



# ASTARTA Holding N.V.

INTERIM REPORT  
FOR THE THREE MONTHS  
ENDED MARCH 31, 2014

## *Overview of the Reporting Period*

In the first quarter of 2014 all of ASTARTA's business units performed in accordance with management plans, laying down the groundwork to achieve strong operating results in the coming season. We took advantage of favorable weather conditions to start the spring sowing campaign earlier than usual. At present, the Group has successfully finished sowing spring and technical crops. ASTARTA significantly increased the area under cultivation of sugar beets and soybeans - the key inputs in the Group's vertically integrated value-added chain.

We are pleased to report a successful operational and sales launch to our newly commissioned soybean processing plant at Globyno. The plant has already processed c. 70 thousand tonnes of soybeans since the beginning of 2014. The plant's output has already been met with strong demand, both domestic and international, and we are currently considering the most attractive bids whilst pursuing our plans of geographic diversification.

ASTARTA's key markets exhibited positive dynamics over the reporting period. As expected, our core sugar segment was the revenue growth driver on the back of a solid increase in sales volumes and domestic sugar price recovery. ASTARTA also materially increased grain and raw milk sales volumes.

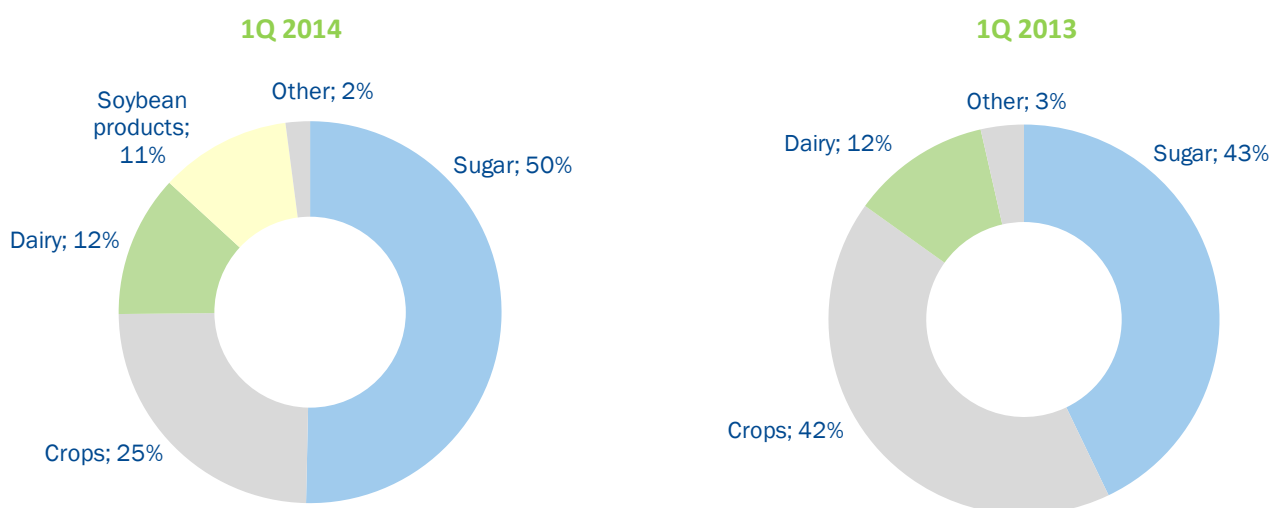
Despite a sharp devaluation of the hryvnia, Ukraine's currency, ASTARTA managed to deliver 7% y-o-y euro-denominated revenue growth (to EUR 89 million). Meanwhile, EBITDA jumped an impressive 58% to EUR 37 million, supported by other operating factors. An important one-off non-cash revaluation of foreign currency-denominated loans, caused by the devaluation, had a significant negative impact on net profit in the reporting period but did not influence our liquidity position since most of ASTARTA's debt has a long-term maturity. The hryvnia devaluation also caused operating expenses to appreciate over the period, mainly in the agricultural segment. At the same time, given that most sales in this segment are export driven, with prices settled in hard currencies, we expect the devaluation to boost competitiveness and profitability in the medium- and long- terms.

Taking into account the current situation in Ukraine, ASTARTA's management opted for a conservative approach with regard to capital investments. Following a successful large-scale modernization program and investments into new modern facilities (including grain and sugar silos, a soybean processing plant and a biogas complex) in recent years, we plan to focus our major investments on further improving operational efficiency and product quality. We also plan to deliver strong growth in terms of production volumes in our key segments in the current season.

## Financial Highlights

Consolidated revenues increased 7% to EUR 89 million (a 21% increase to UAH 1.1 billion in local currency terms), mainly driven by sugar sales. Sales of sugar and its by-products grew to 50% of consolidated revenues from 43% a year ago. The share of the dairy segment remained 12% of revenues. Processed soybean products, a new segment for the company, also contributed a solid 11% to consolidated revenues.

Figure 1. ASTARTA's revenue structure



Source: Company data

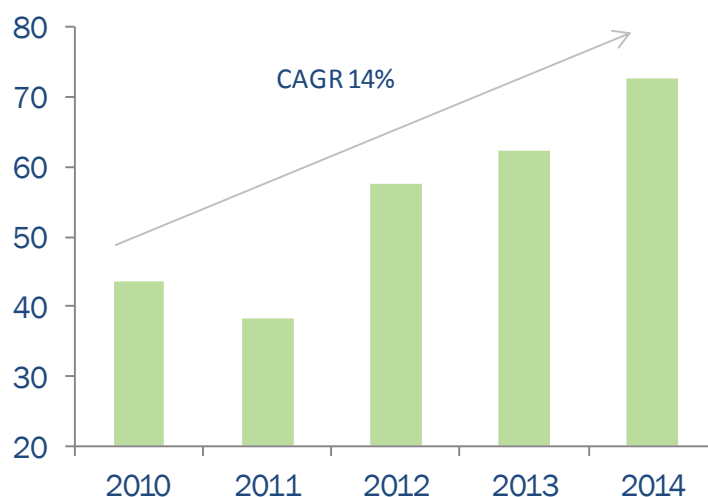
To finance its development and expand the Group attracts borrowings, primarily in foreign currencies, which in most cases carry substantially lower interest rates than those in Ukrainian hryvnia. In accordance with IFRS, liabilities denominated in foreign currencies are translated into hryvnia at the foreign exchange rate in effect at the balance sheet date. In the reporting period, the significant devaluation of the Ukrainian hryvnia caused substantial foreign currency translation losses of UAH 850 million (EUR 69.9 million). This unrealized transaction is reported in the consolidated statement of operations as foreign exchange loss resulting in a loss before tax and net loss.

At the same time, exports serve as a natural hedge against currency risk. In the first quarter of 2014 export proceeds accounted for 22% of ASTARTA's total revenues. The agricultural segment was the key contributor, with 95% of grain crops being sold abroad.

## Sugar Segment

The Group's sugar segment was the key revenue growth driver over the reporting period, with volumes of sugar sold increasing 17% to 73 thousand tonnes. A more balanced local market caused the selling price to recover, pushing the segment's revenues up 26% to EUR 45 million. In the first quarter the average sugar price in Ukraine grew more than 67% y-o-y.

Figure 2. ASTARTA first quarter sugar sales, thousand tonnes



Source: Company data

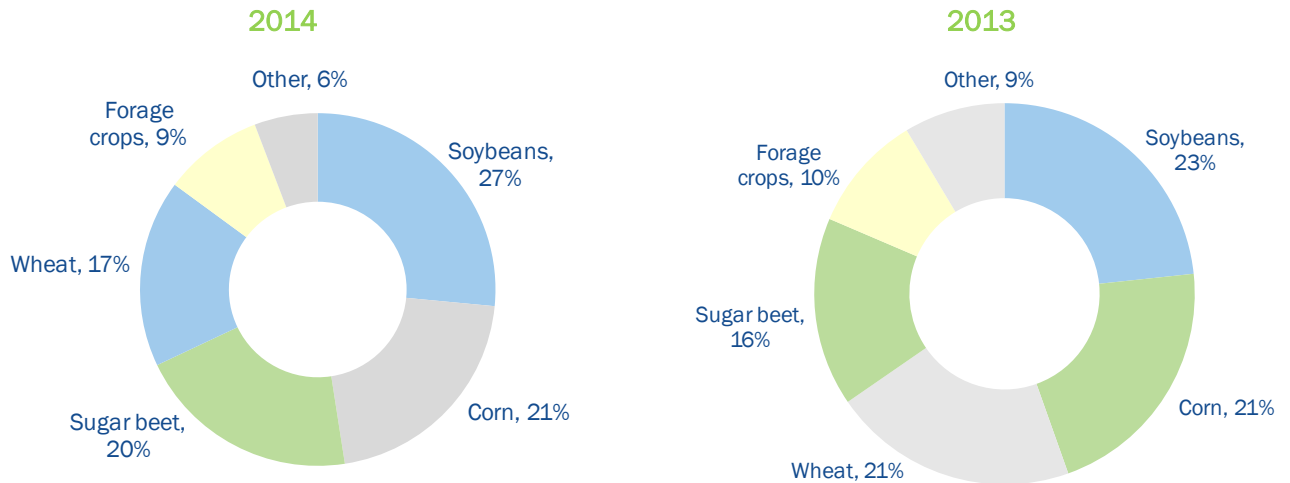
According to the Ministry of Agrarian Policy of Ukraine, as of early May Ukrainian farms completed sowing sugar beet on an area of 323 thousand hectares (or +6% vs. the officially reported 306 thousand hectares sown a year ago). This suggests another marketing year with balanced supply and demand on the domestic sugar market, thus facilitating reasonable profitability for Ukrainian sugar producers.

## Agriculture Segment

During the reporting period ASTARTA sold 153 thousand tonnes of grains, representing a 10% increase y-o-y. At the same time, revenues in the segment dropped 37% to EUR 22 million, mostly due to a weak price environment. This correction was also due to an absence in 2014 of external soybean sales (the most profitable crop in the Group's portfolio), as in 2013 supplies were used to form the necessary inventory for the Group's new soybean crushing plant.

As of the date of publication of this report, ASTARTA successfully finished the spring sowing campaign. Benefiting from favorable weather conditions, the company reached an absolute record in terms of efficiency and early completion of its sowing operations.

**Figure 3. ASTARTA crop rotation structure**



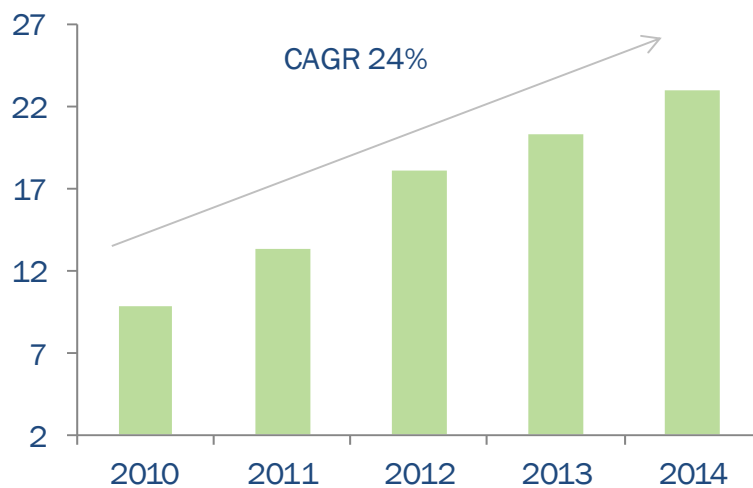
Source: Company data

Winter crops are in good condition and resumed active vegetation, which provides grounds to expect a good harvest of early grains this year.

**Dairy Farming Segment**

ASTARTA’s dairy segment generated revenues of EUR 11 million (12% higher y-o-y) as sales volumes increased 13% to 23 thousand tonnes. In the reporting period ASTARTA produced 24 thousand tonnes of high-quality milk (up 14 % y-o-y).

**Figure 4. ASTARTA first quarter milk sales, thousand tonnes**

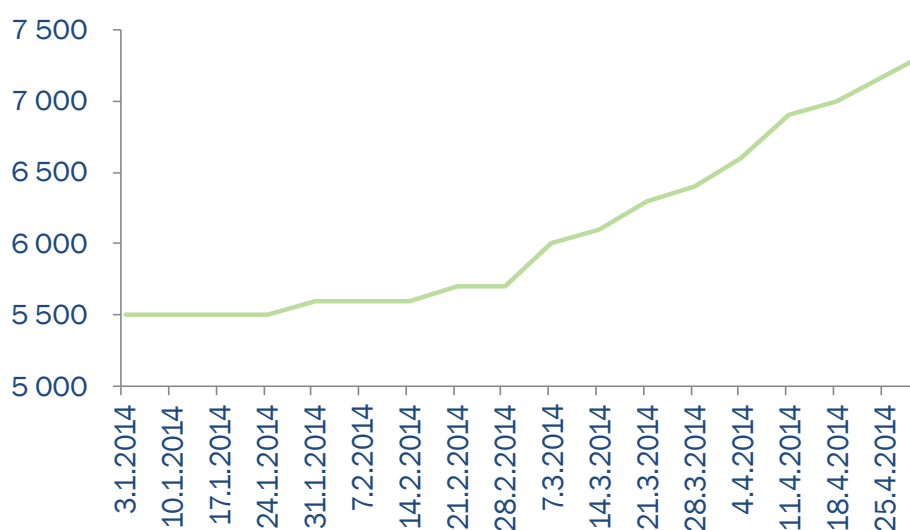


Source: Company data

## Soybean processing segment

Already in its first period of operations this new segment has demonstrated solid results. The segment's sales accounted for 11% of consolidated revenues and generated EUR 10 million. The Globyno processing plant converted 45 thousand tonnes of soybeans into 33 thousand tonnes of meal, 8 thousand tonnes of oil and 1.5 thousand tonnes of granulated husks. The bulk of revenues came from soybean meal with a sales volume of 27 thousand tonnes. Although most of the meal was sold domestically, a dynamic increase in the local currency price for this commodity mostly compensated for the hryvnia devaluation.

Figure 5. Average Ukrainian soymeal price, UAH per tonne



Source: AAA, Ukragroconsult, Company data

Looking forward, the Ministry of Agrarian Policy of Ukraine estimates that in 2014 local farmers will increase the area under soybean cultivation by 20% y-o-y to 1.65 million hectares. Ukraine's gross soybean harvest is projected to climb to 2.8 - 2.7 million tonnes in 2014 (vs. 2.3 million in 2013). Given that the processed soybean products market is characterized by stable growth and the ample availability of locally grown soybeans the segment should exhibit sound margins for the foreseeable future.

### Selected Financial Data

(in thousands of EUR)	1Q 2014	1Q 2013
Revenues	89 439	83 289
Gross profit	41 120	24 323
<i>Gross profit margin</i>	46%	29%
EBIT	29 489	16 957
<i>EBIT margin</i>	33%	20%
EBITDA	37 033	23 386
<i>EBITDA margin</i>	41%	28%
Foreign currency exchange loss, net	(69 979)	(820)
Net profit	(44 764)	11 440
<i>Net profit margin</i>	-50%	14%
<i>Cash flows provided by operating activities</i>	24 926	6 884
<i>Cash flows used in investing activities</i>	(2 053)	(1 957)
<i>Cash flows provided by financing activities</i>	(18 846)	(8 917)

### Selected Financial Ratios

	1Q 2014	1Q 2013
NET DEBT	233 426	249 856
EBITDA (LTM)	82 120	88 253
NET DEBT/EBITDA (LTM)	2,84	2,83
NET DEBT/SALES (LTM)	0,62	0,67
DEBT/EQUITY	0,91	0,71
CURRENT RATIO	1,81	2,85
QUICK RATIO	0,27	0,63

EBITDA	Profit (loss) from operations + depreciation and amortization + impairment of fixed assets
NET DEBT	Short-term finance debt + long-term finance debt – cash – short term deposits
CURRENT RATIO	Total current assets / Total current liabilities
QUICK RATIO	(Total current assets – inventories – biological assets) / Total current liabilities

## Statement of the Board of Directors

*On compliance of the condensed consolidated interim financial statements.*

The Board of Directors of ASTARTA Holding N.V. hereby states that to the best of their knowledge:

- the condensed consolidated interim financial statements of ASTARTA Holding N.V. for the period ended 31 March 2014 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.
- that the interim statement for the three months ended 31 March 2014 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)

*8 May 2014,  
Amsterdam, The Netherlands*

#### Cautionary note regarding forward-looking statements

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



**ASTARTA HOLDING N.V.**

**CONDENCED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2014**

**CONTENTS**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	12
CONSOLIDATED INCOME STATEMENT	14
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	16
CONSOLIDATED STATEMENT OF CASH FLOWS	18
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	20
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	22

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	31 March 2014	31 December 2013	31 March 2013
		(unaudited)	(audited)	(unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		3,379,278	3,432,765	2,482,505
Intangible assets		62,402	64,206	61,424
Biological assets	5	326,832	296,896	321,080
Value added tax		158,083	165,880	-
Financial instruments available-for-sale		5,296	7,946	13,714
Long-term receivables		762	764	1,028
Deferred tax assets		-	-	101
		<b>3,932,653</b>	<b>3,968,457</b>	<b>2,879,852</b>
<b>Current assets</b>				
Inventories	6	2,079,640	3,001,841	2,422,413
Biological assets	5	1,492,609	555,552	820,424
Trade accounts receivable		271,105	326,065	367,018
Other accounts receivable and prepayments		237,148	190,098	477,026
Current income tax		1,553	2,405	747
Short-term cash deposits		43,348	47,484	46,212
Cash and cash equivalents		74,658	29,472	38,675
		<b>4,200,061</b>	<b>4,152,917</b>	<b>4,172,515</b>
<b>Total assets</b>		<b>8,132,714</b>	<b>8,121,374</b>	<b>7,052,367</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		1,663	1,663	1,663
Additional paid-in capital		369,798	369,798	369,798
Retained earnings		2,737,222	3,236,519	3,057,382
Revaluation surplus		798,081	842,517	373,324
Treasury shares		(15,670)	(2,596)	-
Currency translation reserve		88,711	3,430	141
<b>Total equity attributable to equity holders of the parent company</b>		<b>3,979,805</b>	<b>4,451,331</b>	<b>3,802,308</b>
Non-controlling interests in joint stock companies		559	585	2,515
<b>Total equity</b>		<b>3,980,364</b>	<b>4,451,916</b>	<b>3,804,823</b>
<b>Non-current liabilities</b>				
Loans and borrowings		1,616,352	1,309,423	1,624,730
Non-controlling interests in limited liability companies		87,735	94,044	77,877
Other long-term liabilities		17,827	17,803	20,340
Deferred tax liabilities		109,472	111,906	58,001
		<b>1,831,386</b>	<b>1,533,176</b>	<b>1,780,948</b>
<b>Current liabilities</b>				
Loans and borrowings		1,544,912	1,436,045	781,958
Current portion of long-term loans and borrowings		475,034	357,840	294,182
Trade accounts payable		112,715	131,511	169,692
Current income tax		572	4,613	-
Other liabilities and accounts payable		187,731	206,273	220,764
		<b>2,320,964</b>	<b>2,136,282</b>	<b>1,466,596</b>
<b>Total equity and liabilities</b>		<b>8,132,714</b>	<b>8,121,374</b>	<b>7,052,367</b>

The notes on pages 22 to 35 are an integral part of these condensed consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

<i>(in thousands of Euros)</i>	Notes	31 March 2014	31 December 2013	31 March 2013
		(unaudited)	(audited)	(unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		224,202	299,804	237,106
Intangible assets		4,140	5,608	5,867
Biological assets	5	21,684	25,930	30,667
Value added tax		10,489	14,488	-
Financial instruments available-for-sale		351	694	1,310
Long-term receivables		51	67	98
Deferred tax assets		-	-	10
		<b>260,917</b>	<b>346,591</b>	<b>275,058</b>
<b>Current assets</b>				
Inventories	6	137,977	262,170	231,367
Biological assets	5	99,030	48,519	78,360
Trade accounts receivable		17,987	28,477	35,054
Other accounts receivable and prepayments		15,734	16,603	45,561
Current income tax		103	210	71
Short-term cash deposits		2,876	4,147	4,414
Cash and cash equivalents		4,953	2,574	3,694
		<b>278,660</b>	<b>362,700</b>	<b>398,521</b>
<b>Total assets</b>		<b>539,577</b>	<b>709,291</b>	<b>673,579</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		250	250	250
Additional paid-in capital		55,638	55,638	55,638
Retained earnings		272,216	314,030	294,771
Revaluation surplus		77,542	80,490	39,466
Treasury shares		(1,107)	(240)	-
Currency translation reserve		(140,493)	(61,406)	(26,962)
<b>Total equity attributable to equity holders of the parent company</b>		<b>264,046</b>	<b>388,762</b>	<b>363,163</b>
Non-controlling interests in joint stock companies		37	51	240
<b>Total equity</b>		<b>264,083</b>	<b>388,813</b>	<b>363,403</b>
<b>Non-current liabilities</b>				
Loans and borrowings		107,239	114,361	155,180
Non-controlling interests in limited liability companies		5,821	8,213	7,438
Other long-term liabilities		1,183	1,554	1,942
Deferred tax liabilities		7,264	9,775	5,540
		<b>121,507</b>	<b>133,903</b>	<b>170,100</b>
<b>Current liabilities</b>				
Loans and borrowings		102,499	125,419	74,686
Current portion of long-term loans and borrowings		31,517	31,252	28,098
Trade accounts payable		7,478	11,486	16,207
Current income tax		38	403	-
Other liabilities and accounts payable		12,455	18,015	21,085
		<b>153,987</b>	<b>186,575</b>	<b>140,076</b>
<b>Total equity and liabilities</b>		<b>539,577</b>	<b>709,291</b>	<b>673,579</b>

The notes on pages 22 to 35 are an integral part of these condensed consolidated interim financial statements.

## CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2014

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2014 (unaudited)	2013 (unaudited)
<b>Revenues</b>	7	<b>1,086,474</b>	895,084
Cost of revenues		(800,722)	(685,576)
Changes in fair value of biological assets and agricultural produce		213,750	51,891
<b>Gross profit</b>		<b>499,502</b>	261,399
Other operating income	8	7,379	5,954
General and administrative expense	9	(76,540)	(43,895)
Selling and distribution expense	10	(55,970)	(33,751)
Other operating expense	11	(16,129)	(7,460)
<b>Profit from operations</b>		<b>358,242</b>	182,247
Finance costs	12	(911,708)	(70,419)
Finance income	12	8,440	11,439
Other income (expense)		1,571	(2,162)
<b>Profit before tax</b>		<b>(543,455)</b>	121,105
Income tax (expense) benefit		(304)	1,853
<b>Net profit</b>		<b>(543,759)</b>	122,958
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		(26)	(417)
Equity holders of the parent company		(543,733)	123,375
Weighted average basic and diluted shares outstanding (in thousands of shares)		24,977	25,000
Basic and diluted (loss) earnings per share attributable to shareholders of the company (in Ukrainian hryvnias)		(21.77)	4.94

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## CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2014

<i>(in thousands of Euros)</i>	<i>Notes</i>	<b>2014</b>	<b>2013</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenues</b>	7	<b>89,439</b>	83,289
Cost of revenues		<b>(65,915)</b>	(63,795)
Changes in fair value of biological assets and agricultural produce		<b>17,596</b>	4,829
<b>Gross profit</b>		<b>41,120</b>	24,323
Other operating income	8	<b>607</b>	554
General and administrative expense	9	<b>(6,301)</b>	(4,084)
Selling and distribution expense	10	<b>(4,607)</b>	(3,140)
Other operating expense	11	<b>(1,330)</b>	(696)
<b>Profit from operations</b>		<b>29,489</b>	16,957
Finance costs	12	<b>(75,052)</b>	(6,552)
Finance income	12	<b>695</b>	1,064
Other income (expense)		<b>129</b>	(201)
<b>Profit before tax</b>		<b>(44,739)</b>	11,268
Income tax (expense) benefit		<b>(25)</b>	172
<b>Net profit</b>		<b>(44,764)</b>	11,440
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		<b>(2)</b>	(39)
Equity holders of the parent company		<b>(44,762)</b>	11,479
Weighted average basic and diluted shares outstanding (in thousands of shares)		<b>24,977</b>	25,000
Basic and diluted (loss) earnings per share attributable to shareholders of the company (in Euros)		<b>(1.79)</b>	0.46

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2014

<i>(in thousands of Ukrainian hryvnias)</i>	2014 (unaudited)	2013 (unaudited)
<b>Profit for the year</b>	<b>(543,759)</b>	122,958
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations	85,281	(556)
Income tax effect	-	-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>85,281</b>	<b>(556)</b>
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>(458,478)</b>	<b>122,402</b>
<b>Attributable to:</b>		
Non-controlling interests in joint stock companies	(26)	(417)
Equity holders of the parent	(458,452)	122,819
<b>Total comprehensive income as at 31 March</b>	<b>(458,478)</b>	<b>122,402</b>

The notes on pages 22 to 35 are an integral part of these condensed consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2014

<i>(in thousands of Euros)</i>	2014 <b>(unaudited)</b>	2013 <b>(unaudited)</b>
<b>Profit for the year</b>	<b>(44,764)</b>	11,440
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
<i>Exchange difference on transactions of foreign operations</i>	<b>(74,816)</b>	7,174
Income tax effect	-	-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>(74,816)</b>	7,174
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		
<i>Exchange difference on translation of foreign operations (the Parent company)</i>	<b>(4,283)</b>	-
Income tax effect	-	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>(4,283)</b>	-
<b>Total comprehensive income</b>	<b>(123,863)</b>	18,614
<b>Attributable to:</b>		
Non-controlling interests in joint stock companies	<b>(14)</b>	(35)
Equity holders of the parent	<b>(123,849)</b>	18,649
<b>Total comprehensive income as at 31 March</b>	<b>(123,863)</b>	18,614

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## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2014

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2014 (unaudited)	2013 (unaudited)
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>(543,455)</b>	121,105
<i>Adjustments for:</i>			
Depreciation and amortization		<b>91,648</b>	69,084
Allowance for impairment (recovery) of trade and other accounts receivable		<b>(1,188)</b>	(3,179)
Loss (gain) on sales of property, plant and equipment	11	<b>111</b>	(1,067)
Write down of inventories	11	<b>773</b>	244
Finance income	12	<b>(2,131)</b>	(5,543)
Interest expense	12	<b>58,916</b>	54,958
Other finance costs		<b>2,709</b>	6,653
Changes in fair value of biological assets and agricultural produce		<b>(213,750)</b>	(51,891)
Recovery of assets previously written off	8	<b>(1,338)</b>	(635)
Non-controlling interests in limited liability companies	12	<b>(6,309)</b>	(5,896)
Foreign exchange loss on loans and borrowings, deposits		<b>767,927</b>	16,372
<i>Working capital adjustments:</i>			
Decrease (increase) in inventories		<b>922,766</b>	64,316
Decrease in trade and other receivables		<b>4,617</b>	(136,553)
Increase in biological assets due to other changes		<b>(753,243)</b>	(54,337)
(Decrease) increase in trade and other payables		<b>(19,352)</b>	2,546
Income taxes paid		<b>(5,887)</b>	(1,886)
<b>Cash flows provided by operating activities</b>		<b>302,814</b>	74,291
<b>Investing activities</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		<b>(36,362)</b>	(167,916)
Proceeds from sales of property, plant and equipment		<b>175</b>	655
Sale (purchase) of financial investments		<b>2,650</b>	1,352
Interest received	12	<b>1,902</b>	5,543
Acquisition of subsidiaries net of cash acquired	4	<b>-</b>	(864)
Cash deposits placement		<b>(2,314)</b>	-
Cash deposits withdrawal		<b>9,012</b>	140,211
<b>Cash flows used in investing activities</b>		<b>(24,937)</b>	(21,019)
<b>Financing activities</b>			
Proceeds from loans and borrowings		<b>526,249</b>	483,626
Repayment of loans and borrowings		<b>(682,354)</b>	(522,469)
Payments to shareholders for pledged shares		<b>-</b>	(5,197)
Shares buy back		<b>(13,074)</b>	-
Interest paid		<b>(59,761)</b>	(51,777)
<b>Cash flows used in financing activities</b>		<b>(228,940)</b>	(95,817)
Net increase (decrease) in cash and cash equivalents		<b>48,937</b>	(42,545)
Cash and cash equivalents as at 1 January		<b>29,472</b>	81,220
Currency translation difference		<b>(3,751)</b>	-
<b>Cash and cash equivalents as at 31 March</b>		<b>74,658</b>	38,675

The notes on pages 22 to 35 are an integral part of these condensed consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2014

<i>(in thousands of Euros)</i>	Notes	2014 (unaudited)	2013 (unaudited)
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>(44,739)</b>	11,268
<i>Adjustments for:</i>			
Depreciation and amortization		7,544	6,429
Allowance for impairment (recovery) of trade and other accounts receivable		(98)	(296)
Loss (gain) on sales of property, plant and equipment	11	9	(99)
Write down of inventories	11	64	23
Finance income	12	(176)	(545)
Interest expense	12	4,850	5,115
Other finance costs		223	617
Changes in fair value of biological assets and agricultural produce		(17,596)	(4,829)
Recovery of assets previously written off	8	(110)	(59)
Non-controlling interests in limited liability companies	12	(519)	(549)
Foreign exchange loss on loans and borrowings, deposits		63,216	1,523
<i>Working capital adjustments:</i>			
Decrease (increase) in inventories		75,962	5,985
Decrease in trade and other receivables		380	(12,707)
Increase in biological assets due to other changes		(62,007)	(5,056)
(Decrease) increase in trade and other payables		(1,593)	239
Income taxes paid		(484)	(175)
<b>Cash flows provided by operating activities</b>		<b>24,926</b>	6,884
<b>Investing activities</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(2,993)	(15,625)
Proceeds from sales of property, plant and equipment		14	61
Sale (purchase) of financial investments		218	126
Interest received	12	157	515
Acquisition of subsidiaries net of cash acquired	4	-	(81)
Cash deposits placement		(190)	-
Cash deposits withdrawal		741	13,047
<b>Cash flows used in investing activities</b>		<b>(2,053)</b>	(1,957)
<b>Financing activities</b>			
Proceeds from loans and borrowings		43,321	45,002
Repayment of loans and borrowings		(56,171)	(48,617)
Payments to shareholders for pledged shares		-	(484)
Shares buy back		(1,076)	-
Interest paid		(4,920)	(4,818)
<b>Cash flows used in financing activities</b>		<b>(18,846)</b>	(8,917)
Net increase (decrease) in cash and cash equivalents		4,027	(3,990)
Cash and cash equivalents as at 1 January		2,574	7,609
Currency translation difference		(1,648)	45
<b>Cash and cash equivalents as at 31 March</b>		<b>4,953</b>	3,694

The notes on pages 22 to 35 are an integral part of these condensed consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2014

### Attributable to equity holders of the parent company

<i>(in thousands of Ukrainian hryvnias)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>As at 1 January 2014</b>	<b>1,663</b>	<b>369,798</b>	<b>3,236,519</b>	<b>842,517</b>	<b>(2,596)</b>	<b>3,430</b>	<b>4,451,331</b>	<b>585</b>	<b>4,451,916</b>
Net profit (loss)	-	-	(543,733)	-	-	-	(543,733)	(26)	(543,759)
Other comprehensive loss, net of tax	-	-	-	-	-	85,281	85,281	-	85,281
Total other comprehensive income, net of tax	-	-	-	-	-	85,281	85,281	-	85,281
Total comprehensive loss	-	-	(543,733)	-	-	85,281	(458,452)	(26)	(458,478)
Purchase of own shares	-	-	-	-	(13,074)	-	(13,074)	-	(13,074)
Realisation of revaluation surplus, net of tax	-	-	44,436	(44,436)	-	-	-	-	-
<b>As at 31 March 2014</b>	<b>1,663</b>	<b>369,798</b>	<b>2,737,222</b>	<b>798,081</b>	<b>(15,670)</b>	<b>88,711</b>	<b>3,979,805</b>	<b>559</b>	<b>3,980,364</b>

### Attributable to equity holders of the parent company

<i>(in thousands of Euros)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>As at 1 January 2014</b>	<b>250</b>	<b>55,638</b>	<b>314,030</b>	<b>80,490</b>	<b>(240)</b>	<b>(61,406)</b>	<b>388,762</b>	<b>51</b>	<b>388,813</b>
Net profit (loss)	-	-	(44,762)	-	-	-	(44,762)	(2)	(44,764)
Other comprehensive loss, net of tax	-	-	-	-	-	(79,087)	(79,087)	(12)	(79,099)
Total other comprehensive income, net of tax	-	-	-	-	-	(79,087)	(79,087)	(12)	(79,099)
Total comprehensive loss	-	-	(44,762)	-	-	(79,087)	(123,849)	(14)	(123,863)
Purchase of own shares	-	-	-	-	(867)	-	(867)	-	(867)
Realisation of revaluation surplus, net of tax	-	-	2,948	(2,948)	-	-	-	-	-
<b>As at 31 March 2014</b>	<b>250</b>	<b>55,638</b>	<b>272,216</b>	<b>77,542</b>	<b>(1,107)</b>	<b>(140,493)</b>	<b>264,046</b>	<b>37</b>	<b>264,083</b>

The notes on pages 22 to 35 are an integral part of these condensed consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2013

<i>(in thousands of Ukrainian hryvnias)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>As at 1 January 2013 (restated)</b>	1,663	369,798	2,919,776	380,558	697	3,672,492	2,742	3,675,234
Net profit (loss)	-	-	123,375	-	-	123,375	(417)	122,958
Other comprehensive loss, net of tax	-	-	-	-	(556)	(556)	-	(556)
Total comprehensive income	-	-	-	-	(556)	(556)	-	(556)
Total comprehensive loss	-	-	123,375	-	(556)	122,819	(417)	122,402
Acquisitions from non-controlling shareholders and other changes	-	-	6,997	-	-	6,997	190	7,187
Realisation of revaluation surplus, net of tax	-	-	7,234	(7,234)	-	-	-	-
<b>As at 31 March 2013</b>	1,663	369,798	3,057,382	373,324	141	3,802,308	2,515	3,804,823

<i>(in thousands of Euros)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>As at 1 January 2013 (restated)</b>	250	55,638	281,950	40,157	(34,132)	343,863	257	344,120
Net profit (loss)	-	-	11,479	-	-	11,479	(39)	11,440
Other comprehensive loss, net of tax	-	-	-	-	7,170	7,170	4	7,174
Total comprehensive income	-	-	-	-	7,170	7,170	4	7,174
Total comprehensive loss	-	-	11,479	-	7,170	18,649	(35)	18,614
Acquisitions from non-controlling shareholders and other changes	-	-	651	-	-	651	18	669
Realisation of revaluation surplus, net of tax	-	-	691	(691)	-	-	-	-
<b>As at 31 March 2013</b>	250	55,638	294,771	39,466	(26,962)	363,163	240	363,403

The notes on pages 22 to 35 are an integral part of these condensed consolidated interim financial statements.

## 1 BACKGROUND

### (a) Organisation and operations

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

The Company's legal address is Jan van Goyenkade 8, 1075 HP 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 number of subsidiaries in Ukraine (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.

### (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 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, fiscal, 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.

In November 2013, the Ukrainian Government declined to sign the association agreement with the European Union, which resulted in protests and signs of political unrest. In January-March 2014, the political unrest escalated and resulted in the President and majority of Government officials being dismissed by the Parliament. The Parliament has initiated certain political reforms, has appointed a transitional Government and is forming a set of anti-crisis measures. On 21 March 2014 Ukraine signed a political association with the European Union.

Furthermore, from 1 January 2014 to 08 May 2014, the Ukrainian Hryvnia devaluated against major foreign currencies by approximately 50%, and the National Bank of Ukraine imposed certain restrictions on purchase of foreign currencies at the inter-bank market. The international rating agencies have downgraded sovereign debt ratings for Ukraine. The combination of the above events has resulted in a deterioration of liquidity and much tighter credit conditions where credit is available.

Management is monitoring these developments in the current environment and taking actions where appropriate. Further negative developments, including the political unrest, could adversely affect the Company'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 for the three months ended 31 March 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2013 which have been prepared in accordance with IFRS.

### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 interests
- 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 OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

On 1 January 2014 the Group established the subsidiary LLC "Kochubeyivske" with the authorised share capital amounting to UAH 25 thousand (EUR 1.66 thousand).

As at 31 March 2014 Astarta Holding N.V. owns shares, directly and indirectly, in a number of subsidiaries, joint operations and an associate with the following percentage of ownership:

Name	Activity	31 March 2014 % of ownership	31 December 2013 % of ownership	31 March 2013 % of ownership
<b>Subsidiaries:</b>				
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	99.72%	99.72%	99.72%
LLC "Agricultural company "Dovzhenko"	Agricultural	97.53%	97.53%	97.53%
LLC "Shyshaki combined forage factory"	Fodder production	90.56%	90.56%	90.56%
LLC "Agricultural company "Dobrobut"	Agricultural	98.24%	98.24%	98.24%
LLC "Agricultural company "Musievske"	Agricultural	89.98%	89.98%	89.98%
LLC "Globinskiy processing factory"*	Soybean processing*	99.98%	99.98%	99.98%
LLC "Dobrobut" (Novo-Sanzharskiy region)	Agricultural	99.98%	99.98%	99.98%
OJSC "Agricultural company "Agrocomplex"	Agricultural	83.80%	83.80%	83.80%
OJSC "Agricultural company "Zhdanivske"	Agricultural	97.97%	97.97%	97.97%
LLC "Investment company "Poltavazernoproduct"	Agricultural	98.68%	98.68%	98.68%
LLC "List-Ruchky"	Agricultural	74.99%	74.99%	74.99%
LLC "Agropromgaz"	Trade	89.98%	89.98%	89.98%
LLC "Khmilnitske"	Agricultural	99.12%	99.12%	99.17%
LLC "Volochnysk-Agro"	Agricultural	97.52%	97.52%	97.48%
LLC "Agricultural company "Mirgorodska"	Agricultural	89.98%	89.98%	89.98%
LLC "Kobelyatskiy combined forage factory"	Fodder production	98.56%	98.56%	98.56%
LLC "named after Ostrovskiy"	Agricultural	99.98%	99.98%	74.99%
SC "Agricultural company "Agro-Kors"	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company "Khorolska"	Agricultural	98.95%	98.95%	98.95%
LLC "Lan"	Agricultural	99.98%	99.98%	99.98%
LLC "Nika"	Agricultural	98.98%	98.98%	98.98%
LLC "Zhytnytsya Podillya"	Agricultural	74.99%	74.99%	74.99%
LLC "Astarta-Selektsiya"	Research and development	74.99%	74.99%	74.99%
LLC "Agrosvit Savyntsi"	Agricultural	98.98%	98.98%	98.98%
LLC "Khorolskiy combined forage factory"	Fodder production	99.24%	99.24%	99.24%
PC "Lan-M"	Agricultural	99.98%	99.98%	99.98%
OJSC "Novoivanivskiy sugar plant"	Sugar production	94.49%	94.28%	94.28%
LLC "Geoexpertservice"	Agricultural	100.00%	100.00%	100.00%
LLC "Investpromgaz"	Trade	99.93%	99.93%	99.93%
LLC "Tsukragromprom"	Trade	99.98%	99.98%	99.98%
LLC "Agricultural company Slobozhansk'ka Zhytnitsa"	Agricultural	50.99%	50.99%	50.99%
LLC "Volochnysk-tsukor"	Trade	97.52%	97.52%	97.48%

Name	Activity	31 March	31 December	31 March
		2014	2013	2013
		% of ownership	% of ownership	% of ownership
LLC "Globyns'kiy tsukor"	Sugar production	98.68%	98.68%	98.68%
LLC "Podilskiy krai"	Agricultural	50.32%	50.30%	50.32%
PAC "Rybalkivsky"	Agricultural	98.24%	98.24%	-
LLC "Zerno-Agrotrade"	Trade	99.97%	99.97%	-
LLC "Nonoorzhytskyi sugar plant"	Sugar production	99.97%	99.98%	-
LLC "APK Savynska"	Agricultural	100.00%	100.00%	-
LLC "Kochubeyivske"	Trade	58.52%	-	-

\* In January 2014 soybean processing plant was put into operation on the base of facilities of LLC "Globynskiy processing factory". Therefore principal activity of LLC "Globynskiy processing factory" was changed from "Canning production, trade" to "Soybean processing".

## Associate:

LLC "Agricultural company "Pokrovska"	Agricultural	49.99%	49.99%	49.99%
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## Joint venture:

LLC "APK Savynska"	Agricultural	-	-	49.99%
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## Joint operations

SC "Konyarstvo Ukrainy"	Agricultural	-	-	80.00%
SC "Agricultural company named after Ivanenko"	Agricultural	**	80.00%	80.00%

\*\* For details please refer to Note 4

All subsidiaries, joint operations, and the associate, except for Ancor Investments Ltd, are incorporated in Ukraine. Ancor Investments Ltd is incorporated in Cyprus.

### (c) Functional and presentation currency

Each entity in the Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency. The functional currency of the Company and its Cypriot subsidiary is Euro (EUR). The operating subsidiaries and associate registered in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency.

The consolidated financial statements are presented in UAH and all values are rounded to the nearest thousand, except when otherwise indicated. For the benefit of certain users, the Group also presents all numerical information in EUR. The translation of UAH denominated assets and liabilities into EUR in these consolidated financial statements does not necessarily mean that the Group could realize or settle in EUR the reported values of these assets and liabilities. Likewise, it does not necessarily mean that the Group could return or distribute the reported EUR value retained earnings to its shareholders. For the purposes of presenting financial information in EUR, assets and liabilities of the Ukrainian subsidiaries and associate are translated from UAH to EUR using the closing rates at each reporting date, and income and expenses, and cash flows are translated at the rates ruling at transactions date.

On 07 February 2014 the National Bank of Ukraine (NBU) changed an exchange-rate regime from fixed to floating. Therefore starting from 07 February 2014 the Group applies the NBU exchange rates instead of interbank exchange rates. The resulting translation differences are recognized in other comprehensive income presented in EUR.

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



Currency	Average reporting period rate		Reporting date rate	
	2014	2013	2014	2013
EUR	12.15	10.75	15.07	10.47
USD	8.86	8.13	10.96	8.15

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its annual financial statements for the year ended 31 December 2013 except for the adoption of new Standards and Interpretations noted below.

#### **New and amended standards and interpretations not yet adopted**

##### *IFRS 9 Financial Instruments: Classification and Measurement*

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected in 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture. Effective date of IFRS 9 is tentatively decided to be 1 January 2018.

##### *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*

These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

##### *IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32*

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group.

##### *IFRIC Interpretation 21 Levies (IFRIC 21)*

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Group is currently assessing the impact of IFRIC 21 on the financial statements.

##### *IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39*

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group does not expect that this amendment will have material financial impact in future financial statements.

#### 4 BUSINESS COMBINATIONS AND DISPOSAL OF JOINT OPERATIONS

##### Acquisition of new entities

During three months ended 31 March 2014, the Group didn't make any acquisition of new companies

During three months ended 31 March 2013, the Group completed acquisition of LLC "Podilskiy Krai" which is non-listed agricultural company located in Ukraine with the purpose to expand the agricultural land leases bank. Share of the Group as at the date of acquisition (01.01.13) was 50,30 %

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

##### Recognised fair value at acquisition

	<i>(in thousands of Ukrainian hryvnias)</i>	<i>(in thousands of Euros)</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Non-current assets</b>		
Property, plant and equipment	113	11
Construction in progress	4	-
<b>Current assets</b>		
Trade accounts receivable	4,354	408
Other accounts receivable and prepayments	1,348	126
Cash and cash equivalents	32	3
<b>Non-current liabilities</b>		
Non-controlling interest	1,042	98
<b>Current liabilities</b>		
Trade accounts payable	(7,906)	(740)
Other liabilities and accounts payable	(42)	(4)
<b>Net identifiable assets, liabilities and contingent liabilities</b>	<b>(1,055)</b>	<b>(98)</b>
Goodwill	(1,951)	(183)
Consideration paid	(896)	(84)
Cash acquired	32	3
<b>Net cash outflow</b>	<b>(864)</b>	<b>(81)</b>

For the business combinations in 2013 there are no significant differences between fair value and carrying value of acquired assets and liabilities. Non-controlling interest is measured as the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

For acquisitions made during the three months ended 31 March 2013, it is not practicable to determine what would be the total revenue and net profit for the three ended 31 March 2013 had the acquisitions occurred on 1 January in accordance with IFRS because the acquired companies' financial statements were prepared in accordance with Ukrainian National Accounting Standards, which are different from IFRSs.

The excess of net assets acquired over the consideration paid is recognized in the income statement as a gain on acquisition of subsidiaries. This gain arises because the fair value of the acquired non-monetary assets exceeds the amount paid for the subsidiaries. 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.

## Disposal of joint operations

As at 31 December 2013 the Group had an 80% interest in SC “Agricultural company named after Ivanenko”. The arrangement was accounted as a joint operation because it was not a separate legal entity and according to the written agreement decisions about relevant activity required the unanimous consent of both operators.

In January 2014 the joint operation “Agricultural company named after Ivanenko” was terminated by the unanimous decision of both operators.

## 5 BIOLOGICAL ASSETS

As at 31 March biological assets comprise the following groups:

<i>(in thousands of Ukrainian hryvnias)</i>	31 March 2014		31 December 2013		31 March 2013	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
<b>Non-current biological assets:</b>						
Cattle	15,154	324,368	14,990	294,489	14,741	317,679
Other livestock		2,464		2,407		3,401
		326,832		296,896		321,080
<b>Current biological assets:</b>						
Cattle	15,024	231,134	15,130	219,241	14,366	243,268
Other livestock		4,405		4,810		6,319
		235,539		224,051		249,587
<b>Crops:</b>	<b>Hectares</b>		<b>Hectares</b>		<b>Hectares</b>	
Sugar beet	39,200	799,013	-	-	-	-
Winter wheat	39,956	401,651	39,126	328,918	48,709	560,088
Sunflower	4,358	35,101	-	-	-	-
Barley	4,014	16,433	-	-	-	-
Winter rye	1,541	4,872	1,449	2,583	2,044	10,749
	89,069	1,257,070	40,575	331,501	50,753	570,837
		1,492,609		555,552		820,424
<b>Total biological assets</b>		<b>1,819,441</b>		<b>852,448</b>		<b>1,141,504</b>

(in thousands of Euros)	31 March 2014		31 December 2013		31 March 2013	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
<b>Non-current biological assets:</b>						
Cattle	15,154	21,521	14,990	25,720	14,741	30,342
Other livestock		163		210		325
		21,684		25,930		30,667
<b>Current biological assets:</b>						
Cattle	15,024	15,334	15,130	19,148	14,366	23,234
Other livestock		294		419		604
		15,628		19,567		23,838
<b>Crops:</b>	<b>Hectares</b>		<b>Hectares</b>		<b>Hectares</b>	
Sugar beet	39,200	53,012	-	-	-	-
Winter wheat	39,956	26,648	39,126	28,726	48,709	53,495
Sunflower	4,358	2,329	-	-	-	-
Barley	4,014	1,090	-	-	-	-
Winter rye	1,541	323	1,449	226	2,044	1,027
	89,069	83,402	40,575	28,952	50,753	54,522
		99,030		48,519		78,360
<b>Total biological assets</b>		<b>120,714</b>		<b>74,449</b>		<b>109,027</b>

**6 INVENTORIES**

Inventories as at 31 March are as follows:

(in thousands of Ukrainian hryvnias)	31 March 2014	31 December 2013	31 March 2013
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	682,655	1,049,572	1,078,731
Agricultural produce	481,652	781,256	371,829
Soybean processing products	58,744	-	-
Cattle farming	1,425	1,133	859
Other production	6,115	5,596	6,437
Raw materials and consumables for:			
Sugar production	48,442	20,390	69,550
Agricultural produce	202,860	98,041	198,562
Cattle farming	57,425	90,701	60,526
Other production	2,332	2,586	1,570
Investments into future crops	537,990	952,566	634,349
	<b>2,079,640</b>	<b>3,001,841</b>	<b>2,422,413</b>

(in thousands of Euros)	31 March 2014	31 December 2013	31 March 2013
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	45,292	91,666	103,030
Agricultural produce	31,956	68,232	35,514
Soybean processing products	3,897	-	-
Cattle farming	95	99	82
Other production	406	489	615
Raw materials and consumables for:			
Sugar production	3,214	1,781	6,643
Agricultural produce	13,459	8,563	18,965
Cattle farming	3,810	7,921	5,781
Other production	154	226	150
Investments into future crops	35,694	83,193	60,587
	<b>137,977</b>	<b>262,170</b>	<b>231,367</b>

## 7 REVENUES

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

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>
Sugar and related sales:				
Sugar	<b>530,585</b>	328,631	<b>43,678</b>	30,580
Molasses	<b>5,469</b>	9,599	<b>450</b>	893
Pulp	<b>8,007</b>	23,408	<b>659</b>	2,178
Other sugar related products and services	<b>2,826</b>	22,125	<b>233</b>	2,058
	<b>546,887</b>	383,763	<b>45,020</b>	35,709
Crops	<b>266,282</b>	376,145	<b>21,920</b>	35,001
Cattle farming	<b>130,420</b>	103,303	<b>10,736</b>	9,613
Soybean processing products	<b>120,515</b>	-	<b>9,921</b>	-
Other sales	<b>22,370</b>	31,873	<b>1,842</b>	2,966
	<b>539,587</b>	511,321	<b>44,419</b>	47,580
	<b>1,086,474</b>	895,084	<b>89,439</b>	83,289

During the three months ended 31 March 2014 and 2013 there were no sales settled through barter transactions.

## 8 OTHER OPERATING INCOME

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

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>
Government subsidies relating to:				
Cattle farming	<b>5,531</b>	5,206	<b>455</b>	484
Recovery of assets previously written off	<b>1,338</b>	635	<b>110</b>	59
Other operating income	<b>510</b>	113	<b>42</b>	11
	<b>7,379</b>	5,954	<b>607</b>	554

## 9 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three months ended 31 March are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>
Salary and related charges	51,492	28,884	4,239	2,687
Professional services	9,403	3,159	774	294
Depreciation	2,965	2,670	244	248
Taxes other than corporate income tax	2,594	2,113	214	197
Fuel and other materials	1,937	1,061	159	99
Office expenses	1,609	646	132	60
Bank charges	926	581	76	54
Maintenance	759	468	62	44
Rent	664	1,537	55	143
Communication	607	690	50	64
Insurance	422	240	35	22
Transportation	22	129	2	12
Other	3,140	1,717	259	160
	<b>76,540</b>	<b>43,895</b>	<b>6,301</b>	<b>4,084</b>

## 10 SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the three months ended 31 March are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>
Transportation	32,471	14,444	2,673	1,344
Salary and related charges	9,032	6,765	743	629
Storage and logistics	3,802	5,788	313	539
Fuel and other materials	3,575	1,860	294	173
Professional services	2,346	2,622	193	244
Depreciation	1,630	1,211	134	113
Commissions	163	368	13	34
Advertising	79	-	7	-
Customs duties and services	46	82	4	8
Allowance for trade accounts receivable	(1,020)	(3,209)	(84)	(299)
Other	3,846	3,820	317	355
	<b>55,970</b>	<b>33,751</b>	<b>4,607</b>	<b>3,140</b>

**11 OTHER OPERATING EXPENSES**

Other operating expenses for the three months ended 31 March are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>
Fixed assets written off	4,432	-	365	-
VAT written off	3,171	2,149	261	200
Charity and social expenses	2,760	3,546	228	331
Other salary and related charges	1,669	952	138	89
Depreciation	838	521	69	49
Write down of inventories	773	244	64	23
Penalties paid	443	501	37	47
Representative expenses	162	146	13	14
Loss (gain) on sales of property, plant and equipment	111	(1,067)	9	(99)
Canteen expenses	77	16	6	1
Allowance for other accounts receivable	(168)	30	(14)	3
Other	1,861	422	154	38
	<b>16,129</b>	<b>7,460</b>	<b>1,330</b>	<b>696</b>

**12 FINANCE (COSTS) INCOME**

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

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2014</b> <b>(unaudited)</b>	<b>2013</b> <b>(unaudited)</b>
<b>Finance costs</b>				
Foreign currency exchange loss, net	(850,083)	(8,808)	(69,979)	(820)
Interest expense	(58,916)	(54,958)	(4,850)	(5,115)
Consideration to shareholders for pledged shares	-	(5,197)	-	(484)
Other finance costs	(2,709)	(1,456)	(223)	(133)
	<b>(911,708)</b>	<b>(70,419)</b>	<b>(75,052)</b>	<b>(6,552)</b>
<b>Finance income</b>				
Net profit attributable to non-controlling interests of limited liability company subsidiaries	6,309	5,896	519	549
Interest income	1,902	5,543	157	515
Other finance income	229	-	19	-
	<b>8,440</b>	<b>11,439</b>	<b>695</b>	<b>1,064</b>



### 13 RELATED PARTY TRANSACTIONS

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

The following table provides the total amount of transactions that have been entered into with related parties for the three months ended 31 March 2014 as well as balances with related parties as of 31 March 2014:

<i>(in thousands of Ukrainian hryvnias )</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	23	617	9,544	146
Associate	-	-	958	171
	23	617	10,502	317

<i>(in thousands of Euros)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	2	51	633	10
Associate	-	-	64	11
	2	51	697	21

The following table provides the total amount of transactions that have been entered into with related parties for the three months ended 31 March 2013 as well as balances with related parties as of 31 March 2013:

<i>(in thousands of Ukrainian hryvnias )</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	11	210	4,827	55
Joint venture	10,664	2,956	17,996	4,200
Associate	-	-	932	171
	10,675	3,166	23,755	4,426

<i>(in thousands of Euros)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	1	20	461	5
Joint venture	992	275	1,719	401
Associate	-	-	89	16
	993	295	2,269	422

#### 14 EVENTS SUBSEQUENT TO THE REPORTING DATE

From 1 April 2014 to 8 May 2014, the Ukrainian Hryvnia devaluated by 5% compared to Euro. The Group has assets and liabilities denominated in USD and EUR, which when translated at the current spot rates would lead to a net forex loss. A devaluation of 1% of the UAH results in forex loss of UAH 24,293 thousand (EUR 2,122 thousand).

08 May 2014,

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)