

NOTES TO THE INCOME STATEMENT as of December 31, 2008

NOTE 1 – SALES INCOME	
Company presented the amount of RSD 19,050,687 thousand. The stated amount includes:	
- Income from sale of merchandise	RSD 11,040,577 thousand
<p>Most significant income from sale of merchandise was achieved in two ways:</p> <p>1. Delivery and invoicing of seeds, mineral fertilizers and pesticides and other material to farmers.</p> <p>Company's business policy is continuous contracting and investing in production of oil plants through advance deliveries of seeds and intermediaries (mineral fertilizers, pesticides, fuel) to farmers. Company invoices the goods delivered for oil plants production and presents the relevant revenues as 'Income from Merchandise'; in the same time it presents in the Balance Statement trade receivables from farmers which are settled by delivery of raw materials. In this manner, Company secures 40-50% of raw materials required for annual production through financing in advance.</p>	
<p>2. Procurement of oil plants required for processing within the Related Party – the Company "Victoria Oil" AD Sid.</p> <p>Sojaprotein's Department of Raw Materials is contracting and buying-up oil plants necessary for the "Victoria Oil" AD Sid operations aimed to lessen costs and achieve more efficient procurement of raw materials. Sojaprotein sold and invoiced the entire volume of sunflower and rape to the company "Victoria Oil" and represented the relevant revenues as 'Income from Merchandise'.</p> <p>Contracting of oil plants, investing in agricultural production through advanced investing through supply of seeds and intermediaries and procurement and buy-up of agricultural products were transferred to the Company "Victoria Logistics" DOO Novi Sad during the first quarter of 2009 as a part of performed reorganization and the logistics function pooling with respect to the procurement of raw materials, transport and storing of goods required for operations of the members of Victoria Group.</p>	
- Income from sale of own products	RSD 8,010,109 thousand
Major income were achieved in sale of soybean meal and amounted to RSD 4,271,557 thousand, followed by income from sale of crude soybean oil of RSD 2,077,341 thousand and other income was gained by sale of textures, flour, lecithin, fish fodder and other soybean products.	
NOTE 2 – INCREASE OF VALUE OF STOCKS OF FINISHED PRODUCTS	

<p>Company presented increase of stocks of finished products as of December 31, 2008 in amount of RSD 75,003 thousand as compared to the balance as of December 31, 2007.</p> <p>Crude soybean oil and soybean meal showed the highest increase of stocks. Natural increase of crude soybean oil stocks was 971,556 kg, i.e. amounted to RSD 20,746 thousand. The value is carried at the cost of these products whereas the respective sales prices are significantly higher.</p>	
NOTE 3 – OTHER OPERATING INCOME	
<p>Other operating income amounted to RSD 69,270 thousand and they included revenues gained from:</p> <ul style="list-style-type: none"> - export incentives in amount of RSD 60,810 thousand - rent in amount of RSD 8,281 thousand, and - other operating income in amount of RSD 179 thousand 	
NOTE 4 – COST OF GOODS SOLD	
<p>In the Income Statement, Company presented the amount of RSD 10,304,463 thousand as the cost of merchandise sold.</p> <p>These costs included costs for intermediaries procured and supplied to the farmers. Major share related to mineral fertilizers and amounted to RSD 3,450,984 thousand, whereas cost of seeds amounted to RSD 673,706 thousand (of which RSD 493,242 thousand for the soybean seed); protective chemical agents amounted to RSD 191,930 thousand. Cost of other commercial goods amounted to RSD 5,987,843 thousand of which the major share relates to sunflower in amount of RSD 3,862,813 thousand and rape of RSD 529,691 and the crude and refined sunflower oil in amount of RSD 878,097 thousand.</p>	
NOTE 5 – MATERIAL COSTS	
<p>Company presented the amount of RSD 6,055,142 thousand in its Income Statement. Cost of basic raw material (soybean grain) included in the sum mentioned above was RSD 5,180,923 thousand. Cost of all materials was carried at the mean cost.</p>	RSD 6,055,142 thousand
NOTE 6 – OTHER OPERATING COSTS	
<p>Company presented other operating costs in amount of RSD 375,393 thousand. Structure of these costs is as follows:</p>	
- Maintenance services cost	RSD 52,495 thousand
<p>Major share of these costs relates to maintenance of building facilities and equipment in amount of RSD 26,930 thousand, and maintenance of the Information System including licenses in amount of RSD 7,552 thousand.</p>	
- Costs of services in the course of finished products manufacturing	RSD 7,278 thousand
- Transportation costs	RSD 35,575 thousand
<p>Major share of transportation costs related to the costs of transportation of finished products in the country and abroad.</p>	

- Costs of other services	RSD 72,205 thousand
- Costs of non-productive services	RSD 31,092 thousand
- Costs of payment transactions, commissions and bank fees	RSD 86,073 thousand
- Other costs	RSD 90,675 thousand
NOTE 7 – FINANCIAL INCOME	
Company presented the amount of RSD 1,102,071 thousand in its Income Statement. The major share relates to the exchange currency gains amounting to RSD 819,061 thousand.	
NOTE 8 – FINANCIAL COSTS	
Company presented the amount of RSD 2,531,391 thousand in its Income Statement. Most significant costs relate to:	
- Interest on credits	RSD 368,936 thousand
- Exchange currency losses	RSD 1,998,858 thousand
NOTE 9 – OTHER INCOME	
Company presented the amount of RSD 20,596 thousand in its Income Statement.	
Other income included income from disposal of fixed assets in amount of RSD 4,929 thousand; disposal of material in amount of RSD 4,274 thousand; income from collected claimed receivables in amount of RSD 10,657 thousand, and other income in amount of RSD 736 thousand.	
NOTE 10 - OTHER EXPENSES	
Company presented the amount of RSD 114,410 thousand in its Income Statement. Most significant item were:	
- Impairment of receivables	RSD 57,623 thousand
- Silo and transport spoilage, better quality	RSD 50,140 thousand
NOTE 11 – PROFIT BEFORE TAX	
In the business year 2008, profit before tax gained as difference between the total income and total expenses amounted to RSD 418,530 thousand.	
NOTE 12 – TAX COSTS FOR THE PERIOD AND DEFERRED TAX GAIN FOR THE PERIOD	
Tax costs of the period amounted to RSD 24,593 thousand and the deferred tax gains of the period, calculated in accordance with IAS 12, amounted to RSD 13,166 thousand. Considering the presented data the effective tax rate is 2.73%.	
Data related to the operations in 2008 are as follows:	

Total income	RSD 20,319,608 thousand
Total costs and expenses	RSD 19,901,078 thousand
Gross profit	RSD 418,530 thousand
Profit tax	RSD 24,593 thousand
Deferred tax assets	RSD 13,166 thousand
Net profit	RSD 407,103 thousand
NOTE 13 – EARNINGS PER SHARE	
Value of earnings per share was calculated on the basis of realized net profit divided with the weighted number of shares and amounted to RSD 75.79 in 2008. Earnings per share for the same period of 2007 was calculated on the basis of reconciled new average number of weighted shares amounted to RSD 268.00	

Becej, this Feruary 28, 2008

LEGAL REPRESENTATIVE

Pavlovic Branislava