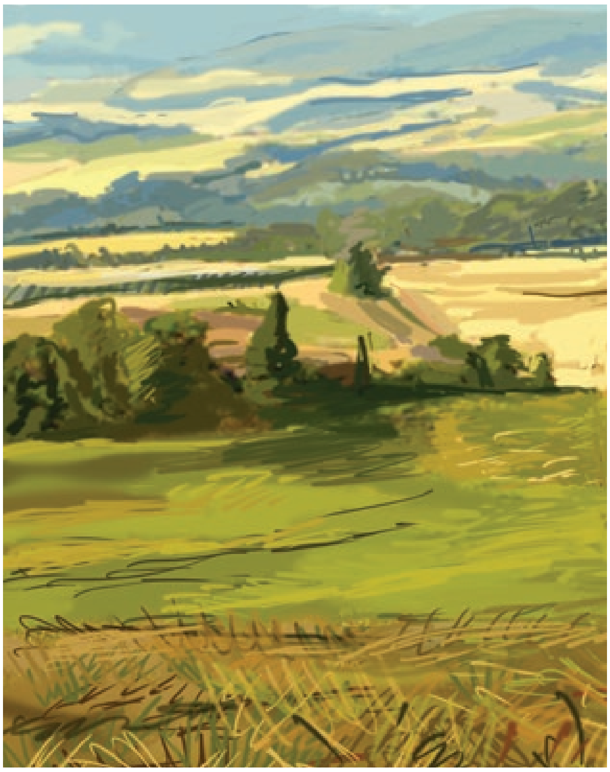
ANNUAL REPORT
2015

ASTARTA
Holding N.V.

CONTENTS



Cover page and illustrations in this Report use fragments of paintings of Ukrainian painter Olga Kvasha


DRUCKER

LETTER TO SHAREHOLDERS

Dear shareholders,

In my address one year ago, ensuring high sustainability and returns on past investments was highlighted as one of management's main tasks for 2015.

With this in mind, the key achievements for the year include improved operating performance and returns on invested capital, expanded exports, and further deleveraging of the balance sheet. Thereto, ASTARTA succeeded in expanding crop production and once more secured its leading position in the sugar, farming, dairy, and soybean processing markets in Ukraine.

Doing business in Ukraine has meant we've had to address challenges that accompany an unstable macroeconomic environment as well as mixed local markets. Devaluation of the Ukrainian national currency played that way a significant role, influencing our financial, marketing, and procurement policies.

And yet, ASTARTA delivered a sound set of both operational and financial results in 2015. Despite correction in the topline, the Company provided strong Gross and EBITDA margins and figures. ASTARTA also generated a positive Net Profit, even with the FOREX translation on the devaluation of the Ukrainian hryvnia. And most importantly, we were able to deliver these results amidst depressed prices for soft and agri-commodities.

As a strategically oriented company, ASTARTA is involved in socially-responsible business, creates new working places, supports local communities, and develops rural areas. This is a part of our strategy and philosophy, and matches up well with organic food production, a segment in which we see big potential.

The world is becoming faster, more interconnected, and more globalised. We believe that adaptive capacity and innovation will drive agribusiness in the next decade. Here, we shall be able to apply cutting edge agri-technologies soon after their marketing, and do so on a big scale. Competition, as well as opportunity, means moving out of local boundaries. More and more of our product have already reached customers across distant edges of the globe. As such, we will continue to become closer to our clients and partners worldwide to better serve their needs.

ASTARTA's key priorities for 2016 are to become even more cost competitive and efficient, be ready to operate in fast changing environments, and deliver growth and high value to our shareholders.

We are grateful to our shareholders that despite ongoing difficulties in Ukraine and volatility in markets they continue trusting and supporting ASTARTA on its strategic development path. We would do our best and carry on working hard to justify this support.

Sincerely yours,

Viktor Ivanchyk
Founder and CEO

ASTARTA'S MISSION

INGENUITY FOR GROWTH

Building a prosperous society through development of people's and land potential, and honoring the eternal values of life.

ASTARTA'S VALUES

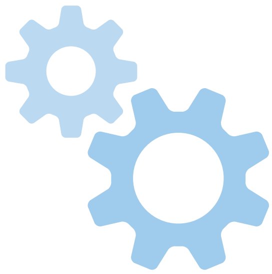
Taking care of the world
and creating a greater
benefit for society

Striving
for maximum
efficiency

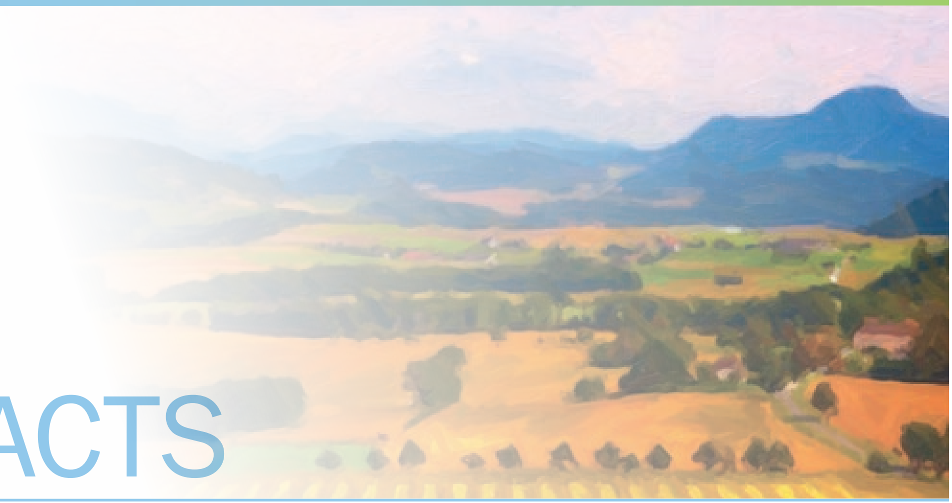
Thinking
out of limits, looking
into the future

Being
innovative and
unique

Advocating
teamwork to
achieve the goals



Building long-term
relationships with
stakeholders



KEY FACTS

FINANCE

314 mln EUR	143 mln EUR	131 mln EUR	16 mln EUR
REVENUES	GROSS PROFIT	EBITDA	NET PROFIT

OPERATING

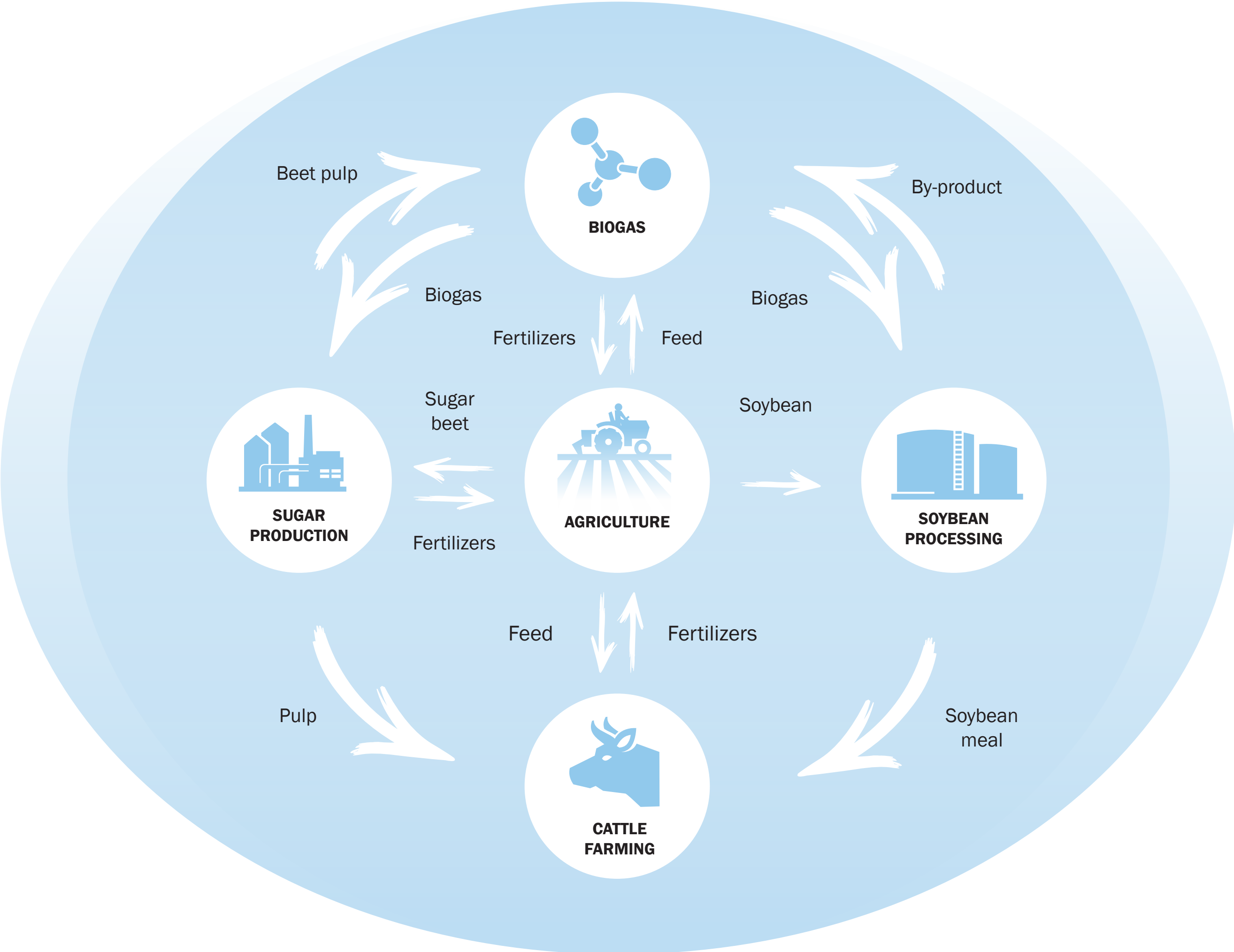
SUGAR PRODUCTION
355
ths t

SOYBEANS PRODUCTS
190
ths t

CROPS PRODUCTION
790
ths t

MILK PRODUCTION
103
ths t

ASTARTA BUSINESS SYNERGY



CORPORATE SOCIAL RESPONSIBILITY

ASTARTA is operating within and supporting

over 190 rural communities

ASTARTA is an anchor business for

over 500 local suppliers and over 300 consumers

ASTARTA's workforce **13 345 employees**

Participated in trainings

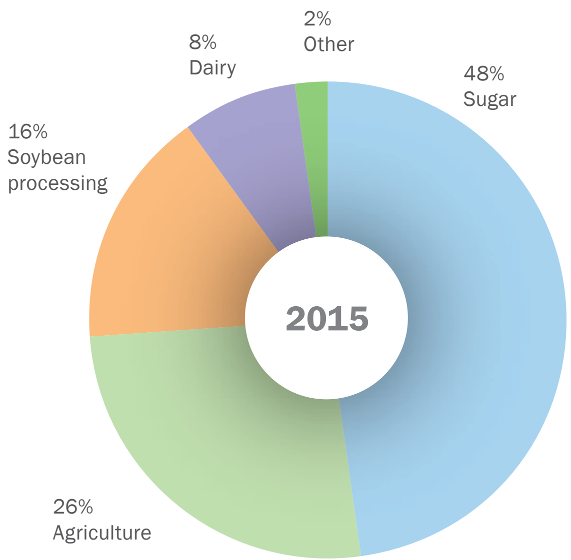
932 employees

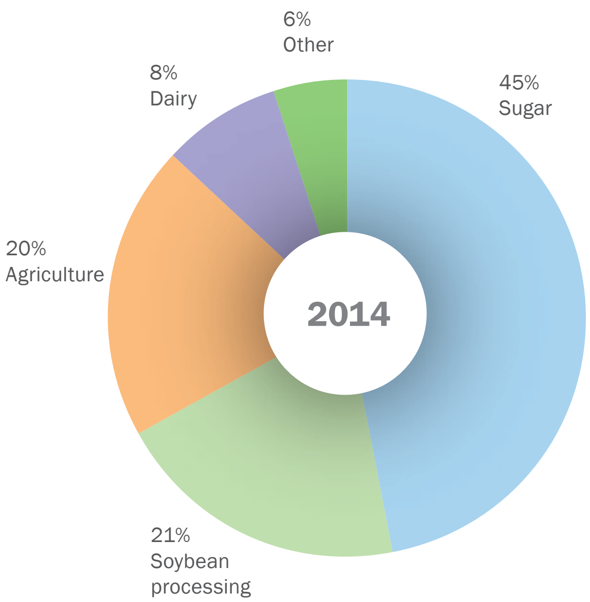
KEY FINANCIAL HIGHLIGHTS

The 2015 financial year was important for building a solid platform to ensure the Company's growth. Key achievements include EBITDA improvement, positive bottom line results, as well as further reduction of our net debt position. Alongside this, the Group has continued to focus on efforts to improve operational performance standards.

At the same time, EUR denominated earnings for the year, affected by the depreciating Ukrainian hryvnia and unstable domestic markets, were reduced. Additionally, a decline in the soybean processing segment's revenues was linked mainly to the application of a tolling of third party soybeans, which allowed for healthy profitability and savings on working capital needs.

Fig.1. Segment's performance

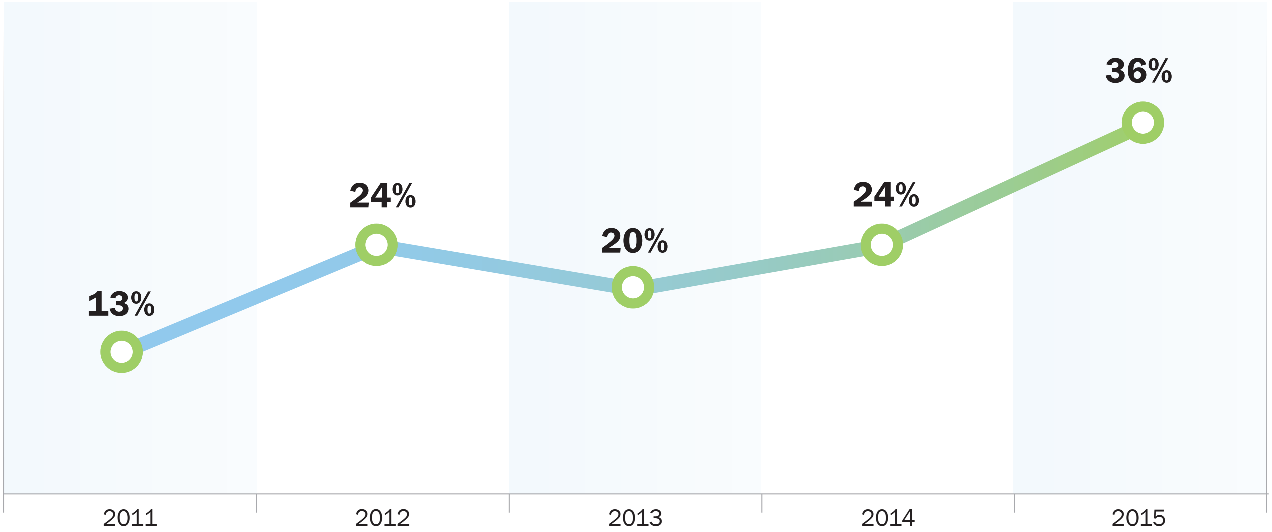




Source: Company data

To address challenges in domestic markets and naturally hedge local currency risks, ASTARTA materially increased export sales of all its products which were 36% of total.

Fig.2. Exports share in consolidated revenues



Source: Company data

Deleveraging was another important focus of management in 2015. Net financial debt was significantly reduced by EUR 44 million. The net debt to equity and net debt to EBITDA ratios improved significantly – from about 0.98 to 0.72 and from 1.8x to 1.3x respectively.

Table 1. Consolidated statement of operations for the year ended 31 December (in thousands UAH)

	2015	2014	2013	2012	2011
REVENUES	7 640 532	5 498 832	3 533 355	3 215 911	3 385 529
COST OF REVENUES INCL. REMEASUREMENT GAINS/LOSS	(4 196 279)	(3 529 625)	(2 679 537)	(2 222 645)	(2 037 574)
GROSS PROFIT	3 444 253	1 969 207	853 818	993 266	1 347 955
OPERATING PROFIT	2 597 694	1 363 072	337 380	591 726	1 041 083
NET FINANCIAL EXPENSE INCL. CURRENCY TRANSLATION DIFFERENCE	(2 265 229)	(2 365 620)	(270 438)	(190 647)	(197 665)
PROFIT (LOSS) BEFORE TAX	325 528	(992 465)	194 169	428 478	1 003 609
NET PROFIT (LOSS)	371 429	(1 007 908)	206 219	437 414	976 110

Table 2. Consolidated balance sheet as at 31 December (in thousands UAH)

	2015	2014	2013	2012	2011
TOTAL NON-CURRENT ASSETS	6 597 549	5 146 835	4 192 508	3 076 467	2 614 161
TOTAL CURRENT ASSETS	6 294 796	4 595 434	3 742 264	3 719 865	3 302 874
TOTAL ASSETS	12 892 345	9 742 269	7 934 772	6 796 332	5 917 035
TOTAL EQUITY	6 306 501	4 236 016	4 242 348	3 502 736	3 199 704
TOTAL NON-CURRENT LIABILITIES	2 373 851	2 381 742	1 526 850	1 831 275	1 335 391
TOTAL CURRENT LIABILITIES	4 211 993	3 124 511	2 165 574	1 462 321	1 381 940
TOTAL EQUITY AND LIABILITIES	12 892 345	9 742 269	7 934 772	6 796 332	5 917 035

Table 3. Consolidated statement of cash flows for the year ended 31 December (in thousands UAH)

	2015	2014	2013	2012	2011
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	2 144 510	1 564 495	398 200	204 853	199 246
CASH FLOWS USED IN INVESTING ACTIVITIES	(53 888)	(767 479)	(458 654)	(405 023)	(963 527)
CASH FLOWS USED IN FINANCING ACTIVITIES	(1 971 809)	(602 603)	8 108	229 261	805 620
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	440 069	246 861	29 472	81 231	53 211

Table 4. Consolidated statement of operations for the year ended 31 December (in thousands EUR)

	2015	2014	2013	2012	2011
REVENUES	313 997	351 902	327 042	308 430	303 587
COST OF REVENUES INCL. REMEASUREMENT GAINS/LOSS	(171 177)	(220 988)	(245 561)	(212 623)	(182 713)
GROSS PROFIT	142 820	130 914	81 481	95 807	120 874
OPERATING PROFIT	107 999	91 490	34 049	57 304	93 613
NET FINANCIAL EXPENSE INCL. CURRENCY TRANSLATION DIFFERENCE	(93 694)	(159 298)	(24 901)	(18 349)	(17 821)
PROFIT (LOSS) BEFORE TAX	14 037	(67 184)	21 223	41 033	89 996
NET PROFIT (LOSS)	15 941	(68 076)	22 300	41 894	87 530

Table 5. Consolidated balance sheet as at 31 December (in thousands EUR)

	2015	2014	2013	2012	2011
TOTAL NON-CURRENT ASSETS	251 594	267 606	366 158	288 058	250 881
TOTAL CURRENT ASSETS	240 045	238 934	326 835	348 300	316 974
TOTAL ASSETS	491 639	506 540	692 993	636 358	567 855
TOTAL EQUITY	240 493	220 246	370 509	327 952	307 123
TOTAL NON-CURRENT LIABILITIES	90 525	123 838	133 351	171 485	128 157
TOTAL CURRENT LIABILITIES	160 621	162 456	189 133	136 921	132 575
TOTAL EQUITY AND LIABILITIES	491 639	506 540	692 993	636 358	567 855

Table 6. Consolidated statement of cash flows for the year ended 31 December (in thousands EUR)

	2015	2014	2013	2012	2011
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	88 215	93 770	38 637	17 163	20 637
CASH FLOWS USED IN INVESTING ACTIVITIES	(2 224)	(48 769)	(42 924)	(38 860)	(90 649)
CASH FLOWS USED IN FINANCING ACTIVITIES	(81 461)	(38 331)	758	24 279	72 266
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	16 782	12 835	2 574	7 606	5 106

Table 7. Selected Financial indicators and ratios

	2015	2014	2013	2012	2011
Profitability					
EBITDA, THOUSANDS OF EURO	130 694	119 569	64 971	82 502	110 830
EBITDA MARGIN, %	42%	34%	20%	27%	37%
NET PROFIT, THOUSANDS OF EURO	15 941	(68 076)	22 300	41 894	87 530
NET PROFIT MARGIN, %	5%	-19%	7%	14%	29%
ROE	7%	-31%	6%	13%	29%
ROA	3%	-13%	3%	7%	15%
ROIC	4%	-14%	3%	7%	17%
Investment valuation					
ENTERPRISE VALUE (EV), THOUSANDS OF EURO	375 137	333 848	667 653	576 855	486 913
EV / EBITDA	2.87	2.79	10.28	6.99	4.39
EV / SALES	1.19	0.95	2.04	1.87	1.60
Debt					
NET DEBT, THOUSANDS OF EURO	172 727	216 508	264 311	240 264	192 230
NET DEBT / EQUITY	0.72	0.98	0.71	0.73	0.63
NET DEBT / EBITDA	1.32	1.81	4.07	2.91	1.73
NET DEBT / SALES	0.55	0.62	0.81	0.78	0.63
Liquidity					
CURRENT RATIO	1.49	1.47	1.73	2.80	2.40
QUICK RATIO	0.43	0.34	0.27	0.60	0.50

EBITDA	Profit from operations + depreciation and amortization + impairment of fixed assets
NET DEBT	Short-term finance debt + long-term finance debt – cash – short-term deposits
EBITDA MARGIN, %	EBITDA/Revenues
NET PROFIT MARGIN, %	Net profit/Revenues
RETURN ON EQUITY (ROE)	Net profit/Shareholders equity
RETURN ON ASSETS (ROA)	Net profit/Total assets
RETURN ON INVESTED CAPITAL (ROIC)	Net profit (Total debt + equity)
MARKET CAPITALIZATION	Number of shares at the end of financial period multiplied by closing price on last trading day of the financial period
ENTERPRISE VALUE (EV)	Market capitalization + net debt + minority interest
CURRENT RATIO	Total current assets /Total current liabilities
QUICK RATIO	(Total current assets – inventories – biological assets)/Total current liabilities

REPORT ON OPERATIONS

SUGAR SEGMENT

SEGMENT PERFORMANCE

Key highlights

- Revenues – 151 mln EUR
- #1 position in the local sugar market
- 34 ths tonnes of sugar exported
- Record high sugar yield of 15.5%.

The sugar segment delivered sales of 151 million EUR (-3% y-o-y) making up 48% of the Group's revenues. Volumes of sugar sales increased 11% to 363 thousand tonnes, which means the decline in segment's revenue was mostly attributable to the arrearage in dynamics of sugar price to compensate for the depreciation of the local currency. The average selling price in hryvnia improved y-o-y by 36%, however corrected 12% in EUR to 395 EUR per tonne. At the same time, EBITDA margin improved to 38% from 24% a year ago due to decline in cost.

Sugar export volumes in 2015 were record high in the Group's history and amounted 34 thousand tonnes. At least third of this volume was delivered to the EU countries within the Free Trade Agreement (FTA) with Ukraine. Molasses and granulated pulp sales volume terms increased 35% and 4% to 82 thousand tonnes and 26 thousand tonnes respectively.

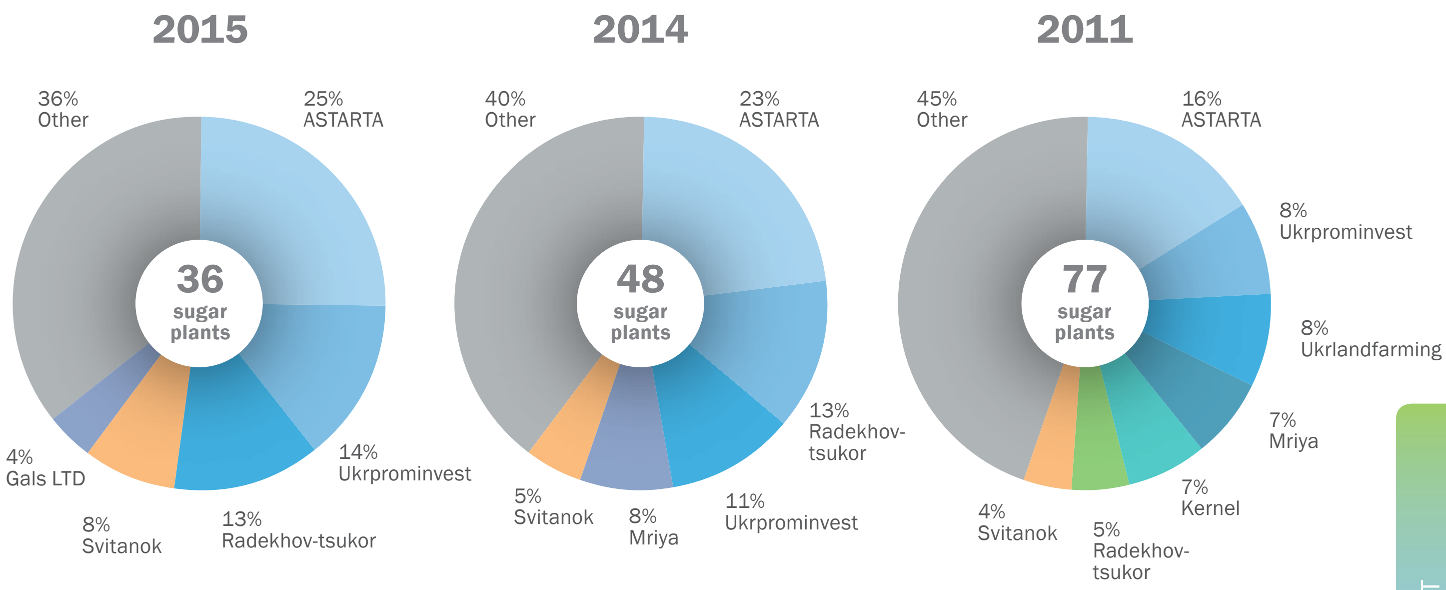
On the operational side, in 2015, ASTARTA sugar plants produced 355 thousand tonnes of sugar from almost 2.3 million tonnes of sugar beet. ASTARTA'S sugar production in 2015 was 24% lower year-on-year as a result of the Group's strategy to adjust to the contraction of the local sugar market. To address this trend caused by the macroeconomic situation in Ukraine and political factors, the Company reduced its sugar beet plantations by 29% to 34 thousand hectares. The vacated hectares were used to produce other crops, which, like sugar beet, provided attractive returns.

A record high sugar yield of 15.5% was delivered, and ASTARTA traditionally secured a high level of vertical integration in beet supplies of over 75%. The average sugar beet yield in ASTARTA'S fields grew year-on-year 12% to 56 tonnes per ha.

MARKET ENVIRONMENT

Despite the aforementioned correction in production, ASTARTA has yet again ranked as a leading sugar producer on the local sugar market with a sound 25% share. We see good potential for further market consolidation as unsystematic players are leaving the business and more outdated sugar mills are being scraped to metal clearing pass to sound market environment.

Fig.3. Key players in the Ukrainian sugar market in 2015, 2014 and 2011 (%) and operating sugar plants

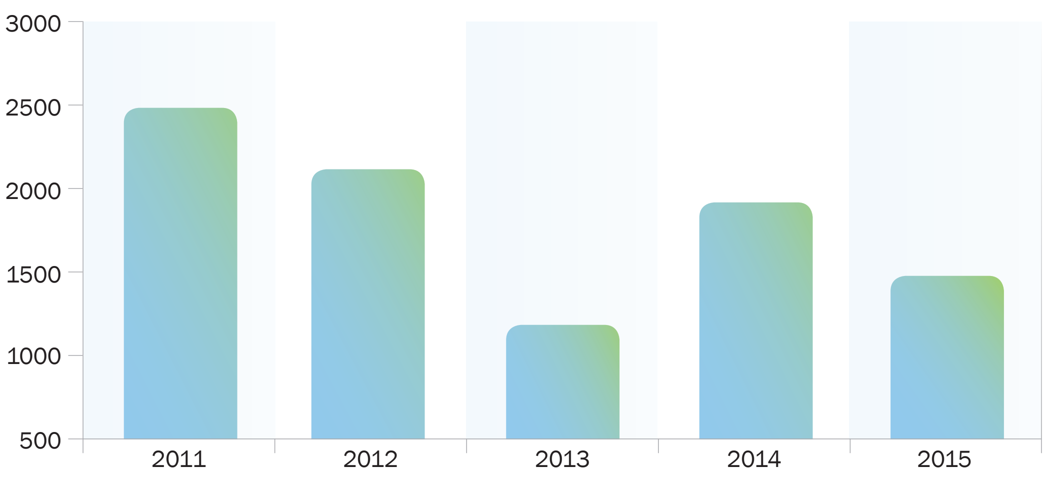


Source: Ukrsugar

The cultivation area of sugar beet throughout Ukraine in 2015 reduced to 235 thousand hectares, down 41% y-o-y. The total harvest of sugar beet in Ukraine decreased 35% to 10.2 million tonnes, ranking Ukraine sixth-largest in global sugar beet production. The number of operating sugar plants declined from 48 to 36 a year ago.

Each of these factors resulted in a significant decline in sugar production on the local market to 1.45 million tonnes from 2.1 million tonnes a year ago. At the same time, a military conflict in Eastern Ukraine, the annexation of Crimea, as well as an unstable macroeconomic environment significantly corrected the average level of sugar consumption in the country. Currently, it is estimated at 1.6 million tonnes.

Fig.4. Ukrainian sugar production, thousand tonnes

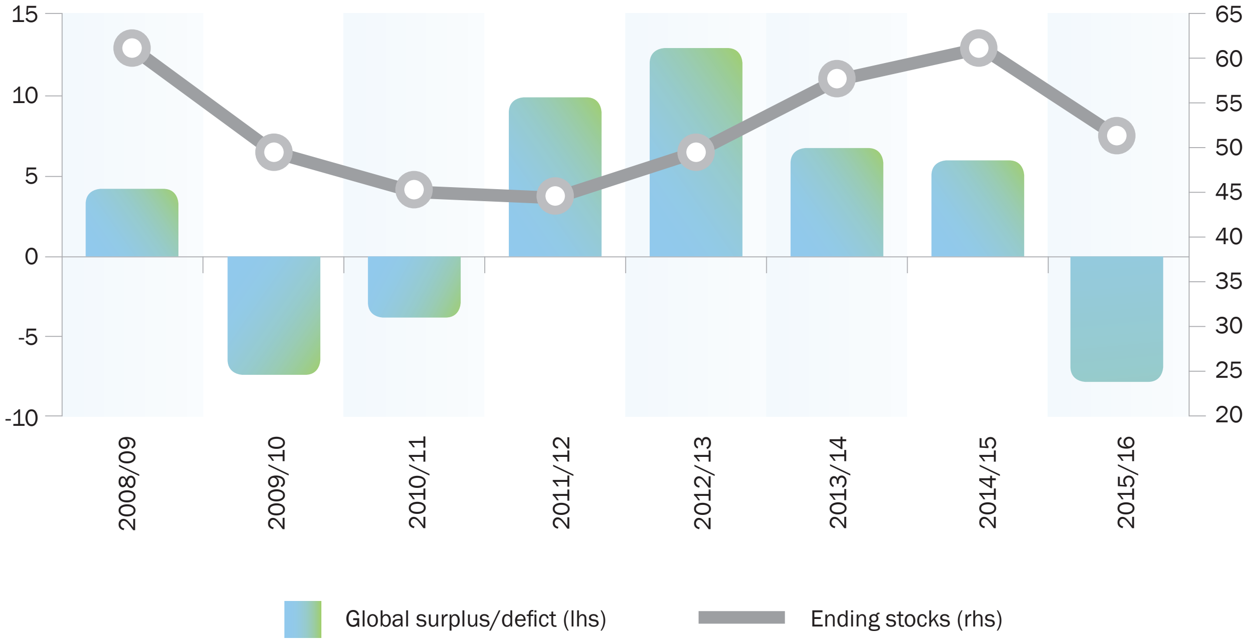


Source: Ukrsugar

Remarkably, the devaluation of the local currency made Ukrainian sugar more competitive globally. Thus, in 2015, Ukrainian sugar producers increased sugar exports by seven times, to 216 thousand tonnes. Key export destinations included countries in the European Union and the Middle East.

The forecasted global sugar production for 2015/16 is down 5 million tonnes to 148 million tonnes, with reductions in Brazil, India, and the European Union; more than offsetting gains in Australia, Russia, and Turkey. For the first time in five years annual global sugar consumption is expected to exceed production, leading to a stabilisation in sugar prices, and a possible turn in the sugar cycle.

Fig.5. Global sugar balances and ending stocks, million tonnes



Source: Bloomberg, Rabobank

BIOENERGY

Bioenergy production has become an integral part of ASTARTA's innovative solutions. The Bioenergy complex built at the Globyno sugar plant (Poltava region) uses pulp leftover from the processing of sugar beet and other biological residues from agri-operations, dairy farming, and soybean processing.

In 2015, the Bioenergy complex generated over 10.5 million cubic metres of biogas, that is 50% higher y-o-y. Overall, the Company reduced its consumption of natural gas per tonne of sugar beet processed by 7% in 2015 owing to its modernisation and energy saving programmes, as well as the utilisation of alternative energy sources, including biogas.

In February 2015, ASTARTA put into operation a biogas pipeline, connecting the Bioenergy complex with its soybean processing plant. Subsequently, in 2015, biogas replaced 50% and 90% of total gas consumption at the Globyno sugar plant and the Soybean processing plant, respectively. In December 2015, the Bioenergy complex commissioned an electricity cogeneration station with installed capacity of 0.5 MW. This is regarded as the first pilot-trial to expand "green" electricity production with the use of biogas.

AGRICULTURE SEGMENT

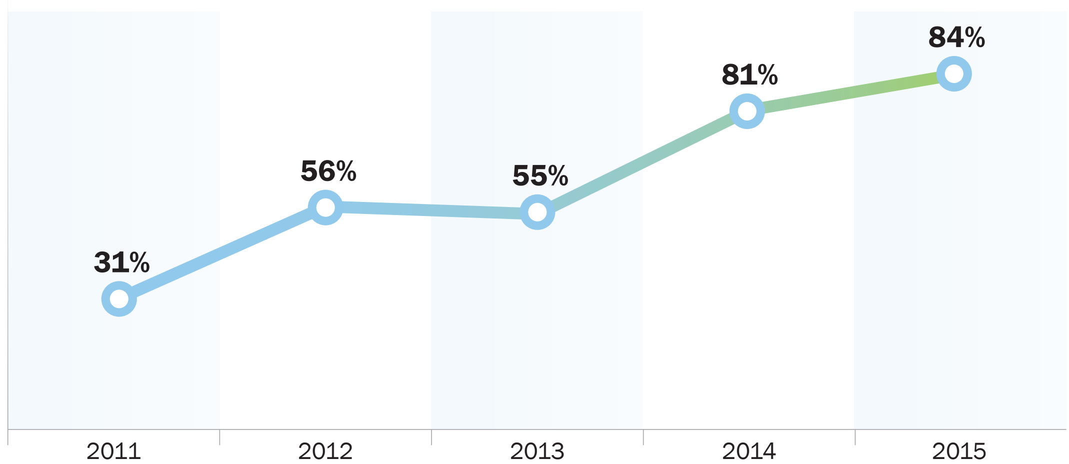
Key highlights

- Revenues – 82 mln EUR
- Record high average wheat yield of 5.4 t/ha
- Record high average sugar beet yield of 56 t/ha
- The top grains and oilseeds harvest of 790 thousand tonnes

SEGMENT PERFORMANCE

The agricultural segment ranked second in the structure of consolidated revenues with 82 million EUR (+14% y-o-y). Sales volumes of grains and oilseeds increased by 6% to 534 thousand tonnes. Approximately 84% of total crops sold (in volume terms) were exported.

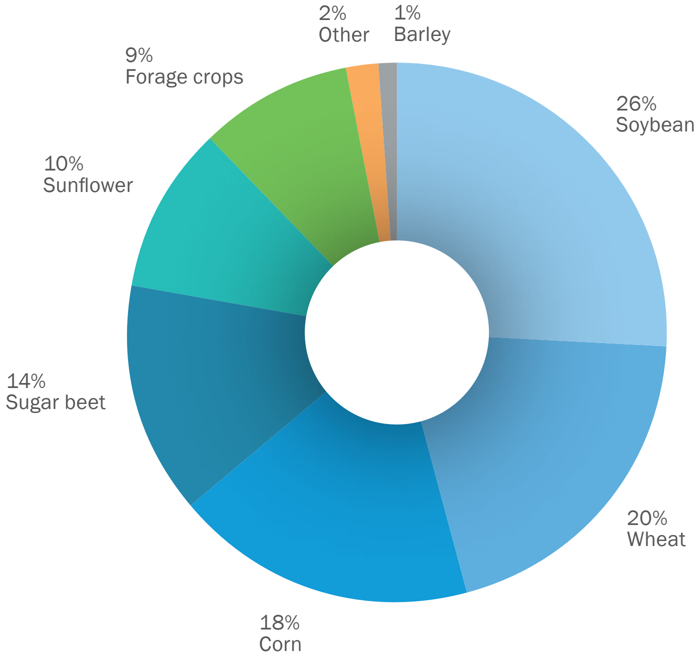
Fig.6. ASTARTA grains export share in volume terms, %



Source: Company data

Acreage of land under cultivation in 2015 did not change much year-on-year. Key crops in planting structure included soybean, wheat, corn, sugar beet, and sunflower.

Fig.7. Crop rotation 2015, %



Source: Company data

The total harvest of grains and oilseeds amounted in an absolute record in the Group's history of 790 thousand tonnes, exceeding the crop output of 2014 by 16%. This is a result of a combination of efficiency improvement policies as well as fair weather conditions for most cultivated plants (except soybean and corn in farms in Western Ukraine).

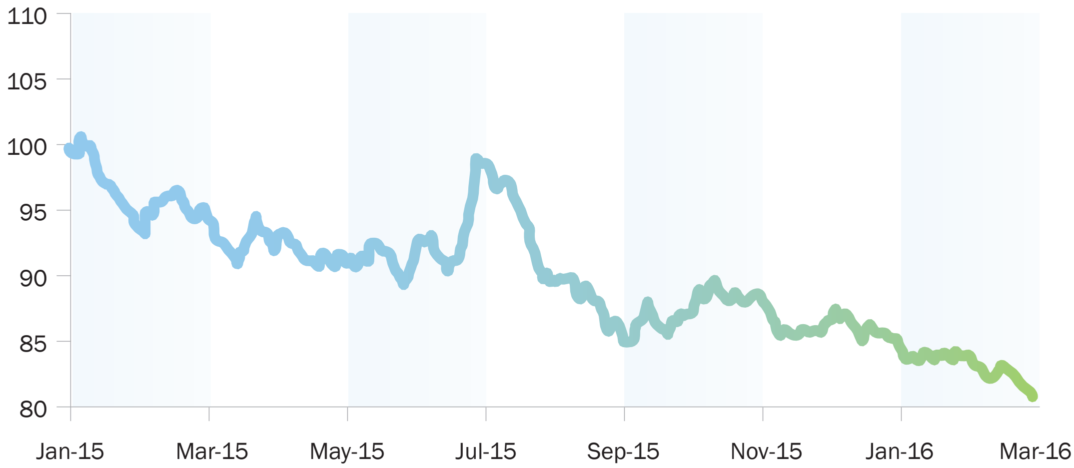
Traditionally, yields of key crops in ASTARTA's fields were higher when compared to Ukrainian averages. Winter wheat yields were 5.4 tonnes (average Ukrainian 3.9), while corn and sunflower yields were 7.6 tonnes and 2.8 tonnes (5.7 and 2.2 for Ukraine), respectively.

MARKET ENVIRONMENT

According to the Agriculture Ministry of Ukraine, the total grain harvest came in at 60.7 million tonnes in gross weight terms, down 5.5% y-o-y. The harvest of key oilseeds for Ukrainian sunflower and soybean increased to 15 million tonnes (+8% y-o-y). Ukraine plays an important role in the global agri-commodities market ranking third in global barley export, fourth in global corn export, and sixth in global wheat export.

In 2015, most agri-commodities continued to demonstrate price weakness, trading below their mid-term average prices. This is mainly the impact from high grain inventories build-up following a series of strong harvests as well as the flight of speculative investors from agriculture-related financial instruments to different asset classes.

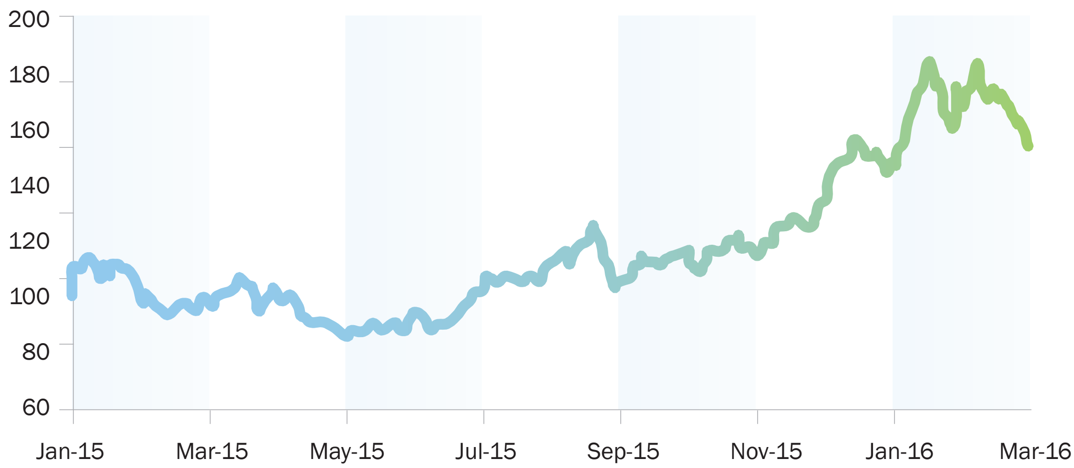
Fig.8. Rogers International Agriculture Commodity Index (factor 100 as of 1 Jan 2015)



Source: Bloomberg

At the same time, an even sharper decline in prices for energy commodities provided a good opportunity for efficient agri-producers to cut costs and secure sound margins through the procurement of cheaper fuel and fertilisers (which make up a significant share in cost structure).

Fig.9. Rogers Agriculture vs. Energy Index (factor = 100 as of 1 Jan 2015)



Source: Bloomberg

SOYBEAN PROCESSING SEGMENT

Key highlights

- Revenues – 51 mln EUR
- #1 position in the local market for soybean processors
- Share of exports – 57% (in volume terms)

SEGMENT PERFORMANCE

The soybean processing segment generated 51 million EUR in 2015 compared to 74 million EUR in 2014 (32% decline). The decline was mostly linked to the application of a tolling of third party soybeans (37% in total volume), which allowed for healthy profitability and savings on working capital requirements.

Meal and oil sales in the reporting period amounted to 89 thousand and 25 thousand tonnes respectively. Approximately 99% of oil products and 47% of meal were exported. The quality of ASTARTA soybean crushing products complies with high international standards and is therefore exported to prime clients worldwide, including those in the EU countries.

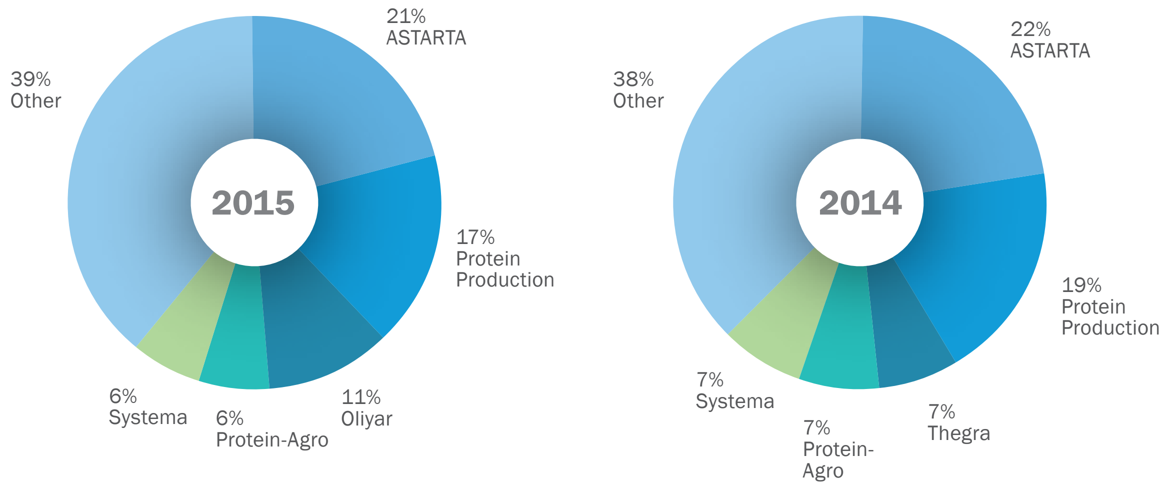
On the operational side, in 2015, the Globyno plant produced 146 thousand tonnes (-3% y-o-y) of high-protein soybean meal, 34 thousand tonnes of soybean oil (-3% y-o-y) and 10 thousand tonnes of husk (+86% y-o-y).

MARKET ENVIRONMENT

In 2015, Ukrainian farmers increased plantations of soybean by almost 18% to 2.1 million hectares. However, unfavorable weather conditions negatively impacted soybean crops and the soy harvest in Ukraine increased only 1% to 3.9 million tonnes. Around 2.2 million tonnes of soybean were exported, ranking Ukraine the sixth largest soybean exporter globally.

Synchronously, with the growing production of soybean in Ukraine, there is an ongoing buildup of soy processing capacity in the country. This creates competition for soy between processors and exporters. The vertical integration of ASTARTA's processing business with the growth of soy reinforces its market position. Thus, despite a tough competition, ASTARTA managed to hold onto its leading position among key soy processors in 2015.

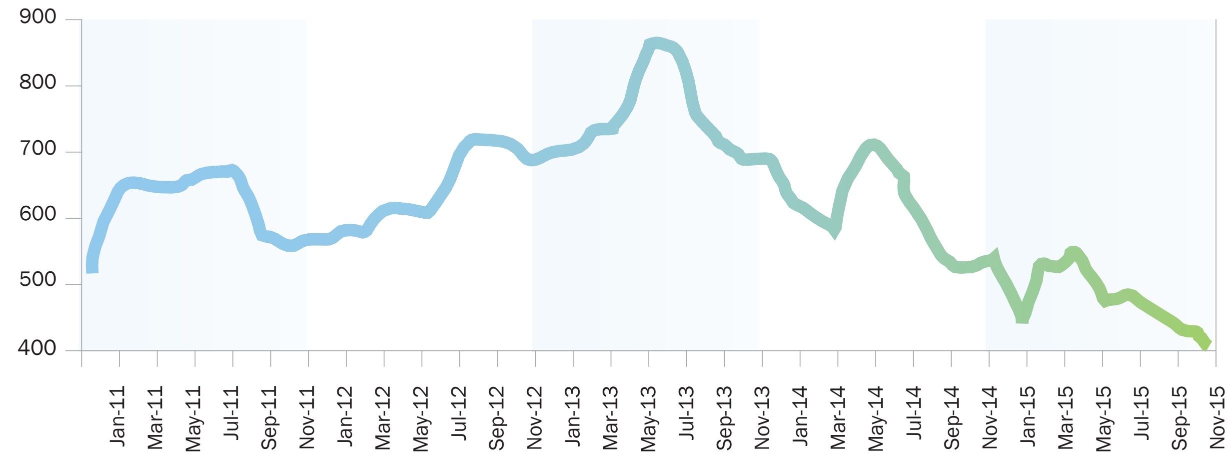
Fig.10. Key players, Ukrainian soybean processing



Source: Agrochart

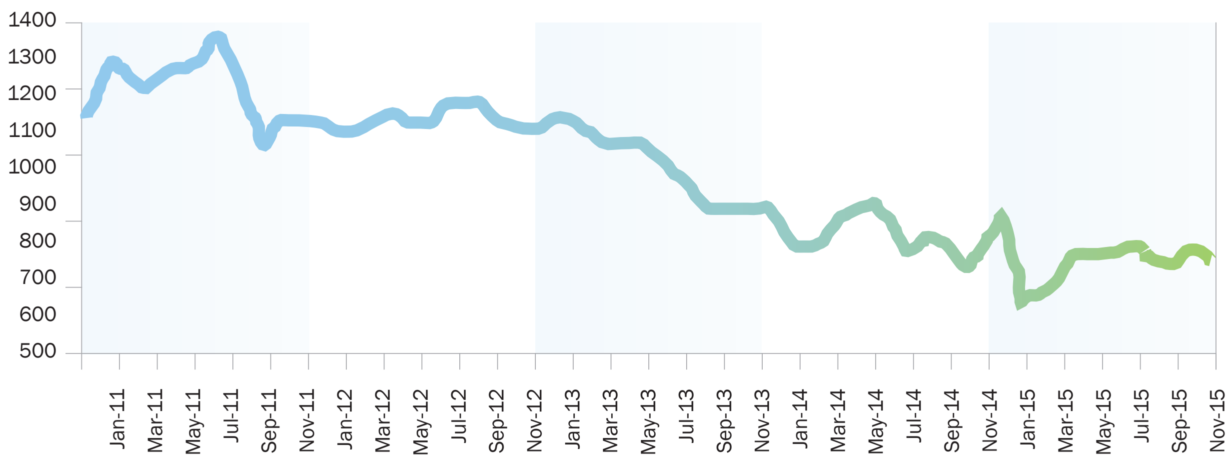
Local and international prices for soy, soybean oil and meal are under pressure, in line with many agri- and soft commodities. This squeezes average margins of soybean processors in many destinations worldwide.

Fig.11. Soybean meal prices, USD/t in 2011-2015, CBOT Futures



Source: Bloomberg

Fig.12. Soybean oil prices, USD/t in 2011-2015, CBOT Futures



Source: Bloomberg

DAIRY SEGMENT

Key highlights

- Revenues – 24 mln EUR
- Record high milk yield – 6.6 tonnes per cow
- Leading dairy producer in Ukraine
- High-quality milk

SEGMENT PERFORMANCE

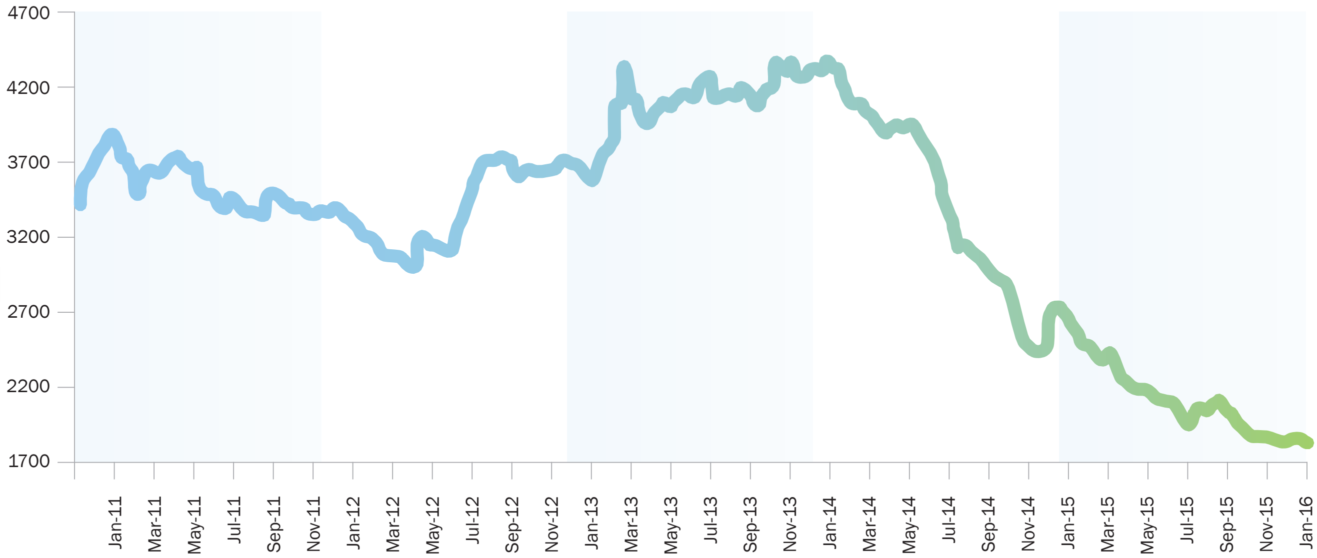
The dairy segment traditionally remains an accretionary contributor to the Group's revenues. In 2015, it generated revenues of 24 million EUR (-19% y-o-y), reflecting the depressed market environment. The Group managed to avoid a more significant decline in the top and the bottom line thanks to comprehensive efficiency improvement measures.

ASTARTA's milk production reached 103 thousand tonnes, which is slightly less compared to results of the year prior. The Group's total cattle stock corrected by 2% to 29.4 thousand heads, as the herd was reshuffled to remove less productive cows. At the same time, the average annual yield of milking cows improved to a record 6.6 tonnes with the cost of feed (and consequently milk) well improved.

MARKET ENVIRONMENT

2015 was one of the most challenging years for the Ukrainian dairy industry, with significantly reduced demand and critically low reference global milk prices as key challenges. Milk production in Ukraine declined 4% y-o-y to 10.7 million tonnes. Cattle headcount reduced by 14% to 3.9 million heads in 2015.

Fig.13. Global dry milk price, USD/t, MATIF Futures

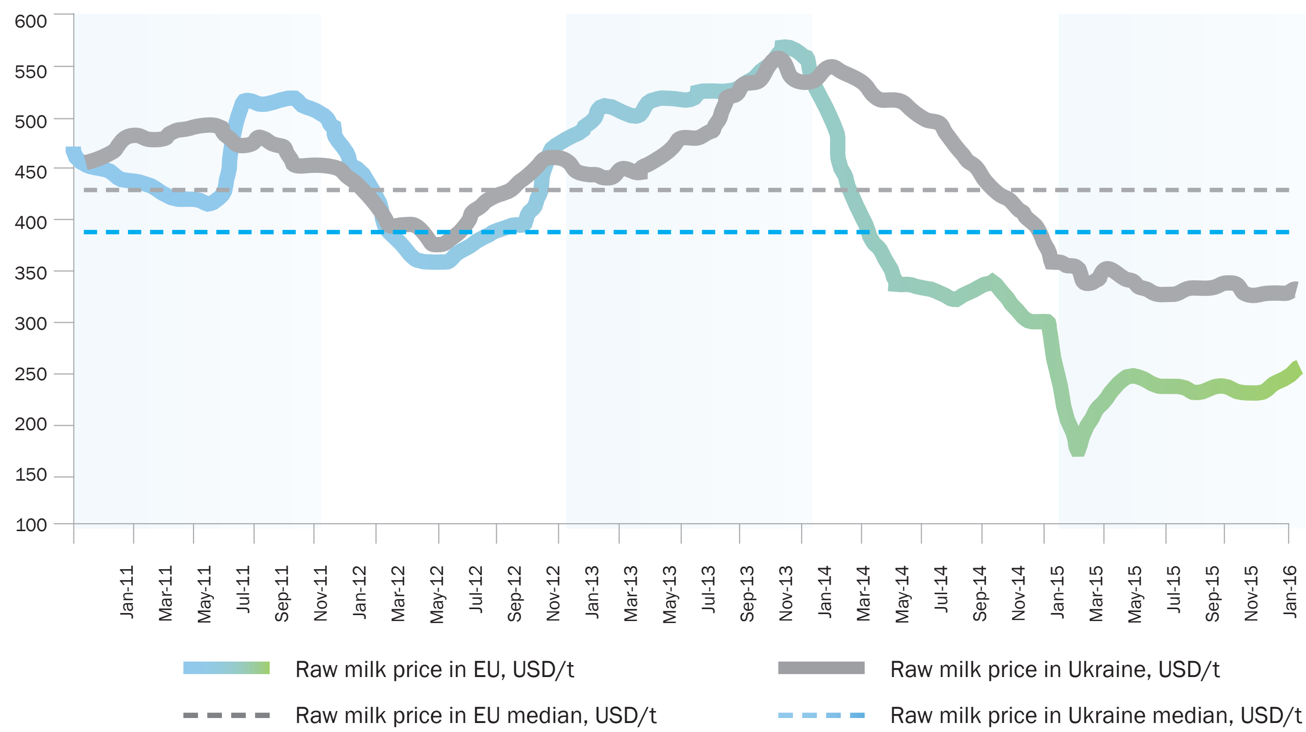


Source: Bloomberg

Global milk prices in 2015 continued to fall in response to diminishing demand amid economic concerns around the world. Important factors were the Russian import ban on some foreign dairy products, lower import demand in China, and increased production in the EU attributed to the removal of milk quotas in April 2015.

The current pricing environment for milk products both in Ukraine and globally likely represents the low ebb of a cyclical pattern.

Fig.14. EU and Ukraine milk price, USD/t

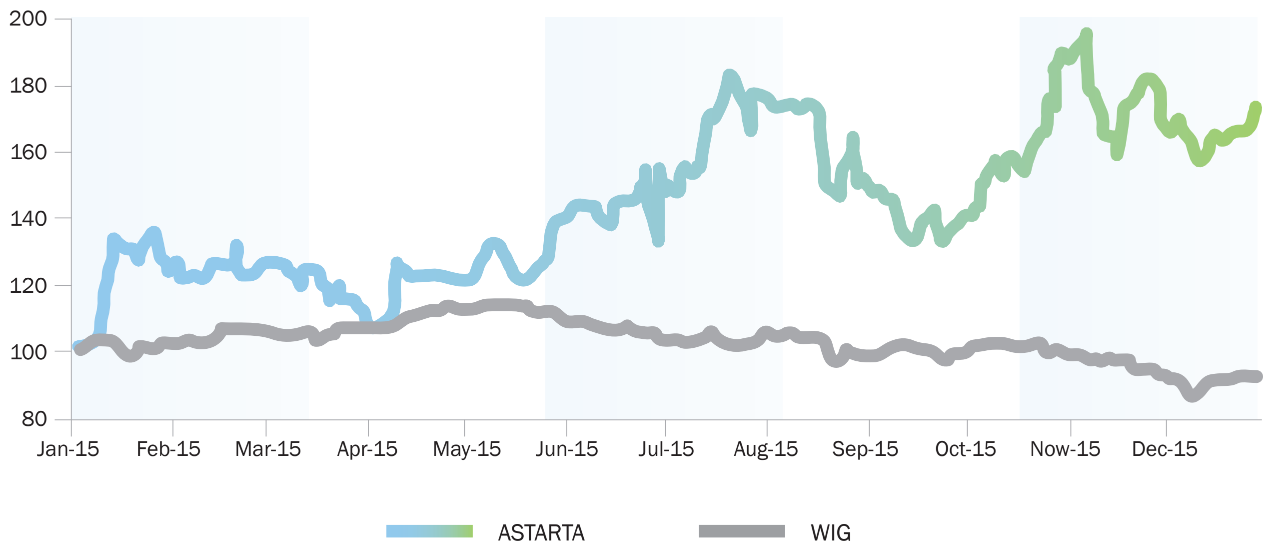


Source: Bloomberg

SHARE PRICE PERFORMANCE

In 2015, ASTARTA demonstrated the best share price performance among locally listed agro peers, demonstrating a 73% y-o-y upside.

Fig.15. ASTARTA and WIG performance in 2015 (factor = 100 as of 1 Jan 2015)



Source: Bloomberg

Table 8. Structure of shareholders as of 31 December 2015

Shareholder	Number of shares	Percentage of owned share capital,%
Viktor Ivanchyk (wholly owned Cypriot company Albacon Ventures Ltd.)	9 450 000	37.8%
Valery Korotkov (wholly owned Cypriot company Aluxes Holding Ltd.)	6 496 883	26.0%
Treasury shares	588 126	2.4%
Other shareholders	8 464 991	33.8%
Total	25 000 000	100%

Table 9. ASTARTA quotation data on the WSE

Data/Year	2015	2014	2013	2012	2011	2010
Opening price (PLN per share)	20	66,9	55	52	91.9	40
Highest trading price (PLN per share)	38.5	68	77.4	71	102	93
Lowest trading price (PLN per share)	19.8	14.5	46.3	46.8	44.4	37.1
Closing price (PLN per share)	34.5	20.0	66.9	55	52	91.9
Closing price (EUR)	8.1	4.7	16.1	13.3	11.8	23.2
Year price change	73%	-70%	22%	6%	-43%	130%
Market capitalization as of 31 December (thousands of PLN)	862 500	500 000	1 672 500	1 375 000	1 300 000	2 297 500
Market capitalization as of 31 December (thousands of EUR)	202 394	117 308	403 284	336 334	294 331	580 177

CORPORATE SOCIAL RESPONSIBILITY

Operating in a highly competitive market environment, it is vital for ASTARTA to be a market trendsetter and differentiate itself from the competition through high standards of corporate social responsibility.

Supporting the communities where we live, work and farm is part of who we are. We aim to improve livelihoods and support thriving communities by understanding their needs and expectations.

In January 2016, ASTARTA published Report on Sustainable Development, which summarizes the results of the Company in such important areas as the environmental protection, professional development of people, corporate governance, zero tolerance to corruption. The Company pays special attention to social projects aimed at improving the quality of life of the rural population, promoting modern and quality education, medicine, cultural and physical development of the individuals.

ASTARTA set priorities of development in socio-environmental area, which is related with its business: these are Best partner, Best investment, Best employer and Best neighbor.

The Company is actively promoting treaties of social collaboration with village councils within its areas of operation. Implementation of these agreements is aimed at creating effective and mutually beneficial cooperation practices with local communities, allowing the identification of key areas of support.

In 2015, ASTARTA implemented several measures aiming to develop education, support medicine as well as culture and sports, introduce the concept of sustainable farming, and provide social infrastructure for villages in rural areas.

The Company strives to raise the quality of rural education by improving the conditions of educational facilities. In 2015, ASTARTA contributed to refurbishing of facilities of 156 rural social institutions: schools, kindergartens, hospitals etc.

For several years, the ASTARTA's transportation program has supported school buses for children which study far from home in rural areas. The Company provides fuel and compensates the cost of repairs within this program.

In order to create favorable conditions for the recreation of children, a program called "Closer to Summer" was created, where children have had the opportunity to visit camps, participate in sporting events, attend plays, and go on trips.

Traditionally, ASTARTA welcomes the youth on Students Day. Thus, first-graders receive a set of educational materials and schools sponsored by ASTARTA receive such gifts as equipment and appliances useful for a more modern and efficient educational process.

ASTARTA supports talented youth. On the last day of school, hundreds of students who have demonstrated the best results are awarded prizes.

ASTARTA directs its efforts at supporting health care in rural areas. We invest in programs aimed at improving the health of the rural population and promote a healthy lifestyle of local residents.

Another priority of ASTARTA's social programs is to promote sport and active lifestyles by providing support to rural sports teams, children's sports schools, and funding local sporting events. In addition, funds are also allocated for the establishment and proper maintenance of sports facilities.

156 EDUCATIONAL INSTITUTIONS

101 schools

55 kindergartens

32 HOUSES OF CULTURE

28 SPORT TEAMS

68 MEDICAL INSTITUTIONS

59 health posts

9 hospitals

THE PROTECTION OF HEALTH AND LABOUR

The Company values highly the life and safety of its employees and makes every possible effort to secure safe and healthy working environment. We strive to improve safety management and comply with international standards. At the same time, the Company is aware of its responsibility to society, particularly by way of public health protection, and the conservation of natural resources. ASTARTA maintains an existing strategy to reduce to zero workplace injuries and incidents by identifying hazards, assessing risk, and determining responses.

To support the high professional level of employees, training, seminars, and conferences are held on an ongoing basis. Particular attention is paid toward the clothing and protective equipment of our employees. In order to monitor the impact of working conditions, medical examinations are constantly held on our premises, with medical offices ready to offer help on a regular basis. Owing to the measures adopted in 2015, no cases of illness or injury on the job have been documented in the Group.

In order to implement the OHSAS 18000 international standards of health and safety, the Company has made the determination and minimization of hazards that can cause accidents a priority. For example, agricultural enterprises and sugar factories have identified a number of hazards and risks that may impact employees, and are doing everything possible to circumvent them.

During 2015, ASTARTA successfully conducted an internal audit, concerning the implementation of safety and security measures, successfully developing corrective measures for 2016.

In order to reduce occupational injuries during the operation of agricultural machinery and execution of fieldwork, the Company experts held training seminars on working in safe conditions. The Company also tested an advanced reflective material for the labelling of danger zones on machinery and vehicles. Moreover, medical staff consistently carry out examinations of drivers and mechanics before the start of a shift.

CERTIFICATION AND STANDARDISATION

The Company continues to implement Corporate Environmental Policy principles, requiring every employee to comply with environmental management system policies. Moreover, the process of consistent control of labour protection, food security and quality is implemented at all enterprises.

In 2015, a new project was launched with the introduction of an energy management system (ISO 50001) at the Novoorzhytsky sugar factory. A diagnostic audit was carried out, allowing the sugar plant to be fully certified by the end of 2016.

To ensure quality implementation of the above-mentioned management systems, the Company provides training for internal auditors. In 2015, such a training session took place at the Globyno processing plant (food safety management system) and Globyno bioenergy sector (quality management system).

As requested by partners and customers, our manufacturing assets successfully passed ecological inspections, certifications and valuations. In particular, the Narkevytsky sugar factory successfully passed the SMETA 4-Pillar social-environmental audit, which took place at the request of Nestle – a respected customer of ASTARTA. By successfully passing the audit, the sugar factory confirmed compliance with the supplier rulebook of Nestle, demonstrating high standards in social business.

ENVIRONMENTAL PROTECTION

ASTARTA is committed to working with suppliers and partners responsibly, by introducing the concept of sustainable agriculture, diligently working on improving the quality of products, and reducing environmental impact. ASTARTA has introduced a policy in the field of industrial labour safety and environmental protection based on the following principles:

- Responsible activities, in accordance with regulatory requirements, in the field of labour protection, industrial safety, and environmental protection;
- Increase in industrial safety with constant technical monitoring of production processes;
- Sustainability of enterprises through the introduction of new environmentally-friendly technologies and reduction of emissions and waste at all stages of production;
- Collaboration with stakeholders, the public, and citizens concerning the Company's activities in the field of environmental safety;
- Conducting trainings for employees and raising their proficiency on labour protection, industrial safety, and environmental protection.

The implementation of environmental policies is ensured through systematic training at all levels of employment.

PERSONNEL

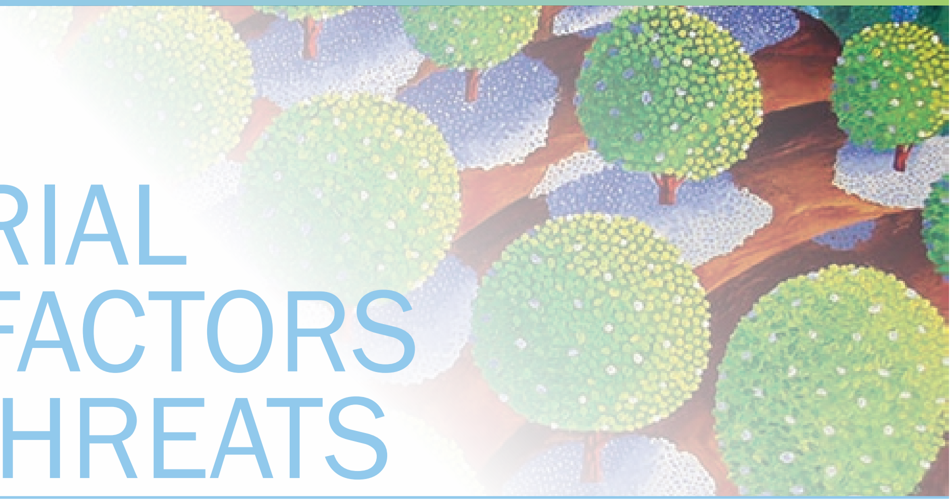
As of 31 December 2015, the Company employed 8 462 people, including 2 591 women. In the autumn, the season of sugar production, the number of employees increased to more than 13 000. In 2015, the highest number of employees was recorded in October and amounted to 13 345 people, including 3 988 women.

Salaries are independent of an employee's gender and age. Only market factors, position, level of competence, and employee effectiveness are taken into account.

The Company respects the right of employees to join labor unions or become members of professional organizations of their choice, and gives them the right to defend their collective interests. In order to ensure our employees with decent working conditions, ASTARTA offers them additional benefits. ASTARTA also provides benefits to employees who combine work with their educational development; provides comfortable conditions for women with young children, the disabled and employees of pre-retirement age; and provides an allowance for retired staff with disabilities as well workers of retirement age. The Company also cares about mothers on maternity leave, and guarantees their job positions' reservation.

ASTARTA aims for the steady improvement of its employees' knowledge and skills. Besides numerous job skills trainings as well as personal development training courses at all business segments are also available. These training courses not only heighten the Group's performance but also raise employee motivation and self-esteem.

Our goal is to create a motivational environment and an innovative creative spirit. In 2015, series of training programs were conducted, meeting the needs of our business as well as our employees.



MATERIAL RISK FACTORS AND THREATS

Described below are the risks and uncertainties we believe are significant for the Group, emphasizing the main risk factors and threats faced by ASTARTA.

	Risk	Mitigation
OPERATIONAL RISK	**Volatility of commodities prices:** Selling prices for sugar and crops are volatile and depend on many international and domestic factors, including but not limited to local and global demand and supply, weather, availability and cost of raw materials, biological factors, and state regulations.	ASTARTA has a diversified portfolio of products which helps to mitigate the negative effect of price fluctuations in specific item. Available storage facilities allow flexibility in timing of selling agri-produce, limiting sales during period of short-term or seasonal downward price corrections.
	Increased costs or disruptions in energy and other inputs supplies: Energy, fertilizer and fuel costs make up a material share of the Group's operating expenses. Thus any increases of price or disruptions in supplies of these inputs could make negative impact on operations.	ASTARTA has established relationships with a number of reliable suppliers of inputs which should mitigate the risk of material disruptions of supply due to both high reputational track-record of counterparties and diversification of supplies. As for energy price risk, the Group works continuously to reduce its major energy cost by intensive modernization of its sugar plants and successfully implemented its bioenergy program.
	Weather: Unfavorable weather conditions could have a negative impact on the crops' harvest and sugar yield, which would have direct implication for a per-unit cost of production.	ASTARTA's land bank under cultivation is located in several regions of Ukraine, which allow for geographical diversification of weather related risks, at least to some extent. Professional management and implementation of modern technologies allow us to achieve above-average yields.
COUNTRY RELATED RISK	**Regulatory risk:** From time to time, the Government has imposed restrictions on production and sales, as well as quotas, tariffs and other restrictive mechanisms. Any change in Government resolutions or legislation applicable to the company's markets, or the markets of its off-takers and suppliers may affect its business, operational and financial results.	ASTARTA has balanced its exposure to domestic and foreign markets as it developed a diversified portfolio of products which could help to mitigate the effect of adverse impact on any specific product.
FINANCIAL RISK	Please refer to corresponding notes in the Consolidated financial statements.	

FULFILLING PLANS FOR 2015 AND OUTLOOK

- Despite depressed macroeconomic situation in Ukraine and unstable commodity markets ASTARTA demonstrated sound financial and operational performance;
- Following increased operational efficiency ASTARTA made tangible advance in cutting cost of production in key business segments;
- ASTARTA materially increased share of export sales to hedge the national currency risks and broaden its presents in international markets;
- There was a major deleveraging of the balance sheet with net debt declining by EUR 44 million and Net Debt/EBITDA ratio reaching at 1.3 at the end of the year;
- ASTARTA retained its leading positions in Ukrainian sugar, soybean meal and dairy markets;

The primary tasks of the management team would be to concentrate on:

- Achieving higher returns on invested capital;
- Further increase in operational efficiency in key segments and reduction of cost of produce with simultaneous improvements in its quality;
- Maintaining high sustainability and fundamental strength of the business in potentially volatile macroeconomic and market environment;
- Attaining organic growth as well as seizing attractive business opportunities in key segments of operations.

Board of Directors of ASTARTA Holding N.V.

24 March 2016,

Amsterdam, the Netherlands

Mr V.Ivanchyk	*(Signed)*
Mr V.Gladkyi	*(Signed)*
Mr M.M.L.J. van Campen	*(Signed)*
Mr V.Korotkov	*(Signed)*
Mr W.T.Bartoszewski	*(Signed)*

Disclaimer regarding forecasts.

Certain statements contained in this annual report may constitute forecasts and estimates. Such predictions are subject to a number of risks, uncertainties and other factors that could cause actual results to differ from the anticipated results expressed or implied via forward-looking statements.

CORPORATE GOVERNANCE REPORT

1. GENERAL

ASTARTA Holding N.V. (hereinafter referred to as "ASTARTA" or "Company") was incorporated as a public limited liability company (naamloze vennootschap) under Dutch law on 9 June 2006.

The Company is registered in the commercial register of the Chamber of Commerce and Industry for Amsterdam under number 34248891.

ASTARTA's statutory seat is in Amsterdam, the Netherlands. The Company's registration address is Jan van Goyenkade 8, 1075 HP, Amsterdam, the Netherlands.

The Articles of Association (statuten) were executed on 9 June 2006 and amended on 15 July 2008.

ASTARTA's share capital is divided in ordinary shares with a par value of one cent (EUR 0.01) each, all of the same class and kind; there are no shares issued with special rights or privileges attached to them. There are no restrictions imposed by the Company to transfer shares or certificates.

We are pleased to present the corporate governance report of the Company for the 2015 financial year.

2. BOARD OF DIRECTORS

A Appointment and composition of the Board of Directors

The Company has a one-tier system of management that means that managing and supervisory duties are joined in the Board of Directors. Appointment and/or dismissal and/or suspension of the members of the Board of Directors is the prerogative power of the General Meeting of Shareholders. The General Meeting of Shareholders is authorized to determine the number of Directors.

The Board of Directors of the Company consists of five members: two Executive Directors A, one Executive Director B, and two Non-Executive Directors.

Directors A and Director B perform management duties and they are responsible for operational activity of the Company when the Non-Executive Directors have the supervisory obligations and shall bring specific expertise on activity of Executive Directors. Besides that one of our Non-Executive Directors – Mr. Bartoszewski, is independent from the Company, shareholders of the Company and the other Directors. One of the Executive Directors – Mr. Van Campen is also independent.

In accordance with Act on Management and Supervision (Wet Bestuur en Toezicht), which entered into force on 1 January 2013 large companies are required to have balanced composition on their boards. The act indicates that a management board, supervisory board or, in a one-tier board, board of directors are deemed to have a balanced gender distribution. ASTARTA has a one-tier board consisting only of men. Effective corporate governance is very much dependent on the skills and experience of members of the Board, both Executive and Non-Executive Directors of members of the Board in ASTARTA is made only on the basis of qualifications, abilities (including reputation and reliability) but not gender. If the

Company has a vacancy in the Board of Directors, it will take into account the requirement in respect of gender balance and try to engage women to form the Board of Directors.

The members of the Board of Directors shall be appointed for a maximum period of four years. Reappointment is possible on each occasion for a maximum period of four years, but the Non-Executive Directors may be reappointed no more than three times. The profiles of our Board Members and re-appointment schedule can be found on page 44.

The composition, duties and other issues of the Board of Directors of the Company are regulated by the Rules of the Board of Directors adopted in accordance with article 15 paragraph 10 of the Company's Articles of Association, Best Practice Provision II (and III) of the Dutch Corporate Governance Code (as defined hereafter) applicable at the time and Best Practice of GPW listed Companies (as defined hereafter). The Rules of the Board of Directors are applied and interpreted with reference to the Dutch Corporate Governance Code and the WSE Corporate Governance Rules. It can be viewed on the Company's website (www.astartaholding.com).

The Board of Directors of ASTARTA consist of Mr. Viktor Ivanchyk and Mr. Viktor Gladkyi, as the Executive Directors A, Mr. Marc Van Campen, as the Executive Director B, Mr. Valery Korotkov and Mr. Wladyslaw Bartoszewski, as the Non-Executive Directors.

On 18 June 2015, the General Meeting of Shareholders authorised the Board of Directors to issue or to grant rights to subscribe for shares up to a maximum of 10% of the issued and paid in share capital at the time and to limit or cancel any existing pre-emptive rights in connection therewith, all for the period of one year starting from 18 June 2015 and for the avoidance of doubt ending but not including 18 June 2016, which authorization may not be withdrawn provided that the Board takes such resolutions with anonymous votes, was accepted and the resolution was taken with a majority votes.

B Representation

The Company is represented by the Board of Directors, however the Board may entrust the Executive Director A acting jointly with Executive Director B with operational management of Company and Non-Executive Directors will supervise the policy and the fulfilment of the duties by Executive Directors.

The Board of Directors is also authorized to grant power of attorney to represent the Company to one official with general or limited power of representation. Nevertheless such official shall meet requirements of having no conflict of interest and with due observance of the limitations imposed on his or her powers. The Board of Directors determines the titles of such officials.

In 2015 the Board of Directors several times authorized Mr. Viktor Ivanchyk acting individually to conclude agreements and to determine their conditions after general approval of transactions by the Board of Directors.

On 18 June 2015 the General Meeting of Shareholders resolved to appoint Mr. Sergiy Kontiruk, the Corporate Secretary and Compliance Officer of the Company, as the person that will be temporarily charged with the management of the Company when all Directors are absent or unable to act. Such appointment is in accordance with Article 19 of the Articles of Association. In 2015 year where were no any cases of absence or inability to act of all Directors.

C The Directors

The Company has a profile for its Directors, which indicates the size and composition of the Board of Directors, the activities and expertise and background of the Directors.

The Board of Directors is formed by the following persons:

VIKTOR IVANCHYK

(born in 1956)

Executive Director A, Chief Executive Officer, Ukrainian national

Viktor Ivanchyk serves as an Executive Director A with the Company and as the Chief Executive Officer since the Company's incorporation.

Prior to founding ASTARTA-Kyiv in 1993, he worked for the Kyiv Aviation Industrial Association (KiAPO) and then served at the State service. In 1993 he founded ASTARTA-Kyiv, which the General Director he has been since then.

In 2005 he became a Deputy Chairman of the Counsel of the National Association of Sugar Producers of Ukraine "Ukrtsukor" and in 2007 a member of Presidium of Ukrainian Agrarian Confederation.

He graduated from Kharkiv Aviation Institute named after N. E. Zhukovsky (1979) and from the French Business School in Toulouse (1994). In 2007 he graduated from the International Management Institute (IMI Kyiv) on a Senior Executive MBA Programme.

Shares owned in the Company: 9,450,000 shares in the Company held through a Cypriot holding company named Albacon Ventures Ltd.

VIKTOR GLADKYI

(born in 1963)

Executive Director A, Chief Financial Officer, Ukrainian national

Viktor Gladkyi joined ASTARTA-Kyiv in 2012, serves as an Executive Director A with the Company since 2014.

Prior to joining us, Mr. Gladkyi worked in the Central Bank of Ukraine (NBU) and was the Member of the Board of several state and commercial banks, including State Exim Bank and Citi (Ukraine), SWEDBANK.

In 1985 Viktor Gladkyi graduated from Kyiv State Shevchenko University with a degree in international economics.

Shares owned in the Company: 0.

MARC VAN CAMPEN

(born in 1944)

Executive Director B, Chief Corporate Officer, Dutch national

Marc van Campen serves as an Executive Director B with the Company since its incorporation.

Prior to joining us, Mr. Van Campen served in several positions with Océ Van der Grinten N.V. and most recently, until 2002, as a general counsel of NBM-Amstelland N.V. a Dutch company listed on the Amsterdam Stock Exchange and at that time one of the largest companies in the Netherlands in the field of construction and project development.

Mr. van Campen has, in the previous seven years, been Director at Montferland Beheer BV and Voorgrond Beheer BV at Schoonhoven (NL), Director at Nice Group BV, Amsterdam, Director at GMT (PEP Com) BV, Amsterdam, Director at Ovostar Union NV, Amsterdam, quoted on the Warsaw Stock Exchange, Director at Do It Yourself (DIY) Orange Holding NV, Amsterdam, Director of the European subsidiaries (outside Italy) of Salvatore Ferragamo SpA at Florence, Italy and Director of Lugo Terminal Srl at Lugo, Italy.

Mr. van Campen is still holding the positions in the following entities: Montferland Beheer BV, Ovostar Union NV, Salvatore Ferragamo SpA and Lugo Terminal Srl.

He graduated with a master's in law from the University of Nijmegen in 1968.

Shares owned in the Company: 0.

VALERY KOROTKOV

(born in 1963)

Non-Executive Director C, Chairman of the Board of Directors, British citizen

Valery Korotkov serves as a Non-Executive Director C with the Company and the Chairman of the Board of Directors since its incorporation.

In 2003 Mr. Korotkov became a co-owner of LLC Firm “ASTARTA-Kyiv”.

From 1992 to 1999 Mr. Korotkov worked as a director for a number of companies, such as ROSMARK, MPVoil, CJSC “Rosneft-Zapad”, “Rosagronefteproduct”, CJSC “TNKinvestneft”, Municipal Unitary Enterprise “Poklonnaya gora” and then for 6 years he was a Deputy General Director at the Financial Company “Agronefteproduct”.

Mr. Korotkov graduated from the Kharkov Institute of the Engineers of Communal Construction (1985). In 1990 he obtained the degree of Candidate of engineering sciences and in 2002 he graduated from the University College Kensington and obtained a degree of a Master of business administration.

Shares owned in the Company: 6,496,883 shares in the Company held through a Cypriot holding company named Aluxes Holding Ltd.

WLADYSLAW BARTOSZEWSKI

(born in 1955)

Non-Executive Director C, the Vice Chairman of the Board, Polish and British citizen

In 2012 Mr. Bartoszewski became the CEO of PGE Dom Maklerski S.A., the brokerage house owned by PGE S.A., the largest Polish energy company. Between 2007 and the end of 2011, Mr. Bartoszewski worked for Credit Suisse, as the General Manager of Credit Suisse (Luxembourg) S.A., Poland Branch, based in Warsaw. Between 2004 and 2007, and also between 1991 and 1997 he was at Central Europe Trust Co. Ltd, a British consulting and advisory firm, where he was a Board Director, working in Warsaw, Kiev and Moscow. Between 2000-2003 he was a Managing Director of ING Barings, responsible for all its investment banking activities in Poland. In 1997, he joined J.P. Morgan where he was until the end of 2000 in charge of the Polish operations of the bank as a head of the Warsaw office. Prior to 1991 Mr. Bartoszewski was a lecturer at St Antony's College, Oxford, attached to the Institute of Russian, Soviet and East European Studies of the Oxford University as of 1985.

Wladyslaw Bartoszewski, PhD, is a graduate of the University of Warsaw and University of Cambridge. He has worked in financial services since 1990 and is registered with the British Financial Service Authority.

Shares owned in the Company: 0.

None of the Executive Directors holds more than two supervisory board memberships of listed companies or is chairman of such supervisory board other than of a group company.

The Resignation Schedule for Members of the Board of Directors has been drawn up in accordance with article 6.2 of the Rules of the Board of Directors. It can be viewed on the Company's website (www.astartaholding.com)

This schedule is completed, taking into account that a member of the Board of Directors will be appointed or reappointed for four-year terms, whereby the Non-Executive Directors may be reappointed maximum three times.

The Resignation Schedule is as follows:

Name	Date of first appointment as director	Date of (possible) reappointment	Max.term
VIKTOR IVANCHYK	June 2006	June 2018	Not Applicable
VIKTOR GLADKYI	June 2014	June 2018	Not Applicable
MARC VAN CAMPEN	June 2006	June 2018	Not Applicable
VALERY KOROTKOV	June 2006	June 2018	2018
WLADYSLAW BARTOSZEWSKI	June 2006	June 2018	2018

D Shareholding by Directors and Insider Trading

The total number of the Company's ordinary shares held by members of the Board of Directors as of 31 December 2015 was 15,946,883 amounting to approximately 63.79% of the issued and paid up share capital of the Company. The shareholding of the Directors has been notified with the AFM (Autoriteit Financiële Markten).

With respect to acquiring ownership interest of securities and transactions in securities by the Directors, the Company applies the Securities Rules of the Board of Directors.

With respect to acquiring shares in the Company's capital by the Directors and other people that are involved with the Company, the Company follows the provisions of the EU Market Abuse Directive and the Company's Insider Trading Rules that reflect the provisions of this Directive.

The Securities Rules of the Board of Directors and the Insider Trading Rules can be viewed on the Company's website (www.astartaholding.com)

In accordance with Article 2:98 of the Dutch Civil Code and article 10 of the Company's Articles of Association the Company may repurchase shares in set cases, but the number of shares, the manner and the price in which they may be acquired should be specified.

The General Meeting of Shareholders on 18 June 2015 authorized the Board of Directors to repurchase shares in the capital of the Company up to a maximum of 2,500,000 shares, being 10% of the currently issued and paid up share capital for a purchase price per share of up to PLN 125.00, and to authorize that the repurchase shall take place through a broker in the open market and is for the purpose of meeting obligations arising from (i) debt financial instruments exchangeable for or convertible into equity instruments and/ or (ii) employee share option programs, or other allocations of shares to employees or of a group entity of the Company and resolved that the authorization is valid for a period of eighteen months and from 18 June 2015.

As of 31 December 2015 the Company repurchased 593 527 shares, including 368 069 within 2015 financial year.

E Chairman of the Board of Directors and the Corporate Secretary

The Chairman of the Board of Directors is the person who determines the agenda for the Board of Directors' meetings, chairs the meetings and monitors the proper functioning of the Board of Directors and its committees.

In case when Chairman of the Board of Directors cannot fulfil obligations Vice-Chairman will fulfil the tasks and duties.

Detailed information on competence of the Chairman of the Board of Directors and Vice-Chairman can be viewed on the Company's website (www.astartaholding.com).

Mr. Korotkov was reappointed as the Chairman of the Board of Directors on the General Meeting of Shareholders in 2014, at the same meeting Mr. Bartoszewski was reappointed as the Vice-Chairman of the Board of Directors.

Within 2015 Vice-Chairman Mr. Bartoszewski performed the responsibilities of the Chairman of the Board of Directors twice – on 8 April 2015 (two meetings).

The Board of Directors is assisted by the corporate secretary responsible for ensuring that accurate and sufficient documentation exists to meet legal requirements, and to enable authorized persons to determine when, how, and by whom the business of the Board of Directors was conducted.

The compliance officer can be elected and dismissed by the Board of Directors. The Task of the Compliance Officer of the Company can be viewed on the Company's website (www.astartaholding.com).

Mr. Kontiruk was elected by the Board of Directors to perform the responsibilities as the corporate secretary and compliance officer of the Company. Mr. Kontiruk is also Director for Legal Affairs in LLC Firm "Astarta-Kyiv", his profile is available on the Company's website (www.astartaholding.com).

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors formed two committees to aid compliance with applicable corporate governance requirements with a view to financial transparency: the Audit committee and the Remuneration committee. The powers and responsibilities of each Committee are established in the applicable Committee Charter, which is approved by the General Meeting of Shareholders, Charters of the Committees are available on our website (www.astartaholding.com).

A Audit Committee

The Audit Committee is responsible for reviewing annually and reassessing the adequacy of the rules governing the committee as established by the Board of Directors. The Audit Committee is charged with advising on, and monitoring the activities of the Board of Directors with respect to inter alia, the integrity of our financial statements, our financing and finance related strategies and tax planning.

The Audit Committee consists of the Chairman – Mr. Bartoszewski, and one member – Mr. Van Campen.

To make the activity of the Committee more efficient employees of the Company may be invited at the meetings as well as external professionals for consultations.

Within 2015 financial year the Audit Committee inter alia discussed effectiveness of the risk-management and internal control systems of the Company, held the meeting with external auditors and discussed the audit.

The Charter of the Rules governing the Audit Committee can be viewed on the Company's website (www.astartaholding.com).

B Remuneration Committee

The Remuneration Committee is appointed by the Board of Directors.

The Remuneration Committee proposes to the Board, and the Board submits to the General Meeting's approval, the remuneration policies for Executive Directors and other Directors and the individual remuneration package of each Director.

The members of the Remuneration Committee are Mr. Korotkov (the Chairman) and Mr. Bartoszewski.

The Remuneration Committee may request the attendance of Executive Directors or any key employee of the Company. The members of the Remuneration Committee of our Company are qualified persons and before making some decisions or proposals take into account all factors which they deems necessary, including having regard to the remuneration trends in other companies similar to the Company in terms of size and/or complexity, results of fulfilment obligations by Directors, furthermore agreements concluded and projects realized within the year.

The Charter of the Rules governing the Remuneration Committee can be viewed on the Company's website (www.astartaholding.com).

4. REMUNERATION POLICY

The Remuneration Policy indicates the principal objectives that the amount and structure of the remuneration of the members of the Board of Directors is such that (i) qualified managers can be retained and motivated; (ii) the smooth and effective management of the Company is ensured, and (iii) the remuneration package with shareholder's interests is aligned over both the short- and long-term. Individual-specific responsibilities are taken into consideration in respect of the determination and differentiation of the remuneration of the members of the Board of Directors.

The Company has committed itself to provide a total remuneration that is competitive, comparable to and consistent with the practice in the agri-industry on a comparable market and is reasonable in relation to the Company's operating results and size.

On 18 June 2015 the General Meeting of Shareholders adopted amendments to Remuneration Policy of the Company. The Remuneration Policy for our Board of Directors can be viewed on the Company's website (www.astartaholding.com).

5. SHAREHOLDERS MEETINGS, BOARD MEETINGS AND COMMITTEES MEETINGS IN 2015

The Company started its financial year from the discussion of the main operational and financial objectives, proposals in respect of strategy of the Company and corporate social responsibility matters.

Dates for the Board Meetings in 2015 year were decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes were sent in advance to the Directors. The Chairman of the Board of Directors took all steps to ensure that the necessary time is allowed for an effective discussion of the items on the agenda during the meetings, and to take point of view from every Director who wanted to share. In order to make the meeting more effective the Company invited persons directly responsible for the areas related to the Board agenda.

The Company has a one-tier structure where management and supervisory functions are joined in the Board of Directors. With evaluation purposes the Company encourages the Non-Executive Directors to hold meetings for discussing the management performance of the Executive Directors and Committee's activity without Executive Directors being present.

The Annual General Meeting of Shareholders of the Company was held in Amsterdam, the Netherlands on 18 June 2015, the Minutes of which is available on the Company's website (www.astartaholding.com) in part "General Meeting of Shareholders".

Within the financial year 2015, the Board of Directors held the following meetings:

- four meetings in Amsterdam, the Netherlands, on 08 April 2015 (two meetings), on 17 June 2015 and 18 June 2015;
- three meetings via conference-call on 12 May 2015, 14 August 2015, and 06 November 2015.

Within the financial year 2015, the Audit Committee held the following meetings:

- two meetings in Amsterdam, the Netherlands, on 08 April 2015.

Within the financial year 2015, the Remuneration Committee held the following meetings:

- two meetings in Amsterdam, the Netherlands, on 08 April 2015 and on 18 June 2015.

6. GOVERNANCE AND CONTROL

A. Dutch Corporate Governance Code

On 9 December 2003, a committee commissioned by the Dutch Government (Commissie Tabaksblat) published the Dutch corporate governance code, which was amended on 10 December 2008 and became effective on 1 January 2009 (the "Dutch Corporate Governance Code"). The Dutch Corporate Governance Code contains principles and best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards. Dutch companies, whose shares are listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere, are required under Dutch law to disclose in their annual reports whether or not and to what extent they apply the provisions of the Dutch Corporate Governance Code. If a company does not apply the best practice provisions of the Dutch Corporate Governance Code, it must explain the reasons why it does not apply them.

B. WSE Corporate Governance Rules

The Polish principles of corporate governance are provided in "The Code of Best Practice for WSE Listed Companies" approved by the Resolution No. 12/1170/2007 of the Exchange Supervisory Board dated 4 July 2007. On 13 October 2015 the Code of Best Practice for WSE Listed Companies was amended by Resolution № 26/1413/2015 of the Warsaw Stock Exchange Supervisory Board and new amendments take effect form 1 January 2016.

Amended principles of "The Code of Best Practice for WSE Listed Companies" are applicable to companies listed on the Warsaw Stock Exchange. The document is available on the website (www.astartaholding.com) in part "Corporate documents".

C. Application of the Corporate Governance Codes

The Company intends to comply with the Corporate Governance Codes inter alia by approval of the corporate governance documents.

The above-mentioned set of corporate governance documents includes:

1. By-laws of the General Meeting of Shareholders
2. Rules of the Board of Directors
3. Profile of the Board of Directors
4. Resignation Schedule for the Members of the Board of Directors
5. Remuneration Policy
6. Charter of the Rules governing the Audit Committee
7. Charter of the Rules governing the Remuneration Committee
8. Profile and Tasks of the Compliance Officer
9. Securities Rules of the Board of Directors
10. Code of Conduct
11. Whistleblower Rules
12. Insider Trading Rules

All these documents are available on our corporate website (www.astartaholding.com).

D. Confirmations in relation to the Dutch Corporate Governance Code

There have not been conflict of interest situations between the Directors and the Company during financial year 2015. The Board of Directors would like to confirm that if there had been such situations, that it would have complied with best practice provisions II.3.2 and II.3.3 of the Dutch Corporate Governance Code, also in line with the documents mentioned under section C. This means that the Board of Directors would have immediately reported any such conflict of interest or potential conflict of interest being of material significance to the Company and/or to such Director, to the Non-Executive Directors and to the other members of the Board of Directors. Any discussion or decision-making with regard to the conflicted transaction, including any decision to determine whether there is an actual conflict of interest, would have been taken without the conflicted Director being present. The same applies to best practice provisions III.6.1 through III.6.3 with respect to conflicts of interest in relation to the Non-Executive Directors, to the extent possible taking into account that the Company has a one-tier structure.

The Board of Directors also confirms that there have not been any conflict of interest situations between the Company and shareholders holding more than 10% of the shares in the Company's capital during financial year 2015. The Board of Directors also confirms that if there had been any such situations, it would have acted in compliance with best practice provision III.6.4 of the Dutch Corporate Governance Code, providing for agreement in such situations on terms that are customary in the sector concerned, with the prior approval of the Non-Executive Directors.

Anti-takeover measures is a precautionary strategy used to protect the company's autonomy and market competitiveness. Management of ASTARTA tries to consider appropriate measures to mitigate the main risks in connection with takeover.

In accordance with best practice IV.1.6 the resolutions to approve the policy of the management board (discharge of management board members from liability) and to approve the supervision exercised by the supervisory board (discharge of supervisory board members from liability) shall be voted on separately in the general meeting. By Laws of the General Meeting of Shareholders of ASTARTA Holding N.V. effective from 29 June 2007 set the list of issues which the agenda of the General Meeting of Shareholders shall contain.

7. INTERNAL CONTROL

A Internal risk management and control systems

General

Our Board of Directors is responsible for our system of internal risk management and controls and for reviewing their operational effectiveness.

The internal risk management and control systems are designed to identify significant risks and to assist us in managing the risks that could prevent us from achieving our objectives. The systems however cannot provide absolute assurance against material misstatements, errors, non-compliance, fraud, and violations of laws and regulations. Besides, any of the internal risk management and control systems cannot provide total assurance of achievement objectives.

Since all our operations are located in Ukraine, the risk management and internal control framework mentioned below describes corresponding elements of such control on the level of the Ukrainian company – ASTARTA (unless stipulated otherwise), which company is established under and acting on Ukrainian legislation.

Control Systems

Our internal risk management and control systems have two principal organizational forms:

(i) a structural and functional form, including regulations for functional collaboration of departments both horizontally (job descriptions, charters of subsidiaries, rules of agreements adjustment etc.) and vertically (rules of budgeting and planning, financial and economic analysis etc.) and

(ii) a direct control form

With respect to (i), the control elements provide for functioning of overall control, which foresees among others the following:

1) Control over whole stage of business planning (budgeting)

Preliminary control over relative processes is executed over ASTARTA vertically, starting from designation of ASTARTA's objectives and tasks for the planning period and ending with an adoption by the management of subsidiaries, prepared and coordinated with all participants after their verification concerning their conformity with the objectives.

Current control over business plans (budgets) is executed firstly by comparing actual budgets with adopted plans in order to control fixed deviations and prevent adverse forthcomings for particular subsidiaries and ASTARTA as a whole. All deviations are to be analyzed in order to reveal the reasons for deviating and the measures to be taken in order to eliminate these deviations;

2) Control over revenues and expenses

Control over revenues and expenses of the enterprises of ASTARTA as well as over crediting and withdrawal of funds of these enterprises is executed by way of elaboration on the regulations regarding budgeting and elaboration of the budget of ASTARTA's enterprises itself.

The budget commission is functioning in order to improve efficiency of the control over revenues and expenses of the subsidiaries, which commission holds meetings on a regularly basis to approve budgets and control over budgeting in ASTARTA and its subsidiaries;

3) Control over sales of the enterprises of the Group

ASTARTA provides for centralized sales of the Group's core products. It is conducted through carrying on negotiations with consumers, drafting schedules of dispatching and sending them to subsidiaries. The control over sales is established in a way of control over execution of the dispatching schedules by our subsidiaries as well as cooperating with our consumers.

4) Control over investment decisions

ASTARTA has developed procedures of the investment decisions adoption. The investment committee is functioning to improve efficiency of the investment decisions adoption process and to minimize risks of wrong investment decisions. Our internal control system executes thorough due diligence companies, which regard as objects of investment.

5) Control over financial and tangible assets

ASTARTA provides for centralized and automated control over accounts receivable in subsidiaries. It helps to increase essentially the liquidity financial system of Group and the effectiveness of conduct financial resources. Besides, ASTARTA implements centralized control over retirement of basic assets and effectiveness of theirs utilization.

6) Policy of economic security

This policy is realized by an especially established system of the economic security service, which is a vertically integrated chain of security departments on the level of ASTARTA and the operational companies. ASTARTA has created monitoring system for preventing conflicts of interest and different fraud.

7) Hot line

In accordance with recommendations of our consulting company, ASTARTA maintains additional control system "Hot line". Everyone who works in ASTARTA or with ASTARTA can communicate to Internal Audit Department by telephone, mail, e-mail or website of our company and leave information about a fraud or other violations. This information may be left anonymously if contacting person wants it.

With respect to (ii) mentioned above, the monitoring means of control environment include direct control and internal auditing. One of the main instruments of direct control is the Department of accounting methodology and control and the Internal Audit Department of ASTARTA.

The Department of accounting methodology and control works up consolidated accounting policy for all ASTARTA's subsidiaries, executes its control over ASTARTA's subsidiaries periodically and examines compliance of the accounting of the subsidiaries with the accounting standards and policy in place. The Department of accounting methodology and control had implemented 1C: Enterprise 8 system of programs, which is intended for continuation of automation everyday enterprise activities: various business tasks of economic and management activity, such as management accounting, HR management, CRM, SRM, MRP, etc. Part of this automation has been implemented in ASTARTA in 2015.

The Internal Audit Department conducts an independent, objective assurance and consulting activity designed to add value and improve ASTARTA's and its subsidiaries operations. It helps our company to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Activity of internal audit aims to increase and defend organizational value by providing risk-based and objective assurance, advice, and insight.

In connection to the abovementioned we are aware that some functions of our internal risk management and control systems have been improved. We believe that we are taking adequate steps every year to strengthen our internal risk management and control systems in these functions.

Deficiencies

Over the period covered by this annual report we have not identified any control issues that could be classified as a material weakness or having a material impact on our operational and financial results. We have however identified some needs for control improvement as outlined below.

The first group of issues is connected to IT system improvement, including issues of usage of the system as a mean of control. To solve the issue we designated IT specialists from our IT department in order to provide usage of IT as a measure of control efficiency improvement and cooperation with the economic security department, department of procurement, financial department and operating departments. We also plan to continue to improve a regulation on IT information security at ASTARTA.

The second group relates to insufficient formalization and optimization of processes of financial and management accounting. In order to solve these issues we continue to analyze the way to enable (i) standardization and improvement of our financial accounting system and its being compliant with IFRS as adopted by the European Union and part 9 of book 2 of the Dutch Civil Code, as well as (ii) formalization of management accounting aiming at control of fulfillment of designated tasks in the process of business planning.

According to specific regulations we also permanently verify and improve our system of internal control over financial reports. Our external auditors are obligated to consider our internal control over financial reporting as a basis for designing their auditing procedures for the purpose of expressing their opinion on our consolidated financial statements. Besides, we have discussed our own assessment of our control and risk management framework with our external auditors.

B Section II.1.5 of the Dutch Corporate Governance Code

The Company has been working on a system that is in compliance with the Dutch Corporate Governance Code, while taking into account observations from the Company's external auditor. Within the previous years the Company had improved this system in such manner that it has made a lot of progress in its endeavor to comply with the relevant principles and provisions of the Dutch corporate governance code.

To the best of its knowledge, the Board of Directors believes that the Company's internal risk management and control systems have not led to any major problems during financial year 2015 resulting in material errors in the financial reporting of the Company. The Board of Directors also believes that the Company's internal risk management and control systems have been implemented effectively until now, but note that there are areas where the deficiencies as described above were identified, in relation to which adequate remedial actions have been taken in 2015. The Board of Directors has the data and opinion that our risk management and control systems provide reliability and integrity of financial reporting with a reasonable level of assurance that it will not contain material inaccuracies.

8. DEVIATION FROM THE DUTCH CORPORATE GOVERNANCE CODE AND THE CODE OF BEST PRACTISE FOR WSE LISTED COMPANIES

As the Company is incorporated under the laws of the Netherlands, apart from applying the Code of Best Practice for WSE Listed Companies, the Company complies with the Dutch Corporate Governance Code by applying principles and best practice provisions that are applicable, or by explaining why the Company deviates from them. The Company tries to comply with both Dutch and Polish corporate governance rules.

Since the WSE Corporate Governance Rules are similar to the rules provided under the Dutch Corporate Governance Code, a majority of the principles and best practice provisions of the Dutch Corporate Governance Code are being complied with. Since the first General Meeting of Shareholders held after the listing of the Company's shares on the Warsaw Stock Exchange, all the internal documents and regulations concerning the corporate governance rules of the Company were adopted and amended from time to time.

The Company currently does not apply the following provisions of the Dutch Corporate Governance Code:

Best practice principle III.5: composition and role of three key committees of the supervisory board

The Company has a one-tier structure with only two Non-executive directors and is therefore not obliged to have committees, other than the audit committee. However, the Company has a remuneration committee and an audit committee.

Best practice provision III.8.3: one-tier management structure

In accordance with this provision, the management board shall have committees that shall consist only of non-executive management board members. Since the Company has only two Non-Executive Directors, the executive directors are also committee members.

Best practice provision III.8.4: one-tier management structure

In accordance with this best practice provision, the majority of members of the management board shall be non-executive directors and are independent within the meaning of this Code. As for the Company, it has two Non-Executive Directors out of five Directors; two members of the Board of Directors are independent. The reason for this is to keep the Board of Directors as small and simple as possible. To apply this rule would mean that the Board should be comprised of nine persons; since only Mr. Bartoszewski is an independent non-executive director, four additional independent non-executive directors would be required. This does not seem to be in the best interests of the Company, but would rather complicate matters.

As for "The Code of Best Practice for WSE Listed Companies" the Company does not apply the following:

We are the Company with one-tier management structure, so the management and supervisory duties performs Board of Directors.

Our Board of Directors consists only of men. The Company understands the effectiveness of diversity policy. The only criterias for appointment of members of the Board of Directors are qualifications, abilities (including reputation and reliability) but not sex attribute. However the Company will try to involve women to the Board of Directors.

At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. There is one governing body in the Company, the Board of Directors comprising both Executive and Non-Executive Directors. Directors A and Director B perform management duties and they are responsible for operational activity of the Company when the Non-Executive Directors have the supervisory obligations and shall bring specific expertise on activity of Executive Directors. Besides that one of our Non-Executive Directors – Mr. Bartoszewski, is independent from the Company, shareholders of the Company and the other Directors. One of the Executive Directors – Mr. Van Campen is also independent.

A Company should enable its shareholders to participate in a General Meeting using electronic communication means through:

1. real-life broadcast of General Meetings;

2. real time communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting;

3. exercise of the right to vote during a general meeting either in person or through a plenipotentiary.

The corporate documents of the Company provide that all the general meetings take place where the company's registered office is situated, or any other place within the Netherlands agreed upon by the Board of Directors. In a meeting held elsewhere, valid resolutions can only be taken if the entire capital is represented. The shareholders may exercise their voting rights by authorizing the company's proxies who are bound by instruction or a third party.

9. REMUNERATION REPORT

Background

ASTARTA Holding N.V. is the Company which since its incorporation in 2006 gained success in development of its mechanisms of management, there were adopted many corporate documents improving the activity of the Company, recommended itself as the reliable partner and without any doubt it is the result of proactive work of Directors of the Company. Thus the Company is interested to remunerate the Directors in such way that they may expect to receive estimated in accordance with trends of the market, competitive, taking into account the achieved in the year results and of course on individual basis contribution of each Director in development of the Company.

As it was mentioned in our previous reports the Company is a holding company with all production assets situated in Ukraine. Taking this into account the Executive Directors shall be involved in operational process in Ukraine, so the operational management of the Company is carried out on the sub-holding level – by the management of LLC Firm "Astarta-Kyiv". Thus the Company defines the fixed management remuneration - (i) for directors who do not take part in the operational management, and (ii) for directors who do take part in the operational management.

The fixed management remuneration for directors who do not take part in the day-to-day operational management of the Company was calculated based on the statistical data concerning remuneration of management board members in similar companies. The main criteria of comparing were (i) market capitalization, (ii) sector of economy and (iii) kind of business.

The Company shall not make any payments as remuneration to the members of the Board of Directors, whether annual payments, periodical payments/rewards, payments payable on a certain term, entitlements to profits, bonuses or pension payments, whether in cash or in kind, other than in accordance with the Remuneration Policy dated 18 June 2015. The Remuneration Policy adopted on 18 June 2015 provides that the Directors responsible for the day-to-day operational management of the

Company may be granted by cash bonuses of up to 150% of their fixed annual fee in a year, after adoption of the annual accounts of the preceding financial year. Upon proposal of the Remuneration Committee, the Board of Directors can decide whether a bonus shall be paid and what the amount of the bonus shall be. The Remuneration Committee shall form its proposal by taking into account the Company's activity results in a year, the adopted annual accounts, and the decisions taken by the directors in a year with regard to achieved long-term objectives of the Company.

Remuneration in financial year 2015

On 18 June 2015, in accordance with Remuneration Policy dated 18 June 2015 year the Board of Directors approved and ratified the remuneration of Mr. Bartoszewski at EUR 35,000 per year, of Mr. Korotkov at EUR 135,000 per year, and of Mr. Van Campen at EUR 35,000 per year for financial year 2015.

Due to paragraph (A) Article 3 of Remuneration Policy, The Executive Directors "A" shall not be remunerated by the Company, but by its subsidiary LLC Firm "Astarta-Kyiv". Thus, the Board of Directors approved the following recommended remuneration of Executive Directors "A" for 2015: Mr. Ivanchyk – equivalent of about EUR 360,000 and Mr. Gladkyi – equivalent of about EUR 240,000 for the year 2015.

Based on the recommendation of the Company, LLC Firm "Astarta-Kyiv" approved the remuneration of Mr. Ivanchyk and Mr. Gladkyi for financial year 2015, Mr. Ivanchyk and Mr. Gladkyi obtained their remuneration on the monthly based period in UAH.

In 2015 the Board of Directors of ASTARTA Holding N.V., recommended to grant to Executive Directors A cash bonuses for 2014 in the following amounts: to Mr. Ivanchyk – equivalent of about EUR 210,000 and to Mr. Gladkyi – equivalent of about EUR 188,000.

The abovementioned resolutions have been approved based on Remuneration Policy, the results of examination of the consolidated financial statements as at and for the year 2014 approved by the General Meeting of Shareholders as well as upon the Remuneration Committee's proposals dated 18 June 2015.

Director's name	Position	2013			2014			2015		
		Remuneration for rendered services	Reimbursable expenses	Total	Remuneration for rendered services	Reimbursable expenses	Total	Remuneration for rendered services	Reimbursable expenses	Total
V. Korotkov	Chairman of the Board of Directors, Non-Executive Director	35,000	5,569	40,569	35,000	4,744	39,744	135,000	4,524	139,524
M.M.L.J. van Campen	Executive Director and Chief Corporate Officer	35,000	2,057	37,057	35,000	0,000	35,000	35,000	0,000	35,000
W.T. Bartoszewski	Deputy Chairman of the Board of Directors, Non-Executive Director	35,000	1,424	36,424	35,000	3,048	38,048	35,000	4,012	39,012
Total				**114,150**			**112,792**			**213,536**

Information about the remunerations and bonuses accrued by LLC Firm "Astarta-Kyiv" to the Company's Directors A, taking into account resolution of the General Meeting of Shareholders dated 18 June 2015 is presented in the table below (amounts in Euros of the equivalent paid in Ukrainian hryvnia):

Director's name	Position	2013			2014			2015		
		Remuneration for rendered services	Bonuses	Total	Remuneration for rendered services	Bonuses	Total	Remuneration for rendered services	Bonuses	Total
V. Ivanchyk	Executive Director and Chief Executive Officer	272,610	0[1]	272,610	154,780[2]	0[3]	154,780	159,761	0[4]	159,761
V. Gladkyi	Executive Director and Chief Financial Officer (from 18 June 2014)	-	-	-	97,232	67,500	164,732	149,779	188,000	337,776

[1] *General Meeting of Participants of LLC Firm "Astarta-Kyiv" on the basis of the Resolution of the Board of Directors of ASTARTA dated 21 June 2013 resolved to grant to Mr. Ivanchyk cash bonuses, but Mr. Ivanchyk decided to refuse from the granted bonuses in favor of charity. The amount of bonuses is EUR 143,609.*

[2] *Mr. Ivanchyk decided to refuse from the part of his annual remuneration amounted EUR 61,120 in favor of charity.*

[3] *General Meeting of Participants of LLC Firm "Astarta-Kyiv" on the basis of the Resolution of the Board of Directors of ASTARTA dated 07 July 2014 resolved to grand to Mr. Ivanchyk cash bonuses, but Mr. Ivanchyk decided to refuse from the granted bonuses in favor of charity. The amount of bonuses is EUR 150,000.*

[4] *General Meeting of Participants of LLC Firm "Astarta-Kyiv" on the basis of the Resolution of the Board of Directors of ASTARTA dated 18 June 2015 resolved to grand to Mr. Ivanchyk cash bonuses, but Mr. Ivanchyk decided to refuse from the granted bonuses in favor of charity. The amount of bonuses is EUR 210,000.*

On 18 June 2015 the Board of Directors resolved also to grant cash bonuses to eight top managers of LLC Firm "Astarta-Kyiv" under results of their work in 2014 year for the total amount equivalent approximately to EUR 370,000.

10. REPORT OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors of the Board of Directors, Mr. Korotkov and Mr. Bartoszewski, have performed the following actions and duties in their role as Non-Executive Directors in 2015.

The Non-Executive Directors are charged with supervising the policy, strategy and fulfilment of duties of the Executive Directors A and the Executive Directors B, and the general affairs of the Company.

Mr. Bartoszewski can be considered independent within the meaning of Best Practice Provision III.2.2 of the Dutch Corporate Governance Code, Mr. Korotkov cannot be considered independent. Since not more than one Non-Executive Director is dependent, best practice provision III.2.3 of the Dutch Corporate Governance Code has been complied with.

In carrying out their task, they participated in the Board meetings mentioned in paragraph 5 above and advised the Board of Directors on their management activities. Besides this, Mr. Korotkov is the Chairman of the Remuneration Committee, and Mr. Bartoszewski, as financial expert, is the member of the Remuneration Committee and Chairman of the Audit Committee.

Mr. Korotkov and Mr. Bartoszewski within 2015 financial year held meetings on which the main items which were discussed – remuneration of the members of the Board of Directors, payment of bonuses and the Company's and Remuneration Policy of the Company.

As for Mr. Bartoszewski, as the Chairman of the Audit Committee, he has had two meetings with Mr. Van Campen and provided the Board of Directors with advice in this respect.

There were no irregularities in the 2015 financial year that required interventions by the Non-Executive Directors.

REPRESENTATIONS OF THE BOARD OF DIRECTORS

A. Representation of the Board of Directors on the Compliance of Annual Financial Statements

The Board of Directors hereby represents, to the best of its knowledge, that the statutory financial statements of the Company and its consolidated subsidiaries for the year ended 31 December 2015 are prepared in accordance with the applicable accounting standards and that they give a true and fair view of the assets, liabilities, financial position and the result of the Company and its consolidated subsidiaries, and that the report of the Board of Directors for the year ended 31 December 2015 gives a true and fair view of the position of the Company and its consolidated subsidiaries as at 31 December 2015 and of the development and the performance of the Company and its consolidated subsidiaries during the year ended 31 December 2015, including a description of the key risks that the Company is confronted with.

B. Representation of the Board of Directors on Appointment of an Entity Qualified to Audit Annual Financial Statements

The Board of Directors hereby represents that Baker Tilly Berk N.V., which performed the audit of the statutory financial statements of the Company for the period that ended 31 December 2015, has been appointed in accordance with the applicable laws and that this entity and the accountants performing the audit met the conditions necessary to issue an impartial and independent report on the audit in accordance with the applicable provisions of law.

C. Representation of the Board of Directors Relating to the System of Internal Control

In line with best practice provision II.1.4 of the Dutch Code and bearing in mind the recommendations of the Monitoring Committee Corporate Governance Code, the Company issues a declaration about the effectiveness of the system of internal control of the processes on which the financial reporting is based.

In 2015, the Board of Directors assessed the effectiveness of the system of internal controls for financial reporting. During the investigation on which this assessment was based, no shortcomings were identified that might possibly have a material impact on the financial reporting. On the basis of the results of the above assessment and the risk analysis that was carried out at the Company within the framework of governance and compliance, the Board is of the opinion, after consulting with the Audit Committee, that the system of internal controls provides a reasonable degree of certainty that the financial reporting contains no inaccuracies of material importance. An inherent element in how people and organizations work together in a dynamic world is that systems of internal control cannot provide an absolute degree (though they can provide a reasonable degree) of certainty as regards the prevention of material inaccuracies in the financial reporting and the prevention of losses and fraud.

In our view the system of internal controls, focused on the financial reporting, functioned effectively over the past year. There are no indications that the system of internal controls will not function effectively in 2015.

Board of Directors of ASTARTA Holding N.V.

24 March 2016

Amsterdam, the Netherlands

The Board of Directors

Mr V.Ivanchyk	*(Signed)*
Mr V.Gladkyi	*(Signed)*
Mr M.M.L.J. van Campen	*(Signed)*
Mr V.Korotkov	*(Signed)*
Mr W.T.Bartoszewski	*(Signed)*

CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED
31 DECEMBER 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

(in thousands of Ukrainian hryvnias)	*Notes*	**31 December 2015**	**31 December 2014**	**31 December 2013 (restated)**
ASSETS				
Non-current assets				
Property, plant and equipment	*7*	**5 782 197**	4 270 821	3 432 765
Intangible assets	*8*	**64 854**	53 841	64 206
Biological assets	*9*	**505 862**	584 647	520 947
Value added tax		**223 691**	236 775	165 880
Financial instruments available-for-sale		**265**	-	7 946
Long-term receivables and prepayments	*11*	**20 680**	751	764
		6 597 549	5 146 835	4 192 508
Current assets				
Inventories	*10*	**4 022 258**	3 024 917	2 815 239
Biological assets	*9*	**470 358**	515 695	331 501
Trade accounts receivable	*11*	**447 312**	252 351	326 065
Other accounts receivable and prepayments	*11*	**534 149**	130 566	190 098
Current income tax		**2 317**	1 469	2 405
Short-term cash deposits	*12*	**378 333**	423 575	47 484
Cash and cash equivalents	*13*	**440 069**	246 861	29 472
		6 294 796	4 595 434	3 742 264
Total assets		**12 892 345**	9 742 269	7 934 772
EQUITY AND LIABILITIES				
Equity	***14***			
Share capital		**1 663**	1 663	1 663
Additional paid-in capital		**369 798**	369 798	369 798
Retained earnings		**2 875 244**	2 186 139	3 026 875
Revaluation surplus		**2 834 231**	1 509 964	842 517
Treasury shares		**(94 389)**	(34 698)	(2 596)
Currency translation reserve		**319 547**	202 531	3 430
Total equity attributable to equity holders of the parent company		**6 306 094**	4 235 397	4 241 687
Non-controlling interests in joint stock companies	*15*	**407**	619	661
Total equity		**6 306 501**	4 236 016	4 242 348
Non-current liabilities				
Loans and borrowings	*16*	**1 847 795**	2 047 278	1 309 423
Non-controlling interests in limited liability companies	*15*	**170 789**	112 073	87 718
Other long-term liabilities		**4 172**	9 031	17 803
Deferred tax liabilities	*25*	**351 095**	213 360	111 906
		2 373 851	2 381 742	1 526 850
Current liabilities				
Loans and borrowings	*16*	**2 278 974**	1 958 745	1 436 045
Current portion of long-term loans and borrowings	*16*	**1 221 091**	828 481	357 840
Trade accounts payable		**56 332**	95 609	131 511
Current income tax		**12 837**	9 112	4 613
Other liabilities and accounts payable	*17*	**642 759**	232 564	235 565
		4 211 993	3 124 511	2 165 574
Total equity and liabilities		**12 892 345**	9 742 269	7 934 772

The notes on pages 74 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

(in thousands of Euros)	*Notes*	**31 December 2015**	**31 December 2014**	**31 December 2013 (restated)**
ASSETS				
Non-current assets				
Property, plant and equipment	*7*	**220 500**	222 058	299 804
Intangible assets	*8*	**2 474**	2 800	5 608
Biological assets	*9*	**19 291**	30 397	45 497
Value added tax		**8 530**	12 312	14 488
Financial instruments available-for-sale		**10**	-	694
Long-term receivables and prepayments	*11*	**789**	39	67
		251 594	267 606	366 158
Current assets				
Inventories	*10*	**153 384**	157 277	245 872
Biological assets	*9*	**17 937**	26 813	28 952
Trade accounts receivable	*11*	**17 058**	13 121	28 477
Other accounts receivable and prepayments	*11*	**20 369**	6 789	16 603
Current income tax		**88**	76	210
Short-term cash deposits	*12*	**14 427**	22 023	4 147
Cash and cash equivalents	*13*	**16 782**	12 835	2 574
		240 045	238 934	326 835
Total assets		**491 639**	506 540	692 993
EQUITY AND LIABILITIES				
Equity	***14***			
Share capital		**250**	250	250
Additional paid-in capital		**55 638**	55 638	55 638
Retained earnings		**262 518**	234 461	293 841
Revaluation surplus		**165 523**	115 075	80 490
Treasury shares		**(4 746)**	(2 280)	(240)
Currency translation reserve		**(238 706)**	(182 930)	(59 528)
Total equity attributable to equity holders of the parent company		**240 477**	220 214	370 451
Non-controlling interests in joint stock companies	*15*	**16**	32	58
Total equity		**240 493**	220 246	370 509
Non-current liabilities				
Loans and borrowings	*16*	**70 464**	106 447	114 361
Non-controlling interests in limited liability companies	*15*	**6 513**	5 827	7 661
Other long-term liabilities		**159**	470	1 554
Deferred tax liabilities	*25*	**13 389**	11 094	9 775
		90 525	123 838	133 351
Current liabilities				
Loans and borrowings	*16*	**86 907**	101 843	125 419
Current portion of long-term loans and borrowings	*16*	**46 565**	43 076	31 252
Trade accounts payable		**2 148**	4 971	11 486
Current income tax		**490**	474	403
Other liabilities and accounts payable	*17*	**24 511**	12 092	20 573
		160 621	162 456	189 133
Total equity and liabilities		**491 639**	506 540	692 993

The notes on pages 74 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(in thousands of Ukrainian hryvnias)	*Notes*	**2015**	**2014**
Revenues	*18*	**7 640 532**	5 498 832
Cost of revenues	*19*	**(5 324 468)**	(4 227 238)
Changes in fair value of biological assets and agricultural produce	*9*	**1 128 189**	697 613
Gross profit		**3 444 253**	1 969 207
Other operating income	*20*	**314 238**	270 414
General and administrative expense	*21*	**(460 544)**	(362 403)
Selling and distribution expense	*22*	**(497 497)**	(347 991)
Other operating expense	*23*	**(202 756)**	(166 155)
Profit from operations		**2 597 694**	1 363 072
Finance costs	*24*	**(2 294 894)**	(2 376 793)
Finance income	*24*	**29 665**	11 173
Other (expense) income		**(6 937)**	10 083
Profit before tax		**325 528**	(992 465)
Income tax benefit (expense)	*25*	**45 901**	(15 443)
Net profit (loss)		**371 429**	(1 007 908)
Net profit attributable to:			
Non-controlling interests in joint stock companies		**(43)**	(217)
Equity holders of the parent company		**371 472**	(1 007 691)
Weighted average basic and diluted shares outstanding (in thousands of shares)		**24 574**	24 850
Basic and diluted earnings (loss) per share attributable to shareholders of the company (in Ukrainian hryvnias)		**15,12**	(40,55)

The notes on pages 74 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(in thousands of Euros)	*Notes*	**2015**	**2014**
Revenues	*18*	**313 997**	351 902
Cost of revenues	*19*	**(218 806)**	(267 994)
Changes in fair value of biological assets and agricultural produce	*9*	**47 629**	47 006
Gross profit		**142 820**	130 914
Other operating income	*20*	**12 804**	15 267
General and administrative expense	*21*	**(19 013)**	(23 191)
Selling and distribution expense	*22*	**(20 341)**	(21 540)
Other operating expense	*23*	**(8 271)**	(9 960)
Profit from operations		**107 999**	91 490
Finance costs	*24*	**(94 921)**	(160 050)
Finance income	*24*	**1 227**	752
Other (expense) income		**(268)**	624
Profit before tax		**14 037**	(67 184)
Income tax benefit (expense)	*25*	**1 904**	(892)
Net profit (loss)		**15 941**	(68 076)
Net profit attributable to:			
Non-controlling interests in joint stock companies		**(3)**	(15)
Equity holders of the parent company		**15 944**	(68 061)
Weighted average basic and diluted shares outstanding (in thousands of shares)		**24 574**	24 850
Basic and diluted earnings (loss) per share attributable to shareholders of the company (in Euros)		**0,65**	(2,74)

The notes on pages 74 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

(in thousands of Ukrainian hryvnias)	2015	2014
Profit for the year	**371 429**	(1 007 908)
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange difference on transactions of foreign operations	**14 754**	131 106
Income tax effect	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**14 754**	131 106
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Exchange difference on transactions of foreign operations (the parent company)	**102 262**	67 995
Income tax effect	**-**	-
	-	-
Revaluation of property, plant and equipment	**1 868 616**	946 607
Income tax effect	**(210 796)**	(101 933)
	1 657 820	844 674
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	**(19 621)**	(12 433)
Income tax effect	**3 532**	2 238
	(16 089)	(10 195)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**1 743 993**	902 474
Total comprehensive income	**2 130 176**	25 672
Attributable to:		
Non-controlling interests in joint stock companies	**(212)**	(140)
Equity holders of the parent	**2 130 388**	25 812
Total comprehensive income (loss) as at 31 December	**2 130 176**	25 672

The notes on pages 74 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

(in thousands of Euros)	2015	2014
Profit for the year	**15 941**	(68 076)
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange difference on transactions of foreign operations	**(55 782)**	(123 423)
Income tax effect	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(55 782)**	(123 423)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Exchange difference on transactions of foreign operations (the parent company)	**-**	-
Income tax effect	**-**	-
	-	-
Revaluation of property, plant and equipment	**71 258**	49 219
Income tax effect	**(8 039)**	(5 300)
	63 219	43 919
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	**(811)**	(790)
Income tax effect	**146**	142
	(665)	(648)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**62 554**	43 271
Total comprehensive income (loss)	**22 713**	(148 228)
Attributable to:		
Non-controlling interests in joint stock companies	**(16)**	(31)
Equity holders of the parent	**22 729**	(148 197)
Total comprehensive income (loss) as at 31 December	**22 713**	(148 228)

The notes on pages 74 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

(in thousands of Ukrainian hryvnias)	*Notes*	**2015**	**2014**
Operating activities			
Profit before tax		**325 528**	(992 465)
Adjustments for:			
Depreciation and amortization		**534 955**	399 186
Allowance for impairment (recovery) of trade and other accounts receivable	*11*	**55 699**	14 840
Loss on disposal of property, plant and equipment	*23*	**48 199**	11 975
Write down of inventories	*23*	**13 038**	6 382
Finance income	*24*	**(29 665)**	(11 173)
Interest expense	*24*	**652 358**	309 856
Other finance costs	*24*	**82 198**	42 824
Impairment of property, plant and equipment	*23*	**14 563**	45 235
Changes in fair value of biological assets and agricultural produce		**(1 128 189)**	(697 613)
Recovery of assets previously written off	*20*	**(7 018)**	(6 241)
Non-controlling interests in limited liability companies	*24*	**44 694**	18 806
Foreign exchange loss on loans and borrowings, deposits		**1 515 644**	2 046 971
Working capital adjustments:			
Decrease in inventories		**30 121**	314 898
Increase (decrease) in trade and other receivables		**(631 746)**	175 548
Decrease (increase) in biological assets due to other changes		**224 531**	(74 998)
Increase (decrease) in trade and other payables		**425 780**	(30 007)
Income taxes paid		**(26 180)**	(9 529)
Cash flows provided by operating activities		**2 144 510**	1 564 495
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(241 775)**	(424 296)
Proceeds from disposal of property, plant and equipment		**7 899**	5 889
Sale (purchase) of financial investments		**896**	7 689
Interest received	*24*	**23 154**	10 852
Acquisition of subsidiaries net of cash acquired	*4*	**213**	-
Cash deposits placement		**(469 249)**	(424 132)
Cash deposits withdrawal		**624 974**	56 519
Cash flows used in investing activities		**(53 888)**	(767 479)
Financing activities			
Proceeds from loans and borrowings		**2 622 311**	2 593 109
Repayment of loans and borrowings		**(3 840 214)**	(2 837 058)
Payments to shareholders for pledged shares		**(53 480)**	(33 252)
Purchase of treasury shares		**(59 691)**	(32 102)
Dividends paid to non-controlling interests in limited liability companies	*15*	**-**	(3 492)
Interest paid		**(640 735)**	(289 808)
Cash flows used in financing activities		**(1 971 809)**	(602 603)
Net increase in cash and cash equivalents		**118 813**	194 413
Cash and cash equivalents as at 1 January		**246 861**	29 472
Currency translation difference		**74 395**	22 976
Cash and cash equivalents as at 31 December		**440 069**	246 861

The notes on pages 74 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

(in thousands of Euros)	*Notes*	**2015**	**2014**
Operating activities			
Profit before tax		**14 037**	(67 184)
Adjustments for:			
Depreciation and amortization		**22 101**	25 367
Allowance for impairment (recovery) of trade and other accounts receivable	*11*	**2 277**	908
Loss on disposal of property, plant and equipment	*23*	**1 966**	718
Write down of inventories	*23*	**532**	383
Finance income	*24*	**(1 227)**	(752)
Interest expense	*24*	**26 983**	20 865
Other finance costs	*24*	**3 399**	2 884
Impairment of property, plant and equipment	*23*	**594**	2 712
Changes in fair value of biological assets and agricultural produce		**(47 629)**	(47 006)
Recovery of assets previously written off	*20*	**(286)**	(352)
Non-controlling interests in limited liability companies	*24*	**1 849**	1 266
Foreign exchange loss on loans and borrowings, deposits		**62 690**	130 075
Working capital adjustments:			
Decrease in inventories		**1 244**	20 010
Increase (decrease) in trade and other receivables		**(26 099)**	11 155
Decrease (increase) in biological assets due to other changes		**9 276**	(4 766)
Increase (decrease) in trade and other payables		**17 590**	(1 907)
Income taxes paid		**(1 082)**	(606)
Cash flows provided by operating activities		**88 215**	93 770
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(9 988)**	(26 962)
Proceeds from disposal of property, plant and equipment		**326**	374
Sale (purchase) of financial investments		**37**	489
Interest received	*24*	**958**	690
Acquisition of subsidiaries net of cash acquired	*4*	**9**	-
Cash deposits placement		**(19 386)**	(26 952)
Cash deposits withdrawal		**25 820**	3 592
Cash flows used in investing activities		**(2 224)**	(48 769)
Financing activities			
Proceeds from loans and borrowings		**108 336**	164 780
Repayment of loans and borrowings		**(158 651)**	(180 281)
Payments to shareholders for pledged shares		**(2 209)**	(2 152)
Purchase of treasury shares		**(2 466)**	(2 040)
Dividends paid to non-controlling interests in limited liability companies	*15*	**-**	(222)
Interest paid		**(26 471)**	(18 416)
Cash flows used in financing activities		**(81 461)**	(38 331)
Net increase in cash and cash equivalents		**4 530**	6 670
Cash and cash equivalents as at 1 January		**12 835**	2 574
Currency translation difference		**(583)**	3 591
Cash and cash equivalents as at 31 December		**16 782**	12 835

The notes on pages 74 to 155 are an integral part of these consolidated financial statements.

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

Attributable to equity holders of the parent company

(in thousands of Ukrainian hryvnias)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Subtotal	Non-controlling interests	Total equity
As at 1 January 2014 (restated)	1 663	369 798	3 026 875	842 517	(2 596)	3 430	4 241 687	661	4 242 348
Net profit (loss)	-	-	(1 007 691)	-	-	-	(1 007 691)	(217)	(1 007 908)
Revaluation reserve, net of tax	-	-	-	844 597	-	-	844 597	77	844 674
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(10 195)	-	-	(10 195)	-	(10 195)
Exchange difference on translation	-	-	-	-	-	199 101	199 101	-	199 101
Total other comprehensive income, net of tax	-	-	-	834 402	-	199 101	1 033 503	77	1 033 580
Total comprehensive income	-	-	(1 007 691)	834 402	-	199 101	25 812	(140)	25 672
Acquisitions from non-controlling shareholders and other changes	-	-	-	-	-	-	-	98	98
Purchase of own shares	-	-	-	-	(32 102)	-	(32 102)	-	(32 102)
Realisation of revaluation surplus, net of tax	-	-	166 955	(166 955)	-	-	-	-	-
As at 1 January 2015	**1 663**	**369 798**	**2 186 139**	**1 509 964**	**(34 698)**	**202 531**	**4 235 397**	**619**	**4 236 016**
Net profit (loss)	**-**	**-**	**371 472**	**-**	**-**	**-**	**371 472**	**(43)**	**371 429**
Revaluation reserve, net of tax	**-**	**-**	**-**	**1 657 989**	**-**	**-**	**1 657 989**	**(169)**	**1 657 820**
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	**-**	**-**	**-**	**(16 089)**	**-**	**-**	**(16 089)**		**(16 089)**
Exchange difference on translation	**-**	**-**	**-**	**-**	**-**	**117 016**	**117 016**	**-**	**117 016**
Total other comprehensive income, net of tax	**-**	**-**	**-**	**1 641 900**	**-**	**117 016**	**1 758 916**	**(169)**	**1 758 747**
Total comprehensive income	**-**	**-**	**371 472**	**1 641 900**	**-**	**117 016**	**2 130 388**	**(212)**	**2 130 176**
Purchase of own shares	**-**	**-**	**-**	**-**	**(59 691)**	**-**	**(59 691)**	**-**	**(59 691)**
Realisation of revaluation surplus, net of tax	**-**	**-**	**317 633**	**(317 633)**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2015	**1 663**	**369 798**	**2 875 244**	**2 834 231**	**(94 389)**	**319 547**	**6 306 094**	**407**	**6 306 501**

The notes on pages 74 to 155 are an integral part of these consolidated financial statements.

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

Attributable to equity holders of the parent company

(in thousands of Euros)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Subtotal	Non-controlling interests	Total equity
As at 1 January 2014 (restated)	250	55 638	293 841	80 490	(240)	(59 528)	370 451	58	370 509
Net profit (loss)	-	-	(68 061)	-	-	-	(68 061)	(15)	(68 076)
Revaluation reserve, net of tax	-	-	-	43 914	-	-	43 914	5	43 919
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(648)	-	-	(648)	-	(648)
Exchange difference on translation	-	-	-	-	-	(123 402)	(123 402)	(21)	(123 423)
Total other comprehensive income, net of tax	-	-	-	43 266	-	(123 402)	(80 136)	(16)	(80 152)
Total comprehensive income	-	-	(68 061)	43 266	-	(123 402)	(148 197)	(31)	(148 228)
Acquisitions from non-controlling shareholders and other changes	-	-	-	-	-	-	-	5	5
Purchase of own shares	-	-	-	-	(2 040)	-	(2 040)	-	(2 040)
Realisation of revaluation surplus, net of tax	-	-	8 681	(8 681)	-	-	-	-	-
As at 1 January 2015	**250**	**55 638**	**234 461**	**115 075**	**(2 280)**	**(182 930)**	**220 214**	**32**	**220 246**
Net profit (loss)	**-**	**-**	**15 944**	**-**	**-**	**-**	**15 944**	**(3)**	**15 941**
Revaluation reserve, net of tax	**-**	**-**	**-**	**63 226**	**-**	**-**	**63 226**	**(7)**	**63 219**
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	**-**	**-**	**-**	**(665)**	**-**	**-**	**(665)**	**-**	**(665)**
Exchange difference on translation	**-**	**-**	**-**	**-**	**-**	**(55 776)**	**(55 776)**	**(6)**	**(55 782)**
Total other comprehensive income, net of tax	**-**	**-**	**-**	**62 561**	**-**	**(55 776)**	**6 785**	**(13)**	**6 772**
Total comprehensive income	**-**	**-**	**15 944**	**62 561**	**-**	**(55 776)**	**22 729**	**(16)**	**22 713**
Purchase of own shares	**-**	**-**	**-**	**-**	**(2 466)**	**-**	**(2 466)**	**-**	**(2 466)**
Realisation of revaluation surplus, net of tax	**-**	**-**	**12 113**	**(12 113)**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2015	**250**	**55 638**	**262 518**	**165 523**	**(4 746)**	**(238 706)**	**240 477**	**16**	**240 493**

The notes on pages 74 to 155 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, crop growing, soybeen processing 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.

From 1 January 2015 and up to 31 December 2015, the Ukrainian hryvnia (the "UAH") depreciated against major foreign currencies by approximately 36% calculated based on the National Bank of Ukraine (the "NBU") exchange rate of UAH to EUR. From 31 December 2015 to the date of the issuance of these consolidated financial statements, the UAH depreciated against EUR by 11%.

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 consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and in accordance with the Title 9, Book 2 of the Netherlands Civil Code, applying the exemption offered by article 402 of the Title 9, Book 2 of the Netherlands Civil Code to present a condensed income statement in the

Company financial statements. The consolidated financial statements were authorized by the Board of Directors on 24 March 2016.

(b) Going concern

As at 31 December 2015, the Group had UAH 5,348 million (EUR 204 million) of borrowings. UAH 909 million (EUR 35 million) (approximately 39%) of current loans are denominated in USD and EUR, UAH 3,069 million (EUR 117 million) (approximately 100%) of non-current loans are denominated in USD and EUR. The rest of the loans are denominated in UAH (Note 16). The Group's export revenues are expected to create a natural hedge against currency exposure related to interest and repayment of loans denominated in foreign currencies. In 2015, export revenues comprised UAH 2,722 million (EUR 112 million) (approximately 36%) (Note 26). In 2016, the Group's share of export revenues is expected to increase on the back of UAH devaluation, which benefits Ukrainian exporters.

As at 31 December 2015 the Group was in breach of certain financial covenants under a number of bank loans mostly due to sharp devaluation of the local currency. Prior to the reporting date, the Group received from the banks, except of IFC, waivers of rights to require compliance with the breached covenants as at 31 December 2015. Accordingly, the management classified the related loans in accordance with their initial contractual maturity – i.e. non-current portion of loans was continued to be classified within non-current liabilities (Note 16).

The Group received from IFC compliance letter prior to the reporting date. Waiver of rights to require compliance with the breached covenants as at 31 December 2015 was received in January 2016 year. Due to IFC policies creditors are enabled to receive waivers of rights to require compliance with the breached covenants before the year end. Agreement with IFC have the following close: events of default might be declared by IFC after the failing to comply with obligations and any such failure continuing for a period of thirty days. The Group received waiver within thirty days period allowed, this enables management to classify the related loans in accordance with contractual maturity (Note 16).

According to the quarterly budgets for 2016 and 2017 the Group is likely to continue to be in breach of certain financial covenants under IFC and EBRD loans during 2016. Management believes that expected further breaches are non-adjusting events and therefore, should not lead to reclassification of loans from non-current to current as at 31 December 2015.

Non-compliance with covenants gives banks a formal right to demand early repayment of loans. Additionally, most of loan agreements have cross-default clauses allowing the lenders to demand early repayment when covenants have been breached with respect to other loans and those banks classified the breaches as events of default.

The management notified all banks about expected prospective non-compliances and obtained several waivers. However, two banks, EBRD and IFC, did not provide waivers in respect of expected non-compliance with covenants in 2016.

Based on the received waivers and letters, the management believes that the banks will not demand accelerated repayment of the loans because of breaches of covenants in 2016.

Based on the assessment made by management, the Company concluded that it is deemed appropriate to prepare the consolidated financial statements on the going concern basis.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 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 December 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 December 2015 % of ownership	31 December 2014 % of ownership
Subsidiaries:			
Ancor Investments Ltd	Investment activities	**100,00%**	100,00%
LLC Firm “ASTARTA-Kyiv”	Asset management	**99,98%**	99,98%
LLC “APO “Tsukrovyk Poltavshchyny”	Sugar production	**99,72%**	99,72%
LLC “Agricultural company “Dovzhenko”	Agricultural	**97,53%**	97,53%
LLC “Shyshaki combined forage factory”	Fodder production	**90,56%**	90,56%
LLC “Agricultural company “Dobrobut”	Agricultural	**98,24%**	98,24%
LLC “Agricultural company “Musievske”	Agricultural	**89,98%**	89,98%
LLC “Globinskiy processing factory”	Soybean processing	**99,98%**	99,98%
LLC “Dobrobut” (Novo-Sanzharskiy region)	Agricultural	**99,98%**	99,98%
OJSC “Agricultural company “Agrocomplex”	Agricultural	**83,80%**	83,80%
OJSC “Agricultural company “Zhdanivske”	Agricultural	**97,97%**	97,97%
LLC “Investment company “Poltavazernoproduct”	Agricultural	**98,68%**	98,68%
LLC “List-Ruchky”	Agricultural	**74,99%**	74,99%
LLC “Agropromgaz”	Trade	**89,98%**	89,98%
LLC “Khmilnitske”	Agricultural	**99,12%**	99,12%
LLC “Volochysk-Agro”	Agricultural	**97,52%**	97,52%
LLC “Agricultural company “Mirgorodska”	Agricultural	**89,98%**	89,98%
LLC “Kobelyatskiy combined forage factory”	Fodder production	**98,56%**	98,56%
LLC “named after Ostrovskiy”	Agricultural	**99,98%**	99,98%
SC “Agricultural company “Agro-Kors”	Agricultural	**99,98%**	99,98%
LLC “Agricultural company “Khorolska”	Agricultural	**98,95%**	98,95%
LLC “Agricultural company “Lan”	Agricultural	**99,98%**	99,98%
LLC “Nika”	Agricultural	**98,98%**	98,98%
LLC “Zhytnytsya Podillya” **	Agricultural	**99,98%**	74,99%
LLC “ASTARTA-Selektsiya”	Research and development	**74,98%**	74,98%
LLC “Agrosvit Savyntsi”	Agricultural	**99,97%**	99,97%
LLC “Khorolskiy combined forage factory”	Fodder production	**99,23%**	99,23%
PC “Lan-M”	Agricultural	**99,98%**	99,98%
ALC “Novoivanivskiy sugar plant”	Sugar production	**94,49%**	94,49%
LLC “Investpromgaz”	Trade	**99,93%**	99,93%
LLC “Tsukragromprom”	Trade	**99,98%**	99,98%
LLC “Volochys’k-tsukor”	Trade	**97,52%**	97,52%
LLC “Globyns’kiy tsukor”	Sugar production	**98,68%**	98,68%
LLC “Podilskiy krai“ **	Agricultural	-	50,32%
PAC “Rybalkivsky”	Agricultural	-	98,24%
LLC “Zerno-Agrotrade”	Trade	**99,98%**	99,98%
LLC “Novoorzhytskiy sugar plant”	Sugar production	**99,97%**	99,97%
LLC “APK Savynska”	Sugar production	**99,96%**	99,96%
LLC “Kochubeyivske”	Trade	**58,52%**	58,52%
LLC “Globinskiy bioenergetichniy complex”	Sugar production	**99,98%**	99,98%
LLC “Savynci agro“ *	Agricultural	**99,98%**	0,00%
PE “TMG”	Agricultural	**98,98%**	0,00%
Associate:			
LLC “Agricultural company “Pokrovska”	Agricultural	**49,99%**	49,99%
LLC “Geoexpertservice”	Agricultural	**19,99%**	19,99%

* In January 2015, the Group obtained control over LLC “Savyntsi Agro” (Note 4).

** The shares of LLC “Podilskiy krai” (50,32%) were exchanged for non-controlling interests share in LLC “Zhytnytsya Podillya” (24,99%). There were no material effect of such exchange for Group Net Assets.

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

(d) Business combinations and goodwill

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

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

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

(e) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized gains arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associate are eliminated to the extent of the Group's interest in the enterprise. Unrealized gains resulting from transactions with associates are eliminated against the investment in the associate. Unrealized losses are eliminated in the same way as unrealized gains except that they are only eliminated to the extent that there is no evidence of impairment.

(f) Basis of accounting

The consolidated financial statements are prepared on a historical cost basis, except for buildings and machines and equipment classified as property, plant and equipment, biological assets and available for sale investments stated at fair value and agricultural produce stated at cost which is determined as fair value less estimated costs to sell at the point of harvest.

(g) Non-controlling interest

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

Non-controlling interests in joint stock companies are recognized in equity.

For joint stock companies, the acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction in accordance with IFRS 10.

Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognised in equity of the parent in transactions where the non-controlling interests are acquired or sold without loss of control. For limited liability companies, any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognised in the income statement of the parent in transactions where the non-controlling interests are acquired or sold without loss of control.

(h) Interest in joint operations

The Group has an interest in joint operations, whereby the parties that have joint control over the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognizes in relation to its interest in a joint operation:

(a) its assets, including its share of any assets held jointly;

(b) its liabilities, including its share of any liabilities incurred jointly;

(c) its revenue from the sale of its share of the output arising from the joint operation;

(d) its share of the revenue from the sale of the output by the joint operation; and

(e) its expenses, including its share of any expenses incurred jointly.

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

(i) Investment in associate and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in the associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate.

When the Group's share of losses exceeds the interest in the associate or joint venture, the interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in income statement.

(j) 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. Income and expense items are translated at the average exchange rates for the period, unless the exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in Currency translation reserve.

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	2015	2014
EUR	24.21	15.74	26.22	19.23
USD	21.83	11.91	24.00	15.77

The average exchange rates for each period are calculated as the arithmetic mean of the exchange rates for all trading days during this period. The sources of exchange rates are the official rates set by the National Bank of Ukraine.

All foreign exchange gain or loss that occurs on revaluation of monetary balances, presented in foreign currencies, is allocated as a separate line in the Consolidated Income Statement.

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

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expense and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification of bank loans into current vs non-current and relating going concern assessment

As at 31 December 2015 the Group was in breach of certain financial covenants under bank loans. As at 31 December 2015 the Group received from the banks, except of IFC, waivers of rights to require compliance with the breached covenants and, therefore, classified the loans in accordance with their initial contractual maturity – i.e. non-current portion of loans was continued to be classified within non-current liabilities. The Group received from IFC compliance letter prior to the reporting date. Waiver of rights to require compliance with the breached covenants as at 31 December 2015 was received in January 2016 year. Due to IFC policies creditors are enabled to receive waivers of rights to require compliance with the breached covenants before the year end. Agreement with IFC have the following close: events of default might be declared by IFC after the failing to comply with obligations and any such failure continuing for a period of thirty days. The Group received waiver within thirty days period allowed, this enables management to classify the related loans in accordance with contractual maturity.

According to the quarterly budgets for 2016 further breaches of covenants in 2016 are expected. Management believes that the breach of covenants in 2016 and expected further breaches are non-adjusting events and therefore, should not lead to reclassification of loans from non-current to current as at 31 December 2015. Thus, non-current portion of loans for which covenants were breached in 2016, remained classified within non-current liabilities.

Based on the received waivers and letters, management believes that the banks will not demand accelerated repayment of the loans because of breaches of covenants in 2016. Based on the assessment made by management, the Company concluded that it is deemed appropriate to prepare the consolidated financial statements on the going concern basis. (Notes 2 (b) and 16).

Operating lease – Group as a lessee

The Group leases land plots for its production purposes. The Group has determined, based on an evaluation of the terms and conditions of the lease arrangements, that the lessor retains all the significant risks and rewards of ownership of the land and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of trade accounts receivable

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

Revaluation of buildings, machinery and equipment

The Group adopted the revaluation model of accounting for buildings, constructions, machinery and equipment. Under this method, property is carried at fair value less any subsequent accumulated depreciation and impairment losses.

Most buildings and some items of machinery and equipment are valued using the market approach.

As construction and some buildings and equipment in the sugar production, agricultural and cattle-farming businesses are specialized and rarely sold except as part of a continuing business; they are valued using the cost approach (either replacement cost or new/ reproduction cost).

When cost approach is used, the entity ensures that both:

- the inputs used to determine replacement cost consistent with what market participant buyers would pay to acquire or construct a substitute asset of comparable utility; and
- the replacement cost has been adjusted for obsolescence that market participant buyers would consider – i.e. that the depreciation adjustment reflects all forms of obsolescence (i.e. physical deterioration, technological (functional) and economic obsolescence), which is broader than depreciation calculated in accordance with IAS 16.

Estimating the fair value of property requires the exercise of judgment and the use of assumptions. Management engaged external independent appraisers to estimate the fair value of buildings, machinery and equipment as at 31 December 2015. Previous valuation was performed as at 31 December 2014. Valuation of property, plant and equipment is within level 3 of the fair value hierarchy.

Depreciation

Management estimates are necessary to identify the useful lives of property, plant and equipment. Management uses its expertise and judgment in reassessing the remaining useful lives of major items at each reporting date.

Fair value of biological assets

Due to the absence of an active market, the fair value of biological assets is estimated by present valuing the net cash flows expected to be generated from the assets discounted at a current market-determined rate. The fair value of biological assets is determined by the Group's own agricultural and IFRS experts. Further details are provided in Note 9. Fair valuation is made in accordance with IFRS 13 Fair Value Measurement.

Fair value of agricultural produce

Management estimates the fair value of agricultural produce by reference to quoted prices in an active market. Fair valuation is made in accordance with IFRS 13 Fair Value Measurement. In addition, costs to sell at the point of harvest are estimated and deducted from the fair value. The fair value less costs to sell becomes the carrying value of inventories at the date of harvesting.

Weather conditions and yields

The Group's business by nature is highly susceptible to weather conditions during planting and harvesting time as well as during the time when crops are growing. Unexpected changes in weather conditions can impact the costs of production and the yields of crops, used in estimating the fair value of the biological assets, and ultimately have a significant impact on the Group's financial results.

Deferred taxes

Deferred tax assets, including those arising on unused tax losses are recognised to the extent that it is probable that they will be recovered, which is dependent on the generation of sufficient future taxable profit. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details are provided in Note 25.

VAT receivable

As at 31 December 2015, total VAT receivable amounted to UAH 601,130 thousand or EUR 22,953 thousand. The balance of VAT receivable may be realized either through cash refunds from the state budget or be set off against VAT payable originating on sales. Management classified VAT receivable balance as current and non-current based on its expectations of the timing of realisation of the balance.

Government subsidies relating to VAT refunds

In segment reporting management estimates allocation of income from government subsidies relating to VAT refunds based on revenues received in agriculture and cattle farming segment.

(l) Reclassification

Certain reclassification have been made to the property, plant and equipment as at 31 December 2015 as current year presentation provides better view of the note, Reclassification between Groups was made (Note 7).

Certain reclassification have been made to the Other liabilities and accounts payable (Note 17) as at 31 December 2014 to conform to the presentation as at 31 December 2015, as current year presentation provide better view of the note.

(in thousands of Ukrainian hryvnias)	As previously reported 31 December 2014	Reclassification amount 31 December 2014	As reclassified 31 December 2014
Deferred incomes:			
Special VAT regime liabilities		2 631	2 631
Other liabilities:			
VAT payable	2 631	(2 631)	

(in thousands of Euros)	As previously reported 31 December 2014	Reclassification amount 31 December 2014	As reclassified 31 December 2014
Deferred incomes:			
Special VAT regime liabilities		136	136
Other liabilities:			
VAT payable	136	(136)	

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of the transaction. The Group's Ukrainian entities use Ukrainian interbank foreign exchange rates since the Group settles foreign currency balances using foreign currency cash purchased on the interbank market. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Foreign exchange differences arising on translation are recognized in the income statement.

(b) Property, plant and equipment

(i) Owned assets

Buildings and constructions held for production, selling and distribution or administrative purposes, machinery and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. At the date of the revaluation accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. The revaluations are carried out by independent appraisers and performed frequently enough to ensure that the fair value of a revaluated asset does not differ materially from its carrying amount at each reporting date.

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

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

Vehicles and other items of property, plant and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. The cost of an item of property, plant and equipment comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the item to the location and condition necessary for it to be capable of operating in the manner intended by the management of the Group; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The cost of self-constructed assets includes the cost of material, direct labour and an appropriate portion of production overheads.

Construction is a tripartite building that does not have a roof, a foundation or a wall. Constructions are mainly used in agriculture and sugar production and are presented by hangars, silos, stockpile sites and grain dryings.

Uninstalled equipment comprises costs directly related to construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in construction.

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

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

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

Property and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Certain reclassifications have been made to the PPE disclosure note (reclassifications between groups) within revaluation, which was performed as at 31 December 2015. A current year presentation provides better view of the disclosure, for details refer to Note 7.

(ii) Leased assets

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

(iii) Subsequent expenditure

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

(iv) Depreciation

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

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

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

The estimated useful lives are as follows:

Buildings	50 years
Constructions	50 years
Machinery and equipment	20 years
Vehicles	10 years
Other property, plant and equipment	5 years

At the date of property, plant and equipment revaluation, i.e. 31 December 2015, Group revised its accounting estimate relating to the useful lives of certain items of buildings, constructions and machinery and equipment. The useful lives of these assets were defined in terms of the asset's expected utility to the Group and as well as a matter of judgment based on the experience of the Group's Management with similar assets.

The revision of the estimated useful lives did not result in decreased amount of depreciation expense for the year ended 31 December 2015.

(c) Intangible assets, other than goodwill

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

For business combinations the fair value of land lease rights acquired is recognized as part of the identifiable intangible assets at the date of acquisition. Fair value is valued using the market approach. Management commissioned an independent appraiser to determine the fair value of the land lease rights. Non-cancellable operating lease agreements typically run for an initial period of 5 to 25 years. Following initial recognition, intangible assets are carried at cost less accumulated amortization. The land lease rights are amortized over 5 to 25 years on a straight line basis. The amortization expense is recognized in the income statement in the expense category consistent with the function of intangible asset.

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

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

(d) Biological assets

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

Gain (loss) from changes in fair value of biological assets is included in the income statement line "Changes in fair value of biological assets and agricultural produce". The Group classifies biological assets as current or non-current depending upon the average useful life of the particular group of biological assets.

(e) Agricultural produce

The Group classifies harvested crops as agricultural produce. Agricultural produce is carried in the statement of financial position at fair value less estimated costs to sell at the point of harvest, which is considered to be the cost at that date. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell is included in the income statement line “Changes in fair value of biological assets and agricultural produce”.

(f) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Held-to-maturity investments
- Available-for-sale financial investments
- Loans and receivables
- Financial assets at fair value through profit or loss

Available-for-sale financial assets

After initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognized directly in other comprehensive income. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to income statement.

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

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

Loans and receivables

Loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

(i) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(g) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of raw materials and finished goods at the agricultural and sugar production facilities is determined using the weighted average method including costs incurred in bringing them to their existing location and condition, such as transportation.

Work in progress and finished goods include the cost of raw materials, labour and manufacturing overheads allocated proportionately to the stage of completion of the finished goods.

Investments into future crops represent fertilizers and land cultivation to prepare for the subsequent growing season. After seeding the cost of field preparation is recognized as biological assets held at fair value less cost to sell.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an original maturity date of three months or less and are stated at fair value.

(i) Cash deposits

Cash deposits are held for the investment activities. For the purpose of the consolidated statement of cash flows, short-term deposits are included in the investing activities.

(j) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(k) Impairment

(i) Financial assets

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

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

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

All impairment losses are recognized in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in other comprehensive income is transferred to income statement.

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

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

(ii) Non-financial assets

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

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

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

(iii) Reversal of impairment of non-financial assets

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

(l) Earnings per share

Earnings per share are calculated by dividing net profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

(m) Loans and borrowings

Loans and borrowings are recognized initially at fair value, net of any transaction costs incurred. Subsequent to initial recognition, loans and borrowings are stated at amortized cost with any differences between cost and redemption value being recognized in the income statement over the period of the borrowings.

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

(n) Trade accounts payable

Trade accounts payable are stated at their amortized cost.

(o) Taxes

Current income tax

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

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

The Group's income was subject to taxation in Ukraine, Cyprus and the Netherlands. In 2015 and 2014, Ukrainian corporate income tax was levied at a rate of 18% (2013: 21%). 22 subsidiaries of the Group are subject to CPT in Ukraine.

In 2015, the tax rates in Cyprus and the Netherlands were 12.5% and 25% (2014: 12,5% and 25%), respectively.

Deferred tax

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

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

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

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

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

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

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

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

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

(p) Fixed agricultural tax

In accordance with Tax Code of Ukraine, agricultural companies engaged in the production, processing and sale of agricultural products might choose to be registered as payers of fixed agricultural tax (FAT), provided that their sales of agricultural goods of their own production accounted for more than 75% of their gross revenues.

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

(q) Accounting for government grants

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

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised as income on a systematic basis over the periods that the related costs, which they are intended to compensate, are expensed. To the extent the conditions attached to the grants are not met at the reporting date, the received funds are recorded in the Group's consolidated financial statements as deferred income.

Special VAT regime for entities engaged in agricultural production

According to the Tax Code of Ukraine, companies that generate not less than 75% of revenues for the previous tax year from sales of own agricultural products enjoy a privileged VAT regime. The difference between VAT generated on sales and VAT paid on purchases is not remitted to the state but is transferred to the entity's special bank account and can be used to make payments relating to the agricultural activities. The excess of VAT liability over VAT receivable is accounted for as government grant. VAT receivable exceeding VAT liability is used as a reduction of tax liabilities in the next periods.

Government grants related to crop roduction

The amount of this subsidy is calculated based on the number of hectares sowed with a particular crop.

The amount of reimbursement is based on a variety of factors and conditions precedents. The Group recognizes these subsidies when received due to the uncertainty in the amount and timing of receipt, and reflects in other operating income.

Government grants related to cattle farming

Agricultural producers breeding cattle are entitled to subsidies for meat and milk transferred for processing to other entities (reprocessors). The amount of this subsidy is calculated by reprocessors and depends on their total amount of VAT payable to the state budget. The Group recognizes these subsidies as they are received due to the uncertainty in the amount and timing of receipt, and reflects in other operating income.

Partial compensation for finance costs and other subsidies

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

Because interest and other subsidies are payable only when the governmental budget allows, they are recognized on a cash basis, and are reflected in other operating income.

(r) Revenue

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

(s) Expenses

Expenses are accounted for on an accrual basis.

(t) Operating lease payments

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

(u) Finance cost and income

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The interest expense component of finance lease payments is recognized in the income statement using the effective interest method. Interest income is recognized in the income statement as incurred as part of finance income.

(v) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

(w) Statement of cash flows

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

(x) New and amended standards and interpretations adopted

The Group has adopted the following amended IFRS and IFRIC which are effective for annual periods beginning on or after 1 January 2015:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 February 2015. It is not expected that this amendment would be relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual improvements 2010-2012 Cycle

These improvements are effective from 1 February 2015 and are not expected to have a material impact on the Group, except for the potential effect on disclosures. The improvements include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

► A performance condition must contain a service condition

► A performance target must be met while the counterparty is rendering service

► A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group

► A performance condition may be a market or non-market condition

If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarifies that:

► An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'

► The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IFRS 13 Fair Value Measurement (amendments to the basis of conclusions only, with consequential amendments to the bases of conclusions of other standards)

The amendments clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual improvements 2011-2013 Cycle

These improvements are effective from 1 February 2015 and are not expected to have a material impact on the Group. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

► Joint arrangements, not just joint ventures, are outside the scope of IFRS 3

► This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

(y) 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. The IASB effective date is 1 January 2018 with early adoption permitted.

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.

It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. The IASB effective date is 1 January 2018, 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.

IFRS 16 Leases

IFRS 16, published in January 2016, establishes a revised framework for determining whether a lease is recognised on the (Consolidated) Statement of Financial Position. It replaces existing guidance on leases, including IAS 17. The IASB effective date is 1 January 2019, with early adoption permitted. The Group will assess the potential impact on its consolidated financial statements resulting from the application of IFRS 16.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 has not been yet endorsed by the EU. The IASB effective date is 1 January 2016. Since the Group is an existing IFRS preparer, this standard would not apply.

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 Group is currently assessing the impact of these amendments on the financial statements.

Annual improvements 2012-2014 Cycle

These improvements are endorsed by the EU. The effective date is 1 January 2016. The improvements are not expected to have a material impact on the Group. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

This improvement adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7 Financial Instruments: Disclosures (with consequential amendments to IFRS 1)

The amendment adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required.

This improvement clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements.

IAS 19 Employee Benefits

This amendment clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).

IAS 34 Interim Financial Reporting

The amendment clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments have been endorsed by the EU. The effective date is 1 January 2016. These amendments are not expected to have any impact to the Group.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments have been endorsed by the EU. The effective date is 1 January 2016. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. These improvements have been endorsed by the EU. The effective date is 1 January 2016. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. These improvements have been endorsed by the EU. The effective date is 1 January 2016. These amendments will not have any impact on the Group's consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. These improvements have been endorsed by the EU. The effective date is 1 January 2016. These improvements are not expected to have a material impact on the Group.

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. These amendments are not expected to have any impact to the Group.

The following new or amended standards are not expected to have a significant impact on consolidated financial statements:

- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (issued on 19 January 2016);
- Amendments to IAS 7: Disclosure Initiative (issued on 29 January 2016).

4. BUSINESS COMBINATIONS

Acquisition of new entities in 2015

During the reporting year 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 "Savytsi Agro" for cash consideration of UAH 11,646 thousand or EUR 481 thousand.

As at acquisition date, accounts receivable of UAH 99 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)*
Non-current assets		
Property, plant and equipment	**982**	**42**
Intangible and other non-current assets	**8 564**	**364**
Current assets		
Inventories	**5 702**	**240**
Trade accounts receivable	**1 201**	**50**
Other accounts receivable and prepayments	**2 788**	**117**
Cash and cash equivalents	**213**	**9**
Non-current liabilities		
Other long-term liabilities	**(4 208)**	**(177)**
Current liabilities		
Trade accounts payable	**(38)**	**(2)**
Other liabilities and accounts payable	**(14 771)**	**(621)**
Net identifiable assets, liabilities and contingent liabilities	**433**	**22**
Non-controlling interest	**(2)**	**-**
Net assets acquired	**431**	**22**
Goodwill	**(11 315)**	**(471)**
Consideration paid	**(11 646)**	**(481)**
Cash acquired	**213**	**9**
Net cash outflow	**(11 433)**	**(472)**

During the period between acquisition and till the end of the year LLC "Savyntsi Agro" received revenues in amount of UAH 65,770 thousand or EUR 2,718 thousand and net profit in amount of UAH 42,273 thousand or EUR 1,747 thousand.

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)*
Assets		
Accounts receivable	14 115	1 233
Liabilities		
Accounts payable	(14 115)	(1 233)
Net identifiable assets, liabilities and contingent liabilities	-	-
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".

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.

For the business combinations in 2015 and 2014 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.

5. MATERIAL PARTLY-OWNED SUBSIDIARIES

The summarised financial information of the subsidiaries that have material non-controlling interests and proportion of equity interest held by non-controlling interests is provided below. All presented below subsidiaries are limited liability companies. For limited liability companies, non-controlling interest is recorded as a liability and their share in the net profit/loss is recorded as a finance expense. (Notes 2(b) and 15).

Liability to non-controlling interests:

2015	*(in thousands of Ukrainian hryvnias)*	*(in thousands of Euros)*
Non-controlling interests in subsidiaries for which detailed information is provided below	**125 427**	**4 783**
Non-controlling interests in other subsidiaries	**45 362**	**1 730**
Total non-controlling interests in limited liability companies	**170 789**	**6 513**

2014	*(in thousands of Ukrainian hryvnias)*	*(in thousands of Euros)*
Non-controlling interests in subsidiaries for which detailed information is provided below	87 261	4 537
Non-controlling interests in other subsidiaries	24 812	1 290
Total non-controlling interests in limited liability companies	112 073	5 827

Non-controlling interests of limited liability companies in profit for the year:

2015	*(in thousands of Ukrainian hryvnias)*	*(in thousands of Euros)*
Non-controlling interests in subsidiaries for which detailed information is provided below	**26 831**	**1 108**
Non-controlling interests in other subsidiaries	**17 863**	**741**
Total non-controlling interests in limited liability companies	**44 694**	**1 849**

2014	*(in thousands of Ukrainian hryvnias)*	*(in thousands of Euros)*
Non-controlling interests in subsidiaries for which detailed information is provided below	14 858	773
Non-controlling interests in other subsidiaries	3 948	501
Total non-controlling interests in limited liability companies	18 806	1 274

Non-controlling interests in other comprehensive income for the year:

2015	*(in thousands of Ukrainian hryvnias)*	*(in thousands of Euros)*
Non-controlling interests in subsidiaries for which detailed information is provided below	**8 827**	**365**
Non-controlling interests in other subsidiaries	**7 262**	**300**
Total non-controlling interests in limited liability companies	**16 089**	**665**

2014	*(in thousands of Ukrainian hryvnias)*	*(in thousands of Euros)*
Non-controlling interests in subsidiaries for which detailed information is provided below	5 461	410
Non-controlling interests in other subsidiaries	4 734	238
Total non-controlling interests in limited liability companies	10 195	648

SUMMARISED STATEMENT OF FINANCIAL POSITION

(in thousands of Ukrainian hryvnias)	*LLC "Agricultural company "Dobrobut"*		*LLC "Agricultural company "Dovzhenko"*		*LLC "Agricultural company "Musievske"*		*LLC "Investment company "Poltavazernoproduct"*		*LLC "Volochysk-Agro"*	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Non-current assets	**312 770**	229 661	**808 389**	629 030	**59 315**	48 852	**361 893**	274 355	**603 768**	411 685
Current assets	**289 641**	664 947	**716 539**	1 286 690	**181 499**	171 322	**308 868**	689 413	**441 705**	1 090 663
Non-current liabilities	**15 402**	1 546	**48 292**	1 095	**23 992**	112	**15 591**	3 391	**138 901**	147 245
Current liabilities	**273 199**	361 903	**294 206**	263 514	**46 078**	113 162	**161 055**	211 835	**766 772**	688 214
Total net assets	**313 810**	531 159	**1 182 430**	1 651 111	**170 744**	106 900	**494 115**	748 542	**139 800**	666 889
Non-controlling interest, %	**1,76%**	1,76%	**2,47%**	2,47%	**10,02%**	10,02%	**1,32%**	1,32%	**2,48%**	2,48%
Attributable to:										
Non-controlling interest	**5 538**	9 348	**29 200**	40 782	**17 105**	10 711	**6 521**	9 881	**3 464**	16 539
Equity holders of parent	**308 272**	521 811	**1 153 230**	1 610 329	**153 639**	96 189	**487 594**	738 661	**136 336**	650 350

(in thousands of Euros)	*LLC "Agricultural company "Dobrobut"*		*LLC "Agricultural company "Dovzhenko"*		*LLC "Agricultural company "Musievske"*		*LLC "Investment company "Poltavazernoproduct"*		*LLC "Volochysk-Agro"*	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Non-current assets	**11 927**	11 941	**30 827**	32 706	**2 262**	2 540	**13 801**	14 265	**23 024**	21 405
Current assets	**11 045**	34 573	**27 325**	66 900	**6 921**	8 908	**11 778**	35 845	**16 844**	56 708
Non-current liabilities	**587**	80	**1 842**	57	**915**	6	**595**	176	**5 297**	7 656
Current liabilities	**10 418**	18 817	**11 219**	13 701	**1 757**	5 884	**6 142**	11 014	**29 240**	35 783
Total net assets	**11 967**	27 617	**45 091**	85 848	**6 511**	5 558	**18 842**	38 920	**5 331**	34 674
Non-controlling interest, %	**1,76%**	1,76%	**2,47%**	2,47%	**10,02%**	10,02%	**1,32%**	1,32%	**2,48%**	2,48%
Attributable to:										
Non-controlling interest	**211**	486	**1 114**	2 120	**652**	557	**249**	514	**132**	860
Equity holders of parent	**11 756**	27 131	**43 977**	83 728	**5 859**	5 001	**18 593**	38 406	**5 199**	33 814

SUMMARISED INCOME STATEMENT

(in thousands of Ukrainian hryvnias)	*LLC "Agricultural company "Dobrobut"*		*LLC "Agricultural company "Dovzhenko"*		*LLC "Agricultural company "Musievske"*		*LLC "Investment company "Poltavazernoproduct"*		*LLC "Volochysk-Agro"*	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Revenue	**535 083**	764 658	**1 029 036**	1 127 818	**164 387**	103 851	**545 919**	750 436	**738 366**	849 875
Cost of sales	**(307 848)**	(609 785)	**(712 816)**	(783 717)	**(56 806)**	(87 026)	**(122 606)**	(585 861)	**(500 717)**	(596 793)
Changes in fair value of biological assets and agricultiral produce	**175 764**	(8 966)	**188 902**	83 415	**57 606**	11 149	**192 691**	15 879	**189 704**	68 162
Gross profit	**402 999**	145 907	**505 122**	427 516	**165 187**	27 974	**616 004**	180 454	**427 353**	321 244
Other operating income	**64 528**	50 648	**70 288**	83 970	**11 074**	3 991	**93 898**	46 681	**10 083**	20 876
Administrative expenses	**(30 780)**	(30 904)	**(54 162)**	(43 704)	**(6 265)**	(5 215)	**(35 456)**	(31 630)	**(38 985)**	(35 468)
Selling and distribution expenses	**(39 382)**	(41 753)	**(57 981)**	(48 308)	**(6 169)**	(5 956)	**(40 893)**	(35 722)	**(57 763)**	(68 442)
Other operating expense	**(38 993)**	(13 014)	**(39 262)**	(20 481)	**(10 716)**	(1 947)	**(45 591)**	(6 159)	**(36 428)**	(18 630)
Profit from operations	**358 372**	110 884	**424 005**	398 993	**153 111**	18 847	**587 962**	153 624	**304 260**	219 580
Finance cost	**(123 186)**	(108 718)	**(52 706)**	(57 306)	**(18 405)**	(931)	**(39 573)**	(43 114)	**(176 694)**	(101 655)
Finance income	**77**	576	**1 593**	208	**61**	36	**103**	119	**9 592**	2 571
Other income	**(111 423)**	1 791	**(389 190)**	1 209	**(19 885)**	267	**(343 120)**	453	**(111 572)**	921
Profit before tax	**123 840**	4 533	**(16 298)**	343 104	**114 882**	18 219	**205 372**	111 082	**25 586**	121 417
Income tax	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Profit for the year from continuing operation	**123 840**	4 533	**(16 298)**	343 104	**114 882**	18 219	**205 372**	111 082	**25 586**	121 417
Attributable to:	**1,76%**	1,76%	**2,47%**	2,47%	**10,02%**	10,02%	**1,32%**	1,32%	**2,48%**	2,48%
Non-controlling interest	**2 185**	80	**(402)**	8 475	**11 509**	1 826	**2 710**	1 466	**634**	3 011
Equity holders of parent	**121 655**	4 453	**(15 896)**	334 629	**103 373**	16 393	**202 662**	109 616	**24 952**	118 406
Other comprehensive income	**211 947**	36 477	**145 047**	80 016	**124 626**	6 259	**307 396**	43 115	**155 480**	66 478
Other comprehensive income attributable to:										
Non-controlling interest	**3 740**	642	**3 582**	1 976	**12 485**	627	**4 057**	569	**3 852**	1 647
Equity holders of parent	**208 207**	35 835	**141 465**	78 040	**112 141**	5 632	**303 339**	42 546	**151 628**	64 831

SUMMARISED INCOME STATEMENT

(in thousands of Euros)	*LLC "Agricultural company "Dobrobut"*		*LLC "Agricultural company "Dovzhenko"*		*LLC "Agricultural company "Musievske"*		*LLC "Investment company "Poltavazernoproduct"*		*LLC "Volochysk-Agro"*	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Revenue	**22 106**	39 758	**42 513**	58 640	**6 791**	5 400	**22 554**	39 018	**30 504**	44 189
Cost of sales	**(12 718)**	(31 705)	**(29 449)**	(40 749)	**(2 347)**	(4 525)	**(5 065)**	(30 461)	**(20 686)**	(31 030)
Changes in fair value of biological assets and agricultiral produce	**7 261**	(466)	**7 804**	4 337	**2 380**	580	**7 961**	826	**7 837**	3 544
Gross profit	**16 649**	7 587	**20 868**	22 228	**6 824**	1 455	**25 450**	9 383	**17 655**	16 703
Other operating income	**2 666**	2 633	**2 904**	4 366	**458**	208	**3 879**	2 427	**417**	1 085
Administrative expenses	**(1 272)**	(1 607)	**(2 238)**	(2 272)	**(259)**	(271)	**(1 465)**	(1 645)	**(1 611)**	(1 844)
Selling and distribution expenses	**(1 627)**	(2 171)	**(2 395)**	(2 512)	**(255)**	(310)	**(1 689)**	(1 857)	**(2 386)**	(3 559)
Other operating expense	**(1 611)**	(677)	**(1 622)**	(1 065)	**(443)**	(101)	**(1 884)**	(320)	**(1 505)**	(969)
Profit from operations	**14 805**	5 765	**17 517**	20 745	**6 325**	981	**24 291**	7 988	**12 570**	11 416
Finance cost	**(5 089)**	(5 653)	**(2 177)**	(2 980)	**(760)**	(48)	**(1 635)**	(2 242)	**(7 300)**	(5 285)
Finance income	**3**	30	**66**	11	**3**	2	**4**	6	**396**	134
Other income	**(4 603)**	93	**(16 079)**	63	**(822)**	14	**(14 175)**	24	**(4 609)**	48
Profit before tax	**5 116**	235	**(673)**	17 839	**4 746**	949	**8 485**	5 776	**1 057**	6 313
Income tax	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Profit for the year from continuing operation	**5 116**	235	**(673)**	17 839	**4 746**	949	**8 485**	5 776	**1 057**	6 313
Attributable to:	**1,76%**	1,76%	**2,47%**	2,47%	**10,02%**	10,02%	**1,32%**	1,32%	**2,48%**	2,48%
Non-controlling interest	**90**	4	**(17)**	441	**475**	95	**112**	76	**26**	157
Equity holders of parent	**5 026**	231	**(656)**	17 398	**4 271**	854	**8 373**	5 700	**1 031**	6 156
Other comprehensive income	**2 260**	2 737	**1 547**	6 004	**1 329**	470	**3 278**	3 235	**1 658**	4 989
Other comprehensive income attributable to:										
Non-controlling interest	**40**	48	**38**	148	**133**	47	**43**	43	**41**	124
Equity holders of parent	**2 220**	2 689	**1 509**	5 856	**1 196**	423	**3 235**	3 192	**1 617**	4 865

SUMMARISED STATEMENT OF CASH FLOWS

(in thousands of Ukrainian hryvnias)	*LLC "Agricultural company "Dobrobut"*		*LLC "Agricultural company "Dovzhenko"*		*LLC "Agricultural company "Musievske"*		*LLC "Investment company "Poltavazernoproduct"*		*LLC "Volochysk-Agro"*	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Operating	**177 101**	80 327	**36 428**	178 883	**42 982**	(3 687)	**119 180**	91 005	**59 471**	(62 698)
Investing	**56 962**	(44 050)	**22 140**	(153 105)	**(38 971)**	(14 783)	**(26 072)**	(68 196)	**160 184**	(51 133)
Financing	**(236 677)**	(45 968)	**(63 136)**	(28 408)	**(4 940)**	17 705	**(94 634)**	(24 945)	**(233 478)**	320 473
Net increase/ (decrease) in cash and cash equivalents	**(2 614)**	(9 691)	**(4 568)**	(2 630)	**(929)**	(765)	**(1 526)**	(2 136)	**(13 823)**	206 642

(in thousands of Euros)	*LLC "Agricultural company "Dobrobut"*		*LLC "Agricultural company "Dovzhenko"*		*LLC "Agricultural company "Musievske"*		*LLC "Investment company "Poltavazernoproduct"*		*LLC "Volochysk-Agro"*	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Operating	**7 285**	5 104	**1 498**	11 367	**1 768**	(234)	**4 903**	5 783	**2 446**	(3 984)
Investing	**2 351**	(2 799)	**914**	(9 729)	**(1 609)**	(939)	**(1 076)**	(4 334)	**6 611**	(3 249)
Financing	**(9 736)**	(2 307)	**(2 586)**	(1 440)	**(194)**	1 207	**(3 885)**	(1 394)	**(9 584)**	21 766
Net increase/ (decrease) in cash and cash equivalents	**(100)**	(2)	**(174)**	198	**(35)**	34	**(58)**	55	**(527)**	14 533

6. INVESTMENT IN AN ASSOCIATE AND JOINT VENTURE

As at 31 December 2015, the Group has 49.99% ownership in LLC Agricultural company "Pokrovska" (2014: 49.99%), which was involved in agricultural activity. LLC Agricultural company "Pokrovska" is a private entity that is not listed on any public exchange. The Group's interest in LLC Agricultural company "Pokrovska" is accounted for using the equity method in the consolidated financial statements. In 2007, the Group discontinued recognition of its share of losses of associate LLC Agricultural company "Pokrovska".

In 2015, the Group's share in profit of the associate of UAH 11,266 thousand (EUR 465 thousand) was netted against previously unrecognized losses of this associate. The unrecognized losses as at 31 December 2015 and 2014 are presented in the table below.

Summarised financial information of the Group's associate as at and for the year ended 31 December 2015 is as follows:

(in thousands of Ukrainian hryvnias)	LLC "Agricultural company "Pokrovska" Associates:	
	2015	**2014**
Non-current assets		
Property, plant and equipment	-	1 939
Intangible assets	**44**	44
	44	1 983
Current assets		
Inventories	**507**	40 859
Trade accounts receivable	**5 706**	7 266
Other accounts receivable and prepayments	**5 555**	6 172
Cash and cash equivalents	**61 395**	40 734
	73 163	95 031
Non-current liabilities		
Loans and borrowings	-	(5 952)
	-	(5 952)
Current liabilities		
Loans and borrowings	**(63 762)**	(72 129)
Trade accounts payable	**(30 844)**	(64 873)
Other liabilities and accounts payable	**(62 057)**	(57 993)
	(156 663)	(194 995)
Net assets attributable to participants	**(83 456)**	(103 933)
The Group's share in the associate	**49.99%**	49.99%
Carrying amount of the investment	-	-
Unrecognised share in accumulated losses	**(41 720)**	(51 956)
Revenues	**63 473**	40 284
Net profit	**22 533**	12 952
Other comprehensive income	-	-
Total comprehensive income as at 31 December	**22 533**	12 952
Depreciation and amortization	**(253)**	(2 032)
Interest expenses	-	(853)

Summarised financial information of the Group's associate as at and for the year ended 31 December 2015 is as follows:

(in thousands of Euros)	LLC "Agricultural company "Pokrovska" Associates:	
	2015	**2014**
Non-current assets		
Property, plant and equipment	-	101
Intangible assets	**2**	2
	2	103
Current assets		
Inventories	**19**	2 124
Trade accounts receivable	**218**	378
Other accounts receivable and prepayments	**212**	321
Cash and cash equivalents	**2 341**	2 118
	2 790	4 941
Non-current liabilities		
Loans and borrowings	-	(309)
	-	(309)
Current liabilities		
Loans and borrowings	**(2 432)**	(3 750)
Trade accounts payable	**(1 176)**	(3 373)
Other liabilities and accounts payable	**(2 366)**	(3 015)
	(5 974)	(10 138)
Net assets attributable to participants	**(3 182)**	(5 403)
The Group's share in the associate	**49.99%**	49.99%
Carrying amount of the investment		
Unrecognised share in accumulated losses	**(1 591)**	(5 507)
Revenues	**2 622**	2 560
Net profit	**931**	823
Other comprehensive income	-	-
Total comprehensive income as at 31 December	**931**	823
Depreciation and amortization	**(10)**	(129)
Interest expenses	-	(54)

Summarised financial information of the Group's joint venture for the year ended 31 December 2015 is as follows:

	(in thousands of Ukrainian hryvnias)	*(in thousands of Euros)*
Group's share of profit for the year	11 266	465
Group's share of comprehensive income for the year	11 266	465

The Group's share in comprehensive income of LLC "Agricultural company "Pokrovska" of UAH 11,266 thousand (EUR 465 thousand) includes recognition of previously unrecognised losses.

Starting from 2013 year of LLC "Agricultural company "Pokrovska" at the stage of liquidation, at the date of these consolidated financial statements were are authorized for issue liquidation procedure was not completed.

7. PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment in 2015 are as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construc-tions	Machines and equipment	Vehicles	Other property, plant and equipment	Uninstalled equipment	Total
Cost or valuation 1 January 2015	**1 064 015**	**884 819**	**2 005 710**	**158 343**	**60 405**	**241 533**	**4 414 825**
Additions	**-**	**-**	**-**	**-**	**-**	**237 585**	**237 585**
Additions from acquisition of subsidiaries (note 4)	**-**	**-**	**889**	**85**	**8**	**-**	**982**
Disposals	**(14 746)**	**(14 925)**	**(29 744)**	**(1 604)**	**(4 590)**	**-**	**(65 609)**
Impairement	**9 786**	**6 913**	**(31 266)**	**-**	**-**	**-**	**(14 567)**
Elimination of depreciation	**(68 571)**	**(93 225)**	**(423 379)**	**-**	**-**	**-**	**(585 175)**
Fixed assets revaluation	**493 278**	**258 303**	**1 117 035**	**-**	**-**	**-**	**1 868 616**
Transfer from Uninstalled equipment	**52 444**	**25 377**	**246 712**	**3 842**	**8 134**	**(336 509)**	**-**
Transfer between Groups	**(37 765)**	**7 638**	**151 389**	**(122 755)**	**1 493**	**-**	**-**
31 December 2015	**1 498 441**	**1 074 900**	**3 037 346**	**37 911**	**65 450**	**142 609**	**5 856 657**
Accumulated depreciation 1 January 2015	**940**	**1 191**	**7 047**	**98 037**	**36 789**	**-**	**144 004**
Depreciation charge	**69 306**	**94 593**	**347 697**	**4 366**	**9 180**		**525 142**
Disposals	**(369)**	**(1 355)**	**(2 751)**	**(905)**	**(4 131)**	**-**	**(9 511)**
Decrease due to revaluation	**(68 571)**	**(93 225)**	**(423 379)**	**-**	**-**	**-**	**(585 175)**
Transfer between Groups	**72**	**252**	**77 311**	**(77 054)**	**(581)**		**-**
31 December 2015	**1 378**	**1 456**	**5 925**	**24 444**	**41 257**	**-**	**74 460**
Net book value 31 December 2015	**1 497 063**	**1 073 444**	**3 031 421**	**13 467**	**24 193**	**142 609**	**5 782 197**

(in thousands of Euros)	**Buildings**	**Construc-tions**	**Machines and equipment**	**Vehicles**	**Other property, plant and equipment**	**Uninstalled equipment**	**Total**
Cost or valuation 1 January 2015	55 323	46 006	104 285	8 233	3 140	12 558	229 545
Additions	-	-	-	-	-	9 815	9 815
Additions from acquisition of subsidiaries (note 4)	-	-	37	4	-	-	41
Disposals	(609)	(617)	(1 229)	(66)	(190)	-	(2 711)
Impairement	408	288	(1 303)	-	-	-	(607)
Elimination of depreciation	(2 833)	(3 851)	(17 491)	-	-	-	(24 175)
Fixed assets revaluation	18 811	9 850	42 597	-	-	-	71 258
Currency translation difference	(14 565)	(12 048)	(27 515)	(1 813)	(853)	(3 033)	(59 827)
Transfer from Uninstalled equipment	2 167	1 048	10 192	159	336	(13 902)	-
Transfer between Groups	(1 560)	316	6 253	(5 071)	62	-	-
31 December 2015	57 142	40 992	115 826	1 446	2 495	5 438	223 339
Accumulated depreciation 1 January 2015	49	62	366	5 097	1 913	-	7 487
Depreciation charge	2 863	3 908	14 364	180	379	-	21 694
Disposals	(15)	(56)	(114)	(37)	(171)	-	(393)
Decrease due to revaluation	(2 833)	(3 851)	(17 491)	-	-	-	(24 175)
Currency translation difference	(14)	(17)	(93)	(1 125)	(525)	-	(1 774)
Transfer between Groups	3	10	3 194	(3 183)	(24)	-	-
31 December 2015	53	56	226	932	1 572	-	2 839
Net book value 31 December 2015	57 089	40 936	115 600	514	923	5 438	220 500

The movements of property, plant equipment in 2014 are as follows:

(in thousands of Ukrainian hryvnias)	**Buildings**	**Construc-tions**	**Machines and equipment**	**Vehicles**	**Other property, plant and equipment**	**Uninstalled equipment**	**Total**
Cost or valuation 1 January 2014	876 283	504 505	1 438 742	155 992	58 043	585 200	3 618 765
Additions	-	-	-	-	-	359 374	359 374
Disposals	(19 221)	(4 734)	(16 390)	(2 225)	(397)	-	(42 967)
Impairment	(14 565)	(28 887)	(1 775)	(8)	-	-	(45 235)
Elimination of depreciation	(58 930)	(76 613)	(286 176)	-	-	-	(421 719)
Fixed assets revaluation	194 549	201 285	550 127	646	-	-	946 607
Transfer from Uninstalled equipment	85 899	289 263	321 182	3 938	2 759	(703 041)	-
31 December 2014	1 064 015	884 819	2 005 710	158 343	60 405	241 533	4 414 825
Accumulated depreciation 1 January 2014	11 176	12 906	52 567	79 959	28 660	732	186 000
Depreciation charge	49 390	65 505	244 472	19 482	8 385	-	387 234
Disposals	(696)	(607)	(4 548)	(1 404)	(256)		(7 511)
Decrease due to revaluation	(58 930)	(76 613)	(286 176)	-	-	-	(421 719)
Transfer from Uninstalled equipment	-	-	732	-	-	(732)	-
31 December 2014	940	1 191	7 047	98 037	36 789	-	144 004
Net book value 31 December 2014	1 063 075	883 628	1 998 663	60 306	23 616	241 533	4 270 821

(in thousands of Euros)	**Buildings**	**Construc-tions**	**Machines and equipment**	**Vehicles**	**Other property, plant and equipment**	**Uninstalled equipment**	**Total**
Cost or valuation 1 January 2014	77 092	44 061	125 777	13 652	5 070	50 396	316 048
Additions	-	-	-	-	-	22 835	22 835
Disposals	(1 221)	(301)	(1 042)	(141)	(25)	-	(2 730)
Impairment	(873)	(1 732)	(107)	-	-	-	(2 712)
Elimination of depreciation	(3 745)	(4 868)	(18 185)	-	-	-	(26 798)
Fixed assets revaluation	10 115	10 466	28 604	34	-	-	49 219
Currency translation difference	(31 503)	(20 002)	(51 171)	(5 562)	(2 080)	(15 999)	(126 317)
Transfer from Uninstalled equipment	5 458	18 382	20 409	250	175	(44 674)	-
31 December 2014	55 323	46 006	104 285	8 233	3 140	12 558	229 545
Accumulated depreciation 1 January 2014	976	1 127	4 591	6 983	2 503	64	16 244
Depreciation charge	3 139	4 163	15 535	1 238	533	-	24 608
Disposals	(44)	(39)	(290)	(89)	(16)	-	(478)
Decrease due to revaluation	(3 745)	(4 868)	(18 185)	-	-	-	(26 798)
Transfer from Uninstalled equipment	-	-	47	-	-	(47)	-
Currency translation difference	(277)	(321)	(1 332)	(3 035)	(1 107)	(17)	(6 089)
31 December 2014	49	62	366	5 097	1 913	-	7 487
Net book value 31 December 2014	55 274	45 944	103 919	3 136	1 227	12 558	222 058

As at 31 December 2015 an independent valuation of the Group's buildings, constructions, machinery and equipment was performed in accordance with International Valuation Standards by an independent appraiser. Most buildings and some machinery and equipment were valued using the market approach. Other items of buildings, machinery and equipment and constructions were valued using cost approach.

Market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. Valuation techniques consistent with the market approach use prices and other market data derived from observed transactions for the same or similar assets, for example, revenue, or EBITDA multiples.

Cost approach either determines the cost to construct the assets in their present state and considers their remaining useful life or identifies fair value as a depreciated replacement cost. Cost approach was used only in the cases where there was no possibility to use market approach.

The following factors were considered in determining the fair values of buildings under the depreciated replacement cost approach:

- the cost to construct the asset is based on the cost of the necessary materials and construction work as at the date of valuation;
- expected usage of the asset is assessed by reference to the asset's expected capacity or physical output;
- technical or commercial obsolescence arising from changes or improvements in production for the product or service output of the asset as well as physical deterioration.

The following sources of information were used by the independent appraiser:

- producers' price indices according to the Ukrainian bureau of statistics (www.ukrstat.gov.ua) and Eurostat (www.ec.europa.eu/eurostat)(forreplacement costs of machinery and equipment);
- UPVS register, 1969 y., which is the most commonly used source of information for integrated factor of cost of construction in Ukraine for items which were constructed more than 20 years ago (for replacement costs of buildings and constructions);
- "Useful lives for depreciable assets, Marshall&Swift, 2/2007" and "Common depreciation rates (ENAO)" (for physical depreciation calculation). Straight-line physical depreciation method was used;
- Commodity expert Bulletin (Donrest 80 as of December 2014) (for replacement cost and market cost of vehicles and specialized vehicles). The appraiser applied up to 10% bargaining coefficient to decrease prices available at the market.

Impairment test – based on cash generating units

As at 31 December 2015, impairment test was performed by an independent appraiser, since impairment test is an integral part of valuation of property, plant and equipment.

For the purpose of impairment testing, the Group identified four cash-generating units (CGUs): sugar CGU, agricultural CGU, soybean CGU and cattle CGU.

Impairment testing was performed based on value-in-use calculation using the cash flow projection not exceeding the five-year period. Cash flow projection is based on the long-term budget approved by senior management of the Group.

Assumptions

The key assumptions used for impairment testing are: discount rates, selling prices, cost of production, and production volume. Discount rates were estimated based on weighted average cost of capital and comprised:

- Sugar CGU: - 25,1% p.a. for five year period and 25,1% in the terminal period;
- Agricultural CGU: 26,6% p.a. for five year period and 26,6% in the terminal period;
- Soybean CGU: 25,1% p.a. for five year period and 25,1% in the terminal period;
- Cattle CGU: 26,6% p.a. for five year period and 26,6% in the terminal period.

Production volume was estimated based on current production level; potential increase in land, crop yields, number of cows or milk yields is not taken into account. Cost of production was estimated based on current actual cost of production inflated by expected level of inflation, taking into account higher inflation levels for costs directly or indirectly pegged to USD (such as gas). When determining selling prices the Group analysed available forecasts for export and domestic markets, including forecasted supply and demand and legislative restrictions on export sales. The following selling prices were used:

- Wheat – UAH 3,575 – UAH 5,490 per ton;
- Corn – UAH 3,265– UAH 5,222 per ton;
- Soybean – UAH 7,097 – UAH 11,596 per ton;
- Milk – UAH 5,530 – UAH 8,678 per ton.

For each CGU, the identified fair value exceeded its carrying value as at 31 December 2015. For sugar and soybean segments significant headroom exists and no reasonable change in the key assumptions would cause the carrying value to exceed the value-in-use. For cattle and agriculture segment, the sensitivity is presented below:

Increase in discount rate by 1% in each period (including terminal) would lead to impairment of property, plant and equipment allocated to cattle CGU by UAH 11,949 thousand. Decrease in milk price in each period (including terminal) would lead to impairment of UAH 130,985 thousand.

Increase in discount rate by 1% in each period (including terminal) would lead to impairment of property, plant and equipment allocated to agriculture CGU by UAH 80,129 thousand. Decrease in crops prices in each period (including terminal) would lead to impairment of UAH 294,675 thousand.

Impairment of individual items of property, plant and equipment

A revaluation increase on property is recognized directly in other comprehensive income, except to the extent that it reverses a previous revaluation decrease recognized in the income statement. A revaluation decrease on property is recognized in the income statement as impairment, except to the extent that it reverses a previous revaluation increase recognized directly in other comprehensive income. As a result of revaluation as at 31 December 2015, impairment loss of UAH 14,563 thousand (EUR 594 thousand) was recognized within other operating expenses. In 2014, impairment loss of UAH 44,235 thousand (EUR 2,712 thousand) was recognized (Note 23).

Other matters

As at 31 December 2015, the carrying amount of buildings that would have been included in the consolidated financial statements had the buildings been carried at cost less any accumulated depreciation and any accumulated impairment losses is UAH 388,862 thousand or EUR 16,065 thousand (2014: UAH 378,443 thousand or EUR 24,048 thousand), machinery and equipment is UAH 505,141 thousand or EUR 20,869 thousand (2014: UAH 410,385 thousand or EUR 26,078 thousand) and construction is UAH 520,889 thousand or EUR 21,520 thousand (2014: UAH 529,994 thousand or EUR 33,679 thousand).

In 2015 revaluation surplus of UAH 317,633 thousand or EUR 12,113 thousand (2014: UAH 166,955 thousand or EUR 8,681 thousand) was reclassified from revaluation reserve to retained earnings because it was realized through depreciation or disposal of the revalued items of property, plant and equipment.

In 2015 the Group have not capitalized borrowing costs (2014: UAH 17,214 thousand or EUR 1,094 thousand using average rate of 6.88% p.a.).

For carrying values of property, plant and equipment pledged to secure bank loans refer to Note 16.

Leased assets, where the Group is a lessee under finance lease arrangements, comprise machinery and equipment. At 31 December 2015, the net book value of leased assets is UAH 36,891 thousand or EUR 1,407 thousand (2014: UAH 8,736 thousand; EUR 454 thousand).

8. INTANGIBLE ASSETS

The movement of intangible assets for the year is as follows:

(in thousands of Ukrainian hryvnias)	Land lease rights	Goodwill	Other intangible assets	Total
Cost 1 January 2015	**150 431**	**9 523**	**5 490**	**165 444**
Additions	**8 564**	**11 315**	**947**	**20 826**
Disposals	-	-	**(29)**	**(29)**
31 December 2015	**158 995**	**20 838**	**6 408**	**186 241**
Accumulated amortization 1 January 2015	**110 655**	**-**	**948**	**111 603**
Amortization charge	**8 482**	**-**	**1 331**	**9 813**
Disposals	**-**	**-**	**(29)**	**(29)**
31 December 2015	**119 137**	**-**	**2 250**	**121 387**
Net book value 31 December 2015	**39 858**	**20 838**	**4 158**	**64 854**

(in thousands of Euros)	Land lease rights	Goodwill	Other intangible assets	Total
Cost 1 January 2015	**7 822**	**495**	**285**	**8 602**
Additions	**354**	**471**	**35**	**860**
Disposals	**-**	**-**	**(1)**	**(1)**
Currency translation differences	**(2 113)**	**(171)**	**(76)**	**(2 360)**
31 December 2015	**6 063**	**795**	**243**	**7 101**
Accumulated amortization 1 January 2015	**5 754**	**-**	**48**	**5 802**
Amortization charge	**350**	**-**	**55**	**405**
Disposals	**-**	**-**	**(1)**	**(1)**
Currency translation differences	**(1 561)**	**-**	**(18)**	**(1 579)**
31 December 2015	**4 543**	**-**	**84**	**4 627**
Net book value 31 December 2015	**1 520**	**795**	**159**	**2 474**

The movement of intangible assets in 2014 is as follows:

(in thousands of Ukrainian hryvnias)	Land lease rights	Goodwill	Other intangible assets	Total
Cost 1 January 2014	150 431	9 523	4 296	164 250
Additions	-	-	1 587	1 587
Disposals		-	(393)	(393)
31 December 2014	150 431	9 523	5 490	165 444
Accumulated amortization 1 January 2014	99 619	-	425	100 044
Amortization charge	11 036	-	916	11 952
Disposals	-	-	(393)	(393)
31 December 2014	110 655	-	948	111 603
Net book value 31 December 2014	39 776	9 523	4 542	53 841

(in thousands of Euros)	Land lease rights	Goodwill	Other intangible assets	Total
Cost 1 January 2014	13 139	832	374	14 345
Additions	-	-	101	101
Disposals	-	-	(25)	(25)
Currency translation differences	(5 317)	(337)	(165)	(5 819)
31 December 2014	7 822	495	285	8 602
Accumulated amortization 1 January 2014	8 701	-	36	8 737
Amortization charge	701	-	58	759
Disposals	-	-	(25)	(25)
Currency translation differences	(3 648)	-	(21)	(3 669)
31 December 2014	5 754	-	48	5 802
Net book value 31 December 2014	2 068	495	237	2 800

Goodwill has been allocated to agricultural CGU, which is also an operating and reportable segment. The Group performs its annual impairment test as at 31 December. As at 31 December 2015 and 2014 no impairment was identified.

The recoverable amount of the agricultural CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 26,6% for five years and 26,6% for the terminal period (2014: 22% and 17% in the terminal period).

The discount rates were estimated based on the weighted average cost of capital. The weighted average cost of capital elements were derived based on market data and risks specific to the agricultural CGU for which future estimates of cash flows have not been adjusted.

Other significant assumptions include crop yields and crop prices. Crop yield were derived based on average yields of the Group achieved in the three years preceding the budgeted period. For the purpose of impairment testing, the Group conservatively did not budget for any increase in yields.

Crop prices were based on actual prices for the year preceding the budgeted year adjusted based on the commodity price forecasts.

The resulting value in use provides for significant headroom; therefore, management believes that no reasonable change in the assumption would cause the carrying value of the CGU to materially exceed its value-in-use.

9. BIOLOGICAL ASSETS

Biological assets consist of current biological assets (crops) and non-current biological assets (livestock).

Livestock include cattle and other livestock. Cattle consist of dairy livestock with an average yearly lactation period of nine months, immature cattle and cattle intended for sale. Other livestock mainly represent pigs, horses and sheep. The valuation of the biological assets is within level 3 of the fair value hierarchy.

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

- revenue from the crops sales is projected based on the expected volume of harvested grains and oilseeds. For dairy cattle revenue is projected based on the expected milk produced during their productive life after the reporting date and expected volume of meat at the date of slaughter;
- the average productive life of a cow is determined based on internal statistical information;
- prices for grains, oilseeds, milk and meat are obtained from market resources as at the end of the reporting period;
- production and costs to sell are projected based on actual operating costs;

- the growth in sales prices as well as in production expenses and costs to sell is assumed to be in line with forecasted consumer price index in Ukraine;
- a pre-tax discount rate is applied in determining fair value of biological assets. The discount rate is based on the market rate at the reporting date.

The key assumptions represent management's assessment of future trends in agriculture and cattle farming business and are based on both external and internal sources of data.

The significant unobservable inputs used in the fair value measurement of the crops are as follows:

- Discount rate (25.7%) (2014: 20%);
- Yields of crops (4.7 tons per hectare for winter wheat, 3.6 tons per hectare for winter rye) (2014: 4.81 tons per hectare for winter wheat, 2.0 tons per hectare for winter rye);
- Prices of crops (UAH 4,146 per ton for winter wheat, UAH 2,444 for winter rye) (2014: UAH 3,380 per ton for winter wheat, UAH 1,750 per ton for winter rye).

The significant unobservable inputs used in the fair value measurement of the cattle are as follows:

- Discount rate (23.4%) (2014: 20%);
- Milk prices (UAH 5.08 per litre) (2014: UAH 4.57 per litre);
- Meat prices (UAH 20.68 per kilogram) (2014: UAH 18.5 per kilogram).

Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. An increase in discount rate leads to a decrease in fair value, whereas increase in prices and yields leads to increase in fair values.

As at 31 December 2015, the unrealized gain of biological assets comprised UAH 411,534 thousand or EUR 15,694 thousand (2014: UAH 656,452 thousand or EUR 34,132 thousand).

As at 31 December biological assets comprise the following groups:

(in thousands of Ukrainian hryvnias)	2015		2014	
	Units	**Amount**	**Units**	**Amount**
Non-current biological assets:				
Cattle	**29 402**	**503 412**	30 036	579 352
Other livestock		**2 450**		5 295
		505 862		584 647
Current biological assets (crops):	**Hectares**		**Hectares**	
Winter wheat	**51 918**	**468 635**	46 113	515 335
Winter rye	**1 431**	**1 723**	354	360
Corn	**-**	**-**	-	-
Sugar beet	**-**	**-**	-	-
Soy	**-**	**-**	-	-
	53 349	**470 358**	46 467	515 695
Total biological assets		**976 220**		1 100 342

(in thousands of Euros)	2015		2014	
	Units	**Amount**	**Units**	**Amount**
Non-current biological assets:				
Cattle	**29 402**	**19 197**	30 036	30 122
Other livestock		**94**		275
		19 291		30 397
Current biological assets (crops):	**Hectares**		**Hectares**	
Winter wheat	**51 918**	**17 871**	46 113	26 794
Winter rye	**1 431**	**66**	354	19
Corn	**-**	**-**	-	-
Sugar beet	**-**	**-**	-	-
Soy	**-**	**-**	-	-
	53 349	**17 937**	46 467	26 813
Total biological assets		**37 228**		57 210

For carrying value of biological assets pledged to secure bank loans refer to Note 16.

The information about output of agricultural products during the period:

(in tonns)	2015	2014
Milk	**102 427**	103 840
Winter wheat	**243 310**	188 379
Barley	**9 951**	17 707
Corn	**305 610**	278 900
Soy	**117 648**	113 710
Sunflower	**60 259**	11 604
Sugar beet	**1 755 799**	2 109 151

The following represents the changes during the years ended 31 December in the carrying amounts of non-current and current biological assets:

(in thousands of Ukrainian hryvnias)	Non-current livestock	Crops	Total
As at 1 January 2014	520 947	331 501	852 448
Purchases	6 530	-	6 530
Investments into livestock and future crops	113 810	2 566 586	2 680 396
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	33 164	664 449	697 613
Sales	(89 804)	-	(89 804)
Decrease due to harvest	-	(3 046 841)	(3 046 841)
As at 31 December 2014	**584 647**	**515 695**	**1 100 342**
Purchases	**3 181**	-	**3 181**
Investments into livestock and future crops	**122 141**	**3 469 718**	**3 591 859**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**(92 192)**	**1 220 381**	**1 128 189**
Sales	**(111 915)**	-	**(111 915)**
Decrease due to harvest	-	**(4 735 436)**	**(4 735 436)**
As at 31 December 2015	**505 862**	**470 358**	**976 220**

(in thousands of Euros)	Non-current livestock	Crops	Total
As at 1 January 2014	45 497	28 952	74 449
Purchases	415	-	415
Investments into livestock and future crops	7 232	163 094	170 326
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	2 235	44 771	47 006
Sales	(5 707)	-	(5 707)
Decrease due to harvest	-	(193 612)	(193 612)
Currency translation difference	(19 275)	(16 392)	(35 667)
As at 31 December 2014	**30 397**	**26 813**	**57 210**
Purchases	**131**	-	**131**
Investments into livestock and future crops	**5 046**	**143 345**	**148 391**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**(3 892)**	**51 521**	**47 629**
Sales	**(4 624)**	-	**(4 624)**
Decrease due to harvest	-	**(195 636)**	**(195 636)**
Currency translation difference	**(7 767)**	**(8 106)**	**(15 873)**
As at 31 December 2015	**19 291**	**17 937**	**37 228**

Changes in key assumptions used to estimate biological assets fair value would have the following effect on the fair value biological assets and on earnings per share:

	2015			
	Biological assets		*Earnings per share*	
	(thousands of Ukrainian hryvnias)	*(thousands of Euros)*	*(thousands of Ukrainian hryvnias)*	*(thousands of Euros)*
10% increase in price for milk	**136 256**	**5 196**	**5,5**	**0,21**
10% decrease in prices for milk	**(136 256)**	**(5 196)**	**(5,5)**	**(0,21)**
10% increase in price for meat	**16 111**	**614**	**0,6**	**0,02**
10% decrease in price for meat	**(16 111)**	**(614)**	**(0,6)**	**(0,02)**
10% increase in milk yield	**34 399**	**1 312**	**1,4**	**0,05**
10% decrease in milk yield	**(34 399)**	**(1 312)**	**(1,4)**	**(0,05)**
10% increase in prices for crops	**82 218**	**3 135**	**3,3**	**0,13**
10% decrease in prices for crops	**(82 218)**	**(3 135)**	**(3,3)**	**(0,13)**
10% increase in yield for crops	**81 196**	**3 096**	**3,2**	**0,12**
10% decrease in yield for crops	**(81 196)**	**(3 096)**	**(3,2)**	**(0,12)**
10% increase in production costs until harvest	**(42 033)**	**(1 603)**	**(1,7)**	**(0,06)**
10% decrease in production costs until harvest	**42 033**	**1 603**	**1,7**	**0,06**
5% increase in annual consumer price index	**34 243**	**1 306**	**1,4**	**0,05**
5% decrease in annual consumer price index	**(34 243)**	**(1 306)**	**(1,4)**	**(0,05)**
1% increase in discount rate	**(11 887)**	**(453)**	**(0,5)**	**(0,02)**
1% decrease in discount rate	**11 887**	**453**	**0,5**	**0,02**

	2014			
	Biological assets		*Earnings per share*	
	(thousands of Ukrainian hryvnias)	*(thousands of Euros)*	*(thousands of Ukrainian hryvnias)*	*(thousands of Euros)*
10% increase in price for milk	121 465	6 315	4,86	0,25
10% decrease in prices for milk	(121 465)	(6 315)	(4,86)	(0,25)
10% increase in price for meat	14 184	738	0,57	0,03
10% decrease in price for meat	(14 184)	(738)	(0,57)	(0,03)
10% increase in milk yield	46 738	2 430	1,87	0,10
10% decrease in milk yield	(46 738)	(2 430)	(1,87)	(0,10)
10% increase in prices for crops	48 229	2 508	1,93	0,10
10% decrease in prices for crops	(48 229)	(2 508)	(1,93)	(0,10)
10% increase in yield for crops	70 063	3 643	2,80	0,15
10% decrease in yield for crops	(70 063)	(3 643)	(2,80)	(0,15)
10% increase in production costs until harvest	(21 782)	(1 133)	(0,87)	(0,05)
10% decrease in production costs until harvest	21 782	1 133	0,87	0,05
5% increase in annual consumer price index	42 525	2 211	1,7	0,09
5% decrease in annual consumer price index	(42 525)	(2 211)	(1,7)	(0,09)
1% increase in discount rate	(13 118)	(682)	(0,5)	(0,03)
1% decrease in discount rate	13 118	682	0,5	0,03

For financial risk management regarding biological assets refer to section Material risk factors and threats to the Group of the Directors' report.

10. INVENTORIES

Inventories as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Finished goods:				
Sugar products	**1 544 845**	1 545 066	**58 912**	80 334
Agricultural produce	**1 248 417**	610 401	**47 607**	31 737
Soybean processing	**60 806**	28 671	**2 319**	1 491
Cattle farming	**1 212**	874	**46**	45
Other products	**-**	15 267	**-**	794
	2 855 280	2 200 279	**108 884**	114 401
Raw materials and consumables for:				
Sugar production	**10 210**	10 295	**389**	535
Cattle farming	**169 853**	102 321	**6 477**	5 320
Agricultural produce	**49 453**	137 126	**1 886**	7 130
Other production	**125**	3 168	**5**	164
Consumables for joint utilization	**112 896**	85 163	**4 306**	4 428
	342 537	338 073	**13 063**	17 577
Investments into future crops	**824 441**	486 565	**31 437**	25 299
	4 022 258	3 024 917	**153 384**	157 277

All inventories are stated at historical cost, except of agricultural produce, which is measured at fair value less costs to sell at the point of harvest. The fair value of agricultural produce was estimated based on market price as at the date of harvest and is within level 1 of the fair value hierarchy.

For carrying value of inventories pledged to secure bank loans refer to Note 16.

11. TRADE AND OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade and other accounts receivable, and prepayments as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Non-current accounts receivable and prepayments				
Advances to suppliers	**20 244**	-	**772**	-
Other long-term receivables	**436**	751	**17**	39
	20 680	751	**789**	39
Current accounts receivable and prepayments				
Trade receivables	**504 434**	274 292	**19 236**	14 262
Less allowance	**(57 122)**	(21 941)	**(2 178)**	(1 141)
	447 312	252 351	**17 058**	13 121
Prepayments and other non-financial assets:				
VAT recoverable and prepaid	**377 439**	(2 223)	**14 393**	(116)
Advances to suppliers	**119 193**	99 582	**4 545**	5 178
Less allowance	**(744)**	(864)	**(28)**	(45)
	495 888	96 495	**18 910**	5 017
Other financial assets:				
Financial aid	**29 819**	14 272	**1 137**	742
Other receivables	**21 569**	28 112	**823**	1 462
Less allowance	**(13 127)**	(8 313)	**(501)**	(432)
	38 261	34 071	**1 459**	1 772
	981 461	382 917	**37 427**	19 910

Long-term advances to suppliers relate to prepayments for land lease. Average term for prepaid lease 3-5 years.

For carrying value of trade accounts receivable pledged to secure bank loans refer to Note 16.

Changes in allowances for trade and other accounts receivable during the year ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Balance at 1 January	**31 118**	18 762	**1 618**	1 638
Charge in income statement	**55 699**	14 840	**2 277**	908
Amounts written off	**(15 824)**	(2 484)	**(654)**	(158)
Currency translation difference	**-**	-	**(534)**	(770)
Balance as at 31 December	**70 993**	31 118	**2 707**	1 618

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

(in thousands of Ukrainian hryvnias)	**Gross**	**Impairment**	**Gross**	**Impairment**
	2015	**2015**	**2014**	**2014**
Not past due	**253 678**	**-**	158 473	-
Past due 1-30 days	**166 633**	**-**	43 898	-
Past due 31-120 days	**50 754**	**(28 464)**	31 508	(1 306)
Past due 121-365 days	**4 075**	**(2 724)**	12 259	(2 986)
More than one year	**29 294**	**(25 934)**	28 154	(17 649)
	504 434	**(57 122)**	274 292	(21 941)

(in thousands of Euros)	**Gross**	**Impairment**	**Gross**	**Impairment**
	2015	**2015**	**2014**	**2014**
Not past due	**9 674**	**-**	8 240	-
Past due 1-30 days	**6 354**	**-**	2 282	-
Past due 31-120 days	**1 935**	**(1 085)**	1 638	(68)
Past due 121-365 days	**155**	**(104)**	637	(155)
More than one year	**1 118**	**(989)**	1 465	(918)
	19 236	**(2 178)**	14 262	(1 141)

Trade receivables that are past due but not impaired relates to customers for whom there is no recent history of credit problems and where management believes collection is probable.

The aging of other receivables at the reporting date is as follows:

(in thousands of Ukrainian hryvnias)	**Gross 2015**	**Impairment 2015**	**Gross 2014**	**Impairment 2014**
Not past due	-	-	-	-
Past due 1-30 days	**11 651**	**(195)**	17 512	-
Past due 31-120 days	**6 770**	**(338)**	5 668	(224)
Past due 121-365 days	**8 523**	**(2 121)**	5 685	(1 651)
More than one year	**24 444**	**(10 473)**	13 519	(6 438)
	51 388	**(13 127)**	42 384	(8 313)

(in thousands of Euros)	**Gross 2015**	**Impairment 2015**	**Gross 2014**	**Impairment 2014**
Not past due	-	-	-	-
Past due 1-30 days	**444**	**(7)**	911	-
Past due 31-120 days	**258**	**(13)**	295	(12)
Past due 121-365 days	**325**	**(81)**	296	(86)
More than one year	**933**	**(400)**	702	(334)
	1 960	**(501)**	2 204	(432)

12. CASH DEPOSITS

Deposits as at 31 December are as follows:

			(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
			2015	**2014**	**2015**	**2014**
	Effective interest rate	**Nominal interest rate**	**Amount**	**Amount**	**Amount**	**Amount**
Short-term bank deposits in UAH	8,0%	8,0%	**1 587**	-	**61**	-
Short-term bank deposits in USD	6,5%	6,5%	**11 371**	-	**434**	-
Short-term bank deposits in USD	2,5%	2,5%	**365 375**	-	**13 932**	-
Short-term bank deposits in USD	7,5%	7,5%	**-**	423 575	**-**	22 023
			378 333	423 575	**14 427**	22 023

For carrying value of deposits pledged to secure bank loans refer to Note 16. The early withdrawal of carrying value of deposits pledged to secure bank loans refer to Note 16.

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Cash in banks in USD	**435 997**	190 080	**16 626**	9 883
Cash in banks in UAH	**2 269**	56 141	**87**	2 919
Cash in banks in EUR	**26**	18	**1**	1
Cash in banks in PLN	**1 472**	447	**56**	23
	439 764	246 686	**16 770**	12 826
Cash on hand in UAH	**305**	175	**12**	9
	440 069	246 861	**16 782**	12 835

As at 31 December 2015, cash and cash equivalents consisted of current accounts in banks and overnight deposits. As at 31 December 2015 and 31 December 2014, current accounts denominated in USD earned interest of 0,10% p.a., overnight deposits denominated in UAH – up to 6,00% depending on the amount deposited.

14. EQUITY

Share capital

ASTARTA Holding N.V. has one class of common shares with par value of EUR 0,01. All shares have equal voting rights. The number of authorized shares as at 31 December 2015 is 30,000 thousand (2014: 30,000 thousand) and the number of issued and fully paid-up shares is 25,000 thousand (2014: 25,000 thousand). For disclosure of shares pledged to secure bank loans refer to Note 16.

Shareholders structure as at 31 December is as follows:

	2015	**2014**
ASTARTA HOLDING N.V.		
Viktor Ivanchyk through his wholly owned Cypriot company Albacon Ventures Ltd.	**37,80%**	37,00%
Valery Korotkov through his wholly owned Cypriot company Aluxes Holding Ltd.	**25,99%**	25,99%
MetLife Otwarty Fundusz Emerytalne S.A.	**3,42%**	5,00%
Other shareholders	**32,79%**	32,01%
	100,00%	100,00%

The earnings and weighted average number of ordinary shares used in calculation of earnings per share are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Net profit attributable to equity holders of the company	**371 472**	(1 007 691)	**15 944**	(68 061)
Weighted average basic and diluted shares outstanding (in thousands of shares)	**24 574**	24 850	**24 574**	24 850
Earnings per share attributable to shareholders of the company	**15,12**	(40,55)	**0,65**	(2,74)

Capital risk management

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

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

In order to achieve the overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants, in the absence of waivers from the bank, would permit the bank to immediately call loans and borrowings.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. The objective is to maintain gearing ratio below 60%. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash, cash equivalents and short-term deposits. Total capital is calculated by adding net debt to equity.

As at 31 December 2015, the gearing ratio was 42% compared to 50% a year before. The decrease in gearing ratio is attributable to decrease in net debt. The gearing ratios at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Total borrowings (note 16)	**5 347 860**	4 834 504	**203 936**	251 366
Less cash, cash equivalents and short-term deposits	**(818 402)**	(670 436)	**(31 209)**	(34 858)
Net debt	**4 529 458**	4 164 068	**172 727**	216 508
Total equity	**6 306 094**	4 235 397	**240 477**	220 214
Total capital	**10 835 552**	8 399 465	**413 204**	436 722
Gearing ratio	**42%**	50%	**42%**	50%

There were no changes in the approach to capital management during the reporting period.

Additional paid-in capital

The additional paid-in capital reserve relates to the excess of proceeds from the issuance of shares above the nominal value.

Revaluation surplus

In 2015 management engaged independent appraiser to revalue the Group's buildings, machinery and equipment as at 31 December 2015, the related revaluation surplus of UAH 1,641,900 thousand or EUR 62,561 thousand was recognised in equity. The previous revaluation was done as at 31 December 2014 and revaluation surplus of UAH 834,402 thousand or EUR 43,266 thousand was recognised. During the year ended 31 December 2015 the revaluation surplus realized through depreciation and disposal of property and equipment was UAH 317,633 thousand or EUR 12,113 thousand (2014: UAH 166,955 thousand, EUR 8,681 thousand).

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements denominated in functional currencies to presentation currencies.

Other reserves

As at 31 December 2015 the Group's consolidated retained earnings as presented in these consolidated financial statements, amounted to UAH 2,875,244 thousand or EUR 262,518 thousand (2014: UAH 2,186,139 thousand or EUR 234,461), including the net profit for the year ended 31 December 2015. Statutory retained earnings of the Company and its Ukrainian subsidiaries may differ substantially from the retained earnings presented in these financial statements.

Refer to the Company's financial statements for information about distribution of profits.

Dividend policy

The Company's policy is to pay dividends at a level consistent with the Group's growth and development plans, while maintaining a reasonable level of liquidity. The current intention of the Board of Directors is to recommend to the General Meeting of Shareholders that no dividends be declared for the year ended 31 December 2015.

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

Treasury shares

In 2015 the Group has purchased 368,069 of own shares for UAH 59,691 thousand or EUR 2,466 thousand at average price per share of UAH 162 or EUR 7. As at 31 December 2015, the Group had 588,126 of treasury shares with total cost of UAH 94,389 thousand (EUR 4,746 thousand) (2014: 220,057 of treasury shares with total cost of UAH 34,698 thousand (EUR 2,280 thousand).

15. NON-CONTROLLING INTERESTS

The movements in non-controlling interests in joint stock companies for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Balance as at 1 January	**619**	661	**32**	58
Share in loss	**(43)**	(217)	**(3)**	(15)
Acquisitions from non-controlling shareholders and other changes		98	**-**	**5**
Non-controlling interest in Revaluation surplus	**(169)**	77	**(7)**	5
Currency translation difference	**-**	-	**(6)**	(21)
Balance as at 31 December	**407**	619	**16**	32

The movements in non-controlling interests in limited liability companies for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Balance as at 1 January	**112 073**	87 718	**5 827**	7 661
Non-controlling interests of limited liability companies in profit (Note 24)	**44 694**	18 806	**1 849**	1 266
Acquisitions from non-controlling shareholders and other changes	**(2 069)**	(1 154)	**(85)**	(73)
Dividensd paid	**-**	(3 492)	**-**	(222)
Non-controlling interests acquired with new subsidiaries	**2**	-	**-**	-
Non-controlling interest in Revaluation surplus	**16 089**	10 195	**665**	648
Currency translation difference	**-**	-	**(1 743)**	(3 453)
Balance as at 31 December	**170 789**	112 073	**6 513**	5 827

In 2014, the Group increased its effective share in a number of subsidiaries which are limited liability companies as a result of increases in charter capital and purchases of ownership rights from non-controlling participants.

16. LOANS AND BORROWINGS

This note provides information about the contractual terms of loans and borrowings. Refer to Note 28 for more information on exposure to interest rate, foreign currency risk and information on financial risk management. Loans and borrowings as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Long-term loans and borrowings:				
Bank loans	**1 863 863**	2 071 917	**71 077**	107 729
Finance lease liabilities (note 29 c)	**7 812**	10 664	**298**	554
Transaction costs	**(23 880)**	(35 303)	**(911)**	(1 836)
	1 847 795	2 047 278	**70 464**	106 447
Current portion of long-term loans and borrowings:				
Bank loans	**1 232 892**	845 551	**47 015**	43 964
Finance lease liabilities (note 29 c)	**13 459**	8 696	**513**	452
Transaction costs	**(25 260)**	(25 766)	**(963)**	(1 340)
	1 221 091	828 481	**46 565**	43 076
Short-term loans and borrowings:				
Bank loans	**2 069 854**	1 936 933	**78 932**	100 709
Finance lease liabilities (note 29 c)	**-**	-	**-**	-
Transaction costs	**(9 071)**	-	**(346)**	-
Borrowings from non-financial institutions	**218 191**	21 812	**8 321**	1 134
	2 278 974	1 958 745	**86 907**	101 843
	5 347 860	4 834 504	**203 936**	251 366

As at 31 December 2015 the Group was in breach of certain financial covenants under a number of bank loans mostly due to sharp devaluation of the local currency. According to the terms of respective loan agreements, the lenders may at their option declare all or any portion of the loan and accrued interest payable on demand. Prior to the reporting date, the Group received from the banks, except of IFC, waivers of rights to require compliance with the breached covenants as at 31 December 2015, and, accordingly, classified the loans in accordance with their initial contractual maturity.

The Group received from IFC compliance letter prior to the reporting date. Waiver of rights to require compliance with the breached covenants as at 31 December 2015 was received in January 2016 year. Due to IFC policies creditors are enabled to receive waivers of rights to require compliance with the breached covenants before the year end. Agreement with IFC have the following close: events of default might be declared by IFC after the failing to comply with obligations and any such failure continuing for a period of thirty days. The Group received waiver within thirty days period allowed, this enables management to classify the related loans in accordance with contractual maturity (Note 16).

According to the quarterly budgets for 2016 and 2017, the Group is likely to continue to be in breach of certain financial covenants under IFC and EBRD loans during 2016. The Group received waivers from some banks and letters stating that the banks have no intention to disengage with the Group from other banks in respect of non-compliances in 2015. Refer to Note 2 (b) for details.

The following table summarises borrowings as of 31 December:

Currency	WAIR[1]	(in thousands of Ukrainian hryvnias) 2015	(in thousands of Euros) 2015
Short-term loans and borrowings:			
EUR	**6,13%**	**6 949**	**265**
USD	**7,47%**	**901 696**	**34 386**
UAH	**22,86%**	**1 379 400**	**52 602**
Transaction costs		**(9 071)**	**(346)**
Total Short-term loans and borrowings		**2 278 974**	**86 907**
Long-term loans and current portion of long-term loans and borrowings:			
EUR	**6,13%**	**263 392**	**10 044**
USD	**7,47%**	**2 833 363**	**108 048**
Finance lease liabilities		**21 271**	**811**
Transaction costs		**(49 140)**	**(1 874)**
Total long-term borrowings		**3 068 886**	**117 029**
		5 347 860	**203 936**

Currency	WAIR[1]	(in thousands of Ukrainian hryvnias) 2014	(in thousands of Euros) 2014
Short-term loans and borrowings:			
EUR	6,15%	5 097	265
USD	6,50%	587 403	30 542
UAH	21,12%	1 366 245	71 036
Transaction costs			
Total Short-term loans and borrowings		1 958 745	101 843
Long-term loans and current portion of long-term loans and borrowings:			
EUR	6,15%	246 794	12 832
USD	6,50%	2 670 674	138 861
Finance lease liabilities		19 360	1 006
Transaction costs		(61 069)	(3 176)
Total long-term borrowings		2 875 759	149 523
		4 834 504	251 366

[1] WAIR represents the weighted average interest rate on outstanding borrowings.

As of 31 December the Group's total bank borrowings and respective interest forecasted based on undiscounted contractual repayment schedule were repayable as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Total current portion repayble in one year	**3 302 746**	2 782 484	**125 947**	144 673
Transaction costs	**(34 331)**	(25 766)	**(1 308)**	(1 340)
Finance lease liabilities (note 29 c)	**13 459**	8 696	**513**	452
Borrowings from non-financial institutions	**218 191**	21 812	**8 321**	1 134
	3 500 065	2 787 226	**133 473**	144 919
Due in the second year	**977 242**	956 793	**37 266**	49 749
Transaction costs	**(15 030)**	(17 752)	**(575)**	(923)
Finance lease liabilities (note 29 c)	**7 192**	7 309	**274**	380
	969 404	946 350	**36 965**	49 206
Due thereafter	**886 621**	1 115 124	**33 811**	57 980
Transaction costs	**(8 850)**	(17 551)	**(337)**	(913)
Finance lease liabilities (note 29 c)	**620**	3 355	**24**	174
	878 391	1 100 928	**33 498**	57 241
	5 347 860	4 834 504	**203 936**	251 366

As at 31 December 2015, the Group had a USD denominated loan from the entity under control of a shareholder of UAH 211,242 thousand (2014: UAH 16,715 thousand) or EUR 8,069 thousand (2014: EUR 869 thousand) bearing an interest of 9,4% p.a. and a EUR denominated loan of UAH 6,949 thousand (2014: UAH 5,097 thousand) or EUR 265 thousand (2014: EUR 265 thousand) bearing an interest of 9,4% p.a.

Bank loans are secured as follows:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
(in thousands of Ukrainian hryvnias)	**2015**	**2014**	**2015**	**2014**
Rights of claim on future cash proceeds from sale contracts	**1 056 957**	1 031 118	**40 306**	53 612
Inventories (Note 10)	**2 209 045**	1 643 180	**84 240**	85 436
Property, plant and equipment (Note 7)	**2 382 119**	1 661 009	**90 840**	86 363
Short-term deposits (Note 12)	**11 370**	7 686	**434**	400
	5 659 491	4 342 993	**215 820**	225 811

Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 2,82% of ASTARTA Holding N.V. issued shares in equal parts (2014: 2,82%).

17. OTHER LIABILITIES AND ACCOUNTS PAYABLE

Other liabilities and accounts payable as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Deferred incomes:				
Special VAT regime liabilities	**361 242**	2 631	**13 776**	136
	361 242	2 631	**13 776**	136
Other liabilities:				
Advances received from customers	**83 102**	78 207	**3 169**	4 066
VAT payable	**152**	11	**6**	1
	83 254	78 218	**3 175**	4 067
Other accounts payable:				
Accounts payable for property, plant and equipment	**1 143**	12 353	**44**	642
Accrual for unused vacations	**42 813**	29 057	**1 633**	1 511
Interest payable	**41 051**	41 724	**1 565**	2 169
Salaries payable	**40 814**	16 966	**1 556**	882
Social insurance payable	**4 810**	7 850	**183**	408
Settlements with land and fixed assets lessors	**41 005**	27 054	**1 564**	1 407
Other taxes and charges payable	**18 681**	5 874	**712**	305
Other payables	**7 946**	10 837	**303**	565
	198 263	151 715	**7 560**	7 889
	642 759	232 564	**24 511**	12 092

Advances from customers and accounts payable are non-interest bearing and settled in the normal course of business.

Special VAT regime liabilities occurs from internally generated transactions and will be realized during the year as income from VAT refund when finished goods will be purchased by final customers.

18. REVENUES

Revenues for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Sugar and related sales:				
Sugar	**3 486 720**	2 305 650	**143 291**	147 551
Molasses	**122 530**	81 931	**5 036**	5 243
Pulp	**77 134**	62 658	**3 170**	4 010
	3 686 384	2 450 239	**151 497**	156 804
Crops	**1 984 346**	1 116 283	**81 549**	71 437
Soybean processing products	**1 233 306**	1 159 578	**50 684**	74 208
Cattle farming	**582 837**	460 209	**23 952**	29 451
Other sales	**153 659**	312 523	**6 315**	20 002
	3 954 148	3 048 593	**162 500**	195 098
	7 640 532	5 498 832	**313 997**	351 902

In 2015 and 2014, there were no sales settled through barter transactions. In 2015, 64% of revenue is generated from sales to customers in Ukraine (2014: 76%).

19. COST OF REVENUES

Cost of revenues for the years ended 31 December by product is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Sugar and related sales:				
Sugar	**1 968 541**	1 640 627	**80 896**	104 012
Molasses	**84 119**	63 211	**3 457**	4 007
Pulp	**51 845**	49 869	**2 130**	3 162
	2 104 505	1 753 707	**86 483**	111 181
Crops	**1 688 632**	989 859	**69 393**	62 754
Soybean processing products	**913 875**	830 701	**37 555**	52 664
Cattle farming	**497 103**	374 660	**20 428**	23 752
Other sales	**120 353**	278 311	**4 947**	17 643
	3 219 963	2 473 531	**132 323**	156 813
	5 324 468	4 227 238	**218 806**	267 994

The Group's costs include, inter alia, the following expenses:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Depreciation and amortization costs	**501 838**	372 392	**20 740**	23 689
Land lease expenses	**434 446**	318 867	**17 859**	20 262
Employee benefits expenses	**488 930**	487 467	**20 099**	30 904

20. OTHER OPERATING INCOME

Other operating income for the years ended 31 December is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Government subsidies relating to:				
VAT refunds	**293 738**	244 939	**11 969**	13 828
Cattle farming	**1 746**	14 145	**71**	799
Recovery of assets previously written off	**7 018**	6 241	**286**	352
Other operating income	**11 736**	5 089	**478**	288
	314 238	270 414	**12 804**	15 267

21. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Salary and related charges	**321 145**	250 740	**13 258**	16 045
Professional services	**28 632**	26 214	**1 182**	1 677
Taxes other than corporate income tax	**25 301**	18 557	**1 045**	1 188
Depreciation	**19 679**	12 641	**812**	809
Fuel and other materials	**18 818**	13 782	**777**	882
Bank charges	**8 203**	5 319	**339**	340
Office expenses	**6 122**	4 957	**253**	317
Maintenance	**5 414**	3 567	**224**	228
Communication	**2 921**	2 797	**121**	179
Insurance	**3 589**	3 275	**148**	210
Rent	**2 920**	5 802	**121**	371
Transportation	**1 283**	900	**53**	58
Other	**16 517**	13 852	**680**	887
	460 544	362 403	**19 013**	23 191

22. SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Transportation	**238 712**	175 895	**9 760**	10 888
Salary and related charges	**81 439**	62 313	**3 330**	2 844
Fuel and other materials	**39 566**	45 947	**1 618**	3 857
Storage and logistics	**49 335**	15 433	**2 017**	955
Allowance for trade accounts receivable	**51 813**	9 770	**2 118**	605
Depreciation	**6 043**	10 240	**247**	634
Professional services	**10 666**	7 383	**436**	457
Customs duties and services	**1 871**	393	**76**	24
Other	**18 052**	20 617	**739**	1 276
	497 497	347 991	**20 341**	21 540

23. OTHER OPERATING EXPENSES

Other operating expenses for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Charity and social expenses	**51 804**	25 704	**2 113**	1 541
Loss on disposal of property, plant and equipment	**48 199**	11 975	**1 966**	718
Other salary and related charges	**13 125**	11 216	**535**	672
Write down of inventories	**13 038**	6 382	**532**	383
VAT written off	**7 544**	33 809	**308**	2 027
Depreciation	**7 395**	3 913	**302**	235
Representative expenses	**2 264**	1 221	**92**	73
Penalties paid	**2 050**	1 964	**84**	118
Impairment of property, plant and equipment	**14 563**	45 235	**594**	2 712
Allowance for other accounts receivable	**3 886**	5 070	**159**	303
Other	**38 888**	19 666	**1 586**	1 178
	202 756	166 155	**8 271**	9 960

24. FINANCE (COSTS) INCOME

Finance (costs) income for the years ended 31 December is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Finance costs				
Foreign currency exchange loss, net	**(1 515 644)**	(2 005 307)	**(62 690)**	(135 035)
Interest expense				
Bank loans	**(638 557)**	(299 309)	**(26 412)**	(20 155)
Finance lease liabilities	**(7 736)**	(1 159)	**(320)**	(78)
Borrowings from non-financial institutions	**(6 065)**	(9 388)	**(251)**	(632)
	(652 358)	(309 856)	**(26 983)**	(20 865)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	**(44 694)**	(18 806)	**(1 849)**	(1 266)
Consideration to shareholders for pledged shares	**(53 480)**	(33 252)	**(2 209)**	(2 152)
Other finance costs	**(28 718)**	(9 572)	**(1 190)**	(732)
	(2 294 894)	(2 376 793)	**(94 921)**	(160 050)
Finance income				
Interest income	**23 154**	11 173	**958**	752
Other finance income	**6 511**	-	**269**	-
	29 665	11 173	**1 227**	752

25. INCOME TAX EXPENSE

In 2015, 16 subsidiaries elected to pay FAT in lieu of other taxes (2014: 23 companies). FAT expense is included to cost of revenues. The remaining companies were subject to the Ukrainian corporate income tax at 18% rate, Dutch corporate income tax rate of 25% and Cypriot income tax rate of 12.5%.

As at 31 December 2015 the Group has not recognised deferred tax asset of UAH 254,946 thousand or EUR 9,722 thousand (2014: UAH 259,963 thousand or EUR 13,518 thousand) in respect of tax losses carried forward originating on Ukrainian subsidiaries because realization of these losses is uncertain due to frequent changes in the laws and regulations. As at 31 December 2015 the Group has not recognised other deferred tax assets of UAH 70,064 thousand or EUR 2,672 thousand (2014: Nil) originating on an Ukrainian subsidiary because realization of this asset is uncertain due to tax losses accumulated by the subsidiary.

As at 31 December 2015 the Group did not recognize deferred tax asset relating to tax losses of UAH 261,413 thousand or EUR 9,970 thousand and in 2014 UAH 192,117 thousand or EUR 9,989 thousand originated at ASTARTA Holding N.V. since realization of this asset is uncertain.

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Current tax expenses	**(27 603)**	(15 922)	**(1 145)**	(920)
Deferred tax benefit	**73 504**	479	**3 049**	28
	45 901	(15 443)	**1 904**	(892)

(in thousands of Ukrainian hryvnias)	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2015	**2014**	**2015**	**2014**
Year ended 31 December 2015				
Profit / (loss) before tax	**325 528**	(992 465)	**14 037**	(67 184)
including:				
Companies not subject to income tax	**1 049 336**	(2 487 864)	**44 061**	(170 971)
Companies subject to income tax	**(723 808)**	1 495 399	**(30 024)**	103 787
Netherlands				
Profit / (loss) before tax	**(88 745)**	(1 178 325)	**(3 681)**	(68 061)
Income tax expense at statutory rate of 25%	**(22 186)**	(294 581)	**(920)**	(17 015)
Non-deductible items at a rate of 25%	**22 644**	248 027	**939**	14 326
Non-taxable items at a rate of 25%	**-**	-	**-**	-
Previously unrecognised tax loss that is used to reduce tax expense	**(458)**	-	**(19)**	-
Unrecognised tax loss of current year	**-**	46 554	**-**	2 689
Cyprus				
Profit / (loss) before tax	**160 401**	530 409	**6 654**	30 637
Income tax expense at statutory rate of 12.5%	**20 050**	66 301	**832**	3 830
Non-deductible items at a rate of 12.5%	**-**	-	**-**	-
Non-taxable items at a rate of 12.5%	**(8 055)**	(70 127)	**(274)**	(4 051)
Previously unrecognised tax loss that is used to reduce tax expense	**(3 826)**	-	**(221)**	-
Unrecognised tax loss of current year	**-**	3 826	**-**	221
	8 169	-	**337**	-
Ukraine				
Profit / (loss) before tax	**(795 464)**	2 143 315	**(32 997)**	141 211
Income tax expense at statutory rate of 18%	**(143 183)**	385 797	**(5 939)**	25 418
Non-deductible items at a rate of 18%	**19 338**	930	**804**	63
Non-taxable items at a rate of 18%	**(13)**	(618 820)	**(1)**	(38 887)
Previously unrecognised tax loss that is used to reduce tax expense	**(31 082)**	-	**(1 289)**	-
Unrecognised tax loss of current year	**30 806**	247 536	**1 278**	14 298
Unrecognised deferred tax asset	**70 064**	-	**2 906**	-
	(54 070)	15 443	**(2 241)**	892
Income tax expense (benefits)	**(45 901)**	15 443	**(1 904)**	892

Movements in temporary differences during the years ended 31 December are as follows:

(in thousands of Ukrainian hryvnias)	As at 31 December 2014	Recognized in OCI	Recognized in income statement	As at 31 December 2015
Deferred tax assets				
Inventories	-	-	47 913	47 913
Trade and other accounts receivable and prepayments	1 511	-	2 627	4 138
Set off of tax	(1 511)	-	(50 540)	(52 051)
Deferred tax liabilities				
Property, plant and equipment	(209 283)	(211 138)	23 287	(397 134)
Intangible assets	-	-	(1 808)	(1 808)
Inventories	(1 224)	-	1 224	-
Biological assets	(2 000)	-	2 000	-
Loans and borrowings	(2 530)	-	(1 674)	(4 204)
Trade and other accounts payable	166	-	(166)	-
Set off of tax	1 511	-	50 540	52 051
	(213 360)	(211 138)	73 403	(351 095)

(in thousands of Euros)	As 31 December 2014	Recognized in OCI	Recognized in income statement	Currency translation difference	As at 31 December 2015
Deferred tax assets					
Inventories	-	-	1 987	(160)	1 827
Trade and other accounts receivable and prepayments	79	-	109	(30)	158
Set off of tax	(79)	-	(2 096)	190	(1 985)
Deferred tax liabilities					
Property, plant and equipment	(10 882)	(8 758)	966	3 530	(15 144)
Intangible assets	-	-	(75)	6	(69)
Inventories	(64)	-	51	13	-
Biological assets	(104)	-	83	21	-
Loans and borrowings	(132)	-	(69)	41	(160)
Trade and other accounts payable	9	-	(7)	(2)	-
Set off of tax	79	-	2 096	(190)	1 985
	(11 094)	(8 758)	3 045	3 419	(13 388)

(in thousands of Ukrainian hryvnias)	**As at 31 December 2013**	**Recognized in OCI**	**Recognized in income statement**	**As at 31 December 2014**
Deferred tax assets				
Inventories	213	-	(213)	-
Trade and other accounts receivable and prepayments	4 254	-	(2 743)	1 511
Trade and other accounts payable	3 948	-	(3 948)	-
Loans and borrowings	6 358		(6 358)	-
Set off of tax	(14 773)	-	13 262	(1 511)
Deferred tax liabilities				
Property, plant and equipment	(121 634)	(101 933)	14 284	(209 283)
Investments	(5 045)	-	5 045	-
Inventories	-	-	(1 224)	(1 224)
Biological assets	-	-	(2 000)	(2 000)
Loans and borrowings	-	-	(2 530)	(2 530)
Trade and other accounts payable	-	-	166	166
Set off of tax	14 773	-	(13 262)	1 511
	(111 906)	(101 933)	479	(213 360)

(in thousands of Euros)	**As at 31 December 2013**	**Recognized in OCI**	**Recognized in income statement**	**Currency translation difference**	**As at 31 December 2014**
Deferred tax assets					
Inventories	19	-	(12)	(7)	-
Trade and other accounts receivable and prepayments	372	-	(158)	(135)	79
Trade and other accounts payable	345	-	(228)	(117)	-
Loans and borrowings	555		(368)	(187)	-
Set off of tax	(1 291)	-	766	446	(79)
Deferred tax liabilities					
Property, plant and equipment	(10 625)	(5,300)	825	4 218	(10 882)
Investments	(441)	-	291	150	-
Inventories	-	-	(71)	7	(64)
Biological assets	-	-	(116)	12	(104)
Loans and borrowings	-	-	(147)	15	(132)
Trade and other accounts payable	-	-	12	(3)	9
Set off of tax	1 291	-	(766)	(446)	79
	(9 775)	(5 300)	28	3 953	(11 094)

26. SEGMENT REPORTING

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

At 31 December 2015 and 2014, the group is organized into four main operating/ reportable segments:

- production and wholesale distribution of sugar
- growing and selling grain and oilseeds crops (agriculture)
- dairy cattle farming (cattle farming)
- soybean processing

Other Group operations mainly comprise the production and sales of fodder and gas. Neither of these constitutes a separately reportable segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker that makes strategic decisions is the management board.

Revenues from external customers are derived primarily from the sales of sugar, crops, soybean processing and cattle farming products and are measured in a manner consistent with that in the income statement. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

In the years ended 31 December 2015 and 2014 there were no revenues from transactions with a single external customer totalling 10% or more of Group's revenue.

The amounts provided to the Board of Directors with respect of total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Investments classified as available-for-sale financial assets are not considered to be segment assets. The amounts of total liabilities are measured in a manner consistent with that of the consolidated financial statements. Liabilities are allocated based on the operations of the segment.

All unallocated items relate to overall Group's operational activity and may not be allocated to the identified reporting segments.

Items which are not disclosed separately in segment income and expenses are as follows: other operating income, general and administrative expenses, selling and distribution expenses, other operating expenses and income tax.

Unallocated assets mainly represent assets relating to corporate function, assets jointly used by segments and certain financial assets. Liabilities not allocated to segments are items related to corporate functions and certain financial liabilities.

The segment information for the years ended 31 December is as follows:

(in thousands of Ukrainian hryvnias)	**Production and wholesale distribution of sugar**		**Agriculture**		**Cattle farming**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Total revenues	**3 686 384**	2 450 239	**4 466 562**	3 015 546	**582 837**	460 209
Inter-segment revenues	**-**	-	**2 482 216**	1 899 263	**-**	-
Revenues from external customers	**3 686 384**	2 450 239	**1 984 346**	1 116 283	**582 837**	460 209
Total cost of revenues	**(2 104 505)**	(1 753 707)	**(4 170 848)**	(2 889 122)	**(497 103)**	(374 660)
Inter-segment cost of revenues	**-**	-	**(2 482 216)**	(1 899 263)	**-**	-
Cost of revenues	**(2 104 505)**	(1 753 707)	**(1 688 632)**	(989 859)	**(497 103)**	(374 660)
Changes in fair value of biological assets and agricultiral produce	**-**	-	**1 220 381**	664 449	**(92 192)**	33 164
Gross profit	**1 581 879**	696 532	**1 516 095**	790 873	**(6 458)**	118 713
Other operating income	**10 700**	117	**232 379**	173 825	**70 855**	85 674
General and administrative expense	**(158 902)**	(133 029)	**(100 151)**	(74 656)	**(22 425)**	(21 544)
Selling and distribution expense	**(217 264)**	(103 750)	**(195 621)**	(178 982)	**(8 236)**	(9 577)
Other operating expense	**(33 866)**	(4 083)	**(45 695)**	(32 635)	**(7 372)**	(710)
Profit (loss) from operations	**1 182 547**	455 787	**1 407 007**	678 425	**26 364**	172 556
Foreign currency exchange gain (loss)	**-**	-	**-**	-	**-**	-
Interest expense	**(101 580)**	(42 413)	**(467 711)**	(14 311)	**(36)**	(25)
Interest income	**-**	-	**-**	-	**-**	-
Other income (expense)	**-**	-	**-**	-	**-**	-
Profit (loss) before tax	**1 080 967**	413 374	**939 296**	664 114	**26 328**	172 531
Taxation	**-**	-	**-**	-	**-**	-
Net profit (loss)	**1 080 967**	413 374	**939 296**	664 114	**26 328**	172 531
Consolidated total assets	**4 410 573**	3 221 868	**5 575 570**	3 974 279	**1 075 097**	1 028 119
Consolidated total liabilities	**1 449 176**	793 965	**3 056 827**	861 676	**89 261**	57 211
Other segment information:						
Depreciation and amortisation	**203 218**	135 526	**279 562**	218 744	**29 773**	20 695
Additions to non-current assets:						
Property, plant and equipment	**51 183**	158 555	**101 481**	108 756	**17 222**	17 701
Intangible assets	**-**	-	**20 797**	-	**-**	-
Biological non-current assets	**-**	-	**-**	-	**3 037**	6 530

The segment information for the years ended 31 December is as follows:

(in thousands of Ukrainian hryvnias)	Soybean processing		Unallocated		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Total revenues	**1 233 306**	1 159 578	**153 659**	312 523	**10 122 748**	7 398 095
Inter-segment revenues	**-**	-	**-**	-	**2 482 216**	1 899 263
Revenues from external customers	**1 233 306**	1 159 578	**153 659**	312 523	**7 640 532**	5 498 832
Total cost of revenues	**(913 875)**	(830 701)	**(120 353)**	(278 311)	**(7 806 684)**	(6 126 501)
Inter-segment cost of revenues	-	-	**-**	-	**(2 482 216)**	(1 899 263)
Cost of revenues	**(913 875)**	(830 701)	**(120 353)**	(278 311)	**(5 324 468)**	(4 227 238)
Changes in fair value of biological assets and agricultiral produce	**-**	-	**-**	-	**1 128 189**	697 613
Gross profit	**319 431**	328 877	**33 306**	34 212	**3 444 253**	1 969 207
Other operating income	**35**	-	**269**	10 798	**314 238**	270 414
General and administrative expense	**(11 760)**	(19 022)	**(167 306)**	(114 152)	**(460 544)**	(362 403)
Selling and distribution expense	**(66 484)**	(29 154)	**(9 892)**	(26 528)	**(497 497)**	(347 991)
Other operating expense	**(8 712)**	(1 022)	**(107 111)**	(127 705)	**(202 756)**	(166 155)
Profit (loss) from operations	**232 510**	279 679	**(250 734)**	(223 375)	**2 597 694**	1 363 072
Foreign currency exchange gain (loss)	**-**	-	**(1 515 644)**	(2 005 307)	**(1 515 644)**	(2 005 307)
Interest expense	**(57 157)**	(23 767)	**(25 874)**	(229 340)	**(652 358)**	(309 856)
Interest income	**-**	-	**23 154**	11 173	**23 154**	11 173
Other income (expense)	**-**	-	**(127 318)**	(51 547)	**(127 318)**	(51 547)
Profit (loss) before tax	**175 353**	255 912	**(1 896 416)**	(2 498 396)	**325 528**	(992 465)
Taxation	**-**	-	**45 901**	(15 443)	**45 901**	(15 443)
Net profit (loss)	**175 353**	255 912	**(1 850 515)**	(2 513 839)	**371 429**	(1 007 908)
Consolidated total assets	**789 714**	441 042	**1 041 391**	1 076 961	**12 892 345**	9 742 269
Consolidated total liabilities	**1 060 741**	510 798	**929 839**	3 282 603	**6 585 844**	5 506 253
Other segment information:						
Depreciation and amortisation	**18 221**	16 050	**4 181**	8 171	**534 955**	399 186
Additions to non-current assets:						
Property, plant and equipment	**(586)**	92 459	**2 703**	(61 064)	**172 003**	316 407
Intangible assets	**-**	-	**-**	1 587	**20 797**	1 587
Biological non-current assets	**-**	-	**-**	-	**3 037**	6 530

The segment information for the years ended 31 December is as follows:

(in thousands of Euros)	**Production and wholesale distribution of sugar**		**Agriculture**		**Cattle farming**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Total revenues	**151 497**	156 804	**183 559**	192 982	**23 952**	29 451
Inter-segment revenues	**-**	-	**102 010**	121 545	**-**	-
Revenues from external customers	**151 497**	156 804	**81 549**	71 437	**23 952**	29 451
Total cost of revenues	**(86 483)**	(111 181)	**(171 403)**	(184 299)	**(20 428)**	(23 752)
Inter-segment cost of revenues	**-**	-	**(102 010)**	(121 545)	**-**	-
Cost of revenues	**(86 483)**	(111 181)	**(69 393)**	(62 754)	**(20 428)**	(23 752)
Changes in fair value of biological assets and agricultiral produce	**-**	-	**51 521**	44 771	**(3 892)**	2 235
Gross profit	**65 014**	45 623	**63 677**	53 454	**(368)**	7 934
Other operating income	**436**	7	**9 469**	9 814	**2 887**	4 837
General and administrative expense	**(6 560)**	(8 513)	**(4 135)**	(4 777)	**(926)**	(1 379)
Selling and distribution expense	**(8 883)**	(6 422)	**(7 998)**	(11 079)	**(337)**	(593)
Other operating expense	**(1 381)**	(245)	**(1 864)**	(1 956)	**(301)**	(43)
Profit (loss) from operations	**48 626**	30 450	**59 149**	45 456	**955**	10 756
Foreign currency exchange gain (loss)	**-**	-	**-**	-	**-**	-
Interest expense	**(4 202)**	(2 856)	**(19 345)**	(964)	**(1)**	(2)
Interest income	**-**	-	**-**	-	**-**	-
Other income (expense)	**-**	-	**-**	-	**-**	-
Profit (loss) before tax	**44 424**	27 594	**39 804**	44 492	**954**	10 754
Taxation	**-**	-	**-**	-	**-**	-
Net profit (loss)	**44 424**	27 594	**39 804**	44 492	**954**	10 754
Consolidated total assets	**168 194**	167 519	**212 620**	206 640	**40 998**	53 456
Consolidated total liabilities	**55 263**	41 282	**116 570**	44 802	**3 404**	2 975
Other segment information:						
Depreciation and amortisation	**8 396**	8 612	**11 550**	13 900	**1 230**	1 315
Additions to non-current assets:						
Property, plant and equipment	**2 115**	10 076	**4 193**	6 911	**712**	1 125
Intangible assets	**-**	-	**859**	-	**-**	-
Biological non-current assets	**-**	-	**-**	-	**122**	415

The segment information for the years ended 31 December is as follows:

(in thousands of Euros)	**Soybean processing**		**Unallocated**		**Total**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Total revenues	**50 684**	74 208	**6 315**	20 002	**416 007**	473 447
Inter-segment revenues	-	-	**-**	-	**102 010**	121 545
Revenues from external customers	**50 684**	74 208	**6 315**	20 002	**313 997**	351 902
Total cost of revenues	**(37 555)**	(52 664)	**(4 947)**	(17 643)	**(320 816)**	(389 539)
Inter-segment cost of revenues	**-**	-	**-**	-	**(102 010)**	(121 545)
Cost of revenues	**(37 555)**	(52 664)	**(4 947)**	(17 643)	**(218 806)**	(267 994)
Changes in fair value of biological assets and agricultiral produce	-	-	**-**	-	**47 629**	47 006
Gross profit	**13 129**	21 544	**1 368**	2 359	**142 820**	130 914
Other operating income	**1**	-	**11**	609	**12 804**	15 267
General and administrative expense	**(485)**	(1 217)	**(6 907)**	(7 305)	**(19 013)**	(23 191)
Selling and distribution expense	**(2 718)**	(1 805)	**(405)**	(1 641)	**(20 341)**	(21 540)
Other operating expense	**(356)**	(61)	**(4 369)**	(7 655)	**(8 271)**	(9 960)
Profit (loss) from operations	**9 571**	18 461	**(10 302)**	(13 633)	**107 999**	91 490
Foreign currency exchange gain (loss)	**-**	-	**(62 690)**	(135 035)	**(62 690)**	(135 035)
Interest expense	**(2 364)**	(1 600)	**(1 071)**	(15 443)	**(26 983)**	(20 865)
Interest income	**-**	-	**958**	752	**958**	752
Other income (expense)	**-**	-	**(5 247)**	(3 526)	**(5 247)**	(3 526)
Profit (loss) before tax	7 207	16 861	**(78 352)**	(166 885)	**14 037**	(67 184)
Taxation	**-**	-	**1 904**	(892)	**1 904**	(892)
Net profit (loss)	**7 207**	16 861	**(76 448)**	(167 777)	**15 941**	(68 076)
Consolidated total assets	**30 115**	22 932	**39 712**	55 993	**491 639**	506 540
Consolidated total liabilities	**40 451**	26 559	**35 458**	170 676	**251 146**	286 294
Other segment information:						
Depreciation and amortisation	**753**	1 020	**172**	520	**22 101**	25 367
Additions to non-current assets:						
Property, plant and equipment	**(24)**	5 875	**111**	(3 880)	**7 107**	20 107
Intangible assets	**-**	-	**-**	101	**859**	101
Biological non-current assets	**-**	-	**-**	-	**122**	415

Geographic information:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2015	**2014**	**2015**	**2014**
Revenue from external customers				
Ukraine	**4 918 087**	4 183 895	**202 115**	267 752
Euroland	**2 416 715**	1 244 850	**99 318**	79 665
CIS	**160 181**	21 395	**6 583**	1 369
Asia	**145 549**	48 692	**5 981**	3 116
	7 640 532	5 498 832	**313 997**	351 902

27. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

Financial instruments as at 31 December 2015 are as follows:

(in thousands of Ukrainian hryvnias)	**Loans and receivables**	**Financial instruments available-for-sale**	**Total**
31 December 2015			
Financial assets as per statement of financial position			
Long-term receivables	**436**	**-**	**436**
Financial assets available-for-sale	**-**	**265**	**265**
Trade accounts receivable	**447 312**	**-**	**447 312**
Other accounts receivable	**38 261**	**-**	**38 261**
Short-term deposits	**378 333**	**-**	**378 333**
Cash and cash equivalents	**440 069**	**-**	**440 069**
	1 304 411	**265**	**1 304 676**

(in thousands of Ukrainian hryvnias)	**Liabilities at amortized cost**
Financial liabilities as per statement of financial position	
Loans and borrowings	**5 347 860**
Trade accounts payable	**56 332**
Non-controlling interests relating to limited liability companies	**170 789**
Other long-term liabilities	**4 172**
Other accounts payable	**198 263**
	5 777 416

(in thousands of Euros)	Loans and receivables	Financial instruments available-for-sale	Total
31 December 2015			
Financial assets as per statement of financial position			
Long-term receivables	**17**	**-**	**17**
Financial assets available-for-sale	**-**	**10**	**10**
Trade accounts receivable	**17 058**	**-**	**17 058**
Other accounts receivable	**1 459**	**-**	**1 459**
Short-term deposits	**14 427**	**-**	**14 427**
Cash and cash equivalents	**16 782**	**-**	**16 782**
	49 743	**10**	**49 753**

(in thousands of Euros)	Liabilities at amortized cost
Financial liabilities as per statement of financial position	
Loans and borrowings	**203 936**
Trade accounts payable	**2 148**
Non-controlling interests relating to limited liability companies	**6 513**
Other long-term liabilities	**159**
Other accounts payable	**7 560**
	220 316

Financial instruments as at 31 December 2014 are as follows:

(in thousands of Ukrainian hryvnias)	Loans and receivables	Financial instruments available-for-sale	Total
31 December 2014			
Financial assets as per statement of financial position			
Long-term receivables	751	-	751
Financial assets available-for-sale	-	-	-
Trade accounts receivable	252 351	-	252 351
Other accounts receivable	34 071	-	34 071
Short-term deposits	423 575	-	423 575
Cash and cash equivalents	246 861	-	246 861
	957 609	-	957 609

(in thousands of Ukrainian hryvnias)	Liabilities at amortized cost
Financial liabilities as per statement of financial position	
Loans and borrowings	4 834 504
Trade accounts payable	95 609
Non-controlling interests relating to limited liability companies	112 073
Other long-term liabilities	9 031
Other accounts payable	151 715
	5 202 932

(in thousands of Euros)	**Loans and receivables**	**Financial instruments available-for-sale**	**Total**
31 December 2014			
Financial assets as per statement of financial position			
Long-term receivables	39	-	39
Financial assets available-for-sale	-	-	-
Trade accounts receivable	13 121	-	13 121
Other accounts receivable	1 772	-	1 772
Short-term deposits	22 023	-	22 023
Cash and cash equivalents	12 835	-	12 835
	49 790	-	49 790

(in thousands of Euros)	**Liabilities at amortized cost**
Financial liabilities as per statement of financial position	
Loans and borrowings	251 366
Trade accounts payable	4 971
Non-controlling interests relating to limited liability companies	5 827
Other long-term liabilities	470
Other accounts payable	7 889
	270 523

28. FINANCIAL RISK MANAGEMENT

a) Overview

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

- credit risk
- liquidity risk
- market risk.

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

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

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

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

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

c) Trade accounts receivable

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

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

Majority of customers have been transacting with the Group for over three years, and no losses are expected from non-performance by these counterparties. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list, and future sales are made on a prepayment basis with approval of management. The Group does not require collateral in respect of trade and other receivables. The Group establishes an allowance that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss on allowances is determined based on historical data of payment statistics for similar financial assets.

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 December 2015 and 2014 no guarantees are outstanding.

d) Credit quality of financial assets

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

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

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Trade receivables neither past due nor impaired				
Counterparties with external credit rating (Standard & Poor's)				
A	**-**	10 310	**-**	536
Counterparties without external credit rating				
Group A	**224 368**		**8 556**	
Group B	**29 328**	145 203	**1 118**	7 550
Past due trade receivables	**193 616**	96 838	**7 384**	5 035
	447 312	252 351	**17 058**	13 121

Group A represents existing customers (more than one year) which did not breach payment terms. Group B represents new customers (less than one year) for whom there is no recent history of defaults.

Past due trade receivables are mostly due from counterparties without external credit rating.

In the year ended 31 December 2015 approximately 19% of revenues (2014: 10%) are derived from two customers. Receivables from these customers as at 31 December 2015 equal UAH 220,464 thousand or EUR 8,408 thousand (2014: UAH 14,348 thousand or EUR 1,253 thousand).

The credit quality of cash deposits by external credit rating:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Banks with external credit rating (Moody's):				
Short-term deposits				
Ca	**366 962**	**-**	**13 994**	**-**
A1	**11 371**	-	**433**	-
Baa1	-	423 575	-	22 023
	378 333	423 575	**14 427**	22 023

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

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Cash and cash equivalents				
Banks with external credit rating (Moody's):				
A1	**429 493**	7 994	**16 378**	416
A2	**2 684**	154 441	**102**	8 030
B1	**1**	404	**-**	21
Baa1	**7**	17 666	**-**	918
Baa2	**-**	63 896	**1**	3 322
Ca	**7 259**	1 672	**277**	87
Caa3	**99**	69	**4**	4
Banks without external credit rating:				
Group A	**221**	544	**8**	28
Cash on hand	**305**	175	**12**	9
	440 069	246 861	**16 782**	12 835

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

The Group keeps cash and deposits mostly in Ukrainian banks, which are subsidiaries of reputable foreign banks. In 2015 the Group continued to work with the same banks as in 2014.

The geographic location of the Group's customers is presented in the table below

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Trade receivables neither past due nor impaired				
Ukraine	**22 777**	103 061	**868**	5 359
Switzerland	**230 607**	50 186	**8 794**	2 609
Asia	**125**	1 282	**5**	67
EU	**187**	984	**7**	51
Past due trade receivables	**193 616**	96 838	**7 384**	5 035
	447 312	252 351	**17 058**	13 121

e) Liquidity risk

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

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

Because of significant devaluation of UAH in February 2015, the Group breached financial covenants as at 31 March 2015. According to the quarterly budgets for 2015 and 2016 updated by management in March 2015, the Group is likely to continue to be in breach of certain financial covenants under IFC and EBRD loans during 2016.

The Group received waivers from some banks and letters from other banks in respect of expected non-compliances in 2015. Based on the received waivers and letters, the management believes that the banks will not demand accelerated repayment of the loans because of breaches of covenants in 2015. Refer to Note 2 (b) for details.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including future interest payments). Trade and other payables included in the table below exclude advances received from customers.

31 December 2015

(in thousands of Ukrainian hryvnias)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
Bank loans	**5 326 589**	**5 384 800**	**3 520 937**	**977 242**	**886 621**
Finance lease liabilities	**21 271**	**21 271**	**13 459**	**7 192**	**620**
Interest payable	**41 051**	**717 775**	**322 384**	**202 247**	**193 144**
Trade and other accounts payable	**574 938**	**574 938**	**574 938**	**-**	**-**
Non-controlling interests in limited liability companies	**170 789**	**170 789**	**-**	**-**	**170 789**
	6 134 638	**6 869 573**	**4 431 718**	**1 186 681**	**1 251 174**

31 December 2015

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
Bank loans	**203 124**	**205 345**	**134 268**	**37 266**	**33 811**
Finance lease liabilities	**811**	**811**	**513**	**274**	**24**
Interest payable	**1 565**	**27 372**	**12 294**	**7 713**	**7 365**
Trade and other accounts payable	**21 925**	**21 925**	**21 925**	**-**	**-**
Non-controlling interests in limited liability companies	**6 513**	**6 513**	**-**	**-**	**6 513**
	233 938	**261 966**	**169 000**	**45 253**	**47 713**

31 December 2014

(in thousands of Ukrainian hryvnias)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
Bank loans	4 815 144	4 876 213	2 804 301	956 793	1 115 119
Finance lease liabilities	19 360	19 360	8 696	7 309	3 355
Interest payable	41 724	656 539	244 891	153 617	258 031
Trade and other accounts payable	208 242	208 242	208 242	-	-
Non-controlling interests in limited liability companies	112 073	112 073	-	-	112 073
	5 196 543	5 872 427	3 266 130	1 117 719	1 488 578

31 December 2014

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
Bank loans	250 360	253 536	145 808	49 748	57 980
Finance lease liabilities	1 006	1 006	452	380	174
Interest payable	2 169	34 136	12 733	7 987	13 416
Trade and other accounts payable	10 828	10 828	10 828	-	-
Non-controlling interests in limited liability companies	5 827	5 827	-	-	5 827
	270 190	305 333	169 821	58 115	77 397

f) Market risk

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

Currency risk

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

(in thousands of Ukrainian hryvnias)	2015		2014	
	EUR	USD	EUR	USD
Trade accounts receivable	**-**	**241 567**	-	61 276
Other accounts receivable	**178**	**144**	17 007	100 227
Short-term deposits	**-**	**376 747**	-	423 575
Cash and cash equivalents	**26**	**435 997**	18	190 080
Bank loans	**(270 341)**	**(3 735 058)**	(251 891)	(3 258 064)
Trade accounts payable	**(1 258)**	**(5 509)**	(1 812)	(25 272)
Other liabilities and accounts payable	**-**	**-**	(778)	(2 589)
Net exposure	**(271 395)**	**(2 686 112)**	(237 456)	(2 510 767)

(in thousands of Euros)	2015		2014	
	EUR	USD	EUR	USD
Trade accounts receivable	**-**	**9 212**	-	3 186
Other accounts receivable	**7**	**5**	884	5 211
Short-term deposits	**-**	**14 367**	-	22 023
Cash and cash equivalents	**1**	**16 625**	1	9 883
Bank loans	**(10 309)**	**(142 435)**	(13 097)	(169 400)
Trade accounts payable	**(48)**	**(210)**	(94)	(1 314)
Other liabilities and accounts payable	**-**	**-**	(40)	(135)
Net exposure	**(10 349)**	**(102 436)**	(12 346)	(130 546)

A weakening of the Ukrainian hryvnia against the following currencies as at 31 December would have decreased pre-tax profit as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

pre-tax profit	*(Effect in thousands of Ukrainian hryvnias)*		*(Effect in thousands of Euros)*	
	2015	2014	2015	2014
Weakening of UAH, %	**30%**	**30%**	**30%**	**30%**
EUR	**(81 419)**	(71 237)	**(3 105)**	(3 704)

pre-tax profit	*(Effect in thousands of Ukrainian hryvnias)*		*(Effect in thousands of Euros)*	
	2015	2014	2015	2014
Weakening of UAH, %	**50%**	**30%**	**50%**	**30%**
USD	**(1 343 056)**	(1 255 384)	**(51 216)**	(65 273)

As is stated under note 2 (i) the consolidated financial statements are presented in UAH. For the benefit of certain users, the Group also presents all numerical information in EUR. A weakening of the Ukrainian hryvnia against the EUR by 30% as at 31 December 2015 would have increased total equity presented in UAH by UAH 608,920 thousand. A weakening of the Ukrainian hryvnia against the EUR by 30% as at 31 December 2015 would have decreased total equity presented in EUR by EUR 53,113 thousand. This analysis assumes that all other variables, in particular interest rates, remain constant.

Strengthening of the Ukrainian hryvnia against the above currencies as at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

During the year ended 31 December 2015 the Ukrainian hryvnia depreciated against the EUR and USD by 26.66% and 34.30% respectively (2014: depreciated against the EUR by 42.59% and 49.31% against the USD). As a result, during the year ended 31 December 2015 the Group recognized net foreign exchange losses in the amount of UAH 1,515,644 thousand (2014: foreign exchange losses in the amount of UAH 2,005,307 thousand) in the consolidated income statement.

Interest rate risk

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

At 31 December the interest rate profile of interest bearing financial instruments is as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Fixed rate instruments				
Financial liabilities	**(1 591 063)**	(1 457 374)	**(60 674)**	(75 775)
Variable rate instruments				
Financial liabilities	**(3 756 797)**	(3 377 130)	**(143 262)**	(175 591)

The floating interest rates reflect the real market price for the facility utilized by the company which is often based on London interbank offered rate for loans nominated in US dollars. Taking into account possible growth of interest rates based on London interbank offered rate in the future periods Management attempts to mitigate the interest rates risks by negotiating with banking institutions the introduction of the corresponding hedging mechanisms.

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

Sensitivity of the Group's profit before tax to a reasonably possible change in interest rates, with all other variables held constant, through the impact on variable rate instruments, is as follows:

	Increase (decrease) in interest rate	*(in thousands of Ukrainian hryvnias)*		*(in thousands of Euros)*	
		2015	**2014**	**2015**	**2014**
Euribor	1,00%	**2 634**	(2 468)	**100**	(128)
Euribor	-0,25%	**(658)**	617	**(25)**	32
Libor	1,00%	**34 934**	(31 203)	**1 332**	(1 622)
Libor	-0,25%	**(8 734)**	7 801	**(333)**	406
Kievprime	1,00%	-	(100)	-	(5)
Kievprime	-0,25%	-	25	-	1

Other market price risk

The Group does not enter into commodity contracts other than to meet expected usage and sale requirements; such contracts are not settled net.

g) Fair values of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. This fair value is within level 1 of fair value hierarchy. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models and are within level 2 or 3 of fair value hierarchy.

As at 31 December 2015 and 2014, the carrying value of the Group's financial instruments approximates their fair values, except for long-term loans. Fair value of loans is UAH 69,784 thousand (2014: UAH 226,924 thousand) higher than their carrying value. The fair value of the loans was estimated by discounting the expected future cash outflows by a market interest rate under the Group's loans obtained in 2015 of 14,86% (2014: 7%) and is within level 2 of the fair value hierarchy.

29. COMMITMENTS

(a) Social commitments

The Group makes contributions to mandatory and voluntary social programs. Social assets, as well as local social programs, benefit the community at large and are not normally restricted to employees. Management expects that the Group will continue to fund social programs through the foreseeable future. These costs are recorded in the year they are incurred.

(b) Operating leases

The Group leases property and equipment under operating leases. Lease payments are subject to market conditions and legal regulations.

The Group leases plough-land and industrial land under non-cancellable lease agreements in its normal course of business. The leases typically run for an initial period of five to ten years, with an option to renew the lease after that date. Lease payments recognized as an expense in 2015 are UAH 434,446 thousand or EUR 17,859 thousand (2014: UAH 318,867 thousand or EUR 20,262 thousand).Future minimum lease payments under non-cancellable operating leases as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Less than one year	**480 695**	275 227	**18 331**	14 310
From one to five years	**1 218 225**	587 664	**46 456**	30 555
More than five years	**778 215**	515 126	**29 677**	26 784
	2 477 135	1 378 017	**94 464**	71 649

(c) Financial leases

The future minimal lease payments payable under finance leases as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Minimal lease payments:				
Less than one year	**12 889**	8 335	**492**	433
From one to two years	**6 471**	6 530	**247**	340
More than two years	**522**	2 872	**20**	149
	19 882	17 737	**759**	922
Future finance charges on finance leases	**(2 157)**	(1 604)	**(82)**	(83)
Present value of minimal lease payments	**17 725**	16 133	**677**	839
Less than one year	**11 216**	7 247	**428**	377
From one to two years	**5 993**	6 091	**229**	317
More than two years	**516**	2 795	**20**	145
	17 725	16 133	**677**	839

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2015	**2014**	**2015**	**2014**
Long-term finance lease liabilities:				
Present value of minimal lease payments	**6 509**	8 886	**248**	462
VAT liability under finance lease	**1 303**	1 778	**50**	92
	7 812	10 664	**298**	554
Current portion of long-term finance lease liabilities:				
Present value of minimal lease payments	**11 216**	7 247	**428**	378
VAT liability under finance lease	**2 243**	1 449	**85**	74
	13 459	8 696	**513**	452
	21 271	19 360	**811**	1 006

(d) Contractual commitments

As at 31 December, the Group has the following contractual commitments:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2015	**2014**	**2015**	**2014**
Sales commitments:				
Sugar and by-products	**61 459**	55 436	**2 344**	2 882
	61 459	55 436	**2 344**	2 882
Purchase commitments:				
Property, plant and equipment	**-**	699	**-**	36
Professional services	**291**	500	**11**	26
Materials	**20 102**	68	**767**	4
Transportation	**3 171**	-	**121**	-
	23 564	1 267	**899**	66
	85 023	56 703	**3 243**	2 948

30. TAX AND LEGAL MATTERS

The Group's operations are concentrated in Ukraine. Ukrainian legislation and regulations regarding taxation and other operational matters continue to evolve as a result of an economy in transition. Legislation and regulations are not always clearly written and their interpretation is subject to the opinions of local, regional and national authorities, and other governmental bodies. Instances of inconsistent opinions are not unusual.

There are significant trading transactions between the Group entities and also with related parties. Ukrainian transfer pricing rules apply to a wide range of situations involving cross-border and certain domestic transactions, most typically among related parties. The historical trading relationships between the Group's entities as well as with other related parties could fall within these transfer pricing rules. Even among parties that are not related, prices may still be subject to the transfer pricing rules. If the tax authorities establish failure to comply with these rules, they may demand transfer pricing adjustments. If substantial transfer pricing adjustments were upheld by the relevant Ukrainian authorities or courts and implemented, the Group's financial results could be adversely affected; however, the potential amount could not be estimated reliably.

Also, as at 31 December 2015 Group's Ukrainian subsidiaries were involved in controversies and litigations with the tax authorities with the total exposure of UAH 155,439 thousand (2014: UAH 62,993 thousand). The litigations are related to the results of the tax authorities' audits. Management believes that the outflow of resources is not probable, therefore, no provision was recognized in relation of these litigations.

The Group's operations and financial position will continue to be affected by Ukrainian political developments including the application of existing and future legislation and tax regulations. Management believes that the Group has complied with all regulations and paid or accrued all taxes that are applicable. In the ordinary course of business, the Group is subject to various legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of the Group's operations. Where the risk of outflow of resources is probable, the Group has accrued liabilities based on management's best estimate.

31. 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 year ended 31 December 2015 as well as balances with related parties as at 31 December 2015:

(in thousands of Ukrainian hryvnias)	**Sales to related parties:**	**Purchases from related parties:**	**Amounts owed by related parties:**	**Amounts owed to related parties:**
Companies under common control	**30**	**6 990**	**26 492**	**228 449**
Associate	**-**	**472**	**1 022**	**171**
	30	**7 462**	**27 514**	**228 620**

(in thousands of Euros)	**Sales to related parties:**	**Purchases from related parties:**	**Amounts owed by related parties:**	**Amounts owed to related parties:**
Companies under common control	**1**	**289**	**1 010**	**8 712**
Associate	**-**	**19**	**39**	**7**
	1	**308**	**1 049**	**8 719**

The following table summarises transactions that have been entered into with related parties for the year ended 31 December 2014 as well as balances with related parties as at 31 December 2014:

(in thousands of Ukrainian hryvnias)	**Sales to related parties:**	**Purchases from related parties:**	**Amounts owed by related parties:**	**Amounts owed to related parties:**
Companies under common control	5	3 529	16 936	44 371
Associate	-	-	1 022	171
	5	3 529	17 958	44 542

(in thousands of Euros)	**Sales to related parties:**	**Purchases from related parties:**	**Amounts owed by related parties:**	**Amounts owed to related parties:**
Companies under common control	-	224	881	2 307
Associate	-	-	53	9
	-	224	934	2 316

Other transactions

Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 2,82% of ASTARTA Holding N.V. issued shares in equal parts (2014: 2,82%) (Note 16). In 2015, the Group's expenses in relation to this pledge are UAH 53,480 thousand or EUR 2,209 thousand (2014: UAH 33,252 thousand or EUR 2,152 thousand). The consideration paid by the Group does not exceed the market consideration for similar types of transactions.

As at 31 December 2015, the Group had a USD denominated loan from the entity under control of a shareholder of UAH 211,242 thousand (2014: UAH 16,715 thousand) or EUR 8,069 thousand (2014: EUR 869 thousand) bearing an interest of 9,4% p.a. and a EUR denominated loan of UAH 6,949 thousand (2014: UAH 5,097 thousand) or EUR 265 thousand (2014: EUR 265 thousand) bearing an interest of 9,4% p.a.

Management remuneration

The total remuneration of executive and non-executive Board members is specified below:

	(in thousands of Ukrainian hryvnias)		*(in thousands of Euros)*	
	2015	**2014**	**2015**	**2014**
Viktor Ivanchyk	**3 867**	2 436	**160**	155
Petro Rybin	**-**	2 436	**-**	155
Viktor Gladkyi	**8 176**	2 592	**338**	165
Marc van Campen	**847**	551	**35**	35
Valery Korotkov	**3 268**	551	**135**	35
Wladyslaw Bartoszewski	**847**	551	**35**	35
	17 005	9 117	**703**	580

Remuneration of key management for the year ended 31 December 2015 is UAH 17,005 thousand or EUR 703 thousand (2014: UAH 9,117 thousand or EUR 580 thousand). Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group (totalling five persons).

In 2015 bonuses accrued for Mr. Ivanchyk of EUR 210 thousand (2014: EUR 150 thousand) were allocated for charity and not included to the table above. Bonuses accrued for Mr. Gladkyi of EUR 188 thousand (2014: EUR 67,5) are included into the table above. Mr. Gladkyi replaced Mr. Rybin after his retirement in June 2014.

32. EVENTS SUBSEQUENT TO THE REPORTING DATE

From 1 January 2016 Tax Code of Ukraine was changed in part which regulates the privileged VAT regime for agricultural companies. New procedure provides redistribution of special VAT liabilities for agrarian companies:

- on transactions with grain and industrial crops – 85% is paying to the State budget, 15% is transferring to the entity's special bank account and can be used to make payments relating to the agricultural activities;
- for operations with animal products - 20% to the State budget, 80% to the special bank account;
- other transactions of agricultural goods / services – 50% to the State budget, 50% to the special bank account.

In 2015 agricultural companies did not remitted special VAT liabilities to the State budget, but used for their agricultural activities.

The Group is currently estimating the impact of these new changes but does not expect these to result in a significant change in the Group's effective tax rate.

From 1 January 2015 and up to the date of the issuance of these consolidated financial statements, the Ukrainian hryvnia (the "UAH") depreciated by approximately 9% against US Dollar and by approximately 11% against Euro calculated based on the National Bank of Ukraine (the "NBU") exchange rates.

Acquisitions

On 21 March 2015, the Group acquired 24% ownership interest in agricultural company LLC "Eko Energy Ukraine" incorporated in Ukraine for cash consideration of UAH 16,558 thousand or EUR 560 thousand. Company LLC "Eko Energy Ukraine" was acquired with the purpose to expand the agricultural land leases bank. The purchase consideration consisted only of cash, and the direct costs related to this acquisition are not significant. The Group has not yet finalized purchase price allocation.

COMPANY FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED
31 DECEMBER 2015

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

(before appropriation of the result)

(in thousands of Euros)		2015	2014
Assets			
Non-current assets			
Investments in subsidiaries	*3*	**235 792**	**234 640**
Other long-term assets		**-**	**6**
Loan receivable from subsidiary		**6 379**	**-**
		242 171	**234 646**
Current assets			
Cash and cash equivalents	*4*	**58**	**29**
Other accounts receivable		**2 004**	**12**
		2 062	**41**
Total assets		**244 233**	**234 687**
Shareholders' equity and liabilities			
Equity			
Share capital	*5*	**250**	**250**
Additional paid-in capital		**55 638**	**55 638**
Retained earnings		**194 637**	**242 933**
Revaluation of biological assets and agricultural produce		**47 191**	**57 309**
Revaluation of property, plant and equipment		**165 523**	**115 075**
Currency translation adjustment		**(238 706)**	**(182 930)**
Unallocated result for the year		**15 944**	**(68 061)**
Total equity		**240 477**	**220 214**
Non-current liabilities			
Loans and borrowings	*6*	**-**	**1 577**
Long-term loan from subsidiary	*6*	**1 994**	**8 582**
		1 994	**10 159**
Current liabilities			
Current portion of long-term loans and borrowings	*6*	**1 760**	**3 153**
Other liabilities and accounts payable	*7*	**2**	**1 161**
		1 762	**4 314**
Total equity and liabilities		**244 233**	**234 687**

The statement of financial position is to be read in conjunction with the notes to and forming part of the company financial statements set out on pages 160 to 167.

COMPANY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(in thousands of Euros)		**2015**	**2014**
Net income (expense) from subsidiaries and associated companies		**(5 693)**	(64 333)
Other net income (expense), after taxation	*8*	**21 637**	(3 728)
Net profit (loss)		**15 944**	(68 061)

The income statement is to be read in conjunction with the notes to and forming part of the company statements set out on pages 160 to 167.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. GENERAL

ASTARTA Holding N.V. (the Company) is a Dutch public company with limited liability, incorporated in Amsterdam on 9 June 2006. The Company acts as a holding company for a number of entities operating in the agricultural sector in Ukraine.

These financial statements are prepared in accordance with Section 9, Book 2 of the Netherlands Civil Code. In conformity with article 402 of Book 2 Section 9 of the Netherlands Civil Code, a condensed income statement is included in the separate financial statements of the parent company.

Information on the use of financial instruments and on related risks for the Group has been provided under note 28 of the financial statements.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in Article 362-8 of Book 2 Section 9 of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company's financial statements are the same as those applied for the consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by EU. Investments in subsidiaries are stated at net asset value. These consolidated financial statements are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union (hereinafter referred to as EU-IFRS).

Basis of recognition of participations in subsidiaries

Investments in subsidiaries are valued using the equity method, determined applying the IFRS accounting policies as described in the consolidated financial statements. The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealized.

3. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2015 and 2014 the Company owns 100% of the shares of Ancor Investments Ltd, a subsidiary based in Cyprus. These shares were received in July 2006 in exchange for a contribution-in-kind transaction.

(in thousands of Euros)	2015	2014
Balance as at 1 January	**234 640**	379 005
Net income	**(5 693)**	(64 333)
Increase in reserves	**62 621**	43 370
Translation differences	**(55 776)**	(123 402)
Balance as at 31 December	**235 792**	234 640

For a list of subsidiaries, joint ventures and associate refer to note 2 of the consolidated financial statements.

4. CASH

As at 31 December 2015, amount of cash is EUR 58 thousand (2014: EUR 29 thousand). There is no restricted cash.

5. EQUITY

The authorized share capital as at 31 December 2015 and 2014 amounts to EUR 300,000 and consists of 30,000,000 ordinary shares with a nominal value of EUR 0.01 each. As at 31 December 2015, 25,000,000 shares are issued and fully paid. Pursuant to the Dutch regulation "Disclosure of Remuneration of Board Members Act", the total number of shares held by executive and non-executive Board members, and third parties is specified below:

	2015	2014
ASTARTA Holding N.V.		
Viktor Ivanchyk through his wholly owned Cypriot company Albacon Ventures Ltd.	**37,80%**	37,00%
Valery Korotkov through his wholly owned Cypriot company Aluxes Holding Ltd.	**25,99%**	25,99%
MetLife Otwarty Fundusz Emerytalne S.A. (formerly Amplico Powszechne Towarystwo Emerytalne S.A.)	**3,42%**	5,00%
Other shareholders (free float)	**32,79%**	32,01%
	100,00%	100,00%

Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 2.82 % of ASTARTA Holding N.V. issued shares in equal parts. For movements in equity refer to the consolidated statement of changes in equity.

With respect to the total equity, not all reserves are available for distribution to the shareholders. The restricted reserves, which are not available for distribution to the shareholders, include the following:

- the accumulated gain on revaluation of property, plant and equipment of EUR 165,523 thousand (2014: EUR 115,075 thousand);
- the accumulated gain on revaluation of biological assets of EUR 47,191 thousand (2014: EUR 57,309 thousand);
- the accumulated loss from currency translation adjustment of EUR 238,706 thousand (2014: EUR 182,930 thousand).

In 2015 the Company has purchased 368,069 of own shares for EUR 2,466 thousand at average price per share of EUR 7. As at 31 December 2015, the Group had 588,126 of treasury shares with total cost of EUR 4,746 thousand (2014: 220,057 shares with cost of EUR 2,280 thousand). Par value of each share is EUR 0,01.

In the statement of financial position the treasury shares are presented as a deduction from the retained earnings.

6. LOANS AND BORROWINGS

The terms and repayment schedule for loans and borrowings as at 31 December are as follows:

(in thousands of Euros)	Effective interest rate	Nominal interest rate	Year of maturity	2015	2014
Loans from non-resident banks received in USD	4.60%	Libor+4.50%	2016	**1 760**	4 730
				1 760	4 730

As at 31 December 2015 the Company has a loan due to its subsidiary of EUR 1,994 thousand (2014: EUR 8,582 thousand). The loan is unsecured and bears interest of 5% p.a.

7. OTHER LIABILITIES AND ACCOUNTS PAYABLE

Other liabilities and accounts payable as at 31 December are as follows:

(in thousands of Euros)	2015	2014
Payable to shareholders for pledged shares	**-**	1 135
Interest payable	**2**	9
Other payables	**-**	17
	2	1 161

8. OTHER NET INCOME/EXPENSE

Other net expense for the years ended 31 December is as follows:

(in thousands of Euros)	2015	2014
Dividends received	**25 405**	-
Payment to shareholders for pledged shares	**(1 998)**	(2 152)
Interest expenses	**(729)**	(559)
Professional services	**(457)**	(243)
Bank commissions and charges	**(9)**	(7)
Exchange differences	**(575)**	(767)
	21 637	(3 728)

9. INCOME TAXES

There is no income tax payable for the current year. The Company's cumulative carried forward tax losses are EUR 10 million as of 31 December 2015 (2014: EUR 9,8 million). No deferred tax asset has been recognized due to insufficient future taxable income.

10. FINANCIAL INSTRUMENTS BY CATEGORY

Financial instruments as at 31 December are recorded in the financial statements line items as follows:

(in thousands of Euros)	2015 Loans and receivables	2014 Loans and receivables
31 December		
Financial assets as per balance sheet		
Loan receivable from subsidiaries	**6 379**	-
Other accounts receivable	**2 004**	12
Cash and cash equivalents	**58**	29
	8 441	41

	2015 Liabilities at amortized cost	2014 Liabilities at amortized cost
Financial liabilities as per balance sheet		
Loans and borrowings	**1 760**	4 730
Loan payable to subsidiary	**1 994**	8 582
Other liabilities and accounts payable	**2**	1 161
	3 756	14 473

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparties default rates. These relate to a number of existing counterparties for whom there is no recent history of credit problems. No external ratings in respect of other accounts receivable and cash and cash equivalents at bank are available.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December is as follows:

(in thousands of Euros)	2015	2014
Loan receivable from subsidiaries	**6 379**	-
Other accounts receivable	**2 004**	12
Cash and cash equivalents	**58**	29
	8 441	41

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

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
31 December 2015					
Bank loans	**1 760**	**1 760**	**1 760**	-	-
Loan payable to subsidiary	**1 994**	**1 994**	**1 994**	-	-
Other accounts payable	**2**	**2**	**2**	-	-
	3 756	**3 756**	**3 756**	-	-

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
31 December 2014					
Bank loans	4 730	4 730	3 153	1 577	-
Loan payable to subsidiary	8 582	8 582	-	8 582	-
Other accounts payable	1 161	1 161	1 161	-	-
	14 473	14 473	4 314	10 159	-

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

With respect to variable rate instruments, a change of 100 basis points in interest rates over the reporting period would have increased (decreased) equity and net profit by EUR 42 thousand provided all other variables are held constant.

At 31 December 2015 the Company does not have outstanding guarantees. The fair values of financial instruments approximate their carrying amount.

11. NUMBER OF EMPLOYEES AND EMPLOYMENT COSTS

The Company has no employees other than directors. Hence, it did not pay any wages and related social security contributions.

12. COMMITMENTS

As at 31 December 2015 Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 2,82% of ASTARTA Holding N.V. issued shares in equal parts to secure bank loans in the amount of EUR 1,760 thousand.

The Company's subsidiaries commitments details are disclosed in the Note 29 of the consolidated financial statements.

13. DIRECTORS

The Company is managed by the Board of Directors which consists of five members: three Executive Directors and two Non-Executive Directors. The composition of the Board of Directors is as follows:

Viktor Ivanchyk	Chief Executive Officer
Petro Rybin	Chief Operating and Financial Officer (till 18 June 2014)
Viktor Gladkyi	Chief Financial Officer (from 18 June 2014)
Marc van Campen	Chief Corporate Officer
Valery Korotkov	Chairman of the Board, Non-Executive Director
Wladyslaw Bartoszewski	Vice Chairman of the Board, Non-Executive Director

During 2015, there were no changes in the rules governing appointment or dismissal of members of the Board of Directors. Pursuant to the Dutch regulation "Disclosure of Remuneration of Board Members Act", the total remuneration of executive and non-executive Board members is specified below:

	(in thousands of Euros)	
	2015	**2014**
Viktor Ivanchyk	**160**	155
Petro Rybin	-	155
Viktor Gladkyi	**338**	165
Marc van Campen	**35**	35
Valery Korotkov	**135**	35
Wladyslaw Bartoszewski	**35**	35
	703	580

In 2015 bonuses and part of annual remuneration accrued for Mr. Ivanchyk of EUR 210 thousand (2014: EUR 150 thousand) were allocated for charity and not included to the table above. Bonuses accrued for Mr. Gladkyi of EUR 188 thousand (2014: EUR 67,5) are included into the table above.

The amount due from the Company's Directors as at 31 December 2015 is nil (31 December 2014 is nil).

14. AUDIT FEES

Fees of the Group's auditor are EUR 91 thousand for 2015 (2014: EUR 156 thousand). Out of this, EUR 38 thousand relates to "Baker Tilly Berk" N.V. and EUR 53 thousand relate to "Baker Tilly Ukraine" LLP (2014: 45 thousand relates to "Ernst & Young Accountants" LLP and EUR 111 thousand relate to Ernst & Young Audit Services LLC).

Audit fees include the fees of EUR 91 thousand agreed and due to "Baker Tilly" for professional services related to the audit of the Company and its subsidiaries for the relevant year. In 2015, the Group didn't received and paid to "Baker Tilly" for any non-audit services (2014: EUR 59 thousand to "Ernst & Young").

OTHER INFORMATION

Profit allocation and distribution in accordance with articles of association

The corporate Articles of Association lay down the following conditions regarding the appropriation of profit (summary):

Article 24

1. The profits shall be at the disposal of the General Meeting.
2. The Company can only make profit distributions to the extent its equity exceeds the paid and called up capital plus reserves which must be maintained pursuant to the law.
3. Dividend payments may be made only after adoption of the annual accounts which show that such payments are permitted. Dividends shall be payable immediately after they have been declared, unless the General Meeting should fix a different date when adopting the relevant resolution. Shareholders' claims vis-à-vis the Company in respect of the payment of a dividend shall lapse after a period of five years from the point at which they are made payable.
4. With due observance of the provisions of paragraph 2 and provided that the requirements of paragraph 2 are fulfilled as evidenced by the interim balance sheet as mentioned in article 2:105, paragraph 4 Dutch Civil Code (Burgerlijk Wetboek), the General Meeting may adopt a resolution to distribute an interim dividend or to make distributions from a reserve which need not be maintained by law.

Within eight days of the day the payment was announced, the Company must deposit such interim balance sheet with the Trade Register where the Company is registered. If the General Meeting adopts a resolution to that effect, distributions may be made otherwise than in cash.

Proposal for profit allocation

The Board of Directors will propose to the Annual General Meeting of Shareholders to transfer the net profit of EUR 15,944 thousand to retained earnings.

Events subsequent to the reporting date

For events subsequent to the reporting date refer to note 32 of the consolidated financial statements.

Board of Directors of ASTARTA Holding N.V.

24 March 2016

Amsterdam, the Netherlands

The Board of Directors

Mr V.Ivanchyk	*(Signed)*
Mr V.Gladkyi	*(Signed)*
Mr M.M.L.J. van Campen	*(Signed)*
Mr V.Korotkov	*(Signed)*
Mr W.T.Bartoszewski	*(Signed)*

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To: the Shareholders and the Board of Directors of
ASTARTA Holding N.V.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To: The Shareholders and the Board of Directors of ASTARTA Holding N.V.

Report on the Audit of the Financial Statements 2015

Our opinion

We have audited the financial statements 2015 of ASTARTA Holding N.V. (the company), based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

- In our opinion the consolidated financial statements give a true and fair view of the financial position of ASTARTA Holding N.V. as at December 31, 2015 and of its results and its cash flows in the year 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the company financial statements give a true and fair view of the financial position of ASTARTA Holding N.V. as at December 31, 2015 and of its financial performance for the year 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at December 31, 2015;
   the following statements for 2015:
2. the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:
1. the company statement of financial position as at December 31, 2015;
2. the company income statement for the year 2015; and
3. notes comprising a summary of the accounting policies and other explanatory information.

BAKER TILLY BERK

Basis for Our Opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of ASTARTA Holding N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Misstatements can arise from fraud or error and will be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at UAH 76 million / EUR 3 million. The materiality is based on 1% of turnover. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements in excess of UAH 3.800 million / EUR 0.150 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the Group Audit

ASTARTA Holding N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of ASTARTA Holding N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were, the size and/or risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial statements or specific items.

BAKER TILLY BERK

Our group audit mainly focused on significant group entities. Of ASTARTA's group entities, we identified 8 which, in our view, required an audit of their complete financial information, either due to their overall size or their risk characteristics. Specific audit procedures were performed on a further 12 reporting units. These 20 group entities represented 98% of consolidated revenue and 99% of the consolidated balance sheet total.

The group audit mainly focused on covering group's activities in Ukraine (LLC "Astarta-Kyiv" and its subsidiaries), audit procedures for the intermediate holding company on Cyprus ("Ancor Investments" Ltd) and also included audit procedures at Dutch holding level (ASTARTA Holding N.V.)

We have performed audit procedures ourselves at Dutch holding level. When auditing "Ancor Investments" Ltd and its subsidiaries, we have used the work of other auditors. As required by our professional rules and standards we have issued audit instructions and reviewed the work performed by the local auditor.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit on the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going concern assumption, financing and covenants
The economic, financial and exchange rate developments in Ukraine have effect on the company and its operations. The availability of sufficient funding and the testing of whether the company will be able to meet its respective financing covenants are important for the going concern assumptions and, as such, are significant aspects of our audit.

The going concern assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates are inherently subjective and are influenced by elements such as estimated future cash flows, forecasted results and margins from operations. These estimates are among others based on expectations regarding future developments in the economy, currency exchange rates, commodity prices and the agricultural market.

As part of this assessment we have also taken notice of the breach of the financing covenants as per 31 December 2015, the waivers received from certain banks and the intend expressed by the banks, that have not issued such waivers yet, not to disengage from the Company.

We have used internal experts in evaluating the assumptions and forecasts made by management in the 2016 budget and the financial model for 2017-2020. We have specifically paid attention to the estimates made with respect to revenues, results and cash flows in order to assess the company's ability to continue to meeting its payment obligations in the year ahead, as well as the appropriateness of the classifications of the respective bank loans as current and non-current respectively.

For information on the going concern assumption, the financing requirements and related covenants, see note 2(b), 2(k), 16 and 28(e) of the financial statements.

Valuation of property, plant and equipment
The company applies the revaluation model for accounting of property, plant and equipment. The last revaluation is performed as at 31 December 2015.

The fair value appraisal was significant for our audit, since the appraisal process is complex, subjective and is based on assumptions. As a result, our audit procedures included a critical assessment of the assumptions and methods used by the (management of) the company. In doing so we also used the work of valuation experts. The principal assumptions included in our audit are those regarding the discount rate, useful life, operational margins and capital expenditures level.

We also focused on the identification of cash generating units and on the company's disclosures on the assumptions that have the most significant effect on the determination of the recoverable amount of its assets. We tested whether these disclosures are adequate and provide sufficient insight into the choice of the assumptions and their sensitivity to the valuation.

(Management of) the company provides details of the valuation of property, plant and equipment in note 7 to the financial statements.

Biological Assets Valuation
The Consolidated Statement of financial position as at December 31, 2015 includes Biological assets for a total amount of UAH 976,220,000 / EUR 37,228,000 as at December 31, 2015. We refer to note 9 in the financial statements.
The fair value measurement of the biological assets highly depends on the projected cash flow and discount rate. Our audit procedures included the test of input data, recalculated discount rate and evaluation of the assumptions used by management. Besides, we verified if the methodology applied has been consistent with prior periods.

VAT reimbursement
As at December 31, 2015 the Group classified and disclosed VAT assets in note 11 of the financial statements for a total amount of UAH 601,130,000 / EUR 22,923,000. Management believes that the group is able to fully reimburse or utilize VAT assets during 2016-2017.

BAKER TILLY BERK

Our audit procedures included receipt of confirmations directly from Ukrainian tax authorities which confirmed the declared amount for reimbursement disclosed in Group financial statements. In addition to that we scrutinised transactions related to the VAT reimbursement and verified the valuation and classification.

Emphasis of Matter regarding the political and economic crisis in Ukraine

We draw your attention to Note 1(a). Ukrainian business environment to the consolidated financial statements, which describes the current political crisis in Ukraine.

The impact of the continuing economic crisis and political turmoil in Ukraine and their final resolution are unpredictable and may adversely affect the Ukrainian economy and the operations of the Group. Our opinion is not qualified in respect of this matter.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern.

The Board of Directors is responsible for overseeing the company's financial reporting process.

Our Responsibilities for the Audit of the Financial Statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.
Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.
We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

BAKER TILLY BERK

Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

BAKER TILLY
BERK

Report on Other Legal and Regulatory Requirements

Report on the management board report and the other information
Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and other information):

- We have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the management board report, to the extent we can assess, is consistent with the financial statements.

Engagement
We were engaged by the Board of Directors as auditor of ASTARTA Holding N.V. on August 19, 2015, as of the audit for the year 2015 and have operated as statutory auditor ever since that date.

Amsterdam, March 24, 2016

Baker Tilly Berk N.V.

Original has been signed by J.H.J Spiekker RA

ASTARTA
Holding N.V.

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