ASTARTA HOLDING N.V.

SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2007

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1. Main Provisions for Preparing Financial Statements

Consolidated Financial Statements shall be prepared according to IAS 34 Interim Financial Reporting Standard.

2. Review of the Company

ASTARTA Holding N.V. (“Company”) was incorporated under the law of the Netherlands on June 9, 2006 as a holding company of a group of companies with the assets in Ukraine. These assets are under control of the Ukrainian operating company LLC Firm “Astarta-Kyiv” ("Astarta-Kyiv"). As of June 30, 2007, the Group controlled 5 sugar plants, 29 agricultural enterprises, 1 agricultural subsidiary, as well as a canning plant and a mixed fodder plant. The enterprises of the Group are located in Poltava and Vinnytsya oblasts of Ukraine.

3. Shareholding Structure of ASTARTA Holding N.V.

According to the information available to the Company, as of June 30, 2007, the following shareholders have provided information concerning direct or indirect (through subsidiaries) ownership of at least 5% of total votes at the General Shareholders Meeting of ASTARTA Holding N.V.

Figure 1. Shareholding Structure of ASTARTA Holding N.V. as of June 30, 2007

Shareholder	Number of shares	Percentage of the owned share capital	Number of votes at the General Meeting	Percentage of the votes at the General Meeting
Viktor Ivanchyk through his wholly owned Cypriot company Albacon Ventures Ltd.	10,000,000	40.00	10,000,000	40.00
Valeriy Korotkov through his wholly owned Cypriot company Aluxes Holding Ltd.	10,000,000	40.00	10,000,000	40.00
East Capital Asset Management AB	1,258,280	5.03	1,258,280	5.03
Other shareholders	3,741,720	14.97	3,741,720	14.97
TOTAL	25,000,000	100.00	25,000,000	100.00

4. Board of Directors

The Board of Directors of ASTARTA Holding N.V. consists of five members: Viktor Ivanchyk (Chief Executive Officer), Petro Rybin (Chief Operating and Financial Officer), Marc van Campen (Chief Corporate Officer), Valeriy Korotkov (Chairman of the Board, Non-Executive Director), Vladyslav Bartoshevsky (Vice Chairman of the Board, Non-Executive Director).

Viktor Ivanchyk and Valeriy Korotkov as owners of the companies in Cyprus, hold indirectly 80% of the votes at the General Shareholders Meeting of the Company, 40% each. Besides, Viktor Ivanchyk and Valeriy Korotkov own directly 0.01% of the share capital of Astarta-Kyiv.

The rest of the directors have not owned, whether directly or indirectly, any shares or other securities giving rights to acquire these shares neither from the date of the Company's registration up to the date of this statement, nor after this period.

5. Group Structure

Name	Activity	30 June 2007 % of ownership	30 June 2006 % of ownership
Subsidiaries:			
Ancor Investments Ltd	Investment activities	100.00%	100.00%
Astarta-Kyiv	Asset management	99.98%	99.98%
LLC “Agropromtsukor”	Sugar production	99.98%	99.98%
LLC “APO “Tsukrovyk Poltavshchyny"	Sugar production	95.08%	95.08%
LLC “Torgovy dim”	Trade	97.55%	47.54%
LLC "Agricultural company “Zolota Gora”	Agricultural	97.98%	97.98%
LLC "Agricultural company “Dovzhenko"	Agricultural	96.98%	96.98%
LLC "Agricultural company “Gogolevo"	Agricultural	96.98%	96.98%
LLC "Shyshaki combined forage factory”	Production, services	82.71%	82.71%
LLC "Agricultural company “Shyshatska"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Stepove"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Fydrivske"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Troyitska"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Mriya"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Pustoviytove"	Agricultural	99.78%	99.78%
LLC "Agricultural company “Shevchenko"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Grynky"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Ordanivka”	Agricultural	97.98%	97.98%
SC "Agricultural company “Sofiivka"	Agricultural	99.98%	99.98%
LLC "Agricultural company “Kozatsky stan"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Dobrobut"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Musievske"	Agricultural	74.99%	74.99%
LLC "Agricultural company “Zorya"	Agricultural	74.99%	74.99%
LLC "Agricultural company “Nadiya"	Agricultural	74.99%	74.99%
LLC "Agricultural company “Viytovetske"	Agricultural	99.98%	99.98%
LLC "Agricultural company “named after Bohdan Khmelnitskiy"	Agricultural	74.99%	74.99%
Globino canning factory "Globus"	Canning production, trade	99.98%	99.98%
SC “Agricultural company “Semenivska”	Agricultural	99.98%	-
LLC “Agricultural company “named after Shevchenko” (Gadiach region)	Agricultural	79.98%	- -
LLC “Dobrobut” (Novo-Sanzharskiy region)	Agricultural	97.98%	-
LLC “Zoria” (Novo-Sanzharskiy region)	Agricultural	97.98%	-
LLC “Baliasne”	Agricultural	97.98%	-
LLC “Agro-Maiak”	Agricultural	79.98%	-
OJSC “Agrocomplex”	Agricultural	76.96%	-
LLC "Agricultural company “Stozhary"	Agricultural	63.99%	25.40%
Associates:			
LLC "Agricultural company “Pokrovska"	Agricultural	49.99%	49.99%

LLC Firm "Astarta-Kyiv" is engaged in production and sale of sugar and sugar by-products. The Group also cultivates and sells grains and oilseeds according to the rules of crop rotation necessary for effective cultivation of sugar beet.

6. Sugar Market Situation in Ukraine during the Reporting Period and its Influence on the Agricultural Activities of the Group

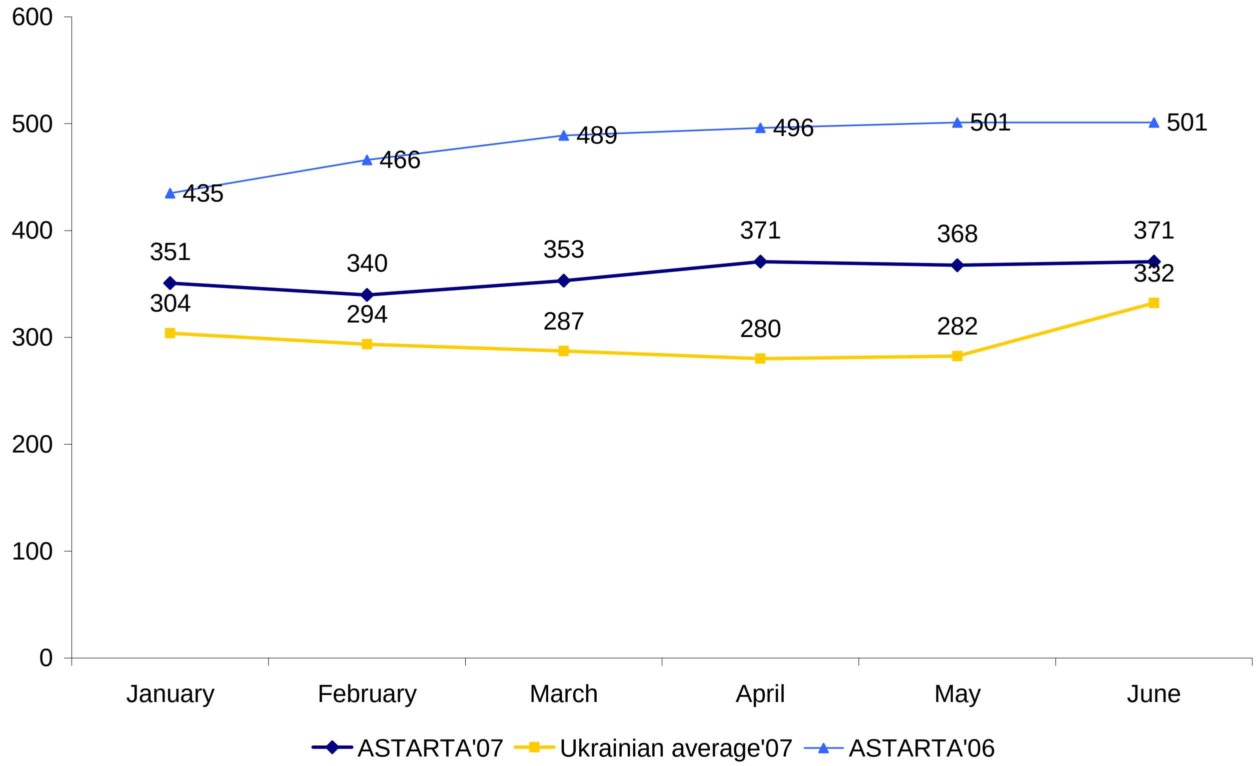
Surplus production in the production season of 2006, loss of export markets, domestic market flooding and failure of the Ukrainian government to purchase sugar for the State Reserve made a bearish pressure on the sugar prices at the end of 2006 / beginning of 2007. In April 2007, sugar prices fell to the minimum of EUR 280.00 per ton.

Surely, this influenced the forecast sugar beet price, which resulted in considerable cutting down of land for sugar beet in Ukraine in 2007. In accordance with the data of the National Sugar Producers Association «Ukrtsukor» («Ukrtsukor»), in 2007 in Ukraine 650 thousand hectares were sowed with sugar beet compared to over 825 thousand hectares in 2006.

Drought in May 2007 in the South and East of Ukraine caused damage to areas under sugar beet in these regions. At the beginning of July 2007, «Ukrtsukor» published a sugar production forecast, which was 1.3 – 1.4 million tons. This forecast and the period of peak demand falling at June contributed to certain increase of sugar prices. In this period the prices reached their maximum level — EUR 332.00 per ton.

Figure 1 shows average sugar prices in the Ukrainian market in the first half year of 2007, as well as sugar selling prices of the Group during the compared periods in 2006 and 2007. Positioning of the Group in the B2B sector and a high quality of the produced sugar contributed to stabilisation in the first half year of 2007, when sugar was sold at the prices higher than the average market prices.

Figure1. Average Sugar Prices in the Ukrainian Market and Average Sugar Selling Prices of ASTARTA in the first half year of 2006 and 2007, net of VAT, EUR/ton.



World Sugar Market Situation

During the reporting period the world sugar market situation has not changed substantially. The tendency to reduction in prices remains unchanged due to record high volumes of production by main producing countries and exporters. Nevertheless, increase in bioethanol production in Brazil and high world crude oil prices contributed to stabilisation of sugar prices in June 2007. This tendency was also fostered by fall of USD exchange rate.

7. Main Products of the Group, Sales and the Market

The main products of the Group are sugar and the by-products (molasses and pulp), grains and oilseedss, as well as animal production. During the 6 months ended June 30, 2007, the Group's revenues amounted to EUR 29,823 thousand, which is 35.9% more than in the first half year of 2006. Revenues from sugar sales amounted to EUR 65.3% of the total profit of the Group. The total revenues from sugar and by-products sales amounted to 70.9%, from animal production (sales of milk and meat) – 11.6 %, from grain and oilseeds – 11.7 %, other revenues from the sale of goods and services – 5.8%.

Figure 2. Sales breakdown of the Group in the first half of 2007.

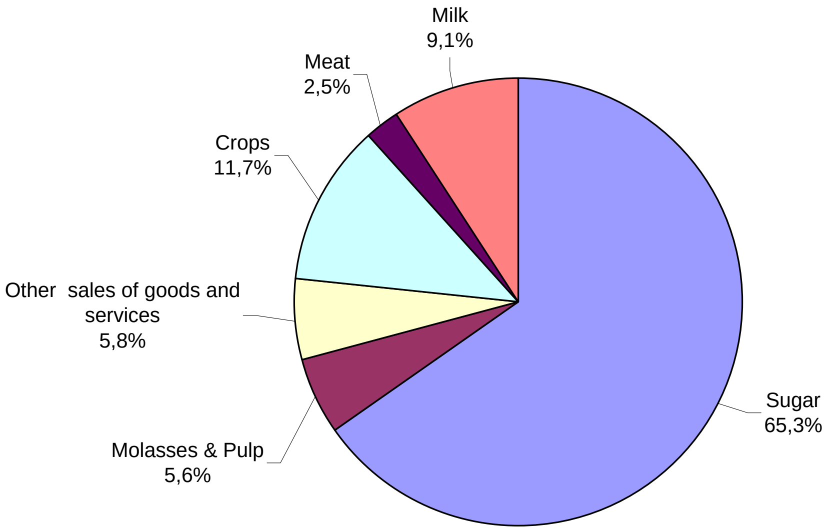


Table 2. Sugar sales in the first half of 2007 and in 2006, by quarters, tons

	First half of 2007	**2006**
1 quarter	25 327	12 296
2 quarter	26 202	14 184
3 quarter	-	20 095
4 quarter	-	44 920
Total:	51 529	91 495

Sugar sales volumes in the first half of 2007 grew by 95% in comparison with the first half of 2006.

The Group's major consumers of sugar are producers of confectionery (AVK, Kraft Foods Ukraine, Poltavakonditer) – 43%, beverages (Coca-Cola, Hortitsa) – 23%, dairy producers (Wimm-Bill-Dan) and pharmaceutical producers (Arterium), as well as small producers of food and retail market oriented traders (Konsent-2007).

Figure 3. Structure of sugar distribution to the major clients in the first half of 2007.

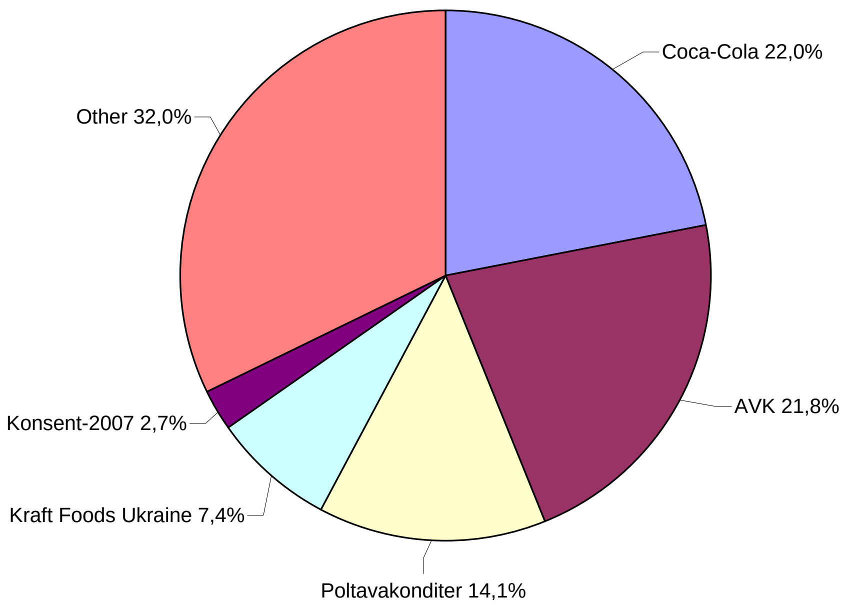
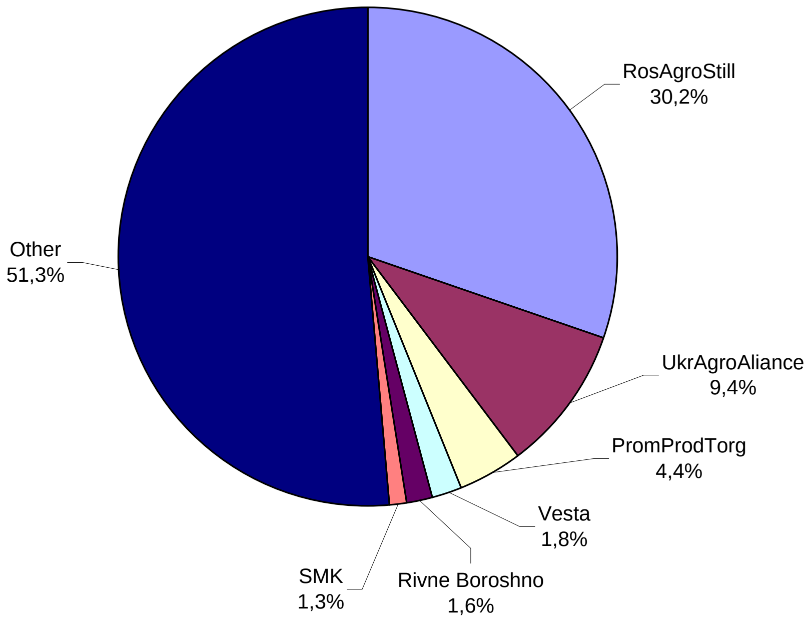


Figure 4. Structure of sales of grain and oilseeds in the first half of 2007.

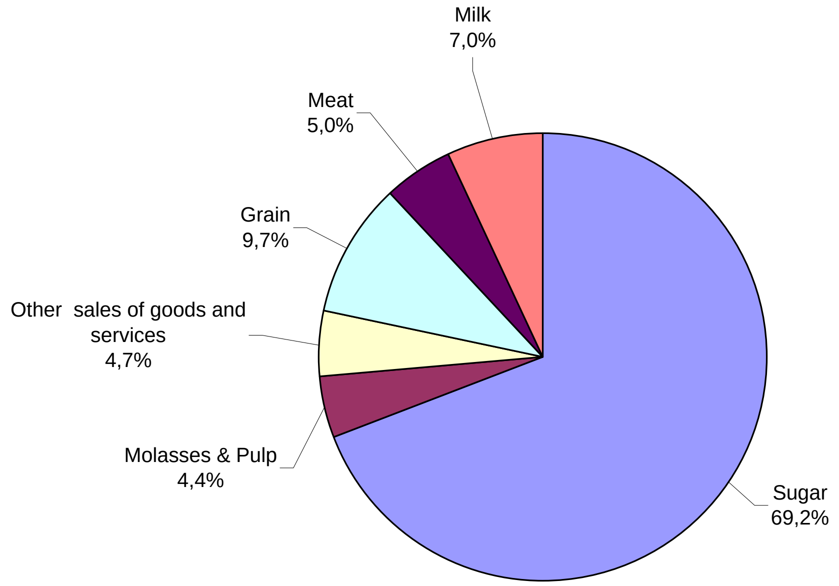


The sales of crops in the first half of 2007 increased from 24 thousand tons to 31.5 thousand tons, or 31.3%, in comparison with the corresponding period of 2006.

At the same time the volume of export sales decreased, caused, firstly, by the introduction of the grain export quotas by Ukraine’s government in 2006, which were lifted on February 21, 2007 and re-introduced from July 1, 2007, and, secondly, by the favorable pricing situation in Ukraine’s internal market.

As in previous years, our Group’s policy concerning grain sales was oriented, in terms of export supplies, toward major traders, and in the internal market – toward large processing and consuming companies, such as Kernel Trade LLC, Myronivsky Khliboprodukt and others.

Figure 5. Structure of costs by the type of the Group's products in the first half if 2007.



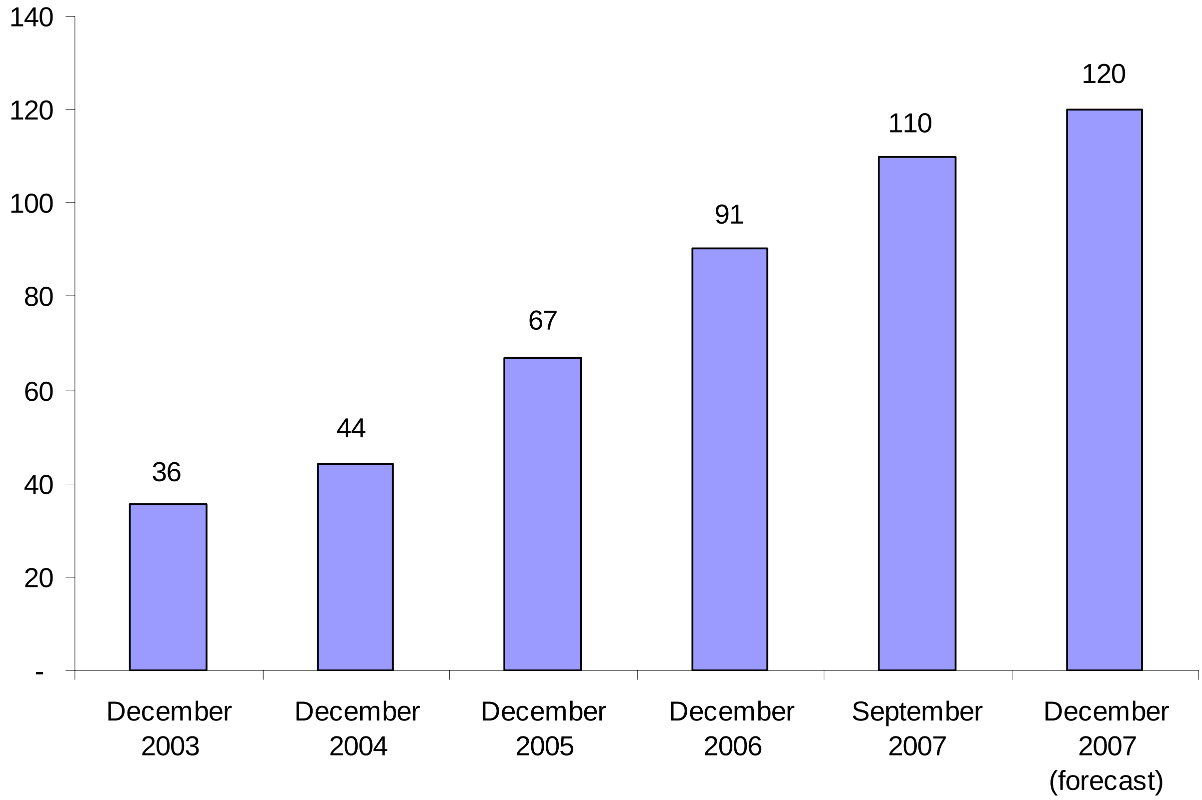
Of the total cost price of the Group's products, the highest share is taken up by the costs of sugar production, which amount to 69.2%. The share of costs of sugar production and by-products (molasses and pulp) amounts to 73.6%, livestock farming – 12%, grains and oilseeds - 9.7%, sales of other products and services – 4.7%.

Group's Management efforts to accelerate the achievement of the primary strategic goals

The Board of Directors made a decision on substantial acceleration of the implementation of the Group's development strategy which is based on the operational and financial results of the Group's activities over the twelve months ended 31 December 2006. In particular, the management made decision to expand arable lands used for sugar beet, grains and oil crops cultivation in order to improve the efficiency of sugar production and also to accelerate growth in the agricultural business.

Due to the dynamic development of the Group's business the management is planning to have 120 thousand hectares of arable lands under lease – the strategic goal previously was set for the year of 2010. The Group's operational results over the 6 months of 2007 prove that the aforementioned goal is achievable by the end of 2007. The dynamics of arable land controlled by the Group for the years 2003 – 2006 is presented on the graph below.

Figure 6. Total area of land under lease, th. ha.



8. Financial results

The following table presents the information from balance sheet and P&L of the Group, obtained from the consolidated statements for the first half of 2007. All the data in the table are presented in thousands of Euros.

8.1. Balance sheet: assets

Consolidated balance sheet as at

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**30 June 2006** (pro-forma) **(unaudited)**
Assets		
Non-current assets		
Property, plant and equipment	**36 961**	26 194
Intangible assets	**104**	38
Biological assets	**3 724**	2 154
Long-term receivables held-to-maturity and other non- current assets	**746**	-
Investments	**25**	210
Deferred tax assets	**190**	441
	41 750	29 037
Current assets		
Inventories	**26 057**	17 579
Biological assets	**31 318**	17 502
Trade accounts receivable	**14 988**	13 701
Other accounts receivable and prepayments	**9 839**	2 333
Promissory notes available-for-sale	**460**	932
Cash and cash equivalents	**783**	591
	83 445	52 638
Total assets	**125 195**	81 675

As of June 30, 2007 the Group's assets increased to 125.2 thousand Euros, or by 53.2% in comparison with the corresponding period of 2006. In the total structure of assets, the current assets amount to 66.7%, and the share of non-current assets – to 33.3%. In comparison with the corresponding period of 2006, this asset structure did not change significantly.

Fixed assets and biological assets make up the highest share of the non-current assets, which accounts for 88.7% and 8.9% of the total amount respectively.

Biological assets and reserves present the highest percentage in the current assets: 37.4% and 31.2% of the total amount respectively.

The considerable increase in the Group's assets can be explained by the following factors:

1. The acquisition of new and the increase in value of the existing production capacities by way of reconstruction and modernisation, purchase and implementation of new energy-saving technological equipment;
2. The acquisition of new agricultural companies and agricultural machinery;
3. The rise of value of biological assets due to the increase of cultivation area and growth of the market price of agricultural products.

8.2. Balance sheet: equity and liabilities

Consolidated balance sheet, continued

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**30 June 2006** (pro-forma) **(unaudited)**
Equity and liabilities		
Equity		
Share capital	**250**	60
Additional paid-in capital	**56 175**	39 604
Retained earnings	**9 522**	-
Fair value reserve	**-**	-
Currency translation adjustment	**(2 284)**	(2 179)
Minority interests	**153**	-
Total equity	**63 816**	37 485
Non-current liabilities		
Loans and borrowings	**10 872**	9 013
Other long-term liabilities	**2 139**	325
Deferred tax liabilities	**938**	2 650
	13 949	11 988
Current liabilities		
Bank loans	**23 799**	14 628
Current portion of loans and borrowings	**1 007**	725
Trade accounts payable	**12 701**	5 191
Promissory notes issued	**-**	1 925
Minority interests	**2 793**	3 556
Other liabilities and accounts payable	**7 130**	6 177
	47 430	32 202
Total equity and liabilities	**125 195**	81 675

As of June 30, 2007 the share of capital in the total structure of liabilities of the Group's balance increased to 51% in comparison with 45% as of June 30, 2006. For the same period, the additional capital increased by 41.8% and amounts to Euro 56.2 million. It can be explained, first of all, by the increase of funds due to the launch of IPO and investment of the proceeds in the Group's business.

Short-term bank loans as of June 30, 2007 amount to Euro 23.8 million against Euro 14.6 million as of June 30, 2006. This increase is connected with the intense development of the Group's business and the need to additionally finance the operating activities.

The increase in trade accounts payable from Euro 5.2 million to Euro 12.7 million (by 144.7%), is the result of more frequent deferred payment purchases.

8.3. Summary Income Statement

Consolidated income statement for the six months ended 30 June

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Revenues	**29 823**	21 938
Cost of revenues	**(25 198)**	(16 077)
Gains arising from remeasurement of agricultural produce to fair value	**(67)**	(745)
Gross profit	**4 558**	5 116
Other operating income	**10 901**	5 978
General and administrative expense	**(3 188)**	(2 667)
Selling and distribution expense	**(1 309)**	(1 007)
Other operating expense	**(598)**	(944)
Profit from operations	**10 364**	6 476
Net financial expense	**(3 915)**	(1 726)
Gain on acquisition of subsidiaries	**105**	196
Profit before tax	**6 554**	4 946
Income tax expense	**(109)**	(1 151)
Net profit	**6 445**	3 795
Net profit (loss) attributable to:		
Minority interests	**745**	905
Equity holders of parent company	**5 700**	2 890
Net profit	**6 445**	3 795
Weighted average basic and diluted shares outstanding (in thousands of shares)	**25 000**	25 000
Basic and diluted earnings per share attributable to shareholders of the parent (in thousand Euros)	**0,23**	0,12

In the reporting period the revenues of the Group in value terms increased by 36% in comparison with the corresponding period of 2006.

The increase in production costs in correlation with the sales revenues to 84.5 % in the first half of 2007 compared to 73.3% in the first half of 2006, is the result of the absence of state price-regulating mechanism in the sugar industry, the growing cost of raw materials, fuels and lubricants, energy resources and the increase in salaries. The growth of costs in absolute figures was also caused by the growth of sugar sales.

In the first half year of 2007, the Gross Margin amounted to 15.3%, and in the corresponding period in 2006 it was 23.3%. This can be explained by the Group's necessity to sell the high-cost sugar produced in the last season at low market prices.

As the results of the reporting period show, the other operating income considerably increased. It was connected with remeasurement of the fair value of the Group's biological assets, namely agricultural crops.

The reasons, which allowed independent appraisers to highly assess the biological assets, are the following:

- extension of cultivated land for own sugar beet by over 40% compared to the previous production season and extension of general cultivated land for grains and oilseeds by more than 30%;
- increase of prices for grains and oilseeds by 70-80%, which provided the possibility to appraise these assets at a higher price in comparison with the same period in the last year.

On account of revaluation of biological assets, the profit from operations amounted to EUR 10.4 million compared to EUR 6.5 million in the first half year of 2006.

Profit from operation margin was 34.8% in comparison with 30.8% in the last year.

Net financial expense also increased by 2.3 times to EUR 3.9 million compared to EUR 1.7 million before. It is explained by the increase in lending and failure by the Ukrainian government to pay compensations and fulfill obligations concerning soft loans in agriculture.

Profit before tax increased to EUR 6.6 million in the first half year of 2007 in comparison with EUR 4.9 million in the first half year of 2006, namely by 33.6%.

Consequently, net profit of the Group amounted to EUR 6,445 thousand, 69.8% higher than in the same period of 2006 (EUR 3,795 thousand).

Despite negative factors, which impacted the Group’s activities in the first half year of 2007, the management evaluates the results of this half a year as positive.

9. Financial Indicators

Ratios	**1st half of 2007**	**1st half of 2006**
ROE	10.10%	10.12%
ROA	5.15%	4.65%
Current Ratio	1.76	1.63
Quick Ratio	1.21	1.09
EPS	0.23	0.12
P/E	19.71	40.51
Net Debt / EBITDA	2.69	2.82
Net Debt / Sales	1.17	1.08
EBITDA / Interest	3.31	4.89
Interest coverage ratio	2.65	3.75

Margins	**1st half of 2007**	**1st half of 2006**
Revenues	29 823	21 938
Gross Profit	4 558	5 116
Gross Profit margin %	15.28	23.32
EBITDA	12 959	8 440
EBITDA margin %	43.45	38.47
Net profit	6 445	3 795
Net profit margin %	21.61	17.30

10. Description of Risks and Threats Significant for the Group

We believe that the risks and uncertainties described below and facing companies operating in Ukraine are of great significance for the Group:

Market Risks

- The commodity nature of our major products (sugar and grain) means that the Group is sensitive to market price fluctuations. Selling prices for sugar and grains are volatile and depend on the situation on the domestic and world markets. The key factors affecting the market include weather, seasonal nature of demand and supply, availability and cost of raw, biological factors, yield, and state regulation. Any of these factors may bring down the prices or drive up the costs, subjecting our business, operating results and finances to unfavorable effects. The current situation on Ukraine's sugar market and its influence on the Group's operation are described in Section No 6.
- In an effort to minimise logistic and administrative costs, we prefer wholesale trade, especially in white sugar and grains. For this reason, we have established reliable relations with an array of major customers, first of all, with producers of confectionary and soft drinks. A loss of some large customers or the termination of contracts with them, as well as a decrease in sugar consumption by confectionaries and soft drink producers in Ukraine could lead to a material decrease in sales volumes, which could have an adverse effect on our business, results of operations and financial condition.
- The regular and sufficient raw supplies are prone to weather changes, including possible droughts, floods, unexpected or strong frosts and storms. These factors may cause delays and stoppages in raw supplies, , which could have an adverse effect on our business, results of operations and financial condition.
- Energy and labor costs make up a substantial share of our operating costs. According to state statistics, wages and energy prices have repeatedly risen lately. These costs are expected to keep growing. Although we currently work to cut energy consumption and reduce labor intensity, it should not be ruled out that growing wages and energy prices affect negatively our operating results.

- Most of our customers make contracts for up to one year or just for one transaction with spot prices specified in the contract. We regularly re-execute contracts with our key customers on an annual basis. This practice of short-term contracts is in line with the common commercial practice on Ukraine’s sugar and grain markets.

Liquidity Risks

See paragraph (c), Section 24 of the Consolidated Financial Statements

Political Risks

- The markets of agricultural products and agriculture as a whole depend on the currently prevailing policy. From time to time, the government has been imposing restrictions on production and sales, as well as quotas, tariffs and other restrictive mechanisms aimed at protecting the national producer at both the international and national levels. Such restrictions tend to affect supply and prices on the national, regional and world markets. There is no guarantee that the government of Ukraine will grant new or additional quotas to domestic agricultural producers or take other protectionist measures. Any change in the government resolutions or legislation applicable to our market, the markets on which we compete, or the markets of our competitors could have an adverse effect on our business, results of operations and financial condition..

Country risks

- Despite the fact that over the past 16 years since gaining independence in 1991, Ukraine has made significant progress on its path to market economy, political and judicial reforms, the country still lacks the appropriate legal and regulatory infrastructure, which is critical for economic stability and successful socio-economic reforms.
- In June 2007, the President of Ukraine issued a decree, initiating extraordinary parliamentary elections, which were scheduled for September 30, 2007, promising a

government change and possible changes in the governmental market regulation policy.

Economic Risks

- In 2001, Ukraine's government introduced tariffs on cane sugar imports in an effort to encourage domestic sugar beet production and processing. Due to the tariffs, the cost of sugar made from raw sugar cane on ex-factory terms is substantially exceeding the cost of sugar made from sugar beet. In future, Ukraine will have to liberalise its internal market to meet its obligations necessary for its accession to WTO. In either case, our operating results and finances risk facing unfavorable effects.
- The government of Ukraine provides financial support in various forms to national agricultural producers. The state subsidising includes subsidies to partially cover interest on loans from commercial banks and insurance premiums paid under crop insurance policies. In addition, Ukrainian agricultural producers have been entitled to keep net VAT amounts and use these funds to finance their operations. If the government decides to end subsidising the national agricultural producer, the move could have an adverse effect on our business, results of operations and financial condition.
- Currently, there are laws in Ukraine, regulating various taxes imposable by both central and local authorities. These laws have not had the due legal force and effect unlike in more developed market economies, which resulted in obscure and invalid instructions on how to apply these laws. On top of that, the Ukrainian laws regulating taxes are often changed and amended, which may create either a friendly business environment or unusual difficulties for the business. Various opinions are offered between and within government ministries and organisations, including the tax authorities, with regard to correct interpretation of such legislation, raising doubts and creating grounds for conflicts. Tax returns as well as other relevant legal issues (such as issues of customs and currency control) are subject to review and study by numerous authorities legally empowered to impose substantial penalties,

fines, and interest. All these circumstances create tax risks in Ukraine that are far more serious than those typical of the countries with more developed tax systems. The Ukrainian tax administration may recalculate tax liabilities of the taxpayer only within a three-year period following the date of the relevant tax return. However, this legally established period may be ignored or prolonged under certain circumstances.

Legal Risks

Since the declaration of independence in 1991, Ukraine's legal system has been in a period of transition, being a subject to more risks and changes than the more mature legal systems. The risks connected with Ukraine's legal system include, but not limited to, some provisions in laws and instructions, which are ambiguous and overly abstract, making it difficult to interpret and execute them; discrepancies between the Constitution of Ukraine and laws, presidential and parliamentary decrees, ministerial and local orders, resolutions and other regulatory acts; a lack of judicial and administrative power to construe and interpret the Ukrainian legislation, including the complicated mechanism of constitutional jurisdiction of the Constitutional Court of Ukraine; relative inexperience of judges and courts in interpreting Ukraine's legislation in the same and similar cases; corruption in the judicial branch; and a high degree of differentiation of powers among government authorities, which may lead to arbitrary moves.

11. Substantial Events after the Reporting Date

Acquisition / Enlargement of Shares in Agricultural Companies

- On July 17, 2007, Astarta-Kyiv, a subsidiary of ASTARTA Holding N.V., entered into an agreement, effectively acquiring a controlling interest in Zhdanivske OJSC (Khmilnytskiy raion, Vinnytsia oblast, Ukraine). As a result of this transaction, the Group now controls Zhdanivske OJSC, holding 60.0456 percent of its share capital.
- On July 23, 2007, Astarta-Kyiv, a subsidiary of ASTARTA Holding N.V., acquired 2.108 percent of shares in Agrocomplex OJSC (Pustoviytove, Globynskiy raion,

Poltava oblast, Ukraine). As a result of this transaction, the Group's share in the share capital of Agrocomplex OJSC increased to 79.0671 percent.

- On September 4, 2007, Astarta-Kyiv, a subsidiary of ASTARTA Holding N.V., registered its purchase of a 98% stake in the authorised capital of Lan-2007 LLC (Zubany, Globynskiy raion, Poltava oblast, Ukraine). As a result of this transaction, the Group's share in Lan-2007 LLC equaled 97.9804 percent.
- On September 11, 2007, Astarta-Kyiv, a subsidiary of ASTARTA Holding N.V., registered its purchase of assets in Ukraine-Porik LLC (Porik, Khmilnytskiy raion, Vinnitsa oblast, Ukraine). As a result of this transaction, the Group's share in Ukraine-Porik LLC equaled 99.98 percent.

Credit Line Limits Raised

- In May 2007, Raiffeisen Bank Aval Ukraine raised the credit limits for Astarta-Kyiv LLC, a subsidiary of ASTARTA Holding N.V., from UAH 200 million (approximately EUR 31.2 million) to UAH 240 million (approximately EUR 36 million).
- In July 2007, Raiffeisen Bank Aval Ukraine decided to change the lending terms for Astarta-Kyiv, raising the credit limit from UAH 240 million (approximately EUR 36 million) to UAH 300 million (approximately EUR 45 million), and decreasing the annual interest rate by 1 percent point.

Share Buy/Sale Announcement

- On July 23, 2007, acting on behalf of East Capital Russian Fund and East Capital Eastern European Fund, East Capital Asset Management AB sold 145,000 shares in ASTARTA Holding N.V. Before the sale, East Capital Groups held a total of 1,391,879 shares or 5.57 percent of the votes and share capital. After the sale, East Capital Asset Management AB holds 1,246,879 shares of ASTARTA Holding N.V. or 4.99 percent of the votes and share capital.
- On August 17, 2007, the Group received a notice from ING Investment Management S.A., stating that their share of the company's share capital exceeded 5

percent. Before the latest change, the investment funds managed by ING Towarzystwo Funduszy Inwestycyjnych S.A. held 1,146,104 shares of ASTARTA Holding N.V., an amount equaling 4.58 percent of the company's share capital. As of August 17, 2007, investments funds managed by ING Towarzystwo Funduszy Inwestycyjnych S.A. held 1,390,620 shares of ASTARTA Holding N.V., an amount equaling 5.56 percent of the votes and share capital.

- On September 13, the Group received a notice from ING Towarzystwo Funduszy Inwestycyjnych S.A., on holding of shares constituting more than 5% of the total number of votes at the general meeting of a public company. As of September 13, ING Parasol Specjalistyczny Fundusz Inwestycyjny Otwarty held individually 1,348,395 shares of ASTARTA Holding N.V., an amount equaling 5.39 percent of the votes and share capital.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk	______ signed ______
P. Rybin	______ signed ______
M.M.L.J. van Campen	______ signed ______
V. Korotkov	______ signed ______
W.T. Bartoszewski	______ signed ______

21 September 2007,
Amsterdam, the Netherlands

12. Statements of the Board of Directors

REPRESENTATION

of the Board of Directors

of ASTARTA Holding N.V.

on compliance of the condensed consolidated interim financial statements

The Board of Directors of ASTARTA Holding N.V. hereby represent that to the best of their knowledge the condensed consolidated interim financial statements of ASTARTA Holding N.V. for the period ended 30 June 2007 and the comparable information are prepared in accordance with the applicable accounting standards and that they give a true, fair and clear view of the assets, financial standing and financial results of ASTARTA Holding N.V., and that the report of the Board of Directors on the operations of ASTARTA Holding N.V. for the second quarter 2007 gives a true view of the developments, achievements and situation of the Company, including a description of the key risks and threats.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk	_____ signed _______
P. Rybin	_____ signed _______
M.M.L.J. van Campen	_____ signed _______
V. Korotkov	_____ signed _______
W.T. Bartoszewski	_____ signed _______

21 September 2007,
Amsterdam, the Netherlands

REPRESENTATION

of the Board of Directors

of ASTARTA Holding N.V.

on appointment of the entity qualified to audit financial statements

The Board of Directors of ASTARTA Holding N.V. hereby represents that entity which performed the review of the consolidated financial statements of ASTARTA Holding N.V. for the period ended 30 June 2007 has been appointed in accordance with the applicable laws and that this entity and the accountants performing the review met the conditions necessary to issue an impartial and independent report on the review in accordance with the applicable provisions of law.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk	_____ signed______
P. Rybin	_____ signed ______
M.M.L.J. van Campen	_____ signed ______
V. Korotkov	_____ signed ______
W.T. Bartoszewski	_____ signed ______

21 September 2007,
Amsterdam, the Netherlands

ASTARTA Holding N.V.

Consolidated financial statements
as at and for the six months
ended 30 June 2007

These consolidated financial statements
contain 75 pages

Contents

Consolidated balance sheet as at

(in thousands of Ukrainian hryvnias)	*Note*	**30 June 2007**	**31 December 2006**	**30 June 2006**
		(historical)	(historical)	(pro-forma)
		(unaudited)	**(audited)**	**(unaudited)**
Assets				
Non-current assets				
Property, plant and equipment	*5*	**251,233**	209,535	165,732
Intangible assets		**705**	691	243
Biological assets	*6*	**25,313**	16,781	13,627
Long-term receivables held-to-maturity and other non- current assets	*7*	**5,071**	5,625	-
Investments		**172**	400	1,330
Deferred tax assets	*23*	**1,293**	1,324	2,788
		283,787	234,356	183,720
Current assets				
Inventories	*8*	**177,125**	305,342	111,227
Biological assets	*6*	**212,879**	37,223	110,735
Trade accounts receivable	*9*	**101,875**	120,527	86,690
Other accounts receivable and prepayments	*10*	**66,874**	55,086	14,764
Promissory notes available-for-sale		**3,127**	1,589	5,894
Cash and cash equivalents		**5,321**	19,894	3,740
		567,201	539,661	333,050
Total assets		**850,988**	774,017	516,770

The consolidated balance sheet is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated balance sheet, continued

(in thousands of Ukrainian hryvnias)	*Note*	**30 June 2007**	**31 December 2006**	**30 June 2006**
		(historical)	(historical)	(pro-forma)
		(unaudited)	**(audited)**	**(unaudited)**
Equity and liabilities				
Equity				
Share capital	*11*	**1,663**	1,663	358
Additional paid-in capital		**374,264**	371,599	236,817
Retained earnings		**63,089**	22,759	-
Fair value reserve		**-**	(233)	-
Currency translation adjustment		**(6,284)**	(2,979)	-
Minority interests		**1,040**	-	-
Total equity		**433,772**	392,809	237,175
Non-current liabilities				
Loans and borrowings	*14*	**73,900**	53,818	57,027
Other long-term liabilities		**14,539**	1,931	2,058
Deferred tax liabilities	*23*	**6,379**	6,205	16,767
		94,818	61,954	75,852
Current liabilities				
Bank loans	*14*	**161,770**	163,398	92,550
Current portion of loans and borrowings	*14*	**6,842**	20,911	4,588
Trade accounts payable		**86,335**	96,978	32,845
Promissory notes issued		**-**	2,984	12,177
Minority interests	*13*	**18,982**	13,961	22,499
Other liabilities and accounts payable	*15*	**48,469**	21,022	39,084
		322,398	319,254	203,743
Total equity and liabilities		**850,988**	774,017	516,770

The consolidated balance sheet is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated balance sheet as at

(in thousands of Euros)	*Note*	**30 June 2007**	**31 December 2006**	**30 June 2006**
		(historical)	(historical)	(pro-forma)
		(unaudited)	**(audited)**	**(unaudited)**
Assets				
Non-current assets				
Property, plant and equipment	*5*	**36,961**	31,505	26,194
Intangible assets		**104**	104	38
Biological assets	*6*	**3,724**	2,523	2,154
Long-term receivables held-to-maturity and other non-current assets	*7*	**746**	846	-
Investments		**25**	60	210
Deferred tax assets	*23*	**190**	199	441
		41,750	35,237	29,037
Current assets				
Inventories	*8*	**26,057**	45,910	17,579
Biological assets	*6*	**31,318**	5,597	17,502
Trade accounts receivable	*9*	**14,988**	18,122	13,701
Other accounts receivable and prepayments	*10*	**9,839**	8,283	2,333
Promissory notes available-for-sale		**460**	239	932
Cash and cash equivalents		**783**	2,991	591
		83,445	81,142	52,638
Total assets		**125,195**	116,379	81,675

The consolidated balance sheet is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated balance sheet, continued

(in thousands of Euros)		**30 June 2007**	**31 December 2006**	**30 June 2006**
		(historical)	(historical)	(pro-forma)
		(unaudited)	**(audited)**	**(unaudited)**
Equity and liabilities				
Equity				
Share capital	*11*	**250**	250	60
Additional paid-in capital		**56,175**	55,778	39,604
Retained earnings		**9,522**	3,516	-
Fair value reserve		**-**	(35)	-
Currency translation adjustment		**(2,284)**	(447)	(2,179)
Minority interests		**153**	-	-
Total equity		**63,816**	59,062	37,485
Non-current liabilities				
Loans and borrowings	*14*	**10,872**	8,092	9,013
Other long-term liabilities		**2,139**	290	325
Deferred tax liabilities	*23*	**938**	933	2,650
		13,949	9,315	11,988
Current liabilities				
Bank loans	*14*	**23,799**	24,568	14,628
Current portion of loans and borrowings	*14*	**1,007**	3,144	725
Trade accounts payable		**12,701**	14,581	5,191
Promissory notes issued		**-**	449	1,925
Minority interests	*13*	**2,793**	2,099	3,556
Other liabilities and accounts payable	*15*	**7,130**	3,161	6,177
		47,430	48,002	32,202
Total equity and liabilities		**125,195**	116,379	81,675

The consolidated balance sheet is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated income statement for the six months ended 30 June

(in thousands of Ukrainian hryvnias)	*Note*	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Revenues	*16*	**200,203**	136,070
Cost of revenues	*17*	**(169,159)**	(99,722)
Loss arising from remeasurement of agricultural produce to fair value		**(451)**	(4,618)
Gross profit		**30,593**	31,730
Other operating income	*18*	**73,171**	37,082
General and administrative expense	*19*	**(21,403)**	(16,542)
Selling and distribution expense	*20*	**(8,777)**	(6,243)
Other operating expense	*21*	**(4,010)**	(5,853)
Profit from operations		**69,574**	40,174
Net financial expense	*22*	**(26,284)**	(10,706)
Gain on acquisition of subsidiaries	*4*	**704**	1,239
Profit before tax		**43,994**	30,707
Income tax expense	*23*	**(729)**	(7,137)
Net profit		**43,265**	23,570
Net profit attributable to:			
Minority interests	*13*	**5,002**	5,616
Equity holders of parent company		**38,263**	17,954
Net profit		**43,265**	23,570
Weighted average basic and diluted shares outstanding (in thousands of shares)		**25,000**	25,000
Basic and diluted earnings per share attributable to shareholders of the parent (in Ukrainian hryvnias)		**1.53**	0.72

The consolidated income statement is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated income statement for the six months ended 30 June

(in thousands of Euros)	*Note*	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Revenues	*16*	**29,823**	21,938
Cost of revenues	*17*	**(25,198)**	(16,077)
Loss arising from remeasurement of agricultural produce to fair value		**(67)**	(745)
Gross profit		**4,558**	5,116
Other operating income	*18*	**10,901**	5,978
General and administrative expense	*19*	**(3,188)**	(2,667)
Selling and distribution expense	*20*	**(1,309)**	(1,007)
Other operating expense	*21*	**(598)**	(944)
Profit from operations		**10,364**	6,476
Net financial expense	*22*	**(3,915)**	(1,726)
Gain on acquisition of subsidiaries	*4*	**105**	196
Profit before tax		**6,554**	4,946
Income tax expense	*23*	**(109)**	(1,151)
Net profit		**6,445**	3,795
Net profit attributable to:			
Minority interests	*13*	**745**	905
Equity holders of parent company		**5,700**	2,890
Net profit		**6,445**	3,795
Weighted average basic and diluted shares outstanding (in thousands of shares)		**25,000**	25,000
Basic and diluted earnings per share attributable to shareholders of the parent (in Euros)		**0.23**	0.12

The consolidated income statement is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated cash flow statement for the six months ended 30 June

(in thousands of Ukrainian hryvnias)	Note	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Operating activities			
Profit before tax		**43,994**	30,707
Adjustments for:			
Depreciation	*5*	**17,418**	12,180
Impairment provision on trade and other accounts receivable	*20*	**1,035**	836
Gain on acquisition of subsidiaries	*4*	**(703)**	(1,239)
Gain on sales of property, plant and equipment		**(306)**	(69)
Write down of inventories		**776**	177
Interest expense	*22*	**19,037**	10,483
Decrease in inventories		**127,967**	66,952
Decrease (increase) in trade and other receivables		**7,036**	(14,021)
Increase in biological assets		**(182,466)**	(97,071)
Increase (decrease) in trade and other payables		**8,907**	(2,901)
Income taxes paid		**(459)**	(71)
Interest paid		**(17,780)**	(10,471)
Cash flows provided by (used in) operating activities		**24,456**	(4,508)
Investing activities			
Purchase of property, plant and equipment, intengible assets and other non-current assets		**(42,751)**	(31,084)
Proceeds from sales of property, plant and equipment		**1,517**	2,039
Purchase of investments held-to-maturity		**(100)**	-
Decrease (increase) in promissory notes received		**879**	(2,812)
Interest received	*22*	**390**	136
Proceeds from sales of bonds receivable from related party		**1,500**	-
Acquisition of subsidiaries net of cash acquired	*4*	**(1,407)**	15
Cash flows used in investing activities		**(39,972)**	(31,706)

The consolidated cash flow statement is to be read in conjunction with the notes to and forming part of consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated cash flow statement for the six months ended 30 June, (continued)

(in thousands of Ukrainian hryvnias)	*Note*	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Financing activities			
Proceeds from loans and borrowings		**46,624**	91,529
Principal payments on loans and borrowings		**(42,930)**	(66,531)
Increase (decrease) in promissory notes issued		**(2,751)**	10,148
Contributions by equity holders		**-**	1,806
Cash flows provided by financing activities		**943**	36,952
Net increase (decrease) in cash and cash equivalents		**(14,573)**	738
Cash and cash equivalents as at 1 January		**19,894**	3,002
Currency translation differences		**-**	-
Cash and cash equivalents as at 30 June		**5,321**	3,740

The consolidated cash flow statement is to be read in conjunction with the notes to and forming part of consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated cash flow statement for the six months ended 30 June

(in thousands of Euros)	Note	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Operating activities			
Profit before tax		**6,554**	4,946
Adjustments for:			
Depreciation	*5*	**2,595**	1,964
Impairment provision on trade and other accounts receivable	*20*	**154**	135
Gain on acquisition of subsidiaries	*4*	**(105)**	(196)
Gain on sales of property, plant and equipment		**(46)**	(11)
Write down of inventories		**116**	29
Interest expense	*22*	**2,836**	1,690
Decrease in inventories		**19,062**	10,794
Decrease (increase) in trade and other receivables		**1,048**	(2,205)
Increase in biological assets		**(27,180)**	(15,230)
Increase (decrease) in trade and other payables		**1,327**	(468)
Income taxes paid		**(68)**	(11)
Interest paid		**(2,649)**	(1,688)
Cash flows provided by (used in) operating activities		**3,644**	(251)
Investing activities			
Purchase of property, plant and equipment, intengible assets and other non-current assets		**(6,366)**	(4,913)
Proceeds from sales of property, plant and equipment		**226**	329
Purchase of investments held-to-maturity		**(15)**	-
Decrease (increase) in promissory notes received		**131**	(453)
Interest received	*22*	**58**	22
Proceeds from sales of bonds receivable from related party		**223**	-
Acquisition of subsidiaries net of cash acquired	*4*	**(210)**	2
Cash flows used in investing activities		**(5,953)**	(5,013)

The consolidated cash flow statement is to be read in conjunction with the notes to and forming part of consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated cash flow statement for the six months ended 30 June, (continued)

(in thousands of Euros)	*Note*	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Financing activities			
Proceeds from loans and borrowings		**6,945**	14,757
Principal payments on loans and borrowings		**(6,395)**	(10,726)
Increase (decrease) in promissory notes issued		**(410)**	1,636
Contributions by equity holders		**-**	291
Cash flows provided by financing activities		**140**	5,958
Net increase (decrease) in cash and cash equivalents		**(2,169)**	**694**
Cash and cash equivalents as at 1 January		**2,991**	503
Currency translation difference		**(39)**	(606)
Cash and cash equivalents as at 30 June		**783**	591

The consolidated cash flow statement is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information

Consolidated statement of changes in equity for the six months ended 30 June 2007

(in thousands of Ukrainian hryvnias)	Attributable to equity holders of parent company						
	Share capital	**Additional paid-in capital**	**Retained earnings**	**Fair value reserve**	**Currency translation adjustment**	**Minority interests**	**Total**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	**(unaudited)**
As at 1 January 2007	**1,663**	**371,599**	**22,759**	**(233)**	**(2,979)**	**-**	**392,809**
Net profit	**-**	**-**	**38,263**	**-**	**-**	**-**	**38,263**
Change in fair value of promissory notes available-for-sale	**-**	**-**	**-**	**233**	**-**	**-**	**233**
Net profit attributable to minority shareholders	**-**	**-**	**-**	**-**	**-**	**96**	**96**
Currency translation differences	**-**	**-**	**-**	**-**	**(3,305)**	**-**	**(3,305)**
Total recognised income and expenses							**35,287**
Acquisitions of entities under common control	**-**	**-**	**2,067**	**-**	**-**	**944**	**3,011**
Remeasurement of loans from related parties to market terms	**-**	**2,665**	**-**	**-**	**-**	**-**	**2,665**
As at 30 June 2007	**1,663**	**374,264**	**63,089**	**-**	**(6,284)**	**1,040**	**433,772**

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Pro-forma consolidated statement of changes in equity for the six months ended 30 June 2006

	Attributable to equity holders of parent company					
(in thousands of Ukrainian hryvnias)	**Share capital**	**Additional paid-in capital**	**Retained earnings**	**Fair value reserve**	**Currency translation adjustment**	**Total**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
As at 1 January 2006	358	181,277	-	-	-	181,635
Net profit	-	17,954	-	-	-	17,954
Total recognised income and expenses						17,954
Gains less losses on transactions with minority interests	-	36,379	-	-	-	36,379
Remeasurement of loans from equity holders to market terms	-	119	-	-	-	119
Contribution by shareholders	-	1,088	-	-	-	1,088
As at 30 June 2006	358	236,817	-	-	-	237,175
Net profit	-	-	22,759	-	-	22,759
Change in fair value of promissory notes available-for-sale	-	-	-	(233)	-	(233)
Currency translation differences	-	-	-	-	(2,979)	(2,979)
Total recognised income and expenses						19,547
Gains less losses on transactions with minority interests	-	(13,665)	-	-	-	(13,665)
Proceeds from share issue	962		-	-	-	962
Proceeds from IPO	343	163,300	-	-	-	163,643
Cost of IPO	-	(15,422)	-	-	-	(15,422)
Remeasurement of loans from equity holders to market terms	-	(119)	-	-	-	(119)
Contribution by equity holders	-	688	-	-	-	688
As at 31 December 2006	1,663	371,599	22,759	(233)	(2,979)	392,809

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Consolidated statement of changes in equity for the six months ended 30 June 2007

	Attributable to equity holders of parent company						
(in thousands of Euros)	**Share capital**	**Additional paid-in capital**	**Retained earnings**	**Fair value reserve**	**Currency translation adjustment**	**Minority interests**	**Total**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	**(unaudited)**
As at 1 January 2007	**250**	**55,778**	**3,516**	**(35)**	**(447)**	**-**	**59,062**
Net profit	**-**	**-**	**5,700**	**-**	**-**		**5,700**
Change in fair value of promissory notes available-for-sale	**-**	**-**	**-**	**35**	**-**		**35**
Net profit attributable to minority shareholders	**-**	**-**	**-**	**-**	**-**	**14**	**14**
Currency translation differences	**-**	**-**	**-**	**-**	**(1,837)**	**(2)**	**(1,839)**
Total recognised income and expenses							**3,910**
Acquisitions of entities under common control	**-**	**-**	**306**	**-**	**-**	**141**	**447**
Remeasurement of loans from related parties to market terms	**-**	**397**	**-**	**-**	**-**	**-**	**397**
As at 30 June 2007	**250**	**56,175**	**9,522**	**-**	**(2,284)**	**153**	**63,816**

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Pro-forma consolidated statement of changes in equity for the six months ended 30 June 2006

	Attributable to equity holders of parent company					
(in thousands of Euros)	**Share capital** (unaudited)	**Additional paid-in capital** (unaudited)	**Retained earnings** (unaudited)	**Fair value reserve** (unaudited)	**Currency translation adjustment** (unaudited)	**Total** (unaudited)
As at 1 January 2006	60	30,654	-	-	(296)	30,418
Net profit	-	2,890	-	-	-	2,890
Currency translation adjustments	-	-	-	-	(1,883)	(1,883)
Total recognised income and expenses						1,007
Gains less losses on transactions with minority interests	-	5,865	-	-	-	5,865
Remeasurement of loans from equity holders to market terms	-	19	-	-	-	19
Contribution by shareholders	-	176	-	-	-	176
As at 30 June 2006	60	39,604	-	-	(2,179)	37,485
Net profit	-	-	3,516	-	-	3,516
Change in fair value of promissory notes available-for-sale	-	-	-	(35)	-	(35)
Currency translation adjustments	-	(3,800)	-	-	1,732	(2,068)
Total recognised income and expenses						1,413
Gains less losses on transactions with minority interests	-	(2,294)	-	-	-	(2,294)
Proceeds from share issue	140		-	-	-	140
Proceeds from IPO	50	24,503	-	-	-	24,553
Cost of IPO	-	(2,319)	-	-	-	(2,319)
Remeasurement of loans from equity holders to market terms	-	(19)	-	-	-	(19)
Contribution by equity holders	-	103	-	-	-	103
As at 31 December 2006	250	55,778	3,516	(35)	(447)	59,062

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 75. See accompanying report on review of interim financial information.

Notes to the consolidated financial statements as at and for the six months ended 30 June 2007

Background

(a) Organization 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 Koningslaan 17, 1075 AA, Amsterdam, the Netherlands.

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.

As a result of the offering, 5,000,000 shares were sold. All of the shares were newly issued. Investors subscribed for shares totaling PLN 95,000 thousand (EUR 24,553 thousand). The total costs and expenses of the offering were EUR 2,319 thousand. The net proceeds of the offering were EUR 22,234 thousand.

The consolidated financial statements include the Company and its subsidiaries (the Group).

The principal operation of the Group is production of sugar. The Group's sugar plants and croplands are located in the Poltava and Vinnytsia regions of Ukraine. The business is vertically-integrated because sugar is produced at plants primarily using own-grown sugar beet. The Group is also active in growing and selling various grain crops that result from the crop rotation necessary for sugar beet cultivation. The sugar production activities, including by-products and crop rotation related products, account for not less than 90% of the revenues of the Group. A cattle farming operation is an additional, non-core activity.

These consolidated financial statements provide financial information as at and for the six months ended 30 June 2007. In addition to presenting historical financial information, a pro-forma balance sheet as at 30 June 2006 and pro-forma income statement, cash flow statement and statement of changes in equity for the six months ended 30 June 2006 are presented. The pro-forma financial statements are prepared as if the Group existed as a legal entity as at 1 January 2006. Note 2(c) contains a description of pro-forma adjustments applied to these financial statements.

(b) Ukrainian business environment

Ukraine is experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in Ukraine involve risks that do not typically exist in other markets. These consolidated financial statements reflect management's current assessment of the possible impact of the Ukrainian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment. The impact of such differences on the operations and the financial position may be significant.

Basis of preparation

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The Group adopted the amended versions of IFRS that are effective for accounting periods beginning on 1 January 2006.

(b) Basis of consolidation

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

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

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

Changes in the Group's composition occurring during the six months ended 30 June 2007 are as follows:

On 21 March 2007, the Group acquired 99.98 % of the charter capital of LLC "HTZ" (Poltava region).

On 28 March 2007, the Group acquired 71.44 % of the share capital of OJSC "Agrocomplex" (Poltava region). In the reporting period the Group increased its control over this entity to 76,96%.

On 24 May 2007, the Group increased its control over the former associated company LLC "Agricultural company "Stozhary" by means of acquiring of additional participation in the charter capital. The Group owns 63.99% subsequent to the additional purchase.

On 7 June 2007 the Group contributed additional capital into the charter capital of LLC "Zoria". Subsequent to the additional contribution the Group owns 97.98%.

On 12 June 2007 LLC "HTZ" merged with SC "Agricultural company "Sofiivka". The name remained SC "Agricultural company "Sofiivka". The share of the Group in the charter capital is 99.98%.

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

Name	Activity	30 June 2007	31 December 2006	30 June 2006
Ancor Investments Ltd	Investment activities	100.00%	100.00%	100.00%
Astarta-Kyiv	Asset management	99.98%	99.98%	99.98%
LLC “Agropromtsukor”	Sugar production	99.98%	99.98%	99.98%
LLC “APO “Tsukrovyk Poltavshchyny"	Sugar production	95.08%	95.08%	95.08%
LLC “Torgovy dim”	Trade	97.55%	97.55%	47.54%
LLC "Agricultural company “Zolota Gora”	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Dovzhenko"	Agricultural	96.98%	96.98%	96.98%
LLC "Agricultural company “Gogolevo"	Agricultural	96.98%	96.98%	96.98%
LLC "Shyshaki combined forage factory”	Production, services	82.71%	82.71%	82.71%
LLC "Agricultural company “Shyshatska"	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Stepove"	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Fydrivske"	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Troyitska"	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Mriya"	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Pustoviytove"	Agricultural	99.78%	99.78%	99.78%
LLC "Agricultural company “Shevchenko"	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Grynky"	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Ordanivka”	Agricultural	97.98%	97.98%	97.98%
SC "Agricultural company “Sofiivka"	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company “Kozatsky stan"	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Dobrobut"	Agricultural	97.98%	97.98%	97.98%
LLC "Agricultural company “Musievske"	Agricultural	74.99%	74.99%	74.99%
LLC "Agricultural company “Zorya"	Agricultural	74.99%	74.99%	74.99%
LLC "Agricultural company “Nadiya"	Agricultural	74.99%	74.99%	74.99%
LLC "Agricultural company “Viytovetske"	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company “named after Bohdan Khmelnitskiy"	Agricultural	74.99%	74.99%	74.99%
Globino canning factory "Globus"	Canning production, trade	99.98%	99.98%	99.98%
SC “Agricultural company “Semenivska”	Agricultural	99.98%	99.98%	-
LLC “Agricultural company “named after Shevchenko” (Gadiach region)	Agricultural	79.98%	79.98%	-
LLC “Dobrobut” (Novo-Sanzharskiy region)	Agricultural	97.98%	97.98%	-
LLC “Zoria” (Novo-Sanzharskiy region)	Agricultural	97.98%	90.11%	-
LLC “Baliasne”	Agricultural	97.98%	97.98%	-
LLC “Agro-Maiak”	Agricultural	79.98%	79.98%	-
OJSC “Agrocomplex”	Agricultural	76.96%	-	-
LLC "Agricultural company “Stozhary"	Agricultural	63.99%	25.40%	25.40%
Associates:				
LLC "Agricultural company “Pokrovska"	Agricultural	49.99%	49.99%	49.99%

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

(c) Pro-forma adjustments

Certain pro-forma adjustments are made to the financial statements as at and for the six months ended 30 June 2006. The pro-forma adjustments include:

Prior to July 2006 the Group did not constitute a legal group. However, the companies forming the Group were under common ownership prior to formation of the legal group. Accordingly, for purposes of presenting comparative financial data relating to periods before the legal group was formed, the companies are consolidated as if the Group existed during those periods in the same legal structure that is in place with effect from July 2006.

Certain subsidiaries and associates of the Company are not consolidated and accounted for under the equity method in the pro-forma consolidated financial statements because they do not relate to the Group's primary agricultural production and processing business and were disposed during 2006.

These subsidiaries and associates were sold to related parties and are accounted for as if the sale occurred prior to 1 January 2006. Additional investments into these entities after 31 December 2004 are recorded as a distribution of capital in the pro-forma consolidated financial statements.

(d) Acquisition and disposal of minority interests

Any difference between the consideration paid to acquire a minority interest or any difference between the consideration received upon disposal of a minority interest and the carrying amount of that portion of the Group's interest in the subsidiary, is recognised as equity increases (or decreases) in the parent shareholder's interest, so long as the parent controls the subsidiary. The presentation of minority interest within equity supports the recognition of increases and decreases in ownership interests in subsidiaries without a change in control as equity transactions in the consolidated financial statements. Accordingly, any premiums or discounts on subsequent purchases of equity instruments from (or sales of equity instruments to) minority interests are recognised directly in equity.

(e) Transactions eliminated on consolidation

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

(f) Common control transactions

The acquisition of controlling interests in entities that are under the control of the same controlling equity holders as the Group are accounted for on the date of acquisition. The assets and liabilities acquired are recognised at their previous book values as recorded in the individual IFRS financial statements of the acquired enterprise. The components of equity of the acquired enterprises are added to the same components within Group equity. Any cash paid for the acquisition is charged to equity.

The disposal of subsidiaries to entities that are under the control of the same controlling equity holders as the Group are accounted for by recognising the difference between the consideration received and the carrying amount of the net assets of the subsidiary, including minority interests and attributable goodwill or negative goodwill, in equity.

(g) Basis of accounting

The consolidated financial statements are prepared on the fair value basis for biological assets, agricultural produce and promissory notes available-for-sale. Biological assets are stated at their fair value less estimated point-of-sale costs, whereas agricultural produce is stated at its fair value less estimated point-of-sale costs at the point of harvest. Promissory notes available-for-sale are stated at fair value. All other assets and liabilities are carried at historical cost.

(h) Minority interest participants

Substantially all of the Company's subsidiaries are limited liability companies. Under Ukrainian law, a participant in a limited liability company may unilaterally withdraw his share in a company. In such case the company is obliged to pay the withdrawing participant's share of net assets of the company determined in accordance with National Accounting Standards. Therefore, minority interests in limited liability companies are shown as a current liability. The Company presents net income as net income attributable to minority interest in limited liability companies and net income attributable to equity holders of the parent company.

(i) Functional and presentation currency

The Euro (EUR) is the functional and presentation currency of ASTARTA Holding N.V. The operating subsidiaries and associates in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency. The financial data of the companies registered in Ukraine are converted from UAH to EUR and are rounded to the nearest thousand.
Management chose to present the consolidated financial statements in two currencies, Euro and UAH.

For the purposes of presenting consolidated financial statements, assets and liabilities are translated for companies operating in Ukraine from UAH to EUR using the closing rates at each balance sheet date, and income and expenses are translated at the average rates for each respective period. The rates are obtained from the National Bank of Ukraine.

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

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

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

Fair value of biological assets. Due to the lack of an active market as defined by International Financial Reporting Standard IAS 41 *Agriculture,* the fair value of biological assets is estimated by present valuing the net cash flows expected to be generated from the assets discounted at a current market-determined pre-tax rate. Management uses the assistance of independent appraisers to estimate expected cash flows, and determines discount rates by reference to current market rates on deposits in Ukrainian hryvnia. The fair value is then reduced for estimated point-of-sale costs.

Fair value of agricultural produce. Management estimates the fair value of agricultural produce by reference to quoted prices in an active market, as defined by International Financial Reporting Standard IAS 41. In addition, point-of-sale costs at the point of harvest are estimated and deducted from the fair value. The fair value less point-of-sale costs becomes the carrying value of inventories at that date.

(k) Seasonality of Production and Markets

The Group's primarily activity is agricultural production. As a consequence, the Group's production activities are subject to seasonality. Significant expenditures for harvesting crops, processing of sugar beet, and preparation of arable lands for the upcoming season of production are required in the fourth quarter.

The principal product of the Group is also subject to seasonal price fluctuations. The season for sugar beet processing lasts from September to December. During this period the supply of sugar increases causing a decrease in market prices of sugar. Sugar prices peak at the end of the second and third quarters due to the decrease in sugar stocks on the domestic market and the increase in demand for products with sugar content.

Significant accounting policies

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

(a) Changes in policies

Certain new IFRSs became effective on 1 January 2007. Listed below are those new or amended standards that are relevant to the Group's operations. The changes in accounting policies are applied retroactively unless otherwise stated.

- Amendment to International Financial Reporting Standard IAS 1 *Presentation of Financial Statements* – Capital Disclosures is effective for annual periods beginning on or after 1 January 2007. This amendment requires extended disclosure regarding capital and how it is measured.
- IFRIC 9 *Reassessment of embedded derivatives* is effective for annual periods beginning on or after 1 November 2006, clarifies that an embedded derivative shall be assessed for separation from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a significant change in the terms of the contract, i.e. in the terms of either the host contract or the embedded derivative or both.
- International Financial Reporting Standard 7 *Financial Instruments: Disclosures* is effective for annual periods beginning on or after 1 January 2007. IFRS 7 requires extended disclosure in respect of financial instruments and replaces International Financial Reporting Standard IAS 30 *Disclosures in the Financial Statements of Banks and Similar Financial Institutions*.
- Management chose to early adopt IFRS 8 *Operating Segments* in its consolidated financial statements as at and for the year ended 31 December 2007. In accordance with IFRS 8, the Group operates in a single reportable segment since its business activities are not organized on the basis of differences in related products and services or differences in geographical areas of operation. Accordingly, no segment information is disclosed in these consolidated financial statements.

There was no impact on opening net assets attributable to participants arising from the adoption of any of the these standards or amendments.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to hryvnias at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to hryvnias 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 hryvnias at the foreign exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the income statement.

The principal UAH exchange rates used in the preparation of the consolidated financial statements are as follows:

Currency	**Average reporting period rate**		**Reporting date rate**	
	2007	**2006**	**2007**	**2006**
EUR	**6.7131**	6.2027	**6.7973**	6.3271
USD	**5.0500**	5.0500	**5.0500**	5.0500

As at the date of these consolidated financial statements, 14 September 2007, the exchange rate is UAH 5.0500 to USD 1.00 and UAH 7.0180 to EUR 1.00.

(c) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment acquired before 1 January 2003 are stated at deemed cost less subsequent accumulated depreciation and impairment losses. Deemed cost is based on the fair values of property, plant and equipment as at 1 January 2003 based on an independent appraisal. Items of property, plant and equipment acquired on or after 1 January 2003 are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

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.

(ii) Leased assets

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

(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. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use.

The estimated useful lives are as follows:

Buildings and construction	20-50 years

Machines and equipment	10-20 years
Vehicles	5-10 years
Other fixed assets	3-5 years

(d) Intangible assets

Intangible assets, which are acquired by the Group and which have finite useful lives, consist mainly of computer software and are stated at cost less accumulated amortisation and impairment losses.

(e) Biological assets

The Group classifies cattle as biological assets. Biological assets are carried at their fair value less estimated point-of-sale costs, except when the fair value cannot be measured reliably. If fair value cannot be measured reliably, biological assets are carried at cost less impairment. Point-of-sale costs include all costs that are necessary to sell the assets, excluding costs necessary to get the assets to market.

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

(f) Agricultural produce

The Group classifies crops as agricultural produce. Agricultural produce harvested from biological assets is measured at its fair value less estimated point-of-sale costs at the point of harvest.

(g) Financial

(i) Non-derivative financial instruments

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

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognized if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sale of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Held-to-maturity investments

If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

Investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items are recognized directly in equity. When an investment is derecognized, the cumulative gain or loss in equity is transferred to profit or loss.

Investments at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Other

Other non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses. 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.

(ii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management’s best estimates using a discount rate representing a market rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

(h) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of raw materials at the agricultural and sugar production facilities is determined using the weighted average method including acquisition costs incurred, such as transportation.

Work in progress and finished goods are stated at cost. Cost includes the cost of raw materials, labour and manufacturing overheads allocated proportionately to the stage of completion of the inventory.

Investments into future crops represent seeds, fertilizers and land cultivation to prepare for the subsequent growing season.

(i) 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 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 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 profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

(ii) Reversal of impairment

An impairment loss is reserved if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

(iii) Non-financial assets

The carrying amounts of the Group’s non-financial assets, other than inventories, biological assets, agricultural produce 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, the recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its 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 recognised in respect of cash-generating units and 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.

An impairment loss is 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 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 amortisation, if no impairment loss had been recognized.

(j) Share capital and earnings per share

Earnings per share is calculated by dividing net profit attributable to shareholders of the parent company by the weighted average number of shares outstanding during the period. There are no potentially dilutive shares.

(k) Income tax

Companies within the Group that are involved in agricultural business are exempt from income taxes in Ukraine until 31 December 2009. These companies are subject to a flat agricultural tax calculated as 0.15% in 2007 of the cadastre value of land used (2006: 0.15%). To qualify for the agricultural tax, the exempt entities must be involved in agricultural production activities and sales of agricultural production must not be less than 75 percent of the total sales for the entity. The agricultural tax is included in cost of revenue.

For other companies, income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. No deferred tax is recognised for companies within the Group that are involved in the agricultural business and that are exempt from income taxes until 31 December 2009 as management believes it is likely that this exemption will be extended as has historically been the case.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Government subsidies

Certain companies in the Group are entitled to receive government subsidies.

Value Added Tax (VAT) that the Group would otherwise be required to remit to the government can be retained and used for certain qualifying expenditures. Until qualifying expenditures are made, the VAT is recorded as deferred government subsidy and shown in other accounts payable in the balance sheet, while corresponding amounts of cash are maintained in special purpose bank accounts. Once qualifying expenditures are made from the restricted bank accounts, the subsidy is recognized in other operating income.

Companies in the Group that are subject to the flat agricultural tax are also eligible for reimbursement by the government for a portion of interest incurred on borrowings by the entity. The amount of interest subsidy depends on the terms and purposes of financing obtained from banks. The interest subsidy falls within the range of 7-9% and 10-14% for loans received in foreign and local currency, respectively. Because the interest subsidy is payable only when the governmental budget allows, it is recorded on the cash basis, and is reflected in other operating income.

The Group is entitled to receive reimbursement from various government programs for the cost of agricultural machinery produced in Ukraine, insurance of agricultural produce losses and fertilizers produced in Ukraine. The Group also receives amounts ranging from UAH 55 to UAH 100 per hectare for production of certain winter and spring crops. The amounts of reimbursement are based on a variety of factors. The Group recognises these subsidies when received due to the uncertainty in amount and timing of receipt.

(m) Revenues

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.

(n) Expenses

Expenses are accounted for on an accrual basis.

(o) 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.

(p) Net financial expense

Net financial expense comprise interest expense on borrowings, interest income on funds invested and dividend income, if any.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of net financing costs. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

(q) Employee benefits

The Group is committed to reimburse employees for all expenses incurred in case of injuries at work. These amounts are expensed when they are incurred.

Furthermore, the Group makes contributions into the Ukrainian state pension fund based on each employee’s wage. These amounts are expensed when they are incurred.

The Group is also obligated to make contributions to certain defined benefit plans. Neither the contributions nor obligations are significant to these consolidated financial statements.

(r) 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.

(s) New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements. Of these pronouncements, the following will potentially have an impact on the consolidated financial statements:

- IFRS 8 *Operating Segments,* is effective for annual periods beginning on or after 1 January 2009. The standard introduces the "management approach" to segment reporting.
- IAS 23 *Borrowing Costs*, is effective for annual periods beginning on or after 1 January 2009. The new Standard eliminates the option of immediately expensing borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Management is currently studying what effect these new standards and amendments may have on the financial position and result of operations.

Acquisition of subsidiaries

During the six months ended 30 June 2007 the Group acquired the following companies involved in agricultural activities:

Name	**Country of incorporation**	**Activity**	**Date of acquisition**	**% of ownership by Astarta-Kyiv as at 30 June 2007**
LLC "HTZ"	Ukraine	Agricultural	21/03/2007	99.98%
OJSC "Agrocomplex"	Ukraine	Agricultural	28/03/2007	71.44%
LLC "Agricultural company "Stozhary"	Ukraine	Agricultural	24/05/2007	63.99%

The acquisition of these companies had the following effect on assets and liabilities as at the date they were acquired:

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias) (historical) **(unaudited)**	*(in thousands of Euros)* (historical) **(unaudited)**
Non-current assets		
Property, plant and equipment	**5,600**	**834**
Current assets		
Inventories	**526**	**78**
Biological assets	**1,722**	**257**
Trade accounts receivable	**909**	**135**
Other accounts receivable and prepayments	**298**	**44**
Promissory notes received	**2,417**	**360**
Cash and cash equivalents	**15**	**2**
Non-current liabilities		
Long-term loans and borrowings	**(70)**	**(10)**
Current liabilities		
Trade accounts payable	**(3,201)**	**(477)**
Other liabilities and accounts payable	**(2,965)**	**(442)**
Minority interest acquired	**(1,059)**	**(158)**
Net identifiable assets, liabilities and contingent liabilities	**4,192**	**623**
Excess of net assets acquired over consideration paid :		
acquisitions from third parties	**704**	**105**
acquisitions from entities under common control	**2,067**	**306**
Consideration paid	**(1,422)**	**(212)**
Cash acquired	**15**	**2**
Net cash outflow	**(1,407)**	**(210)**

During the six months ended 30 June 2006 the Group acquired the following company:

Name	Country of incorporation	Activity	Date of acquisition	% of ownership by Astarta-Kyiv as at 30 June 2006
LLC "Agricultural company "Mriya"	Ukraine	Agricultural	20/04/2006	98.00%

The acquisition had the following effect on assets and liabilities as at the date they were acquired:

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias)	*(in thousands of Euros)*
	(pro-forma) **(unaudited)**	(pro-forma) **(unaudited)**
Non-current assets		
Property, plant and equipment	217	34
Biological assets	345	54
Current assets		
Inventories	986	156
Biological assets	268	42
Trade accounts receivable	2,743	434
Other accounts receivable and prepayments	215	34
Cash and cash equivalents	24	4
Non-current liabilities		
Current liabilities		
Bank loans	(1,000)	(158)
Trade accounts payable	(2,051)	(324)
Other liabilities and accounts payable	(83)	(12)
Minority interest acquired	(416)	(66)
Net identifiable assets, liabilities and contingent liabilities	1,248	198
Excess of net assets acquired over consideration paid	1,239	196
Consideration paid	(9)	(2)
Cash acquired	24	4
Net cash inflow	15	2

It is not practicable to determine the carrying amounts of the acquired companies' assets and liabilities in accordance with IFRS immediately prior to the date of acquisition because the acquired companies' financial statements were prepared only in accordance with Ukrainian National Accounting Standards, which are significantly different from IFRSs.

For the same reason it is not practicable to determine what would be the total revenue and net profit for the six months ended 30 June 2007 had the acquisitions occurred on 1 January 2007.

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

Property, plant and equipment

A summary of activity in property, plant equipment for the six months ended 30 June 2007 is as follows:

(in thousands of Ukrainian hryvnias)	**Buildings and construction**	**Machines and equipment**	**Vehicles**	**Other fixed assets**	**Construction in progress**	**Total**
	(historical)	(historical)	(historical)	(historical)	(historical)	(historical)
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Cost						
1 January 2007	**109,095**	**117,083**	**35,963**	**1,582**	**12,481**	**276,204**
Additions	**-**	**-**	**-**	**-**	**54,727**	**54,727**
Additions from acquisition of subsidiaries	**4,728**	**712**	**147**	**13**	**-**	**5,600**
Disposals	**(358)**	**(1,076)**	**(2,197)**	**(3)**	**(14)**	**(3,648)**
Transfers	**2,132**	**24,698**	**8,282**	**535**	**(35,647)**	**-**
30 June 2007	**115,597**	**141,417**	**42,195**	**2,127**	**31,547**	**332,883**
Accumulated depreciation						
1 January 2007	**11,211**	**43,111**	**12,183**	**164**	**-**	**66,669**
Depreciation charge	**2,572**	**11,734**	**2,943**	**169**	**-**	**17,418**
Disposals	**(334)**	**(307)**	**(1,793)**	**(3)**	**-**	**(2,437)**
30 June 2007	**13,449**	**54,538**	**13,333**	**330**	**-**	**81,650**
Net book value 1 January 2007	**97,884**	**73,972**	**23,780**	**1,418**	**12,481**	**209,535**
Net book value 30 June 2007	**102,148**	**86,879**	**28,862**	**1,797**	**31,547**	**251,233**

As at 30 June 2007 property and equipment with a carrying amount of UAH 159,421 thousand is pledged to secure bank loans (31 December 2006: UAH 144,864 thousand).

A summary of activity in property, plant equipment for the six months ended 30 June 2007 is as follows:

(in thousands of Euros)	**Buildings and construction**	**Machines and equipment**	**Vehicles**	**Other fixed assets**	**Construction in progress**	**Total**
	(historical)	(historical)	(historical)	(historical)	(historical)	(historical)
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Cost						
1 January 2007	**16,403**	**17,604**	**5,407**	**238**	**1,877**	**41,529**
Additions	**-**	**-**	**-**	**-**	**8,152**	**8,152**
Additions from acquisition of subsidiaries	**704**	**106**	**22**	**2**	**-**	**834**
Disposals	**(53)**	**(160)**	**(327)**	**-**	**(2)**	**(542)**
Transfers	**318**	**3,679**	**1,234**	**80**	**(5,311)**	**-**
Currency translation difference	**(366)**	**(424)**	**(128)**	**(7)**	**(75)**	**(1,000)**
30 June 2007	**17,006**	**20,805**	**6,208**	**313**	**4,641**	**48,973**
Accumulated depreciation						
1 January 2007	**1,685**	**6,482**	**1,832**	**25**	**-**	**10,024**
Depreciation charge	**383**	**1,748**	**438**	**26**	**-**	**2,595**
Disposals	**(50)**	**(46)**	**(267)**	**-**	**-**	**(363)**
Currency translation difference	**(39)**	**(161)**	**(41)**	**(3)**	**-**	**(244)**
30 June 2007	**1,979**	**8,023**	**1,962**	**48**	**-**	**12,012**
Net book value 1 January 2007	**14,718**	**11,122**	**3,575**	**213**	**1,877**	**31,505**
Net book value 30 June 2007	**15,027**	**12,782**	**4,246**	**265**	**4,641**	**36,961**

As at 30 June 2007, property and equipment with a carrying value of Euro 23,454 thousand is pledged to secure bank loans (31 December 2006: EUR 21,787 thousand).

A summary of activity in property, plant equipment for the six months ended 30 June 2006 is as follows:

(in thousands of Ukrainian hryvnias)	**Buildings and construction**	**Machines and equipment**	**Vehicles**	**Other fixed assets**	**Construction in progress**	**Total**
	(pro-forma)	(pro-forma)	(pro-forma)	(pro-forma)	(pro-forma)	(pro-forma)
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Cost						
Cost 1 January 2006	94,415	76,516	22,056	392	2,458	195,837
Additions	-	-	-	-	31,084	31,084
Additions from acquisition of subsidiaries	-	136	81	-	-	217
Disposals	(3,535)	(1,826)	(1,054)	-	-	(6,415)
Transfers	460	12,579	4,909	398	(18,346)	-
30 June 2006	91,340	87,405	25,992	790	15,196	220,723
Accumulated depreciation						
1 January 2006	7,876	27,240	8,697	57	-	43,870
Depreciation charge	1,707	8,453	1,998	22	-	12,180
Disposals	(183)	(480)	(396)	-	-	(1,059)
30 June 2006	9,400	35,213	10,299	79	-	54,991
Net book value 1 January 2006	86,539	49,276	13,359	335	2,458	151,967
Net book value 30 June 2006	81,940	52,192	15,693	711	15,196	165,732

As at 30 June 2006 property and equipment with a carrying amount of UAH 115,837 thousand is pledged to secure bank loans.

A summary of activity in property, plant equipment for the six months ended 30 June 2006 is as follows:

(in thousands of Euros)	**Buildings and construction**	**Machines and equipment**	**Vehicles**	**Other fixed assets**	**Construction in progress**	**Total**
	(pro-forma)	(pro-forma)	(pro-forma)	(pro-forma)	(pro-forma)	(pro-forma)
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Cost						
1 January 2006	15,813	12,811	3,692	66	413	32,795
Additions	-	-	-	-	4,913	4,913
Additions from acquisition of subsidiaries	-	21	13	-	-	34
Disposals	(559)	(289)	(167)	-	-	(1,015)
Transfers	73	1,988	776	63	(2,900)	-
Currency translation difference	(891)	(717)	(206)	(4)	(24)	(1,842)
30 June 2006	14,436	13,814	4,108	125	2,402	34,885
Accumulated depreciation						
1 January 2006	1,319	4,562	1,456	10	-	7,347
Depreciation charge	275	1,363	322	4	-	1,964
Disposal	(30)	(77)	(64)	-	-	(171)
Currency translation difference	(78)	(283)	(86)	(2)	-	(449)
30 June 2006	1,486	5,565	1,628	12	-	8,691
Net book value 1 January 2006	14,494	8,249	2,236	56	413	25,448
Net book value 30 June 2006	12,950	8,249	2,480	113	2,402	26,194

As at 30 June 2006, property and equipment with a carrying value of Euro 18,308 thousand is pledged to secure bank loans.

Biological assets

The biological assets comprise the following groups:

(in thousands of Ukrainian hryvnias)	30 June 2007 Units	30 June 2007 Amount (historical) (unaudited)	31 December 2006 Units	31 December 2006 Amount (historical) (audited)	30 June 2006 Units	30 June 2006 Amount (pro-forma) (unaudited)
Non-current biological assets:						
Cattle	**4,758**	**24,938**	4,772	16,422	3,856	11,263
Other	**356**	**375**	356	359	218	2,364
		25,313		16,781		13,627
Current biological assets:						
Cattle	**9,090**	**11,484**	10,155	13,513	6,744	8,576
Other	**3,319**	**1,046**	5,058	1,802	4,763	1,025
Plants (hectares)	**81,386**	**200,349**	16,358	21,908	66,467	101,134
		212,879		37,223		110,735
		238,192		54,004		124,362

As at 30 June 2007, biological assets with a carrying amount of UAH 26,819 thousand are pledged to secure bank loans (31 December 2006: nil; 30 June 2006: UAH 43,192 thousand).

(in thousands of Euros)	30 June 2007 Units	30 June 2007 Amount (historical) (unaudited)	31 December 2006 Units	31 December 2006 Amount (historical) (audited)	30 June 2006 Units	30 June 2006 Amount (pro-forma) (unaudited)
Non-current biological assets:						
Cattle	**4,758**	**3,669**	4,772	2,469	3,856	1,780
Other	**356**	**55**	356	54	218	374
		3,724		2,523		2,154
Current biological assets:						
Cattle	**9,090**	**1,689**	10,155	2,032	6,744	1,355
Other	**3,319**	**154**	5,058	271	4,763	163
Plants (hectares)	**81,386**	**29,475**	16,358	3,294	66,467	15,984
		31,318		5,597		17,502
		35,042		8,120		19,656

As at 30 June 2007, biological assets with a carrying amount of EUR 3,945 thousand are pledged to secure bank loans (31 December 2006: nil; 30 June 2006: EUR 6,826 thousand).

Non-current cattle are represented by dairy livestock with an average yearly lactation period of nine months. Current cattle comprise immature cattle and cattle intended for sale.

The following represents the changes during the six months ended 30 June 2007 in the carrying amounts of non-current and current biological assets:

(in thousands of Ukrainian hryvnias)	**Non-current biological assets**	**Current biological assets**	**Total**
	(historical)	(historical)	(historical)
	(unaudited)	**(unaudited)**	**(unaudited)**
As at 1 January 2007	**16,781**	**37,223**	**54,004**
Purchases	**3**	**253**	**256**
Additions from acquisitions of subsidiaries	**-**	**1,722**	**1,722**
Investments into future crops	**-**	**126,261**	**126,261**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**7,203**	**53,776**	**60,979**
Transfers	**1,375**	**(1,375)**	**-**
Sales	**(49)**	**(4,981)**	**(5,030)**
As at 30 June 2007	**25,313**	**212,879**	**238,192**

(in thousands of Euros)	**Non-current biological assets**	**Current biological assets**	**Total**
	(historical)	(historical)	(historical)
	(unaudited)	**(unaudited)**	**(unaudited)**
As at 1 January 2007	**2,523**	**5,597**	**8,120**
Purchases	**-**	**38**	**38**
Additions from acquisitions of subsidiaries	**-**	**257**	**257**
Investments into future crops	**-**	**18,808**	**18,808**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**1,073**	**8,011**	**9,084**
Transfers	**205**	**(205)**	**-**
Sales	**(7)**	**(742)**	**(749)**
Currency translation difference	**(70)**	**(446)**	**(516)**
As at 30 June 2007	**3,724**	**31,318**	**35,042**

The following represents the changes during the six months ended 30 June 2006 in the carrying amounts of non-current and current biological assets:

(in thousands of Ukrainian hryvnias)	**Non-current biological assets**	**Current biological assets**	**Total**
	(pro-forma)	(pro-forma)	(pro-forma)
	(unaudited)	**(unaudited)**	**(unaudited)**
As at 1 January 2006	14,730	11,069	25,799
Purchases	3,424	14,808	18,232
Investments into future crops	-	70,970	70,970
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	(2,595)	27,135	24,540
Sales	(1,932)	(13,247)	(15,179)
As at 30 June 2006	13,627	110,735	124,362

(in thousands of Euros)	**Non-current biological assets**	**Current biological assets**	**Total**
	(pro-forma)	(pro-forma)	(pro-forma)
	(unaudited)	**(unaudited)**	**(unaudited)**
As at 1 January 2006	2,467	1,854	4,321
Purchases	552	2,387	2,939
Investments into future crops	-	11,442	11,442
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	(418)	4,374	3,956
Sales	(311)	(2,136)	(2,447)
Currency translation difference	(136)	(419)	(555)
As at 30 June 2006	2,154	17,502	19,656

Long-term receivables held-to-maturity and other non-current assets

Long-term receivables held-to-maturity and other non-current assets as at 30 June 2007 are as follows:

	Interest rate	**Due date**	_(in thousands of Ukrainian hryvnias)_ (historical) **(unaudited)**	_(in thousands of Euros)_ (historical) **(unaudited)**
Bonds receivable from related party	18.0%	21.06.2009	**3,451**	**508**
Investments held-to-maturity	—	21.07.2030	**700**	**103**
Other non-current assets			**920**	**135**
			5,071	**746**

Long-term receivables classified as held-to-maturity and other non-current assets as at 31 December 2006 were as follows:

	Interest rate	**Due date**	_(in thousands of Ukrainian hryvnias)_ (historical) **(audited)**	_(in thousands of Euros)_ (historical) **(audited)**
Bonds receivable from related party	18.0%	21.06.2009	**4,951**	**745**
Investment held-to-maturity	—	21.07.2030	**674**	**101**
			5,625	**846**

As at 30 June 2006 the Group did not have any long-term receivables.

Inventories

Inventories are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Finished goods:			
sugar production	**80,950**	195,106	46,252
agricultural production	**10,932**	24,385	10,099
Raw materials and consumables for:			
sugar production	**48,630**	15,929	26,009
agricultural production	**30,760**	38,400	16,043
Investments into future crops	**5,853**	31,522	12,824
	177,125	305,342	111,227

As at 30 June 2007, inventories with a carrying amount of UAH 93,887 thousand are pledged to secure bank loans (31 December 2006: UAH 101,697 thousand; 30 June 2006: UAH 2,927 thousand).

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Finished goods:			
sugar production	**11,909**	29,336	7,310
agricultural production	**1,608**	3,666	1,596
Raw materials and consumables for:			
sugar production	**7,154**	2,395	4,110
agricultural production	**4,525**	5,774	2,536
Investments into future crops	**861**	4,739	2,027
	26,057	45,910	17,579

As at 30 June 2007, inventories with a carrying amount of EUR 13,812 thousand are pledged to secure bank loans (31 December 2006: EUR 15,218 thousand; 30 June 2006: EUR 463 thousand).

Trade accounts receivable

Trade accounts receivable are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Trade accounts receivable	**106,260**	124,883	96,546
Less provision for impairment	**(4,385)**	(4,356)	(9,856)
	101,875	120,527	86,690

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Trade accounts receivable	**15,633**	18,777	15,259
Less provision for impairment	**(645)**	(655)	(1,558)
	14,988	18,122	13,701

Other accounts receivable and prepayments

Other accounts receivable and prepayments are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Advances to suppliers	**21,208**	12,806	6,503
Receivable from government	**18,227**	12,367	3,138
VAT recoverable	**10,649**	11,852	3,935
Miscellaneous	**532**	5,884	59
Other accounts receivable	**20,263**	15,176	1,129
Less provision for impairment	**(4,005)**	(2,999)	-
	66,874	55,086	14,764

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Advances to suppliers	**3,120**	1,925	1,028
Receivable from government	**2,682**	1,859	496
VAT recoverable	**1,567**	1,782	622
Miscellaneous	**78**	885	9
Other accounts receivable	**2,981**	2,283	178
Less provision for impairment	**(589)**	(451)	-
	9,839	8,283	2,333

Miscellaneous accounts receivable mainly consist of receivables from sales of biological assets and other inventories.

Share capital

Share capital is as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007**		**31 December 2006**		**30 June 2006**	
	Amount (historical) **(unaudited)**	**%**	**Amount** (historical) **(audited)**	**%**	**Amount** (pro-forma) **(unaudited)**	**%**
ASTARTA Holding N.V.						
Ivanchyk V.P.	**665**	**40.0%**	665	40.0%	179	50.0%
Korotkov V.M.	**665**	**40.0%**	665	40.0%	179	50.0%
"East Capital Asset Management AB"	**84**	**5.0%**	84	5.0%	-	-
Other shareholders	**249**	**15.0%**	249	15.0%	-	-
	1,663	**100.0%**	1,663	100.0%	358	100.0%

(in thousands of Euros)	**30 June 2007**		**31 December 2006**		**30 June 2006**	
	Amount (historical) **(unaudited)**	**%**	**Amount** (historical) **(audited)**	**%**	**Amount** (pro-forma) **(unaudited)**	**%**
Astarta Holding N.V.						
Ivanchyk V.P.	**100**	**40.0%**	100	40.0%	30	50.0%
Korotkov V.M.	**100**	**40.0%**	100	40.0%	30	50.0%
"East Capital Asset Management AB"	**13**	**5.0%**	13	5.0%	-	-
Other shareholders	**37**	**15.0%**	37	15.0%	-	-
	250	**100.0%**	250	100.0%	60	100.0%

Capital management

The Group's 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 monitors both the composition of shareholders, as well as the return on capital, which the Group defines as total equity, excluding minority interests.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on equity of at least 15 percent.

The Group does not purchase its own shares on the market.

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

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Dividend policy

The dividend policy is to pay dividends at a level consistent with the Company'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 and until the approval by the General Meeting of Shareholders of the financial statements for the year ending 31 December 2008.

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 Board of Directors and the General Meeting of Shareholders 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 equity exceeds the sum of the paid-in share capital plus the reserves required to be maintained by law and by the Company's Articles of Association. All shares carry equal dividend rights.

Minority interests

The movements in minority interests for the six months ended 30 June are as follows:

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Balance as at 1 January	**13,961**	52,129
Share in profit	**5,002**	5,616
Gains less losses on transactions with minority holders	**-**	(35,662)
Minority interests acquired with new subsidiaries	**1,059**	416
Balance as at 30 June	**20,022**	22,499

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Balance as at 1 January	**2,099**	8,729
Share in profit	**745**	905
Gains less losses on transactions with minority holders	**-**	(5,749)
Minority interests acquired with new subsidiaries	**158**	66
Currency translation difference	**(56)**	(395)
Balance as at 30 June	**2,946**	3,556

Loans and borrowings

This note provides information about the contractual terms of loans and borrowings. Refer to note 24 for more information about exposure to interest rate and foreign currency risk.

Loans and borrowings are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Non-current loans and borrowings:			
Borrowings from related parties	**1,622**	3,553	5,594
Bank loans	**41,327**	22,340	38,049
Bonds payable	**30,951**	27,925	13,384
	73,900	53,818	57,027
Current loans and borrowings:			
Current portion of loans and borrowings	**6,842**	20,911	4,588
Bank loans	**161,770**	163,398	92,550
	168,612	184,309	97,138
	242,512	238,127	154,165

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Non-current loans and borrowings:			
Borrowings from related parties	**239**	534	884
Bank loans	**6,080**	3,359	6,014
Bonds payable	**4,553**	4,199	2,115
	10,872	8,092	9,013
Current loans and borrowings:			
Current portion of loans and borrowings	**1,007**	3,144	725
Bank loans	**23,799**	24,568	14,628
	24,806	27,712	15,353
	35,678	35,804	24,366

Term schedule

The terms for loans and borrowings are as follows:

(in thousands of Ukrainian hryvnias)	**Interest type**	**Effective interest rate**	**Nominal interest rate**	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Loans from local banks received in UAH	Fixed	15,0%	15,0%	-	1,547	-
Loans from local banks received in UAH	Fixed	15,5%	15,5%	**16,434**	-	-
Loans from local banks received in UAH	Fixed	16.0%	16.0%	**169,586**	166,478	10,000
Loans from local banks received in UAH	Fixed	17.0%	17.0%	**742**	21,131	69,282
Loans from local banks received in UAH	Fixed	18.0%	18.0%	**8,062**	14,358	53,982
Loans from local banks received in UAH	Fixed	19.0%	19.0%	**95**	300	200
Loans from local banks received in UAH	Fixed	20.0%	20.0%	**406**	805	612
Loans from local banks received in UAH	Fixed	21.0% - 24.0%	21.0% - 24.0%	**-**	21	1,111
Loans from local banks received in Euro	Fixed	7.0%	7.0%	**3,267**	2,009	-
Loans from local banks received in USD	Fixed	10.5%	10.5%	**11,347**	-	-
Other long-term borrowings received from non-resident non-financial institutions in USD	Fixed	14.0%	10.0%	-	2,151	-
Other long-term borrowings received from non-resident non-financial institutions in USD	Fixed	16.0%	0.5%	**-**	-	4,295
Other long-term borrowings received from a local non-financial institution in UAH	Fixed	16.0%	0.0%	**1,622**	-	1,299
Other long-term borrowings received from a local non-financial institution in UAH	Fixed	18.0%	0.0%	-	1,402	-
Bonds payable	Fixed	16.0%	8.0%	**30,951**		-
Bonds payable	Fixed	16.0%	16.0%	**-**	-	13,384
Bonds payable	Fixed	18.0%	17.0%	-	27,925	-
				242,512	238,127	154,165

(in thousands of Euros)	**Interest type**	**Effective interest rate**	**Nominal interest rate**	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Loans from local banks received in UAH	Fixed	15,0%	15,0%	-	232	-
Loans from local banks received in UAH	Fixed	15,5%	15,5%	**2,418**	-	-
Loans from local banks received in UAH	Fixed	16.0%	16.0%	**24,949**	25,032	1,580
Loans from local banks received in UAH	Fixed	17.0%	17.0%	**109**	3,177	10,950
Loans from local banks received in UAH	Fixed	18.0%	18.0%	**1,186**	2,159	8,532
Loans from local banks received in UAH	Fixed	19.0%	19.0%	**14**	45	32
Loans from local banks received in UAH	Fixed	20.0%	20.0%	**60**	121	97
Loans from local banks received in UAH	Fixed	21.0% - 24.0%	21.0% - 24.0%	**-**	3	176
Loans from local banks received in Euro	Fixed	7.0%	7.0%	**481**	302	-
Loans from local banks received in USD	Fixed	10.5%	10.5%	**1,669**	-	-
Other long-term borrowings received from non-resident non-financial institutions in USD	Fixed	14.0%	10.0%	-	323	-
Other long-term borrowings received from non-resident non-financial institutions in USD	Fixed	16.0%	0.5%	**-**	-	679
Other long-term borrowings received from a local non-financial institution in UAH	Fixed	16.0%	0.0%	**239**	-	205
Other long-term borrowings received from a local non-financial institution in UAH	Fixed	18.0%	0.0%	-	211	-
Bonds payable	Fixed	16.0%	8.0%	**4,553**	-	-
Bonds payable	Fixed	16.0%	16.0%	**-**	-	2,115
Bonds payable	Fixed	18.0%	17.0%	-	4,199	-
				35,678	35,804	24,366

Bank loans are secured by inventories, biological assets and property and equipment.

Repayment schedule

The repayment schedule for loans and borrowings is as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Less than one year	**168,612**	182,378	97,138
From one to five years	**73,900**	55,749	57,027
	242,512	238,127	154,165

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(unaudited)**	**30 June 2006** (pro-forma) **(unaudited)**
Less than one year	**24,806**	27,422	15,353
From one to five years	**10,872**	8,382	9,013
	35,678	35,804	24,366

Other liabilities and accounts payable

Other accounts payable are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
VAT payable	**1,267**	904	388
Accounts payable to government	**2,654**	1,710	1,531
Advances received from customers	**8,705**	1,852	1,049
Salaries payable	**6,326**	5,014	4,219
Social insurance	**1,835**	2,033	1,065
Settlements with land and fixed assets lessors	**12,921**	6,202	13,410
Provision for unused vacations	**3,201**	1,936	909
Deferred government subsidy	**516**	175	1,044
Income tax liability	**81**	46	17
Interest payable	**1,356**	1,150	194
Other	**9,607**	-	15,258
	48,469	21,022	39,084

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
VAT payable	**186**	136	61
Accounts payable to government	**390**	257	242
Advances received from customers	**1,281**	278	166
Salaries payable	**931**	754	667
Social insurance	**270**	306	168
Settlements with land and fixed assets lessors	**1,901**	933	2,119
Provision for unused vacations	**471**	291	144
Deferred government subsidy	**76**	26	165
Income tax payable	**12**	7	3
Interest payable	**199**	173	31
Other	**1,413**	-	2,411
	7,130	3,161	6,177

Revenues

Revenues for the six months ended 30 June are as follows:

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Sugar and related business:		
Sugar	**130,661**	82,125
Molasses	**7,950**	9,458
Pulp	**3,315**	2,414
Crops	**23,369**	19,712
Other sugar related business	**11,585**	12,741
Total sugar and related business	**176,880**	126,450
Cattle farming	**23,323**	9,620
Total	**200,203**	136,070

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Sugar and related business:		
Sugar	**19,464**	13,240
Molasses	**1,184**	1,525
Pulp	**494**	389
Crops	**3,481**	3,178
Other sugar related business	**1,726**	2,055
Total sugar and related business	**26,349**	20,387
Cattle farming	**3,474**	1,551
Total	**29,823**	21,938

More than 90% of revenue is generated from sales to customers in Ukraine.

Cost of revenues

Cost of revenues for the six months ended 30 June by product is as follows:

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Sugar and related business:		
Sugar	**117,003**	61,865
Molasses	**4,469**	4,780
Pulp	**2,929**	2,468
Crops	**16,567**	17,523
Other sugar related business	**7,837**	5,583
Total sugar and related business	**148,805**	92,219
Cattle farming	**20,354**	7,503
Total	**169,159**	99,722

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Sugar and related business:		
Sugar	**17,429**	9,974
Molasses	**666**	771
Pulp	**436**	398
Crops	**2,468**	2,825
Other sugar related business	**1,167**	899
Total sugar and related business	**22,166**	14,867
Cattle farming	**3,032**	1,210
Total	**25,198**	16,077

Other operating income

Other operating income for the six months ended 30 June is as follows:

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Government subsidies relating to VAT	**2,975**	1,356
Government subsidies relating to interest and financing costs	**255**	1,305
Government subsidies relating to agriculture	**5,804**	2,490
Changes in fair value of biological assets	**60,979**	24,540
Other	**3,158**	7,391
	73,171	37,082

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Government subsidies relating to VAT	**443**	219
Government subsidies relating to interest and financing costs	**38**	210
Government subsidies relating to agriculture	**865**	401
Changes in fair value of biological assets	**9,084**	3,956
Other	**471**	1,192
	10,901	5,978

General and administrative expense

General and administrative expense for the six months ended 30 June is as follows:

(in thousands of Ukrainian hryvnias)	**2007**	**2006**
	(historical)	(pro-forma)
	(unaudited)	**(unaudited)**
Salary and related charges	**11,024**	7,194
Depreciation	**2,546**	1,780
Professional services	**1,334**	2,233
Materials	**1,332**	1,325
Transportation	**1,199**	1,213
Communication	**744**	558
Maintenance	**846**	298
Other	**2,378**	1,941
	21,403	16,542

(in thousands of Euros)	**2007**	**2006**
	(historical)	(pro-forma)
	(unaudited)	**(unaudited)**
Salary and related charges	**1,642**	1,160
Depreciation	**379**	287
Professional services	**199**	360
Materials	**198**	214
Transportation	**179**	196
Communication	**111**	90
Maintenance	**126**	48
Other	**354**	312
	3,188	2,667

Other general and administrative expense mainly includes rental fees, canteen costs and other miscellaneous expenses.

Selling and distribution expense

Selling and distribution expense for the six months ended 30 June is as follows:

(in thousands of Ukrainian hryvnias)	**2007**	**2006**
	(historical)	(pro-forma)
	(unaudited)	**(unaudited)**
Transportation	**2,911**	2,140
Impairment provision on trade and other accounts receivable	**1,035**	836
Salary and related charges	**1,891**	913
Advertising	**98**	131
Commissions	**871**	623
Professional services	**328**	80
Other	**1,643**	1,520
	8,777	6,243

(in thousands of Euros)	**2007**	**2006**
	(historical)	(pro-forma)
	(unaudited)	**(unaudited)**
Transportation	**434**	345
Impairment provision on trade and other accounts receivable	**154**	135
Salary and related charges	**282**	147
Advertising	**15**	21
Commissions	**130**	100
Professional services	**49**	13
Other	**245**	246
	1,309	1,007

Other operating expense

Other operating expense for the six months ended 30 June is as follows:

(in thousands of Ukrainian hryvnias)	**2007**	**2006**
	(historical)	(pro-forma)
	(unaudited)	**(unaudited)**
Assets written off	**672**	2,066
Charity and social expenses	**2,033**	718
Other	**1,305**	3,069
	4,010	5,853

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Assets written off	**101**	333
Charity and social expenses	**303**	116
Other	**194**	495
	598	944

Net financial expense

Net financial expense for the six months ended 30 June is as follows:

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Interest expense	**19,037**	10,483
Remeasument of loans and notes at fair value	**7,059**	8
Foreign currency exchange expenses	**129**	26
Interest income	**(390)**	(136)
Other financial expense	**449**	325
	26,284	10,706

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Interest expense	**2,836**	1,690
Remeasument of loans and notes at fair value	**1,052**	1
Foreign currency exchange expenses	**19**	4
Interest income	**(58)**	(22)
Other financial expense	**66**	53
	3,915	1,726

Income tax expense

Certain companies in the Group are subject to income taxes. The components of income tax benefit for these companies for the six months ended 30 June are as follows:

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Current	**(524)**	(109)
Deferred	**(205)**	(7,028)
	(729)	(7,137)

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Current	**(78)**	(18)
Deferred	**(31)**	(1,133)
	(109)	(1,151)

The corporate income tax rate is 25% in 2007 and 2006.

The difference between the total expected income tax expense computed by applying the statutory income tax rate to profit before tax and the reported tax expense is as follows:

(in thousands of Ukrainian hryvnias)	**Companies subject to income tax**	**Companies not subject to income tax**	**Total**
	(historical)	(historical)	(historical)
	(unaudited)	**(unaudited)**	**(unaudited)**
Six months ended 30 June 2007			
Profit (loss) before tax	**(36,696)**	**80,690**	**43,994**
Income tax benefit at statutory rate	**(9,174)**	**-**	**(9,174)**
Non deductible items	**9,903**	**-**	**9,903**
Income tax expense	**729**	**-**	**729**
Six months ended 30 June 2006	(pro-forma)	(pro-forma)	(pro-forma)
	(unaudited)	**(unaudited)**	**(unaudited)**
Profit before tax	3,930	26,777	30,707
Income tax expense at statutory rate	983	-	983
Non deductible items	6,154	-	6,154
Income tax expense	7,137	-	7,137

(in thousands of Euros)	**Companies subject to income tax**	**Companies not subject to income tax**	**Total**
	(historical)	(historical)	(historical)
	(unaudited)	**(unaudited)**	**(unaudited)**
Six months ended 30 June 2007			
Profit (loss) before tax	**(5,466)**	**12,020**	**6,554**
Income tax benefit at statutory rate	**(1,367)**	**-**	**(1,367)**
Non deductible items	**1,476**	**-**	**1,476**
Income tax expense	**109**	**-**	**109**
Six months ended 30 June 2006	(pro-forma)	(pro-forma)	(pro-forma)
	(unaudited)	**(unaudited)**	**(unaudited)**
Profit before tax	634	4,312	4,946
Income tax expense at statutory rate	158	-	158
Non deductible items	993	-	993
Income tax expense	1,151	-	1,151

Movements in temporary differences during the six months periods ended 30 June are as follows:

(in thousands of Ukrainian hryvnias)	**1 January 2007**	**Recognized in income statement**	**30 June 2007**
	(historical)	(historical)	(historical)
	(audited)	**(unaudited)**	**(unaudited)**
Property, plant and equipment	**(4,348)**	**(2,566)**	**(6,914)**
Investments	**1,081**	**(1,083)**	**(2)**
Inventories	**(10,437)**	**5,236**	**(5,201)**
Trade accounts receivable	**804**	**(861)**	**(57)**
Other accounts receivable and prepayments	**(185)**	**(1,179)**	**(1,364)**
Long-term loans and other borrowings	**208**	**577**	**785**
Trade accounts payable	**14**	**212**	**226**
Other liabilities and accounts payable	**7,982**	**(541)**	**7,441**
Net deferred tax liability	**(4,881)**	**(205)**	**(5,086)**

(in thousands of Euros)	**1 January 2007**	**Recognized in income statement**	**Currency translation difference**	**30 June 2007**
	(historical)	(historical)	(historical)	(historical)
	(audited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
Property, plant and equipment	**(653)**	**(382)**	**18**	**(1,017)**
Investments	**163**	**(161)**	**(2)**	**-**
Inventories	**(1,569)**	**780**	**24**	**(765)**
Trade accounts receivable	**121**	**(128)**	**(1)**	**(8)**
Other accounts receivable and prepayments	**(28)**	**(176)**	**3**	**(201)**
Long-term loans and other borrowings	**31**	**86**	**(2)**	**115**
Trade accounts payable	**2**	**32**	**(1)**	**33**
Other liabilities and accounts payable	**1,199**	**(81)**	**(23)**	**1,095**
Net deferred tax liability	**(734)**	**(30)**	**16**	**(748)**

(in thousands of Ukrainian hryvnias)	**1 January 2006** (pro-forma) **(audited)**	**Recognized in income statement** (pro-forma) **(unaudited)**	**30 June 2006** (pro-forma) **(unaudited)**
Property, plant and equipment	(8,768)	(428)	(9,196)
Inventories	2,606	1,333	3,939
Trade accounts receivable	66	(6,774)	(6,708)
Other accounts receivable and prepayments	(168)	199	31
Long-term loans and other borrowings	(1,394)	1,288	(106)
Trade accounts payable	486	(422)	64
Other liabilities and accounts payable	265	(2,224)	(2,003)
Net deferred tax liability	(6,907)	(7,028)	(13,979)

(in thousands of Euros)	**1 January 2006** (pro-forma) **(audited)**	**Recognized in income statement** (pro-forma) **(unaudited)**	**Currency translation difference** (pro-forma) **(unaudited)**	**30 June 2006** (pro-forma) **(unaudited)**
Property, plant and equipment	(1,468)	(69)	84	(1,453)
Inventories	436	215	(28)	623
Trade accounts receivable	11	(1,092)	21	(1,060)
Other accounts receivable and prepayments	(28)	32	1	5
Long-term loans and other borrowings	(233)	208	8	(17)
Trade accounts payable	81	(68)	(3)	10
Other liabilities and accounts payable	44	(359)	(2)	(317)
Net deferred tax liability	(1,157)	(1,133)	81	(2,209)

Financial instruments

(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 the Group's exposure to each of these risks, 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 analyse 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. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Trade and other receivables

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. Approximately 22 percent of the revenue is attributable to sales transactions with a single customer.

Management has established a credit policy under which each new customer is analysed 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. Purchase limits are established for each customer, which represents the maximum open amount without requiring additional approval from management. These limits are reviewed quarterly. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

More than 60 percent of customers have been transacting with the Group for over three years, and losses have occurred infrequently. 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.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables. The Group establishes an allowance for impairment 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 allowance 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 30 June 2007 no guarantees were outstanding (30 June 2006: none).

(c) 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.

(d) 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 optimising the return on risk. The Group incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set by management.

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, primarily the Ukrainian hryvnia. The currencies in which these transactions primarily are denominated are U.S. dollars and the Euro. Management does not hedge exposure to foreign currency risk.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

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). To minimize risks associated with interest rates, management obtains loans primarily at fixed rates. As at 30 June 2007 and 2006 such loans account for 100% of total borrowings and therefore changes in market interest rates would not have had an impact on the net profit. The fixed rate levels are determined based on the market environment at the time of borrowing.

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.

Equity investments are not listed on a stock exchange, therefore, their sensitivity analysis is not reasonably possible at the reporting date.

(d) Fair values

Estimated fair values of the financial assets and liabilities have been determined using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to produce the estimated fair values. Accordingly, the estimates are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair values.

The estimated fair values of financial assets and liabilities are determined using discounted cash flow and other appropriate valuation methodologies, at year-end, and are not indicative of the fair value of those instruments at the date these consolidated financial statements are prepared or distributed. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Group's entire holdings of a particular financial instrument. Fair value estimates are based on judgments regarding future expected cash flows, current economic conditions, risk characteristics of various financial instruments and other factors.

Fair value estimates are based on existing financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities not considered financial instruments. In addition, tax ramifications related to the realization of the unrealized gains and losses can have an effect on fair value estimates and have not been considered.

For all financial assets and liabilities, the carrying value is estimated to approximate the fair value as at 30 June 2007 and 2006.

Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure. The maximum credit exposure to credit risk is as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007**	**31 December 2006**	**30 June 2006**
	(historical)	(historical)	(pro-forma)
	(unaudited)	**(audited)**	**(unaudited)**
Bonds receivable from related party	**3,451**	4,954	-
Investments held-to-maturity	**700**	674	-
Investments	**172**	400	1,330
Trade accounts receivable	**101,875**	120,527	86,690
Other accounts receivable and prepayments	**66,874**	55,086	14,764
Promissory notes available-for-sale	**3,127**	1,589	5,894
Cash and cash equivalents	**5,321**	19,894	3,740
	181,520	203,124	112,418

(in thousands of Euros)	**30 June 2007**	**31 December 2006**	**30 June 2006**
	(historical)	(historical)	(pro-forma)
	(unaudited)	**(audited)**	**(unaudited)**
Bonds receivable from related party	**508**	744	-
Investments held-to-maturity	**103**	101	-
Investments	**25**	60	210
Trade accounts receivable	**14,988**	18,122	13,701
Other accounts receivable and prepayments	**9,839**	8,283	2,333
Promissory notes available-for-sale	**460**	239	932
Cash and cash equivalents	**783**	2,991	591
	26,706	30,540	17,767

Impairment losses

The movement in the allowance for the impairment in respect of trade and other receivables during the six months ended 30 June is as follows:

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Balance at 1 January	**7,355**	9,020
Charge in the income statement	**1,035**	836
Balance at 30 June	**8,390**	9,856

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Balance at 1 January	**1,106**	1,510
Charge in the income statement	**154**	135
Currency translation difference	**(26)**	(87)
Balance at 30 June	**1,234**	1,558

Liquidity risk

The contractual maturities of non-derivative financial liabilities including interest payments and excluding the impact of netting agreements are as follows:

30 June 2007 (unaudited, historical) *(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	**209,939**	**209,939**	**168,612**	**3,254**	**38,073**
Borrowings from related parties	**1,622**	**2,000**	**-**	**1,622**	**-**
Bonds payable	**30,951**	**33,616**	**-**	**30,951**	**-**
Trade and other accounts payable	**134,804**	**134,804**	**134,804**	**-**	**-**
	377,316	**380,359**	**303,416**	**35,827**	**38,073**

30 June 2007 (unaudited, historical) *(in thousands of Euros)*	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**More than two years**
Bank loans	**30,886**	**30,886**	**24,806**	**479**	**5,601**
Borrowings from related parties	**239**	**294**	**-**	**239**	**-**
Bonds payable	**4,553**	**4,945**	**-**	**4,553**	**-**
Trade and other accounts payable	**19,831**	**19,831**	**19,831**	**-**	**-**
	55,509	**55,956**	**44,637**	**5,271**	**5,601**

31 December 2006 (audited, historical) *(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	206,649	206,649	184,309	3,403	18,937
Borrowings from related parties	3,553	4,151	-	3,553	-
Bonds payable	27,925	27,925	-	-	27,925
Trade and other accounts payable	118,000	118,000	118,000	-	-
Promissory notes issued	2,984	3,217	2,984	-	-
	359,111	359,942	305,293	6,956	46,862

31 December 2006 (audited, historical) *(in thousands of Euros)*	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**More than two years**
Bank loans	31,071	31,071	27,712	512	2,847
Borrowings from related parties	534	624	-	534	-
Bonds payable	4,199	4,199	-	-	4,199
Trade and other accounts payable	17,742	17,742	17,742	-	-
Promissory notes issued	449	484	449	-	-
	53,995	54,120	45,903	1,046	7,046

30 June 2006 (unaudited, pro-forma) *(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	135,187	135,187	97,138	3,403	34,646
Borrowings from related parties	5,594	6,295	4,295	1,299	-
Bonds payable	13,384	13,384	-	-	13,384
Trade and other accounts payable	71,929	71,929	71,929	-	-
Promissory notes issued	12,177	12,177	12,177		
	238,271	238,972	185,539	4,702	48,030

30 June 2006 (unaudited, pro-forma) *(in thousands of Euros)*	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**From one to two years**	**More than two years**
Bank loans	21,366	21,366	15,353	538	5,475
Borrowings from related parties	884	995	679	205	-
Bonds payable	2,115	2,115	-	-	2,115
Trade and other accounts payable	11,368	11,368	11,368	-	-
Promissory notes issued	1,925	1,925	1,925		
	37,658	37,769	29,325	743	7,590

Currency risk

The exposure to foreign currency risk is as follows:

	30 June 2007 (historical) **(unaudited)**		**31 December 2006** (historical) **(audited)**		**30 June 2006** (pro-forma) **(unaudited)**	
(in thousands of Ukrainian hryvnias)	**EUR**	**USD**	**EUR**	**USD**	**EUR**	**USD**
Trade accounts receivable	**-**	**3,279**	-	-	-	1,412
Other accounts receivable and prepayments	**6,562**	**487**	82	-	-	1,498
Cash and cash equivalents	**2,082**	**-**	11,256	-	-	-
Bank loans	**(3,267)**	**(11,347)**	(2,009)	-	-	-
Other long-term borrowings received from non-resident non-financial institutions	**-**	**-**	-	(2,151)	-	(4,295)
Other liabilities and accounts payable	**(1,346)**	**(8,494)**	(3,461)	(948)	-	-
Net exposure	**4,031**	**(16,075)**	5,868	(3,099)	-	(1,385)

	30 June 2007 (historical) **(unaudited)**		**31 December 2006** (historical) **(audited)**		**30 June 2006** (pro-forma) **(unaudited)**	
(in thousands of Euros)	**EUR**	**USD**	**EUR**	**USD**	**EUR**	**USD**
Trade accounts receivable	**-**	**482**	12		-	223
Other accounts receivable and prepayments	**965**	**72**	1,692	-	-	237
Cash and cash equivalents	**306**	**-**	(302)	-	-	-
Bank loans	**(481)**	**(1,669)**	-	(323)	-	-
Other long-term borrowings received from non-resident non-financial institutions	**-**	**-**	-	-	-	(679)
Other liabilities and accounts payable	**(198)**	**(1,250)**	(520)	(142)	-	-
Net exposure	**592**	**(2,365)**	882	(465)	-	(219)

A 10 percent strengthening of the Ukrainian hryvnia against the following currencies at 30 June would have increased (decreased) profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in thousands of Ukrainian hryvnias	**30 June 2007**	**31 December 2006**	**30 June 2006**
	(historical)	(historical)	(pro-forma)
	(unaudited)	**(unaudited)**	**(unaudited)**
EUR	**(403)**	(587)	-
USD	**1,607**	310	139

Effect in thousands of Euro	**30 June 2007**	**31 December 2006**	**30 June 2006**
	(historical)	(historical)	(pro-forma)
	(unaudited)	**(unaudited)**	**(unaudited)**
EUR	**(59)**	(88)	-
USD	**236**	47	22

A 10 percent weakening of the Ukrainian hryvnia against the above currencies at 30 June 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.

Commitments

(a) Social commitments

The Group makes contributions to mandatory and voluntary social programs. The Group's social assets, as well as local social programs, benefit the community at large and are not normally restricted to employees. The Group transferred certain social operations and assets to local authorities; however, management expects that the Group will continue to fund these social programs through the foreseeable future. These costs are recorded in the year they are incurred.

(b) Operating leases

The Group leases a number of warehouse and factory facilities under operating leases. 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 are usually increased annually to reflect market rentals.

The Group leases plough-land and acres of industrial land under non-cancellable lease agreements in its normal course of business.

Non-agricultural activities are located on plots of industrial land, totalling 5,883 hectares as at 30 June 2007 (2006: 4,541 hectares). Sugar plants, other plants (LLC "Shyshaki combined forage factory", Globino canning factory "Globus"), administrative buildings and other non-agricultural buildings and facilities are located on industrial land. Plough-land is leased from local authorities, individuals and legal entities. The total size of leased plough-land as at 30 June 2007 is 104,764 hectares (2006: 73,461 hectares).

The maturity dates for lease agreements concluded with local authorities and individuals as at 30 June 2007 range from 2008 to 2015.

Future minimum lease payments under non-cancellable operating leases are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Industrial land			
Less than one year	**699**	1,046	85
From one to five years	**2,065**	2,722	272
More than five years	**24**	-	40
	2,788	3,768	397
Plough-land			
Less than one year	**14,639**	12,028	11,062
From one to five years	**29,792**	31,301	27,679
More than five years	**34,205**	4,309	5,220
	78,636	47,638	43,961
	81,424	51,406	44,358

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Industrial land			
Less than one year	**103**	157	13
From one to five years	**304**	409	43
More than five years	**4**	-	6
	411	566	62
Plough-land			
Less than one year	**2,154**	1,809	1,748
From one to five years	**4,383**	4,706	4,375
More than five years	**5,032**	648	825
	11,569	7,163	6,948
	11,980	7,729	7,010

Contingencies

(a) Insurance

The insurance industry in Ukraine is in a developing state and many forms of insurance, for example, environmental risk insurance, are not yet generally available. The Group has obtained insurance over its plant facilities. However, it does not have full coverage for certain financial risks such as business interruption, damage of third party property or environmental damage. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on operations and financial position.

(b) Litigation

The Group is involved in various legal proceedings in the ordinary course of business. Management does not believe the result of any such actions will have a material effect on the financial condition or results of operations.

(c) Taxation contingencies

The Group performs most of its operations in Ukraine and therefore within the jurisdiction of the Ukrainian tax authorities. The Ukrainian tax system can be characterized by numerous taxes and frequently changing legislation which may be applied retroactively, open to wide interpretation and in some cases are conflicting. Instances of inconsistent opinions between local, regional, and national tax authorities and the Ministry of Finance are not unusual. Tax declarations are subject to review and investigation by a number of authorities that are enacted by law to impose severe fines and penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. These facts create tax risks substantially more significant than typically found in countries with more developed systems.

Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation, official pronouncements and court decisions. Currently, there are no significant disputes with any tax authority. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant. No provisions for potential tax assessments have been made in these consolidated financial statements.

Related party transactions

The Group performs transactions with related parties in the ordinary course of business. Related parties comprise the Group parent's associates, the shareholders, companies are under common control of the Group's controlling owners, key management personnel of the Group 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 some related party transactions may differ from market terms.

Balances and transactions with related parties, substantially all of which are with companies under common control of the shareholders, as at 30 June and for the six months then ended are shown at their carrying value and are as follows:

(a) Revenues

Sales of goods and services to related parties for the six months ended 30 June are as follows:

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Revenues	**7,264**	5,147

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Revenues	**1,082**	814

(b) Purchases

Purchases of goods and services from related parties for the six months ended 30 June are as follows:

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Purchases	**4,849**	1,316

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Purchases	**722**	208

(c) Receivables

Receivables from related parties are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Trade accounts receivable	**8,270**	8,742	3,312
Long-term receivables	**3,451**	4,951	-
Advances made	**1,673**	-	548
Other receivables	**5,470**	-	9
	18,864	13,693	3,869

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Trade accounts receivable	**1,217**	1,314	534
Long-term receivables	**508**	744	-
Advances made	**246**	-	88
Other receivables	**805**	-	1
	2,776	2,058	623

Long-term receivables from related parties represent bonds receivable bearing annual interest at 18% and redeemable on 21 June 2009.

(d) Payables

Payables from related parties are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**
Trade accounts payable	**20,719**	8,133	592
Advances received	**4,173**	1	-
Other payables	**3,670**	3,842	-
	28,562	11,976	592

(in thousands of Euros)	**30 June 2007** (historical) **(unaudited)**	**31 December 2006** (historical) **(audited)**	**30 June 2006** (pro-forma) **(unaudited)**

Trade accounts payable	**3,048**	1,223	95
Advances received	**614**	-	-
Other payables	**540**	578	-
	4,202	1,801	95

(f) Loans and borrowings

Loans and borrowings from related parties are as follows:

(in thousands of Ukrainian hryvnias)	**30 June 2007**	**31 December 2006**	**30 June 2006**
	(historical)	(historical)	(pro-forma)
	(unaudited)	**(audited)**	**(unaudited)**
Non-resident	**-**	2,151	5,594
Local	**1,622**	1,402	-
	1,622	3,553	5,594

(in thousands of Euros)	**30 June 2007**	**31 December 2006**	**30 June 2006**
	(historical)	(historical)	(pro-forma)
	(unaudited)	**(audited)**	**(unaudited)**
Non-resident	**-**	323	902
Local	**239**	211	-
	239	534	902

Borrowings from related parties outstanding as at 30 June 2007 are UAH denominated, interest free and fall due on 31 December 2008. Borrowings amounting to UAH 1,299 thousand as at 30 June 2006 are UAH denominated, interest free and fall due on 31 December 2008 the remaining liability is USD denominated bearing 0.5% interest and falling due on 30 June 2007.

(g) Management remuneration

Remuneration of key management for the reporting period is shown below. Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group.

(in thousands of Ukrainian hryvnias)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Salary and short term benefits	**637**	495

(in thousands of Euros)	**2007** (historical) **(unaudited)**	**2006** (pro-forma) **(unaudited)**
Salary and short term benefits	**100**	78

Events subsequent to the balance sheet date

Increase of credit limit

In July 2007, Raiffeisen Bank Aval increased the credit line limit for Astarta-Kyiv from 240 million (EUR 36.3 million) to UAH 300 million (EUR 44.1 million). The credit line limit was increased to the financing of investments in sugar production and agriculture.

Acquisition of new agricultural companies

On 17 July 2007 the Group acquired 60.05% of share capital of Agricultural OJSC “Zhdanivske” (Vinnitsa region).

On 23 July 2007 the Group increased its share in OJSC “Agrocomplex” (Poltava region) from 76.96% to 79.07%.

On 31 August 2007 the Group acquired 97.98% of the share capital of LLC Agricultural company “LAN-2007” (Poltava region).

On 11 September 2007 the Group acquired 99.98% of the share capital of LLC Agricultural company “Ukraina-Porik” (Vinnitsa region).

As a result, at the date of these condensed consolidated interim financial statements the ownership by ASTARTA Holding N.V. is as following:

Name	Activity	14 September 2007 % of ownership	31 December 2006 % of ownership
Subsidiaries:			
Ancor Investments Ltd	Investment activities	100.00%	100.00%
Astarta-Kyiv	Asset management	99.98%	99.98%
LLC “Agropromtsukor”	Sugar production	99.98%	99.98%
LLC “APO “Tsukrovyk Poltavshchyny"	Sugar production	95.08%	95.08%
LLC “Torgovy dim”	Trade	97.55%	97.55%
LLC "Agricultural company “Zolota Gora”	Agricultural	97.98%	97.98%
LLC "Agricultural company “Dovzhenko"	Agricultural	96.98%	96.98%
LLC "Agricultural company “Gogolevo"	Agricultural	96.98%	96.98%
LLC "Shyshaki combined forage factory”	Production, services	82.71%	82.71%
LLC "Agricultural company “Shyshatska"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Stepove"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Fydrivske"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Troyitska"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Mriya"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Pustoviytove"	Agricultural	99.78%	99.78%
LLC "Agricultural company “Shevchenko"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Grynky"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Ordanivka”	Agricultural	97.98%	97.98%
SC "Agricultural company “Sofiivka"	Agricultural	99.98%	99.98%
LLC "Agricultural company “Kozatsky stan"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Dobrobut"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Musievske"	Agricultural	74.99%	74.99%
LLC "Agricultural company “Zorya"	Agricultural	74.99%	74.99%
LLC "Agricultural company “Nadiya"	Agricultural	74.99%	74.99%
LLC "Agricultural company “Viytovetske"	Agricultural	99.98%	99.98%
LLC "Agricultural company “named after Bohdan Khmelnitskiy"	Agricultural	74.99%	74.99%
Globino canning factory "Globus"	Canning production, trade	99.98%	99.98%
SC “Agricultural company “Semenivska”	Agricultural	99.98%	99.98%
LLC “Agricultural company “named after Shevchenko” (Gadiach region)	Agricultural	79.98%	79.98%
LLC “Dobrobut” (Novo-Sanzharskiy region)	Agricultural	97.98%	97.98%
LLC “Zoria” (Novo-Sanzharskiy region)	Agricultural	97.98%	90.11%
LLC “Baliasne”	Agricultural	97.98%	97.98%
LLC “Agro-Maiak”	Agricultural	79.98%	79.98%
OJSC “Agrocomplex”	Agricultural	79.07%	-
LLC "Agricultural company “Stozhary"	Agricultural	63.99%	25.40%
OJSC “Zhdanivske”	Agricultural	60.05%	-
LLC Agricultural company “LAN-2007”	Agricultural	97.98%	-
LLC Agricultural company “Ukraina-Porik”	Agricultural	99.98%	-
Associate:			
LLC "Agricultural company “Pokrovska"	Agricultural	49.99%	49.99%

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk	____signed_______
P. Rybin	____signed _______
M.M.L.J. van Campen	____signed _______
V. Korotkov	____signed _______
W.T. Bartoszewski	____signed _______

14 September 2007
Amsterdam, The Netherlands

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Independent Accountants' Report on Review of Interim Financial Information

To the Board of Directors of
Astarta Holding N.V. (the Netherlands)

Introduction

We have reviewed the accompanying consolidated balance sheet of Astarta Holding N.V. and its subsidiaries (the Group) as at 30 June 2007 and the related consolidated statements of income, changes in equity and cash flows for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the Group as at 30 June 2007, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards.

CJSC KPMG Audit

CJSC KPMG Audit
14 September 2007