

# INTERIM REPORT FOR THE THREE MONTHS

ENDED MARCH 31, 2015



Astarta Holding N.V.

## Overview of the Reporting Period

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The beginning of 2015 was marked by strong challenges for Ukraine: the ongoing military conflict in the east, depreciation of the national currency, accelerating inflation and decline in industrial production. All this heavily impacted the Ukraine's economy. At the same time, help came in the form of a \$17.5 billion loan from the International Monetary Fund's Extended Facility, the adoption of bilateral assistance packages as well as diplomatic efforts to settle the conflict in the Donbas. The ongoing changes in the country are part of much-needed reforms, which, we believe, will eventually contribute to the recovery of the economy and regaining trust of international investors.

In this environment management concentrated its efforts on the improvement of operating efficiency, the diversification of markets, cost optimization and securing the high sustainability of the business. The company proved its traditionally high reputation as a reliable borrower, partner, taxpayer and employer. Despite volatile macroeconomics and challenging markets, the company managed to increase operational income, EBITDA index, and further reduced its net debt position. Devaluation of the hryvnia improved competitiveness of our production on the global markers. Exports' share in total sales comprised 27%. At the same time, losses from revaluation of hard currency debt hurt the bottom line, pushing it into the red.

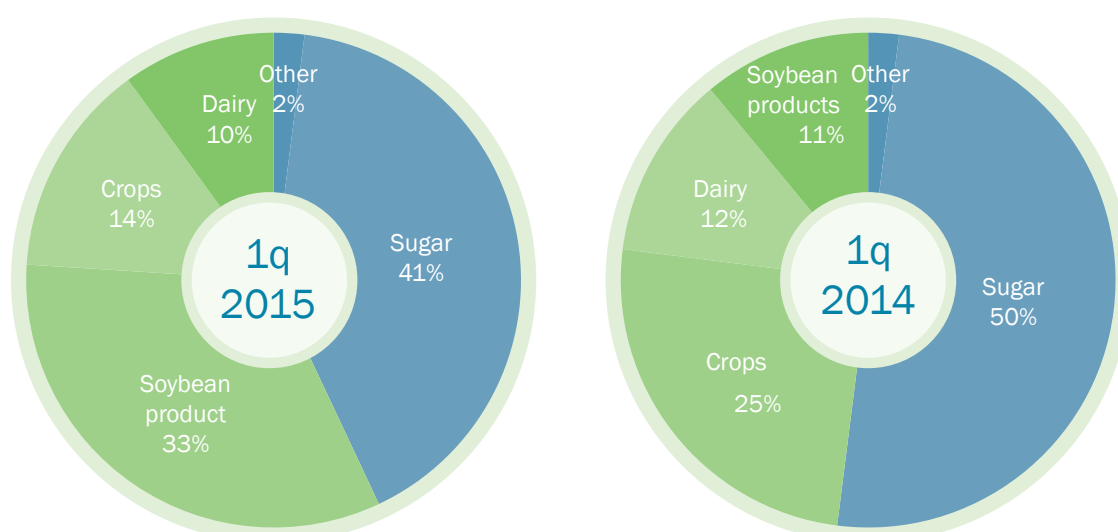
In the recently started production season, favorable weather conditions provided for an early start to spring field operations. As at the date of this report's publication, Astarta successfully completed the spring sowing campaign and feeding of winter crops. Astarta's subsidiaries were fully and timely provided with necessary materials and technical resources. Good organization and focused investments in agri-equipment allowed completing this campaign in the record-short terms.

Looking forward, we do not expect improvements in Ukraine's economy to come fast. Macroeconomic conditions are weak and markets are volatile. There are some positive indicators in both local and international sugar markets which might help price recovery. However, time and a few triggers are needed for them to grow into clear trends. Nevertheless, the challenges we face do stimulate the necessary transformations of our company, support the emphasis on improved effectiveness and are crucial for the further development. In the mid- and longer term, we see solid growth potential in our key businesses with a focus on synergy and diversification.

## Key financials

- Consolidated revenues corrected 30% to EUR 56 million due to a heavy UAH devaluation. Cost of revenues dropped impressive 48%
- Gross profit increased 18% to EUR 44 million
- Operating profit was up 15% to EUR 36 million
- EBITDA grew 7% to EUR 42 million
- Losses on IFRS translation difference of foreign currency denominated debt were EUR 59 million
- Net losses amounted to EUR 29 million
- Net debt declined 10% y-o-y to EUR 211 million. Net Debt to EBITDA (LTM) ratio was of 1.72x.
- 27% of produce in volume terms were exported
- Better diversification was attained as sugar segment contribution was 41% and the soybean products segment grew to 33%.

### Breakdown of consolidated revenues



Source: Astarta

## Selected Financial Data

(in thousands of EUR)	1Q 2015	1Q 2014
Revenues	56 407	80 086
Gross profit	43 944	37 353
Gross profit margin	78%	47%
EBIT	36 257	31 474
EBIT margin	64%	39%
EBITDA	41 879	39 018
EBITDA margin	74%	49%
Foreign currency translation loss, net	(59 012)	(69 979)
Net profit (loss)	(28 890)	(42 865)
Net profit (loss) margin	-51%	-54%
Cash flows provided by operating activities	22 755	24 925
Cash flows used in investing activities	6 355	(2 053)
Cash flows provided by financing activities	(11 634)	(18 845)

## Selected Financial Ratios

	1Q 2015	1Q 2014
NET DEBT	210 708	233 426
EBITDA (LTM)	122 430	80 845
NET DEBT/EBITDA (LTM)	1,72	2,89
DEBT/EQUITY	1,72	1,00
CURRENT RATIO	1,40	1,73
QUICK RATIO	0,32	0,27

EBITDA  
NET DEBT  
CURRENT  
RATIO QUICK  
RATIO

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

## Sugar segment

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Yaresky sugar plant

The sugar segment contributed 41% to the total revenues. Segment sales declined by 41% to 23 EUR million, due significant devaluation of the national currency and predominantly local sugar contracts. The sales volumes of sugar amounted to 59 thousand tonnes (-18% y-o-y). Almost 5 thousand tonnes of sugar (7% of total) were exported. Most of molasses and granulated pulp were exported; by-products contributed about 11% of revenues of the segment.

On the country's level, significant devaluation of the Ukrainian hryvnia and excessive inventories of local sugar producers stimulated exports of sugar. Altogether, Ukraine exported more than 38 thousand tonnes of white sugar (compared to 0.1 thousand tonnes a year ago). Key export destinations include Kirghizia, Moldova, Georgia and Middle East.

## Soybean segment

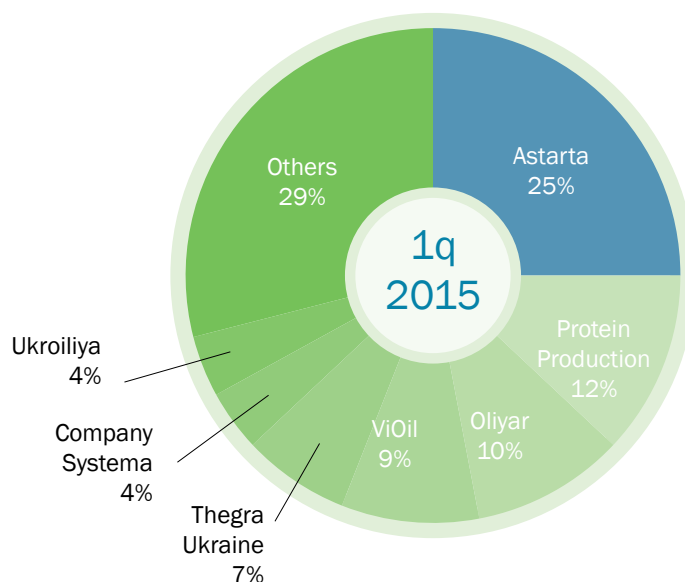


Globyno soybean fields

The soybean processing segment generated a record 33% of ASTARTA’s revenues (22 pp. growth) and 23% of total export sales in volume terms. The segment’s revenues were EUR 19 million or 90% higher y-o-y.

During the first three months of 2015, the soybean processing plant increased processing volumes by 34% to 61 thousand tonnes, a 25% share of total soybean processing in the country, securing ASTARTA the leading position among soybean processors in Ukraine. In the reporting period the company sold over 57 thousand tonnes of soybean products (+107% y-o-y).

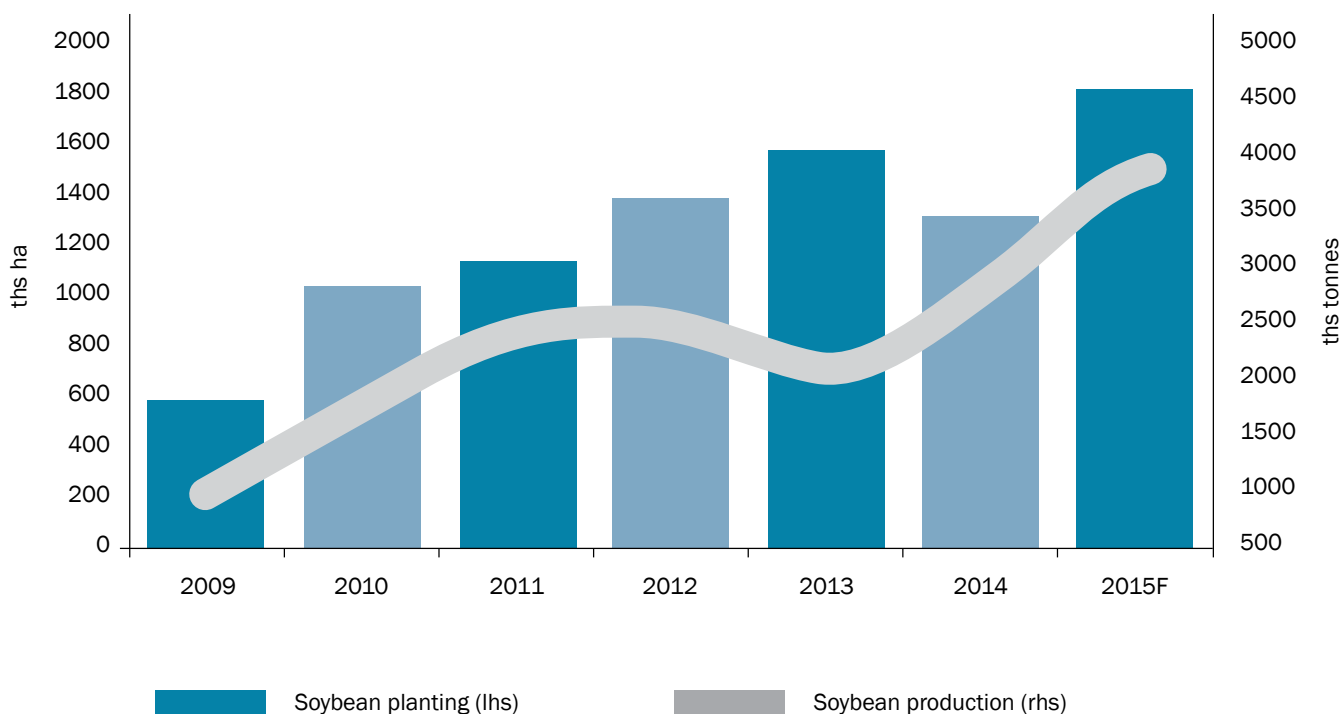
### Key processors of soybeans in Ukraine in first quarter of 2015



Source: Agrochart

Due to the relatively high profitability of soybean production, plantations of this crop in Ukraine are growing pretty fast compared to other crops and are stimulated by increasing international and local demand. In 2014, Ukraine produced record 3.7 million tonnes of soybeans, and in 2015 the harvest is expected to be higher by 15-20%. This represents a supportive environment for raw materials' sourcing for Astarta's soybean crushing segment, reinforcing its strength in vertical integration (over 50% of soybeans processed are delivered from the company's own farms).

### Soybean plantations and production in Ukraine



Source: AgroChart, APK inform, Ukrstat

## Agriculture segment

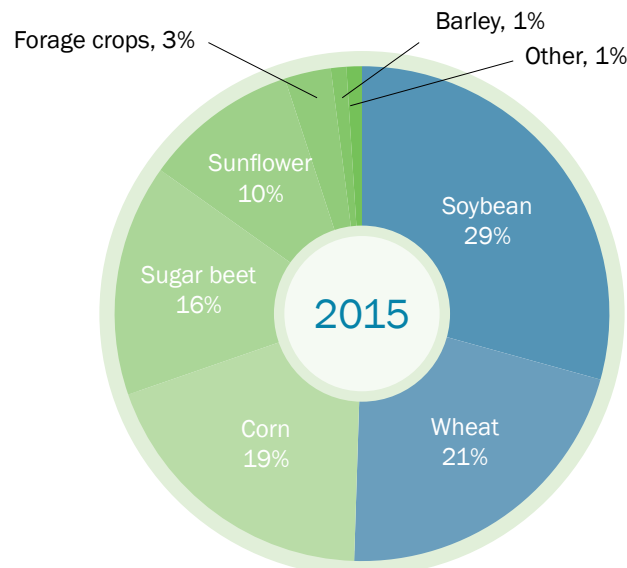


Fields under winter crops at Volochysk-Agro

The agriculture segment generated 14% of total sales. The segments' revenues declined by 61% to EUR 8 million mostly as result of decreased volumes of sales. Total segment's volumes of sales amounted 58 thousand tonnes (-61% y-o-y from 153 thousand tonnes). Remarkably, export sales reached over 90% of the total segment sales in volume terms.

By the beginning of May, ASTARTA successfully completed spring sowing campaign. Traditionally the main crops in the rotation structure are: soybean, sugar beet, corn and wheat.

### ASTARTA's crop rotation for 2015



Source: ASTARTA



On operational side, in this season ASTARTA's subsidiaries, for the first time, used sugar beet seeders with electrical drive providing for potential increase in future yields. Additionally, pursuing increase in efficiency, ASTARTA further introduces "precision agriculture" and "big data integration".

In the reporting period international grain prices were under pressure sliding y-o-y by 15 to 30% depending on the crop. The downward price dynamics was attributed to bearish market fundamentals, with nearby availabilities more than sufficient to meet current demand. Further market development in agri- and soft commodities is to be seen, as the evolving global economic environment and supply projections remain volatile.

## Dairy segment

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Dovzhenko dairy complex

The dairy segment remained the complimentary contributor to consolidated revenues with 10%. The segments sales declined 36% to EUR 6 million as a result of continued depreciation of the local currency and depressed dairy markets locally and worldwide.

Milk production increased to 26 thousand tonnes (9% y-o-y) stimulated by improved productivity of cows. Milk sales amounted 25 thousand tonnes (+9% y-o-y), and the sale price dropped in EUR terms about 45%.

The overall production of milk in Ukraine in the reporting period declined by almost 4% y-o-y, followed by a 9% reduction in number of dairy headcount. At the same time, exports of dairy products from Ukraine to countries other than Russia rose significantly as local producers were actively searching for new markets and benefiting from a weak local currency.

## Statement of the Board of Directors on compliance of the condensed consolidated interim financial statements

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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 2015 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 2015 gives a true view of the developments, achievements and situation of the Company.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk (signed)

V. Gladky (signed)

M.M.L.J. van Campen (signed)

V. Korotkov (signed)

W.T. Bartoszewski (signed)

12 May 2015,

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.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 March 2015**

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	31 March 2015 (unaudited)	31 December 2014 (audited)	31 March 2014 (unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		4,185,638	4,270,821	3,379,278
Intangible assets		72,098	53,841	62,402
Biological assets	5	545,305	584,647	562,371
Value added tax		236,882	236,775	158,083
Financial instruments available-for-sale		-	-	5,296
Long-term receivables		751	751	762
		<b>5,040,674</b>	<b>5,146,835</b>	<b>4,168,192</b>
<b>Current assets</b>				
Inventories	6	3,162,748	3,024,917	1,907,134
Biological assets	5	1,327,448	515,695	1,257,070
Trade accounts receivable		157,013	252,351	271,105
Other accounts receivable and prepayments		276,554	130,566	237,148
Current income tax		2,941	1,469	1,553
Short-term cash deposits		406,612	423,575	43,348
Cash and cash equivalents		516,746	246,861	74,658
		<b>5,850,062</b>	<b>4,595,434</b>	<b>3,792,016</b>
<b>Total assets</b>		<b>10,890,736</b>	<b>9,742,269</b>	<b>7,960,208</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		1,602,423	2,186,139	2,550,667
Revaluation surplus		1,406,487	1,509,964	798,081
Treasury shares		(34,698)	(34,698)	(15,670)
Currency translation reserve		318,382	202,531	88,722
<b>Total equity attributable to equity holders of the parent company</b>		<b>3,664,055</b>	<b>4,235,397</b>	<b>3,793,261</b>
Non-controlling interests in joint stock companies		559	619	635
<b>Total equity</b>		<b>3,664,614</b>	<b>4,236,016</b>	<b>3,793,896</b>
<b>Non-current liabilities</b>				
Loans and borrowings		2,770,451	2,047,278	1,616,352
Non-controlling interests in limited liability companies		120,411	112,073	82,448
Accounts payable for property, plant and equipment		13,227	9,031	17,827
Deferred tax liabilities		184,595	213,360	109,472
		<b>3,088,684</b>	<b>2,381,742</b>	<b>1,826,099</b>
<b>Current liabilities</b>				
Loans and borrowings		2,284,988	1,958,745	1,544,912
Current portion of long-term loans and borrowings		1,230,278	828,481	475,034
Trade accounts payable		341,194	95,609	112,715
Current income tax		1	9,112	572
Other liabilities and accounts payable		280,977	232,564	206,980
		<b>4,137,438</b>	<b>3,124,511</b>	<b>2,340,213</b>
<b>Total equity and liabilities</b>		<b>10,890,736</b>	<b>9,742,269</b>	<b>7,960,208</b>

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

<i>(in thousands of Euros)</i>	Notes	31 March 2015 (unaudited)	31 December 2014 (audited)	31 March 2014 (unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		164,470	222,058	224,202
Intangible assets		2,833	2,800	4,140
Biological assets	5	21,428	30,397	37,312
Value added tax		9,309	12,312	10,489
Financial instruments available-for-sale		-	-	351
Long-term receivables		30	39	51
		<b>198,070</b>	<b>267,606</b>	<b>276,545</b>
<b>Current assets</b>				
Inventories	6	124,277	157,277	126,531
Biological assets	5	52,160	26,813	83,402
Trade accounts receivable		6,170	13,121	17,987
Other accounts receivable and prepayments		10,867	6,789	15,734
Current income tax		116	76	103
Short-term cash deposits		15,977	22,023	2,876
Cash and cash equivalents		20,305	12,835	4,953
		<b>229,872</b>	<b>238,934</b>	<b>251,586</b>
<b>Total assets</b>		<b>427,942</b>	<b>506,540</b>	<b>528,131</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		209,640	234,461	274,115
Revaluation surplus		111,009	115,075	77,542
Treasury shares		(2,280)	(2,280)	(1,107)
Currency translation reserve		(230,280)	(182,930)	(154,769)
<b>Total equity attributable to equity holders of the parent company</b>		<b>143,977</b>	<b>220,214</b>	<b>251,669</b>
Non-controlling interests in joint stock companies		22	32	42
<b>Total equity</b>		<b>143,999</b>	<b>220,246</b>	<b>251,711</b>
<b>Non-current liabilities</b>				
Loans and borrowings		108,862	106,447	107,239
Non-controlling interests in limited liability companies		4,731	5,827	5,470
Accounts payable for property, plant and equipment		520	470	1,183
Deferred tax liabilities		7,254	11,094	7,264
		<b>121,367</b>	<b>123,838</b>	<b>121,156</b>
<b>Current liabilities</b>				
Loans and borrowings		89,786	101,843	102,499
Current portion of long-term loans and borrowings		48,342	43,076	31,517
Trade accounts payable		13,407	4,971	7,478
Current income tax		-	474	38
Other liabilities and accounts payable		11,041	12,092	13,732
		<b>162,576</b>	<b>162,456</b>	<b>155,264</b>
<b>Total equity and liabilities</b>		<b>427,942</b>	<b>506,540</b>	<b>528,131</b>

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.

**CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015**

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2015 <b>(unaudited)</b>	2014 <b>(unaudited)</b>
<b>Revenues</b>	7	<b>1,341,895</b>	972,859
Cost of revenues		<b>(770,200)</b>	(760,650)
Changes in fair value of biological assets and agricultural produce		<b>473,721</b>	241,549
<b>Gross profit</b>		<b>1,045,416</b>	453,758
Other operating income	8	<b>10,854</b>	77,251
General and administrative expense	9	<b>(112,093)</b>	(76,540)
Selling and distribution expense	10	<b>(70,799)</b>	(55,970)
Other operating expense	11	<b>(10,831)</b>	(16,129)
<b>Profit from operations</b>		<b>862,547</b>	382,370
Finance costs	12	<b>(1,584,973)</b>	(911,708)
Finance income	12	<b>12,361</b>	7,401
Other (expense) income		<b>(3,860)</b>	1,571
<b>Profit before tax</b>		<b>(713,925)</b>	(520,366)
Income tax benefit (expense)		<b>26,672</b>	(304)
<b>Net profit (loss)</b>		<b>(687,253)</b>	(520,670)
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		<b>(60)</b>	(26)
Equity holders of the parent company		<b>(687,193)</b>	(520,644)
Weighted average basic and diluted shares outstanding (in thousands of shares)		<b>24,850</b>	24,977
Basic and diluted loss per share attributable to shareholders of the company (in Ukrainian hryvnias)		<b>(27,65)</b>	(20,85)

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.



**CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015**

<i>(in thousands of Euros)</i>	<i>Notes</i>	<b>2015</b>	<b>2014</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenues</b>	7	<b>56,407</b>	80,086
Cost of revenues		<b>(32,376)</b>	(62,617)
Changes in fair value of biological assets and agricultural produce		<b>19,913</b>	19,884
<b>Gross profit</b>		<b>43,944</b>	37,353
Other operating income	8	<b>456</b>	6,359
General and administrative expense	9	<b>(4,712)</b>	(6,301)
Selling and distribution expense	10	<b>(2,976)</b>	(4,607)
Other operating expense	11	<b>(455)</b>	(1,330)
<b>Profit from operations</b>		<b>36,257</b>	31,474
Finance costs	12	<b>(66,626)</b>	(75,052)
Finance income	12	<b>520</b>	609
Other (expense) income		<b>(162)</b>	129
<b>Profit before tax</b>		<b>(30,011)</b>	(42,840)
Income tax benefit (expense)		<b>1,121</b>	(25)
<b>Net profit (loss)</b>		<b>(28,890)</b>	(42,865)
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		<b>(3)</b>	(2)
Equity holders of the parent company		<b>(28,887)</b>	(42,863)
Weighted average basic and diluted shares outstanding (in thousands of shares)		<b>24,850</b>	24,977
Basic and diluted loss per share attributable to shareholders of the company (in Euros)		<b>(1,16)</b>	(1,72)

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 MARCH 2015**

<i>(in thousands of Ukrainian hryvnias)</i>	<b>2015</b>	<b>2014</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Profit for the year</b>	<b>(687,253)</b>	<b>(520,670)</b>
<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	<b>109,920</b>	89,575
Income tax effect	-	-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>109,920</b>	<b>89,575</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		
Exchange difference on transactions of foreign operations (the parent company)	<b>5,931</b>	(4,283)
Income tax effect	-	-
	<b>5,931</b>	(4,283)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>5,931</b>	<b>(4,283)</b>
<b>Total comprehensive income</b>	<b>(571,402)</b>	<b>(435,378)</b>
<b>Attributable to:</b>		
Non-controlling interests in joint stock companies	<b>(60)</b>	(26)
Equity holders of the parent	<b>(571,342)</b>	(435,352)
<b>Total comprehensive income as at 31 December</b>	<b>(571,402)</b>	<b>(435,378)</b>

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

<i>(in thousands of Euros)</i>	2015 <b>(unaudited)</b>	2014 <b>(unaudited)</b>
<b>Profit for the year</b>	<b>(28,889)</b>	<b>(42,865)</b>
<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	<b>(47,358)</b>	(93,375)
Income tax effect	-	-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>(47,358)</b>	<b>(93,375)</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		
Exchange difference on transactions of foreign operations (the parent company)	-	-
Income tax effect	-	-
	-	-
<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 (loss)</b>	<b>(76,247)</b>	<b>(136,240)</b>
<b>Attributable to:</b>		
Non-controlling interests in joint stock companies	<b>(10)</b>	(15)
Equity holders of the parent	<b>(76,237)</b>	(136,225)
<b>Total comprehensive income (loss) as at 31 December</b>	<b>(76,247)</b>	<b>(136,240)</b>

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2015 (unaudited)	2014 (unaudited)
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>(713,925)</b>	<b>(520,366)</b>
<i>Adjustments for:</i>			
Depreciation and amortization		<b>133,738</b>	91,648
Allowance for impairment (recovery) of trade and other accounts receivable		<b>(3,769)</b>	(1,188)
Loss on disposal of property, plant and equipment	11	<b>98</b>	111
Write down of inventories	11	<b>1,582</b>	773
Finance income	12	<b>(12,361)</b>	(2,131)
Interest expense	12	<b>154,144</b>	58,916
Other finance costs		<b>3,023</b>	2,709
Changes in fair value of biological assets and agricultural produce		<b>(473,721)</b>	(241,549)
Recovery of assets previously written off	8	<b>(2,247)</b>	(1,338)
Non-controlling interests in limited liability companies	12	<b>8,336</b>	(5,270)
Foreign exchange loss on loans and borrowings, deposits		<b>1,612,165</b>	767,927
<i>Working capital adjustments:</i>			
Decrease (increase) in inventories		<b>(131,464)</b>	908,670
Decrease in trade and other receivables		<b>(72,598)</b>	10,179
Increase in biological assets due to other changes		<b>(298,690)</b>	(725,444)
Increase (decrease) in trade and other payables		<b>350,435</b>	(34,957)
Income taxes paid		<b>(13,386)</b>	(5,887)
<b>Cash flows provided by operating activities</b>		<b>541,360</b>	<b>302,803</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		<b>(51,333)</b>	(36,362)
Proceeds from disposal of property, plant and equipment		<b>5,139</b>	175
Sale (purchase) of financial investments		-	2,650
Interest received	12	<b>12,338</b>	1,902
Acquisition of subsidiaries net of cash acquired	4	<b>(11,533)</b>	-
Cash deposits placement		<b>(17,517)</b>	(2,314)
Cash deposits withdrawal		<b>202,531</b>	9,012
<b>Cash flows provided by (used in) investing activities</b>		<b>139,625</b>	<b>(24,937)</b>
<b>Financing activities</b>			
Proceeds from loans and borrowings		<b>554,492</b>	526,260
Repayment of loans and borrowings		<b>(674,836)</b>	(682,354)
Purchase of treasury shares		-	(13,074)
Interest paid		<b>(156,425)</b>	(59,761)
<b>Cash flows used in financing activities</b>		<b>(276,769)</b>	<b>(228,929)</b>
Net increase in cash and cash equivalents		<b>404,216</b>	48,937
Cash and cash equivalents as at 1 January		<b>246,861</b>	29,472
Currency translation difference		<b>(134,331)</b>	(3,751)
<b>Cash and cash equivalents as at 31 December</b>		<b>516,746</b>	<b>74,658</b>

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

<i>(in thousands of Euros)</i>	<i>Notes</i>	<b>2015</b>	<b>2014</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>(30,011)</b>	<b>(42,840)</b>
<i>Adjustments for:</i>			
Depreciation and amortization		<b>5,622</b>	7,544
Allowance for impairment (recovery) of trade and other accounts receivable		<b>(158)</b>	(98)
Loss on disposal of property, plant and equipment	11	<b>4</b>	9
Write down of inventories	11	<b>66</b>	64
Finance income	12	<b>(520)</b>	(175)
Interest expense	12	<b>6,480</b>	4,850
Other finance costs		<b>127</b>	223
Changes in fair value of biological assets and agricultural produce		<b>(19,913)</b>	(19,884)
Recovery of assets previously written off	8	<b>(94)</b>	(110)
Non-controlling interests in limited liability companies	12	<b>350</b>	(434)
Foreign exchange loss on loans and borrowings, deposits		<b>67,768</b>	63,216
<i>Working capital adjustments:</i>			
Decrease (increase) in inventories		<b>(5,526)</b>	74,802
Decrease in trade and other receivables		<b>(3,052)</b>	838
Increase in biological assets due to other changes		<b>(12,556)</b>	(59,719)
Increase (decrease) in trade and other payables		<b>14,731</b>	(2,877)
Income taxes paid		<b>(563)</b>	(484)
<b>Cash flows provided by operating activities</b>		<b>22,755</b>	<b>24,925</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		<b>(1,673)</b>	(2,993)
Proceeds from disposal of property, plant and equipment		<b>216</b>	14
Sale (purchase) of financial investments		<b>-</b>	218
Interest received	12	<b>519</b>	157
Acquisition of subsidiaries net of cash acquired	4	<b>(485)</b>	-
Cash deposits placement		<b>(736)</b>	(190)
Cash deposits withdrawal		<b>8,514</b>	741
<b>Cash flows provided by (used in) investing activities</b>		<b>6,355</b>	<b>(2,053)</b>
<b>Financing activities</b>			
Proceeds from loans and borrowings		<b>23,308</b>	43,322
Repayment of loans and borrowings		<b>(28,367)</b>	(56,171)
Purchase of treasury shares		<b>-</b>	(1,076)
Interest paid		<b>(6,575)</b>	(4,920)
<b>Cash flows used in financing activities</b>		<b>(11,634)</b>	<b>(18,845)</b>
Net increase in cash and cash equivalents		<b>17,476</b>	4,027
Cash and cash equivalents as at 1 January		<b>12,835</b>	2,574
Currency translation difference		<b>(10,006)</b>	(1,648)
<b>Cash and cash equivalents as at 31 December</b>		<b>20,305</b>	<b>4,953</b>

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

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 2015</b>	<b>1,663</b>	<b>369,798</b>	<b>2,186,139</b>	<b>1,509,964</b>	<b>(34,698)</b>	<b>202,531</b>	<b>4,235,397</b>	<b>619</b>	<b>4,236,016</b>
Net profit (loss)	-	-	(687,193)	-	-	-	(687,193)	(60)	(687,253)
Revaluation reserve, net of tax	-	-	-	-	-	-	-	-	-
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	-	-	-	-	-	-
Exchange difference on translation	-	-	-	-	-	115,851	115,851	-	115,851
Total other comprehensive income, net of tax	-	-	-	-	-	115,851	115,851	-	115,851
Total comprehensive loss	-	-	(687,193)	-	-	115,851	(571,342)	(60)	(571,402)
Acquisitions from non-controlling shareholders and other changes	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-
Realisation of revaluation surplus, net of tax	-	-	103,477	(103,477)	-	-	-	-	-
<b>As at 31 December 2015</b>	<b>1,663</b>	<b>369,798</b>	<b>1,602,423</b>	<b>1,406,487</b>	<b>(34,698)</b>	<b>318,382</b>	<b>3,664,055</b>	<b>559</b>	<b>3,664,614</b>

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

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 2015</b>	250	55,638	234,461	115,075	(2,280)	(182,930)	220,214	32	220,246
Net profit (loss)	-	-	(28,887)	-	-	-	(28,887)	(3)	(28,890)
Revaluation reserve, net of tax	-	-	-	-	-	-	-	-	-
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	-	-	-	-	-	-
Exchange difference on translation	-	-	-	-	-	(47,350)	(47,350)	(7)	(47,357)
Total other comprehensive income, net of tax	-	-	-	-	-	(47,350)	(47,350)	(7)	(47,357)
Total comprehensive loss	-	-	(28,887)	-	-	(47,350)	(76,237)	(10)	(76,247)
Acquisitions from non-controlling shareholders and other changes	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-	-
Realisation of revaluation surplus, net of tax	-	-	4,066	(4,066)	-	-	-	-	-
<b>As at 31 December 2015</b>	250	55,638	209,640	111,009	(2,280)	(230,280)	143,977	22	143,999

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.

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

<i>(in thousands of Ukrainian hryvnias)</i>	Attributable to equity holders of the parent company								
	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>3,026,875</b>	<b>842,517</b>	<b>(2,596)</b>	<b>3,430</b>	<b>4,241,687</b>	<b>585</b>	<b>4,242,272</b>
Net profit (loss)	-	-	(520,644)	-	-	-	(520,644)	(26)	(520,670)
Other comprehensive loss, net of tax	-	-	-	-	-	85,292	85,292	-	85,292
Total other comprehensive income, net of tax	-	-	-	-	-	85,292	85,292	-	85,292
Total comprehensive loss	-	-	(520,644)	-	-	85,292	(435,352)	(26)	(435,378)
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>2,550,667</b>	<b>798,081</b>	<b>(15,670)</b>	<b>88,722</b>	<b>3,793,261</b>	<b>559</b>	<b>3,793,820</b>

<i>(in thousands of Euros)</i>	Attributable to equity holders of the parent company								
	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)	-	-	(42,863)	-	-	-	(42,863)	(2)	(42,865)
Other comprehensive loss, net of tax	-	-	-	-	-	(93,363)	(93,363)	(7)	(93,370)
Total other comprehensive income, net of tax	-	-	-	-	-	(93,363)	(93,363)	(7)	(93,370)
Total comprehensive loss	-	-	(42,863)	-	-	(93,363)	(136,226)	(9)	(136,235)
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>274,115</b>	<b>77,542</b>	<b>(1,107)</b>	<b>(154,769)</b>	<b>251,669</b>	<b>42</b>	<b>251,711</b>

The notes on pages 25 to 37 are an integral part of these consolidated financial statements.



## 1 BACKGROUND

### 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, soy processing, 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.

#### (a) Ukrainian business environment

The Group conducts most of its operations in Ukraine. 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 significant imbalances in the public finance and foreign trade.

In 2014, Ukrainian political and economic situation deteriorated significantly. The annexation of the Autonomous Republic of Crimea by the Russian Federation, full-fledged armed confrontations in certain parts of the Donetsk and Lugansk regions and, ultimately, to the significant deterioration of the political and economic relations of Ukraine with the Russian Federation have contributed to the decline of key economic indices, increase of the state budget deficit, depletion of the NBU's foreign currency reserves and, as a result, further downgrading of the Ukrainian sovereign debt credit ratings.

From 1 January 2015 and up to 31 March 2015, the Ukrainian Hryvnia (the «UAH») depreciated against EURO by approximately 49% calculated based on the National Bank of Ukraine (the «NBU») exchange rate of UAH to US Dollar. The NBU imposed certain restrictions on purchase of foreign currencies, cross border settlements (including repayment of dividends), and also mandated obligatory conversion of foreign currency proceeds into UAH.

The known and estimable effects of the above events on the financial position and performance of the Group in the reporting period have been taken into account in preparing these consolidated financial statements.

The Government has committed to direct its policy towards the association with the European Union, to implement a set of reforms aiming at the removal of the existing imbalances in the economy, public finance and public governance, and the improvement of the investment climate.

Stabilisation of the Ukrainian economy in the foreseeable future depends on the success of the actions undertaken by the Government and securing continued financial support of Ukraine by international donors and international financial institutions.

Management is monitoring the developments in the current environment and taking actions, where appropriate, to minimize any negative effects to the extent possible. Further adverse developments in the political, macroeconomic and/or international trade conditions may further adversely affect the Group's financial position and performance 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 2015 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 2014 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 2015. 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.

As at 31 March 2015 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 2015 % of ownership	31 December 2014 % of ownership	31 March 2014 % 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%	99,12%
LLC «Volochnysk-Agro»	Agricultural	97,52%	97,52%	97,52%
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%	99,98%
SC «Agricultural company «Agro-Kors»	Agricultural	99,98%	99,98%	99,98%
LLC «Agricultural company «Khorolska»	Agricultural	98,95%	98,95%	98,95%
LLC «Agricultural company «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	74,98%	74,98%	74,99%
LLC «Agrosvit Savyntsi»	Agricultural	99,97%	99,97%	98,98%
LLC «Khorolskiy combined forage factory»	Fodder production	99,23%	99,23%	99,24%
PC «Lan-M»	Agricultural	99,98%	99,98%	99,98%
ALC «Novoivanivskiy sugar plant»	Sugar production	94,49%	94,49%	94,49%
LLC «Geoexpertservice»	Agricultural	98,68%	98,68%	100,00%
LLC «Investpromgaz»	Trade	99,93%	99,93%	99,93%
LLC «Tsukragromprom»	Trade	99,98%	99,98%	99,98%
LLC «Agricultural company Slobozhans'ka Zhytnitsa»	Agricultural	50,99%	50,99%	50,99%
LLC «Volochnys'k-tsukor»	Trade	97,52%	97,52%	97,52%
LLC «Globyns'kiy tsukor »	Sugar production	98,68%	98,68%	98,68%
LLC «Podilskiy krai»	Agricultural	50,32%	50,32%	50,32%

PAC «Rybalkivsky»	Agricultural	<b>98,24%</b>	98,24%	98,24%
LLC «Zerno-Agrotrade»	Trade	<b>99,98%</b>	99,98%	99,97%
LLC «Novoorzhytskiy sugar plant»	Sugar production	<b>99,97%</b>	99,97%	99,97%
LLC «APK Savynska»	Sugar production	<b>99,96%</b>	99,96%	100,00%
LLC «Kochubeyivske»	Trade	<b>58,52%</b>	58,52%	58,52%
LLC «Globinskiy bioenergetichnyy complex»	Production of biogas	<b>99,98%</b>	99,98%	
LLC «Savyntsi Agro» *	Agricultural	<b>99,98%</b>		
Associate:				
LLC «Agricultural company «Pokrovska»	Agricultural	<b>49,99%</b>	49,99%	49,99%

\* In January 2015, the Group obtained control over LLC «Savyntsi Agro» (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, joint venture 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, joint venture 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.

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	
	2015	2014	31 March 2015	31 December 2014	31 March 2014
EUR	23.79	12.15	25.45	19.23	15.07
USD	21.12	8.86	23.44	15.77	10.96

### 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 2014 except for the adoption of new Standards and Interpretations noted below.

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

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

#### *IFRS 9 Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required, but comparative information is not compulsory. The adoption 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 the classification and measurement of the Group's financial liabilities. IFRS 9 is expected to be endorsed by the European Union («EU») before the IASB effective date, which is 1 January 2018.

#### *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 17 June 2014. The Group is currently assessing the impact of IFRIC 21 on the financial statements.

#### *Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The IASB has published 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)'. The amendments address a conflict between the requirements of IAS 28 'Investments in Associates and Joint Ventures' and IFRS 10 'Consolidated Financial Statements' and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendments have not been endorsed by the EU. The IASB effective date is 1 January 2016. The Group is currently assessing the impact of these amendments on the financial statements.

#### *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

*Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception*

The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. These improvements have not been endorsed by the EU. The IASB effective date is 1 January 2016. The Group is currently assessing the impact of these amendments on the Group's consolidated financial statements.

#### 4 BUSINESS COMBINATIONS

##### Acquisition of new entities in 2015

During three months ended 31 March 2015, the Group completed acquisition of LLC «Savyntsi Agro» which is non-listed agricultural company located in Ukraine with the purpose to expand the agricultural land leases bank. On 23 January 2015, the Group acquired 99.98% ownership interest in LLC «Savyntsi Agro» for cash consideration of UAH 11,746 thousand or EUR 462 thousand.

As at acquisition date, accounts receivable of UAH 98 thousand and other accounts payable of UAH 14,127 thousand were due to/ from the Group. The purchase consideration consisted only of cash, and the direct costs related to this acquisition are not significant.

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

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
	(unaudited)	(unaudited)
<b>Non-current assets</b>		
Property, plant and equipment	492	21
Construction in progress	-	-
Intangible and other non-current assets	12	1
<b>Current assets</b>		
Inventories	5,702	240
Trade accounts receivable	1,201	50
Other accounts receivable and prepayments	2,788	117
Cash and cash equivalents	213	9
<b>Non-current liabilities</b>		
Other long-term liabilities	(4,208)	(177)
<b>Current liabilities</b>		
Trade accounts payable	(38)	(2)
Other liabilities and accounts payable	(14,771)	(621)
Non-controlling interest acquired	(2)	-
<b>Net identifiable assets, liabilities and contingent liabilities</b>	<b>(8,611)</b>	<b>(362)</b>
Non-controlling interest	(2)	-
<b>Net assets acquired</b>	<b>(8,613)</b>	<b>(362)</b>
Goodwill	(20,359)	(856)
Consideration paid	(11,746)	(494)
Cash acquired	213	9
<b>Net cash outflow</b>	<b>(11,533)</b>	<b>(485)</b>

**Acquisition of new entities in 2014**

In January 2014, the Group obtained control over its former joint operation SC «Agricultural company named after Ivanenko» by merging it with the Group's subsidiary LLC «Agricultural company «Mirgorodska». As at acquisition date, all accounts receivable of UAH 14,115 thousand and accounts payable of UAH 14,115 thousand were due to/ from the Group. The acquisition was made at no consideration because the entity's net assets equalled nil at the date of acquisition.

The fair value of assets and liabilities as at acquisition date are as follows:

	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
<b>Assets</b>		
Accounts receivable	14,115	1,233
<b>Liabilities</b>		
Accounts payable	(14,115)	(1,233)
<b>Net identifiable assets, liabilities and contingent liabilities</b>	-	-
Consideration transferred	-	-
Result from acquisition	-	-

It is not possible to identify revenue and profit/ or loss contributed by the newly acquired entity because it was merged with the Group's subsidiary LLC «Agricultural company «Mirgorodska».

**5 BIOLOGICAL ASSETS**

As at 31 March biological assets comprise the following groups:

	31 March 2015		31 December 2014		31 March 2014	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
<b>Non-current biological assets:</b>						
Cattle	29,631	539,830	30,036	579,352	30,178	555,502
Other livestock		5,475		5,295		6,869
		<b>545,305</b>		<b>584,647</b>		<b>562,371</b>
<b>Crops:</b>	<b>Hectares</b>		<b>Hectares</b>		<b>Hectares</b>	
Winter wheat	47,221	1,050,726	46,113	515,335	39,956	401,651
Sugar beet	7,434	179,810	-	-	39,200	799,013
Sunflower	2,031	61,941	-	-	4,358	35,101
Barley	2,751	34,041	-	-	4,014	16,433
Winter rye	354	930	354	360	1,541	4,872
	<b>59,791</b>	<b>1,327,448</b>	46,467	515,695	89,069	1,257,070
		<b>1,327,448</b>		515,695		1,257,070
<b>Total biological assets</b>		<b>1,872,753</b>		<b>1,100,342</b>		<b>1,819,441</b>

(in thousands of Euros)

	31 March 2015		31 December 2014		31 March 2014	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
<b>Non-current biological assets:</b>						
Cattle	29,631	21,213	30,036	30,122	30,178	36,855
Other livestock		215		275		457
		21,428		30,397		37,312
<b>Crops:</b>	<b>Hectares</b>		<b>Hectares</b>		<b>Hectares</b>	
Winter wheat	47,221	41,285	46,113	26,794	39,956	26,648
Sugar beet	7,434	7,066			39,200	53,012
Sunflower	2,031	2,434	-	-	4,358	2,329
Barley	2,751	1,338	-	-	4,014	1,090
Winter rye	354	37	354	19	1,541	323
	59,791	52,160	46,467	26,813	89,069	83,402
		52,160		26,813		83,402
<b>Total biological assets</b>		<b>73,588</b>		<b>57,210</b>		<b>120,714</b>

## 6 INVENTORIES

Inventories as at 31 March are as follows:

(in thousands of Ukrainian hryvnias)	31 March 2015	31 December 2014	31 March 2014
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	1,285,516	1,545,066	650,064
Agricultural produce	587,334	610,401	478,778
Soybean processing products	45,913	28,671	58,744
Cattle farming	1,092	874	1,099
Other production	12,263	15,267	6,115
Raw materials and consumables for:			
Sugar production	106,281	10,295	47,180
Agricultural produce	467,767	137,126	197,836
Cattle farming	75,456	102,321	57,171
Other production	6,406	3,168	2,332
Investments into future crops	574,720	571,728	407,815
	3,162,748	3,024,917	1,907,134



(in thousands of Euros)	31 March 2015	31 December 2014	31 March 2014
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	50,513	80,334	43,129
Agricultural produce	23,079	31,737	31,765
Soybean processing products	1,804	1,491	3,897
Cattle farming	43	45	73
Other production	482	794	406
Raw materials and consumables for:			
Sugar production	4,176	535	3,130
Agricultural produce	18,380	7,130	13,126
Cattle farming	2,965	5,320	3,793
Other production	252	164	155
Investments into future crops	22,583	29,727	27,057
	<b>124,277</b>	<b>157,277</b>	<b>126,531</b>

## 7 REVENUES

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2015	2014	2015	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sugar and related sales:				
Sugar	486,373	454,423	20,444	37,408
Molasses	22,568	4,438	949	365
Pulp	17,469	7,302	734	601
Other sugar related products and services	18,118	2,611	762	215
	<b>544,528</b>	<b>468,774</b>	<b>22,889</b>	<b>38,589</b>
Crops	190,741	251,248	8,018	20,683
Soybean processing products	448,043	120,515	18,834	9,921
Cattle farming	136,969	109,952	5,758	9,051
Other sales	21,614	22,370	908	1,842
	<b>797,367</b>	<b>504,085</b>	<b>33,518</b>	<b>41,497</b>
	<b>1,341,895</b>	<b>972,859</b>	<b>56,407</b>	<b>80,086</b>

## 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)	
	2015	2014	2015	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Government subsidies relating to:				
VAT refunds	5,620	69,872	236	5,752
Cattle farming	1,745	5,531	73	455
Recovery of assets previously written off	2,247	1,338	94	110
Other operating income	1,242	510	53	42
	<b>10,854</b>	<b>77,251</b>	<b>456</b>	<b>6,359</b>

## 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>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Salary and related charges	77,788	51,492	3,270	4,239
Taxes other than corporate income tax	6,565	2,594	276	214
Fuel and other materials	3,240	1,937	136	159
Professional services	8,824	9,403	371	774
Depreciation	4,719	2,965	198	244
Bank charges	1,169	926	49	76
Maintenance	777	759	33	62
Office expenses	2,209	1,609	93	132
Communication	663	607	28	50
Rent	840	664	35	55
Insurance	1,586	422	67	35
Transportation	176	22	7	2
Other	3,537	3,140	149	259
	<b>112,093</b>	<b>76,540</b>	<b>4,712</b>	<b>6,301</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>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Transportation	36,639	32,471	1,540	2,673
Fuel and other materials	7,359	3,575	309	294
Salary and related charges	13,838	9,032	582	743
Depreciation	3,058	1,630	129	134
Storage and logistics	4,155	3,802	175	313
Professional services	1,926	2,346	81	193
Commissions	-	163	-	13
Allowance for trade accounts receivable	(761)	(1,020)	(32)	(84)
Advertising	10	79	-	7
Customs duties and services	143	46	6	4
Other	4,432	3,846	186	317
	<b>70,799</b>	<b>55,970</b>	<b>2,976</b>	<b>4,607</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>	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
VAT written off	1,710	3,171	72	261
Charity and social expenses	2,713	2,760	114	228
Fixed assets written off	-	4,432	-	365
Other salary and related charges	3,326	1,669	140	138
Depreciation	1,998	838	84	69
Penalties paid	93	443	4	37
Write down of inventories	1,582	773	66	64
Representative expenses	172	162	7	13
Loss on sales of property, plant and equipment	98	111	4	9
Canteen expenses	-	77	-	6
Allowance for other accounts receivable	(3,008)	(168)	(126)	(14)
Other	2,147	1,861	90	154
	<b>10,831</b>	<b>16,129</b>	<b>455</b>	<b>1,330</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>	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
<b>Finance costs</b>				
Foreign currency exchange loss, net	(1,403,852)	(850,083)	(59,012)	(69,979)
Interest expense	(154,144)	(58,916)	(6,480)	(4,850)
Net loss attributable to non-controlling interests of limited liability company subsidiaries	(8,336)	-	(350)	-
Consideration to shareholders for pledged shares	(15,618)	-	(657)	-
Other finance costs	(3,023)	(2,709)	(127)	(223)
	<b>(1,584,973)</b>	<b>(911,708)</b>	<b>(66,626)</b>	<b>(75,052)</b>
<b>Finance income</b>				
Interest income	12,338	1,902	519	157
Net profit attributable to non-controlling interests of limited liability company subsidiaries	-	5,270	-	434
Other finance income	23	229	1	18
	<b>12,361</b>	<b>7,401</b>	<b>520</b>	<b>609</b>

**13 RELATED PARTY TRANSACTIONS**

The Group enters into 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 summarises transactions that have been entered into with related parties for the three months ended 31 March 2015 as well as balances with related parties as at 31 March 2015:

<i>(in thousands of Ukrainian hryvnias)</i>	<b>Sales to related parties:</b> <b>(unaudited)</b>	<b>Purchases from related parties:</b> <b>(unaudited)</b>	<b>Amounts owed by related parties:</b> <b>(unaudited)</b>	<b>Amounts owed to related parties:</b> <b>(unaudited)</b>
Companies under common control	1	1,117	17,113	33,290
Associate	-	-	1,022	171
	<b>1</b>	<b>1,117</b>	<b>18,135</b>	<b>33,461</b>

<i>(in thousands of Euros)</i>	<b>Sales to related parties:</b> <b>(unaudited)</b>	<b>Purchases from related parties:</b> <b>(unaudited)</b>	<b>Amounts owed by related parties:</b> <b>(unaudited)</b>	<b>Amounts owed to related parties:</b> <b>(unaudited)</b>
Companies under common control	-	47	672	1,308
Associate	-	-	40	7
	<b>-</b>	<b>47</b>	<b>712</b>	<b>1,315</b>

The following table summarises 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>	<b>Sales to related parties:</b> <b>(unaudited)</b>	<b>Purchases from related parties:</b> <b>(unaudited)</b>	<b>Amounts owed by related parties:</b> <b>(unaudited)</b>	<b>Amounts owed to related parties:</b> <b>(unaudited)</b>
Companies under common control	23	617	9,544	146
Associate	-	-	958	171
	<b>23</b>	<b>617</b>	<b>10,502</b>	<b>317</b>

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

## 14 EVENTS SUBSEQUENT TO THE REPORTING DATE

From 1 April 2015 to 12 May 2015, the Ukrainian Hryvnia revaluated by 9% compared to Euro.

### *Acquisition*

In May 2015, the Group acquired additional 24,99 % ownership interest in agricultural company LLC “Zhytnytsya Podillya” incorporated in Ukraine for cash consideration of UAH 8,885 thousand or EUR 376 thousand. After acquisition the Group share in LLC “Zhytnytsya Podillya” is 99,98%. The Group has not yet finalized purchase price allocation.

### *Disposal of a subsidiary*

In May 2015, the Group disposed it's 50,32% share in LLC "Podilskiy krai".

12 May 2015

Amsterdam, the Netherlands

The Board of Directors

Mr V.Ivanchyk (signed)

Mr V.Gladky (signed)

Mr M.M.L.J. van Campen (signed)

Mr V.Korotkov (signed)

Mr W.T.Bartoszewski (signed)



Astarta Holding N.V.

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