2014

ANNUAL REPORT

Astarta Holding N.V.

DEVELOPING POTENTIAL OF OUR LAND AND PEOPLE

CONTENTS

ASTARTA CEO AND FOUNDER STATEMENT

Dear Shareholders,

Last year was one of the most complicated in the history of modern Ukraine. Changes that have taken place had a great impact on the economy, society and the state. The current events are very painful for Ukrainians. However, we consider that strategically the country meets new development opportunities, step by step returning to the true values of freedom and true market economy.

Fortunately, the annexation of the Crimean peninsula and military actions in eastern Ukraine did not influence directly the assets of the company. At the same time many of our local clients - soft beverages and confectionery factories as well as milk processors - were faced with decline in consumer's demand. In this turbulent environment, ASTARTA managed to adjust efficiently to the changing market conditions. We increased sales of sugar to retail, and focused on exports extension, raising export revenue by 26 percent, up to 84 million euros a year. As export is the effective mechanism for hedging currency exchange risk, in the current situation we are going to expand further the export sales of sugar, grains and products of soybean processing.

The situation in Ukraine raised the number of risks the company faces, but at the same time opened new opportunities, making us competitively stronger. In particular, devaluation of the hryvnia provided for a decrease in the dollar denominated production costs and supported our competitiveness on the international markets.

Last year we launched two new industrial assets - a soybean processing plant and biogas complex. The impressive results of the soybean crushing segment can be clearly seen. ASTARTA managed to take leadership position among local players and generate more than 21 percent of the consolidated income from the soy processing activities. Additionally, our business model became better balanced and diversified.

The bioenergy complex has delivered 6.8 million cubic meters of biogas utilizing the side products of sugar production. It helped to save costs for the purchase of natural gas during sugar production season. At the same time, we have still to exploit full potential of the complex. Thereby, in the beginning of 2015, we initiated supply of biogas to soybean processing plant to provide all year exploitation of the complex.

I am glad to inform you that despite the volatile global markets for commodities and the difficult situation in the country, we improved our sales and EBITDA index. The cash flow from operating activities has grown 2.4 times. We also decreased the net debt of the company, bringing the ratio of net debt to EBITDA to the “healthy” level of 1.8x.

The main challenge for the management team in 2015 is to secure the stability of business and provide the high return on our past investments. At the same time we think that the current situation in the country opens new opportunities for growth and consolidation.

We are very grateful for your support and trust and will continue to work hard to develop our company.

Sincerely yours,
Viktor Ivanchyk

REPORT ON OPERATIONS

SELECTED KEY RESULTS

466

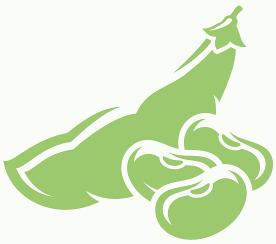
thousand tonnes of white sugar

680

thousand tonnes of grains and oilseeds

thousand tonnes of soy-bean products

190

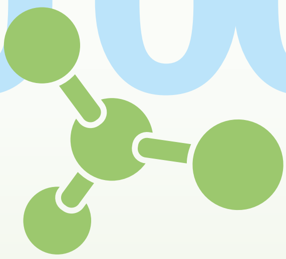


104

thousand tonnes of milk

6 800 000

cubic meters of biogas



ASTARTA AT A GLANCE

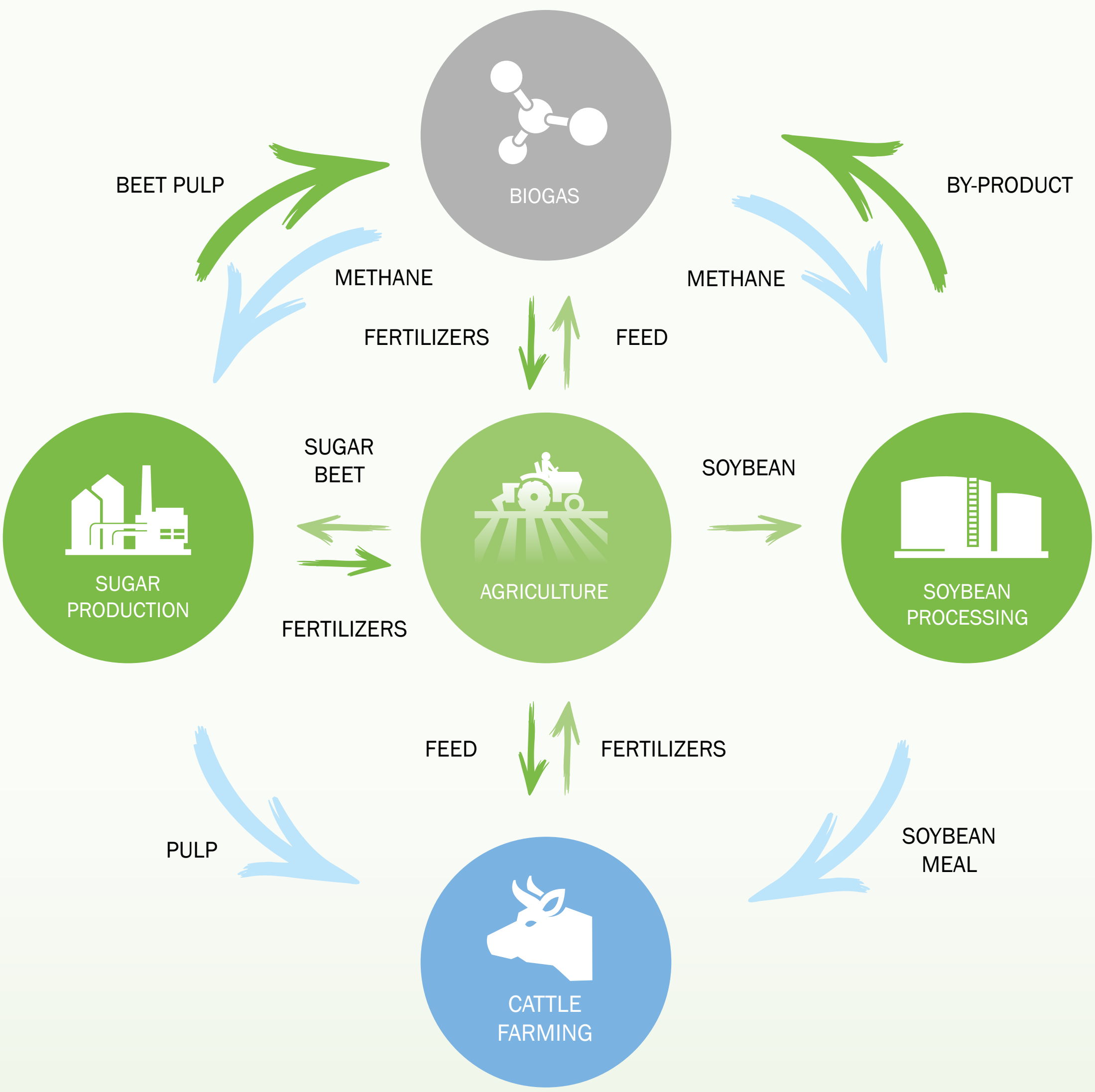
ASTARTA is a vertically integrated agro-industrial producer operating in Ukraine, founded in 1993 with a focus on sugar production, soybean processing, crop growing, cattle farming as well as bioenergy generation.

ASTARTA is the largest sugar manufacturer and soybean processor in Ukraine. It is also consistently ranked among Ukraine's largest companies in terms of land bank under cultivation and milk production volumes.

The key business units of ASTARTA are located in the Poltava, Khmelnytsky, Vinnytsia and Kharkiv regions, which enjoy a favourable climate and high quality soils, and have historically shown to be among best regions in Ukraine for crop farming.

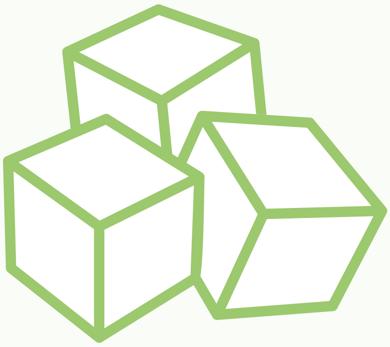
Our mission toward partnerships with our suppliers and consumers has enabled us to establish stable long-term business relationships with the leaders of the Ukrainian industry and with international clients and partners, rewarding for our impeccable reputation.

ASTARTA BUSINESS SYNERGY



ASTARTA AT A GLANCE

sugar



The largest Ukrainian white sugar producer

High efficiency of processing

High self-sufficiency in beet production

Soybean processing

Top Ukrainian processor of soybeans

Modern soybean processing plant

Top quality high-protein soybean meal

farming

One of the largest agriproducers in Ukraine

245 thousand hectares in cultivation

Developed logistics and storage

dairy

Top Ukrainian milk producer

Total dairy headcount of 31 thousand heads

300 tonnes of milk daily

ASTARTA ON A MAP

Sugar plant

Bioenergy complex

Soy processing plant

Grain silo

PRODUCTION CALENDAR

	March	April	May	July	August	September	October	November	December
Sugar Production						Production	Production	Production	Production
Sugar Beet	Planting	Planting				Harvesting	Harvesting	Harvesting	
Winter Crops				Harvesting	Harvesting	Planting	Planting		
Spring Crops	Planting	Planting		Harvesting	Harvesting				
Corn		Planting	Planting			Harvesting	Harvesting	Harvesting	
Sunflower Seed		Planting	Planting		Harvesting	Harvesting			
Soybean		Planting	Planting		Harvesting	Harvesting			
Soybean processing	Prosessing	Prosessing	Prosessing	Prosessing		Prosessing	Prosessing	Prosessing	Prosessing
Biogas	Generation	Generation	Generation	Generation	Generation	Generation	Generation	Generation	Generation

FINACIAL CALENDAR 2015

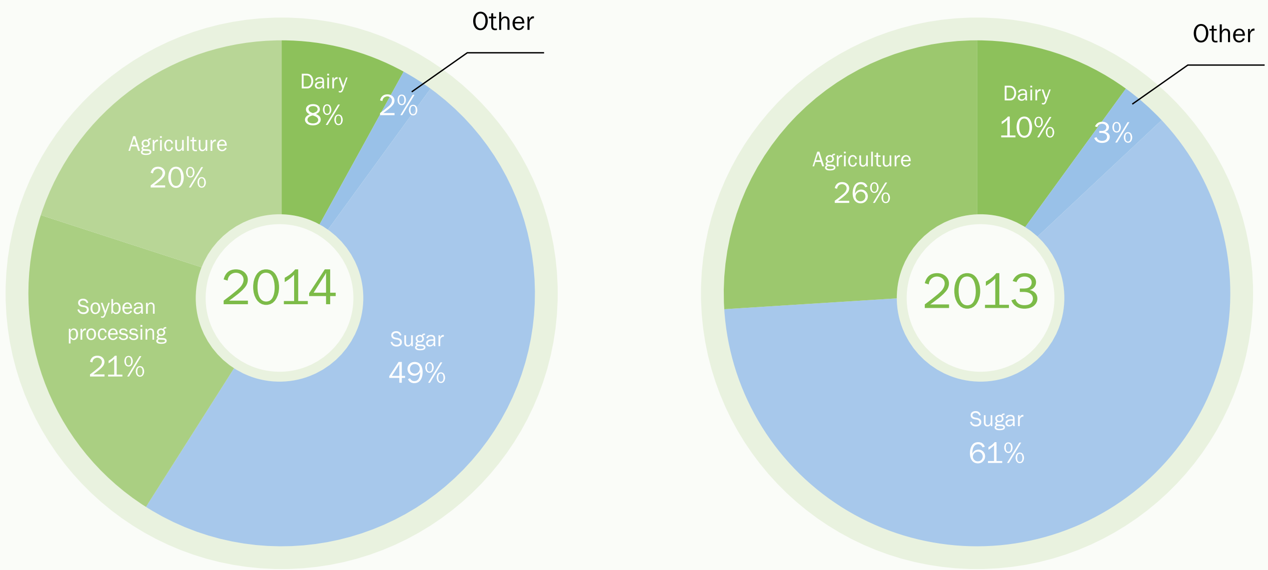
	March	April	May	July	August	September	October	November	December
Financial Calendar 2015		April 10 Consolidated 2014 annual report	May 12 Consolidated interim report for the 1st quarter of 2015		August 18 Consolidated semi-annual report for the 1st half of 2015			November 9 Consolidated interim report for the 3rd quater of 2015	

KEY FINANCIAL HIGHLIGHTS AND SEGMENTS' PERFORMANCE

Consolidated sales increased by 8% to EUR 352 million. The structure of revenues has attained better diversification and less sugar overweight (49% of total sales in 2014 compared to 61% in 2013). The new segment of soybean processing contributed material EUR 74 million (21% of total sales in 2014 vs. 0% in 2013).

Despite volatile commodity markets, EBITDA grew by 84% to EUR 120 million. Cash flow from operating activities increased by 2.3 times to EUR 94 million.

SEGMENT SHARES IN TOTAL REVENUES



Source: company data

The significant devaluation of the Ukrainian hryvnia caused translation losses of EUR 131 million on foreign currency denominated debt. This unrealized non-cash transaction is reported in the consolidated statement of operations as part of the net financial expense and resulted in a loss before tax and net loss for 2014.

It's worth mentioning, that export sales represent a natural hedge against currency exchange risk. In 2014, ASTARTA exported more than 400 thousand tonnes of grains, and over 70 thousand tonnes of soybean processing products and sugar by-products. Exports generated EUR 84 million or 24% of total external revenues.

The interest expense and amortizing part of loans received in foreign currency represented the primary currency outflow. In 2014, interest on loans received in foreign currencies was EUR 12 million and thus was well covered with earnings in foreign currency generated by exports.

By and large, key ASTARTA's business segments including sugar, farming and soybean processing could be selling both domestically and abroad, with higher focus on export-oriented sales during periods of instability of local currency and domestic economy. At the same time, most of the raw materials used in production are procured in the Ukrainian hryvnia. Prices for some of these inputs only gradually react to local currency devaluation and the cost side normally benefit from weak Ukrainian hryvnia.

Reduced by 18% Net debt of EUR 217 million and expanded EBITDA of EUR 120 million matched in a sound ratio of 1.8 (4.07 a year ago). Our long-term cooperation with highly reputed financial partners like EBRD, IFC, FMO, Wells Fargo, Citi, Raiffeisen, UniCredit, Credit Agricole, OTP and other banks contribute to financial stability and sustainable long-term development of the company.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

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

	2014	2013	2012	2011	2010
Revenues	5 498 832	3 533 355	3 215 911	3 385 529	2 328 203
Cost of revenues incl. remeasurement gains/loss	(3 529 625)	(2 679 537)	(2 222 645)	(2 037 574)	(1 364 475)
Gross profit	1 969 207	853 818	993 266	1 347 955	963 728
Operating Profit	1 363 072	337 380	591 726	1 041 083	911 737
Net Financial expense incl. currency translation difference	(2 365 620)	(270 438)	(190 647)	(197 665)	(127 190)
Profit (loss) before tax	(992 465)	194 169	428 478	1 003 609	829 052
Net profit (loss)	**(1 007 908)**	**206 219**	**437 414**	**976 110**	**834 788**

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

	2014	2013	2012	2011	2010
Total non-current assets	5 146 835	4 192 508	3 076 467	2 614 161	1 722 787
Total current assets	4 595 434	3 742 264	3 719 865	3 302 874	2 011 692
Total assets	**9 742 269**	**7 934 772**	**6 796 332**	**5 917 035**	**3 734 479**
Total equity	4 236 016	4 242 348	3 502 736	3 199 704	2 213 927
Total non-current liabilities	2 381 742	1 526 850	1 831 275	1 335 391	721 816
Total current liabilities	3 124 511	2 165 574	1 462 321	1 381 940	798 736
Total equity and liabilities	**9 742 269**	**7 934 772**	**6 796 332**	**5 917 035**	**3 734 479**

Table 3. Consolidated statement of operations for the year ended 31 December (in thousands of Euro)

	2014	2013	2012	2011	2010
Revenues	351 902	327 042	308 430	303 587	219 330
Cost of revenues incl.remeasurement gains/loss	(220 988)	(245 561)	(212 623)	(182 713)	(128 142)
Gross profit	130 914	81 481	95 807	120 874	91 188
Operating Profit	91 490	34 049	57 304	93 613	87 510
Net Financial expense incl. currency translation difference	(159 298)	(24 901)	(18 349)	(17 821)	(12 118)
Profit (loss) before tax	(67 184)	21 223	41 033	89 996	79 626
Net profit (loss)	**(68 076)**	**22 300**	**41 894**	**87 530**	**80 041**

Table 4. Consolidated balance sheet as at 31 December (in thousands of Euro)

	2014	2013	2012	2011	2010
Total non-current assets	267 606	366 158	288 058	250 881	162 680
Total current assets	238 934	326 835	348 300	316 974	189 959
Total assets	**506 540**	**692 993**	**636 358**	**567 855**	**352 639**
Total equity	220 246	370 509	327 952	307 123	209 054
Total non-current liabilities	123 838	133 351	171 485	128 157	68 160
Total current liabilities	162 456	189 133	136 921	132 575	75 425
Total equity and liabilities	**506 540**	**692 993**	**636 358**	**567 855**	**352 639**

Table 5. Consolidated statement of operations for the year ended 31 December (in thousands of USD)

	2014	2013	2012	2011	2010
Revenues	461 837	433 982	397 487	423 572	292 742
Cost of revenues incl.remeasurement gains/loss	(296 447)	(329 113)	(274 719)	(254 926)	(171 565)
Gross profit	165 390	104 870	122 768	168 646	121 177
Operating Profit	114 482	41 439	73 137	130 252	114 639
Net Financial expense incl. currency translation difference	(198 684)	(33 216)	(23 564)	(24 730)	(15 992)
Profit (loss) before tax	(83 355)	23 849	52 960	125 564	104 243
Net profit (loss)	**(84 652)**	**25 329**	**54 064**	**122 124**	**104 964**

Table 6. Consolidated balance sheet as at 31 December (in thousands of USD)

	2014	2013	2012	2011	2010
Total non-current assets	326 399	505 731	381 128	327 064	216 023
Total current assets	291 430	451 419	460 836	413 231	252 250
Total assets	**617 829**	**957 150**	**841 964**	**740 295**	**468 273**
Total equity	268 637	511 743	433 937	400 323	277 608
Total non-current liabilities	151 044	184 180	226 868	167 074	90 510
Total current liabilities	198 148	261 227	181 160	172 898	100 155
Total equity and liabilities	**617 829**	**957 150**	**841 964**	**740 295**	**468 273**

Table 7. Selected Financial Indicators and ratios

	2014	2013	2012	2011	2010
EBITDA, thousands of Euro	119 569	64 971	82 502	110 830	100 708
NET DEBT, thousands of Euro	216 508	264 311	240 264	192 230	110 429
NET PROFIT (LOSS), thousands of Euro	(68 076)	22 300	41 894	87 530	80 041
EBITDA MARGIN,%	34%	20%	27%	37%	46%
NET PROFIT MARGIN,%	-19%	7%	14%	29%	36%
ROE	-31%	6%	13%	29%	38%
ROA	-13%	3%	7%	15%	23%
ENTERPRISE VALUE (EV), thousands of Euro	332 817	666 836	583 293	496 217	696 912
EV / EBITDA	2,78	10,26	7,07	4,5	6,9
EV / SALES	0,95	2,04	1,89	1,6	3,2
NET DEBT / EQUITY	0,98	0,71	0,73	0,6	0,5
NET DEBT / EBITDA	1,81	4,07	2,91	1,7	1,1
NET DEBT / SALES	0,62	0,81	0,78	0,6	0,5
CURRENT RATIO	1,47	1,73	2,54	2,4	2,5
QUICK RATIO	0,34	0,27	0,57	0,5	0,4

EBITDA	Profit from operations + depreciation and amortization + impairment of fixed assets
NET DEBT	Short-term finance debt + long-term finance debt – cash –short term deposits
EBITDA MARGIN, (%)	EBITDA/ Revenues
NET PROFIT MARGIN (%)	Net profit / Revenues
RETURN ON EQUITY (%)	Net Profit / Shareholders equity
RETURN ON ASSETS (%)	Net Profit / Total assets
MARKET CAPITALIZATION	Number of shares at end of financial period multiplied by closing price on last trading day of the financial period
ENTERPRISE VALUE (EV)	Market capitalization + net debt + minority interests
CURRENT RATIO	Total current assets / Total current liabilities
QUICK RATIO	(Total current assets – inventories – biological assets) / Total current liabilities
P/E	Closing price on last trading day of financial year / Earnings per share
EPS	Net profit attributable to equity holders of the parent company / Average number of shares during the financial period

SUGAR SEGMENT

KEY HIGHLIGHTS

Consistent leadership in Ukrainian sugar market

Record high level of white sugar production – **466 thousand tonnes**

Top level of sugar extraction ratio – **over 15%**

Launch of **industrial biogas production**

SEGMENT'S PERFORMANCE

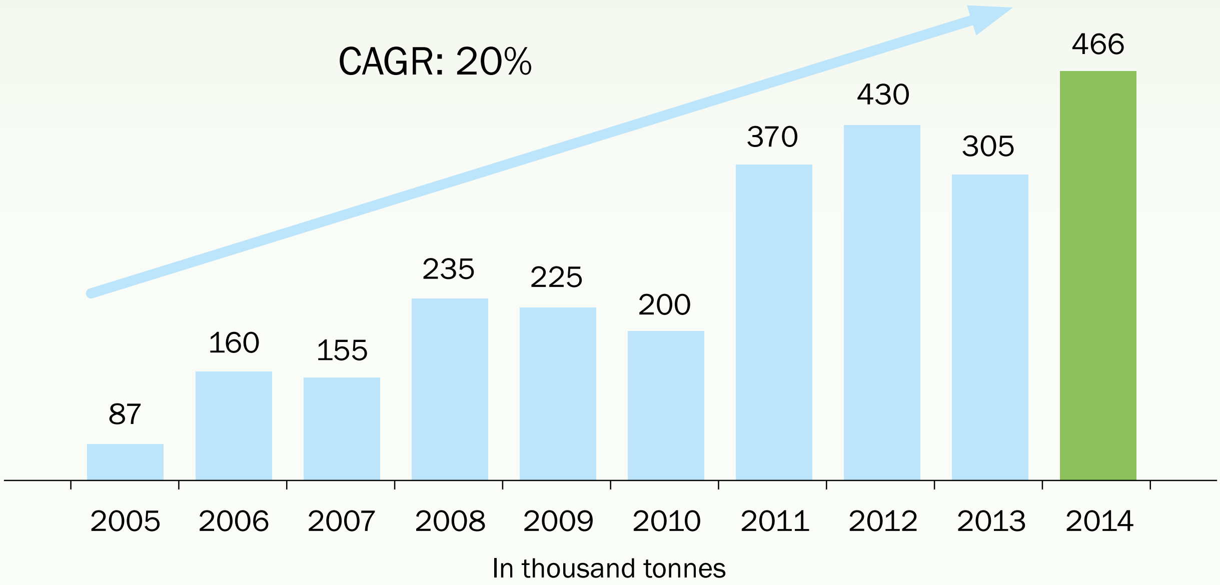
Despite growing diversification, the sugar segment remained a top contributor to consolidated revenues (49% of totals sales). Following lower sugar production in the season of 2013, volumes of sugar sales in the reporting period were 16% down to 327 thousand tonnes, and segments revenues corrected by 14% to EUR 171 million.

On production side, in the season of 2014 ASTARTA operated its fleet of sugar plants at full capacity, including the acquired in 2013 Orzhytsa sugar plant. Sugar production surged by 53% y-o-y to record high 466 thousand tonnes.

The volumes of sugar beet processed increased by 36% to over 3 million tonnes; per unit natural gas consumption declined by 2%, and sugar extraction ratio improved to over 15%. ASTARTA secured high level of vertical integration, as over 70% of sugar beet processed was in-house produced. Integration of effective beet growing and processing highly contributes to cost efficiency and sustainability of the segment.

To address the risk of potential disruption of energy supplies following deteriorated Ukraine's relations with Russia, ASTARTA prepared two sugar plants to work on coal, and one - on heavy oil. Another ASTARTA's sugar plant in Globyno was successfully combined with the new biogas facility. Therefore, despite this risk the Group was well-prepared to process all sugar beet grown in-house and procured. This hedge may remain important for the following production season.

ASTARTA SUGAR PRODUCTION

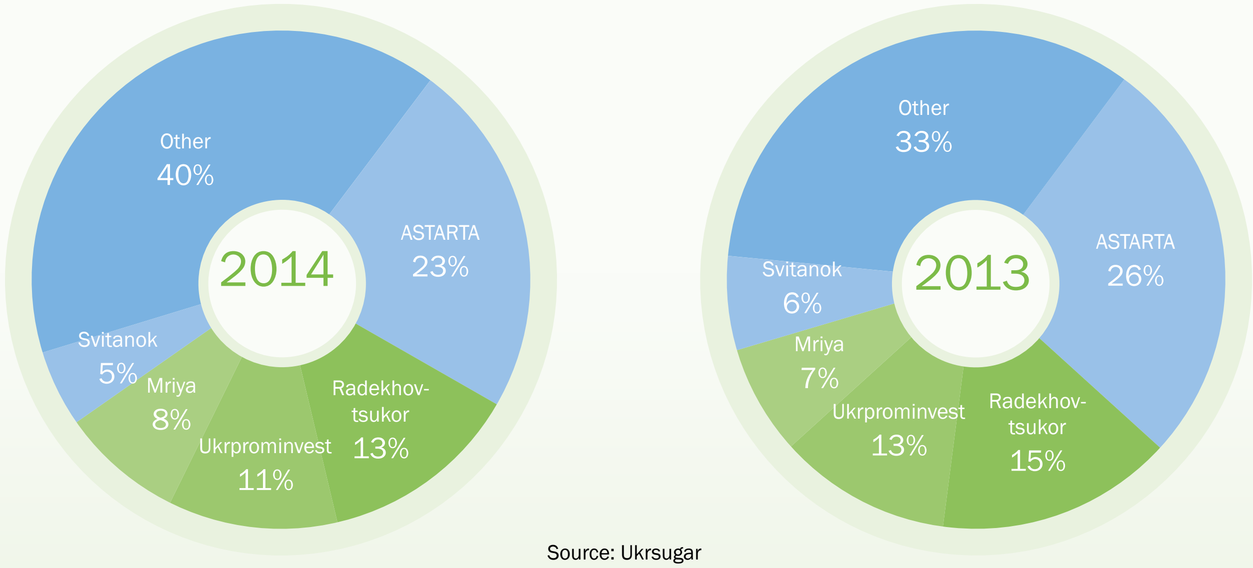


Source: company data

MARKET ENVIRONMENT

Ukraine's total sugar output in 2014 increased by 72% to 2.1 million tonnes. One part of this increase was due to cyclicality of domestic sugar production. The other "contributor" was the nearly perfect weather in some Ukrainian beet growing regions primarily in the Western part of the country which resulted in bumper crop.

PRODUCERS OF SUGAR, UKRAINE



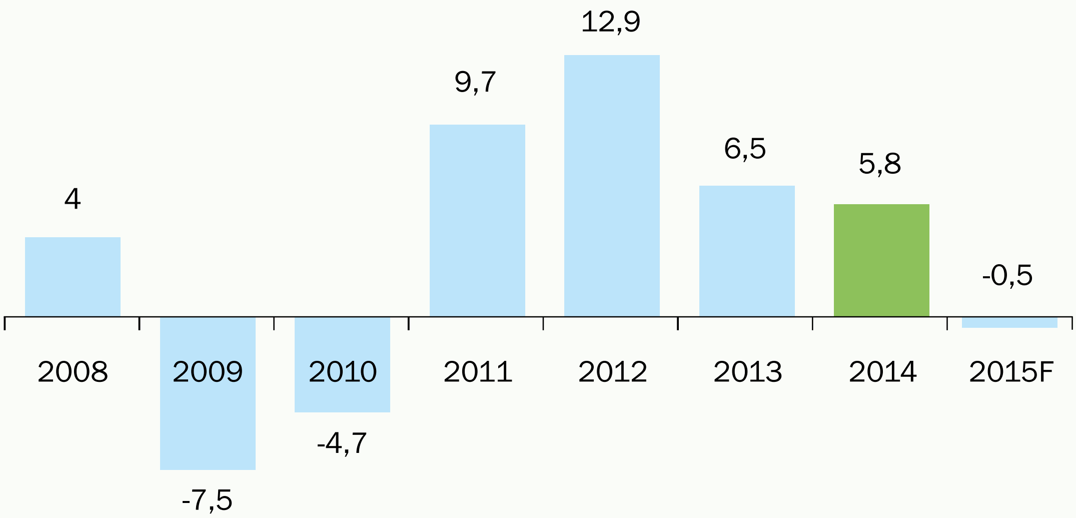
Source: Ukrsugar

At the same time, sugar consumption in the country subsided following annexation of Crimea, war in Donbas and overall decline of macroeconomic situation. Industrial consumption appeared to be most vulnerable to these developments. To the contrast, direct consumption of sugar stepped up and partially replaced some of unrealized demand for sugar from local confectionaries and soft drink producers.

Depreciation of the local currency improved global competitiveness of Ukrainian sugar industry. Taking into account sugar overproduction in Ukraine in 2014, we believe that 2015 will be the year of export expansion for Ukrainian sugar. The free-trade quota for exports of sugar and sugary foods from Ukraine to the EU will be supportive. Another potential trend - efficient players are likely to drive the consolidation in the market, and fly-by-night inefficient producers (small and large) will be out of the game.

The big unknown for the international sugar market in the mid-term remains a global balance of production and consumption. With fifth year of overproduction and suffering producers all over the world including Brazil and India, many analysts expect 2015/2016 to be a marketing year of global deficit. However, heavy stocks at key destinations and origins are expected to limit price recovery. On a bright sight, global sugar consumption throughout recent decades continued to gain on average 2% annually. In this strategic play, Ukraine is reasonably well positioned to be one of the low-cost producers and competitive exporters.

GLOBAL SUGAR SURPLUS/DEFICIT



raw value million tonnes, calendar years

Source: Bloomberg

BIOENERGY

In 2014, ASTARTA put into industrial operation a new Bioenergy complex. The first of its kind in the CIS to produce biogas by fermentation of sugar beet pulp, it is built in Globyno (Poltava region). Nominal production capacity of the facility is about 150 thousand cubic meters of biogas per day. This advanced technology provides for replacement of natural gas consumption by sugar plant in Globyno utilizing excessive wet beet pulp, which is a residue of beet sugar production.

In the first season of its combined operation with the sugar plant the Bioenergy complex generated over 6.8 million cubic meters of biogas. In January 2015, the Bioenergy complex was connected by a gas pipeline with Globyno processing plant to operate through full calendar year (not only at three months of sugar production season).

SOYBEAN PROCESSING SEGMENT

KEY HIGHLIGHTS

New value-added segment generated **21%** of revenues

Top soybean processor in Ukraine

Optimal **synergy** with other segments

Expansion of **export** sales

BUSINESS PERFORMANCE

Newly established segment of soybean processing includes activities related to the origination, crushing and processing of soybeans. Fully commissioned at the beginning of 2014, soybeans processing plant, located in Poltava region, processed over 200 thousand tonnes of soybean and produced c. 150 thousand tonnes of high-protein meal, 35 thousand tonnes of oil, and 5 thousand tonnes of granulated husks.

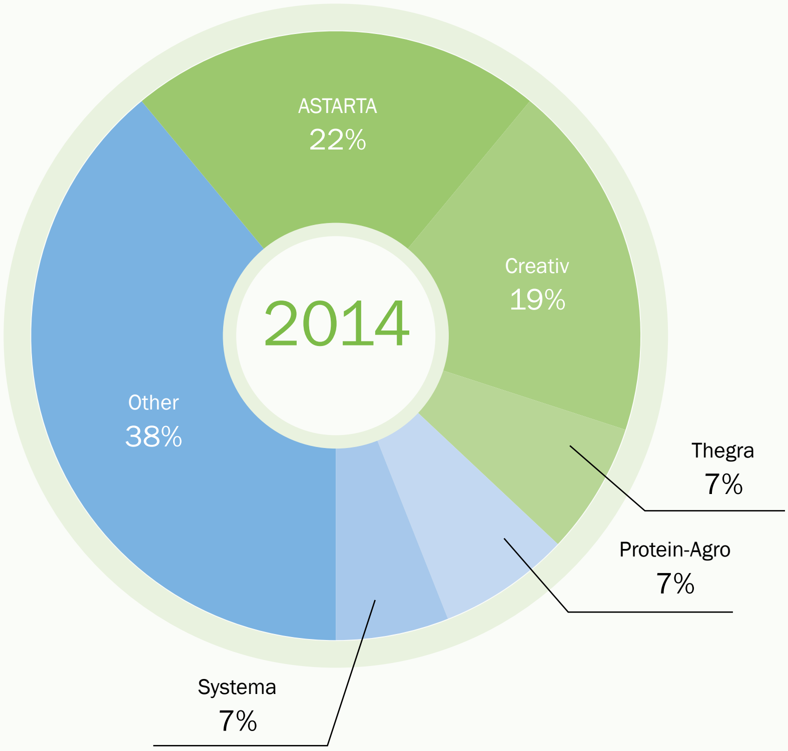
Soybean processing segment generated EUR 74 million or 21% of consolidated revenues, and exports comprised 23% of the total segment's sales in volume terms. Almost all of soybean oil was exported, meal export sales amounted 8% of total product' sales, while husk was consumed domestically. Key customers of meal are large, medium and small poultry and pork producers, cattle feed manufactures.

Additional strength of the segment is the reasonable vertical integration on sourcing: over 60% of soybean processed was produced by ASTARTA's farming subsidiaries. We expect this synergy to grow in coming years. The location of the soybean processing plant within areas of intensive soy growing and in proximity of many livestock producers provides for additional savings on logistics for inputs and outputs.

MARKET ENVIRONMENT

ASTARTA managed to quickly gain strong market position in soybean conversion and was ranked first among key players in terms of processed volumes of soybeans.

KEY PROCESSORS OF SOYBEANS, UKRAINE, 2014



Source: AgroChart

In recent years, soybeans are the fast developing crop in Ukraine in terms of dynamics of areas planted and volumes of productions. In 2014, Ukrainian farmers harvested 3.9 million tonnes of soybeans, which is 39% higher y-o-y.

Currently capacities for efficient soybean processing in Ukraine do not match growing soya production and over 50% of harvest is exported raw. Less than one million tonnes of soybean were processed in the reporting period locally.

The primary product, protein meal is used as an ingredient in commercial livestock, mostly poultry and pork feeds. Its current domestic consumption is estimated on the level of one million tonnes. That is close to the levels of local production. Soybean oil is primarily exported (over 90% of total domestic production in 2014).

Despite macroeconomic instability in Ukraine, market for soybean meal remained robust. Poultry production in the country grew year over year by almost 5%, pork production - by 8%. It covered not only domestic demand for protein, but also increasing exports. In 2014, the European Union granted market access to two major Ukrainian poultry exporters. One of our key clients for meal grew its poultry exports in 2014 by 30%.

Globally, soybean meal consumption is being driven up 3-4% annually by an ever-increasing demand for protein. The largest gains in protein consumption are originated in China, Southeast Asia, Brazil and Middle East.

FARMING SEGMENT

KEY HIGHLIGHTS

Grain production of **680 thousand tonnes**

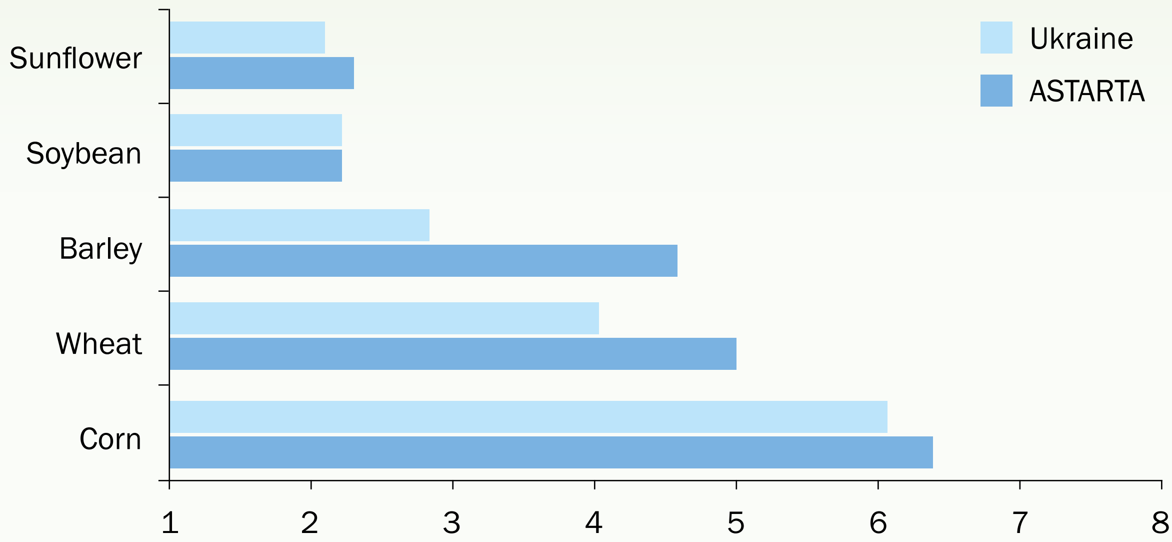
Record 80% of export sales

Above average **yields**

BUSINESS PERFORMANCE

In 2014, ASTARTA cultivated c. 245 thousand hectares of land (flat y-o-y), placing it among the top five Ukrainian agroindustrial companies. The The harvest of grains and oilseeds came in at 680 thousand tonnes. A decline in total harvest of -11% compared to a year before was due to adverse summer weather in some areas in Poltava region which affected technical crops.

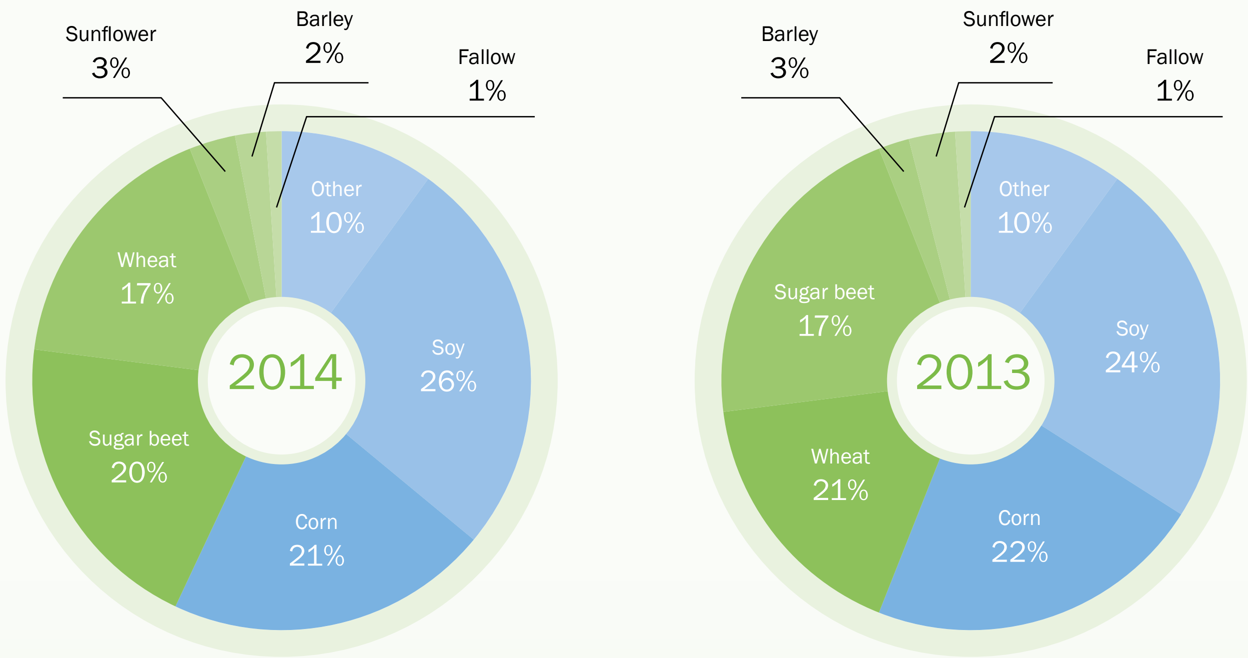
YIELDS OF KEY CROPS, ASTARTA AND UKRAINE, TONNES PER HECTARE



Source: company data, State Statistics Service

Like in previous years, ASTARTA applied market oriented and sustainable approach to the crop rotation structure with focus on soybeans, corn, wheat and sugar beet.

CROP ROTATION



Source: company data

Sales volumes of farming produce were nearly flat year over year at 516 thousand tonnes. Crop exports grew in volume terms by 43% to 412 thousand tonnes and generated about 80% of segments sales. Still, segment's external revenues declined by 17% to EUR 71 million, mostly on downtrend in prices on global commodity markets.

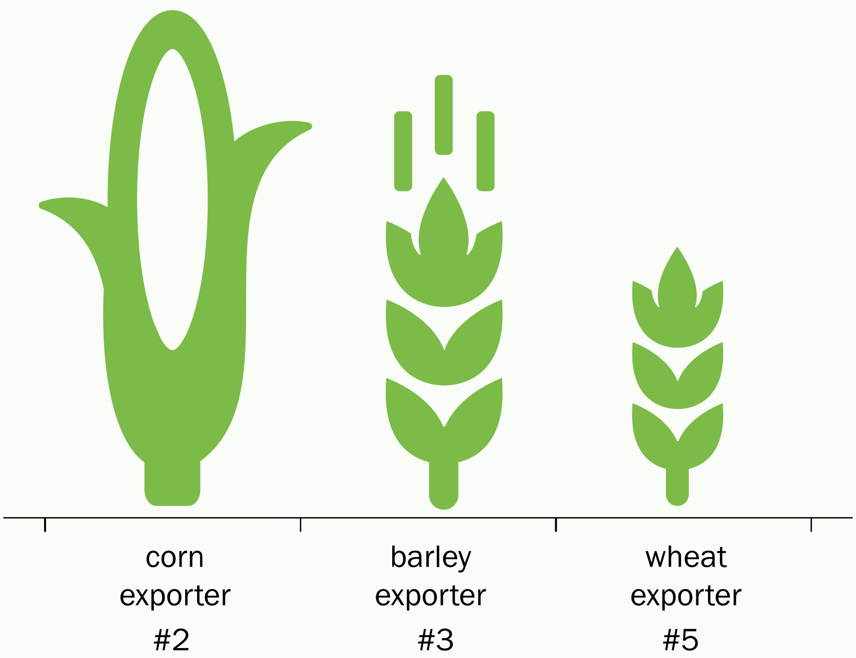
MARKET ENVIRONMENT

While current global market environment for agricultural commodities remains volatile, long-term fundamentals indicate growing demand and offer strategic prospective for cost efficient innovative agriproducers.

In 2014, Ukrainian farmers produced a record harvest of 64 million tonnes of grains. Throughout the year, Ukraine exported more than 34 million tonnes of crops including 18 million tonnes of corn, and 11 million tonnes of wheat, securing top ranks of the Ukrainian farming business in the global market.

As each one of five Ukrainians is employed in farming, exports of agriproduce contribute about 27% of total country's outward sales, and the segment contributes about 18% to the country's GDP, agriculture is one of the strategic sectors of the nation's economy.

POSITION OF UKRAINE IN GLOBAL TRADE IN AGRICULTURE



Source: Bloomberg

DAIRY SEGMENT

KEY HIGHLIGHTS

Milk production of **104 thousand tonnes**

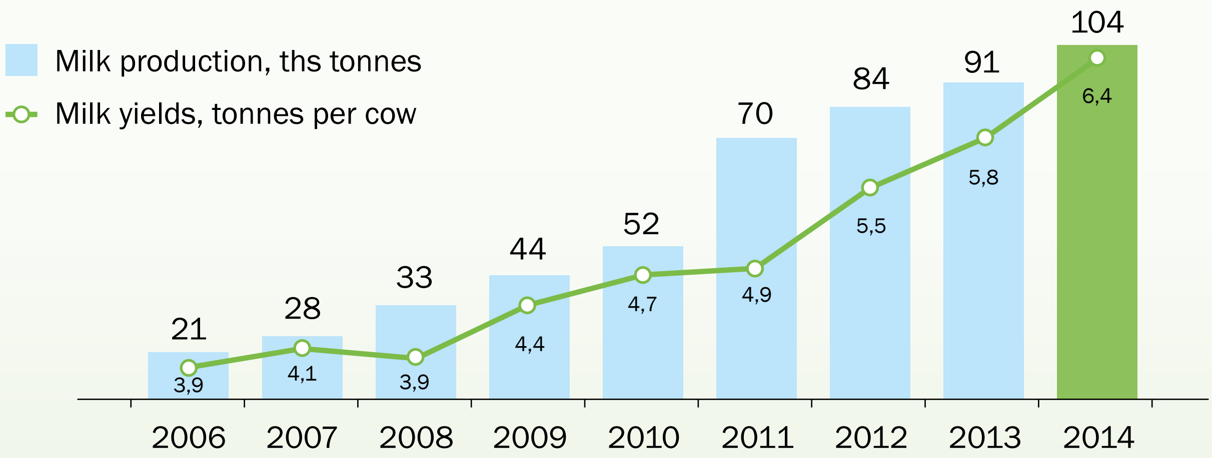
11% increase in cow's productivity

Leadership position on domestic dairy market

BUSINESS PERFORMANCE

In 2014, ASTARTA increased milk production by 14% to 104 thousand tonnes mostly supported by 11% improvement in pro-rata cow's productivity.

ASTARTA, DYNAMICS OF MILK PRODUCTION AND YIELDS PER ONE COW



Source: company data

Because of focused sales of the dairy segment on domestic market, its performance was affected by the local currency devaluation and suffering macroeconomics. The segment's revenues declined by 12% to EUR 29 million despite volumes of sales increased by 15% to 100 thousand tonnes.

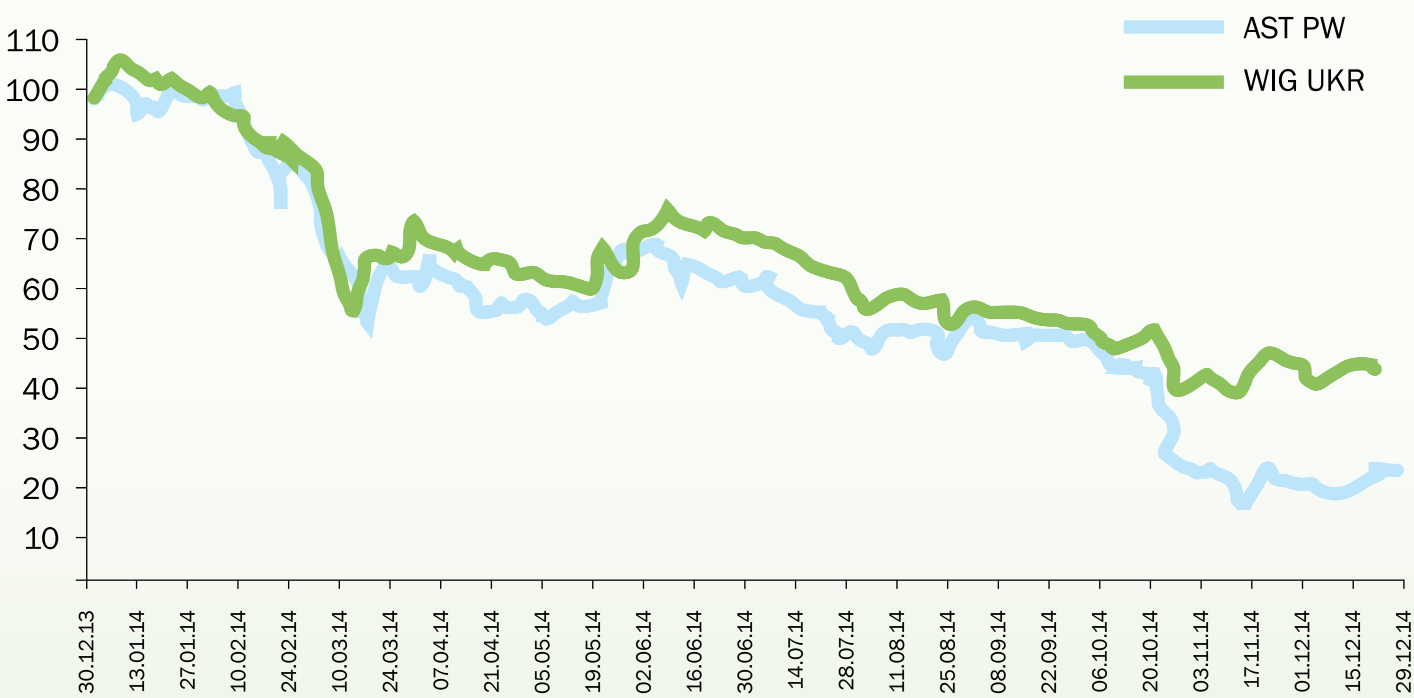
MARKET ENVIRONMENT

Milk production in Ukraine was nearly flat at 11 million tonnes. Industrial share of milk production in Ukraine remains at relatively low 20%-level (80% are produced by individual households). The domestic dairy market in 2014 was significantly affected by the Russian embargo, decline in local consumption and Ukrainian hryvnia devaluation. Currently processors are switching to other export markets and to production of more competitive products. However, local milk prices at the end of 2014 dropped almost 70% y-o-y (in euro terms). International benchmark milk price fell through the year too due to the increase in world milk production, Russia's ban on imports from certain countries (particularly the EU), and a drop in whole-milk powder demand from China.

SHARE PRICE PERFORMANCE

In 2014, ASTARTA's share price has declined about 70% in PLN terms mainly because of negative macro environment, the Ukrainian currency depreciation, and military conflict in Donbas. WSE-listed Ukrainian stocks (index WIG-Ukraine) had a volatile year as well and performed negatively (-52% y-o-y).

ASTARTA VS. WIG-UKRAINE PERFORMANCE, %



Source: Bloomberg

Structure of shareholders as of 31 December 2014

Shareholder	Number of shares	Percentage of owned share capital,%	Number of votes at the General Meeting	Percentage of votes at the General Meeting,%
Victor Ivanchyk through his wholly owned Cypriot company Albacon Ventures Ltd.	9 250 000	37,00%	9 250 000	37,00%
Valery Korotkov through his wholly owned Cypriot company Aluxes Holding Ltd.	6 496 883	25,99%	6 496 883	25,99%
MetLife Otwarty Fundusz Emerytalne S.A.*	1 250 430	5,00%	1 250 430	5,00 %
Other shareholders **	8 002 687	32,01%	8 002 687	32,01%
Total	**25 000 000**	**100%**	**25 000 000**	**100%**

Source: Bloomberg

*on February 11, 2015, the Company received notification on reducing the threshold of 5%. Currently the Fund is owner of 1 150 282 shares which is 4.60% of the Company's share capital and gives right to 1 150 282 votes of the General Meeting which is 4.60% of the total number of votes on the General Meeting.

** For more information please refer to the web-sites of the Warsaw stock Exchange (www.gpw.pl), the Dutch Financial Supervisory Authority (AFM) (http://www.afm.nl) and Bloomberg (www.bloomberg.com).

ASTARTA HOLDING N.V. quotation data

Data/Year	2014	2013	2012	2011	2010	2009
Opening price (PLN per share)	66,9	55,0	52,0	91,9	40,0	11,0
Highest trading price (PLN per share)	68,0	83,7	74,9	106,0	93,0	48,0
Lowest trading price (PLN per share)	14,5	50,1	46,0	43,6	37,1	7,7
Closing price (PLN per share)	20,0	66,9	55,0	52,0	91,9	40,0
Closing price (EUR)	4,7	16,1	13,3	11,8	23,2	9,7
Year price change	-70%	22%	6%	43%	30%	264%
Market capitalization as of 31 December(thousand of PLN)	500 000	1 672 500	1 375 000	1 300 000	2 297 500	1 000 000
Market capitalization as of 31 December (thousand of EUR)	117 308	403 284	336 334	294 331	580 177	243 416

CORPORATE SOCIAL RESPONSIBILITY

As a leading agricultural company ASTARTA has much to contribute to the Ukrainian society and regions. The company's mission sounds as **"Developing the potential of land, increasing people's wellbeing, we pursue everlasting values and contribute to development of society".**

Realizing that the prosperity of its business broadly depends on the wellbeing of local citizens the company continuously provide assistance to local schools, kindergartens, care facilities, and libraries. The budget for the program in 2014 amounted to EUR 1.7 million.

The most essential programs financed were:

Programs for children – reconstruction of kindergartens and village schools. In 2014, the company assisted 28 kindergartens and 34 schools. Also the company financed "School Bus Program" and "Summer Camps Program" in several villages, as well financed installation of biomass and coal boilers, and modern energy-conserving windows at number of schools and medical centres.

Support to rural medicine – this program helps to finance rural hospitals and medical centres. In 2014, the company helped to renovate and equip 48 medical centres and 9 regional hospitals.

Support to rural sport - the program is aimed at support to the rural sport schools as well as support to rural sport teams, sponsorship of the competitions.

Support to rural infrastructure – the program is aimed at the development of the local infrastructure. The financing is provided for the construction of the street lighting, installation of the natural gas network in distant villages, road maintenance, and water pipes network development.

In 2014, ASTARTA adopted the Corporate Responsibility Strategy, which is aimed to support sustainability of agriculture, protection of the environment and development of rural communities. The Strategy defines the main directions of the company's CSR activities and its CSR goals for 2014-2016.

The ASTARTA Corporate Responsibility activity focuses on four areas:

- Corporate governance (transparency, high standards of reporting, anticorruption);
- Employees Development (human rights, labour relations, antipoverty actions);
- Sustainable Agriculture (protection of environment, interaction with suppliers and partners);
- Community Development (improvement of quality of life of people in the areas where the company operates, sustainable development of the regions).

In this regard the CSR activity of ASTARTA in 2014 also was analyzed through this prism:

Areas	
Best Investment	• Responsibility Committee created • GRI G4 standard reporting system created and tested • Further development of corporate management and reporting • Policy of Preventing Corporate Conflicts and Conflict of interests implemented
Best Employer	• Corporate competences developed and implemented in accordance with the business development strategy (performance evaluation) • Month of Labor Protection held • Requirements of the international standard OHSAS18001 introduced at the enterprises
Best Neighbor	• Social Agreements with Communities implemented • Maps of steady development of regions created • Priorities set for a three-year period (rural medicine, education, infrastructure)
Best Partner	• Working Group created to exchange opinions and best practices among labor and environmental protection specialists • Yareskivsky Sugar Plant and Zhdanivsky Sugar Plant certified to FSSC 22000 • 100% of agreements signed with key suppliers, taking into account environmental criteria and labor protection rules

Being member of UN Global Compact since 2008, ASTARTA reports on the progress in fulfilment of its principles on annually basis. In 2014, ASTARTA expanded the format of the report and published Report on Sustainable Development.

The report is available at Global Compact page and on the company's website www.astartakiev.com.

CERTIFICATION PROCESS

The company is well progressing in establishing and maintaining Corporate Integrated Management System (CIMS). For this purpose ASTARTA has developed 36 Corporate Standards according to the requirements of OHSAS 18001, ISO 14001, FSSC 22000 and IFC PS's. Starting from 2014 EHS working Group conducts internal audit of compliance with national legislation and internal standards.

In 2014, the Head office and 5 sugar plants (Narkevychi, Yaresky, Globyno, Zhdanivka, Kobelyaky) were recertified by TÜV company in accordance with ISO 14001. Additionally, Head office and Narkevychi sugar plant passed verification audit according to OHSAS 18001. Yaresky, Globyno and Zhdanivka sugar plants passed verification audit in accordance with FSSC 22000.The Globyno processing plant successfully passed diagnostic audit according to ISO 14001, OHSAS 18001, FSSC 22000 and ISO 9001.

In 2014, the verification audit based on the inclusion of the IFC PS in the certified ISO 14001 management system of Narkevychi and Kobelyaky sugar plants and OHSAS 18001 of Narkevychi sugar plant, that was a part of FMO, EBRD due diligence, were successfully conducted.

ASTARTA facilities are compliant with social and ecological standards of its corporate clients (Coca-Cola, Nestle, Mondelez, etc.).

ENVIRONMENTAL PROTECTION

In 2014, ASTARTA implemented Environmental and Social Management Programs in line with signed agreements with IFC, EBRD, FMO, EIB. These plans were integrated in one Social and Ecological Plan. The Plan comprises tasks for all sugar plants, indicators, deadlines and status of tasks. In addition it comprises the ecological plans (BAT, Energy Efficiency Program, Asbestos Removal Program, Program on GHG emissions reduction and control, Program on waste minimization, Program on hazardous material management and Program on biodiversity conservation), investment programs for each particular plant, internal corporate standards, instructions and audit recommendation as well as corrective actions.

The company is in process of implementing technically and financially feasible as well as cost effective measures for improving efficiency in the consumption of energy, water, and other resources and material inputs. Relevant measures are specified in investment programs developed for each sugar plant.

In December 2014, ASTARTA prepared the first report on phased implementation of RTRS standard in soybean processing. RTRS standard approved by the European Commission as compliant with the EU directive on renewable energy sources. Implementation of RTRS standard by ASTARTA includes compliance with operating principles, processes and documentation according to RTRS requirements. According to the plan the RTRS standard will be implemented as well at ASTARTA's agricultural firms during growing and processing of soybeans.

OCCUPATIONAL HEALTH AND SAFETY

In order to control and keep Occupational Health and Safety (OHS) at high level, ASTARTA annually conducts OHS audit according to OHSAS 18001 implementation program for 2013-2017. OHS audit is a part of corporate health and safety management system that is regulated by corporate standards.

PERSONNEL

In 2014, ASTARTA employed on average 7.8 thousand of personnel, of whom – males are 68% and females are 32%. In 2014, adaptation of HR policy was introduced, 36 workshops conducted and about 600 employees were involved in the training programs. High organizational and operational efficiency are the two objectives that form the basis of human resource management strategy.

MATERIAL RISK FACTORS AND THREATS TO THE GROUP

Described below are the risks and uncertainties which are believed to be material. Management considers appropriate measures to mitigate the main risk factors and threats in each of the following areas.

Operational Risk

RISK:	MITIGATION:
Fluctuation in sugar, grain, soya and/or milk prices: Selling prices for sugar and crops are volatile and depend on many international and domestic factors, including but not limited to global demand and supply, weather, availability and cost of raw materials, biological factors, and state regulations.	ASTARTA has a diversified portfolio of products which helps to mitigate the negative effect of price fluctuations in specific item. In 2014, this portfolio was extended by soybean oil, meal and husk to reduce concentration on sugar. Available storage facilities allow flexibility in timing of selling agriproduce, limiting sales during period of short-term or seasonal downward price corrections.
Increased costs, or disruptions in, energy and other inputs supplies: Energy, fertilizer and fuel costs make up a material share of the Group's operating expenses. Thus any increases of price or disruptions in supplies of these inputs could make negative impact on operations.	ASTARTA has established relationships with a number of reliable suppliers of inputs which should mitigate the risk of material disruptions of supply due to both high reputational track-record of counterparties and diversification of supplies. As for energy price risk, the Group works continuously to reduce its major energy cost by intensive modernization of its sugar plants and successfully implemented its bioenergy program.
Weather: Unfavourable weather conditions could have a negative impact on the crops' harvest and sugar yield, which would have direct implication for a per-unit cost of production.	ASTARTA's land bank under cultivation is located in several regions of Ukraine, which allow for geographical diversification of whether related risks, at least to some extent. Professional management and implementation of modern technologies allow us to achieve above-average yields.

Country related risk

RISK:	MITIGATION:
Regulatory risk: From time to time, the Government has imposed restrictions on production and sales, as well as quotas, tariffs and other restrictive mechanisms. Any change in Government resolutions or legislation applicable to the company's markets, or the markets of its off-takers and suppliers may affect its business, operational and financial results.	ASTARTA has balanced its exposure to domestic and foreign markets as it developed a diversified portfolio of products which could help to mitigate the effect of adverse impact on any specific product.
Financial risk Please refer to corresponding notes in the Consolidated financial statements.	

FULFILLING PLANS FOR 2014

	Plans for 2014	Implementation
Development	• Expand and modernize sugar processing facilities, continue to implement energy efficiency program • Increase grains and oilseeds storage capacities • Develop the cattle farming segment • Expand land bank within current business units and potentially create new business units • Develop bioenergy projects	• ASTARTA's sugar plants (including newly acquired Orzhytsa) increased sugar production by 53% to 466 thousand tonnes • Grains and oilseeds storage, processing and handling capacities were expended • Over 104 thousand tonnes of milk produced that is 14% higher y-o-y • Bioenergy complex generated over 6.8 million cubic meters of biogas
Production and operational activities	• Continue to improve efficiency of sugar, agricultural and dairy farming production • Sustain high level of vertical integration, providing sugar plants mainly with in-house grown sugar beet • Continue improvement of the organizational structure, business processes and the management system	• Natural gas consumption per unit declined by 2%, and sugar extraction ratio improved to over 15% • Milk yields per cow increased 11% • ASTARTA secured high level of vertical integration, as 70% over of all beet processed was in-house-produced • Over 60% of soybeans processed was produced by ASTARTA's farming subsidiaries
Marketing and sales	• Consider possibilities of sales expansion through retail network • Ensure swift response to changing market environment in order to provide efficient adjustment to the regulatory environment and price volatility • Explore new opportunities in key business areas and related segments; secure high level of export operations	• ASTARTA prepares to launch sales of branded sugar in 2015 • Exports grew y-o-y by 26%, and comprised 24% in consolidated revenues (20% a year before) • Crop exports grew 43% to 412 thousand tonnes and generated about 80% of segments sales • Newly established soybean processing segment generated EUR 74 million or 21% of consolidated revenues

OUTLOOK FOR 2015

In view of current situation in Ukraine, the primary tasks of the management team would be to concentrate on comprehensive risk management, while maintaining high sustainability of the business, further consolidation of assets and increasing operational efficiency.

We would be looking into potential growth opportunities in the key business segments as well and in other synergetic areas to maintain a profile of growing and efficient food producer.

Board of Directors of ASTARTA Holding N.V.
9 April 2015,
Amsterdam, the Netherlands

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

Disclaimer regarding forecasts.

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

CORPORATE GOVERNANCE REPORT

1. GENERAL

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

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

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

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

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

We are pleased to present the corporate governance report of the Company for the 2014 financial year.

2. BOARD OF DIRECTORS

Appointment and composition of the Board of Directors

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

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

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

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

The members of the Board of Directors shall be appointed for a maximum period of four years. Reappointment is possible on each occasion for a maximum period of four years, but the Non-Executive Directors may be reappointed no more than three times. The profiles of our Board Members and re-appointment schedule can be found on page 40.

The composition, duties and other issues of the Board of Directors of the Company are regulated by the Rules of the Board of Directors adopted in accordance with article 15 paragraph 10 of the Company’s Articles of Association, Best Practice Provision II (and III) of the Dutch Corporate Governance Code (as defined hereafter) applicable at the time and Best practice provisions No. 28 and No. 40 of the Warsaw Stock Exchange Corporate Governance Rules (as defined hereafter). The Rules of the Board of Directors are applied and interpreted with reference to the Dutch Corporate Governance Code and the WSE Corporate Governance Rules. It can be viewed on the Company's website (www.astartakiev.com).

Due to the fact that term of the office of all Directors was ending in 2014 and the General Meeting of Shareholders is the organ authorized for appointment of the Directors, on 18 June 2014 the General Meeting of Shareholders resolved to re-appoint the Directors for the third-year period of the office starting from the date of the resolution. At the same meeting the General Meeting of Shareholders resolved to accept the retirement of Mr. Rybin as an Executive Director A, Chief Operating and Finance Officer, and to appoint Mr. Gladkyi as the Executive Director A, Chief Financial Officer.

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

On 18 June 2014, the General Meeting of Shareholders authorised the Board of Directors to issue or to grant rights to subscribe for shares up to a maximum of 10% of the issued and paid in share capital at the time and to limit or cancel any existing pre-emptive rights in connection therewith, all for the period of one year starting from 18 June 2014 and for the avoidance of doubt ending but not including 18 June 2015, which authorization may not be withdrawn provided that the Board takes such resolutions with anonymous votes, was accepted and the resolution was taken with a majority votes.

Representation

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

The Board of Directors is also authorized to grant power of attorney to represent the Company to one official with general or limited power of representation. Nevertheless such official shall meet requirements of having no conflict of interest and with due observance of the limitations imposed on his or her powers. The Board of Directors determines the titles of such officials. Within 2014 financial year the Company didn't enter into agreements with legal or natural persons who hold at least ten percent of the shares in the Company, there were no cases of conflict of interest.

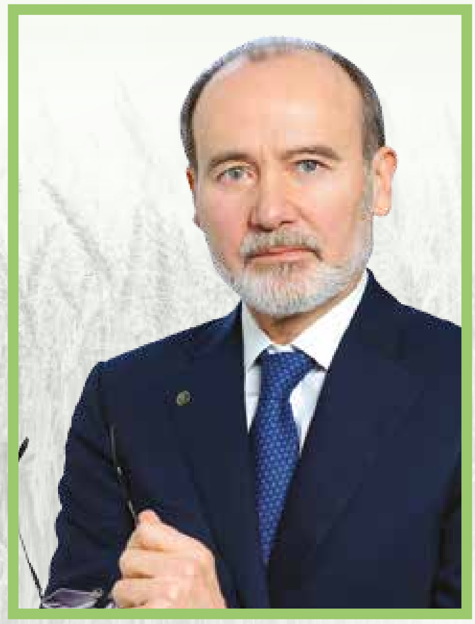
In 2014 the Board of Directors several times authorized Mr. Viktor Ivanchyk acting individually to conclude agreements and to determine their conditions after general approval of transactions by the Board of Directors.

On 18 June 2014 the General Meeting of Shareholders resolved to appoint Mr. Sergiy Kontiruk, the Corporate Secretary and Compliance Officer of the Company, as the person that will be temporarily charged with the management of the Company when all Directors are absent or unable to act. Such appointment is in accordance with Article 19 of the Articles of Association. 2014, the year were no any cases of absence or inability to act of all Directors.

The Directors

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

The Board of Directors is formed by the following persons:



VIKTOR IVANCHYK
(born in 1956, male)

Executive Director A, Chief Executive Officer, Ukrainian national

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

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

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

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

Shares owned in the Company: 9,250,000 shares in the Company held through a Cypriot holding company named Albacon Ventures Ltd.

VIKTOR Gladkyi
(born in 1963, male)

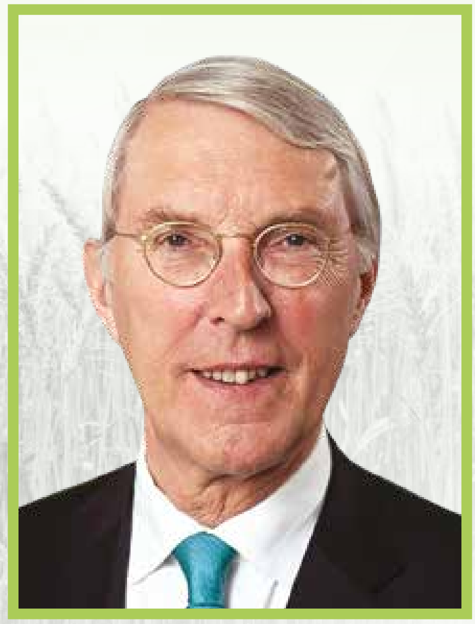
Executive Director A, Chief Financial Officer, Ukrainian national

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

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

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

Shares owned in the Company: 0.



MARC VAN CAMPEN

(born in 1944, male)

Executive Director B, Chief Corporate Officer, Dutch national

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

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

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

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

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

Shares owned in the Company: 0.

VALERY KOROTKOV
(born in 1963, male)

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

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

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

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

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

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

WLADYSLAW BARTOSZEWSKI
(born in 1955, male)

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

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

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

Shares owned in the Company: 0.

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

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

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

The Resignation Schedule is as follows:

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

Shareholding by Directors and Insider Trading

The total number of the Company's ordinary shares held by members of the Board of Directors as of 31 December 2014 was 15,746,883 amounting to approximately 62.99% of the issued and paid up share capital of the Company. The shareholding of the Directors has been notified with the AFM (Autoriteit Financiële Markten).

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

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

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

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

The General Meeting of Shareholders on 18 June 2014 authorized the Board of Directors to repurchase shares in the capital of the Company up to a maximum of 500,000 shares, being 2% of the currently issued and paid up share capital for a purchase price per share of up to PLN 125.00, and to authorize that the repurchase shall take place through a broker in the open market and is for the purpose of meeting obligations arising from employee share option programs, or other allocations of shares to employees of the Company and resolved that the authorization is valid for a period of eighteen months and from 18 June 2014.

As of 31 December 2014 the Company repurchased 220,057 shares, including 202,993 within 2014 financial year.

Chairman of the Board of Directors and the Corporate Secretary

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

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

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

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

Within 2014 Vice-Chairman Mr. Bartoszewski performed the responsibilities of the Chairman of the Board of Directors twice – on 7 April 2014 and 8 April 2014.

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

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

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

3. COMMITTEES OF THE BOARD OF DIRECTORS

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

Audit Committee

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

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

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

Within 2014 financial year the Audit Committee inter alia discussed effectiveness of the risk-management and internal control systems and strategic financial plan of the Company.

Remuneration Committee

The Remuneration Committee is appointed by the Board of Directors.

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

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

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

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

4. REMUNERATION POLICY

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

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

On 30 June 2011 the General Meeting of Shareholders adopted Remuneration Policy of the Company. The Remuneration Policy for our Board of Directors can be viewed on the Company's website (www.astartakiev.com).

5. SHAREHOLDERS MEETINGS, BOARD MEETINGS AND COMMITTEES MEETINGS IN 2014

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

Dates for the Board Meetings in 2014 year were decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes were sent in advance to the Directors. The Chairman of the Board of Directors took all steps to ensure that the necessary time is allowed for an effective discussion of the items on the agenda during the meetings, and to take point of view from every Director who wanted to share. In order to make the meeting more effective the Company invited persons directly responsible for the areas related to the Board agenda.

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

The annual General Meeting of Shareholders of the Company was held in Amsterdam, the Netherlands on 18 June 2014, the Minutes of which is available on the Company's website (www.astartakiev.com) in part "General Meeting of Shareholders".

Within the financial year 2014, the Board of Directors held the following meetings:

- four meetings in Amsterdam, the Netherlands, on 07 April 2014, 08 April 2014, on 17 June 2014 and 18 June 2014;

- two meetings via conference-call on 15 August 2014, and 06 November 2014.

The main items discussed: report for the 2013 financial year, 1st quarter report, 1st half-year report, 3rd quarter report financial results for each quarter, strategic financial plan, the Company's dividend policy, employee's share option program.

Within the financial year 2014, the Audit Committee held the following meetings:

- two meetings in Amsterdam, the Netherlands, on 07 April 2014 and on 08 April 2014.

The main items discussed: internal audit and independent auditor, effectiveness of the risk-management and internal control systems functioning, examination of the Code of Conduct.

Within the financial year 2014, the Remuneration Committee held the following meetings:

- two meetings in Amsterdam, the Netherlands, on 07 April 2014 and on 18 June 2014.

The main items discussed: remuneration and bonuses to the Directors, employee's share option program.

6. GOVERNANCE AND CONTROL

Dutch Corporate Governance Code

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

WSE Corporate Governance Rules

IIn Poland the Polish principles of corporate governance are provided in "The Code of Best Practice for WSE Listed Companies" approved by the Resolution No. 12/1170/2007 of the Exchange Supervisory Board dated 4 July 2007.

By Resolution No. 17/1249/2010 of the Warsaw Stock Exchange Supervisory Board dated 19 May 2010, Resolution No. 15/1282/2011 of the Warsaw Stock Exchange Supervisory Board dated 31 August 2011 and Resolution No. 20/1287/2011 of the Warsaw Stock Exchange Supervisory Board dated 19 October 2011 there were adopted amendments to abovementioned code which came into force from 01 January 2012. On 21 November 2012 Warsaw Stock Exchange Supervisory Board by Resolution 19/1307/2012 adopted new amendments to the Code of Best Practice for WSE Listed Companies, which became effective from 01 January 2013.

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

Application of the Corporate Governance Codes

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

The above-mentioned set of corporate governance documents includes:

1. By-laws of the General Meeting of Shareholders

2. Rules of the Board of Directors

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

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

Confirmations in relation to the Dutch Corporate Governance Code

There have not been conflict of interest situations between the Directors and the Company during financial year 2014. The Board of Directors would like to confirm that if there had been such situations, that it would have complied with best practise provisions II.3.2 and II.3.3 of the Dutch Corporate Governance Code, also in line with the documents mentioned under section C. This means that the Board of Directors would have immediately reported any such conflict of interest or potential conflict of interest being of material significance to the Company and/or to such Director, to the Non-Executive Directors and to the other members of the Board of Directors. Any discussion or decision-making with regard to the conflicted transaction, including any decision to determine whether there is an actual conflict of interest, would have been taken without the conflicted Director being present. The same applies to best practice provisions III.6.1 through III.6.3 with respect to conflicts of interest in relation to the Non-Executive Directors, to the extent possible taking into account that the Company has a one-tier structure.

The Board of Directors also confirms that there have not been any conflict of interest situations between the Company and shareholders holding more than 10% of the shares in the Company's capital during financial year 2014. The Board of Directors also confirms that if there had been any such situations, it would have acted in compliance with best practise provision III.6.4 of the Dutch Corporate Code, providing for agreement in such situations on terms that are customary in the sector concerned, with the prior approval of the Non-Executive Directors.

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

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

7. INTERNAL CONTROL

Internal risk management and control systems

General

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

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

Nevertheless, because of their inherent limitations, the control systems described below, as well as those in the two following sections may not prevent or detect all misstatements, inaccuracies, errors, fraud or non-compliance with law and regulations, neither can they provide certainty as to the achievement of our objectives.

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

CONTROL SYSTEMS

Our internal risk management and control systems have two principal organizational forms: (i) a structural and functional form, including regulations for functional collaboration of departments both horizontally (job descriptions, charters of subsidiaries, rules of agreements adjustment etc.) and vertically (rules of budgeting and planning, financial and economic analysis etc.) and (ii) a direct control form. With respect to (i), the control elements provide for functioning of overall control, which foresees among others the following:

Control over whole stage of business planning (budgeting)

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

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

Control over revenues and expenses

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

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

Control over sales of the enterprises of the Group

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

Control over investment decisions

ASTARTA has developed procedures of the investment decisions adoption.

The investment committee is functioning to improve efficiency of the investment decisions and to minimize risks of wrong investment decisions.

Policy of economic security

This policy is realized by an especially established system of the economic security service, which is a vertically integrated chain of security departments on the level of ASTARTA and the operational companies.

Hotline

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

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

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

The Internal Audit Department conducts an independent, objective assurance and consulting activity designed to add value and improve ASTARTA’s and its subsidiaries operations. It helps our company to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

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

DEFICIENCIES

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

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

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

According to specific regulations we also permanently verify and improve our system of internal control over financial reports. Our external auditors are obligated to consider our internal control over financial reporting as a basis for designing their auditing procedures for the purpose of expressing their opinion on our consolidated financial statements. We have discussed our own assessment of our control and risk management framework with our auditors and are in agreement with them on the deficiencies to be remediated in 2015.

Section II.1.5 of the Dutch Corporate Governance Code

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

To the best of its knowledge, the Board of Directors believes that the Company's internal risk management and control systems have not led to any major problems during financial year 2014 resulting in material errors in the financial reporting of the Company. The Board of Directors also believes that the Company's internal risk management and control systems have been implemented effectively until now, but note that there are areas where significant deficiencies as described above were identified, in relation to which adequate remedial actions have been taken. The Board of Directors is of the opinion that there are no indications, considering the attention given to the strengthening of our internal control over financial reporting and disclosure control and procedures, that our risk management and control systems will not operate properly as of now and is of the opinion that from now on the systems will provide a reasonable level of assurance that the financial reporting will not contain material inaccuracies.

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

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

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

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

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

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

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

In accordance with this provision, the management board shall have committees that shall consist only of non-executive management board members.

Since the Company has only two Non-Executive Directors, the executive directors are also committee members.

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

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

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

Best practice for Management Boards of Listed Companies

2a) on an annual basis, in the fourth quarter – information about the participation of women and men respectively in the Management Board and in the Supervisory Board of the company in the last two years

We are the Company with one-tier management structure, so the management and supervisory duties performs Board of Directors. Our Board of Directors consists only of men. The Company understands the effectiveness which aims the abovementioned provision. The only criteries for appointment of members of the Board of Directors are qualifications, abilities (including reputation and reliability) but not sex attribute. However the Company will try to involve women to the Board of Directors.

Best Practice for Supervisory Board Members

6) At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.

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

Best Practices of Shareholders

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

1. real-life broadcast of General Meetings;

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

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

9. REMUNERATION REPORT

Background

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

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

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

In order to stimulate the directors to achieve the long-term objectives of the Company and its affiliated enterprise, the Remuneration Policy provides the range of fixed management remuneration for each director for each year of their office. The difference between the lower and higher range of remuneration gives the flexibility to the Remuneration Committee and the Non-Executive Directors to valuate the impact of each director's achievement of the mentioned objectives. Based on this valuation the Remuneration Committee and the Non-Executive Directors will recommend to adjust amount of remuneration for any given year of office to the Board of Directors.

The Company shall not make any payments as remuneration to the members of the Board of Directors, whether annual payments, periodical payments/rewards, payments payable on a certain term, entitlements to profits, bonuses or pension payments, whether in cash or in kind, other than in accordance with the Remuneration Policy dated 30 June 2011. The Remuneration Policy adopted on 30 June 2011 provides that the Directors responsible for the day-to-day operational management of the Company may be granted by cash bonuses of up to 150% of their fixed annual fee in a year, after adoption of the annual accounts of the preceding financial year. Upon proposal of the Remuneration Committee, the Board of Directors can decide whether a bonus shall be paid and what the amount of the bonus shall be. The Remuneration Committee shall form its proposal by taking into account the Company's activity results in a year, the adopted annual accounts, and the decisions taken by the directors in a year with regard to achieved long-term objectives of the Company.

Remuneration in financial year 2014

On 18 June 2014, in accordance with Remuneration Policydated 30 June 2011 year the Board of

Directors approved and ratified the remuneration of Mr. Bartoszewski at EUR 35,000 per year, of Mr. Korotkov at EUR 35,000 per year, and of Mr. Van Campen at EUR 35,000 per year for financial year 2014.

Due to paragraph (A) Article 3 of Remuneration Policy, The Executive Directors "A" shall not be remunerated by the Company, but by its subsidiary LLC Firm "Astarta-Kyiv". Thus, the Board of Directors approved the following recommended remuneration of Executive Directors "A" for 2014: Mr. Ivanchyk – equivalent of about EUR 360,000 and Mr. Gladkyi – equivalent of about EUR 120,000 for the second half of year 2014.

Based on the recommendation of the Board of Directors ASTARTA Holding N.V., LLC Firm "Astarta-Kyiv" approved the remuneration of Mr. Ivanchyk for financial year 2014, in an amount of equivalent of about EUR 154,780 and to Mr. Gladkyi for the second half of 2014 financial year – in an amount of equivalent of about EUR 97,232 per 6 months. They obtained their remuneration on the monthly based period in UAH.

In 2014 the Board of Directors of ASTARTA Holding N.V. recommended and LLC Firm "Astarta-Kyiv" approved to grant to Executive Directors A cash bonuses for 2013 in the following amounts: to Mr. Ivanchyk – equivalent of about EUR 150,000 and to Mr. Rybin – equivalent of about EUR 135,000.

The abovementioned resolutions have been approved based on Remuneration Policy, the results of examination of the consolidated financial statements as at and for the year 2013 approved by the General Meeting of Shareholders as well as upon the Remuneration Committee's proposals dated 18 June 2014.

Information about the remunerations accrued to the Company's Directors for rendered services is presented in the table below (amounts in Euros):

Director's name	Position	2012			2013			2014		
		Remuner-ation for rendered services	Reimbursable expenses	Total	Remuneration for rendered services	Reimbursable expenses	Total	Remu-neration for ren-dered services	Reimbursable expenses	Total
V. Korotkov	Chairman of the Board of Directors, Non-Executive Director	35,000	-	35,000	35,000	5,569	40,569	35,000	4,744	39,744
M.M.L.J. van Campen	Executive Director and Chief Corpo-rate Officer	35,000	2,000	37,000	35,000	2,057	37,057	35,000	0,000	35,000
W.T. Bartoszewski	Deputy Chairman of the Board of Directors, Non-Executive Director	35,000	3,149	38,149	35,000	1,424	36,424	35,000	3,048	38,048
Total				**110,149**			**114,150**	**105,000**	**7,792**	**112,792**

Information about the remunerations and bonuses accrued by LLC Firm “Astarta-Kyiv” to the Company’s Directors A, taking into account resolution of the General Meeting of Shareholders dated 18 June 2014 on retirement of Mr. Rybin and appointment of Mr. Gladkyi as an Executive Director A, Chief Financial Officer, for rendered services is presented in the table below (amounts in Euros of the equivalent paid in Ukrainian Hryvnia):

Director’s name	Position	2012			2013			2014		
		Remuneration for ren-dered services	Bonuses	Total	Remuneration for rendered services	Bonuses	Total	Remuneration for rendered services	Bonuses	Total
V. Ivanchyk	Executive Director	35,000	-	35,000	35,000	5,569	40,569	35,000	4,744	39,744
P. Rybin	Executive Director	35,000	2,000	37,000	35,000	2,057	37,057	35,000	0,000	35,000
V. Gladkyi	Executive Director and Chief Financial Officer (from 18 June 2014)	-	-	-	-	-	-	97,232	67,500	164,732
Total				**1,282,924**			**679,841**	**339,327**	**135,000**	**474,327**

On 18 June 2014 the Board of Directors resolved also to grant cash bonuses to four top managers of LLC Firm “Astarta-Kyiv” under results of their work in 2013 year for the total amount equivalent approximately to EUR 235,000.

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

2. Mr. Ivanchyk decided to refuse from the part of his annual remuneration amountedEUR 61,120 in favor of charity.

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

10. REPORT OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors of the Board of Directors, Mr. Korotkov and Mr. Bartoszewski, have performed the following actions and duties in their role as Non-Executive Directors in 2014.

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

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

In carrying out their task, they participated in the Board Meetings mentioned in paragraph 7 above and advised the Board of Directors on their management activities. Besides this, Mr. Korotkov is a member of the Remuneration Committee, and Mr. Bartoszewski, as financial expert, is a member of the Remuneration Committee and of the Audit Committee.

Mr. Korotkov and Mr. Bartoszewski within 2014 financial year held meetings on which the main items which were discussed – remuneration of the members of the Board of Directors, payment of bonuses and the Company’s employee’s share option programs. Besides that Mr. Korotkov and Mr. Bartoszewski discussed the profile, structure and competence of the members, education and training programs, corporate strategy of the Company, business-risks, structure and functioning of the risk-management and internal control systems. The discussion was held in April 2014 without Executive Directors

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

There were no irregularities in the 2014 financial year that required interventions by the Non-Executive Directors.

REPRESENTATIONS OF THE BOARD OF DIRECTORS

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

The Board of Directors hereby represents, to the best of its knowledge, that the statutory financial statements of the Company and its consolidated subsidiaries for the year ended 31 December 2014 are prepared in accordance with the applicable accounting standards and that they give a true and fair view of the assets, liabilities, financial position and the result of the Company and its consolidated subsidiaries, and that the report of the Board of Directors for the year ended 31 December 2014 gives a true and fair view of the position of the Company and its consolidated subsidiaries as at 31 December 2014 and of the development and the performance of the Company and its consolidated subsidiaries during the year ended 31 December 2014, including a description of the key risks that the Company is confronted with.

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

The Board of Directors hereby represents that Ernst & Young Accountants LLP, which performed the audit of the statutory financial statements of the Company for the period that ended 31 December 2014, has been appointed in accordance with the applicable laws and that this entity and the accountants performing the audit met the conditions necessary to issue an impartial and independent report on the audit in accordance with the applicable provisions of law.

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

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

In 2014, the Board of Directors assessed the effectiveness of the system of internal controls for financial reporting. During the investigation on which this assessment was based, no shortcomings were identified that might possibly have a material impact on the financial reporting. On the basis of the results of the above assessment and the risk analysis that was carried out at the Company within the framework of governance and compliance, the Board is of the opinion, after consulting with the Audit Committee, that the system of internal controls provides a reasonable degree of certainty that the financial reporting contains no inaccuracies of material importance. An inherent element in how people and organizations work together in a dynamic world is that systems of internal control cannot provide an absolute degree (though they can provide a reasonable degree) of certainty as regards the prevention of material inaccuracies in the financial reporting and the prevention of losses and fraud.

In our view the system of internal controls, focused on the financial reporting, functioned effectively over the past year. There are no indications that the system of internal controls will not function effectively in 2014.

Board of Directors of ASTARTA Holding N.V.
9 April 2015,
Amsterdam, the Netherlands

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

CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2014


АСТАРТА-КИЇВ
агропромхолдинг
53215

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

(in thousands of Ukrainian hryvnias)	Notes	31 December 2014	31 December 2013 (restated)	31 December 2012 (restated)
ASSETS				
Non-current assets				
Property, plant and equipment	9	**4,270,821**	3,432,765	2,388,193
Intangible assets	10	**53,841**	64,206	63,977
Biological assets	11	**584,647**	520,947	469,502
Value added tax		**236,775**	165,880	-
Financial instruments available-for-sale	12	**-**	7,946	15,066
Long-term receivables		**751**	764	691
Long-term cash deposits		**-**	-	138,937
Deferred tax assets		**-**	-	101
		5,146,835	4,192,508	3,076,467
Current assets				
Inventories	13	**3,024,917**	2,815,239	2,327,389
Biological assets	11	**515,695**	331,501	565,774
Trade accounts receivable	14	**252,351**	326,065	395,518
Other accounts receivable and prepayments	14	**130,566**	190,098	303,321
Current income tax		**1,469**	2,405	420
Short-term cash deposits	15	**423,575**	47,484	46,212
Cash and cash equivalents	16	**246,861**	29,472	81,231
		4,595,434	3,742,264	3,719,865
Total assets		**9,742,269**	7,934,772	6,796,332
EQUITY AND LIABILITIES				
Equity	**17**			
Share capital		**1,663**	1,663	1,663
Additional paid-in capital		**369,798**	369,798	369,798
Retained earnings		**2,186,139**	3,026,875	2,747,284
Revaluation surplus		**1,509,964**	842,517	380,558
Treasury shares		**(34,698)**	(2,596)	-
Currency translation reserve		**202,531**	3,430	697
Total equity attributable to equity holders of the parent company		**4,235,397**	4,241,687	3,500,000
Non-controlling interests in joint stock companies	18	**619**	661	2,736
Total equity		**4,236,016**	4,242,348	3,502,736
Non-current liabilities				
Loans and borrowings	19	**2,047,278**	1,309,423	1,653,260
Non-controlling interests in limited liability companies	18	**112,073**	87,718	87,538
Accounts payable for property, plant and equipment		**9,031**	17,803	21,175
Deferred tax liabilities	29	**213,360**	111,906	69,302
		2,381,742	1,526,850	1,831,275
Current liabilities				
Loans and borrowings	19	**1,958,745**	1,436,045	740,036
Current portion of long-term loans and borrowings	19	**828,481**	357,840	300,158
Trade accounts payable		**95,609**	131,511	165,248
Current income tax		**9,112**	4,613	1,161
Other liabilities and accounts payable	20	**232,564**	235,565	255,718
		3,124,511	2,165,574	1,462,321
Total equity and liabilities		**9,742,269**	7,934,772	6,796,332

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

(in thousands of Euros)	Notes	**31 December 2014**	31 December 2013 (restated)	31 December 2012 (restated)
ASSETS				
Non-current assets				
Property, plant and equipment	9	**222,058**	299,804	223,613
Intangible assets	10	**2,800**	5,608	5,990
Biological assets	11	**30,397**	45,497	43,961
Value added tax		**12,312**	14,488	-
Financial instruments available-for-sale	12	**-**	694	1,411
Long-term receivables		**39**	67	65
Long-term cash deposits		**-**	-	13,009
Deferred tax assets		**-**	-	9
		267,606	366,158	288,058
Current assets				
Inventories	13	**157,277**	245,872	217,919
Biological assets	11	**26,813**	28,952	52,975
Trade accounts receivable	14	**13,121**	28,477	37,033
Other accounts receivable and prepayments	14	**6,789**	16,603	28,401
Current income tax		**76**	210	39
Short-term cash deposits	15	**22,023**	4,147	4,327
Cash and cash equivalents	16	**12,835**	2,574	7,606
		238,934	326,835	348,300
Total assets		**506,540**	692,993	636,358
EQUITY AND LIABILITIES				
Equity	**17**			
Share capital		**250**	250	250
Additional paid-in capital		**55,638**	55,638	55,638
Retained earnings		**234,461**	293,841	265,120
Revaluation surplus		**115,075**	80,490	40,157
Treasury shares		**(2,280)**	(240)	-
Currency translation reserve		**(182,930)**	(59,528)	(33,470)
Total equity attributable to equity holders of the parent company		**220,214**	370,451	327,695
Non-controlling interests in joint stock companies	18	**32**	58	257
Total equity		**220,246**	370,509	327,952
Non-current liabilities				
Loans and borrowings	19	**106,447**	114,361	154,800
Non-controlling interests in limited liability companies	18	**5,827**	7,661	8,213
Accounts payable for property, plant and equipment		**470**	1,554	1,983
Deferred tax liabilities	29	**11,094**	9,775	6,489
		123,838	133,351	171,485
Current liabilities				
Loans and borrowings	19	**101,843**	125,419	69,292
Current portion of long-term loans and borrowings	19	**43,076**	31,252	28,105
Trade accounts payable		**4,971**	11,486	15,473
Current income tax		**474**	403	108
Other liabilities and accounts payable	20	**12,092**	20,573	23,943
		162,456	189,133	136,921
Total equity and liabilities		**506,540**	692,993	636,358

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

(in thousands of Ukrainian hryvnias)	Notes	2014	2013 (restated)
Revenues	21	**5,498,832**	3,533,355
Cost of revenues	22	**(4,227,238)**	(3,180,327)
Changes in fair value of biological assets and agricultural produce	11	**697,613**	500,790
Gross profit		**1,969,207**	853,818
Other operating income	23	**270,414**	130,368
General and administrative expense	24	**(362,403)**	(251,145)
Selling and distribution expense	25	**(347,991)**	(248,117)
Other operating expense	26	**(166,155)**	(147,544)
Profit from operations		**1,363,072**	337,380
Finance costs	27	**(2,376,793)**	(299,527)
Finance income	27	**11,173**	29,089
Other income	28	**10,083**	14,443
Share in loss of associate		**-**	(15,707)
Gain on acquisition of subsidiaries	5	**-**	128,491
Profit before tax		**(992,465)**	194,169
Income tax (expense) benefit	29	**(15,443)**	12,050
Net profit (loss)		**(1,007,908)**	206,219
Net profit attributable to:			
Non-controlling interests in joint stock companies		**(217)**	(275)
Equity holders of the parent company		**(1,007,691)**	206,494
Weighted average basic and diluted shares outstanding (in thousands of shares)		**24,850**	24,996
Basic and diluted (loss) earnings per share attributable to shareholders of the company (in Ukrainian hryvnias)		**(40.55)**	8.26

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

(in thousands of Euros)	Notes	2014	2013 (restated)
Revenues	21	**351,902**	327,042
Cost of revenues	22	**(267,994)**	(292,839)
Changes in fair value of biological assets and agricultural produce	11	**47,006**	47,278
Gross profit		**130,914**	81,481
Other operating income	23	**15,267**	11,684
General and administrative expense	24	**(23,191)**	(23,083)
Selling and distribution expense	25	**(21,540)**	(22,655)
Other operating expense	26	**(9,960)**	(13,378)
Profit from operations		**91,490**	34,049
Finance costs	27	**(160,050)**	(27,579)
Finance income	27	**752**	2,678
Other income	28	**624**	1,368
Share in loss of associate		**-**	(1,401)
Gain on acquisition of subsidiaries	5	**-**	12,108
Profit before tax		**(67,184)**	21,223
Income tax (expense) benefit	29	**(892)**	1,077
Net profit (loss)		**(68,076)**	22,300

Net profit attributable to:			
Non-controlling interests in joint stock companies		**(15)**	(30)
Equity holders of the parent company		**(68,061)**	22,330
Weighted average basic and diluted shares outstanding (in thousands of shares)		**24,850**	24,996
Basic and diluted (loss) earnings per share attributable to shareholders of the company (in Euros)		**(2.74)**	0.89

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

(in thousands of Ukrainian hryvnias)	2014	2013 (restated)
Profit for the year	**(1,007,908)**	206,219
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange difference on transactions of foreign operations	**131,106**	496
Income tax effect	**-**	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**131,106**	496
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Exchange difference on transactions of foreign operations (the parent company)	**67,995**	2,237
Income tax effect	**-**	-
	67,995	2,237
Share in revaluation of property, plant and equipment of joint venture	**-**	39,132
Income tax effect	**-**	(8,630)
		30,502
Revaluation of property, plant and equipment	**946,607**	542,036
Income tax effect	**(101,933)**	(29,173)
	844,674	512,863
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	**(12,433)**	(11,538)
Income tax effect	**2,238**	1,846
	(10,195)	(9,692)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**902,474**	535,910
Total comprehensive income	**25,672**	742,625
Attributable to:		
Non-controlling interests in joint stock companies	**(140)**	(405)
Equity holders of the parent	**25,812**	743,030
Total comprehensive income as at 31 December	**25,672**	742,625

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

(in thousands of Euros)	2014	2013 (restated)
Profit for the year	**(68,076)**	22,300
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange difference on transactions of foreign operations	**(123,423)**	(26,058)
Income tax effect	**-**	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(123,423)**	(26,058)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Exchange difference on transactions of foreign operations (the parent company)	**-**	-
Income tax effect	**-**	-
	-	-
Share in revaluation of property, plant and equipment of joint venture	**-**	3,418
Income tax effect	**-**	(754)
	-	2,664
Revaluation of property, plant and equipment	**49,219**	47,339
Income tax effect	**(5,300)**	(2,562)
	43,919	44,777
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	**(790)**	(1,008)
Income tax effect	**142**	161
	(648)	(847)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**43,271**	46,594
Total comprehensive income (loss)	**(148,228)**	42,836
Attributable to:		
Non-controlling interests in joint stock companies	**(31)**	(44)
Equity holders of the parent	**(148,197)**	42,880
Total comprehensive income (loss) as at 31 December	**(148,228)**	42,836

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

(in thousands of Ukrainian hryvnias)	Notes	2014	2013 (restated)
Operating activities			
Profit before tax		**(992,465)**	194,169
Adjustments for:			
Depreciation and amortization		**399,186**	293,867
Allowance for impairment (recovery) of trade and other accounts receivable	14	**14,840**	12,525
Gain on acquisition of subsidiaries	5	**-**	(128,491)
Loss on disposal of property, plant and equipment	26	**11,975**	2,812
Write down of inventories	26	**6,382**	6,184
Share in loss of associate		**-**	15,707
Finance income	27	**(11,173)**	(29,089)
Interest expense	27	**309,856**	205,162
Other finance costs	27	**42,824**	47,722
Impairment of property, plant and equipment	26	**45,235**	41,791
Changes in fair value of biological assets and agricultural produce		**(697,613)**	(500,790)
Recovery of assets previously written off	23	**(6,241)**	(5,498)
Non-controlling interests in limited liability companies	27	**18,806**	2,186
Foreign exchange loss on loans and borrowings, deposits		**2,046,971**	64,078
Working capital adjustments:			
Decrease (increase) in inventories		**314,898**	267,736
Decrease in trade and other receivables		**175,548**	84,628
Increase in biological assets due to other changes		**(74,998)**	(5,216)
Decrease in trade and other payables		**(30,007)**	(166,517)
Income taxes paid		**(9,529)**	(4,766)
Cash flows provided by operating activities		**1,564,495**	398,200
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(424,296)**	(583,112)
Proceeds from disposal of property, plant and equipment		**5,889**	1,333
Sale (purchase) of financial investments		**7,689**	7,120
Interest received		**10,852**	11,931
Acquisition of subsidiaries net of cash acquired	5	**-**	(35,151)
Cash deposits placement		**(424,132)**	(12,994)
Cash deposits withdrawal		**56,519**	152,219
Cash flows used in investing activities		**(767,479)**	(458,654)
Financing activities			
Proceeds from loans and borrowings		**2,593,109**	2,751,760
Repayment of loans and borrowings		**(2,837,058)**	(2,510,316)
Payments to shareholders for pledged shares		**(33,252)**	(31,961)
Purchase of treasury shares		**(32,102)**	(2,596)
Dividends paid to non-controlling interests in limited liability companies	18	**(3,492)**	(5,098)
Acquisition of non-controlling interest		**-**	(2,166)
Interest paid		**(289,808)**	(191,515)
Cash flows (used in) provided by financing activities		**(602,603)**	8,108
Net increase (decrease) in cash and cash equivalents		**194,413**	(52,346)
Cash and cash equivalents as at 1 January		**29,472**	81,231
Currency translation difference		**22,976**	587
Cash and cash equivalents as at 31 December		**246,861**	29,472

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

(in thousands of Euros)	Notes	2014	2013 (restated)
Operating activities			
Profit before tax		**(67,184)**	21,223
Adjustments for:			
Depreciation and amortization		**25,367**	27,133
Allowance for impairment (recovery) of trade and other accounts receivable	14	**908**	1,157
Gain on acquisition of subsidiaries	5	**-**	(12,108)
Loss on disposal of property, plant and equipment	26	**718**	261
Write down of inventories	26	**383**	571
Share in loss of associate		**-**	1,401
Finance income	27	**(752)**	(2,678)
Interest expense	27	**20,865**	18,903
Other finance costs	27	**2,884**	4,407
Impairment of property, plant and equipment	26	**2,712**	3,789
Changes in fair value of biological assets and agricultural produce		**(47,006)**	(47,278)
Recovery of assets previously written off	23	**(352)**	(508)
Non-controlling interests in limited liability companies	27	**1,266**	205
Foreign exchange loss on loans and borrowings, deposits		**130,075**	5,917
Working capital adjustments:			
Decrease (increase) in inventories		**20,010**	24,725
Decrease in trade and other receivables		**11,155**	7,815
Increase in biological assets due to other changes		**(4,766)**	(482)
Decrease in trade and other payables		**(1,907)**	(15,377)
Income taxes paid		**(606)**	(439)
Cash flows provided by operating activities		**93,770**	38,637
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		**(26,962)**	(54,350)
Proceeds from disposal of property, plant and equipment		**374**	123
Sale (purchase) of financial investments		**489**	658
Interest received		**690**	1,100
Acquisition of subsidiaries net of cash acquired	5	**-**	(3,312)
Cash deposits placement		**(26,952)**	(1,200)
Cash deposits withdrawal		**3,592**	14,057
Cash flows used in investing activities		**(48,769)**	(42,924)
Financing activities			
Proceeds from loans and borrowings		**164,780**	254,136
Repayment of loans and borrowings		**(180,281)**	(231,829)
Payments to shareholders for pledged shares		**(2,152)**	(2,952)
Purchase of treasury shares		**(2,040)**	(240)
Dividends paid to non-controlling interests in limited liability companies	18	**(222)**	(471)
Acquisition of non-controlling interest		**-**	(200)
Interest paid		**(18,416)**	(17,686)
Cash flows (used in) provided by financing activities		**(38,331)**	758
Net increase (decrease) in cash and cash equivalents		**6,670**	(3,529)
Cash and cash equivalents as at 1 January		**2,574**	7,606
Currency translation difference		**3,591**	(1,503)
Cash and cash equivalents as at 31 December		**12,835**	2,574

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

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

Attributable to equity holders of the parent company

(in thousands of Ukrainian hryvnias)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
As at 1 January 2013	1,663	369,798	2,919,070	380,558	-	697	3,671,786	2,742	3,674,528
Changes in accounting policies (Note 4)	-	-	(171,786)	-	-	-	(171,786)	(6)	(171,792)
As at 1 January 2013 (restated)	1,663	369,798	2,747,284	380,558	-	697	3,500,000	2,736	3,502,736
Net profit (loss) (restated)	-	-	244,352	-	-	-	244,352	(352)	244,000
Changes in accounting policies (Note 4)	-	-	(37,858)	-	-	-	(37,858)	77	(37,781)
Revaluation reserve, net of tax	-	-	-	512,993	-	-	512,993	(130)	512,863
Share in revaluation of Joint venture, net of tax	-	-	-	30,502	-	-	30,502	-	30,502
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(9,692)	-	-	(9,692)	-	(9,692)
Exchange difference on translation	-	-	-	-	-	2,733	2,733	-	2,733
Total other comprehensive income, net of tax	-	-	-	533,803	-	2,733	536,536	(130)	536,406
Total comprehensive income	-	-	206,494	533,803	-	2,733	743,030	(405)	742,625
Acquisitions from non-controlling shareholders and other changes	-	-	1,253	-	-	-	1,253	(1,670)	(417)
Purchase of own shares	-	-	-	-	(2,596)	-	(2,596)	-	(2,596)
Realisation of revaluation surplus, net of tax	-	-	71,844	(71,844)	-	-	-	-	-
As at 1 January 2014 (restated)	**1,663**	**369,798**	**3,026,875**	**842,517**	**(2,596)**	**3,430**	**4,241,687**	**661**	**4,242,348**
Net profit (loss)	**-**	**-**	**(1,007,691)**	**-**	**-**	**-**	**(1,007,691)**	**(217)**	**(1,007,908)**
Revaluation reserve, net of tax	**-**	**-**	**-**	**844,597**	**-**	**-**	**844,597**	**77**	**844,674**
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	**-**	**-**	**-**	**(10,195)**	**-**	**-**	**(10,195)**	**-**	**(10,195)**
Exchange difference on translation	**-**	**-**	**-**	**-**	**-**	**199,101**	**199,101**	**-**	**199,101**
Total other comprehensive income, net of tax	**-**	**-**	**-**	**834,402**	**-**	**199,101**	**1,033,503**	**77**	**1,033,580**
Total comprehensive income	**-**	**-**	**(1,007,691)**	**834,402**	**-**	**199,101**	**25,812**	**(140)**	**25,672**
Acquisitions from non-controlling shareholders and other changes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**98**	**98**
Purchase of own shares	**-**	**-**	**-**	**-**	**(32,102)**	**-**	**(32,102)**	**-**	**(32,102)**
Realisation of revaluation surplus, net of tax	**-**	**-**	**166,955**	**(166,955)**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2014	**1,663**	**369,798**	**2,186,139**	**1,509,964**	**(34,698)**	**202,531**	**4,235,397**	**619**	**4,236,016**

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

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

Attributable to equity holders of the parent company

(in thousands of Euros)	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation adjustment	Subtotal	Non-controlling interests	Total equity
As at 1 January 2013	250	55,638	281,932	40,157	-	(34,180)	343,797	257	344,054
Changes in accounting policies (Note 4)	-	-	(16,812)	-	-	710	(16,102)	-	(16,102)
As at 1 January 2013 (restated)	250	55,638	265,120	40,157	-	(33,470)	327,695	257	327,952
Net profit (loss) (restated)	-	-	25,707	-	-	-	25,707	(37)	25,670
Changes in accounting policies (Note 4)	-	-	(3,377)	-	-	-	(3,377)	7	(3,370)
Revaluation reserve, net of tax	-	-	-	44,791	-	-	44,791	(14)	44,777
Share in revaluation of Joint venture, net of tax	-	-	-	2,664	-	-	2,664	-	2,664
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(847)	-	-	(847)	-	(847)
Exchange difference on translation	-	-	-	-	-	(27,226)	(27,226)	-	(27,226)
Changes in accounting policies in OCI (Note 4)	-	-	-	-	-	1,168	1,168	-	1,168
Total other comprehensive income, net of tax	-	-	-	46,608	-	(26,058)	20,550	(14)	20,536
Total comprehensive income	-	-	22,330	46,608	-	(26,058)	42,880	(44)	42,836
Acquisitions from non-controlling shareholders and other changes	-	-	116	-	-	-	116	(155)	(39)
Purchase of own shares	-	-	-	-	(240)	-	(240)	-	(240)
Realisation of revaluation surplus, net of tax	-	-	6,275	(6,275)	-	-	-	-	-
As at 1 January 2014 (restated)	**250**	**55,638**	**293,841**	**80,490**	**(240)**	**(59,528)**	**370,451**	**58**	**370,509**
Net profit (loss)	**-**	**-**	**(68,061)**	**-**	**-**	**-**	**(68,061)**	**(15)**	**(68,076)**
Revaluation reserve, net of tax	**-**	**-**	**-**	**43,914**	**-**	**-**	**43,914**	**5**	**43,419**
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	**-**	**-**	**-**	**(648)**	**-**	**-**	**(648)**	**-**	**(648)**
Exchange difference on translation	**-**	**-**	**-**	**-**	**-**	**(123,402)**	**(123,402)**	**(21)**	**(123,423)**
Total other comprehensive income, net of tax	**-**	**-**	**-**	**43,266**	**-**	**(123,402)**	**(80,136)**	**(16)**	**(80,152)**
Total comprehensive income	**-**	**-**	**(68,061)**	**43,266**	**-**	**(123,402)**	**(148,197)**	**(31)**	**(148,228)**
Acquisitions from non-controlling shareholders and other changes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**5**
Purchase of own shares	**-**	**-**	**-**	**-**	**(2,040)**	**-**	**(2,040)**	**-**	**(2,040)**
Realisation of revaluation surplus, net of tax	**-**	**-**	**8,681**	**(8,681)**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2014	**250**	**55,638**	**234,461**	**115,075**	**(2,280)**	**(182,930)**	**220,214**	**32**	**220,246**

The notes on pages 72 to 171 are an integral part of these consolidated financial statements.

1. BACKGROUND

Organisation and operations

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

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

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

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

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

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

a) Ukrainian business environment

The Group conducts most of its operations in Ukraine. The Ukrainian economy while deemed to be of market status continues to display certain characteristics consistent with that of an economy in transition. These characteristics include, but are not limited to, low levels of liquidity in the capital markets, high inflation, and significant imbalances in the public finance and foreign trade.

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

From 1 January 2014 and up to 31 December 2014, the Ukrainian Hryvnia (the "UAH") depreciated against major foreign currencies by approximately 97% calculated based on the National Bank of Ukraine exchange rate of UAH to US Dollar. From 31 December 2014 to the date of the issuance of these consolidated financial statements, the UAH depreciated against USD by 49%.

The NBU imposed certain restrictions on purchase of foreign currencies, cross border settlements (including repayment of dividends), and also mandated obligatory conversion of foreign currency proceeds into UAH.

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

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

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

Management is monitoring the developments in the current environment and taking actions, where appropriate, to minimize any negative effects to the extent possible. Further adverse developments in the political, macroeconomic and/or international trade conditions may further adversely affect the Group's financial position and performance in a manner not currently determinable.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and in accordance with the Title 9, Book 2 of the Netherlands Civil Code, applying the exemption offered by article 402 of the Title 9, Book 2 of the Netherlands Civil Code to present a condensed income statement in the Company financial statements. The consolidated financial statements were authorized by the Board of Directors on 08 April 2015.

b) Going concern

As at 31 December 2014, the Group had UAH 4,835 million (EUR 251 million) of borrowings. UAH 1,415 million (EUR 74 million) (approximately 51%) of current loans are denominated in USD and EUR, UAH 2,043 million (EUR 106 million) (approximately 100%) of non-current loans are denominated in USD and EUR. The rest of the loans are denominated in UAH (Note 19). The Group's export revenues are expected to create a natural hedge against currency exposure related to interest and repayment of loans denominated in foreign currencies. In 2014, export revenues comprised UAH 1,315 million (EUR 84 million) (approximately 24%) (Note 30). In 2015, the Group's share of export revenues is expected to increase on the back of UAH devaluation, which benefits Ukrainian exporters.

As at 31 December 2014 the Group was in breach of certain financial covenants under a number of bank loans mostly due to sharp devaluation of the local currency. Prior to the reporting date, the Group received from the banks waivers of rights to require compliance with the breached covenants as at 31 December 2014. Accordingly, the management classified the related loans in accordance with their initial contractual maturity – i.e. non-current portion of loans was continued to be classified within non-current liabilities (Note 19).

According to the quarterly budgets for 2015 prepared in December 2014, no further breaches of covenants were expected. However, because of significant further devaluation of UAH in February 2015, the Group breached financial covenants as at 31 March 2015. According to the quarterly budgets for 2015 and 2016 updated by management in March 2015, the Group is likely to continue to be in breach of certain financial covenants under IFC loan during 2015. Management believes that the breach of covenants in March 2015 and expected further breaches are non-adjusting events and therefore, should not lead to reclassification of loans from non-current to current as at 31 December 2014. Thus, non-current portion of loans for which covenants were breached in 2015, remained classified within non-current liabilities.

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

The management notified all banks about non-compliance as at 31 March 2015 and expected prospective non-compliances and obtained several waivers. However, two banks, EBRD and IFC, did not provide waivers in respect of expected non-compliance with covenants in 2015. The representatives of EBRD provided the letter to the Group's management stating that [1] EBRD is aware of non-compliance for the period ended 31 March 2015; [2] according to the bank's internal procedures EBRD does not provide waivers for expected future non-compliances and [3] the bank has a firm intention to continue with Astarta as the borrower. The representatives of IFC also provided similar letter mentioning that [1] IFC is aware of non-compliance for the period ending 31 March 2015, which non-compliance may continue for the periods of 30 June 2015, 30 September 2015, 31 December 2015 and 31 March 2016; [2] IFC's practice is not to grant blank or up-front waivers for future non-compliances and [3] based on the most recent reporting information and any other information received from the Group, IFC, as a long-term lender, has no intention to disengage with the Group.

Based on the received waivers and letters, the management believes that the banks will not demand accelerated repayment of the loans because of breaches of covenants in 2015.

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

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c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

As at 31 December 2014 Astarta Holding N.V. owns shares, directly and indirectly, in a number of subsidiaries and an associate with the following percentage of ownership:

Name	Activity	**31 December 2014 % of ownership**	31 December 2013 % of ownership
Subsidiaries:			
Ancor Investments Ltd	Investment activities	**100,00%**	100,00%
LLC Firm «Astarta-Kyiv»	Asset management	**99,98%**	99,98%
LLC «APO «Tsukrovyk Poltavshchyny»	Sugar production	**99,72%**	99,72%
LLC «Agricultural company «Dovzhenko»	Agricultural	**97,53%**	97,53%
LLC «Shyshaki combined forage factory»	Fodder production	**90,56%**	90,56%
LLC «Agricultural company «Dobrobut»	Agricultural	**98,24%**	98,24%
LLC «Agricultural company «Musievske»	Agricultural	**89,98%**	89,98%
LLC «Globinskiy processing factory"	Soybean processing	**99,98%**	99,98%
LLC «Dobrobut» (Novo-Sanzharskiy region)	Agricultural	**99,98%**	99,98%
OJSC «Agricultural company «Agrocomplex»	Agricultural	**83,80%**	83,80%
OJSC «Agricultural company «Zhdanivske»	Agricultural	**97,97%**	97,97%
LLC «Investment company «Poltavazernoproduct»	Agricultural	**98,68%**	98,68%
LLC «List-Ruchky»	Agricultural	**74,99%**	74,99%
LLC «Agropromgaz»	Trade	**89,98%**	89,98%
LLC «Khmilnitske»	Agricultural	**99,12%**	99,12%
LLC «Volochysk-Agro»	Agricultural	**97,52%**	97,52%
LLC «Agricultural company «Mirgorodska»	Agricultural	**89,98%**	89,98%
LLC «Kobelyatskiy combined forage factory»	Fodder production	**98,56%**	98,56%
LLC «named after Ostrovskiy»	Agricultural	**99,98%**	99,98%
SC «Agricultural company «Agro-Kors»	Agricultural	**99,98%**	99,98%
LLC «Agricultural company «Khorolska»	Agricultural	**98,95%**	98,95%
LLC "Agricultural company "Lan"	Agricultural	**99,98%**	99,98%
LLC «Nika»	Agricultural	**98,98%**	98,98%
LLC «Zhytnytsya Podillya»	Agricultural	**74,99%**	74,99%
LLC «Astarta-Selektsiya»	Research and development	**74,98%**	74,99%
LLC «Agrosvit Savyntsi»	Agricultural	**99,97%**	98,98%
LLC «Khorolskiy combined forage factory»	Fodder production	**99,23%**	99,24%
PC «Lan-M»	Agricultural	**99,98%**	99,98%
ALC "Novoivanivskiy sugar plant"	Sugar production	**94,49%**	94,28%

LLC «Geoexpertservice»	Agricultural	**98,68%**	100,00%
LLC «Investpromgaz»	Trade	**99,93%**	99,93%
LLC «Tsukragromprom»	Trade	**99,98%**	99,98%
LLC «Agricultural company Slobozhans'ka Zhytnitsa»	Agricultural	**50,99%**	50,99%
LLC «Volochys'k-tsukor»	Trade	**97,52%**	97,52%
LLC «Globyns'kiy tsukor»	Sugar production	**98,68%**	98,68%
LLC «Podilskiy krai»	Agricultural	**50,32%**	50,30%
PAC «Rybalkivsky»	Agricultural	**98,24%**	98,24%
LLC «Zerno-Agrotrade» ****	Trade	**99,98%**	99,97%
LLC «Novoorzhytskiy sugar plant»	Sugar production	**99,97%**	99,97%
LLC «APK Savynska» ****	Sugar production	**99,96%**	99,96%
LLC «Kochubeyivske» *	Trade	**58,52%**	-
LLC «Globinskiy bioenergetichniy complex» **	Production of biogas	**99,98%**	-

Associate:			
LLC «Agricultural company «Pokrovska»	Agricultural	**49,99%**	49,99%
Joint operations:			
SC «Agricultural company named after Ivanenko»***	Agricultural	-	80,00%

* In January 2014, the Group founded a new subsidiary LLC «Kochubeyivske» with authorised share capital of UAH 25 thousand (EUR 1,3 thousand).

** In December 2014, the Group established a new subsidiary LLC "Globinskiy bioenergetichniy complex" with authorized share capital of UAH 200 thousand (EUR 10.4 thousand).

*** In January 2014, the Group obtained control over SC «Agricultural company named after Ivanenko» by merging it with the Group's subsidiary LLC «Agricultural company «Mirgorodska» (Note 5).

**** As at 31 December 2013, legal ownership in LLC "Zerno-Agrotrade" is 24% and legal ownership isLLC "APK Savynska" is 49.99%. Please refer to Note 5 and Note 7 for details.

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

d) Business combinations and goodwill

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

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

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

e) Transactions eliminated on consolidation

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

f) Basis of accounting

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

g) Non-controlling interest

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

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

For joint stock companies, the acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction in accordance with IFRS 10. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognised in equity of the parent in transactions where the non-controlling interests are acquired or sold without loss of control. For limited liability companies, any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognised in the income statement of the parent in transactions where the non-controlling interests are acquired or sold without loss of control.

h) Interest in joint operations

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

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

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

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

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

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

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

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

i) Investment in associate and joint venture

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

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

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

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

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

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

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

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

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

j) Functional and presentation currency

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

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

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

Currency	Average reporting period rate		Reporting date rate	
	2014	2013	2014	2013
EUR	15.74	10.83	19.23	11.45
USD	11.91	8.14	15.77	8.29

k) Critical accounting estimates and judgments in applying accounting policies

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

Judgments

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

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

As at 31 December 2014 the Group was in breach of certain financial covenants under bank loans. As at 31 December 2014 the Group received from the banks waivers of rights to require compliance with the breached covenants and, therefore, classified the loans in accordance with their initial contractual maturity – i.e. non-current portion of loans was continued to be classified within non-current liabilities. According to the quarterly budgets for 2015 prepared in December 2014, no further breaches of covenants were expected. However, because of significant further devaluation of UAH in February 2015, the Group breached financial covenants as at 31 March 2015 and further breaches in 2015 are expected. Management believes that the breach of covenants in March 2015 and expected further breaches are non-adjusting events and therefore, should not lead to reclassification of loans from non-current to current as at 31 December 2014. Thus, non-current portion of loans for which covenants were breached in 2015, remained classified within non-current liabilities.

The Group obtained waivers in respect of breaches in 2015 from all banks, except for EBRD and IFC, which could not provide waivers due to their internal procedures. These two banks provided letters stating that the banks have no intention to disengage with the Group. Based on the received waivers and letters, management believes that the banks will not demand accelerated repayment of the loans because of breaches of covenants in 2015. Based on the assessment made by management, the Company concluded that it is deemed appropriate to prepare the consolidated financial statements on the going concern basis. (Notes 2 (b) and 19).

Operating lease – Group as a lessee

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

Estimates and assumptions

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

Impairment of trade accounts receivable

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

Revaluation of buildings, machinery and equipment

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

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

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

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

- the inputs used to determine replacement cost consistent with what market participant buyers would pay to acquire or construct a substitute asset of comparable utility; and

- the replacement cost has been adjusted for obsolescence that market participant buyers would consider – i.e. that the depreciation adjustment reflects all forms of obsolescence (i.e. physical deterioration, technological (functional) and economic obsolescence), which is broader than depreciation calculated in accordance with IAS 16.

Estimating the fair value of property requires the exercise of judgment and the use of assumptions. Management engaged external independent appraisers to estimate the fair value of buildings, machinery and equipment as at 31 December 2014. Previous valuation was performed as at 1 October 2013. Valuation of property, plant and equipment is within level 3 of the fair value hierarchy.

Depreciation

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

Fair value of biological assets

Due to the absence of an active market, the fair value of biological assets is estimated by present valuing the net cash flows expected to be generated from the assets discounted at a current market-determined rate. The fair value of biological assets is determined by the Group's own agricultural and IFRS experts. Further details are provided in Note 11. Fair valuation is made in accordance with IFRS 13 Fair Value Measurement.

Fair value of agricultural produce

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

Weather conditions and yields

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

Deferred taxes

Deferred tax assets, including those arising on unused tax losses are recognised to the extent that it is probable that they will be recovered, which is dependent on the generation of sufficient future taxable profit. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details are provided in Note 29.

VAT receivable

As at 31 December 2014, total VAT receivable amounted to UAH 236,775 thousand or EUR 12,312 thousand. The balance of VAT receivable may be realized either through cash refunds from the state budget or be set off against VAT payable originating on sales. Management classified VAT receivable balance as current and non-current based on its expectations of the timing of realisation of the balance.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a) Foreign currency transactions

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

b) Property, plant and equipment

(I) Owned assets

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

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

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

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

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

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

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

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

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

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

(II) Leased assets

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

(III) Subsequent expenditure

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

(IV) Depreciation

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

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

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

The estimated useful lives are as follows:

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

c) Intangible assets, other than goodwill

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

For business combinations the fair value of land lease rights acquired is recognized as part of the identifiable intangible assets at the date of acquisition. Fair value is valued using the market approach. Management commissioned an independent appraiser to determine the fair value of the land lease rights. Non-cancellable operating lease agreements typically run for an initial period of 5 to 10 years. Following initial recognition, intangible assets are carried at cost less accumulated amortization. The land lease rights are amortized over 5 to 10 years on a straight-line basis. The amortization expense is recognized in the income statement in the expense category consistent with the function of intangible asset.

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

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

d) Biological assets

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

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

e) Agricultural produce

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

f) Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Available-for-sale financial assets

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

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

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

Loans and receivables

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

i) Fair value measurement principles

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

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

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

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

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

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

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

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

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

g) Inventories

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

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

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

h) Cash and cash equivalents

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

i) Treasury shares

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

j) Impairment

(I) Financial assets

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

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

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

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

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

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

(II) Non-financial assets

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

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

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

(III) Reversal of impairment of non-financial assets

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

k) Earnings per share

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

l) Loans and borrowings

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

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

m) Trade accounts payable

Trade accounts payable are stated at their amortized cost.

n) Taxes

Current income tax

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

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

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

In 2014, the tax rates in Cyprus and the Netherlands were 12.5% and 25% (2013: 12.5% and 25%), respectively.

Deferred tax

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

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

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

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

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

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

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

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

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

o) Fixed agricultural tax

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

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

p) Accounting for government grants

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

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

Special VAT regime for entities engaged in agricultural production

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

Government grants related to crop production

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

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

Government grants related to cattle farming

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

Partial compensation for finance costs and other subsidies

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

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

q) Revenue

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

r) Expenses

Expenses are accounted for on an accrual basis.

s) Operating lease payments

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

t) Finance cost and income

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

u) Offsetting

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

v) Statement of cash flows

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

w) New and amended standards and interpretations adopted

The Group has adopted the following amended IFRS and IFRIC which are effective for annual periods beginning on or after 1 January 2014:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. This amendment is not relevant to the Group, since none of the entities in the Group qualify to be an investment entity under IFRS 10.

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» and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments had no impact on the Group’s financial position.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. This amendment is not relevant to the Group.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. These amendments have been considered while making disclosures for impairment of non-financial assets in Note 9.

Early adoption in 2013

The Group early adopted IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities on 1 January 2013. The effective date of these standards in the EU is 1 January 2014.

x) New and amended standards and interpretations not yet adopted

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

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required, but comparative information is not compulsory. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of the Group's financial liabilities. IFRS 9 is expected to be endorsed by the European Union ("EU") before the IASB effective date, which is 1 January 2018.

IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 17 June 2014. The Group is currently assessing the impact of IFRIC 21 on the financial statements.

IFRS 14 Regulatory Deferral Accounts

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

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

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

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

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

Annual improvements 2010-2012 Cycle

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

IFRS 2 Share-based Payment

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

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition

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

IFRS 3 Business Combinations

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

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

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

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

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

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

IAS 24 Related Party Disclosures

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

Annual improvements 2011-2013 Cycle

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

IFRS 3 Business Combinations

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

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

IFRS 13 Fair Value Measurement

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

IAS 40 Investment Property

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

Annual improvements 2012-2014 Cycle

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

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

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

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

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

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

IAS 19 Employee Benefits

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

IAS 34 Interim Financial Reporting

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

IFRS 15 Revenue from Contracts with Customers

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

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

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

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

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

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

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

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

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

Amendments to IAS 27: Equity Method in Separate Financial Statements

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

Amendments to IAS 1 Presentation of Financial Statements: Disclosure Initiative

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

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

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

4. RESTATEMENT AND RECLASSIFICATIONS

a) Change in accounting policy with respect to the privileged VAT regime

According to Tax Code, companies that generate not less than 75% of revenues for the previous tax year from sales of own agricultural products ("agricutural companies") enjoy a privileged VAT regime. The difference between VAT generated on sales and VAT paid on purchases is not remitted to the state as it is required for other taxpayers, but is transferred to the company's special bank account and can be used to finance the company's agricultural activities.

In the previous years the Group's policy was to treat the special VAT regime as VAT exemption and thus, the agricultural entities of the Group which enjoyed this special regime recognised revenues and purchases on a gross basis, i.e. including VAT.

With effect from 1 January 2014 the Group decided to change its accounting policy and now the excess of VAT liability over VAT receivable is accounted for as government grant. VAT government grant is recognised within other operating income on the date when the Group uses funds from the special bank account.

The new accounting policy is aligned with the prevalent practice in the industry. Therefore, the Group believes that the new accounting policy provides the users of the consolidated financial statements with more relevant information, which is comparable to other market players. The Group made a respective restatement in the corresponding figures for the year ended 31 December 2013 and 2012.

The change in accounting policy had significant effect on a number of the financial statement lines. The reasons for the most significant effects are provided further. Revenues were affected because revenues of agricultural companies were previously presented with VAT. Cost of revenues was affected because costs generated by agricultural companies were accounted with VAT. Inventories were impacted because inventories which were produced by the agricultural companies and which were not measured at fair value were accounted with VAT. In particular, it relates to raw materials and consumables and investments into future crops. For inventories, which were measured at fair value at balance sheet date or at harvest date (agricultural produce, cattle and crops), change in accounting policy had an effect on result from re-measurement to fair value. The excess of VAT liability over VAT receivable as at balance sheet date is accounted for as government grant within other liabilities and accounts payable, whereas previously it was included to revenues.

b) Change in classification of immature cattle.

In 2014, the Group reclassified its immature cattle from current assets to non-current assets. Previously the Group classified its immature cattle as current because the expectations were that only limited part of it will become productive cattle because the average age of the Group's productive cattle was low and the Group did not have plans to expand its productive cattle. The reclassification in 2014 was made based on the management's estimate that most of immature cattle will become productive cattle in the future. The Group made a reclassification in 2013 figures in order to simplify comparison of information between years.

(in thousands of Ukrainian hryvnias)	As previously reported	Effect of restatement / reclassification a)	Effect of restatement / reclassification b)	As restated
Consolidated statement of financial position as at 31 December 2013:				
ASSETS				
Non-current assets				
Property, plant and equipment	3,432,765	-	-	3,432,765
Intangible assets	64,206	-	-	64,206
Biological assets	296,896	-	224,051	520,947
Value added tax	165,880	-	-	165,880
Financial instruments available-for-sale	7,946	-	-	7,946
Long-term receivables	764	-	-	764
	3,968,457	-	224,051	4,192,508
Current assets				
Inventories	3,001,841	(186,602)	-	2,815,239
Biological assets	555,552	-	(224,051)	331,501
Trade accounts receivable	326,065	-	-	326,065
Other accounts receivable and prepayments	190,098	-	-	190,098
Current income tax	2,405	-	-	2,405
Short-term cash deposits	47,484	-	-	47,484
Cash and cash equivalents	29,472	-	-	29,472
	4,152,917	(186,602)	(224,051)	3,742,264
Total assets	**8,121,374**	**(186,602)**	**-**	**7,934,772**
EQUITY AND LIABILITIES				
Equity				
Share capital	1,663	-	-	1,663
Additional paid-in capital	369,798	-	-	369,798
Retained earnings	3,236,519	(209,644)	-	3,026,875
Revaluation surplus	842,517	-	-	842,517
Tresuary shares	(2,596)	-	-	(2,596)
Currency translation reserve	3,430	-	-	3,430
Total equity attributable to equity holders of the parent company	4,451,331	(209,644)	-	4,241,687
Non-controlling interests in joint stock companies	585	76	-	661
Total equity	**4,451,916**	**(209,568)**	**-**	**4,242,348**
Non-current liabilities				
Loans and borrowings	1,309,423	-	-	1,309,423
Non-controlling interests in limited liability companies	94,044	(6,326)	-	87,718
Other long-term liabilities	17,803	-	-	17,803
Deferred tax liabilities	111,906	-	-	111,906
	1,533,176	(6,326)	-	1,526,850
Current liabilities				
Loans and borrowings	1,436,045	-	-	1,436,045
Current portion of long-term loans and borrowings	357,840	-	-	357,840
Trade accounts payable	131,511	-	-	131,511
Current income tax	4,613	-	-	4,613
Other liabilities and accounts payable	206,273	29,292	-	235,565
	2,136,282	**29,292**	**-**	**2,165,574**
Total equity and liabilities	**8,121,374**	**(186,602)**	**-**	**7,934,772**

(in thousands of Euros)	As previously reported	Effect of restatement / reclassification a)	b)	As restated
Consolidated statement of financial position as at 31 December 2013:				
ASSETS				
Non-current assets				
Property, plant and equipment	299,804	-	-	299,804
Intangible assets	5,608	-	-	5,608
Biological assets	25,930	-	19,567	45,497
Value added tax	14,488	-	-	14,488
Financial instruments available-for-sale	694	-	-	694
Long-term receivables	67	-	-	67
	346,591	-	19,567	366,158
Current assets				
Inventories	262,170	(16,298)	-	245,872
Biological assets	48,519	-	(19,567)	28,952
Trade accounts receivable	28,477	-	-	28,477
Other accounts receivable and prepayments	16,603	-	-	16,603
Current income tax	210	-	-	210
Short-term cash deposits	4,147	-	-	4,147
Cash and cash equivalents	2,574	-	-	2,574
	362,700	(16,298)	(19,567)	326,835
Total assets	**709,291**	**(16,298)**	**-**	**692,993**
EQUITY AND LIABILITIES				
Equity				
Share capital	250	-	-	250
Additional paid-in capital	55,638	-	-	55,638
Retained earnings	314,030	(20,189)	-	293,841
Revaluation surplus	80,490	-	-	80,490
Tresuary shares	(240)	-	-	(240)
Currency translation reserve	(61,406)	1,878	-	(59,528)
Total equity attributable to equity holders of the parent company	388,762	(18,311)	-	370,451
Non-controlling interests in joint stock companies	51	7	-	58
Total equity	**388,813**	**(18,304)**		**370,509**
Non-current liabilities				
Loans and borrowings	114,361	-	-	114,361
Non-controlling interests in limited liability companies	8,213	(552)	-	7,661
Other long-term liabilities	1,554	-	-	1,554
Deferred tax liabilities	9,775	-	-	9,775
	133,903	(552)	-	133,351
Current liabilities				
Loans and borrowings	125,419	-	-	125,419
Current portion of long-term loans and borrowings	31,252	-	-	31,252
Trade accounts payable	11,486	-	-	11,486
Current income tax	403	-	-	403
Other liabilities and accounts payable	18,015	2,558	-	20,573
	186,575	**2,558**	**-**	**189,133**
Total equity and liabilities	**709,291**	**(16,298)**	**-**	**692,993**

(in thousands of Ukrainian hryvnias)	As previously reported	Effect of restatement / reclassification a)	b)	As restated
Consolidated income statement for the year ended 31 December 2013				
Revenues	4,008,949	(475,594)	-	3,533,355
Cost of revenues	(3,466,832)	286,505	-	(3,180,327)
Changes in fair value of biological assets and agricultural produce	444,671	56,119	-	500,790
Gross profit	986,788	(132,970)	-	853,818
Other operating income	36,596	93,772	-	130,368
General and administrative expense	(251,145)	-	-	(251,145)
Selling and distribution expense	(248,117)	-	-	(248,117)
Other operating expense	(147,544)	-	-	(147,544)
Profit from operations	376,578	(39,198)	-	337,380
Finance costs	(301,289)	1,762	-	(299,527)
Finance income	29,434	(345)	-	29,089
Other income	14,443	-	-	14,443
Share in loss of associate	(15,707)	-	-	(15,707)
Gain on acquisition of subsidiaries	128,491	-	-	128,491
Profit before tax	231,950	(37,781)	-	194,169
Income tax benefit	12,050	-	-	12,050
Net profit	244,000	(37,781)	-	206,219
Net profit attributable to:				
Non-controlling interests in joint stock companies	(352)	(77)	-	(275)
Equity holders of the parent company	244,352	(37,858)	-	206,494
			-	
Weighted average basic and diluted shares outstanding (in thousands of shares)	24,996	24,996	- -	24,996
			-	
Basic and diluted earnings per share attributable to shareholders of the company (in Ukrainian hryvnias)	9.78	(1.52)	-	8.26

(in thousands of Euros)	As previously reported	Effect of restatement / reclassification a)	b)	As restated
Consolidated income statement for the year ended 31 December 2013				
Revenues	369,458	(42,416)	-	327,042
Cost of revenues	(318,391)	25,552	-	(292,839)
Changes in fair value of biological assets and agricultural produce	42,273	5,005	-	47,278
Gross profit	93,340	(11,859)	-	81,481
Other operating income	3,321	8,363	-	11,684
General and administrative expense	(23,083)	-	-	(23,083)
Selling and distribution expense	(22,655)	-	-	(22,655)
Other operating expense	(13,378)	-	-	(13,378)
Profit from operations	37,545	(3,496)	-	34,049
Finance costs	(27,737)	158	-	(27,579)
Finance income	2,710	(32)	-	2,678
Other income	1,368	-	-	1,368
Share in loss of associate	(1,401)	-	-	(1,401)
Gain on acquisition of subsidiaries	12,108	-	-	12,108
Profit before tax	24,593	(3,370)	-	21,223
Income tax benefit	1,077	-	-	1,077
Net profit	25,670	(3,370)	-	22,300
Net profit attributable to:				
Non-controlling interests in joint stock companies	(37)	(7)	-	(30)
Equity holders of the parent company	25,707	(3,377)	-	22,330
			-	
Weighted average basic and diluted shares outstanding (in thousands of shares)	24,996	24,996	-	24,996
			-	
Basic and diluted earnings per share attributable to shareholders of the company (in Ukrainian hryvnias)	1.03	(0.14)	- -	0.89

The change in the accounting policy had no effect on the Group's other comprehensive income presented in UAH; however, as shown above, it had an impact on the Group's profit for the year. When translating profit into presentation currency EUR, exchange difference on transactions of foreign operations arises. Therefore, the change in accounting policy had effect on the Group's other comprehensive income presented in EUR. The details are provided in the tables below.

(in thousands of Ukrainian hryvnias)	As previously reported	Effect of restatement / reclassification		As restated
		a)	b)	
Consolidated statement of comprehensive income for the year ended 31 December 2013				
Profit for the year	244,000	(37,781)	-	206,219
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange difference on transactions of foreign operations	496	-	-	496
Income tax effect	-	-		-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	496	-	-	496
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Exchange difference on transactions of foreign operations (the parent company)	2,237	-	-	2,237
Income tax effect	-	-		-
	2,237	-	-	2,237
Share in revaluation of property, plant and equipment of joint venture	39,132	-	-	39,132
Income tax effect	(8,630)	-	-	(8,630)
	30,502	-	-	30,502
Revaluation of property, plant and equipment	542,036	-	-	542,036
Income tax effect	(29,173)	-	-	(29,173)
	512,863	-	-	512,863
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	(11,538)	-	-	(11,538)
Income tax effect	1,846	-	-	1,846
	(9,692)	-	-	(9,692)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	535,910	-	-	535,910
Total comprehensive income	**780,406**	**(37,781)**		**742,625**
Attributable to:				
Non-controlling interests in joint stock companies	(482)	77	-	(405)
Equity holders of the parent	780,888	(37,858)	-	743,030
Total comprehensive income as at 31 December	780,406	(37,781)	-	742,625

(in thousands of Euros)	As previously reported	Effect of restatement / reclassification a)	b)	As restated
Consolidated statement of comprehensive income for the year ended 31 December 2013				
Profit for the year	25,670	(3,370)	-	22,300
			-	
Other comprehensive income			-	
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			-	
Exchange difference on transactions of foreign operations	(27,226)	1,168	-	(26,058)
Income tax effect	-	-	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(27,226)	1,168	-	(26,058)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			-	
Exchange difference on transactions of foreign operations (the parent company)	-	-	-	-
Income tax effect	-	-	-	-
	-	-	-	-
Share in revaluation of property, plant and equipment of joint venture	3,418	-	-	3,418
Income tax effect	(754)	-	-	(754)
	2,664	-	-	2,664
Revaluation of property, plant and equipment	47,339	-	-	47,339
Income tax effect	(2,562)	-	-	(2,562)
	44,777	-	-	44,777
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	(1,008)	-	-	(1,008)
Income tax effect	161	-	-	161
	(847)	-	-	(847)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	46,594	-	-	46,594
Total comprehensive income (loss)	**45,038**	**-**	**-**	**42,836**
			-	
Attributable to:			-	
Non-controlling interests in joint stock companies	(51)	7	-	(44)
Equity holders of the parent	45,089	(2,209)	-	42,880
Total comprehensive income (loss) as at 31 December	45,038	(2,202)	-	42,836

The change in the accounting policy had the following effect on the statement of cash flows.

(in thousands of Ukrainian hryvnias)	As previously reported	Effect of restatement / reclassification a)	b)	As restated
Consolidated statement of cash flows for the year ended 31 December 2013				
Operating activities				
Profit before tax	231,950	(37,781)	-	194,169
Adjustments for:			-	
Depreciation and amortization	293,867	-	-	293,867
Allowance for impairment (recovery) of trade and other accounts receivable	12,525	-	-	12,525
Gain on acquisition of subsidiaries	(128,491)	-	-	(128,491)
Loss on disposal of property, plant and equipment	2,812	-	-	2,812
Write down of inventories	6,184	-	-	6,184
Share in loss of associate	15,707	-	-	15,707
Finance income	(29,434)	345	-	(29,089)
Interest expense	205,162	-	-	205,162
Other finance costs	47,722	-	-	47,722
Impairment of property, plant and equipment	41,791	-	-	41,791
Changes in fair value of biological assets and agricultural produce	(444,671)	(56,119)	-	(500,790)
Recovery of assets previously written off	(5,498)	-	-	(5,498)
Non-controlling interests in limited liability companies	3,948	(1,762)	-	2,186
Foreign exchange loss on loans and borrowings, deposits	64,078	-	-	64,078
Working capital adjustments:			-	
Decrease (increase) in inventories	155,786	111,950	-	267,736
Decrease in trade and other receivables	84,628	-	-	84,628
(Increase) decrease in biological assets due to other changes	(5,216)	-	-	(5,216)
Decrease in trade and other payables	(149,914)	(16,603)	-	(166,517)
Income taxes paid	(4,766)	-	-	(4,766)
Cash flows provided by operating activities	**398,170**	**30**	**-**	**398,200**
Investing activities				
Purchase of property, plant and equipment, intangible assets and other non-current assets	(583,112)	-	-	(583,112)
Proceeds from disposal of property, plant and equipment	1,333	-	-	1,333
Sale (purchase) of financial investments	7,120	-	-	7,120
Interest received	11,931	-	-	11,931
Acquisition of subsidiaries net of cash acquired	(35,151)	-	-	(35,151)
Cash deposits placement	(12,994)	-	-	(12,994)
Cash deposits withdrawal	152,219	-	-	152,219
Cash flows used in investing activities	**(458,654)**	**-**	**-**	**(458,654)**
Financing activities				
Proceeds from loans and borrowings	2,751,760	-	-	2,751,760
Repayment of loans and borrowings	(2,510,316)	-	-	(2,510,316)
Payments to shareholders for pledged shares	(31,961)	-	-	(31,961)
Purchase of treasury shares	(2,596)	-	-	(2,596)
Dividends paid to non-controlling interests in limited liability companies	(5,098)	-	-	(5,098)
Acquisition of non-controlling interest	(2,136)	(30)	-	(2,166)
Interest paid	(191,515)	-	-	(191,515)
Cash flows (used in) provided by financing activities	**8,138**	**(30)**	**-**	**8,108**
Net increase (decrease) in cash and cash equivalents	(52,346)	-	-	(52,346)
Cash and cash equivalents as at 1 January	81,231	-	-	81,231
Currency translation difference	587	-	-	587
Cash and cash equivalents as at 31 December	**29,472**	**-**	**-**	**29,472**

(in thousands of Euros)	As previously reported	Effect of restatement / reclassification a)	b)	As restated
Consolidated statement of cash flows for the year ended 31 December 2013				
Operating activities				
Profit before tax	24,593	(3,370)	-	21,223
Adjustments for:			-	
Depreciation and amortization	27,139	(6)	-	27,133
Allowance for impairment (recovery) of trade and other accounts receivable	1,157	-	-	1,157
Gain on acquisition of subsidiaries	(12,108)	-	-	(12,108)
Loss on disposal of property, plant and equipment	261	-	-	261
Write down of inventories	571	-	-	571
Share in loss of associate	1,401	-	-	1,401
Finance income	(2,710)	32	-	(2,678)
Interest expense	18,903	-	-	18,903
Other finance costs	4,407	-	-	4,407
Impairment of property, plant and equipment	3,789	-	-	3,789
Changes in fair value of biological assets and agricultural produce	(42,273)	(5,005)	-	(47,278)
Recovery of assets previously written off	(508)	-	-	(508)
Non-controlling interests in limited liability companies	363	(158)	-	205
Foreign exchange loss on loans and borrowings, deposits	5,917	-	-	5,917
Working capital adjustments:			-	
Decrease (increase) in inventories	14,387	10,338	-	24,725
Decrease in trade and other receivables	7,815	-	-	7,815
(Increase) decrease in biological assets due to other changes	(482)	-	-	(482)
Decrease in trade and other payables	(13,844)	(1,533)	-	(15,377)
Income taxes paid	(439)	-	-	(439)
Cash flows provided by operating activities	**38,339**	**298**	**-**	**38,637**
Investing activities			-	
Purchase of property, plant and equipment, intangible assets and other non-current assets	(54,350)	-	-	(54,350)
Proceeds from disposal of property, plant and equipment	123	-	-	123
Sale (purchase) of financial investments	658	-	-	658
Interest received	1,100	-	-	1,100
Acquisition of subsidiaries net of cash acquired	(3,312)	-	-	(3,312)
Cash deposits placement	(1,200)	-	-	(1,200)
Cash deposits withdrawal	14,057	-	-	14,057
Cash flows used in investing activities	**(42,924)**	**-**	**-**	**(42,924)**
Financing activities				
Proceeds from loans and borrowings	254,136	-	-	254,136
Repayment of loans and borrowings	(231,829)	-	-	(231,829)
Payments to shareholders for pledged shares	(2,952)	-	-	(2,952)
Purchase of treasury shares	(240)	-	-	(240)
Dividends paid to non-controlling interests in limited liability companies	(471)	-	-	(471)
Acquisition of non-controlling interest	(197)	(3)	-	(200)
Interest paid	(17,686)	-	-	(17,686)
Cash flows (used in) provided by financing activities	**761**	**(3)**	**-**	**758**
Net increase (decrease) in cash and cash equivalents	(3,824)	295	-	(3,529)
Cash and cash equivalents as at 1 January	7,606	-	-	7,606
Currency translation difference	(1,208)	(295)	-	(1,503)
Cash and cash equivalents as at 31 December	**2,574**	**-**	**-**	**2,574**

(in thousands of Ukrainian hryvnias)	As previously reported	Effect of restatement / reclassification a)	b)	As restated
Consolidated statement of financial position as at 31 December 2012:				
ASSETS				
Non-current assets				
Property, plant and equipment	2,388,193	-	-	2,388,193
Intangible assets	63,977	-	-	63,977
Biological assets	261,051		208,451	469,502
Financial instruments available-for-sale	15,066	-	-	15,066
Long-term receivables	691	-	-	691
Long-term cash deposits	138,937	-	-	138,937
Deferred tax assets	101	-	-	101
	2,868,016	**-**	**208,451**	**3,076,467**
Current assets				
Inventories	2,486,338	(158,949)	-	2,327,389
Biological assets	774,225		(208,451)	565,774
Trade accounts receivable	395,518	-	-	395,518
Other accounts receivable and prepayments	303,321	-	-	303,321
Current income tax	420	-	-	420
Short-term cash deposits	46,212	-	-	46,212
Cash and cash equivalents	81,231	-	-	81,231
	4,087,265	**(158,949)**	**(208,451)**	**3,719,865**
Total assets	**6,955,281**	**(158,949)**	**-**	**6,796,332**
EQUITY AND LIABILITIES				
Equity				
Share capital	1,663	-	-	1,663
Additional paid-in capital	369,798	-	-	369,798
Retained earnings	2,919,070	(171,786)	-	2,747,284
Revaluation surplus	380,558	-	-	380,558
Currency translation reserve	697	-	-	697
Total equity attributable to equity holders of the parent company	**3,671,786**	**(171,786)**	**-**	**3,500,000**
Non-controlling interests in joint stock companies	2,742	(6)	-	2,736
Total equity	**3,674,528**	**(171,792)**	**-**	**3,502,736**
Non-current liabilities				
Loans and borrowings	1,653,260	-	-	1,653,260
Non-controlling interests in limited liability companies	92,002	(4,464)	-	87,538
Other long-term liabilities	21,175	-	-	21,175
Deferred tax liabilities	69,302	-	-	69,302
Current liabilities	**1,835,739**	**(4,464)**	**-**	**1,831,275**
Loans and borrowings	740,036	-	-	740,036
Current portion of long-term loans and borrowings	300,158	-	-	300,158
Trade accounts payable	165,248	-	-	165,248
Current income tax	1,161	-	-	1,161
Other liabilities and accounts payable	238,411	17,307	-	255,718
	1,445,014	**17,307**	**-**	**1,462,321**
Total equity and liabilities	**6,955,281**	**(158,949)**	**-**	**6,796,332**

(in thousands of Euros)	As previously reported	Effect of restatement / reclassification a)	b)	As restated
Consolidated statement of financial position as at 31 December 2012:				
ASSETS				
Non-current assets				
Property, plant and equipment	223,613	-	-	223,613
Intangible assets	5,990	-	-	5,990
Biological assets	24,443	-	19,518	43,961
Financial instruments available-for-sale	1,411	-	-	1,411
Long-term receivables	65	-	-	65
Long-term cash deposits	13,009	-	-	13,009
Deferred tax assets	9	-	-	9
	268,540	**-**	**19,518**	**288,058**
Current assets				
Inventories	232,802	(14,883)	-	217,919
Biological assets	72,493	-	(19,518)	52,975
Trade accounts receivable	37,033	-	-	37,033
Other accounts receivable and prepayments	28,401	-	-	28,401
Current income tax	39	-	-	39
Short-term cash deposits	4,327	-	-	4,327
Cash and cash equivalents	7,606	-	-	7,606
	382,701	**(14,883)**	**(19,518)**	**348,300**
Total assets	**651,241**	**(14,883)**	**-**	**636,358**
EQUITY AND LIABILITIES				
Equity				
Share capital	250	-	-	250
Additional paid-in capital	55,638	-	-	55,638
Retained earnings	281,932	(16,812)	-	265,120
Revaluation surplus	40,157	-	-	40,157
Currency translation reserve	(34,180)	710	-	(33,470)
Total equity attributable to equity holders of the parent company	**343,797**	**(16,102)**	**-**	**327,695**
Non-controlling interests in joint stock companies	257	-	-	257
Total equity	**344,054**	**(16,102)**	**-**	**327,952**
Non-current liabilities				
Loans and borrowings	154,800	-	-	154,800
Non-controlling interests in limited liability companies	8,614	(401)		8,213
Other long-term liabilities	1,983	-	-	1,983
Deferred tax liabilities	6,489	-	-	6,489
Current liabilities	**171,886**	**(401)**	**-**	**171,485**
Loans and borrowings	69,292	-	-	69,292
Current portion of long-term loans and borrowings	28,105	-	-	28,105
Trade accounts payable	15,473	-	-	15,473
Current income tax	108	-	-	108
Other liabilities and accounts payable	22,323	1,620	-	23,943
	135,301	**1,620**	**-**	**136,921**
Total equity and liabilities	**651,241**	**(14,883)**	**-**	**636,358**

5. BUSINESS COMBINATIONS

Acquisition of new entities in 2014

In January 2014, the Group obtained control over its former joint operation SC «Agricultural company named after Ivanenko» by merging it with the Group's subsidiary LLC «Agricultural company «Mirgorodska» (Note 8). As at acquisition date, all accounts receivable of UAH 14,115 thousand and accounts payable of UAH 14,115 thousand were due to/ from the Group. The acquisition was made at no consideration because the entity's net assets equalled nil at the date of acquisition.

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

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

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

Acquisition of new entities in 2013

During the year ended 31 December 2013, the Group acquired 3 new non-listed entities and an integral property complex previously owned by LLC «Orzhytsky tsukrovy zavod". The property complex includes a set of moveable and immovable assets necessary for production of sugar. The Group employed key technical personnel of the sugar plant, which was dismissed by the previous owner. Management treated the transaction as a business combination.

On 1 July 2013, the Group reached and agreement to acquire 99.98% in a trading company LLC «Zerno-Agrotrade» and accrued consideration for the total ownership. Up to 31 December 2013, the deal was legally completed only in respect of 24% of ownership rights; the transfer of the remaining ownership rights was not finalized as at 31 December 2013. On 1 July 2013 the Group also concluded a management agreement according to which the Group has decision-making rights over the relevant activities of the investee and is entitled to all profits earned or losses incurred by the investee. In August 2014 the deal in respect of the remaining ownership rights of 75.98% was completed.

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 aquisition
LLC «Podilskiy krai»	Ukraine	Agricultural	01.01.2013	50.30%
PAC «Rybalkivsky»	Ukraine	Agricultural	01.05.2013	98.24%
LLC «Zerno-agrotrade»	Ukraine	Trade	01.07.2013	99.97%
LLC «Orzhytsky tsukrovy zavod»	Ukraine	Sugar production	18.09.2013	99.98%

Management commissioned an independent appraiser to determine the fair value of property, plant and equipment and land lease rights of LLC «Orzhytsky tsukrovy zavod”.

In 2013, 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)	Podilskiy krai	Rybalkivsky	Orzhytsky tsukrovy zavod	Zerno-Agrotrade	Total
Non-current assets					
Property, plant and equipment	117	205	155,826	-	156,148
Intangible assets	-	-	9,850	-	9,850
Other non-current assets	-	94	-	-	94
Current assets					
Inventories	-	-	-	12,819	12,819
Trade accounts receivable	4,354	-	-	8,288	12,642
Other accounts receivable and prepayments	1,348	20	-	37,775	39,143
Cash and cash equivalents	32	-	-	142	174
Non-current liabilities					
Deffered tax liabilities	-	-	(21,071)	-	(21,071)
Current liabilities					
Trade accounts payable	(7,906)	-	-	(2,878)	(10,784)
Other liabilities and accounts payable	(42)	(20)	-	(50,432)	(50,494)
Net identifiable assets, liabilities and contingent liabilities	(2,097)	299	144,605	5,714	148,521
Non-controlling interest	(1,042)	(5)	-	-	(1,047)
Net assets / (liabilities) aquired	(3,139)	294	144,605	5,714	147,474
Excess of net assets acquired over consideration paid	-	-	110,625	5,564	116,189
Goodwill on acquisition	4,035	5	-	-	4,040
Consideration paid	(896)	(299)	(33,980)	(150)	(35,325)
Cash acquired	32	-	-	142	174
Net cash outflow	(864)	(299)	(33,980)	(8)	(35,151)

Recognised fair value at acquisition

(in thousands of Euros)	Podilskiy krai	Rybalkivsky	Orzhytsky tsukrovy zavod	Zerno-Agrotrade	Total
Non-current assets					
Property, plant and equipment	11	19	14,682	-	14,712
Intangible assets	-	-	928	-	928
Other non-current assets	-	9	-	-	9
Current assets					
Inventories	-	-	-	1,208	1,208
Trade accounts receivable	410	-	-	781	1,191
Other accounts receivable and prepayments	127	2	-	3,559	3,688
Cash and cash equivalents	3	-	-	14	17
Non-current liabilities					
Deffered tax liabilities	-	-	(1,985)	-	(1,985)
Current liabilities					
Trade accounts payable	(745)	-	-	(271)	(1,016)
Other liabilities and accounts payable	(4)	(2)	-	(4,751)	(4,757)
Net identifiable assets, liabilities and contingent liabilities	(198)	28	13,625	540	13,995
Non-controlling interest	(99)	-	-	-	(99)
Net assets / (liabilities) aquired	(297)	28	13,625	540	13,896
Excess of net assets acquired over consideration paid	-	-	10,423	526	10,949
Goodwill on acquisition	381	-	-	-	381
Consideration paid	(84)	(28)	(3,202)	(14)	(3,328)
Cash acquired	3	-	-	13	16
Net cash outflow	(81)	(28)	(3,202)	(1)	(3,312)

The gain on a bargain purchase of integral property complex of LLC «Orzhytsky tsukrovy zavod» is stipulated by the Group's unique bargaining power of the Group since the Group has sufficient land in a proximity to the Orzhystky sugar plant and had available funds for the acquisition at the time when the sugar plant was put up for sale.

Step acquisition of joint venture

On 31 December 2013 the Group reached and agreement to acquire 49.99% in a former joint venture LLC APK "Savynska" and transferred consideration for the total ownership. The deal was legally completed in February 2014. On 31 December 2013 the Group concluded a management agreement according to which the Group has decision-making rights over the relevant activities of the investee and is entitled to all profits earned or losses incurred by the investee.

LLC APK "Savynska" is an owner of a sugar plant and is engaged in sugar production. The consideration was settled with a transfer of sugar, the fair value of consideration was estimated as cost of sugar at market price on the date of transfer.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed as at acquisition date:

	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
Non-current assets		
Property, plant and equipment	88,856	7,760
Current assets		
Inventories	52,883	4,619
Trade accounts receivable	10,970	958
Other accounts receivable and prepayments	10,652	930
Cash and cash equivalents	17	1
Non-current liabilities		
Deferred tax liabilites	(10,744)	(938)
Long-term loans and borrowings	(73,532)	(6,422)
Current liabilities		
Short-term loans and borrowings	(30,212)	(2,639)
Trade accounts payable	(14,995)	(1,310)
Other liabilities and accounts payable	(4,298)	(375)
Net identifiable assets, liabilities and contingent liabilities	**29,597**	**2,584**

Gain arising from the acquisition has been recognised as follows:

	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
Consideration transferred	(2,500)	(218)
Fair value of pre-existing interest in APK Savynska	(14,795)	(1,207)
Fair value of identifiable net assets	29,597	2,584
Gain from the acquisition	**12,302**	**1,159**

As a joint venture, LLC “APK Savynska” followed the Group’s policy and revalued its property, plant and equipment as at 1 October 2013. The Group recognised its share of revaluation reserve of LLC “APK Savynska” of UAH 30,502 thousand net of deferred tax within OCI. At the same time the Group recognized previously unrecognised losses of LLC “APK Savynska” of UAH 14,601 thousand. When assessing the fair value of the consideration, the parties agreed that the consideration should cover significant part of those losses (agreed on lower consideration), which resulted in a gain on acquisition.

From the acquisition date till 31 December 2013, the acquired entities added UAH 278,133 thousand (EUR 26,682 thousand) of revenue to the Group’s revenue and UAH 5,058 thousand (EUR 467 thousand) of loss to the Group’s profit.

Total revenues of LLC «APK Savynska» for 2013 equalled UAH 81,410 thousand and total losses – UAH 9,711 thousand.

Should the acquisition of LLC «Orzhytsky tsukrovy zavod» have occurred on 1 January 2013, the Group’s revenue would be UAH 142,759 thousand higher and the Group’s profit – UAH 20,741 thousand higher.

For other acquisitions made during the year ended 31 December 2013, it is not practicable to determine what would be the total revenue and net profit for the year ended 31 December 2013 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.

For the business combinations in 2014 and 2013 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.

6. MATERIAL PARTLY-OWNED SUBSIDIARIES

The summarised financial information of the subsidiaries that have material non-controlling interests and proportion of equity interest held by non-controlling interests is provided below. All presented below subsidiaries are limited liability companies. This information is based on amounts before inter-company eliminations. For limited liability companies, non-controlling interest is recorded as a liability and their share in the net profit/loss is recorded as a finance expense. (Notes 2(b) and 18).

Liability to non-controlling interests

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

2013	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
	Restated	*Restated*
Non-controlling interests in subsidiaries for which detailed information is provided below	74,186	6,480
Non-controlling interests of ther subsidiaries	13,532	1,181
Total Non-controlling interests in limited liability companies	87,718	7,661

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

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

2013	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
	Restated	*Restated*
Non-controlling interests in subsidiaries for which detailed information is provided below	11,641	1,017
Non-controlling interests of ther subsidiaries	(9,455)	(812)
Total Non-controlling interests in limited liability companies	2,186	205

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

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

2013	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
	Restated	*Restated*
Non-controlling interests in subsidiaries for which detailed information is provided below	5,984	523
Non-controlling interests of ther subsidiaries	3,708	324
Total Non-controlling interests in limited liability companies	9,692	847

SUMMARIZED STATEMENT OF FINANCIAL POSITION

(in thousands of Ukrainian hryvnias)	LLC "Agricultural company "Dobrobut"		LLC "Agricultural company "Dovzhenko"		LLC "Agricultural company "Musievske"		LLC "Investment company "Poltavazernoproduct"		LLC "Volochysk-Agro"	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
		(restated)		**(restated)**		**(restated)**		**(restated)**		**(restated)**
Non-current assets	**229,661**	186,936	**629,030**	491,464	**48,852**	39,846	**274,355**	194,767	**411,685**	315,240
Current assets	**664,947**	759,913	**1,286,690**	1,103,496	**171,322**	129,178	**689,413**	744,260	**1,090,663**	747,247
Non-current liabilities	**1,546**	767	**1,095**	878	**112**	114	**3,391**	1,098	**147,245**	2,263
Current liabilities	**361,903**	409,244	**263,514**	268,516	**113,162**	70,486	**211,835**	261,661	**688,214**	527,638
Total net assets	**531,159**	536,838	**1,651,111**	1,325,566	**106,900**	98,424	**748,542**	676,268	**666,889**	532,586
Non-controlling interests, %	**1.76%**	1.76%	**2.47%**	2.47%	**10.02%**	10.02%	**1.32%**	1.32%	**2.48%**	2.48%
Attributable to:										
Non-controlling interests	**9,348**	9,448	**40,782**	32,741	**10,711**	9,862	**9,881**	8,927	**16,539**	13,208
Equity holders of parent	**521,811**	527,390	**1,610,329**	1,292,825	**96,189**	88,562	**738,661**	667,341	**650,350**	519,378

(in thousands of Euros)	LLC "Agricultural company "Dobrobut"		LLC "Agricultural company "Dovzhenko"		LLC "Agricultural company "Musievske"		LLC "Investment company "Poltavazernoproduct"		LLC "Volochysk-Agro"	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
		(restated)		**(restated)**		**(restated)**		**(restated)**		**(restated)**
Non-current assets	**11,941**	16,326	**32,706**	42,923	**2,540**	3,480	**14,265**	17,010	**21,405**	27,532
Current assets	**34,573**	66,368	**66,900**	96,375	**8,908**	11,282	**35,845**	65,001	**56,708**	65,262
Non-current liabilities	**80**	67	**57**	77	**6**	10	**176**	96	**7,656**	198
Current liabilities	**18,817**	35,742	**13,701**	23,451	**5,884**	6,156	**11,014**	22,852	**35,783**	46,082
Total net assets	**27,617**	46,885	**85,848**	115,770	**5,558**	8,596	**38,920**	59,063	**34,674**	46,514
Non-controlling interests, %	**1.76%**	1.76%	**2.47%**	2.47%	**10.02%**	10.02%	**1.32%**	1.32%	**2.48%**	2.48%
Attributable to:										
Non-controlling interests	**486**	825	**2,120**	2,860	**557**	861	**514**	780	**860**	1,154
Equity holders of parent	**27,131**	46,060	**83,728**	112,910	**5,001**	7,735	**38,406**	58,283	**33,814**	45,360

SUMMARIZED INCOME STATEMENT

(in thousands of Ukrainian hryvnias)	LLC “Agricultural company “Dobrobut”		LLC “Agricultural company “Dovzhenko”		LLC “Agricultural company “Musievske”		LLC “Investment company “Poltavazernoproduct”		LLC “Volochysk-Agro”	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
		(restated)		**(restated)**		**(restated)**		**(restated)**		**(restated)**
Revenue	**764,658**	638,696	**1,127,818**	841,139	**103,851**	176,919	**750,436**	554,315	**849,875**	760,280
Cost of sales	**(609,785)**	(492,565)	**(783,717)**	(623,698)	**(87,026)**	(148,667)	**(585,861)**	(396,862)	**(596,793)**	(621,398)
Changes in fair value of biological assets and agricultural produce	**(8,966)**	53,938	**83,415**	95,058	**11,149**	2,140	**15,879**	36,643	**68,162**	11,085
Gross profit	**145,907**	200,069	**427,516**	312,499	**27,974**	30,392	**180,454**	194,096	**321,244**	149,967
Other operating income	**50,648**	385	**83,970**	21,792	**3,991**	1,105	**46,681**	13,559	**20,876**	(671)
Administrative expenses	**(30,904)**	(23,038)	**(43,704)**	(34,771)	**(5,215)**	(3,502)	**(31,630)**	(25,507)	**(35,468)**	(24,639)
Selling and distribution expenses	**(41,753)**	(34,063)	**(48,308)**	(31,304)	**(5,956)**	(5,509)	**(35,722)**	(32,875)	**(68,442)**	(50,930)
Other operating expense	**(13,014)**	(9,805)	**(20,481)**	(21,914)	**(1,947)**	(6,300)	**(6,159)**	(9,372)	**(18,630)**	(7,613)
Profit from operations	**110,884**	133,548	**398,993**	246,302	**18,847**	16,186	**153,624**	139,901	**219,580**	66,114
Finance cost	**(108,718)**	(24,581)	**(57,306)**	(22,465)	**(931)**	(2,255)	**(43,114)**	(14,667)	**(101,655)**	(24,652)
Finance income	**576**	107	**208**	113	**36**	34	**119**	99	**2,571**	186
Other income	**1,791**	2,156	**1,209**	1,039	**267**	209	**453**	(25)	**921**	756
Share in loss of associate	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Gain on acquisition of subsidiaries	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Profit before tax	**4,533**	111,230	**343,104**	224,989	**18,219**	14,174	**111,082**	125,308	**121,417**	42,404
Income tax	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Profit for the year from continuing operation	**4,533**	111,230	**343,104**	224,989	**18,219**	14,174	**111,082**	125,308	**121,417**	42,404
Attributable to:	**1.76%**	1.76%	**2.47%**	2.47%	**10.02%**	10.02%	**1.32%**	1.32%	**2.48%**	2.48%
Non-controlling interests	**80**	1,958	**8,475**	5,557	**1,826**	1,420	**1,466**	1,654	**3,011**	1,052
Equity holders of parent	**4,453**	109,272	**334,629**	219,432	**16,393**	12,754	**109,616**	123,654	**118,406**	41,352
Other comprehensive income	**36,477**	49,773	**80,016**	114,112	**6,259**	4,492	**43,115**	32,658	**66,478**	56,872
Other comprehensive income attributable to:										
Non-controlling interests	**642**	876	**1,976**	2,818	**627**	450	**569**	431	**1,647**	1,409
Equity holders of parent	**35,835**	48,897	**78,040**	111,294	**5,632**	4,042	**42,546**	32,227	**64,831**	55,463

(in thousands of Euros)	LLC "Agricultural company "Dobrobut"		LLC "Agricultural company "Dovzhenko"		LLC "Agricultural company "Musievske"		LLC "Investment company "Poltavazernoproduct"		LLC "Volochysk-Agro"	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
		(restated)		**(restated)**		**(restated)**		**(restated)**		**(restated)**
Revenue	**39,758**	55,781	**58,640**	73,462	**5,400**	15,451	**39,018**	48,412	**44,189**	66,400
Cost of sales	**(31,705)**	(43,019)	**(40,749)**	(54,471)	**(4,525)**	(12,984)	**(30,461)**	(34,660)	**(31,030)**	(54,271)
Changes in fair value of bio-logical assets and agricultural produce	**(466)**	4,711	**4,337**	8,302	**580**	187	**826**	3,200	**3,544**	968
Gross profit	**7,587**	17,473	**22,228**	27,293	**1,455**	2,654	**9,383**	16,952	**16,703**	13,097
Other operating income	**2,633**	34	**4,366**	1,903	**208**	97	**2,427**	1,184	**1,085**	(59)
Administrative expenses	**(1,607)**	(2,012)	**(2,272)**	(3,037)	**(271)**	(306)	**(1,645)**	(2,228)	**(1,844)**	(2,152)
Selling and distribution expenses	**(2,171)**	(2,975)	**(2,512)**	(2,734)	**(310)**	(481)	**(1,857)**	(2,871)	**(3,559)**	(4,448)
Other operating expense	**(677)**	(856)	**(1,065)**	(1,914)	**(101)**	(550)	**(320)**	(819)	**(969)**	(665)
Profit from operations	**5,765**	11,664	**20,745**	21,511	**981**	1,414	**7,988**	12,218	**11,416**	5,773
Finance cost	**(5,653)**	(2,147)	**(2,980)**	(1,962)	**(48)**	(197)	**(2,242)**	(1,281)	**(5,285)**	(2,153)
Finance income	**30**	9	**11**	10	**2**	3	**6**	9	**134**	16
Other income	**93**	188	**63**	91	**14**	18	**24**	(2)	**48**	66
Share in loss of associate	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Gain on acquisition of subsidiaries	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Profit before tax	**235**	9,714	**17,839**	19,650	**949**	1,238	**5,776**	10,944	**6,313**	3,702
Income tax	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Profit for the year from continuing operation	**235**	9,714	**17,839**	19,650	**949**	1,238	**5,776**	10,944	**6,313**	3,702
Attributable to:	**1.76%**	1.76%	**2.47%**	2.47%	**10.02%**	10.02%	**1.32%**	1.32%	**2.48%**	2.48%
Non-controlling interests	**4**	171	**441**	485	**95**	124	**76**	144	**157**	92
Equity holders of parent	**231**	9,543	**17,398**	19,165	**854**	1,114	**5,700**	10,800	**6,156**	3,610
Other com-prehensive income	**2,737**	4,350	**6,004**	9,972	**470**	392	**3,235**	2,854	**4,989**	4,970
Other comprehensive income attributable to:										
Non-controlling interests	**48**	77	**148**	246	**47**	39	**43**	38	**124**	123
Equity holders of parent	**2,689**	4,273	**5,856**	9,726	**423**	353	**3,192**	2,816	**4,865**	4,847

SUMMARISED STATEMENT OF CASH FLOWS

(in thousands of Ukrainian hryvnias)	LLC "Agricultural company "Dobrobut"		LLC "Agricultural company "Dovzhenko"		LLC "Agricultural company "Musievske"		LLC "Investment company "Poltavazernoproduct"		LLC "Volochysk-Agro"	
	2014	**2013 (restated)**	**2014**	**2013 (restated)**	**2014**	**2013 (restated)**	**2014**	**2013 (restated)**	**2014**	**2013 (restated)**
Operating	**80,327**	(5,444)	**178,883**	90,433	**(3,687)**	9,378	**91,005**	76,987	**(62,698)**	(11,897)
Investing	**(44,050)**	(104,660)	**(153,105)**	(89,832)	**(14,783)**	(8,582)	**(68,196)**	(43,275)	**(51,133)**	(98,030)
Financing	**(45,968)**	109,605	**(28,408)**	(1,837)	**17,705**	(1,250)	**(24,945)**	(40,565)	**320,473**	107,328
Net increase/(decrease) in cash and cash equivalents	**(9,691)**	(499)	**(2,630)**	(1,236)	**(765)**	(454)	**(2,136)**	(6,853)	**206,642**	(2,599)

(in thousands of Euros)	LLC "Agricultural company "Dobrobut"		LLC "Agricultural company "Dovzhenko"		LLC "Agricultural company "Musievske"		LLC "Investment company "Poltavazernoproduct"		LLC "Volochysk-Agro"	
	2014	**2013 (restated)**	**2014**	**2013 (restated)**	**2014**	**2013 (restated)**	**2014**	**2013 (restated)**	**2014**	**2013 (restated)**
Operating	**5,104**	(346)	**11,367**	5,747	**(234)**	596	**5,783**	4,892	**(3,984)**	(756)
Investing	**(2,799)**	(6,651)	**(9,729)**	(5,708)	**(939)**	(545)	**(4,334)**	(2,750)	**(3,249)**	(6,229)
Financing	**(2,307)**	6,965	**(1,440)**	(117)	**1,207**	(79)	**(1,394)**	(2,578)	**21,766**	6,820
Net increase/(decrease) in cash and cash equivalents	**(2)**	(32)	**198**	(78)	**34**	(28)	**55**	(436)	**14,533**	(165)

7. INVESTMENT IN AN ASSOCIATE AND JOINT VENTURE

As at 31 December 2014, the Group has 49.99% ownership in LLC Agricultural company «Pokrovska» (2013: 49.99%), which is involved in agricultural activity. LLC Agricultural company «Pokrovska» is a private entity that is not listed on any public exchange. The Group's interest in LLC Agricultural company «Pokrovska» is accounted for using the equity method in the consolidated financial statements. In 2007, the Group discontinued recognition of its share of losses of associate LLC Agricultural company "Pokrovska". In 2014, the Group's share in profit of the associate of UAH 6,475 thousand (EUR 411 thousand) was netted against previously unrecognized losses of this associate. The unrecognized losses as at 31 December 2014 and 2013 are presented in the table below.

Summarized financial information of the Group's associate as at and for the year ended 31 December 2014 is as follows:

	LLC "Agricultural company "Pokrovska"	
	Associates:	
(in thousands of Ukrainian hryvnias)	**2014**	**2013**
Non-current assets		
Property, plant and equipment	**1,939**	6,407
Intangible assets	**44**	46
	1,983	6,453
Current assets		
Inventories	**40,859**	40,840
Trade accounts receivable	**7,266**	4,997
Other accounts receivable and prepayments	**6,172**	5,203
Cash and cash equivalents	**40,734**	1,357
	95,031	52,397
Non-current liabilities		
Loans and borrowings	**(5,952)**	(3,673)
	(5,952)	(3,673)
Current liabilities		
Loans and borrowings	**(72,129)**	(72,129)
Trade accounts payable	**(64,873)**	(42,327)
Other liabilities and accounts payable	**(57,993)**	(57,606)
	(194,995)	(172,062)
Net assets attributable to participants	**(103,933)**	(116,885)
The Group's share in the associate	**49.99%**	49.99%
Carrying amount of the investment	**-**	-
Unrecognised share in acumulated losses	**(51,956)**	(58,431)
Revenues	**40,284**	9,635
Net profit	**12,952**	(20,724)
Other comprehensive income	**-**	-
Total comprehensive income as at 31 December	**12,952**	(20,724)
Income tax benefit	**-**	-
Depreciation and amortization	**(2,032)**	(2,107)
Interest income	**-**	-
Interest expenses	**(853)**	(11,202)

(in thousands of Euros)	LLC "Agricultural company "Pokrovska" Associates: 2014	2013
Non-current assets		
Property, plant and equipment	**101**	560
Intangible assets	**2**	4
	103	564
Current assets		
Inventories	**2,124**	3,567
Trade accounts receivable	**378**	436
Other accounts receivable and prepayments	**321**	454
Cash and cash equivalents	**2,118**	119
	4,941	4,576
Non-current liabilities		
Loans and borrowings	**(309)**	(321)
	(309)	(321)
Current liabilities		
Loans and borrowings	**(3,750)**	(6,299)
Trade accounts payable	**(3,373)**	(3,697)
Other liabilities and accounts payable	**(3,015)**	(5,031)
	(10,138)	(15,027)
Net assets attributable to participants	**(5,403)**	(10,208)
The Group's share in the associate	**49.99%**	49.99%
Carrying amount of the investment	**-**	-
Unrecognised share in acumulated losses	**(5,507)**	(5,094)
Revenues	**2,560**	890
Net profit	**823**	(1,914)
Other comprehensive income	**-**	-
Total comprehensive income as at 31 December	**823**	(1,914)
Income tax benefit	**-**	-
Depreciation and amortization	**(129)**	(195)
Interest income	**-**	-
Interest expenses	**(54)**	(1,035)

As at 31 December 2012 the Group had a 49.99% investment in a joint venture LLC “APK Savynska”.
On 31 December 2013 the Group obtained control over LLC “APK Savynska” (Note 5).

Summarized financial information of the Group’s joint venture for the year ended 31 December 2013 is as follows:

	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
Revenues	81,410	7,517
Net loss	(24,174)	(2,232)
Other comprehensive income	61,016	5,634
Total comprehensive income as at 31 December	**36,842**	**3,402**
Group’s share of profit for the year	(15,707)*	(1,401)*
Group’s share of other comprehensive income for the year	30,502	2,664
Income tax benefit	-	-
Depreciation and amortization	(3,871)	(357)
Interest income	211	19
Interest expenses	(7,313)	(675)

* The Group’s share in losses of LLC “APK Savynska” of UAH 15,707 thousand (EUR 1,401 thousand) includes recognition of previousely uncrecognised losses (Note 5).

8. INTEREST IN JOINT OPERATIONS

As at 31 December 2013 the Group had an 80% interest in SC «Agricultural company named after Ivanenko”. The arrangement was accounted as a joint operation because it was not a separate legal entity and according to the written agreement decisions about relevant activity required the unanimous consent of both operators.

In January 2014, the Group obtained control over its former joint operation SC «Agricultural company named after Ivanenko» by merging it with the Group’s subsidiary LLC «Agricultural company «Mirgorodska». Summarised financial information of SC «Agricultural company named after Ivanenko» as at the date when the Group obtained control over this company is provided in Note 5.

Summarised financial information of the Group’s joint operation SC «Agricultural company named after Ivanenko» as at and for the year ended 31 December 2013 is provided below. The information below shows the Group’s share of 80%.

	(in thousands of Ukrainian hryvnias)	(in thousands of Euros)
	2014	2013
Current assets	**14,116**	1,304
Current liabilities	**(14,116)**	(1,304)
Net assets / (liabilities)	**-**	-
Revenues	**32,367**	2,989
Cost of revenues	**(39,204)**	(3,621)
Changes in fair value of biological assets and agricultural produce	**(6,476)**	(598)
Gross profit	**(13,313)**	(1,230)
General and administrative expense	**(2)**	-
Selling and distribution expense	**(635)**	(59)
Other operating expense	**(890)**	(82)
Profit from operations	**(14,840)**	(1,371)
Finance income	**768**	71
Other expense	**(96)**	(9)
Profit before tax	**(14,168)**	(1,309)
Income tax expense	**(1,083)**	(100)
Net loss	**(15,251)**	(1,409)

9. PROPERTY, PLANT AND EQUIPMENT

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

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

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

The movements of property, plant equipment in 2013 are as follows:

(in thousands of Ukrainian hryvnias)	Buildings	Construc-tions	Machines and equip-ment	Vehicles	Other property, plant and equipment	Uninstalled equipment	Total
Cost or valuation 1 January 2013	757,914	248,040	1,467,459	152,502	7,589	320,945	2,954,449
Additions	43,933	85,132	218,645	968	6,489	235,065	590,232
Additions from acquisition of subsidiaries (note 5)	140,032	64,955	34,865	5,050	102	-	245,004
Disposals	(6,574)	(1,027)	(17,716)	(1,927)	(603)	-	(27,847)
Impairement	(10,764)	(9,558)	(21,469)	-	-	-	(41,791)
Elimination of depreciation	(67,038)	(44,508)	(531,772)	-	-	-	(643,318)
Fixed assets revaluation	87,058	155,278	299,700	-	-	-	542,036
Transfer between Groups	(68,278)	6,193	(10,970)	(601)	44,466	29,190	-
31 December 2013	876,283	504,505	1,438,742	155,992	58,043	585,200	3,618,765
Accumulated depreciation 1 January 2013	53,418	37,620	402,562	68,395	4,261	-	566,256
Depreciation charge	26,787	22,859	201,971	17,374	8,631	439	278,061
Disposals	(245)	(578)	(8,227)	(5,437)	(512)	-	(14,999)
Decrease due to revaluation	(67,038)	(44,508)	(531,772)	-	-	-	(643,318)
Transfer between Groups	(1,746)	(2,487)	(11,967)	(373)	16,280	293	-
31 December 2013	11,176	12,906	52,567	79,959	28,660	732	186,000
Net book value 31 December 2013	865,107	491,599	1,386,175	76,033	29,383	584,468	3,432,765

(in thousands of Euros)	Buildings	Construc-tions	Machines and equip-ment	Vehicles	Other property, plant and equipment	Uninstalled equipment	Total
Cost or valuation 1 January 2013	70,966	23,225	137,402	14,279	711	30,051	276,634
Additions	4,057	7,862	20,192	89	599	21,661	54,460
Additions from acquisition of subsidiaries (note 5)	13,192	6,120	3,286	476	10		23,084
Disposals	(607)	(95)	(1,636)	(178)	(56)	-	(2,572)
Impairement	(994)	(883)	(1,983)	-	-	-	(3,860)
Elimination of depreciation	(6,191)	(4,110)	(49,109)	-	-	-	(59,410)
Fixed assets revaluation	7,603	13,561	26,175	-	-	-	47,339
Currency translation difference	(4,628)	(2,191)	(7,538)	(958)	(300)	(4,012)	(19,627)
Transfer between Groups	(6,306)	572	(1,012)	(56)	4,106	2,696	-
31 December 2013	77,092	44,061	125,777	13,652	5,070	50,396	316,048
Accumulated depreciation 1 January 2013	5,002	3,522	37,693	6,404	400	-	53,021
Depreciation charge	2,474	2,111	18,652	1,604	797	41	25,679
Disposals	(23)	(53)	(760)	(502)	(47)	-	(1,385)
Decrease due to revaluation	(6,191)	(4,110)	(49,109)	-	-	-	(59,410)
Currency translation difference	(125)	(113)	(780)	(489)	(150)	(4)	(1,661)
Transfer between Groups	(161)	(230)	(1,105)	(34)	1,503	27	-
31 December 2013	976	1,127	4,591	6,983	2,503	64	16,244
Net book value 31 December 2013	76,116	42,934	121,186	6,669	2,567	50,332	299,804

As at 31 December 2014 an independent valuation of the Group's buildings, constructions, machinery and equipment was performed in accordance with International Valuation Standards by an independent appraiser. Most buildings and some machinery and equipment were valued using the market approach. Other items of buildings, machinery and equipment and constructions were valued using cost approach.

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

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

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

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

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

- producers' price indices according to the Ukrainian bureau of statistics (**http://www.ukrstat.gov.ua/**) and Eurostat (**http://ec.europa.eu/eurostat**) (for replacement costs of machinery and equipment);

- UPVS register, 1969 y., which is the most commonly used source of information for integrated factor of cost of construction in Ukraine for items which were constructed more than 20 years ago (for replacement costs of buildings and constructions)

- "Useful lives for depreciable assets, Marshall&Swift, 2/2007" and "Common depreciation rates (ENAO)" (for physical depreciation calculation). Straight-line physical depreciation method was used.

- Commodity expert Bulletin (Donrest 80 as of December 2014) (for replacement cost and market cost of vehicles and specialized vehicles). The appraiser applied up to 10% bargaining coefficient to decrease prices available at the market.

Impairment test - based on cash generating units

As at 31 December 2014, impairment test was performed by an independent appraiser, since impairment test is an integral part of valuation of property, plant and equipment.

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

Impairment testing was performed based on value-in-use calculation using the cash flow projection over the five-year period. Cash flow projection is based on the long-term budget approved by senior management of the Group.

Assumptions

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

- Sugar CGU: - 21% p.a. for five year period and 16% in the terminal period;
- Agricultural CGU: 22% p.a. for five year period and 17% in the terminal period;
- Soybean CGU: 22% p.a. for five year period and 17% in the terminal period;
- Cattle CGU: 22% p.a. for five year period and 17% in the terminal period.

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

- Wheat – UAH 2,746 – UAH 3,604 per ton
- Corn – UAH 2,341 – UAH 3,294 per ton
- Soybean – UAH 5,374 – UAH 7,253 per ton
- Milk – UAH 4,307 – UAH 5,499 per ton

For each CGU, the identified fair value exceeded its carrying value as at 31 December 2014. For sugar, agricultural and soybean segments significant headroom exists and no reasonable change in the key assumptions would cause the carrying value to exceed the value-in-use. For cattle segment, the sensitivity is presented below:

Increase in discount rate by 1% in each period (including terminal) would lead to impairment of property, plant and equipment allocated to cattle CGU by UAH 7,981 thousand. Decrease in milk price in each period (including terminal) would lead to impairment of UAH 27,492 thousand.

Impairment of individual items of property, plant and equipment

A revaluation increase on property is recognized directly in other comprehensive income, except to the extent that it reverses a previous revaluation decrease recognized in the income statement. A revaluation decrease on property is recognized in the income statement as impairment, except to the extent that it reverses a previous revaluation increase recognized directly in other comprehensive income. As a result of revaluation as at 31 December 2014, impairment loss of UAH 45,235 thousand (EUR 2,712 thousand) was recognized within other operating expenses. In 2013, impairment loss of UAH 41,791 thousand (EUR 3,789 thousand) was recognized (Note 26).

Other matters

As at 31 December 2014, the carrying amount of buildings that would have been included in the consolidated financial statements had the buildings been carried at cost less any accumulated depreciation and any accumulated impairment losses is UAH 378,443 thousand or EUR 24,048 thousand (2013: UAH 257,101 thousand or EUR 23,743 thousand), machinery and equipment is UAH 410,385 thousand or EUR 26,078 thousand (2013: UAH 371,408 thousand or EUR 34,300 thousand) and construction is UAH 529,994 thousand or EUR 33,679 thousand (2013: UAH 282,176 thousand or EUR 26,059 thousand).

In 2014 revaluation surplus of UAH 166,955 thousand or EUR 8,681 thousand (2013: UAH 71,844 thousand, EUR 6,275 thousand) was reclassified from revaluation reserve to retained earning because it was realized through depreciation or disposal of the revalued items of property, plant and equipment.

In 2014 the Group capitalized borrowing costs of UAH 17,214 thousand or EUR 1,094 thousand (2013: UAH 10,126 thousand, EUR 884 thousand) using average rate of 6.88% p.a. (2013: 6.88% p.a.).

For carrying values of property, plant and equipment pledged to secure bank loans refer to Note 19.

Leased assets, where the Group is a lessee under finance lease arrangements, comprise machinery and equipment. At 31 December 2014, the net book value of leased assets are UAH 8,736 thousand or EUR 454 thousand (2013: UAH 8,423 thousand; EUR 736 thousand).

10. INTANGIBLE ASSETS

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

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

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

The movement of intangible assets is as follows:

(in thousands of Ukrainian hryvnias)	Land lease rights	Goodwill	Other intangible assets	Total
Cost 1 January 2013	140,757	5,483	3,843	150,083
Additions	-	-	2,319	2,319
Additions through acquisition of subsidiaries (note 5)	9,850	4,040	-	13,890
Disposals	(176)	-	(1,866)	(2,042)
31 December 2013	150,431	9,523	4,296	164,250
Accumulated amortization 1 January 2013	83,883	-	2,223	86,106
Amortization charge	15,736	-	68	15,806
Disposals	(2)	-	(1,866)	(1,868)
31 December 2013	99,619	-	425	100,044
Net book value 31 December 2013	50,812	9,523	3,871	64,206

(in thousands of Euros)	Land lease rights	Goodwill	Other intangible assets	Total
Cost 1 January 2013	13,180	513	360	14,053
Additions	-	-	213	213
Additions through acquisition of subsidiaries (note 5)	928	381	-	1,309
Disposals	(16)	-	(172)	(188)
Currency translation differences	(953)	(62)	(27)	(1,042)
31 December 2013	13,139	832	374	14,345
Accumulated amortization 1 January 2013	7,855	-	208	8,063
Amortization charge	1,453	-	6	1,454
Disposals	-	-	(172)	(172)
Currency translation differences	(607)	-	(6)	(613)
31 December 2013	8,701	-	36	8,737
Net book value 31 December 2013	4,438	832	338	5,608

Goodwill which originated in 2013 is attributable to expected synergies with the newly acquired entity, in particular form implementation of the Group's know how in crop growing.

Goodwill has been allocated to agricultural CGU, which is also an operating and reportable segment. The Group performs its annual impairment test as at 31 December. As at 31 December 2014 and 2013 no impairment was identified.

The recoverable amount of the agricultural CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 22% for five years and 17% for the terminal period (2013: 22% and 18% in the terminal period).

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

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

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

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

11. BIOLOGICAL ASSETS

Biological assets consist of crops and livestock. Non-current cattle consists of dairy livestock with an average yearly lactation period of nine months. Current cattle comprise immature cattle and cattle intended for sale. Other livestock mainly represent pigs, horses and sheep. The valuation of the biological assets is within level 3 of the fair value hierarchy.

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

- revenue from the crops sales is projected based on the expected volume of harvested grains and oilseeds. For dairy cattle revenue is projected based on the expected milk produced during their productive life after the reporting date and expected volume of meat at the date of slaughter
- the average productive life of a cow is determined based on internal statistical information
- prices for grains, oilseeds, milk and meat are obtained from market resources as at the end of the reporting period
- production and costs to sell are projected based on actual operating costs
- the growth in sales prices as well as in production expenses and costs to sell is assumed to be in line with forecasted consumer price index in Ukraine
- a pre-tax discount rate is applied in determining fair value of biological assets. The discount rate is based on the market rate at the reporting date.

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

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

- Discount rate (20%) (2013: 16%)
- Yields of crops (4.81 tons per hectare for winter wheat, 2.0 tons per hectare for winter rye) (2013: 5.55 tons per hectare for winter wheat, 3.0 tons per hectare for winter rye)
- Prices of crops (UAH 3,380 per ton for winter wheat, UAH 1,750 for winter rye) (2013: UAH 2,100 per ton for winter wheat, UAH 1,100 per ton per winter rye)

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

- Discount rate (20%) (2013: 16%)
- Milk prices (UAH 4.57 per litre) (2013: UAH 4.34 per litre)
- Meat prices (UAH 18.5 per kilogram) (2013: UAH 11.5 per kilogram)

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

As at 31 December 2014, the unrealized gain of biological assets comprised UAH 656,452 thousand or EUR 34,132 thousand (2013: UAH 503,105 thousand or EUR 43,939 thousand).

As at 31 December biological assets comprise the following groups:

(in thousands of Ukrainian hryvnias)		2014		2013
	Units	**Amount**	**Units**	**Amount**
Non-current biological assets:				
Cattle	**30,036**	**579,352**	30,120	513,730
Other livestock		**5,295**		7,217
		584,647		520,947
Crops:	**Hectares**		Hectares	
Winter wheat	**46,113**	**515,335**	39,126	328,918
Winter rye	**354**	**360**	1,449	2,583
Corn	**-**	**-**	-	-
Sugar beet	**-**	**-**	-	-
Soy	**-**	**-**	-	-
	46,467	**515,695**	40,575	331,501
		515,695		331,501
Total biological assets		**1,100,342**		852,448

(in thousands of Euros)		2014		2013
	Units	**Amount**	**Units**	**Amount**
Non-current biological assets:				
Cattle	**30,036**	**30,122**	30,120	44,868
Other livestock		**275**		629
		30,397		45,497
Crops:	**Hectares**		Hectares	
Winter wheat	**46,113**	**26,794**	39,126	28,726
Winter rye	**354**	**19**	1,449	226
Corn	**-**	**-**	-	-
Sugar beet	**-**	**-**	-	-
Soy	**-**	**-**	-	-
	46,467	**26,813**	40,575	28,952
		26,813		28,952
Total biological assets		**57,210**		74,449

For carrying value of biological assets pledged to secure bank loans refer to Note 19.

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

(in thousands of Ukrainian hryvnias)	Non-current livestock	Crops	Total
As at 1 January 2013	469,502	565,774	1,035,276
Purchases	3,597	-	3,597
Investments into livestock and future crops	102,758	1,323,556	1,426,314
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	11,584	489,206	500,790
Sales	(66,494)	-	(66,494)
Decrease due to harvest	-	(2,047,035)	(2,047,035)
As at 1 January 2014	**520,947**	**331,501**	**852,448**
Purchases	**6,530**	**-**	**6,530**
Investments into livestock and future crops	**113,810**	**2,566,586**	**2,680,396**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**33,164**	**664,449**	**697,613**
Sales	**(89,804)**	**-**	**(89,804)**
Decrease due to harvest	**-**	**(3,046,841)**	**(3,046,841)**
As at 31 December 2014	**584,647**	**515,695**	**1,100,342**

(in thousands of Euros)	Non-current livestock	Crops	Total
As at 1 January 2013	43,961	52,975	96,936
Purchases	332	-	332
Investments into livestock and future crops	9,497	122,402	131,899
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	1,094	46,184	47,278
Sales	(6,141)	-	(6,141)
Decrease due to harvest	-	(189,045)	(189,045)
Currency translation difference	(3,246)	(3,564)	(6,810)
As at 1 January 2014	**45,497**	**28,952**	**74,449**
Purchases	**415**	**-**	**415**
Investments into livestock and future crops	**7,232**	**163,094**	**170,326**
Gain arising from changes in fair value attributable to physical changes and to changes in market prices	**2,235**	**44,771**	**47,006**
Sales	**(5,707)**	**-**	**(5,707)**
Decrease due to harvest	**-**	**(193,612)**	**(193,612)**
Currency translation difference	**(19,275)**	**(16,392)**	**(35,667)**
As at 31 December 2014	**30,397**	**26,813**	**57,210**

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

	2014			
	Biological assets		Earnings per share	
	(thousands of Ukrainian hryvnias)	(thousands of Euros)	(thousands of Ukrainian hryvnias)	(thousands of Euros)
10% increase in price for milk	**121,465**	**6,315**	**4,86**	**0,25**
10% decrease in prices for milk	**(121,465)**	**(6,315)**	**(4,86)**	**(0,25)**
10% increase in price for meat	**14,184**	**738**	**0,57**	**0,03**
10% decrease in price for meat	**(14,184)**	**(738)**	**(0,57)**	**(0,03)**
10% increase in milk yield	**46,738**	**2,430**	**1,87**	**0,10**
10% decrease in milk yield	**(46,738)**	**(2,430)**	**(1,87)**	**(0,10)**
10% increase in prices for crops	**48,229**	**2,508**	**1,93**	**0,10**
10% decrease in prices for crops	**(48,229)**	**(2,508)**	**(1,93)**	**(0,10)**
10% increase in yield for crops	**70,063**	**3,643**	**2,80**	**0,15**
10% decrease in yield for crops	**(70,063)**	**(3,643)**	**(2,80)**	**(0,15)**
10% increase in production costs until harvest	**(21,782)**	**(1,133)**	**(0,87)**	**(0,05)**
10% decrease in production costs until harvest	**21,782**	**1,133**	**0,87**	**0,05**
5% increase in annual consumer price index	**5,637**	**293**	**0,23**	**0,01**
5% decrease in annual consumer price index	**(5,637)**	**(293)**	**(0,23)**	**(0,01)**
1% increase in discount rate	**(2,778)**	**(144)**	**(0,11)**	**(0,01)**
1% decrease in discount rate	**2 ,78**	**144**	**0,11**	**0,01**

	2013			
	Biological assets		Earnings per share	
	(thousands of Ukrainian hryvnias)	(thousands of Euros)	(thousands of Ukrainian hryvnias)	(thousands of Euros)
10% increase in price for milk	92,992	8,122	3,72	0,32
10% decrease in prices for milk	(92,992)	(8,122)	(3,72)	(0,32)
10% increase in price for meat	9,945	869	0,40	0,03
10% decrease in price for meat	(9,945)	(869)	(0,40)	(0,03)
10% increase in milk yield	41,667	3,639	1,67	0,15
10% decrease in milk yield	(41,667)	(3,639)	(1,67)	(0,15)
10% increase in prices for crops	33,150	3,667	1,68	0,15
10% decrease in prices for crops	(33,150)	(3,667)	(1,68)	(0,15)
10% increase in yield for crops	41,991	3,667	1,68	0,15
10% decrease in yield for crops	(41,991)	(3,667)	(1,68)	(0,15)
10% increase in production costs until harvest	(8,858)	(774)	(0,35)	(0,03)
10% decrease in production costs until harvest	8,858	774	0,35	0,03
5% increase in annual consumer price index	4,231	370	0,17	0,01
5% decrease in annual consumer price index	(4,189)	(366)	(0,17)	(0,01)
1% increase in discount rate	(1,839)	(161)	(0,07)	(0,01)
1% decrease in discount rate	1,839	161	0,07	0,01

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

12. FINANCIAL INSTRUMENTS AVAILABLE-FOR-SALE

Financial instruments available-for-sale as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	2013	2014	2013
Venture fund certificates	-	7,946	-	694

In December 2014, the investee was liquidated and the Group received its share of UAH 7,689 thousand (EUR 489 thousand) in cash. As at 31 December 2013, fair value of the available-for-sale investments was identified with reference to the Group's recent transactions with its investment certificates and belonged to level 3 of fair value hierarchy.

13. INVENTORIES

Inventories as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	2013	2014	2013
		(restated)		(restated)
Finished goods:				
Sugar products	**1,545,066**	989,403	**80,334**	86,411
Agricultural produce	**610,401**	780,550	**31,737**	68,170
Soybean processing	**28,671**	-	**1,491**	-
Cattle farming	**874**	821	**45**	72
Other products	**15,267**	5,596	**794**	489
Raw materials and consumables for:			**-**	-
Sugar production	**10,295**	11,786	**535**	1,029
Agricultural produce	**137,126**	95,649	**7,130**	8,354
Cattle farming	**102,321**	80,418	**5,320**	7,023
Other production	**3,168**	2,586	**164**	225
Investments into future crops	**571,728**	848,430	**29,727**	74,099
	3,024,917	2,815,239	**157,277**	245,872

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

For carrying value of inventories pledged to secure bank loans refer to Note 19.

14. TRADE AND OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
		(restated)		**(restated)**
Trade receivables	**274,292**	340,757	**14,262**	29,760
Less allowance	**(21,941)**	(14,692)	**(1,141)**	(1,283)
	252,351	326,065	**13,121**	28,477
Prepayments and other non-financial assets:				
Taxes recoverable and prepaid	**(2,223)**	68,988	**(116)**	6,025
Advances to suppliers	**88,307**	75,137	**4,591**	6,562
Less allowance	**(864)**	(2,280)	**(45)**	(199)
	85,220	141,845	**4,430**	12,388
Other financial assets:				
Financial aid	**14,272**	9,035	**742**	789
Other receivables	**39,387**	41,008	**2,049**	3,582
Less allowance	**(8,313)**	(1,790)	**(432)**	(156)
	45,346	48,253	**2,359**	4,215
	382,917	516,163	**19,910**	45,080

For carrying value of trade accounts receivable pledged to secure bank loans refer to Note 19.

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
		(restated)		**(restated)**
Balance at 1 January	**18,762**	24,011	**1,638**	2,248
Charge in income statement	**14,840**	12,525	**908**	1,157
Amounts written off	**(2,484)**	(17,774)	**(158)**	(1,641)
Currency translation difference	**-**	-	**(770)**	(126)
Balance as at 31 December	**31,118**	18,762	**1,618**	1,638

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

	Gross	**Impairment**	**Gross**	**Impairment**
(in thousands of Ukrainian hryvnias)	**2014**	**2014**	**2013**	**2013**
			(restated)	**(restated)**
Not past due	**158,473**	**-**	182,050	-
Past due 1-30 days	**43,898**	**-**	40,726	-
Past due 31-120 days	**31,508**	**(1,306)**	60,157	(1,647)
Past due 121-365 days	**12,259**	**(2,986)**	17,941	(5,149)
More than one year	**28,154**	**(17,649)**	39,883	(7,896)
	274,292	**(21,941)**	340,757	(14,692)

(in thousands of Euros)	Gross 2014	Impairment 2014	Gross 2013 (restated)	Impairment 2013 (restated)
Not past due	**8,240**	**-**	15,900	-
Past due 1-30 days	**2,282**	**-**	3,557	-
Past due 31-120 days	**1,638**	**(68)**	5,254	(143)
Past due 121-365 days	**637**	**(155)**	1,566	(450)
More than one year	**1,465**	**(918)**	3,483	(690)
	14,262	**(1,141)**	29,760	(1,283)

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

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

(in thousands of Ukrainian hryvnias)	Gross 2014	Impairment 2014	Gross 2013 (restated)	Impairment 2013 (restated)
Not past due	**-**	**-**	-	-
Past due 1-30 days	**20,403**	**-**	28,257	-
Past due 31-120 days	**10,174**	**(224)**	9,880	(79)
Past due 121-365 days	**8,566**	**(1,651)**	3,998	(840)
More than one year	**14,516**	**(6,438)**	7,908	(871)
	53,659	**(8,313)**	50,043	(1,790)

(in thousands of Euros)	Gross 2014	Impairment 2014	Gross 2013 (restated)	Impairment 2013 (restated)
Not past due	**-**	**-**	-	-
Past due 1-30 days	**1,061**	**-**	2,468	-
Past due 31-120 days	**529**	**(12)**	863	(7)
Past due 121-365 days	**445**	**(86)**	349	(73)
More than one year	**756**	**(334)**	691	(76)
	2,791	**(432)**	4,371	(156)

15. CASH DEPOSITS

Deposits as at 31 December are as follows:

			(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
			2014	**2013**	**2014**	**2013**
	Effective interest rate	**Nominal interest rate**	**Amount**	**Amount**	**Amount**	**Amount**
Short-term bank deposits in UAH	17,0%	17,0%	-	39,512	-	3,451
Short-term bank deposits in USD	5,2%	5,0%	-	7,972	-	696
Short-term bank deposits in USD	7,5%	7,5%	**423,575**		**22,023**	
			423,575	47,484	**22,023**	4,147

For carrying value of deposits pledged to secure bank loans refer to Note 19. The early withdrawal of bank deposits is permitted only if the full repayment of the secured bank loans is executed.

16. CASH AND CASH EQUIVALENTS

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Cash in banks in USD	**190,080**	20,395	**9,883**	1,782
Cash in banks in UAH	**56,141**	7,839	**2,919**	685
Cash in banks in EUR	**18**	54	**1**	5
Cash in banks in PLN	**447**	954	**23**	83
	246,686	29,242	**12,826**	2,555
Cash on hand in UAH	**175**	230	**9**	19
	246,861	29,472	**12,835**	2,574

As at 31 December 2014, cash and cash equivalents consisted of current accounts in banks and overnight deposits. As at 31 December 2014, current accounts denominated in USD earned interest of 0.10% p.a., overnight deposits denominated in UAH – up to 6.00% depending on the amount deposited.

17. EQUITY

Share capital

ASTARTA Holding N.V. has one class of common shares with par value of EUR 0.01. All shares have equal voting rights. The number of authorized shares as at 31 December 2014 is 30,000 thousand (2013: 30,000 thousand) and the number of issued and fully paid-up shares is 25,000 thousand (2013: 25,000 thousand). For disclosure of shares pledged to secure bank loans refer to Note 19.

Shareholders structure as at 31 December is as follows:

	2014	2013
Astarta Holding N.V.		
Viktor Ivanchyk through his wholly owned Cypriot company Albacon Ventures Ltd.	**37.00%**	36.99%
Valery Korotkov through his wholly owned Cypriot company Aluxes Holding Ltd.	**25.99%**	25.99%
MetLife Otwarty Fundusz Emerytalne S.A. (formerly Amplico Powszechne Towarystwo Emerytalne S.A.)	**5.00%**	6.00%
Other shareholders (free float)	**32.01%**	31.02%
	100.00%	100.00%

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Net profit attributable to equity holders of the company	**(1,007,691)**	206,494	**(68,061)**	22,330
Weighted average basic and diluted shares outstanding (in thousands of shares)	**24,850**	24,996	**24,850**	24,996
Earnings per share attributable to shareholders of the company	**(40.55)**	8.26	**(2.74)**	0.89

Capital risk management

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

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

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

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

As at 31 December 2014, the gearing ratio was 50% compared to 41% a year before. The increase in gearing ratio is attributable to increase in net debt. The gearing ratios at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Total borrowings (note 19)	**4,834,504**	3,103,308	**251,366**	271,032
Less cash, cash equivalents and short-term deposits	**(670,436)**	(76,956)	**(34,858)**	(6,721)
Net debt	**4,164,068**	3,026,352	**216,508**	264,311
Total equity	**4,235,397**	4,241,687	**220,214**	370,451
Total capital	**8,399,465**	7,268,039	**436,722**	634,762
Gearing ratio	**50%**	41%	**50%**	41%

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

Additional paid-in capital

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

Revaluation surplus

In 2014 management engaged independent appraiser to revalue the Group's buildings, machinery and equipment as at 31 December 2014. The related revaluation surplus of UAH 834,402 thousand or EUR 43,384 thousand was recognised in equity. The previous revaluation was done as at 1 October 2013 and revaluation surplus of UAH 533,803 thousand or EUR 46,608 thousand was recognised. During the year ended 31 December 2014 the revaluation surplus realized through depreciation and disposal of property and equipment was UAH 166,955 thousand or EUR 8,681 thousand (2013: UAH 71,844 thousand, EUR 6,275 thousand).

Currency translation reserve

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

Other reserves

As at 31 December 2014 the Group's consolidated retained earnings as presented in these consolidated financial statements, amounted to UAH 2,186,139 thousand or EUR 234,461 thousand (2013: UAH 3,026,875 thousand or EUR 293,841 thousand), including the net profit for the year ended 31 December 2014. Statutory retained earnings of the Company and its Ukrainian subsidiaries may differ substantially from the retained earnings presented in these financial statements.

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

Dividend policy

The Company's policy is to pay dividends at a level consistent with the Group's growth and development plans, while maintaining a reasonable level of liquidity. The current intention of the Board of Directors is to recommend to the General Meeting of Shareholders that no dividends be declared for the year ended 31 December 2014.

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

Treasury shares

In 2014 the Group has purchased 202,993 of own shares for UAH 32,102 thousand or EUR 2,040 thousand at average price per share of UAH 158 or EUR 10. As at 31 December 2014, the Group had 220,057 of treasury shares with total cost of UAH 34,698 thousand (EUR 2,280 thousand) (2013: 52,443 shares with cost of UAH 2,596 thousand (EUR 240 thousand). Par value of each share is UAH 0.07 (EUR 0.01).

18. NON-CONTROLLING INTERESTS

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Balance as at 1 January	**661**	2,736	**58**	257
Share in loss	**(217)**	(275)	**(15)**	(30)
Acquisitions from non-controlling shareholders and other changes	**98**	(1,670)	**15**	(155)
Non-controlling interest in Revaluation surplus	**77**	(130)	**5**	(14)
Currency translation difference	**-**	-	**(21)**	-
Balance as at 31 December	**619**	661	**32**	58

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Balance as at 1 January	**87,718**	87,538	**7,661**	8,213
Non-controlling interests of limited liability companies in profit (Note 27)	**18,806**	2,186	**1,266**	205
Acquisitions from non-controlling shareholders and other changes	**(1,154)**	(7,647)	**(73)**	(706)
Dividends paid	**(3,492)**	(5,098)	**(222)**	(471)
Non-controlling interests acquired with new subsidiaries	**-**	1,047	**-**	100
Non-controlling interest in Revaluation surplus	**10,195**	9,692	**648**	847
Currency translation difference	**-**	-	**(3,453)**	(527)
Balance as at 31 December	**112,073**	87,718	**5,827**	7,661

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

19. LOANS AND BORROWINGS

This note provides information about the contractual terms of loans and borrowings. Refer to Note 32 for more information on exposure to interest rate, foreign currency risk and information on financial risk management. Loans and borrowings as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013 (restated)**	**2014**	**2013 (restated)**
Long-term loans and borrowings:				
Bank loans	**2,071,917**	1,340,343	**107,729**	117,061
Finance lease liabilities (note 32 e)	**10,664**	4,392	**554**	384
Transaction costs	**(35,303)**	(35,312)	**(1,836)**	(3,084)
	2,047,278	1,309,423	**106,447**	114,361
Current portion of long-term loans and borrowings:				
Bank loans	**845,551**	374,025	**43,964**	32,666
Finance lease liabilities (note 32 e)	**8,696**	2,467	**452**	215
Transaction costs	**(25,766)**	(18,652)	**(1,340)**	(1,629)
	828,481	357,840	**43,076**	31,252
Short-term loans and borrowings:				
Bank loans	**1,936,933**	1,351,410	**100,709**	118,027
Finance lease liabilities (note 32 e)	**-**	-	**-**	-
Transaction costs	**-**	-	**-**	-
Borrowings from non-financial institutions	**21,812**	84,635	**1,134**	7,392
	1,958,745	1,436,045	**101,843**	125,419
	4,834,504	3,103,308	**251,366**	271,032

As at 31 December 2014 the Group was in breach of certain financial covenants under a number of bank loans mostly due to rapid devaluation of the local currency. According to the terms of respective loan agreements, the lenders may at their option declare all or any portion of the loan and accrued interest payable on demand. As at 31 December 2014 the Group received from the banks waivers of rights to require compliance with the breached covenants and therefore classified the loans in accordance with their initial contractual maturity.

Because of significant devaluation of UAH in February 2015, the Group breached some of the financial covenants as at 31 March 2015, which was not envisaged by the budgets made on the basis of assumption valid in December 2014. According to the quarterly budgets for 2015 and 2016 as updated by management in March 2015, the Group is likely to continue to be in breach of certain financial covenants under IFC loan during 2015. The Group received waivers from some banks and letters stating that the banks have no intention to disengage with the Group from other banks in respect of non-compliances in 2015. Refer to Note 2 (b) for details.

Although the financial covenants differ from bank to bank, the covenants primarily relate to balance sheet ratios such as current ratio (current assets to current liabilities) and solvency ratio (total equity to total assets) as well as income statement related ratios such as the debt service coverage ratio, net debt to EBITDA ratio and the EBITDA to expense ratio. The main ratio's that are not expected to be met at 31 March 2015 are the solvency ratio, the debt coverage ratio, liabilities to tangible net worth ratio and the short-term debt to accounts receivable ratio.

The terms and repayment schedule for loans and borrowings as at 31 December are as follows:

	Interest type	Effective interest rate	Nominal interest rate	Year of maturity	(in thousands of Ukrainian hryvnias) 2014	2013 (restated)	(in thousands of Euros) 2014	2013 (restated)
Loans from Ukrainian banks received in UAH	Fixed	10.00%	10.00%	2014	-	13,900	-	1,214
Loans from Ukrainian banks received in UAH	Fixed	12.00%	12.00%	2014	-	55,050	-	4,808
Loans from Ukrainian banks received in UAH	Fixed	12.20%	12.20%	2014	-	17,520	-	1,530
Loans from Ukrainian banks received in UAH	Fixed	12.50%	12.50%	2014	-	204,700	-	17,881
Loans from Ukrainian banks received in UAH	Fixed	12.60%	12.60%	2014	-	15,000	-	1,310
Loans from Ukrainian banks received in UAH	Fixed	12.70%	12.70%	2014	-	100,000	-	8,734
Loans from Ukrainian banks received in UAH	Fixed	13.30%	13.30%	2014	-	10,800	-	943
Loans from Ukrainian banks received in UAH	Fixed	14.00%	14.00%	2014	-	22,600	-	1,974
Loans from Ukrainian banks received in UAH	Fixed	14.10%	14.10%	2014	-	32,200	-	2,812
Loans from Ukrainian banks received in UAH	Fixed	14.40%	14.40%	2014	-	10,050	-	878
Loans from Ukrainian banks received in UAH	Fixed	14.50%	14.50%	2014	-	94,514	-	8,254
Loans from Ukrainian banks received in UAH	Fixed	20.50%	20.50%	2014	-	3,700	-	323
Loans from Ukrainian banks received in UAH	Fixed	16.00%	16.00%	2015	**10,300**		**536**	
Loans from Ukrainian banks received in UAH	Fixed	16.85%	16.85%	2015	**12,500**		**650**	
Loans from Ukrainian banks received in UAH	Fixed	17.10%	17.10%	2015	**8,300**		**432**	
Loans from Ukrainian banks received in UAH	Fixed	18.00%	18.00%	2014	-	39,512	-	3,451
Loans from Ukrainian banks received in UAH	Fixed	18.00%	18.00%	2015	**68,300**		**3,551**	
Loans from Ukrainian banks received in UAH	Fixed	18.10%	18.10%	2015	**15,000**		**780**	
Loans from Ukrainian banks received in UAH	Fixed	18.25%	18.25%	2015	**2,900**		**151**	
Loans from Ukrainian banks received in UAH	Fixed	18.35%	18.35%	2015	**11,400**		**593**	
Loans from Ukrainian banks received in UAH	Fixed	18.45%	18.45%	2015	**15,000**		**780**	
Loans from Ukrainian banks received in UAH	Fixed	18.50%	18.50%	2015	**68,430**		**3,558**	
Loans from Ukrainian banks received in UAH	Fixed	18.63%	18.63%	2015	**1,150**		**60**	
Loans from Ukrainian banks received in UAH	Fixed	18.80%	18.80%	2015	**32,000**		**1,664**	
Loans from Ukrainian banks received in UAH	Fixed	18.88%	18.88%	2015	**20,700**		**1,076**	
Loans from Ukrainian banks received in UAH	Fixed	18.90%	18.90%	2015	**11,300**		**588**	
Loans from Ukrainian banks received in UAH	Fixed	18.98%	18.98%	2015	**46,100**		**2,394**	
Loans from Ukrainian banks received in UAH	Fixed	19.00%	19.00%	2015	**2,200**		**114**	
Loans from Ukrainian banks received in UAH	Fixed	19.00%	19.00%	2014	-	14,738	-	1,287
Loans from Ukrainian banks received in UAH	Fixed	19.20%	19.20%	2015	**2,000**		**104**	
Loans from Ukrainian banks received in UAH	Fixed	19.50%	19.50%	2015	**91,240**		**4,744**	
Loans from Ukrainian banks received in UAH	Fixed	19.60%	19.60%	2015	**13,313**		**692**	
Loans from Ukrainian banks received in UAH	Fixed	19.73%	19.73%	2015	**22,100**		**1,149**	
Loans from Ukrainian banks received in UAH	Fixed	19.80%	19.80%	2015	**20,500**		**1,066**	
Loans from Ukrainian banks received in UAH	Fixed	19.90%	19.90%	2015	**78,400**		**4,076**	
Loans from Ukrainian banks received in UAH	Fixed	20.00%	20.00%	2015	**55,000**		**2,860**	
Loans from Ukrainian banks received in UAH	Fixed	20.35%	20.35%	2015	**19,100**		**993**	
Loans from Ukrainian banks received in UAH	Fixed	20.40%	20.40%	2015	**19,800**		**1,029**	
Loans from Ukrainian banks received in UAH	Fixed	21.00%	21.00%	2015	**53,500**		**2,782**	
Loans from Ukrainian banks received in UAH	Fixed	22.00%	22.00%	2015	**180,325**		**9,376**	
Loans from Ukrainian banks received in UAH	Fixed	22.50%	22.50%	2015	**14,000**		**728**	
Loans from Ukrainian banks received in UAH	Fixed	22.75%	22.75%	2015	**57,200**		**2,974**	
Loans from Ukrainian banks received in UAH	Fixed	23.00%	23.00%	2015	**142,350**		**7,401**	
Loans from Ukrainian banks received in UAH	Fixed	23.50%	23.50%	2015	**49,400**		**2,569**	
Loans from Ukrainian banks received in UAH	Fixed	23.75%	23.75%	2015	**16,550**		**861**	
Loans from Ukrainian banks received in UAH	Fixed	23.92%	23.92%	2015	**4,900**		**255**	

	Interest type	Effective interest rate	Nominal interest rate	Year of maturity	(in thousands of Ukrainian hryvnias) 2014	2013 (restated)	(in thousands of Euros) 2014	2013 (restated)
Loans from Ukrainian banks received in UAH	Fixed	24.00%	24.00%	2015	**95,500**		**4,965**	
Loans from Ukrainian banks received in UAH	Fixed	24.15%	24.15%	2015	**2,400**		**125**	
Loans from Ukrainian banks received in UAH	Fixed	24.25%	24.25%	2015	**10,000**		**520**	
Loans from Ukrainian banks received in UAH	Fixed	24.40%	24.40%	2015	**11,300**		**588**	
Loans from Ukrainian banks received in UAH	Fixed	24.42%	24.42%	2015	**5,900**		**307**	
Loans from Ukrainian banks received in UAH	Fixed	24.50%	24.50%	2015	**63,900**		**3,322**	
Loans from Ukrainian banks received in UAH	Fixed	24.55%	24.55%	2015	**2,000**		**104**	
Loans from Ukrainian banks received in UAH	Floating	12.25%	Kievprime+3.25%	2014	-	119,435	-	10,431
Loans from Ukrainian banks received in UAH	Floating	24.25%	Kievprime+3.25%	2015	**10,000**		**520**	
Loans from Ukrainian banks received in USD	Fixed	6.50%	6.50%	2014	-	88,786	-	7,754
Loans from Ukrainian banks received in USD	Fixed	8.50%	8.50%	2014	-	16,580	-	1,448
Loans from Ukrainian banks received in USD	Fixed	7.50%	7.50%	2014	-	4,813	-	420
Loans from Ukrainian banks received in USD	Fixed	10.00%	10.00%	2014	**88,320**		**4,592**	
Loans from Ukrainian banks received in USD	Floating	5.92%	Libor+5,75%	2014	**158**	123,148	**8**	10,755
Loans from Ukrainian banks received in USD	Floating	6.67%	Libor+6.5%	2014	-	9,119	-	796
Loans from Ukrainian banks received in USD	Floating	6.70%	Libor+6.53%	2014	-	46,779	-	4,086
Loans from Ukrainian banks received in USD	Floating	6.77%	Libor+6,6%	2014	**85,646**	143,243	**4,453**	12,510
Loans from Ukrainian banks received in USD	Floating	7.67%	Libor+7,5%	2014	**102,226**	98,903	**5,315**	8,638
Loans from Ukrainian banks received in USD	Floating	7.77%	Libor+7,6%	2014	**(158)**		**(8)**	
Loans from Ukrainian banks received in USD	Floating	8.67%	Libor+8,5%	2014	**138,420**		**7,197**	
Loans from Ukrainian banks received in USD	Floating	8.92%	Libor+8,75%	2014	**40,371**		**2,099**	
Loans from Ukrainian banks received in USD	Floating	9.67%	Libor+9,5%	2015	**66,039**		**3,434**	
Loans from Ukrainian banks received in USD	Floating	10.17%	Libor+10%	2015	**26,735**		**1,390**	
Loans from non-resident banks received in USD	Fixed	8.16%	8.16%	2014	-	66,320	-	5,792
Loans from non-resident banks received in USD	Floating	2.85%	Libor+2.5%	2015	-	23,844	-	2,082
Loans from non-resident banks received in USD	Floating	2.86%	Libor+2,5%	2015	**15,119**		**786**	
Loans from non-resident banks received in USD	Floating	4.51%	Libor+4,25%	2014	-		-	
Loans from non-resident banks received in USD	Floating	4.60%	Libor+4.25%	2016	-	79,712	-	6,962
Loans from non-resident banks received in USD	Floating	5.99%	Libor+4,4%	2018	**315,371**		**16,397**	
Loans from non-resident banks received in USD	Floating	4.86%	Libor+4,5%	2016	**90,972**		**4,730**	
Loans from non-resident banks received in USD	Floating	5.25%	Libor+5%	2019	**154,818**	99,479	**8,050**	8,688
Loans from non-resident banks received in USD	Floating	5.85%	Libor+5.5%	2019	-	36,476	-	3,186
Loans from non-resident banks received in USD	Floating	5.86%	Libor+5,5%	2019	**62,443**		**3,247**	
Loans from non-resident banks received in USD	Floating	6.53%	Libor+5,5%	2019	**505,224**	295,124	**26,269**	25,776
Loans from non-resident banks received in USD	Floating	6.97%	Libor+1,75%	2018	**80,587**	54,472	**4,190**	4,757
Loans from non-resident banks received in USD	Floating	6.99%	Libor+1,75%	2016	**50,466**	44,220	**2,624**	3,862
Loans from non-resident banks received in USD	Floating	6.40%	Libor+1,8%	2018	**97,815**	66,118	**5,086**	5,774
Loans from non-resident banks received in USD	Floating	8.96%	Libor+2,8%	2015	**7,809**	12,317	**406**	1,076
Loans from non-resident banks received in USD	Floating	5.45%	Libor+4,75%	2018	**478,396**	314,385	**24,874**	27,457
Loans from non-resident banks received in USD	Floating	5.99%	Libor+5%	2018	-	207,250	-	18,100
Loans from non-resident banks received in USD	Floating	5.44%	Libor+4,3%	2016	**210,248**	165,801	**10,932**	14,480
Loans from non-resident banks received in USD	Floating	6.79%	Libor+1,8%	2019	**122,279**	78,572	**6,358**	6,862
Loans from non-resident banks received in USD	Floating	6.36%	Libor+6%	2017	**423,575**		**22,023**	
Loans from non-resident banks received in USD	Floating	7.24%	Libor+1,75%	2017	**78,470**	57,756	**4,080**	5,044
Loans from non-resident banks received in EUR	Floating	6.92%	Euribor+4,75%	2018	**128,220**	95,416	**6,667**	8,333
Loans from non-resident banks received in EUR	Floating	5.18%	Euribor+1,25%	2020	**118,574**	83,426	**6,165**	7,286
Other short-term borrowings received from non-resident non-financial institution in EUR	Fixed	9.40%	9.40%	2014	**5,097**	3,034	**265**	265

	Interest type	Effective interest rate	Nominal interest rate	Year of maturity	(in thousands of Ukrainian hryvnias) 2014	2013 (restated)	(in thousands of Euros) 2014	2013 (restated)
Other short-term borrowings received from non-resident non-financial institution in USD	Fixed	9.40%	9.40%	2014	-	81,601	-	7,127
Other short-term borrowings received from non-resident non-financial institution in USD	Fixed	9.40%	9.40%	2015	**16,715**		**869**	
Finance lease liabilities	Floating	9.26%	Libor+9.00%	2016	**8,356**	6,859	**434**	599
Finance lease liabilities	Floating	9.47%	Libor+9.30%	2017	**11,004**		**572**	
Transaction costs					**(61,069)**	(53,964)	**(3,175)**	(4,713)
					4,834,504	3,103,308	**251,366**	271,032

As at 31 December 2014, the Group had a USD denominated loan from the entity under control of a shareholder of UAH 16,715 thousand (2013: UAH 81,601 thousand) or EUR 869 thousand (2013: EUR 7,127 thousand) bearing an interest of 9.4% p.a. and a EUR denominated loan of UAH 5,097 thousand (2013: UAH 3,034 thousand) or EUR 265 thousand (2013: EUR 265 thousand) bearing an interest of 9.4% p.a.

Bank loans are secured as follows:

(in thousands of Ukrainian hryvnias)	(in thousands of Ukrainian hryvnias) 2014	2013	(in thousands of Euros) 2014	2013
Rights of claim on future cash proceeds from sale contracts	**1,031,118**	1,295,572	**53,612**	113,150
Inventories (Note 13)	**1,643,180**	1,433,568	**85,436**	125,202
Property, plant and equipment (Note 9)	**1,661,009**	1,260,612	**86,363**	110,097
Biological assets (Note 11)	-	64,553	-	5,638
Short-term deposits (Note 15)	**7,686**	47,484	**400**	4,147
	4,342,993	4,101,789	**225,811**	358,234

Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 2.82% of Astarta Holding N.V. issued shares in equal parts (2013: 2.82%).

20. OTHER LIABILITIES AND ACCOUNTS PAYABLE

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
		(restated)		**(restated)**
Other liabilities:				
Advances received from customers	**78,207**	73,250	**4,066**	6,397
VAT payable	**2,642**	-	**137**	-
	80,849	73,250	**4,203**	6,397
Other accounts payable:				
Accounts payable for property, plant and equipment	**37,954**	30,167	**1,973**	2,635
Accrual for unused vacations	**29,057**	25,220	**1,511**	2,203
Interest payable	**41,724**	25,053	**2,169**	2,075
Salaries payable	**16,966**	17,930	**882**	1,566
Social insurance payable	**7,850**	8,513	**408**	743
Settlements with land and fixed assets lessors	**1,453**	1,453	**76**	127
Settlements for acquired companies	**-**	3,603	**-**	315
Other taxes and charges payable	**5,874**	36,782	**305**	3,212
Other payables	**10,837**	13,594	**565**	1,300
	151,715	162,315	**7,889**	14,176
	232,564	235,565	**12,092**	20,573

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

21. REVENUES

Revenues for the years ended 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
		(restated)		**(restated)**
Sugar and related sales:				
Sugar	**2,305,650**	1,881,305	**147,551**	174,130
Molasses	**81,931**	68,763	**5,243**	6,365
Pulp	**62,658**	63,449	**4,010**	5,873
Other sugar related products and services	**217,962**	121,170	**13,949**	11,215
	2,668,201	2,134,687	**170,753**	197,583
Crops	**1,116,283**	931,661	**71,437**	86,233
Soybean processing products	**1,159,578**		**74,208**	-
Cattle farming	**460,209**	362,710	**29,451**	33,572
Other sales	**94,561**	104,297	**6,053**	9,654
	2,830,631	1,398,668	**181,149**	129,459
	5,498,832	3,533,355	**351,902**	327,042

In 2014 and 2013, there were no sales settled through barter transactions. In 2014, 76% of revenue is generated from sales to customers in Ukraine (2013: 80%).

22. COST OF REVENUES

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
		(restated)		**(restated)**
Sugar and related sales:				
Sugar	**1,640,627**	1,661,892	**104,010**	153,025
Molasses	**63,211**	43,442	**4,007**	4,000
Pulp	**49,869**	45,345	**3,162**	4,175
Other sugar related products and services	**187,671**	130,517	**11,898**	12,018
	1,941,378	1,881,196	**123,077**	173,218
Crops	**989,859**	917,713	**62,754**	84,501
Soybean processing products	**830,701**	-	**52,664**	-
Cattle farming	**374,660**	283,739	**23,752**	26,126
Other sales	**90,640**	97,679	**5,747**	8,994
	2,285,860	1,299,131	**144,917**	119,621
	4,227,238	3,180,327	**267,994**	292,839

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	2013 (restated)	2014	2013 (restated)
Depreciation and amortization costs	**372,392**	273,495	**23,689**	25,271
Land lease expenses	**318,867**	260,009	**20,262**	24,012
Employee benefits expenses	**279,955**	240,094	**17,790**	22,304

In 2014 cost of sales includes FAT of UAH 1.482 thousand (EUR 91 thousand) and UAH 1,291 thousand (EUR 119 thousand) in 2013.

23. OTHER OPERATING INCOME

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	2013 (restated)	2014	2013 (restated)
Government subsidies relating to:				
VAT refunds	**244,939**	93,772	**13,828**	8,360
Cattle farming	**14,145**	21,065	**799**	1,912
Reimbursement of the cost of construction	-	8,513	-	772
Recovery of assets previously written off	**6,241**	5,498	**352**	508
Other operating income	**5,089**	1,520	**288**	132
	270,414	130,368	**15,267**	11,684

24. GENERAL AND ADMINISTRATIVE EXPENSES

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Salary and related charges	**250,740**	173,013	**16,045**	15,902
Taxes other than corporate income tax	**18,557**	6,901	**1,188**	634
Fuel and other materials	**13,782**	7,797	**882**	717
Professional services	**26,214**	19,111	**1,677**	1,757
Depreciation	**12,641**	13,703	**809**	1,259
Bank charges	**5,319**	2,446	**340**	225
Maintenance	**3,567**	2,321	**228**	213
Office expenses	**4,957**	3,291	**317**	302
Communication	**2,797**	3,040	**179**	279
Rent	**5,802**	6,424	**371**	590
Insurance	**3,275**	1,546	**210**	142
Transportation	**900**	482	**58**	44
Other	**13,852**	11,070	**887**	1,019
	362,403	251,145	**23,191**	23,083

25. SELLING AND DISTRIBUTION EXPENSES

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Transportation	**175,895**	117,136	**10,888**	10,695
Fuel and other materials	**45,947**	29,094	**2,844**	2,657
Salary and related charges	**62,313**	41,441	**3,857**	3,784
Depreciation	**10,240**	5,551	**634**	507
Storage and logistics	**15,433**	30,206	**955**	2,758
Professional services	**7,383**	9,803	**457**	895
Commissions	**160**	502	**10**	46
Allowance for trade accounts receivable	**9,770**	1,154	**605**	107
Advertising	**2,343**	87	**145**	8
Customs duties and services	**393**	216	**24**	20
Other	**18,114**	12,927	**1,121**	1,178
	347,991	248,117	**21,540**	22,655

26. OTHER OPERATING EXPENSES

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
VAT written off	**33,809**	22,406	**2,027**	2,032
Charity and social expenses	**25,704**	21,943	**1,541**	1,990
Fixed assets written off	**45,235**	41,791	**2,712**	3,789
Other salary and related charges	**11,216**	7,485	**672**	679
Depreciation	**3,913**	1,056	**235**	96
Penalties paid	**1,964**	10,088	**118**	915
Write down of inventories	**6,382**	6,184	**383**	571
Representative expenses	**1,221**	1,121	**73**	102
Loss on sales of property, plant and equipment	**11,975**	2,812	**718**	261
Canteen expenses	**633**	1,253	**38**	114
Allowance for other accounts receivable	**5,070**	11,371	**303**	1,050
Other	**19,033**	20,034	**1,140**	1,779
	166,155	147,544	**9,960**	13,378

27. FINANCE (COSTS) INCOME

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Finance costs				
Foreign currency exchange loss, net	**(2,005,307)**	(44,457)	**(135,035)**	(4,093)
Interest expense				
Bank loans	**(299,309)**	(201,596)	**(20,155)**	(18,559)
Finance lease liabilities	**(1,159)**	(2,685)	**(78)**	(248)
Borrowings from non-financial institutions	**(9,388)**	(881)	**(632)**	(96)
	(309,856)	(205,162)	**(20,865)**	(18,903)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	**(18,806)**	(2,186)	**(1,266)**	(205)
Consideration to shareholders for pledged shares	**(33,252)**	(39,133)	**(2,152)**	(3,603)
Other finance costs	**(9,572)**	(8,589)	**(732)**	(775)
	(61,630)	(49,908)	**(4,150)**	(4,583)
	(2,376,793)	(299,527)	**(160,050)**	(27,579)
Finance income				
Interest income:				
Short-term bank deposits	**5,805**	10,984	**392**	1,011
Cash balances	**5,368**	1,517	**360**	140
	11,173	12,501	**752**	1,151
Gain from hedging transactions	**-**	10,729	**-**	988
Gain from dilution of non-controlling interest in limited liabilities companies	**-**	5,859	**-**	539
	-	16,588	**-**	1,527
	11,173	29,089	**752**	2,678

In 2014, net foreign currency exchange loss includes forex loss of UAH 1,952,540 thousand (EUR 131,482 thousand) originating on loans and borrowings, forex gain of UAH 92,787 thousand (EUR 6,248 thousand) originating on cash and deposits, forex gain of UAH 61,941 thousand (EUR 4,171 thousand) originating on trade and other receivables and forex loss of UAH 207,495 thousand (EUR 13,972 thousand) originating on trade and other payables.

28. OTHER INCOME

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Sale of emission reduction units	-	4,438	-	426
Accounts payable written off	**6,197**	2,859	**384**	259
Other income	**3,886**	7,146	**240**	683
	10,083	14,443	**624**	1,368

29. INCOME TAX EXPENSE

In 2014, 23 subsidiaries elected to pay FAT in lieu of other taxes (2013: 23 companies). FAT expense is included to cost of revenues. The remaining companies were subject to the Ukrainian corporate income tax at 18% rate (2013: 19%), Dutch corporate income tax rate of 25% and Cypriot income tax rate of 12.5%.

According to the Tax Code introduced in 2010, a tax rate of 18% shall be applied starting from 1 January 2014, 17% - from 1 January 2015 and 16% - from 1 January 2016. When estimating deferred taxes as at 31 December 2013, the Group used these rates. In April 2014, the Tax Code was changed again and a single tax rate of 18% shall be applied from 1 January 2014 and thereafter. The Group accounted for this change when estimating deferred taxes as at 31 December 2014.

As at 31 December 2014 the Group has not recognised deferred tax asset of UAH 259,963 thousand or EUR 13,518 thousand (2013: UAH 8,601 thousand or EUR 751 thousand) in respect of tax losses carried forward originating on Ukrainian subsidiaries because realization of these losses is uncertain due to frequent changes in the laws and regulations. In Ukraine, losses carried forward do not have expiration date.

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Current expenses	**(15,922)**	(6,233)	**(920)**	(557)
Deferred expenses	**479**	18,283	**28**	1,634
	(15,443)	12,050	**(892)**	1,077

As at 31 December 2014 the Group did not recognize deferred tax asset relating to tax losses of UAH 154,514 thousand or EUR 9,989 thousand, and in 2013: UAH 77,964 thousand or EUR 7,300 thousand originated at Astarta Holding N.V. since realization of this asset is uncertain.

(in thousands of Ukrainian hryvnias)	Companies subject to income tax	Companies not subject to income tax	Total
Year ended 31 December 2014			
Profit / (loss) before tax	**1,495,399**	**(2,487,864)**	**(992,465)**
Income tax benefit at statutory rate of 18%	**269,172**	**-**	**269,172**
Non-deductible items at a rate of 18%	**930**	**-**	**930**
Non-taxable items at a rate of 18%	**(254,659)**	**-**	**(254,659)**
Income tax expence	**15,443**	**-**	**15,443**

(in thousands of Euros)	Companies subject to income tax	Companies not subject to income tax	Total
Year ended 31 December 2014			
Profit / (loss) before tax	**103,787**	**(170,971)**	**(67,184)**
Income tax benefit at statutory rate of 18%	**18,682**	**-**	**18,682**
Non-deductible items at a rate of 18%	**63**	**-**	**63**
Non-taxable items at a rate of 18%	**(17,853)**	**-**	**(17,853)**
Income tax charge	**892**	**-**	**892**

(in thousands of Ukrainian hryvnias)	Companies subject to income tax	Companies not subject to income tax	Total
Year ended 31 December 2013			
Profit / (loss) before tax	(82,426)	314,376	231,950
Income tax benefit at statutory rate of 19%	(14,837)	-	(14,837)
Non-deductible items at a rate of 19%	738	-	738
Non-taxable items at a rate of 19%	2,049	-	2,049
Income tax benefit	(12,050)	-	(12,050)

(in thousands of Euros)	Companies subject to income tax	Companies not subject to income tax	Total
Year ended 31 December 2013			
Profit / (loss) before tax	(8,739)	33,332	24,593
Income tax benefit at statutory rate of 19%	(1,573)	-	(1,573)
Non-deductible items at a rate of 19%	78	-	78
Non-taxable items at a rate of 19%	418	-	418
Income tax benefit	(1,077)	-	(1,077)

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

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

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

(in thousands of Ukrainian hryvnias)	As at 31 December 2012	Recognized in OCI	Recognized on acquisition of subsidiaries	Recognized in income statement	As at 31 December 2013
Deferred tax assets					
Tax loss recoverable	990	-	-	(990)	-
Inventories	588	-	-	(375)	213
Trade and other accounts receivable and prepayments	2,194	-	-	2,060	4,254
Trade and other accounts payable	398	-	-	3,550	3,948
Loans and borrowings	-	-	-	6,358	6,358
Set off of tax	(4,069)	-	-	(10,704)	(14,773)
	101	-	-	(101)	-
Deferred tax liabilities					
Property, plant and equipment	(66,416)	(29,173)	(31,815)	5,770	(121,634)
Investments	(5,607)	-	-	562	(5,045)
Inventories	-	-	-	-	-
Biological assets	(401)	-	-	401	-
Loans and borrowings	(947)	-	-	947	-
Trade and other accounts payable	-	-	-	-	-
Set off of tax	4,069	-	-	10,704	14,773
	(69,302)	(29,173)	(31,815)	18,384	(111,906)

(in thousands of Euros)	As 31 December 2012	Recog-nized in OCI	Recognized on acquisition of subsidiaries	Recognized in income statement	Currency translation difference	As at 31 December 2013
Deferred tax assets						
Tax loss recoverable	93	-	-	(89)	(4)	-
Inventories	55	-	-	(34)	(2)	19
Trade and other accounts receivable and prepayments	205	-	-	185	(18)	372
Trade and other accounts payable	37	-	-	318	(10)	345
Loans and borrowings	-	-	-	570	(15)	555
Set off of tax	(381)	-	-	(960)	50	(1,291)
	9	-	-	(10)	1	-
Deferred tax liabilities						
Property, plant and equipment	(6,219)	(2,548)	(2,923)	512	553	(10,625)
Investments	(525)	-	-	50	34	(441)
Inventories	-	-	-	-	-	-
Biological assets	(38)	-	-	36	2	-
Loans and borrowings	(88)	-	-	86	2	-
Trade and other accounts payable	-	-	-	-	-	-
Set off of tax	381	-	-	960	(50)	1,291
	(6,489)	(2,548)	(2,923)	1,644	541	(9,775)

30. SEGMENT REPORTING

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

At 31 December 2014 and 2013, the group is organized into four main operating/reportable segments:

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

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

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

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

In the years ended 31 December 2014 and 2013 there were no revenues from transactions with a single external customer totalling 10% or more of Group's revenue.

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

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

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

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

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

(in thousands of Ukrainian hryvnias)	Production and wholesale distribution of sugar		Agriculture		Cattle farming		Other businesses	
	2014	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**
Total revenues	**2,668,201**	2,134,687	**3,015,546**	2,032,998	**460,209**	362,710	**94,561**	104,297
Inter-segment revenues	**-**	-	**1,899,263**	1,101,337	**-**	-	**-**	-
Revenues from external customers	**2,668,201**	2,134,687	**1,116,283**	931,661	**460,209**	362,710	**94,561**	104,297
Total cost of revenues	**(1,941,378)**	(1,881,196)	**(2,889,122)**	(2,019,050)	**(374,660)**	(283,739)	**(90,640)**	(97,679)
Inter-segment cost of revenues	**-**	-	**(1,899,263)**	(1,101,337)	**-**	-	**-**	-
Cost of revenues	**(1,941,378)**	(1,881,196)	**(989,859)**	(917,713)	**(374,660)**	(283,739)	**(90,640)**	(97,679)
Changes in fair value of biological assets and agricultural produce	**-**	-	**664,449**	489,206	**33,164**	11,584	**-**	-
Gross profit	**726,823**	253,491	**790,873**	503,154	**118,713**	90,555	**3,921**	6,618
Other operating income	**117**	3,209	**245,327**	4,439	**14,172**	120,468	**21**	223
General and administrative expense	**(133,029)**	(88,291)	**(74,656)**	(52,793)	**(21,544)**	(14,958)	**(4,234)**	(7,567)
Selling and distribution expense	**(103,750)**	(111,585)	**(178,982)**	(111,212)	**(9,577)**	(5,121)	**(1,329)**	(1,505)
Other operating expense	**(4,083)**	(4,101)	**(32,635)**	(20,547)	**(710)**	(2,418)	**(40)**	(7)
Profit (loss) from operations	**486,078**	52,723	**749,927**	323,041	**101,054**	188,526	**(1,661)**	(2,238)
Foreign currency exchange gain (loss)	**-**	-	**-**	-	**-**	-	**-**	-
Interest expense	**(42,413)**	(39,933)	**(14,311)**	(33,569)	**(25)**	(21)	**(6,789)**	(1,845)
Interest income	**-**	-	**-**	-	**-**	-	**-**	-
Other income (expense)	**-**	-	**-**	-	**-**	-	**-**	-
Share in loss of associate	**-**	(15,707)	**-**	-	**-**	-	**-**	-
Gain on acquisition of subsidiaries	**-**	128,491	**-**	-	**-**	-	**-**	-
Profit (loss) before tax	**443,665**	125,574	**735,616**	289,472	**101,029**	188,505	**(8,450)**	(4,083)
Taxation	**-**	-	**-**	-	**-**	-	**-**	-
Net profit (loss)	**443,665**	125,574	**735,616**	289,472	**101,029**	188,505	**(8,450)**	(4,083)
Total assets								
Consolidated total assets	**3,221,868**	2,590,389	**3,974,279**	3,647,868	**1,028,119**	886,380	**59,779**	144,976
Total liabilities								
Consolidated total liabilities	**793,965**	591,903	**861,676**	813,037	**57,211**	37,042	**584,453**	8,266
Other segment information:								
Depreciation and amortisation	**135,526**	91,904	**218,744**	169,396	**20,695**	14,495	**2,699**	2,819
Additions to non-current assets:								
Property, plant and equipment	**92,360**	342,495	**108,756**	203,487	**17,701**	26,260	**5,131**	42,310
Intangible assets	**-**	-	**-**	13,890	**-**	-	**-**	-
Biological non-current assets	**-**	-	**-**	-	**6,530**	3,597	**-**	-

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

(in thousands of Ukrainian hryvnias)	Soybean processing		Unallocated		Total	
	2014	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**
Total revenues	**1,159,578**	-	**-**	-	**7,398,095**	4,634,692
Inter-segment revenues	**-**	-	**-**	-	**1,899,263**	1,101,337
Revenues from external customers	**1,159,578**	-	**-**	-	**5,498,832**	3,533,355
Total cost of revenues	**(830,701)**	-	**-**	-	**(6,126,501)**	(4,281,664)
Inter-segment cost of revenues	**-**		**-**	-	**(1,899,263)**	(1,101,337)
Cost of revenues	**(830,701)**	-	**-**	-	**(4,227,238)**	(3,180,327)
Changes in fair value of biological assets and agricultural produce	**-**	-	**-**	-	**697,613**	500,790
Gross profit	**328,877**	-	**-**	-	**1,969,207**	853,818
Other operating income	**-**	24	**10,777**	2,005	**270,414**	130,368
General and administrative expense	**(19,022)**	(2,955)	**(109,918)**	(84,581)	**(362,403)**	(251,145)
Selling and distribution expense	**(29,154)**	(61)	**(25,199)**	(18,633)	**(347,991)**	(248,117)
Other operating expense	**(1,022)**	(238)	**(127,665)**	(120,233)	**(166,155)**	(147,544)
Profit (loss) from operations	**279,679**	(3,230)	**(252,005)**	(221,442)	**1,363,072**	337,380
Foreign currency exchange gain (loss)	**-**	-	**(2,005,307)**	(44,457)	**(2,005,307)**	(44,457)
Interest expense	**(23,767)**	(1,369)	**(222,551)**	(128,425)	**(309,856)**	(205,162)
Interest income	**-**	-	**11,173**	12,501	**11,173**	12,501
Other income (expense)	**-**	-	**(51,547)**	(18,877)	**(51,547)**	(18,877)
Share in loss of associate	**-**	-	**-**	-	**-**	(15,707)
Gain on acquisition of subsidiaries	**-**	-	**-**	-	**-**	128,491
Profit (loss) before tax	**255,912**	(4,599)	**(2,520,237)**	(400,700)	**(992,465)**	194,169
Taxation	**-**	-	**(15,443)**	12,050	**(15,443)**	12,050
Net profit (loss)	**255,912**	(4,599)	**(2,535,680)**	(388,650)	**(1,007,908)**	206,219
Total assets						
Consolidated total assets	**441,042**	241,106	**1,017,182**	424,053	**9,742,269**	7,934,772
Total liabilities						
Consolidated total liabilities	**510,798**	430,492	**2,698,150**	1,811,684	**5,506,253**	3,692,424
Other segment information:						
Depreciation and amortisation	**16,050**	62	**5,472**	15,129	**399,186**	293,805
Additions to non-current assets:						
Property, plant and equipment	**92,459**	225,026	**-**	4,747	**316,407**	844,325
Intangible assets	**-**	-	**1,587**	2,259	**1,587**	16,149
Biological non-current assets	**-**	-	**-**	-	**6,530**	3,597

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

(in thousands of Euros)	Production and wholesale distri-bution of sugar		Agriculture		Cattle farming		Other businesses	
	2014	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**
Total revenues	**170,754**	197,583	**192,982**	188,171	**29,451**	33,572	**6,052**	9,654
Inter-segment revenues	**-**	-	**121,545**	101,938	**-**	-	**-**	-
Revenues from external customers	**170,754**	197,583	**71,437**	86,233	**29,451**	33,572	**6,052**	9,654
Total cost of revenues	**(123,077)**	(173,218)	**(184,299)**	(185,998)	**(23,752)**	(26,126)	**(5,747)**	(8,994)
Inter-segment cost of revenues	**-**	-	**(121,545)**	(101,497)	**-**	-	**-**	-
Cost of revenues	**(123,077)**	(173,218)	**(62,754)**	(84,501)	**(23,752)**	(26,126)	**(5,747)**	(8,994)
Changes in fair value of biological assets and agricultural produce	**-**	-	**44,771**	46,177	**2,235**	1,101	**-**	-
Gross profit	**47,677**	24,365	**53,454**	47,909	**7,934**	8,547	**305**	660
Other operating income	**7**	291	**13,851**	403	**800**	10,786	**1**	20
General and administrative expense	**(8,513)**	(8,115)	**(4,777)**	(4,852)	**(1,379)**	(1,375)	**(271)**	(695)
Selling and distribution expense	**(6,422)**	(10,189)	**(11,079)**	(10,155)	**(593)**	(468)	**(82)**	(137)
Other operating expense	**(245)**	(372)	**(1,956)**	(1,863)	**(43)**	(219)	**(2)**	(1)
Profit (loss) from operations	**32,504**	5,980	**49,493**	31,442	**6,719**	17,271	**(49)**	(153)
Foreign currency exchange gain (loss)	**-**	-	**-**	-	**-**	-	**-**	-
Interest expense	**(2,856)**	(3,688)	**(964)**	(3,100)	**(2)**	(2)	**(457)**	(170)
Interest income	**-**	-	**-**	-	**-**	-	**-**	-
Other income (expense)	**-**	-	**-**	-	**-**	-	**-**	-
Share in loss of associate	**-**	(1,401)	**-**	-	**-**	-	**-**	-
Gain on acquisition of subsidiaries	**-**	12,108	**-**	-	**-**	-	**-**	-
Profit (loss) before tax	**29,648**	12,999	**48,529**	28,342	**6,717**	17,269	**(506)**	(323)
Taxation	**-**	-	**-**	-	**-**	-	**-**	-
Net profit (loss)	**29,648**	12,999	**48,529**	28,342	**6,717**	17,269	**(506)**	(323)
Total assets								
Consolidated total assets	**167,519**	226,234	**206,640**	318,591	**53,456**	77,413	**3,108**	12,662
Total liabilities								
Consolidated total liabilities	**41,282**	51,695	**44,802**	71,008	**2,975**	3,235	**30,388**	722
Other segment information:								
Depreciation and amortisation	**8,612**	8,487	**13,900**	15,643	**1,315**	1,339	**171**	260
Additions to non-current assets:								
Property, plant and equipment	**5,868**	31,809	**6,911**	18,899	**1,125**	2,439	**326**	3,930
Intangible assets	**-**	-	**-**	1,283	**-**	-	**-**	-
Biological non-current assets	**-**	-	**-**	-	**485**	332	**-**	-

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

(in thousands of Euros)	Soybean processing 2014	Soybean processing 2013 restated	Unallocated 2014	Unallocated 2013 restated	Total 2014	Total 2013 restated
Total revenues	**74,208**	-	**-**	-	**473,447**	428,980
Inter-segment revenues	**-**	-	**-**	-	**121,545**	101,938
Revenues from external customers	**74,208**	-	**-**	-	**351,902**	327,042
Total cost of revenues	**(52,664)**	-	**-**	-	**(389,539)**	(394,336)
Inter-segment cost of revenues	**-**	-	**-**	-	**(121,545)**	(101,497)
Cost of revenues	**(52,664)**	-	**-**	-	**(267,994)**	(292,839)
Changes in fair value of biological assets and agricultural produce	**-**	-	**-**	-	**47,006**	47,278
Gross profit	**21,544**	-	**-**	-	**130,914**	81,481
Other operating income	**-**	2	**608**	182	**15,267**	11,684
General and administrative expense	**(1,217)**	(272)	**(7,034)**	(7,774)	**(23,191)**	(23,083)
Selling and distribution expense	**(1,805)**	(6)	**(1,559)**	(1,700)	**(21,540)**	(22,655)
Other operating expense	**(61)**	(22)	**(7,653)**	(10,901)	**(9,960)**	(13,378)
Profit (loss) from operations	**18,461**	(298)	**(15,638)**	(20,193)	**91,490**	34,049
Foreign currency exchange gain (loss)	**-**	-	**(130,035)**	(4,093)	**(155,035)**	(4,093)
Interest expense	**(1,600)**	(126)	**(14,986)**	(11,817)	**(20,865)**	(18,903)
Interest income	**-**	-	**752**	1,151	**752**	1,151
Other income (expense)	**-**	-	**(3,526)**	(1,688)	**(3,526)**	(1,688)
Share in loss of associate	**-**	-	**-**	-	**-**	(1,401)
Gain on acquisition of subsidiaries	**-**	-	**-**	-	**-**	12,108
Profit (loss) before tax	**16,861**	(424)	**(168,433)**	(36,640)	**(67,184)**	21,223
Taxation	**-**	-	**(892)**	1,077	**(892)**	1,077
Net profit (loss)	**16,861**	(424)	**(169,325)**	(35,563)	**(68,076)**	22,300
Total assets						
Consolidated total assets	**22,932**	21,057	**52,885**	37,036	**506,540**	692,993
Total liabilities						
Consolidated total liabilities	**26,559**	37,598	**140,288**	158,226	**286,294**	322,484
Other segment information:						
Depreciation and amortisation	**1,020**	6	**349**	1,398	**25,367**	27,133
Additions to non-current assets:						
Property, plant and equipment	**5,875**	20,899	**-**	454	**20,105**	78,430
Intangible assets	**-**	-	**101**	234	**101**	1,517
Biological non-current assets	**-**	-	**-**	-	**415**	332

Geographic information:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013 restated**	**2014**	**2013 restated**
Revenue from external customers				
Ukraine	**4,183,895**	2,812,748	**267,752**	260,344
Eurozone	**1,244,850**	529,151	**79,665**	48,977
CIS	**21,395**	167,660	**1,369**	15,518
Asia	**48,692**	23,796	**3,116**	2,203
	5,498,832	3,533,355	**351,902**	327,042

31. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

Financial instruments as at 31 December 2014 are as follows:

(in thousands of Ukrainian hryvnias)	**Loans and receivables**	**Financial instruments available-for-sale**	**Total**
31 December 2014			
Financial assets as per statement of financial position			
Long-term receivables	**751**	-	**751**
Financial assets available-for-sale	-	-	-
Trade accounts receivable	**252,351**	-	**252,351**
Other accounts receivable	**45,346**	-	**45,346**
Short-term deposits	**423,575**	-	**423,575**
Cash and cash equivalents	**246,861**	-	**246,861**
	968,884	-	**968,884**

(in thousands of Ukrainian hryvnias)	**Liabilities at amortized cost**
Financial liabilities as per statement of financial position	
Loans and borrowings	**4,834,504**
Trade accounts payable	**95,609**
Non-controlling interests relating to limited liability companies	**112,073**
Other long-term liabilities	**9,031**
Other accounts payable	**232,564**
	5,283,781

(in thousands of Euros)	Loans and receivables	Financial instruments available-for-sale	Total
31 December 2014			
Financial assets as per statement of financial position			
Long-term receivables	**39**	-	**39**
Financial assets available-for-sale	-	-	-
Trade accounts receivable	**13,121**	-	**13,121**
Other accounts receivable	**2,359**	-	**2,359**
Short-term deposits	**22,023**	-	**22,023**
Cash and cash equivalents	**12,835**	-	**12,835**
	50,377	-	**50,377**

(in thousands of Euros)	Liabilities at amortized cost
Financial liabilities as per statement of financial position	
Loans and borrowings	**251,366**
Trade accounts payable	**4,971**
Non-controlling interests relating to limited liability companies	**5,827**
Other long-term liabilities	**470**
Other accounts payable	**12,092**
	274,726

Financial instruments as at 31 December 2013 are as follows:

(in thousands of Ukrainian hryvnias)	Loans and receivables	Financial instruments available-for-sale	Total
31 December 2013			
Financial assets as per statement of financial position			
Long-term receivables	764	-	764
Financial assets available-for-sale	-	7,946	7,946
Trade accounts receivable	326,065	-	326,065
Other accounts receivable	48,253	-	48,253
Short-term deposits	47,484	-	47,484
Cash and cash equivalents	29,472	-	29,472
	452,038	7,946	459,984

(in thousands of Ukrainian hryvnias)	Liabilities at amortized cost
Financial liabilities as per statement of financial position	
Loans and borrowings	3,103,308
Trade accounts payable	131,511
Non-controlling interests relating to limited liability companies	87,718
Other long-term liabilities	17,803
Other accounts payable	162,315
	3,502,655

(in thousands of Euros)	Loans and receivables	Financial instruments available-for-sale	Total
31 December 2013			
Financial assets as per statement of financial position			
Long-term receivables	67	-	67
Financial assets available-for-sale	-	694	694
Trade accounts receivable	28,477	-	28,477
Other accounts receivable	4,215	-	4,215
Short-term deposits	4,147	-	4,147
Cash and cash equivalents	2,574	-	2,574
	39,480	694	40,174

(in thousands of Euros)	Liabilities at amortized cost
Financial liabilities as per statement of financial position	
Loans and borrowings	271,032
Trade accounts payable	11,486
Non-controlling interests relating to limited liability companies	7,661
Other long-term liabilities	1,554
Other accounts payable	14,176
	305,909

In 2013 the Company used derivative contracts to hedge risk related to price volatility which were closed as at 31 December 2013. As result of hedge transactions the Company received gain in amount of UAH 10,729 thousand or EUR 988 thousand.

32. FINANCIAL RISK MANAGEMENT

a) Overview

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

- credit risk
- liquidity risk
- market risk.

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

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

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

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

b) Credit risk

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

c) Trade accounts receivable

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

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

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

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 December 2014 and 2013 no guarantees are outstanding.

d) Credit quality of financial assets

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

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Trade receivables neither past due nor impaired				
Counterparties with external credit rating (Standard & Poor's)				
A	**10,310**	13,986	**536**	1,221
BBB+	**-**	16,778	**-**	1,465
BBB	**-**	6,159	**-**	538
Counterparties without external credit rating				
Group A	**-**	130,647	**-**	11,410
Group B	**145,203**	14,480	**7,550**	1,265
Past due trade receivables	**96,838**	144,015	**5,035**	12,578
	252,351	326,065	**13,121**	28,477

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

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

In the year ended 31 December 2014 approximately 10% of revenues (2013: 14%) are derived from two customers. Receivables from these customers as at 31 December 2014 equal UAH 14,348 thousand or EUR 1,253 thousand (2013: UAH 24,681 thousand, EUR 2,311 thousand).

The credit quality of cash deposits by external credit rating:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Banks with external credit rating (Moody's):				
Short-term deposits				
Baa1	**423,575**	-	**22,023**	-
Banks without external credit rating:				
Group A	**-**	47,484	**-**	4,147
Long-term deposits				
Caa2	**-**	-	**-**	-
	423,575	47,484	**22,023**	4,147

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Cash and cash equivalents				
Banks with external credit rating (Moody's):				
A1	**7,994**	–	**416**	-
A2	**154,441**	19,984	**8,030**	1,745
A3	**-**	5,034	**-**	440
B1	**404**	-	**21**	-
Baa1	**17,666**	-	**918**	-
Baa2	**63,896**	-	**3,322**	-
Ba3	**-**	13	**-**	1
Ca	**1,672**		**87**	
Caa2	**-**	3,040	**-**	266
Caa3	**69**	116	**4**	10
Banks without external credit rating:				
Group A	**544**	1,042	**28**	91
Group B	**-**	13	**-**	2
Cash on hand	**175**	230	**9**	19
	246,861	29,472	**12,835**	2,574

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

The Group keeps cash and deposits mostly in Ukrainian banks, which are subsidiaries of reputable foreign banks. In 2014 the Group continued to work with the same banks as in 2013. The geographic location of the Group's customers is presented in the table below:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Trade receivables neither past due nor impaired				
Ukraine	**103,061**	180,210	**5,359**	15,738
Switzerland	**50,186**	-	**2,609**	-
Asia	**1,282**	1,840	**67**	161
EU	**984**	-	**51**	-
Past due trade receivables	**96,838**	144,015	**5,035**	12,578
	252,351	326,065	**13,121**	28,477

e) Liquidity risk

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

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

Because of significant devaluation of UAH in February 2015, the Group breached financial covenants as at 31 March 2015. According to the quarterly budgets for 2015 and 2016 updated by management in March 2015, the Group is likely to continue to be in breach of certain financial covenants under IFC loan during 2015. The Group received waivers from some banks and letters from other banks in respect of expected non-compliances in 2015. Based on the received waivers and letters, the management believes that the banks will not demand accelerated repayment of the loans because of breaches of covenants in 2015. Refer to Note 2 (b) for details.

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

31 December 2014

(in thousands of Ukrainian hryvnias)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
Bank loans	**4,815,144**	**4,876,213**	**2,804,301**	**956,793**	**1,115,119**
Finance lease liabilities	**19,360**	**19,360**	**8,696**	**7,309**	**3,355**
Interest payable	**41,724**	**656,539**	**244,891**	**153,617**	**258,031**
Trade and other accounts payable	**208,242**	**208,242**	**208,242**	**-**	**-**
	5,084,470	**5,760,354**	**3,266,130**	**1,117,719**	**1,376,505**

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
Bank loans	**250,360**	**253,536**	**145,808**	**49,748**	**57,980**
Finance lease liabilities	**1,006**	**1,006**	**452**	**380**	**174**
Interest payable	**2,169**	**34,136**	**12,733**	**7,987**	**13,416**
Trade and other accounts payable	**10,828**	**10,828**	**10,828**	**-**	**-**
	264,363	**299,506**	**169,821**	**58,115**	**71,570**

31 December 2013

(in thousands of Ukrainian hryvnias)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
Bank loans	3,096,449	3,150,413	1,810,070	395,132	945,211
Finance lease liabilities	6,859	6,859	2,467	2,565	1,827
Interest payable	25,053	467,012	140,881	86,947	239,184
Trade and other accounts payable	268,773	268,773	268,773	-	-
	3,397,134	3,893,057	2,222,191	484,644	1,186,222

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
Bank loans	270,433	275,146	158,086	34,509	82,551
Finance lease liabilities	599	599	215	224	160
Interest payable	2,075	40,787	12,304	7,594	20,889
Trade and other accounts payable	23,587	21,029	21,029	-	-
	296,694	337,561	191,634	42,327	103,600

f) Market risk

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

Currency risk

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

(in thousands of Ukrainian hryvnias)		**2014**		**2013**
	EUR	**USD**	**EUR**	**USD**
Trade accounts receivable	**-**	**61,276**	-	13,299
Other accounts receivable	**17,007**	**100,227**	145	66
Short-term deposits	**-**	**423,575**	-	7,972
Cash and cash equivalents	**18**	**190,080**	54	20,395
Bank loans	**(251,891)**	**(3,258,064)**	(181,876)	(2,214,818)
Trade accounts payable	**(1,812)**	**(25,272)**	(2,042)	(16,691)
Other liabilities and accounts payable	**(778)**	**(2,589)**	(2,219)	(53,582)
Net exposure	**(237,456)**	**(2,510,767)**	(185,938)	(2,243,359)

(in thousands of Euros)		**2014**		**2013**
	EUR	**USD**	**EUR**	**USD**
Trade accounts receivable	**-**	**3,186**	-	1,161
Other accounts receivable	**884**	**5,211**	13	6
Short-term deposits	**-**	**22,023**	-	696
Cash and cash equivalents	**1**	**9,883**	5	1,782
Bank loans	**(13,097)**	**(169,400)**	(15,884)	(193,432)
Trade accounts payable	**(94)**	**(1,314)**	(178)	(1,458)
Other liabilities and accounts payable	**(40)**	**(135)**	(194)	(4,680)
Net exposure	**(12,346)**	**(130,546)**	(16,238)	(195,925)

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

pre-tax profit	(Effect in thousands of Ukrainian hryvnias)		(Effect in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Weakening of UAH, %	**50%**	**50%**	**50%**	**50%**
USD	**(1,255,384)**	(1,122,712)	**(65,273)**	(98,053)

pre-tax profit	(Effect in thousands of Ukrainian hryvnias)		(Effect in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Weakening of UAH, %	**30%**	**30%**	**30%**	**30%**
EUR	**(71,237)**	(55,781)	**(3,704)**	(4,872)

As is stated under note 2 (i) the consolidated financial statements are presented in UAH. For the benefit of certain users, the Group also presents all numerical information in EUR. A weakening of the Ukrainian hryvnia against the EUR by 30% as at 31 December 2014 would have decreased total equity presented in UAH by UAH 314,715 thousand. A weakening of the Ukrainian hryvnia against the EUR by 30% as at 31 December 2014 would have decreased total equity presented in EUR by EUR 47,854 thousand. This analysis assumes that all other variables, in particular interest rates, remain constant.

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

Interest rate risk

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

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013 (restated)**	**2014**	**2013 (restated)**
Fixed rate instruments				
Financial liabilities	**(1,457,374)**	(883,914)	**(75,775)**	(77,198)
Variable rate instruments				
Financial liabilities	**(3,377,130)**	(2,219,394)	**(175,591)**	(193,834)

The floating interest rates reflect the real market price for the facility utilized by the company which is often based on London interbank offered rate for loans nominated in US dollars. Taking into account possible growth of interest rates based on London interbank offered rate in the future periods Management attempts to mitigate the interest rates risks by negotiating with banking institutions the introduction of the corresponding hedging mechanisms. The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model.

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

	Increase (decrease) in interest rate	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
		2014	**2013**	**2014**	**2013**
Euribor	1.00%	**(2,468)**	(1,788)	**(128)**	(156)
Euribor	-0.25%	**617**	447	**32**	39
Libor	1.00%	**(31,203)**	(19,211)	**(1,622)**	(1,678)
Libor	-0.25%	**7,801**	4,803	**406**	419
Kievprime	1.00%	**(100)**	(1,194)	**(5)**	(104)
Kievprime	-0.25%	**25**	299	**1**	26

Other market price risk

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

g) Fair values of financial instruments

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

As at 31 December 2014 and 2013, the carrying value of the Group's financial instruments approximates their fair values, except for long-term loans. Fair value of loans is UAH 226,924 thousand (2013: UAH 152,433 thousand) higher than their carrying value. The fair value of the loans was estimated by discounting the expected future cash outflows by a market interest rate of 7% (2013: 6%) and is within level 2 of the fair value hierarchy.

33. COMMITMENTS

a) Social commitments

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

b) Operating leases

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

The Group leases plough-land and industrial land under non-cancellable lease agreements in its normal course of business. The leases typically run for an initial period of five to ten years, with an option to renew the lease after that date. Lease payments recognized as an expense in 2014 are UAH 318,867 thousand or EUR 20,262 thousand (2013: UAH 260,009 thousand or EUR 24,012 thousand).

Future minimum lease payments under non-cancellable operating leases as at 31 December are as follows:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Less than one year	**275,227**	241,675	**14,310**	21,107
From one to five years	**587,664**	503,318	**30,555**	43,958
More than five years	**515,126**	298,986	**26,784**	26,112
	1,378,017	1,043,979	**71,649**	91,177

c) Financial leases

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Minimal lease payments:				
Less than one year	**8,335**	6,579	**433**	617
From one to two years	**6,530**	204	**340**	19
More than two years	**2,872**	284	**149**	27
	17,737	7,067	**922**	663
Future finance charges on finance leases	**(1,604)**	(488)	**(83)**	(46)
Present value of minimal lease payments	**16,133**	6,579	**839**	617
Less than one year	**7,247**	6,138	**377**	575
From one to two years	**6,091**	177	**317**	17
More than two years	**2,795**	264	**145**	25
	16,133	6,579	**839**	617

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Long-term finance lease liabilities:				
Present value of minimal lease payments	**8,886**	441	**460**	42
VAT liability under finance lease	**1,778**	88	**92**	8
	10,664	529	**552**	50
Current portion of long-term finance lease liabilities:				
Present value of minimal lease payments	**7,247**	6,138	**379**	575
VAT liability under finance lease	**1,449**	1,227	**74**	115
	8,696	7,365	**453**	690
	19,360	7,894	**1,005**	740

d) Contractual commitments

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

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Sales commitments:				
Sugar and by-products	**55,436**	198,921	**2,882**	17,373
	55,436	198,921	**2,882**	17,373
Purchase commitments:				
Property, plant and equipment	**699**	-	**36**	-
Professional services	**500**	505	**26**	44
Materials	**68**	652	**4**	57
Transportation	**-**	129	**-**	11
	1,267	1,286	**66**	112
	56,703	200,207	**2,948**	17,485

34. TAX AND LEGAL MATTERS

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

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

Also, during the reporting period three Group's subsidiaries were involved in litigations with the tax authorities with the total exposure of UAH 62,993 thousand. The litigations are related to the results of the tax authorities' audits. Management believes that the outflow of resources is not probable, therefore, no provision was recognized in relation to these litigations.

The Group's operations and financial position will continue to be affected by Ukrainian political developments including the application of existing and future legislation and tax regulations.

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

35. RELATED PARTY TRANSACTIONS

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

As at 31 December 2014 the Group did not recognize allowance on balances due from related parties (2013: UAH 280 thousand or EUR 24 thousand).

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

(in thousands of Ukrainian hryvnias)	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
Companies under common control	**5**	**3,529**	**16,936**	**44,371**
Joint venture	-	-	-	-
Associate	-	-	**1,022**	**171**
	5	**3,529**	**17,958**	**44,542**

(in thousands of Euros)	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
Companies under common control	-	**224**	**881**	**2,307**
Joint venture	-	-	-	-
Associate	-	-	**53**	**9**
	-	**224**	**934**	**2,316**

The following table summarises transactions that have been entered into with related parties for the year ended 31 December 2013 as well as balances with related parties as at 31 December 2013:

(in thousands of Ukrainian hryvnias)	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
Companies under common control	52	1,880	9,955	84,709
Joint venture	18,411	8,828	2,721	3,529
Associate	26	-	958	171
	18,489	10,708	13,634	88,409

(in thousands of Euros)	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
Companies under common control	5	174	869	7,398
Joint venture	1,700	815	238	308
Associate	2	-	84	15
	1,707	989	1,191	7,721

Other transactions

Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 2.82% of Astarta Holding N.V. issued shares in equal parts (2013: 2.82%) (Note 19). In 2014, the Group's expenses in relation to this pledge are UAH 33,252 thousand or EUR 2,152 thousand (2013: UAH 39,133 thousand or EUR 3,603 thousand). The consideration paid by the Group does not exceed the market consideration for similar types of transactions. As at 31 December 2014, UAH 21,822 thousand (EUR 1,134 thousand) remained unpaid.

As at 31 December 2014, the Group had a USD denominated loan from the entity under control of a shareholder of UAH 16,715 thousand (2013: UAH 81,601 thousand) or EUR 869 thousand (2013: EUR 7,127 thousand) bearing an interest of 9.4% p.a. and a EUR denominated loan of UAH 5,097 thousand (2013: UAH 3,034 thousand) or EUR 265 thousand (2013: EUR 265 thousand) bearing an interest of 9.4% p.a.

Management remuneration

The total remuneration of executive and non-executive Board members is specified below:

	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
	2014	**2013**	**2014**	**2013**
Viktor Ivanchyk	**2,436**	2,972	**155**	273
Petro Rybin	**2,436**	4,430	**155**	407
Viktor Gladkyi	**2,592**	-	**165**	-
Marc van Campen	**551**	381	**35**	35
Valery Korotkov	**551**	381	**35**	35
Wladyslaw Bartoszewski	**551**	381	**35**	35
	9,117	8,545	**580**	785

Remuneration of key management for the year ended 31 December 2014 is UAH 9,117 thousand or EUR 580 thousand (2013: UAH 8,545 thousand or EUR 785 thousand). Key management are those having the authority and responsibility for planning, directing and controlling the activities of the Group (totalling five persons). In 2014 bonuses and part of annual remuneration accrued for Mr.Ivanchyk of

EUR 150 thousand (2013: EUR 144 thousand) and EUR 61 thousand were allocated for charity and not included to the table above. Bonuses accrued for Mr.Rybin of EUR 67.5 thousand (2013: EUR 144 thousand) and Mr. Gladky of EUR 67.5 thousand (2013: nil) are included into the table above. Mr. Gladky replaced Mr. Rybin after his retirement in June 2014.

36. EVENTS SUBSEQUENT TO THE REPORTING DATE

From 1 January 2015 and up to the date of the issuance of these consolidated financial statements, the Ukrainian Hryvnia (the "UAH") depreciated by approximately 49% against US Dollar and by approximately 31% against Euro calculated based on the National Bank of Ukraine (the "NBU") exchange rates.

Because of significant devaluation of UAH in February 2015, the Group breached some of the financial covenants as at 31 March 2015. According to the quarterly budgets for 2015 and 2016 as updated by management in March 2015, the Group is likely to continue to be in breach of certain financial covenants under IFC loan during 2015. The Group received waivers from some banks and letters from other banks in respect of non-compliances in 2015. Based on the received waivers and letters stating that the banks have no intention to disengage with the Group, the management believes that the banks will not demand accelerated repayment of the loans because of breaches of covenants in 2015. Refer to Note 2 (b) for details.

Acquisitions

On 23 January 2015, the Group acquired 99.98% ownership interest in agricultural company LLC "Savytsi Agro" incorporated in Ukraine for cash consideration of UAH 11,746 thousand or EUR 462 thousand. The purchase consideration consisted only of cash, and the direct costs related to this acquisition are not significant. The Group has not yet finalized purchase price allocation.

COMPANY FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2014

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

(before appropriation of the result)

(in thousands of Euros)		2014	2013 Restated
Assets			
Non-current assets			
Investments in subsidiaries	3	**234,640**	379,005
Other long-term assets		**6**	30
		234,646	379,035
Current assets			
Cash and cash equivalents	4	**29**	87
Other accounts receivable		**12**	20
		41	107
Total assets		**234,687**	379,142
Shareholders' equity and liabilities			
Equity			
Share capital	5	**250**	250
Additional paid-in capital		**55,638**	55,638
Retained earnings		**242,933**	223,706
Revaluation reserve on biological assets		**57,309**	47,565
Revaluation reserve on property, plant and equipment		**115,075**	80,490
Currency translation adjustment		**(182,930)**	(59,528)
Unallocated result for the year		**(68,061)**	22,330
Total equity		**220,214**	370,451
Non-current liabilities			
Loans and borrowings	6	**1,577**	4,177
Long-term loan from subsidiary	6	**8,582**	711
		10,159	4,888
Current liabilities			
Current portion of long-term loans and borrowings	6	**3,153**	2,785
Other liabilities and accounts payable	7	**1,161**	1,018
		4,314	3,803
Total equity and liabilities		**234,687**	379,142

The statement of financial position is to be read in conjunction with the notes to and forming part of the company financial statements set out on pages 175 to 183.

COMPANY INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

(in thousands of Euros)		**2014**	**2013 Restated**
Net income from subsidiaries and associated companies		**(64,333)**	26,406
Other net expense, after taxation	8	**(3,728)**	(4,076)
Net profit (loss)		**(68,061)**	22,330

The income statement is to be read in conjunction with the notes to and forming part of the company statements set out on pages 175 to 183.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. GENERAL

ASTARTA Holding N.V. (the Company) is a Dutch public company with limited liability, incorporated in Amsterdam on 9 June 2006. The Company acts as a holding company for a number of entities operating in the agricultural sector in Ukraine.

These financial statements are prepared in accordance with Section 9, Book 2 of the Netherlands Civil Code. In conformity with article 402 of Book 2 Section 9 of the Netherlands Civil Code, a condensed income statement is included in the separate financial statements of the parent company.

Information on the use of financial instruments and on related risks for the Group has been provided under note 32 of the financial statements.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in Article 362-8 of Book 2 Section 9 of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company's financial statements are the same as those applied for the consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by EU. Investments in subsidiaries are stated at net asset value. These consolidated financial statements are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union (hereinafter referred to as EU-IFRS).

Basis of recognition of participations in subsidiaries

Investments in subsidiaries are valued using the equity method, determined applying the IFRS accounting policies as described in the consolidated financial statements. The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealized.

Restatement

1. The restatement in 2013 information was caused by a change in accounting policy with respect to the privileged VAT regime, enjoyed by agrarian subsidiaries of the Company.

2. Additionally, in 2014, the Group identified additional unrealized gains attributable to cattle and excluded unrealized revaluation gain attributable to agricultural produce, for which frequent market quotations are available, from non-distributable reserves. As a result, at 31 December 2013, EUR 287 thousand was reclassified from retained earnings to revaluation reserve of biological assets.

The effect of the restatements on the revaluation reserve on biological assets as at 31 December 2013 is presented in the table below:

(in thousands of Euros)	As previously reported	Restatement 1)	Restatement 2)	As restated
Share capital	250			250
Additional paid-in capital	55,638			55,638
Retained earnings	245,810	(21,817)	(287)	223,706
Revaluation reserve on biological assets	42,273	5,005	287	47,565
Revaluation reserve on property, plant and equipment	80,490			80,490
Currency translation reserve	(61,406)	1,878		(59,528)
Unallocated result for the year	25,707	(3,377)		22,330
Total equity	**388,762**	**(18,311)**		**370,451**
Investments in subsidiaries	397,316	(18,311)		379,005

For other effects of restatement (1) refer to note 4 of the consolidated financial statements.

The effect of the restatements on the revaluation reserve on biological assets as at 31 December 2012 is presented in the table below:

(in thousands of Euros)	As previously re-ported	1)	2)	As restated
Share capital	250			250
Additional paid-in capital	55,638			55,638
Retained earnings and unallocated result for the year	240,766	(19,381)	(208)	221,177
Revaluation reserve on biological assets	41,166	2,789	208	44,163
Revaluation reserve on property, plant and equipment	40,157			40,157
Currency translation reserve	(34,180)	490		(33,690)
Total equity	**343,797**	**(16,102)**	**-**	**327,695**
Investments in subsidiaries	348,028	(16,102)		331,926

3. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2014 and 2013 the Company owns 100% of the shares of Ancor Investments Ltd, a subsidiary based in Cyprus. These shares were received in July 2006 in exchange for a contribution-in-kind transaction.

(in thousands of Euros)	2014	2013 Restated
Balance as at 1 January	**379,005**	331,926
Net income	**(64,333)**	26,406
Increase in reserves	**43,370**	46,021
Translation differences	**(123,402)**	(25,348)
Balance as at 31 December	**234,640**	379,005

For a list of subsidiaries, joint ventures and associate refer to note 2 of the consolidated financial statements.

4. CASH

As at 31 December 2014, amount of cash is EUR 29 thousand (2013: EUR 87 thousand). There is no restricted cash.

5. EQUITY

The authorized share capital as at 31 December 2014 and 2013 amounts to EUR 300,000 and consists of 30,000,000 ordinary shares with a nominal value of EUR 0.01 each. As at 31 December 2014, 25,000,000 shares are issued and fully paid. Pursuant to the Dutch regulation “Disclosure of Remuneration of Board Members Act”, the total number of shares held by executive and non-executive Board members, and third parties is specified below:

	2014	2013
Astarta Holding N.V.		
Viktor Ivanchyk through his wholly owned Cypriot company Albacon Ventures Ltd.	**37.00%**	36.99%
Valery Korotkov through his wholly owned Cypriot company Aluxes Holding Ltd.	**25.99%**	25.99%
MetLife Otwarty Fundusz Emerytalne S.A. (formerly Amplico Powszechne Towarystwo Emerytalne S.A.)	**5.00%**	6.00%
Other shareholders (free float)	**32.01%**	31.02%
	100.00%	100.00%

Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 2.82 % of Astarta Holding N.V. issued shares in equal parts. For movements in equity refer to the consolidated statement of changes in equity.

With respect to the total equity, not all reserves are available for distribution to the shareholders. The restricted reserves, which are not available for distribution to the shareholders, include the following:

- the accumulated gain on revaluation of property, plant and equipment of EUR 115,075 thousand (2013: EUR 80,490 thousand);
- the accumulated gain on revaluation of biological assets of EUR 57,309 thousand (2013: EUR 47,565 thousand);
- the accumulated loss from currency translation adjustment of EUR 182,930 thousand (2013: EUR 59,528 thousand).

In 2014 the Company has purchased 202,993 of own shares for EUR 2,040 thousand at average price per share of UAH 158 or EUR 10. As at 31 December 2014, the Group had 220,057 of treasury shares with total cost of EUR 2,280 thousand (2013: 52,443 shares with cost of EUR 240 thousand). Par value of each share is EUR 0.01.

In the statement of financial position the treasury shares are presented as a deduction from the retained earnings.

6. LOANS AND BORROWINGS

The terms and repayment schedule for loans and borrowings as at 31 December are as follows:

(in thousands of Euros)	Effective interest rate	Nominal i nterest rate	Year of ma-turity	2014	2013
Loans from non-resident banks received in USD	4.60%	Libor+4.50%	2016	**4,730**	6,962
				4,730	6,962

As at 31 December 2014 the Company has a loan due to its subsidiary of EUR 8,582 thousand (2013: EUR 711 thousand). The loan is unsecured and bears interest of 5% p.a.

7. OTHER LIABILITIES AND ACCOUNTS PAYABLE

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

(in thousands of Euros)	2014	2013
Payable to shareholders for pledged shares	**1,135**	983
Interest payable	**9**	13
Other payables	**15**	22
	1,161	1,018

8. OTHER NET EXPENSE

Other net expense for the years ended 31 December is as follows:

(in thousands of Euros)	2014	2013
Payment to shareholders for pledged shares	**2,152**	3,603
Interest expenses	**559**	448
Professional services	**243**	401
Bank commissions and charges	**7**	22
Exchange differences	**767**	(120)
Interest income	**-**	(278)
	3,728	4,076

9. INCOME TAXES

There is no income tax payable for the current year. The Company's cumulative carried forward tax losses are EUR 9.8 million as of 31 December 2014 (2013: EUR 11.4 million). No deferred tax asset has been recognized due to insufficient future taxable income.

10. FINANCIAL INSTRUMENTS BY CATEGORY

Financial instruments as at 31 December are recorded in the financial statements line items as follows:

(in thousands of Euros)	**2014** Loans and receivables	**2013** Loans and receivables
31 December		
Financial assets as per balance sheet		
Other accounts receivable	**12**	20
Cash and cash equivalents	**29**	87
	41	107

	Liabilities at amortized cost	Liabilities at amortized cost
Financial liabilities as per balance sheet		
Loans and borrowings	4,730	6,962
Loan payable to subsidiary	8,582	711
Other liabilities and accounts payable	1,161	1,018
	14,473	8,691

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparties default rates. These relate to a number of existing counterparties for whom there is no recent history of credit problems. No external ratings in respect of other accounts receivable and cash and cash equivalents at bank are available.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December is as follows:

(in thousands of Euros)	2014	2013
Other accounts receivable	**12**	20
Cash and cash equivalents	**29**	87
	41	107

The table below analyses non-derivative financial liabilities excluding interest payments and excluding the impact of netting agreements into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
31 December 2014					
Bank loans	**4,730**	**4,730**	**3,153**	**1,577**	-
Loan payable to subsidiary	**8,582**	**8,582**	-	**8,582**	-
Other accounts payable	**1,161**	**1,161**	**1,161**	-	-
	14,473	**14,473**	**4,314**	**10,159**	-

(in thousands of Euros)	Carrying amount	Contractual cash flows	Less than one year	From one to two years	More than two years
31 December 2013					
Bank loans	6,962	6,962	2,785	2,785	1,392
Loan payable to subsidiary	711	711	-	711	-
Other accounts payable	1,018	1,018	1,018	-	-
	8,691	8,691	3,803	3,496	1,392

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

With respect to variable rate instruments, a change of 100 basis points in interest rates over the reporting period would have increased (decreased) equity and net profit by EUR 65 thousand provided all other variables are held constant.

At 31 December 2014 the Company does not have outstanding guarantees. The fair values of financial instruments approximate their carrying amount

11. NUMBER OF EMPLOYEES AND EMPLOYMENT COSTS

The Company has no employees other than directors. Hence, it did not pay any wages and related social security contributions.

12. COMMITMENTS

As at 31 December 2014 Shareholders Mr. Ivanchyk V.P. and Mr. Korotkov V.M. pledged 2.82 % of Astarta Holding NV issued shares in equal parts to secure bank loans in the amount of EUR 4,730 thousand.

The Company's subsidiaries commitments details are disclosed in the Note 33 of the consolidated financial statements.

13. DIRECTORS

The Company is managed by the Board of Directors which consists of five members: three Executive Directors and two Non-Executive Directors. The composition of the Board of Directors is as follows:

Viktor Ivanchyk	Chief Executive Officer
Petro Rybin	Chief Operating and Financial Officer (till 18 June 2014)
Victor Gladky	Chief Financial Officer (from 18 June 2014)
Marc van Campen	Chief Corporate Officer
Valery Korotkov	Chairman of the Board, Non-Executive Director
Wladyslaw Bartoszewski	Vice Chairman of the Board, Non-Executive Director

During 2014, there were no changes in the rules governing appointment or dismissal of members of the Board of Directors. Pursuant to the Dutch regulation "Disclosure of Remuneration of Board Members Act", the total remuneration of executive and non-executive Board members is specified below:

(in thousands of Euros)

	2014	2013
Viktor Ivanchyk	**155**	273
Petro Rybin	**155**	407
Viktor Gladky	**165**	-
Marc van Campen	**35**	35
Valery Korotkov	**35**	35
Wladyslaw Bartoszewski	**35**	35
	580	785

In 2014 bonuses and part of annual remuneration accrued for Mr. Ivanchyk of EUR 150 thousand (2013: EUR 150 thousand) and EUR 61 thousand were allocated for charity and not included to the table above. Bonuses accrued for Mr. Rybin of EUR 67.5 thousand (2013: EUR 144 thousand) and Mr. Gladky of EUR 67.5 thousand are included into the table above.

The amount due from the Company's Directors as at 31 December 2014 is nil (31 December 2013 is nil).

14. AUDIT FEES

Fees of the Group's auditor are EUR 156 thousand for 2014 (2013: EUR 143.5 thousand). Out of this, EUR 45 thousand relates to "Ernst & Young Accountants" LLP and EUR 111 thousand relate to Ernst & Young Audit Services LLC (2013: EUR 37.5 thousand and EUR 106 thousand, respectively).

Audit fees include the fees of EUR 156 thousand agreed and due to "Ernst & Young" for professional services related to the audit of the Company and its subsidiaries for the relevant year. In 2014, the Group paid to "Ernst & Young" EUR 59 thousand for tax and other non-audit services (2013: EUR 13.4 thousand).

OTHER INFORMATION

Profit allocation and distribution in accordance with articles of association

The corporate Articles of Association lay down the following conditions regarding the appropriation of profit (summary):

Article 24

1. The profits shall be at the disposal of the General Meeting.

2. The Company can only make profit distributions to the extent its equity exceeds the paid and called up capital plus reserves which must be maintained pursuant to the law.

3. Dividend payments may be made only after adoption of the annual accounts which show that such payments are permitted. Dividends shall be payable immediately after they have been declared, unless the General Meeting should fix a different date when adopting the relevant resolution. Shareholders' claims vis-à-vis the Company in respect of the payment of a dividend shall lapse after a period of five years from the point at which they are made payable.

4. With due observance of the provisions of paragraph 2 and provided that the requirements of paragraph 2 are fulfilled as evidenced by the interim balance sheet as mentioned in article 2:105, paragraph 4 Dutch Civil Code (Burgerlijk Wetboek), the General Meeting may adopt a resolution to distribute an interim dividend or to make distributions from a reserve which need not be maintained by law.

Within eight days of the day the payment was announced, the Company must deposit such interim balance sheet with the Trade Register where the Company is registered. If the General Meeting adopts a resolution to that effect, distributions may be made otherwise than in cash.

Proposal for profit allocation

The Board of Directors will propose to the Annual General Meeting of Shareholders to transfer the net loss of EUR 68,061 thousand to retained earnings.

Events subsequent to the reporting date

For events subsequent to the reporting date refer to note 36 of the consolidated financial statements.

Board of Directors of ASTARTA Holding N.V.
9 April 2015,
Amsterdam, the Netherlands

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

Building a better working world

Independent auditor's report

To: the shareholders and board of directors of ASTARTA Holding NV

Report on the audit of the financial statements 2014

Our opinion

We have audited the financial statements 2014 of ASTARTA Holding NV (the company), based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The consolidated financial statements give a true and fair view of the financial position of ASTARTA Holding NV as at 31 December 2014 and of its result and its cash flows for 2014 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.
- The company financial statements give a true and fair view of the financial position of ASTARTA Holding NV as at 31 December 2014 and of its result for 2014 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2014.
- The following statements for 2014: consolidated statements of profit and loss and other comprehensive income, changes in equity and cash flows.
- The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- The company balance sheet as at 31 December 2014.
- The company profit and loss account for 2014.
- The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of ASTARTA Holding NV in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgment we determined the materiality for the financial statements as a whole at UAH 14.0 million (€ 0.888 million). The materiality is based on 2% of EBITDA which we considered to be an appropriate basis for determining overall materiality. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of UAH 0.7 million (€ 0.044 million), which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

ASTARTA Holding NV is head of a group of entities. The financial information of this group is included in the consolidated financial statements of ASTARTA Holding NV.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Of ASTARTA's group entities, we identified 3 which, in our view, required an audit of their complete financial information, either due to their overall size or their risk characteristics. Specific audit procedures on certain balances and transactions were performed on a further 14 reporting units. These 17 group entities represented 96% of consolidated revenue and 95% of consolidated assets.

As all group entities in scope for the audit, except for one intermediate holding company, are based in Ukraine, EY Kiev has performed the vast majority of the group audit work. We have used the work of EY Kiev and have determined the level of involvement we needed to have in the audit work of the respective group entities. Together with additional procedures at group level, we have been able to conclude that we have obtained sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements.

We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going concern assumption, financing and covenants

The economic, financial and exchange rate developments in Ukraine have effect on the company and its operations. The availability of sufficient funding and the testing of whether the company will be able to meet its respective financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit.

The going concern assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates are inherently subjective and are influenced by elements such as estimated future cash flows, forecasted results and margins from operations. These estimates are among others based on expectations regarding future developments in the economy, currency exchange rates, commodity prices and the agricultural market. As part of this assessment we have also taken notice of the breach of the financing covenants as per 31 March 2015, the waivers received from certain banks and the intent expressed by the banks, that have not issued such waivers yet, not to disengage from the Company.

We have used our internal experts in evaluating the assumptions and forecasts made by management in the 2015 Budget and the Financial Model for 2016-2019. We have specifically paid attention to the estimates made with respect to revenues, results and cash flows in order to assess the company's ability to continue to meeting its payment obligations in the year ahead, as well as the appropriateness of the classifications of the respective bank loans as current and non-current respectively.

For information on the going concern assumption, the financing requirements and related covenants, see note 1(b), 2(b), 2(k), 19 and 32(e) of the financial statements.

Valuation of property, plant and equipment

The company applies the revaluation model for accounting of property, plant and equipment. As the last revaluation was performed in 2013, the UAH significantly devaluated in 2014 and considering other significant developments in the Ukrainian economy in 2014, management decided to perform an independent appraisal of the fair value of the property, plant and equipment as per 31 December 2014.

The fair value appraisal was significant for our audit, since the appraisal process is complex, subjective and is based on assumptions. As a result, our audit procedures included a critical assessment of the assumptions and methods used by the company. In doing so we also made use of the work of our valuation experts. The principal assumptions included in our audit are those regarding the discount rate, operational margins and capital expenditures level.

We also focused on the identification of cash generating units and on the company's disclosures on the assumptions that have the most significant effect on the determination of the recoverable amount of its assets. In doing so, we tested whether these disclosures are adequate and provide sufficient insight into the choice of the assumptions and their sensitivity to the valuation.

The company provides details on the valuation of property, plant and equipment in note 9 to the financial statements.

Valuation of biological assets

Biological assets are carried at their fair value less estimated costs to sell or, when the fair value cannot be measured reliably, at cost less accumulated depreciation and accumulated impairment losses. Due to the absence of an active market, the fair value of biological assets is estimated by present valuing the net cash flows expected to be generated from the assets discounted at a current market-determined rate. The assets fair value of biological is determined by the Group's own agricultural experts.

The fair value determination was significant for our audit, since the estimation process is complex and highly subjective and is based on assumptions. As a result, our audit procedures included a critical assessment of the assumptions and methods used by the company. The principal assumptions included in our audit are those regarding the discount rate, the expected costs of production, yields of crops and sales prices.

The company provides details on the valuation of biological assets in note 11 to the financial statements.

Responsibilities of management and the board of directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The board of directors is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements

Report on the board of director's report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the board of director's report and other information):

- We have no deficiencies to report as a result of our examination whether the board of director's report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the board of director's report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged by the board of directors as auditor of ASTARTA Holding NV on 12 November 2009 as of the audit for 2009 and have operated as statutory auditor since that date.

Amsterdam, 9 April 2015
Ernst & Young Accountants LLP

signed by G.A. Arnold

Astarta Holding N.V.

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