Astarta Holding N.V.

Interim Statement
For the first quarter of 2012

Overview of the quarter and outlook for 2012

In the reporting period ASTARTA demonstrated strong sales performance in key business segments. Nearly 60% advance in crop sales was the key driver for a solid growth in total revenues. Over 70% of crops were exported, and combined export sales of the Group increased by impressive 11 times arriving at a record 31% share in the consolidated revenues. Despite remaining weakness in Ukrainian sugar price, a 50% increase in volumes of sugar sales secured the 6% gain in the segment's revenues. Cattle farming segment demonstrated a strong 54% growth as well.

In April and May, ASTARTA successfully conducted a spring planting campaign on over 235 thousand hectares (+15% y-o-y). To enable efficient field operations, agri-companies were timely provided with required amounts of high quality seeds, fertilizers, plant protection agents, fuel, etc. Preparing for the current crop growing season, ASTARTA added 50 new high-powered tractors, 18 harvesters and 192 units of modern agricultural equipment. A GPS precision farming program is well on course to capitalize on investments in agri-machinery by saving fuel and facilitating optimized agri-operations.

Building and construction works are progressing at the ASTARTA's bio-gas station site. This facility is to be commissioned in 2012, and eventually to replace with cheaper bio-gas up to a half of the energy demand of the Globyno sugar plant. Maintenance and enhancement activities are running on at all ASTARTA's sugar plants to prepare them properly for a new processing season.

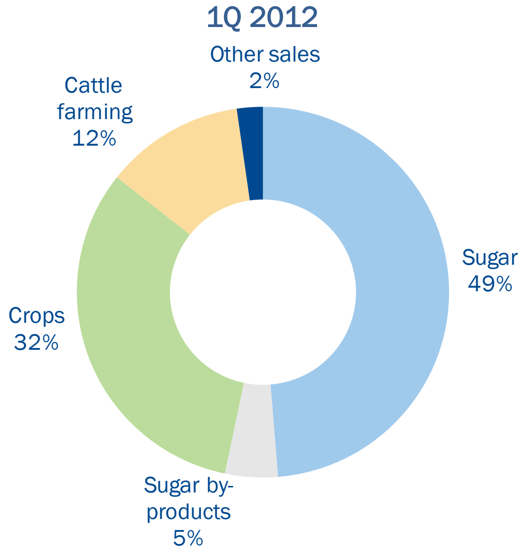
In 2012, the management intends to continue delivering successful growth in a capital efficient manner. According to a production plan, ASTARTA is expected to produce over 700 thousand tonnes of grains and oilseeds, around 2.5 million tonnes of sugar beet, and more than 80 thousand tonnes of milk. Planned sugar production is higher year over year, still guidance on volumes will be provided later, as amount of third party sugar beet to process depends on pricing environment and market situation.

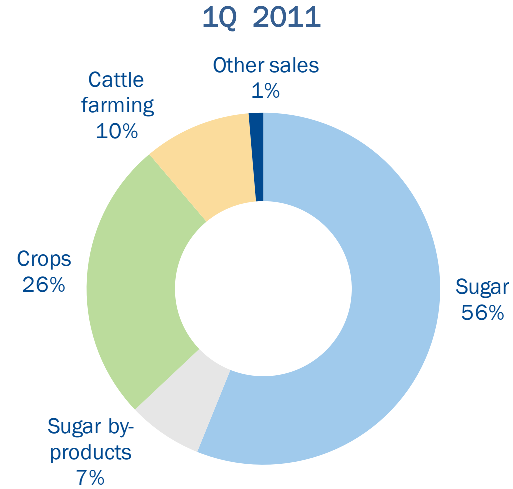
ASTARTA's strong financial and market positions secure a solid foundation for the Group's growth. While focusing on enhancements and organic development of existing assets, the management actively looks into growth opportunities in synergetic segments and considers possible acquisitions to secure sustainability, synergy and diversification in ASTARTA's development.

Sales breakdown

In the first quarter of 2012, consolidated revenues increased y-o-y by 25% to UAH 694 million. Structure of the revenues was the following: sugar segment contributed 54% (63% in the 1Q 2011); a share of the agricultural segment increased from 26% to 32%, and the cattle farming business' revenues constituted 12% vs. 10% of the total. Revenues from exports increased by 11 times and constituted 31% of total sales.

Figure 1. Breakdown of revenues in 1Q, 2012 and 2011



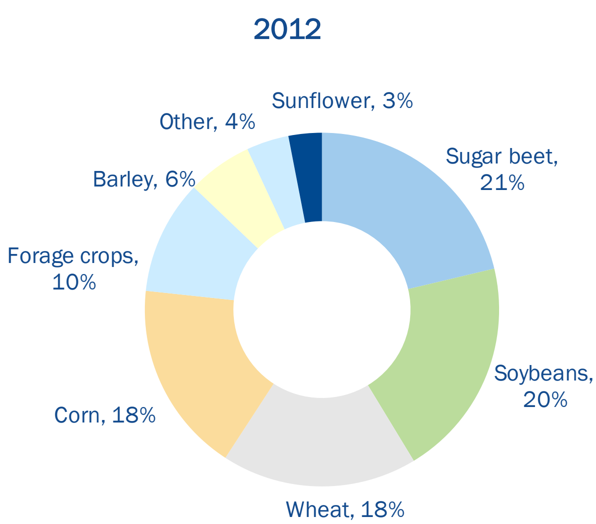


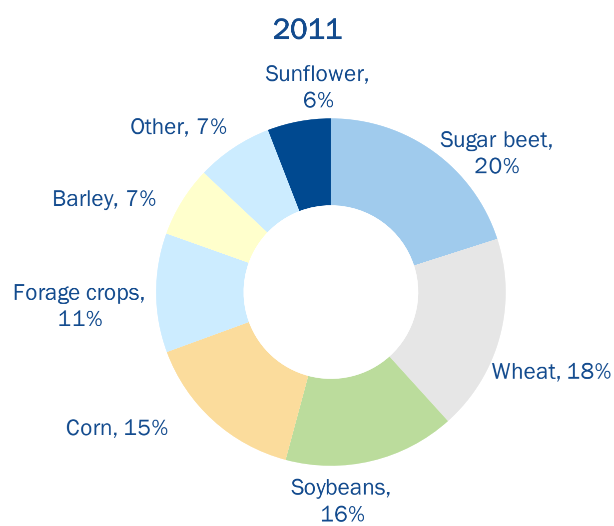
Crop segment overview

In April and May ASTARTA's business-units well-timed conducted a spring sowing campaign. In the current production season over 235 thousand hectares were planted with sugar beet, grains, oilseeds and forage crops, which is 15% more than in 2011. Preparing for the current crop growing season, ASTARTA added 50 high-powered tractors, 18 harvesters and 192 units of modern agricultural equipment. A GPS precision farming program is well on course to capitalize on investments in agri-machinery by saving fuel and facilitating optimized agri-operations.

Crop rotation structure did not materially change y-o-y, still the emphasis was given to priority crops.

Figure 2. ASTARTA crop rotation structure, 2012 and 2011





Revenues from crop sales grew 57% to UAH 225 million, which was mostly driven by material increase in volumes of sales. Exports contributed c. 76% to the segment's revenues as c.70% of crops in volume terms were exported. Selling prices for grains and oilseeds were generally slightly lower y-o-y, as the Ukrainian grain market set free from export restrictions was following global trends. Big international traders absorbed over 60% of the segment's sales. Export destinations were mostly Asia, Middle East and Africa, as well as the CIS counties.

Sugar segment overview

The 2011 sugar production campaign was successfully finished in December. In the first quarter of 2012, scheduled maintenance and enhancement works were running at ASTARTA's sugar plants to prepare them properly for the new production season.

Building and construction works are progressing well at the ASTARTA's bio-gas station site at the Globyno sugar plant. This facility is to be commissioned in 2012, and eventually to replace with cheaper bio-gas up to a half of the energy demand of the plant.

Revenues from sugar and sugar by-products sales increased y-o-y by 6% to UAH 370 million. Such an increase was enabled mostly due to a material 50% hike in volumes of sales of sugar. 31% of sugar was sold to large confectionary producers, 20% - to key soft-drink producers; remaining share of sales was split up between traders and other industrial consumers. Sugar market uptake is currently on a rise stimulated by strong demand from soft-drink producers driven by expected increase in sales of soft-drinks related to the UEFA 2012 Football Championship to be held in Ukraine and forecasted hot summer in the country.

Yet, the average Ukrainian sugar price so far remained under the pressure after a surplus production in 2011. The prospects of a new production season in Ukraine will be crucial for sugar price performance in the short- and medium term. According to the National Sugar Association (NSA) at the time of publication of this report, Ukraine planted c. 470 thousand hectares (14% less than at the same time in 2011). Meanwhile, Ukrainian sugar price remains well below average cost of production indicated by the NSA, and lower than comparable white sugar prices in most of the EU and CIS nations, and the USA.

Cattle farming segment overview

Cattle farming segment demonstrated impressive growth as well. Segment's revenues grew 54% y-o-y to UAH 84 million supported by increased volumes of sales (39% growth y-o-y) and positive pricing environment for high quality milk.

The Group's cattle headcount increased by 20% y-o-y and comprised 31 thousand heads; a milking cows' headcount increased 23% y-o-y and comprised 14.7 thousand heads. Average milking productivity of cows improved by 7% y-o-y.

In the beginning of 2012, Ukrainian dairy market performed rather volatile, taking into account number of challenges it faced. Average purchase price for milk first dropped following "cheese war" with Russia, and then started to recover when the dispute was resolved. At the same time, milk price remained higher y-o-y reflecting inflation and persisting decrease in general cattle headcount.

Selected financial data

(in thousands of UAH)	1Q 2012	1Q 2011
Revenues	694 111	553 577
Gross profit	198 754	233 414
Gross profit margin	*29%*	*42%*
EBIT	131 202	235 084
EBIT margin	*19%*	*42%*
EBITDA	194 913	274 932
EBITDA margin	*28%*	*50%*
Net profit	91 439	219 820
Net Profit Margin	*13%*	*40%*
Cash flows provided by operating activities	22 962	90 425
Cash flows used in investing activities	-66 298	-337 267
Cash flows provided by financing activities	30 272	264 380

Selected financial ratios

	1Q 2012	1Q 2011
NET DEBT / EBITDA	1,81	1,34
NET DEBT / SALES	0,59	0,60
TOTAL DEBT RATIO	0,46	0,44
DEBT / EQUITY	0,68	0,61
CURRENT RATIO	2,47	2,19
QUICK RATIO	0,63	0,49

Material events during the reporting period

Loan portfolio optimization

- On January 19, 2012, Citibank N.A. with the support of the U.S. Overseas Private Investment Corporation (OPIC) signed an agreement concerning a long term investment loan to LLC firm "Astarta-Kyiv", an indirect subsidiary of the Company. In accordance with the agreement, Citibank N.A. opens a five year term loan facility of 25 million U.S. Dollars. The financing is granted to modernize production capacities including the purchase of equipment and machinery.
- On January 27, 2012 the Landesbank Baden-Wuerttenberg has signed a Loan agreement to provide financing to Ancor Investments Ltd (a subsidiary of ASTARTA Holding N.V.). The financing in amount of EUR 9.3 million comprises non-secured long-term loan for 7 years covered by insurance policy of Euler Hermes. The proceeds of the loan are granted to finance the purchase of agricultural equipment.
- On February 17, 2012 Wells Fargo Bank, N.A. has signed a Loan agreement to provide financing to Ancor Investments Ltd (a subsidiary of the Company). The proceeds of the loan are granted to finance the purchase of agricultural equipment and machinery. The financing in amount of up to USD 10.6 million comprises a secured long-term loan for five years. The Facility is covered by insurance policy of the Export-Import Bank of the United States, an agency of the U.S. Government.

Acquisition of subsidiaries and increase percentage in ownership

- On January 31, 2012, Astarta-Kyiv increased its share in the LLC “APO “Tsukrovyk Poltavshcyny” to 29.26%.
- On March 6, 2012, Astarta-Kyiv increased its share in the LLC "Shyshaky combined forage factory" to 90.58%.
- On March 12, 2012, Astarta-Kyiv increased its share in the company LLC "Agro-tradex" to 99.99%

Material events after the reporting date

Acquisition of subsidiaries and increase percentage in ownership

- On April 1, 2012, Astarta-Kyiv increased its share in the agricultural company LLC "Investpromgas" to 99.95%.
- On April 11, 2012, Astarta-Kyiv increased its share in the agricultural company LLC "Volochysk-agro" to 94.18%.

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 represents that to the best of their knowledge the condensed consolidated interim financial statements of ASTARTA Holding N.V. for the period ended 31 March 2012 and the comparable information are prepared in accordance with the applicable accounting standards and that they give a true, fair and clear view of the assets, financial standing and financial results of ASTARTA Holding N.V., and that the interim statement for the three months ended 31 March 2012 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)_______

10 May 2012,
Amsterdam, The Netherlands

Caution note regarding forward-looking statements

Certain statements contained in this interim statement may constitute forecasts and estimates. There are risks, uncertainties and other factors that could cause actual results to differ from the forecasts and estimates, or implied by these forward-looking statements.

ASTARTA HOLDING N.V.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2012

CONTENT

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT

(in thousands of Ukrainian hryvnias)		31 March 2012	31 December 2011	31 March 2011	31 December 2010
		(unaudited)	(audited)	(unaudited)	(audited)
Assets					
Non-current assets					
Property, plant and equipment		**2,137,567**	2,101,871	1,543,914	1,485,584
Intangible assets		**78,677**	84,318	52,247	47,151
Biological assets	*5*	**233,969**	209,935	180,511	158,064
Financial instruments available-for-sale		**11,734**	11,684	5,519	746
Long-term receivables		**18,376**	18,376	13,549	13,549
Other long-term assets		**22,804**	19,017	14,586	13,931
Long-term deposits		**174,900**	174,922	241,098	-
Deferred tax assets		**651**	1,809	246	3,762
		2,678,678	2,621,932	2,051,670	1,722,787
Current assets					
Inventories	*6*	**1,947,458**	1,999,638	1,289,993	1,265,642
Biological assets	*5*	**617,315**	563,425	511,272	412,542
Trade accounts receivable		**346,537**	303,670	192,632	132,375
Other accounts receivable and prepayments		**385,668**	269,026	279,769	175,211
Current income tax		**966**	667	633	358
Promissory notes available-for-sale		**8,873**	4	2,714	2,714
Short-term deposits		**90,131**	130,153	10,978	10,978
Cash and cash equivalents		**40,147**	53,211	29,410	11,872
		3,437,095	3,319,794	2,317,401	2,011,692
Total assets		**6,115,773**	5,941,726	4,369,071	3,734,479

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT, CONTINUED

(in thousands of Ukrainian hryvnias)	31 March 2012	31 December 2011	31 March 2011	31 December 2010
	(unaudited)	(audited)	(unaudited)	(audited)
Equity and liabilities				
Equity				
Share capital	**1,663**	1,663	1,663	1,663
Additional paid-in capital	**369,798**	369,798	370,180	369,798
Retained earnings	**2,513,565**	2,405,670	1,625,630	1,391,589
Revaluation surplus	**404,399**	417,875	440,297	452,448
Currency translation adjustment	**(493)**	(1,693)	(12,423)	(2,762)
Total equity attributable to equity holders of the company	**3,288,932**	3,193,313	2,425,347	2,212,736
Non-controlling interests relating to open joint stock companies	**3,174**	3,672	1,162	1,191
Total equity	**3,292,106**	3,196,985	2,426,509	2,213,927
Non-current liabilities				
Loans and borrowings	**1,221,952**	1,121,125	751,259	590,648
Non-controlling interests relating to limited liability companies	**98,142**	100,613	70,663	66,785
Other long-term liabilities	**31,426**	29,651	16,253	14,072
Promissory notes issued	**497**	497	-	-
Deferred tax liabilities	**82,601**	83,505	47,560	50,311
	1,434,618	1,335,391	885,735	721,816
Current liabilities				
Short-term loans and borrowings	**753,629**	875,849	517,867	363,085
Current portion of long-term loans and borrowings	**247,899**	189,418	205,733	238,557
Trade accounts payable	**147,067**	95,068	177,238	59,518
Current income tax	**269**	1,917	10	1,623
Other liabilities and accounts payable	**240,185**	247,098	155,979	135,953
	1,389,049	1,409,350	1,056,827	798,736
Total equity and liabilities	**6,115,773**	5,941,726	4,369,071	3,734,479

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT

(in thousands of Euros)		31 March 2012	31 December 2011	31 March 2011	31 December 2010
		(unaudited)	(audited)	(unaudited)	(audited)
Assets					
Non-current assets					
Property, plant and equipment		**198,936**	201,715	136,267	140,282
Intangible assets		**7,322**	8,092	4,612	4,452
Biological assets	*5*	**21,775**	20,148	15,932	14,926
Financial instruments available-for-sale		**1,092**	1,121	441	70
Long-term receivables		**1,710**	1,764	1,242	1,280
Other long-term assets		**2,123**	1,826	1,287	1,315
Long-term deposits		**16,277**	16,787	21,280	-
Deferred tax assets		**61**	174	22	355
		249,296	251,627	181,083	162,680
Current assets					
Inventories	*6*	**181,246**	191,904	113,857	119,512
Biological assets	*5*	**57,452**	54,071	45,125	38,955
Trade accounts receivable		**32,251**	29,143	17,002	12,500
Other accounts receivable and prepayments		**35,893**	25,819	24,693	16,544
Current income tax		**90**	64	56	34
Promissory notes available-for-sale		**826**	-	240	256
Short-term deposits		**8,388**	12,491	969	1,037
Cash and cash equivalents		**3,737**	5,106	2,596	1,121
		319,883	318,598	204,538	189,959
Total assets		**569,179**	570,225	385,621	352,639

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT, CONTINUED

(in thousands of Euros)	31 March 2012 (unaudited)	31 December 2011 (audited)	31 March 2011 (unaudited)	31 December 2010 (audited)
Equity and liabilities				
Equity				
Share capital	**250**	250	250	250
Additional paid-in capital	**55,638**	55,638	55,672	55,638
Retained earnings	**242,432**	232,329	162,592	141,177
Revaluation surplus	**42,397**	43,651	45,897	46,969
Currency translation adjustment	**(34,622)**	(25,407)	(50,348)	(35,092)
Total equity attributable to equity holders of the company	**306,095**	306,461	214,063	208,942
Non-controlling interests relating to open joint stock companies	**295**	352	103	112
Total equity	**306,390**	306,813	214,166	209,054
Non-current liabilities				
Loans and borrowings	**113,723**	107,593	66,308	55,774
Non-controlling interests relating to limited liability companies	**9,134**	9,656	6,237	6,306
Other long-term liabilities	**2,925**	2,846	1,435	1,329
Promissory notes issued	**46**	48	-	-
Deferred tax liabilities	**7,687**	8,014	4,198	4,751
	133,515	128,157	78,178	68,160
Current liabilities				
Short-term loans and borrowings	**70,138**	84,055	45,708	34,286
Current portion of long-term loans and borrowings	**23,071**	18,178	18,158	22,527
Trade accounts payable	**13,687**	9,124	15,643	5,620
Current income tax	**25**	184	1	153
Other liabilities and accounts payable	**22,353**	23,714	13,767	12,839
	129,274	135,255	93,277	75,425
Total equity and liabilities	**569,179**	570,225	385,621	352,639

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH

(in thousands of Ukrainian hryvnias)		2012 (unaudited)	2011 (unaudited)
Revenues	*7*	694,111	553,577
Cost of revenues		(432,905)	(299,694)
Loss arising from remeasurement of agricultural produce to fair value		(62,452)	(20,469)
Gross profit		198,754	233,414
Changes in fair value of biological assets	*12*	5,687	50,608
Other operating income	*8*	5,570	2,570
General and administrative expense	*9*	(36,183)	(23,260)
Selling and distribution expense	*10*	(33,144)	(18,122)
Other operating expense	*11*	(9,482)	(10,126)
Profit from operations		131,202	235,084
Finance costs	*13*	(54,736)	(45,881)
Finance income	*13*	10,653	4,308
Other income		599	1,967
Gain on acquisition of subsidiaries	*4*	5,560	27,605
Profit before tax		93,278	223,083
Income tax expense		(1,839)	(3,263)
Net profit		91,439	219,820
Net profit attributable to:			
Non-controlling interests of open joint stock company subsidiaries		(498)	(28)
Equity holders of the company		91,937	219,848
Net profit		91,439	219,820
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)		3.68	8.79

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH

(in thousands of Euros)		2012 (unaudited)	2011 (unaudited)
Revenues	*7*	65,065	50,752
Cost of revenues		(40,580)	(27,476)
Loss arising from remeasurement of agricultural produce to fair value		(5,854)	(1,877)
Gross profit		18,631	21,399
Changes in fair value of biological assets	*12*	533	4,640
Other operating income	*8*	522	236
General and administrative expense	*9*	(3,392)	(2,133)
Selling and distribution expense	*10*	(3,107)	(1,661)
Other operating expense	*11*	(891)	(930)
Profit from operations		12,296	21,551
Finance costs	*13*	(5,131)	(4,205)
Finance income	*13*	999	395
Other income		56	180
Gain on acquisition of subsidiaries	*4*	521	2,531
Profit before tax		8,741	20,452
Income tax expense		(172)	(299)
Net profit		8,569	20,153
Net profit attributable to:			
Non-controlling interests of open joint stock company subsidiaries		(47)	(3)
Equity holders of the company		8,616	20,156
Net profit		8,569	20,153
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)		0.34	0.81

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH

(in thousands of Ukrainian hryvnias)	2012 (unaudited)	2011 (unaudited)
Net profit	91,439	219,820
Other comprehensive income (loss)		
Currency translation differences	1,200	(9,661)
Other comprehensive income (loss), net of tax	1,200	(9,661)
Total comprehensive income	92,639	210,159
Attributable to:		
Non-controlling interests of open joint stock company subsidiaries	(498)	(28)
Equity holders of parent company	93,137	210,187
Total comprehensive income as at 31 March	92,639	210,159

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH

(in thousands of Euros)	2012 (unaudited)	2011 (unaudited)
Net profit	8,569	20,153
Other comprehensive income		
Currency translation differences	(9,225)	(15,262)
Other comprehensive income (loss), net of tax	(9,225)	(15,262)
Total comprehensive income (loss)	(656)	4,891
Attributable to:		
Non-controlling interests of open joint stock company subsidiaries	(57)	(9)
Equity holders of parent company	(599)	4,900
Total comprehensive income as at 31 March	(656)	4,891

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 26 to 52.

CONDENSED CONSDOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH

(in thousands of Ukrainian hryvnias)		2012 (unaudited)	2011 (unaudited)
Operating activities			
Profit before tax		93,278	223,083
Adjustments for:			
Depreciation and amortization		63,711	39,848
Allowance for impairement of trade and other AR		(3,027)	3,685
Gain on acquisition of subsidiaries	*4*	(5,560)	(27,605)
(Gain) loss on sales of property, plant and equipment		(55)	2,018
Write down of inventories	*11*	675	291
Finance income	*13*	(10,653)	(4,308)
Interest expense	*13*	53,189	40,444
Gain from changes in fair value of biological assets	*12*	(5,687)	(50,608)
Loss arising from remeasurement of agricultural produce to fair value		62,452	20,469
Loss from promissory note transactions	*13*	1,105	-
Written off assets recovered		(161)	(335)
Non-controlling interests of limited liability company subsidiaries	*13*	(58)	5,437
Forex loss (gain) on loans and borrowings		(2,162)	6,578
Working capital adjustments:			
Decrease (increase) in inventories		57,767	(16,208)
Increase in trade and other receivables		(144,406)	(162,002)
Increase in biological assets due to other changes		(131,194)	(76,924)
Increase in trade and other payables		47,995	110,737
Income taxes paid		(1,913)	(1,176)
Interest paid		(52,334)	(22,999)
Cash flows provided by operating activities		22,962	90,425
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(97,818)	(71,100)
Proceeds from sales of property, plant and equipment		163	58
Purchase of long-term investments		(50)	(4,773)
Purchase of promissory notes available-for-sale		(9,974)	-
Interest received	*13*	1,939	266
Acquisition of subsidiaries net of cash acquired	*4*	(601)	(20,620)
Deposits withdrawal (placement)		40,043	(241,098)
Cash flows used in investing activities		(66,298)	(337,267)

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 26 to 52.

CONDENSED CONSDOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH, CONTINUED

(in thousands of Ukrainian hryvnias)	2012 (unaudited)	2011 (unaudited)
Financing activities		
Proceeds from loans and borrowings	172,113	572,967
Principal payments on loans and borrowings	(137,483)	(290,045)
Transaction costs on loans and borrowings	(4,358)	(18,542)
Cash flows provided by financing activities	30,272	264,380
Net (decrease) increase in cash and cash equivalents	(13,064)	17,538
Cash and cash equivalents as at 1 January	53,211	11,872
Cash and cash equivalents as at 31 March	40,147	29,410

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 26 to 52.

CONDENSED CONSDOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH

(in thousands of Euros)		2012 (unaudited)	2011 (unaudited)
Operating activities			
Profit before tax		8,741	20,452
Adjustments for:			
Depreciation and amortization		5,973	3,653
Allowance for impairement of trade and other AR		(284)	338
Gain on acquisition of subsidiaries	*4*	(521)	(2,531)
(Gain) loss on sales of property, plant and equipment		(5)	185
Write down of inventories	*11*	63	27
Finance income	*13*	(999)	(395)
Interest expense	*13*	4,986	3,707
Gain from changes in fair value of biological assets	*12*	(533)	(4,640)
Loss arising from remeasurement of agricultural produce to fair value		5,854	1,877
Loss from promissory note transactions	*13*	104	-
Written off assets recovered		(15)	(31)
Non-controlling interests of limited liability company subsidiaries	*13*	(5)	498
Forex gain(loss) on loans and borrowings		(203)	603
Working capital adjustments:			
Decrease (increase) in inventories		5,415	(1,486)
Increase in trade and other receivables		(13,536)	(15,676)
Increase in biological assets due to other changes		(12,298)	(7,053)
Increase in trade and other payables		4,499	10,152
Income taxes paid		(179)	(108)
Interest paid		(4,906)	(2,109)
Cash flows provided by operating activities		2,151	7,463
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(9,169)	(6,518)
Proceeds from sales of property, plant and equipment		15	5
Purchase of long-term investments		(5)	(438)
Purchase of promissory notes available-for-sale		(935)	-
Interest received	*13*	182	24
Acquisition of subsidiaries net of cash acquired	*4*	(56)	(1,890)
Deposits withdrawal (placement)		3,727	(21,280)
Cash flows used in investing activities		(6,241)	(30,097)

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 26 to 52.

CONDENSED CONSDOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH, CONTINUED

(in thousands of Euros)	2012 (unaudited)	2011 (unaudited)
Financing activities		
Proceeds from loans and borrowings	16,134	52,530
Principal payments on loans and borrowings	(12,887)	(26,591)
Transaction costs on loans and borrowings	(409)	(1,700)
Cash flows provided by financing activities	2,838	24,239
Net (decrease) increase in cash and cash equivalents	(1,252)	1,605
Cash and cash equivalents as at 1 January	5,106	1,121
Currency translation difference	(117)	(130)
Cash and cash equivalents as at 31 March	3,737	2,596

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 26 to 52

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2012

(in thousands of Ukrainian hryvnias)	Attributable to equity holders of the company							
	Share capital (unaudited)	Additional paid-in capital (unaudited)	Retained earnings (unaudited)	Revaluation surplus (unaudited)	Currency translation adjustment (unaudited)	Sub - total (unaudited)	Non-controlling interests (unaudited)	Total equity (unaudited)
As at 1 January 2012	1,663	369,798	2,405,670	417,875	(1,693)	3,193,313	3,672	3,196,985
Net profit (loss)	-	-	91,937	-	-	91,937	(498)	91,439
Other comprehensive income, net of tax	-	-	-	-	1,200	1,200	-	1,200
Total comprehensive income	-	-	91,937	-	1,200	93,137	(498)	92,639
Acquisitions from non-controlling shareholders and other changes	-	-	2,482	-	-	2,482	-	2,482
Realisation of revaluation surplus, net of tax	-	-	13,476	(13,476)	-	-	-	-
As at 31 March 2012	1,663	369,798	2,513,565	404,399	(493)	3,288,932	3,174	3,292,106

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2012

(in thousands of Euros)	Share capital (unaudited)	Additional paid-in capital (unaudited)	Retained earnings (unaudited)	Revaluation surplus (unaudited)	Currency translation adjustment (unaudited)	Sub - total (unaudited)	Non-controlling interests (unaudited)	Total equity (unaudited)
	Attributable to equity holders of the company							
As at 1 January 2012	250	55,638	232,329	43,651	(25,407)	306,461	352	306,813
Net profit (loss)	-	-	8,616	-	-	8,616	(47)	8,569
Other comprehensive loss, net of tax	-	-	-	-	(9,215)	(9,215)	(10)	(9,225)
Total comprehensive income	-	-	8,616	-	(9,215)	(599)	(57)	(656)
Acquisitions from non-controlling shareholders and other changes	-	-	233	-	-	233	-	233
Realisation of revaluation surplus, net of tax	-	-	1,254	(1,254)	-	-	-	-
As at 31 March 2012	250	55,638	242,432	42,397	(34,622)	306,095	295	306,390

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2011

	Attributable to equity holders of the company							
(in thousands of Ukrainian hryvnias)	Share capital (unaudited)	Additional paid-in capital (unaudited)	Retained earnings (unaudited)	Revaluation surplus (unaudited)	Currency translation adjustment (unaudited)	Sub - total (unaudited)	Non-controlling interests (unaudited)	Total equity (unaudited)
As at 1 January 2011	1,663	369,798	1,391,589	452,448	(2,762)	2,212,736	1,191	2,213,927
Net profit	-	-	219,848	-	-	219,848	-	219,848
Other comprehensive loss, net of tax	-	-	-	-	(9,661)	(9,661)	(28)	(9,689)
Total comprehensive income	-	-	219,848	-	(9,661)	210,187	(28)	210,159
Acquisitions from non-controlling shareholders and other changes	-	-	2,042	-	-	2,042	(1)	2,041
Realisation of revaluation surplus, net of tax	-	-	12,151	(12,151)	-	-	-	-
Other changes	-	382	-	-	-	382	-	382
As at 31 March 2011	1,663	370,180	1,625,630	440,297	(12,423)	2,425,347	1,162	2,426,509

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 26 to 52.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2011

	Attributable to equity holders of the company							
(in thousands of Euros)	Share capital (unaudited)	Additional paid-in capital (unaudited)	Retained earnings (unaudited)	Revaluation surplus (unaudited)	Currency translation adjustment (unaudited)	Sub - total (unaudited)	Non-controlling interests (unaudited)	Total equity (unaudited)
As at 1 January 2011	250	55,638	141,177	46,969	(35,092)	208,942	112	209,054
Net profit	-	-	20,156	-	-	20,156	-	20,156
Other comprehensive loss, net of tax	-	-	-	-	(15,256)	(15,256)	(9)	(15,265)
Total comprehensive income	-	-	20,156	-	(15,256)	4,900	(9)	4,891
Acquisitions from non-controlling shareholders and other changes	-	-	187	-	-	187	-	187
Realisation of revaluation surplus, net of tax	-	-	1,072	(1,072)	-	-	-	-
Other changes	-	34	-	-	-	34	-	34
As at 31 March 2011	250	55,672	162,592	45,897	(50,348)	214,063	103	214,166

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 26 to 52.

1 BACKGROUND

(a) Organization and operations

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

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

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

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

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

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

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

(b) Ukrainian business environment

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

The Ukrainian economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The global financial crisis has resulted in a decline in the gross domestic product, capital markets instability, significant deterioration in the liquidity of the banking sector and tighter credit conditions within Ukraine.

Whilst the Ukrainian Government continues to introduce various stabilisation measures aimed at supporting the banking sector and providing liquidity to Ukrainian banks and companies, there continues to be uncertainty regarding access to capital and its cost for the Group and its counterparties, which could affect the Group's financial position, results of operations and business prospects.

Whilst management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances, continued and unexpected further deterioration in the areas described above could negatively affect the Group's results and financial position in a manner not currently determinable.

2 BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting International. These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjuction with the Company's annual financial statements for the year ended 31 December 2011. The condensed consolidated interim financial statements were authorized by the Board of Directors on 10 May 2012.

(b) Basis of consolidation

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

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

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

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

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

During three months ended 31 March 2012 the Group completed acquisitions of 3 companies (note 4).

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

Name	Activity	31 March 2012 % of ownership	31 December 2011 % of ownership	31 March 2011 % of ownership
Subsidiaries:				
Ancor Investments Ltd	Investment activities	100.00%	100.00%	100.00%
LLC Firm "Astarta-Kyiv"	Asset management	99.98%	99.98%	99.98%
LLC "APO "Tsukrovyk Poltavshchyny"	Sugar production	99.20%	98.53%	98.53%
LLC "Agricultural company "Dovzhenko"	Agricultural	97.03%	97.03%	97.03%
LLC "Shyshaki combined forage factory"	Fodder production	90.56%	82.71%	82.71%
LLC "Agricultural company "Dobrobut"	Agricultural	98.11%	98.11%	98.11%
LLC "Agricultural company "Musievske"	Agricultural	89.98%	89.98%	89.98%
Globino canning factory "Globus"	Canning production, trade	99.98%	99.98%	99.98%
LLC "Dobrobut" (Novo-Sanzharskiy region)	Agricultural	99.98%	99.98%	99.98%

	Activity	31 March 2012 % of ownership	31 December 2011 % of ownership	31 March 2011 % of ownership
OJSC "Agricultural company "Agrocomplex"	Agricultural	83.80%	83.80%	83.80%
OJSC "Agricultural company "Zhdanivske"	Agricultural	97.97%	97.97%	97.97%
LLC "Investment company "Poltavazernoproduct"	Agricultural	98.33%	98.33%	98.33%
LLC "List-Ruchky"	Agricultural	74.99%	74.99%	74.99%
LLC "Agropromgaz"	Trade	89.98%	89.98%	89.98%
LLC "Khmilnitske"	Agricultural	99.09%	99.06%	97.82%
LLC "Volochysk-Agro"	Agricultural	93.34%	92.79%	92.02%
SC "Tsukrovyk Podillya"	Sugar production	-	-	99.98%
LLC "Victoriya"	Agricultural	-	-	99.98%
LLC "Agricultural company "Mirgorodska"	Agricultural	89.98%	89.98%	89.98%
LLC "Astarta-trade"	Trade	-	-	-
LLC "Goropayivske"	Agricultural	-	-	99.98%
LLC "Mriya-97 plus"	Agricultural	-	-	74.99%
LLC "Varovetske"	Agricultural	-*	-*	99.98%
LLC "Kobelyatskiy combined forage factory"	Fodder production	97.26%	97.26%	97.26%
LLC "named after Ostrovskiy"	Agricultural	74.99%	74.99%	74.99%
LLC "Nadiya"	Agricultural	-	-	99.98%
SC "Agricultural company "Agro-Kors"	Agricultural	99.98%	99.98%	99.98%
PC "Nove Zhyttya"	Agricultural	-	-	99.98%
LLC "Volodarka Ko"	Agricultural	-	-	99.98%
LLC "Agricultural company "Khorolska"	Agricultural	99.88%	99.88%	99.88%
LLC "Lan"	Agricultural	99.98%	-*	99.98%
LLC "Nika"	Agricultural	99.98%	99.98%	99.98%
LLC "Zhytnytsya Podillya"	Agricultural	74.99%	74.99%	74.99%
LLC "Astarta-Selektsiya"	Research and development	74.99%	74.99%	74.99%
LLC "Tarasivske"	Agricultural	97.98%	97.98%	97.98%
LLC "Agro-Tradex"	Trade	99.98%	99.97%	99.88%
LLC "Zorya"	Agricultural	99.48%	99.48%	-
LLC "Agrosvit Savyntsi"	Agricultural	98.98%	98.98%	-
LLC "Pershe Travnya"	Agricultural	89.98%	89.98%	-
PC "named after Suvorov"	Agricultural	-*	-*	-
LLC "Kolos"	Agricultural	89.98%	89.98%	-
LLC "Khorolskiy combined forage factory"	Fodder production	92.77%	92.77%	-
PC "Lan-M"	Agricultural	99.98%	99.98%	-
LLC "Agricultural company "named after Vatutin"	Agricultural	79.98%	79.98%	-
LLC "named after Vorovskiy"	Agricultural	99.98%	99.98%	-
OJSC "Novoivanivskiy sugar plant"	Sugar production	94.28%	94.28%	-
PC "Kumanivske"	Agricultural	99.98%	99.98%	-
LLC "Zarichya"	Agricultural	99.98%	99.98%	-
LLC "Zbruch"	Agricultural	99.98%	99.98%	-
LLC "Geoexpertservice"	Agricultural	98.33%	98.33%	-
Associate:				
LLC "Agricultural company "Pokrovska"	Agricultural	49.99%	49.99%	49.99%

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

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

(c) Business combinations and goodwill

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

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

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

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

(d) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized gains arising from intercompany transactions, are eliminated in preparing the condensed consolidated interim 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) Basis of accounting

The condensed consolidated interim financial statements are prepared using the fair value basis for property, biological assets, agricultural produce not sold at the end of reporting period and promissory notes available-for-sale.

Biological assets are stated at their fair value less estimated costs to sell, whereas agricultural produce not sold at the end of reporting period is stated at its fair value less estimated costs to sell at the point of harvest. Promissory notes available-for-sale are stated at fair value. Starting from 31 December 2007 property (buildings) is carried at fair value as determined by independent appraisal. As from 31 December 2009 property (machines and equipment) is carried at fair value as determined by independent appraisal. Promissory notes issued are stated at amortized cost. All other assets and liabilities are carried on a cost basis.

(f) Non-controlling interest participants

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

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

(g) Interest in a joint venture

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

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

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

The Group has an interest in the jointly controlled operations, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities. In respect of its interests in jointly controlled operations, a venturer recognises in its financial statements:

(a) the assets that it controls and the liabilities that it incurs; and

(b) the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

(h) Functional and presentation currency

The functional currency of the Company is Euro (EUR). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The operating subsidiaries and the associate in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency. For the benefits of principal users, the management chose to present the condensed consolidated interim financial statements in two currencies, EUR and UAH.

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

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

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

Impairment of trade accounts receivable

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

Fair value of property

As at 31 December 2007 management adopted the revaluation model of accounting for property (buildings). Under this method, property is carried at fair value less any subsequent accumulated depreciation and impairment losses. As buildings in the sugar production, agricultural and cattle-farming businesses are specialized and rarely sold except as part of a continuing business; they are valued using the depreciated replacement cost approach. The administrative building of LLC Firm “Astarta-Kiev” is valued using the market approach. Estimating the fair value of property requires the exercise of judgment and the use of assumptions. Prior to 31 December 2007 property was stated at cost less accumulated depreciation and impairment losses. Management engaged external independent appraisers to estimate the fair value of buildings, machines and equipment as at 31 December 2009 due to significant changes in fair value. Machines and equipment are carried at fair value less any subsequent accumulated depreciation and impairment losses and are valued using the market approach. Buildings, machines and equipment were not subject to revaluation in 2011 due to insignificant changes in fair value based on management estimations.

Fair value of biological assets

Due to the absence of an active market as defined by International Accounting Standard IAS 41 *Agriculture*, the fair value of biological assets is estimated by present valuing the net cash flows expected to be generated from the assets discounted at a current market-determined pre-tax rate.

Fair value of agricultural produce

Management estimates the fair value of agricultural produce not sold at the end of reporting period by reference to quoted prices in an active market, as required by International Accounting Standard IAS 41. In addition, costs to sell at the point of harvest are estimated and deducted from the fair value. The fair value less costs to sell becomes the carrying value of inventories at the date of harvesting.

Taxes

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Foreign currency transactions

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

The principal Ukrainian Hryvnia ("UAH") exchange rates used in the preparation of the condensed consolidated interim financial statements are as follows:

Currency	Average reporting period rate		Reporting date rate	
	2012	2011	2012	2011
EUR	**10.668**	10.9074	**10.745**	11.3300
USD	**8.124**	7.9699	**8.03**	7.9740

(b) Property, plant and equipment

Owned assets

As at 31 March 2012 buildings held for production, selling and distribution or administrative purposes, machines and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. At the date of the revaluation accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Prior to 31 December 2007, property was stated at cost less accumulated depreciation and impairment losses. As at 31 December 2007 management adopted the revaluation model for property because the carrying value differed significantly from the fair value. The revaluations were carried out by independent appraisers and will be performed frequently enough to ensure that the fair value of a revaluated asset does not differ materially from its carrying amount at each reporting date.

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

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost. Upon disposal, any revaluation reserve relating to the buildings, and machines and equipment being sold is transferred to retained earnings.

Constructions, vehicles and other fixed assets are stated at cost, net of accumulated depreciation and/or impairment losses, if any. The cost of an item of property, plant and equipment comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the item to the location and condition necessary for it to be capable of operating in the manner intended by the management of the Group; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. The cost of self-constructed assets includes the cost of material, direct labour and an appropriate portion of production overheads.

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.

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.

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

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

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

Leased assets

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

Subsequent expenditure

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

Depreciation

Depreciation on property, plant and equipment is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets. On the subsequent sale or retirement of a revalued asset, the atributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

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

Depreciation commences when the item of property, plant and equipment is available for use. Land and assets under construction are not depreciated.

The estimated useful lives are as follows:

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

(c) Intangible assets, other than goodwill

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

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

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

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

(d) Biological assets

The Group classifies livestock (primarily cattle) and unharvested crops as biological assets. Biological assets are carried at their fair value less estimated costs to sell, except when the fair value cannot be measured reliably. If fair value cannot be measured reliably, biological assets are carried at cost less accumulated depreciation and accumulated impairment losses. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Gain (loss) from changes in fair value of biological assets included in the condensed consolidated interim income statement represents the net difference between (i) the excess of the fair value less estimated costs to sell of biological assets over their total cost at the end of reporting period, and (ii) the corresponding amount at the beginning of the reporting period.

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

(e) Agricultural produce

The Group classifies harvested crops as agricultural produce. After harvesting, agricultural produce is treated as inventories.

Agricultural produce is carried in the condensed consolidated interim statement of financial position at fair value less estimated costs to sell at the point of harvest. For agricultural produce harvested during the reporting period, the difference between the cost and fair value less costs to sell at the point of harvest is included in the condensed consolidated interim income statement as gain/(loss) on remeasurement of agricultural produce to fair value. Agricultural produce sold is charged to the cost of revenues at cost. The difference between such cost and the respective fair value less costs to sell, in the case of agricultural produce harvested in previous periods but sold during the reporting period, is booked to gain/(loss) on remeasurement of agricultural produce to fair value.

(f) Financial assets

(i) Non-derivative financial assets

Non-derivative financial assets comprise investments in equity and debt securities, trade and other receivables, promissory notes, cash and cash equivalents. Non-derivative financial assets 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 assets 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.

Held-to-maturity investments

Non-derivative financial assets with fixed and determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial recognition 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 other comprehensive income. When an investment is derecognized, the cumulative gain or loss in other comprehensive income 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.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Loans and receivables

Loans and receivables 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 reporting 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 reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the statement of financial position 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 include the 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.

(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 carried at amortized cost 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 income statement. 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 of impairment loss is recognized in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

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 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 is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may be decreased and 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 fair value, net of any transaction costs incurred. Subsequent to initial recognition, loans and borrowings are stated at amortized cost with any differences between cost and redemption value being recognized in the income statement over the period of the borrowings.

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

(l) Trade accounts payable

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

(m) Taxes

Current income tax

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

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

The Group's income was subject to taxation in Ukraine. During the years ended 31 December 2010 and 2009 Ukrainian corporate income tax was levied on taxable income less allowable expenses at a rate of 25% according to the Law of Ukraine on Corporate Income Tax. In 2010 Ukrainian Parliament approved the Tax Code, which superseded the Law of Ukraine on Corporate Income Tax. New Tax Code significantly changed the rules for tax base calculation and provided for gradual decrease in tax rates from 25% to 16% over the next few years.

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

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

The Group has calculated its deferred tax position as at 31 March 2012 in accordance with corporate income tax rates as prescribed by the new Tax Code.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(n) Fixed agricultural tax

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

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

(o) Revenue

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

(p) Expenses

Expenses are accounted for on an accrual basis.

(q) Operating lease payments

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

(r) Finance cost and income

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

(s) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the condensed consolidated interim 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.

(t) Statement of cash flows

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

4 BUSINESS COMBINATIONS

During the three months ended 31 March 2012, the Group completed acquisitions of 3 entities. The Group's acquisitions were made to increase the volumes of sugar, crops, milk and meat production. The purchase consideration consisted only of cash, and the direct costs related to these acquisitions are not significant.

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at the date of aquisition
PC "Mir"	Ukraine	Agricultural	01.01.2012	99.06%
LLC “Agricultural company "Pershe travnya”	Ukraine	Agricultural	07.01.2012	89.98%
LLC “Agricultural company "Kolos”	Ukraine	Agricultural	21.02.2012	89.98%

From the dates of acquisition the net loss incurred by acquired companies amounted to UAH 50 thousand (EUR 4.6 thousand).

Acquired companies were merged with LLC “Volochysk-Agro”, LLC “Pershe Travnya” and LLC “Kolos” at the acquisition date.

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

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias)	*(in thousands of Euros)*
	(unaudited)	(unaudited)
Non-current assets		
Property, plant and equipment	2,991	273
Current assets		
Inventories	5,426	508
Current biological assets	3,495	327
Trade accounts receivable	987	92
Other accounts receivable and prepayments	735	77
Non-current liabilities		
Other long-term liabilities	(5,533)	(518)
Non-controlling interest	(59)	(6)
Current liabilities		
Trade accounts payable	(12)	(1)
Other liabilities and accounts payable	(1,869)	(175)
Net identifiable assets, liabilities and contingent liabilities	6,161	577
Excess of net assets acquired over consideration paid :	5,560	521
Consideration paid	(601)	(56)
Net cash outflow	(601)	(56)

During the three months ended 31 March 2011, the Group completed acquisitions of 6 entities. The purchase consideration consisted only of cash, and the direct costs related to these acquisitions are not significant.

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at the date of aquisition
LLC “Tarasivske”	Ukraine	Agricultural	04.02.2011	97.98%
LLC “Nika”	Ukraine	Agricultural	11.02.2011	99.98%
LLC “Zhytnytsya Podillya”	Ukraine	Agricultural	21.02.2011	74.99%
PC “Valmer”	Ukraine	Agricultural	25.02.2011	99.98%
LLC “Zdobutok”	Ukraine	Agricultural	31.03.2011	99.98%
LLC “Chervona Zirka”	Ukraine	Agricultural	31.03.2011	99.98%

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

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias) **(unaudited)**	*(in thousands of Euros)* **(unaudited)**
Non-current assets		
Property, plant and equipment	19,465	1,785
Construction in progress	1,569	144
Non-current biological assets	2,710	248
Intangible assets	10,825	993
Current assets		
Inventories	8,100	743
Current biological assets	11,404	1,046
Trade accounts receivable	226	21
Other accounts receivable and prepayments	2,239	205
Cash and cash equivalents	10,749	986
Non-current liabilities		
Non-controlling interest	(482)	(44)
Other long-term liabilities	(1,377)	(126)
Current liabilities		
Short-term loans and borrowings	(24)	(2)
Trade accounts payable	(892)	(82)
Other liabilities and accounts payable	(7,779)	(708)
Net identifiable assets, liabilities and contingent liabilities	56,733	5,209
Excess of net assets acquired over consideration paid	27,605	2,531
Goodwill on acquisition	(2,241)	(198)
Consideration paid	(31,369)	(2,876)
Cash acquired	10,749	986
Net cash outflow	(20,620)	(1,890)

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

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

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

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

5 BIOLOGICAL ASSETS

Non-current cattle is represented by dairy livestock with an average yearly lactation period of nine months. Current cattle comprise immature cattle and cattle intended for sale. Other livestock mainly represent pigs, horses and sheep.

The following assumptions were made to determine the fair value of biological assets:

- revenue from the crops sales is projected based on the expected volume of harvested grains and oilseeds. For dairy cattle revenue is projected based on the expected milk produced during their productive life after the reporting date and expected volume of meat at the date of slaughter
- the average productive life of a cow is determined based on internal statistical information
- prices for grains, oilseeds, milk and meat are obtained from market resources as at the end of the reporting period
- production and costs to sell are projected based on actual operating costs
- the growth in sales prices as well as in production and costs to sell is assumed to be in line with forecasted consumer price index in Ukraine
- a pre-tax discount rate is applied in determining fair value of biological assets. The discount rate is based on the estimated average cost of capital 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)	31 March 2012		31 December 2011		31 March 2011	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
Non-current biological assets:						
Cattle	12,876	230,115	12,562	206,485	10,815	177,243
Other livestock		3,854		3,450		3,268
		233,969		209,935		180,511
Current biological assets:						
Cattle	16,047	191,862	15,650	194,752	13,953	176,478
Other livestock		7,171		6,709		3,897
		199,033		201,461		180,375
Crops:	Hectares		Hectares		Hectares	
Winter wheat	52,261	396,252	51,299	352,369	40,387	322,780
Winter barley	3,314	14,889	1,823	6,255	612	2,808
Winter rye	1,457	7,141	1,448	3,122	1,045	2,370
Winter rape	-	-	88	218	979	2,939
	57,032	418,282	54,658	361,964	43,023	330,897
		617,315		563,425		511,272
Total biological assets		851,284		773,360		691,783

Biological assets comprise the following groups (continued):

(in thousands of Euros)	31 March 2012		31 December 2011		31 March 2011	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
Non-current biological assets:						
Cattle	12,876	21,416	12,562	19,816	10,815	15,644
Other livestock		359		332		288
		21,775		20,148		15,932
Current biological assets:						
Cattle	16,047	17,856	15,650	18,690	13,953	15,576
Other livestock		667		644		344
		18,523		19,334		15,920
Crops:	Hectares		Hectares		Hectares	
Winter wheat	52,261	36,878	51,299	33,817	40,387	28,489
Winter barley	3,314	1,386	1,823	600	612	248
Winter rye	1,457	665	1,448	300	1,045	209
Winter rape	-	-	88	20	979	259
	57,032	38,929	54,658	34,737	43,023	29,205
		57,452		54,071		45,125
Total biological assets		79,227		74,219		61,057

6 INVENTORIES

Inventories are as follows:

(in thousands of Ukrainian hryvnias)	31 March 2012 (unaudited)	31 December 2011 (audited)	31 March 2011 (unaudited)
Finished goods:			
Sugar products	692,849	952,961	476,209
Agricultural produce	448,043	490,704	254,061
Cattle farming	824	689	513
Other production	4,613	5,143	2,160
Raw materials and consumables for:			
Sugar production	65,712	33,795	48,253
Agricultural produce	178,997	68,702	126,283
Cattle farming	46,407	63,756	18,894
Other production	1,164	1,353	1,149
Investments into future crops	508,849	382,535	362,471
	1,947,458	1,999,638	1,289,993

(in thousands of Euros)	31 March 2012 (unaudited)	31 December 2011 (audited)	31 March 2011 (unaudited)
Finished goods:			
Sugar products	64,481	91,455	42,031
Agricultural produce	41,698	47,093	22,424
Cattle farming	77	66	45
Other production	431	493	190
Raw materials and consumables for:			
Sugar production	6,116	3,243	4,259
Agricultural produce	16,659	6,593	11,146
Cattle farming	4,319	6,119	1,669
Other production	108	130	101
Investments into future crops	47,357	36,712	31,992
	181,246	191,904	113,857

7 REVENUES

Revenues for the three months ended 31 March are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
Sugar and related sales:				
Sugar	**338,105**	310,723	**31,693**	28,487
Molasses	**13,931**	7,502	**1,306**	688
Pulp	**11,734**	8,779	**1,100**	805
Other sugar related sales	**6,086**	21,648	**570**	1,985
	369,856	348,652	**34,669**	31,965
Crops	**224,610**	142,910	**21,055**	13,102
Cattle farming	**83,976**	54,604	**7,872**	5,006
Other sales	**15,669**	7,411	**1,469**	679
	324,255	204,925	**30,396**	18,787
	694,111	553,577	**65,065**	50,752

8 OTHER OPERATING INCOME

Other operating income for the three months ended 31 March is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
Government subsidies relating to:				
Cattle farming	**3,916**	2,186	**367**	201
Crop production	**1,088**	1	**102**	-
Other operating income	**566**	383	**53**	35
	5,570	2,570	**522**	236

9 GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense for the three months ended 31 March is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
Salary and related charges	**19,753**	11,476	**1,852**	1,052
Professional services	**4,198**	2,821	**394**	259
Taxes other than corporate income tax	**2,264**	1,029	**212**	94
Depreciation	**2,092**	1,660	**196**	152
Fuel and other materials	**1,589**	1,019	**149**	93
Rent	**1,417**	732	**133**	67
Bank charges	**1,055**	1,604	**99**	148
Communication	**742**	730	**70**	67
Office expenses	**624**	447	**58**	41
Insurance	**525**	418	**49**	38
Maintenance	**490**	263	**46**	24
Transportation	**42**	47	**4**	4
Other	**1,392**	1,014	**130**	94
	36,183	23,260	**3,392**	2,133

10 SELLING AND DISTRIBUTION EXPENSE

Selling and distribution expense for the three months ended 31 March is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
Transportation	**14,520**	4,994	**1,361**	458
Salary and related charges	**5,754**	3,437	**539**	315
Storage and logistics	**4,101**	722	**384**	66
Fuel and other materials	**3,458**	2,446	**324**	224
Professional services	**1,692**	469	**159**	43
Commissions	**1,638**	1,727	**154**	158
Depreciation	**1,035**	870	**97**	80
Customs duties and services	**503**	39	**47**	4
Advertising	**46**	5	**4**	-
(Recovery of) allowance for trade accounts receivable	**(2,423)**	2,322	**(227)**	213
Other	**2,820**	1,091	**265**	100
	33,144	18,122	**3,107**	1,661

11 OTHER OPERATING EXPENSE

Other operating expense for the three months ended 31 March is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012	2011	2012	2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Charity and social expenses	3,229	1,759	304	162
VAT written off	2,028	1,614	190	148
Penalties paid	983	538	92	49
Inventory written off	675	291	63	27
Other salary and related charges	634	538	59	49
Depreciation	529	188	50	17
Representative expenses	114	128	11	12
Canteen expenses	24	27	2	2
(Recovery of) allowance for other accounts receivable	(604)	1,363	(57)	125
Other	1,870	3,680	177	339
	9,482	10,126	891	930

12 CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS

Changes in fair value of biological assets for the three months ended 31 March is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012	2011	2012	2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Non-current livestock	15,863	16,092	1,487	1,475
Current livestock	(4,292)	13,867	(402)	1,271
Crops	(5,884)	20,649	(552)	1,894
	5,687	50,608	533	4,640

13 FINANCE (COSTS) INCOME

Finance (costs) income for the three months ended 31 March is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012	2011	**2012**	2011
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Finance costs				
Interest expense	**(53,189)**	(40,444)	**(4,986)**	(3,707)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	**-**	(5,437)	**-**	(498)
Loss from promissory note transactions	**(1,105)**	-	**(104)**	-
Other finance costs	**(442)**	-	**(41)**	-
	(54,736)	(45,881)	**(5,131)**	(4,205)
Finance income				
Interest income	**1,939**	266	**182**	24
Foreign currency exchange gain	**6,220**	501	**583**	46
Net loss attributable to non-controlling interests of limited liability company subsidiaries	**58**	-	**5**	-
Other finance income	**2,436**	3,541	**229**	325
	10,653	4,308	**999**	395

14 RELATED PARTY TRANSACTIONS

The Group performs transactions with related parties in the ordinary course of business. Related parties comprise key management personnel, associates, the companies that are controlled, jointly controlled or significantly influenced by the Group's shareholders. Prices for related party transactions are determined on an ongoing basis. The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Balances and transactions with related parties are shown at their carrying value and are as follows:

(a) Revenues

Sales to related parties outside the consolidated Group for the three months ended 31 March are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
Companies controlled by shareholders:				
Sugar and by-products	3,546	-	332	-
Joint venture:				
Sugar and by-products	12,352	-	1,158	-
Natural gas	57	-	5	-
	12,409	-	1,163	-
Associate:				
Sugar and by-products	1,020	-	96	-
Services	537	-	50	-
Consumables for joint utilization	73	-	7	-
Agricultural produce	-	922	-	85
	1,630	922	153	85
	17,585	922	1,648	85

(b) Purchases

Purchases for the three months ended 31 March are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
Companies controlled by shareholders:				
Consumables for joint utilization	116	-	11	-
Services	99	84	9	8
	215	84	20	8
Joint venture:				
Sugar and by-products	11,450	-	1,073	-
	11,665	84	1,093	8

(c) Receivables

Receivables from related parties as at 31 March are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012	2011	**2012**	2011
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Companies controlled by shareholders:				
Long-term receivables	**13,549**	13,549	**1,261**	13,549
Trade accounts receivable	**7,722**	3,939	**719**	348
Advances made	**5,030**	4,806	**468**	424
Other receivables	**5,164**	1,650	**481**	146
	31,465	23,944	**2,929**	14,467
Joint venture:				
Trade accounts receivable	**12,395**	-	**1,154**	-
Financial aid	**8,487**	-	**790**	-
Advances made	**51**	-	**5**	-
Other receivables	**65**	-	**6**	-
	20,998	-	**1,955**	-
Associate:				
Trade accounts receivable	**610**	2,001	**57**	177
Other receivables	**71**	-	**7**	-
	681	2,001	**64**	177
	53,144	25,945	**4,948**	14,644

(d) Payables

Payables to related parties as at 31 March are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2012	2011	**2012**	2011
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Companies controlled by shareholders:				
Trade accounts payable	**1,456**	34	**136**	3
Advances received	**1,436**	10,408	**134**	919
Other payables	**145**	147	**13**	13
	3,037	10,589	**283**	935
Associate:				
Trade accounts payable	**171**	2,262	**16**	200
	3,208	12,851	**299**	1,135

37 EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE

The following events occurred subsequent to the reporting date:

Acquisition of subsidiaries and increase percentage in ownership

On April 1, 2012, Astarta-Kyiv increased its share in the agricultural company LLC "Investpromgas" to 99.95%.

On April 11, 2012, Astarta-Kyiv increased its share in the agricultural company LLC "Volochysk-agro" to 94.18%.

10 May 2012,

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

ASTARTA published interim report for the 1Q 2012

In the first quarter of 2012 ASTARTA demonstrated strong sales performance in key business segments. Rapid advance in crop sales was the key growth driver. Over 70% of crops were exported, and combined export sales increased y-o-y by impressive 11 times arriving at a record 31% share in the consolidated revenues. Despite remaining weakness in Ukrainian sugar price, a 50% increase in volumes of sugar and sugar by-products sales secured the 6% growth in the segment's revenues. Cattle farming segment demonstrated a strong 54% growth as well.

In 2012, the management intends to continue delivering successful growth in a capital efficient manner. According to a production plan, ASTARTA is expected to produce over 700 thousand tonnes of grains and oilseeds, around 2.5 million tonnes of sugar beet, and more than 80 thousand tonnes of milk. Planned sugar production is higher year over year, still guidance on volumes will be provided later, as amount of third party sugar beet to process depends on pricing environment and market situation.

Comments of Viktor Ivanchyk, CEO:

"ASTARTA's strong financial and market positions secure a solid foundation for the Group's growth. Simultaneously with efficiency enhancements and organic development of existing assets, management actively looks into growth opportunities in synergetic segments and considers possible acquisitions to secure sustainability, synergy and diversification in ASTARTA's development".