

# **Semiannual Report** of the **Board of Directors**

**for the six months  
ended June 30, 2013**



## *Overview of the Reporting Period*

During the first half of 2013, key markets for ASTARTA's main products evolved in opposite trends. For sugar, the year started with the lowest domestic price in four years following plentiful sugar production in Ukraine during two consecutive seasons. Recovery went off in May, fueled by reports of record low sugar beet plantings in the country and an inevitable drop in white sugar production. Plenty of small and few bigger sugar producers are leaving the market, being not able to sustain tough competition and implement long-term efficiency improvements. This creates an opportunity for market consolidation, and ASTARTA obviously would be one of the integrators. The recently reported process of acquisition of Orzhytsa sugar plant is clearly a part of this strategy.

Similarly, the dairy market in Ukraine is pricing in a deficit of high quality raw milk resulting from a decades-long decline in production. Growing output of processed sour milk products and cheese in 2013 heated up competition for raw milk and resulted in a 25% year-over-year growth in milk price. ASTARTA is well-positioned to develop this segment, having its dairy farms closely integrated into synergetic business-units with feed supply, coming both as forage from fields and beet pulp from sugar plants.

At the same time, grain markets were mainly declining on optimistic expectations for the new harvest in the US and other crop producing regions. Still, crop prices in the reporting period secured good profitability for ASTARTA's agriculture segment. Despite the current correction in crop markets we remain positive about the long-term fundamental prospects of the agricultural business in Ukraine based on its strong competitive advantages.

Against this market background, ASTARTA accelerated sales of its key products to domestic and foreign customers and secured growth in revenues by 15% to 164 million EUR and EBITDA by 7% to 77 million EUR. In volumes terms, sugar sales grew 31%, milk by 8%.

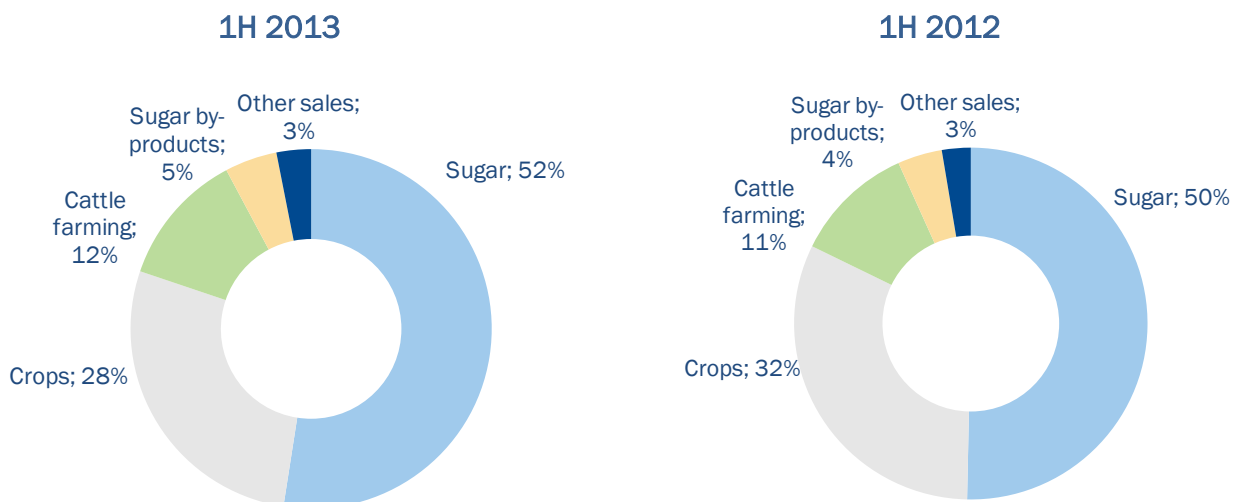
On the operational side, ASTARTA's growing efficiency in the agriculture segment translated into strong harvesting campaign results, with yields of wheat outpacing national averages by c. 40%. As conditions of technical crops are estimated as good, ASTARTA's total grains and oilseeds harvest this year is expected to be around 900 thousand tonnes or 50% higher year-over-year. Due to incremental increase in milk yields and population of cows in ASTARTA farms, our milk production target for the whole year is set at 90 thousand tonnes (+7% y-o-y). In a few weeks time a new sugar production campaign will start. Sugar beet condition in our fields is regarded as good and we are now focusing on proper preparation of plants.

A lot of effort is being made for the timely industrial commissioning of two new facilities: a biogas production plant and soybean processing mill. Construction and fitting on the sites is being performed according to a plan, and both plants shall be launched in autumn. When fully operational, these facilities will strongly contribute to business diversification and increased energy efficiency.

## Key Financial Highlights

Revenues grew by 15% to 164 million EUR. On the back of record high sugar sales, the share of this segment grew 3%. The contribution of the agriculture segment corrected 4% due to lower sales volumes. Part of the cattle farming segment expanded by 1%, driven by favorable market developments and increased volumes of sales. Exports contributed 23% of total revenues.

### Revenues composition



### Selected financial data

(in thousands of EUR)	1H 2013	1H 2012
Revenues	164 213	142 562
Gross profit	20 892	34 953
Gross profit margin	13%	25%
EBIT	63 709	59 407
EBIT margin	39%	42%
EBITDA	76 585	71 359
EBITDA margin	47%	50%
Net profit	52 327	52 896
Net profit margin	32%	37%
Cash flows provided by operating activities	43 110	37 194
Cash flows used in investing activities	-15 560	-7 044
Cash flows provided by financing activities	-30 153	-24 860

### Selected financial ratios

	1 H2013	1 H 2012
EBITDA (LTM)	89 025	115 009
NET DEBT	228 133	189 373
ADJUSTED NET DEBT	168 207	136 851
NET DEBT/EBITDA (LTM)	2.56	1.65
NET DEBT/SALES (LTM)	0.61	0.47
TOTAL DEBT RATIO	0.43	0.42
DEBT/EQUITY	0.59	0.54
CURRENT RATIO	3.11	2.85
QUICK RATIO	0.54	0.50

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

### Agriculture Segment

Despite reduced volumes of sales in the segment (-17% y-o-y) driven by lower inventories at the beginning of this year, revenues were supported by a favorable pricing environment and remained the same at 45.7 million EUR. Almost 50% of grains were exported.

Traditionally in the first half of the year ASTARTA farms concentrate on the planting campaign and preparation for harvesting. In July ASTARTA starts its harvesting campaign with reaping of early grains, and right after proceeds with other crops. Recently ASTARTA finished harvesting early grains, almost 85 % of which was winter wheat. Average yield of winter wheat reached 4.8 tonnes per ha, that is 26% higher year-over-year and 40% higher than the Ukrainian average. The best results are obtained by ASTARTA in the Poltava region. Yields of wheat at 6 tonnes per ha and barley at 4 tonnes per ha were achieved by some of the Group's big farms.

Striving to apply a forward looking approach to production, ASTARTA employs advanced agri-technologies. Aiming at better yields, the Group started to introduce liquid fertilizers and key elements of a "precision farming" procedures based on advanced GPS technologies. High quality seeds are produced in two own seed plants. Altogether during the last five years ASTARTA invested over 100 million EUR in development of its agricultural segment. These investments pay back with higher yields, improved product quality and ultimately better margins. Driven by growing efficiency in farming and taking into account reasonably good weather conditions, the target for ASTARTA's crop harvest in 2013 is set at 900 thousand tonnes (+50% y-o-y).

Overall in Ukraine the harvest of early grains is nearly completed and output increased 21% y-o-y. Experts forecast a record total grain harvest of 56-59 million tonnes. Such level of harvest implies significant export potential which is estimated by the USDA at 30 million tonnes which is an all-time-record since the independence of Ukraine. According to the last USDA report, in 2013/14 marketing year such a volume of exports will position Ukraine second among top world exporters.

## ***Sugar Segment***

The Ukrainian sugar price recovered c.22% from the beginning of 2013 driven by reports of decreased plantings of sugar beet and in anticipation of sugar underproduction in Ukraine. Additionally, the Government announced an increase of minimum intervention sugar prices by 15% y-o-y to 5613 UAH per tonne in the 2013/14 marketing year.

Volumes of sugar sales of ASTARTA increased 31%, providing for growth in the segment by 21% to 94 million EUR (despite an 11% sugar price correction). It is worth mentioning that ASTARTA increased sugar sales volumes by 47% during the second quarter, when the price started to recover. In the reporting period, ASTARTA accelerated sugar exports, which grew 20% y-o-y and contributed 11% to the segment's revenues.

Due to low sugar prices and decreased profitability many local sugar producers announced their intention to leave the sugar business, leading to further consolidation of the sugar market. According to data from the Ukrainian association of sugar producers, in 2013/2014 production season only 42 sugar plants will operate, compared to 63 last year and 77 in 2011.

Apart from the decline in sugar beet plantations, as of the beginning of August, sugar content in beet nationwide is lower than at the same time last year. Therefore, currently there are good reasons to expect a further drop in sugar production in autumn to stimulate subsequent recovery of Ukrainian sugar price in the next marketing year.

## ***Dairy Segment***

For the reporting period, ASTARTA increased production of milk by 8% to 44 thousand tonnes. The rise in production was supported by an increase in cow livestock headcount combined with growth of milk yields. Average selling price of milk grew 25% and revenues in the segment increased by 25%.

According to official statistics, during the first six months of 2013 milk production in Ukraine showed marginal growth of 0.6% mainly due to a reported increase in the first quarter. In the same period cow livestock headcount in Ukraine reportedly decreased by a further 1%.

Recently, for the first time in 20 years, the share of milk from dairy farms reached 51% of total volume of milk supplied to processing companies. Production of sour milk products in Ukraine increased by 11% and cheese production grew by 7%. Higher output requires an increase of intake of raw milk. Milk processing companies demand high quality milk from modernized dairy farms and are ready to pay a good premium over the market average.

## **Statement of the Board of Directors**

### **REPRESENTATION**

*of the Board of Directors of ASTARTA Holding N.V. on compliance of the condensed consolidated interim financial statements*

The Board of Directors of ASTARTA Holding N.V. hereby represents that to the best of their knowledge the condensed consolidated interim financial statements of ASTARTA Holding N.V. for the period ended 30 June 2013 and the comparable information are prepared in accordance with the applicable accounting standards and that they give a true, fair and clear view of the assets, financial standing and financial results of ASTARTA Holding N.V., and that the interim statement for the six months ended 30 June 2013 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 August 2013,  
Amsterdam, The Netherlands*

### **Caution note regarding forward-looking statements**

Certain statements contained in this interim statement may constitute forecasts and estimates. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ from the anticipated results expressed or implied by these forward-looking statements.

**ASTARTA HOLDING N.V.**

**CONDENCED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2013**

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	2,546,643	2,352,330	2,212,132
Intangible assets	7	58,064	63,977	74,432
Biological assets	8	249,550	261,051	223,581
Financial instruments available-for-sale		15,066	15,066	16,216
Long-term receivables		1,088	691	18,376
Other long-term assets		13,726	36,936	3,508
Long-term cash deposits		-	138,937	147,142
Deferred tax assets		101	101	264
		<b>2,884,238</b>	<b>2,869,089</b>	<b>2,695,651</b>
<b>Current assets</b>				
Inventories	9	1,073,065	2,486,338	940,171
Biological assets	8	2,647,503	774,225	2,155,004
Trade accounts receivable	10	336,260	395,523	268,103
Other accounts receivable and prepayments	11	345,245	303,413	273,892
Current income tax		980	420	-
Promissory notes available-for-sale		-	-	4
Short-term cash deposits		44,212	46,212	27,000
Cash and cash equivalents	12	53,941	81,220	96,283
		<b>4,501,206</b>	<b>4,087,351</b>	<b>3,760,457</b>
<b>Total assets</b>		<b>7,385,444</b>	<b>6,956,440</b>	<b>6,456,108</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	13	1,663	1,663	1,663
Additional paid-in capital		369,798	369,798	369,798
Retained earnings		3,501,135	2,919,776	2,985,755
Revaluation surplus		365,650	380,558	393,364
Treasury shares		(751)	-	-
Currency translation reserve		1,390	697	(889)
<b>Total equity attributable to equity holders of the parent company</b>		<b>4,238,885</b>	<b>3,672,492</b>	<b>3,749,691</b>
Non-controlling interests in joint stock companies		3,166	2,742	3,074
<b>Total equity</b>		<b>4,242,051</b>	<b>3,675,234</b>	<b>3,752,765</b>
<b>Non-current liabilities</b>				
Loans and borrowings	14	1,520,662	1,653,260	1,183,332
Non-controlling interests in limited liability companies		94,369	92,002	108,839
Other long-term liabilities		20,240	21,175	23,397
Promissory notes issued		-	-	497
Deferred tax liabilities		61,550	69,302	66,786
		<b>1,696,821</b>	<b>1,835,739</b>	<b>1,382,851</b>
<b>Current liabilities</b>				
Loans and borrowings	14	702,401	740,036	559,830
Current portion of long-term loans and borrowings	14	300,149	300,158	295,633
Trade accounts payable		135,397	165,248	194,194
Current income tax		-	1,161	-
Other liabilities and accounts payable	15	308,625	238,864	270,835
		<b>1,446,572</b>	<b>1,445,467</b>	<b>1,320,492</b>
<b>Total equity and liabilities</b>		<b>7,385,444</b>	<b>6,956,440</b>	<b>6,456,108</b>

The notes on pages 19 to 55 are an integral part of these condensed consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

<i>(in thousands of Euros)</i>	<i>Notes</i>	<b>30 June 2013</b> <b>(unaudited)</b>	<b>31 December</b> <b>2012</b> <b>(restated)</b>	<b>30 June 2012</b> <b>(restated)</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	239,571	220,256	218,698
Intangible assets	7	5,462	5,990	7,358
Biological assets	8	23,475	24,443	22,104
Financial instruments available-for-sale		1,417	1,411	1,603
Long-term receivables		102	65	1,817
Other long-term assets		1,291	3,458	346
Long-term cash deposits		-	13,009	14,547
Deferred tax assets		10	9	26
		<b>271,328</b>	<b>268,641</b>	<b>266,499</b>
<b>Current assets</b>				
Inventories	9	100,946	232,803	92,947
Biological assets	8	249,060	72,493	213,051
Trade accounts receivable	10	31,633	37,033	26,506
Other accounts receivable and prepayments	11	32,479	28,409	27,078
Current income tax		92	39	-
Promissory notes available-for-sale		-	-	-
Short-term cash deposits		4,159	4,327	2,669
Cash and cash equivalents	12	5,074	7,605	9,519
		<b>423,443</b>	<b>382,709</b>	<b>371,770</b>
<b>Total assets</b>		<b>694,771</b>	<b>651,350</b>	<b>638,269</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	13	250	250	250
Additional paid-in capital		55,638	55,638	55,638
Retained earnings		336,429	281,950	288,089
Revaluation surplus		38,755	40,157	41,228
Treasury shares		(70)	-	-
Currency translation reserve		(32,238)	(34,132)	(14,500)
<b>Total equity attributable to equity holders of the parent company</b>		<b>398,764</b>	<b>343,863</b>	<b>370,705</b>
Non-controlling interests in joint stock companies		298	257	304
<b>Total equity</b>		<b>399,062</b>	<b>344,120</b>	<b>371,009</b>
<b>Non-current liabilities</b>				
Loans and borrowings	14	143,053	154,800	116,988
Non-controlling interests in limited liability companies		8,877	8,614	10,760
Other long-term liabilities		1,904	1,983	2,314
Promissory notes issued		-	-	49
Deferred tax liabilities		5,790	6,489	6,603
		<b>159,624</b>	<b>171,886</b>	<b>136,714</b>
<b>Current liabilities</b>				
Loans and borrowings	14	66,077	69,292	55,346
Current portion of long-term loans and borrowings	14	28,236	28,105	29,227
Trade accounts payable		12,737	15,473	19,199
Current income tax		-	109	-
Other liabilities and accounts payable	15	29,035	22,365	26,774
		<b>136,085</b>	<b>135,344</b>	<b>130,546</b>
<b>Total equity and liabilities</b>		<b>694,771</b>	<b>651,350</b>	<b>638,269</b>

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**CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013**

<i>(in thousands of Ukrainian hryvnias)</i>	<i>Notes</i>	<b>2013</b>	<b>2012</b>
		<b>(unaudited)</b>	<b>(restated)</b>
<b>Revenues</b>	16	<b>1,757,433</b>	1,497,634
Cost of revenues	17	<b>(1,358,109)</b>	(967,617)
Loss arising from remeasurement of agricultural produce to fair value	18	<b>(175,073)</b>	(162,019)
<b>Gross profit</b>		<b>224,251</b>	367,998
Changes in fair value of biological assets	23	<b>651,415</b>	421,617
Other operating income	19	<b>10,090</b>	12,633
General and administrative expense	20	<b>(94,795)</b>	(83,907)
Selling and distribution expense	21	<b>(73,791)</b>	(71,748)
Other operating expense	22	<b>(36,956)</b>	(26,866)
<b>Profit from operations</b>		<b>680,214</b>	619,727
Finance costs	24	<b>(136,949)</b>	(130,159)
Finance income	24	<b>8,145</b>	23,693
Other income	25	<b>8,869</b>	1,026
Gain on acquisition of subsidiaries	5	-	23,664
<b>Profit before tax</b>		<b>560,279</b>	537,951
Income tax (expense) benefit	26	<b>(1,838)</b>	13,157
<b>Net profit</b>		<b>558,441</b>	551,108
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		<b>(405)</b>	(598)
Equity holders of the parent company		<b>558,846</b>	551,706
Weighted average basic and diluted shares outstanding (in thousands of shares)		<b>25,000</b>	25,000
Earnings per share			
Basic and diluted earnings per share attributable to shareholders of the company (in Ukrainian hryvnias)		<b>22.35</b>	22.07

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## CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

<i>(in thousands of Euros)</i>	<i>Notes</i>	<b>2013</b>	<b>2012</b>
		<b>(unaudited)</b>	<b>(restated)</b>
<b>Revenues</b>	16	<b>164,213</b>	142,562
Cost of revenues	17	<b>(126,930)</b>	(92,154)
Loss arising from remeasurement of agricultural produce to fair value	18	<b>(16,391)</b>	(15,455)
<b>Gross profit</b>		<b>20,892</b>	34,953
Changes in fair value of biological assets	23	<b>61,109</b>	40,643
Other operating income	19	<b>943</b>	1,203
General and administrative expense	20	<b>(8,873)</b>	(7,995)
Selling and distribution expense	21	<b>(6,899)</b>	(6,830)
Other operating expense	22	<b>(3,463)</b>	(2,567)
<b>Profit from operations</b>		<b>63,709</b>	59,407
Finance costs	24	<b>(12,801)</b>	(12,407)
Finance income	24	<b>761</b>	2,258
Other income	25	<b>832</b>	97
Gain on acquisition of subsidiaries	5	-	2,267
<b>Profit before tax</b>		<b>52,501</b>	51,622
Income tax (expense) benefit	26	<b>(174)</b>	1,274
<b>Net profit</b>		<b>52,327</b>	52,896
<b>Net profit attributable to:</b>			
Non-controlling interests in joint stock companies		<b>(38)</b>	(57)
Equity holders of the parent company		<b>52,365</b>	52,953
Weighted average basic and diluted shares outstanding (in thousands of shares)		<b>25,000</b>	25,000
Earnings per share			
Basic and diluted earnings per share attributable to shareholders of the company (in Euros)		<b>2.09</b>	2.12

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS  
ENDED 30 JUNE 2013**

<i>(in thousands of Ukrainian hryvnias)</i>	<b>2013</b>	<b>2012</b>
	<b>(unaudited)</b>	<b>(restated)</b>
<b>Net profit</b>	<b>558,441</b>	<b>551,108</b>
<b>Other comprehensive income</b>		
Currency translation differences	693	804
<b>Other comprehensive income, net of tax</b>	<b>693</b>	<b>804</b>
<b>Total comprehensive income</b>	<b>559,134</b>	<b>551,912</b>
<b>Attributable to:</b>		
Non-controlling interests in joint stock companies	(405)	(598)
Equity holders of the parent company	<b>559,539</b>	<b>552,510</b>
<b>Total comprehensive income as at 30 June</b>	<b>559,134</b>	<b>551,912</b>

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS  
ENDED 30 JUNE 2013**

<i>(in thousands of Euros)</i>	<b>2013</b>	<b>2012</b>
	<b>(unaudited)</b>	<b>(restated)</b>
<b>Net profit</b>	<b>52,327</b>	<b>52,896</b>
<b>Other comprehensive income</b>		
Currency translation differences	<b>1,896</b>	10,916
<b>Other comprehensive income, net of tax</b>	<b>1,896</b>	10,916
<b>Total comprehensive income</b>	<b>54,223</b>	<b>63,812</b>
<b>Attributable to:</b>		
Non-controlling interests in joint stock companies	<b>(36)</b>	(48)
Equity holders of the parent company	<b>54,259</b>	63,860
<b>Total comprehensive income as at 30 June</b>	<b>54,223</b>	<b>63,812</b>

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## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2013

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2013 (unaudited)	2012 (restated)
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>560,279</b>	537,951
<i>Adjustments for:</i>			
Depreciation and amortization		<b>137,780</b>	125,697
Allowance for impairment of trade and other accounts receivable	21.22	<b>1,317</b>	(2,604)
Gain on acquisition of subsidiaries	5	-	(23,664)
Loss (gain) on sales of property, plant and equipment	25	<b>614</b>	(185)
Write down of inventories	22	<b>2,542</b>	2,184
Finance income	24	<b>(8,145)</b>	(23,693)
Interest expense	24	<b>102,353</b>	110,632
Gain from changes in fair value of biological assets	23	<b>(651,415)</b>	(421,617)
Loss arising from remeasurement of agricultural produce to fair value	18	<b>175,073</b>	162,019
Loss from promissory note transactions	24	-	4,233
Recovery of assets previously written off	25	<b>(1,971)</b>	(1,728)
Non-controlling interests in limited liability companies	24	<b>11,838</b>	15,174
Foreign exchange (gain) loss on loans and borrowings, deposits		<b>18,750</b>	(1,000)
<i>Working capital adjustments:</i>			
Increase in inventories		<b>1,237,629</b>	911,842
Increase in trade and other receivables		<b>21,277</b>	57,104
Increase in biological assets due to other changes		<b>(1,210,362)</b>	(1,169,018)
Increase in trade and other payables		<b>66,504</b>	103,456
Income taxes paid		<b>(2,159)</b>	(2,868)
<b>Cash flows provided by operating activities</b>		<b>461,904</b>	383,915
<b>Investing activities</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		<b>(315,125)</b>	(219,060)
Proceeds from sales of property, plant and equipment		<b>177</b>	565
Purchase of financial investments		-	(4,532)
Interest received	24	<b>8,145</b>	12,823
Acquisition of subsidiaries net of cash acquired	5	<b>(1,164)</b>	(582)
Shares buy back		<b>(751)</b>	-
Cash deposits placement		-	(76,907)
Cash deposits withdrawal		<b>142,211</b>	208,337
<b>Cash flows used in investing activities</b>		<b>(166,507)</b>	(79,356)
<b>Financing activities</b>			
Proceeds from loans and borrowings		<b>313,860</b>	759,960
Repayment of loans and borrowings		<b>(522,469)</b>	(904,254)
Transaction costs on loans and borrowings		<b>(10,149)</b>	(11,780)
Purchase of own shares		<b>(751)</b>	-
Dividends paid to non-controlling interests in limited liability companies		-	(6,982)
Interest paid		<b>(103,167)</b>	(98,431)
<b>Cash flows used in financing activities</b>		<b>(322,676)</b>	(261,487)
Net (decrease) increase in cash and cash equivalents		<b>(27,279)</b>	43,072
Cash and cash equivalents as at 1 January		<b>81,220</b>	53,211
<b>Cash and cash equivalents as at 30 June</b>		<b>53,941</b>	96,283

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2013

<i>(in thousands of Euros)</i>	Notes	2013 (unaudited)	2012 (restated)
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>52,501</b>	51,622
<i>Adjustments for:</i>			
Depreciation and amortization		<b>12,876</b>	11,952
Allowance for impairment of trade and other accounts receivable	21.22	<b>124</b>	(247)
Gain on acquisition of subsidiaries	5	-	(2,267)
Loss (gain) on sales of property, plant and equipment	25	<b>58</b>	(18)
Write down of inventories	22	<b>238</b>	208
Finance income	24	<b>(761)</b>	(2,258)
Interest expense	24	<b>9,568</b>	10,545
Gain from changes in fair value of biological assets	23	<b>(61,109)</b>	(40,643)
Loss arising from remeasurement of agricultural produce to fair value	18	<b>16,391</b>	15,455
Loss from promissory note transactions	24	-	403
Recovery of assets previously written off	25	<b>(185)</b>	(164)
Non-controlling interests in limited liability companies	24	<b>1,107</b>	1,446
Foreign exchange (gain) loss on loans and borrowings, deposits		<b>1,752</b>	(97)
<i>Working capital adjustments:</i>			
Increase in inventories		<b>115,653</b>	102,304
Increase in trade and other receivables		<b>1,988</b>	5,431
Increase in biological assets due to other changes		<b>(113,105)</b>	(126,041)
Increase in trade and other payables		<b>6,215</b>	9,836
Income taxes paid		<b>(201)</b>	(273)
<b>Cash flows provided by operating activities</b>		<b>43,110</b>	37,193
<b>Investing activities</b>			
Purchase of property, plant and equipment, intangible assets and other non-current assets		<b>(29,448)</b>	(20,827)
Proceeds from sales of property, plant and equipment		<b>17</b>	54
Purchase of financial investments		-	(431)
Interest received	24	<b>761</b>	1,222
Acquisition of subsidiaries net of cash acquired	5	<b>(109)</b>	(55)
Shares buy back		<b>(70)</b>	-
Cash deposits placement		-	(7,603)
Cash deposits withdrawal		<b>13,289</b>	20,596
<b>Cash flows used in investing activities</b>		<b>(15,560)</b>	(7,044)
<b>Financing activities</b>			
Proceeds from loans and borrowings		<b>29,329</b>	72,253
Repayment of loans and borrowings		<b>(48,823)</b>	(85,971)
Transaction costs on loans and borrowings		<b>(948)</b>	(1,120)
Purchase of own shares		<b>(70)</b>	-
Dividends paid to non-controlling interests in limited liability companies		-	(664)
Interest paid		<b>(9,641)</b>	(9,358)
<b>Cash flows used in financing activities</b>		<b>(30,153)</b>	(24,860)
Net (decrease) increase in cash and cash equivalents		<b>(2,603)</b>	5,289
Cash and cash equivalents as at 1 January		<b>7,609</b>	5,106
Currency translation difference		<b>68</b>	(876)
<b>Cash and cash equivalents as at 30 June</b>		<b>5,074</b>	9,519



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2013

## Attributable to equity holders of the parent company

<i>(in thousands of Ukrainian hryvnias)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)
<b>As at 1 January 2013 (restated)</b>	1,663	369,798	2,919,776	380,558	-	697	3,672,492	2,742	3,675,234
Net profit (loss)	-	-	558,846	-	-	-	558,846	(405)	558,441
Other comprehensive income, net of tax	-	-	-	-	-	693	693	-	693
Total comprehensive income	-	-	558,846	-	-	693	559,539	(405)	559,134
Acquisitions from non-controlling shareholders and other changes	-	-	7,605	-	-	-	7,605	829	8,434
Purchase of own shares	-	-	-	-	(751)	-	(751)	-	(751)
Realisation of revaluation surplus, net of tax	-	-	14,908	(14,908)	-	-	-	-	-
<b>As at 30 June 2013</b>	1,663	369,798	3,501,135	365,650	(751)	1,390	4,238,885	3,166	4,242,051

## Attributable to equity holders of the parent company

<i>(in thousands of Euros)</i>	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)
<b>As at 1 January 2013 (restated)</b>	250	55,638	281,950	40,157	-	(34,132)	343,863	257	344,120
Net profit (loss)	-	-	52,365	-	-	-	52,365	(38)	52,327
Other comprehensive loss, net of tax	-	-	-	-	-	1,894	1,894	2	1,896
Total comprehensive income	-	-	52,365	-	-	1,894	54,259	(36)	54,223
Acquisitions from non-controlling shareholders and other changes	-	-	712	-	-	-	712	77	789
Purchase of own shares	-	-	-	-	(70)	-	(70)	-	(70)
Realisation of revaluation surplus, net of tax	-	-	1,402	(1,402)	-	-	-	-	-
<b>As at 30 June 2013</b>	250	55,638	336,429	38,755	(70)	(32,238)	398,764	298	399,062

The notes on pages 19 to 55 are an integral part of these condensed consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2012

## Attributable to equity holders of the parent company

(in thousands of Ukrainian hryvnias)

	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)
<b>As at 1 January 2012 (restated)</b>	1,663	369,798	2,409,748	417,875	(1,693)	3,197,391	3,672	3,201,063
Net profit (loss)	-	-	551,706	-	-	551,706	(598)	551,108
Other comprehensive income, net of tax	-	-	-	-	804	804	-	804
Total comprehensive income	-	-	551,706	-	804	552,510	(598)	551,912
Acquisitions from non-controlling shareholders and other changes	-	-	(210)	-	-	(210)	-	(210)
Realisation of revaluation surplus, net of tax	-	-	24,511	(24,511)	-	-	-	-
<b>As at 30 June 2012 (restated)</b>	1,663	369,798	2,985,755	393,364	(889)	3,749,691	3,074	3,752,765

## Attributable to equity holders of the parent company

(in thousands of Euros)

	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)	(unadited)
<b>As at 1 January 2012 (restated)</b>	250	55,638	232,733	43,651	(25,407)	306,865	352	307,217
Net profit (loss)	-	-	52,953	-	-	52,953	(57)	52,896
Other comprehensive loss, net of tax	-	-	-	-	10,907	10,907	9	10,916
Total comprehensive income	-	-	52,953	-	10,907	63,860	(48)	63,812
Acquisitions from non-controlling shareholders and other changes	-	-	(20)	-	-	(20)	-	(20)
Realisation of revaluation surplus, net of tax	-	-	2,423	(2,423)	-	-	-	-
<b>As at 30 June 2012 (restated)</b>	250	55,638	288,089	41,228	(14,500)	370,705	304	371,009

The notes on pages 19 to 55 are an integral part of these condensed consolidated interim financial statements.

## 1 BACKGROUND

### (a) Organisation and operations

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

The Company's legal address is Jan van Goyenkade 8, 1075 HP Amsterdam, the Netherlands

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

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

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

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

### (b) Ukrainian business environment

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

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

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

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

## 2 BASIS OF PREPARATION

### (a) Statement of compliance

These condensed consolidated interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2012 which have been prepared in accordance with IFRS.

**(b) Basis of consolidation**

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

As at 30 June 2013 Astarta Holding N.V. owns shares, directly and indirectly, in a number of subsidiaries, joint ventures and an associate with the following percentage of ownership:

Name	Activity	30 June 2013 % of ownership	31 December 2012 % of ownership	30 June 2012 % of ownership
<b>Subsidiaries:</b>				
Ancor Investments Ltd	Investment activities	100.00%	100.00%	100.00%
LLC Firm "Astarta-Kyiv"	Asset management	99.98%	99.98%	99.98%
LLC "APO "Tsukrovyk Poltavshchyny"	Sugar production	99.72%	99.26%	99.20%
LLC "Agricultural company "Dovzhenko"	Agricultural	97.53%	97.03%	97.03%
LLC "Shyshaki combined forage factory"	Fodder production	90.56%	90.56%	90.56%
LLC "Agricultural company "Dobrobut"	Agricultural	98.24%	98.24%	98.19%
LLC "Agricultural company "Musievske"	Agricultural	89.98%	89.98%	89.98%
LLC "Globino processing factory "Globus"	Canning production, trade	99.98%	99.98%	99.98%
LLC "Dobrobut" (Novo-Sanzharskiy region)	Agricultural	99.98%	99.98%	99.98%
OJSC "Agricultural company "Agrocomplex"	Agricultural	83.80%	83.80%	83.80%
OJSC "Agricultural company "Zhdanivske"	Agricultural	97.97%	97.97%	97.97%
LLC "Investment company "Poltavazernoproduct"	Agricultural	98.68%	98.68%	98.68%
LLC "List-Ruchky"	Agricultural	74.99%	74.99%	74.99%
LLC "Agropromgaz"	Trade	89.98%	89.98%	89.98%
LLC "Khmilnitske"	Agricultural	99.17%	99.09%	99.09%
LLC "Volochnysk-Agro"	Agricultural	97.48%	97.48%	94.17%
LLC "Agricultural company "Mirgorodska"	Agricultural	89.98%	89.98%	89.98%
LLC "Varovetske"	Agricultural	-	-***	-***
LLC "Kobelyatskiy combined forage factory"	Fodder production	98.56%	98.56%	97.26%
LLC "named after Ostrovskiy"	Agricultural	99.98%	74.99%	74.99%
SC "Agricultural company "Agro-Kors"	Agricultural	99.98%	99.98%	99.98%
LLC "Agricultural company "Khorolska"	Agricultural	98.95%	98.99%	99.88%
LLC "Lan"	Agricultural	99.98%	99.98%	99.98%
LLC "Nika"	Agricultural	98.98%	98.98%	99.98%
LLC "Zhytnytsya Podillya"	Agricultural	74.99%	74.99%	74.99%
LLC "Astarta-Selektsiya"	Research and development	74.99%	74.99%	74.99%
LLC "Tarasivske"	Agricultural	-	-***	97.98%
LLC "Agro-Tradex"	Trade	-	-*	99.98%
LLC "Zorya"	Agricultural	-	-***	99.48%
LLC "Agrosvit Savyntsi"	Agricultural	98.98%	98.98%	98.98%
LLC "Pershe Travnya"	Agricultural	-	-***	89.98%

LLC "Kolos"	Agricultural	-	***	89.98%
LLC "Khorolskiy combined forage factory"	Fodder production	<b>99.24%</b>	99.24%	96.39%
PC "Lan-M"	Agricultural	<b>99.98%</b>	99.98%	99.98%
LLC "Agricultural company "named after Vatutin"	Agricultural	-	***	79.98%
LLC "named after Vorovskiy"	Agricultural	-	***	***
OJSC "Novoivanivskiy sugar plant"	Sugar production	<b>94.28%</b>	94.28%	94.28%
PC "Kumanivske"	Agricultural	-	***	***
LLC "Zarichya"	Agricultural	-	***	99.98%
LLC "Zbruch"	Agricultural	-	***	99.98%
LLC "Geoexpertservice"	Agricultural	<b>100.00%</b>	100.00%	98.68%
LLC "Investpromgaz"	Trade	<b>99.93%</b>	99.93%	99.93%
LLC "Tsukragromprom"	Trade	<b>99.98%</b>	99.91%	-
LLC "Agricultural company Slobozhansk'ka Zhytnitsa"	Agricultural	<b>50.99%</b>	50.99%	-
LLC "Volochnyts'k-tsukor"	Trade	<b>97.48%</b>	97.48%	-
LLC "Globyns'kiy tsukor"	Sugar production	<b>98.68%</b>	98.68%	-
LLC "Podilskiy krai"	Agricultural	<b>50.32%</b>	-	-
PAC "Rybalkivsky"	Agricultural	<b>98.24%</b>	-	-

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

Associates:

LLC "Agricultural company "Pokrovska"	Agricultural	<b>49.99%</b>	49.99%	49.99%
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Joint venture:

LLC "APK Savynska"	Agricultural	<b>49.99%</b>	49.99%	48.99%
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Jointly controlled operations

SC "Konyarstvo Ukrainy"	Agricultural	-*	80.00%	80.00%
SC "Agricultural company named after Ivanenko"	Agricultural	<b>80.00%</b>	80.00%	80.00%

\* Please refer to Note 5 for details

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

### (c) Functional and presentation currency

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

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

each reporting date, and income and expenses, and cash flows are translated at the rates ruling at transactions date. The Group uses the interbank foreign exchange rates. The resulting translation differences are recognized in other comprehensive income presented in EUR.

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

Currency	Average reporting period rate		Reporting date rate	
	2013	2012	2013	2012
EUR	10.70	10.52	10.63	10.12
USD	8.14	8.09	8.15	8.08

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its annual financial statements for the year ended 31 December 2012 except for the adoption of new Standards and Interpretations noted below.

#### (a) New and amended standards and interpretations adopted

##### *IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or “recycled”) to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group’s financial position or performance.

##### *IFRS 1 Government Loans – Amendments to IFRS 1*

These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendment has no impact on the Group.

##### *IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity’s financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments do not impact the Group’s financial position or performance.

##### *IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements*

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation - Special Purpose Entities. IFRS 10 establishes a single control model that applies to all

entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Group is currently assessing the impact of this standard.

#### *IFRS 11 Joint Arrangements*

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The application of this impacts the financial position of the Group. The Group ceases proportionate consolidating the joint venture and starts equity accounting for the joint venture from 1 January 2013. For more details please refer to Note 4 Changes in accounting policy.

#### *IFRS 12 Disclosure of interests in other entities*

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The standard affects disclosure only and has no impact on the Group's financial position or performance.

#### *IFRS 13 Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The standard has no impact on the Group's financial position or performance.

#### *IAS 19 Employee Benefits (Revised)*

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013. The standard will have no impact on the Group's financial position or performance.

#### *IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)*

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.

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

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

#### *Annual Improvements May 2012*

These improvements do not have an impact on the Group, but include:

#### *IFRS 1 First-time Adoption of International Financial Reporting Standards*

This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

#### *IAS 1 Presentation of Financial Statements*

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

#### *IAS 16 Property Plant and Equipment*

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

#### *IAS 32 Financial Instruments, Presentation*

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

#### *IAS 34 Interim Financial Reporting*

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

### **(b) New and amended standards and interpretations not yet adopted**

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

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected in 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture. The standard becomes effective for annual periods beginning on or after 1 January 2015.

## **4 CHANGES IN ACCOUNTING POLICIES**

As stated in Note 3 Significant accounting policies, the Group changed its policy for accounting for jointly controlled entities under IFRS 11, from application of proportionate consolidating to equity accounting with effect from 1 January 2013.

As at 30 June 2013 and 2012 as well as 31 December 2012 and 2011 the jointly-controlled entity for which restatements relate was APK Savynska (49,99%). The Group discontinued recognition of its share of losses of APK Savynska starting from 1 January 2013.

Equity accounting has been retrospectively applied in the Consolidated financial statements and the following tables show the effect of the change for the six months of 2013, years 2012 and 2011.



## Consolidated statement of financial position

<i>(in thousands of Ukrainian hryvnias)</i>	31 December 2012	Restatement	31 December 2012 (restated)	30 June 2012	Restatement	30 June 2012 (restated)	31 December 2011	Restatement	31 December 2011 (restated)
<b>ASSETS</b>									
<b>Non-current assets</b>									
Property, plant and equipment	2,363,684	(11,354)	2,352,330	2,220,209	(8,077)	2,212,132	2,101,871	(7,771)	2,094,100
Intangible assets	63,977	-	63,977	74,432	-	74,432	84,318	-	84,318
Biological assets	261,051	-	261,051	223,581	-	223,581	209,935	-	209,935
Financial instruments available-for-sale	15,066	-	15,066	16,216	-	16,216	11,684	-	11,684
Long-term receivables	691	-	691	18,376	-	18,376	18,376	-	18,376
Other long-term assets	36,936	-	36,936	3,508	-	3,508	19,017	-	19,017
Long-term cash deposits	138,937	-	138,937	147,142	-	147,142	174,922	-	174,922
Deferred tax assets	101	-	101	264	-	264	1,809	-	1,809
	2,880,443	(11,354)	2,869,089	2,703,728	(8,077)	2,695,651	2,621,932	(7,771)	2,614,161
<b>Current assets</b>									
Inventories	2,497,865	(11,527)	2,486,338	947,533	(7,362)	940,171	1,999,638	(14,619)	1,985,019
Biological assets	774,225	-	774,225	2,155,004	-	2,155,004	563,425	-	563,425
Trade accounts receivable	397,416	(1,893)	395,523	269,986	(1,883)	268,103	303,670	(465)	303,205
Other accounts receivable and prepayments	304,970	(1,557)	303,413	276,502	(2,610)	273,892	269,026	(765)	268,261
Current income tax	420	-	420	-	-	-	667	-	667
Promissory notes available-for-sale	-	-	-	4	-	4	4	-	4
Short-term cash deposits	46,212	-	46,212	27,000	-	27,000	130,153	-	130,153
Cash and cash equivalents	81,265	(45)	81,220	96,405	(122)	96,283	53,211	(1,071)	52,140
	4,102,373	(15,022)	4,087,351	3,772,434	(11,977)	3,760,457	3,319,794	(16,920)	3,302,874
<b>Total assets</b>	<b>6,982,816</b>	<b>(26,376)</b>	<b>6,956,440</b>	<b>6,476,162</b>	<b>(20,054)</b>	<b>6,456,108</b>	<b>5,941,726</b>	<b>(24,691)</b>	<b>5,917,035</b>

<i>(in thousands of Ukrainian hryvnias)</i>	31 December 2012	Restatement	31 December 2012 (restated)	30 June 2012	Restatement	30 June 2012 (restated)	31 December 2011	Restatement	31 December 2011 (restated)
<b>EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
Share capital	1,663	-	1,663	1,663	-	1,663	1,663	-	1,663
Additional paid-in capital	369,798	-	369,798	369,798	-	369,798	369,798	-	369,798
Retained earnings	2,910,351	9,425	2,919,776	2,981,511	4,244	2,985,755	2,405,670	3,237	2,408,907
Revaluation surplus	380,558	-	380,558	393,364	-	393,364	417,875	-	417,875
Currency translation reserve	697	-	697	(889)	-	(889)	(1,693)	-	(1,693)
<b>Total equity attributable to equity holders of the parent company</b>	<b>3,663,067</b>	<b>9,425</b>	<b>3,672,492</b>	<b>3,745,447</b>	<b>4,244</b>	<b>3,749,691</b>	<b>3,193,313</b>	<b>3,237</b>	<b>3,196,550</b>
Non-controlling interests in joint stock companies	2,742	-	2,742	3,074	-	3,074	3,672	-	3,672
<b>Total equity</b>	<b>3,665,809</b>	<b>9,425</b>	<b>3,675,234</b>	<b>3,748,521</b>	<b>4,244</b>	<b>3,752,765</b>	<b>3,196,985</b>	<b>3,237</b>	<b>3,200,222</b>
<b>Non-current liabilities</b>									
Loans and borrowings	1,653,260	-	1,653,260	1,183,332	-	1,183,332	1,121,125	-	1,121,125
Non-controlling interests in limited liability companies	92,002	-	92,002	108,839	-	108,839	100,613	-	100,613
Other long-term liabilities	21,175	-	21,175	33,871	(10,474)	23,397	30,148	-	30,148
Promissory notes issued	-	-	-	497	-	497	-	-	-
Deferred tax liabilities	69,302	-	69,302	66,786	-	66,786	83,505	-	83,505
	<b>1,835,739</b>	<b>-</b>	<b>1,835,739</b>	<b>1,393,325</b>	<b>(10,474)</b>	<b>1,382,851</b>	<b>1,335,391</b>	<b>-</b>	<b>1,335,391</b>
<b>Current liabilities</b>									
Loans and borrowings	762,637	(22,601)	740,036	565,219	(5,389)	559,830	875,849	-	875,849
Current portion of long-term loans and borrowings	300,158	-	300,158	295,633	-	295,633	189,418	-	189,418
Trade accounts payable	172,873	(7,625)	165,248	195,321	(1,127)	194,194	95,068	(1,494)	93,574
Current income tax	1,161	-	1,161	-	-	-	1,917	-	1,917
Other liabilities and accounts payable	244,439	(5,575)	238,864	278,143	(7,308)	270,835	247,098	(26,434)	220,664
	<b>1,481,268</b>	<b>(35,801)</b>	<b>1,445,467</b>	<b>1,334,316</b>	<b>(13,824)</b>	<b>1,320,492</b>	<b>1,409,350</b>	<b>(27,928)</b>	<b>1,381,422</b>
<b>Total equity and liabilities</b>	<b>6,982,816</b>	<b>(26,376)</b>	<b>6,956,440</b>	<b>6,476,162</b>	<b>(20,054)</b>	<b>6,456,108</b>	<b>5,941,726</b>	<b>(24,691)</b>	<b>5,917,035</b>

## Consolidated statement of financial position

<i>(in thousands of Euros)</i>	31 December 2012	Restatement	31 December 2012 (restated)	30 June 2012	Restatement	30 June 2012 (restated)	31 December 2011	Restatement	31 December 2011 (restated)
<b>ASSETS</b>									
<b>Non-current assets</b>									
Property, plant and equipment	221,319	(1,063)	220,256	219,497	(799)	218,698	201,715	(746)	200,969
Intangible assets	5,990	-	5,990	7,358	-	7,358	8,092	-	8,092
Biological assets	24,443	-	24,443	22,104	-	22,104	20,148	-	20,148
Financial instruments available-for-sale	1,411	-	1,411	1,603	-	1,603	1,060	-	1,060
Long-term receivables	65	-	65	1,817	-	1,817	1,825	-	1,825
Other long-term assets	3,458	-	3,458	346	-	346	1,826	-	1,826
Long-term cash deposits	13,009	-	13,009	14,547	-	14,547	16,787	-	16,787
Deferred tax assets	9	-	9	26	-	26	174	-	174
	269,704	(1,063)	268,641	267,298	(799)	266,499	251,627	(746)	250,881
<b>Current assets</b>									
Inventories	233,882	(1,079)	232,803	93,675	(728)	92,947	191,904	(1,403)	190,501
Biological assets	72,493	-	72,493	213,051	-	213,051	54,071	-	54,071
Trade accounts receivable	37,211	(178)	37,033	26,692	(186)	26,506	29,143	(45)	29,098
Other accounts receivable and prepayments	28,555	(146)	28,409	27,336	(258)	27,078	25,819	(73)	25,746
Current income tax	39	-	39	-	-	-	64	-	64
Promissory notes available-for-sale	-	-	-	-	-	-	-	-	-
Short-term cash deposits	4,327	-	4,327	2,669	-	2,669	12,491	-	12,491
Cash and cash equivalents	7,609	(4)	7,605	9,531	(12)	9,519	5,106	(103)	5,003
	384,116	(1,407)	382,709	372,954	(1,184)	371,770	318,598	(1,624)	316,974
<b>Total assets</b>	653,820	(2,470)	651,350	640,252	(1,983)	638,269	570,225	(2,370)	567,855

<i>(in thousands of Euros)</i>	31 December 2012	Restatement	31 December 2012 (restated)	30 June 2012	Restatement	30 June 2012 (restated)	31 December 2011	Restatement	31 December 2011 (restated)
<b>EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
Share capital	250	-	250	250	-	250	250	-	250
Additional paid-in capital	55,638	-	55,638	55,638	-	55,638	55,638	-	55,638
Retained earnings	281,046	904	281,950	287,669	420	288,089	232,329	311	232,640
Revaluation surplus	40,157	-	40,157	41,228	-	41,228	43,651	-	43,651
Currency translation reserve	(34,110)	(22)	(34,132)	(14,500)	-	(14,500)	(25,407)	-	(25,407)
<b>Total equity attributable to equity holders of the parent company</b>	<b>342,981</b>	<b>882</b>	<b>343,863</b>	<b>370,285</b>	<b>420</b>	<b>370,705</b>	<b>306,461</b>	<b>311</b>	<b>306,772</b>
Non-controlling interests in joint stock companies	257	-	257	304	-	304	352	-	352
<b>Total equity</b>	<b>343,238</b>	<b>882</b>	<b>344,120</b>	<b>370,589</b>	<b>420</b>	<b>371,009</b>	<b>306,813</b>	<b>311</b>	<b>307,124</b>
<b>Non-current liabilities</b>									
Loans and borrowings	154,800	-	154,800	116,988	-	116,988	107,593	-	107,593
Non-controlling interests in limited liability companies	8,614	-	8,614	10,760	-	10,760	9,656	-	9,656
Other long-term liabilities	1,983	-	1,983	3,349	(1,035)	2,314	2,894	-	2,894
Promissory notes issued	-	-	-	49	-	49	-	-	-
Deferred tax liabilities	6,489	-	6,489	6,603	-	6,603	8,014	-	8,014
	171,886	-	171,886	137,749	(1,035)	136,714	128,157	-	128,157
<b>Current liabilities</b>									
Loans and borrowings	71,408	(2,116)	69,292	55,879	(533)	55,346	84,055	-	84,055
Current portion of long-term loans and borrowings	28,105	-	28,105	29,227	-	29,227	18,178	-	18,178
Trade accounts payable	16,187	(714)	15,473	19,310	(111)	19,199	9,124	(143)	8,981
Current income tax	109	-	109	-	-	-	184	-	184
Other liabilities and accounts payable	22,887	(522)	22,365	27,498	(724)	26,774	23,714	(2,538)	21,176
	138,696	(3,352)	135,344	131,914	(1,368)	130,546	135,255	(2,681)	132,574
<b>Total equity and liabilities</b>	<b>653,820</b>	<b>(2,470)</b>	<b>651,350</b>	<b>640,252</b>	<b>(1,983)</b>	<b>638,269</b>	<b>570,225</b>	<b>(2,370)</b>	<b>567,855</b>

## Consolidated income statement

<i>(in thousands of Ukrainian hryvnias)</i>	Year 2012	Restatement	Year 2012	6 months 2012	Restatement	6 months 2012	Year 2011	Restatement	Year 2011
<i>Continued operations</i>									
<b>Revenues</b>	3,701,605	(17,615)	3,683,990	1,506,530	(8,896)	1,497,634	3,385,529	(31,951)	3,353,578
Cost of revenues	(2,765,176)	18,503	(2,746,673)	(976,082)	8,465	(967,617)	(2,157,642)	28,979	(2,128,663)
Loss arising from remeasurement of agricultural produce to fair value	(77,344)	-	(77,344)	(162,019)	-	(162,019)	120,068	-	120,068
<b>Gross profit</b>	<b>859,085</b>	<b>888</b>	<b>859,973</b>	<b>368,429</b>	<b>(431)</b>	<b>367,998</b>	<b>1,347,955</b>	<b>(2,972)</b>	<b>1,344,983</b>
Changes in fair value of biological assets	171,981	-	171,981	421,617	-	421,617	20,364	-	20,364
Other operating income	24,636	(67)	24,569	12,730	(97)	12,633	8,711	-	8,711
General and administrative expense	(168,234)	1,957	(166,277)	(84,613)	706	(83,907)	(122,105)	2,083	(120,022)
Selling and distribution expense	(207,808)	539	(207,269)	(71,853)	105	(71,748)	(147,849)	2,548	(145,301)
Other operating expense	(62,728)	1,031	(61,697)	(26,345)	(521)	(26,866)	(65,993)	1,554	(64,439)
<b>Profit from operations</b>	<b>616,932</b>	<b>4,348</b>	<b>621,280</b>	<b>619,965</b>	<b>(238)</b>	<b>619,727</b>	<b>1,041,083</b>	<b>3,213</b>	<b>1,044,296</b>
Finance costs	(256,058)	1,811	(254,247)	(130,526)	367	(130,159)	(225,107)	104	(225,003)
Finance income	62,071	(22)	62,049	23,693	-	23,693	27,442	(1)	27,441
Other (expense) income	16,467	(11)	16,456	1,050	(24)	1,026	19,879	(22)	19,857
Gain on acquisition of subsidiaries	18,148	-	18,148	23,664	-	23,664	140,312	-	140,312
<b>Profit before tax</b>	<b>457,560</b>	<b>6,126</b>	<b>463,686</b>	<b>537,846</b>	<b>105</b>	<b>537,951</b>	<b>1,003,609</b>	<b>3,294</b>	<b>1,006,903</b>
Income tax benefit (expense)	8,874	62	8,936	13,096	61	13,157	(27,499)	(56)	(27,555)
<b>Net profit</b>	<b>466,434</b>	<b>6,188</b>	<b>472,622</b>	<b>550,942</b>	<b>166</b>	<b>551,108</b>	<b>976,110</b>	<b>3,238</b>	<b>979,348</b>
<b>Net profit attributable to:</b>									
Non-controlling interests in joint stock companies	(930)	-	(930)	(598)	-	(598)	(310)	-	(310)
Equity holders of the parent company	467,364	-	473,552	551,540	-	551,706	976,420	-	979,658
<b>Net profit</b>	<b>466,434</b>	<b>6,188</b>	<b>472,622</b>	<b>550,942</b>	<b>166</b>	<b>551,108</b>	<b>976,110</b>	<b>3,238</b>	<b>979,347</b>
Weighted average basic and diluted shares outstanding (in thousands of shares)	25,000		25,000	25,000		25,000	25,000		25,000
Basic and diluted earnings per share attributable to shareholders of the company (in Ukrainian hryvnias)	18.69		18.94	22.06		22.07	39.06		39.19

## Consolidated income statement

(in thousands of Euros)

	Year 2012	Restatement	Year 2012	6 months 2012	Restatement	6 months 2012	Year 2011	Restatement	Year 2011
<b>Revenues</b>	354,272	(1,690)	352,582	143,409	(847)	142,562	303,587	(2,865)	300,722
Cost of revenues	(264,789)	1,776	(263,013)	(92,960)	806	(92,154)	(193,480)	2,599	(190,881)
Loss arising from remeasurement of agricultural produce to fair value	(6,793)	-	(6,793)	(15,455)	-	(15,455)	10,767	-	10,767
<b>Gross profit</b>	<b>82,690</b>	<b>86</b>	<b>82,776</b>	<b>34,994</b>	<b>(41)</b>	<b>34,953</b>	<b>120,874</b>	<b>(266)</b>	<b>120,608</b>
Changes in fair value of biological assets	16,503	-	16,503	40,643	-	40,643	1,826	-	1,826
Other operating income	2,366	(6)	2,360	1,212	(9)	1,203	781	-	781
General and administrative expense	(16,142)	188	(15,954)	(8,062)	67	(7,995)	(10,949)	187	(10,762)
Selling and distribution expense	(19,828)	52	(19,776)	(6,840)	10	(6,830)	(13,258)	228	(13,030)
Other operating expense	(5,977)	99	(5,878)	(2,517)	(50)	(2,567)	(5,918)	139	(5,779)
<b>Profit from operations</b>	<b>59,612</b>	<b>419</b>	<b>60,031</b>	<b>59,430</b>	<b>(23)</b>	<b>59,407</b>	<b>93,356</b>	<b>288</b>	<b>93,644</b>
Finance costs	(24,640)	174	(24,466)	(12,442)	35	(12,407)	(20,186)	9	(20,177)
Finance income	5,973	(2)	5,971	2,258	-	2,258	2,461	-	2,461
Other (expense) income	1,588	(1)	1,587	99	(2)	97	1,783	(2)	1,781
Gain on acquisition of subsidiaries	1,745	-	1,745	2,267	-	2,267	12,582	-	12,582
<b>Profit before tax</b>	<b>44,278</b>	<b>590</b>	<b>44,868</b>	<b>51,612</b>	<b>10</b>	<b>51,622</b>	<b>89,996</b>	<b>295</b>	<b>90,291</b>
Income tax benefit (expense)	855	6	861	1,268	6	1,274	(2,466)	(5)	(2,471)
<b>Net profit</b>	<b>45,133</b>	<b>596</b>	<b>45,729</b>	<b>52,880</b>	<b>16</b>	<b>52,896</b>	<b>87,530</b>	<b>290</b>	<b>87,820</b>
<b>Net profit attributable to:</b>									
Non-controlling interests in joint stock companies	(90)	-	(90)	(57)	-	(57)	(27)	-	(27)
Equity holders of the parent company	45,223	-	45,819	52,937	-	52,953	87,557	-	87,848
<b>Net profit</b>	<b>45,133</b>	<b>596</b>	<b>45,729</b>	<b>52,880</b>	<b>16</b>	<b>52,896</b>	<b>87,530</b>	<b>290</b>	<b>87,820</b>
Weighted average basic and diluted shares outstanding (in thousands of shares)	25,000		25,000	25,000		25,000	25,000		25,000
Basic and diluted earnings per share attributable to shareholders of the company (in Euros)	1.81		1.83	2.12		2.12	3.51		3.52

## 5 BUSINESS COMBINATIONS AND DISPOSAL OF JOINTLY CONTROLLED OPERATIONS

During the six months ended 30 June 2013, the Group completed acquisitions of 2 entities. The purchase consideration consisted only of cash, and the direct costs related to these acquisitions are not significant.

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at the date of acquisition
LLC "Podilskiy krai"	Ukraine	Agricultural	01.01.2013	50,32%
PAC "Rybalkivsky"	Ukraine	Agricultural	01.05.2013	98,24%

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

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
	(unaudited)	(unaudited)
<b>Non-current assets</b>		
Property, plant and equipment	318	30
Construction in progress	4	-
Other non-current assets	94	9
<b>Current assets</b>		
Trade accounts receivable	4,354	408
Other accounts receivable and prepayments	1,368	128
Cash and cash equivalents	32	3
<b>Current liabilities</b>		
Trade accounts payable	(7,906)	(740)
Other liabilities and accounts payable	(62)	(6)
<b>Net identifiable assets, liabilities and contingent liabilities</b>	<b>(1,798)</b>	<b>(168)</b>
Non-controlling interest	1,037	97
<b>Net assets acquired</b>	<b>(761)</b>	<b>(71)</b>
Goodwill on acquisition	(1,956)	(183)
Consideration paid	(1,196)	(112)
Cash acquired	32	3
<b>Net cash outflow</b>	<b>(1,164)</b>	<b>(109)</b>

During the six months ended 30 June 2012, the Group completed acquisitions of 4 entities. The purchase consideration consisted only of cash, and the direct costs related to these acquisitions are not significant.

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at the date of acquisition
PC "Mir"	Ukraine	Agricultural	01.01.2012	99.06%
LLC "Agricultural company "Pershe travnya"	Ukraine	Agricultural	07.01.2012	89.98%
LLC "Agricultural company "Kolos"	Ukraine	Agricultural	21.02.2011	89.98%
LLC "Investpromgaz"	Ukraine	Trade	01.04.2012	99.93%

PC "Mir", LLC "Agricultural company "Pershe travnya", LLC "Agricultural company "Kolos" were correspondingly consolidated into a business unit LLC "Volochysk-Agro", LLC "Pershe Travnya" and LLC "Kolos" at the acquisition date. From the dates of acquisition the net loss incurred by acquired companies amounted to UAH 50 thousand (EUR 4.6 thousand).

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

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
	(unaudited)	(unaudited)
<b>Non-current assets</b>		
Property, plant and equipment	9,917	943
Non-current biological assets	1,588	152
Intangible and other non-current assets	964	92
<b>Current assets</b>		
Inventories	14,850	1,423
Current biological assets	13,002	1,245
Other accounts receivable and prepayments	3,674	360
Cash and cash equivalents	17	2
<b>Non-current liabilities</b>		
Other long-term liabilities	(17,353)	(1,662)
Non-controlling interest	(227)	(22)
<b>Current liabilities</b>		
Trade accounts payable	(104)	(10)
Other liabilities and accounts payable	(2,065)	(199)
<b>Net identifiable assets, liabilities and contingent liabilities</b>	<b>24,263</b>	<b>2,324</b>
Excess of net assets acquired over consideration paid :		
acquisitions from third parties	23,664	2,267
Consideration paid	(599)	(57)
Cash acquired	17	2
<b>Net cash outflow</b>	<b>(582)</b>	<b>(55)</b>



For the business combinations in 2013 and 2012 there are no significant differences between fair value and carrying value of acquired assets and liabilities. Non-controlling interest is measured as the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

For acquisitions made during the six months ended 30 June 2013 and 2012, it is not practicable to determine what would be the total revenue and net profit for the six months ended 30 June 2013 and 2012 had the acquisitions occurred on 1 January in accordance with IFRS because the acquired companies' financial statements were prepared in accordance with Ukrainian National Accounting Standards, which are different from IFRSs.

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

In April 2013, the Group terminated jointly controlled agreement with SC "Konyarstvo Ukrainy" and disposed its share in jointly controlled operations with SC "Konyarstvo Ukrainy" (part of agricultural segment). The net profit from jointly controlled operations with SC "Konyarstvo Ukrainy" till the date of disposal in amount of UAH 3,210 thousands (EUR 304 thousands) is included in income statement.

## **6 PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2013, the Group acquired assets with a cost of UAH 358,600 thousand or EUR 33,510 thousand. Property, plant and equipment of UAH 318 thousand or EUR 30 thousand were acquired through a business combination (see Note 5). During the six months ended 30 June 2012, the Group acquired assets with a cost of UAH 248,185 thousand or EUR 23,596 thousand. Property, plant and equipment of UAH 9,917 thousand or EUR 943 thousand were acquired through a business combination (see Note 5).

Assets with a carrying amount of UAH 38,888 or EUR 3,634 thousand were disposed of during the six months ended 30 June 2013 (2012: UAH 12,176 EUR 1,158 thousand).

## **7 INTANGIBLE ASSETS**

During the six months ended 30 June 2013 the Group acquired intangible assets of UAH 3,224 thousand or EUR 301 thousand. Intangible assets of UAH 1,956 thousand or EUR 183 thousand were acquired through a business combination (see Note 5). During the six months ended 30 June 2012 the Group acquired intangible assets of UAH 980 thousand or EUR 94 thousand. Intangible assets of UAH 964 thousand or EUR 92 thousand were acquired through acquisition of subsidiaries (see Note 5). Disposals for six months ended 30 June 2013 amounted to UAH 141 or EUR 13 thousand. There were no disposals of intangible assets during the six months ended 30 June 2012.

## 8 BIOLOGICAL ASSETS

As at 30 June biological assets comprise the following groups:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2013		31 December 2012		30 June 2012	
	Units	Amount (unaudited)	Units	Amount (restated)	Units	Amount (restated)
<b>Non-current biological assets:</b>						
Cattle	14,933	246,258	13,782	257,556	13,592	220,033
Other livestock		3,292		3,495		3,548
		249,550		261,051		223,581
<b>Current biological assets:</b>						
Cattle	15,319	196,780	15,247	202,563	15,853	190,209
Other livestock		6,094		5,888		8,261
		202,874		208,451		198,470
<b>Crops:</b>	<b>Hectares</b>		<b>Hectares</b>		<b>Hectares</b>	
Sugar beet	37,683	779,581	508	8,522	48,975	803,156
Corn	49,671	739,545	5,974	96,986	38,631	461,616
Soy	54,466	480,384	793	8,183	46,352	259,465
Winter wheat	44,432	332,040	48,843	444,756	43,650	298,577
Sunflower	7,812	66,628	-	-	7,514	66,059
Barley	6,813	35,432	-	-	12,754	60,635
Winter rye	2,046	10,117	1,935	7,327	1,442	4,696
Other crops	342	902	-	-	579	2,330
	203,265	2,444,629	58,053	565,774	199,897	1,956,534
		2,647,503		774,225		2,155,004
<b>Total biological assets</b>		<b>2,897,053</b>		<b>1,035,276</b>		<b>2,378,585</b>

<i>(in thousands of Euros)</i>	30 June 2013		31 December 2012		30 June 2012	
	Units	Amount (unaudited)	Units	Amount (restated)	Units	Amount (restated)
<b>Non-current biological assets:</b>						
Cattle	14,933	23,166	13,782	24,116	13,592	21,753
Other livestock		309		327		351
		23,475		24,443		22,104
<b>Current biological assets:</b>						
Cattle	15,319	18,512	15,247	18,967	15,853	18,805
Other livestock		573		551		817
		19,085		19,518		19,622
<b>Crops:</b>	<b>Hectares</b>		<b>Hectares</b>		<b>Hectares</b>	
Sugar beet	37,683	73,338	508	798	48,975	79,402
Corn	49,671	69,571	5,974	9,081	38,631	45,637
Soy	54,466	45,191	793	766	46,352	25,652
Winter wheat	44,432	31,236	48,843	41,644	43,650	29,518
Sunflower	7,812	6,268	-	-	7,514	6,531
Barley	6,813	3,333	-	-	12,754	5,995
Winter rye	2,046	952	1,935	686	1,442	464
Other crops	342	86	-	-	579	230
	203,265	229,975	58,053	52,975	199,897	193,429
		249,060		72,493		213,051
<b>Total biological assets</b>		<b>272,535</b>		<b>96,936</b>		<b>235,155</b>

For amount of biological assets pledged to secure bank loans refer to note 14

## 9 INVENTORIES

Inventories are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)
Finished goods:			
Sugar and sugar production	534,717	1,200,910	391,135
Agricultural produce	94,638	608,390	132,427
Cattle farming	916	703	1,594
Other production	6,737	6,517	6,111
Raw materials and consumables for:			
Sugar and sugar production	112,422	61,561	144,403
Agricultural produce	177,889	76,869	138,219
Cattle farming	59,529	88,863	61,306
Other production	4,132	520	722
Investments into future crops	82,085	442,005	64,254
	1,073,065	2,486,338	940,171

<i>(in thousands of Euros)</i>	30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)
Finished goods:			
Sugar and sugar production	50,303	112,444	38,668
Agricultural produce	8,903	56,965	13,092
Cattle farming	86	66	158
Other production	634	610	604
Raw materials and consumables for:			
Sugar and sugar production	10,576	5,765	14,276
Agricultural produce	16,735	7,197	13,665
Cattle farming	5,600	8,321	6,061
Other production	388	49	70
Investments into future crops	7,721	41,386	6,353
	<b>100,946</b>	<b>232,803</b>	<b>92,947</b>

For amount of inventories pledged to secure bank loans refer to note 13.

## 10 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)
Trade receivables	348,481	409,025	278,756
Less allowance	(12,221)	(13,502)	(10,653)
	<b>336,260</b>	<b>395,523</b>	<b>268,103</b>

<i>(in thousands of Euros)</i>	30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)
Trade receivables	32,783	38,297	27,559
Less allowance	(1,150)	(1,264)	(1,053)
	<b>31,633</b>	<b>37,033</b>	<b>26,506</b>

**11 OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS**

Other accounts receivable and prepayments are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	<b>30 June 2013</b> <b>(unaudited)</b>	<b>31 December 2012</b> <b>(restated)</b>	<b>30 June 2012</b> <b>(restated)</b>
Taxes recoverable and prepaid	223,895	212,598	181,317
Advances to suppliers	83,982	67,425	56,912
Financial aid	8,931	4,266	24,663
Other receivables	39,110	29,535	19,962
Less allowance	(10,673)	(10,411)	(8,962)
	<b>345,245</b>	<b>303,413</b>	<b>273,892</b>

<i>(in thousands of Euros)</i>	<b>30 June 2013</b> <b>(unaudited)</b>	<b>31 December 2012</b> <b>(restated)</b>	<b>30 June 2012</b> <b>(restated)</b>
Taxes recoverable and prepaid	21,063	19,906	17,926
Advances to suppliers	7,900	6,313	5,626
Financial aid	840	399	2,438
Other receivables	3,680	2,765	1,974
Less allowance	(1,004)	(974)	(886)
	<b>32,479</b>	<b>28,409</b>	<b>27,078</b>

**12 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	<b>30 June 2013</b> <b>(unaudited)</b>	<b>31 December 2012</b> <b>(restated)</b>	<b>30 June 2012</b> <b>(restated)</b>
Cash in banks in UAH	41,370	25,239	74,673
Cash in banks in USD	12,199	55,581	20,989
Cash in banks in EUR	94	198	354
	<b>53,663</b>	<b>81,018</b>	<b>96,016</b>
Cash on hand in UAH	278	202	267
	<b>53,941</b>	<b>81,220</b>	<b>96,283</b>

<i>(in thousands of Euros)</i>	<b>30 June 2013</b> <b>(unaudited)</b>	<b>31 December 2012</b> <b>(restated)</b>	<b>30 June 2012</b> <b>(restated)</b>
Cash in banks in UAH	3,892	2,363	7,382
Cash in banks in USD	1,147	5,204	2,075
Cash in banks in EUR	9	19	35
	<b>5,048</b>	<b>7,586</b>	<b>9,492</b>
Cash on hand in UAH	26	19	27
	<b>5,074</b>	<b>7,605</b>	<b>9,519</b>

### 13 SHARE CAPITAL

ASTARTA Holding N.V. has one class of common shares with par value of EUR 0.01 (UAH 0.11). All shares have equal voting rights. The number of authorized shares as of 30 June 2013 is 30,000 thousand (2012: 30,000 thousand) and the number of issued and fully paid-up shares is 25,000 thousand (2012: 25,000 thousand). For amount of shares pledged to secure bank loans refer to note 14.

Share capital is as follows:

	2013	2012
<b>Astarta Holding N.V.</b>		
Ivanchyk V.P.	36.99%	36.99%
Korotkov V.M.	25.99%	25.99%
Other shareholders	37.02%	37.02%
	<b>100.00%</b>	<b>100.00%</b>

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

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)
Net profit attributable to equity holders of the company	558,846	551,706	52,365	52,953
Weighted average basic and diluted shares outstanding (in thousands of shares)	25,000	25,000	25,000	25,000
Earnings per share attributable to shareholders of the company	22.35	22.07	2.09	2.12

### 14 LOANS AND BORROWINGS

Loans and borrowings are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2013 (unaudited)	30 December 2012 (restated)	30 June 2012 (restated)
Long-term loans and borrowings:			
Bank loans	1,554,136	1,692,303	1,224,069
Finance lease liabilities	1,651	529	1,994
Transaction costs	(35,125)	(39,572)	(42,731)
	<b>1,520,662</b>	<b>1,653,260</b>	<b>1,183,332</b>
Current portion of long-term loans and borrowings:			
Bank loans	315,849	317,431	300,764
Finance lease liabilities	923	212	12,341
Transaction costs	(16,623)	(17,485)	(17,472)
	<b>300,149</b>	<b>300,158</b>	<b>295,633</b>
Short-term loans and borrowings:			
Bank loans	588,937	733,050	561,043
Finance lease liabilities	1,573	7,153	-
Borrowings from non-financial institutions	111,891	-	-
Transaction costs	-	(167)	(1,213)
	<b>702,401</b>	<b>740,036</b>	<b>559,830</b>
	<b>2,523,212</b>	<b>2,693,454</b>	<b>2,038,795</b>

(in thousands of Euros)	30 June 2013 (unaudited)	30 December 2012 (restated)	30 June 2012 (restated)
Long-term loans and borrowings:			
Bank loans	146,204	158,455	121,015
Finance lease liabilities	156	50	197
Transaction costs	(3,307)	(3,705)	(4,224)
	<b>143,053</b>	<b>154,800</b>	<b>116,988</b>
Current portion of long-term loans and borrowings:			
Bank loans	29,714	29,722	29,734
Finance lease liabilities	87	20	1,220
Transaction costs	(1,565)	(1,637)	(1,727)
	<b>28,236</b>	<b>28,105</b>	<b>29,227</b>
Short-term loans and borrowings:			
Bank loans	55,403	68,637	55,466
Finance lease liabilities	148	670	-
Borrowings from non-financial institutions	10,526	-	-
Transaction costs	-	(16)	(120)
	<b>66,077</b>	<b>69,291</b>	<b>55,346</b>
	<b>237,366</b>	<b>252,196</b>	<b>201,561</b>

The terms and repayment schedule for loans and borrowings are as follows:

	Effective interest rate	Nominal interest rate	Year of maturity	(in thousands of Ukrainian hryvnias)			(in thousands of Euros)		
				30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)	30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)
Loans from Ukrainian banks received in UAH	11.50%	11.50%	2013	69,418	-	-	6,530	-	-
Loans from Ukrainian banks received in UAH	13.50%	13.50%	2013	87,237	-	-	8,207	-	-
Loans from Ukrainian banks received in UAH	8.00%	8.00%	2013	24,400	-	-	2,295	-	-
Loans from Ukrainian banks received in UAH	10.00%	10.00%	2103	15,000	-	-	1,411	-	-
Loans from Ukrainian banks received in UAH	10.50%	10.50%	2013	17,900	-	-	1,684	-	-
Loans from Ukrainian banks received in UAH	13.00%	13.00%	2013	106,600	2,641	-	10,028	247	-
Loans from Ukrainian banks received in UAH	18.00%	18.00%	2013	19,000	21,000	-	1,787	1,966	-
Loans from Ukrainian banks received in UAH	19.00%	19.00%	2013	-	61,500	30,000	-	5,758	2,966
Loans from Ukrainian banks received in UAH	20.00%	20.00%	2013	-	18,100	-	-	1,695	-
Loans from Ukrainian banks received in UAH	20.50%	20.50%	2013	-	14,305	-	-	1,339	-
Loans from Ukrainian banks received in UAH	20.70%	20.70%	2013	-	11,473	-	-	1,074	-
Loans from Ukrainian banks received in UAH	22.00%	22.00%	2013	-	13,000	-	-	1,217	-
Loans from Ukrainian banks received in UAH	22.50%	22.50%	2013	-	38,295	-	-	3,586	-
Loans from Ukrainian banks received in UAH	22.85%	22.85%	2013	-	72,749	-	-	6,812	-
Loans from Ukrainian banks received in UAH	23.00%	23.00%	2013	-	73,835	-	-	6,913	-
Loans from Ukrainian banks received in UAH	23.25%	23.25%	2013	-	6,000	-	-	562	-
Loans from Ukrainian banks received in UAH	24.00%	24.00%	2013	-	12,000	-	-	1,124	-
Loans from Ukrainian banks received in UAH	24.50%	24.50%	2013	-	5,000	-	-	468	-
Loans from Ukrainian banks received in UAH	25.00%	25.00%	2013	-	-	-	-	-	-
Loans from Ukrainian banks received in UAH	27.00%	27.00%	2013	-	14,400	-	-	1,347	-
Loans from Ukrainian banks received in UAH	30.00%	30.00%	2013	-	30,000	-	-	2,809	-
Loans from Ukrainian banks received in UAH	10.00%	10.00%	2012	-	-	7,600	-	-	751
Loans from Ukrainian banks received in UAH	16.50%	16.50%	2012	-	-	93,400	-	-	9,234
Loans from Ukrainian banks received in UAH	20.00%	20.00%	2012	-	-	110,873	-	-	10,961
Loans from Ukrainian banks received in UAH	21.00%	21.00%	2012	-	-	16,000	-	-	1,582
Loans from Ukrainian banks received in UAH	13.00%	13.00%	2012	-	-	2,641	-	-	261
Loans from Ukrainian banks received in UAH	15.50%	15.50%	2012	-	-	16,651	-	-	1,646
Loans from Ukrainian banks received in UAH	17.00%	17.00%	2012	-	-	44,764	-	-	4,426
Loans from Ukrainian banks received in UAH	18.00%	18.00%	2012	-	-	41,000	-	-	4,053
Loans from Ukrainian banks received in UAH	19.00%	19.00%	2012	-	-	19,949	-	-	1,972
Loans from Ukrainian banks received in UAH	12.25%	Kievprime+3.25%	2014	46,500	-	-	4,374	-	-
Loans from Ukrainian banks received in UAH	23.25%	Kievprime+3.25%	2013	-	10,000	-	-	936	-
Loans from Ukrainian banks received in USD	8.50%	8.50%	2014	57,078	-	-	5,370	-	-



	Effective interest rate	Nominal interest rate	Year of maturity	(in thousands of Ukrainian hryvnias)			(in thousands of Euros)		
				30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)	30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)
Loans from Ukrainian banks received in USD	7.50%	7.50%	2014	9,468	14,059	18,764	891	1,317	1,856
Loans from Ukrainian banks received in USD	7.50%	7.50%	2013	-	40,360	-	-	3,779	-
Loans from Ukrainian banks received in USD	9.00%	9.00%	2014	249,655	247,144	-	23,486	23,141	-
Loans from Ukrainian banks received in USD	5.77%	Libor+5.5%	2014	68,494	-	-	6,443	-	-
Loans from Ukrainian banks received in USD	9.31%	Libor+9%	2013	-	121,042	-	-	11,334	-
Loans from non-resident banks received in USD	8.16%	8.16%	2014	65,232	-	-	6,137	-	-
Loans from non-resident banks received in USD	9.40%	9.40%	2013	-	153,907	-	-	14,411	-
Loans from non-resident banks received in USD	10.26%	9.40%	2017	-	-	316,484	-	-	31,288
Loans from non-resident banks received in USD	10.08%	9.40%	2017	-	138,612	-	-	12,978	-
Loans from non-resident banks received in USD	4.66%	Libor+4.25%	2016	94,086	-	-	8,850	-	-
Loans from non-resident banks received in USD	2.91%	Libor+2.5%	2015	31,272	-	-	2,942	-	-
Loans from non-resident banks received in USD	6.80%	Libor+1.75%	2018	33,165	-	-	3,120	-	-
Loans from non-resident banks received in USD	2.71%	Libor+2.3%	2013	2,610	-	-	246	-	-
Loans from non-resident banks received in USD	5.91%	Libor+5.5%	2019	35,878	-	-	3,375	-	-
Loans from non-resident banks received in USD	8.24%	Libor+1.75%	2017	-	-	65,973	-	-	6,523
Loans from non-resident banks received in USD	6.99%	Libor+1.75%	2016	52,194	60,279	-	4,911	5,645	-
Loans from non-resident banks received in USD	6.66%	Libor+1.8%	2018	-	-	85,922	-	-	8,495
Loans from non-resident banks received in USD	6.40%	Libor+1.8%	2018	72,259	78,685	-	6,799	7,368	-
Loans from non-resident banks received in USD	7.27%	Libor+2.5%	2015	-	-	46,482	-	-	4,596
Loans from non-resident banks received in USD	9.28%	Libor+2.8%	2015	-	-	24,009	-	-	2,373
Loans from non-resident banks received in USD	8.96%	Libor+2.8%	2015	16,154	19,988	-	1,520	1,872	-
Loans from non-resident banks received in USD	4.74%	Libor+4%	2016	-	-	124,308	-	-	12,289
Loans from non-resident banks received in USD	5.72%	Libor+4.75%	2018	-	-	367,704	-	-	36,352
Loans from non-resident banks received in USD	5.45%	Libor+4.75%	2018	340,149	367,341	-	31,999	34,396	-
Loans from non-resident banks received in USD	6.29%	Libor+5%	2018	-	-	242,400	-	-	23,962
Loans from non-resident banks received in USD	5.99%	Libor+5%	2018	224,236	242,160	-	21,094	22,674	-
Loans from non-resident banks received in USD	1.99%	Libor+1.25%	2013	-	-	16,565	-	-	1,638
Loans from non-resident banks received in USD	1.76%	Libor+1.25%	2013	-	8,274	-	-	775	-
Loans from non-resident banks received in USD	3.04%	Libor+2.3%	2013	-	-	6,416	-	-	635
Loans from non-resident banks received in USD	2.81%	Libor+2.3%	2013	-	5,168	-	-	484	-
Loans from non-resident banks received in USD	3.01%	Libor+2.5%	2015	-	38,697	-	-	3,623	-
Loans from non-resident banks received in USD	4.51%	Libor+4%	2016	-	108,662	-	-	10,174	-
Loans from non-resident banks received in USD	5.25%	Libor+4.5%	2019	97,848	96,864	-	9,205	9,070	-
Loans from non-resident banks received in USD	5.97%	Libor+4.3%	2016	-	-	129,306	-	-	12,783
Loans from non-resident banks received in USD	5.44%	Libor+4.3%	2016	190,260	201,800	-	17,899	18,895	-
Loans from non-resident banks received in USD	6.88%	Libor+5.5%	2019	127,202	125,923	-	11,967	11,791	-

	Effective interest rate	Nominal interest rate	Year of maturity	(in thousands of Ukrainian hryvnias)			(in thousands of Euros)		
				30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)	30 June 2013 (unaudited)	31 December 2012 (restated)	30 June 2012 (restated)
Loans from non-resident banks received in USD	7.27%	Libor+1.8%	2019	-	-	88,557	-	-	8,756
Loans from non-resident banks received in USD	6.79%	Libor+1.8%	2019	<b>84,308</b>	90,416	-	<b>7,931</b>	8,465	-
Loans from non-resident banks received in USD	7.13%	Libor+1.75%	2016	-	-	68,959	-	-	6,817
Loans from non-resident banks received in USD	7.24%	Libor+1.75%	2017	<b>64,924</b>	72,305	-	<b>6,108</b>	6,769	-
Loans from non-resident banks received in EUR	6.09%	Euribor+4.75%	2018	-	-	101,149	-	-	10,000
Loans from non-resident banks received in EUR	1.87%	Libor+1.25%	2020	<b>58,953</b>	-	-	<b>5,545</b>	-	-
Loans from non-resident banks received in EUR	6.92%	Euribor+4.75%	2018	<b>97,442</b>	106,800	-	<b>9,167</b>	10,001	-
Other short-term borrowings received from non-resident non-financial institution in EUR	9.40%	9.40%	2014	<b>2,817</b>	-	-	<b>265</b>	-	-
Other short-term borrowings received from non-resident non-financial institution in USD	9.40%	9.40%	2014	<b>109,074</b>	-	-	<b>10,261</b>	-	-
Finance lease liabilities	6.00%	6.00%	2013	<b>85</b>	1,363	2,611	<b>8</b>	128	259
Finance lease liabilities	6.50%	6.50%	2016	<b>171</b>	1,233	1,653	<b>16</b>	116	164
Finance lease liabilities	14.00-16.00%	14.00-16.00%	2013	-	14	598	-	1	59
Finance lease liabilities	7.69%	Libor+7.00%	2013	<b>700</b>	3,653	6,437	<b>66</b>	342	637
Finance lease liabilities	8.84%	Libor+8.15%	2013	<b>31</b>	125	313	<b>3</b>	12	31
Finance lease liabilities	8.87%	Libor+8.60%	2013	<b>586</b>	1,506	2,723	<b>55</b>	141	267
Finance lease liabilities	9.27%	Libor+9.00%	2016	<b>2,574</b>	-	-	<b>243</b>	-	-
Transaction costs				<b>(51,748)</b>	(57,224)	(61,416)	<b>(4,872)</b>	(5,359)	(6,071)
				<b>2,523,212</b>	2,693,454	2,038,795	<b>237,366</b>	252,196	201,561

Bank loans are secured as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	<b>30 June 2013</b>	31 December 2012	30 June 2012
	<b>(unaudited)</b>	(audited)	(unaudited)
Inventories (Note 9)	<b>759,974</b>	1,134,587	281,641
Property, plant and equipment (Note 6)	<b>970,403</b>	973,020	845,420
Rights of claim on future cash proceeds from sale contracts	<b>796,713</b>	657,610	447,000
Long-term deposits	-	138,937	147,142
Biological assets (Note 8)	<b>61,606</b>	66,478	701,968
Short-term deposits	<b>44,212</b>	46,212	27,000
Cash and cash equivalents (Note 12)	<b>7,264</b>	6,970	-
	<b>2,640,172</b>	3,023,814	2,450,171

<i>(in thousands of Euros)</i>	<b>30 June 2013</b>	31 December 2012	30 June 2012
	<b>(unaudited)</b>	(audited)	(unaudited)
Inventories (Note 9)	<b>71,493</b>	106,235	27,844
Property, plant and equipment (Note 6)	<b>91,289</b>	91,107	83,581
Rights of claim on future cash proceeds from sale contracts	<b>74,949</b>	61,574	44,192
Long-term deposits	-	13,009	14,547
Biological assets (Note 8)	<b>5,795</b>	6,225	69,399
Short-term deposits	<b>4,159</b>	4,327	2,669
Cash and cash equivalents (Note 12)	<b>683</b>	653	-
	<b>248,368</b>	283,130	242,232

Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 5.3% of Astarta Holding N.V. issued shares in equal parts (2012: 5.3%).

**15 OTHER LIABILITIES AND ACCOUNTS PAYABLE**

Other accounts payable as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	<b>30 June 2013</b> (unaudited)	<b>31 December</b> <b>2012</b> (restated)	<b>30 June 2012</b> (restated)
Other liabilities:			
Advances received from customers	<b>145,723</b>	120,824	65,806
VAT payable	-	-	33,894
	<b>145,723</b>	120,824	99,700
Other accounts payable:			
Settlements with land and fixed assets lessors	<b>54,323</b>	17,808	65,376
Accrual for unused vacations	<b>23,061</b>	23,687	21,243
Interest payable	<b>19,761</b>	21,532	17,905
Salaries payable	<b>15,410</b>	16,248	14,274
Social insurance payable	<b>8,825</b>	8,059	6,331
Deferred government subsidy	<b>1,398</b>	-	1,141
Accounts payable for property, plant and equipment	<b>55</b>	2,210	729
Settlements for acquired companies	<b>54</b>	3,293	9,499
Other taxes and charges payable	<b>4,077</b>	2,602	3,111
Other payables	<b>35,938</b>	22,602	31,526
	<b>162,902</b>	118,041	171,135
	<b>308,625</b>	238,865	270,835

<i>(in thousands of Euros)</i>	<b>30 June 2013</b> (unaudited)	<b>31 December</b> <b>2012</b> (restated)	<b>30 June 2012</b> (restated)
Other liabilities:			
Advances received from customers	<b>13,709</b>	11,313	6,506
VAT payable	-	-	3,351
	<b>13,709</b>	11,313	9,857
Other accounts payable:			
Settlements with land and fixed assets lessors	<b>5,110</b>	1,667	6,463
Accrual for unused vacations	<b>2,169</b>	2,218	2,100
Interest payable	<b>1,859</b>	2,016	1,770
Salaries payable	<b>1,450</b>	1,521	1,411
Social insurance payable	<b>830</b>	755	626
Deferred government subsidy	<b>132</b>	-	113
Accounts payable for property, plant and equipment	<b>5</b>	207	72
Settlements for acquired companies	<b>5</b>	308	939
Other taxes and charges payable	<b>384</b>	244	308
Other payables	<b>3,382</b>	2,116	3,115
	<b>15,326</b>	11,052	16,917
	<b>29,035</b>	22,365	26,774

**16 REVENUES**

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

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
Sugar and related sales:				
Sugar	<b>919,317</b>	752,166	<b>85,900</b>	71,600
Molasses	<b>21,630</b>	28,123	<b>2,021</b>	2,677
Pulp	<b>25,737</b>	14,126	<b>2,405</b>	1,345
Other sugar related products and services	<b>37,113</b>	18,642	<b>3,468</b>	1,774
	<b>1,003,797</b>	813,057	<b>93,794</b>	77,396
Crops	<b>488,719</b>	480,069	<b>45,665</b>	45,699
Cattle farming	<b>210,778</b>	165,103	<b>19,695</b>	15,716
Other sales	<b>54,139</b>	39,405	<b>5,059</b>	3,751
	<b>753,636</b>	684,577	<b>70,419</b>	65,166
	<b>1,757,433</b>	1,497,634	<b>164,213</b>	142,562

During the six months ended 30 June 2013 and 2012 there were no sales settled through barter transactions.

**17 COST OF REVENUES**

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

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
Sugar and related sales:				
Sugar	<b>815,277</b>	561,157	<b>76,196</b>	53,443
Molasses	<b>17,946</b>	15,356	<b>1,677</b>	1,463
Pulp	<b>19,735</b>	9,075	<b>1,844</b>	864
Other sugar related products and services	<b>16,468</b>	15,847	<b>1,539</b>	1,509
	<b>869,426</b>	601,435	<b>81,256</b>	57,279
Crops	<b>284,344</b>	210,962	<b>26,575</b>	20,092
Cattle farming	<b>153,088</b>	118,600	<b>14,308</b>	11,295
Other sales	<b>51,251</b>	36,620	<b>4,791</b>	3,488
	<b>488,683</b>	366,182	<b>45,674</b>	34,875
	<b>1,358,109</b>	967,617	<b>126,930</b>	92,154

## 18 LOSS ARISING FROM REMEASUREMENT OF AGRICULTURAL PRODUCE TO FAIR VALUE INCLUDING NET REALISABLE VALUE ADJUSTMENT

The (loss) gain arising from remeasurement of agricultural produce to fair value represents the fair value of agricultural produce at the time of harvest.

The loss arising from remeasurement of agricultural produce for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
Valuation adjustment with respect to agricultural produce as at				
30 June	<b>(62,654)</b>	27,744	<b>(5,865)</b>	2,641
1 January	<b>(112,419)</b>	(189,763)	<b>(9,874)</b>	(17,039)
Currency translation difference	-	-	<b>(652)</b>	(1,057)
Loss arising from remeasurement of agricultural produce to fair value	<b>(175,073)</b>	(162,019)	<b>(16,391)</b>	(15,455)

## 19 OTHER OPERATING INCOME

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

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
Government subsidies relating to:				
Cattle farming	<b>9,777</b>	10,582	<b>914</b>	1,008
Crop production	-	1,352	-	129
Other operating income	<b>313</b>	699	<b>29</b>	66
	<b>10,090</b>	12,633	<b>943</b>	1,203

**20 GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
Salary and related charges	<b>61,867</b>	47,548	<b>5,791</b>	4,531
Professional services	<b>9,998</b>	9,330	<b>936</b>	889
Depreciation	<b>4,206</b>	5,369	<b>394</b>	512
Taxes other than corporate income tax	<b>3,375</b>	4,618	<b>316</b>	440
Rent	<b>3,139</b>	3,881	<b>294</b>	370
Fuel and other materials	<b>2,937</b>	2,602	<b>275</b>	248
Bank charges	<b>1,413</b>	3,052	<b>132</b>	290
Office expenses	<b>1,397</b>	1,002	<b>131</b>	95
Communication	<b>1,318</b>	1,498	<b>123</b>	142
Maintenance	<b>873</b>	631	<b>82</b>	60
Insurance	<b>322</b>	553	<b>30</b>	53
Transportation	<b>213</b>	167	<b>20</b>	16
Other	<b>3,737</b>	3,656	<b>349</b>	349
	<b>94,795</b>	83,907	<b>8,873</b>	7,995

**21 SELLING AND DISTRIBUTION EXPENSES**

Selling and distribution expenses for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
Transportation	<b>33,850</b>	34,015	<b>3,165</b>	3,238
Salary and related charges	<b>12,380</b>	12,410	<b>1,157</b>	1,182
Storage and logistics	<b>9,374</b>	7,303	<b>876</b>	695
Fuel and other materials	<b>6,717</b>	8,091	<b>628</b>	770
Professional services	<b>4,075</b>	4,211	<b>381</b>	401
Depreciation	<b>2,164</b>	2,778	<b>202</b>	265
Commissions	<b>514</b>	501	<b>48</b>	48
Customs duties and services	<b>157</b>	1,091	<b>15</b>	104
Advertising	<b>20</b>	69	<b>2</b>	7
Allowance for trade accounts receivable	<b>(1,213)</b>	(3,957)	<b>(113)</b>	(377)
Other	<b>5,753</b>	5,236	<b>538</b>	497
	<b>73,791</b>	71,748	<b>6,899</b>	6,830

**22 OTHER OPERATING EXPENSES**

Other operating expenses for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
VAT written off	<b>10,689</b>	2,482	<b>1,002</b>	237
Charity and social expenses	<b>7,584</b>	8,135	<b>711</b>	777
Penalties paid	<b>6,667</b>	1,870	<b>625</b>	179
Write down of inventories	<b>2,542</b>	2,184	<b>238</b>	208
Allowance for other accounts receivable	<b>2,530</b>	1,353	<b>237</b>	130
Other salary and related charges	<b>2,170</b>	1,869	<b>203</b>	179
Depreciation	<b>846</b>	1,057	<b>79</b>	101
Canteen expenses	<b>374</b>	358	<b>35</b>	34
Representative expenses	<b>366</b>	292	<b>34</b>	28
Other	<b>3,188</b>	7,266	<b>299</b>	694
	<b>36,956</b>	26,866	<b>3,463</b>	2,567

**23 CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS**

Changes in fair value of biological assets represent increase (decrease) in the carrying value at the reporting date of livestock and crops as compared with the respective values at the beginning of the year. Increases (decreases) in fair value of biological assets for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
Non-current livestock	<b>(31,613)</b>	(4,374)	<b>(2,965)</b>	(422)
Current livestock	<b>(5,741)</b>	(9,008)	<b>(539)</b>	(868)
Crops	<b>688,769</b>	434,999	<b>64,613</b>	41,933
	<b>651,415</b>	421,617	<b>61,109</b>	40,643



**24 FINANCE (COSTS) INCOME**

Finance (costs) income for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
<b>Finance costs</b>				
Interest expense:				
Bank loans	<b>(97,149)</b>	(106,670)	<b>(9,081)</b>	(10,167)
Borrowings from non-financial institutions	<b>(3,106)</b>	-	<b>(290)</b>	-
Finance lease liabilities	<b>(2,098)</b>	(3,962)	<b>(197)</b>	(378)
	<b>(102,353)</b>	(110,632)	<b>(9,568)</b>	(10,545)
Net profit attributable to non-controlling interests of limited liability company subsidiaries (note 14)	<b>(11,838)</b>	(15,174)	<b>(1,107)</b>	(1,446)
Foreign currency exchange loss, net	<b>(10,664)</b>	-	<b>(997)</b>	-
Payment to shareholders for pledged shares	<b>(8,519)</b>	-	<b>(796)</b>	-
Loss from promissory note transactions	-	(4,233)	-	(403)
Other finance costs	<b>(3,575)</b>	(120)	<b>(333)</b>	(13)
	<b>(34,596)</b>	(19,527)	<b>(3,233)</b>	(1,862)
	<b>(136,949)</b>	(130,159)	<b>(12,801)</b>	(12,407)
<b>Finance income</b>				
Interest income:				
Long-term bank deposits	-	8,883	-	847
Short-term bank deposits	<b>7,121</b>	3,038	<b>666</b>	289
Cash balances	<b>1,024</b>	902	<b>95</b>	86
	<b>8,145</b>	12,823	<b>761</b>	1,222
Gain from hedging transactions	-	8,500	-	811
Foreign currency exchange gain, net	-	2,370	-	225
	-	10,870	-	1,036
	<b>8,145</b>	23,693	<b>761</b>	2,258

**25 OTHER (EXPENSE) INCOME**

Other (expense) income for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
Sale of emission reduction units	<b>4,086</b>	-	<b>383</b>	-
Recovery of assets previously written off	<b>1,971</b>	1,728	<b>185</b>	164
(Loss) gain on sales of property, plant and equipment	<b>(614)</b>	185	<b>(58)</b>	18
Other income (expenses)	<b>3,426</b>	(887)	<b>322</b>	(85)
	<b>8,869</b>	1,026	<b>832</b>	97

## 26 INCOME TAX EXPENSE

Certain companies in the Group are subject to income taxes. Income tax expense for these companies for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(restated)</b>
Current expense	<b>(939)</b>	(1,351)	<b>(89)</b>	(131)
Deferred (expense) benefit	<b>(899)</b>	14,508	<b>(85)</b>	1,405
	<b>(1,838)</b>	13,157	<b>(174)</b>	1,274

24 subsidiaries elected to pay FAT in lieu of other taxes as at 30 June 2013 (2012: 24 companies). Amount of FAT expense during the six months ended 30 June 2013 was UAH 1.742 thousand (EUR 163 thousand) (2012: UAH 384 thousand, EUR 37 thousand) and is included in cost of revenues.

The remaining companies are subject to the Ukrainian corporate income tax.

## 27 SEGMENT REPORTING

At 30 June 2013 and 2012, the group is organized into three main business segments:

- production and wholesale distribution of sugar and sugar by-products
- growing and selling grain and oilseeds crops (agriculture), and
- dairy cattle farming.

Other group operations mainly comprise the production and sales of canned goods, fodder and gas. Neither of these constitutes a separately reportable segment.

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

Revenues from external customers are measured in a manner consistent with that in the income statement. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The sugar segment is highly seasonal, as sugar plants normally operate during September – December processing sugar beets harvested in September-November.

The agriculture segment, in the first half of the Group's financial year due to seasonality and the implications of IAS 41, reflects the effects of the valuation of biological assets and the sale of carried-forward agri produce, while financial performance during the second half of the financial year mainly reflects the sale of crops and the effects of the revaluation of agri produce carried forward.

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

The segment information for the six months ended 30 June 2013 is as follows :

<i>(in thousands of Ukrainian hryvnias)</i>	Sugar and sugar production		Agriculture		Cattle farming		Other businesses		Unallocated		Total	
	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)
<b>Total revenues</b>	<b>1,003,797</b>	813,057	<b>559,186</b>	527,433	<b>210,778</b>	165,103	<b>54,139</b>	39,405	-	-	<b>1,827,900</b>	1,544,998
Inter-segment revenues	-	-	<b>70,467</b>	47,364	-	-	-	-	-	-	<b>70,467</b>	47,364
Revenues from external customers	<b>1,003,797</b>	813,057	<b>488,719</b>	480,069	<b>210,778</b>	165,103	<b>54,139</b>	39,405	-	-	<b>1,757,433</b>	1,497,634
<b>Total cost of revenues</b>	<b>(869,426)</b>	(601,435)	<b>(354,811)</b>	(258,326)	<b>(153,088)</b>	(118,600)	<b>(51,251)</b>	(36,620)	-	-	<b>(1,428,576)</b>	(1,014,981)
Inter-segment cost of revenues	-	-	<b>(70,467)</b>	(47,364)	-	-	-	-	-	-	<b>(70,467)</b>	(47,364)
Cost of revenues	<b>(869,426)</b>	(601,435)	<b>(284,344)</b>	(210,962)	<b>(153,088)</b>	(118,600)	<b>(51,251)</b>	(36,620)	-	-	<b>(1,358,109)</b>	(967,617)
<b>Gross profit</b>	<b>134,371</b>	211,622	<b>29,302</b>	107,088	<b>57,690</b>	46,503	<b>2,888</b>	2,785	-	-	<b>224,251</b>	367,998
<b>Profit (loss) from operations</b>	<b>58,710</b>	158,455	<b>651,476</b>	481,174	<b>20,388</b>	39,274	<b>(727)</b>	(2,454)	<b>(49,633)</b>	(56,722)	<b>680,214</b>	619,727
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	<b>(10,664)</b>	2,370	<b>(10,664)</b>	2,370
Interest expense	<b>(20,618)</b>	(23,956)	<b>(15,356)</b>	(13,874)	<b>(10)</b>	(11)	<b>(1,545)</b>	(1,621)	<b>(64,824)</b>	(71,170)	<b>(102,353)</b>	(110,632)
Interest income	-	-	-	-	-	-	-	-	<b>8,145</b>	12,823	<b>8,145</b>	12,823
Other income (expense)	-	-	-	-	-	-	-	-	<b>(15,063)</b>	(10,001)	<b>(15,063)</b>	(10,001)
Gain on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	23,664	-	23,664
<b>Net profit (loss)</b>	<b>38,092</b>	134,499	<b>636,120</b>	467,300	<b>20,378</b>	39,263	<b>(2,272)</b>	(4,075)	<b>(133,877)</b>	(85,879)	<b>558,441</b>	551,108
<b>Consolidated total assets</b>	<b>1,873,344</b>	1,621,699	<b>4,101,171</b>	3,487,234	<b>740,359</b>	689,028	<b>199,743</b>	66,903	<b>470,827</b>	591,244	<b>7,385,444</b>	6,456,108
<b>Consolidated total liabilities</b>	<b>593,175</b>	542,116	<b>935,507</b>	853,124	<b>48,152</b>	42,429	<b>166,838</b>	19,483	<b>1,399,721</b>	1,246,191	<b>3,143,393</b>	2,703,343
<b>Other segment information:</b>												
Depreciation and amortisation	<b>43,784</b>	41,914	<b>84,420</b>	74,958	<b>5,499</b>	4,640	<b>1,317</b>	1,364	<b>2,760</b>	2,821	<b>137,780</b>	125,697
Additions to non-current assets:												
Property, plant and equipment	<b>95,984</b>	38,852	<b>173,168</b>	199,629	<b>11,245</b>	8,808	<b>76,269</b>	432	<b>1,934</b>	464	<b>358,600</b>	248,185
Intangible assets	-	103	<b>1,956</b>	877	-	-	-	-	<b>1,268</b>	-	<b>3,224</b>	980
Biological non-current assets	-	-	-	-	<b>2,866</b>	2,042	-	-	-	-	<b>2,866</b>	2,042

(in thousands of Euros)	Sugar and sugar production		Agriculture		Cattle farming		Other businesses		Unallocated		Total	
	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)	2013 (unaudited)	2012 (restated)
<b>Total revenues</b>	<b>93,794</b>	77,396	<b>52,249</b>	50,208	<b>19,695</b>	15,716	<b>5,059</b>	3,751	-	-	<b>170,797</b>	147,071
Inter-segment revenues	-	-	<b>6,584</b>	4,509	-	-	-	-	-	-	<b>6,584</b>	4,509
Revenues from external customers	<b>93,794</b>	77,396	<b>45,665</b>	45,699	<b>19,695</b>	15,716	<b>5,059</b>	3,751	-	-	<b>164,213</b>	142,562
<b>Total cost of revenues</b>	<b>(81,256)</b>	(57,279)	<b>(33,159)</b>	(24,601)	<b>(14,308)</b>	(11,295)	<b>(4,791)</b>	(3,488)	-	-	<b>(133,514)</b>	(96,663)
Inter-segment cost of revenues	-	-	<b>(6,584)</b>	(4,509)	-	-	-	-	-	-	<b>(6,584)</b>	(4,509)
Cost of revenues	<b>(81,256)</b>	(57,279)	<b>(26,575)</b>	(20,092)	<b>(14,308)</b>	(11,295)	<b>(4,791)</b>	(3,488)	-	-	<b>(126,930)</b>	(92,154)
<b>Gross profit</b>	<b>12,538</b>	20,117	<b>2,699</b>	10,152	<b>5,387</b>	4,421	<b>268</b>	263	-	-	<b>20,892</b>	34,953
<b>Profit (loss) from operations</b>	<b>5,462</b>	15,054	<b>61,077</b>	46,269	<b>1,890</b>	3,728	<b>(70)</b>	(236)	<b>(4,650)</b>	(5,408)	<b>63,709</b>	59,407
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	<b>(997)</b>	225	<b>(997)</b>	225
Interest expense	<b>(1,927)</b>	(2,284)	<b>(1,435)</b>	(1,322)	<b>(1)</b>	(1)	<b>(144)</b>	(155)	<b>(6,061)</b>	(6,783)	<b>(9,568)</b>	(10,545)
Interest income	-	-	-	-	-	-	-	-	<b>761</b>	1,222	<b>761</b>	1,222
Other income (expense)	-	-	-	-	-	-	-	-	<b>(1,405)</b>	(954)	<b>(1,405)</b>	(954)
Gain on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	2,267	-	2,267
<b>Net profit (loss)</b>	<b>3,535</b>	12,770	<b>59,642</b>	44,947	<b>1,889</b>	3,727	<b>(214)</b>	(391)	<b>(12,525)</b>	(8,157)	<b>52,327</b>	52,896
<b>Consolidated total assets</b>	<b>176,232</b>	160,326	<b>385,811</b>	344,759	<b>69,648</b>	68,119	<b>18,790</b>	6,614	<b>44,290</b>	58,451	<b>694,771</b>	638,269
<b>Consolidated total liabilities</b>	<b>55,802</b>	53,594	<b>88,006</b>	84,342	<b>4,530</b>	4,195	<b>15,695</b>	1,926	<b>131,676</b>	123,203	<b>295,709</b>	267,260
<b>Other segment information:</b>												
Depreciation and amortisation	<b>4,092</b>	3,985	<b>7,889</b>	7,127	<b>514</b>	441	<b>123</b>	130	<b>258</b>	269	<b>12,876</b>	11,952
Additions to non-current assets:												
Property, plant and equipment	<b>8,969</b>	3,694	<b>16,182</b>	18,980	<b>1,051</b>	837	<b>7,127</b>	41	<b>181</b>	44	<b>33,510</b>	23,596
Intangible assets	-	10	<b>183</b>	84	-	-	-	-	<b>118</b>	-	<b>301</b>	94
Biological non-current assets	-	-	-	-	<b>268</b>	1,132	-	-	-	-	<b>268</b>	1,132

## 28 RELATED PARTY TRANSACTIONS

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

The following table provides the total amount of transactions that have been entered into with related parties for the six month ended 30 June 2013 as well as balances with related parties as of 30 June 2013:

<i>(in thousands of Ukrainian hryvnias )</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	3,063	468	4,919	307
Joint venture	10,257	2,869	16,941	2,632
Associate	26	-	361	171
	<b>13,346</b>	<b>3,337</b>	<b>22,221</b>	<b>3,110</b>

<i>(in thousands of Euros)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	286	44	463	29
Joint venture	958	268	1,594	248
Associate	2	-	34	16
	<b>1,246</b>	<b>312</b>	<b>2,091</b>	<b>293</b>

The following table provides the total amount of transactions that have been entered into with related parties for the six month periods 30 June 2012 as well as balances with related parties as of 30 June 2012:

<i>(in thousands of Ukrainian hryvnias )</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	3,620	403	17,294	3,139
Joint venture	10,253	11,450	10,375	-
Associate	7,021	-	4,922	171
	20,894	11,853	32,591	3,310

<i>(in thousands of Euros)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	345	38	1,710	310
Joint venture	976	1,090	1,026	-
Associate	668	-	487	17
	1,989	1,128	3,223	327

## 29 EVENTS SUBSEQUENT TO THE REPORTING DATE

The following events occurred subsequent to the reporting date:

### Disposal of jointly controlled operations

On July 01, 2013, the Group terminated jointly controlled agreement with SC "Konyarstvo Ukrainy" and disposed its share in jointly controlled operations with SC "Konyarstvo Ukrainy" (part of agricultural segment).

### Loan Portfolio

On July 25, 2013 the limit of credit line with Urksotsbank was increased to UAH 400 million and prolonged for one and a half years period, with the purpose to finance working capital needs of the Group companies: LLC Firm "Astarta-Kyiv", LLC "Agricultural company "Dovzhenko", LLC "Agricultural company "Dobrobut", LLC "Investment company "Poltavazernoproduct", LLC "Khmilnitske", LLC "Volochnysk-Agro", LLC "Agricultural company "Musievske" and LLC "Agricultural company "Khorolska".

On July 26, 2013 LLC Firm "Astarta-Kyiv", LLC "Agricultural company "Dobrobut", LLC "Khmilnitske", LLC "Volochnysk-Agro", LLC "Agricultural company "Musievske", LLC "Agricultural company "Khorolska", LLC "Nika" and LLC "Zhytnytsya Podillya" signed a loan agreement with OTP Bank for the amount of UAH 200

million. The loan was prolonged for the three years period with the purpose to finance working capital needs of the Group.

On July 26, 2013, LLC “Khmilnitske”, LLC “Volochnysk-Agro” prolonged the credit line of ING Bank Ukraine in the amount of UAH 120 million to one year and eight months period, with the purpose to finance working capital needs.

On August 15, 2013 the limit of credit line of Credit Agricole Bank was increased to UAH 400 million and prolonged for two and a half years period, with the purpose to finance working capital needs of the Group companies: LLC “Agricultural company “Dovzhenko”, LLC “Agricultural company “Dobrobut”, LLC “Investment company “Poltavazernoproduct”, LLC “Khmilnitske”, LLC “Volochnysk-Agro”, LLC “Agricultural company “Musievske”, LLC “Agricultural company “Khorolska”, LLC “Nika” and LLC “Zhytnytsya Podillya”.

On August 16, 2013, LLC “Investpromgaz” prolonged the credit line of Unex Bank in the total amount of UAH 20 million for one year period, with the purpose to finance working capital needs.

21 August 2013,

Amsterdam, The Netherlands

The Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk signed

P. Rybin signed

M.M.L.J. van Campen signed

V. Korotkov signed

W.T. Bartoszewski signed



**Astarta Holding N.V.**

***ASTARTA published semiannual report for the first half of 2013***

In the reporting period ASTARTA increased revenues by 15% to 164 million EUR and EBITDA by 7% to 77 million EUR.

***Sugar segment***

Driven by expansion of client base and strengthening of cooperation with retail chains, ASTARTA increased volumes of sugar sales by 31%. Volumes of sugar exports grew by 20%. Revenues in the segment expanded 21%. In a few weeks time a new sugar production campaign will start. Sugar beet condition in our fields is regarded as good and we are now focusing on proper preparation of plants.

***Agricultural segment***

Despite decrease in volumes of crop sales by 17% driven by slim harvest in 2012, revenues in the segment remained stable. Almost half of grains and oilseeds sold in the reporting period were exported. Proper application of modern agri technologies in ASTARTA and favorable weather conditions in this season provided for the material increase in yields of main crops. Total harvest of grain crops is expected to reach 900 thousand tonnes.

***Cattle farming segment***

Revenues in the segment grew by 25%. Volumes of milk sales increased by 8%. Consistent improvements in the segment provided for dynamic growth of cow livestock headcount and milk yields.

***New projects***

A lot of effort is being made for the timely industrial commissioning of two new facilities: a biogas production plant and soybean processing mill. Construction and fitting on the sites is being performed according to a plan, and both plants shall be launched in autumn. When fully operational, these facilities will strongly contribute to business diversification and increased energy efficiency.