



ASTARTA Monthly

No. 74. December 07, 2012 Shareholders corporate newsletter*

Contents

Corporate News	2
<i>ASTARTA published interim report for the nine months of 2012</i>	<i>2</i>
<i>ASTARTA successfully continues sugar production campaign</i>	<i>3</i>
Sector's & Economic News.....	4
<i>Goldman Sachs warning of "uncertainty" which could spark a bout of volatility in crop markets</i>	<i>4</i>
<i>Moratorium on sale of agricultural land in Ukraine extended until 2016.....</i>	<i>4</i>
<i>Ukrainian agricultural producers continue to keep high grain export rates.....</i>	<i>5</i>
<i>Chinese soyabean expected to fall in 2012.....</i>	<i>5</i>
ASTARTA in Figures.....	6
<i>Quotation information for the period 1-30 November 2012</i>	<i>6</i>
Quotes of Sugar and Food Companies	8
<i>European Stock Exchanges.....</i>	<i>8</i>
Agricultural and sugar prices.....	9

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Corporate News

ASTARTA published interim report for the nine months of 2012

For the nine months of 2012 revenues grew 26% to EUR 235 million, EBITDA increased 6% to EUR 115 million, and net profit corrected 10% to EUR 84 million. ASTARTA substantially increased sales of the key products: volumes of crop sales grew by 60%, sugar by 54%, and milk by 33%. Exports grew five-fold, thus increasing its share in consolidated revenues to 26%.

Currently, the Group's subsidiaries are finishing the harvest of technical crops. Winter crops are successfully planted on 51 thousand hectares and are reported to be in good condition. Soil preparation for sowing sugar beet and other crops in spring 2013 is well on track.

Modern agri-technologies applied on our fields favour increase of yields of beet and sugar content. We expect that harvest of sugar beet in ASTARTA's farms will reach a record 2.5 million tonnes this year. According to our estimates, processing of our own sugar beet and those supplied by local farmers will secure approximately 400 thousand tonnes of white sugar. As a result of modernization and improvements in technology at ASTARTA plants, natural gas consumption per tonne of processed sugar beet decreased 7% and the total daily production capacity of the plants increased 6%.

Cattle farming segment of ASTARTA demonstrates the strong dynamics. For the nine months of 2012, farms produced 64 thousand tonnes of milk (+28% y-o-y). In order to accelerate growth in the cattle farming, we started construction of a heifer-breeding complex for 5,000 heads. When it becomes fully operational, it shall advance the milking herd's development and help to further increase milk yields.

Comments of Viktor Ivanchyk, CEO:

"Currently, we concentrate our efforts on the successful completion of this production season and the further development of ASTARTA' industrial assets. A 50-kiloton modern sugar silo was commissioned in the beginning of November. We complete the construction of a biogas station at one of our sugar plants. Likewise the construction of a soybean processing plant is well on schedule.

Profitability of the Group for the reporting period was influenced by low sugar prices in Ukraine following overproduction in 2011. However, diversified nature of our business, in particular contribution from growing sales of grains and oilseeds, and high quality milk strongly supported the financial performance. Looking forward, we expect that the Ukrainian sugar market should gradually recover; a strong export demand for grains and oilseeds will be in place; and a lasting development potential for the high quality milk segment will reinforce".

Full version of the report is available via the link:
http://astartakiev.com/en/for_investors/financial-results.htm

ASTARTA successfully continues sugar production campaign

As of the beginning of December 2012 ASTARTA produced 345 thousand tonnes of sugar implying for almost 19% of total production in Ukraine.

Due to implementation of modern agricultural technologies and use of up-to-date agricultural equipment yields of sugar beet on ASTARTA's fields increased by 8% providing for sufficient level of own sugar beet in total processing volume of around 80%. The rest of sugar beet is supplied by local farmers.

In order to be more self-sufficient in storage capacities in November ASTARTA commissioned a 50-kiloton sugar silo storage in Poltava region, the first of its kind in Ukraine. This facility will allow diversification in sugar packaging and logistics, and secure substantial savings.

Sector's & Economic News

Goldman Sachs warning of "uncertainty" which could spark a bout of volatility in crop markets

Goldman Sachs, warning of "uncertainty" which could spark a bout of volatility in crop markets, remained upbeat on corn, soybean and wheat futures, even as it cut price forecasts.

The bank ditched expectations of Chicago corn prices returning to \$9 a bushel, on a quarter-average basis, and wheat rebounding to \$10 a bushel.

And it slashed by up to \$2.25 a bushel its forecast for soybean futures, saying that while "the US and global soybean markets remain in deficit... risks of critically tight soybean inventories continue to fade quickly".

The comments follow an upgrade by the US Department of Agriculture to its estimate for the domestic soybean harvest, pegging it at 2.97bn bushels, some 80m bushels higher than analysts had expected.

Nonetheless, Goldman's estimate for soybean prices on a three-month horizon was, at \$16.50 a bushel, higher than the \$14.14 a bushel that Chicago futures, for March.

This reflected in part a question mark over the US estimate, with Goldman analyst Damien Courvalin noting that the "very large" pod weights used by the USDA in its forecasts "remain surprising given the severity of the US drought" this summer, the worst since 1956.

However, Mr Courvalin also flagged the potential yet for weather to upset South American crops during the critical December-to-February window.

"While weather conditions have started to improve, we believe risks to expectations of record large production and very early harvest remain high," he said.

Indeed, sowing slowdowns caused by poor weather in South America suggest that "February exports could be limited" from the region, keeping demand for US shipments high in an early-2013 period which represents "the key to soybean prices".

"With the size of the US soybean crop now nearly final, we expect focus to then shift to the strong weekly US soybean export inspections and in turn push soybean prices higher."

[Agrimoney](#)

Moratorium on sale of agricultural land in Ukraine extended until 2016

The Verkhovna Rada, Ukraine's parliament, has passed a law extending a moratorium on the sale of agricultural land until January 1, 2016.

A total of 269 MPs voted for such a decision on November 20.

In particular, the law introducing amendments to the Land Code of Ukraine (regarding the circulation of agricultural land) says that before it comes into force, the law on the circulation of agricultural land, but not earlier than January 1, 2016, prohibits the inclusion of the right to a land plot in the charter capital of commercial companies.

The document also contains a provision banning, until January 1, 2016, the sale and purchase of state- and municipally-owned agricultural land, except for its withdrawal (purchase) for public use, as well as the purchase or sale or disposal of land and a change in the purpose (use) of land plots that are owned by individuals and legal entities engaged in commercial agriculture, as well as land allocated in situ to the owners of land plots for subsidiary farming.

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4

Ukrainian agricultural producers continue to keep high grain export rates.

As of November 26, agrarian workers supplied 11.5 million tons of grain to foreign markets. Now, 5.4 million tons of wheat was exported, as well as 4.1 million tons of corn and 1.7 million tons of barley.

This statistics was cited by Agrarian Policy and Food Minister Mykola Prysiashniuk, the ministry's press service told UKRINFORM.

“We see that important tasks are set to Ukraine, as one of leading grain exporters. Since, due to difficult natural-climatic conditions and the poor yield in many countries, the situation on the world grain market still remains rather difficult. Ukrainian agrarian workers took high rates of grain export since the beginning of the new marketing year and continue to successfully fulfill their foreign obligations. In particular, as of November 26, agricultural producers exported 11.5 million tons of grain. This is a rather tangible figure,” the official said.

According to him, now there are 1.1 million tons of grain crops at port elevators, another 206,000 tons were loaded on ships. Therefore, the volumes of exported and prepared for exports grain crops reach 12.8 million tons.

UKRINFORM

Chinese soyabean expected to fall in 2012

China is expected to have produced 12.8m tonnes of soyabeans in 2012, down 11.6% from the previous year, with the planting area falling for the third year in a row, a government think-tank said on Monday.

As China focuses on boosting output of maize, wheat and rice, it has become increasingly dependent on foreign soya supplies, and now buys 60% of globally traded soyabeans. Imports are expected to reach a record 57.5m tonnes this year.

UkrAgroConsult

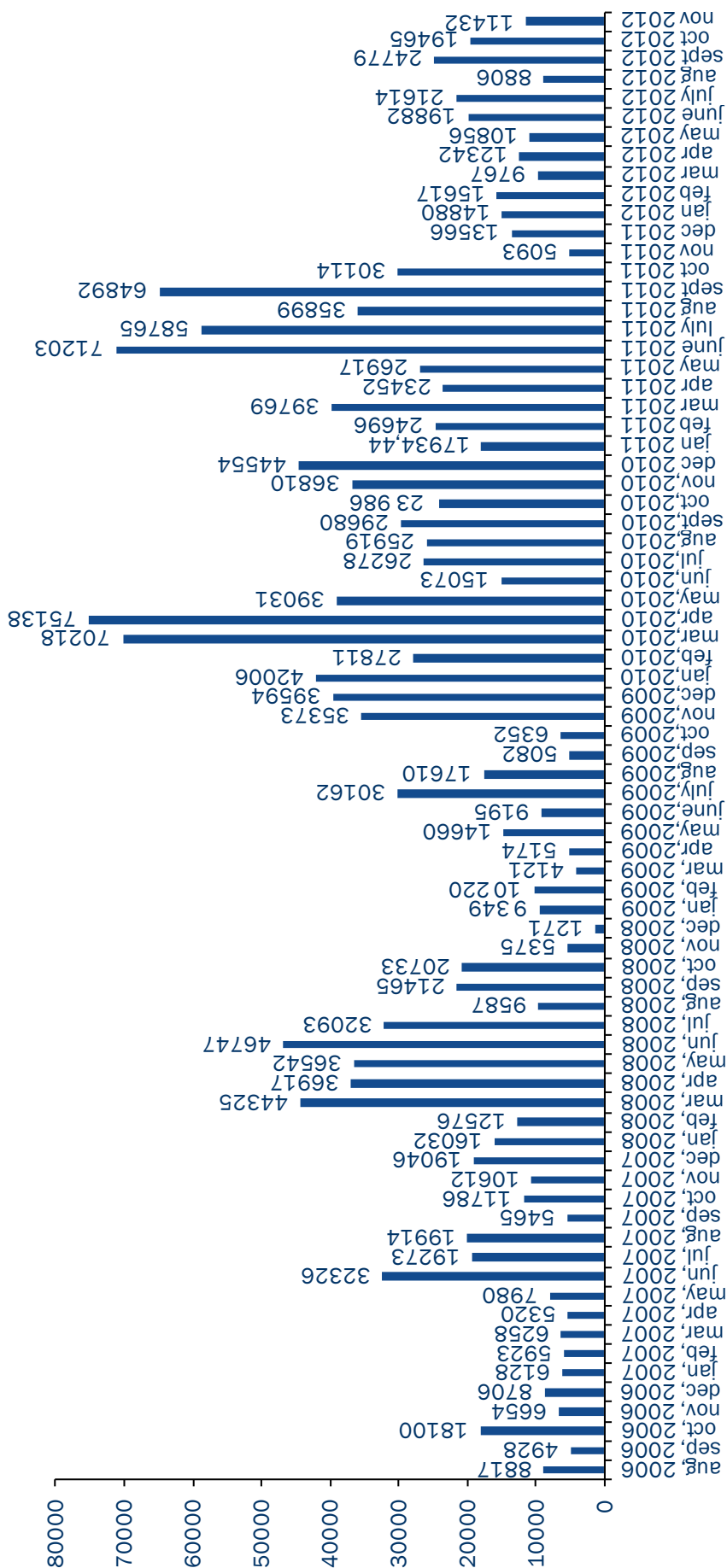
ASTARTA in Figures

Quotation information for the period 1-30 November 2012

Trading session results AST as of 30.11.2012

Last Trade	60.0
Last Change	+1.0%
Day's Range	58.0 – 61.2 PLN
1 Month Range / Change	55.60 – 64.90 PLN/-7.72%
Turnover (1 month)	11 431 988 PLN/544 380 shares
Avg. Day Turnover (1 month)	193 551/9 217 shares
Avg. Price (1 month)	59.06
Market Cap. 30.11.2012	1 500 000 000 PLN/ 475 059 382 USD
Number of trade sessions	21
Transactions from 01.11.2012 - 30.11.2012	1111
Avg. Transactions for session	53
20-Day Moving Average AST	60.03
100-Day Moving Average AST	63.98
200-Day Moving Average AST	61.73

Monthly turnover, 17/08/2006-30/11/2012, '000 PLN



Quotes of Sugar and Food Companies

European Stock Exchanges

Name	31.10.2012	30.11.2012	Change. %
TATE & LYLE	7.26	7.73	6.5%
AGRANA BETEILIGUNGS	93.00	95.00	2.2%
SUEDZUCKER	29.82	30.31	1.6%
GREENCORE GROUP	1.07	1.12	4.7%
INDYKPOL	39.85	37.99	-4.7%
COLIAN SA	2.11	2.05	-2.8%
KRUSZWICA	26.00	28.30	8.8%
MIESZKO	3.86	3.91	1.3%
DUDA	0.41	0.42	2.4%
KERNEL	66.80	68.00	1.8%
AGROTON	11.00	10.39	-5.5%
MILKILAND	16.61	15.02	-9.6%
IMC	16.70	13.75	-17.7%
KSG Agro	12.59	10.90	-13.4%
OVOSTAR	96.00	83.15	-13.4%

Agricultural and sugar prices

White sugar		
	Ukraine EXW. UAH per ton	LIFFE (FOB. futures). USD per ton
31 October 12	5100	541.8
30 November 12	4900	516.1
Raw sugar		
	NYBOT (FOB. futures) USD per ton	
31 October 12	429.0	
30 November 12	426.4	
Wheat		
	Ukraine CPT. UAH per ton	Hungary. USD per ton
31 October 12	2380	306
30 November 12	2400	310
Feed barley		
	Ukraine CPT. UAH per ton	France, FOB. USD per ton
31 October 12	2250	317
30 November 12	2300	320
Sunflower		
	Ukraine CPT. UAH per ton	Argentina FOB. USD per ton
31 October 12	4450	630
30 November 12	4730	610
Corn		
	Ukraine CPT. UAH per ton	Hungary. USD per ton
31 October 12	2190	308
30 November 12	2250	310
Soybeans		
	Ukraine CPT. UAH per ton	CBOT (EXW. futures). USD per ton
31 October 12	4550	561
30 November 12	4400	320

Source: agriagency.com.ua, isco-i.ru.futuresource.com, apk-inform.com, proagro.com.ua

NBU exchange rate:

31.10.12: 1 USD = 7,99 UAH

30.11.12: 1 USD = 7,99 UAH