paid	(290)	(832)
Net cash flows from/(used in) financing activities	(369)	(4 489)
Net increase/(decrease) in cash and cash equivalents	11 552	(1 302)
Net foreign exchange difference	(323)	906
Cash and cash equivalents at 1 January	358	577
Cash and cash equivalents at 30 September	11 587	181

[signed]

Borys Bielikov
Chief Executive Officer

[signed]

Yuriy Doroshev
Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate information

Principal activities of Limited Liability Company "Ovostar Union" (referred to herein as the "Company") and its subsidiaries (together – the "Group") include egg production, distribution and egg products manufacturing. The holding company of the Group was registered under the name Limited Liability Company "Boryspil Agro Trade" in accordance with the laws of Ukraine as a limited liability company on 28 July 1999. It was renamed to Limited Liability Company "Ovostar Union" on 27 December 2010. The registered office and principal place of business of the Company is 34 Petropavlivska Street, 34, Kyiv, Ukraine. Its principal activity is the holding of ownership interests in its subsidiaries and strategic management. The Group operates through a number of subsidiaries in Ukraine (the list of the subsidiaries is disclosed below) and has a concentration of its business in Ukraine, where its production facilities are located.

The Group was formed in December 2010, through a number of transactions resulting in the transfer to the Company of controlling ownership interest in the subsidiaries from entities which were under common control at the time of the reorganization and Beneficial Owners, which is further described in Note 17.

All subsidiary companies are registered under the legislation of Ukraine. The Group is controlled by the Beneficial Owners – Mr. Borys Bielikov and Mr. Vitalii Veresenko (hereinafter, the "Beneficial Owners").

On 22 March 2011 Ovostar Union N.V. was incorporated for the purposes of initial public offering. Ovostar Union N.V. is a Dutch limited liability company. The registered office of the Company is Koningslaan 17, 1075AA, Amsterdam, the Netherlands. On 28 March 2011 Ovostar Union N.V. (the Netherlands) acquired 99.8% of corporate rights of the Company from Beneficial Owners at its nominal value. In June 2011 the shares of Ovostar Union N.V. were admitted on the regulated market of the Warsaw Stock Exchange.

The Group included the following subsidiaries as at 30 September 2011 and 2010:

Name of the subsidiary	Business activities	As at 30 September 2011	As at 30 September 2010
Limited Liability Company "Ovostar"	Egg-products manufacturing and distribution	98%	98%
Open Joint Stock Company "Poultry Farm Ukraine"	Production of shell eggs, assets holding	92%	92%
Open Joint Stock Company "Krushynskyy Poultry Complex"	Trading company	76%	76%
Closed Joint Stock Company "Malynove"	Production of shell eggs, assets holding	94%	94%
Limited Liability Company "Yasensvit"	Breeder farms, production of hatching eggs, farms for growing young laying flock and for laying flock, production and distribution of shell eggs, animal feed production	98%	98%
Limited Liability Company "Skybynskyy Fodder Plant"	In the process of liquidation	99%	99%

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

The consolidated condensed interim financial statements for the nine months ended 30 September 2011 were authorized for issue on the 15 November 2011.

2.1. Basis of preparation

These consolidated condensed interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. These consolidated condensed interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRSs.

The consolidated condensed interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The accounting policies adopted are consistent with those of the previous financial year, except as described below.

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

The companies of the Group maintain their accounting records under Ukrainian Accounting Standards (“UAS”). UAS principles and procedures may differ from those generally accepted under IFRS. Accordingly, the consolidated condensed interim financial statements, which have been prepared from the Group entities’ UAS records, reflect adjustments necessary for such financial statements to be presented in accordance with IFRS.

The consolidated condensed interim financial statements have been prepared on a historical cost basis, except for biological assets, agricultural produce, and certain financial instruments that have been measured at fair value. The consolidated condensed interim financial statements are presented in US dollars and all values are rounded to the nearest thousands, except when otherwise indicated.

Relevant exchange rates are presented as follows:

	<u>As at 30 September 2011</u>	<u>As at 30 September 2010</u>
USD	7.9727	7.9135
EUR	10.8548	10.7711

The financial statements are prepared on a going-concern basis, under which assets are sold and liabilities are repaid in the ordinary course of business. The accompanying consolidated condensed interim financial statements do not include adjustments that would need to be made in case if the Group was unable to continue as a going concern.

2.2. Basis of consolidation

The consolidated condensed interim financial statements comprise the financial statements of the Group and its subsidiaries as at 30 September 2011.

The consolidated condensed interim financial statements incorporate the financial statements of the Parent and entities controlled by the Parent (its subsidiaries). Control is achieved when the Parent has the power to govern the financial and operating policies of an entity, either directly or indirectly, so as to obtain benefits

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

from its activities. The financial statements of subsidiaries are included in the consolidated condensed interim financial statements of the Group from the date when control effectively commences.

All significant intercompany transactions, balances and unrealized gains/(losses) on transactions are eliminated on consolidated condensed interim, except when the intragroup losses indicate an impairment that requires recognition in the consolidated condensed interim financial statements.

Non-controlling interests represent the interest in subsidiaries not held by the Group. Non-controlling interests at the reporting date represent the minority shareholders' portion of the fair value of the identifiable assets and liabilities of the subsidiary at the acquisition date and the minorities' portion of changes in net assets since the date of the combination. Non-controlling interests are presented within the shareholders' equity.

Any excess or deficit of the consideration paid over the net assets on the acquisition of non-controlling interests in subsidiaries is charged or credited to accumulated profits.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those adopted by the Group.

3. New standards, interpretations and amendments

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except for the adoption of new standards and interpretations as of 1 January 2011, as noted below:

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Group after initial application.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011.

IFRIC 14 Prepayments of a minimum funding requirement (Amendment)

The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. This amendment will have no impact on the Group after initial application.

Improvements to IFRSs (issued in May 2010)

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position or performance of the Group.

- IFRS 3 Business Combinations
- IFRS 7 Financial Instruments: Disclosures
- IAS 1 Presentation of Financial Statements
- IAS 27 Consolidated and Separate Financial Statements
- IFRIC 13 Customer Loyalty Programmes

4. Seasonality of operations

The Group earns a major part of its revenues and margins in the second half of the calendar and financial year. Typically egg prices are the lowest in May-August and the highest during the winter months. The Group attempts to minimize the seasonal impact through the management of inventories to meet demand; however, for the nine months typically results in lower revenues for all reportable segments.

5. Segment information

All of the Group's operations are located within Ukraine.

Segment information is analyzed on the basis of the types of goods supplied by the Group's operating divisions. The Group's reportable segments under IFRS 8 are therefore as follows:

Egg operations segment	- sales of egg
	- sales of chicken meat
Egg products operations segment	- sales of egg processing products
Sunflower products operations segment	- sales of sunflower oil and related products

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4. Sales between segments are mainly carried out at market prices. Segment result represents operating profit before tax. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

All assets are allocated to reportable segments.

All liabilities are allocated to reportable segments.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

The following table presents revenue, results of operations information regarding segments for nine months ended 30 September 2011:

For the nine months ended 30 September 2011	Egg operations segment	Egg products operations segment	Sunflower products operations segment	Eliminations	Consolidated
External sales	25 212	9 439	-	-	34 651
Sales between business segments	12 230	509	-	(12 740)	-
Total revenue	37 442	9 948	-	(12 740)	34 651
Segment results	24 720	1 736	-	(12 740)	13 717
Profit before tax	24 720	1 736	-	(12 740)	13 717

The following table presents revenue, results of operations information regarding business segments for the nine months ended 30 September 2010:

For the nine months ended 30 September 2010	Egg operations segment	Egg products operations segment	Sunflower products operations segment	Eliminations	Consolidated
External sales	22 664	4 070	-	-	26 734
Sales between business segments	45 288	189	-	(45 477)	-
Total revenue	67 952	4 259	-	(45 477)	26 734
Segment results	50 716	1 850	-	(45 477)	7 088
Profit before tax	50 716	1 850	-	(45 477)	7 088

Segment assets and liabilities as at 30 September 2011 and 2010 were presented as follows:

As at 30 September 2011	Egg operations segment	Egg products operations segment	Sunflower products operations segment	Eliminations	Consolidated
Segment assets	80 485	8 342	317	(17 635)	71 509
Consolidated total assets	80 485	8 342	317	(17 635)	71 509
Segment liabilities	18 791	8 915	-	(17 635)	10 071
Consolidated total liabilities	18 791	8 915	-	(17 635)	10 071

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As at 30 September 2010	Egg operations segment	Egg products operations segment	Sunflower products operations segment	Eliminations	Consolidated
Segment assets	70 084	5 736	272	(29 423)	46 669
Consolidated total assets	70 084	5 736	272	(29 423)	46 669
Segment liabilities	30 827	5 512	-	(26 564)	9 775
Consolidated total liabilities	30 827	5 512	-	(26 564)	9 775

For the nine months ended 30 September 2011 and 2010 respectively other information regarding operating segments was the following:

For the nine months ended 30 September 2011	Egg operations segment	Egg products operations segment	Sunflower products operations segment	Eliminations	Consolidated
Additions to property, plant and equipment	5 728	28	48	-	5 804
Depreciation and amortization	1 119	140	52	-	1 311
Net change in fair value of biological assets and agricultural produce	2 289	-	-	-	2 289

For the nine months ended 30 September 2010	Egg operations segment	Egg products operations segment	Sunflower products operations segment	Eliminations	Consolidated
Additions to property, plant and equipment	1 034	27	-	-	1 061
Depreciation and amortization	1 062	234	-	-	1 296
Net change in fair value of biological assets and agricultural produce	1 608	-	-	-	1 608

6. Other operating income

	9 months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
Income from government grants and incentives	2 976	1 783
Other income	328	644
Total other operating income	3 304	2 427

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

7. Other operating expenses

	Notes	9 months ended 30 September	
		2011	2010
		(unaudited)	(unaudited)
Fines and penalties		(56)	(7)
Impairment of doubtful accounts receivable	16	(590)	(131)
Losses from shortages and damage of inventories		(159)	(80)
Other expenses		(386)	(78)
Total other operating expenses		(1 191)	(296)

8. Amortization and depreciation expenses

	9 months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
Depreciation and amortization - Cost of sale	(1 188)	(1 009)
Depreciation and amortization - Selling and distribution costs	(15)	(29)
Depreciation and amortization - Administrative expenses	(108)	(258)
Total	(1 311)	(1 296)

9. Employee benefits expense

	9 months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
Wages, salaries and social security costs of production personnel	3 566	4 163
Wages, salaries and social security costs of distribution personnel	331	579
Wages, salaries and social security costs of administrative personnel	423	452
Total employee benefits expense	4 320	5 194

Total number of employees of all companies of the Group constituted:

As at 30 September 2011 – 1 310 employees.

As at 30 September 2010 – 1 434 employees.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

10. Income tax

Companies of the Group that are involved in agricultural production pay the Fixed Agricultural Tax (the "FAT") in accordance with the applicable laws. The FAT is paid in lieu of corporate income tax, land tax, duties for geological survey works and duties for trade patents.

The FAT is calculated by local authorities and depends on the area and valuation of land occupied. This tax regime is valid indefinitely. FAT does not constitute an income tax, and as such, is recognized in the statement of comprehensive income in administrative expenses.

During the years ended 31 December 2010 the Group companies which have the status of the Corporate Income Tax (the "CIT") payers in Ukraine were subject to income tax at a 25% rate. The new Tax Code of Ukraine effective as of 1 January 2011, introduced gradual decreases in income tax rates over the future years (from 23% effective 1 April 2011 to 16% effective 1 January 2014), as well as certain changes to the rules of income tax assessment starting from 1 April 2011. The deferred income tax assets and liabilities as of 30 September 2011 were measured based on the tax rates expected to be applied to the period when the temporary differences are expected to reverse.

The major components of income tax expense for the nine months ended 30 September 2011 and 2010 are:

	For the nine months ended 30 September 2011	For the nine months ended 30 September 2010
	(unaudited)	(unaudited)
<i>Current income tax:</i>		
Current income tax charge	(23)	(68)
Adjustments in respect of current income tax of previous year	56	-
<i>Deferred tax:</i>		
Relating to origination and reversal of temporary differences	(458)	(472)
Income tax (expense)/benefit reported in the income statement	(425)	(540)

11. Biological assets

As at 30 September 2011 and 2010 commercial and replacement poultry were presented as follows:

	As at 30 September 2011		As at 31 September 2010	
	(unaudited)		(unaudited)	
	Number, thousand heads	Carrying value	Number, thousand heads	Carrying value
Hy-line	1 504	13 399	31	198
Hy-sex	932	1 839	1 431	7 258
Rodonit (brown)	548	2 219	1 150	3 033
Total biological assets	2 984	17 457	2 612	10 489

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Reconciliation of commercial and replacement poultry carrying values for the nine months ended 30 September 2011 and 2010 was presented as follows:

	9 months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
As at 01 January	11 147	7 418
Increase in value as a result of assets acquisition	262	2 509
Increase in value as a result of capitalization of cost	4 560	4 030
Increase in value as a result of increase in weight/number	16	58
Income/(Losses) from presentation of biological assets at fair value (1)	2 289	1 603
Decrease in value as a result of assets disposal	(625)	(5 103)
Decrease in value as a result of assets slaughter	(173)	(102)
Exchange differences	(20)	76
As at 30 September	17 457	10 489

(1) Fair value of biological assets was estimated by Group's specialists who have experience in valuation of such assets. Fair value was calculated by discounting of expected net cash flow (in nominal measuring) at the moment of eggs produced selling using corresponding discount rate which is equal to 27.03% at 30 September 2011 (for 30 September 2010: 27.38%).

Value measurement is a maximum value exposed to the following assumptions which were used in fair value calculations:

	As at 30 September 2011	As at 30 September 2010
	(unaudited)	(unaudited)
Eggs sale price, USD/per item	0.07	0.07
Discount rate, %	27.03%	27.38%
Long-term inflation rate of Ukrainian hryvnya, %	108.9%	108.90%

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

12. Property, plant and equipment

During the nine months ended 30 September 2011 and 30 September 2010, the Group's additions to property, plant and equipment amounted to USD 5 804 thousand and USD 1 061 thousand respectively. In particular in June 2011 the company Ovostar LLC acquired cellular equipment for poultry in the amount equal to USD 1 833 thousand.

During the nine months ended 30 September 2011 the main capital expenditures in amount of USD 531 thousand were incurred in connection with the reconstruction and improvement of the existing facilities and completion of poultry buildings.

During the nine months ended 30 September 2010 there were no significant reconstruction and improvement of the existing facilities.

Assets with net book value equal to USD 97 thousand were disposed of by the Group during the nine months ended 30 September 2011 (2010: USD 30 thousand).

For nine months ended 30 September 2011 and 2010 respectively the Group has put into operation fixed assets of book value equal to USD 3 636 thousand and USD 346 thousand respectively.

As at 30 September 2011 the book value of property, plant and equipment subjected to finance lease agreements was equal to USD 969 thousand.

13. Other non-current assets

	As at 30 September 2011	As at 30 September 2010
	(unaudited)	(unaudited)
Long-term loan issued to the Beneficial Owner (1)	1 434	1 253
Prepayments for property, plant and equipment	336	-
Total other non-current assets	1 770	1 253

(1) Long-term loan issued to the Beneficial Owner represent interest-free loan, issued for a period of 5 years with a maturity date on 12 November 2013 and a nominal value of UAH 22 000 thousand (approximately USD 2 770 thousand), which is recorded at amortized cost using 16% effective interest rate.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

14. Interest-bearing loans and other non-current financial liabilities

	Interest rate, %	Maturity	As at 30 September 2011 (unaudited)	As at 30 September 2010 (unaudited)
Current interest-bearing loans and borrowings				
Bank overdrafts		31.10.2010	-	337
Credit Agricole loan	5,92%+EURIBOR	17.09.2015	380	-
UniCreditBank loan	10,5% + Libor (1m), 15,5% in UAH	30.06.2015	-	1 475
UniCreditBank loan	10,5% + Libor (1m), 15,5% in UAH	30.06.2011	-	1 870
UniCreditBank loan	14.5%	31.03.2012	2 446	-
UniCreditBank loan	5,0% + LIBOR (3m)	19.12.2012	230	230
UniCreditBank loan	17.8%	10.05.2011	-	105
Obligations under finance leases and hire purchase contracts		28.09.2017	173	-
Other current loans			271	127
Total current interest-bearing loans and borrowings			3 327	4 143
Non-current interest-bearing loans and borrowings				
Credit Agricole loan	5,92%+EURIBOR	17.09.2015	1 056	-
UniCreditBank loan	5,0% + LIBOR (3m)	19.12.2012	101	288
Other non-current financial liabilities			796	-
Total non-current interest-bearing loans and borrowings			1 909	288

Covenants

The Group's loan agreements contain a number of covenants and restrictions, which include, but are not limited to, financial ratios and other legal matters. Covenant breaches generally permit lenders to demand accelerated repayment of principal and interest.

At 30 September 2011 the Group was not in breach of any financial covenants which allow lenders to demand immediate repayment of loans.

15. Inventories

	As at 30 September 2011 (unaudited)	As at 30 September 2010 (unaudited)
Raw materials	4 655	1 778
Work in progress	34	109
Agricultural produce and finished goods	3 773	5 991
Package and packing materials	808	832
Other inventories	418	285
Total inventories at the lower of cost and net realisable value	9 688	8 995

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

16. Trade and other receivables (current)

	As at 30 September 2011	As at 30 September 2010
	(unaudited)	(unaudited)
Trade receivables	5 748	3 457
Allowances for doubtful accounts receivable	(723)	(285)
VAT for reimbursement (1)	4 740	2 369
Receivables for securities sold but not yet settled	-	3 301
Current loans issued	316	35
Short-term notes received	2 803	-
Other accounts receivable	381	275
Total trade and other receivables	13 265	9 152

(1) As of 30 September 2011 and 2010 the balance of VAT recoverable was accumulated on continuing capital expenditures and increased investments in working capital.

17. Equity

Issued capital and capital distribution

As referred to in Note 1, the Group was formed in December 2010 through a series of transactions that ultimately resulted in the Company obtaining controlling ownership interest in the subsidiaries from entities which were under common control at the time of reorganization and Beneficial Owners. As part of the reorganization all the shares of the subsidiaries have been transferred from Beneficial Owners and entities under their common control to the Company.

As at 31 December 2009, charter capital of the Company in the amount of UAH 90 thousand (equivalent of USD 18 thousand) was issued and fully paid.

In December 2010 the Company issued additional shares capital in the amount of UAH 215 thousand (equivalent of USD 27 thousand) to its current shareholders (Beneficial Owners) due to exchange for the controlling ownership interests in subsidiaries, which have been transferred at the nominal share value to the Company in the process of the reorganization of the Group carried out during 2010.

As at 31 December 2010, charter capital of the Company in the amount of UAH 305 thousand (equivalent of USD 45 thousand) was issued and fully paid.

In March 2011 99.8 % of corporate rights of Mr. Borys Bielikov and Mr. Vitalii Veresenko were sold to Ovostar Union N.V. in the course of the Group's initial public offering. Ovostar Union N.V. is a Dutch limited liability company. The registered office of the Company is Koningslaan 17, 1075AA, Amsterdam, the Netherlands.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As at 30 September 2011 and 31 December 2010 the Shareholders' interest in the Company was as follows:

	<u>As at 30 September 2011 (unaudited)</u>	<u>As at 31 December 2010 (audited)</u>
Ovostar Union N.V.	99.8 %	-
Mr. Borys Bielikov (Beneficial Owner)	0.1 %	50 %
Mr. Vitalii Veresenko (Beneficial Owner)	0.1 %	50 %
Total	100%	100%

The shares of the Company were not listed as at 30 September 2010.

In June 2011 the shares of the Parent company Ovostar Union N.V. were admitted on the regulated market of the Warsaw Stock Exchange.

Dividends payable of the Company

During the reporting periods ended 30 September 2011 and ended 30 September 2010, no dividends have been declared and paid.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Merger reserve

Merger reserve represents the merger reserve set up in relation for the transactions that ultimately resulted obtaining controlling ownership interest in the subsidiaries from Beneficial Owners during 2008-2010.

18. Trade and other payables (current)

	<u>As at 30 September 2011 (unaudited)</u>	<u>As at 30 September 2010 (unaudited)</u>
Trade payables	3 331	2 950
VAT liabilities	285	262
Interest payable	30	-
Employee benefit liability	318	318
Taxes payable	24	123
Other payables	344	546
Total trade and other payables	4 332	4 199

19. Related party disclosures

For the purposes of these financial statements, the parties are considered to be related, if one of the parties has the ability to exercise control over the other party or influence significantly the other party in making financial and operating decisions. In considering the transactions with each possible related party, the particular attention is paid to the essence of relationships, not merely their legal form.

Related parties may enter into transactions, which may not always be available to unrelated parties, and they may be subject to such conditions and such amounts that are impossible in transactions with unrelated parties.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

The following companies and individuals are considered to be the Group's related parties as at 30 September 2011 and 2010:

Individuals (shareholders)

Borys Bielikov

Vitalii Veresenko

Key management personnel

Natalia Malyovana

Viacheslav Protsyshyn

Vitalii Voron

Yuriy Doroshev

Parties under the significant influence of the Beneficial Owners

Agrofirma Boryspilsky Hutir LLC

Aleksa LTD LLC

Anglo-Brit Management Limited*

BVV-Invest LLC*

Kompromis - Invest LLC*

Lagoda Confectionery Firm CJSC*

Ovostar LTD LLC*

* At the end of 2010 as a result of restructuring operations of the Group, Beneficial Owners withdrew from the shareholders of companies indicated above.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As at 30 September 2011 and 2010, trade accounts receivable from related parties, advances issued to related parties and trade and other accounts payable to related parties were presented as follows:

	As at 30 September 2011 (unaudited)	As at 30 September 2010 (unaudited)
Long-term loan issued to the Beneficial Owners		
Borys Bielikov	1 434	1 253
	1 434	1 253
Trade receivables from related parties		
Lagoda Confectionery Firm CJSC	34	576
	-	-
Current loans issued to related parties		
Borys Bielikov	17	-
Key management personnel	267	-
	284	-
Current loans issued to Beneficial Owners		
Vitalii Veresenko	-	34
	-	34
Other accounts receivable from related parties		
Key management personnel	1	1
	1	1
Prepayments to related parties		
Aleksa LTD LLC	162	139
Agrofirma Boryspilsky Hutir LLC	9	9
	171	148

	As at 30 September 2011 (unaudited)	As at 30 September 2010 (unaudited)
Trade payables to related parties		
Lagoda Confectionery Firm CJSC	-	586
Agrofirma Boryspilsky Hutir LLC	1	-
	1	586
Prepayments from related parties		
Anglo-Brit Management limited	1	1
	1	1
Other payables to related parties		
Borys Bielikov	4	1
Vitalii Veresenko	-	1
	4	2

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended 30 September 2011 and 2010 revenues and expenses from related parties were presented as follows:

	9 months ended 30 September	
	2011	2010
	(unaudited)	(unaudited)
Revenue from related parties		
Lagoda Confectionery Firm CJSC	38	196
Agrofirma Borospilsky Hutir LLC		
	38	196
Administrative expenses		
Aleksa LTD LLC	5	5
Agrofirma Borospilsky Hutir LLC	1	-
	5	5
Purchases from related parties		
Lagoda Confectionery Firm CJSC	13	7
Agrofirma Borospilsky Hutir LLC	5	-
	18	7

20. Commitments and contingencies

Contingent liabilities

Operating environment – The principal business activities of the Group are within Ukraine. Emerging markets such as Ukraine are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Ukraine and the Ukraine’s economy in general. Laws and regulations affecting businesses operating in Ukraine are subject to rapid changes and the Group’s assets and operations could be at risk if there are any adverse changes in the political and business environment.

The Ukraine’s economy returned to growth in 2010 after the global financial turmoil. Although significant economic uncertainties remain, Ukrainian economy experienced a 4.2% GDP growth in 2010 and further recovery is expected in 2011. The Ukrainian currency remained relatively stable in 2010 and for the nine months 2011.

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

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

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

As of the date these financial statements were authorized for issue, additional clarifications and guidance on application of the new tax rules were published and certain revisions were proposed for consideration of the Ukrainian Parliament.

While the Group's management believes the enactment of the Tax Code of Ukraine will not have a significant negative impact on the Group's financial results in the foreseeable future, as of the date these financial statements were authorized for issue management was in the process of assessing of effects of its adoption on the operations of the Group.

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

Liabilities for property, plant and equipment operating lease contracts – As at 30 September 2011 and 2010 the Group had no significant contractual liabilities for operating lease contracts.

21. Subsequent events

a) In the course of the capacity expansion program, the Group has made a contract with SALMET INTERNATIONAL GMBH on laying hens equipment in amount of EUR 1 407 thousand (approximately USD 1 910 thousand).

b) After the reporting date, as at 15 November 2011 the Group has repaid bank loans from UniCreditBank in amount of USD 2 438 thousand and from Credit Agricole in amount of EUR 66 thousand.

c) As at 15 November 2011 the Group had outstanding bank loans from Credit Agricole in amount of EUR 989 thousand and from UniCreditBank in amount of USD 287 thousand.