ASTARTA HOLDING N.V.

REPORT OF THE BOARD OF DIRECTORS
ON THE OPERATIONS FOR THE FIRST QUARTER 2007

Contents

1. Basis of preparation of the Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements are presented in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.*

2. Company overview

ASTARTA Holding N.V. ("Company") was incorporated under the law of Netherlands on 9 June 2006 as a parent holding company of a group of companies with all of their production assets based in Ukraine ("Group"). These assets are controlled by a Ukrainian operating company LLC firm "Astarta-Kyiv" ("Astarta-Kyiv").

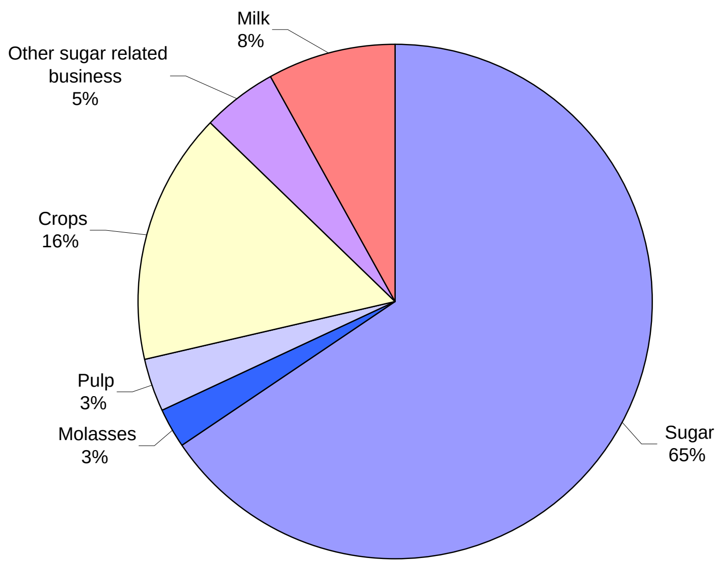
Astarta-Kyiv focuses its operations on production and sales of sugar and sugar by-products. The Group is also involved in growing and selling various grain crops due to the necessity for crop rotation in sugar beet cultivation. Livestock is the Group's additional, non-core activity.

On 31 March 2007, the Company controlled 5 sugar plants, 28 subsidiary agricultural companies and 2 associated agricultural companies, as well as one canning and one mixed fodder plant. All of the Group's operations are located in the Poltava and Vinnytsya oblasts of Ukraine.

3. Basic products, sales and the Group's markets

The basic products of the Group are: sugar and sugar by-products (molasses, beet pulp), sugar beet, grains and oilseeds, as well as cattle-breeding products (milk). For the three months ended 31 March 2007, revenues were EUR 14 489 thousand or c. 41% more than in the first quarter of 2006. Sugar sales represented 65% of the total revenues, and together with sugar by-products and other sugar-related business contributed to 92% of the sales. Revenues from cattle breeding (meat and milk sales) represented 8% of the revenues.

Figure 1. Breakdown of the Group's revenues in Q 1 2007.



In terms of volumes, sugar sales increased from 12.3 thousand tons in the first quarter 2006 to 25.3 thousand tons in the first quarter of 2007, or by c. 106%.

The table below shows sales by quarter in 2006 and the first quarter 2007.

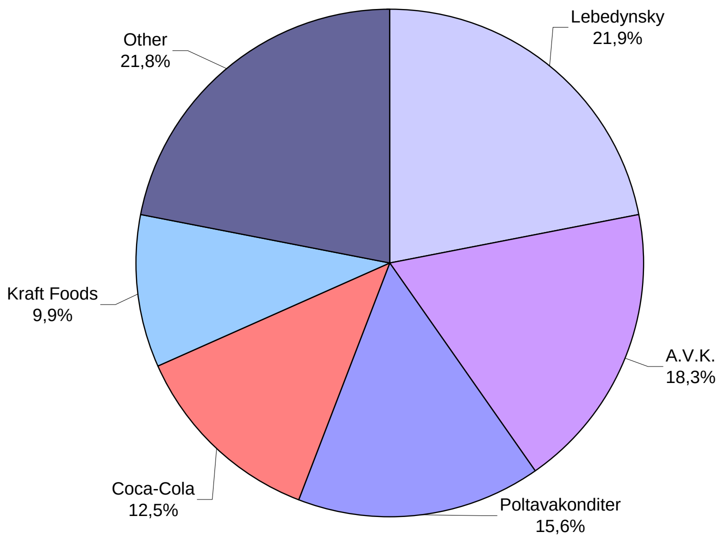
Table 1. Sugar sales in 2006 and Q1 2007, tons

	2007	2006
1 quarter	25 327	12 296
2 quarter	-	14 184
3 quarter	-	20 095
4 quarter	-	44 920
Total:	-	91 495

We increased the volumes of sugar sold in Q1 2007 compared to Q1 2006 due to the 83.6% output increase in 2006. Our sales strategy envisages that we usually sell over one third of sugar produced during the production season (September-December) by the end of the calendar year, whereas the rest of sugar is sold before the subsequent production season starts. In the first quarter of each year sales are the least, whereas the volumes of sugar sold are growing by June due to the seasonality of both consumption and prices.

The figure below provides the breakdown of our sugar sales by clients in terms of volumes in the first quarter 2007.

Figure 2. The breakdown of sugar sales by clients in Q1 2007

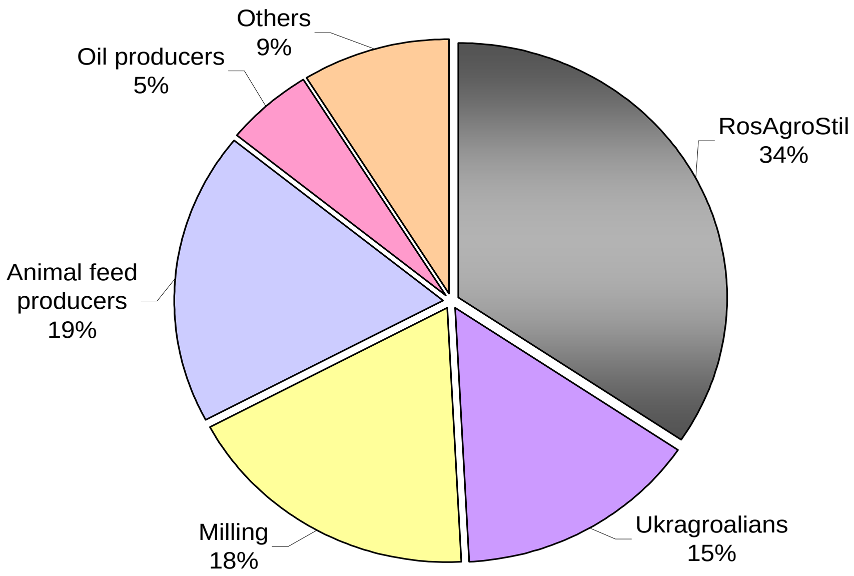


In the three months ended March 31, 2007, the Group well improved its positions in the B2B sector among industrial consumers.
Three of our last year largest consumers, providing for almost half of our sales for the year ended December 31, 2006, were confectionaries: Kraft Foods, AVK, and Poltavakoditer. In the first quarter 2007, we preserved our positions as their largest sugar suppliers and succeeded in sales diversification. Our new B2B client, Coca-Cola Beverages Ukraine, accounted for 12.5% of the total sugar sales. Moreover, we sell sugar to wholesale traders (Lebedynsky Seed-Farming Mill), as well as mid- and small-scale industrial consumers, most of which are located in Central and Eastern Ukraine.

The Board of Directors believe that the Group does not depend on a single consumer, however we are making efforts to diversify our sales and improve the Group's reputation on the market as a high quality sugar producer who always fulfils contract obligations.

We also managed to increase the sugar by-products sales. We almost doubled the revenues from pulp sales from EUR 251 thousand in Q1 2006 to EUR 492 thousand in Q1 2007. Revenues from crop sales grew 35.1% from EUR 1 695 thousand in Q1 2006 to EUR 2 290 thousand in Q1 2007.

Figure 3. The breakdown of crop sales by clients in Q1 2007



Due to the restrictions on grain exports introduced by the Government in late 2006, large international grain traders did not export grain from Ukraine and thus did not buy any grain from Ukrainian producers, including the Group. This fact influenced the Group's crop sales breakdown. We diversified our crop sales and shifted to other buyers, the two largest of which accounted for c. 50% of the total revenues from crop sales in Q1 2007.

Situation on the sugar market in Ukraine during the reporting period and its influence on the Group's business

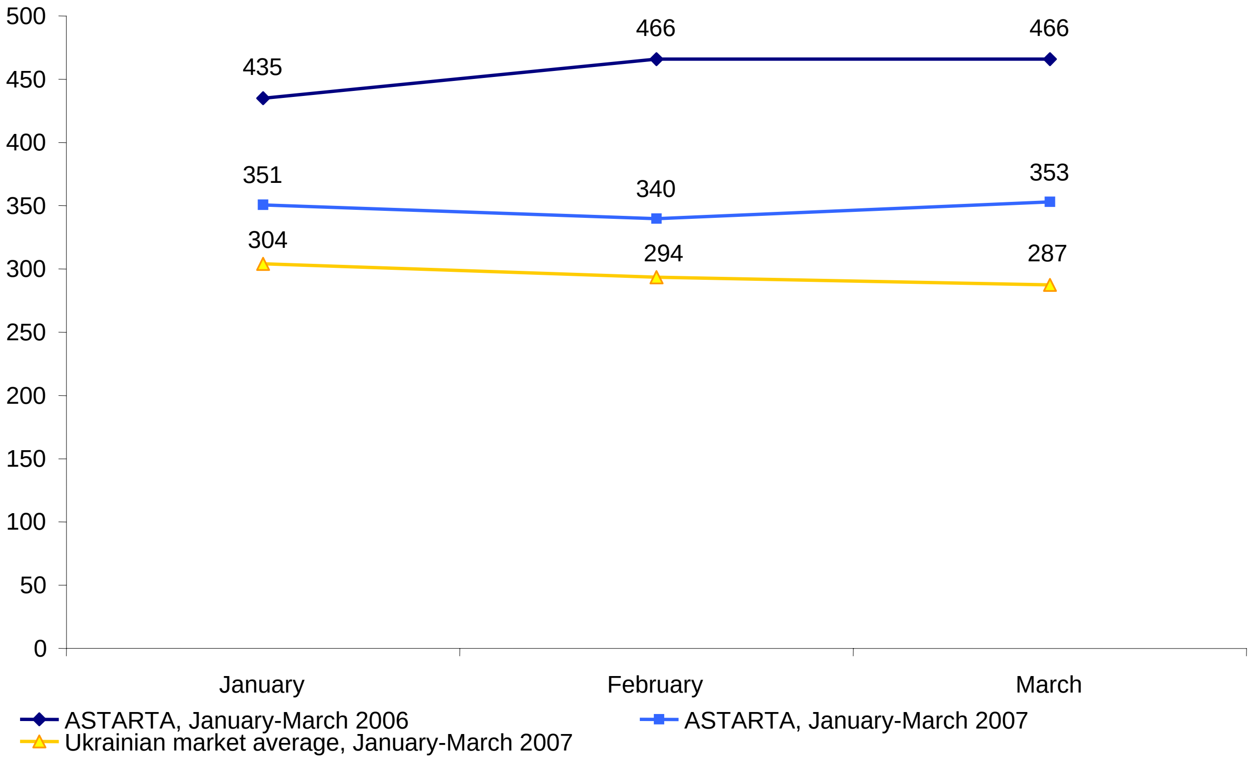
Sugar beet yield in Ukraine was 35% higher than in 2005 (over 22 million tons in 2006). This high yield provided for increased processing and sugar production by the Ukrainian sugar plants. The domestic sugar output reached as high as 2.6 million tons in 2006. According to the sugar market experts, the domestic demand for sugar is about 2.2-2.3 million tones a year. Thus, the 2006 output is not only enough to satisfy the demand, but also exceed it for first time in the last 5 years. Export opportunities are scarce due to high tariff barriers on the foreign markets. By the beginning of the year 2006 there were significant stocks of sugar at the processing plants and farms (farmers are usually compensated with sugar as payment for sugar beets that they delivered to the sugar processing plants).

This situation led to a bearish pressure on sugar prices in late 2006 and in early 2007.

In 2007, the sugar beet sown area will likely decrease because of a high winter wheat sown area and as a consequence lower total spring sown area compared to 2006, lower prices for sugar beet in 2007 due to the decrease in sugar prices in the domestic market.

Figure 4 shows average Ukrainian market prices in January-March 2007 and ASTARTA's sugar selling prices in January-March 2006-2007. Our positioning in the B2B sector, as well as high quality of sugar produced played a stabilizing role in the first quarter of 2007, when we sold sugar at prices above the market average.

Figure 4. Average sugar prices in Ukraine and ASTARTA's average sugar selling prices in Q1 2007, EUR/mt, VAT excl.



*Management estimates

The Board of Directors believes that the price situation will stabilize as soon as the sugar received under tolling schemes is sold by the agricultural producers. Then, there will be a seasonal price rise typical for spring and summer in Ukraine.

Situation on the world sugar market

Situation on the Ukrainian sugar market corresponds to the world sugar market trends. A noteworthy excess of world production over consumption is caused by a massive production increase in the last season. According to the International Sugar Organization assessments, the world sugar surplus will reach as high as 8.5-9 million tons, raw value.

Restrictions of grain exports and their influence on the Group's business

The Ukrainian Government adopted a range of resolutions (No. 1418 dated October 11, 2006; No. 1701 dated December 8, 2006; No. 185 dated February 13, 2007) imposing quotas and licenses for exports of certain grain crops: wheat, barley, corn and rye. These restrictions had a negative impact on exports and on the business of a majority of grain exporters in Ukraine in early 2007.

On February 22, 2007, the Ukrainian Government adopted Resolution No. 290 cancelling export restrictions on barley and corn. This resolution somewhat improved the price situation in the Ukrainian grain market.

4. Shareholder Structure of ASTARTA Holding N.V.

According to the information available to the Company as of the date of the report preparation the following shareholders submitted information on holding directly or indirectly (through subsidiaries) at least 5% of the total vote at the General Shareholders' Meeting of ASTARTA Holding N.V.

Shareholder	Number of shares	% of share capital held	Number of votes at GM	% share of the total vote at GM
Viktor Ivanchyk through his wholly owned Cypriot company Albacon Ventures Ltd.	10,000,000	40.00	10,000,000	40.00
Valery Korotkov through his wholly owned Cypriot company Aluxes Holding Ltd.	10,000,000	40.00	10,000,000	40.00
East Capital Asset Management AB	1,258,280	5.03	1,258,280	5.03
Other shareholders	3,741,720	14.97	3,741,720	14.97
Total	25,000,000	100.00	25,000,000	100.00

5. The Board of Directors

The ASTARTA Holding N.V. Board of Directors is composed of five members: Viktor Ivanchyk (Chief Executive Officer), Petro Rybin (Chief Operating and Financial Officer), Marc van Campen (Chief Corporate Officer), Valery Korotkov (Chairman of the Board, Non Executive Director), Wladyslaw Bartoszewski (Vice Chairman of the Board, Non Executive Director).

Mr. Viktor Ivanchyk and Mr. Valery Korotkov, indirectly, through their wholly-owned Cypriot companies, hold jointly 80% of the total vote at the Company's general shareholders' meeting, and 40% of the total vote each. Moreover, Mr. Ivanchyk and Mr. Korotkov, each, holds directly 0.01% of the chartered capital of Astarta-Kyiv.

Other Directors did not hold within the period from the Company's incorporation to the date of this report and do not hold as at the date hereof, directly or indirectly, any shares in the Company or any other securities giving rights to acquire such shares.

6. Selected Financial Information

Table 3 sets out, in summary form, condensed consolidated income statement information. Such information was extracted from the condensed consolidated income statement for the three months ended 31 March 2007. The figures in the table below are given in thousand EUR.

Table 3. Summary Income Statement

	Three months ended 31 March 2007	**Three months ended 31 March 2006**
Revenues	**14 489**	**10 297**
Cost of revenues	(11 806)	(7 617)
Gains from revaluation of agriculture goods to fair value	880	609
Gross profit	**3 563**	**3 289**
Other operating income	2 256	2 769
General administrative expenses	(1 758)	(1 195)
Selling and distribution expenses	(896)	(637)
Other operating expenses	(1 592)	(1 262)
Profit from operations	**1 573**	**2 964**
Net financial expenses	(793)	(900)
Gain from acquisition of subsidiaries	597	-
Profit before tax	**1 377**	**2 064**
Income tax benefit	390	223
Net profit before minority interest	**1 767**	**2 287**
Attributable to:		
Shareholders of the parent	1 675	1 683
Minority interests	92	604
Net profit	**1 767**	**2 287**
Earnings per share		
Weighted average basic and diluted shares outstanding (in thousands of shares)	25 000	25 000
Basic and diluted earnings per share (in Euros)	0.07	0.07
Margins (%)		
Gross margin	24.6%	31.9%
EBITDA margin	12.9%	31.0%
Net margin	12.2%	22.2%

During the three months ended 31 March 2007, revenues increased to EUR 14 489 thousand compared to EUR 10 297 thousand for the comparable period of 2005, or by 40.7%. This is due to increased sugar sales (from 12.3 thousand tons to 25.3 thousand tons) and also sugar related products and grain crops.

The substantial expansion of the Group's operations for the three months ended 31 March 2007 led to an increase in cost of revenues by 55% compared to the same period of 2006. At the same time the cost of revenues was growing faster than revenues themselves because of the increased prices for fuels (natural gas, coal, oil products), and also for inputs (limestone, fertilizers) due to both general price rise and depreciation of UAH against the Euro. As a result the Group's gross margin is 24.6% for the first quarter 2007 comparatively to 31.9% for the first quarter 2006.

Gain arising from remeasurement of agricultural produce to fair value grew by 44.5% to EUR 880 thousand in the first quarter 2007.

Despite of the increased cost of revenues, the Group's gross profit grew by 8.3% to EUR 3 563 thousand as compared to the same period of 2006.

The Group's profit from operations for the three months ended 31 March 2007 decreased by 46.9%, which first of all is connected with the increase of general administrative expenses, as well as selling and distribution expenses. Such expenses mainly increased due to the rise in salaries and wages resulting from the growing number of personnel due to the acquisition of new agricultural subsidiaries. The additional factor behind the growth in administrative expenses is the costs of audit and other professional services of the Group. Selling and distribution expenses grew by 40.7% during the three months ended 31 March 2007 compared to the correspondent period of 2006 due to the increased sales.

The Group continued its policy of the acquisition of new agricultural companies keeping in mind the creation of maximum additional value for shareholders. As a result, during the three months ended 31 March 2007 the Group's gains from acquisition of new agricultural subsidiaries at the prices lower than their fair value amount to EUR 597 thousand.

Net profit for the three months ended 31 March 2007 is EUR 1 767 thousand, which is 22.7% lower than in the first quarter 2006.

In 2006, management focused their efforts on the Group's development strategy, including increasing consolidation of the Group's assets.

As a result, the interest of minority shareholders in the Group's equity and results has diminished. The net profit attributable to the shareholders of the parent amounted to EUR 1 675, which is similar to the same period of 2006.

Despite the negative factors affecting Group's operations in the first quarter 2007, management regards the Group's results positive.

7. The Group's Structure

The Group's structure as on the reporting date is stated in the Condensed Consolidated Interim Financial Statements as at and for the three months ended 31 March 2007.

After the reporting date, the Group's structure has not changed.

8. Description of Material Risk Factors and Threats of the Group

Described below are the risks and uncertainties we believe are significant for the Group, emphasising the main risk factors and threats faced by the Ukrainian operational companies.

Market risks

- The commodity nature of our main products (sugar and grain) means that we are sensitive to market-driven pricing. Selling prices for our sugar and grain products are volatile and are determined by conditions on the domestic and on the world market. Among the key factors affecting the market are the weather, seasonality of demand and supply, the availability and price of raw materials, biological factors, crop yields and Governmental regulations. If any or all of these factors can depress prices or increase our operating costs, our business, results of operations and financial condition may be adversely affected.

The current sugar market situation in Ukraine and its influence on the Group's business is described in section “Basic products and sales and the Group’s markets”.

- To minimize logistical expense and optimize administrative and management costs, we aim to trade on bulk whole sale terms, particularly in our white sugar and grain trading operations. As a result, we have well-established ties with a number of large customers in our white sugar trading operations. We sell our white sugar mainly to confectionary plants. The loss of the majority of our customers or termination of their contracts, a decrease in sugar consumption by confectionary plants in Ukraine could lead to a material decrease in sales volumes, which could have an adverse effect on our business, results of operations and financial condition.
- Our ability to obtain raw materials in a timely manner and in sufficient quantities may be affected by natural conditions, including, among others, drought, flood, unexpected or heavy frost and hurricanes. Such factors may cause deliveries of raw materials to be delayed or unavailable to us and may adversely affect our business, results of operations and financial condition.
- Costs related to energy and labour constitutes a significant portion of our operating costs. According to state statistics, the wages and energy prices in Ukraine have been rising. It is expected that these costs will rise further in the coming years. Although we are currently working to reduce the energy consumption and manual labour, there can be no guarantee that increases of wages and energy prices would not negatively affect our results of operations.
- Most of the contracts with our customers are either entered into for the period of up to one year or are entered into as contracts for one transaction with “spot” prices fixed in the contract. We regularly re-enter into new contracts with our key customers on an annual basis. Such practice of short-term contracts is consistent with the general commercial practice on Ukrainian sugar and grain market.

Liquidity risks

Due to a seasonal nature of our business, we require high levels of financing at in the end of the summer to support the purchase of raw materials as they become available. We fulfil our seasonal financing requirements by obtaining short-term credit lines from commercial banks, which are repaid in autumn on the condition that our sales to customers are timely settled and are not repaid in instalments. If the majority of our customers were unable or unwilling to fulfil their payment obligations in a timely manner, we would be forced to repay our short-term credit lines from other resources, thus jeopardising our liquidity position.

Material risks

We lease all the land plots on which we grow sugar beet, grains and oilseeds. Approximately 95 per cent of our land plots under lease are leased from private individuals, whereas approximately 5 per cent of our land plots are leased from local Government, farms and other entities. As of the date of this report, we lease approximately 91 thousand hectares of land. Any challenge to the validity or enforceability of our subsidiaries’ or affiliates’ rights to land they lease may result in the loss of the respective lease rights, without such loss extending to titles to plants on that land. However, we believe that lease contracts can be challenged only through court trials, and since we lease such land in good faith, we do not expect any negative court decisions that may result in the loss of the respective lease rights. Any relevant loss of land could materially affect the volume of cultivated and harvested raw materials and thus our business, results of operations and financial condition.

Political risks

Agricultural markets and agricultural production generally are subject to prevailing political and social policies. At times, Governments impose production and selling restrictions and limitations in the form of quotas, tariffs and other mechanisms to protect national producers both at international and domestic levels. These restrictions and limitations can affect volumes and prices in national, regional and world markets. There is no guarantee that the Ukrainian Government will grant new or additional quotas to agricultural producers or that it will impose other protectionism measures. Any change in Government regulations or legislation in our market, the markets in which we compete, or in the markets of our competitors could adversely affect our business, results of operations and financial condition.

The current situation of grain export restrictions introduced by the Ukrainian Government and their influence on the Group's business are described in section "Basic products and sales and the Group's markets".

Economic risks

- In 2001 the Ukrainian Government introduced a system of tariffs on imports of white and raw cane sugar with the goal of stimulating domestic production and processing of sugar beet. Under the tariffs the ex-works cost of sugar produced from the raw cane sugar is significantly higher than the production cost of beet sugar. In the future Ukraine will be required to liberalise its domestic sugar market in line with the obligations related to its WTO accession. In both cases our business results of operations and financial condition may be adversely affected.
- The Ukrainian Government provides various types of financial support to domestic agricultural producers by providing subsidies, including partially reimbursing interest paid on credit facilities with Ukrainian commercial banks and insurance premia for insuring the crops. In addition, Ukrainian agricultural producers were given a right to set aside their VAT net amounts and use them to finance operational activities. The aggregate amount of the above-mentioned compensation is determined annually in the state budget. The right to interest rate reimbursement is granted to agricultural companies based on a tender procedure, while other subsidies are paid upon application of the producer.

  A decision by the Ukrainian Government to discontinue unexpectedly subsidies for domestic agricultural producers in the future, or our failure to qualify for such subsidies, could have a material adverse effect on our business, results of operations and financial condition.
- Ukraine currently has a number of laws related to various taxes imposed by both central and local authorities. These tax laws have not been in force for significant periods of time, compared to more developed market economies, and often result in unclear or non-existent implementing regulations. Moreover, tax laws in Ukraine are subject to frequent changes and amendments, which can result in either a friendlier environment or unusual complexities for the business. Differing opinions regarding legal interpretations often exist both among and within Governmental ministries and organizations, including the tax authorities, creating uncertainties and areas of conflict. Tax declarations/returns, together with other legal compliance areas (*e.g.*, customs and currency control matters), are subject to review and investigation by a number of authorities, which are authorized by law to impose substantial fines, penalties and interest charges. These circumstances generally create tax risks in Ukraine more significant than typically found in countries with more developed tax systems. Generally, the Ukrainian tax authorities may re-assess tax liabilities of taxpayers only within a period of three years after the filing of the relevant tax return. However, this statutory limitation period may not be observed or may be extended in certain circumstances.

Country risks

Since obtaining independence in 1991, Ukraine has undergone a substantial political transformation from a constituent republic of the former Soviet Union to an independent sovereign state. Concurrently with this transformation, Ukraine is progressively changing to a market economy. Although some progress has been made since independence to reform Ukraine's economy and its political and judicial systems, to some extent Ukraine still lacks the necessary legal infrastructure and regulatory framework that is essential to support market institutions, the effective transition to a market economy and broad-based social and economic reforms. Ukraine may continue to experience political instability or uncertainty, economic instability. Ukraine may not be able to maintain access to foreign trade and investment.

Legal risks

Since independence in 1991, as Ukraine has been developing from a planned to a market based economy, the Ukrainian legal system has also been developing to support this market-based economy. Ukraine's legal system is, however, in transition and is, therefore, subject to greater risks and uncertainties than a more mature legal system. In particular, risks associated with the Ukrainian legal system include, but are not limited to, provisions in the laws and regulations that are ambiguously worded or lack specificity and thereby raise difficulties when implemented or interpreted; inconsistencies between and among Ukraine's Constitution, laws, presidential decrees and Ukrainian Governmental, ministerial and local orders, decisions, resolutions and other acts; the lack of judicial and administrative guidance on the interpretation of Ukrainian legislation, including the complicated mechanism of exercising constitutional jurisdiction by the Constitutional Court of Ukraine; the relative inexperience of judges and courts in interpreting Ukrainian legislation in the same or similar cases; corruption within the judiciary; and a high degree of discretion on the part of Governmental authorities, which could result in arbitrary actions. These and other factors that impact on Ukraine's legal system make an investment in the shares subject to greater risks and uncertainties than an investment in a country with a more mature legal system.

9. Material events

Acquisitions of Agricultural Companies

On 21 March 2007 the Group acquired 99.98% of charted capital of agricultural company LLC “HTZ” (Poltava region, Chutivsky region).

On 28 March 2007 the Group by means of a share purchase acquired control of 71.44% of the share capital of OJSC “Agrocomplex”.

Conclusion of contracts with Amity Technology LLC

On 31 January 2007 LLC “APO “Tsukrovyk Poltavschyny” (which is structured into a holding company) signed two contracts to purchase agricultural equipment from Amity Technology LLC (USA). Under the terms of the contracts Amity Technology LLC supplies 14 WIC Planters and 10 Wil-Rich Row Crop Cultivators.
The total value of the contracts is USD 1,352,991 and USD 422,830 respectively or equivalent to approximately EUR 1,046,057 and EUR 326,908 respectively.

Increase of credit line limit

In March 2007, Raiffasein Bank Aval Ukraine increased the credit line limit for Astarta-Kyiv from UAH 200 million (about EUR 31,2 million) to UAH 240 million (about EUR 36 million). The credit line limit was increased with the purpose to secure sugar deliverance contracts with FE “Coca-Cola Beverages Ukraine Limited” with the bank guarantee.

Conclusion of a contract with "Coca-Cola Beverages Ukraine Limited"

On 29 January 2007 Company informed about the conclusion of the contract between Astarta-Kyiv and Foreign Enterprise "Coca-Cola Beverages Ukraine Limited" for selling sugar in consignments within the 2007 year according to a monthly schedule.
Management believes that the conclusion of a contract with a Ukrainian subsidiary of the international company "Coca-Cola" is made possible due to the efforts of the Company directed at improvement of the quality of sugar and logistics of sugar supplies.
We managed to meet the high requirements of "Coca-Cola" for their raw products' suppliers as a result of both reaching high quality standards by our sugar plants as well as investing funds into modernization of sugar shipment infrastructure and the purchase of special-purpose vehicles from Daimler-Chrysler for bulk sugar delivery.
Management will make every effort in order to implement the contract and establish a long-term partnership with the company "Coca-Cola Beverages Ukraine Limited".

"Coca-Cola Beverages Ukraine Limited" is a domestic company with 100% foreign investments. Its main activities are production, distribution and sale of soft drinks under the "Coca-Cola" trade mark. Its products are manufactured since 1998 at its plant located in the outskirts of Kiev. The company employs over 1600 highly skilled professionals. Total investments of the company into economy of Ukraine amounted to 270 million US dollars. According to the assessments of Ukrainian experts the "Coca-Cola Beverages Ukraine Limited" is one of the Top 5 largest industrial sugar consumers in Ukraine.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk ___________________

P. Rybin ___________________

M.M.L.J. van Campen ___________________

V. Korotkov ___________________

W.T. Bartoszewski ___________________

11 May 2007,
Amsterdam, The Netherlands

10. Representation of the Board of Directors

REPRESENTATION

of the Board of Directors

of ASTARTA Holding N.V.

on compliance of the condensed consolidated interim financial statements

The Board of Directors of ASTARTA Holding N.V. hereby represent that to the best of their knowledge the condensed consolidated interim financial statements of Astarta Holding N.V. for the period ended 31 March 2007 and the comparable information are prepared in accordance with the applicable accounting standards and that they give a true, fair and clear view of the assets, financial standing and financial results of ASTARTA Holding N.V., and that the report of the Board of Directors on the operations of ASTARTA Holding N.V. for the first quarter 2007 gives a true view of the developments, achievements and situation of the Company, including a description of the key risks and threats.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk ___________________

P. Rybin ___________________

M.M.L.J. van Campen ___________________

V. Korotkov ___________________

W.T. Bartoszewski ___________________

11 May 2007,
Amsterdam, The Netherlands

ASTARTA HOLDING N.V.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2007

These condensed consolidated interim financial statements contain 24 pages

CONTENTS

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 31 MARCH 2007

(in thousands of Ukrainian hryvnias)	*Note*	**31 March 2007** *(historical)* **(unaudited)**	**31 December 2006** *(historical)* **(unaudited)**	**31 March 2006** *(pro-forma)* **(unaudited)**	**31 December 2005** *(pro-forma)* **(audited)**
Assets					
Non-current assets					
Property, plant and equipment		229,719	209,535	165,400	151,967
Intangible assets		601	691	202	206
Biological assets		21,562	16,781	17,172	14,730
Long-term receivables		3,795	5,625	-	-
Investments in subsidiaries and associates		400	400	1,160	1,331
Deferred tax assets		2,602	1,324	4,860	3,416
		258,679	**234,356**	**188,794**	**171,650**
Current assets					
Inventories		293,524	305,342	173,721	178,356
Biological assets		35,145	37,223	12,538	11,069
Trade accounts receivable		128,666	120,527	46,517	46,979
Other accounts receivable		68,701	71,731	17,471	41,312
Promissory notes receivable		2,308	1,589	4,461	3,082
Cash and cash equivalents		5,773	19,894	5,639	3,002
		534,117	**556,306**	**260,347**	**283,800**
Total assets		**792,796**	**790,662**	**449,141**	**455,450**
Shareholders' equity and liabilities					
Equity					
Share capital		1,663	1,663	358	358
Additional paid-in capital		154,375	156,443	7,284	7,845
Retained earnings		249,009	237,915	183,644	173,432
Fair-value reserve		(233)	(233)	-	-
Currency translation adjustment		(2,792)	(2,979)	-	-
Total equity		**402,022**	**392,809**	**191,286**	**181,635**
Non-current liabilities					
Loans and borrowings		63,141	55,749	71,462	60,230
Deferred tax liabilities		4,093	6,205	10,165	10,323
		67,234	**61,954**	**81,627**	**70,553**
Current liabilities					
Bank loans		160,702	163,398	66,430	67,512
Current portion of loans and borrowings		20,909	20,911	3,489	3,483
Trade accounts payable		92,075	96,978	26,065	28,335
Promissory notes issued		470	2,984	8,723	2,029
Minority interest		15,507	13,961	55,793	52,129
Other liabilities and accounts payable		33,877	37,667	15,728	49,774
		323,540	**335,899**	**176,228**	**203,262**
Total equity and liabilities		**792,796**	**790,662**	**449,141**	**455,450**

The condensed consolidated interim balance sheet is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 3 to 10.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 31 MARCH 2007

(in thousands of Euros)	*Note*	**31 March 2007** *(historical)* **(unaudited)**	**31 December 2006** *(historical)* **(unaudited)**	**31 March 2006** *(pro-forma)* **(unaudited)**	**31 December 2005** *(pro-forma)* **(audited)**
Assets					
Non-current assets					
Property, plant and equipment		34,071	31,505	27,077	25,448
Intangible assets		89	104	33	34
Biological assets		3,198	2,523	2,811	2,467
Long-term receivable		563	846	-	-
Investments in subsidiaries and associates		59	60	190	223
Deferred tax assets		387	199	797	589
		38,367	**35,237**	**30,908**	**28,761**
Current assets					
Inventories		43,535	45,910	28,439	29,867
Biological assets		5,213	5,597	2,053	1,854
Trade accounts receivable		19,083	18,122	7,615	7,867
Other accounts receivable		10,190	10,785	2,860	6,901
Promissory notes receivable		342	239	730	516
Cash and cash equivalents		856	2,991	923	503
		79,219	**83,664**	**42,620**	**47,508**
Total assets		**117,586**	**118,881**	**73,528**	**76,269**
Shareholders' equity and liabilities					
Equity					
Share capital		250	250	60	60
Additional paid-in capital		23,331	23,644	1,204	1,296
Retained earnings		41,169	39,494	31,041	29,358
Fair-value reserve		(35)	(35)	-	-
Currency translation adjustment		(5,088)	(4,292)	(990)	(296)
Total equity		**59,627**	**59,061**	**31,315**	**30,418**
Non-current liabilities					
Loans and borrowings		9,365	8,382	11,699	10,086
Deferred tax liabilities		607	933	1,664	1,729
		9,972	**9,315**	**13,363**	**11,815**
Current liabilities					
Bank loans		23,835	24,568	10,875	11,305
Current portion of loans and borrowings		3,101	3,144	571	583
Trade accounts payable		13,656	14,581	4,267	4,745
Promissory notes issued		70	449	1,428	340
Minority interests		2,301	2,099	9,134	8,729
Other liabilities and accounts payable		5,024	5,664	2,575	8,334
		47,987	**50,505**	**28,850**	**34,036**
Total equity and liabilities		**117,586**	**118,881**	**73,528**	**76,269**

The condensed consolidated interim balance sheet is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 3 to 10.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2007

(in thousands of Ukrainian hryvnias)	*Note*	**Three months ended 31 March 2007** (*historical*) **(unaudited)**	**Three months ended 31 March 2006** (pro-forma) **(unaudited)**
Revenues	*5*	95,887	62,488
Cost of revenues		(78,132)	(46,223)
Gain arising from remeasurement of agricultural produce to fair value		5,821	3,692
Gross profit		**23,576**	**19,957**
Other operating income		14,930	16,802
General administrative expenses	*6*	(11,631)	(7,250)
Selling and distribution expenses	*7*	(5,928)	(3,867)
Other operating expenses		(10,537)	(7,653)
Profit from operations		**10,410**	**17,989**
Net financial expenses		(5,245)	(5,463)
Gain from acquisition of subsidiaries	*4*	3,954	-
Profit before income tax		**9,119**	**12,526**
Income tax benefit		2,584	1,350
Net profit before minority interest		**11,703**	**13,876**
Attributable to:			
Shareholders of the parent		11,094	10,212
Minority interests		609	3,664
Net profit		**11,703**	**13,876**
Earnings per share			
Weighted average basic and diluted shares outstanding *(in thousands of shares)*		25,000	25,000
Basic and diluted earnings per share attributable to shareholders of the parent *(in Ukrainian hryvnias)*		0.44	0.41

The condensed consolidated interim income statement is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 3 to 10.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2007

(in thousands of Euros)	*Note*	**Three months ended 31 March 2007** (*historical*) **(unaudited)**	**Three months ended 31 March 2006** (pro-forma) **(unaudited)**
Revenues	*5*	14,489	10,297
Cost of revenues		(11,806)	(7,617)
Gain arising from remeasurement of agricultural produce to fair value		880	609
Gross profit		**3,563**	**3,289**
Other operating income		2,256	2,769
General administrative expenses	*6*	(1,758)	(1,195)
Selling and distribution expenses	*7*	(896)	(637)
Other operating expenses		(1,592)	(1,262)
Profit from operations		**1,573**	**2,964**
Net financial expenses		(793)	(900)
Gain from acquisition of subsidiaries	*4*	597	-
Profit before income tax		**1,377**	**2,064**
Income tax benefit		390	223
Net profit before minority interest		**1,767**	**2,287**
Attributable to:			
Shareholders of the parent		1,675	1,683
Minority interests		92	604
Net profit		**1,767**	**2,287**
Earnings per share			
Weighted average basic and diluted shares outstanding *(in thousands of shares)*		25,000	25,000
Basic and diluted earnings per share attributable to shareholders of the parent *(in Euros)*		0.07	0.07

The condensed consolidated interim income statement is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 3 to 10.

CONDENSED CONSDOLIDATED INTERIM CASH FLOW STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2007

(in thousands of Ukrainian hryvnias)	*Note*	**Three months ended 31 March 2007** *(pro-forma)* **(unaudited)**	**Three months ended 31 March 2006** *(pro-forma)* **(unaudited)**
Operating activities			
Profit before income tax		**9,119**	**12,526**
Adjustments for:			
Depreciation and amortization		1,992	1,414
Provision for doubtful debts		1,533	826
Gain on acquisition of subsidiaries		(3,954)	-
Interest expense		6,126	5,649
Interest income		(372)	(100)
Change in fair value of biological assets		(3,630)	(2,222)
Change in fair value of agricultural inventory		(5,821)	(3,692)
(Increase) decrease in inventories		17,913	8,327
(Increase) decrease in biological assets		927	(1,689)
(Increase) decrease in trade and other receivables		(5,794)	20,851
(Increase) decrease in promissory notes receivable		(719)	(1,379)
(Decrease) Increase in trade and other payables		(10,411)	(36,782)
(Decrease) Increase in promissory notes issued		(2,514)	6,694
Income tax paid		(426)	(71)
Interest paid		(8,111)	(4,481)
Cash flows provided by (used in) operating activities		**(4,142)**	**5,871**
Investing activities			
Purchase of property, plant and equipment		(17,568)	(14,843)
Proceeds from sale of property, plant and equipment		819	1,353
Interest received		372	100
Decrease (increase) of long-term receivables		1,830	-
Acquisition of subsidiaries net of cash acquired		(56)	-
Cash flows used in investing activities		**(14,603)**	**(13,390)**
Financing activities			
Proceeds from loans and borrowings		21,505	83,651
Principal payments on loans and borrowings		(16,881)	(73,495)
Cash flows provided by financing activities		**4,624**	**10,156**
Net increase (decrease) in cash and cash equivalents		(14,121)	2,637
Cash and cash equivalents at beginning of period		19,894	3,002
Cash and cash equivalents as at 31 December		**5,773**	**5,639**

The condensed consolidated interim cash flow statement is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 3 to 10.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2007

(in thousands of Euros)	*Note*	**Three months ended 31 March 2007** *(pro-forma)* **(unaudited)**	**Three months ended 31 March 2006** *(pro-forma)* **(unaudited)**
Operating activities			
Net profit before income tax		**1,377**	**2,064**
Adjustments for:			
Depreciation and amortization		301	233
Provision for doubtful debts		232	136
Gain on acquisition of subsidiaries		(597)	-
Interest expense		926	931
Interest income		(56)	(16)
Change in fair value of biological assets		(549)	(366)
Change in fair value of agricultural inventory		(880)	(608)
(Increase) decrease in inventories		2,707	1,372
(Increase) decrease in biological assets		140	(278)
(Increase) decrease in trade and other receivables		(876)	3,436
(Increase) decrease in promissory notes receivable		(109)	(227)
(Decrease) increase in trade and other payables		(1,573)	(6,063)
(Decrease) Increase in promissory notes issued		(380)	1,103
Income tax paid		(64)	(12)
Interest paid		(1,225)	(738)
Cash flows provided by (used in) operating activities		**(626)**	**967**
Investing activities			
Purchase of property, plant and equipment		(2,655)	(2,445)
Proceeds from sale of property, plant and equipment		124	223
Interest received		56	16
Decrease (Increase) of long-term receivable		276	-
Acquisition of subsidiaries net of cash acquired		(8)	-
Cash flows used in investing activities		**(2,207)**	**(2,206)**
Financing activities			
Proceeds from loans and borrowings		3,250	13,784
Principal payments on loan and borrowings		(2,551)	(12,110)
Cash flows provided by (used in) financing activities		**699**	**1,674**
Net increase in cash and cash equivalents		(2,134)	435
Cash and cash equivalents at beginning of period		2,991	503
Currency translation adjustment		(1)	(15)
Cash and cash equivalents as at 31 December		**856**	**923**

The condensed consolidated interim cash flow statement is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on pages 3 to 10.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2007

(in thousands of Ukrainian hryvnias)	**Share capital (unaudited)**	**Retained earnings (unaudited)**	**Additional paid-in capital (unaudited)**	**Fair-value reserve (unaudited)**	**Currency translation difference (unaudited)**	**Total equity (unaudited)**
Balance as at 31 December 2006	**1,663**	**237,915**	**156,443**	**(233)**	**(2,979)**	**392,809**
Net profit		11,094				**11,094**
Currency translation differences					187	**187**
Total recognized gains and losses						**11,281**
Reverse remeasurement of loans from equity holders to market terms			(2,758)			**(2,758)**
Deferred tax effect			690			**690**
Consolidated balance as at 31 March 2007	**1,663**	**249,009**	**154,375**	**(233)**	**(2,792)**	**402,022**

(in thousands of Euros)	**Share capital (unaudited)**	**Retained earnings (unaudited)**	**Additional paid-in capital (unaudited)**	**Fair-value reserve (unaudited)**	**Currency translation difference (unaudited)**	**Total equity (unaudited)**
Balance as at 31 December 2006	250	39,494	23,644	(35)	(4,296)	59,057
Net profit		1,675				1,675
Currency translation differences					(792)	(792)
Total recognized gains and losses						**883**
Reverse remeasurement of loans from equity holders to market terms			(417)			(417)
Deferred tax effect			104			104
Consolidated balance as at 31 March 2007	**250**	**41,169**	**23,331**	**(35)**	**(5,088)**	**59,627**

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on the pages 3 to 10.

PRO-FORMA CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2006

(in thousands of Ukrainian hryvnias)	Share capital (unaudited)	Retained earnings (unaudited)	Additional paid-in capital (unaudited)	Currency translation difference (unaudited)	Total equity (unaudited)
Pro-forma consolidated balance as at 31 December 2005	358	173,432	7,845		181,635
Net profit		10,212			10,212
Currency translation differences					
Total recognized gains and losses					**10,212**
Reverse remeasurement of loans from equity holders to market terms			(748)		(748)
Deferred tax effect			187		187
Pro-forma consolidated balance as at 31 March 2006	**358**	**183,644**	**7,284**		**191,286**

(in thousands of Euros)	Share capital (unaudited)	Retained earnings (unaudited)	Additional paid-in capital (unaudited)	Currency translation difference (unaudited)	Total equity (unaudited)
Pro-forma consolidated balance as at 31 December 2005	60	29,358	1,296	(296)	30,418
Net profit		1,683			1,683
Currency translation differences				(694)	(694)
Total recognized gains and losses					**989**
Reverse remeasurement of loans from equity holders to market terms			(123)		(123)
Deferred tax effect			31		31
Pro-forma consolidated balance as at 31 March 2006	**60**	**31,041**	**1,204**	**(990)**	**31,315**

These pro-forma condensed consolidated interim statements of changes in equity is to be read in conjunction with the notes to and forming part of the condensed consolidated interim financial statements set out on the pages 3 to 10.

Notes to the condensed consolidated interim financial statements as at and for the three months ended 31 March 2007

1. Background

Organization and operations

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

The Company's legal address is Koningslaan 17, 1075 AA, Amsterdam, the Netherlands.

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

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

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

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

These condensed consolidated financial statements provide financial information as at 31 March 2007 and for the three months ended 31 December 2007. Management presents these condensed consolidated financial information as if the Company was formed as a legal entity as at 31 December 2004.

Ukrainian business environment

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

2. Basis of preparation

Statement of compliance

These condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting* (IAS 34). They do not include all information required for full annual financial statements and should be read in connection with the pro-forma consolidated financial statements and pro-forma condensed consolidated interim financial statements. The pro-forma consolidated financial statements as at and for the year ended 31 December 2005, pro-forma condensed consolidated interim financial statements as at and for six months ended 30 June 2006, historical condensed consolidated interim financial statements as at and for the three months ended 30 September 2006 and pro-forma condensed consolidated interim financial statement as at and for the nine months ended 30 September 2006 and condensed consolidated interim financial statements as at and for three months ended 31 December 2006 are available on the web-site of Astarta-Kyiv (www.astartakiev.com).

The accounting policies and methods of computation followed in these condensed consolidated financial interim statements are consistent with those applied in the pro-forma consolidated financial statements as of and for the year ended 31 December 2006.

These condensed consolidated interim financial statements were signed by the Board of Directors on 11 May 2007.

Basis of consolidation

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

Changes in the Group's composition occurring during the three months ended 31 March 2007 are as follows:

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

On 28 March 2007, the Group acquired 71.44 % of the share capital of OJSC "Agrocomplex" (Poltava region).

Included in these condensed consolidated interim financial statements are the entities listed below:

Name	Activity	31 March 2007 % of ownership	31 December 2006 % of ownership
Subsidiaries:			
Ancor Investments Ltd	Investment activities	100.00%	100.00%
Astarta-Kyiv	Asset management	99.98%	99.98%
LLC “Agropromtsukor”	Sugar production	99.98%	99.98%
LLC “APO “Tsukrovyk Poltavshchyny"	Sugar production	95.08%	95.08%
LLC “Torgovy dim”	Trade	97.55%	97.55%
LLC "Agricultural company “Zolota Gora”	Agricultural	97.98%	97.98%
LLC "Agricultural company “Dovzhenko"	Agricultural	96.98%	96.98%
LLC "Agricultural company “Gogolevo"	Agricultural	96.98%	96.98%
LLC "Shyshaki combined forage factory”	Production, services	82.71%	82.71%
LLC "Agricultural company “Shyshatska"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Stepove"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Fydrivske"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Troyitska"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Mriya"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Pustoviytove"	Agricultural	99.78%	99.78%
LLC "Agricultural company “Shevchenko"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Grynky"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Ordanivka”	Agricultural	97.98%	97.98%
SC "Agricultural company “Sofiivka"	Agricultural	99.98%	99.98%
LLC "Agricultural company “Kozatsky stan"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Dobrobut"	Agricultural	97.98%	97.98%
LLC "Agricultural company “Musievske"	Agricultural	74.99%	74.99%
LLC "Agricultural company “Zorya"	Agricultural	74.99%	74.99%
LLC "Agricultural company “Nadiya"	Agricultural	74.99%	74.99%
LLC "Agricultural company “Viytovetske"	Agricultural	99.98%	99.98%
LLC "Agricultural company “named after Bohdan Khmelnitskiy"	Agricultural	74.99%	74.99%
Globino canning factory "Globus"	Canning production, trade	99.98%	99.98%
SC “Agricultural company “Semenivska”	Agricultural	99.98%	99.98%
LLC “Agricultural company “named after Shevchenko” (Gadiach region)	Agricultural	79.98%	79.98%
LLC “Dobrobut” (Novo-Sanzharskiy region)	Agricultural	97.98%	97.98%
LLC “Zoria” (Novo-Sanzharskiy region)	Agricultural	90.11%	90.11%
LLC “Baliasne”	Agricultural	97.98%	97.98%
LLC “Agro-Maiak”	Agricultural	79.98%	79.98%
LLC “HTZ”	Agricultural	99.98%	-
OJSC “Agrocomplex”	Agricultural	71.44%	-
Associates:			
LLC "Agricultural company “Stozhary"	Agricultural	25.40%	25.40%
LLC "Agricultural company “Pokrovska"	Agricultural	49.99%	49.99%

Ancor Investments LTD is incorporated under the Cyprus legislation and all other subsidiaries and associates are incorporated ion Ukraine.

Pro-forma financial information

The pro-forma adjustments include:

In July 2006 the Group was structured into a legal group. Therefore the period through 31 March 2007 constitute the first nine months of operations of the legal group.

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

Acquisition and disposal of minority interests

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

Transactions eliminated on consolidation

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

Common control transactions

The acquisition of controlling interests in entities that are under the control of the same controlling shareholders as the Group are accounted for as if the acquisition occurred at the beginning of the earliest comparative period presented, or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognized at their previous book values as recorded in the individual IFRS financial statements of the acquired enterprise. The components of equity of the acquired enterprises are added to the same components within the Group equity. Any cash paid for the acquisition is charged to equity.

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

Basis of accounting

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

Functional and presentation currency

The Euro (EUR) is the functional and presentation currency of Astarta Holding N.V. The operating subsidiaries and associates in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency. The financial data of the companies registered in Ukraine are converted from UAH to EUR and are rounded to the nearest thousand.

Management chose to present the condensed consolidated financial statements in two currencies, Euro and UAH.

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

Critical accounting estimates and judgments in applying accounting policies

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

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

Cost of inventories. Management estimates the necessity of write down of inventories to their net realizable value taking into consideration the prices at which inventories may be sold at the balance sheet date.

Post-employment and other long-term employees benefit obligations. Management performs a calculation of post-employment and other long-term employee benefit obligations using the projected unit credit method based on actuarial assumptions that represent management's best estimates of the variables that will determine the ultimate cost of providing post-employment and other long-term employee benefits. Post-employment and other long-term employee benefit obligations are not recognized in these condensed consolidated interim financial statements as the effect of recognizing these obligations would not be material.

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

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

Seasonality of Production and Markets

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

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

3. Significant accounting policies.

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its pro-forma in its pro-forma consolidated financial statements as at and for the year ended 31 December 2006, pro-forma consolidated financial statements as at and for the year ended 31 December 2005 included in the Prospectus issued on 20 July 2006 in connection with the Company's initial listing on the Warsaw Stock Exchange.

Foreign currency transactions

Transactions in foreign currencies are translated to hryvnias at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to hryvnias at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to hryvnias at the foreign exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the income statement.

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

Currency	**31 March 2007**	**31 December 2006**	**31 March 2006**	**31 December2005**
US Dollar	**5.0500**	5.0500	5.0500	5.0500
Euro	**6.7423**	6.6508	6.4200	5.9720

As at the date of these condensed consolidated financial statements the exchange rate is UAH 5.0500 to USD 1.00 and UAH 6.8311 to Euro 1.00.

Biological assets

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

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

4. Acquisition of subsidiaries

During the three months ended 31 March 2007 the Group acquired the following companies involved in agricultural activities:

Name	Country of incorporation	Activity	Date of acquisition	% of ownership as at 31 March 2007
LLC "HTZ"	Ukraine	Agricultural	21/03/2007	99.98%
OJSC "Agrocomplex"	Ukraine	Agricultural	28/03/2007	71.44%

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

	Recognized fair value at acquisition	
	(in thousands of Ukrainian hryvnias)	*(in thousands of Euros)*
Non-current assets	**6,935**	**1,028**
Property, plant and equipment	4,518	670
Financial investments	2,417	358
Current assets	**858**	**127**
Inventories	274	41
Trade accounts receivable	523	77
Other accounts receivable and prepayments	56	8
Cash and cash equivalents	5	1
Non-current liabilities	**(70)**	**(10)**
Long-term loans and borrowings	(70)	(10)
Current liabilities	**(2,713)**	**(402)**
Trade accounts payable	(102)	(15)
Other liabilities and accounts payable	(2,611)	(387)
Minority interest acquired	(944)	(140)
Net identifiable assets, liabilities and contingent liabilities	**4,066**	**603**
Excess of net assets acquired over consideration paid	3,954	586
Consideration paid by Astarta-Kyiv (subsidiary of the Group)	(61)	(9)
Shares held by Pustovyitove (subsidiary of the Group)	(51)	(8)
Cash acquired	5	1
Net cash outflow	**(56)**	**(8)**

During the three months ended 31 March 2006 the Group did not provide acquisitions of the companies.

5. Revenue

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

(in thousands of Ukrainian hryvnias)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 March 2006 (unaudited)**
Sugar and related business:		
Sugar	**62,782**	40,546
Molasses	**2,480**	2,377
Pulp	**3,259**	1,525
Crops	**15,157**	10,289
Other sugar related business	**4,573**	3,756
Milk	**7,636**	3,995
Total revenues	**95,887**	**62,488**

(in thousands of Euros)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 march 2006 (unaudited)**
Sugar and related business:		
Sugar	**9,487**	6,681
Molasses	**375**	392
Pulp	**492**	251
Crops	**2,290**	1,695
Other sugar related business	**691**	619
Milk	**1,154**	659
Total revenues	**14,489**	**10,297**

6. General and administrative expenses

General and administrative expenses during the three months ended 31 March were the following:

(in thousands of Ukrainian hryvnias)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 March 2006 (unaudited)**
Salary and related charges	**5,161**	3,892
Depreciation	**615**	265
Communication	**2,121**	450
Transportation	**510**	368
Professional services	**438**	362
Materials	**507**	398
Maintenance	**995**	606
Other	**1,284**	909
Total	**11,631**	**7,250**

(in thousands of Euros)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 March 2006 (unaudited)**
Salary and related charges	**780**	641
Depreciation	**93**	44
Communication	**320**	74
Transportation	**77**	61
Professional services	**66**	60
Materials	**77**	66
Maintenance	**150**	100
Other	**195**	149
Total	**1,758**	**1,195**

7. Selling and distribution expenses

Selling and distribution expenses during the three months ended 31 March were the following:

(in thousands of Ukrainian hryvnias)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 March 2006 (unaudited)**
Transportation	**1,813**	1,105
Impairment provision on trade and other accounts receivable	**1,533**	826
Salary and related charges	**1,064**	508
Advertising	**37**	71
Commissions	**3**	6
Professional services	**331**	474
Other	**1,147**	877
Total	**5,928**	**3,867**

(in thousands of Euros)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 march 2006 (unaudited)**
Transportation	**274**	182
Impairment provision on trade and other accounts receivable	**232**	136
Salary and related charges	**161**	84
Advertising	**6**	12
Commissions	**-**	1
Professional services	**50**	78
Other	**173**	144
Total	**896**	**637**

8. Related party transactions

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

Balance and transactions with related parties, substantially all of which are with Companies under common control of the shareholders, as at 31 March 2007 are shown at their carrying value and are as follows:

(a) Revenues

Sales of goods and services to related parties for the three months ended 31 March are as follows:

(in thousands of Ukrainian hryvnias)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 March 2006 (unaudited)**
Revenues	**2,656**	3,361

(in thousands of Euros)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 March 2006 (unaudited)**
Revenues	**401**	554

(b) Purchases

Purchases of goods and services from related parties for the three months ended 31 March are as follows:

(in thousands of Ukrainian hryvnias)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 March 2006 (unaudited)**
Purchases	**836**	598

(in thousands of Euros)	**Three months ended 31 March 2007 (unaudited)**	**Three months ended 31 March 2006 (unaudited)**
Purchases	**126**	99

(c) Receivables

Receivables from related parties are as follows:

(in thousands of Ukrainian hryvnias)	31 March 2007 (unaudited)	31 December 2006 (unaudited)
Trade accounts receivable	**8,891**	8,742
Advances made	**3,034**	-
Other receivables	**139**	-
	12,064	8,742

(in thousands of Euros)	31 March 2007 (unaudited)	31 December 2006 (unaudited)
Trade accounts receivable	**1,319**	1,314
Advances made	**450**	-
Other receivables	**21**	-
	1,790	1,314

(d) Payables

Payables to related parties are as follows:

(in thousands of Ukrainian hryvnias)	31 March 2007 (unaudited)	31 December 2006 (unaudited)
Trade accounts payable	**454**	8,133
Advances received	**3,056**	1
Other payables	**15,665**	3,842
	19,175	11,976

(in thousands of Euros)	31 March 2007 (unaudited)	31 December 2006 (unaudited)
Trade accounts payable	**67**	1,223
Advances received	**453**	-
Other payables	**2,323**	578
	2,843	1,801

(e) Long-term borrowings

Long-term borrowings from related parties are as follows:

(in thousands of Ukrainian hryvnias)	**31 March 2007 (unaudited)**	**31 December 2006 (unaudited)**
Non-resident	**1,846**	2,151
Local	**2,000**	1,402
	3,846	3,553

(in thousands of Euros)	**31 March 2007 (unaudited)**	**31 December 2006 (unaudited)**
Non-resident	**274**	323
Local	**297**	211
	571	534

9. Events subsequent to the balance sheet date

No material events subsequent to the balance sheet date occurred that are not disclosed in these financial statements.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk ____________________

P. Rybin ____________________

M.M.L.J. van Campen ____________________

V. Korotkov ____________________

W.T. Bartoszewski ____________________

11 May 2007